

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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To: Governor Kathleen Sebelius and Legislative Budget Committee

From: Kansas Legislative Research Department
Kansas Division of the Budget

Re: State General Fund Receipts Revisions for FY 2008 and FY 2009

Estimates for revenues to 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 three 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 April 16, 2008, and decreased the overall estimate for both fiscal years by a combined \$129.9 million relative to the previous estimate made in November. The revised FY 2008 estimate is \$5.737 billion, and the revised FY 2009 estimate is \$6.021 billion. The revised estimates incorporate the fiscal impact of all 2008 legislation previously signed into law by April 16 or expected to be signed into law shortly thereafter and include significant adjustments relative to the impact of the new federal economic stimulus legislation; a major downward revision in projected SGF interest earnings; and increased transfers.

For FY 2008, the estimate was increased by \$19.3 million, or 0.3 percent, above the November estimate. The overall revised SGF estimate of \$5.737 billion represents a 1.2 percent reduction below final FY 2007 receipts. This result is largely attributable to more than \$200 million in new transfers enacted in 2007; and various other tax cuts and diversions of revenue enacted since 2004.

The revised estimate for FY 2009 of \$6.021 billion was decreased by \$149.2 million, or 2.4 percent below the November estimate. The revised FY 2009 estimate is 5.0 percent above the newly revised FY 2008 figure. Various tax cuts and increased transfers enacted in recent years also influenced the FY 2009 growth rate, as did the new federal stimulus legislation, which is expected to have a negative impact on Kansas income tax receipts well in excess of any positive impact on sales or other excise tax receipts.

Economic Forecast for Kansas

Although economic growth continued through the end of 2007 at a relatively strong pace, indications are that the rate of growth has been slowing substantially during the early months of 2008. As a result of wide variance in many national forecasts with respect to the severity and duration of the looming economic downturn, the level of uncertainty for the balance of 2008 now appears to be much higher than it might have in the Fall of 2007 relative to many of the key Kansas economic variables. The current 2008 estimates of nominal Kansas Personal Income (KPI) and Kansas Gross State Product growth of 3.7 and 4.0 percent, respectively, are significantly less than the similar estimates of 5.1 and 5.0 percent used in November. Nevertheless, expectations are that Kansas will not be affected as dramatically as will the national economy by

the impact of turmoil associated with the housing market. Moreover, the relative health of certain key sectors of the state's economy, including agriculture, energy, and aviation manufacturing will enable Kansas to experience a milder slowdown than the country as a whole. The Consensus estimates contained herein are based on a number of such assumptions regarding a significantly slower rate of growth in the state economy than had been anticipated in November; and the likelihood that higher levels of growth will have resumed by the first half of 2009.

Federal Stimulus Legislation

Since the estimates were made last fall, one significant new development relates to the federal enactment of H. R. 5140, legislation that will provide "recovery rebate credits" to individuals of \$600 (\$1,200 for joint returns) phased out above certain income levels. Additional checks will be available of \$300 per dependent child. Certain low-income individuals and those receiving Social Security or veterans' benefits will also be eligible for \$300. Relative to businesses, the new law provides a bonus depreciation deduction for tax year 2008 of 50 percent of qualified asset costs; and an increase in the applicability of the Section 179 expensing allowance for certain small businesses.

While it is not clear what Kansas households will do with the average \$917 in rebates they will receive, a nationwide Associated Press-Ipsos poll taken at the time the law was approved found that just 19 percent of the people surveyed said they planned to make new purchases with the money; 45 percent said they would use it to pay bills; and another 32 percent said they would save or invest it.

Another very important caveat about the extent to which increased sales tax receipts should be considered "new" money relative to the November estimates relates to the decision by Congress to enact the stimulus package in the first place. Generally, the legislation was crafted in response to fears that the economy is sliding into a recession, something that was not contemplated in November. Reduced consumer confidence and the overall weaker economy are new realities which could tend to offset much, if not all, of the enhanced receipts attributable to expenditures of the rebates. Nevertheless, based on discussions with the Department of Revenue, the SGF sales tax estimates for both fiscal years combined were increased by \$8 million (\$2 million in FY 2008 and \$6 million in FY 2009).

Because Kansas generally begins computation of its income tax liability using federal tax law as a starting point, the new depreciation and expensing provisions allowed under the new federal law automatically will flow through and also affect state income tax receipts.

The Department of Revenue has refined the analysis of the short-term impact of the new federal bonus depreciation and expensing provisions such that the estimated reduction of \$87 million by the end of FY 2009 is now expected to be realized as follows: FY 2008 receipts will be reduced by \$13 million (\$10 million corporation income tax and \$3 million individual); and FY 2009 receipts will be reduced by \$74 million (\$60 million corporation income tax and \$14 million individual). These assumptions are built into the revised estimates for both sources.

Kansas Personal Income

Kansas Personal Income (KPI) in 2007 grew by 6.4 percent over the 2006 level. The growth rate for KPI is expected to fall significantly for 2008 before rebounding slightly in 2009, with the estimates now set at 3.7 and 5.2 percent, respectively. Current estimates are that overall US Personal Income growth will generally track closely with KPI growth.

Employment

Data obtained from the Kansas Department of Labor indicate while the employment picture for Kansas was robust during the first half of 2007, seasonally adjusted non-farm employment remained constant from July 2007 through February 2008. The most recent monthly data show that total Kansas private (non-farm) employment from January 2007 to January 2008 had grown by 1.6 percent; and government employment by 1.4 percent. Growth in manufacturing jobs, professional and business services, and health care and social assistance employment helped fuel much of the growth during 2007. Current estimates by the Department are that private employment, which is expected to increase at a rate of 1.1 percent in FY 2009, will continue to grow faster than government employment for the foreseeable future. The overall Kansas unemployment rate, which was 4.1 percent in CY 2007, is expected to jump to 4.8 percent in CY 2008 before dropping slightly to 4.6 percent in CY 2009.

Agriculture

Although net farm income in 2007 was significantly higher than 2006, the outlook for 2008 is much more uncertain as a result of higher input prices, especially energy costs. The All Farm Products Index of Prices received by Kansas farmers was 147 in March, up from 127 a year earlier. The latest prospective plantings report indicates farmers expect to plant 19.7 million acres of the four major grain crops in 2008, unchanged from 2007. Topsoil and subsoil moisture conditions remain a major concern in several areas of the state.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is now estimated to be \$76 for FY 2008 and \$80 for FY 2009, up substantially from the \$68 per barrel forecast for both years used in November. Significant political tensions in the Middle East and elsewhere and the continued decline in the value of the dollar have accelerated the increased volatility in oil prices and added to the uncertainty about forecasting the price of this commodity. Gross oil production in Kansas, which generally had been declining steadily for more than a decade until FY 2000, has stabilized since that time and is currently forecast to reach 37 million barrels per year by the end of FY 2009. Approximately half of all Kansas oil produced is not subject to severance taxation because of various exemptions in that law.

The price of natural gas is expected to average \$6 per mcf for FY 2008 before increasing to \$7 per mcf for FY 2009, based on an industry source's analysis of futures markets. Factors considered for these estimates included the relationship between crude oil and gas prices, the decline of the dollar, the relatively cold winter of 2007-08 (which helped lead to reduced gas storage levels), and enhanced production techniques from shale formations that are leading to significantly increased production elsewhere in the United States. Kansas natural gas production

in FY 2007 of 371 million cubic feet represented a continuing decrease from the modern era peak of 730 million cubic feet in FY 1996. Production is expected to continue to decline for the foreseeable future as natural gas reserves, especially those in the Hugoton Field, are depleted. The current forecast is for 368 million cubic feet for FY 2008 and 365 million cubic feet for FY 2009.

Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) increased by 2.7 percent in 2007, matching the final November forecast. Although the current forecasts for 2008 and 2009 are for inflation to continue at historically moderate levels, 2.9 percent and 2.1 percent, respectively, some analysts have begun expressing concerns that recent aggressive monetary policy initiatives by the Federal Reserve could lead to additional inflationary pressures.

Interest Rates

The Pooled Money Investment Board is authorized to make investments in US Treasury and Agency securities, highly rated commercial paper, repurchase agreements and certificates of deposit in Kansas banks. In FY 2007, the state earned 5.27 percent on its SGF portfolio. The average rate of return forecasted for FY 2008 is 4.80 percent. For FY 2009, the forecasted rate is 2.31 percent (down substantially from the 4.25 percent rate assumed in November).

Economic Forecasts

| | <u>CY 07</u> | <u>CY 08*</u> | <u>CY 09*</u> |
|-------------------|--------------|---------------|---------------|
| KPI Growth | 6.4% | 3.7% | 5.2% |
| Inflation (CPI-U) | 2.7% | 2.9% | 2.1% |

| | <u>FY 07</u> | <u>FY 08*</u> | <u>FY 09*</u> |
|-------------------|--------------|---------------|---------------|
| SGF Interest | 5.27% | 4.80% | 2.31% |
| Oil and Gas | | | |
| Oil Price per bbl | \$59.10 | \$76.00 | \$80.00 |
| Gross Prod. (000) | 35,432 | 36,500 | 37,000 |
| Gas Price per mcf | \$5.36 | \$6.00 | \$7.00 |
| Gas Taxable Value | 1,853,692 | 2,097,600 | 2,427,250 |
| * Estimated | | | |

Attached Tables

Table 1 compares the new FY 2008 and FY 2009 estimates by source with actual receipts from FY 2007. Tables 2 and 3 show the changes in the estimates by source for each fiscal year.

State General Fund Receipts Estimates

FY 2008. The revised estimate of SGF receipts for FY 2008 is \$5.737 billion, an increase of \$19.3 million from the previous estimate made in November. Total SGF receipts through March were running \$53.4 million ahead of the previous estimate. The revised estimate is \$72.4 million or 1.2 percent below actual FY 2007 receipts. This result is largely attributable to more than \$200 million in new transfers enacted in 2007 (school finance "lock box" and statewide maintenance and disaster relief); \$36 million in various tax cuts; and a smaller share of sales and use tax receipts' being put in the SGF pursuant to 2004 legislation related to financing for the Comprehensive Transportation Program.

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 estimate of total taxes was increased by \$41.9 million. Of this amount, new estimates for the individual income tax, sales tax, and severance tax accounted for \$40.9 million. Total taxes, which had grown by 8.0 percent in FY 2007, are now projected to grow by 3.0 percent in FY 2008.

The estimate for individual income taxes was increased by \$17.0 million. Stock market growth throughout 2007 likely has resulted in greater capital gains relative to tax year 2006 liability. Receipts through March were running \$18.1 million ahead of the prior fiscal-year-to-date estimate. The revised FY 2008 estimate now calls for growth of \$238 million, or 8.8 percent, in this source over FY 2007 receipts.

The sales tax estimate, up \$15.2 million over the prior fiscal-year-to-date estimate through March, was increased by \$12 million.

The overall severance tax estimate was increased by a combined \$11.9 million, with \$8.3 million from an increase in the oil estimate and \$3.6 million from an increase in the gas tax.

On the negative side, the estimates for net transfers, agency earnings, and interest were decreased by \$10.9 million, \$7.7 million, and \$4.0 million, respectively. The transfer to the Biosciences Authority will be \$14.4 million more than had been anticipated in November.

Downward adjustments to estimates for tax sources included the cigarette tax (\$3.5 million); the estate tax (\$3.0 million); and the compensating use tax (\$3.0 million).

Details of the current year's revised estimate are reflected in Table 2.

FY 2009. SGF receipts are estimated to be \$6.021 billion in FY 2009, a decrease of \$149.2 million relative to the November estimate. The new FY 2009 figure is \$284.3 million or

5.0 percent above the newly revised FY 2008 estimate. But the growth rate for total taxes is expected to drop to only 0.4 percent in FY 2009.

The most significant revision to the FY 2009 estimate relates to the impact of the new federal stimulus law. As noted previously, the corporation and individual income tax estimates were reduced by a combined \$74 million in FY 2009 as a result of the new law's anticipated impact.

The individual income tax forecast also takes into consideration far more sluggish growth in the economy, KPI, and the stock market. The corporation income tax receipts estimate also takes into account the expectation of decelerating growth in corporate profits for 2008 relative to 2007. As a result, the overall individual income tax estimate was reduced by \$34 million; and the corporation income tax estimate by \$65 million for FY 2009.

Other significant reductions to tax sources include the compensating use tax (\$12.0 million); the cigarette tax (\$5.5 million); the sales tax (\$4.0 million); and the estate tax (\$3.0 million).

As noted previously, the substantial downward revision in the SGF portfolio interest rate (from 4.25 percent to 2.31 percent), coupled with lower SGF balances, caused the projected interest earnings estimate to be reduced by \$40 million. The estimate for net transfers also was decreased by \$7.7 million, with the transfer to the Biosciences Authority expected to be \$22.0 million more than had been anticipated in November. The forecast for agency earnings also was reduced by \$7.7 million.

On the positive side, the severance tax estimate was increased by \$25.5 million, \$13.6 million from oil and \$11.9 million from gas. The only other source estimate increased by more than \$1.0 million is the motor carrier property tax, which was increased by \$1.5 million.

Details of the FY 2009 revisions are shown in Table 3.

FY 2010 and thereafter. Although the Consensus Group will not make its initial estimate for FY 2010 until the fall, worthy of note is the fact that a number of provisions in previously enacted legislation will further reduce SGF receipts beginning in FY 2010:

- Legislation enacted in 2006 that decoupled the Kansas estate tax from the federal law beginning in 2007 and eliminates the Kansas tax altogether in 2010 will reduce receipts relative to the prior law by an estimated \$37 million in FY 2010; \$47 million in FY 2011; and \$52 million in FY 2012.
- Legislation enacted in 2007 that phases out the franchise tax will reduce receipts relative to the prior law by an estimated \$26.5 million in FY 2010; \$37.0 million in FY 2011; and \$48.0 million in FY 2012.
- Legislation enacted in 2006 relative to a property tax exemption for business machinery and equipment is expected to further reduce motor carrier property tax receipts to the SGF by \$3.9 million in FY 2010; \$5.6 million in FY 2011; and \$7.4 million in FY 2012.

- Additional legislation enacted in 2005 will reduce severance tax receipts to the SGF by \$12.5 million in FY 2010; \$16.6 million in FY 2011; and \$20.7 million in FY 2012.

Accuracy of Consensus Revenue Estimates

For 33 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, Ed Olson from Kansas State University, and John Wong from Wichita State University. Each of the agencies and individuals involved in the process prepared independent estimates and met on April 16, 2008, 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* | | Difference from 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 | 0.0 |
| 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) | 0.0 | 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) | (9.3) | 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 |

* 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, April, or June is the adjusted original estimate plus or minus changes subsequently made by the Consensus Estimating Group. It also includes the estimated impact of legislation on receipts.

The table (above) 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. These estimates will be further adjusted at the conclusion of the 2008 Legislative Session to reflect state legislation enacted after April 16 which affects SGF receipts.

Table 1
Consensus Revenue Estimate for Fiscal Years 2008 and 2009
and FY 2007 Actual Receipts
(Dollars in Thousands)

| | FY 2007 (Actual) | | FY 2008 (Revised) | | FY 2009 (Revised) | |
|--------------------|------------------|----------------|-------------------|----------------|-------------------|----------------|
| | Amount | Percent Change | Amount | Percent Change | Amount | Percent Change |
| Property Tax: | | | | | | |
| Motor Carrier | \$25,812 | 17.0 % | \$30,500 | 18.2 % | \$29,500 | (3.3) % |
| Income Taxes: | | | | | | |
| Individual | \$2,709,340 | 14.3 % | \$2,947,000 | 8.8 % | \$3,071,000 | 4.2 % |
| Corporation | 442,449 | 26.3 | 420,000 | (5.1) | 325,000 | (22.6) |
| Financial Inst. | 31,126 | 0.2 | 39,000 | 25.3 | 40,000 | 2.6 |
| Total | \$3,182,915 | 15.6 % | \$3,406,000 | 7.0 % | \$3,436,000 | 0.9 % |
| Estate Tax | \$55,620 | 7.4 % | \$47,000 | (15.5) % | \$32,000 | (31.9) % |
| Excise Taxes: | | | | | | |
| Retail Sales | \$1,766,768 | 1.8 % | \$1,712,000 | (3.1) % | \$1,726,000 | 0.8 % |
| Compensating Use | 284,981 | 5.8 | 272,000 | (4.6) | 268,000 | (1.5) |
| Cigarette | 115,282 | (2.2) | 110,000 | (4.6) | 108,000 | (1.8) |
| Tobacco Products | 5,305 | 4.2 | 5,600 | 5.6 | 5,600 | -- |
| Cereal Malt Bev. | 2,091 | -- | 2,200 | 5.2 | 2,200 | -- |
| Liquor Gallonage | 17,053 | 2.3 | 17,600 | 3.2 | 17,800 | 1.1 |
| Liquor Enforcement | 47,138 | 6.6 | 50,500 | 7.1 | 52,000 | 3.0 |
| Liquor Drink | 8,567 | 7.0 | 9,200 | 7.4 | 9,500 | 3.3 |
| Corp. Franchise | 47,892 | 2.1 | 41,000 | (14.4) | 32,000 | (22.0) |
| Severance | 116,025 | (13.0) | 140,400 | 21.0 | 151,300 | 7.8 |
| Gas | 79,624 | (17.5) | 84,500 | 6.1 | 92,600 | 9.6 |
| Oil | 36,401 | (1.3) | 55,900 | 53.6 | 58,700 | 5.0 |
| Total | \$2,411,103 | 1.3 % | \$2,360,500 | (2.1) % | \$2,372,400 | 0.5 % |
| Other Taxes: | | | | | | |
| Insurance Prem. | \$114,696 | 1.4 % | \$119,000 | 3.8 % | \$119,000 | -- % |
| Miscellaneous | 4,601 | (22.1) | 4,500 | (2.2) | 3,500 | (22.2) |
| Total | \$119,297 | -- % | \$123,500 | 3.5 % | \$122,500 | (0.8) % |
| Total Taxes | \$5,794,747 | 8.8 % | \$5,967,500 | 3.0 % | \$5,992,400 | 0.4 % |
| Other Revenues: | | | | | | |
| Interest | \$92,276 | 69.8 % | \$104,000 | 12.7 % | \$61,000 | (41.3) % |
| Net Transfers | (142,446) | | (387,200) | | (86,000) | |
| Agency Earnings | 64,467 | 13.1 | 52,300 | (18.9) | 53,500 | 2.3 |
| Total | \$14,297 | (79.3) % | (\$230,900) | | \$28,500 | 112.3 % |
| Total Receipts | \$5,809,043 | 7.7 % | \$5,736,600 | (1.2) % | \$6,020,900 | 5.0 % |

Table 2
State General Fund Receipts
FY 2008 Revised
Comparison of November 2007 Estimate to April 2008 Estimate
(Dollars in Thousands)

| | FY 2008 CRE Est. | FY 2008 CRE Est. | Difference | |
|----------------------|--------------------|--------------------|-------------------|---------------|
| | Revised 11/05/07 | Revised 04/16/08 | Amount | Pct. Chg. |
| Property Tax: | | | | |
| Motor Carrier | \$28,500 | \$30,500 | \$2,000 | 7.0 % |
| Income Taxes: | | | | |
| Individual | \$2,930,000 | \$2,947,000 | \$17,000 | 0.6 % |
| Corporation | 415,000 | 420,000 | 5,000 | 1.2 |
| Financial Inst. | 39,000 | 39,000 | -- | -- |
| Total | <u>\$3,384,000</u> | <u>\$3,406,000</u> | <u>\$22,000</u> | <u>0.7 %</u> |
| Estate Tax | \$50,000 | \$47,000 | (\$3,000) | (6.0) % |
| Excise Taxes: | | | | |
| Retail Sales | \$1,700,000 | \$1,712,000 | \$12,000 | 0.7 % |
| Compensating Use | 275,000 | 272,000 | (3,000) | (1.1) |
| Cigarette | 113,500 | 110,000 | (3,500) | (3.1) |
| Tobacco Product | 5,500 | 5,600 | 100 | 1.8 |
| Cereal Malt Beverage | 2,100 | 2,200 | 100 | 4.8 |
| Liquor Gallonage | 17,500 | 17,600 | 100 | 0.6 |
| Liquor Enforcement | 49,500 | 50,500 | 1,000 | 2.0 |
| Liquor Drink | 9,000 | 9,200 | 200 | 2.2 |
| Corporate Franchise | 41,000 | 41,000 | -- | -- |
| Severance | 128,500 | 140,400 | 11,900 | 9.3 |
| Gas | 80,900 | 84,500 | 3,600 | 4.4 |
| Oil | 47,600 | 55,900 | 8,300 | 17.4 |
| Total | <u>\$2,341,600</u> | <u>\$2,360,500</u> | <u>\$18,900</u> | <u>0.8 %</u> |
| Other Taxes: | | | | |
| Insurance Premiums | \$119,000 | \$119,000 | \$ -- | -- % |
| Miscellaneous | 2,500 | 4,500 | 2,000 | 80.0 |
| Total | <u>\$121,500</u> | <u>\$123,500</u> | <u>\$2,000</u> | <u>1.6 %</u> |
| Total Taxes | \$5,925,600 | \$5,967,500 | \$41,900 | 0.7 % |
| Other Revenues: | | | | |
| Interest | \$108,000 | \$104,000 | (\$4,000) | (3.7) % |
| Net Transfers | (376,300) | (387,200) | (10,900) | (2.9) |
| Agency Earnings | 60,000 | 52,300 | (7,700) | (12.8) |
| Total Other Revenue | <u>(\$208,300)</u> | <u>(\$230,900)</u> | <u>(\$22,600)</u> | <u>10.8 %</u> |
| Total Receipts | <u>\$5,717,300</u> | <u>\$5,736,600</u> | <u>\$19,300</u> | <u>0.3 %</u> |

Table 3
State General Fund Receipts
FY 2009 Revised
Comparison of November 2007 Estimate to April 2008 Estimate
(Dollars in Thousands)

| | FY 2009 CRE Est. | FY 2009 CRE Est. | Difference | |
|----------------------|---------------------------|---------------------------|---------------------------|-----------------------|
| | Revised 11/05/07 | Revised 04/16/08 | Amount | Pct. Chg. |
| Property Tax: | | | | |
| Motor Carrier | \$28,000 | \$29,500 | \$1,500 | 5.4 % |
| Income Taxes: | | | | |
| Individual | \$3,105,000 | \$3,071,000 | (\$34,000) | (1.1) % |
| Corporation | 390,000 | 325,000 | (65,000) | (16.7) |
| Financial Inst. | 40,000 | 40,000 | -- | -- |
| Total | <u>\$3,535,000</u> | <u>\$3,436,000</u> | <u>(\$99,000)</u> | <u>(2.8) %</u> |
| Estate Tax | \$35,000 | \$32,000 | (\$3,000) | (9) % |
| Excise Taxes: | | | | |
| Retail Sales | \$1,730,000 | \$1,726,000 | (\$4,000) | (0.2) % |
| Compensating Use | 280,000 | 268,000 | (12,000) | (4.3) |
| Cigarette | 113,500 | 108,000 | (5,500) | (4.8) |
| Tobacco Product | 5,500 | 5,600 | 100 | 1.8 |
| Cereal Malt Beverage | 2,100 | 2,200 | 100 | 4.8 |
| Liquor Gallonage | 17,500 | 17,800 | 300 | 1.7 |
| Liquor Enforcement | 51,000 | 52,000 | 1,000 | 2.0 |
| Liquor Drink | 9,300 | 9,500 | 200 | 2.2 |
| Corporate Franchise | 32,000 | 32,000 | -- | -- |
| Severance | 125,800 | 151,300 | 25,500 | 20.3 |
| Gas | 80,700 | 92,600 | 11,900 | 14.7 |
| Oil | 45,100 | 58,700 | 13,600 | 30.2 |
| Total | <u>\$2,366,700</u> | <u>\$2,372,400</u> | <u>\$5,700</u> | <u>0.2 %</u> |
| Other Taxes: | | | | |
| Insurance Premiums | \$119,000 | \$119,000 | \$ -- | -- % |
| Miscellaneous | 2,500 | 3,500 | 1,000 | 40.0 |
| Total | <u>\$121,500</u> | <u>\$122,500</u> | <u>\$1,000</u> | <u>0.8 %</u> |
| Total Taxes | \$6,086,200 | \$5,992,400 | (\$93,800) | (1.5) % |
| Other Revenues: | | | | |
| Interest | \$101,000 | \$61,000 | (\$40,000) | (39.6) % |
| Net Transfers | (78,300) | (86,000) | (7,700) | (9.8) |
| Agency Earnings | 61,200 | 53,500 | (7,700) | (12.6) |
| Total Other Revenue | <u>\$83,900</u> | <u>\$28,500</u> | <u>(\$55,400)</u> | <u>(66.0) %</u> |
| Total Receipts | <u><u>\$6,170,100</u></u> | <u><u>\$6,020,900</u></u> | <u><u>(\$149,200)</u></u> | <u><u>(2.4) %</u></u> |