

# North Dakota REV-E-NEWS

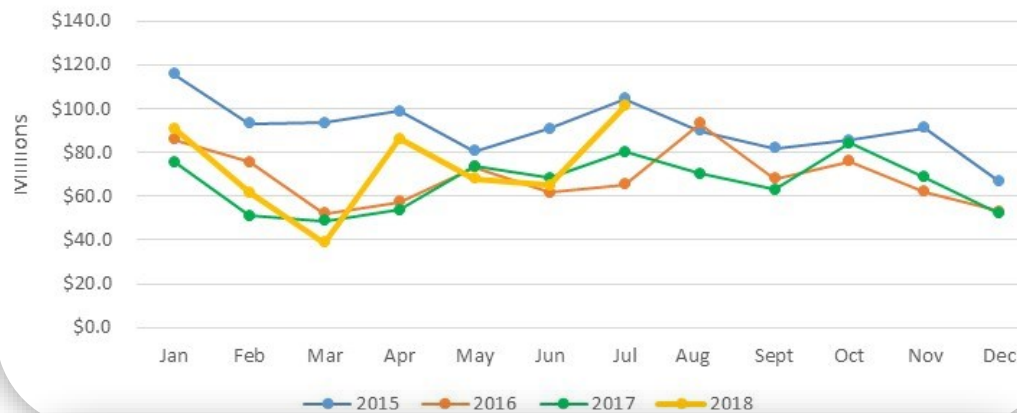


**Joe Morrisette, Director**

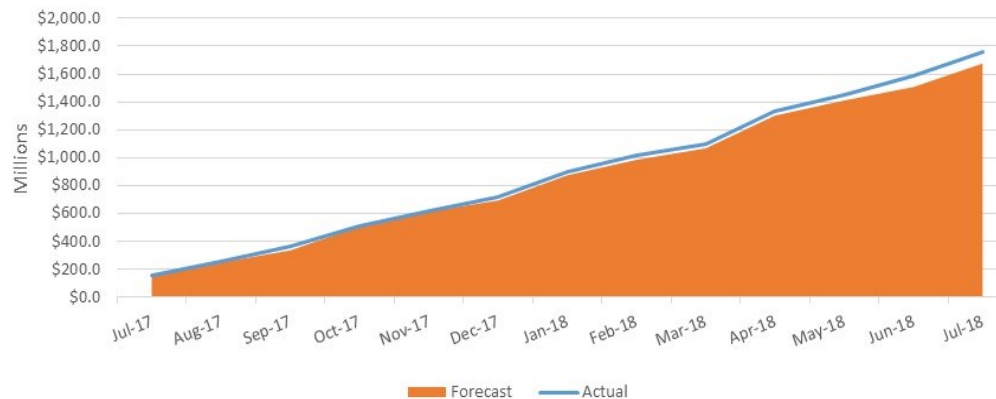
**August 2018**

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

## Monthly Sales Tax Revenue Exceeds \$100 Million for the First Time Since July 2015



## General Fund Tax Revenues 5% Over Forecast



2017-19 beinnium through July 31, 2018--amounts shown do not include transfers or oil and gas tax revenues.

## OIL ACTIVITY Statistical Information



	June 2018	May 2018	Apr 2018
Actual average price per barrel	\$61.99	\$64.51	\$61.11
Production (barrels/day)	1,225,510	1,246,355	1,225,391
Drilling permits	113	121	104
Producing wells	14,778	14,763	14,583
Rig count	63	62	60

## Tax Allocations (in Millions)

	Biennium to Date July 31, 2018		
	Forecast	Actual	Incr (Dcr)
Political Subs	\$ 248.7	\$ 312.1	\$ 63.4
Tribes	115.4	197.5	82.1
Legacy Fnd	427.1	557.1	130.0
General Fnd	200.0	342.6	142.6
Education Fnds	129.2	157.3	28.1
Resources Trust Fnd	126.0	154.1	28.1
Budget Stabilizatr Fnd	34.5	75.0	40.5
Tax Relief Fnd	200.0	200.0	0.0
Other Allocations	58.3	58.7	0.4
<b>Total</b>	<b>\$1,539.2</b>	<b>\$2,054.4</b>	<b>\$515.2</b>

## STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Legislative Forecast 2017-19 Biennium July 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	108,240,000	101,220,117	(7,019,883)	-6.5%	927,187,000	930,340,323	3,153,323	0.3%
Motor Vehicle Excise Tax	9,969,000	10,644,826	675,826	6.8%	117,288,000	124,987,063	7,699,063	6.6%
Individual Income Tax	43,349,000	60,536,341	17,187,341	39.6%	384,021,000	424,790,466	40,769,466	10.6%
Corporate Income Tax		830,387	830,387		54,592,000	93,178,557	38,586,557	70.7%
Insurance Premium Tax					62,456,284	55,125,897	(7,330,387)	-11.7%
Oil & Gas Production Tax*					169,646,223	169,646,223		
Oil Extraction Tax*					172,974,233	172,974,233		
Gaming Tax	21,573	204,692	183,119	848.8%	3,770,629	3,383,013	(387,616)	-10.3%
Lottery					7,500,000	7,300,000	(200,000)	-2.7%
Cigarette & Tobacco Tax	2,349,000	2,358,543	9,543	0.4%	29,292,000	28,832,092	(459,908)	-1.6%
Wholesale Liquor Tax	748,894	936,437	187,543	25.0%	9,722,455	9,755,012	32,557	0.3%
Coal Conversion Tax					19,882,000	22,110,227	2,228,227	11.2%
Mineral Leasing Fees	1,348,132	1,986,260	638,128	47.3%	16,446,452	18,514,646	2,068,194	12.6%
Departmental Collections	1,952,398	1,251,076	(701,322)	-35.9%	42,366,497	43,110,988	744,491	1.8%
Interest Income	113,500	147,192	33,692	29.7%	4,075,500	4,054,042	(21,458)	-0.5%
State Mill & Elevator-Transfer					8,802,989	10,109,147	1,306,158	14.8%
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			248,000,000	248,000,000		
Gas Tax administration	252,015	252,015			1,260,075	1,260,075		
Miscellaneous					32,350,000	32,533,690	183,690	0.6%
<b>Total Revenues and Transfers</b>	<b>292,343,512</b>	<b>304,367,887</b>	<b>12,024,375</b>	<b>4.1%</b>	<b>2,564,633,337</b>	<b>2,653,005,695</b>	<b>88,372,358</b>	<b>3.4%</b>

\* 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 were allocated to the Tax Relief Fund until that fund received \$200.0 million, and then to the Budget Stabilization Fund until that fund reached its cap of \$75.0 million. In June, the General Fund began receiving allocations to meet its second tier of \$200.0 million.

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

Revenues and Transfers	Fiscal Month				Biennium To Date			
	July 2016	July 2018	Variance	Percent	2015-17	2017-19	Variance	Percent
Sales Tax	65,277,703	101,220,117	35,942,414	55.1%	990,647,277	930,340,323	(60,306,954)	-6.1%
Motor Vehicle Excise Tax	8,371,141	10,644,826	2,273,685	27.2%	114,703,926	124,987,063	10,283,137	9.0%
Individual Income Tax	30,135,404	60,536,341	30,400,937	100.9%	384,073,153	424,790,466	40,717,313	10.6%
Corporate Income Tax	435,149	830,387	395,238	90.8%	98,015,949	93,178,557	(4,837,392)	-4.9%
Insurance Premium Tax	50		(50)	-100.0%	55,575,423	55,125,897	(449,526)	-0.8%
Financial Institutions Tax	223,439		(223,439)	-100.0%	547,584	0	(547,584)	-100.0%
Oil & Gas Production Tax*					83,379,177	169,646,223	86,267,046	103.5%
Oil Extraction Tax*					116,620,823	172,974,233	56,353,410	48.3%
Gaming Tax	15,573	204,692	189,118	1214.4%	3,472,628	3,383,013	(89,615)	-2.6%
Lottery		0			9,580,000	7,300,000	(2,280,000)	-23.8%
Cigarette & Tobacco Tax	2,568,477	2,358,543	(209,934)	-8.2%	31,618,192	28,832,092	(2,786,101)	-8.8%
Wholesale Liquor Tax	951,082	936,437	(14,645)	-1.5%	9,977,070	9,755,012	(222,058)	-2.2%
Coal Conversion Tax		0			22,189,976	22,110,227	(79,749)	-0.4%
Mineral Leasing Fees	1,196,132	1,986,260	790,129	66.1%	14,997,707	18,514,646	3,516,939	23.4%
Departmental Collections	1,127,159	1,251,076	123,918	11.0%	42,771,679	43,110,988	339,309	0.8%
Interest Income	112,815	147,192	34,377	30.5%	12,439,912	4,054,042	(8,385,870)	-67.4%
State Mill & Elevator-Transfer					4,434,894	10,109,147	5,674,253	127.9%
Major Special Fund Transfers		124,000,000			657,000,000	501,000,000	(156,000,000)	-23.7%
Other Transfers	253,812	252,015	(1,797)	-0.7%	1,344,966	33,793,765	32,448,799	2412.6%
<b>Total Revenues and Transfers</b>	<b>110,667,936</b>	<b>304,367,887</b>	<b>69,699,950</b>	<b>63.0%</b>	<b>2,653,390,337</b>	<b>2,653,005,695</b>	<b>(384,642)</b>	<b>0.0%</b>

## VARIANCES

(Compared to 2017 Legislative Forecast)

July 2018 revenues totaled \$304.4 million, which is \$12.0 million, or 4.1 percent above forecast. Biennium-to-date revenues of \$2.65 billion are \$88.4 million, or 3.4 percent more than projected. When transfers from major special funds are excluded, 2017-19 revenues to date are tracking 7.8 percent ahead of the same time period in the 2015-17 biennium. Significant monthly variances are as follows:

- **Sales tax** collections of \$101.2 million were \$7.0 million, or 6.5 percent, lower than anticipated for the month. Biennium-to-date revenues of \$930.3 million are \$3.2 million, or 0.3 percent, higher than forecast. In a year over year comparison, July sales tax revenues are \$20.9 million, or 26.0 percent, more than July 2017 sales tax revenues and \$35.9 million, or 55.0 percent, more than July 2016. This
- **Individual income tax** collections of \$60.5 million were \$17.2 million, or 39.6 percent above forecast, due to higher than anticipated withholding. Biennium-to-date collections of \$424.8 million are \$40.8 million, or 10.6 percent higher than forecast and \$40.7 million, or 10.6 percent, higher 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 was deposited in the tax relief fund until that fund reached its cap of \$200.0 million and then deposits were made to the budget stabilization fund until that fund reached its cap of \$75.0 million. The general fund will receive oil and gas tax revenue allocations until the biennial cap of \$400.0 million is reached.

is the first time since July 2015 that monthly sales tax revenues have exceeded \$100 million.

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