

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE
 PUBLIC SERVICE BUILDING (Temporary Location)
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LRO FORECAST SUMMARY

December 2023

NEW FACTS SINCE THE LAST FORECAST

	3rd Qtr 2023 Forecast	3rd Qtr 2023 Reported	Difference
Employment	1,992,142	1,990,879	-1,263
Personal Income (\$ billion)	284.9	280.9	-4.0
Personal Income Tax (\$ million)			
Withholding	2,620.7	2,622.3	1.6
Other Payments less Refunds	309.8	432.8	123.0
Total	2,930.5	3,055.1	124.6
Corporate Income Tax	415.1	421.8	6.7

NEW FACTS

- Third Quarter personal income tax collections came in \$124.5 million (4.3%) above the September 2023 forecast.
- Third Quarter corporate income tax collections came in \$6.7 (1.6%) million above the September 2023 forecast.
- Third Quarter Oregon personal income was \$4.0 billion (1.4%) below the September 2023 forecast.
- Third Quarter Oregon employment was 1,263 jobs (0.1%) below the September 2023 forecast.

2023-25

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

General Fund Resources	Close of Session	December 2023 Forecast	Difference
Beginning Balance	7,493.5	7,636.2	142.8
Transfer to Rainy Day Fund	-308.4	-271.3	37.1
Personal	21,019.7	21,164.6	144.9
Corporate	2,228.9	2,647.2	418.3
Other	2,011.3	2,125.0	113.7
Gross GF Revenue	25,259.9	25,936.8	676.9
Shared Services Fund	-37.0	-104.0	-67.0
Rainy Day Fund	-91.6	-108.6	-17.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,131.3	25,724.2	592.9
Lottery Resources*	1,919.4	1,937.0	17.6
Anticipated Administrative Actions**	0.0	0.0	0.0
Net GF and Lottery Resources	34,235.8	35,026.1	790.3

* 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 \$144.9 (0.7%) million from the 2023 COS estimate.
- Corporate tax revenue is up \$418.3 million (18.8%) from the 2023 COS estimate.
- General Fund gross revenue is up \$676.9 million (2.7%) from the 2023 COS estimate.
- Net GF and Lottery resources are up \$790.3 million (2.3%) from the 2023 COS estimate.

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

Revenue Source	Close of Session	2% Kicker Threshold	December 2023 Forecast	Amount +/- Kicker Threshold
Personal & Other	23,031.0	23,491.6	23,289.6	-202.0
Corporation***	2,204.8	2,248.9	2,623.1	374.2

*** 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: No personal kicker is projected for 2025-27.

CORPORATE: Corporate tax revenue of \$418.3 million is projected to be dedicated to K-12 education spending in 2025-27.

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	September 2023 Forecast	December 2023 Forecast	Difference
Beginning Balance	7,636.2	7,636.2	0.0
Transfer to Rainy Day Fund	-271.3	-271.3	0.0
Personal	21,063.6	21,164.6	101.0
Corporate	2,549.9	2,647.2	97.3
Other	2,049.5	2,125.0	75.5
Gross GF Revenue	25,663.0	25,936.8	273.8
Shared Services Fund	-103.6	-104.0	-0.4
Rainy Day Fund	-110.2	-108.6	1.6
PERS UAL Fund	-60.5	0.0	60.5
Net GF Revenue	25,388.7	25,724.2	335.4
Administrative Actions*	0.0	0.0	0.0
Net General Fund Resources	32,753.7	33,089.1	335.4
Lottery Resources**	1,928.9	1,937.0	8.1
Net GF and Lottery Resources	34,682.6	35,026.1	343.5
Select Other Taxes			
Corporate Activity***	2,782.5	2,771.2	-11.3
Marijuana***	314.1	318.1	4.0

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

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

*** All receipts including dedicated funds

REVENUE CHANGES

- Projected 2023-25 Net General Fund Resources are up \$335.4 million (1.0%) from the September 2023 forecast.
- Projected 2023-25 Lottery resources are up \$8.1 million (0.4%) from the September 2023 forecast.
- Projected combined net General Fund and Lottery Resources are up \$343.5 million (1.0%) from the September 2023 forecast.

2023-25

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	December 2023 Forecast	Difference
Beginning Balance	7,493.5	7,636.2	142.8
Transfer to Rainy Day Fund	-308.4	-271.3	37.1
Revenue	25,131.3	25,724.2	592.9
Administrative Actions	0.0	0.0	0.0
Total Resources	32,316.4	33,089.1	772.7
Expenditures	31,873.6	31,873.6	0.0
Ending Balance	442.8	1,215.5	772.7
Rainy Day Fund Transfer	318.7	318.7	0.0
Remaining Balance	124.1	896.8	772.7

ENDING BALANCE

- The projected ending balance is up \$772.7 million from the 2023 Close-of-Session estimate.
- The projected ending balance is up \$335.4 million from the September 2023 forecast.
- The Rainy Day Fund is projected to receive \$318.7 million following the 2023-25 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	September 2023 Forecast	December 2023 Forecast	Difference
Beginning Balance	7,636.2	7,636.2	0.0
Transfer to Rainy Day Fund	-271.3	-271.3	0.0
Revenue	25,388.7	25,724.2	335.4
Administrative Actions	0.0	0.0	0.0
Total Resources	32,753.7	33,089.1	335.4
Expenditures	31,873.6	31,873.6	0.0
Ending Balance	880.1	1,215.5	335.4
Rainy Day Fund Transfer	318.7	318.7	0.0
Remaining Balance	561.4	896.8	335.4

2023-25

Reserve Fund Position				
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	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$710.8	\$1,353.5		\$2,064.2
Deposits	\$299.8	\$362.9		\$662.7
Interest	\$78.6	\$139.2		\$217.8
Withdrawals	\$81.0	\$0.0		\$81.0
Projected Ending Balance	\$1,008.2	\$1,855.5	\$1,215.5	\$4,079.2

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

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	September 2023 Forecast	December 2023 Forecast	Difference
Beginning Balance	880.1	1,215.5	335.4
Transfer to Rainy Day Fund	-318.7	-318.7	0.0
Personal	30,171.1	29,929.3	-241.7
Corporate	2,898.8	2,860.8	-38.0
Other	1,744.6	1,762.9	18.3
Gross GF Revenue	34,814.5	34,553.0	-261.4
Shared Services Fund	-65.8	-106.3	-40.5
Rainy Day Fund	-125.3	-117.4	7.9
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	34,623.4	34,329.4	-294.0
Net General Fund Resources	35,184.8	35,226.2	41.4
Lottery Resources**	1,969.2	1,963.7	-5.4
Net GF and Lottery Resources	37,153.9	37,189.9	36.0
Select Other Taxes			
Corporate Activity**	3,135.1	3,108.7	-26.4
Marijuana**	357.5	356.0	-1.5

** All receipts including dedicated funds.

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	September 2023 Forecast	December 2023 Forecast	Difference
Personal	35,122.7	34,231.7	-891.0
Corporate	3,208.3	3,115.5	-92.9
Other	1,842.3	1,843.3	1.0
Gross GF Revenue	40,173.4	39,190.5	-982.9
Shared Services Fund	-71.7	-113.6	-41.9
Rainy Day Fund	-138.6	-127.8	10.8
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	39,963.1	38,949.1	-1,014.0
Lottery Resources*	2,119.6	2,112.2	-7.3
Net GF and Lottery Resources	42,082.6	41,061.3	-1,021.3
Select Other Taxes			
Corporate Activity*	3,488.9	3,477.5	-11.5
Marijuana*	412.9	410.9	-2.0

* All receipts including dedicated funds.

2029-31

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	September 2023 Forecast	December 2023 Forecast	Difference
Personal	39,838.6	39,066.9	-771.7
Corporate	3,481.5	3,340.7	-140.7
Other	1,960.6	1,961.8	1.3
Gross GF Revenue	45,280.6	44,369.5	-911.2
Shared Services Fund	-40.6	-84.0	-43.4
Rainy Day Fund	-150.4	-137.0	13.4
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	45,089.6	44,148.5	-941.2
Lottery Resources*	2,257.0	2,248.5	-8.5
Net GF and Lottery Resources	47,346.6	46,397.0	-949.6
Select Other Taxes			
Corporate Activity*	3,884.8	3,878.5	-6.2
Marijuana*	470.2	467.8	-2.4

* All receipts including dedicated funds.

2031-33

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	September 2023 Forecast	December 2023 Forecast	Difference
Personal	44,702.9	44,103.2	-599.7
Corporate	3,840.5	3,663.2	-177.4
Other	2,096.6	2,097.9	1.3
Gross GF Revenue	50,640.0	49,864.2	-775.8
Shared Services Fund	-10.1	-55.0	-44.9
Rainy Day Fund	0.0	0.0	0.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	50,629.9	49,809.2	-820.7
Lottery Resources*	2,404.6	2,394.9	-9.7
Net GF and Lottery Resources	53,034.5	52,204.1	-830.4
Select Other Taxes			
Corporate Activity*	N/A	4,322.4	N/A
Marijuana*	520.2	517.5	-2.6

* All receipts including dedicated funds.

Biennial Net General Fund Revenue Growth: 1993 - 2033
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	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%	13.6%	25.5%	8.0%
2019-21 to 2021-23	28.4%	60.0%	15.3%	30.0%
2021-23 to 2023-25	-17.8%	-16.2%	9.6%	-15.9%
2023-25 to 2025-27	41.6%	8.1%	-17.0%	33.5%
2025-27 to 2027-29	14.4%	8.9%	4.6%	13.5%
2027-29 to 2029-31	14.3%	7.2%	6.4%	13.3%
2029-31 to 2031-33	13.0%	14.3%	6.9%	12.8%