

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

June 2021

NEW FACTS SINCE THE LAST FORECAST

	1st Qtr 2021 Forecast	1st Qtr 2021 Actuals	Difference
Employment	1,787,621	1,819,498	31,877
Personal Income (\$ billion)	265.6	276.4	10.8
Personal Income Tax (\$ million)			
Withholding	2,244.7	2,321.6	76.9
Other Payments less Refunds	19.2	94.9	75.7
Total	2,264.0	2,416.5	152.5
Corporate Income Tax	55.0	174.2	119.2

NEW FACTS

- First Quarter personal income tax collections came in \$152.5 million (6.7%) above the March 2021 forecast.
- First Quarter corporate income tax collections came in \$119.2 million above the March 2021 forecast.
- First Quarter Oregon personal income was \$10.8 billion (4.1%) above the March 2021 forecast.
- First Quarter Oregon employment was 31,877 jobs (1.8%) above the March 2021 forecast.

2019-21

CHANGE FROM CLOSE OF SESSION
(\$ Million)

General Fund Resources	Close of Session	June 2021 Forecast	Difference
Beginning Balance	2,318.4	2,709.4	390.9
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Personal	18,283.5	19,489.3	1,205.8
Corporate	1,190.8	1,855.0	664.2
Other	1,546.1	1,747.4	201.3
Gross GF Revenue	21,020.4	23,091.7	2,071.3
Shared Services Fund	-45.3	-40.3	4.9
Rainy Day Fund	-56.8	-74.7	-17.9
PERS UAL Fund	-101.5	0.0	101.5
Net GF Revenue	20,816.9	22,976.7	2,159.9
Lottery Resources*	1,530.9	1,280.1	-250.8
Anticipated Administrative Actions**	-21.5	-21.5	0.0
Net GF and Lottery Resources	24,445.3	26,746.4	2,301.1

* 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 \$1,205.8 (6.6%) million from the 2019 COS estimate.
- Corporate tax revenue is up \$664.2 million (55.8%) from the 2019 COS estimate.
- General Fund gross revenue is up \$2,071.3 million (9.9%) from the 2019 COS estimate.
- Net GF and Lottery resources are up \$2,301.1 million (9.4%) from the 2019 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	June 2021 Forecast	Amount +/- Kicker Threshold
Personal & Other	19,829.6	20,226.2	21,236.7	1,010.5
Corporation***	1,171.3	1,194.7	1,835.5	640.8

*** 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 \$1,407.1 million is projected for 2021-23.
- CORPORATE:** Corporate tax revenue of \$664.2 million is projected to be dedicated to K-12 education spending in 2021-23.

2019-21

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	March 2021 Forecast	June 2021 Forecast	Difference
Beginning Balance	2,709.4	2,709.4	0.0
Transfer to Rainy Day Fund	-198.3	-198.3	0.0
Personal	18,680.0	19,489.3	809.3
Corporate	1,610.5	1,855.0	244.5
Other	1,720.1	1,747.4	27.3
Gross GF Revenue	22,010.6	23,091.7	1,081.2
Shared Services Fund	-40.3	-40.3	0.0
Rainy Day Fund	-59.0	-74.7	-15.6
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	21,911.2	22,976.7	1,065.5
Administrative Actions*	-21.5	-21.5	0.0
Net General Fund Resources	24,400.8	25,466.3	1,065.5
Lottery Resources**	1,258.3	1,280.1	21.8
Net GF and Lottery Resources	25,659.1	26,746.4	1,087.3
Select Other Taxes			
Corporate Activity**	1,264.1	1,338.0	73.8
Marijuana**	301.6	304.0	2.4

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

** All receipts including dedicated funds.

REVENUE CHANGES

- Projected 2019-21 Net General Fund Resources are up \$1,065.5 million (4.4%) from the March 2021 forecast.
- Projected 2019-21 Lottery resources are up \$21.8 million (1.7%) from the March 2021 forecast.
- Projected combined net General Fund and Lottery Resources are up \$1,087.3 million (4.2%) from the March 2021 forecast.

2019-21

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	June 2021 Forecast	Difference
Beginning Balance	2,318.4	2,709.4	390.9
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Revenue	20,816.9	22,976.7	2,159.9
Administrative Actions	-21.5	-21.5	0.0
Total Resources	22,914.4	25,466.3	2,551.9
Expenditures	22,409.5	22,641.8	232.3
Ending Balance	504.9	2,824.5	2,319.6
Rainy Day Fund Transfer	224.1	226.4	2.3
Remaining Balance	280.8	2,598.1	2,317.2

ENDING BALANCE

- The projected ending balance is up \$2,319.6 million from the 2019 Close-of-Session estimate.
- The projected ending balance is up \$1,087.0 million from the March 2021 forecast.
- The Rainy Day Fund is projected to receive \$226.4 million following the 2019-21 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	March 2021 Forecast	June 2021 Forecast	Difference
Beginning Balance	2,709.4	2,709.4	0.0
Transfer to Rainy Day Fund	-198.3	-198.3	0.0
Revenue	21,911.2	22,976.7	1,065.5
Administrative Actions	-21.5	-21.5	0.0
Total Resources	24,400.8	25,466.3	1,065.5
Expenditures	22,663.3	22,641.8	-21.5
Ending Balance	1,737.5	2,824.5	1,087.0
Rainy Day Fund Transfer	226.6	226.4	-0.2
Remaining Balance	1,510.8	2,598.1	1,087.2

2019-21

Reserve Fund Position				
------------------------------	--	--	--	--

	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$621.1	\$666.6		\$1,287.7
Deposits	\$194.7	\$273.0		\$467.7
Interest	\$20.0	\$22.6		\$42.6
Withdrawals	\$420.0	\$0.0		\$420.0
Projected Ending Balance	\$414.4	\$962.2	\$2,824.5	\$4,201.0

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

2021-23

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2021 Forecast	June 2021 Forecast	Difference
Beginning Balance	1,737.5	2,824.5	1,087.0
Transfer to Rainy Day Fund	-226.6	-226.4	0.2
Personal	19,797.0	20,667.9	870.9
Corporate	1,242.6	1,346.2	103.6
Other	1,317.1	1,389.9	72.9
Gross GF Revenue	22,356.7	23,404.0	1,047.4
Shared Services Fund	-37.2	-40.6	-3.4
Rainy Day Fund	-59.9	-56.0	3.9
PERS UAL Fund	-41.3	-74.9	-33.7
Net GF Revenue	22,218.3	23,232.5	1,014.3
Net General Fund Resources	23,729.1	25,830.6	2,101.5
Lottery Resources**	1,619.9	1,725.8	106.0
Net GF and Lottery Resources	25,349.0	27,556.4	2,207.5
Select Other Taxes			
Corporate Activity**	2,292.2	2,368.3	76.1
Marijuana**	333.5	354.4	20.9

** All receipts including dedicated funds

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2021 Forecast	June 2021 Forecast	Difference
Personal	22,854.1	24,260.9	1,406.8
Corporate	1,464.3	1,562.9	98.6
Other	1,353.0	1,434.4	81.4
Gross GF Revenue	25,671.4	27,258.2	1,586.8
Shared Services Fund	-30.6	-37.2	-6.6
Rainy Day Fund	-59.9	-59.9	0.0
Net GF Revenue	25,580.9	27,161.2	1,580.2
Lottery Resources*	1,720.6	1,760.7	40.1
Net GF and Lottery Resources	27,301.5	28,921.9	1,620.3
Select Other Taxes			
Corporate Activity*	2,600.7	2,588.1	-12.6
Marijuana*	345.9	377.2	31.3

* All receipts including dedicated funds

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2021 Forecast	June 2021 Forecast	Difference
Personal	25,597.1	26,455.9	858.8
Corporate	1,777.7	1,952.7	175.0
Other	1,455.4	1,520.9	65.6
Gross GF Revenue	28,830.2	29,929.5	1,099.3
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-71.0	-65.0	6.0
Net GF Revenue	28,759.2	29,864.5	1,105.3
Lottery Resources*	1,852.5	1,897.4	44.8
Net GF and Lottery Resources	30,611.7	31,761.9	1,150.2
Select Other Taxes			
Corporate Activity*	2,874.1	2,872.7	-1.4
Marijuana*	361.5	417.3	55.8

* All receipts including dedicated funds

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2021 Forecast	June 2021 Forecast	Difference
Personal	28,911.3	29,189.0	277.7
Corporate	1,932.2	2,146.2	214.0
Other	1,575.6	1,618.8	43.1
Gross GF Revenue	32,419.2	32,954.1	534.9
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-78.4	-81.2	-2.8
Net GF Revenue	32,340.7	32,872.8	532.1
Lottery Resources*	1,967.5	2,047.6	80.0
Net GF and Lottery Resources	34,308.3	34,920.4	612.1
Select Other Taxes			
Corporate Activity*	3,199.1	3,195.4	-3.6
Marijuana*	375.3	462.4	87.0

* All receipts including dedicated funds

Biennial Net Revenue Growth: 1993 - 2029

	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	15.7%	6.8%	-4.1%	13.1%
2011-13 to 2013-15	14.8%	25.0%	-12.4%	13.2%
2013-15 to 2015-17	15.4%	8.1%	25.2%	15.5%
2015-17 to 2017-19	17.1%	39.4%	3.9%	17.6%
2017-19 to 2019-21	3.6%	6.9%	30.5%	5.5%
2019-21 to 2021-23	6.1%	-27.5%	-24.7%	1.1%
2021-23 to 2023-25	17.4%	16.5%	9.1%	16.9%
2023-25 to 2025-27	9.2%	25.6%	6.0%	10.0%
2025-27 to 2027-29	10.3%	9.4%	6.4%	10.1%