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

Note to readers: The monthly revenue estimates are based on the December 20, 2019 revenue forecast and include the estimated impact of legislative actions taken by the General Assembly in the 2019 legislative session, prior to the onset of the pandemic. The monthly revenue estimates have not been adjusted for any developments since December 2019. An updated Fiscal Year (FY) 2021 revenue forecast is expected in September.

In addition, the reader is reminded that income tax payments with due dates starting April 15 through June 30 were extended through executive orders to July 15, 2020 within FY 2021.

The Fiscal Year starts on July 1 and ends on June 30th of the following calendar year.

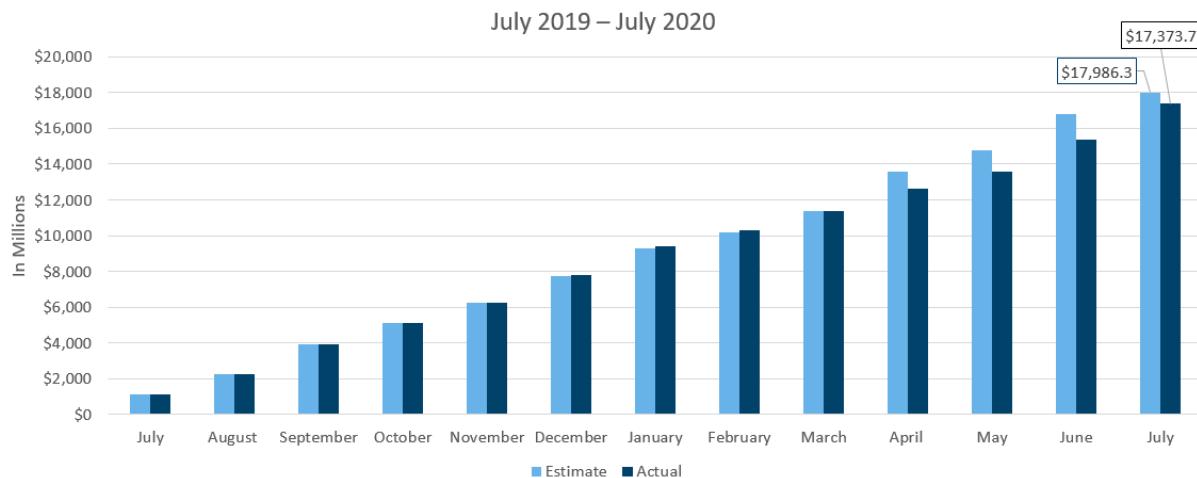
Results

- General Fund revenues for July totaled \$1,999.3 million, which is \$803.8 million (67.2%) above estimate based on the December 20, 2019 revenue forecast and \$870.2 million (77.1%) above revenue in July 2019.

Notably, an estimated \$900 million of income tax payments, initially due in April and June, were collected in July. While July monthly estimates, based on the December 2019 revenue forecast, do not reflect the recent economic developments and the deferral of the April and June tax deadlines to July 15th, General Fund revenues came in lower than expected when excluding the estimated \$900 million of deferred payments.

For the first 13 months of this biennium (July 2019 to July 2020), total General Fund collections were about \$612.5 million (3.4%) below Dec. 2019 revenue forecast estimates and \$161.5 million (0.9%) below the same period from July 2018 to July 2019.

Total General Fund Cumulative Monthly Collections



- Sales tax collections totaled \$763.6 million for July, which is \$39.2 million (5.4%) above the monthly estimate and \$88.2 million (13.1%) above revenue in July 2019.

On a year-over-year basis, July sales tax collections benefited from tax payments attributable to marketplace facilitator compliance that were not yet collected until August 2019 due to the effective date of the 2019 legislative changes. Estimates of revenue collections attributable to compliance from remote sales and marketplace facilitators suggest that those collections are likely to have come in higher than expected.

Notably, monthly collections attributable to sales tax excluding gasoline use tax and potential impact of recent marketplace facilitator compliance grew at a multi-year high growth rate relative to prior year actuals. While it is difficult to interpret month to month fluctuations, particularly due to the recent federal policy actions and the resulting economic dynamics, trends in sales tax collections will be better interpreted over the next couple of months in the context of the full year outlook.

Overall, July monthly collections, which mostly reflect June economy activity, may have been influenced by unusual factors including the phased reopening of the economy in June as well as recent federal policy actions on assistance programs, economic impact payments, interest rates and more.

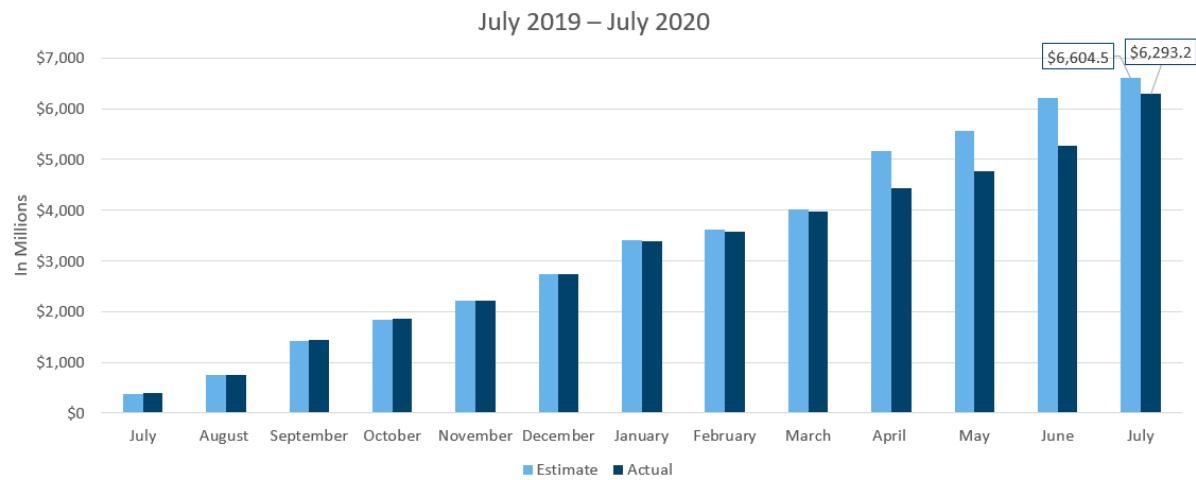
On gasoline use tax, gasoline consumption and gasoline use tax rates were lower than monthly estimates and prior year actuals. Additionally, the share of total gasoline use tax collections distributed to the General Fund has decreased from last fiscal year.

- Individual income tax collections totaled \$1,021.4 million for July, which is \$618.9 million (153.8%) above the monthly estimate and \$635.2 million (164.5%) above revenue in July 2019. About \$700M of individual income tax payments are estimated to have been deferred from FY 2020 to July FY 2021 due to the alignment of Indiana's tax filing and payment due dates with the federal deferral to July 15.

With the deferral of the April and June income tax deadlines to July 15th, July collections relative the December 2019 revenue forecast are better interpreted within the context of the fiscal year 2020 revenue estimates.

Individual income tax collections from July 2019 through July 2020 were \$311.3 million (4.7%) below Dec. 2019 revenue forecast estimates and \$149.9 million (2.3%) below the same period from July 2018 to July 2019.

Individual Income Tax Cumulative Monthly Collections



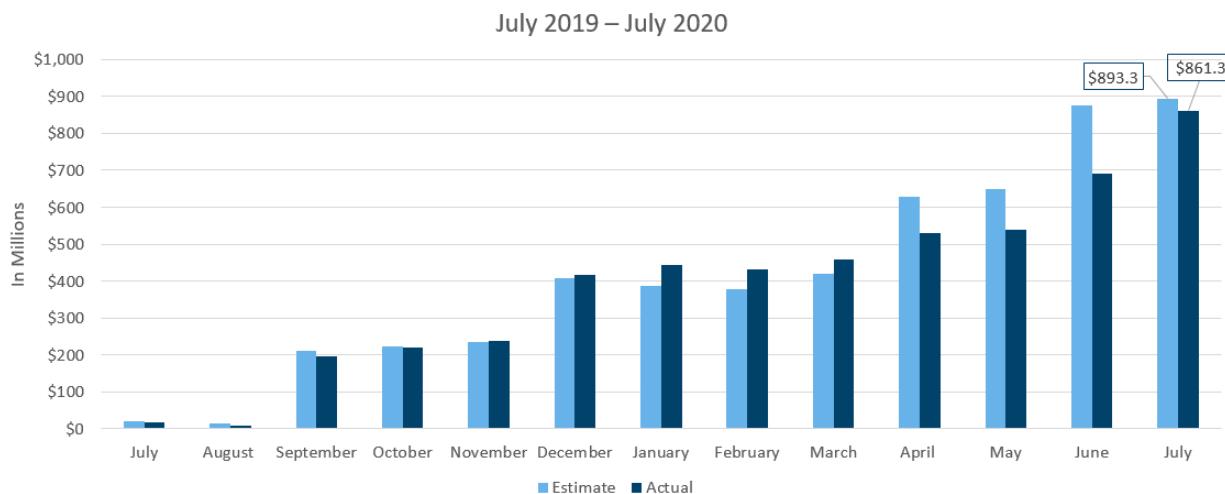
- Corporate tax collections totaled \$170.4 million for July, which is \$152.1 million (828.7%) above the monthly estimate and \$152.0 million (824.8%) above revenue in July 2019. About \$200 million of corporate tax payments are estimated to have been deferred from FY 2020 to July FY 2021 due to the

alignment of Indiana's tax filing and payment due dates with the federal deferral to July 15.

As abovementioned with individual income taxes, July tax collections relative the December 2019 revenue forecast are better interpreted within the context of the fiscal year 2020 revenue estimates due to the deferral of the April and June income tax deadlines to July 15th.

Corporate tax collections from July 2019 through July 2020 were \$32.0 million (3.6%) below Dec. 2019 revenue forecast estimates and \$105.5 million (10.9%) below the same period from July 2018 to July 2019. While corporate tax payments were lower than December 2019 revenue forecast estimates, historically low levels of refunds helped support the levels of net corporate tax collections.

Corporate Income Tax Cumulative Monthly Collections



- Riverboat wagering collections totaled \$0.4 million for July, which is \$0.6 million (61.0%) below the monthly estimate and \$0.5 million (54.8%) below revenue in July 2019.
- Racino wagering collections totaled \$9.3 million for July, which is \$2.2 million (18.8%) below the monthly estimate and \$0.6 million (6.4%) below revenue in July 2019.