

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>

February 1, 2017

To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS July 2016 through January 2017, FY 2017

This is the third month of experience under the revised estimate of SGF receipts in FY 2017 made by the Consensus Estimating Group on November 10, 2016. The figures in both the "Estimate" and "Actual" columns under FY 2017 on the following table include actual amounts received in July through October. Consequently, this report details the difference between estimated and actual receipts in November through January.

Total receipts through January FY 2017 were \$25.9 million, or 0.7 percent, above the estimate. The component of SGF receipts from taxes only was \$31.6 million, or 0.9 percent, above the estimate. Total SGF receipts from taxes only, at the end of December, were \$7.6 million, or 0.3 percent, above the estimate. Total receipts at the end of December were \$8.0 million, or 0.3 percent, above the estimate.

Four tax sources **exceeded** the estimate by more than \$1.0 million: retail sales tax (\$18.3 million or 1.4 percent); individual income tax (\$11.8 million or 0.9 percent); corporation tax (\$5.3 million or 3.8 percent); and financial institutions tax (\$1.9 million or 10.8 percent).

Two tax sources that **fell below** the estimate by more than \$1.0 million: compensating use tax (\$4.1 million or 1.8 percent) and cigarette tax (\$3.7 million or 4.6 percent).

Corporation income taxes, which had been \$5.2 million below the prior forecast through December, exceeded the forecast for January by \$10.5 million and are now \$5.3 million ahead of the fiscal-year-to-date estimate. Corporate estimated payments in January were \$5.6 million more than such payments during the same month in FY 2016.

Sales taxes, which include receipts from many transactions occurring during the December holiday shopping season, exceeded the monthly estimate by \$13.6 million and are now a cumulative \$18.3 million ahead of the November forecast. Department of Revenue officials noted that based on an informal survey, other states may have also experienced larger than expected sales tax collections in January.

Individual income taxes, which had exceeded the prior estimate through December by \$11.2 million, tracked almost exactly with January's estimate and are now \$11.8 million above the fiscal-year-to-date forecast. It is important to remember that almost none of the tax year 2016 income tax returns have been filed or processed at this point in time.

Interest earnings exceeded the estimate by \$0.4 million. Agency earnings and miscellaneous were below the estimate by \$5.7 million or 5.0 percent. The reduction in Agency earnings and miscellaneous is attributable to delays in the receipt of portions of the sale of the Kansas Bioscience Authority and lower than anticipated unclaimed property receipts.

Total SGF receipts through January of FY 2017 were \$0.2 million, or less than 0.1 percent, above FY 2016 receipts for the same period. Tax receipts only for the same period were below FY 2016 by \$10.8 million, or 0.3 percent.

This report excludes a deposit to the SGF of \$900.0 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 2017
(dollar amounts in thousands)

	Actual FY 2016	FY 2017			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2016	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 5,900	\$ 5,350	\$ 6,057	\$ 707	2.7 %	13.2 %
Income Taxes:						
Individual	\$ 1,335,392	\$ 1,367,000	\$ 1,378,780	\$ 11,780	3.2 %	0.9 %
Corporation	194,273	140,500	145,800	5,300	(25.0)	3.8
Financial Inst.	15,740	17,150	19,002	1,852	20.7	10.8
Total	\$ 1,545,405	\$ 1,524,650	\$ 1,543,582	\$ 18,932	(0.1) %	1.2 %
Excise Taxes:						
Retail Sales	\$ 1,362,553	\$ 1,340,500	\$ 1,358,789	\$ 18,289	(0.3) %	1.4 %
Comp. Use	233,164	230,000	225,887	(4,113)	(3.1)	(1.8)
Cigarette	85,057	79,700	76,013	(3,687)	(10.6)	(4.6)
Tobacco Prod.	4,685	4,900	5,038	138	7.5	2.8
Cereal Malt Bev.	832	900	964	64	15.9	7.1
Liquor Gallonage	11,637	11,500	11,517	17	(1.0)	0.1
Liquor Enforce.	39,730	42,800	42,807	7	7.7	0.0
Liquor Drink	6,303	6,500	6,402	(98)	1.6	(1.5)
Corp. Franchise	1,691	1,830	1,798	(32)	6.3	(1.7)
Severance	13,960	17,500	18,004	504	29.0	2.9
Gas	3,104	4,300	4,739	439	52.7	10.2
Oil	10,856	13,200	13,265	65	22.2	0.5
Total	\$ 1,759,612	\$ 1,736,130	\$ 1,747,219	\$ 11,089	(0.7) %	0.6 %
Other Taxes:						
Insurance Prem.	\$ 66,540	\$ 68,890	\$ 69,871	\$ 981	5.0 %	1.4 %
Miscellaneous	723	800	682	(118)	(5.7)	(14.8)
Total	\$ 67,263	\$ 69,690	\$ 70,553	\$ 863	4.9 %	1.2 %
Total Taxes	\$ 3,378,180	\$ 3,335,820	\$ 3,367,411	\$ 31,591	(0.3) %	0.9 %
Other Revenue:						
Interest	\$ 20,196	\$ 13,600	\$ 13,965	\$ 365	(30.9) %	2.7 %
Transfers (net)	48,714	44,490	44,395	(95)	(8.9)	(0.2)
Agency Earnings and Misc.	29,292	56,800	50,814	(5,986)	73.5	(10.5)
Total	\$ 98,202	\$ 114,890	\$ 109,174	\$ (5,716)	11.2 %	(5.0) %
TOTAL RECEIPTS	\$ 3,476,382	\$ 3,450,710	\$ 3,476,585	\$ 25,875	0.0 %	0.7 %

Consensus estimate as of November 10, 2016.

Excludes a Certificate of Indebtedness of \$900 million that must be redeemed prior to the end of the fiscal year.

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