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To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS July through December, FY 2012

This is the second monthly report based on the revised estimate of SGF receipts in FY 2012 made by the Consensus Estimating Group on November 4, 2011. The figures in both the "Estimate" and "Actual" columns under FY 2012 on the following table include actual amounts received in July-October. Thus, the report essentially deals with the difference between the estimated and actual receipts in November and December.

Total receipts through December of FY 2012 were \$60.0 million or 2.1 percent above the estimate. The component of SGF receipts from taxes only was \$37.2 million or 1.3 percent above the estimate. Total receipts through November of FY 2012 were \$23.1 million or 1.0 percent above the estimate and taxes only were \$3.0 million or 0.1 percent above the estimate.

Generally, a comparison of only two months is of little value in identifying a trend for the remainder of the year, as the timing and processing of receipts substantially can affect comparisons of the estimate with actual receipts over such a short period of time. In addition, receipts through the end of January will include sales tax receipts on Christmas business and individual income tax estimated payments due in January, 2012. Both of these factors will make the January report more helpful in ascertaining a picture of SGF receipts.

Tax sources that **exceeded** the estimate by more than \$1.0 million were: corporation income (\$12.5 million or 12.9 percent); individual income (\$7.5 million or 0.6 percent); retail sales (\$5.4 million or 0.5 percent); insurance premiums (\$3.8 million or 7.2 percent); compensating use (\$3.2 million or 2.1 percent); severance (\$1.7 million or 3.3 percent); and financial institutions privilege (\$1.2 million or 15.0 percent).

No tax sources fell below the estimate by more than \$1.0 million.

Of particular note is the corporation income tax receipts amounting to \$12.5 million above the December estimated amount. December is an estimated quarterly payment for corporations. The latest quarterly payments were 35 percent above the same period last year. Corporations may have adjusted their final tax year 2011 payment to more closely bring the estimated payments in line with the actual tax liability. Individual income withholding receipts for December, 2011 were 6.6 percent above the same period last year. In addition, individual income estimated payments for December were \$12.4 million above December, 2010. The possibility exists that some individuals who make estimated quarterly payments, next scheduled

for January 15th, may have adjusted their tax year 2011 payment to more closely bring the estimated payments in line with their actual tax liability.

Interest earnings were below the estimate by \$0.1 million. Net transfers and agency earnings were both above the estimated amount by \$18.5 million and \$4.4 million, respectively. A transfer out of the State General Fund of \$15.0 million was anticipated to be made to the Kansas Biosciences Authority in November was not made. Presumably the transfer will be made at a later date.

Total SGF receipts through December of FY 2012 were \$245.6 million or 9.0 percent above FY 2011 for the same period. Tax receipts only for the same period were above FY 2011 by \$207.6 million or 7.7 percent.

This report excludes a deposit to the SGF which totals \$600 million pursuant to issuance of a Certificate of Indebtedness. The Certificate will be discharged prior to the end of the fiscal year.

STATE GENERAL FUND RECEIPTS

July - December, FY 2012

(dollar amounts in thousands)

	Actual FY 2011	Estimate*	FY 2012 Actual	Difference	Percent increase relative to:	
					FY 2011	Estimate
Property Tax:						
Motor Carriers	\$ 14,385	\$ 13,600	\$ 14,367	\$ 767	(0.1)%	5.6%
Income Taxes:						
Individual	\$ 1,249,060	\$ 1,330,000	\$ 1,337,545	\$ 7,545	7.1%	0.6%
Corporation	113,347	97,000	109,470	12,470	(3.4)	12.9
Financial Inst.	7,012	7,900	9,085	1,185	29.6	15.0
Total	\$ 1,369,419	\$ 1,434,900	\$ 1,456,100	\$ 21,200	6.3%	1.5%
Excise Taxes:						
Retail Sales	\$ 980,141	\$ 1,060,000	\$ 1,065,417	\$ 5,417	8.7%	0.5%
Comp. Use	136,277	155,500	158,708	3,208	16.5	2.1
Cigarette	49,807	48,000	48,538	538	(2.5)	1.1
Tobacco Prod.	3,383	3,550	3,552	2	5.0	0.1
Cereal Malt Bev.	991	1,115	1,136	21	14.6	1.9
Liquor Gallonage	9,564	9,500	9,196	(304)	(3.8)	(3.2)
Liquor Enforce.	27,323	28,900	29,058	158	6.4	0.5
Liquor Drink	4,402	4,550	4,609	59	4.7	1.3
Corp. Franchise	6,702	4,850	5,361	511	(20.0)	10.5
Severance	41,227	51,300	52,976	1,676	28.5	3.3
Gas	17,817	21,300	24,015	2,715	34.8	12.7
Oil	23,411	30,000	28,960	(1,040)	23.7	(3.5)
Total	\$ 1,259,817	\$ 1,367,265	\$ 1,378,550	\$ 11,285	9.4%	0.8%
Other Taxes:						
Insurance Prem.	\$ 54,471	\$ 52,800	\$ 56,587	\$ 3,787	3.9%	7.2%
Miscellaneous	1,612	1,525	1,658	133	2.9	8.7
Total	\$ 56,083	\$ 54,325	\$ 58,245	\$ 3,920	3.9%	7.2%
Total Taxes	\$ 2,699,704	\$ 2,870,090	\$ 2,907,261	\$ 37,171	7.7%	1.3%
Other Revenue:						
Interest	\$ 11,932	\$ 5,200	\$ 5,078	\$ (122)	(57.4)%	(2.3)%
Transfers (net)	(26,257)	(4,630)	13,824	18,454	--	--
Agency Earnings and Misc.	31,997	32,400	36,849	4,449	15.2	13.7
Total	\$ 17,672	\$ 32,970	\$ 55,752	\$ 22,782	--	69.1%
TOTAL RECEIPTS	\$ 2,717,375	\$ 2,903,060	\$ 2,963,013	\$ 59,953	9.0%	2.1%

* Consensus estimate as of November 4, 2011.

NOTES:

- (1) Details may not add to totals due to rounding.
- (2) Excludes \$600 million to State General Fund due to issuance of a Certificate of Indebtedness.