



MONTHLY REVENUE REPORT

Office of Economic &
Demographic Research

Volume 43, Number 8
February 2023

Revised General Revenue Collections for February 2023 (Sales Tax Data Reported is Unaudited)

General Revenue collections for February 2023 showed a gain of \$582.3 million (19.9 percent) over the forecast assumptions made by the General Revenue Estimating Conference (GR REC) in August 2022. Nonetheless, this amount was only \$6.6 million over the projection assumed at the latest conference on March 13, 2023, with all of the difference attributed to an unexpected gain in Earnings on Investments. While \$5.2 million less than assumed in March, Sales Tax was 85 percent of the estimated total gain for the month.

After adjusting total Sales Tax collections for local taxes and distributions, audits, bad checks and transfers to Sales Tax from the Communications Services Tax, Sales Tax GR was \$495.3 million (20.5 percent) over the estimate for the month. February collections reflect activity that largely occurred in January. The Revenue Estimating Conference's newly adopted analysis indicates recovery and rebuilding efforts associated with Hurricane Ian added \$34.7 million to final liability for the month. Translated to Sales Tax GR, this equates to \$30.6 million, bringing the updated four-month recovery and rebuilding total to \$512.0 million. This means that the final reported overage for the month largely reflected the continued reliance on savings to support personal consumption and first-round inflationary effects. After increasing to a historic peak rate of 33.7 percent in April 2020 from the 7.9 percent for the entire 2018-19 fiscal year, the most recent personal income data indicated that the February personal saving rate continues to be subpar at 4.6 percent. It is also notable that the Consumer Price Index for the all-items index increased 6.0 percent for the 12 months ending February—while still elevated, it is the smallest 12-month increase since the period ending September 2021. The immediate response to inflation is an increase in sales tax collections that reflects the higher prices. Persistent inflation conditions, however, ultimately suppress collections as consumers begin to spend more money on non-taxable necessities like food and healthcare. In this regard, the index for shelter was the largest monthly contributor to the increase, accounting for more than 70 percent of the total, with prices for food at home increasing by 10.2 percent over the past 12 months.

For the month, all six sales tax components were over estimate.

- Consumer Nondurables...gaining \$97.5 million (11.2 percent) to the estimate for the month.
- Tourism...gaining \$74.8 million (11.7 percent) to the estimate for the month.
- Automobiles...gaining \$107.7 million (22.4 percent) to the estimate for the month.
- Other Durables...gaining \$11.5 million (7.1 percent) to the estimate for the month.
- Building...gaining \$43.0 million (23.0 percent) to the estimate for the month.
- Business...gaining \$100.8 million (18.5 percent) to the estimate for the month.

Along with Sales Tax GR, seven of the 17 active revenue sources were also positive to their latest projections for the month.

- Corporate Income Tax...gaining \$53.7 million (60.3 percent) during the month.
- Insurance Taxes...gaining \$15.2 million (19.4 percent) during the month.
- Service Charges...gaining \$12.0 million (37.9 percent) during the month, primarily a timing issue.
- Earnings on Investments...gaining \$11.8 million (53.4 percent) during the month.
- Article V Fees and Transfers...gaining \$2.7 million (35.1 percent) during the month.
- Tobacco Tax...gaining \$0.5 million (3.7 percent) during the month.
- Pari-mutuel Taxes...gaining \$0.1 million (11.1 percent) during the month.

Together, these sources generated a total gain of \$96.0 million for the month.

Eight revenue sources came in negative for the month.

- Documentary Stamp Tax...losing \$-23.0 million (-21.4 percent) during the month as a result of higher than expected mortgage rates and weaker than expected housing market prices.
- Corporate Filing Fees...losing \$-7.4 million (-7.5 percent) during the month.
- Intangibles Taxes...losing \$-6.3 million (-18.3 percent) during the month.
- Beverage Taxes...losing \$-3.4 million (-15.3 percent) during the month.
- Other Taxes, Licenses and Fees...losing \$-0.9 million (-30.0 percent) during the month.
- Counties' Medicaid Share...losing \$-0.5 million (-2.1 percent) during the month.
- Other Nonoperating Revenues...losing \$-0.2 million (-2.7 percent) during the month.
- Highway Safety Fees...losing \$-0.2 million (-0.8 percent).

Together, these sources generated a total loss of \$-41.9 million for the month.



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

Volume 43, Number 8
February 2023

Revised General Revenue Collections for February 2023 (Sales Tax Data Reported is Unaudited)

One revenue source was on estimate for the month—Severance Taxes.

Finally, coming in lower than the estimate for Refunds increases the General Revenue Fund balance. For the month, Refunds were \$32.8 million below the estimate.

Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

Month	August	September	October	November	December	January	February
Monthly Overage (millions)	20.4	471.2	141.4	447.2	530.5	748.4	582.3
Year to Date Overage (millions - cumulative)	38.7	509.9	651.3	1,098.5	1,629.0	2,377.3	2,959.7
Percent of Monthly Estimate Collected	100.6%	113.1%	104.6%	114.1%	114.9%	121.8%	119.9%
Percent of Total Year Estimate Collected	16.1%	25.8%	33.5%	42.1%	51.8%	61.8%	70.2%

FEBRUARY 2023 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE AUGUST 2022 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	2,910.8	2,415.5	495.3	23,584.3	21,343.7	2,240.6	21,743.8	8.5%
CORPORATE INCOME TAX	142.7	89.0	53.7	2,627.5	2,084.9	542.6	1,706.2	54.0%
DOCUMENTARY STAMP TAX	84.6	107.6	(23.0)	859.4	974.3	(114.8)	1,147.3	-25.1%
INSURANCE TAXES	93.5	78.3	15.2	696.1	616.0	80.0	482.1	44.4%
SERVICE CHARGES	43.7	31.7	12.0	380.5	400.4	(19.8)	418.9	-9.2%
CORPORATE FILING FEES	91.1	98.5	(7.4)	257.4	239.3	18.1	231.0	11.4%
INTANGIBLES TAXES	28.2	34.5	(6.3)	368.3	367.1	1.2	560.6	-34.3%
HIGHWAY SAFETY FEES	26.0	26.2	(0.2)	238.1	231.2	7.0	266.6	-10.7%
BEVERAGE TAXES	18.8	22.2	(3.4)	189.5	200.8	(11.2)	207.3	-8.6%
COUNTIES' MEDICAID SHARE	23.4	23.9	(0.5)	188.2	189.7	(1.5)	195.9	-3.9%
EARNINGS ON INVESTMENTS	33.9	22.1	11.8	222.4	159.9	62.5	160.1	38.9%
TOBACCO TAX	14.0	13.5	0.5	93.8	95.3	(1.5)	100.2	-6.4%
OTHER NONOPERATING REVENUES	7.2	7.4	(0.2)	147.5	84.5	63.0	97.4	51.3%
ARTICLE V FEES AND TRANSFERS	10.4	7.7	2.7	64.1	63.8	0.4	68.2	-6.0%
OTHER TAXES LICENSES AND FEES	2.1	3.0	(0.9)	28.1	30.3	(2.2)	31.1	-9.9%
SEVERANCE TAXES	0.1	0.1	0.0	6.0	6.2	(0.2)	5.9	1.6%
PARIMUTUEL TAXES	1.0	0.9	0.1	6.9	6.8	0.1	11.2	-38.1%
INDIAN GAMING	0.0	0.0	0.0	0.0	0.0	0.0	187.5	-100.0%
TOTAL REVENUE	3,531.7	2,982.1	549.6	29,958.1	27,094.0	2,864.2	27,621.6	8.5%
LESS REFUNDS	19.0	51.8	(32.8)	494.8	590.3	(95.5)	328.3	50.7%
NET REVENUE	3,512.6	2,930.3	582.3	29,463.3	26,503.6	2,959.7	27,293.4	8.0%