



STATE GENERAL FUND (SGF) RECEIPTS

July through February, FY 2023

Total receipts through February of FY 2023 were \$212.1 million, or 3.8 percent, **above** the estimate. The component of SGF receipts from taxes only was \$197.1 million, or 3.2 percent, above the estimate.

Four tax sources were above the estimate by more than \$1.0 million. Five tax sources were below the estimate by more than \$1.0 million. Those tax sources are **bolded** in the attached table.

Individual income tax receipts were **below** the year-to-date estimate by **\$85.0 million**, or 3.0 percent. The shift of receipts from individual income tax to corporation income tax due to the SALT Parity Act contributed to the majority of the shortfall. Withholding receipts exceeded the previous year amount for the month by 8.1 percent.

Corporation income tax receipts **exceeded** the year-to-date estimate by **\$282.4 million**, or 63.0 percent. However, this excess continues to be driven by unanticipated SALT Parity Act receipts. Through January, receipts pursuant to that Act were estimated to be \$231.0 million. Those excess receipts likely have already begun reducing individual income tax payments as indicated above and will continue to reduce individual income tax receipts throughout tax filing season. The receipts for the month of February are only \$0.3 million above the estimate

Sales and use taxes combined were **below** the estimate by **\$18.2 million**, or 0.8 percent. Receipts from this source continue to outpace prior years, but by a smaller amount than anticipated. This is the first month the effects of reduced sales and use tax rates on food appeared and February receipts were \$12.9 million above the monthly estimate.

Insurance premiums tax receipts **exceeded** the year-to-date estimate by **\$18.8 million** or 20.2 percent. The increased receipts primarily reflect a timing shift from March collections to February collections and should result in reduced receipts in next month's SGF receipts.

For non-tax revenue sources, **interest** **exceeded** the estimate by \$15.1 million due to higher interest rates and fund balances. **Transfers** were **below** the estimate by \$6.3 million, largely due to a larger than anticipated transfer to the School District Capital Improvement Fund. **Agency earnings** **exceeded** the estimate by \$6.2 million largely due to higher than anticipated fees and fines from district courts.

This is the fourth 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 figures in both the Estimate and Actual columns under FY 2023 on the following table include receipts through February, so this report compares estimated and actual receipts for November 2022 through February 2023.

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

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

	Actual FY 2022	FY 2023			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2022	Estimate
Income Taxes:						
Individual	\$ 2,636,162	\$ 2,865,000	\$ 2,779,977	\$ (85,023)	5.5 %	(3.0) %
Corporation	437,404	448,000	730,374	282,374	67.0	63.0
Financial Inst.	33,295	26,000	27,141	1,141	(18.5)	4.4
Total	\$ 3,106,861	\$ 3,339,000	\$ 3,537,492	\$ 198,492	13.9 %	5.9 %
Sales & Use Taxes:						
Retail Sales	1,814,282	1,875,000	1,863,409	(11,591)	2.7 %	(0.6) %
Compensating Use	520,637	546,000	539,349	(6,651)	3.6	(1.2)
Total	\$ 2,334,920	\$ 2,421,000	\$ 2,402,758	\$ (18,242)	2.9 %	(0.8) %
Other Excise Taxes:						
Cigarette	72,283	66,000	66,611	611	(7.8) %	0.9 %
Tobacco Products	6,808	6,940	6,974	34	2.4	0.5
Liquor Gallonage	16,285	17,100	16,278	(822)	(0.0)	(4.8)
Liquor Enforcement	55,584	54,400	55,925	1,525	0.6	2.8
Liquor Drink	8,870	9,680	9,734	54	9.7	0.6
Gas Severance	12,694	18,850	17,415	(1,435)	37.2	(7.6)
Oil Severance	19,461	27,400	25,195	(2,205)	29.5	(8.0)
Total	\$ 191,985	\$ 200,370	\$ 198,132	\$ (2,238)	3.2 %	(1.1) %
Other Taxes:						
Insurance Premiums	\$ 87,064	\$ 92,900	\$ 111,652	\$ 18,752	28.2 %	20.2 %
Motor Carriers	8,939	7,810	7,812	2	(12.6)	0.0
Corporate Franchise	2,147	2,340	2,595	255	20.9	10.9
Miscellaneous	2,878	3,280	3,346	66	16.3	2.0
Total	\$ 101,028	\$ 106,330	\$ 125,405	\$ 19,075	24.1 %	17.9 %
Total Taxes	\$ 5,734,794	\$ 6,066,700	\$ 6,263,787	\$ 197,087	9.2 %	3.2 %
Other Revenue:						
Interest	\$ 1,380	\$ 55,800	\$ 70,870	\$ 15,070	5,035.5 %	27.0 %
Transfers (net)	(132,495)	(548,250)	(554,574)	(6,324)	(318.6)	(1.2)
Agency Earnings & Misc	55,760	75,500	81,731	6,231	46.6	8.3
Total Other Revenue	\$ (75,355)	\$ (416,950)	\$ (401,973)	\$ 14,977	(433.4) %	3.6 %
TOTAL RECEIPTS	\$ 5,659,439	\$ 5,649,750	\$ 5,861,815	\$ 212,065	3.6 %	3.8 %

* 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*

68-West–Statehouse | 300 SW 10th Ave. | Topeka, Kansas 66612-1504
(785) 296-3181

kslegres@klrd.ks.gov

kslegislature.org/klrd

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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 2022 saw elevated, but cooling, inflation for both the national and Kansas economy. The national Consumer Price Index (CPI-U) averaging annual amounts of 7.1 percent in the quarter, which was lower than the three previous quarters. The Midwest region saw average annual inflation for the quarter of 6.7 percent, which was lower than the previous four quarters for the region. The lower level of inflation for the Midwest region relative to the national amount reflects the long term trend, which had been reversed for the first half of 2022.

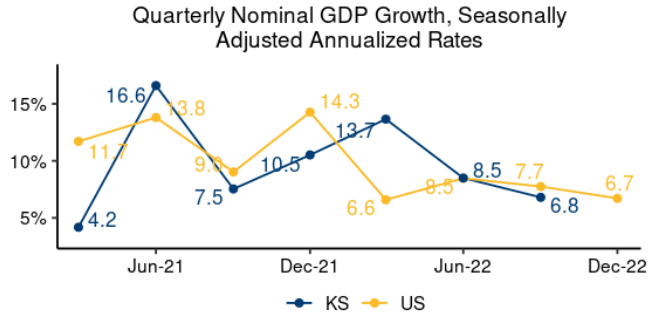
Food and housing costs were the largest contributors to inflation, while most commodities other than food, especially motor vehicles, saw price declines during the quarter.

Total Kansas nonfarm employment increased by an annual average amount of 3.0 percent during the quarter. However, this job growth was not reflected in household surveys of employment and the state unemployment rate increased to an average of 2.8 percent, after having averaged 2.5 percent through the first three quarters of the year.

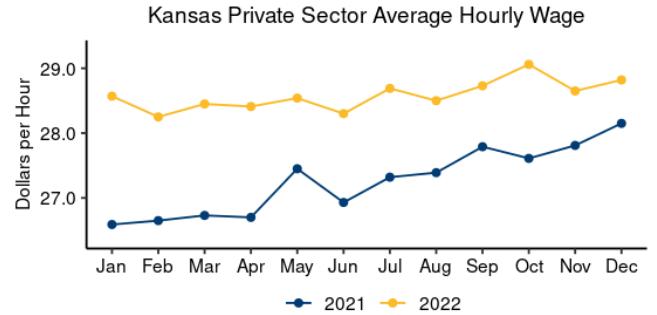
While growth in hourly earnings for Kansas private sector employees remained strong throughout the quarter, the average weekly hours worked declined relative to the previous year, resulting in more moderate growth of average weekly earnings.

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.

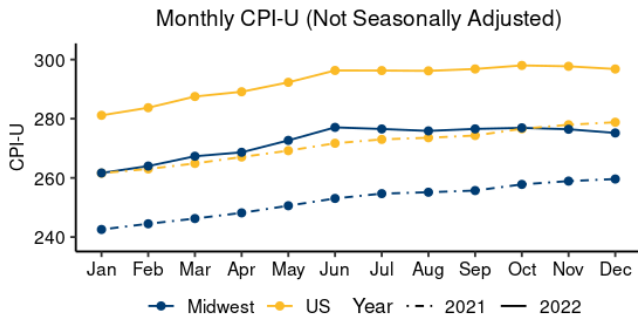
QUARTERLY ECONOMIC INDICATORS 2022 Q4



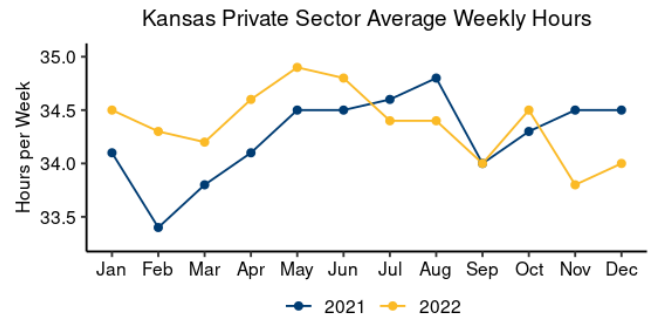
Source: U.S. Bureau of Economic Analysis (data: [KS](#) / [US](#))



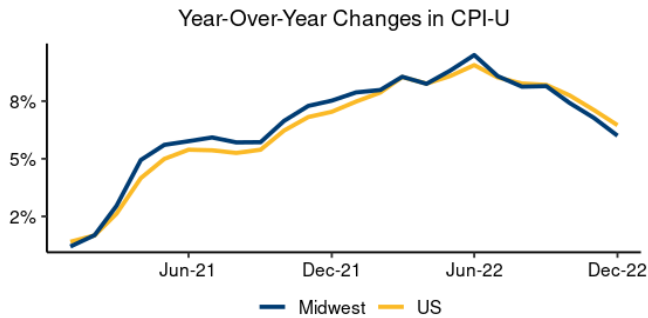
Source: U.S. Bureau of Labor Statistics ([data](#))



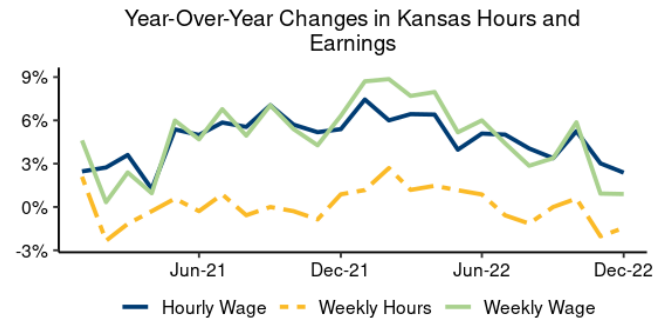
Source: U.S. Bureau of Labor Statistics (data: [Midwest](#) / [US](#))



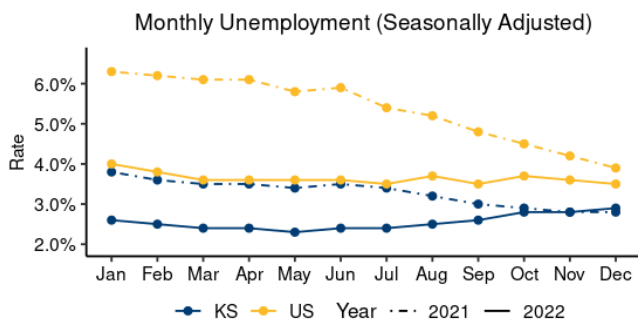
Source: U.S. Bureau of Labor Statistics ([data](#))



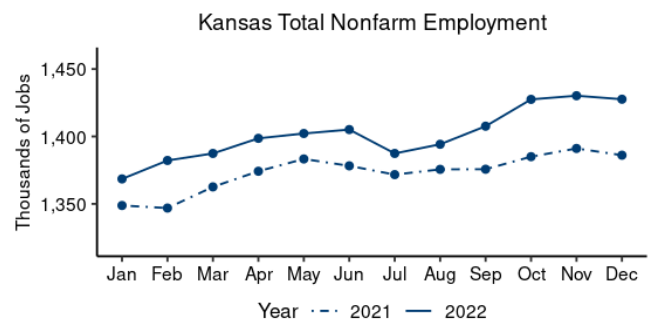
Source: U.S. Bureau of Labor Statistics (data: [Midwest](#) / [US](#))



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	October	November	December
KS	-3.4	0.0	3.6
US	-17.8	-14.3	-10.3

Kansas 12-Month Percent Changes in Employment

Year	October	November	December
2021	1.0	1.3	0.9
2022	3.1	2.8	3.0