

North Dakota REV-E-NEWS



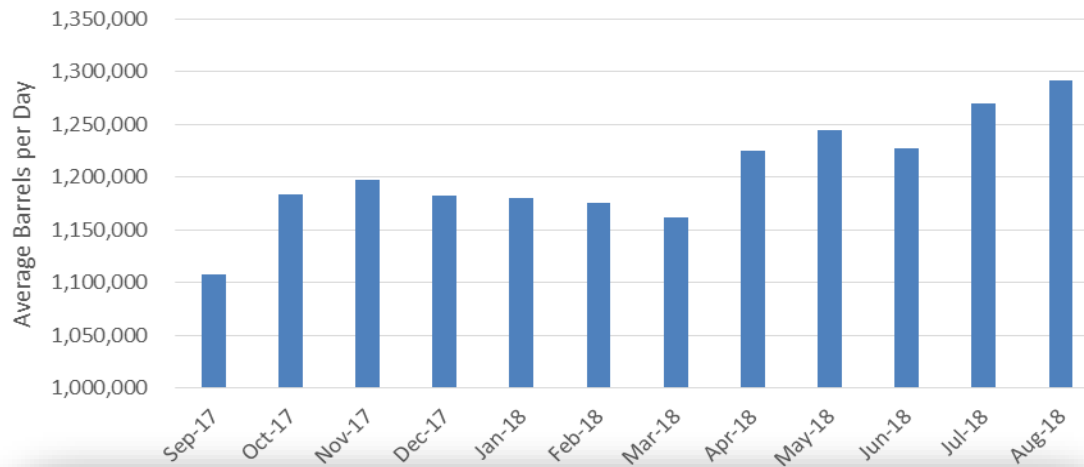
Joe Morrisette, Director

OFFICE OF MANAGEMENT AND BUDGET

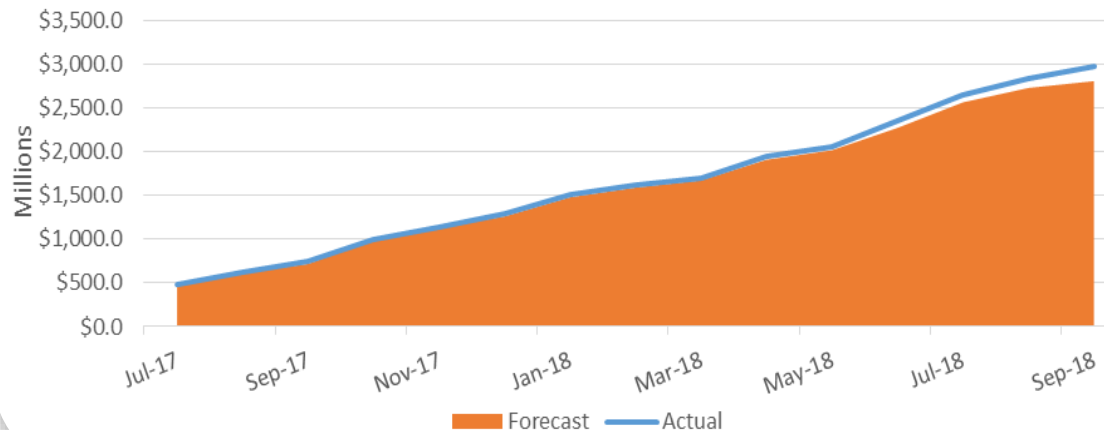
600 EAST BOULEVARD AVE — DEPT. 110 BISMARCK, ND 58505-0400

October 2018

Oil Productions Nears 1.3 Million Barrels per Day



General Fund Revenue Collections Exceed Forecast by \$173 Million



OIL ACTIVITY Statistical Information



	Aug 2018	July 2018	June 2018
Actual average price per barrel	\$63.46	\$67.76	\$61.99
Production (barrels/day)	1,291,496	1,269,290	1,227,320
Drilling permits	152	163	113
Producing wells	15,103	14,980	14,782
Rig count	61	66	63

Tax Allocations (in Millions)

	Biennium to Date September 30, 2018		
	Forecast	Actual	Incr (Dcr)
Political Subs	300.6	388.0	87.4
Tribes	135.2	242.5	107.3
Legacy Fnd	500.5	682.2	181.7
General Fnd	230.1	400.0	169.9
Education Fnds	151.4	192.8	41.4
Resourc Trst Fnd	148.2	189.6	41.4
Budget Stabil Fnd	75.0	75.0	0.0
Tax Relief Fnd	200.0	200.0	0.0
Strat Invst Fnd	0.0	81.8	81.8
Other Allocations	62.4	64.5	2.1
Total	1,803.4	2,516.4	713.0

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Legislative Forecast 2017-19 Biennium September 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	45,123,000	68,620,677	23,497,677	52.1%	1,039,607,000	1,083,527,820	43,920,820	4.2%
Motor Vehicle Excise Tax	10,422,000	9,702,185	(719,815)	-6.9%	137,982,000	147,167,748	9,185,748	6.7%
Individual Income Tax	12,932,000	17,916,673	4,984,673	38.5%	412,749,000	453,472,840	40,723,840	9.9%
Corporate Income Tax		34,059,906	34,059,906		54,592,000	128,012,837	73,420,837	134.5%
Insurance Premium Tax	878,994	969,390	90,396	10.3%	68,429,092	61,084,217	(7,344,875)	-10.7%
Oil & Gas Production Tax*					212,147,129	212,147,128		
Oil Extraction Tax*					187,852,871	187,852,872		
Gaming Tax	38,246	15,321	(22,925)	-59.9%	4,526,716	3,905,534	(621,182)	-13.7%
Lottery					7,500,000	7,300,000	(200,000)	-2.7%
Cigarette & Tobacco Tax	2,421,000	2,513,074	92,074	3.8%	34,083,000	33,843,017	(239,983)	-0.7%
Wholesale Liquor Tax	723,772	753,740	29,968	4.1%	11,200,706	11,264,224	63,518	0.6%
Coal Conversion Tax	1,691,000	1,885,905	194,905	11.5%	23,234,000	25,714,782	2,480,782	10.7%
Mineral Leasing Fees	1,296,078	1,436,347	140,269	10.8%	18,982,044	22,028,637	3,046,593	16.0%
Departmental Collections	1,801,402	7,154,508	5,353,106	297.2%	45,994,327	52,825,702	6,831,375	14.9%
Interest Income	268,500	468,454	199,954	74.5%	4,592,000	4,942,042	350,042	7.6%
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					248,000,000	248,000,000		
Gas Tax Administration					1,260,075	1,260,075		
Miscellaneous		167,693	167,693		32,350,000	32,701,383	351,383	1.1%
Total Revenues and Transfers	77,595,992	145,663,871	68,067,879	87.7%	2,806,884,949	2,980,160,004	173,275,055	6.2%

* 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. The second tier of \$200.0 million was met in August 2018 so no additional allocations will be made to the general fund during the 2017-19 biennium.

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

Revenues and Transfers	Fiscal Month				Biennium To Date			
	September 2016	September 2018	Variance	Percent	2015-17	2017-19	Variance	Percent
Sales Tax	68,037,706	68,620,677	582,971	0.9%	1,151,940,103	1,083,527,820	(68,412,283)	-5.9%
Motor Vehicle Excise Tax	10,325,310	9,702,185	(623,126)	-6.0%	136,431,788	147,167,748	10,735,959	7.9%
Individual Income Tax	11,154,720	17,916,673	6,761,953	60.6%	416,319,978	453,472,840	37,152,862	8.9%
Corporate Income Tax	2,887,959	34,059,906	31,171,947	1079%	101,170,068	128,012,837	26,842,769	26.5%
Insurance Premium Tax	1,502,520	969,390	(533,130)	-35.5%	61,130,420	61,084,217	(46,203)	-0.1%
Financial Institutions Tax	142,214		(142,214)	-100.0%	1,294,077		(1,294,077)	-100.0%
Oil & Gas Production Tax*					83,379,177	212,147,128	128,767,951	154.4%
Oil Extraction Tax*					116,620,823	187,852,872	71,232,049	61.1%
Gaming Tax	32,246	15,321	(16,925)	-52.5%	4,177,715	3,905,534	(272,181)	-6.5%
Lottery					9,580,000	7,300,000	(2,280,000)	-23.8%
Cigarette & Tobacco Tax	2,753,020	2,513,074	(239,946)	-8.7%	36,745,734	33,843,017	(2,902,718)	-7.9%
Wholesale Liquor Tax	786,984	753,740	(33,244)	-4.2%	11,452,146	11,264,224	(187,923)	-1.6%
Coal Conversion Tax	1,769,633	1,885,905	116,271	6.6%	25,632,650	25,714,782	82,132	0.3%
Mineral Leasing Fees	1,144,078	1,436,347	292,269	25.5%	17,229,299	22,028,637	4,799,337	27.9%
Departmental Collections	6,049,194	7,154,508	1,105,314	18.3%	50,735,903	52,825,702	2,089,799	4.1%
Interest Income	267,755	468,454	200,699	75.0%	12,955,051	4,942,042	(8,013,009)	-61.9%
State Mill & Elevator-Transfer					4,434,894	10,109,147	5,674,253	127.9%
Major Special Fund Transfers					657,000,000	501,000,000	(156,000,000)	-23.7%
Other Transfers	1,565	167,693	166,128		1,346,492	33,961,458	32,614,966	2422.2%
Total Revenues and Transfers	106,854,904	145,663,871	38,808,967	36.3%	2,899,576,320	2,980,160,004	80,583,684	2.8%

VARIANCES

(Compared to 2017 Legislative Forecast)

September 2018 revenues totaled \$145.7 million, which is \$68.1 million, or 87.7 percent above forecast. Biennium-to-date revenues of \$2.98 billion are \$173.3 million, or 6.2 percent more than projected. When transfers from major special funds are excluded, 2017-19 revenues to date are tracking 10.5 percent ahead of the same time period in the 2015-17 biennium. Significant monthly variances are as follows:

- **Sales tax** collections of \$68.6 million were \$23.5 million, or 52.1 percent, higher than anticipated for the month. Biennium-to-date revenues of \$1.08 billion are \$43.9 million, or 4.2 percent, higher than forecast. In a year over year comparison, September sales tax revenues are \$5.6 million, or 8.8 percent, higher than September 2017 sales tax revenues and \$582,971, or 0.9 percent, higher than September 2016.
- **Individual income tax** collections of \$17.9 million were \$5.0 million, or 38.5 percent higher than forecast, due to higher than anticipated withholding and estimated payments. Biennium-to-date

collections of \$453.5 million are \$40.7 million, or 9.9 percent higher than forecast and \$37.2 million, or 8.9 percent, higher than the same time period in the 2015-17 biennium.

- **Corporate income tax** collections, projected to be \$0 for the month, were \$34.1 million. Collections received during the first three months of the fiscal year are typically deposited in the Tax Department's refund reserve account, not the general fund. However, an adequate refund reserve balance was reached sooner than expected, resulting in the month's variance. Biennium-to-date collections of \$128.0 million are \$73.4 million, or 134.5 percent higher than forecast and \$26.8 million, or 26.5 percent more 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 second tier of \$200 million was met in August so no additional allocations will be made to the general fund during the 2017-19 biennium.

OFFICE OF MANAGEMENT AND BUDGET
600 EAST BOULEVARD AVE — DEPT. 110
BISMARCK, ND 58505-0400
<http://www.nd.gov/omb>