



September 5, 2019

**To:** Legislative Budget Committee

## **STATE GENERAL FUND (SGF) RECEIPTS**

July through August, FY 2020

As this is the second monthly report on FY 2020 receipts, it is important to remember that a comparison of two months of receipts is not a reliable basis upon which to identify a trend for the balance of the year. Receipts in September will be monitored as individual income tax estimated payments are due during that month. For the first four months of FY 2020, estimates of State General Fund (SGF) receipts are based upon the consensus estimates of April 18, 2019, as adjusted for legislation enacted after that date. The next meeting of the Consensus Revenue Estimating Group will be on November 7, 2019.

Total receipts for July and August, the first two months of FY 2020, were \$7.3 million, or 0.8 percent, above the estimate. The component of total SGF receipts from taxes only was \$4.9 million, or 0.5 percent, above the estimate.

Tax sources exceeding the fiscal year estimate by more than \$1.0 million through August were: retail sales tax (\$6.8 million or 1.7 percent); and individual income tax (\$5.5 million or 1.2 percent).

Tax sources below the estimates by more than \$1.0 million through August were: corporation income tax (\$6.1 million or 21.8 percent); cigarette (\$1.0 million or 4.5 percent); and financial institutions privilege tax (\$1.0 million or 95.7 percent).

Although sales tax receipts were \$6.8 million above expectations for the first two months of the fiscal year, the 1.6 percent growth above FY 2019 remains below historical averages.

Corporate estimated payments in recent months have been running below receipts from FY 2019. September will be an important month for estimated payments for both corporations and individuals.

As noted last month, two changes have been implemented relative to the attached table beginning in FY 2020: (1) Given changes in liquor laws that were effective April 1, cereal malt beverage tax (CMB) receipts are expected to drop from the tax to near zero in the near future, a separate line for that tax source has been removed and CMB tax receipts have been collapsed into overall liquor gallonage tax receipts; and (2) Corporation franchise tax receipts have been moved from excise taxes to other taxes.

This report excludes the July 1 deposit to the SGF of \$275.0 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-August, FY 2020**  
(Dollars in Thousands)

	Actual FY 2019	FY 2020			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2019	Estimate
<b>Property Tax/Fee:</b>						
Motor Carriers	\$ 1,489	\$ 1,500	\$ 1,641	\$ 141	10.2 %	9.4 %
<b>Income Taxes:</b>						
Individual	\$ 448,462	\$ 450,000	\$ 455,460	\$ 5,460	1.6 %	1.2 %
Corporation	30,211	28,000	21,891	(6,109)	(27.5)	(21.8)
Financial Inst.	1,215	1,150	50	(1,100)	(95.9)	(95.7)
<i>Total</i>	<u>\$ 479,888</u>	<u>\$ 479,150</u>	<u>\$ 477,402</u>	<u>\$ (1,748)</u>	<u>(0.5) %</u>	<u>(0.4) %</u>
<b>Excise Taxes:</b>						
Retail Sales	\$ 403,495	\$ 403,000	\$ 409,849	\$ 6,849	1.6 %	1.7 %
Compensating Use	68,154	71,000	71,623	623	5.1	0.9
Cigarette	23,251	23,000	21,961	(1,039)	(5.5)	(4.5)
Tobacco Products	1,561	1,550	1,550	0	(0.7)	0.0
Liquor Gallonage	3,911	3,400	3,518	118	(10.0)	3.5
Liquor Enforcement	13,015	12,200	12,650	450	(2.8)	3.7
Liquor Drink	2,041	2,100	2,093	(7)	2.5	(0.3)
Severance	4,191	1,600	818	(782)	(80.5)	(48.9)
Gas	(230)	(300)	(1,032)	(732)	(348.7)	(244.0)
Oil	4,421	1,900	1,850	(50)	(58.2)	(2.6)
<i>Total</i>	<u>\$ 519,619</u>	<u>\$ 517,850</u>	<u>\$ 524,062</u>	<u>\$ 6,212</u>	<u>0.9 %</u>	<u>1.2 %</u>
<b>Other Taxes:</b>						
Insurance Premiums	\$ (9,024)	\$ (11,500)	\$ (11,073)	\$ 427	(22.7) %	3.7 %
Corporate Franchise	818	900	681	(219)	(16.7)	(24.3)
Miscellaneous	573	600	654	54	14.1	9.0
<i>Total</i>	<u>\$ (7,633)</u>	<u>\$ (10,000)</u>	<u>\$ (9,738)</u>	<u>\$ 261</u>	<u>(27.6) %</u>	<u>2.6 %</u>
<b>Total Taxes</b>	<b>\$ 993,364</b>	<b>\$ 988,500</b>	<b>\$ 993,367</b>	<b>\$ 4,866</b>	<b>0.0 %</b>	<b>0.5 %</b>
<b>Other Revenue:</b>						
Interest	\$ 4,616	\$ 9,000	\$ 10,033	\$ 1,033	117.4 %	11.5 %
Transfers (net)	(133,634)	(123,850)	(119,060)	4,790	10.9	3.9
Agency Earnings & Misc	3,937	4,200	833	(3,367)	(78.8)	(80.2)
<b>Total Other Revenue</b>	<b>\$ (125,081)</b>	<b>\$ (110,650)</b>	<b>\$ (108,195)</b>	<b>\$ 2,455</b>	<b>13.5 %</b>	<b>2.2 %</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 868,283</b>	<b>\$ 877,850</b>	<b>\$ 885,172</b>	<b>\$ 7,321</b>	<b>1.9 %</b>	<b>0.8 %</b>

\* Consensus Estimate as of April 18, 2019, as further adjusted for subsequent legislation enacted after that date.

Excludes a Certificate of Indebtedness of \$275 million that must be redeemed prior to the end of the fiscal year.

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