



# Massachusetts Department of Revenue

## Briefing Book FY2012 Consensus Revenue Estimate Hearing

December 14, 2010

Presented by:

Navjeet K. Bal  
COMMISSIONER

Kazim P. Ozyurt  
ACTING DIRECTOR  
OFFICE OF TAX POLICY ANALYSIS

# Table of Contents

---

Introduction.....	3
FY10 Results.....	4
FY11 Summary.....	5
FY12 Summary.....	7
Recent Revenue Trends.....	8
The U.S. Economy.....	12
The Massachusetts Economy.....	16
Massachusetts Economic Forecast Table.....	19
Capital Gains Taxes.....	20
FY11 and FY12 Tax Revenue Projections.....	22
Historical Comparison of Projections to Actual Collections.....	26

# 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 FY11 and FY12 and relevant background information.

With the national economy recovering and growing slowly since the end of the recent *great* recession, Massachusetts economy and the state tax revenues continue to improve.

Our FY11 and FY12 revenue forecasts are based on tax collections through November 2010 and the economic projections provided by *Moody's Economy.com*, *Global Insight*, and the *New England Economic Partnership (NEEP)*. The forecasts have been adjusted for legislatively mandated tax changes. The table below summarizes the Department's current tax revenue forecasts for FY11 and FY12.

**FY11 and FY12 Department of Revenue Tax Revenue Projections  
( in \$ Billions)**

	<u>FY11 Projections</u>	<u>% Growth Actual from FY10</u>	<u>% Growth Baseline from FY10</u>	<u>FY12 Projections</u>	<u>\$ Growth from FY11</u>	<u>% Growth Actual from FY11</u>	<u>% Growth Baseline from FY11</u>
GAA Plus Economic Development Bill	\$19.078	2.9%	1.8%	N/A	N/A	N/A	N/A
Economy.com	\$19.589	5.6%	4.6%	\$20.211	\$0.623	3.2%	4.4%
Global Insight	\$19.681	6.1%	5.1%	\$20.251	\$0.570	2.9%	4.1%
NEEP	\$19.605	5.7%	4.7%	\$20.343	\$0.737	3.8%	5.0%

# FY10 Results

---

- FY10 tax collections totaled \$18.544 billion, up \$284.4 million, or 1.6% from FY09.
- FY10 “baseline” tax collections (i.e., growth adjusted for the impact of tax law and administrative changes) were down 3.2% from FY09.
- FY10 tax collections were \$84 million above the final FY10 revenue estimate of \$18.460 billion, primarily due to higher than projected withholding taxes, sales taxes, and corporate and business taxes, which were partially offset by lower than projected final income tax payments. Capital gains taxes were down 5.1% in FY10 compared to FY09, and totaled about \$497 million.
- After posting the steepest percentage decline in recent history in FY09 due to the global economic crisis, tax revenues began to recover in FY10, especially in the last quarter of the fiscal year, reflecting an improvement in economic conditions in Massachusetts. But the recovery was weak and income tax paid on capital gains, dividends and interest, and withholding tax collections – were all lower compared to FY09:
  - FY10 income tax collections totaled \$10.110 billion, down 4.2% baseline. Withholding declined 0.6% baseline, while income from estimated payments which include capital gains, interest and dividends, and unincorporated business income, declined 15.3% baseline. Refunds were down 2.9% baseline. Income tax payments with returns and bills declined 11.9% baseline.
  - FY10 sales tax was \$4.612 billion, up 19.2% actual and down 2.6% baseline. After excluding the impacts of sales tax rate increase, only motor vehicle tax show significant positive growth of 5.1%.
  - FY10 corporate and business tax collections of \$2.120 billion for the year were up 1.0% actual and down 0.9% baseline. Corporate excise tax collections were up 3.3% but down 0.9% baseline from the previous year’s collections. Financial institutions excise tax collection were down 3.2% actual but up 3.0% baseline from the previous year. Insurance excise tax collection declined 7.8% actual and 1.1% baseline from the previous year.

# FY11 Summary

---

- The FY11 consensus revenue estimate assumed FY11 revenue collections of \$19.050 billion. After adjusting for tax law changes not incorporated into the consensus estimate, the FY11 tax forecast was \$19.078 billion, reflecting actual growth of 2.9% and baseline growth of 2.5% from FY10 collections.
- Through November 2010, FY11 tax collections totaled \$7.524 billion, up \$698 million, or 10.2% actual and 7.1% baseline compared to the same five-month period in FY10, \$516 million above the November year-to-date benchmark set out in the consensus revenue estimate. Specifically:
  - Year-to-date withholding is up 5.2% actual and 5.3% baseline.
  - Year-to-date income tax estimated payments (cash) are up 11.4% actual and 3.8% baseline, reflecting increases in non-wage income.
  - Year-to-date corporate and business tax collections are up 34.0% actual and 32.4% baseline, with cash estimated payments (an indicator of current business conditions) up 20.5% actual and baseline.
- The Massachusetts economy is projected to grow moderately in terms of output during the last three quarters of FY11, but at a slower pace than in the first quarter. Employment is projected to grow slowly throughout FY11:
  - Real Gross State Product is projected to grow by 2.7% to 3.8% over the remainder of FY11.
  - Massachusetts payroll employment is projected to grow by between 1.0% and 1.2% in the last three quarters of FY11, and wages and salaries are projected to grow by 2.3% to 3.2% over the same period.
  - Retail sales are projected to grow by 4.5% to 5.0% over the remainder of FY11.

# FY11 Summary

---

- DOR forecasts that tax year 2010 capital gains realizations (which mainly determine FY11 capital gains tax collections) will increase by 17.4% from tax year 2009, and will then increase by 16.4% in tax year 2011 before increasing by an additional 7.1% in tax year 2012.
- Using economic projections from Global Insight, Economy.com, and the New England Economic Partnership (NEEP), and DOR's capital gains projections, FY11 tax revenue is projected at \$19.589 billion to \$19.681 billion, \$511 million to \$603 million above the consensus FY11 estimate of \$19.078 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 increase of \$218 million.

# FY12 Summary

---

- The national economy is expected to grow moderately in calendar years 2011 and 2012 according to Global Insight while Economy.com expects the growth to accelerate in 2012 after moderate growth in 2011. FY12 real Gross Domestic Product (GDP) forecasts range from an increase of 2.6% to 3.5%.
  
- The three forecast vendors project the following for FY12:
  - Projections for Massachusetts employment range from a growth of 0.5% to 1.2% in FY12, compared to growth of 1.0% to 1.2% in FY11, and Massachusetts wages and salary projections range from growth of 4.4% to 5.2% in FY12, compared to growth of 2.2% to 2.9% in FY11;
  - Massachusetts personal income is expected to rise 3.5% to 5.0% in FY12, compared to growth of 2.8% to 2.9% in FY11;
  - Nationally, corporate profits are expected to grow by 1.1% to 5.8% in FY12, compared to growth of 10.4% to 12.4% in FY11;
  - The stock market as measured by the S&P 500 is expected to increase 5.3% to 9.7% in calendar year 2011, compared to increase of 20.0% in calendar 2010.
  
- Using the economic growth assumptions from Economy.com, Global Insight, and the New England Economic Partnership (NEEP), FY12 tax revenue is projected to be \$20.211 billion to \$20.343 billion, reflecting baseline growth of 4.1% to 5.0% over FY11. 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 decrease of \$88 million.

# 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.

<b>FY2011 Year-to-Date Collections Through November 2010 (in \$ Millions)</b>					
	11/10 FY11 YTD Collections	11/10 FY11 YTD \$ Change	11/10 FY11 YTD Actual % Change	11/10 FY11 YTD Baseline % Change	FY11 YTD \$ Above/(Below) Benchmark Based on FY11 Estimate of \$19.078 Billion
<b>Income - Total</b>	<b>4,091</b>	<b>287</b>	<b>7.5%</b>	<b>7.2%</b>	<b>122</b>
Income Withholding	3,702	181	5.2%	5.3%	63
Income Est. Payments (Cash)	437	45	11.4%	3.8%	(10)
Income Returns/Bills	165	(9)	-5.4%	1.6%	18
Income Refunds (Cash)	210	(74)	-26.2%	-25.7%	(54)
<b>Sales &amp; Use - Total</b>	<b>2,090</b>	<b>236</b>	<b>12.7%</b>	<b>3.0%</b>	<b>34</b>
Sales - Regular	1,466	169	13.0%	2.0%	24
Sales - Meals	367	45	14.1%	3.9%	3
Sales - Motor Vehicles	257	21	9.1%	7.2%	7
<b>Corporate &amp; Business - Total</b>	<b>615</b>	<b>156</b>	<b>34.0%</b>	<b>32.4%</b>	<b>355</b>
Corporate Excise	600	302	100.9%	91.8%	411
Insurance Excise	76	(2)	-2.8%	-2.8%	(5)
Financial Institutions Excise	(48)	(137)	N/A	N/A	(44)
Public Utilities Excise	(14)	(6)	N/A	N/A	(6)
<b>All Other</b>	<b>728</b>	<b>19</b>	<b>2.6%</b>	<b>0.5%</b>	<b>5</b>
<b>Total Tax Collections</b>	<b>7,524</b>	<b>698</b>	<b>10.2%</b>	<b>7.1%</b>	<b>516</b>

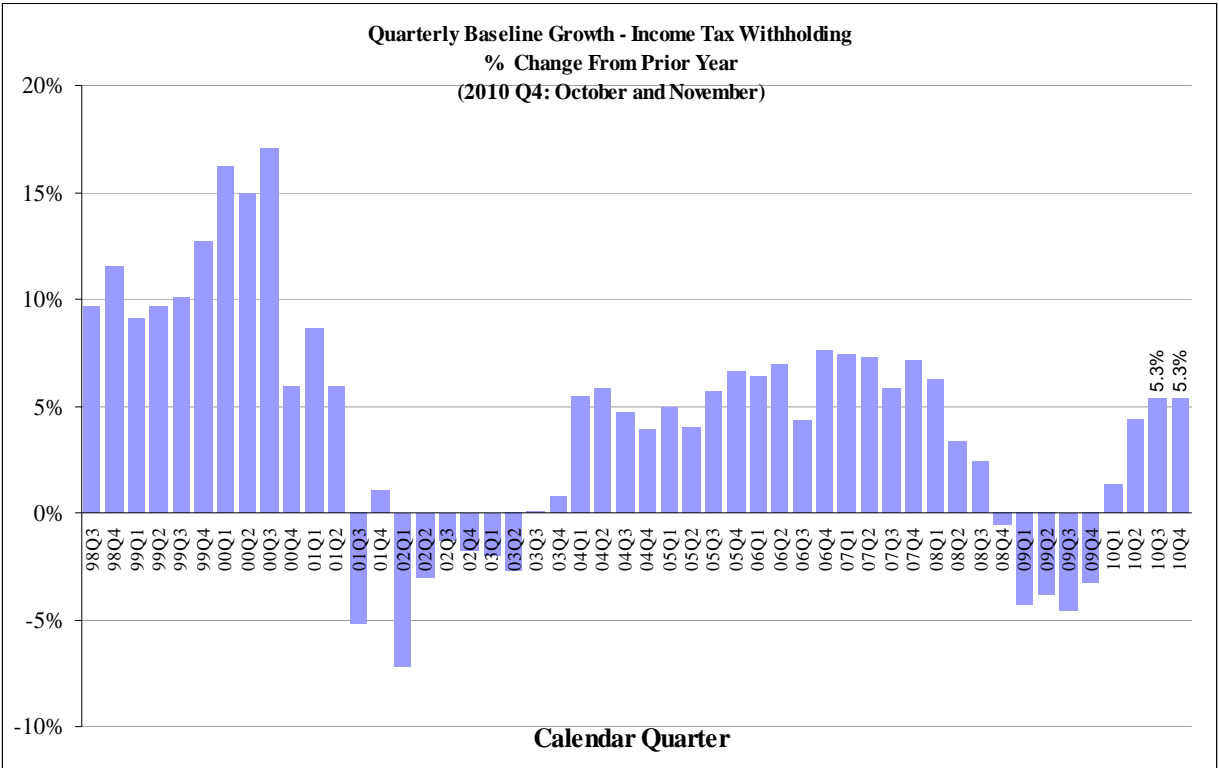
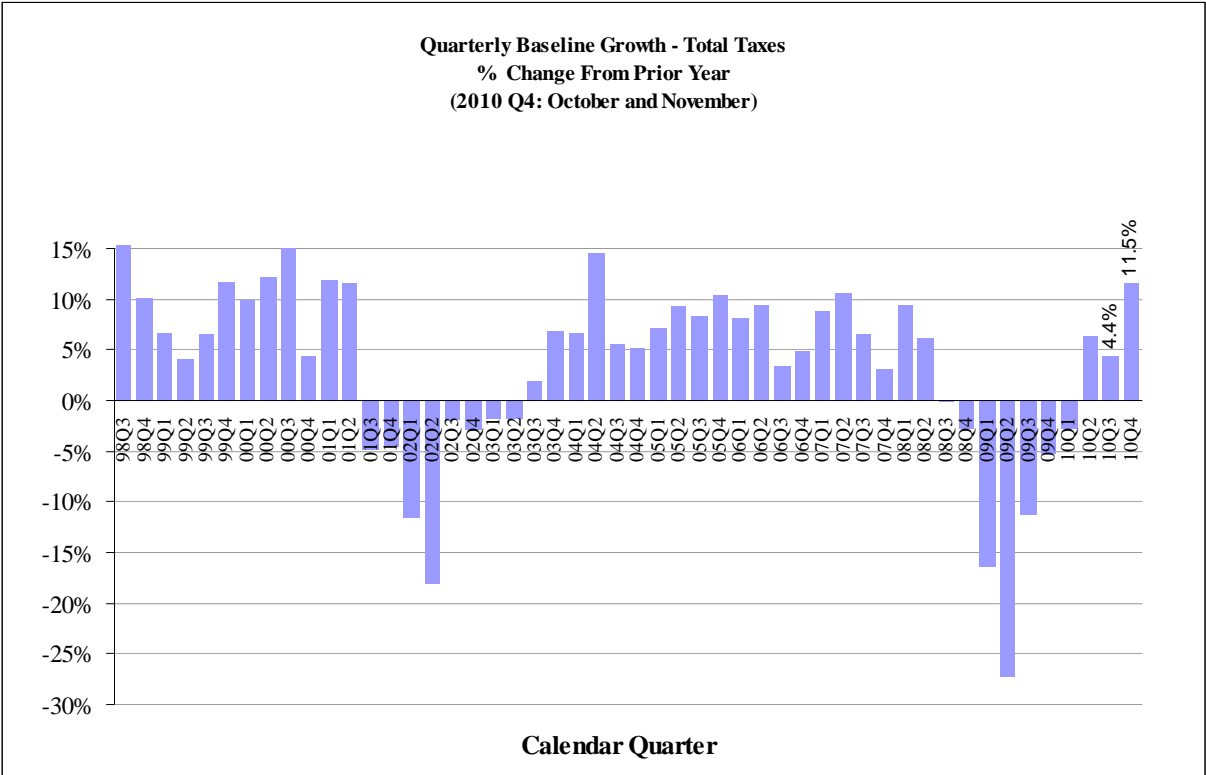


# Recent Revenue Trends

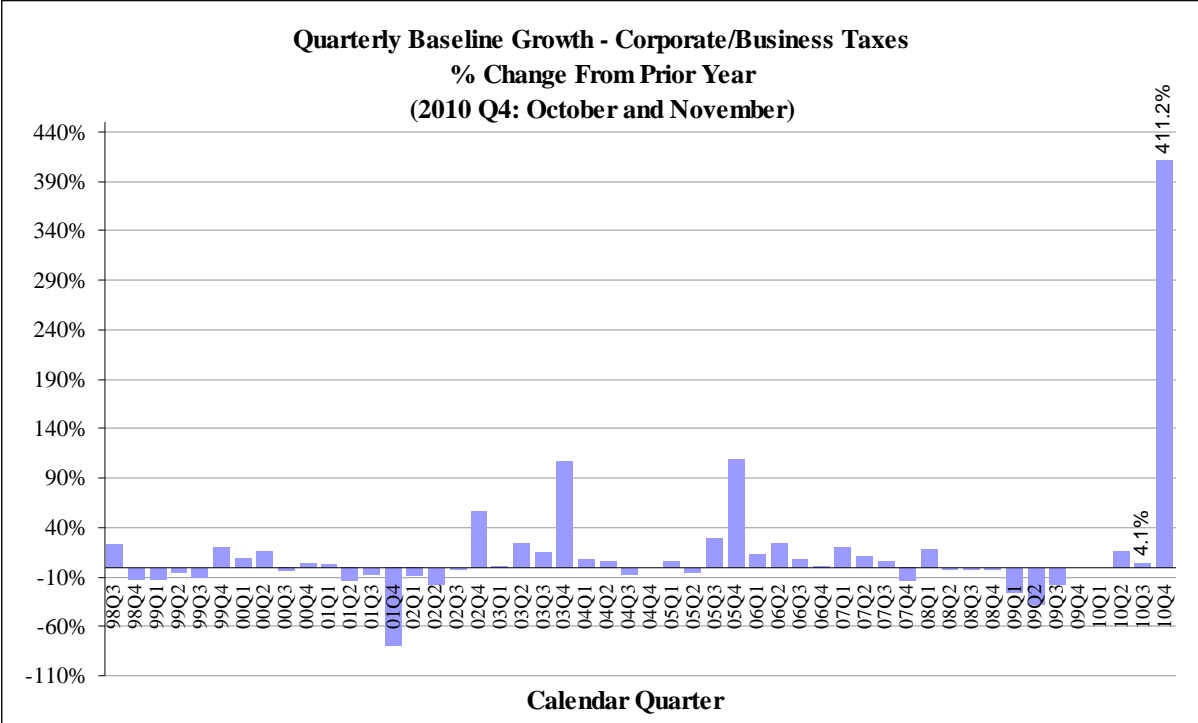
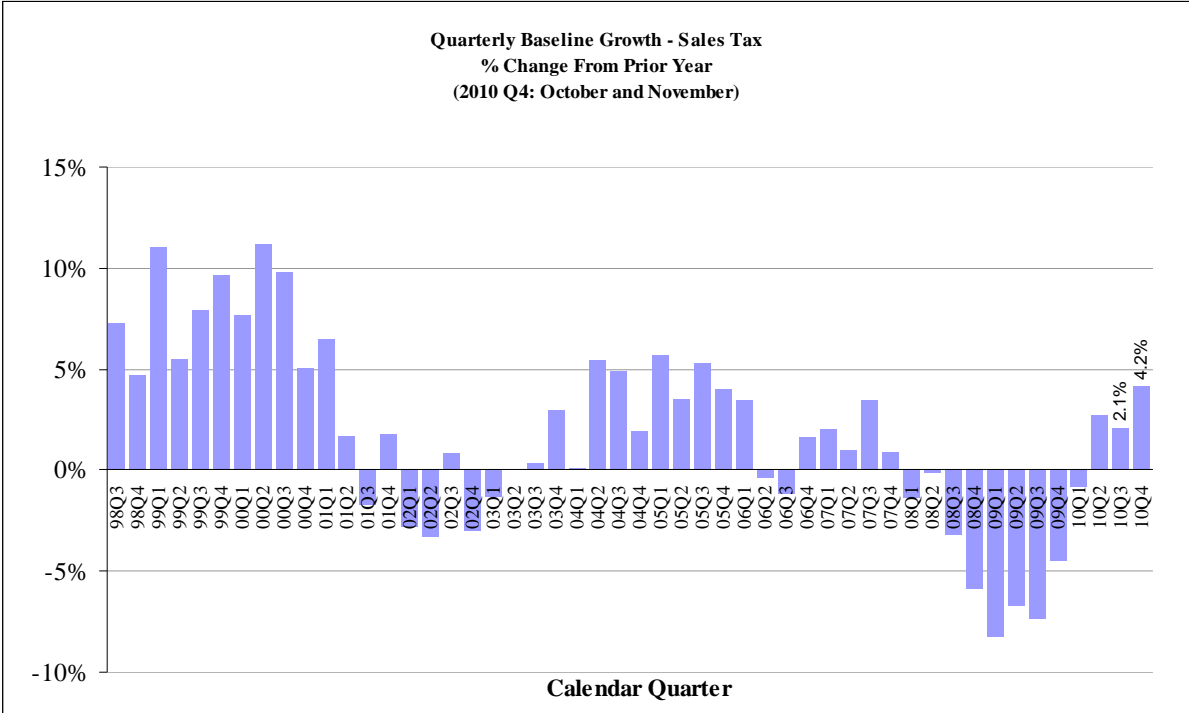
---

- **Withholding**
  - Withholding has increased significantly so far in FY11, with baseline collections up 5.3% through November 2010, after having declined by 0.6% baseline in FY10.
- **Income Tax Estimated Payments (Cash)**
  - Income tax estimated payments (Cash) have increased by 3.8% baseline so far in FY11, after having declined by 14.8% baseline in FY10. This reflects the expectation of weak recovery in non-wage income, primarily business and rental income, and capital gains.
- **Sales Tax**
  - As consumers increase their spending, sales tax collections have increased in FY11. After having declined by 2.6% baseline in FY10, sales tax collections are up 3.0% baseline FY11 year-to-date. Regular sales tax is up by 2.0% baseline. Meals tax is up 3.9% baseline. Motor vehicle sales tax has increased by 7.2% baseline. The sales tax growth seems consistent with that seen in many other states.
- **Corporate and Business Excise**
  - As the economy recovers and corporate profits grow robustly, the corporate and business tax collections have posted strong growth in the first five months of FY11, with a baseline growth of 32.4% through November compared with a decline of 0.9% baseline in FY10. YTD corporate and business estimated payments (cash), which reflect current economic activity, are up 20.5% actual and baseline.

# Recent Revenue Trends



# Recent Revenue Trends



# The U.S. Economy

---

- DOR utilizes national and Massachusetts state economic forecasts from Global Insight, Moody's Economy.com, and the New England Economic Partnership.
- The national economy started to recover from the Great Recession in the second half of 2009, but the recovery has slowed down recently. After strong growth in the fourth quarter of 2009 (5.0%, annual rate) and the first quarter of 2010 (3.7%, annual rate), the growth in real GDP slowed down in the second (1.7%, annual rate) and third quarter of 2010 (2.5%, annual rate), and is expected to remain slow until the second half of 2011.
- The labor market has shown slight improvement since the end of the recession. US payroll employment rose by 39,000 in November 2010. Unemployment rate, which was 9.8% in November 2010, is expected to be close to the current level in 2011.
- The housing market is experiencing an uneven recovery. Since the expiration of the first-time home buyer tax credit, sales of new and existing homes have declined. In October 2010, new- and existing-home sales fell 28.5% and 25.9% respectively compared with October 2009 when sales surged prior to the initial deadline for the first-time home buyer tax credit. But the jump in pending home sales in October shows a positive uptrend. The high unemployment rate and uncertainties in housing market will continue to affect the housing recovery.

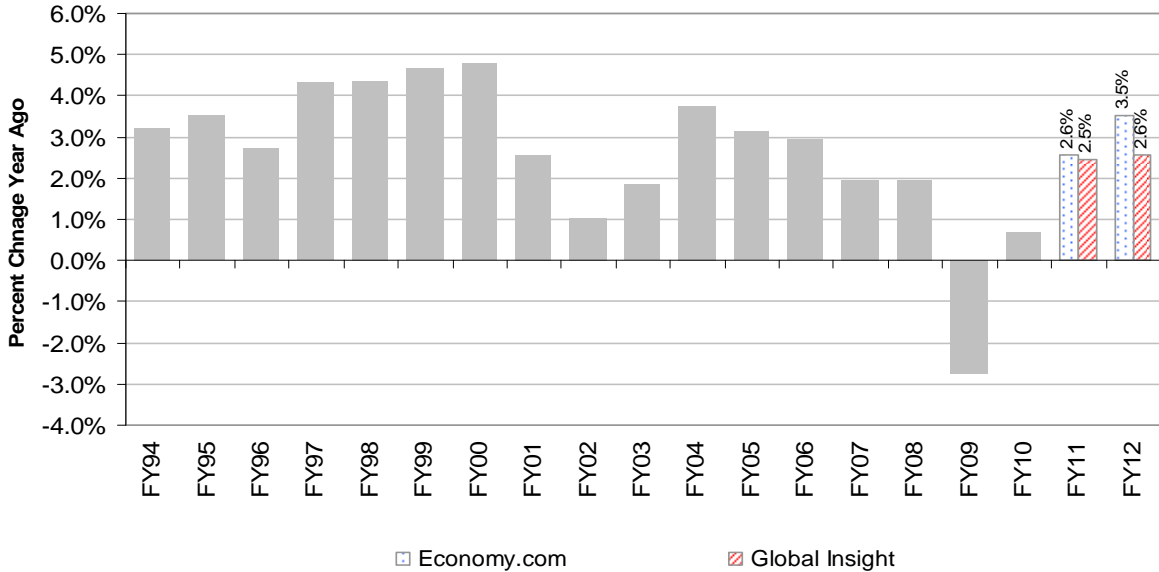
# The U.S. Economy

---

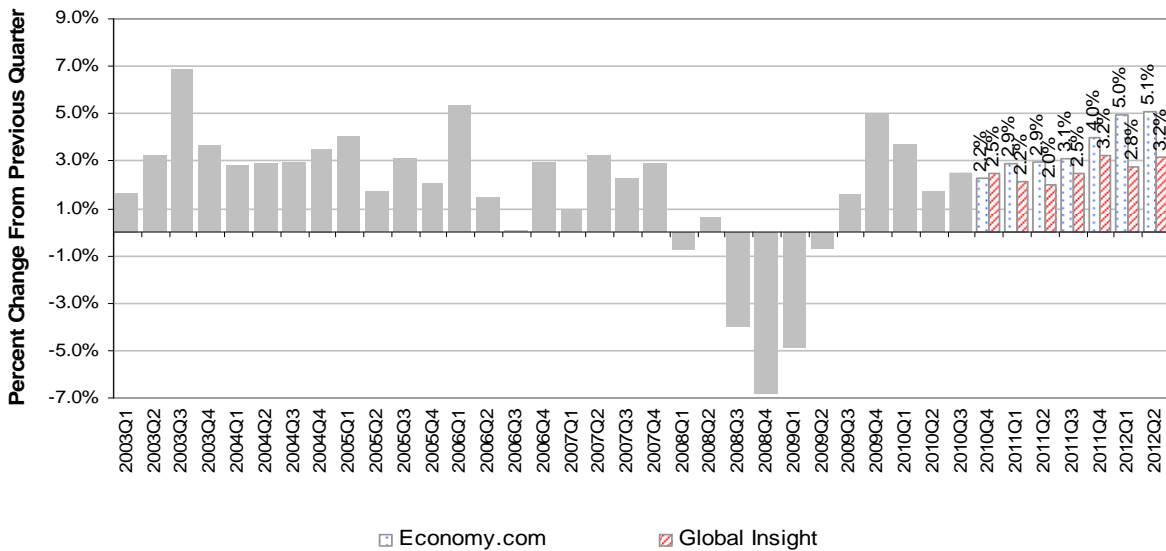
- Short-term interest rates are expected to remain very low over the remainder of 2010 and in 2011. The Federal Reserve is expected to keep the federal funds rate in its current target range of 0.0%-0.25% through 2011. The bank prime rate will follow a similar trend.
- After a strong growth of 39.2% in FY10, corporate profits are expected to slow down significantly over the remainder of FY11 as the economic recovery slow down. Corporate profits are expected to grow 4.9%~5.8% over the remainder of FY11, and 1.1%~5.8% in FY12 .
- The stock market, as measured by the S&P 500, increased substantially in the first three quarters of calendar year 2010, with the average daily close of the S&P 500 index up by 24.5% compared to the same period of 2009. The calendar year 2011 (FY12) average of the S&P 500 index is expected to rise further, with Economy.com projecting an increase of 9.7% and Global Insight predicting an increase of 5.3% compared to calendar year 2010.

# The U.S. Economy

## Real GDP Growth FY94-12 (Forecasts begin in FY11)

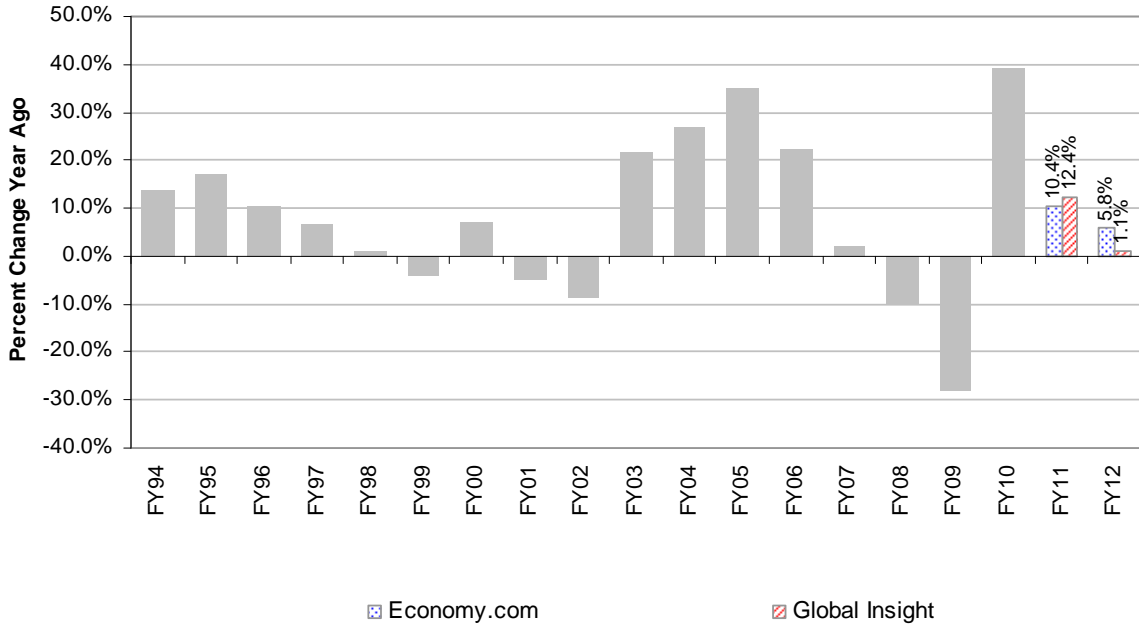


## Annualized Quarterly Growth in U.S. Real GDP (Change from Previous Quarter, Annualized)



# The U.S. Economy

Growth in Business Profits is Expected to Slow Down  
(Corporate Profits Before Tax FY94-12)



Interest Rates Will Remain Low Through FY12



# The Massachusetts Economy

---

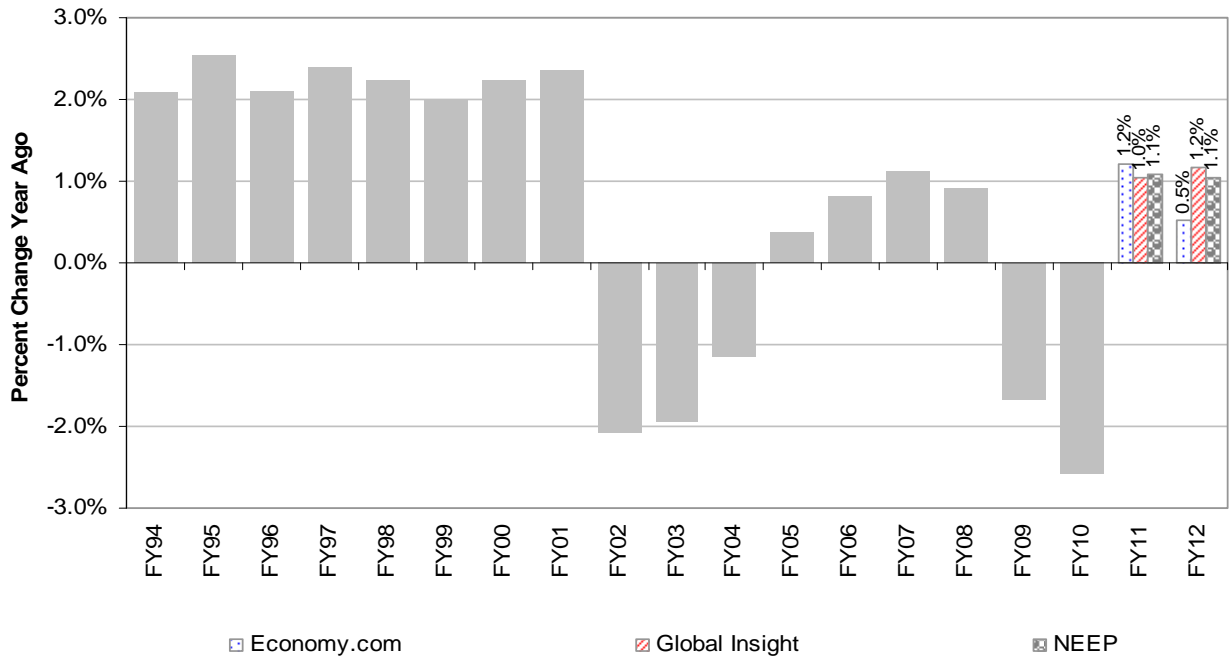
The forecast assumptions for the Massachusetts economy are as follows:

- The state economy has grown robustly and faster than the national economy since the end of the recession, though the pace has slowed down recently in terms of output. Real state gross domestic product is projected to average 2.9% to 4.0% for FY11 and 2.5% to 4.4% for FY12.
- Massachusetts state employment bottomed out in the first quarter of 2010, at which point the state's employment declined by 160,000 (4.8%) from the peak reached in the first quarter of 2008. By the third quarter of 2010, 48,000 or 30% of the lost jobs has been recovered. State employment is projected to increase by 1.0% to 1.2% in FY11, and 0.5% to 1.2% in FY12. The state unemployment rate is projected to average 8.4% to 9.0% for FY11 and 8.0% to 9.0% for FY12.
- According to the U.S. Bureau of Economic Analysis's most recent reports, Massachusetts wage and salary disbursements in the second quarter of 2010 increased by 1.5% (compared to the same quarter in 2009) after rising by 1.1% in the first quarter. Personal income increased by 2.0% in the second quarter after rising by 1.9% in the first quarter. Compared to the same period in FY10, wage and salary disbursements are projected to increase by 2.3% to 3.2% over the remainder of FY11. For FY12, wages and salaries are expected to increase by 4.4% to 5.2% over FY11.
- The state's housing market has been weak since the expiration of the first-time home buyer tax credit. According to the Massachusetts Association of Realtors, the median price rose by 3.2% for single family homes and fell by 0.3% for condominiums in October 2010 on a year-over-year basis. During the same period of time, sales fell by 27.6% for single family homes and 38.8% for condominiums.
- Retail sales are projected to grow by 4.5% to 5.0% for the remainder of FY11, and grow by 5.0% to 5.5% in FY12.

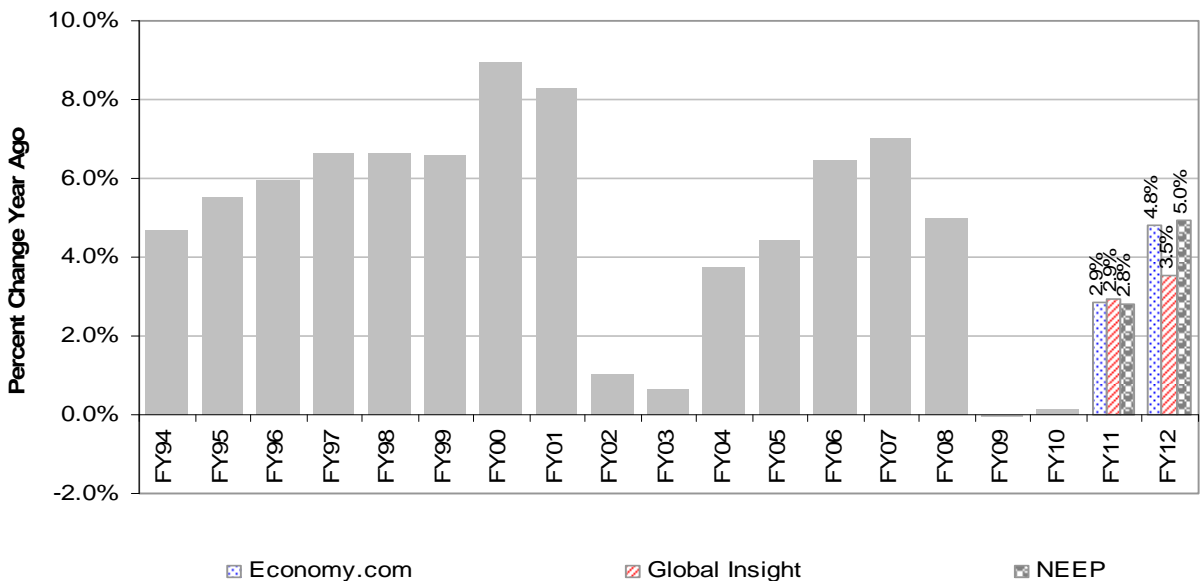


# The Massachusetts Economy

## Massachusetts Employment Forecasts

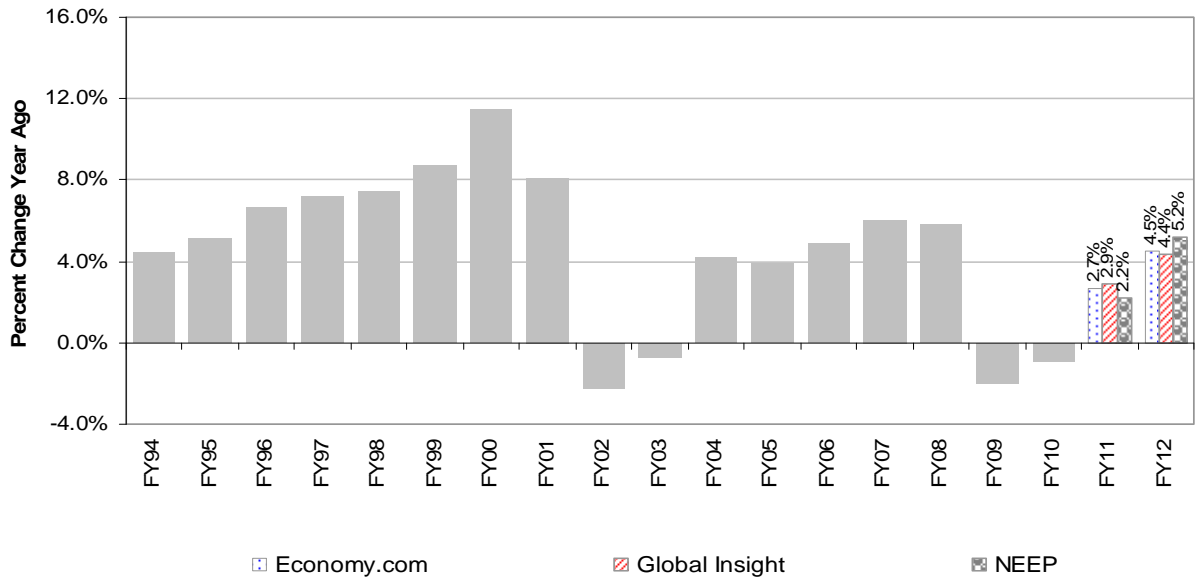


## Massachusetts Personal Income Forecasts

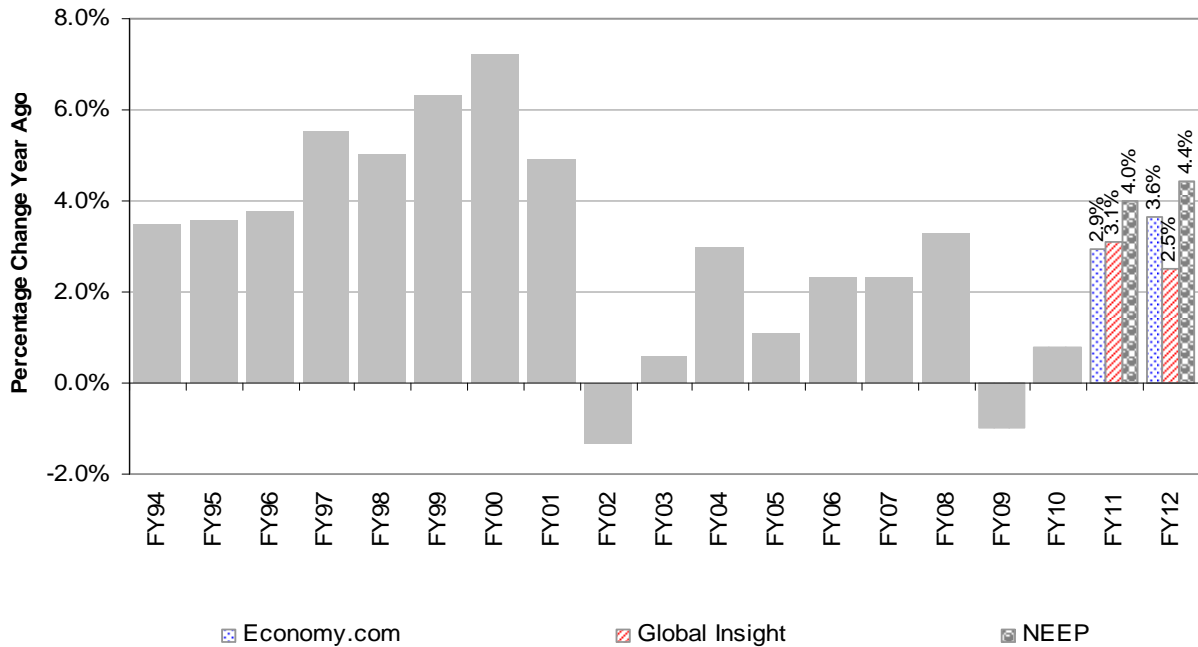


# The Massachusetts Economy

## Massachusetts Wages and Salaries Forecasts



## Massachusetts Real Gross State Product (GSP) Growth FY94-12



# U.S and Massachusetts Economic Forecast Table

## (Percent Change from Prior Fiscal Year)

	History			Forecast			
	FY 2009	FY 2010	FY 2011 First Quarter	FY 2011 Last		FY 2012	FY 2013
				Three Quarters	FY 2011 Full Year		
<b><u>US - Global Insight 11/10</u></b>							
Real GDP	-2.8%	0.7%	3.1%	2.2%	2.5%	2.6%	2.9%
Corporate Profits	-28.0%	39.2%	37.4%	5.8%	12.4%	1.1%	2.3%
S&P500 (Calendar year)	-17.3%	-22.5%	24.5%	9.3%	20.1%	5.2%	7.9%
Unemployment Rate	7.6%	9.8%	9.6%	9.7%	9.7%	9.4%	8.8%
Bank Prime Rate	3.9%	3.3%	3.3%	3.3%	3.3%	3.4%	5.7%
Federal Funds Rate	0.7%	0.2%	0.2%	0.1%	0.1%	0.3%	2.7%
<b><u>US - Economy.com 11/10</u></b>							
Real GDP	-2.8%	0.7%	3.1%	2.4%	2.6%	3.5%	4.9%
Corporate Profits	-28.0%	39.2%	30.6%	4.9%	10.4%	5.8%	13.8%
S&P500 (Calendar year)	-17.3%	-22.5%	24.5%	8.9%	20.0%	9.7%	6.3%
Unemployment Rate	7.6%	9.8%	9.6%	9.9%	9.8%	9.5%	7.6%
Bank Prime Rate	3.9%	3.3%	3.3%	3.2%	3.2%	3.6%	5.5%
Federal Funds Rate	0.7%	0.2%	0.2%	0.2%	0.2%	0.6%	2.5%
<b><u>Massachusetts - Global Insight 11/10</u></b>							
Real Gross State Product	-0.6%	1.5%	4.1%	2.7%	3.1%	2.5%	2.5%
Wages & Salaries	-2.0%	-1.0%	2.0%	3.2%	2.9%	4.4%	4.2%
Personal Income	-0.1%	0.1%	2.7%	3.0%	2.9%	3.5%	4.0%
Employment	-1.7%	-2.6%	1.1%	1.0%	1.0%	1.2%	1.3%
Retail Sales	-6.9%	1.8%	5.1%	4.8%	4.9%	5.5%	4.1%
Unemployment Rate	6.9%	9.1%	8.7%	8.3%	8.4%	8.0%	7.6%
Housing Starts	-35.7%	3.3%	34.6%	23.3%	26.0%	18.1%	21.5%
<b><u>Massachusetts - Economy.com 11/10</u></b>							
Real Gross State Product	-1.0%	0.7%	3.2%	2.8%	2.9%	3.6%	4.7%
Wages & Salaries	-2.0%	-1.0%	2.2%	2.8%	2.7%	4.5%	7.9%
Personal Income	-0.1%	0.1%	2.7%	2.9%	2.9%	4.8%	7.1%
Employment	-1.7%	-2.6%	1.1%	1.2%	1.2%	0.5%	2.4%
Retail Sales	-4.8%	1.5%	3.0%	5.0%	4.5%	5.3%	6.1%
Unemployment Rate	6.9%	9.1%	8.7%	9.1%	9.0%	9.0%	7.3%
Housing Permits	-42.8%	19.0%	32.8%	10.7%	15.6%	49.9%	50.2%
Home Sales	-9.0%	21.2%	-18.9%	-21.9%	-21.2%	8.1%	5.0%
<b><u>Massachusetts - NEEP 09/10 (Adjusted for Most Recent U.S. Government Data Release)</u></b>							
Real Gross State Product	-1.3%	0.2%	4.7%	3.8%	4.0%	4.4%	4.7%
Wages & Salaries	-2.0%	-1.0%	1.8%	2.3%	2.2%	5.2%	8.2%
Personal Income	-0.1%	0.1%	2.6%	2.9%	2.8%	5.0%	7.1%
Employment	-1.7%	-2.6%	1.1%	1.1%	1.1%	1.1%	2.5%
Retail Sales	-4.8%	1.6%	3.4%	4.5%	4.2%	5.0%	5.8%
Unemployment Rate	6.9%	9.1%	8.7%	8.8%	8.8%	8.1%	6.6%
Housing Permits	-42.8%	20.1%	10.5%	-8.3%	-4.2%	56.0%	56.9%

Note: For S&P500, the numbers shown are calendar year numbers with one year lag.  
Number for FY11Q1 is CY10 Q1:Q3 growth; Number for FY11 Q2:Q4 is CY10Q4 growth.

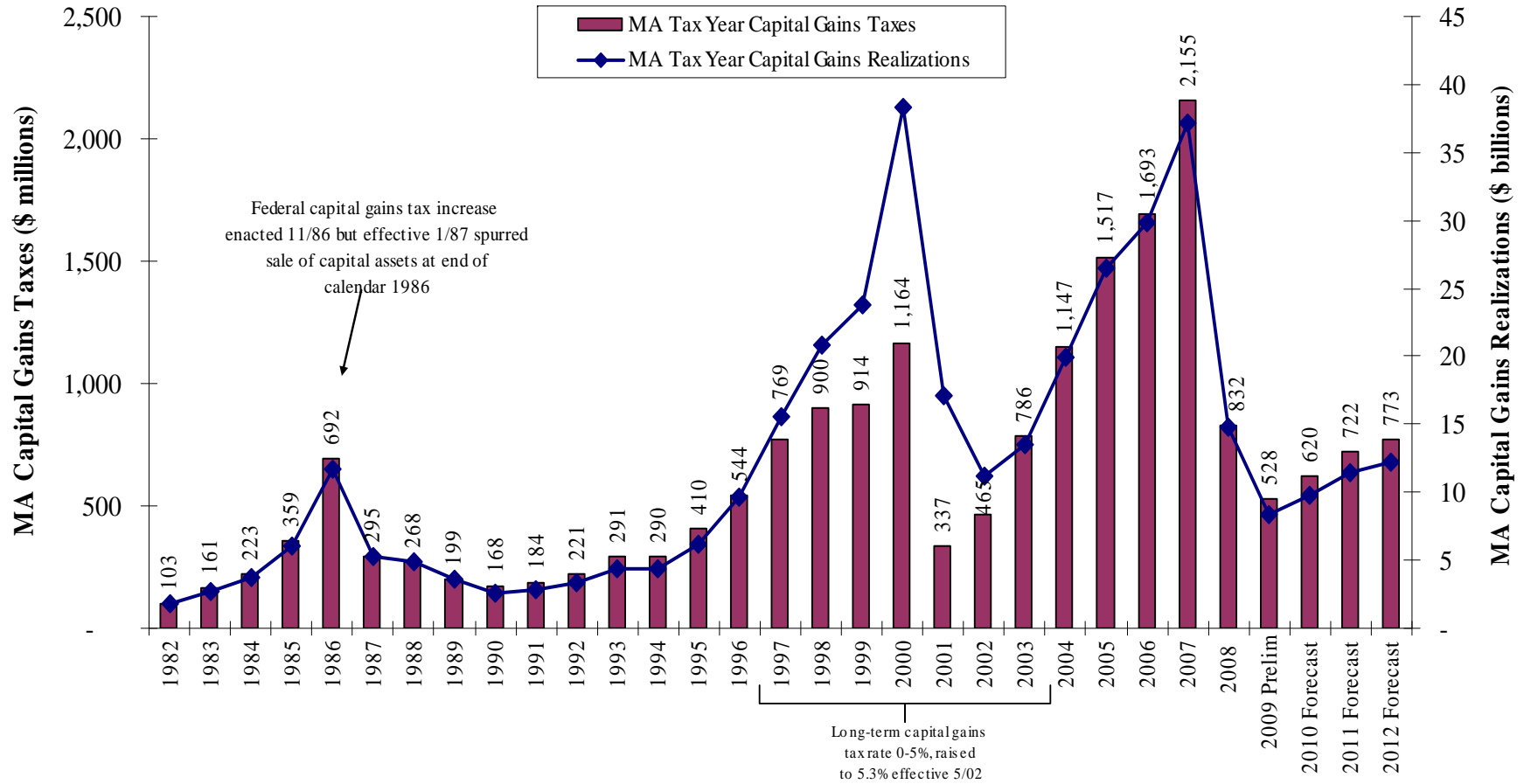
# Capital Gains Taxes

---

- Estimates based on tax year 2009 income tax returns processed to date indicate that tax year 2009 capital gains realizations (taxes on which were remitted mostly in FY10) were \$8.4 billion, compared to \$14.7 billion in tax year 2008, a decrease of 43.3%. Long-term realizations decreased by about 49.4% while short-term realizations increased by about 68.3%.
- Capital gains taxes declined from \$832 million in tax year 2008 to approximately \$528 million in tax year 2009, a decrease of \$304 million, or 36.5%. On a fiscal year basis, FY10 capital gains taxes are estimated to have totaled about \$497 million (though no exact numbers are available on a fiscal year basis), a decrease of \$27 million, or 5.1%, from FY10.
- DOR's capital gains model projects that Massachusetts capital gains realizations will rise by 17.4% in tax year 2010 compared to tax year 2009, increase by 16.4% in tax year 2011, increase by 7.1% in tax year 2012. DOR capital gains forecast implies tax year 2010 capital gains taxes of \$620 million, and tax year 2011 capital gains taxes of \$722 million. On a fiscal year basis, capital gains taxes would be approximately \$644 million in FY11, an increase of \$147 million compared to FY10, and \$744 billion in FY12, an increase of \$100 million over FY11.

# Capital Gains Taxes

## Massachusetts Capital Gains Realizations and Taxes



## FY11 and FY12 Tax Revenue Projections

---

**FY11 and FY12 Tax Revenue Projections Based on Economic Forecasts of Moody's Economy.com, Global Insight, and New England Economic Partnership  
( in \$ Billions)**

	<u>FY11 Projections</u>	<u>\$ Growth from FY10</u>	<u>% Growth Actual from FY10</u>	<u>% Growth Baseline from FY10</u>	<u>FY12 Projections</u>	<u>\$ Growth from FY11</u>	<u>% Growth Actual from FY11</u>	<u>% Growth Baseline from FY11</u>
GAA Plus Economic Development Bill	\$19.078	\$0.534	2.9%	1.8%	N/A	N/A	N/A	N/A
Economy.com	\$19.589	\$1.045	5.6%	4.6%	\$20.211	\$0.623	3.2%	4.4%
Global Insight	\$19.681	\$1.138	6.1%	5.1%	\$20.251	\$0.570	2.9%	4.1%
NEEP	\$19.605	\$1.062	5.7%	4.7%	\$20.343	\$0.737	3.8%	5.0%

# FY11 and FY12 Tax Revenue Projections

## FY11 Year-To Date Baseline Growth; Forecasts for Remainder of FY11 and FY12

	FY10 Actual	FY11 YTD Baseline Growth	Baseline Growth Remainder of FY11			FY12 Baseline Growth		
			Economy.com	Global Insight	NEEP	Economy.com	Global Insight	NEEP
Income Total	-4.2%	7.2%	6.1%	6.7%	6.1%	5.8%	5.6%	6.4%
<i>Income Withholding</i>	-0.6%	5.3%	3.6%	4.3%	3.6%	4.8%	4.6%	5.4%
Sales - Regular	-4.5%	2.0%	2.9%	4.5%	3.4%	2.4%	3.1%	3.4%
Sales - Meals	0.1%	3.9%	3.2%	3.8%	4.0%	3.4%	2.5%	4.2%
Sales - Motor Vehicle	5.1%	7.2%	3.3%	7.4%	3.3%	9.9%	7.6%	9.9%
Sales - Total	-2.6%	3.0%	3.0%	4.7%	3.5%	3.5%	3.6%	4.4%
Corporate & Business	-0.9%	32.4%	9.1%	9.7%	9.1%	1.9%	1.1%	2.0%
Other Tax Revenue	-1.1%	0.5%	-3.6%	-3.7%	-3.5%	1.0%	-0.6%	1.3%
<b>Total Tax Revenue</b>	<b>-3.2%</b>	<b>7.1%</b>	<b>4.9%</b>	<b>5.7%</b>	<b>5.1%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>5.0%</b>

# FY11 and FY12 Tax Revenue Projections

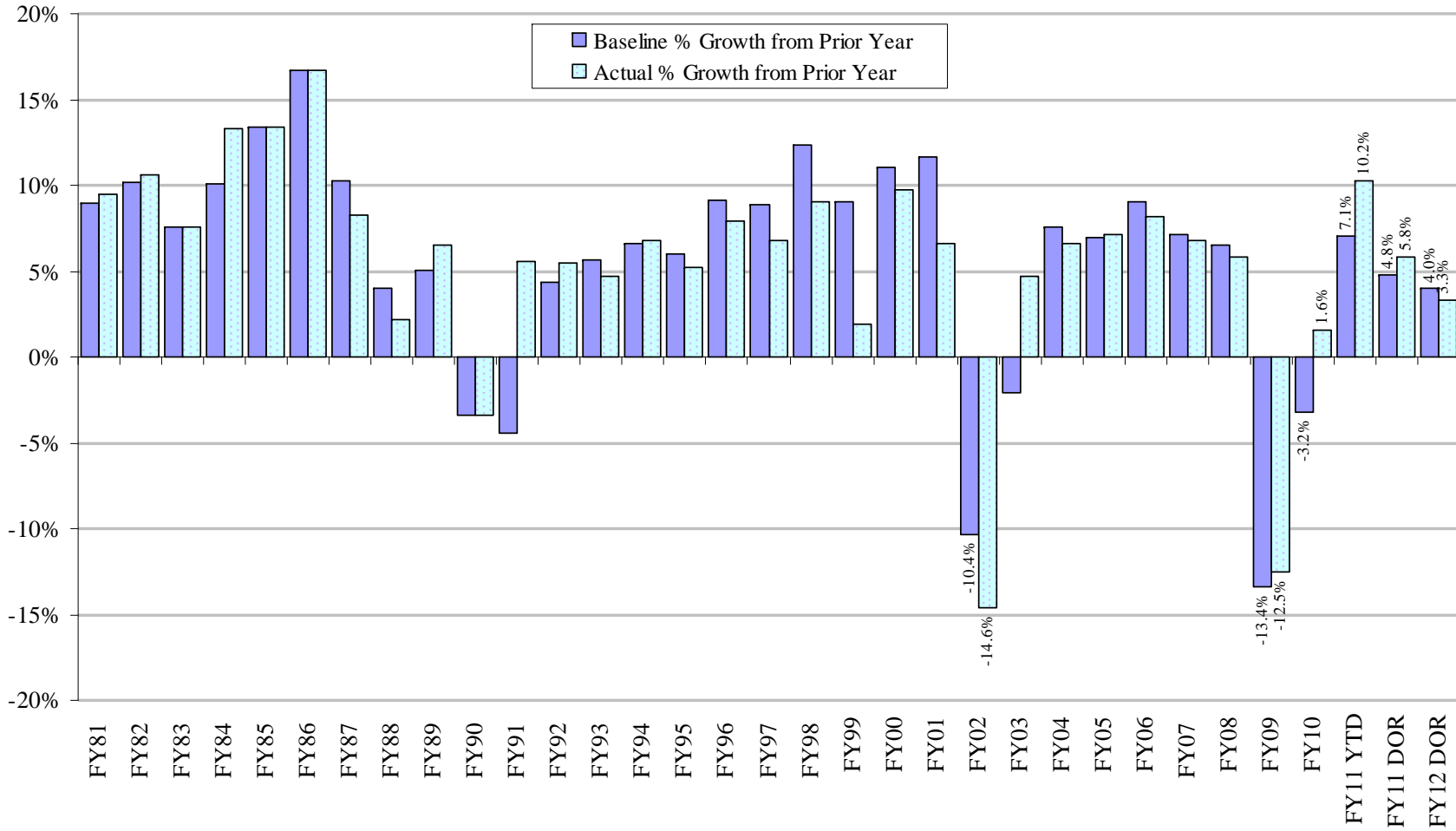
## FY10 Actual Tax Revenue Collections, FY11 and FY12 Tax Revenue Forecasts (in \$ millions) FY11 Year-To Date Baseline Growth; Forecasts for Remainder of FY11 and FY12.\*

	FY10 Actual	----- FY 2011 -----				----- FY 2012 -----		
		GAA Plus Economic Development Bill	Economy.com	Global Insight	NEEP	Economy.com	Global Insight	NEEP
Withholding	8,863	9,247	9,254	9,290	9,256	9,695	9,717	9,758
Capital Gains	497	535	644	644	644	744	744	744
Other Income	751	922	894	897	897	978	981	984
Total Income Tax	10,110	10,704	10,792	10,831	10,796	11,416	11,441	11,485
Sales: Regular	3,283	3,471	3,456	3,487	3,465	3,493	3,549	3,539
Sales: Meals	760	814	815	817	818	842	838	853
Sales: Motor Vehicles	569	612	609	623	609	670	670	670
Sales Total	4,612	4,897	4,880	4,927	4,893	5,005	5,057	5,061
Corporate & Business	2,120	1,762	2,229	2,237	2,229	2,090	2,082	2,091
Other Tax Revenue	1,702	1,715	1,687	1,686	1,688	1,700	1,671	1,705
<b>Total Tax Revenue</b>	<b>18,544</b>	<b>19,078</b>	<b>19,589</b>	<b>19,681</b>	<b>19,605</b>	<b>20,211</b>	<b>20,251</b>	<b>20,343</b>

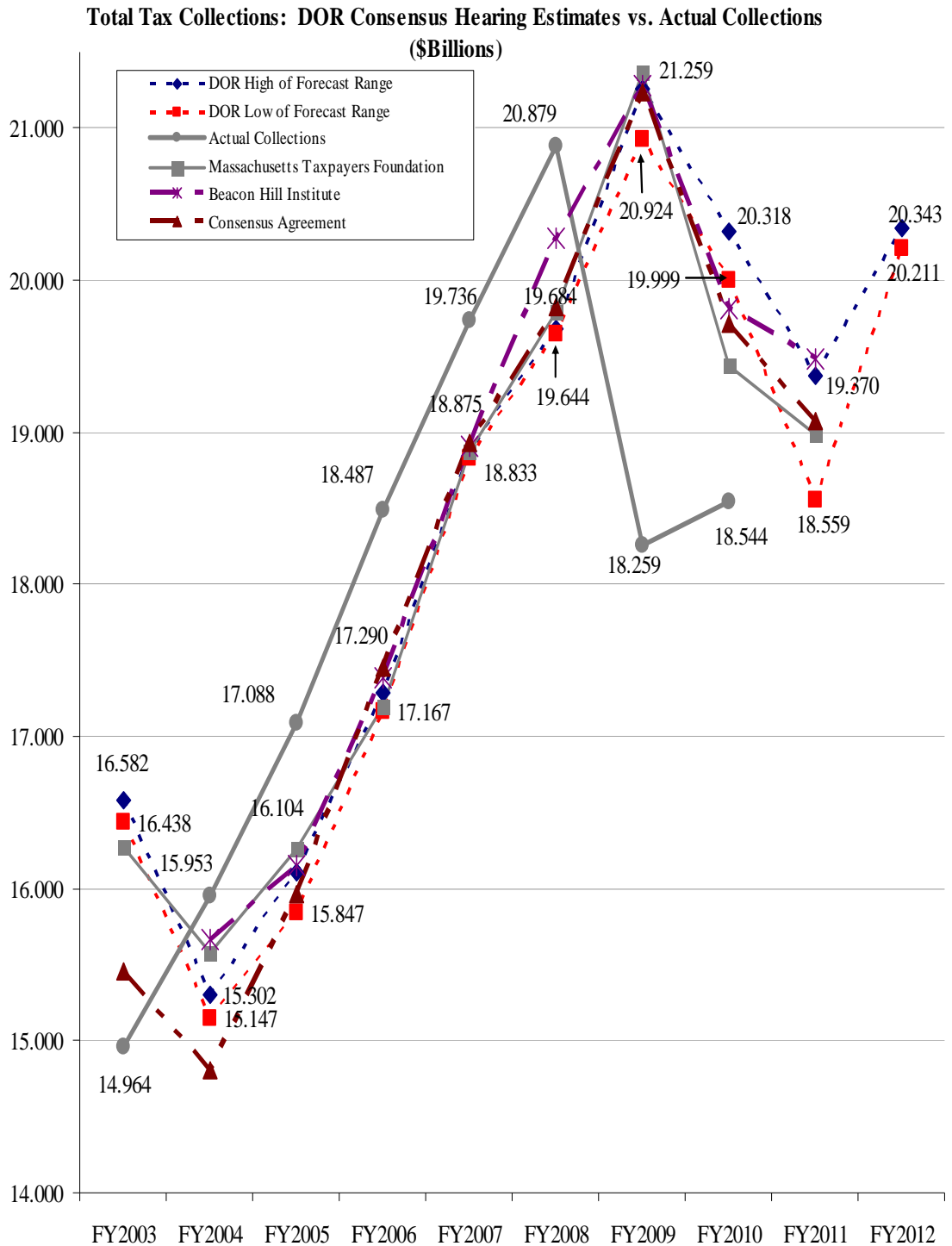


# FY11 and FY12 Tax Revenue Projections

**Actual and Baseline Tax Revenue Growth, FY1981-FY2012**  
 (FY11 and FY12 Are Forecasts Based on Average of 3 Vendors)

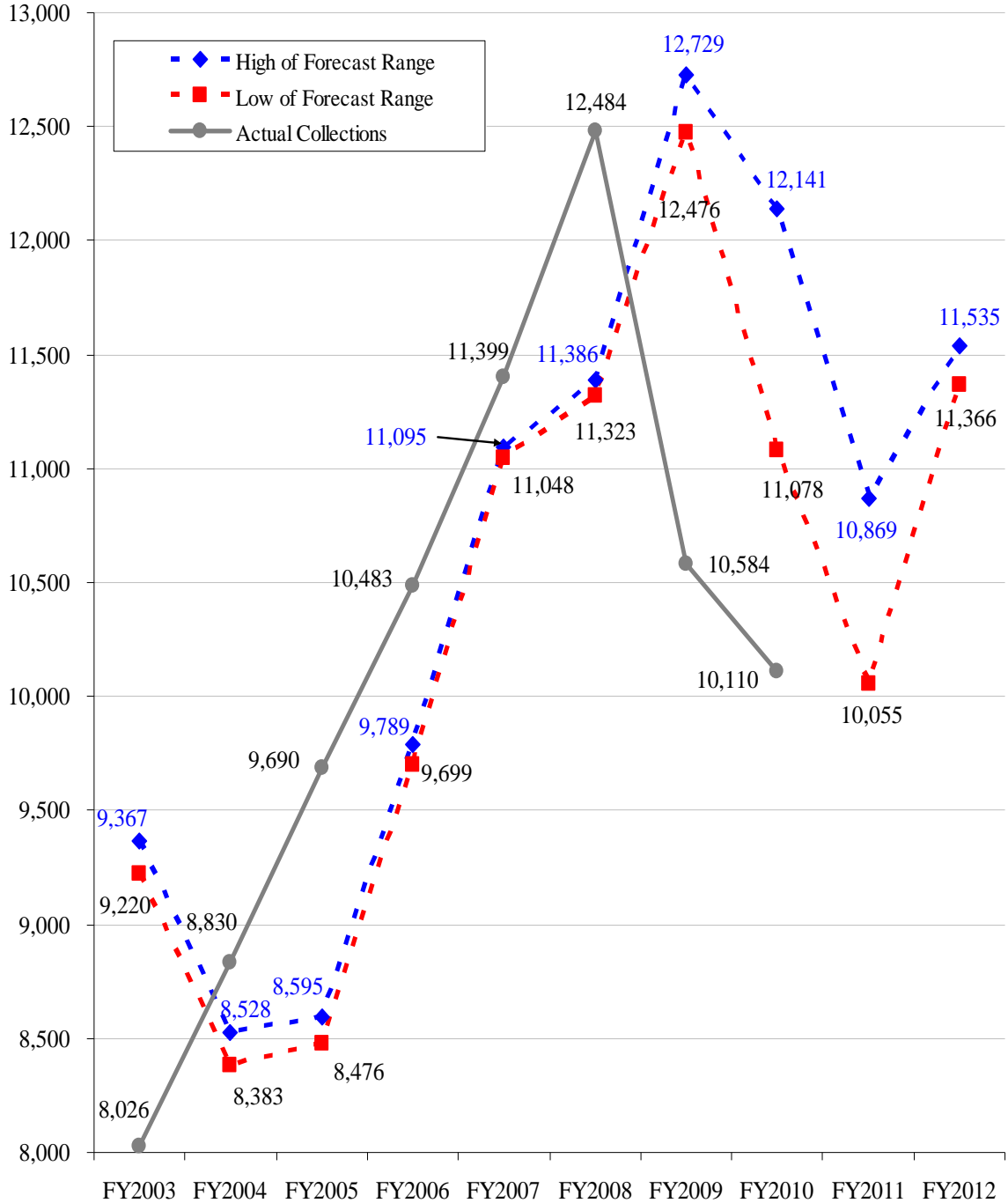


# Historical Comparison of Projections to Actual Collections

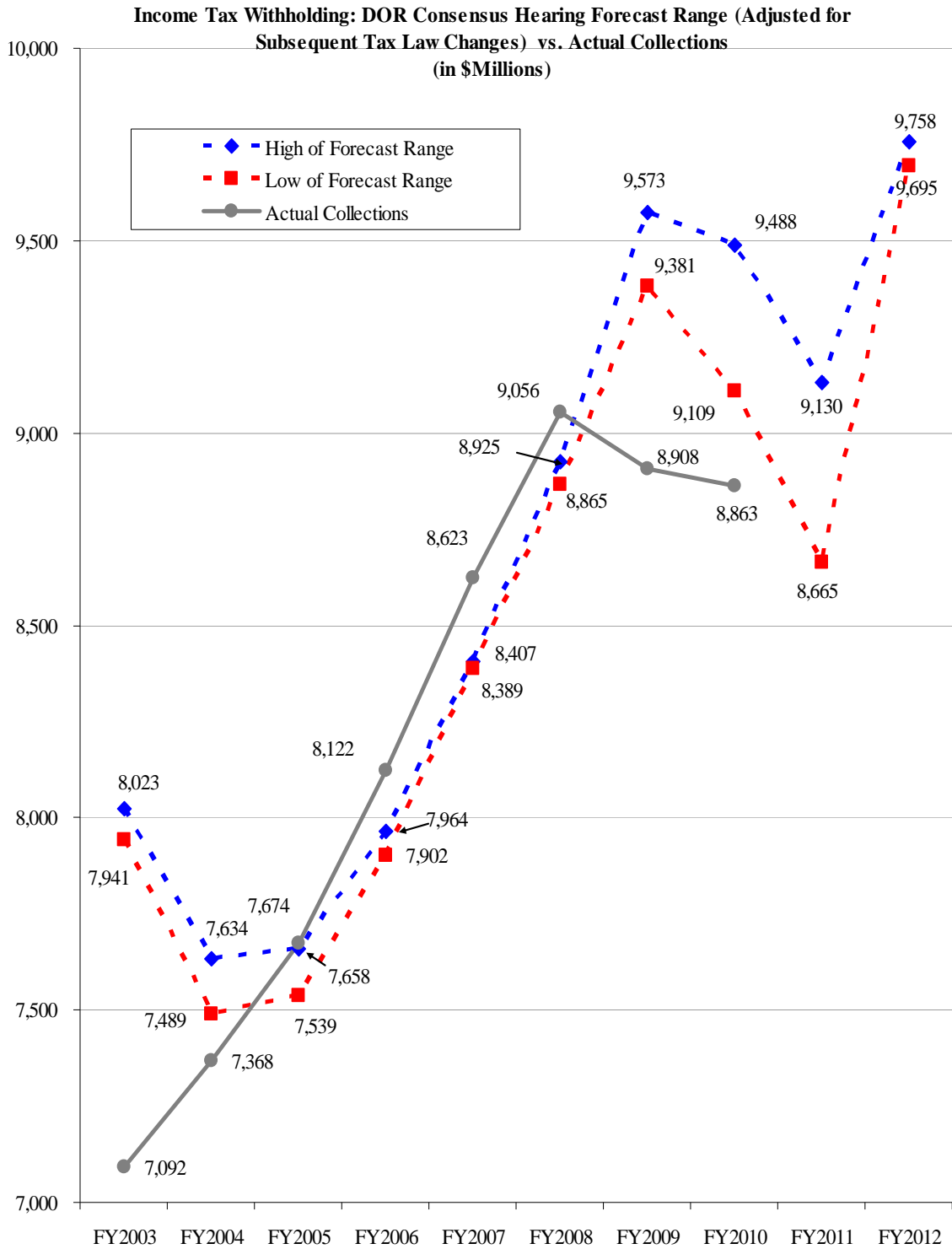


# Historical Comparison of Projections to Actual Collections

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

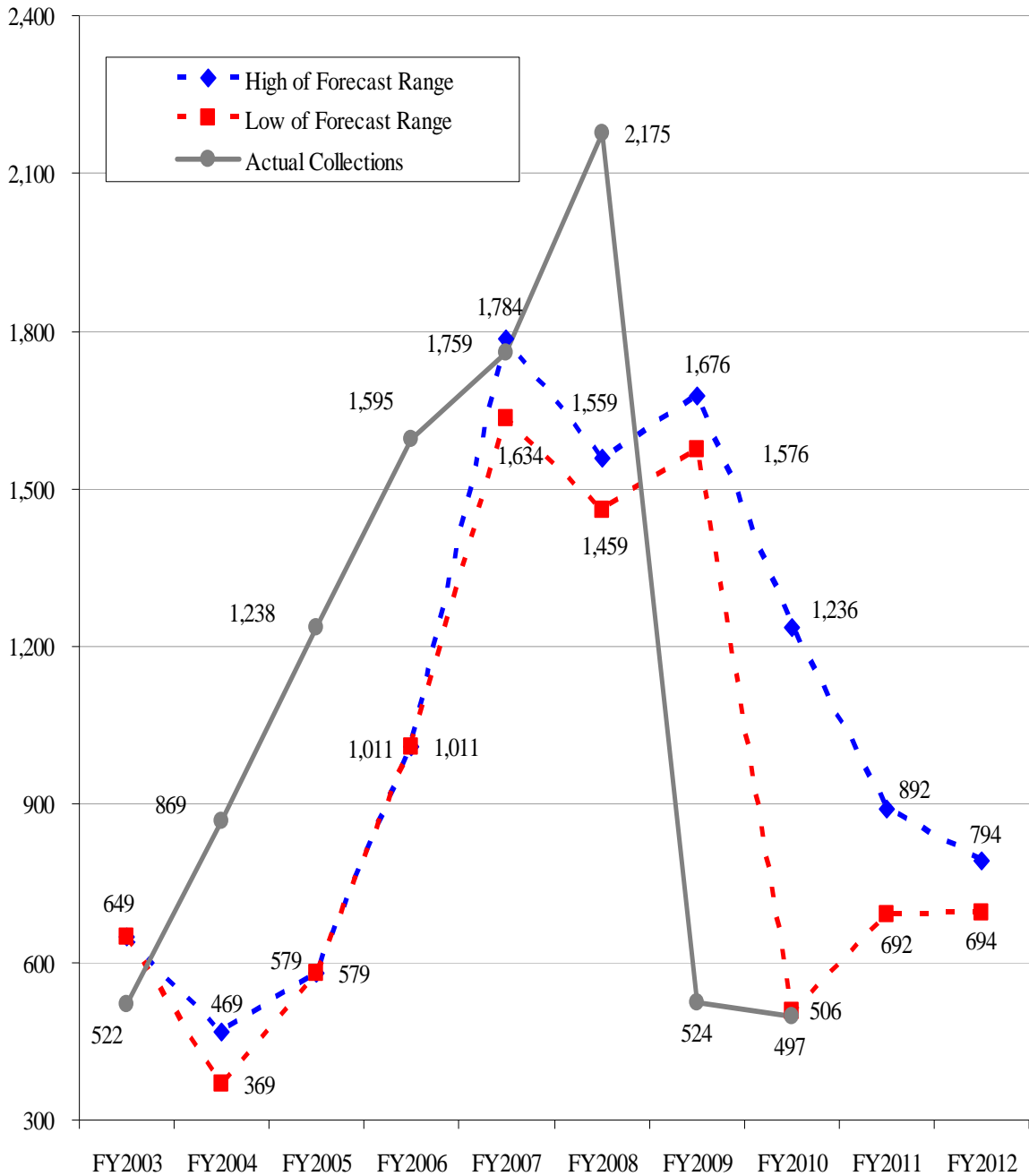


# Historical Comparison of Projections to Actual Collections



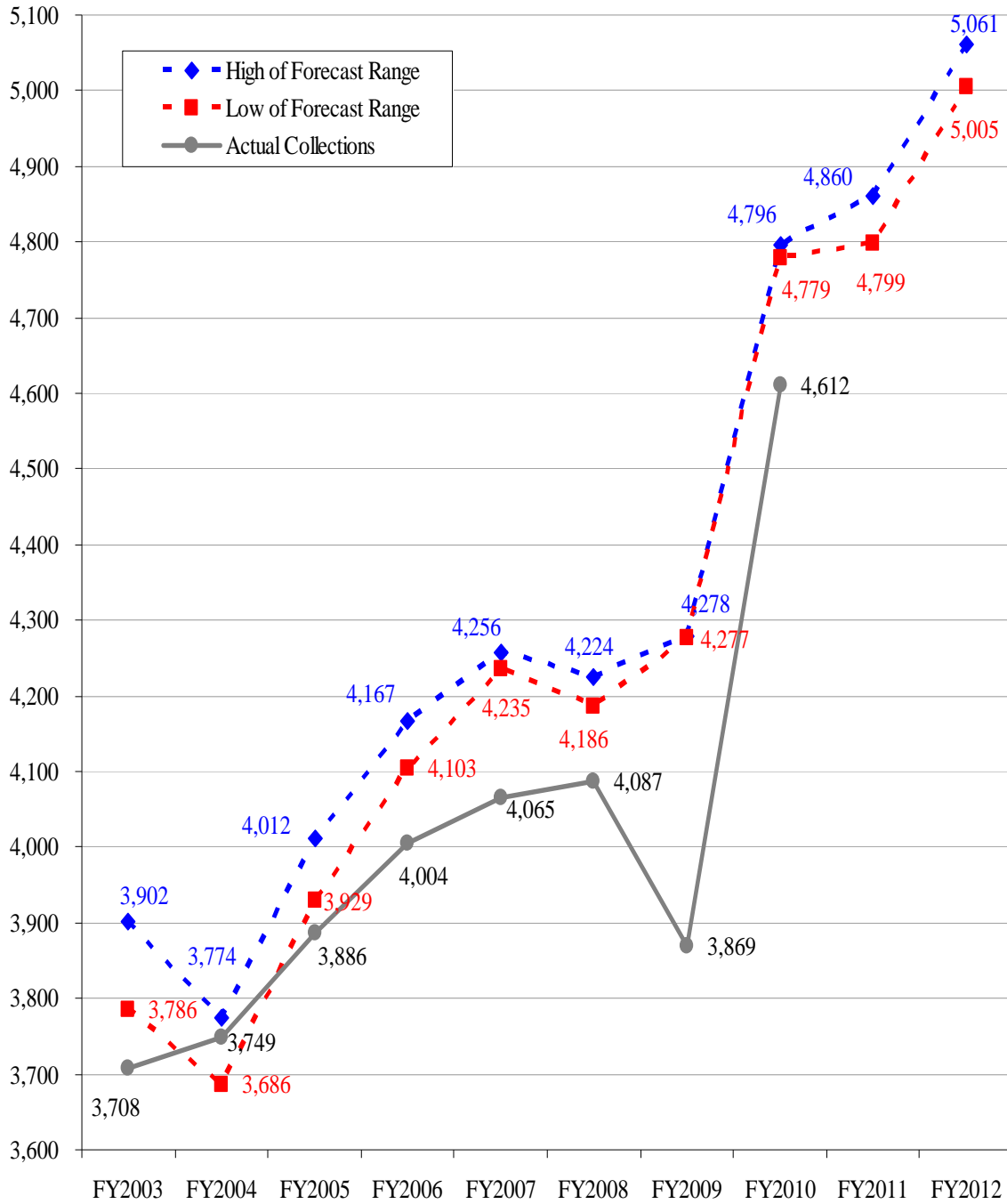
# Historical Comparison of Projections to Actual Collections

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)

