South Dakota Legislative Research Council

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Memorandum

November 21, 2008

To: Joint Committee on Appropriations

From: Fred Schoenfeld, Chief Fiscal Analyst, LRC
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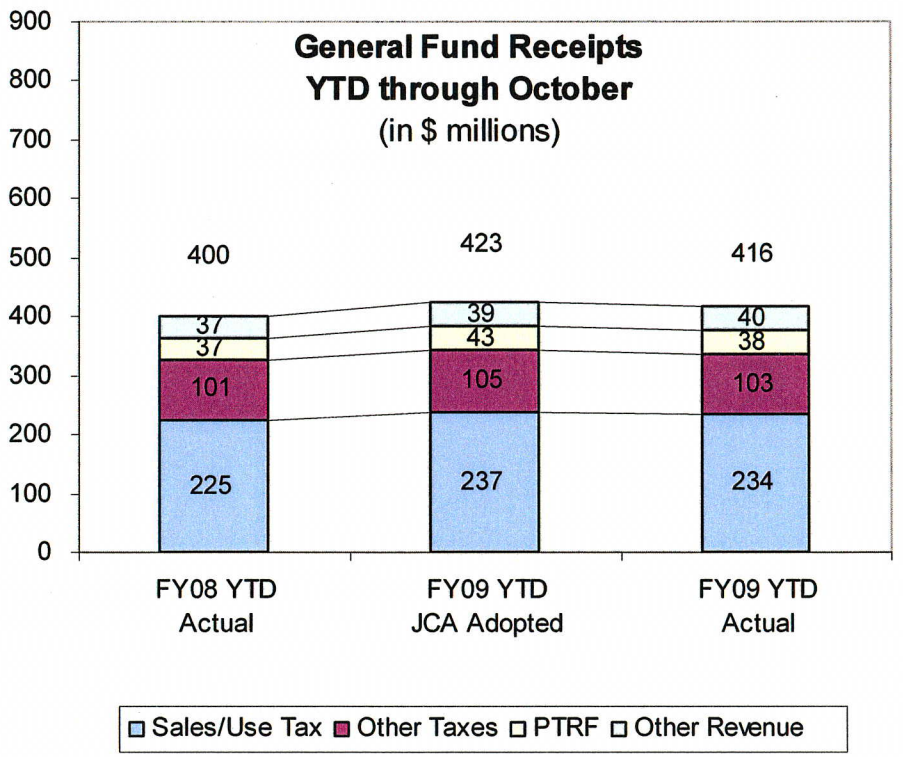
Subject: General Fund Revenue Report

Through October, total FY09 General Fund revenues booked into the General Fund are calculated to be $6.9 million below the budgetary estimates. This shortfall requires further comment as follows.



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State General Fund receipts continue to show some weakness but not to the severity of many other states or the national picture. Although **Sales and Use Tax** is negative, gross collections indicate additional funds have been collected and not yet booked into the General Fund. **Contractors Excise Tax** is down which probably reflects decreased construction activity in South Dakota. **Bank Franchise Tax** continues the negative trend from prior months. If the trend continues it will be the subject of more detailed analysis in the future. **Charges for Goods and Services** remains negative however this pattern is consistent with prior years. The negative variance may also be related to the timing of an $8 million deposit that came in October rather than November in a prior year. **Property Tax Reduction Fund** revenues remain significantly down, possibly as a result of inflated tobacco tax values used in the adopted estimate.

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

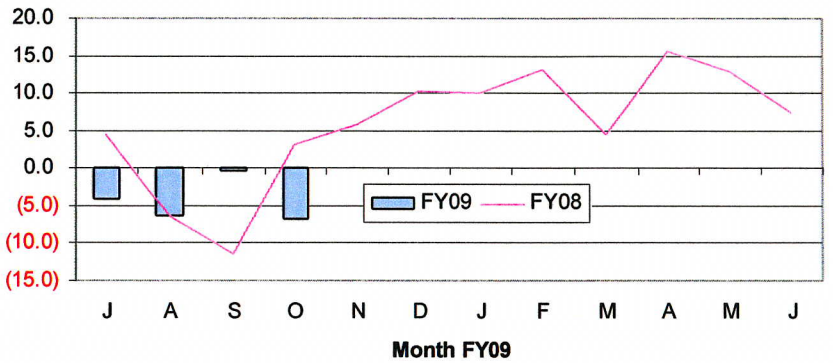
					FY09 YTD Actual % Change from:	
	FY08 YTD Actual	FY09 YTD JCA Adopted	FY09 YTD Actual	Difference	FY08 YTD Actual	FY09 YTD JCA Adopted
Taxes:						
Sales and Use Tax	224,814	236,859	234,276	(2,583)	4.2%	-1.1%
Contractor's Excise Tax	31,260	35,243	31,703	(3,541)	1.4%	-10.0%
Wholesale Alcohol Tax	388	415	448	34	15.5%	8.1%
Alcohol Beverage Tax	2,135	2,476	2,640	164	23.6%	6.6%
Cigarette Tax	22,111	22,111	22,938	827	3.7%	3.7%
Bank Franchise Tax	19,759	19,587	16,935	(2,651)	-14.3%	-13.5%
Insurance Company Tax	24,213	24,291	27,224	2,933	12.4%	12.1%
Mineral Severance Taxes	963	1,162	1,561	399	62.1%	34.3%
Total Taxes	325,644	342,143	337,726	(4,417)	3.7%	-1.3%
Other Revenue:						
Licenses Permits and Fees	7,582	7,918	7,582	(336)	0.0%	-4.2%
Charges for Goods and Services	2,128	5,699	2,618	(3,081)	23.0%	-54.1%
State Lottery, Instant Tickets	0	0	0	0		
Property Tax Reduction Fund	37,477	42,616	38,246	(4,370)	2.1%	-10.3%
Investment Income and Interest	1,302	1,073	1,989	916	52.7%	85.4%
Transfers In	7,391	5,813	8,889	3,076	20.3%	52.9%
Trust Funds	18,423	18,031	19,350	1,319	5.0%	7.3%
Sales-Leaseback	0	0	0	0		
CRP Program	0	0	0	0		
Total Other Revenue	74,304	81,150	78,674	(2,477)	5.9%	-3.1%
				0		
TOTAL RECEIPTS	399,948	423,294	416,400	(6,894)	4.1%	-1.6%

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 year-to-date variances are shown in the following tables. It is worth pointing out that the first quarter variances in past years have typically been more volatile before becoming more stable throughout the balance of the year.

General Fund Receipts - YTD Variance from Adopted Estimate

(in $millions)



FY09 Variance from Adopted Estimate

MONTH	Sales Tax	Contractor's Excise	Wholesale Alcohol	Alcohol Beverage	Cigarette	Bank Franchise	Insurance Company	Mineral Severance	Licenses, Permits, Fees	Goods & Services	State Lottery	PTRF	Interest Income	Transfers In	Trust Funds	Sales-Leaseback	CRP	FY09
J	(1.5)	(2.8)	(0.0)	0.0	0.7	0.1	(1.6)	0.4	(0.1)	(0.6)	0.0	(0.7)	0.0	1.8	0.0	0.0	0.0	(4.1)
A	3.6	(9.1)	(0.0)	0.0	0.1	(0.8)	0.8	0.5	(0.1)	(1.3)	0.0	(2.0)	0.0	0.7	1.3	0.0	0.0	(6.4)
S	4.9	(6.1)	0.1	0.0	1.6	(0.3)	0.7	0.5	(0.2)	(1.3)	0.0	(3.2)	0.9	0.7	1.3	0.0	0.0	(0.3)
O	(2.6)	(3.5)	0.0	0.2	0.8	(2.7)	2.9	0.4	(0.3)	(3.1)	0.0	(4.4)	0.9	3.1	1.3	0.0	0.0	(6.9)
N																		
D																		
J																		
F																		
M																		
A																		
M																		
J																		

FY08 Variance from Adopted Estimate

MONTH	Sales Tax	Contractor's Excise	Wholesale Alcohol	Alcohol Beverage	Cigarette	Bank Franchise	Insurance Company	Mineral Severance	Licenses, Permits, Fees	Goods & Services	State Lottery	PTRF	Interest Income	Transfers In	Trust Funds	Sales-Leaseback	CRP	FY08
J	3.9	(2.9)	0.0	0.0	0.0	1.0	0.6	0.2	0.0	(1.1)	0.0	0.1	(0.0)	2.6	0.0	0.0	0.0	4.4
A	(6.2)	(2.6)	0.0	0.0	0.0	0.3	(0.0)	0.2	0.0	(1.8)	0.0	(2.4)	(0.0)	4.6	1.7	0.0	0.0	(6.3)
S	(12.6)	(3.3)	(0.0)	0.0	0.0	1.6	(0.2)	0.2	(0.1)	(1.8)	0.0	(2.6)	0.4	5.3	1.7	0.0	0.0	(11.4)
O	(1.4)	(2.5)	0.0	(0.2)	0.0	1.8	1.2	0.0	0.8	(3.7)	0.0	(3.0)	0.4	8.0	1.7	0.0	0.0	3.1
N	(4.1)	(2.9)	0.0	(0.2)	0.0	1.8	(0.3)	(0.1)	0.2	4.2	(0.1)	(2.4)	0.4	8.6	1.7	(1.4)	0.5	5.9
D	(3.7)	(0.9)	(0.0)	(0.2)	0.0	2.7	(0.1)	(0.1)	(0.1)	2.1	(0.1)	(1.2)	0.4	8.9	1.7	0.6	0.4	10.4
J	(3.6)	(0.4)	0.1	(0.4)	0.0	2.5	0.1	(0.1)	(1.8)	1.2	(0.1)	0.4	0.4	9.2	1.7	0.6	0.4	10.0
F	0.7	1.1	0.1	(0.4)	0.0	2.5	0.6	0.5	(2.3)	0.2	(0.0)	(0.4)	0.4	7.6	1.7	0.6	0.4	13.2
M	(3.6)	2.0	(0.0)	(0.4)	0.0	3.3	(0.1)	0.3	(2.3)	(0.6)	(0.0)	(2.7)	0.4	5.6	1.7	0.6	0.4	4.5
A	4.3	1.4	0.1	(0.7)	0.0	4.4	2.1	0.1	1.3	(0.7)	(0.0)	(3.3)	0.4	3.5	1.7	0.6	0.4	15.5
M	(0.3)	1.1	0.1	(0.7)	0.0	4.2	0.8	0.7	1.3	(1.8)	(0.0)	(4.7)	0.4	9.7	1.7	0.4	0.3	13.0
J	2.8	(9.4)	0.1	0.4	0.0	4.5	(0.4)	0.7	2.3	(1.5)	1.4	(7.1)	2.6	10.3	0.6	0.0	0.3	7.5