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The monthly revenue report for February 2020 state tax collections was released today.

Results

- General Fund revenues for February totaled \$922.6 million, which is \$21.6 million (2.4%) above estimate based on the December 20, 2019 revised revenue forecast and \$136.2 million (17.3%) above revenue in February 2019.

Overall, higher than expected monthly collections from sales and use, corporate and gaming taxes combined to drive General Fund revenues above current year estimates and prior year actuals both on a monthly and fiscal year-to-date basis.

Significant monthly fluctuations are expected and revenues are better interpreted within the context of the longer term trend for fiscal year 2020 as April and June are by far the months with the most revenue activity.

Note: The monthly revenue estimates are based on the December 20, 2019 revised revenue forecast and include the estimated impact of legislative actions taken by the General Assembly in the 2019 legislative session.

- Sales tax collections totaled \$633.1 million for February, which is \$24.6 million (4.0%) above the monthly estimate and \$50.4 million (8.6%) above revenue in February 2019. While it is difficult to identify the specific impact of the state enforcement of the recent changes in the taxation of remote sales on the fiscal year-to-date tax collections, revenue collections attributable to compliance from marketplace facilitators contribute to the difference relative to the monthly estimate and prior year actuals.

Individual income tax collections totaled \$192.8 million for February, which is \$16.0 million (7.6%) below the monthly estimate but \$63.7 million (49.4%) above revenue in February 2019. While withholding tax collections came in line with the monthly estimate and grew substantially relative to prior year actuals due to the 5 Fridays effect, other individual income tax collections came in below the monthly estimate and prior year actuals. Monthly fluctuations in individual income tax collections are expected due to the nature of the timing of income, tax payments, refunds and more.

As April will be the month with the most individual income tax collections, comparisons relative to current year estimates and prior year actuals will likely be better interpreted in the upcoming months.

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- Corporate tax collections totaled negative \$11.2 million for February, which is \$1.7 million (17.6%) below the monthly estimate but \$2.7 million (19.6%) above revenue in February 2019. Notably, corporate adjusted gross income tax collections came above the monthly estimate and prior year actuals while utility receipt tax collections came in below the monthly estimate and prior year actuals due to the timing of refunds.

While corporate adjusted gross income tax payments are lower than current year estimates and prior year actuals on a fiscal year-to-date basis, corporate adjusted gross income tax collections are above the monthly estimate and prior year actuals mainly due to lower than expected corporate refunds. Corporate refunds have come in below current year estimates and prior year actuals on a fiscal year-to-date basis. Monthly fluctuations in corporate tax collections are expected due to the nature of the timing of income, tax payments, refunds and more.

- Riverboat wagering collections totaled \$35.4 million for February, which is \$5.2 million (17.4%) above the monthly estimate and \$5.3 million (17.7%) above revenue in February 2019.
- Racino wagering collections totaled \$12.6 million for February, which is \$0.5 million (4.2%) below the monthly estimate but \$1.9 million (17.8%) above revenue in February 2019.

Commentary

Year-to-date General Fund collections totaled \$10,302.9 million, which is \$103.5 million (1.0%) above the December 2019 revised revenue forecast and \$504.6 million (5.1%) above collections through the same period in the prior fiscal year.

Year-to-date sales tax collections totaled \$5,553.6 million, which is \$72.0 million (1.3%) above the December 2019 revised revenue forecast and \$249.3 million (4.7%) above collections through the same period in the prior fiscal year.

Year-to-date individual income tax collections totaled \$3,576.6 million, which is \$41.7 million (1.2%) below the December 2019 revised revenue forecast but \$123.0 million (3.6%) above collections through the same period in the prior fiscal year.

Year-to-date corporate tax collections totaled \$432.1 million, which is \$54.2 million (14.3%) above the December 2019 revised revenue forecast and \$72.4 million (20.1%) above collections through the same period in the prior fiscal year.