

STATE BOARD OF EQUALIZATION

**PROPOSED FY-2018 REVENUE RE-CERTIFICATION
LAW CHANGES & FIRST SPECIAL SESSION OF THE 56TH
LEGISLATURE, 2017**

20-Dec-17

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FUNDS TO BE CERTIFIED

Schedule 1

The summation of the itemized estimates of revenue, Schedule 2, and the amounts available for appropriation are proposed as the amounts to be certified by the State Board of Equalization in accordance with Section 23, Article X, *Constitution of Oklahoma*. The amounts proposed as available for appropriation are calculated as 95 percent (95%) of the summation of the itemized estimate of revenue for the respective funds, except for federal funds which shall be certified for the full amount of the estimate.

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
	TOTAL ESTIMATED COLLECTIONS	APPROPRIATIONS AUTHORITY
	Proposed FY-2018 Re-Certification Estimates	
GENERAL REVENUE	\$5,472,752,370	\$5,199,114,751
C.L.E.E.T.	\$3,511,865	\$3,336,272
COMMISSIONERS OF THE LAND OFFICE	\$9,398,400	\$8,928,480
MINERAL LEASING	\$4,500,000	\$4,275,000
SPECIAL OCCUPATIONAL HEALTH & SAFETY	\$1,500,000	\$1,425,000
PUBLIC BUILDING	\$2,253,180	\$2,140,521
OK EDUCATION LOTTERY TRUST FUND	\$60,144,248	\$57,644,244 *
STATE PUBLIC SAFETY FUND	\$18,800,200	\$17,860,190
HEALTH CARE ENHANCEMENT FUND	<u>\$0</u>	<u>\$0</u>
TOTALS	\$5,572,860,263	\$5,294,724,458 *

*Cash appropriated by the Legislature to fulfill requirements of the "supplanting" finding made by the State Board of Equalization Board at the 21-Feb-17 meeting is not subject to the 95% requirement, but increases total amounts available for appropriation. Totals will not reflect an exact 95% amount.

ITEMIZED ESTIMATES OF REVENUE

Schedule 2

The itemized estimates of revenues displayed in this schedule for the General Revenue Fund and the Special Revenue Funds to be appropriated by the Legislature for the fiscal year ending June 30, 2018 (FY-2018) are the basis for the summation proposed for certification in Schedule 1. For informational purposes the FY-2018 estimates of revenues are compared to the last preceding fiscal year's actual revenues (FY-2016) and to both the itemized estimates and the projections of revenues for the current fiscal year (FY-2017).

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
FUND NAME	FY-2017 ESTIMATE 20-Jun-16	FY-2017 PROJECTED 21-Feb-17	FY-2018 ESTIMATE 21-Feb-17	PROPOSED FY-2018 ESTIMATE 28-Jun-17	PROPOSED FY-2018 RE-CERTIFICATION 20-Dec-17
GENERAL REVENUE					
Alcohol Beverage Tax	\$26,939,000	\$26,349,000	\$27,237,000	\$27,237,000	\$27,237,000
Mixed Beverage Receipts Tax	55,789,000	55,331,000	58,080,000	62,980,000	62,980,000
Beverage Tax	24,202,000	23,797,000	23,981,000	23,981,000	23,981,000
Cigarette Tax	33,316,803	30,300,071	30,611,929	30,611,929	30,611,929
Tobacco Products Tax	31,078,299	30,855,429	33,174,233	33,174,233	33,174,233
Franchise/Business Activity Tax	55,825,000	50,964,000	51,650,000	65,125,000	65,125,000
Gross Production Tax-Gas	124,163,000	130,545,000	145,981,000	232,674,000	260,437,000
Gross Production Tax-Oil	4,018,000	21,115,000	29,506,000	89,640,274	112,928,274
Income Tax-Individual	1,886,880,476 *	1,843,038,356 *	1,879,553,262 *	1,901,750,032 **	1,898,458,772 **
Income Tax-Corporate	296,330,530	91,430,625	102,043,475	102,043,475	102,043,475
Estate Tax	0	0	0	0	0
Insurance Premium Tax	107,181,902	108,787,500	108,787,500	108,787,500	108,787,500
Motor Vehicle Taxes	213,978,680	218,741,000	220,395,000	220,395,000	220,395,000
Sales Tax	1,935,852,430	1,839,474,347	1,923,839,345	2,047,331,315	2,047,331,315
Use Tax	164,542,808	191,522,083	217,950,368	217,950,368	217,950,368
Interest & Investments	52,000,000	50,000,000	48,000,000	48,000,000	48,000,000
Other (Schedule 3)	207,241,224	210,711,832	212,127,503	212,311,504	212,311,504
General Revenue Totals	\$5,219,339,152	\$4,922,962,240	\$5,112,917,614	\$5,423,992,630	\$5,471,752,370
Transfers & Lapses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Revenue Comparison	\$5,220,339,152	\$4,923,962,240	\$5,113,917,614	\$5,424,992,630	\$5,472,752,370
One-Time Receipts	0	0	0	0	0
Total General Revenue	\$5,220,339,152	\$4,923,962,240	\$5,113,917,614	\$5,424,992,630	\$5,472,752,370
C.L.E.E.T.	\$3,206,112	\$3,192,118	\$3,170,370	\$3,511,865	\$3,511,865
COMM of LAND OFFICE	\$9,237,300	\$9,504,300	\$9,398,400	\$9,398,400	\$9,398,400
MINERAL LEASING	\$3,800,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
SPECIAL OCCUPATIONAL HEALTH & SAFETY	\$1,937,552	\$1,631,959	\$1,500,000	\$1,500,000	\$1,500,000
PUBLIC BUILDING	\$3,040,430	\$3,467,088	\$2,253,180	\$2,253,180	\$2,253,180
OK EDUCATION LOTTERY TRUST FUND	\$51,733,500	\$53,553,500	\$50,000,077	\$60,144,248	\$60,144,248
STATE PUBLIC SAFETY FUND	\$12,982,456	\$12,982,456	\$0	\$18,800,200	\$18,800,200
HEALTH CARE ENHANCEMENT FUND	\$0	\$0	\$0	\$225,263,158	\$0
GRAND TOTAL	\$5,306,276,502	\$5,012,793,662	\$5,184,739,641	\$5,750,363,681	\$5,572,860,263

*The Individual Income Tax number reflects apportionments to the ROADS Fund, the Public Transportation Fund and the OK Tourism and Passenger Rail Revolving Fund, as well as funding for the Oklahoma's Promise Scholarship program.

*In compliance with Section 34.87 of Title 62 of the Oklahoma Statutes, the State Regents for Higher Education has requested \$74.3m for funding of the Oklahoma's Promise scholarship fund for FY-2018, which is requested from the General Revenue Fund (Personal Income Tax collections). The amount of money allocated from income tax revenue for FY-2017 was \$67.8m. These amounts have been removed from the respective individual income tax numbers.

*Pursuant to Title 69, Section 1521 of the Oklahoma Statutes, FY-2016 apportionment to transportation funds were reduced by 7% due to a statewide revenue failure. After final year-end closing, 2.56% of the 7% cut amounts were returned to their respective funds. Numbers presented in the FY-2017 June estimate and the FY-2017 & FY-2018 estimates made in February include original calculated values of the ROADS fund, the OK Tourism & Passenger Rail Revolving Fund and the Public Transit Revolving Fund based on final amounts apportioned to the funds in FY-2016. The FY-2017 estimate made in February does not reflect the 0.7% revenue cut made in March of 2017 because of declaration of "revenue failure". **The FY-2018 amount proposed in June reflects projected apportionment amounts after consideration of the lower FY-2017 ROADS Fund base including the 0.7% reduction. At the close of FY-2017 all reduced 0.7% transportation funds were returned and the resulting decrease in income tax collections is reflected in the final December number. (As required, all reductions were applied after budgeted debt service was removed.)

**ITEMIZED ESTIMATES OF "OTHER" REVENUES
GENERAL REVENUE FUND
Schedule 3**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
	FY-2017 ESTIMATE 20-Jun-16	FY-2017 PROJECTED 21-Feb-17	FY-2018 ESTIMATE 21-Feb-17	PROPOSED FY-2018 ESTIMATE 28-Jun-17	PROPOSED FY-2018 RE-CERTIFICATION 20-Dec-17
OTC:					
Pari-Mutuel	\$1,007,500	\$1,007,500	\$1,007,500	\$7,500	\$7,500
Tribal Cigarette Compacts	15,908,000	16,549,000	16,503,000	16,503,000	16,503,000
Bingo Excise & Charity Games	23,000	59,000	40,000	40,000	40,000
Workers Comp Ins. Premium Tax	0	0	0	0	0
Petroleum Excise Tax	5,907,000	9,696,000	11,196,000	11,196,000	11,196,000
Other OTC	26,767,000	28,533,000	28,924,000	31,624,000	31,624,000
TOTAL OTC	<u>\$49,612,500</u>	<u>\$55,844,500</u>	<u>\$57,670,500</u>	<u>\$59,370,500</u>	<u>\$59,370,500</u>
COLLECTIONS BY OTHER AGENCIES					
ABLE	\$5,879,600	\$6,262,800	\$6,123,700	\$6,123,700	\$6,123,700
Attorney General (Tobacco)	2,300,000	2,563,977	2,450,000	2,450,000	2,450,000
OMES-DCAM/formerly DCS	70,000	51,276	50,000	50,000	50,000
CLEET	320,926	319,220	317,126	317,126	317,126
Consumer Credit	800,000	1,000,000	1,000,000	1,000,000	1,000,000
DPS	42,166,619	40,594,012	40,903,873	40,903,873	40,903,873
OMES-EBD/formerly EBC	900,000	1,200,000	1,190,599	1,190,599	1,190,599
Horseracing	388,825	413,825	413,825	13,825	13,825
Insurance Comm	53,663,014	51,187,376	51,187,376	49,747,376	49,747,376
Labor	851,680	586,955	445,695	445,695	445,695
Medical Licensure	370,000	380,000	390,000	390,000	390,000
Nursing Board	322,124	323,300	310,400	310,400	310,400
Sec of State	2,821,866	2,475,589	2,633,500	2,633,500	2,633,500
Securities Comm	16,714,070	17,530,910	17,530,910	17,530,910	17,530,910
Treasurer (Unclaimed Property)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Tribal Gaming/Horseracing	18,090,000	18,490,969	18,540,000	18,864,000	18,864,000
OMES-HCM/formerly OPM	1,970,000	1,487,123	970,000	970,000	970,000
OMES/formerly OSF	0	0	0	0	0
Other	0	0	0	0	0
TOTAL MISC	<u>\$157,628,724</u>	<u>\$154,867,332</u>	<u>\$154,457,004</u>	<u>\$152,941,004</u>	<u>\$152,941,004</u>
GRAND OTHER	<u>\$207,241,224</u>	<u>\$210,711,832</u>	<u>\$212,127,504</u>	<u>\$212,311,504</u>	<u>\$212,311,504</u>

COMPARISON OF REVENUE ESTIMATES
FY-2018 JUNE ESTIMATE: LAW CHANGES vs. FY-2018 DECEMBER RE-CERTIFICATION ESTIMATES
Schedule 4

Column 1	Column 2	Column 3	Column 4	Column 5
	FY 2018 ESTIMATE 28-Jun-17	PROPOSED FY 2018 RE-CERTIFICATION 20-Dec-17	INCREASE OR (DECREASE)	PERCENT CHANGE
GENERAL REVENUE FUND				
Alcohol Beverage Tax	\$27,237,000	\$27,237,000	\$0	0.0%
Mixed Beverage Receipts Tax	62,980,000	62,980,000	0	0.0%
Beverage Tax	23,981,000	23,981,000	0	0.0%
Cigarette Tax	30,611,929	30,611,929	0	0.0%
Tobacco Products Tax	33,174,233	33,174,233	0	0.0%
Franchise/Business Activity Tax	65,125,000	65,125,000	0	0.0%
Gross Production Tax-Gas	232,674,000	260,437,000	27,763,000	11.9%
Gross Production Tax-Oil	89,640,274	112,928,274	23,288,000	26.0%
Income Tax-Individual	1,901,750,032	1,898,458,772 *	(3,291,260)	-0.2%
Income Tax-Corporate	102,043,475	102,043,475	0	0.0%
Estate Tax	0	0	0	0.0%
Insurance Premium Tax	108,787,500	108,787,500	0	0.0%
Motor Vehicle Taxes	220,395,000	220,395,000	0	0.0%
Sales Tax	2,047,331,315	2,047,331,315	0	0.0%
Use Tax	217,950,368	217,950,368	0	0.0%
Interest & Investments	48,000,000	48,000,000	0	0.0%
Other (Schedule 3)	212,311,504	212,311,504	0	0.0%
General Revenue Totals	\$5,423,992,630	\$5,471,752,370	\$47,759,740	0.9%
Transfers & Lapses	1,000,000	1,000,000	0	0.0%
Revenue Comparison	\$5,424,992,630	\$5,472,752,370	\$47,759,740	0.9%
One-Time Receipts		0	0	0.0%
Total General Revenue	\$5,424,992,630	\$5,472,752,370	\$47,759,740	0.9%
C.L.E.E.T. FUND	\$3,511,865	\$3,511,865	\$0	0.0%
COMMISSIONERS OF LAND OFFICE FUND	\$9,398,400	\$9,398,400	\$0	0.0%
MINERAL LEASING FUND	\$4,500,000	\$4,500,000	\$0	0.0%
SPECIAL OCCUPATIONAL HEALTH & SAFETY FUND	\$1,500,000	\$1,500,000	\$0	0.0%
PUBLIC BUILDING FUND	\$2,253,180	\$2,253,180	\$0	0.0%
OK EDUCATION LOTTERY TRUST FUND	\$60,144,248	\$60,144,248	\$0	0.0%
STATE PUBLIC SAFETY FUND	\$18,800,200	\$18,800,200	\$0	N/A
HEALTH CARE ENHANCEMENT FUND	\$225,263,158	\$0	(\$225,263,158)	N/A
GRAND TOTAL	\$5,750,363,681	\$5,572,860,263	(\$177,503,418)	-3.1%

*The December FY-2018 Individual Income Tax estimate excludes \$3,291,260 resulting from the refunded ROADS Fund monies. This reflects the amount necessary to return the ROADS Fund base to its fully funded status and will reduce FY-2018 income tax collections to the GRF from the amount calculated in June.

**LEGISLATED REVENUE ADJUSTMENTS - FIRST SPECIAL SESSION
2017 Law Changes and First Special Legislative Session Summary
Schedule 5**

The Legislature may enact laws to provide for additional or reduced revenues, to transfer existing revenues and unappropriated cash on hand from one fund to another fund, or to make provision for appropriating funds not previously appropriated directly by the Legislature. Such laws having been enacted by the First Special Session of the 56th Legislature, 2017, and acted upon by the Governor, the following adjustments to the last certified Estimates of Revenue are proposed.

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
FUND SOURCE CITATION DESCRIPTION	ADJUSTMENT AMOUNTS FY-2018 (100%)	ADJUSTMENT AMOUNTS FY-2018 (95%)
GENERAL REVENUE FUND		
Gross Production Oil Tax HB 1085X - Wallace & Schultz -Modifying Tax Exemption for GP Oil Tax	\$23,288,000	\$22,123,600
TOTAL CHANGES TO GROSS PRODUCTION OIL TAX:	\$23,288,000	\$22,123,600
Gross Production Gas Tax HB 1085X - Wallace & Schultz -Modifying Tax Exemption for GP Gas Tax	\$27,763,000	\$26,374,850
TOTAL CHANGES TO GROSS PRODUCTION NATURAL GAS TAX:	\$27,763,000	\$26,374,850
TOTAL CHANGES TO THE GENERAL REVENUE FUND	\$51,051,000	\$48,498,450
HEALTH CARE ENHANCEMENT FUND		
SB 845 - Osborn & David - RULED UNCONSTITUTIONAL - SUPREME COURT - 2017 OK 63 - Tobacco Cessation Incentive Program with Fee	(\$225,263,158)	(\$214,000,000)
TOTAL CHANGES TO THE HEALTH CARE ENHANCEMENT FUND	(\$225,263,158)	(\$214,000,000)
TOTAL CHANGES TO CERTIFIED FUNDS	(\$174,212,158)	(\$165,501,550)
<u>OTHER LEGISLATIVE ACTIONS AFFECTING CASH</u>		
GRF Prior Year Cash HB1019X - Wallace & David -Appropriating \$30 million to OK Health Department from FY-2017 Cash	\$30,000,000	
Special Cash Fund HB1019X - Wallace & David -Transferring \$80 million from the ODOT CIRB Fund to Special Cash	\$80,000,000	
Oklahoma Constitutional Reserve Fund (Rainy Day Fund) HB1081X - Wallace & David -Transferring money from the CRF (Rainy Day) to DMHSAS	\$23,338,170	
TOTAL CHANGES TO OTHER FUNDS	\$133,338,170	
<u>TOTAL CHANGES RELATED TO LEGISLATIVE ACTIONS:</u>	(\$40,873,988)	