

MONTHLY STATE REVENUE SNAPSHOT

FEB 2024

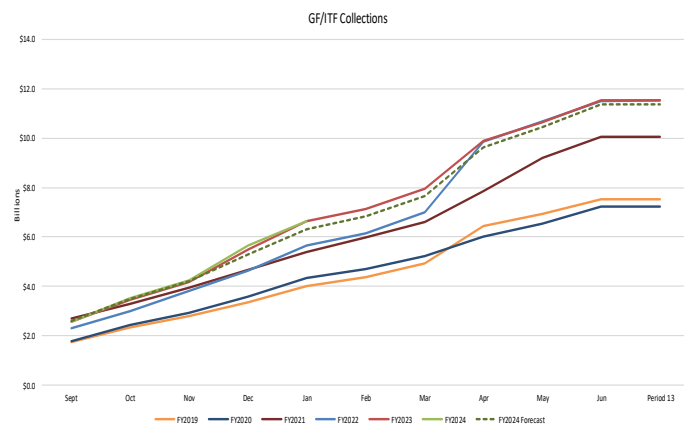
based on the Utah State Tax Commission Monthly Revenue Summary (Report TC-23)

General Fund	Projected Growth Rate - November Estimates (Annual)	YoY Growth Rate	Projected Range in Collections Through 7 Months	FY 2024 Actual Collections	FY 2024 Year-End Forecast	Oct-23	Nov-23	Dec-23	Jan-24
Sales & Use Tax	2.0%	0.7%	\$1,747,000,000 - \$2,136,000,000	\$2,043,597,651	\$3,328,503,333	0.1%	0.4%	1.1%	0.7%
All Other Sources	4.8%	17.8%	\$459,000,000 - \$561,000,000	\$470,495,676	\$874,500,333	15.9%	18.0%	19.9%	17.8%
Subtotal General Fund	2.6%	3.5%		\$2,514,093,327	\$4,203,003,667	2.9%	3.6%	4.5%	3.5%
Sales & Use Tax Set-Asides	1.8%	4.3%	\$639,000,000 - \$780,000,000	\$705,478,442	\$1,216,311,626	2.4%	2.2%	2.2%	4.3%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	-3.5%	-3.3%	\$3,257,000,000 - \$3,981,000,000	\$3,666,608,627	\$6,204,350,667	-2.5%	-2.3%	1.6%	-3.3%
Withholding		2.0%		\$3,003,935,969		2.5%	1.8%	2.1%	2.0%
Final Payments (plus SALT Passthrough)		-21.7%		\$662,672,658		-46.5%	-40.1%	-0.1%	-21.7%
Corporate Tax	-4.8%	11.8%	\$348,000,000 - \$425,000,000	\$402,037,695	\$828,124,333	29.8%	27.8%	10.6%	11.8%
All Other Sources	2.2%	12.1%	\$47,000,000 - \$57,000,000	\$50,361,710	\$134,232,000	32.0%	8.6%	8.9%	12.1%
Subtotal Income Tax Fund	-3.6%	-1.8%		\$4,119,008,032	\$7,166,707,000	0.3%	-0.2%	2.6%	-1.8%
Subtotal GF/ITF/USF	-1.4%	0.1%		\$6,633,101,358	\$11,369,710,667	1.4%	1.4%	3.3%	0.1%
Transportation Fund									
Motor Fuel Tax	7.3%	10.0%	\$238,000,000 - \$291,000,000	\$252,372,094	\$453,500,000	13.5%	14.1%	10.8%	10.0%
Special Fuel Tax	7.3%	7.3%	\$103,000,000 - \$125,000,000	\$110,271,366	\$195,250,000	15.0%	5.7%	0.7%	7.3%
Other	16.4%	16.3%	\$73,000,000 - \$89,000,000	\$80,921,396	\$172,900,000	17.2%	15.7%	13.1%	16.3%
Subtotal Transportation Fund	9.1%	10.4%		\$443,564,857	\$821,650,000	14.5%	12.4%	8.6%	10.4%
Total, GF/ITF/USF/TF	-0.8%	0.7%		\$7,076,666,215	\$12,191,360,667	2.2%	2.1%	3.6%	0.7%

SUMMARY

In the first seven months of FY 2024, revenue to the General and Income Tax Funds totaled over \$6.6 billion, a year-over-year (YoY) growth rate of 0.1%. This is ahead of the -1.4% growth projected in the recent November forecast. The pattern also holds when considering all three funds together (0.7% growth relative to a -0.8% target).

In the General Fund, sales tax growth moderated from last month. This may be the result of consumers shifting holiday purchases from December to November, where taxable sales increased by 4.3%. Income Tax Fund growth reverted closer to rates we saw earlier in the fiscal year as growth in SALT payments from pass-through businesses leveled out due to different timing of the payments compared to last year. Overall, SALT payments declined slightly compared to FY23, though when adjusting for the income tax rate cut there was a small increase.



GENERAL FUND

General Fund collections totaled about \$2.5 billion in the first seven months of FY 2024, growing 3.5% YoY and outperforming the 2.6% target. Sales and Use tax collections grew at 0.7% YoY, short of the 2.0% target. State forecasters expect this growth rate to accelerate in the remaining months of FY24 as we start to compare collections to lower growth rates in the FY23 base periods. Additional factors contributing to General Fund growth include investment income, which grew at 99.5% YoY due to higher interest rates, and the insurance premium tax, which grew at 9.1%, well above the 5.9% projected growth rate.

INCOME TAX FUND

Income Tax Fund collections were over \$4.1 billion in the first seven months of FY 2024, a YoY change of -1.8%, ahead of the target rate of -3.6% by 1.8 percentage points. Individual income tax collections totaled nearly \$3.7 billion at the end of January, of which about \$558 million was from SALT payments, compared to \$565 million last year. The reversion of the income tax growth rate back into negative territory was due mainly to SALT payment timing. Withholding held steady at 2.0%, a strong growth rate when adjusting for the income tax rate cut. The other primary revenue source in the Income Tax Fund, corporate income tax, continues to significantly outperform November projections, with a growth rate of 11.8%.

TRANSPORTATION FUND

Transportation Fund collections amounted to \$444 million in the first seven months of FY 2024, for a YoY growth rate of 10.4%, above the consensus target of 9.1%. The volatile special fuel tax saw a jump in collections, growing at 7.3%, which is right on target. Growth rates in the remaining months of the fiscal year will likely decrease as the 36.5 cent fuel tax rate that went into affect on January 1 will compare to a base period fuel tax rate of 36.4 cents last year. For most of FY24, we have had a 34.5 cent fuel tax rate compared to a 31.9 cent rate in the FY23 base period.

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