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

Results

- State general revenues totaled \$1,113 million, \$44 million (+4.1%) above target and \$101 million (+10.0%) above collections for the same period last year.
- Sales tax collections totaled \$578 million for the month, \$19 million (+3.4%) above collections for the same period last year.
- Individual income tax collections totaled \$388 million for the month, \$29 million (+8.0%) above target and \$83 million (+27.3%) above collections for the same period last year. Payroll withholdings increased 15.2% compared to the same period last year.

Commentary

With FY 2012 state general revenues exceeding the latest forecast by approximately \$50 million, state general revenues need to increase less than 2.2% to meet the most recent forecast for FY 2013.

Sales tax collections increased 3.4% over the same period last year, following an increase of 5.5% in June.

Individual income tax collections exceeded the July target by \$29 million, exceeding collections for the same period last year by 27.3%. The large year-over-year increase is in part caused by a timing issue related to the number of payrolls in a given month compared to that same month in the prior year. As a result, payroll withholdings increased 15.2% compared to the same period last year. This issue will reverse itself next month. Payroll withholdings averaged 4.5% growth in FY 2012. Beginning in FY 2013, monthly targets have been adjusted to account for this timing issue, so only year-over-year results are impacted.

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