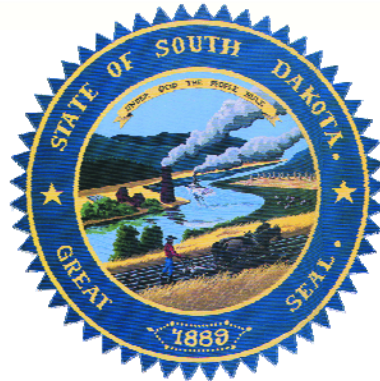


Governor's Council of Economic Advisors

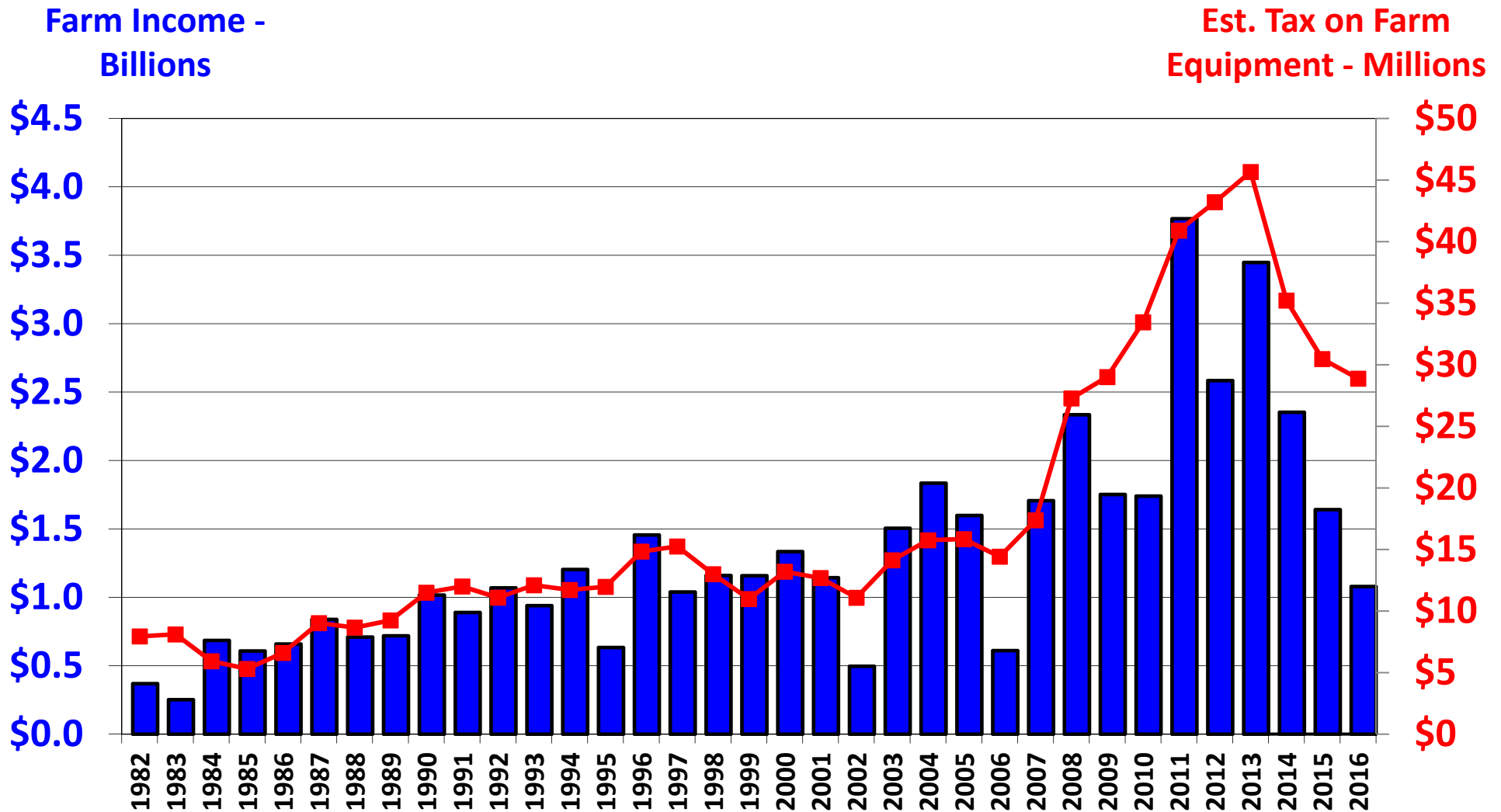


October 24, 2017

IHS Markit Economic Forecast for South Dakota Key Indicators (July '17)

	2015	2016	2017 f	2018 f	2019 f	'07-'16 avg.
SD Real GDP Growth	2.6%	1.7%	3.1%	4.0%	2.7%	2.2%
SD Nonfarm Employment	1.1%	1.1%	1.3%	1.1%	0.9%	0.8%
SD Nonfarm Income	6.5%	3.9%	3.7%	4.7%	5.2%	4.8%
SD Housing Starts	4,110	5,340	4,620	4,670	4,740	4,190
SD Unempl. Rate	3.1%	2.8%	2.9%	2.9%	3.0%	3.7%

Sharp Decline in Farm Income: Less Spending on Equipment



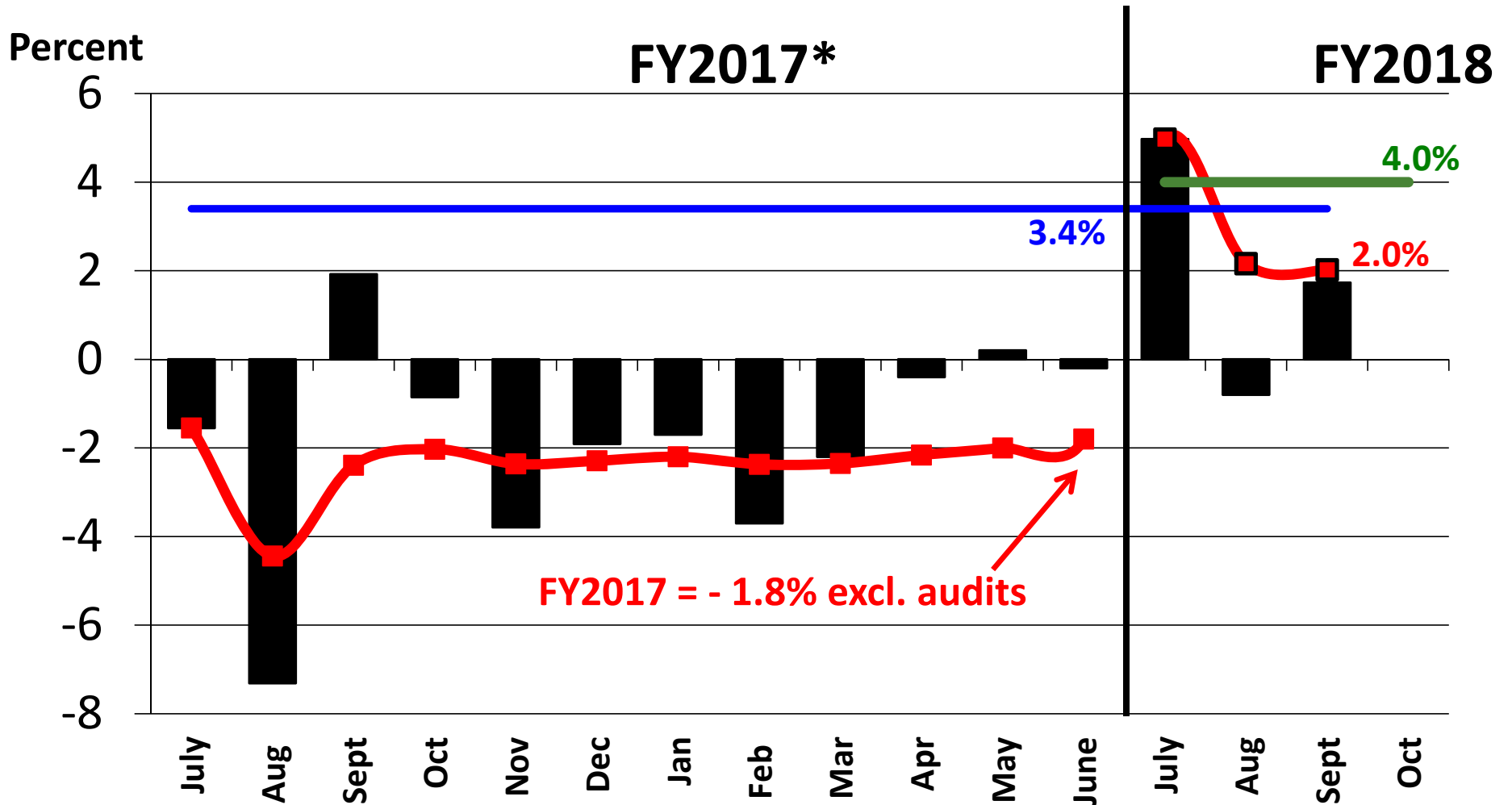
Source: BEA and SD Dept. of Revenue

Growth Rates of Key Revenue Sources



Recent Sales & Use Tax Growth Rates

Blue = FY09-FY17 Average Red = Running YTD FY17/FY18 Growth
 Black = Monthly Growth Rates Green = Growth of Adopted FY18 Est.



Source: SD Bureau of Finance and Management
 *Excludes Rate Increase

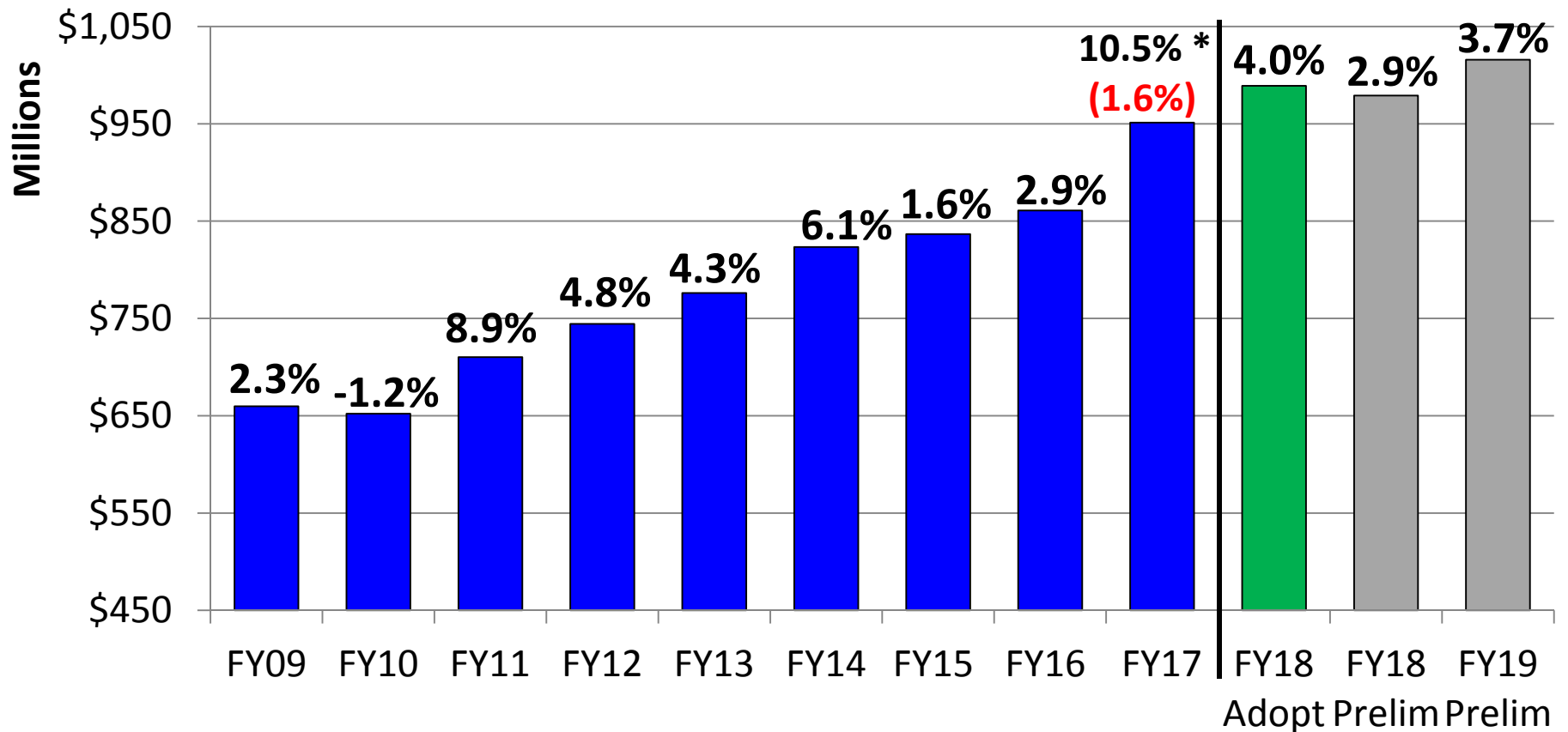
FY2017 vs. FY2018 Taxable Sales Growth through First Quarter

Taxable Sales by Major Group Comparison (in millions)				Average Growth from FY09-FY17
Top 15 Major Groups (82% of total)	FY17	FY18	% Chg	FY09-FY17
Misc. Retail *	\$553.7	\$597.8	8.0%	1.8%
General Merchandise Stores	\$588.5	\$591.2	0.5%	3.5%
Food Stores	\$408.6	\$407.2	-0.3%	1.8%
Building Materials & Garden Supplies	\$423.8	\$407.5	-3.8%	3.6%
Eating & Drinking Places	\$406.4	\$416.1	2.4%	3.8%
Electric, Gas, & Sanitary Services	\$354.3	\$356.5	0.6%	1.0%
Wholesale Trade - Durable Goods	\$317.5	\$310.4	-2.2%	1.1%
Auto Dealers/Service Stations	\$276.7	\$273.0	-1.3%	3.5%
Communications	\$301.0	\$299.1	-0.6%	3.3%
Business Services	\$260.7	\$264.1	1.3%	4.2%
Furniture & Homefurnishing Stores	\$160.6	\$154.7	-3.7%	0.8%
Auto Repair, Services, & Parking	\$137.6	\$143.9	4.6%	4.7%
Engineering & Management Services	\$118.7	\$126.0	6.1%	4.7%
Apparel & Accessory Stores	\$103.8	\$109.4	5.4%	4.0%
Hotels & Other Lodging Places	\$253.6	\$256.7	1.2%	5.5%
Total of Top 15 Major Groups	\$4,665.4	\$4,713.7	1.0%	2.8%
Remaining Groups	\$994.8	\$1,040.6	4.6%	3.7%
Total Taxable Sales	\$5,660.2	\$5,754.3	1.7%	3.0%

Source: SD Dept. of Revenue

Sales and Use Tax Receipts

Sales and Use Tax Collections to General Fund



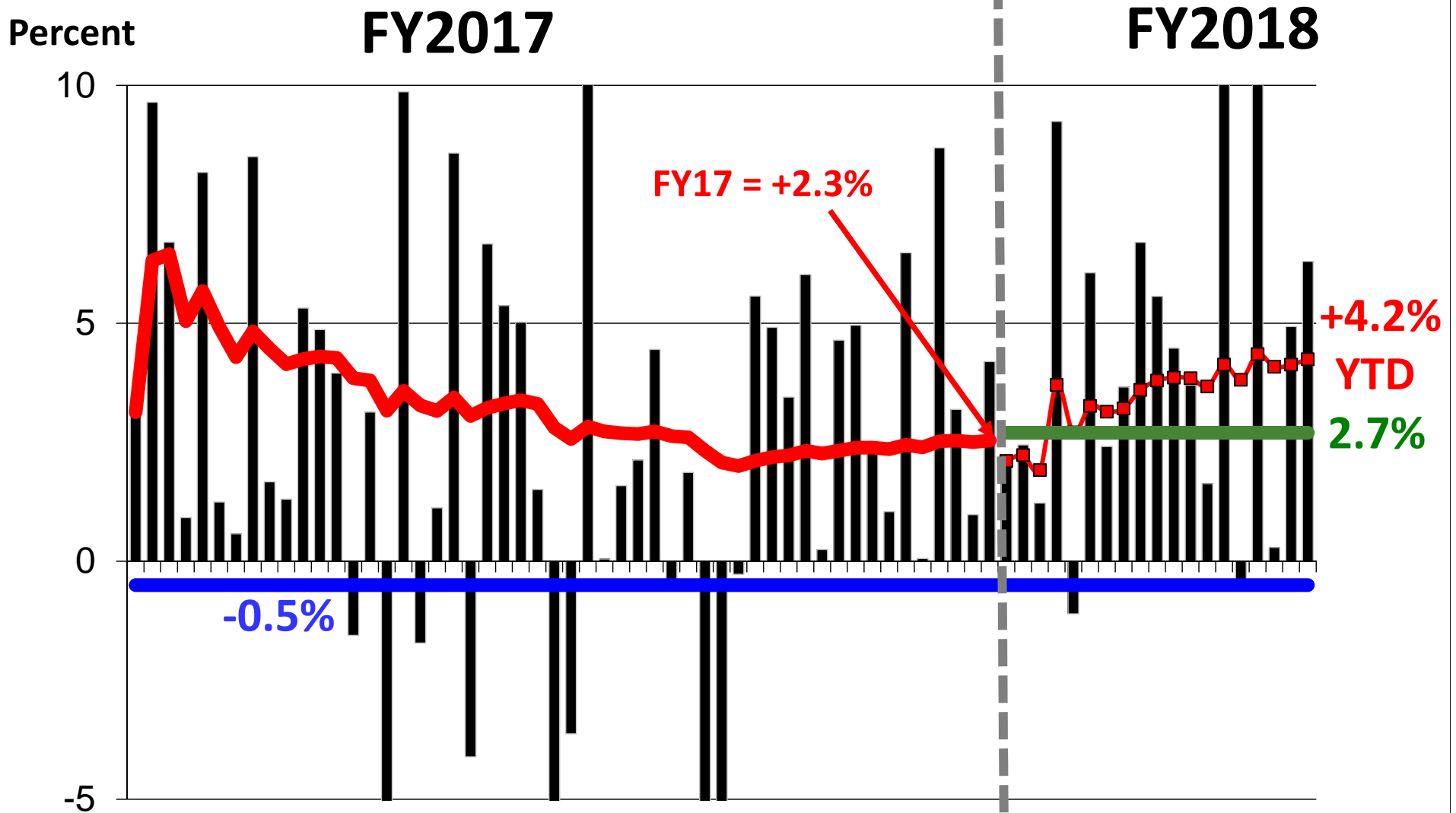
Source: SD Bureau of Finance and Management

* Includes 0.5% rate increase

Growth Rate for Video Lottery

7% of Total

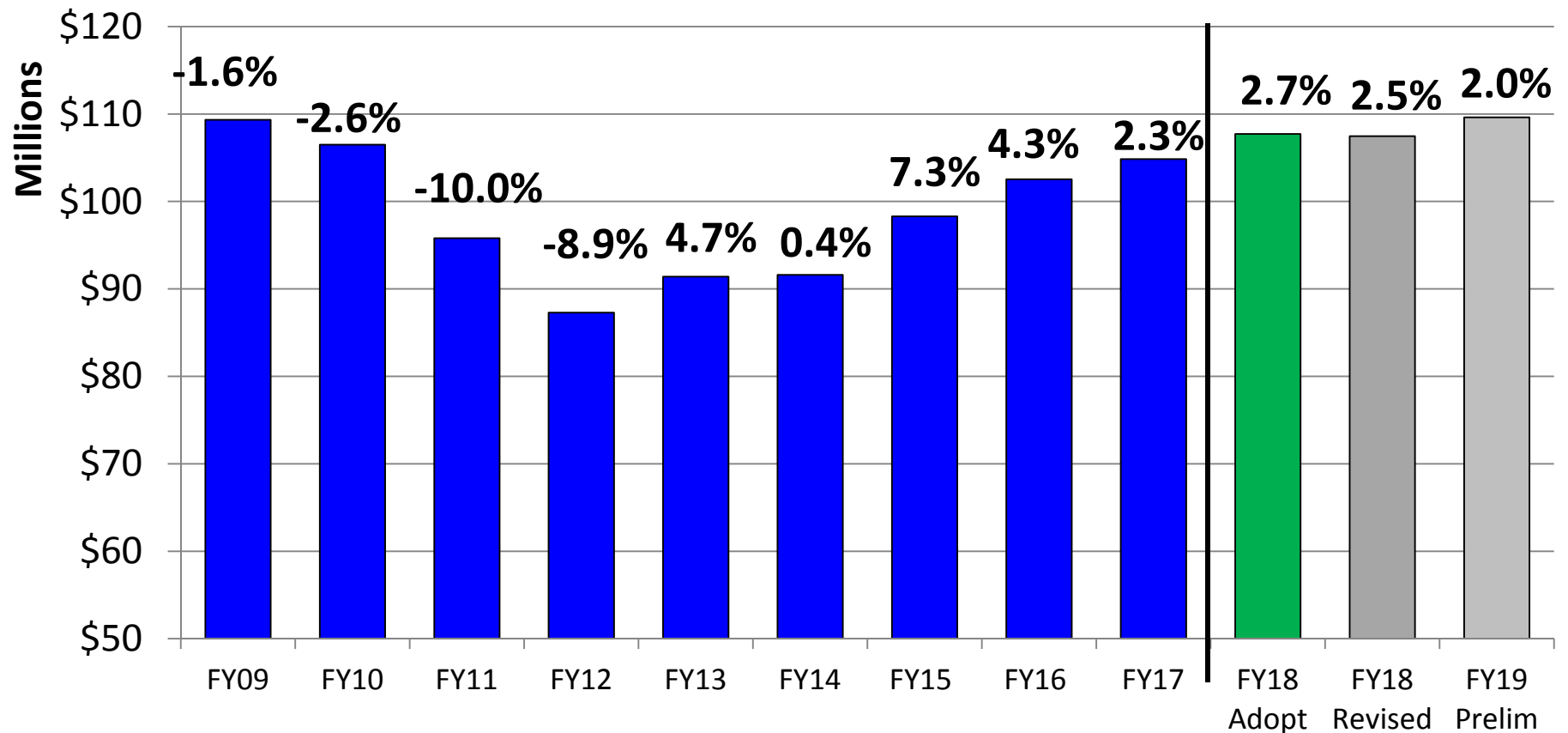
Blue = FY09-FY17 Avg. Red = FY17 YTD Growth/FY18 YTD Growth
Black = Weekly Growth Rates Green = Growth of Adopted FY18 Est.



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

Video Lottery Receipts

Video Lottery Collections to General Fund



Source: SD Bureau of Finance and Management

Recent Growth Rates for Net CET

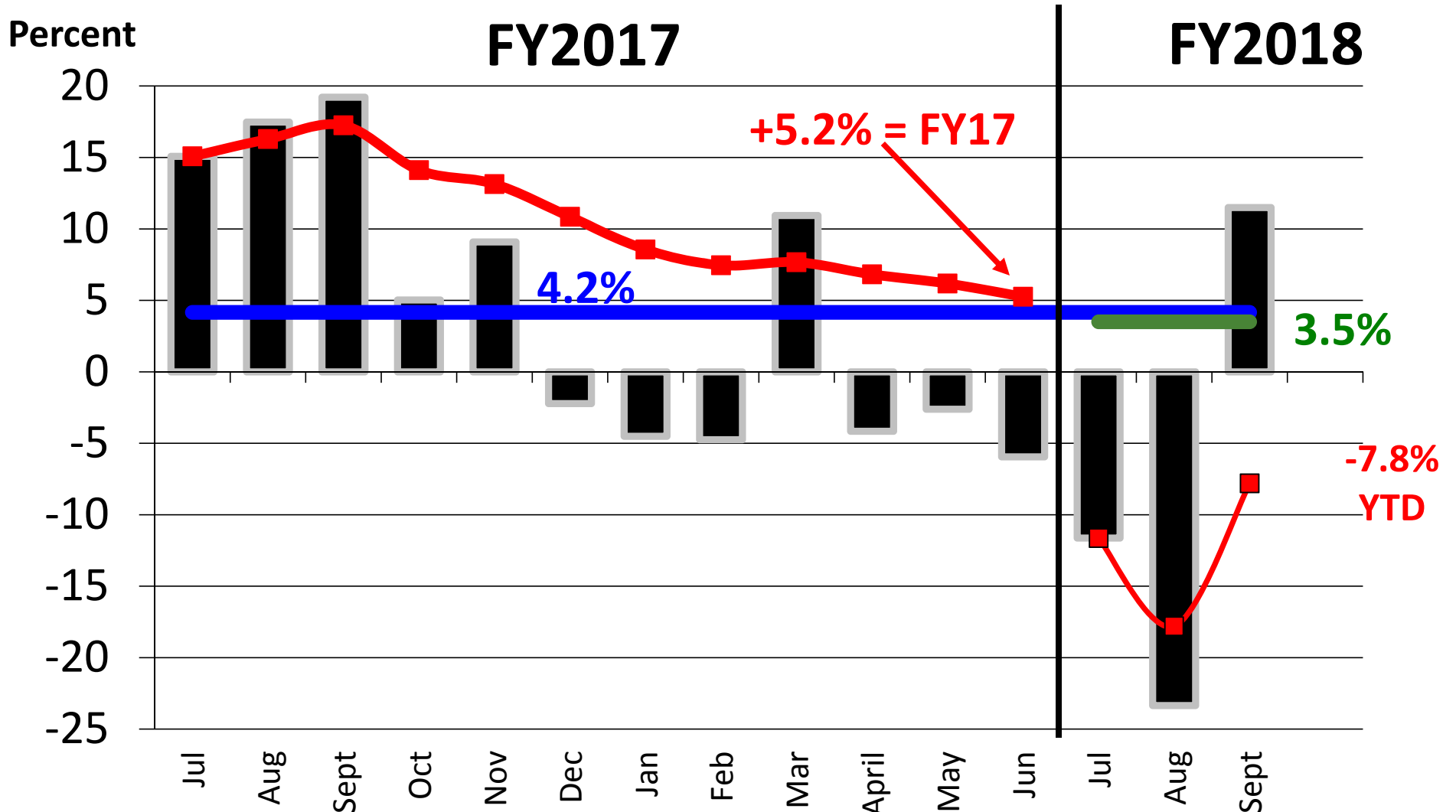
7% of Total

Blue = FY09-FY17 Average

Red = FY17/FY18 YTD Growth

Black = Monthly Growth Rates

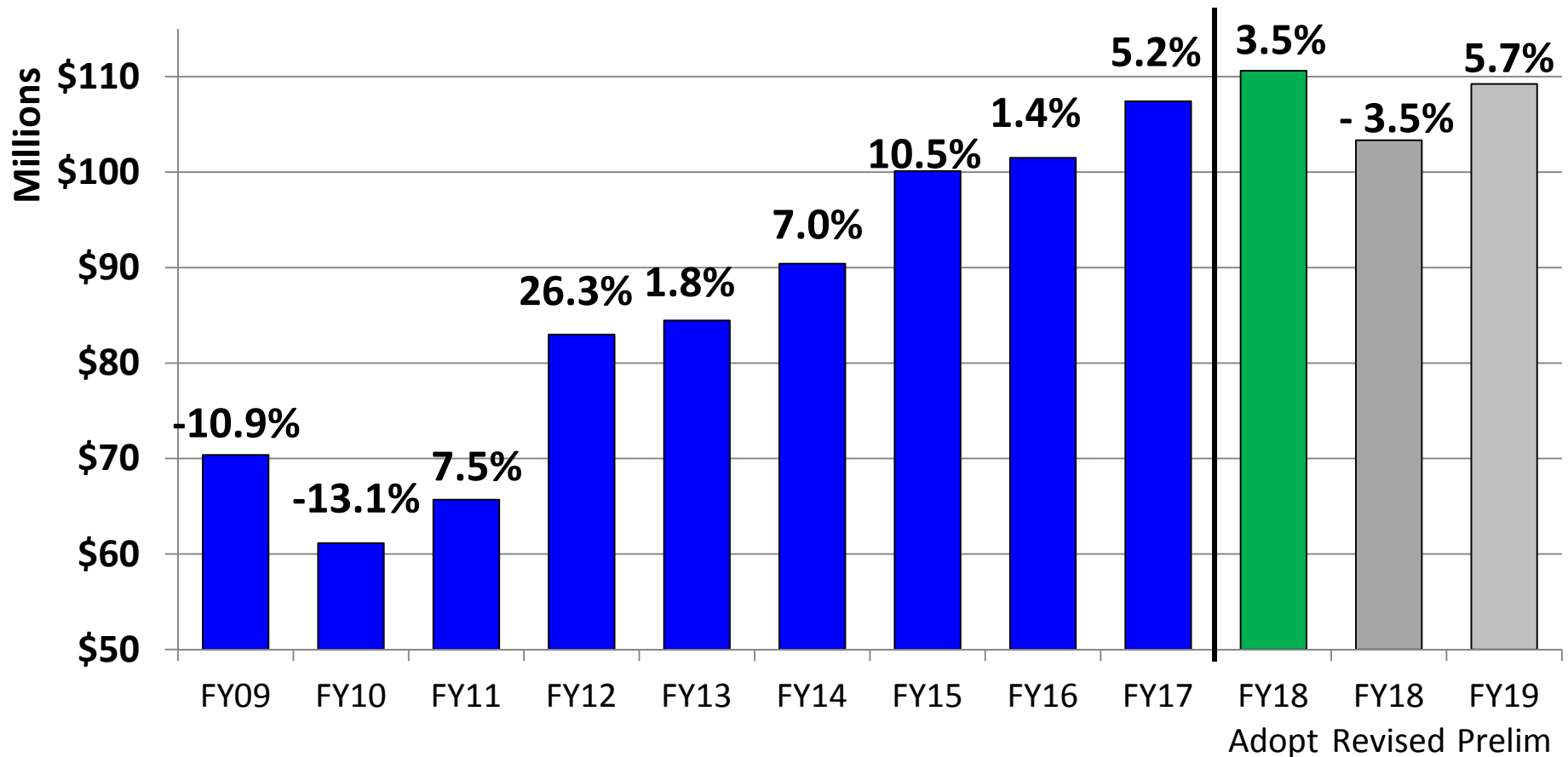
Green = Growth of Adopted FY18 Est.



Source: SD Bureau of Finance and Management

Contractor's Excise Tax

CET Collections to General Fund



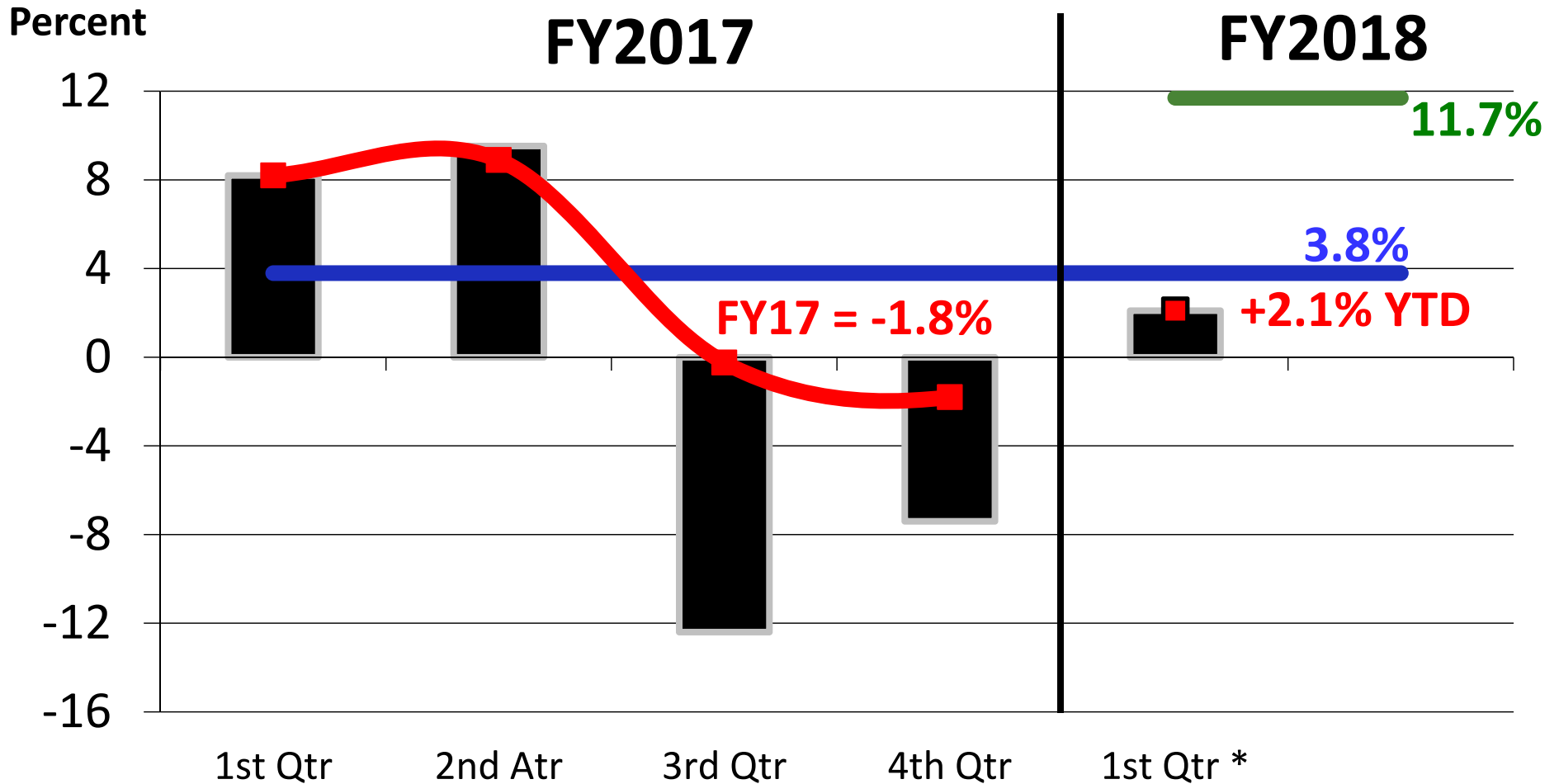
Source: SD Bureau of Finance and Management

Growth Rates for Insurance Company Tax

5% of Total

Blue = FY09-FY17 Average Red = FY17/FY18 YTD Growth

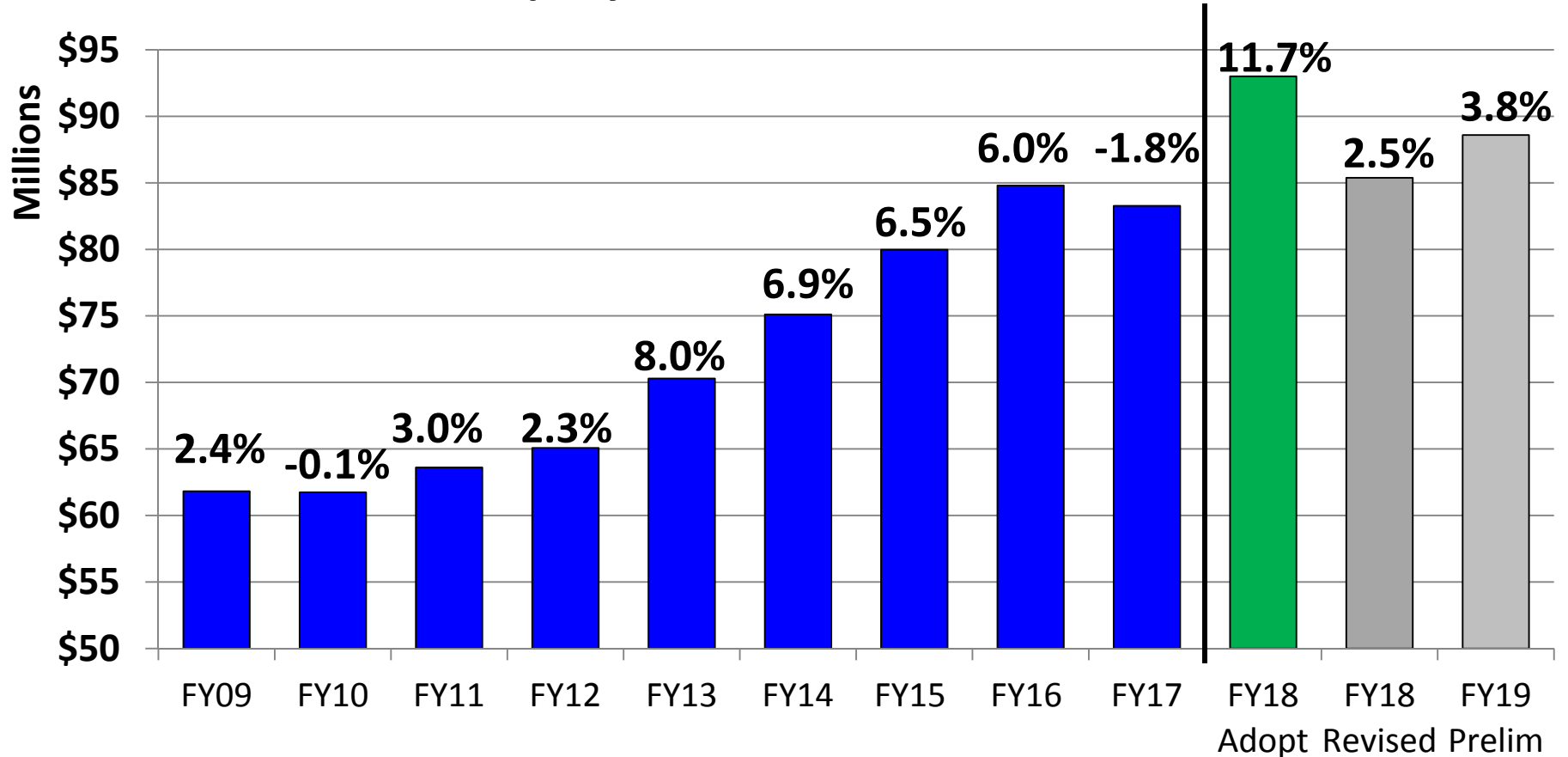
Black = Quarterly Growth Rates Green = Growth of Adopted FY18 Est.



Source: SD Bureau of Finance and Management

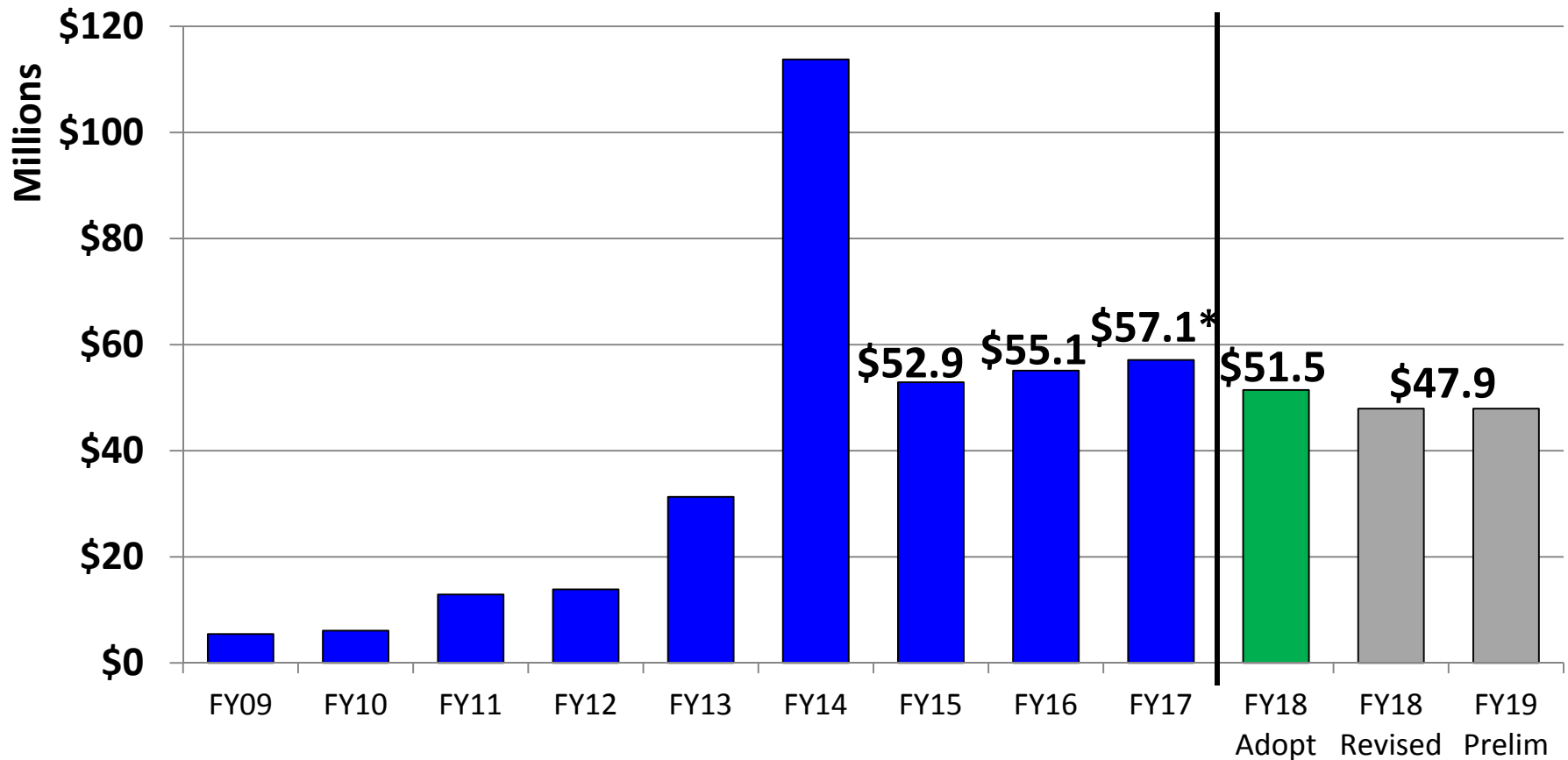
Insurance Company Tax

Insurance Company Tax Collections to General Fund



Unclaimed Property Receipts

Unclaimed Property Net Receipts to General Fund



*Includes \$12.7 M of stock/security sales (one-time)

Other Discussion

- Agriculture
- Tourism
- Geographical Areas