



STATE GENERAL FUND (SGF) RECEIPTS

July through November, FY 2023

Total receipts through November FY 2023 were \$29.6 million, or 0.9 percent, **below** the estimate. The component of SGF receipts from taxes only was \$36.0 million, or 1.0 percent, below the estimate.

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

This is the first monthly report based on the revised estimate for FY 2023 made by the Consensus Revenue Estimating Group on November 9, 2022. That revision increased the previous total receipts estimate for FY 2023 by \$794.2 million. The major increases were in individual income tax (\$438.4 million), sales tax (\$189.8 million) and corporation income tax (\$123.0 million). The figures in both the Estimate and Actual columns under FY 2023 on the following table include receipts through November, so this report compares estimated and actual receipts for November 2022.

Individual income tax receipts are **below** the estimate by **\$21.1 million**, or 1.2 percent. While withholding payments continued to exceed the prior year's monthly amount by 1.7 percent, it was not as strong as expected. This is believed to be an anomaly, but will bear additional scrutiny in future months.

Sales and use taxes combined were **below** the estimate by **\$8.8 million**, or 0.6 percent.

Insurance premium tax collections were **below** the estimate by **\$4.4 million**; however, it appears that some insurance companies have not paid taxes due in December early and, accordingly, December receipts are expected to be more than was previously expected.

For **non-tax revenue** sources, **interest exceeded** the estimate by \$1.2 million due to higher interest rates and fund balances. **Agency earnings exceeded** the estimate by \$4.8 million due to stronger than anticipated unclaimed property receipts.

It is important to remember that a comparison of just one month is not a reliable basis upon which to identify a trend for the balance of the fiscal year. Receipts in upcoming months will likely be more meaningful in identifying any developing trends regarding how major tax sources are faring relative to the revised estimate done in November. December sales tax receipts will include certain transactions completed in late November that reflect the start of the holiday shopping season. December is also traditionally an important month for corporation income tax estimated payments. January sales tax receipts will include the balance of the holiday shopping season (transactions occurring in December), and individual income tax estimated payments are due in January.

There has not been a Certificate of Indebtedness issued for FY 2023.

STATE GENERAL FUND RECEIPTS
July-November, FY 2023
(Dollars in Thousands)

	Actual FY 2022	Estimate*	FY 2023 Actual	Difference	Percent change relative to: FY 2022 Estimate	
Income Taxes:						
Individual	\$ 1,555,386	\$ 1,720,000	\$ 1,698,942	\$ (21,058)	9.2 %	(1.2) %
Corporation	250,350	268,000	267,922	(78)	7.0	(0.0)
Financial Inst.	14,292	12,000	11,658	(342)	(18.4)	(2.9)
Total	\$ 1,820,028	\$ 2,000,000	\$ 1,978,522	\$ (21,478)	8.7 %	(1.1) %
Sales & Use Taxes:						
Retail Sales	1,136,588	1,157,000	1,150,428	(6,572)	1.2	(0.6)
Compensating Use	307,898	318,000	315,823	(2,177)	2.6	(0.7)
Total	\$ 1,444,485	\$ 1,475,000	\$ 1,466,251	\$ (8,749)	1.5 %	(0.6) %
Other Excise Taxes:						
Cigarette	48,752	43,500	42,946	(554)	(11.9)	(1.3)
Tobacco Products	4,312	4,390	4,414	24	2.4	0.5
Liquor Gallonage	10,491	11,000	10,828	(172)	3.2	(1.6)
Liquor Enforcement	34,230	33,600	34,256	656	0.1	2.0
Liquor Drink	5,661	6,160	6,137	(23)	8.4	(0.4)
Gas Severance	6,055	13,800	13,662	(138)	125.6	(1.0)
Oil Severance	11,669	20,400	19,972	(428)	71.2	(2.1)
Total	\$ 121,170	\$ 132,850	\$ 132,215	\$ (635)	9.1 %	(0.5) %
Other Taxes:						
Insurance Premiums	\$ 4,303	\$ 3,100	\$ (1,298)	\$ (4,398)	(130.2) %	(141.9) %
Motor Carriers	4,771	3,950	3,089	(861)	(35.3)	(21.8)
Corporate Franchise	977	1,220	1,265	45	29.4	3.7
Miscellaneous	1,874	2,100	2,162	62	15.4	3.0
Total	\$ 11,926	\$ 10,370	\$ 5,217	\$ (5,153)	(56.3) %	(49.7) %
Total Taxes	\$ 3,397,609	\$ 3,618,220	\$ 3,582,205	\$ (36,015)	5.4 %	(1.0) %
Other Revenue:						
Interest	\$ 1,315	\$ 22,100	\$ 23,278	\$ 1,178	1,670.1 %	5.3 %
Transfers (net)	(107,459)	(354,700)	(354,311)	389	(229.7)	0.1
Agency Earnings & Misc	36,008	48,300	53,135	4,835	47.6	10.0
Total Other Revenue	\$ (70,136)	\$ (284,300)	\$ (277,898)	\$ 6,402	(296.2) %	2.3 %
TOTAL RECEIPTS	\$ 3,327,473	\$ 3,333,920	\$ 3,304,307	\$ (29,613)	(0.7) %	(0.9) %

* Consensus Estimate as of November 9, 2022.

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



Kansas Legislative Research Department

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

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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.

Inflation, and the ability of monetary policy to control price growth, remains the most noteworthy economic indicator in the third quarter of 2022.

While inflation remained persistently high, with the national Consumer Price Index (CPI-U) averaging annual amounts of 8.3 percent in the quarter, the accelerating pace of inflation did show signs of slowing. Month-to-month increases in CPI-U averaged 0.06 percent for the quarter after averaging 0.72 percent per month during 2021 and the first half of 2022. July and August even saw small declines in the not seasonally adjusted index amounts.

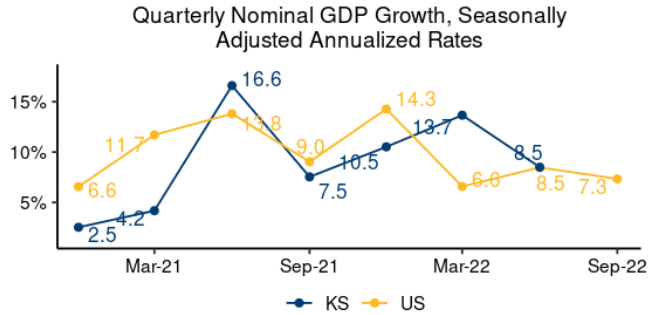
Additionally, after having outpaced the national amounts over the previous 6 quarters, inflation for the Midwest region was slower than the national amount for the second quarter of 2022, returning to the long-term normal relationship between the region and the nation as a whole.

For Kansas private sector employees, average hourly earnings increased through the quarter, but average weekly hours per worker decline, resulting in a decline in the average nominal weekly earnings amount during the quarter.

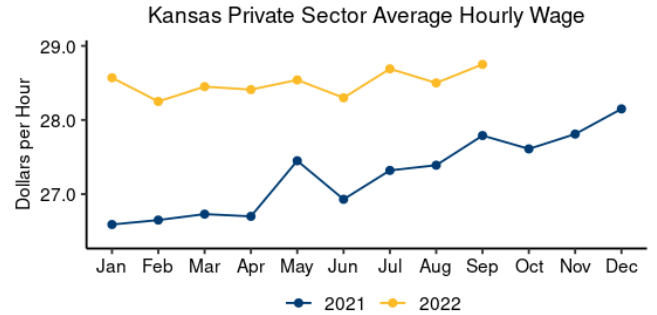
Additionally, the Kansas unemployment rate did increase in the third quarter relative to the first and second quarters of 2022, but it still remains below the 2021 level for the second quarter and is consistent with, or beyond, the level of full employment for the economy.

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.

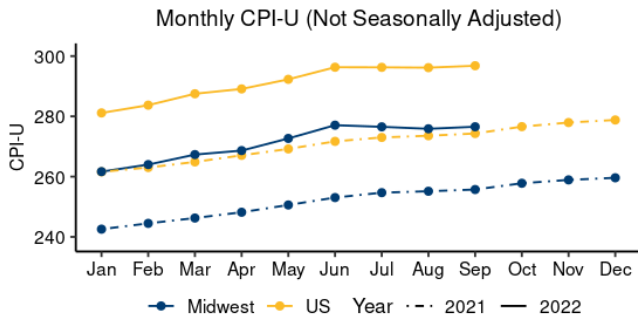
QUARTERLY ECONOMIC INDICATORS 2022 Q3



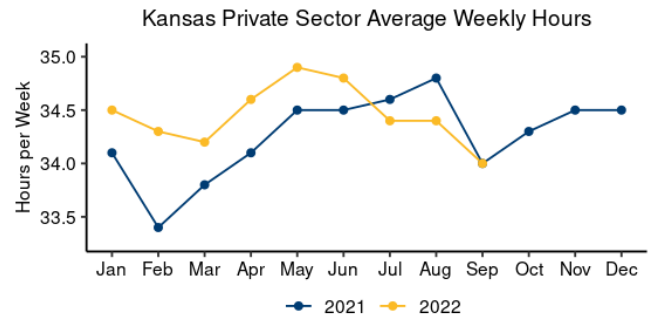
Source: U.S. Bureau of Economic Analysis (data: [KS](#) / [US](#))



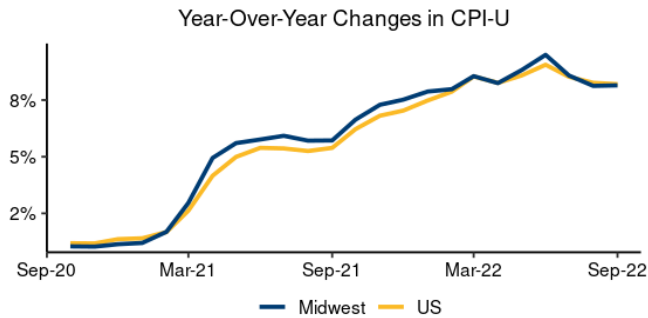
Source: U.S. Bureau of Labor Statistics ([data](#))



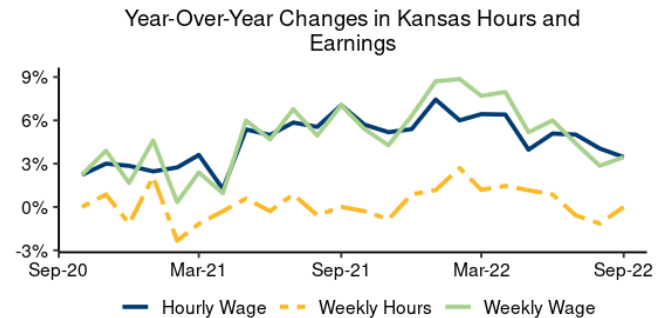
Source: U.S. Bureau of Labor Statistics (data: [Midwest](#) / [US](#))



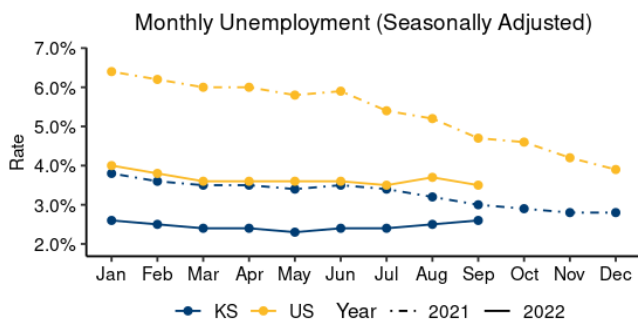
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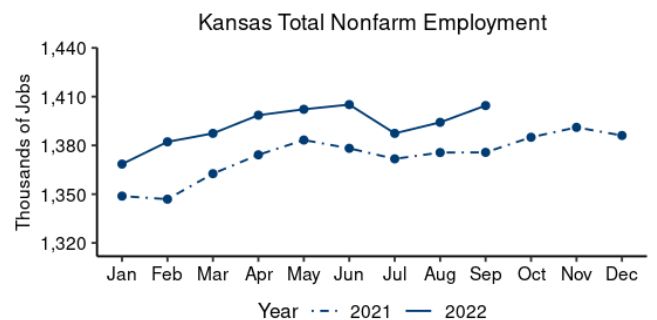
Source: U.S. Bureau of Labor Statistics (data: [Midwest](#) / [US](#))



Source: U.S. Bureau of Labor Statistics (data: [hrtly](#) / [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	July	August	September
KS	-29.4	-21.9	-13.3
US	-35.2	-28.8	-25.5

Kansas 12-Month Percent Changes in Employment

Year	July	August	September
2021	3.4	2.1	1.6
2022	1.1	1.4	2.3