

Office of Accounts & Control
 May 2020 Revenue Estimating Conference Testimony
 Tax Accruals - Fiscal 2020 Impact Estimate as of April 2020
 June 30, 2020 (Estimate as of April) & Comparison to Actual Accruals at June 30, 2019
 All \$ amounts in millions
 () = Decrease in revenue

5/4/2020

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Tax Type	Actual FY'19 Accrual	Estimated FY'20 Accrual	Fiscal year 2020 Estimated Revenue Impact	Comments
<u>A. Business Corporations Tax</u>				
Refunds Payable	\$ (37.87)	\$ (39.87)	\$ (2.00)	Based on historical average. FY 20 accrual in line with refunds paid in each of most recent 2 years.
Receivable for final payments to be received in April 2021 for CY2020	\$ 18.94	19.29	\$ 0.35	Historical average based on 4 year actual data. Minor change.
	\$ (18.93)	\$ (20.58)	\$ (1.65)	
			Revenue Decrease	
<u>B. Insurance Company Tax</u>				
Refunds Payable	\$ (1.06)	\$ (1.56)	\$ (0.50)	Historical average based on 4 year actual data. Minor change.
Receivable for final payments to be paid in April 2021 for CY2020	\$ 3.17	\$ 3.30	\$ 0.13	Historical average based on 4 year actual data. Minor change.
	\$ 2.11	\$ 1.74	\$ (0.37)	
			Revenue Decrease	
<u>C. Health Insurance Company Tax</u>				
Receivable for final payments to be paid in April 2021 for CY2020	\$ 2.30	\$ 2.20	\$ (0.10)	Historical average based on 4 year actual data. Minor change.
			Revenue Decrease	
<u>D. Public Utilities Tax</u>				
Receivable for estimated payments to be recd. in 3rd and 4th 1/4 of CY 2020	\$ 48.94	\$ 50.87	\$ 1.93	Based on historical payment data from prior years. Will adjust at year end based on actual estimated payments received for 1st and 2nd quarters of CY 2020.
			Revenue Increase	

<u>Tax Type</u>	<u>Actual</u> <u>FY'19 Accrual</u>	<u>Estimated</u> <u>FY'20 Accrual</u>	<u>Fiscal year 2020</u> <u>Estimated</u> <u>Revenue Impact</u>	<u>Comments</u>
<u>E. Personal Income Tax</u>				
Refunds Payable <i>For balance of CY19 refunds and 1/2 of CY20 refunds</i>	\$ (186.91)	\$ (197.48)	\$ (10.57)	1) The base (cash collections) rose from \$1.70 billion in FY19 to \$1.79 billion in FY20 as estimated at Nov. 19 REC. Impact = -\$8.91 mill. 2) The accrual factor % (based on 5 yr average of refunds/cash collections) increased 0.093%. Impact = -\$1.66 million. 3) Current year refunds based on November 2019 REC forecast of \$364.1 million for FY20. Note: Changes in estimated FY20 revenue or refunds made at May REC will affect the estimated payable. Note: Due to extended due date for filing CY 2019 returns an additional accrual for 2019 refunds may be necessary at year end.
Taxes Receivable <i>Primarily 1/2 of payments expected with returns in Spring 2021 for CY 2020</i>	\$ 181.24	\$ 194.89	\$ 13.65	1) The base (cash collections) rose from \$1.70 billion in FY19 to \$1.79 billion in FY20 as estimated at Nov. 19 REC. Impact = +\$7.84 million. 2) The accrual factor % (based on 5 yr average of primarily remittances with returns/cash collections) increased 0.32%. Impact = +\$5.81 million. Note: Changes in estimated FY20 revenue made at May REC will affect the estimated receivable.
	<u>\$ (5.67)</u>	<u>\$ (2.59)</u>	<u>\$ 3.08</u>	
			Revenue Increase	
<u>F. Inheritance Tax</u>				
Taxes Receivable	<u>\$ 27.45</u>	<u>\$ 28.43</u>	<u>\$ 0.98</u>	Accrual based on 75% of estimated cash receipts for FY21 adopted by Nov 2019 REC. Will adjust at year end based on any change in FY 21 estimated cash receipts made by May REC.
			Revenue Increase	
Overall Net Impact-All Listed Taxes	<u>\$ 56.20</u>	<u>\$ 60.07</u>	<u>\$ 3.87</u>	
			Revenue Increase	