South Dakota Legislative Research Council

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Memorandum

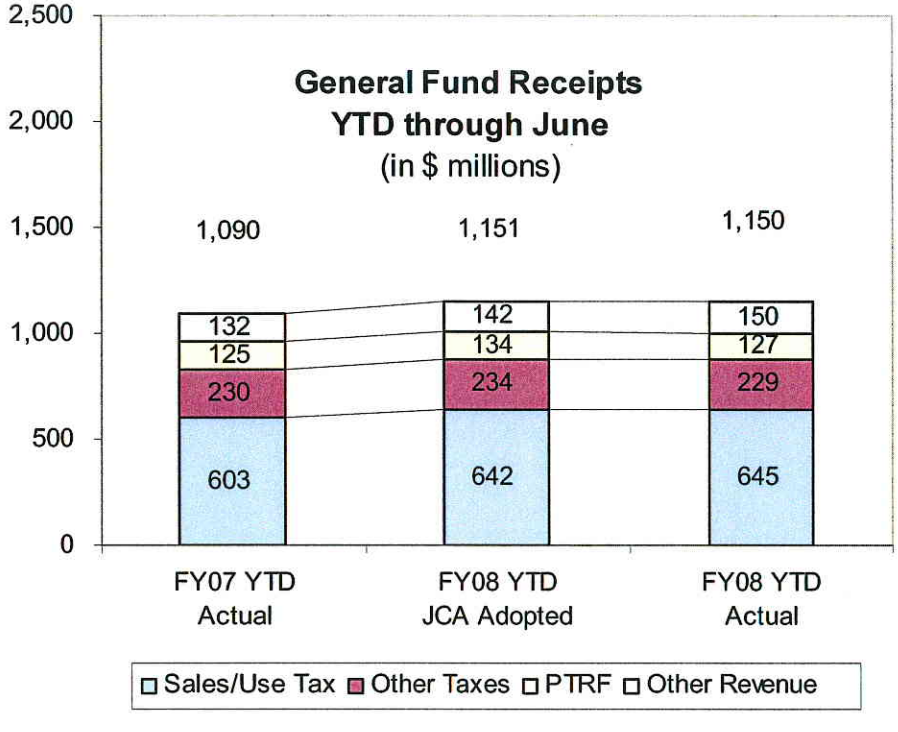
July 29, 2008

To: Joint Committee on Appropriations
House and Senate Majority and Minority Legislative Leaders

From: Fred Schoenfeld
Chief Fiscal Analyst, LRC

Subject: General Fund Revenue Report

Through June, total FY08 General Fund revenues booked into the General Fund are only $1.031 million below the adjusted estimate. However, year-end adjustments impact this relatively minor variance, as shown in the following tables and charts.



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STATE GENERAL FUND RECEIPTS
FY08 - Year to Date through June
(in thousands of dollars, except where noted)

	FY07 YTD Actual	FY08 YTD JCA Adopted	FY08 YTD Actual	Difference	FY08 YTD Actual % Change from: FY07 YTD Actual	FY08 YTD Actual % Change from: FY08 YTD JCA Adopted
Taxes:						
Sales and Use Tax	603,172	641,824 *	644,597	2,773	6.9%	0.4%
Contractor's Excise Tax	78,791	88,347	78,978	(9,368)	0.2%	-10.6%
Wholesale Alcohol Tax	1,126	1,111	1,212	101	7.7%	9.1%
Alcohol Beverage Tax	9,060	8,905	9,289	384	2.5%	4.3%
Cigarette Tax	30,000	30,000	30,000	0	0.0%	0.0%
Bank Franchise Tax	50,474	40,950	45,433	4,483	-10.0%	10.9%
Insurance Company Tax	57,283	60,786	60,394	(392)	5.4%	-0.6%
Inheritance Tax	403	329	105	(224)	-74.0%	-68.2%
Mineral Severance Taxes	3,124	3,416	4,075	659	30.4%	19.3%
Total Taxes	833,432	875,668	874,083	(1,585)	4.9%	-0.2%
Other Revenue:						
Licenses Permits and Fees	39,189	38,530	40,792	2,261	4.1%	5.9%
Charges for Goods and Services	14,489	18,265	16,727	(1,538)	15.4%	-8.4%
State Lottery, Instant Tickets	5,879	5,086	6,534	1,448		
Property Tax Reduction Fund	125,179	133,701	126,606	(7,095) **	1.1%	-5.3%
Investment Income and Interest	13,278	13,733	16,299	2,567	22.8%	18.7%
Transfers In	15,852	24,688	26,675	1,986	68.3%	8.0%
Trust Funds	31,359	30,994	31,607	613	0.8%	2.0%
Sales-Leaseback	10,499	9,827	9,827	0		
CRP Program	1,108	842	1,155	312		
Total Other Revenue	256,833	275,667	276,221	554	7.5%	0.2%
				0		
TOTAL RECEIPTS	1,090,265	1,151,335	1,150,304	(1,031)	5.5%	-0.1%

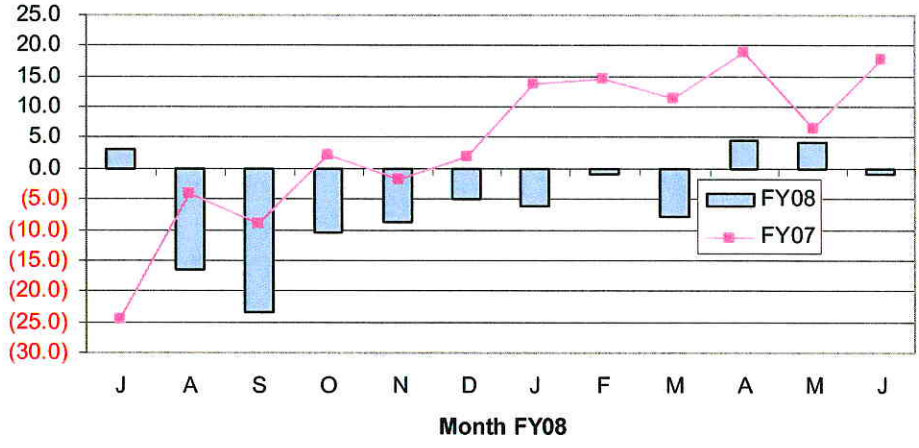
SOURCE: BFM, BAIE0102
NOTE: Details may not add to totals due to rounding; values less than 1,000 are disregarded in calculating percentages. Transfers includes 1-time transfers. Cigarette tax, PTRF cigarette tax revenues, and investment income are adjusted for seasonality.

* Includes a reduction of $21,780 to correct adjustments to original JCA.
** Excludes transfer of $25,650,000 from prior year reserves.

A reconciliation of these results with BFM's Year End report at page 2 follows. Column (A) is taken from BFM's recent Year End FY2008 report at page 2. Column (B) is taken from this Monthly Revenue Report, with appropriate year-end adjustments. The columns reconcile.

	Variance (A) BFM March '08 est to BFM Actual	Variance (B) JCA Adj to Monthly Report
Budgeted Shortfall	(21,409,474)	(19,048,085)
CHANGE IN CONTINUING REVENUES		
Taxes:		
Sales and Use Tax	2,772,943	2,772,943
Contractor's Excise Tax	(9,368,458)	(9,368,458)
Wholesale Alcohol Tax	100,942	100,942
Alcohol Beverage Tax	383,513	383,513
Cigarette Tax	0	0
Bank Franchise Tax	4,483,071	4,483,071
Insurance Company Tax	(392,140)	(392,140)
Inheritance Tax	(224,059)	(224,059)
Mineral Severance Taxes	658,996	658,996
Total Taxes	(1,585,193)	(1,585,193)
Other Revenue:		
Licenses Permits and Fees	2,261,178	2,261,178
Charges for Goods and Services	(1,537,834)	(1,537,834)
State Lottery, Instant Tickets	1,447,573	1,447,573
Property Tax Reduction Fund	(7,428,359)	(7,094,753)
Investment Income and Interest	2,566,642	2,566,642
Transfers In	(1,874,210)	1,986,381
Trust Funds	612,861	612,861
Sales-Leaseback	0	0
CRP Program	312,307	312,307
Total Other Revenue	(3,639,840)	554,357
TOTAL REVENUE CHANGE	(5,225,034)	(1,030,837)
Reversions	1,135,465	1,135,465
Subtotal	(25,499,043)	(18,943,457)
Adjustment for 1-time Transfers and Cash		(6,555,586)
Revenue Shortfall	(25,499,043)	(25,499,043)

General Fund Receipts - YTD Variance from Adopted Estimate
(in $millions)



FY08 Variance from Adopted Estimate

MONTH	Sales Tax	Contractor's Excise	Wholesale Alcohol	Alcohol Beverage	Cigarette	Bank Franchise	Insurance Company	Inheritance	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	(0.0)	0.2	0.0	(1.1)	0.0	0.1	(0.0)	1.4	0.0	0.0	0.0	3.2
A	(6.2)	(2.6)	0.0	0.0	0.0	0.3	(0.0)	(0.1)	0.2	0.0	(1.8)	0.0	(2.4)	(0.0)	(5.6)	1.7	0.0	0.0	(16.6)
S	(12.6)	(3.3)	(0.0)	0.0	0.0	1.6	(0.2)	(0.1)	0.2	(0.1)	(1.8)	0.0	(2.6)	0.4	(6.6)	1.7	0.0	0.0	(23.5)
O	(1.4)	(2.5)	0.0	(0.2)	0.0	1.8	1.2	(0.1)	0.0	0.8	(3.7)	0.0	(3.0)	0.4	(5.4)	1.7	0.0	0.0	(10.4)
N	(4.1)	(2.9)	0.0	(0.2)	0.0	1.8	(0.3)	(0.2)	(0.1)	0.2	4.2	(0.1)	(2.4)	0.4	(5.9)	1.7	(1.4)	0.5	(8.7)
D	(3.7)	(0.9)	(0.0)	(0.2)	0.0	2.7	(0.1)	(0.2)	(0.1)	(0.1)	2.1	(0.1)	(1.2)	0.4	(6.2)	1.7	0.6	0.4	(5.0)
J	(3.6)	(0.4)	0.1	(0.4)	0.0	2.5	0.1	(0.2)	(0.1)	(1.8)	1.2	(0.1)	0.4	0.4	(6.6)	1.7	0.6	0.4	(6.0)
F	0.7	1.1	0.1	(0.4)	0.0	2.5	0.6	(0.2)	0.5	(2.3)	0.2	(0.0)	(0.4)	0.4	(6.4)	1.7	0.6	0.4	(1.0)
M	(3.6)	2.0	(0.0)	(0.4)	0.0	3.3	(0.1)	(0.3)	0.3	(2.3)	(0.6)	(0.0)	(2.7)	0.4	(6.3)	1.7	0.6	0.4	(7.7)
A	4.3	1.4	0.1	(0.7)	0.0	4.4	2.1	(0.3)	0.1	1.3	(0.7)	(0.0)	(3.3)	0.4	(7.0)	1.7	0.6	0.4	4.7
M	(0.3)	1.1	0.1	(0.7)	0.0	4.2	0.8	(0.2)	0.7	1.3	(1.8)	(0.0)	(4.7)	0.4	1.1	1.7	0.4	0.3	4.2
J	2.8	(9.4)	0.1	0.4	0.0	4.5	(0.4)	(0.2)	0.7	2.3	(1.5)	1.4	(7.1)	2.6	2.0	0.6	0.0	0.3	(1.0)

FY07 Variance from Adopted Estimate

MONTH	Sales Tax	Contractor's Excise	Wholesale Alcohol	Alcohol Beverage	Cigarette	Bank Franchise	Insurance Company	Inheritance	Mineral Severance	Licenses, Permits, Fees	Goods & Services	State Lottery	PTRF	Interest Income	Transfers In	Trust Funds	Sales-Leaseback	CRP	FY07
J	(26.9)	(2.4)	0.0	0.0	(0.5)	1.3	(0.9)	(0.0)	(0.0)	(0.0)	(0.2)	0.0	0.6	(1.4)	5.8	0.0	0.0	0.0	(24.5)
A	(2.2)	(2.4)	0.0	0.0	0.0	0.4	(1.1)	0.2	0.2	0.0	(0.5)	0.0	(1.7)	(1.4)	4.2	0.0	0.0	0.0	(4.2)
S	(8.3)	(2.4)	0.1	0.0	(0.4)	1.0	(1.4)	0.8	0.2	(0.0)	(0.6)	0.0	(1.8)	(0.5)	4.3	0.0	0.0	0.0	(9.1)
O	(8.3)	(1.9)	0.0	0.2	(0.7)	1.3	0.2	0.2	0.1	3.2	6.5	0.0	(2.0)	(0.5)	3.9	0.0	0.0	0.0	2.3
N	(7.6)	(1.8)	0.1	0.2	(0.5)	1.4	(2.7)	0.2	1.0	2.6	5.8	(0.1)	(1.3)	(0.5)	3.8	0.0	(1.6)	(0.9)	(1.8)
D	(10.5)	(1.1)	(0.0)	0.2	(0.3)	2.5	(2.2)	0.2	1.0	2.3	5.2	(0.1)	0.5	(0.5)	4.1	0.0	0.5	0.1	1.9
J	(9.6)	(0.8)	(0.0)	(0.0)	5.8	1.7	(2.6)	0.2	1.0	6.7	4.8	0.3	2.0	(0.5)	3.9	0.0	0.5	0.1	13.6
F	(4.6)	(3.6)	0.0	(0.0)	6.7	1.7	(4.2)	0.1	1.0	6.4	4.3	0.1	2.4	(0.5)	4.1	0.0	0.5	0.1	14.7
M	(9.9)	2.2	0.1	(0.0)	8.4	1.0	(6.5)	0.2	1.4	6.3	3.8	0.1	0.4	(0.5)	4.1	0.0	0.5	0.1	11.6
A	(0.4)	2.2	0.0	0.2	7.4	5.0	(6.3)	0.2	1.4	1.4	3.0	0.1	0.5	(0.5)	4.0	0.0	0.5	0.1	18.9
M	(7.6)	1.8	0.0	0.2	4.9	4.8	(6.9)	0.2	1.4	1.4	2.9	0.1	(0.5)	(0.5)	3.9	0.0	0.3	0.0	6.6
J	(1.4)	(0.1)	0.1	0.2	2.3	9.4	(7.3)	0.2	1.4	2.3	3.7	0.5	6.4	(0.6)	0.7	0.0	0.0	0.0	17.8