



Massachusetts Department of Revenue

Briefing Book FY2018 Consensus Revenue Estimate Hearing

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Introduction

This Briefing Book was created by the Department of Revenue (DOR) and is intended to provide you with DOR’s current tax revenue estimates for FY17 and FY18 and relevant background information.

During FY16, the Massachusetts labor market performed very well, but real GSP growth slowed down, and so did the state tax revenue collections. Looking forward, what economic policies the president-elect Donald Trump will implement are highly uncertain, adding to the existing economic uncertainty due to politic risks in Eurozone, strong U.S. dollar, slow global economic growth, etc. As a consequence, there is more uncertainty surrounding revenue forecasts than in previous years.

Our FY17 and FY18 revenue forecasts are based on tax collections through November 2016 and the economic projections provided by *Moody’s Economy.com* and *IHS Markit* (formerly known as *Global Insight*). The forecasts have been adjusted for legislatively mandated tax changes. The table below summarizes the Department’s current tax revenue forecasts for FY17 and FY18.

**FY17 and FY18 Department of Revenue Tax Revenue Projections
(in \$ Billions)**

	<u>FY17 Projections</u>	<u>% Growth Actual from FY16</u>	<u>% Growth Baseline from FY16</u>	<u>FY18 Projections</u>	<u>% Growth Actual from FY17</u>	<u>% Growth Baseline from FY17</u>	<u>% Growth Actual from current FY17 benchmark</u>
Current Benchmark	\$26.056	3.1%	4.2%	N/A	N/A	N/A	N/A
Economy.com	\$26.085	3.2%	4.3%	\$27.104	3.9%	4.7%	4.0%
Global Insight	\$25.979	2.8%	3.9%	\$26.810	3.2%	3.7%	2.9%

FY16 Results

- FY16 tax collections totaled \$25.425 billion, up \$492 million, or 2.0% from FY15.
- FY16 “baseline” tax collections (i.e., growth adjusted for the impact of tax law and administrative changes) were up 2.5% from FY15.
- Excluding \$155 million in “tax-related” settlements & judgments exceeding \$10 million each, FY16 tax collections totaled \$25.269 billion, \$482 million below the final FY16 revenue estimate of \$25.751 billion. The shortfall reflected mostly weaker than expected performance in withholding and non-withheld (investment-related) income tax collections, and lower than expected sales and use taxes collections, partly offset by more than expected corporate and business tax collections, as well as other tax collections. Capital gains tax revenues were down 15.7% in FY16 compared to FY15, and totaled about \$1.416 billion based on preliminary income tax return data and tax collections data.
 - FY16 personal income tax collections totaled \$14.394 billion, up 0.1% actual and 1.1% baseline. Withholding increased 4.3% baseline; income tax from cash estimated payments, which included tax on capital gains, interest and dividends, and unincorporated business income, decreased 0.6% baseline; cash refunds were up 11.5% baseline; income tax payments with returns and bills decreased 6.6% baseline.
 - FY16 sales tax was \$6.055 billion, up 4.9% actual and 4.8% baseline. Regular sales tax totaled \$4.157 billion, up 4.1% baseline; meals tax totaled \$1.064 billion, up 6.9% baseline; and motor vehicle sales tax totaled \$834 million, up 5.7% baseline.
 - FY16 corporate and business tax collections of \$2.548 billion for the year were up 5.3% actual and 5.8% baseline, compared with the baseline increase of 12.1% from FY14 to FY15.
 - All other tax collections totaled \$2.273 billion for FY16, up 5.8% actual and 5.2% baseline.

FY17 Summary

- The FY17 consensus revenue estimate assumed FY17 revenue collections of \$26.860 billion, which was revised to \$26.231 billion when the FY17 budget was enacted, reflecting actual growth of 3.8% and baseline growth of 4.9% from FY16 collections.
- On October 14, 2016 the Executive Office for Administration and Finance (A&F) reduced the FY17 revenue estimate by \$175 million, to \$26.056 billion. The revised estimate reflects projected revenue increase of 3.1% actual and 4.2% baseline from FY16 collections.
- Through November 2016, FY17 tax collections totaled \$9.489 billion, up \$201 million, or 2.2% actual and 3.4% baseline compared to the same five-month period in FY16. Excluding the \$13.5 million in tax related settlements & judgments exceeding \$10 million each, FY17 year-to-date tax collections totaled \$9.475 billion, \$72 million below the November year-to-date benchmark. Specifically:
 - Year-to-date withholding is up 4.8% actual and 6.3% baseline.
 - Year-to-date income tax estimated payments (cash) are down 7.9% actual and 6.9% baseline.
 - Year-to-date sales tax collections are up 2.6% actual and 1.8% baseline.
 - Year-to-date corporate and business tax collections are up 11.0% actual and 14.2% baseline.

It is important to note that DOR converted personal income tax filers from its old system, WebFile, to a new collection system, MassTaxConnect, during the final week of November. During the transition, electronic filing was shut down temporarily. DOR has identified approximately \$51 million in receipts that will likely shift into December as a result.

- The Massachusetts economy is forecasted to grow moderately during the last three quarters of FY17.
 - Real Gross State Product is projected to grow by 1.8% to 2.4%.
 - Massachusetts payroll employment is projected to grow by 1.7% to 1.8%, and wages and salaries are projected to grow by 3.6% to 3.8%.
 - Retail sales are projected to grow by 3.2% to 4.7%.

FY17 Summary

- With respect to capital gains, DOR forecasts that tax year 2016 capital gains realizations (which mainly determine FY17 capital gains tax collections) will decrease by 9.5% to 10.1% compared with tax year 2015, and will then change by -9.7% to +5.4% in tax year 2017 and by -2.9% to 0.0% in tax year 2018.
- Employing economic forecasts from IHS Markit, Moody's economy.com, and DOR's capital gains projections, FY17 tax revenue is projected at \$25.979 billion to \$26.085 billion, \$77 million below to \$29 million above the adjusted FY17 estimate of \$26.056 billion. Included in this forecast is an adjustment for the impact of tax law changes and revenue initiatives, which are expected to result in a net revenue loss of \$277 million in FY17.

FY18 Summary

- The national economy is forecasted to grow at a slow pace in FY18. The U.S. real Gross Domestic Product (GDP) is forecasted to grow 2.1% to 2.9%.

- The two forecast vendors project the economy for FY18 as follows:
 - Projections for Massachusetts employment range from a year-over-year growth of 0.7% to 1.2% in FY18, compared to growth of 1.8%-1.9% in FY17, and Massachusetts wages and salary projections range from growth of 4.8% to 5.5% in FY18, compared to growth of 3.6%-3.9% in FY17;
 - Massachusetts personal income is forecasted to grow 4.4% to 5.1% in FY18, compared to growth of 3.6%-3.8% in FY17;
 - Nationally, corporate profits are forecasted to grow by 3.1% to 10.8% in FY18, compared to growth of 7.5%-7.9% in FY17;
 - The stock market as measured by the S&P 500 index is forecasted to grow 1.4% to 5.4% in CY2017, compared to growth of 1.4%-1.5% in CY2016.

- Employing the economic growth assumptions from Economy.com and IHS Markit, FY18 tax revenue is projected to be \$26.810 billion to \$ 27.104 billion, reflecting 2.9% to 4.0% growth over current FY17 benchmark estimate of \$26.056 billion, and baseline growth of 3.7% to 4.7% over updated FY17 forecasts. Included in this forecast is an adjustment for the impact of tax law changes and revenue initiatives, which are expected to result in an offset of \$100 million in FY18. Please note that these forecasts assume part B income tax rate reduction (from 5.10% to 5.05%) effective January 1, 2018.

Recent Revenue Trends

- **Two Measures of Tax Revenue Growth:**
 - Actual growth - growth in actual collections over two periods.
 - Baseline growth - growth had there been no tax law or administrative changes that affected tax collections. Baseline growth also adjusts for fluctuations in the timing of tax collections. Baseline growth is a better measure of the change in the underlying tax base and the economy.

FY2017 Year-to-Date Collections Through November 2016 (in \$ millions)					
	11/2016 FY17 YTD Collections	11/2016 FY17 YTD \$ Change	11/2016 FY17 YTD Actual % Change	11/2016 FY17 YTD Baseline % Change	FY17 YTD \$ Above/(Below) Benchmark Based on FY17 Estimate of \$26.056 Billion
Income - Total	5,291	72	1.4%	3.5%	(50)
Income Withholding	4,681	213	4.8%	6.3%	(7)
Income Est. Payments (Cash)	649	(56)	-7.9%	-6.9%	(7)
Income Returns/Bills	229	(38)	-14.1%	-6.6%	(17)
Net Income Refunds	268	48	21.6%	15.7%	19
Sales & Use - Total	2,628	68	2.6%	1.8%	(3)
Sales - Regular	1,773	46	2.6%	1.3%	2
Sales - Meals	497	24	5.0%	5.2%	4
Sales - Motor Vehicles	357	(1)	-0.4%	-0.2%	(10)
Corporate & Business - Total	623	62	11.0%	14.2%	(4)
All Other	934	1	0.1%	0.7%	(15)
Total Tax Collections	9,475	202	2.2%	3.4%	(72)
<i>Tax-Related Settlements & Judgments Exceeding \$10 Million Each</i> (NOT included in the YTD collections figures above. YTD benchmarks DO NOT assume such large settlements and judgments exceeding \$10 million each).					
	13.5				
Total Tax Collections <small>(including tax-related settlements & judgments)</small>	9,489	201	2.2%	3.4%	
Corporate & Business - Total <small>(including tax-related settlements & judgments)</small>	637	61	10.6%	13.7%	
Income Returns/Bills <small>(including tax-related settlements & judgments)</small>	229	(38)	-14.1%	-6.6%	

Note: An implementation of the Commonwealth's new tax system required the shutdown of tax processing in MassTaxConnect from November 28 through November 30, resulting in a shift of approximately \$51 million of payments into December. If this figure were reflected in November revenues, the fiscal year-to-date total revenue would be \$9.526 billion, which is \$21 million or 0.2% below benchmark.

Recent Revenue Trends

- **Withholding**

- Withholding has grown steadily so far in FY17, with baseline collections up 6.3% through November 2016, after having increased by 4.3% baseline in FY16.

- **Income Tax Estimated Payments (Cash)**

- Income tax estimated payments (cash) have decreased by 6.9% baseline so far in FY17, after having decreased by 0.6% baseline in FY16, reflecting probably the slowdown in the stock market most time in calendar year 2016 continuing the slowdown in calendar year 2015.

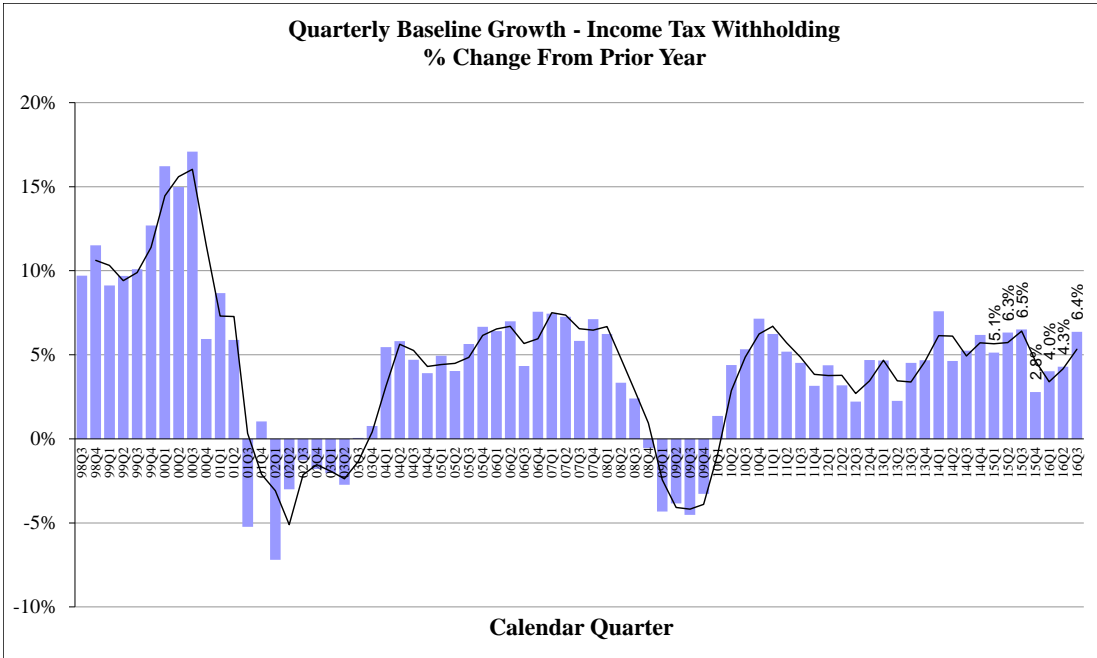
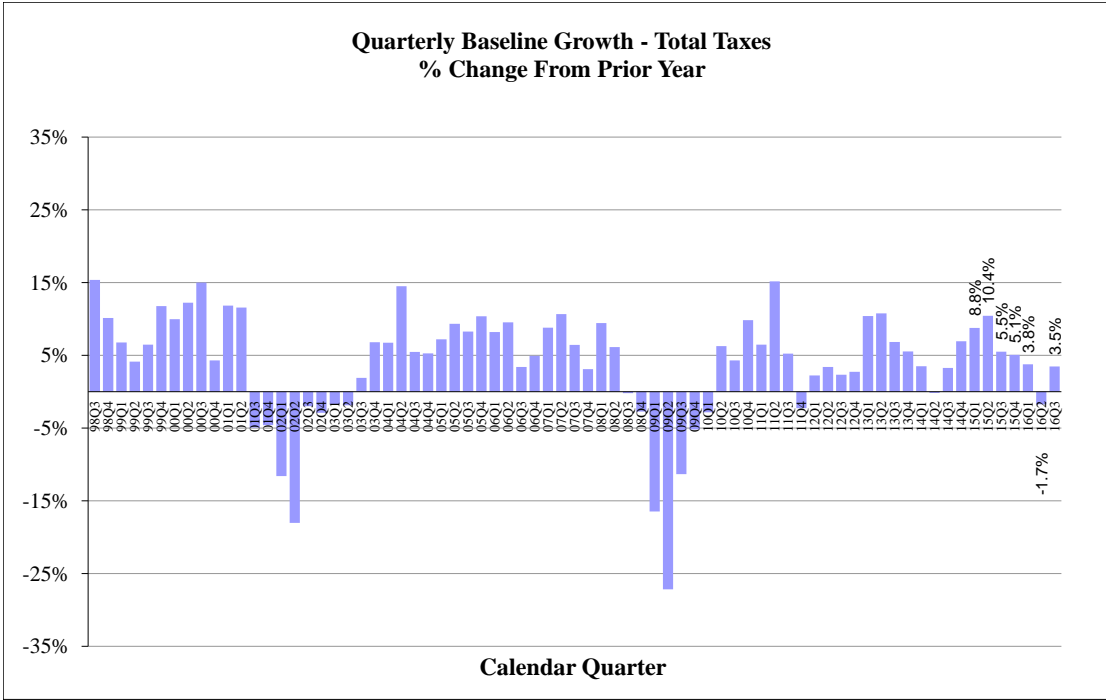
- **Sales Tax**

- Sales tax collections have grown slowly so far in FY17. After having increased by 4.8% baseline in FY16, sales tax collections are up 1.8% baseline FY17 year-to-date. Regular sales tax is up by 1.3% baseline. Meals tax is up 5.2% baseline. Motor vehicle sales tax was down 0.2% baseline.

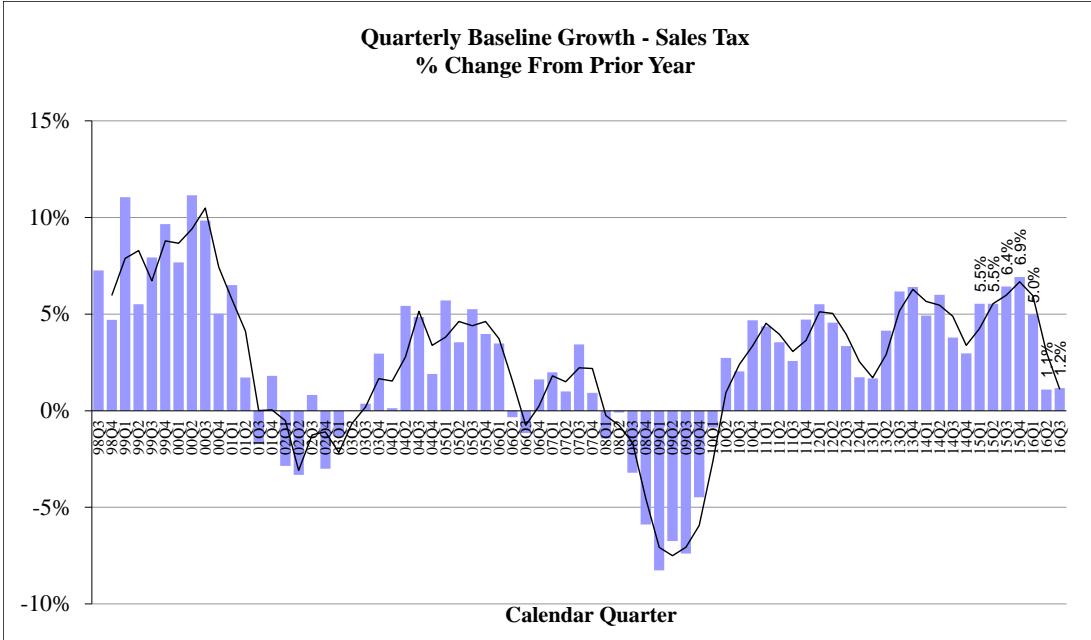
- **Corporate and Business Excise**

- National corporate profits started to grow in 2016Q3 (5.5% year over year) after consecutive declines during the 5 quarters since 2015Q2. Corporate and business tax collections (excluding the \$13.5 million in tax related settlements & judgments exceeding \$10 million each) grew strongly in the first five months of FY17, with a baseline growth of 14.2% through November 2016, compared with an increase of 5.8% baseline in FY15.

Recent Revenue Trends



Recent Revenue Trends



The U.S. Economy

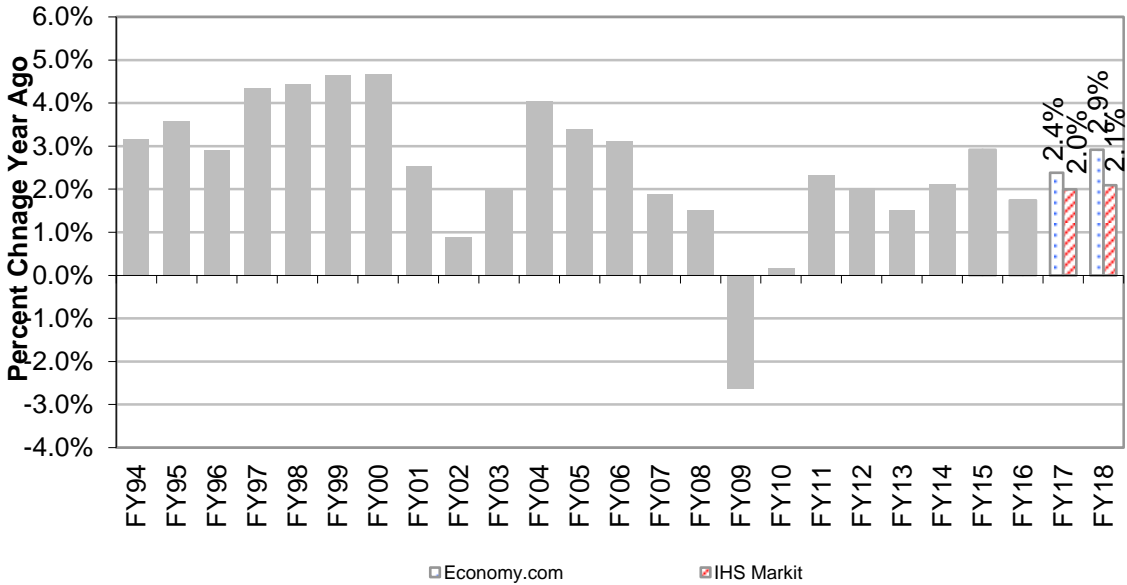
- DOR utilizes national and Massachusetts state economic forecasts from IHS Markit and Moody's Economy.com.
- The growth of the national real GDP is forecasted to be 2.0% - 2.4% in FY2017 (2.1% - 3.0% in CY2017) and 2.1% - 2.9% in FY2018 (2.5% - 2.7% in CY2018). The major sources of forecast uncertainty include the uncertainty regarding what economic policies the president-elect Trump will implement, as well as that due to politic risks in Eurozone, strong U.S. dollar, slow global economic growth, etc.
- The labor market condition has improved further in calendar year 2016 in terms of employment and unemployment rate. According to the data from the U.S. Bureau of Labor Statistics, U.S. nonfarm payroll employment rose by 2.25 million in November 2016 compared with November 2015. The unemployment rate, which was 4.6% in November 2016, is forecasted to be in the range of 4.8% - 4.9% in FY2017, and 4.7% - 4.8% in FY2018.
- With low mortgage rate and improved labor market condition, the U.S. housing market has continued to improve steadily in calendar year 2016. In October 2016, new- and existing-home sales increased by 17.8% and 2.0% respectively compared with October 2015. During the same period of time, housing inventory has decreased from 5.6 month and 4.8 month of supply to 5.2 month and 4.3 month of supply at the current sales rate for new and existing homes respectively.

The U.S. Economy

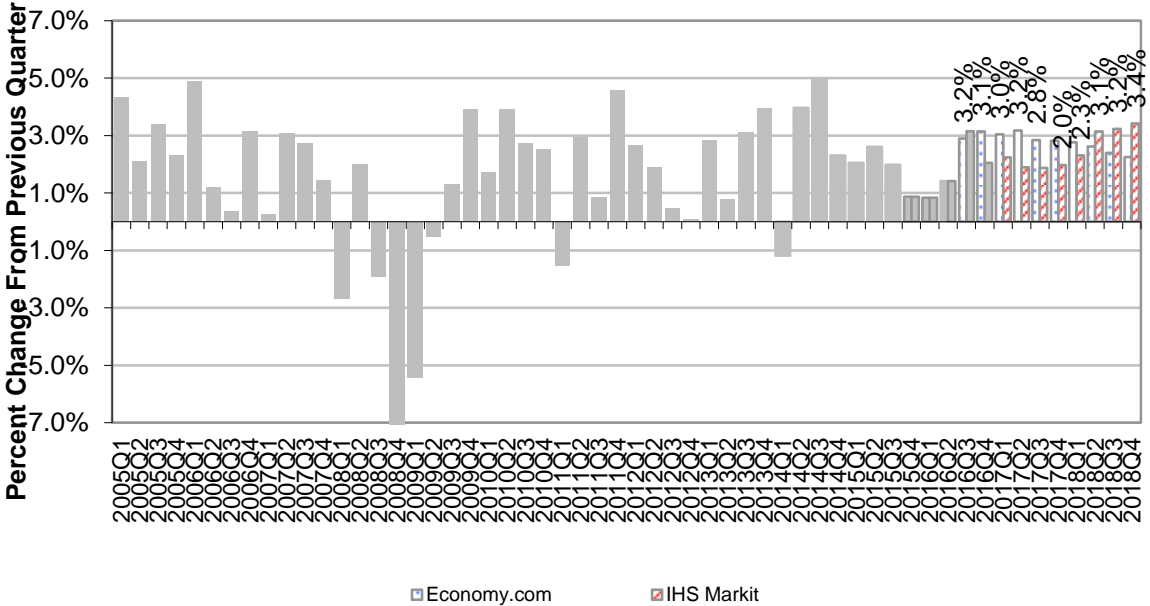
- With the Federal Reserve all but certain to raise interest rates, short-term interest rates are forecasted to get higher continuously in calendar year 2017 and 2018. The Federal funds rate is forecasted to be around 0.6% in FY2017 (0.8% - 1.0% in CY2017), and 1.1% - 1.4% in FY2018 (1.4% - 1.8% in CY2018). The bank prime rate is forecasted to be around 3.6% - 3.8% in FY2017 and 4.1% - 4.5% in FY2018.
- After a sharp decline of 6.5% in FY2016, US corporate profits before tax is forecasted to grow 8.2% - 8.7% during the last three quarters of FY2017, compared to the same period of FY2016. The annual growth of the corporate profits before tax is predicted to be 7.5% - 7.9% in FY2017 (4.5% - 5.1% in CY2017) and 3.1% - 10.8% in FY2018 (3.0% to 19.1% in CY2018).
- The stock market, as measured by the S&P 500 index, is forecasted to grow by 1.4% - 5.4% in CY2017 and -0.2% - 3.5% in CY2018.

The U.S. Economy

Real U.S. GDP Growth, FY1994-2018

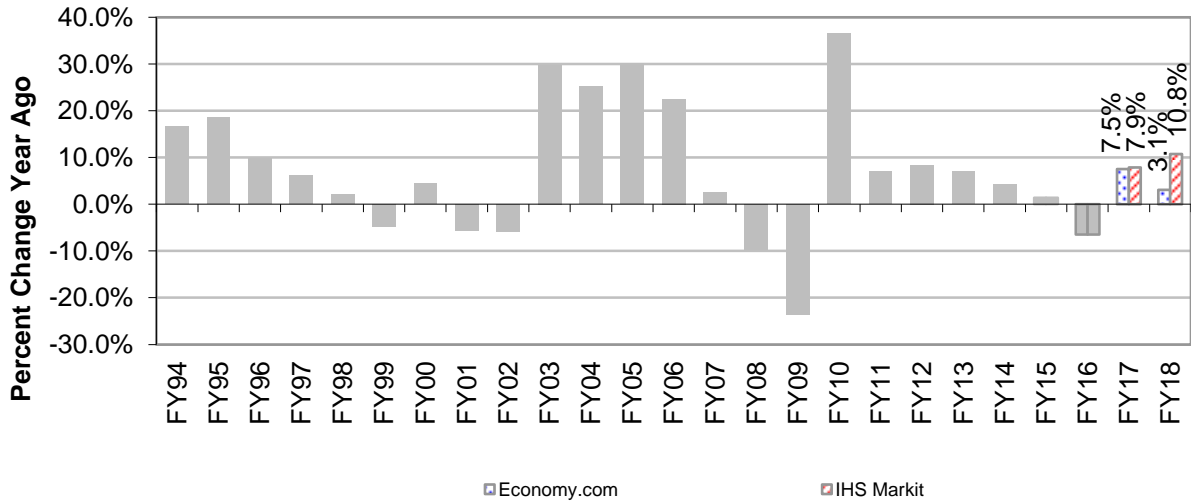


Annualized Quarterly Growth in U.S. Real GDP (Change from Previous Quarter, Annualized)

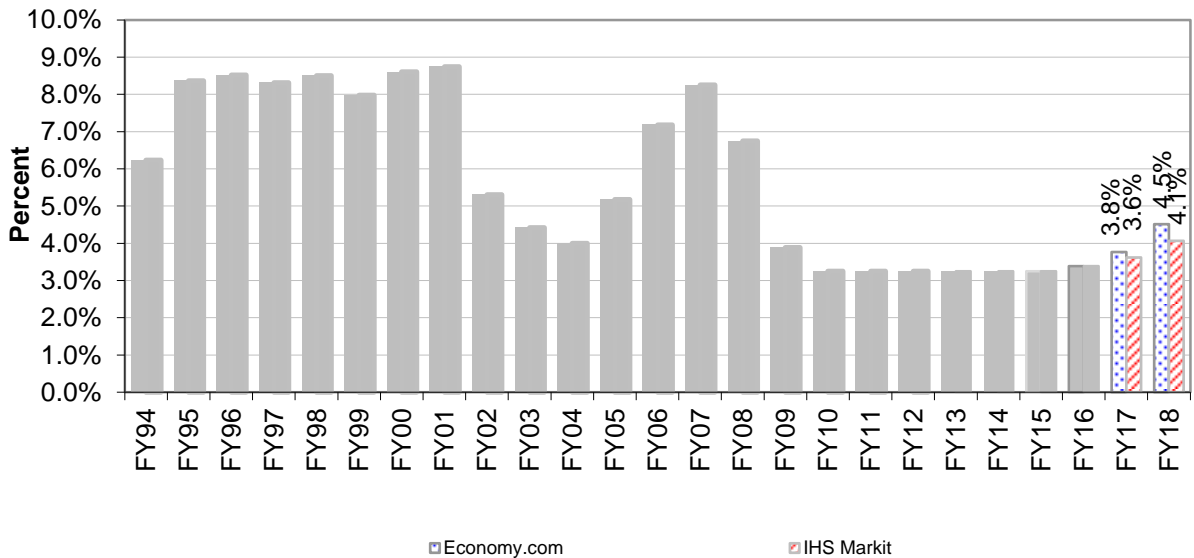


The U.S. Economy

Business Profits are Predicted to Grow Moderately
(Corporate Profits Before Tax FY94-18)



Interest Rates Will Remain Low Through FY18
(Prime Rate FY94-18)



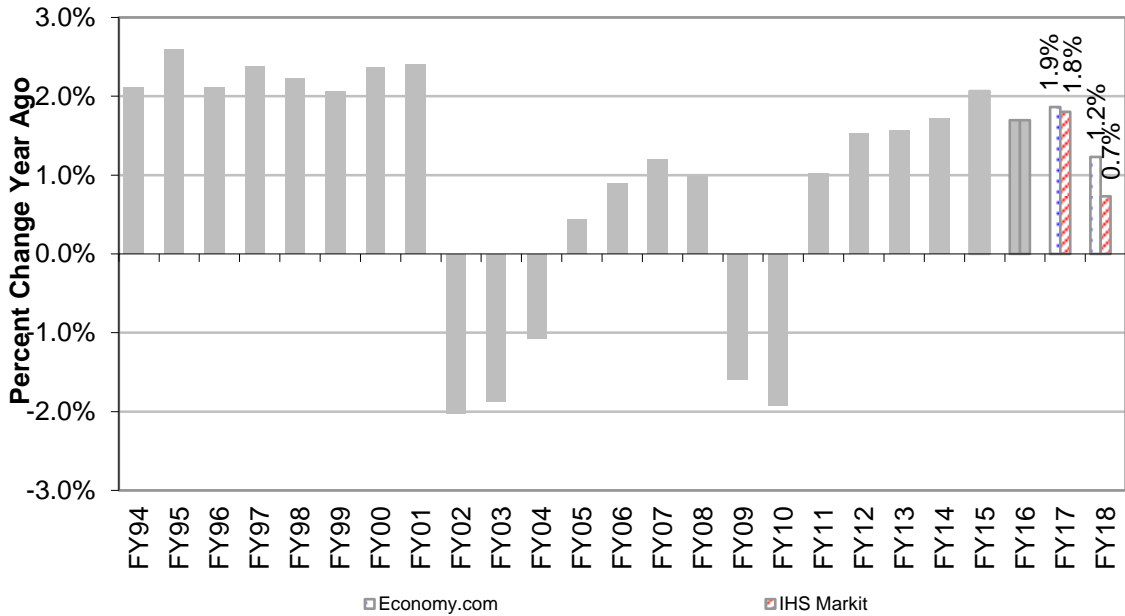
The Massachusetts Economy

The forecast assumptions and summary for the Massachusetts economy are as follows:

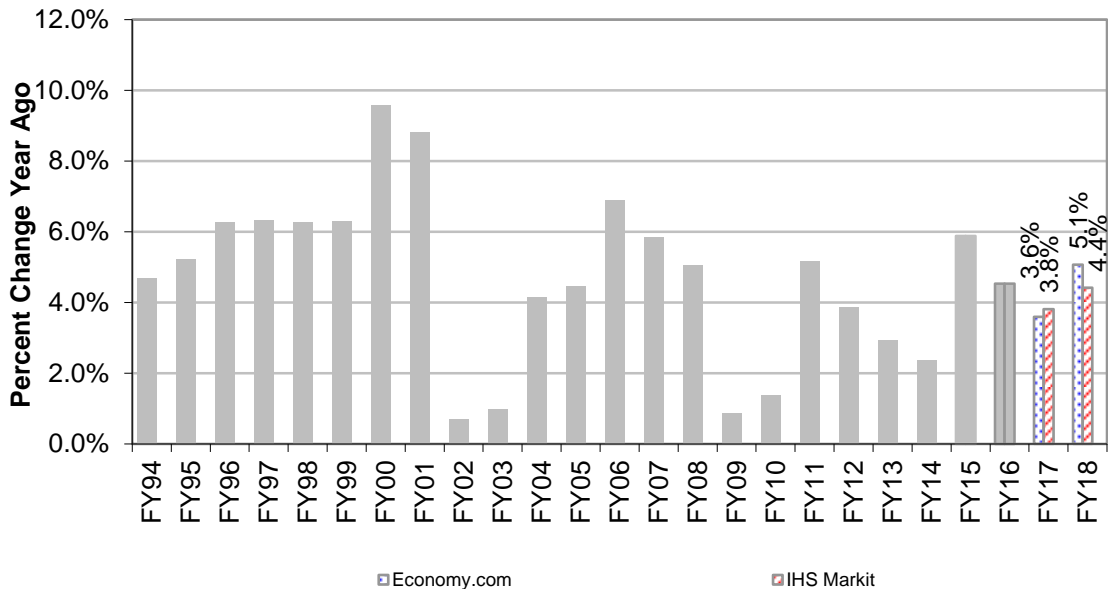
- The state economy is predicted to grow moderately. The annual growth of the state real GDP is forecasted to be 1.8% - 2.3% in FY2017 (1.7% - 2.8% in CY2017) and 1.8% - 2.9% in FY2018 (2.3% - 2.7% in CY2018).
- The state employment has grown strongly recently. According to the most recent Bureau of Labor Statistics (BLS) data, total nonfarm payroll employment increased by 71,400 (2.0%) in October 2016 compared with October 2015. State employment is forecasted to grow by 1.8% - 1.9% in FY2017 (1.2% - 1.5% in CY2017) and 0.7% - 1.2% in FY2018 (0.8% - 1.2% in CY2018). The state unemployment rate is impressively low (3.3% in October 2016) and forecasted to be 3.9% - 4.2% in FY2017 (4.0% - 4.3% in CY2017) and 4.1% - 4.4% in FY2018 (4.3% in CY2018), which are lower than the forecasted U.S. unemployment rates.
- Data from the U.S. Bureau of Economic Analysis suggests that, Massachusetts wage and salary disbursements grew by 4.9% in FY2016 while the growth in FY2015 was 6.2%. The growth of state wage and salary disbursements is forecasted to be 3.6% - 3.9% in FY2017 (4.5% - 4.7% in CY2017) and 4.8% - 5.5% in FY2018 (5.1% - 5.9% in CY2018). The growth of the state's personal income is forecasted to be 3.6% - 3.8% in FY2017 (4.3% - 4.4% in CY2017) and 4.4% - 5.1% in FY2018 (4.9% - 5.4% in CY2018).
- The state's retail sales are forecasted to grow by 2.9% - 3.9% in FY2017 (3.2% - 5.5% in CY2017) and by 3.5% - 6.0% in FY2018 (4.7% - 5.7% in CY2018).
- The state's housing market seems to suffer from a tighter inventory than the nation's. According to the Massachusetts Association of Realtors, the median price rose by 5.7% for single-family homes and rose by 2.2% for condominiums in October 2016 on a year-over-year basis. During the same period of time, sale decreased by 5.6% for single-family homes and 5.8% for condominiums.

The Massachusetts Economy

Massachusetts Employment Forecasts

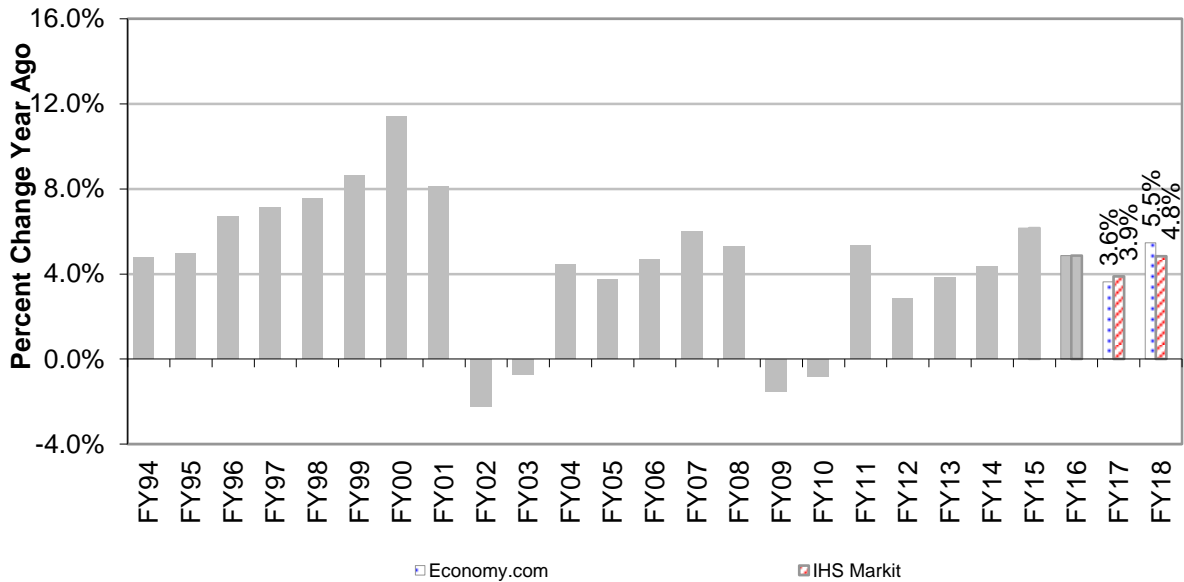


Massachusetts Personal Income Forecasts

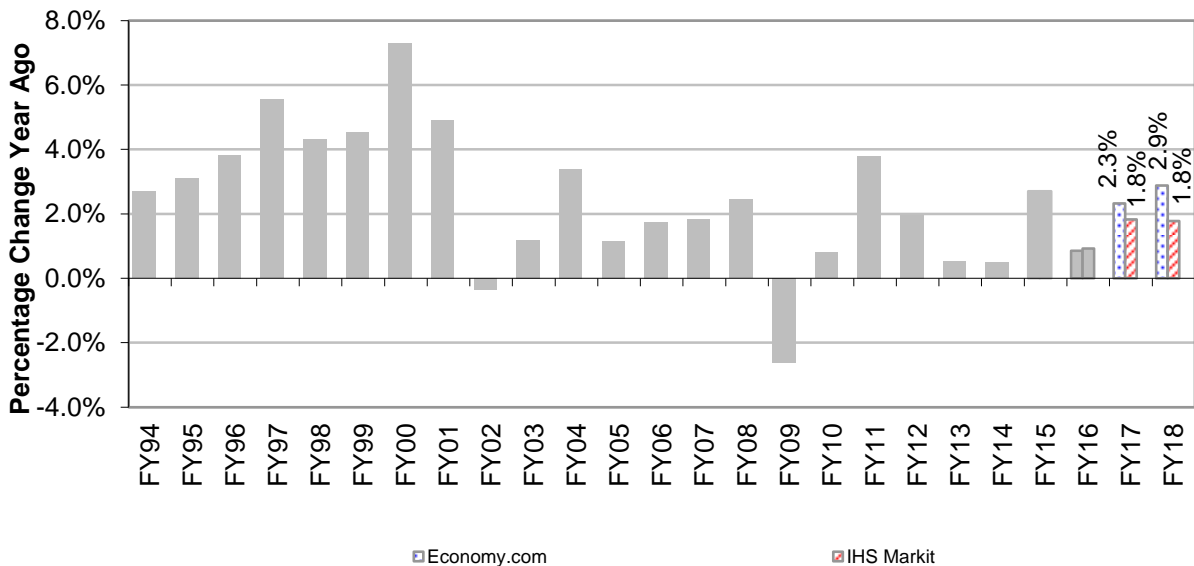


The Massachusetts Economy

Massachusetts Wages and Salaries Forecasts



Massachusetts Real Gross State Product (GSP) Growth FY94-18



U.S and Massachusetts Economic Forecast Table

(Percent Change from Prior Fiscal Year)

	History			FY 2017 First Quarter	Forecasts			
	FY 2014	FY 2015	FY 2016		FY 2017 Last Three Quarters	FY 2017	FY 2018	FY 2019
<u>US - IHS Markit 11/16</u>								
Real GDP	2.1%	2.9%	1.7%	1.6%	2.1%	2.0%	2.1%	3.0%
Corporate Profits	4.2%	1.4%	-6.5%	5.5%	8.7%	7.9%	10.8%	12.8%
S&P500 (Calendar year lagged one year)	19.1%	17.5%	6.8%	NA	NA	1.4%	1.4%	3.5%
Unemployment Rate	6.8%	5.7%	5.0%	4.9%	4.9%	4.9%	4.8%	4.4%
Bank Prime Rate	3.3%	3.3%	3.4%	3.5%	3.7%	3.6%	4.1%	4.9%
Federal Funds Rate	0.1%	0.1%	0.3%	0.4%	0.6%	0.6%	1.1%	1.9%
<u>US - Economy.com 11/16</u>								
Real GDP	2.1%	2.9%	1.7%	1.6%	2.7%	2.4%	2.9%	2.4%
Corporate Profits	4.2%	1.4%	-6.5%	5.5%	8.2%	7.5%	3.1%	3.7%
SP500 (Calendar year lagged one year)	19.1%	17.5%	6.8%	NA	NA	1.5%	5.4%	-0.2%
Unemployment Rate	6.8%	5.7%	5.0%	4.9%	4.8%	4.8%	4.7%	4.7%
Bank Prime Rate	3.3%	3.3%	3.4%	3.5%	3.8%	3.8%	4.5%	5.6%
Federal Funds Rate	0.1%	0.1%	0.3%	0.4%	0.7%	0.6%	1.4%	2.4%
<u>Massachusetts - IHS Markit 11/16</u>								
Real Gross State Product	0.5%	2.7%	0.9%	2.0%	1.8%	1.8%	1.8%	2.7%
Wages & Salaries	4.4%	6.2%	4.9%	4.0%	3.8%	3.9%	4.8%	5.5%
Personal Income	2.4%	5.9%	4.5%	3.5%	3.9%	3.8%	4.4%	5.9%
Employment	1.7%	2.1%	1.7%	2.0%	1.7%	1.8%	0.7%	1.1%
Retail Sales	3.6%	3.3%	2.3%	2.1%	3.2%	2.9%	3.5%	5.7%
Unemployment Rate	6.2%	5.3%	4.6%	4.0%	4.2%	4.2%	4.4%	4.2%
Housing Starts	24.5%	-3.2%	16.2%	2.8%	9.8%	7.9%	1.3%	9.6%
<u>Massachusetts - Economy.com 11/16</u>								
Real Gross State Product	0.5%	2.7%	0.9%	2.0%	2.4%	2.3%	2.9%	2.5%
Wages & Salaries	4.4%	6.2%	4.9%	3.7%	3.6%	3.6%	5.5%	6.0%
Personal Income	2.4%	5.9%	4.5%	3.3%	3.7%	3.6%	5.1%	5.3%
Employment	1.7%	2.1%	1.7%	2.0%	1.8%	1.9%	1.2%	1.2%
Retail Sales	2.6%	3.2%	1.7%	1.7%	4.7%	3.9%	6.0%	5.3%
Unemployment Rate	6.2%	5.2%	4.6%	3.9%	3.9%	3.9%	4.1%	4.4%
Housing Permits	22.4%	9.2%	-4.1%	7.1%	26.8%	21.7%	10.8%	-0.6%
Home Sales	-2.7%	-0.5%	18.2%	7.3%	13.1%	11.7%	9.9%	-7.2%

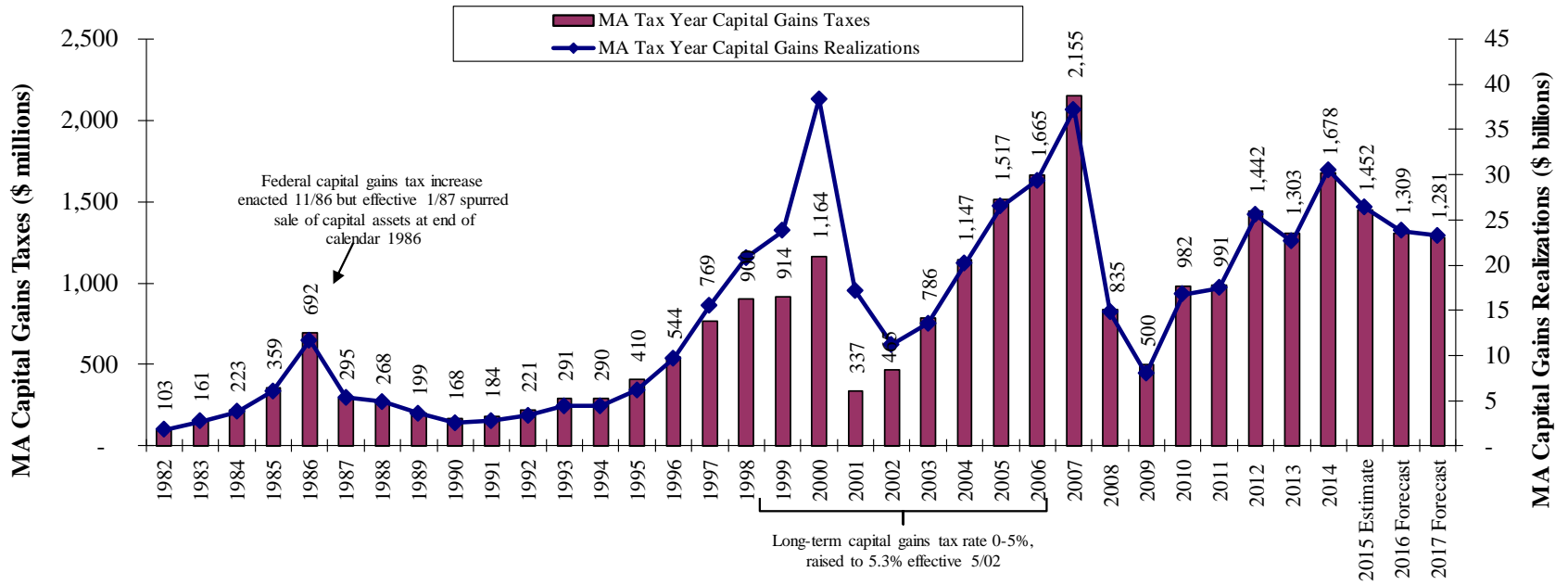
Note: For S&P500, the numbers shown are calendar year numbers with one year lag.

Capital Gains Taxes

- Estimates based on tax year 2015 income tax returns processed to date and tax collections data indicate that tax year 2015 capital gains realizations (taxes on which were remitted mostly in FY16) were \$26.4 billion, compared to \$30.5 billion in tax year 2014. Capital gains taxes decreased from \$1.678 billion in tax year 2014 to approximately \$1.452 billion in tax year 2015, a decrease of \$226 million, or 13.5%. On a fiscal year basis, FY16 capital gains taxes are estimated to have totaled about \$1.416 billion (though no exact numbers are available on a fiscal year basis), a decrease of \$264 million, or 15.7%, from FY15.
- DOR projects that Massachusetts capital gains realizations will decrease by about 9.5% to 10.1% in tax year 2016 compared to tax year 2015, change by -9.7% to +5.4% in tax year 2017 compared to tax year 2016, and then change by -2.9% to 0.0% in tax year 2018. DOR's capital gains forecast predicts tax year 2016 capital gains taxes of \$1.305 billion to \$1.314 billion, and tax year 2017 capital gains taxes of \$1.178 billion to \$1.385 billion. On a fiscal year basis, capital gains taxes would probably be about \$1.288 billion to \$1.330 billion in FY17, and \$1.188 billion to \$1.365 billion in FY18.

Capital Gains Taxes

Massachusetts Capital Gains Realizations and Taxes



FY17 and FY18 Tax Revenue Projections

FY17 and FY18 Tax Revenue Projections Based on Economic Forecasts of Moody's Economy.com and Global Insight

(in \$ Billions)

	<u>FY17 Projections</u>	<u>\$ Growth from FY16</u>	<u>% Growth Actual from FY16</u>	<u>% Growth Baseline from FY16</u>	<u>FY18 Projections</u>	<u>\$ Growth from FY17</u>	<u>% Growth Actual from FY17</u>	<u>% Growth Baseline from FY17</u>	<u>% Growth Actual from current FY17 benchmark</u>
Current Benchmark	\$26.056	\$0.787	3.1%	4.2%	N/A	N/A	N/A	N/A	N/A
Economy.com	\$26.085	\$0.816	3.2%	4.3%	\$27.104	\$1.019	3.9%	4.7%	4.0%
Global Insight	\$25.979	\$0.710	2.8%	3.9%	\$26.810	\$0.830	3.2%	3.7%	2.9%

FY17 and FY18 Tax Revenue Projections

FY17 Year To Date Baseline Growth; Forecasts for Remainder of FY17 and FY18

	FY16	FY17	FY17		FY18	
	Baseline Growth	Baseline Growth	Baseline Growth of FY17	Remainder of FY17	Baseline Growth	Baseline Growth
			Economy.com	Global Insight	Economy.com	Global Insight
Income Total	1.1%	3.5%	5.1%	5.6%	5.5%	4.2%
<i>Income Withholding</i>	4.3%	6.3%	4.4%	5.0%	4.7%	4.1%
Sales - Regular	4.1%	1.3%	3.0%	1.1%	4.8%	3.0%
Sales - Meals	6.9%	5.2%	3.5%	5.0%	4.5%	5.0%
Sales - Motor Vehicle	5.7%	-0.2%	2.1%	0.1%	2.3%	1.9%
Sales - Total	4.8%	1.8%	3.0%	1.6%	4.4%	3.2%
Corporate & Business	5.8%	14.2%	4.7%	3.7%	3.5%	4.0%
Other Tax Revenue	5.2%	0.7%	1.8%	1.7%	1.3%	1.1%
Total Tax Revenue	2.8%	3.4%	4.3%	4.2%	4.7%	3.7%

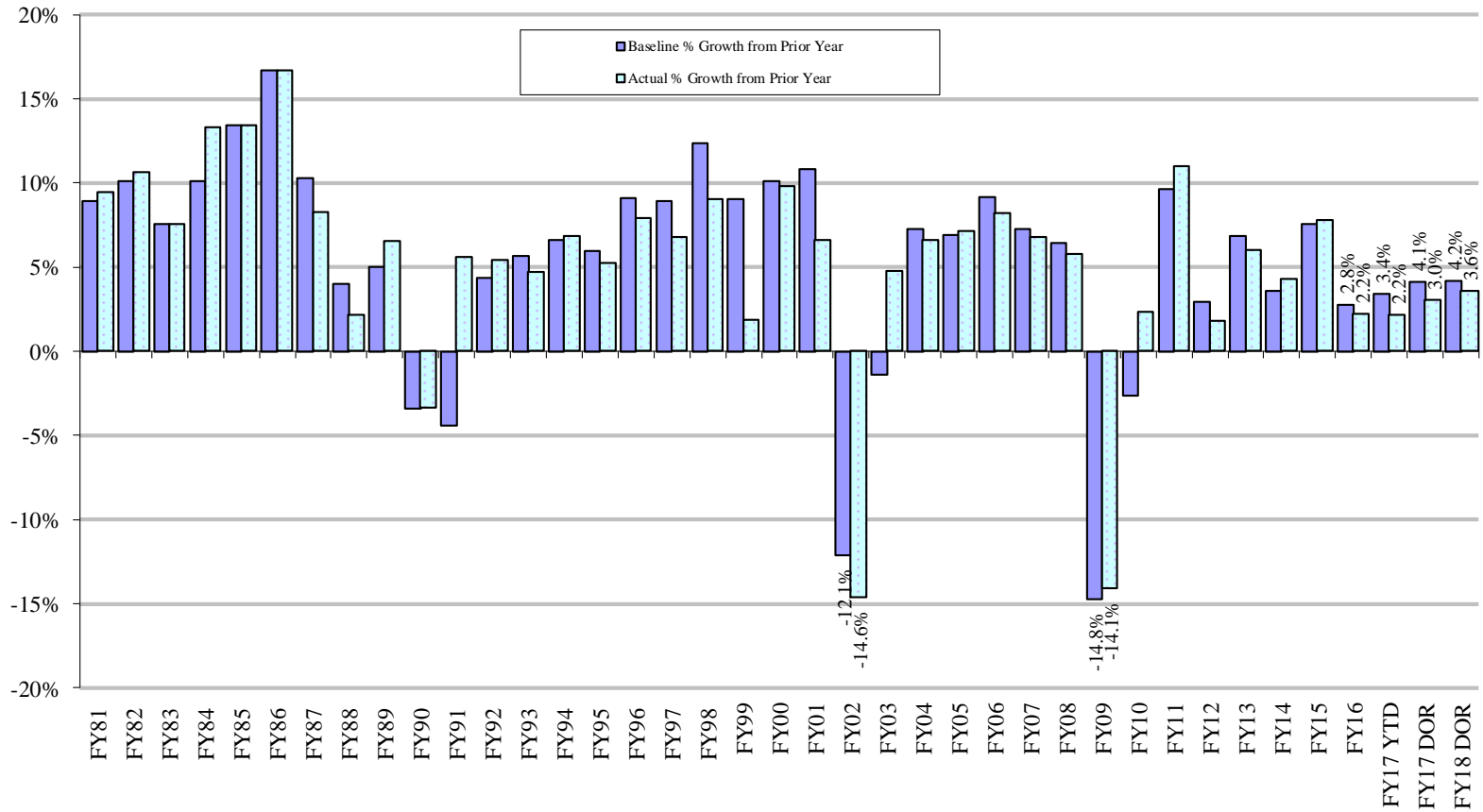
FY15 and FY16 Tax Revenue Projections

FY16 Actual Tax Revenue Collections, FY17 and FY18 Tax Revenue Forecasts (in \$ millions) Forecasts for Remainder of FY17 and FY18.

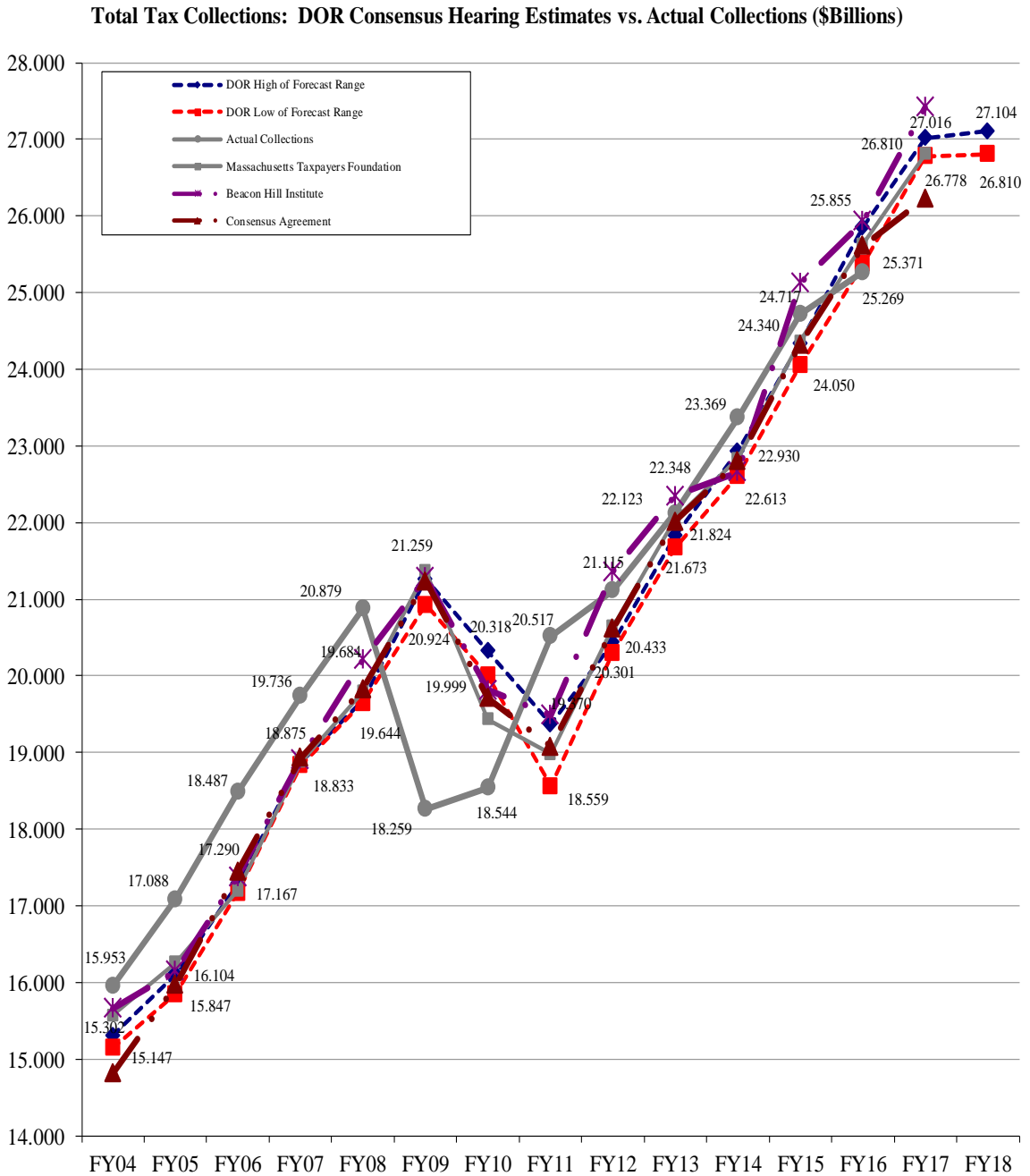
	----- FY 2017 -----				----- FY 2018 -----	
	FY16 Actual	Current Benchmark	Economy.com	Global Insight	Economy.com	Global Insight
Withholding	11,427	11,950	11,960	12,002	12,459	12,434
Capital Gains	1,416	1,285	1,330	1,288	1,365	1,188
Other Income	1,551	1,752	1,696	1,658	1,805	1,847
Total Income Tax	14,394	14,987	14,986	14,949	15,628	15,470
Sales: Regular	4,157	4,226	4,256	4,208	4,460	4,334
Sales: Meals	1,064	1,108	1,107	1,116	1,157	1,172
Sales: Motor Vehicles	834	857	844	834	863	850
Sales Total	6,055	6,190	6,206	6,159	6,480	6,356
Corporate & Business	2,548	2,578	2,608	2,589	2,676	2,667
Other Tax Revenue	2,273	2,301	2,285	2,284	2,321	2,316
Total Tax Revenue	25,269	26,056	26,085	25,979	27,104	26,810

FY15 and FY16 Tax Revenue Projections

Actual and Baseline Tax Revenue Growth, FY1981-FY2018
 (FY17 and FY18 Are Forecasts Based on Average of 2 Vendors)

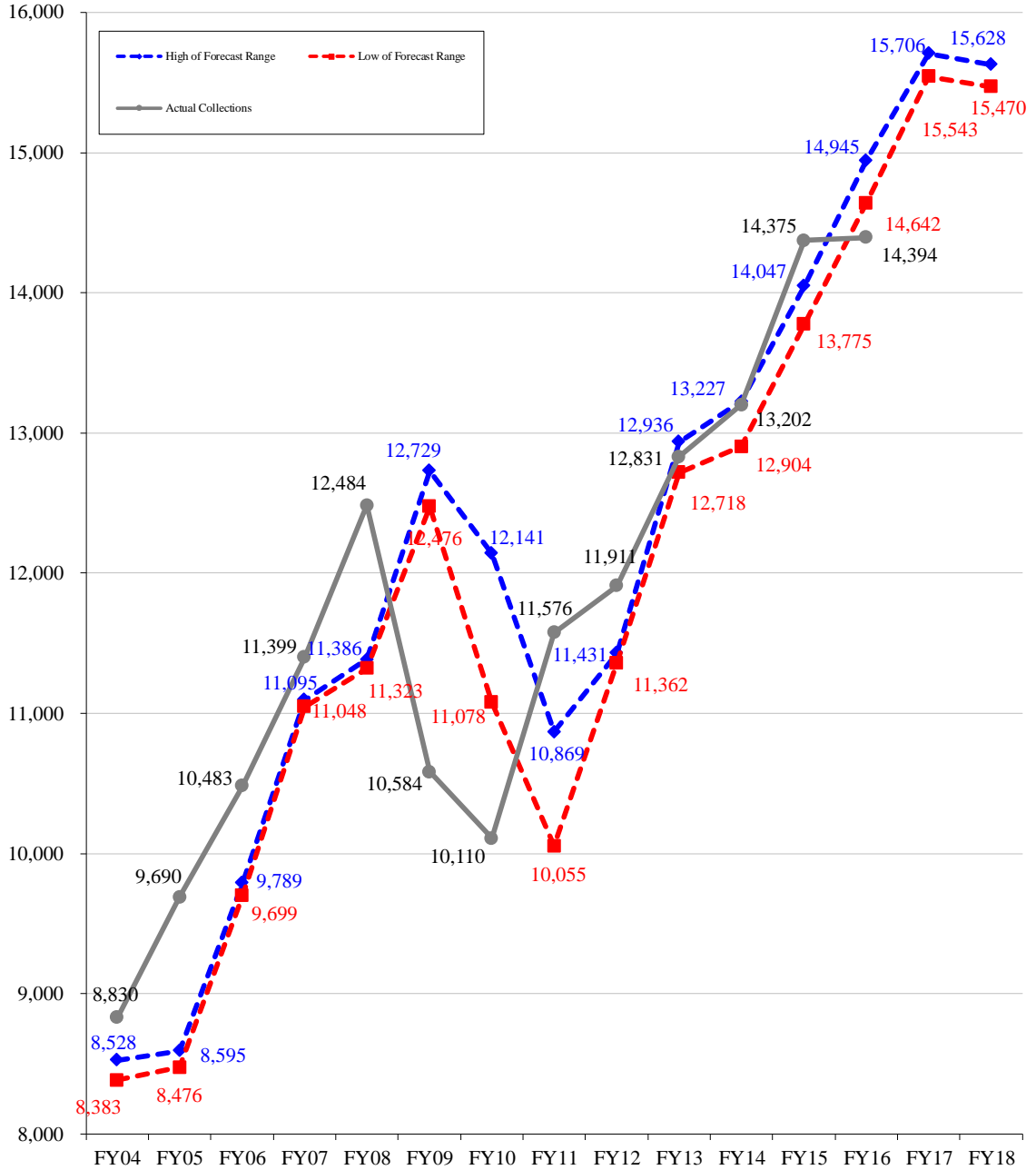


Historical Comparison of Projections to Actual Collections



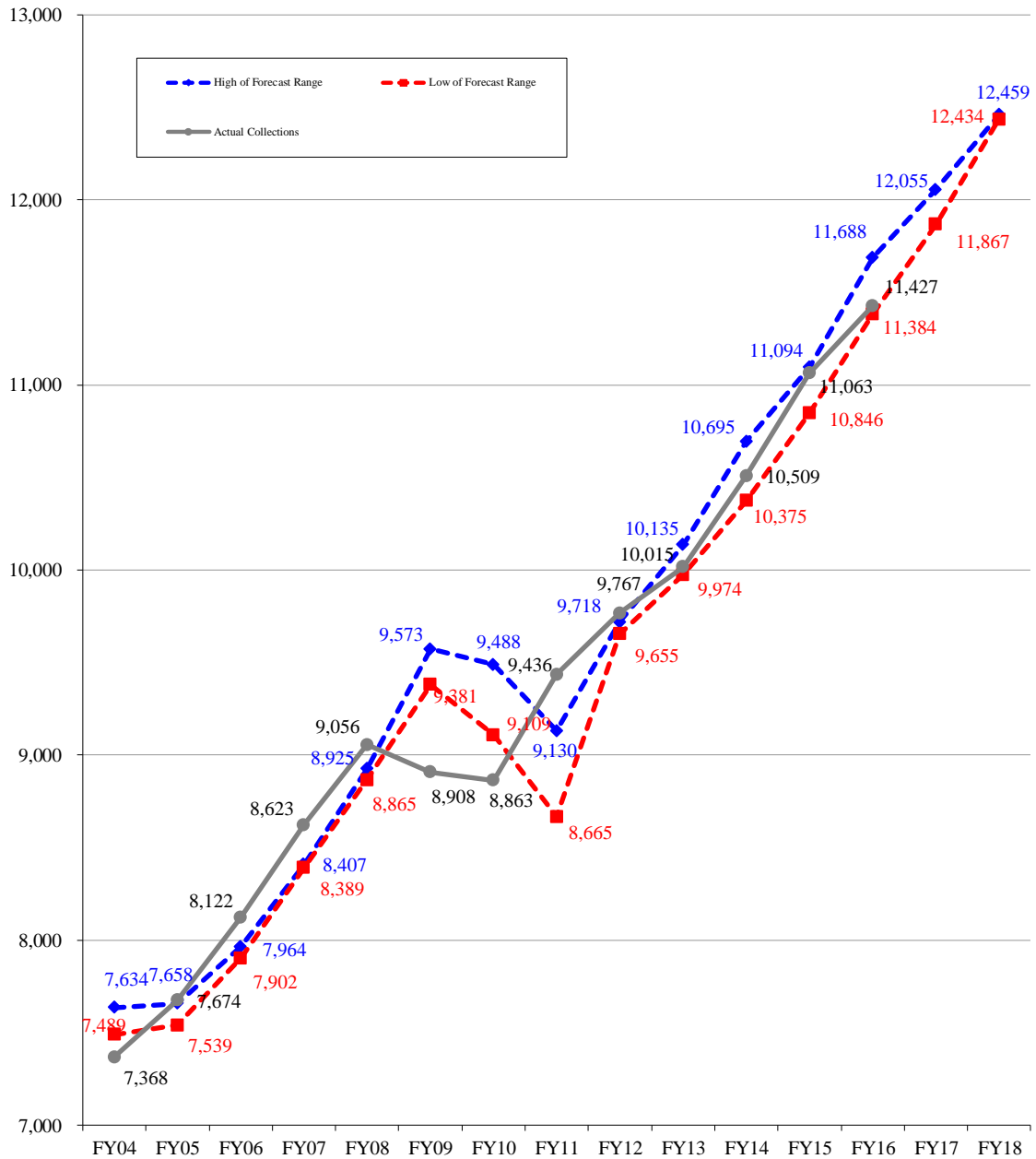
Historical Comparison of Projections to Actual Collections

Total Personal Income Tax: DOR Consensus Hearing Forecast Range (Adjusted for Subsequent Tax Law Changes) vs. Actual Collections
(in \$Millions)



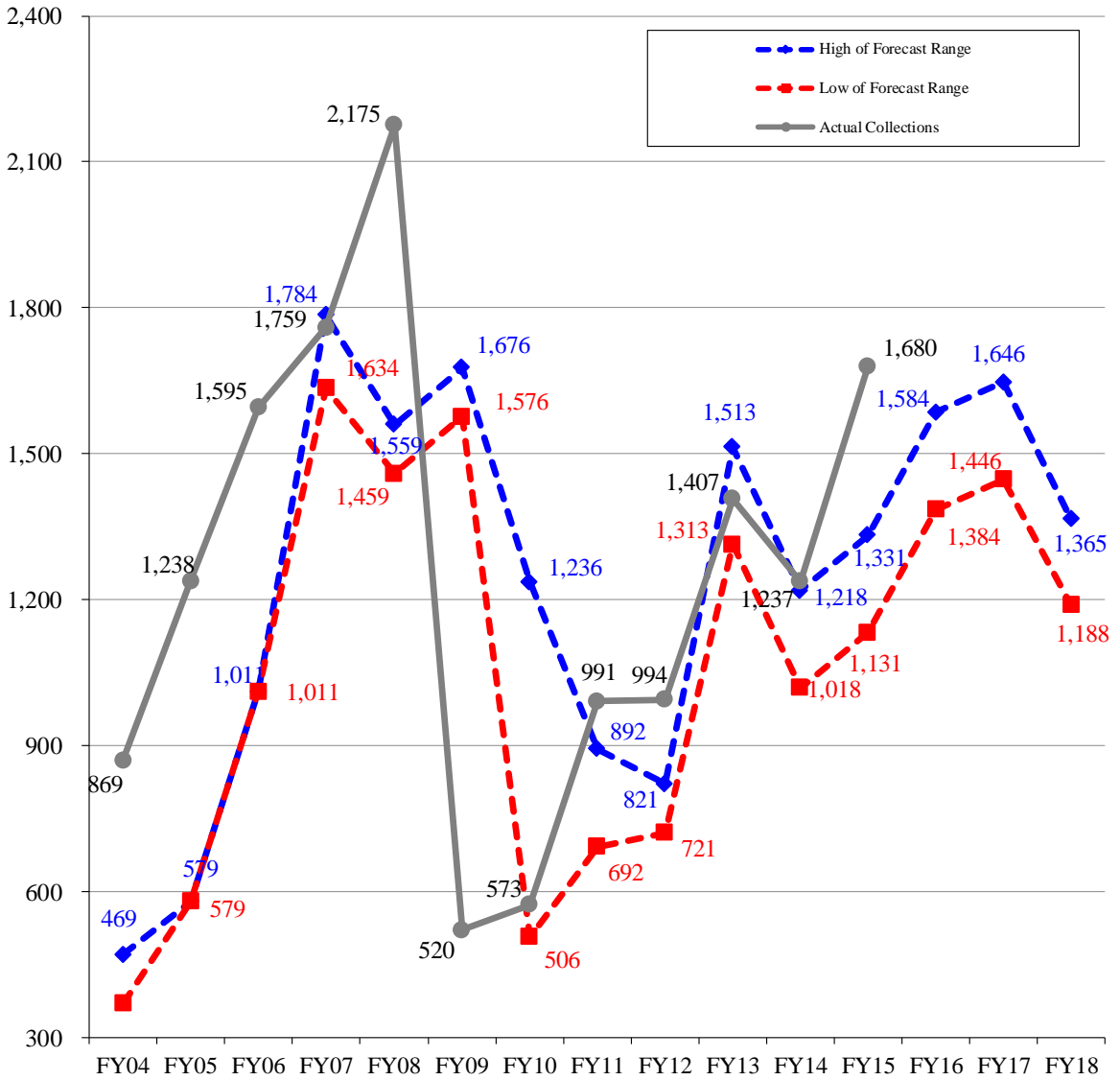
Historical Comparison of Projections to Actual Collections

Income Tax Withholding: DOR Consensus Hearing Forecast Range (Adjusted for Subsequent Tax Law Changes) vs. Actual Collections
(in \$Millions)



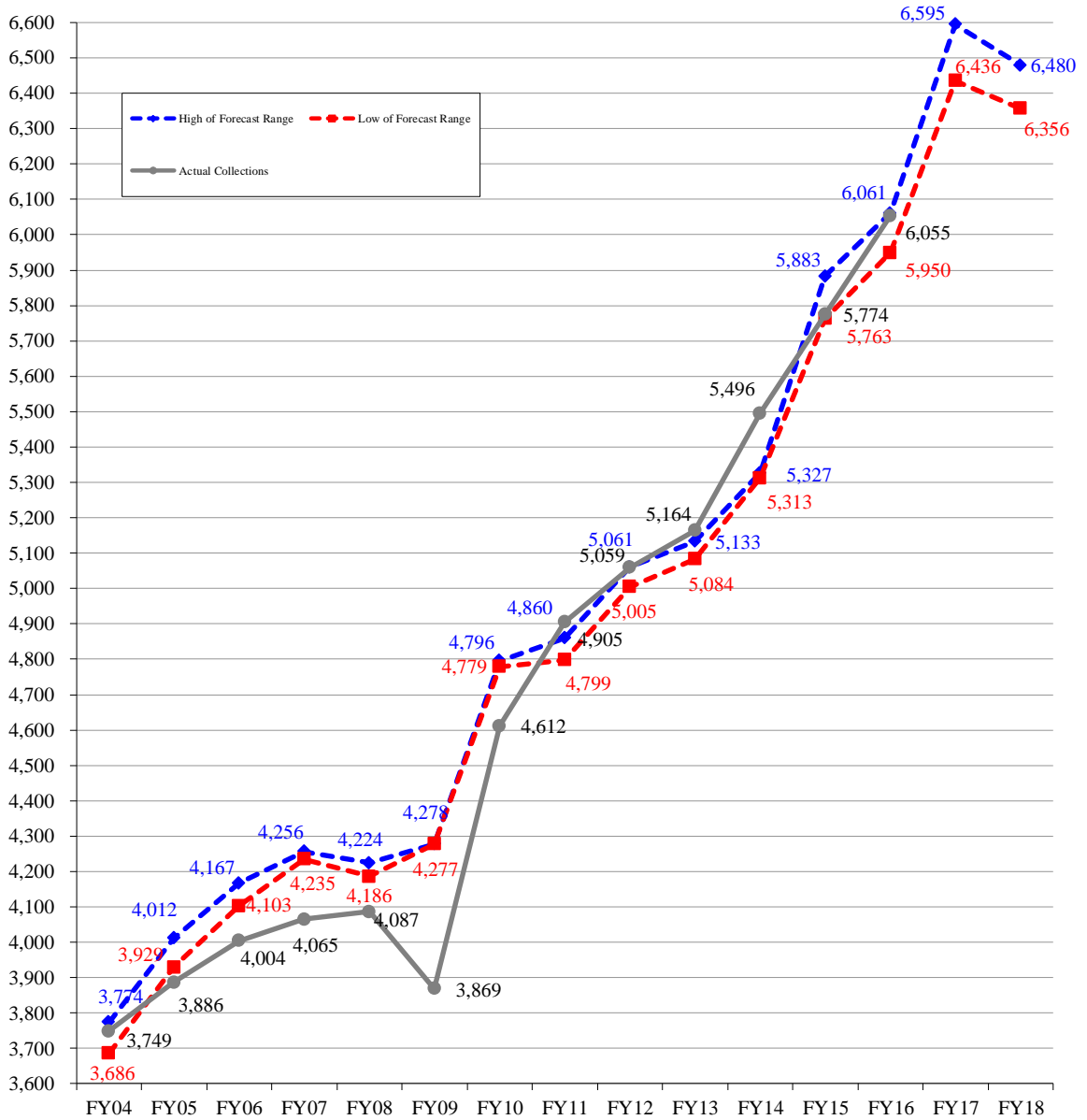
Historical Comparison of Projections to Actual Collections

Capital Gains Tax: DOR Consensus Hearing Forecast Range (Adjusted for Subsequent Tax Law Changes) vs. Actual Collections
(in \$Millions)



Historical Comparison of Projections to Actual Collections

Sales and Use Tax: DOR Consensus Hearing Forecast Range vs. Actual Collections
(in \$Millions)



Historical Comparison of Projections to Actual Collections

Corporate/Business Tax: DOR Consensus Hearing Forecast Range (Adjusted for Subsequent Tax Law Changes) vs. Actual Collections (in \$Millions)

