



Idaho Division of Financial Management
Executive Office of the Governor

Idaho General Fund Revenue Report



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The Idaho Division of Financial Management presents its revised FY 2013 General Fund revenue forecast in this issue of the *Idaho General Fund Revenue Report*. It replaces the previous FY 2013 forecast that was published in the *General Fund Revenue Book, FY 2013*. In that forecast, it was projected that Idaho's General Fund revenue would be \$2,700.3 million. It has been lowered to \$2,670.7 million in the revised forecast. This represents a 3.2% increase from FY 2012's \$2,587.7 million.

Individual income tax collections are expected to grow 3.0% in FY 2013 to \$1,242.1 million, which is \$52.9 million lower than in the previous forecast. The corporate income tax is anticipated to rise 1.7% this fiscal year to \$190.1 million, which is slightly above the \$182.8 million forecast in January 2012. The sales tax is projected to contribute \$1,090.6 million to the General Fund, an increase of 6.2% over FY 2012 and \$7.9 million more than was previously forecast for FY 2013. Product taxes should add \$48.6 million to the General Fund in FY 2013 and miscellaneous revenue should contribute another \$99.3 million.

The major difference between the current and previous FY 2013 General Fund revenue projections is the current forecast includes the impacts of law changes that were passed this spring while the previous forecast does not. Of the law changes, House Bill 563 has the largest impact on the state's revenue stream. This bill reduced the highest rates on both the individual and corporate income taxes to 7.4%. Prior to this law's enactment, the top individual income tax rate was 7.8% and the corporate rate was a flat

7.6%. Two other law changes that will impact the General Fund have been incorporated into the current forecast. House Bill 450 redirects approximately \$1.6 million in alcohol license fees from the General Fund to the Idaho State Police. The amount of the cigarette tax deposited into the General Fund has been increased to pay for the higher School Bond Levy Equalization included in Senate Bill 1410. In addition to the law changes, the revised forecast also reflects changes to the national and Idaho economic outlooks since the previous forecast was released.

The General Fund received \$222.8 million in July 2012, which was \$3.4 million (1.5%) less than had been anticipated. All but one revenue category came in below expectations. The individual income tax was \$1.1 million under its target of \$92.6 million. The corporate income tax of \$5.2 million was short of its forecast by about \$1.0 million. The sales tax category missed its mark by \$2.4 million, \$98.7 million compared to the expected \$101.1 million. Product taxes totaled \$8.5 million, which was \$0.1 million less than the predicted amount. Miscellaneous revenue was the only category that topped its forecast. It came in at \$18.9 million, which was \$1.1 million more than expected.

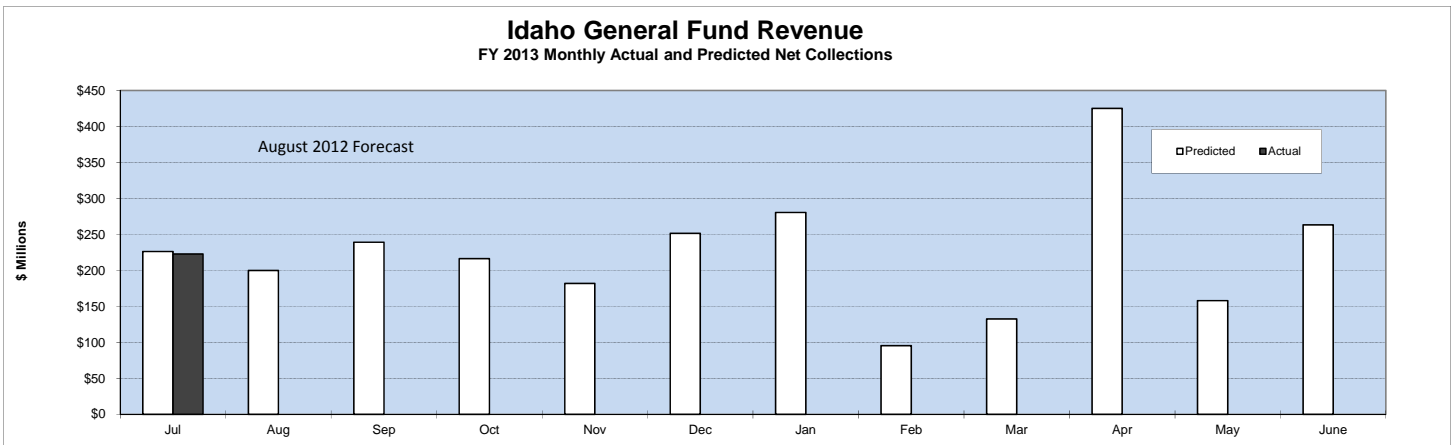
Individual income tax filing collections of \$6.9 million in July 2012 were \$0.7 million above the projected \$6.2 million. However, this amount was more than offset by lower-than-forecasted withholding collections and higher-than-anticipated refunds. Withholding collections for July 2012 were \$1.2 million low, \$89.9 million versus \$91.1 million. Refunds, however,

exceeded its forecast; at \$4.7 million they were \$0.3 million higher than had been anticipated.

Both corporate income tax revenue components, filing collections and quarterly payments, came in below their targets. Filing collections were \$0.8 million, which were far below the forecasted \$2.6 million. Estimated payments were \$5.5 million, which was \$1.4 million below the forecasted amount. Fortunately, refunds were also low this month, coming in at \$0.7 million instead of the projected \$3.0 million. As a result, the total corporate income tax collections were off by \$1.0 million in July 2012.

Gross sales tax collections for July 2012 were \$116.0 million. After subtracting refunds, net sales tax revenue was \$115.7 million, which is a 2.5% increase from the previous July. The General Fund's portion was \$98.7 million, which was \$2.4 million below the \$101.1 million projected for the month.

Product tax collections were \$0.1 million below this month's forecast because tobacco taxes came in lower than expected. Miscellaneous revenues benefited from a \$1.9 million transfer from the Idaho Attorney General's Office and insurance premium taxes were \$1.3 million more than expected. Overall, total miscellaneous revenues of \$18.9 million topped its target by \$1.1 million in July 2012.



Idaho General Fund Collections for July 2012

MONTHLY ACTUAL AND PREDICTED COLLECTIONS FOR JULY					
	<i>Actual FY 2011</i>	<i>Actual FY 2012</i>	<i>Actual FY 2013</i>	<i>Predicted FY 2013</i>	<i>Forecast Performance FY 2013</i>
					<i>(Actual versus Predicted)</i>
Individual Income Tax (\$000)	\$85,746.6	\$91,537.2	\$91,482.6	\$92,552.4	Difference (\$1,069.8)
Percent Change from Previous Year	3.5%	6.8%	-0.1%	1.1%	Percent -1.2%
Corporate Income Tax (\$000)	\$6,396.3	\$5,606.3	\$5,244.6	\$6,250.1	Difference (\$1,005.6)
Percent Change from Previous Year	49.0%	-12.4%	-6.5%	11.5%	Percent -16.1%
Sales Tax (\$000)	\$90,547.1	\$94,903.7	\$98,677.2	\$101,065.2	Difference (\$2,388.0)
Percent Change from Previous Year	-0.1%	4.8%	4.0%	6.5%	Percent -2.4%
Product Tax (\$000)	\$3,246.9	\$3,100.0	\$8,491.2	\$8,560.6	Difference (\$69.4)
Percent Change from Previous Year	0.9%	-4.5%	173.9%	176.1%	Percent -0.8%
Miscellaneous Revenue (\$000)	\$16,047.3	\$17,528.1	\$18,883.7	\$17,791.3	Difference \$1,092.4
Percent Change from Previous Year	-11.4%	9.2%	7.7%	1.5%	Percent 6.1%
Total (\$000)	\$201,984.2	\$212,675.2	\$222,779.2	\$226,219.6	Difference (\$3,440.4)
Percent Change from Previous Year	1.4%	5.3%	4.8%	6.4%	Percent -1.5%

FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH JULY					
	<i>Actual FY 2011</i>	<i>Actual FY 2012</i>	<i>Actual FY 2013</i>	<i>Predicted FY 2013</i>	<i>Forecast Performance FY 2013</i>
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