



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

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Revised General Revenue Collections for March 2020 (Sales Tax Data Reported is Unaudited)

SPECIAL NOTE: Sales Tax collections came in just slightly below (\$12.4 M or 0.58%) the monthly estimate adopted by the Revenue Estimating Conference. It is important to remember that this Sales Tax report largely reflects activity that occurred in February, only one week of which was materially affected by the loss of activity associated with the onset of the Coronavirus. While March saw increasing impact over the month that may have influenced the other revenue sources shown on this report, the losses appear to be limited since only three other sources came in below their estimates. The overall positive result is likely influenced by pre-buying activity that occurred as people began to take steps to prepare for potential illness and social distancing. Including the small loss in Sales Tax, the \$202.4 M reported as the overall year-to-date gain through March will help buffer against revenue losses in subsequent months. This is a further gain of \$61.3 M over February's report. These dollars are unanticipated and not included in the prior estimate for General Revenue.

General Revenue (GR) collections for March 2020 were \$61.3 M (2.4%) over the estimates adopted by the General Revenue Estimating Conference (GR REC) on January 15, 2020.

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 \$12.4 M (0.58%) under estimate for the month. Final Sales Tax Liability, the sum of all sales tax components (detailed below), was under estimate for the month by \$10.3 M (0.4%).

Four of the six Sales Tax components were over estimate for the month of March: Automobiles (over by \$17.8 M or 4.5%); Tourism (over by \$3.8 M or 0.7%); Business (over by \$2.4 M or 0.5%); and Other Durables (over by \$1.2 M or 0.9%). In contrast, the Consumable Non-Durables and Building components were significantly under estimate for the month by \$24.0 M (3.8%) and \$11.5 M (8.9%), respectively. Note that this Sales Tax report largely reflects activity that occurred in February.

Twelve sources that support GR were over estimate for the month of March, with the largest overage in Earnings on Investments (over by \$28.5 M or 162.9%). Corporate Filing Fees were also over estimate by \$12.1 M or 20.6%, primarily a timing issue. Both Documentary Stamp Tax GR and Intangibles Taxes were over estimate for the month by \$5.4 M (7.4%) and \$11.8 M (36.4%), respectively. The other sources that were over estimate for the month include Corporate Income Tax (over by \$4.8 M or 3.6%); Beverage Taxes (over by \$2.8 M or 14.4%); GR Service Charges (over by \$1.2 M or 4.7% primarily due to Documentary Stamp Tax); Counties Medicaid Share (over by \$1.1 M or 4.3%); Other Taxes, Licenses, and Fees (over by \$0.3 M or 9.1%); Highway Safety Fees (over by \$0.3 M or 0.7%); Other Nonoperating Revenues (over by \$0.2 M or 1.7%); and Tobacco Tax (over by \$0.1 M or 0.8%). Severance Taxes matched the estimate of \$0.1 M for the month.

In addition to Sales Tax GR, three other sources that support GR were under estimate for the month. The largest shortfall was in Insurance Taxes-Surplus Lines GR, which was under estimate by \$4.4 M (74.6%). Some premiums expected to be paid in March were paid in February. Parimutuel Taxes were under estimate by \$1.6 M (66.7%) as parimutuel facilities began closing on March 15 in response to the coronavirus. Article V Fees and Transfers was under estimate by \$0.2 M (2.2%).

Refunds were \$11.2 M under estimate for the month. Refunds of Corporate Income Tax, Sales Tax, and Insurance Premium Tax were under estimate for the month by \$5.3 M, \$4.4 M, and \$2.6 M, respectively; however, Other refunds were over estimate by \$1.1 M. Because refunds reduce revenue, coming in under the estimate in Refunds increases the bottom-line Net GR.

In summary, Net GR collections for March were \$61.3 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 January 15, 2020. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

| Month | January | February | March | April | May | June |
|--|---------|----------|--------|-------|-----|------|
| Monthly Average (millions) | 64.5 | 63.4 | 61.3 | | | |
| Year to Date Average (millions - cumulative) | 77.6 | 141.1 | 202.4 | | | |
| Percent of Monthly Estimate Collected | 102.2% | 102.5% | 102.4% | | | |
| Percent of Total Year Estimate Collected | 57.5% | 65.2% | 73.1% | | | |

| MARCH 2020 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE JANUARY 2020 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 | 2,120.0 | 2,132.4 | (12.4) | 19,387.4 | 19,360.1 | 27.3 | 18,686.6 | 3.8% |
| CORPORATE INCOME TAX | 139.3 | 134.5 | 4.8 | 1,682.8 | 1,652.3 | 30.5 | 1,618.9 | 3.9% |
| DOCUMENTARY STAMP TAX | 78.3 | 72.9 | 5.4 | 761.1 | 729.0 | 32.1 | 676.0 | 12.6% |
| INSURANCE TAXES | 1.5 | 5.9 | (4.4) | 418.6 | 413.3 | 5.3 | 344.8 | 21.4% |
| HIGHWAY SAFETY FEES | 42.6 | 42.3 | 0.3 | 346.3 | 340.7 | 5.6 | 393.2 | -11.9% |
| SERVICE CHARGES | 26.5 | 25.3 | 1.2 | 361.9 | 355.3 | 6.6 | 351.4 | 3.0% |
| CORPORATE FILING FEES | 70.9 | 58.8 | 12.1 | 241.0 | 230.0 | 11.0 | 210.6 | 14.5% |
| INTANGIBLES TAXES | 44.2 | 32.4 | 11.8 | 364.0 | 337.6 | 26.5 | 280.5 | 29.8% |
| COUNTIES' MEDICAID SHARE | 26.4 | 25.3 | 1.1 | 227.3 | 226.4 | 0.9 | 223.6 | 1.7% |
| BEVERAGE TAXES | 22.2 | 19.4 | 2.8 | 198.8 | 194.8 | 4.1 | 194.7 | 2.1% |
| EARNINGS ON INVESTMENTS | 46.0 | 17.5 | 28.5 | 288.3 | 241.9 | 46.3 | 143.6 | 100.8% |
| TOBACCO TAX | 12.9 | 12.8 | 0.1 | 113.7 | 113.8 | (0.1) | 121.7 | -6.6% |
| OTHER NONOPERATING REVENUES | 12.3 | 12.1 | 0.2 | 139.4 | 124.8 | 14.5 | 151.5 | -8.0% |
| ARTICLE V FEES AND TRANSFERS | 8.9 | 9.1 | (0.2) | 87.7 | 87.3 | 0.4 | 104.6 | -16.2% |
| OTHER TAXES LICENSES AND FEES | 3.6 | 3.3 | 0.3 | 29.3 | 29.0 | 0.3 | 29.2 | 0.4% |
| PARIMUTUEL TAXES | 0.8 | 2.4 | (1.6) | 14.4 | 15.8 | (1.4) | 16.3 | -11.6% |
| SEVERANCE TAXES | 0.1 | 0.1 | 0.0 | 6.6 | 6.1 | 0.5 | 9.1 | -26.9% |
| INDIAN GAMING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 238.5 | -100.0% |
| TOTAL REVENUE | 2,656.6 | 2,606.5 | 50.1 | 24,668.8 | 24,458.3 | 210.5 | 23,794.9 | 3.7% |
| LESS REFUNDS | 17.3 | 28.5 | (11.2) | 348.5 | 340.4 | 8.1 | 301.1 | 15.7% |
| NET REVENUE | 2,639.4 | 2,578.0 | 61.3 | 24,320.3 | 24,117.9 | 202.4 | 23,493.8 | 3.5% |