

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

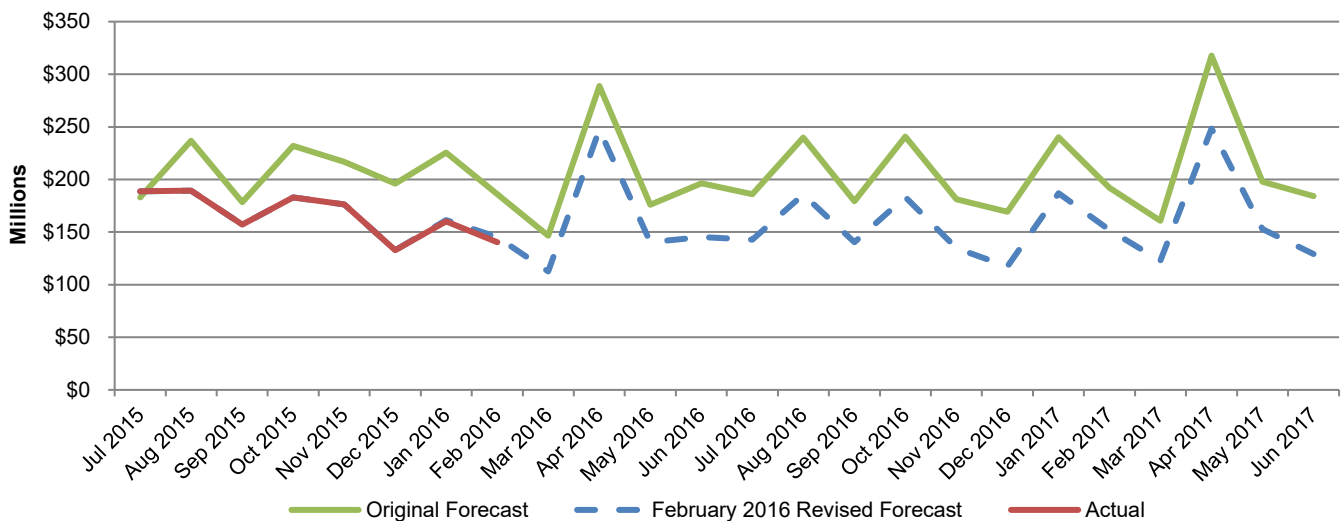
The schedule below provides a comparison of actual to the February 2016 revised forecast of general fund revenue collections for the month of February 2016 and for the biennium-to-date.

Category	February 2016			Biennium-to-Date			
	Actual	Revised Forecast ¹	Variance	Actual	Revised Forecast ¹	Variance	
						Amount	Percentage
Ongoing Revenue							
Sales and use taxes	\$75,471,822	\$110,242,000	(\$34,770,178)	\$681,189,565	\$717,607,000	(\$36,417,435)	(5.1%)
Motor vehicle excise tax	7,424,627	7,835,000	(410,373)	73,999,135	75,489,000	(1,489,865)	(2.0%)
Individual income tax	26,558,579	7,483,000	19,075,579	215,088,655	197,150,000	17,938,655	9.1%
Corporate income tax	3,391,767	1,900,000	1,491,767	38,233,329	36,857,000	1,376,329	3.7%
Insurance premium tax	18,273,487	9,818,340	8,455,147	36,169,809	27,601,822	8,567,987	31.0%
Financial institutions tax	0	0	0	253,363	244,614	8,749	3.6%
Gross production tax	0	0	0	83,379,177	83,379,177	0	0.0%
Oil extraction tax	0	0	0	116,620,823	116,620,823	0	0.0%
Gaming tax	544,804	501,470	43,334	2,457,608	2,412,577	45,031	1.9%
Cigarette and tobacco tax	1,920,909	2,220,000	(299,091)	19,976,115	20,666,051	(689,936)	(3.3%)
Wholesale liquor tax	518,250	600,000	(81,750)	6,124,826	6,147,136	(22,310)	(0.4%)
Coal conversion tax	1,774,559	1,702,000	72,559	13,404,052	13,067,796	336,256	2.6%
Mineral leasing fees	1,207,309	819,488	387,821	10,705,590	9,981,413	724,177	7.3%
Departmental collections	3,024,049	2,050,883	973,166	28,264,660	25,084,438	3,180,222	12.7%
Interest income	210,491	215,445	(4,954)	1,720,362	1,769,590	(49,228)	(2.8%)
Total ongoing revenue	\$140,320,653	\$145,387,626	(\$5,066,973)	\$1,327,587,069	\$1,334,078,437	(\$6,491,368)	(0.5%)
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	(10)	0	(10)	836,557	826,640	9,917	1.2%
Total transfers	(10)	\$0	(\$10)	\$657,836,557	\$657,826,640	\$9,917	0.0%
Total revenue	\$140,320,643	\$145,387,626	(\$5,066,983)	\$1,985,423,626	\$1,991,905,077	(\$6,481,451)	(0.3%)

¹The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the February 2016 revised revenue forecast 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 the original May 2015 legislative forecast and to the February 2016 revised forecast for ongoing general fund revenue collections for the biennium-to-date.



	Actual	Original Forecast		February 2016 Revised Forecast		
		Amount	Variance	Amount	Variance	Percentage
July 2015	\$188,734,824	\$183,033,628	\$5,701,196	\$188,734,824	\$0	0.0%
August 2015	189,384,797	236,832,276	(47,447,479)	189,384,797	0	0.0%
September 2015	157,073,450	178,391,640	(21,318,190)	157,073,450	0	0.0%
October 2015	183,024,353	231,971,867	(48,947,514)	183,024,353	0	0.0%
November 2015	176,252,034	216,577,498	(40,325,464)	176,252,034	0	0.0%
December 2015	132,744,702	195,939,463	(63,194,761)	132,744,702	0	0.0%
January 2016	160,052,256	225,566,423	(65,514,167)	161,476,651	(1,424,395)	(0.9%)
February 2016	140,320,653	185,977,626	(45,656,973)	145,387,626	(5,066,973)	(3.5%)
Biennium-to-date	\$1,327,587,069	\$1,654,290,421	(\$326,703,352)	\$1,334,078,437	(\$6,491,368)	(0.5%)

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

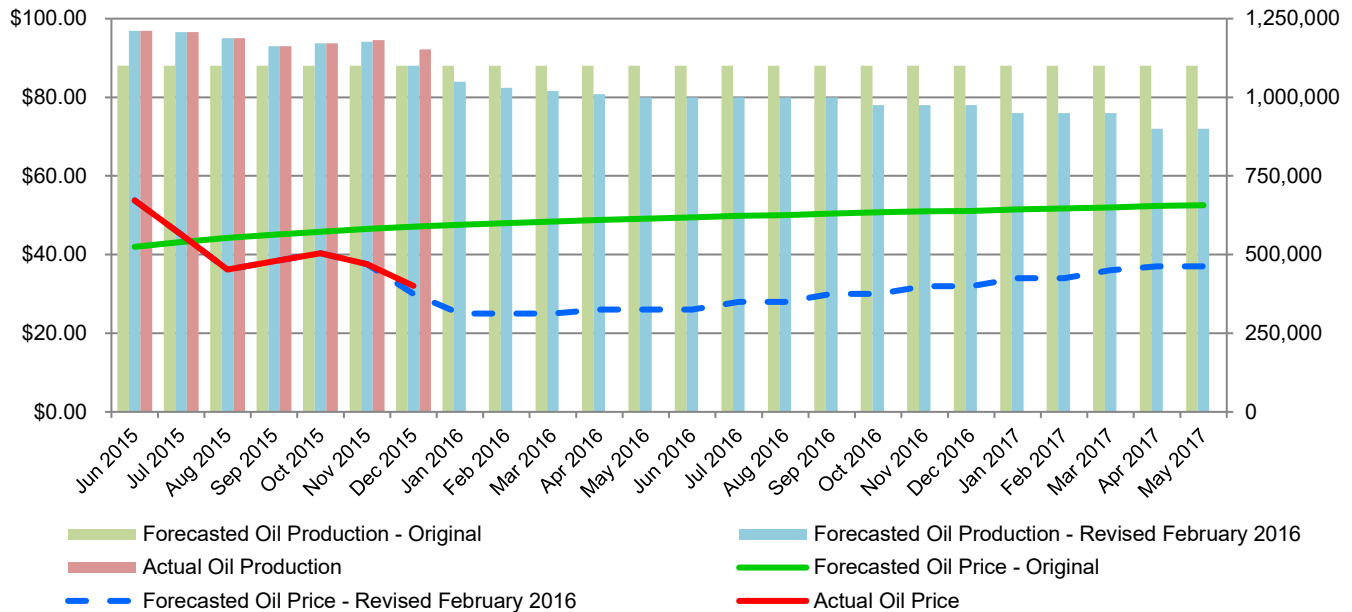
The schedule below provides a comparison of actual to forecasted amounts for oil production, oil prices, and rig counts for December 2015 and for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported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

	December 2015	Biennium-to-Date Average
Average daily production of oil in barrels		
Actual	1,152,280	1,181,900
Revised forecast ¹	1,100,000	1,173,650
Average daily oil price		
Actual - Flint Hills Resources (FHR)	\$26.75	\$34.44
Actual - West Texas Intermediate (WTI)	\$37.33	\$46.52
Actual - Average of FHR and WTI	\$32.04	\$40.48
Revised forecast ¹	\$30.00	\$40.19
Average daily rig counts		
Actual	64	70
Revised forecast (Unofficial - Reflects a decrease to 35 drilling rigs by the end of the first year and an increase from 35 to 50 drilling rigs for the second year)	64	70

¹The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the February 2016 revised revenue forecast for oil tax revenue.

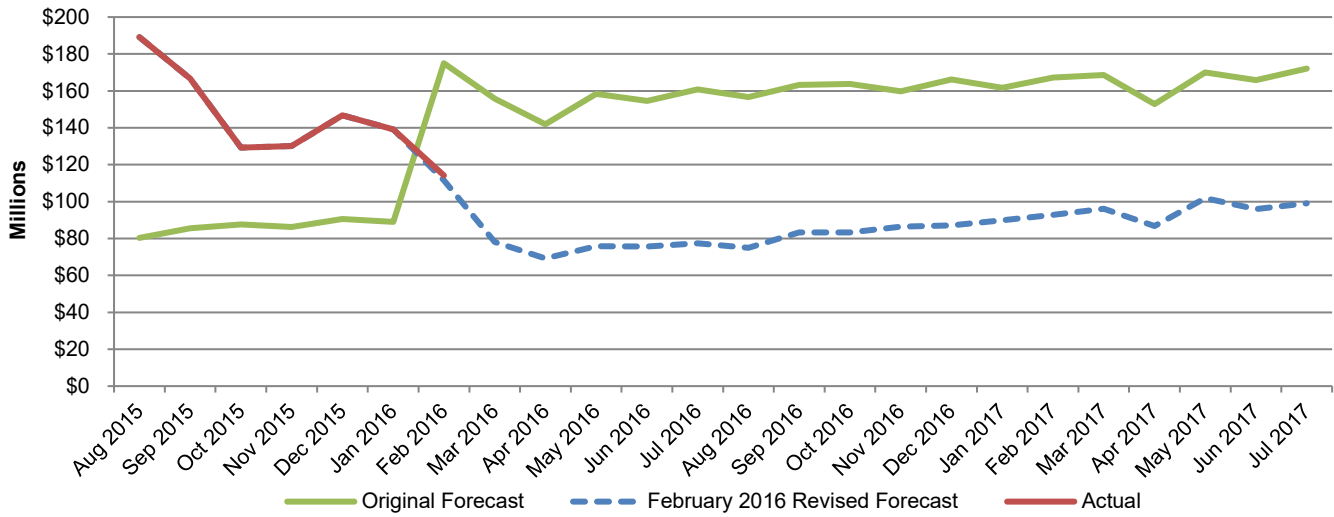
Oil Production and Prices

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	Original Forecast		February 2016 Revised Forecast		
		Amount	Variance	Amount	Variance	Percentage
August 2015	\$189,128,527	\$80,330,580	\$108,797,947	\$189,128,527	\$0	0.0%
September 2015	166,733,048	85,500,294	81,232,754	166,733,048	0	0.0%
October 2015	129,281,384	87,557,206	41,724,178	129,281,384	0	0.0%
November 2015	130,038,372	86,283,120	43,755,252	130,038,372	0	0.0%
December 2015	146,746,620	90,583,240	56,163,380	146,746,620	0	0.0%
January 2016	139,202,168	89,039,280	50,162,888	139,202,168	0	0.0%
February 2016	114,171,236	174,991,652	(60,820,416)	111,507,000	2,664,236	2.4%
Biennium-to-date	\$1,015,301,355	\$694,285,372	\$321,015,983	\$1,012,637,119	\$2,664,236	0.3%

Oil Tax Revenue Allocations

The schedule below provides a comparison of actual to forecasted oil tax revenue allocations for the period August 2015 through February 2016. 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 February 2016 revised revenue forecast.

	2015-17 Biennium-to-Date		Variance	
	Actual	Forecast	Amount	Percentage
Legacy fund	\$281,459,386	\$280,653,817	\$805,569	0.3%
Three Affiliated Tribes	77,102,862	77,123,855	(20,993)	0.0%
Oil and gas research fund	7,587,699	7,340,310	247,389	3.4%
Oil and gas impact grant fund	23,068,317	22,009,062	1,059,255	4.8%
Political subdivisions	180,421,615	178,538,495	1,883,120	1.1%
Abandoned well reclamation fund	3,392,148	3,344,000	48,148	1.4%
North Dakota outdoor heritage fund	6,134,083	6,037,787	96,296	1.6%
Foundation aid stabilization fund	43,699,059	44,030,287	(331,228)	(0.8%)
Common schools trust fund	43,699,059	44,030,287	(331,228)	(0.8%)
Resources trust fund	87,398,118	88,060,573	(662,455)	(0.8%)
General fund	200,000,000	200,000,000	0	0.0%
Tax relief fund	61,338,476	61,468,113	(129,637)	(0.2%)
Strategic investment and improvements fund	533	533	0	0.0%
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	\$1,015,301,355	\$1,012,637,119	\$2,664,236	0.3%