

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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To: Legislative Budget Committee

## **STATE GENERAL FUND (SGF) RECEIPTS JULY THROUGH MAY, FY 2016**

This is the second monthly report of State General Fund (SGF) receipts for FY 2016 based upon the revised estimates made by the Consensus Revenue Estimating Group on April 20, 2016.

Total receipts through May of FY 2016 were \$66.7 million, or 1.2 percent, below the estimate. The component of total SGF receipts from taxes only was \$71.9 million, or 1.4 percent, below the estimate. Total SGF taxes only at the end of April were \$2.6 million, or 0.1 percent, above the estimate. Total receipts at the end of April were \$6.1 million, or 0.1 percent, above the estimate.

Taxes falling below the estimate by more than \$1.0 million were individual income tax (\$58.1 million or 2.8 percent); corporation income tax (\$15.0 million or 4.8 percent); compensating use tax (\$1.4 million or 0.4 percent); financial institutions privilege tax (\$1.4 million or 4.7 percent); and severance tax (\$1.1 million or 5.0 percent.)

Tax sources exceeding the estimate by more than \$1.0 million were retail sales tax (\$3.9 million or 0.2 percent) and insurance premiums tax (\$2.4 million or 2.1 percent).

Income tax law changes enacted last session were anticipated to generate \$161.8 million in additional income tax revenue for FY 2016 with much of the revenue expected to be realized late in the state's fiscal year. At the April Consensus Revenue meeting, updated fiscal notes associated with those income tax changes were not available. The Research Department will continue to work with the Department of Revenue to determine the reasons for the shortfall in May receipts.

Interest earnings were above the estimate by \$0.7 million or 2.9 percent. Net transfers were \$0.9 million, or 0.9 percent, above the estimate. Agency earnings were above the estimate by \$3.6 million, or 8.9 percent.

Total SGF receipts through May of FY 2016 were \$35.9 million, or 0.7 percent, above FY 2015 for the same period. Tax receipts only, for the same period, were above FY 2015 by \$50.2 million, or 1.0 percent.

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

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

	Actual FY 2015	FY 2016			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2015	Estimate
<b>Property Tax/Fee:</b>						
Motor Carriers	\$ 10,131	\$ 10,750	\$ 10,735	\$ (15)	6.0 %	(0.1) %
<b>Income Taxes:</b>						
Individual	\$ 2,066,978	\$ 2,102,000	\$ 2,043,916	\$ (58,084)	(1.1) %	(2.8) %
Corporation	338,369	309,000	294,032	(14,968)	(13.1)	(4.8)
Financial Inst.	30,799	29,000	27,645	(1,355)	(10.2)	(4.7)
Total	\$ 2,436,146	\$ 2,440,000	\$ 2,365,593	\$ (74,407)	(2.9) %	(3.0) %
<b>Excise Taxes:</b>						
Retail Sales	\$ 1,957,538	\$ 2,083,500	\$ 2,087,437	\$ 3,937	6.6 %	0.2 %
Comp. Use	324,756	355,000	353,558	(1,442)	8.9	(0.4)
Cigarette	80,120	126,500	126,124	(376)	57.4	(0.3)
Tobacco Prod.	6,799	7,250	7,396	146	8.8	2.0
Cereal Malt Bev.	1,408	1,270	1,255	(15)	(10.9)	(1.2)
Liquor Gallonage	17,613	17,700	17,667	(33)	0.3	(0.2)
Liquor Enforce.	59,818	61,550	61,094	(456)	2.1	(0.7)
Liquor Drink	9,539	10,020	9,972	(48)	4.5	(0.5)
Corp. Franchise	6,517	6,450	6,045	(405)	(7.2)	(6.3)
Severance	88,011	21,300	20,235	(1,065)	(77.0)	(5.0)
Gas	25,093	3,300	5,701	2,401	(77.3)	72.8
Oil	62,918	18,000	14,534	(3,466)	(76.9)	(19.3)
Total	\$ 2,552,119	\$ 2,690,540	\$ 2,690,783	\$ 243	5.4 %	0.0 %
<b>Other Taxes:</b>						
Insurance Prem.	\$ 133,064	\$ 112,200	\$ 114,554	\$ 2,354	(13.9) %	2.1 %
Miscellaneous	1,251	1,300	1,248	(52)	(0.2)	(4.0)
Total	\$ 134,315	\$ 113,500	\$ 115,802	\$ 2,302	(13.8) %	2.0 %
<b>Total Taxes</b>	<b>\$ 5,132,711</b>	<b>\$ 5,254,790</b>	<b>\$ 5,182,913</b>	<b>\$ (71,877)</b>	<b>1.0 %</b>	<b>(1.4) %</b>
<b>Other Revenue:</b>						
Interest	\$ 11,376	\$ 25,400	\$ 26,140	\$ 740	129.8 %	2.9 %
Transfers (net)	111,804	91,650	92,517	867	(17.3)	0.9
Agency Earnings and Misc.	53,852	40,500	44,110	3,610	(18.1)	8.9
Total	\$ 177,032	\$ 157,550	\$ 162,767	\$ 5,217	(8.1) %	3.3 %
<b>TOTAL RECEIPTS</b>	<b>\$ 5,309,743</b>	<b>\$ 5,412,340</b>	<b>\$ 5,345,680</b>	<b>\$ (66,660)</b>	<b>0.7 %</b>	<b>(1.2) %</b>

Consensus estimate as of April 20, 2016.

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.