

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>

October 2, 2014

To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS **July through September, FY 2015**

For the first three months of FY 2015, estimates of State General Fund (SGF) receipts are based upon the consensus estimates of April 17, 2014, as subsequently adjusted for 2014 legislation.

Total receipts for July through September, the first three months or first quarter of FY 2015, were \$4.1 million or 0.3 percent above the estimate. The component of total SGF receipts from taxes only was \$22.4 million or 1.6 percent below the estimate. In part, this difference may be explained by net transfers discussed below.

Tax sources that exceeded the estimate by more than \$1.0 million were: corporation income (\$27.5 million or 32.4 percent); financial institution privilege tax (\$3.1 million or 42.7 percent); retail sales tax (\$3.0 million or 0.6 percent); and insurance premiums tax (\$1.1 million or 45.5 percent).

Tax sources that fell below the estimate by more than \$1.0 million were: individual income (\$53.6 million or 9.3 percent) and motor carrier tax (\$1.6 million or 36.5 percent).

September receipts reflect the first quarter's experience for FY 2015. The month's receipts include the first estimated payment of individual income taxes for the fiscal year. As such, September receipt balances are more of an indicator on the state's economic activity than only one month's receipts.

The individual income tax collections (down \$42.5 million for the month of September and \$53.6 million since July) may be attributable to a reduction in estimated payments (about \$30.0 million less than a year earlier) and an increase in refunds (up about \$6.0 million over the previous year).

Growth in corporation income taxes (up \$21.5 million for September and \$27.5 million since July) above the estimate may be explained by growth in estimated payments (\$20.0 million more than a year earlier).

Net transfers were 22.8 percent less than anticipated resulting in a surplus to the SGF of \$25.9 million. This is primarily due to the fiscal-year-to-date transfer of \$7.8 million to the Kansas Bioscience Authority, \$24.2 million below the statutorily approved amount of \$32.0 million.

Total SGF receipts through September of FY 2015 are \$32.7 million or 2.5 percent below FY 2014 for the same period. Tax receipts only for the same period were below FY 2014 by \$18.2 million or 1.3 percent.

This report excludes the July 1 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-September, 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	\$ 4,280	\$ 4,500	\$ 2,859	\$ (1,641)	(33.2) %	(36.5) %
Income Taxes:						
Individual	\$ 574,781	\$ 578,000	\$ 524,367	\$ (53,633)	(8.8) %	(9.3) %
Corporation	85,863	85,000	112,540	27,540	31.1	32.4
Financial Inst.	6,502	7,300	10,414	3,114	60.2	42.7
Total	\$ 667,146	\$ 670,300	\$ 647,321	\$ (22,979)	(3.0) %	(3.4) %
Excise Taxes:						
Retail Sales	\$ 540,339	\$ 543,000	\$ 546,031	\$ 3,031	1.1 %	0.6 %
Comp. Use	84,451	87,000	86,509	(491)	2.4	(0.6)
Cigarette	22,588	23,000	23,091	91	2.2	0.4
Tobacco Prod.	1,861	1,900	1,929	29	3.7	1.5
Cereal Malt Bev.	498	540	468	(72)	(6.0)	(13.3)
Liquor Gallonage	4,654	4,800	4,842	42	4.0	0.9
Liquor Enforce.	16,614	16,500	15,730	(770)	(5.3)	(4.7)
Liquor Drink	2,467	2,500	2,489	(11)	0.9	(0.4)
Corp. Franchise	1,077	1,250	1,210	(40)	12.3	(3.2)
Severance	25,221	20,000	19,303	(697)	(23.5)	(3.5)
Gas	7,276	5,000	5,248	248	(27.9)	5.0
Oil	17,945	15,000	14,055	(945)	(21.7)	(6.3)
Total	\$ 699,770	\$ 700,490	\$ 701,602	\$ 1,112	0.3 %	0.2 %
Other Taxes:						
Insurance Prem.	\$ (2,485)	\$ (2,400)	\$ (1,308)	\$ 1,092	47.4 %	45.5 %
Miscellaneous	320	300	322	22	0.6	7.3
Total	\$ (2,165)	\$ (2,100)	\$ (986)	\$ 1,114	54.5 %	53.0 %
Total Taxes	\$ 1,369,031	\$ 1,373,190	\$ 1,350,796	\$ (22,394)	(1.3) %	(1.6) %
Other Revenue:						
Interest	\$ 3,878	\$ 2,400	\$ 3,904	\$ 1,504	0.7 %	62.7 %
Transfers (net)	(72,478)	(113,600)	(87,722)	25,878	(21.0)	22.8
Agency Earnings and Misc.	7,314	9,000	8,098	(902)	10.7	(10.0)
Total	\$ (61,286)	\$ (102,200)	\$ (75,720)	\$ 26,480	(23.6) %	25.9 %
TOTAL RECEIPTS	\$ 1,307,745	\$ 1,270,990	\$ 1,275,076	\$ 4,086	(2.5) %	0.3 %

Consensus estimate as of April 17, 2014, as subsequently adjusted for 2014 legislation.

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.