



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

Nathan Deal
GOVERNOR

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Deal: June revenues up 11.5 percent

Gov. Nathan Deal announced today that Georgia's net tax collections for the month of June totaled \$1.76 billion for an increase of \$182.25 million, or 11.5 percent, compared to the month-ended June 2013. Year-to-date, net tax revenue collections totaled nearly \$17.9 billion for an increase of roughly \$879.25 million, or 5.2 percent, compared to the same point last year when net tax revenues totaled \$17 billion through the end of June 2013.

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

Individual Income Tax: Individual Income Tax collections in June totaled \$885.25 million, up from nearly \$791.5 million in June 2013, for an increase of \$93.75 million or 11.9 percent.

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

- Individual Income Tax Estimated payments for June were up \$8.5 million or 6.6 percent
- Income Tax refunds issued (net of voids) during the month were down \$30.25 million or -42.4 percent
- Individual Income Tax Withholding during the month was up \$64.5 million or 9.5 percent
- All other Individual Tax categories including Return payments and Assessments were down \$9.5 million

Sales and Use Tax: Gross Sales Tax collections increased \$47.5 million, or 6 percent, compared to June 2013, the third month in which gross sales tax declined due to the implementation of a Title ad Valorem Tax, which displaced tax revenue to Motor Vehicle Fees (**see *Tax Reform note below**). June's net Sales Tax collections increased \$34.25 million, or 8.3 percent, compared to FY 2013 despite a large year-over-year change in the distribution to local governments, which increased nearly \$23.75 million. Net Refunds fell \$10.5 million compared to the previous fiscal year.

Corporate Income Tax: Corporate Income Tax collections for June 2014 increased \$44.25 million, or 28.2 percent, compared to FY 2013 when net Corporate Tax revenues totaled \$156.75 million.

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

- Corporate Tax refunds issued (net of voids) were down roughly \$1 million or -8 percent
- Corporate Estimated payments in June were up approximately \$43 million or 27.2 percent
- All other Corporate Tax categories, including S-Corp and Return payments, increased \$0.25 million

Motor Vehicle Tag & Title Fees: Fee collections totaled nearly \$92.5 million, an approximate increase of \$5.5 million compared to last June, when TAVT collections totaled \$63.5 million versus \$66.5 million in June of this year.

***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 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 holiday. 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
	June 2014 (FY 2014)	June 2013 (FY 2013)		
Tax Revenues:				
Income Tax - Individual:	\$ 885,250	\$ 791,377	\$ 93,873	11.9%
Sales and Use Tax - General:				
Sales and Use Tax - Gross (Footnote 2)	\$ 844,840	\$ 797,366	\$ 47,474	6.0%
Local Sales Tax Distribution (Footnote 1)	\$ (394,683)	\$ (371,001)	\$ (23,681)	-6.4%
Sales Tax Adjustments/Refunds	\$ (1,391)	\$ (11,830)	\$ 10,438	88.2%
Net Sales and Use Tax - General	\$ 448,767	\$ 414,536	\$ 34,231	8.3%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 48,476	\$ 45,355	\$ 3,120	6.9%
Motor Fuel Excise Tax	\$ 38,792	\$ 35,018	\$ 3,775	10.8%
Total Motor Fuel Taxes	\$ 87,268	\$ 80,373	\$ 6,895	8.6%
Income Tax - Corporate	\$ 201,003	\$ 156,802	\$ 44,201	28.2%
Tobacco & Cigar Taxes	\$ 19,381	\$ 18,970	\$ 411	2.2%
Alcoholic Beverage Taxes	\$ 16,220	\$ 16,521	\$ (301)	-1.8%
Estate Tax	\$ -	\$ -	\$ -	
Property Tax	\$ 842	\$ 1,084	\$ (242)	-22.3%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 92,365	\$ 87,015	\$ 5,349	6.1%
Total Tax Revenues	\$ 1,751,095	\$ 1,566,677	\$ 184,418	11.8%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 10,612	\$ 12,728	\$ (2,115)	-16.6%
Total Taxes and Other Revenues	\$ 1,761,707	\$ 1,579,404	\$ 182,303	11.5%

<u>GENERAL FUND</u>	Year-to-Date		\$ Change	% Change
	FY 2014	FY 2013		
Tax Revenues:				
Income Tax - Individual	\$ 8,966,125	\$ 8,753,712	\$ 212,413	2.4%
Sales and Use Tax - General:				
Sales and Use Tax - Gross (Footnote 2)	\$ 9,851,533	\$ 10,051,131	\$ (199,599)	-2.0%
Local Sales Tax Distribution (Footnote 1)	\$ (4,602,785)	\$ (4,633,195)	\$ 30,409	0.7%
Sales Tax Adjustments/Refunds	\$ (78,336)	\$ (93,855)	\$ 15,520	16.5%
Net Sales and Use Tax - General	\$ 5,170,411	\$ 5,324,081	\$ (153,670)	-2.9%
Motor Fuel Taxes:				
Prepaid Motor Fuel Tax	\$ 568,856	\$ 547,172	\$ 21,684	4.0%
Motor Fuel Excise Tax	\$ 448,021	\$ 428,278	\$ 19,742	4.6%
Total Motor Fuel Taxes	\$ 1,016,876	\$ 975,450	\$ 41,426	4.2%
Income Tax - Corporate	\$ 944,256	\$ 797,255	\$ 147,001	18.4%
Tobacco & Cigar Taxes	\$ 216,349	\$ 211,448	\$ 4,901	2.3%
Alcoholic Beverage Taxes	\$ 178,072	\$ 175,018	\$ 3,054	1.7%
Estate Tax	\$ -	\$ (15,352)	\$ 15,352	100.0%
Property Tax	\$ 38,857	\$ 53,492	\$ (14,635)	-27.4%
Motor Vehicle - Tag, Title & Fees (Footnote 2)	\$ 1,079,628	\$ 453,351	\$ 626,277	138.1%
Total Tax Revenues	\$ 17,610,575	\$ 16,728,456	\$ 882,119	5.3%
Other Revenues:				
Other Fees & Taxes (Footnote 3)	\$ 272,709	\$ 275,536	\$ (2,827)	-1.0%
Total Taxes and Other Revenues	\$ 17,883,284	\$ 17,003,992	\$ 879,292	5.2%

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.