



**Kansas Legislative Research Department**

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analysis for the Kansas Legislature since 1934*

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November 1, 2019

**To:** Legislative Budget Committee

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

### July through October, FY 2020

This is the final report on SGF receipts based on the consensus estimates of April 18, 2019, as subsequently adjusted for legislation. The Consensus Estimating Group will meet on November 7, 2019, to revise the estimates for FY 2020 and establish new estimates for FY 2021. The November monthly report (July through November, FY 2020) will be based on the November 7 revised estimates.

**Total SGF receipts for July through October were \$99.7 million, or 4.6 percent, above the estimate. The component of SGF receipts from taxes only was \$84.9 million, or 3.8 percent, above the estimate.**

The tax sources exceeding the estimate by more than \$1.0 million through October were individual income (\$40.6 million or 3.9 percent); corporation income (\$19.1 million or 14.9 percent); retail sales (\$18.1 million or 2.3 percent); and compensating use (\$10.2 million or 7.3 percent).

Individual income tax gained an additional \$15.1 million over the current estimate during the month of October and is now \$40.6 million ahead of the fiscal-year-to-date forecast. Monthly withholding growth remained comparatively strong relative to the previous October figures. Corporation income taxes, now more than \$19.1 million above the current forecast, gained an additional \$6.2 million during October. Corporate balance due collections were strong in October.

Retail sales tax revenue continues to exceed monthly estimates and is \$18.1 million, or 2.3 percent, above the estimate; however, growth in collections remains below long-term historical averages.

The tax sources below the estimate by more than \$1.0 million were financial institutions privilege (\$1.1 million or 10.1 percent), cigarette (\$1.4 million or 3.1 percent), and severance tax (\$3.0 million or 30.9 percent).

Other revenue sources exceeding the estimate include interest by \$9.5 million or 81.4 percent and transfers by \$9.4 million or 9.8 percent. The increase in interest is due to higher-than-anticipated average daily balances and strong returns from commercial paper investments. The increase in transfers is due to the lower-than-anticipated transfers to the School District

Capital Improvements Fund and elimination of payments to the Kansas Department of Revenue Automated Tax Systems Fund.

Agency earnings are \$4.1 million, or 17.4 percent, below the estimate, mainly due to filings for unclaimed property claims. October is an improvement over September, for which earnings were \$6.3 million below the estimate.

The Consensus Group will meet on November 7 to revise all current estimates for FY 2020 and FY 2021.

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-October, FY 2020**  
(Dollars in Thousands)

	Actual FY 2019	Estimate*	FY 2020 Actual	Difference	Percent change relative to:	
					FY 2019	Estimate
Property Tax/Fee:						
Motor Carriers	\$ 2,815	\$ 2,900	\$ 3,082	\$ 182	9.5 %	6.3 %
Income Taxes:						
Individual	\$ 1,037,721	\$ 1,050,000	\$ 1,090,591	\$ 40,591	5.1 %	3.9 %
Corporation	131,926	128,000	147,088	19,088	11.5	14.9
Financial Inst.	10,540	10,450	9,391	(1,059)	(10.9)	(10.1)
<b>Total</b>	<b>\$ 1,180,187</b>	<b>\$ 1,188,450</b>	<b>\$ 1,247,070</b>	<b>\$ 58,620</b>	<b>5.7 %</b>	<b>4.9 %</b>
Excise Taxes:						
Retail Sales	\$ 790,887	\$ 793,000	\$ 811,086	\$ 18,086	2.6 %	2.3 %
Compensating Use	138,175	140,000	150,247	10,247	8.7	7.3
Cigarette	42,292	43,000	41,648	(1,352)	(1.5)	(3.1)
Tobacco Products	3,065	3,040	3,079	39	0.5	1.3
Liquor Gallonage	7,507	6,800	7,294	494	(2.8)	7.3
Liquor Enforcement	24,626	23,700	24,617	917	(0.0)	3.9
Liquor Drink	3,969	3,900	4,225	325	6.4	8.3
Severance	13,655	9,800	6,774	(3,026)	(50.4)	(30.9)
Gas	1,761	1,500	(547)	(2,047)	(131.1)	(136.5)
Oil	11,894	8,300	7,321	(979)	(38.4)	(11.8)
<b>Total</b>	<b>\$ 1,024,176</b>	<b>\$ 1,023,240</b>	<b>\$ 1,048,970</b>	<b>\$ 25,730</b>	<b>2.4 %</b>	<b>2.5 %</b>
Other Taxes:						
Insurance Premiums	\$ (8,706)	\$ (11,400)	\$ (10,809)	\$ 591	(24.2) %	5.2 %
Corporate Franchise	1,050	1,150	802	(348)	(23.6)	(30.3)
Miscellaneous	1,138	1,200	1,285	85	12.9	7.1
<b>Total</b>	<b>\$ (6,518)</b>	<b>\$ (9,050)</b>	<b>\$ (8,722)</b>	<b>\$ 328</b>	<b>(33.8) %</b>	<b>3.6 %</b>
<b>Total Taxes</b>	<b>\$ 2,200,660</b>	<b>\$ 2,205,540</b>	<b>\$ 2,290,400</b>	<b>\$ 84,859</b>	<b>4.1 %</b>	<b>3.8 %</b>
Other Revenue:						
Interest	\$ 15,172	\$ 18,000	\$ 27,522	\$ 9,522	81.4 %	52.9 %
Transfers (net)	(84,358)	(96,130)	(86,722)	9,408	(2.8)	9.8
Agency Earnings & Misc	25,810	23,400	19,335	(4,065)	(25.1)	(17.4)
<b>Total Other Revenue</b>	<b>\$ (43,376)</b>	<b>\$ (54,730)</b>	<b>\$ (39,865)</b>	<b>\$ 14,865</b>	<b>8.1 %</b>	<b>27.2 %</b>
<b>TOTAL RECEIPTS</b>	<b>\$ 2,157,284</b>	<b>\$ 2,150,810</b>	<b>\$ 2,250,535</b>	<b>\$ 99,724</b>	<b>4.3 %</b>	<b>4.6 %</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.