



STATE GENERAL FUND (SGF) RECEIPTS

July through November, FY 2024

Total receipts through November FY 2024 were \$4.2 million, or 0.1 percent, **below** the estimate. The component of SGF receipts from taxes only was **\$13.8 million**, or 0.4 percent, **below** the estimate. This is the first monthly report based on the revised estimate for FY 2024 made by the Consensus Revenue Estimating Group on November 9, 2023.

There were two tax sources above the estimate by more than \$1.0 million and three tax sources 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 **\$10.7 million**, or 0.7 percent. While refunds were higher than expected, withholding taxes continue reflect strong growth over the prior year.

Corporation income receipts are **above** the estimate by **\$10.4 million**, or 2.5 percent. The Consensus group continues to monitor the SALT Parity Act impact on receipts, including this type of shift from individual to corporation income tax.

Total sales and use taxes were **below** the estimate by **\$14.2 million**, or 0.9 percent. **Retail sales** tax receipts were below the estimate by **\$11.4 million**, or 1.0 percent; **compensating use** tax receipts were also **below** year-to-date expectations by **\$2.8 million**, or 0.8 percent.

Insurance premiums tax exceeded the estimate by **\$1.1 million**, or 12.4 percent. This excess likely reflects early tax payments made by insurance companies for estimated tax payments due in December.

Non-tax receipts are **\$9.6 million above** the estimate. **Interest earnings** exceeded the estimate by **\$3.7 million**. Agency earnings and miscellaneous taxes exceeded the estimate by **\$6.1 million** primarily due to stronger than expected unclaimed property receipts and judicial docket fees.

It is important to remember that a comparison of just one month is not a reliable basis upon which to identify a trend for the balance of the fiscal year. Receipts in upcoming months will likely be more meaningful in identifying any developing trends regarding how major tax sources are faring relative to the revised estimate done in November. December sales tax receipts will include certain transactions completed in late November that reflect the start of the holiday shopping season. December is also traditionally an important month for corporation income tax estimated payments. January sales tax receipts will include the balance of the holiday shopping season (transactions occurring in December), and individual income tax estimated payments are due in January.

There has not been a Certificate of Indebtedness issued for FY 2024.

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

	Actual FY 2023	FY 2024			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2023	Estimate
Income Taxes:						
Individual	\$ 1,698,942	\$ 1,605,000	\$ 1,594,337	\$ (10,663)	(6.2) %	(0.7) %
Corporation	267,922	414,000	424,414	10,414	58.4	2.5
Financial Inst.	11,658	12,500	12,077	(423)	3.6	(3.4)
Total	\$ 1,978,522	\$ 2,031,500	\$ 2,030,827	\$ (673)	2.6 %	(0.0) %
Sales & Use Taxes:						
Retail Sales	1,150,428	1,175,000	1,163,642	(11,358)	1.1	(1.0)
Compensating Use	315,823	349,000	346,160	(2,840)	9.6	(0.8)
Total	\$ 1,466,250	\$ 1,524,000	\$ 1,509,803	\$ (14,197)	3.0 %	(0.9) %
Other Excise Taxes:						
Cigarette	42,946	41,700	41,626	(74)	(3.1)	(0.2)
Tobacco Products	4,414	4,570	4,564	(6)	3.4	(0.1)
Liquor Gallonage	10,828	10,460	10,362	(98)	(4.3)	(0.9)
Liquor Enforcement	34,256	34,800	34,976	176	2.1	0.5
Liquor Drink	6,137	6,600	6,456	(144)	5.2	(2.2)
Gas Severance	13,662	(1,000)	(998)	2	(107.3)	0.2
Oil Severance	19,972	9,900	9,955	55	(50.2)	0.6
Total	\$ 132,214	\$ 107,030	\$ 106,941	\$ (89)	(19.1) %	(0.1) %
Other Taxes:						
Insurance Premiums	\$ (1,298)	\$ (8,850)	\$ (7,754)	\$ 1,096	-- %	12.4 %
Motor Carriers	3,089	3,900	4,101	201	32.8	5.2
Corporate Franchise	1,264	1,350	1,326	(24)	4.9	(1.8)
Miscellaneous	2,162	2,550	2,465	(85)	14.0	(3.3)
Total	\$ 5,218	\$ (1,050)	\$ 139	\$ 1,189	(97.3) %	113.2 %
Total Taxes	\$ 3,582,204	\$ 3,661,480	\$ 3,647,710	\$ (13,770)	1.8 %	(0.4) %
Other Revenue:						
Interest	\$ 23,278	\$ 155,300	\$ 159,004	\$ 3,704	-- %	2.4 %
Transfers (net)	(354,311)	(256,900)	(257,126)	(226)	27.4	(0.1)
Agency Earnings & Misc	53,135	47,400	53,510	6,110	0.7	12.9
Total Other Revenue	\$ (277,898)	\$ (54,200)	\$ (44,612)	\$ 9,588	83.9 %	17.7 %
TOTAL RECEIPTS	\$ 3,304,306	\$ 3,607,280	\$ 3,603,097	\$ (4,183)	9.0 %	(0.1) %

* Consensus Estimate as of November 9, 2023.

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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December 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.

Real gross domestic product (GDP) for the United States grew by 5.2 percent in the third quarter of 2023, the highest quarterly amount since the fourth quarter of 2021. The release of the second quarter GDP data for Kansas has been delayed to December 5, 2023, as a result of the Bureau of Economic Analysis's Comprehensive Update of the Regional Economic Accounts.

Inflation in the third quarter continued to exceed the Federal Reserve's target level. The consumer price index (CPI-U) was driven by increases in costs of energy, shelter, and transportation services while costs of food and other commodities grew at a slower rate than the CPI-U, including price declines in commodities other than food and energy.

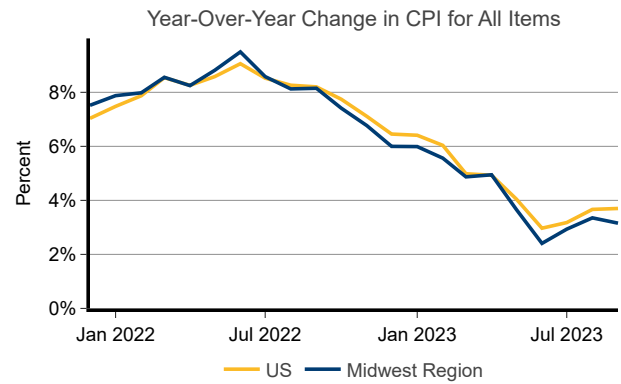
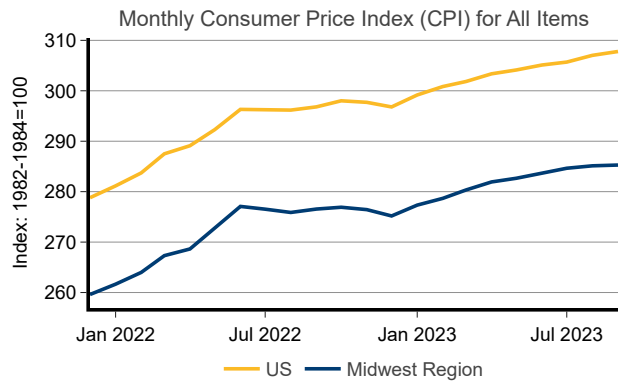
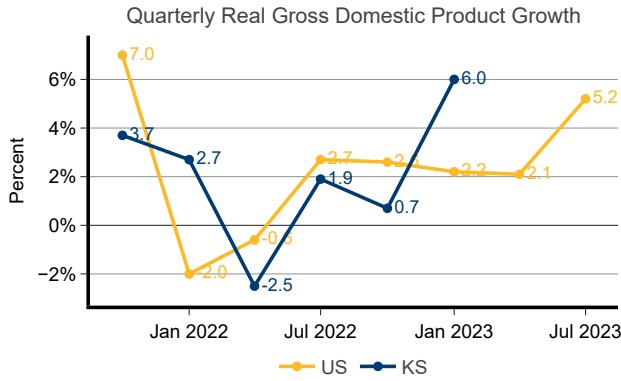
Kansas non-farm employment and the unemployment rate remained largely flat throughout the quarter. Average weekly wages of Kansas private sector workers were largely flat as gains in hourly wages were offset by declines in weekly hours for Kansas workers.

Data provided in the Report comes from the sources that follow. GDP data came from the U.S. Bureau of Labor Statistics while CPI-U, employment, unemployment, jobs, and earnings data come from the U.S. Bureau of Economic Analysis. The business applications data included in the current Report came from the U.S. Census Bureau Business Formation Statistics.

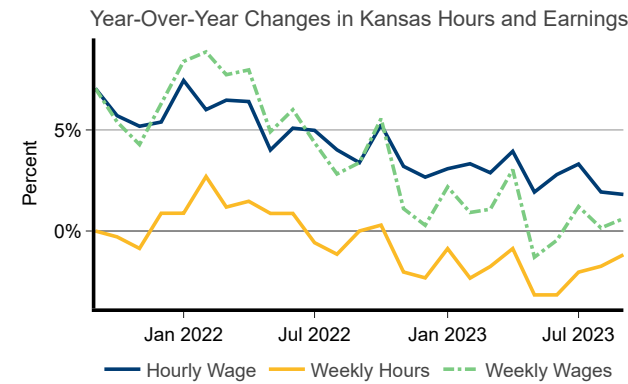
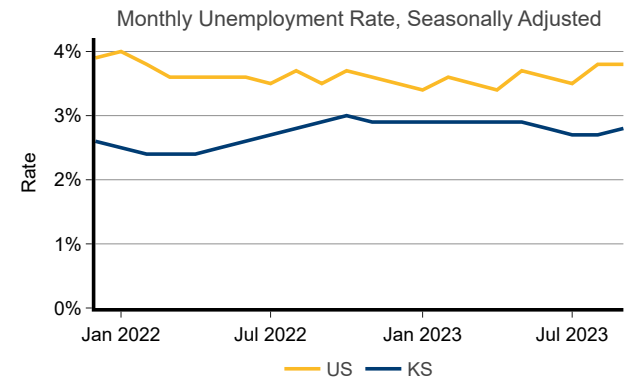
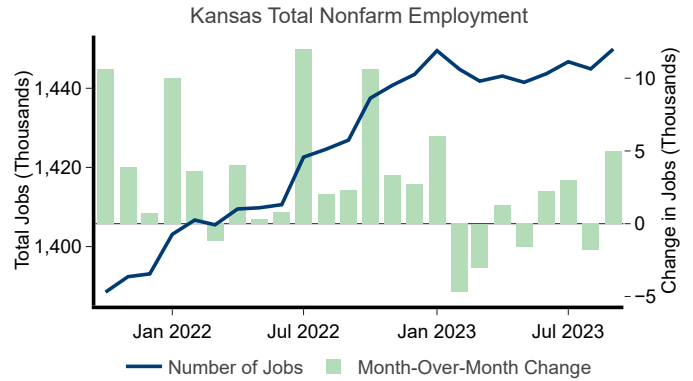
QUARTERLY ECONOMIC INDICATORS

December 1, 2023

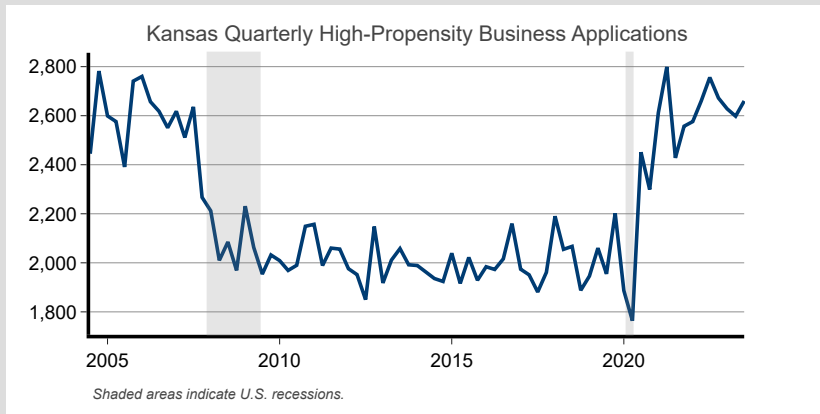
Output and Inflation



Labor Economy



Quarterly Focus: Business Applications



During the Great Recession, Kansas applications for business formations with a high propensity to result in a business with payroll declined to approximately 75 percent of their prior level and remained at that level for the next decade.

The period of economic growth following the disruptions of the COVID-19 pandemic has seen those applications in Kansas return to their pre-Great Recession level and remain at those levels.