

## General Governmental Functions

Revenues of the general governmental functions (excluding capital projects) totaled \$8,188,475,000 for the fiscal year ended June 30, 1988. This represents an increase of 9.3 percent over revenues for the fiscal year 1987. Income tax, the largest source of revenue, produced 32.7 percent of general governmental revenues compared to 33.7 percent last year. The revenues from various sources and the changes from last year are shown in the following tabulation (amounts expressed in thousands):

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over 1987 Actual</u>	
			<u>Amount</u>	<u>Percent</u>
Income taxes	\$2,676,213	32.7%	\$191,521	7.7%
Retail sales and use taxes	1,423,585	17.4	121,122	9.3
Motor vehicle taxes and fees	948,408	11.6	153,462	19.3
Other taxes	823,790	10.0	72,709	9.7
Other licenses and fees	111,453	1.4	9,168	9.0
Charges for services	353,270	4.3	68,287	24.0
Interest and other investment income	90,036	1.1	24,600	37.6
Other	182,967	2.2	8,133	4.7
Gain on defeasance of transportation bonds			(39,543)	(100.0)
Federal revenue	<u>1,578,753</u>	<u>19.3</u>	<u>89,585</u>	<u>6.1</u>
Total	<u>\$8,188,475</u>	<u>100.0%</u>	<u>\$699,044</u>	<u>9.3%</u>

Of the total income tax revenue for fiscal year 1988, \$2,417,860,000 was produced by the individual income tax and \$258,353,000 by the corporate income tax, representing increases of \$171,094,000 and \$20,427,000, respectively, compared to the prior year. The increase in individual income tax revenues of 2.6 percent over the prior year is attributable to population growth, and a higher personal income level for the State's taxpayers. The increase in the corporate income tax revenues of 8.6 percent from the prior year is attributable to the improvement in the national economy.

The retail sales and use taxes increased \$121,122,000 or 9.3 percent over the previous year which is also attributable to the improvement in the national economy.

The motor vehicle taxes and fees increased \$153,462,000 or 19.3 percent over the previous year. The increase was due to a rise in the motor vehicle fuels tax rate from 13½¢ to 18½¢ per gallon and an increase of approximately 35 percent in motor vehicle registration fees.

Revenues from charges for services increased \$68,287,000 or 24.0 percent over 1987. This increase resulted primarily from revenues earned by the Department of Human Resources from local governments for their participation in welfare assistance programs. These earnings were recorded as reductions of expenditures in prior years.

Interest and other investment income increased \$24,600,000 or 37.6 percent over the previous year which resulted from an increase in the amounts available for investment during the year.