South Dakota Legislative Research Council

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Memorandum

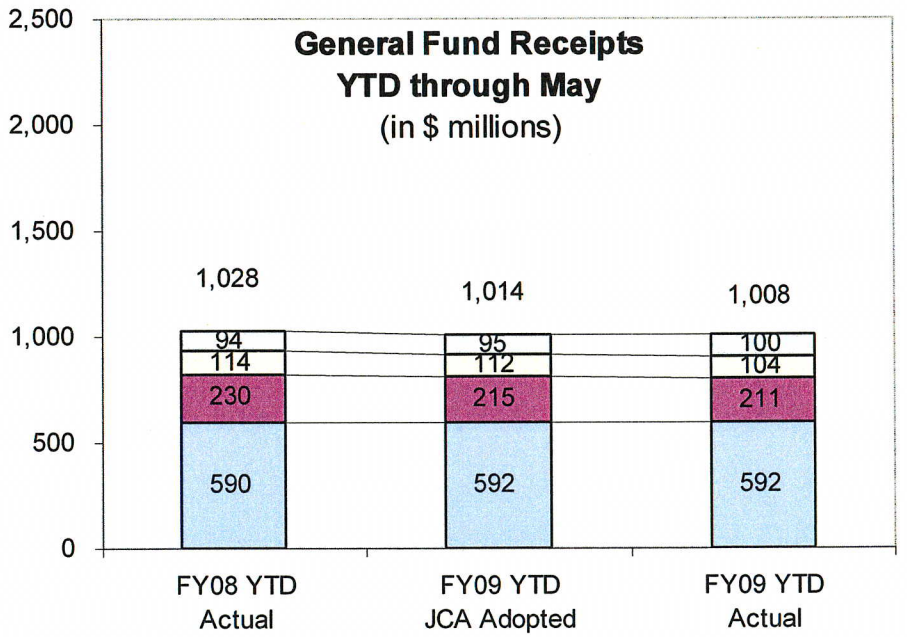
June 11, 2009

To: Leaders of the Joint Committee on Appropriations

From: Fred Schoenfeld, Chief Fiscal Analyst, LRC
Aaron Olson, Senior Fiscal Analyst, LRC

Subject: General Fund Revenue Report

Through May, total FY09 General Fund revenues booked into the General Fund are calculated to be $6.3 million below the revised budgetary estimates adopted by the Joint Committee. However, approximately $9.2M in Property Tax Reduction Fund revenues have been collected but not transferred to the General Fund. In addition, $6.0M was transferred in May from the Dakota Cement Trust Fund to the General Fund which is typically done in June. When the $9.2M and the $6.0M are taken into account, the variance is actually $3.1M below the budgetary estimates through May.



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Based on actual receipts booked into the General Fund, the **Sales and Use Tax** shows very little variance and **Contractor's Excise Tax** shows a positive variance of $1.0M compared to the JCA's revised estimates. **Bank Franchise Tax** continues the negative trend from prior months and **License, Permits, and Fees** shows a negative variance of $2.2M primarily due to a decline is securities fees. In addition, Charges **for Goods and Services** has a negative variance of $1.7M.

The most significant variances shown below are in the **Property Tax Reduction Fund** and **Trust Funds**. As stated previously, approximately $9.2M in PTRF revenues have been collected but not transferred to the general fund which contributes to the negative variance. Trust Funds show a positive variance of $7.4M due to a transfer of $6.0M in May from the Dakota Cement Trust Fund to the General Fund which is typically done in June. The remaining $6.0M plus $1.5M due to the passage of SB 164 will be transferred from the Dakota Cement Trust Fund to the General Fund in June.

STATE GENERAL FUND RECEIPTS
FY09 - Year to Date through May
(in thousands of dollars, except where noted)

					FY09 YTD Actual % Change from:	
	FY08 YTD Actual	FY09 YTD JCA Adopted	FY09 YTD Actual	Difference	FY08 YTD Actual	FY09 YTD JCA Adopted
Taxes:						
Sales and Use Tax	590,462	592,027	592,137	111	0.3%	0.0%
Contractor's Excise Tax	82,882	71,040	72,048	1,008	-13.1%	1.4%
Wholesale Alcohol Tax	1,061	1,096	1,188	91	11.9%	8.3%
Alcohol Beverage Tax	6,233	7,315	7,176	(139)	15.1%	-1.9%
Cigarette Tax	30,000	30,000	30,000	0	0.0%	0.0%
Bank Franchise Tax	44,260	36,880	33,015	(3,865)	-25.4%	-10.5%
Insurance Company Tax	61,384	63,542	62,494	(1,049)	1.8%	-1.7%
Mineral Severance Taxes	4,075	4,837	4,868	31	19.5%	0.6%
Total Taxes	820,357	806,736	802,925	(3,811)	-2.1%	-0.5%
Other Revenue:						
Licenses Permits and Fees	31,020	33,098	30,907	(2,191)	-0.4%	-6.6%
Charges for Goods and Services	15,980	17,534	15,811	(1,723)	-1.1%	-9.8%
State Lottery, Instant Tickets	289	398	359	(39)	24.2%	-9.9%
Property Tax Reduction Fund	113,607	112,320	104,462	(7,857)	-8.0%	-7.0%
Investment Income and Interest	1,315	1,174	1,964	791	49.4%	67.4%
Transfers In	17,946	16,860	17,754	894	-1.1%	5.3%
Trust Funds	18,423	17,989	25,350	7,360	37.6%	40.9%
Sales-Leaseback	8,155	7,379	7,693	313	-5.7%	4.2%
CRP Program	1,155	336	342	6	-70.4%	1.8%
Total Other Revenue	207,889	207,088	204,641	(2,447)	-1.6%	-1.2%
TOTAL RECEIPTS	1,028,246	1,013,824	1,007,566	(6,258)	-2.0%	-0.6%

SOURCE: BFM, BAIE0102
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.

The usual variance graphics included in the report are omitted from this report because they would be skewed by PTRF funds withheld from the General Fund.