# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

68-West–Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ◆FAX (785) 296-3824

kslegres@klrd.ks.gov http://www.kslegislature.org/klrd

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

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

**Re**: State General Fund Revenue Estimate for FY 2016 and FY 2017

The Consensus Estimating Group met today to revise the November 6, 2015 State General Fund estimates for FY 2016 and FY 2017. The revisions include the estimated impact of all 2016 legislation signed into law thus far. The impact of legislation affecting the SGF that becomes law after April 20 will be quantified in a separate legislative adjustments report prepared at the conclusion of the *sine die* adjournment. A more detailed memo will be available soon which contains the economic forecast for Kansas upon which the new estimates are based, as well as a discussion of the other factors influencing the individual source estimates.

The overall estimate for FY 2016 and FY 2017 was decreased by a combined $228.6 million.

For FY 2016, the estimate was decreased by $93.9 million, or 1.5 percent, below the November estimate. The estimate for total taxes was decreased by $177.1 million, while the estimate for other revenues was increased by $83.2 million. The overall revised estimate of $6.072 billion represents a 2.4 percent increase above final FY 2015 receipts.

The revised estimate for FY 2017 of $6.151 billion was decreased by $134.7 million below the November estimate. The estimate for total taxes was decreased by $170.7 million, while the estimate for other revenues was increased by $36.0 million. The revised forecast for FY 2017 represents a 1.3 percent increase above the newly revised FY 2016 figure.

Table 1 compares the new FY 2016 and FY 2017 estimates with actual receipts from FY 2015. Tables 2 and 3 show the revisions in each fiscal year's estimates.

**Table 2**
**State General Fund Receipts**
**FY 2016 Revised**
**Comparison of April 2016 Estimate to November 2015 Estimate**
***(Dollars in Thousands)***

| | FY 2016 CRE Est. Revised 11/06/15 | FY 2016 CRE Est. Revised 04/20/16 | Difference Amount | Difference Pct. Chg. |
|---|---|---|---|---|
| Property Tax/Fee: | | | | |
| Motor Carrier | $ 10,500 | $ 11,500 | $ 1,000 | 9.5 % |
| Income Taxes: | | | | |
| Individual | $ 2,450,000 | $ 2,325,000 | $ (125,000) | (5.1) % |
| Corporation | 410,000 | 390,000 | (20,000) | (4.9) |
| Financial Inst. | 45,000 | 37,000 | (8,000) | (17.8) |
| Total | $ 2,905,000 | $ 2,752,000 | $ (153,000) | (5.3) % |
| Excise Taxes: | | | | |
| Retail Sales | $ 2,300,000 | $ 2,270,000 | $ (30,000) | (1.3) % |
| Compensating Use | 375,000 | 385,000 | 10,000 | 2.7 |
| Cigarette | 140,000 | 138,000 | (2,000) | (1.4) |
| Tobacco Product | 8,000 | 8,000 | -- | -- |
| Cereal Malt Beverage | 1,600 | 1,400 | (200) | (12.5) |
| Liquor Gallonage | 19,300 | 19,300 | -- | -- |
| Liquor Enforcement | 67,000 | 67,000 | -- | -- |
| Liquor Drink | 10,800 | 11,000 | 200 | 1.9 |
| Corporate Franchise | 6,900 | 7,100 | 200 | 2.9 |
| Severance | 39,000 | 24,000 | (15,000) | (38.5) |
| Gas | 10,100 | 4,000 | (6,100) | (60.4) |
| Oil | 28,900 | 20,000 | (8,900) | (30.8) |
| Total | $ 2,967,600 | $ 2,930,800 | $ (36,800) | (1.2) % |
| Other Taxes: | | | | |
| Insurance Premium | $ 157,500 | $ 169,000 | $ 11,500 | 7.3 % |
| Miscellaneous | 1,200 | 1,400 | 200 | 16.7 |
| Total | $ 158,700 | $ 170,400 | $ 11,700 | 7.4 % |
| Total Taxes | $ 6,041,800 | $ 5,864,700 | $ (177,100) | (2.9) % |
| Other Revenues: | | | | |
| Interest | $ 21,000 | $ 26,300 | $ 5,300 | 25.2 % |
| Net Transfers | 55,400 | 140,000 | 84,600 | 152.7 |
| Agency Earnings | 47,700 | 41,000 | (6,700) | (14.0) |
| Total Other Revenue | $ 124,100 | $ 207,300 | $ 83,200 | 67.0 % |
| Total Receipts | $ 6,165,900 | $ 6,072,000 | $ (93,900) | (1.5) % |