

May 8, 2024

To: Governor Laura Kelly and Legislative Coordinating Council
From: Division of the Budget and Kansas Legislative Research Department
Subject: State General Fund Revenue Estimates for FY 2024 and FY 2025

Estimates for the State General Fund (SGF) are developed using a consensus process that involves the Division of the Budget, Kansas 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. Consensus revenue estimates are based on current federal and state laws as ultimately interpreted by the courts.

The Consensus Revenue Estimating Group (CRE Group) met on April 19, 2024, and increased the overall estimate for FY 2024 and FY 2025 by a combined \$45.9 million relative to the previous estimate made in November. The estimate for total taxes was decreased by \$39.0 million, and other revenues were increased by \$84.9 million for the two years combined. The revised estimates incorporate the fiscal effect of all 2024 legislation signed into law through April 19, 2024. Table 1 compares the revised estimates for FY 2024 and FY 2025 with actual receipts from FY 2023.

For FY 2024, the estimate was decreased by \$100.3 million, or 1.0 percent, below the November estimate. The estimate for total taxes was decreased by \$119.3 million, while the estimate for other revenues was increased by \$19.0 million. The overall revised estimate of \$10.183 billion represents a 9.7 percent increase above the final FY 2023 receipts.

The revised estimate for FY 2025 is \$10.404 billion, which is \$146.2 million, or 1.4 percent, above the previous estimate. The estimate for total taxes was increased by \$80.3 million, while the estimate for other revenues was increased by \$65.9 million. The revised forecast for FY 2025 represents a 2.2 percent increase above the newly revised FY 2024 figure.

Economic Forecast for Kansas Summary

Most economic variables and indicators have remained flat or have been adjusted slightly upward since the CRE Group last convened in November. While the U.S. and Kansas economies

continue to grow, uncertainty remains as several economic indicators are estimated to show only modest improvements over the next few years. Significant concerns exist for the economy as a whole relative to inflation and U.S. monetary policy, volatility in energy prices, and geopolitical risk spanning the globe and its potential impact on various commodity prices. The economic forecast is based on no significant downturns or disruptions in the state or federal economy during the forecast period.

Real Kansas Gross State Product (GSP), which measures the cumulative economic output of the state's economy, is estimated to increase by 2.4 percent in calendar year (CY) 2024, increase by 2.2 percent in CY 2025, and increase by 2.0 percent in CY 2026. The November estimate showed real Kansas GSP increasing by 1.7 percent in CY 2024, 2.0 percent in CY 2025, and 1.9 percent in CY 2026. Current forecasts call for real U.S. Gross Domestic Product (GDP) to increase by 2.4 percent in CY 2024, increase by 2.2 percent in CY 2025, and increase by 2.0 percent in CY 2026. The November estimate had real U.S. GDP increasing by 1.7 percent in CY 2024, increasing by 2.0 percent in CY 2025, and increasing by 1.9 percent in CY 2026.

Kansas Personal Income

Real Kansas Personal Income (KPI), a measure of the economic well-being of state residents from all the income that they receive, is expected to increase by 2.4 percent in CY 2024, increase by 2.2 percent in CY 2025, and increase by 2.0 percent in CY 2026. The real KPI forecast used in November showed KPI increasing by 1.7 percent in CY 2024, increasing by 2.0 percent in CY 2025, and increasing by 1.9 percent in CY 2026. Current estimates indicate overall real U.S. Personal Income (USPI) will increase by 2.4 percent in CY 2024, increase by 2.2 percent in CY 2025, and increase by 2.0 percent in CY 2026.

Inflation Rate

The Consumer Price Index for All Urban Consumers (CPI-U) for CY 2024 is now projected to be 3.0 percent, which is unchanged from the November estimate. The current forecasts of 2.5 percent in CY 2025 and 2.4 percent in CY 2026 reflect slightly lower inflation expectations than the 2.6 percent for both CY 2025 and CY 2026 estimated in November.

Employment

Data obtained from the Kansas Department of Labor indicate that employment levels have improved slightly from levels reported last year at this time. The most recent monthly data show that total Kansas private sector employment from February 2023 to February 2024 had increased by 10,700 jobs, while public sector jobs increased by 3,800 jobs. Sectors with the largest amount of job increases over the last year include private education and health services (+8,600); leisure and hospitality (+2,200); and construction (+2,100). Professional and business services (-2,100); manufacturing (-1,000); and trade, transportation, and utilities (-1,000) sectors had the largest job losses over the last year.

Current estimates indicate that the overall Kansas unemployment rate, which was 2.7 percent in CY 2023, is expected to increase to 3.0 percent in CY 2024 and increase to 3.2 percent

in CY 2025. Kansas unemployment expectations have improved since November when the Kansas unemployed rate was estimated to be 3.4 percent in both CY 2024 and CY 2025. The national unemployment rate is expected to remain above the Kansas rate, with the U.S. rate now expected to be 4.0 percent in CY 2024 and 4.1 percent in CY 2025. A key factor in the estimate for the low annual unemployment rate is the labor force participation rate has not recovered to pre-pandemic levels. The labor force participation rate is the number of people ages 16 and older who are employed or actively seeking employment, divided by the total non-institutionalized, civilian working-age population. The labor force participation rate in February 2024 was 66.1 percent compared to 67.0 percent in February 2020.

Average weekly hours worked in the private sector in February 2024 decreased to 32.8 hours, a decrease of 0.7 hours from February 2023. Average real hourly earnings decreased slightly over the year by \$0.14 to \$29.84, which is a decrease of 0.5 percent. The Kansas job market continues to reflect more job openings than unemployed individuals, as current estimates indicate approximately two job openings for every unemployed person.

Interest Rates

The Pooled Money Investment Board is authorized to make investments in U.S. Treasury and federal agency securities, highly rated commercial paper and corporate bonds, and repurchase agreements and certificates of deposit at Kansas banks. In FY 2023, the state earned 3.60 percent on its SGF portfolio (compared with a 0.28 percent rate in FY 2022). The average rate of return forecasted for FY 2024 is estimated to be 5.34 percent (slightly higher than the 5.29 percent from the November estimate). For FY 2025, the average rate of return is estimated to be 4.78 percent (slightly higher than the 4.76 percent from the November estimate). The Federal Reserve is expected to incrementally reduce interest rates later this fall, but rates are still expected to remain at elevated levels over the forecast period in an attempt to reduce inflation. SGF interest earnings are estimated to be \$381.4 million in FY 2024 (an increase of \$1.4 million from the November estimate) and \$351.0 million in FY 2025 (an increase of \$41.0 million from the November estimate). Higher cash balance expectations combined with higher rates are projected to bring in more earnings to the SGF for the balance of FY 2024 and into FY 2025 than previously estimated.

Agriculture

The statewide drought, which had plagued Kansas for the latter part of 2022 and much of 2023 has continued to moderate in most parts of the state, resulting in an improved outlook for agricultural production. However, declines in prices for many agricultural commodities, which began in earnest last summer have persisted and, in some cases, accelerated, resulting in a downward expectation for net farm income. Additionally, the Kansas farm economy is expected to see further declines in net farm income due to high interest rates paired with increased production expenses, continued declines in government payments, and crop insurance proceeds returning to normal levels. Livestock prices remain at elevated levels while cattle inventory is at the lowest level since 2018. Land values continue to remain at higher levels across the state and region despite declining net farm income.

Oil & Gas

The average price per taxable barrel of Kansas crude oil is now estimated to average \$68.50 in FY 2024 (down from the \$71.00 estimate used in November) and reflects slightly lower than anticipated prices that occurred over the winter. Since there is a two-month lag from when production occurs and when the tax is due, oil severance tax receipts are estimated to be stable over the last three months of FY 2024. The estimated average price of \$70.00 per barrel in FY 2025 (up from the \$68.00 estimate used in November) is based largely on oil futures price expectations leading up to the April 19, 2024, meeting. A great deal of uncertainty remains in forecasting the price of this commodity. Kansas is estimated to produce 27.0 million barrels of oil in FY 2024, which is 500,000 more than the 26.5 million barrels that was used in the November estimate. The current forecast of 26.0 million barrels for FY 2025 is 500,000 more than the 25.5 million barrels that was used in the November estimate. Of all Kansas oil produced, 51.0 percent is predicted to not be subject to severance taxation because of various exemptions in state law for both FY 2024 and FY 2025.

Based on an industry source's analysis of futures markets, the price of natural gas is expected to average \$2.00 per thousand cubic feet (Mcf) for FY 2024, which is down from the \$2.20 per Mcf estimated in November. The price is estimated to increase to \$2.35 per Mcf for FY 2025, which is down from the \$3.00 per Mcf estimated in November. The lower price estimates are indicative of the lower demand from the recent mild winter combined with persistently high inventories that are expected over the forecast period. Kansas natural gas production is estimated to reach 135.0 million Mcf in FY 2024, which is lower than the 142.0 million Mcf estimated in November and represents a significant decrease from the modern era peak of 730.0 million Mcf in FY 1996 (largely a result of depleting reserves in the Hugoton Field and no new drilling activity). Production is estimated to continue to decrease in the future and is expected to be 125.0 million Mcf in FY 2025, which is down from the 135.0 million Mcf estimated in November. Approximately 61.0 percent of natural gas produced is expected to be exempt from severance taxation in FY 2024 and 50.0 percent is estimated to be exempt in FY 2025.

Incorporated Estimated Fiscal Impacts of Legislation

The estimates include the effects of previously enacted state and federal legislation. For retail sales and compensating use taxes, these effects include continued reductions in the sales tax rate on food and food ingredients, and an additional change in the disposition of revenues percentages for the SGF and the State Highway Fund.

For income taxes, these effects include corporation income tax rate reductions in tax year 2024 attributable to the agreement being entered into pursuant to the Attracting Powerful Economic Expansion Act (APEX) and the revenue effects of the APEX agreement with Panasonic. The November estimate included the anticipated tax year 2025 corporation rate reduction associated with the second signed APEX project with Integra. The APEX Act requires construction to have commenced by June 30 in order for the rate reduction to occur the following tax year. It no longer seems likely that Integra construction will commence by that date this year due to delays at the federal level associated with CHIPS Act funding for this project. The CRE Group now expects the second corporation income tax rate reduction to occur in tax year 2026.

Prior to the enactment of the federal Tax Cuts and Jobs Act (TCJA), individual taxpayers were generally able to deduct certain state and local taxes (SALT), including income and property taxes, as an itemized deduction on their federal income tax return. The TCJA was passed in late 2017 and limited the SALT deduction to \$10,000. The 2022 Legislature passed the SALT Parity Act that allows owners of S-corporations, LLCs, and partnerships to pay income tax at the entity level, rather than on their individual tax returns, allowing Kansas taxpayers to maximize their federal tax deductions. This results in the policy being net neutral for state receipts, but it also represents a shift of payments from individual income tax to corporation income tax and changes the timing of the receipts, relative to historical norms.

Economic Forecasts

	<u>CY 2024</u>	<u>CY 2025</u>	<u>CY 2026</u>
Inflation (CPI-U)	3.0 %	2.5 %	2.4 %
U.S. Real GDP Growth	2.4 %	2.2 %	2.0 %
Real USPI Growth	2.4 %	2.2 %	2.0 %
Corporate Profits Before Tax	3.5 %	3.4 %	3.2 %
KS Real GSP Growth	2.4 %	2.2 %	2.0 %
KS Real Personal Income Growth	2.4 %	2.2 %	2.0 %
Kansas Real Disposable Income	2.4 %	2.2 %	2.0 %
U.S. Unemployment Rate	4.0 %	4.1 %	4.0 %
Kansas Unemployment Rate	3.0 %	3.2 %	3.1 %
	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
SGF Interest	3.6 %	5.3 %	4.8 %
Oil and Gas			
Oil Price per Barrel	\$84.75	\$68.50	\$70.00
Gross Oil Production	28,113,497	27,000,000	26,000,000
Gas Price per Mcf	\$4.90	\$2.00	\$2.35
Gross Gas Production	146,640,496	135,000,000	125,000,000

State General Fund Receipt Estimates

Each individual SGF source was reevaluated independently, and consideration was given to revised and updated economic forecasts, collection information from the Department of Revenue and Department of Insurance, and year-to-date receipts. The growth rates for individual and corporation income taxes are heavily influenced by shifting receipts from individual income tax to corporation income tax related to SALT Parity Act payments. The growth rates of retail sales tax and compensating use tax reflect lower state retail sales tax and compensating use tax collections for food and food ingredients and increasing the share of distribution of these collections to the State Highway Fund.

Growth Rates of Key Revenue Sources (Percentages)

Revenue Source	FY 2023	FY 2024	FY 2025
Individual Income	(6.8) %	(0.7) %	3.5 %
Corporation Income	86.7	1.0	3.9
Retail Sales	0.6	(3.7)	(4.7)
Compensating Use	3.6	6.5	3.5

FY 2024

The revised estimate of SGF receipts for FY 2024 is \$10.183 billion, a decrease of \$100.3 million from the previous estimate made in November. Total SGF receipts through March were \$132.7 million below the previous estimate. The revised estimate is \$900.4 million, or 9.7 percent, above actual FY 2023 receipts. This result is heavily influenced by large SGF transfers to the Budget Stabilization Fund, Kansas Public Employees Retirement Fund, and School District Capital Improvements Fund that significantly reduced SGF receipts in FY 2023 that do not occur in FY 2024. Details of the current year's revised estimate are reflected in Table 2.

Income Taxes

The individual income tax estimate was decreased by \$75.0 million in FY 2024 based on additional SALT Parity Act tax credits that will be claimed before FY 2024 concludes, which is partially offset by increasing income tax withholdings payments. Individual income tax receipts through March were running \$29.3 million below the fiscal year-to-date estimate. Receipts from this source are extremely bottom-heavy in terms of the state's fiscal year, and there is often a great deal of volatility in the spring months as taxpayers are filing and reconciling their liabilities from the previous tax year, especially as it relates to capital gains.

The corporation income tax estimate was increased by \$50.0 million in FY 2024 from the amount estimated in November. Fiscal year-to-date receipts were down \$56.9 million through March. The CRE Group increased the estimate primarily based on preliminary data for April that showed additional SALT Parity Act balance due payments for tax year 2023 plus additional quarterly payments for tax year 2024. The estimate was also increased as a result of the delay of paying out APEX tax incentives that will now be paid out starting in FY 2025. The financial institutions privilege tax was decreased by \$3.0 million as revenues for banks have declined due to higher deposit costs, lower deposit balances, and lower loan activity.

Retail Sales & Compensating Use Taxes

The retail sales tax estimate for FY 2024 was decreased by \$85.0 million from the amount estimated in November. Retail sales tax receipts were \$51.6 million below the fiscal-year-to-date estimate through March. Monthly retail sales tax receipts have largely been falling below expectations since November that began with weaker than expected holiday sales. The Consensus Group also looked at increased consumer expenditures for items that are not subject to the sales

tax including medical care, digital goods, and other services; consumer behavior changes from persistent high inflation; higher interest rates that increases the cost of borrowing; the share of disposable income dedicated to higher gasoline prices in recent months; and the resumption in student loan repayments as possible explanations that will limit the growth in receipts from retail sales taxes in the near-term despite steady increases in Kansas disposable personal income.

The compensating use tax estimate was decreased by \$15.0 million in FY 2024 from the amount estimated in November. Fiscal year-to-date receipts were down by \$6.1 million through March but are up \$46.2 million over FY 2023 receipts. The slower growth year-to-date in compensating use tax receipts represents a return to normal growth patterns combined with current inflationary conditions.

Net Transfers

The estimate for net transfers was increased by \$11.8 million in FY 2023, primarily from increasing by \$6.0 million the Average Daily Balance (ADB) transfers from the SGF to various agencies' special revenue funds that have statutory authority to retain their interest income, increasing the planned transfer from State Gaming Revenues Fund to the SGF from higher estimated regular lottery ticket sales by \$3.0 million, reducing the SGF transfer to the Kansas Department for Aging and Disability Services' County Competency Expense Fund by \$2.3 million, and reducing the SGF transfer to the Health Care Stabilization Fund by \$1.5 million that is used to support medical residency programs at the University of Kansas Medical Center and certain affiliated programs that was not needed. Various other net transfer adjustments reduced the SGF by \$1.0 million.

Other State General Fund Receipts

The estimate for insurance premiums tax was increased by \$14.0 million in FY 2024 from higher premiums charged to customers to cover rising home and vehicle claims costs, and from increased premium volume for additional lines of insurance that significantly increased the estimate. Other receipt estimates that were increased by at least \$1.0 million include agency earnings (increased by \$5.8 million) and SGF interest (increased by \$1.4 million).

The cigarette tax estimate was decreased by \$3.0 million in FY 2024 as the long-term decline in receipts from this source has continued at a steeper rate than previously estimated. Gas severance tax (decreased by \$1.6 million) was the only other receipt estimate that was decreased by at least \$1.0 million in FY 2024.

FY 2025

SGF receipts are estimated to be \$10.404 billion in FY 2025, an increase of \$146.2 million relative to the November estimate. The new FY 2025 estimate is \$220.3 million or 2.2 percent above the newly revised FY 2024 estimate. The growth rate is heavily influenced by overall modest growth expectations in overall tax receipts, which is partially offset by further reducing the state sales tax rate on food and food ingredients to 0.0 percent on January 1, 2025, and

increasing corporation income tax estimates from new APEX assumptions. Details of the revised estimate for FY 2025 are reflected in Table 3.

The individual income tax estimate was decreased by \$70.0 million in FY 2025, primarily for additional SALT Parity Act credits claimed by individual taxpayers. The corporation income tax estimate was increased by \$200.0 million in FY 2025 from the amount estimated in November. The increase is primarily a result of delaying the planned APEX corporation rate reduction from tax year 2025 to tax year 2026, shifting APEX tax incentives payments to later years, and additional SALT Parity Act tax payments.

The retail sales tax estimate for FY 2025 was reduced by \$60.0 million from the amount estimated in November, as slower growth from this source is expected. The compensating use tax estimate was unchanged from the amount estimated in November.

The estimate for insurance premiums tax was increased by \$19.5 million in FY 2025 as higher premiums are estimated to continue. The estimate for SGF interest earnings was increased by \$41.0 million in FY 2025 based on higher cash balance expectations and higher sustained interest rates. The agency earnings estimate was increased by \$6.1 million in FY 2025 and includes the fiscal effect of HB 2491 that abolished the Law Enforcement Training Center Fund at the University of Kansas and now credits the fees that previously went to this fund to the SGF. The estimate for net transfers was increased by \$18.8 million in FY 2025, primarily from increasing the ADB transfers from the SGF by \$15.2 million and by transferring the \$3.1 million balance of the Law Enforcement Training Center Fund to the SGF that is included in HB 2491. Various other net transfer adjustments increase the SGF by \$500,000.

The cigarette tax estimate was reduced by \$5.0 million as the long-term decline in receipts from this source will continue. Other receipt estimates that were decreased by at least \$1.0 million include financial institutions privilege tax (decreased by \$3.0 million) and gas severance tax (decreased by \$2.9 million).

Accuracy of Consensus Revenue Estimates

For 49 years, SGF revenue estimates for Kansas have been developed using the consensus revenue estimating process. Each of the parties involved in the process prepared independent estimates and met on April 19, 2024, to discuss estimates and come to a consensus for each fiscal year. These estimates will be further adjusted at the conclusion of the 2024 Legislative Session to reflect any state legislation enacted after April 19, 2024, which affects SGF receipts.

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. The adjusted original estimate is first 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)	(43.0)	(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)	(99.8)	(1.9)
2011	5,851.0	5,779.6	5,882.1	31.1	0.5	102.5	1.8
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
2014	5,947.0	5,986.5	5,653.2	(293.8)	(4.9)	(333.3)	(5.6)
2015	5,992.3	5,944.4	5,928.8	(63.5)	(1.1)	(15.6)	(0.3)
2016	6,358.0	6,149.6	6,073.5	(284.6)	(4.5)	(76.2)	(1.2)
2017	6,377.8	6,266.8	6,339.1	(38.7)	(0.6)	72.3	1.2
2018	6,453.5	7,030.9	7,298.1	844.6	13.1	267.2	3.8
2019	6,571.0	7,231.2	7,368.4	797.4	12.1	137.2	1.9
2020	7,376.0	6,825.2	6,900.5	(475.5)	(6.4)	75.2	1.1
2021	7,747.9	8,099.9	8,865.9	1,118.1	14.4	766.1	9.5
2022	5,827.3	7,695.0	7,916.0	2,088.7	35.8	221.0	2.9
2023	7,854.4	9,230.1	9,282.8	1,428.4	18.2	52.7	0.6

* 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 affect 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 CRE Group. It also includes the estimated impact of legislation on receipts.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	Consensus Estimate April 19, 2024					
	FY 2023 (Actual)		FY 2024 (Revised)		FY 2025 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Income Taxes:						
Individual	\$ 4,507,007	(6.8) %	\$ 4,475,000	(0.7) %	\$ 4,630,000	3.5 %
Corporation	1,504,575	86.7	1,520,000	1.0	1,580,000	3.9
Financial Institutions	56,944	(8.5)	49,000	(14.0)	50,000	2.0
Total	\$ 6,068,526	6.4 %	\$ 6,044,000	(0.4) %	\$ 6,260,000	3.6 %
Excise Taxes:						
Retail Sales	\$ 2,776,857	0.6 %	\$ 2,675,000	(3.7) %	\$ 2,550,000	(4.7) %
Compensating Use	802,991	3.6	855,000	6.5	885,000	3.5
Total	\$ 3,579,848	1.3 %	\$ 3,530,000	(1.4) %	\$ 3,435,000	(2.7) %
Other Excise Taxes:						
Cigarette	\$ 98,453	(10.0) %	\$ 91,000	(7.6) %	\$ 85,000	(6.6) %
Tobacco Products	10,358	1.8	10,600	2.3	10,900	2.8
Liquor Gallonage	24,351	(0.8)	24,100	(1.0)	24,000	(0.4)
Liquor Enforcement	83,675	0.8	84,000	0.4	84,500	0.6
Liquor Drink	14,951	8.7	15,400	3.0	16,000	3.9
Gas	20,890	0.3	(1,900)	(109.1)	4,000	310.5
Oil	37,234	5.4	26,600	(28.6)	28,400	6.8
Total	\$ 289,914	(2.4) %	\$ 249,800	(13.8) %	\$ 252,800	1.2 %
Other Taxes:						
Insurance Premiums	\$ 195,541	(0.4) %	\$ 221,000	13.0 %	\$ 231,500	4.8 %
Motor Carrier	11,982	(7.3)	11,900	(0.7)	11,800	(0.8)
Corporate Franchise	9,191	8.7	9,100	(1.0)	9,100	--
Miscellaneous	5,226	16.4	5,900	12.9	6,300	6.8
Total	\$ 221,940	(0.1) %	\$ 247,900	11.7 %	\$ 258,700	4.4 %
Total Taxes	\$ 10,160,227	4.1 %	\$ 10,071,700	(0.9) %	\$ 10,206,500	1.3 %
Other Revenues & Receipts:						
Interest	\$ 200,484	7,004.3 %	\$ 381,400	90.2 %	\$ 351,000	(8.0) %
Transfers & Other Receipts	(1,194,467)	37.6	(371,600)	68.9	(258,000)	30.6
Agency Earnings	116,566	66.6	101,700	(12.8)	104,000	2.3
Total	\$ (877,417)	52.4 %	\$ 111,500	112.7 %	\$ 197,000	76.7 %
Total Receipts	<u>\$ 9,282,810</u>	<u>17.3 %</u>	<u>\$ 10,183,200</u>	<u>9.7 %</u>	<u>\$ 10,403,500</u>	<u>2.2 %</u>

Table 2
State General Fund Receipts
FY 2024 Revised
Comparison of April 2024 Estimate to November 2023 Estimate
(Dollars in Thousands)

	FY 2024 CRE Est. Revised 11/09/2023	FY 2024 CRE Est. Revised 04/19/2024	Difference	
			Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 4,550,000	\$ 4,475,000	\$ (75,000)	(1.6) %
Corporation	1,470,000	1,520,000	50,000	3.4
Financial Institutions	52,000	49,000	(3,000)	(5.8)
Total	\$ 6,072,000	\$ 6,044,000	\$ (28,000)	(0.5) %
Sales & Use Taxes:				
Retail Sales	\$ 2,760,000	\$ 2,675,000	\$ (85,000)	(3.1) %
Compensating Use	870,000	855,000	(15,000)	(1.7)
Total	\$ 3,630,000	\$ 3,530,000	\$ (100,000)	(2.8) %
Other Excise Taxes:				
Cigarette	\$ 94,000	\$ 91,000	\$ (3,000)	(3.2) %
Tobacco Products	10,700	10,600	(100)	(0.9)
Liquor Gallonage	24,000	24,100	100	0.4
Liquor Enforcement	84,500	84,000	(500)	(0.6)
Liquor Drink	15,900	15,400	(500)	(3.1)
Gas Severance	(300)	(1,900)	(1,600)	(533.3)
Oil Severance	26,300	26,600	300	1.1
Total	\$ 255,100	\$ 249,800	\$ (5,300)	(2.1) %
Other Taxes:				
Insurance Premiums	\$ 207,000	\$ 221,000	\$ 14,000	6.8 %
Motor Carrier	11,600	11,900	300	2.6
Corporate Franchise	9,400	9,100	(300)	(3.2)
Miscellaneous	5,900	5,900	--	--
Total	\$ 233,900	\$ 247,900	\$ 14,000	6.0 %
Total Taxes	\$ 10,191,000	\$ 10,071,700	\$ (119,300)	(1.2) %
Other Revenues & Receipts:				
Interest	\$ 380,000	\$ 381,400	\$ 1,400	0.4 %
Transfers & Other Receipts	(383,400)	(371,600)	11,800	3.1
Agency Earnings	95,900	101,700	5,800	6.0
Total	\$ 92,500	\$ 111,500	\$ 19,000	20.5 %
Total Receipts	\$ 10,283,500	\$ 10,183,200	\$ (100,300)	(1.0) %

Table 3
State General Fund Receipts
FY 2025 Revised
Comparison of April 2024 Estimate to November 2023 Estimate
(Dollars in Thousands)

	FY 2025 CRE Est. Revised 11/09/2023	FY 2025 CRE Est. Revised 04/19/2024	Difference	
			Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 4,700,000	\$ 4,630,000	\$ (70,000)	(1.5) %
Corporation	1,380,000	1,580,000	200,000	14.5
Financial Institutions	53,000	50,000	(3,000)	(5.7)
Total	\$ 6,133,000	\$ 6,260,000	\$ 127,000	2.1 %
Sales & Use Taxes:				
Retail Sales	\$ 2,610,000	\$ 2,550,000	\$ (60,000)	(2.3) %
Compensating Use	885,000	885,000	--	--
Total	\$ 3,495,000	\$ 3,435,000	\$ (60,000)	(1.7) %
Other Excise Taxes:				
Cigarette	\$ 90,000	\$ 85,000	\$ (5,000)	(5.6) %
Tobacco Products	10,900	10,900	--	--
Liquor Gallonage	24,000	24,000	--	--
Liquor Enforcement	85,000	84,500	(500)	(0.6)
Liquor Drink	16,300	16,000	(300)	(1.8)
Gas Severance	6,900	4,000	(2,900)	(42.0)
Oil Severance	25,900	28,400	2,500	9.7
Total	\$ 259,000	\$ 252,800	\$ (6,200)	(2.4) %
Other Taxes:				
Insurance Premiums	\$ 212,000	\$ 231,500	\$ 19,500	9.2 %
Motor Carrier	11,300	11,800	500	4.4
Corporate Franchise	9,600	9,100	(500)	(5.2)
Miscellaneous	6,300	6,300	--	--
Total	\$ 239,200	\$ 258,700	\$ 19,500	8.2 %
Total Taxes	\$ 10,126,200	\$ 10,206,500	\$ 80,300	0.8 %
Other Revenues & Receipts:				
Interest	\$ 310,000	\$ 351,000	\$ 41,000	13.2 %
Transfers & Other Receipts	(276,800)	(258,000)	18,800	6.8
Agency Earnings	97,900	104,000	6,100	6.2
Total	\$ 131,100	\$ 197,000	\$ 65,900	50.3 %
Total Receipts	\$ 10,257,300	\$ 10,403,500	\$ 146,200	1.4 %