

# INDIVIDUAL INCOME TAX

(CONSENSUS FORECASTING GROUP)

THOMAS JONES, PH.D.

DECEMBER 17, 2021

Office of State Budget Director

## Individual Income Tax Receipts History

(\$ millions, nominal)

2

|        | <b>IIT</b> | <b>% chg</b> |
|--------|------------|--------------|
| FY17   | 4,393.9    | 2.6          |
| FY18   | 4,603.6    | 4.8          |
| FY19   | 4,544.7    | -1.3         |
| FY20   | 4,765.2    | 4.9          |
| FY21   | 5,143.8    | 7.9          |
| FY22Q1 | 1,262.3    | 6.5          |
| Oct-21 | 433.2      | 12.3         |
| Nov-21 | 408.9      | 13.5         |

## Methodology

3

Withholding =  $f(\text{KY Wages and Salaries})$

Range: 2001 Q1 to 2022 Q2

Seasonally Adjusted

First Differences

AR(1)

Declarations = 3-yr moving average

+\$20 million to FY22

## Methodology cont.

4

NetReturns:

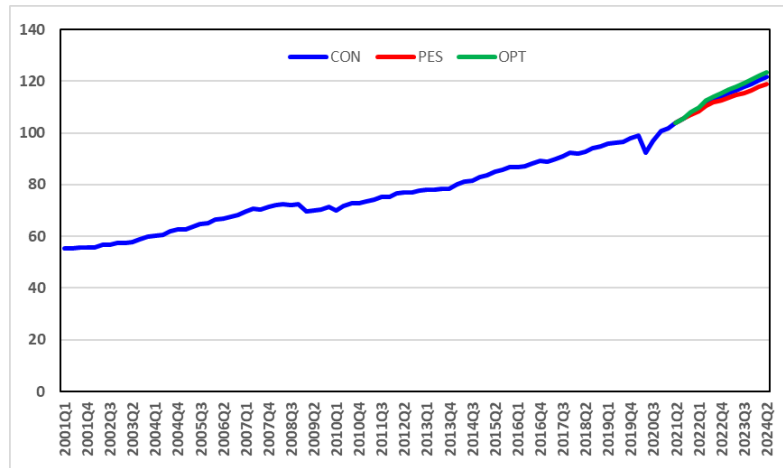
- \* Evaluation of PAYS and REFUNDS for last three years
- \* Modified by tax law changes (itemized filers)
- \* Modified by UI withholding adjustments

Fiduciary = 3-yr moving average

# Kentucky Wages and Salaries

(\$ billions, SAAR)

5



# Withholding Forecasts

(\$ millions, nominal)

6

|             | <u>CON</u> | <u>% chg</u> | <u>PES</u> | <u>% chg</u> | <u>OPT</u> | <u>% chg</u> |
|-------------|------------|--------------|------------|--------------|------------|--------------|
| <b>FY20</b> | 4,276.0    | 3.2          | 4,276.0    | 3.2          | 4,276.0    | 3.2          |
| <b>FY21</b> | 4,530.2    | 5.9          | 4,530.2    | 5.9          | 4,530.2    | 5.9          |
| <b>FY22</b> | 4,928.2    | 8.8          | 4,919.5    | 8.6          | 4,940.1    | 9.0          |
| <b>FY23</b> | 5,162.4    | 4.8          | 5,118.0    | 4.0          | 5,195.3    | 5.2          |
| <b>FY24</b> | 5,347.7    | 3.6          | 5,271.9    | 3.0          | 5,392.7    | 3.8          |

## Withholding Control Comparison

(\$ millions, nominal)

7

|             | <u>OCT</u> | <u>% chg</u> | <u>DEC</u> | <u>% chg</u> | <u>\$ diff</u> |
|-------------|------------|--------------|------------|--------------|----------------|
| <b>FY20</b> | 4,276.0    | 3.2          | 4,276.0    | 3.2          |                |
| <b>FY21</b> | 4,530.2    | 5.9          | 4,530.2    | 5.9          |                |
| <b>FY22</b> | 4,782.2    | 5.6          | 4,928.2    | 8.8          | 146.0          |
| <b>FY23</b> | 4,981.7    | 4.2          | 5,162.4    | 4.8          | 180.7          |
| <b>FY24</b> | 5,149.7    | 3.4          | 5,347.7    | 3.6          | 198.0          |

## Declarations Forecast

(\$ millions, nominal)

8

|             | <u>OCT</u> | <u>% chg</u> | <u>DEC</u> | <u>% chg</u> | <u>\$ diff</u> |
|-------------|------------|--------------|------------|--------------|----------------|
| <b>FY20</b> | 523.7      | -3.0         | 523.7      | -3.0         |                |
| <b>FY21</b> | 611.1      | 16.7         | 611.1      | 16.7         |                |
| <b>FY22</b> | 569.4      | -6.8         | 569.4      | -6.8         | 0.0            |
| <b>FY23</b> | 568.1      | -0.2         | 568.1      | -0.2         | 0.0            |
| <b>FY24</b> | 582.9      | 2.6          | 582.9      | 2.6          | 0.0            |

## Net Returns Forecast

(\$ millions, nominal)

9

|             | <u>OCT</u> | <u>% chg</u> | <u>DEC</u> | <u>% chg</u> | <u>\$ diff</u> |
|-------------|------------|--------------|------------|--------------|----------------|
| <b>FY20</b> | -35.6      | -75.1        | -35.6      | -75.1        |                |
| <b>FY21</b> | 3.3        | -109.3       | 3.3        | -109.3       |                |
| <b>FY22</b> | -50.0      | -1,616.4     | -50.0      | -1,616.4     | 0.0            |
| <b>FY23</b> | -49.0      | -2.0         | -49.0      | -2.0         | 0.0            |
| <b>FY24</b> | -48.0      | -2.0         | -48.0      | -2.0         | 0.0            |

## Fiduciary Forecast

(\$ millions, nominal)

10

|             | <u>OCT</u> | <u>% chg</u> | <u>DEC</u> | <u>% chg</u> | <u>\$ diff</u> |
|-------------|------------|--------------|------------|--------------|----------------|
| <b>FY20</b> | 1.1        | -61.7        | 1.1        | -61.7        |                |
| <b>FY21</b> | -0.8       | -168.6       | -0.8       | -168.6       |                |
| <b>FY22</b> | 1.6        | -306.6       | 1.6        | -306.6       | 0.0            |
| <b>FY23</b> | 1.2        | -28.1        | 1.2        | -28.1        | 0.0            |
| <b>FY24</b> | 1.2        | 0.6          | 1.2        | 0.6          | 0.0            |

## Legislation Adjustments

(\$ millions, nominal)

11

FY22 -\$30.5 million

FY23 -\$48.8 million

FY24 -\$37.4 million

## Individual Income Tax Forecast

(\$ millions, nominal)

12

|             | <u>OCT-CON % chg</u> |     | <u>DEC-CON % chg</u> |     | <u>\$ Diff</u> | <u>DEC-PES % chg</u> |     | <u>DEC-OPT % chg</u> |     |
|-------------|----------------------|-----|----------------------|-----|----------------|----------------------|-----|----------------------|-----|
| <b>FY20</b> | 4,765.2              | 4.9 | 4,765.2              | 4.9 |                | 4,765.2              | 4.9 | 4,765.2              | 4.9 |
| <b>FY21</b> | 5,143.8              | 7.9 | 5,143.8              | 7.9 |                | 5,143.8              | 7.9 | 5,143.8              | 7.9 |
| <b>FY22</b> | 5,272.7              | 2.5 | 5,418.8              | 5.3 | 146.0          | 5,410.1              | 5.2 | 5,430.6              | 5.6 |
| <b>FY23</b> | 5,453.1              | 3.4 | 5,633.8              | 4.0 | 180.7          | 5,589.4              | 3.3 | 5,666.8              | 4.3 |
| <b>FY24</b> | 5,648.3              | 3.6 | 5,846.3              | 3.8 | 198.0          | 5,770.5              | 3.2 | 5,891.3              | 4.0 |

## Individual Income Tax Needs

(\$ millions, nominal)

13

|                          |         |
|--------------------------|---------|
| FY22 Est                 | 5,418.8 |
| FY22 YTD (JUL-NOV)       | 2,104.3 |
| FY21 YTD (JUL-NOV)       | 1,930.4 |
| YTD % chg                | 9.0     |
| FY21 ROY (DEC-JUN)       | 3,213.3 |
| FY22 ROY NEEDS (DEC-JUN) | 3,314.4 |
| FY22 NEEDS growth (%)    | 3.1     |

## Individual Income Tax Needs

Percent Change

14

|             | <u>YTD</u> | <u>FY22 Est</u> | <u>NEEDS</u> |
|-------------|------------|-----------------|--------------|
| Control     | 9.0%       | 5.3%            | 3.1%         |
| Pessimistic | 9.0%       | 5.2%            | 2.9%         |
| Optimistic  | 9.0%       | 5.6%            | 3.5%         |

# COAL SEVERANCE TAX

(CONSENSUS FORECASTING GROUP)

THOMAS JONES, PH.D.

DECEMBER 17, 2021

Office of State Budget Director

## Coal History

(\$ millions, nominal)

16

|                 | <u>Actual</u> | <u>% chg</u> |
|-----------------|---------------|--------------|
| <b>FY16</b>     | 120.6         | -33.1        |
| <b>FY17</b>     | 100.5         | -16.7        |
| <b>FY18</b>     | 89.6          | -10.8        |
| <b>FY19</b>     | 92.9          | 3.6          |
| <b>FY20</b>     | 58.8          | -36.7        |
| <b>FY21</b>     | 56.1          | -4.7         |
| <b>FY22Q1</b>   | 12.9          | 6.1          |
| <b>Oct 2021</b> | 6.3           | 36.7         |
| <b>Nov 2021</b> | 5.5           | -24.8        |



## Energy Markets Information

17

- Severed Tons falling until recently
- Severed Tons Rose for last 2 quarters
- Central Appalachian prices are rising, abruptly
- Illinois Basin prices are rising somewhat
- Price of West Texas Intermediate has been rising, but is expected to fall over forecast horizon
- Price of natural gas has been rising, but is expected to fall over forecast horizon

## Methodology

18

Coal Receipts = f(PPI Coal, West Texas Intermediate Price of Oil, Henry Hub Price of Natural Gas, Real Consumer Spending on Durables)

\* Range: 2001 Q1 to 2022 Q2

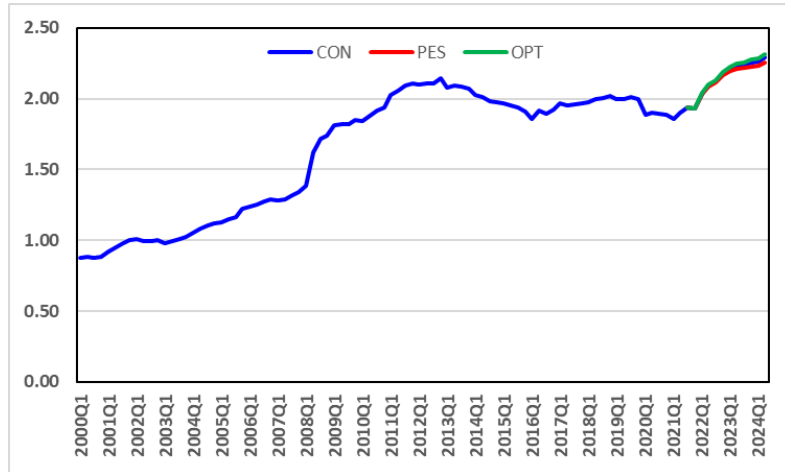
\* All Seasonally Adjusted Variables

\* First Differences

# Producer Price Index for Coal

(1982 = 1.00, SA)

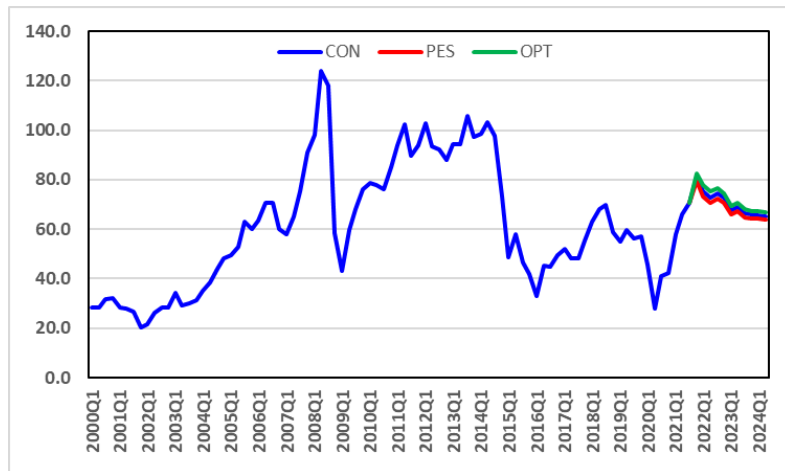
19



# Price of West Texas Intermediate Oil

(\$, nominal)

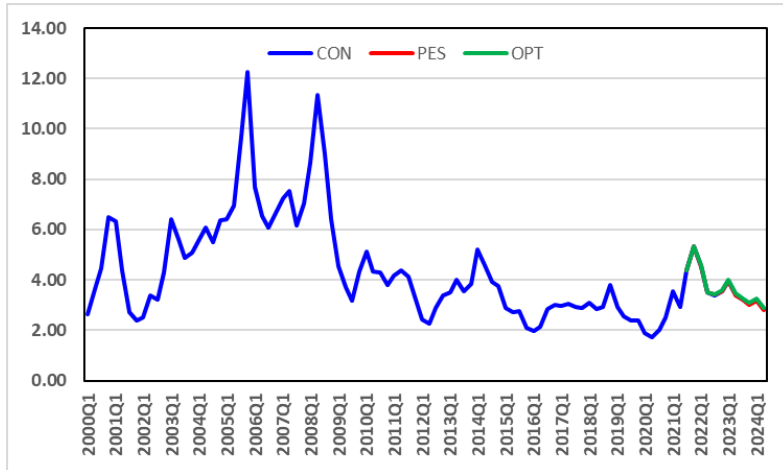
20



# Henry Hub Price of Natural Gas

(\$, nominal)

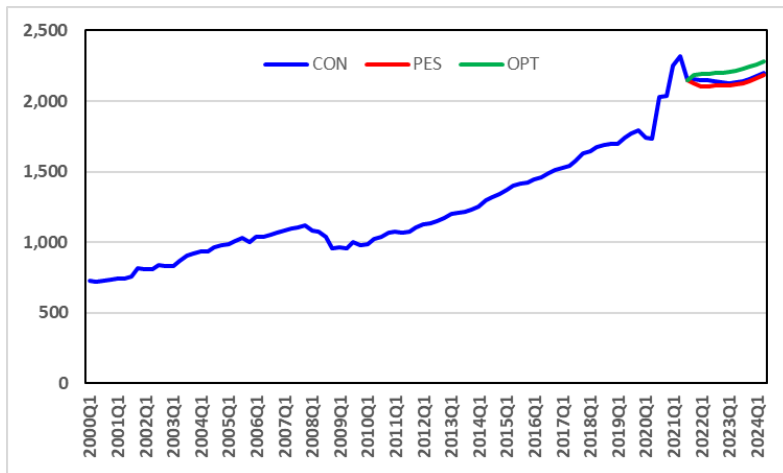
21



# Real Consumer Spending Durables

(\$ billions 2012, AR)

22



## Legislation Adjustments

(\$ millions, nominal)

23

|      |              |
|------|--------------|
| FY22 | -1.3 million |
| FY23 | -1.3 million |
| FY24 | -1.3 million |

## Coal Forecasts

(\$ millions, nominal)

24

|             | <u>OCT-CON % chg</u> |       | <u>DEC-CON % chg</u> |       | <u>\$ Diff</u> | <u>DEC-PES % chg</u> |       | <u>DEC-OPT % chg</u> |       |
|-------------|----------------------|-------|----------------------|-------|----------------|----------------------|-------|----------------------|-------|
| <b>FY20</b> | 58.8                 | -36.7 | 58.8                 | -36.7 |                | 58.8                 | -36.7 | 58.8                 | -36.7 |
| <b>FY21</b> | 56.1                 | -4.7  | 56.1                 | -4.7  |                | 56.1                 | -4.7  | 56.1                 | -4.7  |
| <b>FY22</b> | 64.1                 | 14.4  | 73.5                 | 31.1  | 9.4            | 73.9                 | 31.7  | 73.2                 | 30.5  |
| <b>FY23</b> | 76.6                 | 19.4  | 99.5                 | 35.3  | 22.9           | 99.8                 | 35.1  | 97.9                 | 33.8  |
| <b>FY24</b> | 75.2                 | -1.8  | 103.1                | 3.6   | 27.9           | 100.2                | 0.4   | 100.9                | 3.1   |

## Coal Needs

(\$ millions, nominal)

25

|                          |      |
|--------------------------|------|
| FY22 Est                 | 73.5 |
| FY22 YTD (JUL-NOV)       | 24.7 |
| FY21 YTD (JUL-NOV)       | 24.0 |
| YTD % chg                | 2.6  |
| FY21 ROY (DEC-JUN)       | 32.0 |
| FY22 ROY NEEDS (DEC-JUN) | 48.8 |
| FY22 NEEDS growth (%)    | 52.4 |

## Coal Needs

Percent Change

26

|             | YTD  | FY22 Est | NEEDS |
|-------------|------|----------|-------|
| Control     | 2.6% | 31.1%    | 52.4% |
| Pessimistic | 2.6% | 31.7%    | 53.5% |
| Optimistic  | 2.6% | 30.5%    | 51.4% |

# SALES TAX

## CONSENSUS FORECASTING GROUP

GREG HARKENRIDER  
DECEMBER 17, 2021

Office of State Budget Director

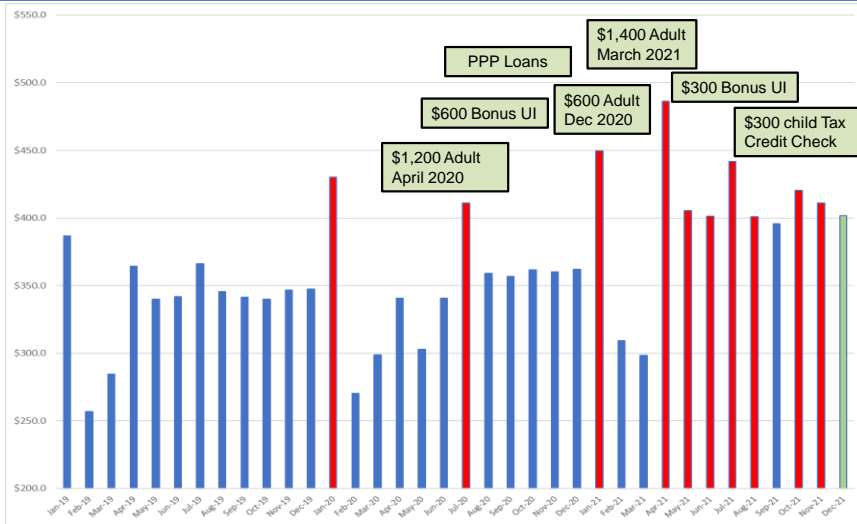
## Trends in the Sales Tax

28

- FY20 growth was 3.4 percent, fourth quarter -5.9 percent
- FY21 growth was 12.0 percent, fourth quarter +31.4 percent
  - ▣ Kentucky received considerable amounts of federal fiscal stimulus that bolstered consumer spending in FY21
    - Direct stimulus checks
    - Unemployment insurance
    - Payroll protection from PPP Loans
    - Other exogenous spending related to federal aid (Child Tax Credit)
- FY22 growth through November is also 12.0 percent
- Sales tax base has been expanding in recent years
  - Adding services, effective July 2018 (FY20 estimate was \$216.1 million when the bill originally passed)
  - Enhanced ability to tax online sales (\$265.6 million in FY21)

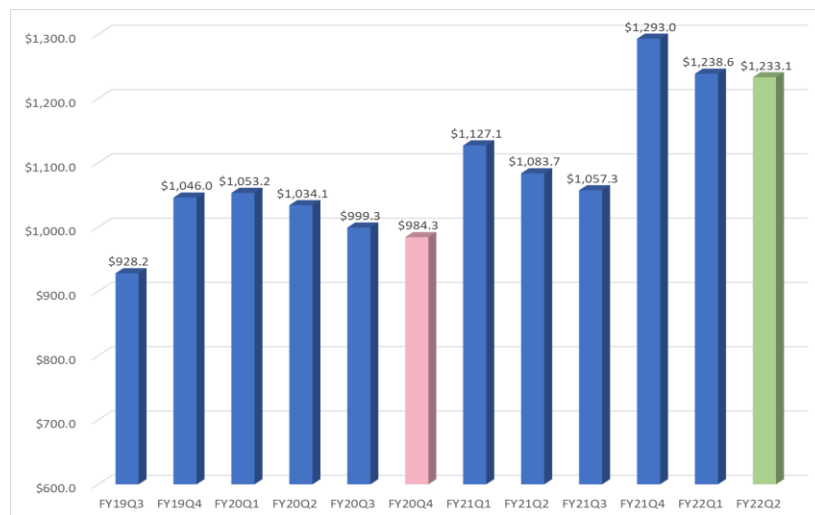
# Monthly Sales Tax Collections

(Millions \$, Influenced by Federal Stimulus efforts from CARES, CAA, and ARP)



# Quarterly Sales Tax Receipts

(Fiscal Year Quarters, Millions \$)



# Sales Tax Estimate for December

(Quarter Treated as history in the forecasting process)

31

|                   |                   |       |
|-------------------|-------------------|-------|
| October Actual    | \$420.4 million   | 16.3% |
| November Actual   | \$411.0 million   | 14.1% |
| December Estimate | \$401.7 million   | 11.0% |
| FY22 Q2 Estimate  | \$1,233.1 million | 13.8% |

# Updating the Sales Tax Estimate

32

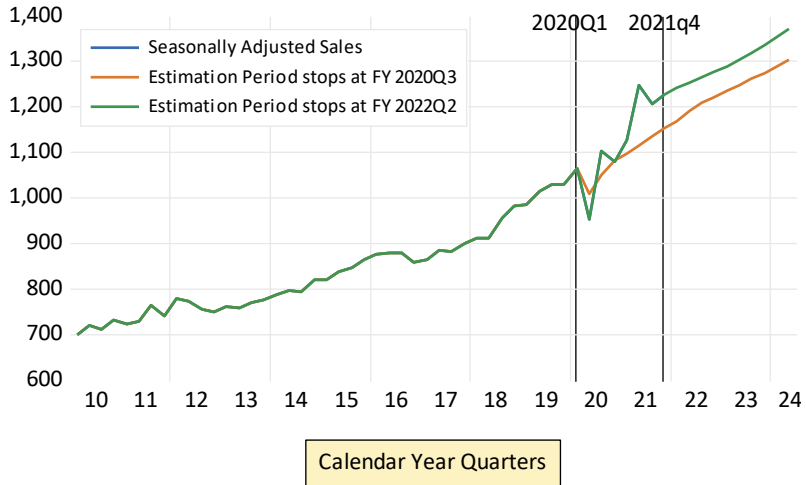
- Estimation Sample FY2010Q1 through FY2022Q2
- Re-ran the quarterly structural models and VAR models
  - Tried several structural variables (differenced data due to nonstationarity)
    - Income variables (KY wages, KY personal Income, US counterparts)
    - US State and Local Personal Taxes
    - Consumer spending – Durables, Domestic Purchases, U.S. Retail sales
  - VAR has seasonally adjusted sales tax and KY personal income as dependent variables, several different exogenous or predetermined variables
- Ultimately adopted a weighted blend of 4 models, primarily using GARCH estimation of structural and time series models



# Model Performance In-Sample

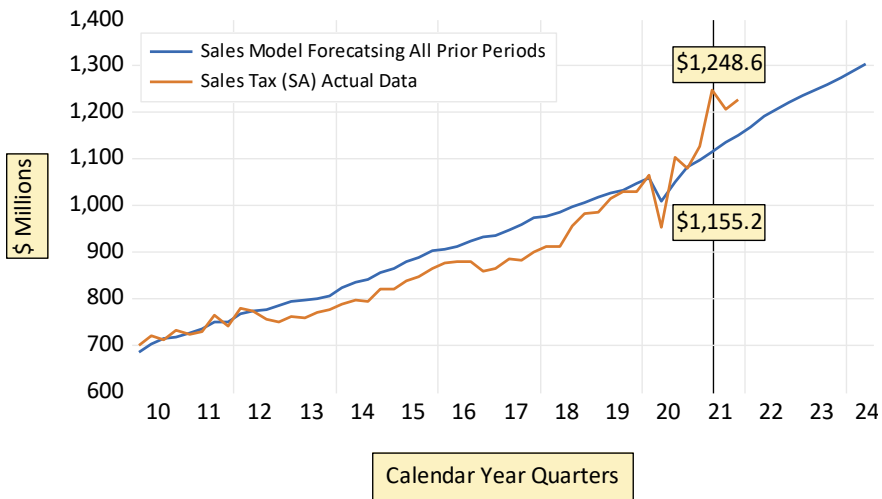
Millions \$, Using Structural Model

33



# More Forecasting In-Sample

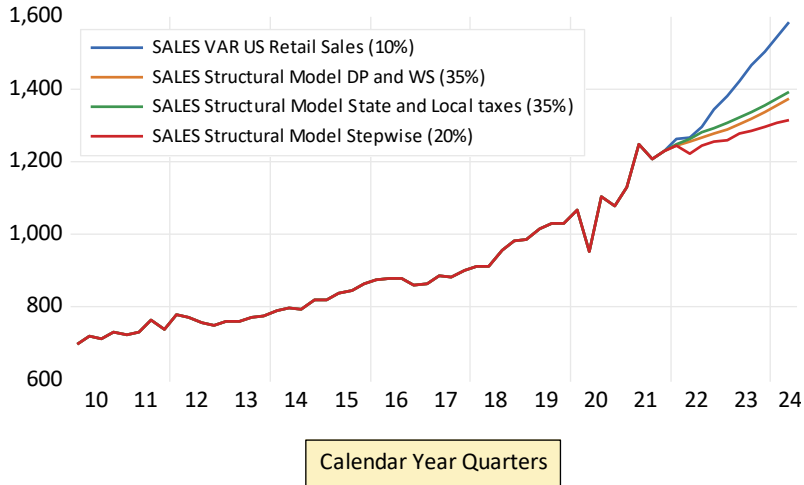
34



# Blended Sales Tax Model

(Quarterly Data, Calendar Year, Seasonally Adjusted, Millions \$)

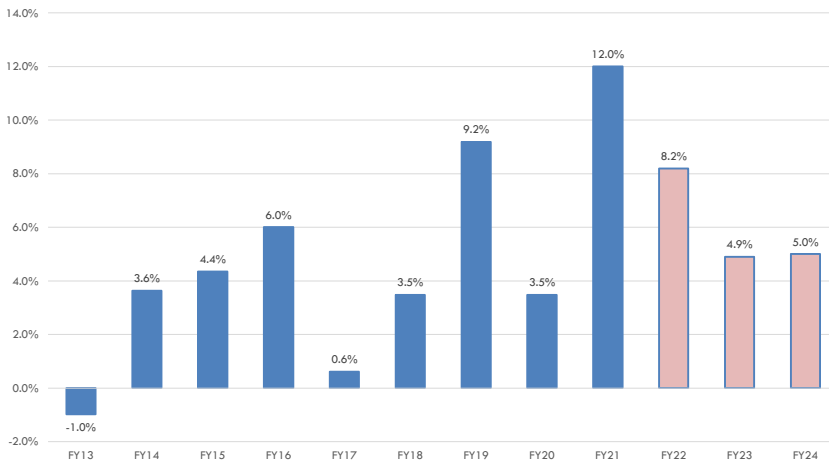
35



# Sales Tax Control Forecast

(Fiscal Year growth rates)

36



## Sales Tax Projections

(Millions \$)

37

| Fiscal Year | Control            | Optimistic         | Pessimistic        |
|-------------|--------------------|--------------------|--------------------|
| FY 2021     | \$4,561.0<br>12.0% | \$4,561.0<br>12.0% | \$4,561.0<br>12.0% |
| FY 2022     | \$4,932.8<br>8.2%  | \$4,968.6<br>8.9%  | \$4,881.7<br>7.0%  |
| FY 2023     | \$5,176.5<br>4.9%  | \$5,302.2<br>6.7%  | \$5,007.7<br>2.6%  |
| FY 2024     | \$5,434.4<br>5.0%  | \$5,603.7<br>5.7%  | \$5,151.6<br>2.9%  |

## Sales Tax Forecast Needs for FY22

Percent Change

38

|             | Estimate | YTD   | Needs<br>Dec-June |
|-------------|----------|-------|-------------------|
| Control     | 8.2%     | 12.0% | 5.6%              |
| Optimistic  | 8.9%     | 12.0% | 6.9%              |
| Pessimistic | 7.0%     | 12.0% | 3.7%              |

# CORPORATION & LLET TAX FORECASTS

(CONSENSUS FORECASTING GROUP)

GENE ZAPARANICK-BROWN

DECEMBER 17, 2021

Office of State Budget Director

## Corporate & LLET Forecast

Difference From October, Millions \$

40

|             | FY22   | FY23   | FY24   |
|-------------|--------|--------|--------|
| Control     | (14.5) | (23.7) | (16.0) |
| Optimistic  | (46.5) | (49.0) | (34.7) |
| Pessimistic | (10.1) | (17.3) | (23.5) |

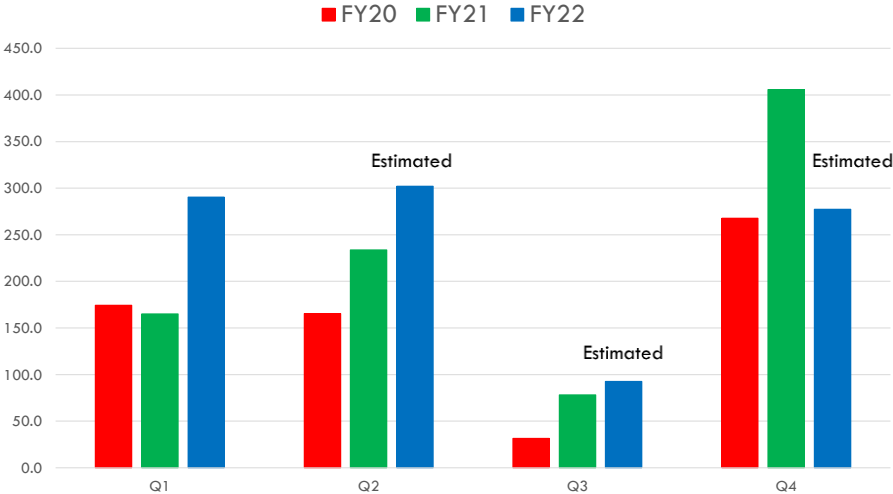
# FY22 Corporate/LLET Receipts

Millions \$

|           | Receipts | Inc/Dec | YTD    | % Chg  |
|-----------|----------|---------|--------|--------|
| July      | \$51.1   | \$33.9  | \$33.9 | 196.7% |
| August    | 16.7     | 11.9    | 45.8   | 207.3  |
| September | 222.7    | 79.7    | 125.5  | 76.0   |
| October   | 48.1     | 7.2     | 132.7  | 64.4   |
| November  | 23.9     | 5.8     | 138.5  | 61.7   |

# Quarterly Corporate/LLET Receipts

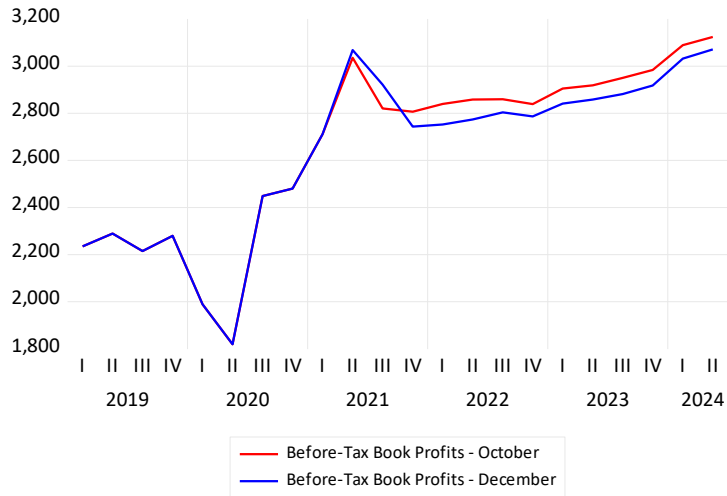
Millions \$



# US Corporate Profits, Before Tax

Control Forecast, Billions \$

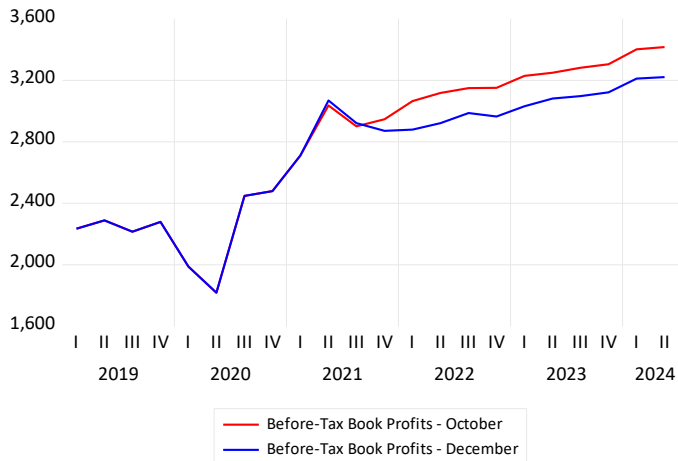
43



# US Corporate Profits, Before Tax

Optimistic Forecast, Billions \$

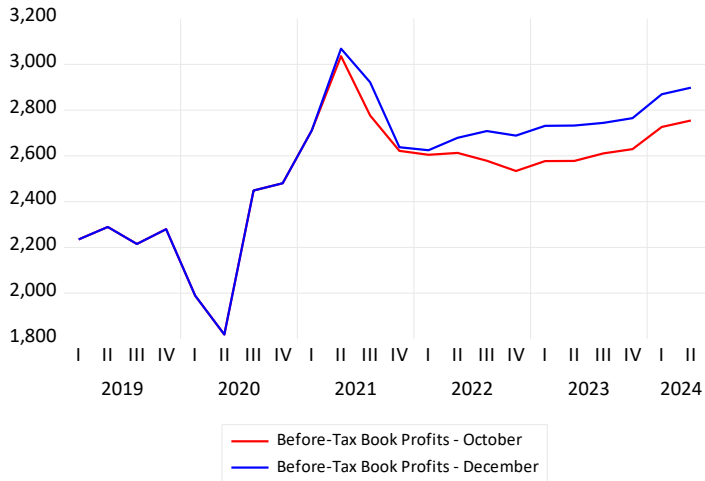
44



# US Corporate Profits, Before Tax

Pessimistic Forecast, Billions \$

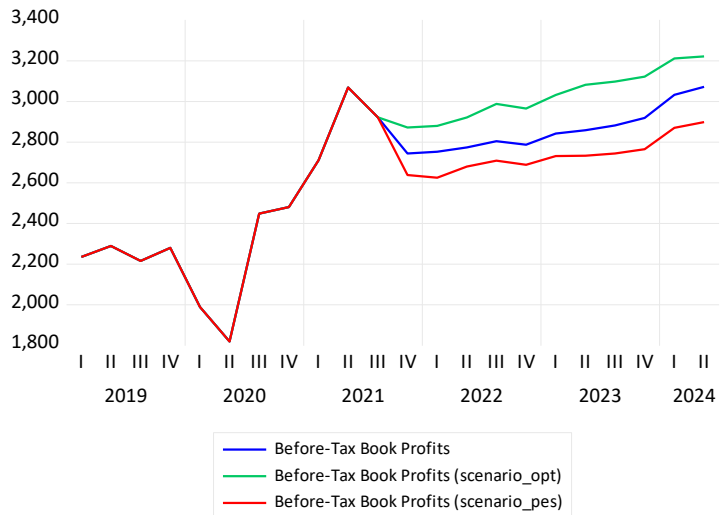
45



# US Corporate Profits, Before Tax

All Scenarios, Billions \$

46



## Corporate & LLET Forecast

47

|             | FY22     |      | FY23     |       | FY24     |      |
|-------------|----------|------|----------|-------|----------|------|
|             | Estimate | %Chg | Estimate | %Chg  | Estimate | %Chg |
| Control     | 962.3    | 9.0  | 878.6    | -8.7  | 931.8    | 6.1  |
| Optimistic  | 978.6    | 10.8 | 945.4    | -3.4  | 1,003.2  | 6.1  |
| Pessimistic | 916.1    | 3.8  | 791.2    | -13.6 | 818.4    | 3.4  |

## Corporate & LLET Forecast Needs

Percent Change

48

|             | Estimate | YTD   | Needs  |
|-------------|----------|-------|--------|
| Control     | 9.0%     | 61.7% | -9.0%  |
| Optimistic  | 10.8%    | 61.7% | -6.5%  |
| Pessimistic | 3.8%     | 61.7% | -16.0% |



# PROPERTY TAX FORECAST

(CONSENSUS FORECASTING GROUP)

GENE ZAPARANICK-BROWN

DECEMBER 17, 2021

Office of State Budget Director

## Changes to the Property Tax Forecast

(\$ millions)

50

|                       | FY22       | FY23       | FY24       |
|-----------------------|------------|------------|------------|
| REAL                  | 0.0        | 0.0        | 0.0        |
| TANGIBLE              | 2.5        | 4.8        | 7.1        |
| MOTOR VEHICLE         | 0.5        | (0.5)      | (1.4)      |
| DELINQUENT            | (0.5)      | 0.0        | 0.0        |
| OM TANGIBLE           | 1.5        | 1.0        | 0.0        |
| PUBLIC SERVICE        | (1.0)      | (1.0)      | 0.0        |
| OTHER                 | 0.0        | 0.0        | 0.0        |
| <b>TOTAL PROPERTY</b> | <b>3.0</b> | <b>4.3</b> | <b>5.7</b> |

## Property Tax Forecast

FY22-FY24

51

- Small changes to the forecast
- All revisions are based on YTD receipts
- Real property, the largest of the accounts, unchanged because of the collection cycle began in November
- There is limited information on the remaining accounts as well but enough to make some conclusions
  - ▣ Tangible
  - ▣ Motor Vehicle
  - ▣ Omitted
  - ▣ Delinquent
  - ▣ Public service

## Property Tax Forecast

FY22 – FY24

52

|                     | FY22         |            | FY23         |            | FY24         |            |
|---------------------|--------------|------------|--------------|------------|--------------|------------|
|                     | \$M          | %Chg       | \$M          | %Chg       | \$M          | %Chg       |
| REAL                | 330.5        | 4.1        | 344.1        | 4.1        | 357.9        | 4.0        |
| TANGIBLE            | 123.7        | 4.3        | 127.7        | 3.2        | 130.4        | 2.1        |
| MOTOR VEHICLE       | 165.0        | -0.8       | 175.0        | 6.1        | 183.8        | 5.0        |
| DELINQUENT          | 6.5          | -12.1      | 6.0          | -7.7       | 6.0          | 0.0        |
| OMITTED TANGIBLE    | 10.5         | -0.9       | 9.0          | -14.3      | 8.0          | -11.1      |
| APPORTIONED VEHICLE | 5.0          | -24.1      | 5.0          | 0.0        | 5.0          | 0.0        |
| PUBLIC SERVICE      | 70.5         | -3.4       | 71.0         | 0.7        | 72.5         | 2.1        |
| OTHER               | 2.3          | -11.5      | 2.2          | -4.3       | 2.1          | -4.5       |
| <b>TOTAL</b>        | <b>714.0</b> | <b>1.6</b> | <b>740.0</b> | <b>3.6</b> | <b>765.6</b> | <b>3.5</b> |

# CIGARETTE TAX

## CONSENSUS FORECASTING GROUP

GREG HARKENRIDER

DECEMBER 17, 2021

Office of State Budget Director

## Cigarette Trends

54

- ❑ FY20 cigarette tax revenue was 0.4% higher than FY19 on a tax rate-neutral basis
- ❑ FY21 cigarette tax revenue was 1.4% lower than FY20
- ❑ Through November in FY22, cigarette stamp receipts have been down by 6.6%
- ❑ Prices are rising / discounts abating on many cigarette brands
- ❑ “COVID Effect” increase in cigarette usage has waned
- ❑ Monthly growth rates have been quite volatile, as several large wholesalers dominate the market
- ❑ Not a monthly return, so payments for stamps can be irregular

# Cigarette Tax Forecast

(Millions \$)

55

| Fiscal Year | Control          |
|-------------|------------------|
| FY 2021     | \$349.9<br>-1.4% |
| FY 2022     | \$334.7<br>-4.3% |
| FY 2023     | \$322.0<br>-3.8% |
| FY 2024     | \$309.1<br>-4.0% |

56

## KENTUCKY LOTTERY CONSENSUS FORECASTING GROUP

GREG HARKENRIDER

DECEMBER 17, 2021

Office of State Budget Director

# Lottery Dividends

57

- FY21 Kentucky Lottery Financials
  - Record sales of \$1,586.3 million (\$382.9 million and 31.8% more than FY20)
    - Instant tickets up 29.8% from FY20 (\$961.7 million total)
    - Draw games 17.9% higher than FY20 (\$506.0 million total)
    - Lottery instant play 256.7% higher than FY20 (\$118.6 million total)
  - Total prizes to players up 33.2%
- Historical Dividend Performance
  - FY20 -- \$271.4 million General Fund
  - FY21 -- \$289.1 million General Fund
  - FY21 -- \$347.1 million General Fund and Trust and Agency Account (per House Bill 192)

# Lottery Trends in FY22

58

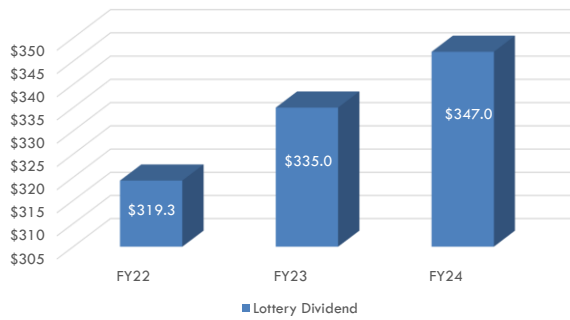
- Shift in the mix of ticket sales
  - iLottery instant play games showing continued growth
    - Instant play sales through November are up \$46 million or 139.5% from the same period in FY21 and \$11.3 million or 16.7% compared to budget.
    - Instant play sales account for 11.6% of total sales through November compared to 7.5% in FY21 and 10.7% budgeted.
    - Instant play games have a higher percentage payout than any other lottery product
  - Scratch-off game sales remain strong
  - Growth in Draw Games has slowed
- Operating expenses remain low

# Kentucky Lottery Forecast

(\$ millions)

59

| FY 2022 | FY2023  | FY2024  |
|---------|---------|---------|
| \$319.3 | \$335.0 | \$347.0 |



60

## MISCELLANEOUS “OTHER” TAXES

(CONSENSUS FORECASTING GROUP)

GREG HARKENRIDER

DECEMBER 17, 2021

Office of State Budget Director

# Changes to Other Taxes Since October

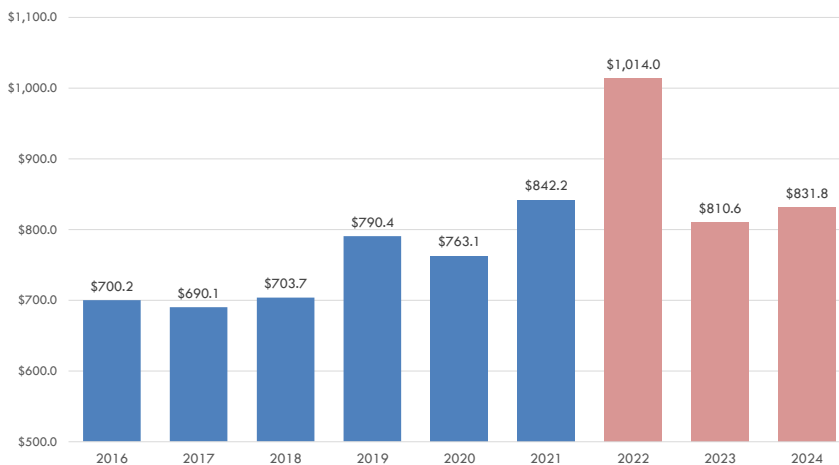
61

- Re-evaluated every account to adjust for YTD FY22 actual receipts
- FY22 forecast has been raised by \$26.7 million
- Positive upgrades to:
  - Alcohol taxes
  - Insurance premiums
  - Inheritance tax
  - Pari-mutuel
  - Other tobacco products
  - Natural gas Severance/Oil production

# “Other” Receipts Forecast

(Millions \$)

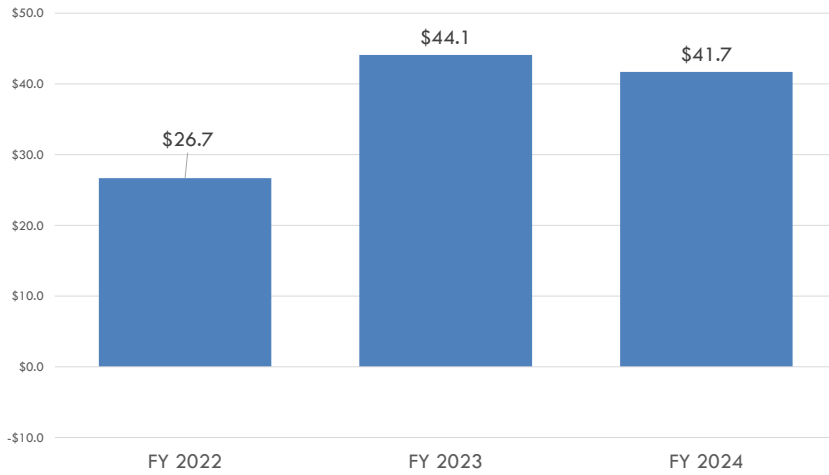
62



# “Other” Differences from October

(Millions \$)

63



64

## GENERAL FUND REMARKS

(PUTTING THE FORECAST IN CONTEXT)

GREG HARKENRIDER

DECEMBER 17, 2021

Office of State Budget Director



## Control Forecast Versus Historical Periods

(Compound Annual Growth Rates)

65

|                       | Compound Annual Growth Rates |             |             |
|-----------------------|------------------------------|-------------|-------------|
|                       | FY21-24                      | FY15-21     | FY10-21     |
| Individual Income Tax | 4.4%                         | 4.0%        | 4.5%        |
| Sales tax             | 6.0%                         | 5.7%        | 4.6%        |
| Business Taxes        | 1.8%                         | 2.7%        | 7.9%        |
| Property Taxes        | 2.9%                         | 3.7%        | 2.8%        |
| Lottery               | 6.3%                         | 4.5%        | 3.4%        |
| Cigarettes            | -4.0%                        | 8.0%        | 2.1%        |
| Coal Severance        | 22.5%                        | -17.7%      | -13.4%      |
| Other                 | -0.4%                        | 3.3%        | 2.7%        |
| <b>General Fund</b>   | <b>4.3%</b>                  | <b>4.3%</b> | <b>4.1%</b> |

## FY22 Needs to Hit Alternative Scenarios

(Growth over FY21 needed from December 2021 through June 2022 to hit estimates)

66

| Scenario    | Needs |
|-------------|-------|
| Control     | 1.4%  |
| Optimistic  | 2.1%  |
| Pessimistic | 0.0%  |

## Differences from Official FY22 Estimate

(Millions \$)

67

| Scenario    | FY22 Estimate | FY22 Official Estimate | Difference from Official |
|-------------|---------------|------------------------|--------------------------|
| Control     | \$13,769.4    | \$11,849.8             | \$1,919.6                |
| Optimistic  | \$13,833.0    | \$11,849.8             | \$1,983.2                |
| Pessimistic | \$13,663.7    | \$11,849.8             | \$1,813.9                |

## Quarterly GF Revenue Growth in FY21

68

