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Memorandum

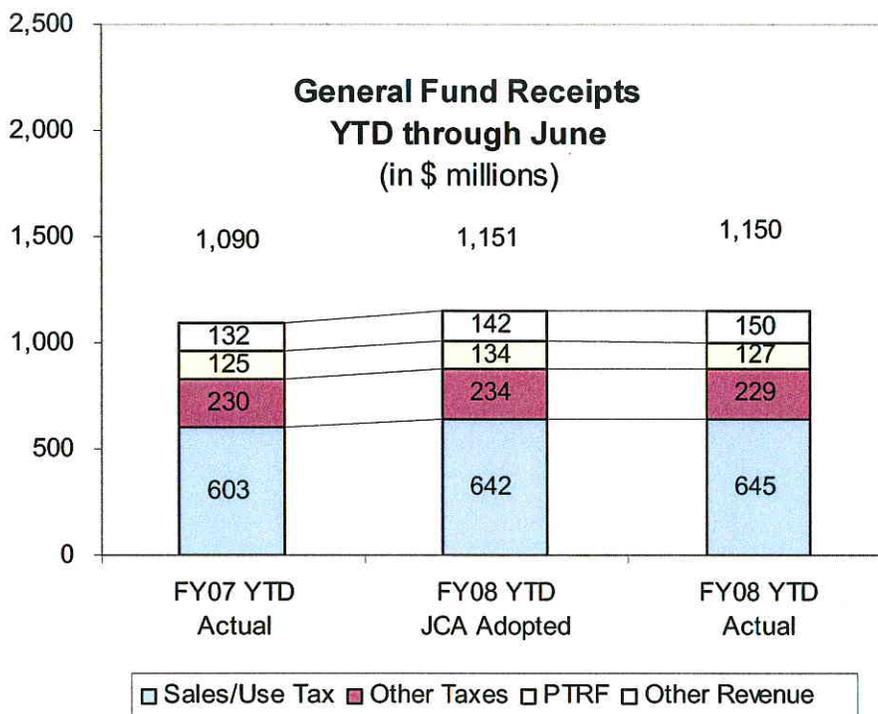
July 29, 2008

To: Joint Committee on Appropriations
House and Senate Majority and Minority Legislative Leaders

From: Fred Schoenfeld *\$ by APMM*
Chief Fiscal Analyst, LRC

Subject: General Fund Revenue Report

Through June, total FY08 General Fund revenues booked into the General Fund are only \$1.031 million below the adjusted estimate. However, year-end adjustments impact this relatively minor variance, as shown in the following tables and charts.



STATE GENERAL FUND RECEIPTS
FY08 - Year to Date through June
 (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 |
| Taxes: | | | | | | |
| Sales and Use Tax | 603,172 | 641,824 * | 644,597 | 2,773 | 6.9% | 0.4% |
| Contractor's Excise Tax | 78,791 | 88,347 | 78,978 | (9,368) | 0.2% | -10.6% |
| Wholesale Alcohol Tax | 1,126 | 1,111 | 1,212 | 101 | 7.7% | 9.1% |
| Alcohol Beverage Tax | 9,060 | 8,905 | 9,289 | 384 | 2.5% | 4.3% |
| Cigarette Tax | 30,000 | 30,000 | 30,000 | 0 | 0.0% | 0.0% |
| Bank Franchise Tax | 50,474 | 40,950 | 45,433 | 4,483 | -10.0% | 10.9% |
| Insurance Company Tax | 57,283 | 60,786 | 60,394 | (392) | 5.4% | -0.6% |
| Inheritance Tax | 403 | 329 | 105 | (224) | -74.0% | -68.2% |
| Mineral Severance Taxes | 3,124 | 3,416 | 4,075 | 659 | 30.4% | 19.3% |
| Total Taxes | 833,432 | 875,668 | 874,083 | (1,585) | 4.9% | -0.2% |
| Other Revenue: | | | | | | |
| Licenses Permits and Fees | 39,189 | 38,530 | 40,792 | 2,261 | 4.1% | 5.9% |
| Charges for Goods and Services | 14,489 | 18,265 | 16,727 | (1,538) | 15.4% | -8.4% |
| State Lottery, Instant Tickets | 5,879 | 5,086 | 6,534 | 1,448 | | |
| Property Tax Reduction Fund | 125,179 | 133,701 | 126,606 | (7,095) ** | 1.1% | -5.3% |
| Investment Income and Interest | 13,278 | 13,733 | 16,299 | 2,567 | 22.8% | 18.7% |
| Transfers In | 15,852 | 24,688 | 26,675 | 1,986 | 68.3% | 8.0% |
| Trust Funds | 31,359 | 30,994 | 31,607 | 613 | 0.8% | 2.0% |
| Sales-Leaseback | 10,499 | 9,827 | 9,827 | 0 | | |
| CRP Program | 1,108 | 842 | 1,155 | 312 | | |
| Total Other Revenue | 256,833 | 275,667 | 276,221 | 554 | 7.5% | 0.2% |
| TOTAL RECEIPTS | 1,090,265 | 1,151,335 | 1,150,304 | (1,031) | 5.5% | -0.1% |

SOURCE: BFM, BAIE0102

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

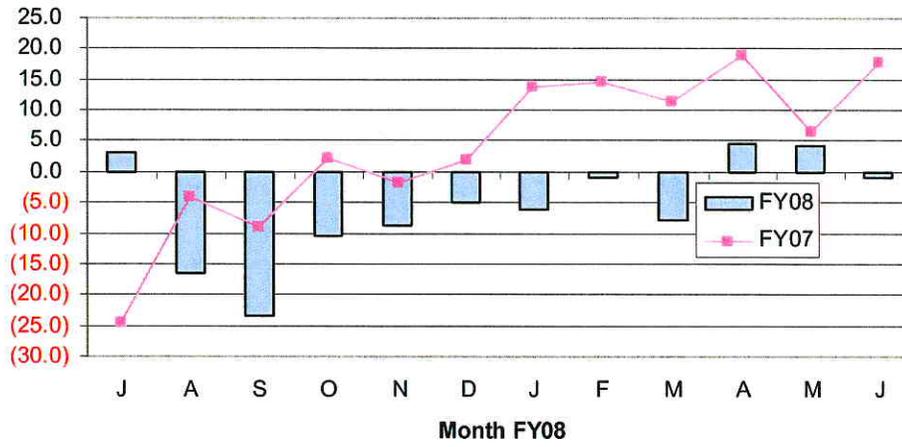
* Includes a reduction of \$21,780 to correct adjustments to original JCA.

** Excludes transfer of \$25,650,000 from prior year reserves.

A reconciliation of these results with BFM's Year End report at page 2 follows. Column (A) is taken from BFM's recent Year End FY2008 report at page 2. Column (B) is taken from this Monthly Revenue Report, with appropriate year-end adjustments. The columns reconcile.

| | Variance | |
|--|---------------------------------------|---------------------------------|
| | (A) | (B) |
| | BFM March '08 est to BFM Actual | JCA Adj to Monthly Report |
| Budgeted Shortfall | (21,409,474) | (19,048,085) |
| CHANGE IN CONTINUING REVENUES | | |
| <u>Taxes:</u> | | |
| Sales and Use Tax | 2,772,943 | 2,772,943 |
| Contractor's Excise Tax | (9,368,458) | (9,368,458) |
| Wholesale Alcohol Tax | 100,942 | 100,942 |
| Alcohol Beverage Tax | 383,513 | 383,513 |
| Cigarette Tax | 0 | 0 |
| Bank Franchise Tax | 4,483,071 | 4,483,071 |
| Insurance Company Tax | (392,140) | (392,140) |
| Inheritance Tax | (224,059) | (224,059) |
| Mineral Severance Taxes | 658,996 | 658,996 |
| Total Taxes | (1,585,193) | (1,585,193) |
| <u>Other Revenue:</u> | | |
| Licenses Permits and Fees | 2,261,178 | 2,261,178 |
| Charges for Goods and Services | (1,537,834) | (1,537,834) |
| State Lottery, Instant Tickets | 1,447,573 | 1,447,573 |
| Property Tax Reduction Fund | (7,428,359) | (7,094,753) |
| Investment Income and Interest | 2,566,642 | 2,566,642 |
| Transfers In | (1,874,210) | 1,986,381 |
| Trust Funds | 612,861 | 612,861 |
| Sales-Leaseback | 0 | 0 |
| CRP Program | 312,307 | 312,307 |
| Total Other Revenue | (3,639,840) | 554,357 |
| TOTAL REVENUE CHANGE | (5,225,034) | (1,030,837) |
| Reversions | 1,135,465 | 1,135,465 |
| Subtotal | (25,499,043) | (18,943,457) |
| Adjustment for 1-time Transfers and Cash | | (6,555,586) |
| Revenue Shortfall | (25,499,043) | (25,499,043) |

General Fund Receipts - YTD Variance from Adopted Estimate (in \$millions)



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 | 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 |
| 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) |
| 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) |
| 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) |
| 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) |
| 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) |
| 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) |
| 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 | (7.7) |
| 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) |
| A | 4.3 | 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 | (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 |
| J | 2.8 | (9.4) | 0.1 | 0.4 | 0.0 | 4.5 | (0.4) | (0.2) | 0.7 | 2.3 | (1.5) | 1.4 | (7.1) | 2.6 | 2.0 | 0.6 | 0.0 | 0.3 | (1.0) |

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 | (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) |
| A | (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) |
| S | (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) |
| O | (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 |
| N | (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) |
| D | (10.5) | (1.1) | (0.0) | 0.2 | (0.3) | 2.5 | (2.2) | 0.2 | 1.0 | 2.3 | 5.2 | (0.1) | 0.5 | (0.5) | 4.1 | 0.0 | 0.5 | 0.1 | 1.9 |
| 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 |
| 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 |
| 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 |
| A | (0.4) | 2.2 | 0.0 | 0.2 | 7.4 | 5.0 | (6.3) | 0.2 | 1.4 | 1.4 | 3.0 | 0.1 | 0.5 | (0.5) | 4.0 | 0.0 | 0.5 | 0.1 | 18.9 |
| M | (7.6) | 1.8 | 0.0 | 0.2 | 4.9 | 4.8 | (6.9) | 0.2 | 1.4 | 1.4 | 2.9 | 0.1 | (0.5) | (0.5) | 3.9 | 0.0 | 0.3 | 0.0 | 6.6 |
| 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 |