



# STATE OF INDIANA

Eric J. Holcomb  
Governor

---

## STATE BUDGET AGENCY

212 State House  
Indianapolis, Indiana 46204-2796  
317-232-5610

Zachary Q. Jackson  
Director

The monthly revenue report for January 2023 state tax collections was released today.

Note to readers: The monthly revenue estimates are based on the December 15, 2022 revenue forecast which considers revenue developments and the economic outlook presented on that date. This includes previously discussed changes in tax deadlines, payment timing, as well as assumptions related to federal and state policy actions leading up to the release of the forecast.

Information on the latest forecast is available at <https://www.in.gov/sba/2837.htm>.

Fiscal Year 2023 began on July 1, 2022 and ends June 30, 2023.

### Results

- General Fund revenues for January totaled \$1,943.6 million, which is \$73.8 million (3.9%) above estimate based on the December 15, 2022 revenue forecast but \$81.8 million (4.0%) below revenue in January 2022.

Notably, better-than-expected collections from sales tax, individual income tax, interest, insurance, and miscellaneous revenues outweighed lower-than-expected collections from corporate taxes.

Differences relative to monthly estimates and prior year actuals will be influenced by various factors including payment timing, federal policy actions, and changes to law.

- Sales tax collections totaled \$1,042.1 million for January, which is \$19.7 million (1.9%) above the monthly estimate and \$65.8 million (6.7%) above revenue in January 2022.

Monthly collections attributable to sales tax excluding gasoline use tax were \$18.9 million above the monthly estimate and \$69.4 million (7.2%) above prior year actuals. The January performance of 7.2% year-over-year growth, which mostly reflects December economic activity, compares to 3.0% year-over-year growth in December and 6.3% year-over-year growth for the period of July through December.

Gasoline use tax monthly collections came in \$0.8 million above the monthly estimate but \$3.5 million (25.2%) below prior year actuals. Gasoline use tax

---

collections are impacted by the lower statutory share of collections distributed to the General Fund in FY 2023 relative to FY 2022.

- Individual income tax collections totaled \$753.9 million for January, which is \$18.2 million (2.5%) above the monthly estimate but \$152.2 million (16.8%) below revenue in January 2022. Year-over-year comparisons are impacted by the reduction in the state individual income tax rate (effective January 1, 2023), and more.

Monthly collections related to tax withholdings came in \$39.5 million below the monthly estimate but \$38.9 million (4.1%) above prior year actuals. The January performance of 4.1% year-over-year growth, which mostly reflects December economic activity, compares to 8.0% year-over-year growth for the period of July through December.

Other monthly individual income tax collections, net of refunds, came in \$57.7 million above the monthly estimate but \$191.1 million (511.0%) below prior year actuals. January 2022 was slightly impacted by a delay in the opening of tax season. Additionally, a one-time \$164.4M adjustment for local income tax collections, as part of the December 2022 revenue forecast, affects comparisons to prior year actuals. Excluding this one-time adjustment, other monthly individual income tax collections are 2.8% above prior year actuals.

Differences relative to monthly estimates are likely as various factors may impact monthly revenue activity including payment and refund timing, late payments and more.

- Corporate tax collections totaled \$19.5 million for January, which is \$12.6 million (39.3%) below the monthly estimate and \$27.2 million (58.3%) below revenue in January 2022.

Differences relative to monthly estimates are likely as various factors may impact monthly revenue activity including payment and refund timing, late payments and more.

- Riverboat wagering tax collections totaled \$25.8 million for January, which is \$0.1 million (0.3%) above the monthly estimate but \$10.8 million (29.4%) below revenue in January 2022.

Racino wagering tax collections totaled \$12.8 million for January, which is \$2.7 million (26.0%) above the monthly estimate but \$0.1 million (1.1%) below revenue in January 2022.

---

Commentary

Year-to-date General Fund revenues totaled \$11,572.9 million, which is \$91.2 million (0.8%) above the December 2022 revenue forecast and \$543.7 million (4.9%) above revenues through the same period in the prior fiscal year.

Approximately 45 percent of Fiscal Year 2023 revenues are projected to be collected between February and June. April and June combined is estimated to contribute to nearly 25 percent of total Fiscal Year 2023 revenues.

Year-to-date sales tax collections totaled \$6,235.4 million, which is \$0.8 million (0.0%) below the December 2022 revenue forecast but \$362.1 million (6.2%) above collections through the same period in the prior fiscal year.

Year-to-date collections attributable to sales tax excluding gasoline use tax are \$1.8 million (0.0%) below the December 2022 revenue forecast but \$371.5 million (6.4%) above collections through the same period in the prior fiscal year.

Year-to-date individual income tax collections totaled \$4,150.7 million, which is \$52.6 million (1.3%) above the December 2022 revenue forecast and \$205.4 million (5.2%) above collections through the same period in the prior fiscal year. Excluding the one-time adjustment, as part of the December 2022 revenue forecast, other monthly individual income tax collections are 20.7% above prior year actuals. Year-over-year comparisons can be impacted by differences in number of five Fridays, timing of payments and refunds, opening of tax season, changes in law and more.

With important quarterly payment due dates, September, January, April, and June are the most important revenue months for individual income tax.

Year-to-date corporate tax collections totaled \$444.5 million, which is \$16.8 million (3.7%) below the December 2022 revenue forecast and \$177.5 million (28.5%) below collections through the same period in the prior fiscal year. Year-over-year comparisons are impacted by the repeal of the utility receipts tax and utility services use tax as well as other factors such as timing of payments and refunds, additional changes in law and more.

With important quarterly payment due dates, September, December, April, and June are the most important revenue months for corporate taxes.

As previously noted, monthly collections and comparisons relative monthly estimates are better interpreted looking at the full fiscal year perspective. In addition to the factors mentioned throughout this commentary, various aspects to consider include federal policy actions, temporary and seasonal economic dynamics, interest rates, and more.