

State of Nebraska



July 13, 2018

Patrick J. O'Donnell
Clerk of the Legislature
Room 2018, State Capitol
Lincoln, NE 68509

Dear Mr. O'Donnell:

As required by R.S.Supp., 2016, 77-4601, we are transmitting to you our certification of General Fund net receipts for each month of the fiscal year beginning July 1, 2018. The attached table titled "Monthly Consensus Estimates" schedules monthly receipt estimates derived from the annual net receipt estimate of the Nebraska Economic Forecasting Advisory Board produced February 28, 2018, adjusted for estimated revenue impacts from legislation enacted during the 105th Legislature, Second Session.

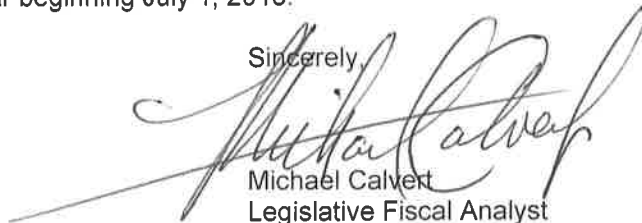
Please accept this letter and attachments as the required certification of total annual General Fund net receipts and for each month of the fiscal year beginning July 1, 2018.

Sincerely,



Tony Fulton
Tax Commissioner

Sincerely,



Michael Calvert
Legislative Fiscal Analyst

Tax Rate Review July Letter 2018

Attachment

Nebraska Department of Revenue and Legislative Fiscal Office

Monthly Consensus Estimate of General Fund Receipts Nebraska Economic Advisory Board February 28, 2018

Fiscal Year 2018-2019
(Amounts in Thousands of Dollars)
(Detail may not add to total due to rounding)

Gross Receipts:	July	August	September	October	November	December	January	February	March	April	May	June	Total
Sales & Use	204,924	194,929	196,543	197,697	188,548	191,209	229,877	176,604	173,069	198,356	190,036	196,684	2,338,475
Ind Income	81,915	274,967	245,552	115,447	264,665	231,603	215,272	306,856	241,315	411,590	290,049	248,149	2,927,379
Corp Income	19,363	9,975	53,318	17,991	9,993	58,465	19,017	11,206	38,628	57,112	20,212	43,768	359,036
Misc Taxes	21,709	12,580	33,504	11,065	11,813	23,536	12,594	13,477	25,325	33,424	12,127	55,929	267,084
Total Gross	327,900	492,450	528,917	342,200	475,018	504,812	476,760	508,143	478,336	700,483	512,424	544,530	5,891,974
Refunds													
City STX	36,529	38,140	36,961	37,043	39,146	35,886	32,891	43,199	34,307	33,374	38,443	37,114	443,035
Sales & Use	7,057	8,083	8,167	7,058	9,411	9,137	7,469	7,282	6,411	6,466	7,867	11,616	96,025
MV-Highway TF	1,495	1,559	1,596	1,558	1,597	1,580	1,581	1,592	1,604	1,573	1,597	1,589	18,921
HWYFUND	6,888	6,923	6,851	6,966	6,797	6,599	7,674	6,891	6,059	6,577	6,697	6,660	81,582
C&S Turnback	0	1,041	0	0	1,036	8,443	0	1,716	0	0	1,677	0	13,913
Ind Income Tax	12,413	8,964	7,810	14,227	9,928	11,861	2,112	136,634	101,298	87,506	33,793	29,834	456,379
Corp Income Tax	3,953	2,763	3,144	8,247	7,290	6,417	3,308	3,547	3,444	3,484	3,254	2,184	51,036
Misc Taxes	24	29	29	25	29	31	29	30	29	29	32	34	350
Total Refund	68,358	67,502	64,559	75,125	75,234	79,954	55,063	200,892	153,152	139,009	93,361	89,031	1,161,240
Net Receipts													
Sales & Use	152,955	139,182	142,968	145,071	130,561	129,564	180,263	115,923	124,688	150,365	133,754	139,705	1,685,000
Ind Income	69,502	266,003	237,742	101,221	254,737	219,741	213,159	170,223	140,017	324,084	256,256	218,315	2,471,000
Corp Income	15,400	7,212	50,174	9,744	2,702	52,048	15,709	7,658	35,183	53,628	16,958	41,583	308,000
Misc Taxes	21,685	12,550	33,475	11,040	11,784	23,504	12,566	13,447	25,296	33,396	12,095	55,896	266,734
Total Net	259,543	424,948	464,358	267,076	399,784	424,858	421,697	307,252	325,184	561,473	419,063	455,499	4,730,734

General Fund Revenues - Sine Die 2018

	Actual FY2016-17	NEFAB FY2017-18	NEFAB FY2018-19	LFO Prelim FY2019-20	LFO Prelim FY2020-21
<u>Forecast - February 2018 (Baseline)</u>					
Sales and Use Tax	1,548,388,849	1,620,000,000	1,685,000,000	1,778,000,000	1,873,000,000
Individual Income Tax	2,224,840,053	2,330,000,000	2,470,000,000	2,655,000,000	2,865,000,000
Corporate Income Tax	264,439,713	295,000,000	300,000,000	320,000,000	340,000,000
Miscellaneous receipts	228,103,332	285,000,000	250,000,000	186,000,000	181,000,000
Total General Fund Revenues - NEFAB Feb 2018	4,265,771,947	4,530,000,000	4,705,000,000	4,939,000,000	5,259,000,000
<u>Federal Tax Changes (TCJA)</u>					
Individual Income Tax	-	-	327,000,000	256,000,000	289,000,000
Corporate Income Tax	-	-	8,000,000	18,000,000	14,000,000
Total Federal Tax Changes (TCJA)	-	-	335,000,000	274,000,000	303,000,000
<u>LB 1090 - Offset Fed Tax Change (TCJA)</u>					
Individual Income Tax	-	-	(326,000,000)	(257,000,000)	(289,000,000)
Corporate Income Tax	-	-	-	-	-
Total LB1090 Offset Fed Tax change (TCJA)	-	-	(326,000,000)	(257,000,000)	(289,000,000)
<u>Other 2018 Session Legislation</u>					
Sales and Use Tax	-	-	-	-	(1,070,000)
Individual Income Tax	-	-	-	(346,000)	(1,325,000)
Corporate Income Tax	-	-	-	-	-
Miscellaneous receipts	-	(1,398,002)	16,733,933	100,000	100,000
Total 2017 Session Legislation	0	(1,398,002)	16,733,933	(246,000)	(2,295,000)
<u>Total GF Revenues - Sine Die 2018</u>					
Sales and Use Tax	1,548,388,849	1,620,000,000	1,685,000,000	1,778,000,000	1,871,930,000
Individual Income Tax	2,224,840,053	2,330,000,000	2,471,000,000	2,653,654,000	2,863,675,000
Corporate Income Tax	264,439,713	295,000,000	308,000,000	338,000,000	354,000,000
Miscellaneous receipts	228,103,332	283,601,998	266,733,933	186,100,000	181,100,000
Total General Fund Revenues - Sine Die 2018	4,265,771,947	4,528,601,998	4,730,733,933	4,955,754,000	5,270,705,000

2018 Session Bills	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
LB 738 Change adjustment, social security benefits	0	0	0	(346,000)	(1,325,000)
LB 745 Notice and cashflow, certain local sales tax refunds	0	0	0	0	(1,070,000)
LB 1120 Music Licensing Agency Act, bottle club license	0	0	100,000	100,000	100,000
<i>Total-Revenue Legislation by Bill</i>	0	0	100,000	(246,000)	(2,295,000)
Cash Fund Transfers-In (LB 327 and LB 331)	0	(1,398,002.00)	16,633,933.00	0	0
Total Revenue Bills to add to NEFAB forecast	0	(1,398,002)	16,733,933	(246,000)	(2,295,000)

TCJA = Tax Cuts and Jobs Act of 2017