

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE  
FISCAL YEARS 2015/2016 THROUGH 2021/2022 (IN MILLIONS)**

Revenue	ACTUAL 2015/16	ACTUAL 2016/17	FORECAST 2017/18 14-Dec-17	FORECAST 2018/19 14-Dec-17	FORECAST 2019/20 14-Dec-17	FORECAST 2020/21 14-Dec-17	FORECAST 2021/22 14-Dec-17
Alcoholic Beverage Tax	27.6	36.4	38.6	38.6	38.6	38.6	38.6
Beer Tax	35.9	40.9	41.0	41.0	41.0	41.0	41.0
Corporate Franchise Tax							
Corporate Income Tax							
Corporate Total	248.8	388.4	350.0	300.0	300.0	300.0	300.0
Gasoline and Special Fuels Tax	622.2	634.9	637.0	649.9	668.2	685.1	702.9
Hazardous Waste Tax	3.1	2.7	2.6	2.6	2.6	2.5	2.5
Individual Income Tax	2877.8	2,959.5	2,993.7	3,038.3	3,117.1	3,253.2	3,350.7
Natural Gas Franchise Tax	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Public Utilities	11.7	6.2	6.2	6.2	6.2	6.2	6.2
Auto Rental Excise	1.7	6.7	5.0	5.0	5.0	5.0	5.0
Sales Tax	2937.6	3,827.2	3,934.7	3,104.8	3,160.0	3,124.5	3,194.4
Severance Tax	429.6	371.2	397.7	399.5	383.2	371.3	361.6
Supervision&Inspection Fees	8.2	8.6	9.4	9.4	9.4	9.4	9.4
Tobacco Tax	252.7	314.2	313.2	311.1	316.8	316.8	315.8
Unknown Owners	49.3	43.8	50.0	50.0	50.0	50.0	50.0
Miscellaneous Receipts	4.6	5.0	5.2	5.3	5.4	5.5	5.7
<b>TOTAL REVENUE DEPT</b>	<b>7,511.4</b>	<b>8,646.3</b>	<b>8,784.8</b>	<b>7,962.2</b>	<b>8,104.1</b>	<b>8,209.7</b>	<b>8,384.3</b>
Royalties	150.5	140.4	144.0	144.0	144.0	144.0	144.0
Rentals	3.6	2.4	2.8	2.8	2.8	2.8	2.8
Bonuses	1.9	1.4	2.0	2.0	2.0	2.0	2.0
Royalty Interest	1.2	1.1	1.0	1.0	1.0	1.0	1.0
<b>TOTAL MINERAL BOARD</b>	<b>157.2</b>	<b>145.2</b>	<b>149.8</b>	<b>149.8</b>	<b>149.8</b>	<b>149.8</b>	<b>149.8</b>
Interest on Investments	16.8	3.7	1.0	1.0	1.0	1.1	1.1
Interest Earnings (TTF)	0.7	1.7	1.4	1.4	1.4	1.4	1.4
Various Agency Receipts INA	248.5	201.3	206.9	208.9	208.8	208.7	208.6
Agency SGR Over-collections	30.1	47.3	61.6	27.0	27.0	27.0	27.0
Bond Reimbursements	25.2	67.7	47.7	21.5	21.5	19.0	18.2
Education Support Fund	44.3	37.8	40.0	40.0	40.0	40.0	40.0
Lottery	187.5	178.1	163.0	155.0	155.0	155.0	155.0
Land Based Casino	63.8	60.0	60.0	60.0	60.0	60.0	60.0
Tobacco Settlement	101.3	97.1	103.7	103.2	103.4	103.6	103.8
Provider Fees	130.8	146.1	151.1	152.4	152.4	152.4	152.4
<b>TOTAL TREASURY</b>	<b>849.1</b>	<b>840.7</b>	<b>836.4</b>	<b>770.5</b>	<b>770.5</b>	<b>768.2</b>	<b>767.5</b>
Excise License Tax	529.7	885.5	952.1	913.4	949.7	961.6	990.8
Insurance Fees	65.8	67.3	69.0	70.6	72.3	74.1	75.8
<b>TOTAL INSURANCE</b>	<b>595.5</b>	<b>952.8</b>	<b>1,021.0</b>	<b>984.0</b>	<b>1,022.0</b>	<b>1,035.6</b>	<b>1,066.6</b>
Misc Public Safety/ABP	16.7	16.5	16.6	16.7	16.8	16.9	17.0
Certificate of Title	82.8	25.2	25.7	26.3	26.8	27.4	27.9
Motor Vehicle License	122.2	124.4	125.0	125.6	126.2	126.9	127.5
Motor Vehicle Sales	410.8	528.9	500.9	427.2	427.4	438.2	473.0
Riverboat Gaming	415.4	419.2	420.0	420.0	420.0	420.0	420.0
Racetrack Slots	53.6	52.3	50.0	50.0	50.0	50.0	50.0
Video Poker	185.7	184.1	180.0	180.0	180.0	180.0	180.0
<b>TOTAL PUBLIC SAFETY</b>	<b>1,287.3</b>	<b>1,350.6</b>	<b>1,318.2</b>	<b>1,245.7</b>	<b>1,247.3</b>	<b>1,259.4</b>	<b>1,295.5</b>
<b>Total TAX, LICENSES &amp; FEES</b>	<b>10,400.4</b>	<b>11,935.6</b>	<b>12,110.2</b>	<b>11,112.2</b>	<b>11,293.7</b>	<b>11,422.6</b>	<b>11,663.7</b>

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE  
FISCAL YEARS 2015/2016 THROUGH 2021/2022 (IN MILLIONS)**

<b>Dedications</b>	<b>ACTUAL 2015/16</b>	<b>ACTUAL 2016/17</b>	<b>FORECAST 2017/18 14-Dec-17</b>	<b>FORECAST 2018/19 14-Dec-17</b>	<b>FORECAST 2019/20 14-Dec-17</b>	<b>FORECAST 2020/21 14-Dec-17</b>	<b>FORECAST 2021/22 14-Dec-17</b>
Trans Trust/fuels	497.8	507.9	509.6	519.9	534.6	548.1	562.3
Trans Trust/motor vehicle lic	50.7	53.0	53.1	53.4	53.6	53.9	54.2
Trans Trust/sales jet fuel	29.8	29.8	29.8	29.8	29.8	29.8	29.8
Trans Trust/interest & fees	27.8	27.6	29.1	29.1	29.1	29.1	29.1
TIME/fuels	124.4	127.0	127.4	130.0	133.6	137.0	140.6
H F #2/motor vehicle license	13.1	13.1	13.1	13.1	13.2	13.3	13.3
State Highway Improvement Fund	58.4	58.3	58.4	58.7	59.0	59.3	59.6
OMV Drivers' License Escrow Fund	-	-	3.1	3.1	3.1	3.1	3.1
Parishes/severance	38.7	43.0	33.7	33.8	32.5	31.5	30.7
Forest Productivity	2.2	2.6	2.0	2.0	2.0	3.0	3.0
Parishes/royalties	15.1	14.7	14.4	14.4	14.4	14.4	14.4
DNR/AG Support Fund	1.6	1.6	2.5	2.5	2.5	2.5	1.6
Wetlands Conservation&Rst	15.5	14.1	14.9	14.9	14.6	14.4	14.2
Education Support Fund	44.3	37.8	40.0	40.0	40.0	40.0	40.0
Workforce Develop Fd/sales	12.9	14.4	14.3	14.2	14.4	14.5	15.0
Tourism Promotion Dist/sal	24.5	25.8	26.7	26.5	26.8	27.1	27.9
Telecommunications Fund for the Deaf	1.0	1.6	1.0	1.0	1.0	1.0	1.0
2% Fire Insurance/excise lic	22.0	22.3	24.0	22.6	24.3	24.8	26.2
Fire Marshall/excise license	16.2	16.4	16.8	16.3	17.0	17.4	18.3
LSU Fireman Training /excise	3.2	3.3	3.7	3.5	3.8	3.8	4.0
Retirement Systems/insurance	65.8	67.3	69.0	70.6	72.3	74.1	75.8
ELT MATF Medicaid Managed Care	113.4	427.4	440.0	431.8	431.8	431.8	431.8
State Police Salary Fund	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Video Poker	59.1	56.7	57.4	57.4	57.4	57.4	57.4
Racetrack Slots	32.7	32.1	32.1	32.1	32.1	32.1	32.1
Lottery	187.0	177.6	162.5	154.5	154.5	154.5	154.5
SELF Fund	150.7	146.0	148.8	150.6	150.6	150.6	150.6
Higher Education Initiatives Fund	350.0	-	-	-	-	-	-
Casino Support Fund	1.8	3.6	1.8	-	-	-	-
Riverboat Gaming	65.3	65.3	65.7	65.7	65.7	65.7	65.7
Compulsive & Problem Gaming	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Budget Stabilization Fund	-	25.0	25.0	25.0	25.0	25.0	25.0
Revenue Stabilization Fund	-	-	-	-	-	-	-
Haz Waste Site	3.1	2.7	2.6	2.6	2.6	2.5	2.5
Supervision&Inspection Fees	8.2	8.6	9.4	9.4	9.4	9.4	9.4
Inspection Gasoline Fee	4.6	4.4	4.6	4.7	4.8	5.0	5.1
Louisiana & Tobacco Funds	111.1	107.4	113.9	113.4	113.7	114.0	114.1
Tobacco Tax Health Care Fund	30.1	31.7	29.6	29.4	29.9	29.9	29.8
Tobacco Tax Medicaid Match Fund	122.7	129.2	121.3	119.4	122.7	124.7	124.3
Rapid Response Fund/Economic Dev	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Rapid Response Fund/Workforce	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
Capitol Tech	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Misc. Allocations	5.0	-	-	-	-	-	-
Provider Fees	130.8	146.1	151.1	152.4	152.4	152.4	152.4
NOW Waiver Fund	-	-	-	-	-	-	-
<b>Total Dedications</b>	<b>2,503.7</b>	<b>2,508.3</b>	<b>2,515.3</b>	<b>2,510.9</b>	<b>2,537.3</b>	<b>2,560.1</b>	<b>2,582.0</b>
<b>GENERAL FUND REVENUE</b>	<b>7,896.8</b>	<b>9,427.3</b>	<b>9,594.9</b>	<b>8,601.3</b>	<b>8,756.4</b>	<b>8,862.5</b>	<b>9,081.7</b>
Fund Balance Transfer	-	-	-	-	-	-	-
<b>GENERAL FUND REVENUE (including Fund Balance Transfer)</b>	<b>7,896.8</b>	<b>9,427.3</b>	<b>9,594.9</b>	<b>8,601.3</b>	<b>8,756.4</b>	<b>8,862.5</b>	<b>9,081.7</b>

# ECONOMIC OUTLOOK

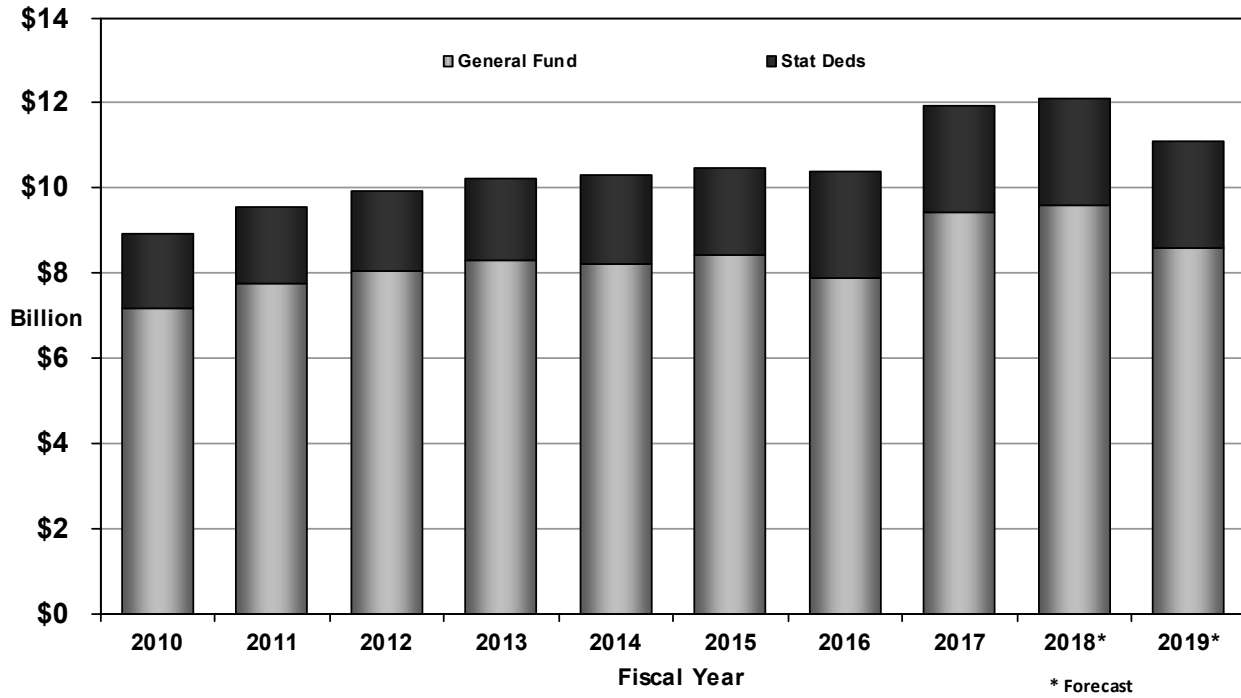
## LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR ENDING JUNE 30

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

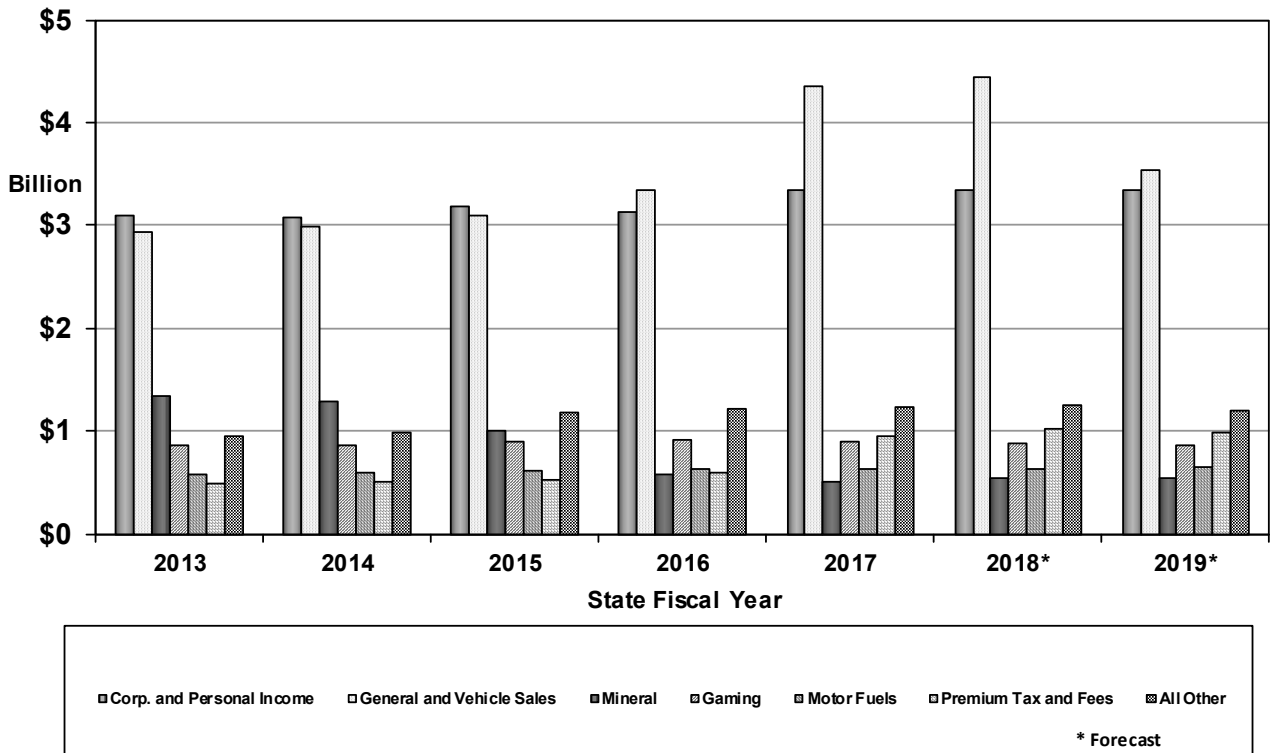
	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018*</u>	<u>FY 2019*</u>
<b>Macroeconomic Assumptions</b>							
Population (Thousand)	4,618.2	4,639.8	4,661.3	4,677.9	4,690.3	4,701.3	4,709.297
<i>% Change</i>	0.5%	0.5%	0.5%	0.4%	0.3%	0.2%	0.2%
Louisiana Non-Agricultural Employment (Thousand)	1,938.2	1,967.0	1,995.6	1,984.3	1,973.3	1,988.9	2,002.8
<i>% Change</i>	1.1%	1.5%	1.5%	-0.6%	-0.6%	0.8%	0.7%
National Non-Agricultural Employment (Million)	135.2	137.6	140.4	143.1	145.4	147.5	149.3
<i>% Change</i>	1.6%	1.7%	2.1%	1.9%	1.6%	1.4%	1.2%
Louisiana Wages and Salaries (\$ Billion)	90.2	93.1	96.9	96.6	95.9	98.5	102.8
<i>% Change</i>	3.0%	3.2%	4.1%	-0.3%	-0.8%	2.8%	4.3%
National Wages and Salaries (\$ Billion)	7,025.8	7,283.1	7,668.0	7,989.6	8,203.3	8,535.2	9,041.5
<i>% Change</i>	3.9%	3.7%	5.3%	4.2%	2.7%	4.0%	5.9%
Inflation (Personal Consumption Deflator - Year 2009 = 100)	106.9	108.4	109.3	110.0	111.8	114.0	117.3
<i>% Change</i>	1.5%	1.4%	0.9%	0.7%	1.6%	2.0%	2.9%
Annual Change in U.S. Real Gross Domestic Product	1.5%	2.2%	3.2%	1.7%	1.9%	2.7%	2.6%
<b>Mineral-Related Assumptions</b>							
Severance Crude Oil Price (\$/barrel)	105.05	103.40	76.22	43.72	44.96	51.78	54.31
<i>% Change</i>	-3.9%	-1.6%	-26.3%	-42.6%	2.8%	15.2%	4.9%
Oil Production (Million Barrels)	71.9	70.5	66.8	59.8	54.1	50.8	48.3
<i>% Change</i>	1.6%	-2.0%	-5.3%	-10.4%	-9.6%	-6.1%	-4.9%
Henry Hub Natural Gas Price (\$/MCF)	3.48	4.24	3.32	2.14	2.94	3.02	3.13
<i>% Change</i>	6.1%	21.8%	-21.5%	-35.6%	37.4%	2.7%	3.6%
Natural Gas Severance Rate (¢/MCF)	14.8	11.8	16.3	15.8	9.8	11.1	12.2
Natural Gas Production (Million MCF)	2,714.4	2,069.3	1,843.3	1,757.5	1,788.9	1,944.2	1,908.4
<i>% Change</i>	-10.9%	-23.8%	-10.9%	-4.7%	1.8%	8.7%	-1.8%

\* Forecast

### TAXES, LICENSES AND FEES



### TAXES, LICENSES & FEES Major Revenue Sources



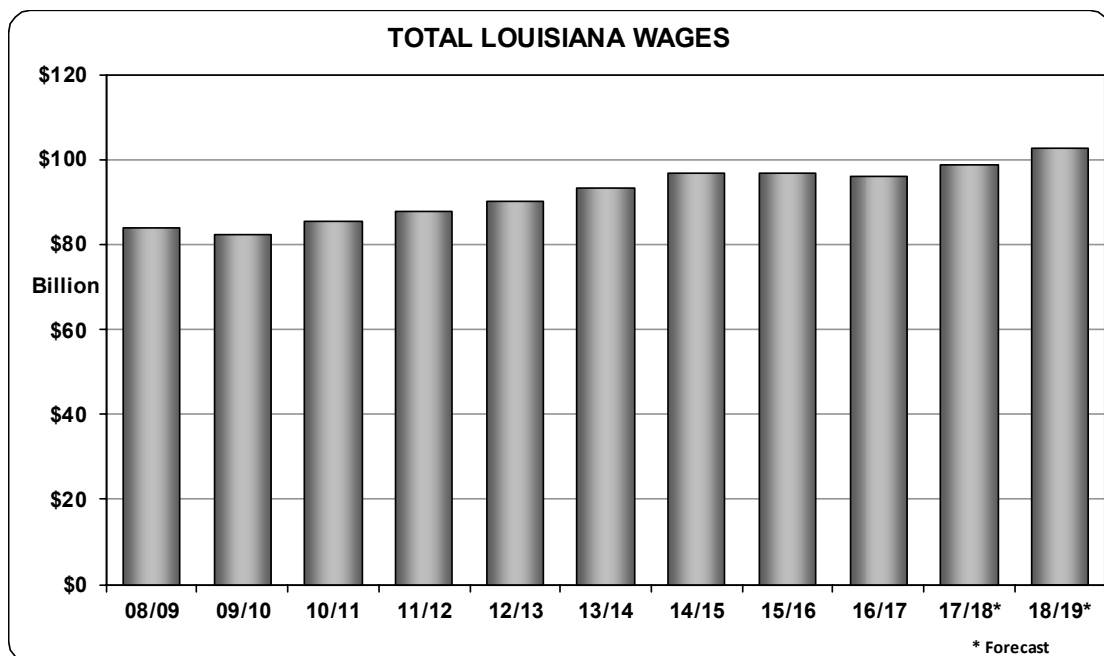
## Louisiana Employment and Wages

Over the last several fiscal years since the Great Recession of 2008-2009 up to FY2014-2015, Louisiana non-farm employment had been steadily rising, in tune with national economic activity. However, this steady increase hit a bump in FY2015-2016, when the fall in the oil price per barrel had a profound effect on the Louisiana labor market. In the two fiscal years from FY2014-2015 to FY2016-2017, Louisiana shed a total of about 23,000 jobs, most of them concentrated in the oil services industry. For fiscal years FY2017-2018 and FY2018-2019 a slow and moderate recovery of the labor market is expected.

Louisiana nominal wages had been steadily increasing with the recovery after the Great Recession. In fiscal year FY2014-2015 the increase hit 4%, a percentage not seen in the previous ten years. However, as the job market entered in recession in fiscal year FY2015-2016, and employment fell, nominal wages stopped increasing. For FY2016-2017 the change was negative 0.4%, but for the subsequent two fiscal years, FY2017-2018 and FY2018-2019 a higher estimate is expected, 2.8% and 4.3% respectively, in tune with a moderate recovery expected in the job market.

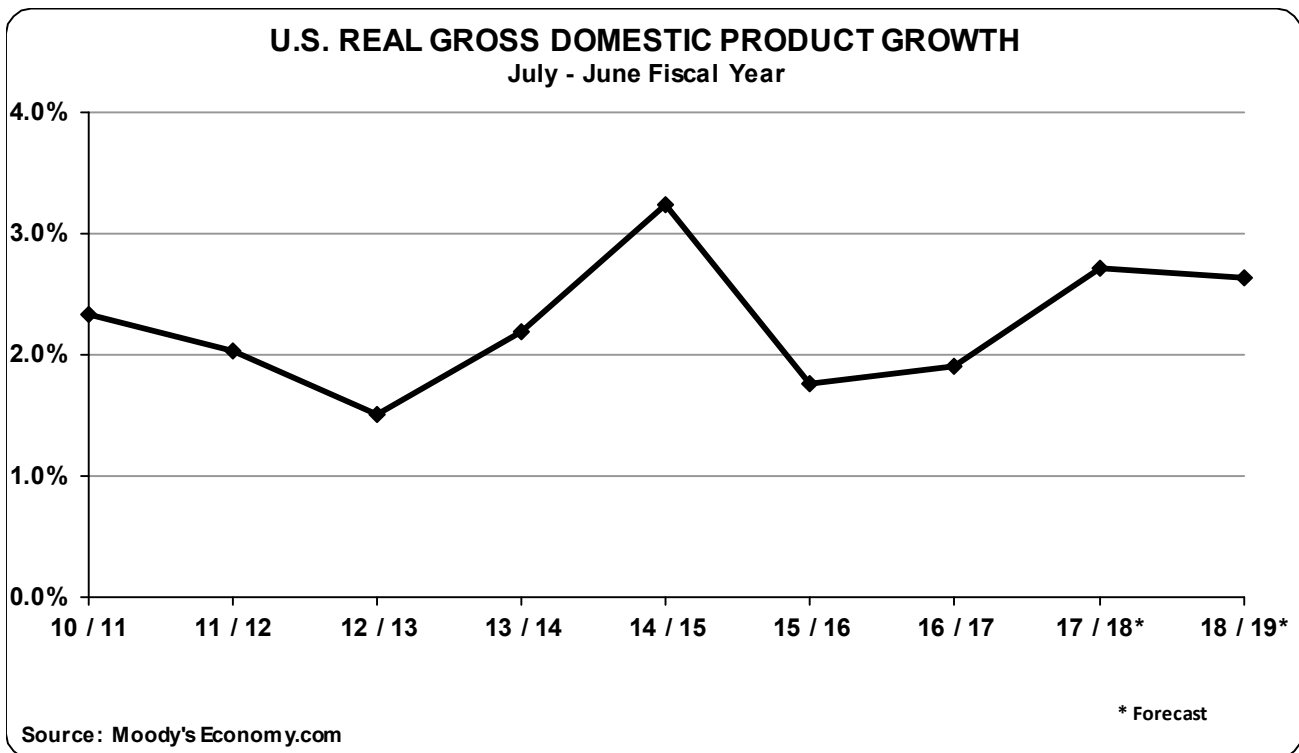
Louisiana Employment (Thousands, SA)	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 forecast	FY 2018-19 forecast
<b>Statewide Nonfarm Employment</b>	<b>1,996</b>	<b>1,984</b>	<b>1,973</b>	<b>1,989</b>	<b>2,003</b>
<b>Goods Producing</b>	<b>340</b>	<b>323</b>	<b>316</b>	<b>325</b>	<b>329</b>
Natural Resources & Mining	53	43	36	36	36
Construction	141	141	146	154	159
Total Manufacturing	147	140	134	135	134
<b>Service Providing</b>	<b>1,655</b>	<b>1,661</b>	<b>1,657</b>	<b>1,664</b>	<b>1,676</b>
Trade, Transportation & Utilities	393	391	386	382	382
Information	26	25	23	22	22
Financial Activities	94	93	92	93	92
Professional & Business Services	213	212	211	212	216
Education & Health Services	302	308	314	319	323
Leisure & Hospitality	225	231	231	238	240
Other Services (except Public Administration)	74	75	76	77	78
Total Government	328	326	324	321	321

Source: Moody's Economy.com.



## U.S. Real Gross Domestic Product

The following is based upon Moody's Economy.com data and forecast. After the Great Recession of 2008-2009, the U.S. economy expanded at a slow and steady pace. It did not see high rates of growth (as were seen in the past in other recoveries after recessions), but economic growth maintained a steady pace of about 2%. In fiscal year FY2014-2015 growth was of 3.2%, but in the following fiscal years, FY2015-2016 and FY2016-2017, it slowed to 1.7% and 1.9%, respectively. The projection of U.S. economic growth in FY2017-2018 is 2.7%, and for the following fiscal year, FY2018-2019, it is 2.6%.



## Revenue Summary - Fiscal Year 2015-2016

Fiscal Year 2016-2017 ended with a revenue collection of Taxes, Licenses and Fees of \$11,935.6 million, which represents an increase of a little bit over \$1.5 billion, compared to the actual collection of FY 2015-2016. Dedications remained overall stable, at about \$2.5 billion. This means that the bulk of the increase flowed into the State General Fund, which saw an increase of \$1,530.5 million. This increase stems from several temporary tax increases that were enacted in the 2016 extraordinary legislative sessions.

	<b>FY 2016-2017 Actuals (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	11,935.6	1,535.2	14.8
Statutory Dedications	2,508.3	4.7	0.2
State General Fund	9,427.3	1,530.5	19.4

The following table ranks the revenue sources with a \$10 million or higher increase during FY2016-2017 over prior FY2015-2016:

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

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
General Sales Tax	889.6	30.3
Excise License Tax (Insurance Premium Tax)	355.7	67.2
Vehicle Sales Tax	118.1	28.7
Individual Income Tax	81.7	2.8
Tobacco Tax	61.5	24.3

The bulk of the increased revenue to the state was in the collection of the General Sales Tax. The reason for this is the “penny sales tax”; that is, the state sales tax rate increase from 4% to 5% (and an accompanying sales tax base expansion). A similar reason applies to the rise in the Vehicle Sales Tax collection. Premium Insurance Tax collections rose mainly because an increase in the tax rate to Health Maintenance Organizations (HMOs). And, finally, the Tobacco Tax, also showed an increase in its collection, because of a cigarette tax increase.

The following table ranks the revenue sources with the largest projected annual percentage declines during FY 2016-2017:

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

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-58.4	-13.6
Title Fee collection	-57.6	-69.6
Interest Earnings on the State General Fund	-13.2	-78.1
Royalties	-10.1	-6.7

The decreases in collections happened mainly in mineral revenue and in the Interest Earnings on the State General Fund. Mineral Revenue fell because of a significant decrease in the crude oil price and also in the state production of crude oil and natural gas. Interest Earnings decreased because of the low interest environment. Title Fee collections saw a decrease, because a portion of the title fees was moved out of the State General Fund to fees and self-generated revenue of the Department of Public Safety.

### **Revenue Summary - Fiscal Year 2017 - 2018**

The Revenue Estimating Conference (REC) met December 14, 2017 and adopted a forecast for FY 2017-2018 that projected an amount for Taxes, Licenses & Fees (TLF) of \$12,110.2 million; this represents an increase of \$174.6 million compared to the actual TLF collection of fiscal year FY2016-2017. With this Official Forecast, the State General Fund (SGF) is projected to increase by \$167.6 million, compared to the actual SGF collection in FY2016-2017 (a 1.8% increase).

	<b>FY 2017-2018 Forecast (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	12,110.2	174.6	1.5
Statutory Dedications	2,515.3	7.0	0.3
State General Fund	9,594.9	167.6	1.8

The following table ranks the revenue sources with a \$10 million or higher increase during FY 2017-2018 over prior FY 2016-2017:

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

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
General Sales Tax	107.5	2.8
Excise License Tax (Premium Insurance Tax)	66.6	7.5
Individual Income Tax	34.1	1.2
Severance Tax	26.5	7.2

General Sales and Individual Income Tax collections are projected to increase with the general increase in economic activity. Premium Insurance Tax collections are expected to rise because of the effects of Medicaid expansion and the increase in the tax on Health Maintenance Organizations passed during the 2016 Second Extraordinary Session. Severance Tax collections are projected to rise with an increase in the oil price.



The following table ranks the revenue sources with the largest projected annual percentage declines during FY 2017-2018:

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

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Corporate Collections	-38.4	-9.9
Vehicle Sales Tax	-28.0	-5.3
Lottery Proceeds	-15.1	-8.5

Expected Corporate Collections reflect a conservative outlook in this revenue source, given its high volatility in its collection. Vehicle Sales Tax is showing a slowdown compared to the previous year – the number of titled vehicles has decreased in that time frame, so that this needs to be reflected in the collection of the corresponding levy. Lottery Proceeds are the projection for Calendar Year 2017, which were lower than 2016.

**Revenue Summary - Fiscal Year 2018 - 2019**

The Revenue Estimating Conference meeting on December 14, 2017 also revised the forecast for FY 2018-2019. This is often referred to as the “fiscal cliff” year. It projects a decrease of 10.4% in the State General Fund for FY 2018-2019, compared to the projection for FY 2017-2018. The bulk of this decrease is the fall-off of the “penny sales tax”, enacted on a temporary basis during the 2016 First Extraordinary Session.

	<b>FY 2018-2019 Forecast (Million \$)</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Taxes, Licenses and Fees	11,112.2	-998.0	-8.2
Statutory Dedications	2,510.9	-4.4	-0.2
State General Fund	8,601.3	-993.6	-10.4

The following table shows revenue sources that are projected to increase by \$10 million or more during FY 2018-2019:

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

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	44.7	1.5
Motor Fuel Taxes	12.9	2.0

The projected increase in these revenues is linked to the expectation of a slow rise in economic activity, despite the challenges faced in the overall tax collection.

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The following table ranks the revenue sources with a \$10 million or more estimated decrease during FY 2018-2019:

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

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
General Sales Tax	-829.8	-21.1
Vehicle Sales Tax	-73.7	-14.7
Corporate Collections	-50.0	-14.3
Excise License Tax	-38.7	-4.1

The reductions in the first three revenue sources (General and Vehicle Sales Taxes, and Corporate Collections) are a direct consequence of the “fiscal cliff” – that is, the expiration of the temporary tax increases and tax credit and deduction haircuts enacted in past legislative sessions. Most of these expire by June 30, 2018. The Excise License Tax collection is expected to have a small slow-down in its collection after two years of considerable increases.