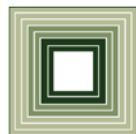


General Fund Revenue and Cumulative Revenue Changes

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FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Presentation Outline

- General Fund revenue: Actual compared to revenue grown by State's population growth plus inflation
- Cumulative revenue changes since fiscal year 2010-2011

General Fund Revenue

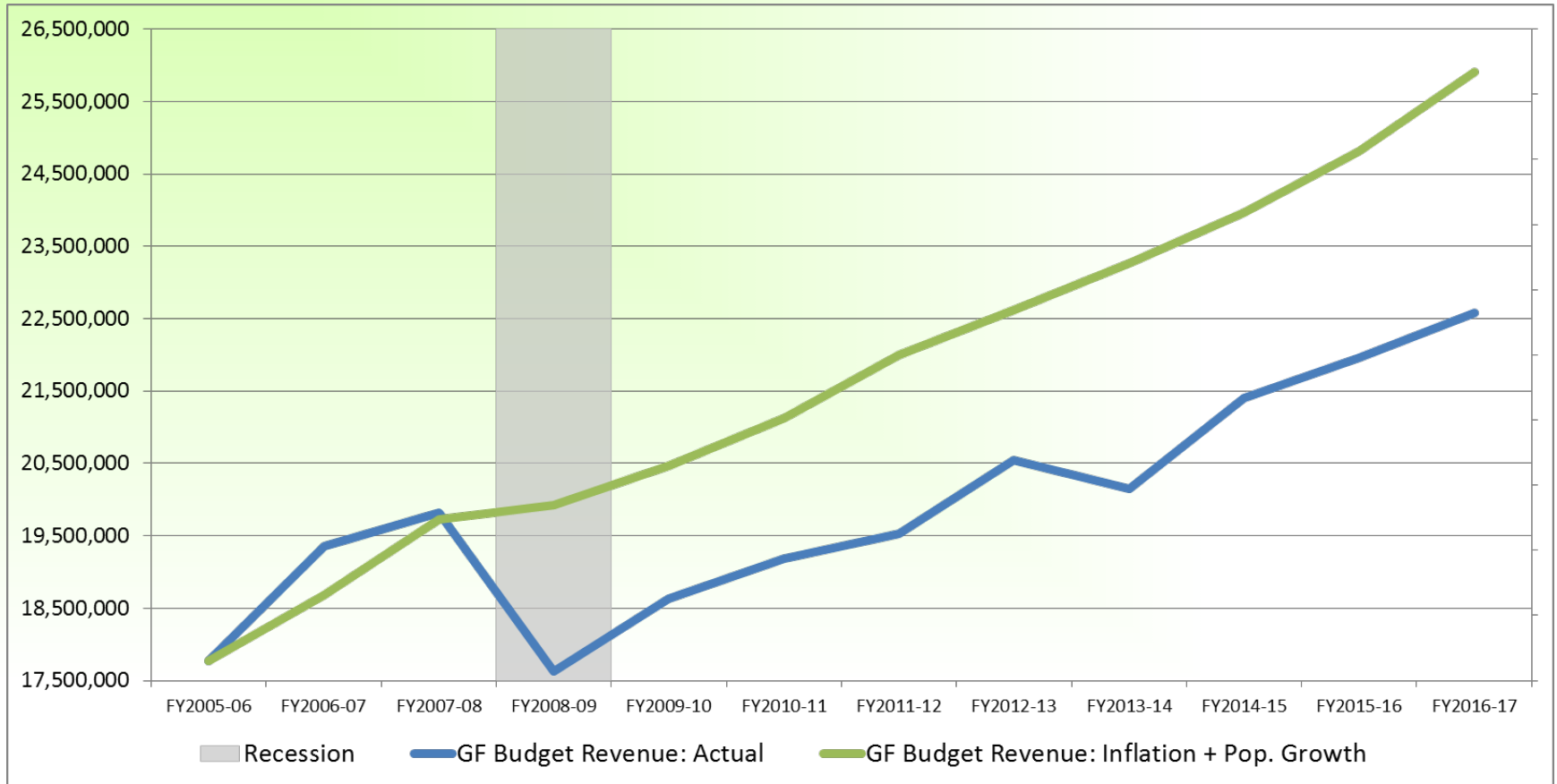
- **GF Revenue** = Tax Revenue + Non-Tax Revenue + Transfers
- **State Population Growth** – Estimated fiscal year growth (US Census, Moody's Analytics)
- **Inflation** – Consumer Price Index (Bureau of Labor Statistics, Moody's Analytics)

General Fund Revenue

General Fund Revenue compared with Revenue if growth equaled the combined growth in population and inflation, starting with FY 2005-06 (\$ ths., projections in **bold**)

Fiscal Year	GF Budget Revenue: Actual	GF Budget Revenue: Inflation + Pop. Growth	Difference	Inflation and Pop. Growth
FY2005-06	17,774,349	17,774,349	-	-
FY2006-07	19,360,944	18,677,192	683,752	5.1%
FY2007-08	19,824,856	19,729,878	94,978	5.6%
FY2008-09	17,626,702	19,922,167	(2,295,465)	1.0%
FY2009-10	18,635,469	20,463,824	(1,828,356)	2.7%
FY2010-11	19,183,147	21,126,785	(1,943,638)	3.2%
FY2011-12	19,534,015	22,001,639	(2,467,624)	4.1%
FY2012-13	20,541,576	22,622,362	(2,080,785)	2.8%
FY2013-14	20,153,218	23,268,220	(3,115,002)	2.9%
FY2014-15	21,401,100	23,966,266	(2,565,166)	3.0%
FY2015-16	21,965,100	24,816,111	(2,851,011)	3.5%
FY2016-17	22,576,100	25,912,417	(3,336,317)	4.4%

General Fund Revenue



Tax and Non-tax Revenue Changes

- Changes include
 - Allowing rate increases and tax incentives to sunset
 - Changes to the tax code in H998 (S.L.2013-316)
 - Non-Tax revenue change

Revenue Changes

- Cumulative revenue changes are net of all tax law changes and non-tax changes

Estimated cumulative revenue changes since FY2010-11 (\$ Mil.)		
	FY 15-16	FY 16-17
Personal Income	(\$1,085.6)	(\$1,094.1)
Sales & Use	(655.7)	(630.3)
Corporate Income	(483.4)	(708.6)
Other Tax, Non-Tax, and Transfers	(35.9)	(41.8)
Total Fiscal Impact	(\$2,260.6)	(\$2,474.8)

Conclusion

- Why hasn't revenue kept up with the State's population growth and inflation?
 - In part, economic conditions since the drop-off in FY 2008-09 have not kept pace
 - And, in part, due to tax and revenue changes enacted the last four years