

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

June 2024

NEW FACTS SINCE THE LAST FORECAST

	1st Qtr 2024 Forecast	1st Qtr 2024 Reported	Difference
Employment	1,996,286	1,989,063	-7,223
Personal Income (\$ billion)	286.0	286.4	0.4
Personal Income Tax (\$ million)			
Withholding	2,796.8	2,861.3	64.5
Other Payments less Refunds	-2,107.1	-2,006.8	100.3
Total	689.7	854.5	164.7
Corporate Income Tax	92.3	161.6	69.2

NEW FACTS

- First Quarter personal income tax collections came in \$164.7 million (23.9%) above the March 2024 forecast.
- First Quarter corporate income tax collections came in \$69.2 (74.9%) million above the March 2024 forecast.
- First Quarter Oregon personal income was \$0.4 billion (0.1%) above the March 2024 forecast.
- First Quarter Oregon employment was 7,223 jobs (-0.4%) below the March 2024 forecast.

2023-25

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

General Fund Resources	Close of Session	June 2024 Forecast	Difference
Beginning Balance	7,493.5	8,082.5	589.0
Transfer to Rainy Day Fund	-308.4	-244.9	63.5
Personal	21,019.7	21,567.1	547.4
Corporate	2,228.9	2,817.0	588.0
Other	2,011.3	2,046.0	34.7
Gross GF Revenue	25,259.9	26,430.1	1,170.2
Shared Services Funds	-37.0	-104.6	-67.5
Rainy Day Fund	-91.6	-100.9	-9.3
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,131.3	26,224.7	1,093.4
Lottery Resources*	1,919.4	1,935.1	15.8
Anticipated Administrative Actions**	0.0	0.0	0.0
Net GF and Lottery Resources	34,235.8	35,997.4	1,761.6

* 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 \$547.4 (2.6%) million from the 2023 COS estimate.
- Corporate tax revenue is up \$588.0 million (26.4%) from the 2023 COS estimate.
- General Fund gross revenue is up \$1,170.2 million (4.6%) from the 2023 COS estimate.
- Net GF and Lottery resources are up \$1,761.6 million (5.1%) from the 2023 COS estimate.

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

Revenue Source	Close of Session	2% Kicker Threshold	June 2024 Forecast	Amount +/- Kicker Threshold
Personal & Other	23,031.0	23,491.6	23,613.2	121.6
Corporation***	2,204.8	2,248.9	2,792.8	543.9

*** 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 \$582.2 million is projected for 2025.

CORPORATE: Corporate tax revenue of \$588.0 million is projected to be dedicated to K-12 education spending in 2025-27.

2023-25

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	March 2024 Forecast	June 2024 Forecast	Difference
Beginning Balance	8,082.5	8,082.5	0.0
Transfer to Rainy Day Fund	-244.9	-244.9	0.0
Personal	21,180.1	21,567.1	387.0
Corporate	2,762.1	2,817.0	54.9
Other	1,953.1	2,046.0	93.0
Gross GF Revenue	25,895.2	26,430.1	534.9
Shared Services Funds	-104.0	-104.6	-0.5
Rainy Day Fund	-98.9	-100.9	-2.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,692.3	26,224.7	532.4
Administrative Actions*	0.0	0.0	0.0
Net General Fund Resources	33,529.9	34,062.3	532.4
Lottery Resources**	1,935.6	1,935.1	-0.5
Net GF and Lottery Resources	35,465.5	35,997.4	532.0
Select Other Taxes			
Corporate Activity***	2,814.6	2,819.2	4.6
Marijuana***	311.1	312.6	1.6

* 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 \$532.4 million (1.6%) from the March 2024 forecast.
- Projected 2023-25 Lottery resources are down \$0.5 million (0.0%) from the March 2024 forecast.
- Projected combined net General Fund and Lottery Resources are up \$532.0 million (1.5%) from the March 2024 forecast.

2023-25

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	June 2024 Forecast	Difference
Beginning Balance	7,493.5	8,082.5	589.0
Transfer to Rainy Day Fund	-308.4	-244.9	63.5
Revenue	25,131.3	26,224.7	1,093.4
Administrative Actions	0.0	0.0	0.0
Total Resources	32,316.4	34,062.3	1,745.9
Expenditures	31,873.6	32,897.2	1,023.6
Ending Balance	442.8	1,165.1	722.3
Rainy Day Fund Transfer	318.7	329.0	10.2
Remaining Balance	124.1	836.1	712.0

ENDING BALANCE

- The projected ending balance is up \$722.3 million from the 2023 Close-of-Session estimate.
- The projected ending balance is down \$491.2 million from the March 2024 forecast.
- The Rainy Day Fund is projected to receive \$329.0 million following the 2023-25 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	March 2024 Forecast	June 2024 Forecast	Difference
Beginning Balance	8,082.5	8,082.5	0.0
Transfer to Rainy Day Fund	-244.9	-244.9	0.0
Revenue	25,692.3	26,224.7	532.4
Administrative Actions	0.0	0.0	0.0
Total Resources	33,529.9	34,062.3	532.4
Expenditures	31,873.6	32,897.2	1,023.6
Ending Balance	1,656.3	1,165.1	-491.2
Rainy Day Fund Transfer	318.7	329.0	10.2
Remaining Balance	1,337.6	836.1	-501.4

2023-25

Reserve Fund Position

	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
(\$ Millions)				
Beginning Balance	710.8	1,353.5		2,064.2
Deposits	298.6	365.6		664.2
Interest	86.9	152.9		239.9
Withdrawals	89.3	0.0		89.3
Projected Ending Balance	1,007.0	1,872.0	1,165.1	4,044.1
Reserves as of April, 2024	825	1,671	1,165	3,660

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

2025-27

**CHANGE FROM PRIOR FORECAST
(\$ Million)**

Combined Revenue	March 2024 Forecast	June 2024 Forecast	Difference
Beginning Balance	1,656.3	1,165.1	-491.2
Transfer to Rainy Day Fund	-318.7	-329.0	-10.2
Personal	29,818.4	29,591.3	-227.2
Corporate	3,072.1	2,961.2	-110.8
Other	1,727.0	1,761.4	34.4
Gross GF Revenue	34,617.4	34,313.9	-303.6
Shared Services Funds	-106.3	-106.3	0.0
Rainy Day Fund	-110.0	-106.7	3.3
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	34,401.1	34,100.9	-300.2
Net General Fund Resources	35,738.7	34,937.0	-801.7
Lottery Resources**	1,971.9	1,963.6	-8.3
Net GF and Lottery Resources	37,710.6	36,900.6	-810.0
Select Other Taxes			
Corporate Activity**	3,211.1	3,172.6	-38.6
Marijuana**	349.7	339.0	-10.6

** All receipts including dedicated funds.

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2024 Forecast	June 2024 Forecast	Difference
Personal	34,057.8	34,718.1	660.4
Corporate	3,286.5	3,292.2	5.7
Other	1,823.9	1,811.1	-12.8
Gross GF Revenue	39,168.2	39,821.5	653.3
Shared Services Funds	-113.6	-113.6	0.0
Rainy Day Fund	-117.7	-117.9	-0.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	38,936.9	39,589.9	653.0
Lottery Resources*	2,147.3	2,134.6	-12.8
Net GF and Lottery Resources	41,084.2	41,724.5	640.3
Select Other Taxes			
Corporate Activity*	3,592.9	3,533.9	-59.0
Marijuana*	404.5	377.9	-26.6

* All receipts including dedicated funds.

2029-31

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2024 Forecast	June 2024 Forecast	Difference
Personal	38,513.1	39,524.8	1,011.7
Corporate	3,477.0	3,584.0	107.0
Other	1,926.6	1,900.4	-26.2
Gross GF Revenue	43,916.7	45,009.2	1,092.6
Shared Services Funds	-84.0	-84.0	0.0
Rainy Day Fund	-124.5	-128.4	-3.9
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	43,708.2	44,796.9	1,088.7
Lottery Resources*	2,284.2	2,279.1	-5.1
Net GF and Lottery Resources	45,992.4	47,076.0	1,083.6
Select Other Taxes			
Corporate Activity*	4,007.3	3,913.7	-93.7
Marijuana*	460.5	414.3	-46.2

* All receipts including dedicated funds.

2031-33

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	March 2024 Forecast	June 2024 Forecast	Difference
Personal	43,827.3	45,375.7	1,548.4
Corporate	3,779.8	3,957.8	178.0
Other	2,018.6	1,986.8	-31.8
Gross GF Revenue	49,625.7	51,320.3	1,694.6
Shared Services Funds	-55.0	-55.0	0.0
Rainy Day Fund	0.0	0.0	0.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	49,570.6	51,265.2	1,694.6
Lottery Resources*	2,441.0	2,430.9	-10.1
Net GF and Lottery Resources	52,011.7	53,696.1	1,684.5
Select Other Taxes			
Corporate Activity*	4,465.9	4,310.2	-155.7
Marijuana*	508.9	440.4	-68.5

* 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	-16.3%	-10.3%	5.5%	-14.3%
2023-25 to 2025-27	37.4%	5.1%	-13.9%	30.0%
2025-27 to 2027-29	17.4%	11.2%	2.8%	16.1%
2027-29 to 2029-31	14.0%	8.9%	4.9%	13.2%
2029-31 to 2031-33	14.9%	14.5%	4.5%	14.4%