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To: Legislative Budget Committee

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

This is the second monthly report of State General Fund (SGF) receipts for FY 2017 based upon the revised estimates made by the Consensus Revenue Estimating Group on April 20, 2017.

Total receipts through May of FY 2017 were \$2.43 million, or 0.0 percent, above the estimate. The component of total SGF receipts from taxes only was \$0.1 million, or 0.0 percent, below the estimate. Total SGF taxes only at the end of April were \$1.77 million, or 0.0 percent, above the estimate. Total receipts at the end of April were \$2.82 million, or 0.1 percent, above the estimate.

Taxes exceeding the estimate by more than \$1.0 million were corporation income tax (\$16.0 million or 6.5 percent); insurance premiums tax (\$3.8 million or 3.3 percent); retail sales tax (\$2.4 million or 0.1 percent); and severance tax (\$1.3 million or 3.5 percent.)

Only one tax source fell below the estimate by more than \$1.0 million; individual income tax (\$23.9 million or 1.1 percent).

With respect to individual income tax receipts, the filing and processing of tax returns appears to have been occurring at a different rate than had been assumed on April 20 when the Consensus forecast was revised. Given that withholding growth has remained strong throughout the spring, the Department of Revenue indicates the chances appear good that much of the apparent shortfall through May will have reversed itself by the end of this fiscal year.

Corporation income tax receipts were influenced by the fact that the estimated payments in May were \$10.6 million more than the same month last year. Overall receipts from this source through May nevertheless remain well below the level they were at in each of the last four fiscal years.

Interest earnings were above the estimate by \$0.7 million or 1.1 percent. Net transfers were \$0.14 million, or 0.1 percent, above the estimate. The increase in interest income is due to receipt of the Treasurer's Unclaimed Property Funds sooner than anticipated, on May 5th. This allowed the state to draw interest on those idle funds for a longer period of time. The Pooled Money Investment Pool has also experienced stronger than anticipated returns. Agency earnings were above the estimate by \$1.7 million, or 2.5 percent. The increase in agency earnings is attributable to unclaimed property receipts.

Total SGF receipts through May of FY 2017 were \$108.3 million, or 0.5 percent, above FY 2016 for the same period. Tax receipts only, for the same period, were above FY 2016 by \$25.2 million, or 2.0 percent.

This report excludes the deposit to the SGF of \$900.0 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 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	\$ 10,735	\$ 10,900	\$ 10,692	\$ (208)	(0.4) %	(1.9) %
Income Taxes:						
Individual	\$ 2,043,916	\$ 2,105,000	\$ 2,081,143	\$ (23,857)	1.8 %	(1.1) %
Corporation	294,032	246,000	261,965	15,965	(10.9)	6.5
Financial Inst.	27,645	31,840	31,721	(119)	14.7	(0.4)
Total	\$ 2,365,593	\$ 2,382,840	\$ 2,374,829	\$ (8,011)	0.4 %	(0.3) %
Excise Taxes:						
Retail Sales	\$ 2,087,437	\$ 2,086,000	\$ 2,088,391	\$ 2,391	0.0 %	0.1 %
Comp. Use	353,558	349,500	349,768	268	(1.1)	0.1
Cigarette	126,124	118,000	118,030	30	(6.4)	0.0
Tobacco Prod.	7,396	7,600	7,698	98	4.1	1.3
Cereal Malt Bev.	1,255	1,390	1,416	26	12.8	1.9
Liquor Gallonage	17,667	17,900	17,746	(154)	0.4	(0.9)
Liquor Enforce.	61,094	64,300	64,732	432	6.0	0.7
Liquor Drink	9,972	10,030	10,044	14	0.7	0.1
Corp. Franchise	6,045	6,000	6,274	274	3.8	4.6
Severance	20,235	37,000	38,313	1,313	89.3	3.5
Gas	5,701	11,750	13,606	1,856	--	15.8
Oil	14,534	25,250	24,707	(543)	70.0	(2.2)
Total	\$ 2,690,783	\$ 2,697,720	\$ 2,702,412	\$ 4,692	0.4 %	0.2 %
Other Taxes:						
Insurance Prem.	\$ 114,554	\$ 115,140	\$ 118,966	\$ 3,826	3.9 %	3.3 %
Miscellaneous	1,248	1,600	1,209	(391)	(3.1)	(24.4)
Total	\$ 115,802	\$ 116,740	\$ 120,175	\$ 3,435	3.8 %	2.9 %
Total Taxes	\$ 5,182,913	\$ 5,208,200	\$ 5,208,108	\$ (92)	0.5 %	(0.0) %
Other Revenue:						
Interest	\$ 26,140	\$ 63,200	\$ 63,903	\$ 703	-- %	1.1 %
Transfers (net)	92,517	113,780	113,918	138	23.1	(0.1)
Agency Earnings and Misc.	44,110	66,400	68,081	1,681	54.3	2.5
Total	\$ 162,767	\$ 243,380	\$ 245,902	\$ 2,522	51.1 %	1.0 %
TOTAL RECEIPTS	\$ 5,345,680	\$ 5,451,580	\$ 5,454,010	\$ 2,430	2.0 %	0.0 %

Consensus estimate as of April 20, 2017.

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.