State of New Mexico
LEGISLATIVE FINANCE COMMITTEE

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Monday, February 11, 2013

MEMORANDUM

TO: Senator John Arthur Smith, Chairman, Legislative Finance Committee; Representative Luciano "Lucky" Varela, Vice Chairman, LFC; Representative Henry "Kiki" Saavedra, Chairman, House Appropriations and Finance Committee

THROUGH: David Abbey, Director

FROM: Elisa Walker-Moran, Chief Economist; Peter B. van Moorsel, Economist

SUBJECT: Revenue Estimating Group – 2013 Mid-session Review of Revenues

Prior to the mid-point of each legislative session, the consensus revenue estimating group meets to review updated economic indicators and actual tax receipt data to determine whether the consensus revenue estimate warrants updating. This memorandum summarizes the work and conclusions of the consensus group, which comprises career economists in the Legislative Finance Committee (LFC), the Department of Finance and Administration (DFA), the Taxation and Revenue Department (TRD) and the Department of Transportation (DOT).

After analyzing the major revenues, the consensus group found two offsetting trends that resulted in only a minor net change to the revenue picture. Downward revisions to the gross receipts tax resulting from increased claims for several tax credits were partially offset by strength in severance taxes and royalties supported by an increase in oil prices and volumes. The net change to projected FY13 general fund revenues is less than one percent, a small enough change that the consensus group ordinarily might not revise the December revenue estimate.

However, the consensus group did make significant changes in its assumptions for certain revenues – particularly in its estimates of the general fund cost of several tax credits – and it is important that this information be made public. To date, multiple pieces of legislation have been introduced that would amend current tax credits, or create new tax preferences. The estimated impact of some of this legislation is based on the updated revenue estimates and the assumptions about tax credits made therein. Accordingly, the revisions to the revenue projections are presented in detail in Attachment 1.

Economic Outlook and Broad-based Taxes.

The consensus group considered the implications of new economic information that was not available when the general fund revenue estimates were last updated in December. This information includes updated forecasts prepared by the two forecasting services used by the group's members for national-level economic data, IHS-Global Insight and Moody's Analytics. In addition, UNM's Bureau of Business and Economic Research updated its forecast of state-level economic indicators. The Congressional Budget Office also released its budget and economic outlook for federal fiscal years 2013 to 2023. Finally, the governor's announcement that Medicaid expansion would go forward in New Mexico signaled increases in federal spending that benefit the economic outlook. Attachment 2 provides a table of economic indicators considered in the mid-session revenue discussions.

Looking forward, BBER anticipates job growth of only 0.29 percent in FY13 and 1.19 in FY14. New Mexico is not projected to regain the previous peak number of payroll jobs, about 820 thousand, until 2016, eight years after that level was first achieved. Private wages and salaries, a critical driver of gross receipts taxes, are expected to grow by 4.1 percent in FY13 and 4.5 percent in FY14.

The world economy escaped severe impacts last year when the United States avoided the fiscal cliff, China did not have a hard landing, and the Eurozone did not break up. Recent news on the national economy has been mostly positive. The biggest fiscal risk - hitting the debt ceiling - has been defused, but the spending sequester and a possible government shutdown still threaten in March. IHS-Global Insight has assumed a limited, temporary sequester in their baseline. They also assume that the Federal Reserve will continue quantitative easing into 2014, and will keep the federal funds rate near zero until late 2015. They predict that GDP growth will continue to improve by 2 percent in FY13 and 2.3 percent in FY14. The news is not all positive - consumer confidence has taken a hit, most likely because of the end of the payroll tax cut. The loss of income should slow consumer spending growth. Inflation in the U.S. is expected to remain subdued, at 1.6 percent in FY13 and FY14.

In the temporary sequester assumed in their baseline, IHS-GI cut just $9 billion off actual spending in FFY13. A full sequester would mean $85 billion in spending authority cuts for this fiscal year, and then $110 billion per year thereafter, half in defense and half elsewhere. These are cuts in budget authority, and the cuts in actual spending would feed in more slowly. They also assume a deal early in the second quarter, combining tax increases (through limiting deductions, not through higher rates), with spending cuts focused on entitlements.

The group debated whether the economic forecasts warranted a downward adjustment in income taxes, particularly for corporations. Corporate income tax revenues are tracking below the December estimate; however, revenue attributable to this tax tends to accrue towards the end of the fiscal year, and the group agreed on only a moderate downward revision.

Healthcare.

The ACA is expected to increase revenues by three avenues. The first is the "woodwork effect". HSD expects 11,000 Medicaid eligible persons to enroll so that they avoid federal penalties in their 2014 taxes. Secondly, analysts expect some 12,000 thousand enrollees on the new health care exchange. Lastly, significant amounts of premium tax are diverted to the New Mexico Medical Insurance Pool (NMMIP). NMMIP provides access to health insurance coverage to residents of New Mexico who are denied health insurance and considered uninsurable. For FY13, NMMIP has assessed health insurance companies $123 million to substantially fund the pool. Insurance carriers in turn are allowed a roughly 55 percent credit on assessments which are claimed against premium tax liability.

New Mexico relies heavily on federal government spending through the national laboratories, military institutions, and transfer payments (including Medicaid). Any reductions in federal funding could have a negative impact on the New Mexico economy. Medicaid expansion with federal share in the range of 90 percent to 100 percent will boost state economic activity and revenue.

Energy-related Revenue.

Strength in the energy outlook has had a positive impact on several revenues associated with the extractive industry. The consensus group projects strength in severance taxes on the back of projected increases in volumes and an upward revision in oil prices to $86.50 in both FY13 and FY14, which offset weakness in natural gas. This strength, combined with increasing production on federal lands, is contributing to an increase in federal mineral leasing revenues. This revenue represents approximately half of the royalties collected from oil and gas produced on federal lands within the state. These adjustments are supported with strength in fiscal year-to-date collections and receipts.

Tax Credits.

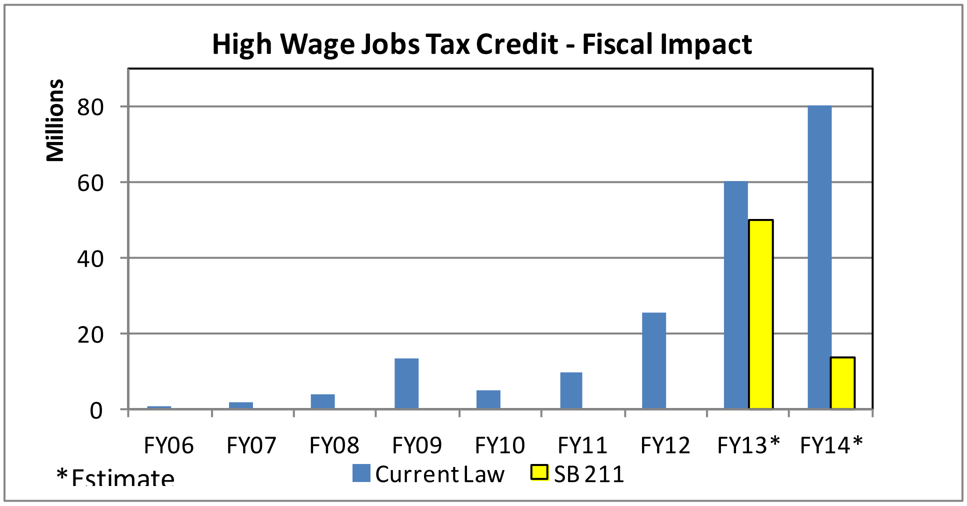
A major aspect of the mid-session revenue discussions was the unexpected and drastic increase in end of tax-year claims for certain tax credits. In recent years, several tax expenditures for economic development have had a larger fiscal impact than when initially implemented. Rising costs of the film production tax credit during the fiscal crisis contributed to the implementation of a $50 million cap on that credit beginning FY12. During the 2012 interim, the Legislative Finance Committee and the Revenue Stabilization and Tax Policy Committee held several hearings concerning the doubling of the cost of the newly-enacted manufacturing GRT deduction. Last month, the TRD reported an increase in applications for two further tax credit applications – the high-wage jobs tax credit and the advanced energy tax credit. The consensus revenue group discussed at length the implications of the increase in tax credit claims. The table below compares the group's December estimate for the impact of these credits with the updated estimate that considers the increase in claims. The resulting net adjustment to the revenue forecast was applied largely to the gross receipts tax. (For a more detailed explanation of the tax credits please see attachment 3).

Tax Credits Assumed in February Consensus Revenue Forecast

(in millions of dollars)

	FY 2013			FY 2014		
	Dec 12	**Feb 13**	**Change**	**Dec 12**	**Feb 13**	**Change**
Manufacturing	$ (16.5)	$ (16.5)	$ -	$ (32.5)	$ (32.5)	$ -
Film	$ (50.0)	$ (50.0)	$ -	$ (50.0)	$ (50.0)	$ -
HWJTC	$ (23.5)	$ (60.00)	$ (36.5)	$ (24.1)	$ (69.48)	$ (45.4)
Advanced energy	$ -	$ (6.0)	$ (6.0)	$ -	$ (10.0)	$ (10.0)
TOTAL	**$ (90.0)**	**$ (132.5)**	**$ (42.5)**	**$ (106.6)**	**$ (162.0)**	**$ (55.4)**

The table highlights the significant impact of one tax expenditure in particular – the high-wage jobs tax credit, which provides qualifying employers with a 10 percent tax credit, up to $12 thousand, for each employee with annual wages and benefits totaling more than $28 thousand if in a rural area and more than $40 thousand if in an urban area. The credit is intended to create new jobs, but data suggests most of the claims are for jobs created from previous business activity. The TRD estimates as little as 19 percent of all FY12 credit applications were for jobs created during the current qualifying period. The credit's rising cost to the general fund is illustrated in the graph below. Legislation introduced in this session (Senate Bill 211) could significantly reduce the cost of this tax credit but amendments recently proposed in committee may significantly reduce these savings (the amended costs are not reflected in the graph below).



Estimating the cost of tax expenditures is difficult. Confidentiality requirements surrounding certain taxpayer information create uncertainty, and analysts must frequently interpret third-party data sources. The statutory criteria for a tax expenditure may be ambiguous, further complicating the initial cost estimate of the expenditure's fiscal impact. Once a tax expenditure has been approved, information constraints continue to create challenges in tracking the real costs (and benefits) of tax expenditures. The timing of tax credit claims can also complicate estimates of a credit's impact. In some cases, a credit can be carried forward for years, and it remains difficult to predict when it will be claimed.

The agencies represented in the consensus group will continue to work to provide the most accurate fiscal impact analysis of all introduced legislation that the available information allows. To this effect, staff will closely scrutinize agency analyses of tax expenditure legislation to estimate the fiscal impact of tax expenditure legislation. Further, LFC fiscal impact reports will analyze all bills for adherence to the LFC tax principles listed in this memo, and will recommend all tax expenditure legislation include provisions that require data collection and reporting to allow oversight agencies to track their cost.

Do tax expenditures meet the Legislative Finance Committee tax policy principles?

1. **Adequacy**: Revenue should be adequate to fund needed government services.
2. **Efficiency**: Tax base should be as broad as possible and avoid excess reliance on one tax.
3. **Equity**: Different taxpayers should be treated fairly.
4. **Simplicity**: Collection should be simple and easily understood.
5. **Accountability**: Preferences should be easy to monitor and evaluate

Year-to-date Revenues through November.

Attachment 4 shows the LFC general fund revenue tracking report that reflects revenue accruals through November 2012, preliminary revenues through November, and a few revenue sources through January. Recurring state revenues for FY13 are tracking at $5,645 million. If compared to the December 2012 revenue estimate, total revenues for the year are tracking at $62.5 million, or 1.1 percent, less than the estimate. Strength continues in revenues associated with the extractive industries, while income taxes are tracking below the estimate. It is noteworthy that the revenue estimating group took into account current fiscal year-to-date revenues when conducting its mid-session review.

Year-to-date general fund recurring revenues are $2,163 million, a decrease of $157 million, or 6.8 percent, compared to the same period during FY12. Much of the year-over-year decrease can be attributed to oil and gas-related revenues, which saw a record year in FY12. As a result, although they are tracking above FY13 estimates, revenues attributable to severance taxes and royalties are not expected to reach FY12 levels.

Status of the Consensus Revenue Forecast.

The consensus revenue estimate remains officially unchanged from December. After considering new economic information and actual revenue collections, the net change in revenues would be less than one percent, well within the average revenue estimating error of three percent. In past occasions, the group has used the one percent threshold as a rule of thumb to determine whether a revision to the consensus forecast was warranted.

However, in the interest of transparency, LFC staff feels it is important that this memo provide detail of the analysis performed by the revenue estimating group. As discussed in this memo, newly available information concerning the economy, energy prices, and especially increased estimate of the cost of tax expenditures have real implications for the work of the Legislature, in particular the need to estimate the impact of legislation concerning new or existing tax credits. Although the net change in estimated revenues may be small, it results from offsetting trends, and it would be imprudent to report the details of the increasing claims for tax credits without also reporting the details of areas of the economy that strengthen the revenue picture.

Attachment 1

General Fund Consensus Revenue Estimate: February 2013

(in millions of dollars)

	FY13				FY14			
	Dec 2012 Est.	Feb 2013 Est.	Change from Prior	% Change from FY12	Dec 2012 Est.	Feb 2013 Est.	Change from Prior	% Change from FY13
TOTAL GENERAL SALES	2,047.8	1,988.0	(59.8)	-0.1%	2,105.5	2,034.9	(70.6)	2.4%
TOTAL SELECTIVE SALES	442.3	442.3	(0.0)	1.1%	465.0	484.9	19.9	9.6%
TOTAL INCOME TAXES	1,446.6	1,428.3	(18.3)	-0.2%	1,559.3	1,534.6	(24.7)	7.4%
TOTAL SEVERANCE TAXES	419.4	431.1	11.7	-5.5%	436.1	455.5	19.4	5.7%
LICENSE FEES	50.4	50.4	-	1.7%	51.6	51.6	-	2.2%
TOTAL INTEREST	631.0	631.0	-	-4.8%	631.3	631.3	-	0.0%
TOTAL RENTS & ROYALTIES	500.5	525.5	25.0	-11.7%	528.2	548.2	20.0	4.3%
TRIBAL REVENUE SHARING	72.0	72.0	-	5.6%	73.0	73.0	-	1.4%
MISCELLANEOUS RECEIPTS	46.2	46.2	-	2.4%	42.7	49.4	6.7	6.9%
TOBACCO SETTLEMENT	-	-	-	0.0%	-	-	-	0.0%
REVERSIONS	51.0	51.0	-	-22.6%	40.0	45.0	5.0	-11.8%
TOTAL RECURRING	5,707.3	5,665.9	(41.4)	-2.4%	5,932.7	5,908.5	(24.2)	4.3%
TOTAL NON-RECURRING	(3.3)	(3.3)	-	-122.5%	(0.9)	(0.9)	-	-72.7%
GRAND TOTAL	5,704.0	5,662.6	(41.4)	-2.7%	5,931.8	5,907.6	(24.2)	4.3%

	Attachment 2 - U.S. and New Mexico Economic Indicators	FY12		FY13		FY14	
		Dec12 Prelim	**Feb13 Prelim**	**Dec12 Forecast**	**Feb13 Forecast**	**Dec12 Forecast**	**Feb13 Forecast**
	National Economic Indicators						
GI	US Real GDP Growth (annual avg. ,% YOY)*	2.1	2.0	1.7	2.0	2.8	2.3
Moody's	US Real GDP Growth (annual avg. ,% YOY)*	2.0	2.0	1.9	2.1	3.0	2.9
GI	US Inflation Rate (CPI-U, annual avg., % YOY)**	1.9	2.9	1.3	1.6	1.8	1.6
Moody's	US Inflation Rate (CPI-U, annual avg., % YOY)**	2.9	2.9	1.9	1.9	2.5	2.4
GI	Federal Funds Rate (%)	0.10	0.12	0.16	0.15	0.16	0.16
Moody's	Federal Funds Rate (%)	0.10	0.10	0.10	0.10	0.09	0.10
	New Mexico Labor Market and Income Data						
BBER	NM Non-Agricultural Employment Growth	0.6	0.07	0.8	0.29	1.6	1.19
Moody's	NM Non-Agricultural Employment Growth	0.6	0.3	0.8	-0.7	1.1	1.6
BBER	NM Nominal Personal Income Growth (%)***	4.4	4.4	2.7	3.1	3.9	2.5
Moody's	NM Nominal Personal Income Growth (%)***	4.4	4.4	2.7	2.7	3.4	1.3
BBER	NM Total Wages & Salaries Growth (%)	1.6	2.0	2.5	2.4	3.4	3.2
Moody's	NM Total Wages & Salaries Growth (%)	1.6	2.0	2.5	1.7	2.7	3.7
BBER	NM Private Wages & Salaries Growth (%)	2.2	2.9	3.6	4.1	4.4	4.5
BBER	NM Real Gross State Product (% YOY)		1.2		2.0		1.8
Moody's	NM Real Gross State Product (% YOY)		1.6		2.2		3.1
CREG	NM Oil Price ($/barrel)	$89.64	$90.00	$85.00	$86.50	$84.75	$88.00
CREG	NM Taxable Oil Volumes (million barrels)	79.7	80.1	84.1	87.0	88.4	91.4
CREG	NM Gas Price ($ per thousand cubic feet)*****	$5.00	$5.00	$4.50	$4.50	$5.00	$5.10
CREG	NM Taxable Gas Volumes (billion cubic feet)	1,229	1,226	1,185	1,185	1,151	1,151

TRD Notes
* Real GDP is BEA chained 2005 dollars, billions, annual rate
** CPI is all urban, BLS 1982-84=1.00 base.
***Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins
Sources: January FOR-UNM baseline Global Insight - January 2013

DFA Notes
* Real GDP is BEA chained 2005 dollars, billions, annual rate
** CPI is all urban, BLS 1982-84=1.00 base.
***Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins
*****The gas prices are estimated using a formula of NYMEX, EIA, and Moodys (January) future prices as well as a liquid premium based on oil price forecast
Sources: January Moodys economy.com baseline, ****assumes all states participate in Medicaid expansion starting in FY14

Attachment 3

Tax Expenditure Issues Impacting Revenue Forecast

Recent CREG revenue forecasts have included evaluation of the impact of tax expenditures on the General Fund revenue. The analyses have incorporated investigations of whether the individual reported accounts are reflecting reduced revenues in the base revenue data reported, as well as whether a particular tax expenditure program was having an expanding impact of specific revenue accounts that required explicit, external recognition (i.e., an exogenous adjustment factor). Both of these evaluations are again applied to the current revenue forecast.

However, the recent rapid escalation in tax expenditure claims with respect to several individual tax expenditure programs has required special consideration in this forecast. Two of the most notable tax expenditures negatively impacting this revenue forecast include:

- *High Wage Jobs Tax Credits* — TRD received an extraordinary surge in HWJTC applications at the end of 2012, reflected in the total paid refund claims in FY12 of $25.4 million rising to paid refund claims of nearly $17 million with pending claim applications nearing $120 million at the present time. TRD has made special effort to analyze the pending claims, and concludes for purposes of this forecast total approved claims in FY13 is estimated to be $97 million if the current HWJTC statute remains in place.
- *Advanced Energy Tax Credits* — This tax expenditure program has been virtually dormant since its enacted in 2007, but it appears likely that approved claims in FY13 will exceed $23 million. The program[1] offers credits to offset major capital costs of advanced energy capital investments, and is primarily tapped by major utility and non-utility plant and infrastructure investments which we anticipated to continue in the next several years.

The impact on the CREG revenue forecast is summarized in the table presented below. This forecast incorporates the detailed review TRD has undertaken in the last month of likely claims, approvals and distributions. Because the tax expenditures impact multiple General Fund accounts (e.g., allocations to GRT, CIT, PIT, etc.) the summary of the individual tax expenditure program cannot directly reflected in the General Fund Forecast Summary table. Note in particular that several of the tax expenditures have carry-forward balances, where approved credits in one year may not actually be taken against GF revenue accounts until a subsequent year. Where this is anticipated in a significant amount it is presented with the FY impacts.

In sum, the CREG General Fund revenue forecast is $45.4 million in additional expenditures in FY13, and an additional $75.5 million in FY14 tax expenditure impacts than was previously incorporated in the December 2012 revenue forecast. These impacts assume that existing law remains as currently provided by statute, and does not attempt to take account of any adjustments related to amendments currently pending before the legislature.

[1] The tax credit is 6% of qualifying facility costs, up to a credit of $60 million per facility that is applicable to GRT, Withholding, Compensating taxes (first), but may also be applied to Income Tax and Corporate and Franchise Tax liability. The credits may be carried forward up to ten years, but are not refundable (i.e., must be taken against otherwise applicable tax liability). Qualifying facility construction must begin not later than December 31, 2015.

CREG Analysis of Potential Impacts of Selected Tax Expenditures in FY13 and FY14
Estimate as of February 8, 2013

Comparison of Actual (and Projected) Tax Expenditure Claims to Initial Cost Estimates

	Tax Credits (in millions of dollars)	High-Wage Jobs Tax Credit[1]	Film Production Credit	Technology Jobs Credit	Investment Tax Credit	Laboratory Partnership Small Business Credit	Manufacturing and Construction Anti-Pyramiding[2]	Advanced Energy Tax Credit	Total by Fiscal Year
	Statutory Citation (year enacted)	7-9G NMSA 1978 (2004)	7-2F NMSA 1978 (2002)	7-9F NMSA 1978 (2000)	7-9-A NMSA 1978 (1979)	7-9E NMSA 1978 (2000)	7-9-46 NMSA 1978 (2012)	7-9G-2 NMSA 1978 (2007)	
FY 2013	FY13 - February Scenario[3]	$ 60.00 [4]	$ 42.00 [5]	$ 7.00	$ 2.20	$ 4.80 [6]	$ 16.50	$ 6.00	$ 153.50
	Additional Potential Impact on FY 13 GF Revenue[7]	$ (48.25)	$ 8.00	$ -	$ 0.80	$ -	$ -	$ (6.00)	$ (45.45)
FY 2014	FY14 - February Scenario[3]	$ 80.29 [8]	$ 50.00 [9]	$ 11.46 [10]	$ 6.60 [11]	$ 4.80	$ 32.50	$ 10.00 [12]	$ 233.66
	Additional Potential Impact on FY 14 GF Revenue[7]	$ (57.41)	$ -	$ (4.46)	$ (3.60)	$ -	$ -	$ (10.00)	$ (75.48)
FY 2015	Estimated Carry-Forward to FY15	$ (10.83)	$ -	$ -	$ -	$ -	$ -	$ (17.40)	$ (28.22)

[1] Note that based on historical data it is estimated that approximately $80 million of the pending $117 million in applications would be approved under the existing law in FY13, and that the current surge in HWJTC applications is NOT representative of the "normal" levels of HWJTC applications. Under esiting law the "normal" level of claims may be assumed to be approximately $65 million with approximately $43.3 million of those claims approved for HWJTC. See TRD FIR for SB-211 for additional explanation of thethe HWJTC analysis.

[2] Claim amount is a projection for fully implemented credit, based on DFA's revision of the credit's cost.

[3] TRD as attempted to estimate claim applications in FY13 & FY14 that will be approved and applied against liability, refunded during FY13 & FY14, and approved claim balances likely to be carried-

[4] Assumes total of $80 million of pending claims approved, no new claims filed after January 1, 2013 approved, additional $17 million already approved, and $37 million in claims approved in FY13 are not taken until FY14 (carried- forward).

[5] Estimated that $8.9 million approved (or previously carried-forward into FY13) will not be able to be taken as credit or refund (e.g., multi-year credit payouts), and will be carried-forward to FY14.

[6] Statutory cap of $2.4 million per year per national laboratory.

[7] Additional Revenue Impact reflects the difference between the anticipated external adjustment for the tax expenditure incorporated in the December 2012 CREG Revenue Forecast, and the amount that this now anticipated to be paid as offset to tax liability of refunded in Both FY13 & FY14 (seperately). This is the net effect on General Fund Revenue balances from the unanticipated deviations of actual tax expenditures from those projected in the prior Revenue Forecast.

[8] Assumes "normal" level of HWJTC under existing law would result in approval of $43.3 million in new claims in FY14, with $37 million carried forward from FY13.

[9] Although it is anticipated that there will be film productions expense claims of at least $50 million in FY14, the estimated $8.9 million (including $6 million in 2nd year credits) approved or carried-forward from FY13 will be taken in FY14.

[10] Assumes that $4.5 million of approved claims in FY13 is carried-forward to FY14, with an additional $7 million in claims approved in FY14 (all claims taken in FY14).

[11] Assumes that of the $6.2 million pending only $3.7 million approved in FY13, and additional $3.6 million of the pending FY13 claims will be carried-forward to FY14.

[12] As of February 6, 2013 there have been 14 applications fubmitted and 4 applications approved, The first date of a tax report related to claim of Type 11 or 12 NTTC will be approximately February 25,

[16] Assumes that all of currently pending claims are approved in FY13, but only $6 million is taken in FY13 claim, and $17.4 million will be carried-forward to FY14.

Attachment 4

FISCAL YEAR 2013 GENERAL FUND MONTHLY REVENUE TRACKING -Accruals through November

(dollars in millions; italics indicate preliminary actual revenue)

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Row #		July Actual	Aug Actual	Sept Actual	Oct Actual	Nov Actual	Dec Est.	Jan Est.	Feb Est.	Mar Est.	Apr Est.	May Est.	June Est.	FY13 Actual + Estimate	FY 13 Dec 12 Est	YTD % Δ	YTD $ Δ	FY12 Prelim	Row #
		ESTIMATED REVENUE ACCRUALS												FY13	TRACKING CHANGE (Δ)				
1	Gross Receipts Tax	**157.6**	**166.1**	**137.7**	**168.4**	**162.9**	186.3	158.6	152.8	156.3	165.8	161.4	192.7	1,966.4	1,981.3	-0.8%	(14.9)	1,928.5	1
2	Compensating Tax	**5.3**	**6.4**	**3.5**	**5.7**	**(0.5)**	6.8	4.5	5.0	6.5	4.8	5.3	6.9	60.2	66.5	-9.4%	(6.3)	62.1	2
3	**TOTAL GENERAL SALES TAXES**	**162.9**	**172.5**	**141.2**	**174.0**	**162.4**	193.1	163.1	157.8	162.9	170.6	166.7	199.6	2,026.6	2,047.8	-1.0%	(21.2)	1,990.5	3
4	Tobacco Products & Cigarette Taxes	**6.2**	**7.9**	**6.7**	**7.2**	**7.4**	7.1	6.3	6.1	7.1	7.0	6.5	9.1	84.7	84.3	0.5%	0.4	85.4	4
5	Liquor Excise Tax	**2.1**	**2.3**	**2.0**	**1.6**	**3.0**	2.7	1.6	1.9	2.2	2.1	2.3	2.6	26.3	26.5	-0.8%	(0.2)	26.1	5
6	Insurance Premiums Tax	**0.4**	**30.4**	**0.7**	**2.6**	31.7	2.1	1.4	20.0	0.7	1.1	21.6	1.8	114.4	122.5	-6.6%	(8.1)	114.1	6
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	18.3	18.3	18.3	0.0%	0.0	18.8	7
8	Motor Vehicle Excise Tax	**10.7**	**11.3**	**9.3**	**11.3**	**9.0**	8.8	9.7	9.3	11.2	10.4	10.6	10.7	122.3	123.0	-0.6%	(0.7)	114.7	8
9	Gaming Excise Tax	**5.3**	**5.2**	**5.3**	**4.8**	**4.9**	5.3	5.4	5.6	6.0	5.6	5.6	5.1	64.1	64.8	-1.1%	(0.7)	65.5	9
10	Leased Vehicle Surcharge	**0.5**	**0.6**	**0.5**	**0.5**	**0.4**	0.3	0.3	0.3	0.4	0.4	0.5	0.5	5.2	5.4	-2.9%	(0.2)	5.4	10
11	Other	**(5.8)**	**0.1**	**0.1**	**0.1**	**0.1**	0.1	-	0.1	-	-	-	0.2	(4.9)	(2.5)	NA	(2.4)	7.5	11
12	**TOTAL SELECTIVE SALES TAXES**	**19.5**	**57.8**	**24.6**	**28.1**	**56.5**	26.3	24.7	43.2	27.6	26.6	47.1	48.4	430.4	442.3	-2.7%	(11.9)	437.5	12
13	Withholding	**75.8**	**92.9**	**94.8**	**81.9**	**91.7**	130.7	87.3	88.3	114.3	89.5	89.5	111.7	1,148.4	1,171.7	-2.0%	(23.3)	1,060.8	13
14	Final Settlements & Estimated Payments	-	**8.7**	**41.4**	**14.9**	**10.1**	9.3	50.8	9.9	26.8	104.0	28.4	62.7	367.1	374.4	-1.9%	(7.3)	355.7	14
15	Oil and Gas Withholding Tax	-	**0.5**	**5.1**	**14.3**	**0.2**	3.7	3.7	0.4	3.1	4.0	0.6	5.8	41.2	30.8	34.0%	10.5	91.1	15
16	Fiduciary Tax	**(0.0)**	**1.1**	**(0.4)**	**(0.4)**	**(0.5)**	2.5	0.0	(0.1)	0.9	3.4	2.2	(1.6)	7.1	23.2	-69.3%	(16.1)	9.0	16
17	**Gross Personal Income Tax**	**75.7**	**103.2**	**140.8**	**110.7**	**101.4**	146.2	141.9	98.6	145.1	200.9	120.8	178.6	1,563.9	1,600.1	-2.3%	(36.2)	1,516.6	17
18	Refunds	**5.5**	**6.2**	**7.3**	**5.2**	**7.5**	92.7	99.1	69.0	58.7	23.2	15.7	9.6	399.8	412.0	-3.0%	(12.2)	346.3	18
19	Retiree Health Care	**1.8**	**1.8**	**1.8**	**1.8**	**1.8**	1.6	1.6	1.6	1.6	1.6	1.6	1.7	20.2	19.1	6.0%	1.1	19.9	19
20	**Less: Refunds, distributions to other funds**	**7.3**	**8.0**	**9.1**	**7.0**	**9.3**	94.3	100.7	70.6	60.3	24.8	17.3	11.3	420.1	433.5	-3.1%	(13.4)	366.1	20
21	**NET PERSONAL INCOME TAX**	**68.4**	**95.2**	**131.7**	**103.7**	**92.1**	51.9	41.2	28.0	84.8	176.1	103.5	167.3	1,143.8	1,166.6	-2.0%	(22.8)	1,150.5	21
22	Gross Corporate Payments	-	**3.3**	**3.8**	**52.4**	**(14.3)**	*(7.9)*	47.0	(0.8)	28.3	24.2	40.4	65.3	241.9	280.0	-13.6%	(38.1)	281.0	22
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	N/A	0.0	0.0	23
24	**NET CORPORATE INCOME TAX**	-	**3.3**	**3.8**	**52.4**	**(14.3)**	*(7.9)*	47.0	(0.8)	28.3	24.2	40.4	65.3	241.9	280.0	-13.6%	(38.1)	281.0	24
25	**TOTAL INCOME TAXES**	**68.4**	**98.5**	**135.6**	**156.1**	**77.8**	44.1	88.2	27.2	113.1	200.3	143.9	232.6	1,385.7	1,446.6	-4.2%	(60.8)	1,431.5	25
26	Oil and Gas School Tax	**29.8**	**31.2**	**29.2**	**32.7**	29.8	31.6	30.9	30.1	33.3	32.6	31.7	32.4	375.3	366.0	2.5%	9.3	399.6	26
27	Oil Conservation Tax	**1.7**	**1.6**	**1.7**	**0.1**	**0.1**	1.7	1.8	1.5	1.8	1.8	1.5	1.7	17.0	19.5	-12.6%	(2.5)	21.5	27
28	Resources Excise Tax	**1.0**	**1.9**	**1.9**	**1.2**	**1.3**	0.9	0.9	0.8	0.9	0.7	0.8	1.0	13.4	10.0	34.1%	3.4	12.0	28
29	Natural Gas Processors Tax	**2.1**	**2.1**	**2.0**	**2.2**	**2.0**	2.0	1.9	1.8	2.0	2.0	2.0	1.9	24.1	23.9	0.9%	0.2	23.3	29
30	**TOTAL MINERAL PROD. TAXES**	**34.6**	**36.9**	**34.8**	**36.2**	**33.3**	36.2	35.4	34.3	38.1	37.1	36.0	37.0	429.9	419.4	2.5%	10.5	456.4	30
31	**LICENSE FEES**	**1.7**	**2.1**	**1.9**	**1.7**	**1.8**	6.4	3.2	3.7	7.2	13.9	3.4	2.6	49.5	50.4	-1.9%	-1.0	49.6	31
32	Land Grant Perm. Fund Distributions	**36.7**	**36.7**	**36.7**	**36.7**	**36.7**	36.6	36.6	36.6	36.6	36.6	36.6	36.6	439.5	438.8	0.2%	0.7	461.7	32
33	State Treasurer's Earnings	**2.5**	**1.3**	**0.8**	**0.0**	**2.0**	3.3	0.6	1.3	1.4	0.8	1.1	2.3	17.4	16.0	8.8%	1.4	17.4	33
34	Severance Tax Perm. Fund Distributions	**14.7**	**14.7**	**14.7**	**14.7**	**14.7**	14.7	14.7	14.7	14.7	14.7	14.7	14.7	176.2	176.2	0.0%	(0.0)	183.4	34
35	**TOTAL INVESTMENT EARNINGS**	**53.9**	**52.7**	**52.1**	**51.4**	**53.4**	54.6	51.8	52.5	52.7	52.0	52.3	53.6	633.1	631.0	0.3%	2.1	662.6	35
36	Federal Mineral Leasing Royalties	**40.5**	**39.1**	**29.4**	**37.6**	**46.9**	*37.6*	*46.3*	35.2	40.6	34.6	40.2	40.1	468.0	440.0	6.4%	28.0	502.6	36
37	State Land Office Bonuses, Rents	**3.9**	**6.1**	**7.5**	**1.7**	**3.2**	3.2	3.3	4.8	3.9	3.4	5.5	7.2	53.8	60.5	-11.1%	(6.7)	92.5	37
38	**TOTAL RENTS & ROYALTIES**	**44.3**	**45.2**	**36.8**	**39.3**	**50.1**	40.8	49.6	40.1	44.4	38.0	45.7	47.3	521.8	500.5	4.2%	21.3	595.1	38
39	**TRIBAL REVENUE SHARING**	**0.1**	**0.0**	**17.3**	**0.1**	**0.0**	17.2	0.2	0.0	18.1	0.1	0.1	18.0	71.3	72.0	-0.9%	(0.7)	68.2	39
40	**MISCELLANEOUS RECEIPTS**	**1.0**	**1.3**	**1.2**	**1.3**	**2.7**	4.0	2.6	1.3	1.9	3.2	1.3	24.7	46.5	46.2	0.5%	0.2	45.1	40
41	**REVERSIONS**	-	-	-	**0.0**	**0.1**	3.3	3.4	2.0	5.2	3.2	3.9	28.8	50.0	51.0	-1.9%	(1.0)	65.9	41
42	**TOTAL RECURRING REVENUE**	**386.4**	**466.9**	**445.7**	**488.3**	**438.2**	**426.0**	**422.0**	**362.1**	**471.2**	**544.9**	**500.5**	**692.6**	**5,644.8**	**5,707.3**	**-1.1%**	**(62.5)**	**5,802.4**	42
43	Amnesty	-	-	-	-	-	-	-	-	-	-	-	6.9	6.9	6.9	NA	0.0	0.0	43
44	Non-Recurring	**0.1**	**0.1**	**(0.0)**	**0.1**	**0.2**	-	-	-	-	-	-	11.0	11.4	11.4	NA	0.0	14.7	44
45	**TOTAL NON-RECURRING REVENUE**	**0.1**	**0.1**	**(0.0)**	**0.1**	**0.2**	-	-	-	-	-	-	17.9	18.3	18.3	NA	-	14.7	45
46	**GRAND TOTAL REVENUE**	**386.5**	**467.1**	**445.6**	**488.4**	**438.3**	**426.0**	**422.0**	**362.1**	**471.2**	**544.9**	**500.5**	**710.5**	**5,663.1**	**5,725.6**	**-1.1%**	**(62.5)**	**5,817.1**	46