

**BUREAU OF FINANCE AND
MANAGEMENT**

**REVENUE
FORECASTS**

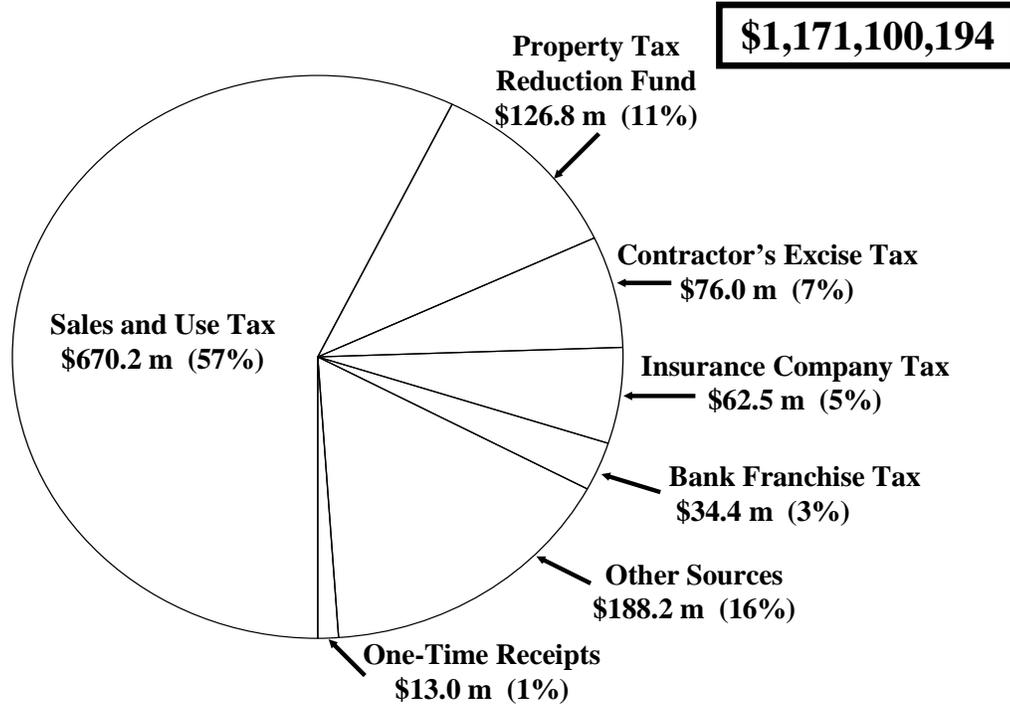
**PRESENTED TO
APPROPRIATIONS COMMITTEE
MARCH 2009**

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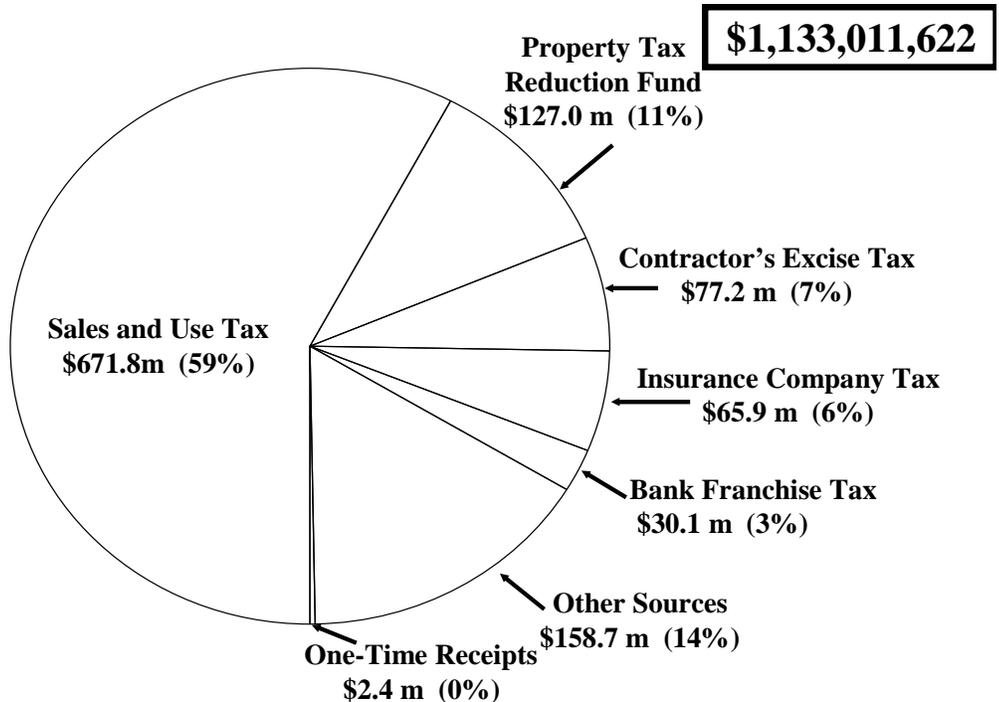
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FY2009 AND FY2010 GENERAL FUND REVENUES

FY2009 General Fund Revenues



FY2010 General Fund Revenues*



* Excludes all Revenue enhancement proposals and fee increase proposals

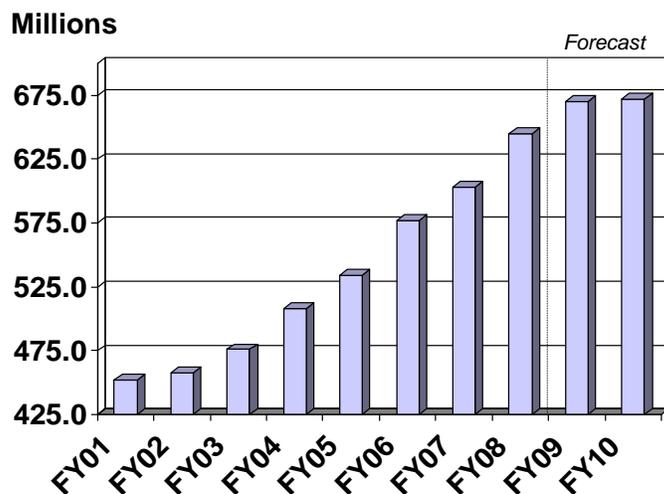
SALES AND USE TAX

Background: The sales tax is applied to the gross receipts of businesses, organizations, or persons engaged in retail sales, including the selling, leasing, and renting of tangible personal property or the sale of services, as long as the products or services are not specifically exempt, intended for resale, or sold to a governmental or sales tax exempt agency. The rate of the state’s sales tax is 4%. (SDCL 10-45) A use tax of the same rate as the sales tax applies to all goods and services that are used, stored, or consumed in South Dakota on which South Dakota sales tax was not paid. The purchaser or consumer of the goods or services is responsible for reporting and remitting the use tax in the filing period in which they receive the goods or services. (SDCL 10-46)

- In addition to the state sales and use tax, municipalities may impose a general sales and use tax of up to 2%. The municipal sales and use tax applies to items or services that are subject to the state sales and use tax. The Department of Revenue and Regulation is the administrative and enforcement agency for the municipal sales and use tax and collects a fee for doing so. The municipal sales and use tax is reported on the same tax return as the state sales and use tax.
- The date the tax return and payment is due depends on the frequency at which the taxpayer must file and the method of tax remittance. Returns can be filed via SD QUEST or mailed to the Remittance Center in Sioux Falls. The most common filing period is once a month. The deadline for filing by mail is the 20th of the following month. Taxpayers that file and pay with SD QUEST must file returns no later than the 23rd day of the month, and payments must be electronically remitted on the second to last working day of the month. If gross receipts are small or if there is a unique situation to the business, taxpayers may file at a different frequency than monthly. These returns are due the last day of the month following the reporting period.

NOTE: Because of when sales and use tax payments are due, sales and use tax collections are lagged one month (ex: collections recorded in January are from sales that occurred in December).

- The Streamline Sales Tax Project (SSTA) is a multi-state effort to design, test and implement a system to radically simplify sales and use tax collection and administration by retailers and states. South Dakota has been involved in the project since its inception, and is one of its full member states. The SSTA was officially implemented on Oct. 1, 2005, and effective that date, retailers can register to collect or pay sales taxes in the Agreement’s member states through a Web-based centralized registration system.
- South Dakota offers various programs that allow businesses to seek a refund of sales, use, and contractors’ excise tax. The Business Tax Division monitored and processed refunds totaling more than \$54 million since the program started.
- The average annual increase in net collections between FY2001 and FY2008 was 5.13%.
- Net collections from the sales and use tax account for approximately 59% of ongoing general fund revenues in FY10.



Currently: In the first eight months of FY2009, sales and use tax collections, excluding audits and net of large project refunds, were \$456.6 million. This is an increase of 4.35% from the first eight months of last year. Year-to-date collections are 68.8% of the estimate. Historically, 68.39% of the total revenue collected from this tax is received in the first eight months.

Estimate: Due to the broad nature of the sales and use tax, there are many different variables that influence collections. Intuitively, one would think these influential variables would include employment, income, the unemployment rate, inflation, etc. To quantify these theories, regression equations were used to see if there has historically been a statistically significant relationship between these and other variables and sales and use tax collections. The sales and use tax data was divided into seven different categories (taxable sales from consumer spending on durables and services, consumer spending on nondurables, business related purchases, construction related purchases, recreation related purchases, utilities, and all other sales) to account for the broad base of the sales and use tax. Different variables were then used in the equations to see if there has historically been a statistically significant relationship between them and taxable sales. After finding the best fitting regression equation for each of the seven categories, sales and use tax collections were forecasted. The regression equations used in the forecast, the coefficient of determination (R^2) associated with the equations, and a brief explanation of how to read regression equations are below.

Equation 1: Consumer Spending on Durables and Services (STCDS)

$STCDS = +182.09 + 204.05 * \text{Seasonal Dummy} + 65.86 * \text{SD Nonfarm Income} + 24.16 * \text{SD Farm Proprietors Income}$

$$R^2 = .9892$$

Equation 2: Consumer Spending on Nondurables (STCND)

$STCND = -38.12 + 184.63 * \text{Seasonal Dummy} + 38.50 * \text{SD Nonfarm Income} + 1.38 * \text{SD Nonfarm Employment} + 52.56 * \text{Inflation rate for food items.}$

$$R^2 = .9881$$

Equation 3: Business Related Purchases (STBUS)

$STBUS = -726.74 + 1.82 * (\text{SD Nonfarm Income} * \text{Seasonal Dummy}) + 2.97 * \text{SD Nonfarm Employment} + 0.60 * \text{Moving Average of Exports}$

$$R^2 = .9616$$

Equation 4: Construction Related Purchases (STCON)

$STCON = -6.39 + 26.80 * \text{SD Nonfarm Income} + 88.02 * \text{Seasonal Dummy} + 10.42 * \text{SD Housing Starts} - 19.94 * \text{Rate on conventional 30 year mortgage lagged one period}$

$$R^2 = .9848$$

Equation 5: Recreation Related Purchases (STREC)

$STREC = -199.97 + 18.36 * \text{SD Nonfarm Income} + 10.84 * \text{SD Leisure and Hospitality Employment} + 6.69 * (\text{Disposable Income} * \text{Seasonal Dummy})$

$$R^2 = .9982$$

Equation 6: Utilities (STUTI)

$STUTI = -176.64 + 32.81 * \text{SD Nonfarm Income} + 41.91 * \text{SD farm proprietors income} + 121.29 * \text{consumer price index for energy}$

$$R^2 = .9859$$

Equation 7: Other Sales

The “all other” category accounts for a very small percent of total taxable sales and is forecast on the basis of past trends.

Collection Equation:

$$\text{Sales Tax Collections} = -1.35 + 0.04 * \text{Total Taxable Sales}$$

$$R^2 = .9990$$

Basic steps to follow when reading a regression equation:

- 1.) Identify the dependent variable (the variable on the left side of the equation) and the independent variables (the variables on the right side of the equation).
- 2.) Look at the signs of the independent variables. The signs tell you if there is a positive or a negative relationship between the dependent and the independent variable.
- 3.) Look at the numbers in front of the independent variables. They quantify the change in the dependent variable if there is a one unit change in the independent variable, holding the other independent variables constant.
- 4.) Look at the R^2 . This is one way to identify how good an equation fits the data. An R^2 value close to one tells you that the equation has an excellent overall fit.

	Estimate for FY2009	Estimate for FY2010
Sales and Use Tax Collections (net of large project refunds)	665,609,224	666,900,187
+ Audit Collections	<u>10,136,639</u>	<u>10,386,639</u>
= Base Estimate	675,745,863	677,286,826
- DRR Indirect Funding	5,520,000	5,520,000
= Estimate	670,225,863	671,766,826

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	603,185,287	644,596,998	670,225,863	671,766,826
Dollar Change	26,285,470	41,411,711	25,628,865	1,540,963
Percent Change	4.56	6.87	3.98	0.23

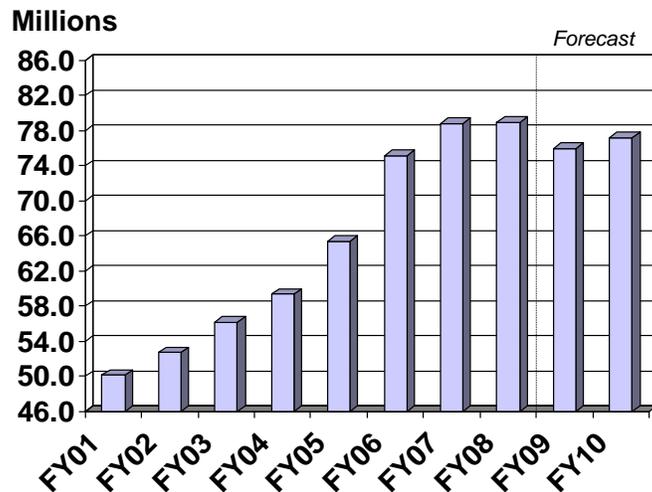
CONTRACTOR'S EXCISE TAX

Background: An excise tax of 2% is imposed on the gross receipts of all prime contractors on construction projects. Subcontractor's gross receipts are not subject to the 2% tax if they are furnished a valid prime contractor's exemption certificate by the prime contractor for each specific job performed. The gross receipts of both prime contractors and subcontractors providing construction services or realty improvement projects for qualifying utilities are subject to a 2% excise tax. Gross receipts resulting from construction services or realty improvements for public and private entities are subject to the excise tax. Therefore, projects for the U.S. Government, State of South Dakota, counties, cities, schools, hospitals, churches, and private individuals are taxable. (SDCL 10-46A and 10-46B)

- The date the tax return and payment is due depends on the frequency at which the taxpayer must file and the method of tax remittance. Contractor's excise tax returns can be filed via SD QUEST or mailed to the Remittance Center in Sioux Falls. The most common filing period is once a month. The deadline for filing by mail is the 20th of the following month. Taxpayers that file and pay with SD QUEST must file returns no later than the 23rd day of the month, and payments must be electronically remitted on the second to last working day of the month. If gross receipts are small or if there is a unique situation to the business, taxpayers may file at a different frequency than monthly. These returns are due the last day of the month following the reporting period.

NOTE: Because of when contractor's excise tax payments are due, collections are lagged one month (ex: collections recorded in July are from taxes on projects that occurred in June).

- The average annual increase in net contractor's excise tax collections between FY2000 and FY2008 was 6.55%.
- Net collections from the contractor's excise tax account for approximately 7% of ongoing general fund revenues in FY10.



Currently: In the first eight months of FY2009, net contractor's excise tax collections were \$60.2 million. This is an increase of 0.84% from the first eight months of last year. Year-to-date collections are 79.2% of the estimate. Historically, 74.39% of the total revenue collected from this tax is received in the first eight months.

Estimate: Contractor's excise tax collections were estimated using a single regression equation. The equation and its coefficient of determination are on the following page. (An explanation of how to read a regression equation can be found on page 4.)

Contractor's Excise Tax Collections = $-34.22 + 2.19 * SD \text{ Construction Employment} + 0.64 * SD \text{ Housing Starts} + 9.49 * \text{Seasonal Dummy} + 9.94 * \text{Producer Price Index for metal materials}$

$R^2 = .9736$

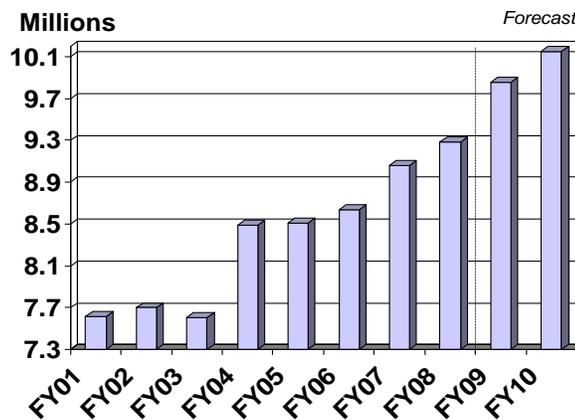
	Estimate for FY2009	Estimate for FY2010
CET Collections (net of refunds)	75,983,997	74,452,527
+ adjustment for Stimulus in FY10	0	2,745,000
= Estimate	75,983,997	77,197,527

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	78,790,924	78,978,429	75,983,997	77,197,527
Dollar Change	3,686,941	187,505	(2,994,431)	1,213,530
Percent Change	4.91	0.24	-3.79	1.60

ALCOHOL BEVERAGE TAX

Background: This tax is levied on manufacturers and wholesalers of alcoholic beverages, and is computed on all alcoholic beverages purchased, received, or imported from a distiller, manufacturer, or foreign wholesaler for sale to a retail dealer. The taxation rates are as follows: 1) \$8.50 per 31 gallon barrel (or a prorata share thereof) on malt beverages; 2) all light wines and diluted beverages (except sparkling wines and cider) having more than 3.2% and not more than 14% alcohol by weight, 93¢ per gallon; 3) all wines (except sparkling wines) having more than 14% and not more than 20% alcohol by weight, \$1.45 per gallon; 4) all wines (except sparkling wines) having more than 20% and not more than 24% alcohol by weight, and all sparkling wines containing alcohol, \$2.07 per gallon; 5) all cider having not more than 10% alcohol by weight, 28¢ per gallon; and, 6) all other alcoholic beverages, \$3.93 per gallon. (SDCL 35-5)

- The state receives 75% of the tax collected, and 25% of the collections go to the municipalities.
- Collections from this tax account for approximately 0.9% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$5.0 million has been collected from this tax. This is an increase of 15.81% from the first eight months of last year. Year-to-date collections are 50.40% of the estimate. Historically, 51.88% of the total revenue collected from this tax is received in the first eight months.

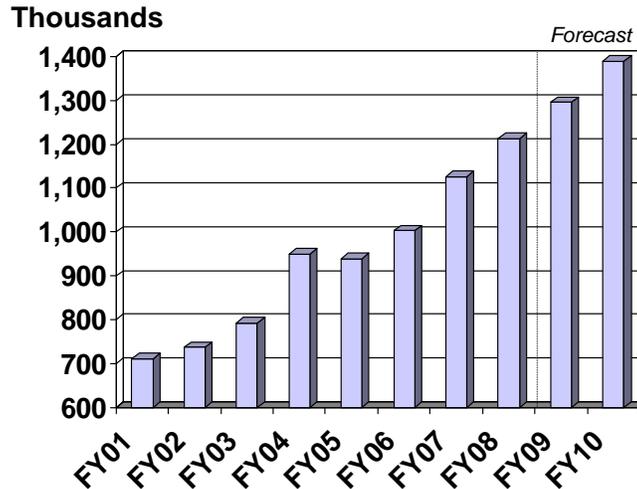
Estimate: The estimates are based on historical collections and current conditions.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	9,060,024	9,288,562	9,857,819	10,150,778
Dollar Change	422,751	228,538	569,257	292,959
Percent Change	4.89	2.52	6.13	2.97

ALCOHOL BEVERAGE 2% WHOLESALE TAX

Background: This tax is in addition to the tax imposed by SDCL 35-5-3, and is levied at the rate of 2% of the purchase price upon the purchase of alcoholic beverages, except malt beverages, by a wholesaler from a distiller, manufacturer, or supplier. (SDCL 35-5-6.1)

- Collections from this tax account for approximately 0.1% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$0.82 million has been collected from this tax. This is a decrease of 2.30% from the first eight months of last year. Year-to-date collections are 63.55% of the estimate. Historically, 67.62% of the total revenue collected from this tax is received in the first eight months.

Estimate: The estimates are based on historical collections and current conditions.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	1,125,604	1,212,155	1,295,145	1,387,858
Dollar Change	123,168	86,551	82,990	92,713
Percent Change	12.29	7.69	6.85	7.16

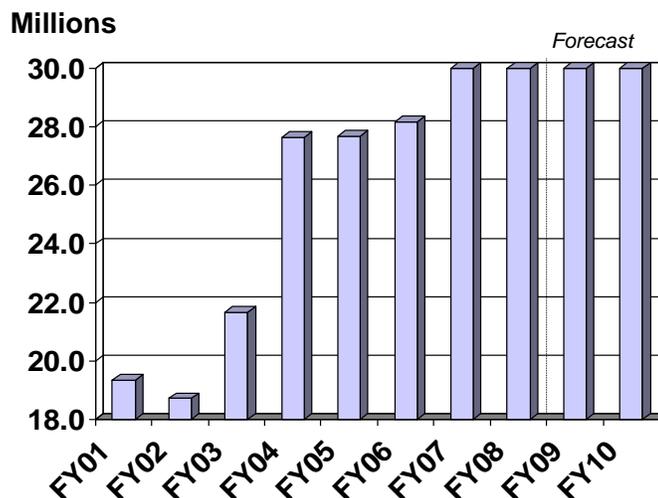
CIGARETTE TAX

Background: Prior to January 1, 2007, the cigarette tax was imposed at the rate of twenty-six and one-half mills on each cigarette (53¢ per pack of 20 cigarettes) and the tax on other tobacco products was 10% of the wholesale purchase price. However, Initiated Measure 2, adopted by the voters of South Dakota in November of 2006, increased the cigarette tax rate to seventy-six and one-half mills on each cigarette (\$1.53 per pack of 20 cigarettes) and the tax on other tobacco products to 35% of the wholesale purchase price. This increase became effective January 1, 2007. The first \$30 million generated by this tax increase is allocated to the general fund. The next \$5 million is to be deposited into the Tobacco Prevention and Reduction Trust Fund. Any revenue in excess of \$35 million is divided among the Property Tax Reduction Fund, the Education Enhancement Tobacco Tax Fund and the Health Care Tobacco Tax Fund. (SDCL 10-50)

- Approximately 92% of the collections included in this category are from the tax on cigarettes, and the remaining 8% is collected based on the tax on the wholesale purchase price of other tobacco products.
- The number of packs of cigarettes sold in South Dakota has been declining. In FY2002, 57.0 million packs of cigarettes were sold in the state; in FY2008 there were 39.4 million packs sold.
- Collections in this category account for approximately 2.7% of ongoing general fund revenues in FY10.
- The total estimates and breakdown of where the dollars go are included in the following table.

	Actual FY2007*	Estimated FY2008	Estimated FY2009	Estimated FY2010
General Fund	30,000,000	30,000,000	30,000,000	30,000,000
TPRTF	5,000,000	5,000,000	5,000,000	5,000,000
PTRF	3,846,057	9,063,720	8,704,953	7,702,307
EETTF	3,846,057	9,063,720	8,704,953	7,702,307
HCTTF	3,962,605	9,338,379	8,968,740	7,935,710
Total	46,654,720	62,465,819	61,378,646	58,340,324

- Currently through the first eight months of FY09, the total collections from the tobacco taxes totaled \$42,265,394.
- Starting April 1, 2009 the federal government is putting an additional \$0.61/pack tax on cigarettes to fund the SCHIP program. This is anticipated to decrease cigarette consumption by 5.4%.
- The chart below includes the amount allocated directly to the general fund:



Currently: Through the first eight months of FY2008, the full \$30.0 million general fund portion has been collected in this category.

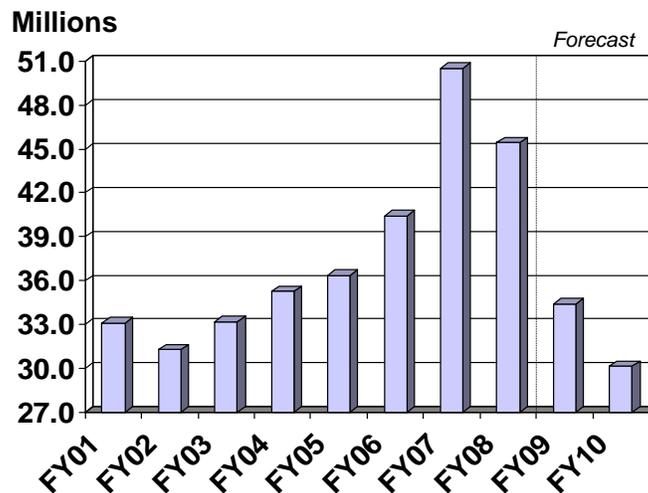
Estimate: Collections from the tax on cigarettes and other tobacco products are estimated individually. The general fund is expected to receive \$30,000,000 in both FY2009 and FY2010.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	30,000,000	30,000,000	30,000,000	30,000,000
Dollar Change	1,825,531	0	0	0
Percent Change	6.48	0	0	0

BANK FRANCHISE TAX

Background: In lieu of sales tax on financial and banking services, an annual tax is imposed on banks, financial institutions, and savings and loan associations based upon net income assignable to South Dakota. The tax rates are as follows: 1) 6% on net income of \$400 million or less; 2) 5% on net income exceeding \$400 million but equal to or less than \$425 million; 3) 4% on net income exceeding \$425 million but equal to or less than \$450 million; 4) 3% on net income exceeding \$450 million but equal to or less than \$475 million; 5) 2% on net income exceeding \$475 million but equal to or less than \$500 million; 6) 1% on net income exceeding \$500 million but equal to or less than \$600 million; 7) 0.5% on net income exceeding \$600 million but equal to or less than \$1.2 billion; and, 8) 0.25% on net income exceeding \$1.2 billion. The minimum tax payable is \$200. (SDCL 10-43)

- Ninety-five percent of the taxes paid by banks organized under SDCL 51A-2-38 to 51A-2-43 (bank card taxpayers) and 26 2/3% of all other revenues are deposited in the general fund. The remaining 5% of collections from bank card taxpayers and the 73 1/3% of revenues received from all other banks are remitted to the county where the bank or financial institution is located.
- The majority of revenue deposited in the general fund from the bank franchise tax is from bank card institutions (approximately 80%). Because of this, collections from the bank franchise tax are impacted more by the national economy than by the South Dakota economy.
- Collections from this tax account for approximately 2.7% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$25.5 million has been collected from this tax. This is a decrease of 16.49% from the first eight months of last year. Year-to-date collections are 69.10% of the estimate. Historically, 68.89% of the total revenue collected from this tax is received in the first eight months.

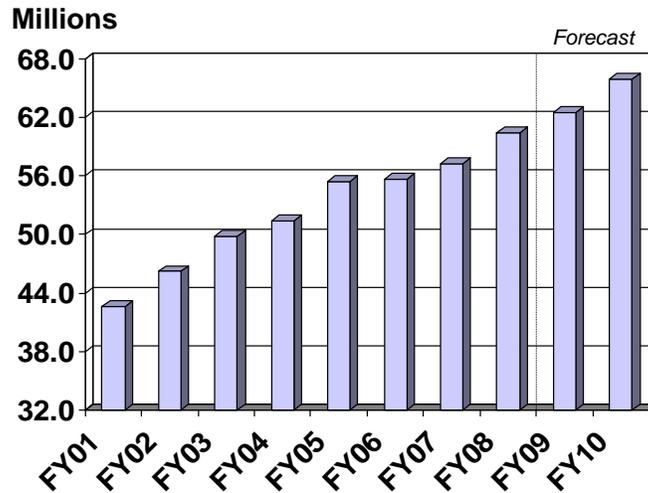
Estimate: Collections received from bank card taxpayers and other banks are estimated individually. In FY07, a large one-time audit assessment increased collections. The estimate is based on historical collections and current conditions.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	50,473,895	45,433,113	34,397,330	30,130,638
Dollar Change	10,026,812	(5,040,783)	(11,035,783)	(4,266,692)
Percent Change	24.79	-9.99	-24.29	-12.40

INSURANCE COMPANY TAX

Background: A tax of 2.5% of premiums on policies insuring risks located in South Dakota is imposed on insurance companies. In addition, the insurer must also pay a tax of 0.5% of the gross premium receipts on all fire insurance business done in the state. The tax imposed on insurance companies for life insurance policies is 2.5% of premiums on the first \$100,000 of annual life premiums per policy and eight one-hundredths of a percent for that portion of the annual life premiums per policy exceeding \$100,000. A life insurance policy (other than credit life as defined in SDCL 58-19) of a face amount of \$7,000 or less is taxed at the rate of 1.25% of premiums. The tax imposed on insurance companies for annuities is 1.25% of the consideration for annuity contracts on the first \$500,000 of annual consideration per annuity contract and eight one-hundredths of a percent for that portion of the annual consideration per annuity contract exceeding \$500,000. Farm mutual insurers and fraternal benefit societies are exempt from insurance company taxes. (SDCL 10-44)

- The average annual increase between FY2001 and FY2008 was 5.45%.
- Collections from this tax account for approximately 5.8% of ongoing general fund revenues.



Currently: Through the first eight months of FY2009, \$45.3 million has been collected from this tax. This is an increase of 2.76% from the first eight months of last year. Year-to-date collections are 72.56% of the estimate. Historically, 71.31% of the total revenue collected from this tax is received in the first eight months.

Estimate: A regression equation was used to project collections from the insurance company tax. The equation and its coefficient of determination are below. (An explanation of how to read a regression equation can be found on page 4.)

$$\text{Insurance Company Tax Collections} = 5.81 + 0.01 * \text{Consumer Spending on Medical Services} - 3.56 * \text{Seasonal Dummy} - 0.47 * \text{Prime Rate} + 0.23 * \text{Financial Services Employment}$$

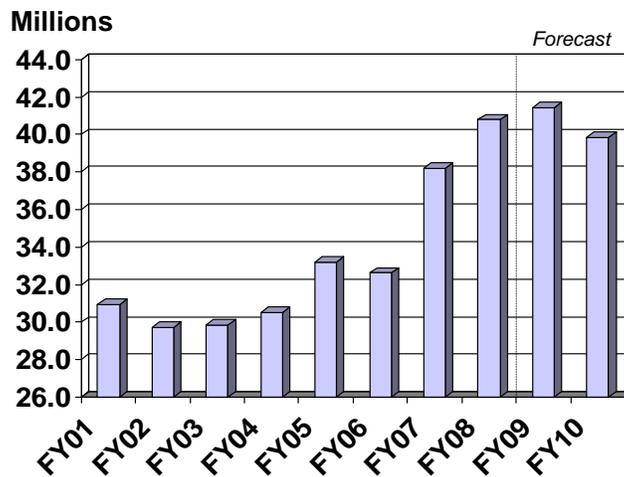
$$R^2 = .9562$$

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	57,282,670	60,393,960	62,457,535	65,874,470
Dollar Change	1,611,344	3,111,290	2,063,575	3,416,935
Percent Change	2.89	5.43	3.42	5.47

LICENSES, PERMITS, AND FEES

Background: Revenues included in this category are receipts received from the sales of a broad variety of licenses, permits, and filing fees that are assessed to defray administrative costs. State agencies collecting these revenues are the Departments of Agriculture; Health; Labor; Public Safety; Social Services; Revenue and Regulation; the Unified Judicial System; and, the Secretary of State.

- Over 70% of the revenue collected in this category comes from securities fees. Collections from securities fees are affected by conditions in the stock market. During the boom years of the late nineties and early part of this decade, collections from securities fees were strong. After the stock market bubble burst, collections from securities fees dropped. Thus far in FY09, security fee collections are down slightly although it is expected in FY2010 a more substantial decline in securities fees will be realized.
- Collections in this category account for approximately 3.5% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$24.2 million has been collected in this category. This is an increase of 50.02% from the first eight months of last year. This large year to date increase is due to timing of the securities fee collections. Year-to-date collections are 58.35% of the estimate. Historically, 47.69% of the total revenue is collected in the first eight months.

Estimate: The different sources of receipts included in this category are estimated individually based on historical collections and current conditions.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Receipts	39,189,490	40,791,607	41,438,817	39,856,164
Dollar Change	6,565,172	1,602,118	647,209	(1,582,653)
Percent Change	20.12	4.09	1.59	(3.82)

INVESTMENT INCOME AND INTEREST

Background: Revenues included in this category are from interest and the investment earnings of the general fund and nonparticipating funds in the cash flow fund. (Nonparticipating means the earnings attributable to the company are deposited in the general fund.) The South Dakota Investment Council is responsible for investing the money in the cash flow fund. (SDCL 4-5)

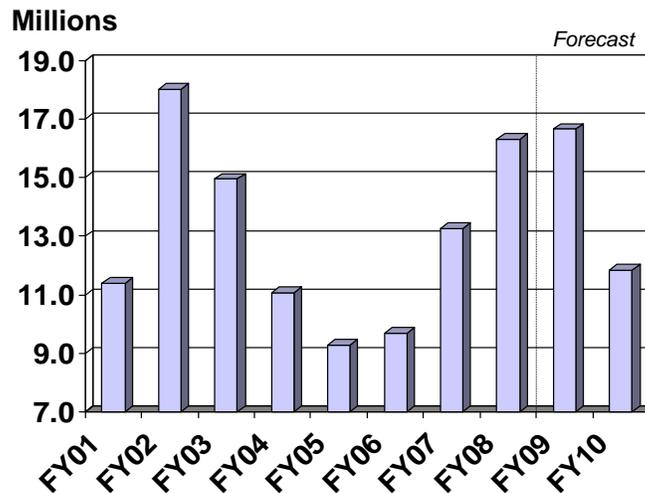
- HB 1099, passed by the 2003 legislature, accelerated the proration of interest earnings in the cash flow fund by having 90% of the estimated proration due to the general fund for the next fiscal year transferred to the general fund in the year in which the interest is earned. This resulted in one year (FY2004) where the general fund received two years of earnings deposits.

NOTE: Included in this category for FY2004 is the revenue from the FY2003 interest earnings. To keep the one-time increase to the general fund separate, the estimated 90% of FY2004 earnings is included as a one-time receipt in FY2004.

- The yield of the cash flow fund has varied over the years, which has affected the interest income. In FY2001 and FY2002, the average yield was 6.5% and 5.5%, respectively. In FY2004, FY2005, and 2006 the average yield fell to 3.0%, 2.9%, and 3.1%, respectively. Due to rising interest rates, the yield rose to 4.2% in FY07 and 5.1% in FY08.

NOTE: To compare the yields above with the revenues in the chart below, remember that prior to the FY2005 number, the income for the year was from the previous year's earnings.

- Receipts in this category account for approximately 1.5% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$2.0 million has been collected in this category. This is an increase of 48.87% from the first eight months of last year. Year-to-date collections are 11.78% of the estimate. Historically, 9.51% of the total revenue is collected in the first eight months. As of January 31st, the average yield of the cash flow fund was 5.02% mainly due to a large settlement that was received in January. Last year at this time, the average yield was 4.63%.

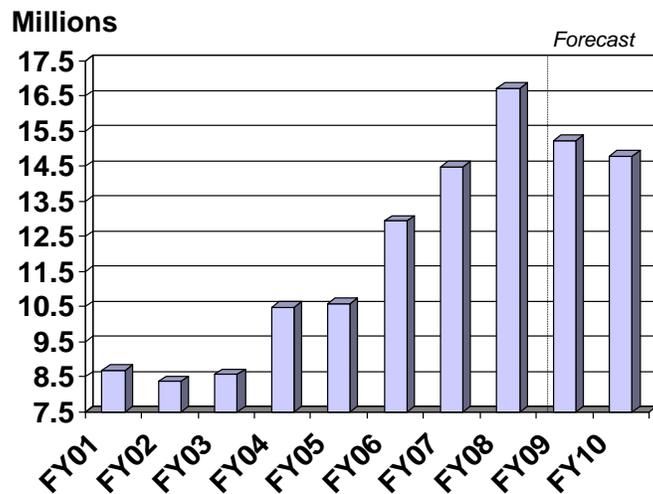
Estimate: The estimate is based on information provided by the South Dakota Investment Council and historical collections.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	13,278,125	16,299,255	16,658,321	11,843,613
Dollar Change	3,576,846	3,021,131	359,066	(4,814,708)
Percent Change	36.87	22.75	2.20	(28.90)

CHARGES FOR GOODS AND SERVICES

Background: Receipts included in this category are from charges made by institutions under the Department of Human Services; audit charges made by the Auditor General to state and local governments; child support collections paid back to the state received by the Department of Social Services; funds received from unclaimed property; 35% of fines, penalties, and forfeitures collected by or through the use of a circuit or magistrate court, clerk, or other court officer for violations of a county, township, municipal or chartered governmental unit's ordinance, charter, or bylaw; and, other miscellaneous charges.

- Revenues to the general fund from this category vary from year-to-year.
- Unclaimed Property receipts composed over 49% of the revenue from this category in FY08. The majority of the growth in recent years is a result of record unclaimed property collections. Revenue from unclaimed property is expected to decline in FY09 and FY10 as compared to FY08 levels.
- Receipts included in this category account for approximately 1.3% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$13.3 million has been collected in this category. This is a decrease of 1.41% from the first eight months of last year. Year-to-date collections are 87.51% of the estimate. Historically, 74.88% of the total revenue is collected in the first eight months.

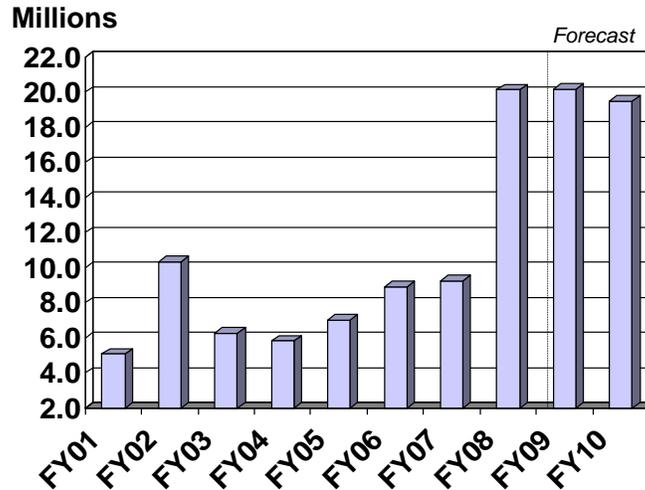
Estimate: The different sources of receipts included in this category are broken out and estimated individually based on historical collections and current conditions. Proposed fee increases in this category are listed in a separate line in the table below for FY10.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	14,488,998	16,726,952	15,236,887	14,789,301
Dollar Change	1,545,470	2,237,954	(1,490,065)	(447,586)
Percent Change	11.94	15.45	(8.91)	(2.94)

NET TRANSFERS IN

Background: Receipts included in this category are general fund reimbursements by the Highway Fund; receipts from the Department of Game, Fish, and Parks; the Motor Vehicle Fund; the Soil and Water Conservation Fund; the state's share of the Deadwood gaming revenue (SDCL 42-7B-48.1); the transfer from the Health Care Tobacco Tax Fund and, other miscellaneous receipts.

- Receipts included in this category account for approximately 1.7% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$12.9 million has been collected in this category. This is an increase of 53.34% from the first eight months of last year. The large increase is due to timing of the transfers from the health care tobacco tax fund. Year-to-date collections are 63.95% of the estimate. Historically, 65.67% of the total revenue is collected in the first eight months.

Estimate: The different sources of receipts included in this category are broken out and estimated individually based on historical collections and current conditions.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	9,237,431	20,119,164	20,146,653	19,502,222
Dollar Change	319,495	10,881,733	27,488	(644,431)
Percent Change	3.58	117.80	0.14	(3.20)

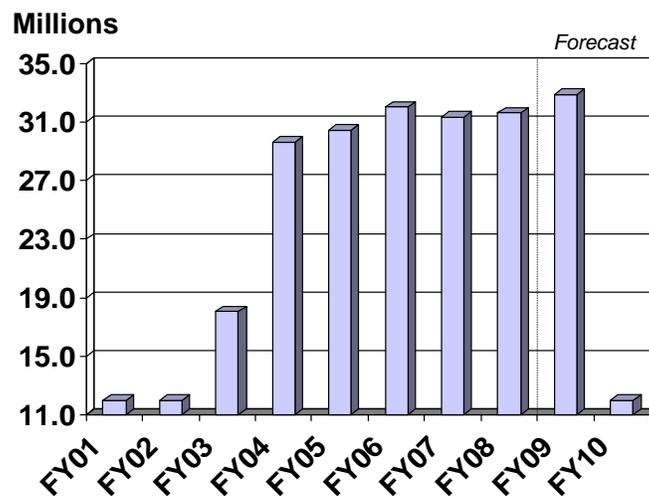
TRUST FUNDS

Background: Receipts included in this category are transfers from the Health Care Trust Fund (HCTF), the Education Enhancement Trust Fund (EETF), and the Dakota Cement Trust Fund (DCTF). Four percent of the market values of the HCTF and the EETF is transferred to the general fund every year as long as the principals of the trust funds are not invaded. (SDCL 4-5-29.1 and 4-5-29.2) The earnings from the HCTF are to be used for health care related programs, and the earnings from the EETF are to be used for education enhancement programs. (Article 12, Section 5 and 6 of the State Constitution) Each fiscal year, a transfer of \$12.0 million is made from the DCTF to the general fund. Other than this transfer, the original principal of the trust fund is to remain intact. However, the legislature shall, by appropriation, make distributions from the difference between the \$12.0 million annual transfer and 5% of the market value of the trust fund for the support of education, but not for the replacement of state aid to general education or special education, if the increase in the market value of the trust fund is sufficient to maintain the original principal of the trust fund after such distributions. (Article 13, Section 20 and 21 of the State Constitution)

- The market values of the HCTF and the EETF are calculated using a 16-quarter average rather than the market values as of December 31st.
- The table below shows the amount that was transferred from each of the trust funds to the general fund between FY2007 and FY2009, and the estimated amount that will be transferred to the general fund from the trust funds in FY2010.

	Actual FY2007	Actual FY2008	Actual FY2009	Estimated FY2010
HCTF	3,801,228	3,656,091	3,896,330	0
EETF	14,986,028	14,766,915	15,453,422	0
DCTF	12,571,476	13,184,338	13,522,943	12,000,000
Total	31,358,732	31,607,344	32,872,695	12,000,000

- FY2003 was the first year transfers were made from the HCTF and the EETF to the general fund.
- The growth in receipts between FY2003 and FY2004 was primarily due to the increase in interest earnings transferred from the EETF. The principal balance of the EETF increased \$243.6 million in FY2003 due to the securitization of the state's Tobacco Master Settlement Agreement payments. This had a direct effect on the amount of interest earnings available to be transferred to the general fund in FY2004.
- The first time the market value of the DCTF allowed for a transfer greater than \$12.0 million was on June 30, 2004. The amount of the additional distribution available for education in FY2008 was \$1,184,338.
- Receipts from the trust funds account for approximately 1.1% of ongoing general fund revenues in FY10.



Currently: As of January 31st, the total rate of return for the fiscal year on the HCTF was -21.29%. The rate of return for the fiscal year on the EETF was -21.71%, and the rate of return for the fiscal year on the DCTF was -1.41%.

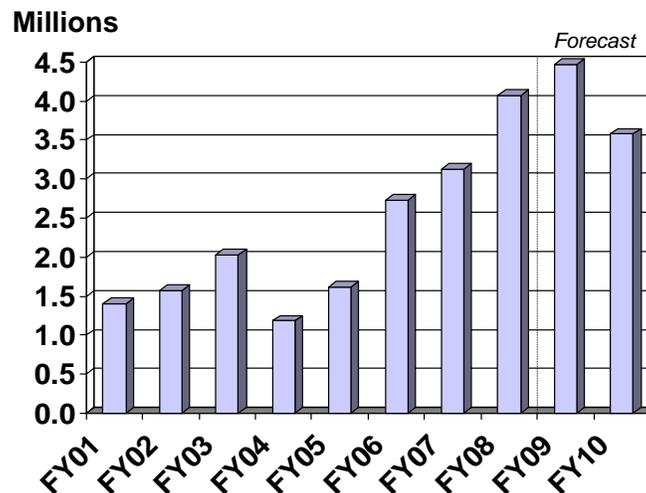
Estimate: The estimate for FY2009 includes the transfers that have been made from the HCTF and the EETF this year and the required \$12.0 million transfer and the amount of additional earnings available for distribution from the DCTF based on its market value at the end of FY2008. The estimate for FY2010 estimate includes only the constitutional required \$12.0 million transfer from the Dakota Cement Trust. Since the EETF and the HCTF were below the principle value as of December 31, 2008 there will be no transfer available from these two trust funds in FY10.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	31,358,732	31,607,344	32,872,695	12,000,000
Dollar Change	(650,552)	248,612	1,265,351	(20,872,694)
Percent Change	(2.03)	0.79	4.0	(63.50)

SEVERANCE TAXES

Background: A severance tax is imposed at the rate of \$4 per ounce of gold severed in South Dakota. In addition, there is a tax of 10% of the net profits from the sale of precious metals severed. (SDCL 10-39) Owners or operators of energy minerals must pay a tax equal to 4.5% of the taxable value of any energy minerals severed. (SDCL 10-39A)

- For persons severing precious metals that were in business in the state prior to January 1, 1981, 100% of the revenues collected are deposited in the general fund. For persons permitted on or after January 1, 1981, for the purpose of severing precious metals, 80% of the revenues collected are deposited in the general fund, and 20% are remitted to the county in which the precious metals were severed.
- One-half of the energy mineral severance taxes received are returned to the county where the energy minerals were severed and one-half of the taxes are deposited in the general fund.
- Gold production was up slightly in South Dakota last year compared to 2007. In 2007 there were 57,628 ounces of gold produced in the state, and in 2008 there were 60,665 ounces of gold produced.
- Oil production in South Dakota was relatively stable at 1,664,889 bbls in 2007 and 1,696,946 bbls in 2008.
- Collections included in this category account for approximately 0.3% of ongoing general fund revenues in FY10.



Currently: Through the first eight months of FY2009, \$3.5 million has been collected in this category. This is an increase of 17.12% from the first eight months of last year.

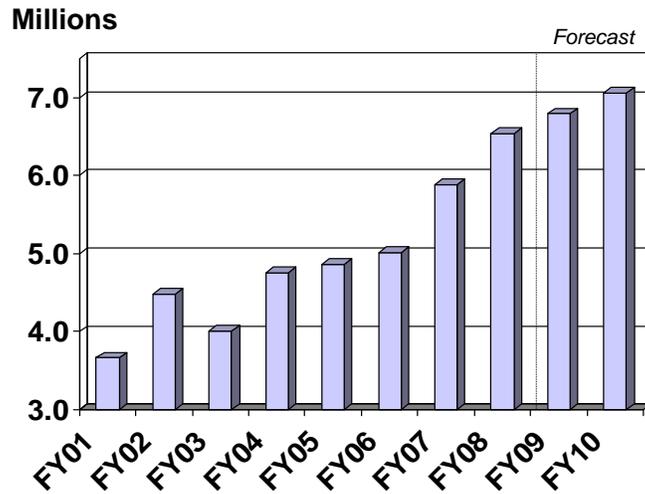
Estimate: Collections from taxes on precious metals and energy minerals are estimated separately. The estimates of collections from the severance taxes on gold and precious metals are based on history and current conditions. The estimates of collections from the tax on energy minerals are based on history and the projected price of crude oil and natural gas.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	3,123,800	4,074,627	4,464,375	3,576,375
Dollar Change	397,854	950,827	389,748	(888,000)
Percent Change	14.60	30.44	9.57	(19.89)

LOTTERY

Background: Receipts included in this category are the general fund's share of revenues from the sale of instant and on-line lottery tickets. (SDCL 42-7A)

- All of the net proceeds from the sale of instant lottery tickets are deposited in the general fund.
- The first \$1.4 million of the net proceeds from the sale of on-line lottery tickets is deposited in the general fund. The remaining net proceeds from the sale of on-line lottery tickets are deposited in the Capital Construction Fund.
- Instant tickets are the scratch tickets sold by retailers. On-line games include Powerball, Hot Lotto, Dakota Cash, and Wild Card 2.
- Receipts included in this category account for less than 0.6% of ongoing general fund revenues in FY10.



Currently: Through February 28th, instant ticket sales were down 0.32% compared to the same time period last year.

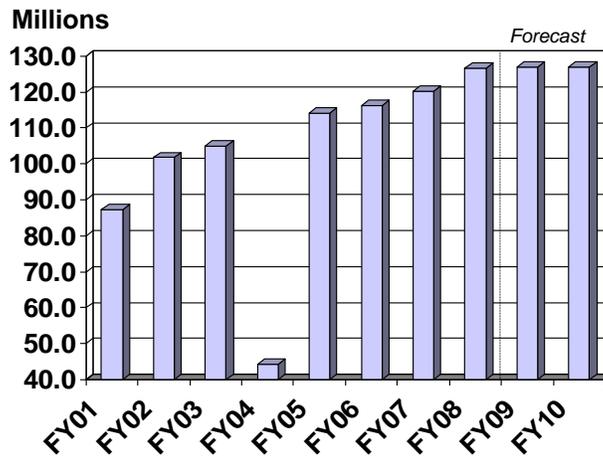
Estimate: The estimates are based on historical collections and current conditions.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	5,879,476	6,533,644	6,788,076	7,055,230
Dollar Change	866,047	654,168	254,432	267,154
Percent Change	17.27	11.13	3.89	3.94

PROPERTY TAX REDUCTION FUND

Background: The Property Tax Reduction Fund (PTRF) was created to fund property tax relief in South Dakota. In FY1996, \$45.9 million of the state's share of video lottery net machine income was deposited in the PTRF. Money from the PTRF was then used to fund the second half of the CY1996 Property Tax Credit Program. Starting January 1, 1997, the Commissioner of the Bureau of Finance and Management has transferred money from the PTRF to the general fund to provide property tax relief through state aid to education. (SDCL 10-13-44)

- Revenues deposited in the PTRF come from three ongoing sources:
 - 1) Forty-nine and one half percent of video lottery net machine income. (SDCL 42-7A-63)
 - 2) Sixty percent of the revenue collected from the 4% tax on the gross receipts of telecommunication services, which was imposed by HB 1104 passed by the 2003 legislature. (SDCL 10-33A-4)
 - 3) Thirty-three percent share of the revenues in excess of \$35 million generated by the tobacco taxes from Initiated Measure 2. (SDCL 10-50-52)
- In addition, any unobligated cash remaining at the end of a fiscal year after the transfer into the Budget Reserve Fund, is transferred to the PTRF if the balance does not exceed 15% of the general fund appropriations for the previous fiscal year. (SDCL 4-7-39)
- The 2004 legislature reduced the FY2004 General Appropriations Act by \$66.3 million due to the fiscal relief provided to South Dakota by the federal government. Therefore, revenues from the PTRF to the general fund were also reduced by \$66.3 million in FY2004.
- Receipts from the PTRF account for approximately 11.2% of ongoing general fund revenues in FY10.



Currently: Through the first 34 weeks of FY2009, video lottery net machine income was up 0.78% compared to the same time period last year. Through the first eight months of FY2009, the state's share of the receipts from the telecommunications tax was \$4.0 million. This is an increase of 9.0% from the first seven months of last year.

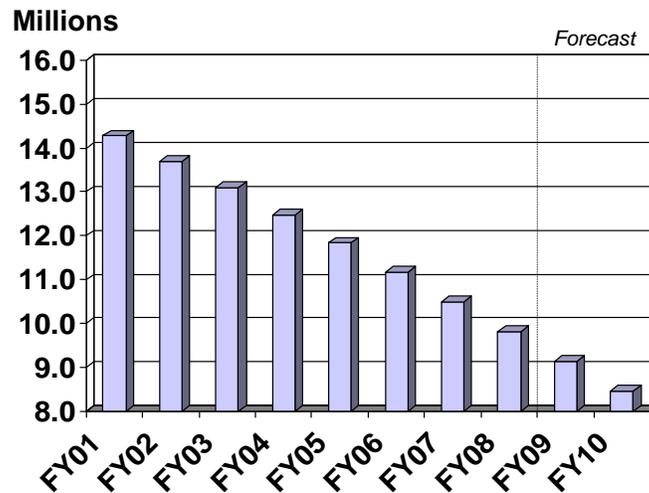
Estimate: The projections for video lottery collections and receipts from the telecommunications tax are estimated separately based on historical collections and current conditions. The estimate for the excess tobacco tax is based on historical collections, current conditions and the price elasticity of demand. For FY2009 and FY2010, it is anticipated that all the revenues from these three sources will be transferred to the general fund.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Video Lottery	110,419,656	111,093,618	111,093,618	111,649,086
Telecom Tax	5,999,669	6,448,643	7,029,021	7,661,633
Tobacco	3,846,057	9,063,720	8,704,953	7,702,307
Total Receipts	120,265,382	126,605,981	126,827,592	127,013,026
Dollar Change	5,564,344	6,340,599	221,611	185,434
Percent Change	4.85	5.27	0.18	0.15

SALE-LEASEBACK

Background: On December 1, 1986, the state sold a number of buildings and then leased them back. The purpose of doing this was to take advantage of a tax opportunity that provided a large sum of money for capital improvements. Proceeds from the sale were also used to purchase an annuity contract. Starting December 1, 1987, annuity payments are deposited in the general fund. The annuity payments are then used to make the lease payments, which are appropriated annually by the legislature.

- This is an in-and-out revenue source.
- Receipts account for approximately 0.8% of ongoing general fund revenues in FY10.



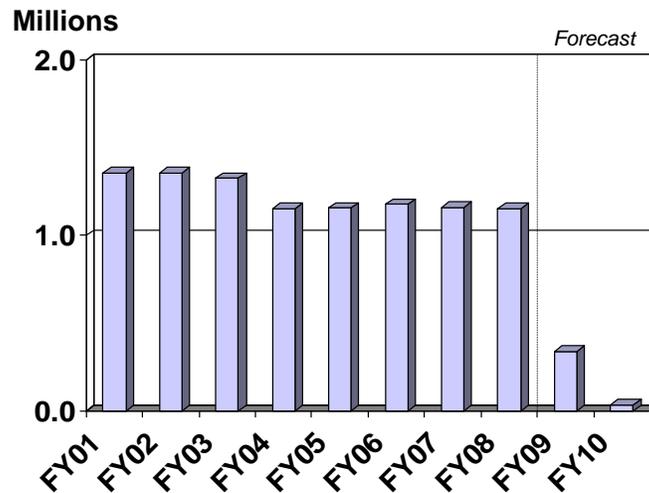
Estimate: The estimates are from the sale-leaseback schedule.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	10,498,875	9,827,175	9,141,450	8,457,825
Dollar Change	(676,200)	(671,700)	(685,725)	(683,625)
Percent Change	(6.05)	(6.40)	(6.98)	(7.48)

CRP PROGRAM

Background: South Dakota's Conservation Reserve Enhancement Program (CREP) was set up to be a financing tool for farmers and ranchers. The South Dakota Building Authority (SDBA) gives participating producers their entire federal Conservation Reserve Program (CRP) payment up-front in one lump sum, less an interest adjustment. The SDBA issued bonds to provide the up-front money, and participating producers assigned their federal CRP payments to the SDBA to pay off the bonds.

- This is an in-and-out revenue source.
- Receipts account for less than 0.1% of ongoing general fund revenues.



Estimate: The estimates are from the CREP schedule.

	Actual FY2007	Actual FY2008	Estimated FY2009	Estimated FY2010
Total Receipts	1,158,220	1,154,547	341,013	35,609
Dollar Change	(17,441)	(3,673)	(813,534)	(305,404)
Percent Change	(1.48)	(0.32)	(70.46)	(89.56)

DECEMBER FY2009 VS. MARCH FY2009

	DECEMBER FY2009	MARCH FY2009	DOLLAR CHANGE	PERCENT CHANGE
CONTINUING RECEIPTS				
Sales and Use Tax	685,694,739	670,225,863	(15,468,876)	-2.26
Contractor's Excise Tax	85,147,342	75,983,997	(9,163,345)	-10.76
Alcohol Beverage Tax	9,623,452	9,857,819	234,367	2.44
Alcohol Beverage 2% Wholesale Tax	1,309,409	1,295,145	(14,264)	-1.09
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	37,660,593	34,397,330	(3,263,263)	-8.66
Insurance Company Tax	65,710,988	62,457,535	(3,253,453)	-4.95
Licenses, Permits, and Fees	41,276,046	41,438,817	162,771	0.39
Investment Income and Interest	15,440,276	16,658,321	1,218,045	7.89
Charges for Goods and Services	15,072,713	15,236,887	164,174	1.09
Net Transfers In	20,256,282	20,146,653	(109,629)	-0.54
Trust Funds	32,872,694	32,872,694	0	0.00
Severance Taxes	4,686,488	4,464,375	(222,113)	-4.74
Unexpended Carryovers	0	0	0	
Lottery	6,788,076	6,788,076	0	0.00
Property Tax Reduction Fund	128,023,962	126,827,592	(1,196,370)	-0.93
Sale-Leaseback	9,141,450	9,141,450	0	0.00
CRP Program	273,526	341,013	67,487	24.67
SUBTOTAL (CONTINUING RECEIPTS)	<u>1,188,978,036</u>	<u>1,158,133,567</u>	<u>(30,844,469)</u>	<u>-2.59</u>
ONE-TIME RECEIPTS				
Transfer from Telecommunications Relay Service	1,000,000	1,000,000	0	0.00
Transfer from Custer State Park Improvement Fund	6,325,898	6,325,898	0	0.00
Transfer from Private Activity Bond Fee Fund	1,500,000	1,500,000	0	0.00
Transfer from Pheasantland Industries Fund	1,000,000	1,000,000	0	0.00
Transfer from Tobacco Prev. & Red. Trust Fund	2,500,000	2,500,000	0	0.00
Refinancing Gains	489,772	489,772	0	0.00
Obligated Cash Carried Forward	150,957	150,957	0	0.00
SUBTOTAL (ONE-TIME RECEIPTS)	<u>12,966,627</u>	<u>12,966,627</u>	<u>0</u>	<u>0.00</u>
GRAND TOTAL	<u><u>1,201,944,663</u></u>	<u><u>1,171,100,194</u></u>	<u><u>(30,844,469)</u></u>	<u><u>-2.57</u></u>

DECEMBER FY2010 VS. MARCH FY2010

	DECEMBER * FY2010	MARCH * FY2010	DOLLAR CHANGE	PERCENT CHANGE
CONTINUING RECEIPTS				
Sales and Use Tax	709,565,630	671,766,826	(37,798,804)	-5.33
Contractor's Excise Tax	90,942,817	77,197,527	(13,745,290)	-15.11
Alcohol Beverage Tax	9,975,003	10,150,778	175,775	1.76
Alcohol Beverage 2% Wholesale Tax	1,380,726	1,387,858	7,132	0.52
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	35,106,458	30,130,638	(4,975,820)	-14.17
Insurance Company Tax	69,920,420	65,874,470	(4,045,950)	-5.79
Licenses, Permits, and Fees	39,796,350	39,856,164	59,814	0.15
Investment Income and Interest	13,758,975	11,843,613	(1,915,362)	-13.92
Charges for Goods and Services	15,277,181	14,789,301	(487,880)	-3.19
Net Transfers In	20,524,124	19,502,222	(1,021,902)	-4.98
Trust Funds	12,000,000	12,000,000	0	0.00
Severance Taxes	4,844,231	3,576,375	(1,267,856)	-26.17
Unexpended Carryovers	0	0	0	
Lottery	7,055,230	7,055,230	0	0.00
Property Tax Reduction Fund	129,514,512	127,013,026	(2,501,486)	-1.93
Sale-Leaseback	8,457,825	8,457,825	0	0.00
CRP Program	35,609	35,609	0	0.00
SUBTOTAL (CONTINUING RECEIPTS)	<u>1,198,155,091</u>	<u>1,130,637,462</u>	<u>(67,517,629)</u>	<u>-5.64</u>
ONE-TIME RECEIPTS				
Transfer from Custer State Park Improvement Fund	2,282,002	2,374,160	92,158	4.04
SUBTOTAL (ONE-TIME RECEIPTS)	<u>2,282,002</u>	<u>2,374,160</u>	<u>92,158</u>	<u>4.04</u>
GRAND TOTAL	<u>1,200,437,093</u>	<u>1,133,011,622</u>	<u>(67,425,471)</u>	<u>-5.62</u>

* Excludes all Revenue Enhancement Proposals and Fee Increase Proposals

JANUARY REVISED FY2009 VS. MARCH FY2009

	JANUARY FY2009	MARCH FY2009	DOLLAR CHANGE	PERCENT CHANGE
CONTINUING RECEIPTS				
Sales and Use Tax	668,030,109	670,225,863	2,195,754	0.33
Contractor's Excise Tax	80,611,724	75,983,997	(4,627,727)	-5.74
Alcohol Beverage Tax	9,623,452	9,857,819	234,367	2.44
Alcohol Beverage 2% Wholesale Tax	1,337,936	1,295,145	(42,791)	-3.20
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	35,515,836	34,397,330	(1,118,506)	-3.15
Insurance Company Tax	63,601,264	62,457,535	(1,143,729)	-1.80
Licenses, Permits, and Fees	41,276,046	41,438,817	162,771	0.39
Investment Income and Interest	17,358,987	16,658,321	(700,666)	-4.04
Charges for Goods and Services	15,057,887	15,236,887	179,000	1.19
Net Transfers In	20,305,695	20,146,653	(159,042)	-0.78
Trust Funds	32,872,694	32,872,694	0	0.00
Severance Taxes	4,639,613	4,464,375	(175,238)	-3.78
Unexpended Carryovers	350,000	0	(350,000)	-100.00
Lottery	6,788,076	6,788,076	0	0.00
Property Tax Reduction Fund	127,106,485	126,827,592	(278,893)	-0.22
Sale-Leaseback	9,141,450	9,141,450	0	0.00
CRP Program	341,013	341,013	0	0.00
SUBTOTAL (CONTINUING RECEIPTS)	<u>1,163,958,267</u>	<u>1,158,133,567</u>	<u>(5,824,700)</u>	<u>-0.50</u>
ONE-TIME RECEIPTS				
Transfer from Telecommunications Relay Service	1,000,000	1,000,000	0	0.00
Transfer from Custer State Park Improvement Fund	6,325,898	6,325,898	0	0.00
Transfer from Private Activity Bond Fee Fund	1,500,000	1,500,000	0	0.00
Transfer from Pheasantland Industries Fund	1,000,000	1,000,000	0	0.00
Transfer from Tobacco Prev. & Red. Trust Fund	2,500,000	2,500,000	0	0.00
Refinancing Gains	489,772	489,772	0	0.00
Obligated Cash Carried Forward	150,957	150,957	0	0.00
SUBTOTAL (ONE-TIME RECEIPTS)	<u>12,966,627</u>	<u>12,966,627</u>	<u>0</u>	<u>0.00</u>
GRAND TOTAL	<u><u>1,176,924,894</u></u>	<u><u>1,171,100,194</u></u>	<u><u>(5,824,700)</u></u>	<u><u>-0.49</u></u>

JANUARY REVISED FY2010 VS. MARCH FY2010

	JANUARY * FY2010	MARCH * FY2010	DOLLAR CHANGE	PERCENT CHANGE
CONTINUING RECEIPTS				
Sales and Use Tax	677,305,333	671,766,826	(5,538,507)	-0.82
Contractor's Excise Tax	80,259,072	77,197,527	(3,061,545)	-3.81
Alcohol Beverage Tax	9,975,003	10,150,778	175,775	1.76
Alcohol Beverage 2% Wholesale Tax	1,416,385	1,387,858	(28,527)	-2.01
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	34,632,423	30,130,638	(4,501,785)	-13.00
Insurance Company Tax	67,999,860	65,874,470	(2,125,390)	-3.13
Licenses, Permits, and Fees	39,803,588	39,856,164	52,576	0.13
Investment Income and Interest	11,652,814	11,843,613	190,799	1.64
Charges for Goods and Services	15,277,181	14,789,301	(487,880)	-3.19
Net Transfers In	20,575,354	19,502,222	(1,073,132)	-5.22
Trust Funds	12,000,000	12,000,000	0	0.00
Severance Taxes	4,439,231	3,576,375	(862,856)	-19.44
Unexpended Carryovers	0	0	0	
Lottery	7,055,230	7,055,230	0	0.00
Property Tax Reduction Fund	128,047,869	127,013,026	(1,034,843)	-0.81
Sale-Leaseback	8,457,825	8,457,825	0	0.00
CRP Program	35,609	35,609	0	0.00
SUBTOTAL (CONTINUING RECEIPTS)	<u>1,148,932,777</u>	<u>1,130,637,462</u>	<u>(18,295,315)</u>	<u>-1.59</u>
ONE-TIME RECEIPTS				
Transfer from Custer State Park Improvement Fund	<u>2,275,420</u>	<u>2,374,160</u>	<u>98,740</u>	<u>4.34</u>
SUBTOTAL (ONE-TIME RECEIPTS)	<u>2,275,420</u>	<u>2,374,160</u>	<u>98,740</u>	<u>4.34</u>
GRAND TOTAL	<u>1,151,208,197</u>	<u>1,133,011,622</u>	<u>(18,196,575)</u>	<u>-1.58</u>

* Excludes all Revenue Enhancement Proposals and Fee Increase Proposals

ADOPTED FY2009 VS. MARCH FY2009

	<u>LEGISLATIVE ADOPTED FY2009</u>	<u>MARCH FY2009</u>	<u>DOLLAR CHANGE</u>	<u>PERCENT CHANGE</u>
CONTINUING RECEIPTS				
Sales and Use Tax	675,850,846	670,225,863	(5,624,983)	(0.83)
Contractor's Excise Tax	92,625,633	75,983,997	(16,641,636)	(17.97)
Alcohol Beverage Tax	9,522,377	9,857,819	335,442	3.52
Alcohol Beverage 2% Wholesale Tax	1,310,614	1,295,145	(15,469)	(1.18)
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	44,324,710	34,397,330	(9,927,380)	(22.40)
Insurance Company Tax	63,999,349	62,457,535	(1,541,814)	(2.41)
Licenses, Permits, and Fees	42,401,211	41,438,817	(962,394)	(2.27)
Investment Income and Interest	14,620,546	16,658,321	2,037,775	13.94
Charges for Goods and Services	19,183,155	15,236,887	(3,946,268)	(20.57)
Net Transfers In	20,978,802	20,146,653	(832,149)	(3.97)
Trust Funds	32,948,847	32,872,694	(76,153)	(0.23)
Severance Taxes	4,559,250	4,464,375	(94,875)	(2.08)
Unexpended Carryovers	0	0	0	
Lottery	6,130,103	6,788,076	657,973	10.73
Property Tax Reduction Fund	127,589,417	126,827,592	(761,825)	(0.60)
Sale-Leaseback	9,141,450	9,141,450	0	0.00
CRP Program	273,526	341,013	67,487	24.67
SUBTOTAL (CONTINUING RECEIPTS)	<u>1,195,459,836</u>	<u>1,158,133,567</u>	<u>(37,326,269)</u>	<u>(3.12)</u>
ONE-TIME RECEIPTS				
Transfer from Telecommunication Funds	1,000,000	1,000,000	0	0.00
Transfer from Custer State Park Impr. Fund	6,273,170	6,325,898	52,728	0.84
Transfer from Private Activity Bond Fee Fund	1,500,000	1,500,000	0	0.00
Transfer from Prison Industries Revolving Fund	1,000,000	1,000,000	0	0.00
Transfer from Tobacco Prev. & Red. Trust Fund	2,500,000	2,500,000	0	0.00
Refinancing Gains	489,772	489,772	0	0.00
Obligated Cash Carried Forward	\$ -	150,957	150,957	
SUBTOTAL (ONE-TIME RECEIPTS)	<u>\$ 12,762,942</u>	<u>\$ 12,966,627</u>	<u>\$ 203,685</u>	<u>1.60</u>
 GRAND TOTAL	 <u>\$ 1,208,222,778</u>	 <u>\$ 1,171,100,194</u>	 <u>\$ (37,122,584)</u>	 <u>(3.07)</u>

ACTUAL FY2008 VS. MARCH FY2009

	ACTUAL FY2008	MARCH FY2009	DOLLAR CHANGE	PERCENT CHANGE
CONTINUING RECEIPTS				
Sales and Use Tax	644,596,998	670,225,863	25,628,865	3.98
Contractor's Excise Tax	78,978,429	75,983,997	(2,994,432)	(3.79)
Alcohol Beverage Tax	9,288,562	9,857,819	569,257	6.13
Alcohol Beverage 2% Wholesale Tax	1,212,155	1,295,145	82,990	6.85
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	45,433,113	34,397,330	(11,035,783)	(24.29)
Insurance Company Tax	60,393,960	62,457,535	2,063,575	3.42
Inheritance and Estate Tax	104,711	0	(104,711)	(100.00)
Licenses, Permits, and Fees	40,791,607	41,438,817	647,210	1.59
Investment Income and Interest	16,299,255	16,658,321	359,066	2.20
Charges for Goods and Services	16,726,952	15,236,887	(1,490,065)	(8.91)
Net Transfers In	20,119,164	20,146,653	27,489	0.14
Trust Funds	31,607,343	32,872,694	1,265,351	4.00
Severance Taxes	4,074,627	4,464,375	389,748	9.57
Unexpended Carryovers	352,827	0	(352,827)	0.00
Lottery	6,533,644	6,788,076	254,432	3.89
Property Tax Reduction Fund	126,605,981	126,827,592	221,611	0.18
Sale-Leaseback	9,827,175	9,141,450	(685,725)	(6.98)
CRP Program	1,154,547	341,013	(813,534)	(70.46)
SUBTOTAL (CONTINUING RECEIPTS)	<u>1,144,101,050</u>	<u>1,158,133,567</u>	<u>14,032,517</u>	<u>1.23</u>
ONE-TIME RECEIPTS				
Transfer from Telecommunications Relay Service	1,000,000	1,000,000	0	0.00
Transfer from Custer State Park Improvement Fund	0	6,325,898	6,325,898	100.00
Transfer from Private Activity Bond Fee Fund	0	1,500,000	1,500,000	100.00
Transfer from Pheasantland Industries Fund	0	1,000,000	1,000,000	100.00
Transfer from Tobacco Prev. & Red. Trust Fund	0	2,500,000	2,500,000	100.00
Transfer from Budgetary Accounting Fund	4,008,132	0	(4,008,132)	(100.00)
Transfer from Petroleum Release Fund	1,000,000	0	(1,000,000)	(100.00)
Refinancing Gains	0	489,772	489,772	100.00
Transfer from Video Lottery Fund	500,000	0	(500,000)	(100.00)
Obligated Cash Carried Forward	247,214	150,957	(96,256)	(38.94)
SUBTOTAL (ONE-TIME RECEIPTS)	<u>6,755,346</u>	<u>12,966,627</u>	<u>6,211,282</u>	<u>91.95</u>
GRAND TOTAL	<u>1,150,856,396</u>	<u>1,171,100,194</u>	<u>20,243,798</u>	<u>1.76</u>

MARCH FY2009 VS. MARCH FY2010

	<u>MARCH FY2009</u>	<u>MARCH * FY2010</u>	<u>DOLLAR CHANGE</u>	<u>PERCENT CHANGE</u>
CONTINUING RECEIPTS				
Sales and Use Tax	670,225,863	671,766,826	1,540,963	0.23
Contractor's Excise Tax	75,983,997	77,197,527	1,213,530	1.60
Alcohol Beverage Tax	9,857,819	10,150,778	292,959	2.97
Alcohol Beverage 2% Wholesale Tax	1,295,145	1,387,858	92,713	7.16
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	34,397,330	30,130,638	(4,266,692)	-12.40
Insurance Company Tax	62,457,535	65,874,470	3,416,935	5.47
Licenses, Permits, and Fees	41,438,817	39,856,164	(1,582,653)	-3.82
Investment Income and Interest	16,658,321	11,843,613	(4,814,708)	-28.90
Charges for Goods and Services	15,236,887	14,789,301	(447,586)	-2.94
Net Transfers In	20,146,653	19,502,222	(644,431)	-3.20
Trust Funds	32,872,694	12,000,000	(20,872,694)	-63.50
Severance Taxes	4,464,375	3,576,375	(888,000)	-19.89
Unexpended Carryovers	0	0	0	
Lottery	6,788,076	7,055,230	267,154	3.94
Property Tax Reduction Fund	126,827,592	127,013,026	185,434	0.15
Sale-Leaseback	9,141,450	8,457,825	(683,625)	-7.48
CRP Program	341,013	35,609	(305,404)	-89.56
SUBTOTAL (CONTINUING RECEIPTS)	<u>1,158,133,567</u>	<u>1,130,637,462</u>	<u>(27,496,105)</u>	<u>-2.37</u>
ONE-TIME RECEIPTS				
Transfer from Telecommunications Relay Service	1,000,000	0	(1,000,000)	-100.00
Transfer from Custer State Park Improvement Fund	6,325,898	2,374,160	(3,951,738)	-62.47
Transfer from Private Activity Bond Fee Fund	1,500,000	0	(1,500,000)	-100.00
Transfer from Pheasantland Industries Fund	1,000,000	0	(1,000,000)	-100.00
Transfer from Tobacco Prev. & Red. Trust Fund	2,500,000	0	(2,500,000)	-100.00
Refinancing Gains	489,772	0	(489,772)	-100.00
Obligated Cash Carried Forward	150,957	0	(150,957)	-100.00
SUBTOTAL (ONE-TIME RECEIPTS)	<u>12,966,627</u>	<u>2,374,160</u>	<u>(10,592,467)</u>	<u>-81.69</u>
GRAND TOTAL	<u>1,171,100,194</u>	<u>1,133,011,622</u>	<u>(38,088,572)</u>	<u>-3.25</u>

* Excludes all Revenue Enhancement Proposals and Fee Increase Proposals