

TAX COLLECTIONS UP 16.6 PERCENT DURING FIRST HALF OF JULY

Higher withholding, sales and use tax collections during the first half of July helped boost overall mid-month tax collections up by \$77 million over the comparable period in 2009, state revenues officials said in a letter to lawmakers. The state collected \$542 million in taxes through July 16, with the state's full month benchmark projecting total tax revenues of \$1.274 billion, an increase of \$24 million from July 2009. The state's benchmark for the month projects a decline in withholding taxes of \$47 million but withholding collections through mid-July were up \$28 million – state revenue officials cautioned that timing-related changes this year should result in a shift of up to \$70 million in withholding payments from July to August, with virtually all of the projected decline this month occurring on July 31. In the letter, Revenue Commissioner Navjeet Bal informed lawmakers that monthly tax collection benchmarks for the 11 months remaining in fiscal 2011 will not be released until work is complete on an economic development bill. The House version of that bill, which is being negotiated in a six-member House-Senate conference committee, includes tax law changes sought by business groups that could affect tax collections this fiscal year.