

Fiscal Year 2008 Revenues
(Through May)

And

Estimated Ending Fund Balances at the close
of the 2007-09 Biennium:

State General Fund
Permanent Oil Tax Trust Fund
Budget Stabilization Fund

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STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
Compared to the Legislative Forecast
2007-09 BIENNIUM
May 2008

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	April 2007 Leg. Forecast	Actual	Variance	Percent	April 2007 Leg. Forecast	Actual	Variance	Percent
Sales Tax	37,241,000	35,509,622	(1,731,378)	-4.6%	403,499,000	441,554,610	38,055,610	9.4%
Motor Vehicle Excise Tax	5,433,000	6,212,458	779,458	14.3%	51,168,000	60,670,701	9,502,701	18.6%
Individual Income Tax	11,394,000	8,816,980	(2,577,020)	-22.6%	226,651,000	285,130,736	58,479,736	25.8%
Corporate Income Tax	3,394,000	4,602,139	1,208,139	35.6%	62,862,000	117,379,895	54,517,895	86.7%
Insurance Premium Tax	4,304,515	6,163,879	1,859,364	43.2%	23,867,854	31,669,226	7,801,372	32.7%
Financial Institutions Tax	490,000	195,316	(294,684)	-60.1%	4,700,000	5,744,405	1,044,405	22.2%
Oil & Gas Production Tax*					39,839,000	39,309,315	(529,685)	-1.3%
Oil Extraction Tax*					31,161,000	31,690,685	529,685	1.7%
Gaming Tax	1,730,400	1,954,913	224,513	13.0%	9,453,920	9,595,854	141,934	1.5%
Lottery								
Cigarette & Tobacco Tax	1,971,000	1,786,258	(184,742)	-9.4%	21,671,000	20,639,067	(1,031,933)	-4.8%
Wholesale Liquor Tax	518,000	633,097	115,097	22.2%	5,686,000	6,330,520	644,520	11.3%
Coal Conversion Tax	1,987,000	2,024,921	37,921	1.9%	21,826,000	21,879,162	53,162	0.2%
Mineral Leasing Fees	1,000,000	1,714,833	714,833	71.5%	6,800,000	10,880,995	4,080,995	60.0%
Departmental Collections	2,043,000	1,516,785	(526,215)	-25.8%	24,582,000	26,597,464	2,015,464	8.2%
Interest Income	1,375,000	1,254,857	(120,143)	-8.7%	14,335,000	19,203,590	4,868,590	34.0%
Bank of North Dakota-Transfer								
State Mill & Elevator-Transfer								
Oil tax trust fund-Transfer					115,000,000	115,000,000		0.0%
Other Transfers		316	316	100.0%	637,028	675,727	38,699	6.1%
Total Revenues and Transfers	72,880,915	72,386,373	(494,542)	-0.7%	1,063,738,802	1,243,951,952	180,213,150	16.9%

* Oil and gas production and extraction tax collections totaled \$31.8 million in May 2008. Because the \$71.0 million statutory cap for the 2007-09 biennium has been reached, no additional oil tax collections will be deposited in the general fund during the 2007-09 biennium. Through May, oil tax collections totaling \$159.0 million have been transferred to the permanent oil tax trust fund and are not reflected on this report.

TABLE 5

**Comparison of Taxable Sales and Purchases
By Industry, Calendar Years 2006 and 2007**

INDUSTRY	TAXABLE SALES AND PURCHASES		PERCENT CHANGE
	CALENDAR YEAR 2006	CALENDAR YEAR 2007	
Mining and Oil Extraction	\$192,571,828	\$374,501,247	94.47%
Utilities	346,796,556	349,044,921	0.65%
Construction	357,101,647	401,485,208	12.43%
Manufacturing	544,518,977	589,463,741	8.25%
Wholesale Trade	1,612,137,915	1,844,174,252	14.39%
Retail Trade	3,881,087,981	4,128,221,158	6.37%
Transportation and Warehousing	78,260,477	93,034,186	18.88%
Information Industries	536,085,775	585,686,661	9.25%
Fin. Ins. Real Estate, Rental & Leasing	275,346,949	322,993,150	17.30%
Professional, Scientific, Tech., & Mgmt Serv.	104,866,435	100,282,807	-4.37%
Educational, Health Care, and Social Serv.	56,244,090	60,033,417	6.74%
Arts, Entertainment & Recreation	70,519,787	73,993,612	4.93%
Accommodation & Food Services	982,173,795	1,058,245,321	7.75%
Other Services	203,253,593	218,747,795	7.62%
Miscellaneous	49,381,439	51,123,801	3.53%
GRAND TOTAL	\$9,290,347,244	\$10,251,031,277	10.34%
NOTE: Classification by industry is based on 2002 North American Industry Classification System (NAICS)			
Consolidated and combined returns, in-state and out-of-state returns are all included in the above analysis.			

Income Tax Collections - FY 2008 to-date Compared to FY 2007
In Millions of Dollars

Corporation Income Tax Collections:

	<u>FY 2008 Through May</u>	<u>FY 2007 Through May</u>	<u>Difference</u>	<u>Percent Difference</u>
Estimated Payments	\$ 106.457	\$ 96.737	\$ 9.720	10.05%
Tax Paid w Returns (& A/R)	31.471	10.163	21.308	209.66%
Audit Collections	8.951	5.323	3.628	68.16%
Transfers to Refund Reserve	-29.500	-18.000	-11.500	63.89%
Total	\$ 117.379	\$ 94.223	\$ 23.156	24.58%

Corp forecast through 5/08 is \$62.9 million. Forecast assumed a economic slowdown, a reduction due to a rate decrease in 2007, and a decrease due to property tax relief credits

Financial Institutions Tax Collections (Includes SGF and County Share):

	<u>FY 2008 Through May</u>	<u>FY 2007 Through May</u>	<u>Difference</u>	<u>Percent Difference</u>
Tax Paid w Returns (& A/R)	\$ 16.137	\$ 16.407	\$ (0.270)	-1.65%
Audit Collections	2.334	0.017	2.317	13629.41%
Total	\$ 18.471	\$ 16.424	\$ 2.047	12.46%

FIT forecast through 5/08 is \$4.7 million, state general fund share. Actual SGF collections are \$5.744 million

Individual Income Tax Collections:

	<u>FY 2008 Through May</u>	<u>FY 2007 Through May</u>	<u>Difference</u>	<u>Percent Difference</u>
Estimated Payments	\$ 70.295	\$ 70.323	\$ (0.028)	-0.04%
Tax Paid w Returns (& A/R)	61.776	62.656	-0.88	-1.40%
Withholding	216.259	200.114	16.145	8.07%
Withholding on Pass-thrus	20.792	11.878	8.914	75.05%
Transfers to Refund Reserve	-83.991	-41.000	-42.991	104.86%
Total	\$ 285.131	\$ 303.971	\$ (18.840)	-6.20%

Individual forecast through 5/08 is \$226.7 million. Forecast assumed modest growth in FY 07, FY 08, and FY 09. Actual growth in FY 07 was in excess of 14%, and adjusting for property tax relief, actual growth in FY 08 is approx. 7%

**Historical Corporation Income Tax Collections
And Audit-Related Corporation Income Tax Collections**

	<u>Total Collections</u>	<u>Percent Change From Prior Year</u>	<u>Audit-Related Collections</u>	<u>Percent Change From Prior Year</u>
FY 2008 to-date	\$ 117,379,894		8,950,575	61.0%
FY 2007	119,955,749	7.3%	5,559,725	-71.9%
FY 2006	111,789,587	78.4%	19,808,216	309.4%
FY 2005	62,669,889	55.7%	4,838,838	-5.3%
FY 2004	40,257,083	-12.5%	5,108,494	-47.4%
FY 2003	46,027,577	10.6%	9,713,549	60.0%
FY 2002	41,600,758	-19.4%	6,070,883	2.5%
FY 2001	51,606,853	9.2%	5,924,274	69.2%
FY 2000	47,258,001	-18.3%	3,501,012	-66.9%
FY 1999	57,877,194		10,586,390	

Corporations with 2006 Net Tax Liability of \$20,000 or more

Total Count:	407
Total Combined Net Tax Liability - 2006	83,337,403
Net Tax Liability for Same Corps for 2005	49,672,530
Growth (from 2005 to 2006)	67.8%
100% North Dakota Corporations (Apportionment Factor = 1.0)	71

"Top 25" Corporations with Highest Net Tax Liability for 2006

Total Count:	25
Total Combined Net Tax Liability - 2006	48,025,665
Net Tax Liability for Same Corps for 2005	21,236,335
Growth (from 2005 to 2006)	126.1%
100% North Dakota Corporations (Apportionment Factor = 1.0)	1
Average Apportionment Factor	0.078

Industries Groups Represented in "Top 25":

Manufacturing	6
Holding Companies	6
Mining and Utilities	5
Retail	4
Wholesale	2
Information/Transportation/Warehousing	2

**GENERAL FUND STATUS STATEMENT
2007-09 BIENNIUM
AS OF MAY 31, 2008**

Beginning balance - July 1, 2007		\$295,541,176
Revenues:		
Revenues collected to date	\$1,243,951,952	
Remaining forecasted revenues	<u>1,193,541,163</u>	
Total revenues		<u>2,437,493,115</u>
Total available		\$2,733,034,291
Appropriations:		
Original legislative appropriations	(\$2,456,973,956)	
Contingent appropriations (Section 50, SB2200)	<u>(5,000,000)</u>	
Total appropriations		<u>(2,461,973,956)</u>
Estimated ending balance - June 30, 2009		<u><u>\$271,060,335</u></u> \1
\1 NDCC Section 54-27.2-02 provides that any end of biennium balance in excess of \$65.0 million must be transferred to the budget stabilization fund, up to a cap of 10.0 percent of general fund appropriations beginning after July 1, 2009.		

**PERMANENT OIL TAX TRUST FUND STATUS STATEMENT
2007-09 BIENNIUM
AS OF MAY 31, 2008**

Beginning balance - July 1, 2007		\$143,270,662
Revenues:		
Revenues collected to date	\$158,955,411	
Remaining forecasted revenues\1	<u>112,383,291</u>	
Total revenues		<u>271,338,702</u>
Total available		\$414,609,364
Expenditures and transfers		<u>(145,716,541)</u>
Estimated ending balance - June 30, 2009		<u><u>\$268,892,823</u></u>
\1 Based on legislative forecast assumptions regarding oil price and production:		
<u>Fiscal Year</u>	<u>Average Price</u>	<u>Ave. Production</u>
2008	\$44.37	115,667 BPD
2009	\$36.98	118,667 BPD