



## WEST VIRGINIA DEPARTMENT OF REVENUE

### Governor Joe Manchin's Monthly General Revenue Collections Report for August 2010

The August 2010 General Revenue Collections report highlights state revenue collections made between Aug. 1, 2010 and Aug. 31, 2010, the final business day of the month, for the West Virginia General Revenue Fund. The General Revenue Fund is comprised of various sources of revenue which is used to provide vast government services for the citizens of West Virginia. Prior to the start of each fiscal year the West Virginia State Tax Department estimates how much revenue will be collected each month of that fiscal year. This report compares actual collections with such estimates, and with collections made during the same time period for the year prior. In addition, the current year-to-date collections are evaluated by revenue source. All tables are expressed in millions.

#### August 2010 Overall General Revenue Collections:

West Virginia collected \$309.1 million in General Fund revenue in August, which exceeded the August estimate by \$31.1 million and prior year receipts by nearly \$64 million or 26.1 percent. The revenue gain from the prior year was largely attributable to five factors: coal-related severance tax growth of 114 percent, a significant increase in sales tax collections, a significant increase in personal income tax collections, the accelerated timing of appropriated excess lottery fund transfers and one-time revenues from the 10-year retail liquor license rebid process. These five sources of revenue accounted for \$28.0 million of the \$31 million collections surplus for the month. The growth in sales tax and personal income taxes strongly suggest a trend of economic growth for the state following an end to the national Great Recession.

#### August 2010 Actual Collections by Revenue Source vs. Estimate:

In August 2010, personal income tax collections of nearly \$119.9 million were \$10.7 million above estimate. Personal income tax collections are the largest source of revenue for the General Revenue Fund. Consumer sales and use tax collections of \$96.8 million were \$4.5 million above estimate. Appropriated excess lottery fund transfers of \$10.6 million in August 2010 were \$0.4 million below estimate. Severance tax receipts exceeded the estimate by nearly than \$12.8 million.

#### August 2010 Revenue Expressed in Millions

<b>Tax Component</b>	<b>Estimate</b>	<b>Actual</b>
Personal Income Tax	\$109.2	\$119.9
Sales and Use Tax	\$ 92.3	\$96.8
Severance Tax	\$ 35.0	\$ 47.8
Lottery Fund Transfers	\$ 11.0	\$10.6



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### August 2010 Actual Collections by Revenue Source vs. August 2009 Receipts:

Personal income tax collections are 15.4 percent above prior year receipts. Cumulative withholding tax receipts were nearly 5.7 percent ahead of the prior year, a sign of renewed wage and employment growth. A combination of lower than anticipated tax refund payments and higher than anticipated return payments were the other main factors in the jump in personal income tax receipts. Consumer sales and use (sales) tax collections are 9.0 percent above prior year receipts. August marked the fifth consecutive monthly increase in sales tax receipts over prior year revenues, a strong sign of economic growth for the state. Rising export activity is a major factor in the current economic growth numbers for West Virginia. Both mining and manufacturing industries are benefiting from export related demand.

#### Revenue Expressed in Millions

<b>Tax Component</b>	<b>August 2009</b>	<b>August 2010</b>
Personal Income Tax	\$103.9	\$119.9
Sales and Use Tax	\$88.8	\$96.8
Severance Tax	\$ 22.3	\$ 47.8
CNIT/BFT	\$ 4.1	\$ 1.8

### 2011 Fiscal Year-to-Date Actual Collections by Revenue Source:

Cumulative personal income tax collections total \$232 million, which is \$25.4 million, or 12.3 percent above prior year receipts. Year-to-date consumer sales and use (sales) tax revenue collections total \$199 million, which is \$12.8 million, or 6.8 percent above prior year receipts. Year-to-date severance tax collections total \$53.3 million, which is \$20.1 million, or 60 percent above prior year collection levels. The gains were largely attributable to a combination of higher coal production and higher coal prices. Appropriated excess lottery fund transfers, while below estimate for the month, are \$5 million above estimate for the year. Cumulative retail liquor license renewal revenues of \$14.1 million were nearly \$8.5 million above estimate. General Revenue Fund collections are currently on track to exceed estimate for the current year. If the current trends in income tax, sales tax and severance tax continue, West Virginia economic growth will be above forecast for the year.

#### 2011 YTD Revenue Expressed in Millions

<b>Tax Component</b>	<b>Estimate</b>	<b>Actual</b>
Personal Income Tax	\$217.4	\$232.1
Sales and Use Tax	\$192.2	\$199.0
Severance Tax	\$ 40.7	\$ 53.3
Liquor License Renewal	\$5.6	\$14.1
Lottery Fund Transfers	\$ 60.0	\$ 65.0

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