



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

Nathan Deal
GOVERNOR

For Immediate Release
Feb. 7, 2014

Contact: Office of Communications
(404) 651-7774

Deal: January revenues up 4.4 percent

Gov. Nathan Deal announced today that Georgia's net tax collections for the month of January totaled almost \$1.81 billion for an increase of \$76.25 million, or 4.4 percent, compared to the month-ended January 2013. Year-to-date, net tax revenue collections totaled \$10.9 billion for an increase of nearly \$518.5 million, or 5 percent, compared to the same point last year.

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

Individual Income Tax: Individual Income Tax collections for January totaled \$1.07 billion — up from nearly \$1.025 billion in January 2013, for an increase of \$45 million, or 4.4 percent.

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

- Individual Withholding payments for January were up \$46 million, or 5.6 percent
- Individual Income Tax refunds issued (net of voided checks) were down \$10.75 million, or -36.8 percent
- All other Individual Tax categories including Return and Estimated payments were down \$11.75 million

Sales and Use Tax: Gross Sales Tax collections declined \$32.75 million, or -3.4 percent, on account of legislation that replaced the traditional automobile Sales Tax with a one-time Title Tax, while net Sales & Use Tax collections for January decreased \$20 million, or -3.9 percent — down from \$518.75 million in January 2013 to nearly \$498.75 million this year. Lastly, refunds were down \$12.25 million while the adjusted distribution to local governments totaled \$443.75 million, a slight decrease of \$0.5 million compared to FY 2013.

Corporate Income Tax: Corporate Income Tax collections for January decreased approximately \$6.75 million, or -32.8 percent, compared to FY 2013, when Corporate Tax revenues totaled \$20.75 million.

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

- Corporate Tax refunds issued (net of voided checks) were up nearly \$1.4 million, or 8.5 percent
- Corporate Income Tax Return payments were down \$1.7 million, or -41.6 percent
- All other Corporate Tax categories, including S-Corp and Net Worth payments, decreased by \$3.7 million

Motor Vehicle Tag & Title Fees: Fee collections for January totaled \$85.25 million, which was roughly \$56.75 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 influenced 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 a new 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.

Brian Robinson
brobinson@georgia.gov

Sasha Dlugolenski
sasha@georgia.gov

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

	For the Month Ended			
	January 2014 (FY 2014)	January 2013 (FY 2013)	\$ Change	% Change
Tax Revenues:				
Income Tax - Individual:	\$ 1,069,885	\$ 1,024,942	\$ 44,943	4.4%
Sales and Use Tax - General:				
Sales and Use Tax - Gross (Footnote 2)	\$ 945,105	\$ 977,900	\$ (32,795)	-3.4%
Local Sales Tax Distribution (Footnote 1)	\$ (443,748)	\$ (444,245)	\$ 497	0.1%
Sales Tax Adjustments/Refunds	\$ (2,645)	\$ (14,834)	\$ 12,189	82.2%
Net Sales and Use Tax - General	\$ 498,712	\$ 518,821	\$ (20,109)	-3.9%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 49,246	\$ 44,049	\$ 5,197	11.8%
Motor Fuel Excise Tax	\$ 38,003	\$ 36,182	\$ 1,821	5.0%
Total Motor Fuel Taxes	\$ 87,250	\$ 80,231	\$ 7,018	8.7%
Income Tax - Corporate	\$ 13,984	\$ 20,804	\$ (6,820)	-32.8%
Tobacco & Cigar Taxes	\$ 18,516	\$ 15,955	\$ 2,562	16.1%
Alcoholic Beverage Taxes	\$ 17,254	\$ 17,094	\$ 160	0.9%
Estate Tax	\$ -	\$ -	\$ -	
Property Tax	\$ 5,962	\$ 8,238	\$ (2,276)	-27.6%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 85,247	\$ 28,460	\$ 56,787	199.5%
Total Tax Revenues	\$ 1,796,809	\$ 1,714,544	\$ 82,265	4.8%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 8,946	\$ 14,898	\$ (5,952)	-40.0%
Total Taxes and Other Revenues	\$ 1,805,755	\$ 1,729,442	\$ 76,313	4.4%

<u>GENERAL FUND</u>	Year-to-Date			
	FY 2014	FY 2013	\$ Change	% Change
Tax Revenues:				
Income Tax - Individual	\$ 5,833,377	\$ 5,662,686	\$ 170,691	3.0%
Sales and Use Tax - General:				
Sales and Use Tax - Gross (Footnote 2)	\$ 5,764,058	\$ 6,000,781	\$ (236,723)	-3.9%
Local Sales Tax Distribution (Footnote 1)	\$ (2,696,807)	\$ (2,746,201)	\$ 49,394	1.8%
Sales Tax Adjustments/Refunds	\$ (53,939)	\$ (53,949)	\$ 10	0.02%
Net Sales and Use Tax - General	\$ 3,013,313	\$ 3,200,632	\$ (187,319)	-5.9%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 338,738	\$ 318,219	\$ 20,520	6.4%
Motor Fuel Excise Tax	\$ 262,488	\$ 248,178	\$ 14,310	5.8%
Total Motor Fuel Taxes	\$ 601,226	\$ 566,396	\$ 34,830	6.1%
Income Tax - Corporate	\$ 407,937	\$ 322,971	\$ 84,966	26.3%
Tobacco & Cigar Taxes	\$ 129,950	\$ 119,952	\$ 9,998	8.3%
Alcoholic Beverage Taxes	\$ 105,934	\$ 104,752	\$ 1,182	1.1%
Estate Tax	\$ -	\$ -	\$ -	
Property Tax	\$ 33,624	\$ 44,634	\$ (11,010)	-24.7%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 600,830	\$ 172,774	\$ 428,057	247.8%
Total Tax Revenues	\$ 10,726,191	\$ 10,194,798	\$ 531,394	5.2%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 170,971	\$ 183,948	\$ (12,977)	-7.1%
Total Taxes and Other Revenues	\$ 10,897,162	\$ 10,378,745	\$ 518,416	5.0%

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 lower and Motor Vehicle fees much higher 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.