

**COMPARATIVE STATEMENT
FISCAL YEARS 2004/2005 THROUGH 2006/2007**

	ACTUAL 2004/2005	EXISTING AS OF 12/01/2005 2005/2006	EXECUTIVE BUDGET 2006/2007	SUPPLEMENTARY RECOMMENDATION 2006/2007	TOTAL RECOMMENDATION 2006/2007
AVAILABLE GENERAL FUND REVENUE ¹	\$7,392,229,663	\$6,301,300,000	\$7,117,800,000	\$0	\$7,117,800,000
GENERAL FUND CARRY-FORWARD	22,847,143	36,700,593	0	0	\$0
UTILIZATION OF PRIOR YEAR SURPLUS ⁴	32,908,957	189,338,792	0	0	\$0
UTILIZATION OF FUND BALANCES ³	2,719,000	153,887,168	0	0	\$0
NON-RECURRING REVENUE FOR CAPITAL OUTLAY ²	17,270,250	0	0	0	\$0
SELF-GENERATED REVENUE	1,213,971,213	1,403,866,729	1,334,680,873	0	\$1,334,680,873
STATUTORY DEDICATIONS	2,927,298,462	3,335,753,743	3,359,486,017	0	\$3,359,486,017
FEDERAL	6,342,171,627	8,750,834,240	8,482,582,822	0	\$8,482,582,822
TOTAL FUNDS AVAILABLE	\$17,951,416,315	\$20,171,681,265	\$20,294,549,712	\$0	\$20,294,549,712
EXPENDITURES					
GENERAL APPROPRIATIONS BILL	\$15,932,331,524	\$19,153,810,350	\$18,499,664,754	\$0	\$18,499,664,754
ANCILLARY APPROPRIATIONS	\$49,688,680	\$97,461,627	\$97,338,492	\$0	\$97,338,492
NON-APPROPRIATED REQUIREMENTS	\$517,802,464	\$363,021,720	\$477,096,202	\$0	\$477,096,202
JUDICIAL EXPENSE	\$107,140,571	\$115,093,795	\$115,093,795	\$0	\$115,093,795
LEGISLATIVE EXPENSE	\$64,365,301	\$70,001,169	\$70,501,169	\$0	\$70,501,169
SPECIAL ACTS	\$12,068,043	\$0	\$0	\$0	\$0
CAPITAL OUTLAY	\$979,406,706	\$988,053,570	\$1,034,855,300	\$0	\$1,034,855,300
TOTAL EXPENDITURES	\$17,662,803,289	\$20,787,442,231	\$20,294,549,712	\$0	\$20,294,549,712
FUNDS LESS EXPENDITURES	\$288,613,026	(\$615,760,966)	\$0	\$0	\$0
CARRYFORWARD BALANCES	(36,700,593)	0	0	0	0
SAVINGS FROM EXECUTIVE ORDER KBB 2005-82	0	431,201,858	0	0	0
SAVINGS FROM EXECUTIVE ORDER KBB 2005-38	0	29,275,600	0	0	0
SUPPLEMENTAL ^{ACT 67} FIRST EXTRA SESSION 2005	0	155,359,032	0	0	0
FUNDS LESS EXPENDITURES AFTER ADJUSTMENTS	\$251,912,433	\$75,524	\$0	\$0	\$0
BUDGET STABILIZATION FUND ENDING BALANCE	\$461,661,503	\$681,908,535	\$681,908,535	\$0	\$681,908,535

(1) The Existing Operating Budget column for FY 2005 - 2006 reflects the Official Revenue Forecast from the 10/28/05 meeting of the Revenue Estimating Conference.

(2) In FY 2004 - 2005, non-recurring revenue consists of \$17,270,250 cash surplus from FY 2002 - 2003.

(3) In FY 2005-2006, Utilization is from the Budget Stabilization Fund.

(4) In FY 2005-2006, the result of depositing the FY 2004-2005 surplus into the Budget Stabilization Fund will cause mineral revenue, that was formerly dedicated, to flow into the General Fund.



**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE
FISCAL YEARS 2003/2004 THROUGH 2009/2010 (IN MILLIONS)**

	ACTUAL 2003/04	ACTUAL 2004/05	FORECAST 2005/06 EOB	FORECAST 2005/06 Feb. 17, 2006	FORECAST 2006/07 Feb. 17, 2006	FORECAST 2007/08 Feb. 17, 2006	FORECAST 2008/09 Feb. 17, 2006	FORECAST 2009/10 Feb. 17, 2006	04/05	ANNUAL GROWTH DURING 05/06	06/07	07/08	08/09	09/10
Alcoholic Beverage Tax	16.9	17.3	15.6	16.0	16.2	15.9	15.7	15.4	2.4%	-7.3%	1.3%	-1.7%	-1.7%	-1.8%
Beer Tax	36.6	36.5	33.1	35.1	35.1	34.7	34.4	34.0	-0.3%	-3.7%	0.0%	-1.1%	-1.1%	-1.2%
Corporate Franchise Tax	181.0	276.9	184.2	222.2	204.1	185.9	167.2	147.9	52.9%	-19.7%	-8.2%	-8.9%	-10.1%	-11.5%
Corporate Income Tax	236.7	352.1	207.2	250.7	242.3	243.3	243.1	247.3	48.7%	-28.8%	-3.3%	0.4%	-0.1%	1.7%
Corporate Total	417.8	629.0	391.4	472.9	446.4	429.2	410.3	395.2	50.6%	-24.8%	-5.6%	-3.9%	-4.4%	-3.7%
Gasoline Tax	438.8	447.6	440.9	442.5	454.6	461.9	467.0	471.6	2.0%	-1.1%	2.7%	1.6%	1.1%	1.0%
Gift Tax	3.8	3.5	3.5	3.3	3.4	3.4	3.4	3.5	-8.7%	-5.0%	1.9%	0.9%	1.7%	1.6%
Hazardous Waste Tax	4.8	5.6	5.8	4.9	5.0	5.1	5.2	5.3	17.9%	-12.9%	2.0%	2.1%	2.1%	2.0%
Individual Income Tax	2192.0	2400.7	1942.0	2042.7	2150.8	2253.1	2367.8	2486.1	9.5%	-14.9%	5.3%	4.8%	5.1%	5.0%
Inheritance Tax	42.2	26.9	2.0	6.0	1.0	1.0	1.0	1.0	-36.1%	-77.7%	-83.3%	0.0%	0.0%	0.0%
Natural Gas Franchise Tax	2.9	7.7	8.0	5.8	6.0	6.6	7.4	8.1	169.8%	-25.4%	3.9%	10.8%	10.8%	10.7%
Public Utilities	8.7	3.1	2.4	3.1	3.1	3.2	3.3	3.3	-135.0%	0.0%	2.0%	2.1%	2.1%	2.0%
Auto Rental Excise	4.4	4.7	4.9	5.3	5.6	5.7	5.8	5.9	6.2%	13.6%	5.2%	2.1%	2.1%	2.0%
Sales Tax	2152.0	2324.6	2098.7	2357.1	2288.7	2331.0	2380.5	2463.6	8.0%	1.4%	-2.9%	1.8%	2.1%	3.5%
Severance Tax	527.1	680.3	655.9	625.6	751.5	678.9	618.5	548.6	29.1%	-8.0%	20.1%	-9.7%	-8.9%	-11.3%
Special Fuels Tax	122.0	128.4	126.5	135.2	145.9	150.2	156.8	164.3	5.2%	5.3%	7.9%	2.9%	4.4%	4.8%
Supervision&Inspection Fees	5.2	4.8	5.2	4.4	4.5	4.6	4.6	4.7	-8.0%	-8.0%	1.2%	1.3%	1.3%	1.2%
Tobacco Tax	145.6	150.7	140.6	137.7	134.0	131.1	127.6	124.0	3.5%	-8.7%	-2.7%	-2.1%	-2.7%	-2.8%
Unknown Owners	21.8	25.5	25.6	25.5	26.4	27.2	28.0	28.7	17.0%	0.0%	3.5%	3.0%	2.8%	2.8%
Miscellaneous Receipts	6.5	6.2	5.6	5.6	5.6	5.6	5.6	5.6	-4.7%	-8.9%	0.0%	0.0%	0.0%	0.0%
TOTAL REVENUE DEPT	6149.1	6903.1	5907.8	6328.7	6483.8	6548.4	6642.8	6769.0	12.3%	-8.3%	2.5%	1.0%	1.4%	1.9%
Royalties	407.0	482.4	545.7	420.0	422.8	480.5	464.1	408.9	18.5%	-12.9%	0.7%	13.6%	-3.4%	-11.9%
Rentals	11.0	13.0	18.8	13.0	11.0	12.0	12.0	12.0	17.6%	0.2%	-15.4%	9.1%	0.0%	0.0%
Bonuses	23.0	35.7	37.6	30.0	23.0	25.0	25.0	25.0	55.2%	-16.1%	-23.3%	8.7%	0.0%	0.0%
Royalty Interest	4.2	2.8	2.9	2.9	2.9	2.9	2.9	2.9	-32.9%	3.8%	0.0%	0.0%	0.0%	0.0%
TOTAL MINERAL BOARD	445.2	533.9	605.0	465.9	459.7	520.4	504.0	448.8	19.9%	-12.7%	-1.3%	13.2%	-3.2%	-11.0%
Interest on Investments	51.0	35.7	25.0	25.0	26.0	26.0	26.0	26.0	-29.9%	-30.0%	4.0%	0.0%	0.0%	0.0%
Interest Earnings (TTF)	2.1	4.0	2.6	2.6	1.7	1.1	0.7	0.5	95.0%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%
Various Agency Receipts INA	43.4	74.8	33.0	35.0	38.0	38.0	38.0	38.0	72.5%	-53.2%	8.6%	0.0%	0.0%	0.0%
Agency SGR Over-collections	17.5	20.6	16.1	21.0	22.3	23.6	25.1	26.8	18.0%	1.7%	6.0%	6.2%	6.4%	6.6%
Bond Reimbursements	7.6	8.2	4.4	4.4	4.4	4.4	3.8	3.8	7.5%	-46.4%	0.0%	0.0%	-13.6%	0.0%
Education Support Fund	64.8	68.6	65.1	64.0	64.2	68.1	67.0	63.2	5.9%	-6.7%	0.3%	6.1%	-1.6%	-5.6%
Lottery	116.9	115.0	101.8	106.4	103.7	102.5	102.5	102.5	-1.6%	-7.5%	-2.5%	-1.2%	0.0%	0.0%
Land Based Casino	60.0	69.6	60.0	60.0	64.0	68.3	72.9	77.8	15.9%	-13.7%	6.7%	6.7%	6.7%	6.7%
Tobacco Settlement	54.0	57.1	60.9	60.9	62.9	65.6	67.2	68.8	5.7%	6.7%	3.4%	4.3%	2.5%	2.3%
Provider Fees	94.1	97.0	99.9	99.9	98.6	98.6	98.6	98.6	3.0%	3.0%	-1.3%	0.0%	0.0%	0.0%
TOTAL TREASURY	511.4	550.6	468.8	479.2	485.8	496.3	501.9	506.0	7.7%	-13.0%	1.4%	2.1%	1.1%	0.8%
Excise License Tax	200.3	204.5	165.7	190.0	195.7	199.8	204.0	208.1	2.1%	-7.1%	3.0%	2.1%	2.1%	2.0%
Insurance Fees	39.2	43.6	45.0	46.5	48.2	49.9	51.7	53.6	11.3%	6.6%	3.6%	3.6%	3.6%	3.6%
TOTAL INSURANCE	239.4	248.1	210.7	236.5	243.9	249.7	255.8	261.7	3.6%	-4.7%	3.1%	2.4%	2.4%	2.3%
Misc Public Safety/ABP	11.1	11.2	10.3	10.3	11.2	11.4	11.1	11.0	1.0%	-8.4%	9.5%	1.2%	-2.1%	-0.7%
Certificate of Title	24.0	24.2	25.6	25.1	24.8	25.4	25.9	26.4	0.7%	3.7%	-1.1%	2.1%	2.1%	2.0%
Motor Vehicle License	87.3	83.5	84.9	86.6	86.2	87.7	89.2	90.6	-4.4%	3.7%	-0.5%	1.7%	1.7%	1.6%
Motor Vehicle Sales	292.6	294.4	311.2	325.8	312.8	323.7	334.8	346.1	0.6%	10.7%	-4.0%	3.5%	3.5%	3.4%
Riverboat Gaming	342.2	339.0	283.9	357.3	357.3	374.2	391.9	410.5	-0.9%	5.4%	0.0%	4.7%	4.7%	4.7%
Racetrack Slots	35.3	47.8	33.7	52.3	55.9	58.6	61.3	64.2	35.4%	9.4%	7.0%	4.7%	4.7%	4.7%
Video Poker	177.1	183.8	172.7	195.3	201.4	210.8	220.7	231.0	3.8%	6.3%	3.1%	4.7%	4.7%	4.7%
TOTAL PUBLIC SAFETY	969.6	983.8	922.3	1052.6	1049.7	1091.6	1135.0	1179.8	1.5%	7.0%	-0.3%	4.0%	4.0%	4.0%
Total Taxes Licenses & Fees	8314.8	9219.5	8114.6	8562.8	8722.8	8906.4	9039.3	9165.4	10.9%	-7.1%	1.9%	2.1%	1.5%	1.4%



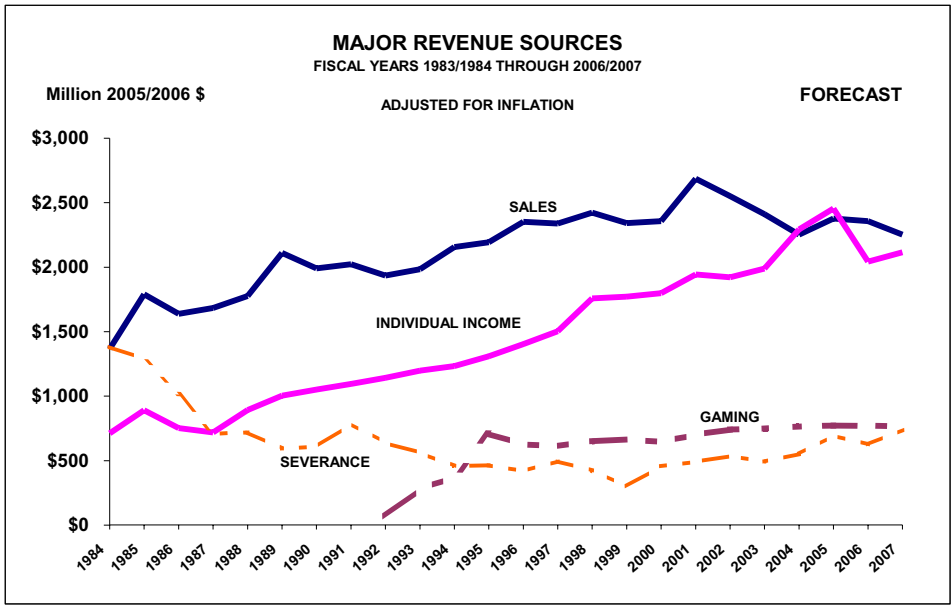
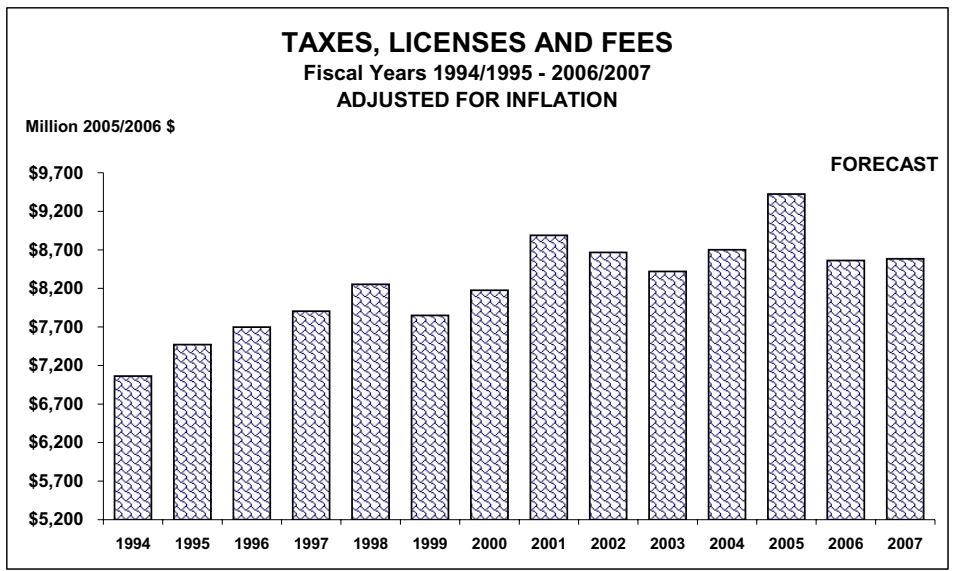


Dedications Fund/Revenue	2003/04	2004/05	2005/06 EOB	2005/06	2006/07	2007/08	2008/09	2009/10	ANNUAL GROWTH DURING					
									04/05	05/06	06/07	07/08	08/09	09/10
Trans Trust/fuels	448.6	460.8	460.3	462.2	480.4	489.6	499.0	508.7	2.7%	0.3%	3.9%	1.9%	1.9%	1.9%
Trans Trust/motor vehicle lic	40.0	37.1	37.5	40.2	38.0	38.7	39.4	40.0	-7.2%	8.4%	-5.4%	1.7%	1.7%	1.6%
Trans Trust/sales jet fuel	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trans Trust/interest & fees	20.1	23.2	21.5	21.8	20.9	19.1	18.7	18.5	15.9%	-6.1%	-4.2%	-8.5%	-2.0%	-1.3%
TIME/fuels	112.2	115.2	115.1	115.5	120.1	122.4	124.7	127.2	2.7%	0.3%	3.9%	1.9%	1.9%	1.9%
H F #2/motor vehicle license	10.4	10.1	10.2	10.7	10.2	10.3	10.5	10.7	-3.1%	5.7%	-5.1%	1.7%	1.7%	1.6%
Parishes/severance	38.7	44.5	40.2	41.0	49.2	44.4	40.5	35.9	15.2%	-8.0%	20.1%	-9.7%	-8.9%	-11.3%
Forest Productivity	2.9	3.1	3.5	2.9	2.9	2.8	2.7	2.6	6.5%	-5.5%	-3.2%	-2.6%	-2.7%	-3.5%
Parishes/royalties	42.8	45.0	35.4	42.0	42.3	48.1	46.4	40.9	5.2%	-6.8%	0.7%	13.6%	-3.4%	-11.9%
DNR/AG Support Fund	1.6	2.1	1.6	2.1	2.6	2.6	2.6	2.6	0.0%	0.0%	23.8%	0.0%	0.0%	0.0%
Wetlands Conservation&Rst	25.0	62.3	25.0	25.0	27.2	27.0	25.6	25.0	149.3%	0.0%	8.9%	-0.9%	-5.3%	-2.2%
Mineral Revenue Audit & Set.	0.0	30.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%				
Education Support Fund	64.8	68.6	55.0	64.0	64.2	68.1	67.0	63.2	5.9%	-6.7%	0.3%	6.1%	-1.6%	-5.6%
Workforce Develop Fd/sales	10.7	11.8	10.1	12.1	11.7	11.9	12.2	12.6	9.6%	2.4%	-3.0%	2.0%	2.3%	3.5%
2% Fire Insurance/excise lic	12.0	12.7	13.5	11.6	11.9	12.2	12.4	12.7	5.5%	-8.6%	3.0%	2.1%	2.1%	2.0%
Fire Marshall/excise license	9.0	9.6	10.0	9.5	9.8	10.0	10.2	10.4	6.9%	-1.5%	3.0%	2.1%	2.1%	2.0%
LSU Fireman Training /excise	1.8	1.9	2.0	1.7	1.8	1.8	1.8	1.9	6.9%	-11.4%	3.0%	2.1%	2.1%	2.0%
Retirement Systems/insurance	39.2	43.6	0.0	46.5	48.2	49.9	51.7	53.6	0.0%	0.0%	3.6%	3.6%	3.6%	3.6%
State Police Salary Fund	15.6	15.6	17.5	15.6	15.6	15.6	15.6	15.6	179.5%	-64.2%	0.0%	0.0%	0.0%	0.0%
Video Poker	50.7	55.2	5.0	57.7	59.7	62.5	65.5	68.5	8.9%	4.6%	3.5%	4.7%	4.7%	4.7%
Racetrack Slots	18.8	19.6	41.2	20.6	20.6	21.5	22.4	23.4	4.2%	4.9%	0.3%	4.2%	4.2%	4.2%
SELF Fund	129.8	139.3	53.8	136.0	140.1	148.1	156.6	165.5	7.4%	-2.4%	3.0%	5.7%	5.7%	5.7%
Riverboat Gaming	56.8	54.4	19.1	56.1	56.1	58.8	61.6	64.5	-4.3%	3.1%	0.0%	4.7%	4.7%	4.7%
Compulsive & Problem Gaming	2.0	2.0	104.5	2.5	2.5	2.5	2.5	2.5	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%
Haz Waste Site	4.8	5.6	134.7	4.9	5.0	5.1	5.2	5.3	17.9%	-12.9%	2.0%	2.1%	2.1%	2.0%
Supervision&Inspection Fees	5.2	4.8	57.4	4.4	4.5	4.6	4.6	4.7	-8.0%	-8.0%	1.2%	1.3%	1.3%	1.2%
Inspection Gasoline Fee	5.2	4.8	2.0	4.8	5.0	5.1	5.2	5.3	-7.5%	0.1%	3.9%	1.9%	1.9%	1.9%
Louisiana & Tobacco Funds	54.0	57.1	5.0	60.9	62.9	65.6	67.2	68.8	5.7%	6.7%	3.4%	4.3%	2.5%	2.3%
Tobacco Tax Health Care Fund	43.5	44.8	7.2	41.3	40.2	39.3	38.3	37.2	2.9%	-7.8%	-2.7%	-2.1%	-2.7%	-2.8%
Rapid Response Fund	0.0	0.0	53.9	10.0	10.0	10.0	10.0	10.0			0.0%	0.0%	0.0%	0.0%
Unclaimed Property Leverage	0.0	0.0	0.0	15.0	15.0	15.0	15.0	15.0				0.0%	0.0%	0.0%
Provider Fees	94.1	97.0	15.6	99.9	98.6	98.6	98.6	98.6	3.0%	3.0%	-1.3%	0.0%	0.0%	0.0%
Other	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-100.0%					
Total Dedications	1545.7	1827.2	1364.1	1662.1	1605.0	1638.3	1661.2	1679.2	18.2%	-9.0%	-3.4%	2.1%	1.4%	1.1%
Fund Balance Transfer	0.0	0.0	0.0	153.9	0.0	0.0	0.0	0.0						
GENERAL FUND REVENUE	6769.1	7392.2	6750.5	7054.5	7117.8	7268.1	7378.2	7486.1	9.2%	-4.6%	0.9%	2.1%	1.5%	1.5%

**LOUISIANA ECONOMIC FORECAST SUMMARY
BY FISCAL YEAR END JUNE 30**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
LOUISIANA INCOME (BILLION \$)										
NOMINAL PERSONAL INCOME	94.2	97.4	100.8	106.7	111.6	114.1	119.4	126.5	114.1	119.0
% CHANGE	5.7	3.4	3.5	5.8	4.6	2.2	4.7	6.0	-9.8	4.3
LOUISIANA EMPLOYMENT (IN THOUSANDS)										
TOTAL NONAGRICULTURAL	1,875	1,892	1,911	1,921	1,905	1,902	1,915	1,925	1,811	1,867
% CHANGE	2.6	0.9	1.0	0.5	-0.9	-0.2	0.7	0.5	-5.9	3.1
MINERAL RELATED ASSUMPTIONS										
OIL PRICE (\$/BBL)	16.56	12.47	23.24	28.84	22.64	29.81	31.14	45.91	59.00	55.00
% CHANGE	-23.7	-24.7	86.4	24.1	-21.5	31.7	4.5	47.4	28.5	-6.8
OIL PRODUCTION (MIL BBL)	126.8	115.0	108.5	106.2	100.7	91.1	87.2	81.0	56.7	62.1
% CHANGE	-1.1	-9.2	-5.7	-2.1	-5.2	-9.6	-4.2	-7.2	-30.0	9.6
NATURAL GAS PRODUCTION (MIL MCF)	1,596	1,511	1,442	1,494	1,439	1,345	1,335	1,349	1,040	1,106
% CHANGE	-2.6	-5.3	-4.6	3.6	-3.7	-6.5	-0.8	1.1	-22.9	6.4
ROYALTY NATURAL GAS PRICE (\$/MCF)	2.44	2.13	2.97	5.91	2.94	4.88	5.78	6.36	9.20	7.50
% CHANGE	-7.4	-12.6	39.5	98.8	-50.3	66.3	18.5	10.0	44.7	-18.5
NATURAL GAS SEVERANCE RATE (CENTS/MCF)	10.1	9.3	7.8	9.7	19.9	12.2	17.1	20.8	25.2	36.1
UNITED STATES REAL GDP % CHANGE	4.7	4.4	4.9	0.6	1.3	2.0	4.6	3.6	3.6	2.8
IMPLICIT PRICE DEFLATOR: TOTAL CONSUMPTION EXPENDITURES: % CHANGE	1.1	1.2	2.3	2.3	1.3	1.9	1.9	2.2	2.9	2.0
U. S. EMPLOYMENT (IN MILLIONS)	124.4	127.4	130.6	132.3	130.9	130.1	130.3	132.4	134.4	136.4
TOTAL NONAGRICULTURAL % CHANGE	2.6	2.5	2.5	1.3	-1.0	-0.6	0.2	1.6	1.5	1.5





**State of Louisiana
Economic Assumptions and Revenue Forecasts
for Fiscal Years 2005-2006 and 2006-2007**

Louisiana Employment

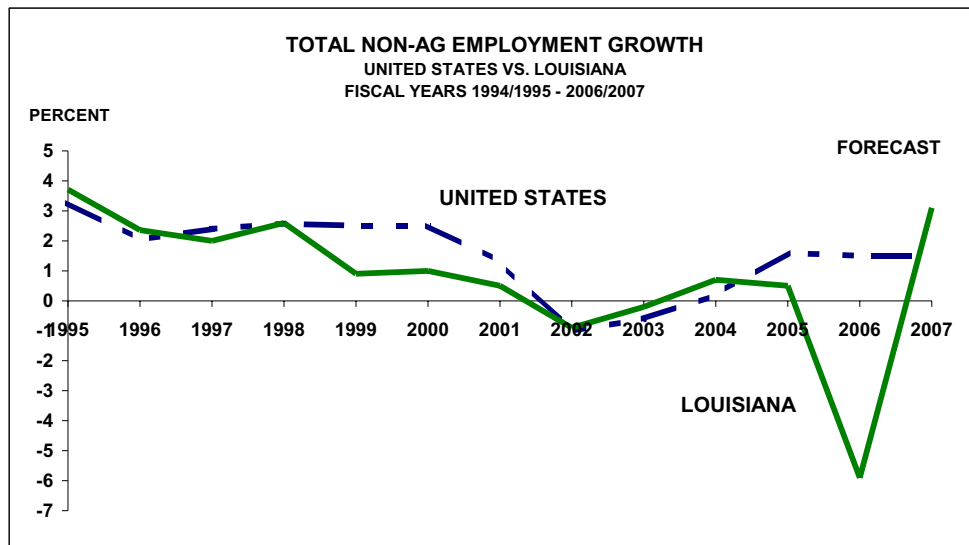
Louisiana employment is forecast to decrease by -5.9% for Fiscal Year 2006 and to grow by 3.1% for Fiscal Year 2007.

Louisiana Employment

In Thousands

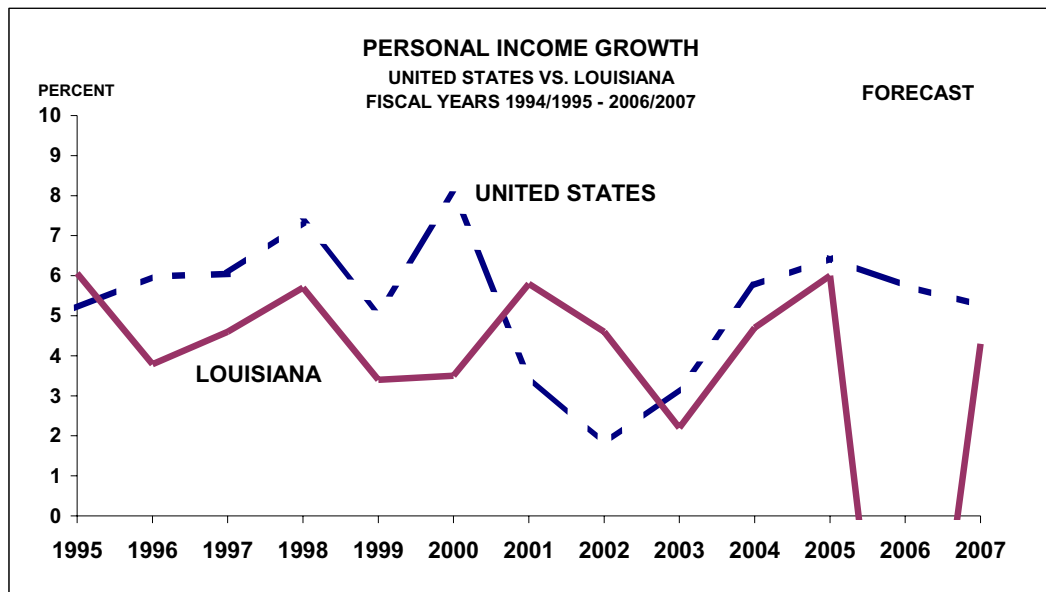
As of December 2005

Statewide Nonfarm Employment	1,734
Goods Producing	281
Natural Resources and Mining	46
Construction	95
Manufacturing	140
Service Providing	1,453
Trade, Transportation and Utilities	353
Information	27
Financial Activities	98
Professional and Business Services	157
Educational and Health Services	212
Leisure and Hospitality	165
Other Services	62
Government	379



Louisiana Personal Income

Louisiana's personal income is projected to change by -9.8% and 4.3%, respectively during Fiscal Years 2005-2006 and 2006-2007.



Revenue Summary

Fiscal Year 2004-2005

Available general fund revenue was \$7,392.23 million in Fiscal Year 2004-05, a healthy 9.3% growth from the previous year. The following table ranks the revenue sources with the largest percentage growth and at least a \$10 million increase over the prior year during Fiscal Year 2004-05.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Various Agency Receipts	31.4	72.5
Bonuses	12.7	55.2
Corporate Taxes	211.2	50.6
Severance	153.2	29.1
Royalties	75.4	18.5
Individual Income	208.6	9.5
Sales Tax	172.6	8.0

Corporate taxes were very strong reflecting the strength of the Louisiana economy from tourism and mineral exploration. Individual Income tax receipts were impacted by the passage of legislation revising the withholding tax tables and compressing the taxable income brackets. Severance, bonuses and royalties increased due to the higher prices for oil and gas and strong production.

The following table ranks the revenue sources with the largest annual percentage declines and at least a \$10 million decline during Fiscal Year 2004-05.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Inheritance Tax	- 15.3	- 36.1
Investment Interest	-15.3	-29.9

The decrease in inheritance revenues is due to legislation authorized in 1997, which phases out the state's share of the inheritance tax. Lower investment returns reflect the current market environment for government securities.



Fiscal Year 2005-2006

The Revenue Estimating Conference's official forecast of available general fund revenue is \$6,900.6 million for the Fiscal Year 2005-06. The forecast is \$491.6 million or 6.7% below actual collections for Fiscal Year 2004-05. Because of the enormous uncertainty following the largest natural disaster in the history of the United States and the shifting of a large portion of the state's population, the revenue picture has been dramatically altered. The following table ranks the revenue sources with the largest expected annual percentage changes, which are expected to change by at least \$10 million during Fiscal Year 2005-06.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Motor Vehicle Sales	31.4	10.7
Video Poker Gaming	11.5	6.3
Riverboat Gaming	18.3	5.4
Sales	32.5	1.4

The impacts of Hurricanes Katrina and Rita are reflected in the growth of motor vehicles sales tax and general sales tax as residents replace items lost to the storms. It is anticipated that the strong growth will eventually flatten as consumption returns to more normal levels. Video Poker and riverboat gaming have remained robust even with many facilities closed and it is assumed that the influx of temporary workers and relief agencies have added to the growth of these revenues.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Inheritance Tax	-20.9	-77.7
Various Agency Receipts	-39.8	-53.2
Interest on Investments	- 10.7	-30.1
Corporate Taxes	-156.1	-24.8
Individual Income	-357.9	-14.9
Royalties	-62.4	-12.9
Tobacco Tax	-13.0	-8.7
Lottery	-8.6	-7.5
Excise License Tax	-14.5	-7.1

Declining inheritance taxes are due to the phasing out of the state tax. Lower interest income receipts are reflective of the low interest rate environment in the capital markets. A decline in corporate tax receipts is expected as companies avail themselves of federal and state tax relief authorized as a result of the Gulf Opportunity Act of 2005. Individual income is projected to decline because of the loss of over 200,000 jobs as a result of the hurricanes. The decline in royalty revenue is related to the damage of off shore oil and gas facilities that have continued to be shut-in due to the storms of 2005.



Fiscal Year 2006-2007

The Revenue Estimating Conference's official forecast of available general fund revenue is \$7117.8 million in Fiscal Year 2006-2007. The forecast is \$217.2 million or 3.1% above the official forecast for general fund recurring revenues for Fiscal Year 2005-06. The following table ranks the revenue sources with the largest expected annual percentage changes, which are expected to change by at least \$10 million during Fiscal Year 2006-2007.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Severance Tax	125.9	20.1
Special Fuels	10.7	7.9
Individual income tax	108.1	5.3
Gasoline Tax	11.8	2.7

Severance tax is projected to increase as oil and gas facilities rebound from the effects of the hurricanes of 2005. This is also the case with individual income tax as more residents return to Louisiana with the re-building of housing in Louisiana.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Corporate Taxes	-26.5	-5.6
Motor Vehicles Sales	-13.0	-4.0
Sales Tax	-68.4	-2.9

Corporate taxes are projected to decline due to the phase out of the tax levied on corporate debt. This phase out began with Fiscal Year 2005-2006 and will continue until complete in Fiscal Year 2011-2012. The decline in motor vehicles sales and general sales tax reflects a return to more normal consumption purchases following a spike caused by the hurricane disasters.

