

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 2009 and FY 2010

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 17, 2009, and decreased the overall estimate for both fiscal years by a combined \$516.9 million relative to the previous estimate made in November. The revised FY 2009 estimate is \$5.666 billion, and the revised FY 2010 estimate is \$5.381 billion. The revised estimates incorporate the fiscal impact of all 2009 legislation previously signed into law by April 17; significant adjustments relative to the impact of new federal legislation; a downward revision in projected FY 2010 SGF interest earnings; and changes in expectations since November about the overall severity of the current recession. When looking only at tax receipts, the downward adjustment for the two years is \$744.2 million, the largest downward revision in the history of the Consensus Revenue Estimating Group.

For FY 2009, the estimate was decreased by \$115.3 million, or 2.0 percent, below the November estimate. The overall revised SGF estimate of \$5.666 billion represents a 0.5 percent decrease below final FY 2008 receipts. Tax receipts only in FY 2009 were revised downward by \$234.9 million, or 4.1 percent below the November estimate.

The revised estimate for FY 2010 of \$5.381 billion was decreased by \$401.6 million, or 6.9 percent below the November estimate. The revised FY 2010 estimate is 5.0 percent below the newly revised FY 2009 figure. Various tax cuts enacted in recent years influenced the FY 2010 growth rate, as did the new federal legislation, which is expected to have a negative impact on Kansas individual income, corporation income, and cigarette tax receipts. Tax receipts only in FY 2010 were revised downward by \$509.3 million, or 8.7 percent below the November estimate.

Economic Forecast for Kansas B Summary

The contraction in the state, national and global economies that was apparent in early November took a significant turn for the worse over the winter months. The November forecast was based on the expectation that Kansas would be able to experience a milder contraction than the nation as a whole, premised on the then-perceived relative health of key sectors of the state's economy, including aviation manufacturing and energy. But it now appears that the broader national crises engulfing the housing, credit, and stock markets have not spared those sectors. Moreover, the estimate for virtually every major state and national economic indicator now looks significantly worse than it did in the fall. Estimates of Kansas Growth State Product used in November of 3.5 percent for 2009 and 5.0 percent for 2010 have now been reduced to a negative 1.5 percent and 2.9 percent, respectively. While there seems to be a general consensus among analysts that the aggressive use

of new fiscal and monetary policy initiatives by the federal government may help prevent a much more serious economic collapse, the length and severity of the current downturn remain to be determined. Many forecasts continue to indicate that this could be the longest and deepest recession in the last 70 years. The Consensus estimates contained in this memo are based on a number of assumptions regarding historically weak economic indicators throughout 2009; and the return of only very modest growth in 2010.

Federal Legislation

Since the estimates were made last fall, one important new development relates to the federal enactment of the American Recovery and Reinvestment Act (ARRA) of 2009; and a separate piece of legislation that increased cigarette taxes to help provide additional funding for the State Children's Health Insurance Program (SCHIP). Kansas SGF receipts are expected to be reduced by a total of \$88 million by the end of FY 2010 as a result of these new federal laws.

Because Kansas generally begins computation of its income tax liability using federal tax law as a starting point, a number of provisions of the ARRA will flow through and also affect state income tax receipts. The Department of Revenue has estimated that Kansas SGF receipts will have been reduced by the end of FY 2010 by an additional \$77.5 million as a result of our conformity to the ARRA: \$12.0 million in FY 2009; and \$65.5 million in FY 2010. Of this amount, \$45.0 million is attributable to new bonus depreciation and Section 179 expensing provisions (\$6.0 million in FY 2009 and \$39.0 million in FY 2010); \$20.0 million is attributable to tax law changes related to discharged indebtedness (\$6.0 million in FY 2009 and \$14.0 million in FY 2010); \$7.0 million is attributable to the exclusion of certain unemployment insurance benefits from adjusted gross income (all in FY 2010); \$4.0 million is attributable to an expansion in the earned income tax credit (all in FY 2010); and \$1.5 million is attributable to a special deduction for sales taxes paid on certain vehicle purchases (all in FY 2010).

While 2008 federal stimulus legislation containing tax cuts for individuals prompted the Consensus group a year ago to assume modest increases in sales and use taxes (\$8 million), this year's estimates do not contain any explicit adjustment for two major reasons. The 2009 tax cuts are being provided for most individuals through a reduction in federal withholding taxes and will be realized throughout the course of the tax year. On the other hand, the full amount of the 2008 tax cuts for most individuals were made available more quickly as Recovery rebate credits that were provided in a single lump sum to qualifying taxpayers in the spring of 2008. Overall consumer confidence also remains at a much lower level than a year ago, so predicting behavior relative to selected tax reductions is much more problematic.

The SCHIP legislation increased the federal cigarette tax by 61 cents per pack, effective April 1. The Department of Revenue has estimated that this increase and its impact on consumer behavior will be expected to reduce Kansas cigarette tax receipts by about \$3.0 million in FY 2009; and \$7.5 million in FY 2010.

Kansas Personal Income

Kansas Personal Income (KPI) in 2008 grew by 4.9 percent over the 2007 level. KPI is currently expected to decline by 0.5 percent in 2009, which would represent what is believed to be the first annual reduction since before World War II. The current estimate for 2010 is that only very modest KPI growth (2.1 percent) will have returned. The new 2009 and 2010 estimates are significantly different than the KPI forecasts used in November (positive 3.2 and 4.3 percent, respectively). Current estimates are that overall US Personal Income (USPI) growth will fare only

moderately better than KPI, with nominal USPI estimates of positive 0.3 percent in 2009 and 2.4 percent in 2010.

Employment

Data obtained from the Kansas Department of Labor indicate that the employment picture for Kansas has continued to deteriorate over the winter. The most recent monthly data show that total Kansas non-farm employment from February 2008 to February 2009 had contracted by 1.6 percent. Most major sectors experienced significant employment decreases, especially manufacturing, professional and business services, and construction. Current estimates by the Department are that the overall Kansas unemployment rate, which was 4.4 percent in CY 2008, is expected to jump to 6.0 percent in CY 2009 before moving to 6.3 percent in CY 2010. These newly revised estimates suggest a much longer timeline of relatively serious unemployment issues for the state than did the estimates of 4.7 percent for both calendar years used in November.

Agriculture

Recent volatility in input prices, especially energy costs, is contributing to an uncertain outlook for 2009. The All Farm Products Index of Prices received by Kansas farmers was 115 in March, down from 143 a year earlier. The latest prospective plantings report indicates farmers expect to plant 19.1 million acres of the four major grain crops in 2009, down 2.8 percent from 2008. Average livestock prices in mid-March were significantly below prices from a year earlier.

Oil and Gas

While the price of oil has undergone historic levels of volatility in FY 2009, the final estimated average price per taxable barrel of Kansas crude is now \$63 (down substantially from the \$80 estimate used in November) and reflects the collapse in world prices over the winter months. The estimated average price of \$45 per barrel for FY 2010 (down from \$70 in November) takes into account current oil futures price expectations and continued weak demand relative to the economic slowdown. As always, significant political tensions in the Middle East and elsewhere provide a great deal of uncertainty about forecasting the price of this commodity. Gross oil production in Kansas, which had been declining steadily for more than a decade until FY 2000, has recently reversed that trend and been increasing slightly since FY 2005. The current forecast of 40 million barrels for FY 2009 represents a level not seen since FY 1997. 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 \$5.60 per mcf for FY 2009 before decreasing to \$3.50 per mcf for FY 2010, based on an industry source's analysis of futures markets. Current wellhead prices are the lowest they have been in at least seven years. The new price estimates, particularly for FY 2010, are significantly below the \$6.25 and \$5.75 estimates used in the fall. Factors considered in revising the price forecasts included the relationship between crude oil and gas prices, the current relatively high storage levels for gas, weakening of the economy, and the impact of enhanced production from shale formations elsewhere in the United States. Kansas natural gas production in FY 2008 of 379 million cubic feet represented a significant decrease from the modern era peak of 730 million cubic feet in FY 1996 (largely as a result of depleting reserves in the Hugoton Field). Production has nevertheless stabilized somewhat in recent years and is expected to be 380 million cubic feet for FY 2009 before decreasing to 360 million cubic feet for FY 2010. Slightly less than 9 percent of gas produced is expected to be exempt from severance taxation.

Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) increased by 3.8 percent in 2008, somewhat less than the final November forecast of 4.3 percent. The current forecasts for 2009 and 2010 of a negative 0.9 percent and 1.5 percent, respectively, reflect the overall weakness of the economy as a result of the recession.

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 2008, the state earned 4.26 percent on its SGF portfolio (compared with a 5.27 percent rate in FY 2007). The average rate of return forecasted for FY 2009 is now 2.84 percent (up slightly from the 2.55 percent estimate used in November). For FY 2010, the forecasted rate is 0.98 percent (down substantially from the 2.70 percent rate assumed in November).

Economic Forecasts

	CY 08	CY 09*	CY 10*
KPI Growth	4.9%	(0.5)%	2.1%
Inflation (CPI-U)	3.8%	(0.9)%	1.5%
	FY 08	FY 09*	FY 10*
SGF Interest	4.26%	2.84%	0.98%
Oil and Gas			
Oil Price per bbl	\$80.71	\$63.00	\$45.00
Gross Prod. (000)	38,008	40,000	37,500
Gas Price per mcf	\$6.13	\$5.60	\$3.50
Gas Taxable Value	2,188,973	1,947,120	1,149,750

* Estimated

Attached Tables

Table 1 compares the new FY 2009 and FY 2010 estimates by source with actual receipts from FY 2008. Tables 2 and 3 show the changes in the estimates by source for each fiscal year.

State General Fund Receipts Estimates

FY 2009. The revised estimate of SGF receipts for FY 2009 is \$5.666 billion, a decrease of \$115.3 million from the previous estimate made in November. Total SGF receipts through March were running \$21.3 million below the previous estimate, but total taxes were \$135.1 million below that estimate. (A number of adjustments in net transfers from the SGF for FY 2009 were enacted earlier in the 2009 session.) The revised estimate is \$29.0 million or 0.5 percent below actual FY 2008 receipts.

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 decreased by \$234.9 million. Of this amount, new estimates for the individual income tax, corporation income tax, severance tax, and cigarette tax accounted for \$232.6 million. Total taxes, which had grown by 8.0 percent in FY 2007 and only 1.9 percent in FY 2008, are now projected to decline by 6.4 percent in FY 2009.

The estimate for individual income taxes was decreased by \$115.0 million. Stock market turmoil throughout 2008 is resulting in fewer capital gains and greater capital losses relative to tax year 2008 liability. Receipts through March were running \$59.1 million below the prior fiscal-year-to-date estimate. The revised FY 2009 estimate now calls for a reduction of \$121.7 million, or 4.2 percent, in this source below FY 2008 receipts.

The corporation income tax estimate, which had been \$58.0 million below the prior fiscal-year-to-date estimate through March, was reduced by \$85.0 million based on the overall weaker economy and assumptions of reduced estimated payments and increased refunds by the end of the fiscal year.

As noted earlier, the severance tax estimate was reduced largely as a result of significantly lower prices for oil and gas than had been assumed in the fall. The overall severance tax estimate was reduced by \$27.6 million (\$13.9 million attributable to gas; and \$13.7 million attributable to oil). Severance tax receipts were already \$17.8 million below the previous estimate through March.

The cigarette tax estimate was reduced by \$5.0 million, which includes about \$3.0 million attributable to the new federal law. Indications that manufacturers and retailers raised prices well in advance of the April 1 federal tax increase caused this adjustment to be more than had been originally anticipated.

On the positive side, the estimates were increased for net transfers, the compensating use tax, and several other sources, including SGF interest. Largely as a result of 2009 legislation, net transfers from the SGF are now expected to be \$114.6 million less (-\$3.6 million versus -\$118.2 million) than had been assumed in November. The estimate of use tax refunds through the end of the fiscal year also is now less than what had been assumed in the fall. The slight increase in the SGF portfolio interest rate contributed to the additional \$5 million in anticipated earnings.

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

FY 2010. SGF receipts are estimated to be \$5.381 billion in FY 2010, a decrease of \$401.6 million relative to the November estimate. The new FY 2010 figure is \$285.1 million or 5.0 percent below the newly revised FY 2009 estimate. The rate of change for total taxes is expected to decrease by an additional 3.0 percent in FY 2010. The estimate for total taxes was reduced by \$509.3 million.

One significant set of revisions to the FY 2010 estimates relates to the impact of the new federal income and cigarette tax laws. As noted previously, estimated receipts for the individual and corporation income taxes and the cigarette tax were reduced by a combined \$73 million in FY 2010 as a result of the new laws= anticipated impact.

The individual income tax forecast also takes into account the historically weak growth in the economy, KPI, and employment. The corporation income tax receipts estimate was adjusted for the expectation of continued negative growth in corporate profits before taxes. This estimate, which was

expected in November, to decline by 4.0 percent in 2009, is now expected to decline by 15.0 percent. As a result, the overall individual income tax estimate was reduced by \$245 million; and the corporation income tax estimate by \$135 million for FY 2010.

Another significant reduction of \$56.7 million was made in the severance tax estimate (\$37.8 million attributable to gas; and \$18.9 million attributable to oil). Major cuts in the forecasted prices of both commodities, especially gas, contributed to these changes.

Other significant reductions to tax sources include the sales tax (\$55.0 million); the cigarette tax (\$8.0 million); and the financial institutions privilege tax (\$7.0 million).

The liquor enforcement and corporation franchise taxes were the only estimated tax sources to have their estimates increased by more than \$1.0 million.

The estimate for net transfers was changed significantly as a result of new federal and state laws enacted since the last forecast, especially Senate Sub. for HB 2354, which was signed into law on April 13. Provisions of this bill include the repeal of various transfers to local units of government.

As noted previously, the downward revision in the SGF portfolio interest rate (from 2.70 percent to 0.98 percent), coupled with lower SGF balances, caused the projected interest earnings estimate to be reduced by \$26 million.

Details of the FY 2010 revisions are shown in Table 3.

FY 2011 and thereafter. Although the Consensus Group will not make its initial estimate for FY 2011 until next fall, worthy of note is the fact that a number of provisions in previously enacted legislation will further reduce SGF receipts beginning in FY 2011:

- ! 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 \$47 million in FY 2011; and \$52 million in FY 2012.
- ! Legislation enacted in 2007 that phases out the corporation franchise tax will reduce receipts relative to the prior law by an estimated \$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 \$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 \$10.9 million in FY 2011; and \$14.4 million in FY 2012; and \$18.0 million in FY 2013.

Accuracy of Consensus Revenue Estimates

For 34 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 17, 2009, 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
2008	5,700.4	5,736.3	5,694.9	(5.5)	(0.1)	(41.4)	(0.7)

* 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 2009 Legislative Session to reflect state legislation enacted after April 17 which affects SGF receipts.

Table 1
Consensus Revenue Estimate for Fiscal Years 2009 and 2010
and FY 2008 Actual Receipts
(Dollars in Thousands)

	FY 2008 (Actual)		FY 2009 (Revised 4/17)		FY 2010 (Revised 4/17)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	\$29,032	12.5 %	\$29,500	1.6 %	\$28,000	(5.1) %
Income Taxes:						
Individual	\$2,896,653	6.9 %	\$2,775,000	(4.2) %	\$2,745,000	(1.1) %
Corporation	432,078	(2.3)	255,000	(41.0)	230,000	(9.8)
Financial Inst.	33,160	0.2	26,000	(21.6)	25,000	(3.8)
Total	\$3,361,891	5.6 %	\$3,056,000	(9.1) %	\$3,000,000	(1.8) %
Estate Tax	\$44,247	(20.4) %	\$25,000	(43.5) %	\$15,000	(40.0) %
Excise Taxes:						
Retail Sales	\$1,711,398	(3.1) %	\$1,705,000	(0.4) %	\$1,695,000	(0.6) %
Compensating Use	246,277	(13.6)	235,000	(4.6)	220,000	(6.4)
Cigarette	112,705	(2.2)	106,000	(5.9)	102,000	(3.8)
Tobacco Products	5,548	4.6	5,600	0.9	5,800	3.6
Cereal Malt Bev.	2,228	6.6	2,200	(1.3)	2,200	0.0
Liquor Gallonage	17,579	3.1	18,500	5.2	18,500	0.0
Liquor Enforcement	49,983	6.0	54,000	8.0	57,000	5.6
Liquor Drink	8,903	3.9	9,500	6.7	9,700	2.1
Corp. Franchise	46,659	(2.6)	35,000	(25.0)	22,000	(37.1)
Severance	148,172	27.7	129,100	(12.9)	73,500	(43.1)
Gas	91,511	14.9	78,400	(14.3)	42,200	(46.2)
Oil	56,662	55.7	50,700	(10.5)	31,300	(38.3)
Total	\$2,349,452	(2.6) %	\$2,299,900	(2.1) %	\$2,205,700	(4.1) %
Other Taxes:						
Insurance Prem.	\$117,588	3.3 %	\$119,700	1.8 %	\$117,300	(2.0) %
Miscellaneous	5,233	(4.7)	2,000	(61.8)	2,000	0.0
Total	\$122,821	3.0 %	\$121,700	(0.9) %	\$119,300	(2.0) %
Total Taxes	\$5,907,443	1.9 %	\$5,532,100	(6.4) %	\$5,368,000	(3.0) %
Other Revenues:						
Interest	\$111,258	20.6 %	\$56,000	(49.7) %	\$24,000	(57.1) %
Net Transfers	(377,653)	(172.0)	(3,640)	(99.0)	(65,830)	--
Agency Earnings	53,875	(16.4)	81,400	51.1	54,600	(32.9)
Total	(\$212,521)	---	\$133,760	(162.9) %	\$12,770	(90.5) %
Total Receipts	\$5,694,924	(2.0) %	\$5,665,860	(0.5) %	\$5,380,770	(5.0) %

Table 2
State General Fund Receipts
FY 2009 Revised
Comparison of November 2008 Estimate to April 2009 Estimate
(Dollars in Thousands)

	FY 2009 CRE Est.	FY 2009 CRE Est.	Difference	
	11/04/08	Revised 04/17/09	Amount	Pct. Chg.
Property Tax:				
Motor Carrier	\$30,500	\$29,500	(\$1,000)	(3.3) %
Income Taxes:				
Individual	\$2,890,000	\$2,775,000	(115,000)	(4.0) %
Corporation	340,000	\$255,000	(85,000)	(25.0)
Financial Inst.	32,000	\$26,000	(6,000)	(18.8)
Total	3,262,000	\$3,056,000	(206,000)	(6.3) %
Estate Tax	\$32,000	\$25,000	(\$7,000)	(21.9) %
Excise Taxes:				
Retail Sales	\$1,715,000	\$1,705,000	(\$10,000)	(0.6) %
Compensating Use	220,000	\$235,000	15,000	6.8
Cigarette	111,000	\$106,000	(5,000)	(4.5)
Tobacco Product	5,600	\$5,600	0	--
Cereal Malt Beverage	2,200	\$2,200	0	--
Liquor Gallonage	18,000	\$18,500	500	2.8
Liquor Enforcement	52,000	\$54,000	2,000	3.8
Liquor Drink	9,500	\$9,500	0	--
Corporate Franchise	32,000	\$35,000	3,000	9.4
Severance	156,700	\$129,100	(27,600)	(17.6)
Gas	92,300	\$78,400	(13,900)	(15.1)
Oil	64,400	\$50,700	(13,700)	(21.3)
Total	\$2,322,000	\$2,299,900	(\$22,100)	(1.0) %
Other Taxes:				
Insurance Premiums	\$118,000	\$119,700	1,700	1.4 %
Miscellaneous	2,500	\$2,000	(500)	(20.0)
Total	\$120,500	\$121,700	1,200	1.0 %
Total Taxes	\$5,767,000	\$5,532,100	(\$234,900)	(4.1) %
Other Revenues:				
Interest	\$51,000	\$56,000	\$5,000	9.8 %
Net Transfers	(118,200)	(\$3,640)	114,560	(96.9)
Agency Earnings	81,400	\$81,400	0	--
Total Other Revenue	\$14,200	\$133,760	\$119,560	-- %
Total Receipts	\$5,781,200	\$5,665,860	(\$115,340)	(2.0)

Table 3
State General Fund Receipts
FY 2010 Revised
Comparison of November 2008 Estimate to April 2009 Estimate
(Dollars in Thousands)

	FY 2010 CRE Est.	FY 2010 CRE Est.	Difference	
	11/04/08	Revised 04/17/09	Amount	Pct. Chg.
Property Tax:				
Motor Carrier	\$28,500	\$28,000	(\$500)	(1.8) %
Income Taxes:				
Individual	\$2,990,000	\$2,745,000	(245,000)	(8.2) %
Corporation	365,000	\$230,000	(135,000)	(37.0)
Financial Inst.	32,000	\$25,000	(7,000)	(21.9)
Total	3,387,000	\$3,000,000	(387,000)	(11.4) %
Estate Tax	\$15,000	\$15,000	\$0	-- %
Excise Taxes:				
Retail Sales	\$1,750,000	\$1,695,000	(\$55,000)	(3.1) %
Compensating Use	225,000	\$220,000	(5,000)	(2.2)
Cigarette	110,000	\$102,000	(8,000)	(7.3)
Tobacco Product	5,800	\$5,800	0	--
Cereal Malt Beverage	2,200	\$2,200	0	--
Liquor Gallonage	18,400	\$18,500	100	0.5
Liquor Enforcement	54,000	\$57,000	3,000	5.6
Liquor Drink	9,700	\$9,700	0	--
Corporate Franchise	20,000	\$22,000	2,000	10.0
Severance	130,200	\$73,500	(56,700)	(43.5)
Gas	80,000	\$42,200	(37,800)	(47.3)
Oil	50,200	\$31,300	(18,900)	(37.6)
Total	\$2,325,300	\$2,205,700	(\$119,600)	(5.1) %
Other Taxes:				
Insurance Premiums	\$119,000	\$117,300	(1,700)	(1.4) %
Miscellaneous	2,500	\$2,000	(500)	(20.0)
Total	\$121,500	\$119,300	(2,200)	(1.8) %
Total Taxes	\$5,877,300	\$5,368,000	(\$509,300)	(8.7) %
Other Revenues:				
Interest	\$50,000	\$24,000	(\$26,000)	(52.0) %
Net Transfers	(199,500)	(\$65,830)	133,670	(67.0)
Agency Earnings	54,600	\$54,600	0	--
Total Other Revenue	(\$94,900)	\$12,770	\$107,670	(113.5) %
Total Receipts	\$5,782,400	\$5,380,770	(\$401,630)	(6.9)