



STATE OF INDIANA

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

Results

- Total revenue collections were \$978 million, \$12 million more than projected by the revenue forecast updated on April 15, 2011. Total collections were \$40 million above collections for the same period last year (+4.3%).
- Sales tax collections totaled \$555 million for the month, \$38 million (+7.4%) above collections for the same period last year.
- Individual income tax collections totaled \$365 million for the month, \$23 million (+6.6%) above collections for the same period last year. Payroll withholdings were basically flat (+0.1%) compared to the same period last year.

Commentary

Through two months, actual revenues lead the most recent forecast (April 15, 2011) by \$35.7 million. However, in recent months, Global Insight, which provides economic forecasts to the State of Indiana, has been consistently revising downward its projections of growth in the national economy. Although the forecast will not be updated until December, state revenues would be reduced by several hundred million dollars over the biennium based solely upon these lower national economic projections.

Sales tax collections increased 7.4% over last August following a 7.1% increase in July compared to the same period last year. Individual income tax collections increased 6.6% over last August following a 15.9% increase in July compared to the same period last year. The August result (+0.1%) for payroll withholding, the largest component of individual income tax collections, breaks a streak of 13 consecutive months with growth of at least 2%.

Corporate income tax collections missed the monthly target due to the timing of some large refunds, but viewed over the past two months (July and August), collections are within \$2 million of the targets.

Riverboat wagering tax collections continue to lag, reflecting declined attendance and activity at many facilities.

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