



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

Nathan Deal
GOVERNOR

For Immediate Release
January 9, 2014

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Deal: December revenues up 3.8 percent

Gov. Nathan Deal announced today that Georgia's net tax collections for the month of December totaled \$1.75 billion for an increase of \$64 million, or 3.8 percent, compared to the month-ended December 2012. Year-to-date, net tax revenue collections totaled \$9.09 billion for an increase of \$442 million, or 5.1 percent, compared to the same point last year.

Changes within the following major tax categories explain the net tax revenue increase in December:

Individual Income Tax: Individual Income Tax collections for December totaled \$958 million — up from nearly \$945.25 million in December 2012, for an increase of roughly \$12.75 million, or 1.4 percent.

The following notable components within Individual Income Tax combine for the net increase:

- Individual Withholding payments for December were up \$21 million, or 2.5 percent
- Individual Income Tax refunds issued (net of voided checks) were down \$9.5 million, or -31 percent
- Individual Estimated Tax payments were down \$20.25 million, or -18.9 percent, from FY 2013
- All other Individual Tax categories including Return payments were up a combined \$2.5 million

Sales and Use Tax: Gross Sales Tax collections declined \$32 million, or -3.9 percent, on account of legislation implementing a one-time Title Tax, while net Sales & Use Tax collections for December decreased nearly \$26.5 million, or -6 percent — down from \$440.75 million in

December 2012. Lastly, the adjusted monthly distribution to local governments totaled \$372.25 million, a decrease of \$0.5 million compared to FY 2013.

Corporate Income Tax: Corporate Income Tax collections for December increased nearly \$18 million, or 13.2 percent, compared to FY 2013, when Corporate Tax revenues and refunds combined for a total of \$135.5 million.

The following notable components within Corporate Income Tax make up the net increase:

- Corporate Tax refunds issued (net of voided checks) were up nearly \$0.75 million, or 2.6 percent
- Corporate Estimated Tax payments for December increased \$15 million, or 10.3 percent
- Corporate Income Tax Return payments were up \$5.5 million, or 51.5 percent
- All other Corporate Tax categories, including S-Corp and Net Worth payments, decreased by \$1.9 million

Motor Vehicle Tag & Title Fees: December fee collections totaled more than \$88.5 million, which was nearly \$65.5 million higher than the previous year before the implementation of HB 266 (see below).

***Tax Reform Impacts*:** HB 386 and HB 266 had significant impacts on Georgia's tax structure that influence current month and year-to-date revenue collections across multiple tax collection categories. The increase in Motor Vehicle Tag & Title Fees is the result of the March 1, 2013, implementation of the title ad valorem tax (TAVT). Sales Tax collections have been impacted by the elimination of the auto sales tax, reduction in the sales tax on energy used in manufacturing, implementation of the Georgia Agricultural Tax Exemption program and reinstatement of the sales tax holidays. Individual Income Tax has been impacted by the marriage penalty reduction effective Jan. 1, 2013.

GEORGIA DEPARTMENT OF REVENUE
Comparative Summary of Net Revenue Collections
(unaudited - 000's)

	<u>For the Month Ended</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>December 2013</u> <u>(FY 2014)</u>	<u>December 2012</u> <u>(FY 2013)</u>		
Tax Revenues:				
Income Tax - Individual:	\$ 958,008	\$ 945,176	\$ 12,832	1.4%
Sales and Use Tax - General:				
Sales and Use Tax - Gross (Footnote 2)	\$ 792,520	\$ 824,487	\$ (31,967)	-3.9%
Local Sales Tax Distribution (Footnote 1)	\$ (372,264)	\$ (372,744)	\$ 479	0.1%
Sales Tax Adjustments/Refunds	\$ (5,871)	\$ (10,977)	\$ 5,106	46.5%
Net Sales and Use Tax - General	\$ 414,384	\$ 440,766	\$ (26,381)	-6.0%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 44,212	\$ 46,277	\$ (2,065)	-4.5%
Motor Fuel Excise Tax	\$ 33,197	\$ 35,219	\$ (2,021)	-5.7%
Total Motor Fuel Taxes	\$ 77,410	\$ 81,496	\$ (4,086)	-5.0%
Income Tax - Corporate	\$ 153,382	\$ 135,494	\$ 17,888	13.2%
Tobacco & Cigar Taxes	\$ 18,150	\$ 16,774	\$ 1,376	8.2%
Alcoholic Beverage Taxes	\$ 14,514	\$ 14,856	\$ (342)	-2.3%
Estate Tax	\$ -	\$ -	\$ -	-
Property Tax	\$ 7,108	\$ 9,559	\$ (2,451)	-25.6%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 88,623	\$ 23,201	\$ 65,422	282.0%
Total Tax Revenues	\$ 1,731,579	\$ 1,667,320	\$ 64,258	3.9%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 19,300	\$ 19,502	\$ (202)	-1.0%
Total Taxes and Other Revenues	\$ 1,750,878	\$ 1,686,822	\$ 64,056	3.8%

<u>GENERAL FUND</u>	<u>Year-to-Date</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>FY 2014</u>	<u>FY 2013</u>		
Tax Revenues:				
Income Tax - Individual	\$ 4,763,492	\$ 4,637,745	\$ 125,747	2.7%
Sales and Use Tax - General:				
Sales and Use Tax - Gross (Footnote 2)	\$ 4,818,953	\$ 5,022,881	\$ (203,928)	-4.1%
Local Sales Tax Distribution (Footnote 1)	\$ (2,253,059)	\$ (2,301,955)	\$ 48,897	2.1%
Sales Tax Adjustments/Refunds	\$ (51,294)	\$ (39,115)	\$ (12,179)	-31.1%
Net Sales and Use Tax - General	\$ 2,514,601	\$ 2,681,811	\$ (167,210)	-6.2%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 289,492	\$ 274,169	\$ 15,323	5.6%
Motor Fuel Excise Tax	\$ 224,485	\$ 211,996	\$ 12,489	5.9%
Total Motor Fuel Taxes	\$ 513,977	\$ 486,165	\$ 27,812	5.7%
Income Tax - Corporate	\$ 393,953	\$ 302,167	\$ 91,786	30.4%
Tobacco & Cigar Taxes	\$ 111,433	\$ 103,997	\$ 7,436	7.2%
Alcoholic Beverage Taxes	\$ 88,681	\$ 87,658	\$ 1,022	1.2%
Estate Tax	\$ -	\$ -	\$ -	-
Property Tax	\$ 27,662	\$ 36,397	\$ (8,734)	-24.0%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 515,584	\$ 144,314	\$ 371,270	257.3%
Total Tax Revenues	\$ 8,929,382	\$ 8,480,254	\$ 449,128	5.3%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 162,025	\$ 169,050	\$ (7,025)	-4.2%
Total Taxes and Other Revenues	\$ 9,091,407	\$ 8,649,304	\$ 442,103	5.1%

Footnotes:

- The Local Distribution has been adjusted with an end-of-month accrual to reflect Sales Tax payment activity after the actual distribution 3 days before month-end.
- Effective March 1, 2013, legislation (H.B. 266) went into effect to establish a new Title ad Valorem Tax in lieu of Automobile Sales Tax collected at the point of sale and replacing the annual ad valorem "birthday" tax paid on the assessed value of vehicles purchased before January 1, 2012. Due to the corresponding shifting of tax revenues from Sales Tax to Motor Vehicle (TAVT), gross Sales Tax collections are under-stated and Motor Vehicle fees over-stated relative to collections in FY 2013.
- "Other Fees & Taxes" includes payments that have been deposited in the bank, but for which returns may not yet have been processed. The undistributed amounts are then re-classified (as returns are processed) to the proper and respective revenue account. "Other Fees" also includes Unclaimed Property collections.