



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 20, 2022

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 2022 and FY 2023

The Consensus Estimating Group met today to revise the November 10, 2021 State General Fund (SGF) estimates for FY 2022 and FY 2023. The revisions include the estimated impact of all 2022 legislation signed into law thus far. The impact of any legislation affecting the SGF that becomes law after April 20 will be quantified in a separate legislative adjustments report prepared at the conclusion of the *sine die* adjournment. Consensus revenue estimates are based on current federal and state laws and their current interpretation. 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 2022 and FY 2023 was increased by a combined \$340.7 million. The estimate for total taxes was increased by \$760.2 million, and other revenues were decreased by \$419.5 million for the two years combined.

For FY 2022, the estimate was decreased by \$67.1 million, or 0.8 percent, below the November estimate. This result is heavily influenced by the recently enacted \$500.0 million transfer from the SGF to the Budget Stabilization Fund, which had not been part of the November forecast. The estimate for total taxes was increased by \$411.1 million, while the estimate for other revenues was decreased by \$478.2 million. The overall revised estimate of \$8.803 billion represents a 0.7 percent decrease below final FY 2021 receipts.

The revised estimate for FY 2023 is \$9.456 billion, which is \$407.8 million, or 4.5 percent, above the previous estimate. The estimate for total taxes was increased by \$349.1 million, while the estimate for other revenues was increased by \$58.7 million. The revised forecast for FY 2023 represents a 7.4 percent increase above the newly revised FY 2022 figure.

Table 1 compares the revised estimates for FY 2022 and FY 2023 with actual receipts from FY 2021. Tables 2 and 3 show the revisions in each fiscal year's estimates.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	Consensus Estimate April 20, 2022					
	FY 2021 (Actual)		FY 2022 (Revised)		FY 2023 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Income Taxes:						
Individual	\$ 4,590,261	37.5 %	\$ 4,500,000	(2.0) %	\$ 4,670,000	3.8 %
Corporation	652,286	69.7	725,000	11.1	655,000	(9.7)
Financial Institutions	75,149	62.7	61,000	(18.8)	55,000	(9.8)
Total	\$ 5,317,696	41.1 %	\$ 5,286,000	(0.6) %	\$ 5,380,000	1.8 %
Excise Taxes:						
Retail Sales	\$ 2,522,553	7.2 %	\$ 2,725,000	8.0 %	\$ 2,800,000	2.8 %
Compensating Use	602,967	25.9	790,000	31.0	850,000	7.6
Total	\$ 3,125,520	10.4 %	\$ 3,515,000	12.5 %	\$ 3,650,000	3.8 %
Other Excise Taxes:						
Cigarette	\$ 113,491	(2.5) %	\$ 108,000	(4.8) %	\$ 104,000	(3.7) %
Tobacco Products	9,919	8.0	10,100	1.8	10,300	2.0
Liquor Gallonage	24,721	12.5	24,400	(1.3)	24,700	1.2
Liquor Enforcement	81,342	8.9	83,400	2.5	85,500	2.5
Liquor Drink	10,321	(0.3)	13,400	29.8	13,700	2.2
Gas	3,913	904.0	22,500	475.0	16,700	(25.8)
Oil	12,928	(36.3)	35,700	176.1	34,900	(2.2)
Total	\$ 256,635	1.3 %	\$ 297,500	15.9 %	\$ 289,800	(2.6) %
Other Taxes:						
Insurance Premiums	\$ 181,941	5.5 %	\$ 196,000	7.7 %	\$ 201,000	2.6 %
Motor Carrier	13,536	8.3	13,000	(4.0)	13,000	--
Corporate Franchise	9,859	40.0	8,000	(18.9)	8,000	--
Miscellaneous	3,422	(0.1)	4,500	31.5	4,600	2.2
Total	\$ 208,758	6.8 %	\$ 221,500	6.1 %	\$ 226,600	2.3 %
Total Taxes	\$ 8,908,609	26.4 %	\$ 9,320,000	4.6 %	\$ 9,546,400	2.4 %
Other Revenues & Receipts:						
Interest	\$ 7,798	(86.1) %	\$ 2,800	(64.1) %	\$ 50,000	1,685.7 %
Transfers & Other Receipts	(113,550)	54.8	(593,200)	(422.4)	(232,300)	60.8
Agency Earnings	63,089	35.8	73,300	16.2	91,600	25.0
Total	\$ (42,664)	71.3 %	\$ (517,100)	(1,112.0) %	\$ (90,700)	82.5 %
Total Receipts	\$ 8,865,945	28.5 %	\$ 8,802,900	(0.7) %	\$ 9,455,700	7.4 %

Table 2
State General Fund Receipts
FY 2022 Revised
Comparison of April 2022 Estimate to November 2021 Estimate
(Dollars in Thousands)

	FY 2022 CRE Est.	FY 2022 CRE Est.	Difference	
	Revised 11/10/2021	Revised 04/20/2022	Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 4,360,000	\$ 4,500,000	\$ 140,000	3.2 %
Corporation	600,000	725,000	125,000	20.8
Financial Institutions	51,500	61,000	9,500	18.4
Total	\$ 5,011,500	\$ 5,286,000	\$ 274,500	5.5 %
Sales & Use Taxes:				
Retail Sales	\$ 2,650,000	\$ 2,725,000	\$ 75,000	2.8 %
Compensating Use	760,000	790,000	30,000	3.9
Total	\$ 3,410,000	\$ 3,515,000	\$ 105,000	3.1 %
Other Excise Taxes:				
Cigarette	\$ 107,500	\$ 108,000	\$ 500	0.5 %
Tobacco Products	10,200	10,100	(100)	(1.0)
Liquor Gallonage	24,500	24,400	(100)	(0.4)
Liquor Enforcement	84,300	83,400	(900)	(1.1)
Liquor Drink	12,900	13,400	500	3.9
Gas Severance	13,900	22,500	8,600	61.9
Oil Severance	29,900	35,700	5,800	19.4
Total	\$ 283,200	\$ 297,500	\$ 14,300	5.0 %
Other Taxes:				
Insurance Premiums	\$ 177,500	\$ 196,000	\$ 18,500	10.4 %
Motor Carrier	14,300	13,000	(1,300)	(9.1)
Corporate Franchise	8,000	8,000	--	--
Miscellaneous	4,400	4,500	100	2.3
Total	\$ 204,200	\$ 221,500	\$ 17,300	8.5 %
Total Taxes	\$ 8,908,900	\$ 9,320,000	\$ 411,100	4.6 %
Other Revenues & Receipts:				
Interest	\$ 3,000	\$ 2,800	\$ (200)	(6.7) %
Transfers & Other Receipts	(103,700)	(593,200)	(489,500)	(472.0)
Agency Earnings	61,800	73,300	11,500	18.6
Total	\$ (38,900)	\$ (517,100)	\$ (478,200)	(1,229.3) %
Total Receipts	\$ 8,870,000	\$ 8,802,900	\$ (67,100)	(0.8) %

Table 3
State General Fund Receipts
FY 2023 Revised
Comparison of April 2022 Estimate to November 2021 Estimate
(Dollars in Thousands)

	FY 2023 CRE Est.	FY 2023 CRE Est.	Difference	
	Revised 11/10/2021	Revised 04/20/2022	Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 4,610,000	\$ 4,670,000	\$ 60,000	1.3 %
Corporation	535,000	655,000	120,000	22.4
Financial Institutions	53,000	55,000	2,000	3.8
Total	\$ 5,198,000	\$ 5,380,000	\$ 182,000	3.5 %
Sales & Use Taxes:				
Retail Sales	\$ 2,700,000	\$ 2,800,000	\$ 100,000	3.7 %
Compensating Use	820,000	850,000	30,000	3.7
Total	\$ 3,520,000	\$ 3,650,000	\$ 130,000	3.7 %
Other Excise Taxes:				
Cigarette	\$ 104,000	\$ 104,000	\$ --	-- %
Tobacco Products	10,500	10,300	(200)	(1.9)
Liquor Gallonage	25,000	24,700	(300)	(1.2)
Liquor Enforcement	85,500	85,500	--	--
Liquor Drink	13,300	13,700	400	3.0
Gas Severance	7,900	16,700	8,800	111.4
Oil Severance	24,300	34,900	10,600	43.6
Total	\$ 270,500	\$ 289,800	\$ 19,300	7.1 %
Other Taxes:				
Insurance Premiums	\$ 181,500	\$ 201,000	\$ 19,500	10.7 %
Motor Carrier	14,500	13,000	(1,500)	(10.3)
Corporate Franchise	8,200	8,000	(200)	(2.4)
Miscellaneous	4,600	4,600	--	--
Total	\$ 208,800	\$ 226,600	\$ 17,800	8.5 %
Total Taxes	\$ 9,197,300	\$ 9,546,400	\$ 349,100	3.8 %
Other Revenues & Receipts:				
Interest	\$ 3,300	\$ 50,000	\$ 46,700	1,415.2 %
Transfers & Other Receipts	(209,800)	(232,300)	(22,500)	(10.7)
Agency Earnings	57,100	91,600	34,500	60.4
Total	\$ (149,400)	\$ (90,700)	\$ 58,700	39.3 %
Total Receipts	\$ 9,047,900	\$ 9,455,700	\$ 407,800	4.5 %

State General Fund Profile FY 2020 - FY 2023
(Dollars in Millions)

	Actual FY 2020	Actual FY 2021	Estimated FY 2022	Estimated FY 2023
Beginning Balance	\$ 1,105.1	\$ 495.0	\$ 2,094.8	\$ 2,764.4
Revenue				
Consensus Revenue Estimates (4-20-2022)	\$ 6,912.4	\$ 8,865.9	\$ 8,802.9	\$ 9,455.7
Released Encumbrances	-	1.7	-	-
Total Available Revenue	\$ 8,017.5	\$ 9,362.6	\$ 10,897.7	\$ 12,220.0
Expenditures				
Expenditures	\$ 7,522.5	\$ 7,267.8	\$ 8,143.2	\$ 8,072.8
Reappropriations	-	-	193.5	(193.5)
Human Services Caseload	-	-	(185.8)	231.3
School Finance	-	-	(48.4)	115.5
Governor's Budget Rec. Recommendations	-	-	1,226.7	796.1
H. Sub for Sub for SB 267	-	-	(1,104.8)	(4,390.2)
HB 2239 (School Finance Prop. Tax Exemption)	-	-	-	42.8
Education Sub. for Sub. for HB 2567 (Conference Comm.)	-	-	(91.1)	4,413.7
Total Adjusted Expenditures	\$ 7,522.5	\$ 7,267.8	\$ 8,133.3	\$ 9,088.5
Ending Balance	\$ 495.0	\$ 2,094.8	\$ 2,764.4	\$ 3,131.5
Budget Stabilization Fund Balance		81.9	500.0	500.0
Ending SGF balance as a percentage of expenditures	6.6%	28.8%	34.0%	34.5%
Receipts above / (below) expenditures	\$ (610.1)	\$ 1,599.8	\$ 669.6	\$ 367.2

Note: Includes GBA No. 1 in Governor's Recommendation of \$53.4 million
 Consensus Caseloads (4-14-22) decreased FY 2022 by \$12.6 million and increased FY 2023 by \$61.3 million
 Consensus School Finance (4-11-2022) increased FY 2022 by \$11.1 million