



State of Indiana

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Mike Braun, Governor

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Hari Razafindramanana, Chief Economist, the Office of the Chief Economist & Tax Analysis, released the monthly revenue report for state tax collections for the month of March 2025.

Note to readers: The monthly revenue estimates are based on the December 17, 2024 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 [SBA: 2025-2027 Revenue Forecast and Updates](#).

Fiscal Year 2025 began on July 1, 2024 and ends June 30, 2025.

Results

- General Fund revenues for March totaled \$1,523.0 million, which is \$14.4 million (1.0%) above the estimate based on the December 17, 2024 revenue forecast and \$19.6 million (1.3%) above revenue in March 2024.

Notably, higher-than-expected collections from individual income tax and insurance revenues outweighed lower-than-expected collections from sales tax and corporate income tax.

As previously discussed, month-to-month fluctuations and differences relative to monthly estimates are expected leading up to April. April and June are the highest revenue activity months of the fiscal year.

Differences relative to monthly estimates and prior year actuals will be influenced by various factors including seasonality, evolving economic dynamics, timing of payments and refunds, federal policy actions, tax rates and other changes to law.

- Sales tax collections totaled \$768.3 million for March, which is \$51.9 million (6.3%) below the monthly estimate and \$17.6 million (2.2%) below revenue in March 2024.

The March performance of -2.2% year-over-year growth, which mostly reflects February economic activity, compares to fiscal year-to-date growth of 1.7% and year-over-year growth of 1.9%, 4.4%, and 1.0% over the three preceding months.

Year-over-year differences and fluctuations from month-to-month are expected as outlined by the economic, seasonal, and policy dynamics presented in the December 2024 revenue forecast.

- Individual income tax collections totaled \$578.8 million for March, which is \$76.1 million (15.1%) above the monthly estimate and \$49.3 million (9.3%) above revenue in March 2024.

Monthly collections related to tax withholdings came in \$45.6 million above the monthly estimate and \$155.7 million (18.9%) above the prior year actuals.

Other monthly individual income tax collections, net of refunds, came in \$30.6 million above the monthly estimate but \$106.4 million (35.9%) below prior year actuals.

Year-over-year comparisons and fluctuations between withholdings and other individual income tax collections are impacted by changes in the state individual income tax rate, refunds timing from opening of tax season, payment timing factors related to five Fridays, changes in tax requirements associated with the pass-through entity tax, and more.

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

Differences relative to monthly estimates are likely as various factors may impact monthly revenue activity including payment and refund timing, late payments, and more, within the context of an evolving economy. Income taxes should be interpreted within the fiscal year-to-date trend ahead of the highest revenue activity month of April.

- Corporate tax collections totaled \$56.7 million for March, which is \$10.0 million (15.1%) below the monthly estimate and \$8.2 million (12.7%) below revenue in March 2024.

Similarly to individual income tax collections, corporate tax collections must be interpreted within the full fiscal year perspective and within the context of an evolving economy and payment timing.

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

- Riverboat wagering tax collections totaled \$33.2 million for March, which is \$1.5 million (4.2%) below the monthly estimate and \$1.0 million (3.0%) below revenue in March 2024.
- Racino wagering tax collections totaled \$13.2 million for March, which is \$0.2 million (1.7%) below the monthly estimate and \$0.1 million (0.9%) below revenue in March 2024.

Year-to-Date Commentary

Year-to-date General Fund revenues totaled \$14,938.1 million, which is \$165.0 million (1.1%) above the December 2024 revenue forecast and \$152.7 million (1.0%) above revenues through the same period in the prior fiscal year.

Year-to-date sales tax collections totaled \$7,872.0 million, which is \$86.4 million (1.1%) below the December 2024 revenue forecast and \$128.9 million (1.7%) above collections through the same period in the prior fiscal year.

Year-to-date individual income tax collections totaled \$5,484.1 million, which is \$240.5 million (4.6%) above the December 2024 revenue forecast and \$156.9 million (2.9%) above collections through the same period in the prior fiscal year. Year-over-year comparisons are impacted by factors such as timing of payments and refunds, the reduction in the state individual income tax rate, changes in tax requirements associated with the pass-through entity tax, and more.

Year-to-date corporate tax collections totaled \$383.2 million, which is \$20.9 million (5.2%) below the December 2024 revenue forecast and \$134.0 million (25.9%) below collections through the same period in the prior fiscal year. Year-over-year comparisons are impacted by factors such as timing of payments and refunds, changes to law, and more.

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.