

**GENERAL FUND REVENUE ESTIMATES FOR THE 2003-05 AND 2005-07 BIENNIUMS
AND ACTUAL COLLECTIONS FOR PRIOR BIENNIUMS**

	Actual		Estimated		2005-07 Increase (Decrease) Compared to 2003-05	2005-07 Percentage Increase (Decrease) Compared to 2003-05
	1999-2001 Biennium	2001-03 Biennium	2003-05 Biennium \1	2005-07 Biennium \2		
Revenue source						
Sales and use tax	\$613,066,466	\$640,618,364	\$719,991,963	\$761,726,000	\$41,734,037	5.8%
Motor vehicle excise tax	109,115,230	119,592,232	129,863,758	134,704,000	4,840,242	3.7%
Individual income tax	409,331,437	396,153,000	436,024,523	467,019,000	30,994,477	7.1%
Corporate income tax	99,134,855	88,417,166	80,780,083	83,123,000	2,342,917	2.9%
Insurance premium tax	39,113,433	48,990,027	60,195,518	64,753,000	4,557,482	7.6%
Business privilege tax	5,464,955	6,257,389	5,246,071	5,200,000	(46,071)	(0.9%)
Cigarette and tobacco tax	41,706,350	39,313,360	38,803,411	36,148,000	(2,655,411)	(6.8%)
Oil and gas production tax	38,433,365 \3	39,159,000 \3	44,757,000 \3	47,270,000 \3	2,513,000	5.6%
Oil extraction tax	23,566,635 \3	22,841,000 \3	26,243,000 \3	37,000,000 \3	10,757,000	41.0%
Coal severance tax	22,173,854	0	0	0	0	0.0%
Coal conversion tax	25,672,170	46,878,511	47,730,816	48,719,000	988,184	2.1%
Gaming tax	27,437,507	27,612,652	21,393,000	20,130,000	(1,263,000)	(5.9%)
Lottery	0	0	6,231,000	10,000,000	3,769,000	60.5%
Wholesale liquor tax	10,321,999	11,155,834	11,813,958	12,277,000	463,042	3.9%
Mineral leasing fees	9,531,698	6,440,513	6,956,000	5,431,500	(1,524,500)	(21.9%)
Interest income	20,832,123	8,509,483	5,623,000	10,522,000	4,899,000	87.1%
Departmental collections	40,816,171	57,506,019	59,789,000	49,125,000	(10,664,000)	(17.8%)
Total revenues	\$1,535,718,248	\$1,559,444,550	\$1,701,442,101	\$1,793,147,500	\$91,705,399	5.4%
Transfers and other sources						
Sale of DD loans		\$2,004,257 \4	\$0	\$0	\$0	0.0%
Transfer - Bank of North Dakota	\$50,000,000	60,000,000	60,000,000	60,000,000 \6	0	0.0%
Transfer - Bank of North Dakota (contingent)		18,699,787 \5	0	0	0	0.0%
Transfer - Student loan trust		9,000,000	26,258,969	9,000,000	(17,258,969)	(65.7%)
Transfer - Mill and Elevator	3,000,000	6,000,000	5,000,000	5,000,000	0	0.0%
Transfer - Gas tax administration	1,380,608	1,363,392	1,396,200	1,400,000	3,800	0.3%
Transfer - Lands and minerals trust fund		3,545,102	2,000,000	5,000,000	3,000,000	150.0%
Transfer - Permanent oil tax trust fund			11,910,000	0	(11,910,000)	(100.0%)
Transfer - State bonding fund			2,800,000	0	(2,800,000)	(100.0%)
Transfer - Water development trust fund		9,733,820	10,070,373	0	(10,070,373)	(100.0%)
Transfer - Health care trust fund			35,911,035	16,900,000	(19,011,035)	(52.9%)
Transfer - Information technology savings			79,278	0	(79,278)	(100.0%)
Transfers - Other	5,159,194	87,332	239,951	0	(239,951)	(100.0%)
Total transfers and other sources	\$59,539,802	\$110,433,690	\$155,665,806	\$97,300,000	(\$58,365,806)	(37.5%)
Total general fund revenues and transfers	\$1,595,258,050	\$1,669,878,240	\$1,857,107,907	\$1,890,447,500	\$33,339,593	1.8%

\1 Revised 2003-05 revenue forecast (December 2004).

\2 Executive budget revenue forecast for the 2005-07 biennium.

\3 From 1999 through 2003, North Dakota Century Code (NDCC) Section 57-51.1-07.2 provided that if, at the end of any biennium, oil and gas production and extraction tax collections during the biennium exceed \$62 million, the excess amount must be transferred from the general fund to the permanent oil tax trust fund. Interest on money in the fund is transferred to the general fund.

Total oil and gas tax collections were \$69.6 million during the 2001-03 biennium, resulting in \$7.6 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2003, balance in the permanent oil tax trust fund was \$12.8 million.

Section 26 of 2003 Senate Bill No. 2015 amended NDCC Section 57-51.1-07.2 so that all revenues deposited in the general fund during a biennium that are derived from the oil and gas gross production tax which exceed \$71 million are to be transferred into the permanent oil tax trust fund, instead of the prior \$62 million limit. In August 2003, \$11.91 million was transferred from the permanent oil tax trust fund to the general fund, pursuant to Section 6 of 2003 Senate Bill No. 2015.

Total oil and gas tax collections are estimated to be \$111.8 million during the 2003-05 biennium, resulting in \$40.8 million being transferred to the permanent oil tax trust fund at the end of that biennium.

The executive budget recommends that NDCC Section 57-51.1-07.2 be amended to raise the general fund limit from \$71 million to \$84.5 million. Total oil and gas tax collections are estimated to be \$84.3 million for the 2005-07 biennium. Based on an \$84.5 million general fund limit, there would be no transfer to the permanent oil tax trust fund during the 2005-07 biennium. In addition, see footnote No. 6 regarding a potential transfer from the permanent oil tax trust fund to the general fund during the 2005-07 biennium.

\4 The 2001 Legislative Assembly authorized that, at the request of the director of the Office of Management and Budget, the Department of Human Services sell the outstanding loans of the developmental disabilities revolving loan fund No. 1 to the Bank of North Dakota and deposit the proceeds in the general fund.

\5 In addition to the \$60 million transfer from the Bank of North Dakota, the 2001 Legislative Assembly provided for a contingent Bank of North Dakota transfer if actual general fund revenues were less than projected for the 2001-03 biennium. The amount transferred was limited to the lesser of \$25 million or the actual revenue shortfall and the Bank's capital structure may not be reduced below \$140 million.

\6 Section 12 of 2005 House Bill No. 1015 provides for up to a \$60 million transfer from the Bank of North Dakota's current earnings and accumulated undivided profits.

In addition to the \$60 million transfer from the Bank of North Dakota included in the executive revenue forecast, Section 13 of 2005 House Bill No. 1015 provides that if actual general fund revenues are less than the legislative forecast for the 2005-07 biennium, an amount equal to the shortfall may be transferred from the permanent oil tax trust fund to the general fund; if additional funds are required to provide for the shortfall, an amount, not to exceed \$10 million, may be transferred from the earnings and accumulated undivided profits of the Bank of North Dakota. Any transfer authorized may only be made to the extent the transfer does not reduce the Bank's capital structure below \$150 million. The director of the Office of Management and Budget may determine what portion of the shortfall will be covered by the transfers and what portion will be covered by allotment.