



STATE GENERAL FUND (SGF) RECEIPTS
July through August, FY 2025

Total receipts through August of FY 2025 were \$6.6 million, or 0.6 percent, above the estimate. The component from taxes only was \$16.4 million, or 1.3 percent, above the estimate.

Three tax sources were above the estimate by more than \$1.0 million and two tax sources were below the estimate by more than \$1.0 million. Those **tax sources** are bolded in the attached table.

Individual income tax receipts were **above** the estimate by **\$27.9 million**, or 4.6 percent. Individual withholding receipts continued to be strong, exceeding the prior year amount by 7.9 percent.

Corporation income tax receipts were **below** the estimate by **\$25.5 million**, or 31.9 percent. Corporation receipts were adversely impacted by larger than normal refunds for the first two months of the year.

Total sales and use taxes were **above** the estimate by **\$16.7 million**, or 2.9 percent. **Retail sales** tax receipts exceeded the estimate by **\$15.1 million**, or 3.4 percent, while **compensating use** tax receipts were above fiscal year expectations by **\$1.6 million**, or 1.1 percent.

Insurance premium tax receipts were **below** the estimate by \$1.8 million. Refunds for this tax are typically made early in the fiscal year and the July refunds had exceeded the month's projection by \$2.9 million.

The **non-tax revenue** sources were \$9.8 million **below** the estimate. **Interest earnings** exceeded the estimate by \$2.7 million, as both fund balances and interest rates continued to be above expectations. **Transfers** were below the estimate by \$11.4 million, as transfers out of the SGF were larger than anticipated. The SGF transfer to the State School District Finance Fund attributable to reduced anticipated property tax receipts associated with 2024 Special Session SB 1 was \$7.0 million larger than anticipated. **Agency earnings** were below expectations by \$1.1 million.

This is the second estimate for FY 2025 receipts based on the April consensus revenue estimate adjusted for legislation enacted after that date.

There has not been a Certificate of Indebtedness issued for FY 2025.

STATE GENERAL FUND RECEIPTS
July-August, FY 2025
(Dollars in Thousands)

| | Actual | FY 2025 | | Percent change relative to: | | |
|-------------------------------|--------------|--------------|--------------|-----------------------------|----------|----------|
| | FY 2024 | Estimate* | Actual | Difference | FY 2024 | Estimate |
| Income Taxes: | | | | | | |
| Individual | \$ 612,961 | \$ 610,000 | \$ 637,866 | \$ 27,866 | 4.1 % | 4.6 % |
| Corporation | 69,839 | 80,000 | 54,454 | (25,546) | (22.0) | (31.9) |
| Financial Inst. | 880 | 500 | 17 | (483) | (98.1) | (96.6) |
| <i>Total</i> | \$ 683,681 | \$ 690,500 | \$ 692,337 | \$ 1,837 | 1.3 % | 0.3 % |
| Sales & Use Taxes: | | | | | | |
| Retail Sales | 469,113 | 441,000 | 456,119 | 15,119 | (2.8) | 3.4 |
| Compensating Use | 138,549 | 142,000 | 143,567 | 1,567 | 3.6 | 1.1 |
| <i>Total</i> | \$ 607,662 | \$ 583,000 | \$ 599,686 | \$ 16,686 | (1.3) % | 2.9 % |
| Other Excise Taxes: | | | | | | |
| Cigarette | 18,751 | 16,400 | 16,416 | 16 | (12.5) | 0.1 |
| Tobacco Products | 1,829 | 1,870 | 1,771 | (99) | (3.2) | (5.3) |
| Liquor Gallonage | 4,086 | 4,130 | 4,024 | (106) | (1.5) | (2.6) |
| Liquor Enforcement | 14,129 | 14,300 | 14,265 | (35) | 1.0 | (0.2) |
| Liquor Drink | 2,573 | 2,630 | 2,551 | (79) | (0.8) | (3.0) |
| Gas Severance | (2,100) | (990) | (963) | 27 | 54.1 | 2.7 |
| Oil Severance | 849 | 2,700 | 2,042 | (658) | 140.6 | (24.4) |
| <i>Total</i> | \$ 40,115 | \$ 41,040 | \$ 40,106 | \$ (934) | (0.0) % | (2.3) % |
| Other Taxes: | | | | | | |
| Insurance Premiums | \$ (13,956) | \$ (9,000) | \$ (10,832) | \$ (1,832) | 22.4 % | (20.4) % |
| Motor Carriers | 1,661 | 1,620 | 1,545 | (75) | (7.0) | (4.6) |
| Corporate Franchise | 922 | 1,240 | 2,077 | 837 | 125.3 | 67.5 |
| Miscellaneous | 1,034 | 1,090 | 961 | (129) | (7.1) | (11.8) |
| <i>Total</i> | \$ (10,338) | \$ (5,050) | \$ (6,249) | \$ (1,199) | 39.6 % | (23.7) % |
| Total Taxes | \$ 1,321,120 | \$ 1,309,490 | \$ 1,325,880 | \$ 16,390 | 0.4 % | 1.3 % |
| Other Revenue: | | | | | | |
| Interest | \$ 52,248 | \$ 65,700 | \$ 68,369 | \$ 2,669 | 30.9 % | 4.1 % |
| Transfers (net) | (169,309) | (254,930) | (266,336) | (11,406) | (57.3) | (4.5) |
| Agency Earnings & Misc | 8,995 | 9,500 | 8,411 | (1,089) | (6.5) | (11.5) |
| Total Other Revenue | \$ (108,066) | \$ (179,730) | \$ (189,555) | \$ (9,825) | (75.4) % | (5.5) % |
| TOTAL RECEIPTS | \$ 1,213,054 | \$ 1,129,760 | \$ 1,136,325 | \$ 6,565 | (6.3) % | 0.6 % |

* Consensus Estimate as of April 19, 2024, as further adjusted for subsequent legislation enacted after that date.

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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September 3, 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, the labor economy, and a quarterly focus on one aspect of the economy of particular note.

Real gross domestic product (GDP) for the United States grew by 3.0 percent in the second quarter of 2024, the eighth consecutive quarter of growth. For the first quarter of 2024, the most recent quarter for which state-level GDP is available, real Kansas GDP declined by 3.9 percent. Kansas' weak quarter was attributable to declines in the agricultural sector, which was responsible for the strong growth of the economy through much of 2023. Kansas had the 3rd weakest quarter of all 50 states. However, the five weakest states reported were all in the Plains region and were all hampered by weak agricultural sectors.

The unemployment rate for both the nation and the state increased during the second quarter. However, some of the increase is attributable to growth in the labor force as non-farm employment showed modest expansion throughout the quarter as a whole.

Inflation continued its slow decline in the direction of more normal levels throughout the quarter. However, inflation rates continue to exceed the target level of inflation for the Federal Reserve. The Consumer Price Index (CPI) for the United States averaged annual increases of 3.2 percent for the three months of the quarter, which is the same amount as the previous quarter. The CPI for the Midwest Region averaged annual increases of 2.7 percent throughout the quarter.

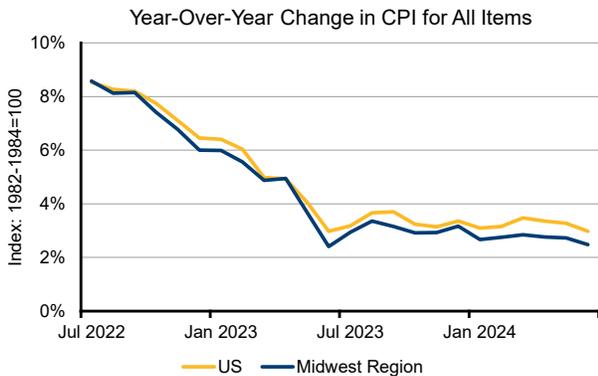
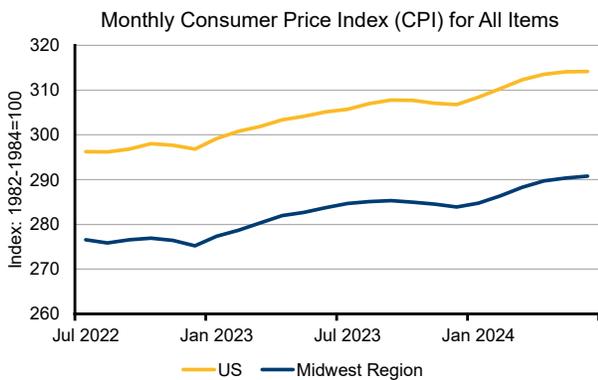
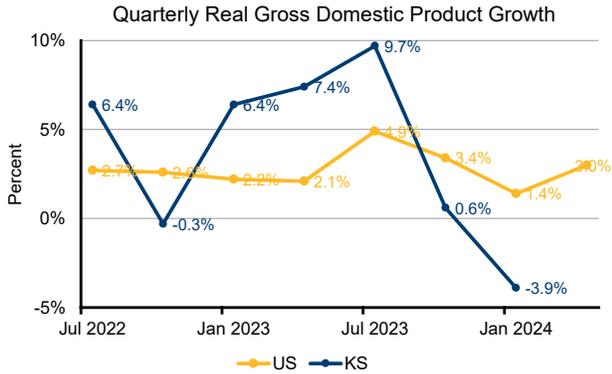
Year-over-year changes to hourly wages for Kansas private sector workers were positive throughout the quarter. Additionally, the annual change in average weekly hours, while still negative for the quarter as a whole, did improve relative to previous quarters, resulting in growth of average weekly wages.

Data provided in the Report comes from the sources that follow. GDP data came from the U.S. Bureau of Economic Analysis while CPI, employment, unemployment, jobs, and earnings data came from the U.S. Bureau of Labor Statistics.

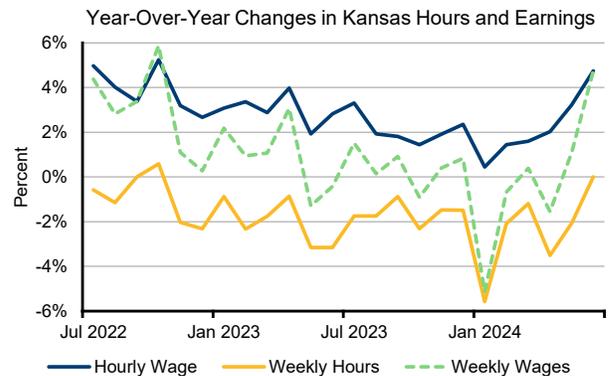
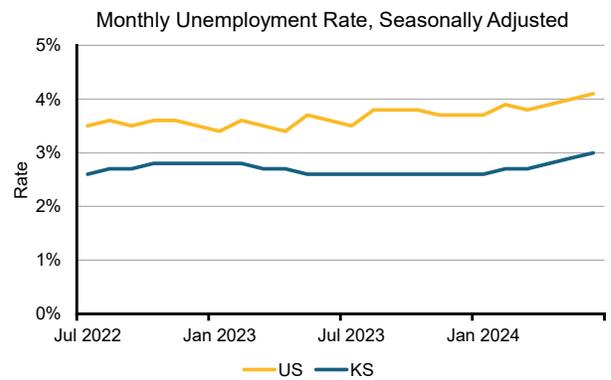
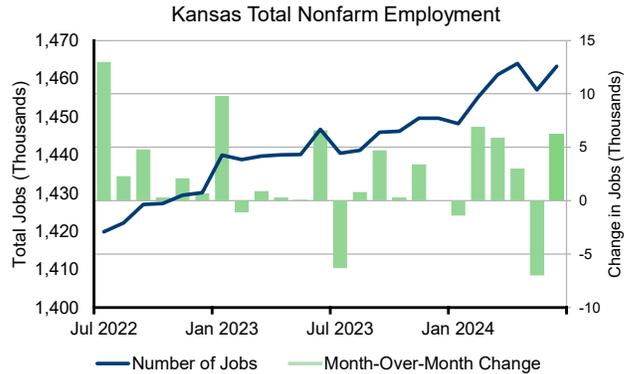
QUARTERLY ECONOMIC INDICATORS

September 3, 2024

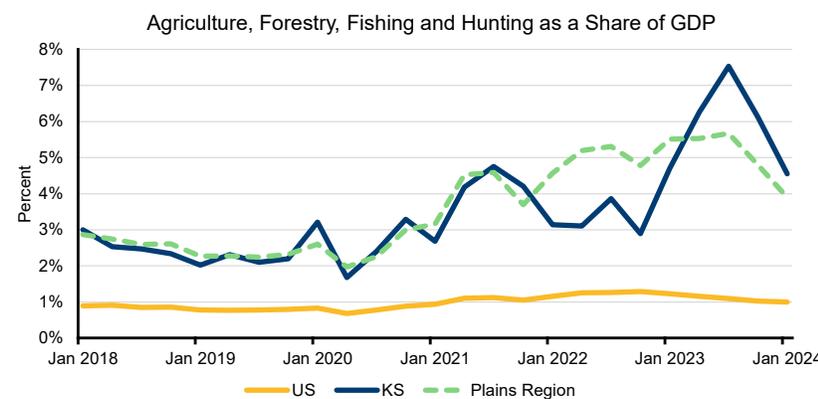
Output and Inflation



Labor Economy



Quarterly Focus: Agriculture Contribution to GDP



Real gross domestic product (GDP) has been more volatile for Kansas and the entire BEA Plains region in recent years than for the nation as a whole. These deviations are largely attributable to variations within the agricultural sector, attributable to commodity prices, cost of inputs, drought conditions, and crop insurance payments.

Agriculture accounts for a much greater share of GDP through the Plains region, and especially in Kansas, than it does for the nation as a whole.