

# 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](mailto:kslegres@klrd.ks.gov)

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

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## STATE GENERAL FUND (SGF) RECEIPTS FY 2017

The Legislative Research Department recently received information from the Office of the Chief Financial Officer (Kansas Department of Administration) on the total State General Fund (SGF) receipts from FY 2017.

Total receipts to the SGF were \$72.3 million, or 1.2 percent, above the final adjusted estimate (which includes any legislation enacted after the April 20th Consensus Revenue estimate). Taxes only in FY 2017 were \$72.1 million, or 1.3 percent, above the adjusted estimate, most notably in higher than estimated corporation income taxes and retail sales taxes.

Only one tax source fell below the estimate by more than \$1.0 million; insurance premiums tax (\$2.2 million or 1.3 percent).

Tax sources which were above the adjusted estimate by more than \$1.0 million: corporation income tax (\$55.0 million or 20.4 percent); retail sales tax (\$13.9 million or 0.6 percent); compensating use tax (\$4.7 million or 1.2 percent); financial institutions' privilege tax (\$1.1 million or 2.8 percent); and corporate franchise tax (\$1.0 million or 15.6 percent).

SGF receipts from taxes only, which had been slightly below the previous estimate through May, ended in a positive position for the month of June to finish the fiscal year up by \$72.1 million. The positive note appeared to be centered in two sources—corporation income taxes and retail sales taxes.

According to the Department of Revenue, the growth in corporation income tax receipts above the final April 20 estimate was due, in part, to stronger than anticipated corporate estimated payments, especially in the month of June. Strong estimated payments generally reflect strong corporate earnings and positive expectations about future profits. The Consensus Revenue Estimate Group will continue working with the Department of Revenue over the summer and fall prior to the November meeting in analyzing the estimated payments from late in FY 2017 and the implications for revising the forecast for FY 2018 and subsequent years.

Although sales and use tax receipts exceeded the final estimate for the fiscal year, it is worth noting that the annual growth of these tax sources remained below long-term historical patterns.

Interest was above the estimate by \$1.9 million, or 3.0 percent. Agency earnings were below the estimate by \$2.0 million, or 2.6 percent.

Total SGF receipts in FY 2017 were above total SGF receipts in FY 2016 by \$265.6 million, or 4.4 percent. Tax receipts only for FY 2017 were above FY 2016 tax receipts by \$58.6 million, or 1.0 percent.

A Certificate of Indebtedness of \$900.0 million was discharged or redeemed by the State General Fund prior to the end of the fiscal year, as required by law. The redemption took place on June 28, 2017.

STATE GENERAL FUND RECEIPTS  
FY 2017  
(dollar amounts in thousands)

	Actual FY 2016	FY 2017			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2016	Estimate
<b>Property Tax/Fee:</b>						
Motor Carriers	\$ 11,376	\$ 11,800	\$ 10,863	\$ (937)	(4.5) %	(7.9) %
<b>Income Taxes:</b>						
Individual	\$ 2,248,936	\$ 2,305,000	\$ 2,304,027	\$ (973)	2.4 %	(0.0) %
Corporation	354,726	270,000	324,956	54,956	(8.4)	20.4
Financial Inst.	37,151	40,000	41,138	1,138	10.7	2.8
Total	\$ 2,640,813	\$ 2,615,000	\$ 2,670,121	\$ 55,121	1.1 %	2.1 %
<b>Excise Taxes:</b>						
Retail Sales	\$ 2,273,941	\$ 2,272,000	\$ 2,285,870	\$ 13,870	0.5 %	0.6 %
Comp. Use	384,992	380,000	384,654	4,654	(0.1)	1.2
Cigarette	138,512	130,000	130,079	79	(6.1)	0.1
Tobacco Prod.	8,040	8,400	8,425	25	4.8	0.3
Cereal Malt Bev.	1,410	1,500	1,543	43	9.4	2.9
Liquor Gallonage	19,714	19,700	19,438	(262)	(1.4)	(1.3)
Liquor Enforce.	67,730	71,500	71,528	28	5.6	0.0
Liquor Drink	10,941	11,000	11,041	41	0.9	0.4
Corp. Franchise	6,884	6,600	7,631	1,031	10.9	15.6
Severance	22,395	41,500	42,090	590	87.9	1.4
Gas	5,975	13,200	14,879	1,679	149.0	12.7
Oil	16,420	28,300	27,211	(1,089)	65.7	(3.8)
Total	\$ 2,934,559	\$ 2,942,200	\$ 2,962,299	\$ 20,099	0.9 %	0.7 %
<b>Other Taxes:</b>						
Insurance Prem.	\$ 170,202	\$ 174,500	\$ 172,291	\$ (2,209)	1.2 %	(1.3) %
Miscellaneous	1,395	1,300	1,352	52	(3.1)	4.0
Total	\$ 171,597	\$ 175,800	\$ 173,643	\$ (2,157)	1.2 %	(1.2) %
<b>Total Taxes</b>	<b>\$ 5,758,345</b>	<b>\$ 5,744,800</b>	<b>\$ 5,816,926</b>	<b>\$ 72,126</b>	<b>1.0 %</b>	<b>1.3 %</b>
<b>Other Revenue and Receipts:</b>						
Interest	\$ 28,121	\$ 63,700	\$ 65,633	\$ 1,933	-- %	3.0 %
Net Transfers and Receipts	239,330	381,550	381,794	244	59.5	(0.1)
Agency Earnings and Misc.	47,667	76,700	74,706	(1,994)	56.7	(2.6)
Total	\$ 315,118	\$ 521,950	\$ 522,133	\$ 183	65.7 %	0.0 %
<b>TOTAL RECEIPTS</b>	<b>\$ 6,073,463</b>	<b>\$ 6,266,750</b>	<b>\$ 6,339,059</b>	<b>\$ 72,309</b>	<b>4.4 %</b>	<b>1.2 %</b>

Consensus estimate as of April 20, 2017, as subsequently adjusted for legislation enacted after that date.

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