

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE
FISCAL YEARS 2005/2006 THROUGH 2011/2012 (IN MILLIONS)**

Revenue	ACTUAL 2005/06	ACTUAL 2006/07	FORECAST 2007/08 EOB	FORECAST 2007/08 Feb. 10, 2008	FORECAST 2008/09 Feb. 10, 2008	FORECAST 2009/10 Feb. 10, 2008	FORECAST 2010/11 Feb. 10, 2008	FORECAST 2011/12 Feb. 10, 2008
Alcoholic Beverage Tax	16.7	17.9	17.0	19.0	19.0	19.0	19.0	19.0
Beer Tax	36.5	36.1	37.0	36.5	36.5	36.5	36.5	36.5
Corporate Franchise Tax	262.4	299.6	284.8	247.4	247.8	190.7	155.2	130.5
Corporate Income Tax	506.2	752.8	520.5	663.1	681.9	564.9	547.3	576.2
Corporate Total	768.6	1,052.4	805.4	910.5	929.7	755.6	702.5	706.7
Gasoline and Special Fuels Tax	593.3	606.9	628.0	610.0	632.0	651.0	669.0	683.0
Gift Tax	2.7	5.4	4.0	3.0	-	-	-	-
Hazardous Waste Tax	4.5	5.1	5.0	4.5	4.5	4.5	4.5	4.5
Individual Income Tax	2,512.0	3,257.1	2,569.0	2,981.0	2,776.1	2,847.5	2,967.5	3,093.5
Inheritance Tax	8.5	5.8	4.0	3.0	1.4	1.4	1.4	1.4
Natural Gas Franchise Tax	4.4	12.7	7.0	5.0	5.0	5.0	5.0	5.0
Public Utilities	3.6	4.2	3.5	5.0	5.0	5.0	5.0	5.0
Auto Rental Excise	6.1	5.4	5.5	5.5	5.5	5.5	5.5	5.5
Sales Tax	2,724.2	2,837.7	2,849.0	2,835.3	2,960.2	2,866.2	2,957.5	3,049.5
Severance Tax	724.9	910.0	776.8	945.0	843.0	760.0	742.0	731.0
Supervision&Inspection Fees	5.1	6.0	4.5	6.0	6.0	6.0	6.0	6.0
Tobacco Tax	136.9	146.0	140.4	143.7	141.1	140.7	140.3	139.9
Unknown Owners	31.0	26.5	30.0	28.0	28.0	28.0	28.0	28.0
Miscellaneous Receipts	5.4	6.5	5.4	6.5	6.5	6.5	6.5	6.5
TOTAL REVENUE DEPT	7,584.3	8,941.4	7,891.4	8,547.5	8,399.5	8,138.4	8,296.1	8,520.9
Royalties	425.3	517.4	460.0	582.0	552.0	446.0	415.0	420.0
Rentals	17.2	23.7	20.7	22.0	22.1	17.8	16.6	16.8
Bonuses	33.1	46.7	36.8	24.0	24.0	24.0	24.0	24.0
Royalty Interest	3.7	1.3	1.0	2.0	1.0	1.0	1.0	1.0
TOTAL MINERAL BOARD	479.3	589.2	518.5	630.0	599.1	488.8	456.6	461.8
Interest on Investments	52.6	125.1	150.0	160.0	135.0	125.0	95.0	65.0
Interest Earnings (TTF)	8.6	14.9	10.0	15.0	9.0	8.0	7.0	6.0
Various Agency Receipts INA	31.4	58.6	31.4	32.3	32.3	32.3	32.3	32.3
Agency SGR Over-collections	21.1	18.3	16.2	18.3	18.3	18.3	18.3	18.3
Bond Reimbursements	4.1	4.3	4.1	4.3	4.3	4.3	4.3	4.3
Education Support Fund	63.7	65.2	61.2	67.0	65.0	65.0	65.0	65.0
Lottery	106.4	129.5	120.4	130.2	123.0	123.0	123.0	123.0
Land Based Casino	60.0	83.9	83.0	90.0	90.0	90.0	90.0	90.0
Tobacco Settlement	62.6	69.3	66.6	71.8	76.1	80.3	84.7	89.3
Provider Fees	102.2	101.3	97.1	108.4	106.3	106.3	106.3	106.3
TOTAL TREASURY	512.7	670.5	640.1	697.3	659.4	652.6	626.0	599.6
Excise License Tax	214.4	285.8	269.3	335.0	350.7	363.0	377.2	390.8
Insurance Fees	45.7	47.6	52.3	52.8	54.9	57.1	59.3	61.7
TOTAL INSURANCE	260.1	333.3	321.6	387.8	405.6	420.1	436.5	452.5
Misc Public Safety/ABP	13.7	11.9	12.1	10.8	10.4	11.6	12.5	12.7
Certificate of Title	27.3	25.5	26.3	22.9	22.0	24.2	26.2	26.8
Motor Vehicle License	99.9	97.6	98.0	95.0	94.0	97.0	98.0	100.0
Motor Vehicle Sales	380.5	359.5	337.0	327.0	314.0	322.0	328.0	335.0
Riverboat Gaming	403.1	389.3	356.0	383.0	379.0	375.0	371.0	367.0
Racetrack Slots	53.0	55.5	54.0	57.0	57.0	57.0	57.0	57.0
Video Poker	214.1	214.3	215.0	205.0	205.0	205.0	205.0	205.0
TOTAL PUBLIC SAFETY	1,191.6	1,153.6	1,098.4	1,100.7	1,081.3	1,091.7	1,097.7	1,103.5
Total TAX, LICENSES & FEES	10,028.1	11,688.0	10,470.0	11,363.3	11,144.9	10,791.6	10,912.9	11,138.3

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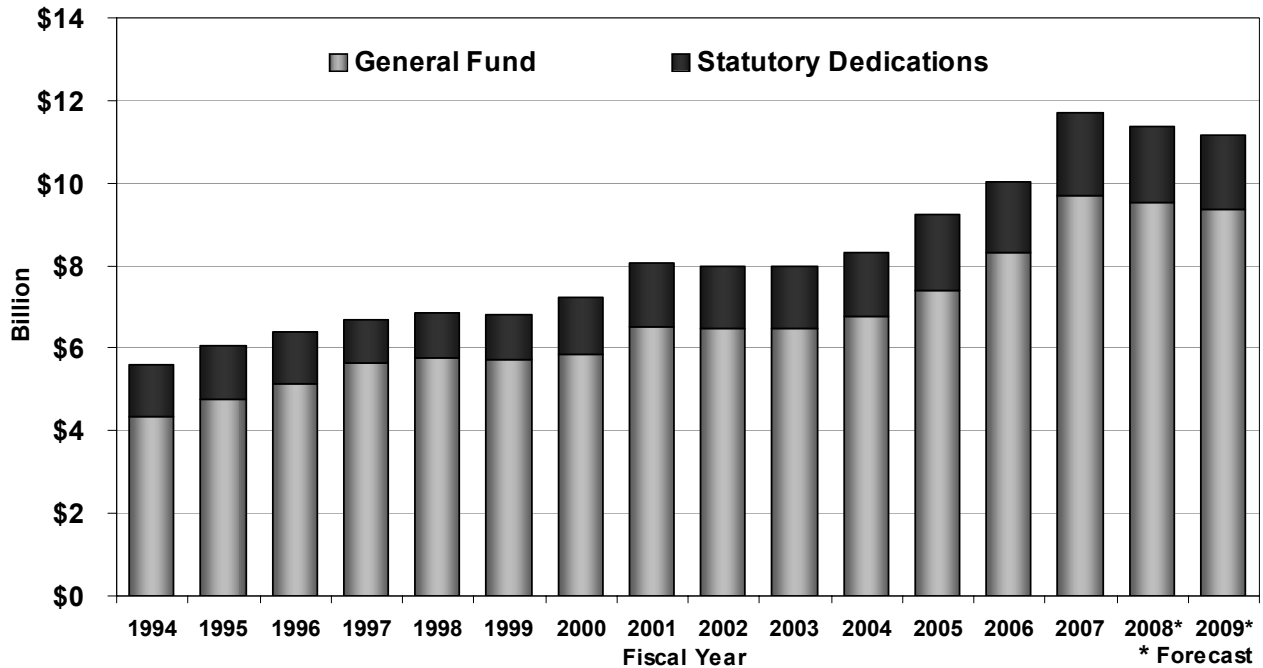
Dedications	2005/06	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
		2006/07	2007/08	2007/08	2008/09	2009/10	2010/11	2011/12
		EOB						
Trans Trust/fuels	474.3	485.4	502.4	488.0	505.6	520.8	535.2	546.4
Trans Trust/motor vehicle lic	43.9	41.5	43.1	39.9	39.5	40.7	41.2	42.0
Trans Trust/sales jet fuel	6.3	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Trans Trust/interest & fees	30.4	39.4	31.8	39.5	33.5	32.5	31.5	30.5
TIME/fuels	119.0	121.5	125.6	122.0	126.4	130.2	133.8	136.6
H F #2/motor vehicle license	11.5	11.3	11.5	11.1	11.0	11.3	11.4	11.7
State Highway Improvement Fund	-	-	10.3	10.9	21.5	33.3	44.8	45.7
Parishes/severance	42.8	41.7	48.8	40.8	41.3	41.8	45.0	48.5
Forest Productivity	3.4	3.2	3.4	3.4	3.4	3.4	3.4	3.4
Parishes/royalties	42.5	51.6	46.0	58.2	55.2	44.6	41.5	42.0
DNR/AG Support Fund	-	1.6	2.6	2.6	2.6	2.6	2.6	2.6
Wetlands Conservation&Rst	25.0	34.6	28.9	34.4	31.8	28.1	27.1	26.9
Mineral Revenue Audit & Set.	-	-	-	-	-	-	-	-
Education Support Fund	63.7	65.2	61.2	67.0	65.0	65.0	65.0	65.0
LA Econ Dev Port Dev Infra Fund	-	300.0	-	-	-	-	-	-
Workforce Develop Fd/sales	13.4	13.6	14.2	13.8	14.3	13.9	14.3	14.8
Tourism Promotion Dist/sal	17.9	18.3	18.7	23.7	24.6	23.9	24.6	25.4
2% Fire Insurance/excise lic	15.5	15.8	17.1	17.2	18.8	20.5	22.3	24.3
Fire Marshall/excise license	10.6	12.3	11.9	13.4	14.6	15.9	17.3	18.9
LSU Fireman Training /excise	2.1	2.5	2.4	2.7	2.9	3.2	3.5	3.8
Retirement Systems/insurance	45.7	47.6	52.3	52.8	54.9	57.1	59.3	61.7
State Police Salary Fund	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Video Poker	62.1	64.3	66.3	64.1	62.9	62.9	62.9	62.9
Racetrack Slots	20.5	20.1	21.0	25.3	26.1	26.1	26.1	26.1
Lottery	105.9	129.0	119.9	129.7	122.5	122.5	122.5	122.5
SELF Fund	144.9	166.4	158.6	171.2	170.4	169.5	168.7	167.8
Riverboat Gaming	66.5	62.6	57.3	58.3	62.8	62.8	62.8	62.8
Compulsive & Problem Gaming	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Budget Stabilization	108.5	-	-	-	-	-	-	-
Haz Waste Site	4.5	5.1	5.0	4.5	4.5	4.5	4.5	4.5
Supervision&Inspection Fees	5.1	6.0	4.5	6.0	6.0	6.0	6.0	6.0
Inspection Gasoline Fee	4.5	5.5	4.8	5.2	5.4	5.6	5.8	5.9
Louisiana & Tobacco Funds	62.6	69.3	66.6	71.8	76.1	80.3	84.7	89.3
Tobacco Tax Health Care Fund	40.2	42.7	42.4	42.3	41.5	41.4	41.3	41.2
Rapid Response Fund	10.0	-	10.0	7.8	10.0	10.0	10.0	10.0
Unclaimed Property Leverage	-	-	15.0	15.0	15.0	15.0	15.0	15.0
Provider Fees	102.2	101.3	97.1	108.4	106.3	106.3	106.3	106.3
NOW Waiver Fund	-	-	-	50.0	-	-	-	-
Total Dedications	1,723.1	2,007.3	1,728.7	1,828.7	1,804.1	1,829.5	1,868.3	1,898.2
GENERAL FUND REVENUE	8,305.0	9,680.7	8,741.3	9,534.5	9,340.7	8,962.0	9,044.6	9,240.0
Fund Balance Transfer	153.9	-	-	-	-	-	-	-
GENERAL FUND REVENUE (including Fund Balance Transfer)	8,458.9	9,680.7	8,741.3	9,534.5	9,340.7	8,962.0	9,044.6	9,240.0

ECONOMIC OUTLOOK

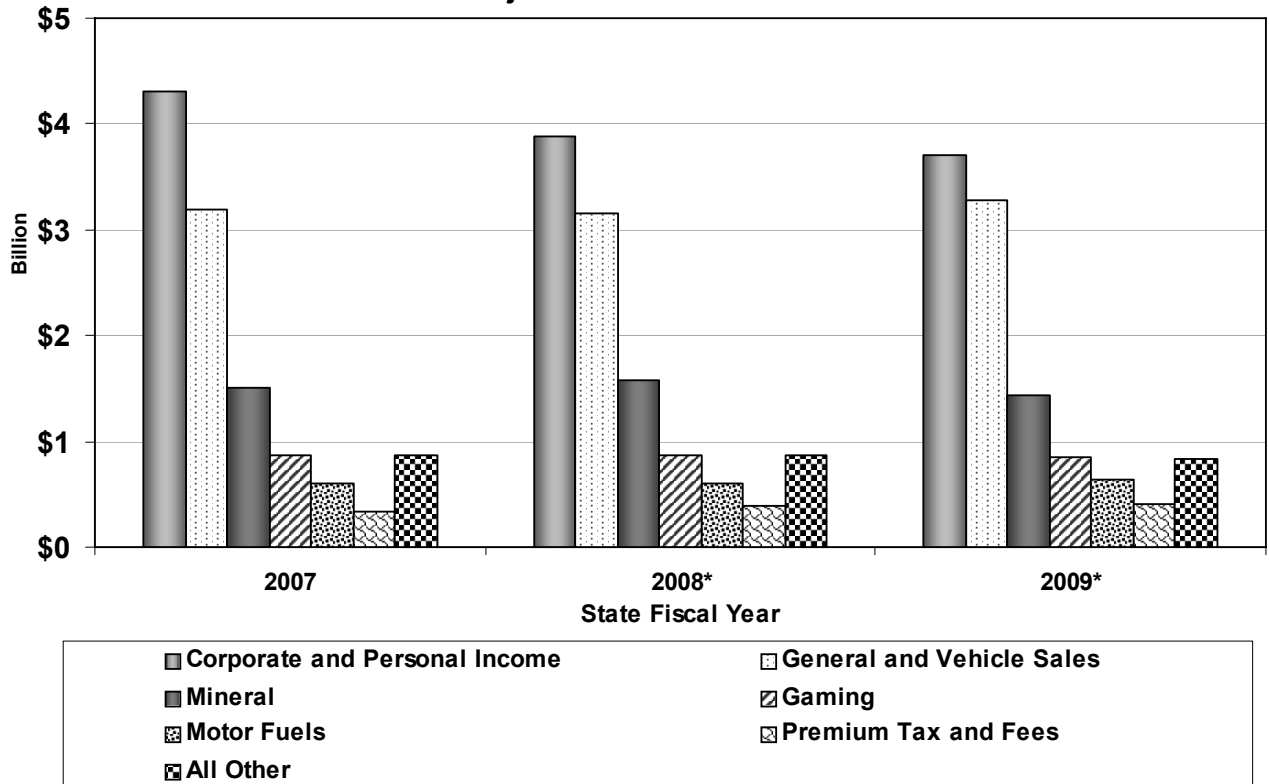
LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR END JUNE 30

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Macroeconomic Assumptions						
Population (Thousand)	4,478.8	4,493.0	4,219.6	4,273.8	4,310.8	4,324.8
<i>% Change</i>	0.2%	0.3%	-6.1%	1.3%	0.9%	0.3%
Louisiana Non-Agricultural Employment (Thousand)	1,912.2	1,927.2	1,842.3	1,890.2	1,934.1	1,956.2
<i>% Change</i>	0.7%	0.8%	-4.4%	2.6%	2.3%	1.1%
National Non-Agricultural Employment (Million)	132.0	134.4	136.7	138.3	138.6	140.3
<i>% Change</i>	1.4%	1.8%	1.7%	1.1%	0.3%	1.2%
Louisiana Wages and Salaries (\$ Billion)	62.6	65.4	67.6	73.6	77.0	80.0
<i>% Change</i>	4.0%	4.4%	3.5%	8.8%	4.7%	3.9%
National Wages and Salaries (\$ Billion)	5,239.2	5,534.8	5,850.6	6,195.5	6,490.1	6,752.8
<i>% Change</i>	4.4%	5.6%	5.7%	5.9%	4.8%	4.0%
Consumer Price Index - All Items (82-84=100)	186.1	191.7	199.0	204.1	210.5	215.1
<i>% Change</i>	2.2%	3.0%	3.8%	2.6%	3.1%	2.2%
Annual Change in Real Louisiana Gross State Product (2000\$)	4.4%	3.1%	-0.7%	3.8%	2.3%	2.3%
Annual Change in Real Gross Domestic Product (2000\$)	3.7%	3.1%	3.2%	2.1%	2.2%	2.2%
Mineral-Related Assumptions						
Severance Crude Oil Price (\$/barrel)	31.14	45.91	61.29	61.50	82.51	73.45
<i>% Change</i>	4.5%	47.4%	33.5%	0.3%	34.2%	-11.0%
Oil Production (Million Barrels)	87.2	83.5	68.9	76.9	75.7	75.0
<i>% Change</i>	-4.3%	-4.2%	-17.5%	11.6%	-1.6%	-0.9%
Henry Hub Natural Gas Price (\$/mmbtu)	5.42	6.31	8.96	6.87	7.08	7.26
<i>% Change</i>	11.3%	16.4%	42.0%	-23.3%	3.1%	2.5%
Natural Gas Severance Rate (¢/MCF)	17.1	20.8	25.2	37.3	26.9	28.5
Natural Gas Production (Million MCF)	1,334.0	1,355.4	1,284.4	1,352.4	1,334.9	1,305.5
<i>% Change</i>	-0.8%	1.6%	-5.2%	5.3%	-1.3%	-2.2%

TAXES, LICENSES AND FEES



TAXES, LICENSES & FEES Major Revenue Sources

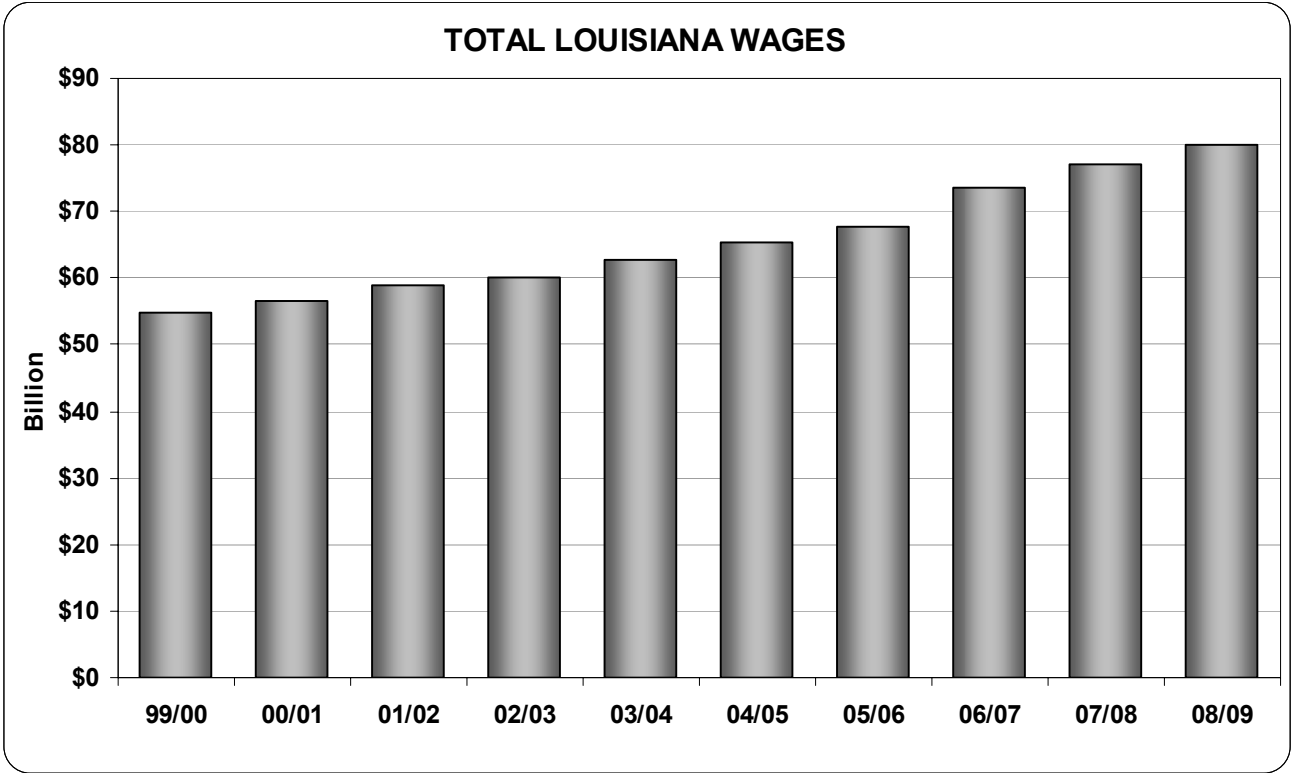


Louisiana Employment and Wages

Louisiana nonfarm employment continued to increase, slightly surpassing pre-storm levels in FY 2007/08. Most of the increase is attributable to construction, professional services and trade/transportation. Declines were still being felt in the sectors hardest hit in New Orleans such as healthcare, education and tourism related industries. With increased economic activity and record low unemployment rate, these levels of employment were indicative of a shortage of labor in the local economy which induced higher wages throughout the state.

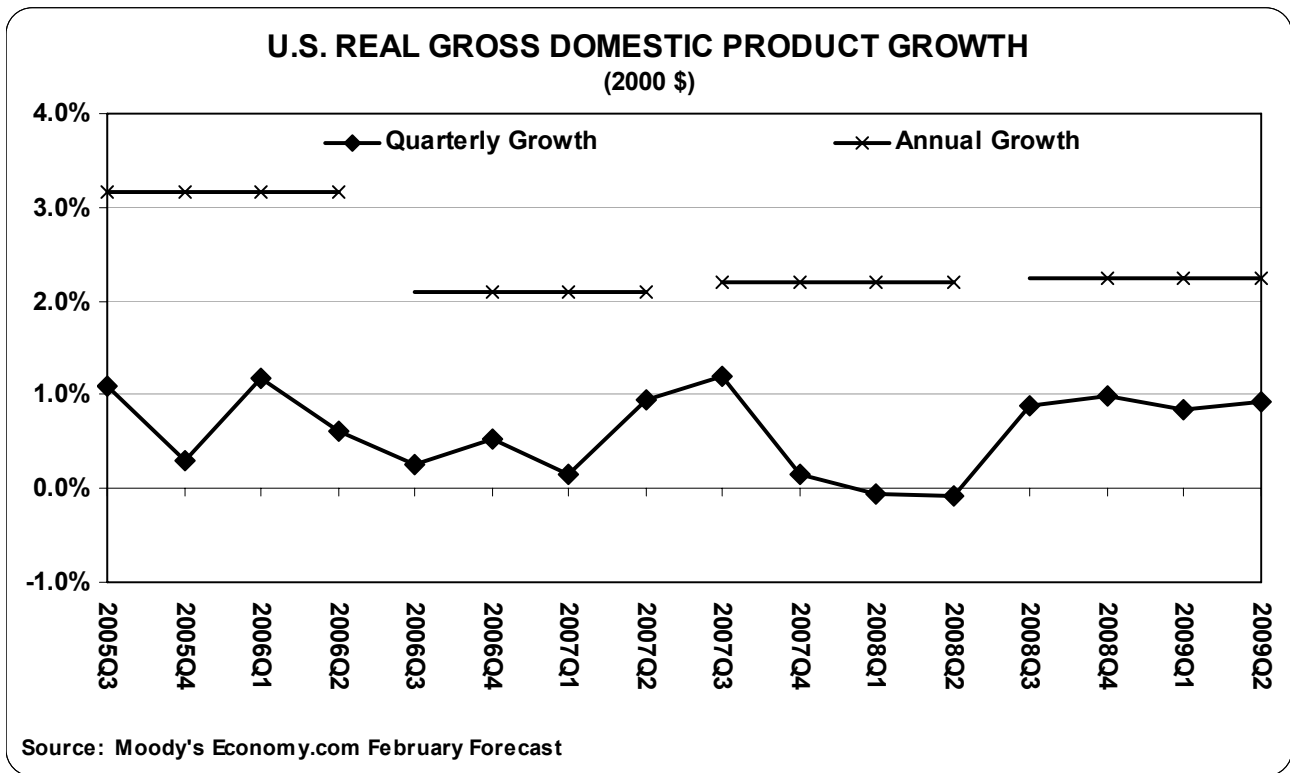
Louisiana wages grew annually by 9% in FY 2006/07 and are expected to increase an additional 5% in FY 2007/08 and 4% in FY 2008/09. Prior to the storms, the average growth rate of wages and salaries was about 3.5%. Personal income collections increased 30% in FY 2006/07 and, given that employment was below pre-storm levels, these increased wages were key in generating the income required to reach that level of growth.

LA Employment (Thousands, SA)	FY 2004/05	FY 2005/06	FY 2006/07 estimate	FY 2007/08 forecast	FY 2008/09 forecast
Statewide Nonfarm Employment	1,927	1,842	1,890	1,934	1,956
Goods Producing	315	322	340	345	349
Natural Resources & Mining	45	47	51	51	51
Construction	117	125	135	140	145
Total Manufacturing	154	150	154	154	154
Service Providing	1,652	1,558	1,586	1,625	1,642
Trade, Transportation & Utilities	380	368	380	385	385
Information	31	28	26	26	26
Financial Activities	98	97	97	98	98
Professional & Business Services	187	189	198	202	203
Education & Health Services	254	233	242	249	256
Leisure & Hospitality	208	184	190	200	206
Other Services (except Public Administration)	71	65	68	70	70
Total Government	381	357	351	360	364



U.S. Real Gross Domestic Product

Increased anticipation of a recession forced the macroeconomic outlook to the forefront of impacts to the forecast. For the first time since 1991, Moody's economy.com incorporated a recession into its long-term forecast expecting the first two quarters of 2009 to show negative growth, albeit very weak negative growth. In fact, on an annual basis, the forecast averaged to positive growth in real GDP which mitigates the econometric hit to the forecast that a recession would typically impose. In addition, Louisiana is still experiencing a sustained period of elevated economic activity in response to high energy prices and continued rebuilding from the storms of 2005, both of which are expected to insulate the state somewhat from the full ravages of a national recession.



Revenue Summary - Fiscal Year 2006-2007

Continuing the post-storm strength in economic activity and sustained high energy prices, state general fund in FY 2006/07 increased by 16.6% over FY 2005/06 which was a 12% increase over the prior year.

	FY 2006/07 Actual (Million \$)	Annual Growth (Million \$)	Annual Growth (%)
Taxes, Licenses and Fees	11,688.0	1,659.9	16.6
Statutory Dedications	2,007.3	284.2	16.5
State General Fund	9,680.7	1,375.7	16.6

The following table ranks the revenue sources that contributed at least \$50 million to the increase over the prior fiscal year:

Annual Revenue Increases Greater than \$50 Million

Revenue Source	Annual Growth (Million \$)	Annual Growth (%)
Personal Income	745.1	29.7
Corporate Combined	283.8	36.9
Severance	185.1	25.5
General Sales	113.5	4.2
Royalties	92.1	21.7
SGF Interest	72.6	138.1
Premium Tax	71.3	33.3

Economic activity resulting from rebuilding and a strong general economy continued to boost revenue to unprecedented levels. During FY07, state general fund revenue climbed 16.6% to \$9.7 billion with higher wages, extended final deadlines allowing three years of returns to be due during the fiscal year and lackluster participation in the Citizen's Insurance Assessment rebates all led personal income to \$3.3 billion, 30% higher than the prior year. Strong energy prices and a solid economy allowed corporate returns to follow the national norm and increase by 37% to \$1.1 billion. Energy revenue increased in response to sustained high prices in both oil and gas as well as production that was higher than expected. Sales tax revenue growth slowed but still added over \$100 million in FY 2006/07. State general fund interest grew due to the large size of the fund as prior year and current year revenue accumulated. The premium tax increased in response to higher premiums as well as increasing contract volume.

The following table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during Fiscal Year 2006/07:

Annual Revenue Decreases Greater than \$10 Million

Revenue Source	Annual Growth (Million \$)	Annual Growth (%)
Vehicle Sales Tax	-21.0	-3.4
Riverboat Gaming	-13.8	-5.5

Revenue during FY 2006/07 showed few areas of annual decline. Vehicle sales tax decreased as replacement vehicles were purchased and sales are returning to normal. Riverboat gaming slowed but remained stronger than pre-storm levels as casinos on the Mississippi Gulf Coast came back into operation and workers became a more permanent fixture.

The non-recurring surplus revenue for FY 2006/07 was \$1,088.0 million.

Revenue Summary - Fiscal Year 2007-2008

On February 10, 2008, the Revenue Estimating Conference (REC) adopted a FY 2007/08 revenue forecast of \$9.5 billion in state general fund revenue, a modest decrease of 1.5% from the prior year, in anticipation of possible weakening of macroeconomic influences and a leveling of the economic activity due to rebuilding. Though decreasing when compared to the prior year, the FY 2007/08 forecast continued to step up the level of revenue within this fiscal year. General fund revenue remained well above pre-storm trends as expectations of slowdowns due to a plateau of rebuilding activity and some implied weakness from a possible national recession. Statutory dedications slowed in large part due to a one time dedication in FY 2006/07 of \$300 million as an enticement for the location of a steel mill in Louisiana. During the 2007 Regular Session, there were also additional statutory dedications passed that placed 12% of any revenue forecast increase into a fund for the New Opportunities Waiver and another that removed the cap on the Tourism Promotion District dedication of 0.03% of sales tax.

	FY 2007/08 Forecast (Million \$)	Annual Growth (Milion \$)	Annual Growth (%)
Taxes, Licenses and Fees	11,363.3	-324.9	-2.8
Statutory Dedications	1,778.7	-228.6	-2.8
State General Fund	9,534.5	-146.2	-1.5

The following table ranks the revenue sources with the largest percentage growth and a \$10 million or higher increase over the prior fiscal year:

Annual Revenue Increases Greater than \$10 Million

Revenue Source	Annual Growth (Million \$)	Annual Growth (%)
Royalties	64.6	12.5
Premium Tax	49.2	17.2
Severance	35.0	3.8
General Fund Interest	34.9	27.9

Areas of growth revolved mostly around higher energy prices as oil was projected at \$82.51/barrel and natural gas at 7.46¢/mmbtu. Production did not decline as quickly as expected in response to the sustained period of high prices. The insurance premium tax continued to increase as post storm insurance rates stayed strong with increasing volume as more new or rebuilt homes require insurance. General fund interest was expected to remain very strong as the timeline of spending of the surpluses of the prior two years unfolded.

The following table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during Fiscal Year 2007/08:

Annual Revenue Decreases Greater than \$10 Million

Revenue Source	Annual Growth (Million \$)	Annual Growth (%)
Individual Income	-276.1	-8.5
Corporate Combined	-141.9	-13.5
Vehicle Sales Tax	-32.5	-9.0
Various Agency Receipts	-26.3	-44.8
Bonuses	-22.7	-48.6

Individual income declined by 8.5% in FY 2007/08 due to numerous factors, the largest of which are listed. As discussed in the FY 2006/07 section, three years of final deadlines fell in that year, which inflated the collections by an estimated \$200 million. Additionally, the first year of the implementation of the excess itemized deduction was expected to remove \$157 million from the personal income estimate. Underlying these deductions was increased optimism in wages and employment which helped offset some of this decline. Corporate combined was expected to fall mainly due to caution in light of historical volatility and the majority of collections falling late in the year which rendered year-to-date collections less than candid. Vehicle sales continued to decline as purchases were made en masse after the destruction of the storms and typical buying patterns were disrupted. Energy bonuses fell as oil and gas prices increased, which is typical market response in a time of high oil prices.

Revenue Summary - Fiscal Year 2008-2009

The February, 2008, Revenue Estimating Conference forecast of available general fund revenue in FY 2008/09 was \$9,340.7 which was down 1.9% from the prior year forecast. A slide in oil price expectations as well as a deteriorating national economic outlook brought about extra caution in the FY 2008/09 outlook, though the forecast remains well above the long term trend. Additionally, many of the tax cuts passed during the 2007 Regular Session became effective in FY 2008/09 which contributed to the decline in general fund revenue. Additional statutory dedications included \$12 million in mineral revenue generated in the Attakapas Wildlife Management Refuge which was dedicated to the Conservation Fund.

	FY 2008/09 Forecast (Million \$)	Annual Growth (Mil- lion \$)	Annual Growth (%)
Taxes, Licenses and Fees	11,144.9	-218.4	-1.9
Statutory Dedications	1,804.1	25.4	1.4
State General Fund	9,340.7	-193.8	-2.0

The following table ranks the revenue sources with the largest percentage growth and a \$10 million or higher increase over the prior fiscal year:

Annual Revenue Increases Greater than \$10 Million

Revenue Source	Annual Growth (Million \$)	Annual Growth (%)
General Sales Tax	124.9	4.4
Motor Fuels	22.0	3.6
Corporate Combined	19.2	2.1
Premium Tax	15.7	4.7

General sales tax was expected to return to a more normal level of growth in FY 2008/09, remaining well above trend. Motor fuels collections increase on higher use estimates as oil prices declined and macroeconomic influences helped demand to grow. Corporate collections were expected to grow as the dollar weakened and exports increased along with oil prices that stayed well above average. The premium tax continued to show higher collections as premiums remained high and CAPCO tax credits expired.

The following table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during Fiscal Year 2008/09:

Annual Revenue Decreases Greater than \$10 Million

Revenue Source	Annual Growth (Million \$)	Annual Growth (%)
Individual Income	-204.9	-6.9
Severance	-102.0	-10.8
Royalties	-30.0	-5.2
SGF Interest and Earnings	-25.0	-15.6
Vehicle Sales Tax	-13.0	-4.0

Individual income declined in response to numerous credits passed during the 2007 Regular Session that became effective in FY 2008/09, particularly continued phase-in of excess itemized deductions, an earned income tax credit and a one-time rebate of 7% of 2008 casualty insurance premiums. Severance and royalties declined in response to oil prices that were expected to fall to \$73.45/barrel (natural gas prices were expected to remain high at 7.26¢/mmbtu). State general fund interest fell as surpluses were spent and general fund revenue declined. Vehicle sales tax continued to adjust to atypical buying patterns resulting from the surge in buying immediately following the storms.

