



# Revenue Forecast Tracking

## 3<sup>rd</sup> Fiscal Quarter 2009

Office of Economic Analysis

April 21, 2009

Total personal and corporate income taxes equaled \$1,021.3 million for the third fiscal quarter of 2009, \$60.3 million *below* the March 2009 forecast. Revenues for both income taxes were below expectations. On a year-over-year basis, collections were off 18.7 percent, representing the sharpest year-over-year decline since the fourth quarter of fiscal year 2002.

Personal income tax collections totaled \$1,002.7 million for the third quarter of fiscal year 2009, \$59.8 million below the latest forecast. Withholding receipts of \$1,129 million fell short of forecast by \$65 million. Estimated payments equal to \$217.3 million were \$30.3 million above forecast. Compared to the year-ago level, estimated payments were down 22.8 percent. For both withholding and estimated payments, these rates of decline are the largest quarterly year-over-year decreases since at least 1993 (records reflect data from 1994 forward).

Final payments exceeded forecast by \$9.7 million, while refunds were \$34.8 million more than expected. Refunds were up 14.8 percent over the prior year level, in part a product of processing efficiencies at the Department of Revenue accelerating the paying of refunds through the tax season.

Corporate income taxes equaled \$18.6 million for the third quarter of fiscal year 2009, a shortfall of \$0.5 million relative to the March forecast. The third fiscal quarter is a low volume quarter in terms of collections, and is thus subject to significant fluctuations in percentage terms. On a year-over-year basis, corporate receipts were down 70.4 percent.

## Table 1: Quarterly Income Tax Revenues

(Quarter ending March 31, 2009)

Personal Income Tax	Forecast Comparison			Year/Year Change	
	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
(Millions of dollars)					
Withholding	\$1,129.0	\$1,194.0	-5.4%	\$1,196.5	-5.6%
Dollar difference		-\$65.0		-\$67.5	
Estimated Payments	\$217.3	\$187.0	16.2%	\$281.4	-22.8%
Dollar difference		\$30.3		-\$64.1	
Final Payments	\$104.1	\$94.4	10.3%	\$104.8	-0.7%
Dollar difference		\$9.7		-\$0.7	
Refunds	-\$447.7	-\$412.9	8.4%	-\$389.9	14.8%
Dollar difference		-\$34.8		-\$57.8	
<b>Total Personal Income Tax</b>	<b>\$1,002.7</b>	<b>\$1,062.5</b>	<b>-5.6%</b>	<b>\$1,192.9</b>	<b>-15.9%</b>
Dollar difference		-\$59.8		-\$190.2	

Corporate Income Tax	Forecast Comparison			Year/Year Change	
	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
(Millions of dollars)					
Advanced Payments	\$63.8	\$77.6	-17.8%	\$64.3	-0.7%
Dollar difference		-\$13.8		-\$0.5	
Final Payments	\$22.3	\$31.5	-29.2%	\$35.1	-36.4%
Dollar difference		-\$9.2		-\$12.8	
Refunds	-\$67.5	-\$90.0	-25.0%	-\$36.4	85.5%
Dollar difference		\$22.5		-\$31.1	
<b>Total Corporate Income Tax</b>	<b>\$18.6</b>	<b>\$19.1</b>	<b>-2.5%</b>	<b>\$63.0</b>	<b>-70.4%</b>
Dollar difference		-\$0.5		-\$44.3	

Total Income Tax	Forecast Comparison			Year/Year Change	
	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
(Millions of dollars)					
<b>Corporate and Personal Tax</b>	<b>\$1,021.3</b>	<b>\$1,081.6</b>	<b>-5.6%</b>	<b>\$1,255.9</b>	<b>-18.7%</b>
Dollar difference		-\$60.3		-\$234.5	

The Office of Economic Analysis (OEA) resides in the Director's Office of the Department of Administrative Services. OEA produces and publishes the Oregon Economic and Revenue Forecast on a quarterly basis.

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