



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

Nathan Deal
GOVERNOR

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Deal: March revenues up 12.3 percent

Gov. Nathan Deal announced today that Georgia's net tax collections for the month of March totaled \$1.32 billion for an increase of nearly \$144.5 million, or 12.3 percent, compared to the month-ended March 2013. Year-to-date, net tax revenue collections totaled \$13.05 billion for an increase of nearly \$705 million, or 5.7 percent, compared to the same point last year.

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

Individual Income Tax: Individual Income Tax collections in March totaled \$477.5 million, up from roughly \$422.75 million in March 2013, for an increase of \$54.75 million or 13 percent.

The following notable components within Individual Income Tax combine to make up the net increase:

- Individual Withholding payments for March were up \$54 million or 6.3 percent
- Income Tax refunds issued, which totaled nearly \$527 million, were up \$3 million or 0.6 percent
- All other Individual Tax categories, including Estimated and Non-Resident payments, were up \$3.75 million

Sales and Use Tax: Gross Sales Tax collections declined \$22 million, or -2.7 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 March decreased \$10.5 million, or -2.4 percent, compared to last year. Lastly, refunds were down \$12.75 million while the adjusted distribution to local governments increased roughly \$1.25 million compared to March 2013.

Corporate Income Tax: Corporate Income Tax collections in March increased \$39 million, or 22.3 percent, compared to FY 2013 when Corporate Tax revenues totaled just under \$175 million.

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

- Corporate Tax refunds issued (net of voided checks) were up \$5.75 million or 47.5 percent
- Corporate Estimated Tax payments were up \$13 million or 17.4 percent
- All other Corporate Tax categories, including S-Corp and Return payments, increased \$31.75 million

Motor Vehicle Tag & Title Fees: Fee collections for March totaled slightly less than \$91.5 million, which was \$60.75 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.

GEORGIA DEPARTMENT OF REVENUE
Comparative Summary of Net Revenue Collections

(unaudited - 000's)

	For the Month Ended		\$ Change	% Change
	March 2014 (FY 2014)	March 2013 (FY 2013)		
Tax Revenues:				
Income Tax - Individual:	\$ 477,452	\$ 422,610	\$ 54,843	13.0%
Sales and Use Tax - General:				
Sales & Use Tax - Gross	\$ 791,155	\$ 813,202	\$ (22,047)	-2.7%
Local Sales Tax Distribution (Footnote 1)	\$ (371,353)	\$ (370,242)	\$ (1,111)	-0.3%
Sales Tax Adjustments/Refunds	\$ (2,845)	\$ (15,557)	\$ 12,712	81.7%
Net Sales and Use Tax - General	\$ 416,956	\$ 427,402	\$ (10,446)	-2.4%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 42,876	\$ 42,749	\$ 126	0.3%
Motor Fuel Excise Tax	\$ 33,040	\$ 32,572	\$ 468	1.4%
Total Motor Fuel Taxes	\$ 75,916	\$ 75,321	\$ 595	0.8%
Income Tax - Corporate	\$ 213,855	\$ 174,891	\$ 38,964	22.3%
Tobacco & Cigar Taxes	\$ 16,214	\$ 16,661	\$ (448)	-2.7%
Alcoholic Beverage Taxes (Footnote 4)	\$ 13,275	\$ 12,060	\$ 1,215	10.1%
Estate Tax	\$ -	\$ -	\$ -	-
Property Tax	\$ 1,333	\$ 2,176	\$ (843)	-38.8%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 91,424	\$ 30,585	\$ 60,839	198.9%
Tax Revenues Sub-Total	\$ 1,306,425	\$ 1,161,707	\$ 144,718	12.5%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 10,890	\$ 11,139	\$ (249)	-2.2%
Total Taxes and Other Revenues	\$ 1,317,315	\$ 1,172,846	\$ 144,469	12.3%

<u>GENERAL FUND</u>	Year-to-Date		\$ Change	% Change
	FY 2014	FY 2013		
Tax Revenues:				
Income Tax - Individual	\$ 6,538,107	\$ 6,292,809	\$ 245,298	3.9%
Sales and Use Tax - General:				
Sales & Use Tax - Gross	\$ 7,304,805	\$ 7,614,337	\$ (309,531)	-4.1%
Local Sales Tax Distribution (Footnote 1)	\$ (3,423,287)	\$ (3,464,312)	\$ 41,024	1.2%
Sales Tax Adjustments/Refunds	\$ (58,387)	\$ (75,679)	\$ 17,292	22.8%
Net Sales and Use Tax - General	\$ 3,823,131	\$ 4,074,346	\$ (251,215)	-6.2%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 423,043	\$ 405,027	\$ 18,017	4.4%
Motor Fuel Excise Tax	\$ 329,261	\$ 316,254	\$ 13,008	4.1%
Total Motor Fuel Taxes	\$ 752,305	\$ 721,281	\$ 31,024	4.3%
Income Tax - Corporate	\$ 628,131	\$ 495,271	\$ 132,860	26.8%
Tobacco & Cigar Taxes	\$ 162,129	\$ 154,622	\$ 7,507	4.9%
Alcoholic Beverage Taxes (Footnote 4)	\$ 131,405	\$ 129,451	\$ 1,953	1.5%
Estate Tax	\$ -	\$ -	\$ -	-
Property Tax	\$ 36,077	\$ 49,911	\$ (13,834)	-27.7%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 785,081	\$ 232,877	\$ 552,203	237.1%
Total Tax Revenues	\$ 12,856,365	\$ 12,150,569	\$ 705,796	5.8%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 196,189	\$ 197,129	\$ (940)	-0.5%
Total Taxes and Other Revenues	\$ 13,052,555	\$ 12,347,698	\$ 704,856	5.7%

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 (HB 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.