

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE  
FISCAL YEARS 2009/2010 THROUGH 2015/2016 (IN MILLIONS)**

Revenue	ACTUAL 2009/10	ACTUAL 2010/11	FORECAST 2011/12 EOB	FORECAST 2011/12 Dec. 14, 2011	FORECAST 2012/13 Dec. 14, 2011	FORECAST 2013/14 Dec. 14, 2011	FORECAST 2014/15 Dec. 14, 2011	FORECAST 2015/16 Dec. 14, 2011
Alcoholic Beverage Tax	19.7	20.5	20.3	21.3	21.8	21.7	22.2	22.7
Beer Tax	35.8	35.6	36.4	35.0	35.9	35.9	35.8	35.7
Corporate Franchise Tax	-	-	-	-	-	-	-	-
Corporate Income Tax	-	-	-	-	-	-	-	-
Corporate Total	174.8	262.3	255.0	255.0	246.6	293.9	343.9	542.3
Gasoline and Special Fuels Tax	588.0	607.5	613.0	587.6	622.7	637.5	650.4	661.6
Gift Tax	0.2	0.1	-	-	-	-	-	-
Hazardous Waste Tax	2.8	3.4	3.1	3.1	3.1	3.2	3.3	3.3
Individual Income Tax	2,212.3	2,404.9	2,815.2	2,672.7	2,886.6	3,069.0	3,276.4	3,507.3
Inheritance Tax	1.3	1.0	0.5	0.5	0.5	0.4	0.3	0.2
Natural Gas Franchise Tax	1.4	2.5	2.0	2.0	2.5	3.0	3.5	2.0
Public Utilities	5.0	11.3	3.5	5.0	5.0	5.0	5.0	5.0
Auto Rental Excise	4.7	5.2	6.0	5.0	-	-	-	-
Sales Tax	2,362.5	2,610.1	2,671.9	2,671.9	2,764.4	2,856.4	2,936.5	2,998.2
Severance Tax	777.5	759.0	792.8	664.3	682.9	677.2	683.0	687.4
Supervision&Inspection Fees	7.2	8.1	8.5	8.0	8.0	8.5	9.0	9.4
Tobacco Tax	136.5	142.8	136.5	136.5	136.1	135.7	135.1	134.5
Unknown Owners	36.2	36.4	34.0	40.0	34.0	34.0	34.0	34.0
Miscellaneous Receipts	5.0	5.2	6.1	6.1	6.1	6.1	6.1	6.1
<b>TOTAL REVENUE DEPT</b>	<b>6,371.0</b>	<b>6,915.9</b>	<b>7,404.8</b>	<b>7,114.0</b>	<b>7,456.2</b>	<b>7,787.6</b>	<b>8,144.5</b>	<b>8,649.7</b>
Royalties	418.4	499.5	473.6	550.3	574.5	583.1	591.8	604.2
Rentals	21.1	19.2	19.9	17.3	14.9	15.2	15.4	15.7
Bonuses	27.1	23.6	34.1	18.3	20.1	20.4	20.7	21.1
Royalty Interest	3.5	3.8	3.0	3.0	3.0	3.0	3.0	3.0
<b>TOTAL MINERAL BOARD</b>	<b>470.0</b>	<b>546.1</b>	<b>530.6</b>	<b>588.9</b>	<b>612.5</b>	<b>621.7</b>	<b>630.9</b>	<b>644.1</b>
Interest on Investments	157.3	109.3	101.7	110.0	100.0	100.0	100.0	100.0
Interest Earnings (TTF)	1.9	1.5	2.0	1.0	1.0	1.0	1.0	1.0
Various Agency Receipts INA	59.3	78.2	44.8	51.8	51.8	51.8	51.8	51.8
Agency SGR Over-collections	21.4	25.9	19.8	25.9	25.9	25.9	25.9	25.9
Bond Reimbursements	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Education Support Fund	51.0	46.9	55.0	51.6	51.6	51.6	51.6	51.6
Lottery	137.9	134.2	130.5	140.2	130.3	130.3	130.3	130.3
Land Based Casino	75.2	75.6	75.0	74.0	75.0	76.0	77.0	78.0
Tobacco Settlement	62.8	59.3	60.7	134.0	91.5	91.5	91.5	91.5
Provider Fees	107.9	109.5	106.1	106.1	106.1	106.1	121.4	124.4
<b>TOTAL TREASURY</b>	<b>678.5</b>	<b>644.5</b>	<b>599.6</b>	<b>698.6</b>	<b>637.2</b>	<b>638.2</b>	<b>654.5</b>	<b>658.5</b>
Excise License Tax	356.6	363.9	402.0	385.5	407.4	434.5	452.2	470.0
Insurance Fees	54.9	55.9	55.9	56.6	57.0	60.8	63.3	65.8
<b>TOTAL INSURANCE</b>	<b>411.5</b>	<b>419.8</b>	<b>457.9</b>	<b>442.1</b>	<b>464.4</b>	<b>495.3</b>	<b>515.5</b>	<b>535.8</b>
Misc Public Safety/ABP	12.8	12.5	10.5	13.2	13.8	14.7	14.7	14.7
Certificate of Title	20.2	21.9	21.8	23.4	24.4	26.0	26.0	26.0
Motor Vehicle License	98.8	96.9	109.0	114.0	120.5	129.7	133.0	133.0
Motor Vehicle Sales	247.1	293.2	298.9	314.2	327.4	350.0	348.9	349.2
Riverboat Gaming	357.7	358.3	363.0	361.1	362.3	365.5	370.0	373.4
Racetrack Slots	58.7	59.2	59.5	59.8	60.5	61.5	62.5	62.5
Video Poker	192.5	195.1	198.9	196.8	198.7	200.5	203.0	204.4
<b>TOTAL PUBLIC SAFETY</b>	<b>987.8</b>	<b>1,037.0</b>	<b>1,061.6</b>	<b>1,082.5</b>	<b>1,107.5</b>	<b>1,147.9</b>	<b>1,158.0</b>	<b>1,163.1</b>
<b>Total TAX, LICENSES &amp; FEES</b>	<b>8,918.8</b>	<b>9,563.3</b>	<b>10,054.5</b>	<b>9,926.0</b>	<b>10,277.9</b>	<b>10,690.7</b>	<b>11,103.4</b>	<b>11,651.2</b>

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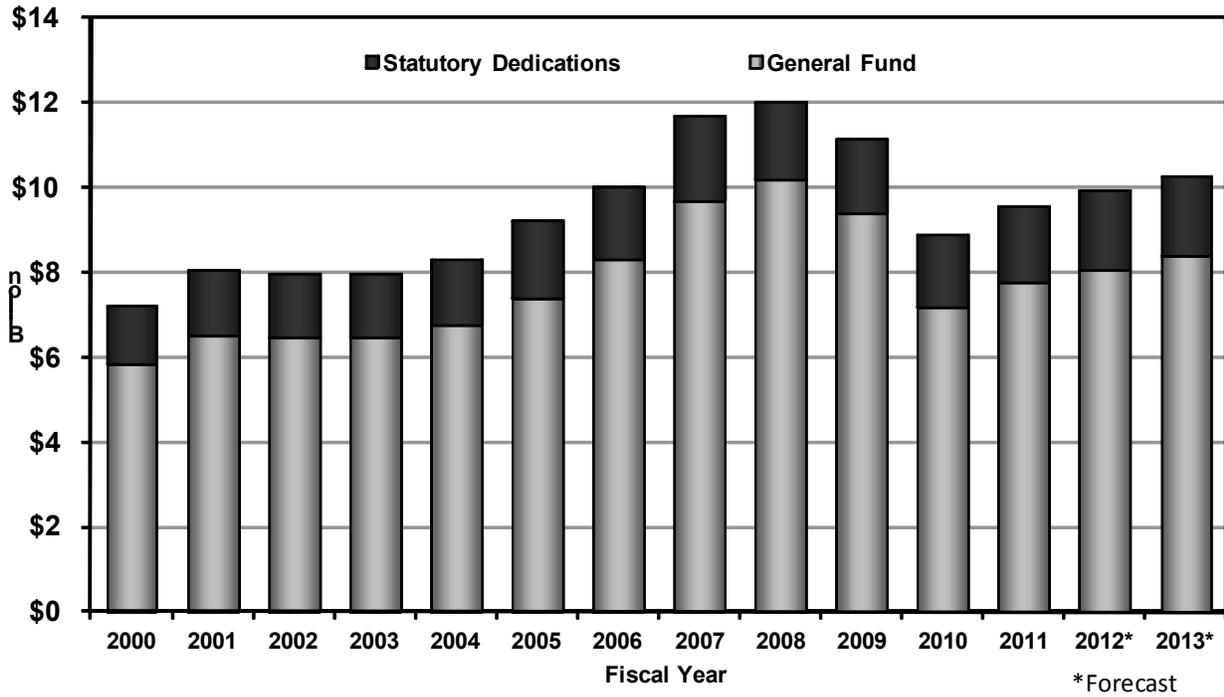
<b>Dedications</b>	<b>ACTUAL 2009/10</b>	<b>ACTUAL 2010/11</b>	<b>FORECAST 2011/12 EOB</b>	<b>FORECAST 2011/12 Dec. 14, 2011</b>	<b>FORECAST 2012/13 Dec. 14, 2011</b>	<b>FORECAST 2013/14 Dec. 14, 2011</b>	<b>FORECAST 2014/15 Dec. 14, 2011</b>	<b>FORECAST 2015/16 Dec. 14, 2011</b>
Trans Trust/fuels	470.4	486.0	490.4	470.1	498.2	510.0	520.3	529.3
Trans Trust/motor vehicle lic	43.4	41.8	46.9	50.2	53.0	57.1	58.5	58.5
Trans Trust/sales jet fuel	29.8	29.8	29.8	29.8	29.8	29.8	29.8	29.8
Trans Trust/interest & fees	29.8	29.6	29.9	28.9	28.9	28.9	28.9	28.9
TIME/fuels	117.6	121.5	122.6	117.5	124.5	127.5	130.1	132.3
H F #2/motor vehicle license	10.6	9.4	11.6	11.4	12.1	13.0	13.3	13.3
State Highway Improvement Fund	27.5	43.7	30.4	49.0	51.8	55.8	57.2	57.2
Parishes/severance	44.0	42.5	44.4	37.5	38.6	38.3	38.6	38.8
Forest Productivity	2.2	2.0	2.2	2.0	2.0	2.0	2.0	2.0
Parishes/royalties	41.5	49.0	47.4	55.0	57.5	58.3	59.2	60.4
DNR/AG Support Fund	2.2	1.6	2.6	1.6	1.6	1.6	1.6	1.6
Wetlands Conservation&Rst	32.8	29.1	29.5	28.1	28.9	28.9	29.2	29.5
Mineral Revenue Audit & Set	-	-	-	-	-	-	-	-
Education Support Fund	51.0	46.9	55.0	51.6	51.6	51.6	51.6	51.6
LA Econ Dev Port Dev Infra Fund	-	-	-	-	-	-	-	-
Workforce Develop Fd/sales	11.1	12.0	13.0	13.0	13.5	14.0	14.3	14.6
Tourism Promotion Dist/sal	21.0	23.1	23.8	23.9	24.7	25.6	26.3	26.7
2% Fire Insurance/excise lic	18.0	19.0	19.5	20.0	21.2	22.6	23.5	24.4
Fire Marshall/excise license	13.2	14.2	16.1	15.4	16.3	17.4	18.1	18.8
LSU Fireman Training /excise	2.5	2.8	3.2	3.3	3.5	3.7	3.8	4.0
Retirement Systems/insurance	54.9	55.9	55.9	56.6	57.0	60.8	63.3	65.8
State Police Salary Fund	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Video Poker	58.4	59.2	61.7	61.2	61.7	62.2	62.8	63.2
Racetrack Slots	29.9	30.6	28.5	28.5	28.6	28.6	28.7	28.7
Lottery	137.4	133.7	130.0	139.7	129.8	129.8	129.8	129.8
SELF Fund	151.5	152.0	152.5	150.9	152.2	153.9	155.8	157.6
Riverboat Gaming	55.9	56.4	57.4	56.7	56.9	57.4	58.1	58.6
Compulsive & Problem Gaming	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Budget Stabilization	-	-	-	-	-	-	-	-
Haz Waste Site	2.8	3.4	3.1	3.1	3.1	3.2	3.3	3.3
Supervision&Inspection Fees	7.2	8.1	8.5	8.0	8.0	8.5	9.0	9.4
Inspection Gasoline Fee	4.9	5.2	5.2	5.0	5.0	5.0	5.0	5.0
Louisiana & Tobacco Funds	62.8	59.3	60.7	134.0	104.0	103.9	103.9	103.9
Tobacco Tax Health Care Fund	38.5	40.0	39.5	38.3	38.2	38.1	37.9	37.8
Rapid Response Fund/Economic Dev	10.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0
Rapid Response Fund/Workforce	9.9	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Unclaimed Property Leverage	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Capitol Tech	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Provider Fees	107.9	109.5	106.1	106.1	106.1	106.1	121.4	124.4
NOW Waiver Fund	-	6.8	-	-	-	-	-	-
<b>Total Dedications</b>	<b>1,744.1</b>	<b>1,792.4</b>	<b>1,790.3</b>	<b>1,859.6</b>	<b>1,871.1</b>	<b>1,906.5</b>	<b>1,948.4</b>	<b>1,972.4</b>
<b>GENERAL FUND REVENUE</b>	<b>7,174.7</b>	<b>7,770.0</b>	<b>8,264.2</b>	<b>8,066.5</b>	<b>8,406.7</b>	<b>8,784.2</b>	<b>9,155.0</b>	<b>9,678.8</b>
Fund Balance Transfer	-	-	-	-	-	-	-	-
<b>GENERAL FUND REVENUE (including Fund Balance Transfer)</b>	<b>7,174.7</b>	<b>7,770.0</b>	<b>8,264.2</b>	<b>8,066.5</b>	<b>8,406.7</b>	<b>8,784.2</b>	<b>9,155.0</b>	<b>9,678.8</b>

# ECONOMIC OUTLOOK

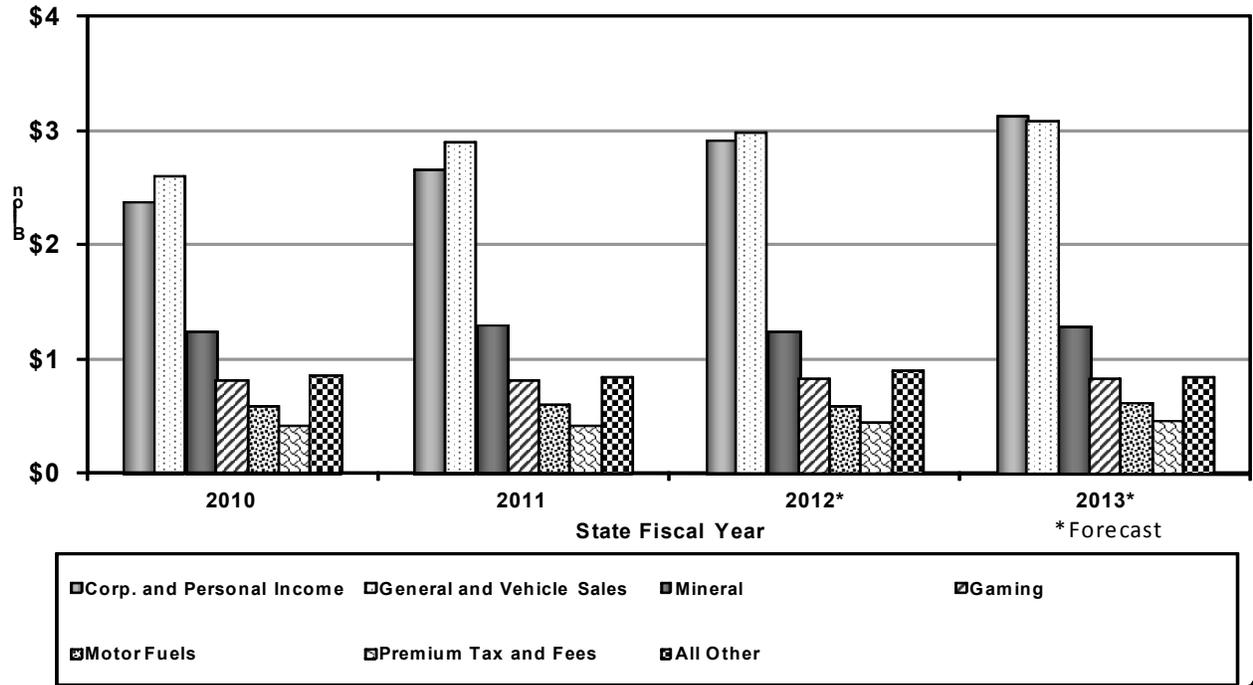
## LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR ENDING JUNE 30

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
<b>Macroeconomic Assumptions</b>					
Population (Thousand)	4,476.3	4,518.8	4,551.5	4,570.7	4,586.0
<i>% Change</i>	1.2%	0.9%	0.7%	0.4%	0.3%
Louisiana Non-Agricultural Employment (Thousand)	1,926.0	1,886.8	1,892.4	1,935.2	1,969.9
<i>% Change</i>	-0.3%	-2.0%	0.3%	2.3%	1.8%
National Non-Agricultural Employment (Million)	133.9	129.7	130.4	131.8	133.2
<i>% Change</i>	-2.8%	-3.1%	0.6%	1.1%	1.1%
Louisiana Wages and Salaries (\$ Billion)	83.8	82.5	85.5	89.7	96.2
<i>% Change</i>	2.8%	-1.6%	3.7%	4.9%	7.2%
National Wages and Salaries (\$ Billion)	6,401.7	6,306.0	6,531.7	6,781.1	7,200.0
<i>% Change</i>	-1.9%	-1.5%	3.6%	3.8%	6.2%
Inflation (Personal Consumption Deflator - Year 2005 = 100)	108.9	110.4	112.3	114.7	116.7
<i>% Change</i>	1.5%	1.3%	1.8%	2.1%	1.8%
Annual Change in U.S. Real Gross Domestic Product	-3.4%	0.3%	2.6%	1.9%	3.1%
<b>Mineral-Related Assumptions</b>					
Severance Crude Oil Price (\$/barrel)	78.58	68.37	85.73	92.77	97.42
<i>% Change</i>	-6.3%	-13.0%	25.4%	8.2%	5.0%
Oil Production (Million Barrels)	68.9	67.6	68.5	66.0	64.6
<i>% Change</i>	-10.7%	-2.0%	1.3%	-3.6%	-2.1%
Henry Hub Natural Gas Price (\$/mmbtu)	6.44	4.34	4.34	3.75	4.03
<i>% Change</i>	-22.2%	-32.7%	0.1%	-13.6%	7.5%
Natural Gas Severance Rate (¢/MCF)	28.8	33.1	16.4	16.4	15.7
Natural Gas Production (Million MCF)	1,380.4	1,796.2	2,587.5	2,749.4	2,817.6
<i>% Change</i>	0.5%	30.1%	44.1%	6.3%	2.5%

### TAXES, LICENSES AND FEES



### TAXES, LICENSES & FEES Major Revenue Sources



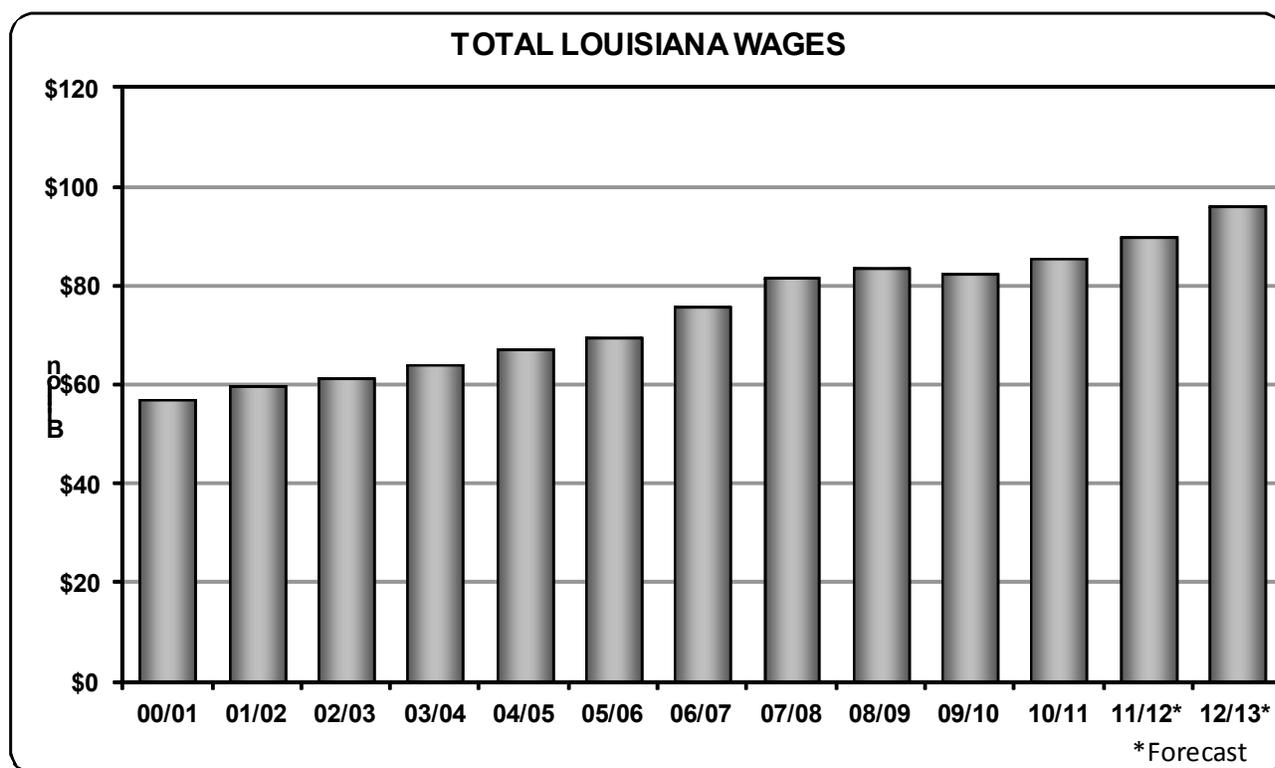
## Louisiana Employment and Wages

Over the fiscal years in the aftermath of Katrina, Louisiana non-farm employment had been steadily rising, in tune with national economic activity. However, the financial crisis from late 2008 and its subsequent recession put a stop to such increases. For FY2009/10 non-farm employment fell by about 2%, with very modest recovery (+0.3%) in FY2010/11. For FY2011/12 and FY2012/13 the recoveries expected are also fairly modest (2.3% and 1.8% respectively).

Louisiana nominal wages grew annually by 2.8% in FY 2008/09, but fell by 1.6% in FY2009/10 and recovered 3.7% in FY2010/11. For FY2011/12 and FY2012/13 the growth in nominal wages is anticipated to be 4.9% and 7.2%, respectively.

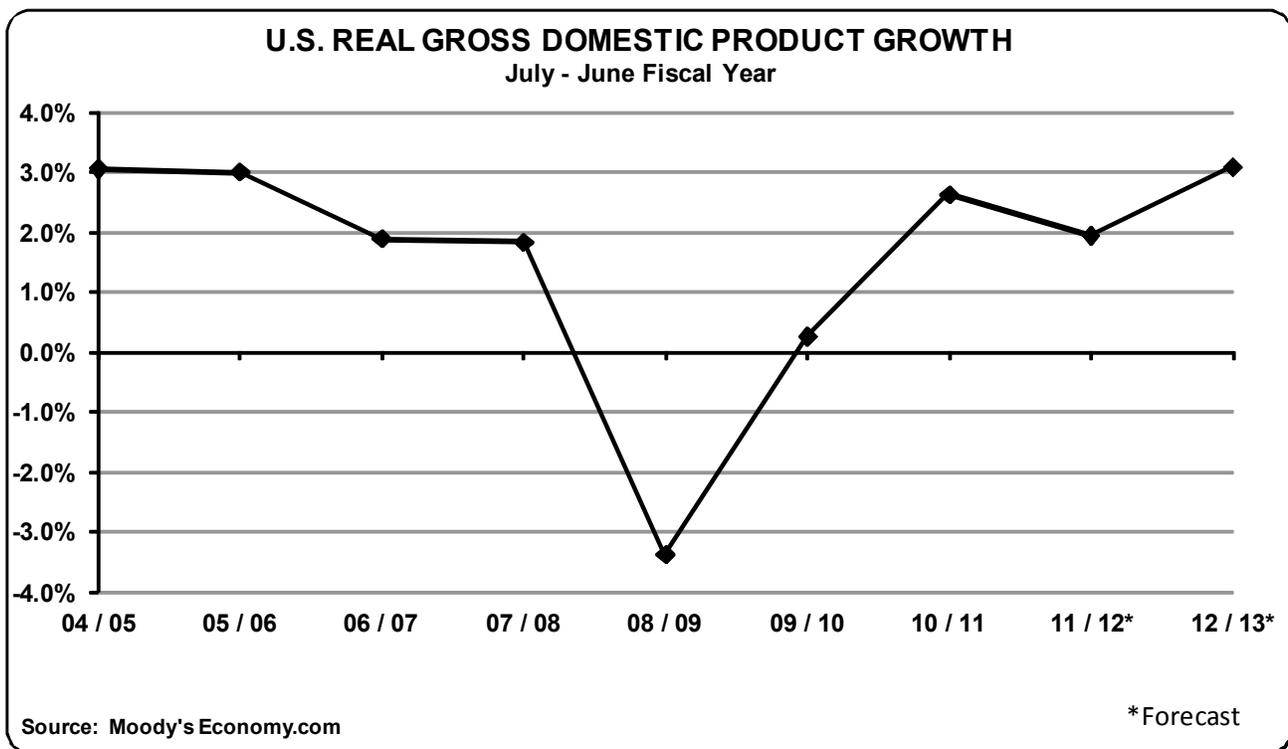
Louisiana Employment (Thousands, SA)	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12 forecast	FY 2012/13 forecast
<b>Statewide Non-farm Employment</b>	<b>1,926</b>	<b>1,887</b>	<b>1,892</b>	<b>1,935</b>	<b>1,970</b>
<b>Goods Producing</b>	<b>337</b>	<b>314</b>	<b>313</b>	<b>329</b>	<b>340</b>
Natural Resources & Mining	54	51	52	57	60
Construction	134	125	122	126	129
Total Manufacturing	148	139	139	146	151
<b>Service Providing</b>	<b>1,589</b>	<b>1,573</b>	<b>1,580</b>	<b>1,606</b>	<b>1,630</b>
Trade, Transportation & Utilities	378	365	366	372	376
Information	26	25	28	29	30
Financial Activities	93	92	93	96	98
Professional & Business Services	200	191	193	195	200
Education & Health Services	261	269	275	291	299
Leisure & Hospitality	195	193	198	202	207
Other Services (except Public Administration)	67	67	66	66	67
Total Government	368	370	361	355	353

Source: Moody's Economy.com



## U.S. Real Gross Domestic Product

The following is based upon the data and forecast from Moody's website, Economy.com. The year 2009 was one of the worst years for the U.S. economy after World War II. The recession, which began in late 2007, continued throughout 2008 and 2009. The National Bureau of Economic Research (NBER) Business Cycle Dating Committee has declared that the recession ended in the summer of 2009. U.S. real Gross Domestic Product (GDP) fell by 3.4% during FY2008/09, and close to 8 million jobs were lost since the economic downturn started. The national unemployment rate is now at about 8.5% and is widely expected to remain at that level for a protracted period of time before it recedes. During FY2009/10 U.S. real GDP remained flat, growing at a pace of 0.3%. FY2010/11 presented a modest growth of 2.6%, and projections by Moody's website, Economy.com, indicate that for FY2011/12 and FY2012/13 the U.S. economy may grow by 1.9% and 3.1% respectively.



## Revenue Summary - Fiscal Year 2010/11

As the U.S. economy entered into a recession in late 2007, economic activity slowed down in Louisiana as well, and with it, tax revenue collection. During FY2009/10 Taxes, Licenses and Fees collections fell by 20% and State General Fund revenue shrank by about 23.6%. However, the following fiscal year, FY2010/11, saw a modest recovery in the tax collections. Taxes, Licenses and Fees collections increased by 7.2%, and the State General Fund by 8.3%.

	<b>FY 2010/11 Actual (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	9,563.3	644.6	7.2
Statutory Dedications	1,793.3	49.2	2.8
State General Fund	7,770.0	595.3	8.3

The following table displays the revenue sources that showed an increase of at least \$10 million over the prior fiscal year:

### Annual Revenue Increases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
General Sales Tax	247.5	10.5
Individual Income Tax	192.6	8.7
Corporate Franchise & Income Tax	87.5	50.1
Royalties	81.2	19.4
Vehicle Sales Tax	46.1	18.7
Gasoline & Special Fuels	19.5	3.3
Various Agency Receipts	19.0	32.0

The highest percentage increase was in the Royalties, due to the high oil prices. Corporate collections rose significantly percentage-wise, because the collection the previous fiscal year was so low. The sales taxes (General and Vehicle) saw a healthy increase of 10.5% and 18.7% respectively, indicating an increase in demand.

The next table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during FY2010/11:

### Annual Revenue Decreases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Interest Earnings (SGF)	-47.9	-30.5
Severance Tax	-18.4	-2.4

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The most important item with a significant reduction is the Severance Tax collection. This tax is not collecting as much due to a shift in production in natural gas from taxed to exempted production (Haynesville shale), and current collections are basically sustained by oil production (which are in secular decline).

## Revenue Summary - Fiscal Year 2011/12

The Revenue Estimating Conference met on December 14, 2011 and adopted a forecast for FY2011/12 that projected an amount for Taxes, Licenses and Fees of \$9,926.0 million; this was a reduction of about \$128.5 million compared to the official forecast of the REC meeting in March 2011. However, it still represents an increase of about \$363 million compared to the actual collection of the previous fiscal year.

	<b>FY 2011/12 (Estimated) (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	9,926.0	362.7	3.8
Statutory Dedications	1,859.6	66.3	3.8
State General Fund	8,066.5	296.5	3.8

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

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	267.8	11.1
Tobacco Settlement	74.7	126.1
General Sales Tax	61.8	2.4
Royalties	50.8	10.2
Excise License	21.6	5.9
Vehicle Sales Tax	21.0	7.2
Vehicle Licenses	17.1	17.6

As the economy slowly recovers, it is projected that tax revenue will see a recovery as well. The strength of such recovery is yet to be seen. The biggest increases (in dollar terms) are projected to be in the two most important taxes of the state, the Individual Income Tax and the General Sales Tax. Both are expected to increase in collections, because of the expected recovery in economic activity.

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The following table ranks the revenue sources with the largest projected annual percentage declines during FY2011/12:

**Annual Revenue Decreases Greater than \$10 Million**

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-94.7	-12.5
Various Agency Receipts	-26.4	-33.8
Gasoline & Special Fuels	-19.9	-3.3

Severance tax collections have been falling, as noted above, because production volumes of oil and natural gas in the taxed areas have been falling over the last few years.

## Revenue Summary - Fiscal Year 2012/13

The REC meeting on December 14, 2011 revised the forecast for FY2012/13. It projects a modest increase in the State General Fund for the fiscal year, compared to the projection for the previous fiscal year. The modest increase can be explained by a slow, but steady increase in economic activity over the coming year.

	FY 2012/13 Forecast (Million \$)	Annual Change (Million \$)	Annual Change (%)
Taxes, Licenses and Fees	10,277.9	351.8	3.5
Statutory Dedications	1,871.1	11.6	0.6
State General Fund	8,406.7	340.3	4.2

The following table shows revenue sources that are projected to increase by \$10 million or more during Fiscal Year 2012/13:

### Annual Revenue Increases Higher than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Individual Income Tax	213.9	8.0
General Sales Tax	92.5	3.5
Gasoline & Special Fuels	35.1	6.0
Royalties	24.2	4.4
Excise License	21.9	5.7
Severance Tax	18.6	2.8
Vehicle Sales Tax	13.2	4.2

The increase projected in these revenues is linked to the expectation of a slow, but continual increase in economic activity; this is particularly true for the Individual Income Tax and the General Sales Tax.

The following table ranks the revenue sources with the largest projected annual percentage declines and a \$10 million or more estimated decrease during Fiscal Year 2012/13:

### Annual Revenue Decreases Greater or Equal to \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Tobacco Settlement	-42.5	-31.7
Interest Earnings (SGF)	-10.0	-9.1

Interest earnings on State General Fund investments are estimated to be lower, as interest rates continue to be at historic lows.

