

The fiscal year is one third complete. On-going general fund receipts show a **negative (\$24.8) million or (2.8%) below target**. Total general fund receipts are slightly higher because of prior year bank franchise tax. Some of the negative growth can be explained by the timing of receipts such as unclaimed property and licenses, permits, and fees. Others like sales tax and contractor's excise tax are under performing compared to last year and are moderately below target.

Sales tax growth for the month is negative **(0.6%)**. The 3-year average for the month is 8.8%, with last year's growth at negative (5.0%). **YTD growth is negative (3.5%)**. The adopted target is 3.4% growth. Sales tax needs to grow 7.3% each remaining month of the fiscal year compared to last year to reach the adopted target. This likely will not happen. The growth through 4 months of the fiscal year is concerning and a lower expectation of sales tax should be assumed for the remainder of FY25.

Lottery growth for the month is positive **3.4%**. The 3-year average for the month is 69.3% (timing of receipts), with last year's growth at negative (3.5%). **YTD growth is positive 0.4%**. The adopted target is 2.1% growth. The growth in lottery has been slow and sluggish and likely is a result of consumers becoming more concerned about spending.

Contractor's Excise Tax growth for the month is positive **4.5%**. The 3-year average for the month is 13.4%, with last year's growth at 10.8%. **YTD growth is negative (3.1%)**. The adopted target is 2.1% growth.

The year-to-date growth in the top three revenue sources for the year is below normal. A slow to negative trend is developing in the three large revenue streams and this likely indicates a slowing economy and reduced spending by the South Dakota consumer. More on this in the attached analysis.

Unclaimed Property next month will show a large receipt of revenue of about **\$170 million**. The adopted target was \$60 million, creating increased revenues of about **\$90 million**. This large receipt of unclaimed property for the current year will help to offset the negative growth seen in the other revenue sources. The overall adopted revenue target can still be reach because of the large receipt of unclaimed property.



STATE GENERAL FUND RECEIPTS
FY25 - October General Fund Revenues
(in thousands of dollars, except where noted)
Revenue Target: 2/15/24

	FY24 October Actual	FY25 October Legislature Target	FY25 October Actual	Dollar Change from Target	FY25 Actual % Change from:	
					FY24 October Actual	FY25 Legislature Target
ONGOING RECEIPTS						
Net Sales & Use Tax	127,990.5	130,280.1	127,267.0	(3,013.1)	-0.6%	-2.3%
Lottery	18,855.9	12,974.8	19,489.6	6,514.8	3.4%	50.2%
Contractor's Excise Tax	21,664.3	22,713.8	22,631.5	(82.4)	4.5%	-0.4%
Insurance Company Tax	21,749.9	20,433.9	19,553.6	(880.3)	-10.1%	-4.3%
Unclaimed Property	50,005.4	3,776.1	1,763.0	(2,013.0)	-96.5%	53.3%
Licenses Permits and Fees	10,613.8	11,567.6	209.9	(11,357.7) ①	-98.0%	-98.2%
Tobacco Taxes	4,698.5	3,840.2	4,568.6	728.4	-2.8%	19.0%
Trust Funds	0.0	0.0	0.0	0.0	0.0%	0.0%
Net Transfers In	1,729.9	1,402.7	1,510.1	107.4	-12.7%	7.7%
Alcohol Beverage Tax	2,456.1	2,277.7	2,426.8	149.1	-1.2%	6.5%
Bank Franchise Tax	471.0	266.0	3,338.3	3,072.4	608.8%	1155.2%
Charges for Goods and Services	1,107.4	1,382.1	1,057.4	(324.7)	-4.5%	-23.5%
Telecommunications Tax	177.4	174.6	172.9	(1.7)	-2.5%	-1.0%
Mineral Severance Taxes	2,367.0	1,552.0	198.4	(1,353.5)	-91.6%	-87.2%
Investment Income and Interest	2.1	45.4	32.1	(13.2)	1464.0%	-29.2%
Alcohol 2% Wholesale Tax	284.1	223.7	252.2	28.5	-11.2%	12.7%
TOTAL ONGOING RECEIPTS	264,173.0	212,910.7	204,471.4	(8,439.3)	-22.6%	-3.96%
ONE-TIME RECEIPTS						
Prior Year Bank Franchise Tax		0	26	0		
TOTAL ONE-TIME RECEIPTS	0		26	0	0	
GRAND TOTAL RECEIPTS	264,173	212,911	204,497	(8,413.6)	-22.6%	-3.95%

Note: The revenue report reflects actual sales tax in September

* Net Sales & Use Tax excludes the cost of administration

NOTE: Details may not add to totals due to rounding; values less than 1,000 are disregarded in calculating percentages. Transfers In excludes one-time transfers. The Legislature target is calculated on how the LRC tracks current revenues.

① The negative \$11.4 million in licenses permits and fees is related to the timing of receipts.



STATE GENERAL FUND RECEIPTS
FY24 - General Fund Revenues
(in thousands of dollars, except where noted)
Revenue Target: 2/15/24

	FY24 YTD Actual	FY25 YTD Legislature Target	FY25 YTD Actual	Dollar Change from Target	FY25 YTD Actual % Change from:	
					FY24 YTD Actual	FY25 YTD Legislature Target
ONGOING RECEIPTS						
Net Sales and Use Tax	532,237	537,482	513,421	(24,061)	-3.5% ①	-4.5%
Lottery	59,439	58,906	59,666	759	0.4%	1.3%
Contractor's Excise Tax	83,805	87,338	81,206	(6,132)	-3.1% ②	-7.0%
Insurance Company Tax	47,279	47,849	48,190	341	1.9%	0.7%
Unclaimed Property	44,128	(949)	(11,018)	(10,070)	-125.0% ③	1061.5%
Licenses Permits and Fees	13,485	14,136	1,524	(12,612)	-88.7% ④	-89.2%
Tobacco Taxes	17,632	16,881	17,205	324	-2.4%	1.9%
Trust Funds	33,666	35,309	35,309	0	4.9%	0.0%
Net Transfers In	13,409	11,070	12,510	1,440	-6.7%	13.0%
Alcohol Beverage Tax	2,504	2,318	2,454	136	-2.0%	5.9%
Bank Franchise Tax	1,694	716	3,567	2,851	110.6%	398.1%
Charges for Goods and Services	4,067	4,018	3,780	(239)	-7.1%	-5.9%
Telecommunications Tax	552	712	538	(174)	-2.5%	-24.4%
Mineral Severance Taxes	5,310	3,882	2,805	(1,077)	-47.2%	-27.7%
Investment Income and Interest	48,963	72,165	95,892	23,727	95.8% ⑤	32.9%
Alcohol 2% Wholesale Tax	1,060	1,025	1,040	14	-1.9%	1.4%
TOTAL ONGOING RECEIPTS	909,229	892,859	868,088	(24,771)	-4.5%	-2.8%
ONE-TIME RECEIPTS						
Bank Franchise Tax Prior Year	136	0	55	55		
TOTAL ONE-TIME RECEIPTS	136	0	55	55		
GRAND TOTAL RECEIPTS	909,365	892,859	868,143	(24,717)	-4.5%	-2.77%

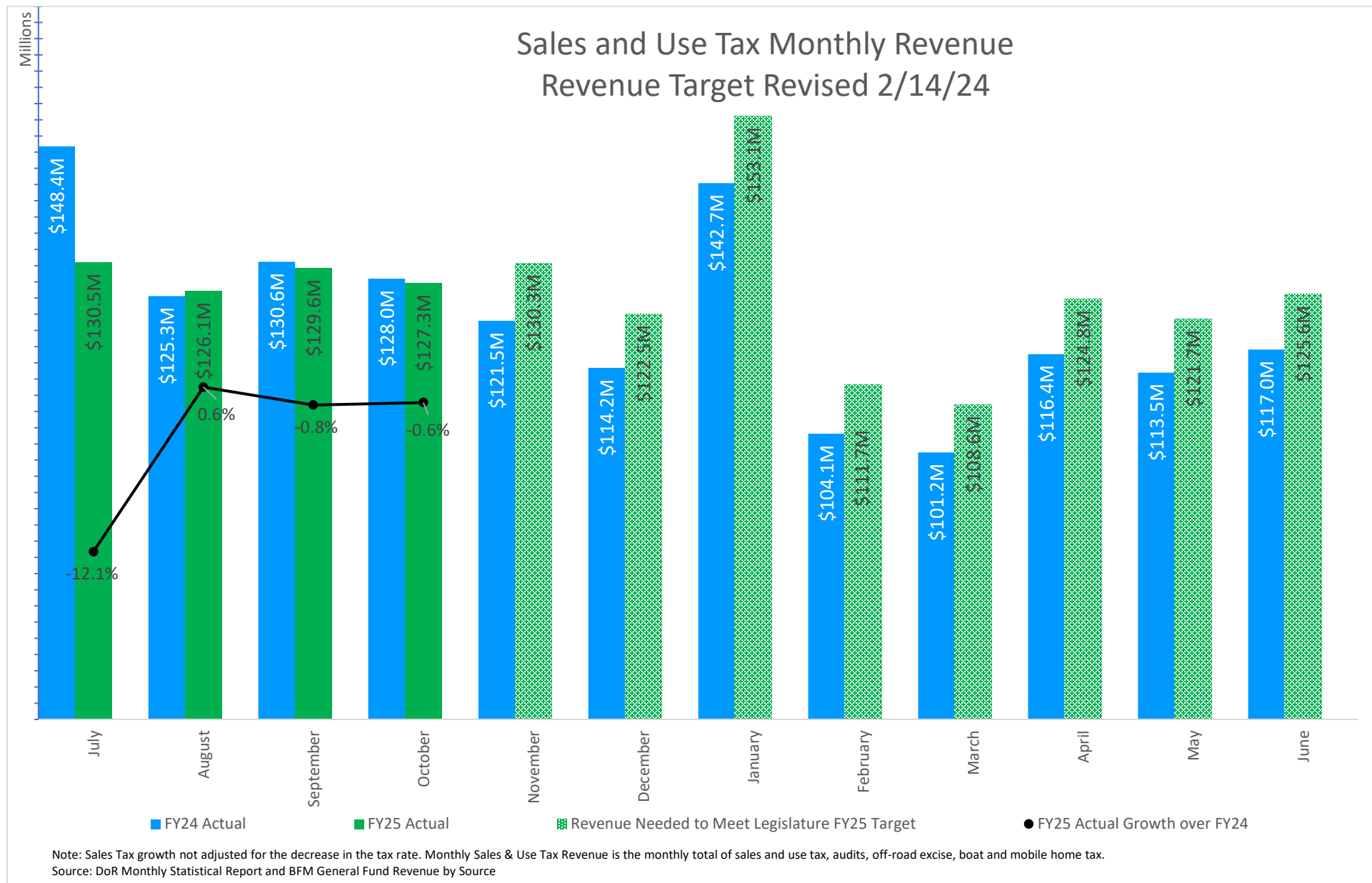
*Note: The revenue report reflects actual sales tax through September and excludes the cost of administration

SOURCE: BFM General Fund Revenue by Source, DOR Monthly Statistical Report

NOTE: Details may not add to totals due to rounding; values less than 1,000 are disregarded in calculating percentages. Transfers In excludes one-time transfers. The Legislature target is calculated on how the LRC tracks current revenues.

- ① The negative \$24.1 million in sales tax is due to lower receipts than anticipated.
- ② The negative \$6.1 million in contractor's excise tax is due to lower receipts than anticipated.
- ③ The negative \$10.1 million in unclaimed property is due to the timing of receiving receipts.
- ④ The negative \$12.6 million in licenses is due to the timing of receiving receipts.
- ⑤ The positive \$23.7 million in investment income is due higher earnings and money in the cash flow fund than anticipated.

The graph below provides the monthly sales tax receipts by month. October sales tax receipts (September sales) show a negative (0.6%) growth over last year. Last year for the month of October, the growth in sales tax receipts was negative (5.0%). Year-to-date sales tax receipts show negative (3.5%) growth compared to this same time last fiscal year. The revised adopted target for FY2025 is 3.4% growth compared to FY2024 actual.



The graph below provides the year to date (YTD) on-going general fund revenue by month. On-going revenues show a negative (3.8%) growth compared to this time last year. The revised adopted target for FY2025 is a positive 3.0% growth compared to FY2024 actual. The gray text percent represents the monthly growth for this fiscal year compared to FY2024.

