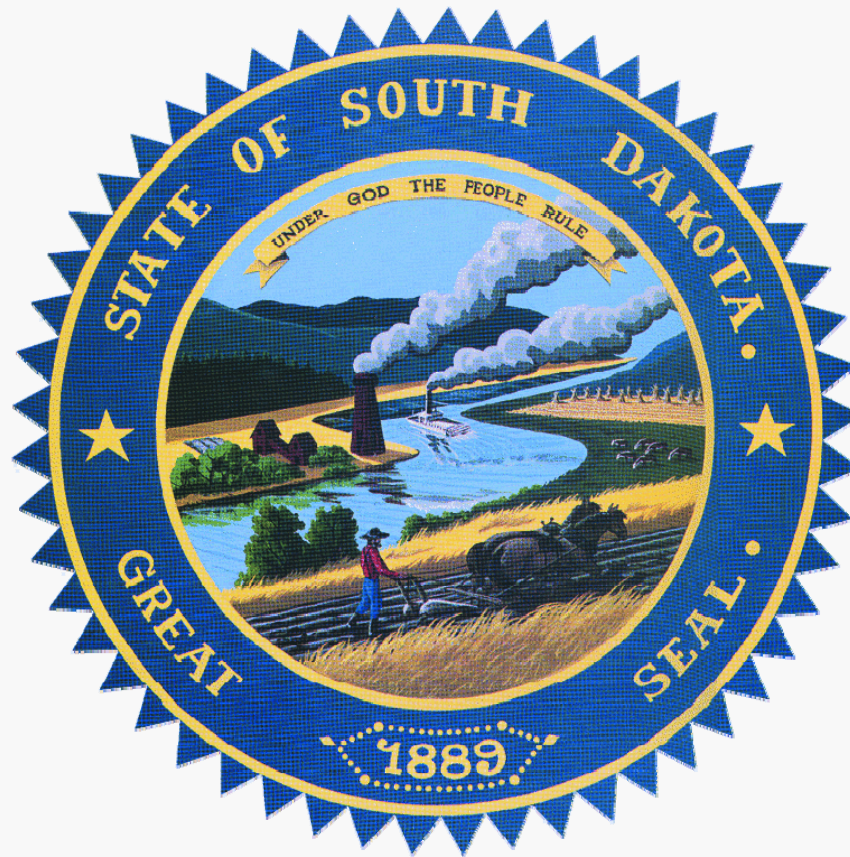


# Governor's Council of Economic Advisors



**January 31, 2017**

# Recommended Baseline Economic Forecast for South Dakota Key Indicators (Oct. '16)

|                       | 2013   | 2014  | 2015  | 2016 f | 2017 f | 2018 f | '06-'15<br>avg. |
|-----------------------|--------|-------|-------|--------|--------|--------|-----------------|
| SD Real GDP<br>Growth | 1.3%   | 0.4%  | 1.8%  | 1.7%   | 2.1%   | 1.9%   | 2.0%            |
| SD NF<br>Employment   | 0.9%   | 1.4%  | 1.0%  | 1.8%   | 1.2%   | 1.0%   | 0.9%            |
| SD NF<br>Income       | (2.1%) | 7.6%  | 6.5%  | 3.7%   | 4.2%   | 4.7%   | 4.8%            |
| SD Housing<br>Starts  | 5,150  | 4,510 | 3,930 | 5,220  | 4,480  | 4,160  | 4,068           |
| SD Unempl.<br>Rate    | 3.8%   | 3.4%  | 3.1%  | 2.7%   | 2.9%   | 2.9%   | 3.8%            |

# Growth Rates of Key Revenue Sources

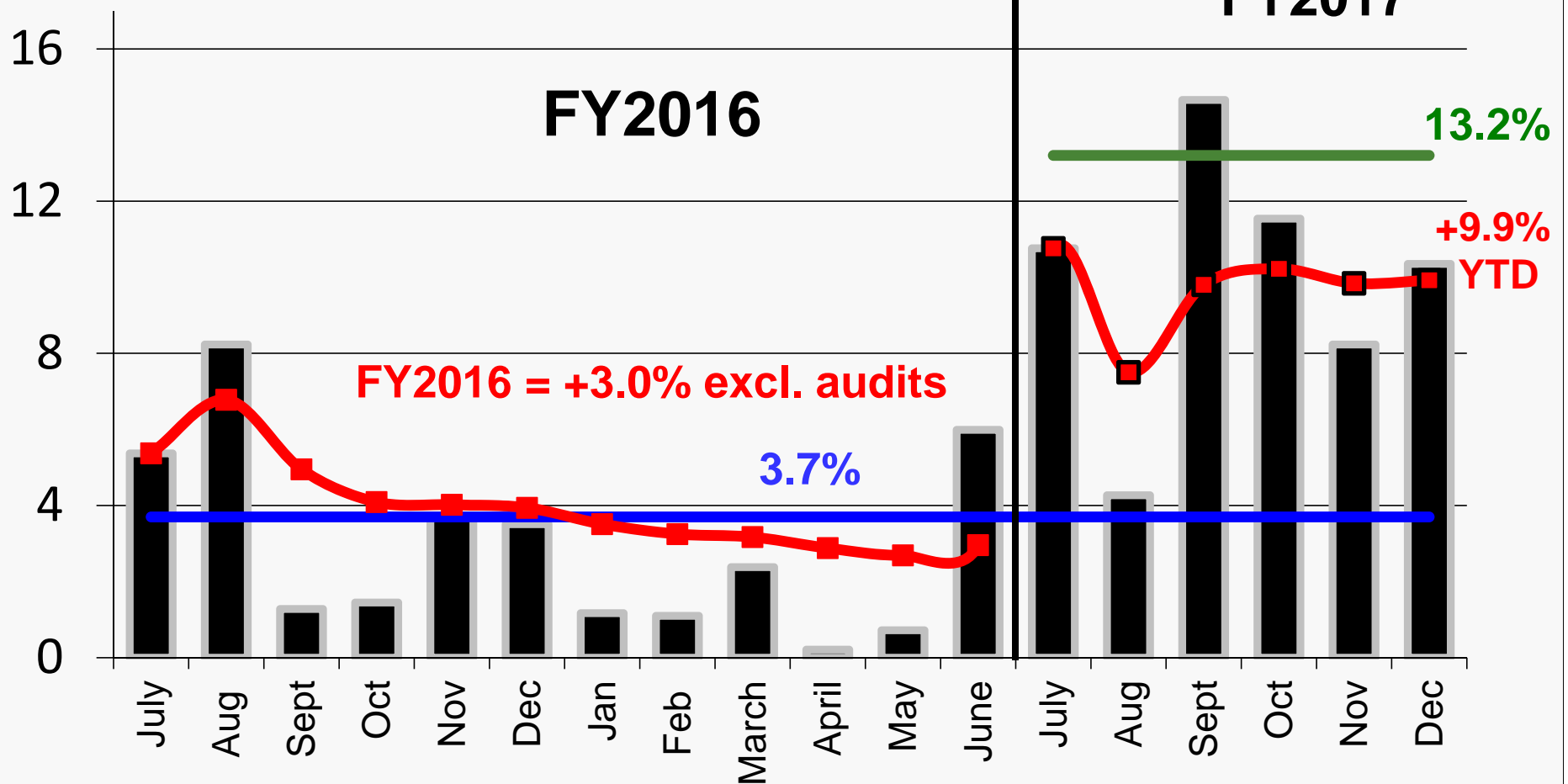


63% of Total

# Growth Rates for Sales Tax Collections

Blue = FY08-FY16 Average    Red = Running YTD FY16/FY17 Growth  
Black = Monthly Growth Rates    Green = Growth of Revised FY17 Est.

Percent

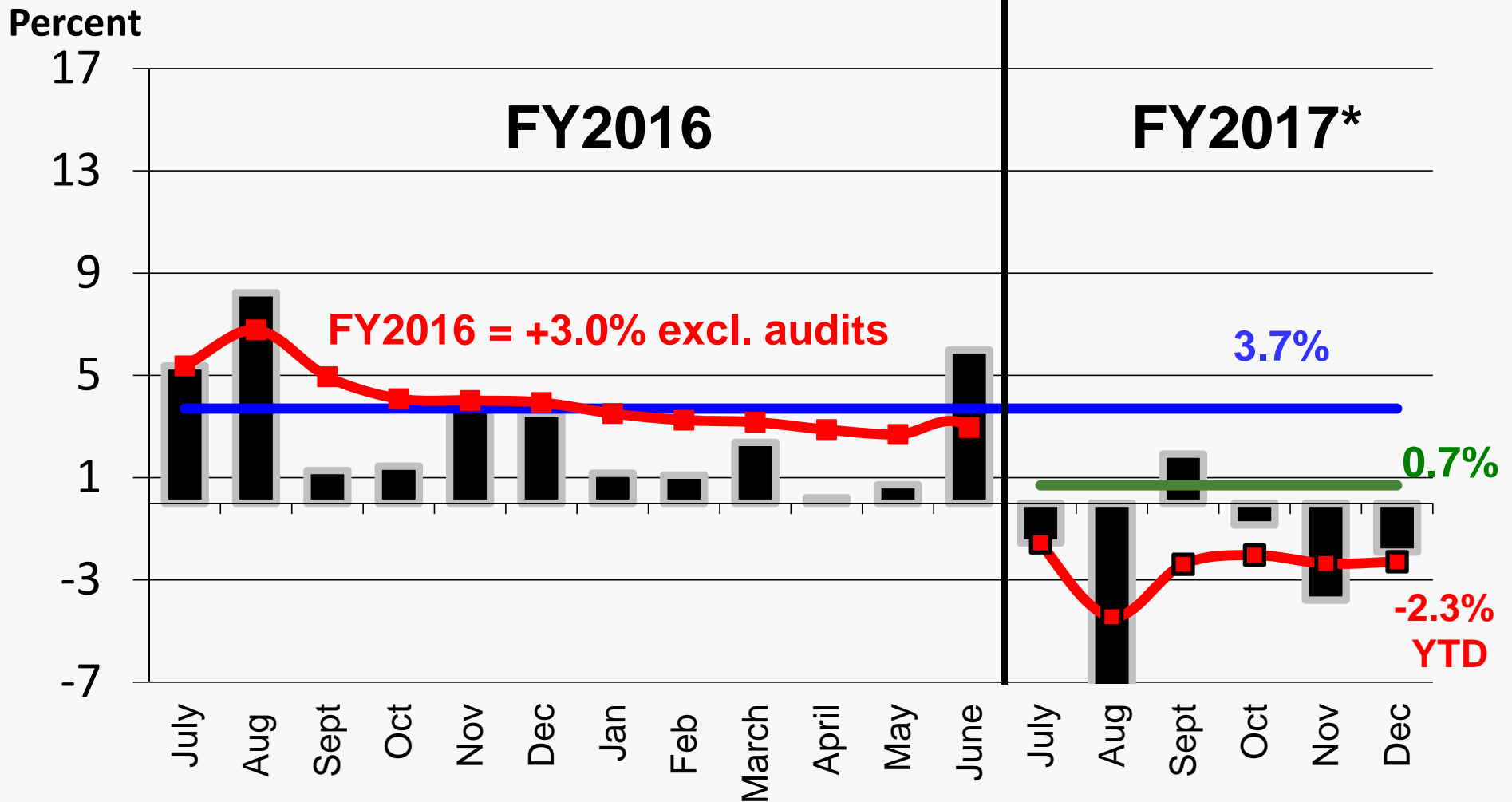


Source: SD Bureau of Finance and Management  
\*FY2017 Includes 0.5% sales tax increase

63% of Total

# Growth Rates for Sales Tax Collections

Blue = FY08-FY16 Average    Red = Running YTD FY16/FY17 Growth  
Black = Monthly Growth Rates    Green = Revised Base (w/o rate incr.)



Source: SD Bureau of Finance and Management

\*Excludes Rate Increase

# FY2017 YTD Taxable Sales Growth through November

| Taxable Sales by Major Group Comparison       |                      |                      |               | Average<br>Growth from<br>FY06-FY16 |
|---|----------------------|----------------------|---------------|-------------------------------------|
| <u>Top 10 Major Groups (71% of total)</u>     | <u>FY16</u>          | <u>FY17</u>          | <u>% Chg</u>  | <u>FY06-FY16</u>                    |
| Misc. Retail                                  | 1,018,761,558        | 890,075,413          | <b>-12.6%</b> | <b>2.6%</b>                         |
| General Merchandise Stores                    | 951,800,510          | 957,712,296          | <b>0.6%</b>   | <b>4.9%</b>                         |
| Food Stores                                   | 681,962,682          | 672,783,415          | <b>-1.3%</b>  | <b>2.9%</b>                         |
| Building Materials & Garden Supplies          | 776,955,937          | 685,694,150          | <b>-11.7%</b> | <b>4.3%</b>                         |
| Eating & Drinking Places                      | 651,108,968          | 659,022,334          | <b>1.2%</b>   | <b>4.1%</b>                         |
| Electric, Gas, & Sanitary Services            | 550,079,828          | 568,221,028          | <b>3.3%</b>   | <b>3.7%</b>                         |
| Wholesale Trade - Durable Goods               | 540,688,585          | 526,392,804          | <b>-2.6%</b>  | <b>4.0%</b>                         |
| Auto Dealers/Service Stations                 | 462,702,271          | 436,958,767          | <b>-5.6%</b>  | <b>4.8%</b>                         |
| Communications                                | 506,674,169          | 502,217,652          | <b>-0.9%</b>  | <b>4.3%</b>                         |
| Hotels&Lodging/Bus Services/Furnishings/Other | 453,147,657          | 453,994,485          | <b>0.2%</b>   | <b>5.1%</b>                         |
| <b>Total of Top 10 Major Groups</b>           | <b>6,593,882,165</b> | <b>6,353,072,344</b> | <b>-3.7%</b>  | <b>4.0%</b>                         |
| Remaining Groups                              | 2,736,390,095        | 2,818,726,472        | <b>3.0%</b>   | <b>3.9%</b>                         |
| <b>Total Taxable Sales</b>                    | <b>9,330,272,260</b> | <b>9,171,798,816</b> | <b>-1.7%</b>  | <b>3.9%</b>                         |

# Growth Rate for Video Lottery

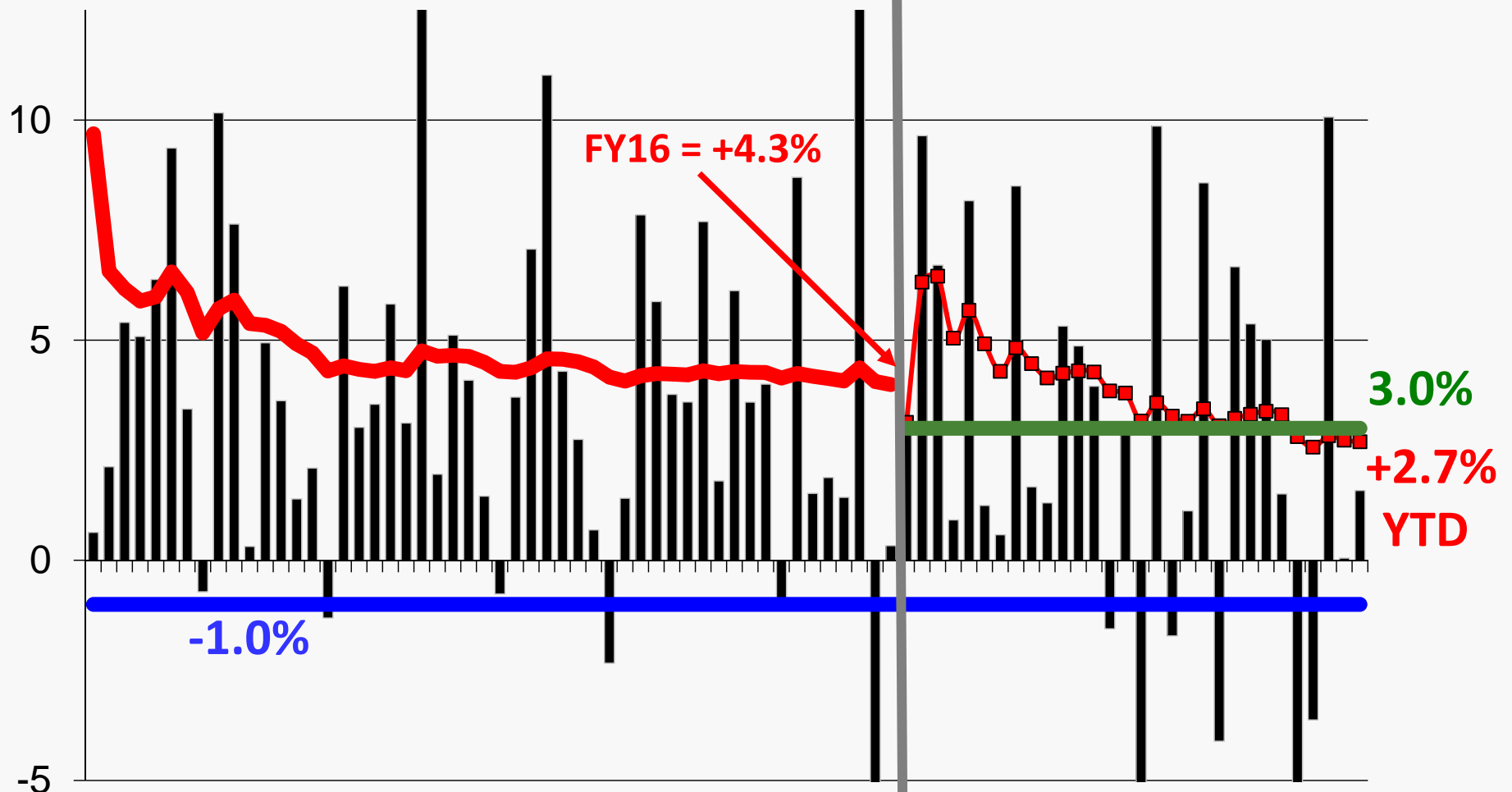
7% of Total

Blue = FY08-FY16 Avg. Red = FY16 YTD Growth/FY17 YTD Growth  
Black = Weekly Growth Rates Green = Growth of Revised FY17 Est.

Percent

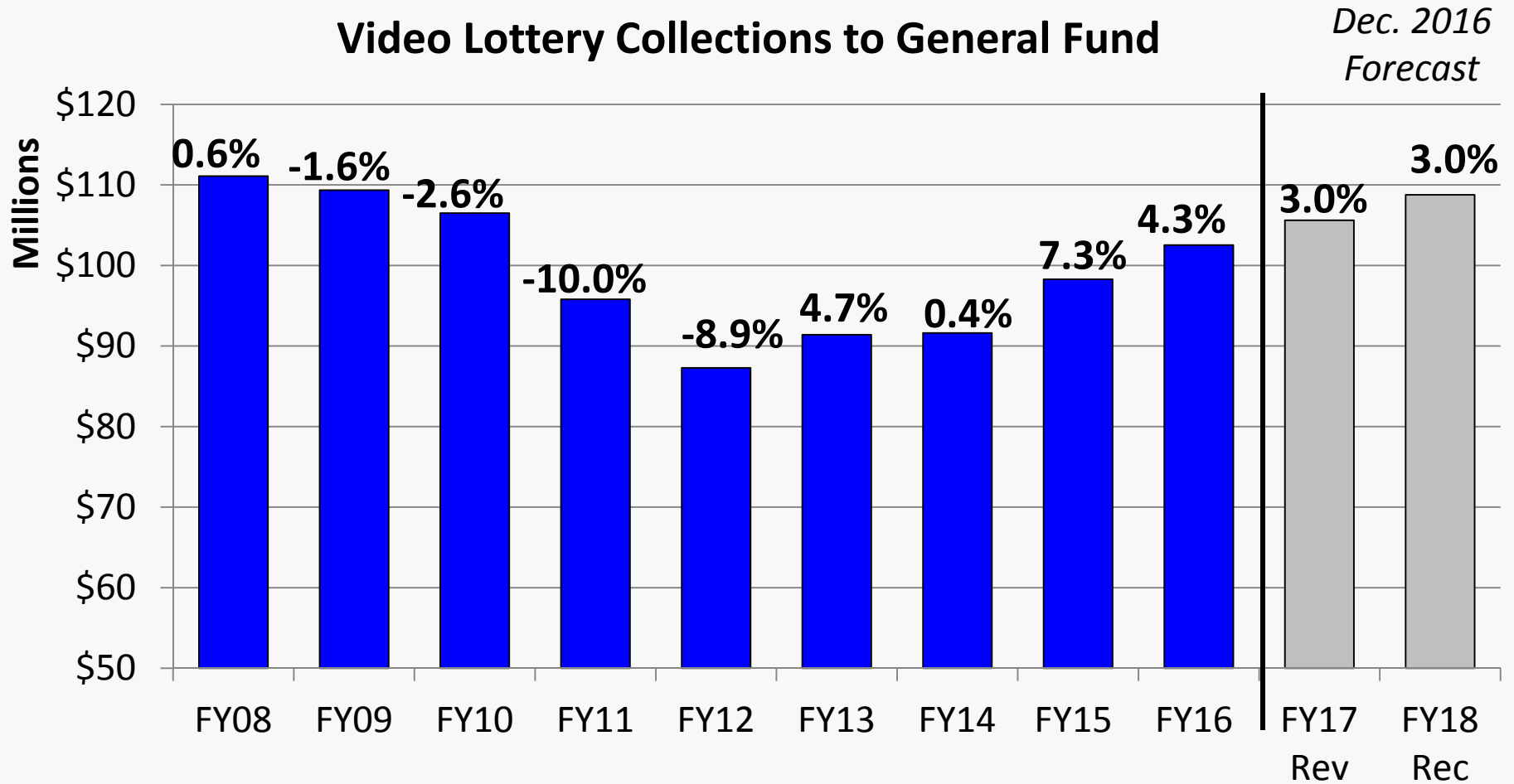
FY2016

FY2017



Source: SD Department of Revenue/Bureau of Finance and Management

# Video Lottery Receipts

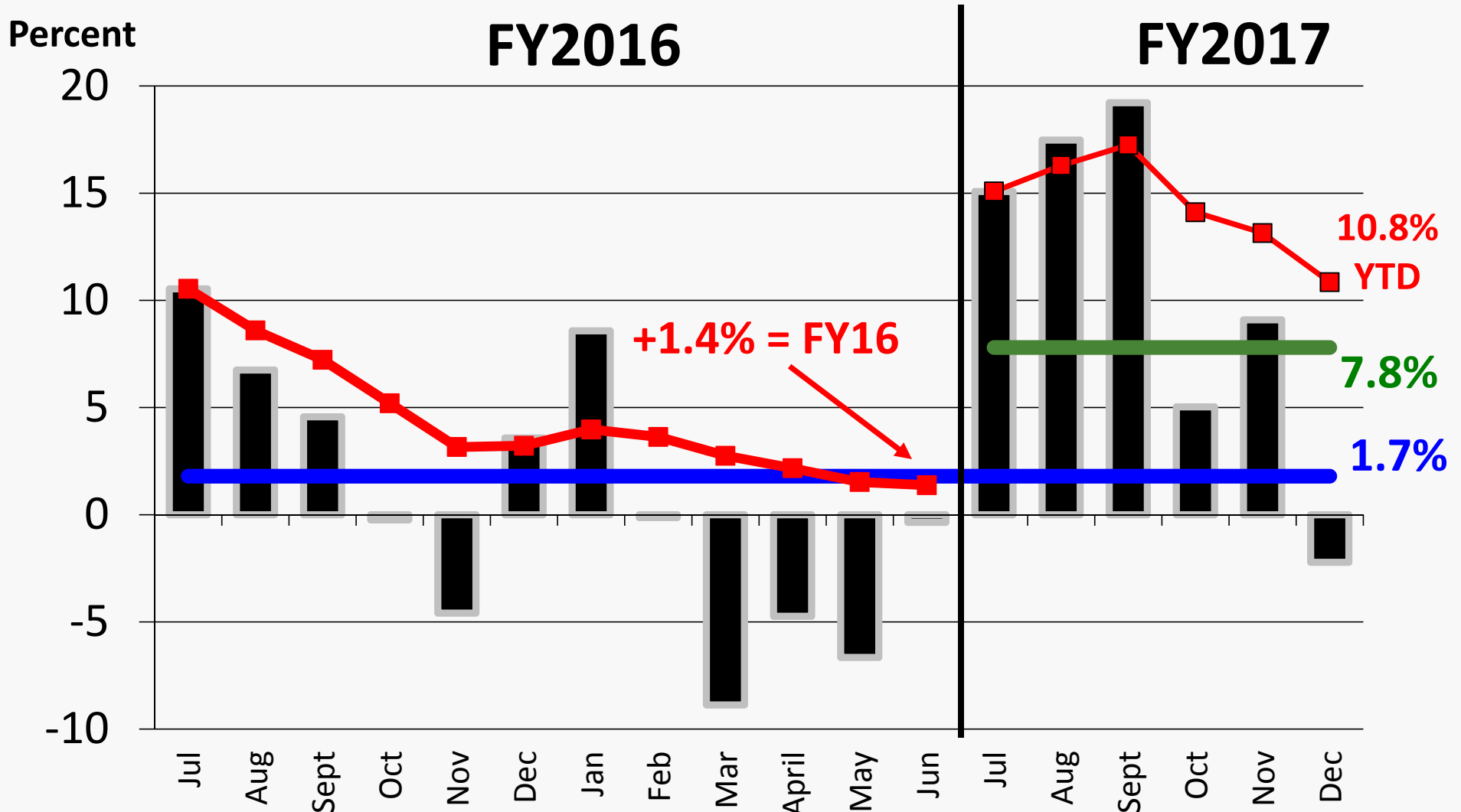




# Recent Growth Rates for Net CET

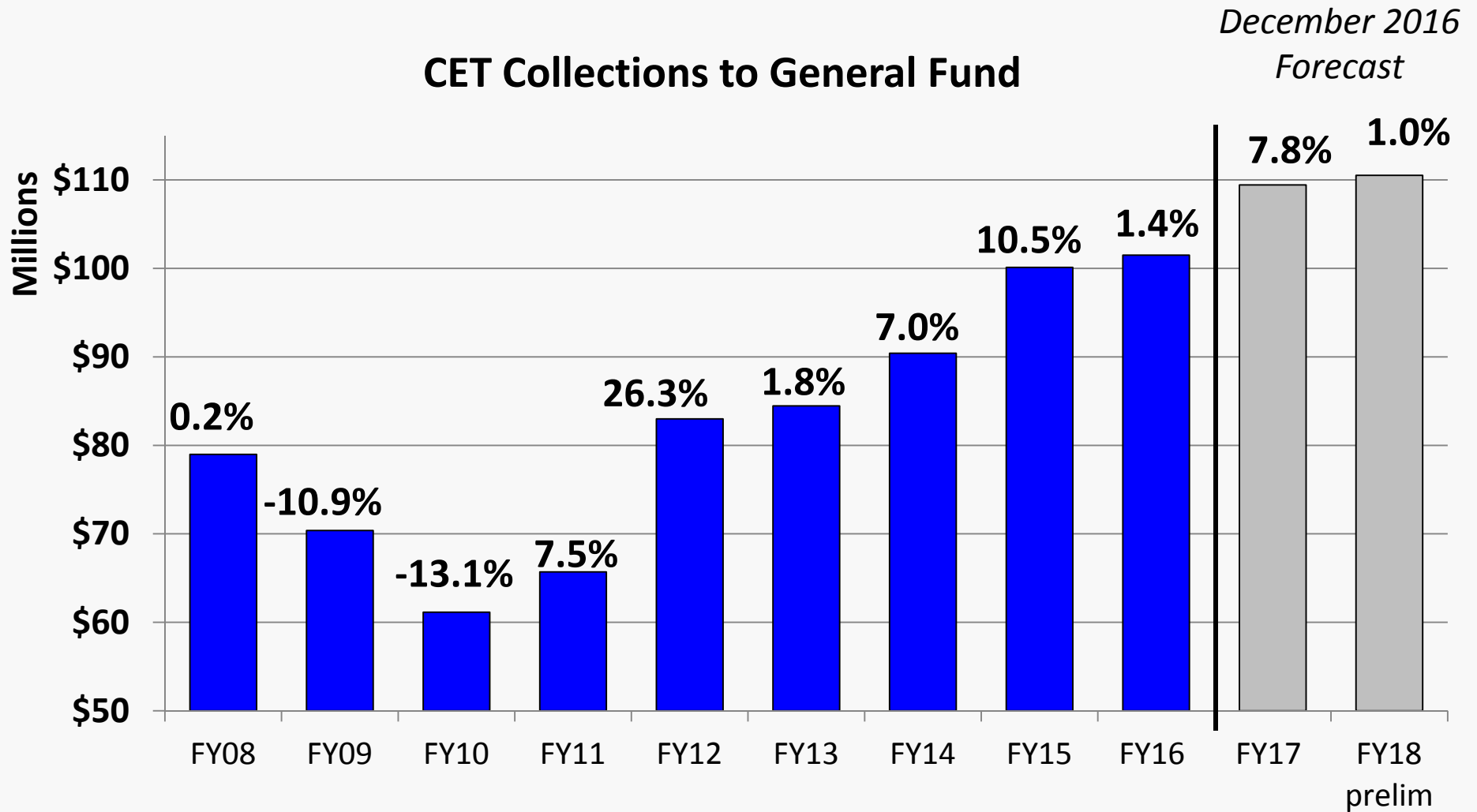
7% of Total

Blue = FY08-FY16 Average    Red = FY16 YTD Growth/FY17 YTD Growth  
 Black = Monthly Growth Rates    Green = Growth of Revised FY17 Est.



Source: SD Bureau of Finance and Management

# Contractor's Excise Tax

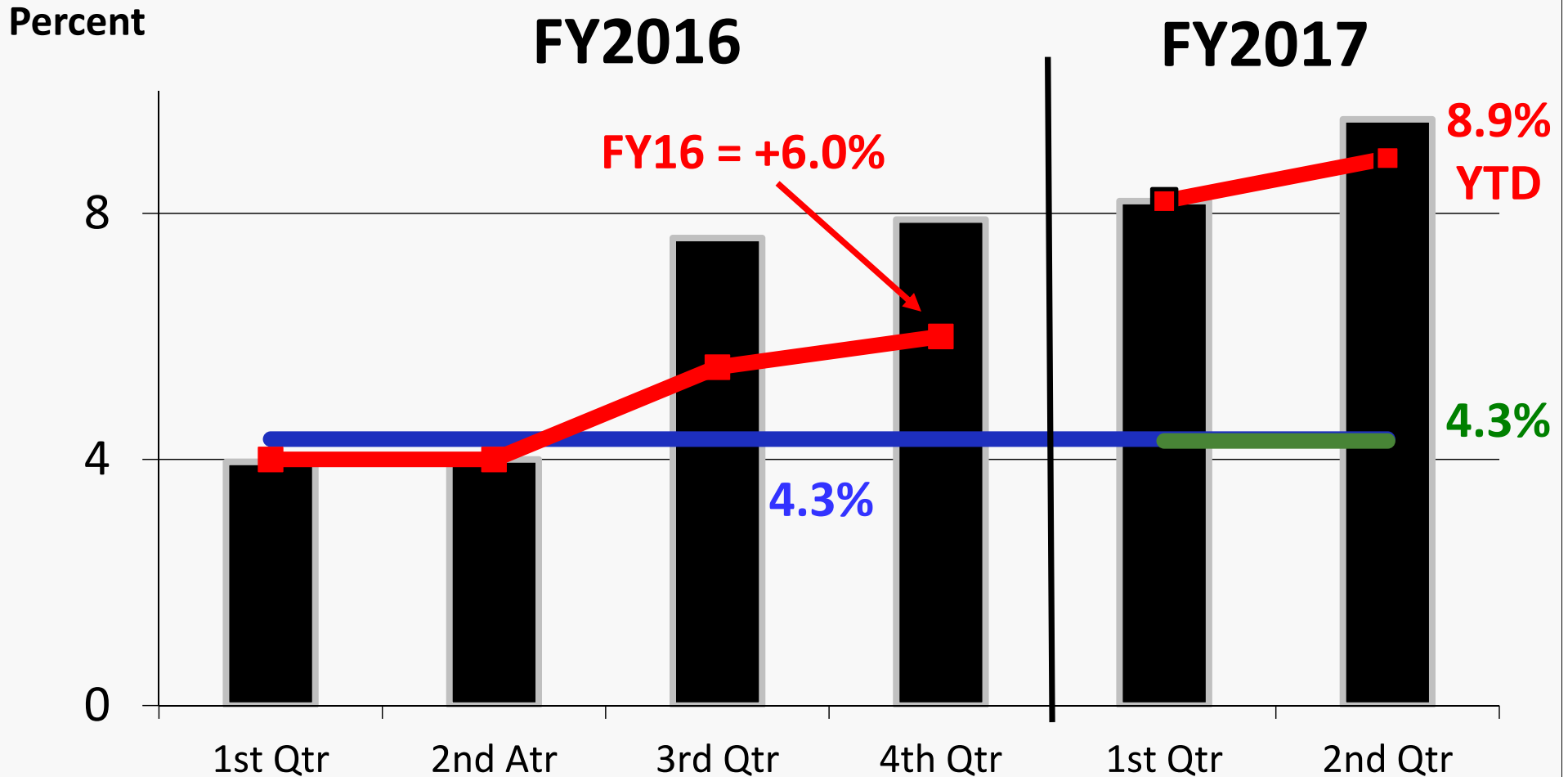


Source: SD Bureau of Finance and Management

# Growth Rates for Insurance Company Tax

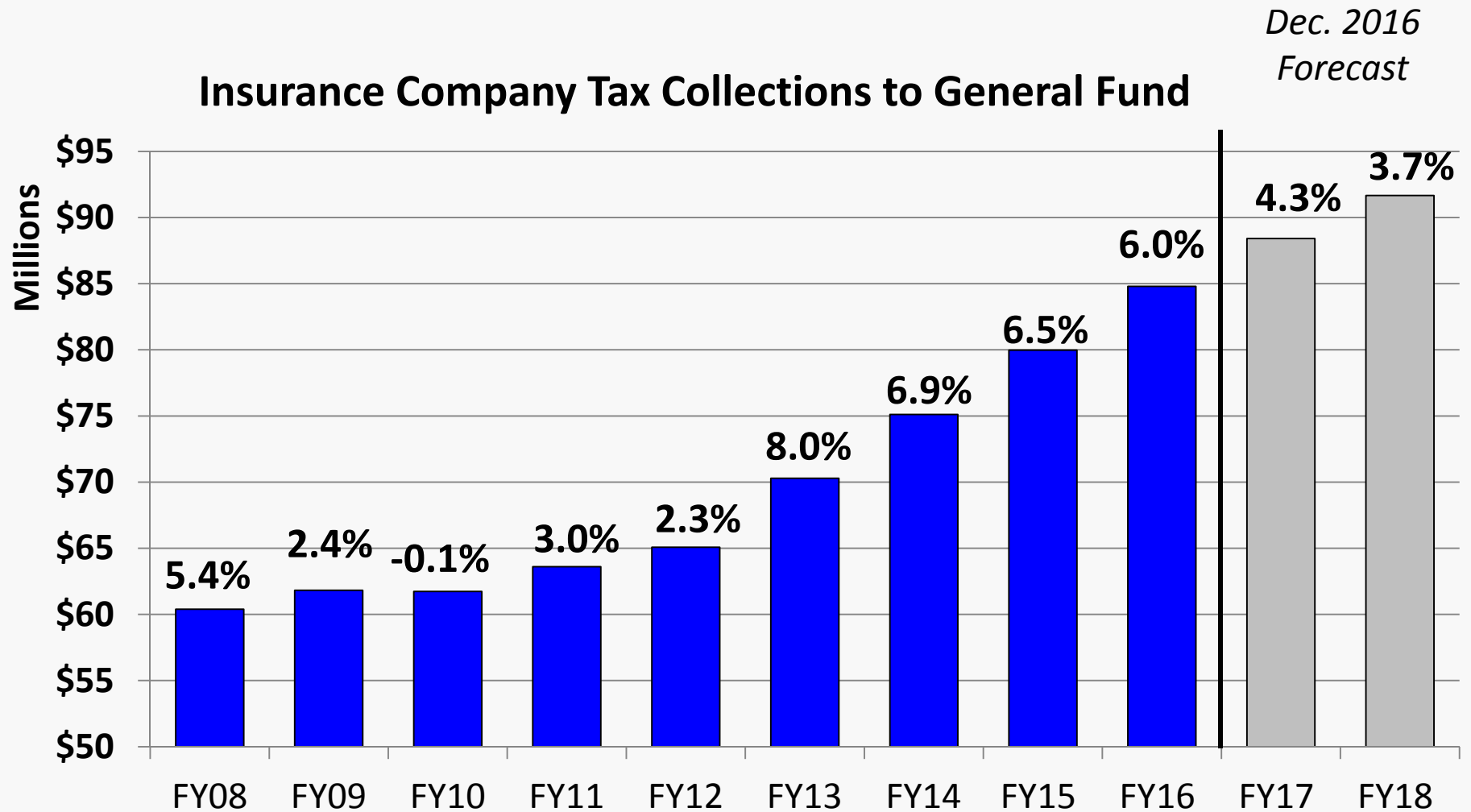
5% of Total

Blue = FY08-FY16 Average    Red = FY16 YTD Growth/FY17 YTD Growth  
Black = Quarterly Growth Rates    Green = Growth of Revised FY17 Est.



Source: SD Bureau of Finance and Management

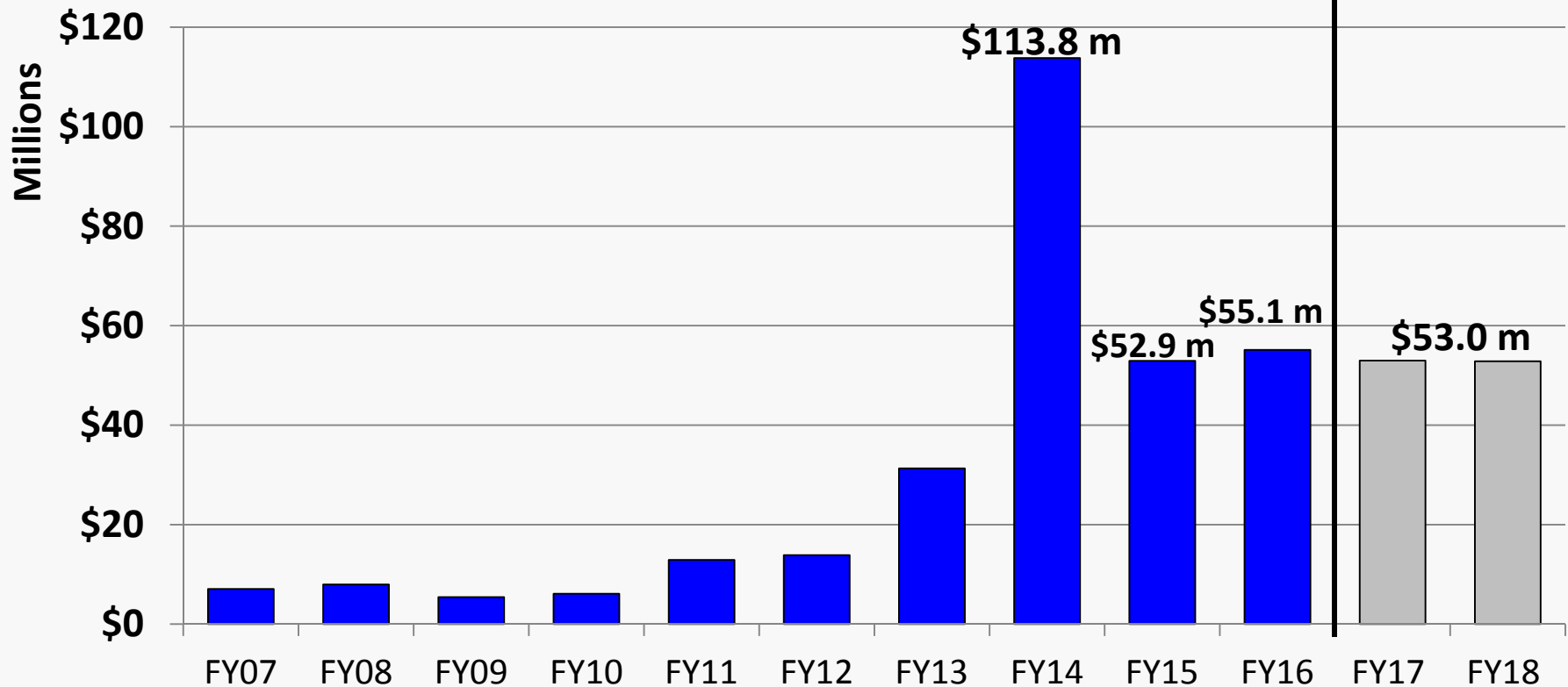
# Insurance Company Tax



# Unclaimed Property Receipts

Dec. 2016  
Forecast

## Unclaimed Property Receipts to General Fund



# Other Discussion

- Agriculture
- Tourism
- Geographical Areas
- Other Discussion