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The monthly revenue report of April 2011 state tax collections was released today.

Results

- Total revenue collections were \$1,474 million, \$87 million less than projected by the revenue forecast recently updated on April 15, 2011. Total collections were \$139M below the amount assumed in the June 2009 budget as passed, but were \$37 million above collections for the same period last year (+2.5%).
- Sales tax collections totaled \$534 million for the month, \$17 million (+3.3%) above collections for the same period last year.
- Individual income tax collections totaled \$602 million for the month, \$24 million (+4.1%) above collections for the same period last year. Payroll withholdings increased 6.6% compared to the same period last year.
- Riverboat wagering tax collections totaled \$56 million for the month, nearly \$9 million (-13.2%) below collections for the same period last year.

Commentary

Although the above figures only represent one month, the results underscore the need for the state to protect an adequate level of reserves, especially given the uncertainty in the global economy at present.

Through the first ten months of FY 2011, state general fund revenues now trail the recently updated forecast by \$23 million (-0.2%). Revenues for FY 2011 now trail the May 2009 forecast, the basis for the budget that passed, by \$474 million. Revenues for FY 2010 were \$879 million less than the same May 2009 forecast upon which the budget was passed.

For the first ten months of FY 2011, individual income tax collections have increased 13.8% compared to prior year, with payroll withholdings averaging growth of 6.3%. While individual income tax collections in April demonstrated a slower rate of growth than previous months, it is prudent to wait for May and June collections before drawing any firm conclusions about trends.

Sales tax collections have now increased on a year over year basis for fourteen consecutive months; however, gains in April were only 3.3% compared with gains of more than 5% for seven of eight previous months.

Riverboat wagering tax collections suffered as a result of bad weather, including closure of at least one facility for more than a week due to flooding. Through the first ten months of FY 2011, riverboat wagering tax collections deposited in the state general fund are \$13 million (-3.2%) less than the same period last year.

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