Preliminary Revenue Implications for the Remainder of FY 2020 of COVID-19
As of March 24, 2020-Subject to Change

Prepared by the Joint Fiscal Office

- All estimates are relative to the January 2020 forecast for FY20 revenues
- All estimates are likely to change.
  - These are not formal estimates. They are range of possible impacts
  - The revenue impacts of the deferral of meals & use and sales & use tax deferral could further change these estimates.

- General Fund: **possible reductions in revenue of between $200 to $230 million including fiscal year transfers**
  - This would represent a reduction of 39%-45% of General Fund revenues forecasted from March through June, and 15%-17% of total FY20 General Fund revenues.
  - $150-170 million of this is due to a revenue shift from April 2020 to July 2021 for IRS filing and payment deferral.
    - This includes payments on income tax returns as well as estimated payments due April 15.
  - Before offsets, up to $70-90 million could be reduction in revenues to personal and corporate income and meals and rooms taxes
  - However, this loss in FY20 will be partly offset by large unforeseen corporate tax payments we received prior to COVID-19
  - This estimate does not include impacts to some other tax sources to the General Fund (liquor taxes, cigarette taxes, etc...).

- Transportation Fund and TIB: **possible reduction in revenues of $30-40 million**
  - This would represent a reduction of 28%-38% of Transportation Fund revenues forecasted from March through June, and 10-14% of total FY20 Transportation Fund revenues.
  - Revenue losses are due to weakness in gasoline and purchase and use taxes, but also due to the Administration’s actions to defer payments of motor vehicle fees.

- Education Fund (non-property tax revenues): **possible reduction in revenues of $35-45 million**
  - This would represent a reduction of 19%-25% of non-property tax Education Fund revenues forecasted from March through June, and 6-8% of total FY20 non-property tax Education Fund revenues.
  - Revenue losses most likely to occur to all significant non-property tax revenues (sales tax, meals and rooms, purchase and use)
  - Currently the meals & rooms and sales & use tax deferrals are estimated not to affect FY20. To the extent that the sales and use tax deferral continues into FY21, there would be an additional revenue shift of over $100 million from FY20.
  - Deferral of filing date raises additional questions for property tax revenues and property tax credits.