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The monthly revenue report for December 2022 state tax collections was released today.

Note to readers: The monthly revenue estimates are based on the December 15, 2022 revenue forecast which considers revenue developments and the economic outlook presented on that date.

Information on the latest forecast is available at <https://www.in.gov/sba/2837.htm>.

Fiscal Year 2023 began on July 1, 2022 and ends June 30, 2023.

Results

- General Fund revenues for December totaled \$1,711.9 million, which is \$17.4 million (1.0%) above estimate based on the December 15, 2022 revenue forecast and \$48.5 million (2.9%) above revenue in December 2021.

Notably, better-than-expected collections from individual income tax and interest revenues outweighed lower-than-expected collections from sales tax and corporate taxes.

Differences relative to monthly estimates and prior year actuals will be influenced by various factors including payment timing, federal policy actions, and changes to law.

- Sales tax collections totaled \$855.2 million for December, which is \$20.5 million (2.3%) below the monthly estimate but \$20.8 million (2.5%) above revenue in December 2021.

Monthly collections attributable to sales tax excluding gasoline use tax were \$20.7 million below the monthly estimate but \$24.9 million (3.0%) above prior year actuals. The December performance of 3.0% year-over-year growth, which mostly reflects November economic activity, compares to 5.8% year-over-year growth in November and 6.9% year-over-year growth for the period of July through November.

Gasoline use tax monthly collections came in \$0.2 million above the monthly estimate but \$4.0 million (25.6%) below prior year actuals. Gasoline use tax collections are impacted by the lower statutory share of collections distributed to the General Fund in FY 2023 relative to FY 2022.

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- Individual income tax collections totaled \$539.7 million for December, which is \$34.4 million (6.8%) above the monthly estimate and \$67.4 million (14.3%) above revenue in December 2021.

Monthly collections related to tax withholdings came in \$11.6 million above the monthly estimate and \$56.5 million (7.8%) above prior year actuals. In particular, withholdings attributable to non-resident partnerships came in above the monthly estimate and prior year actuals. The December performance of 7.8% year-over-year growth, which mostly reflects November economic activity, compares to 8.0% year-over-year growth for the period of July through November.

Other monthly individual income tax collections, net of refunds, came in \$22.9 million above the monthly estimate and \$10.9 million (4.2%) above prior year actuals.

Differences relative to monthly estimates are likely as various factors may impact monthly revenue activity including payment and refund timing, late payments and more.

With important quarterly payment due dates, September, January, April, and June are the most important revenue months for individual income tax.

- Corporate tax collections totaled \$150.5 million for December, which is \$4.2 million (2.7%) below the monthly estimate and \$73.5 million (32.8%) below revenue in December 2021.

Differences relative to monthly estimates are likely as various factors may impact monthly revenue activity including payment and refund timing, late payments and more.

With important quarterly payment due dates, September, December, April, and June are the most important revenue months for corporate taxes.

- Riverboat wagering tax collections totaled \$26.9 million for December, which is \$1.8 million (7.1%) above the monthly estimate and \$2.4 million (9.6%) above revenue in December 2021.

Racino wagering tax collections totaled \$10.8 million for December, which is \$0.6 million (4.9%) below the monthly estimate but \$0.6 million (5.7%) above revenue in December 2021.

Commentary

Year-to-date General Fund revenues totaled \$9,629.3 million, which is \$17.4 million (0.2%) above the December 2022 revenue forecast and \$625.6 million (6.9%) above revenues through the same period in the prior fiscal year.

Year-to-date sales tax collections totaled \$5,193.3 million, which is \$20.5 million (0.4%) below the December 2022 revenue forecast but \$296.3 million (6.1%) above collections through the same period in the prior fiscal year.

Year-to-date collections attributable to sales tax excluding gasoline use tax are \$20.7 million (2.4%) below the December 2022 revenue forecast but \$302.1 million (6.3%) above collections through the same period in the prior fiscal year.

Year-to-date individual income tax collections totaled \$3,396.9 million, which is \$34.4 million (1.0%) above the December 2022 revenue forecast and \$357.5 million (11.8%) above collections through the same period in the prior fiscal year.

Year-to-date corporate tax collections totaled \$425.0 million, which is \$4.2 million (1.0%) below the December 2022 revenue forecast and \$150.2 million (26.1%) below collections through the same period in the prior fiscal year.

Comparisons to estimates and prior year actuals will be better interpreted over the coming months as most revenue activity occurs between December and June.

As previously noted, monthly collections will be influenced by various factors including payment timing, federal policy actions, temporary and seasonal economic dynamics, interest rates, and more.