

# 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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To: Legislative Budget Committee

## STATE GENERAL FUND (SGF) RECEIPTS July through September, FY 2017

For the first three months of FY 2017, estimates of State General Fund (SGF) receipts are based upon the consensus estimates of April 20, 2016, as adjusted for legislation enacted after that date by the 2016 Legislature.

**Total receipts for July through September, the first three months of FY 2017, were \$67.0 million, or 4.8 percent, below the estimate. The component of total SGF receipts from taxes only was \$67.7 million, or 4.7 percent, below the estimate.**

The tax source exceeding the fiscal year estimate by more than \$1.0 million through September were individual income (\$1.7 million or 0.3 percent) and insurance premiums (\$1.7 million or 25.4 percent). Tax sources below the estimates by more than \$1.0 million through September were: retail sales (\$34.3 million or 5.6 percent), corporation income (\$33.1 million or 31.5 percent), and compensating use (\$6.3 million or 6.3 percent).

Individual income taxes, which had been \$15.9 million ahead of the estimate through August, fell for the month of September by \$14.2 million (bringing the cumulative fiscal-year-to-date estimate to the current level noted above). September estimated payments were running \$7.9 million below the same month a year earlier and appear to have been a significant factor in this decline.

Corporation income tax receipts, down \$15.6 million through August, fell another \$17.5 million below the monthly estimate and are now down \$33.1 million through the first quarter of the fiscal year. Estimated corporate payments in September also fell \$14.6 million below their level in September 2015.

Sales tax receipts, down \$24.9 million through August, fell an additional \$9.4 million last month and are now down a cumulative \$34.3 million thus far this fiscal year.

Interest revenue was \$2.0 million, or 28.1 percent, more than anticipated. Net transfers were below estimates by \$10.5 million, which were partially offset by agency earnings that were \$9.2 million above estimates. The discrepancy is due in part to the uncommitted cash balance of the Kansas Bioscience Authority (KBA). This revenue must be classified as agency earnings and not as a SGF transfer as originally anticipated in the estimates.

Total SGF receipts through September of FY 2017 are \$13.9 million, or 1.0 percent, below FY 2016 for the same period. Tax receipts only for the same period were above FY 2016 by \$5.9 million, or 0.5 percent.

This report excludes the July 1 deposit to the SGF of \$900.0 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-September, 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	\$ 1,997	\$ 1,850	\$ 1,871	\$ 21	(6.3) %	1.1 %
<b>Income Taxes:</b>						
Individual	\$ 526,268	\$ 550,000	\$ 551,682	\$ 1,682	4.8 %	0.3 %
Corporation	93,658	105,000	71,899	(33,101)	(23.2)	(31.5)
Financial Inst.	8,488	9,000	9,730	730	14.6	8.1
Total	\$ 628,414	\$ 664,000	\$ 633,311	\$ (30,689)	0.8 %	(4.6) %
<b>Excise Taxes:</b>						
Retail Sales	\$ 585,496	\$ 610,000	\$ 575,676	\$ (34,324)	(1.7) %	(5.6) %
Comp. Use	95,061	100,000	93,654	(6,346)	(1.5)	(6.3)
Cigarette	36,787	33,000	33,943	943	(7.7)	2.9
Tobacco Prod.	2,031	2,025	2,198	173	8.2	8.5
Cereal Malt Bev.	398	360	479	119	20.4	33.1
Liquor Gallonage	4,923	5,000	4,885	(115)	(0.8)	(2.3)
Liquor Enforce.	15,815	17,500	17,893	393	13.1	2.2
Liquor Drink	2,687	2,800	2,731	(69)	1.6	(2.5)
Corp. Franchise	1,148	1,270	1,317	47	14.7	3.7
Severance	(666)	9,750	10,197	447	--	4.6
Gas	(871)	3,000	2,143	(857)	--	(28.6)
Oil	205	6,750	8,054	1,304	--	19.3
Total	\$ 743,680	\$ 781,705	\$ 742,973	\$ (38,732)	(0.1) %	(5.0) %
<b>Other Taxes:</b>						
Insurance Prem.	\$ (6,705)	\$ (6,490)	\$ (4,838)	\$ 1,652	27.8 %	25.5 %
Miscellaneous	310	300	317	17	2.3	5.7
Total	\$ (6,395)	\$ (6,190)	\$ (4,521)	\$ 1,669	(29.3) %	(27.0) %
<b>Total Taxes</b>	<b>\$ 1,367,696</b>	<b>\$ 1,441,365</b>	<b>\$ 1,373,634</b>	<b>\$ (67,731)</b>	<b>0.4 %</b>	<b>(4.7) %</b>
<b>Other Revenue:</b>						
Interest	\$ 15,003	\$ 7,100	\$ 9,095	\$ 1,995	(39.4) %	28.1 %
Transfers (net)	(41,389)	(53,740)	(64,226)	(10,486)	55.2	(19.5)
Agency Earnings and Misc.	6,042	5,800	14,985	9,185	148.0	158.4
Total	\$ (20,344)	\$ (40,840)	\$ (40,146)	\$ 694	97.3 %	(1.7) %
<b>TOTAL RECEIPTS</b>	<b>\$ 1,347,352</b>	<b>\$ 1,400,525</b>	<b>\$ 1,333,488</b>	<b>\$ (67,037)</b>	<b>(1.0) %</b>	<b>(4.8) %</b>

Consensus estimate as of April 20, 2016, as further adjusted for subsequent legislation enacted after that date.

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.