

STATE OF OREGON  
**LEGISLATIVE REVENUE OFFICE**  
 STATE CAPITOL BUILDING  
 900 COURT ST. NE RM 160  
 SALEM, OREGON 97301  
 PHONE (503) 986-1266  
 FAX (503) 986-1770

Chris Allanach, Legislative Revenue Officer

## LRO FORECAST SUMMARY

**December 2021**

### NEW FACTS SINCE THE LAST FORECAST

	3rd Qtr 2021 Forecast	3rd Qtr 2021 Actuals	Difference
Employment	1,901,786	1,887,133	-14,653
Personal Income (\$ billion)	250.4	251.7	1.3
Personal Income Tax (\$ million)			
Withholding	2,285.4	2,394.0	108.5
Other Payments less Refunds	358.3	470.2	111.9
Total	2,643.7	2,864.1	220.4
Corporate Income Tax	281.7	334.0	52.4

#### NEW FACTS

- Third Quarter personal income tax collections came in \$220.4 million (8.3%) above the September 2021 forecast.
- Third Quarter corporate income tax collections came in \$52.4 (18.6%) million above the September 2021 forecast.
- Third Quarter Oregon personal income was \$1.3 billion (0.5%) above the September 2021 forecast.
- Third Quarter Oregon employment was 14,653 jobs (-0.8%) below the September 2021 forecast.

## 2021-23

### CHANGE FROM CLOSE OF SESSION (\$ Million)

General Fund Resources	Close of Session	December 2021 Forecast	Difference
Beginning Balance	3,025.6	3,704.3	678.7
Transfer to Rainy Day Fund	-224.6	-224.6	0.0
Personal	20,628.1	21,159.1	531.1
Corporate	1,344.0	1,594.2	250.3
Other	1,428.4	1,455.6	27.3
Gross GF Revenue	23,400.4	24,209.0	808.6
Shared Services Fund	-40.6	-41.1	-0.5
Rainy Day Fund	-56.0	-64.9	-8.9
PERS UAL Fund	-74.9	-74.9	0.0
Net GF Revenue	23,228.9	24,028.1	799.1
Lottery Resources*	1,725.8	1,796.8	70.9
Anticipated Administrative Actions**	-21.5	-21.5	0.0
Net GF and Lottery Resources	27,734.2	29,283.1	1,548.8

\* All lottery resources including dedicated funds.

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

### CHANGE SINCE CLOSE OF SESSION

- Personal income tax revenue is up \$531.1 (2.6%) million from the 2021 COS estimate.
- Corporate tax revenue is up \$250.3 million (18.6%) from the 2021 COS estimate.
- General Fund gross revenue is up \$808.6 million (3.5%) from the 2021 COS estimate.
- Net GF and Lottery resources are up \$1,548.8 million (5.6%) from the 2021 COS estimate.

### EFFECT ON 2% KICKER (\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	December 2021 Forecast	Amount +/- Kicker Threshold
Personal & Other	21,981.5	22,421.2	22,539.8	118.7
Corporation***	1,321.3	1,347.7	1,571.5	223.8

\*\*\* 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:** A personal kicker of \$558.3 million is projected for 2023.

**CORPORATE:** Corporate tax revenue of \$250.3 million is projected to be dedicated to K-12 education spending in 2023-25.

<b>2021-23</b>
----------------

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

<b>Combined Revenue</b>	September 2021 Forecast	December 2021 Forecast	Difference
Beginning Balance	3,704.3	3,704.3	0.0
Transfer to Rainy Day Fund	-224.6	-224.6	0.0
Personal	20,657.0	21,159.1	502.1
Corporate	1,410.0	1,594.2	184.3
Other	1,432.3	1,455.6	23.3
Gross GF Revenue	23,499.3	24,209.0	709.7
Shared Services Fund	-41.1	-41.1	0.0
Rainy Day Fund	-58.2	-64.9	-6.7
PERS UAL Fund	-74.9	-74.9	0.0
Net GF Revenue	23,325.0	24,028.1	703.0
Administrative Actions*	-21.5	-21.5	0.0
Net General Fund Resources	26,783.3	27,486.3	703.0
Lottery Resources**	1,774.3	1,796.8	22.4
Net GF and Lottery Resources	28,557.6	29,283.1	725.4
Select Other Taxes			
Corporate Activity**	2,376.8	2,392.7	16.0
Marijuana**	352.4	355.5	3.1

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

\*\* All receipts including dedicated funds.

**REVENUE CHANGES**

- Projected 2021-23 Net General Fund Resources are up \$703.0 million (3.0%) from the September 2021 forecast.
- Projected 2021-23 Lottery resources are up \$22.4 million (1.3%) from the September 2021 forecast.
- Projected combined net General Fund and Lottery Resources are up \$725.4 million (2.5%) from the September 2021 forecast.

<b>2021-23</b>
----------------

## EFFECT ON ENDING BALANCE

Current vs. Close of Session  
(\$ Million)

General Fund	Close of Session	December 2021 Forecast	Difference
Beginning Balance	3,025.6	3,704.3	678.7
Transfer to Rainy Day Fund	-224.6	-224.6	0.0
Revenue	23,228.9	24,028.1	799.1
Administrative Actions	-21.5	-21.5	0.0
Total Resources	26,008.4	27,486.3	1,477.9
Expenditures	25,446.0	25,446.0	0.0
Ending Balance	562.4	2,040.3	1,477.9
Rainy Day Fund Transfer	254.5	254.5	0.0
Remaining Balance	308.0	1,785.8	1,477.9

<b>ENDING BALANCE</b>
-----------------------

- The projected ending balance is up \$1,477.9 million from the 2021 Close-of-Session estimate.
- The projected ending balance is up \$703.0 million from the September 2021 forecast.
- The Rainy Day Fund is projected to receive \$254.5 million following the 2021-23 biennium.

Current vs. Prior Forecast  
(\$ Million)

General Fund	September 2021 Forecast	December 2021 Forecast	Difference
Beginning Balance	3,704.3	3,704.3	0.0
Transfer to Rainy Day Fund	-224.6	-224.6	0.0
Revenue	23,325.0	24,028.1	703.0
Administrative Actions	-21.5	-21.5	0.0
Total Resources	26,783.3	27,486.3	703.0
Expenditures	25,446.0	25,446.0	0.0
Ending Balance	1,337.3	2,040.3	703.0
Rainy Day Fund Transfer	254.5	254.5	0.0
Remaining Balance	1,082.8	1,785.8	703.0

<b>2021-23</b>
----------------

<b>Reserve Fund Position</b>
------------------------------

	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$414.6	\$962.2		\$1,376.8
Deposits	\$279.0	\$289.5		\$568.6
Interest	\$6.9	\$13.3		\$20.2
Withdrawals	\$7.1	\$0.0		\$7.1
Projected Ending Balance	\$693.4	\$1,265.0	\$2,040.3	\$3,998.7

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

<b>2023-25</b>
----------------

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

Combined Revenue	September 2021 Forecast	December 2021 Forecast	Difference
Beginning Balance	1,337.3	2,040.3	703.0
Transfer to Rainy Day Fund	-254.5	-254.5	0.0
Personal	24,408.9	24,889.8	480.9
Corporate	1,622.4	1,601.8	-20.6
Other	1,433.8	1,447.9	14.1
Gross GF Revenue	27,465.1	27,939.5	474.4
Shared Services Fund	-39.2	-39.2	0.0
Rainy Day Fund	-67.5	-66.6	0.9
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	27,358.5	27,833.7	475.3
Net General Fund Resources	28,441.3	29,619.6	1,178.3
Lottery Resources**	1,835.7	1,858.3	22.6
Net GF and Lottery Resources	30,277.0	31,477.9	1,200.9
Select Other Taxes			
Corporate Activity**	2,597.3	2,719.8	122.5
Marijuana**	377.2	377.2	0.0

\*\* All receipts including dedicated funds

<b>2025-27</b>
----------------

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

Combined Revenue	September 2021 Forecast	December 2021 Forecast	Difference
Personal	26,596.6	27,564.3	967.7
Corporate	2,004.4	1,934.9	-69.6
Other	1,505.1	1,529.7	24.6
Gross GF Revenue	30,106.2	31,028.9	922.7
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-83.4	-80.5	2.9
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	30,022.8	30,948.4	925.6
Lottery Resources*	1,912.6	1,920.5	8.0
Net GF and Lottery Resources	31,935.3	32,868.9	933.6
Select Other Taxes			
Corporate Activity*	2,878.7	3,021.6	142.9
Marijuana*	417.3	417.3	0.0

\* All receipts including dedicated funds

<b>2027-29</b>
----------------

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

Combined Revenue	September 2021 Forecast	December 2021 Forecast	Difference
Personal	29,610.9	30,992.9	1,382.0
Corporate	2,228.0	2,168.1	-59.9
Other	1,613.5	1,617.0	3.5
Gross GF Revenue	33,452.4	34,778.0	1,325.6
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-92.7	-90.2	2.5
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	33,359.7	34,687.8	1,328.1
Lottery Resources*	2,060.4	2,068.9	8.5
Net GF and Lottery Resources	35,420.1	36,756.7	1,336.6
Select Other Taxes			
Corporate Activity*	3,204.4	3,350.4	146.0
Marijuana*	494.3	462.4	-31.9

\* All receipts including dedicated funds

<b>2029-31</b>
----------------

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

Combined Revenue	September 2021 Forecast	December 2021 Forecast	Difference
Personal	33,216.3	35,165.7	1,949.4
Corporate	2,497.9	2,478.0	-19.9
Other	1,686.8	1,686.5	-0.3
Gross GF Revenue	37,401.1	39,330.2	1,929.2
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-103.9	-103.1	0.8
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	37,297.2	39,227.1	1,930.0
Lottery Resources*	2,195.3	2,204.3	9.0
Net GF and Lottery Resources	39,492.5	41,431.5	1,939.0
Select Other Taxes			
Corporate Activity*	N/A	3,701.9	N/A
Marijuana*	556.4	512.4	-44.0

\* All receipts including dedicated funds

<b>Biennial Net Revenue Growth: 1993 - 2031</b>
---

	Personal	Corporate	Other	Total
<b>1993-95 to 1995-97</b>	17.1%	18.8%	28.4%	18.3%
<b>1995-97 to 1997-99</b>	13.0%	-13.9%	-17.6%	7.7%
<b>1997-99 to 1999-01</b>	22.6%	28.2%	2.8%	21.5%
<b>1999-01 to 2001-03</b>	-11.9%	-44.4%	97.9%	-7.5%
<b>2001-03 to 2003-05</b>	16.8%	52.5%	-35.4%	11.4%
<b>2003-05 to 2005-07</b>	22.8%	31.7%	6.4%	22.1%
<b>2005-07 to 2007-09</b>	-8.6%	-18.9%	10.2%	-8.0%
<b>2007-09 to 2009-11</b>	3.7%	20.9%	29.8%	6.8%
<b>2009-11 to 2011-13</b>	15.7%	6.8%	-4.1%	13.1%
<b>2011-13 to 2013-15</b>	14.8%	25.0%	-12.4%	13.2%
<b>2013-15 to 2015-17</b>	15.4%	8.1%	25.2%	15.5%
<b>2015-17 to 2017-19</b>	17.1%	39.4%	3.9%	17.6%
<b>2017-19 to 2019-21</b>	6.5%	18.1%	25.5%	8.6%
<b>2019-21 to 2021-23</b>	5.6%	-22.2%	-17.9%	1.6%
<b>2021-23 to 2023-25</b>	17.7%	0.4%	4.9%	15.8%
<b>2023-25 to 2025-27</b>	10.9%	20.8%	5.6%	11.2%
<b>2025-27 to 2027-29</b>	12.4%	12.1%	5.7%	12.1%
<b>2027-29 to 2029-31</b>	13.5%	14.3%	4.3%	13.1%