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The monthly revenue report of January 2012 state tax collections was released today.

Results

- Total revenue collections were \$1,332 million, \$48 million less than projected by the revenue forecast updated on December 14, 2011. Total collections were \$55 million above collections for the same period last year (+4.3%).
- Sales tax collections totaled \$618 million for the month, \$11 million (+1.8%) above collections for the same period last year.
- Individual income tax collections totaled \$560 million for the month, \$51 million (+9.9%) above collections for the same period last year, but \$18 million less than the monthly target. Payroll withholdings increased 3.3% compared to the same period last year.

Commentary

Through the first seven months of the fiscal year, state general fund revenues have increased 8.3% compared to the same period last year.

Year-over-year growth in sales tax collections has slowed, although there was a timing issue in January that contributed to the growth rate being depressed by at least 2% (actual increase would have been at least 4%). Through January, sales tax collections have increased 6.7% over the prior year, just slightly ahead of the 6.4% growth rate projected in the latest revenue forecast. Total collections of \$617.7 million set the Indiana record for sales tax collections in a single month.

Through January, individual income tax collections have increased 9.2% over the prior year, ahead of the 6.6% growth rate projected in the latest revenue forecast. Payroll withholdings increased 3.3%, bringing the average growth over the first seven months of the fiscal year to 4.3%.

General fund revenues through the first seven months have exceeded the recently updated revenue forecast by \$67 million, or 0.9%. Traditionally, February is the month with the lowest level of collections, so it is likely the state will enter the final months of the fiscal year roughly in-line with the December 2011 revenue forecast. That said, general fund revenues are currently \$177 million ahead of the budget plan, which was based upon the April 15, 2011 revenue forecast.

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