



The above chart illustrates individual income tax as a growing share of total general fund revenue, since FY 2002, when it accounted for 40.9% of general fund revenue. Based upon the outlook forecast, it may account for 57.6% by FY 2019. The shaded area represents the [Legislative Fiscal Division's 2019 Biennium Outlook](#).

Higher Relative Growth

While all other revenue sources combined grew an average of 2.4% annually from FY 2002-2015, nearly the same as the average annual inflation growth of 2.2% over the same period, individual income tax revenue grew at an average annual rate of 6.5%.

Potential Forecasting Risk

Although individual income tax is less variable than corporation income tax or natural resource taxes, the increasing reliance on a single source of revenue may result in more exposure to forecasting error as well as business cycle fluctuations.