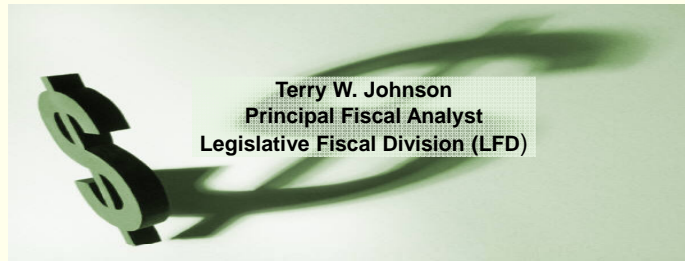




# General Fund Revenue Update 2013 Biennium




February 17, 2012


A report to the  
Revenue and Transportation Interim Committee



1



Legislative Fiscal Division



## Presentation Outline

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

2



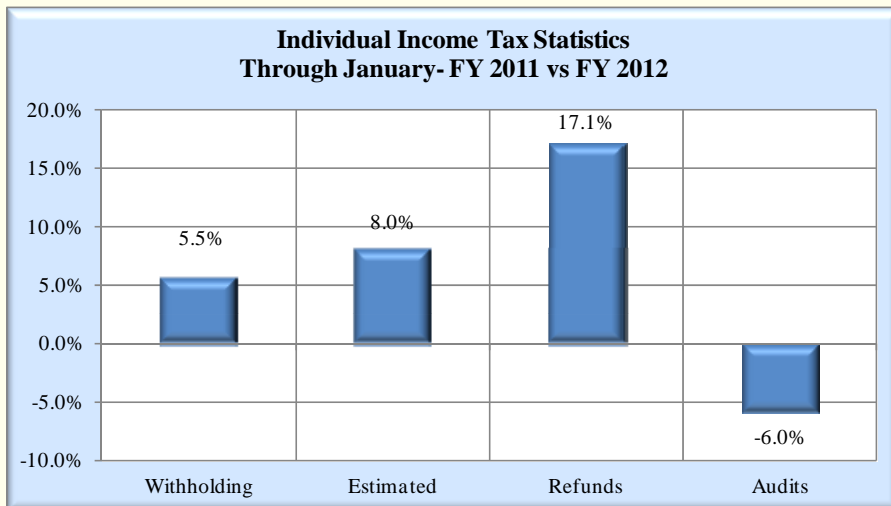
## Fiscal 2012 To Date Summary General Fund Revenue Comparison

- Through January FY 2011                   \$ 1,009.9 M
- Through January FY 2012               \$ 1,080.7 M
  
- Current Change and Rate (7 months)   \$ 70.8 M   7.01%
- HJ 2\* Growth and Rate (Full Year)     \$ 3.1 M    0.17%

\* Legislature's Revenue Estimating Resolution

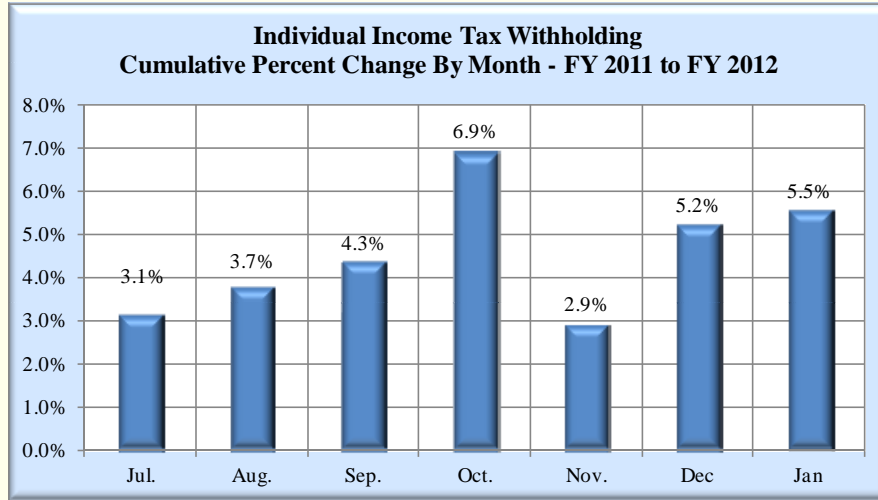


## Individual Income Tax Snapshot





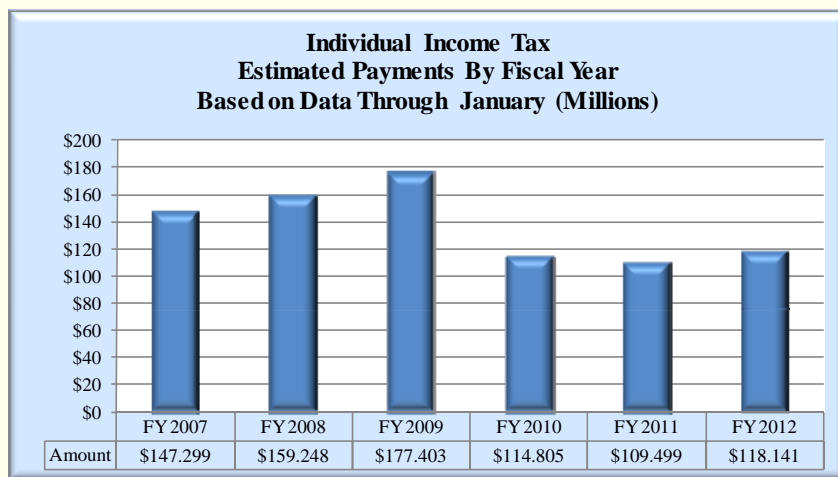
## What Are Withholding Tax Trends?



5



## What Are Estimated Payment Trends?



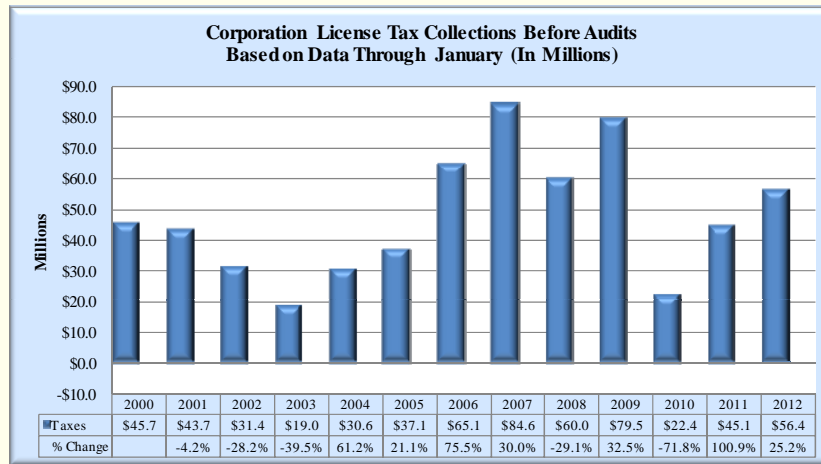
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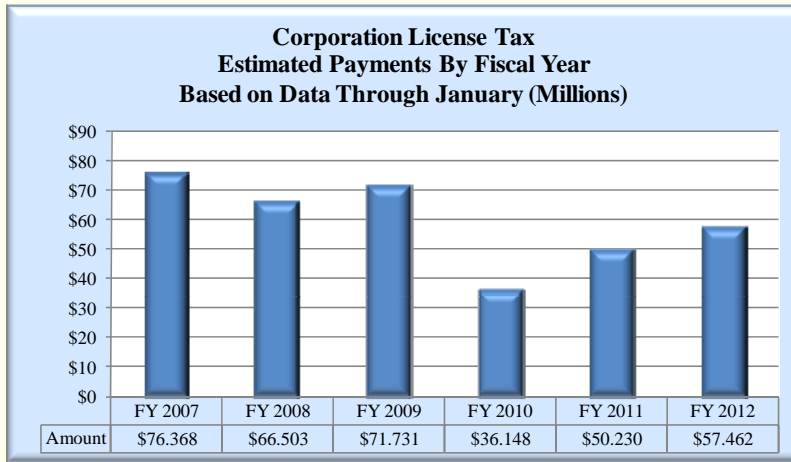
## Individual Income Tax

Individual Income Tax Comparison				
Revenue Code & Description	1/31/2011 Fiscal 2011	1/31/2012 Fiscal 2012	Difference	Percent Change
510101 Withholding Tax	379,345,769.94	400,220,098.38	20,874,328.44	5.50%
510482 Mineral Royalty WH Tax	7,420,131.40	7,454,853.09	34,721.69	0.47%
510111 Fiduciary Estimated Income Tax	2,369,230.51	2,686,279.44	317,048.93	13.38%
510102 Estimated Tax	109,499,336.24	118,141,387.39	8,642,051.15	7.89%
510103 Current Year I/T	6,098,814.29	14,233,168.63	8,134,354.34	133.38%
510105 Income Tax - Audit Collections	14,416,955.00	13,548,019.00	(868,936.00)	-6.03%
510106 Income Tax Refunds	54,828,916.29	64,208,269.46	9,379,353.17	17.11%
Income Tax Refunds Adjustment	0.00	0.00	0.00	0.00%
Totals	\$573,979,153.67	\$620,492,075.39	\$46,512,921.72	8.10%
Percent of Actual/Estimated	70.33%	76.67%		

## Underlying Corporate Tax Growth

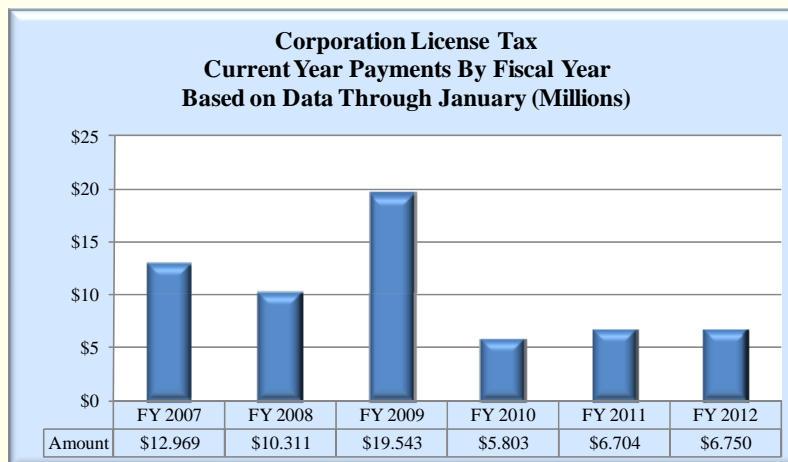


## What are Estimated Payment Trends ?



9

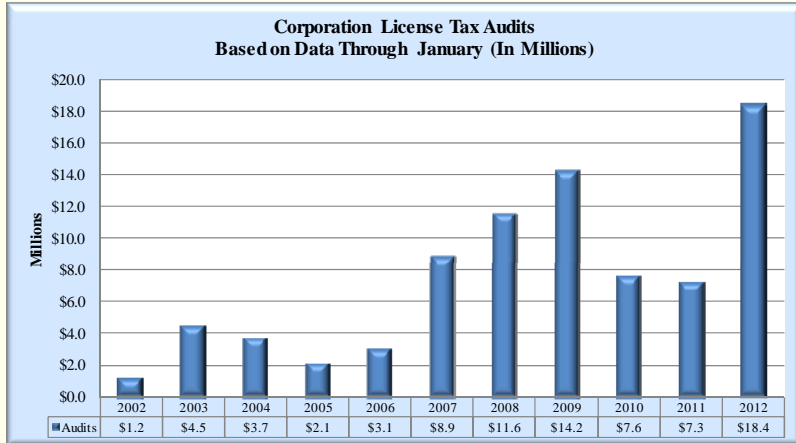
## What are Current Year Payment Trends ?



10



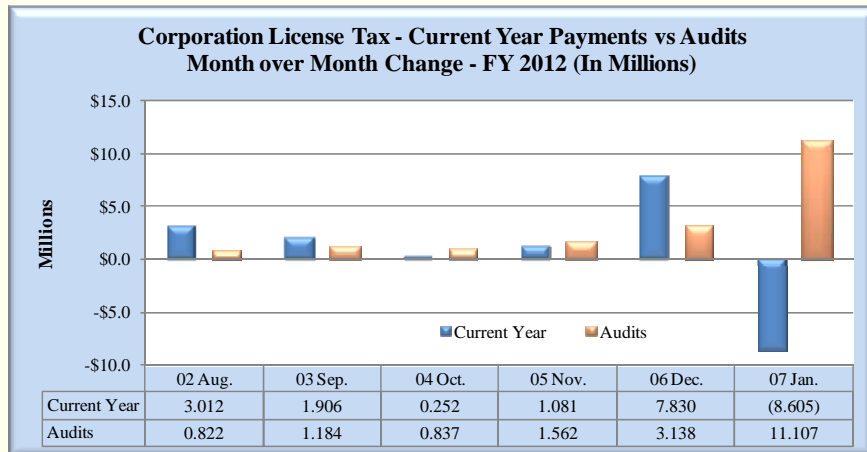
## Record Audit Activity - So Far



11



## DOR Audit Processing



12

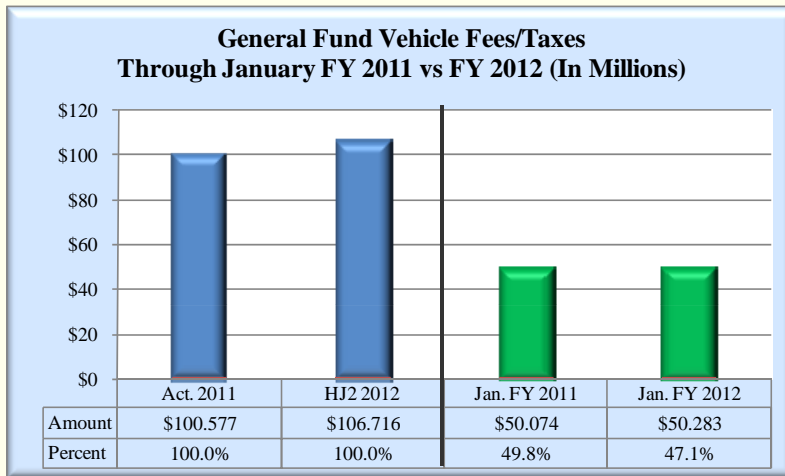


## Corporation License Tax

Corporation License Tax Comparison				
Revenue Code & Description	1/31/2011 Fiscal 2011	1/31/2012 Fiscal 2012	Difference	Percent Change
510501 Corporation Tax	6,703,850.37	6,750,278.49	46,428.12	0.69%
510505 Corporation Tax Estimated Paym	50,230,089.04	57,462,247.11	7,232,158.07	14.40%
510502 Corporation Tax Refunds	(11,849,832.41)	(7,988,001.22)	3,861,831.19	-32.59%
510503 Corporation Tax-Audit Collect.	7,269,186.00	18,650,153.00	11,380,967.00	156.56%
Corporation Tax Refunds Adjustment	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.00%
Totals	\$52,353,293.00	\$74,874,677.38	\$22,521,384.38	43.02%
Percent of Actual/Estimated	43.98%	65.06%		

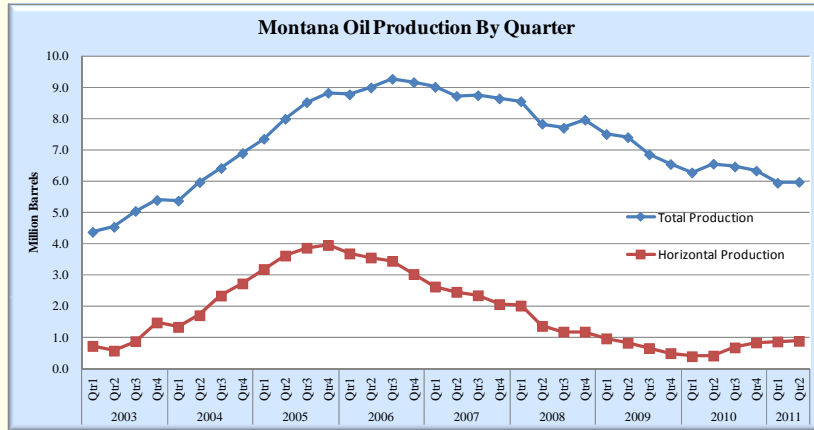


## Vehicle Fees/Taxes Are Flat





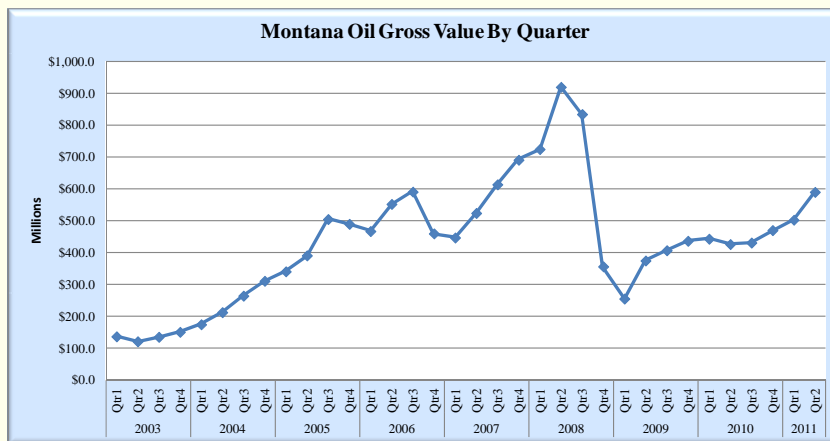
## The Oil Slide May be Ending



15



## Oil Prices Keep Total Value Increasing

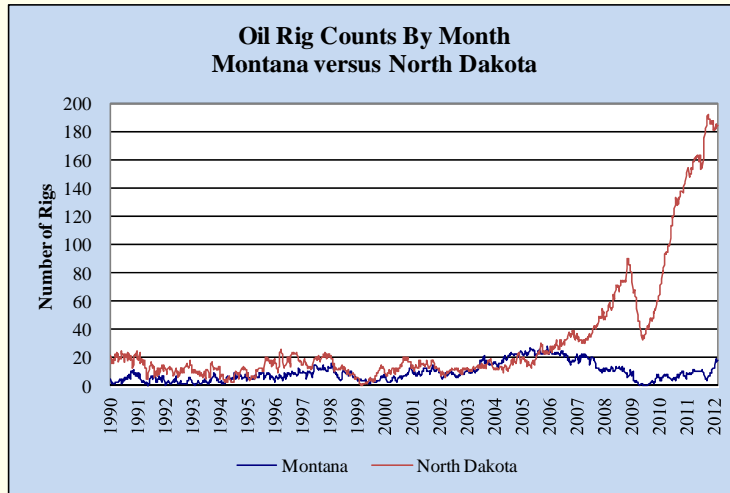


16





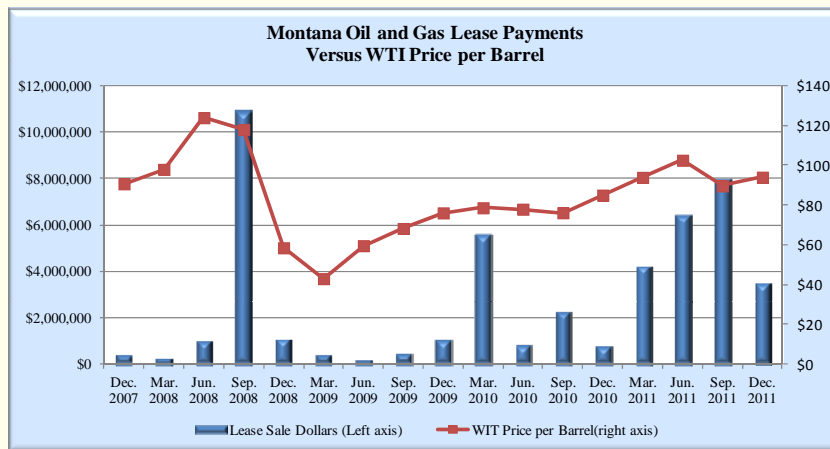
## Oil Rig Counts Show Uptick



17



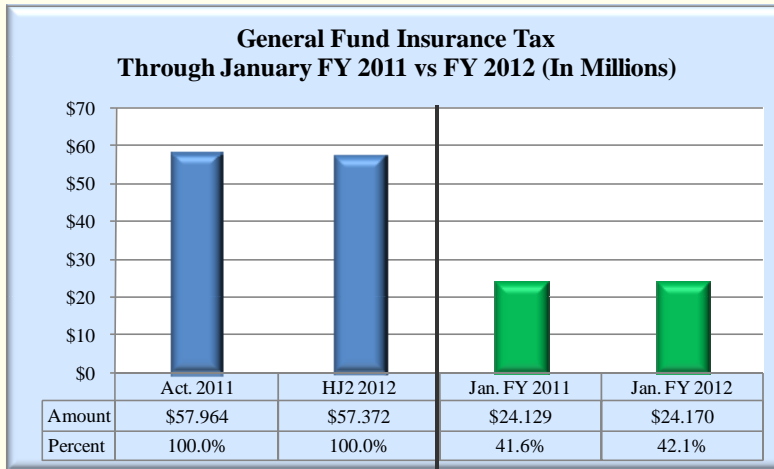
## Does Price Impact Lease Payments ?



18



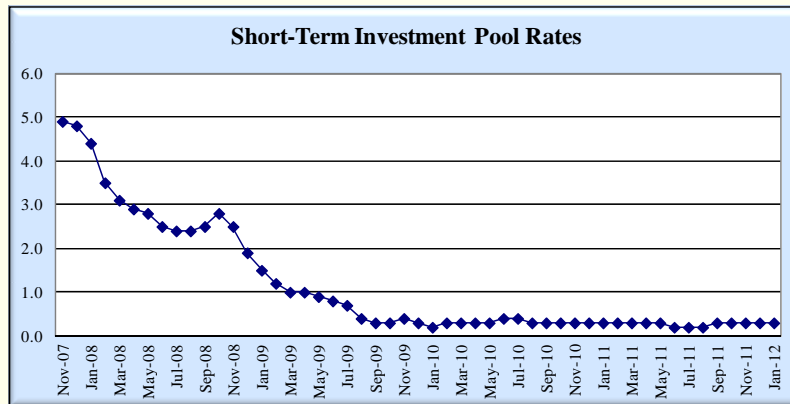
## Insurance Taxes Are Flat



19



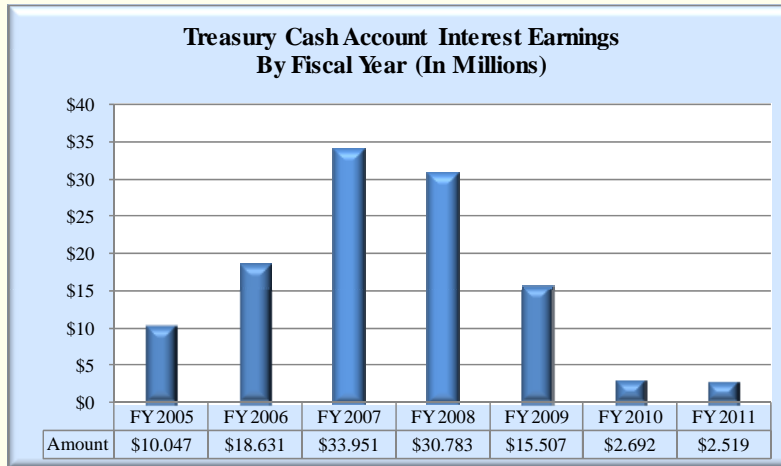
## Interest Rates Continue at All Time Lows



20



## Impact of Low Interest Rates



21



## 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>
<b>Totals</b>	<b>\$1,785.622</b>		<b>\$61.877</b>	<b>\$75.953</b>	<b>\$137.829</b>
Interest & Income (Oil & Gas Bonus Payments)			\$17.4	\$6.4	\$23.800

22



## 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

23



## Summary – Significant Issues



- Revenue Improvement - Stable
- 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

24

