

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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**To:** Governor Sam Brownback and Legislative Coordinating Council

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

**Re:** SGF Receipts Estimates for FY 2017, FY 2018, and FY 2019

Estimates for the State General Fund (SGF) are developed using a consensus process that involves the Legislative Research Department, Division of the Budget, Department of Revenue, and consulting economists from state universities. This estimate is the base from which the Governor and the Legislature build the annual budget. The Consensus Group met on November 10, 2016, to revise the estimates for FY 2017 and to make its first official assessment of FY 2018 and FY 2019. For FY 2017, the previous estimates were made in April and subsequently adjusted twice for legislation enacted during both the veto and special sessions.

For FY 2017, the estimate was decreased by \$345.9 million, or 5.5 percent, below that previous forecast. The revised estimate of \$5.980 billion represents a 1.5 percent decrease below final FY 2016 receipts.

The initial estimate for FY 2018 is \$5.536 billion, which is \$443.7 million, or 7.4 percent below the newly revised FY 2017 figure. As will be explained in more detail later in this memo, this result is heavily influenced by the change in net transfers. The amount of total taxes is estimated to increase by 1.4 percent in FY 2018, following a 1.3 percent decrease in FY 2017.

The initial estimate for FY 2019 is \$5.575 billion, which is \$39.0 million, or 0.7 percent, above the FY 2018 figure.

Table 1 compares the revised estimates for FY 2017 and initial estimates for FY 2018 and FY 2019 with actual receipts from FY 2016. Table 2 shows the changes from the previous set of FY 2017 estimates.

## **Economic Forecast for Kansas**

Most major economic variables and indicators have been adjusted downward since the Consensus Group last convened in April. The estimated rate of expansion in the national and state economies has been reduced. Real US Gross Domestic Product (GDP) is now expected to grow by 1.6 percent in 2016, down from the previous forecast of 2.1 percent growth; while real Kansas Gross State Product (GSP) growth for 2016 has been reduced to zero percent from the previous estimate of 2.0 percent. Real US GDP is forecast to grow by 2.2 percent in 2017

and 2.1 percent in 2018; while real Kansas GSP is expected to grow by 1.9 percent in 2017 and 2.0 percent in 2018.

## **Personal Income**

Kansas Personal Income (KPI), which has been growing more slowly than US Personal Income (USPI) since the first quarter of 2014, is expected to continue to do so throughout the forecast period. The previous Kansas estimate of 3.5 percent growth for calendar 2016 has now been reduced to 2.0 percent; and estimated calendar 2017 KPI growth has been cut from 4.2 to 3.9 percent. The slow growth in Kansas personal income from 2013 to 2015 is influenced by farm earnings falling by 57.0 percent, earnings from mining falling by 23.0 percent, and earnings from coal and petroleum products manufacturing falling by 52.0 percent. The latest national estimates call for USPI growth of 3.4 percent in calendar year 2016 and 4.1 percent in calendar year 2017, down from the previous forecast of 3.7 and 4.5 percent, respectively.

## **Employment**

The Kansas Department of Labor reports that job growth has been stagnant since early 2015. The most recent monthly data show that from September to September, private nonfarm jobs decreased by 4,100, or 0.3 percent. Real weekly earnings in Kansas fell by 0.8 percent over the same 12-month period, while real weekly earnings were increasing nationally by 1.4 percent. The overall Kansas labor force decreased by 1.0 percent at the same time the U.S. labor force was increasing by 1.9 percent. While the Kansas unemployment rate has historically remained below the national rate, the current forecast calls for the rate in Kansas to exceed the national rate beginning in 2018. A recent state coincident index published by the Philadelphia Federal Reserve demonstrates the relatively weak labor market components of the Kansas economy. Components of that index, which include employment, average hours worked, the unemployment rate, and wage and salary disbursements, are expected to remain weak for the next six months. (<https://www.philadelphiafed.org/-/media/research-and-data/regional-economy/indexes/leading/2016/leadingindexes0916.pdf?la=en>).

## **Agriculture**

In conjunction with the steady drop in grain prices in recent years, net farm income from grain and livestock is expected to continue to decline through calendar year 2017. The overall value of crop production in 2017 is likely to be at its lowest level since 2009. Data from the Kansas Farm Management Association (KFMA) associated with Kansas State University show net farm income declined significantly in 2015 and was the lowest amount since 1981 for those farm entities participating in KFMA. Net farm income is expected to continue to decline in 2016.

## **Oil and Gas**

Oil and natural gas prices are expected to remain at relatively weak levels throughout the forecast period as a result of high levels of storage for both commodities and growing concerns over an increasingly sluggish global economy. Oil production, which was almost 42.7 million barrels in FY 2016, is now expected to fall to 31.0 million barrels by FY 2019. The forecasted price per taxable barrel of Kansas crude is now \$35 for FY 2017 and \$45 for both FY

2018 and FY 2019. For perspective, the final actual price as recently as FY 2014 was \$93.79 per barrel. The price of natural gas is expected to average \$2.20 per thousand cubic feet (Mcf) for FY 2017 before increasing to \$2.50 per Mcf for FY 2018 and \$2.60 per Mcf for FY 2019, based on an industry source's analysis of futures markets. Natural gas production is declining in Kansas largely as a result of the continued maturation of the Hugoton field.

## Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) is expected to increase by only 1.1 percent in 2016. The latest forecast calls for inflation to remain at the very moderate levels of 1.9 percent for both 2017 and 2018.

## Interest Rates

The Pooled Money Investment Board (PMIB) is authorized to make investments in U.S. Treasury and Agency securities, highly rated commercial paper and corporate bonds, repurchase agreements and certificates of deposit in Kansas banks. Low idle-fund balances in recent years have required the PMIB to maintain a highly liquid portfolio, which reduces the amount of return available to the pool. The state is expected to earn only 0.593 percent on its SGF portfolio for FY 2017 and 0.5 percent for the balance of the forecast period (compared with a 4.26 percent rate as recently as FY 2008). The current forecast contemplates the expected continuation of historically low interest rates.

### Economic Forecasts

	<u>CY 2016*</u>	<u>CY 2017*</u>	<u>CY 2018*</u>
U.S. Real GDP Growth	1.6 %	2.2 %	2.1 %
Kansas Real GSP Growth	0.0	1.9	2.0
USPI Growth	3.4	4.1	4.0
KPI Growth	2.0	3.9	3.9
Inflation (CPI-U)	1.1	1.9	1.9
Corporate Profits Before Tax	(3.0)	2.0	3.0
U.S. Unemployment Rate	4.8	4.6	4.5
Kansas Unemployment Rate	4.1	4.4	4.8

### Oil and Gas

	<u>FY 2016</u>	<u>FY 2017*</u>	<u>FY 2018*</u>	<u>FY 2019*</u>
Oil Price per bbl	\$ 39.09	\$ 35.00	\$ 45.00	\$ 45.00
Gross Oil Prod. (000)	42,663	35,000	33,000	31,000
Gas Price per Mcf	\$ 1.94	\$ 2.20	\$ 2.50	\$ 2.60
Gross Gas Production (000)	259,773	220,000	210,000	200,000

\* Estimated

## State General Fund Receipts Estimates

Each individual SGF source was reevaluated independently, and consideration was given to revised and updated economic forecasts, collection information from the Departments of Revenue and Insurance, and year-to-date receipts. The growth rates of the four highest generating revenue sources indicate slow receipt growth over the forecast period.

### Growth Rates of Key Revenue Sources

Revenue Source	FY 2017	FY 2018	FY 2019
Individual Income	1.4 %	1.8 %	1.3 %
Corporation Income	(23.9)	1.9	1.8
Retail Sales	(1.7)	0.9	0.9
Compensating Use	0.0	1.3	1.3

**FY 2017.** The revised estimate of SGF receipts for FY 2017 is \$5.980 billion, a decrease of \$345.9 million below the previous estimate. The estimate for total taxes was reduced by \$354.9 million. Total taxes had been running \$80.5 million below the previous forecast through October. The overall revised estimate is approximately \$93.4 million, or 1.5 percent, below actual FY 2016 receipts.

### Corporation Income Tax

The corporation income tax, down \$45.0 million through October, was reduced by \$126.0 million, based on lower estimated payments and a reduction in the estimate for corporate profits since April. A large amount of High Performance Incentive Program (HPIP) credits' being carried forward by corporations also will tend to suppress future growth in this tax source even when profitability returns, based on information provided by the Department of Revenue.

### Retail Sales and Compensating Use Taxes

The retail sales tax, which was down through October by \$45.0 million, was reduced by \$114.9 million for the fiscal year. The Consensus Group looked at national trend data involving two widely divergent inflation rates for goods (most of which are taxable) versus services (many of which are not). For the 12-months ending in September, multiple categories of goods experienced price deflation, including home furnishings, apparel, food purchased for home consumption, and used vehicles; while costs associated with medical care and shelter grew at rates well in excess of the overall national inflation rate.

Data from the Department of Revenue indicate that the largest ten counties had overall retail sales tax growth of 2.35 percent in FY 2016, while the smallest 95 counties decreased retail sales tax collections by 4.43 percent. Additional analysis from the Kansas Department of Agriculture indicates causality between declines in agricultural prices and decreases in state sales tax receipts (includes SGF and State Highway Fund). Additional research also suggests that recovery from the Great Recession has not been as robust for those taxpayers with a

relatively higher marginal propensity to consume. Moreover, the amount of sales lost to Internet retailers appears to be accelerating, based on a recent report from the U.S. Census Bureau. For many of these reasons, the revenue elasticity of the retail sales tax has been declining significantly; and the likelihood appears remote that the growth rate will return to a level approaching its historical average at any point in the foreseeable future. The overall reduction in the retail sales tax estimate is notwithstanding a new assumption of additional sales tax and revenue (STAR) bond receipts for the SGF in FY 2017 (increased from \$19.7 million assumed in April to \$35.2 million as part of the current estimate) associated with bonds from the Village West STAR Bond District having been paid off earlier than anticipated.

The forecast for compensating use taxes, which had been down \$8.8 million through October, was reduced by \$20.0 million to reflect the more sluggish economic outlook and slowing business investment.

### **Individual Income Tax**

The individual income tax finished \$76.1 million below the final FY 2016 forecast. Given that shortfall and the previously mentioned reduction in the KPI and GSP estimates, the FY 2017 forecast was cut by \$97.0 million, notwithstanding the fact that receipts from this source had been slightly exceeding expectations through October and income tax withholdings have grown in the last four calendar quarters. Receipts from this source are extremely bottom-heavy in terms of the state's fiscal year, and there is often a great deal of volatility in the spring months as taxpayers are filing and reconciling their liabilities from the previous tax year, especially as it relates to capital gains. While the Department of Revenue is in the process of bringing a number of new analytical tools to the table, at this time there has been no formal revision in any of the previous fiscal notes associated with multiple tax law changes made in the 2012, 2013, and 2015 legislative sessions.

### **Other SGF Receipts**

A significant part of the change to the estimates for agency earnings and net transfers relates to new information about the disposition of receipts relative to the sale of the Kansas Bioscience Authority (KBA) portfolio and cash reserves. The original assumption was that the sale of the KBA portfolio and cash reserves would be credited as net transfers to the SGF; but officials instead have begun crediting such receipts as agency earnings. In July 2016, the KBA was merged into the Department of Commerce in order for the Department to complete the sale of the KBA portfolio in FY 2017. The sale of the KBA portfolio and cash reserves are estimated to bring in \$47.9 million, which is unchanged from the estimate made during the 2016 Special Session. The state by the end of October had already received \$8.0 million from the KBA cash reserves that were credited to the SGF as agency earnings. The agency earnings estimate was increased by a total of \$55.2 million and the net transfers estimate was decreased by a total of \$50.5 million, predominately from the change in how the sale of the KBA portfolio and cash reserves will be credited to the state.

Other receipt estimates that were decreased by at least \$1.0 million include the financial institutions privilege tax (decreased by \$2.0 million) and gas severance tax (decreased by \$1.4 million).

The interest earnings estimate was increased by \$4.3 million, based primarily on higher interest rates than had been assumed in April. The insurance premiums tax was increased by \$4.0 million. The only other revenue source that increased by at least \$1.0 million was the oil severance tax, which was increased by \$2.3 million.

The Department of Revenue also has begun working more closely with the Department of Commerce in monitoring the growth of certain programs that divert revenue away from the SGF or otherwise reduce SGF receipts, including STAR bonds (retail sales and compensating use tax); HPIP (corporation income tax); and Promoting Employment Across Kansas (PEAK) (individual income tax). For FY 2016, more than \$63.6 million of state retail sales and compensating use taxes (\$53.3 million from the SGF and \$10.3 million from the State Highway Fund) was returned to pay the STAR bonds from nine separate districts. The estimate of total projected PEAK benefits awarded during FY 2016 is \$50.4 million. About \$56.1 million in HPIP credits were claimed in tax year 2014, the most recent year for which data those data are available, and \$611.0 million in unused HPIP credits were being carried forward to apply against liability in subsequent tax years.

**FY 2018.** SGF receipts are estimated to be \$5.536 billion in FY 2018, a figure that is 7.4 percent below the new FY 2017 forecast. This result is heavily influenced by the significant change in net transfers currently estimated for the two fiscal years because net transfers not addressed in the budgetary process revert back to previous statutory levels. The SGF is scheduled to receive \$275.8 million in transfers from the State Highway Fund in FY 2017; but none in FY 2018. Moreover, FY 2018 transfers out of the SGF provide for the repayment of \$115.5 million for a KPERS employer contribution that had originally been scheduled to be made in FY 2016. Total taxes are expected to grow by \$81.2 million, or 1.4 percent.

**FY 2019.** For FY 2019, SGF receipts are expected to grow by 0.7 percent; and total taxes by 2.2 percent. These results again are influenced by a number of expectations regarding current law that are subject to review by policymakers. Assumed transfers in FY 2019 include the resumption of certain demand transfers to local units of government earmarked for property tax relief (\$54.0 million) and revenue sharing (\$72.6 million); and another \$60.0 million earmarked for bioscience initiatives. The FY 2019 increase in the insurance premiums tax estimate is attributable to an upcoming 2018 shift in the HMO privilege fee to the SGF. Finally, the individual income tax estimate for FY 2019 contemplates \$22.2 million in revenue diversions to the Job Creation Program Fund.

### **Accuracy of Consensus Revenue Estimates**

For 42 years, SGF revenue estimates for Kansas have been developed using the consensus revenue estimating process. Each of the agencies and individuals involved in the process prepared independent estimates and met on November 10, 2016, to discuss estimates and come to a consensus for each fiscal year.

## STATE GENERAL FUND ESTIMATES

Fiscal Year	Adjusted Original Estimate*	Adjusted Final Estimate**	Actual Receipts	Difference from:			
				Original Estimate		Final Estimate	
				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	4.0	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)	(43.0)	(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)	(99.8)	(1.9)
2011	5,851.0	5,779.6	5,882.1	31.1	0.5	102.5	1.8
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)
2015	5,992.3	5,944.4	5,928.8	(63.5)	(1.1)	(15.6)	(0.3)
2016	6,358.0	6,149.6	6,073.5	(284.6)	(4.5)	(76.2)	(1.2)

\* 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.

The previous table 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.

### **Concluding Comments**

Consensus revenue estimates are based on current federal and state laws and their current interpretation by the courts. These estimates will be further adjusted in mid-April prior to the conclusion of the 2017 Legislative Session.

A great deal of uncertainty about the future of US foreign policy, trade policy, health policy, immigration policy, and tax policy has already shown signs of increasing volatility in global and domestic markets. The impact of any such increased volatility on confidence as well as consumption and investment decisions by consumers and businesses alike will be monitored by the Consensus Group over the winter prior to the next meeting in April.



**Table 1**  
**State General Fund Receipts**  
*(Dollars in Thousands)*

Consensus Estimate November 10, 2016

	FY 2016 (Actual)		FY 2017 (Revised)		FY 2018		FY 2019	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
<b>Property Tax/Fee:</b>								
Motor Carrier	\$ 11,376	2.1 %	\$ 11,500	1.1 %	\$ 11,700	1.7 %	\$ 11,900	1.7 %
<b>Income Taxes:</b>								
Individual	\$ 2,248,936	(1.3) %	\$ 2,280,000	1.4 %	\$ 2,320,000	1.8 %	\$ 2,350,000	1.3 %
Corporation	354,726	(15.0)	270,000	(23.9)	275,000	1.9	280,000	1.8
Financial Inst.	37,151	(8.4)	38,000	2.3	39,000	2.6	40,000	2.6
<b>Total</b>	<b>\$ 2,640,812</b>	<b>(3.5) %</b>	<b>\$ 2,588,000</b>	<b>(2.0) %</b>	<b>\$ 2,634,000</b>	<b>1.8 %</b>	<b>\$ 2,670,000</b>	<b>1.4 %</b>
<b>Excise Taxes:</b>								
Retail Sales	\$ 2,273,941	6.6 %	\$ 2,235,000	(1.7) %	\$ 2,255,000	0.9 %	\$ 2,275,000	0.9 %
Compensating Use	384,992	9.3	385,000	0.0	390,000	1.3	395,000	1.3
Cigarette	138,512	55.9	134,000	(3.3)	132,000	(1.5)	130,000	(1.5)
Tobacco Products	8,040	7.5	8,400	4.5	8,500	1.2	8,600	1.2
Cereal Malt Bev.	1,410	(10.0)	1,400	(0.7)	1,300	(7.1)	1,200	(7.7)
Liquor Gallonage	19,714	2.0	19,400	(1.6)	19,600	1.0	19,800	1.0
Liquor Enforcement	67,730	(1.1)	71,000	4.8	72,000	1.4	73,000	1.4
Liquor Drink	10,941	3.8	11,000	0.5	11,200	1.8	11,500	2.7
Corp. Franchise	6,884	(5.5)	6,800	(1.2)	6,900	1.5	7,000	1.4
Severance	22,395	(76.0)	34,800	55.4	42,300	21.6	38,100	(9.9)
Gas	5,975	(77.3)	9,300	55.7	11,500	23.7	11,100	(3.5)
Oil	16,420	(75.5)	25,500	55.3	30,800	20.8	27,000	(12.3)
<b>Total</b>	<b>\$ 2,934,559</b>	<b>5.5 %</b>	<b>\$ 2,906,800</b>	<b>(0.9) %</b>	<b>\$ 2,938,800</b>	<b>1.1 %</b>	<b>\$ 2,959,200</b>	<b>0.7 %</b>
<b>Other Taxes:</b>								
Insurance Prem.	\$ 170,202	(9.3) %	\$ 174,500	2.5 %	\$ 176,500	1.1 %	\$ 246,500	39.7 %
Miscellaneous	1,395	(.1)	2,400	72.0	3,400	41.7	3,600	5.9
<b>Total</b>	<b>\$ 171,598</b>	<b>(9.2) %</b>	<b>\$ 176,900</b>	<b>3.1 %</b>	<b>\$ 179,900</b>	<b>1.7 %</b>	<b>\$ 250,100</b>	<b>39.0 %</b>
<b>Total Taxes</b>	<b>\$ 5,758,345</b>	<b>.7 %</b>	<b>\$ 5,683,200</b>	<b>(1.3) %</b>	<b>\$ 5,764,400</b>	<b>1.4 %</b>	<b>\$ 5,891,200</b>	<b>2.2 %</b>
<b>Other Revenues:</b>								
Interest	\$ 28,121	128.3 %	\$ 17,700	(37.1) %	\$ 9,500	(46.3) %	\$ 9,100	(4.2) %
Net Transfers	239,330	66.7	182,200	(23.9)	(286,900)	(257.5)	(374,300)	(30.5)
Agency Earnings	47,667	(14.1)	97,000	103.5	49,400	(49.1)	49,400	0.0
<b>Total</b>	<b>\$ 315,118</b>	<b>49.0 %</b>	<b>\$ 296,900</b>	<b>(5.8) %</b>	<b>\$ (228,000)</b>	<b>(176.8) %</b>	<b>\$ (315,800)</b>	<b>(38.5) %</b>
<b>Total Receipts</b>	<b>\$ 6,073,463</b>	<b>2.4 %</b>	<b>\$ 5,980,100</b>	<b>(1.5) %</b>	<b>\$ 5,536,400</b>	<b>(7.4) %</b>	<b>\$ 5,575,400</b>	<b>0.7 %</b>

**Table 2**  
**State General Fund Receipts**  
**FY 2017 Revised**  
**Comparison of November 2016 Estimate to June 2016 Estimate**  
**(Dollars in Thousands)**

	FY 2017 CRE Est. as Adj. For Legis.	FY 2017 CRE Est. Revised 11/10/16	Difference	
			Amount	Percent Change
<b>Property Tax/Fee:</b>				
Motor Carrier	\$ 12,000	\$ 11,500	\$ (500)	(4.2) %
<b>Income Taxes:</b>				
Individual	\$ 2,377,000	\$ 2,280,000	\$ (97,000)	(4.1) %
Corporation	396,000	270,000	(126,000)	(31.8)
Financial Inst.	40,000	38,000	(2,000)	(5.0)
<b>Total</b>	<b>\$ 2,813,000</b>	<b>\$ 2,588,000</b>	<b>\$ (225,000)</b>	<b>(8.0) %</b>
<b>Excise Taxes:</b>				
Retail Sales	\$ 2,349,912	\$ 2,235,000	\$ (114,912)	(4.9) %
Compensating Use	405,000	385,000	(20,000)	(4.9)
Cigarette	133,000	134,000	1,000	0.8
Tobacco Products	8,200	8,400	200	2.4
Cereal Malt Bev.	1,200	1,400	200	16.7
Liquor Gallonage	19,500	19,400	(100)	(0.5)
Liquor Enforcement	71,000	71,000	--	--
Liquor Drink	11,200	11,000	(200)	(1.8)
Corp. Franchise	7,300	6,800	(500)	(6.8)
Severance	33,900	34,800	900	2.7
Gas	10,700	9,300	(1,400)	(13.1)
Oil	23,200	25,500	2,300	9.9
<b>Total</b>	<b>\$ 3,040,212</b>	<b>\$ 2,906,800</b>	<b>\$ (133,412)</b>	<b>(4.4) %</b>
<b>Other Taxes:</b>				
Insurance Prem.	\$ 170,500	\$ 174,500	\$ 4,000	2.3 %
Miscellaneous	2,400	2,400	--	--
<b>Total</b>	<b>\$ 172,900</b>	<b>\$ 176,900</b>	<b>\$ 4,000</b>	<b>2.3 %</b>
<b>Total Taxes</b>	<b>\$ 6,038,112</b>	<b>\$ 5,683,200</b>	<b>\$ (354,912)</b>	<b>(5.9) %</b>
<b>Other Revenues:</b>				
Interest	\$ 13,400	\$ 17,700	\$ 4,300	32.1 %
Net Transfers	232,660	182,200	(50,460)	(21.7)
Agency Earnings	41,800	97,000	55,200	132.1
<b>Total</b>	<b>\$ 287,860</b>	<b>\$ 296,900</b>	<b>\$ 9,040</b>	<b>3.1 %</b>
<b>Total Receipts</b>	<b>\$ 6,325,972</b>	<b>\$ 5,980,100</b>	<b>\$ (345,872)</b>	<b>(5.5) %</b>

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