



General Fund Revenue Update - August 2020

August General Fund revenues were \$209.0 million higher than the monthly breakout of the official revenue estimate certified by the Department of Revenue. This provides some needed positive news, as the commonwealth still faces major budget challenges.

Sales and use tax collections led the way, finishing \$92.7 million above estimate. Non-motor vehicle collections comprised the entirety of that total, while motor vehicle sales taxes were slightly under the estimate.

Personal income tax collections were \$42.9 million above estimate. Employer withholdings on wages and salaries were \$24.8 million above estimate, which is encouraging; though, when looking at gross withholding revenue before any transfers out, these revenues are 1.5 percent lower than August 2019. PIT final annual payments were \$18.1 million above estimate, likely reflecting change in payment patterns associated with moving the tax due date from April to July.

Like the personal income tax, the due date for corporate net income tax payments was delayed. For many taxpayers, the deadline fell in August, and payments were spread across July and August. CNIT final payments were \$438.3 million short of estimate at the end of the 2019/20 fiscal year, and \$427.5 million was collected in total during July and August, compared to \$82.1 million received in July and August 2019. Assuming last year's collections as a baseline, this means about \$345.4 million was shifted.

Looking ahead, September will have regularly scheduled quarterly estimated payments for the personal income tax and the corporate net income tax. Other taxes collected on a recurring basis also bear monitoring to see if they continue to exceed estimate. While always important, it's especially crucial this fiscal year because the official revenue estimate was certified in May, at the height of the uncertainty surrounding the pandemic.

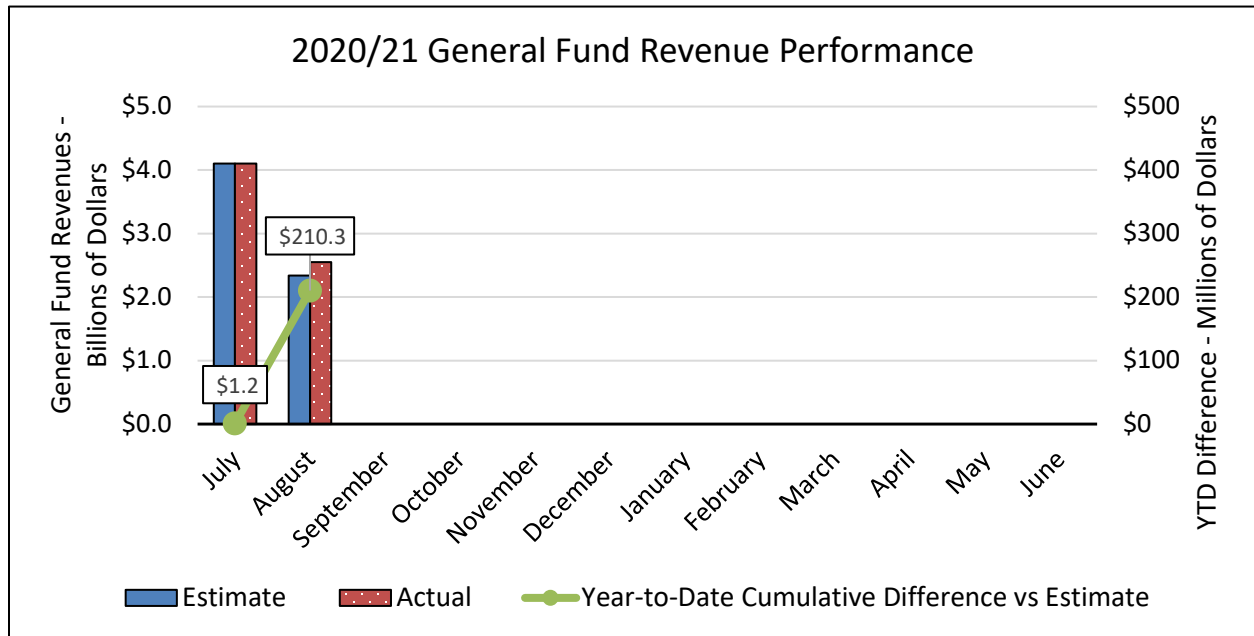
For the month of August, total General Fund revenues were \$209.0 million higher than expected, or 8.9 percent:

- Corporate net income tax collections were \$16.8 million higher than expected (6.2 percent)
- Sales and use tax collections were \$92.7 million higher than expected (9.9 percent)
 - Non-motor sales tax collections were \$97.1 million more than estimate (12.6 percent)
 - Motor vehicle sales tax collections were \$4.4 million below projections (2.6 percent)
- Personal income tax revenues were \$42.9 million more than the official estimate (5.2 percent)
 - Employer withholdings on wages and salaries were \$24.8 million more than anticipated (3.2 percent)
 - Non-withheld payments were \$18.1 million above estimate (29.4 percent)
- Realty transfer tax collections were \$14.3 million more than expected (33.9 percent)
- Inheritance tax collections were \$5.9 million higher than anticipated (6.8 percent)
- Gaming tax receipts into the General Fund were \$6.1 million higher than projected (79.0 percent)
- Non-tax revenues for May were \$5.6 million less than expected (21.2 percent)

For the 2020/21 fiscal year to date:

- Cumulative General Fund revenues are \$210.3 million higher than expected (3.3 percent)
- General Fund tax revenues are \$215.8 million higher than projected (3.4 percent)
- Corporate net income tax revenues are \$16.8 million more than expected (3.3 percent)
- Sales and use taxes are \$92.7 million more than expected (4.2 percent)
- Personal income tax collections are \$42.9 million higher than anticipated (1.4 percent)
- Non-tax revenues are \$5.5 million below the estimate (13.7 percent)

General Fund Revenues - Year-to-Date Performance vs Official Estimate			
<i>Amounts in Millions</i>	YTD Estimate	YTD Collections	Difference
General Fund Total	6,442.1	6,652.4	210.3
Tax Revenue Total	6,401.8	6,617.6	215.8
Corporation Taxes	515.6	543.8	28.2
Corporate Net Income Tax	507.2	524.0	16.8
Gross Receipts Tax	4.8	4.1	(0.7)
Utility Property Tax	0.1	0.5	0.4
Insurance Premiums Taxes	1.0	0.7	(0.3)
Financial Institutions Taxes	2.5	1.8	(0.7)
Consumption Taxes	2,441.4	2,562.2	120.8
Sales and Use Tax	2,193.4	2,286.1	92.7
Cigarette Tax	158.9	185.7	26.8
Other Tobacco Products	20.7	21.9	1.2
Malt Beverage Tax	4.1	4.2	0.1
Liquor Tax	64.3	64.4	0.1
Other Taxes	3,444.8	3,511.6	66.8
Personal Income Tax	3,145.7	3,188.6	42.9
Realty Transfer Tax	60.1	74.4	14.3
Inheritance Tax	204.6	210.4	5.8
Gaming	20.4	26.4	6.0
Minor and Repealed	14.0	11.8	(2.2)
Non-Tax Revenue	40.3	34.8	(5.5)



2020/21 Revenue Performance vs. Official Estimate

