

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

September 2024

NEW FACTS SINCE THE LAST FORECAST

	2nd Qtr 2024 Forecast	2nd Qtr 2024 Reported	Difference
Employment	1,993,975	1,993,409	-566
Personal Income (\$ billion)	290.4	287.0	-3.3
Personal Income Tax (\$ million)			
Withholding	2,868.7	2,778.9	-89.8
Other Payments less Refunds	-876.9	-478.2	398.6
Total	1,991.8	2,300.7	308.8
Corporate Income Tax	504.6	674.3	169.7

NEW FACTS

- Second Quarter personal income tax collections came in \$308.8 million (15.5%) above the June 2024 forecast.
- Second Quarter corporate income tax collections came in \$169.7 (33.6%) million above the June 2024 forecast.
- Second Quarter Oregon personal income was \$3.3 billion (-1.1%) below the June 2024 forecast.
- Second Quarter Oregon employment was 566 jobs (0.0%) below the June 2024 forecast.

2023-25

CHANGE FROM CLOSE OF SESSION (\$ Million)

General Fund Resources	Close of Session	September 2024 Forecast	Difference
Beginning Balance	7,493.5	8,082.5	589.0
Transfer to Rainy Day Fund	-308.4	-264.7	43.6
Personal	21,019.7	21,889.4	869.7
Corporate	2,228.9	3,111.7	882.8
Other	2,011.3	2,150.4	139.1
Gross GF Revenue	25,259.9	27,151.5	1,891.5
Shared Services Funds	-37.0	-104.6	-67.5
Rainy Day Fund	-91.6	-126.8	-35.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,131.3	26,920.1	1,788.8
Lottery Resources*	1,919.4	1,934.5	15.1
Anticipated Administrative Actions**	0.0	0.0	0.0
Net GF and Lottery Resources	34,235.8	36,672.3	2,436.5

* 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 \$869.7 (4.1%) million from the 2023 COS estimate.
- Corporate tax revenue is up \$882.8 million (39.6%) from the 2023 COS estimate.
- General Fund gross revenue is up \$1,891.5 million (7.5%) from the 2023 COS estimate.
- Net GF and Lottery resources are up \$2,436.5 million (7.1%) from the 2023 COS estimate.

EFFECT ON 2% KICKER (\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	September 2024 Forecast	Amount +/- Kicker Threshold
Personal & Other	23,031.0	23,491.6	24,018.0	526
Corporation***	2,204.8	2,248.9	3,087.6	838.7

*** 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 \$987.0 million is projected for 2025.

CORPORATE: Corporate tax revenue of \$882.8 million is projected to be dedicated to K-12 education spending in 2025-27.

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2024 Forecast	September 2024 Forecast	Difference
Beginning Balance	8,082.5	8,082.5	0.0
Transfer to Rainy Day Fund	-244.9	-264.7	-19.8
Personal	21,567.1	21,889.4	322.3
Corporate	2,817.0	3,111.7	294.8
Other	2,046.0	2,150.4	104.3
Gross GF Revenue	26,430.1	27,151.5	721.3
Shared Services Funds	-104.6	-104.6	0.0
Rainy Day Fund	-100.9	-126.8	-26.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	26,224.7	26,920.1	695.4
Administrative Actions*	0.0	0.0	0.0
Net General Fund Resources	34,062.3	34,737.8	675.5
Lottery Resources**	1,935.1	1,934.5	-0.6
Net GF and Lottery Resources	35,997.4	36,672.3	674.9
Select Other Taxes			
Corporate Activity***	2,819.2	2,794.6	-24.6
Marijuana***	312.6	311.2	-1.5

* 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 \$675.5 million (2.0%) from the June 2024 forecast.
- Projected 2023-25 Lottery resources are down \$0.6 million (0.0%) from the June 2024 forecast.
- Projected combined net General Fund and Lottery Resources are up \$674.9 million (1.9%) from the June 2024 forecast.

2023-25

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	September 2024 Forecast	Difference
Beginning Balance	7,493.5	8,082.5	589.0
Transfer to Rainy Day Fund	-308.4	-264.7	43.6
Revenue	25,131.3	26,920.1	1,788.8
Administrative Actions	0.0	0.0	0.0
Total Resources	32,316.4	34,737.8	2,421.4
Expenditures	31,873.6	32,897.2	1,023.6
Ending Balance	442.8	1,840.6	1,397.8
Rainy Day Fund Transfer	318.7	329.0	10.2
Remaining Balance	124.1	1,511.7	1,387.6

ENDING BALANCE

- The projected ending balance is up \$1,397.8 million from the 2023 Close-of-Session estimate.
- The projected ending balance is up \$675.5 million from the June 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	June 2024 Forecast	September 2024 Forecast	Difference
Beginning Balance	8,082.5	8,082.5	0.0
Transfer to Rainy Day Fund	-244.9	-264.7	-19.8
Revenue	26,224.7	26,920.1	695.4
Administrative Actions	0.0	0.0	0.0
Total Resources	34,062.3	34,737.8	675.5
Expenditures	32,897.2	32,897.2	0.0
Ending Balance	1,165.1	1,840.6	675.5
Rainy Day Fund Transfer	329.0	329.0	0.0
Remaining Balance	836.1	1,511.7	675.5

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	298.5	391.6		690.0
Interest	87.9	154.3		242.3
Withdrawals	90.3	0.0		90.3
Projected Ending Balance	1,006.9	1,899.4	1,840.6	4,746.9
Reserves as of July, 2024	899.8	1,692.3	1,840.6	4,432.7

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

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2024 Forecast	September 2024 Forecast	Difference
Beginning Balance	1,165.1	1,840.6	675.5
Transfer to Rainy Day Fund	-329.0	-329.0	0.0
Personal	29,591.3	29,280.8	-310.5
Corporate	2,961.2	3,120.7	159.5
Other	1,761.4	1,826.4	65.0
Gross GF Revenue	34,313.9	34,227.9	-86.0
Shared Services Funds	-106.3	-65.8	40.5
Rainy Day Fund	-106.7	-127.2	-20.5
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	34,100.9	34,034.9	-66.0
Net General Fund Resources	34,937.0	35,546.6	609.5
Lottery Resources**	1,963.6	1,987.7	24.1
Net GF and Lottery Resources	36,900.6	37,534.3	633.6
Select Other Taxes			
Corporate Activity**	3,172.6	3,165.7	-6.8
Marijuana**	339.0	327.3	-11.8

** All receipts including dedicated funds.

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2024 Forecast	September 2024 Forecast	Difference
Personal	34,718.1	34,895.0	176.8
Corporate	3,292.2	3,507.1	214.8
Other	1,811.1	1,882.5	71.4
Gross GF Revenue	39,821.5	40,284.5	463.0
Shared Services Funds	-113.6	-71.7	41.9
Rainy Day Fund	-117.9	-143.0	-25.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	39,589.9	40,069.9	479.9
Lottery Resources*	2,134.6	2,120.6	-14.0
Net GF and Lottery Resources	41,724.5	42,190.4	465.9
Select Other Taxes			
Corporate Activity*	3,533.9	3,534.5	0.6
Marijuana*	409.8	364.8	-45.0

* All receipts including dedicated funds.

2029-31

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2024 Forecast	September 2024 Forecast	Difference
Personal	39,524.8	39,620.5	95.7
Corporate	3,584.0	3,750.7	166.6
Other	1,900.4	1,977.3	76.9
Gross GF Revenue	45,009.2	45,348.5	339.3
Shared Services Funds	-84.0	-40.6	43.4
Rainy Day Fund	-128.4	-152.9	-24.5
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	44,796.9	45,155.1	358.2
Lottery Resources*	2,279.1	2,268.2	-10.9
Net GF and Lottery Resources	47,076.0	47,423.3	347.3
Select Other Taxes			
Corporate Activity*	3,913.7	3,915.2	1.6
Marijuana*	457.9	402.3	-55.6

* All receipts including dedicated funds.

2031-33

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2024 Forecast	September 2024 Forecast	Difference
Personal	45,375.7	45,173.9	-201.9
Corporate	3,957.8	4,031.0	73.2
Other	1,986.8	2,089.6	102.9
Gross GF Revenue	51,320.3	51,294.5	-25.7
Shared Services Funds	-55.0	-10.1	44.9
Rainy Day Fund	-135.3	-164.3	-29.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	51,129.9	51,120.1	-9.8
Lottery Resources*	2,430.9	2,437.9	7.0
Net GF and Lottery Resources	53,560.8	53,558.0	-2.8
Select Other Taxes			
Corporate Activity*	4,310.2	4,307.4	-2.8
Marijuana*	485.4	438.9	-46.5

* 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	-15.0%	-1.4%	10.9%	-12.0%
2023-25 to 2025-27	34.1%	0.3%	-15.1%	26.4%
2025-27 to 2027-29	19.2%	12.4%	3.1%	17.7%
2027-29 to 2029-31	13.7%	6.9%	5.0%	12.7%
2029-31 to 2031-33	14.1%	7.5%	5.7%	13.2%