



January 3, 2019

To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS
July through December, FY 2019

This is the second monthly report based on the revised estimate of SGF receipts in FY 2019 made by the Consensus Estimating Group on November 9, 2018. The figures in both the “Estimate” and “Actual” columns under FY 2019 on the following table include actual amounts received in July-October. Thus, the report essentially deals with the difference between the estimated and actual receipts in November and December.

Total receipts through December of FY 2019 were \$10.5 million, or 0.3 percent, above the estimate. The component of SGF receipts from taxes only was \$13.1 million, or 0.4 percent, above the estimate. Total receipts through November of FY 2019 had been \$0.9 million, or less than 0.1 percent below the estimate and taxes only were \$2.5 million, or 0.1 percent, above the estimate.

The timing and processing of receipts can affect comparisons of the estimate with actual receipts over a short period of time. In addition, receipts through the end of January may include additional sales tax receipts on Christmas business.

Tax sources that exceeded the estimate by more than \$1.0 million were: corporate income tax (\$22.5 million or 12.1 percent); compensating use tax (\$3.9 million or 1.9 percent); and severance tax (\$1.3 million or 5.7 percent).

Individual income tax receipts for the month of December were \$43.9 million below the previous year. However, it is important to remember, this tax source is comprised of three primary sources: withholding taxes from paychecks (80.0 percent), estimated taxes paid on a quarterly basis (15.0 percent), and final payments and refunds made on or before April 15 of each year (5.0 percent). For FY 2019, withholding revenue in December is at or slightly above projections and \$26.7 million above December of FY 2018. Estimated payments are below projections and \$57.5 million below FY 2018 actuals for December, though in FY 2018, taxpayers had incentive to make early estimated payments in advance of the newly imposed \$10,000 cap on the State and Local Tax Deduction (SALT) on their federal taxes. Now that the federal cap is in place, the Legislative Research Department anticipates those estimated payments will shift closer to their actual due date on January 15, 2019, and estimated payments in January will exceed projections.

Tax sources that fell below the estimate by more than \$1.0 million were: insurance premiums tax (\$6.7 million or 11.1 percent); individual income tax (\$6.2 million or 0.4 percent); retail sales tax (\$2.7 million or 0.2 percent); and financial institutions privilege tax (\$1.2 million or

6.4 percent). Insurance premium tax receipts were lower than expected due to underestimated scheduled refunds and credits.

Interest earnings were below the estimate by \$0.3 million (but up over the same period in FY 2018 by nearly 180.0 percent). Net transfers were slightly above the estimate by \$0.2 million. Agency earnings were below the estimated amount by \$2.5 million.

Total SGF receipts through December of FY 2019 were \$17.3 million or 0.5 percent below FY 2018 for the same period. Tax receipts only, for the same period, were above FY 2018 by \$195.7 million or 6.1 percent.

This report excludes a deposit to the SGF which totals \$600.0 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-December, FY 2019
(Dollars in Thousands)

	Actual FY 2018	FY 2019			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2018	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 5,471	\$ 5,000	\$ 5,142	\$ 142	(6.0) %	2.8 %
Income Taxes:						
Individual	\$ 1,427,081	\$ 1,570,500	\$ 1,564,263	\$ (6,237)	9.6 %	(0.4) %
Corporation	148,196	185,400	207,888	22,488	40.3	12.1
Financial Inst.	18,896	18,600	17,407	(1,193)	(7.9)	(6.4)
<i>Total</i>	<u>\$ 1,594,173</u>	<u>\$ 1,774,500</u>	<u>\$ 1,789,558</u>	<u>\$ 15,058</u>	<u>12.3 %</u>	<u>0.8 %</u>
Excise Taxes:						
Retail Sales	\$ 1,184,204	\$ 1,182,600	\$ 1,179,929	\$ (2,671)	(0.4) %	(0.2) %
Compensating Use	198,781	208,100	212,002	3,902	6.7	1.9
Cigarette	63,465	61,400	62,361	961	(1.7)	1.6
Tobacco Products	4,436	4,500	4,560	60	2.8	1.3
Cereal Malt Beverages	750	820	800	(20)	6.7	(2.4)
Liquor Gallonage	10,648	10,230	10,525	295	(1.2)	2.9
Liquor Enforcement	36,072	36,840	37,493	653	3.9	1.8
Liquor Drink	5,654	5,900	5,971	71	5.6	1.2
Corporate Franchise	1,324	1,270	1,282	12	(3.2)	0.9
Severance	17,926	21,880	23,132	1,252	29.0	5.7
Gas	5,739	3,540	3,722	182	(35.1)	5.1
Oil	12,188	18,340	19,410	1,070	59.3	5.8
<i>Total</i>	<u>\$ 1,523,259</u>	<u>\$ 1,533,540</u>	<u>\$ 1,538,055</u>	<u>\$ 4,515</u>	<u>1.0 %</u>	<u>0.3 %</u>
Other Taxes:						
Insurance Premiums	\$ 67,851	\$ 59,800	\$ 53,133	\$ (6,667)	(21.7) %	(11.1) %
Miscellaneous	1,132	1,720	1,732	12	53.0	0.7
<i>Total</i>	<u>\$ 68,983</u>	<u>\$ 61,520</u>	<u>\$ 54,865</u>	<u>\$ (6,655)</u>	<u>(20.5) %</u>	<u>(10.8) %</u>
Total Taxes	\$ 3,191,886	\$ 3,374,560	\$ 3,387,620	\$ 13,059	6.1 %	0.4 %
Other Revenue:						
Interest	\$ 8,181	\$ 23,200	\$ 22,887	\$ (313)	179.8 %	(1.3) %
Transfers (net)	130,446	(98,580)	(98,337)	243	(175.4)	0.2
Agency Earnings & Misc	31,720	35,300	32,783	(2,517)	3.4	(7.1)
Total Other Revenue	\$ 170,346	\$ (40,080)	\$ (42,667)	\$ (2,587)	(125.0) %	(6.5) %
TOTAL RECEIPTS	\$ 3,362,232	\$ 3,334,480	\$ 3,344,953	\$ 10,472	(0.5) %	0.3 %

* Consensus Estimate as of November 9, 2018.

Excludes a Certificate of Indebtedness of \$600 million that must be redeemed prior to the end of the fiscal year.

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