

**GENERAL FUND REVENUE ESTIMATES FOR THE 2007-09 AND 2009-11 BIENNIUMS  
AND ACTUAL COLLECTIONS FOR PRIOR BIENNIUMS**

	<b>Actual</b>		<b>Estimated</b>		<b>2009-11 Increase (Decrease) Compared to 2007-09</b>	<b>2009-11 Percentage Increase (Decrease) Compared to 2007-09</b>
	<b>2003-05 Biennium</b>	<b>2005-07 Biennium</b>	<b>2007-09 Biennium<sup>1</sup></b>	<b>2009-11 Biennium<sup>2</sup></b>		
<b>Beginning balance</b>	\$14,790,311	\$68,015,056	\$295,541,176	\$321,091,738	\$25,550,562	8.6%
<b>Revenue source</b>						
Sales and use tax	\$717,758,293	\$841,930,866	\$1,067,072,783	\$1,109,974,800	\$42,902,017	4.0%
Motor vehicle excise tax	128,010,103	125,722,268	126,839,256 <sup>3</sup>	86,978,250	(39,861,006)	(31.4%)
Individual income tax	452,547,326	587,659,377	614,538,328 <sup>4</sup>	655,508,000 <sup>4</sup>	40,969,672	6.7%
Corporate income tax	102,926,972	232,294,310	252,903,698 <sup>5</sup>	239,110,000	(13,793,698)	(5.5%)
Insurance premium tax	56,284,535	52,873,010	66,590,545	66,000,000	(590,545)	(0.9%)
Business privilege tax	4,958,673	9,702,362	10,261,402	9,500,000	(761,402)	(7.4%)
Cigarette and tobacco tax	39,476,712	44,683,370	45,879,687	45,428,000	(451,687)	(1.0%)
Oil and gas gross production tax	45,534,044 <sup>6</sup>	45,970,447 <sup>6</sup>	39,309,315 <sup>6</sup>	39,309,315 <sup>6</sup>	0	0.0%
Oil extraction tax	25,465,956 <sup>6</sup>	25,029,553 <sup>6</sup>	31,690,685 <sup>6</sup>	31,690,685 <sup>6</sup>	0	0.0%
Coal conversion tax	47,196,831	49,217,864	47,465,410	45,005,000	(2,460,410)	(5.2%)
Gaming tax	20,850,911	17,986,019	20,283,806	16,799,316	(3,484,490)	(17.2%)
Lottery	7,269,005	12,600,000	11,155,000	11,155,000	0	0.0%
Wholesale liquor tax	11,889,465	12,787,869	13,658,874	13,644,000	(14,874)	(0.1%)
Mineral leasing fees	11,024,583	13,960,279	21,537,674	22,715,000	1,177,326	5.5%
Interest income	6,935,015	36,507,217	39,245,931	27,000,000	(12,245,931)	(31.2%)
Departmental collections	61,004,537	53,781,397	59,769,233	60,961,920	1,192,687	2.0%
<b>Total revenues</b>	<b>\$1,739,132,961</b>	<b>\$2,162,706,208</b>	<b>\$2,468,201,627</b>	<b>\$2,480,779,286</b>	<b>\$12,577,659</b>	<b>0.5%</b>
<b>Transfers and other sources</b>						
Transfer - Bank of North Dakota	\$60,000,000	\$60,000,000	\$60,000,000	\$1,000,000 <sup>7</sup>	(\$59,000,000)	(98.3%)
Transfer - Student loan trust	26,258,969	9,000,000	3,100,000	0	(3,100,000)	(100.0%)
Transfer - Mill and Elevator	5,000,000	5,000,000	0 <sup>8</sup>	4,735,836	4,735,836	N/A
Transfer - Gas tax administration	1,396,200	1,400,000	1,274,056	1,288,000	13,944	1.1%
Transfer - Lands and minerals trust fund	2,000,000	6,800,000	15,000,000	35,000,000	20,000,000	133.3%
Transfer - Permanent oil tax trust fund	11,910,000	55,300,000	115,000,000	435,000,000	320,000,000	278.3%
Transfer - State bonding fund	2,800,000	0	0	0	0	N/A
Transfer - Water development trust fund	10,070,373	0	0	0	0	N/A
Transfer - Health care trust fund	35,911,035	16,900,000	0	0	0	N/A
Transfer - Information technology savings	0	0	0	0	0	N/A
Transfers - Other	2,461,911	310,132	0	0	0	N/A
<b>Total transfers and other sources</b>	<b>\$157,808,488</b>	<b>\$154,710,132</b>	<b>\$194,374,056</b>	<b>\$477,023,836</b>	<b>\$282,649,780</b>	<b>145.4%</b>
<b>Total beginning balance, revenues, and transfers</b>	<b>\$1,911,731,760</b>	<b>\$2,385,431,396</b>	<b>\$2,958,116,859</b>	<b>\$3,278,894,860</b>	<b>\$320,778,001</b>	<b>10.8%</b>
Federal fiscal relief payments	\$56,456,581 <sup>9</sup>	\$0	\$0	\$0	\$0	N/A
<b>Total revenues, including federal fiscal relief payments</b>	<b>\$1,968,188,341</b>	<b>\$2,385,431,396</b>	<b>\$2,958,116,859</b>	<b>\$3,278,894,860</b>	<b>\$320,778,001</b>	<b>10.8%</b>

<sup>1</sup> Revised 2007-09 revenue forecast.

<sup>2</sup> Legislative amounts for the 2009-11 biennium.

<sup>3</sup> Sections 13 and 15 of House Bill No. 1012 (2007) provides for 10 percent of motor vehicle excise taxes to be deposited in the highway fund rather than the general fund during the 2007-09 biennium. Originally, this bill was anticipated to reduce general fund motor vehicle excise tax collections by \$12.6 million for the 2007-09 biennium. Based on the 2007-09 revised forecast, it is now anticipated that \$14.1 million will be deposited in the highway fund rather than the general fund during the 2007-09 biennium. Senate Bill No. 2012 (2009) provides for 25 percent of motor vehicle excise taxes to be deposited in the highway fund rather than the general fund for the 2009-11 biennium. This bill is anticipated to reduce general fund motor vehicle excise tax collections by \$30.5 million for the 2009-11 biennium.

<sup>4</sup> The amounts shown for the 2007-09 biennium reflect a revenue reduction of \$101 million relating to property tax income tax credits during the 2007-09 biennium. The amounts shown for the 2009-11 biennium reflect a revenue reduction of \$90 million relating to income tax relief.

<sup>5</sup> The amounts shown for the 2007-09 biennium reflect a revenue reduction of \$11 million relating to property tax income tax credits during the 2007-09 biennium. The amount shown for the 2009-11 biennium reflects a revenue reduction of \$10 million relating to income tax relief.

<sup>6</sup> From 1999 through 2003, North Dakota Century Code (NDCC) Section 57-51.1-07.2 provided that if, at the end of any biennium, oil and gas gross production and extraction tax collections during the biennium exceed \$62 million, the excess amount must be transferred from the general fund to the permanent oil tax trust fund. Interest on money in the fund is transferred to the general fund.

Section 26 of 2003 Senate Bill No. 2015 amended NDCC Section 57-51.1-07.2 so that all revenues deposited in the general fund during a biennium that are derived from the oil and gas gross production tax which exceed \$71 million are to be transferred into the permanent oil tax trust fund, instead of the prior \$62 million limit. In August 2003, \$11.91 million was transferred from the permanent oil tax trust fund to the general fund, pursuant to Section 6 of 2003 Senate Bill No. 2015.

Total oil and gas tax collections were \$120.5 million during the 2003-05 biennium, resulting in \$49.5 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2005, balance in the permanent oil tax trust fund was \$50.4 million.

Total oil and gas tax collections were \$240.8 million during the 2005-07 biennium, resulting in \$169.8 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2007, balance in the permanent oil tax trust fund was \$143.3 million.

Total oil and gas tax collections are estimated to be \$548.5 million for the 2007-09 biennium, resulting in \$477.5 million being transferred to the permanent oil tax trust fund. The 2007 Legislative Assembly authorized transfers from the permanent oil tax trust fund for funding centers of excellence (\$15,000,000), higher education capital projects and programs (\$7,783,315), a new Veteran's Home facility (\$6,483,226), an agriculture research and extension operating pool (\$750,000), grants to tribal colleges (\$700,000), and for a transfer to the general fund (\$115,000,000). The estimated June 30, 2009, balance in the permanent oil tax trust fund is \$475 million.

Based on the February 2009 legislative revenue forecast, total oil and gas tax collections are estimated to exceed \$71 million by \$354.1 million; however, the 2009 Legislative Assembly approved bills that increase the county share of taxes and allocation to the oil and gas impact grant fund (House Bill No. 1304) and increase the transfer to the oil and gas research fund (Senate Bill No. 2051) which are anticipated to reduce oil and gas tax collections by \$31 million. The 2009 Legislative Assembly authorized transfers from the permanent oil tax trust fund for higher education capital projects and programs (\$11,675,000), water project grants (\$2,792,000), grants to tribal colleges (\$700,000), funding for Prairie Public Broadcasting (\$1,008,100), a transfer to the property tax relief sustainability fund (\$295,000,000), and a transfer to the general fund of \$435,000,000, of which \$295,000,000 is for property tax relief. The estimated June 30, 2011, balance in the permanent oil tax trust fund is \$51.8 million.

<sup>7</sup> The Legislative Assembly removed the \$60 million transfer from the Bank of North Dakota for the general fund included in the executive budget. The Legislative Assembly provided in Section 16 of 2009 Senate Bill No. 2014 for a transfer of up to \$1 million from the Bank of North Dakota to the general fund to replace any funds deposited in the Ag PACE fund and obligated for a disaster program to assist farmers and livestock producers that suffered extraordinary losses as a result of weather-related events in the winter and spring of 2009.

<sup>8</sup> The 2009-11 Legislative Assembly repealed the \$5 million transfer from the Mill and Elevator for the 2007-09 biennium and provided for future transfers from the Mill and Elevator based on a percentage of mill profits. The amount shown for the 2009-11 biennium is the estimated transfer based on projected Mill and Elevator profits for the 2009-11 biennium.

<sup>9</sup> This amount relates to \$56,456,581 of federal fiscal relief funding received by the state, \$50,000,000 in direct payments, and \$6,456,581 received as enhanced federal medical assistance percentage (FMAP) reimbursements relating to 2001-03 biennium expenditures but were not received until the 2003-05 biennium.