
HOUSE FISCAL ADVISORY STAFF

TO: House Finance Committee
 FROM: Sharon Reynolds Ferland
 RE: Fiscal Year Collections to Date
 DATE February 5, 2010

Revenue collections reported for FY 2010 through January are \$5.2 million below House Fiscal Staff estimates for the period; tax revenues are \$2.1 million ahead. The Staff estimates are based upon the revisions to the FY 2010 enacted estimates made at the November Revenue Estimating Conference. The Conference lowered the enacted estimates by \$130.5 million to \$2,946.4 million shown in the *Fiscal Year Est.* column.

| FY 2010 Revenues through January | FY 2010 Est. | Y-T-D Estimate | Y-T-D Actual | + /- Y-T-D Estimate |
|---|---------------------|---------------------------|-------------------------|--------------------------------|
| Personal Income Tax | \$ 919.2 | \$ 586.0 | \$ 566.2 | \$ (19.7) |
| <i>Estimated Filings</i> | 184.5 | 117.2 | 95.6 | (21.6) |
| <i>Final Payments</i> | 177.2 | 31.5 | 46.6 | 15.2 |
| <i>Refunds</i> | (295.0) | (55.7) | (82.8) | (27.1) |
| <i>Withholding</i> | 854.0 | 493.0 | 506.8 | 13.8 |
| <i>Accrual</i> | (1.5) | - | - | - |
| Business Corporations | 94.1 | 22.0 | 20.2 | (1.8) |
| Public Utilities Gross Earnings | 120.0 | 3.2 | 6.2 | 3.0 |
| Financial Institutions | 2.0 | 0.8 | 2.6 | 1.9 |
| Insurance Companies | 80.0 | 0.4 | 1.9 | 1.5 |
| Bank Deposits | 1.8 | 0.1 | 0.2 | 0.1 |
| Health Care Provider Assessments | 34.9 | 21.0 | 24.5 | 3.5 |
| Sales and Use** | 751.0 | 460.6 | 473.1 | 12.6 |
| Motor Vehicle | 48.6 | 18.8 | 19.4 | 0.6 |
| Motor Fuel | 1.0 | 0.5 | 0.4 | (0.1) |
| Cigarettes | 140.3 | 84.3 | 83.2 | (1.1) |
| Alcohol | 11.0 | 6.7 | 6.8 | 0.1 |
| Inheritance and Gift | 26.4 | 15.6 | 17.3 | 1.8 |
| Racing and Athletics | 2.0 | 1.2 | 0.9 | (0.3) |
| Realty Transfer | 6.5 | 4.2 | 4.4 | 0.1 |
| Total Taxes | \$ 2,238.8 | \$ 1,225.3 | \$ 1,227.4 | \$ 2.1 |
| Departmental Receipts | 342.0 | 230.3 | 226.3 | (4.0) |
| Gas Tax Transfer | - | - | 0.3 | 0.3 |
| Other Miscellaneous | 8.5 | 0.1 | 0.1 | - |
| Lottery* | 351.9 | 171.2 | 167.6 | (3.6) |
| <i>Games</i> | 60.0 | 29.9 | 27.9 | (2.0) |
| <i>Video Lottery</i> | 291.9 | 141.3 | 139.6 | (1.7) |
| Unclaimed Property | 5.2 | - | - | - |
| Total General Revenue: | \$ 2,946.4 | \$ 1,626.9 | \$ 1,621.7 | \$ (5.2) |

*Lottery transfers lag by one month. **Adjusted for estimated impact of Cash for Clunkers.

Income taxes are \$19.7 million below estimated largely due to greater refunds. Income tax withholding, along with sales taxes, generally reflect current economic activity. Withholding receipts are \$13.8 million above estimated and sales tax revenues are \$12.6 million above, when adjusted for the staff estimate of the impact of the Cash for Clunkers program. The estimators lowered the sales tax estimate in November by \$64.0 million based upon collection patterns to date and economic projections for the balance of the fiscal year.

General business taxes are \$8.2 million ahead, with all but corporate income taxes tracking ahead of estimates. All other taxes are \$1.1 million ahead. Departmental receipts are \$4.0 million below, likely from the treatment of statewide student transportation expenses as restricted receipts, consistent with the Governor's revised budget recommendation, but contrary to the current law estimate.

Lottery revenues continue to lag estimates; they are \$3.6 million below through December consisting of \$2.0 million behind for games and keno and \$1.7 million below for VLTs.

A Note about the Table

The *Fiscal Year Est.* column contains the revised FY 2010 estimates from the November 2009 Revenue Estimating Conference. House Fiscal Staff prepares the estimates in the *Y-T-D Estimate* column on the basis of prior year collection patterns applied to the *Fiscal Year Est.* estimate ("spreads"). The patterns are generally the average of the prior five years. *Y-T-D* means Year-to-Date, and is the revenues reported from the beginning of the fiscal year to the current month shown in the top left corner of the table.

The *Y-T-D Actual* column shows the cumulative general revenue collections from the beginning of FY 2010, with any adjustments shown in the footnote to the table. The +/- *Y-T-D Estimate* column shows the difference between the *Estimate* and *Actual* columns.

It is important to note that while the Revenue Estimating Conference estimates the total collections by source, the spreads are prepared by the House Fiscal Staff, and are not part of the official revenue estimate.

cc: Speaker Murphy, Majority Leader Fox, Minority Leader Watson, State Budget Officer