



WEST VIRGINIA DEPARTMENT OF REVENUE

Governor Joe Manchin's

Monthly General Revenue Collections Report for September 2010

The September 2010 General Revenue Collections report highlights state revenue collections made between September 1, 2010 through September 30, 2010 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 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.

September 2010 Overall General Revenue Collections:

West Virginia collected \$380.5 million in General Fund revenue in September, which was \$28 million, more than anticipated. Collections for the month were also 5.9 percent above September 2009 receipts. The 2011 fiscal year-to-date General Revenue Fund collections total \$1.03 billion, which is slightly more than \$83 million, above the estimated year-to-date collections. As compared to 2009 fiscal year-to-date collections for September, the 2011 fiscal year-to-date collections for September 2010 are 17.8 percent above prior year receipts.

September 2010 Actual Collections by Revenue Source vs. Estimate:

The three largest sources of monthly surplus were Severance Tax, Personal Income Tax and Corporation Net Income Tax. These three sources accounted for all of the monthly surplus and roughly 76 percent of the cumulative collections surplus. Personal income tax revenue in September 2010 was \$158.2 million, \$12.8 million above estimate. Traditionally, personal income tax collections are the largest source of revenue for the General Revenue Fund. Withholding tax receipts on wage and salary income rose by an impressive 6.8 percent in September and 6.0 percent for the first quarter. During the first half of 2010, West Virginia personal income grew faster than U.S. personal income. During the second quarter of calendar year 2010, West Virginia ranked 15th highest among all states with a seasonally adjusted quarterly increase of 1.1 percent. In addition, West Virginia ranked 12th highest with regard to the contribution of earned income to total personal income growth. September Corporation Net Income/Business Franchise tax revenue of \$60.7 million was \$12.3 million above estimate. Severance tax revenue in September was \$42.4 million, \$7.9 million above estimate.

September 2010 Revenue Expressed in Millions

| Tax Component | Estimate | Actual |
|---------------------|----------|---------|
| Personal Income Tax | \$145.4 | \$158.2 |
| Sales and Use Tax | \$ 92.7 | \$ 92.6 |
| Corporation Tax | \$ 48.4 | \$ 60.7 |
| Severance Tax | \$ 34.5 | \$ 42.4 |



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September 2010 Actual Collections by Revenue Source vs. September 2009 Receipts:

Personal income tax collections for the month are \$11.6 million, or 7.9 percent, above prior year receipts. Consumer Sales and Use (Sales) tax collections are \$1.1 million above prior year receipts for the month. September Corporation Net Income/Business Franchise tax revenue collections are \$200,000 below prior year receipts. Severance tax revenue collections are 21.7 percent ahead of prior year receipts for the month.

Revenue Expressed in Millions

| Tax Component | September 2009 | September 2010 |
|---------------------|----------------|----------------|
| Personal Income Tax | \$146.7 | \$158.2 |
| Sales and Use Tax | \$ 91.4 | \$ 92.6 |
| Corporation Tax | \$ 60.9 | \$ 60.7 |
| Severance Tax | \$ 34.8 | \$ 42.4 |

Year-to-Date September 2010 Actual Collections by Revenue Source:

Cumulative personal income tax collections total \$390.3 million which is \$27.5 million, or 7.6 percent above the cumulative estimate. Year-to-date consumer Sales and Use (Sales) tax revenue collections total \$291.6 million, which is \$6.7 million more than estimate. Year-to-date corporate net income/business franchise tax collections total \$68.1 million, which is \$15.6 million above estimate. Year-to-date General Revenue Fund severance tax collections total \$95.7 million, which is nearly \$20.5 million above estimate and 41 percent ahead of last year. The huge gain is largely attributable to a trend of higher coal prices and higher coal production. In August, the most recent information available, coal production was 10.4 percent higher than prior year output and average price was in excess of \$70 per ton.

2011 YTD Revenue Expressed in Millions

| Tax Component | Estimate | Actual |
|---------------------|----------|---------|
| Personal Income Tax | \$362.8 | \$390.3 |
| Sales and Use Tax | \$284.9 | \$291.6 |
| Corporation Tax | \$ 52.5 | \$ 68.1 |
| Severance Tax | \$ 75.2 | \$ 95.7 |