

REVENUE TRENDS - AUGUST 2004

Total tax collections in August were \$434.6 million, up 33.6% from \$325.4 million in the previous August. Cumulative tax collections for the first two months of fiscal year 2004-2005 totaled \$729.8 million, which was 20.8% or \$125.7 million more than the amount collected during the corresponding period of the previous year.

The growth in August revenue was partly propelled by general excise and use tax collections, which reported an increase of \$71.4 million. The strong growth in tax collections reflected strong economic activity and the double weekend effect. The end of July 2004 fell on Saturday, thus pushing a significant portion of July 2004 revenue into August. In addition, August 2003 collections were lower than normal as the end of the month fell on a Sunday. As a result, cumulative fiscal year collections rose 19.4% to \$346.3 million, compared with \$289.9 million in the same period of the last year.

Transient accommodations tax revenues increased by \$9.1 million to \$23.9 million because of the double weekend effect. Cumulative fiscal year revenues amounted to \$34.6 million, up from \$27.4 million in the same period a year ago.

Despite a \$3.7 million increase in tax refunds, net individual income tax revenue rose 19.2% to \$107.8 million in August. Cumulative fiscal year net revenue came to \$202.8 million, up 26.8% or \$42.9 million from a year ago.

STATE GENERAL FUND

Total tax collections deposited into the state general fund increased 37.6% to \$358.2 million, compared with \$260.3 million in the previous August. With this increase, cumulative general fund deposits for the first two months of fiscal year 2004-2005 totaled \$612.8 million, which was 25.6% or \$125.1 million more than the amount deposited during the corresponding period of the previous year. For the full fiscal year, the Council on Revenues has projected an increase of 8.8%.

