



August 3, 2020

To: Legislative Budget Committee

STATE GENERAL FUND RECEIPTS FY 2021

For FY 2021 to date, estimates of State General Fund (SGF) receipts are based upon the consensus estimates of April 20, 2020, as adjusted for legislation enacted after that date by the 2020 Legislature.

As this is the first monthly report on FY 2021 receipts, it is important to remember that a comparison of one month is not a reliable basis upon which to identify a trend for the balance of the year.

Total receipts for July, the first month of FY 2021, were \$8.7 million, or 1.0 percent, above the estimate. The component of total SGF receipts from taxes only was \$4.6 million, or 0.5 percent, below the estimate.

The tax sources that exceeded the July estimate by more than \$1.0 million: sales tax (\$16.6 million or 8.2 percent); compensating use tax (\$14.3 million or 39.8 percent); and insurance premiums tax (\$2.9 million or 57.2 percent).

The following tax sources were below the estimate by more than \$1.0 million: individual income tax (\$30.5 million or 4.7 percent); corporation income tax (\$5.2 million or 6.9 percent); and financial institutions privilege tax (\$2.3 million or 33.1 percent).

As noted in this report from the final month of FY 2020, receipts were above the estimate for individual income tax (\$48.2 million), corporation income tax (\$24.4 million), and financial institutions privilege tax (\$6.2 million). These tax sources were impacted by the deadline extension from April 15, 2020 to July 15, 2020 and a combined \$643.0 million of estimated receipts were shifted from FY 2020 to FY 2021 from these three sources. It appears that some of the estimated delayed revenue from these tax sources increases was collected in June (FY 2020) rather than in July (FY 2021) and may offset some of the shortfalls listed above. Withholding tax continues to be stronger-than-expected in July.

Sales tax and compensating use tax collections for July came in above estimates as receipts did not decline as projected, but rather exceeded FY 2020 amounts by 6.9 percent and 29.1 percent, respectively.

Receipts for other revenue were all above the estimate—interest by \$1.2 million, transfers by \$9.9 million, and agency earnings by \$2.2 million. The primary reason for the positive transfer amount was a lower than projected School District Capital Improvement Fund transfer.

The Consensus Estimate Group will continue to monitor receipts from these and all other tax sources over the summer and fall prior to its next meeting in November 2020.

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, FY 2021
(Dollars in Thousands)

	Actual FY 2020	FY 2021			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2020	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 983	\$ 1,650	\$ 981	\$ (669)	(0.2) %	(40.5) %
Income Taxes:						
Individual	\$ 224,206	\$ 650,000	\$ 619,554	\$ (30,446)	176.3 %	(4.7) %
Corporation	15,243	75,000	69,794	(5,206)	357.9	(6.9)
Financial Inst.	433	7,000	4,681	(2,319)	981.1	(33.1)
<i>Total</i>	<u>\$ 239,882</u>	<u>\$ 732,000</u>	<u>\$ 694,029</u>	<u>\$ (37,971)</u>	<u>189.3 %</u>	<u>(5.2) %</u>
Excise Taxes:						
Retail Sales	\$ 204,576	\$ 202,000	\$ 218,620	\$ 16,620	6.9 %	8.2 %
Compensating Use	38,983	36,000	50,332	14,332	29.1	39.8
Cigarette	12,225	10,200	10,375	175	(15.1)	1.7
Tobacco Products	741	900	852	(48)	15.0	(5.3)
Liquor Gallonage	1,757	2,050	2,043	(7)	16.3	(0.3)
Liquor Enforcement	6,729	7,200	7,835	635	16.4	8.8
Liquor Drink	1,111	750	763	13	(31.3)	1.7
Severance	(2,466)	(4,200)	(4,190)	10	(69.9)	0.2
Gas	(1,390)	(1,400)	(1,386)	14	0.3	1.0
Oil	(1,076)	(2,800)	(2,804)	(4)	(160.6)	(0.1)
<i>Total</i>	<u>\$ 263,656</u>	<u>\$ 254,900</u>	<u>\$ 286,630</u>	<u>\$ 31,730</u>	<u>8.7 %</u>	<u>12.4 %</u>
Other Taxes:						
Insurance Premiums	\$ (9,278)	\$ (5,000)	\$ (2,140)	\$ 2,860	76.9 %	57.2 %
Corporate Franchise	614	1,700	1,111	(589)	80.9	(34.6)
Miscellaneous	346	230	229	(1)	(33.8)	(0.4)
<i>Total</i>	<u>\$ (8,318)</u>	<u>\$ (3,070)</u>	<u>\$ (799)</u>	<u>\$ 2,271</u>	<u>90.4 %</u>	<u>74.0 %</u>
Total Taxes	\$ 496,203	\$ 985,480	\$ 980,841	\$ (4,639)	97.7 %	(0.5) %
Other Revenue:						
Interest	\$ 5,533	\$ 50	\$ 1,268	\$ 1,218	(77.1) %	-- %
Transfers (net)	(99,297)	(77,070)	(67,170)	9,900	32.4	12.8
Agency Earnings & Misc	(216)	2,730	4,973	2,243	2,402.3	82.2
Total Other Revenue	\$ (93,980)	\$ (74,290)	\$ (60,929)	\$ 13,361	35.2 %	18.0 %
TOTAL RECEIPTS	\$ 402,223	\$ 911,190	\$ 919,912	\$ 8,722	128.7 %	1.0 %

* Consensus Estimate as of April 20, 2020.

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.