

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 collections and 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

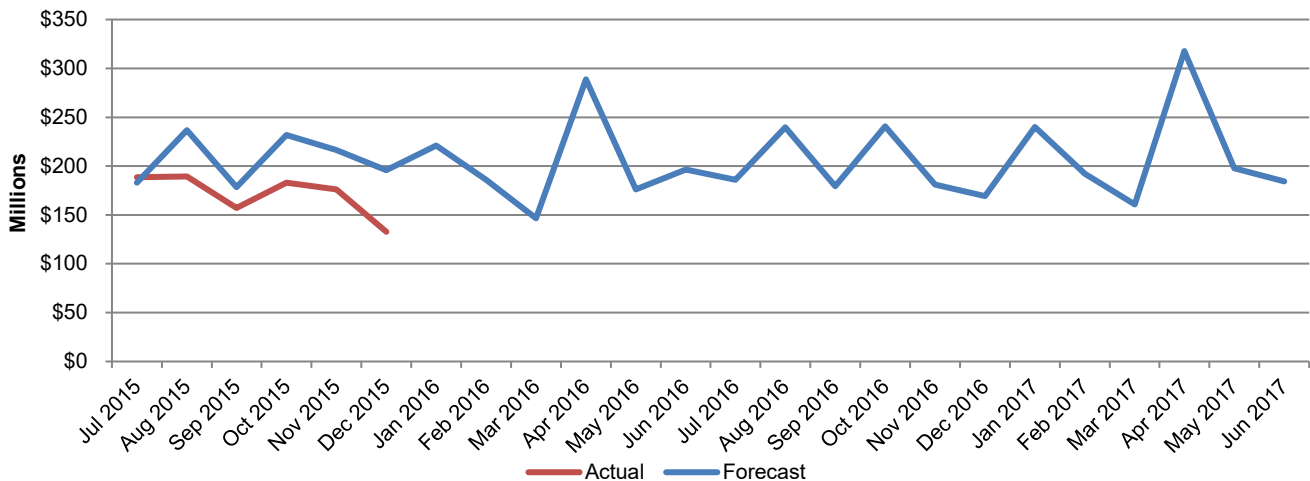
The schedule below provides a comparison of actual to forecasted general fund revenue collections for the month of December 2015 and for the biennium-to-date.

Category	December 2015			Biennium-to-Date			
	Actual	Forecast ¹	Variance	Actual	Forecast ¹	Variance	
						Amount	Percentage
Ongoing Revenue							
Sales and use taxes	\$66,641,543	\$96,801,000	(\$30,159,457)	\$519,838,997	\$713,357,000	(\$193,518,003)	(27.1%)
Motor vehicle excise tax	8,910,162	12,000,000	(3,089,838)	58,129,607	76,568,000	(18,438,393)	(24.1%)
Individual income tax	6,236,624	11,151,000	(4,914,376)	159,850,184	137,491,000	22,359,184	16.3%
Corporate income tax	901,738	28,445,000	(27,543,262)	17,711,986	53,203,000	(35,491,014)	(66.7%)
Insurance premium tax	4,258,657	1,272,840	2,985,817	17,723,352	14,500,790	3,222,562	22.2%
Financial institutions tax	0	0	0	244,614	0	244,614	N/A
Gross production tax	14,457,372	14,457,372	0	78,910,106	78,910,106	0	0.0%
Oil extraction tax	23,142,313	23,142,313	0	116,620,823	116,620,823	0	0.0%
Gaming tax	45,371	16,450	28,921	1,615,148	1,844,730	(229,582)	(12.4%)
Cigarette and tobacco tax	2,343,917	2,548,000	(204,083)	15,792,051	15,905,000	(112,949)	(0.7%)
Wholesale liquor tax	707,309	824,000	(116,691)	4,748,136	4,728,000	20,136	0.4%
Coal conversion tax	1,874,693	1,604,000	270,693	9,780,796	7,996,000	1,784,796	22.3%
Mineral leasing fees	599,784	819,488	(219,704)	8,342,436	4,916,928	3,425,508	69.7%
Departmental collections	2,428,975	2,615,398	(186,423)	16,579,214	15,423,453	1,155,761	7.5%
Interest income	196,244	242,601	(46,357)	1,326,710	1,281,541	45,169	3.5%
Total ongoing revenue	\$132,744,702	\$195,939,462	(\$63,194,760)	\$1,027,214,160	\$1,242,746,371	(\$215,532,211)	(17.3%)
Transfers							
Lottery	\$0	\$0	\$0	\$0	\$0	\$0	N/A
State Mill profits - Transfer	0	0	0	0	0	0	N/A
Major special funds - Transfer	0	0	0	657,000,000	657,000,000	0	0.0%
Other transfers	0	0	0	572,828	507,624	65,204	12.8%
Total transfers	\$0	\$0	\$0	\$657,572,828	\$657,507,624	\$65,204	0.0%
Total revenue	\$132,744,702	\$195,939,462	(\$63,194,760)	\$1,684,786,988	\$1,900,253,995	(\$215,467,007)	(11.3%)

¹The 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 and schedule below provide a comparison of actual to forecasted ongoing general fund revenue collections for the biennium-to-date.



	Actual	Forecast	Variance	Percentage
July 2015	\$188,734,824	\$183,033,628	\$5,701,196	3.1%
August 2015	189,384,797	236,832,276	(47,447,479)	(20.0%)
September 2015	157,073,450	178,391,640	(21,318,190)	(12.0%)
October 2015	183,024,353	231,971,867	(48,947,514)	(21.1%)
November 2015	176,252,034	216,577,498	(40,325,464)	(18.6%)
December 2015	132,744,702	195,939,462	(63,194,760)	(32.3%)
Biennium-to-date	\$1,027,214,160	\$1,242,746,371	(\$215,532,211)	(17.3%)

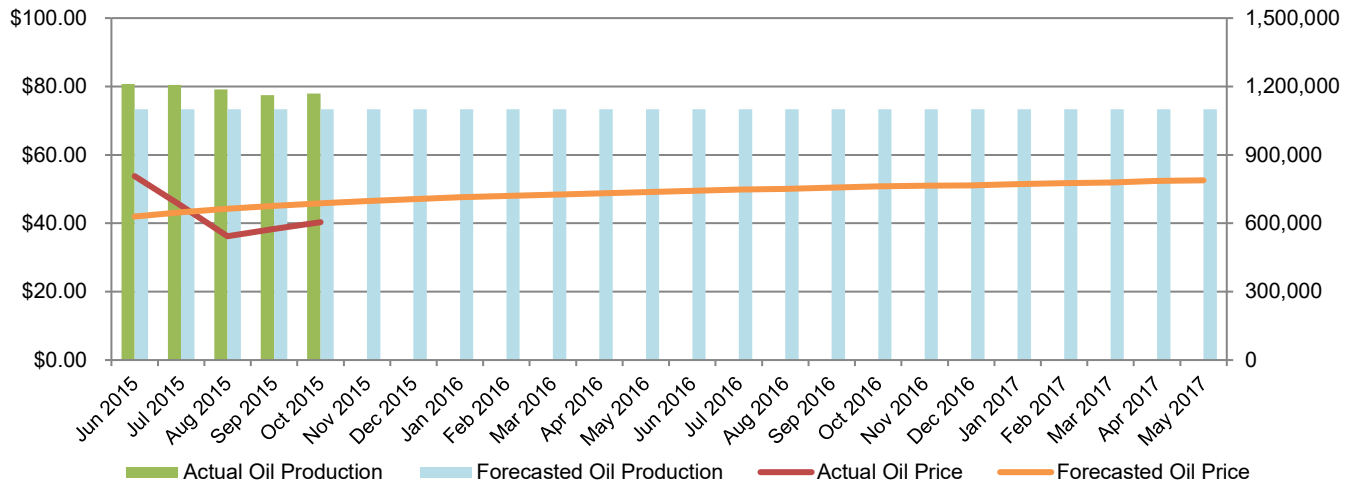
OIL TAX REVENUE ALLOCATIONS Oil Production, Oil Prices, and Rig Counts

The schedule below provides a comparison of actual to forecasted amounts for oil production, oil prices, and rig counts for October 2015 and for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported from June 2015 to May 2017.

	October 2015	Biennium-to-Date Average
Average daily production of oil in barrels		
Actual	1,168,950	1,187,413
Forecast	1,100,000	1,100,000
Average daily oil price		
Actual - Flint Hills Resources (FHR)	\$34.37	\$36.44
Actual - West Texas Intermediate (WTI)	\$46.25	\$49.07
Actual - Average of FHR and WTI	\$40.31	\$42.76
Forecast	\$45.80	\$44.07
Average daily rig counts		
Actual	68	73
Forecast (Unofficial - Reflects an increase from 100 to 140 drilling rigs for the biennium)	110	106

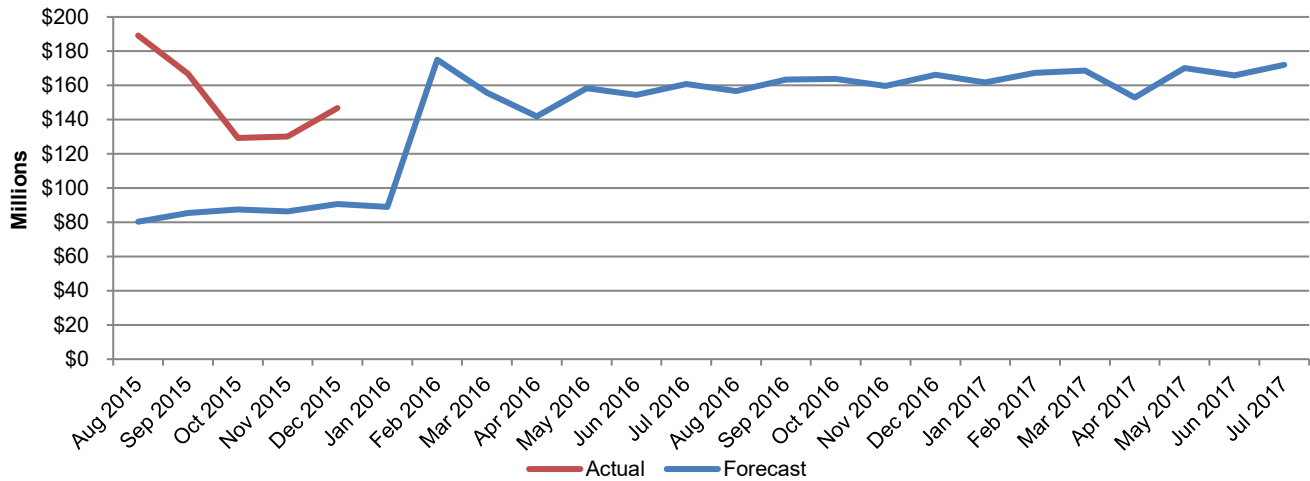
Oil Production and Prices

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 2 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 FHR price and the WTI price.**



Oil Tax Revenue Collections

The chart and schedule below provide a comparison of actual to forecasted oil tax revenue collections for the biennium-to-date.



	Actual	Forecast	Variance	Percentage
August 2015	\$189,128,527	\$80,330,580	\$108,797,947	135.4%
September 2015	166,733,048	85,500,294	81,232,754	95.0%
October 2015	129,281,384	87,557,206	41,724,178	47.7%
November 2015	130,038,372	86,283,120	43,755,252	50.7%
December 2015	146,746,620	90,583,240	56,163,380	62.0%
Biennium-to-date	\$761,927,951	\$430,254,440	\$331,673,511	77.1%

Oil Tax Revenue Allocations

The schedule below provides a comparison of actual to forecasted oil tax revenue allocations for the period August 2015 through December 2015. Oil tax revenue allocations relate to oil price and production from 2 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 5 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	\$211,195,224	\$118,567,737	\$92,627,487	78.1%
Three Affiliated Tribes	57,943,332	35,028,651	22,914,681	65.4%
Oil and gas research fund	5,697,409	1,698,482	3,998,927	235.4%
Oil and gas impact grant fund	17,275,294	22,770,222	(5,494,928)	(24.1%)
Political subdivisions	137,081,983	135,557,952	1,524,031	1.1%
Abandoned well reclamation fund	2,564,435	2,609,300	(44,865)	(1.7%)
North Dakota outdoor heritage fund	4,478,657	5,218,601	(739,944)	(14.2%)
Foundation aid stabilization fund	32,540,038	6,394,471	26,145,567	408.9%
Common schools trust fund	32,540,038	6,394,471	26,145,567	408.9%
Resources trust fund	65,080,077	12,788,940	52,291,137	408.9%
General fund	195,530,931	83,225,613	112,305,318	134.9%
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
Total oil and gas tax revenue allocations	\$761,927,951	\$430,254,440	\$331,673,511	77.1%