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To: Legislative Budget Committee

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

This is the last monthly report of SGF receipts in FY 2016 based on the estimates made by the Consensus Estimating Group on November 6, 2015. The upcoming spring meeting of the Consensus Revenue Estimating Group will be reevaluating the forecast for all SGF receipts.

The component of SGF receipts from taxes only was \$81.3 million, or 1.9 percent, below the estimate. Total SGF taxes only at the end of February were \$79.6 million, or 2.1 percent, below the estimate. Total tax receipts only for the same period were above FY 2015 by \$53.1 million, or 1.3 percent.

Total receipts to date are now \$6.6 million, or 0.2 percent, below the estimate for the year. This compares to \$19.7 million, or 0.5 percent, below the estimate at the end of last month (February). (Remember that absent the transfer adjustments made by the Governor subsequent to the November Consensus estimates, the Bio Science Authority adjustment, and additional transfers in the 2016 appropriations bill, total receipts would be approximately \$77.1 million less.)

Taxes that exceeded the estimate by more than \$1.0 million were insurance premiums tax (\$11.0 million or 11.4 percent) and compensating use tax (\$8.1 million or 2.9 percent). A portion of the increase in insurance premiums tax receipts is due to a shift of payment by some insurance companies (from February to March) and an increase in the taxable premium for those companies.

Tax sources that fell below the estimate by more than \$1.0 million were individual income tax (\$56.1 million or 3.5 percent); retail sales tax (\$20.8 million or 1.2 percent), corporate income tax (10.0 million or 4.1 percent); financial institutions privilege tax (\$7.5 million or 28.0 percent); and severance tax (\$6.4 million or 25.0 percent).

Individual income tax receipts, which through February had been down by \$41.7 million, fell another \$14.4 million in March and are now \$56.1 million below the estimate. With April 18 set as the individual income tax filing deadline this year, the Consensus Estimating Group will be working closely with the Department of Revenue over the next few weeks to obtain the very latest individual income tax information prior to the spring Consensus meeting to be held on April 20.

Sales tax receipts have improved when comparing the end of February to the end of March year-to-date cumulative amounts. The actual year-to-date shortfall through February was \$26.7 million; the actual shortfall year-to-date at the end of March was \$20.8 million.

Compensating use tax receipts gained another \$3.1 million in March and are now \$8.1 million ahead of the cumulative estimate since November.

The expected decline of oil and gas severance tax receipts relative to November's estimates continued, and SGF receipts from this source are now down \$6.4 million through March.

As noted earlier, the Consensus Estimating Group soon will be reevaluating the overall state of the economy and its implications for sales, income and all other SGF tax sources.

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-March, 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	\$ 8,209	\$ 7,400	\$ 8,253	\$ 853	(0.5) %	11.5 %
Income Taxes:						
Individual	\$ 1,558,746	\$ 1,610,000	\$ 1,553,862	\$ (56,138)	(0.3) %	(3.5) %
Corporation	259,038	243,000	232,969	(10,031)	(10.1)	(4.1)
Financial Inst.	24,444	26,700	19,237	(7,463)	(21.3)	(28.0)
Total	\$ 1,842,228	\$ 1,879,700	\$ 1,806,068	\$ (73,632)	(2.0) %	(3.9) %
Excise Taxes:						
Retail Sales	\$ 1,605,619	\$ 1,729,000	\$ 1,708,155	\$ (20,845)	6.4 %	(1.2) %
Comp. Use	266,315	283,000	291,080	8,080	9.3	2.9
Cigarette	65,606	105,000	104,163	(837)	58.8	(0.8)
Tobacco Prod.	5,590	6,000	5,987	(13)	7.1	(0.2)
Cereal Malt Bev.	1,139	1,180	1,021	(159)	(10.4)	(13.5)
Liquor Gallonage	14,280	14,600	14,437	(163)	1.1	(1.1)
Liquor Enforce.	49,663	50,500	50,729	229	2.1	0.5
Liquor Drink	7,761	7,900	8,129	229	4.7	2.9
Corp. Franchise	3,360	3,170	3,465	295	3.1	9.3
Severance	77,877	25,700	19,284	(6,416)	(75.2)	(25.0)
Gas	22,286	6,500	4,790	(1,710)	(78.5)	(26.3)
Oil	55,591	19,200	14,494	(4,706)	(73.9)	(24.5)
Total	\$ 2,097,210	\$ 2,226,050	\$ 2,206,450	\$ (19,600)	5.2 %	(0.9) %
Other Taxes:						
Insurance Prem.	\$ 127,338	\$ 96,300	\$ 107,257	\$ 10,957	(15.8) %	11.4 %
Miscellaneous	1,035	900	1,065	165	2.9	18.3
Total	\$ 128,373	\$ 97,200	\$ 108,322	\$ 11,122	(15.6) %	11.4 %
Total Taxes	\$ 4,076,020	\$ 4,210,350	\$ 4,129,093	\$ (81,257)	1.3 %	(1.9) %
Other Revenue:						
Interest	\$ 9,504	\$ 19,300	\$ 22,857	\$ 3,557	140.5 %	18.4 %
Transfers (net)	109,883	(27,990)	48,140	76,130	(56.2)	272.0
Agency Earnings and Misc.	44,161	36,400	31,349	(5,051)	(29.0)	(13.9)
Total	\$ 163,548	\$ 27,710	\$ 102,346	\$ 74,636	(37.4) %	269.3 %
TOTAL RECEIPTS	\$ 4,239,568	\$ 4,238,060	\$ 4,231,439	\$ (6,621)	(0.2) %	(0.2) %

Consensus estimate as of November 6, 2015.

Excludes a Certificate of Indebtedness of \$840.0 million that must be redeemed prior to the end of the fiscal year.

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