

OVERVIEW OF NEVADA'S BUDGET PROCESS AND REVENUE FORECAST

The Office of Fiscal Analysis was created by the 1973 Legislature as a part of the Research and Fiscal Analysis Division. The Legislature authorized three professional positions and one clerical position for the office. In 1977, the Legislature created the Fiscal Analysis Division independent of the Research Division (NRS 218F.600). In addition to the Assembly and Senate Fiscal Analysts, the Fiscal Analysis Division consists of 20 professional and 6 clerical positions. The division provides staff to the taxation, revenue and money committees.

The primary goal of the Fiscal Analysis Division is to provide the Legislature with the capability for independent review and analysis of budgetary and fiscal matters. Specific duties and responsibilities as set forth in NRS 218F.600 are as follows:

1. Thoroughly examine all departments of state government with special regard to the activities and the duplication of efforts between departments.
2. Recommend to the Legislature any suggested changes toward economy and the elimination of inefficiency in government.
3. Ascertain facts and make recommendations to the Legislature concerning the state budget and the estimates of the expenditure requirements of state departments.
4. Make projections of future public revenues for use by the Legislature.
5. Analyze the past history and probable future trend of the state's financial position in order that a sound fiscal policy may be developed and maintained for the state.
6. Analyze appropriation bills, revenue bills, and bills having a fiscal impact upon the operation of state government and its political subdivisions.
7. Advise the Legislature and the members and committees thereof regarding matters of a fiscal nature.
8. Perform such other functions as may be assigned to the Fiscal Analysis Division by the Legislature, the Legislative Commission or the Director of the Legislative Counsel Bureau (LCB).

In 1993, legislation was approved creating the Economic Forum responsible for approving the official forecast of future state revenues. The Senate and Assembly Fiscal Analysts are, by statute, members of the Technical Advisory Committee (TAC) to the Economic Forum.

The flow of work through the Fiscal Analysis Division coincides mainly with the state budget cycle. That is, it follows the planning and preparation stage of budgeting, legislative review and approval, and budget execution. The following is a brief outline of the activities associated with the budget process:

Budget Process

- Agencies develop budgets beginning in the spring of even-numbered years.
- State agency biennial budget requests must be submitted to the Budget Division and the Fiscal Analysis Division on or before September 1 of even-numbered years (NRS 353.210).
- The Budget Division schedules budget hearings with agencies in September and October and constructs The Executive Budget in November and December for delivery to the Legislature in mid-January.
- By October 15 of even-numbered years, the Budget Division is required to provide computerized budget files by budget account containing the actual revenue and expenditure data for the previous fiscal year (NRS 353.211); budgeted amounts for the current fiscal year; and each agency's requested budget for the next two fiscal years. Agency request information is available to the public once this data is forwarded by the Budget Division on October 15.
- By December 31 of even-numbered years, the Budget Division is required to provide information on each agency's adjusted base budget by budget account for each of the next two fiscal years, and the estimated costs for continuing the operation of state government, including K-12 and higher education, at the current level of service (total maintenance amounts). This information, combined with the Economic Forum's revenue projection, outlines the funding available for enhancements within The Executive Budget.
- The Governor's budget is due to the Legislature not later than 14 calendar days in advance of the Legislative Session. For the 2013 Session, the Governor is scheduled to deliver the State of the State address on January 16, and the Fiscal Analysis Division anticipates receipt of the Governor's budget on that date. By the 19th calendar day of session, the Governor must submit to the Legislative Counsel detailed information for each bill that will be necessary to implement the funding recommendations contained in The Executive Budget (NRS 353.230).
- The Legislative Commission appoints a budget subcommittee (members of Assembly Ways and Means and Senate Finance) to review the budget in the two weeks in advance of session (NRS 218E.275). Hearings provide a "big-picture" review of the entire state budget and include most major state agencies. Six days (one partial day and five full days) have been set aside this cycle, beginning on January 23 and ending on January 30, 2013.

- The Legislature meets for 120 days beginning February 4, 2013. Senate Finance and Assembly Ways and Means begin budget hearings on the second day of session.
- Certain accounts with major policy implications will be heard in a joint meeting of the full committees of Assembly Ways and Means and Senate Finance. A select group of budgets, primarily those that support elected officials and some special purpose agencies, are reviewed separately by the Assembly Ways and Means and Senate Finance Committees.
- The money committees break into four joint subcommittees to review and make recommendations on the majority of agency budgets. The four joint subcommittees review the following areas:
 - ✓ K-12 Education/Higher Education/Capital Improvements
 - ✓ Public Safety, Natural Resources, and Transportation
 - ✓ Human Services
 - ✓ General Government

Note: Senate Finance has divided the Public Safety, Natural Resources and Transportation Subcommittee into two subcommittees consisting of Public Safety, Military and Veterans' Services, and Natural Resources and Transportation.

- In addition to reviewing the Governor's funding recommendations for each budget account, the money committees review all bills that contain an appropriation or result in a fiscal impact on state government.
- The money committees close each budget account by voting on the funding level to be provided for over 400 individual budget accounts in each of the next two fiscal years. The budget closing process begins April 2 and should last through mid-to-late May.
- Most budget closing recommendations are made by one of the four joint subcommittees and forwarded to the full committees for their review. The full committees will meet jointly to close most budget accounts. If a budget account is closed in the same manner by both committees, the funding level for the budget account over each of the next two years is established as agreed upon by the committees. If the committees develop different funding recommendations, the committees must meet jointly to resolve ALL closing differences before the major budget bills can be developed. The major funding bills (Appropriations Act, Authorizations Act, Distributive School Account/Class Size Reduction, Capital Improvement Program, and salary legislation) must be passed before the Legislature adjourns.

Budget Execution

- Once the budget is approved by the Legislature, there remains a responsibility to see that legislative intent is carried out. One of the tools used for this purpose is the agency work programs, which are projections of expenditure patterns by category and time period in accordance with the approved budgets. A complete file on each agency's original work programs and subsequent revisions to the work programs is maintained and reviewed as they occur.
- Another tool used in budget execution is position control, which is a procedure whereby all positions authorized by the Legislature are listed by agency.
- Complete contract files on independent contractors, as required by NRS 333.700, are maintained and reviewed for compliance with legislative intent. These files are also used as a tool for budget planning and preparation.
- During the budget execution phase of the budget process the Fiscal Analysis Division becomes directly involved with both the Legislative Commission and the Interim Finance Committee (IFC). Staff support is provided to the Legislative Commission and its activities associated with interim budgetary and fiscal affairs, such as subcommittee activities and special assignments. Staff support is also provided to the IFC regarding requests for emergency allocations from the Contingency Account; approval of grants from the Disaster Relief Account; approval of leases of state property extending beyond one year; approval of agency work program revisions and augmentations; position reclassifications; and other projects as necessary or assigned.
- Although not directly related to the budget execution phase of the budget cycle, staff support is also provided to those legislative subcommittees which function during the interim between legislative sessions. This support is mainly provided to those subcommittees reviewing issues having a fiscal, tax or budgetary impact.

In summary, the major activities of the Fiscal Analysis Division are associated with reviewing The Executive Budget; suggesting alternatives; making revenue and expenditure estimates to aid the legislative money committees; obtaining and presenting independent findings concerning fiscal notes; staffing of interim committees, particularly if the subject matter is fiscal or budget related; and assisting the Legislature in the interpretation of factual data related to the fiscal operation of state government.

Interim Finance Committee

As established by NRS 218E.400, the IFC functions during the interim between legislative sessions to address fiscal issues that occur.

- All members of the Assembly Committee on Ways and Means and the Senate Committee on Finance are members of the IFC.

- The IFC provides a mechanism to allocate emergency funds to state agencies during the interim period between legislative sessions without having to call a special session. Funding for allocation by the IFC is available from the Contingency Account and grants from the Disaster Relief Account.
- Approximately \$14 million is normally available in the IFC Contingency Account at the end of each legislative session to fund emergencies for state agencies.
- The IFC also approves:
 - ✓ Transfer of funds within state agency budgets if certain thresholds are exceeded.
 - ✓ Gifts over \$20,000 and grants over \$150,000. All grants that provide additional staff must receive IFC approval.
 - ✓ Certain position reclassifications.

The Executive Budget is the Governor’s recommended program for the coming biennium expressed in dollar terms. It is an overall plan of recommended expenditures necessary to execute the proposed program, together with an estimate of revenue expected to be available to support the expenditures. The Governor’s Executive Budget may simply be defined as a statement of specification of what to do with the state’s resources – the dollar value placed on elements of work.

The budget as approved by the 2011 Legislature provided \$15.9 billion for the 2011-13 biennium, as noted in the following schedule:

	2011 Legislature Approved ^a .	
	Amount	% of Total
General Fund	\$ 6,204,610,073	39.1%
Balance Forward	\$ 818,345,733	5.2%
Federal Fund	\$ 4,754,721,846	30.0%
Highway Fund	\$ 942,092,543	5.9%
Interagency Transfer	\$ 2,429,273,465	15.3%
Other Fund	\$ 3,155,493,952	19.9%
Subtotal	\$ 18,304,537,612	115.3%
Less Interagency Transfer	\$ (2,429,273,465)	-15.3%
Total Budget	\$ 15,875,264,147	100.0%

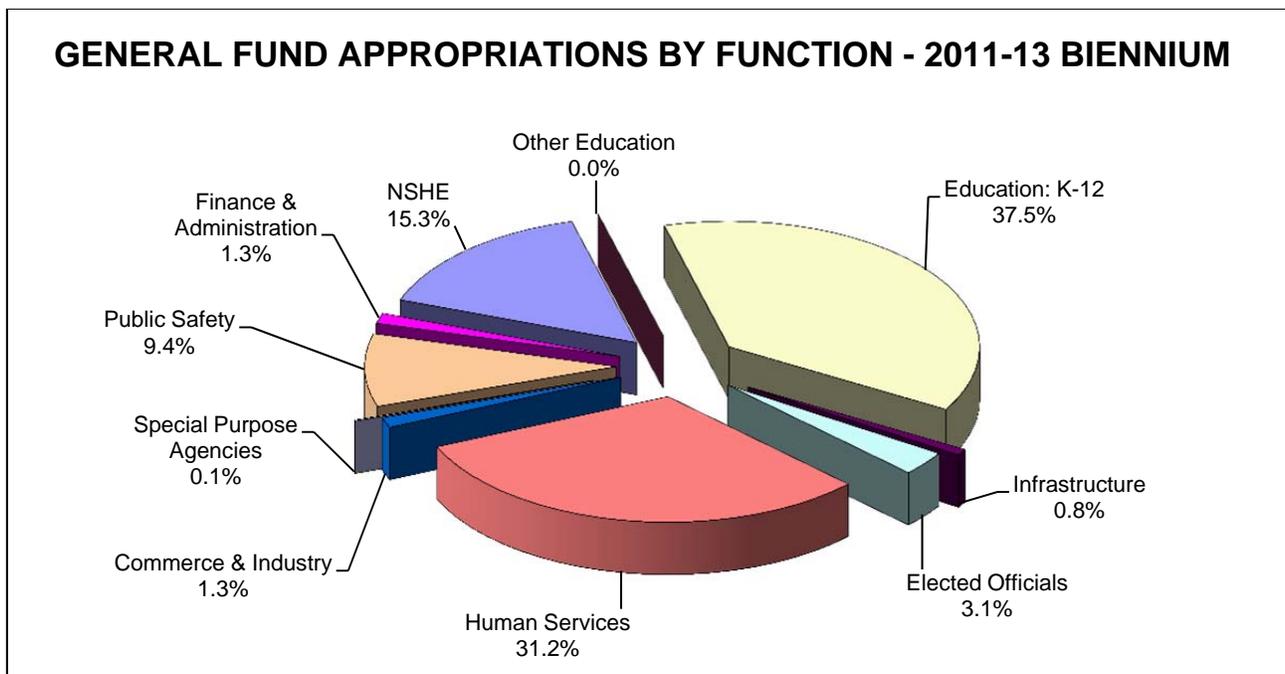
a. Nevada Legislative Appropriations Report Seventy-Sixth Legislature

The Executive Budget is divided into the following functional areas:

- **Constitutional Officers** – Elected Officials, Judicial and Legislature
- **Finance and Administration** – Department of Administration (including the State Public Works Division, Enterprise Information Technology Services and Human Resource Management) and the Department of Taxation
- **Education** – Department of Education (includes Distributive School Account), Nevada System of Higher Education (NSHE), Commission on Postsecondary Education and Western Interstate Commission on Higher Education (WICHE)

- **Commerce and Industry** – Department of Business and Industry, Gaming Control Board, Public Utilities Commission, Department of Agriculture, Division of Minerals, Governor’s Office of Economic Development, and the Department of Tourism and Cultural Affairs.
- **Human Services** – Department of Health and Human Services and Department of Employment, Training and Rehabilitation.
- **Public Safety** – Department of Corrections, Department of Public Safety, Department of Motor Vehicles and Peace Officers’ Standards and Training Commission (POST)
- **Infrastructure** – Department of Conservation and Natural Resources, Department of Wildlife, Department of Transportation, Colorado River Commission and the Tahoe Regional Planning Agency
- **Special Purpose Agencies** – Office of the Military, Office of Veterans’ Services, Public Employees’ Benefits Program, Public Employees’ Retirement System, Silver State Health Insurance Exchange and Deferred Compensation Committee

General Fund revenue of \$6.2 billion, as approved by the 2011 Legislature for the 2011-13 biennium, were allocated among the following functional areas as follows:



Education First Initiative

The Education First initiative was passed by the voters for the second time in November 2006 and amended the state constitution by requiring that appropriations to fund K-12 education be approved by the Legislature before other appropriations can be approved for the new biennial period. Therefore, only appropriations that will be expended

by June 30, 2013, can be approved by the 2013 Legislature before the appropriations necessary to fund K-12 education are passed. Bills that can be approved before K-12 funding is determined include appropriations to finance the cost of the 2013 Legislative Session and supplemental appropriations that are required to finance state agency operations through the current fiscal year.

Appropriations necessary to fund state agency operations in the biennial period beginning July 1, 2013, cannot be approved until appropriations are approved that adequately fund K-12 education.

The funding bill to finance K-12 education is typically not approved until near the end of the session and appropriations to finance the other areas of state government cannot be approved until the K-12 funding bill has passed both houses of the Legislature.

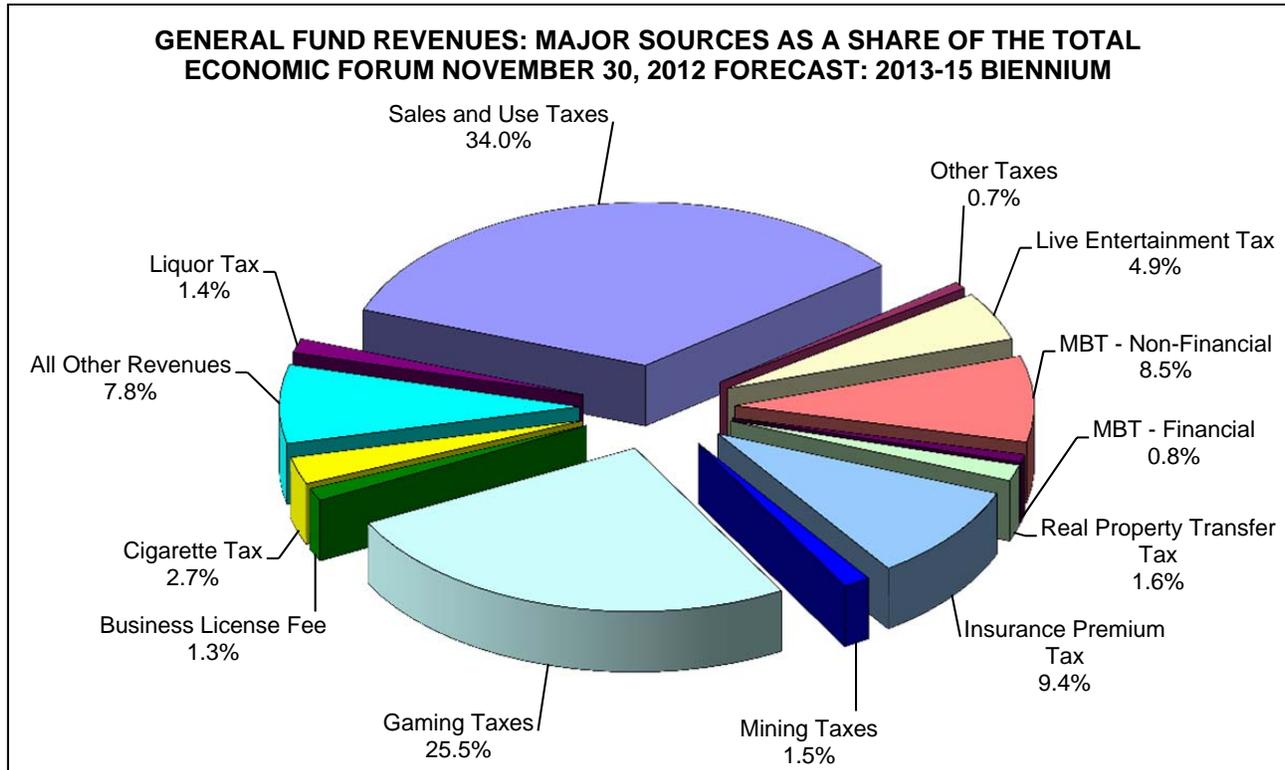
Economic Forum (NRS 353.226 – 353.229)

The Governor is required to use the Economic Forum's November 30, 2012, General Fund revenue forecast for the 2013-15 biennium for the General Fund portion of The Executive Budget. If the Governor chooses to develop a General Fund budget that is different from the Economic Forum forecast, then The Executive Budget must include recommendations for the revenue changes necessary to implement the proposed budget.

The Economic Forum consists of five members appointed by the Governor with three members selected by the Governor and one nominated by both the Speaker of the Assembly and the Majority Leader of the Senate. A seven-member Technical Advisory Committee comprised of Executive and Legislative Branch staff members, as well as a representative of local government, provide assistance and resources to the Economic Forum. As required by statute, the Economic Forum will review its November 30, 2012, forecast on May 1, 2013, which will provide the General Fund revenue projections the Legislature uses during the 2013 Session to develop the legislatively approved budget for the 2013-15 biennium.

Total General Fund Revenues

Total State General Fund revenues are forecast at \$2.812 billion for FY 2013-14 and \$3.006 billion for FY 2014-15. The forecast of \$5.818 billion for the 2013-15 biennium is 5.6 percent lower than the estimate of \$6.161 billion for the 2011-13 biennium, due to the impact of the sunset of revenue enhancements approved by the Legislature during the 75th and 76th Regular Sessions.



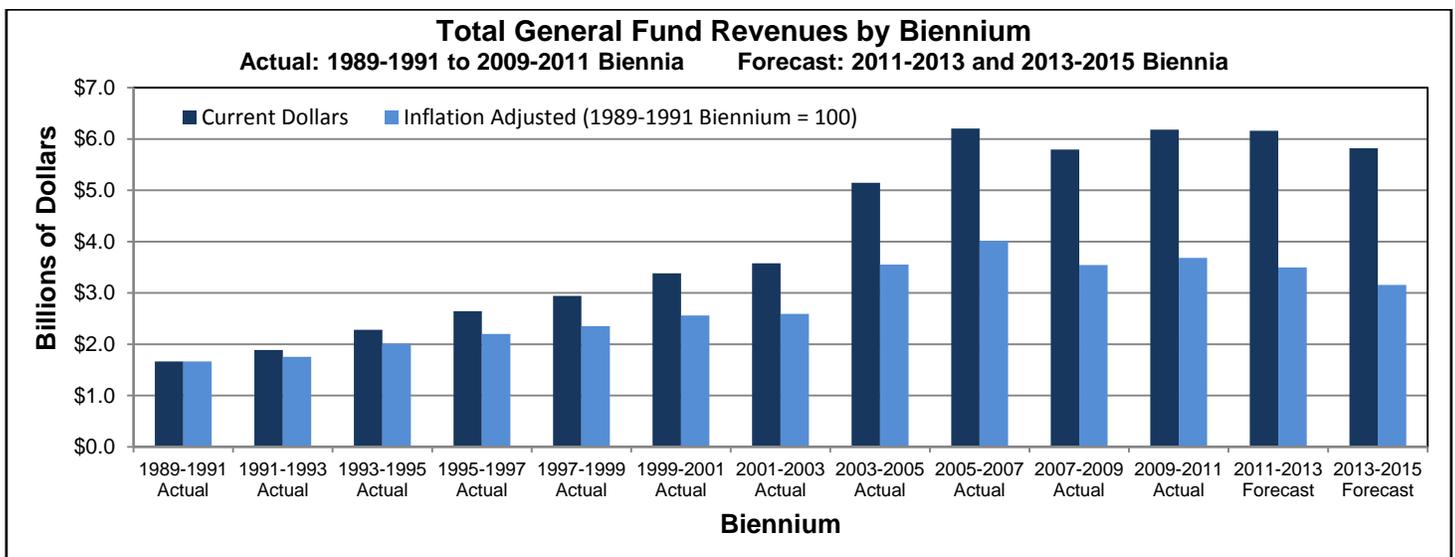
As shown in the above chart, collections from the sales tax are projected to account for 34.0 percent, while gaming taxes are estimated to account for 25.5 percent of total General Fund revenue for the 2013-15 biennium. These two major General Fund revenue sources are expected to account for 59.5 percent of total revenue for the 2013-15 biennium, compared to only 51.8 percent for the 2011-13 biennium. This result can be attributed to the sunset in the 2013-15 biennium of the revenue changes approved for the 2011-13 biennium to the Modified Business Tax, Business License Fee, Mining Taxes/Fees, and other changes (included in the All Other Revenue Sources category in the following table).

The table below provides a comparison of the Economic Forum’s November 30, 2012, General Fund revenue forecast for the 2011-13 biennium and 2013-15 biennium and the actual collections for the 2009-11 biennium. The forecasts for the 2011-13 and 2013-15 biennia reflect the actions approved by the Legislature in the 75th Regular Session (2009) and the 76th Regular Session (2011). Due to the sunset provisions approved in these two sessions, General Fund revenues for the 2013-15 biennium are forecast to be \$343.1 million lower than currently projected for the 2011-13 biennium.

Revenue Source (Millions of Dollars)	2009-11 Biennium		2011-13 Biennium				2013-15 Biennium			
	2009-11 Biennium Actual	% of Total	2011-13 Biennium Forecast	% of Total	Difference		2013-15 Biennium Forecast	% of Total	Difference	
					from 2009-11	Change from 2009-11			from 2011-13	Change from 2011-13
Sales Tax	\$1,610.6	26.1%	\$1,800.7	29.2%	\$190.1	11.8%	\$1,977.1	34.0%	\$176.4	9.8%
Gaming Taxes	\$1,352.1	21.9%	\$1,390.8	22.6%	\$38.7	2.9%	\$1,486.1	25.5%	\$95.3	6.9%
Modified Business Tax	\$767.0	12.4%	\$749.7	12.2%	-\$17.3	-2.3%	\$540.2	9.3%	-\$209.5	-27.9%
Insurance Premium Taxes	\$470.3	7.6%	\$479.4	7.8%	\$9.0	1.9%	\$549.0	9.4%	\$69.6	14.5%
Live Entertainment Tax	\$250.4	4.0%	\$271.9	4.4%	\$21.5	8.6%	\$283.0	4.9%	\$11.1	4.1%
Cigarette Tax	\$174.5	2.8%	\$163.5	2.7%	-\$11.0	-6.3%	\$156.2	2.7%	-\$7.3	-4.5%
Real Property Transfer Tax	\$104.9	1.7%	\$92.6	1.5%	-\$12.3	-11.7%	\$92.4	1.6%	-\$0.2	-0.2%
Room Tax	\$210.2	3.4%			-\$210.2					
Business License Fee	\$96.4	1.6%	\$132.6	2.2%	\$36.2	37.6%	\$73.9	1.3%	-\$58.8	-44.3%
Governmental Services Tax	\$112.9	1.8%	\$125.1	2.0%	\$12.2	10.8%			-\$125.1	
Mining Taxes/Fees	\$206.5	3.3%	\$227.3	3.7%	\$20.7	10.0%	\$86.3	1.5%	-\$141.0	-62.0%
Liquor Taxes	\$77.9	1.3%	\$81.8	1.3%	\$3.9	5.0%	\$84.8	1.4%	\$3.1	3.8%
Other Taxes	\$36.1	0.6%	\$34.3	0.6%	-\$1.8	-4.9%	\$36.8	0.7%	\$2.5	7.2%
All Other Revenue Sources	\$712.6	11.5%	\$611.1	9.9%	-\$101.5	-14.2%	\$451.7	7.8%	-\$159.4	-26.1%
Total General Fund Revenue	\$6,182.4		\$6,160.7		-\$21.7	-0.4%	\$5,817.6		-\$343.1	-5.6%

Note: The sum of the individual components of the % of Total column may not equal 100% due to rounding.

The following chart displays actual historical total General Fund revenues from the 1989-91 biennium to the 2009-11 biennium for comparison to the Economic Forum's November 30, 2012, forecast for the 2011-13 and 2013-15 biennia. The forecast of \$5.818 billion in total General Fund revenue for the 2013-15 biennium is approximately \$386 million below the actual 2005-07 biennium General Fund revenues of \$6.204 billion, which is the peak amount of General Fund revenue. This is due to the Room Tax and other revenue enhancement actions deposited in the General Fund in the 2009-11 biennium, compared to the 2011-13 biennium, and the impact of the Great Recession that has occurred since the 2005-07 biennium. Adjusting for the impact of inflation, the projected total General Fund revenues for the 2013-15 biennium of \$3.156 billion in 1989-1991 inflation-adjusted dollars are approximately \$859 million below the 2005-07 biennium actual inflation-adjusted level of \$4.015 billion.



The table on the following page presents the Economic Forum's November 30, 2012, General Fund revenue forecast for FY 2013, FY 2014, and FY 2015, based on current statute. The table specifically provides information for those revenue sources subject to sunset provisions approved during the 2009 Session and 2011 Session. The revenue projected for the 2013-15 biennium for the nine revenue sources impacted by sunset provisions are forecast to be approximately \$626.6 million less than the amount currently forecast for the 2011-13 biennium. The forecast for those General Fund revenue sources not subject to sunset provisions for the 2013-15 biennium is approximately \$283.5 million above the current forecast for the 2011-13 biennium. The net result is that the forecast for total General Fund revenue for the 2013-15 biennium is approximately \$343.1 million below the current forecast for the 2011-13 biennium due to the impact of these revenue sources subject to sunset provisions beginning in FY 2014.

SUMMARY OF THE ECONOMIC FORUM GENERAL FUND REVENUE FORECAST
Economic Forum November 30, 2012, Forecast for FY 2013, FY 2014, and FY 2015 Based on Current Statute

A	B	C	D	E	F	G	H	I	J	K
Line		2011-13 Biennium		2013-15 Biennium		Biennium Comparison				
		FY 2012 Actual	FY 2013 EF Nov 30 Forecast	FY 2014 EF Nov 30 Forecast	FY 2015 EF Nov 30 Forecast	2011-13 Biennium: Actual/Forecast	% of Total	2013-15 Biennium: Forecast	% of Total	Biennium Difference
1	Total General Fund Revenue Forecast Approved by the Economic Forum on November 30, 2012									
2	Total General Fund Revenue	\$3,081,768,174	\$3,078,974,612	\$2,811,515,017	\$3,006,110,617	\$6,160,742,786		\$5,817,625,634		-\$343,117,152
3	General Fund Revenue Sources Forecast by the Economic Forum Subject to Sunset Provisions based on Actions from the 2011 Session and 2009 Session									
4	Sunsets Involving the Rate or Amount of Tax Paid [a.]									
5	Net Proceeds of Minerals [1.][2.]	\$120,414,858	\$106,744,000	\$0	\$86,169,000	\$227,158,858	3.7%	\$86,169,000	1.5%	-\$140,989,858
6	Sales Tax Commissions-LSST [3.]	\$8,309,073	\$8,691,600	\$7,885,100	\$8,209,500	\$17,000,673	0.3%	\$16,094,600	0.3%	-\$906,073
7	MBT - Non-financial [4.]	\$348,943,337	\$358,126,000	\$243,206,000	\$251,675,000	\$707,069,337	11.5%	\$494,881,000	8.5%	-\$212,188,337
8	Business License Fee [5.]	\$64,790,426	\$67,852,000	\$36,775,000	\$37,085,000	\$132,642,426	2.2%	\$73,860,000	1.3%	-\$58,782,426
9	<u>Subtotal - Involving the Rate or Amount of Tax Paid</u>	<u>\$542,457,695</u>	<u>\$541,413,600</u>	<u>\$287,866,100</u>	<u>\$383,138,500</u>	<u>\$1,083,871,295</u>	<u>17.6%</u>	<u>\$671,004,600</u>	<u>11.5%</u>	<u>-\$412,866,695</u>
10	Sunsets Involving Distribution of the Proceeds and Not Rate or Amount of Tax Paid [b.]									
11	Quarterly Fees-Restricted Slots [6.]	\$8,485,702	\$8,378,800	\$8,420,700	\$8,500,000	\$16,864,502	0.3%	\$16,920,700	0.3%	\$56,198
12	Quarterly Fees- Non-Restricted Slots [6.]	\$12,628,582	\$12,357,900	\$11,811,200	\$12,080,900	\$24,986,482	0.4%	\$23,892,100	0.4%	-\$1,094,382
13	Governmental Services Tax [7.]	\$62,358,153	\$62,707,000	\$0	\$0	\$125,065,153	2.0%	\$0	0.0%	-\$125,065,153
14	GST Commissions and Penalties [8.]	\$24,678,398	\$24,678,400	\$0	\$0	\$49,356,798	0.8%	\$0	0.0%	-\$49,356,798
15	<u>Suppl. Account for Med. Assist. to Indigent [9.]</u>	<u>\$19,112,621</u>	<u>\$19,218,718</u>	<u>\$0</u>	<u>\$0</u>	<u>\$38,331,339</u>	<u>0.6%</u>	<u>\$0</u>	<u>0.0%</u>	<u>-\$38,331,339</u>
16	<u>Subtotal - Involving Distribution of Proceeds</u>	<u>\$127,263,456</u>	<u>\$127,340,818</u>	<u>\$20,231,900</u>	<u>\$20,580,900</u>	<u>\$254,604,274</u>	<u>4.1%</u>	<u>\$40,812,800</u>	<u>0.7%</u>	<u>-\$213,791,474</u>
17	<u>Total - Revenue Sources Subject to Sunset</u>	<u>\$669,721,151</u>	<u>\$668,754,418</u>	<u>\$308,098,000</u>	<u>\$403,719,400</u>	<u>\$1,338,475,569</u>	<u>21.7%</u>	<u>\$711,817,400</u>	<u>12.2%</u>	<u>-\$626,658,169</u>
18	General Fund Revenue Sources Forecast by the Economic Forum Not Subject to Sunset Provisions									
19	Sales and Use Tax	\$842,941,556	\$891,445,000	\$934,536,000	\$972,983,000	\$1,734,386,556	28.2%	\$1,907,519,000	32.8%	\$173,132,444
20	Percentage Fees Tax	\$653,672,645	\$672,442,000	\$696,663,000	\$726,777,000	\$1,326,114,645	21.5%	\$1,423,440,000	24.5%	\$97,325,355
21	Insurance Premium Tax	\$236,787,376	\$240,610,000	\$264,791,000	\$282,383,000	\$477,397,376	7.7%	\$547,174,000	9.4%	\$69,776,624
22	Real Property Transfer Tax	\$48,373,678	\$44,178,000	\$44,694,000	\$47,693,000	\$92,551,678	1.5%	\$92,387,000	1.6%	-\$164,678
23	LET-Gaming	\$125,337,855	\$123,513,000	\$128,046,000	\$131,902,000	\$248,850,855	4.0%	\$259,948,000	4.5%	\$11,097,145
24	MBT - Financial	\$20,717,296	\$21,915,000	\$22,370,000	\$22,956,000	\$42,632,296	0.7%	\$45,326,000	0.8%	\$2,693,704
25	All Other Gaming Taxes and Fees	\$11,663,483	\$11,176,900	\$10,415,300	\$11,460,400	\$22,840,383	0.4%	\$21,875,700	0.4%	-\$964,683
26	LET-Nongaming	\$11,644,191	\$11,365,000	\$11,470,000	\$11,585,000	\$23,009,191	0.4%	\$23,055,000	0.4%	\$45,809
27	Cigarette Tax	\$82,974,853	\$80,527,000	\$78,839,000	\$77,386,000	\$163,501,853	2.7%	\$156,225,000	2.7%	-\$7,276,853
28	Liquor Tax	\$40,649,951	\$41,122,000	\$42,018,000	\$42,831,000	\$81,771,951	1.3%	\$84,849,000	1.5%	\$3,077,049
29	Other Tobacco Tax	\$8,274,310	\$9,972,000	\$10,220,000	\$10,480,000	\$18,246,310	0.3%	\$20,700,000	0.4%	\$2,453,690
30	Total Secretary of State Revenues	\$93,679,582	\$91,620,100	\$91,514,800	\$91,904,400	\$185,299,682	3.0%	\$183,419,200	3.2%	-\$1,880,482
31	Short-Term Car Rental Fee	\$44,499,016	\$45,542,000	\$46,871,000	\$48,393,000	\$90,041,016	1.5%	\$95,264,000	1.6%	\$5,222,984
32	Expired Slot Machine Wagers	\$3,134,219	\$6,607,800	\$6,722,300	\$6,950,700	\$9,742,019	0.2%	\$13,673,000	0.2%	\$3,930,981
33	Court Administrative Assessments	\$4,434,259	\$4,434,300	\$0	\$0	\$8,868,559	0.1%	\$0	0.0%	-\$8,868,559
34	Unclaimed Property	\$97,397,588	\$31,051,000	\$32,275,000	\$33,536,000	\$128,448,588	2.1%	\$65,811,000	1.1%	-\$62,637,588
35	<u>All Others</u>	<u>\$85,865,165</u>	<u>\$82,699,094</u>	<u>\$81,971,617</u>	<u>\$83,170,717</u>	<u>\$168,564,259</u>	<u>2.7%</u>	<u>\$165,142,334</u>	<u>2.8%</u>	<u>-\$3,421,925</u>
36	<u>Total-Revenue Sources Not Subject to Sunset</u>	<u>\$2,412,047,023</u>	<u>\$2,410,220,194</u>	<u>\$2,503,417,017</u>	<u>\$2,602,391,217</u>	<u>\$4,822,267,217</u>	<u>78.3%</u>	<u>\$5,105,808,234</u>	<u>87.8%</u>	<u>\$283,541,017</u>

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Notes:

[a.] Some of the sunsets scheduled to occur in the 2013-15 biennium result in a decrease in the tax rate or fee paid by all taxpayers, such as the change to the Local School Support Tax rate and the Business License Fee, while others result in a decrease in the tax rate for some taxpayers and increase for others, such as the Modified Business Tax on Non-financial Businesses. The sunset on the Net Proceeds of Minerals tax does not result in a reduction of the tax rate, but the amount of tax paid during the biennium due to the change in the timing and reporting of the tax under current statute.

[b.] Some of the sunsets scheduled to occur in the 2013-15 biennium result from the portion of a tax or proceeds from a revenue source being required to be deposited in the General Fund for the 2011-13 biennium, but not in the 2013-15 biennium under current statute.

[1.] For FY 2013, the Net Proceeds of Minerals is collected based on estimated mining activity reported by mining operators for calendar year 2013. Beginning on January 1, 2014, the tax paid by a mining operation in a given fiscal year is based on the actual mining activity reported by that operator in the prior fiscal year. Thus, for FY 2014, there will be no Net Proceeds of Minerals Tax imposed for calendar year 2013 activity, as taxes for that calendar year will have already been paid in FY 2013. In FY 2015, Net Proceeds of Minerals Tax revenue will be based on actual mining activity reported for calendar year 2014.

[2.] For FY 2013, mining operations may not deduct from gross proceeds the cost of premiums for industrial insurance and the actual cost of hospital and medical attention and accident benefits and group insurance for all employees, when calculating net proceeds for the operation's Net Proceeds of Minerals liability. For FY 2014 and FY 2015, these costs may be deducted from gross proceeds in determining Net Proceeds of Minerals Tax liability.

[3.] For FY 2013, the General Fund's 0.75 percent commission kept to defray costs related to collection and distribution of the Local School Support Tax (LSST) is based on the LSST rate of 2.60 percent. For FY 2014 and FY 2015, the commission is based on an LSST rate of 2.25 percent.

[4.] For FY 2013, the Modified Business Tax on Non-financial Institutions (MBT – NFI) is imposed at a rate of zero on the first \$62,500 of taxable wages in a calendar quarter, and at a rate of 1.17 percent on all taxable wages in excess of \$62,500 in that calendar quarter. For FY 2014 and FY 2015, the tax is imposed at a rate of 0.63 percent on all taxable wages in a calendar quarter.

[5.] For FY 2013, the Business License Fee imposed on business entities in the state is at an annual rate of \$200. For FY 2014 and FY 2015, the annual rate is reduced to \$100.

[6.] For FY 2013, \$1 per quarter per slot machine in a restricted or non-restricted location is deposited in the Account to Support Programs for the Prevention and Treatment of Problem Gambling. For FY 2014 and FY 2015, the amount deposited in this account increases to \$2 per quarter per slot machine.

[7.] For FY 2013, the portion of the Governmental Services Tax attributable to the 10 percent increase in the depreciation schedule originally approved pursuant to Senate Bill 429 (2009 Session) is deposited in the State General Fund. For FY 2014 and FY 2015, this portion is required to be deposited in the State Highway Fund.

[8.] For FY 2013, a portion of the commissions and penalties collected by the Department of Motor Vehicles from the imposition of the Governmental Services Tax are deposited in the State General Fund. For FY 2014 and FY 2015, these proceeds are retained by the department for deposit in the Motor Vehicle Fund.

[9.] For FY 2013, up to \$19,218,718 must be transferred from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund. For FY 2014 and FY 2015, similar transfers are not required under current law.