

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS FY 2016

For the first four months of FY 2016, estimates of State General Fund (SGF) receipts are based upon the consensus estimates of April 19, 2015, as adjusted for legislation enacted after that date by the 2015 Legislature.

As this is the first monthly report on FY 2016 receipts, it is important to remember that a comparison of one month is not a reliable basis upon which to identify a trend for the balance of the year.

Total receipts for July, the first month of FY 2016, were \$4.4 million, or 1.1 percent, below the estimate. The component of total SGF receipts from taxes only was \$5.4 million, or 1.3 percent, below the estimate.

The tax source exceeding the fiscal-year-to-date estimate by more than \$1.0 million through July was individual income tax (\$3.0 million, or 2.0 percent).

Tax sources below the estimate by more than \$1.0 million were retail sales tax (\$3.9 million, or 2.0 percent), severance tax (\$2.0 million, or 27.3 percent), insurance premiums tax (\$1.7 million), and compensating use tax (\$1.1 million, or 3.4 percent).

Agency earnings were below the estimate by \$2.6 million, while interest was above the estimate by \$3.4 million.

Total SGF receipts through July of FY 2016 are \$40.6 million, or 11.0 percent, above FY 2015 for the same period. Tax receipts only for the same period were \$5.4 million, or 1.3 percent, above FY 2015 actual revenue.

Of the estimated \$384.4 million in additional SGF receipts for FY 2016 attributable to tax legislation enacted during the veto session, only a very slight amount (slightly less than \$3 million in cigarette tax receipts) had been expected to be received during July. New revenues from the increased sales and compensating use tax rate will not begin to be reflected in receipts until August; the tax amnesty is scheduled to occur only during the months of September and October; and much of the estimated increase in individual income tax receipts (\$161.8 million) will not be realized until the first part of calendar year 2016 when taxpayers file to reconcile their final tax year 2015 liability.

This report excludes the July 1 deposit to the SGF of \$840.0 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, FY 2016

(dollar amounts in thousands)

	Actual FY 2015	FY 2016			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2015	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 838	\$ 900	\$ 930	\$ 30	11.0 %	3.3 %
Income Taxes:						
Individual	\$ 147,931	\$ 150,000	\$ 153,031	\$ 3,031	3.4 %	2.0 %
Corporation	15,213	17,500	18,313	813	20.4	4.6
Financial Inst.	848	100	76	(24)	(91.0)	(24.0)
Total	\$ 163,992	\$ 167,600	\$ 171,420	\$ 3,820	4.5 %	2.3 %
Excise Taxes:						
Retail Sales	\$ 183,919	\$ 193,000	\$ 189,124	\$ (3,876)	2.8 %	(2.0) %
Comp. Use	30,861	32,500	31,388	(1,112)	1.7	(3.4)
Cigarette	6,996	11,500	11,475	(25)	64.0	(0.2)
Tobacco Prod.	627	625	763	138	21.7	22.1
Cereal Malt Bev.	202	150	131	(19)	(35.1)	(12.7)
Liquor Gallonage	1,739	1,750	1,897	147	9.1	8.4
Liquor Enforce.	5,270	5,000	4,045	(955)	(23.2)	(19.1)
Liquor Drink	804	800	939	139	16.8	17.4
Corp. Franchise	561	600	607	7	8.2	1.2
Severance	13,375	7,500	5,452	(2,048)	(59.2)	(27.3)
Gas	3,760	1,750	1,143	(607)	(69.6)	(34.7)
Oil	9,615	5,750	4,309	(1,441)	(55.2)	(25.1)
Total	\$ 244,354	\$ 253,425	\$ 245,821	\$ (7,604)	0.6 %	(3.0) %
Other Taxes:						
Insurance Prem.	\$ 1,467	\$ (500)	\$ (2,166)	\$ (1,666)	(247.6) %	(333.2) %
Miscellaneous	102	100	103	3	0.6	3.0
Total	\$ 1,569	\$ (400)	\$ (2,063)	\$ (1,663)	(231.5) %	(415.8) %
Total Taxes	\$ 410,753	\$ 421,525	\$ 416,108	\$ (5,417)	1.3 %	(1.3) %
Other Revenue:						
Interest	\$ 288	\$ 9,700	\$ 13,112	\$ 3,412	4,452.8 %	35.2 %
Transfers (net)	(48,718)	(23,660)	(23,441)	219	51.9	0.9
Agency Earnings and Misc.	5,561	5,300	2,684	(2,616)	(51.7)	(49.4)
Total	\$ (42,869)	\$ (8,660)	\$ (7,645)	\$ 1,015	82.2 %	11.7 %
TOTAL RECEIPTS	\$ 367,884	\$ 412,865	\$ 408,463	\$ (4,402)	11.0 %	(1.1) %

Consensus estimate as of April 20, 2015, as further adjusted for subsequent legislation enacted after that date.

Excludes a Certificate of Indebtedness of \$840 million that must be redeemed prior to the end of the fiscal year.

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