

STATE OF OREGON  
**LEGISLATIVE REVENUE OFFICE**  
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## LRO FORECAST SUMMARY

**March 2023**

### NEW FACTS SINCE THE LAST FORECAST

	4th Qtr 2022 Forecast	4th Qtr 2022 Reported	Difference
Employment	1,969,123	1,975,778	6,655
Personal Income (\$ billion)	273.8	272.7	-1.1
Personal Income Tax (\$ million)			
Withholding	2,658.0	2,641.5	-16.5
Other Payments less Refunds	131.7	409.8	278.1
Total	2,789.7	3,051.3	261.6
Corporate Income Tax	240.1	371.2	131.1

#### NEW FACTS

- Fourth Quarter personal income tax collections came in \$261.6 million (9.4%) above the December 2022 forecast.
- Fourth Quarter corporate income tax collections came in \$131.1 (54.6%) million above the December 2022 forecast.
- Fourth Quarter Oregon personal income was \$1.1 billion (-0.4%) below the December 2022 forecast.
- Fourth Quarter Oregon employment was 6,655 jobs (0.3%) above the December 2022 forecast.

## 2021-23

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

General Fund Resources	Close of Session	March 2023 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	24,185.4	3,557.4
Corporate	1,344.0	2,889.4	1,545.5
Other	1,428.4	1,809.2	380.8
Gross GF Revenue	23,400.4	28,884.0	5,483.6
Shared Services Fund	-40.6	-50.5	-9.9
Rainy Day Fund	-56.0	-117.7	-61.7
PERS UAL Fund	-74.9	-89.0	-14.1
Net GF Revenue	23,228.9	28,626.9	5,398.0
Lottery Resources*	1,725.8	1,899.1	173.3
Anticipated Administrative Actions**	-21.5	0.0	21.5
Net GF and Lottery Resources	27,734.2	34,387.8	6,653.6

\* 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 \$3,557.4 (17.2%) million from the 2021 COS estimate.
- Corporate tax revenue is up \$1,545.5 million (115.0%) from the 2021 COS estimate.
- General Fund gross revenue is up \$5,483.6 million (23.4%) from the 2021 COS estimate.
- Net GF and Lottery resources are up \$6,653.6 million (24.0%) from the 2021 COS estimate.

### EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	March 2023 Forecast	Amount +/- Kicker Threshold
Personal & Other	22,056.4	22,497.6	25,994.6	3,497.0
Corporation***	1,321.4	1,347.8	2,866.8	1,519.0

\*\*\* 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 \$3,938.2 million is projected for 2023.

**CORPORATE:** Corporate tax revenue of \$1,545.5 million is projected to be dedicated to K-12 education spending in 2023-25.

<b>2021-23</b>
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**CHANGE FROM PRIOR FORECAST**  
**(\$ Million)**

<b>Combined Revenue</b>	December 2022 Forecast	March 2023 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund	-220.7	-220.7	0.0
Personal	23,945.5	24,185.4	240.0
Corporate	2,648.0	2,889.4	241.5
Other	1,793.7	1,809.2	15.5
Gross GF Revenue	28,387.1	28,884.0	496.9
Shared Services Fund	-50.5	-50.5	0.0
Rainy Day Fund	-107.8	-117.7	-9.8
PERS UAL Fund	-89.0	-89.0	0.0
Net GF Revenue	28,139.8	28,626.9	487.1
Administrative Actions*	0.0	0.0	0.0
Net General Fund Resources	32,001.6	32,488.7	487.1
Lottery Resources**	1,882.7	1,899.1	16.4
Net GF and Lottery Resources	33,884.3	34,387.8	503.5
Select Other Taxes			
Corporate Activity**	2,455.7	2,451.0	-4.7
Marijuana**	326.9	314.2	-12.7

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

\*\* All receipts including dedicated funds.

<b>REVENUE CHANGES</b>
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- Projected 2021-23 Net General Fund Resources are up \$487.1 million (1.7%) from the December 2022 forecast.
- Projected 2021-23 Lottery resources are up \$16.4 million (0.9%) from the December 2022 forecast.
- Projected combined net General Fund and Lottery Resources are up \$503.5 million (1.5%) from the December 2022 forecast.

**2021-23**

**EFFECT ON ENDING BALANCE**

Current vs. Close of Session  
(\$ Million)

General Fund	Close of Session	March 2023 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	28,626.9	5,398.0
Administrative Actions	-21.5	0.0	21.5
<b>Total Resources</b>	<b>26,008.4</b>	<b>32,488.7</b>	<b>6,480.3</b>
<b>Expenditures</b>	<b>25,446.0</b>	<b>27,861.0</b>	<b>2,415.0</b>
Ending Balance	562.4	4,627.6	4,065.2
Rainy Day Fund Transfer	254.5	278.6	24.2
Remaining Balance	308.0	4,349.0	4,041.1

**ENDING BALANCE**

- The projected ending balance is up \$4,065.2 million from the 2021 Close-of-Session estimate.
- The projected ending balance is up \$487.1 million from the December 2022 forecast.
- The Rainy Day Fund is projected to receive \$278.6 million following the 2021-23 biennium.

Current vs. Prior Forecast  
(\$ Million)

General Fund	December 2022 Forecast	March 2023 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund	-220.7	-220.7	0.0
Revenue	28,139.8	28,626.9	487.1
Administrative Actions	0.0	0.0	0.0
<b>Total Resources</b>	<b>32,001.6</b>	<b>32,488.7</b>	<b>487.1</b>
<b>Expenditures</b>	<b>27,861.0</b>	<b>27,861.0</b>	<b>0.0</b>
Ending Balance	4,140.6	4,627.6	487.1
Rainy Day Fund Transfer	278.6	278.6	0.0
Remaining Balance	3,862.0	4,349.0	487.1

<b>2021-23</b>
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<b>Reserve Fund Position</b>				
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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	\$294.1	\$338.4		\$632.5
Interest	\$24.1	\$42.0		\$66.1
Withdrawals	\$24.3	\$0.0		\$24.3
Projected Ending Balance	\$708.4	\$1,342.5	\$4,627.6	\$6,678.6

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

<b>2023-25</b>
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

<b>Combined Revenue</b>	December 2022 Forecast	March 2023 Forecast	Difference
Beginning Balance	4,140.6	4,627.6	487.1
Transfer to Rainy Day Fund	-278.6	-278.6	0.0
Personal	21,540.1	21,569.5	29.4
Corporate	1,955.9	2,058.6	102.7
Other	1,649.8	1,702.2	52.4
Gross GF Revenue	25,145.7	25,330.2	184.6
Shared Services Fund	-48.6	-48.6	0.0
Rainy Day Fund	-79.6	-83.8	-4.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,017.4	25,197.8	180.4
Net General Fund Resources	28,879.4	29,546.9	667.5
Lottery Resources**	1,854.6	1,901.7	47.1
Net GF and Lottery Resources	30,734.0	31,448.6	714.6
Select Other Taxes			
Corporate Activity***	2,577.1	2,603.4	26.3
Marijuana***	351.6	315.7	-35.9

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

\*\*\* All receipts including dedicated funds

<b>2025-27</b>
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**CHANGE FROM PRIOR FORECAST**  
**(\$ Million)**

<b>Combined Revenue</b>	December 2022 Forecast	March 2023 Forecast	Difference
Personal	28,551.2	28,537.5	-13.7
Corporate	2,118.9	2,080.4	-38.6
Other	1,593.9	1,608.2	14.3
Gross GF Revenue	32,264.1	32,226.1	-38.0
Shared Services Fund	-17.6	-17.6	0.0
Rainy Day Fund	-86.3	-84.7	1.6
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	32,160.2	32,123.8	-36.4
Lottery Resources*	1,923.3	1,967.6	44.3
Net GF and Lottery Resources	34,083.5	34,091.4	7.9
Select Other Taxes			
Corporate Activity*	2,859.5	2,909.3	49.8
Marijuana*	394.0	357.5	-36.5

\* All receipts including dedicated funds

<b>2027-29</b>
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**CHANGE FROM PRIOR FORECAST**  
**(\$ Million)**

<b>Combined Revenue</b>	December 2022 Forecast	March 2023 Forecast	Difference
Personal	32,913.0	32,786.1	-126.9
Corporate	2,271.5	2,205.7	-65.8
Other	1,686.9	1,703.5	16.6
Gross GF Revenue	36,871.4	36,695.3	-176.0
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-92.5	-89.8	2.7
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	36,778.9	36,605.5	-173.3
Lottery Resources*	2,071.7	2,120.6	48.9
Net GF and Lottery Resources	38,850.6	38,726.1	-124.5
Select Other Taxes			
Corporate Activity*	3,195.0	3,249.2	54.2
Marijuana*	443.5	412.9	-30.7

\* All receipts including dedicated funds

<b>2029-31</b>
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

Combined Revenue	December 2022 Forecast	March 2023 Forecast	Difference
Personal	37,349.2	37,132.5	-216.8
Corporate	2,584.9	2,497.4	-87.6
Other	1,788.2	1,804.9	16.6
Gross GF Revenue	41,722.4	41,434.7	-287.7
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-105.3	-101.7	3.6
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	41,617.1	41,333.0	-284.1
Lottery Resources*	2,207.6	2,259.5	51.9
Net GF and Lottery Resources	43,824.7	43,592.5	-232.2
Select Other Taxes			
Corporate Activity*	3,571.8	3,642.3	70.5
Marijuana*	495.5	471.1	-24.4

\* All receipts including dedicated funds

<b>Biennial Net General Fund Revenue Growth: 1993 - 2031</b>
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	Personal	Corporate	Other	Total
<b>1993-95 to 1995-97</b>	17.1%	18.8%	28.4%	18.3%
<b>1995-97 to 1997-99</b>	13.0%	-13.9%	-17.6%	7.7%
<b>1997-99 to 1999-01</b>	22.6%	28.2%	2.8%	21.5%
<b>1999-01 to 2001-03</b>	-11.9%	-44.4%	97.9%	-7.5%
<b>2001-03 to 2003-05</b>	16.8%	52.5%	-35.4%	11.4%
<b>2003-05 to 2005-07</b>	22.8%	31.7%	6.4%	22.1%
<b>2005-07 to 2007-09</b>	-8.6%	-18.9%	10.2%	-8.0%
<b>2007-09 to 2009-11</b>	3.7%	20.9%	29.8%	6.8%
<b>2009-11 to 2011-13</b>	15.7%	6.8%	-4.1%	13.1%
<b>2011-13 to 2013-15</b>	14.8%	25.0%	-12.4%	13.2%
<b>2013-15 to 2015-17</b>	15.4%	8.1%	25.2%	15.5%
<b>2015-17 to 2017-19</b>	17.1%	39.4%	3.9%	17.6%
<b>2017-19 to 2019-21</b>	6.3%	18.1%	25.5%	8.4%
<b>2019-21 to 2021-23</b>	20.9%	40.9%	2.3%	21.2%
<b>2021-23 to 2023-25</b>	-10.8%	-28.8%	-1.0%	-12.0%
<b>2023-25 to 2025-27</b>	32.5%	1.1%	-5.5%	27.5%
<b>2025-27 to 2027-29</b>	15.0%	6.0%	5.9%	14.0%
<b>2027-29 to 2029-31</b>	13.3%	13.2%	5.9%	12.9%