

RECEIPTS

General Fund.....	\$109,908,646.43	\$ 97,213,825.53
Special Fund.....	117,222,724.40	113,985,353.83
Federal Fund.....	19,370,860.25	17,836,852.81
Loan and Miscellaneous Funds	137,666,140.27	149,688,206.24
Total.....	<u>\$384,168,371.35(A)</u>	<u>\$378,724,238.41</u>

- (A) Included in the total receipts are \$76,034,279.00 cash transactions applicable to advances, budget credits, investment bond sales and miscellaneous refunds. These receipts are not to be regarded as operating receipts of the State Government.

DISBURSEMENTS

General Fund.....	\$111,446,126.49	\$104,664,136.33
Special Fund.....	102,793,204.94	107,555,696.92
Federal Fund.....	19,088,326.73	16,867,633.66
Loan and Miscellaneous Funds	152,752,909.55	151,281,383.27
Total.....	<u>\$386,080,567.71(B)</u>	<u>\$380,368,850.18</u>

- (B) Included in the total disbursements are \$72,871,757.00 cash transactions applicable to advances, budget credits, investment bond purchases and miscellaneous refunds. These disbursements are not to be regarded as operating disbursements of the State Government.

The State's income tax law was amended at the 1955 Session of the General Assembly to provide that employers shall withhold from salaries and wages of employees amounts calculated to take care of the tax liability of the employees; also, that taxpayers whose incomes are not subject to withholding shall file declarations of estimated income and pay taxes quarterly on the basis of such estimates. All taxpayers will still continue to file annually their income tax returns taking credit for amounts paid under their declarations. This amendment to the law became effective July 1, 1955.

This change has made necessary a considerable increase in the amount of work to be done by our Income Tax Division, but it is expected the revenue from income taxes will be increased substantially. The new procedure, it is thought, will reach many persons who, it is claimed have been escaping taxes in the past. This new procedure will be helpful to our cash position since the money will flow into the Treasury quarterly during the fiscal year, instead of our having to wait until the latter part of the fiscal year for the greater part of the year's revenue from income taxes.

I shall be very glad to have you ask for any information you desire, should any of the items in the report be of special interest to you.

Respectfully,

J. Micard James

Comptroller.