



# REVISED REVENUE ESTIMATES

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*BUREAU OF FINANCE AND  
MANAGEMENT - 2/13/2024*



# ECONOMIC OUTLOOK



# Economic Assumptions

- Continued Real GDP and Employment growth in 2024, slower growth in 2025
- Steady Nonfarm Income growth through forecast period
- Slight increase in Unemployment Rate but still below average
- Federal Open Market Committee policy rate remains at 5.25%-5.50% until mid-year
- CPI forecast to rise 2.7% in 2024 and 2.0% in 2025

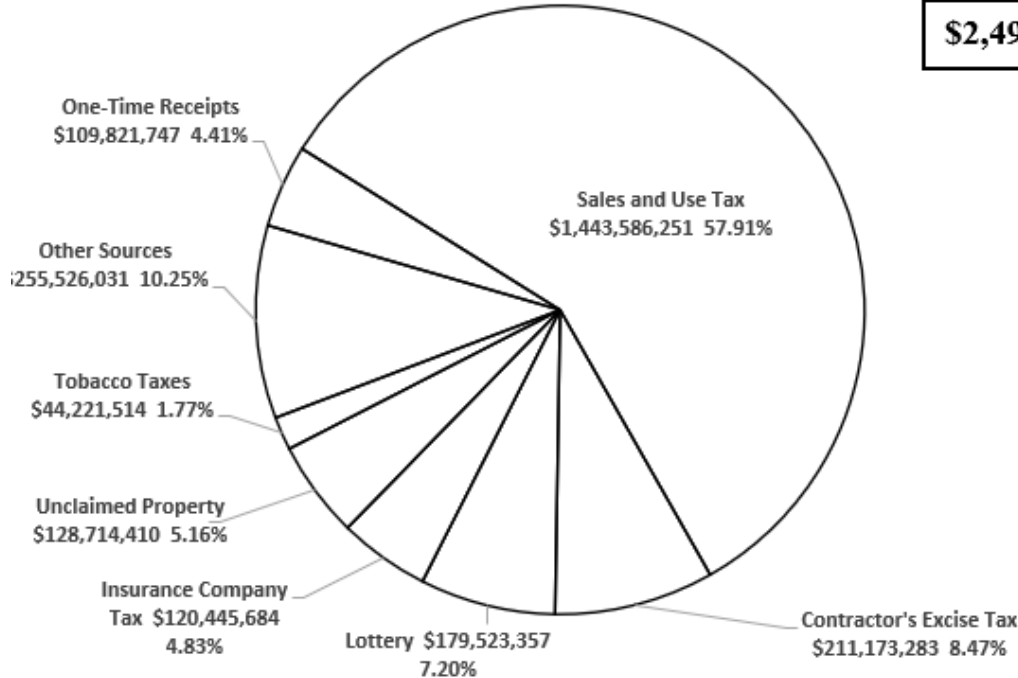
# Key Economic Indicators

	2018	2019	2020	2021	2022	2023 f	2024 f	2025 f	'12-'22 avg.
SD Real GDP Growth	0.7%	0.8%	0.6%	4.6%	-0.3%	2.5%	2.3%	1.3%	1.2%
SD Nonfarm Employment	0.8%	0.6%	-3.3%	3.4%	2.8%	2.2%	1.4%	0.1%	1.0%
SD Nonfarm Income	3.7%	6.8%	7.6%	9.8%	5.1%	5.4%	5.2%	5.0%	5.3%
SD Housing Starts	4,713	4,251	6,070	7,689	7,392	6,462	6,615	5,273	5,294
SD Unemployment Rate	2.8%	2.8%	4.2%	2.6%	2.1%	2.0%	2.3%	2.6%	3.2%
US Inflation Rate	2.4%	1.8%	1.3%	4.7%	8.0%	4.1%	2.7%	2.0%	2.4%

# FY2024 and FY2025 Revised Estimates

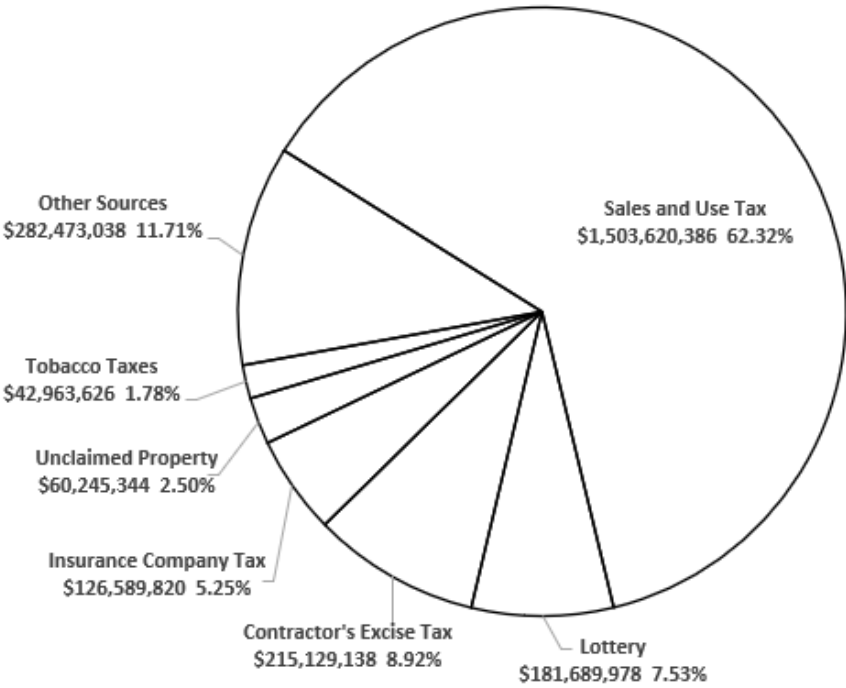
**FY2024 General Fund Revenues**

**\$2,493,012,277**



**FY2025 General Fund Revenues**

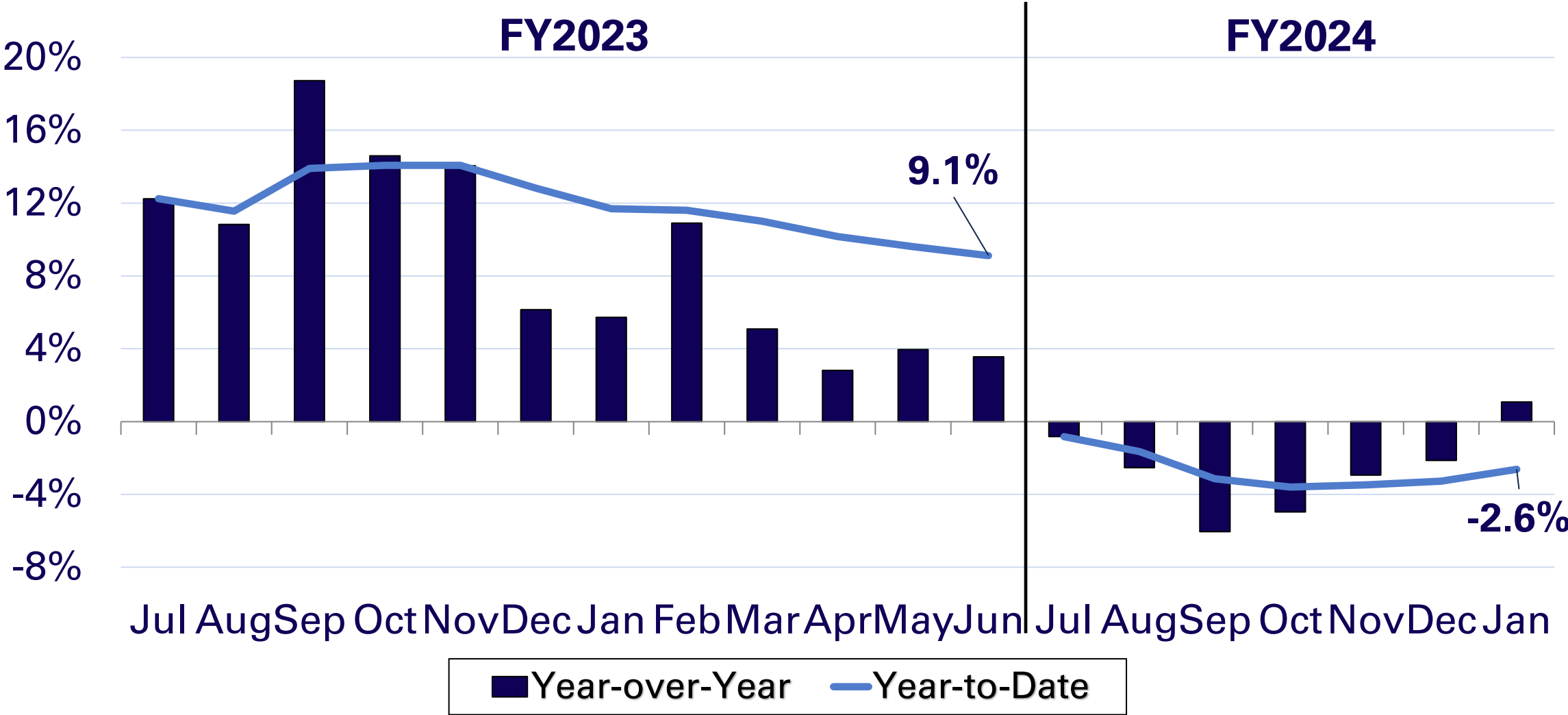
**\$2,412,711,330**



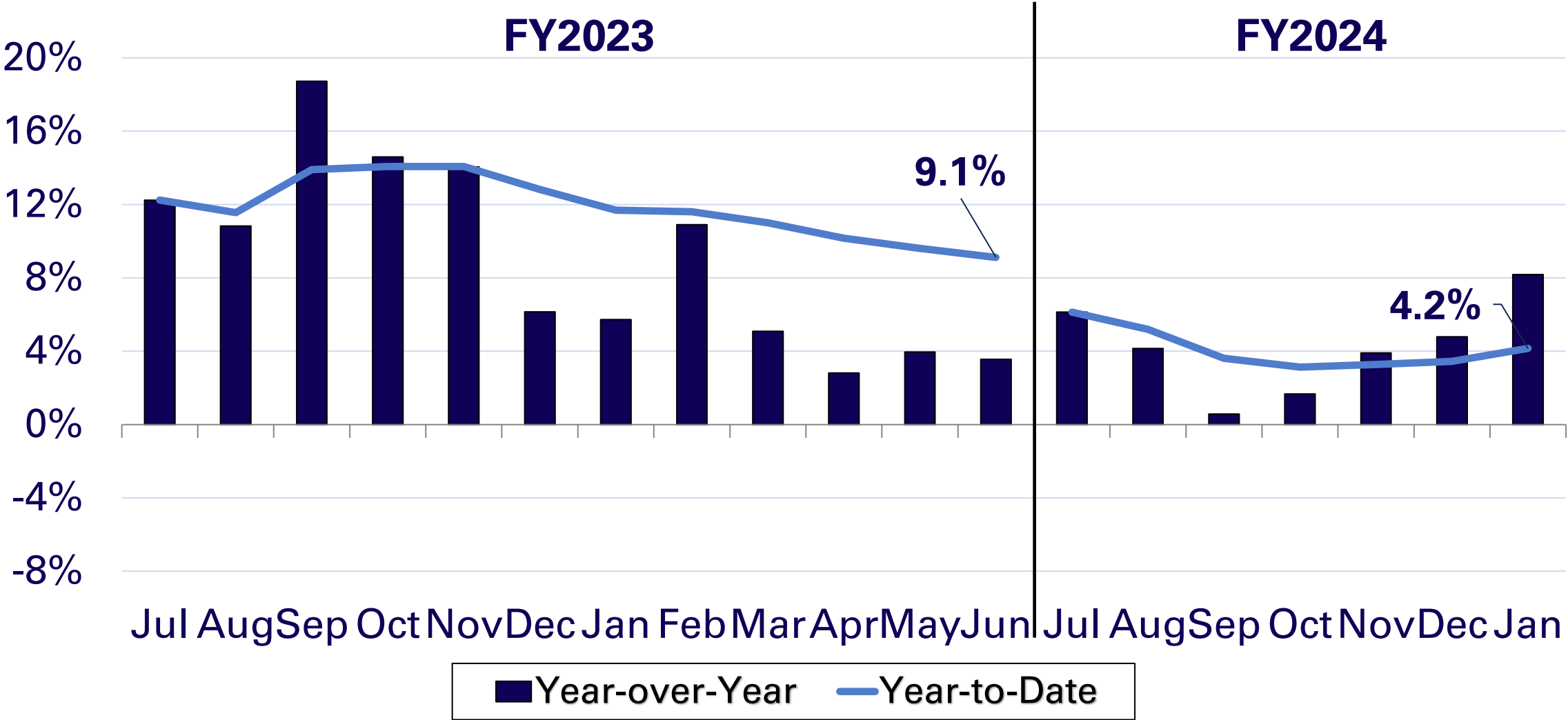
# REVENUES



# Ongoing State Sales and Use Tax



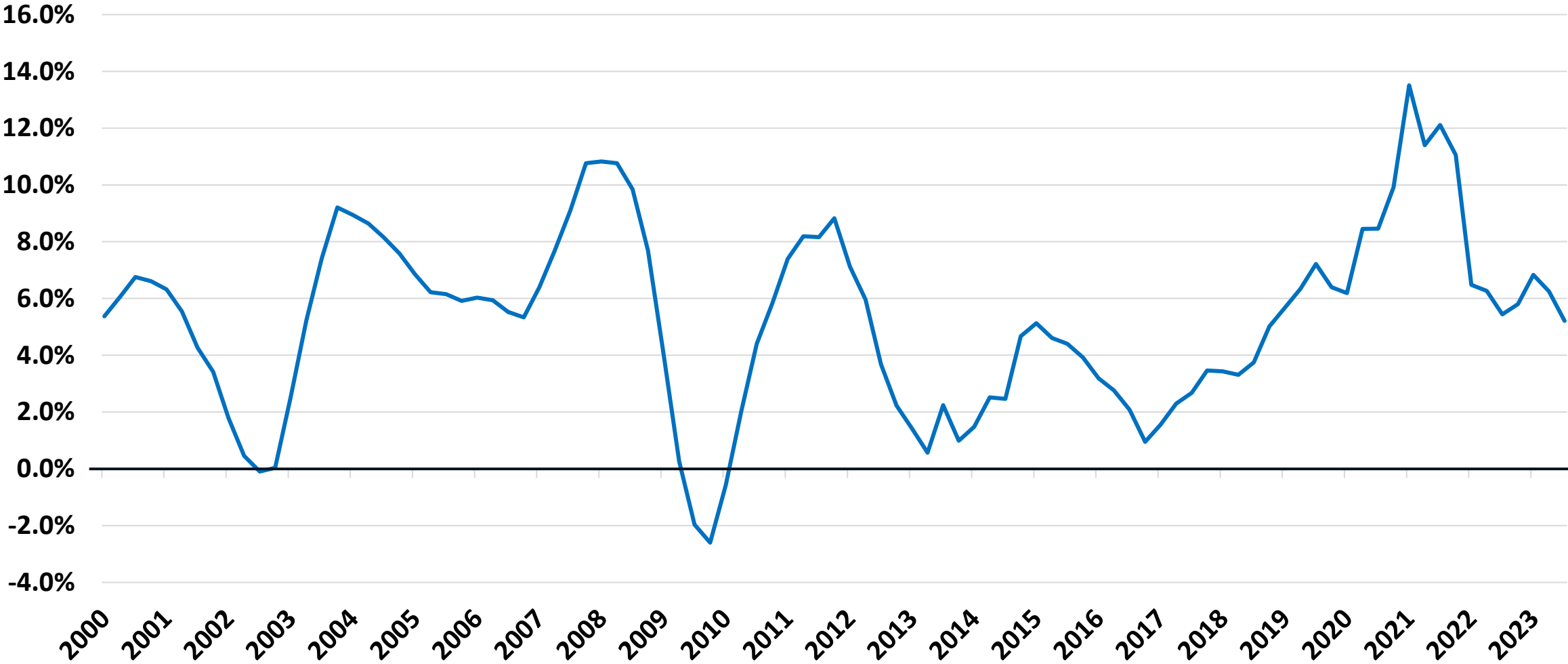
# Ongoing State Sales and Use Tax (Rate Adjusted)



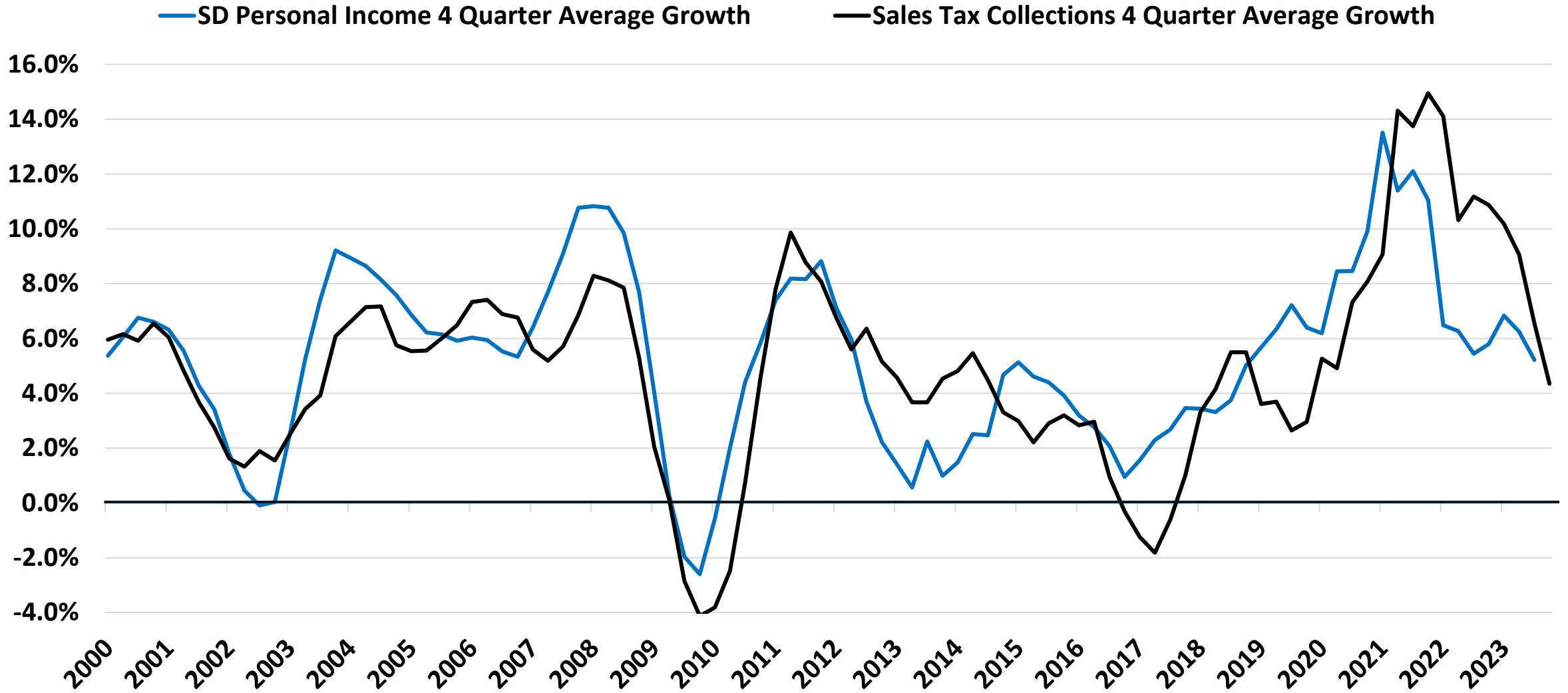


# SD Personal Income

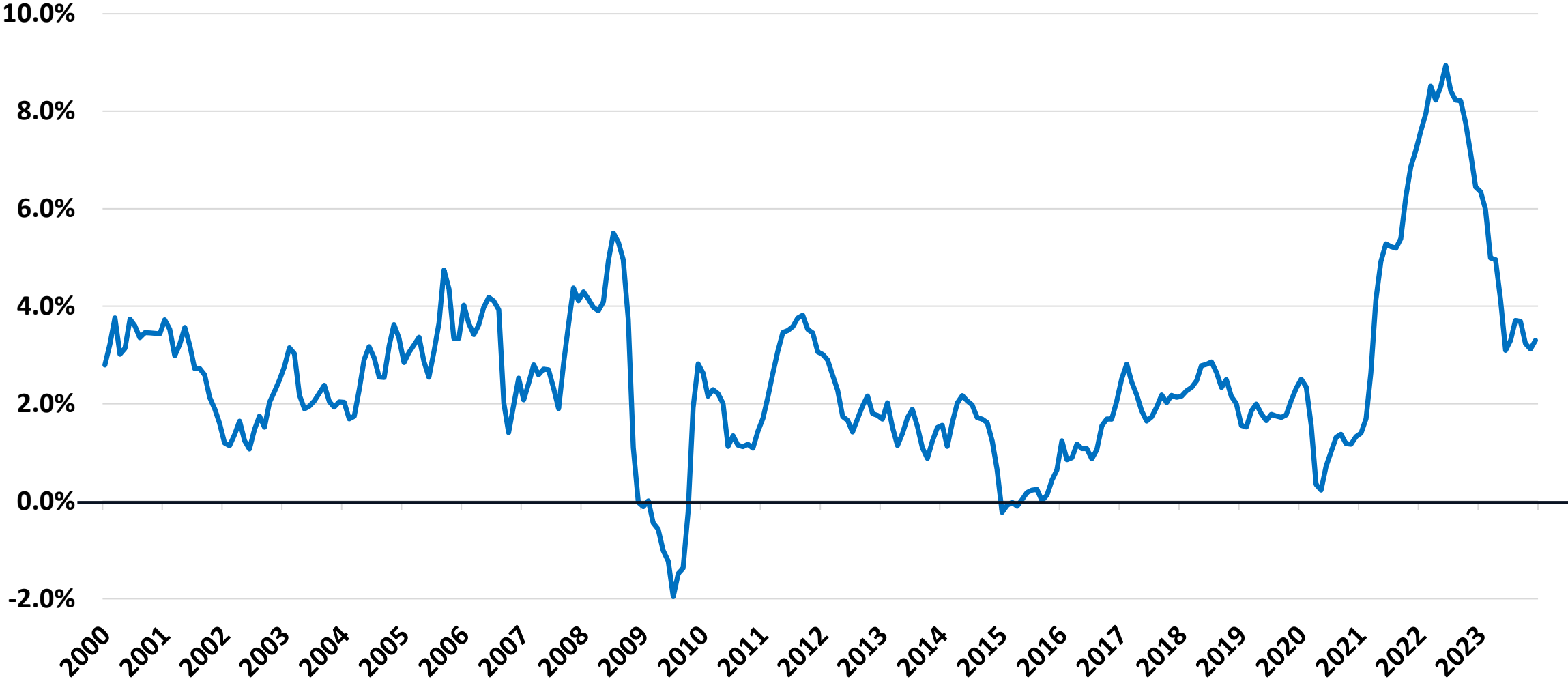
— SD Personal Income 4 Quarter Average Growth



# SD Personal Income vs. Sales Tax Collections



# Inflation: CPI



# Sales and Use Tax

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	1,356,844,793	1,480,572,850	1,443,586,251	1,503,620,386
Ongoing Dollar Change	147,502,451	123,728,057	(36,986,599)	60,034,135
Percent Change	12.20	9.12	(2.50)	4.16

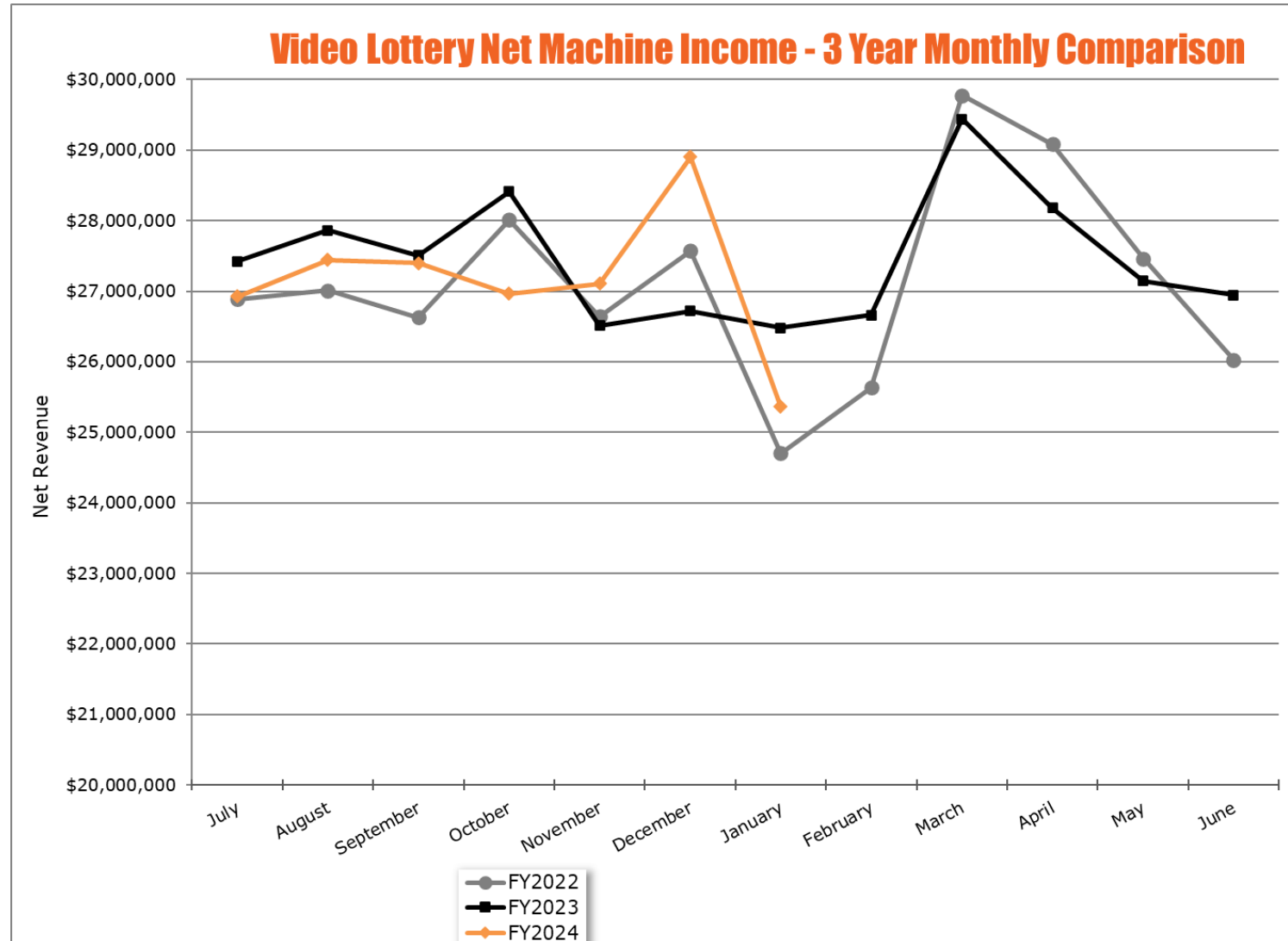
- Approximately 62.3% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 2.6% below the same period in FY23 due to the state rate change
  - Year-To-Date (YTD) rate-adjusted collections are 4.2% above the same period in FY23
- Estimate is for FY24 to finish at -2.5%
  - Estimate is for FY24 to finish at 4.4% rate-adjusted growth
- Estimated growth of 4.2% in FY25

# Lottery

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Instant/Online Lottery	10,648,016	14,095,499	17,496,615	18,042,968
Video Lottery	160,961,666	162,568,269	162,026,742	163,647,010
<b>Total Receipts</b>	<b>171,609,682</b>	<b>176,663,767</b>	<b>179,523,357</b>	<b>181,689,978</b>
Dollar Change	16,082,633	5,054,085	2,859,590	2,166,621
Percent Change	10.34	2.95	1.62	1.21

- Approximately 7.5% of FY25 ongoing revenues
- Year-To-Date (YTD) revenues are 1.3% above the same period in FY23
- Estimate is for FY24 to finish at 1.6% growth
- Estimated growth of 1.2% in FY25

# Lottery

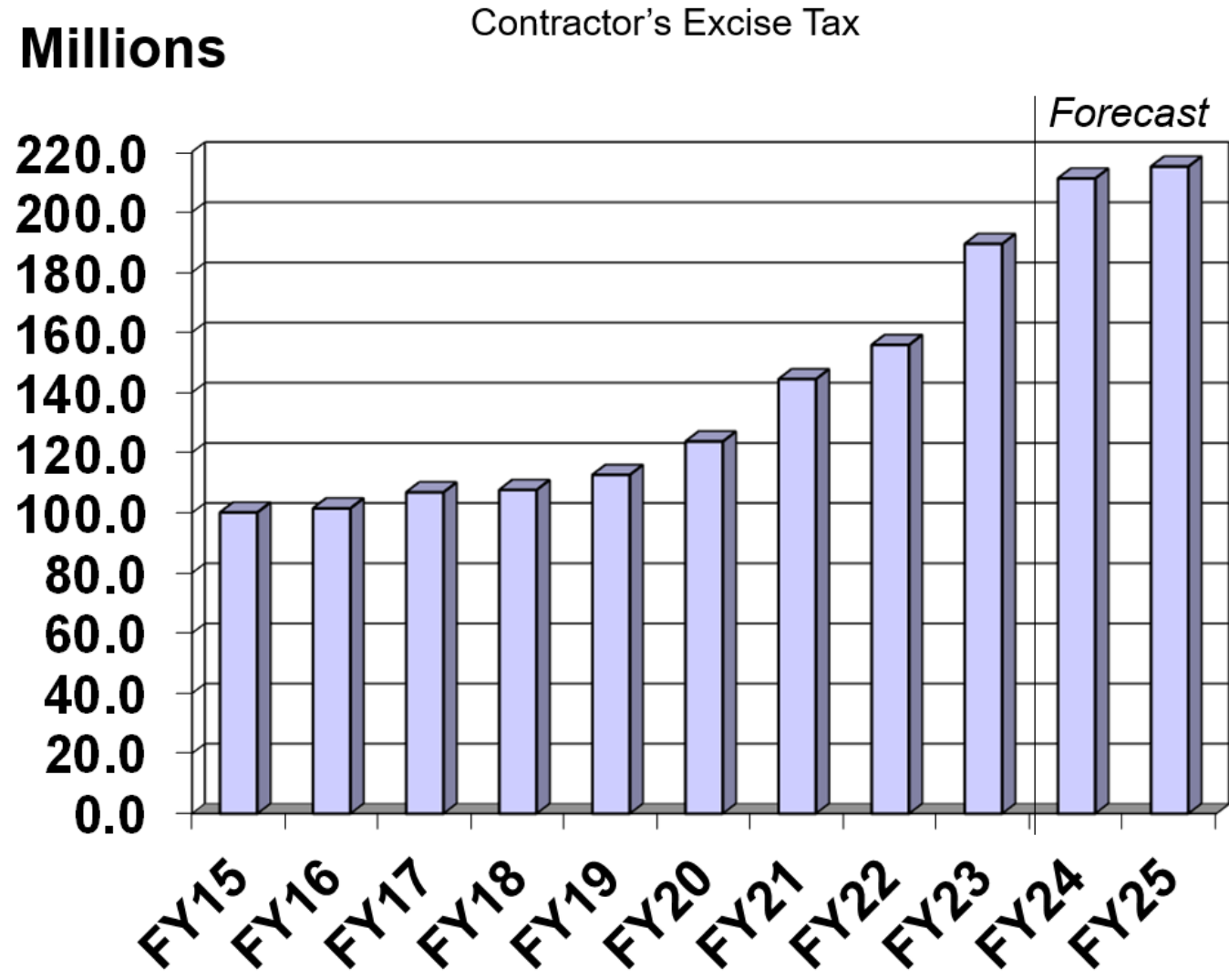


# Contractor's Excise Tax

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	155,823,772	189,407,586	211,173,283	215,129,138
Ongoing Dollar Change	11,375,506	33,583,813	21,765,697	3,955,855
Percent Change	7.88	21.55	11.49	1.87

- Approximately 8.9% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 13.7% above the same period in FY23
- Estimate is for FY24 to finish at 11.5% growth
- Estimated growth of 1.9% in FY25

# Contractor's Excise Tax





# Insurance Company Tax

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	103,995,420	112,141,293	120,445,684	126,589,820
Ongoing Dollar Change	6,984,981	8,145,874	8,304,391	6,144,136
Percent Change	7.20	7.83	7.41	5.10

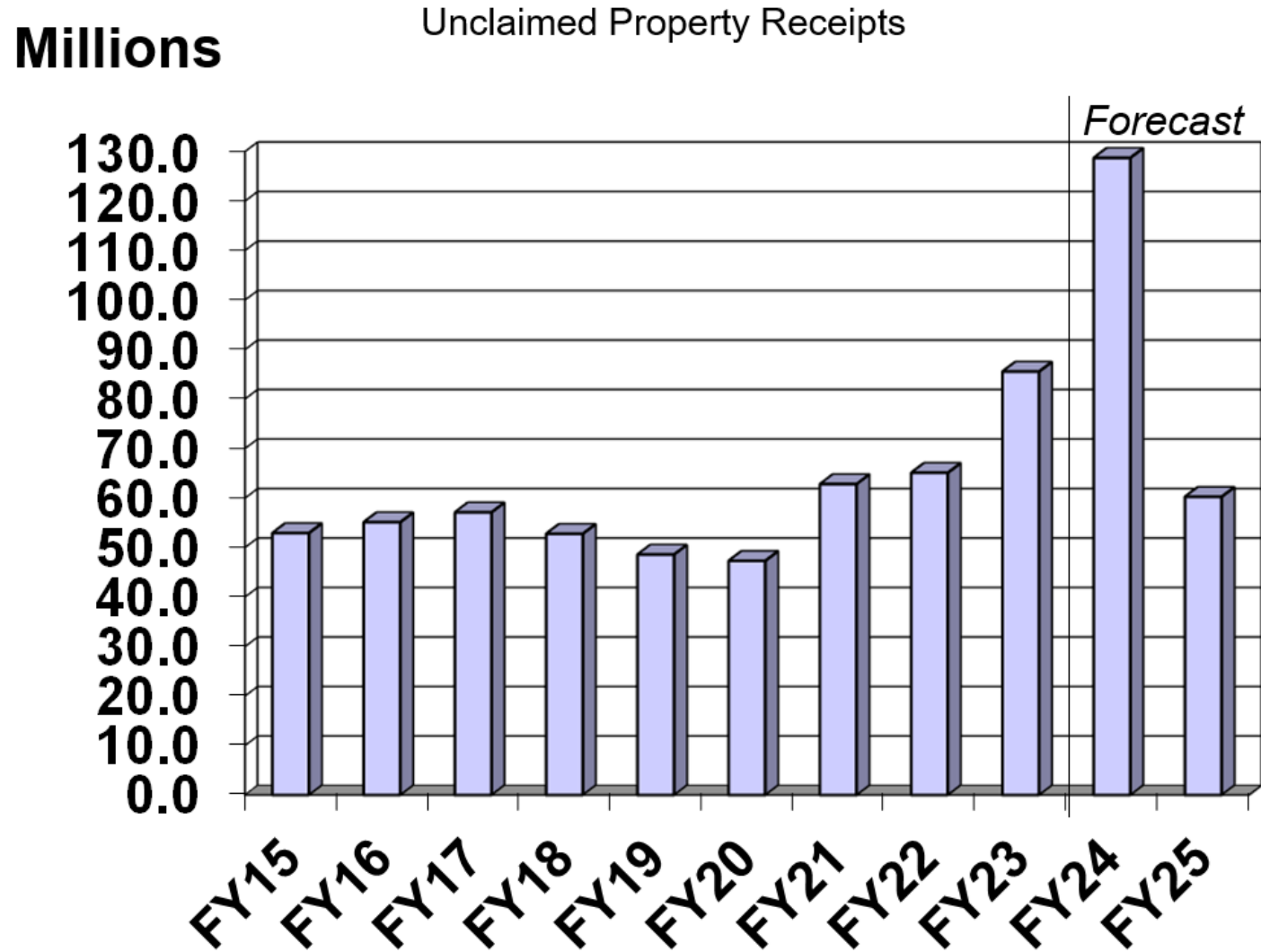
- Approximately 5.2% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 10.3% above the same period in FY23
- Estimate is for FY24 to finish at 7.4% growth
- Estimated growth of 5.1% in FY25

# Unclaimed Property

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	65,097,628	74,981,213	128,714,410	60,245,344
Ongoing Dollar Change	2,287,698	9,883,585	53,733,197	(68,469,066)
Percent Change	3.64	15.18	71.66	(53.19)

- Approximately 2.5% of FY2025 ongoing revenues
- Remittances elevated in recent years – over \$170M in FY24
  - Majority of remittances are received in November
- Claims activity increasing – over \$24M through 7 months of FY24
- Estimate = Projected Remittances – Projected Claims Paid – Projected UCP Office Expenses

# Unclaimed Property



# Licenses, Permits, and Fees

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	75,077,171	77,636,494	75,709,930	77,753,633
Ongoing Dollar Change	3,864,275	2,559,323	(1,926,564)	2,043,703
Percent Change	5.43	3.41	(2.48)	2.70

- Approximately 3.2% of FY25 ongoing revenues
- About 65% of revenue from securities fees
- Estimate is for FY24 to finish down 2.5%
- Estimated growth of 2.7% in FY25

# Tobacco Taxes

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	49,385,379	47,074,649	44,221,514	42,963,626
Ongoing Dollar Change	(2,928,814)	(2,310,730)	(2,853,135)	(1,257,888)
Percent Change	(5.60)	(4.68)	(6.06)	(2.84)

- Approximately 1.8% of FY25 ongoing revenues
- Year-To-Date (YTD) collections were 6.3% lower than the same period in FY23 as of December
- Estimate is for FY24 to finish at -6.1%
- Estimated reduction of 2.8% in FY25

# Tobacco Taxes

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
General Fund	30,000,000	30,000,000	30,000,000	30,000,000
Tobacco Prevention and Reduction Trust Fund	5,000,000	5,000,000	5,000,000	5,000,000
Remainder to General Fund	19,385,379	17,074,649	14,221,514	12,963,626
<b>Total</b>	<b>54,385,379</b>	<b>52,074,649</b>	<b>49,221,514</b>	<b>47,963,626</b>

# Trust Funds

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	43,495,271	46,259,458	48,319,904	50,507,160
Ongoing Dollar Change	1,867,232	2,764,187	2,060,446	2,187,256
Percent Change	4.49	6.36	4.45	4.53

- Approximately 2.1% of FY25 ongoing revenues
- Projections for FY24 based on actuals for HCTF and EETF, and projection for DCTF
- Estimated growth for FY24 is 4.5%
- FY25 based on SDIC estimates
- Estimated growth for FY25 is 4.5%

# Trust Funds

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Health Care Trust Fund	5,839,236	6,612,325	7,276,454	7,914,000
Education Enhancement Trust Fund	23,673,657	25,277,997	26,389,450	27,353,000
Dakota Cement Trust Fund	13,982,377	14,369,136	14,654,000	15,240,160
<b>Total</b>	<b>43,495,271</b>	<b>46,259,258</b>	<b>48,319,904</b>	<b>50,507,160</b>



# Net Transfers In

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	25,279,507	25,652,534	26,260,498	25,673,827
Ongoing Dollar Change	1,808,013	373,027	607,964	(586,671)
Percent Change	7.70	1.48	2.37	(2.23)

- Approximately 1.1% of FY25 ongoing revenues
- Estimate is for FY24 to finish at 2.4% growth
- Estimated reduction of 2.2% in FY25

# Alcohol Beverage Tax

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	9,203,968	8,939,732	9,061,584	9,292,085
Ongoing Dollar Change	436,241	(264,235)	121,852	230,501
Percent Change	4.98	(2.87)	1.36	2.54

- Approximately 0.4% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 1.8% above the same period in FY23
- Estimate is for FY24 to finish at 1.4% growth
- Estimated growth of 2.5% in FY25

# Bank Franchise Tax

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	22,511,850	20,425,082	19,125,665	16,967,424
Ongoing Dollar Change	3,809,828	(2,086,768)	(1,299,417)	(2,158,241)
Percent Change	20.37	(9.27)	(6.36)	(11.28)

- Approximately 0.7% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 3.7% below the same period in FY23
- Estimate is for FY24 to finish at -6.4%
- Estimated reduction of 11.3% for FY25

# Charges for Goods and Services

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	14,804,251	13,473,405	12,466,396	13,099,393
Ongoing Dollar Change	(1,640,178)	(1,330,846)	(1,007,009)	632,997
Percent Change	(9.97)	(8.99)	(7.47)	5.08

- Approximately 0.5% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 4.9% above the same period in FY23
- Estimate is for FY24 to finish at -7.5%
- Estimated growth of 5.1% for FY25

# Telecommunications Tax

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	2,688,458	2,466,873	2,215,973	2,157,855
Ongoing Dollar Change	(832,120)	(221,585)	(250,900)	(58,118)
Percent Change	(23.64)	(8.24)	(10.17)	(2.62)

- Less than 0.1% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 15.2% lower than the same period in FY23
- Estimate is for FY24 to finish at -10.2%
- Estimated reduction of 2.6% in FY25

# Severance Taxes

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	8,033,942	5,657,605	10,115,359	9,482,838
Ongoing Dollar Change	(1,776,659)	(2,376,337)	4,457,754	(632,521)
Percent Change	(18.11)	(29.58)	78.79	(6.25)

- Approximately 0.4% of FY25 ongoing revenues
- Collections on precious metals and energy minerals estimated separately
- Year-To-Date (YTD) collections are 92.0% above the same period in FY23
- Estimate is for FY24 to finish at 78.8% growth
- Estimated reduction of 6.3% in FY25

# Investment Income and Interest

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	19,648,565	14,000,549	49,154,738	74,319,000
Ongoing Dollar Change	1,056,268	(5,648,016)	35,154,189	25,164,262
Percent Change	5.68	(28.75)	251.09	51.19

- Approximately 3.1% of FY25 ongoing revenues
- Majority of collections are in August
- Year-To-Date (YTD) collections are up 256.0% from the same period in FY23
- Estimate is for FY24 to finish at 251.1% growth
- Estimated growth of 51.2% in FY25

# Alcohol Beverage 2% Wholesale Tax

	Actual FY2022	Actual FY2023	Estimated FY2024	Estimated FY2025
Total Ongoing Receipts	2,909,711	2,936,973	3,095,984	3,219,823
Ongoing Dollar Change	313,554	27,262	159,011	123,839
Percent Change	12.08	0.94	5.41	4.00

- Approximately 0.1% of FY25 ongoing revenues
- Year-To-Date (YTD) collections are 5.4% above the same period in FY23
- Estimate is for FY24 to finish at 5.4% growth
- Estimated growth of 4.0% for FY25



# Governor's Recommended FY2024 vs. February Revised FY2024

	<b>GOV. REC. FY2024</b>	<b>FEB. REVISED FY2024</b>	<b>DOLLAR CHANGE</b>	<b>PERCENT CHANGE</b>
<b>ONGOING RECEIPTS</b>				
Sales and Use Tax	\$ 1,435,189,097	\$ 1,443,586,251	\$ 8,397,154	0.59
Lottery	177,813,515	179,523,357	1,709,842	0.96
Contractor's Excise Tax	207,999,417	211,173,283	3,173,866	1.53
Insurance Company Tax	120,382,354	120,445,684	63,330	0.05
Unclaimed Property Receipts	106,876,913	128,714,410	21,837,497	20.43
Licenses, Permits, and Fees	75,715,166	75,709,930	(5,236)	(0.01)
Tobacco Taxes	44,315,875	44,221,514	(94,361)	(0.21)
Trust Funds	48,360,904	48,319,904	(41,000)	(0.08)
Net Transfers In	25,194,167	26,260,498	1,066,331	4.23
Alcohol Beverage Tax	9,183,170	9,061,584	(121,586)	(1.32)
Bank Franchise Tax	18,941,200	19,125,665	184,465	0.97
Charges for Goods and Services	12,298,640	12,466,396	167,756	1.36
Telecommunications Tax	2,319,050	2,215,973	(103,077)	(4.44)
Severance Taxes	8,361,759	10,115,359	1,753,600	20.97
Investment Income and Interest	49,154,738	49,154,738	0	0.00
Alcohol Bev 2% Wholesale Tax	3,040,095	3,095,984	55,889	1.84
<b>TOTAL (ONGOING RECEIPTS)</b>	<b>\$ 2,345,146,060</b>	<b>\$ 2,383,190,530</b>	<b>\$ 38,044,470</b>	<b>1.62</b>
<b>ONE-TIME RECEIPTS</b>				
Bank Franchise Tax Prior Year Revenue	\$ 1,751,228	\$ 727,097	\$ (1,024,131)	(58.48)
One-Time Sales and Use Tax	9,726,426	12,319,527	2,593,101	26.66
Unexpended Carryovers and Specials	6,400,000	0	(6,400,000)	(100.00)
Obligated Cash Carried Forward	96,775,123	96,775,123	0	0.00
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 114,652,777</b>	<b>\$ 109,821,747</b>	<b>\$ (4,831,030)</b>	<b>(4.21)</b>
<b>GRAND TOTAL</b>	<b>\$ 2,459,798,837</b>	<b>\$ 2,493,012,277</b>	<b>\$ 33,213,440</b>	<b>1.35</b>

# Governor's Recommended FY2025 vs. February Revised FY2025

	<b>GOV. REC. FY2025</b>	<b>FEB. REVISED FY2025</b>	<b>DOLLAR CHANGE</b>	<b>PERCENT CHANGE</b>
<b>ONGOING RECEIPTS</b>				
Sales and Use Tax	\$ 1,494,649,338	\$ 1,503,620,386	\$ 8,971,048	0.60
Lottery	179,963,037	181,689,978	1,726,941	0.96
Contractor's Excise Tax	212,036,057	215,129,138	3,093,081	1.46
Insurance Company Tax	126,522,130	126,589,820	67,690	0.05
Unclaimed Property Receipts	60,103,683	60,245,344	141,661	0.24
Licenses, Permits, and Fees	77,756,620	77,753,633	(2,987)	(0.00)
Tobacco Taxes	43,205,556	42,963,626	(241,930)	(0.56)
Trust Funds	50,650,800	50,507,160	(143,640)	(0.28)
Net Transfers In	25,073,004	25,673,827	600,823	2.40
Alcohol Beverage Tax	9,396,965	9,292,085	(104,880)	(1.12)
Bank Franchise Tax	17,299,461	16,967,424	(332,037)	(1.92)
Charges for Goods and Services	12,876,310	13,099,393	223,083	1.73
Telecommunications Tax	2,276,173	2,157,855	(118,318)	(5.20)
Severance Taxes	9,326,838	9,482,838	156,000	1.67
Investment Income and Interest	74,929,000	74,319,000	(610,000)	(0.81)
Alcohol Bev 2% Wholesale Tax	3,138,450	3,219,823	81,373	2.59
<b>TOTAL (ONGOING RECEIPTS)</b>	<b>\$ 2,399,203,422</b>	<b>\$ 2,412,711,330</b>	<b>\$ 13,507,908</b>	<b>0.56</b>



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