



STATE OF INDIANA

Michael R. Pence
Governor

STATE BUDGET AGENCY

212 State House
Indianapolis, Indiana 46204-2796
317-232-5610

Brian E. Bailey
Director

The monthly revenue report for September 2015 state tax collections was released today. Charts visualizing revenue data are located on the Management and Performance Hub under the State Tax Revenue section:
<http://www.in.gov/mph/staterevenue.html>.

Commentary

Due to an operational issue related to processing and depositing payments received in September, some deposits that would normally have counted towards September revenue were deposited in October. In order to provide a more accurate picture of revenue collections for both September and October, the following commentary explains the effect of the timing of these deposits.

The Department of Revenue recently transitioned to new payment processing software to conform to data security and financial transaction best practices. As a result of a payment processing delay related to this implementation, some payments received in September were not processed and deposited until after the deadline for including revenue in September. Specifically, the document imaging and processing system failed to recognize a number of taxpayer payments sent in September. Instead of processing these payments, the system routed them to a queue for manual processing. At that point, department employees reviewed each individual transaction and manually entered the information into the financial system. Approximately 50,000 transactions out of more than 120,000 in September were sent to the queue and processed this way. The large number of queued transactions sent to manual review left insufficient time for department employees to process them prior to the September deposit deadline. As a result, many of these payments, totaling \$86.3M that would have otherwise been deposited in the General Fund in September, have been processed and deposited in October. The Department of Revenue has made software and operational changes to ensure all payments will be deposited timely in the future. No taxpayers will be affected, and all payments have been identified and deposited.

Had the \$86.3 million in revenue been processed in the month of September, revenue results would have been as follows:

- General Fund collections for September totaled \$1,428.9 million, which is \$2.3 million more than the monthly estimate.
- Year-to-date General Fund collections totaled \$3,549.70 million, which is \$2.6 million more than estimated, and \$47.2 million above collections for the same period last year.

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- Sales tax collections totaled \$607.1 million for September, which is \$22.8 million (3.6%) below the monthly estimate and \$2.6 million (0.4%) above revenue in September 2014.
 - Individual income tax collections totaled \$512.8 million for the month, which is \$23.2 million (4.7%) above the monthly estimate and \$37.8 million (6.9%) below revenue in September 2014.
 - Corporate tax collections were \$201.3 million for the month, which is \$0.4 million (0.2%) below the monthly estimate and \$26 million (11.4%) below revenue in September 2014.

Results excluding \$86.3 million received in September but deposited in October

- State general fund revenues for September were \$1,342.6 million, which is \$84.0 million (5.9%) below the estimate based on the April 16, 2015 forecast and \$142.2 million (9.6%) below revenue in September 2014.
- Sales tax collections were \$606.0 million for September, which is \$24.0 million (3.8%) below the monthly estimate and \$1.5 million (0.3%) above revenue in September 2014.
- Individual income tax collections were \$437.0 million for the month, which is \$52.6 million (10.8%) below the monthly estimate and \$113.7 million (20.6%) below revenue in September 2014. Last September followed a month with five Fridays. A month following a month with five Fridays historically results in greater individual income tax collections. September 2015, however, followed a month with four Fridays and therefore individual income tax collections were not expected to reach levels collected in September 2014.
- Corporate tax collections were \$192.0 million for the month, which is \$9.8 million (4.8%) below the monthly estimate.
- Riverboat wagering collections were \$19.2 million for the month, which is \$0.3 million (1.4%) below the monthly estimate.
- Racino wagering collections were \$7.8 million for the month, which is \$0.1 million (1.5%) above the monthly estimate.