

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE
 STATE CAPITOL BUILDING
 900 COURT ST. NE RM 160
 SALEM, OREGON 97301
 PHONE (503) 986-1266
 FAX (503) 986-1770

Chris Allanach, Legislative Revenue Officer

LRO FORECAST SUMMARY

September 2020

NEW FACTS SINCE THE LAST FORECAST

	2nd Qtr 2020 Forecast	2nd Qtr 2020 Actuals	Difference
Employment	1,553,616	1,729,917	176,301
Personal Income (\$ billion)	224.4	246.9	22.5
Personal Income Tax (\$ million)			
Withholding	1,727.8	1,997.7	269.9
Other Payments less Refunds	-87.5	23.2	110.6
Total	1,640.3	2,020.8	380.5
Corporate Income Tax	219.6	287.4	67.8

NEW FACTS

- Second Quarter personal income tax collections were up \$380.5 million (23.2%) from the June 2020 forecast.
- Second Quarter corporate income tax collections were up \$67.8 million (30.9%) from the June 2020 forecast.
- Second Quarter Oregon personal income was \$22.5 billion (10.0%) above the June 2020 forecast.
- Second Quarter Oregon employment was 176,301 jobs (11.3%) above the June 2020 forecast.

2019-21

CHANGE FROM CLOSE OF SESSION
(\$ Million)

General Fund Resources	Close of Session	September 2020 Forecast	Difference
Beginning Balance	2,318.4	2,709.4	390.9
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Personal	18,283.5	18,175.5	-108.0
Corporate	1,190.8	1,330.5	139.7
Other	1,546.1	1,688.3	142.2
Gross GF Revenue	21,020.4	21,194.3	173.9
Shared Services Fund	-45.3	-40.3	4.9
Rainy Day Fund	-56.8	-66.5	-9.8
PERS UAL Fund	-101.5	0.0	101.5
Net GF Revenue	20,816.9	21,087.4	270.5
Lottery Resources**	1,530.9	1,342.0	-188.9
Anticipated Administrative Actions***	-21.5	-21.5	0.0
Net GF and Lottery Resources	24,445.3	24,918.9	473.6

** All lottery resources including dedicated funds.

*** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

CHANGE SINCE CLOSE OF SESSION

- Personal income tax revenue is down \$108.0 (-0.6%) million from the 2019 COS estimate.
- Corporate tax revenue is up \$139.7 million (11.7%) from the 2019 COS estimate.
- General Fund gross revenue is up \$173.9 million (0.8%) from the 2019 COS estimate.
- Net GF and Lottery resources are up \$473.6 million (1.9%) from the 2019 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	September 2020 Forecast	Amount +/- Kicker Threshold
Personal & Other	19,829.6	20,226.2	19,863.8	-362.4
Corporation*	1,171.3	1,194.7	1,311.0	116.3

* As per the AG, the corporate kicker calculation excludes the minimum tax paid by S-corporations because it is a flat tax.

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: No personal kicker is projected for 2021.

CORPORATE: Corporate tax revenue of \$139.7 million is projected to be dedicated to K-12 education spending in 2021-23.

2019-21

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	June 2020 Forecast	September 2020 Forecast	Difference
Beginning Balance	2,709.4	2,709.4	0.0
Transfer to Rainy Day Fund	-198.3	-198.3	0.0
Personal	16,879.3	18,175.5	1,296.2
Corporate	1,081.8	1,330.5	248.7
Other	1,564.2	1,688.3	124.1
Gross GF Revenue	19,525.3	21,194.3	1,669.0
Shared Services Fund	-40.3	-40.3	0.0
Rainy Day Fund	-66.5	-66.5	0.0
PERS UAL Fund	-145.0	0.0	145.0
Net GF Revenue	19,273.4	21,087.4	1,814.0
Administrative Actions*	-21.5	-21.5	0.0
Net General Fund Resources	21,763.0	23,577.0	1,814.0
Lottery Resources**	1,192.3	1,342.0	149.7
Net GF and Lottery Resources	22,955.2	24,918.9	1,963.7
Select Other Funds			
Corporate Activities**	1,186.6	1,203.1	16.5
Marijuana**	260.5	291.3	30.8

* Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

** All receipts including dedicated funds.

REVENUE CHANGES

- Projected 2019-21 Net General Fund Resources are up \$1,814.0 million (9.4%) from the June 2020 forecast.
- Projected 2019-21 Lottery resources are up \$149.7 million (12.6%) from the June 2020 forecast.
- Projected combined net General Fund and Lottery Resources are up \$1,963.7 million (8.6%) from the June 2020 forecast.

2019-21

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	September 2020 Forecast	Difference
Beginning Balance	2,318.4	2,709.4	390.9
Transfer to Rainy Day Fund	-199.5	-198.3	1.1
Revenue	20,816.9	21,087.4	270.5
Administrative Actions	-21.5	-21.5	0.0
Total Resources	22,914.4	23,577.0	662.6
Expenditures	22,409.5	21,863.3	-546.2
Ending Balance	504.9	1,713.7	1,208.7
Rainy Day Fund Transfer	224.1	218.6	-5.5
Remaining Balance	280.8	1,495.1	1,214.2

ENDING BALANCE

- The projected ending balance is up \$1,208.7 million from the 2019 Close-of-Session estimate.
- The projected ending balance is up \$2,378.1 million from the June 2020 forecast.
- The Rainy Day Fund is projected to receive \$218.6 million following the 2019-21 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	June 2020 Forecast	September 2020 Forecast	Difference
Beginning Balance	2,709.4	2,709.4	0.0
Transfer to Rainy Day Fund	-198.3	-198.3	0.0
Revenue	19,273.4	21,087.4	1,814.0
Administrative Actions	-21.5	-21.5	0.0
Total Resources	21,763.0	23,577.0	1,814.0
Expenditures	22,427.4	21,863.3	-564.1
Ending Balance	-664.4	1,713.7	2,378.1
Rainy Day Fund Transfer	0.0	218.6	218.6
Remaining Balance	-664.4	1,495.1	2,159.5

2019-21

Reserve Fund Position				
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	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$621.1	\$666.6		\$1,287.7
Deposits	\$204.7	\$264.9		\$469.6
Interest	\$18.9	\$20.7		\$39.6
Withdrawals	\$418.9	\$0.0		\$418.9
Projected Ending Balance	\$424.4	\$952.2	\$1,713.7	\$3,090.2

*Excludes funds in the Oregon Growth and the Oregon Resource and Technology Development subaccounts.

2021-23

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2020 Forecast	September 2020 Forecast	Difference
Beginning Balance*	0.0	1,713.7	1,713.7
Transfer to Rainy Day Fund	0.0	-218.6	-218.6
Personal	18,508.1	19,687.7	1,179.6
Corporate	1,157.6	1,260.4	102.8
Other	1,266.8	1,272.1	5.3
Gross GF Revenue	20,932.5	22,220.2	1,287.7
Shared Services Fund	-42.1	-37.2	4.9
Rainy Day Fund	-43.3	-54.3	-11.1
PERS UAL Fund	-15.8	-17.3	-1.5
Net GF Revenue	20,831.3	22,111.4	1,280.1
Net General Fund Resources	20,831.3	23,606.5	2,775.1
Lottery Resources**	1,355.2	1,479.8	124.6
Net GF and Lottery Resources	22,186.6	25,086.2	2,899.7
Select Other Funds			
Corporate Activities**	2,207.2	2,221.3	14.1
Marijuana**	286.6	334.0	47.4

* Assumed a June 2020 forecast beginning balance of \$0 reflective of balanced budget requirement and June 2020 forecast for 2019-21 ending balance of -\$664.4M.

** All receipts including dedicated funds

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2020 Forecast	September 2020 Forecast	Difference
Personal	21,309.5	22,152.0	842.4
Corporate	1,369.9	1,418.6	48.7
Other	1,349.0	1,350.5	1.5
Gross GF Revenue	24,028.5	24,921.1	892.6
Shared Services Fund	-43.4	-35.5	7.9
Rainy Day Fund	-46.3	-52.4	-6.1
Net GF Revenue	23,938.8	24,833.2	894.4
Lottery Resources*	1,569.9	1,634.0	64.1
Net GF and Lottery Resources	25,508.7	26,467.2	958.4
Select Other Funds			
Corporate Activities*	2,574.2	2,587.2	13.0
Marijuana*	308.1	345.9	37.8

* All receipts including dedicated funds

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2020 Forecast	September 2020 Forecast	Difference
Personal	24,231.7	24,643.8	412.1
Corporate	1,689.7	1,699.5	9.9
Other	1,449.3	1,446.7	-2.6
Gross GF Revenue	27,370.7	27,790.0	419.4
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-54.8	-59.0	-4.2
Net GF Revenue	27,315.9	27,731.0	415.1
Lottery Resources*	1,722.9	1,794.4	71.5
Net GF and Lottery Resources	29,038.8	29,525.4	486.6
Select Other Funds			
Corporate Activities*	2,861.3	2,874.2	12.9
Marijuana*	335.6	361.5	25.9

* All receipts including dedicated funds

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2020 Forecast	September 2020 Forecast	Difference
Personal	27,479.4	27,797.4	318.0
Corporate	1,876.4	1,880.5	4.1
Other	1,581.2	1,569.8	-11.5
Gross GF Revenue	30,937.0	31,247.6	310.6
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-67.6	-70.7	-3.1
Net GF Revenue	30,869.5	31,176.9	307.5
Lottery Resources*	1,843.3	1,918.6	75.3
Net GF and Lottery Resources	32,712.7	33,095.5	382.8
Select Other Funds			
Corporate Activities*	3,182.6	3,196.7	14.1
Marijuana*	361.7	375.3	13.6

* All receipts including dedicated funds

Biennial Net Revenue Growth: 1993 - 2029

	Personal	Corporate	Other	Total
1993-95 to 1995-97	17.1%	18.8%	28.4%	18.3%
1995-97 to 1997-99	13.0%	-13.9%	-17.6%	7.7%
1997-99 to 1999-01	22.6%	28.2%	2.8%	21.5%
1999-01 to 2001-03	-11.9%	-44.4%	97.9%	-7.5%
2001-03 to 2003-05	16.8%	52.5%	-35.4%	11.4%
2003-05 to 2005-07	22.8%	31.7%	6.4%	22.1%
2005-07 to 2007-09	-8.6%	-18.9%	10.2%	-8.0%
2007-09 to 2009-11	3.7%	20.9%	29.8%	6.8%
2009-11 to 2011-13	15.7%	6.8%	-4.1%	13.1%
2011-13 to 2013-15	14.8%	25.0%	-12.4%	13.2%
2013-15 to 2015-17	15.4%	8.1%	25.2%	15.5%
2015-17 to 2017-19	17.1%	39.4%	3.9%	17.6%
2017-19 to 2019-21	-3.4%	-24.1%	26.1%	-3.2%
2019-21 to 2021-23	8.4%	-4.6%	-25.7%	4.9%
2021-23 to 2023-25	12.5%	13.3%	7.6%	12.3%
2023-25 to 2025-27	11.4%	20.1%	7.1%	11.7%
2025-27 to 2027-29	12.8%	10.3%	8.5%	12.4%