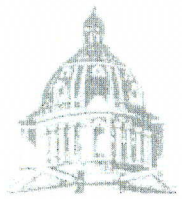

Legislative Research Council

South Dakota

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Memorandum

To: Members of the Joint Committee on Appropriations

From: Aaron Olson AO
Senior Fiscal Analyst, LRC

Date: June 20, 2011

Subject: May General Fund Revenues

A copy of the latest General Fund Revenue Report thru May is attached. Due to lower than expected collections in May, total General Fund receipts are lower by approximately $3.6M compared to the FY11 JCA estimate.

Net Sales and Use Tax collections were $51.9M in May which is a -1.85% percent change from May 2010. As a result, Sales and Use Tax collections are lower by $2.2M YTD compared to the FY11 JCA estimate.

The figures in this report are still estimates. Final FY11 numbers won't be available until BFM closes the books sometime in mid-July. Please let me know if you have questions.

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STATE GENERAL FUND RECEIPTS
FY11 - Year to Date through May
(in thousands of dollars, except where noted)

	FY10 YTD Actual	FY11 YTD JCA Adopted *5*	FY11 YTD Actual	Difference		FY11 YTD Actual: FY10 YTD Actual	FY11 YTD Actual: FY11 YTD JCA Adopted
Taxes:							
Sales and Use Tax	592,310	643,839	634,804	(9,036)	*1*	7.2%	-1.4%
Contractor's Excise Tax	59,209	63,007	57,494	(5,513)	*2*	-2.9%	-8.8%
Wholesale Alcohol Tax	1,250	1,277	1,303	26		4.3%	2.1%
Alcohol Beverage Tax	7,412	7,605	7,463	(142)		0.7%	-1.9%
Cigarette Tax	30,000	30,000	30,000	0		0.0%	0.0%
Bank Franchise Tax	21,538	3,878	4,359	481		-79.8%	12.4%
Insurance Company Tax	62,143	62,875	63,983	1,108		3.0%	1.8%
Mineral Severance Taxes	6,159	8,770	7,957	(813)		29.2%	-9.3%
Total Taxes	780,021	821,251	807,361	(13,890)		3.5%	-1.7%
Other Revenue:							
Licenses Permits and Fees	31,879	33,454	33,881	428		6.3%	1.3%
Charges for Goods and Services	16,092	24,950	21,600	(3,350)		34.2%	-13.4%
State Lottery, Instant Tickets	950	574	1,097	523		0.0%	0.0%
Property Tax Reduction Fund	110,735	96,075	100,001	3,926	*3*	-9.7%	4.1%
Investment Income and Interest	2,932	1,424	2,021	597		-31.1%	41.9%
Transfers In	28,881	27,616	27,298	(318)		-5.5%	-1.2%
Trust Funds	12,000	19,491	18,689	(802)		0.0%	-4.1%
Sales-Leaseback	7,224	6,421	6,754	333		-6.5%	5.2%
CRP Program	104	102	0	(102)		-100.0%	-100.0%
Total Other Revenue	210,796	210,107	211,342	1,235		0.3%	0.6%
TOTAL RECEIPTS	990,816	1,031,358	1,018,703	(12,655)		2.8%	-1.2%
		Total ST and CET Collected but not Deposited		9,011			
			Revised Total	**(3,644)**	*4*		

SOURCE: BFM, BAIE0102, Fuoss

NOTE: Details may not add to totals due to rounding; values less than 1,000 are disregarded in calculating percentages. Transfers In excludes 1-time transfers. Cigarette tax, PTRF and Transfers In cigarette tax revenues, and investment income are adjusted for seasonality.

1 Total does not include approximately $6.8M in Sales and Use Tax that has been collected but not yet deposited into the General Fund. The calculation is based on DRR's sales and use tax collections (net of large project refunds) plus audit collections minus an estimated pro-rata share of DRR's indirect funding compared to actual deposits into the General Fund (BFM Report). When the $6.8M is factored in, the variance in sales tax receipts is negative by about $2.2M.

2 Total does not include approximately $2.2M in Contractor's Excise Tax that has been collected but not yet deposited into the General Fund. The calculation is based on DRR's contractor's excise tax collections (net of large project refunds) compared to acutal deposits into the General Fund (BFM Report). When the $2.2M is factored in, the variance is negative by about $3.3M.

3 PTRF shows a positive variance of $3.9M YTD. However, we believe this is artificially high due to sluggish video revenues. Assuming comparable video lottery and cigarrette tax revenues from recent months, we believe PTRF will be relatively close to the adopted estimate but not significantly higher.

4 Due to the Sales and Use Tax and Contractor's Excise Tax footnotes above, the negative variance in Total Reciepts is overstated. When the additional revenue collected but not deposited is taken into account the variance is acutally negative by about $3.6M.

5 FY11 YTD JCA Adopted reflects the committees revised estimate for FY11 that was adopted on March 7, 2011.

6/20/11