

EXECUTIVE TAX REVENUE FORECAST

SFY 2007-08 Estimate

The Executive estimate of total tax collections in SFY 2007-08 is \$60.9 billion, an increase of \$2.2 billion or 3.7 percent. The growth in receipts has slowed substantially from the prior three fiscal years, reflecting a slowdown in economic activity resulting from the housing market slowdown and the weakness in the securities industry. As a result, revenue growth through December is just 2.8 percent, though the Executive's estimate implies that growth in revenues will be 6.0 percent over the last quarter of the fiscal year. The Executive estimate is \$237 million lower than their Midyear Update and just over \$1 billion lower than the Enacted Budget forecast issued in April of 2007.

SFY 2008-09 Outlook

All Funds tax receipts are expected to grow by \$4.0 billion or 6.5 percent to \$64.9 billion. The Executive expects the slowdown in the economy to continue through most of 2008, putting downward pressure on growth in tax receipts. To bolster revenues in the upcoming fiscal year, the Executive is proposing \$1.1 billion in new revenue enhancement measures and additional loophole closers. Adjusting for these measures, current law revenue growth is expected to be \$2.8 billion or 4.7 percent. The current law forecast is \$726 million below the forecast in the Midyear Update.

Table 23

Executive Tax Forecast Summary					
State Fiscal Years 2006-07 and 2007-08					
(\$ in Millions)					
	2006-07	2007-08	Percent	2008-09	Percent
	Actual	Estimate	Growth	Forecast	Growth
Personal Income Tax	\$22,940	\$22,735	-0.9%	\$24,391	7.3%
User Taxes	8,186	8,503	3.9%	8,832	3.9%
Business Taxes	6,468	6,300	-2.6%	7,254	15.1%
Other	1,075	1,030	-4.2%	1,194	15.9%
General Fund Taxes	38,668	38,568	-0.3%	41,671	8.0%
Non-General Fund Taxes	20,072	22,358	9.5%	23,242	13.0%
All Fund Taxes	\$58,740	\$60,926	3.7%	\$64,913	6.5%

Table 24

Executive Revenue Estimates: Total Tax Collections SFY 2007-08				
(\$ in Millions)				
	2006-07	2007-08		Percent
	Actual	Estimate	Change	Growth
Personal Income Tax	34,581	36,551	\$1,970	5.7%
Gross Receipts	40,090	43,123	3,033	7.6%
Withholding	26,802	28,401	1,599	6.0%
Estimated Payments	10,355	11,697	1,342	13.0%
Vouchers	7,572	8,572	1,000	13.2%
IT 370s	2,783	3,125	342	12.3%
Final Payments	2,102	2,116	14	0.7%
Delinquencies	832	909	77	9.3%
Total Refunds	5,510	6,572	1,062	19.3%
Prior Year Refunds	3,231	4,248	1,017	31.5%
Current Refunds	1,500	1,500	0	0.0%
Previous Refunds	256	315	59	23.0%
State/City Offsets	522	509	(13)	-2.5%
Collections	34,581	36,551	1,970	5.7%
User Taxes and Fees	13,457	13,902	445	3.3%
Sales and Use Tax	10,739	11,198	459	4.3%
Motor Fuel Tax	513	512	(1)	-0.2%
Cigarette Tax	985	972	(13)	-1.3%
Motor Vehicle Fees	769	772	3	0.4%
Highway Use	153	147	(6)	-3.9%
Alcoholic Beverage Tax	194	200	6	3.1%
Alcoholic Beverage Fees	58	52	(6)	-10.3%
Auto Rental Tax	46	49	3	6.5%
Business Taxes	8,606	8,437	(169)	-2.0%
Corporate Franchise	4,228	4,106	(122)	-2.9%
Utility Tax	820	816	(4)	-0.5%
Insurance Tax	1,258	1,292	34	2.7%
Bank Tax	1,210	1,094	(116)	-9.6%
Petroleum Business Tax	1,090	1,129	39	3.6%
Other	2,097	2,036	(61)	-2.9%
Real Property Gains	0	-	0	0.0%
Estate and Gift	1,053	1,006	(47)	-4.5%
Real Estate Transfer	1,022	1,006	(16)	-1.6%
Pari Mutuel	21	23	2	9.5%
Other	1	1	0	0.0%
Total Taxes	\$58,740	60,926	\$2,186	3.7%

Table 25

Executive Revenue Estimates: Total Tax Collections SFY 2008-09				
(\$ in Millions)				
	2007-08	2008-09		Percent
	Estimate	Forecast	Change	Growth
Personal Income Tax	\$36,551	\$38,805	\$2,254	6.2%
Gross Receipts	43,123	45,861	2,738	6.3%
Withholding	28,401	30,176	1,775	6.2%
Estimated Payments	11,697	12,527	830	7.1%
Vouchers	8,572	9,152	580	6.8%
IT 370s	3,125	3,375	250	8.0%
Final Payments	2,116	2,211	95	4.5%
Delinquencies	909	947	38	4.2%
Total Refunds	6,572	7,056	484	7.4%
Prior Year Refunds	4,248	4,412	164	3.9%
Current Refunds	1,500	1,750	250	16.7%
Previous Refunds	315	290	(25)	-7.9%
State/City Offsets	509	604	95	18.7%
Collections	36,551	38,805	2,254	6.2%
User Taxes and Fees	13,902	14,219	317	2.3%
Sales and Use Tax	11,198	11,506	308	2.8%
Motor Fuel Tax	512	351	(161)	-31.4%
Cigarette Tax	972	1,051	79	8.1%
Motor Vehicle Fees	772	830	58	7.5%
Highway Use	147	162	15	10.2%
Alcoholic Beverage Tax	200	220	20	10.0%
Alcoholic Beverage Fees	52	48	(4)	-7.7%
Auto Rental Tax	49	51	2	4.1%
Business Taxes	8,437	9,720	1,283	15.2%
Corporate Franchise	4,106	4,745	639	15.6%
Utility Tax	816	787	(29)	-3.6%
Insurance Tax	1,292	1,555	263	20.4%
Bank Tax	1,094	1,096	2	0.2%
Petroleum Business Tax	1,129	1,537	408	36.1%
Other	2,036	2,169	133	6.5%
Real Property Gains	-	-	0	0.0%
Estate and Gift	1,006	1,170	164	16.3%
Real Estate Transfer	1,006	975	(31)	-3.1%
Pari Mutuel	23	23	0	0.0%
Other	1	1	0	0.0%
Total Taxes	\$60,926	\$64,913	\$3,987	6.5%