



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

Volume 39, Number 11
May 2019

Revised General Revenue Collections for May 2019 (Sales Tax Data Reported is Unaudited)

Reported General Revenue (GR) collections for May 2019 were \$148.4 M (5.0%) over the estimates adopted by the General Revenue Estimating Conference (GR REC) on March 14, 2019; however, the majority of the overage (88.5%) is related to Corporate Income Tax and is expected to be returned as refunds to taxpayers in accordance with the provisions of HB 7093 passed during the 2018 Session. Excluding Corporate Income Tax, collections were only \$17.1 M (0.6%) over estimate for the month.

After making adjustments to total Sales Tax collections for local taxes and distributions, audits, bad checks, and transfers to Sales Tax from the Communications Services Tax (CST), Sales Tax GR was \$8.1 M (0.4%) over estimate for the month. Final Sales Tax Liability, the sum of all Sales Tax components (detailed below), was over estimate for the month by \$117.6 M (5.0%). The large variance between Final Sales Tax Liability and Sales Tax GR is primarily caused by a reporting issue related to estimated payments.

Five of the six Sales Tax components were over estimate for the month of May, including Consumer Nondurables (over by \$72.5 M or 11.2%); Business (over by \$30.8 M or 6.7%); Automobiles (over by \$13.5 M or 3.4%); Building (over by \$2.9 M or 1.9%); and Tourism (over by \$0.5 M or 0.1%). The Other Durables component was under estimate for the month by \$2.6 M or 1.9%. Note that this Sales Tax report largely reflects activity that occurred in April.

In addition to Sales Tax GR, there were 12 other GR sources that were over estimate for the month. The largest surplus was in Corporate Income Tax (over by \$131.3 M or 63.7%). As mentioned above, these dollars are expected to be returned as refunds to taxpayers in the upcoming year. Insurance Taxes were over estimate by \$25.3 M (13.8%), with both Insurance Premium Tax and Surplus Lines coming in over estimate by \$14.0 M and \$11.3 M, respectively. Both Documentary Stamp Tax GR and Intangibles Taxes were over estimate for the month by \$4.4 M (6.3%) and \$0.4 M (1.1%), respectively. The other sources that were over estimate for the month include Earnings on Investments (over by \$10.3 M or 65.4%); Corporate Filing Fees (over by \$5.7 M or 8.6%); Counties' Medicaid Share (over by \$3.6 M due to timing); Tobacco Tax (over by \$3.2 M or 20.1%); Beverage Taxes (over by \$2.8 M or 8.7%); Other Nonoperating Revenues (over by \$2.3 M or 22.5%); Article V Fees (over by \$0.6 M or 6.7%); and Other Taxes, Licenses, and Fees (over by \$0.2 M or 7.9%).

Of the five sources that were under estimate for the month, the largest shortfall was in Indian Gaming receipts (under by \$47.1 M). The State did not receive any payments for the month of May although the original estimate had assumed a normal monthly payment of \$19.5 M plus a quarterly true-up payment of \$27.6 M. GR Services Charges and Parimutuel Taxes were under estimate for the month by \$2.1 M and \$0.7 M, respectively, due to timing. The other sources that were under estimate for the month were Highway Safety Fees (under by \$2.2 M or 3.6%) and Severance Taxes (under by \$0.5 M or 20.1%).

Refunds were under estimate for the month of May by \$2.7 M (7.5%). Sales Tax and Insurance Premium Tax refunds were both under estimate by \$4.3 M and \$0.1 M, respectively. In contrast, Corporate Income Tax refunds were \$1.6 M over estimate, and Other Refunds matched its estimate of \$0.1 M for the month. Because refunds reduce revenue, coming in under the estimate in Refunds increases the bottom-line Net GR.

In summary, Net GR collections for May were \$148.4 M over estimate for the month. The figures in the table below show the variance from monthly estimates that are based on the results of the estimating conference held March 14, 2019. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

Month	March	April	May	June
Monthly Overage (millions)	51.6	274.3	148.4	
Year to Date Overage (millions - cumulative)	60.0	334.4	482.8	
Percent of Monthly Estimate Collected	102.0%	108.1%	105.0%	
Percent of Total Year Estimate Collected	71.4%	82.5%	91.9%	

MAY 2019 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE MARCH 2019 REVENUE ESTIMATING CONFERENCE								
	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/ UNDER ESTIMATE	ACTUAL CURRENT YEAR	ESTIMATE CURRENT YEAR	OVER/ UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/ DECREASE
SALES TAX COLLECTIONS	2,177.3	2,169.3	8.1	23,255.9	23,231.4	24.5	22,127.2	5.1%
CORPORATE INCOME TAX	337.4	206.1	131.3	2,590.3	2,234.8	355.5	1,887.9	37.2%
DOCUMENTARY STAMP TAX	74.9	70.5	4.4	822.1	807.5	14.6	779.1	5.5%
INSURANCE TAXES	208.9	183.6	25.3	743.8	714.4	29.4	680.7	9.3%
HIGHWAY SAFETY FEES	58.3	60.5	(2.2)	494.1	491.9	2.2	487.2	1.4%
SERVICE CHARGES	29.9	32.0	(2.1)	444.8	443.8	1.0	435.6	2.1%
INTANGIBLES TAXES	33.8	33.4	0.4	349.9	346.2	3.7	338.2	3.5%
CORPORATE FILING FEES	71.7	66.0	5.7	375.6	357.9	17.8	353.9	6.1%
INDIAN GAMING	0.0	47.1	(47.1)	247.7	294.8	(47.1)	312.5	-20.7%
COUNTIES' MEDICAID SHARE	29.8	26.2	3.6	273.4	272.2	1.2	270.3	1.1%
BEVERAGE TAXES	34.8	32.0	2.8	258.3	253.7	4.5	238.0	8.5%
TOBACCO TAX	19.0	15.8	3.2	156.0	152.1	4.0	157.0	-0.6%
EARNINGS ON INVESTMENTS	26.0	15.7	10.3	193.6	170.2	23.4	124.2	55.8%
OTHER NONOPERATING REVENUES	12.5	10.2	2.3	200.0	174.1	25.8	192.1	4.1%
ARTICLE V FEES AND TRANSFERS	9.3	8.7	0.6	124.1	122.8	1.3	93.8	32.2%
OTHER TAXES LICENSES AND FEES	3.1	2.9	0.2	35.7	34.4	1.3	34.1	4.5%
PARIMUTUEL TAXES	0.7	1.4	(0.7)	17.9	13.2	4.7	18.6	-3.9%
SEVERANCE TAXES	2.1	2.6	(0.5)	11.8	12.6	(0.7)	12.0	-1.2%
TOTAL REVENUE	3,129.6	2,984.0	145.7	30,595.0	30,127.8	467.2	28,542.5	7.2%
LESS REFUNDS	33.5	36.2	(2.7)	356.3	371.9	(15.6)	348.9	2.1%
NET REVENUE	3,096.2	2,947.8	148.4	30,238.7	29,755.9	482.8	28,193.5	7.3%