

April 24, 2014

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 2014 and FY 2015

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 17, 2014, and increased the overall estimate for both fiscal years by a combined \$177.6 million relative to the previous estimate made in November. The revised estimates incorporate the fiscal effect of all 2014 legislation signed into law through April 15, 2014. However, no bills that have been signed into law through this date are estimated to have a significant fiscal effect on SGF revenues.

For FY 2014, the estimate was increased by \$103.3 million, or 1.8 percent, above the November estimate. The estimate for total taxes was increased by \$106.5 million, while the estimate for other revenues was decreased by \$3.2 million. The overall revised SGF estimate of \$5.960 billion represents a 6.0 percent decrease below final FY 2013 receipts.

The revised estimate for FY 2015 of \$5.991 billion was increased by \$74.3 million, or 1.3 percent above the November estimate. The estimate for total taxes was increased by \$75.0 million, while the estimate for other revenues was decreased by \$700,000. The new forecast for FY 2015 represents a 0.5 percent increase above the newly revised FY 2014 figure.

Table 1 compares the new FY 2014 and FY 2015 estimates with actual receipts from FY 2013.

Economic Forecast for Kansas Summary

While the U.S. and Kansas economies continue to grow, the growth has not been as strong as previous post-recession recoveries. Uncertainty remains as a number of economic indicators are estimated to show only modest improvements over the next few years. Significant

concerns persist for the economy as a whole relative to uncertainty regarding federal fiscal policy, and for the agricultural sector in particular due to drought conditions and the impact of the new Farm Bill. The nominal Kansas Gross State Product is expected to grow by 3.9 percent in 2014 (the November estimate had been 3.8 percent) and 4.5 percent in 2015 (the November estimate had been 4.6 percent). Current forecasts call for the nominal U.S. Gross Domestic Product to grow by 4.9 percent in 2014 (the November estimate had been 4.4 percent) and by 5.2 percent in 2014 (the November estimate had been 5.1 percent). The Consensus estimates contained in this memo are based on this continued economic growth in the state and nation during the balance of FY 2014 and FY 2015.

Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) increased by 1.5 percent in 2013, which was the same as the rate estimated in November. The current forecasts of 1.9 percent in 2014 and 2.1 percent in 2015 indicate that inflation will likely continue to be held in check by aggressive Federal Reserve monetary policy. The inflation expectations have not significantly changed since the forecast reported in November, when 1.9 percent was also estimated for 2014 and the 2015 estimate was slightly higher at 2.2 percent.

Kansas Personal Income

Kansas Personal Income (KPI) in 2013 increased by 2.4 percent over the 2012 level. KPI is currently expected to increase by 3.8 percent in 2014 and 4.2 percent in 2015. The new estimate for 2014 improved slightly from the KPI forecast used in November which showed KPI increasing by 3.5 percent in 2014, while the new estimate for 2015 is slightly lower than the 4.2 percent reported in the November estimate. Current estimates are that overall U.S. Personal Income (USPI) growth will grow faster than KPI, with nominal USPI estimates of 4.8 percent in 2014 and 5.0 percent in 2015.

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 March 2013 to March 2014 had increased by 17,200 jobs, while public sector jobs increased by only 100 jobs. Sectors with the largest amount of job gains over the last year include professional and business services; construction, and education and health services. Current estimates indicate that the overall Kansas unemployment rate, which was 5.4 percent in CY 2013, is expected to decrease to 4.9 percent in CY 2014 and 4.7 percent in CY 2015. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 6.8 percent in 2014 and 6.5 percent in 2015.

Agriculture

The outlook for net farm income is an area of concern with continued drought conditions across the state and the possibility of lower sustained commodity prices. The availability of crop insurance has helped mitigate some of the losses from the drought; however, the drought

conditions remain an ongoing concern. The latest soil moisture report indicates subsoil moisture supplies as of early April were rated short or very short in 68.0 percent of the state compared to 78.0 percent with either of these designations at the same time last year. Topsoil moisture supplies were rated either short or very short in 68.0 percent of the state, compared to 46.0 percent last year.

The latest prospective plantings report indicates that farmers expect to plant 20.3 million acres of the four major grain crops (wheat, sorghum, corn, and soybeans) in 2014, which is a decrease of approximately 1.0 percent from the amounts planted in 2013. The amount of acres planted or intended to be planted with soybeans is up 8.0 percent from the amounts planted last year, corn acreage is up 2.0 percent, wheat acreage is down 2.0 percent, and sorghum acreage is down 13.0 percent. Even with the large decline in sorghum acreage, Kansas is still expected to lead the country in planted acreage. Average crop prices for the four major crops recorded in March were significantly lower than the average crop prices recorded in March 2013. Cattle and calves on Kansas farms and ranches totaled 5.8 million head on January 1, 2014, which was down 1.0 percent from a year ago. This was only the second time that inventory for cattle and calves were below 6.0 million, with last year being the first. Hogs and pigs on Kansas farms on March 1, 2014 totaled 1,670,000 head, which was down 7.0 percent from a year ago. 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 \$85 in FY 2014 (down slightly from the \$86 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 \$85 per barrel for FY 2015 (unchanged from November) takes into account current oil futures price expectations. 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 44.6 million barrels in FY 2013 (compared with 42.3 million barrels in FY 2012). The current forecast of 48.0 million barrels for FY 2014 is down slightly from the 48.5 million barrels that was estimated in November. For FY 2015, Kansas gross oil production is estimated to increase to 52.0 million barrels, which is down from the 52.5 million barrels estimated in November. It is estimated that Kansas gross oil production levels will continue to experience growth as additional oil drilling activity continues in south central Kansas. Of all Kansas oil produced, 39.0 percent is predicted to not be subject to severance taxation because of various exemptions in state law in FY 2014.

The price of natural gas is expected to average \$4.05 per mcf for FY 2014 before decreasing to \$3.75 per mcf for FY 2015, based on an industry source's analysis of futures markets. The new price estimates are significantly higher than the \$3.35 and \$3.60 estimates used in November. Factors considered in revising the price forecasts included the unseasonably cold winter that depleted storage levels for gas, the relationship between crude oil and gas prices, industrial demand, and the continued impact of enhanced production from shale formations elsewhere in the United States. Kansas natural gas production in FY 2013 of 295.5 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 290.0 million cubic feet in FY 2014 and 285.0 million cubic feet in FY 2015. Approximately 11.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2014; and 12.0 percent in FY 2015.

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 at Kansas banks. In FY 2013, the state earned 0.18 percent on its SGF portfolio (compared with a 0.13 percent rate in FY 2012). The average rate of return forecasted for FY 2013 is now estimated to be 0.14 percent (up slightly from the 0.12 percent estimated in November). For FY 2014, the average rate of return is now estimated to be 0.13 percent (up slightly from the 0.12 percent estimated in November). Low balances and historically low interest rates have required the PMIB to maintain a highly liquid portfolio, which reduces the amount of return available to the pool. SGF interest earnings are estimated to be \$12.0 million in FY 2014 and \$10.0 million in FY 2015, which are both unchanged from the amounts estimated in November.

Economic Forecasts

	<u>CY 13</u>	<u>CY 14*</u>	<u>CY 15*</u>
KPI Growth	2.4%	3.8%	4.2%
Inflation (CPI-U)	1.5%	1.9%	2.1%
	<u>FY 13</u>	<u>FY 14*</u>	<u>FY 15*</u>
SGF Interest	0.18%	0.14%	0.13%
Oil and Gas			
Oil Price per bbl	\$85.01	\$85.00	\$85.00
Gross Prod. (000)	44,629	48,000	52,000
Gas Price per mcf	\$3.01	\$4.05	\$3.75
Gas Taxable Value (000)	\$736,743	\$1,045,305	\$940,500

* Estimated

State General Fund Receipt Estimates

FY 2014. The revised estimate of SGF receipts for FY 2014 is \$5.960 billion, an increase of \$103.3 million from the previous estimate made in November. Total SGF receipts through March were running \$140.9 million above the previous estimate. The revised estimate is \$381.3 million or 6.0 percent below actual FY 2013 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 \$106.5 million, while the estimate of other revenue was decreased by \$3.2 million. Total taxes in FY 2014 are now expected to be \$359.9 million or 5.7 percent below FY 2013 collections, which were \$172.7 million or 2.8 percent above FY 2012 collections. Other revenues are estimated to be \$21.4 million below the amount collected in FY 2013.

The estimate for corporation income tax was increased by \$50.0 million. Corporation income tax receipts through March were running \$38.3 million above the fiscal year-to-date estimate, and preliminary data from the Department of Revenue has shown that this source has already received much higher than anticipated receipts thus far in April and is expected to continue for the remaining months of the fiscal year. The individual income tax estimate was increased by \$25.0 million to reflect stronger fiscal year-to-date collections. Income tax receipts were up \$89.4 million year-to-date; however, refunds and smaller balance due payments are expected to reduce the year-to-date gains over the balance of the fiscal year. The insurance premiums tax was increased by \$10.3 million based largely on higher premiums from managed care organizations than were estimated in November and overall strong growth for the insurance industry. The retail sales tax estimate was increased by \$10.0 million based on anticipated growth in consumer spending over the final three months of the fiscal year.

The severance tax estimate was increased by a net total of \$7.1 million (\$9.4 million increase attributable to gas which was partially offset by a \$2.3 million decrease attributable to oil). The estimate was increased largely as a result of higher prices for gas, which was partially offset by slightly lower prices and production for oil than had been assumed in the fall. Severance tax receipts were nearly \$1.5 million above the previous estimate through March; however, with higher sustained gas prices, it is anticipated that severance tax receipts will increase substantially in the remainder of the fiscal year. Other receipt estimates that were increased by at least \$1.0 million include the financial institutions privilege tax (increased by \$3.0 million), compensating use tax (increased by \$3.0 million), and agency earnings (increased by \$1.0 million).

The estimate for net transfers was decreased by \$4.2 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 elections (\$2.0 million); increased estimate of expenses for tort claims from the Attorney General (\$1.0 million); and various other net transfers (\$1.2 million). The motor carrier property tax/fee (decreased by \$2.0 million) was the only other receipt estimate that was decreased by at least \$1.0 million. The transition of the motor carrier property tax to a fee-based system had generated \$1.7 million below the fiscal year-to-date estimate through March. Details of the current year's revised estimate are reflected in Table 2.

FY 2015. SGF receipts are estimated to be \$5.991 billion in FY 2015, an increase of \$74.3 million relative to the November estimate. The new FY 2015 figure is \$31.6 million or 0.5 percent above the newly revised FY 2014 estimate. The estimate of total taxes was increased by \$75.0 million or 1.3 percent above the previous estimate made in November. Total taxes in FY 2015 are now projected to increase by 1.3 percent above the newly revised FY 2014 amount.

The estimate for corporation income tax was increased by \$45.0 million based on the expectations of continued growth in corporate profits before taxes. The insurance premiums tax was increased by \$10.3 million based on stronger growth in insurance premiums from managed care organizations than were estimated in November. The retail sales tax estimate was increased by \$10.0 million and the compensating use tax was increased by \$5.0 million to reflect slightly stronger consumer and business spending than was estimated in November. Other receipt estimates that were increased by at least \$1.0 million include financial institutions privilege tax (increased by \$3.5 million), severance tax (increased by \$1.2 million), and agency earnings (increased by \$1.0 million).

The estimate for net transfers was decreased by \$1.7 million, which includes an additional \$2.5 million to the Department of Education for additional expenditures for the state's share of school district capital improvement projects, which is partially offset by a transfer to the SGF of an additional \$800,000 from the PMIB Investment Portfolio. No other receipt estimates were reduced by at least \$1.0 million. Details of the revised estimate for FY 2015 are reflected in Table 3.

Accuracy of Consensus Revenue Estimates

For 39 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, Lance Bachmeier 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 17, 2014, 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
2013	6,414.2	6,250.4	6,341.1	(73.1)	(1.1)	90.7	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 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 2014 Legislative Session to reflect state legislation enacted after April 15, 2014 which affects SGF receipts.

Table 1
Consensus Revenue Estimate for Fiscal Years 2014 and 2015
and FY 2013 Actual Receipts
(Dollars in Thousands)

	FY 2013 (Actual)		FY 2014 (Revised)		FY 2015 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax/Fee:						
Motor Carrier	\$ 28,855	16.3 %	\$ 43,000	49.0 %	\$ 24,000	(44.2) %
Income Taxes:						
Individual	\$ 2,931,168	0.8 %	\$ 2,525,000	(13.9) %	\$ 2,525,000	-- %
Corporation	371,324	30.5	410,000	10.4	425,000	3.7
Financial Inst.	32,073	24.1	36,000	12.2	38,000	5.6
Total	\$ 3,334,565	3.6 %	\$ 2,971,000	(10.9) %	\$ 2,988,000	0.6 %
Excise Taxes:						
Retail Sales	\$ 2,184,573	2.3 %	\$ 2,110,000	(3.4) %	\$ 2,170,000	2.8 %
Compensating Use	340,044	4.5	345,000	1.5	360,000	4.3
Cigarette	91,928	(4.9)	90,000	(2.1)	89,000	(1.1)
Tobacco Products	7,057	1.1	7,100	0.6	7,200	1.4
Cereal Malt Bev.	1,855	(10.9)	1,800	(3.0)	1,800	--
Liquor Gallonage	19,057	2.8	18,700	(1.9)	19,200	2.7
Liquor Enforcement	60,512	2.8	65,000	7.4	66,000	1.5
Liquor Drink	9,802	2.9	10,100	3.0	10,300	2.0
Corp. Franchise	(4,167)	(142.4)	6,300	251.2	6,500	3.2
Severance	100,131	(6.6)	135,300	35.1	136,200	0.7
Gas	32,430	(19.5)	40,200	24.0	34,300	(14.7)
Oil	67,700	1.1	95,100	40.5	101,900	7.2
Total	\$ 2,810,791	1.4 %	\$ 2,789,300	(0.8) %	\$ 2,866,200	2.8 %
Other Taxes:						
Insurance Prem.	\$ 156,977	9.6 %	\$ 168,000	7.0 %	\$ 170,000	1.2 %
Miscellaneous	2,010	(26.1)	2,000	(0.5)	2,000	--
Total	\$ 158,986	9.0 %	\$ 170,000	6.9 %	\$ 172,000	1.2 %
Total Taxes	\$ 6,333,197	2.8 %	\$ 5,973,300	(5.7) %	\$ 6,050,200	1.3 %
Other Revenues:						
Interest	\$ 11,057	14.3 %	\$ 12,000	8.5 %	\$ 10,000	(16.7) %
Net Transfers	(60,994)	(133.8)	(75,400)	(23.6)	(119,700)	(58.8)
Agency Earnings	57,864	(6.8)	49,900	(13.8)	50,900	2.0
Total	\$ 7,928	(96.9) %	\$ (13,500)	(270.3) %	\$ (58,800)	(335.6) %
Total Receipts	\$ 6,341,125	(1.1) %	\$ 5,959,800	(6.0) %	\$ 5,991,400	0.5 %

Table 2
State General Fund Receipts
FY 2014 Revised
Comparison of November 2013 Estimate to April 2014 Estimate
(Dollars in Thousands)

	FY 2014 CRE Est.	FY 2014 CRE Est.	Difference	
	Revised 11/06/13	Revised 04/17/14	Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 45,000	\$ 43,000	\$ (2,000)	(4.4) %
Income Taxes:				
Individual	\$ 2,500,000	\$ 2,525,000	\$ 25,000	1.0 %
Corporation	360,000	410,000	50,000	13.9
Financial Inst.	33,000	36,000	3,000	9.1
Total	\$ 2,893,000	\$ 2,971,000	\$ 78,000	2.7 %
Excise Taxes:				
Retail Sales	\$ 2,100,000	\$ 2,110,000	\$ 10,000	0.5 %
Compensating Use	342,000	345,000	3,000	0.9
Cigarette	90,000	90,000	--	--
Tobacco Products	7,100	7,100	--	--
Cereal Malt Beverage	1,800	1,800	--	--
Liquor Gallonage	19,000	18,700	(300)	(1.6)
Liquor Enforcement	65,000	65,000	--	--
Liquor Drink	10,000	10,100	100	1.0
Corporate Franchise	6,000	6,300	300	5.0
Severance	128,200	135,300	7,100	5.5
Gas	30,800	40,200	9,400	30.5
Oil	97,400	95,100	(2,300)	(2.4)
Total	\$ 2,769,100	\$ 2,789,300	\$ 20,200	0.7 %
Other Taxes:				
Insurance Prem.	\$ 157,700	\$ 168,000	\$ 10,300	6.5 %
Miscellaneous	2,000	2,000	--	--
Total	\$ 159,700	\$ 170,000	\$ 10,300	6.4 %
Total Taxes	\$ 5,866,800	\$ 5,973,300	\$ 106,500	1.8 %
Other Revenues:				
Interest	\$ 12,000	\$ 12,000	\$ --	-- %
Net Transfers	(71,200)	(75,400)	(4,200)	(5.9)
Agency Earnings	48,900	49,900	1,000	2.0
Total Other Revenue	\$ (10,300)	\$ (13,500)	\$ (3,200)	(31.1) %
Total Receipts	\$ 5,856,500	\$ 5,959,800	\$ 103,300	1.8 %

Table 3
State General Fund Receipts
FY 2015 Revised
Comparison of November 2013 Estimate to April 2014 Estimate
(Dollars in Thousands)

	FY 2015 CRE Est.	FY 2015 CRE Est.	Difference	
	Revised 11/06/13	Revised 04/17/14	Amount	Pct. Chg.
Property Tax/Fee:				
Motor Carrier	\$ 24,000	\$ 24,000	\$ --	-- %
Income Taxes:				
Individual	\$ 2,525,000	\$ 2,525,000	\$ --	-- %
Corporation	380,000	425,000	45,000	11.8
Financial Inst.	34,500	38,000	3,500	10.1
Total	\$ 2,939,500	\$ 2,988,000	\$ 48,500	1.6 %
Excise Taxes:				
Retail Sales	\$ 2,160,000	\$ 2,170,000	\$ 10,000	0.5 %
Compensating Use	355,000	360,000	5,000	1.4
Cigarette	89,000	89,000	--	--
Tobacco Products	7,200	7,200	--	--
Cereal Malt Beverage	1,800	1,800	--	--
Liquor Gallonage	19,500	19,200	(300)	(1.5)
Liquor Enforcement	66,000	66,000	--	--
Liquor Drink	10,300	10,300	--	--
Corporate Franchise	6,200	6,500	300	4.8
Severance	135,000	136,200	1,200	0.9
Gas	32,300	34,300	2,000	6.2
Oil	102,700	101,900	(800)	(0.8)
Total	\$ 2,850,000	\$ 2,866,200	\$ 16,200	0.6 %
Other Taxes:				
Insurance Prem.	\$ 159,700	\$ 170,000	\$ 10,300	6.4 %
Miscellaneous	2,000	2,000	--	--
Total	\$ 161,700	\$ 172,000	\$ 10,300	6.4 %
Total Taxes	\$ 5,975,200	\$ 6,050,200	\$ 75,000	1.3 %
Other Revenues:				
Interest	\$ 10,000	\$ 10,000	\$ --	-- %
Net Transfers	(118,000)	(119,700)	(1,700)	(1.4)
Agency Earnings	49,900	50,900	1,000	2.0
Total Other Revenue	\$ (58,100)	\$ (58,800)	\$ (700)	(1.2) %
Total Receipts	\$ 5,917,100	\$ 5,991,400	\$ 74,300	1.3 %