



STATE GENERAL FUND (SGF) RECEIPTS

July through February, FY 2024

Total receipts through February FY 2024 were \$143.4 million, or 2.3 percent, below the estimate. The component of SGF receipts from taxes only was \$147.9 million, or 2.4 percent, below the estimate.

There were six tax sources below the estimate by more than \$1.0 million and one tax source above the estimate by more than \$1.0 million. Those **tax sources** are bolded in the attached table.

Individual income tax receipts were **below** the estimate by **\$59.2 million**, or 2.2 percent. Withholding taxes for February were below the prior year amount by 1.3 percent after having exceeded the previous year amount for the past several months. Additionally, February saw larger than anticipated refunds for individual income taxpayers, as tax filing season began in earnest during the month and taxpayers anticipating refunds typically file returns earlier in the filing season than those anticipating owing tax.

Corporation income receipts were **below** the estimate by **\$49.0 million**, or 6.0 percent. The Consensus group continues to monitor the SALT Parity Act impact on receipts in both individual and corporation income taxes. The remaining income tax source, **financial institutions privilege** tax, was also **below** the estimate by **\$1.8 million**, or 7.5 percent.

Total sales and use taxes were **below** the estimate by **\$48.9 million**, or 2.0 percent. **Retail sales** tax receipts were below the estimate by **\$44.5 million**, or 2.4 percent and **compensating use** tax receipts **lagged** year-to-date expectations by **\$4.4 million**, or 0.8 percent. February receipts represent the first month of receipts reflecting transactions with the state sales tax rate on food and food ingredients set at 2.0 percent, which took effect January 1, 2024.

Insurance premiums tax receipts **exceeded** the estimate by **\$14.0 million**, or 13.0 percent. However, this excess is likely attributable to taxpayers making tax payments in advance of deadlines in March and will likely be offset by reduced March receipts in this tax source.

Non-tax receipts were **\$4.5 million** above the estimate. Net transfers were above the estimate by **\$2.4 million** and agency earnings exceeded the estimate by **\$3.0 million**.

This is the fourth estimate for FY 2024 receipts based on the November consensus revenue estimate. The Consensus Revenue Estimating Group is scheduled to meet on April 19, 2024, to revise the estimates for FY 2024 and FY 2025.

There has not been a Certificate of Indebtedness issued for FY 2024.

STATE GENERAL FUND RECEIPTS
July-February, FY 2024
(Dollars in Thousands)

	Actual FY 2023	FY 2024			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2023	Estimate
Income Taxes:						
Individual	\$ 2,779,977	\$ 2,700,000	\$ 2,640,824	\$ (59,176)	(5.0) %	(2.2) %
Corporation	730,374	820,000	770,993	(49,007)	5.6	(6.0)
Financial Inst.	27,141	24,500	22,654	(1,846)	(16.5)	(7.5)
<i>Total</i>	\$ 3,537,492	\$ 3,544,500	\$ 3,434,471	\$ (110,029)	(2.9) %	(3.1) %
Sales & Use Taxes:						
Retail Sales	1,863,409	1,870,000	1,825,541	(44,459)	(2.0)	(2.4)
Compensating Use	539,349	588,000	583,569	(4,431)	8.2	(0.8)
<i>Total</i>	\$ 2,402,758	\$ 2,458,000	\$ 2,409,110	\$ (48,890)	0.3 %	(2.0) %
Other Excise Taxes:						
Cigarette	66,611	63,200	60,691	(2,509)	(8.9)	(4.0)
Tobacco Products	6,974	7,200	7,079	(121)	1.5	(1.7)
Liquor Gallonage	16,278	15,890	15,971	81	(1.9)	0.5
Liquor Enforcement	55,925	56,600	56,664	64	1.3	0.1
Liquor Drink	9,734	10,400	10,068	(332)	3.4	(3.2)
Gas Severance	17,415	(2,800)	(3,096)	(296)	(117.8)	(10.6)
Oil Severance	25,195	14,200	15,145	945	(39.9)	6.7
<i>Total</i>	\$ 198,132	\$ 164,690	\$ 162,522	\$ (2,168)	(18.0) %	(1.3) %
Other Taxes:						
Insurance Premiums	\$ 111,652	\$ 107,650	\$ 121,663	\$ 14,013	9.0 %	13.0 %
Motor Carriers	7,812	7,600	7,655	55	(2.0)	0.7
Corporate Franchise	2,595	2,700	1,826	(874)	(29.6)	(32.4)
Miscellaneous	3,346	3,850	3,849	(1)	15.0	(0.0)
<i>Total</i>	\$ 125,405	\$ 121,800	\$ 134,993	\$ 13,193	7.6 %	10.8 %
Total Taxes	\$ 6,263,788	\$ 6,288,990	\$ 6,141,096	\$ (147,894)	(2.0) %	(2.4) %
Other Revenue:						
Interest	\$ 70,870	\$ 251,600	\$ 250,741	\$ (859)	253.8 %	(0.3) %
Transfers (net)	(554,574)	(322,100)	(319,749)	2,351	42.3	0.7
Agency Earnings & Misc	81,731	64,200	67,180	2,980	(17.8)	4.6
Total Other Revenue	\$ (401,973)	\$ (6,300)	\$ (1,828)	\$ 4,472	99.5 %	71.0 %
TOTAL RECEIPTS	\$ 5,861,815	\$ 6,282,690	\$ 6,139,267	\$ (143,423)	4.7 %	(2.3) %

* Consensus Estimate as of November 9, 2023.

Note: Details may not add to totals due to rounding.



Kansas Legislative Research Department

*Providing nonpartisan, objective research and fiscal
analysis for the Kansas Legislature since 1934*

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March 1, 2024

QUARTERLY ECONOMIC INDICATORS REPORT

The Quarterly Economic Indicators Report is published by the Kansas Legislative Research Department in conjunction with the State General Fund Receipts memorandum for the months of February, May, August, and November. The Report provides graphs regarding economic output and inflation and the labor economy. A new component of the Report beginning with the report associated with the August 2023 receipts memo is a quarterly focus on one aspect of the economy of particular note.

Real gross domestic product (GDP) for the United States grew by 3.2 percent in the fourth quarter of 2023, the sixth consecutive quarter of growth. For the second and third quarters of 2023, real Kansas GDP grew by 7.4 percent and 9.7 percent, respectively. Kansas GDP outpaced national growth in each of the first three quarters of 2023 due to the strength of the agricultural economy in Kansas and the greater relative importance of agriculture to the Kansas economy than the national economy.

Inflation in the fourth quarter was steady, but still exceeded the target level of inflation for the Federal Reserve. The consumer price index (CPI) averaged annual increases of 3.2 percent for the three months of the quarter. This is the lowest average level since the first quarter of 2021. Inflation is primarily being driven by housing costs. The CPI for all items other than shelter averaged annual increases of 1.6 percent during the quarter and has been below 3.0 percent since May 2023. More information on housing price inflation is provided on the following page.

The unemployment rate remained steady throughout the quarter with Kansas below 3.0 percent and the U.S. rate below 4.0 percent for each of the months of the quarter. Kansas saw modest levels of growth in non-farm employment through the quarter.

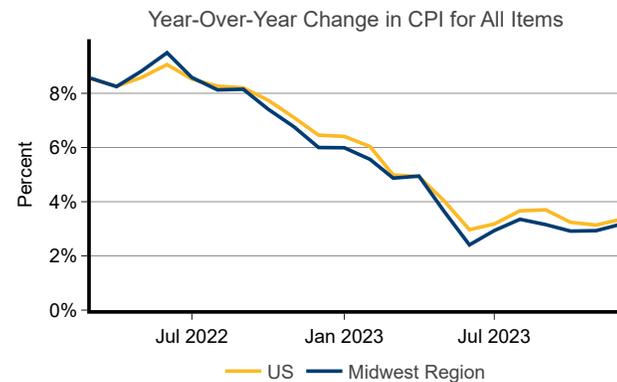
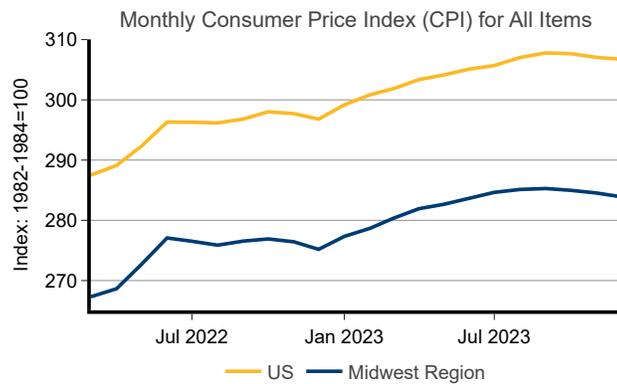
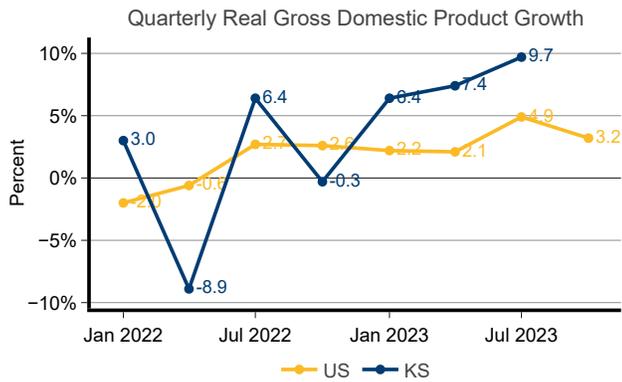
Hours and wages for Kansas workers were largely level during the quarter as modest gains in hourly wages were offset by small declines in weekly hours resulting in weekly wages being essentially flat.

Data provided in the Report comes from the sources that follow. GDP data came from the U.S. Bureau of Labor Statistics while CPI, employment, unemployment, jobs, and earnings data come from the U.S. Bureau of Economic Analysis. The All-Transactions House Price Index for Kansas data included in the current Report came from the U.S. Federal Housing Finance Agency.

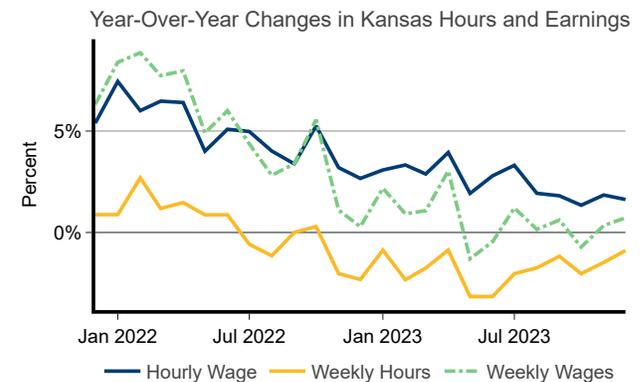
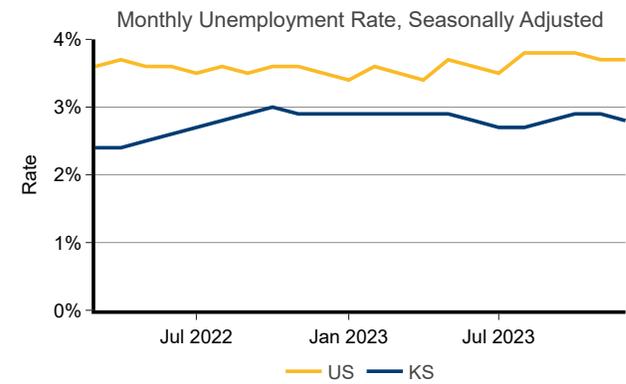
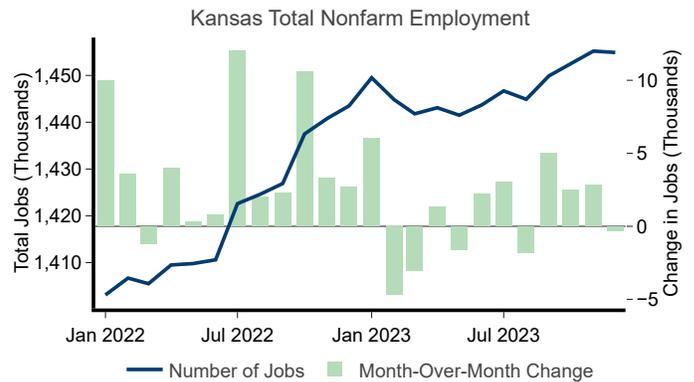
QUARTERLY ECONOMIC INDICATORS

March 1, 2024

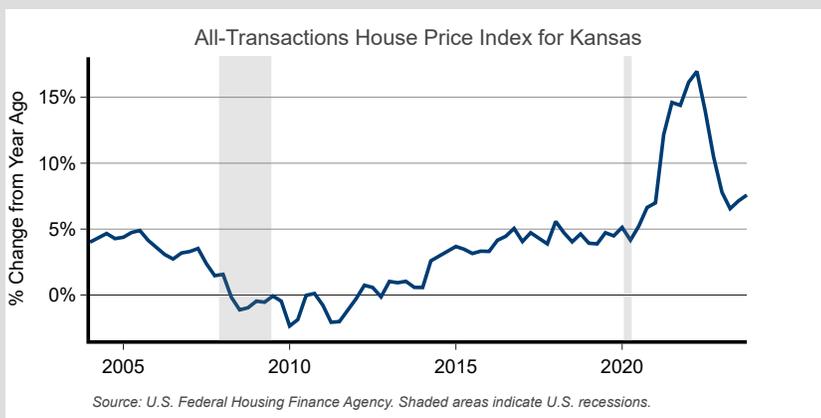
Output and Inflation



Labor Economy



Quarterly Focus: Housing Prices



Housing prices had seen steady growth near 4 percent per year in Kansas for several years prior to the pandemic. The balance of 2020 saw price increases begin to accelerate and 2021 and 2022 saw very high growth rates averaging 13.2 percent over the previous year.

While 2023 saw price gains slow relative to the preceding two years, the average rate of growth of 7.3 percent was still well above the long-term norm for the state.