

# North Dakota REV-E-NEWS



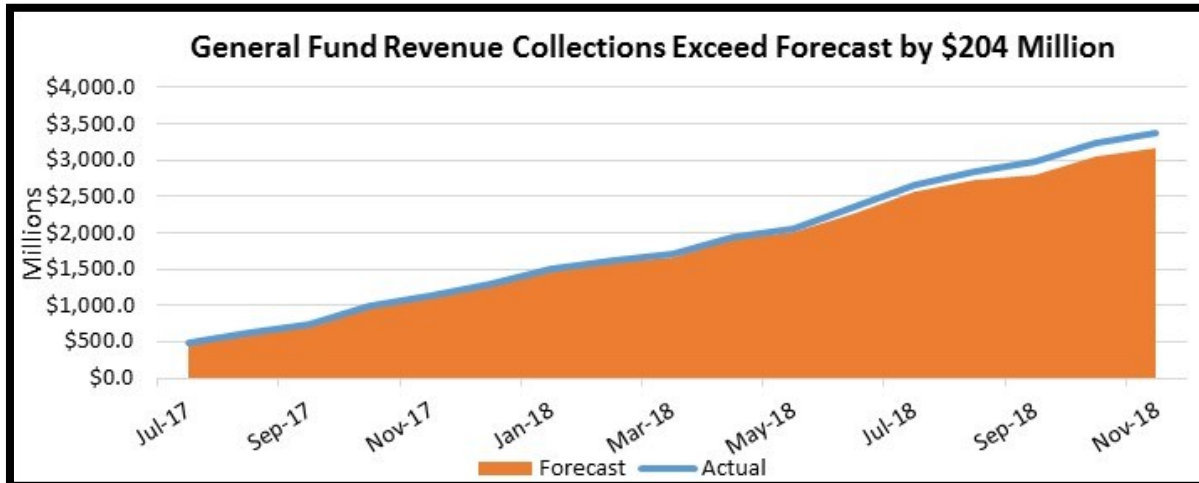
**Joe Morrisette, Director**

**December 2018**

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

## Major Tax Types - Year Over Year Comparison

Major Tax Type	Nov 2016 Actual	Percent Change	Nov 2017 Actual	Percent Change	Nov 2018 Actual
Sales Tax	61,906,371	11.0%	68,737,632	21.6%	83,582,360
Motor Vehicle Excise Tax	8,240,695	-1.7%	8,100,369	18.1%	9,568,107
Individual Income Tax	7,680,228	4.4%	8,017,398	7.9%	8,647,589
Corporate Income Tax	455,459	573.2%	3,066,120	-7.9%	2,824,500



## OIL ACTIVITY Statistical Information



	Oct 2018	Sept 2018	Aug 2018
Actual average price per barrel	\$65.11	\$64.68	\$63.46
Production (barrels/day)	1,391,877	1,359,282	1,292,505
Drilling permits	183	113	152
Producing wells	15,344	15,287	15,124
Rig count	67	65	61

## Tax Allocations (in Millions)

	Biennium to Date November 30, 2018		
	Forecast	Actual	Incr (Dcr)
Political Subs	344.0	457.6	113.6
Tribes	155.1	291.5	136.4
Legacy Fnd	573.8	813.1	239.3
General Fnd	312.5	400.0	87.5
Education Fnds	173.5	229.6	56.1
Resourc Trst Fnd	170.3	226.4	56.1
Budget Stabil Fnd	75.0	75.0	0.0
Tax Relief Fnd	200.0	200.0	0.0
Strat Invst Fnd	0.0	242.4	242.4
Other Allocations	63.4	66.2	2.8
<b>Total</b>	<b>2,067.6</b>	<b>3,001.8</b>	<b>934.2</b>

**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**Compared to the Legislative Forecast**  
**2017-19 Biennium**  
**November 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	64,213,000	83,582,360	19,369,360	30.2%	1,211,788,000	1,271,513,560	59,725,560	4.9%
Motor Vehicle Excise Tax	8,412,000	9,568,107	1,156,107	13.7%	156,854,000	168,588,020	11,734,020	7.5%
Individual Income Tax	7,714,000	8,647,589	933,589	12.1%	467,095,000	515,760,793	48,665,793	10.4%
Corporate Income Tax	2,287,000	2,824,500	537,500	23.5%	59,854,000	136,244,500	76,390,500	127.6%
Insurance Premium Tax	10,192,386	11,646,324	1,453,938	14.3%	78,956,624	72,947,666	(6,008,958)	-7.6%
Oil & Gas Production Tax*					212,147,129	212,147,128		
Oil Extraction Tax*					187,852,871	187,852,872		
Gaming Tax	416,540	808,566	392,026	94.1%	5,375,816	4,943,687	(432,129)	-8.0%
Lottery					7,500,000	7,300,000	(200,000)	-2.7%
Cigarette & Tobacco Tax	2,178,000	2,427,695	249,695	11.5%	38,495,000	38,402,471	(92,529)	-0.2%
Wholesale Liquor Tax	673,438	756,637	83,199	12.4%	12,672,083	12,673,043	960	0.0%
Coal Conversion Tax	1,636,000	1,837,974	201,974	12.3%	26,538,000	29,529,601	2,991,601	11.3%
Mineral Leasing Fees	927,308	2,522,766	1,595,458	172.1%	21,891,248	27,939,426	6,048,178	27.6%
Departmental Collections	2,379,654	2,267,455	(112,199)	-4.7%	54,791,469	57,212,718	2,421,249	4.4%
Interest Income	191,000	435,996	244,996	128.3%	4,965,000	5,799,647	834,647	16.8%
State Mill & Elevator-Transfer					8,802,989	10,109,147	1,306,158	14.8%
Bank of North Dakota - Transfer					140,000,000	140,000,000		
Legacy Fund - Transfer								
Tax Relief Fund - Transfer					183,000,000	183,000,000		
SIIF - Transfer					248,000,000	248,000,000		
Gas Tax administration					1,512,090	1,512,090		
Miscellaneous		9,872	9,872		32,350,000	32,711,259	361,259	1.1%
<b>Total Revenues and Transfers</b>	<b>101,220,326</b>	<b>127,335,842</b>	<b>26,115,516</b>	<b>25.8%</b>	<b>3,160,441,319</b>	<b>3,364,187,627</b>	<b>203,746,308</b>	<b>6.4%</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. 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**  
**November 2018**

Revenues and Transfers	Fiscal Month				Biennium To Date			
	November 2016	November 2018	Variance	Percent	2015-17	2017-19	Variance	Percent
Sales Tax	61,906,371	83,582,360	21,675,990	35.0%	1,289,720,069	1,271,513,560	(18,206,509)	-1.4%
Motor Vehicle Excise Tax	8,240,695	9,568,107	1,327,412	16.1%	154,240,986	168,588,020	14,347,034	9.3%
Individual Income Tax	7,680,228	8,647,589	967,362	12.6%	467,361,294	515,760,793	48,399,499	10.4%
Corporate Income Tax	455,459	2,824,500	2,369,041	520.1%	105,334,039	136,244,500	30,910,462	29.3%
Insurance Premium Tax	12,157,985	11,646,324	(511,661)	-4.2%	73,569,412	72,947,666	(621,746)	-0.8%
Financial Institutions Tax					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	371,540	808,566	437,027	117.6%	4,936,814	4,943,687	6,873	0.1%
Lottery					9,580,000	7,300,000	(2,280,000)	-23.8%
Cigarette & Tobacco Tax	2,296,037	2,427,695	131,658	5.7%	41,479,236	38,402,471	(3,076,765)	-7.4%
Wholesale Liquor Tax	702,183	756,637	54,454	7.8%	12,859,209	12,673,043	(186,167)	-1.4%
Coal Conversion Tax	1,719,486	1,837,974	118,488	6.9%	29,253,675	29,529,601	275,927	0.9%
Mineral Leasing Fees	877,308	2,522,766	1,645,457	187.6%	19,936,504	27,939,426	8,002,922	40.1%
Departmental Collections	2,393,733	2,267,455	(126,278)	-5.3%	56,112,796	57,212,718	1,099,923	2.0%
Interest Income	189,229	435,996	246,768	130.4%	13,324,252	5,799,647	(7,524,606)	-56.5%
State Mill & Elevator-Transfer					4,434,894	10,109,147	5,674,253	127.9%
Major Special Fund Transfers					1,032,000,000	571,000,000	(461,000,000)	-44.7%
Other Transfers	1,355	9,872	8,517	628.4%	1,603,438	34,223,349	32,619,911	2034.4%
<b>Total Revenues and Transfers</b>	<b>98,991,609</b>	<b>127,335,842</b>	<b>28,344,233</b>	<b>28.6%</b>	<b>3,517,040,694</b>	<b>3,364,187,627</b>	<b>(152,853,067)</b>	<b>-4.3%</b>

## VARIANCES

### (Compared to 2017 Legislative Forecast)

November 2018 revenues totaled \$127.3 million, which is \$26.1 million, or 25.8 percent above forecast. Biennium-to-date revenues of \$3.36 billion are \$203.7 million, or 6.4 percent more than projected. When transfers from major special funds are excluded, 2017-19 revenues to date are tracking 12.4 percent ahead of the same time period in the 2015-17 biennium. Significant monthly variances are as follows:

- **Sales tax** collections of \$83.6 million were \$19.4 million, or 30.2 percent, higher than anticipated for the month. Biennium-to-date revenues of \$1.27 billion are \$59.7 million, or 4.9 percent, higher than forecast. In a year over year comparison, November sales tax revenues are \$14.8 million, or 21.6 percent, higher than November 2017 sales tax revenues and \$21.7 or 35.0 percent, higher than November 2016.
- **Motor vehicle excise tax** collections were \$1.2 million, or 13.7 percent, higher than anticipated. Biennium-to-date collections of \$168.6 million

are \$11.7 million, or 7.5 percent higher than forecast and \$14.3 million, or 9.3 percent higher than the same time period in the 2015-17 biennium.

- **Insurance premium tax** collections of \$11.6 million were \$1.5 million, or 14.3 percent higher than forecast, due to higher than anticipated payments. Biennium-to-date collections of \$72.9 million are \$6.0 million, or 7.6 percent lower than forecast and \$622,000, or 0.8 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 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.