



April 24, 2015

To: Governor Sam Brownback and Legislative Budget Committee

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

Re: State General Fund Receipt Revisions for FY 2015, FY 2016, and FY 2017

Estimates for the State General Fund (SGF) are developed using a consensus process that involves the Division of the Budget, Legislative Research Department, Department of Revenue, and three consulting economists from state universities. This estimate is the base from which the Governor and the Legislature build the annual budget. The Consensus Revenue Estimating Group met on April 20, 2015, and decreased the overall estimate for FY 2015, FY 2016, and FY 2017 by a combined \$42.0 million relative to the previous estimate made in November. The revised estimates incorporate the fiscal effect of all 2015 legislation signed into law through April 20, 2015.

For FY 2015, the estimate was increased by \$157.0 million, or 2.7 percent, above the November estimate. The estimate for total taxes was decreased by \$87.5 million, while the estimate for other revenues was increased by \$244.5 million. The overall revised SGF estimate of \$5.926 billion represents a 4.8 percent increase above final FY 2014 receipts.

The revised estimate for FY 2016 of \$5.713 billion was decreased by \$98.2 million, or 1.7 percent below the November estimate. The estimate for total taxes was decreased by \$99.6 million, while the estimate for other revenues was increased by \$1.4 million. The new forecast for FY 2016 represents a 3.6 percent decrease below the newly revised FY 2015 figure.

For FY 2017, the estimate was decreased by \$100.8 million, or 1.7 percent, below the November estimate. The estimate for total taxes was decreased by \$88.4 million, while the estimate for other revenues was decreased by \$12.4 million. The revised forecast for FY 2017 represents a 1.1 percent increase above the newly revised FY 2016 figure.

Table 1 compares the new FY 2015, FY 2016 and FY 2017 estimates with actual receipts from FY 2014.

Economic Forecast for Kansas Summary

While the U.S and Kansas economies continue to grow, uncertainty remains as a number of economic indicators are estimated to show only modest improvements over the next few years. Significant concerns exist for the economy as a whole relative to volatility in energy prices, consumer and business demand for products and services subject to sales taxation, lowered corporate profits, and lower sustained agricultural commodity prices. The nominal Kansas Gross State Product is expected to grow by 3.5 percent in 2015 (the November estimate had been 4.3 percent), 4.7 percent in 2016 (the November estimate had been 4.6 percent), and 4.7 percent in 2017 (the November estimate had been 4.6 percent). Current forecasts call for the nominal U.S. Gross Domestic Product to grow by 4.2 percent in 2015 (the November estimate had been 4.9 percent), 5.2 percent in 2016 (the November estimate had been 5.1 percent), and by 5.2 percent in 2017 (the November estimate had been 5.1 percent). The consensus estimates contained in this memo are based on this continued economic growth in the state and nation during the balance of FY 2015 and in FY 2016 and FY 2017.

Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) increased by 1.6 percent in 2014, which was slightly higher than the 1.5 percent that was estimated in November. The current forecasts of 1.2 percent in 2015, 2.1 percent in 2016, and 2.1 percent in 2017 indicate that inflation will likely continue to be held in check by Federal Reserve monetary policy. Since the forecast reported in November, lower oil and gas prices have decreased inflation expectations in 2015 when 1.8 percent was estimated. The forecast reported in November for 2016 and 2017 have not significantly changed from the 2.0 percent that was estimated for both years.

Kansas Personal Income

Kansas Personal Income (KPI) in 2014 increased by 2.9 percent and is currently expected to increase by 3.4 percent in 2015. The KPI estimate in November had been 3.8 percent for 2014 and 4.2 percent for 2015. The reduction of farm earnings is the largest factor influencing the decline in KPI in both 2014 and 2015. The new KPI forecasts for 2016 and 2017 remain unchanged from the 4.4 percent reported for both years in the November estimate. Current estimates are that overall U.S. Personal Income (USPI) growth will grow faster than KPI, with nominal USPI estimates of 4.0 percent in 2014, 4.5 percent in 2015, and 5.1 percent in both 2016 and 2017.

Employment

Data obtained from the Kansas Department of Labor indicate that employment levels continue to improve. The most recent monthly data show that total Kansas private sector employment from March 2014 to March 2015 had increased by 16,100 jobs, while public sector jobs decreased by 700 jobs. Sectors with the largest amount of job gains over the last year include leisure and hospitality; trade, transportation, and utilities; and professional and business services. Current estimates indicate that the overall Kansas unemployment rate, which was 4.5 percent in CY 2014, is expected to decrease to 4.3 percent in CY 2015 and is expected to

increase to 4.5 percent in both CY 2016 and CY 2017. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 5.1 percent in CY 2015 and 5.0 percent in both CY 2016 and CY 2017.

Agriculture

The outlook for net farm income is an area of concern with lower sustained commodity prices estimated through 2016, while net farm income from livestock production is expected to remain at relatively high levels. Milk production and related valued-added industries in Kansas continues to see significant growth. Land values continue to climb across the state despite declining net farm income from grain production.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is now estimated to be \$64 in FY 2015 (down significantly from the \$80 estimate used in November) and reflects the annualized effect of the recent decrease in world prices since the November estimate. The estimated average price of \$50 per barrel for FY 2016 (down significantly from the \$72 estimate used in November) and \$55 per barrel for FY 2017 (down significantly from the \$74 estimate used in November) takes into account current oil futures price expectations. A great deal of uncertainty remains about forecasting the price of this commodity; however, it appears that lower relative prices will continue in the foreseeable future.

Kansas gross oil production levels reached 47.4 million barrels in FY 2014 (compared with 44.6 million barrels in FY 2013). The current forecast of 49.5 million barrels for FY 2015 is down slightly from the 50.0 million barrels that was estimated in November. It is estimated that Kansas gross oil production levels will continue to experience growth as production is estimated to increase to 51.0 million barrels in FY 2016 (down from the 52.0 million barrels estimated in November) and 52.5 million in FY 2017 (down from the 54.0 million barrels estimated in November). Of all Kansas oil produced, 35.0 percent is predicted to not be subject to severance taxation because of various exemptions in state law in FY 2015.

The price of natural gas is expected to average \$3.35 per thousand cubic feet (Mcf) for FY 2015 before decreasing to \$2.30 per Mcf for FY 2016 and increasing to \$2.60 per Mcf for FY 2017, based on an industry source's analysis of futures markets. The new price estimates are significantly lower than used in November when the price was estimated to be \$3.70 in FY 2015 and \$3.55 in both FY 2016 and FY 2017. Factors considered in revising the price forecasts included large storage levels for gas, the relationship between crude oil and gas prices, industrial demand, and the continued impact of enhanced production from shale formations elsewhere in the United States. Kansas natural gas production in FY 2014 of 286.5 million Mcf represented a significant decrease from the modern era peak of 730.0 million Mcf in FY 1996 (largely as a result of depleting reserves in the Hugoton Field). Production is estimated to continue to decrease in the future and is expected to be 280.0 million Mcf in FY 2015, 270.0 million Mcf in FY 2016, and 260.0 million Mcf in FY 2017. Approximately 12.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2015.

Interest Rates

The Pooled Money Investment Board is authorized to make investments in U.S. Treasury and agency securities; highly rated commercial paper and corporate bonds; as well as repurchase agreements and certificates of deposit at Kansas banks. In FY 2014, the state earned 0.138 percent on its SGF portfolio (compared with a 0.180 percent rate in FY 2013). The average rate of return forecasted for FY 2015 is now estimated to be 0.181 percent (up slightly from the 0.137 percent estimated in November). For FY 2016, the average rate of return is now estimated to be 0.210 percent (up slightly from the 0.170 percent estimated in November). The average rate of return forecasted for FY 2017 is now estimated to be 0.230 percent (up slightly from the 0.200 percent estimated in November). Low balances and historically low interest rates have required the PMIB to maintain a highly liquid portfolio, which reduces the amount of return available to the pool. SGF interest earnings are estimated to be \$12.0 million in FY 2015 (unchanged from November), \$17.8 million in FY 2016 (an increase of \$9.8 million from November), and \$8.6 million in FY 2017 (an increase of \$500,000 from November). The increase in interest earnings in FY 2016 is mainly attributed to \$8.9 million in realized capital gains from the State Treasurer's Unclaimed Property Portfolio that will be deposited in the State General Fund in July 2015.

Economic Forecasts

	<u>CY 14</u>	<u>CY 15*</u>	<u>CY 16*</u>	<u>CY 17*</u>
KPI Growth	2.9%	3.4%	4.4%	4.4%
Inflation (CPI-U)	1.6%	1.2%	2.1%	2.1%
	<u>FY 14</u>	<u>FY 15*</u>	<u>FY 16*</u>	<u>FY 17*</u>
SGF Interest	0.138%	0.181%	0.210%	0.230%
Oil and Gas				
Oil Price per bbl	\$93.79	\$64.00	\$50.00	\$55.00
Gross Oil Production	47,411,000	49,500,000	51,000,000	52,500,000
Gas Price per Mcf	\$3.87	\$3.35	\$2.30	\$2.60
Gross Gas Production	286,541,000	280,000,000	270,000,000	260,000,000

* Estimated

State General Fund Receipt Estimates

Each individual SGF source was reevaluated independently and consideration was given to revised and updated economic forecasts, collection information, and year-to-date receipts.

FY 2015. The revised estimate of SGF receipts for FY 2015 is \$5.926 billion, an increase of \$157.0 million from the previous estimate made in November. Total SGF receipts through March were running \$220.5 million above the previous estimate. The revised estimate is \$272.5 million or 4.8 percent above actual FY 2014 receipts.

The estimate of total taxes was decreased by \$87.5 million, while the estimate of other revenue was increased by \$244.5 million. Total taxes in FY 2015 are now expected to be \$111.1 million or 2.0 percent above FY 2014 collections, which were \$701.1 million or 11.1 percent below FY 2013 collections. Other revenues are estimated to be \$161.4 million above the amount collected in FY 2014.

The estimate for net transfers was increased by \$243.3 million, which includes net transfer adjustments of \$243.6 million related to the enactment of House Sub. for SB 4 (the rescission bill). The net transfer adjustments included in the rescission bill included \$158.5 million in additional transfers from the State Highway Fund; \$55.0 million from the Medical Program Fee Fund of the Kansas Department of Health and Environment, Division of Health Care Finance; \$12.0 million from the Kansas Endowment for Youth (KEY) Fund; \$4.0 million from the Division of Vehicles Modernization Fund of the Department of Revenue; and \$14.1 million in various other net transfers. The insurance premiums tax was increased by \$5.0 million based largely on overall strong growth for the insurance industry, including growth from additional property and casualty companies than were estimated in November. Other receipt estimates that were increased by at least \$1.0 million include the financial institutions privilege tax (increased by \$4.0 million) and agency earnings (increased by \$1.2 million).

The corporation income tax was reduced by \$30.0 million to reflect lower estimated corporate profits than were estimated in November. Corporation income tax receipts through March were running \$25.8 million below the fiscal year-to-date estimate. The retail sales tax estimate was decreased by \$30.0 million based on lower than expected growth in consumer spending. Retail sales tax receipts were down \$19.4 million below the fiscal year-to-date estimate and the trend of lowered receipts are expected to continue over the final three months of the fiscal year. The severance tax estimate was decreased by a net total of \$25.0 million (\$20.2 million decrease attributable to oil and \$4.8 million decrease attributable to gas). The estimate was decreased largely as a result of substantially lower prices and slightly lower estimated production for both oil and gas than had been assumed in the fall. Severance tax receipts were \$10.6 million below the previous estimate through March; however, with lower sustained oil and gas prices, it is anticipated that severance tax receipts will decrease substantially in the remainder of the fiscal year. Other receipt estimates that were decreased by at least \$1.0 million include the compensating use tax (decreased by \$10.0 million) and motor carrier property tax/fee (decreased by \$1.0 million).

The individual income tax estimate remained unchanged from the amount estimated in November 2014, which showed the Consensus Revenue Estimating Group reducing the individual income tax estimate by approximately \$239.3 million. Fiscal year-to-date receipts were up \$12.7 million through March, which includes the fiscal effect of the rescission bill that allowed individual income tax receipts to retain \$7,140,000 by reducing the transfer to the Job Creation Program Fund at the Department of Commerce by that same amount. The Consensus Revenue Estimating Group did not adjust the estimate after reviewing fiscal year-to-date data on individual income tax receipts, including preliminary data from the Department of Revenue; employment information from the Kansas Department of Labor; and the estimated fiscal effect of previous individual income tax legislation. Details of the current year's revised estimate are reflected in Table 2.

FY 2016. SGF receipts are estimated to be \$5.713 billion in FY 2016, a decrease of \$98.2 million relative to the November estimate. The new FY 2016 figure is \$212.5 million or 3.6 percent below the newly revised FY 2015 estimate. The estimate of total taxes was decreased by \$99.6 million, while the estimate of other revenue was increased by \$1.4 million. Total taxes in FY 2016 are now projected to increase by 2.2 percent above the newly revised FY 2015 amount.

The interest earnings estimate was increased by \$9.8 million, including approximately \$8.9 million in realized capital gains from the State's Treasurer's Unclaimed Property Portfolio that will be deposited in the State General Fund in July 2015. The insurance premiums tax was increased by \$9.0 million based largely on overall strong growth for the insurance industry. Other receipt estimates that were increased by at least \$1.0 million include the financial institutions privilege tax (increased by \$5.0 million) and agency earnings (increased by \$1.8 million).

The severance tax estimate was decreased by a net total of \$42.1 million (\$27.6 million decrease attributable to oil and \$14.5 million decrease attributable to gas). The estimate reflects substantially lower prices and slightly lower estimated production for both oil and gas than had been assumed in the fall. The corporation income tax and retail sales tax estimates were each decreased by \$30.0 million to reflect the continuation of lower anticipated growth from these revenue sources. The estimate for net transfers was decreased by \$10.2 million, which includes a revised estimate from the Department of Education for additional funds to be transferred to the School District Capital Improvements Fund for the state's share of capital improvement projects that have recently been passed by local elections (\$7.5 million) and various other net transfers (\$2.7 million). Other receipt estimates that were decreased by at least \$1.0 million include the compensating use tax (decreased by \$10.0 million) and motor carrier property tax/fee (decreased by \$1.0 million).

The individual income tax estimate remained unchanged from the amount estimated in November 2014. Details of the revised estimate for FY 2016 are reflected in Table 3.

FY 2017. SGF receipts are estimated to be \$5.776 billion in FY 2017, a decrease of \$100.8 million relative to the November estimate. The new FY 2017 figure is \$62.6 million or 1.1 percent above the newly revised FY 2016 estimate. The estimate of total taxes was decreased by \$88.4 million or 1.4 percent below the previous estimate made in November. Total taxes in FY 2017 are now projected to increase by 2.6 percent above the newly revised FY 2016 amount. The estimate of other revenue was decreased by \$12.4 million below the previous estimate made in November.

The insurance premiums tax was increased by \$11.0 million based on overall strong growth for the insurance industry. Other receipt estimates that were increased by at least \$1.0 million include the financial institutions privilege tax (increased by \$5.0 million) and agency earnings (increased by \$1.7 million).

The severance tax estimate was decreased by a net total of \$32.9 million (\$23.1 million decrease attributable to oil and \$9.8 million decrease attributable to gas). The estimate reflects substantially lower prices and slightly lower estimated production for both oil and gas than had been assumed in the fall. The corporation income tax and retail sales tax estimates were each decreased by \$30.0 million to reflect the continuation of lower anticipated growth from these revenue sources. The estimate for net transfers was decreased by \$14.6 million, which includes a revised estimate from the Department of Education for additional funds to be transferred to the School District Capital Improvements Fund for the state's share of capital improvement projects that have recently been passed by local elections (\$13.5 million) and various other net transfers (\$1.1 million). Other receipt estimates that were decreased by at least \$1.0 million include the compensating use tax (decreased by \$10.0 million) and motor carrier property tax/fee (decreased by \$1.0 million).

The individual income tax estimate remained unchanged from the amount estimated in November 2014. Details of the revised estimate for FY 2017 are reflected in Table 4.

Accuracy of Consensus Revenue Estimates

For 40 years, SGF revenue estimates for Kansas have been developed using the consensus revenue estimating process. Besides the three state agencies identified on the first page, the economists currently involved in the process are Joe Sicilian from the University of Kansas, Lance Bachmeier from Kansas State University, and Nancy McCarthy Snyder from Wichita State University. Each of the agencies and individuals involved in the process prepared independent estimates and met on April 20, 2015, to discuss estimates and come to a consensus for each fiscal year.

The table on the next page presents estimates compared to actual receipts since FY 1975, the fiscal year for which the current process was initiated. First, the adjusted original estimate is compared to actual collections and then the final estimate is compared to actual receipts.

STATE GENERAL FUND ESTIMATES

Fiscal Year	Adjusted Original Estimate*	Adjusted Final Estimate**	Actual Receipts	Difference from:			
				<u>Original Estimate</u>		<u>Final Estimate</u>	
				Amount	Percent	Amount	Percent
1975	\$ --	\$ 614.9	\$ 627.6	\$ --	-- %	\$ 12.7	2.1 %
1976	676.3	699.7	701.2	24.9	3.7	1.4	0.2
1977	760.2	760.7	776.5	16.3	2.1	15.8	2.1
1978	830.1	861.2	854.6	24.5	3.0	(6.5)	(0.8)
1979	945.2	1,019.3	1,006.8	61.6	6.5	(12.5)	(1.2)
1980	1,019.3	1,095.9	1,097.8	78.5	7.7	1.9	0.2
1981	1,197.1	1,226.4	1,226.5	29.4	2.5	0.1	--
1982	1,351.3	1,320.0	1,273.0	(78.3)	(5.8)	(47.0)	(3.6)
1983	1,599.2	1,366.9	1,363.6	(235.6)	(14.7)	(3.2)	(0.2)
1984	1,596.7	1,539.0	1,546.9	(49.8)	(3.1)	7.9	0.5
1985	1,697.7	1,679.7	1,658.5	(39.2)	(2.3)	(21.3)	(1.3)
1986	1,731.2	1,666.4	1,641.4	(89.8)	(5.2)	(25.0)	(1.5)
1987	1,903.1	1,764.7	1,778.5	(124.6)	(6.5)	13.8	0.8
1988	1,960.0	2,031.5	2,113.1	153.1	7.8	81.6	4.0
1989	2,007.8	2,206.9	2,228.3	220.5	11.0	21.4	1.0
1990	2,241.2	2,283.3	2,300.5	59.3	2.6	17.2	0.8
1991	2,338.8	2,360.6	2,382.3	43.5	1.9	21.7	0.9
1992	2,478.7	2,454.5	2,465.8	(12.9)	(0.5)	11.3	0.5
1993	2,913.4	2,929.6	2,932.0	18.6	0.6	2.4	0.1
1994	3,040.1	3,126.8	3,175.7	135.6	4.5	48.9	1.6
1995	3,174.4	3,243.9	3,218.8	44.4	1.4	(25.1)	(0.8)
1996	3,428.0	3,409.2	3,448.3	20.3	0.6	39.0	1.1
1997	3,524.8	3,642.4	3,683.8	159.0	4.5	41.4	1.1
1998	3,714.4	3,971.0	4,023.7	309.3	8.3	52.7	1.3
1999	3,844.7	4,051.9	3,978.4	133.7	3.5	(73.4)	(1.8)
2000	4,204.1	4,161.0	4,203.1	(1.0)	--	42.1	1.0
2001	4,420.7	4,408.7	4,415.0	(5.7)	(0.1)	6.4	0.1
2002	4,674.5	4,320.6	4,108.9	(565.6)	(12.1)	(211.7)	(4.9)
2003	4,641.0	4,235.6	4,245.6	(395.4)	(8.5)	9.9	0.2
2004	4,605.5	4,450.5	4,518.7	(86.8)	(1.9)	68.2	1.5
2005	4,490.5	4,793.8	4,841.3	350.8	7.8	47.5	1.0
2006	4,834.0	5,308.7	5,394.4	560.4	11.6	85.7	1.6
2007	5,144.0	5,721.3	5,809.0	665.0	12.9	87.8	1.5
2008	5,700.4	5,736.3	5,693.4	(7.0)	(0.1)	(42.9)	(0.7)
2009	6,185.7	5,709.7	5,587.4	(598.3)	(9.7)	(122.3)	(2.1)
2010	5,974.2	5,291.0	5,191.3	(782.9)	(13.1)	(99.7)	(1.9)
2011	5,851.0	5,775.0	5,882.1	31.1	0.5	107.1	1.9
2012	6,098.9	6,404.3	6,412.8	313.9	5.1	8.5	0.1
2013	6,414.2	6,250.4	6,341.1	(73.1)	(1.1)	90.7	1.5
2014	5,947.0	5,986.5	5,653.2	(293.8)	(4.9)	(333.3)	(5.6)

* The adjusted original estimate is the estimate made in November or December prior to the start of the next fiscal year in July and adjusted to account for legislation enacted, if any, which affected receipts to the SGF.

** The final estimate made in March or April is the adjusted original estimate plus or minus changes subsequently made by the Consensus Revenue Estimating Group. It also includes the estimated impact of legislation on receipts.

Concluding Comments

Consensus revenue estimates are based on current federal and state laws and their current interpretation. These estimates will be further adjusted at the conclusion of the 2015 Legislative Session to reflect state legislation enacted after April 20, 2015 which affects SGF receipts.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	Consensus Estimate April 20, 2015							
	FY 2014 (Actual)		FY 2015 (Revised)		FY 2016 (Revised)		FY 2017 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax/Fee:								
Motor Carrier	\$ 35,708	23.8 %	\$ 11,000	(69.2) %	\$ 11,000	-- %	\$ 11,000	-- %
Income Taxes:								
Individual	\$ 2,218,239	(24.3) %	\$ 2,280,000	2.8 %	\$ 2,300,000	0.9 %	\$ 2,315,000	0.7 %
Corporation	399,383	7.6	425,000	6.4	440,000	3.5	455,000	3.4
Financial Inst.	32,439	1.1	42,000	29.5	44,000	4.8	46,000	4.5
Total	\$ 2,650,061	(20.5) %	\$ 2,747,000	3.7 %	\$ 2,784,000	1.3 %	\$ 2,816,000	1.1 %
Excise Taxes:								
Retail Sales	\$ 2,102,239	(3.8) %	\$ 2,150,000	2.3 %	\$ 2,240,000	4.2 %	\$ 2,330,000	4.0 %
Compensating Use	344,017	1.2	355,000	3.2	370,000	4.2	390,000	5.4
Cigarette	90,612	(1.4)	89,000	(1.8)	88,000	(1.1)	87,000	(1.1)
Tobacco Products	7,201	2.0	7,500	4.2	7,700	2.7	7,900	2.6
Cereal Malt Bev.	1,685	(9.2)	1,600	(5.1)	1,600	--	1,600	--
Liquor Gallonage	19,081	0.1	19,000	(0.4)	19,100	0.5	19,200	0.5
Liquor Enforcement	64,538	6.7	66,500	3.0	67,500	1.5	68,500	1.5
Liquor Drink	10,155	3.6	10,600	4.4	10,700	0.9	10,800	0.9
Corp. Franchise	6,632	259.1	6,900	4.0	7,100	2.9	7,300	2.8
Severance	125,758	25.6	96,600	(23.2)	73,800	(23.6)	81,300	10.2
Gas	37,003	14.1	27,800	(24.9)	16,900	(39.2)	18,900	11.8
Oil	88,755	31.1	68,800	(22.5)	56,900	(17.3)	62,400	9.7
Total	\$ 2,771,918	(1.4) %	\$ 2,802,700	1.1 %	\$ 2,885,500	3.0 %	\$ 3,003,600	4.1 %
Other Taxes:								
Insurance Prem.	\$ 172,758	10.1 %	\$ 181,000	4.8 %	\$ 189,000	4.4 %	\$ 193,000	2.1 %
Miscellaneous	1,634	(18.7)	1,500	(8.2)	1,500	--	1,500	--
Total	\$ 174,392	9.7 %	\$ 182,500	4.6 %	\$ 190,500	4.4 %	\$ 194,500	2.1 %
Total Taxes	\$ 5,632,080	(11.1) %	\$ 5,743,200	2.0 %	\$ 5,871,000	2.2 %	\$ 6,025,100	2.6 %
Other Revenues:								
Interest	\$ 11,525	4.2 %	\$ 12,000	4.1 %	\$ 17,800	48.3 %	\$ 8,600	(51.7) %
Net Transfers	(39,957)	34.5	114,000	385.3	(232,680)	(304.1)	(316,300)	(35.9)
Agency Earnings	49,550	(14.4)	56,500	14.0	57,100	1.1	58,400	2.3
Total	\$ 21,117	166.4 %	\$ 182,500	764.2 %	\$ (157,780)	(186.5) %	\$ (249,300)	(58.0) %
Total Receipts	<u>\$ 5,653,197</u>	<u>(10.8) %</u>	<u>\$ 5,925,700</u>	<u>4.8 %</u>	<u>\$ 5,713,220</u>	<u>(3.6) %</u>	<u>\$ 5,775,800</u>	<u>1.1 %</u>

Table 2
State General Fund Receipts
FY 2015 Revised
Comparison of April 2015 Estimate to November 2014 Estimate
(Dollars in Thousands)

	FY 2015 CRE Est. Revised 11/10/14	FY 2015 CRE Est. Revised 04/20/15	Difference	
			Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 12,000	\$ 11,000	\$ (1,000)	(8.3) %
Income Taxes:				
Individual	\$ 2,280,000	\$ 2,280,000	\$ --	-- %
Corporation	455,000	425,000	(30,000)	(6.6)
Financial Inst.	38,000	42,000	4,000	10.5
Total	<u>\$ 2,773,000</u>	<u>\$ 2,747,000</u>	<u>\$ (26,000)</u>	<u>(0.9) %</u>
Excise Taxes:				
Retail Sales	\$ 2,180,000	\$ 2,150,000	\$ (30,000)	(1.4) %
Compensating Use	365,000	355,000	(10,000)	(2.7)
Cigarette	89,000	89,000	--	--
Tobacco Product	7,500	7,500	--	--
Cereal Malt Beverage	1,700	1,600	(100)	(5.9)
Liquor Gallonage	19,200	19,000	(200)	(1.0)
Liquor Enforcement	67,000	66,500	(500)	(0.7)
Liquor Drink	10,400	10,600	200	1.9
Corporate Franchise	6,700	6,900	200	3.0
Severance	121,600	96,600	(25,000)	(20.6)
Gas	32,600	27,800	(4,800)	(14.7)
Oil	89,000	68,800	(20,200)	(22.7)
Total	<u>\$ 2,868,100</u>	<u>\$ 2,802,700</u>	<u>\$ (65,400)</u>	<u>(2.3) %</u>
Other Taxes:				
Insurance Premium	\$ 176,000	\$ 181,000	\$ 5,000	2.8 %
Miscellaneous	1,600	1,500	(100)	(6.3)
Total	<u>\$ 177,600</u>	<u>\$ 182,500</u>	<u>\$ 4,900</u>	<u>2.8 %</u>
Total Taxes	\$ 5,830,700	\$ 5,743,200	\$ (87,500)	(1.5) %
Other Revenues:				
Interest	\$ 12,000	\$ 12,000	\$ --	-- %
Net Transfers	(129,300)	114,000	243,300	188.2
Agency Earnings	55,300	56,500	1,200	2.2
Total Other Revenue	<u>\$ (62,000)</u>	<u>\$ 182,500</u>	<u>\$ 244,500</u>	<u>394.4 %</u>
Total Receipts	<u><u>\$ 5,768,700</u></u>	<u><u>\$ 5,925,700</u></u>	<u><u>\$ 157,000</u></u>	<u><u>2.7 %</u></u>

Table 3
State General Fund Receipts
FY 2016 Revised
Comparison of April 2015 Estimate to November 2014 Estimate
(Dollars in Thousands)

	FY 2016 CRE Est. Revised 11/10/14	FY 2016 CRE Est. Revised 04/20/15	Difference	
			Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 12,000	\$ 11,000	\$ (1,000)	(8.3) %
Income Taxes:				
Individual	\$ 2,300,000	\$ 2,300,000	\$ --	-- %
Corporation	470,000	440,000	(30,000)	(6.4)
Financial Inst.	39,000	44,000	5,000	12.8
Total	<u>\$ 2,809,000</u>	<u>\$ 2,784,000</u>	<u>\$ (25,000)</u>	<u>(0.9) %</u>
Excise Taxes:				
Retail Sales	\$ 2,270,000	\$ 2,240,000	\$ (30,000)	(1.3) %
Compensating Use	380,000	370,000	(10,000)	(2.6)
Cigarette	88,000	88,000	--	--
Tobacco Product	7,700	7,700	--	--
Cereal Malt Beverage	1,700	1,600	(100)	(5.9)
Liquor Gallonage	19,300	19,100	(200)	(1.0)
Liquor Enforcement	68,000	67,500	(500)	(0.7)
Liquor Drink	10,500	10,700	200	1.9
Corporate Franchise	6,900	7,100	200	2.9
Severance	115,900	73,800	(42,100)	(36.3)
Gas	31,400	16,900	(14,500)	(46.2)
Oil	84,500	56,900	(27,600)	(32.7)
Total	<u>\$ 2,968,000</u>	<u>\$ 2,885,500</u>	<u>\$ (82,500)</u>	<u>(2.8) %</u>
Other Taxes:				
Insurance Premium	\$ 180,000	\$ 189,000	\$ 9,000	5.0 %
Miscellaneous	1,600	1,500	(100)	(6.3)
Total	<u>\$ 181,600</u>	<u>\$ 190,500</u>	<u>\$ 8,900</u>	<u>4.9 %</u>
Total Taxes	\$ 5,970,600	\$ 5,871,000	\$ (99,600)	(1.7) %
Other Revenues:				
Interest	\$ 8,000	\$ 17,800	\$ 9,800	122.5 %
Net Transfers	(222,500)	(232,680)	(10,180)	(4.6)
Agency Earnings	55,300	57,100	1,800	3.3
Total Other Revenue	<u>\$ (159,200)</u>	<u>\$ (157,780)</u>	<u>\$ 1,420</u>	<u>0.9 %</u>
Total Receipts	<u><u>\$ 5,811,400</u></u>	<u><u>\$ 5,713,220</u></u>	<u><u>\$ (98,180)</u></u>	<u><u>(1.7) %</u></u>

Table 4
State General Fund Receipts
FY 2017 Revised
Comparison of April 2015 Estimate to November 2014 Estimate
(Dollars in Thousands)

	FY 2017 CRE Est. Revised 11/10/14	FY 2017 CRE Est. Revised 04/20/15	Difference	
			Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 12,000	\$ 11,000	\$ (1,000)	(8.3) %
Income Taxes:				
Individual	\$ 2,315,000	\$ 2,315,000	\$ --	-- %
Corporation	485,000	455,000	(30,000)	(6.2)
Financial Inst.	41,000	46,000	5,000	12.2
Total	<u>\$ 2,841,000</u>	<u>\$ 2,816,000</u>	<u>\$ (25,000)</u>	<u>(0.9) %</u>
Excise Taxes:				
Retail Sales	\$ 2,360,000	\$ 2,330,000	\$ (30,000)	(1.3) %
Compensating Use	400,000	390,000	(10,000)	(2.5)
Cigarette	87,000	87,000	--	--
Tobacco Product	7,900	7,900	--	--
Cereal Malt Beverage	1,700	1,600	(100)	(5.9)
Liquor Gallonage	19,400	19,200	(200)	(1.0)
Liquor Enforcement	69,000	68,500	(500)	(0.7)
Liquor Drink	10,600	10,800	200	1.9
Corporate Franchise	7,100	7,300	200	2.8
Severance	114,200	81,300	(32,900)	(28.8)
Gas	28,700	18,900	(9,800)	(34.1)
Oil	85,500	62,400	(23,100)	(27.0)
Total	<u>\$ 3,076,900</u>	<u>\$ 3,003,600</u>	<u>\$ (73,300)</u>	<u>(2.4) %</u>
Other Taxes:				
Insurance Premium	\$ 182,000	\$ 193,000	\$ 11,000	6.0 %
Miscellaneous	1,600	1,500	(100)	(6.3)
Total	<u>\$ 183,600</u>	<u>\$ 194,500</u>	<u>\$ 10,900</u>	<u>5.9 %</u>
Total Taxes	\$ 6,113,500	\$ 6,025,100	\$ (88,400)	(1.4) %
Other Revenues:				
Interest	\$ 8,100	\$ 8,600	\$ 500	6.2 %
Net Transfers	(301,700)	(316,300)	(14,600)	(4.8)
Agency Earnings	56,700	58,400	1,700	3.0
Total Other Revenue	<u>\$ (236,900)</u>	<u>\$ (249,300)</u>	<u>\$ (12,400)</u>	<u>(5.2) %</u>
Total Receipts	<u><u>\$ 5,876,600</u></u>	<u><u>\$ 5,775,800</u></u>	<u><u>\$ (100,800)</u></u>	<u><u>(1.7) %</u></u>