

May 9, 2019

To: Legislative Coordinating Council and Governor Laura Kelly
From: Division of the Budget and Kansas Legislative Research Department
Subject: State General Fund Revenue Estimate for FY 2019, FY 2020, and FY 2021

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 as ultimately interrupted by the courts.

The Consensus Revenue Estimating Group met on April 18, 2019, and increased the overall estimate for FY 2019, FY 2020, and FY 2021 by a combined \$14.9 million relative to the previous estimate made in November. The estimate for total taxes was increased by \$162.0 million, and other revenues were decreased by \$147.1 million for the three years combined. The revised estimates incorporate the fiscal effect of all 2019 legislation signed into law through April 18, 2019. Table 1 compares the revised estimates for FY 2019, FY 2020, and FY 2021 with actual receipts from FY 2018.

For FY 2019, the estimate was decreased by \$73.1 million, or 1.0 percent, below the November estimate. The estimate for total taxes was increased by \$44.6 million, while the estimate for other revenues, was decreased by \$117.7 million. The overall revised estimate of \$7.237 billion represents a 0.8 percent decrease below final FY 2018 receipts.

The revised estimate for FY 2020 is \$7.327 billion, which is \$55.7 million, or 0.8 percent, above the previous estimate. The estimate for total taxes was increased by \$64.3 million, while the estimate for other revenues was decreased by \$8.6 million. The revised forecast for FY 2020 represents a 1.2 percent increase above the newly revised FY 2019 figure.

For FY 2021, the estimate was increased by \$32.3 million, or 0.4 percent, above the November estimate. The estimate for total taxes was increased by \$53.1 million, while the estimate for other revenues was decreased by \$20.8 million. The overall revised estimate for FY 2021 of \$7.267 billion represents a 0.8 percent decrease below the newly revised FY 2020 figure.

Economic Forecast for Kansas Summary

Most key economic variables and indicators have remained consistent since the Consensus Group last convened in November. The economic expansion that began after the Great Recession in June 2009 has now lasted nearly ten years and the Consensus Group is cautiously optimistic that it will continue through the forecast period. Low levels of unemployment and rapid wage growth have contributed significantly to statewide personal income growth. Although energy prices have increased recently, inflation is expected to remain at moderate levels. While the U.S. and Kansas economies continue to grow, 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 two years and the statutory requirement that the April CRE takes place on or before April 20th before more complete income tax processing data are available adds uncertainty to the forecast.

The forecast contemplates no significant downturns or disruptions in the state or federal economy over the forecast period. The nominal Kansas Gross State Product growth rate is estimated to increase for each year by 3.9 percent in 2019, 2020, and 2021 (the November estimate had been 4.0 percent for all three years). Current forecasts call for the nominal U.S. Gross Domestic Product to grow by 4.1 percent in 2019 (the November estimate had been 4.5 percent), 4.0 percent in 2020 (the November estimate had been 4.1 percent), and by 3.9 percent in 2021 (the November estimate had been 3.8 percent).

Kansas Personal Income

Kansas Personal Income (KPI) is expected to increase by 3.9 percent for each year in 2019, 2020, and 2021, which is slightly less than the KPI forecast used in November that showed KPI increasing by 4.0 percent for all three years. Current estimates are that overall U.S. Personal Income (USPI) growth will increase by 4.1 percent in 2019, 4.0 percent in 2020, and 3.9 percent in 2021.

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 2018 to February 2019 had increased by 5,100 jobs, while public sector jobs increased by 2,500 jobs. Sectors with the largest amount of job increases over the last year include education and health services; manufacturing; and professional and business services. Construction; leisure and hospitality; and financial activities had the largest job losses over the last year. The average Kansas real hourly earnings increased by 4.1 percent over the last year and outpaced the national average of 1.9 percent growth.

Current estimates indicate that the overall Kansas unemployment rate, which was 3.4 percent in 2018, is expected to increase slightly to 3.5 percent in 2019 and will remain at that level in both 2020 and 2021. The Kansas labor market remains tight, with one survey showing the

highest number of job vacancies in the 15 years since the survey began; and the number of vacancies now exceeding the number of unemployed individuals. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 3.7 percent in 2019, 3.8 percent in 2020, and 3.9 percent in 2021.

Interest Rates

The Pooled Money Investment Board (PMIB) is authorized to make investments in U.S. Treasury and federal agency securities; highly rated commercial paper and corporate bonds; and repurchase agreements and certificates of deposit at Kansas banks. In FY 2018, the state earned 1.44 percent on its SGF portfolio (compared with a 0.77 percent rate in FY 2017). The average rate of return forecasted for FY 2019 is now estimated to be 2.35 percent (up from the 2.25 percent estimated in November). For FY 2020, the average rate of return is now estimated to be 2.50 percent (unchanged from the November estimate). The average rate of return for FY 2021 is now estimated to be 2.50 percent (down from the 2.75 percent estimated in November). Declining balances will require 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 \$50.0 million in FY 2019 (unchanged from the November estimate), \$54.0 million in FY 2020 (a decrease of \$3.0 million from November), and \$55.0 million in FY 2021 (a decrease of \$10.0 million from November). Lower expected cash balances combined with revised rate projections are projected to bring in less earnings to the SGF than previously estimated in November.

Inflation Rate

The Consumer Price Index for All Urban Consumers (CPI-U) for 2019 is now projected to be 1.9 percent, which is lower than the 2.2 percent estimated in November. The current forecast of 2.1 percent in both 2020 and 2021 reflect slightly lower inflation expectations than the 2.2 percent estimated in November for both years.

Agriculture

Looking at the agricultural sector, national net farm income for 2019 is predicted to grow by 10.0 percent above the 2018 level. Notwithstanding federal market facilitation program payments in 2018, national net farm income declined during that year. Recent weather events and ongoing trade talks have made crop and livestock prices extremely difficult to forecast. Prospective plantings for Kansas show growth in corn and soybean acres, with a decline in wheat and sorghum acres. Kansas could see an all-time low of wheat acres planted since records began being kept in 1919, since higher profitability has continued to drive more acres to corn and soybeans. Even as farm income has continued to struggle, demand for agricultural loans has remained high. This trend has continued for six years and created tight liquidity at agricultural banks. Concern over trade and tariff issues remains for many farmers, given the likelihood that the market facilitation payments will not be repeated.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is now estimated to be \$54 in FY 2019 (unchanged from the November estimate) and reflects the annualized effect of the lower oil prices that occurred right after the November estimate that have rebounded in recent months. The estimated average price of \$54 per barrel in FY 2020 (down from the \$55 estimate used in November) and \$52 per barrel in FY 2021 (down from the \$55 estimate used in November) takes into account current oil futures price expectations. A great deal of uncertainty remains in forecasting the price of this commodity. Kansas is estimated to produce 34.0 million barrels of oil in FY 2019, which is unchanged from the November estimate, but significantly lower than the 49.4 million barrels produced four years ago in FY 2015. The current forecast of 33.0 million barrels for FY 2020 and 32.0 million barrels for FY 2021 are unchanged from the November estimate. Kansas production declines are reflective of no new oil exploration and large storage inventories. Of all Kansas oil produced, 50.0 percent is predicted to not be subject to severance taxation because of various exemptions in state law for FY 2019, FY 2020, and FY 2021. The exemption percentages have increased from the November estimate when 45.0 percent was estimated for all fiscal years.

Based on an industry source's analysis of futures markets, the price of natural gas is expected to average \$2.70 per thousand cubic feet (Mcf) for FY 2019, which is significantly higher than the \$2.15 per Mcf estimated in November. The price is estimated to decrease to \$2.30 per Mcf for FY 2020 and \$2.25 per Mcf for FY 2021, which are up from the \$2.10 per Mcf estimated in November for both fiscal years. Kansas natural gas production is estimated to reach 195.0 million Mcf in FY 2019, which is higher than the 170.0 million Mcf 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 2020 (up from the 135.0 million Mcf estimated in November) and 165.0 million Mcf in FY 2021 (up from the 100.0 million Mcf estimated in November). Approximately 35.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2019 and 37.0 percent is estimated to be exempt in both FY 2020 and FY 2021.

Impact of Federal Tax Reform on Kansas Tax Receipts

The estimates for FY 2019, FY 2020, and FY 2021 once again include the state fiscal effect of the federal tax law changes from the Tax Cuts and Job Act of 2017. In the April 2018 CRE, a total of \$105.2 million was included in the estimate for FY 2019 for the state impact of federal tax law changes (\$84.2 million for individual income taxes and \$21.0 million for corporation income taxes). The April 2018 estimate did not include certain deferred foreign income and global intangible low-taxed income (GILTI), which was later discovered to flow through to Kansas taxable income. The November 2018 CRE had corrected this oversight and further revised the estimates for individual and corporation income tax estimates for FY 2019; and made the initial forecast for FY 2020 and FY 2021 that incorporated higher expected growth rates and the continued impact of federal tax law changes. The CRE group will continue to review and possibly revise the impact of federal tax reform when the group meets again in November.

Economic Forecasts

| | CY 19 | CY 20 | CY 21 |
|------------------------------|-------------|-------------|-------------|
| Inflation (CPI-U) | 1.9% | 2.1% | 2.1% |
| U.S. Nominal GDP Growth | 4.1% | 4.0% | 3.9% |
| Nominal USPI Growth | 4.1% | 4.0% | 3.9% |
| Corporate Profits Before Tax | 4.2% | 4.1% | 3.9% |
| KS Nominal GSP Growth | 3.9% | 3.9% | 3.9% |
| KS Personal Income Growth | 3.9% | 3.9% | 3.9% |
| Kansas Disposable Income | 3.9% | 3.9% | 3.9% |
| U.S. Unemployment Rate | 3.7% | 3.8% | 3.9% |
| Kansas Unemployment Rate | 3.5% | 3.5% | 3.5% |
| | | | |
| | FY 19 | FY 20 | FY 21 |
| SGF Interest | 2.35% | 2.50% | 2.50% |
| Oil and Gas | | | |
| Oil Price per Barrel | \$54.00 | \$54.00 | \$52.00 |
| Gross Oil Production | 34,000,000 | 33,000,000 | 32,000,000 |
| Gas Price per Mcf | \$2.70 | \$2.30 | \$2.25 |
| Gross Gas Production | 195,000,000 | 180,000,000 | 165,000,000 |

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 significantly lower for all fiscal years of the estimating period.

Growth Rates of Key Revenue Sources (Percentages)

| Revenue Source | FY 2019 | FY 2020 | FY 2021 |
|--------------------|---------|---------|---------|
| Individual Income | 5.9 % | 4.9 % | 1.9 % |
| Corporation Income | 13.4 | 1.1 | 1.1 |
| Retail Sales | (0.5) | 0.6 | 0.6 |
| Compensating Use | 3.8 | 4.3 | 3.4 |

FY 2019

The revised estimate of SGF receipts for FY 2019 is \$7.237 billion, a decrease of \$73.1 million from the previous estimate made in November. Total SGF receipts through March were

running \$89.2 million below the previous estimate. This result is heavily influenced by the recently enacted \$115.0 million transfer from the SGF to Kansas Public Employees Retirement System (KPERS), which had not been part of the November forecast. The revised estimate is \$61.5 million or 0.8 percent below actual FY 2018 receipts. Details of the current year's revised estimate are reflected in Table 2.

Net Transfers

The estimate for net transfers was decreased by \$111.1 million in FY 2019, primarily from SB 9 that transferred \$115.0 million from the SGF to KPERS to pay for reduced employer contributions from FY 2016. The \$115.0 million transfer represents \$97.4 million in KPERS State/School Group employer contributions that were withheld from the KPERS retirement system in FY 2016 plus interest. KPERS has indicated the actuarial effect of the transfer would be a net savings of \$186.1 million from all funds over 30 years and would reduce the actuarial required contribution rate by approximately 0.23 percent for FY 2023 through FY 2035. The net transfer adjustments also include additional \$3.9 million from the SGF for higher interest earnings on idle funds that are retained by certain state agencies; a reduction of \$3.6 million from lower estimated tort claim at the Attorney General Office; a reduction of \$3.0 million in the planned transfer from the SGF to the Automated Tax System Fund to allow the Department of Revenue to compensate vendors for automated tax system upgrades; and an additional \$1.2 million to the SGF for various other net transfers.

Individual Income and Corporation Income Taxes

The individual income tax was increased by \$25.0 million in FY 2019 based on higher income tax withholding and estimated payments growth expectations than were estimated in November. Individual income tax receipts through March were running \$11.2 million above the fiscal year-to-date estimate. 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 \$25.0 million in FY 2019 from the amount estimated in November. Fiscal year-to-date receipts were up \$22.8 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 that showed higher estimated payments.

Retail Sales and Compensating Use Taxes

The retail sales tax estimate for FY 2019 was decreased by \$15.0 million from the amount estimated in November. Retail sales tax receipts were down \$11.9 million below the fiscal-year-to-date estimate through March. Monthly retail sales tax receipts have largely been falling below expectations since November, with the only notable exception that March was \$3.5 million above the monthly estimate. The Consensus Revenue Estimating Group looked at the amount of sales lost to Internet retailers and to border counties in neighboring states; increased consumer

expenditures for items that are not subject to the sales tax including medical care, digital goods, and services; the share of disposable income dedicated to higher gas prices in recent months; and sales tax exemptions as possible explanations that will limit the growth in receipts from retail sales taxes in the near-term despite steady increases in Kansas disposable personal income.

The compensating use tax estimate was increased by \$2.0 million in FY 2019 from the amount estimated in November. Fiscal year-to-date receipts were down more than \$500,000 through March, but are up \$13.1 million over FY 2018 receipts. However, collections from this source are estimated to accelerate in the final three months of the fiscal year, as a portion of the growth in compensating use tax receipts appears to have been driven by 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 decreased by at least \$1.0 million include agency earnings (decreased by \$6.6 million), oil severance tax (decreased by \$3.7 million), and financial institutions privilege tax (decreased by \$2.0 million). Other receipt estimates that were increased by at least \$1.0 million include insurance premiums tax (increased by \$8.0 million) and gas severance tax (increased by \$4.2 million).

FY 2020

SGF receipts are estimated to be \$7.327 billion in FY 2020, an increase of \$55.7 million relative to the November estimate. The new FY 2020 figure is \$90.4 million or 1.2 percent above the newly revised FY 2019 estimate. This result is influenced by higher individual and corporation income tax receipts growth that will continue in FY 2020, which is partially offset by lower growth in retail sales tax receipts and by net transfers that are authorized to take place in FY 2019, but have not been authorized in the budgetary process for FY 2020. Details of the revised estimate for FY 2020 are reflected in Table 3.

The individual income tax estimate was increased by \$50.0 million in FY 2020 based on the continuation of higher income tax withholding and estimated payments. The individual income tax estimate was reduced by \$1.7 million for the fiscal effect of HB 2044, which provides a new non-refundable income tax credit equal to 15.0 percent of the amount of expenditures for goods and services purchased from a qualified vendor that provides employment to individuals who are blind or severely disabled beginning in tax year 2019 through tax year 2023. The corporation income tax estimate was increased by \$25.0 million in FY 2020 from the amount estimated in November for continued growth in corporate profits. Other receipt estimates that were increased by at least \$1.0 million include insurance premiums tax (increased by \$12.0 million), compensating use tax (increased by \$5.0 million), and gas severance tax (increased by \$3.1 million).

The retail sales tax estimate for FY 2020 was decreased by \$25.0 million from lower estimated growth that is estimated to continue for this source. Other receipt estimates that were

decreased by at least \$1.0 million include oil severance tax (decreased by \$4.6 million), net transfers (decreased by \$4.3 million), SGF interest (decreased by \$3.0 million), financial institutions privilege tax (decreased by \$2.0 million), and agency earnings (decreased by \$1.3 million).

FY 2021

The revised estimate of SGF receipts for FY 2021 is \$7.267 billion, an increase of \$32.3 million from the previous estimate made in November. The new FY 2021 figure is \$59.9 million or 0.8 percent below the newly revised FY 2020 estimate. This result is influenced by net transfers and other revenue sources that revert back to previous statutory levels unless addressed in the budgetary process for FY 2021. Assumed transfers in FY 2021 include the resumption of certain demand transfers to local units of government including County and City Revenue Sharing Fund (\$78.1 million), Local Ad Valorem Tax Reduction Fund (\$54.0 million), and Special City and County Highway Fund (\$13.0 million). Details of the revised estimate for FY 2021 are reflected in Table 4.

The individual income tax was increased by \$50.0 million in FY 2021. The individual income tax estimate was reduced by \$1.7 million for the fiscal effect of HB 2044. The individual income tax estimate was reduced by \$33.5 million to account for income tax withholding transfers to the Job Creation Program Fund that is required under current law. Other receipt estimates that were increased by at least \$1.0 million include corporation income tax (increased by \$25.0 million), insurance premiums tax (increased by \$13.0 million), compensating use tax (increased by \$5.0 million), gas severance tax (increased by \$3.5 million), and cigarette tax (increased by \$1.0 million).

The retail sales tax estimate for FY 2021 was decreased by \$40.0 million to continue the flatter estimated growth from this source. Other receipt estimates that were decreased by at least \$1.0 million include SGF interest (decreased by \$10.0 million), net transfers (decreased by \$9.5 million), oil severance tax (decreased by \$4.6 million), agency earnings (decreased by \$1.3 million), and financial institutions privilege tax (decreased by \$1.0 million).

Accuracy of Consensus Revenue Estimates

For 44 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 18, 2019, to discuss estimates and come to a consensus for each fiscal year. These estimates will be further adjusted at the conclusion of the 2019 Legislative Session to reflect state legislation enacted after April 18, 2019, 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 |
| 2018 | 6,453.5 | 7,030.9 | 7,298.1 | 844.6 | 13.1 | 267.2 | 3.8 |

* 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)

| | Consensus Estimate April 18, 2019 | | | | | | | |
|----------------------------|-----------------------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|
| | FY 2018 (Actual) | | FY 2019 (Revised) | | FY 2020 (Revised) | | FY 2021 (Revised) | |
| | Amount | Percent Change | Amount | Percent Change | Amount | Percent Change | Amount | Percent Change |
| Property Tax/Fee: | | | | | | | | |
| Motor Carrier | \$ 12,430 | 14.4 % | \$ 12,300 | (1.0) % | \$ 12,400 | 0.8 % | \$ 12,500 | 0.8 % |
| Income Taxes: | | | | | | | | |
| Individual | \$3,374,420 | 46.5 % | \$3,575,000 | 5.9 % | \$3,750,000 | 4.9 % | \$3,820,000 | 1.9 % |
| Corporation | 392,440 | 20.8 | 445,000 | 13.4 | 450,000 | 1.1 | 455,000 | 1.1 |
| Financial Institutions | 45,527 | 10.7 | 41,000 | (9.9) | 42,000 | 2.4 | 43,000 | 2.4 |
| Total | \$3,812,387 | 42.8 % | \$4,061,000 | 6.5 % | \$4,242,000 | 4.5 % | \$4,318,000 | 1.8 % |
| Excise Taxes: | | | | | | | | |
| Retail Sales | \$2,341,693 | 2.4 % | \$2,330,000 | (0.5) % | \$2,345,000 | 0.6 % | \$2,360,000 | 0.6 % |
| Compensating Use | 406,514 | 5.7 | 422,000 | 3.8 | 440,000 | 4.3 | 455,000 | 3.4 |
| Cigarette | 120,073 | (7.7) | 114,000 | (5.1) | 110,000 | (3.5) | 107,000 | (2.7) |
| Tobacco Products | 8,676 | 3.0 | 8,800 | 1.4 | 8,900 | 1.1 | 9,000 | 1.1 |
| Cereal Malt Beverage | 1,479 | (4.2) | 1,000 | (32.4) | 100 | (90.0) | -- | (100.0) |
| Liquor Gallonage | 19,851 | 2.1 | 20,500 | 3.3 | 21,000 | 2.4 | 21,500 | 2.4 |
| Liquor Enforcement | 73,475 | 2.7 | 73,500 | 0.0 | 74,500 | 1.4 | 75,500 | 1.3 |
| Liquor Drink | 11,548 | 4.6 | 12,000 | 3.9 | 12,200 | 1.7 | 12,300 | 0.8 |
| Corporate Franchise | 7,487 | (1.9) | 7,300 | (2.5) | 7,400 | 1.4 | 7,500 | 1.4 |
| Severance | 41,401 | (1.6) | 41,500 | 0.2 | 34,700 | (16.4) | 32,600 | (6.1) |
| Gas | 12,920 | (13.2) | 10,700 | (17.2) | 7,500 | (29.9) | 6,800 | (9.3) |
| Oil | 28,481 | 4.7 | 30,800 | 8.1 | 27,200 | (11.7) | 25,800 | (5.1) |
| Total | \$3,032,195 | 2.4 % | \$3,030,600 | (0.1) % | \$3,053,800 | 0.8 % | \$3,080,400 | 0.9 % |
| Other Taxes: | | | | | | | | |
| Insurance Premiums | \$ 171,100 | (0.7) % | \$ 173,000 | 1.1 % | \$ 182,000 | 5.2 % | \$ 185,000 | 1.6 % |
| Miscellaneous | 2,699 | 99.6 | 3,500 | 29.7 | 3,800 | 8.6 | 4,000 | 5.3 |
| Total | \$ 173,799 | 0.1 % | \$ 176,500 | 1.6 % | \$ 185,800 | 5.3 % | \$ 189,000 | 1.7 % |
| Total Taxes | \$7,030,811 | 20.9 % | \$7,280,400 | 3.5 % | \$7,494,000 | 2.9 % | \$7,599,900 | 1.4 % |
| Other Revenues & Receipts: | | | | | | | | |
| Interest | \$ 22,786 | (65.3) % | \$ 50,000 | 119.4 % | \$ 54,000 | 8.0 % | \$ 55,000 | 1.9 % |
| Transfers & Other Receipts | 198,441 | (48.0) | (142,300) | (171.7) | (272,300) | (91.4) | (439,100) | (61.3) |
| Agency Earnings | 46,034 | (38.4) | 48,500 | 5.4 | 51,300 | 5.8 | 51,300 | -- |
| Total | \$ 267,261 | (48.8) % | \$ (43,800) | (116.4) % | \$ (167,000) | (281.3) % | \$ (332,800) | (99.3) % |
| Total Receipts | \$7,298,073 | 15.1 % | \$7,236,600 | (0.8) % | \$7,327,000 | 1.2 % | \$7,267,100 | (0.8) % |

Table 2
State General Fund Receipts
FY 2019 Revised
Comparison of April 2019 Estimate to November 2018 Estimate
(Dollars in Thousands)

| | FY 2019 CRE Est. | FY 2019 CRE Est. | Difference | |
|---------------------------------------|---------------------|---------------------|---------------------|------------------|
| | Revised 11/09/18 | Revised 04/18/19 | Amount | Pct. Chg. |
| Property Tax/Fee: | | | | |
| Motor Carrier | \$ 12,100 | \$ 12,300 | \$ 200 | 1.7 % |
| Income Taxes: | | | | |
| Individual | \$ 3,550,000 | \$ 3,575,000 | \$ 25,000 | 0.7 % |
| Corporation | 420,000 | 445,000 | 25,000 | 6.0 |
| Financial Institutions | 43,000 | 41,000 | (2,000) | (4.7) |
| Total | \$ 4,013,000 | \$ 4,061,000 | \$ 48,000 | 1.2 % |
| Excise Taxes: | | | | |
| Retail Sales | \$ 2,345,000 | \$ 2,330,000 | \$ (15,000) | (0.6) % |
| Compensating Use | 420,000 | 422,000 | 2,000 | 0.5 |
| Cigarette | 114,000 | 114,000 | -- | -- |
| Tobacco Products | 8,700 | 8,800 | 100 | 1.1 |
| Cereal Malt Beverage | 1,200 | 1,000 | (200) | (16.7) |
| Liquor Gallonage | 20,200 | 20,500 | 300 | 1.5 |
| Liquor Enforcement | 73,000 | 73,500 | 500 | 0.7 |
| Liquor Drink | 11,800 | 12,000 | 200 | 1.7 |
| Corporate Franchise | 7,300 | 7,300 | -- | -- |
| Severance | 41,000 | 41,500 | 500 | 1.2 |
| Gas | 6,500 | 10,700 | 4,200 | 64.6 |
| Oil | 34,500 | 30,800 | (3,700) | (10.7) |
| Total | \$ 3,042,200 | \$ 3,030,600 | \$ (11,600) | (0.4) % |
| Other Taxes: | | | | |
| Insurance Premiums | \$ 165,000 | \$ 173,000 | \$ 8,000 | 4.8 % |
| Miscellaneous | 3,500 | 3,500 | -- | -- |
| Total | \$ 168,500 | \$ 176,500 | \$ 8,000 | 4.7 % |
| Total Taxes | \$ 7,235,800 | \$ 7,280,400 | \$ 44,600 | 0.6 % |
| Other Revenues & Receipts: | | | | |
| Interest | \$ 50,000 | \$ 50,000 | \$ -- | -- % |
| Transfers & Other Receipts | (31,200) | (142,300) | (111,100) | (356.1) |
| Agency Earnings | 55,100 | 48,500 | (6,600) | (12.0) |
| Total | \$ 73,900 | \$ (43,800) | \$ (117,700) | (159.3) % |
| Total Receipts | \$ 7,309,700 | \$ 7,236,600 | \$ (73,100) | (1.0) % |

Table 3
State General Fund Receipts
FY 2020 Revised
Comparison of April 2019 Estimate to November 2018 Estimate
(Dollars in Thousands)

| | FY 2020 CRE Est. | FY 2020 CRE Est. | Difference | |
|----------------------------|------------------|------------------|-------------|-----------|
| | Revised 11/09/18 | Revised 04/18/19 | Amount | Pct. Chg. |
| Property Tax/Fee: | | | | |
| Motor Carrier | \$ 12,300 | \$ 12,400 | \$ 100 | 0.8 % |
| Income Taxes: | | | | |
| Individual | \$ 3,700,000 | \$ 3,750,000 | \$ 50,000 | 1.4 % |
| Corporation | 425,000 | 450,000 | 25,000 | 5.9 |
| Financial Institutions | 44,000 | 42,000 | (2,000) | (4.5) |
| Total | \$ 4,169,000 | \$ 4,242,000 | \$ 73,000 | 1.8 % |
| Excise Taxes: | | | | |
| Retail Sales | \$ 2,370,000 | \$ 2,345,000 | \$ (25,000) | (1.1) % |
| Compensating Use | 435,000 | 440,000 | 5,000 | 1.1 |
| Cigarette | 110,000 | 110,000 | -- | -- |
| Tobacco Product | 8,800 | 8,900 | 100 | 1.1 |
| Cereal Malt Beverage | 900 | 100 | (800) | (88.9) |
| Liquor Gallonage | 20,400 | 21,000 | 600 | 2.9 |
| Liquor Enforcement | 74,000 | 74,500 | 500 | 0.7 |
| Liquor Drink | 11,900 | 12,200 | 300 | 2.5 |
| Corporate Franchise | 7,400 | 7,400 | -- | -- |
| Severance | 36,200 | 34,700 | (1,500) | (4.1) |
| Gas | 4,400 | 7,500 | 3,100 | 70.5 |
| Oil | 31,800 | 27,200 | (4,600) | (14.5) |
| Total | \$ 3,074,600 | \$ 3,053,800 | \$ (20,800) | (0.7) % |
| Other Taxes: | | | | |
| Insurance Premiums | \$ 170,000 | \$ 182,000 | \$ 12,000 | 7.1 % |
| Miscellaneous | 3,800 | 3,800 | -- | -- |
| Total | \$ 173,800 | \$ 185,800 | \$ 12,000 | 6.9 % |
| Total Taxes | \$ 7,429,700 | \$ 7,494,000 | \$ 64,300 | 0.9 % |
| Other Revenues & Receipts: | | | | |
| Interest | \$ 57,000 | \$ 54,000 | \$ (3,000) | (5.3) % |
| Transfers & Other Receipts | (268,000) | (272,300) | (4,300) | (1.6) |
| Agency Earnings | 52,600 | 51,300 | (1,300) | (2.5) |
| Total | \$ (158,400) | \$ (167,000) | \$ (8,600) | (5.4) % |
| Total Receipts | \$ 7,271,300 | \$ 7,327,000 | \$ 55,700 | 0.8 % |

Table 4
State General Fund Receipts
FY 2021 Revised
Comparison of April 2019 Estimate to November 2018 Estimate
(Dollars in Thousands)

| | FY 2021 CRE Est. | FY 2021 CRE Est. | Difference | |
|---------------------------------------|---------------------|---------------------|--------------------|----------------|
| | Revised 11/09/18 | Revised 04/18/19 | Amount | Pct. Chg. |
| Property Tax/Fee: | | | | |
| Motor Carrier | \$ 12,500 | \$ 12,500 | \$ -- | -- % |
| Income Taxes: | | | | |
| Individual | \$ 3,770,000 | \$ 3,820,000 | \$ 50,000 | 1.3 % |
| Corporation | 430,000 | 455,000 | 25,000 | 5.8 |
| Financial Institutions | 44,000 | 43,000 | (1,000) | (2.3) |
| Total | \$ 4,244,000 | \$ 4,318,000 | \$ 74,000 | 1.7 % |
| Excise Taxes: | | | | |
| Retail Sales | \$ 2,400,000 | \$ 2,360,000 | \$ (40,000) | (1.7) % |
| Compensating Use | 450,000 | 455,000 | 5,000 | 1.1 |
| Cigarette | 106,000 | 107,000 | 1,000 | 0.9 |
| Tobacco Product | 8,900 | 9,000 | 100 | 1.1 |
| Cereal Malt Beverage | 600 | -- | (600) | (100.0) |
| Liquor Gallonage | 20,600 | 21,500 | 900 | 4.4 |
| Liquor Enforcement | 75,000 | 75,500 | 500 | 0.7 |
| Liquor Drink | 12,000 | 12,300 | 300 | 2.5 |
| Corporate Franchise | 7,500 | 7,500 | -- | -- |
| Severance | 33,700 | 32,600 | (1,100) | (3.3) |
| Gas | 3,300 | 6,800 | 3,500 | 106.1 |
| Oil | 30,400 | 25,800 | (4,600) | (15.1) |
| Total | \$ 3,114,300 | \$ 3,080,400 | \$ (33,900) | (1.1) % |
| Other Taxes: | | | | |
| Insurance Premiums | \$ 172,000 | \$ 185,000 | \$ 13,000 | 7.6 % |
| Miscellaneous | 4,000 | 4,000 | -- | -- |
| Total | \$ 176,000 | \$ 189,000 | \$ 13,000 | 7.4 % |
| Total Taxes | \$ 7,546,800 | \$ 7,599,900 | \$ 53,100 | 0.7 % |
| Other Revenues & Receipts: | | | | |
| Interest | \$ 65,000 | \$ 55,000 | \$ (10,000) | (15.4) % |
| Transfers & Other Receipts | (429,600) | (439,100) | (9,500) | (2.2) |
| Agency Earnings | 52,600 | 51,300 | (1,300) | (2.5) |
| Total | \$ (312,000) | \$ (332,800) | \$ (20,800) | (6.7) % |
| Total Receipts | \$ 7,234,800 | \$ 7,267,100 | \$ 32,300 | 0.4 % |