

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE

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LRO FORECAST SUMMARY

March 2013

NEW FACTS SINCE THE LAST FORECAST

	4th Qtr 2012 Forecast	4th Qtr 2012 Actuals	Difference
Employment	1,646,122	1,647,850	1,728
Personal Income (\$ billion)	152.4	153.7	1.4
Personal Income Tax (\$ million)			
Withholding	1,322.1	1,364.5	42.4
Other Payments less Refunds	141.6	140.9	-0.7
Total	1,463.7	1,505.5	41.8
Corporate Income Tax	88.2	113.8	25.5

NEW FACTS

- Fourth Quarter personal income tax collections were up \$41.8 million (2.9%) from the December 2012 forecast.
- Fourth Quarter corporate income tax collections were up \$25.5 million (28.9%) from the December 2012 forecast.
- Oregon personal income was up \$1.4 billion (0.9%) from the December 2012 forecast.
- Oregon employment was up 1,728 jobs (0.1%) from the December 2012 forecast.

2011-13

CHANGE FROM CLOSE OF SESSION (\$ Million)

General Fund Resources	Close of Session	March 2013 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	12,193.6	12,044.9	-148.7
Corporate	894.2	898.3	4.0
Other	944.2	1,179.1	234.9
Gross GF Revenue	14,032.0	14,122.2	90.2
Shared Services Fund	0.0	-12.0	-12.0
Rainy Day Fund	0.0	0.0	0.0
Net GF Revenue	14,032.0	14,110.3	78.3
Lottery Resources*	1,131.0	1,079.7	-51.3
Anticipated Administrative Actions**	-23.1	-4.4	18.7
Net GF and Lottery Resources	15,139.9	15,185.5	45.7

* All lottery resources including dedicated funds.

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

CHANGE SINCE CLOSE OF SESSION

- Net personal income tax revenue is down \$148.7 million (-1.2%) from the 2011 Close-of-Session estimate.
- Net corporate income tax revenue is up \$4.0 million (0.5%) from the 2011 Close-of-Session estimate.
- Net General Fund revenue is up \$78.3 million (0.6%) from the 2011 Close-of-Session estimate.
- Net GF and Lottery resources are up \$45.7 million (0.3%) from the 2011 Close-of-Session estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	March 2013 Forecast	Amount +/- Kicker Threshold
Personal & Other	13,137.7	13,400.5	13,223.9	-176.6
Corporation*	878.2	895.8	882.3	-13.5

* As per the AG, the corporate kicker calculation excludes the minimum tax paid by S-corporations, because it is a flat tax.

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: No personal kicker refund is projected for 2013.

CORPORATE: No corporate kicker refund is projected for 2013.

2011-13

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2012 Forecast	March 2013 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Personal	11,974.8	12,044.9	70.1
Corporate	855.9	898.3	42.4
Other	1,130.4	1,179.1	48.7
Gross GF Revenue	13,961.1	14,122.2	161.2
Shared Services Fund	-12.0	-12.0	0.0
Rainy Day Fund	0.0	0.0	0.0
Net GF Revenue	13,949.1	14,110.3	161.2
Lottery Resources*	1,078.6	1,079.7	1.1
Anticipated Administrative Actions**	-4.4	-4.4	0.0
Net Combined Resources	15,023.3	15,185.5	162.3

* All lottery resources including dedicated funds.

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

REVENUE CHANGES

- Projected 2011-13 net General Fund revenue is up \$161.2 million (1.2%) from the December 2012 forecast.
- Projected 2011-13 Lottery resources are up \$1.1 million (0.1%) from the December 2012 forecast.
- Projected combined net General Fund and Lottery resources are up \$162.3 million (1.1%) from the December 2012 forecast.

2011-13

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	March 2013 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	14,032.0	14,110.3	78.3
Administrative Actions	-23.1	-4.4	18.7
Total Resources	14,008.9	14,105.9	97.0
Expenditures	13,562.6	13,723.8	161.2
Ending Balance	446.3	382.1	-64.2
Rainy Day Fund Transfer	135.6	137.2	1.6
Remaining Balance	310.6	244.9	-65.8

ENDING BALANCE

- The projected ending balance is down \$64.2 million (-14.4%) from the 2011 Close-of-Session estimate.
- The projected ending balance is up \$161.2 million from the December 2012 forecast.
- The Rainy Day Fund is projected to receive \$137.2 million following the 2011-13 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	December 2012 Forecast	March 2013 Forecast	Difference
Beginning Balance	0.0	0.0	0.0
Revenue	13,949.1	14,110.3	161.2
Administrative Actions	-4.4	-4.4	0.0
Total Resources	13,944.7	14,105.9	161.2
Expenditures	13,723.8	13,723.8	0.0
Ending Balance	220.9	382.1	161.2
Rainy Day Fund Transfer	137.2	137.2	0.0
Remaining Balance	83.7	244.9	161.2

2011-13

Reserve Fund Position				
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	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$5.1	\$10.4	\$0.0	\$15.5
Deposits	\$184.8	\$50.8		\$235.6
Interest	\$0.6	\$0.6		\$1.2
Withdrawals	-\$182.9	\$0.0		-\$182.9
Projected Ending Balance	\$7.6	\$61.8	\$382.1	\$451.5

*Excludes funds in the Oregon Growth and the Oregon Resource and Technology Development subaccounts.

2013-15

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2012 Forecast	March 2013 Forecast	Difference
Beginning Balance	220.9	382.1	161.2
Personal	13,506.8	13,452.7	-54.1
Corporate	1,052.9	1,026.8	-26.1
Other	957.4	965.8	8.4
Gross GF Revenue	15,517.1	15,445.3	-71.7
Shared Services Fund	-56.2	-56.2	0.0
Rainy Day Fund	-48.8	-45.3	3.5
Net GF Revenue	15,412.0	15,343.8	-68.2
Anticipated Administrative Actions**	-18.2	-18.2	0.0
Transfer to Rainy Day Fund	-137.2	-137.2	0.0
Net General Fund Resources	15,477.5	15,570.4	92.9
Lottery Resources*	1,050.8	1,045.0	-5.8
Net Combined Resources	16,528.3	16,615.4	87.1

* All lottery resources including dedicated funds.

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

2013-15

Reserve Fund Position				
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	Education Stability Fund *	Rainy Day Fund	General Fund**	Reserves Available
	(\$ Millions)			
Beginning Balance	\$7.6	\$61.8	-----	\$69.4
Deposits	\$178.2	\$182.6		\$360.8
Interest	\$1.0	\$2.0		\$3.1
Withdrawals	-\$1.0	\$0.0		-\$1.0
Projected Ending Balance	\$185.8	\$246.4	\$130.2	\$562.4

*Excludes funds in the Oregon Growth and the Oregon Resource and Technology Development subaccounts.

** The Beginning Balance is used in arriving at the Projected Ending Balance of \$130.2M, which is taken from the Governor's Balanced Budget.

2015-17

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2012 Forecast	March 2013 Forecast	Difference
Personal	15,134.8	15,199.8	65.0
Corporate	1,071.1	1,082.3	11.2
Other	1,015.7	1,024.0	8.3
Gross GF Revenue	17,221.6	17,306.1	84.5
Shared Services Fund	-75.7	-75.6	0.1
Rainy Day Fund	-45.2	-44.1	1.1
Net GF Revenue	17,100.6	17,186.3	85.7
Lottery Resources*	1,149.7	1,143.5	-6.1
Net Combined Revenue	18,250.3	18,329.9	79.5

2017-19

**CHANGE FROM PRIOR FORECAST
(\$ Million)**

Combined Revenue	December 2012 Forecast	March 2013 Forecast	Difference
Personal	16,642.5	16,715.8	73.3
Corporate	1,036.0	1,039.8	3.9
Other	1,083.2	1,092.5	9.3
Gross GF Revenue	18,761.6	18,848.2	86.6
Shared Services Fund	-83.3	-83.2	0.1
Rainy Day Fund	-45.5	-43.6	1.9
Net GF Revenue	18,632.8	18,721.4	88.6
Lottery Resources*	1,312.4	1,307.3	-5.1
Net Combined Revenue	19,945.2	20,028.7	83.5

* All lottery resources including dedicated funds

2019-21

**CHANGE FROM PRIOR FORECAST
(\$ Million)**

Combined Revenue	December 2012 Forecast	March 2013 Forecast	Difference
Personal	18,406.9	18,471.5	64.6
Corporate	1,050.3	1,031.4	-18.9
Other	1,167.4	1,176.4	9.0
Gross GF Revenue	20,624.6	20,679.3	54.7
Shared Services Fund	-90.8	-90.9	-0.1
Rainy Day Fund	-46.2	-44.5	1.7
Net GF Revenue	20,487.7	20,543.9	56.2
Lottery Resources*	1,427.2	1,424.8	-2.4
Net Combined Revenue	21,914.8	21,968.7	53.9

* All lottery resources including dedicated funds

Biennial Net Revenue Growth: 1993 - 2021

	Personal	Corporate	Other	Total
1993-95 to 1995-97	17.1%	18.8%	28.4%	18.3%
1995-97 to 1997-99	13.0%	-13.9%	-17.6%	7.7%
1997-99 to 1999-01	22.6%	28.2%	2.8%	21.5%
1999-01 to 2001-03	-11.9%	-44.4%	97.9%	-7.5%
2001-03 to 2003-05	16.8%	52.5%	-35.4%	11.4%
2003-05 to 2005-07	22.8%	31.7%	6.4%	22.1%
2005-07 to 2007-09	-8.6%	-18.9%	10.2%	-8.0%
2007-09 to 2009-11	3.7%	20.9%	29.8%	6.8%
2009-11 to 2011-13	15.0%	8.5%	-3.9%	12.7%
2011-13 to 2013-15	11.3%	9.3%	-18.1%	8.7%
2013-15 to 2015-17	12.9%	5.8%	6.0%	12.0%
2015-17 to 2017-19	10.0%	-4.0%	6.7%	8.9%
2017-19 to 2019-21	10.5%	-0.9%	7.7%	9.7%