



## **STATE GENERAL FUND (SGF) RECEIPTS**

August, FY 2024

**Total receipts through August were \$22.1 million, or 1.8 percent, below the estimate.** The component of SGF receipts from taxes only was \$10.6 million, or 0.8 percent, below the estimate.

Three tax sources were above the estimate by more than \$1.0 million. Three tax sources were below the estimate by more than \$1.0 million. Those tax sources are **bolded** in the attached table.

**Individual income** tax receipts were **below** the estimate by **\$22.0 million**, or 3.5 percent. While refunds attributable to the SALT Parity Act have continued to reduce receipts, withholding receipts were still strong, outpacing the previous year-to-date amount by 8.5 percent.

**Corporation income** tax receipts **exceeded** the estimate by **\$9.8 million**, or 16.4 percent. This marks the ninth consecutive month that corporation income taxes have exceeded their monthly estimate. Some of the excess likely continues to be driven by SALT Parity Act payments. The consensus group continues to monitor this source closely and will likely shift some receipts from individual to corporation income tax at the time of the November revisions to the estimates.

**Sales and use taxes** combined were **above** the fiscal year estimate by **\$6.7 million**, or 1.1 percent. Receipts from these sources exceed the prior year amounts by 1.3 percent, despite a reduction of receipts in August of FY 2024 due to the distribution of STAR Bond receipts to local units of government and other policy changes reducing receipts.

**Insurance premiums** tax receipts were **below** the fiscal year estimate by **\$5.0 million**. The shortfall reflects higher levels of tax credits being claimed than was anticipated.

For non-tax revenue sources, **interest exceeded** the estimate by \$1.5 million. **Agency earnings** were **below** the estimate by \$3.0 million. **Transfers** were **below** the estimate by \$10.1 million due to the State Finance Council's approval of \$11.8 million in transfers to the Tort Claims Fund for two settlements

This is the second estimate for FY 2024 receipts based on the April consensus revenue estimate adjusted for legislation enacted after that date.

There was not a Certificate of Indebtedness issued for FY 2024.

**STATE GENERAL FUND RECEIPTS**  
**July-August, FY 2024**  
(Dollars in Thousands)

	Actual	FY 2024			Percent change relative to:	
	FY 2023	Estimate*	Actual	Difference	FY 2023	Estimate
<b>Income Taxes:</b>						
<b>Individual</b>	\$ 607,741	\$ 635,000	\$ 612,961	\$ (22,039)	0.9 %	(3.5) %
<b>Corporation</b>	52,076	60,000	69,839	9,839	34.1	16.4
Financial Inst.	(796)	700	880	180	210.6	25.7
<i>Total</i>	\$ 659,021	\$ 695,700	\$ 683,681	\$ (12,019)	3.7 %	(1.7) %
<b>Sales &amp; Use Taxes:</b>						
<b>Retail Sales</b>	413,763	475,000	469,113	(5,887)	13.4	(1.2)
<b>Compensating Use</b>	116,298	126,000	138,549	12,549	19.1	10.0
<i>Total</i>	\$ 530,061	\$ 601,000	\$ 607,662	\$ 6,662	14.6 %	1.1 %
<b>Other Excise Taxes:</b>						
<b>Cigarette</b>	17,648	17,500	18,751	1,251	6.3	7.1
Tobacco Products	1,746	1,820	1,829	9	4.7	0.5
Liquor Gallonage	4,404	4,450	4,086	(364)	(7.2)	(8.2)
Liquor Enforcement	13,932	14,600	14,129	(471)	1.4	(3.2)
Liquor Drink	2,391	2,500	2,573	73	7.6	2.9
<b>Gas Severance</b>	5,165	(1,810)	(2,100)	(290)	(140.7)	(16.0)
<b>Oil Severance</b>	7,696	1,700	849	(851)	(89.0)	(50.1)
<i>Total</i>	\$ 52,983	\$ 40,760	\$ 40,115	\$ (645)	(24.3) %	(1.6) %
<b>Other Taxes:</b>						
<b>Insurance Premiums</b>	\$ (6,592)	\$ (9,000)	\$ (13,956)	\$ (4,956)	(111.7) %	(55.1) %
Motor Carriers	1,585	1,520	1,661	141	4.8	9.3
Corporate Franchise	842	820	922	102	9.6	12.4
Miscellaneous	842	900	1,034	134	22.9	14.9
<i>Total</i>	\$ (3,323)	\$ (5,760)	\$ (10,338)	\$ (4,578)	(211.1) %	(79.5) %
<b>Total Taxes</b>	\$ 1,238,742	\$ 1,331,700	\$ 1,321,120	\$ (10,580)	6.7 %	(0.8) %
<b>Other Revenue:</b>						
Interest	\$ 3,668	\$ 50,700	\$ 52,248	\$ 1,548	1,324.6 %	3.1 %
Transfers (net)	(323,681)	(159,200)	(169,309)	(10,109)	47.7	(6.3)
Agency Earnings & Misc	8,904	11,950	8,995	(2,955)	1.0	(24.7)
<b>Total Other Revenue</b>	\$ (311,110)	\$ (96,550)	\$ (108,066)	\$ (11,516)	65.3 %	(11.9) %
<b>TOTAL RECEIPTS</b>	\$ 927,632	\$ 1,235,150	\$ 1,213,054	\$ (22,096)	30.8 %	(1.8) %

\* Consensus Estimate as of April 20, 2023, as further adjusted for subsequent legislation enacted after that date.

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



**Kansas Legislative Research Department**

*Providing nonpartisan, objective research and fiscal  
analysis for the Kansas Legislature since 1934*

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September 1, 2023

## **QUARTERLY ECONOMIC INDICATORS REPORT**

The Quarterly Economic Indicators Report is published by the Kansas Legislative Research Department in conjunction with the State General Fund Receipts memorandum for the months of February, May, August, and November. The Report provides graphs regarding economic output and inflation and the labor economy. A new component of the report beginning with the report associated with the August 2023 receipts memo is a quarterly focus on one aspect of the economy of particular note.

While recent months have continued to see lower inflation than all of 2022, price increases continue to exceed the target and long-term average levels with the Consumer Price Index (CPI) averaging an annual increase of 4.1 percent through the quarter. Energy prices saw some annualized disinflation through the quarter, while food costs outpaced overall inflation, averaging 6.7 percent price growth during the three months. Housing costs, which make up the single largest share of the index, also grew at a rate that exceeded the overall amount.

For the first quarter of 2023, the most recent quarter for which state-level gross domestic product (GDP) is available, Kansas real GDP grew at 6.0 percent, exceeding the national level of 2.0 percent in the same quarter. This was largely driven by robust growth in the agricultural sector and was largely consistent with other states in the region.

Kansas employment and unemployment remained steady throughout the quarter with modest job gains and no meaningful change to the unemployment rate, which remained below 3.0 percent and below the national level.

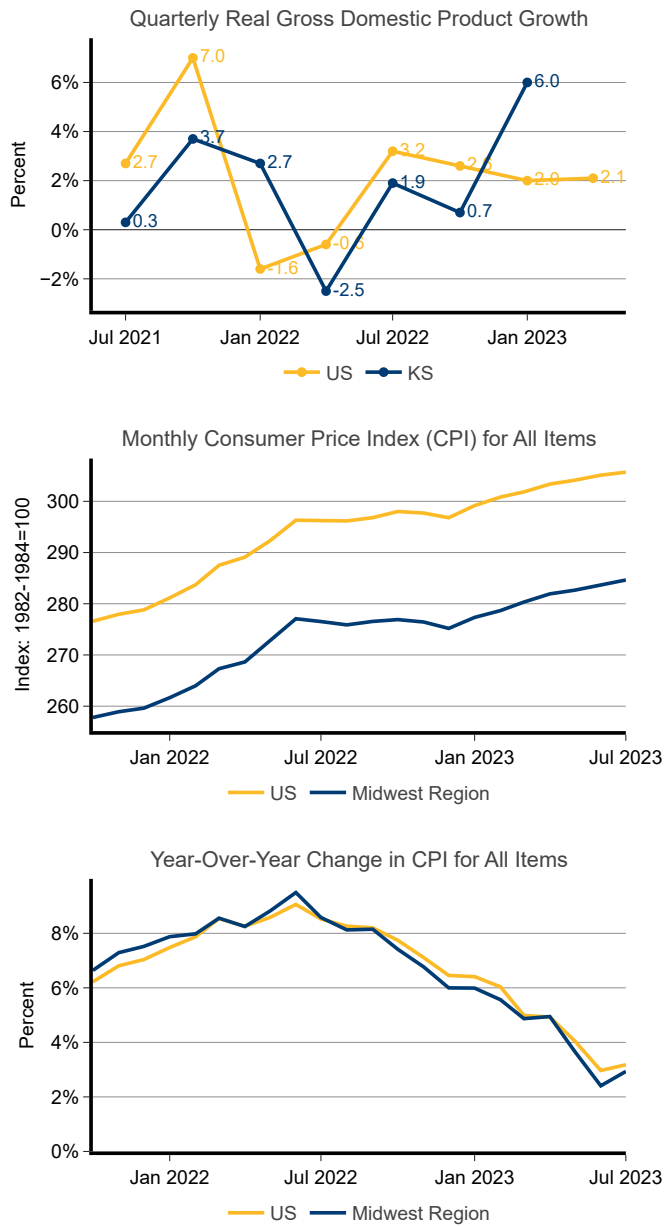
While growth in hourly earnings for Kansas private sector employees remained positive throughout the quarter, the average weekly hours worked declined relative to the previous year, resulting in growth of average weekly earnings of less than 0.5 percent for the quarter.

Data provided in the Report come from the sources that follow. GDP data come from the U.S. Bureau of Labor Statistics while consumer price index (CPI), employment, unemployment, jobs, and earnings data come from the U.S. Bureau of Economic Analysis. The Federal Funds Effective Interest Rate data included in the current Report come from the Federal Reserve Bank of New York.

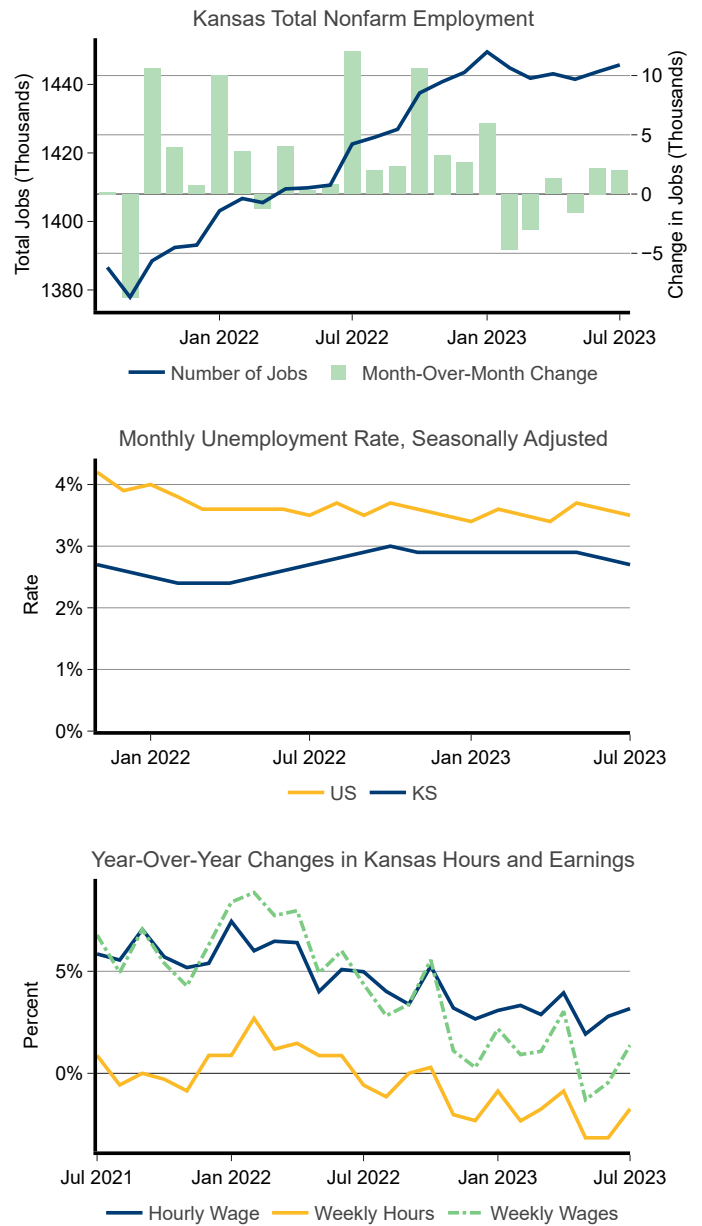
# QUARTERLY ECONOMIC INDICATORS

September 1, 2023

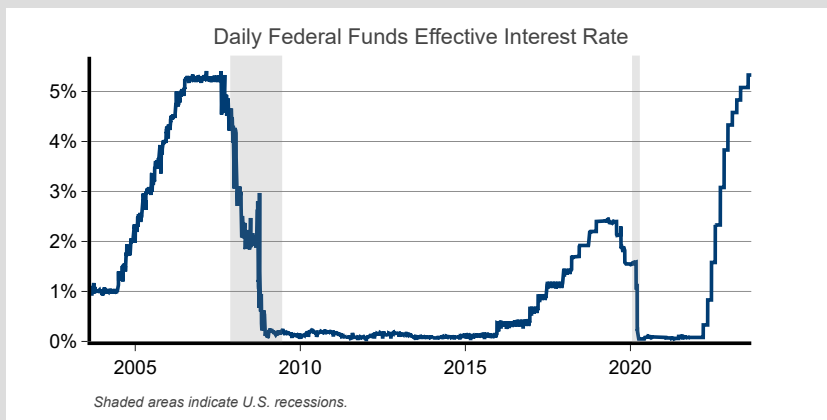
## Output and Inflation



## Labor Economy



## Quarterly Focus: Monetary Policy



In response to elevated levels of inflation as the economy reopened following the COVID-19 pandemic, the Federal Open Market Committee of the Federal Reserve System began increasing interest rates in March 2022 in an attempt to cool the economy and reduce inflation.

With inflation continuing to accelerate through the summer of 2022, interest rates have similarly increased and currently exceed 5 percent, the highest rates seen since prior to the Great Recession.