

**BUREAU OF FINANCE AND  
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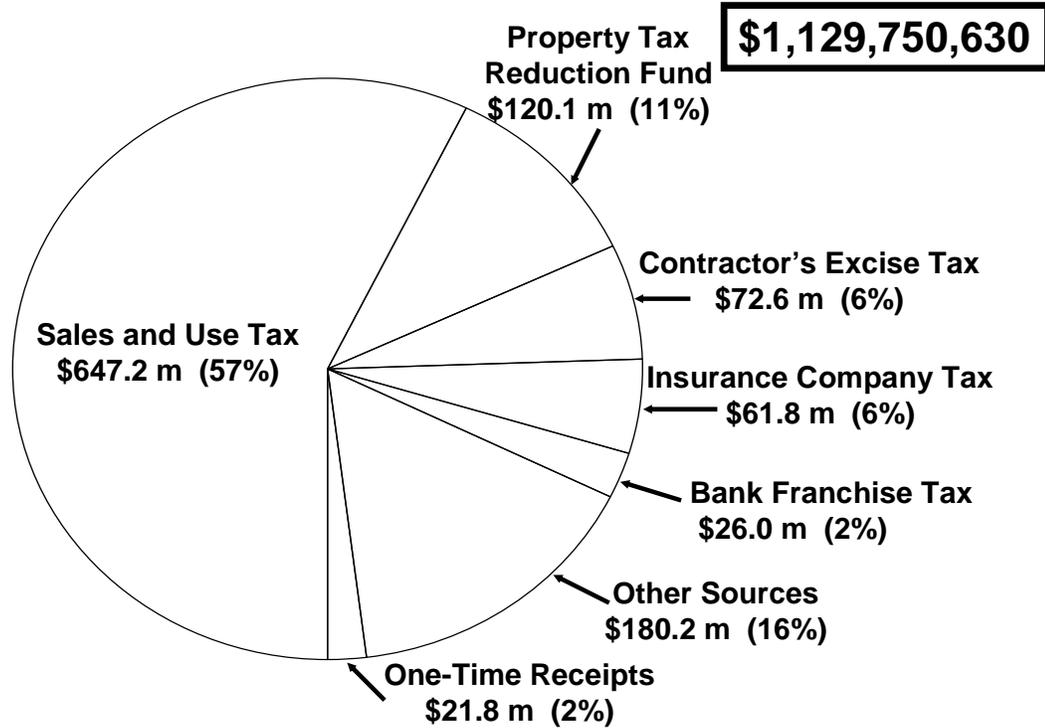
**PRESENTED TO  
APPROPRIATIONS COMMITTEE  
MARCH 2010**

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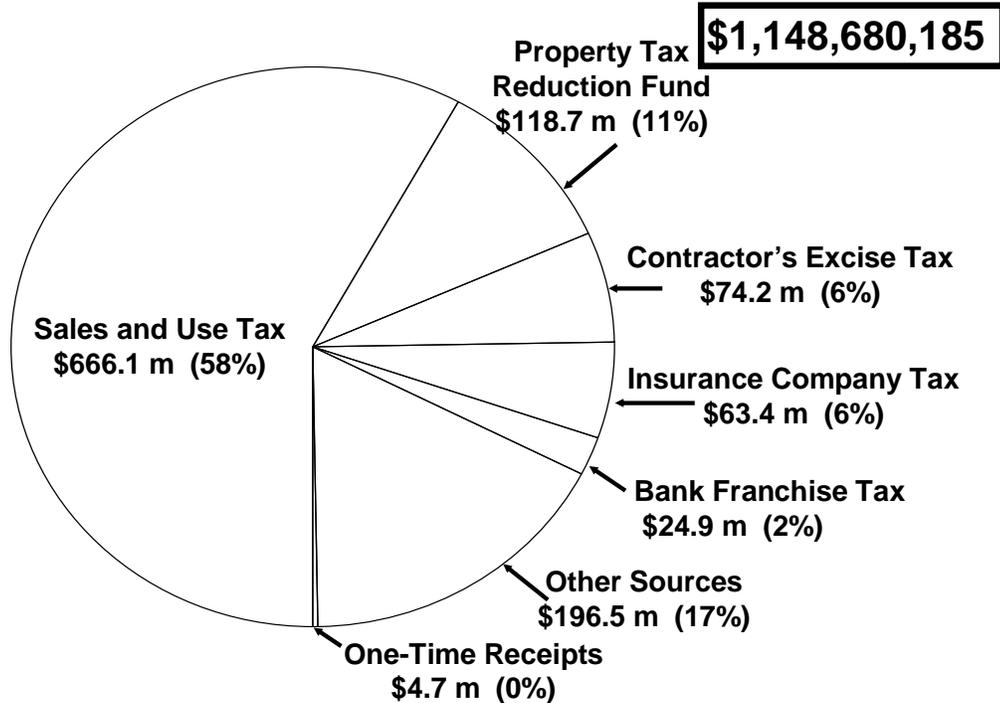
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# FY2010 AND FY2011 GENERAL FUND REVENUES

## FY2010 General Fund Revenues



## FY2011 General Fund Revenues



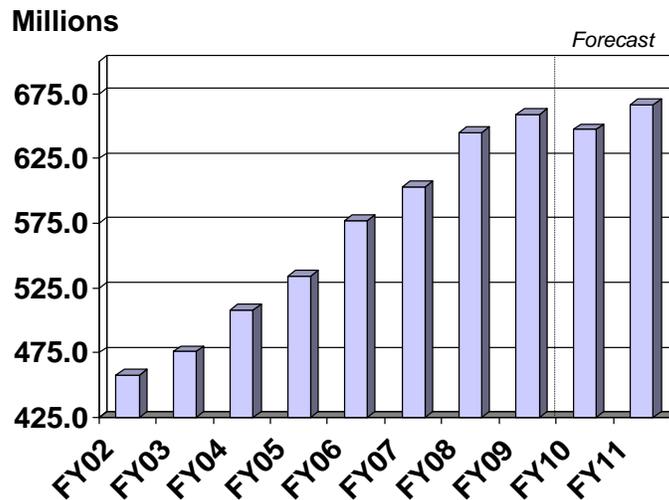
## SALES AND USE TAX

**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, the sale of services, and the sale of products transferred electronically, 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 is 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 electronically 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 20<sup>th</sup> of the following month. Taxpayers that file and pay with SD QUEST must file returns no later than the 23<sup>rd</sup> 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 (SSUTA) 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 SSUTA 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 \$59 million since the program started.
- The average annual increase in net collections between FY2001 and FY2009 was 4.81%.
- Net collections from the sales and use tax account for approximately 58% of continuing general fund revenues in FY2011.



**Currently:** In the first eight months of FY2010, sales and use tax collections, excluding audits and net of large project refunds, were \$438.4 million. This is a decrease of 3.98% from the first eight months of last year. Year-to-date collections are 68.6% of the estimate. Historically, 68.6% 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 are 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 is divided into six different categories (taxable sales from consumer spending on durables and services, consumer spending on nondurables and 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 are then used in the equations to see if historically there has been a statistically significant relationship between them and taxable sales. After finding the best fitting regression equation for each of the six 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)

$$\text{STCDS} = -1002.18 + 29.92 \cdot \text{SD Nonfarm Income} + 186.11 \cdot \text{Seasonal Dummy} + 7.67 \cdot \text{SD Manufacturing Employment} + 14.66 \cdot \text{SD Housing Starts} + 894.57 \cdot \text{Consumer Price Index}$$

$$R^2 = .9942$$

Equation 2: Business Related Purchases/Consumer Spending on Nondurables (STBUSCND)

$$\text{STBUSCND} = -2080.06 + 7.53 \cdot \text{SD Nonfarm Employment} + 510.28 \cdot \text{Consumer Price Index} + 230.63 \cdot \text{Seasonal Dummy} + 0.60 \cdot \text{Exports} - 8.42 \cdot \text{Prime Rate}$$

$$R^2 = .9934$$

Equation 3: Construction Related Purchases (STCON)

$$\text{STCON} = -350.62 + 30.34 \cdot \text{SD Construction, Mining, and Natural Resources Employment} + 92.44 \cdot \text{Seasonal Dummy} - 14.84 \cdot \text{Rate on conventional 30 year mortgage} + 13.37 \cdot \text{SD Personal Income} - 67.84 \cdot \text{Dummy Variable}$$

$$R^2 = .9807$$

Equation 4: Recreation Related Purchases (STREC)

STREC = -103.99 + 20.54\*SD Nonfarm Income + 7.15\*SD Leisure and Hospitality Employment + 6.34\*(Disposable Income\*Seasonal Dummy)

R<sup>2</sup> = .9971

Equation 5: Utilities (STUTI)

STUTI = -215.99 + 23.10\* SD Nonfarm Income + 55.33\*SD Farm Proprietors Income + 2.42\*Consumer spending on electricity and natural gas.

R<sup>2</sup> = .9844

Equation 6: 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:

Sales Tax Collections = 0.95 + 0.04\*Total Taxable Sales

R<sup>2</sup> = .9990

Basic steps to follow when reading a regression equation are:

- 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<sup>2</sup>. This is one way to identify how good an equation fits the data. An R<sup>2</sup> value close to one tells you that the equation has an excellent overall fit.

	Estimate for FY2010	Estimate for FY2011
Sales and Use Tax Collections (net of large project refunds)	640,334,866	659,733,205
+ Audit Collections	<u>12,659,578</u>	<u>12,190,705</u>
= Base Estimate	652,994,444	671,923,910
- DRR Indirect Funding	5,804,182	5,804,182
= Estimate	647,190,262	666,119,728

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	644,596,998	658,724,471	647,190,262	666,119,728
Dollar Change	41,411,711	14,127,473	(11,534,209)	18,929,466
Percent Change	6.87	2.19	(1.75)	2.92

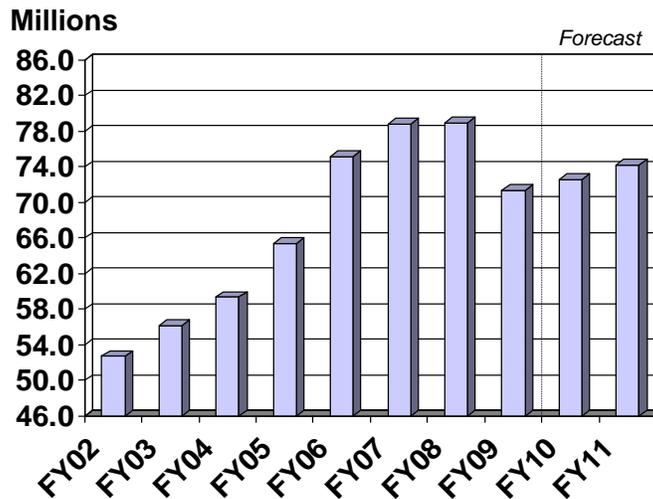
# CONTRACTOR'S EXCISE TAX

**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 electronically 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 20<sup>th</sup> of the following month. Taxpayers that file and pay with SD QUEST must file returns no later than the 23<sup>rd</sup> 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 FY2001 and FY2009 was 4.51%.
- Net collections from the contractor's excise tax account for approximately 6.5% of ongoing general fund revenues in FY2011.



**Currently:** In the first eight months of FY2010, net contractor's excise tax collections were \$56.4 million. This is an increase of 0.34% from the first eight months of last year. Year-to-date collections are 77.7% of the estimate. Historically, 74.5% of the total revenue collected from this tax is received in the first eight months.

**Estimate:** Contractor's excise tax collections are 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 =  $-29.95 + 1.69 \cdot \text{SD Construction, Natural Resources, and Mining Employment} + 7.70 \cdot \text{Seasonal Dummy} + 0.65 \cdot \text{SD Housing Starts} + 0.53 \cdot \text{Moving Average of SD Nonfarm Income} + 4.81 \cdot \text{Producer Price Index for metal materials} + 6.50 \cdot \text{Dummy Variable}$

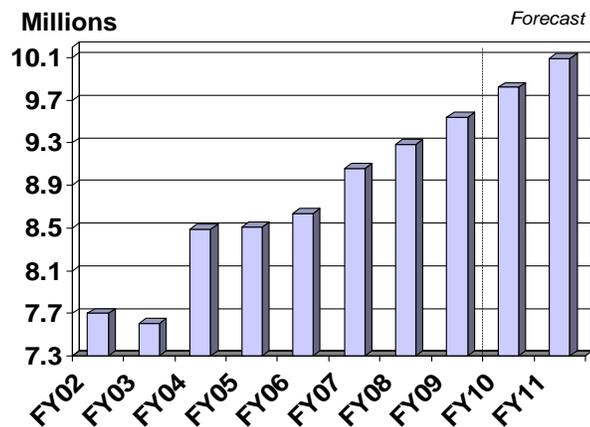
$R^2 = .9858$

	<b>Actual FY2008</b>	<b>Actual FY2009</b>	<b>Estimated FY2010</b>	<b>Estimated FY2011</b>
Total Receipts	78,978,429	71,384,919	72,613,271	74,241,380
Dollar Change	187,505	(7,593,510)	1,228,352	1,628,109
Percent Change	0.24	-9.61	1.72	2.24

## ALCOHOL BEVERAGE TAX

**Background:** A 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 FY2011.



**Currently:** Through the first eight months of FY2010, \$5.1 million has been collected from this tax. This is an increase of 2.36% from the first eight months of last year. Year-to-date collections are 51.78% of the estimate. Historically, 52.42% of the total revenue collected from this tax is received in the first eight months.

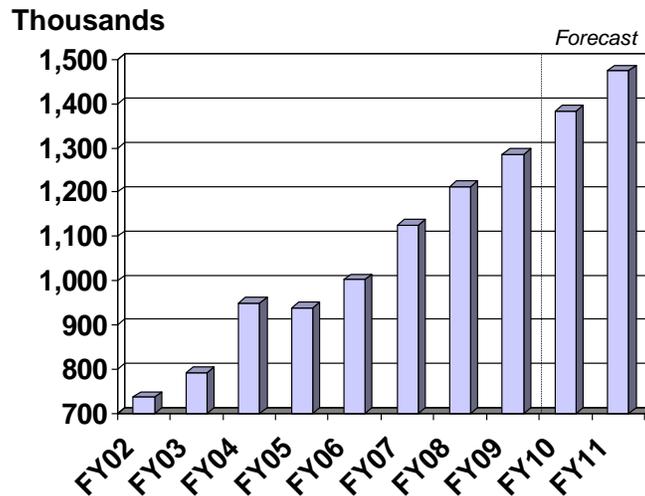
**Estimate:** The estimates are based on historical collections and current conditions.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	9,288,562	9,537,513	9,819,764	10,090,993
Dollar Change	228,538	248,951	282,251	271,229
Percent Change	2.52	2.68	2.96	2.76

## ALCOHOL BEVERAGE 2% WHOLESALE TAX

**Background:** A tax, in addition to the tax imposed by SDCL 35-5-3, 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 FY2011.



**Currently:** Through the first eight months of FY2010, \$0.90 million has been collected from this tax. This is a increase of 9.06% from the first eight months of last year. Year-to-date collections are 64.88% of the estimate. Historically, 67.84% 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 FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	1,212,155	1,284,896	1,383,587	1,473,896
Dollar Change	86,551	72,742	98,691	90,309
Percent Change	7.69	6.00	7.68	6.53

## CIGARETTE TAX

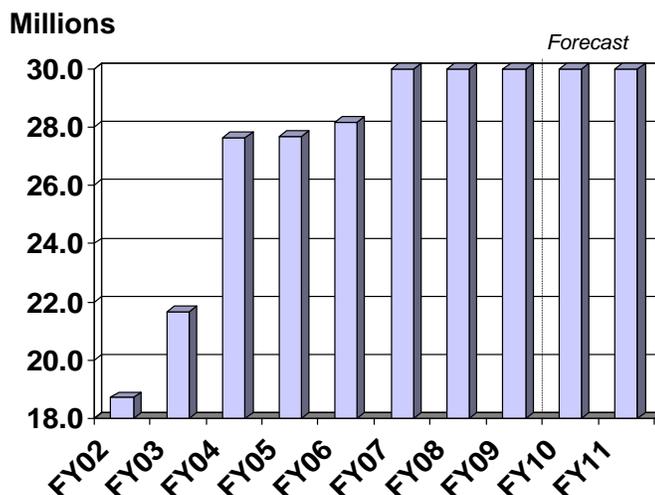
**Background:** Prior to January 1, 2007, the cigarette tax was imposed at the rate of twenty-six and one-half mills on each cigarette (53¢ per pack of 20 cigarettes) and the tax on other tobacco products was 10% of the wholesale purchase price. However, Initiated Measure 2, adopted by the voters of 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 90% of the collections included in this category are from the tax on cigarettes, and the remaining 10% 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 FY2009 there were 39.0 million packs sold.
- Collections in this category account for approximately 2.6% of ongoing general fund revenues in FY2011.
- On April 1, 2009 the federal government put an additional \$0.61/pack tax on cigarettes to fund the State Children’s Health Insurance Program. This additional tax has decreased cigarette consumption during FY2010.
- The total estimates and breakdown of where the dollars go are included in the following table.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011*
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	9,063,720	9,090,648	7,910,833	8,140,904
EETTF	9,063,720	9,090,648	7,910,833	8,140,904
HCTTF	9,338,379	9,366,123	8,150,556	8,387,598
<b>Total</b>	<b>62,465,819</b>	<b>62,547,419</b>	<b>58,972,222</b>	<b>59,669,406</b>

\*Estimate for FY2011 assumes passage of HB1041 as proposed.

- The following chart includes the amount allocated directly to the general fund:



**Currently:** Through the first eight months of FY2010, the total collections from the tobacco taxes totaled \$39,141,386 and the full \$30.0 million general fund portion has been collected in this category.

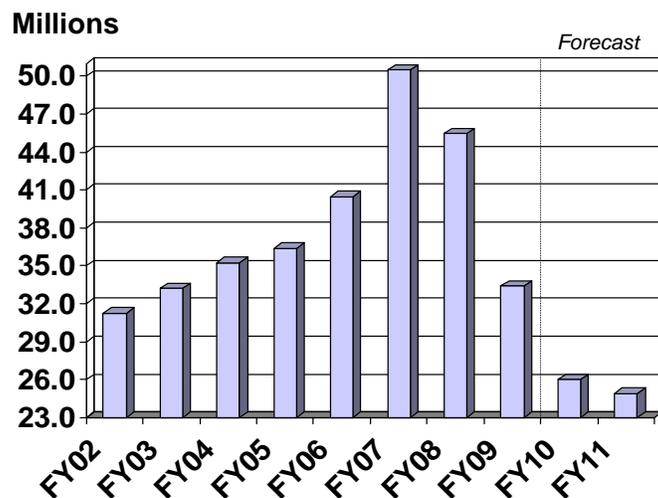
**Estimate:** Collections from the tax on cigarettes and other tobacco products are estimated individually. The general fund is expected to receive \$30,000,000 in both FY2010 and FY2011.

	<b>Actual FY2008</b>	<b>Actual FY2009</b>	<b>Estimated FY2010</b>	<b>Estimated FY2011</b>
Total Receipts	30,000,000	30,000,000	30,000,000	30,000,000
Dollar Change	0	0	0	0
Percent Change	0	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 2.2% of ongoing general fund revenues in FY2011.



**Currently:** Through the first eight months of FY2010, \$19.5 million has been collected from this tax. This is a decrease of 23.48% from the first eight months of last year. Year-to-date collections are 75.06% of the estimate. Historically, 69.69% of the total revenue collected from this tax is received in the first eight months.

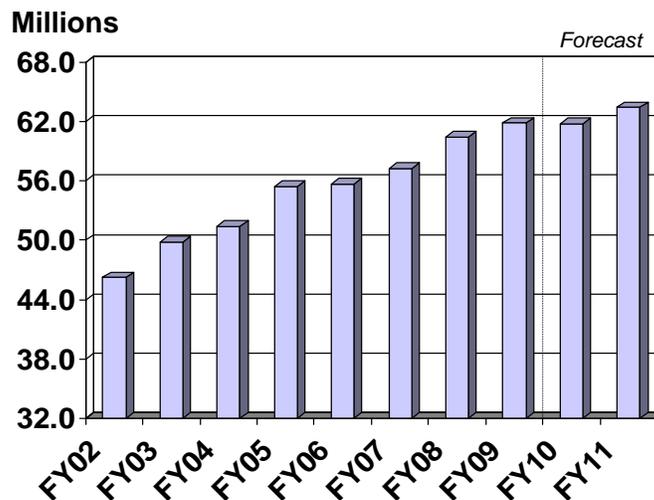
**Estimate:** Collections received from bank card taxpayers and other banks are estimated individually. The estimate is based on historical collections and current conditions.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	45,433,113	33,409,213	26,003,010	24,932,772
Dollar Change	(5,040,783)	(12,023,900)	(7,406,203)	(1,070,238)
Percent Change	-9.99	-26.47	-22.17	-4.12

# 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 FY2009 was 4.75%.
- Collections from this tax account for approximately 5.5% of ongoing general fund revenues.



**Currently:** Through the first eight months of FY2010, \$44.8 million has been collected from this tax. This is a decrease of 1.24% from the first eight months of last year. Year-to-date collections are 72.45% of the estimate. Historically, 71.51% of the total revenue collected from this tax is received in the first eight months.

**Estimate:** A regression equation is 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.)

$$\text{Log(Insurance Company Tax Collections)} = -1.56 + 0.28 * \text{Log(Financial Services Employment)} - 0.16 * \text{Seasonal Dummy} + 0.71 * \text{Log(Consumer Spending on Insurance)}$$

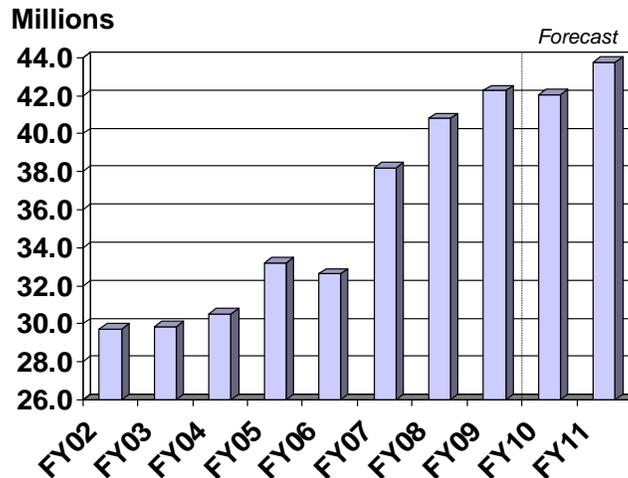
$$R^2 = .9642$$

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	60,393,960	61,823,150	61,776,004	63,399,238
Dollar Change		1,429,190	(47,146)	1,623,234
Percent Change		2.37	(0.08)	2.63

## 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.

- About 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 century, collections from securities fees were strong. After the stock market bubble burst, collections from securities fees dropped. Thus far in FY2010, security fee collections are down slightly.
- Collections in this category account for approximately 3.8% of ongoing general fund revenues in FY2011.



**Currently:** Through the first eight months of FY2010, \$24.8 million has been collected in this category. This is an increase of 2.77% from the first eight months of last year. The increase is due to timing of the securities fee collections. Year-to-date collections are 59.12% of the estimate. Historically, 49.97% of the total revenue is collected in the first eight months.

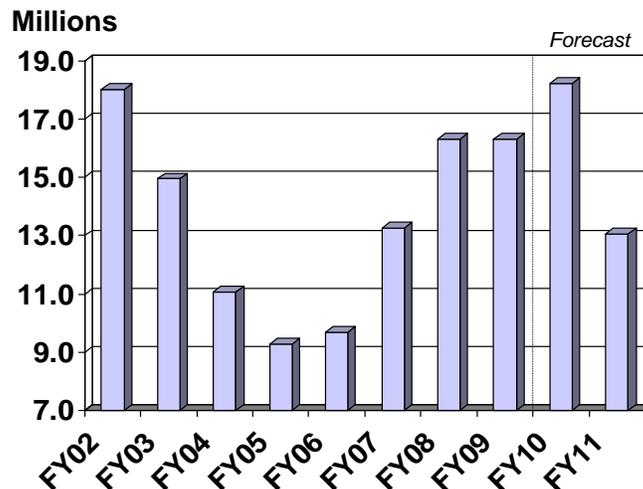
**Estimate:** The different sources of receipts included in this category are estimated individually based on historical collections and current conditions.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Receipts	40,791,607	42,248,341	42,029,434	43,761,888
Dollar Change	1,602,118	1,456,734	(218,907)	1,732,454
Percent Change	4.09	3.57	(0.52)	4.12

## 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 FY2002 and FY2003, the average yield was 5.5% and 4.7%, 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 FY2007, 5.1% in FY2008, and 4.6% in FY2009. Due to current low interest rates, the yield is expected to decrease in FY2010 and FY2011.  
 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 1.3% of ongoing general fund revenues in FY2011.



**Currently:** Through the first eight months of FY2010, \$2.9 million has been collected in this category. This is an increase of 48.74% from the first eight months of last year. Year-to-date collections are 16.03% of the estimate. Historically, 12.18% of the total revenue is collected in the first eight months. The yield of the cash flow fund is estimated to be 4.0% for FY2010 and 3.5% for FY2011.

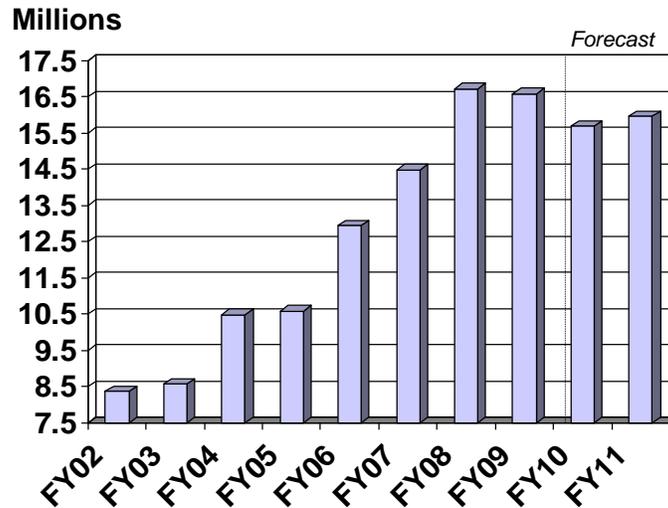
**Estimate:** The estimate is based on information provided by the South Dakota Investment Council and historical collections.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	16,299,255	16,315,214	18,213,440	14,234,214
Dollar Change	3,021,131	15,959	1,898,226	(3,979,226)
Percent Change	22.75	0.10	11.63	(21.85)

## 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 32% of the revenue from this category in FY2009. The majority of the growth in recent years is a result of record unclaimed property collections.
- Receipts included in this category account for approximately 1.4% of ongoing general fund revenues in FY2011.



**Currently:** Through the first eight months of FY2010, \$12.7 million has been collected in this category. This is a decrease of 4.91% from the first eight months of last year. Year-to-date collections are 80.84% of the estimate. Historically, 78.60% of the total revenue is collected in the first eight months.

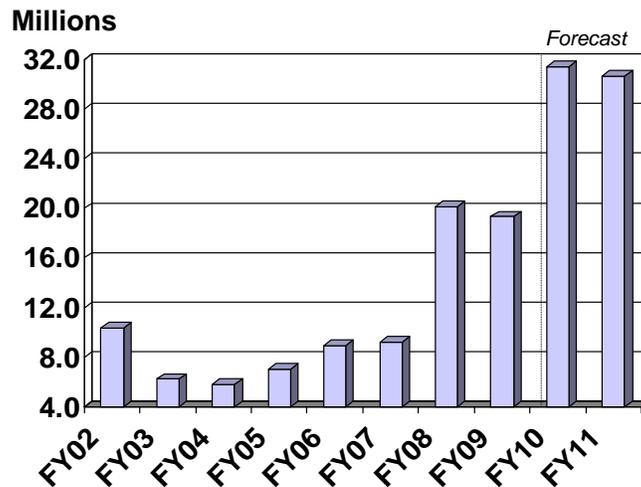
**Estimate:** The different sources of receipts included in this category are broken out and estimated individually based on historical collections and current conditions.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	16,726,952	16,570,377	15,685,325	15,949,384
Dollar Change	2,237,954	(156,575)	(885,052)	264,059
Percent Change	15.45	(0.94)	(5.34)	1.68

## 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; receipts from the Motor Vehicle Fund; the state's share of the Deadwood gaming revenue (SDCL 42-7B-28.1 and SDCL 42-7B-48.1); the transfer from the Health Care Tobacco Tax Fund; the transfer from the Education Enhancement Tobacco Tax Fund; and, other miscellaneous receipts.

- Receipts included in this category account for approximately 2.7% of ongoing general fund revenues in FY2011.



**Currently:** Through the first eight months of FY2010, \$14.9 million has been collected in this category. This is an increase of 19.1% from the first eight months of last year. The large increase is due to the timing of the transfer from the health care tobacco tax fund and the education enhancement tobacco tax fund. Year-to-date collections are 47.51% of the estimate. Historically, 57.22% 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 FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	20,119,164	19,327,158	31,392,734	30,676,628
Dollar Change	10,881,733	(792,006)	12,065,576	(716,106)
Percent Change	117.80	(3.94)	62.43	(2.28)

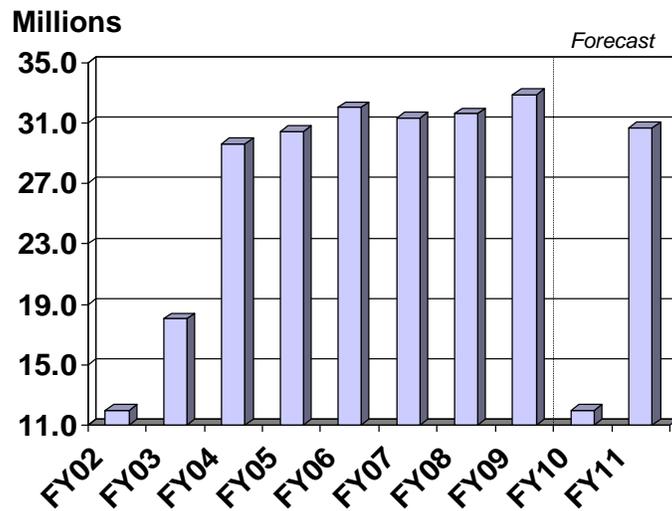
## TRUST FUNDS

**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 are 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 31<sup>st</sup>.
- The table below shows the amounts that were transferred from each of the trust funds to the general fund between FY2008 and FY2010, and the estimated amounts that will be transferred to the general fund from the trust funds in FY2011.

	<b>Actual FY2008</b>	<b>Actual FY2008</b>	<b>Actual FY2010</b>	<b>Estimated FY2011</b>
HCTF	3,656,091	3,896,330	0	3,886,427
EETF	14,766,915	15,453,422	0	14,802,790
DCTF	13,184,338	13,522,942	12,000,000	12,000,000
<b>Total</b>	<b>31,607,344</b>	<b>32,872,694</b>	<b>12,000,000</b>	<b>30,689,217</b>

- 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 FY2009 was \$1,522,943.
- Receipts from the trust funds account for approximately 2.68% of ongoing general fund revenues in FY2011.



**Currently:** As of December 31<sup>st</sup>, the total rate of return for the fiscal year on the HCTF was 15.04%. The rate of return for the fiscal year on the EETF was 14.80%, and the rate of return for the fiscal year on the DCTF was 15.13%.

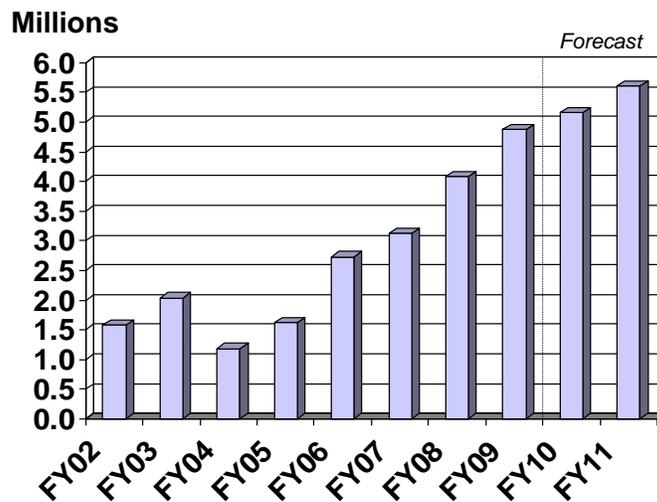
**Estimate:** The estimate for FY2010 includes the required \$12.0 million transfer from the Dakota Cement Trust Fund. The estimate for FY2011 includes the constitutionally required \$12.0 million transfer from the Dakota Cement Trust and the amounts that will be transferred from the Health Care Trust Fund and Education Enhancement Trust Fund pursuant to SDCL 4-5-29.1 and SDCL 4-5-29.2.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	31,607,344	32,872,694	12,000,000	30,689,216
Dollar Change	248,612	1,265,350	(20,872,694)	18,689,216
Percent Change	0.79	4.0	(63.5)	155.7

## 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 in 2009 compared to 2008. In 2008 there were 60,665 ounces of gold produced in the state, and in 2009 there were 67,738 ounces of gold produced.
- Oil production in South Dakota was relatively stable at 1,696,946 bbls in 2008 and 1,658,196 bbls in 2009.
- Collections included in this category account for approximately 0.5% of ongoing general fund revenues in FY2011.



**Currently:** Through the first eight months of FY2010, \$4.2 million has been collected in this category. This is an increase of 18.01% from the first eight months of last year.

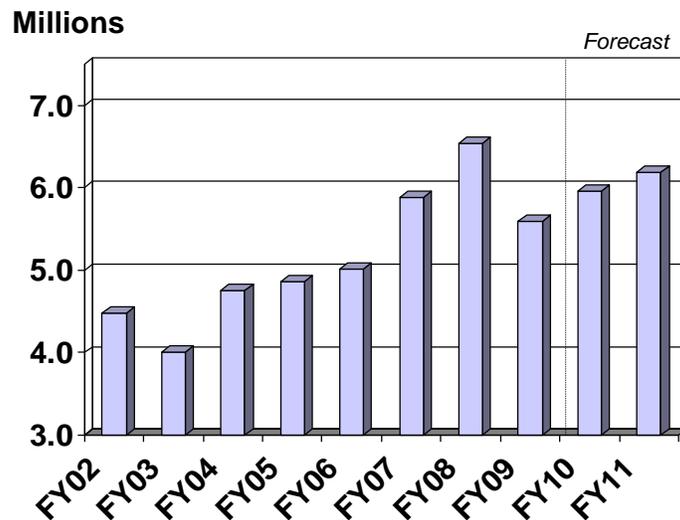
**Estimate:** Collections from taxes on precious metals and energy minerals are estimated separately. The estimates of collections from the severance taxes on gold and precious metals are based on history and current conditions. The estimates of collections from the tax on energy minerals are based on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

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	4,074,627	4,868,142	5,155,710	5,601,593
Dollar Change	950,827	793,515	287,568	445,883
Percent Change	30.44	19.47	5.91	8.65

# 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 FY2011.



**Currently:** Through February 28<sup>th</sup>, 2010, instant ticket sales were down 4.34% compared to the same time period last year.

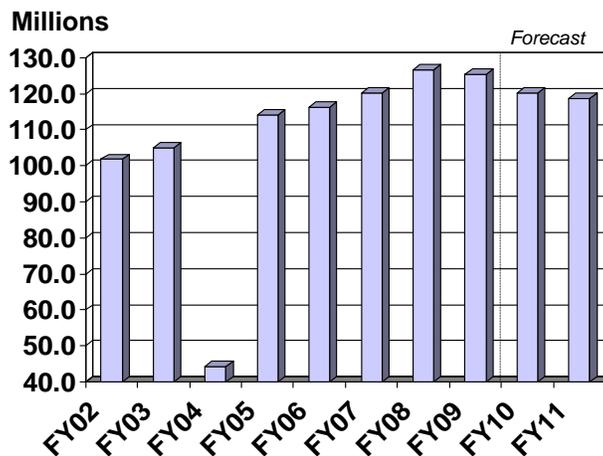
**Estimate:** The estimates are based on historical collections and current conditions.

	<b>Actual FY2008</b>	<b>Actual FY2009</b>	<b>Estimated FY2010</b>	<b>Estimated FY2011</b>
Total Receipts	6,533,644	5,588,568	5,961,489	6,184,152
Dollar Change	654,168	(945,076)	372,921	222,663
Percent Change	11.13	(14.46)	6.67	3.74

## 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 10.4% of general fund revenues in FY2011.



**Currently:** Through February of FY2010, video lottery net machine income was down 3.96% compared to the same time period last year. Through the first eight months of FY2010, the state's share of the receipts from the telecommunications tax was \$4.4 million. This is an increase of 8.3% from the first eight months of last year.

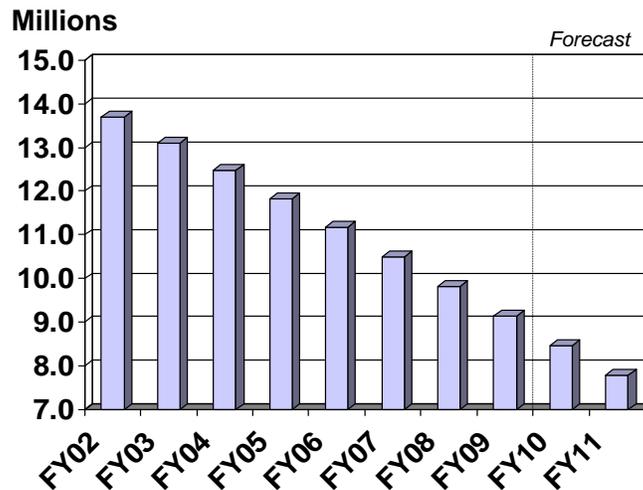
**Estimate:** The projections for video lottery collections and receipts from the telecommunications tax are estimated separately based on historical collections and current conditions. The estimate for the excess tobacco tax revenue is based on historical collections and current conditions. For FY2010 and FY2011, it is anticipated that all the revenues from these three sources will be transferred to the general fund.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Video Lottery	111,093,618	109,340,854	104,529,856	102,230,199
Telecom Tax	6,448,643	7,031,848	7,685,809	8,400,590
Tobacco	9,063,720	9,090,648	7,910,833	8,140,904
<b>Total Receipts</b>	<b>126,605,981</b>	<b>125,463,350</b>	<b>120,126,499</b>	<b>118,771,693</b>
Dollar Change	6,340,599	(1,142,632)	(5,336,851)	(1,354,806)
Percent Change	5.27	(0.90)	(4.25)	(1.13)

## 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 0.7% of ongoing general fund revenues in FY2011.



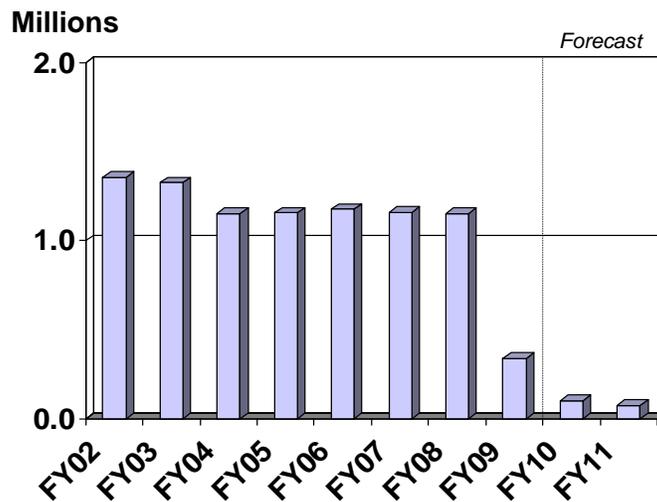
**Estimate:** The estimates are from the sale-leaseback schedule.

	Actual FY2008	Actual FY2009	Estimated FY2010	Estimated FY2011
Total Receipts	9,827,175	9,141,450	8,457,825	7,782,263
Dollar Change	(671,700)	(685,725)	(683,625)	(675,562)
Percent Change	(6.40)	(6.98)	(7.48)	(7.99)

## CRP PROGRAM

**Background:** South Dakota's Conservation Reserve Enhancement Program (CREP) is 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. The bonds are currently paid in full although there is expected to be a small amount of additional CRP payments to come to the general fund in FY2011.
- Receipts account for less than 0.1% of ongoing general fund revenues.



**Estimate:** The estimates are from the CREP schedule.

	<b>Actual FY2008</b>	<b>Actual FY2009</b>	<b>Estimated FY2010</b>	<b>Estimated FY2011</b>
Total Receipts	1,154,547	341,988	104,006	75,000
Dollar Change	(3,673)	(812,559)	(237,982)	(29,006)
Percent Change	(0.32)	(70.38)	(69.59)	(27.89)

## DECEMBER FY2010 VS. MARCH FY2010

	DECEMBER FY2010	MARCH FY2010	DOLLAR CHANGE	PERCENT CHANGE
<b>CONTINUING RECEIPTS</b>				
Sales and Use Tax	647,738,298	647,190,262	(548,036)	-0.08
Contractor's Excise Tax	73,375,756	72,613,271	(762,485)	-1.04
Alcohol Beverage Tax	9,819,764	9,819,764	0	0.00
Alcohol Beverage 2% Wholesale Tax	1,383,587	1,383,587	0	0.00
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	28,439,272	26,003,010	(2,436,262)	-8.57
Insurance Company Tax	62,580,140	61,776,004	(804,136)	-1.28
Licenses, Permits, and Fees	42,494,231	42,029,434	(464,797)	-1.09
Investment Income and Interest	17,583,154	18,213,440	630,286	3.58
Charges for Goods and Services	15,102,207	15,685,325	583,118	3.86
Net Transfers In	30,493,438	31,392,734	899,296	2.95
Trust Funds	12,000,000	12,000,000	0	0.00
Severance Taxes	4,932,180	5,155,710	223,530	4.53
Unexpended Carryovers	0	0	0	
Lottery	5,795,746	5,961,489	165,743	2.86
Property Tax Reduction Fund	120,040,104	120,126,499	86,395	0.07
Sale-Leaseback	8,457,825	8,457,825	0	0.00
CRP Program	35,609	104,006	68,397	192.08
<b>SUBTOTAL (CONTINUING RECEIPTS)</b>	<u>1,110,271,311</u>	<u>1,107,912,360</u>	<u>(2,358,951)</u>	<u>-0.21</u>
<b>ONE-TIME RECEIPTS</b>				
Transfer from Custer State Park Impr. Fund	2,433,637	2,433,637	0	0.00
Transfer from Tax Relief Fund	3,533,582	3,533,582	0	0.00
Transfer from Budgetary Accounting Fund	2,020,021	2,020,021	0	0.00
Transfer from Aeronautics Fund	2,033,581	2,033,581	0	0.00
Refund of Prior Year's Expense	2,200,307	2,200,307	0	0.00
Transfer from Large Project Liability Account	9,617,142	9,617,142	0	0.00
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<u>21,838,270</u>	<u>21,838,270</u>	<u>0</u>	<u>0.00</u>
<b>GRAND TOTAL</b>	<u><u>1,132,109,581</u></u>	<u><u>1,129,750,630</u></u>	<u><u>(2,358,951)</u></u>	<u><u>-0.21</u></u>

## DECEMBER FY2011 VS. MARCH FY2011

	DECEMBER * FY2011	MARCH * FY2011	DOLLAR CHANGE	PERCENT CHANGE
<b>CONTINUING RECEIPTS</b>				
Sales and Use Tax	668,353,398	666,119,728	(2,233,670)	-0.33
Contractor's Excise Tax	74,739,517	74,241,380	(498,137)	-0.67
Alcohol Beverage Tax	10,090,993	10,090,993	0	0.00
Alcohol Beverage 2% Wholesale Tax	1,473,896	1,473,896	0	0.00
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	28,866,836	24,932,772	(3,934,064)	-13.63
Insurance Company Tax	63,508,640	63,399,238	(109,402)	-0.17
Licenses, Permits, and Fees	42,650,322	43,761,888	1,111,566	2.61
Investment Income and Interest	13,359,977	14,234,214	874,237	6.54
Charges for Goods and Services	15,283,638	15,949,384	665,746	4.36
Net Transfers In	30,218,797	30,676,628	457,831	1.52
Trust Funds	29,725,897	30,689,216	963,319	3.24
Severance Taxes	5,322,728	5,601,593	278,865	5.24
Unexpended Carryovers	0	0	0	
Lottery	6,013,284	6,184,152	170,868	2.84
Property Tax Reduction Fund	118,547,934	118,771,693	223,759	0.19
Sale-Leaseback	7,782,263	7,782,263	0	0.00
CRP Program	0	75,000	75,000	
<b>SUBTOTAL (CONTINUING RECEIPTS)</b>	<u>1,145,938,120</u>	<u>1,143,984,038</u>	<u>(1,954,082)</u>	<u>-0.17</u>
<b>ONE-TIME RECEIPTS</b>				
Transfer from Custer State Park Impr. Fund	4,403,286	4,403,286	0	0.00
Transfer from Other Disease Fund	292,861	292,861	0	0.00
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<u>4,696,147</u>	<u>4,696,147</u>	<u>0</u>	<u>0.00</u>
<b>GRAND TOTAL</b>	<u><u>1,150,634,267</u></u>	<u><u>1,148,680,185</u></u>	<u><u>(1,954,082)</u></u>	<u><u>-0.17</u></u>

\* Assumes Passage of HB 1041 and HB 1060 as proposed.

## ADOPTED FY2010 VS. MARCH FY2010

	LEGISLATIVE ADOPTED FY2010	MARCH FY2010	DOLLAR CHANGE	PERCENT CHANGE
<b>CONTINUING RECEIPTS</b>				
Sales and Use Tax	659,392,169	647,190,262	(12,201,907)	-1.85
Contractor's Excise Tax	77,197,527	72,613,271	(4,584,256)	-5.94
Alcohol Beverage Tax	10,150,778	9,819,764	(331,014)	-3.26
Alcohol Beverage 2% Wholesale Tax	1,387,858	1,383,587	(4,271)	-0.31
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	30,130,638	26,003,010	(4,127,628)	-13.70
Insurance Company Tax	65,874,470	61,776,004	(4,098,466)	-6.22
Licenses, Permits, and Fees	41,468,347	42,029,434	561,087	1.35
Investment Income and Interest	11,843,613	18,213,440	6,369,827	53.78
Charges for Goods and Services	14,897,301	15,685,325	788,024	5.29
Net Transfers In	29,620,713	31,392,734	1,772,021	5.98
Trust Funds	12,000,000	12,000,000	0	0.00
Severance Taxes	3,576,375	5,155,710	1,579,335	44.16
Unexpended Carryovers	0	0	0	
Lottery	7,055,230	5,961,489	(1,093,741)	-15.50
Property Tax Reduction Fund	127,013,026	120,126,499	(6,886,527)	-5.42
Sale-Leaseback	8,457,825	8,457,825	0	0.00
CRP Program	35,609	104,006	68,397	192.08
<b>SUBTOTAL (CONTINUING RECEIPTS)</b>	<u>1,130,101,479</u>	<u>1,107,912,360</u>	<u>(22,189,119)</u>	<u>-1.96</u>
<b>ONE-TIME RECEIPTS</b>				
Transfer from Custer State Park Impr. Fund	2,374,160	2,433,637	59,477	2.51
Transfer from Tax Relief Fund	1,500,000	3,533,582	2,033,582	135.57
Transfer from Budgetary Accounting Fund	0	2,020,021	2,020,021	100.00
Transfer from Aeronautics Fund	0	2,033,581	2,033,581	100.00
Refund of Prior Year's Expense	0	2,200,307	2,200,307	100.00
Transfer from Large Project Liability Account	0	9,617,142	9,617,142	100.00
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<u>3,874,160</u>	<u>21,838,270</u>	<u>17,964,110</u>	<u>463.69</u>
<b>GRAND TOTAL</b>	<u><u>1,133,975,639</u></u>	<u><u>1,129,750,630</u></u>	<u><u>(4,225,009)</u></u>	<u><u>-0.37</u></u>

## ACTUAL FY2009 VS. MARCH FY2010

	ACTUAL FY2009	MARCH FY2010	DOLLAR CHANGE	PERCENT CHANGE
<b>CONTINUING RECEIPTS</b>				
Sales and Use Tax	658,724,471	647,190,262	(11,534,209)	-1.75
Contractor's Excise Tax	71,384,919	72,613,271	1,228,352	1.72
Alcohol Beverage Tax	9,537,513	9,819,764	282,251	2.96
Alcohol Beverage 2% Wholesale Tax	1,284,896	1,383,587	98,691	7.68
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	33,409,213	26,003,010	(7,406,203)	-22.17
Insurance Company Tax	61,823,150	61,776,004	(47,146)	-0.08
Licenses, Permits, and Fees	42,248,341	42,029,434	(218,907)	-0.52
Investment Income and Interest	16,315,214	18,213,440	1,898,226	11.63
Charges for Goods and Services	16,570,377	15,685,325	(885,052)	-5.34
Net Transfers In	19,327,158	31,392,734	12,065,576	62.43
Trust Funds	32,872,694	12,000,000	(20,872,694)	-63.50
Severance Taxes	4,868,142	5,155,710	287,568	5.91
Unexpended Carryovers	1,695,722	0	(1,695,722)	-100.00
Lottery	5,588,568	5,961,489	372,921	6.67
Property Tax Reduction Fund	125,463,350	120,126,499	(5,336,851)	-4.25
Sale-Leaseback	9,141,450	8,457,825	(683,625)	-7.48
CRP Program	341,988	104,006	(237,982)	-69.59
<b>SUBTOTAL (CONTINUING RECEIPTS)</b>	<b>1,140,597,167</b>	<b>1,107,912,360</b>	<b>(32,684,807)</b>	<b>-2.87</b>
<b>ONE-TIME RECEIPTS</b>				
Transfer from Telecommunications Relay Service	1,000,000	0	(1,000,000)	-100.00
Transfer from Custer State Park Impr. Fund	6,325,898	2,433,637	(3,892,261)	-61.53
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	475,000	0	(475,000)	-100.00
Transfer from Tax Relief Fund	0	3,533,582	3,533,582	100.00
Transfer from Budgetary Accounting Fund	0	2,020,021	2,020,021	100.00
Transfer from Aeronautics Fund	0	2,033,581	2,033,581	100.00
Refund of Prior Year's Expense	0	2,200,307	2,200,307	100.00
Transfer from Large Project Liability Account	0	9,617,142	9,617,142	100.00
Obligated Cash Carried Forward	150,957	0	(150,957)	-100.00
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>12,951,855</b>	<b>21,838,270</b>	<b>8,886,415</b>	<b>68.61</b>
<b>GRAND TOTAL</b>	<b>1,153,549,022</b>	<b>1,129,750,630</b>	<b>(23,798,392)</b>	<b>-2.06</b>

## MARCH FY2010 VS. MARCH FY2011

	MARCH FY2010	MARCH * FY2011	DOLLAR CHANGE	PERCENT CHANGE
<b>CONTINUING RECEIPTS</b>				
Sales and Use Tax	647,190,262	666,119,728	18,929,466	2.92
Contractor's Excise Tax	72,613,271	74,241,380	1,628,109	2.24
Alcohol Beverage Tax	9,819,764	10,090,993	271,229	2.76
Alcohol Beverage 2% Wholesale Tax	1,383,587	1,473,896	90,309	6.53
Cigarette Tax	30,000,000	30,000,000	0	0.00
Bank Franchise Tax	26,003,010	24,932,772	(1,070,238)	-4.12
Insurance Company Tax	61,776,004	63,399,238	1,623,234	2.63
Licenses, Permits, and Fees	42,029,434	43,761,888	1,732,454	4.12
Investment Income and Interest	18,213,440	14,234,214	(3,979,226)	-21.85
Charges for Goods and Services	15,685,325	15,949,384	264,059	1.68
Net Transfers In	31,392,734	30,676,628	(716,106)	-2.28
Trust Funds	12,000,000	30,689,216	18,689,216	155.74
Severance Taxes	5,155,710	5,601,593	445,883	8.65
Unexpended Carryovers	0	0	0	
Lottery	5,961,489	6,184,152	222,663	3.74
Property Tax Reduction Fund	120,126,499	118,771,693	(1,354,806)	-1.13
Sale-Leaseback	8,457,825	7,782,263	(675,562)	-7.99
CRP Program	104,006	75,000	(29,006)	-27.89
<b>SUBTOTAL (CONTINUING RECEIPTS)</b>	<b>1,107,912,360</b>	<b>1,143,984,038</b>	<b>36,071,678</b>	<b>3.26</b>
<b>ONE-TIME RECEIPTS</b>				
Transfer from Custer State Park Impr. Fund	2,433,637	4,403,286	1,969,649	80.93
Transfer from Tax Relief Fund	3,533,582	0	(3,533,582)	-100.00
Transfer from Budgetary Accounting Fund	2,020,021	0	(2,020,021)	-100.00
Transfer from Aeronautics Fund	2,033,581	0	(2,033,581)	-100.00
Refund of Prior Year's Expense	2,200,307	0	(2,200,307)	-100.00
Transfer from Large Project Liability Account	9,617,142	0	(9,617,142)	-100.00
Transfer from Other Disease Fund	0	292,861	292,861	100.00
Transfer from Property Tax Reserves	0	0	0	100.00
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>21,838,270</b>	<b>4,696,147</b>	<b>(17,142,123)</b>	<b>-78.50</b>
 <b>GRAND TOTAL</b>	 <b>1,129,750,630</b>	 <b>1,148,680,185</b>	 <b>18,929,555</b>	 <b>1.68</b>

\* Assumes Passage of HB 1041 and HB 1060 as proposed.