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January 8, 2013

To: Legislative Budget Committee

STATE GENERAL FUND (SGF) RECEIPTS

July through December, FY 2013

This is the second monthly report based on the revised estimate of SGF receipts in FY 2013 made by the Consensus Estimating Group on November 6, 2012. The figures in both the "Estimate" and "Actual" columns under FY 2013 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 2013 were \$34.8 million or 1.2 percent above the estimate. The component of SGF receipts from taxes only was \$36.9 million or 1.2 percent above the estimate. Total receipts through November of FY 2013 were \$3.7 million or 0.2 percent above the estimate and taxes only were \$4.4 million or 0.2 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, 2013. Both of these factors may make the January report more helpful in ascertaining a picture of SGF receipts. (Remember another factor relative to January is the impact of income tax rate reductions enacted by the Legislature in 2012.)

Tax sources that **exceeded** the estimate by more than \$1.0 million were: individual income (\$30.7 million or 2.2 percent); corporation income (\$8.3 million or 4.9 percent); insurance premiums (\$4.8 million or 8.8 percent); motor carriers (\$3.4 million or 22.6 percent); and liquor enforcement (\$1.0 million or 3.4 percent).

Tax sources that fell below the estimate by more than \$1.0 million were: retail sales (\$8.3 million or 0.7 percent); compensating use (\$2.0 million or 1.2 percent); and severance (\$1.8 million or 4.8 percent).

Individual income tax withholding was \$40 million than the previous December's figure. Monitoring these receipts in January will be helpful, as the Department of Revenue has picked up some indication that bonuses that in previous years may have been received in early January were accelerated into December of 2012 for tax planning purposes, causing withholding on those bonuses to also be accelerated. For corporation income taxes, December is an estimated quarterly payment month. Corporations likely adjusted their final tax year 2012

Senate Commerce Committee

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payment to bring their total estimated payments more in line with their expected actual liability. Corporate estimated payments for the month were \$12 million more than the 2011 figure.

Interest earnings were below the estimate by \$0.3 million. Net transfers and agency earnings were both below the estimated amount by \$1.3 million and \$0.5 million, respectively.

Total SGF receipts through December of FY 2013 were \$88.0 million or 3.0 percent above FY 2012 for the same period. Tax receipts only for the same period were above FY 2012 by \$181.2 million or 6.2 percent.

This report excludes a deposit to the SGF which totals \$400 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 2013
(dollar amounts in thousands)

	Actual FY 2012	FY 2013			Percent change relative to:	
		Estimate*	Actual	Difference	FY 2012	Estimate
Property Tax:						
Motor Carriers	\$ 14,367	\$ 14,900	\$ 18,264	\$ 3,364	27.1 %	22.6 %
Income Taxes:						
Individual	\$ 1,337,545	\$ 1,399,000	\$ 1,429,747	\$ 30,747	6.9 %	2.2 %
Corporation	109,470	170,200	178,482	8,282	63.0	4.9
Financial Inst.	9,085	10,900	11,853	953	30.5	8.7
Total	\$ 1,456,100	\$ 1,580,100	\$ 1,620,082	\$ 39,982	11.3 %	2.5 %
Excise Taxes:						
Retail Sales	\$ 1,065,417	\$ 1,107,600	\$ 1,099,333	\$ (8,267)	3.2 %	(0.7) %
Comp. Use	158,708	168,000	166,038	(1,962)	4.6	(1.2)
Cigarette	48,538	47,300	47,352	52	(2.4)	0.1
Tobacco Prod.	3,552	3,650	3,596	(54)	1.2	(1.5)
Cereal Malt Bev.	1,136	1,005	992	(13)	(12.7)	(1.3)
Liquor Gallonage	9,196	9,750	9,815	65	6.7	0.7
Liquor Enforce.	29,058	29,900	30,920	1,020	6.4	3.4
Liquor Drink	4,609	4,710	4,805	95	4.3	2.0
Corp. Franchise	5,361	(9,300)	(9,216)	84	(271.9)	(0.9)
Severance	52,976	37,700	35,898	(1,802)	(32.2)	(4.8)
Gas	24,015	7,700	8,109	409	(66.2)	5.3
Oil	28,960	30,000	27,789	(2,211)	(4.0)	(7.4)
Total	\$ 1,378,550	\$ 1,400,315	\$ 1,389,533	\$ (10,782)	0.8 %	(0.8) %
Other Taxes:						
Insurance Prem.	\$ 56,587	\$ 54,762	\$ 59,559	\$ 4,797	5.3 %	8.8 %
Miscellaneous	1,658	1,488	1,064	(424)	(35.8)	(28.5)
Total	\$ 58,245	\$ 56,250	\$ 60,623	\$ 4,373	4.1 %	7.8 %
Total Taxes	\$ 2,907,261	\$ 3,051,565	\$ 3,088,502	\$ 36,937	6.2 %	1.2 %
Other Revenue:						
Interest	\$ 5,078	\$ 6,200	\$ 5,857	\$ (343)	15.3 %	(5.5) %
Transfers (net)	13,824	(79,750)	(81,030)	(1,280)	(686.2)	(1.6)
Agency Earnings and Misc.	36,849	38,200	37,723	(477)	2.4	(1.2)
Total	\$ 55,752	\$ (35,350)	\$ (37,450)	\$ (2,100)	(167.2) %	5.9 %
TOTAL RECEIPTS	\$ 2,963,013	\$ 3,016,215	\$ 3,051,052	\$ 34,837	3.0 %	1.2 %

Consensus estimate as of November 6, 2012.

Excludes a Certificate of Indebtedness of \$400 million, that must be redeemed prior to the end of the fiscal year.

NOTE: Details may not add to totals due to rounding.