

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

68-West-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 • FAX (785) 296-3824

kslegres@klrd.ks.gov

<http://www.kslegislature.org/klrd>

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To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS FY 2015

The Legislative Research Department recently received from the Office of the Chief Financial Officer information on the total State General Fund (SGF) receipts from FY 2015.

Total receipts to the SGF were \$15.6 million, or 0.3 percent, below the final adjusted estimate (which includes any legislation enacted after the April 20th Consensus Revenue estimate.) Taxes only in FY 2015 were \$25.8 million, or 0.5 percent, below the adjusted estimate, most notably in lower than estimated retail sales and corporate income taxes.

Tax sources that fell below the estimate by more than \$1.0 million were retail sales tax (\$17.2 million or 0.8 percent), corporate income tax (\$7.6 million or 1.8 percent), severance tax (\$3.4 million or 3.5 percent), compensating use tax (\$2.8 million or 0.8 percent), individual income tax (\$2.5 million or 0.1 percent), and the financial institutions privilege fee (\$1.4 million or 3.5 percent).

Two tax sources were above the adjusted estimate by more than \$1.0 million: insurance premiums (\$6.6 million or 3.7 percent) and liquor enforcement tax (\$2.0 million or 3.0 percent).

For FY 2016, the April estimate was increased by \$611.8 million, \$384.4 million of which was attributable to various tax policy changes. Monthly receipts will be monitored closely over the summer and fall with respect to this legislatively adjusted FY 2016 estimate, and the Consensus Group will reconvene in November to revise the forecast for both FY 2016 and FY 2017.

Interest was above the estimate by \$0.3 million or 2.7 percent. Agency earnings were below the estimate by \$1.0 million, or 1.7 percent. Transfers were \$10.9 million above the estimates due to a slight increase in the gaming revenues transfer and the Securities Commission statutory end of year transfer to the State General Fund (\$4.0 million), coupled with a transfer in from Information Technology savings of \$3.3 million and a reduction in the anticipated amount of SGF (\$4.7 million) needed for the transfer out to Expanded Lottery Act Revenue Fund (ELARF).

Total SGF receipts in FY 2015 were above total SGF receipts in FY 2014 by \$275.6 million, or 4.9 percent. Tax receipts only for FY 2015 were above FY 2014 tax receipts by \$85.3 million, or 1.5 percent.

Additional analysis is continuing with respect to changes that the Legislature made in tax policy going forward.

A Certificate of Indebtedness of \$675.0 million was discharged or redeemed by the SGF prior to the end of the fiscal year, as required by law. The redemption took place on June 26, 2015.

STATE GENERAL FUND RECEIPTS
FY 2015
(dollar amounts in thousands)

	Actual FY 2014	FY 2015			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2014	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 35,708	\$ 11,000	\$ 11,145	\$ 145	(68.8) %	1.3 %
Income Taxes:						
Individual	\$ 2,218,239	\$ 2,280,000	\$ 2,277,541	\$ (2,459)	2.7 %	(0.1) %
Corporation	399,383	425,000	417,400	(7,600)	4.5	(1.8)
Financial Inst.	32,439	42,000	40,546	(1,454)	25.0	(3.5)
Total	\$ 2,650,061	\$ 2,747,000	\$ 2,735,487	\$ (11,513)	3.2 %	(0.4) %
Excise Taxes:						
Retail Sales	\$ 2,102,239	\$ 2,150,000	\$ 2,132,777	\$ (17,223)	1.5 %	(0.8) %
Comp. Use	344,017	355,000	352,176	(2,824)	2.4	(0.8)
Cigarette	90,612	89,000	88,821	(179)	(2.0)	(0.2)
Tobacco Prod.	7,201	7,500	7,482	(18)	3.9	(0.2)
Cereal Malt Bev.	1,685	1,600	1,566	(34)	(7.1)	(2.1)
Liquor Gallonage	19,081	19,000	19,319	319	1.2	1.7
Liquor Enforce.	64,538	66,500	68,505	2,005	6.1	3.0
Liquor Drink	10,155	10,600	10,537	(63)	3.8	(0.6)
Corp. Franchise	6,632	6,900	7,287	387	9.9	5.6
Severance	125,758	96,600	93,213	(3,387)	(25.9)	(3.5)
Gas	37,003	27,800	26,302	(1,498)	(28.9)	(5.4)
Oil	88,755	68,800	66,911	(1,889)	(24.6)	(2.7)
Total	\$ 2,771,918	\$ 2,802,700	\$ 2,781,683	\$ (21,017)	0.4 %	(0.7) %
Other Taxes:						
Insurance Prem.	\$ 172,758	\$ 181,000	\$ 187,643	\$ 6,643	8.6 %	3.7 %
Miscellaneous	1,634	1,500	1,397	(103)	(14.5)	(6.9)
Total	\$ 174,392	\$ 182,500	\$ 189,040	\$ 6,540	8.4 %	3.6 %
Total Taxes	\$ 5,632,079	\$ 5,743,200	\$ 5,717,355	\$ (25,845)	1.5 %	(0.5) %
Other Revenue:						
Interest	\$ 11,525	\$ 12,000	\$ 12,320	\$ 320	6.9 %	2.7 %
Transfers (net)	(39,957)	132,650	143,597	10,947	--	(8.3)
Agency Earnings and Misc.	49,550	56,500	55,512	(988)	12.0	(1.7)
Total	\$ 21,118	\$ 201,150	\$ 211,429	\$ 10,279	-- %	5.1 %
TOTAL RECEIPTS	\$ 5,653,197	\$ 5,944,350	\$ 5,928,784	\$ (15,566)	4.9 %	(0.3) %

Consensus estimate as of April 20, 2015, as further adjusted for subsequent legislation enacted after that date.

Excludes a Certificate of Indebtedness of \$675.0 million redeemed on June 26, 2015.

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