



STATE GENERAL FUND (SGF) RECEIPTS July through May, FY 2023

Total receipts through May of FY 2023 were \$18.9 million, or 0.2 percent, above the estimate. The component of SGF receipts from taxes only was \$8.7 million, or 0.1 percent, above the estimate.

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

Corporation income tax receipts **exceeded** the year-to-date estimate by **\$103.4 million**, or 8.8 percent. The majority of the excess continues to be driven by unanticipated SALT Parity Act receipts. The portion of the excess attributable to the SALT Parity Act has been reducing individual income tax payments by a commensurate amount.

Individual income tax receipts were **below** the year-to-date estimate by **\$89.0 million**, or 2.1 percent. However, withholding receipts remained strong, exceeding the previous year amount for the month by 5.6 percent.

Sales and use taxes combined were **below** the year-to-date estimate by **\$11.6 million**, or 0.4 percent. However, receipts from these sources exceed the prior year amounts by 1.4 percent, despite a reduction in the food sales tax rate.

Insurance premiums tax receipts were **above** the year-to-date estimate by **\$5.8 million**, or 3.9 percent, however, it appears that some insurance companies have paid taxes due in June early and, accordingly, June's receipts are expected to be less than was previously expected.

For non-tax revenue sources, **interest exceeded** the estimate by \$6.1 million due to higher interest rates and fund balances. **Agency earnings exceeded** the estimate by \$3.2 million.

This is the second monthly report based on the revised estimate for FY 2023 made by the Consensus Revenue Estimating Group on April 20, 2023, as further adjusted for legislation enacted after that date. The figures in both the Estimate and Actual columns under FY 2023 on the following table include receipts through May, so this report compares estimated and actual receipts for April and May 2023.

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

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

	Actual FY 2022	FY 2023			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2022	Estimate
Income Taxes:						
Individual	\$ 4,471,417	\$ 4,217,000	\$ 4,128,042	\$ (88,958)	(7.7) %	(2.1) %
Corporation	657,937	1,175,000	1,278,399	103,399	94.3	8.8
Financial Inst.	51,272	45,000	45,238	238	(11.8)	0.5
<i>Total</i>	<u>\$ 5,180,626</u>	<u>\$ 5,437,000</u>	<u>\$ 5,451,678</u>	<u>\$ 14,678</u>	<u>5.2 %</u>	<u>0.3 %</u>
Sales & Use Taxes:						
Retail Sales	2,517,587	2,554,000	2,541,024	(12,976)	0.9	(0.5)
Compensating Use	713,219	734,000	735,368	1,368	3.1	0.2
<i>Total</i>	<u>\$ 3,230,805</u>	<u>\$ 3,288,000</u>	<u>\$ 3,276,392</u>	<u>\$ (11,608)</u>	<u>1.4 %</u>	<u>(0.4) %</u>
Other Excise Taxes:						
Cigarette	99,410	90,000	89,686	(314)	(9.8)	(0.3)
Tobacco Products	9,278	9,480	9,437	(43)	1.7	(0.5)
Liquor Gallonage	22,101	22,300	22,283	(17)	0.8	(0.1)
Liquor Enforcement	75,121	75,700	75,680	(20)	0.7	(0.0)
Liquor Drink	12,504	13,620	13,627	7	9.0	0.1
Gas Severance	18,582	20,800	20,506	(294)	10.4	(1.4)
Oil Severance	30,675	32,900	34,106	1,206	11.2	3.7
<i>Total</i>	<u>\$ 267,670</u>	<u>\$ 264,800</u>	<u>\$ 265,325</u>	<u>\$ 525</u>	<u>(0.9) %</u>	<u>0.2 %</u>
Other Taxes:						
Insurance Premiums	\$ 136,377	\$ 149,000	\$ 154,753	\$ 5,753	13.5 %	3.9 %
Motor Carriers	12,326	11,030	11,231	201	(8.9)	1.8
Corporate Franchise	7,417	8,000	7,147	(853)	(3.6)	(10.7)
Miscellaneous	4,137	4,760	4,736	(24)	14.5	(0.5)
<i>Total</i>	<u>\$ 160,256</u>	<u>\$ 172,790</u>	<u>\$ 177,867</u>	<u>\$ 5,077</u>	<u>11.0 %</u>	<u>2.9 %</u>
Total Taxes	\$ 8,839,357	\$ 9,162,590	\$ 9,171,262	\$ 8,672	3.8 %	0.1 %
Other Revenue:						
Interest	\$ 1,357	\$ 148,800	\$ 154,877	\$ 6,077	- %	4.1 %
Transfers (net)	(1,166,796)	(1,195,800)	(1,194,821)	979	(2.4)	0.1
Agency Earnings & Misc	67,783	101,890	105,049	3,159	55.0	3.1
Total Other Revenue	\$ (1,097,656)	\$ (945,110)	\$ (934,895)	\$ 10,215	14.8 %	1.1 %
TOTAL RECEIPTS	\$ 7,741,702	\$ 8,217,480	\$ 8,236,367	\$ 18,887	6.4 %	0.2 %

* Consensus Estimate as of April 20, 2023, as further adjusted for subsequent legislation enacted after that date.

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.

The first quarter of 2023 saw inflation continue its recent cooling trend, but remain above levels consistent with long-term averages. The national Consumer Price Index (CPI-U) averaged an annual amount of 5.8 percent in the quarter, representing its third consecutive quarter of decline and its lowest quarterly average since the third quarter of 2021. The Midwest region saw average annual inflation for the quarter of 5.5 percent.

Housing costs and food were the largest contributors to inflation in the quarter. Housing alone made up approximately three-quarters of the total increase in prices. Meanwhile, energy costs and motor vehicle sales saw year-over-year price declines during the quarter.

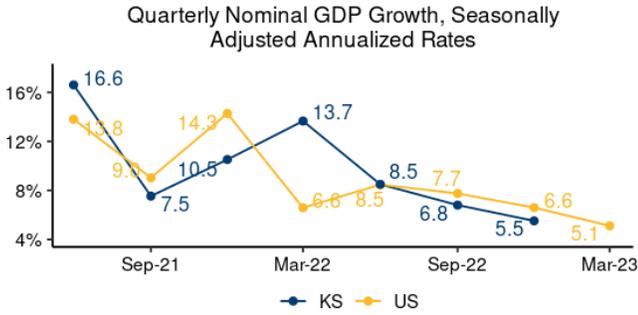
The average hourly wage for Kansas private sector employees grew by an annual average amount of 3.1 percent for the quarter to \$29.31. However, average weekly hours of employees declined by 1.7 percent to 29.31 hours per week, resulting in average year-over-year weekly earnings growth of 1.4 percent for the quarter to \$988.64.

The Kansas unemployment rate averaged 2.9 percent for the quarter, which is up from an average of 2.4 percent for the first quarter of 2022 and 2.8 percent for the fourth quarter of 2022. This increase is entirely attributable to growth in the Kansas labor force of individuals seeking employment as Kansas households reported a year-over-year increase in the number of employed persons in the quarter and Kansas businesses reported annual increases in jobs during the quarter.

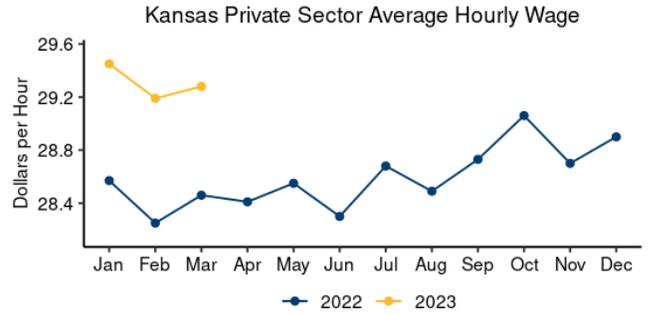
All data provided in the Report comes from the U.S. Department of Labor Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA). Links to the data sources for each indicator can be found under the respective graph.

QUARTERLY ECONOMIC INDICATORS

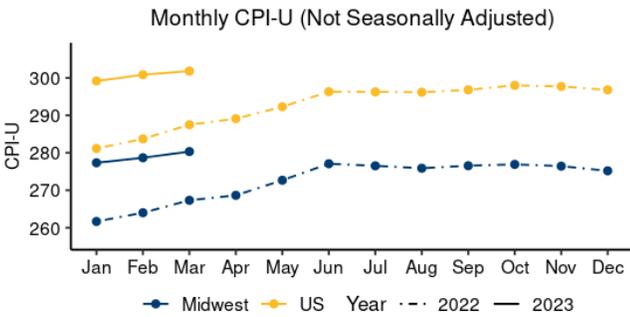
2023 Q1



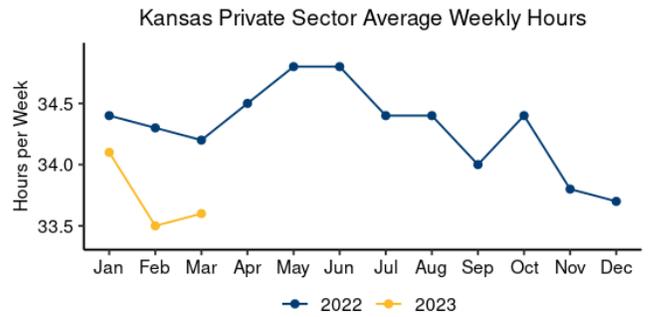
Source: U.S. Bureau of Economic Analysis (data: [KS](#) / [US](#))



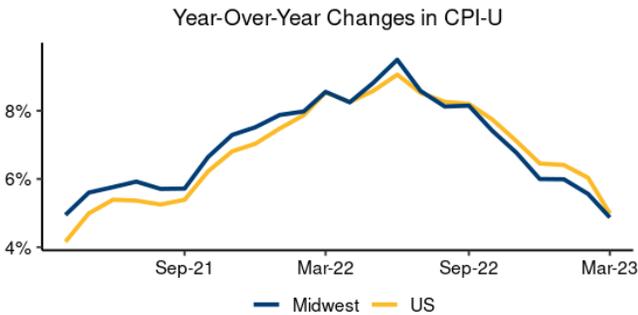
Source: U.S. Bureau of Labor Statistics (data)



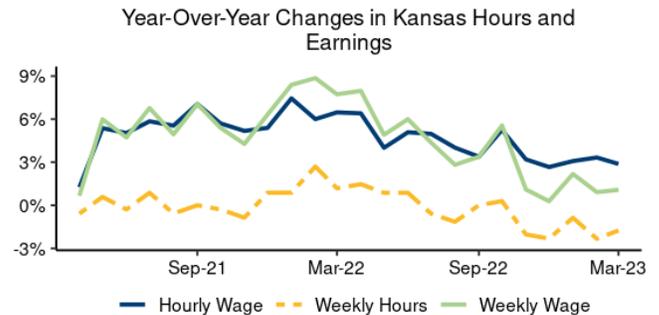
Source: U.S. Bureau of Labor Statistics (data: [Midwest](#) / [US](#))



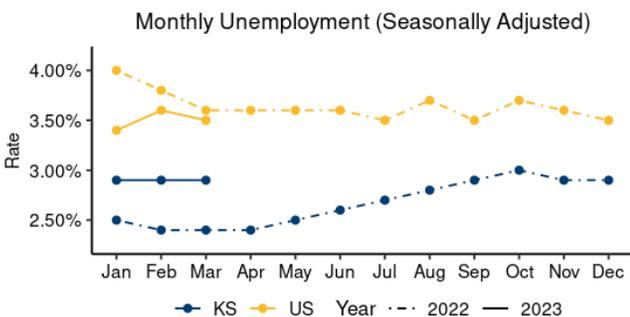
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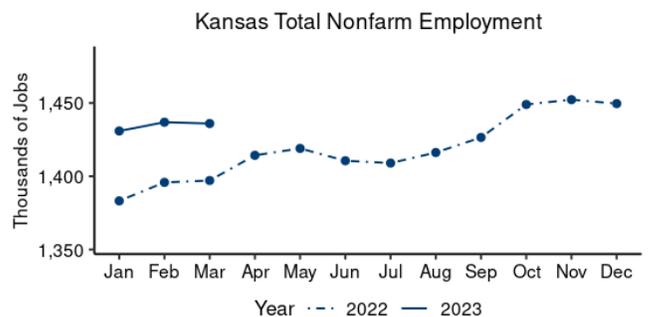
Source: U.S. Bureau of Labor Statistics (data: [Midwest](#) / [US](#))



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



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	January	February	March
KS	16.0	20.8	20.8
US	-15.0	-5.3	-2.8

Kansas 12-Month Percent Changes in Employment

Year	January	February	March
2022	2.4	3.5	2.4
2023	3.4	3.1	2.8