South Dakota Legislative Research Council

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Memorandum

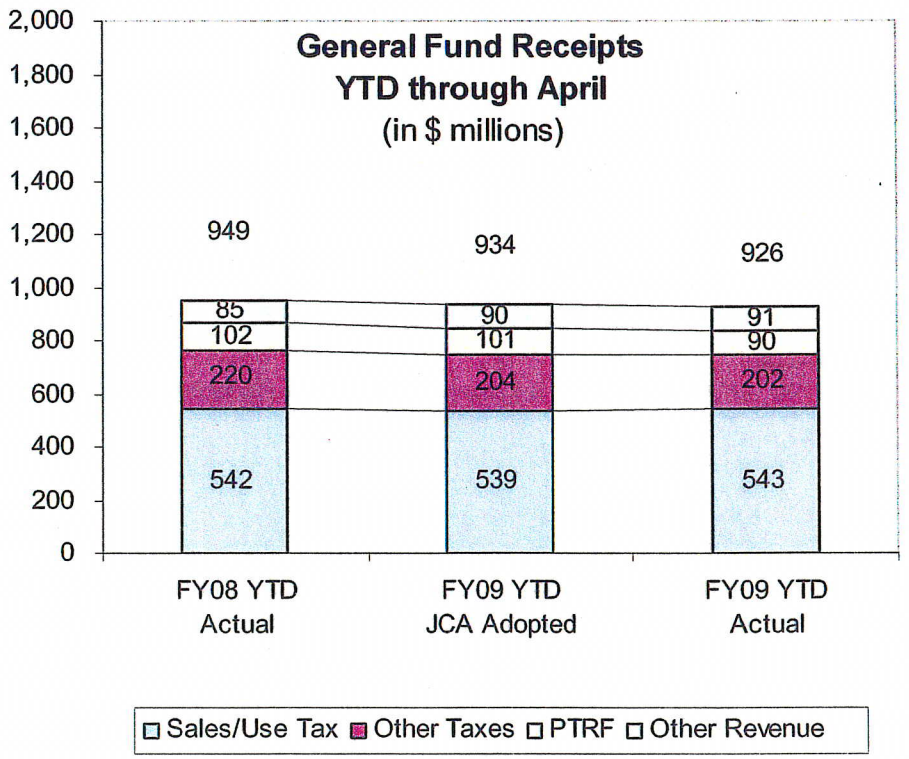
May 18, 2009

To: Members 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 April, total FY09 General Fund revenues booked into the General Fund are calculated to be $8.3 million below the **revised budgetary estimates** adopted by the Joint Committee on 3/10/09. However, approximately $12.0M in video lottery and cigarette tax revenues have been collected but not transferred to the General Fund. When the $12.0M is taken into account, the variance is actually a positive $3.7M through April.



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Based on actual receipts booked into the General Fund, the **Sales and Use Tax** shows a positive variance of $4.0M compared to the JCA's revised estimates. That is more than offset by negative variances in other areas. **Bank Franchise Tax** continues the negative trend from prior months and **License, Permits, and Fees** shows a negative variance of $2.1M primarily due to a decline is securities fees.

The most significant variance shown below is in the **Property Tax Reduction Fund.** However, as stated previously, approximately $12.0M in video lottery and cigarette tax revenues have been collected but not transferred to the general fund. The commissioner of BFM has used his discretion to manage the balance of the general fund by only transferring a portion of video lottery and cigarette tax revenues in March and April. This departs from the practice of recent years but may be related to federal stimulus requirements.

STATE GENERAL FUND RECEIPTS
FY09 - Year to Date through April
(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	542,114	539,264	543,310	4,046	0.2%	0.8%
Contractor's Excise Tax	77,587	66,200	66,599	399	-14.2%	0.6%
Wholesale Alcohol Tax	1,016	1,001	1,080	79	6.2%	7.9%
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	44,259	36,686	32,923	(3,763)	-25.6%	-10.3%
Insurance Company Tax	58,180	58,954	59,384	431	2.1%	0.7%
Mineral Severance Taxes	3,020	4,029	4,603	574	52.4%	14.3%
Total Taxes	762,409	743,448	745,074	1,626	-2.3%	0.2%
Other Revenue:						
Licenses Permits and Fees	30,510	32,545	30,445	(2,101)	-0.2%	-6.5%
Charges for Goods and Services	15,201	15,696	14,873	(823)	-2.2%	-5.2%
State Lottery, Instant Tickets	289	393	344	(49)	19.0%	-12.6%
Property Tax Reduction Fund	102,399	101,276	89,850	(11,426)	-12.3%	-11.3%
Investment Income and Interest	1,315	1,162	1,964	802	49.4%	69.0%
Transfers In	9,488	14,474	16,287	1,813	71.7%	12.5%
Trust Funds	18,423	17,989	19,350	1,360	5.0%	7.6%
Sales-Leaseback	8,155	7,177	7,693	515	-5.7%	7.2%
CRP Program	1,145	313	341	28	-70.2%	8.9%
Total Other Revenue	186,925	191,026	181,146	(9,880)	-3.1%	-5.2%
TOTAL RECEIPTS	949,334	934,474	926,220	(8,254)	-2.4%	-0.9%

SOURCE: BFM, BAIE0102
NOTE: Details may not add to totals due to rounding; values less than 1,000 are disregarded in calculating percentages. Transfers excludes 1-time transfers. Cigarette tax, PTRF and Transfers In cigarette tax revenues, and investment income are adjuste 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.