

April 24, 2013

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 2013 and FY 2014

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 Group met on April 19, 2013, and increased the overall estimate for both fiscal years by a combined \$19.9 million relative to the previous estimate made in November. The revised estimates incorporate the fiscal effect of all 2013 legislation signed into law by April 19, 2013.

For FY 2013, the estimate was increased by \$29.9 million, or 0.5 percent, above the November estimate. The estimate for total taxes was increased by \$30.2 million, while the estimate for other revenues was decreased by \$280,000. The overall revised SGF estimate of \$6.199 billion represents a 3.3 percent decrease below final FY 2012 receipts.

The revised estimate for FY 2014 of \$5.454 billion was decreased by \$10.0 million, or 0.2 percent below the November estimate. The estimate for total taxes was decreased by \$7.7 million, while the estimate for other revenues was decreased by \$2.3 million. The new forecast for FY 2014 represents a 12.0 percent decrease below the newly revised FY 2013 figure.

Table 1 compares the new FY 2013 and FY 2014 estimates with actual receipts from FY 2012.

Economic Forecast for Kansas Summary

While the Kansas economy continues to grow, uncertainty remains as a number of economic indicators are estimated to show only modest improvements over the next few years. Significant concerns persist on the effect of slow employment growth, drought conditions for the agricultural sector, and the uncertainty of federal government fiscal policies. The nominal Kansas Gross State Product is expected to grow by 3.8 percent in 2013 (the November estimate had been 3.9 percent) and 4.1 percent in FY 2014 (unchanged from the November estimate). Current forecasts call for the nominal U.S. Gross Domestic Product to grow by 3.7 percent in

2013 (the November estimate had been 4.2 percent) and by 4.6 percent in 2014 (unchanged from the November estimate). The Consensus estimates contained in this memo are based on the continued modest growth of the state's economy during the balance of FY 2013 and FY 2014.

Kansas Personal Income

Kansas Personal Income (KPI) in 2012 increased by 2.9 percent over the 2011 level. KPI is currently expected to increase by 3.1 percent in 2013 and 4.0 percent in 2014. The new estimate for 2013 weakened slightly from the KPI forecast used in November which showed KPI increasing by 3.2 percent in 2013 and the new estimate for FY 2014 remained unchanged from the November estimate. Current estimates are that overall U.S. Personal Income (USPI) growth will fare moderately better than KPI, with nominal USPI estimates of 3.2 percent in 2013 and 4.7 percent in 2014.

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 non-farm private sector employment from February 2012 to February 2013 had increased by 15,400 jobs, while public sector jobs increased by 1,400. Sectors with the largest amount of job gains over the last year include professional and business services; trade, transportation, and utilities; and manufacturing. Current estimates from the Federal Reserve Board of Governors and the Kansas Department of Labor indicate that the overall Kansas unemployment rate, which was 5.7 percent in CY 2012, is expected to decrease to 5.2 percent in CY 2013 and 4.9 percent in CY 2014. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 7.4 percent in 2013 and 6.9 percent in 2014.

Agriculture

The drought conditions that limited production yields and reduced the quality of crops across the state in 2012 are significantly worse than last year at this time. The latest soil moisture report indicates subsoil moisture supplies as of early April were rated short or very short in 77.0 percent of the state compared to only 23.0 percent with either of these designations at the same time last year. Topsoil moisture supplies were rated either short or very short in 46.0 percent of the state, compared to only 13.0 percent last year. The availability of crop insurance and high prices has helped mitigate some of the losses from the drought; however, the drought conditions remain an ongoing concern for the outlook of the agricultural sector.

The latest prospective plantings report indicates that farmers expect to plant 20.7 million acres of the four major grain crops (wheat, sorghum, corn, and soybeans) in 2013, which is unchanged from the amounts planted in 2012. The amount of acres planted or intended to be planted with wheat, corn, and soybeans were each down 2.0 percent from the amounts planted last year, while the amount of acres planned to be planted in sorghum is expected to increase by 16.0 percent compared to last year. This represents the highest amount of acres planted with sorghum since 2008 and only Texas is expected to plant more acres of sorghum in 2013. Average crop prices recorded in March were significantly higher than the average crop prices

recorded in March 2012. The higher costs for feed and continuing drought conditions have reduced the livestock and hog inventories in the state. Cattle and pork prices are estimated to remain above the prices from a year earlier.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is now estimated to be \$82 in FY 2013 (down slightly from the \$84 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 \$86 per barrel for FY 2014 (down from \$92 in November) takes into account current oil futures price expectations that have been impacted by weaker U.S. and world demand and increasing domestic production. A great deal of uncertainty remains about forecasting the price of this commodity; however, it appears that high prices will continue in the foreseeable future.

Kansas gross oil production levels reached 42.3 million barrels in FY 2012 (compared with 40.9 million barrels in FY 2011). The current forecast of 44.5 million barrels for FY 2013 is down slightly from the 45.0 million barrels that was estimated in November. For FY 2014, Kansas gross oil production is estimated to increase to 49.0 million barrels, which is up from the 48.0 million barrels estimated in November. It is estimated that Kansas gross oil production levels will continue to experience substantial growth in the future as additional oil drilling activity continues in south central Kansas. It is estimated that 44.0 percent of all Kansas oil produced will not be subject to severance taxation because of various exemptions in state law in FY 2013 which will decrease to 35.0 percent in FY 2014.

The price of natural gas is expected to average \$3.10 per mcf for FY 2013 (up slightly from the \$2.80 estimated in November). For FY 2014, the price estimate remains unchanged at \$3.75 per mcf. The estimates are based on an industry source's analysis of futures markets. Factors considered in revising the price forecasts included the relationship between crude oil and gas prices, lower than previously estimated storage levels for gas, industrial demand, and the impact of enhanced production from shale formations elsewhere in the United States. Kansas natural gas production in FY 2012 of 305.9 million cubic feet represented a significant decrease from the modern era peak of 730.0 million cubic feet 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 295.0 million cubic feet in FY 2013 and decreasing to 285.0 million cubic feet in FY 2014. Approximately 20.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2013 and 12.0 percent in FY 2014.

Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) increased by 2.1 percent in 2012, which is a slight decrease from the 2.2 percent that was estimated in November. The current forecasts of 1.9 percent in 2013 and 2.1 percent in 2014 indicate that inflation will likely continue to be held in check by aggressive Federal Reserve monetary policy. The inflation expectations have decreased since the forecast reported in November, which showed that inflation would increase by 2.1 percent in 2013 and by 2.2 percent in 2014.

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 of Kansas banks. Low idle fund balances compared to previous years require PMIB to maintain a highly liquid portfolio, which reduces the amount of return available to the pool. In FY 2012, the state earned 0.13 percent on its SGF portfolio (compared with a 0.44 percent rate in FY 2011). The average rate of return forecasted for FY 2013 is now estimated to be 0.18 percent (up slightly from the 0.16 percent estimated in November). For FY 2014, the average rate of return is now estimated to be 0.17 percent (up slightly from the 0.15 percent estimated in November). The higher rate combined with higher than expected cash balances are projected to bring in slightly more earnings to the State General Fund than previously estimated in November.

Economic Forecasts

	<u>CY 12</u>	<u>CY 13*</u>	<u>CY 14*</u>
KPI Growth	2.9%	3.1%	4.0%
Inflation (CPI-U)	2.1%	1.9%	2.1%
	<u>FY 12</u>	<u>FY 13*</u>	<u>FY 14*</u>
SGF Interest	0.13%	0.18%	0.17%
Oil and Gas			
Oil Price per bbl	\$90.29	\$82.00	\$86.00
Gross Prod. (000)	42,283	44,500	49,000
Gas Price per mcf	\$3.80	\$3.10	\$3.75
Gas Taxable Value (000)	1,019,466	731,600	924,000

* Estimated

State General Fund Receipts Estimates

FY 2013. The revised estimate of SGF receipts for FY 2013 is \$6.199 billion, an increase of \$29.9 million from the previous estimate made in November. Total SGF receipts through March were running \$9.0 million above the previous estimate. The revised estimate is \$213.7 million or 3.3 percent below actual FY 2012 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 increased by \$30.2 million, while the estimate of other revenue was decreased by \$280,000. Total taxes in FY 2013 are now expected to be \$72.2

million or 1.2 percent above FY 2012 collections, which were \$467.5 million or 8.2 percent above FY 2011 collections. Other revenues are estimated to be \$286.0 million below the amount collected in FY 2012, primarily from not repeating a \$205.0 million transfer to the State General Fund from the State Highway Fund that was made in FY 2012.

The individual income tax estimate was increased by \$40.0 million reflecting stronger fiscal year-to-date collections and the assumptions that modest employment growth will continue over the remainder of the fiscal year. The estimate for corporation income tax was increased by \$20.0 million. Corporate income tax receipts through March were running only \$1.9 million above the fiscal year-to-date estimate; however, strong growth was estimated with preliminary data from the Department of Revenue showing this source has received much higher than anticipated receipts in April which is estimated to continue for the remaining months of the fiscal year. The insurance premiums tax was increased by \$15.0 million based on fewer refunds than were estimated in November and stronger growth. Other receipt estimates that were increased by at least \$1.0 million include motor carrier (increased by \$3.0 million), SGF interest earnings (increased by \$2.8 million), and the financial institutions income tax (increased by \$1.0 million).

The retail sales tax estimate was decreased by \$35.0 million, which takes into account that actual year-to-date receipts through March were down \$26.1 million and receipts are estimated to continue to be lower for the remaining three months of the fiscal year. The compensating use tax was decreased by \$10.0 million, agency earning was decreased by \$2.5 million, and the cigarette tax was decreased by \$2.0 million. The severance tax estimate was decreased by a net total of \$2.2 million (\$3.8 million increase attributable to gas which was offset by a \$6.0 million decrease attributable to oil). The estimate was decreased largely as a result of lower prices for oil, which was partially offset by slightly higher prices for gas than had been assumed in the fall. Severance tax receipts were nearly \$4.9 million below the previous estimate through March; however, with higher sustained gas prices and increasing oil production, it is anticipated that severance tax receipts will increase substantially in the remainder of the fiscal year. Details of the current year's revised estimate are reflected in Table 2.

FY 2014. SGF receipts are estimated to be \$5.454 billion in FY 2014, a decrease of \$10.0 million relative to the November estimate. The new FY 2014 figure is \$744.8 million or 12.0 percent below the newly revised FY 2013 estimate. This result is heavily influenced by 2012 legislation that implemented major rate and structural changes to the individual income tax; the reduction in the state retail sales and compensating use tax rates from 6.3 to 5.7 percent with additional revenue being distributed to the State Highway Fund and less to the State General Fund beginning on July 1, 2013; and an increase of \$57.5 million in net transfers from the SGF which will occur absent any change in current law. The estimate of total taxes was decreased by \$7.7 million or 0.1 percent below the previous estimate made in November. Total taxes in FY 2014 are now projected to decrease by 11.0 percent below the newly revised FY 2013 amount.

The individual income tax estimate was increased by \$15.0 million based on the expectation of continued positive growth in KPI and employment. The new individual income tax estimate includes a reduction of \$10.5 million for the fiscal effect of SB 83, which makes adjustments to various income tax provisions enacted in 2012. The insurance premiums tax was increased by \$11.0 million based on stronger growth in insurance premiums than were estimated

in November and a negligible increase in receipts from the fiscal effect of SB 51, which allows a trade association of banks to provide health insurance to its members. The estimate for corporation income tax was increased by \$10.0 million to reflect continued growth in corporate profits before taxes. Other receipt estimates that were increased by at least \$1.0 million include motor carrier (increased by \$2.0 million), agency earnings (increased by \$1.0 million), and financial institutions income tax (increased by \$1.0 million).

The retail sales tax estimate was decreased by \$32.0 million and the compensating use tax was decreased by \$8.0 million to reflect slightly weaker business and consumer spending than was estimated in November. The severance tax estimate was decreased by \$4.6 million (\$100,000 decrease attributable to gas and \$4.5 million decrease attributable to oil). The estimate for net transfers was decreased by \$4.0 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 election (\$2.3 million); increased estimate of tort claims from the Attorney General (\$1.5 million); and various other net transfers (\$200,000). The only other receipt estimate that was reduced by at least \$1.0 million was the cigarette tax, which was decreased by \$2.0 million. Details of the revised estimate for FY 2014 are reflected in Table 3.

Accuracy of Consensus Revenue Estimates

For 38 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, Tracy Turner 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 19, 2013, 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:			
				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	4.5	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

* 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 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 2013 Legislative Session to reflect state legislation enacted after April 19, 2013 which affects SGF receipts.

Table 1
Consensus Revenue Estimate for Fiscal Years 2013 and 2014
and FY 2012 Actual Receipts
(Dollars in Thousands)

	FY 2012 (Actual)		FY 2013 (Revised)		FY 2014 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax/Fee:						
Motor Carrier	\$ 24,814	7.1 %	\$ 29,000	16.9 %	\$ 41,000	41.4 %
Income Taxes:						
Individual	\$ 2,908,029	7.3 %	\$ 2,850,000	(2.0) %	\$ 2,400,000	(15.8) %
Corporation	284,466	26.5	360,000	26.6	370,000	2.8
Financial Inst.	25,849	19.4	30,000	16.1	31,000	3.3
Total	\$ 3,218,344	8.9 %	\$ 3,240,000	0.7 %	\$ 2,801,000	(13.5) %
Excise Taxes:						
Retail Sales	\$ 2,136,353	8.7 %	\$ 2,190,000	2.5 %	\$ 1,920,000	(12.3) %
Compensating Use	325,339	13.1	335,000	3.0	295,000	(11.9)
Cigarette	96,661	0.8	90,000	(6.9)	90,000	--
Tobacco Products	6,978	6.2	6,900	(1.1)	7,100	2.9
Cereal Malt Bev.	2,081	9.2	1,900	(8.7)	1,900	--
Liquor Gallonage	18,543	1.5	18,900	1.9	19,100	1.1
Liquor Enforcement	58,862	4.9	61,000	3.6	62,000	1.6
Liquor Drink	9,528	5.8	9,600	0.8	9,900	3.1
Corp. Franchise	9,817	(67.6)	(4,500)	(145.8)	6,000	233.3
Severance	107,253	8.7	97,900	(8.7)	132,800	35.6
Gas	40,276	(2.3)	25,000	(37.9)	33,300	33.2
Oil	66,977	16.6	72,900	8.8	99,500	36.5
Total	\$ 2,771,417	7.8 %	\$ 2,806,700	1.3 %	\$ 2,543,800	(9.4) %
Other Taxes:						
Insurance Prem.	\$ 143,180	1.0 %	\$ 155,000	8.3 %	\$ 160,000	3.2 %
Miscellaneous	2,718	34.0	2,000	(26.4)	2,000	--
Total	\$ 145,898	1.5 %	\$ 157,000	7.6 %	\$ 162,000	3.2 %
Total Taxes	\$ 6,160,474	8.2 %	\$ 6,232,700	1.2 %	\$ 5,547,800	(11.0) %
Other Revenues:						
Interest	\$ 9,677	(51.0) %	\$ 12,750	31.8 %	\$ 10,400	(18.4) %
Net Transfers	180,521	51.9	(102,430)	(156.7)	(159,930)	(56.1)
Agency Earnings	62,079	23.1	56,000	(9.8)	56,000	--
Total	\$ 252,277	33.4 %	\$ (33,680)	(113.4) %	\$ (93,530)	(177.7) %
Total Receipts	\$ 6,412,751	9.0 %	\$ 6,199,020	(3.3) %	\$ 5,454,270	(12.0) %

Table 2
State General Fund Receipts
FY 2013 Revised
Comparison of November 2012 Estimate to April 2013 Estimate
(Dollars in Thousands)

	FY 2013 CRE Est.	FY 2013 CRE Est.	Difference	
	Revised 11/06/12	Revised 04/19/13	Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 26,000	\$ 29,000	\$ 3,000	11.5 %
Income Taxes:				
Individual	\$ 2,810,000	\$ 2,850,000	\$ 40,000	1.4 %
Corporation	340,000	360,000	20,000	5.9
Financial Inst.	29,000	30,000	1,000	3.4
Total	\$ 3,179,000	\$ 3,240,000	\$ 61,000	1.9 %
Excise Taxes:				
Retail Sales	\$ 2,225,000	\$ 2,190,000	\$ (35,000)	(1.6) %
Compensating Use	345,000	335,000	(10,000)	(2.9)
Cigarette	92,000	90,000	(2,000)	(2.2)
Tobacco Products	7,000	6,900	(100)	(1.4)
Cereal Malt Beverage	1,900	1,900	--	--
Liquor Gallonage	19,000	18,900	(100)	(0.5)
Liquor Enforcement	60,500	61,000	500	0.8
Liquor Drink	9,500	9,600	100	1.1
Corporate Franchise	(5,000)	(4,500)	500	10.0
Severance	100,100	97,900	(2,200)	(2.2)
Gas	21,200	25,000	3,800	17.9
Oil	78,900	72,900	(6,000)	(7.6)
Total	\$ 2,855,000	\$ 2,806,700	\$ (48,300)	(1.7) %
Other Taxes:				
Insurance Prem.	\$ 140,000	\$ 155,000	\$ 15,000	10.7 %
Miscellaneous	2,500	2,000	(500)	(20.0)
Total	\$ 142,500	\$ 157,000	\$ 14,500	10.2 %
Total Taxes	\$ 6,202,500	\$ 6,232,700	\$ 30,200	0.5 %
Other Revenues:				
Interest	\$ 10,000	\$ 12,750	\$ 2,750	27.5 %
Net Transfers	(101,900)	(102,430)	(530)	(0.5)
Agency Earnings	58,500	56,000	(2,500)	(4.3)
Total Other Revenue	\$ (33,400)	\$ (33,680)	\$ (280)	(0.8) %
Total Receipts	\$ 6,169,100	\$ 6,199,020	\$ 29,920	0.5 %

Table 3
State General Fund Receipts
FY 2014 Revised
Comparison of November 2012 Estimate to April 2013 Estimate
(Dollars in Thousands)

	FY 2014 CRE Est.	FY 2014 CRE Est.	Difference	
	Revised 11/06/12	Revised 04/19/13	Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 39,000	\$ 41,000	\$ 2,000	5.1 %
Income Taxes:				
Individual	\$ 2,385,000	\$ 2,400,000	\$ 15,000	0.6 %
Corporation	360,000	370,000	10,000	2.8
Financial Inst.	30,000	31,000	1,000	3.3
Total	\$ 2,775,000	\$ 2,801,000	\$ 26,000	0.9 %
Excise Taxes:				
Retail Sales	\$ 1,952,000	\$ 1,920,000	\$ (32,000)	(1.6) %
Compensating Use	303,000	295,000	(8,000)	(2.6)
Cigarette	92,000	90,000	(2,000)	(2.2)
Tobacco Products	7,200	7,100	(100)	(1.4)
Cereal Malt Beverage	1,900	1,900	--	--
Liquor Gallonage	19,200	19,100	(100)	(0.5)
Liquor Enforcement	61,500	62,000	500	0.8
Liquor Drink	9,800	9,900	100	1.0
Corporate Franchise	6,000	6,000	--	--
Severance	137,400	132,800	(4,600)	(3.3)
Gas	33,400	33,300	(100)	(0.3)
Oil	104,000	99,500	(4,500)	(4.3)
Total	\$ 2,590,000	\$ 2,543,800	\$ (46,200)	(1.8) %
Other Taxes:				
Insurance Prem.	\$ 149,000	\$ 160,000	\$ 11,000	7.4 %
Miscellaneous	2,500	2,000	(500)	(20.0)
Total	\$ 151,500	\$ 162,000	\$ 10,500	6.9 %
Total Taxes	\$ 5,555,500	\$ 5,547,800	\$ (7,700)	(0.1) %
Other Revenues:				
Interest	\$ 9,700	\$ 10,400	\$ 700	7.2 %
Net Transfers	(155,900)	(159,930)	(4,030)	(2.6)
Agency Earnings	55,000	56,000	1,000	1.8
Total Other Revenue	\$ (91,200)	\$ (93,530)	\$ (2,330)	(2.6) %
Total Receipts	\$ 5,464,300	\$ 5,454,270	\$ (10,030)	(0.2) %