

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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February 3, 2015

To: Legislative Budget Committee

## STATE GENERAL FUND (SGF) RECEIPTS July 2014 through January 2015, FY 2015

This is the third month of experience under the revised estimate of SGF receipts in FY 2015 made by the Consensus Estimating Group on November 10, 2014. The figures in both the "Estimate" and "Actual" columns under FY 2015 on the following table include actual amounts received in July-October. That means that this report deals mainly with the difference between estimated and actual receipts in November through January.

**Total receipts through January FY 2015 were \$48.3 million or 1.5 percent below the estimate. The component of SGF receipts from taxes only was \$65.5 million or 1.9 percent below the estimate.** Total SGF taxes only, at the end of December, were \$18.8 million or 0.7 percent below the estimate. Total receipts at the end of December were \$6.5 million or 0.2 percent below the estimate.

Only one tax source **exceeded** the estimate by more than \$1.0 million: financial institutions' privilege tax (\$1.8 million or 10.2 percent).

Tax sources that **fell below** the estimate by more than \$1.0 million included individual income (\$23.4 million or 1.7 percent); corporate income tax (\$19.0 million or 8.1 percent); retail sales tax (\$13.1 million or 1.0 percent); insurance premiums tax (\$6.2 million or 9.6 percent); compensating use tax (\$3.9 million or 1.8 percent); and severance tax (\$2.1 million or 3.1 percent).

Of note is the fact that Kansas refunds paid in January were about \$22.0 million greater than had been anticipated due to faster initial processing of federal refunds by the IRS relative to previous years. Approximately 52,000 more Kansas income tax refunds were issued in January this year than had been issued in the same month a year earlier.

With regard to corporation income taxes, these receipts had been down \$18.7 million through December. As noted in this report last month, estimated payments had been less than anticipated in December, while refunds were more than had been anticipated. Overall corporate receipts for the month of January alone were \$0.3 million less than had been expected.

Sales tax receipts (down \$4.9 million through December) were \$13.1 million below the forecast through January. January receipts traditionally reflect many in-state purchases that had been made during the holiday shopping season.

Oil severance tax receipts fell \$2.1 million below the estimate and are expected to continue to fall below the November forecast for the foreseeable future to the extent that oil prices have fallen considerably since mid-November and there is a two-month lag in severance tax collections.

Interest earnings exceeded the estimate by \$0.2 million. Net transfers out of the SGF were \$17.9 million less than expected, and agency earnings were \$0.4 million less than expected.

**Total SGF receipts through January of FY 2015 were \$65.8 million or 2.0 percent below FY 2014 receipts for the same period. Tax receipts only for the same period were below FY 2014 by \$49.0 million or 1.5 percent.**

This report excludes a deposit to the SGF of \$675 million, pursuant to issuance of a Certificate of Indebtedness. This Certificate will be discharged prior to the end of the fiscal year.

STATE GENERAL FUND RECEIPTS  
July-January, FY 2015  
(dollar amounts in thousands)

	Actual FY 2014	FY 2015			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2014	Estimate
<b>Property Tax/Fee:</b>						
Motor Carriers	\$ 20,726	\$ 6,300	\$ 5,983	\$ (317)	(71.1) %	(5.0) %
<b>Income Taxes:</b>						
Individual	\$ 1,418,288	\$ 1,351,000	\$ 1,327,648	\$ (23,352)	(6.4) %	(1.7) %
Corporation	190,285	234,800	215,780	(19,020)	13.4	(8.1)
Financial Inst.	14,899	18,000	19,833	1,833	33.1	10.2
Total	\$ 1,623,472	\$ 1,603,800	\$ 1,563,261	\$ (40,539)	(3.7) %	(2.5) %
<b>Excise Taxes:</b>						
Retail Sales	\$ 1,253,082	\$ 1,293,000	\$ 1,279,891	\$ (13,109)	2.1 %	(1.0) %
Comp. Use	208,534	219,500	215,578	(3,922)	3.4	(1.8)
Cigarette	53,991	51,000	51,639	639	(4.4)	1.3
Tobacco Prod.	4,218	4,500	4,385	(115)	4.0	(2.6)
Cereal Malt Bev.	1,069	990	936	(54)	(12.4)	(5.5)
Liquor Gallonage	11,043	11,750	11,532	(218)	4.4	(1.9)
Liquor Enforce.	38,445	39,500	39,944	444	3.9	1.1
Liquor Drink	5,880	6,000	6,019	19	2.4	0.3
Corp. Franchise	1,477	1,820	1,838	18	24.4	1.0
Severance	70,906	66,500	64,420	(2,080)	(9.1)	(3.1)
Gas	20,379	17,600	17,609	9	(13.6)	0.1
Oil	50,527	48,900	46,811	(2,089)	(7.4)	(4.3)
Total	\$ 1,648,645	\$ 1,694,560	\$ 1,676,182	\$ (18,378)	1.7 %	(1.1) %
<b>Other Taxes:</b>						
Insurance Prem.	\$ 59,958	\$ 64,700	\$ 58,504	\$ (6,196)	(2.4) %	(9.6) %
Miscellaneous	875	900	787	(113)	(10.1)	(12.6)
Total	\$ 60,833	\$ 65,600	\$ 59,291	\$ (6,309)	(2.5) %	(9.6) %
<b>Total Taxes</b>	<b>\$ 3,353,676</b>	<b>\$ 3,370,260</b>	<b>\$ 3,304,717</b>	<b>\$ (65,543)</b>	<b>(1.5) %</b>	<b>(1.9) %</b>
<b>Other Revenue:</b>						
Interest	\$ 8,027	\$ 8,000	\$ 7,758	\$ (242)	(3.4) %	(3.0) %
Transfers (net)	(95,336)	(131,350)	(113,435)	17,915	(19.0)	13.6
Agency Earnings and Misc.	36,109	38,075	37,669	(406)	4.3	(1.1)
Total	\$ (51,200)	\$ (85,275)	\$ (68,008)	\$ 17,267	(32.8) %	20.2 %
<b>TOTAL RECEIPTS</b>	<b>\$ 3,302,476</b>	<b>\$ 3,284,985</b>	<b>\$ 3,236,709</b>	<b>\$ (48,276)</b>	<b>(2.0) %</b>	<b>(1.5) %</b>

Consensus estimate as of November 10, 2014.

Excludes a Certificate of Indebtedness of \$675 million that must be redeemed prior to the end of the fiscal year.

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