FISCAL UPDATE News Article

Fiscal Services Division

October 14, 2016

REVENUE ESTIMATING CONFERENCE – OCTOBER MEETING

Revenue Estimate Summary. The Revenue Estimating Conference (REC) met on October 13, 2016, and decreased the estimated FY 2017 General Fund Receipts by $71.9 million (-1.0%) when compared to the FY 2017 adjusted REC March estimate.

Fiscal Year 2017. The October REC estimate for FY 2017 net General Fund receipts, including transfers, totals $7,308.1 million, an increase of $387.0 million (5.6%) compared to actual FY 2016. The estimated changes include an increase of 7.2% in gross income tax, 3.3% in gross sales/use tax, and 2.0% in gross corporate tax receipts.

The following chart provides additional detail for the FY 2017 revenue projection.

FY 2017 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2016	March FY 2017 Adj. Est.	October FY 2017 Estimate	Increase (Decrease) to March Estimate	Increase (Decrease) to Actual FY 2016	Percentage Change to Actual FY 2016
Income Tax	$4,355.5	$4,754.0	$4,667.5	$-86.5	$312.0	7.2%
Sales/Use Tax	2,810.5	2,866.0	2,902.2	36.2	91.7	3.3%
Corporate Tax	520.5	520.1	530.8	10.7	10.3	2.0%
Insurance Tax	91.8	101.9	97.7	-4.2	5.9	6.4%
Other Taxes	187.4	170.8	183.3	12.5	-4.1	-2.2%
Total Taxes	$7,965.7	$8,412.8	$8,381.5	$-31.3	$415.8	5.2%
Other Receipts	297.0	294.0	288.5	-5.5	-8.5	-2.9%
Gross Tax & Other Receipts	$8,262.7	$8,706.8	$8,670.0	$-36.8	$407.3	4.9%
Accruals (Net)	14.2	24.7	24.6	-0.1	10.4	73.2%
Refund (Accrual Basis)	-1,018.3	-975.0	-1,013.0	-38.0	5.3	-0.5%
Schl. Infras. Refunds (Accrual)	-466.9	-472.7	-474.4	-1.7	-7.5	1.6%
Total Net Receipts	$6,791.7	$7,283.8	$7,207.2	$-76.6	$415.5	6.1%
Transfers (Accrual Basis)	129.4	96.2	100.9	4.7	-28.5	-22.0%
Net Receipts Plus Transfers	$6,921.1	$7,380.0	$7,308.1	$-71.9	$387.0	5.6%

Fiscal Year 2018. The REC established an estimate of $7,607.3 million for FY 2018. This is an increase of $299.2 million (4.1%) compared to the revised FY 2017 estimate. The estimated changes include an increase of 4.3% in gross income tax, 3.9% in gross sales/use tax, and 4.4% in gross corporate tax receipts.

The following chart provides additional detail for the FY 2018 revenue projection.

FY 2018 Revenue Estimating Conference Projection

Dollars in Millions

	October FY 2017 Estimate	October FY 2018 Estimate	Increase (Decrease) to Estimated FY 2017	Percentage Change to Estimated FY 2017
Income Tax	$4,667.5	$4,868.6	$201.1	4.3%
Sales/Use Tax	2,902.2	3,016.1	113.9	3.9%
Corporate Tax	530.8	554.1	23.3	4.4%
Insurance Tax	97.7	100.9	3.2	3.3%
Other Taxes	183.3	187.0	3.7	2.0%
Total Taxes	$8,381.5	$8,726.7	$345.2	4.1%
Other Receipts	288.5	289.0	0.5	0.2%
Gross Tax & Other Receipts	$8,670.0	$9,015.7	$345.7	4.0%
Accruals (Net)	24.6	28.9	4.3	17.5%
Refund (Accrual Basis)	-1,013.0	-1,046.0	-33.0	3.3%
Schl. Infras. Refunds (Accrual)	-474.4	-495.2	-20.8	4.4%
Total Net Receipts	$7,207.2	$7,503.4	$296.2	4.1%
Transfers (Accrual Basis)	100.9	103.9	3.0	3.0%
Net Receipts Plus Transfers	$7,308.1	$7,607.3	$299.2	4.1%

Next Meeting. The next REC meeting has not been scheduled but will likely occur in December 2016. A detailed spreadsheet of the REC estimates is available on the Legislative Services Agency (LSA) website.

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Net General Fund Receipts Through November 8, 2016

Cash Fiscal Year-to-Date, Gross Receipts Net of Refunds

	FY 2016	FY 2017	$ Diff	% Dif
Net Income	$ 1,257.2	$ 1,300.4	$ 43.2	3.4%
Net Sales	835.6	881.0	45.4	5.4%
Net Corporate	90.5	65.0	(25.5)	-28.2%
Net Franchise	13.5	9.9	(3.6)	-26.7%
Net Other Taxes	91.5	87.2	(4.3)	-4.7%
Other Revenue	98.8	85.1	(13.7)	-13.9%
Net Revenue	$ 2,387.1	$ 2,428.6	$ 41.5	1.7%