### General Fund

General Fund collections totaled nearly $3.5 billion in the first 11 months of FY 2022, growing 20.1% YoY, compared to the targeted growth rate of 12.6%. Sales tax collections have moderated slightly over the last two months, likely due to high inflation, changes in purchasing behaviors, as consumers shift back toward services. If declining consumer confidence is any indication, sustained high inflation is likely to continue dampening sales tax collections, although thus far, taxable sales have remained strong.

### Education Fund

Education Fund collections reached over $7.2 billion in the first 11 months of FY 2022, representing a YoY increase of 14.8%, compared to the target rate of 7.8%. Income tax final payments were particularly strong this year, in part resulting from an unusually high level of capital gains, attributed to strong business income and corporate profits.

### Transportation Fund

Transportation Fund collections totaled nearly $614 million in the first 11 months of FY 2022, representing an above-target YoY growth rate of 5.2%. Oil prices are more volatile than ever, particularly as Europe moved to sanction Russian oil, sending the price of oil back to nearly $120 per barrel. While both motor and special fuel collections increased from April to May, the recent price increase has yet to be reflected in the data and could result in demand destruction and decreased collections, even as consumers head into the summer travel season.

### Summary

In the first 11 months of FY 2022, revenue to the General and Education Funds totaled over $10.7 billion, which represents a year-over-year (YoY) increase of 16.0%, compared to a target rate of 0.6% and last month’s 25.7% growth. When adjusting for the 2020 filing shift, the target GF/EF growth rate is 9.3%, compared to a shift-adjusted actual growth rate of 27.2%. The moderation since last month’s reading is due to the one-month income tax filing delay in FY2021; this month’s reading is more reflective of reality.

Our cautionary interpretation of these numbers continues. Sustained high inflation, record-low consumer confidence, a bear stock market, and the Fed’s increasingly large interest rate hikes, including June’s 75-basis-point jump, are warning signs that should be heeded, in spite of continued strong collections in most of Utah’s major tax revenue streams.

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**Month of June 2022**

**Projected Growth Rate - February Estimates (Annual)**

<table>
<thead>
<tr>
<th>Rate</th>
<th>Growth Rate</th>
<th>Collections</th>
<th>Condition</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.6%</td>
<td>18.8%</td>
<td>$2,471,000,000</td>
<td>On target</td>
<td>$2,981,794,549</td>
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<tr>
<td>4.8%</td>
<td>27.1%</td>
<td>$545,000,000</td>
<td>On target</td>
<td>$588,913,299</td>
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<tr>
<td>12.6%</td>
<td>20.1%</td>
<td>$3,482,585,891</td>
<td>On target</td>
<td>$3,999,943,571</td>
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<tr>
<td>12.4%</td>
<td>18.7%</td>
<td>$826,000,000</td>
<td>Above target range</td>
<td>$869,146,055</td>
</tr>
</tbody>
</table>

**Actual Growth Rate**

- **Sales & Use Tax**: 5.4%
- **All Other Sources**: 2.2%
- **Subtotal General Fund**: 13.3%
- **Sales & Use Tax Set-Asides**: 18.7%

**Projected Range in Collections Through 11 Months**

- **Sales & Use Tax**: $6,399,083,584
- **All Other Sources**: $612,138,529
- **Subtotal General Fund**: $3,482,585,891
- **Sales & Use Tax Set-Asides**: $826,000,000

**Actual Collections**

- **Sales & Use Tax**: $6,399,083,584
- **All Other Sources**: $612,138,529
- **Subtotal General Fund**: $3,482,585,891
- **Sales & Use Tax Set-Asides**: $826,000,000