



Revenue Forecast Tracking

1st Fiscal Quarter 2008

Office of Economic Analysis

October 9, 2007

Total personal and corporate income taxes equaled \$1,291.9 million for the first fiscal quarter of 2008, \$36.4 million short of the September forecast. Both sources recorded minor shortfalls relative to forecast. On a year-over-year basis, income tax collections were up 2.0 percent.

Personal income tax collections amounted to \$1,174.5 million for the first fiscal quarter, \$26.3 million below the most recent forecast. Withholding fell \$39.2 million below the forecast, although a short September¹ accounted for some of the shortfall. Withholding continues to run flat on a year-over-year basis due to changes in withholding tables and formulas for 2007. Estimated payments were \$12.3 million less than projected, but were 8.2 percent above the year-ago level.

Final payments came in \$7.3 million under the September forecast. The first fiscal quarter is a light one for payment and refund activity related to prior tax years, and it is not unusual to see significant fluctuations within a quarter. Refunds were \$32.4 million less than projected, offsetting the majority of the shortfalls experienced in payments. Compared to the same quarter in fiscal year 2007, net personal tax receipts increased 3.0 percent.

Corporate tax receipts totaled \$117.4 million for the first fiscal quarter of 2008, a \$10.0 million shortfall relative to the September forecast. Advanced quarterly payments were less than a million dollars short of forecast, while final payments for prior tax years exceeded the latest projections by \$3.2 million. An unanticipated jump in refunds, \$12.5 million more than projected, was responsible for the shortfall in net corporate collections. On a year-over-year basis, quarterly corporate tax receipts were down 7.5 percent.

¹ Monthly collections are due, in part, to the number of business days that transpire. Historically, September has between nineteen and twenty-one business. This September had nineteen.

Table 1: Quarterly Income Tax Revenues

(Quarter ending September 30, 2007)

Personal Income Tax	Forecast Comparison			Year/Year Change	
	(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year
Withholding	\$937.6	\$976.7	-4.0%	\$942.0	-0.5%
Dollar difference		-\$39.2		-\$4.4	
Estimated Payments	\$250.7	\$263.0	-4.7%	\$231.7	8.2%
Dollar difference		-\$12.3		\$19.0	
Final Payments	\$57.5	\$64.8	-11.2%	\$55.4	3.8%
Dollar difference		-\$7.3		\$2.1	
Refunds	-\$71.4	-\$103.7	-31.2%	-\$89.3	-20.0%
Dollar difference		\$32.4		\$17.9	
Total Personal Income Tax	\$1,174.5	\$1,200.8	-2.2%	\$1,139.8	3.0%
Dollar difference		-\$26.3		\$34.6	

Corporate Income Tax	Forecast Comparison			Year/Year Change	
	(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year
Advanced Payments	\$133.4	\$134.2	-0.6%	\$129.7	2.8%
Dollar difference		-\$0.8		\$3.7	
Final Payments	\$23.6	\$20.4	15.8%	\$19.7	19.8%
Dollar difference		\$3.2		\$3.9	
Refunds	-\$39.6	-\$27.2	45.9%	-\$22.5	76.3%
Dollar difference		-\$12.5		-\$17.1	
Total Corporate Income Tax	\$117.4	\$127.4	-7.9%	\$127.0	-7.5%
Dollar difference		-\$10.0		-\$9.6	

Total Income Tax	Forecast Comparison			Year/Year Change	
	(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year
Corporate and Personal Tax	\$1,291.9	\$1,328.2	-2.7%	\$1,266.8	2.0%
Dollar difference		-\$36.4		\$25.1	

The Office of Economic Analysis (OEA) resides in the Director's Office of the Department of Administrative Services. OEA produces and publishes the Oregon Economic and Revenue Forecast on a quarterly basis.

Staff:

Dae Baek, Acting State Economist
 Michael Kennedy, Senior Economist
 Kanhaiya Vaidya, Senior Demographer

Sue Porter, Corrections Forecast Analyst
 Holly Edwards, Administrative Assistant

155 Cottage Street N.E., U20
 Salem, OR 97301-3966
<http://www.oea.das.state.or.us>

Phone: (503) 378-3405
 Fax: (503) 373-7643