

May 2, 2016

To: Governor Sam Brownback and Legislative Budget Committee

From: Kansas Division of the Budget and Kansas Legislative Research Department

Re: State General Fund Receipt Revisions for FY 2016 and FY 2017

Estimates for the State General Fund (SGF) are developed using a consensus process that involves the Division of the Budget, Legislative Research Department, Department of Revenue, and three consulting economists from state universities. This estimate is the base from which the Governor and the Legislature build the annual budget. The Consensus Revenue Estimating Group met on April 20, 2016, and decreased the overall estimate for FY 2016 and FY 2017 by a combined \$228.6 million relative to the previous estimate made in November. The revised estimates incorporate the fiscal effect of all 2016 legislation signed into law through April 20, 2016. Table 1 compares the new FY 2016 and FY 2017 estimates with actual receipts from FY 2015.

For FY 2016, the estimate was decreased by \$93.9 million, or 1.5 percent, below the November estimate. The estimate for total taxes was decreased by \$177.1 million, while the estimate for other revenues was increased by \$83.2 million. The overall revised SGF estimate of \$6.072 billion represents a 2.4 percent increase above final FY 2015 receipts.

The revised estimate for FY 2017 of \$6.151 billion was decreased by \$134.7 million, or 2.1 percent below the November estimate. The estimate for total taxes was decreased by \$170.7 million, while the estimate for other revenues was increased by \$36.0 million. The new forecast for FY 2017 represents a 1.3 percent increase above the newly revised FY 2016 figure.

Economic Forecast for Kansas Summary

Most economic variables and indicators have been adjusted downward since the Consensus Group last convened in November. While the U.S and Kansas economies continue to grow, uncertainty remains as a number of economic indicators are estimated to show only modest improvements over the next few years. Significant concerns exist for the economy as a whole relative to volatility in energy prices, consumer and business demand for products and

services subject to sales taxation, lowered corporate profits, lower weekly wages, and lower sustained agricultural commodity prices. The nominal Kansas Gross State Product is expected to grow by 3.4 percent in 2016 (the November estimate had been 4.2 percent) and 4.2 percent in 2017 (the November estimate had been 4.7 percent). Current forecasts call for the nominal U.S. Gross Domestic Product to grow by 3.5 percent in 2016 (the November estimate had been 4.9 percent) and by 4.5 percent in 2017 (the November estimate had been 5.2 percent). The consensus estimates contained in this memo for FY 2016 and FY 2017 are based on slower economic growth in the state relative to the national economy.

Kansas Personal Income

Kansas Personal Income (KPI) in 2015 increased by 2.5 percent, which improved slightly from the KPI forecast used in November that showed KPI increasing by 2.2 percent in 2015. KPI is currently expected to increase by 3.5 percent in 2016 and 4.2 percent in 2017. The new estimate for 2016 is slightly lower than the 3.9 percent reported in the November estimate, while the new estimate for 2017 is unchanged from the 4.2 reported in November. Current estimates are that overall U.S. Personal Income (USPI) growth will grow faster than KPI, with nominal USPI estimates of 3.7 percent in 2016 and 4.5 percent in 2017.

Employment

Data obtained from the Kansas Department of Labor indicate that employment levels for Kansas have begun to level off and the amount of private sector average weekly hours decreased by 1.1 hours, or 3.2 percent, below levels reported last year at this time. The most recent monthly data show that total Kansas private sector employment from March 2015 to March 2016 had increased by 800 jobs, while public sector jobs decreased by 800 jobs. Sectors with the largest amount of job gains over the last year include leisure and hospitality; education and health services; and trade, transportation, and utilities. Construction; natural resources and mining; and manufacturing sectors had the largest job losses over the last year. Current estimates indicate that the overall Kansas unemployment rate, which was 4.2 percent in CY 2015, is expected to remain at 4.2 percent in CY 2016 and is expected to increase to 4.5 percent in CY 2017. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 4.7 percent in CY 2016 and 4.6 percent in CY 2017.

Interest Rates

The Pooled Money Investment Board is authorized to make investments in U.S. Treasury and agency securities; highly rated commercial paper and corporate bonds; as well as repurchase agreements and certificates of deposit at Kansas banks. In FY 2015, the state earned 0.19 percent on its SGF portfolio (compared with a 0.14 percent rate in FY 2014). The average rate of return forecasted for FY 2016 is now estimated to be 0.39 percent (up slightly from the 0.28 percent estimated in November). For FY 2017, the average rate of return is now estimated to be 0.45 percent (up slightly from the 0.30 percent estimated in November). Low balances and historically low interest rates have required the PMIB to maintain a highly liquid portfolio, which reduces the amount of return available to the pool. SGF interest earnings are estimated to be \$26.3 million in FY 2016 (an increase of \$5.3 million from November) and \$13.4 million in

FY 2017 (an increase of \$4.2 million from November). The FY 2016 estimate includes almost \$11.0 million in realized capital gains from the State Treasurer's Unclaimed Property Portfolio that was deposited in the State General Fund in July 2015.

Inflation Rate

The Consumer Price Index for All Urban Consumers (CPI-U) increased by 0.1 percent in 2015, which is unchanged from the amount estimated in November. The current forecasts of 1.4 percent in 2016 and 2.0 percent in 2017 indicate that inflation will likely continue to be held in check by Federal Reserve monetary policy. Since the forecast reported in November, lower oil and gas prices have decreased inflation expectations in 2016 when 1.8 percent was estimated. The forecast reported in November for 2017 have not significantly changed from the 2.1 percent that was estimated.

Agriculture

The outlook for net farm income is an area of concern with lower sustained commodity and livestock prices estimated through 2017, with some relief starting in 2018. Wheat and corn continue to be the dominant crops in Kansas in terms of value and production. Milk production in Kansas continues to see significant growth. Land values leveled off in 2015 after experiencing 17.0 percent growth in 2014, which led the nation.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is now estimated to be \$30 in FY 2016 (down slightly from the \$35 estimate used in November) and reflects the annualized effect of the recent decrease in world prices since the November estimate. The estimated average price of \$31 per barrel for FY 2017 (down significantly from the \$45 estimate used in November) takes into account current oil futures price expectations. A great deal of uncertainty remains about forecasting the price of this commodity; however, it appears that lower relative prices will continue in the foreseeable future. Kansas gross oil production levels reached 49.4 million barrels in FY 2015 (compared with 47.4 million barrels in FY 2014). The current forecast of 44.0 million barrels for FY 2016 is significantly down from the 47.0 million barrels that was estimated in November. It is estimated that Kansas gross oil production levels will continue to decline as production is estimated to decrease to 41.0 million barrels in FY 2017 (down from the 46.0 million barrels estimated in November). Kansas production declines are reflective of decreases in drilling rig counts for new oil exploration and large storage inventories. Of all Kansas oil produced, 42.0 percent is predicted to not be subject to severance taxation because of various exemptions in state law in both FY 2016 and FY 2017.

The price of natural gas is expected to average \$1.80 per thousand cubic feet (Mcf) for FY 2016 before increasing to \$2.10 per Mcf for FY 2017, based on an industry source's analysis of futures markets. The new price estimates are significantly lower than used in November when the price was estimated to be \$2.05 in FY 2016 and \$2.50 in FY 2017. Factors considered in revising the price forecasts included large storage levels for gas, the relationship between crude oil and gas prices, industrial demand, and the continued impact of enhanced production from

shale formations elsewhere in the United States. Kansas natural gas production in FY 2015 of 297.3 million Mcf represented a significant decrease from the modern era peak of 730.0 million Mcf in FY 1996 (largely as a result of depleting reserves in the Hugoton Field). Production is estimated to continue to decrease in the future and is expected to be 260.0 million Mcf in FY 2016 and 250.0 million Mcf in FY 2017. Approximately 40.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2016.

Economic Forecasts

	<u>CY 15</u>	<u>CY 16*</u>	<u>CY 17*</u>
KPI Growth	2.5%	3.5%	4.2%
Inflation (CPI-U)	0.1%	1.4%	2.0%
	<u>FY 15</u>	<u>FY 16*</u>	<u>FY 17*</u>
SGF Interest	0.19%	0.39%	0.45%
Oil and Gas			
Oil Price per bbl	\$70.83	\$30.00	\$31.00
Gross Oil Production	49,440,000	44,000,000	41,000,000
Gas Price per Mcf	\$3.87	\$1.80	\$2.10
Gross Gas Production	297,302,000	260,000,000	250,000,000

* Estimated

Delinquent Debt Collection

In order to improve delinquent tax collections, the Legislature approved the Governor's recommendation to add 48.00 additional FTE positions to the Department Revenue, with 21.00 to be added in FY 2016 and 27.00 more in FY 2017. The enhanced debt collections effort by the Department of Revenue was recommended by the Alvarez and Marsal Statewide Efficiency Review and funding was included in the rescission bill. The additional staff is estimated to bring in \$7.5 million worth of unpaid taxes in FY 2016, primarily from the individual income tax. Overall, the estimate for FY 2017 includes a total of \$41.7 million in additional tax receipts, including \$15.7 million from the retail sales tax, \$13.5 million from the individual income tax, \$6.0 million from the corporation income tax, \$4.3 million from the compensating use tax, and \$2.2 million from the liquor enforcement tax.

Village West STAR Bond District

According to the Department of Revenue and the Unified Government of Wyandotte County, the Village West Star Bonds are estimated to be paid off in December 2016 that will allow approximately six-months of retail sales and compensating use tax revenue for the state. Paying off the STAR bonds early is estimated to generate an additional \$20.4 million in revenues in FY 2017, including \$19.7 million (\$10.0 million was included in the November CRE and an additional \$9.7 million was added in the April CRE) from the retail sales tax and \$700,000 (added in the April CRE) from the compensating use tax.

State General Fund Receipt Estimates

Each individual SGF source was reevaluated independently and consideration was given to revised and updated economic forecasts, collection information, and year-to-date receipts.

FY 2016. The revised estimate of SGF receipts for FY 2016 is \$6.072 billion, a decrease of \$93.9 million from the previous estimate made in November. Total SGF receipts through March were running \$6.6 million below the previous estimate. The revised estimate is \$143.2 million or 2.4 percent above actual FY 2015 receipts.

The estimate of total taxes was decreased by \$177.1 million, while the estimate of other revenue was increased by \$83.2 million. Total taxes in FY 2016 are now expected to be \$147.3 million or 2.6 percent above FY 2015 collections, which were \$85.3 million or 1.5 percent above FY 2014 collections. Other revenues are estimated to be \$4.1 million below the amount collected in FY 2015.

The individual income tax was reduced by \$125.0 million based on lower withholding growth, weaker employment growth, and higher withholding refunds from the Promoting Employment Across Kansas (PEAK) program than were estimated in November. Individual income tax receipts through March were running \$56.1 million below the fiscal year-to-date estimate. There were a number of adjustments that were included in the newly revised individual income tax estimate. Approximately \$25.0 million in refunds from Kansas residents that worked in Kansas City, Missouri are now allowed to use the 1.0 percent Kansas City (Missouri) earnings tax as a credit against their Kansas tax liability. The refund liability is primarily isolated to tax year 2012 before Kansas reduced income tax rates below Missouri. Taxpayers had until April 18, 2016, to amend their tax year 2012 tax returns to receive this refund. The individual income tax estimate includes approximately \$7.5 million in additional receipts from enhanced debt collections efforts by the Department of Revenue and an additional \$3.5 million from suspending the income tax withholding transfer to the Job Creation Program Fund at the Department of Commerce that was included in the rescission bill.

The retail sales tax estimate was decreased by \$30.0 million based on lower than expected growth in consumer spending. Retail sales tax receipts were down \$20.8 million below the fiscal year-to-date estimate and the trend of lowered receipts are expected to continue over the final three months of the fiscal year. The corporation income tax was reduced by \$20.0 million to reflect lower estimated corporate profits than were estimated in November. Corporation income tax receipts through March were running \$10.0 million below the fiscal year-to-date estimate. The severance tax estimate was decreased by a net total of \$15.0 million (\$8.9 million decrease attributable to oil and \$6.1 million decrease attributable to gas). The estimate was decreased largely as a result of substantially lower prices and lower estimated production for both oil and gas than had been assumed in the fall. Severance tax receipts were \$6.4 million below the previous estimate through March; however, with lower sustained oil and gas prices and a \$3.0 million gas severance tax refund that will be paid before the fiscal year concludes, it is anticipated that severance tax receipts will decrease substantially in the remainder of the fiscal year. Other receipt estimates that were decreased by at least \$1.0 million include the financial institutions privilege tax (decreased by \$8.0 million), agency earnings (decreased by \$6.7 million), and cigarette tax (decreased by \$2.0 million).

The estimate for net transfers was increased by \$84.6 million, which includes net transfer adjustments of \$57.2 million related to the special allotment authority from 2015 Senate Sub. for HB 2135 and \$24.4 million related to the enactment of House Sub. for SB 161 (the rescission bill). The Pooled Money Investment Board (PMIB) is estimated to transfer an additional \$3.4 million from the State General Fund for higher interest earnings on idle funds that are retained by certain state agencies. The net transfer adjustments also include \$50.0 million in additional transfers from the State Highway Fund; \$9.0 million from the Children's Initiative Fund encumbrance change; \$5.7 million from the IT savings certification; \$5.0 million from the Kansas Bioscience Authority; \$4.7 million from the Economic Development Initiatives Fund; \$3.7 million from the Kansas Partnership Fund at the Department of Commerce; \$3.5 million from the Kansas Qualified Agriculture Ethyl Alcohol Producer Incentive Fund at the Department of Revenue; and approximately \$6.4 million in various other net transfers. The insurance premiums tax was increased by \$11.5 million based largely on overall strong growth for the insurance industry than were estimated in November. Other receipt estimates that were increased by at least \$1.0 million include compensating use tax (increased by \$10.0 million), SGF interest earnings (increased by \$5.3 million), and motor carrier property tax/fee (increased by \$1.0 million). Details of the current year's revised estimate are reflected in Table 2.

FY 2017. SGF receipts are estimated to be \$6.151 billion in FY 2017, a decrease of \$134.7 million relative to the November estimate. The new FY 2017 figure is \$79.0 million or 1.3 percent above the newly revised FY 2016 estimate. The estimate of total taxes was decreased by \$170.7 million, while the estimate of other revenue was increased by \$36.0 million. Total taxes in FY 2017 are now projected to increase by 3.0 percent above the newly revised FY 2016 amount.

The individual income tax was reduced by \$108.0 million based on the continuation of lower withholding growth and weaker employment growth. The individual income tax estimate also includes approximately \$13.5 million in additional receipts from enhanced debt collections efforts by the Department of Revenue and \$3.5 million from eliminating the income tax withholding transfer to the Job Creation Program Fund at the Department of Commerce.

The retail sales tax estimate was decreased by \$30.0 million based on lower than expected growth in consumer spending. The retail sales tax estimate is now \$80.0 million, or 3.5 percent, above the revised FY 2016 estimate. The growth in the retail sales tax estimate in FY 2017 compared to the revised FY 2016 estimates was influenced by a number of factors. The retail sales tax estimate includes \$19.7 million (\$10.0 million was included in the November CRE and an additional \$9.7 million was added in the April CRE) from paying off the Village West Star Bonds in December 2016 that will allow approximately six-months of retail sales tax revenue for the state. Enhanced debt collections efforts by the Department of Revenue is estimated to generate an additional \$15.7 million. The one-month lag from the July 1, 2015 retail sales tax rate increase that was included in the FY 2016 estimate is not included in the FY 2017 estimate will generate approximately \$12.0 million in additional revenue. Factoring these adjustments and the rate of inflation, the change in FY 2017 retail sales tax estimate would be negligible compared to the revised FY 2016 estimate.

The severance tax estimate was decreased by a net total of \$24.3 million (\$18.4 million decrease attributable to oil and \$5.9 million decrease attributable to gas). The estimate was decreased largely as a result of substantially lower prices and lower estimated production for both oil and gas than had been assumed in the fall. Other receipt estimates that were decreased by at least \$1.0 million include the corporation income tax (decreased by \$24.0 million), agency earnings (decreased by \$7.2 million), financial institutions privilege tax (decreased by \$7.0 million), and cigarette tax (decreased by \$2.0 million).

The estimate for net transfers was increased by \$39.0 million, which includes net transfer adjustments of \$49.1 million related to the rescission bill. The State Treasurer will transfer \$4.8 million from the State General Fund for the Learjet Incentive; the PMIB will transfer an additional \$2.9 million from the State General Fund for higher interest earnings on idle funds that are retained by certain state agencies; and the year-end transfer to the State General Fund from the Expanded Lottery Act Revenues Fund was reduced by \$1.7 million. The net transfer adjustments also include \$25.0 million in additional transfers from the State Highway Fund; \$7.2 million from the Kansas Endowment for Youth (KEY) Fund; \$7.0 million from the Kansas Bioscience Authority; \$3.5 million from the Kansas Qualified Agriculture Ethyl Alcohol Producer Incentive Fund at the Department of Revenue; \$2.3 million from the Economic Development Initiatives Fund; and \$3.4 million in various other net transfers.

The insurance premiums tax was increased by \$10.9 million based largely on overall strong growth for the insurance industry than were estimated in November. The compensating use tax was increased by \$10.0 million and includes an additional \$700,000 from six months of revenue from the Village West STAR Bond District. Other receipt estimates that were increased by at least \$1.0 million include SGF interest earnings (increased by \$4.2 million), liquor enforcement tax (increased by \$2.0 million), and motor carrier property tax/fee (increased by \$1.5 million). Details of the revised estimate for FY 2017 are reflected in Table 3.

Accuracy of Consensus Revenue Estimates

For 41 years, SGF revenue estimates for Kansas have been developed using the consensus revenue estimating process. Besides the three state agencies identified on the first page, the economists currently involved in the process are Joe Sicilian from the University of Kansas, Lance Bachmeier from Kansas State University, and Nancy McCarthy Snyder from Wichita State University. Each of the agencies and individuals involved in the process prepared independent estimates and met on April 20, 2016, to discuss estimates and come to a consensus for each fiscal year.

The table on the next page presents estimates compared to actual receipts since FY 1975, the fiscal year for which the current process was initiated. First, the adjusted original estimate is compared to actual collections and then the final estimate is compared to actual receipts.

STATE GENERAL FUND ESTIMATES

Fiscal Year	Adjusted Original Estimate*	Adjusted Final Estimate**	Actual Receipts	Difference from:			
				Original Estimate		Final Estimate	
				Amount	Percent	Amount	Percent
1975	\$ --	\$ 614.9	\$ 627.6	\$ --	-- %	\$ 12.7	2.1 %
1976	676.3	699.7	701.2	24.9	3.7	1.4	0.2
1977	760.2	760.7	776.5	16.3	2.1	15.8	2.1
1978	830.1	861.2	854.6	24.5	3.0	(6.5)	(0.8)
1979	945.2	1,019.3	1,006.8	61.6	6.5	(12.5)	(1.2)
1980	1,019.3	1,095.9	1,097.8	78.5	7.7	1.9	0.2
1981	1,197.1	1,226.4	1,226.5	29.4	2.5	0.1	--
1982	1,351.3	1,320.0	1,273.0	(78.3)	(5.8)	(47.0)	(3.6)
1983	1,599.2	1,366.9	1,363.6	(235.6)	(14.7)	(3.2)	(0.2)
1984	1,596.7	1,539.0	1,546.9	(49.8)	(3.1)	7.9	0.5
1985	1,697.7	1,679.7	1,658.5	(39.2)	(2.3)	(21.3)	(1.3)
1986	1,731.2	1,666.4	1,641.4	(89.8)	(5.2)	(25.0)	(1.5)
1987	1,903.1	1,764.7	1,778.5	(124.6)	(6.5)	13.8	0.8
1988	1,960.0	2,031.5	2,113.1	153.1	7.8	81.6	4.0
1989	2,007.8	2,206.9	2,228.3	220.5	11.0	21.4	1.0
1990	2,241.2	2,283.3	2,300.5	59.3	2.6	17.2	0.8
1991	2,338.8	2,360.6	2,382.3	43.5	1.9	21.7	0.9
1992	2,478.7	2,454.5	2,465.8	(12.9)	(0.5)	11.3	0.5
1993	2,913.4	2,929.6	2,932.0	18.6	0.6	2.4	0.1
1994	3,040.1	3,126.8	3,175.7	135.6	4.5	48.9	1.6
1995	3,174.4	3,243.9	3,218.8	44.4	1.4	(25.1)	(0.8)
1996	3,428.0	3,409.2	3,448.3	20.3	0.6	39.0	1.1
1997	3,524.8	3,642.4	3,683.8	159.0	4.5	41.4	1.1
1998	3,714.4	3,971.0	4,023.7	309.3	8.3	52.7	1.3
1999	3,844.7	4,051.9	3,978.4	133.7	3.5	(73.4)	(1.8)
2000	4,204.1	4,161.0	4,203.1	(1.0)	--	42.1	1.0
2001	4,420.7	4,408.7	4,415.0	(5.7)	(0.1)	6.4	0.1
2002	4,674.5	4,320.6	4,108.9	(565.6)	(12.1)	(211.7)	(4.9)
2003	4,641.0	4,235.6	4,245.6	(395.4)	(8.5)	9.9	0.2
2004	4,605.5	4,450.5	4,518.7	(86.8)	(1.9)	68.2	1.5
2005	4,490.5	4,793.8	4,841.3	350.8	7.8	47.5	1.0
2006	4,834.0	5,308.7	5,394.4	560.4	11.6	85.7	1.6
2007	5,144.0	5,721.3	5,809.0	665.0	12.9	87.8	1.5
2008	5,700.4	5,736.3	5,693.4	(7.0)	(0.1)	(42.9)	(0.7)
2009	6,185.7	5,709.7	5,587.4	(598.3)	(9.7)	(122.3)	(2.1)
2010	5,974.2	5,291.0	5,191.3	(782.9)	(13.1)	(99.7)	(1.9)
2011	5,851.0	5,775.0	5,882.1	31.1	0.5	107.1	1.9
2012	6,098.9	6,404.3	6,412.8	313.9	5.1	8.5	0.1
2013	6,414.2	6,250.4	6,341.1	(73.1)	(1.1)	90.7	1.5
2014	5,947.0	5,986.5	5,653.2	(293.8)	(4.9)	(333.3)	(5.6)
2015	5,922.3	5,944.4	5,928.8	6.5	0.1	15.6	0.3

* The adjusted original estimate is the estimate made in November or December prior to the start of the next fiscal year in July and adjusted to account for legislation enacted, if any, which affected receipts to the SGF.

** The final estimate made in March or April is the adjusted original estimate plus or minus changes subsequently made by the Consensus Revenue Estimating Group. It also includes the estimated impact of legislation on receipts.

Concluding Comments

Consensus revenue estimates are based on current federal and state laws and their current interpretation. These estimates will be further adjusted at the conclusion of the 2016 Legislative Session to reflect state legislation enacted after April 20, 2016 which affects SGF receipts.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	Consensus Estimate April 20, 2016					
	FY 2015 (Actual)		FY 2016 (Revised)		FY 2017 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax/Fee:						
Motor Carrier	\$ 11,145	(68.8) %	\$ 11,500	3.2 %	\$ 12,000	4.3 %
Income Taxes:						
Individual	\$ 2,277,541	2.7 %	\$ 2,325,000	2.1 %	\$ 2,377,000	2.2 %
Corporation	417,400	4.5	390,000	(6.6)	396,000	1.5
Financial Inst.	40,546	25.0	37,000	(8.7)	40,000	8.1
Total	\$ 2,735,486	3.2 %	\$ 2,752,000	0.6 %	\$ 2,813,000	2.2 %
Excise Taxes:						
Retail Sales	\$ 2,132,777	1.5 %	\$ 2,270,000	6.4 %	\$ 2,350,000	3.5 %
Compensating Use	352,176	2.4	385,000	9.3	405,000	5.2
Cigarette	88,821	(2.0)	138,000	55.4	133,000	(3.6)
Tobacco Products	7,482	3.9	8,000	6.9	8,200	2.5
Cereal Malt Bev.	1,566	(7.1)	1,400	(10.6)	1,200	(14.3)
Liquor Gallonage	19,319	1.2	19,300	(0.1)	19,500	1.0
Liquor Enforcement	68,505	6.1	67,000	(2.2)	71,000	6.0
Liquor Drink	10,537	3.8	11,000	4.4	11,200	1.8
Corp. Franchise	7,287	9.9	7,100	(2.6)	7,300	2.8
Severance	93,213	(25.9)	24,000	(74.3)	33,900	41.3
Gas	26,302	(28.9)	4,000	(84.8)	10,700	167.5
Oil	66,911	(24.6)	20,000	(70.1)	23,200	16.0
Total	\$ 2,781,683	0.4 %	\$ 2,930,800	5.4 %	\$ 3,040,300	3.7 %
Other Taxes:						
Insurance Prem.	\$ 187,643	8.6 %	\$ 169,000	(9.9) %	\$ 170,500	0.9 %
Miscellaneous	1,397	(14.6)	1,400	0.2	3,400	142.9
Total	\$ 189,039	8.4 %	\$ 170,400	(9.9) %	\$ 173,900	2.1 %
Total Taxes	\$ 5,717,353	1.5 %	\$ 5,864,700	2.6 %	\$ 6,039,200	3.0 %
Other Revenues:						
Interest	\$ 12,320	6.9 %	\$ 26,300	113.5 %	\$ 13,400	(49.0) %
Net Transfers	143,597	459.4	140,000	(2.5)	56,600	(59.6)
Agency Earnings	55,512	12.0	41,000	(26.1)	41,800	2.0
Total	\$ 211,428	901.2 %	\$ 207,300	(2.0) %	\$ 111,800	(46.1) %
Total Receipts	<u>\$ 5,928,781</u>	<u>4.9 %</u>	<u>\$ 6,072,000</u>	<u>2.4 %</u>	<u>\$ 6,151,000</u>	<u>1.3 %</u>

Table 2
State General Fund Receipts
FY 2016 Revised
Comparison of April 2016 Estimate to November 2015 Estimate
(Dollars in Thousands)

	FY 2016 CRE Est. Revised 11/06/15	FY 2016 CRE Est. Revised 04/20/16	Difference	
			Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 10,500	\$ 11,500	\$ 1,000	9.5 %
Income Taxes:				
Individual	\$ 2,450,000	\$ 2,325,000	\$ (125,000)	(5.1) %
Corporation	410,000	390,000	(20,000)	(4.9)
Financial Inst.	45,000	37,000	(8,000)	(17.8)
Total	\$ 2,905,000	\$ 2,752,000	\$ (153,000)	(5.3) %
Excise Taxes:				
Retail Sales	\$ 2,300,000	\$ 2,270,000	\$ (30,000)	(1.3) %
Compensating Use	375,000	385,000	10,000	2.7
Cigarette	140,000	138,000	(2,000)	(1.4)
Tobacco Product	8,000	8,000	--	--
Cereal Malt Beverage	1,600	1,400	(200)	(12.5)
Liquor Gallonage	19,300	19,300	--	--
Liquor Enforcement	67,000	67,000	--	--
Liquor Drink	10,800	11,000	200	1.9
Corporate Franchise	6,900	7,100	200	2.9
Severance	39,000	24,000	(15,000)	(38.5)
Gas	10,100	4,000	(6,100)	(60.4)
Oil	28,900	20,000	(8,900)	(30.8)
Total	\$ 2,967,600	\$ 2,930,800	\$ (36,800)	(1.2) %
Other Taxes:				
Insurance Premium	\$ 157,500	\$ 169,000	\$ 11,500	7.3 %
Miscellaneous	1,200	1,400	200	16.7
Total	\$ 158,700	\$ 170,400	\$ 11,700	7.4 %
Total Taxes	\$ 6,041,800	\$ 5,864,700	\$ (177,100)	(2.9) %
Other Revenues:				
Interest	\$ 21,000	\$ 26,300	\$ 5,300	25.2 %
Net Transfers	55,400	140,000	84,600	152.7
Agency Earnings	47,700	41,000	(6,700)	(14.0)
Total Other Revenue	\$ 124,100	\$ 207,300	\$ 83,200	67.0 %
Total Receipts	\$ 6,165,900	\$ 6,072,000	\$ (93,900)	(1.5) %

Table 3
State General Fund Receipts
FY 2017 Revised
Comparison of April 2016 Estimate to November 2015 Estimate
(Dollars in Thousands)

	FY 2017 CRE Est.	FY 2017 CRE Est.	Difference	
	Revised 11/06/15	Revised 04/20/16	Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 10,500	\$ 12,000	\$ 1,500	14.3 %
Income Taxes:				
Individual	\$ 2,485,000	\$ 2,377,000	\$ (108,000)	(4.3) %
Corporation	420,000	396,000	(24,000)	(5.7)
Financial Inst.	47,000	40,000	(7,000)	(14.9)
Total	\$ 2,952,000	\$ 2,813,000	\$ (139,000)	(4.7) %
Excise Taxes:				
Retail Sales	\$ 2,380,000	\$ 2,350,000	\$ (30,000)	(1.3) %
Compensating Use	395,000	405,000	10,000	2.5
Cigarette	135,000	133,000	(2,000)	(1.5)
Tobacco Product	8,200	8,200	--	--
Cereal Malt Beverage	1,600	1,200	(400)	(25.0)
Liquor Gallonage	19,500	19,500	--	--
Liquor Enforcement	69,000	71,000	2,000	2.9
Liquor Drink	11,000	11,200	200	1.8
Corporate Franchise	7,100	7,300	200	2.8
Severance	58,200	33,900	(24,300)	(41.8)
Gas	16,600	10,700	(5,900)	(35.5)
Oil	41,600	23,200	(18,400)	(44.2)
Total	\$ 3,084,600	\$ 3,040,300	\$ (44,300)	(1.4) %
Other Taxes:				
Insurance Premium	\$ 159,600	\$ 170,500	\$ 10,900	6.8 %
Miscellaneous	3,200	3,400	200	6.3
Total	\$ 162,800	\$ 173,900	\$ 11,100	6.8 %
Total Taxes	\$ 6,209,900	\$ 6,039,200	\$ (170,700)	(2.7) %
Other Revenues:				
Interest	\$ 9,200	\$ 13,400	\$ 4,200	45.7 %
Net Transfers	17,600	56,600	39,000	221.6
Agency Earnings	49,000	41,800	(7,200)	(14.7)
Total Other Revenue	\$ 75,800	\$ 111,800	\$ 36,000	47.5 %
Total Receipts	\$ 6,285,700	\$ 6,151,000	\$ (134,700)	(2.1) %