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and Administration**

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**M E M O R A N D U M**

TO: Richard Weiss, Director  
Tim Leathers, Deputy Director

FROM: John Shelnett, Economic Analysis & Tax Research

SUBJECT: **General Revenue Report for November (FY 2009)**

DATE: December 2, 2008

Copy: Governor's Office  
Management Services

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**YEAR-TO-DATE REVENUE SUMMARY**

**Year-to-date Net Available General Revenues:** Year-to-date net available general revenues total \$1,883.7 million. This amount is \$90.9 million or 5.1 percent above last year and \$11.0 million or 0.6 percent above the revised general revenue forecast released on Nov. 13. The amount above forecast is due primarily to gains in Individual Income Tax.

**Year-to-date Gross General Revenues:** Year-to-date gross collections total \$2,199.3 million, representing an increase of \$100.3 million or 4.8 percent above last year. Gross general revenues are \$13.0 million or 0.6 percent above the revised general revenue forecast.

**Year-to-date Individual Income Taxes:** Year-to-date individual income tax collections total \$1,004.8 million, \$73.1 million or 7.8 percent above FY 2008 collections and \$21.2 million or 2.2 percent above forecast. Collections growth for individual monthly withholding is up 6.8 percent over year ago levels.

**Year-to-date individual income tax refunds** total \$48.7 million, up \$4.1 million or 9.2 percent compared to last year and \$1.1 million or 2.4 percent above forecast.

**Year-to-date Gross Receipts Collections:** Gross receipts consist primarily of sales and use taxes. On a year-to-date basis, gross receipts total \$908.8 million, an increase of \$18.0 million or 2.0 percent above FY 2008 and \$4.2 million or 0.5 percent below forecast.

**Year-to-date Corporate Income Taxes:** Year-to-date corporate income tax revenues total \$126.2 million, a decrease of \$6.0 million or 4.5 percent below year-to-date FY 2008. Corporate Income Tax collections are 1.2 percent above forecast for the year-to-date period.

**Year-to-date corporate income tax refunds** total \$19.2 million, up \$4.9 million or 34.6 percent from the comparable year-to-date period last year and \$0.3 million or 1.6 percent above forecast.

## **NOVEMBER REVENUE SUMMARY**

**November Net Available General Revenues** total \$328.0 million, \$18.6 million or 6.0 percent above last year and \$11.0 million or 3.5 percent above forecast.

**November Gross General Revenues:** November collections total \$401.1 million, an increase of \$24.4 million or 6.5 percent above last year and \$13.0 million or 3.4 percent above forecast.

**November Individual Income Tax** collections total \$192.3 million. Collections increased by \$32.0 million, or 20.0 percent, compared to last year. With respect to the forecast, collections are \$21.2 million or 12.4 percent above forecast. Individual withholding increased 20.9 percent compared to last year.

**November Individual Income Tax Refunds** total \$10.2 million. Refunds are up \$1.0 million or 11.0 percent above November 2007. This amount is 12.5 percent above forecast for the month.

**November Gross Receipts Collections:** November collections total \$167.6 million, a decrease of \$3.1 million or -1.8 percent from last year. Collections were below monthly forecast levels by \$4.1 million or -2.4 percent.

**November Corporate Income Tax** collections total \$6.6 million, an increase of \$1.0 million or 18.6 percent above year earlier levels, and \$1.5 million or 30.0 percent above forecast.

**November Corporate Income Tax Refunds** total \$9.9 million. This amount is \$2.6 million or 35.7 percent above year ago refunds.

**November Tobacco Tax** collections, a small component of general revenue, total \$10.1 million or 13.4 percent below year earlier levels. Monthly changes in tobacco tax collections can be attributed to uneven patterns of stamp sales to wholesale purchasers.

## **SPECIAL REVENUES OF NOTE**

**Year-to-date Soft Drink Tax (Medicaid Program Trust Fund):** Year-to-date collections of the dedicated soft drink tax total \$21.4 million, an increase of \$0.6 million or 2.6 percent above last year.

**Educational Adequacy Fund:** Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004 a new sales tax on selected services went into effect in addition to an increase in vending machine decal fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. In November 2008, \$35.2 million was collected and deposited to the fund. After deductions, the net amount is \$34.2 million. The monthly collection is equivalent to a -1.8 percent decrease from prior year collections.

YEAR TO DATE REPORT, NOVEMBER 2008  
(PREPARED BY ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A)

THROUGH NOVEMBER 2008  
5 Months YTD  
Forecast Date: 11/13/2008

MILLIONS OF DOLLARS

	ACTUAL FY 2008	FORECAST FY 2009	INCREASE		ACTUAL FY 2008	ACTUAL FY 2009	INCREASE		ACTUAL AS % OF FORECAST
			AMOUNT	PERCENT			AMOUNT	PERCENT	
INDIVIDUAL INCOME	931.7	983.6	51.9	5.6	931.7	1,004.8	73.1	7.8	102.2
ESTATE <sup>1</sup>	-0.4	-0.5	-0.1	29.2	-0.4	-0.6	-0.2	63.0	126.2
CORPORATE INCOME	132.2	124.7	-7.5	-5.7	132.2	126.2	-6.0	-4.5	101.2
GROSS RECEIPTS <sup>2</sup>	890.8	913.0	22.1	2.5	890.8	908.8	18.0	2.0	99.5
ALCOHOLIC BEVERAGE <sup>3</sup>	11.3	12.4	1.1	10.2	11.3	12.8	1.5	13.1	102.7
TOBACCO	59.8	61.3	1.5	2.6	59.8	60.3	0.5	0.8	98.3
INSURANCE	45.4	45.7	0.3	0.6	45.4	40.5	-4.9	-10.7	88.7
RACING	1.9	1.8	-0.1	-3.3	1.9	1.9	0.0	0.8	104.2
GAMES OF SKILL	2.1	2.6	0.5	22.1	2.1	2.5	0.3	15.6	94.6
MISCELLANEOUS <sup>4</sup>	24.2	41.7	17.5	72.1	24.2	42.3	18.0	74.4	101.3
TOTAL GROSS	2,099.0	2,186.3	87.3	4.2	2,099.0	2,199.3	100.3	4.8	100.6
PLUS:									
PROP. TAX RELIEF TR. FUND	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE ALLOTMENT RESERVE	4.7	3.4	-1.3	-28.3	4.7	3.4	-1.4	-28.7	99.4
LESS: SCSF/COF <sup>5</sup>	63.0	65.5	2.5	4.0	63.0	66.0	3.0	4.8	100.8
IND INCOME TAX REFUNDS	44.6	47.6	3.0	6.7	44.6	48.7	4.1	9.2	102.4
CORP INCOME TAX REFUNDS	14.3	18.9	4.6	32.5	14.3	19.2	4.9	34.6	101.6
CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ECON DEVEL INCENTIVE FUND	4.3	6.4	2.1	50.5	4.3	6.4	2.1	49.5	99.3
WATER/SEWER BONDS	1.0	2.5	1.5	150.0	1.0	2.5	1.5	150.0	100.0
COLLEGE SAVINGS BONDS	6.4	6.1	-0.3	-4.8	6.4	6.1	-0.3	-5.2	99.6
CITY/CO. TOURIST	3.6	3.5	-0.1	-3.4	3.6	3.6	-0.1	-1.5	101.9
SCHOOL DESEGREGATION	37.5	34.9	-2.6	-6.9	37.5	34.9	-2.6	-6.9	100.0
EDUCATIONAL EXCELLENCE	124.3	120.1	-4.2	-3.4	124.3	120.1	-4.2	-3.4	100.0
EDUCATIONAL ADEQUACY	11.0	10.6	-0.4	-3.6	11.0	10.6	-0.4	-3.4	100.2
ELDERLY TRANSPORTATION	0.9	0.9	0.0	-1.2	0.9	0.9	0.0	-0.9	100.3
NET AVAILABLE	1,792.8	1,872.7	79.9	4.5	1,792.8	1,883.7	90.9	5.1	100.6

REVENUE FORECAST SUMMARY FOR NOVEMBER

YEAR-TO-DATE GROSS	\$ 13.0 MILLION OR 0.6% ABOVE FORECAST.
YEAR-TO-DATE REFUNDS	\$ 1.4 MILLION OR 2.2% ABOVE FORECAST.
YEAR-TO-DATE NET AVAILABLE	\$ 11.0 MILLION OR 0.6% ABOVE FORECAST

SOFT DRINK EXCISE TAX (MEDICAID PROGRAM TRUST FUND)	<u>YTD FY 08</u> 20.8	<u>YTD FY 09</u> 21.4	<u>% CHANGE</u> 2.6
EDUCATIONAL ADEQUACY FUND (NET DEPOSIT)	<u>YTD FY 08</u> 178.1	<u>YTD FY 09</u> 182.6	<u>% CHANGE</u> 2.5

- 1) Effective January 1, 2005, the federal estate tax credit was abolished, effectively ending state tax collections in FY06.
- 2) Gross Receipts includes the sales, use, 10% mixed drink, 3% beverage excise, vehicle rental, short-term rental, residential moving, and wholesale vending taxes.
- 3) Alcoholic Beverage does not include 10% Mixed Drink and 3% Beverage Excise.
- 4) Miscellaneous includes severance, corporate franchise, real estate transfer, dyed diesel, and various other miscellaneous taxes.
- 5) State Central Services Fund and Constitutional Officers Fund.

NOVEMBER GENERAL REVENUE REPORT  
(ECONOMIC ANALYSIS AND TAX RESEARCH, DFA)  
(682-1688 for further information)

November 26, 2008  
Days Remaining: 0  
Forecast date: 11/13/2008

MILLIONS OF \$

CURRENT MONTH TO DATE

	ACTUAL FY 2008	FORECAST FY 2009	CHANGE AMOUNT	PERCENT	ACTUAL FY 2008	ACTUAL FY 2009	CHANGE AMOUNT	PERCENT	ACTUAL AS % OF FORECAST
INDIVIDUAL INCOME	160.2	171.1	10.8	6.8	160.2	192.3	32.0	20.0	112.4
ESTATE <sup>1</sup>	-0.3	0.0	0.3	0.0	-0.3	-0.1	0.2	-52.5	1174.5
CORPORATE INCOME	5.6	5.1	-0.5	-8.8	5.6	6.6	1.0	18.6	130.0
GROSS RECEIPTS <sup>2</sup>	170.7	171.7	1.1	0.6	170.7	167.6	-3.1	-1.8	97.6
ALCOHOLIC BEVERAGE <sup>3</sup>	2.5	2.5	0.0	0.7	2.5	2.8	0.3	14.2	113.5
TOBACCO	11.6	11.1	-0.5	-4.4	11.6	10.1	-1.6	-13.4	90.6
INSURANCE	22.4	22.7	0.4	1.7	22.4	17.6	-4.8	-21.3	77.3
RACING	0.3	0.4	0.0	9.6	0.3	0.5	0.1	31.2	119.7
GAMES OF SKILL	0.4	0.6	0.2	43.1	0.4	0.5	0.0	11.0	77.6
MISCELLANEOUS <sup>4</sup>	3.3	2.9	-0.4	-12.9	3.3	3.4	0.1	3.8	119.2
<b>TOTAL GROSS</b>	<b>376.7</b>	<b>388.1</b>	<b>11.4</b>	<b>3.0</b>	<b>376.7</b>	<b>401.1</b>	<b>24.4</b>	<b>6.5</b>	<b>103.4</b>
PLUS:									
PROP. TAX RELIEF TR. FUND	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REV. ALLOTMENT RESERVE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LESS: 3% (SCSF/COF) <sup>5</sup>	11.3	11.5	0.2	2.0	11.3	12.0	0.7	6.5	104.3
IND INC TAX REFUNDS	9.2	9.0	-0.1	-1.4	9.2	10.2	1.0	11.0	112.5
CORP INC TAX REFUNDS	7.3	9.6	2.3	31.6	7.3	9.9	2.6	35.7	103.1
CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ECON DEVEL INCENTIVE FUND	0.1	2.5	2.3	1593.5	0.1	2.4	2.3	1562.6	98.2
WATER/SEWER BONDS	0.2	0.5	0.3	150.0	0.2	0.5	0.3	150.0	100.0
COLLEGE SAVINGS BONDS	6.4	6.1	-0.3	-4.8	6.4	6.1	-0.3	-5.2	99.6
CITY & COUNTY TOURIST	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
SCHOOL DESEGREGATION	5.5	5.7	0.2	3.6	5.5	5.7	0.2	3.6	100.0
EDUCATIONAL EXCELLENCE	24.9	24.0	-0.9	-3.4	24.9	24.0	-0.8	-3.4	100.0
EDUCATIONAL ADEQUACY	2.2	2.1	-0.1	-4.2	2.2	2.1	-0.1	-3.4	100.8
ELDERLY TRANSPORTATION	0.2	0.1	0.0	-16.3	0.2	0.1	0.0	-14.6	102.0
<b>NET AVAILABLE</b>	<b>309.4</b>	<b>317.0</b>	<b>7.5</b>	<b>2.4</b>	<b>309.4</b>	<b>328.0</b>	<b>18.6</b>	<b>6.0</b>	<b>103.5</b>

EDUCATIONAL ADEQUACY FUND (NET DEPOSIT, MONTH-TO-DATE)	<u>Nov 07</u> 34.9	<u>Nov 08</u> 34.2	<u>% CH</u> -1.8
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