

G. September 2011 Forecast Addendum –2011 Close of Session Forecast

The Close of Session forecast is a separate forecast done in connection with the provisions of Article IX section 14 of the Oregon Constitution and ORS 291.349. It is done following the close of regular legislative sessions (odd numbered years), and published with the September forecast.

The COS forecast provides the revenue context on which the 2011-13 legislatively adopted budget is based, and is the revenue estimate used to evaluate the potential return of excess revenues (the personal and the corporate kickers) for that biennium. It consists of the May 2011 forecast, adjusted for revenue-related actions taken during the 2011 Legislative Session and subsequently signed into law by the Governor.

Table 1 compares the May 2011 and the Close of Session forecasts. General Fund revenues equal \$14,032.0 million which equals the \$13,901.4 million from the May forecast, plus \$130.6 million in additional revenues resulting from actions taken during the 2011 legislative session. Table 2 compares the forecasts by year and revenue source. A detailed listing of the impact of individual legislative actions appears in Table 3. While there were numerous changes, many are relatively small in terms of overall revenue and/or designed to offset one another.

There are two potential kicker rebates: one for corporate income tax, and one for all other General Fund revenues (primarily personal income tax). Kicker rebates can be triggered if actual revenue collections for the 2011-13 biennium exceed the COS forecast by two percent or more. Two percent for the corporate kicker is \$17.9 million, for a kicker threshold of \$912.1 million. The personal kicker includes personal income tax and other revenues, which total \$13,137.4 million. Two percent of that is \$262.8 million, for a personal kicker threshold of \$13,400.5 million.

TABLE 1 - 2011-13 Close of Session Forecast			
General Fund (Millions)	2011 COS Forecast	May 2011 Forecast	Change from May
Beginning Balance	\$0.0	\$0.0	\$0.0
Personal Income Tax	\$12,193.6	\$12,202.1	-\$8.5
Corporate Income Tax	\$894.2	\$863.3	\$30.9
Other Revenues	\$944.2	\$836.0	\$108.2
Total GF Resources	\$14,032.0	\$13,901.4	\$130.6

Table 2

General Fund Revenue Statement -- 2011-13 Close of Session

	Forecasts Dated: 5/12/2011			Difference
	2011-12	2012-13	Total 2011-13	
Taxes				
Personal Income Taxes (Before Kicker)	5,918,883,000	6,283,195,000	12,202,078,000	(8,525,000)
Implicit Kicker Offset			0	0
Corporate Income Taxes (Before Kicker)	421,250,000	442,073,000	863,323,000	30,920,000
Insurance Taxes	48,784,000	51,474,000	100,258,000	0
Estate Taxes	95,612,000	94,672,000	190,284,000	0
Cigarette Taxes	37,611,000	36,633,000	74,244,000	0
Other Tobacco Products Taxes	28,745,000	29,841,000	58,586,000	0
Other Taxes	670,000	657,000	1,327,000	0
Fines and Fees				
State Court Fees	27,117,000	27,989,000	55,106,000	33,131,000
Secretary of State Fees	23,023,000	24,016,000	47,039,000	0
Criminal Fines & Assessments	31,632,000	26,766,000	58,398,000	22,200,000
Securities Fees	9,378,000	9,692,000	19,070,000	0
Central Service Charges	5,576,000	5,576,000	11,152,000	0
Liquor Apportionment	91,820,000	95,568,000	187,388,000	0
Interest Earnings	6,700,000	10,653,000	17,353,000	(7,440,000)
Miscellaneous Revenues	7,800,000	8,000,000	15,800,000	0
One-time Transfers	0	0	0	60,300,000
Gross General Fund Revenues	6,754,601,000	7,146,805,000	13,901,406,000	130,586,000
Net General Fund Revenues	6,754,601,000	7,146,805,000	13,901,406,000	130,586,000
Plus Beginning Balance			0	0
Less Anticipated Administrative Actions*			(23,135,600)	0
Plus Legislatively Adopted Actions**			0	0
Available Resources			13,878,270,400	130,586,000
Legislatively Adopted Budget				NA
Plus Administrative Actions				NA
Projected Expenditures				NA
Estimated Ending Balance			NA	NA

Table 3 - Summary of 2011 Legislative Session Adjustments

	Biennia					Staff Measure Summary	Revenue Impact Statement
	2011-13	2013-15	2015-17	2017-19	2019-21		
Personal Income Tax Impacts (Millions)							
<i>Tax Law Change</i>							
Farmworker Credit - HB 2154	-\$0.01	-\$0.01	\$0.00	\$0.00	\$0.00	HB 2154	HB 2154
BETC Administration - HB 2523	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	HB 2523	HB 2523
529 College Savings - HB 2728	\$0.00	-\$0.03	-\$0.03	-\$0.03	-\$0.03	HB 2528	HB 2528
Diesel Engine Tax Credit - HB 3170	\$0.22	\$0.12	\$0.00	\$0.00	\$0.00	HB 3170	HB 3170
Net Operating Loss - HB 3454	\$0.80	\$0.50	\$0.40	\$0.26	\$0.17	HB 3454	HB 3454
BETC Clarification - HB 3606	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	HB 3606	HB 3606
Tax Credits - HB 3672						HB 3672	HB 3672
BETC	\$7.90	\$6.40	\$3.20	\$2.00	\$1.80		
Biomass	-\$3.60	-\$7.60	-\$8.30	-\$4.65	\$0.00		
E-commerce Zone	-\$0.01	-\$0.02	-\$0.02	-\$0.01	\$0.00		
Film & Video	-\$6.00	-\$12.00	-\$12.00	-\$7.00	-\$0.20		
Fish Screening	-\$0.02	-\$0.04	-\$0.04	-\$0.02	\$0.00		
Oregon Investment Advantage	\$0.00	-\$0.10	-\$0.05	-\$0.02	-\$0.01		
Renewables	-\$2.00	-\$2.25	-\$2.25	-\$1.13	\$0.00		
Conservation	-\$2.30	-\$6.60	-\$8.20	-\$7.70	-\$3.50		
Transportation	-\$1.00	-\$1.90	-\$1.70	-\$0.70	-\$0.25		
RETC	-\$7.60	-\$21.20	-\$28.40	-\$20.50	\$0.00		
Federal Reconnect - SB 301 (3/11 base)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	SB 301	SB 301
Community Jobs Initiative - SB 817	\$0.00	-\$4.60	-\$23.30	-\$25.50	-\$7.60	SB 817	SB 817
<i>Compliance Bills</i>							
Tax Preparers E-file - HB 2071	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	HB 2071	HB 2071
DOR Enforcement - HB 5040	\$5.50	\$5.60	\$5.60	\$5.60	\$5.60		HB 5040
Personal Income Tax Total	-\$8.13	-\$43.73	-\$75.09	-\$59.40	-\$4.02		
Corporate Income Tax Impacts (Millions)							
<i>Tax Law Change</i>							
Farmworker Credit - HB 2154	-\$0.02	-\$0.02	\$0.00	\$0.00	\$0.00	HB 2154	HB 2154
BETC Administration - HB 2523	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	HB 2523	HB 2523
Housing Lender Tax Credit - HB 2527	\$0.00	-\$2.80	-\$5.20	-\$7.70	-\$6.10	HB 2527	HB 2527
Agriculture Cooperative Min Tax - HB 3058	-\$1.40	-\$1.40	-\$1.40	-\$1.40	-\$1.40	HB 3058	HB 3058
Diesel Engine Tax Credit - HB 3170	\$0.09	\$0.08	\$0.00	\$0.00	\$0.00	HB 3170	HB 3170
BETC Clarification - HB 3606	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	HB 3606	HB 3606
Tax Credits - HB 3672						HB 3672	HB 3672
BETC	\$11.90	\$10.00	\$4.80	\$3.10	\$2.50		
Biomass	-\$0.30	-\$0.60	-\$0.70	-\$0.50	\$0.00		
Fire Insurance	-\$0.80	-\$1.60	-\$1.60	-\$1.30	\$0.00		
E-commerce Zone	-\$0.04	-\$0.08	-\$0.08	-\$0.06	\$0.00		
Long-Term Rural EZ	-\$0.10	-\$0.20	-\$0.20	-\$0.10	\$0.00		
R&D	-\$0.80	-\$1.70	-\$2.10	-\$1.70	\$0.00		
Film & Video	-\$0.20	-\$0.40	-\$0.40	-\$0.20	\$0.00		
Fish Screening	-\$0.01	-\$0.01	-\$0.01	-\$0.01	\$0.00		
Oregon Investment Advantage	\$0.00	-\$0.10	-\$0.05	-\$0.02	\$0.00		
Renewables	-\$0.50	-\$0.75	-\$0.75	-\$0.38	\$0.00		
Conservation	-\$3.20	-\$9.60	-\$12.10	-\$10.60	-\$3.50		
Transportation	-\$1.30	-\$2.90	-\$2.60	-\$0.90	-\$0.20		
Federal Reconnect - SB 301 (3/11 base)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	SB 301	SB 301
Community Jobs Initiative - SB 817	\$0.00	-\$0.70	-\$5.50	-\$6.50	-\$2.50	SB 817	SB 817
<i>Compliance Bills</i>							
Tax Preparers E-file - HB 2071	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	HB 2071	HB 2071
DOR Enforcement - HB 5040	\$9.20	\$9.40	\$9.40	\$9.40	\$9.40		HB 5040
Other Transfers - SB 939	\$18.00	\$0.00	\$0.00	\$0.00	\$0.00	SB 939	SB 939
Corporate Income Tax Total	\$30.52	-\$3.38	-\$18.49	-\$18.86	-\$1.80		
Other Tax/Revenue Impacts (Millions)							
Other Transfers - SB 939	\$58.10	\$0.00	\$0.00	\$0.00	\$0.00	SB 939	SB 939
Inheritance Tax - HB 2541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	HB 2541	HB 2541
Court Fees - HB 2710	\$33.13	\$40.43	\$42.83	\$45.40	\$47.50	HB 2710	HB 2710
Criminal Fine Account - HB 2712	\$22.20	\$20.71	\$22.05	\$23.50	\$25.50	HB 2712	HB 2712
OUS Interest Earnings - SB 242	-\$7.44	-\$22.00	-\$32.00	-\$34.00	-\$34.00	SB 242	SB 242
OLCC Transfers - SB 5522	\$2.20	\$0.00	\$0.00	\$0.00	\$0.00		SB 5522
Other Tax Total	\$108.19	\$39.14	\$32.88	\$34.90	\$39.00		
Overall Total	\$130.59	-\$7.97	-\$60.70	-\$43.36	\$33.19		