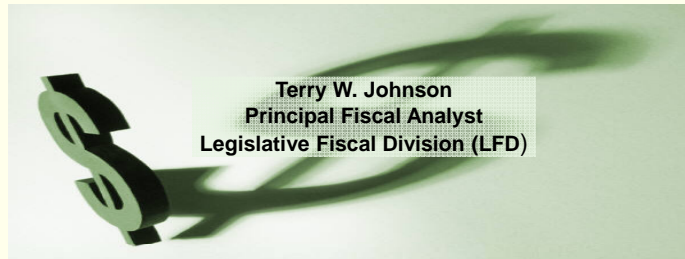




# General Fund Revenue Update

## 2013 Biennium




April 26, 2012


A report to the  
Revenue & Transportation Interim Committee



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Legislative Fiscal Division



## Presentation Outline

- Current Revenue Trends
- Discussion of Selected Tax Sources
- 2013 Biennium Ending Fund Balance
- Summary

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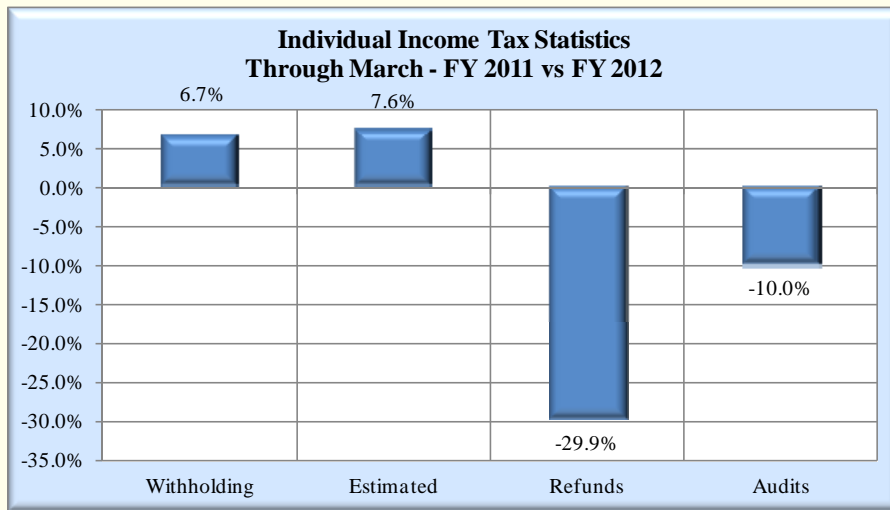
## Fiscal 2012 To Date Summary General Fund Revenue Comparison

- Through March FY 2011           \$ 1,123.7 M
- Through March FY 2012           \$ 1,215.5 M
  
- Current Change and Rate (9 months)   \$ 91.8 M 8.17%
- HJ 2\* Growth and Rate (Full Year)   \$ 3.1 M 0.17%

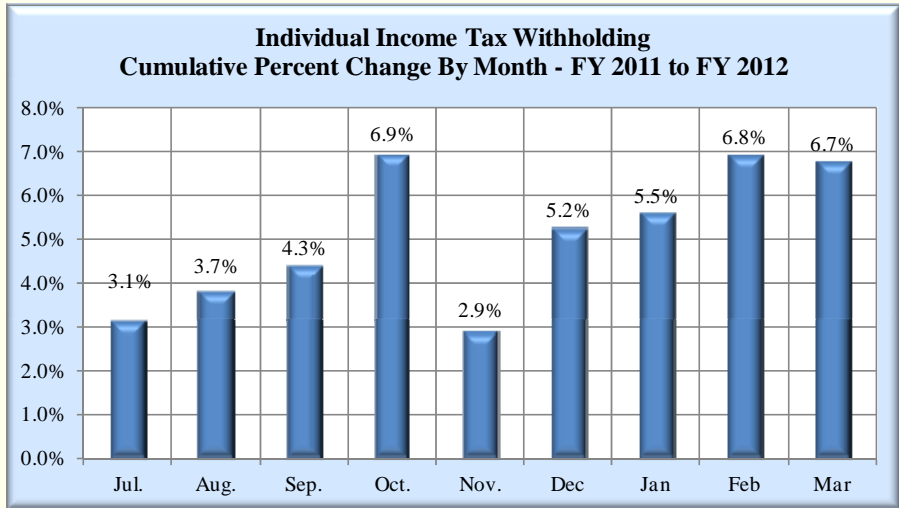
\* Legislature's Revenue Estimating Resolution



## Individual Income Tax Snapshot

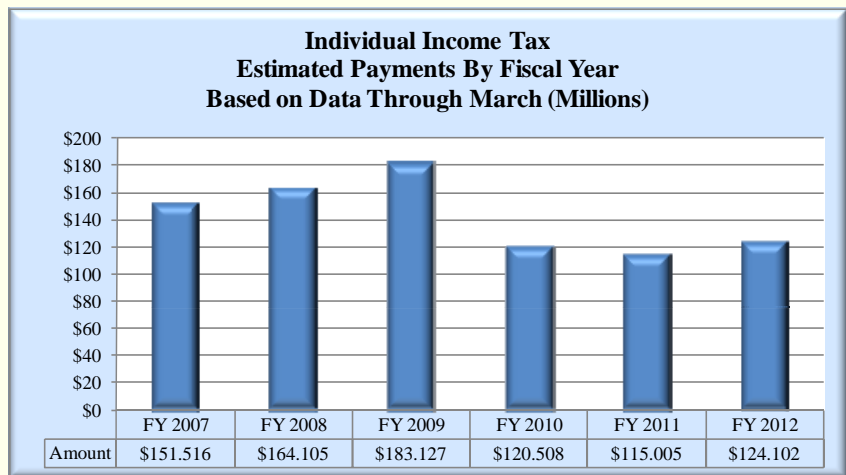


## What Are Withholding Tax Trends?



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## What Are Estimated Payment Trends?



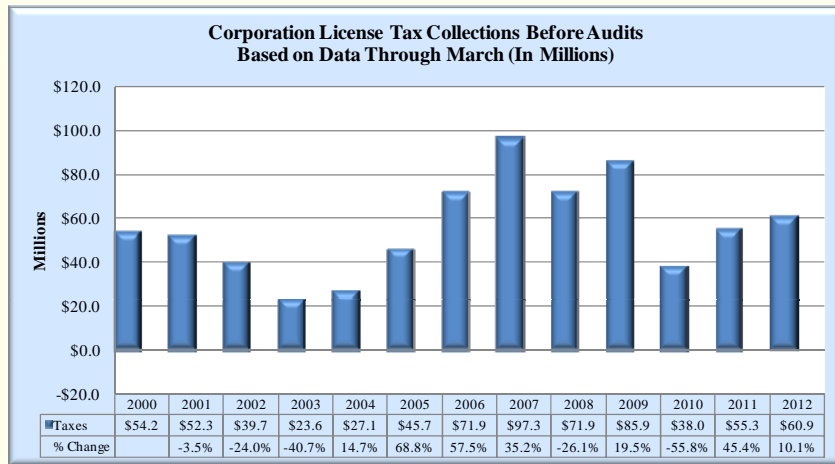
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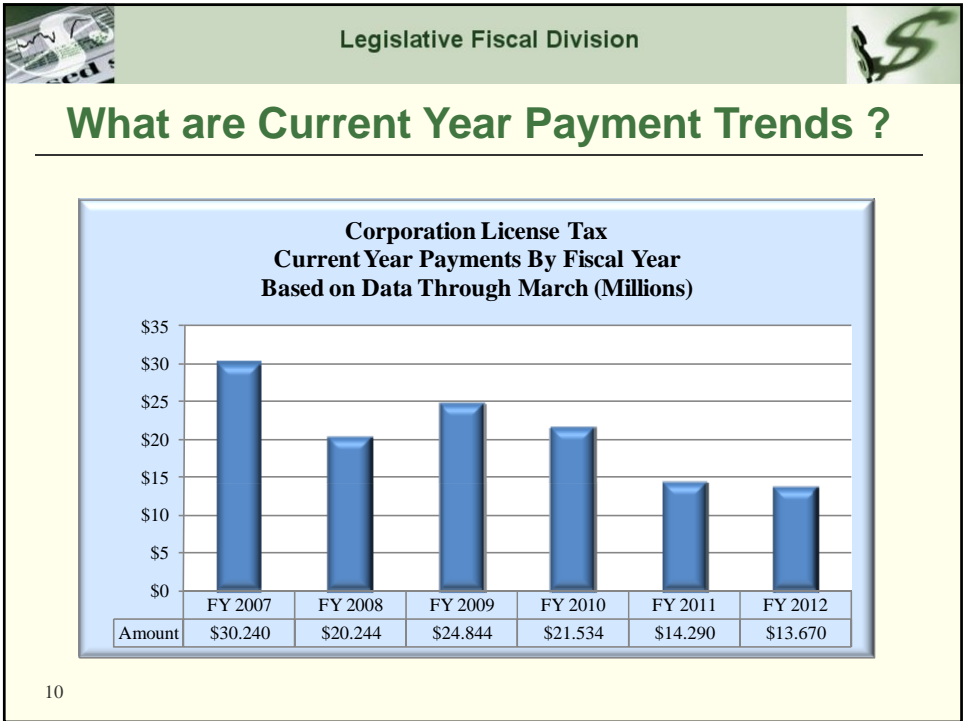
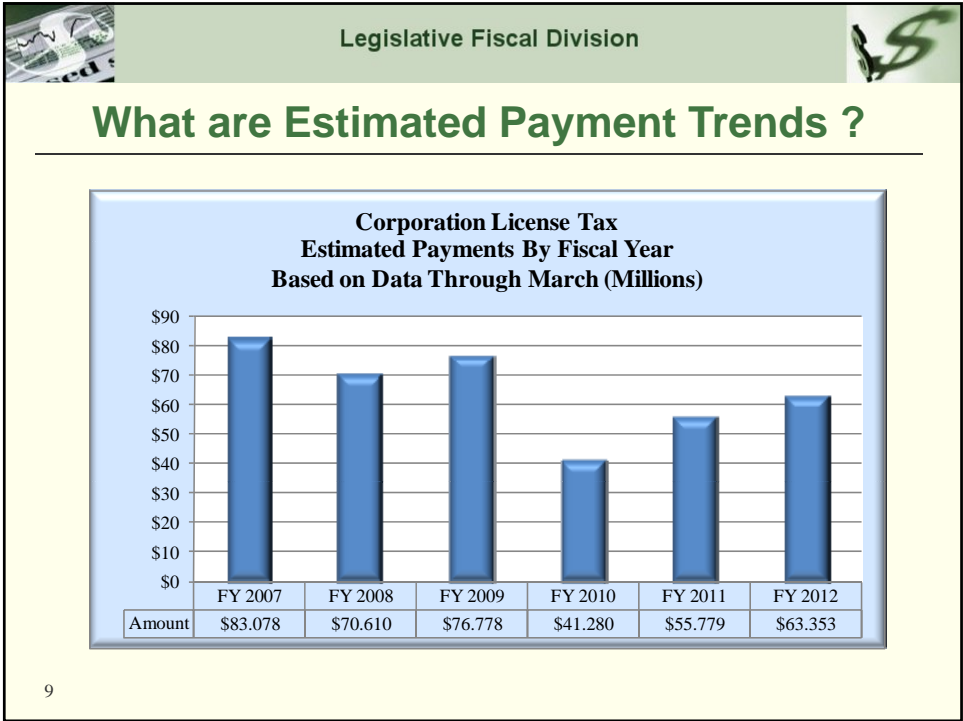


## Individual Income Tax

Individual Income Tax Comparison				
Revenue Code & Description	3/31/2011	3/31/2012	Difference	Percent Change
	Fiscal 2011	Fiscal 2012		
510101 Withholding Tax	490,718,185.33	523,561,154.48	32,842,969.15	6.69%
510482 Mineral Royalty WH Tax	7,355,843.04	9,376,420.89	2,020,577.85	27.47%
510111 Fiduciary Estimated Income Tax	4,688,494.12	4,685,478.48	(3,015.64)	-0.06%
510102 Estimated Tax	115,004,986.79	124,101,581.78	9,096,594.99	7.91%
510103 Current Year I/T	19,220,351.69	31,206,461.08	11,986,109.39	62.36%
510105 Income Tax - Audit Collections	20,716,924.00	18,646,180.00	(2,070,744.00)	-10.00%
510106 Income Tax Refunds	(44,763,099.10)	(31,369,989.66)	13,393,109.44	-29.92%
Income Tax Refunds Adjustment	0.00	0.00	0.00	0.00%
Totals	\$612,941,685.87	\$680,207,287.05	\$67,265,601.18	10.97%
Percent of Actual/Estimated	75.11%	84.05%		

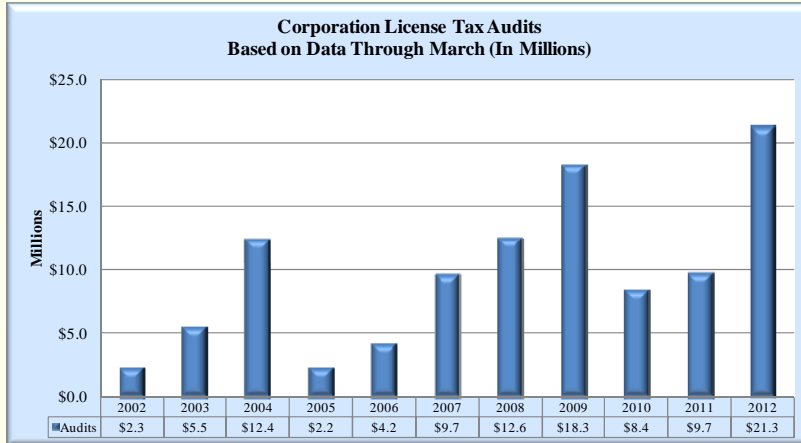
## Underlying Corporate Tax Growth







## Record Audit Activity - So Far



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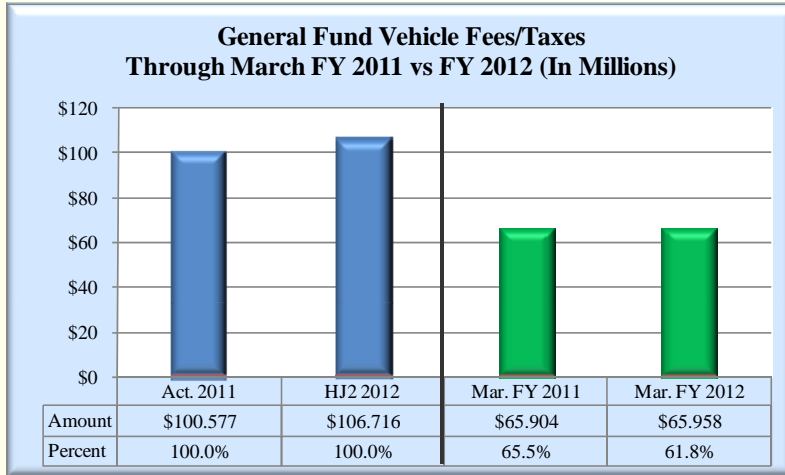


## Corporation License Tax

Corporation License Tax Comparison				
Revenue Code & Description	3/31/2011 Fiscal 2011	3/31/2012 Fiscal 2012	Difference	Percent Change
510501 Corporation Tax	14,290,437.47	13,670,401.54	(620,035.93)	-4.34%
510505 Corporation Tax Estimated Paym	55,778,567.44	63,352,861.27	7,574,293.83	13.58%
510502 Corporation Tax Refunds	(14,800,033.65)	(16,167,620.34)	(1,367,586.69)	9.24%
510503 Corporation Tax-Audit Collect.	9,737,814.00	21,322,258.00	11,584,444.00	118.96%
Corporation Tax Refunds Adjustment	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.00%
Totals	\$65,006,785.26	\$82,177,900.47	\$17,171,115.21	26.41%
Percent of Actual/Estimated	54.61%	71.41%		

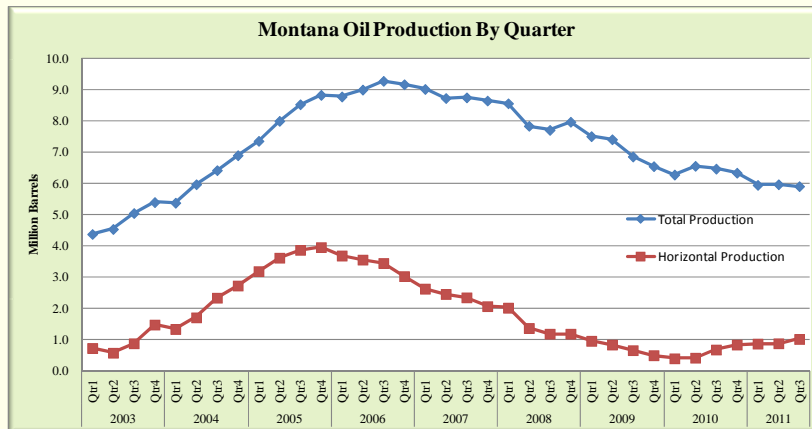
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## Vehicle Fees/Taxes Are Flat



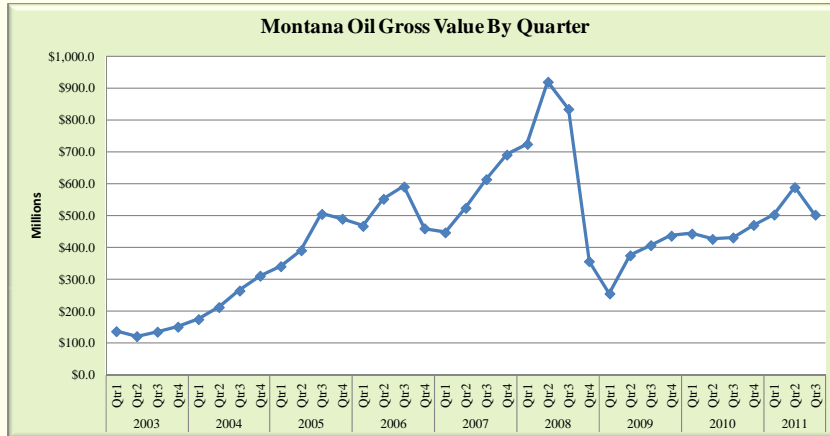
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## The Oil Slide May be Ending



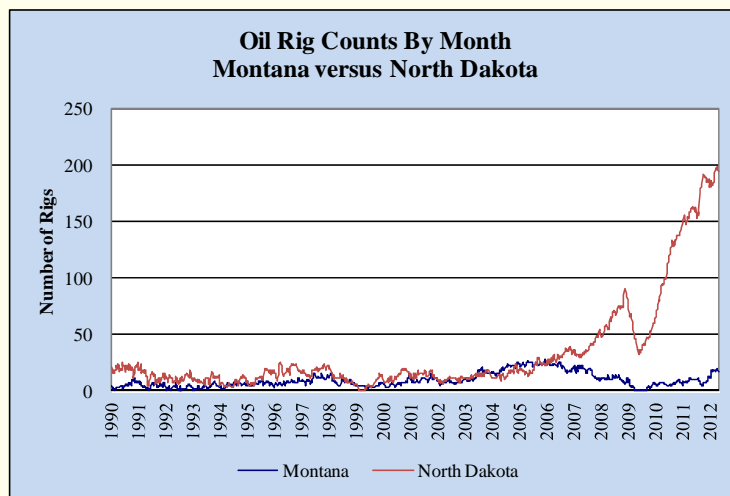
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## Oil Prices Keep Total Value Increasing



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## Oil Rig Counts Show Uptick

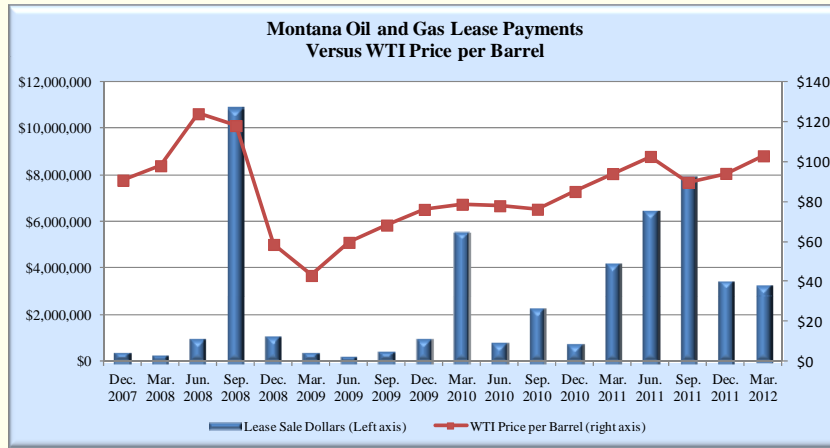


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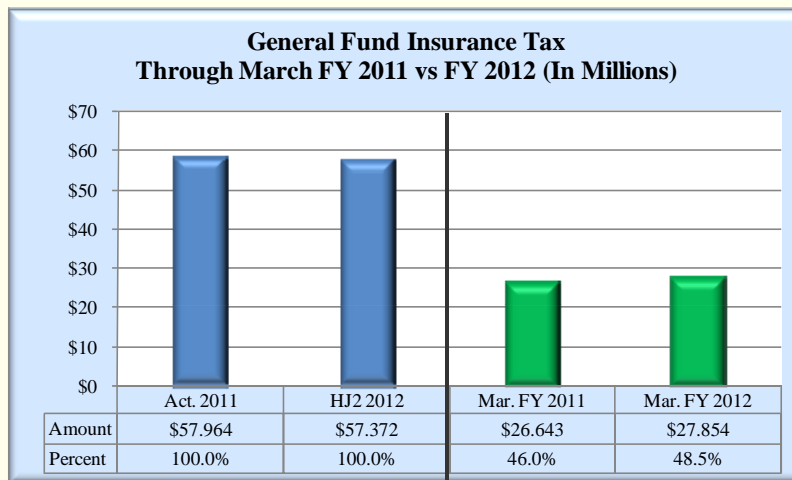
## Does Price Impact Lease Payments?



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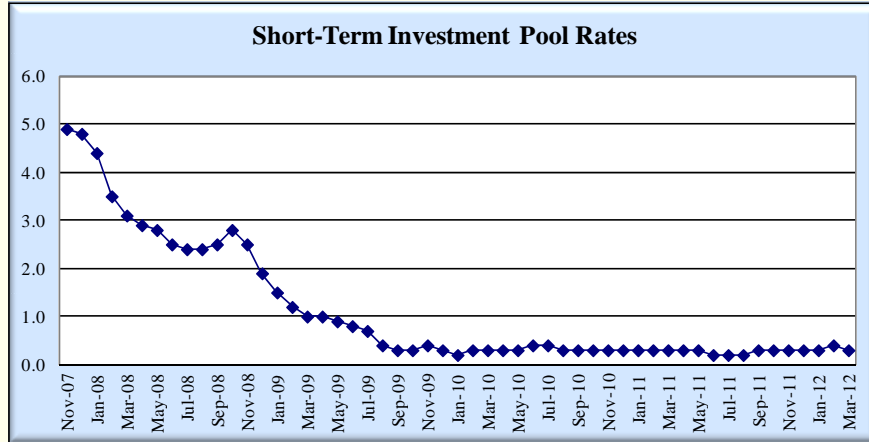


## Insurance Taxes Show Uptick



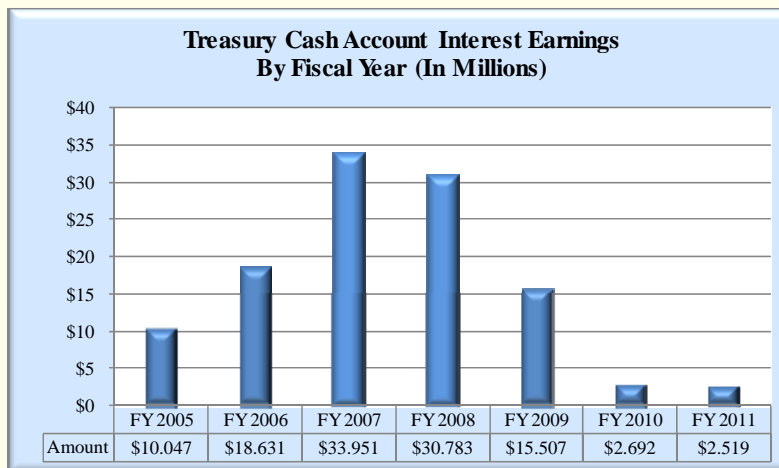
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## Interest Rates Continue at All Time Lows



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## Impact of Low Interest Rates



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## Changes Discussed in December

2013 Biennium General Fund Revenue Estimates Anticipated Revenue Adjustments - In Millions					
Tax Source	FY 2012 HJ2 Estimate	% of Total	Adjustment FY 2012	Adjustment FY 2013	Adjustment 2013 Biennium
1 Individual Income Tax	\$809.322	45.3%	\$56.861	\$60.411	\$117.272
2 Property Tax	237.188	13.3%	No Chg.	No Chg.	No Chg.
3 Corporation License Tax	115.086	6.5%	15.079	16.777	31.856
4 Vehicle Fee/Tax	106.716	6.0%	(7.775)	(7.807)	(15.582)
5 Oil & Gas Production Tax	102.996	5.8%	5.329	19.917	25.245
6 Insurance Tax	57.372	3.2%	1.878	1.982	3.860
Remaining	<u>356.942</u>	20.0%	<u>(9.495)</u>	<u>(15.327)</u>	<u>(24.822)</u>
Totals	\$1,785.622		\$61.877	\$75.953	\$137.829
Interest & Income (Oil & Gas Bonus Payments)			\$17.4	\$6.4	\$23.800

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## How Revenue Adjustments Impact Outlook

Legislative Budget - General Fund Outlook		
Figures in Millions		
	2011 Biennium	2013 Biennium
Beginning Fund Balance	\$396.334	\$343.762
Revenue		
HJ2 Revenue Estimate	3,409.703	3,638.761
Anticipated Adjustments	-	137.829
Total Funds Available	\$3,806.037	\$4,120.353
Disbursements		
General Appropriations - HB2	3,273.726	3,249.690
Statutory Appropriations	340.721	379.702
Transfers	135.516	30.020
Other Appropriations	-	4.206
Supplementals	-	29.614
Feed Bill	-	12.478
Reversions	(285.936)	(12.069)
Total Disbursements	\$3,464.027	\$3,693.641
Fund Balance Adjustments	1.752	-
Ending Fund Balance	\$343.762	\$426.712

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## Summary – Significant Issues

- Revenue Improvement – Stable to Increasing
- Individual Income Tax
  - Withholding Growth
  - Estimated Payments
- Corporation License Tax
  - Estimated Payments
  - Audit Revenues
- Oil & Gas Revenue
  - Bakken Formation Influence
  - Lease Payments
  - Reduced Supplemental Approps.
- General Fund Balance

