

STATE OF OREGON  
**LEGISLATIVE REVENUE OFFICE**  
 PUBLIC SERVICE BUILDING  
 255 CAPITOL ST NE | 5TH FLOOR  
 SALEM, OREGON 97310  
 PHONE (503) 986-1266

Chris Allanach, Legislative Revenue Officer

## LRO FORECAST SUMMARY

**September 2022**

### NEW FACTS SINCE THE LAST FORECAST

|                                  | 2nd Qtr 2022<br>Forecast | 2nd Qtr 2022<br>Reported | Difference |
|----------------------------------|--------------------------|--------------------------|------------|
| Employment                       | 1,937,995                | 1,947,328                | 9,333      |
| Personal Income (\$ billion)     | 263.1                    | 264.0                    | 0.9        |
| Personal Income Tax (\$ million) |                          |                          |            |
| Withholding                      | 2,459.6                  | 2,467.7                  | 8.2        |
| Other Payments less Refunds      | 1,539.1                  | 2,060.1                  | 521.0      |
| Total                            | 3,998.6                  | 4,527.8                  | 529.2      |
| Corporate Income Tax             | 515.3                    | 634.3                    | 119.0      |

#### NEW FACTS

- Second Quarter personal income tax collections came in \$529.2 million (13.2%) above the June 2022 forecast.
- Second Quarter corporate income tax collections came in \$119.0 (23.1%) million above the June 2022 forecast.
- Second Quarter Oregon personal income was \$0.9 billion (0.3%) above the June 2022 forecast.
- Second Quarter Oregon employment was 9,333 jobs (0.5%) above the June 2022 forecast.

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| <b>2021-23</b> |
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**CHANGE FROM CLOSE OF SESSION**  
(\$ Million)

| General Fund Resources               | Close of Session | September 2022<br>Forecast | Difference |
|--------------------------------------|------------------|----------------------------|------------|
| Beginning Balance                    | 3,025.6          | 4,082.5                    | 1,056.9    |
| Transfer to Rainy Day Fund           | -224.6           | -220.7                     | 3.9        |
| Personal                             | 20,628.1         | 23,828.2                   | 3,200.2    |
| Corporate                            | 1,344.0          | 2,448.6                    | 1,104.6    |
| Other                                | 1,428.4          | 1,689.6                    | 261.2      |
| Gross GF Revenue                     | 23,400.4         | 27,966.4                   | 4,566.0    |
| Shared Services Fund                 | -40.6            | -50.5                      | -9.9       |
| Rainy Day Fund                       | -56.0            | -95.4                      | -39.4      |
| PERS UAL Fund                        | -74.9            | -89.0                      | -14.1      |
| Net GF Revenue                       | 23,228.9         | 27,731.6                   | 4,502.7    |
| Lottery Resources*                   | 1,725.8          | 1,872.6                    | 146.7      |
| Anticipated Administrative Actions** | -21.5            | -21.5                      | 0.0        |
| Net GF and Lottery Resources         | 27,734.2         | 33,444.5                   | 5,710.2    |

\* 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 \$3,200.2 (15.5%) million from the 2021 COS estimate.
- Corporate tax revenue is up \$1,104.6 million (82.2%) from the 2021 COS estimate.
- General Fund gross revenue is up \$4,566.0 million (19.5%) from the 2021 COS estimate.
- Net GF and Lottery resources are up \$5,710.2 million (20.6%) from the 2021 COS estimate.

**EFFECT ON 2% KICKER**

(\$ Million)

| Revenue Source   | Close of Session | 2% Kicker<br>Threshold | September 2022<br>Forecast | Amount +/-<br>Kicker<br>Threshold |
|------------------|------------------|------------------------|----------------------------|-----------------------------------|
| Personal & Other | 22,056.4         | 22,497.6               | 25,517.8                   | 3,020.3                           |
| Corporation***   | 1,321.3          | 1,347.7                | 2,425.9                    | 1,078.2                           |

\*\*\* 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 \$3,461.4 million is projected for 2023.

**CORPORATE:** Corporate tax revenue of \$1,104.6 million is projected to be dedicated to K-12 education spending in 2023-25.

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| <b>2021-23</b> |
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## CHANGE FROM PRIOR FORECAST

(\$ Million)

| Combined Revenue             | June 2022<br>Forecast | September 2022<br>Forecast | Difference |
|------------------------------|-----------------------|----------------------------|------------|
| Beginning Balance            | 4,082.5               | 4,082.5                    | 0.0        |
| Transfer to Rainy Day Fund   | -220.7                | -220.7                     | 0.0        |
| Personal                     | 23,460.8              | 23,828.2                   | 367.4      |
| Corporate                    | 2,275.0               | 2,448.6                    | 173.6      |
| Other                        | 1,629.6               | 1,689.6                    | 60.0       |
| Gross GF Revenue             | 27,365.4              | 27,966.4                   | 601.0      |
| Shared Services Fund         | -50.5                 | -50.5                      | 0.0        |
| Rainy Day Fund               | -83.5                 | -95.4                      | -11.9      |
| PERS UAL Fund                | -89.0                 | -89.0                      | 0.0        |
| Net GF Revenue               | 27,142.5              | 27,731.6                   | 589.1      |
| Administrative Actions*      | -21.5                 | -21.5                      | 0.0        |
| Net General Fund Resources   | 30,982.8              | 31,571.9                   | 589.1      |
| Lottery Resources**          | 1,865.9               | 1,872.6                    | 6.7        |
| Net GF and Lottery Resources | 32,848.7              | 33,444.5                   | 595.8      |
| Select Other Taxes           |                       |                            |            |
| Corporate Activity**         | 2,439.3               | 2,443.7                    | 4.4        |
| Marijuana**                  | 351.2                 | 339.1                      | -12.1      |

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

\*\* All receipts including dedicated funds.

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| <b>REVENUE CHANGES</b> |
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- Projected 2021-23 Net General Fund Resources are up \$589.1 million (1.9%) from the June 2022 forecast.
- Projected 2021-23 Lottery resources are up \$6.7 million (0.4%) from the June 2022 forecast.
- Projected combined net General Fund and Lottery Resources are up \$595.8 million (1.8%) from the June 2022 forecast.

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| <b>2021-23</b> |
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## EFFECT ON ENDING BALANCE

Current vs. Close of Session  
(\$ Million)

| General Fund               | Close of Session | September 2022<br>Forecast | Difference |
|----------------------------|------------------|----------------------------|------------|
| Beginning Balance          | 3,025.6          | 4,082.5                    | 1,056.9    |
| Transfer to Rainy Day Fund | -224.6           | -220.7                     | 3.9        |
| Revenue                    | 23,228.9         | 27,731.6                   | 4,502.7    |
| Administrative Actions     | -21.5            | -21.5                      | 0.0        |
| Total Resources            | 26,008.4         | 31,571.9                   | 5,563.5    |
| Expenditures               | 25,446.0         | 27,861.0                   | 2,415.0    |
| Ending Balance             | 562.4            | 3,710.9                    | 3,148.5    |
| Rainy Day Fund Transfer    | 254.5            | 278.6                      | 24.2       |
| Remaining Balance          | 308.0            | 3,432.3                    | 3,124.3    |

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| <b>ENDING BALANCE</b> |
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- The projected ending balance is up \$3,148.5 million from the 2021 Close-of-Session estimate.
- The projected ending balance is up \$589.1 million from the June 2022 forecast.
- The Rainy Day Fund is projected to receive \$278.6 million following the 2021-23 biennium.

Current vs. Prior Forecast  
(\$ Million)

| General Fund               | June 2022<br>Forecast | September 2022<br>Forecast | Difference |
|----------------------------|-----------------------|----------------------------|------------|
| Beginning Balance          | 4,082.5               | 4,082.5                    | 0.0        |
| Transfer to Rainy Day Fund | -220.7                | -220.7                     | 0.0        |
| Revenue                    | 27,142.5              | 27,731.6                   | 589.1      |
| Administrative Actions     | -21.5                 | -21.5                      | 0.0        |
| Total Resources            | 30,982.8              | 31,571.9                   | 589.1      |
| Expenditures               | 27,861.0              | 27,861.0                   | 0.0        |
| Ending Balance             | 3,121.7               | 3,710.9                    | 589.1      |
| Rainy Day Fund Transfer    | 278.6                 | 278.6                      | 0.0        |
| Remaining Balance          | 2,843.1               | 3,432.3                    | 589.1      |

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| <b>2021-23</b> |
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| <b>Reserve Fund Position</b> |  |  |  |  |
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|                          | Education<br>Stability Fund * | Rainy Day<br>Fund | General Fund | Reserves<br>Available |
|--------------------------|-------------------------------|-------------------|--------------|-----------------------|
|                          | (\$ Millions)                 |                   |              |                       |
| Beginning Balance        | \$414.6                       | \$962.2           |              | \$1,376.8             |
| Deposits                 | \$289.8                       | \$316.1           |              | \$605.9               |
| Interest                 | \$19.8                        | \$36.4            |              | \$56.2                |
| Withdrawals              | \$20.0                        | \$0.0             |              | \$20.0                |
| Projected Ending Balance | \$704.1                       | \$1,314.7         | \$3,710.9    | \$5,729.7             |

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

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| <b>2023-25</b> |
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

| <b>Combined Revenue</b>      | June 2022<br>Forecast | September 2022<br>Forecast | Difference |
|------------------------------|-----------------------|----------------------------|------------|
| Beginning Balance            | 3,121.7               | 3,710.9                    | 589.1      |
| Transfer to Rainy Day Fund   | -278.6                | -278.6                     | 0.0        |
| Personal                     | 22,838.4              | 22,131.0                   | -707.4     |
| Corporate                    | 1,762.6               | 1,795.4                    | 32.8       |
| Other                        | 1,497.1               | 1,547.1                    | 50.1       |
| Gross GF Revenue             | 26,098.1              | 25,473.5                   | -624.6     |
| Shared Services Fund         | -48.6                 | -48.6                      | 0.0        |
| Rainy Day Fund               | -93.3                 | -68.8                      | 24.5       |
| PERS UAL Fund                | 0.0                   | 0.0                        | 0.0        |
| Net GF Revenue               | 25,956.2              | 25,356.2                   | -600.0     |
| Net General Fund Resources   | 28,799.3              | 28,788.4                   | -10.9      |
| Lottery Resources**          | 1,879.7               | 1,864.7                    | -15.0      |
| Net GF and Lottery Resources | 30,679.0              | 30,653.1                   | -25.9      |
| Select Other Taxes           |                       |                            |            |
| Corporate Activity***        | 2,693.0               | 2,639.2                    | -53.8      |
| Marijuana***                 | 377.2                 | 363.2                      | -14.0      |

\*\* Includes all receipts including dedicated funds and carryover of 2021-23 ending balance.

\*\*\* All receipts including dedicated funds

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| <b>2025-27</b> |
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**CHANGE FROM PRIOR FORECAST**  
**(\$ Million)**

| <b>Combined Revenue</b>      | June 2022<br>Forecast | September 2022<br>Forecast | Difference |
|------------------------------|-----------------------|----------------------------|------------|
| Personal                     | 28,777.9              | 28,248.1                   | -529.8     |
| Corporate                    | 2,117.3               | 2,060.3                    | -56.9      |
| Other                        | 1,579.6               | 1,614.4                    | 34.8       |
| Gross GF Revenue             | 32,474.8              | 31,922.9                   | -551.9     |
| Shared Services Fund         | -17.6                 | -17.6                      | 0.0        |
| Rainy Day Fund               | -72.3                 | -115.7                     | -43.4      |
| PERS UAL Fund                | 0.0                   | 0.0                        | 0.0        |
| Net GF Revenue               | 32,384.9              | 31,789.6                   | -595.4     |
| Lottery Resources*           | 1,958.1               | 1,933.2                    | -24.9      |
| Net GF and Lottery Resources | 34,343.1              | 33,722.8                   | -620.3     |
| Select Other Taxes           |                       |                            |            |
| Corporate Activity*          | 2,990.9               | 2,910.1                    | -80.8      |
| Marijuana*                   | 417.3                 | 403.5                      | -13.8      |

\* All receipts including dedicated funds

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| <b>2027-29</b> |
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**CHANGE FROM PRIOR FORECAST**  
**(\$ Million)**

| <b>Combined Revenue</b>      | June 2022<br>Forecast | September 2022<br>Forecast | Difference |
|------------------------------|-----------------------|----------------------------|------------|
| Personal                     | 32,946.7              | 32,453.7                   | -493.0     |
| Corporate                    | 2,354.5               | 2,297.5                    | -57.0      |
| Other                        | 1,668.9               | 1,702.8                    | 34.0       |
| Gross GF Revenue             | 36,970.1              | 36,454.0                   | -516.0     |
| Shared Services Fund         | 0.0                   | 0.0                        | 0.0        |
| Rainy Day Fund               | -86.8                 | -98.5                      | -11.7      |
| PERS UAL Fund                | 0.0                   | 0.0                        | 0.0        |
| Net GF Revenue               | 36,883.2              | 36,355.5                   | -527.7     |
| Lottery Resources*           | 2,109.1               | 2,085.5                    | -23.5      |
| Net GF and Lottery Resources | 38,992.3              | 38,441.1                   | -551.2     |
| Select Other Taxes           |                       |                            |            |
| Corporate Activity*          | 3,310.8               | 3,249.7                    | -61.1      |
| Marijuana*                   | 462.4                 | 448.9                      | -13.4      |

\* All receipts including dedicated funds

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| <b>2029-31</b> |
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

| Combined Revenue             | June 2022<br>Forecast | September 2022<br>Forecast | Difference |
|------------------------------|-----------------------|----------------------------|------------|
| Personal                     | 37,455.7              | 37,061.6                   | -394.1     |
| Corporate                    | 2,685.5               | 2,708.5                    | 23.0       |
| Other                        | 1,728.6               | 1,792.4                    | 63.9       |
| Gross GF Revenue             | 41,869.7              | 41,562.5                   | -307.2     |
| Shared Services Fund         | 0.0                   | 0.0                        | 0.0        |
| Rainy Day Fund               | -96.5                 | -101.0                     | -4.5       |
| PERS UAL Fund                | 0.0                   | 0.0                        | 0.0        |
| Net GF Revenue               | 41,773.2              | 41,461.4                   | -311.7     |
| Lottery Resources*           | 2,247.1               | 2,222.3                    | -24.8      |
| Net GF and Lottery Resources | 44,020.3              | 43,683.7                   | -336.5     |
| Select Other Taxes           |                       |                            |            |
| Corporate Activity*          | 3,665.9               | 3,653.8                    | -12.1      |
| Marijuana*                   | 512.4                 | 499.6                      | -12.8      |

\* All receipts including dedicated funds

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| <b>Biennial Net General Fund Revenue Growth: 1993 - 2031</b> |
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|                           | 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> | 6.3%     | 18.1%     | 25.5%  | 8.4%  |
| <b>2019-21 to 2021-23</b> | 19.1%    | 19.6%     | -4.8%  | 17.4% |
| <b>2021-23 to 2023-25</b> | -7.1%    | -26.6%    | -3.3%  | -8.6% |
| <b>2023-25 to 2025-27</b> | 27.8%    | 12.6%     | 4.3%   | 25.4% |
| <b>2025-27 to 2027-29</b> | 15.0%    | 13.1%     | 5.5%   | 14.4% |
| <b>2027-29 to 2029-31</b> | 14.2%    | 18.6%     | 5.3%   | 14.0% |