

## 2015-17 BIENNIUM REVENUE - MONTHLY SUMMARY

This memorandum provides a summary of general fund revenue; oil production, oil prices, and rig counts; and oil tax revenue allocations. The first section compares actual and forecasted general fund revenue. The second section compares actual and forecasted oil production, oil prices, rig counts, and oil tax revenue allocations.

### GENERAL FUND REVENUE General Fund Revenue Collections

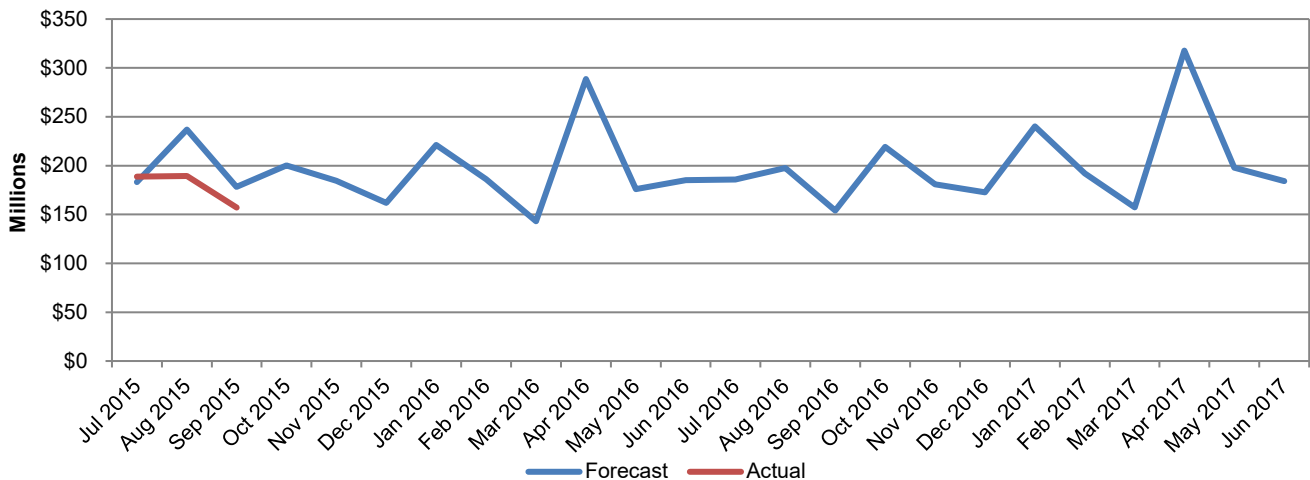
The schedule below provides a comparison of actual to forecasted general fund revenue collections for the month of September 2015 and for the biennium to date.

Category	September 2015			Biennium to Date			
	Actual	Forecast <sup>1</sup>	Variance	Actual	Forecast <sup>1</sup>	Variance	
						Amount	Percentage
<b>Ongoing Revenue</b>							
Sales and use taxes	<b>\$81,820,240</b>	\$105,106,000	(\$23,285,760)	\$276,260,869	\$351,663,000	(\$75,402,131)	(21.4%)
Motor vehicle excise tax	<b>9,842,231</b>	12,969,000	(3,126,769)	30,650,075	38,155,000	(7,504,925)	(19.7%)
Individual income tax	<b>15,920,099</b>	18,135,000	(2,214,901)	90,168,705	84,743,000	5,425,705	6.4%
Corporate income tax	<b>8,010,760</b>	0	8,010,760	9,802,282	0	9,802,282	N/A
Insurance premium tax	<b>281,025</b>	2,991,890	(2,710,865)	5,030,092	3,201,000	1,829,092	57.1%
Financial institutions tax	<b>206,951</b>	0	206,951	233,621	0	233,621	N/A
Gross production tax	<b>1,781,303</b>	1,781,303	0	39,848,147	39,848,147	0	0.0%
Oil extraction tax	<b>25,568,896</b>	25,568,896	0	53,955,361	53,955,361	0	0.0%
Gaming tax	<b>49,206</b>	18,930	30,276	755,807	1,080,100	(324,293)	(30.0%)
Cigarette and tobacco tax	<b>2,789,108</b>	2,799,000	(9,892)	8,306,326	8,256,000	50,326	0.6%
Wholesale liquor tax	<b>533,931</b>	748,000	(214,069)	2,291,401	2,328,000	(36,599)	(1.6%)
Coal conversion tax	<b>1,994,155</b>	1,647,000	347,155	4,100,446	3,243,000	857,446	26.4%
Mineral leasing fees	<b>1,661,689</b>	819,488	842,201	3,763,097	2,458,464	1,304,633	53.1%
Departmental collections	<b>6,370,176</b>	5,538,100	832,076	9,402,811	8,774,741	628,070	7.2%
Interest income	<b>243,679</b>	269,032	(25,353)	624,030	551,730	72,300	13.1%
<b>Total ongoing revenue</b>	<b>\$157,073,449</b>	\$178,391,639	(\$21,318,190)	\$535,193,070	\$598,257,543	(\$63,064,473)	(10.5%)
<b>Transfers</b>							
Lottery	<b>\$0</b>	\$0	\$0	\$0	\$0	\$0	N/A
State Mill profits - Transfer	<b>0</b>	0	0	0	0	0	N/A
<b>Major special funds - Transfer</b>	<b>0</b>	0	0	<b>657,000,000</b>	<b>657,000,000</b>	<b>0</b>	<b>0.0%</b>
Other transfers	<b>0</b>	0	0	253,812	253,812	0	0.0%
<b>Total transfers</b>	<b>\$0</b>	\$0	\$0	\$657,253,812	\$657,253,812	\$0	0.0%
<b>Total revenue</b>	<b>\$157,073,449</b>	\$178,391,639	(\$21,318,190)	\$1,192,446,882	\$1,255,511,355	(\$63,064,473)	(5.0%)

<sup>1</sup>The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the May 2015 legislative estimate for general fund revenue. The amounts shown for the gross production tax and the oil extraction tax forecast have been revised to reflect the actual allocations because the allocations are limited to \$300 million per biennium.

### Ongoing General Fund Revenue

The chart below provides a comparison of actual to forecasted ongoing general fund revenue collections for the biennium to date.



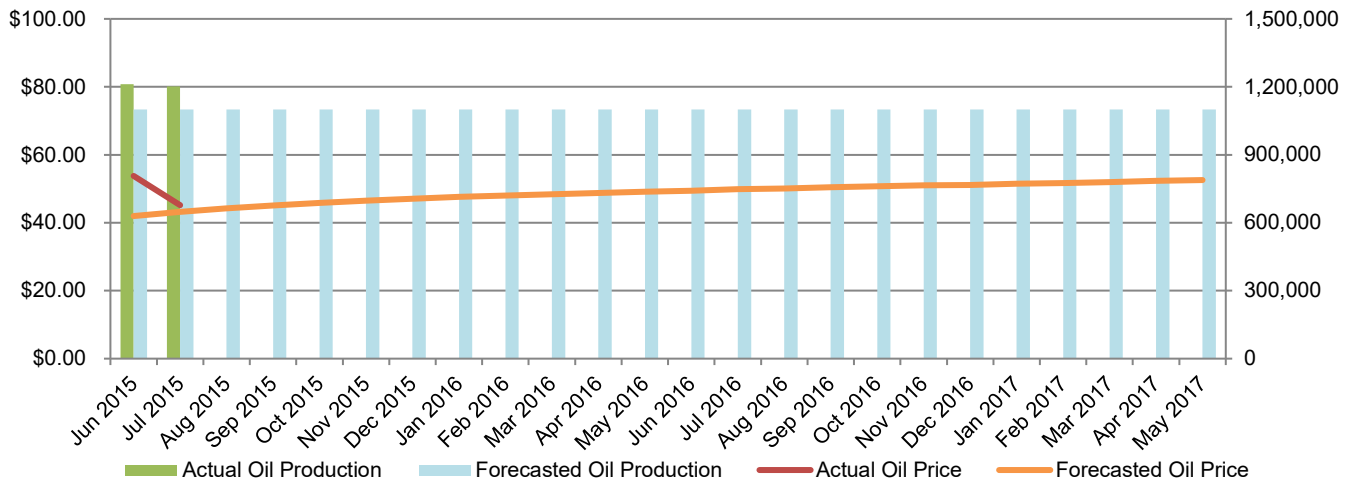
## OIL TAX REVENUE ALLOCATIONS Oil Production, Oil Prices, and Rig Counts

The schedule below provides a comparison of actual to forecasted amounts for oil production, oil prices, and rig counts for July 2015 and for the biennium to date. Oil tax revenue allocations relate to oil price and production from two months prior. As a result, oil price and production are reported from June 2015 to May 2017.

	July 2015	Biennium-to-Date Average
<b>Average daily production of oil in barrels</b>		
Actual	1,201,920	1,206,624
Forecast	1,100,000	1,100,000
<b>Average daily oil price</b>		
Actual - Flint Hills Resources	\$39.41	\$43.57
Actual - West Texas Intermediate	\$50.93	\$55.38
Actual - Average of Flint Hills Resources and West Texas Intermediate	\$45.17	\$51.63
Forecast	\$43.23	\$42.60
<b>Average daily rig counts</b>		
Actual	73	76
Forecast (Unofficial - Reflects an increase from 100 to 140 drilling rigs for the biennium)	100	100

### Oil Production and Prices

The chart below provides information on oil production and oil prices for the biennium to date. Oil tax revenue allocations relate to oil price and production from two months prior. As a result, oil price and production are reported from June 2015 to May 2017. **The amounts shown for the actual oil price reflect the average of the Flint Hills Resources price and the West Texas Intermediate price.**



### Oil Tax Revenue Allocations

The schedule below provides a comparison of actual to forecasted oil tax revenue allocations for the period August 2015 through September 2015. Oil tax revenue allocations relate to oil price and production from two months prior. As a result, oil tax revenue allocations are reported from August 2015 to July 2017, and oil price and production are reported from June 2015 to May 2017. The amounts shown for the 2015-17 biennium forecast reflect the May 2015 legislative estimate which was based on lower oil extraction tax collections for the first five months of the biennium related to the "large trigger." However, the "large trigger" did not take effect.

	2015-17 Biennium to Date		Variance	
	Actual	Forecast	Amount	Percentage
Legacy fund	<b>\$98,528,847</b>	\$45,698,986	\$52,829,861	115.6%
Three Affiliated Tribes	<b>27,431,549</b>	13,500,922	13,930,627	103.2%
Oil and gas research fund	<b>2,719,399</b>	640,980	2,078,419	324.3%
Oil and gas impact grant fund	<b>6,047,182</b>	5,428,294	618,888	11.4%
Political subdivisions	<b>64,367,332</b>	56,278,245	8,089,087	14.4%
Abandoned well reclamation fund	<b>1,207,475</b>	1,005,690	201,785	20.1%
North Dakota outdoor heritage fund	<b>1,764,737</b>	2,011,380	(246,643)	(12.3%)
Foundation aid stabilization fund	<b>14,997,753</b>	2,464,590	12,533,163	508.5%
Common schools trust fund	<b>14,997,753</b>	2,464,590	12,533,163	508.5%
Resources trust fund	<b>29,995,506</b>	4,929,179	25,066,327	508.5%
General fund	<b>93,803,509</b>	31,408,018	62,395,491	198.7%

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	2015-17 Biennium to Date		Variance	
	Actual	Forecast	Amount	Percentage
Property tax relief fund	0	0	0	N/A
Strategic investment and improvements fund	533	0	533	N/A
Political subdivision allocation fund	0	0	0	N/A
State disaster relief fund	0	0	0	N/A
<b>Total oil and gas tax revenue allocations</b>	<b>\$355,861,575</b>	<b>\$165,830,874</b>	<b>\$190,030,701</b>	<b>114.6%</b>