

April 30, 2021

**To:** Governor Laura Kelly and Legislative Coordinating Council  
**From:** Division of the Budget and Kansas Legislative Research Department  
**Subject:** State General Fund Revenue Estimates for FY 2021 and FY 2022

Estimates for the State General Fund (SGF) are developed using a consensus process that involves the Division of the Budget, Kansas 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 interpreted by the courts.

The Consensus Revenue Estimating Group (CRE Group) met on April 20, 2021, and increased the overall estimate for FY 2021 and FY 2022 by a combined \$361.0 million relative to the previous estimate made in November. The estimate for total taxes was increased by \$342.4 million, and other revenues were increased by \$18.6 million for the two years combined. The revised estimates incorporate the fiscal effect of all 2021 legislation signed into law through April 20, 2021. Table 1 compares the revised estimates for FY 2021 and FY 2022 with actual receipts from FY 2020.

For FY 2021, the estimate was increased by \$319.8 million, or 4.1 percent, above the November estimate. The estimate for total taxes was increased by \$304.1 million, while the estimate for other revenues was increased by \$15.7 million. The overall revised estimate of \$8.028 billion represents a 16.3 percent increase above final FY 2020 receipts.

The revised estimate for FY 2022 is \$7.525 billion, which is \$41.2 million or 0.6 percent, above the previous estimate. The estimate for total taxes was increased by \$38.3 million, while the estimate for other revenues was increased by \$2.9 million. The revised forecast for FY 2022 represents a 6.3 percent decrease below the newly revised FY 2021 estimate.

### **Economic Forecast for Kansas Summary**

Most key economic variables and indicators have recovered significantly since the CRE Group last convened in November and there is a broad expectation that the worst of the pandemic

and associated economic downturn are behind us. However, there are still potential dangers on the horizon as COVID-19 cases are at high levels throughout much of the world and new variants of the virus could pose threats to the domestic recovery. Significant concerns exist for the economy as a whole relative to recovery efforts made by local, state, and federal governments; availability and affordability of healthcare; volatility in energy prices; U.S. trade and foreign policy; and consumer and business demand for products and services subject to sales taxation.

Last November, no vaccines were being deployed beyond testing and negotiations for an additional federal stimulus package were at an impasse. Since that time, the Kansas Department of Health and Environment reports that nearly 40.0 percent of Kansans have received at least one dose of the COVID-19 vaccine; and two separate federal stimulus packages have been passed: \$900.0 billion as a part of the Consolidated Appropriations Act, 2021 (December 2020) and \$1.9 trillion from the American Rescue Plan Act of 2021 (March 2021). While the economy has not fully recovered to pre-pandemic levels, there is cautious optimism that with accelerated vaccine distribution, higher employment levels, and businesses opening back up, the economy will grow, and no further large-scale pandemic-related disruptions are estimated to occur over the forecast period.

Real Kansas Gross State Product (GSP), which measures the cumulative economic output of the state's economy, is estimated to increase by 4.7 percent in calendar year (CY) 2021, increase by 3.7 percent in CY 2022, and increase by 2.1 percent in CY 2023. The November estimate showed real Kansas GSP increasing by 1.9 percent for each calendar year over the forecast period. Current forecasts call for real U.S. Gross Domestic Product (GDP) to increase by 4.7 percent in CY 2021, increase by 3.7 percent in CY 2022, and increase by 2.1 percent in CY 2023. The November estimate had the real U.S. GDP increasing by 3.1 percent in CY 2021, increasing by 2.7 percent in CY 2022, and increasing by 2.0 percent in CY 2023.

## **Kansas Personal Income**

Real Kansas Personal Income (KPI), a measure of the economic well-being of state residents from all the income that they receive is expected to increase by 5.5 percent in CY 2021, increase by 3.7 percent in CY 2022, and increase by 2.1 percent in CY 2023. The KPI forecast used in November showed KPI increasing by 1.4 percent in CY 2021, increasing by 2.0 percent in CY 2022, and increasing by 1.9 percent in CY 2023. Current estimates indicate overall real U.S. Personal Income (USPI) growth will increase by 5.5 percent in CY 2021, increase by 3.7 percent in CY 2022, and increase by 2.1 percent in CY 2023.

## **Employment**

Current estimates indicate that the overall Kansas unemployment rate, which was 5.9 percent in CY 2020, is expected to decrease to 3.8 percent in CY 2021, 3.6 percent in CY 2022, and 3.4 percent in CY 2023. Kansas unemployment expectations have improved substantially since November when the Kansas unemployed rate was estimated to be 4.3 percent in CY 2021 and 3.8 percent in CY 2022. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 4.5 percent in CY 2021, 3.9 percent in CY 2022, and 3.5 percent in CY 2023.

Kansas lost 158,000 non-farm jobs during the months of March and April 2020, but has since recovered 64.7 percent of lost jobs as of March 2021, the most recent month for which jobs data was available at the time of the estimate. Sectors with the largest amount of job decreases over the last year include leisure and hospitality; manufacturing; and education and health services. Construction is the only sector that has more jobs now as compared to a year ago.

Average weekly hours worked in the private sector in March 2021 decreased to 33.9 hours, a decrease of 0.3 hours from last March. Average nominal hourly earnings increased over-the-year by \$0.88 to \$26.68, which is an increase of 3.4 percent. Average nominal weekly earnings increased by \$22.09 to \$904.45 over the past year, which is an increase of 2.5 percent.

## **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 2020, the state earned 1.51 percent on its SGF portfolio (compared with a 2.35 percent rate in FY 2019). The average rate of return forecasted for FY 2021 is estimated to be 0.15 percent (unchanged from the November estimate). For FY 2022, the average rate of return is estimated to be 0.10 percent (unchanged from the November estimate). 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 \$8.0 million in FY 2021 (a decrease of \$1.0 million from the November estimate) and \$1.5 million in FY 2022 (a decrease of \$1.5 million from the November estimate). The Federal Reserve continues to maintain its benchmark interest rate to near zero. The PMIB maintains a significant portion of its investments in overnight repurchasing agreements, and rates that the PMIB could earn in that market are near zero and are likely to stay low for the foreseeable future after continued actions from the Federal Reserve. Newly lowered cash balance expectations combined with low rates are projected to bring in less earnings to the SGF for the balance of FY 2021 and into FY 2022 than previously estimated in November.

## **Inflation Rate**

The Consumer Price Index for All Urban Consumers (CPI-U) for CY 2021 is now projected to be 2.2 percent, which is higher than the 1.7 percent estimated in November. The current forecasts of 2.2 percent in both CYs 2022 and 2023 reflect slightly higher inflation expectations than the 1.8 percent for CY 2022 and 2.1 percent for CY 2023 estimated in November.

## **Agriculture**

Kansas farms are projected to have an increase in net farm income of approximately 35.0 percent in 2021 after smaller growth in 2020. However, this growth is largely attributable to federal payments to farmers and ranchers from the federal Coronavirus Food Assistance Program (CFAP). To date, Kansas farmers and ranchers who faced market disruptions due to COVID-19 have directly received \$1.118 billion in two rounds of CFAP payments and additional payments

are expected later this year. The new bilateral trade agreement with China and the United States-Mexico-Canada Agreement appear to be bolstering Kansas exports.

Increased commodity prices and expanded international trade are the primary drivers of the strength in the agricultural sector. In particular, sorghum has seen a projected price increase of 51.0 percent and farmers intend to plant 3.6 million acres of sorghum, up 20.0 percent from a year ago according to the latest prospective plantings report. In CY 2020, Kansas exported \$4.045 billion in agricultural products, which is an increase of 5.6 percent over CY 2019 levels. The Kansas Department of Agriculture reports that Kansas exported to 89 countries in CY 2020, with the top five countries (Mexico, Japan, South Korea, China, and Canada) accounting for 76.5 percent of the exports.

## **Oil and Gas**

The average price per taxable barrel of Kansas crude oil is now estimated to average \$38 in FY 2021 (up from the \$30 estimate used November) and reflects higher than anticipated prices that occurred over the winter. Since there is a two-month lag from when production occurs and when the tax is due, oil severance tax receipts will increase over the last three months of FY 2021. The estimated average price of \$49 per barrel in FY 2022 (up from the \$35 estimate used in November) is based largely on oil futures price expectations leading up to the April 20, 2021, meeting. A great deal of uncertainty remains in forecasting the price of this commodity. Kansas is estimated to produce 26.5 million barrels of oil in FY 2021, which is 500,000 barrels higher than the 26.0 million barrels estimated in November, but significantly lower than the 42.6 million barrels produced five years ago in FY 2016. The current forecast of 24.0 million barrels for FY 2022 is 1.0 million barrels more than the 23.0 million barrels estimated in November. Kansas production declines are reflective of little new drilling and large storage inventories. Of all the Kansas oil produced, 52.0 percent is predicted to not be subject to severance taxation because of various exemptions in state law for both FY 2021 and FY 2022, which are both up from the 50.0 percent estimated for both years in November.

Based on an industry source's analysis of futures markets, the price of natural gas is expected to average \$2.00 per thousand cubic feet (Mcf) for FY 2021, which is down from the \$2.25 per Mcf estimated in November. The price is estimated to increase to \$2.30 per Mcf for FY 2022, which is down from the \$2.50 per Mcf estimated in November. Kansas natural gas production is estimated to reach 160.0 million Mcf in FY 2021, which is higher than the 150.0 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 145.0 million Mcf in FY 2022 (up from the 135.0 million Mcf estimated in November). Approximately 67.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2021 and 65.0 percent is estimated to be exempt in FY 2022.

## **Impact of Federal Tax Law Changes on Kansas Tax Receipts**

The estimates for FY 2021 and FY 2022 include the state fiscal effect of the federal tax law changes from the federal Consolidated Appropriations Act, 2021 and the American Rescue Plan Act of 2021. Several federal tax provisions from these acts will flow through by way of conformity and have an impact on Kansas individual and corporation income tax receipts, including changes to the Paycheck Protection Program (PPP), exempting the first \$10,200 of unemployment benefits in tax year 2020, expanding the federal Child and Dependent Care Tax Credit, expanding the federal Earned Income Tax Credit, temporarily allowing all business meals to fully be deducted, and changing certain rules related to charitable deductions. The Department of Revenue estimates that the federal provisions will reduce SGF receipts by a total of \$101.7 million in FY 2021 (\$75.6 million for individual income taxes and \$26.1 million for corporation income taxes) and \$282.2 million in FY 2022 (\$154.4 million for individual income taxes and \$127.8 million for corporation income taxes).

The majority of the state impact of the federal tax provisions are related to the changes to PPP as a result of the Consolidated Appropriations Act, 2021. This Act authorizes additional PPP loans and allows taxpayers to deduct expenses paid for from forgiven PPP loans, including PPP loans previously authorized under the federal CARES Act passed in March 2020. Forgiven loans are typically included as income; however, Congress explicitly stated that the forgiven loans would not be considered taxable income if the businesses receiving them met certain criteria. The U.S. Department of the Treasury and Internal Revenue Service provided guidance throughout 2020 that taxpayers could not deduct the expenses related to forgiven PPP loans, which was overturned by language in the Consolidated Appropriations Act, 2021. The state fiscal effect specifically related to the PPP changes in the Consolidated Appropriations Act, 2021 are estimated to reduce SGF receipts by \$52.1 million in FY 2021 and \$209.5 million in FY 2022.

Another key component of both federal acts are stimulus payments that were sent to individuals and families under certain income levels. The stimulus payments are not subject to state income taxes but are intended to increase household spending and to prevent larger immediate declines in the economy as a result of the pandemic. The CRE Group will review the estimated state impact of the federal tax legislation throughout FY 2022.

## **Impact of Extending Tax Deadlines from April 15th to May 17th**

In the wake of federal action extending tax payment and filing deadlines, the Kansas Department of Revenue issued Notice 20-02 on March 19, 2021, that moved the Kansas individual income tax deadline from April 15, 2021, to May 17, 2021. Unlike last year's tax filing date extension that crossed over from one fiscal year to the next, this action is not expected to have a fiscal effect on the amount of tax receipts that are collected between fiscal years. However, similar to last year, relevant tax data from already processed tax returns as of April 20th is incomplete. Many taxpayers that are set to receive a refund file their income taxes early in February and March of each year, while taxpayers with large balance due tax obligations often choose to pay closer to the tax deadline. The lack of more complete tax processing data increases the potential for volatility of the CRE Group's forecast for both FY 2021 and FY 2022.

### Economic Forecasts

	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>
Inflation (CPI-U)	2.2 %	2.2 %	2.2 %
U.S. Real GDP Growth	4.7 %	3.7 %	2.1 %
Real USPI Growth	5.5 %	3.7 %	2.1 %
Real Corporate Profits Before Tax	10.8 %	5.0 %	4.8 %
KS Real GSP Growth	4.7 %	3.7 %	2.1 %
KS Real Personal Income Growth	5.5 %	3.7 %	2.1 %
Kansas Real Disposable Income	5.5 %	3.7 %	2.1 %
U.S. Unemployment Rate	4.5 %	3.9 %	3.5 %
Kansas Unemployment Rate	3.8 %	3.6 %	3.4 %

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
SGF Interest	1.51 %	0.15 %	0.10 %
Oil and Gas			
Oil Price per Barrel	\$47.72	\$38.00	\$49.00
Gross Oil Production	32,100,130	26,500,000	24,000,000
Gas Price per Mcf	\$1.36	\$2.00	\$2.30
Gross Gas Production	178,536,130	160,000,000	145,000,000

### State General Fund Receipt Estimates

Each individual SGF source was reevaluated independently, and consideration was given to revised and updated economic forecasts, collection information from the Department of Revenue and Department of Insurance, and year-to-date receipts. The growth rates for individual and corporation income taxes are significantly influenced by the tax filing deadline extension that occurred last year that moved the April 15, 2020 filing deadline to July 15, 2020. Tax revenue that otherwise would have been collected in FY 2020 instead was collected in FY 2021. The growth rates of the four highest generating revenue sources indicate significantly higher receipt growth in FY 2021, as compared to the November estimates. For FY 2022, the growth rates are generally consistent for retail sales and compensating use as compared to the November estimates; however, the growth rates are significantly lower for individual income and corporation income due to the latest assumptions about the impact of recent changes in state and federal law.

### FY 2021

The revised estimate of SGF receipts for FY 2021 is \$8.028 billion, an increase of \$319.8 million from the previous estimate made in November. Total SGF receipts through March were \$244.4 million above the previous estimate. The revised estimate is \$1.127 billion, or 16.3 percent, above actual FY 2020 receipts. This result is heavily influenced by the more than \$500.0 million

in receipts that was collected in FY 2021 because of various deadline extensions that occurred in FY 2020. Details of the current year's revised estimate are reflected in Table 2.

## **Income Taxes**

The individual income tax estimate was increased by \$44.4 million in FY 2021 based on higher income tax withholding and estimated payments growth expectations than were estimated in November. Individual income tax receipts through March were running \$74.7 million above the fiscal year-to-date estimate and \$534.9 million above actual year-to-date receipts from a year ago. The various federal tax law changes are estimated to reduce individual income tax receipts by \$75.6 million in FY 2021. 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 \$123.9 million in FY 2021 from the amount estimated in November. Fiscal year-to-date receipts were up \$60.7 million through March. The CRE 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. The revised estimate includes the fiscal effect of various federal tax law changes that are estimated to reduce corporation income tax receipts by \$26.1 million in FY 2021. The financial institutions privilege tax was increased by \$18.0 million as revenues for banks have reached record levels as federal stimulus dollars have cycled through the economy and worst-case financial scenarios have not materialized.

## **Retail Sales and Compensating Use Taxes**

The retail sales tax estimate for FY 2021 was increased by \$45.0 million from the amount estimated in November. Retail sales tax receipts were \$40.0 million above the fiscal-year-to-date estimate through March. Monthly retail sales tax receipts have been rising above expectations since November. Overall consumer spending is estimated to be stable in the final three months of the fiscal year due to higher real Kansas disposable personal income in part from federal stimulus payments.

The compensating use tax estimate was increased by \$25.0 million in FY 2021 from the amount estimated in November. Fiscal year-to-date receipts were up by \$20.1 million through March but are up \$82.6 million over FY 2020 receipts. The growth year-to-date in compensating use tax receipts appears to have been driven by stronger collections from out-of-state retailers and the acceleration of online shopping that has occurred throughout the pandemic.

## **Net Transfers**

The estimate for net transfers was increased by \$12.4 million in FY 2021, primarily from the reduction of \$10.0 million that the Department of Education estimates will be needed from the SGF for the School District Capital Improvements Fund. Due to higher than estimated Expanded Lottery Act Revenues Fund (ELARF) revenues that will be generated from state-owned casinos

than previously projected, the SGF is estimated to transfer \$2.5 million less from the SGF to the ELARF to backfill approved ELARF expenditures and transfers. The net transfer adjustments also include a reduction of \$100,000 to the SGF for various other net transfers.

## **Other State General Fund Receipts**

The insurance premiums tax was increased by \$41.2 million in FY 2021. The CRE group reduced the estimate by \$35.5 million at the November 2020 meeting after preliminary data indicated that additional credits would be taken by insurance companies to offset premium refunds and other reductions and fewer policies would be written during the pandemic. However, additional credits did not materialize, and additional lines of insurance were written that significantly increased the estimate. Other receipt estimates that were increased by at least \$1.0 million include agency earnings (increased by \$4.3 million), oil severance tax (increased by \$3.8 million), liquor enforcement tax (increased by \$3.0 million), and gas severance tax (increased by \$1.0 million). Other receipt estimates that were decreased by at least \$1.0 million include cigarette tax (decreased by \$3.0 million) and SGF interest (decreased by \$1.0 million).

## **FY 2022**

SGF receipts are estimated to be \$7.525 billion in FY 2022, an increase of \$41.2 million relative to the November estimate. The new FY 2022 estimate is \$502.7 million or 6.3 percent below the newly revised FY 2021 estimate. This result is heavily influenced by the more than \$500.0 million in receipts that were shifted from FY 2020 to FY 2021 because of various deadline extensions that occurred in FY 2020; and the fiscal effect of various federal tax provisions. Details of the revised estimate for FY 2022 are reflected in Table 3.

The individual income tax estimate was decreased by \$39.6 million in FY 2022 primarily based on the fiscal effect of various federal tax law changes that are estimated to reduce individual income tax receipts by \$154.4 million in FY 2021 which is partially offset by the expectation of continued higher income tax withholding payments. The individual income tax estimate was reduced by \$3.3 million for the fiscal effect of SB 65, which expands the High Performance Incentive Program. The revised estimate includes the fiscal effect of the changes to the Angel Investor tax credit contained in SB 66, which will reduce individual income taxes by \$1.9 million.

The corporation income tax estimate was decreased by \$41.0 million in FY 2022 from the amount estimated in November. The state impact of the various federal tax law changes is estimated to reduce corporation income tax receipts by \$127.8 million in FY 2022. The corporation income tax estimate was reduced by \$13.2 million for the fiscal effect of SB 65.

The retail sales tax estimate for FY 2022 was increased by \$45.0 million as a result of steady growth in consumer spending. The compensating use tax estimate was similarly increased by \$30.0 million in FY 2022, although revenue from this source is still expected to grow faster than the retail sales tax because of an accelerating trend of purchases now being made online.



Other receipt estimates that were increased by at least \$1.0 million include insurance premiums tax (increased by \$26.5 million), oil severance tax (increased by \$6.6 million), financial institutions privilege tax (increased by \$5.0 million), agency earnings (increased by \$4.4 million), liquor enforcement tax (increased by \$3.0 million), gas severance tax (increased by \$1.5 million), and liquor gallonage tax (increased by \$1.0 million). Other receipt estimates that were decreased by at least \$1.0 million include SGF interest (decreased by \$1.5 million) and cigarette tax (decreased by \$1.0 million).

### **Accuracy of Consensus Revenue Estimates**

For 46 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, 2021, to discuss estimates and come to a consensus for each fiscal year. These estimates will be further adjusted at the conclusion of the 2021 Legislative Session to reflect any state legislation enacted after April 20, 2021, 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. The adjusted original estimate is first 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
2019	6,571.0	7,231.2	7,368.4	797.4	12.1	137.2	1.9
2020	7,376.0	6,825.2	6,900.5	(475.5)	(6.4)	75.2	1.1

\* 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 affect 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 CRE Group. It also includes the estimated impact of legislation on receipts.

**Table 1**  
**State General Fund Receipts**  
*(Dollars in Thousands)*

	Consensus Estimate April 20, 2021					
	FY 2020 (Actual)		FY 2021 (Revised)		FY 2022 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax/Fee:						
Motor Carrier	\$ 12,502	5.5 %	\$ 12,900	3.2 %	\$ 12,900	-- %
Income Taxes:						
Individual	\$3,338,185	(11.1) %	\$4,084,400	22.4 %	\$3,790,400	(7.2) %
Corporation	384,407	(12.1)	533,900	38.9	319,000	(40.3)
Financial Institutions	46,197	(5.0)	70,000	51.5	50,000	(28.6)
Total	<u>\$3,768,789</u>	<u>(11.2) %</u>	<u>\$4,688,300</u>	<u>24.4 %</u>	<u>\$4,159,400</u>	<u>(11.3) %</u>
Excise Taxes:						
Retail Sales	\$2,352,523	0.7 %	\$2,445,000	3.9 %	\$2,470,000	1.0 %
Compensating Use	479,060	10.9	565,000	17.9	630,000	11.5
Cigarette	116,456	(0.2)	110,000	(5.5)	109,000	(0.9)
Tobacco Products	9,180	2.4	9,700	5.7	9,900	2.1
Liquor Gallonage	21,978	(0.5)	24,500	11.5	25,000	2.0
Liquor Enforcement	74,667	0.5	81,000	8.5	82,000	1.2
Liquor Drink	10,350	(15.2)	9,200	(11.1)	10,000	8.7
Severance	20,692	(50.4)	15,200	(26.5)	22,800	50.0
Gas	390	(96.1)	2,400	515.8	4,100	70.8
Oil	20,302	(36.1)	12,800	(37.0)	18,700	46.1
Total	<u>\$3,084,905</u>	<u>1.4 %</u>	<u>\$3,259,600</u>	<u>5.7 %</u>	<u>\$3,358,700</u>	<u>3.0 %</u>
Other Taxes:						
Insurance Premiums	\$ 172,479	5.6 %	\$ 178,200	3.3 %	\$ 176,500	(1.0) %
Corporate Franchise	7,043	(4.2)	8,300	17.9	7,800	(6.0)
Miscellaneous	3,426	(8.5)	3,300	(3.7)	3,600	9.1
Total	<u>\$ 182,948</u>	<u>4.9 %</u>	<u>\$ 189,800</u>	<u>3.7 %</u>	<u>\$ 187,900</u>	<u>(1.0) %</u>
Total Taxes	<u>\$7,049,143</u>	<u>(5.7) %</u>	<u>\$8,150,600</u>	<u>15.6 %</u>	<u>\$7,718,900</u>	<u>(5.3) %</u>
Other Revenues & Receipts:						
Interest	\$ 56,064	14.6 %	\$ 8,000	(85.7) %	\$ 1,500	(81.3) %
Transfers & Other Receipts	(251,224)	(24.1)	(188,400)	25.0	(254,800)	(35.2)
Agency Earnings	46,465	(8.1)	57,300	23.3	59,200	3.3
Total	<u>\$ (148,694)</u>	<u>(44.5) %</u>	<u>\$ (123,100)</u>	<u>17.2 %</u>	<u>\$ (194,100)</u>	<u>(57.7) %</u>
Total Receipts	<u><u>\$6,900,449</u></u>	<u><u>(6.4) %</u></u>	<u><u>\$8,027,500</u></u>	<u><u>16.3 %</u></u>	<u><u>\$7,524,800</u></u>	<u><u>(6.3) %</u></u>

**Table 2**  
**State General Fund Receipts**  
**FY 2021 Revised**  
**Comparison of April 2021 Estimate to November 2020 Estimate**  
*(Dollars in Thousands)*

	FY 2021 CRE Est.	FY 2021 CRE Est.	Difference	
	Revised 11/06/2020	Revised 04/20/2021	Amount	Pct. Chg.
<b>Property Tax/Fee:</b>				
Motor Carrier	\$ 12,500	\$ 12,900	\$ 400	3.2 %
<b>Income Taxes:</b>				
Individual	\$ 4,040,000	\$ 4,084,400	\$ 44,400	1.1 %
Corporation	410,000	533,900	123,900	30.2
Financial Institutions	52,000	70,000	18,000	34.6
<b>Total</b>	<b>\$ 4,502,000</b>	<b>\$ 4,688,300</b>	<b>\$ 186,300</b>	<b>4.1 %</b>
<b>Excise Taxes:</b>				
Retail Sales	\$ 2,400,000	\$ 2,445,000	\$ 45,000	1.9 %
Compensating Use	540,000	565,000	25,000	4.6
Cigarette	113,000	110,000	(3,000)	(2.7)
Tobacco Products	9,400	9,700	300	3.2
Liquor Gallonage	24,000	24,500	500	2.1
Liquor Enforcement	78,000	81,000	3,000	3.8
Liquor Drink	9,000	9,200	200	2.2
Severance	10,400	15,200	4,800	46.2
Gas	1,400	2,400	1,000	71.4
Oil	9,000	12,800	3,800	42.2
<b>Total</b>	<b>\$ 3,183,800</b>	<b>\$ 3,259,600</b>	<b>\$ 75,800</b>	<b>2.4 %</b>
<b>Other Taxes:</b>				
Insurance Premiums	\$ 137,000	\$ 178,200	\$ 41,200	30.1 %
Corporate Franchise	8,000	8,300	300	3.8
Miscellaneous	3,200	3,300	100	3.1
<b>Total</b>	<b>\$ 148,200</b>	<b>\$ 189,800</b>	<b>\$ 41,600</b>	<b>28.1 %</b>
<b>Total Taxes</b>	<b>\$ 7,846,500</b>	<b>\$ 8,150,600</b>	<b>\$ 304,100</b>	<b>3.9 %</b>
<b>Other Revenues &amp; Receipts:</b>				
Interest	\$ 9,000	\$ 8,000	\$ (1,000)	(11.1) %
Transfers & Other Receipts	(200,800)	(188,400)	12,400	6.2
Agency Earnings	53,000	57,300	4,300	8.1
<b>Total</b>	<b>\$ (138,800)</b>	<b>\$ (123,100)</b>	<b>\$ 15,700</b>	<b>11.3 %</b>
<b>Total Receipts</b>	<b>\$ 7,707,700</b>	<b>\$ 8,027,500</b>	<b>\$ 319,800</b>	<b>4.1 %</b>

**Table 3**  
**State General Fund Receipts**  
**FY 2022 Revised**  
**Comparison of April 2021 Estimate to November 2020 Estimate**  
*(Dollars in Thousands)*

	FY 2022 CRE Est.	FY 2022 CRE Est.	Difference	
	Revised 11/06/2020	Revised 04/20/2021	Amount	Pct. Chg.
<b>Property Tax/Fee:</b>				
Motor Carrier	\$ 12,500	\$ 12,900	\$ 400	3.2 %
<b>Income Taxes:</b>				
Individual	\$ 3,830,000	\$ 3,790,400	\$ (39,600)	(1.0) %
Corporation	360,000	319,000	(41,000)	(11.4)
Financial Institutions	45,000	50,000	5,000	11.1
Total	\$ 4,235,000	\$ 4,159,400	\$ (75,600)	(1.8) %
<b>Excise Taxes:</b>				
Retail Sales	\$ 2,425,000	\$ 2,470,000	\$ 45,000	1.9 %
Compensating Use	600,000	630,000	30,000	5.0
Cigarette	110,000	109,000	(1,000)	(0.9)
Tobacco Products	9,400	9,900	500	5.3
Liquor Gallonage	24,000	25,000	1,000	4.2
Liquor Enforcement	79,000	82,000	3,000	3.8
Liquor Drink	10,000	10,000	--	--
Severance	14,700	22,800	8,100	55.1
Gas	2,600	4,100	1,500	57.7
Oil	12,100	18,700	6,600	54.5
Total	\$ 3,272,100	\$ 3,358,700	\$ 86,600	2.6 %
<b>Other Taxes:</b>				
Insurance Premiums	\$ 150,000	\$ 176,500	\$ 26,500	17.7 %
Corporate Franchise	7,500	7,800	300	4.0
Miscellaneous	3,500	3,600	100	2.9
Total	\$ 161,000	\$ 187,900	\$ 26,900	16.7 %
<b>Total Taxes</b>	<b>\$ 7,680,600</b>	<b>\$ 7,718,900</b>	<b>\$ 38,300</b>	<b>0.5 %</b>
<b>Other Revenues &amp; Receipts:</b>				
Interest	\$ 3,000	\$ 1,500	\$ (1,500)	(50.0) %
Transfers & Other Receipts	(254,800)	(254,800)	--	--
Agency Earnings	54,800	59,200	4,400	8.0
Total	\$ (197,000)	\$ (194,100)	\$ 2,900	1.5 %
<b>Total Receipts</b>	<b>\$ 7,483,600</b>	<b>\$ 7,524,800</b>	<b>\$ 41,200</b>	<b>0.6 %</b>