

## Section II. Revenue

### APRIL CONSENSUS

In April, the outlook for FY 19 revenue improved by \$431.2 million for the General Fund and \$3.3 million for the Special Transportation Fund.

**Table 2.1** Changes to FY 19 GF Balance

In Millions of Dollars

Status	Balance
January Balance	(165.2)
<b>+ April Consensus Adjustment</b>	<b>431.2</b>
April Balance	266.0

**Table 2.2** General Fund Adjustment

In Millions of Dollars

Delay in Federal Reimbursements	400.0
Income Tax (Withholding) Adjustment	88.7
Other (Net) Adjustments	(57.5)
<b>April Adjustment Total</b>	<b>431.2</b>

### Delay in FY 18 Federal Grant Revenue to FY 19 Related to Hospital Payments

Federal Grant projections for FY 19 were revised upward by approximately \$400 million to reflect the receipt of federal funds associated with two quarters of FY 18 hospital supplemental Medicaid payments anticipated to be paid out in FY 19.

### Personal Income Tax Update

Personal Income Tax projections for FY 19 were revised upward by \$485.5 million to reflect stronger than anticipated FY 18 growth in collections: \$88.7 million in Withholding and \$396.8 million in the Estimated and Finals (E&F) payments portion. The entirety of the improved E&F outlook was set aside for the Budget Reserve Fund via a volatility cap adjustment. See Appendix F for more information on the status of the Budget Reserve Fund.

**Table 2.3** Personal Income Tax Update

In Millions of Dollars

Withholding	88.7
Estimates/Finals	396.8
<b>Total Income Tax Adjust</b>	<b>485.5</b>
Less: Volatility Cap Transfer	(396.8)
<b>Total Impact to GF</b>	<b>88.7</b>

All other revenue adjustments to the General Fund resulted in a net reduction of \$57.5 million.

### FY 19 Revised Budget Revenue Related Policies

Under the FY 19 Revised Budget, revenue related policies decreased the FY 19 balance by \$47.9 million in the General Fund and \$18.9 million across all funds.<sup>1</sup> Table 2.4 summarizes the major revenue changes adopted in the budget. A detailed discussion of these policies follows in Section IV.

**Table 2.4** FY 19 Revised Budget Revenue Related Policies

In Millions of Dollars

Policy	FY 19 Impact
Restore Medicare Savings Program Eligibility	(68.5)
Index the Volatility Cap	46.8
Accelerate Car Sales Tax Diversion to Special Transportation Fund	(29.0)
Other GF Policies	2.8
<b>General Fund Total</b>	<b>(47.9)</b>
Accelerate Car Sales Tax Diversion to Special Transportation Fund	29.0
<b>Special Transportation Fund Total</b>	<b>29.0</b>
<b>All Appropriated Funds Total</b>	<b>(18.9)</b>

<sup>1</sup> It should be noted that PA 18-81 implemented a policy lowering the sales tax rate on vessels. The revenue schedule as adopted by the Finance, Revenue and Bonding Committee does not include this policy in its underlying assumptions.