

North Dakota REV-E-NEWS



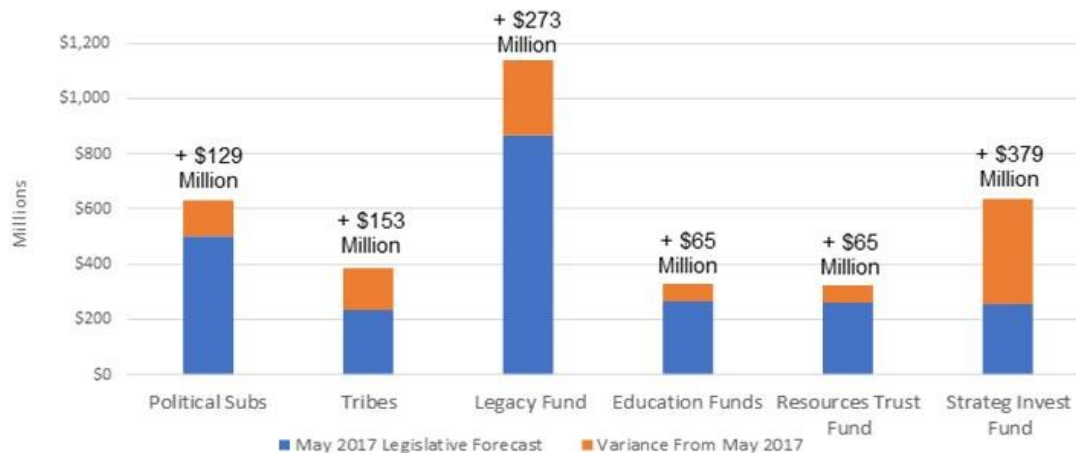
Joe Morrisette, Director

January 2019

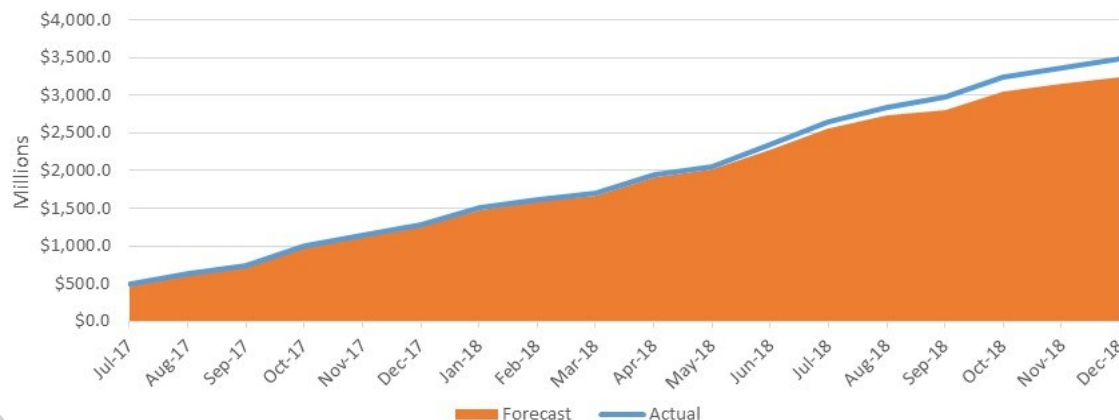
OFFICE OF MANAGEMENT AND BUDGET

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

Oil Tax Revenues Top Forecast by \$1 Billion



General Fund Revenue Collections Exceed Forecast by \$246 Million



OIL ACTIVITY Statistical Information



	Nov 2018	Oct 2018	Sept 2018
Actual average price per barrel	\$47.88	\$65.11	\$64.68
Production (barrels/day)	1,375,803	1,392,369	1,359,282
Drilling permits	116	183	113
Producing wells	15,237	15,352	15,287
Rig count	64	67	65

Tax Allocations (in Millions)

	Biennium to Date December 31, 2018		
	Forecast	Actual	Incr (Dcr)
Political Subs	365.1	494.0	128.9
Tribes	165.1	317.9	152.8
Legacy Fnd	611.0	883.9	272.9
General Fnd	355.3	400.0	44.7
Education Fnds	184.8	249.4	64.6
Resourc Trst Fnd	181.6	246.2	64.6
Budget Stabil Fnd	75.0	75.0	0.0
Tax Relief Fnd	200.0	200.0	0.0
Strat Invst Fnd	0.0	330.8	330.8
Other Allocations	64.0	67.1	3.1
Total	2,201.9	3,264.3	1,062.4

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Legislative Forecast 2017-19 Biennium December 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	44,210,000	72,312,570	28,102,570	63.6%	1,255,998,000	1,343,826,130	87,828,130	7.0%
Motor Vehicle Excise Tax	8,574,000	8,154,907	(419,093)	-4.9%	165,428,000	176,742,927	11,314,927	6.8%
Individual Income Tax	6,550,000	6,194,042	(355,958)	-5.4%	473,645,000	521,954,835	48,309,835	10.2%
Corporate Income Tax	7,345,000	24,145,523	16,800,523	228.7%	67,199,000	160,390,023	93,191,023	138.7%
Insurance Premium Tax	5,637,661	2,026,638	(3,611,023)	-64.1%	84,594,285	74,974,304	(9,619,981)	-11.4%
Oil & Gas Production Tax*					212,147,129	212,147,128		
Oil Extraction Tax*					187,852,871	187,852,872		
Gaming Tax	62,556	12,382	(50,174)	-80.2%	5,438,372	4,956,070	(482,302)	-8.9%
Lottery					7,500,000	7,300,000	(200,000)	-2.7%
Cigarette & Tobacco Tax	2,204,000	2,062,586	(141,414)	-6.4%	40,699,000	40,465,056	(233,944)	-0.6%
Wholesale Liquor Tax	800,053	726,701	(73,352)	-9.2%	13,472,136	13,399,743	(72,393)	-0.5%
Coal Conversion Tax	1,672,000	1,954,751	282,751	16.9%	28,210,000	31,484,352	3,274,352	11.6%
Mineral Leasing Fees	1,205,869	2,805,676	1,599,807	132.7%	23,097,117	30,745,102	7,647,985	33.1%
Departmental Collections	2,296,837	2,408,954	112,117	4.9%	57,088,306	59,621,673	2,533,367	4.4%
Interest Income	177,000	472,323	295,323	166.8%	5,142,000	6,271,970	1,129,970	22.0%
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		(1,063)	(1,063)		32,350,000	32,710,196	360,196	1.1%
Total Revenues and Transfers	80,734,976	123,275,990	42,541,014	52.7%	3,241,176,295	3,487,463,617	246,287,322	7.6%

* 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 December 2018

Revenues and Transfers	Fiscal Month				Biennium To Date			
	December 2016	December 2018	Variance	Percent	2015-17	2017-19	Variance	Percent
Sales Tax	52,982,130	72,312,570	19,330,440	36.5%	1,342,702,199	1,343,826,130	1,123,931	0.1%
Motor Vehicle Excise Tax	7,831,573	8,154,907	323,334	4.1%	162,072,559	176,742,927	14,670,368	9.1%
Individual Income Tax	8,979,639	6,194,042	(2,785,597)	-31.0%	476,340,933	521,954,835	45,613,902	9.6%
Corporate Income Tax	7,049,878	24,145,523	17,095,645	242.5%	112,383,916	160,390,023	48,006,107	42.7%
Insurance Premium Tax	860,941	2,026,638	1,165,698	135.4%	74,430,353	74,974,304	543,952	0.7%
Financial Institutions Tax	(984)		984	100.0%	1,293,093		(1,293,093)	-100.0%
Oil & Gas Production Tax*	2,859,703		(2,859,703)		86,238,880	212,147,128	125,908,249	146.0%
Oil Extraction Tax*	19,256,858		(19,256,858)		135,877,681	187,852,872	51,975,191	38.3%
Gaming Tax	55,556	12,382	(43,174)	-77.7%	4,992,371	4,956,070	(36,301)	-0.7%
Lottery					9,580,000	7,300,000	(2,280,000)	-23.8%
Cigarette & Tobacco Tax	2,308,884	2,062,586	(246,298)	-10.7%	43,788,119	40,465,056	(3,323,063)	-7.6%
Wholesale Liquor Tax	802,296	726,701	(75,595)	-9.4%	13,661,505	13,399,743	(261,762)	-1.9%
Coal Conversion Tax	1,837,059	1,954,751	117,692	6.4%	31,090,734	31,484,352	393,618	1.3%
Mineral Leasing Fees	1,053,869	2,805,676	1,751,807	166.2%	20,990,373	30,745,102	9,754,729	46.5%
Departmental Collections	2,562,014	2,408,954	(153,060)	-6.0%	58,674,810	59,621,673	946,863	1.6%
Interest Income	175,659	472,323	296,664	168.9%	13,499,912	6,271,970	(7,227,942)	-53.5%
State Mill & Elevator-Transfer					4,434,894	10,109,147	5,674,253	127.9%
Major Special Fund Transfers	100,000,000		(100,000,000)	-100.0%	1,132,000,000	571,000,000	(561,000,000)	-49.6%
Other Transfers	12,849	(1,063)	(13,912)	-108.3%	1,616,287	34,222,286	32,605,999	2017.3%
Total Revenues and Transfers	208,627,923	123,275,990	(85,351,933)	-40.9%	3,725,668,617	3,487,463,617	(238,205,000)	-6.4%

VARIANCES

(Compared to 2017 Legislative Forecast)

December 2018 revenues totaled \$123.3 million, which is \$42.5 million, or 52.7 percent above forecast.

Biennium-to-date revenues of \$3.49 billion are \$246.3 million, or 7.6 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 \$72.3 million were \$28.1 million, or 63.6 percent, higher than anticipated for the month. Biennium-to-date revenues of \$1.34 billion are \$87.8 million, or 7.0 percent, higher than forecast. In a year over year comparison, December sales tax revenues are \$20.4 million, or 39.3 percent, higher than December 2017 sales tax revenues and \$19.3 or 36.5 percent, higher than December 2016.
- **Corporate income tax** collections of \$24.1 million were \$16.8 million, or 228.7 percent higher than forecast, due to higher than anticipated estimated payments, payments

with returns, and audit collections. Biennium-to-date collections of \$160.4 million are \$93.2 million, or 138.7 percent higher than forecast and \$48.0 million, or 42.7 percent, higher than the same time period in the 2015-17 biennium.

- **Mineral leasing fee** collections of \$2.8 million were \$1.6 million, or 132.7 percent higher than forecast, due to higher than anticipated payments. Biennium-to-date collections of \$30.7 million are \$7.6 million, or 33.1 percent higher than forecast and \$9.8 million, or 46.5 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 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.