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The monthly revenue report of February 2011 state tax collections was released today.

Results

- Total revenue collections were \$716 million, \$5 million above the revenue forecast recently updated in December 2010, but still \$25 million below the amount assumed in the June 2009 budget as passed. Total revenue collections were \$78 million above collections for the same period last year (+12.3%).
- Sales tax collections totaled \$488 million for the month, \$38 million (+8.5%) above collections for the same period last year.
- Individual income tax collections totaled \$145 million for the month, \$34 million (+31.1%) above collections for the same period last year.

Commentary

February is historically the smallest revenue month of the year. State revenues are backloaded toward the end of the fiscal year, with April and June representing the largest revenue months. Though we have completed nearly 67% of the fiscal year, only 61% of revenues are projected to have been received.

Through the first eight months of FY 2011, state general fund revenues are now ahead of the recently updated forecast by \$83 million (+1.0%). Revenues for FY 2011 now trail the May 2009 forecast, the basis for the budget that passed, by \$322 million. Revenues for FY 2010 were \$879 million less than the same May 2009 forecast upon which the budget was passed.

Sales tax collections have now increased on a year over year basis for twelve consecutive months, with gains of more than 5% for six of the past seven months.

Historically, individual income tax collections are low in February as a result of large amounts of refunds being processed. While the total number of refunds processed is basically flat, the average refund amount is 7% higher thus far for 2011 compared to the same time period in 2010. Meanwhile, payroll withholdings increased 3.6% in February compared to the same period last year. For the first eight months of FY 2011, individual income tax collections have increased 15.9% compared to prior year, with payroll withholdings averaging growth of 6.0%.

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