GENERAL FUND REVENUE

FY 2022

FY 2022 Baseline General Fund revenues are projected to be $15.57 billion. This is an increase of $2.54 billion over the original revenue estimate included in the FY 2022 budget enacted in June 2021. As shown in *Table 1* below, the $2.54 billion increase is the result of two forecast revisions: (1) October 4-sector forecast, which added $2.13 billion to the enacted revenue estimate and (2) January 4-sector forecast, which added an additional $401.5 million to the October forecast revision.

Table 1

FY 2022 Revenue Forecast
($ in Millions)

Enacted FY 2022 Revenue Forecast	$ 13,029.0
October Revision to Enacted Forecast	$ 2,134.7
January Revision to October Forecast	$ 401.5
Revised FY 2022 Revenue Forecast	$ 15,565.2

Relative to the original FY 2022 revenue estimate adopted in June 2021, the $2.54 billion increase under the January Baseline forecast is due to:

- An increase of $2.08 billion in net revenues due to significantly stronger revenue growth than originally projected.
- A $452.9 million increase in the balance forward from FY 2021. The original budget assumed an ending balance of $441.7 million for FY 2021 while the actual balance carried forward was $894.6 million.

Current year ongoing revenue estimates are based on the consensus forecasting process (*see FY 2023 and Beyond section below*). "Base Revenues" reflect the underlying growth in the economy and do not include one-time adjustments, Urban Revenue Sharing, or new tax law changes. *Table 2* shows the base revenue growth rates in FY 2022 through FY 2025 for the "Big 4" General Fund revenue sources (sales, individual income, corporate income, and insurance premium tax) provided by each of the components comprising the 4-sector consensus forecast.

Based on the January 4-sector forecast, "Big 4" General Fund base revenue is projected to grow by 7.7% in FY 2022. After adjusting for small revenue categories, the base revenue growth rate is 8.4%.

As a result of an Executive Order issued in March 2020, the state income tax filing due date was moved from April 15 to July 15, 2020. This had the effect of deferring an estimated $553 million in tax payments from FY 2020 to FY 2021. After adjusting for the artificially inflated FY 2021 revenue base due to the deferral, the FY 2022 base revenue forecast is 12.6%.

After adjusting for the impact of the deferral, the year-to-date growth rate through December was 18.7%. To meet the January Baseline forecast, base revenues would have to grow by 7.5% over the remaining 6 months of FY 2022.

After including Urban Revenue Sharing, tax law changes, one-time revenues, and the carry-forward balance, overall revenues are projected to increase by 7.4% in FY 2022, to a total of $15.57 billion, as shown in *Table 1*.

Beyond updating the base revenue forecast for the January Baseline, the JLBC Staff has also updated its FY 2022 – FY 2025 estimates of revenue and tax policy changes enacted as part of the FY 2022 budget. The impact of the enacted tax legislation on General Fund revenue collections in FY 2022 through FY 2025 is discussed in the *Revenue Adjustments* section. The individual revenue detail for FY 2022 under the January Baseline forecast is displayed in *Table 5* at the end of this section.

FY 2023 and Beyond

The FY 2023 Baseline projects total net revenue of $15.9 billion, which is 2.1%, or $332 million, above the amount in FY 2022. Base revenue, which as noted above excludes Urban Revenue Sharing, tax law changes, one-time revenues, and the beginning balance, is projected to grow by 3.1% under the January Baseline forecast.

The FY 2023 Baseline also incorporates revenue planning estimates for FY 2024 and FY 2025, which are shown in *Table 6*. Under the January Baseline, base revenue would increase by 4.6% in FY 2024 and 4.7% in FY 2025.

The Baseline estimated growth rates for the "Big 4" revenue categories of sales, individual income, corporate income, and insurance premium taxes are initially developed and revised using a 4-sector averaging process. This process is based on averaging the results of the following 4 forecasts:

Table 2

4-Sector Estimates
Forecast Percentages (FY 2022 - FY 2025)
Base Revenue [1/]

	FY 2022					FY 2023				
	FAC	UA Low	UA Base	JLBC	Avg	FAC	UA Low	UA Base	JLBC	Avg
Sales Tax	11.2%	11.5%	12.8%	11.7%	11.8%	6.0%	2.2%	4.3%	3.5%	4.0%
Individual Income Tax	5.3%	0.3%	2.1%	3.0%	2.7%	5.6%	3.3%	4.4%	3.5%	4.2%
Corporate Income Tax	15.8%	16.8%	17.5%	18.0%	17.0%	2.2%	0.6%	3.5%	3.0%	2.3%
Insurance Premium Tax	7.0%	5.8%	6.3%	7.0%	6.5%	3.9%	2.5%	3.1%	2.6%	3.0%
Overall [2/]	**9.3%**	**7.2%**	**8.6%**	**8.6%**	**8.4%**	**4.6%**	**1.8%**	**3.4%**	**2.6%**	**3.1%**

	FY 2024					FY 2025				
	FAC	UA Low	UA Base	JLBC	Avg	FAC	UA Low	UA Base	JLBC	Avg
Sales Tax	5.8%	3.9%	5.0%	4.0%	4.7%	5.5%	4.1%	4.8%	4.0%	4.6%
Individual Income Tax	5.4%	4.4%	5.4%	4.3%	4.9%	5.1%	4.6%	5.3%	4.2%	4.8%
Corporate Income Tax	3.7%	3.3%	4.3%	3.4%	3.7%	4.9%	6.2%	7.0%	4.5%	5.7%
Insurance Premium Tax	4.4%	1.4%	1.9%	3.3%	2.7%	3.5%	2.8%	3.1%	3.6%	3.3%
Overall [2/]	**5.4%**	**4.0%**	**5.0%**	**4.1%**	**4.6%**	**5.1%**	**4.4%**	**5.0%**	**4.1%**	**4.7%**

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1/ Prior to any tax law or other revenue changes.
2/ The growth rates for each sector represent the weighted average of Big-4 revenue estimates plus JLBC Staff estimates of other revenue categories.

- Finance Advisory Committee panel forecast of January 2021. Consisting of 12 public and private sector economists, this independent panel usually meets 3 times a year to provide the Legislature with guidance on the status of the Arizona economy.
- The University of Arizona Economic and Business Research (EBR) General Fund Baseline model. The model is a simultaneous-equation model consisting of more than 100 equations that are updated on a regular basis to reflect changes in the economy. The model uses more than 200 variables related to Arizona's economy and is updated quarterly.
- EBR's more cautious forecast model, and
- JLBC Staff projections.

The growth rates from each sector of the forecast for FY 2022 through FY 2025 are displayed in *Table 2*.

Risks to the Revenue Forecast

There are several factors that pose risks to the forecast, including uncertainties regarding the extent to which the Omicron variant of the coronavirus will affect consumer spending. If the spread of the Omicron variant results in a rapid rise in COVID-19 cases and hospitalizations, it could make households more cautious as they increasingly refrain from socially-dense consumer activities. This would likely have a negative impact on consumer spending. Other factors that could adversely affect the forecast is a worsening of ongoing supply-chain issues, which could lead to a prolonged delay in the production and shipment of durable goods.

There are also considerable uncertainties regarding how long the currently high rate of inflation will persist and how quickly consumers will spend down the excess savings that they accumulated in 2020 and 2021 due to various federal stimulus programs. If prices are rising faster than wages for a prolonged period, the purchasing

Table 3

General Fund Revenue Baseline
For FY 2022 and FY 2023 Budget
($ in Millions)

	FY 2022	%	FY 2023	%
Base Revenue 1/	$16,162.9	8.4%	$16,660.9	3.1%
Income Tax Rate Reduction			(1,273.7)	
Other Enacted Reductions	(51.0)		(42.6)	
Net Revenue	16,111.9	8.1%	15,344.6	-4.8%
Urban Revenue Sharing	(756.4)		(1,107.0)	
One-Time Financing Sources:				
Balance Forward	894.6		2,103.2	
Water Infrastructure Repayment	20.0		0.0	
4.5% Max IIT Rate	(939.1)		(684.5)	
Alternative Tax Rate (SB 1783)	234.1		241.3	
Subtotal	209.6		1,660.0	
Total Revenue	**$15,565.2**	**7.4%**	**$15,897.6**	**2.1%**

1/ Base revenue represents ongoing General Fund revenue prior to tax law changes.

power of households would erode, which could dampen consumer spending. Moreover, once the excess savings are fully spent down, the timing of which remains uncertain, consumers may curb their spending on goods and services.

Revenue Adjustments

Table 3 provides an overview of ongoing base revenue and total revenue growth for FY 2022 and FY 2023. Ongoing base revenue represents General Fund revenue excluding the impact of tax legislation enacted as part of the FY 2022 budget, Urban Revenue Sharing, and one-time financing sources. As shown in *Table 3*, under the January Baseline, ongoing base revenue is projected to grow by 8.4% in FY 2022 and 3.1% in FY 2023. Total revenue, which represents all General Fund revenue sources net of tax reductions, and including the beginning balance, is estimated to increase by 7.4% in FY 2022 and 2.1% in FY 2023.

Budget Legislation

Each year there are statutory tax law and other revenue changes that affect the state's net revenue collections. These may include tax rate or tax exemption changes, state conformity to federal tax law changes, or the implementation of programs that affect revenue collections.

As a part of the FY 2022 budget adopted in June 2021, the Legislature enacted numerous tax reductions as well as other statutory changes with revenue impact. Besides updating the base revenue forecast for the January Baseline, the JLBC Staff has also updated the FY 2022 – FY 2025 estimates of the tax policy and statutory changes enacted in 2021. A summary of the updated impact of the 2021 tax policy changes are displayed in *Table 4*.

Tax Rate Reductions – Laws 2021, Chapter 412, the Tax Omnibus bill, reduced the current 4 individual income tax brackets to 2 starting in Tax Year (TY) 2022/FY 2023. Subsequent to the passage of the bill, voters signed sufficient petitions to refer this measure to the 2022 General Election. This referral is one of several factors that could affect the availability of General Fund resources. The FY 2023 Baseline is premised on a "maximum commitment scenario" that is based on outcomes that use the most resources. This approach will prevent us from overstating the level of available resources. This scenario is a means of budgeting prudently and is not a prediction of the results of the referendum. As a result, we have presented our revenue estimates assuming that Chapter 412 is ultimately approved by voters. In that circumstance, the rates will be 2.55% for taxable income up to $27,272 in a single household and $54,544 in a married filing jointly household. The rate will become 2.98% above those thresholds. Based on the updated January Baseline forecast, we estimate that this tax reduction will reduce General Fund revenue by $(1.27) billion in FY 2023.

Further rate reductions are contingent upon FY 2022 and FY 2023 General Fund revenues exceeding the enacted budget forecast and reaching certain "trigger" levels, as provided by A.R.S. § 43-243. The TY 2023 rates will be determined in September 2022 and the TY 2024 rates in September 2023. Excluding the beginning balance, the "trigger" target is set at $12.78 billion in FY 2022 and $12.98 billion in FY 2023 and each year thereafter.

Based on the January Baseline forecast, we currently project that the state will exceed both trigger targets and we have incorporated the additional rate reductions into our estimates. The FY 2022 January Baseline forecast is $14.67 billion compared to the $12.78 billion trigger. The FY 2023 forecast is $13.79 billion compared to the $12.98 billion trigger.

Under the triggers, the rates will be reduced to 2.53%/2.75% in TY 2023/FY 2024 and a single rate of 2.5%, beginning in TY 2024/FY 2025. The FY 2024 reductions will cost an additional $(309) million and the FY 2025 reductions will result in a further additional cost of $(360) million in FY 2025.

Compared to our base revenue forecast, the total revenue rate reduction will be an estimated $(1.27) billion in FY 2023, $(1.64) billion in FY 2024 and $(2.08) billion in FY 2025.

4.5% Maximum Income Tax Rate - Pursuant to Laws 2021, Chapter 411 (Revenue Budget Reconciliation Bill) beginning in TY 2021, the total individual income tax rate for taxable income above $250,000/$500,000, including the Proposition 208 surcharge, cannot exceed 4.5%. The combined regular/Proposition 208 rate for these households would otherwise be 8.0% in TY 2021.

Proposition 208 will receive the proceeds from the 3.5% surcharge. The remaining 1% will be deposited in the General Fund. Based on the January Baseline forecast, this provision is estimated to reduce General Fund revenues by $(939) million in FY 2022. As shown in *Table 4*, the impact is less in future years and reaches $(570) million by FY 2025. The cost declines as the top combined regular/Proposition 208 rate falls from 8.0% in FY 2022 to 6.0% in FY 2025.

There is pending Proposition 208 litigation that would affect the Maximum Income Tax rate. In *Fann v. Arizona*, the Arizona Supreme Court has ruled that the surcharge is unconstitutional if it causes the K-12 Aggregate Expenditure Limit to be exceeded. A trial court has yet to make that determination.

If Proposition 208 is ultimately ruled invalid, then the General Fund would not incur the cost of the 4.5% maximum tax rate as outlined above.

Under the "maximum commitment scenario" described above, we have presented our revenue estimates assuming that Proposition 208 remains in effect and have included the costs for the Maximum Income Tax rate policy.

Alternative Income Tax Rate (SB 1783) - Laws 2021, Chapter 436 (SB 1783) provides an option for individuals with certain types of income, such as interest and dividends, business profits, and capital gains from the sale of certain capital assets, to be taxed under either the regular individual income tax or an alternative income tax established by SB 1783. An individual who elects to be taxed under SB 1783's alternative income tax is not subject to the 3.5% Proposition surcharge. Instead, SB 1783 alternative income tax collections will be deposited into the General Fund.

The SB 1783 alternative tax rate is 3.5% in TY 2021 and 3.0% in TY 2022. The rate will be further reduced to 2.8% in TY 2023 and TY 2024 and 2.5% in TY 2025.

The shift of taxable income from the regular income tax to the alternative income tax results in a General Fund savings relative to the 4.5% maximum tax rate. SB 1783 reduces the cost of the 4.5% maximum regular rate as income is diverted to the alternative rate. Under the January Baseline forecast, this savings is estimated to be $234 million in TY 2021/FY 2022, $241 million in TY 2022/FY 2023, $228 million in TY 2023/FY 2024, and $239 million in TY 2024/FY 2025.

The outcome of the Proposition 208 litigation as well as the 2022 ballot initiative to repeal the rate reductions under Laws 2021, Chapter 412 would also affect the ultimate dollar impact of this policy.

Other Tax Impacts – In the 2021 session, the Legislature approved several smaller tax provisions, which are estimated to reduce revenue by $(51) million in FY 2022, $(43) million in FY 2023, $(47) million in FY 2024, and $(52) million in FY 2025. The main reduction is exempting all veterans' pension payments from state individual income tax. *Table 4* displays the estimated impact of the smaller tax provisions in FY 2022 through FY 2025. A detailed description of the provisions listed in *Table 4* can be found on pages 449 to 452 in the *FY 2022 Appropriations Report*.

Table 4

Estimated Tax Reductions under JLBC Baseline Forecast
($ in Millions)

2021 Legislation / Description of Provision	FY 2022	FY 2023	FY 2024	FY 2025
Laws 2021, Ch. 412 – Income Tax Rate Reduction				
- Reduces rates to 2.55%/2.98%		$(1,273.7)	$(1,336.0)	$(1,400.3)
- Reduces rates to 2.53%/2.75%			(308.8)	(323.7)
- Reduces to single rate of 2.50%				(360.0)
- Total Rate Reduction		**(1,273.7)**	**(1,644.8)**	**(2,084.0)**
Laws 2021, Ch. 411 – 4.5% Maximum IIT Rate Imposes a maximum combined (regular plus Prop. 208) individual income tax rate of 4.5% on taxable income above $250K/$500K	(939.1)	(684.5)	(634.6)	(570.1)
Laws 2021, Ch. 436 – Alternative Tax Rate (SB 1783) Imposes alternative tax rate phased down from 3.5% in TY 2021 to 2.5% in TY 2025 on income as defined in SB 1783	234.1	241.3	227.8	238.7
Laws 2021, Ch. 412 – Other Tax Omnibus Provisions				
- Provides full military pension exemption	(48.3)	(37.9)	(36.8)	(35.7)
- Increases std. deduction for charitable contributions	0.0	(2.0)	(3.9)	(5.8)
- Increases corporate displaced/disabled STO credit cap	(1.0)	(1.0)	(1.0)	(1.0)
- Creates new healthy forest production tax credit	(0.4)	(0.4)	(0.4)	(0.4)
- Expands eligibility for students receiving STO scholarships	(0.4)	(0.4)	(0.4)	(0.4)
- Allows deduction for "Contribution in Aid of Construction"	(0.4)	(0.4)	(0.4)	(0.4)
- Total – Other Tax Omnibus Provisions	**(50.5)**	**(42.1)**	**(42.9)**	**(43.7)**
Laws 2021, Ch. 430 Creates a new affordable housing tax credit			(4.0)	(8.0)
Laws 2021, Ch. 408 Reduces State Treasurer transfer to General Fund	(0.2)	(0.2)	(0.2)	(0.2)
Laws 2021, Ch. 409 Reduces DHS transfer to General Fund	(0.3)	(0.3)	(0.3)	(0.3)
Total Enacted Reductions	**$(756.0)**	**$(1,759.5)**	**$(2,099.0)**	**$(2,467.6)**

The combined net revenue impact of all tax provisions enacted in 2021 is $(756) million in FY 2022, $(1.76) billion in FY 2023, $(2.10) billion in FY 2024 and $(2.47) billion in FY 2025, as shown in *Table 4*.

Urban Revenue Sharing

The Urban Revenue Sharing (URS) program provides that a percentage of state income tax revenues (including both individual and corporate income tax) be shared with incorporated cities and towns within the state. The amount that is currently distributed to cities and towns is 15% of net individual and corporate income tax collections from 2 years prior. Laws 2021, Chapter 412 increases the URS distribution from 15% to 18%, beginning in FY 2024.

As indicated in *Table 5*, total URS distributions will increase from $756 million in FY 2022 to $1.11 billion in FY 2023. This URS increase will result in General Fund revenue loss of $(351) million in FY 2023 relative to FY 2022. (Due to the deferral of income tax collections from FY 2020 to FY 2021, URS distributions will be lower than normal in FY 2022 and higher than normal in FY 2023.) As shown in *Table 6*, URS distributions are estimated to be $1.25 billion in FY 2024 and $1.12 billion in FY 2025, which will result in a net General Fund revenue loss of $(143) million in FY 2024, followed by a net revenue gain of $126 million in FY 2025.

One-Time Financing

As shown in *Table 5*, the budget adopted in June 2021 includes the following one-time financing sources:

__FY 2022__

DWR Infrastructure Repayment

The FY 2020 General Appropriation Act (Laws 2019, Chapter 263) appropriated $20.0 million from the General Fund to the Department of Water Resources' (DWR) Temporary Groundwater and Irrigation Efficiency Projects Fund to construct, rehabilitate and lease wells and infrastructure related to the withdrawal and efficient delivery of groundwater by qualified irrigation districts. The appropriated monies were required to be reimbursed to the General Fund on or before December 31, 2021.

Balance Forward

The FY 2021 General Fund ending balance carried forward into FY 2022 was $894.6 million.

__FY 2023__

Balance Forward

The FY 2022 General Fund ending balance carried into FY 2023 is projected to be $2.1 billion under the January Baseline forecast. This balance estimate is after allocating $939 million for the Proposition 208 reserve. *(See discussion below.)*

__FY 2024__

Balance Forward

The Baseline assumes that the FY 2023 cash balance will be allocated as part of the FY 2023 budget process. Therefore, the FY 2023 General Fund ending balance carried into FY 2024 is assumed to be $0 million, as shown in *Table 6*.

__FY 2025__

The Baseline assumes no one-time revenue sources in FY 2025.

Proposition 208 Reserve

Proposition 208 adds a 3.5% income tax surcharge for single households with more than $250,000 in income and married households with more than $500,000 starting in TY 2021. While the status of the surcharge is being litigated, these taxpayers may have decided to pay the higher surcharge in case the legal challenges are not successful.

Taxpayers may have either increased their withholding or their estimated payments. Until taxpayers file their returns in April 2022, however, there appears to be no mechanism to determine the level of these payments. As a result, Proposition 208-related withholding or payments are part of the General Fund balance.

If the surcharge is upheld in court, any Proposition 208 revenue would be transferred to the Proposition 208 fund in the summer of 2022. If the surcharge is not upheld, the state would refund any of these advance payments.

The Baseline sets aside $939 million of the General Fund balance until this issue is resolved. This dollar amount represents the updated estimate of Proposition 208 collections. This projection is higher than the 2021 Regular Session estimate of $836 million due to growth in Individual Income Tax liability over the last year.

Table 5

GENERAL FUND REVENUE - FY 2021 - FY 2023

FORECAST REVENUE GROWTH

($ in Thousands)

	ACTUAL FY 2021	% CHANGE PRIOR YR	FORECAST FY 2022	% CHANGE PRIOR YR	$ CHANGE PRIOR YR	FORECAST FY 2023	% CHANGE PRIOR YR	$ CHANGE PRIOR YR
Sales and Use	6,244,726.0	15.8%	6,981,536.9	11.8%	736,810.9	7,261,347.7	4.0%	279,810.7
Income - Individual	6,532,702.9	44.2%	6,659,388.8	1.9%	126,685.9	5,676,490.4	-14.8%	(982,898.4)
- Corporate	847,020.8	65.5%	988,924.4	16.8%	141,903.6	1,012,049.9	2.3%	23,125.5
Property	22,380.0	-7.3%	25,647.9	14.6%	3,267.8	24,552.5	-4.3%	(1,095.3)
Luxury - Tobacco	22,581.1	8.2%	22,306.0	-1.2%	(275.1)	22,085.4	-1.0%	(220.5)
- Liquor	44,938.5	23.9%	45,231.4	0.7%	292.8	46,755.3	3.4%	1,523.9
Insurance Premium	616,251.4	15.2%	656,487.5	6.5%	40,236.1	676,360.9	3.0%	19,873.4
Other Taxes	15,304.9	6.2%	15,534.4	1.5%	229.6	16,000.5	3.0%	466.0
Subtotal - Taxes	14,345,905.7	29.6%	15,395,057.3	7.3%	1,049,151.6	14,735,642.6	-4.3%	(659,414.7)
Other Non-Tax Revenues:								
Lottery	104,740.4	1.1%	222,410.2	112.3%	117,669.8	175,241.5	-21.2%	(47,168.7)
Gaming Revenue	0.0	N/A	26,101.3	N/A	26,101.3	18,467.0	-29.2%	(7,634.3)
Licenses, Fees and Permits	39,411.1	13.3%	39,010.5	-1.0%	(400.6)	40,050.0	2.7%	1,039.5
Interest	888.9	-97.7%	39,414.5	4334.3%	38,525.6	25,000.0	-36.6%	(14,414.5)
Sales and Services	26,049.0	16.2%	27,038.9	3.8%	989.9	27,985.3	3.5%	946.4
Other Miscellaneous	147,902.4	17.4%	152,554.8	3.1%	4,652.4	155,661.7	2.0%	3,106.9
Transfers and Reimbursements	131,146.9	12.6%	111,827.5	-14.7%	(19,319.4)	74,851.4	-33.1%	(36,976.1)
Public Safety Transfers	23,343.2	0.0%	0.0	-100.0%	(23,343.2)	0.0	N/A	0.0
Disproportionate Share Revenue	84,858.6	-0.1%	98,514.8	16.1%	13,656.2	91,649.6	-7.0%	(6,865.2)
Subtotal - Other Non-Tax	558,340.5	1.3%	716,872.4	28.4%	158,531.9	608,906	-15.1%	(107,966.0)
Net Ongoing Revenue	**14,904,246.2**	**28.3%**	**16,111,929.7**	**8.1%**	**1,207,683.5**	**15,344,549.0**	**-4.8%**	**(767,380.8)**
Urban Revenue Sharing (URS)	(828,492.9)	N/A	(756,388.3)	N/A	72,104.6	(1,106,958.6)	N/A	(350,570.3)
Net Ongoing Revenue w/ URS	**14,075,753.3**	**29.4%**	**15,355,541.4**	**9.1%**	**1,279,788.1**	**14,237,590.3**	**-7.3%**	**(1,117,951.1)**
One-Time Financing Sources:								
Prescription Drug Rebate Fund Transfer	16,700.0	-75.8%	0.0	-100.0%	(16,700.0)	0.0	N/A	0.0
DPS Highway Patrol Fund Transfer	24,205.7	N/A	0.0	-100.0%	(24,205.7)	0.0	N/A	0.0
Water Infrastructure Repayment	0.0	N/A	20,000.0	N/A	20,000.0	0.0	-100.0%	(20,000.0)
4.5% Maximum Tax Rate	0.0	N/A	(939,076.4)	N/A	(939,076.4)	(684,506.3)	N/A	254,570.1
SB 1783 Alternative Income Tax	0.0	N/A	234,098.3	N/A	234,098.3	241,305.8	3.1%	7,207.4
Subtotal - One-Time Financing Sources	40,905.7	-55.0%	(684,978.1)	N/A	(725,883.8)	(443,200.6)	N/A	241,777.5
Subtotal - Revenues	**14,116,659.0**	**28.7%**	**14,670,563.3**	**3.9%**	**553,904.3**	**13,794,389.8**	**-6.0%**	**(876,173.6)**
Balance Forward	372,457.0	-61.1%	894,636.0	140.2%	522,179.0	2,103,233.6	135.1%	1,208,597.6
Total - Resources	**14,489,116.0**	**21.5%**	**15,565,199.3**	**7.4%**	**1,076,083.3**	**15,897,623.4**	**2.1%**	**332,424.0**

Table 6

GENERAL FUND REVENUE - FY 2024 - FY 2025

FORECAST REVENUE GROWTH

($ in Thousands)

	FORECAST FY 2024	% CHANGE PRIOR YR	$ CHANGE PRIOR YR	FORECAST FY 2025	% CHANGE PRIOR YR	$ CHANGE PRIOR YR
Sales and Use	7,600,604.8	4.7%	339,257.1	7,950,991.5	4.6%	350,386.7
Income - Individual	5,642,328.0	-0.6%	(34,162.4)	5,219,701.8	-7.5%	(422,626.2)
- Corporate	1,049,276.6	3.7%	37,226.7	1,108,801.0	5.7%	59,524.4
Property	24,156.7	-1.6%	(395.8)	23,858.5	-1.2%	(298.2)
Luxury - Tobacco	22,097.8	0.1%	12.4	22,386.1	1.3%	288.3
- Liquor	48,268.9	3.2%	1,513.6	49,739.7	3.0%	1,470.8
Insurance Premium	694,943.9	2.7%	18,582.9	717,633.2	3.3%	22,689.3
Other Taxes	16,544.5	3.4%	544.0	17,123.5	3.5%	579.1
Subtotal - Taxes	15,098,221.2	2.5%	362,578.6	15,110,235.2	0.1%	12,014.0
Other Non-Tax Revenues:						
Lottery	185,177.4	5.7%	9,935.9	195,754.6	5.7%	10,577.2
Gaming Revenue	20,110.2	8.9%	1,643.2	21,421.2	6.5%	1,311.0
Licenses, Fees and Permits	41,512.9	3.7%	1,463.0	43,071.1	3.8%	1,558.1
Interest	27,500.0	10.0%	2,500.0	30,000.0	9.1%	2,500.0
Sales and Services	28,964.7	3.5%	979.5	29,978.5	3.5%	1,013.8
Other Miscellaneous	160,154.1	2.9%	4,492.4	164,810.5	2.9%	4,656.4
Transfers and Reimbursements	78,090.0	4.3%	3,238.6	81,545.1	4.4%	3,455.1
Public Safety Transfers	0.0	N/A	0.0	0.0	N/A	0.0
Disproportionate Share Revenue	95,474.3	4.2%	3,824.7	95,644.9	0.2%	170.6
Subtotal - Other Non-Tax	636,983.7	4.6%	28,077.3	662,225.8	4.0%	25,242.1
Net Ongoing Revenue	**15,735,204.9**	**2.5%**	**390,655.9**	**15,772,461.1**	**0.2%**	**37,256.2**
Urban Revenue Sharing (URS)	(1,249,800.3)	N/A	(142,841.8)	(1,124,161.2)	N/A	125,639.2
Net Ongoing Revenue w/ URS	**14,485,404.7**	**1.7%**	**247,814.1**	**14,648,299.8**	**1.1%**	**162,895.4**
One-Time Financing Sources:						
Prescription Drug Rebate Fund Transfer	0.0	N/A	0.0	0.0	N/A	0.0
DPS Highway Patrol Fund Transfer	0.0	N/A	0.0	0.0	N/A	0.0
Water Infrastructure Repayment	0.0	N/A	0.0	0.0	N/A	0.0
4.5% Maximum Tax Rate	(634,570.9)	N/A	49,935.4	0.0	N/A	634,570.9
SB 1783 Alternative Income Tax	227,792.8	-5.6%	(13,512.9)	0.0	-100.0%	(227,792.8)
Subtotal - One-Time Financing Sources	(406,778.1)	N/A	36,422.5	0.0	N/A	406,778.1
Subtotal - Revenues	**14,078,626.6**	**2.1%**	**284,236.6**	**14,648,299.8**	**4.0%**	**569,673.5**
Balance Forward	-	-100.0%	(2,103,233.6)	-	N/A	0.0
Total - Resources	**14,078,626.6**	**-11.4%**	**(1,818,997.0)**	**14,648,299.8**	**4.0%**	**569,673.5**