

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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**To:** Legislative Budget Committee

## STATE GENERAL FUND (SGF) RECEIPTS

July 2017 through April 2018, FY 2018

This is the first monthly report of State General Fund (SGF) receipts in FY 2018 based upon the revised estimates made by the Consensus Estimating Group on April 20, 2018. The figures in the "Estimate" and "Actual" columns under FY 2018 in the following table include actual total receipts through March, so this report focuses on a comparison of the estimated and actual total receipts for April only.

Total receipts through April of FY 2018 were \$67.3 million, or 1.1 percent, above the revised estimate. The component of total SGF receipts from taxes was \$66.1 million, or 1.2 percent, above the revised estimate.

There were four tax sources that exceeded the newly adjusted estimate by more than \$1.0 million: individual income tax (\$50.4 million or 1.9 percent); corporation income tax (\$13.7 million or 5.0 percent); retail sales tax (\$1.7 million or 0.1 percent); and financial institutions tax (\$1.2 million or 3.5 percent).

No tax sources fell below the estimate by more than \$1.0 million.

Total SGF receipts through April of FY 2018 were \$1.039 billion, or 20.9 percent above total FY 2017 receipts for the same period. Tax receipts only for the same period were above FY 2017 by \$966.7 million, or 20.3 percent.

When the Consensus Estimating Group met on April 20, the Department of Revenue indicated it had yet to conduct an in-depth analysis of the more than 1.2 million tax year 2017 individual income tax returns that had been filed. At that same meeting, the FY 2018 individual income tax estimate from November was increased by \$218 million. Receipts from this source in April exceeded the newly raised level by \$50.4 million. The concept that a significant amount of accelerated estimated payments made in late December and early January would mean reduced levels of net receipts during the filing season (when final tax year 2017 returns were reconciled) does not appear to have materialized through the end of April. Many of the underlying fundamentals for this tax source – especially withholding, estimated payments, and balance due remittances – have remained stronger than had been previously anticipated. The Department of Revenue has indicated an analysis of tax year 2017 returns will be conducted over the summer to determine the final impact of 2017 tax legislation impacting income tax receipts (SB 30).

Interest was above the estimate by \$0.8 million, or 5.1 percent. Transfers (net) were slightly above the estimate. Agency earnings and miscellaneous were above the estimate by \$0.4 million, or 0.9 percent.

Following *sine die* adjournment, the estimate for FY 2018 receipts will be adjusted one final time to account for all legislation signed into law after April 20.

This report excludes a deposit to the SGF of \$900.0 million due to the issuance of a Certificate of Indebtedness. The Certificate will be discharged prior to the end of the fiscal year.

STATE GENERAL FUND RECEIPTS  
July-April, FY 2018  
(dollar amounts in thousands)

	Actual FY 2017	FY 2018			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2017	Estimate
<b>Property Tax/Fee:</b>						
Motor Carriers	\$ 10,235	\$ 11,250	\$ 11,167	\$ (83)	9.1 %	(0.7) %
<b>Income Taxes:</b>						
Individual	\$ 1,923,322	\$ 2,716,000	\$ 2,766,446	\$ 50,446	43.8 %	1.9 %
Corporation	237,104	276,700	290,432	13,732	22.5	5.0
Financial Inst.	31,313	34,000	35,204	1,204	12.4	3.5
Total	\$ 2,191,739	\$ 3,026,700	\$ 3,092,082	\$ 65,382	41.1 %	2.2 %
<b>Excise Taxes:</b>						
Retail Sales	\$ 1,898,917	\$ 1,946,300	\$ 1,947,955	\$ 1,655	2.6 %	0.1 %
Comp. Use	319,178	341,000	340,556	(444)	6.7	(0.1)
Cigarette	105,940	99,100	99,222	122	(6.3)	0.1
Tobacco Prod.	6,940	7,200	7,179	(21)	3.4	(0.3)
Cereal Malt Bev.	1,302	1,200	1,230	30	(5.5)	2.5
Liquor Gallonage	16,209	16,400	16,412	12	1.3	0.1
Liquor Enforce.	58,116	59,600	59,681	81	2.7	0.1
Liquor Drink	9,086	9,500	9,550	50	5.1	0.5
Corp. Franchise	4,854	4,550	4,599	49	(5.3)	1.1
Severance	32,175	32,100	31,513	(587)	(2.1)	(1.8)
Gas	10,298	9,900	9,858	(42)	(4.3)	(0.4)
Oil	21,877	22,200	21,655	(545)	(1.0)	(2.5)
Total	\$ 2,452,717	\$ 2,516,950	\$ 2,517,897	\$ 947	2.7 %	0.0 %
<b>Other Taxes:</b>						
Insurance Prem.	\$ 111,077	\$ 110,500	\$ 110,340	\$ (160)	(0.7) %	(0.1) %
Miscellaneous	1,095	2,100	2,106	6	92.3	0.3
Total	\$ 112,172	\$ 112,600	\$ 112,446	\$ (154)	0.2 %	(0.1) %
<b>Total Taxes</b>	<b>\$ 4,766,863</b>	<b>\$ 5,667,500</b>	<b>\$ 5,733,592</b>	<b>\$ 66,092</b>	<b>20.3 %</b>	<b>1.2 %</b>
<b>Other Revenue and Receipts:</b>						
Interest	\$ 18,535	\$ 15,300	\$ 16,085	\$ 785	(13.2) %	5.1 %
Transfers (net) and Receipts	115,092	214,150	214,231	81	86.1	(0.0)
Agency Earnings and Misc.	65,658	41,300	41,678	378	(36.5)	0.9
Total	\$ 199,285	\$ 270,750	\$ 271,994	\$ 1,244	36.5 %	0.5 %
<b>TOTAL RECEIPTS</b>	<b>\$ 4,966,148</b>	<b>\$ 5,938,250</b>	<b>\$ 6,005,586</b>	<b>\$ 67,336</b>	<b>20.9 %</b>	<b>1.1 %</b>

Consensus estimate as of April 20, 2018.

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.