

PRESS RELEASE

November 21, 2023

CONTACT

Mark McMullen

mark.mcmullen@das.oregon.gov

Office of Economic Analysis Releases Updated December 2023 Economic and Revenue Forecast

The December forecast published on November 15 overstated General Fund revenues by \$117.7 million

Salem, OR — Today, the Office of Economic Analysis (OEA) released corrected numbers for the December 2023 economic and revenue forecast.

OEA released the December 2023 Economic and Revenue Forecast on Wednesday, November 15, which indicated an increase in Insurance Taxes relative to the previous September 2023 forecast. The previously published forecast overstated General Fund revenues by \$117.7 million.

Following additional research, the Oregon Department of Consumer and Business Services (DCBS) informed OEA that recent tax audit activity would reduce their Insurance Tax collections by \$68 million, not increase them as DCBS previously indicated. This change results in a net reduction of \$136 million relative to the published numbers.

When OEA updated the Insurance Tax numbers to reflect this change, the office found that the outlook was also being incorrectly adjusted for previous legislation. As those impacts are now being realized in actual tax collections, a separate adjustment is no longer needed in the outlook. By not removing the adjustment, OEA understated Insurance Taxes by \$18.3 million.

Combined, the previously published forecast overstated General Fund revenues by \$117.7 million. The corrected numbers are as follows:

- Total Net General Fund revenues in the current 2023-25 biennium are \$25.6 billion, an increase of \$217.7 million in the corrected December forecast compared to the September forecast.
- The estimated ending balance now stands at \$1.09 billion, a corrected \$655 million above the Close of Session forecast.

Updated materials have been posted on [OLIS here](#) and on [OEA's website here](#).

###