

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

68-West-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 • FAX (785) 296-3824

kslegres@klrd.ks.gov

<http://www.kslegislature.org/klrd>

April 3, 2015

To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS July 2014 through March 2015, FY 2015

This is the last monthly report of SGF receipts in FY 2015 based on the estimates made by the Consensus Estimating Group on November 10, 2014. The spring meeting of the Consensus Revenue Estimating Group is scheduled for April 20, 2015.

The component of SGF receipts from taxes only was \$42.6 million, or 1.0 percent, below the estimate. Total SGF taxes only at the end of February were \$38.4 million, or 1.0 percent, below the estimate. Total tax receipts only for the same period were below FY 2014 by \$49.7 million, or 1.2 percent.

The amount of total receipts above the estimate is primarily attributable to the increase in net transfers of \$260.2 million, or 173.1 percent, above the fall consensus estimate. This is a result of legislative action in House Sub. for SB 4, the FY 2015 rescission bill, which included transfer adjustments in FY 2015 totaling \$247.7 million. The largest transfers are \$158.5 million from the State Highway Fund, \$55.0 million from the Medical Program Fees Fund, \$12.0 million from the Kansas Endowment for Youth Fund (of which \$7.0 million has been made to date), and a reduction of \$7.1 million in the transfer to the Job Creation Program Fund.

Taxes that exceeded the estimate by more than \$1.0 million were individual income (\$12.7 million or 0.8 percent), insurance premiums tax (\$5.6 million or 4.6 percent), and financial institutions privilege tax (\$3.3 million or 15.8 percent.)

Tax sources that fell below the estimate by more than \$1.0 million were corporation income tax (\$25.8 million or 9.0 percent), retail sales tax (\$19.4 million or 1.2 percent), severance tax (\$10.6 million or 12.0 percent), and compensating use tax (\$6.7 million or 2.4 percent.)

Corporation income taxes, which had been down \$17.5 million through February, were down an additional \$8.3 million in March, bringing the total shortfall since November to \$25.8 million. Corporate balance due remittances during the month were less than had been anticipated and were about \$15.0 million less than in March of 2014.

Sales tax collections fell another \$6.3 million in March, bringing fiscal-year-to-date receipts from that source to \$19.4 million below the November forecast. Compensating use tax receipts also continued their downward trend, declining another \$1.5 million in March (for a total of \$6.7 million below the cumulative estimate.)

Oil severance taxes, as had been expected given the recent prices of crude oil, again fell significantly below the monthly estimate made in November. The \$4.0 million shortfall in March brought fiscal-year-to-date receipts to \$9.3 million below the current estimate.

Individual income taxes finished March \$12.7 million above the current forecast. The Department of Revenue notes that withholding grew 4.5 percent in March over the same month in 2014.

As noted earlier, the Consensus Group soon will be reevaluating the overall state of the economy and its implications for sales, income and all other SGF tax sources.

This report excludes a deposit to the SGF of \$675.0 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-March, FY 2015
(dollar amounts in thousands)

	Actual FY 2014	FY 2015			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2014	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 24,696	\$ 8,900	\$ 8,209	\$ (691)	(66.8) %	(7.8) %
Income Taxes:						
Individual	\$ 1,644,394	\$ 1,546,000	\$ 1,558,746	\$ 12,746	(5.2) %	0.8 %
Corporation	243,930	284,800	259,038	(25,762)	6.2	(9.0)
Financial Inst.	18,753	21,100	24,444	3,344	30.3	15.8
Total	\$ 1,907,077	\$ 1,851,900	\$ 1,842,228	\$ (9,672)	(3.4) %	(0.5) %
Excise Taxes:						
Retail Sales	\$ 1,571,865	\$ 1,625,000	\$ 1,605,619	\$ (19,381)	2.1 %	(1.2) %
Comp. Use	257,443	273,000	266,315	(6,685)	3.4	(2.4)
Cigarette	66,605	66,000	65,606	(394)	(1.5)	(0.6)
Tobacco Prod.	5,332	5,700	5,590	(110)	4.8	(1.9)
Cereal Malt Bev.	1,302	1,250	1,139	(111)	(12.5)	(8.9)
Liquor Gallonage	13,948	14,750	14,280	(470)	2.4	(3.2)
Liquor Enforce.	48,342	50,000	49,663	(337)	2.7	(0.7)
Liquor Drink	7,498	7,600	7,761	161	3.5	2.1
Corp. Franchise	2,860	3,160	3,360	200	17.5	6.3
Severance	95,695	88,500	77,877	(10,623)	(18.6)	(12.0)
Gas	27,684	23,600	22,286	(1,314)	(19.5)	(5.6)
Oil	68,011	64,900	55,591	(9,309)	(18.3)	(14.3)
Total	\$ 2,070,890	\$ 2,134,960	\$ 2,097,210	\$ (37,750)	1.3 %	(1.8) %
Other Taxes:						
Insurance Prem.	\$ 121,885	\$ 121,700	\$ 127,338	\$ 5,638	4.5 %	4.6 %
Miscellaneous	1,123	1,150	1,035	(115)	(7.8)	(10.0)
Total	\$ 123,008	\$ 122,850	\$ 128,373	\$ 5,523	4.4 %	4.5 %
Total Taxes	\$ 4,125,671	\$ 4,118,610	\$ 4,076,020	\$ (42,590)	(1.2) %	(1.0) %
Other Revenue:						
Interest	\$ 9,446	\$ 9,450	\$ 9,504	\$ 54	0.6 %	0.6 %
Transfers (net)	(110,580)	(150,330)	109,883	260,213	199.4	173.1
Agency Earnings and Misc.	39,070	41,375	44,161	2,786	13.0	6.7
Total	\$ (62,064)	\$ (99,505)	\$ 163,548	\$ 263,053	363.5 %	264.4 %
TOTAL RECEIPTS	\$ 4,063,607	\$ 4,019,105	\$ 4,239,568	\$ 220,463	4.3 %	5.5 %

Consensus estimate as of November 10, 2014.

Excludes a Certificate of Indebtedness of \$675 million that must be redeemed prior to the end of the fiscal year.

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