



North Dakota Legislative Council

Prepared for Representative Vigesaa
and Senator Bekkedahl
LC# 25.9421.01000
January 2025

BUDGET STATUS - MOTION FOR BASE-LEVEL REVENUES

GENERAL FUND REVENUE FORECASTS

The schedules below provide information on the 2023-25 biennium revised general fund revenue forecast and the 2025-27 biennium general fund revenue forecast based on the Armstrong executive revenue forecast, January 2025 estimates prepared by S&P Global, and a proposed forecast.

2023-25 Biennium Revised Forecast				
	Armstrong Adjusted Executive Forecast ¹	January 2025 S&P Global Baseline Forecast ²	Proposed Forecast ³	Increase (Decrease) to Armstrong Adjusted Executive Forecast
Tax and fee revenues				
Sales and use tax	\$2,430,326,787	\$2,418,087,537	\$2,424,200,000	(\$6,126,787)
Motor vehicle excise tax	172,188,071	172,833,275	172,500,000	311,929
Individual income tax	760,077,626	792,018,332	776,000,000	15,922,374
Corporate income tax	529,028,676	551,300,107	540,200,000	11,171,324
Oil and gas tax collections	460,000,000	460,000,000	460,000,000	0
Coal conversion tax	0	0	0	0
Cigarette and tobacco tax	40,563,979	40,563,979	40,563,979	0
Wholesale liquor tax	21,548,141	21,548,141	21,548,141	0
Gaming tax	45,094,225	45,094,225	45,094,225	0
Insurance premium tax	125,804,596	125,804,596	125,804,596	0
Departmental collections	82,956,660	82,956,660	82,956,660	0
Interest income	134,931,420	134,931,420	134,931,420	0
Mineral leasing fees	82,144,768	82,144,768	82,144,768	0
Total tax and fee revenues	\$4,884,664,949	\$4,927,283,040	\$4,905,943,789	\$21,278,840
Transfers and other sources				
Bank of North Dakota profits	\$140,000,000	\$140,000,000	\$140,000,000	\$0
Mill and Elevator Association profits	18,377,705	18,377,705	18,377,705	0
Lottery	13,959,572	13,959,572	13,959,572	0
Gas tax administration	1,844,424	1,844,424	1,844,424	0
Budget stabilization fund (interest)	103,143,877	103,143,877	103,143,877	0
Legacy earnings fund	254,474,088	254,474,088	254,474,088	0
Strategic investment and improvements fund	50,000,000	50,000,000	50,000,000	0
Other miscellaneous transfers	6,509,426	6,509,426	6,509,426	0
Total transfers and other sources	\$588,309,092	\$588,309,092	\$588,309,092	\$0
Total general fund revenues	\$5,472,974,041	\$5,515,592,132	\$5,494,252,881	\$21,278,840

NOTE: The shaded rows reflect the four major tax types for general fund revenue, which are based on economic forecasting data provided by consultants (Moody's Analytics and S&P Global).

¹These amounts exclude a recommendation to transfer \$168 million from the budget stabilization fund.

²Excluding the shaded amounts, the other amounts reflect the amounts included in the Armstrong adjusted executive forecast.

³The shaded amounts reflect the average of the Armstrong adjusted executive forecast and the January 2025 S&P Global baseline forecast. The other amounts reflect the amounts included in the Armstrong adjusted executive forecast.

2025-27 Biennium Forecast				
	Armstrong Adjusted Executive Forecast ¹	January 2025 S&P Global Baseline Forecast ²	Proposed Forecast ³	Increase (Decrease) to Armstrong Adjusted Executive Forecast
Tax and fee revenues				
Sales and use tax	\$2,584,823,561	\$2,668,730,044	\$2,626,800,000	\$41,976,439
Motor vehicle excise tax	173,630,202	180,657,642	177,100,000	3,469,798
Individual income tax	879,227,161	942,168,022	910,700,000	31,472,839
Corporate income tax	506,714,127	506,976,164	506,800,000	85,873
Oil and gas tax collections	460,000,000	460,000,000	460,000,000	0
Coal conversion tax	21,350,000	21,350,000	21,350,000	0
Cigarette and tobacco tax	42,190,043	42,190,043	42,190,043	0
Wholesale liquor tax	21,659,830	21,659,830	21,659,830	0
Gaming tax	45,600,000	45,600,000	45,600,000	0
Insurance premium tax	113,500,000	113,500,000	113,500,000	0
Departmental collections	70,659,448	70,659,448	70,659,448	0
Interest income	62,000,000	62,000,000	62,000,000	0
Mineral leasing fees	80,000,000	80,000,000	80,000,000	0
Total tax and fee revenues	\$5,061,354,372	\$5,215,491,193	\$5,138,359,321	\$77,004,949
Transfers and other sources				
Bank of North Dakota profits	\$140,000,000	\$140,000,000	\$140,000,000	\$0
Mill and Elevator Association profits	17,000,000	17,000,000	17,000,000	0
Lottery	14,039,806	14,039,806	14,039,806	0
Gas tax administration	1,761,168	1,761,168	1,761,168	0
Budget stabilization fund (interest)	69,834,800	69,834,800	69,834,800	0
Legacy earnings fund	311,699,104	311,699,104	311,699,104	0
Total transfers and other sources	\$554,334,878	\$554,334,878	\$554,334,878	\$0
Total general fund revenues	\$5,615,689,250	\$5,769,826,071	\$5,692,694,199	\$77,004,949

NOTE: The shaded rows reflect the four major tax types for general fund revenue, which are based on economic forecasting data provided by consultants (Moody's Analytics and S&P Global).

¹The amounts shown under the Armstrong adjusted executive forecast were adjusted for the following:

- Excludes an allocation increase of \$40 million from oil and gas tax revenues to the general fund;
- Includes an allocation of \$21.35 million from coal conversion tax revenues; and
- Includes an allocation of \$87 million from the legacy earnings fund.

²Excluding the shaded amounts, the other amounts reflect the amounts included in the Armstrong adjusted executive forecast.

³The shaded amounts reflect the average of the Armstrong adjusted executive forecast and the S&P Global baseline January 2025 forecast. The other amounts reflect the amounts included in the Armstrong adjusted executive forecast.

GENERAL FUND BEGINNING BALANCE

The schedule below provides information on the estimated July 1, 2025, general fund balance based on the Armstrong executive forecast and a proposed forecast.

	Armstrong Executive Forecast	Proposed Forecast
Estimated beginning balance before adjustments	\$865,821,045	\$865,821,045
2023-25 biennium proposed forecast adjustment	0	21,278,840
Estimated unspent 2023-25 biennium appropriation authority	225,503,599	225,503,599
Deficiency appropriations	(21,652,408)	0
Transfer from the budget stabilization fund including interest ¹	213,147,762	0
Budget status estimated beginning balance	\$1,282,819,998	\$1,112,603,484

¹The estimated July 1, 2025, balance of the budget stabilization fund is \$746.3 million after the transfer.

OIL PRICE AND PRODUCTION FORECASTS

The schedules below provide information on the oil price and oil production forecasts for the remainder of the 2023-25 biennium and for the 2025-27 biennium based on the Armstrong executive revenue forecast, January 2025 estimates prepared by S&P Global, and a proposed forecast. Estimated oil and gas tax revenue allocations are attached as an [appendix](#).

2023-25 Biennium			
	Armstrong Executive Forecast	January 2025 S&P Global Baseline Forecast	Proposed Forecast
Average oil price (per barrel)	Remaining at \$62 (North Dakota price)	Decreasing from \$80 to \$75 (West Texas Intermediate)	Remaining at \$62 (North Dakota price)
Average daily oil production	Remaining at 1.15 million barrels	Increasing from 1.2 to 1.25 million barrels	Remaining at 1.15 million barrels
NOTE: The amounts shown for the average oil price and production reflect the forecasts for the remainder of the biennium.			

2025-27 Biennium			
	Armstrong Executive Forecast	January 2025 S&P Global Baseline Forecast	Proposed Forecast
Average oil price	Decreasing from \$62 to \$60 (North Dakota price)	Decreasing from \$75 to \$65 (West Texas Intermediate)	Decreasing from \$62 to \$60 (North Dakota price)
Average daily oil production	Decreasing from 1.15 to 1.1 million barrels	Decreasing from 1.25 to 1.1 million barrels	Decreasing from 1.15 to 1.1 million barrels

APPROPRIATIONS COMMITTEES MOTION

The following is a motion for consideration by the Appropriations Committees related to the 2025-27 biennium estimated base-level revenues:

It was moved by _____ and seconded by _____ that the House (Senate) Appropriations Committees of the 69th Legislative Assembly adopt, for Legislative Council budget status reporting purposes, the following estimated base-level revenues (as shown for the proposed forecasts in the schedules above):

- Estimated July 1, 2025, general fund balance - \$1,112,603,484.
- 2025-27 biennium estimated total general fund revenues - \$5,692,694,199.
- Estimated oil price and daily oil production for the remainder of the 2023-25 biennium - Oil prices remaining at \$62 per barrel and oil production remaining at 1.15 million barrels per day.
- Estimated oil price and daily oil production for the 2025-27 biennium - Oil prices decreasing from \$62 to \$60 per barrel and oil production decreasing from 1.15 to 1.1 million barrels per day.

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