

LFC General Fund Revenue Report: December 2011

Table 1 shows the latest consensus revenue estimates in detail. These estimates were based on data available through September and finalized in early December 2011. The monthly numbers shown in bold are actuals as reported by the Department of Finance. The entries in italics are extrapolated from Taxation and Revenue Department accounting documents. The entries in ordinary typeface are a monthly allocation of the annual estimate for the remaining of the year and are prepared by LFC staff. They are in part based on seasonal historical patterns.

The four shaded columns are of particular importance. The column labeled “FY12 Actual + Estimate” is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The Column entitled “FY 12 Dec 11 Estimate” is the latest revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms respectively.

Revenues in October and November showed strength and that the revenues would exceed the December consensus estimate by at least two percent. December’s actual revenues were about \$20 million lower than the tracking suggested in those months and comes closer to the December estimate. If revenue accruals mirror past years, then FY12 actual revenues will be 1.3 percent stronger than the forecast. This will translate into a recurring total of \$5.605 billion or 3.5 percent annual growth. However, a good part of revenue tracking change is probably “noise” from the monthly variation in sales and income taxes. On balance, analysts believe that revenues are closely tracking or slightly above the estimate. Year-to-date growth is 7.7 percent while the full year growth is forecast at 2.3 percent.

Energy revenues are currently tracking above the estimate. Mineral taxes are almost 9 percent over estimate while rents and royalties are 18 percent over forecast. Analysts expect growth rates to decline as the fiscal year progresses because of a mid-winter collapse in natural gas prices. However, strength in oil prices should partially offset this decline. The interplay of these two prices is a major development being monitored by staff. Energy Revenues year-to-date growth is 2.7 percent. Energy revenues growth slowed down in December compared to November due to lower gas prices. The full year growth is forecast at -3.5 percent.

Personal income tax receipts (PIT) and specifically final settlements are tracking below the estimate. Conversely, refunds are greater than expectations. However, the vast majority of this activity occurs around April 15 so any conclusion about strength or weakness is premature. PIT year-to-date growth is 9 percent. The full year growth is forecast at 2.7 percent.

Corporate income tax (CIT) receipts are likely tracking below the forecast. The latest estimate pegged annual growth at a whopping 17 percent. This was due to two factors. First, FY12 is the first year where the full effects of the \$50 million cap on the film production tax credit are realized. Second, provisions that allowed businesses to fully expense (immediately deduct from taxable income) the cost of capital equipment expired at the end of calendar year 2011. The Congressional Budget Office recently revised its CIT forecast down 9 percent in Federal Year 12 and 6 percent in Federal Year 16. Federal receipts are used to drive the state estimate and this is consistent with the current performance of this revenue source. Analysts speculate that the timing of increased estimated payments due to the expiration of stimulus related incentives might be later than expected. CIT year-to-date growth is -20.5 percent. The full year growth is forecast at 34.9 percent.

General Sales Tax (GRT & Comp) has year-to-date growth of 8 percent compared to FY11. The strength in GRT is from the oil and gas industry. The full year growth is forecast at 2.3 percent.

Table 1
FISCAL YEAR 2012 GENERAL FUND MONTHLY REVENUE TRACKING - Accruals through December
(dollars in millions; italics indicate preliminary actual revenue)

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Row #		ESTIMATED REVENUE ACCRUALS											FY12	TRACKING CHANGE (Δ)			FY11	Row #	
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual + Estimate	FY 12 Dec 11 Est	YTD % Δ			YTD \$ Δ
1	Gross Receipts Tax	163.7	161.1	151.8	146.5	160.8	179.8	149.5	143.2	147.8	155.3	152.8	183.3	1,895.6	1,865.0	1.6%	30.6	1,822.5	1
2	Compensating Tax	5.9	3.9	7.4	5.8	0.5	6.7	5.1	5.0	6.8	5.3	5.0	6.7	64.2	69.5	-7.6%	(5.3)	69.1	2
3	TOTAL GENERAL SALES TAXES	169.5	165.0	159.2	152.3	161.2	186.5	154.7	148.3	154.7	160.6	157.8	190.1	1,959.8	1,934.5	1.3%	25.3	1,891.6	3
4	Tobacco Products & Cigarette Taxes	7.2	7.9	7.5	6.7	6.7	6.6	6.6	6.2	6.5	8.9	6.2	10.3	87.4	86.4	1.2%	1.0	88.2	4
5	Liquor Excise Tax	2.0	2.3	2.3	2.3	2.2	2.7	1.2	2.3	1.7	1.8	2.3	2.0	25.0	25.9	-3.4%	(0.9)	25.7	5
6	Insurance Premiums Tax	0.7	37.1	0.7	0.9	34.4	-	1.0	26.2	1.0	1.1	24.5	4.3	131.9	129.3	2.0%	2.6	132.7	6
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	15.9	15.9	0.0%	0.0	17.6	7	
8	Motor Vehicle Excise Tax	8.8	10.5	9.0	9.1	8.2	8.2	8.6	8.2	10.0	9.2	9.4	9.6	108.7	110.2	-1.4%	(1.5)	103.7	8
9	Gaming Excise Tax	5.9	5.3	5.3	5.3	5.2	5.4	5.6	5.7	6.0	5.7	5.8	5.2	66.6	66.6	0.0%	(0.0)	65.8	9
10	Leased Vehicle Surcharge	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.5	5.1	5.2	-1.8%	(0.1)	5.0	10
11	Other	0.1	0.6	0.6	0.8	0.6	1.4	0.3	0.3	0.2	0.3	0.2	0.3	5.7	2.8	106.0%	3.0	2.4	11
12	TOTAL SELECTIVE SALES TAXES	25.2	64.3	25.9	25.6	57.7	24.7	23.6	49.2	25.7	27.5	48.8	48.1	446.3	442.3	0.9%	4.1	440.9	12
13	Withholding	85.0	78.4	97.1	77.0	83.7	122.9	81.4	81.1	104.4	82.2	83.0	103.3	1,079.3	1,072.0	0.7%	7.3	1,042.3	13
14	Final Settlements & Estimated Payments	(2.0)	13.1	37.5	14.4	8.3	17.1	42.6	6.8	22.5	84.9	32.0	48.6	325.8	357.0	-8.8%	(31.2)	359.3	14
15	Oil and Gas Withholding Tax	(0.0)	0.3	7.5	12.1	(0.7)	4.2	4.1	0.5	3.6	4.0	0.7	5.7	42.0	34.0	23.4%	8.0	23.4	15
16	Fiduciary Tax	0.1	1.6	0.4	0.3	1.6	1.5	0.1	0.0	0.3	0.1	0.3	(0.0)	6.2	1.0	516.1%	5.2	6.6	16
17	GROSS PERSONAL INCOME TAX	83.0	93.4	142.4	103.8	92.9	145.7	128.2	88.5	130.7	171.2	115.9	157.6	1,453.2	1,464.0	-0.7%	(10.8)	1,431.6	17
	Transfer to PIT Suspense	5.2	4.8	7.6	5.5	5.1	103.1	87.1	61.3	55.1	21.6	16.0	9.2	381.6	355.6	7.3%	26.0	350.2	
	Refunds/Adj/TAA Suspense	1.6	-	-	-	-	-	-	-	-	-	-	-	1.6	0.0	NA	1.6	0.0	
	Retiree Health Care	0.2	1.6	1.6	1.6	1.6	1.6	1.3	1.3	1.3	1.3	1.3	1.5	16.5	16.0	2.9%	0.5	18.0	
	Legislative Retirement	0.2	0.2	-	-	-	-	-	-	-	-	-	-	0.4	2.4	-83.3%	(2.0)	2.4	
18	Less: Refunds, distributions to other funds	7.3	6.7	9.2	7.1	6.7	104.8	88.4	62.6	56.4	23.0	17.3	10.6	400.1	374.0	7.0%	26.1	370.7	18
19	NET PERSONAL INCOME TAX	75.7	86.7	133.2	96.7	86.2	40.9	39.8	25.8	74.3	148.3	98.6	147.0	1,053.1	1,090.0	-3.4%	(36.9)	1,060.9	19
20	Gross Corporate Payments	(3.4)	8.9	2.6	42.3	6.1	5.1	37.5	31.2	27.2	20.4	47.2	44.2	269.4	310.0	-13.1%	(40.6)	229.8	20
21	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	N/A	0.0	0.0	21
22	NET CORPORATE INCOME TAX	(3.4)	8.9	2.6	42.3	6.1	5.1	37.5	31.2	27.2	20.4	47.2	44.2	269.4	310.0	-13.1%	(40.6)	229.8	22
23	TOTAL INCOME TAXES	72.4	95.6	135.8	139.0	92.3	46.0	77.3	57.0	101.5	168.7	145.7	191.2	1,322.5	1,400.0	-5.5%	(77.5)	1,290.8	23
24	Oil and Gas School Tax	37.7	36.7	32.7	32.8	34.9	31.6	30.7	28.9	31.6	31.6	31.5	31.4	392.0	358.6	9.3%	33.4	376.1	24
25	Oil Conservation Tax	1.9	1.8	1.7	1.7	1.8	0.1	1.6	1.4	1.6	1.6	1.7	1.6	18.6	18.5	0.8%	0.1	19.4	25
26	Resources Excise Tax	1.0	0.3	1.7	0.9	0.9	1.1	0.8	0.7	0.6	1.0	1.1	0.7	10.7	10.0	6.8%	0.7	10.1	26
27	Natural Gas Processors Tax	2.0	2.0	2.0	2.0	1.9	2.0	1.7	1.7	1.9	1.8	1.8	1.8	22.6	22.0	2.7%	0.6	18.2	27
28	TOTAL MINERAL PROD. TAXES	42.6	40.8	38.0	37.4	39.5	34.8	34.7	32.7	35.7	36.1	36.1	35.4	443.9	409.1	8.5%	34.8	423.8	28
29	LICENSE FEES	1.8	2.2	1.9	2.0	2.1	7.3	4.0	3.7	7.8	14.5	3.4	2.9	53.6	51.5	4.1%	2.1	49.8	29
30	Land Grant Perm. Fund Distributions	38.4	38.4	38.4	38.5	38.5	38.5	38.3	38.3	38.3	38.3	38.3	38.3	460.6	459.7	0.2%	0.9	446.2	30
31	State Treasurer's Earnings	(0.1)	1.6	1.3	1.5	1.9	1.4	0.7	1.2	1.5	(0.6)	1.3	3.6	15.3	17.3	-11.8%	(2.0)	17.6	31
32	Severance Tax Perm. Fund Distributions	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	183.4	183.4	0.0%	0.0	184.6	32
33	TOTAL INVESTMENT EARNINGS	53.6	55.4	55.0	55.3	55.6	55.1	54.3	54.7	55.0	52.9	54.9	57.2	659.2	660.4	-0.2%	(1.2)	648.4	33
34	Federal Mineral Leasing Royalties	42.4	41.0	38.2	46.9	46.8	42.4	41.5	35.6	40.6	34.5	35.6	38.6	484.2	420.0	15.3%	64.2	411.8	34
35	State Land Office Bonuses, Rents	18.5	15.0	12.9	3.7	5.6	2.3	2.3	3.8	3.8	3.5	4.6	4.9	80.9	65.6	23.3%	15.3	65.6	35
36	TOTAL RENTS & ROYALTIES	60.9	56.0	51.2	50.6	52.4	44.7	43.8	39.4	44.4	38.0	40.2	43.5	565.1	478.6	18.1%	86.5	477.4	36
37	TRIBAL REVENUE SHARING	0.1	0.0	16.8	0.1	0.0	0.1	0.2	0.0	16.9	0.1	0.1	18.5	52.9	70.4	-24.9%	(17.5)	65.9	37
38	MISCELLANEOUS RECEIPTS	0.8	1.4	2.5	1.9	1.7	16.5	1.8	1.4	2.0	1.5	2.5	27.8	61.9	46.0	34.5%	15.9	52.2	38
39	REVERSIONS	0.5	0.0	0.0	1.6	0.3	2.8	4.6	1.0	4.2	3.3	3.1	18.5	40.0	40.0	0.0%	0.0	67.3	39
40	TOTAL RECURRING REVENUE	427.3	480.7	486.4	465.7	462.9	418.6	399.0	387.4	448.1	503.4	492.7	633.2	5,605.3	5,532.8	1.3%	72.5	5,408.1	40
41	Amnesty	-	-	-	-	-	-	-	-	-	-	-	6.9	6.9	6.9	NA	0.0	0.0	41
42	Non-Recurring	0.0	0.3	-	-	-	-	-	-	-	-	-	11.4	11.7	11.4	NA	0.3	66.8	42
43	TOTAL NON-RECURRING REVENUE	0.0	0.3	-	-	-	-	-	-	-	-	-	18.3	18.6	18.3	NA	0.3	66.8	43
44	GRAND TOTAL REVENUE	427.4	480.9	486.4	465.7	462.9	418.6	399.0	387.4	448.1	503.4	492.7	651.5	5,623.8	5,551.1	1.3%	72.8	5,474.9	44

Figure 1: Taxable gross receipts trends:

Taxable gross receipts collected in the months of October thru December showed year-over-year growth rates of 6.75, 8.89 and 1.77 percent, respectively.

The three month moving average of taxable gross receipts has trended up in FY12. Year-over-year growth is approximately 7.7 percent.

During FY12, all industries are showing positive growth with the highest year-over-year percentage growth in mining and oil and gas extraction, manufacturing, transportation and warehousing, public administration, and wholesale trade. The largest monetary changes are in mining and oil and gas extraction, retail trade, manufacturing, information and cultural industries, and wholesale trade.

