

**GENERAL FUND REVENUE ESTIMATES FOR THE 2011-13 BIENNIUM  
AND ACTUAL COLLECTIONS FOR PRIOR BIENNIUMS**

	Actual			Estimated	2011-13 Increase (Decrease) Compared to 2009-11	2011-13 Percentage Increase (Decrease) Compared to 2009-11
	2005-07 Biennium	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium <sup>1</sup>		
<b>Beginning balance</b>	\$68,015,056	\$295,541,176	\$361,843,514	\$996,832,711 <sup>2</sup>	\$634,989,197	175.5%
<b>Revenue source</b>						
Sales and use tax	\$841,930,866	\$1,046,485,684	\$1,267,211,331	\$1,382,234,660	\$115,023,329	9.1%
Motor vehicle excise tax	125,722,268	130,151,534	124,425,401 <sup>3</sup>	183,039,167	58,613,766	47.1%
Individual income tax	587,659,377	681,703,888	729,255,895 <sup>4</sup>	540,999,000 <sup>4,6</sup>	(188,256,895)	(25.8%)
Corporate income tax	232,294,310	239,695,937	234,364,296 <sup>5</sup>	122,577,000 <sup>5,6</sup>	(111,787,296)	(47.7%)
Insurance premium tax	52,873,010	64,388,601	63,150,948	70,560,000	7,409,052	11.7%
Business privilege tax	9,702,362	10,486,495	6,748,753	1,375,000 <sup>6</sup>	(5,373,753)	(79.6%)
Cigarette and tobacco tax	44,683,370	45,230,771	46,253,470	43,902,000	(2,351,470)	(5.1%)
Oil and gas gross production tax	45,970,447 <sup>7</sup>	39,309,315 <sup>7</sup>	32,718,333 <sup>7</sup>	133,834,000 <sup>8</sup>	101,115,667	309.0%
Oil extraction tax	25,029,553 <sup>7</sup>	31,690,685 <sup>7</sup>	38,281,667 <sup>7</sup>	166,166,000 <sup>8</sup>	127,884,333	334.1%
Coal conversion tax	49,217,864	49,438,952	39,064,299	35,764,000	(3,300,299)	(8.4%)
Gaming tax	17,986,019	20,042,392	16,189,991	9,241,952	(6,948,039)	(42.9%)
Lottery	12,600,000	11,055,000	10,400,000	11,000,000	600,000	5.8%
Wholesale liquor tax	12,787,869	14,076,919	15,163,855	14,934,000	(229,855)	(1.5%)
Mineral leasing fees	13,960,279	25,306,589	17,521,635	17,000,000	(521,635)	(3.0%)
Interest income	36,507,217	49,506,190	43,684,825	42,700,000	(984,825)	(2.3%)
Departmental collections	53,781,397	62,143,185	68,577,582	63,284,446	(5,293,136)	(7.7%)
<b>Total revenues</b>	<b>\$2,162,706,208</b>	<b>\$2,520,712,137</b>	<b>\$2,753,012,281</b>	<b>\$2,838,611,225</b>	<b>\$85,598,944</b>	<b>3.1%</b>
<b>Transfers and other sources</b>						
Transfer - Bank of North Dakota	\$60,000,000	\$60,000,000	\$0	\$0 <sup>9</sup>	\$0	N/A
Transfer - Student loan trust	9,000,000	3,100,000	0	0	0	N/A
Transfer - Mill and Elevator	5,000,000	0	13,902,268	6,650,000 <sup>10</sup>	(7,252,268)	(52.2%)
Transfer - Gas tax administration	1,400,000	1,274,056	1,288,000	1,485,000	197,000	15.3%
Transfer - Lands and minerals trust fund	6,800,000	15,000,000	35,000,000	0	(35,000,000)	(100.0%)
Transfer - Permanent oil tax trust fund	55,300,000	115,000,000	1,124,935,590 <sup>11</sup>	0	(1,124,935,590)	(100.0%)
Transfer - Property tax relief sustainability fund	0	0	0	295,000,000	295,000,000	N/A
Transfer - Strategic investment and improvements fund	0	0	0	305,000,000	305,000,000	N/A
Transfer - Health care trust fund	16,900,000	0	0	0	0	N/A
Transfer - Information technology savings	0	0	0	0	0	N/A
Transfers - Other	310,132	177,186	4,556,650	0	(4,556,650)	(100.0%)
<b>Total transfers and other sources</b>	<b>\$154,710,132</b>	<b>\$194,551,242</b>	<b>\$1,179,682,508</b>	<b>\$608,135,000</b>	<b>(\$571,547,508)</b>	<b>(48.4%)</b>
<b>Total beginning balance, revenues, and transfers</b>	<b>\$2,385,431,396</b>	<b>\$3,010,804,555</b>	<b>\$4,294,538,303</b>	<b>\$4,443,578,936</b>	<b>\$149,040,633</b>	<b>3.5%</b>
Federal fiscal relief payments	\$0	\$0	\$0	\$0	\$0	N/A
<b>Total revenues, including federal fiscal relief payments</b>	<b>\$2,385,431,396</b>	<b>\$3,010,804,555</b>	<b>\$4,294,538,303</b>	<b>\$4,443,578,936</b>	<b>\$149,040,633</b>	<b>3.5%</b>

<sup>1</sup> Legislative amounts for the 2011-13 biennium.

<sup>2</sup> This amount is the actual July 1, 2011, general fund balance.

<sup>3</sup> Senate Bill No. 2012 (2009) provided for 25 percent of motor vehicle excise taxes to be deposited in the highway fund rather than the general fund for the 2009-11 biennium. This bill reduced general fund motor vehicle excise tax collections by \$41.5 million for the 2009-11 biennium.

<sup>4</sup> The amount shown for the 2009-11 biennium reflects a revenue reduction of \$90 million relating to income tax relief. The amount shown for the 2011-13 biennium reflects a revenue reduction of an additional \$120 million relating to income tax rate reductions of 17.9 percent as provided for in House Bill No. 1047 (2011).

<sup>5</sup> The amount shown for the 2009-11 biennium reflects a revenue reduction of \$10 million relating to income tax relief. The amount shown for the 2011-13 biennium reflects a revenue reduction of an additional \$25 million relating to income tax rate reductions of 19.5 percent as provided for in House Bill No. 1047 (2011).

<sup>6</sup> This amount reflects a revenue reduction of \$5 million relating to tax credits for contributions to a housing incentive fund. Senate Bill No. 2210 (2011) allows taxpayers to claim up to 20 percent of the credit during a tax year and limits the aggregate amount of tax credits for all contributions to \$4 million. Senate Bill No. 2371 (2011) increases the tax credit to 100 percent during tax years 2011 and 2012 and increases the aggregate amount for all contributors from \$4 million to \$15 million for these years only. The tax types affected include individual and corporate income taxes and business privilege tax. Senate Bill No. 2371 resulted in a reduction of \$11 million of general fund revenues for the 2011-13 biennium, \$3,666,667 for each individual income, corporate income, and business privilege tax type.

<sup>7</sup> From 1999 through 2003, North Dakota Century Code Section 57-51.1-07.2 provided that if, at the end of any biennium, oil and gas gross production and extraction tax collections during the biennium exceed \$62 million, the excess amount must be transferred from the general fund to the permanent oil tax trust fund. Interest on money in the fund is transferred to the general fund. Section 26 of Senate Bill No. 2015 (2003) amended Section 57-51.1-07.2 so that all revenues deposited in the general fund during a biennium that are derived from the oil and gas gross production tax which exceed \$71 million are to be transferred into the permanent oil tax trust fund, instead of the prior \$62 million limit. In August 2003, \$11.91 million was transferred from the permanent oil tax trust fund to the general fund, pursuant to Section 6 of Senate Bill No. 2015.

Total oil and gas tax collections were \$120.5 million during the 2003-05 biennium, resulting in \$49.5 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2005, balance in the permanent oil tax trust fund was \$50.4 million.

Total oil and gas tax collections were \$240.8 million during the 2005-07 biennium, resulting in \$169.8 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2007, balance in the permanent oil tax trust fund was \$143.3 million.

Total oil and gas tax collections were \$555.3 million during the 2007-09 biennium, resulting in \$484.3 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2009, balance in the permanent oil tax trust fund was \$489.7 million.

Total oil and gas tax collections were \$1,052.5 million for the 2009-11 biennium, resulting in \$981.5 million being transferred to the permanent oil tax trust fund. The Legislative Assembly in 2009 authorized transfers from the permanent oil tax trust fund for funding centers of excellence (\$6,620,541), higher education capital projects and programs (\$13,616,145), transfer to the property tax relief sustainability fund (\$295,000,000), water project grants (\$2,526,445), grants to tribal colleges (\$700,000), funding for Prairie Public Broadcasting (\$1,008,100), and for a transfer to the general fund of \$435,000,000, of which \$295,000,000 is for property tax relief. The June 30, 2011, balance in the permanent oil tax trust fund was \$689.9 million. The Legislative Assembly in 2011 repealed the permanent oil tax trust fund and provided for a transfer of the balance in the fund to the general fund at the end of the 2009-11 biennium.

<sup>8</sup> The Legislative Assembly in 2011 created a new section to Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

The first \$200 million is deposited in the general fund;

The next \$341,790,000 is deposited in the property tax relief sustainability fund;

The next \$100 million is deposited in the general fund;

The next \$100 million is deposited in the strategic investment and improvements fund;

The next \$22 million is deposited in the state disaster relief fund; and

Any additional revenues are deposited in the strategic investment and improvements fund.

Total oil and gas tax collections are estimated to be \$774 million for the 2011-13 biennium. House Bill No. 1013 (2011) increases the allocation of oil and gas gross production taxes to the oil and gas impact grant fund from \$8 million to \$100 million, reducing the state's share of oil and gas gross production tax collections by \$92 million, from \$774 million to \$682 million. Of the \$682 million, \$4 million is to be deposited in the oil and gas research fund, \$300 million in the general fund, \$341,790,000 in the property tax relief sustainability fund, and \$36,210,000 in the strategic investment and improvements fund.

<sup>9</sup> The Legislative Assembly removed the \$60 million transfer from the Bank of North Dakota for the general fund included in the executive budget.

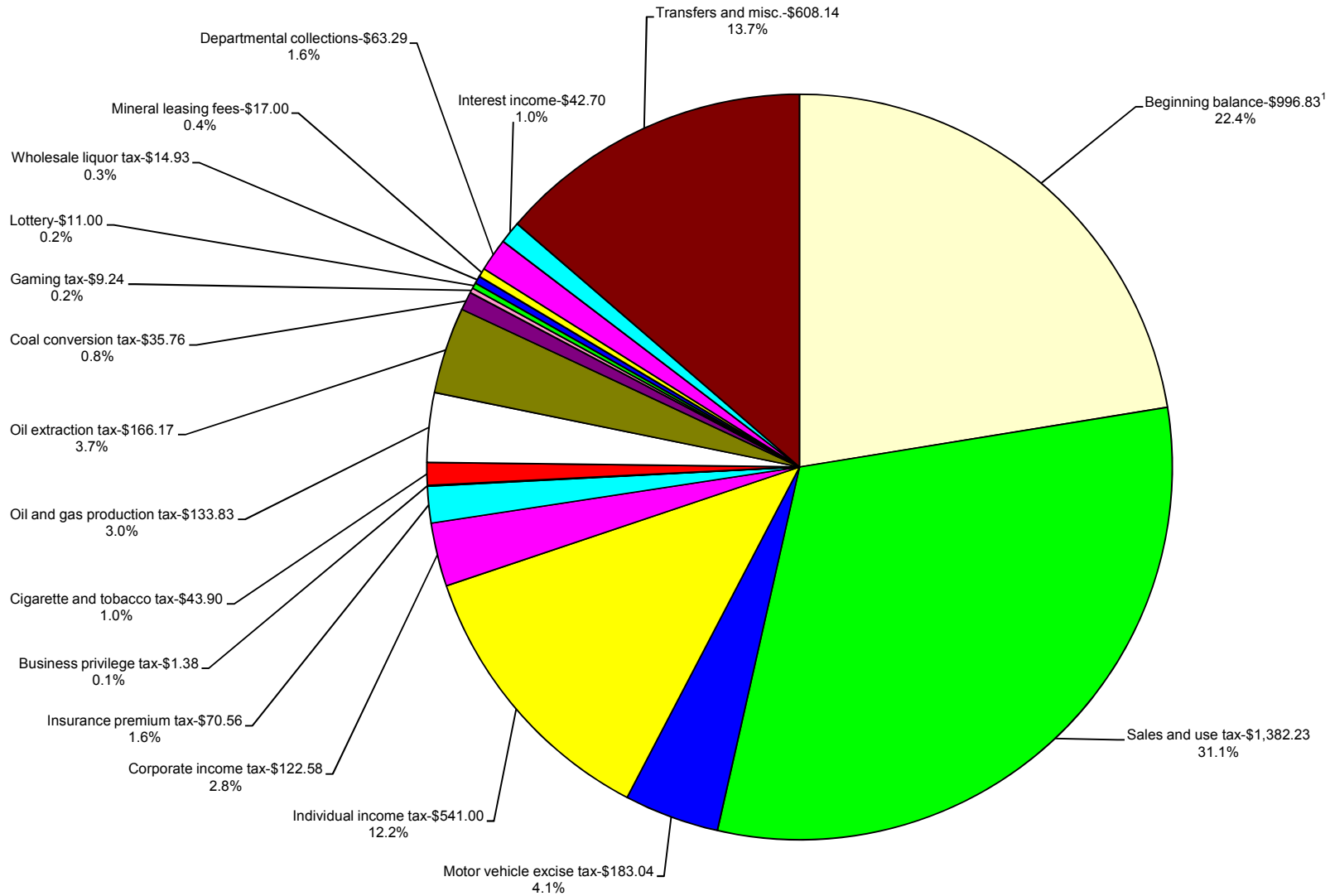
<sup>10</sup> The Legislative Assembly in 2009 repealed the \$5 million transfer from the Mill and Elevator for the 2007-09 biennium and provided for future transfers from the Mill and Elevator based on a percentage of mill profits. The amount shown for the 2011-13 biennium is the estimated transfer based on projected Mill and Elevator profits for the 2011-13 biennium.

<sup>11</sup> The Legislative Assembly in 2011 repealed the permanent oil tax trust fund and provided for a transfer of the balance in the fund to the general fund at the end of the 2009-11 biennium. Therefore, transfers from the permanent oil tax trust fund increased from \$435 million as provided for by the Legislative Assembly in 2009 to \$1,124.9 million due to action by the Legislative Assembly in 2011 to repeal the permanent oil tax trust fund at the end of the 2009-11 biennium in House Bill No. 1451 (2011).

## 2011-13 ESTIMATED GENERAL FUND REVENUES

Total 2011-13 Estimated General Fund Revenues - \$4,443.58

(Amounts Shown in Millions)



<sup>1</sup>Actual July 1, 2011, general fund balance.

## 2009-11 ACTUAL GENERAL FUND REVENUES

Total 2009-11 Actual General Fund Revenues - \$4,294.54  
(Amounts Shown in Millions)

