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February Revenue Collections Total \$1.538 Billion

Revenue Commissioner Amy Pitter today announced that preliminary revenue collections for February totaled \$1.538 billion, 201 million or 15.0 percent more than last February. Excluding the \$26.5 million in one-time tax settlement payments received in February, revenue collections totaled \$1.512 billion, \$174 million or 13.0 percent more than last February, and finished the month \$155 million above benchmark based on the FY15 revenue estimate of \$24.307 billion.

Much of the better than expected performance is due to delays in issuing refunds. As reported earlier this month, the Department of Revenue (DOR), like many revenue agencies across the country, held up refunds in February for further scrutiny in response to reports of increased refund fraud. Refunds are being released to taxpayers, but a greater number than last February are being set aside for additional analysis and will not be reflected in net revenues until March or even April.

Eight months into the fiscal year, revenue collections total \$15.318 billion, \$788 million or 5.4 percent more than this time last year. Excluding the \$148.1 million in one-time tax-related settlement payments received year to date, tax collections totaled \$15.170 billion, \$642 million or 4.4 percent more than last year, and \$232 million above the year-to-date benchmark.

“We had no choice but to respond to the increased reports of fraud by taking additional precautions and this resulted in refund delays and impacted February revenues,” said Commissioner Pitter. “It is important to note that, in the absence of delays in the processing of refunds and payments with returns, and the possible shifting of motor vehicle sales into future months due to recent snowstorms, February collections would have been \$3 million above benchmark and year-to-date collections would have been \$80 million above benchmark.”

February individual income tax payments totaled \$859 million for the month, up \$334 million or 63.5 percent from last February and exceeding the monthly benchmark by \$189 million. Year-to-date income tax collections, excluding large settlements, totaled \$8.935 billion, \$692 million or 8.4 percent more than last year and \$344 million more than the year-to-date benchmark.

Withholding collections for February totaled \$1.058 billion, \$145 million or 15.8 percent more than last February and \$21 million above the monthly benchmark. Much of the increase in withholding, as expected, was due to a shift of withholding from the end of January to the beginning of February. For the fiscal year to date, withholding collections total \$7.382 billion, \$359 million or 5.1 percent more than last year and \$57 million above the year-to-date benchmark.

Income tax cash estimated payments totaled \$22 million in February, \$9 million or 70.4 percent more than last February and \$9 million over the monthly benchmark. Year-to-date income tax cash estimated payments totaled \$1.707 billion, \$230 million or 15.6 percent over last year at this time and \$179 million over the year-to-date benchmark.

Income tax payments with returns or bills brought in \$31 million for the month, \$7 million or 18.0 percent less than last February and \$13 million below the February benchmark. Excluding large settlements, year-to-date income tax payments with returns or bills totaled \$339 million, \$71 million or 17.3 percent less than last year at this time and \$65 million below the year-to-date benchmark.

Excluding one-time tax settlement payments, corporate and business tax collections for February totaled \$66 million, \$185 million or 73.6 percent below last February's collections and \$22 million below the monthly benchmark. Most of this decline is due to several large settlement payments that were included in last February's revenues. Year-to-date corporate and business tax collections (excluding large settlements) totaled \$969 million, \$283 million or 22.6% below this time last year and \$73 million below the year-to-date benchmark.

Sales and use tax collections for February totaled \$415 million, up \$19 million or 4.7 percent from last February and \$12 million below the monthly benchmark. Collections through the fiscal year to date total \$3.843 billion, \$180 million or 4.9 percent more than last year at this time and \$55 million less than the year-to-date benchmark.