

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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April 13, 2012

**To:** Governor Sam Brownback and Legislative Budget Committee

**From:** Kansas Legislative Research Department  
Kansas Division of the Budget

**Re:** Initial SGF Memo for Revised FY 2012 and FY 2013 Estimates

The Consensus Estimating Group met today to revise the November 4, 2011 State General Fund estimates for FY 2012 and FY 2013. At the time this memo was prepared, no 2012 legislation has been enacted that is estimated to have a fiscal impact on either FY 2012 or FY 2013 State General Fund revenues. The impact of legislation affecting the State General Fund that becomes law after April 13 will be quantified in a separate legislative adjustments report prepared at the conclusion of the *sine die* adjournment. A far more detailed memo will be available next week which contains the economic forecast for Kansas upon which the forecasts are based, as well as a discussion of other factors influencing the individual source estimates.

**The overall estimate for both fiscal years was increased by a combined \$252.2 million.**

For FY 2012, the estimate was increased by \$129.4 million, or 2.1 percent, above the November estimate. The estimate for total taxes was increased by \$123.6 million, while the estimate for other revenues was increased by \$5.8 million. The overall revised SGF estimate of \$6.375 billion represents an 8.4 percent increase above final FY 2011 receipts.

The revised estimate for FY 2013 of \$6.414 billion was increased by \$122.8 million, or 2.0 percent above the November estimate. The estimate for total taxes was increased by \$127.6 million, while the estimate for other revenues was decreased by \$4.8 million. The new forecast for FY 2013 represents a 0.6 percent increase above the newly revised FY 2012 figure. Various factors influencing this growth rate in addition to the state of the economy include a net change of \$254.6 million for transfers out of the State General Fund in compliance with statutory requirements.

Table 1 compares the new FY 2012 and FY 2013 estimates with actual receipts from FY 2011. Tables 2 and 3 show the revisions in the estimates for each fiscal year.

Senate Ways and Means  
Dates: 04-17 and 04-18, 2012  
Attachment: 1

**Table 2**  
**State General Fund Receipts**  
**FY 2012 Revised**  
**Comparison of November 2011 Estimate to April 2012 Estimate**  
*(Dollars in Thousands)*

	FY 2012 CRE Est.	FY 2012 CRE Est.	Difference	
	Revised 11/04/11	Revised 04/13/12	Amount	Pct. Chg.
<b>Property Tax:</b>				
Motor Carrier	\$ 22,500	\$ 23,000	\$ 500	2.2 %
<b>Income Taxes:</b>				
Individual	\$ 2,900,000	\$ 2,955,000	\$ 55,000	1.9 %
Corporation	225,000	250,000	25,000	11.1
Financial Inst.	22,000	24,000	2,000	9.1
<b>Total</b>	<b>\$ 3,147,000</b>	<b>\$ 3,229,000</b>	<b>\$ 82,000</b>	<b>2.6 %</b>
<b>Excise Taxes:</b>				
Retail Sales	\$ 2,100,000	\$ 2,120,000	\$ 20,000	1.0 %
Compensating Use	315,000	330,000	15,000	4.8
Cigarette	93,000	93,000	--	--
Tobacco Products	6,800	6,800	--	--
Cereal Malt Beverage	1,900	1,900	--	--
Liquor Gallonage	19,000	19,000	--	--
Liquor Enforcement	58,000	58,500	500	0.9
Liquor Drink	9,100	9,200	100	1.1
Corporate Franchise	8,000	10,000	2,000	25.0
Severance	110,200	108,700	(1,500)	(1.4)
Gas	41,600	39,500	(2,100)	(5.0)
Oil	68,600	69,200	600	0.9
<b>Total</b>	<b>\$ 2,721,000</b>	<b>\$ 2,757,100</b>	<b>\$ 36,100</b>	<b>1.3 %</b>
<b>Other Taxes:</b>				
Insurance Prem.	\$ 137,000	\$ 142,000	\$ 5,000	3.6 %
Miscellaneous	2,500	2,500	--	--
<b>Total</b>	<b>\$ 139,500</b>	<b>\$ 144,500</b>	<b>\$ 5,000</b>	<b>3.6 %</b>
<b>Total Taxes</b>	<b>\$ 6,030,000</b>	<b>\$ 6,153,600</b>	<b>\$ 123,600</b>	<b>2.0 %</b>
<b>Other Revenues:</b>				
Interest	\$ 8,000	\$ 10,400	\$ 2,400	30.0 %
Net Transfers	155,600	159,000	3,400	2.2
Agency Earnings	51,500	51,500	--	--
<b>Total Other Revenue</b>	<b>\$ 215,100</b>	<b>\$ 220,900</b>	<b>\$ 5,800</b>	<b>2.7 %</b>
<b>Total Receipts</b>	<b>\$ 6,245,100</b>	<b>\$ 6,374,500</b>	<b>\$ 129,400</b>	<b>2.1 %</b>