



# STATE OF INDIANA

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The monthly revenue report of February 2012 state tax collections was released today.

## Results

- Total revenue collections were \$719 million, \$29 million less than projected by the revenue forecast updated on December 14, 2011. Total collections were \$3 million above collections for the same period last year (+0.5%).
- Sales tax collections totaled \$499 million for the month, \$11 million (+2.2%) above collections for the same period last year.
- Individual income tax collections totaled \$154 million for the month, \$9 million (+6.2%) above collections for the same period last year. Payroll withholdings increased 3.1% compared to the same period last year.

## Commentary

Through the first eight months of the fiscal year, state general fund revenues are currently \$147 million ahead of the budget plan, which was based upon the April 15, 2011 revenue forecast. Through February, state general fund revenues have increased 7.6% compared to the same period last year. The December 2011 forecast projects annual growth of 6.0%.

February is the month with the lowest level of collections, in part because of the large amount of individual income tax refunds that are paid during the month. Through February, individual income tax collections have increased 9.0% over the prior year, ahead of the 6.6% growth rate projected in the latest revenue forecast. Payroll withholdings increased 3.1%, bringing the average growth over the first eight months of the fiscal year to 4.1%. The Department of Revenue has processed and paid more refunds in January and February of 2012 than were processed in January and February of 2011. Consequently, it is possible that individual income tax collections will be stronger later in the fiscal year.

Sales tax collections increased 2.2% over the same period last year, although February 2011 collections had increased 8.5% (the strongest month in FY 2011). Through February, sales tax collections have increased 6.1% over the prior year, just slightly below the 6.4% growth rate projected in the latest revenue forecast.

Corporate income tax collections for February were weak as a result of refunds, but viewed over the past eight months, corporate income tax collections lead the December 2011 forecast by \$51 million.

General fund revenues through the first eight months have exceeded the recently updated revenue forecast by \$39 million, or 0.4%.

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