Legislative Budget Office of the Legislative Service Commission

LBO BUDGET FOOTNOTES INFOGRAPHIC

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- GRF tax revenue for January was $72.0 million below the estimate made by OBM in August 2018, which reduced the positive year-to-date (YTD) variance to $56.7 million. The August estimate did not reflect the 3.3% reduction in employer withholding tax rates effective January 1, 2019, which is expected to reduce the GRF portion of the personal income tax (PIT) revenue by $150.6 million in FY 2019.
- January PIT receipts were below OBM's August 2018 estimate by $98.9 million, due primarily to estimated payments coming in well below estimate. This negative variance was partially offset by the positive variances of $25.5 million from the financial institution tax and $6.2 million from the sales and use tax. YTD, the sales and use tax was $142.6 million above estimate, the PIT was $143.0 million below estimate, and the commercial activity tax (CAT) was $8.5 million above estimate. Compared to actual receipts for the corresponding months of FY 2018, all three major taxes experienced growth. The sales and use tax grew 4.6%, the PIT grew 2.3%, and the CAT grew 4.2%.
- GRF program expenditures were $212.7 million below estimate in January, increasing the negative YTD variance to $531.6 million. Medicaid continued to be the dominating factor with negative variances of $144.9 million for the month of January and $459.2 million YTD. Non-Medicaid Health and Human Services contributed another $47.2 million to the negative YTD variance total.
- Non-GRF Medicaid expenditures were $250.6 million above estimate in January due to timing; a large payment that was originally scheduled for October was disbursed in January instead. YTD, non-GRF Medicaid expenditures were below estimate, by $365.9 million. Including both GRF and non-GRF, all funds Medicaid expenditures were $825.0 million below the YTD estimate.

GRF & Medicaid Variances – Actual vs. Estimate

Month of January

Tax revenue
-$72.0 million
-3.1% ↓

Federal grants
-$109.7 million
-11.8% ↓

Total GRF sources
-$174.9 million
-5.4% ↓

Program expenditures
-$212.7 million
-7.6% ↓

Total GRF uses
-$212.6 million
-7.6% ↓

GRF Medicaid
-$144.9 million
-10.5% ↓

Non-GRF Medicaid
$250.6 million
25.5% ↑

All funds Medicaid
$105.7 million
4.5% ↑

YTD through January

Tax revenue
$56.7 million
0.4% ↑

Federal grants
-$346.3 million
-5.6% ↓

Total GRF sources
-$287.4 million
-1.4% ↓

Program expenditures
-$531.6 million
-2.6% ↓

Total GRF uses
-$530.6 million
-2.5% ↓

GRF Medicaid
-$459.2 million
-4.8% ↓

Non-GRF Medicaid
-$365.9 million
-5.0% ↓

All funds Medicaid
-$825.0 million
-4.9% ↓