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The monthly revenue report of February 2014 state tax collections was released today.

Results

- State general fund revenues for February were \$708.4 million, \$54.1 million (7.1%) below target based on the December 20, 2013 forecast, but \$7.4 million (1.1%) above collections in February 2013.
- Sales tax collections were \$512 million for February, which is \$19.7 million (3.7%) below target for the month – likely due to severe winter weather.
- Individual income tax collections totaled \$121 million for the month, which is \$65.2 million (35%) below target for the month. For the first eight months of the fiscal year, individual income tax collections have missed the estimated target by \$117.7 million or 3.8%.
- Corporate income tax collections were \$34.8 million above target for February and \$47.1 million (11.5%) above target year to date.
- Gaming revenues missed the monthly target by \$5.4 million and are \$13.3 million below forecast for the first eight months of FY 2014. Severe winter weather closed four gaming facilities for two to three days in January, which contributed to lower gaming collections for the month.

Commentary

Through the first eight months of FY 2014, state general fund revenues were \$8,769.8 million, which is \$89.5 million (1.0%) below target based on the most recent revenue forecast updated on December 20, 2013.

For the first time in FY 2014, the current month's sales tax collections were below collections for the same month in FY 2013. Sales tax collections in February 2014 were below collections from February 2013 by \$13.7 million (2.6%). Severe winter weather throughout the state in January very likely contributed to lower sales tax collections for the month.

Individual income tax collections for February 2014 were \$34.3 million (22.1%) below income collections for February 2013. Year to date, withholdings increased by \$149.7 million (3.9%) over the same time last fiscal year. However, the local income tax certified distributions and the transfers for the LOIT reserve are also \$88 million more this fiscal year compared to the same time in FY 2013. Additionally, the Department of Revenue has processed more returns this February versus last February due to a delay imposed by the IRS in 2013, which shifted more returns to March and April 2013.

Corporate income tax collections for February 2014 were \$34.8 million (94.7%) above target for the month and \$47.1 million (11.5%) above target for the year. Compared to February 2013, corporate income tax collections in February 2014 were \$69.0 million (97.3%) higher, and year to date are \$29.5 million (6.9%) higher. Corporate income tax collections are significantly exceeding target for the month and the year despite reductions in the rate.