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

Results

- Total revenue collections were \$1,039 million, \$23 million more than projected by the revenue forecast updated on December 14, 2011. Total collections for March were \$62 million above collections for the same period last year (+6.3%).
- Sales tax collections totaled \$531 million for the month, \$47 million (+9.8%) above collections for the same period last year.
- Individual income tax collections totaled \$337 million for the month, \$4 million (+1.1%) above collections for the same period last year. Payroll withholdings increased 4.1% compared to the same period last year.
- Year to date, state general fund revenues are \$76 million ahead of the budget plan, but are \$41 million (-0.4%) behind the most recent revenue forecast updated on December 14, 2011.

Commentary

Beginning in January of 2011, the state has under-distributed local option income taxes to Indiana counties as a result of an error in the County Statistics Report. This error resulted in the overstatement of state general fund revenues by \$70.6 million in FY 2011, and by approximately \$13 million per month during the first eight months of FY 2012. Results for individual income tax revenue have been restated in the monthly revenue report for July through February, and the correct amount has been reported for March.

Through the first 9 months of the fiscal year, state general fund revenues are currently \$41 million (-0.4%) behind the most recent revenue forecast updated on December 14, 2011. However, they are \$76 million ahead of the budget plan, which was based upon the April 15, 2011 revenue forecast. Through March, state general fund revenues have increased 6.3% compared to the same period last year. The December 2011 forecast projects annual growth of 6.0%.

Through March, individual income tax collections have increased 4.7% over the prior year. Payroll withholdings increased 4.1%, bringing the average growth over the first nine months of the fiscal year to 4.1%. The Department of Revenue has processed and paid more refunds in the first quarter of CY 2012 than were processed in the first quarter of CY 2011, although the average refund amount is down slightly. As a result, it remains probable that individual income tax collections will be stronger later in the fiscal year.

Sales tax collections increased 9.8% over the same period last year. Through March, sales tax collections have increased 6.5% over the prior year, just slightly ahead of the 6.4% growth rate projected in the latest revenue forecast.

Through March, corporate income tax collections lead the December 2011 forecast by \$60 million.

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