



Kansas Legislative Research Department

*Providing nonpartisan, objective research and fiscal
analysis for the Kansas Legislature since 1934*

68-West–Statehouse | 300 SW 10th Ave. | Topeka, Kansas 66612-1504
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STATE GENERAL FUND (SGF) RECEIPTS

July through May, FY 2022

Total receipts through May of FY 2022 were \$415.7 million, or 5.7 percent, above the estimate. The component of SGF receipts from taxes only was \$417.9 million, or 5.0 percent, above the revised estimate.

This is the second monthly report after the Consensus Revenue Estimating Group increased the previous total taxes only receipts estimate for FY 2022 by \$411.1 million on April 20, 2022. Additionally, it is the first monthly report to include amounts in the forthcoming June adjustments memo for legislative adjustments that were implemented after the April consensus estimates. There were three tax sources **above** the year-to-date estimate by more than \$1.0 million and four tax sources were **below** the estimate by more than \$1.0 million. Those **tax sources** are bolded in the attached table.

Year-to-date through May SGF receipts for the following three tax sources were **above** the increased estimates: **individual income** (\$376.4 million); **corporation income** (\$32.9 million); and **retail sales** (\$22.6 million).

Individual income tax receipts are **above** the estimate for the **month** of May by **\$198.4 million** or 62.0 percent. May individual income tax receipts were driven primarily by balance due payments, which reflect taxpayer income during the previous calendar year. Withholding payments for May reverted closer to previous years receipts compared to recently strong monthly collections.

Corporation income tax receipts are **above** the estimate for the **month** by **\$33.4 million** or 185.6 percent. The increase was primarily in actual tax payments, but also estimated payments were above the previous years monthly collections.

Sales and use tax receipts continue to steadily beat expectations, combining to **exceed** the estimate for the **month** by **\$11.2 million**. The increase was primarily driven by the impact of inflation on prices. The strong retail sales tax collections of \$13.8 million was partially offset by a decrease of \$2.2 million in compensating use tax collections.

The non-tax revenue sources were below the year-to-date estimate by \$2.2 million. The decrease is primarily reflected in unclaimed property.

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

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

	Actual FY 2021	Estimate*	FY 2022 Actual Difference		Percent change relative to: FY 2021 Estimate	
Income Taxes:						
Individual	\$ 4,217,605	\$ 4,095,000	\$ 4,471,417	\$ 376,417	6.0 %	9.2 %
Corporation	541,126	625,000	657,937	32,937	21.6	5.3
Financial Inst.	61,105	51,000	51,272	272	(16.1)	0.5
Total	\$ 4,819,836	\$ 4,771,000	\$ 5,180,626	\$ 409,626	7.5 %	8.6 %
Sales & Use Taxes:						
Retail Sales	2,298,334	2,495,000	2,517,587	22,587	9.5	0.9
Compensating Use	552,684	723,000	713,219	(9,781)	29.0	(1.4)
Total	\$ 2,851,018	\$ 3,218,000	\$ 3,230,805	\$ 12,805	13.3 %	0.4 %
Other Excise Taxes:						
Cigarette	103,833	100,000	99,410	(590)	(4.3)	(0.6)
Tobacco Products	9,074	9,260	9,278	18	2.2	0.2
Liquor Gallonage	22,603	22,250	22,101	(149)	(2.2)	(0.7)
Liquor Enforcement	75,301	76,400	75,121	(1,279)	(0.2)	(1.7)
Liquor Drink	9,172	12,260	12,504	244	36.3	2.0
Gas Severance	3,211	19,700	18,582	(1,118)	--	(5.7)
Oil Severance	10,403	31,300	30,675	(625)	--	(2.0)
Total	\$ 233,597	\$ 271,170	\$ 267,670	\$ (3,500)	14.6 %	(1.3) %
Other Taxes:						
Insurance Premiums	\$ 125,759	\$ 138,500	\$ 136,377	\$ (2,123)	8.4 %	(1.5) %
Motor Carriers	12,783	12,200	12,326	126	(3.6)	1.0
Corporate Franchise	8,149	6,500	7,417	917	(9.0)	14.1
Miscellaneous	3,066	4,080	4,137	57	34.9	1.4
Total	\$ 149,757	\$ 161,280	\$ 160,256	\$ (1,024)	7.0 %	(0.6) %
Total Taxes	\$ 8,054,208	\$ 8,421,450	\$ 8,839,357	\$ 417,907	9.7 %	5.0 %
Other Revenue:						
Interest	\$ 7,437	\$ 1,550	\$ 1,357	\$ (193)	(81.8) %	(12.5) %
Transfers (net)	(60,748)	(1,167,590)	(1,166,796)	794	--	0.1
Agency Earnings & Misc	59,407	70,550	67,783	(2,767)	14.1	(3.9)
Total Other Revenue	\$ 6,096	\$ (1,095,490)	\$ (1,097,656)	\$ (2,166)	-- %	(0.2) %
TOTAL RECEIPTS	\$ 8,060,304	\$ 7,325,960	\$ 7,741,702	\$ 415,742	(4.0) %	5.7 %

* Consensus Estimate as of April 20, 2022 including the June Legislative Adjustments memo.

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



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June 1, 2022

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.

Inflation continued to be the most noteworthy economic variable for the nation and the Midwest region during the first quarter of 2022. For the three-month period, the national consumer price index grew at an average year-over-year rate of 8.0 percent. Year-over-year inflation has now exceeded 4.1 percent for each of the past 12 months.

The Midwest region saw even greater growth with a three-month average of 8.1 percent, which exceeds any three-month period since the index transitioned to a monthly data series in 1987. The March 2022 annual increase of 8.6 percent is the highest level since August 1981.

Major contributors to inflation included energy (up 32.0 percent from March 2021 to March 2022), shelter (up 5.0 percent, but with a high relative importance to the price index, meaning it makes up a large percentages of all consumer expenditures), and motor vehicles (up 21.7 percent). Additionally, food inflation was 8.8 percent from March 2021 to March 2022 with meats and milk each exceeding 13.0 percent.

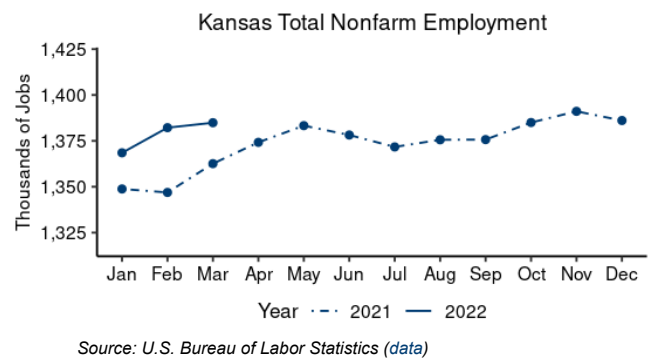
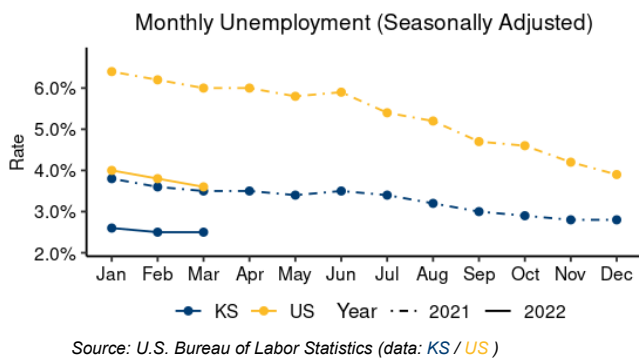
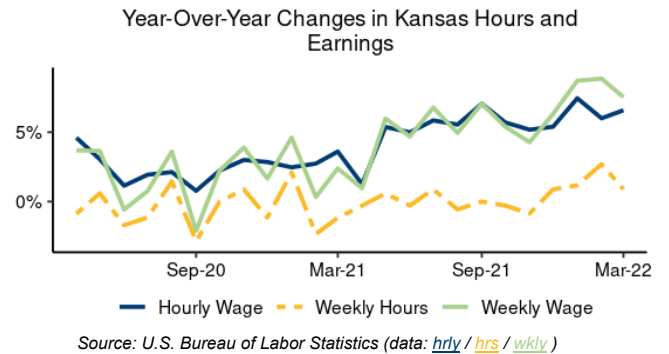
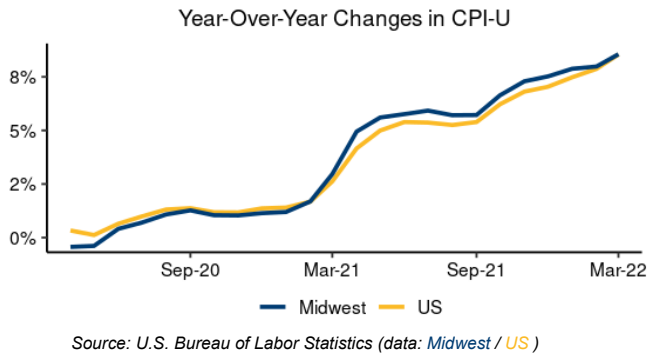
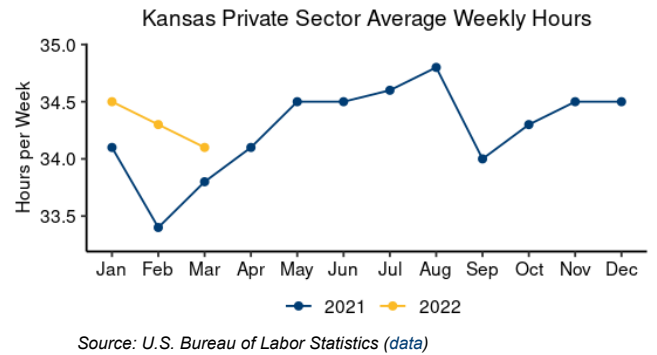
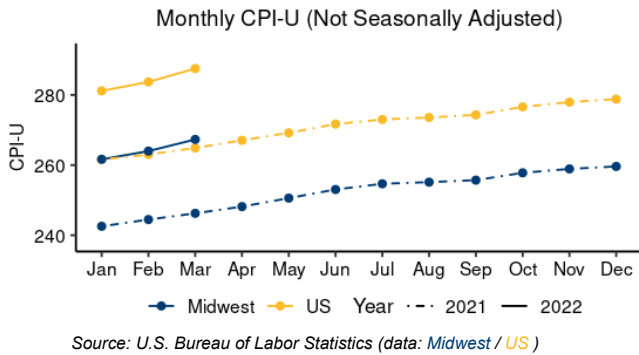
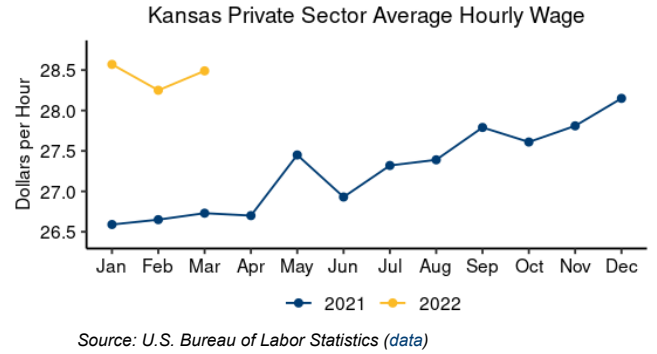
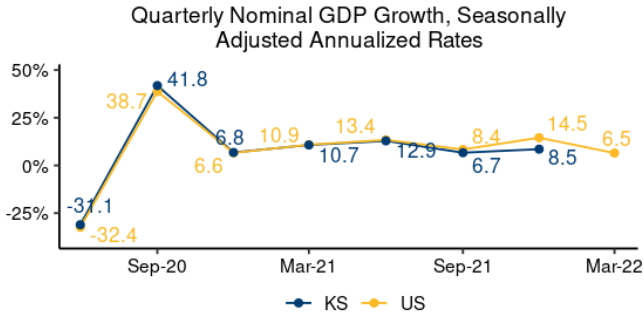
While wages did not keep pace with inflation, Kansas private sector workers did see hourly wage increases throughout the quarter, with average year-over-year amounts of 6.6 percent, with January seeing an all time high average hourly wage of \$28.71.

Additionally, Kansas employment grew by an average year-over-year amount of 1.8 percent through the quarter, but average weekly hours of employees did show small monthly declines in February and March to 34.2 hours per week, coming off of 34.5, which had been the level from November 2021 through January 2022. However, March 2022 still exceeds the March 2021 level, which was 33.8 hours per week.

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

2022 Q1



12-Month Percent Changes in Unemployment Rate

Region	January	February	March
KS	-31.6	-30.6	-28.6
US	-37.5	-38.7	-40.0

12-Month Percent Changes in Employment

Year	January	February	March
2021	-4.6	-5.1	-3.7
2022	1.5	2.6	1.6