



WEST VIRGINIA DEPARTMENT OF REVENUE

Governor Earl Ray Tomblin's Monthly General Revenue Collections Report for December 2010

The December 2010 General Revenue Collections report highlights state revenue collections made between December 1, 2010 through the last business day in the month, December 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 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 estimates, and collections made during the same time period for the year prior. In addition, the current year-to-date collections are evaluated by revenue source.

December 2010 Overall General Revenue Collections:

December 2010 General Revenue Fund collections of \$343.7 million were more than \$38.2 million above estimate, but 1.0 percent below prior year receipts. The small revenue decline from the prior year is largely attributable to an early December 30th month end. Cumulative collections of more than \$1.93 billion were \$159.9 million above the estimate and 8.4 percent ahead of prior year collections. With the end of the month coming on December 30, 2010, timing variances impacted collections on nearly every revenue source.

December 2010 Actual Collections by Revenue Source vs. Estimate:

The Corporate Net Income/Business Franchise Tax was the main source of the excess revenue collected in December. Corporate Net Income/Business Franchise Tax collections of \$78.0 million were \$37.7 million above the monthly estimate. December is an estimated payment month for most corporate Taxpayers with a due date of December 15th. This tax source is highly volatile given that most of the revenue is generated by a relatively small number of Taxpayers. The month's Consumer Sales and Use Tax collections were \$95.6 million, nearly \$3.8 million above estimate. Consumer spending has strongly rebounded in recent months as national economic conditions continue to improve. Severance Tax collections of nearly \$33.4 million exceeded estimate by \$3.4 million but were 21.5 percent below prior year receipts due to the early month end. The early end to the month was also a contributing factor to a \$4.7 million monthly shortfall in Business and Occupation Tax receipts and a \$8.5 million monthly shortfall in Personal Income Tax collections.

December 2010 Revenue Expressed in Millions

Tax Component	Estimate	Actual
Personal Income Tax	\$120.70	\$112.24
Sales and Use Tax	\$ 91.90	\$95.65
Corporate Net Income Tax	\$40.30	\$78.02
Severance Tax	\$30.00	\$33.41
Insurance Tax	\$ 0.05	\$0.05
Tobacco Products Tax	\$9.49	\$10.73
Business & Occupation Tax	\$8.10	\$3.40



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

December 2010 Personal Income Tax collections fell below prior year receipts by 3.4 percent. This is likely related to the early end to the month as well as the January 15, 2011 estimated tax payment due date for those Taxpayers who remit Personal Income Tax on a quarterly basis. Consumer Sales and Use Tax collections were 10.4 percent ahead of prior year receipts. December marked the ninth consecutive month for higher than anticipated sales tax collections for the State, a major indicator of economic recovery. Most Corporate Net Income Taxpayers remit estimated payments on December 15th which has lead December receipts to account for more than 48 percent of year-to-date corporate tax collections.

Revenue Expressed in Millions

Tax Component	December 2009	December 2010
Personal Income Tax	\$116.22	\$112.24
Sales and Use Tax	\$86.67	\$95.65
Corp. Net Income Tax	\$50.82	\$78.02
Severance Tax	\$42.59	\$33.41
Insurance Tax	\$0.02	\$0.05
Tobacco Products Tax	\$9.35	\$10.73
Business & Occupation Tax	\$10.45	\$3.40

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

Cumulative Personal Income Tax collections of nearly \$717.9 million were \$35.6 above estimate and 8.3 percent ahead of prior year receipts. Corporate Net Income/Business Franchise Tax cumulative collections of \$161.6 million were \$63.1 million above estimate and nearly 20 percent ahead of prior year receipts. Cumulative General Revenue Severance Tax collections of nearly \$194.9 million were \$26.9 million above estimate and 0.8 percent ahead of last year. Cumulative Consumer Sales and Use Tax collections of \$581.1 million were \$21.0 million above estimate and 6.1 percent ahead of prior year receipts. Overall, receipts continue to be on track to exceed year-end estimates.

2010 YTD Revenue Expressed in Millions

Tax Component	Estimate	Actual
Personal Income Tax	\$682.30	\$717.87
Sales and Use Tax	\$560.10	\$581.12
Corp. Net Income Tax	\$98.50	\$161.62
Severance Tax	\$168.05	\$194.91
Insurance Tax	\$51.25	\$51.22
Tobacco Products Tax	\$57.50	\$57.27
Business and Occupation Tax	\$52.90	\$51.98

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