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

Results

- Total revenue collections were \$948 million, \$10 million more than projected by the revenue forecast updated on April 15, 2011. Total collections were \$31 million above collections for the same period last year (+3.4%).
- Sales tax collections totaled \$536 million for the month, \$42 million (+8.6%) above collections for the same period last year.
- Individual income tax collections totaled \$317 million for the month, \$38 million (-10.8%) below collections for the same period last year. Payroll withholdings decreased 8.4% compared to the same period last year.

Commentary

Through the first five months of FY 2012, actual revenues lead the most recent forecast (April 15, 2011) by \$117.5 million. Sales tax collections have increased 8.2% through the first five months of the year.

As predicted, the timing issue that resulted in a dramatic increase in withholdings last month reversed itself. Payroll withholdings declined 8.4% following last month's 19.5% increase. Looking at the two months in combination, payroll withholdings increased 4.8% over the prior year, which is roughly in line with the 4.3% growth that has occurred in the first five months of FY 2012.

Gaming revenues continue to lag the April forecast. Of particular note, the state's racinos have ceased paying taxes on a portion of their gross income as a result of a ruling by a Delaware bankruptcy court. Unless this is addressed by the Indiana General Assembly, it is expected to reduce general fund revenues by \$20-25 million annually.

The official revenue forecast will be updated on December 14, 2011, to incorporate any outside acts or adjustments since the April 2011 forecast as well as updated economic variables from Global Insight. Based upon stronger than anticipated revenues in the final months of FY 2011 and the first five months of FY 2012, it now appears the updated revenue forecast will increase projected state general fund revenues for the FY 2012-2013 biennium.

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