

STATE BOARD OF EQUALIZATION
PROPOSED FY-2016 REVENUE CERTIFICATION

December 18, 2014

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**LEGISLATED REVENUE ADJUSTMENTS
INCOME TAX REDUCTION FINDING
Schedule 1**

Title 68, Section 2355.1F of the Oklahoma Statutes requires the State Board of Equalization to make a finding in December. The purpose of this finding is to determine if revenue growth is sufficient to reduce the income tax rate for tax year 2016 from 5.25% to 5.00%. To make the finding the Board will compare the General Revenue Fund estimate for FY-2014, made in February of 2013, to the estimate for FY-2016 as directed in the statute.

| <i>Column 1</i> | <i>Column 2</i> | <i>Column 3</i> | <i>Column 4</i> |
|---|---|---|-----------------------------------|
| | FY-2014 ESTIMATE 19-Feb-13 | FY-2016 ESTIMATE 18-Dec-14 | INCREASE OR (DECREASE) |
| TITLE 68, SECTION 2355.1F, B: General Revenue Fund Estimates | <u>Paragraph 1</u> | <u>Paragraph 2</u> | |
| Total General Revenue Fund | \$5,943,662,805 | \$6,004,349,345 | \$60,686,540 |
| Difference between the General Revenue Fund Estimates | | | \$60,686,540 |

**TITLE 68, SECTION 2355.1F, B:
Finding -**

*The finding shows the amount of GRF revenue estimated for FY-2016 (shown in paragraph 2) is more than the amount of GRF revenue estimated for FY-2014 in February of 2013 (as shown in paragraph 1). As a result, the finding is that estimated growth would authorize the reduction of the top marginal individual income tax rate for Tax Year 2016 from 5.25% to 5.00%.

FY-2016 FUNDS TO BE CERTIFIED

Schedule 2

The summation of the itemized estimates of revenue, Schedule 2, and the amounts available for appropriation are proposed as the amounts to be certified by the State Board of Equalization in accordance with Section 23, Article X, Constitution of Oklahoma. The amounts proposed as available for appropriation are calculated as 95 percent (95%) of the summation of the itemized estimate of revenue for the respective funds.

| <i>Column 1</i> | <i>Column 2</i> | <i>Column 3</i> |
|---|--|-------------------------------------|
| | TOTAL ESTIMATED COLLECTIONS | APPROPRIATIONS AUTHORITY |
| | Proposed FY-2016 Estimates | |
| GENERAL REVENUE | \$5,955,482,028 | \$5,657,707,927 |
| C.L.E.E.T. | \$3,268,181 | \$3,104,772 |
| COMMISSIONERS OF THE LAND OFFICE | \$11,890,500 | \$11,295,975 |
| MINERAL LEASING | \$4,000,000 | \$3,800,000 |
| SPECIAL OCCUPATIONAL HEALTH & SAFETY | \$2,169,779 | \$2,061,290 |
| PUBLIC BUILDING | \$5,282,048 | \$5,017,946 |
| OK EDUCATION LOTTERY TRUST FUND | <u>\$57,200,492</u> | <u>\$54,340,468</u> |
| TOTALS | \$6,039,293,028 | \$5,737,328,378 |

ITEMIZED ESTIMATES OF REVENUE

Schedule 3

The itemized estimate of revenues displayed in this schedule represents 100% of the estimate for the General Revenue Fund and the Special Revenue Funds to be appropriated by the Legislature for the fiscal year ending June 30, 2016 (FY-2016) and are the basis for the summation proposed for certification in Schedule 1. For informational purposes the FY-2016 estimates of revenues are compared to both the itemized estimates and the projections of revenues for the current fiscal year (FY-2015).

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|--|------------------------|----------------------------------|-----------------------------------|--|
| FUND NAME | FY-2014 ACTUAL | FY-2015 ESTIMATE 26-Jun-14 | FY-2015 PROJECTED 18-Dec-14 | PROPOSED FY-2016 ESTIMATE 18-Dec-14 |
| GENERAL REVENUE | | | | |
| Alcohol Beverage Tax | 24,770,124 | \$25,491,000 | \$24,998,000 | \$25,977,000 |
| Mixed Beverage Receipts Tax | 46,826,511 | 50,039,000 | 50,917,000 | 55,138,000 |
| Beverage Tax | 23,844,492 | 25,410,000 | 24,401,000 | 24,673,000 |
| Cigarette Tax | 31,814,170 | 35,117,146 | 34,026,373 | 34,378,709 |
| Tobacco Products Tax | 24,323,613 | 23,416,863 | 25,690,337 | 26,661,134 |
| Franchise Tax/Business Activity Tax | 35,104,367 | 35,480,000 | 48,145,000 | 44,086,000 |
| Gross Production Tax-Gas | 97,191,566 | 175,842,000 | 143,421,000 | 221,947,000 |
| Gross Production Tax-Oil | 236,047,835 | 147,684,000 | 142,621,000 | 113,684,000 |
| Income Tax-Individual | 2,027,975,605 * | 2,129,102,305 * | 2,275,215,137 * | 2,203,049,343 * |
| Income Tax-Corporate | 306,536,858 | 375,118,600 | 242,699,000 | 238,772,075 |
| Estate Tax | 1,056,925 | 0 | 0 | 0 |
| Insurance Premium Tax | 100,649,777 | 93,869,924 | 90,528,548 | 90,528,548 |
| Motor Vehicle Taxes | 228,014,137 | 208,353,000 | 217,596,000 | 226,655,000 |
| Sales Tax | 1,959,396,264 | 2,033,692,016 | 2,078,226,882 | 2,168,818,317 |
| Use Tax | 196,693,829 | 212,693,807 | 209,761,604 | 202,138,044 |
| Interest & Investments | 52,181,910 | 73,000,000 | 58,000,000 | 53,000,000 |
| Other (Schedule 3) | 235,021,750 | 211,326,370 | 227,152,438 | 224,975,858 |
| General Revenue Totals | \$5,627,449,734 | \$5,855,636,031 | \$5,893,399,318 | \$5,954,482,028 |
| Transfers & Lapses | 708,695 | 1,000,000 | 1,000,000 | 1,000,000 |
| Revenue Comparison | \$5,628,158,429 | \$5,856,636,031 | \$5,894,399,318 | \$5,955,482,028 |
| One-Time Receipts | 0 | 0 | 0 | 0 |
| Total General Revenue | \$5,628,158,429 | \$5,856,636,031 | \$5,894,399,318 | \$5,955,482,028 |
| C.L.E.E.T. | \$3,291,940 | \$3,346,882 | \$3,269,429 | \$3,268,181 |
| COMM of LAND OFFICE | \$12,428,780 | \$8,988,000 | \$12,100,500 | \$11,890,500 |
| MINERAL LEASING | \$4,927,511 | \$4,000,000 | \$4,000,000 | \$4,000,000 |
| SPECIAL OCCUPATIONAL | | | | |
| HEALTH & SAFETY | \$2,370,761 | \$2,169,779 | \$2,061,290 | \$2,169,779 |
| PUBLIC BUILDING | \$5,936,897 | \$2,096,200 | \$5,708,620 | \$5,282,048 |
| OK EDUCATION LOTTERY TRUST FUND | \$66,934,120 | \$60,277,000 | \$59,258,500 | \$57,200,492 |
| GRAND TOTAL | \$5,724,048,438 | \$5,937,513,892 | \$5,980,797,657 | \$6,039,293,028 |

*In compliance with Section 34.87 of Title 62 of the Oklahoma Statutes, the State Regents for Higher Education has adopted an estimate of \$61.7m for funding of the Oklahoma's Promise scholarship fund for FY-2016; \$59m of which is requested from the General Revenue Fund (Personal Income Tax collections). The amount of money allocated from income tax revenue for FY-2015 was \$57m, and \$57m was funded for FY-2014. These amounts have been removed from the respective individual income tax numbers. Additionally, the personal income tax rate reduction being triggered according to Title 68, Section 2355.1F, the number for individual income tax reflected in this schedule is calculated at the 5.0% rate.

ITEMIZED ESTIMATES OF "OTHER" REVENUES

GENERAL REVENUE FUND

Schedule 4

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|--------------------------------------|-----------------------------|----------------------------------|-----------------------------------|--|
| | FY-2014 ACTUAL | FY-2015 ESTIMATE 26-Jun-14 | FY-2015 PROJECTED 18-Dec-14 | PROPOSED FY-2016 ESTIMATE 18-Dec-14 |
| OTC: | | | | |
| Pari-Mutuel | 1,106,326 | 1,007,500 | 1,007,500 | 1,007,500 |
| Tribal Cigarette Compacts | 13,588,686 | 13,798,000 | 17,508,000 | 17,787,000 |
| Bingo Excise & Charity Games | 138,977 | 158,000 | 120,000 | 124,000 |
| Workers Comp Ins. Premium Tax | 10,255,849 | 11,028,000 | 10,353,000 | 10,661,000 |
| Petroleum Excise Tax | 10,811,719 | 11,175,000 | 11,815,000 | 9,990,000 |
| Other OTC | 25,840,510 | 27,160,000 | 27,940,000 | 29,008,000 |
| TOTAL OTC | <u>\$61,742,066</u> | <u>\$64,326,500</u> | <u>\$68,743,500</u> | <u>\$68,577,500</u> |
| COLLECTIONS BY OTHER AGENCIES | | | | |
| ABLE | 5,431,152 | 5,722,000 | 6,021,152 | 5,726,152 |
| Attorney General | 5,678,994 | 2,962,500 | 5,243,275 | 2,625,000 |
| OMES-Central Services | 94,846 | 336,018 | 147,484 | 147,484 |
| CLEET | 540,243 | 346,558 | 383,766 | 327,710 |
| Consumer Credit | 804,000 | 800,000 | 800,000 | 800,000 |
| DPS | 46,845,846 | 47,375,078 | 48,149,625 | 48,810,180 |
| OMES-Employees Benefit Department | 1,269,475 | 991,954 | 1,001,595 | 1,001,595 |
| Horseracing | 513,261 | 359,225 | 388,825 | 388,825 |
| Insurance Comm | 51,285,502 | 38,695,554 | 46,205,202 | 46,205,202 |
| Labor | 828,732 | 1,021,917 | 828,732 | 828,732 |
| Medical Licensure | 391,905 | 200,000 | 370,000 | 390,000 |
| Nursing Board | 346,872 | 320,716 | 313,666 | 325,132 |
| Sec of State | 2,369,593 | 2,732,000 | 2,452,005 | 2,513,305 |
| Securities Comm | 16,212,304 | 15,772,189 | 16,266,571 | 16,352,000 |
| Treasurer (Unclaimed Property) | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Tribal Gaming/HR Gaming | 17,165,556 | 17,196,000 | 17,460,000 | 17,580,000 |
| OMES-OPM | 2,886,057 | 2,168,161 | 2,377,041 | 2,377,041 |
| OMES-OSF | 0 | 0 | 0 | 0 |
| Other | 10,615,346 | 0 | 0 | 0 |
| TOTAL MISC | <u>173,279,684</u> | <u>146,999,870</u> | <u>158,408,938</u> | <u>156,398,358</u> |
| GRAND OTHER | <u><u>\$235,021,750</u></u> | <u><u>\$211,326,370</u></u> | <u><u>\$227,152,438</u></u> | <u><u>\$224,975,858</u></u> |

COMPARISON OF REVENUE ESTIMATES
FY-2015 FINAL ESTIMATE vs. PROPOSED FY-2016 ESTIMATE
Schedule 5

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|---|----------------------------------|--|---------------------------|-------------------|
| | FY-2015 ESTIMATE 26-Jun-14 | PROPOSED FY 2016 ESTIMATE 18-Dec-14 | INCREASE OR (DECREASE) | PERCENT CHANGE |
| GENERAL REVENUE | | | | |
| Alcohol Beverage Tax | \$25,491,000 | \$25,977,000 | \$486,000 | 1.9% |
| Mixed Beverage Receipts Tax | 50,039,000 | 55,138,000 | 5,099,000 | 10.2% |
| Beverage Tax | 25,410,000 | 24,673,000 | (737,000) | -2.9% |
| Cigarette Tax | 35,117,146 | 34,378,709 | (738,437) | -2.1% |
| Tobacco Products Tax | 23,416,863 | 26,661,134 | 3,244,271 | 13.9% |
| Franchise Tax/Business Activity Tax | 35,480,000 | 44,086,000 | 8,606,000 | 24.3% |
| Gross Production Tax-Gas | 175,842,000 | 221,947,000 | 46,105,000 | 26.2% |
| Gross Production Tax-Oil | 147,684,000 | 113,684,000 | (34,000,000) | -23.0% |
| Income Tax-Individual | 2,129,102,305 | 2,203,049,343 | 73,947,038 | 3.5% |
| Income Tax-Corporate | 375,118,600 | 238,772,075 | (136,346,525) | -36.3% |
| Estate Tax | 0 | 0 | 0 | 0.0% |
| Insurance Premium Tax | 93,869,924 | 90,528,548 | (3,341,376) | -3.6% |
| Motor Vehicle Taxes | 208,353,000 | 226,655,000 | 18,302,000 | 8.8% |
| Sales Tax | 2,033,692,016 | 2,168,818,317 | 135,126,301 | 6.6% |
| Use Tax | 212,693,807 | 202,138,044 | (10,555,763) | -5.0% |
| Interest & Investments | 73,000,000 | 53,000,000 | (20,000,000) | -27.4% |
| Other (Schedule 3) | 211,326,370 | 224,975,858 | 13,649,488 | 6.5% |
| General Revenue Totals | \$5,855,636,031 | \$5,954,482,028 | \$98,845,997 | 1.7% |
| Transfers & Lapses | 1,000,000 | 1,000,000 | 0 | 0.0% |
| Revenue Comparison | \$5,856,636,031 | \$5,955,482,028 | \$98,845,997 | 1.7% |
| One-Time Receipts | 0 | 0 | 0 | 0.0% |
| Total General Revenue | \$5,856,636,031 | \$5,955,482,028 | \$98,845,997 | 1.7% |
| C.L.E.E.T. | \$3,346,882 | \$3,268,181 | (\$78,701) | -2.4% |
| COMM of LAND OFFICE | \$8,988,000 | \$11,890,500 | \$2,902,500 | 32.3% |
| MINERAL LEASING | \$4,000,000 | \$4,000,000 | \$0 | 0.0% |
| SPECIAL OCCUPATIONAL HEALTH & SAFETY | \$2,169,779 | \$2,169,779 | \$0 | 0.0% |
| PUBLIC BUILDING | \$2,096,200 | \$5,282,048 | \$3,185,848 | 152.0% |
| OK EDUCATION LOTTERY TRUST FUND | \$60,277,000 | \$57,200,492 | (\$3,076,508) | -5.1% |
| GRAND TOTAL | \$5,937,513,892 | \$6,039,293,028 | \$101,779,136 | 1.7% |

COMPARISON OF REVENUE ESTIMATES
FY-2015 PROJECTION vs. PROPOSED FY-2016 ESTIMATE
Schedule 6

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|---|-----------------------------------|--|---------------------------|-------------------|
| | FY-2015 PROJECTED 18-Dec-14 | PROPOSED FY-2016 ESTIMATE 18-Dec-14 | INCREASE OR (DECREASE) | PERCENT CHANGE |
| GENERAL REVENUE | | | | |
| Alcohol Beverage Tax | \$24,998,000 | \$25,977,000 | \$979,000 | 3.9% |
| Mixed Beverage Receipts Tax | 50,917,000 | 55,138,000 | 4,221,000 | 8.3% |
| Beverage Tax | 24,401,000 | 24,673,000 | 272,000 | 1.1% |
| Cigarette Tax | 34,026,373 | 34,378,709 | 352,337 | 1.0% |
| Tobacco Products Tax | 25,690,337 | 26,661,134 | 970,798 | 3.8% |
| Franchise Tax/Business Activity Tax | 48,145,000 | 44,086,000 | (4,059,000) | -8.4% |
| Gross Production Tax-Gas | 143,421,000 | 221,947,000 | 78,526,000 | 54.8% |
| Gross Production Tax-Oil | 142,621,000 | 113,684,000 | (28,937,000) | -20.3% |
| Income Tax-Individual | 2,275,215,137 | 2,203,049,343 | (72,165,794) | -3.2% |
| Income Tax-Corporate | 242,699,000 | 238,772,075 | (3,926,925) | -1.6% |
| Estate Tax | 0 | 0 | 0 | 0.0% |
| Insurance Premium Tax | 90,528,548 | 90,528,548 | 0 | 0.0% |
| Motor Vehicle Taxes | 217,596,000 | 226,655,000 | 9,059,000 | 4.2% |
| Sales Tax | 2,078,226,882 | 2,168,818,317 | 90,591,435 | 4.4% |
| Use Tax | 209,761,604 | 202,138,044 | (7,623,560) | -3.6% |
| Interest & Investments | 58,000,000 | 53,000,000 | (5,000,000) | -8.6% |
| Other (Schedule 3) | 227,152,438 | 224,975,858 | (2,176,580) | -1.0% |
| General Revenue Totals | \$5,893,399,318 | \$5,954,482,028 | \$61,082,710 | 1.0% |
| Transfers & Lapses | 1,000,000 | 1,000,000 | 0 | 0.0% |
| Revenue Comparison | \$5,894,399,318 | \$5,955,482,028 | \$61,082,710 | 1.0% |
| One-Time Receipts | 0 | 0 | 0 | 0.0% |
| Total General Revenue | \$5,894,399,318 | \$5,955,482,028 | \$61,082,710 | 1.0% |
| C.L.E.E.T. | \$3,269,429 | \$3,268,181 | (\$1,248) | 0.0% |
| COMM of LAND OFFICE | \$12,100,500 | \$11,890,500 | (\$210,000) | -1.7% |
| MINERAL LEASING | \$4,000,000 | \$4,000,000 | \$0 | 0.0% |
| SPECIAL OCCUPATIONAL HEALTH & SAFETY | \$2,061,290 | \$2,169,779 | \$108,489 | 5.3% |
| PUBLIC BUILDING | \$5,708,620 | \$5,282,048 | (\$426,572) | -7.5% |
| OK EDUCATION LOTTERY TRUST FUND | \$59,258,500 | \$57,200,492 | (\$2,058,008) | -3.5% |
| GRAND TOTAL | \$5,980,797,657 | \$6,039,293,028 | \$58,495,372 | 1.0% |

COMPARISON OF REVENUE ESTIMATES
FY-2015 OFFICIAL ESTIMATE vs. FY-2015 PROJECTION
Schedule 7

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|---|----------------------------------|-----------------------------------|---------------------------|-------------------|
| | FY 2015 ESTIMATE 26-Jun-14 | FY 2015 PROJECTED 18-Dec-14 | INCREASE OR (DECREASE) | PERCENT CHANGE |
| Alcohol Beverage Tax | \$25,491,000 | \$24,998,000 | (\$493,000) | -1.9% |
| Mixed Beverage Receipts Tax | 50,039,000 | 50,917,000 | 878,000 | 1.8% |
| Beverage Tax | 25,410,000 | 24,401,000 | (1,009,000) | -4.0% |
| Cigarette Tax | 35,117,146 | 34,026,373 | (1,090,774) | -3.1% |
| Tobacco Products Tax | 23,416,863 | 25,690,337 | 2,273,474 | 9.7% |
| Franchise Tax/Business Activity Tax | 35,480,000 | 48,145,000 | 12,665,000 | 35.7% |
| Gross Production Tax-Gas | 175,842,000 | 143,421,000 | (32,421,000) | -18.4% |
| Gross Production Tax-Oil | 147,684,000 | 142,621,000 | (5,063,000) | -3.4% |
| Income Tax-Individual | 2,129,102,305 | 2,275,215,137 | 146,112,832 | 6.9% |
| Income Tax-Corporate | 375,118,600 | 242,699,000 | (132,419,600) | -35.3% |
| Estate Tax | 0 | 0 | 0 | 0.0% |
| Insurance Premium Tax | 93,869,924 | 90,528,548 | (3,341,376) | -3.6% |
| Motor Vehicle Taxes | 208,353,000 | 217,596,000 | 9,243,000 | 4.4% |
| Sales Tax | 2,033,692,016 | 2,078,226,882 | 44,534,866 | 2.2% |
| Use Tax | 212,693,807 | 209,761,604 | (2,932,203) | -1.4% |
| Interest & Investments | 73,000,000 | 58,000,000 | (15,000,000) | -20.5% |
| Other (Schedule 3) | 211,326,370 | 227,152,438 | 15,826,068 | 7.5% |
| General Revenue Totals | \$5,855,636,031 | \$5,893,399,318 | \$37,763,287 | 0.6% |
| Transfers & Lapses | 1,000,000 | 1,000,000 | 0 | 0.0% |
| Revenue Comparison | \$5,856,636,031 | \$5,894,399,318 | \$37,763,287 | 0.6% |
| One-Time Receipts | 0 | 0 | 0 | 0.0% |
| Total General Revenue | \$5,856,636,031 | \$5,894,399,318 | \$37,763,287 | 0.6% |
| C.L.E.E.T. | \$3,346,882 | \$3,269,429 | (\$77,453) | -2.3% |
| COMM of LAND OFFICE | \$8,988,000 | \$12,100,500 | \$3,112,500 | 34.6% |
| MINERAL LEASING | \$4,000,000 | \$4,000,000 | \$0 | 0.0% |
| SPECIAL OCCUPATIONAL HEALTH & SAFETY | \$2,169,779 | \$2,061,290 | (\$108,489) | -5.0% |
| PUBLIC BUILDING | \$2,096,200 | \$5,708,620 | \$3,612,420 | 172.3% |
| OK EDUCATION LOTTERY TRUST FUND | \$60,277,000 | \$59,258,500 | (\$1,018,500) | -1.7% |
| GRAND TOTAL | \$5,937,513,892 | \$5,980,797,657 | \$43,283,765 | 0.7% |

EDUCATION REFORM ACT - HB 1017

Schedule 8

SB 826 of the Second Regular Session of the Forty-fifth Legislature amended Section 41.29a of Title 62 to require that The Office of Accountability account for and report monthly revenues which accrue to the Education Reform Revolving Fund. The Education Reform Revolving Fund on June 1, 1996 began receiving revenue attributable to the revenue provisions of HB 1017 rather than these revenues first being apportioned to the General Revenue Fund.

CALCULATIONS

EDUCATION REFORM ACT

| <i>Column 1</i> | <i>Column 2</i> | <i>Column 3</i> | <i>Column 4</i> | <i>Column 5</i> |
|---|-----------------------------|----------------------------------|-----------------------------------|--|
| | FY-2014 ACTUAL | FY-2015 ESTIMATE 26-Jun-14 | FY-2015 PROJECTED 18-Dec-14 | PROPOSED FY-2016 ESTIMATE 18-Dec-14 |
| Income Tax-Individual | 237,860,290 | \$247,603,675 | \$261,829,463 | \$266,629,717 |
| Income Tax-Corporate | 65,262,686 | 79,863,960 | 51,671,400 | 50,835,345 |
| Sales Tax | 245,129,589 | 254,424,333 | 259,995,852 | 271,329,262 |
| Use Tax | 24,607,313 | 26,608,985 | 26,242,153 | 25,288,410 |
| Cigarette Tax | 2,811,738 | 2,962,667 | 2,913,836 | 2,934,142 |
| Tobacco Products Tax | 492,162 | 596,615 | 517,107 | 521,557 |
| Tribal Gaming/Horse Track | 125,880,747 | 126,104,000 | 128,040,000 | 128,920,000 |
| Special License Plates | 193 | 0 | 0 | 0 |
| Business Activity Tax | <u>165,279</u> | <u>461,240</u> | <u>0</u> | <u>0</u> |
| TOTAL - 100% OF ESTIMATE | <u>\$702,209,997</u> | <u>\$738,625,474</u> | <u>\$731,209,810</u> | <u>\$746,458,433</u> |
| Increase in FY-2016 proposed estimate over FY-2015 official estimate | | | | \$7,832,959 |

LEGISLATED REVENUE ADJUSTMENTS
INFORMATIONAL ROADS FUND APPORTIONMENT SUMMARY
Schedule 9

Column 1

Column 2

Column 3

Column 4

Column 5

History and Legislated Adjustments for FY-2010 and FY-2011:

House Bill 2272, passed in the 2008 Legislative Session, amends Title 69, Section 1521 of the Oklahoma Highway Code. Effective July 1, 2009 for FY-2010, the Transportation Department will receive the total amount apportioned to the ROADS fund for the preceding fiscal year plus an additional \$30 million each year until a cap of \$370 million is reached.

Legislated Apportionment Comparison:

| | FY-2009 ESTIMATE 19-Feb-08 | FY-2010 ESTIMATE 22-Dec-08 | FY-2011 ESTIMATE 22-Dec-09 |
|--|----------------------------------|----------------------------------|----------------------------------|
| Apportionment to ROADS Fund | \$137,500,000 | \$155,000,000 | \$185,000,000 |
| Additional ROADS Fund | 17,500,000 | 30,000,000 | 30,000,000 |
| OK Tourism & Passenger Rail Rev. Fund | 2,000,000 | 2,000,000 | 2,000,000 |
| Public Transit Rev. Fund | 3,000,000 | 3,000,000 | 3,000,000 |
| Total Apportionment from Individual Income Tax | \$160,000,000 | \$190,000,000 | \$220,000,000 |

Legislated Adjustments for FY-2012, FY-2013, FY-2014, FY-2015 and FY-2016:

Senate Bill 1466, passed in the 2010 Legislative Session, amends Title 69, Section 1521 of the Oklahoma Highway Code. Effective July 1, 2011 for FY-2012 and for each fiscal year thereafter, the Transportation Department will receive the total amount apportioned to the ROADS fund for the preceding fiscal year plus an additional \$35.7 million each year until a cap of \$400 million is reached.

Senate Bill 976, passed in the 2011 Legislative Session, amends Title 69, Section 1521 of the Oklahoma Highway Code. Effective August 26, 2011 for FY-2013, the Transportation Department will receive the total amount apportioned to the ROADS FUND for the preceding fiscal year plus an additional \$41.7 million each year until a cap of \$435 million is reached. House Bill 2248, effective July 1, 2012, amends the same title and section. For FY-2014 and all fiscal years until the cap is reached, the Transportation Department will receive the total amount apportioned to the ROADS Fund for the preceding fiscal year plus an additional \$59.7 million. The cap was raised to \$575 million.

| | FY-2012 ESTIMATE 21-Dec-10 | PROPOSED FY-2013 ESTIMATE 20-Dec-11 | PROPOSED FY-2014 ESTIMATE 20-Dec-12 |
|--|----------------------------------|--|--|
| Apportionment to ROADS Fund | \$215,000,000 | \$250,700,000 | \$292,400,000 |
| Additional ROADS Fund | 35,700,000 | 41,700,000 | 59,700,000 |
| OK Tourism & Passenger Rail Rev. Fund | 2,000,000 | 2,000,000 | 2,000,000 |
| Public Transit Rev. Fund | 3,000,000 | 3,000,000 | 3,000,000 |
| Total Apportionment from Individual Income Tax | \$255,700,000 | \$297,400,000 | \$357,100,000 |

| | PROPOSED FY-2015 ESTIMATE 19-Dec-13 | PROPOSED FY-2016 ESTIMATE 18-Dec-14 |
|--|--|--|
| Apportionment to ROADS Fund | \$352,100,000 | \$411,800,000 |
| Additional ROADS Fund | 59,700,000 | 59,700,000 |
| OK Tourism & Passenger Rail Rev. Fund | 2,000,000 | 2,000,000 |
| Public Transit Rev. Fund | 3,000,000 | 3,000,000 |
| Total Apportionment from Individual Income Tax | \$416,800,000 | \$476,500,000 |

COMPARISON OF REVENUE ESTIMATES
FY-2016 ESTIMATE (5.25%) vs. PROPOSED FY-2016 ESTIMATE (with 5.00% tax rate change)
Schedule 10

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|--|---|---|---------------------------|-------------------|
| | PROPOSED FY-2016 ESTIMATE 18-Dec-14 5.25% | PROPOSED FY-2016 ESTIMATE 18-Dec-14 5.00% | INCREASE OR (DECREASE) | PERCENT CHANGE |
| GENERAL REVENUE | | | | |
| Alcohol Beverage Tax | \$25,977,000 | \$25,977,000 | \$0 | 0.0% |
| Mixed Beverage Receipts Tax | 55,138,000 | 55,138,000 | 0 | 0.0% |
| Beverage Tax | 24,673,000 | 24,673,000 | 0 | 0.0% |
| Cigarette Tax | 34,378,709 | 34,378,709 | 0 | 0.0% |
| Tobacco Products Tax | 26,661,134 | 26,661,134 | 0 | 0.0% |
| Franchise Tax | 44,086,000 | 44,086,000 | 0 | 0.0% |
| Gross Production Tax-Gas | 221,947,000 | 221,947,000 | 0 | 0.0% |
| Gross Production Tax-Oil | 113,684,000 | 113,684,000 | 0 | 0.0% |
| Income Tax-Individual | 2,251,916,660 | 2,203,049,343 | (48,867,317) | -2.2% |
| Income Tax-Corporate | 238,772,075 | 238,772,075 | 0 | 0.0% |
| Estate Tax | 0 | 0 | 0 | 0.0% |
| Insurance Premium Tax | 90,528,548 | 90,528,548 | 0 | 0.0% |
| Motor Vehicle Taxes | 226,655,000 | 226,655,000 | 0 | 0.0% |
| Sales Tax | 2,168,818,317 | 2,168,818,317 | 0 | 0.0% |
| Use Tax | 202,138,044 | 202,138,044 | 0 | 0.0% |
| Interest & Investments | 53,000,000 | 53,000,000 | 0 | 0.0% |
| Other (Schedule 3) | 224,975,858 | 224,975,858 | 0 | 0.0% |
| General Revenue Totals | \$6,003,349,345 | \$5,954,482,028 | (\$48,867,317) | -0.8% |
| Transfers & Lapses | 1,000,000 | 1,000,000 | 0 | 0.0% |
| Revenue Comparison | \$6,004,349,345 | \$5,955,482,028 | (\$48,867,317) | -0.8% |
| One-Time Receipts | 0 | 0 | 0 | 0.0% |
| Total General Revenue | \$6,004,349,345 | \$5,955,482,028 | (\$48,867,317) | -0.8% |
| C.L.E.E.T. | \$3,268,181 | \$3,268,181 | \$0 | 0.0% |
| COMM of LAND OFFICE | \$11,890,500 | \$11,890,500 | \$0 | 0.0% |
| MINERAL LEASING | \$4,000,000 | \$4,000,000 | \$0 | 0.0% |
| SPECIAL OCCUPATIONAL HEALTH & SAFETY | \$2,169,779 | \$2,169,779 | \$0 | 0.0% |
| PUBLIC BUILDING | \$5,282,048 | \$5,282,048 | \$0 | 0.0% |
| OK EDUCATION LOTTERY TRUST FUND | \$57,200,492 | \$57,200,492 | \$0 | 0.0% |
| GRAND TOTAL | \$6,088,160,345 | \$6,039,293,028 | (\$48,867,317) | -0.8% |
| Loss of Expenditure Authority at 95% from tax trigger mandate: | | | (\$46,423,951) | |

**COMPARISON OF AUTHORIZED EXPENDITURES 2014 SESSION TO
PROPOSED EXPENDITURE AUTHORITY 2015 SESSION
Appendix A-1**

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|--------------------------------------|---|--|-------------------------------|---------------------|
| | AUTHORIZED EXPENDITURES* 2014 SESSION 26-Jun-14 FY-2015 | PROPOSED EXPENDITURE AUTHORITY** 2015 SESSION 18-Dec-14 FY-2016 | INCREASE OR (DECREASE) | PERCENT CHANGE |
| NON-RESTRICTED FUNDS | | | | |
| GENERAL REVENUE FUND | | | | |
| Certified | \$5,563,804,229 | \$5,657,707,927 | \$93,903,698 | 1.7% |
| Prior Year Certified | 2,850,000 | 0 | (2,850,000) | -100.0% |
| Cash | <u>132,541,781</u> | <u>0</u> | <u>(132,541,781)</u> | <u>-100.0%</u> |
| TOTAL | \$5,699,196,010 | \$5,657,707,927 | (\$41,488,083) | -0.7% |
| C.L.E.E.T. FUND | | | | |
| Certified | 3,179,538 | 3,104,772 | (\$74,766) | -2.4% |
| Cash | <u>3,545</u> | <u>132,826</u> | <u>129,281</u> | <u>3646.9%</u> |
| TOTAL | \$3,183,083 | \$3,237,598 | \$54,515 | 1.7% |
| MINERAL LEASING FUND | | | | |
| Certified | 3,800,000 | 3,800,000 | \$0 | 0.0% |
| Cash | <u>1,032,258</u> | <u>1,602,510</u> | <u>570,252</u> | <u>55.2%</u> |
| TOTAL | \$4,832,258 | \$5,402,510 | \$570,252 | 11.8% |
| OHSA FUND | | | | |
| Certified | 2,061,290 | 2,061,290 | \$0 | 0.0% |
| Cash | <u>492,809</u> | <u>837,252</u> | <u>344,443</u> | <u>69.9%</u> |
| TOTAL | \$2,554,099 | \$2,898,542 | \$344,443 | 13.5% |
| PUBLIC BUILDING FUND | | | | |
| Certified | 1,991,390 | 5,017,946 | \$3,026,556 | 152.0% |
| Cash | <u>1,940,154</u> | <u>3,827,918</u> | <u>1,887,764</u> | <u>97.3%</u> |
| TOTAL | \$3,931,544 | \$8,845,864 | \$4,914,320 | 125.0% |
| SPECIAL CASH FUND | | | | |
| Cash | <u>281,518,727</u> | <u>105,031</u> | <u>(\$281,413,696)</u> | <u>-100.0%</u> |
| | \$281,518,727 | \$105,031 | (\$281,413,696) | -100.0% |
| BOND FUND - SERIES A | 0 | 0 | \$0 | 0.0% |
| BOND FUND - SERIES B | <u>0</u> | <u>0</u> | <u>0</u> | <u>0.0%</u> |
| TOTAL | \$0 | \$0 | \$0 | 0.0% |
| SUBTOTAL NON-RESTRICTED FUNDS | <u>\$5,995,215,721</u> | <u>\$5,678,197,472</u> | <u>(\$317,018,249)</u> | <u>-5.3%</u> |

**COMPARISON OF AUTHORIZED EXPENDITURES 2014 SESSION TO
PROPOSED EXPENDITURE AUTHORITY 2015 SESSION
Appendix A-1 (Continued)**

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|--|--|--|-----------------------------------|---------------------------|
| | AUTHORIZED EXPENDITURES* 2014 SESSION 26-Jun-14 FY-2015 | PROPOSED EXPENDITURE AUTHORITY** 2015 Session 18-Dec-14 FY-2016 | INCREASE OR (DECREASE) | PERCENT CHANGE |
| RESTRICTED FUNDS | | | | |
| COMMISSION OF THE LAND OFFICE FUND | | | | |
| Certified | \$8,538,600 | \$11,295,975 | \$2,757,375 | 32.3% |
| Prior Year Certified | 0 | 0 | 0 | 0.0% |
| Cash | <u>0</u> | <u>0</u> | <u>0</u> | <u>0.0%</u> |
| TOTAL | \$8,538,600 | \$11,295,975 | \$2,757,375 | 32.3% |
| OK EDUCATION LOTTERY TRUST FUND | | | | |
| Certified | 57,263,150 | 54,340,468 | (\$2,922,682) | -5.1% |
| Cash | <u>12,617,292</u> | <u>11,028,235</u> | <u>(1,589,057)</u> | <u>-12.6%</u> |
| TOTAL | \$69,880,442 | \$65,368,703 | (\$4,511,739) | -6.5% |
| SUBTOTAL RESTRICTED FUNDS | <u>\$78,419,042</u> | <u>\$76,664,678</u> | <u>(\$1,754,364)</u> | <u>-2.2%</u> |
| TOTAL-RESTRICTED & NON-RESTRICTED | <u>\$6,073,634,763</u> | <u>\$5,754,862,150</u> | <u>(\$318,772,613)</u> | <u>-5.2%</u> |
| COMMON ED. TECH FUND | | | | |
| Revolving Fund Estimate | \$47,372,299 | \$47,372,299 | (\$0) | 0.0% |
| OK. STUDENT AID FUND | | | | |
| Revolving Fund Estimate | \$47,372,299 | \$47,372,299 | (\$0) | 0.0% |
| HIGHER ED. CAPITAL FUND | | | | |
| Revolving Fund Estimate | \$47,372,299 | \$47,372,299 | (\$0) | 0.0% |
| 1017 FUND | | | | |
| Revolving Fund Estimate | \$738,625,474 | \$746,458,433 | \$7,832,959 | 1.1% |
| TOBACCO SETTLEMENT FUND | | | | |
| Revolving Fund Estimate | \$14,250,000 | \$14,250,000 | \$0 | 0.0% |
| STATE JUDICIAL REVOLVING FUND | | | | |
| Revolving Fund Estimate | \$47,000,000 | \$43,000,000 | (\$4,000,000) | -8.5% |
| STATE TRANSPORTATION FUND | | | | |
| Revolving Fund Estimate | \$197,228,227 | \$214,088,984 | \$16,860,757 | 8.5% |
| TOTAL | <u>\$7,212,855,361</u> | <u>\$6,914,776,463</u> | <u>(\$298,078,898)</u> | <u>-4.1%</u> |

*Authorized Expenditures represent the total amount spent by the Legislature. Certified GRF expenditures in this category reflect the reduced amount after the AG's Opinion 2014-7 was upheld by the BOE and agency budgets were reduced by \$6,792,528.

**Expenditure Authority represents the total amount that is available for the Legislature to spend.