



State of Indiana

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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 May 2025.

Note to readers: The monthly revenue estimates are based on the April 16, 2025 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 May totaled \$1,613.6 million, which is \$23.2 million (1.5%) above the estimate based on the April 16, 2025 revenue forecast and \$25.6 million (1.6%) above revenue in May 2024.

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

As previously discussed, month-to-month fluctuations and differences relative to monthly estimates are expected. 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 and financial market dynamics, timing of payments and refunds, federal policy actions, tax rates and other changes to law.

- Sales tax collections totaled \$937.7 million for May, which is \$70.1 million (8.1%) above the monthly estimate and \$87.2 million (10.3%) above revenue in May 2024.

May performance of 10.3% year-over-year growth, which mostly reflects April economic activity, compares to fiscal year-to-date growth of 2.5% and year-over-year growth of 1.9%, -2.2%, and 2.6% over the three preceding months.

This month's performance was particularly impacted by late payments. Excluding these late payments, May revenues are about 5.2% above prior year actuals.

Year-over-year differences and fluctuations from month-to-month are expected as outlined by the economic, seasonal, and policy dynamics presented in the April 2025 revenue forecast.

- Individual income tax collections totaled \$539.9 million for May, which is \$0.7 million (0.1%) above the monthly estimate but \$9.1 million (1.7%) below revenue in May 2024.

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 and changing tax requirements.

- Corporate tax collections totaled \$33.1 million for May, which is \$26.9 million (44.8%) below the monthly estimate and \$13.3 million (28.6%) below revenue in May 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, changing tax requirements, and timing of payments and refunds.

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 \$39.0 million for May, which is \$5.5 million (12.4%) below the monthly estimate and \$2.5 million (6.0%) below revenue in May 2024.
- Racino wagering tax collections totaled \$13.1 million for May, which is \$1.0 million (7.9%) above the monthly estimate and \$1.1 million (9.0%) above revenue in May 2024.

Year-to-Date Commentary

Year-to-date General Fund revenues totaled \$19,538.8 million, which is \$28.0 million (0.1%) below the April 2025 revenue forecast but \$452.0 million (2.4%) above revenues through the same period in the prior fiscal year.

Year-to-date sales tax collections totaled \$9,707.5 million, which is \$68.0 million (0.7%) above the April 2025 revenue forecast and \$238.6 million (2.5%) above

collections through the same period in the prior fiscal year.

Year-to-date individual income tax collections totaled \$7,741.3 million, which is \$46.0 million (0.6%) above the April 2025 revenue forecast and \$394.3 million (5.4%) 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 \$614.0 million, which is \$140.3 million (18.6%) below the April 2025 revenue forecast and \$150.1 million (19.6%) 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.

Due to temporary timing aspects related to the pass-through-entity tax affecting year-over-year comparisons and flow of payments through FY 2025, corporate tax collections and individual income tax collections are to be interpreted as a whole. When looking at the combination of individual income tax and corporate tax, year-to-date collections are \$94.3 million below the April 2025 revenue forecast. June is a particularly important month for income taxes with quarterly estimated payments due.

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. These various factors may shift revenues from one period to another, and the outlook is better interpreted within the context of the longer-term trend and April 2025 revenue forecast.