Rep. Larry J. Tidemann, Chair
Sen. Jean M. Hunhoff, Vice Chair

James Fry, Director
Doug Decker, Code Counsel

Memorandum

December 14, 2007

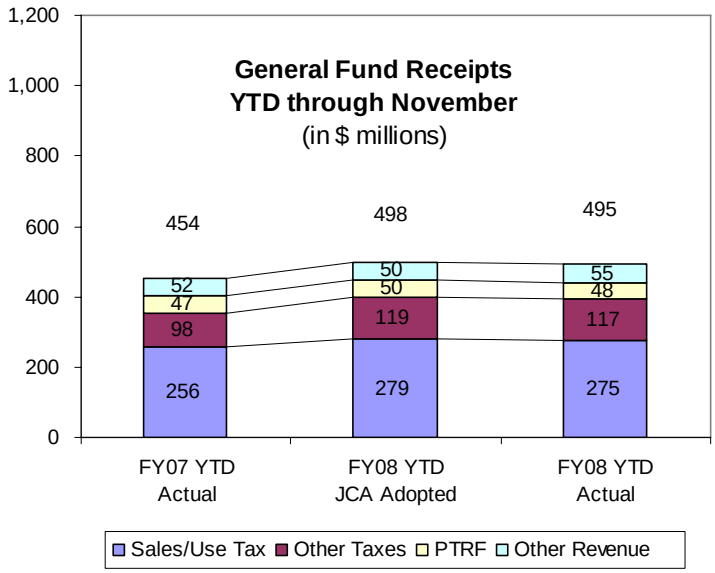
To: Members of the Joint Committee on Appropriations

From: Fred Schoenfeld
Chief Fiscal Analyst, LRC

Subject: General Fund Revenue Report

As the result of recent adjustments to the statutes, the new tobacco tax funds and investment income now flow into the General Fund in monthly patterns which are different from that indicated by the long-term year-to-date (YTD) monthly history used previously to allocate the adopted revenue estimate. Because, these differences were distorting the YTD overview of receipts, those revenue streams have been normalized, beginning with this report.

Through November, total General Fund revenues are $2.9 million below the adopted estimate. This remains primarily the result of under-performance by sales and contractors taxes and the Property Tax Reduction Fund (PTRF). The PTRF is comprised of revenues from the video lottery net machine income, the telecom tax, and 1/3 of tobacco tax proceeds over $35 million. Details are set forth in the following tables and charts.



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

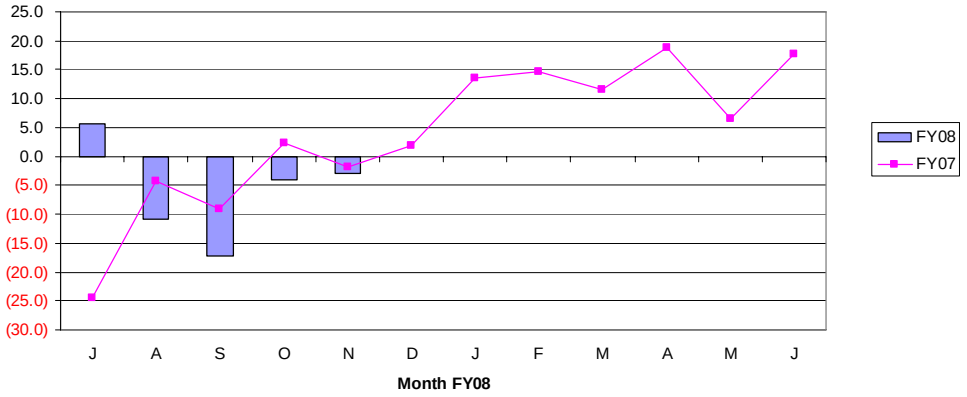
	FY07 YTD Actual	FY08 YTD JCA Adopted	FY08 YTD Actual	Difference	FY08 YTD Actual % Change from: FY07 YTD Actual	FY08 YTD Actual % Change from: FY08 YTD JCA Adopted
Taxes:						
Sales and Use Tax	256,322	279,499	275,350	(4,149)	7.4%	-1.5%
Contractor's Excise Tax	36,349	42,596	39,721	(2,875)	9.3%	-6.7%
Wholesale Alcohol Tax	431	392	437	45	1.5%	11.5%
Alcohol Beverage Tax	2,548	2,360	2,135	(225)	-16.2%	-9.5%
Cigarette Tax	11,486	27,027	27,027	0	135.3%	0.0%
Bank Franchise Tax	19,815	18,112	19,957	1,846	0.7%	10.2%
Insurance Company Tax	25,601	26,656	26,376	(280)	3.0%	-1.1%
Inheritance Tax	333	167	8	(159)	-97.5%	-95.1%
Mineral Severance Taxes	1,903	1,737	1,596	(141)	-16.1%	-8.1%
Total Taxes	354,788	398,546	392,607	(5,939)	10.7%	-1.5%
Other Revenue:						
Licenses Permits and Fees	9,861	7,809	8,028	219	-18.6%	2.8%
Charges for Goods and Services	10,166	7,820	11,988	4,168	17.9%	53.3%
State Lottery, Instant Tickets	0	86	0	(86)		
Property Tax Reduction Fund	47,469	49,914	47,517	(2,397)	0.1%	-4.8%
Investment Income and Interest	887	918	1,303	385	46.8%	42.0%
Transfers In	11,115	14,402	14,376	(26)	29.3%	-0.2%
Trust Funds	18,787	16,741	18,423	1,682	-1.9%	10.0%
Sales-Leaseback	0	1,384	0	(1,384)		
CRP Program	907	627	1,145	518		
Total Other Revenue	99,194	99,699	102,779	3,080	3.6%	3.1%
				0		
TOTAL RECEIPTS	453,982	498,245	495,386	(2,859)	9.1%	-0.6%

SOURCE: BFM, BAIE0102
NOTE: Details may not add to totals due to rounding; values less than 1,000 are disregarded in calculating percentages. Transfers In excludes 1-time transfers. Cigarette tax, PTRF cigarette tax revenues, and investment income are adjusted for seasonality.

The YDT outlook is now much closer than in past months to budgeted receipts as shown by the following variance data. In addition, this outlook is consistent with the forecast of already-budgeted revenues contained in the Governor's budget address as shown by the table at the end of this report.

Because of the frequency with which the question of the current balances in the 5 major reserve funds is asked, the LRC staff has developed a standardized report on this subject. A copy is enclosed with this report. Comments and suggestions for refinement are solicited. Terry Miller on the LRC staff has principal responsibility for this effort. This document will not be distributed with the monthly revenue report in the future, but it will be periodically revised and posted on the LRC webpage.

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)	3.8	0.0	0.0	0.0	5.5
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)	0.1	1.7	0.0	0.0	(10.8)
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	(0.4)	1.7	0.0	0.0	(17.2)
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	0.9	1.7	0.0	0.0	(4.1)
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	(0.0)	1.7	(1.4)	0.5	(2.9)
D																			
J																			
F																			
M																			
A																			
M																			
J																			

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

FY 08 Estimates (in Dollars)

	JCA/Enacted *March 2007*	**Governor's Budget** *December 2007*
Revenue		
Continuing + transfers	1,155,231,389	1,155,274,435
Expense		
General Bill	(1,137,714,874)	(1,137,714,874)
Continuing Appropriations	(2,143,287)	(2,188,007)
Special Appropriations	(14,667,236)	(14,667,236)
	(1,154,525,397)	(1,154,570,117)
	705,992	704,318
New Expense Proposed by Governor		
FY08 General Bill Amendments		(4,514,859)
Emergency Appropriations		(24,384,461)
Transfer to Budget Reserve		(247,214)
		(29,146,534)
New Revenue Proposed by Governor		
Transfer from Reserves		28,195,002
Obligated Cash Forward		247,214
		28,442,216
		0