

FISCAL POLICY

State Budget Update

WINTER 2021



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Introduction

NCSL's winter survey of state budget conditions reveals that while state general fund revenues are down from previous years in many states, revenue projections for the major tax categories have largely been adjusted upwards, and most states expect to meet or exceed revised estimates. This reflects a big turnaround from eight months ago when NCSL's summer survey showed revenue losses looming large.

Uncertainty in state economies and the ongoing COVID-19 pandemic created unprecedented challenges for state revenue estimators, and states enacted conservative FY 2021 budgets, bracing for enormous revenue losses. However, according to NCSL's winter survey results state fiscal conditions have improved.

FY 2021 Revenue Performance

Overall, state revenues are performing better than expected at the start of the pandemic. The revenue forecast has been revised upward in over 30 states, with just five reporting states saying they have adjusted their revenue expectations downward.

States that rely heavily on energy production were expecting particularly dire revenue losses as oil prices plummeted as the pandemic took hold and multiple sectors of the economy were shutting down. Oil prices have rebounded faster than many states anticipated, and revenues were better than expected in Alaska, Louisiana, New Mexico and Wyoming. These states are now expecting to meet or exceed revenue forecasts, though revenues are largely not above pre-pandemic estimates, and these states still face prolonged challenges.

Better than expected revenues might allow some states to revisit budget cuts made at the start of the fiscal year. For example, Georgia notes it might backfill some cuts made to K-12 education and Medicaid funding, and Colorado may offer more stimulus and pandemic relief with added funds.

A small handful of states such as Idaho and South Dakota find themselves in a strong overall fiscal situation, and expect to fund one-time projects, make deposits to rainy-day fund accounts, and discuss tax relief.

Personal Income Tax Collections

Personal income taxes make up the largest share of state tax collections in many states. Nine states do not levy a broad-based personal income tax, though two of these states—New Hampshire and Tennessee—do tax income and dividends.

In most of the reporting states, personal income tax revenues have been revised upwards. Fewer than 10 states reported lowering personal income tax estimates.

Personal income tax collections are exceeding revenue estimates in nearly 20 states and are on target in over 15. Only one state, Oklahoma, noted that personal income tax revenues are below estimates,

This report is based on data collected in January and February of 2021 from legislative fiscal officers. The new fiscal year or biennium begins on July 1 in all but four states. As of this publishing, 44 states and Washington, D.C. responded to the survey and it includes:

- Revenue outlook for the remainder of FY 2021
- A summary of state fiscal situations.
- Performance of major tax categories

though this is in relation to certified estimates made prior to the COVID-19 pandemic. More information on personal income tax collections can be found in Table 3 of this report.

General Sales and Use Tax Collections

After personal income taxes, general sales tax collections account for the second largest portion of state revenues. Five states—Alaska, Delaware, Montana, New Hampshire and Oregon—do not levy a state sales tax.

General sales and use taxes are also performing better than expected since the start of the pandemic. At least 25 survey respondents have revised their forecasts upwards, and fewer than five had revised them downwards. At least 20 states expect to exceed their revised forecasts, and at least 15 say collections are on target.

States' ability to collect online sales taxes appears to have buoyed state sales tax collections as consumers purchased more online during stay-at-home orders during the pandemic. More information on general sales and use tax collections is available in Table 4.

Corporate Income Tax Collections

Corporate income taxes are a notoriously volatile source of revenue. However, corporate income tax revenues are performing better than expected in FY 2021. Six states—Nevada, Ohio, South Dakota, Texas, Washington and Wyoming—do not levy a traditional corporate income tax.

Over 20 states revised their corporate income tax revenue projections upward since the start of the pandemic. Corporate income tax revenues are also exceeding estimates in at least 20 states and are on target in over 10 states.

More information on state corporate income tax collections can be found in Table 5, and information on other state taxes can be found in Tables 6-8.

Spending Concerns

While many states are experiencing revenues above what they anticipated at the start of the pandemic, revenues are still below pre-pandemic estimates overall. This creates challenges for states as they look to balance their budgets while meeting spending demands for the upcoming fiscal year or biennium. Early federal stimulus directed funds to key areas of state budgets, such as K-12 education and Medicaid, allowing states to use general fund dollars to sustain other programs. While the federal government recently passed the American Rescue Plan, which includes more direct aid to states, states know they must use caution when using one-time funds for recurring programs. States hope their economies and revenues will rebound quickly and they are able to replace one-time federal funds with state general fund revenues in future fiscal years.

Summary of State Fiscal Situation

An improved revenue outlook has most states feeling relatively stable and cautiously optimistic that current revenue trends might continue. That trend, plus more aid to states included in the American Rescue Plan, will allow most states facing budget challenges to avoid steep cuts in services, or restore funding to areas cut at the start of the pandemic. Many states still face an uphill battle to recover from

the effects of the pandemic, but the overall impact on state budgets has been less than expected, leaving states hopeful for the remainder of the current fiscal year, and into the next.

Table 2 contains more details on state fiscal situations.

APPENDIX

TABLE 1. REVENUE OUTLOOK FOR THE REMAINDER OF FY 2021

Jurisdiction	Unlikely to Meet Forecast	Expected to Meet Forecast	Likely to Exceed Forecast	Comments
Alabama		X		
Alaska			X	Oil prices have been above the December forecast.
Arizona		X		
Arkansas		X		
California			X	Revenue collections through January have been well ahead of projections in the recently released 2021-22 Governor's Budget.
Colorado		X		Too early to say; appears more likely to exceed than fall short.
Connecticut		X		Although our estimates have just been adopted, there are still some positive signs for the remainder of the year.
Delaware		X		
District of Columbia		X		
Florida		X		
Georgia		X		
Hawaii		X		Council on Revenues revised their FY21 forecast on Jan. 7, 2021 to -6.3% from their Sept. 9, 2020 forecast of -11%. The improved forecast results in an additional \$301.3 million in general excise tax revenues.
Idaho			X	Although April is our largest revenue month, we are currently running \$94 million, or 2.2% ahead of the forecast through January revenues.
Illinois			X	Large economic sources such as income and sales outperforming revised expectations.
Indiana		X		The revenue forecast was revised on Dec. 16, 2020.
Iowa		X		Current forecast completed Dec. 11, 2020. Experience since then has been slightly higher than expected.
Kansas				

Kentucky		X		Receipts are on-track to meet the estimate.
Louisiana		X		Recent upward adjustments to reflect actual collections performance.
Maine				
Maryland		X		
Massachusetts		X		Massachusetts has upwardly adjusted its tax revenue forecast twice since November. The current trend would suggest we meet benchmark or exceed it.
Michigan		X		Forecast was made two weeks ago, no real chance to assess against actual collections.
Minnesota			X	General fund revenues in November and December exceeded the forecasted amount by \$167 million. An updated forecast will be released at the end of February.
Mississippi			X	
Missouri		X		
Montana		X		
Nebraska			X	Net receipts through January exceed October forecast by \$39.3 million.
Nevada		X		
New Hampshire				Indeterminable. Although revenues through December are \$54.4 million ahead of plan, early agency estimates indicated revenue ending the year between \$-4 million and \$-76 million below budget estimates.
New Jersey			X	Executive branch updates forecast in February.
New Mexico			X	Oil prices recovered sooner than expected, and oil and natural gas production did not decline as much as expected, pushing up severance tax collections and payments from federal royalty payments that are distributed to the general fund.
New York				
North Carolina			X	FY 2021 revenue is expected to significantly surpass expectations from the last forecast.

North Dakota		X		
Ohio		X		Through December, tax revenue is \$458 million (3.7%) above estimate.
Oklahoma	X			Based on the conditions provided above we anticipate ending the year below estimate but significantly above the actual amount appropriated
Oregon				
Pennsylvania		X		Prior to the January forecast update, December FYTD revenues were outperforming the June 2020 forecast by 11.2 percent (\$1.88 billion).
Rhode Island		X		Still big questions on impacts of December 2020 federal action that could affect income and corporate tax performance relative to the estimate—current data inconclusive
South Carolina		X		While the State's General Fund was expected to decline by 3.5 percent during FY 2021, it has instead increased by 3.4 as of November, 2020. However, concerns remain that the current growth rate may not be stable.
South Dakota			X	
Tennessee			X	Federal Stimulus III plus steadily improving unemployment
Texas		X		
Utah		X		
Vermont		X		This forecast was just updated on Jan. 19. At this point we expect to meet forecast for remainder of the year
Virginia				
Washington			X	Collections have exceeded the November forecast; particularly in REET.
West Virginia				
Wisconsin		X		Forecast was released on 1/26/2021, updating the 11/20/20 forecast. It's too early to tell if collections differ

				from recent forecast. We will review collections and revised forecast in May 2021.
Wyoming		X		The total revenues are expected to meet the latest forecast, recognizing volatility and risks associated with the forecast especially in prices of energy commodities.
United States	1	31	13	
Source: NCSL survey of legislative fiscal offices, winter 2021.				

TABLE 2. SUMMARY OF STATE FISCAL SITUATIONS

Jurisdiction	Statement
Alabama	Stable. Budgets are experiencing revenue growth, but lower than pre-COVID. Impact has been less than originally anticipated.
Alaska	Alaska faces a roughly \$900 million deficit in FY 2021 and the Governor's FY 2022 budget proposal has a \$2 billion deficit. FY21 represents the ninth straight year Alaska has run a budget deficit, and our budget reserves have declined from \$16 billion to under \$1 billion. The governor fills his deficit with an overdraw of the Alaska Permanent Fund, which is unsustainable. Alaska still has a massive structural budget deficit and further budget reductions are unlikely to meaningfully close the gap.
Arizona	Ongoing revenues for FY 2021 and FY 2022 from the latest January 2021 forecast are generally performing consistent with estimates made in the FY 2021 budget approved in March 2020, which assumed a sizable ending balance for FY 2021 to help pandemic-related shortfalls. Combined with strong FY 2020 revenues (after adjusting for the deferral of the income tax filing deadline into FY 2021) and savings from the enhanced federal Medicaid match rate), the state's cash balance is strong and ongoing balance estimates are also positive.
Arkansas	The current general revenue forecast is \$212.3 million below the total amount authorized by the General Assembly. Actual collections for the first six months have consistently trended above forecast (plus \$319 million to date) which allows for the possibility of an upward revision if that trend continues.
California	The state's fiscal situation has continued to rapidly evolve since the beginning of the coronavirus disease 2019 (COVID-19) pandemic last year. Although the state economy abruptly ground to a halt in the spring with the emergence of COVID-19, it has experienced a quicker rebound than expected. While negative economic consequences of the pandemic have been severe, they do not appear to have been as catastrophic from a fiscal standpoint as the budget anticipated. The governor's budget anticipates the state has a one-time \$15.5 billion windfall available to allocate in 2021-22 and, since that was released, revenue collections have continued to exceed January expectations by billions of dollars.
Colorado	Budget cuts enacted during the 2020 session have proven more severe than necessary to accommodate the revenue decrease experienced during FY 2021 to date. Executive and legislative decisionmakers are advocating for more relief and stimulus to households and businesses, and for increasing appropriations to offset some of the cuts. However, uncertainty remains elevated in advance of the tax year 2020 filing season, and budget writers will need to contend with the absence of CRF moneys in FY 2022, barring additional federal support.
Connecticut	While we still have structural balance issues to address for the upcoming biennium, our revenue picture has been surprisingly strong.
Delaware	Fiscal Year 2021 projections were adjusted upward, primarily due to previous over-estimations on the negative impacts associated with coronavirus. Revenue growth includes upward trends in corporate franchise and unclaimed property revenues. The state continues to be proactive in managing its operational expenses, adhering to its constitutional 98% appropriation limit.
District of Columbia	Local source revenue for FY 2020 is \$163.3 million (2.0%) below the FY 2019 revenue level and is expected to drop an additional \$257.3 million (3.2%) in FY 2021, as the COVID-19 public health emergency continues to disrupt significant parts of the District economy. Revenue is expected to return to the FY 2019 level in FY 2022 as vaccines are deployed and the economy recovers.
Florida	Specific reserve funds have not needed to be used so far. Revenue estimates are improving compared to the initial estimates that included the impact of COVID-19.

TABLE 2. SUMMARY OF STATE FISCAL SITUATIONS

Jurisdiction	Statement
Georgia	Georgia remains cautiously optimistic. Deep cuts were made in the original FY 2021 budget. Because of prudent management and better than anticipated revenues, the governor is increasing the state general fund budget by 2.5% in Amended FY 2021 and 5.1% in FY 2022. The increased revenue allows the state to partially backfill deep cuts made in the K-12 education budgets in both the current year as well as FY 2022 as well as reductions to Medicaid in FY 2022; the governor has also recommended significant investments in rural broadband and infrastructure while budgets for other agencies, particularly public safety and mental health, remain relatively flat.
Hawaii	Revenues are not projected to reach FY 2019 until FY 2024. As a result, severe shortfalls exist in the six-year planning period, starting with -\$2.2 billion in the upcoming biennium; growing to -\$7.1 billion in the following biennium.
Idaho	The current fiscal situation is good to strong. We have exceeded monthly revenue forecasts for the first seven months of the fiscal year and are cautiously optimistic until our April revenues are known. We are in a situation to seriously discuss tax relief.
Illinois	Despite economic measures and resulting base revenues performing ahead of schedule relative to when the budget was originally passed, financial challenges will continue well into the next several fiscal years.
Indiana	In December 2020, Indiana revenues for the current biennium (FY 2019-21) were revised downward by about \$954 million or 2.8% below the December 2019 (pre-COVID) forecast. State Budget Agency reports that the reversion targets for the biennium were increased from a pre-COVID target of \$50 million to \$676 million. Also in FY 2020, \$291 million of general fund appropriation towards university capital projects were withheld. The drop in revenues offset by reduction in expenditure will result in a relatively small drop in the total general fund combined balance at the end of current biennium. On June 30, 2021, General Fund combined balances are projected to be at 13.7% of total current year resources. The General Assembly is meeting starting January through April, to consider a budget for the next biennium. The revenues for the next biennium are forecasted to be 5.6% above the revenues for the current biennium which was impacted by COVID-19. The fiscal stability remains tied to the COVID-19 related economic uncertainty.
Iowa	Iowa's current financial system is sound. The projected General Fund surplus for FY 2021 is \$436.7 million and the balances in the state's two reserve funds total \$783.7 million, which is the statutory maximum. In addition, Iowa also has a Taxpayer Relief Fund with a balance of \$90.2 million, which can be used at the discretion of the General Assembly and the governor. Together, these three sources (which are derived from the general fund surplus) total \$1.311 billion and is approximately 16.4% of the FY 2021 general fund revenue estimate.
Kansas	
Kentucky	Revenue growth has exceeded the estimate through first half of fiscal year which will provide a cushion for uneven growth in the last half of the fiscal year.
Louisiana	The current fiscal situation is better than previously expected, although the economy is tenuous and vulnerable to shocks.
Maine	
Maryland	Although both revenues and spending are below estimates from the 2020 session, the governor's proposed budget for fiscal 2022 estimates a closing cash surplus of \$265 million in fiscal 2021. The availability of \$30 billion in estimated federal assistance has allowed for general fund operating savings and the ability to consider over \$600 million in tax relief to assist individuals and businesses impacted by the COVID-19 pandemic.

TABLE 2. SUMMARY OF STATE FISCAL SITUATIONS

Jurisdiction	Statement
Massachusetts	While Massachusetts continues to combat the pandemic, our economy has continued to demonstrate buoyancy and strength in certain categories. The governor has upgraded our tax revenue assumptions for the year twice (\$459 million and \$700 million) since the Legislature submitted our budget to him. We remain cautiously optimistic that these revenue trends will hold.
Michigan	The state's current fiscal situation is better than anticipated at the outset of the COVID-19 pandemic. Mid-year spending reductions to FY2019-20 appropriations, coupled with revenue collections above projections, have afforded the state a sizable year-end balance to carry into the current fiscal year. Though revenue forecasts illustrate reductions in revenue from FY 2019-20 into FY 2020-21, the sizable balances, and one-time increases in federal COVID-related funding have assisted in offsetting revenue losses. Revised revenue projections suggest revenue growth starting in FY 2021-22 nearly returning collections to pre-pandemic levels.
Minnesota	Minnesota's budget situation has improved significantly from the projections in May. Minnesota releases a budget forecast in February and November. In 2020 a special forecast update was released in early May because of the pandemic. The February 2020 forecast projected a \$1.5 billion balance for the FY 2020-21 biennium with spending of \$48.4 billion. The May update reduced that balance by \$3.9 billion to a negative \$2.4 billion. In the November 2020 budget forecast that balance improved by \$2.9 billion to a positive \$636 million. (There were also relatively minor spending changes enacted in this period as well.) Since that November forecast another \$242 million in spending has been enacted so the current general fund balance projected on June 30, 2021 is \$394 million.
Mississippi	Continued modest growth projected for FY 2021 and beyond.
Missouri	The general revenue fund balance has been buttressed by FY 2020 withholds of \$428.2 million, the current FY 2021 withholds of \$282.8 million, and various Coronavirus Relief Fund expenditures that would otherwise be general revenue fund expenditures had the CARES Act not passed. The governor has also noted that Missouri's economic position is better than expected. That said, the full impact of the COVID-19 pandemic still remains an unknown.
Montana	We have solid reserve balances, but federal stimulus impacts and economic uncertainty may adversely impact revenues in the coming months.
Nebraska	The general fund financial status at sine die last August estimated a budget shortfall over \$750 million for the FY22-FY23 biennium, but general fund receipts and budget savings have led to a current anticipated general fund financial status with nearly \$50 million above the minimum reserve. Net receipts for FY21 have exceeded the certified forecast in August, as well as the forecast in October, which was revised upward from the certified forecast.
Nevada	Based on the COVID pandemic and related orders by the governor to reduce capacity, Nevada's leisure and hospitality industry has experienced a decline in business activity, which has translated to reductions in general fund revenue to support the operation of state government. The impact of the COVID pandemic and potential recovery has been considered by the Economic Forum in its revenue forecast. Nevada will be observing the rollout of the COVID-19 vaccine closely in projecting the resumption of tourist travel, particularly to southern Nevada. This information will be considered again by the Economic Forum at its May 4, 2021 meeting.

TABLE 2. SUMMARY OF STATE FISCAL SITUATIONS

Jurisdiction	Statement
New Hampshire	The state budget variance at the end of FY 2020 was \$-81.5 million below original budget projections. FY 2021 revenue through December is \$54.3 million ahead of plan, however March and April are large revenue months, and revised agency revenue estimates indicate an additional revenue shortfall is possible. Spending trends for the remainder of the year coupled with the governor's expenditure restrictions will be key to addressing any potential shortfalls. Further legislative action may be necessary prior to the close of the fiscal year.
New Jersey	The current fiscal situation is stable.
New Mexico	Revenues declined less than expected in fourth quarter of FY 2020 and first half of FY 2021. The final quarter of FY 2020 was largely propped up by federal stimulus measures, including the income supports for those unemployed, stimulus checks, PPP loans, and various other forms of relief. Additionally, employment did not decline as much as expected. Heading into FY 2021, recovering oil prices are driving up expected receipts from severance taxes and federal royalty payments, and the state's economic outlook has improved from the prior forecast in terms of employment, wages/salaries, and disposable income. The state's fiscal restraint heading into FY 2021 has provided an improved general fund fiscal outlook, and the state's reserves remain strong due to stress testing measures implemented in the last few years to plan for economic downturns and oil market shocks.
New York	
North Carolina	With revenues significantly surpassing expectations the fiscal situation has improved considerably.
North Dakota	State revenues have declined due to the pandemic, oil price declines, and the decline in demand for oil. North Dakota is anticipated to finish this biennium with a positive ending balance; however, there is much uncertainty regarding the level of future state revenues as the Legislative Assembly develops the 2021-23 biennium budget.
Ohio	General fund tax revenue through December was \$458 million (3.7%) above estimate, while expenditures were \$710 million (3.6%) below estimate.
Oklahoma	Based on the revenue performance year-to-date there is optimism that FY 2021 will not be affected by any sudden downturn unless it is very severe. There is a substantial cash balance built up in the general revenue fund to further provide for the complete funding of agencies for the balance of the year.
Oregon	
Pennsylvania	Tax payments shifted into FY 2020-21 and stronger than expected revenue performance created an improved fiscal outlook for FY 2020-21. If revenue and expenditures patterns continue as forecast, the Commonwealth is projected to end the fiscal year with a \$1.48 billion operating surplus. However, the FY 2020-21 budget includes the use of \$3.4 billion in federal stimulus funds (\$1.3 billion in one-time federal Coronavirus relief funds and \$2.07 billion in enhanced federal matching funds for medical assistance). These expenditures will need to be replaced with general fund dollars in future fiscal years.
Rhode Island	The current situation is fragile. The FY 2021 budget was designed to provide near-term stability by maintaining current services and opting against fee and tax increases. The current FY 2022 revenue forecast will not support a similar budget, setting the stage for more difficult decisions in the coming months.
South Carolina	All constitutionally required reserve funds are fully funded. The state is experiencing modest economic growth.
South Dakota	Revenues have come in higher than projected so the state has many one-time dollars available.

TABLE 2. SUMMARY OF STATE FISCAL SITUATIONS

Jurisdiction	Statement
Tennessee	Tennessee's fiscal situation appears very stable. While unemployment is still 2% higher than before COVID and tourism has taken a big hit with hospitality still down 38% and restaurants/ bars down 9%, there are 200,000 job openings listed on Jobs4TN.gov.
Texas	Texas's current fiscal situation is substantially balanced, primarily due to revenue collections not falling as much as anticipated last summer and federal funds from the various pieces of legislation adopted by the U.S. Congress in response to the COVID-19 pandemic. In addition, Texas continues to have a substantial Economic Stabilization Fund, estimated to total \$11.6 billion at the end of the upcoming budget cycle.
Utah	We believe federal stimulus propped up our economy, therefore we are treating a significant portion of revenue growth as one-time.
Vermont	FY 2021 and FY 2022 appear stable, in FY23 and beyond, structural deficit is still predicted
Virginia	
Washington	<p>The legislature will be adopting both a 21 Supplemental and a 21-23 Biennial budget. By statute, the budget must remain in balance for 23-25 assuming the policies funded in 21-23 were continued for another two years.</p> <p>The pandemic has affected both sides of the state budget equation: expenditures are higher in many cases while revenues are lower than they were projected pre-pandemic. Compared to the March 2020 forecast, over the budget horizon, the state is still facing a multi-billion dollar decline in revenue. But that decline is about half what it was thought to be in June 2020.</p>
West Virginia	
Wisconsin	Anticipated ending gross balance (surplus) of \$1.85 billion for 2020-21.
Wyoming	The fiscal outlook for Wyoming has improved since the May 2020 Consensus Revenue Estimating Group forecast, acknowledging the extractive industries are volatile. With the reductions implemented and recommended by the governor, the budget for the general operations of state government is balanced. State funding for K-12 school districts continues to face a structural revenue-expenditure disconnect.
Source: NCSL survey of legislative fiscal offices, winter 2021.	

Table 3. Personal Income Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Alabama			X		x		First revision since February 2020.
Alaska (N/A)							
Arizona					x		
Arkansas	X			X			As of Dec. 31, 2020 Collections are \$165.2 million or 10.3% above forecast.
California		X		X			PIT collections are above January projections by \$9.8 billion year-to-date.
Colorado		X			X		
Connecticut		X			X		Still below budget as adopted in 2019, but far above estimates early last year
Delaware		X			X		
District of Columbia		X		X			FY 2021 forecast has been revised upward. FY 2020 performance is above Sept. 30, 2020 estimate.
Florida (N/A)							
Georgia		X			X		
Hawaii		X		X			Council on Revenues (COR) makes an aggregate projection for all general fund tax revenue. COR revised their FY 2021 forecast on 1/7/21 to -6.3% from their 9/9/20 forecast of -11%. The improved forecast results in an additional \$301.3 million in total tax revenues.
Idaho		X		X			
Illinois				x			
Indiana		X			X		YTD we are at 0.1% above forecast. (The personal income forecast was revised upward from the December 2019 forecast; however, the December 2020 forecast net of deferred payments is lower than the December 2019 forecast.)
Iowa			X	X			Slight revision down in December. Experience since then is slightly better than expected.
Kansas							
Kentucky		X		X			
Louisiana		X			X		Minor upward adjustment

Table 3. Personal Income Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Maine							
Maryland		X		X			Only one month since revised forecast
Massachusetts		X					Massachusetts has not set monthly benchmarks yet. Year-end benchmarks have been upwardly adjusted.
Michigan		X			X		Revised IIT revenue up \$382.6 million for FY 2021
Minnesota	X				X		
Mississippi	X			X			
Missouri				X			The governor and the Legislature did not agree on a consensus revenue estimate before session started last year and group did not reconvene due to COVID-19 pandemic. Also note that approximately \$784 million was pushed from FY 2020 to FY 2021 due to the extension of the annual tax filing deadline.
Montana			X				
Nebraska				X			
Nevada (N/A)							
New Hampshire (N/A)							
New Jersey		X		X			Year-to-date collections through December
New Mexico		X			X		
New York							
North Carolina	X			X			Tax revenues are experiencing Y/Y growth contrary to what the forecast expected last May.
North Dakota			X		X		
Ohio		X		X			Forecast revised only for delay of April 2020 filing deadline to FY 2021.

Table 3. Personal Income Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Oklahoma			X			X	Because of the process utilized on Oklahoma, the comparisons for each source are reflective of original baseline estimates certified prior to the onset of the pandemic. All revisions made prior to the December re-estimate were advisory only.
Oregon							
Pennsylvania		X			X		December 2020 fiscal year to date collections exceeded June 2020 forecast by \$219.8 million (3.0 percent).
Rhode Island		X					
South Carolina				X	X		
South Dakota (N/A)							
Tennessee				X	X		
Texas (N/A)							
Utah		X				X	
Vermont		X			X		13% increase compared to August 2020 projection.
Virginia							
Washington (N/A)							
West Virginia							
Wisconsin		X			X		Changed from November 2020 forecast. Increased \$210.8 million over three-year period.
Wyoming (N/A)							
Total	6	20	7	17	16	1	

Source: NCSL survey of legislative fiscal offices, winter 2021.

Table 4. General Sales and Use Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Alabama	X						
Alaska (N/A)							
Arizona					X		
Arkansas	X			X			As of Dec. 31, 2020 Collections are \$108.9 million or 8.5% above forecast
California		X		X			Sales tax collections are above January projections by \$167 million year to date.
Colorado		X			X		
Connecticut		X			X		
Delaware (N/A)							
District of Columbia		X				X	FY 2021 forecast has been revised upward. FY 2020 performance is below Sept. 30, 2020 est.
Florida		X		X			The Revenue Estimating Conference met on Dec. 21, 2020, to update the estimates for these revenue sources, with adjustments noted in the "Has Been Revised" columns. This conference relied generally on actual collections through November of 2020. "Performance Relative to Latest Estimate" compares the performance of these tax sources from the December estimates to actual collections for December 2020.
Georgia			X		X		
Hawaii		X				X	Council on Revenues (COR) makes an aggregate projection for all general fund tax revenue. COR revised their FY21 forecast on 1/7/21 to -6.3% from their 9/9/20 forecast of -11%. The improved forecast results in an additional \$301.3 million in total tax revenues.
Idaho		X		X			
Illinois				X			
Indiana		X			X		Year to date we are at 0.2% above forecast.
Iowa		X			X		
Kansas							

Table 4. General Sales and Use Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Kentucky		X		X			
Louisiana		X			X		Minor upward adjustment.
Maine							
Maryland		X		X			Only 1 month since revised forecast.
Massachusetts		X					Massachusetts has not set monthly benchmarks yet. Year-end benchmarks have been upwardly adjusted.
Michigan		X			X		Revised sales up \$247.0 million for FY 2021.
Minnesota	X			X			
Mississippi	X			X			
Missouri				X			
Montana (N/A)							
Nebraska				X			
Nevada		X			X		The upward revision of General Sales Tax was based on the Dec. 3, 2020 Economic Forum forecast for FY 2021 compared to the June 29, 2020 Fiscal Analysis Division and Governor's Finance Office consensus estimate for the same period.
New Hampshire (N/A)							
New Jersey		X		X			Year-to-date collections through December.
New Mexico		X		X			
New York							
North Carolina	X			X			
North Dakota			X		X		
Ohio	X			X			
Oklahoma			X			X	
Oregon (N/A)							
Pennsylvania		X			X		December 2020 fiscal year to date collections exceeded June 2020 forecast by \$726.2 million (12.8 percent).
Rhode Island	X						
South Carolina		X		X			
South Dakota				X			8% above original target.

Table 4. General Sales and Use Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Tennessee		X		X			
Texas		X			X		
Utah	X			X			
Vermont		X			X		17% increase compared to Aug 20 projection.
Virginia							
Washington		X		X			Down compared to what the forecast would have been without the pandemic. The September and November forecasts (and actual collections since November) are improved compared to the June forecast (but remain down compared to March).
West Virginia							
Wisconsin		X			X		Increased \$421.5 million over 3-year period.
Wyoming		X			X		The forecast for FY 2021 was revised upward on Jan. 12, 2021 by 4.7% due to federal stimulus funds flowing into local economies, increased tax collections from the mineral extraction industry, and expected continuation of tax revenue flow from current wind power projects.
United States	8	25	3	20	15	3	

Source: NCSL survey of legislative fiscal offices, winter 2021.

Table 5. Corporate Income Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Alabama		X					
Alaska			X		X		Effectively zero for petroleum companies due to CARES Act allowing carried-back losses.
Arizona					X		
Arkansas	X			X			As of Dec. 31, 2020 Collections are \$47.3 million or 21.8% above forecast.
California		X		X			Corporate tax collections are above January projections by \$493 million year to date.
Colorado		X	X		X		Revised up for FY 2021, down for FY 2022, 2023.
Connecticut		X			X		Still below budget as adopted in 2019, but far above estimates early last year.
Delaware		X			X		
District of Columbia		X		X			FY 2021 forecast has been revised upward. FY 2020 performance is above Sept. 30, 2020 est.
Florida		X		X			The Revenue Estimating Conference met on Dec. 21, 2020, to update the estimates for these revenue sources, with adjustments noted in the "Has Been Revised" columns. This conference relied generally on actual collections through November 2020. "Performance Relative to Latest Estimate" compares the performance of these tax sources from the December estimates to actual collections for December 2020.
Georgia		X			X		
Hawaii		X		X			Council on Revenues (COR) makes an aggregate projection for all general fund tax revenue. COR revised their FY 2021 forecast on 1/7/21 to -6.3% from their 9/9/20 forecast of -11%. The improved forecast results in an additional \$301.3 million in total tax revenues.

Table 5. Corporate Income Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Idaho		X		X			
Illinois				X			
Indiana		X			X		Year to date we are at 0.6% above forecast. (The corporate income forecast was revised upward from the December 2019 forecast; however, the December 2020 forecast net of deferred payments is lower than the December 2019 forecast.)
Iowa		X		X			Corporate income tax net revenue growth remains strong.
Kansas							
Kentucky		X		x			Declaration Payments are up.
Louisiana		X		X			Strong performance reflecting 2019 economy.
Maine							
Maryland			X	X			Only 1 month since revised forecast
Massachusetts		X					Massachusetts has not set monthly benchmarks yet. Year-end benchmarks have been upwardly adjusted.
Michigan		X			X		Revised CIT up \$161.6 million for FY 2021.
Minnesota	X			X			
Mississippi	X			X			
Missouri				X			
Montana			X				
Nebraska						X	
Nevada (N/A)							
New Hampshire	X			X			
New Jersey			X	X			Year-to-date collections through December.
New Mexico		X		X			
New York							
North Carolina	X			X			
North Dakota		X			X		
Ohio (N/A)							
Oklahoma			X			X	

Table 5. Corporate Income Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Oregon							
Pennsylvania		X			X		December 2020 fiscal year to date collections exceeded June 2020 forecast by \$595.4 million (38.6%).
Rhode Island	X						
South Carolina			X	X			
South Dakota (N/A)							
Tennessee		X		X			
Texas (N/A)							
Utah	X				X		
Vermont		X			X		67% increase compared to Aug. 20 projection.
Virginia							
Washington (N/A)							
West Virginia							
Wisconsin		X			X		Increased \$547.6 million over three-year period.
Wyoming (N/A)							
United States	7	22	7	20	13	2	

Source: NCSL survey of legislative fiscal offices, winter 2021.

Table 6. Severance Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Alabama	X						
Alaska			X	X			
Arizona (N/A)							
Arkansas	X			X			As of Dec. 31, 2020 Collections are \$100,000 or 3.4% above forecast.
California (N/A)							
Colorado			X		X		Severance tax is not general fund revenue.
Connecticut (N/A)							
Delaware (N/A)							
District of Columbia (N/A)							
Florida			X	X			The Revenue Estimating Conference met on Dec. 21, 2020, to update the estimates for these revenue sources, with adjustments noted in the "Has Been Revised" columns. This conference relied generally on actual collections through November 2020. "Performance Relative to Latest Estimate" compares the performance of these tax sources from the December estimates to actual collections for December 2020.
Georgia (N/A)							
Hawaii							Council on Revenues (COR) makes an aggregate projection for all general fund tax revenue. COR revised their FY21 forecast on 1/7/21 to -6.3% from their 9/9/20 forecast of -11%. The improved forecast results in an additional \$301.3 million in total tax revenues.
Idaho (N/A)							
Illinois							
Indiana							Not a general fund revenue source.
Iowa (N/A)							
Kansas							
Kentucky		X			X		

Table 6. Severance Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Louisiana		X		X			Oil price increase from lows of early pandemic.
Maine (N/A)							
Maryland (N/A)							
Massachusetts (N/A)							
Michigan	X						
Minnesota (N/A)							
Mississippi	X					X	
Missouri (N/A)							
Montana			X				
Nebraska (N/A)							Levied, but revenue does not go to general fund.
Nevada (N/A)							
New Hampshire (N/A)							
New Jersey (N/A)							
New Mexico		X			X		On target for general fund, but above the estimate for the amount of severance taxes distributed to our reserves (distributions in excess of the five-year average are sent to the state's rainy day fund).
New York (N/A)							
North Carolina (N/A)							
North Dakota			X		X		
Ohio							Not a general fund revenue source-not forecasted.
Oklahoma			X			X	
Oregon (N/A)							
Pennsylvania (N/A)							
Rhode Island (N/A)							
South Carolina (N/A)							
South Dakota				X			50% above original target.
Tennessee			X			X	

Table 6. Severance Tax Collections

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Texas		X			X		
Utah	X				X		
Vermont (N/A)							
Virginia (N/A)							
Washington							Minor source of revenue.
West Virginia							
Wisconsin (N/A)							
Wyoming		X			X		The forecast for FY 2021 was revised Jan. 5, 2021 upward by 4.2% due to higher oil and surface coal productivity.
United States	5	5	7	5	7	3	

Source: NCSL survey of legislative fiscal offices, winter 2021.

Table 7. Real Estate Transfer Tax

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Alabama		X					
Alaska (N/A)							
Arizona (N/A)							
Arkansas	X				X		
California (N/A)							
Colorado (N/A)							
Connecticut		X			X		Very strong
Delaware		X			X		
District of Columbia		X				X	FY21 forecast has been revised upward. FY20 performance is below 9/30/20 est.
Florida							The Revenue Estimating Conference met on Dec. 21, 2020, to update the estimates for these revenue sources, with adjustments noted in the "Has Been Revised" columns. This conference relied generally on actual collections through November of 2020. "Performance Relative to Latest Estimate" compares the performance of these tax sources from the December estimates to actual collections for December 2020.
Georgia		X		X			
Hawaii							Council on Revenues (COR) makes an aggregate projection for all general fund tax revenue. COR revised their FY21 forecast on 1/7/21 to -6.3% from their 9/9/20 forecast of -11%. The improved forecast results in an additional \$301.3 million in total tax revenues.
Idaho (N/A)							
Illinois							
Indiana (N/A)							
Iowa (N/A)	X						Not a significant tax revenue source.
Kansas (N/A)							
Kentucky (N/A)							

Table 7. Real Estate Transfer Tax

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Louisiana (N/A)							
Maine							
Maryland			X			X	
Massachusetts (N/A)		X					Massachusetts has not set monthly benchmarks yet. Year-end benchmarks have been upwardly adjusted.
Michigan		X					
Minnesota	X				X		
Mississippi (N/A)							
Missouri (N/A)							
Montana							
Nebraska (N/A)							Levied, but revenue does not go to general fund.
Nevada		X			X		The upward revision of Real Property Transfer Tax was based on the Dec. 3, 2020 Economic Forum forecast for FY 2021 compared to the June 29, 2020 fiscal analysis division and governor's finance office consensus estimate for the same period.
New Hampshire	X			X			
New Jersey		X		X			Year-to-date collections through December.
New Mexico (N/A)							
New York							
North Carolina	X			X			
North Dakota (N/A)							
Ohio							Not a general fund revenue source - not forecasted.
Oklahoma	X				X		
Oregon (N/A)							
Pennsylvania		X			X		
Rhode Island	X						
South Carolina (N/A)							
South Dakota (N/A)							

Table 7. Real Estate Transfer Tax

Jurisdiction	Revised			Performance			Comment
	No	Up	Down	Above Estimate	On Target	Below Estimate	
Tennessee							
Texas (N/A)							
Utah (N/A)							
Vermont		X					31% increase compared to Aug. 20 projection.
Virginia							
Washington		X		X			
West Virginia							
Wisconsin		X			X		Increased \$44.5 million over three-year period.
Wyoming (N/A)							
Total	7	14	1	5	9	2	

Source: NCSL survey of legislative fiscal offices, winter 2021.

Table 8. Other Major Tax Categories

Jurisdiction	Tax	Revised			Performance			Comment
		No	Up	Down	Above Estimate	On Target	Below Estimate	
Alabama								
Alaska								
Arizona								
Arkansas	Total Forecast for FY2021	X			X			After six months into FY 2021 gross general Revenue Collections are \$348.7 million or 10.4% above forecast. Net available for distribution is \$319.36 million above forecast.
California								
Colorado								Forecast was prepared recently; too early to conclude how revenue is performing.
Connecticut								
Delaware	Corporate Franchise Tax		X			X		
District of Columbia	Real Property		X		X			FY 2021 forecast has been revised upward. FY 2020 performance is above Sept. 30, 2020 est.
Florida	Insurance Premium		X			X		The Revenue Estimating Conference met on Dec. 21, 2020, to update the estimates for these revenue sources, with adjustments noted in the "Has Been Revised" columns. This conference relied generally on actual collections through November of 2020. "Performance Relative to Latest Estimate" compares the performance of these tax sources from the December estimates to actual collections for December 2020.

Table 8. Other Major Tax Categories

Jurisdiction	Tax	Revised			Performance			Comment
		No	Up	Down	Above Estimate	On Target	Below Estimate	
Georgia								
Hawaii	Transient Accommodations, Franchise, Public Service, Insurance, Alcohol, others		X			X		Council on Revenues (COR) makes an aggregate projection for all general fund tax revenue. COR revised their FY21 forecast on 1/7/21 to -6.3% from their 9/9/20 forecast of -11%. The improved forecast results in an additional \$301.3 million in total tax revenues.
Idaho								
Illinois								
Indiana	Gaming taxes			X			X	Year to date about 6% below forecast.
Iowa								Several non-general fund tax sources like gambling tax, fuel tax, and sales tax on vehicles have been affected by COVID.
Kansas								
Kentucky	Property			X	X			
Louisiana								
Maine								
Maryland								
Massachusetts								
Michigan	Use Tax		X			X		Revised use tax up \$245.7 million for FY 2021.
Minnesota								Last state budget forecast was released Dec.3. The update is subsequent information for November and December revenue. A new forecast will be released at the end of February.
Mississippi								
Missouri								
Montana								

Table 8. Other Major Tax Categories

Jurisdiction	Tax	Revised			Performance			Comment
		No	Up	Down	Above Estimate	On Target	Below Estimate	
Nebraska	Misc.				X			
Nevada	Percentage Fees on Gaming		X			X		The upward revision of percentage fees on gaming was based on the Dec. 3, 2020 Economic Forum forecast for FY 2021 compared to the June 29, 2020 fiscal analysis division and governor's finance office consensus estimate for the same period.
New Hampshire								
New Jersey	Motor Fuels Tax			X			X	Year-to-date collections through December.
New Mexico	Federal Mineral Leasing Payments		X		X			Royalties for oil and gas production on federal lands.
New York								
North Carolina								
North Dakota								
Ohio	Commercial activity tax	X					X	This tax is a gross receipts tax on general business.
Oklahoma								
Oregon								
Pennsylvania								
Rhode Island								
South Carolina								
South Dakota	Lottery				X			15% above original target.
Tennessee								
Texas								
Utah								
Vermont	Meals and Rooms			X		X		6% decrease compared to Aug 20 projection.
Virginia								
Washington	Property, B&O		X		X			Again, still down compared to what the forecast would have been without the pandemic.

Table 8. Other Major Tax Categories

Jurisdiction	Tax	Revised			Performance			Comment
		No	Up	Down	Above Estimate	On Target	Below Estimate	
West Virginia								
Wisconsin				X				Cigarette collections revised down, in part due federal law change (Tobacco 21).
Wyoming	Investment Income		X			X		The forecast was increased by 6.5% for FY 2021 due to the higher-than-expected performance of the state's investment portfolio.
United States		2	9	5	7	7	3	

Source: NCSL survey of legislative fiscal offices, winter 2021.