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

Results

- State general revenues totaled \$1,424 million, \$23 million (+1.7%) above target and \$90 million (+6.7%) above collections for the same period last year.
- Sales tax collections totaled \$572 million for the month, \$18 million (+3.3%) above collections for the same period last year.
- Individual income tax collections totaled \$527 million for the month, \$16 million (-3.0%) below target but \$91 million (+21.2%) above collections for the same period last year. Payroll withholdings increased 20.8% compared to the same period last year.
- Year-over-year comparisons are impacted by the individual income tax timing issue (1 more Friday than the same month last year). More reliable year-over-year comparisons can be made by looking at August and September revenues in combination.

Commentary

Through September, state general fund revenues have increased 5.2%, more than double the rate needed to meet the most recent forecast. Total general fund revenues are now \$51 million ahead of forecast through the first quarter of the fiscal year.

Sales tax collections increased 3.3% over the same period last year. Fiscal year-to-date sales tax revenues have grown 2.6%, exceeding the growth needed to meet the overall forecast.

Individual income tax collections underperformed the September target by \$16 million, but exceeded collections for the same period last year by \$91 million (+21.2%). The large year-over-year increase is caused by a timing issue related to the number of payrolls in a given month compared to that same month in the prior year (1 more Friday compared to prior year). As a result, payroll withholdings increased 20.8% compared to the same period last year. Viewed over two months, payroll withholdings have grown 5.7% compared to the same two-month period last year. Individual income tax collections have increased 6.1% over that time period, and are now essentially on target (-0.1%) through September.

Corporate income tax collections remain strong, exceeding the target by \$42 million (+24.0%) while falling short of collections for the same period last year by just \$2 million (-0.9%). Through September, corporate income tax collections have increased 6.3% compared to the same period last year and are running \$61 million ahead of target.

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