February tax revenue offers mixed results
March 7, 2017

Gov. Nathan Deal today announced that Georgia’s net tax collections for February totaled approximately $1.17 billion, for a decrease of $70 million, or -5.6 percent, compared to February 2016. Year-to-date, net tax revenue collections totaled $14.23 billion, for an increase of $498.4 million, or 3.6 percent, over last year, when net tax revenues totaled $13.73 billion.

The net decrease in individual income tax revenue as compared to February 2016 is largely due to the increase in refunds already released this year. Following a data security breach experienced by the Internal Revenue Service in February 2016, the Department of Revenue (DOR) has taken additional precautions to protect taxpayer funds and safeguard personal information. DOR has now implemented a new fraud management system and has increased scrutiny on all tax returns filed, resulting in more refunds issued compared to this same time last year.

The changes within the following tax categories account for the net tax revenue decrease in February:

**Individual Income Tax:** Individual Income Tax collections during the month totaled $451.9 million, down from roughly $510.1 million in February 2016, for a decrease of nearly $58.1 million, or -11.4 percent.

The following notable components within Individual Income Tax combine for the net decrease:

- Income Tax refunds, totaling $540.3 million during the month, were up $65.4 million, or 13.8 percent.
- Individual Income Tax Withholding payments were up nearly $6.5 million, or 0.7 percent.
- Individual Income Tax Return payments were down $2.7 million, or -19.6 percent.
- All other Individual Tax categories, including Non-Resident Return payments, were up a combined $3.5 million.
**Sales and Use Tax**: Gross Sales Tax collections deposited during the month totaled nearly $812 million, for an increase of $35.3 million, or 4.6 percent, compared to February 2016. Net Sales and Use Tax revenue increased $38.5 million, or 10.1 percent, compared to last year when net sales and use totaled $382.3 million. The adjusted distribution of sales tax to local governments totaled $384.7 million, for an increase of roughly $19 million, or 5.2 percent, compared to last year. Sales tax refunds decreased by $22.2 million, or -77.5 percent, compared to February 2016.

**Corporate Income Tax**: Corporate Income Tax revenue collections and refunds combined for a net decrease of $55.8 million, or -171.9 percent, compared to February 2016 when net Corporate Tax revenues totaled almost $32.5 million.

The following notable components within Corporate Income Tax make up the net decrease:
- Corporate Tax refunds issued (net of voids) were up roughly $32.6 million, or 265.8 percent.
- Corporate Income Tax Return payments were down nearly $17 million, or -95.3 percent.
- All other Corporate Taxes, including Corporate Return payments, were down a combined $6.2 million.

**Motor Fuel Taxes**: Motor Fuel Tax collections in February totaled $138.7 million, for an increase of $2.6 million, or 1.9 percent, compared to last year.

**Motor Vehicle Tag & Title Fees**: Tag and Title Fee collections decreased by $3.5 million, or -8.7 percent, compared to February 2016. Title Ad Valorem Tax (TAVT) collections for the month totaled $82.2 million, for an increase of $2.3 million, or 2.9 percent, compared to last year.