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To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS July 2015 through February 2016, FY 2016

Based on the revised estimate of SGF receipts in FY 2016 made last November, it was estimated that receipts in July through February would total \$3.79 billion. Actual receipts for those months were \$3.77 billion, about \$19.7 million, or 0.5 percent, below the estimate.

The component of SGF receipts from taxes only was \$79.6 million, or 2.1 percent, below the estimate. Total SGF taxes only, at the end of January, were \$26.0 million, or 0.8 percent, below the estimate.

Total receipts through February were below the estimates by \$19.7 million, or 0.5 percent. Total receipts at the end of January were \$37.0 million, or 1.1 percent, above the estimate. (Remember that absent the two transfer adjustments made by the Governor subsequent to the November Consensus estimates, total receipts would have been \$19.9 below the January estimate.) Total tax receipts only for the same period were above FY 2015 by \$43.5 million, or 1.2 percent.

Two tax sources exceeded the estimate by more than \$1.0 million: compensating use tax (\$5.0 million or 1.9 percent); and insurance premiums tax (\$4.3 million or 5.3 percent).

Tax sources that fell below the fiscal year-to-date estimate by more than \$1.0 million were individual income tax (\$41.7 million or 2.9 percent); retail sales (\$26.7 million or 1.7 percent); corporate income tax (\$11.5 million or 5.6 percent); financial institutions privilege tax (\$5.6 million or 26.0 percent); and severance tax (\$4.1 million or 19.5 percent).

Individual income taxes, which were down \$14.6 million through January, fell another \$27.1 million in February and are now down \$41.7 million for the fiscal year-to-date estimate since November. Withholding tax receipts are \$11.0 million below receipts in February of last year. Refunds are \$8.4 million ahead of last February's, even though the average refund is down about 3 percent. The Department of Revenue notes that the increase in refunds is likely attributable to one more processing day this year and faster processing of work-listed refunds. The Department does not yet have any indication about the accuracy of fiscal notes associated with a number of tax year 2015 changes in law, including those relating to itemized deductions and guaranteed payments.

Corporation income taxes fell \$7.7 million below the monthly forecast for February and are now down \$11.5 million since November. Refunds in February were significantly higher than

expected (and were \$8.6 million higher than February of 2015), while corporate estimated and regular payments both tracked fairly close to expectations.

Sales tax receipts, which had been \$14.4 million below the estimate through January, fell another \$12.3 million in February, and are now \$26.7 million below November's forecast. The Department of Revenue reports that taxable sales reported from the state's largest retailers appears to have declined for the third consecutive month.

Severance tax receipts for oil and gas declined \$4.1 million below the estimate and are expected to continue to fall below the current forecast each month to the extent that oil prices fell and remain considerably below projections made in November.

Interest was above the estimate by \$2.8 million, or 14.9 percent. Agency earnings were \$3.5 million, or 10.4 percent, below the estimate.

This report excludes a deposit to the SGF of \$840.0 million, pursuant to issuance of a Certificate of Indebtedness. The Certificate will be discharged prior to the end of the fiscal year.

STATE GENERAL FUND RECEIPTS
July-February, FY 2016
(dollar amounts in thousands)

	Actual FY 2015	FY 2016			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2015	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 7,045	\$ 6,200	\$ 6,958	\$ 758	(1.2) %	12.2 %
Income Taxes:						
Individual	\$ 1,420,060	\$ 1,450,000	\$ 1,408,310	\$ (41,690)	(0.8) %	(2.9) %
Corporation	222,316	203,000	191,545	(11,455)	(13.8)	(5.6)
Financial Inst.	19,625	21,700	16,067	(5,633)	(18.1)	(26.0)
Total	\$ 1,662,001	\$ 1,674,700	\$ 1,615,922	\$ (58,778)	(2.8) %	(3.5) %
Excise Taxes:						
Retail Sales	\$ 1,442,890	\$ 1,553,000	\$ 1,526,268	\$ (26,732)	5.8 %	(1.7) %
Comp. Use	240,838	256,000	260,970	4,970	8.4	1.9
Cigarette	58,661	94,000	94,440	440	61.0	0.5
Tobacco Prod.	4,957	5,350	5,316	(34)	7.2	(0.6)
Cereal Malt Bev.	1,037	1,050	928	(122)	(10.5)	(11.6)
Liquor Gallonage	12,852	13,100	12,933	(167)	0.6	(1.3)
Liquor Enforce.	44,029	45,000	44,481	(519)	1.0	(1.2)
Liquor Drink	6,852	7,000	7,131	131	4.1	1.9
Corp. Franchise	2,447	2,250	2,558	308	4.5	13.7
Severance	71,945	21,200	17,076	(4,124)	(76.3)	(19.5)
Gas	20,322	5,300	4,155	(1,145)	(79.6)	(21.6)
Oil	51,623	15,900	12,921	(2,979)	(75.0)	(18.7)
Total	\$ 1,886,508	\$ 1,997,950	\$ 1,972,101	\$ (25,849)	4.5 %	(1.3) %
Other Taxes:						
Insurance Prem.	\$ 81,431	\$ 81,300	\$ 85,579	\$ 4,279	5.1 %	5.3 %
Miscellaneous	892	800	786	(14)	(11.9)	(1.8)
Total	\$ 82,323	\$ 82,100	\$ 86,365	\$ 4,265	4.9 %	5.2 %
Total Taxes	\$ 3,637,877	\$ 3,760,950	\$ 3,681,346	\$ (79,604)	1.2 %	(2.1) %
Other Revenue:						
Interest	\$ 8,585	\$ 18,700	\$ 21,481	\$ 2,781	-- %	14.9 %
Transfers (net)	116,731	(20,740)	39,843	60,583	(65.9)	--
Agency Earnings and Misc.	40,832	33,500	30,011	(3,489)	(26.5)	(10.4)
Total	\$ 166,148	\$ 31,460	\$ 91,335	\$ 59,875	(45.0) %	-- %
TOTAL RECEIPTS	\$ 3,804,025	\$ 3,792,410	\$ 3,772,681	\$ (19,729)	(0.8) %	(0.5) %

Consensus estimate as of November 6, 2015.

Excludes a Certificate of Indebtedness of \$840 million that must be redeemed prior to the end of the fiscal year.

NOTE: Details may not add to totals due to rounding.