



# Legislative Research Council

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## Memorandum

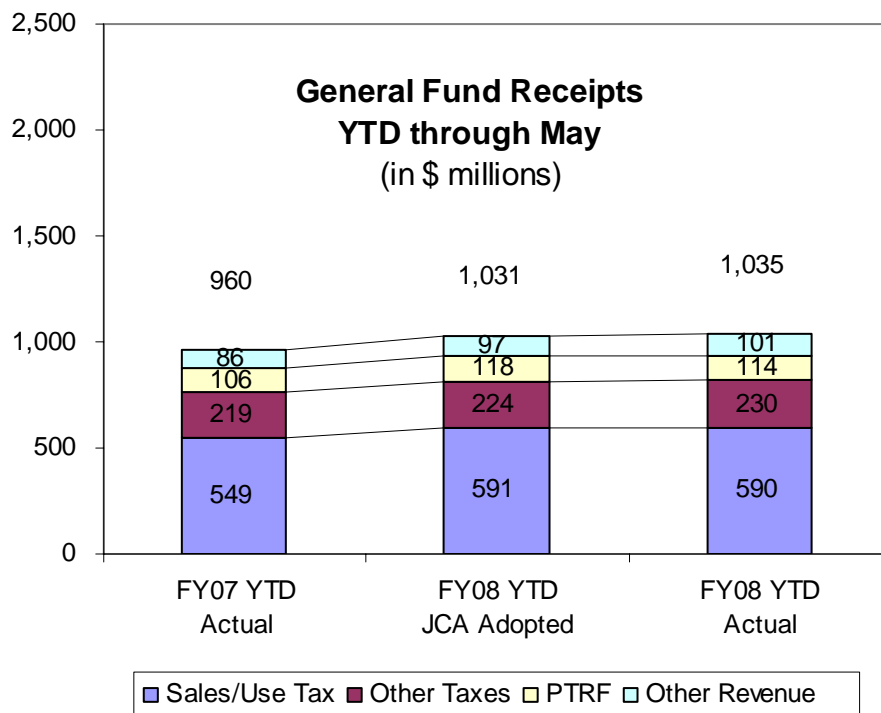
June 10, 2008

To: Members of the Joint Committee on Appropriations  
Members of the Legislature (quarterly distribution)

From: Fred Schoenfeld  
Chief Fiscal Analyst, LRC

Subject: General Fund Revenue Report

Through May, total General Fund revenues booked into the General Fund are \$4.214 million above the adopted estimate. Details are set forth in the following tables and charts.



For the most part, individual revenue streams are reasonably consistent with the adopted FY08 revenue projections. The negative variance in PTRF revenues is likely the result of diminished personal disposable income resulting from higher motor fuel and other prices. The positive variance in the Bank Franchise Tax seems to be the result of a low initially-adopted estimate which has been subsequently revised upward. At the bottom line, these two items effectively offset each other.

Three other items are noteworthy:

1. The previously withheld share of tobacco taxes from the Health Care Tobacco Tax Fund is now allocated to the "Transfers In" line of the General Fund.
2. In addition to FY08 revenues, BFM has transferred an additional \$14,400,000 from prior year reserves to the PTRF line. This amount is netted out of the following table which deals only with current on going receipts.
3. It appears that BFM has not deducted from the Sales Tax and Contractor's Excise Tax lines refunds under various programs. Continuation of prior year's practice where FY08 refund liabilities would be deducted from June revenues may be problematic because the estimated amount of FY08 refund liabilities is estimated at about \$20 million, up from BFM's estimate of \$6.6 million in total refund liability given the JCA at the time it adopted the FY08 estimates.

Outlook for FY08 from the legislative perspective now appears as follows:

	(19,048,085)	Budgeted FY08 Shortfall
	4,214,430	less: Surplus in Current Revenues (as presently estimated)
Subtotal	(14,833,655)	
	14,400,000	less: BFM 05/2008 Transfer of Prior Year PTRF reserves
Subtotal	(433,655)	
	(20,478,268)	plus: Estimated FY08 Refund Liability to be Accounted for in FY08
Total	(20,911,923)	NOTE: The refund-driven portion of the shortfall could be largely resolved by converting the current advance-pay concept to a pay-as-you-go approach. However, under such an approach, it would still be necessary to address the negative balance in the refund account, currently at (\$2,360,387).

**STATE GENERAL FUND RECEIPTS**  
**FY08 - Year to Date through May**  
**(in thousands of dollars, except where noted)**

	FY07 YTD Actual	FY08 YTD JCA Adopted	FY08 YTD Actual	Difference	FY08 YTD Actual % Change from:	
					FY07 YTD Actual	FY08 YTD JCA Adopted
<b>Taxes:</b>						
Sales and Use Tax	549,458	590,764	590,462	(302)	7.5%	-0.1%
Contractor's Excise Tax	74,637	81,759	82,882	1,122	11.0%	1.4%
Wholesale Alcohol Tax	1,023	1,011	1,061	50	3.7%	5.0%
Alcohol Beverage Tax	7,052	6,898	6,233	(666)	-11.6%	-9.6%
Cigarette Tax	30,000	30,000	30,000	0	0.0%	0.0%
Bank Franchise Tax	45,335	40,058	44,260	4,202	-2.4%	10.5%
Insurance Company Tax	57,479	60,632	61,384	753	6.8%	1.2%
Inheritance Tax	404	310	105	(205)	-74.1%	-66.2%
Mineral Severance Taxes	3,124	3,390	4,075	685	30.4%	20.2%
<b>Total Taxes</b>	<b>768,511</b>	<b>814,822</b>	<b>820,461</b>	<b>5,639</b>	<b>6.8%</b>	<b>0.7%</b>
<b>Other Revenue:</b>						
Licenses Permits and Fees	29,964	29,763	31,020	1,257	3.5%	4.2%
Charges for Goods and Services	13,382	17,759	15,980	(1,779)	19.4%	-10.0%
State Lottery, Instant Tickets	434	326	289	(37)		
Property Tax Reduction Fund	106,103	118,355	113,607	(4,748) *	7.1%	-4.0%
Investment Income and Interest	908	939	1,315	376	44.8%	40.0%
Transfers In	12,690	23,329	24,455	1,125	92.7%	4.8%
Trust Funds	18,787	16,741	18,423	1,682	-1.9%	10.0%
Sales-Leaseback	8,594	7,780	8,155	375		
CRP Program	1,096	831	1,155	324		
<b>Total Other Revenue</b>	<b>191,959</b>	<b>215,823</b>	<b>214,397</b>	<b>(1,425)</b>	<b>11.7%</b>	<b>-0.7%</b>
<b>TOTAL RECEIPTS</b>	<b>960,471</b>	<b>1,030,644</b>	<b>1,034,859</b>	<b>4,214</b>	<b>7.7%</b>	<b>0.4%</b>

SOURCE: BFM, BAIE0102

NOTE: Details may not add to totals due to rounding; values less than 1,000 are disregarded in calculating percentages. Transf excludes 1-time transfers. Cigarette tax, PTRF cigarette tax revenues, and investment income are adjusted for seasons.

\* Excludes transfer of \$14,400,000 from prior year reserves.

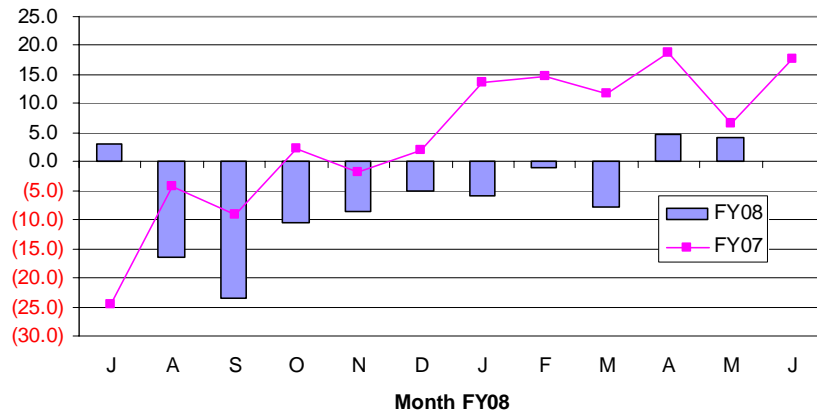
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### FY08 Variance from Adopted Estimate

MONTH	Sales Tax	Contractor's Excise	Wholesale Alcohol	Alcohol Beverage	Cigarette	Bank Franchise	Insurance Company	Inheritance	Mineral Severance	Licenses, Permits, Fees	Goods & Services	State Lottery	PTRF	Interest Income	Transfers In	Trust Funds	Sales-Leaseback	CRP	FY08
J	(0.3)	1.1	0.1	(0.7)	0.0	4.2	0.8	(0.2)	0.7	1.3	(1.8)	(0.0)	(4.7)	0.4	1.1	1.7	0.4	0.3	4.2
A	4.2	1.4	0.1	(0.7)	0.0	4.4	2.1	(0.3)	0.1	1.3	(0.7)	(0.0)	(3.3)	0.4	(7.0)	1.7	0.6	0.4	4.7
M	(3.6)	2.0	(0.0)	(0.4)	0.0	3.3	(0.1)	(0.3)	0.3	(2.3)	(0.6)	(0.0)	(2.7)	0.4	(6.3)	1.7	0.6	0.4	(7.7)
F	0.7	1.1	0.1	(0.4)	0.0	2.5	0.6	(0.2)	0.5	(2.3)	0.2	(0.0)	(0.4)	0.4	(6.4)	1.7	0.6	0.4	(1.0)
J	(3.6)	(0.4)	0.1	(0.4)	0.0	2.5	0.1	(0.2)	(0.1)	(1.8)	1.2	(0.1)	0.4	0.4	(6.6)	1.7	0.6	0.4	(6.0)
D	(3.7)	(0.9)	(0.0)	(0.2)	0.0	2.7	(0.1)	(0.2)	(0.1)	(0.1)	2.1	(0.1)	(1.2)	0.4	(6.2)	1.7	0.6	0.4	(5.0)
N	(4.1)	(2.9)	0.0	(0.2)	0.0	1.8	(0.3)	(0.2)	(0.1)	0.2	4.2	(0.1)	(2.4)	0.4	(5.9)	1.7	(1.4)	0.5	(8.7)
O	(1.4)	(2.5)	0.0	(0.2)	0.0	1.8	1.2	(0.1)	0.0	0.8	(3.7)	0.0	(3.0)	0.4	(5.4)	1.7	0.0	0.0	(10.4)
S	(12.6)	(3.3)	(0.0)	0.0	0.0	1.6	(0.2)	(0.1)	0.2	(0.1)	(1.8)	0.0	(2.6)	0.4	(6.6)	1.7	0.0	0.0	(23.5)
A	(6.2)	(2.6)	0.0	0.0	0.0	0.3	(0.0)	(0.1)	0.2	0.0	(1.8)	0.0	(2.4)	(0.0)	(5.6)	1.7	0.0	0.0	(16.6)
J	3.9	(2.9)	0.0	0.0	0.0	1.0	0.6	(0.0)	0.2	0.0	(1.1)	0.0	0.1	(0.0)	1.4	0.0	0.0	0.0	3.2

### FY07 Variance from Adopted Estimate

MONTH	Sales Tax	Contractor's Excise	Wholesale Alcohol	Alcohol Beverage	Cigarette	Bank Franchise	Insurance Company	Inheritance	Mineral Severance	Licenses, Permits, Fees	Goods & Services	State Lottery	PTRF	Interest Income	Transfers In	Trust Funds	Sales-Leaseback	CRP	FY07
J	(1.4)	(0.1)	0.1	0.2	2.3	9.4	(7.3)	0.2	1.4	2.3	3.7	0.5	6.4	(0.6)	0.7	0.0	0.0	0.0	17.8
A	(7.6)	(1.8)	0.1	0.2	(0.5)	1.4	(2.7)	0.2	1.0	2.6	5.8	(0.1)	(1.3)	(0.5)	3.8	0.0	(1.6)	(0.9)	(1.8)
M	(9.9)	2.2	0.1	(0.0)	8.4	1.0	(6.5)	0.2	1.4	6.3	3.8	0.1	0.4	(0.5)	4.1	0.0	0.5	0.1	11.6
F	(4.6)	(3.6)	0.0	(0.0)	6.7	1.7	(4.2)	0.1	1.0	6.4	4.3	0.1	2.4	(0.5)	4.1	0.0	0.5	0.1	14.7
J	(9.6)	(0.8)	(0.0)	(0.0)	5.8	1.7	(2.6)	0.2	1.0	6.7	4.8	0.3	2.0	(0.5)	3.9	0.0	0.5	0.1	13.6
D	(10.5)	(1.1)	(0.0)	(0.3)	2.5	(2.2)	0.2	1.0	2.3	5.2	(0.1)	0.5	(0.5)	(0.5)	4.1	0.0	0.5	0.1	1.9
N	(8.3)	(1.9)	0.0	0.2	(0.7)	1.3	0.2	0.2	0.1	3.2	6.5	0.0	(2.0)	(0.5)	3.9	0.0	0.0	0.0	2.3
O	(8.3)	(2.4)	0.1	0.0	(0.4)	1.0	(1.4)	0.8	0.2	(0.0)	(0.6)	0.0	(1.8)	(0.5)	4.3	0.0	0.0	0.0	(9.1)
S	(2.2)	(2.4)	0.0	0.0	0.0	0.4	(1.1)	0.2	0.2	0.0	(0.5)	0.0	(1.7)	(1.4)	4.2	0.0	0.0	0.0	(4.2)
A	(26.9)	(2.4)	0.0	0.0	(0.5)	1.3	(0.9)	(0.0)	(0.0)	(0.0)	(0.2)	0.0	0.6	(1.4)	5.8	0.0	0.0	0.0	(24.5)