



**Kansas Legislative Research Department**

*Providing nonpartisan, objective research and fiscal analysis for the Kansas Legislature since 1934*

68-West-Statehouse | 300 SW 10th Ave. | Topeka, Kansas 66612-1504  
(785) 296-3181

kslegres@klrd.ks.gov

kslegislature.org/klrd

April 18, 2019

**To:** Governor Laura Kelly and Legislative Coordinating Council

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

**Re:** State General Fund Revenue Estimate for FY 2019, FY 2020, and FY 2021

The Consensus Estimating Group met today to revise the November 9, 2018 State General Fund estimates for FY 2019, FY 2020, and FY 2021. The revisions include the estimated impact of all 2019 legislation signed into law thus far. The impact of legislation affecting the SGF that becomes law after April 18 will be quantified in a separate legislative adjustments report prepared at the conclusion of the *sine die* adjournment. A more detailed memo will be available soon which contains the economic forecast for Kansas upon which the new estimates are based, as well as a discussion of the other factors influencing the individual source estimates.

The overall estimate for FY 2019, FY 2020, and FY 2021 was increased by a combined \$14.9 million. 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.

For FY 2019, the estimate was decreased by \$73.1 million, or 1.0 percent, below the November estimate. This result is heavily influenced by the recently enacted \$115.0 million transfer from the State General Fund to KPERS, which had not been part of the November forecast. The estimate for total taxes was increased by \$44.6 million, while the estimate for other revenues, which includes the KPERS transfer, 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.

Table 1 compares the revised estimates for FY 2019, FY 2020, and FY 2021 with actual receipts from FY 2018. Tables 2, 3, and 4 show the revisions in each fiscal year's estimates.

**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.
<b>Property Tax/Fee:</b>				
Motor Carrier	\$ 12,100	\$ 12,300	\$ 200	1.7 %
<b>Income Taxes:</b>				
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)
<b>Total</b>	<b>\$ 4,013,000</b>	<b>\$ 4,061,000</b>	<b>\$ 48,000</b>	<b>1.2 %</b>
<b>Excise Taxes:</b>				
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)
<b>Total</b>	<b>\$ 3,042,200</b>	<b>\$ 3,030,600</b>	<b>\$ (11,600)</b>	<b>(0.4) %</b>
<b>Other Taxes:</b>				
Insurance Premiums	\$ 165,000	\$ 173,000	\$ 8,000	4.8 %
Miscellaneous	3,500	3,500	--	--
<b>Total</b>	<b>\$ 168,500</b>	<b>\$ 176,500</b>	<b>\$ 8,000</b>	<b>4.7 %</b>
<b>Total Taxes</b>	<b>\$ 7,235,800</b>	<b>\$ 7,280,400</b>	<b>\$ 44,600</b>	<b>0.6 %</b>
<b>Other Revenues &amp; Receipts:</b>				
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)
<b>Total</b>	<b>\$ 73,900</b>	<b>\$ (43,800)</b>	<b>\$ (117,700)</b>	<b>(159.3) %</b>
<b>Total Receipts</b>	<b>\$ 7,309,700</b>	<b>\$ 7,236,600</b>	<b>\$ (73,100)</b>	<b>(1.0) %</b>

**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.
<b>Property Tax/Fee:</b>				
Motor Carrier	\$ 12,300	\$ 12,400	\$ 100	0.8 %
<b>Income Taxes:</b>				
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)
<b>Total</b>	<b>\$ 4,169,000</b>	<b>\$ 4,242,000</b>	<b>\$ 73,000</b>	<b>1.8 %</b>
<b>Excise Taxes:</b>				
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)
<b>Total</b>	<b>\$ 3,074,600</b>	<b>\$ 3,053,800</b>	<b>\$ (20,800)</b>	<b>(0.7) %</b>
<b>Other Taxes:</b>				
Insurance Premiums	\$ 170,000	\$ 182,000	\$ 12,000	7.1 %
Miscellaneous	3,800	3,800	--	--
<b>Total</b>	<b>\$ 173,800</b>	<b>\$ 185,800</b>	<b>\$ 12,000</b>	<b>6.9 %</b>
<b>Total Taxes</b>	<b>\$ 7,429,700</b>	<b>\$ 7,494,000</b>	<b>\$ 64,300</b>	<b>0.9 %</b>
<b>Other Revenues &amp; Receipts:</b>				
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)
<b>Total</b>	<b>\$ (158,400)</b>	<b>\$ (167,000)</b>	<b>\$ (8,600)</b>	<b>(5.4) %</b>
<b>Total Receipts</b>	<b>\$ 7,271,300</b>	<b>\$ 7,327,000</b>	<b>\$ 55,700</b>	<b>0.8 %</b>

**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.
<b>Property Tax/Fee:</b>				
Motor Carrier	\$ 12,500	\$ 12,500	\$ --	-- %
<b>Income Taxes:</b>				
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)
<b>Total</b>	<b>\$ 4,244,000</b>	<b>\$ 4,318,000</b>	<b>\$ 74,000</b>	<b>1.7 %</b>
<b>Excise Taxes:</b>				
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)
<b>Total</b>	<b>\$ 3,114,300</b>	<b>\$ 3,080,400</b>	<b>\$ (33,900)</b>	<b>(1.1) %</b>
<b>Other Taxes:</b>				
Insurance Premiums	\$ 172,000	\$ 185,000	\$ 13,000	7.6 %
Miscellaneous	4,000	4,000	--	--
<b>Total</b>	<b>\$ 176,000</b>	<b>\$ 189,000</b>	<b>\$ 13,000</b>	<b>7.4 %</b>
<b>Total Taxes</b>	<b>\$ 7,546,800</b>	<b>\$ 7,599,900</b>	<b>\$ 53,100</b>	<b>0.7 %</b>
<b>Other Revenues &amp; Receipts:</b>				
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)
<b>Total</b>	<b>\$ (312,000)</b>	<b>\$ (332,800)</b>	<b>\$ (20,800)</b>	<b>(6.7) %</b>
<b>Total Receipts</b>	<b>\$ 7,234,800</b>	<b>\$ 7,267,100</b>	<b>\$ 32,300</b>	<b>0.4 %</b>

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES FY 2018 - FY 2020**  
**HOUSE VS. SENATE CONFERENCE POSITIONS - REVISED**  
*(INCLUDES CASELOADS AND APRIL 2019 CONSENSUS REVENUE ESTIMATES)*

**House Appropriations Profile**

	Actual FY 2018	HAP Rec. FY 2019	HAP Rec. FY 2020
Beginning Balance	\$ 108.5	\$ 761.7	\$ 865.4
Receipts (April 2019 Consensus)	7,302.3	7,236.6	7,327.0
Governor's Revenue Adjustments	-	(3.3)	250.0
<i>PMIB Bridge Funding Gov Rec.</i>	-	(264.3)	52.9
<i>PMIB Bridge Funding House Rec.</i>	-	264.3	(132.2)
Legislative Receipt Adjustments	-	0.1	1.6
Adjusted Receipts	7,302.3	7,233.4	7,499.3
<b>Total Available</b>	<b>\$ 7,410.8</b>	<b>\$ 7,995.1</b>	<b>\$ 8,364.7</b>
Less Expenditures	6,649.1	7,129.7	7,560.3
Caseload Adjustments	0.0	(12.3)	4.3
KPERS Reammortization Deletion	0.0	0.0	145.3
<b>Total Expenditures</b>	<b>\$ 6,649.1</b>	<b>\$ 7,117.4</b>	<b>\$ 7,709.9</b>
<i>Ending Balance</i>	<i>\$ 761.7</i>	<i>\$ 865.4</i>	<i>\$ 654.8</i>
Ending Balance as a % of Expenditures	11.5%	12.2%	8.5%

**Senate Ways and Means Profile**

	Actual FY 2018	SWAM Rec. FY 2019	SWAM Rec. FY 2020
Beginning Balance	\$ 108.5	\$ 761.7	\$ 601.1
Receipts (April 2019 Consensus)	7,302.3	7,236.6	7,327.0
Governor's Revenue Adjustments	-	(3.3)	250.0
<i>PMIB Bridge Funding Gov Rec.</i>	-	(264.3)	52.9
<i>PMIB Bridge Funding Senate Rec.</i>	-	-	-
Legislative Receipt Adjustments	-	0.1	1.6
Adjusted Receipts	7,302.3	6,969.1	7,631.5
<b>Total Available</b>	<b>\$ 7,410.8</b>	<b>\$ 7,730.8</b>	<b>\$ 8,232.6</b>
Less Expenditures	6,649.1	7,129.7	7,560.3
Caseload Adjustments	0.0	(12.3)	4.3
KPERS Reammortization Deletion	0.0	0.0	145.3
<b>Total Expenditures</b>	<b>\$ 6,649.1</b>	<b>\$ 7,117.4</b>	<b>\$ 7,709.9</b>
<i>Ending Balance</i>	<i>\$ 761.7</i>	<i>\$ 601.1</i>	<i>\$ 522.7</i>
Ending Balance as a % of Expenditures	11.5%	8.4%	6.8%