

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

March 2022

NEW FACTS SINCE THE LAST FORECAST

	4th Qtr 2021 Forecast	4th Qtr 2021 Reported	Difference
Employment	1,910,904	1,902,614	-8,290
Personal Income (\$ billion)	250.5	257.0	6.4
Personal Income Tax (\$ million)			
Withholding	2,523.5	2,487.4	-36.1
Other Payments less Refunds	248.8	162.6	-86.3
Total	2,772.3	2,649.9	-122.4
Corporate Income Tax	178.6	340.3	161.7

NEW FACTS

- Fourth Quarter personal income tax collections came in \$122.4 million (-4.4%) below the December 2021 forecast.
- Fourth Quarter corporate income tax collections came in \$161.7 (90.5%) million above the December 2021 forecast.
- Fourth Quarter Oregon personal income was \$6.4 billion (2.6%) above the December 2021 forecast.
- Fourth Quarter Oregon employment was 8,290 jobs (-0.4%) below the December 2021 forecast.

2021-23

CHANGE FROM CLOSE OF SESSION
(\$ Million)

General Fund Resources	Close of Session	March 2022 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	21,388.0	760.0
Corporate	1,344.0	1,977.8	633.8
Other	1,428.4	1,632.6	204.2
Gross GF Revenue	23,400.4	24,998.4	1,598.0
Shared Services Fund	-40.6	-41.1	-0.5
Rainy Day Fund	-56.0	-82.9	-26.9
PERS UAL Fund	-74.9	-74.9	0.0
Net GF Revenue	23,228.9	24,799.5	1,570.6
Lottery Resources*	1,725.8	1,816.7	90.8
Anticipated Administrative Actions**	-21.5	-21.5	0.0
Net GF and Lottery Resources	27,734.2	30,456.5	2,722.2

* 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 \$760.0 (3.7%) million from the 2021 COS estimate.
- Corporate tax revenue is up \$633.8 million (47.2%) from the 2021 COS estimate.
- General Fund gross revenue is up \$1,598.0 million (6.8%) from the 2021 COS estimate.
- Net GF and Lottery resources are up \$2,722.2 million (9.8%) from the 2021 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	March 2022 Forecast	Amount +/- Kicker Threshold
Personal & Other	21,981.5	22,421.2	22,945.7	524.6
Corporation***	1,321.3	1,347.7	1,955.1	607.4

*** 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 \$964.2 million is projected for 2023.

CORPORATE: Corporate tax revenue of \$633.8 million is projected to be dedicated to K-12 education spending in 2023-25.

2021-23

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2021 Forecast	March 2022 Forecast	Difference
Beginning Balance	3,704.3	4,082.5	378.2
Transfer to Rainy Day Fund	-224.6	-220.7	3.9
Personal	21,159.1	21,388.0	228.9
Corporate	1,594.2	1,977.8	383.5
Other	1,455.6	1,632.6	177.0
Gross GF Revenue	24,209.0	24,998.4	789.5
Shared Services Fund	-41.1	-41.1	0.0
Rainy Day Fund	-64.9	-82.9	-18.0
PERS UAL Fund	-74.9	-74.9	0.0
Net GF Revenue	24,028.1	24,799.5	771.5
Administrative Actions*	-21.5	-21.5	0.0
Net General Fund Resources	27,486.3	28,639.8	1,153.5
Lottery Resources**	1,796.8	1,816.7	19.9
Net GF and Lottery Resources	29,283.1	30,456.5	1,173.4
Select Other Taxes			
Corporate Activity**	2,392.7	2,387.4	-5.3
Marijuana**	355.5	355.6	0.1

* 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 \$771.5 million (3.2%) from the December 2021 forecast.
- Projected 2021-23 Lottery resources are up \$19.9 million (1.1%) from the December 2021 forecast.
- Projected combined net General Fund and Lottery Resources are up \$1,173.4 million (4.0%) from the December 2021 forecast.

2021-23

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	March 2022 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	24,799.5	1,570.6
Administrative Actions	-21.5	-21.5	0.0
Total Resources	26,008.4	28,639.8	2,631.4
Expenditures	25,446.0	25,620.2	174.2
Ending Balance	562.4	3,019.6	2,457.2
Rainy Day Fund Transfer	254.5	256.2	1.7
Remaining Balance	308.0	2,763.4	2,455.4

ENDING BALANCE

- The projected ending balance is up \$2,457.2 million from the 2021 Close-of-Session estimate.
- The projected ending balance is up \$979.3 million from the December 2021 forecast.
- The Rainy Day Fund is projected to receive \$256.2 million following the 2021-23 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	December 2021 Forecast	March 2022 Forecast	Difference
Beginning Balance	3,704.3	4,082.5	378.2
Transfer to Rainy Day Fund	-224.6	-220.7	3.9
Revenue	24,028.1	24,799.5	771.5
Administrative Actions	-21.5	-21.5	0.0
Total Resources	27,486.3	28,639.8	1,153.5
Expenditures	25,446.0	25,620.2	174.2
Ending Balance	2,040.3	3,019.6	979.3
Rainy Day Fund Transfer	254.5	256.2	1.7
Remaining Balance	1,785.8	2,763.4	977.5

2021-23

Reserve Fund Position				
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	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$414.6	\$962.2		\$1,376.8
Deposits	\$281.2	\$303.6		\$584.9
Interest	\$11.4	\$21.7		\$33.2
Withdrawals	\$11.7	\$0.0		\$11.7
Projected Ending Balance	\$695.6	\$1,287.6	\$3,019.6	\$5,002.7

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

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2021 Forecast	March 2022 Forecast	Difference
Beginning Balance	2,040.3	3,019.6	979.3
Transfer to Rainy Day Fund	-254.5	-256.2	-1.7
Personal	24,889.8	24,931.3	41.4
Corporate	1,601.8	1,665.5	63.7
Other	1,447.9	1,476.5	28.6
Gross GF Revenue	27,939.5	28,073.3	133.7
Shared Services Fund	-39.2	-39.2	0.0
Rainy Day Fund	-66.6	-82.3	-15.6
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	27,833.7	27,951.8	118.1
Net General Fund Resources	29,619.6	30,715.2	1,095.6
Lottery Resources**	1,858.3	1,875.6	17.3
Net GF and Lottery Resources	31,477.9	32,590.7	1,112.9
Select Other Taxes			
Corporate Activity***	2,719.8	2,741.0	21.2
Marijuana***	377.2	377.2	0.0

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

*** All receipts including dedicated funds

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2021 Forecast	March 2022 Forecast	Difference
Personal	27,564.3	28,709.2	1,144.8
Corporate	1,934.9	1,987.4	52.6
Other	1,529.7	1,562.8	33.1
Gross GF Revenue	31,028.9	32,259.3	1,230.5
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-80.5	-69.3	11.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	30,948.4	32,190.1	1,241.7
Lottery Resources*	1,920.5	1,923.6	3.0
Net GF and Lottery Resources	32,868.9	34,113.6	1,244.7
Select Other Taxes			
Corporate Activity*	3,021.6	3,034.8	13.2
Marijuana*	417.3	417.3	0.0

* All receipts including dedicated funds

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2021 Forecast	March 2022 Forecast	Difference
Personal	30,992.9	32,534.8	1,541.9
Corporate	2,168.1	2,220.6	52.5
Other	1,617.0	1,664.6	47.6
Gross GF Revenue	34,778.0	36,420.0	1,642.0
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-90.2	-82.7	7.5
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	34,687.8	36,337.3	1,649.5
Lottery Resources*	2,068.9	2,071.6	2.7
Net GF and Lottery Resources	36,756.7	38,408.9	1,652.2
Select Other Taxes			
Corporate Activity*	3,350.4	3,358.4	7.9
Marijuana*	462.4	462.4	0.0

* All receipts including dedicated funds

2029-31

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2021 Forecast	March 2022 Forecast	Difference
Personal	35,165.7	36,636.4	1,470.7
Corporate	2,478.0	2,528.8	50.8
Other	1,686.5	1,761.1	74.6
Gross GF Revenue	39,330.2	40,926.3	1,596.1
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-103.1	-92.4	10.7
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	39,227.1	40,833.9	1,606.8
Lottery Resources*	2,204.3	2,207.0	2.7
Net GF and Lottery Resources	41,431.5	43,040.9	1,609.5
Select Other Taxes			
Corporate Activity*	3,701.9	3,707.7	5.9
Marijuana*	512.4	512.4	0.0

* All receipts including dedicated funds

Biennial Net General Fund Revenue Growth: 1993 - 2031

	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	6.3%	18.1%	25.5%	8.4%
2019-21 to 2021-23	6.9%	-3.7%	-7.3%	5.0%
2021-23 to 2023-25	16.6%	-16.4%	-5.2%	12.7%
2023-25 to 2025-27	15.3%	21.2%	5.8%	15.2%
2025-27 to 2027-29	13.3%	11.5%	6.5%	12.9%
2027-29 to 2029-31	12.6%	14.0%	5.8%	12.4%