

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.

GENERAL FUND REVENUE General Fund Revenue Collections

The schedule below provides a comparison of actual general fund revenue collections to the March 2017 legislative forecast for the month of May 2017 and for the biennium-to-date.

Category	May 2017			Biennium-to-Date			
	Actual	Revised Forecast ¹	Variance	Actual	Revised Forecast ¹	Variance	
						Amount	Percentage
Ongoing Revenue							
Sales and use taxes	\$73,658,021	\$75,659,000	(\$2,000,979)	\$1,649,571,357	\$1,640,449,155	\$9,122,202	0.6%
Motor vehicle excise tax	10,739,287	8,777,000	1,962,287	210,552,972	205,510,943	5,042,029	2.5%
Individual income tax	26,327,676	46,153,000	(19,825,324)	653,087,142	672,059,528	(18,972,386)	(2.8%)
Corporate income tax	3,448,215	1,756,000	1,692,215	147,566,744	146,882,336	684,408	0.5%
Insurance premium tax	13,170,803	9,631,491	3,539,312	109,004,414	106,263,062	2,741,352	2.6%
Financial institutions tax	0	0	0	1,308,555	1,299,254	9,301	0.7%
Oil gross production tax	0	0	0	127,164,783	127,164,783	0	0.0%
Oil extraction tax	0	0	0	172,835,217	172,835,217	0	0.0%
Gaming tax	552,076	488,550	63,526	6,626,986	6,693,863	(66,877)	(1.0%)
Cigarette and tobacco tax	2,014,774	2,345,000	(330,226)	53,872,045	54,519,263	(647,218)	(1.2%)
Wholesale liquor tax	710,934	813,000	(102,066)	17,058,773	17,240,382	(181,609)	(1.1%)
Coal conversion tax	1,667,438	1,602,000	65,438	39,832,728	39,540,615	292,113	0.7%
Mineral leasing fees	1,083,857	801,913	281,944	26,508,682	25,565,312	943,370	3.7%
Departmental collections	3,035,511	1,785,974	1,249,537	79,083,637	78,204,083	879,554	1.1%
Interest income	207,641	455,301	(247,660)	14,374,972	15,017,621	(642,649)	(4.3%)
Total ongoing revenue	\$136,616,233	\$150,268,229	(\$13,651,996)	\$3,308,449,007	\$3,309,245,417	(\$796,410)	0.0%
Transfers							
Lottery	\$0	\$0	\$0	\$9,580,000	\$9,580,000	\$0	0.0%
State Mill profits	0	0	0	4,434,894	4,434,894	0	0.0%
Tax relief fund	0	0	0	657,000,000	657,000,000	0	0.0%
Budget stabilization fund	0	0	0	572,485,454	572,485,454	0	0.0%
Bank profits	27,432,755	27,432,755	0	100,000,000	100,000,000	0	N/A
Strategic investment and improvements fund	155,000,000	155,000,000	0	155,000,000	155,000,000	0	N/A
Other transfers	150,068	0	150,068	2,284,126	2,109,706	174,420	8.3%
Total transfers	\$182,582,823	\$182,432,755	\$150,068	\$1,500,784,474	\$1,500,610,054	\$174,420	0.0%
Total revenue	\$319,199,056	\$332,700,984	(\$13,501,928)	\$4,809,233,481	\$4,809,855,471	(\$621,990)	0.0%

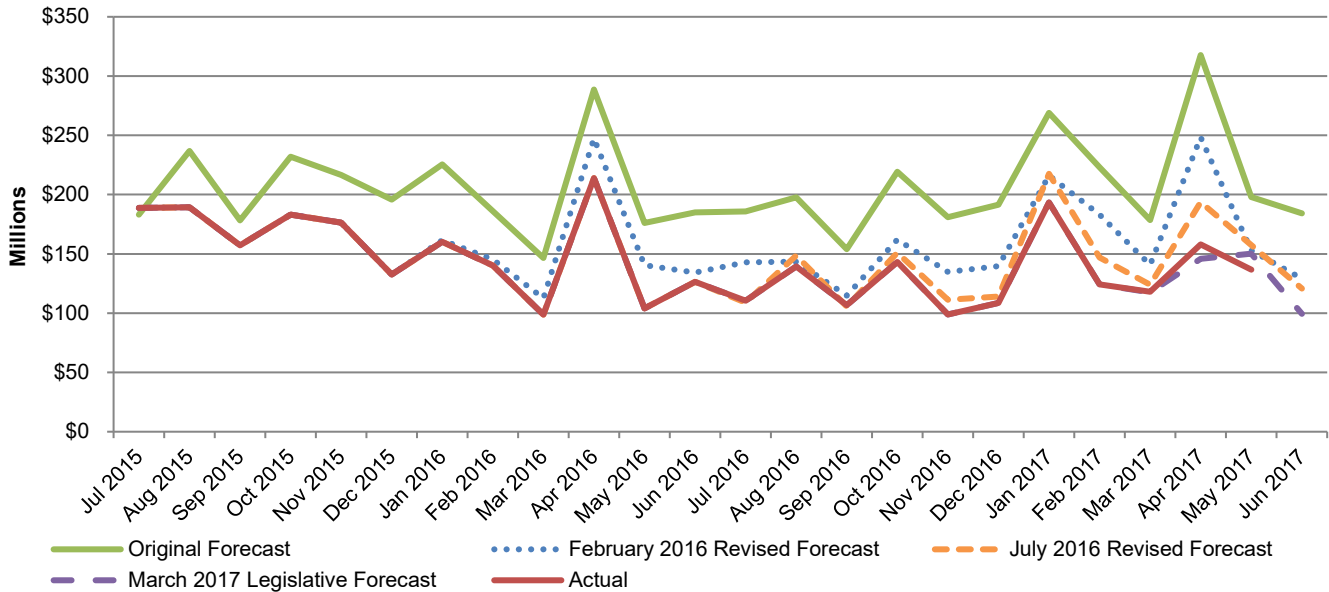
¹The amounts shown for the forecast reflect estimates based on the March 2017 legislative forecast. The amounts shown for the gross production tax and the oil extraction tax forecast have been adjusted to reflect the actual allocations, because the allocations are limited to \$300 million per biennium.

Ongoing General Fund Revenue

The schedule and chart below provide a comparison of actual ongoing general fund revenue collections to the original May 2015 legislative forecast, to the February 2016 revised forecast, the July 2016 revised forecast, and the March 2017 legislative forecast.

	Actual	Original Forecast		March 2017 Legislative 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)	160,052,256	0	0.0%
February 2016	140,320,653	185,977,626	(45,656,973)	140,320,653	0	0.0%
March 2016	98,779,370	146,555,768	(47,776,398)	98,779,370	0	0.0%
April 2016	213,936,376	288,703,915	(74,767,539)	213,936,376	0	0.0%
May 2016	103,964,968	175,987,915	(72,022,947)	103,964,968	0	0.0%
June 2016	126,348,570	185,076,453	(58,727,883)	126,348,570	0	0.0%
July 2016	110,414,124	185,851,999	(75,437,875)	110,414,124	0	0.0%
August 2016	139,331,118	197,633,356	(58,302,238)	139,331,118	0	0.0%
September 2016	106,853,339	154,055,077	(47,201,738)	106,853,339	0	0.0%
October 2016	143,217,174	219,320,841	(76,103,667)	143,217,174	0	0.0%
November 2016	98,990,254	180,986,289	(81,996,035)	98,990,254	0	0.0%
December 2016	108,615,075	191,430,633	(82,815,558)	108,615,075	0	0.0%
January 2017	193,411,945	269,053,945	(75,642,000)	193,411,945	0	0.0%

February 2017	124,197,334	223,141,436	(98,944,102)	124,197,334	0	0.0%
March 2017	118,082,631	178,544,047	(60,461,416)	117,431,938	650,693	0.6%
April 2017	158,103,427	317,725,109	(159,621,682)	145,898,534	12,204,893	8.4%
May 2017	136,616,233	197,886,483	(61,270,250)	150,268,229	(13,651,996)	(9.1%)
Biennium-to-date	\$3,308,449,007	\$4,766,243,687	(\$1,457,794,680)	\$3,309,245,417	(\$796,410)	0.0%



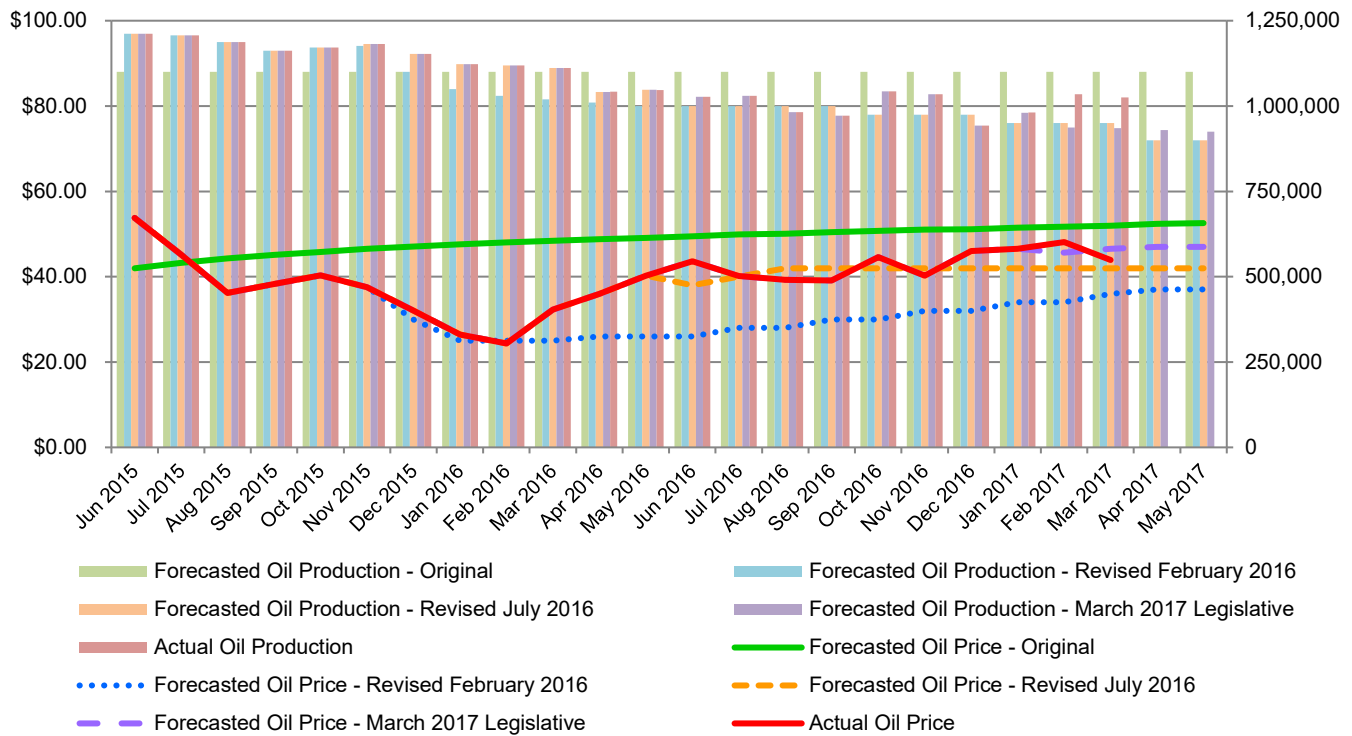
OIL TAX REVENUE ALLOCATIONS Oil Production, Oil Prices, and Rig Counts

The schedule below provides a comparison of actual to forecasted amounts for oil production, oil prices, and rig counts for March 2017 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.

	March 2017	Biennium-to-Date Average
Average daily production of oil in barrels		
Actual	1,025,638	1,081,259
Revised forecast ¹	934,955	1,072,660
Average daily oil price		
Actual - Flint Hills Resources (FHR)	\$38.13	\$33.97
Actual - West Texas Intermediate (WTI)	\$49.67	\$45.51
Actual - Average of FHR and WTI	\$43.90	\$39.74
Revised forecast ¹	\$46.57	\$39.75
Average daily rig counts		
Actual	46	47
Revised forecast (Unofficial - Reflects drilling rigs increasing from 38 to 40 per month for the remainder of the biennium)	39	47
¹ The amounts shown for the forecast reflect estimates based on the March 2017 legislative forecast for oil prices, oil production, and oil tax revenue.		

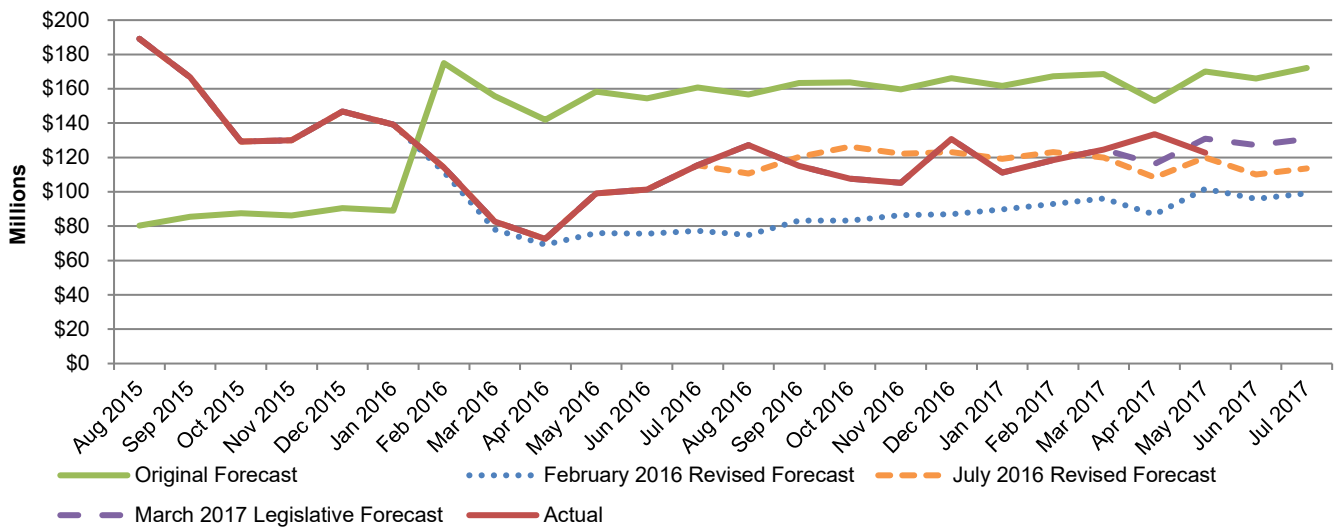
Oil Production and Prices

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		March 2017 Legislative 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)	114,171,236	0	0.0%
March 2016	82,627,992	155,757,888	(73,129,896)	82,627,992	0	0.0%
April 2016	72,580,606	141,985,536	(69,404,930)	72,580,606	0	0.0%
May 2016	99,139,519	158,442,240	(59,302,721)	99,139,519	0	0.0%
June 2016	101,344,321	154,503,360	(53,159,039)	101,344,321	0	0.0%
July 2016	115,548,295	160,799,232	(45,250,937)	115,548,295	0	0.0%
August 2016	127,238,464	156,625,920	(29,387,456)	127,238,464	0	0.0%
September 2016	115,176,649	163,319,904	(48,143,255)	115,176,649	0	0.0%
October 2016	107,590,480	163,810,944	(56,220,464)	107,590,480	0	0.0%

17.9128.21000

November 2016	105,311,683	159,698,880	(54,387,197)	105,311,683	0	0.0%
December 2016	130,748,734	166,167,936	(35,419,202)	130,748,734	0	0.0%
January 2017	111,174,391	161,631,360	(50,456,969)	111,174,391	0	0.0%
February 2017	118,381,819	167,248,224	(48,866,405)	118,381,819	0	0.0%
March 2017	124,632,787	168,557,664	(43,924,877)	124,632,788	(1)	0.0%
April 2017	133,634,841	152,866,560	(19,231,719)	116,205,272	17,429,569	15.0%
May 2017	122,781,806	170,063,520	(47,281,714)	130,927,349	(8,145,543)	(6.2%)
Biennium-to-date	\$2,683,213,742	\$3,095,764,540	(\$412,550,798)	\$2,673,929,717	\$9,284,025	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 May 2017. 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 March 2017 legislative forecast.

	2015-17 Biennium-to-Date		Variance	
	Actual	Forecast	Amount	Percentage
Legacy fund	\$743,424,028	\$742,182,484	\$1,241,544	0.2%
Three Affiliated Tribes	205,133,115	199,987,567	5,145,548	2.6%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	68,770,597	67,529,666	1,240,931	1.8%
Political subdivisions	504,589,668	501,014,683	3,574,985	0.7%
Abandoned well reclamation fund	9,387,138	9,330,732	56,406	0.6%
North Dakota outdoor heritage fund	18,124,064	18,011,251	112,813	0.6%
Foundation aid stabilization fund	109,946,872	110,752,655	(805,783)	(0.7%)
Common schools trust fund	109,946,872	110,752,655	(805,783)	(0.7%)
Resources trust fund	219,893,744	221,505,308	(1,611,564)	(0.7%)
General fund	300,000,000	300,000,000	0	0.0%
Tax relief fund	300,000,000	300,000,000	0	0.0%
Strategic investment and improvements fund	83,997,644	82,862,716	1,134,928	1.4%
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	\$2,683,213,742	\$2,673,929,717	\$9,284,025	0.3%