



STATE GENERAL FUND (SGF) RECEIPTS
July through February, FY 2022

Total receipts through February of FY 2022 were \$237.3 million, or 4.4 percent, above the estimate. The component of SGF receipts from taxes only was \$221.7 million, or 4.0 percent, above the estimate.

There were seven tax sources above the estimate by more than \$1.0 million and no tax source was below the estimate by more than \$1.0 million. Those **tax sources** are bolded in the attached table.

This is the fourth monthly report after the Consensus Revenue Estimating Group increased the previous total receipts estimate for FY 2022 by \$1.3 billion on November 10, 2021. After **four months** of SGF receipts, the following major tax sources were **above** the increased estimates: **individual income** (\$106.2 million); **corporation income** (\$53.4 million); **retail sales** (\$34.3 million); and **compensating use** (\$12.6 million).

Individual income tax receipts are **below** the estimate for the **month** of February by **\$6.6 million** or 3.5 percent. Withholding payments continue to exceed the prior year's monthly amount by 6.4 percent. However, while withholding payments were up, the amount of refunds exceeding regular payments also exceeded the prior year amount by \$27.7 million, or 32.5 percent, above the same month last year. A part of the reason for this increase was the delayed opening of the federal filing system last year.

Corporation income tax receipts are **above** the estimate for the **month** by **\$12.4 million** or 112.8 percent, with the increase largely seen in corporate estimated tax receipts.

Financial institutions privilege tax receipts are **above** the **year-to-date** estimate by **\$9.1 million** or 37.6 percent. This tax source is very similar to corporation income tax receipt timing and trends.

Sales and use tax receipts continue to steadily beat expectations, combining to **exceed** the estimate for the **month** by **\$9.7 million** or 3.9 percent. The increase was partially driven by the impact of inflation on prices.

The non-tax revenue sources were above the year-to-date estimate by \$15.6 million with agency earnings and miscellaneous above the estimate by \$14.4 million. The increase reflects the partial proceeds of the pharmacy benefit manager settlement received in January and unclaimed property receipts in February.

There has not been a Certificate of Indebtedness issued for FY 2022.

STATE GENERAL FUND RECEIPTS
July-February, FY 2022
(Dollars in Thousands)

	Actual FY 2021	FY 2022			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2021	Estimate
Income Taxes:						
Individual	\$ 2,766,475	\$ 2,530,000	\$ 2,636,162	\$ 106,162	(4.7) %	4.2 %
Corporation	333,194	384,000	437,404	53,404	31.3	13.9
Financial Inst.	35,607	24,200	33,295	9,095	(6.5)	37.6
<i>Total</i>	<u>\$ 3,135,276</u>	<u>\$ 2,938,200</u>	<u>\$ 3,106,861</u>	<u>\$ 168,661</u>	<u>(0.9) %</u>	<u>5.7 %</u>
Sales & Use Taxes:						
Retail Sales	1,639,802	1,780,000	1,814,282	34,282	10.6	1.9
Compensating Use	396,536	508,000	520,637	12,637	31.3	2.5
<i>Total</i>	<u>\$ 2,036,338</u>	<u>\$ 2,288,000</u>	<u>\$ 2,334,919</u>	<u>\$ 46,920</u>	<u>14.7 %</u>	<u>2.1 %</u>
Other Excise Taxes:						
Cigarette	75,073	71,700	72,283	583	(3.7)	0.8
Tobacco Products	6,556	6,820	6,808	(12)	3.8	(0.2)
Liquor Gallonage	16,643	16,300	16,285	(15)	(2.2)	(0.1)
Liquor Enforcement	54,799	56,100	55,584	(516)	1.4	(0.9)
Liquor Drink	6,215	8,650	8,870	220	42.7	2.5
Gas Severance	212	9,500	12,694	3,194	5,887.7	33.6
Oil Severance	4,404	19,800	19,461	(339)	341.9	(1.7)
<i>Total</i>	<u>\$ 163,902</u>	<u>\$ 188,870</u>	<u>\$ 191,985</u>	<u>\$ 3,115</u>	<u>17.1 %</u>	<u>1.6 %</u>
Other Taxes:						
Insurance Premiums	\$ 78,547	\$ 83,600	\$ 87,064	\$ 3,464	10.8 %	4.1 %
Motor Carriers	9,115	9,800	8,939	(861)	(1.9)	(8.8)
Corporate Franchise	3,221	1,800	2,147	347	(33.3)	19.3
Miscellaneous	2,102	2,840	2,878	38	36.9	1.3
<i>Total</i>	<u>\$ 92,985</u>	<u>\$ 98,040</u>	<u>\$ 101,028</u>	<u>\$ 2,988</u>	<u>8.6 %</u>	<u>3.0 %</u>
Total Taxes	\$ 5,428,500	\$ 5,513,110	\$ 5,734,794	\$ 221,684	5.6 %	4.0 %
Other Revenue:						
Interest	\$ 6,951	\$ 2,100	\$ 1,380	\$ (720)	(80.1) %	(34.3) %
Transfers (net)	(89,688)	(134,400)	(132,495)	1,905	(47.7)	1.4
Agency Earnings & Misc	40,960	41,320	55,760	14,440	36.1	34.9
Total Other Revenue	\$ (41,778)	\$ (90,980)	\$ (75,355)	\$ 15,625	(80.4) %	17.2 %
TOTAL RECEIPTS	\$ 5,386,722	\$ 5,422,130	\$ 5,659,439	\$ 237,309	5.1 %	4.4 %

* Consensus Estimate as of November 10, 2021.

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



Kansas Legislative Research Department

*Providing nonpartisan, objective research and fiscal
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QUARTERLY ECONOMIC INDICATORS REPORT

The Quarterly Economic Indicators Report is published by the Kansas Legislative Research Department in conjunction with the State General Fund Receipts memorandum for the months of February, May, August, and November. The report provides graphs regarding economic output and inflation, jobs and unemployment, and Kansas private sector hours worked and wages.

The fourth quarter of 2021 saw continued substantial inflationary pressures for the Midwest region and the nation as a whole. For the three month period, the national consumer price index grew at an average year-over-year rate of 6.7 percent, which is the highest level of any three-month period since 1982.

The Midwest region saw even greater growth with a three-month average of 7.2 percent, which exceeds any three-month period since the index transitioned to a monthly data series in 1987. As of December, the Midwest region index has exceeded 4.5 percent for nine consecutive months.

Major contributors to inflation included energy (up 29.3 percent from December 2020 to December 2021), shelter (up 4.1 percent, but with a high relative importance to the price index, meaning it makes up a large percentage of all consumer expenditures), and motor vehicles, especially used cars and trucks (up 37.3 percent from December 2020 to December 2021).

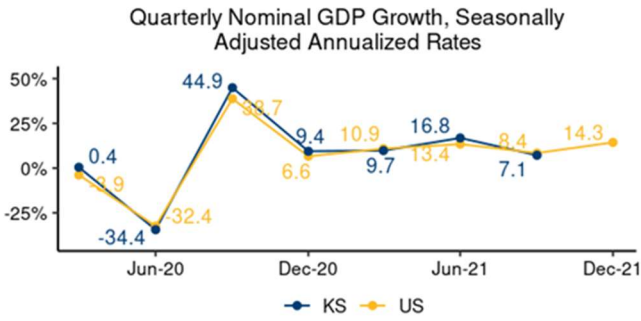
While wages did not keep pace with inflation, Kansas private sector workers did see hourly wage increases throughout the fourth quarter, with average year-over-year amounts of 5.3 percent, bringing the not seasonally adjusted average hourly wage for December to \$28.16 for the state.

Additionally, Kansas employment grew by an average year-over-year amount of 2.5 percent through the quarter as the state's unemployment rate declined from 3.9 percent in September 2021 to 3.3 percent in December 2021.

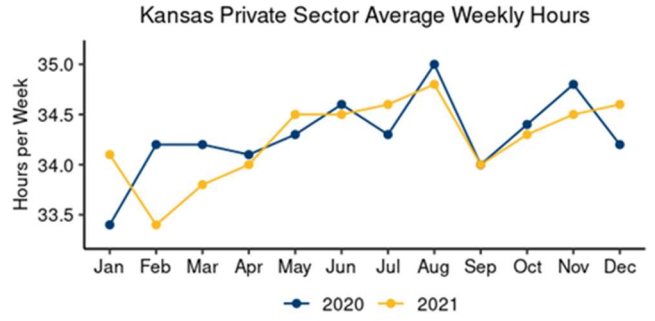
All data provided in the Report come from the U.S. Department of Labor Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA). A link to the data source for each indicator is found under the respective graph.

QUARTERLY ECONOMIC INDICATORS

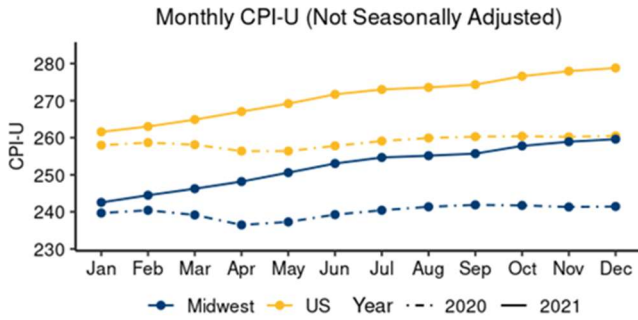
2021 Q4



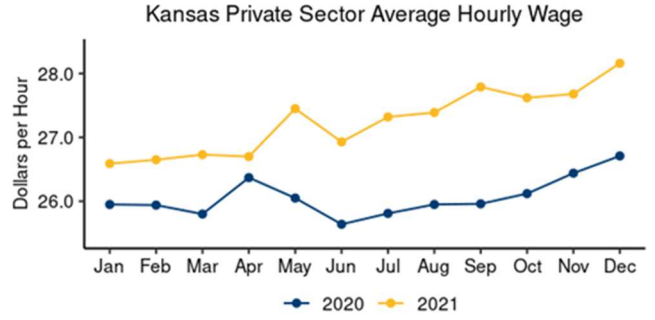
Source: U.S. Bureau of Economic Analysis (data: KS / US)



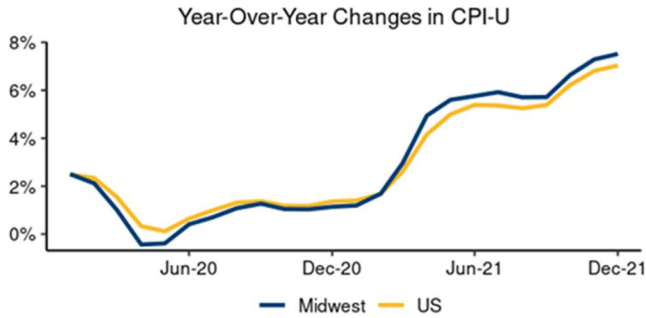
Source: U.S. Bureau of Labor Statistics (data)



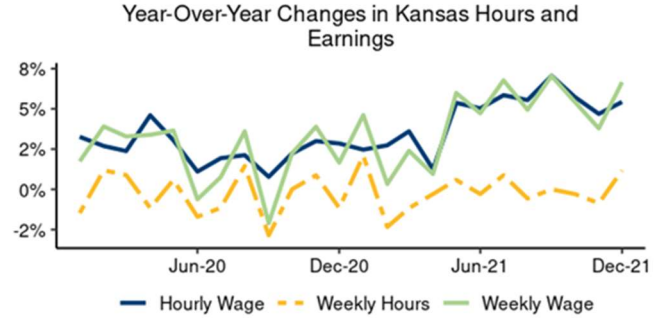
Source: U.S. Bureau of Labor Statistics (data: Midwest / US)



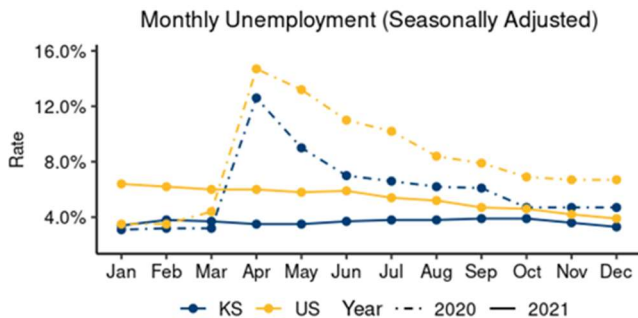
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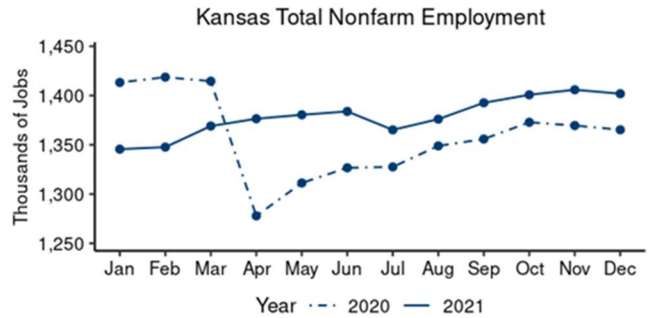
Source: U.S. Bureau of Labor Statistics (data: Midwest / US)



Source: U.S. Bureau of Labor Statistics (data: [hrly](#) / [hrs](#) / [wkly](#))



Source: U.S. Bureau of Labor Statistics (data: KS / US)



Source: U.S. Bureau of Labor Statistics (data)

12-Month Percent Changes in Unemployment Rate

Region	October	November	December
KS	-17.0	-23.4	-29.8
US	-33.3	-37.3	-41.8

Kansas 12-Month Percent Changes in Employment

Year	October	November	December
2020	-4.6	-5.2	-5.4
2021	2.0	2.7	2.7