

North Dakota REV-E-NEWS

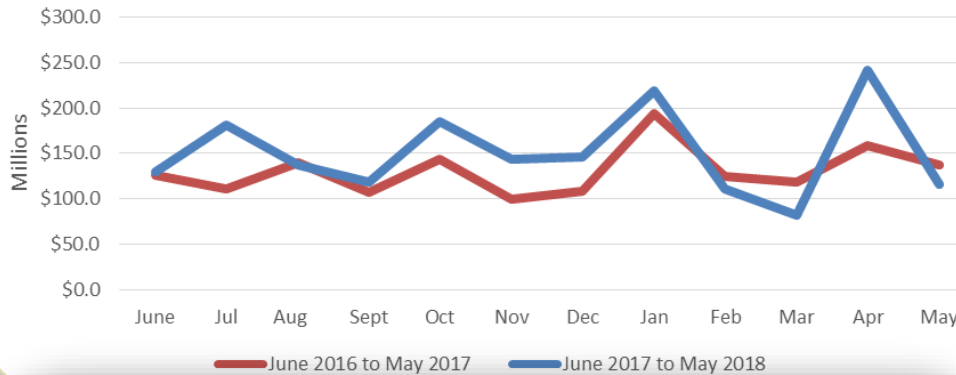


Joe Morrisette, Director

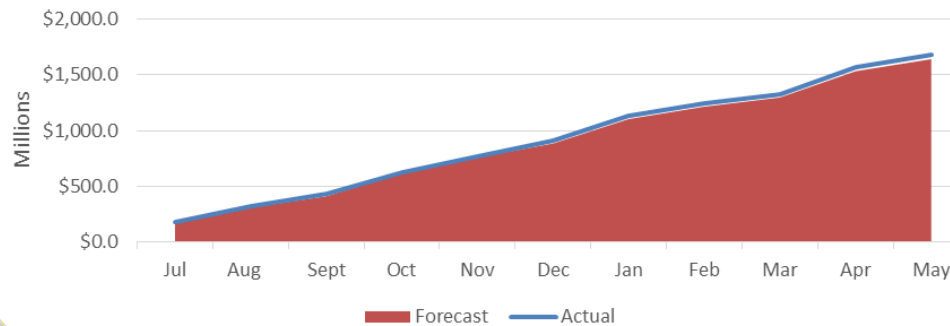
June 2018

**OFFICE OF MANAGEMENT AND BUDGET
600 EAST BOULEVARD AVE — DEPT. 110 BISMARCK, ND 58505-0400**

General Fund Monthly Revenue
Excluding Major Transfers
Year over Year Comparison Ending May 2018



Cumulative General Fund Revenue
Excluding Major Transfers
Forecast vs. Actual
2017-19 Biennium Through May 31, 2018



OIL ACTIVITY
Statistical Information



	Apr 2018	Mar 2018	Feb 2018
Actual average price per barrel	\$61.11	\$57.52	\$57.25
Production (barrels/day)	1,224,948	1,162,134	1,175,316
Drilling permits	104	108	96
Producing wells	14,571	14,526	14,350
Rig count	60	59	57

Tax Allocations (in Millions)

	Biennium to Date May 31, 2018		
	Forecast	Actual	Incr (Dcr)
Political Subs	\$ 212.3	\$ 253.2	\$ 40.9
Tribes	96.1	153.2	57.1
Legacy Fnd	355.8	435.7	79.9
General Fnd	200.0	200.0	0.0
Education Fnds	107.6	122.9	15.3
Resources Trust Fnd	104.4	119.7	15.3
Oil & Gas Impact Fnd	29.1	28.4	(0.7)
Tax Relief Fnd	151.0	200.0	49.0
Other Allocations	25.6	92.4	66.8
Total	\$1,281.9	\$1,605.5	\$323.6

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
Compared to the Legislative Forecast
2017-19 Biennium
May 2018

Revenues and Transfers	Fiscal Month				Biennium To Date			
	May 2017 Leg. Forecast	Actual	Variance	Percent	May 2017 Leg. Forecast	Actual	Variance	Percent
Sales Tax	62,101,000	68,049,926	5,948,926	9.6%	775,284,000	764,123,628	(11,160,373)	-1.4%
Motor Vehicle Excise Tax	9,474,000	10,791,313	1,317,313	13.9%	98,467,000	103,214,137	4,747,137	4.8%
Individual Income Tax	12,701,000	11,967,436	(733,564)	-5.8%	324,312,000	348,924,279	24,612,279	7.6%
Corporate Income Tax	911,000	2,901,895	1,990,895	218.5%	42,347,000	70,073,228	27,726,228	65.5%
Insurance Premium Tax	14,096,699	12,988,749	(1,107,950)	-7.9%	60,251,793	53,757,885	(6,493,908)	-10.8%
Oil & Gas Production Tax*					93,885,665	93,885,665		
Oil Extraction Tax*					106,114,335	106,114,335		
Gaming Tax	671,268	447,588	(223,680)	-33.3%	3,612,438	3,099,657	(512,781)	-14.2%
Lottery								
Cigarette & Tobacco Tax	2,253,000	2,135,905	(117,095)	-5.2%	24,623,000	24,112,618	(510,382)	-2.1%
Wholesale Liquor Tax	787,747	734,907	(52,840)	-6.7%	8,057,396	7,993,223	(64,173)	-0.8%
Coal Conversion Tax	1,665,000	1,820,187	155,187	9.3%	16,637,000	17,948,727	1,311,727	7.9%
Mineral Leasing Fees	698,299	1,424,579	726,280	104.0%	13,818,099	15,113,092	1,294,993	9.4%
Departmental Collections	2,579,043	2,260,502	(318,541)	-12.4%	37,114,524	37,886,774	772,250	2.1%
Interest Income	209,000	376,928	167,928	80.3%	2,062,000	2,470,440	408,440	19.8%
State Mill & Elevator-Transfer								
Bank of North Dakota - Transfer					70,000,000	70,000,000		
Legacy Fund - Transfer								
Tax Relief Fund - Transfer					183,000,000	183,000,000		
SIIF - Transfer					124,000,000	124,000,000		
Gas Tax Administration					1,008,060	1,008,060		
Miscellaneous	265,625	265,453	(172)	-0.1%	32,240,625	32,424,309	183,684	0.6%
Total Revenues and Transfers	108,412,681	116,165,369	7,752,688	7.2%	2,016,834,935	2,059,150,058	42,315,123	2.1%

* The General Fund cap for oil and gas taxes contains two tiers. The first tier of \$200.0 million was reached in January 2018. Additional oil taxes will flow to the Tax Relief Fund until that fund receives \$200.0 million, and then to the Budget Stabilization Fund until that fund reaches its cap of \$75.0 million. After this, the General Fund will receive an additional \$200.0 million.

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
Compared to the Previous Biennium Revenues
2017-19 Biennium
May 2018

Revenues and Transfers	Fiscal Month				Biennium To Date			
	May 2016	May 2018	Variance	Percent	2015-17	2017-19	Variance	Percent
Sales Tax	73,373,210	68,049,926	(5,323,285)	-7.3%	863,789,792	764,123,628	(99,666,164)	-11.5%
Motor Vehicle Excise Tax	7,879,385	10,791,313	2,911,928	37.0%	99,096,639	103,214,137	4,117,499	4.2%
Individual Income Tax	(1,424,944)	11,967,436	13,392,380	-939.9%	337,354,088	348,924,279	11,570,191	3.4%
Corporate Income Tax	4,154,428	2,901,895	(1,252,533)	-30.1%	81,701,176	70,073,228	(11,627,948)	-14.2%
Insurance Premium Tax	11,286,150	12,988,749	1,702,599	15.1%	53,001,959	53,757,885	755,926	1.4%
Financial Institutions Tax	212		(212)	-100.0%	324,145		(324,145)	-100.0%
Oil & Gas Production Tax					83,379,177	93,885,665	10,506,489	12.6%
Oil Extraction Tax					116,620,823	106,114,335	(10,506,489)	-9.0%
Gaming Tax	621,268	447,588	(173,680)	-28.0%	3,333,437	3,099,657	(233,780)	-7.0%
Lottery								
Cigarette & Tobacco Tax	2,110,287	2,135,905	25,618	1.2%	26,537,523	24,112,618	(2,424,905)	-9.1%
Wholesale Liquor Tax	730,861	734,907	4,046	0.6%	8,258,323	7,993,223	(265,100)	-3.2%
Coal Conversion Tax	1,719,693	1,820,187	100,494	5.8%	18,631,802	17,948,727	(683,075)	-3.7%
Mineral Leasing Fees	663,299	1,424,579	761,280	114.8%	12,673,355	15,113,092	2,439,737	19.3%
Departmental Collections	2,615,775	2,260,502	(355,273)	-13.6%	37,138,765	37,886,774	748,009	2.0%
Interest Income	235,343	376,928	141,585	60.2%	2,426,779	2,470,440	43,661	1.8%
State Mill & Elevator-Transfer								
Major Special Fund Transfers					657,000,000	377,000,000	(280,000,000)	-42.6%
Other Transfers	785	265,453	264,668	33711.0%	1,091,154	33,432,369	32,341,215	2963.9%
Total Revenues and Transfers	103,965,753	116,165,369	12,199,616	11.7%	2,402,358,938	2,059,150,058	(343,208,880)	-14.3%

VARIANCES

(Compared to 2017 Legislative Forecast)

May 2018 revenues totaled \$116.2 million, which is \$7.8 million, or 7.2 percent above forecast. Biennium-to-date revenues of \$2.06 billion are \$42.3 million, or 2.1 percent more than projected. When transfers from major special funds are excluded, 2017-19 revenues to date are tracking 3.6 percent behind the same time period in the 2015-17 biennium. Significant monthly variances are as follows:

- **Sales tax** collections of \$68.0 million were \$5.9 million, or 9.6 percent, higher than anticipated for the month. Biennium-to-date revenues are \$11.2 million, or 1.4 percent, lower than forecast. In a year over year comparison, year-to-date revenues are \$99.7 million, or 11.5 percent, less than the same time period in Fiscal Year 2016 but are \$39.9 million, or 5.5 percent, more than the same time period in Fiscal Year 2017.
- **Motor vehicle excise tax** collections of \$10.8 million were \$1.3 million, or 13.9

percent above forecast, due to higher than anticipated vehicle sales. Biennium-to-date collections of \$103.2 million are \$4.7 million, or 4.8 percent higher than forecast and \$4.1 million, or 4.2 percent, higher than the same time period in the 2015-17 biennium.

- **Corporate income tax** collections of \$2.9 million were \$2.0 million, or 218.5 percent above forecast due to higher than expected estimated payments. Biennium-to-date collections of \$70.1 million are \$27.7 million, or 65.5 percent higher than forecast and \$11.6 million, or 14.2 percent less than the same time period in the 2015-17 biennium.
- **Oil and gas taxes** reached \$200.0 million in January – the first tier of the biennial cap. The state share will be deposited in the tax relief fund until that fund reaches its cap of \$200.0 million and then deposits will be made to the budget stabilization fund until that fund reaches its cap of \$75.0 million. After this, the general fund will receive an additional \$200.0 million.