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May 2, 2018

To: Governor Jeff Colyer, M.D. and Legislative Budget Committee
From: Kansas Division of the Budget and Kansas Legislative Research Department
Subject: State General Fund Receipt Revisions for FY 2018 and FY 2019

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. Consensus revenue estimates are based on current federal and state laws and their current interpretation.

The Consensus Revenue Estimating Group met on April 20, 2018, and increased the overall estimate for FY 2018 and FY 2019 by a combined \$533.8 million relative to the previous estimate made in November. The estimate for total taxes was increased by \$540.4 million, and other revenues were decreased by \$6.6 million for the two years combined. The revised estimates incorporate the fiscal effect of all 2018 legislation signed into law through April 20, 2018. Table 1 compares the revised estimates for FY 2018 and FY 2019 with actual receipts from FY 2017.

For FY 2018, the estimate was increased by \$217.1 million, or 3.2 percent, above the November estimate. The estimate for total taxes was increased by \$225.6 million, while the estimate for other revenues was decreased by \$8.5 million. The overall revised estimate of \$7.031 billion represents a 10.9 percent increase above final FY 2017 receipts.

The revised estimate for FY 2019 is \$7.100 billion, which is \$316.7 million, or 4.7 percent, above the previous estimate. The estimate for total taxes was increased by \$314.8 million, while the estimate for other revenues was increased by \$1.9 million. The revised forecast for FY 2019 represents a 1.0 percent increase above the newly revised FY 2018 figure.

Economic Forecast for Kansas Summary

Most economic variables and indicators have been adjusted slightly upward 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, tariffs or possible trade war effects on agricultural commodity prices, and consumer and business demand for products and services subject to sales taxation. Significant changes to state and federal tax laws over the last 12-months, the later than usual tax filing deadline of April 17th, and the statutory requirement that the April CRE takes place on or before April 20th before complete income tax processing data is available adds uncertainty to the forecast.

The economic forecast is based on no significant downturns or disruptions in the state or federal economy over the forecast period. The nominal Kansas Gross State Product growth rate was 2.3 percent in 2017 (the November estimate had been 2.1 percent) and is expected to grow by 4.2 percent in 2018 (the November estimate had been 3.4 percent) and 4.1 percent in 2019 (the November estimate had been 3.9 percent). Current forecasts call for the nominal U.S. Gross Domestic Product to grow by 4.7 percent in 2018 (the November estimate had been 4.4 percent) and by 4.6 percent in 2019 (the November estimate had been 4.4 percent).

Kansas Personal Income

Kansas Personal Income (KPI) in 2017 increased by 1.0 percent, which was less than the KPI forecast used in November that showed KPI increasing by 1.5 percent. KPI is currently expected to increase by 3.9 percent in 2018 and 3.8 percent in 2019. The new estimates for 2018 and 2019 are higher than the 3.1 percent and 3.6 percent, respectively, reported in November. Current estimates are that overall U.S. Personal Income (USPI) growth will increase faster than KPI, with nominal USPI estimates of 4.6 percent in 2018 and 4.5 percent in 2019.

Employment

Data obtained from the Kansas Department of Labor indicate that employment levels have improved slightly from levels reported last year at this time. The most recent monthly data show that total Kansas private sector employment from February 2017 to February 2018 had increased by 5,900 jobs, while public sector jobs increased by 2,600 jobs. Sectors with the largest amount of job increases over the last year include professional and business services; leisure and hospitality; and education and health services. Construction; financial activities; and information sectors had the largest job losses over the last year. Average weekly hours worked and real hourly earnings also increased over the same 12-month period.

Current estimates indicate that the overall Kansas unemployment rate, which was 3.6 percent in 2017, is expected to reduce to 3.5 percent in 2018 and reduce further to 3.4 percent in 2019. Unemployment forecasts have improved since the November estimate when it was estimated the Kansas would have a 3.7 percent unemployment rate in 2017, 3.8 percent in 2018, and 4.1 percent in 2019. The labor market remains relatively tight, especially in the Wichita area where there is an increased demand for more skilled workers. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 3.8 percent in 2018 and 3.6 percent in 2019.

Interest Rates

The Pooled Money Investment Board (PMIB) 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 2017, the state earned 0.77 percent on its SGF portfolio (compared with a 0.44 percent rate in FY 2016). The average rate of return forecasted for FY 2018 is now estimated to be 1.50 percent (up from the 1.12 percent estimated in November). For FY 2019, the average rate of return is now estimated to be 1.75 percent (up from the 1.20 percent estimated in November). Low balances 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 \$18.5 million in FY 2018 (an increase of \$6.2 million from November) and \$20.0 million in FY 2019 (an increase of \$13.8 million from November). The higher rate combined with higher than expected cash balances are projected to bring in more earnings to the State General Fund than previously estimated in November.

Inflation Rate

The Consumer Price Index for All Urban Consumers (CPI-U) increased by 2.1 percent in 2017, which is slightly higher than the 1.9 percent estimated in November. The current forecast of 2.2 percent in 2018 and 2.1 percent in 2019 reflect higher inflation expectations than the 1.9 percent estimated in November for both years.

Agriculture

Looking at the agricultural sector, strength in the livestock industry last fall was the major factor in boosting calendar 2017 net farm income above the 2016 level. However, crop prices have continued to struggle, even as above-average yields have supported overall cash receipts. Agricultural lending has been increasing since last fall. This added debt, coupled with increasing interest rates, could signal added stress and repayment issues down the road. Net farm income throughout the forecast period is expected to remain significantly below levels seen as recently as 2014. Current drought conditions and the potential of a developing trade war could cause a downside risk to the current net farm income projections from the Department of Agriculture.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is now estimated to be \$49 in FY 2018 (up from the \$42 estimate used in November) and reflects the annualized effect of the recent increase in world prices since the November estimate. The estimated average price of \$52 per barrel in FY 2019 (up from the \$41 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. Kansas is estimated to produce 33.0 million barrels of oil in FY 2018, which is lower than the 35.0 million barrels estimated in November, but significantly lower than the 49.4 million barrels produced just three years ago in FY 2015. The current forecast of 30.0 million barrels for FY 2019 is lower than the 33.0 million barrels in FY 2019 estimated in November. Kansas production declines are reflective of low drilling rig counts for new oil exploration and large storage inventories. Of all Kansas oil produced, 47.0 percent is predicted to not be subject to

severance taxation because of various exemptions in state law in FY 2018 and the exemption percentage is expected to be reduced to 45.0 percent in FY 2019. The exemption percentages have decreased slightly from the November estimate when 48.0 percent was estimated for both FY 2018 and FY 2019.

Based on an industry source’s analysis of futures markets, the price of natural gas is expected to average \$2.35 per thousand cubic feet (Mcf) for FY 2018, which is lower than the \$2.50 per Mcf estimated in November. The price is estimated to decrease to \$2.30 per Mcf for FY 2019, which is slightly lower than the \$2.35 per Mcf estimated in November. Kansas natural gas production is estimated to reach 210.0 million Mcf in FY 2018, which is the same amount estimated in November, but represents 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 and lower drilling activity). Production is estimated to continue to decrease in the future and is expected to be 180.0 million Mcf in FY 2019, which is slightly lower than the 185.0 million Mcf estimated in November. Approximately 30.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2018 and 35.0 percent is estimated to be exempt in FY 2019.

Economic Forecasts

| | CY 17 | CY 18* | CY 19* |
|------------------------------|-------------|-------------|-------------|
| Inflation (CPI-U) | 2.1% | 2.2% | 2.1% |
| U.S. Nominal GDP Growth | 4.4% | 4.7% | 4.6% |
| Nominal USPI Growth | 4.4% | 4.6% | 4.5% |
| Corporate Profits Before Tax | 5.0% | 4.0% | 4.0% |
| KS Nominal GSP Growth | 2.3% | 4.2% | 4.1% |
| KS Personal Income Growth | 1.0% | 3.9% | 3.8% |
| Kansas Disposable Income | 1.0% | 3.9% | 3.8% |
| U.S. Unemployment Rate | 4.4% | 3.8% | 3.6% |
| Kansas Unemployment Rate | 3.6% | 3.5% | 3.4% |
| | FY 17 | FY 18* | FY 19* |
| SGF Interest | 0.77% | 1.50% | 1.75% |
| Oil and Gas | | | |
| Oil Price per Barrel | \$43.93 | \$49.00 | \$52.00 |
| Gross Oil Production | 36,783,000 | 33,000,000 | 30,000,000 |
| Gas Price per Mcf | \$2.23 | \$2.35 | \$2.30 |
| Gross Gas Production | 235,797,000 | 210,000,000 | 180,000,000 |

* Estimated

State General Fund Receipt Estimates

Each individual State General Fund source was reevaluated independently, and consideration was given to revised and updated economic forecasts, collection information from the Departments of Revenue and Insurance, and year-to-date receipts. The growth rates of the four

highest generating revenue sources indicate generally higher receipt growth as compared to the November estimates, with only the growth rate of retail sales in FY 2019 lower than the November estimate.

**Growth Rates of Key Revenue Sources
(Percentages)**

| <u>Revenue Source</u> | <u>FY 2017</u> | <u>FY 2018 *</u> | <u>FY 2019 *</u> |
|-----------------------|----------------|------------------|------------------|
| Individual Income | 2.4 % | 36.5 % | 6.0 % |
| Corporation Income | (8.4) | 1.6 | 6.4 |
| Retail Sales | 0.5 | 1.9 | 1.5 |
| Compensating Use | (0.1) | 3.2 | 2.0 |

* Estimated

FY 2018

The revised estimate of State General Fund receipts for FY 2018 is \$7.031 billion, an increase of \$217.1 million from the previous estimate made in November. Total State General Fund receipts through March were running \$306.5 million above the previous estimate. The revised estimate is \$691.8 million or 10.9 percent above actual FY 2017 receipts. Details of the current year’s revised estimate are reflected in Table 2.

Individual Income and Corporation Income Taxes

The individual income tax was increased by \$218.0 million in FY 2018 based on higher income tax withholding and estimated payments growth expectations than were estimated in November. Individual income tax receipts through March were running \$325.7 million above the fiscal year-to-date estimate. However, not all of the fiscal year-to-date increases will be retained in the final three months of the fiscal year, as a portion of the growth in individual income tax receipts above the forecast appears to have been driven by the recently enacted changes in federal tax law that provided an incentive for Kansas taxpayers to pay their taxes earlier than normal. Receipts from this source are extremely bottom-heavy in terms of the state’s fiscal year, and there is often a great deal of volatility in the spring months as taxpayers are filing and reconciling their liabilities from the previous tax year, especially as it relates to capital gains.

The corporation income tax estimate was increased by \$5.0 million in FY 2018 from the amount estimated in November. Fiscal year-to-date receipts were down \$7.9 million through March. The Consensus Revenue Estimating Group increased the estimate after reviewing fiscal year-to-date data on corporation income tax receipts, including preliminary data for April.

Retail Sales and Compensating Use Taxes

The retail sales tax estimate for FY 2018 was unchanged from the amount estimated in November. Retail sales tax receipts were down \$4.2 million below the fiscal-year-to-date estimate through March. Monthly retail sales tax receipts have largely been meeting expectations since November, with the only notable exception that March was \$10.5 million below the monthly

estimate. The Consensus Revenue Estimating Group looked at the amount of sales lost to Internet retailers; consumer expenditures for items that are not subject to the sales tax including shelter, medical care, and other services; lower retail trade expenditure, including motor vehicle sales that have been relatively flat; and sales tax exemptions as possible explanations that will limit the growth in receipts from retail sales taxes in the near-term.

The compensating use tax estimate was increased by \$2.0 million in FY 2018 from the amount estimated in November. Fiscal year-to-date receipts were up \$1.8 million through March. In November, the compensating use tax estimate was increased by \$10.0 million to reflect stronger collections from out-of-state retailers who have voluntarily started collecting sales taxes on purchases by Kansas customers that are processed as compensating use taxes.

Other State General Fund Receipts

Other receipt estimates that were increased by at least \$1.0 million include SGF interest (increased by \$6.2 million), oil severance tax (increased by \$3.7 million), motor carrier (increased by \$1.0 million), and financial institutions privilege tax (increased by \$1.0 million).

The estimate for net transfers was decreased by \$9.1 million in FY 2018, primarily from additional transfers totaling \$5.2 million from the State General Fund for higher interest earnings on idle funds that are retained by certain state agencies; and an additional \$5.2 million transfer from the State General Fund to the Automated Tax System Fund to allow the Department of Revenue to compensate vendors for automated tax system upgrades. The net transfer adjustments also include an additional \$1.4 million from the Expanded Lottery Act Revenues Fund to the State General Fund for additional casino revenues; an additional \$1.1 million from the State General Fund to the Health Care Stabilization Fund for liability support for graduate students at the University of Kansas Medical Center; and an additional \$1.0 million to the State General Fund for various other net transfers. Other receipt estimates that were decreased by at least \$1.0 million include cigarette tax (decreased by \$5.0 million) and agency earnings (decreased by \$5.6 million).

FY 2019

SGF receipts are estimated to be \$7.100 billion in FY 2019, an increase of \$316.7 million relative to the November estimate. The new FY 2019 figure is \$69.2 million or 1.0 percent above the newly revised FY 2018 estimate. This result is influenced by higher income tax receipts from the annualized effect of 2017 SB 30 (removed the non-wage business income tax exemption, increased income tax rates, and created a third income tax bracket), natural growth in individual income and other tax receipts, which is offset by lower net transfers that are authorized to take place in FY 2019 compared to FY 2018. Details of the revised estimate for FY 2019 are reflected in Table 3.

Impact of Federal Tax Reform on Kansas Tax Receipts

The FY 2019 revised estimate includes a total of \$105.2 million for the estimated state fiscal effect of federal tax law changes, including \$84.2 million for individual income taxes and \$21.0 million for corporation income taxes. The estimate was based on a federal Joint Committee

on Taxation forecast of the Tax Cuts and Job Act, as adjusted for the Kansas tax code. The estimate does not include income from repatriated money (deferred foreign income and global intangible low-taxed income-GILTI), which would require a statute change for Kansas to collect taxes from these sources. The CRE group will continue to review and possibly revise the impact of federal tax reform when the group meets again in November.

Individual Income and Corporation Income Taxes

The individual income tax was increased by \$314.2 million in FY 2019 based on the continuation of higher income tax withholding and estimated payments. The FY 2019 individual income tax estimate includes an additional \$84.2 million for the estimated state fiscal effect of federal tax law changes. The FY 2019 individual income tax estimate also includes a reduction of \$253,000 to pay refund and interest claims based on Sub. for HB 2147, which creates a process that certain Native American military veterans can apply for a refund of state individual income taxes that were improperly withheld from 1977 through 2001 plus interest. For FY 2019, the corporation income tax estimate was increased by \$21.0 million for the estimated state fiscal effect of federal tax law changes.

Other State General Fund Receipts

The SGF interest earnings estimate was increased by \$13.8 million based on higher interest rate and higher than expected cash balances than were previously estimated in November. The severance tax estimate was increased by a net total of \$6.3 million (\$6.7 million increase attributable to oil and \$400,000 decrease attributable to gas). The compensating use tax estimate for FY 2019 was increased by \$5.0 million to reflect stronger growth than was estimated in November. The financial institutions privilege tax estimate was increased by \$1.0 million and was the only other revenue source that was increased by at least \$1.0 million.

The insurance premiums tax estimate FY 2019 was decreased by \$13.5 million, mainly from additional refunds that will be processed at the beginning of FY 2019 attributable to additional salary credits that were earned by certain insurance companies, but were not claimed on previous tax returns. For FY 2019, the retail sales tax estimate was decreased by \$10.0 million to reflect slower growth than was estimated in November. The cigarette tax estimate was decreased by \$10.0 million in FY 2019 to continue the long-term decline in revenue from this source. Other receipt estimates that were decreased by at least \$1.0 million include net transfers (decreased by \$9.9 million) and agency earnings (decreased by \$2.0 million).

The FY 2019 Consensus Revenue Estimate also includes the fiscal effect of HB 2502, which provides for newly authorized sales by cereal malt beverage (CMB) licensees of beer containing no more than 6.0 percent alcohol by volume to be subject to retail sales tax instead of the liquor enforcement tax. However, the overall fiscal effect is estimated to be negligible on the retail sales tax and liquor enforcement tax estimates when this change becomes effective on April 1, 2019.

Accuracy of Consensus Revenue Estimates

For 43 years, SGF revenue estimates for Kansas have been developed using the consensus revenue estimating process. Each of the agencies and individuals involved in the process prepared independent estimates and met on April 20, 2018, to discuss estimates and come to a consensus for each fiscal year. These estimates will be further adjusted at the conclusion of the 2018 Legislative Session to reflect state legislation enacted after April 20, 2018, which affects SGF receipts.

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) | (43.0) | (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) | (99.8) | (1.9) |
| 2011 | 5,851.0 | 5,779.6 | 5,882.1 | 31.1 | 0.5 | 102.5 | 1.8 |
| 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 | 5,992.3 | 5,944.4 | 5,928.8 | (63.5) | (1.1) | (15.6) | (0.3) |
| 2016 | 6,358.0 | 6,149.6 | 6,073.5 | (284.6) | (4.5) | (76.2) | (1.2) |
| 2017 | 6,377.8 | 6,266.8 | 6,339.1 | (38.7) | (0.6) | 72.3 | 1.2 |

* 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.

Table 1
State General Fund Receipts
(Dollars in Thousands)

| | FY 2017 (Actual) | | Consensus Estimate April 20, 2018 | | | |
|----------------------------|------------------|----------------|-----------------------------------|----------------|-------------------|----------------|
| | | | FY 2018 (Revised) | | FY 2019 (Revised) | |
| | Amount | Percent Change | Amount | Percent Change | Amount | Percent Change |
| Property Tax/Fee: | | | | | | |
| Motor Carrier | \$ 10,863 | (4.5) % | \$ 12,400 | 14.2 % | \$ 12,100 | (2.4) % |
| Income Taxes: | | | | | | |
| Individual | \$ 2,304,027 | 2.4 % | \$ 3,145,000 | 36.5 % | \$ 3,334,200 | 6.0 % |
| Corporation | 324,956 | (8.4) | 330,000 | 1.6 | 351,000 | 6.4 |
| Financial Institutions | 41,138 | 10.7 | 42,000 | 2.1 | 43,000 | 2.4 |
| Total | \$ 2,670,122 | 1.1 % | \$ 3,517,000 | 31.7 % | \$ 3,728,200 | 6.0 % |
| Excise Taxes: | | | | | | |
| Retail Sales | \$ 2,285,870 | 0.5 % | \$ 2,330,000 | 1.9 % | \$ 2,365,000 | 1.5 % |
| Compensating Use | 384,654 | (0.1) | 397,000 | 3.2 | 405,000 | 2.0 |
| Cigarette | 130,079 | (6.1) | 120,000 | (7.7) | 112,000 | (6.7) |
| Tobacco Products | 8,425 | 4.8 | 8,600 | 2.1 | 8,700 | 1.2 |
| Cereal Malt Beverage | 1,543 | 9.5 | 1,400 | (9.3) | 1,200 | (14.3) |
| Liquor Gallonage | 19,438 | (1.4) | 20,000 | 2.9 | 20,200 | 1.0 |
| Liquor Enforcement | 71,528 | 5.6 | 73,500 | 2.8 | 75,000 | 2.0 |
| Liquor Drink | 11,041 | 0.9 | 11,500 | 4.2 | 11,600 | 0.9 |
| Corporate Franchise | 7,631 | 10.9 | 6,800 | (10.9) | 6,900 | 1.5 |
| Severance | 42,090 | 87.9 | 41,200 | (2.1) | 36,300 | (11.9) |
| Gas | 14,879 | 149.0 | 11,800 | (20.7) | 7,800 | (33.9) |
| Oil | 27,211 | 65.7 | 29,400 | 8.0 | 28,500 | (3.1) |
| Total | \$ 2,962,299 | 0.9 % | \$ 3,010,000 | 1.6 % | \$ 3,041,900 | 1.1 % |
| Other Taxes: | | | | | | |
| Insurance Premiums | \$ 172,291 | 1.2 % | \$ 171,000 | (0.7) % | \$ 163,000 | (4.7) % |
| Miscellaneous | 1,352 | (3.1) | 2,600 | 92.2 | 2,800 | 7.7 |
| Total | \$ 173,644 | 1.2 % | \$ 173,600 | (0.0) % | \$ 165,800 | (4.5) % |
| Total Taxes | \$ 5,816,927 | 1.0 % | \$ 6,713,000 | 15.4 % | \$ 6,948,000 | 3.5 % |
| Other Revenues & Receipts: | | | | | | |
| Interest | \$ 65,633 | 133.4 % | \$ 18,500 | (71.8) % | \$ 20,000 | 8.1 % |
| Transfers & Other Receipts | 381,794 | 59.5 | 254,100 | (33.4) | 85,200 | (66.5) |
| Agency Earnings | 74,706 | 56.7 | 45,300 | (39.4) | 46,900 | 3.5 |
| Total | \$ 522,132 | 65.7 % | \$ 317,900 | (39.1) % | \$ 152,100 | (52.2) % |
| Total Receipts | \$ 6,339,059 | 4.4 % | \$ 7,030,900 | 10.9 % | \$ 7,100,100 | 1.0 % |

Table 2
State General Fund Receipts
FY 2018 Revised
Comparison of April 2018 Estimate to November 2017 Estimate
(Dollars in Thousands)

| | FY 2018 CRE Est. | FY 2018 CRE Est. | Difference | |
|----------------------------|------------------|------------------|------------|-----------|
| | Revised 11/02/17 | Revised 04/20/18 | Amount | Pct. Chg. |
| Property Tax/Fee: | | | | |
| Motor Carrier | \$ 11,400 | \$ 12,400 | \$ 1,000 | 8.8 % |
| Income Taxes: | | | | |
| Individual | \$ 2,927,000 | \$ 3,145,000 | \$ 218,000 | 7.4 % |
| Corporation | 325,000 | 330,000 | 5,000 | 1.5 |
| Financial Institutions | 41,000 | 42,000 | 1,000 | 2.4 |
| Total | \$ 3,293,000 | \$ 3,517,000 | \$ 224,000 | 6.8 % |
| Excise Taxes: | | | | |
| Retail Sales | \$ 2,330,000 | \$ 2,330,000 | \$ -- | -- % |
| Compensating Use | 395,000 | 397,000 | 2,000 | 0.5 |
| Cigarette | 125,000 | 120,000 | (5,000) | (4.0) |
| Tobacco Products | 8,500 | 8,600 | 100 | 1.2 |
| Cereal Malt Beverage | 1,400 | 1,400 | -- | -- |
| Liquor Gallonage | 20,200 | 20,000 | (200) | (1.0) |
| Liquor Enforcement | 74,000 | 73,500 | (500) | (0.7) |
| Liquor Drink | 11,400 | 11,500 | 100 | 0.9 |
| Corporate Franchise | 6,800 | 6,800 | -- | -- |
| Severance | 37,500 | 41,200 | 3,700 | 9.9 |
| Gas | 11,800 | 11,800 | -- | -- |
| Oil | 25,700 | 29,400 | 3,700 | 14.4 |
| Total | \$ 3,009,800 | \$ 3,010,000 | \$ 200 | 0.0 % |
| Other Taxes: | | | | |
| Insurance Premiums | \$ 171,000 | \$ 171,000 | \$ -- | -- % |
| Miscellaneous | 2,200 | 2,600 | 400 | 18.2 |
| Total | \$ 173,200 | \$ 173,600 | \$ 400 | 0.2 % |
| Total Taxes | \$ 6,487,400 | \$ 6,713,000 | \$ 225,600 | 3.5 % |
| Other Revenues & Receipts: | | | | |
| Interest | \$ 12,300 | \$ 18,500 | \$ 6,200 | 50.4 % |
| Transfers & Other Receipts | 263,200 | 254,100 | (9,100) | (3.5) |
| Agency Earnings | 50,900 | 45,300 | (5,600) | (11.0) |
| Total | \$ 326,400 | \$ 317,900 | \$ (8,500) | (2.6) % |
| Total Receipts | \$ 6,813,800 | \$ 7,030,900 | \$ 217,100 | 3.2 % |

Table 3
State General Fund Receipts
FY 2019 Revised
Comparison of April 2018 Estimate to November 2017 Estimate
(Dollars in Thousands)

| | FY 2019 CRE Est. | FY 2019 CRE Est. | Difference | |
|----------------------------|------------------|------------------|-------------|-----------|
| | Revised 11/02/17 | Revised 04/20/18 | Amount | Pct. Chg. |
| Property Tax/Fee: | | | | |
| Motor Carrier | \$ 11,500 | \$ 12,100 | \$ 600 | 5.2 % |
| Income Taxes: | | | | |
| Individual | \$ 3,020,000 | \$ 3,334,200 | \$ 314,200 | 10.4 % |
| Corporation | 330,000 | 351,000 | 21,000 | 6.4 |
| Financial Institutions | 42,000 | 43,000 | 1,000 | 2.4 |
| Total | \$ 3,392,000 | \$ 3,728,200 | \$ 336,200 | 9.9 % |
| Excise Taxes: | | | | |
| Retail Sales | \$ 2,375,000 | \$ 2,365,000 | \$ (10,000) | (0.4) % |
| Compensating Use | 400,000 | 405,000 | 5,000 | 1.3 |
| Cigarette | 122,000 | 112,000 | (10,000) | (8.2) |
| Tobacco Products | 8,600 | 8,700 | 100 | 1.2 |
| Cereal Malt Beverage | 1,300 | 1,200 | (100) | (7.7) |
| Liquor Gallonage | 20,400 | 20,200 | (200) | (1.0) |
| Liquor Enforcement | 75,000 | 75,000 | -- | -- |
| Liquor Drink | 11,600 | 11,600 | -- | -- |
| Corporate Franchise | 6,900 | 6,900 | -- | -- |
| Severance | 30,000 | 36,300 | 6,300 | 21.0 |
| Gas | 8,200 | 7,800 | (400) | (4.9) |
| Oil | 21,800 | 28,500 | 6,700 | 30.7 |
| Total | \$ 3,050,800 | \$ 3,041,900 | \$ (8,900) | (0.3) % |
| Other Taxes: | | | | |
| Insurance Premiums | \$ 176,500 | \$ 163,000 | \$ (13,500) | (7.6) % |
| Miscellaneous | 2,400 | 2,800 | 400 | 16.7 |
| Total | \$ 178,900 | \$ 165,800 | \$ (13,100) | (7.3) % |
| Total Taxes | \$ 6,633,200 | \$ 6,948,000 | \$ 314,800 | 4.7 % |
| Other Revenues & Receipts: | | | | |
| Interest | \$ 6,200 | \$ 20,000 | \$ 13,800 | 222.6 % |
| Transfers & Other Receipts | 95,100 | 85,200 | (9,900) | (10.4) |
| Agency Earnings | 48,900 | 46,900 | (2,000) | (4.1) |
| Total | \$ 150,200 | \$ 152,100 | \$ 1,900 | 1.3 % |
| Total Receipts | \$ 6,783,400 | \$ 7,100,100 | \$ 316,700 | 4.7 % |