



Kansas Legislative Research Department

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

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To: Governor Laura Kelly and Legislative Coordinating Council

From: Kansas Legislative Research Department and Kansas Division of the Budget

Re: State General Fund Revenue Estimate for FY 2023 and FY 2024

The Consensus Estimating Group met today to revise the November 9, 2022 State General Fund (SGF) estimates for FY 2023 and FY 2024. The revisions include the estimated impact of all 2023 legislation signed into law thus far. The impact of any legislation affecting the SGF that becomes law after April 20 will be quantified in a separate legislative adjustments report prepared at the conclusion of the *sine die* adjournment. Consensus revenue estimates are based on current federal and state laws and their current interpretation. A more detailed memo will be available soon which contains the economic forecast for Kansas upon which the new estimates are based, as well as a discussion of the other factors influencing the individual source estimates.

The overall estimate for FY 2023 and FY 2024 was increased by a combined \$237.5 million. The estimate for total taxes was increased by \$183.9 million, and other revenues were increased by \$53.6 million for the two years combined.

For FY 2023, the estimate was increased by \$128.2 million, or 1.3 percent, above the November estimate. The estimate for total taxes was increased by \$75.4 million, while the estimate for other revenues was increased by \$52.8 million. The overall revised estimate of \$9.829 billion represents a 24.2 percent increase above the final FY 2022 receipts.

The revised estimate for FY 2024 is \$10.234 billion, which is \$109.3 million, or 1.1 percent, above the previous estimate. The estimate for total taxes was increased by \$108.5 million, while the estimate for other revenues was increased by \$0.8 million. The revised forecast for FY 2024 represents a 4.1 percent increase above the newly revised FY 2023 figure.

Table 1 compares the revised estimates for FY 2023 and FY 2024 with actual receipts from FY 2022. Tables 2 and 3 show the revisions in each fiscal year's estimates.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	FY 2022 (Actual)		Consensus Estimate April 20, 2023			
			FY 2023 (Revised)		FY 2024 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Income Taxes:						
Individual	\$ 4,836,131	5.4 %	\$ 4,600,000	(4.9) %	\$ 4,800,000	4.3 %
Corporation	806,035	23.6	1,375,000	70.6	1,300,000	(5.5)
Financial Institutions	62,227	(17.2)	54,000	(13.2)	50,000	(7.4)
Total	\$ 5,704,392	7.3 %	\$ 6,029,000	5.7 %	\$ 6,150,000	2.0 %
Excise Taxes:						
Retail Sales	\$ 2,759,402	9.4 %	\$ 2,790,000	1.1 %	\$ 2,790,000	-- %
Compensating Use	775,034	28.5	800,000	3.2	830,000	3.8
Total	\$ 3,534,436	13.1 %	\$ 3,590,000	1.6 %	\$ 3,620,000	0.8 %
Other Excise Taxes:						
Cigarette	\$ 109,406	(3.6) %	\$ 99,000	(9.5) %	\$ 95,000	(4.0) %
Tobacco Products	10,179	2.6	10,400	2.2	10,700	2.9
Liquor Gallonage	24,540	(0.7)	24,700	0.7	25,000	1.2
Liquor Enforcement	82,988	2.0	83,500	0.6	85,000	1.8
Liquor Drink	13,757	33.3	15,000	9.0	15,500	3.3
Gas	20,827	432.3	21,100	1.3	2,500	(88.2)
Oil	35,341	173.4	35,600	0.7	25,500	(28.4)
Total	\$ 297,038	15.7 %	\$ 289,300	(2.6) %	\$ 259,200	(10.4) %
Other Taxes:						
Insurance Premiums	\$ 196,373	7.9 %	\$ 200,000	1.8 %	\$ 207,000	3.5 %
Motor Carrier	12,922	(4.5)	11,600	(10.2)	11,600	--
Corporate Franchise	8,456	(14.2)	9,200	8.8	9,200	--
Miscellaneous	4,490	31.2	5,200	15.8	5,300	1.9
Total	\$ 222,242	6.5 %	\$ 226,000	1.7 %	\$ 233,100	3.1 %
Total Taxes	\$ 9,758,107	9.5 %	\$ 10,134,300	3.9 %	\$ 10,262,300	1.3 %
Other Revenues & Receipts:						
Interest	\$ 2,822	(63.8) %	\$ 175,000	6,101.3 %	\$ 270,000	54.3 %
Transfers & Other Receipts	(1,914,835)	(1,586.3)	(586,500)	69.4	(397,100)	32.3
Agency Earnings	69,951	10.9	106,600	52.4	98,500	(7.6)
Total	\$ (1,842,063)	(4,217.6) %	\$ (304,900)	83.4 %	\$ (28,600)	90.6 %
Total Receipts	\$ 7,916,045	(10.7) %	\$ 9,829,400	24.2 %	\$ 10,233,700	4.1 %

Table 2
State General Fund Receipts
FY 2023 Revised
Comparison of April 2023 Estimate to November 2022 Estimate
(Dollars in Thousands)

	FY 2023 CRE Est.	FY 2023 CRE Est.	Difference	
	Revised 11/09/2022	Revised 04/20/2023	Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 5,100,000	\$ 4,600,000	\$ (500,000)	(9.8) %
Corporation	773,000	1,375,000	602,000	77.9
Financial Institutions	52,000	54,000	2,000	3.8
Total	\$ 5,925,000	\$ 6,029,000	\$ 104,000	1.8 %
Sales & Use Taxes:				
Retail Sales	\$ 2,790,000	\$ 2,790,000	\$ --	-- %
Compensating Use	820,000	800,000	(20,000)	(2.4)
Total	\$ 3,610,000	\$ 3,590,000	\$ (20,000)	(0.6) %
Other Excise Taxes:				
Cigarette	\$ 100,000	\$ 99,000	\$ (1,000)	(1.0) %
Tobacco Products	10,400	10,400	--	--
Liquor Gallonage	25,500	24,700	(800)	(3.1)
Liquor Enforcement	81,000	83,500	2,500	3.1
Liquor Drink	15,000	15,000	--	--
Gas Severance	24,400	21,100	(3,300)	(13.5)
Oil Severance	37,900	35,600	(2,300)	(6.1)
Total	\$ 294,200	\$ 289,300	\$ (4,900)	(1.7) %
Other Taxes:				
Insurance Premiums	\$ 204,000	\$ 200,000	\$ (4,000)	(2.0) %
Motor Carrier	11,600	11,600	--	--
Corporate Franchise	9,000	9,200	200	2.2
Miscellaneous	5,100	5,200	100	2.0
Total	\$ 229,700	\$ 226,000	\$ (3,700)	(1.6) %
Total Taxes	\$ 10,058,900	\$ 10,134,300	\$ 75,400	0.7 %
Other Revenues & Receipts:				
Interest	\$ 112,000	\$ 175,000	\$ 63,000	56.3 %
Transfers & Other Receipts	(577,700)	(586,500)	(8,800)	(1.5)
Agency Earnings	108,000	106,600	(1,400)	(1.3)
Total	\$ (357,700)	\$ (304,900)	\$ 52,800	14.8 %
Total Receipts	\$ 9,701,200	\$ 9,829,400	\$ 128,200	1.3 %

Table 3
State General Fund Receipts
FY 2024 Revised
Comparison of April 2023 Estimate to November 2022 Estimate
(Dollars in Thousands)

	FY 2024 CRE Est.	FY 2024 CRE Est.	Difference	
	Revised 11/09/2022	Revised 04/20/2023	Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 5,301,500	\$ 4,800,000	\$ (501,500)	(9.5) %
Corporation	646,000	1,300,000	654,000	101.2
Financial Institutions	50,000	50,000	--	--
Total	\$ 5,997,500	\$ 6,150,000	\$ 152,500	2.5 %
Sales & Use Taxes:				
Retail Sales	\$ 2,790,000	\$ 2,790,000	\$ --	-- %
Compensating Use	860,000	830,000	(30,000)	(3.5)
Total	\$ 3,650,000	\$ 3,620,000	\$ (30,000)	(0.8) %
Other Excise Taxes:				
Cigarette	\$ 96,000	\$ 95,000	\$ (1,000)	(1.0) %
Tobacco Products	10,700	10,700	--	--
Liquor Gallonage	26,000	25,000	(1,000)	(3.8)
Liquor Enforcement	82,000	85,000	3,000	3.7
Liquor Drink	15,500	15,500	--	--
Gas Severance	12,400	2,500	(9,900)	(79.8)
Oil Severance	25,700	25,500	(200)	(0.8)
Total	\$ 268,300	\$ 259,200	\$ (9,100)	(3.4) %
Other Taxes:				
Insurance Premiums	\$ 212,000	\$ 207,000	\$ (5,000)	(2.4) %
Motor Carrier	11,600	11,600	--	--
Corporate Franchise	9,000	9,200	200	2.2
Miscellaneous	5,400	5,300	(100)	(1.9)
Total	\$ 238,000	\$ 233,100	\$ (4,900)	(2.1) %
Total Taxes	\$ 10,153,800	\$ 10,262,300	\$ 108,500	1.1 %
Other Revenues & Receipts:				
Interest	\$ 205,000	\$ 270,000	\$ 65,000	31.7 %
Transfers & Other Receipts	(321,800)	(397,100)	(75,300)	(23.4)
Agency Earnings	87,400	98,500	11,100	12.7
Total	\$ (29,400)	\$ (28,600)	\$ 800	2.7 %
Total Receipts	\$ 10,124,400	\$ 10,233,700	\$ 109,300	1.1 %

State General Fund Profile FY 2022 - FY 2024
(Dollars in Millions)

	Actual FY 2022	Estimated FY 2023	Estimated FY 2024
Beginning Balance	\$ 2,094.8	\$ 1,834.5	\$ 1,932.8
Revenue			
Consensus Revenue Estimates (04-20-2023)	\$ 7,916.0	\$ 9,829.4	\$ 10,233.7
Released Encumbrances	19.9	-	-
Governor's Revenue Recommendation			
Transfer Adjustments	-	(770.0)	193.4
Legislative Revenue Adjustments (all on Gov. Desk)	-		
Transfer Adjustment		268.8	(155.2)
Tax SB 169-Gov. Desk	-	-	(258.7)
Apprenticeships HB 2292	-	-	(11.5)
Total Available Revenue	\$ 10,030.7	\$ 11,162.8	\$ 11,934.5
Expenditures			
Expenditures	\$ 8,196.2	\$ 9,169.1	\$ 9,048.6
Reappropriations	-	321.6	(321.6)
Human Services Caseload (fall)	-	(198.2)	163.0
Human Services Caseload (Spring)	-	(53.8)	(30.5)
School Finance (Fall)	-	(65.5)	106.3
School Finance (Spring)		(9.4)	(59.2)
Governor's Budget Recommendations			
K-12 Special Ed 5 yr. 92 percent- other Initiatives	-	-	80.2
Medicaid Expansion	-	-	(71.5)
All Other	-	13.0	486.3
Legislative Expenditure Adjustments		(4,364.1)	(4,627.0)
Education Budget (Conference Committee)		4,417.2	4,128.4
Total Adjusted Expenditures	\$ 8,196.2	\$ 9,230.0	\$ 8,903.0
Ending Balance	\$ 1,834.5	\$ 1,932.8	\$ 3,031.5
Budget Stabilization Fund Balance	969.1	1,481.1	1,593.1
Ending SGF balance as a percentage of expenditures	22.4%	20.9%	34.1%
Receipts above / (below) expenditures	\$ (260.3)	\$ 98.3	\$ 1,098.7

Profile 23-047

Profile includes:

Tax adjustments for current law