

2021-2023 Revenue Forecast

March 16, 2021



STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
Compared to the Legislative Forecast
2019-21 Biennium
February 2021

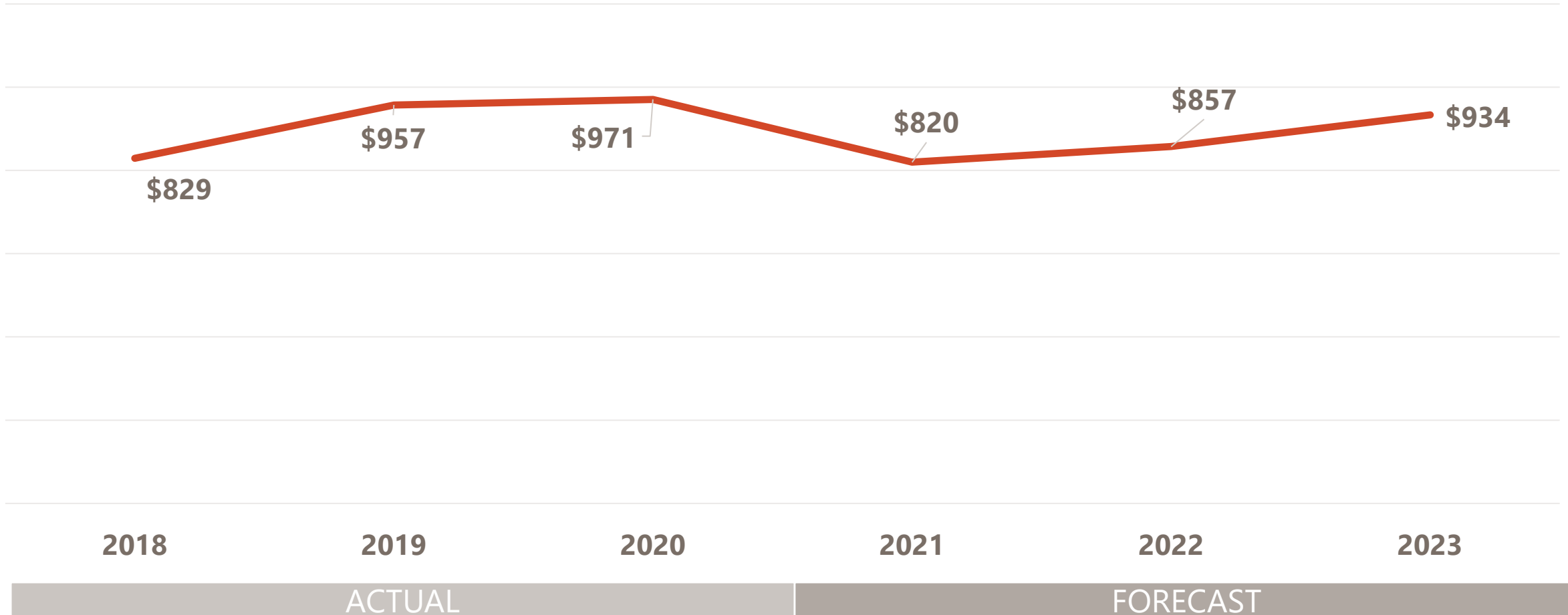
Revenues and Transfers	Fiscal Month				Biennium To Date			
	Original 2019 Leg. Forecast	Actual	Variance	Percent	Original 2019 Leg. Forecast	Actual	Variance	Percent
Sales Tax	68,572,187	63,196,500	(5,375,687)	-7.8%	1,591,447,396	1,530,898,926	(60,548,470)	-3.8%
Motor Vehicle Excise Tax	9,006,052	10,867,329	1,861,277	20.7%	206,343,451	207,934,590	1,591,139	0.8%
Individual Income Tax	19,141,871	27,390,063	8,248,192	43.1%	636,889,784	642,949,347	6,059,563	1.0%
Corporate Income Tax	1,536,577	4,344,425	2,807,848	182.7%	92,980,234	157,372,395	64,392,161	69.3%
Insurance Premium Tax	13,885,260	13,385,351	(499,909)	-3.6%	62,072,765	78,767,112	16,694,347	26.9%
Oil & Gas Production Tax*	-	-	-	0.0%	238,369,403	238,369,403	-	0.0%
Oil Extraction Tax*	-	-	-	0.0%	161,630,597	161,630,597	-	0.0%
Gaming Tax	631,579	3,448,773	2,817,194	446.1%	6,276,536	24,160,813	17,884,277	284.9%
Lottery	-	-	-	0.0%	6,122,500	4,100,000	(2,022,500)	-33.0%
Cigarette & Tobacco Tax	1,725,970	1,792,819	66,849	3.9%	40,507,119	42,205,067	1,697,948	4.2%
Wholesale Liquor Tax	617,709	647,439	29,730	4.8%	15,652,196	15,634,306	(17,890)	-0.1%
Coal Conversion Tax	1,764,863	1,845,627	80,764	4.6%	32,838,074	32,995,024	156,950	0.5%
Mineral Leasing Fees	889,096	2,392,367	1,503,271	169.1%	31,875,455	34,249,146	2,373,691	7.4%
Departmental Collections	2,693,629	1,458,385	(1,235,244)	-45.9%	57,950,188	56,137,536	(1,812,652)	-3.1%
Interest Income	485,000	273,343	(211,657)	-43.6%	6,789,700	14,534,037	7,744,337	114.1%
State Mill & Elevator-Transfer	-	-	-	0.0%	6,700,000	5,423,841	(1,276,159)	-19.0%
Bank of North Dakota - Transfer	-	-	-	0.0%	105,000,000	105,000,000	-	0.0%
Legacy Fund - Transfer	-	-	-	0.0%	-	-	-	0.0%
Tax Relief Fund - Transfer	-	-	-	0.0%	8,600,000	8,600,000	-	0.0%
SIIF - Transfer	-	-	-	0.0%	764,400,000	764,400,000	-	0.0%
Gas Tax administration	-	-	-	0.0%	1,742,146	1,742,540	394	0.0%
Miscellaneous	-	1,182	-	100.0%	-	3,056,075	3,056,075	100.0%
Total Revenues and Transfers	120,949,793	131,043,603	10,092,628	8.3%	4,074,187,544	4,130,160,755	55,973,211	1.4%

* The General Fund cap for oil and gas taxes contains two tiers. The first tier of \$200.0 million was reached in November 2019. 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 max fund balance of \$726.5 million. In March, the General Fund began receiving allocations to meet its second tier of \$200.0 million. The second tier was reached in October, 2020.

SALES AND USE TAX

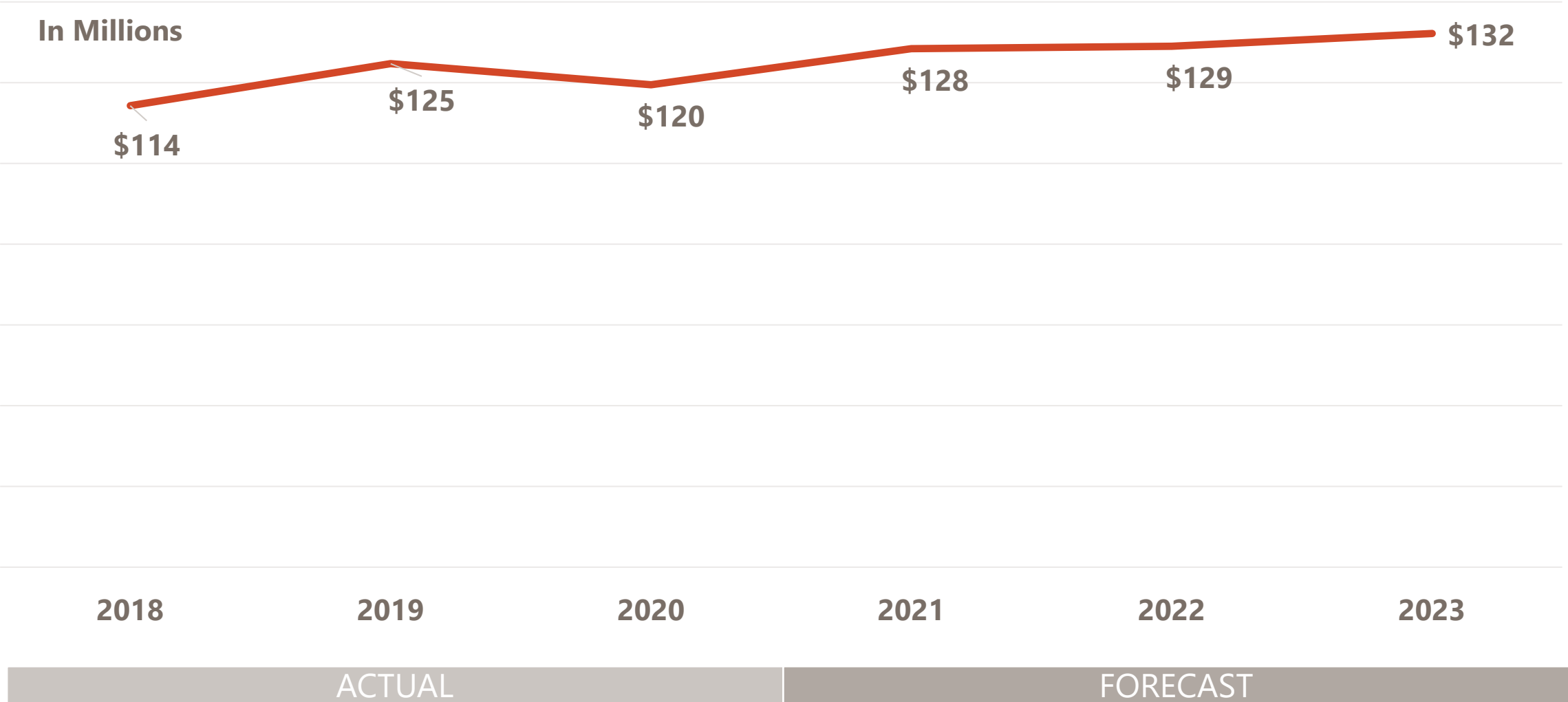
POST-PANDEMIC GROWTH BUT 2023 STILL BELOW 2020 LEVEL

In Millions



MOTOR VEHICLE EXCISE TAX

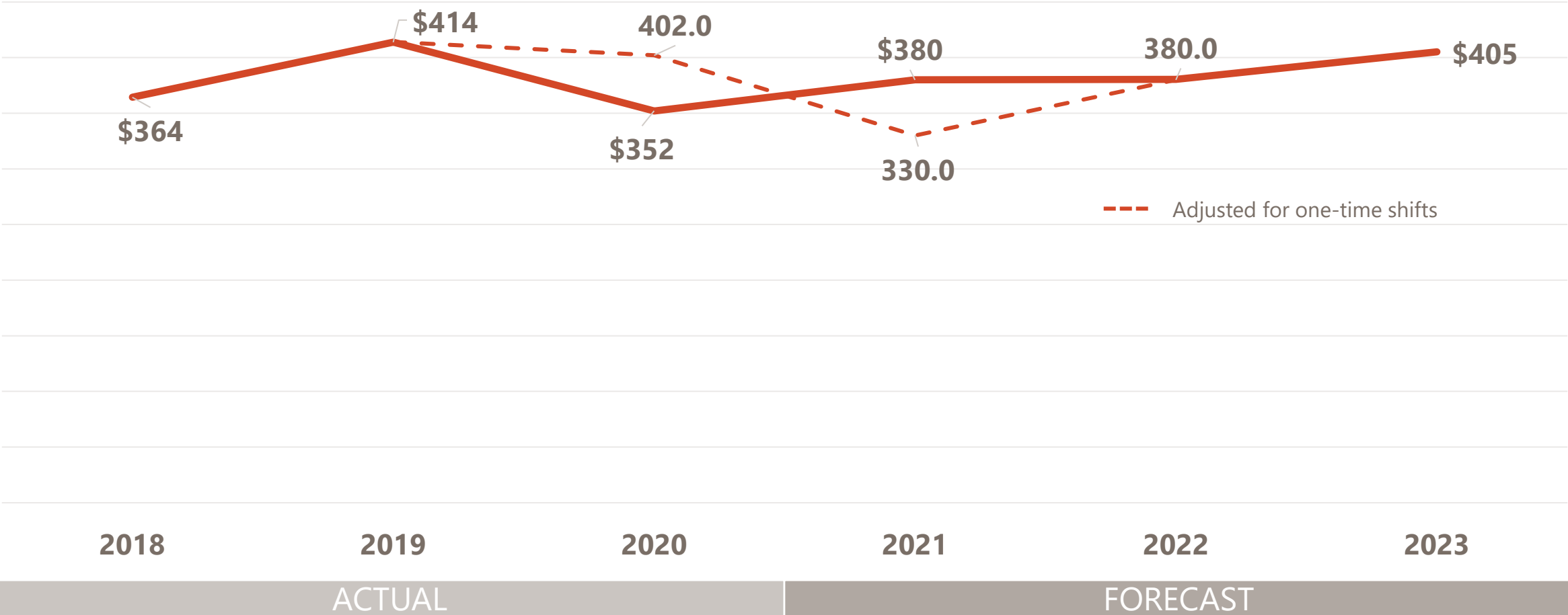
GROWTH CONTINUES THROUGH PANDEMIC BUT LIMITED BY SUPPLY ISSUES



INDIVIDUAL INCOME TAX

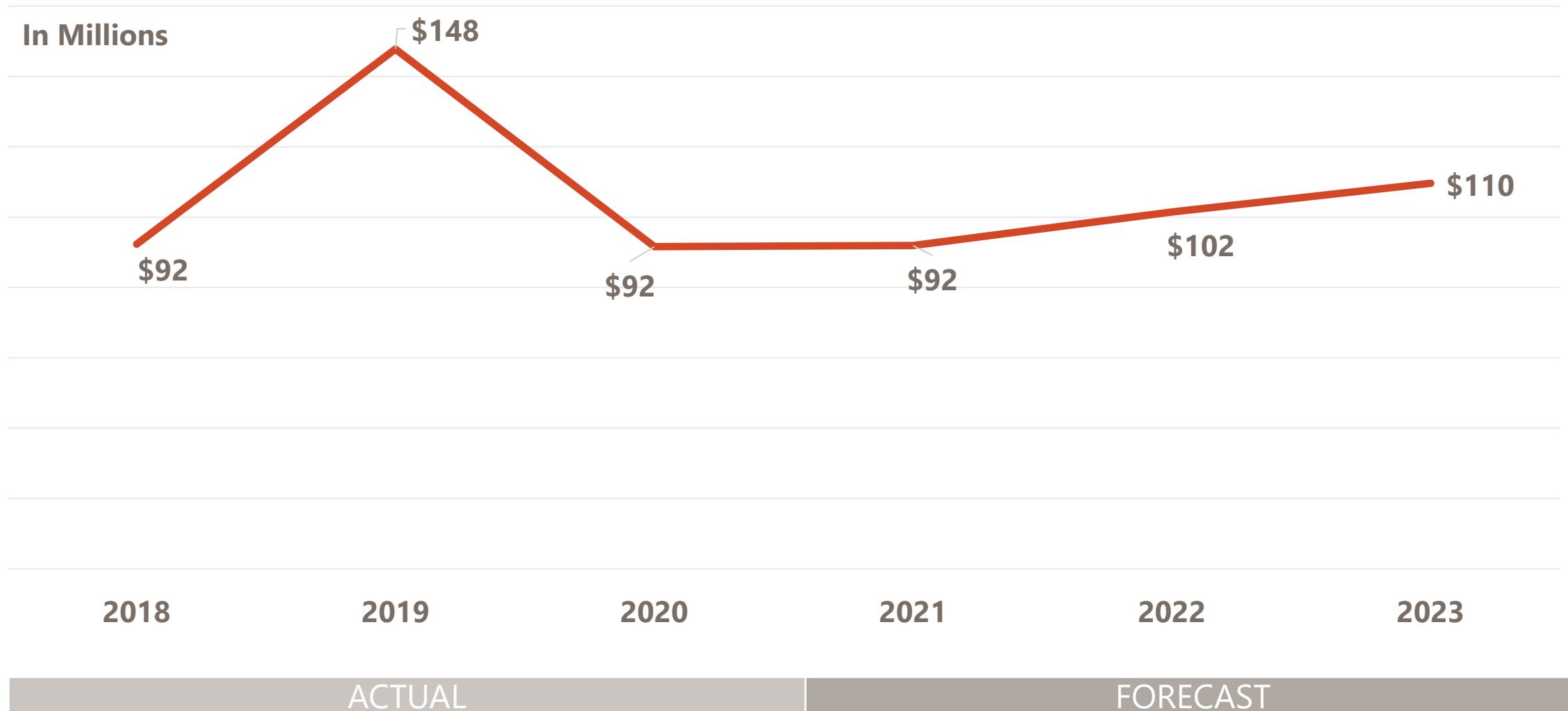
MODERATE GROWTH AFTER ADJUSTING FOR ONE-TIME REVENUE SHIFTS

In Millions



CORPORATE INCOME TAX

CONTINUED MODERATE GROWTH AFTER 2019 TCJA IMPACT



2019-21 and 2021-23 BIENNIUM GENERAL FUND REVENUES
Compared to November Executive Forecast
OFFICE OF MANAGEMENT & BUDGET

	2019-21			2021-23 (Based on Current Law)		
	November 2020 Executive Forecast	March 2021 Revised Forecast	Change	November 2020 Executive Forecast	March 2021 Revised Forecast	Change
Tax Type						
Sales and Use Tax	\$1,756,066,564	\$1,790,216,564	\$34,150,000	\$1,659,855,000	\$1,790,907,000	\$131,052,000
Motor Vehicle Excise Tax	231,847,814	247,877,814	16,030,000	239,317,000	261,266,000	21,949,000
Individual Income Tax	741,900,603	732,078,603	(9,822,000)	786,857,000	785,442,000	(1,415,000)
Corporate Income Tax	179,481,033	183,476,033	3,995,000	188,519,000	211,040,000	22,521,000
Insurance Premium Tax	94,520,219	94,520,219	-	87,269,974	87,269,974	-
Oil & Gas Tax	400,000,000	400,000,000	-	400,000,000	400,000,000	-
Gaming	31,304,238	26,804,238	(4,500,000)	41,000,000	29,500,000	(11,500,000)
Cigarette and Tobacco Tax	49,032,505	49,032,505	-	43,846,000	43,846,000	-
Wholesale Liquor Tax	17,972,734	17,972,734	-	16,932,000	16,932,000	-
Coal Conversion Tax	42,398,724	42,398,724	-	42,600,000	42,600,000	-
Mineral Leasing Fees	30,168,017	36,410,368	6,242,351	25,000,000	35,000,000	10,000,000
Departmental Collections	79,914,882	79,914,882	-	76,423,632	76,423,632	-
Interest	30,272,315	44,244,338	13,972,023	34,000,000	50,000,000	16,000,000
Gas Tax Administration	1,991,418	1,991,418	-	1,873,744	1,873,744	-
Miscellaneous	3,932,923	3,932,923	-	-	-	-
Total Revenues Without Major Transfers	\$3,690,803,989	\$3,750,871,363	\$60,067,374	\$3,643,493,350	\$3,832,100,350	\$188,607,000

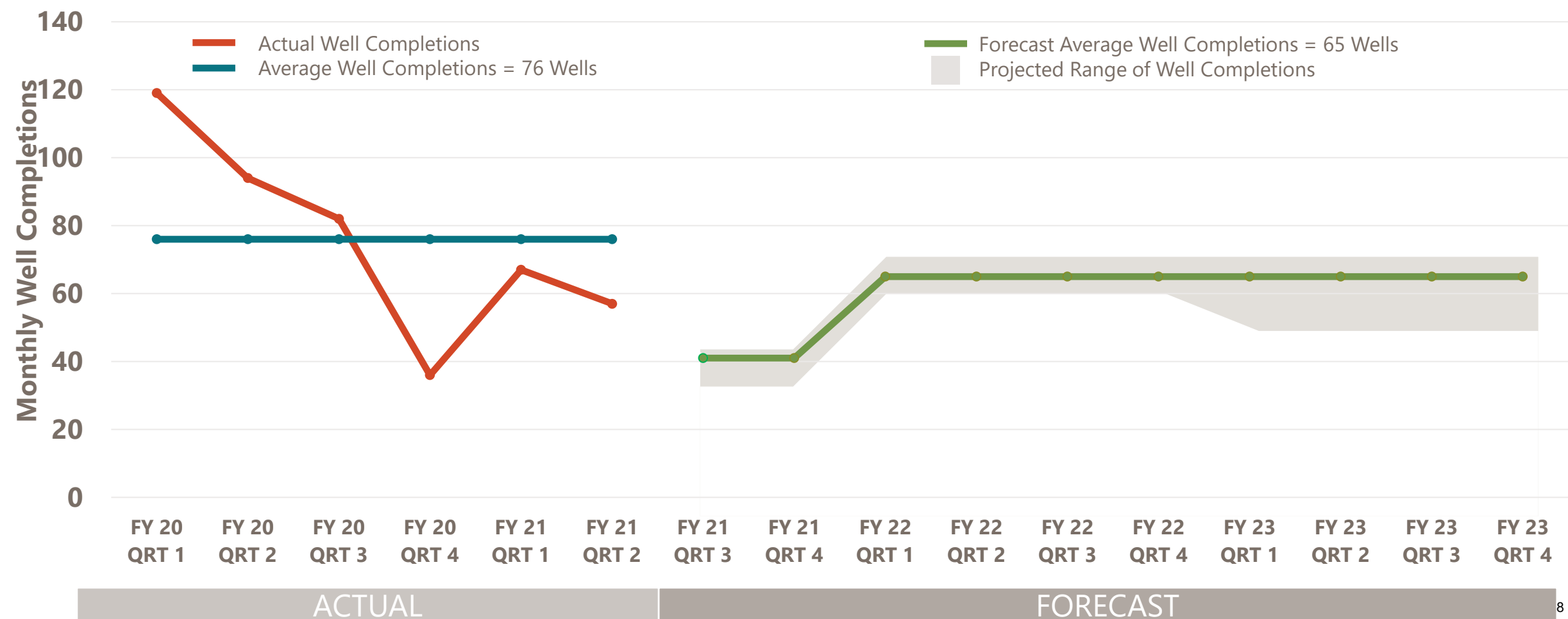
Note: For comparison purposes, the November 2020 executive forecast amounts for individual income tax, corporate income tax, and oil and gas tax allocations for the 2021-23 biennium have been adjusted to reflect current law.

2019-21 and 2021-23 BIENNIUM GENERAL FUND REVENUES
Compared to January 2021 Legislative Estimate
OFFICE OF MANAGEMENT & BUDGET

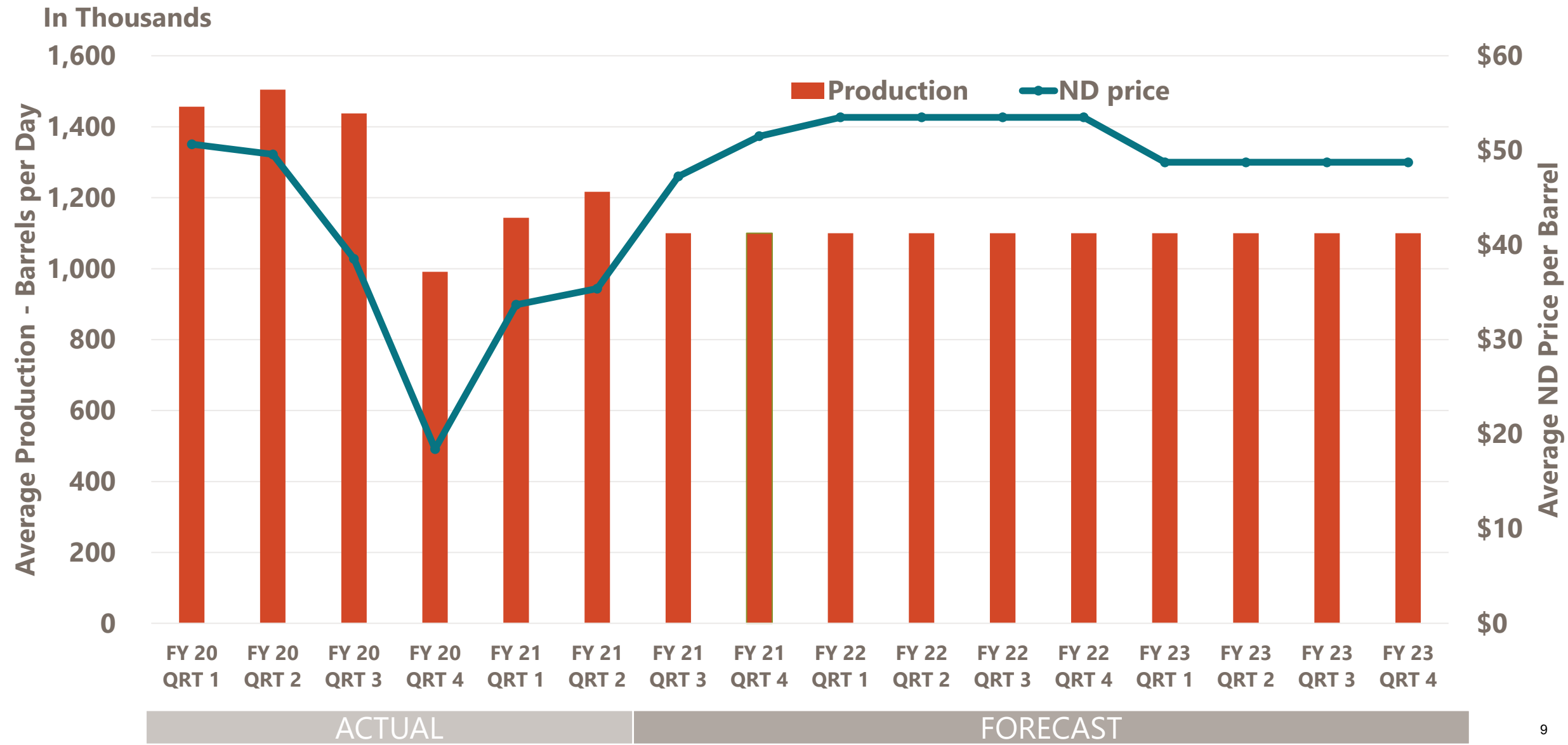
Tax Type	2019-21			2021-23 (Based on Current Law)		
	January 2021	March 2021	Change	January 2021	March 2021	Change
	Legislative Estimate	Revised Forecast		Legislative Estimate	Revised Forecast	
Sales and Use Tax	\$1,797,420,205	\$1,790,216,564	(\$7,203,641)	\$1,736,000,000	\$1,790,907,000	\$54,907,000
Motor Vehicle Excise Tax	238,120,460	247,877,814	9,757,354	249,000,000	261,266,000	12,266,000
Individual Income Tax	764,128,922	732,078,603	(32,050,319)	802,000,000	785,442,000	(16,558,000)
Corporate Income Tax	188,201,051	183,476,033	(4,725,018)	188,000,000	211,040,000	23,040,000
Insurance Premium Tax	94,520,219	94,520,219	-	121,024,481	87,269,974	(33,754,507)
Oil & Gas Tax	400,000,000	400,000,000	-	400,000,000	400,000,000	-
Gaming	31,304,238	26,804,238	(4,500,000)	41,000,000	29,500,000	(11,500,000)
Cigarette and Tobacco Tax	49,032,505	49,032,505	-	43,846,000	43,846,000	-
Wholesale Liquor Tax	17,972,734	17,972,734	-	16,932,000	16,932,000	-
Coal Conversion Tax	42,398,724	42,398,724	-	42,600,000	42,600,000	-
Mineral Leasing Fees	30,168,017	36,410,368	6,242,351	25,000,000	35,000,000	10,000,000
Departmental Collections	79,914,882	79,914,882	-	76,423,632	76,423,632	-
Interest	30,272,315	44,244,338	13,972,023	34,000,000	50,000,000	16,000,000
Gas Tax Administration	1,991,418	1,991,418	-	1,873,744	1,873,744	-
Miscellaneous	3,932,923	3,932,923	-	-	-	-
Total Revenues without Major Transfers	\$3,769,378,613	\$3,750,871,363	(\$18,507,250)	\$3,777,699,857	\$3,832,100,350	\$54,400,493

MONTHLY WELL COMPLETIONS

HIGHER PRICE LEADS TO INCREASE IN COMPLETIONS



ND OIL PRICE AND PRODUCTION



2019-21 and 2021-23 BIENNIUM OIL REVENUES

Compared to November Executive Forecast

OFFICE OF MANAGEMENT & BUDGET

	2019-21			2021-23 (Based on Current Law)		
	November 2020 Revised Forecast	March 2021 Revised Forecast	Change	November 2020 Executive Forecast	March 2021 Revised Forecast	Change
Allocation						
Counties and Cities	\$489,019,546	\$535,425,362	\$46,405,816	\$440,593,155	\$592,171,607	\$151,578,452
Tribal Allocations	364,302,552	401,972,949	37,670,397	310,998,614	431,048,294	120,049,680
Legacy Fund	898,421,934	964,469,123	66,047,189	768,635,141	1,065,338,724	296,703,583
Foundation Aid Stabilization Fund	142,666,024	150,771,051	8,105,027	126,319,787	175,080,937	48,761,150
Common Schools Trust Fund	142,666,024	150,771,051	8,105,027	126,319,787	175,080,937	48,761,150
Resources Trust Fund	288,265,349	305,375,927	17,110,578	254,755,563	354,715,920	99,960,357
Renewable Energy Development Fund	3,000,000	3,000,000	-	3,000,000	3,000,000	-
Energy Conservation Grant Fund	1,200,000	1,200,000	-	1,200,000	1,200,000	-
Oil and Gas Research Fund	16,000,000	16,000,000	-	16,000,000	16,000,000	-
State Energy Research Fund	5,000,000	5,000,000	-	5,000,000	5,000,000	-
North Dakota Outdoor Heritage Fund	15,000,000	15,000,000	-	15,000,000	15,000,000	-
Abandoned Well and Site Reclamation Fund	10,460,106	11,400,287	940,181	8,899,194	12,412,620	3,513,426
General Fund	400,000,000	400,000,000	-	400,000,000	400,000,000	-
Tax Relief Fund	200,000,000	200,000,000	-	200,000,000	200,000,000	-
Budget Stabilization Fund	48,431,258	48,431,258	-	-	-	-
Municipal Infrastructure Fund	29,875,000	29,875,000	-	30,375,000	63,064,168	32,689,168
County/Township Infrastructure Fund	-	-	-	-	63,064,168	63,064,168
Airport Infrastructure Fund	-	-	-	-	-	-
Lignite Research Fund	10,000,000	10,000,000	-	10,000,000	10,000,000	-
Strategic Investment and Improvement Fund	294,734,539	368,178,016	73,443,477	156,019,509	400,000,000	243,980,491
Total Oil and Gas Taxes	\$3,359,042,332	\$3,616,870,024	\$257,827,692	\$2,873,115,750	\$3,982,177,375	\$1,109,061,625

November 2020 Forecast

Oil Price Range for the Remainder of the 2019-21 Biennium:

\$32.00 per barrel (ND Price)

Oil Price Range for 2021-23:

\$34.50 per barrel for FY22; \$36.00 per barrel for FY23

Oil Production Assumption:

1.10 million barrels per day for FY2022 and 1.20 million barrels per day for FY23

March 2021 Forecast

Oil Price Range for the Remainder of the 2019-21 Biennium:

\$51.50 per barrel (ND Price)

Oil Price Range for 2021-23:

\$53.50 per barrel for FY22; \$48.75 per barrel for FY23

Oil Production Assumption:

1.10 million barrels per day for the 21-23 biennium

Note: For comparison purposes, the November executive forecast allocations for the 2021-23 biennium has been adjusted to reflect current law.

2019-21 and 2021-23 BIENNIUM OIL REVENUES
Compared to January 2021 Legislative Estimate
OFFICE OF MANAGEMENT & BUDGET

	2019-21			2021-23 (Based on Current Law)		
	January 2021 Legislative Estimate	March 2021 Revised Forecast	Change	January 2021 Legislative Estimate	March 2021 Revised Forecast	Change
Allocation						
Counties and Cities	\$517,980,000	\$535,425,362	\$17,445,362	\$433,960,000	\$592,171,607	\$158,211,607
Tribal Allocations	401,480,000	401,972,949	492,949	372,920,000	431,048,294	58,128,294
Legacy Fund	930,000,000	964,469,123	34,469,123	780,330,000	1,065,338,724	285,008,724
Foundation Aid Stabilization Fund	146,180,000	150,771,051	4,591,051	127,510,000	175,080,937	47,570,937
Common Schools Trust Fund	146,180,000	150,771,051	4,591,051	127,510,000	175,080,937	47,570,937
Resources Trust Fund	299,660,000	309,575,927	9,915,927	261,400,000	358,915,920	97,515,920
Oil and Gas Research Fund	16,000,000	16,000,000	-	10,000,000	16,000,000	6,000,000
State Energy Research Fund	5,000,000	5,000,000	-	5,000,000	5,000,000	-
North Dakota Outdoor Heritage Fund	15,000,000	15,000,000	-	17,940,000	15,000,000	(2,940,000)
Abandoned Well and Site Reclamation Fund	10,880,000	11,400,287	520,287	9,370,000	12,412,620	3,042,620
General Fund	400,000,000	400,000,000	-	400,000,000	400,000,000	-
Tax Relief Fund	200,000,000	200,000,000	-	200,000,000	200,000,000	-
Budget Stabilization Fund	48,430,000	48,431,258	1,258	-	-	-
Municipal Infrastructure Fund	29,880,000	29,875,000	(5,000)	29,880,000	63,064,168	33,184,168
County/Township Infrastructure Fund	-	-	-	-	63,064,168	63,064,168
Airport Infrastructure Fund	-	-	-	-	-	-
Lignite Research Fund	10,000,000	10,000,000	-	10,000,000	10,000,000	-
Strategic Investment and Improvement Fund	324,800,000	368,178,016	43,378,016	188,200,000	400,000,000	211,800,000
Total Oil and Gas Taxes	\$3,501,470,000	\$3,616,870,024	\$115,400,024	\$2,974,020,000	\$3,982,177,375	\$1,008,157,375

January 2021 Legislative Estimate

Oil Price Range for the Remainder of the 2019-21 Biennium:

\$40.00 per barrel (ND Price)

Oil Price Range for 2021-23:

\$40.00 per barrel (ND Price)

Average Oil Production Assumption:

Decreasing from 1.20 million barrels per day to 1.10 million barrels per day for the remainder of FY 2021 and decreasing from 1.10 million barrels per day to 1 million barrels per day during the 21-23 biennium

March 2021 Forecast

Oil Price Range for the Remainder of the 2019-21 Biennium:

\$51.50 per barrel (ND Price)

Oil Price Range for 2021-23:

\$53.50 per barrel for FY22; \$48.75 per barrel for FY23

Oil Production Assumption:

1.10 million barrels per day for the 21-23 biennium