State of Rhode Island and Providence Plantations

Revenue Estimating Conference
Room 117 State House, Providence, RI 02903

STEPHEN H. WHITNEY
Senate Fiscal Advisor
May 2016 Conference Chair

THOMAS A. MULLANEY
State Budget Officer

SHARON REYNOLDS FERLAND
House Fiscal Advisor

MEMORANDUM

To: The Honorable Gina M. Raimondo, Governor
The Honorable Nicholas A. Mattiello, Speaker of the House
The Honorable M. Teresa Paiva Weed, President of the Senate

From: Stephen H. Whitney, Senate Fiscal Advisor
Sharon Reynolds Ferland, House Fiscal Advisor
Thomas A. Mullaney, State Budget Officer

Date: May 24, 2016

Subject: **May 2016 Revenue Estimating Conference**

SUMMARY

The Revenue Estimating Conference (REC) met on May 2nd, 4th and 9th, 2016, in open public meetings. The Conference adopted the economic forecast for both calendar and fiscal years 2016 to 2023, and issued revised estimates for FY 2016 and estimates for FY 2017 revenues. Based on collection trends through April and the revised economic forecast, the Conference increased the FY 2016 estimates by $38.8 million from the FY 2016 adopted November estimate of $3,596.2 million to $3,635.0 million.

The Conference increased the FY 2017 forecast to $3,501.7 million based on its FY 2016 revisions and the new economic forecast. The estimate is $8.6 million more than the November estimate and $207.7 million less than the Governor's proposed budget which includes revisions that could not be included in the estimate because they changed current law, of which $169.1 million is the hospital license fee, which is renewed annually.

Tables showing the estimates and the changes by revenue component are included at the end of this report.

ECONOMIC FORECAST

The Consensus Economic Forecast was adopted at the May 2nd meeting. The principals heard testimony from the state's economic consultant Aaron Smith of Moody's Analytics. The consultant presented Conferees with updated economic forecasts for the United States and Rhode Island. Mr. Smith's testimony covered current economic performance and the outlook for the next several years and how the outlook has changed since the November 2015 Revenue Estimating Conference. Lisa Dutilly, Chief of Research and Analysis, Labor Market Information Unit, Rhode Island Department of Labor and Training presented the latest labor market data for Rhode Island.

After questioning the presenters, the Conferees adopted an updated Consensus Economic Forecast for Rhode Island.

Consensus Economic Forecast

The Conferees adopted a consensus economic forecast based on the testimony of Mr. Smith. Nonfarm employment growth is expected to average 0.8 percent annually in the FY 2016 – FY 2023 forecast period, with notably stronger average growth of 1.2 percent from this fiscal year thru FY 2018 (1.1 percent in FY 2016, 1.3 percent in FY 2017 and 1.2 percent in FY 2018). Nonfarm employment growth rates gradually decline with FY 2019 at 1.0 percent before dropping to less than 1.0 percent from FY 2020 through FY 2023. The Consensus Economic Forecast (CEF) projects the state will recover all of the jobs lost during the Great Recession in CY 2016.

Personal income growth is projected to increase in FY 2016 and FY 2017 by 4.0 percent and 3.7 percent, respectively. Personal income growth averages 3.6 percent in the FY 2016 – FY 2023 forecast period. The rate of wage and salary growth is expected to decrease from 4.6 percent in FY 2016 to 3.6 percent in FY 2017 and averaging the same 3.6 percent growth over the FY 2016 – FY 2023 forecast horizon. Income derived from dividends, interest, and rent is projected to grow at 3.9 percent and 7.1 percent in FY 2016 and FY 2017, respectively and average 3.9 percent over the FY 2016 – FY 2023 forecast period. Personal income growth's underperformance relative to wage and salary growth and dividends, interest, and rent growth is mainly due to negative growth in transfer receipts in the FY 2017 through FY 2020 period. More detail is presented in the following table.

May 2016 Consensus Economic Forecast

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Nonfarm Employment (000's)	490.7	496.9	502.6	506.6	507.9	509.3	511.9	514.7
Nonfarm Employment Growth	1.2	1.3	1.2	0.8	0.3	0.3	0.5	0.5
Personal Income ($ millions)	$54,840	$57,189	$59,622	$61,714	$63,469	$65,435	$67,531	$69,717
Personal Income Growth	3.7	4.3	4.3	3.5	2.8	3.1	3.2	3.2
Wage and Salaries Income Growth	4.1	3.9	4.5	4.3	2.9	2.7	2.9	3.1
Dividends, Interest and Rent Growth	4.5	9.3	6.1	1.9	1.5	2.2	2.4	2.6
Rates								
Unemployment Rate (RI)	5.3	5.0	4.9	4.9	5.1	5.1	4.9	4.8
Consumer Price Index (US)	1.4	2.8	2.9	2.8	2.4	2.2	2.2	2.2
Ten Year Treasuries	2.4	3.6	4.0	4.0	4.0	4.0	4.1	4.1
Three Month Treasuries	0.4	1.4	2.9	3.2	3.3	3.4	3.5	3.5

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Nonfarm Employment (000's)	487.6	493.9	499.8	505.0	507.4	508.4	510.5	513.4
Nonfarm Employment Growth	1.1	1.3	1.2	1.0	0.5	0.2	0.4	0.6
Personal Income ($ millions)	$54,069	$56,094	$58,565	$60,874	$62,726	$64,566	$66,610	$68,755
Personal Income Growth	4.0	3.7	4.4	3.9	3.0	2.9	3.2	3.2
Wage and Salaries Income Growth	4.6	3.6	4.1	4.7	3.5	2.6	2.7	3.0
Dividends, Interest and Rent Growth	3.9	7.1	8.5	3.6	1.3	2.0	2.3	2.5
Rates								
Unemployment Rate (RI)	5.5	5.1	4.9	4.9	5.0	5.1	5.0	4.8
Consumer Price Index (US)	0.7	2.2	2.9	2.9	2.6	2.3	2.2	2.2
Ten Year Treasuries	2.2	3.1	3.9	4.0	4.0	4.0	4.1	4.1
Three Month Treasuries	0.2	0.7	2.2	3.1	3.2	3.3	3.5	3.5

Several indicators were revised since the previous consensus forecast in November. For example, the growth rate of income from dividends, interest and rent for FY 2016 was revised downward from 7.1 percent in November 2015 to 3.9 percent in May 2016. At the same time, the forecasted FY 2016 unemployment rate was revised from 5.6 percent in the November 2015 Consensus Economic Forecast to 5.5 percent in the May 2016 CEF. In general, the forecast remains positive, but some of the near-term anticipated growth that was projected in November 2015 has been deferred to FY 2019 and FY 2020 in the May 2016 forecast. The full set of adjustments from the November 2015 forecast is shown in the following table.

May 2016 Consensus Economic Forecast Change to November 2015

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Nonfarm Employment (000's)	(1.0)	(2.8)	(3.8)	(4.0)	(4.3)	(4.2)	(3.3)	(2.5)
Nonfarm Employment Growth	(0.5)	(0.4)	(0.2)	(0.0)	(0.1)	0.0	0.2	0.2
Personal Income ($ millions)	($959)	($1,473)	($1,530)	($1,562)	($1,760)	($1,892)	($2,012)	($2,181)
Personal Income Growth	(1.6)	(0.8)	0.0	0.0	(0.2)	(0.1)	(0.1)	(0.2)
Wage and Salaries Income Growth	(1.3)	(1.3)	(0.3)	0.1	(0.4)	(0.3)	(0.0)	0.0
Dividends, Interest and Rent Growth	(4.9)	(0.5)	0.7	0.0	(0.2)	0.1	0.0	(0.1)
Rates								
Unemployment Rate (RI)	(0.1)	(0.1)	(0.1)	(0.0)	0.1	0.1	(0.1)	(0.2)
Consumer Price Index (US)	(0.7)	0.0	(0.1)	(0.1)	(0.0)	(0.1)	(0.2)	(0.1)
Ten Year Treasuries	(0.1)	(0.1)	(0.1)	(0.0)	0.1	0.1	(0.1)	(0.2)
Three Month Treasuries	(0.2)	(0.3)	(0.2)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Nonfarm Employment (000's)	(0.1)	(1.9)	(3.4)	(3.9)	(4.1)	(4.4)	(3.9)	(2.8)
Nonfarm Employment Growth	(0.4)	(0.4)	(0.3)	(0.1)	(0.0)	(0.1)	0.1	0.2
Personal Income ($ millions)	($322)	($1,127)	($1,396)	($1,389)	($1,518)	($1,692)	($1,810)	($1,948)
Personal Income Growth	(0.7)	(1.5)	(0.4)	0.1	(0.1)	(0.2)	(0.1)	(0.1)
Wage and Salaries Income Growth	(0.0)	(1.7)	(0.8)	0.0	(0.1)	(0.4)	(0.2)	0.0
Dividends, Interest and Rent Growth	(3.2)	(3.0)	0.6	0.4	(0.3)	0.0	0.1	(0.0)
Rates								
Unemployment Rate (RI)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.1	0.0	(0.1)
Consumer Price Index (US)	(0.5)	(0.3)	(0.1)	(0.1)	(0.0)	(0.1)	(0.2)	(0.2)
Ten Year Treasuries	(0.3)	(0.5)	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Three Month Treasuries	(0.1)	(0.3)	(0.3)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)

US and Rhode Island Economic Outlook

Testimony from Mr. Smith described the U.S. economy as performing well. Nationally, strong job creation is driving the performance despite anemic and unbalanced productivity growth.

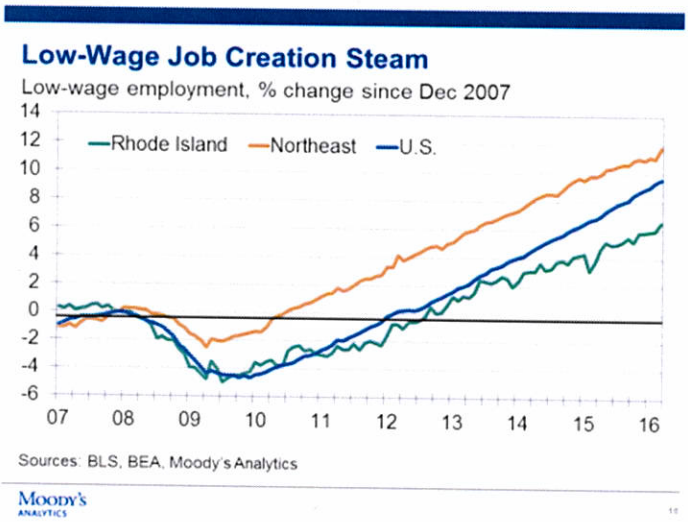
According to Mr. Smith everything is pointing to sustained strong job gains in the coming months. Layoffs remain at record lows, with weekly unemployment insurance claims about as low as they ever go. The string of monthly job increases is currently the longest on record, stretching back to September 2010. Job creation has averaged over 200,000 jobs per month during this time, twice the pace needed to absorb the growth in the working age population. These jobs are being created across all pay scales and nearly every occupation. Mr. Smith particularly noted the surge in the numbers of individuals who are choosing to voluntarily leave their current jobs with confidence that they will find a preferable one. Rising "quit" rates are an indicator of an economy closing in on full employment.

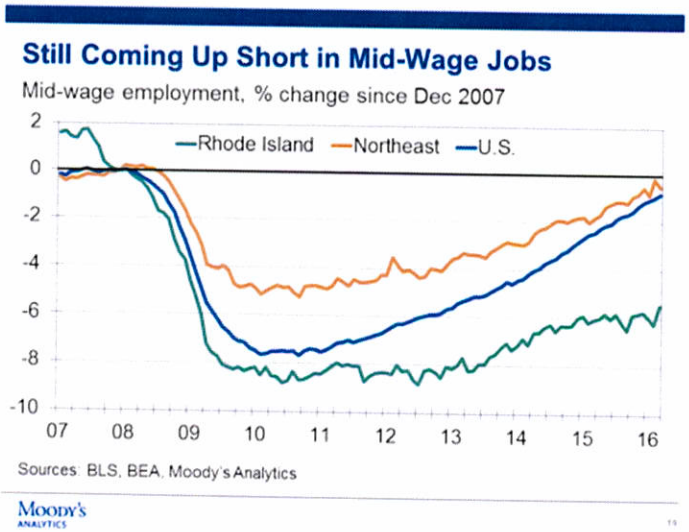
Work participation has sharply increased as well. The U.S. labor force expanded by 2.4 million over the last six months, more than half the growth in a typical year. Equally encouraging are the changes in wages. According to the Bureau of Labor Statistics, growth in hourly earnings has risen to 2.5 percent, up from the 2.0 percent annual average during the recovery. Citing more real time data from Moody's, Mr. Smith explained that the wages through March are more likely up 4.8 percent. The acceleration in wage growth further confirms a tightening of the labor market.

The positive national job trends are reflected in Rhode Island, according to Mr. Smith. Rhode Island's economy entered the second quarter of 2016 with positive momentum. After declining in January and rising only modestly in February, payroll employment rose sharply in March. The increase of 2,700 jobs tied the recovery best, set in mid-2013 and raised annualized growth in the first quarter to 1.5 percent. First quarter growth suggests that the state is on track to produce the

nearly 9,000 jobs it did last year. Unemployment data is also improving. Mr. Smith indicated that as of March, the state unemployment rate is 5.4 percent, less than 0.5 of a percentage point above that of the U.S. The gap between the Rhode Island and U.S. unemployment rates has been narrowing considerably from its peak of 2.6 percentage points at the start of 2014. The shrinking gap, according to Moody's, is a testament to the improvement in the Rhode Island economy.

A continued feature of job growth in Rhode Island is that almost all growth has been in low wage and high wage jobs, while there has been little or no expansion in mid-wage jobs. This stands in contrast to regional and national trends, which have shown more growth in mid-wage jobs. It should be noted that Rhode Island's growth in high-wage jobs has been greater than for New England and the Northeast, but has been below that of the United States as a whole. Low wage jobs are defined as those with annual wages below $38,950; mid-wage jobs are defined as those between $38,950 and $72,270; and high wage jobs are defined as those above $72,270.





Rhode Island Labor Market Conditions, Rhode Island Department of Labor & Training

Ms. Lisa Dutilly, Chief of Research and Analysis at the Division of Labor Market Information at the Rhode Island Department of Labor & Training (DLT), provided local insight into labor market conditions. Her testimony stated that 5.4 percent of RI residents are unemployed, down 0.9 percentage points over the year, and less than half of the recession era high of 11.3 percent. Prior to the recession, the average annual unemployment rate was 4.9 percent. Additionally, the RI unemployment rate has remained above the national average for over ten years since August 2005, though the gap is narrowing. The state unemployment rate is 15th highest in the nation and is the second highest in highest in New England behind Connecticut.

DLT testimony indicated that minority populations are particularly challenged in the RI labor market. The unemployment rate for the Black population stands at 11.8 percent, more than double that of the White population. The Hispanic unemployment rate of 9.5 percent is 4.4 percentage points above that of the White population, but the gap between the two groups is now narrower than it was prior to the recession. Other groups facing challenges in the labor market include men, who are more likely than women to be unemployed, and youth/young adults, who are more likely than older workers to be unemployed.

As of March 2016, there were approximately 522,900 RI residents working, up 2,500 from a year ago. This represents a gain of 26,600 since the recession era low of 496,300 recorded in November 2011. The size of the overall labor force stood at 552,800 as of March, the tenth month of an upward trend that began with 552,100 last January. However, the labor force is still 21,900 workers short of the peak level in December 2006.

Further, Ms. Dutilly testified that unemployment insurance claims statistics are showing promising signs. Initial claims processed during March of 2016 are 11.1 percent below the previous year. Claims are well below the 2009 levels. Additionally, the 223 initial claims for the DLT workshare program in all of 2015 and only 162 in the first quarter of 2016, represents the lowest utilization of the program of the program since 1999.

REVENUES

Taxes

Revenues from taxes in FY 2016 are estimated to increase 0.1 percent over the prior year. Total estimated tax revenues for FY 2016 of $2,885.2 million are $13.5 million, 0.5 percent, above the November 2015 estimate of $2,871.7 million. FY 2017 total estimated taxes are $2,930.9 million, $6.1 million, or 0.2 percent, below the adopted November 2015 estimate.

Personal Income Tax

The personal income tax estimates of $1,224.9 million for FY 2016 and $1,257.4 million for FY 2017 represent annual growth rates of -0.2 percent from the prior year and 2.7 percent from the adopted May estimate, respectively. The FY 2016 revised estimate is $10.0 million more than previously estimated. The FY 2017 estimate is $8.0 million below the November estimate and $32.5 million above the revised FY 2016 estimate.

Business Taxes

The conferees estimated total business taxes of $441.2 million in FY 2016 and $452.4 million in FY 2017. The adopted FY 2016 estimate represents a decline in year-over-year collections of .03 percent. FY 2017 is 2.5 percent over the FY 2016 revised estimate. The estimates for FY 2016 and FY 2017 are $2.7 million and $1.6 million less than assumed in November, respectively.

Sales and Use Taxes

Sales taxes, the bulk of the consumption taxes, are estimated at $981.0 million for FY 2016 and $1,015.0 million for FY 2017 and both are unchanged from the November consensus. The FY 2017 estimate is $34.0 million more than the revised FY 2016 consensus estimate, an increase of 3.5 percent. The conferees estimated $201.5 million for revised FY 2016 and $172.5 million for FY 2017 from excise taxes other than sales and use taxes. These taxes include motor vehicle license and registration fees, motor carrier fuel use taxes, cigarettes taxes, and alcohol taxes. The FY 2016 revised estimate is $3.9 million, or 1.9 percent, below the prior year. The total FY 2017 estimate decreases by $29.0 million, or 14.4 percent, from the revised estimate for FY 2016. This decline is primarily from changes in law that require the transfer of 25.0 percent of motor vehicle license and registration fees to the Rhode Island Highway Maintenance Account in FY 2016, increasing to 75.0 percent in FY 2017.

Other Taxes

The inheritance and gift, racing and athletics, and realty transfer taxes are estimated to produce $36.6 million in FY 2016 and $33.6 million in FY 2017. The FY 2016 revised estimate is $4.8 million more than FY 2015. The FY 2017 estimate is $3.6 million less than the FY 2016 revised estimate.

May 2016 REC	FY 2015	FY 2016 May		FY 2017 Estimate	
Personal Income Tax	$ 1,227,581,960	$ 1,224,900,000	-0.2%	$ 1,257,400,000	2.7%
General Business Taxes					
Business Corporations	147,979,089	153,500,000	3.7%	158,400,000	3.2%
Public Utilities Gross	103,950,349	99,500,000	-4.3%	101,000,000	1.5%
Financial Institutions	22,743,284	20,400,000	-10.3%	20,300,000	-0.5%
Insurance Companies	120,264,561	121,400,000	0.9%	125,200,000	3.1%
Bank Deposits	2,259,880	2,400,000	6.2%	2,400,000	0.0%
Health Care Provider	44,125,338	44,000,000	-0.3%	45,100,000	2.5%
Sales and Use Taxes					
Sales and Use	963,446,369	981,000,000	1.8%	1,015,000,000	3.5%
Motor Vehicle	49,117,001	39,200,000	-20.2%	13,100,000	-66.6%
Motor Fuel	(124,650)	-		-	
Cigarettes	138,045,483	143,000,000	3.6%	139,600,000	-2.4%
Alcohol	18,363,285	19,300,000	5.1%	19,800,000	2.6%
Controlled Substances	6,177	-			
Other Taxes					
Inheritance and Gift	34,202,383	25,100,000	-26.6%	21,400,000	-14.7%
Racing and Athletics	1,107,202	1,100,000	-0.7%	1,100,000	0.0%
Realty Transfer	9,493,464	10,400,000	9.5%	11,100,000	6.7%
Total Taxes	*$ 2,882,561,175*	*$ 2,885,200,000*	*0.1%*	*$ 2,930,900,000*	*1.6%*
Departmental Receipts	354,121,814	363,800,000	2.7%	195,200,000	-46.3%
Other Miscellaneous	8,778,364	3,829,000	-56.4%	1,065,000	-72.2%
Lottery	381,935,511	370,100,000	-3.1%	365,300,000	-1.3%
Unclaimed Property	13,711,780	12,100,000	-11.8%	9,200,000	-24.0%
Total General Revenues	**$ 3,641,108,644**	**$ 3,635,029,000**	**-0.2%**	**$ 3,501,665,000**	**-3.7%**

Other Sources

Other revenue consists of departmental revenues, transfers to the general revenue fund, the lottery, unclaimed property, and other miscellaneous sources. These are estimated to produce $749.8 million in FY 2016 and $570.8 million in FY 2017.

Departmental Receipts

The conferees adopted estimates of $363.8 million for FY 2016 and $195.2 million for FY 2017 for these sources that include licenses and fees, fines and penalties, sales and services, and miscellaneous departmental receipts that are deposited as general revenues. The FY 2016 revised estimate is $9.7 million more than FY 2015.

The FY 2017 estimate is $168.6 million less than the revised FY 2016 estimate, primarily due to the end of the hospital licensing fee, which is estimated to produce $169.1 million in FY 2016. This fee is renewed on a year-to-year basis and has been extended each year since its inception. The estimators, however, must estimate revenues consistent with current law, under which no fee is yet authorized for FY 2017. Accounting for the difference in the hospital licensing fee in revised FY 2016 and FY 2017 results in a projected increase in non-hospital licensing fee revenues of $400,000 in FY 2017 from the revised FY 2016 estimate.

Lottery Transfer

The lottery transfer is estimated to produce general revenue of $370.1 million in FY 2016, with $294.1 million generated from the video lottery terminals installed at Twin River and Newport

Grand, $60.4 million derived from combined games, which includes PowerBall, Mega Millions, scratch tickets, and Keno and $15.6 million in net revenues received from the table games at Twin River. The transfer to the state for table games is based on the revised estimate of $126.7 million in gross table games revenues at Twin River in FY 2016, of which the state receives 16.0 percent less the estimated expenses of $4.6 million incurred by the Lottery to administer the table games. The FY 2016 revised estimate for the lottery transfer is $11.8 million less than FY 2015.

The estimated transfer is $365.3 million in FY 2017, with $291.7 million derived from video lottery terminals, $57.4 million generated from combined games, and $16.2 million in net revenues received from the table games at Twin River. Gross table games revenues were revised upward to $131.2 million in FY 2017 or $4.5 million above the FY 2016 adopted estimate. The FY 2017 lottery transfer is projected to decline by 1.3 percent from the revised FY 2016 estimate resulting in a $4.8 million lower transfer to the state.

The estimators are required to determine the State share of video lottery net terminal income (NTI) at both Twin River and Newport Grand. For FY 2016, the conferees project a revised State share of $267.6 million based on total NTI of $446.3 million at Twin River. At Newport Grand, the State expects to receive $26.5 million from the generation of $44.8 million in NTI in FY 2016. For FY 2017, Twin River is projected to provide the State with $266.2 million from the $444.1 million of NTI generated while Newport Grand is expected to transfer $23.9 million from the $43.1 million of NTI it generates. Changes in estimated FY 2016 lottery revenues are due to updated assumptions on the timing and impact Massachusetts gaming would have on Rhode Island revenues. The update considers the near-term impact projections that the Plainridge slot parlor will have, in part based on experience to date (less than originally expected). Additionally, the location and timing of the "Region C" casino was amended in November to remove Fall River as the most likely option. These amendments brightened the outlook for Rhode Island lottery revenues in the near and longer term.

Unclaimed Property. The Conference adopted $12.1 million for FY 2016 and $9.2 million for FY 2017 based upon testimony from the General Treasurer's Office. These are increases over prior estimates of $2.0 million and $0.4 million respectively. FY 2016 contains resources from activity that is not expected to recur in FY 2017.

May 2016 REC	FY 2016 November	FY 2016 May	Change	FY 2017 November	FY 2017 May	Change
Personal Income Tax	$ 1,214,900,000	$ 1,224,900,000	$ 10,000,000	$ 1,265,400,000	$ 1,257,400,000	$ (8,000,000)
General Business Taxes						
Business Corporations	153,500,000	153,500,000	-	156,000,000	158,400,000	2,400,000
Public Utilities Gross	104,000,000	99,500,000	(4,500,000)	104,500,000	101,000,000	(3,500,000)
Financial Institutions	17,700,000	20,400,000	2,700,000	19,500,000	20,300,000	800,000
Insurance Companies	122,400,000	121,400,000	(1,000,000)	126,600,000	125,200,000	(1,400,000)
Bank Deposits	2,300,000	2,400,000	100,000	2,300,000	2,400,000	100,000
Health Care Provider	44,000,000	44,000,000	-	45,100,000	45,100,000	-
Sales and Use Taxes						
Sales and Use	981,000,000	981,000,000	-	1,015,000,000	1,015,000,000	-
Motor Vehicle	36,200,000	39,200,000	3,000,000	12,200,000	13,100,000	900,000
Motor Fuel	500,000	-	(500,000)	500,000	-	(500,000)
Cigarettes	142,100,000	143,000,000	900,000	138,600,000	139,600,000	1,000,000
Alcohol	19,000,000	19,300,000	300,000	19,500,000	19,800,000	300,000
Controlled Substances	-	-	-			-
Other Taxes						
Inheritance and Gift	23,000,000	25,100,000	2,100,000	20,400,000	21,400,000	1,000,000
Racing and Athletics	1,100,000	1,100,000	-	1,100,000	1,100,000	-
Realty Transfer	10,000,000	10,400,000	400,000	10,300,000	11,100,000	800,000
Total Taxes	*$ 2,871,700,000*	*$ 2,885,200,000*	*$ 13,500,000*	*$ 2,937,000,000*	*$ 2,930,900,000*	*$ (6,100,000)*
Departmental Receipts	356,700,000	363,800,000	7,100,000	191,400,000	195,200,000	3,800,000
Other Miscellaneous	783,000	3,829,000	3,046,000	1,116,000	1,065,000	(51,000)
Lottery	356,900,000	370,100,000	13,200,000	354,700,000	365,300,000	10,600,000
Unclaimed Property	10,100,000	12,100,000	2,000,000	8,800,000	9,200,000	400,000
Total General Revenues	**$ 3,596,183,000**	**$ 3,635,029,000**	***$ 38,846,000***	**$ 3,493,016,000**	**$ 3,501,665,000**	***$ 8,649,000***

NEXT MEETING

The next required meeting of the conference is November, 2016.

cc: The Honorable Marvin L. Abney, Chairman
House Finance Committee

The Honorable Daniel DaPonte, Chairman
Senate Finance Committee

Revenue Comparisons FY 2016

May 2016 REC	FY 2015	FY 2016 November	FY 2016 May	Change from November	Change from FY 2015	
Personal Income Tax	$ 1,227,581,960	1,214,900,000	$ 1,224,900,000	$ 10,000,000	$ (2,681,960)	-0.2%
General Business Taxes						
Business Corporations	147,979,089	153,500,000	153,500,000	-	5,520,911	3.7%
Public Utilities Gross	103,950,349	104,000,000	99,500,000	(4,500,000)	(4,450,349)	-4.3%
Financial Institutions	22,743,284	17,700,000	20,400,000	2,700,000	(2,343,284)	-10.3%
Insurance Companies	120,264,561	122,400,000	121,400,000	(1,000,000)	1,135,439	0.9%
Bank Deposits	2,259,880	2,300,000	2,400,000	100,000	140,120	6.2%
Health Care Provider	44,125,338	44,000,000	44,000,000	-	(125,338)	-0.3%
Sales and Use Taxes						
Sales and Use	963,446,369	981,000,000	981,000,000	-	17,553,631	1.8%
Motor Vehicle	49,117,001	36,200,000	39,200,000	3,000,000	(9,917,001)	-20.2%
Motor Fuel	(124,650)	500,000	-	(500,000)	124,650	-100.0%
Cigarettes	138,045,483	142,100,000	143,000,000	900,000	4,954,517	3.6%
Alcohol	18,363,285	19,000,000	19,300,000	300,000	936,715	5.1%
Controlled Substances	6,177	-	-	-	(6,177)	-100.0%
Other Taxes						
Inheritance and Gift	34,202,383	23,000,000	25,100,000	2,100,000	(9,102,383)	-26.6%
Racing and Athletics	1,107,202	1,100,000	1,100,000	-	(7,202)	-0.7%
Realty Transfer	9,493,464	10,000,000	10,400,000	400,000	906,536	9.5%
Total Taxes	*$ 2,882,561,175*	*2,871,700,000*	*$ 2,885,200,000*	*$ 13,500,000*	*$ 2,638,825*	*0.1%*
Departmental Receipts	354,121,814	356,700,000	363,800,000	7,100,000	9,678,186	2.7%
Other Miscellaneous	8,778,364	783,000	3,829,000	3,046,000	(4,949,364)	-56.4%
Lottery	381,935,511	356,900,000	370,100,000	13,200,000	(11,835,511)	-3.1%
Unclaimed Property	13,711,780	10,100,000	12,100,000	2,000,000	(1,611,780)	-11.8%
Total General Revenues	**$ 3,641,108,644**	**3,596,183,000**	**$ 3,635,029,000**	**$ 38,846,000**	**$ (6,079,644)**	**-0.2%**

Revenue Comparisons FY 2017

FY 2017	FY 2017 November	FY 2017 May	Change	Change from FY 2016 May Consensus	
Personal Income Tax	$ 1,265,400,000	$ 1,257,400,000	$ (8,000,000)	$ 32,500,000	2.7%
General Business Taxes					
Business Corporations	156,000,000	158,400,000	2,400,000	4,900,000	3.2%
Public Utilities Gross	104,500,000	101,000,000	(3,500,000)	1,500,000	1.5%
Financial Institutions	19,500,000	20,300,000	800,000	(100,000)	-0.5%
Insurance Companies	126,600,000	125,200,000	(1,400,000)	3,800,000	3.1%
Bank Deposits	2,300,000	2,400,000	100,000	-	0.0%
Health Care Provider	45,100,000	45,100,000	-	1,100,000	2.5%
Sales and Use Taxes					
Sales and Use	1,015,000,000	1,015,000,000	-	34,000,000	3.5%
Motor Vehicle	12,200,000	13,100,000	900,000	(26,100,000)	-66.6%
Motor Fuel	500,000	-	(500,000)	-	
Cigarettes	138,600,000	139,600,000	1,000,000	(3,400,000)	-2.4%
Alcohol	19,500,000	19,800,000	300,000	500,000	2.6%
Other Taxes					
Inheritance and Gift	20,400,000	21,400,000	1,000,000	(3,700,000)	-14.7%
Racing and Athletics	1,100,000	1,100,000	-	-	0.0%
Realty Transfer	10,300,000	11,100,000	800,000	700,000	6.7%
Total Taxes	*$ 2,937,000,000*	*$ 2,930,900,000*	*$ (6,100,000)*	*$ 45,700,000*	*1.6%*
Departmental Receipts	191,400,000	195,200,000	3,800,000	(168,600,000)	-46.3%
Other Miscellaneous	1,116,000	1,065,000	(51,000)	(2,764,000)	-72.2%
Lottery	354,700,000	365,300,000	10,600,000	(4,800,000)	-1.3%
Unclaimed Property	8,800,000	9,200,000	400,000	(2,900,000)	-24.0%
Total General Revenues	**$ 3,493,016,000**	**$ 3,501,665,000**	**$ 8,649,000**	**$ (133,364,000)**	**-3.7%**