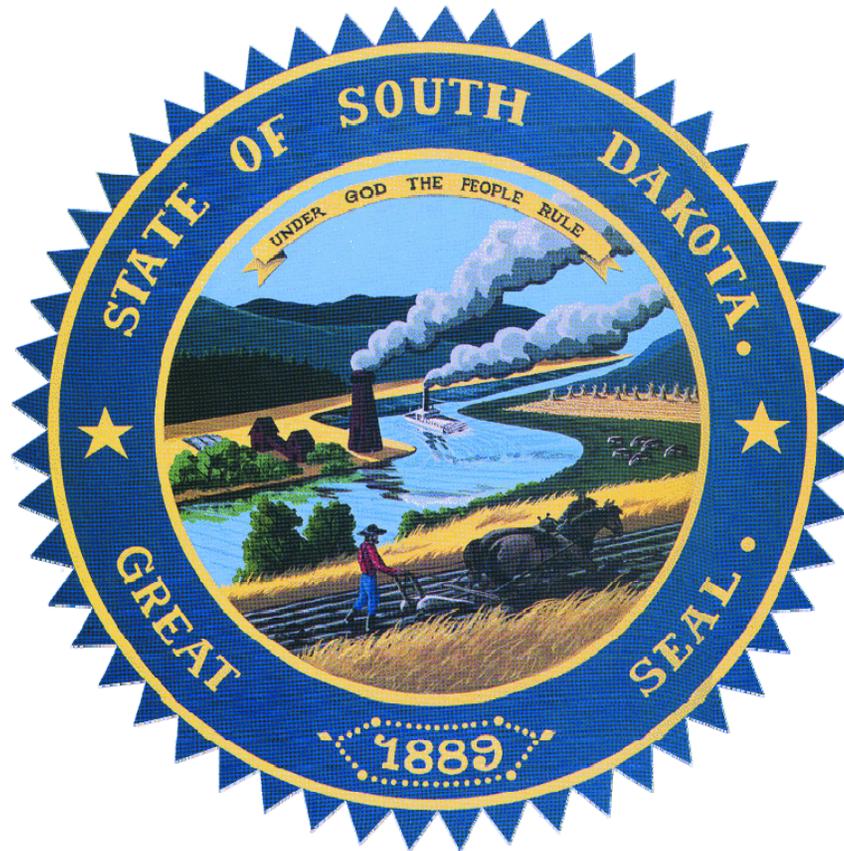
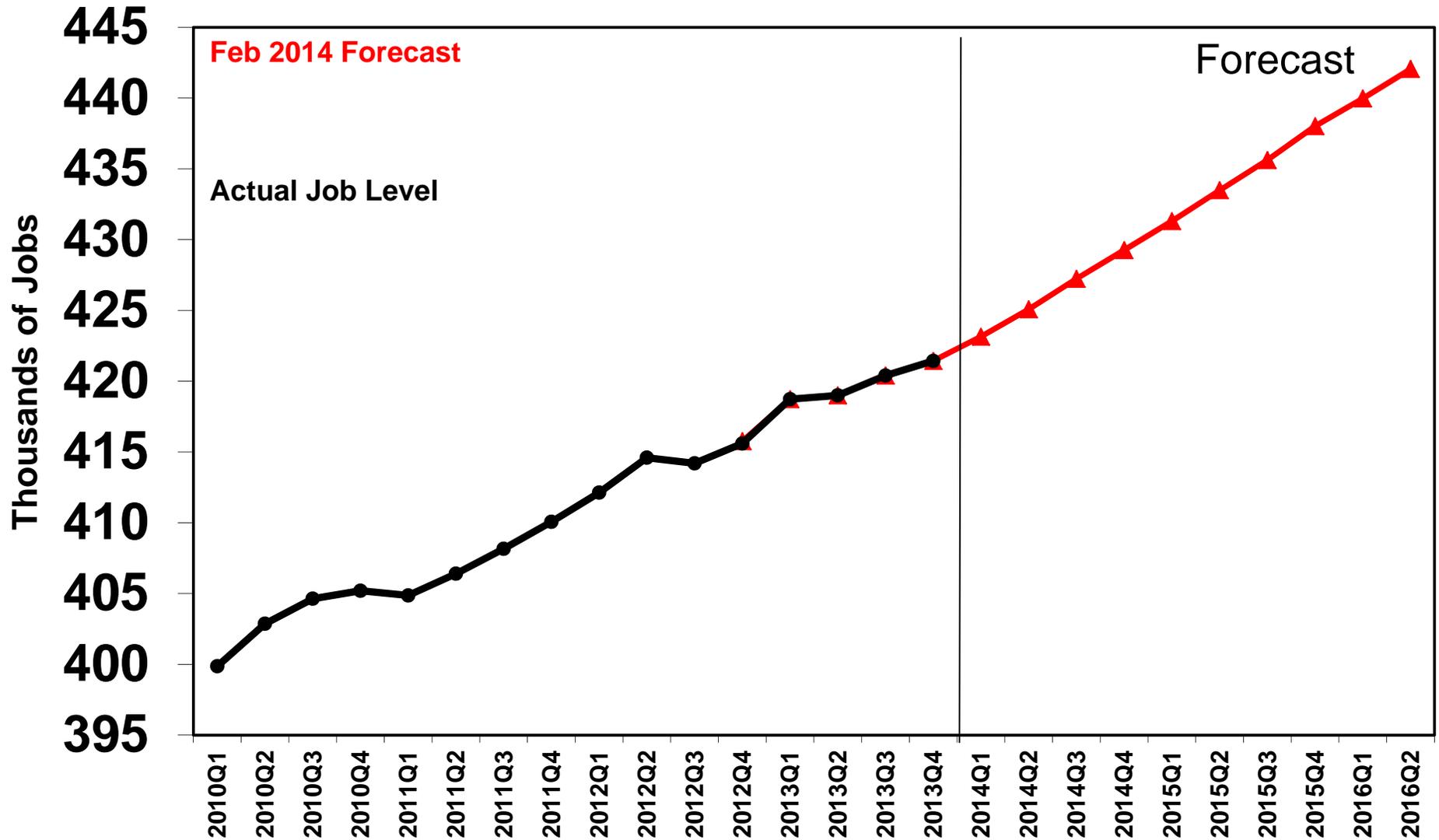


Governor's Council of Economic Advisors

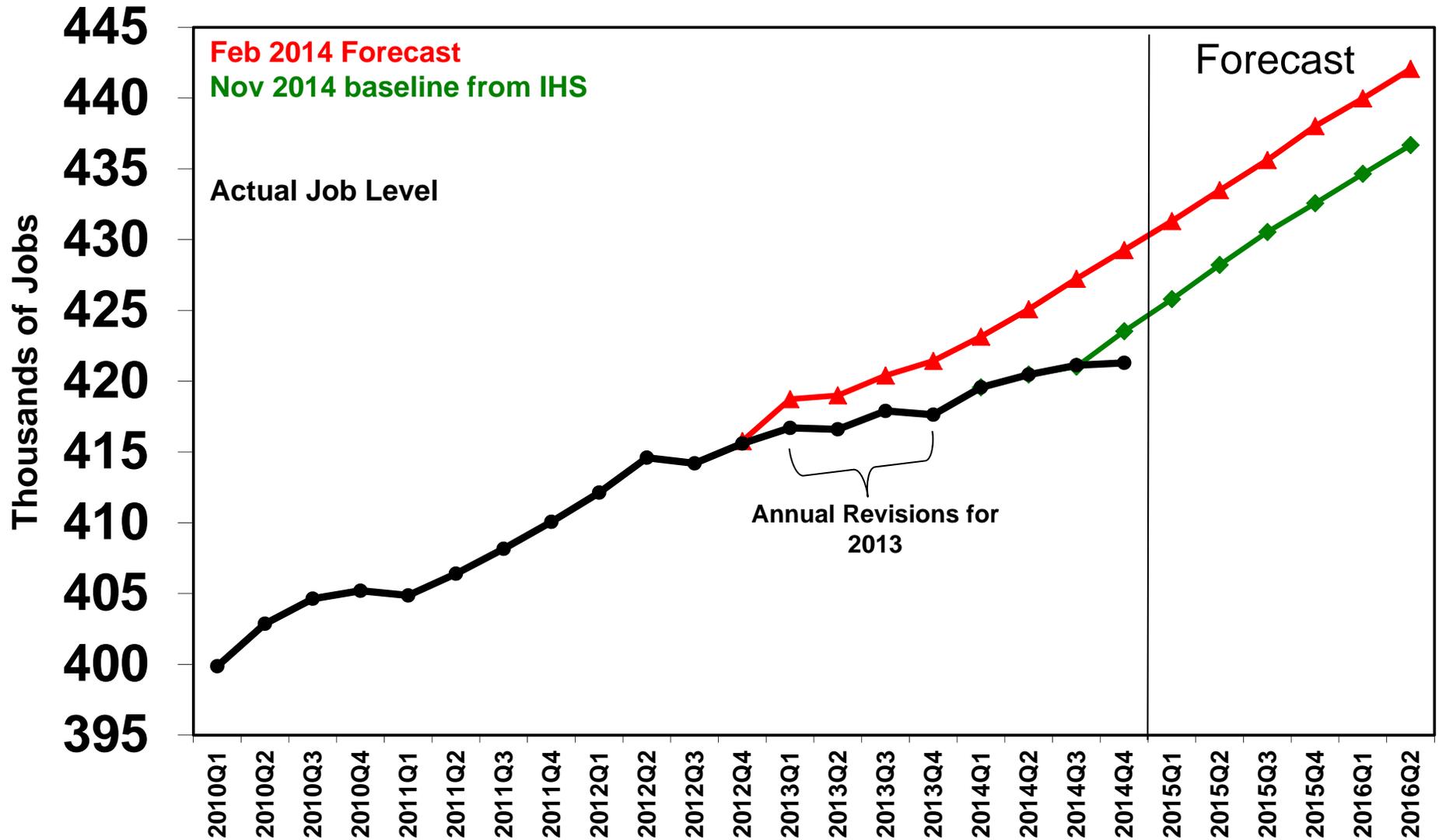


February 18, 2015

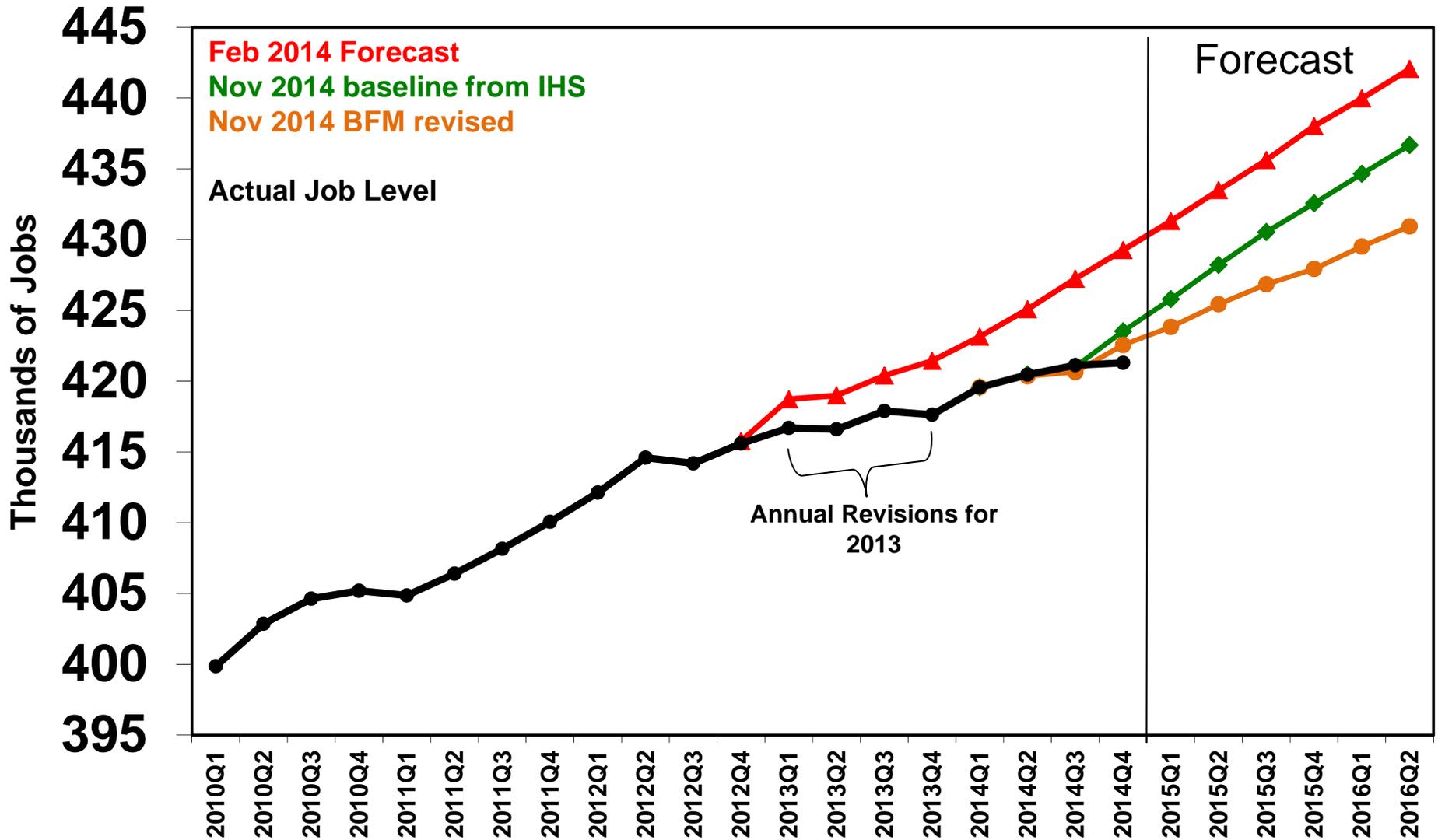
SD Nonfarm Employment Forecast Changes



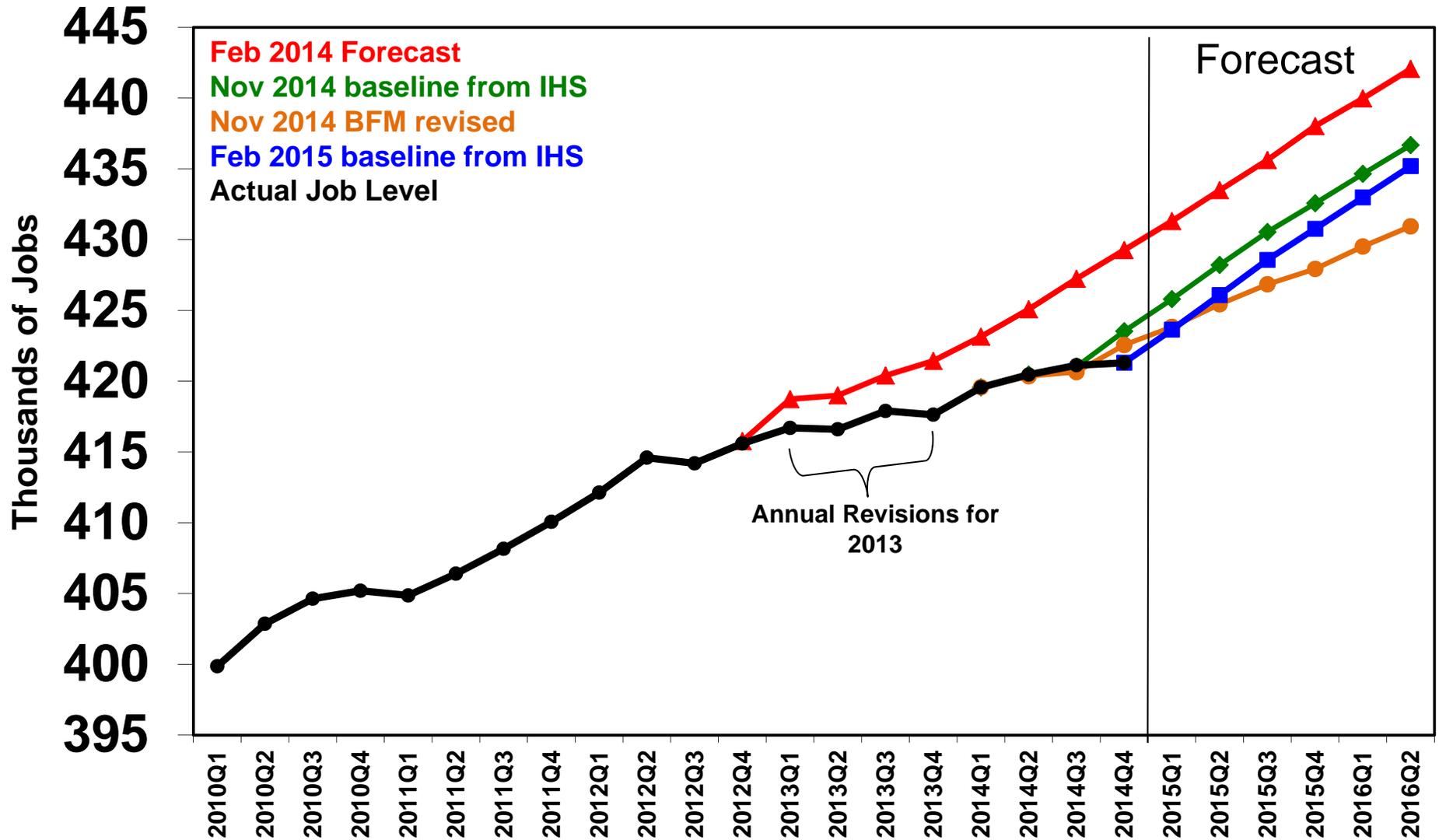
SD Nonfarm Employment Forecast Changes



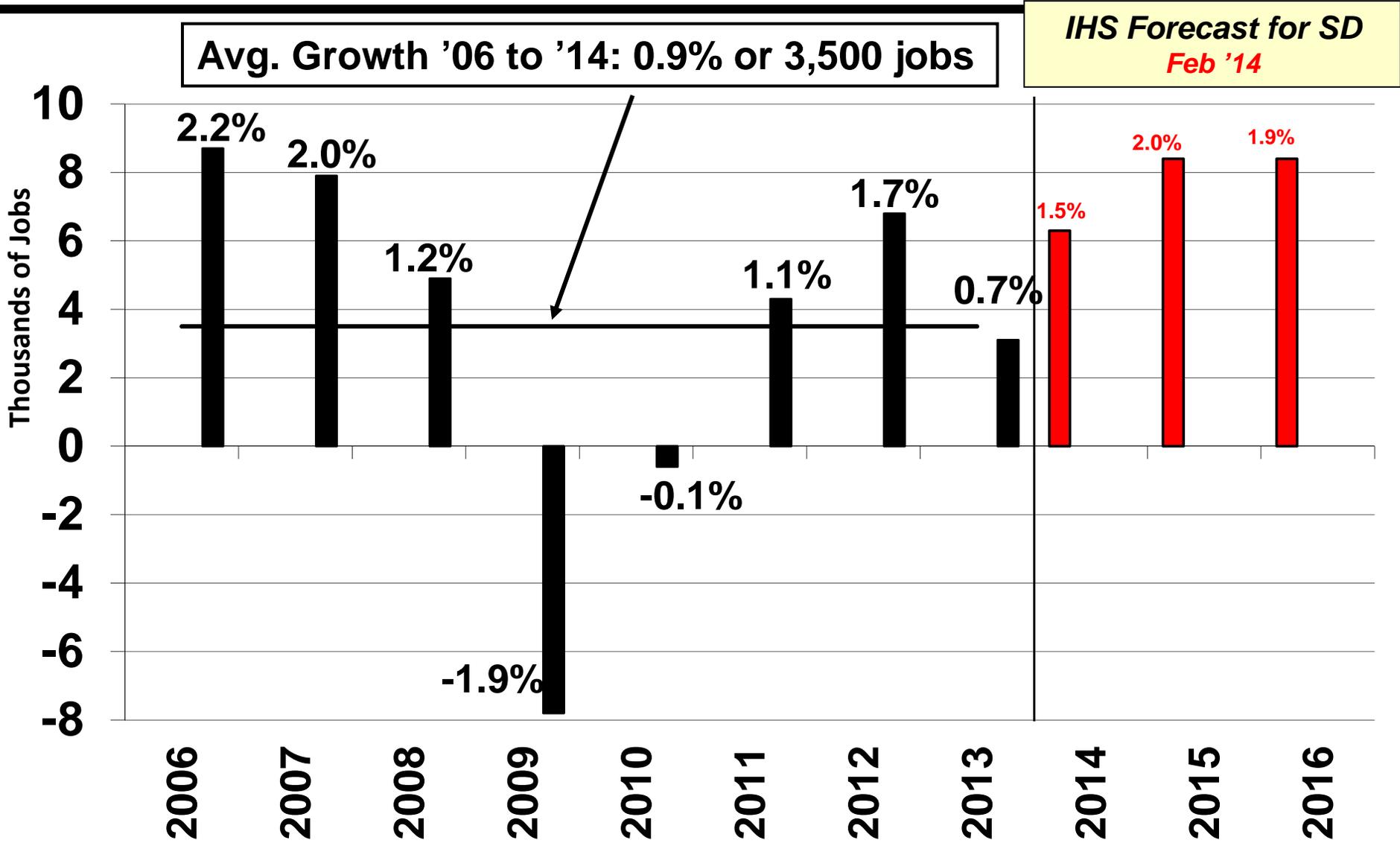
SD Nonfarm Employment Forecast Changes



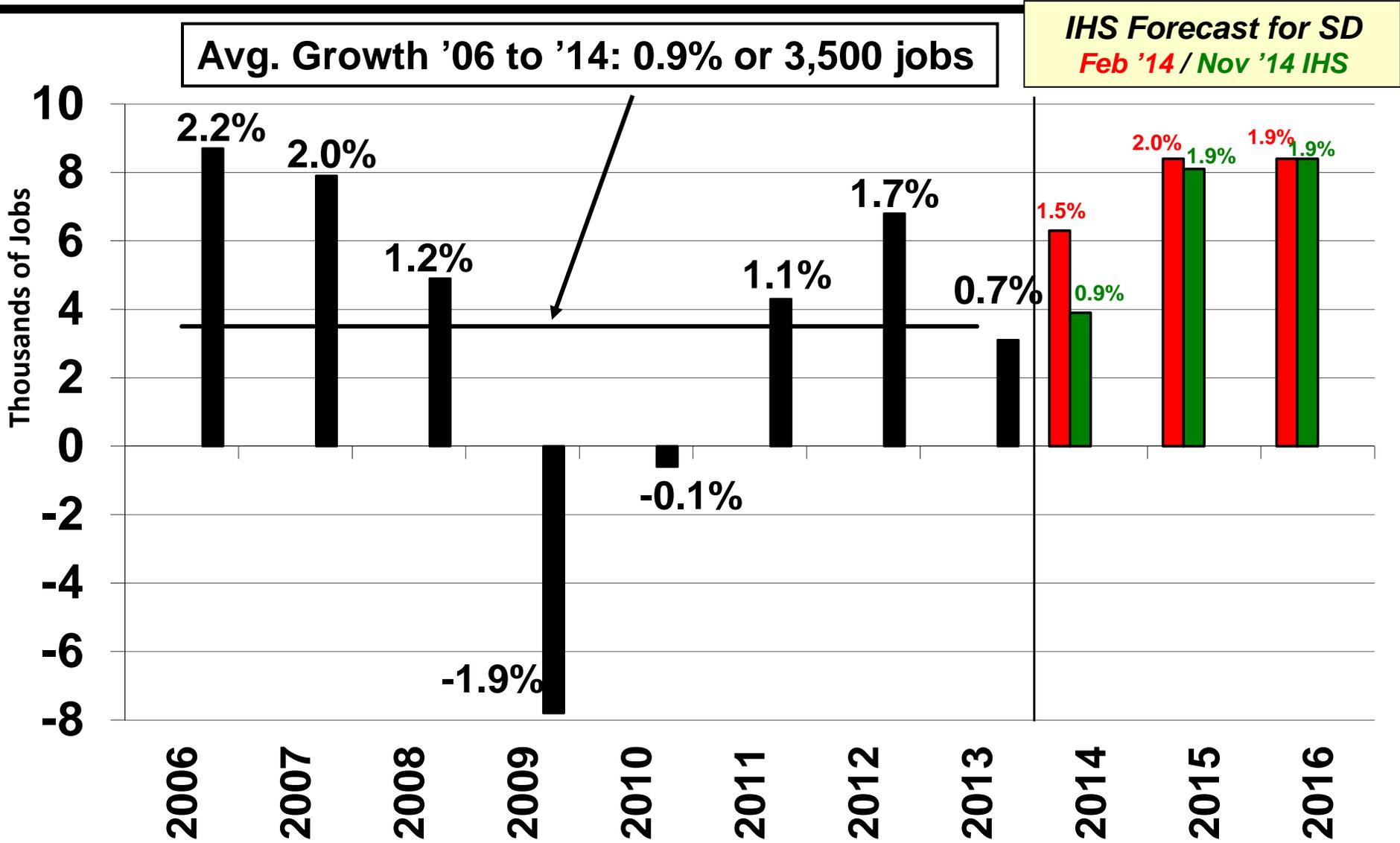
SD Nonfarm Employment Forecast Changes



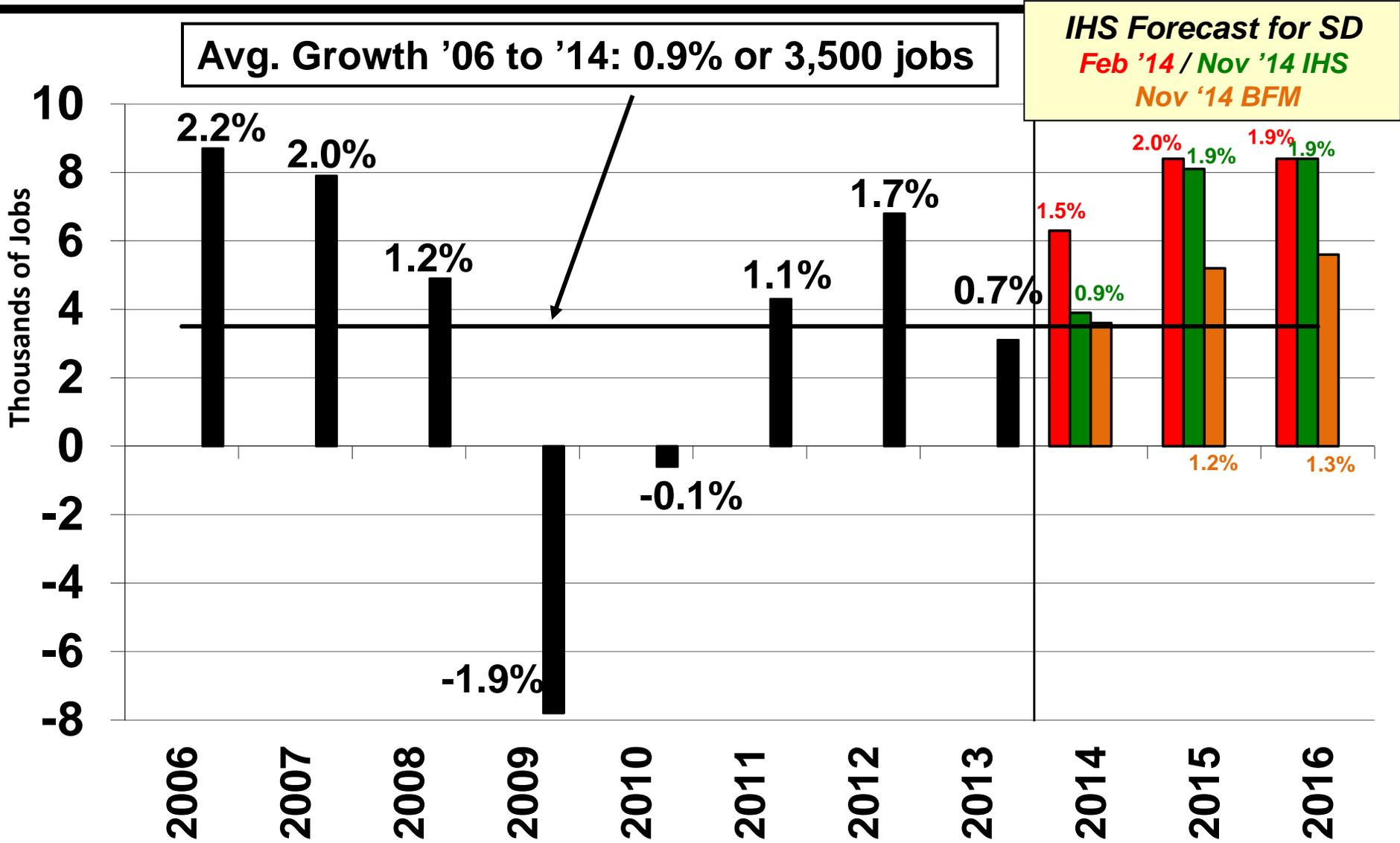
Changes in forecasts for SD Nonfarm Employment Growth



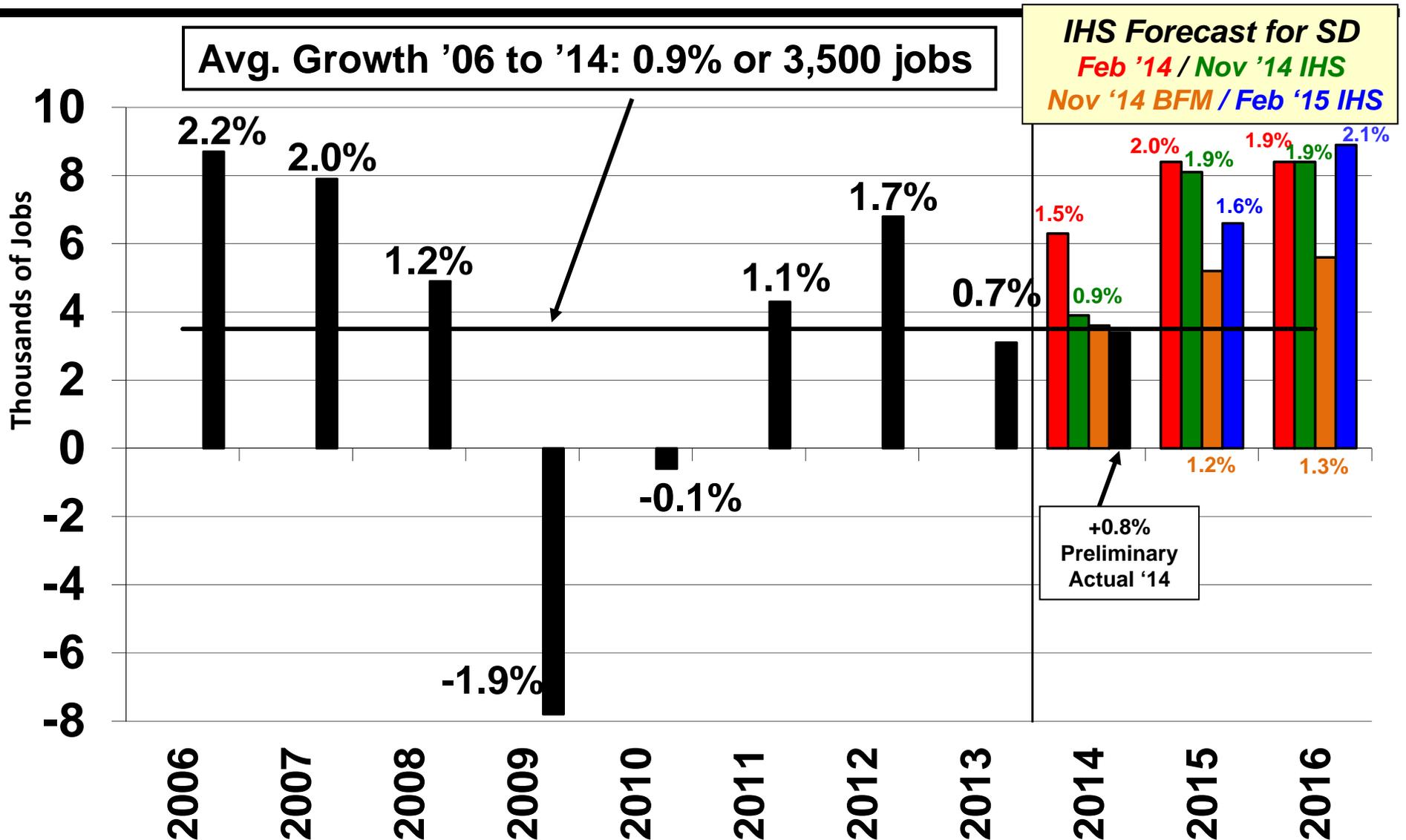
Changes in forecasts for SD Nonfarm Employment Growth



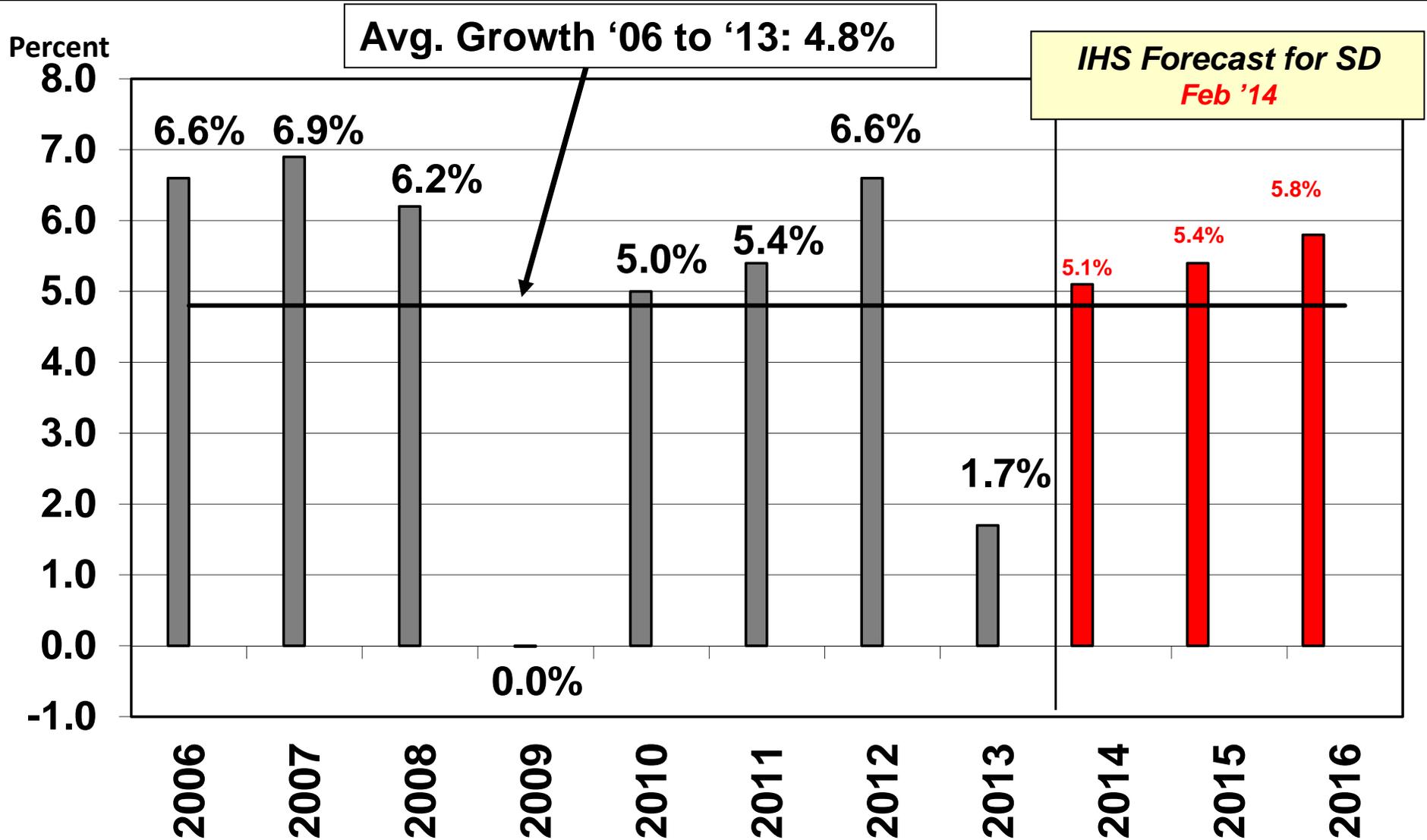
Changes in forecasts for SD Nonfarm Employment Growth



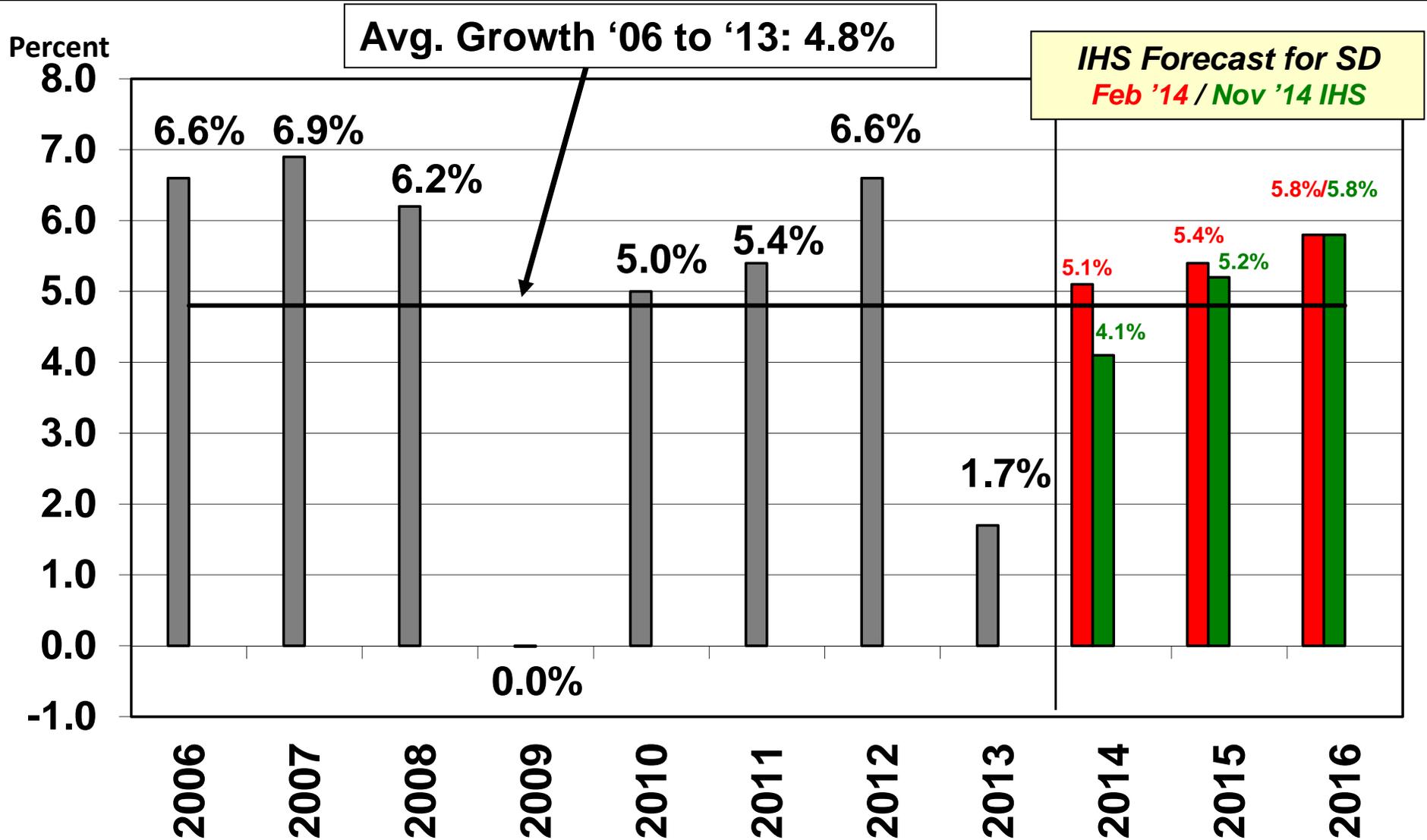
Changes in forecasts for SD Nonfarm Employment Growth



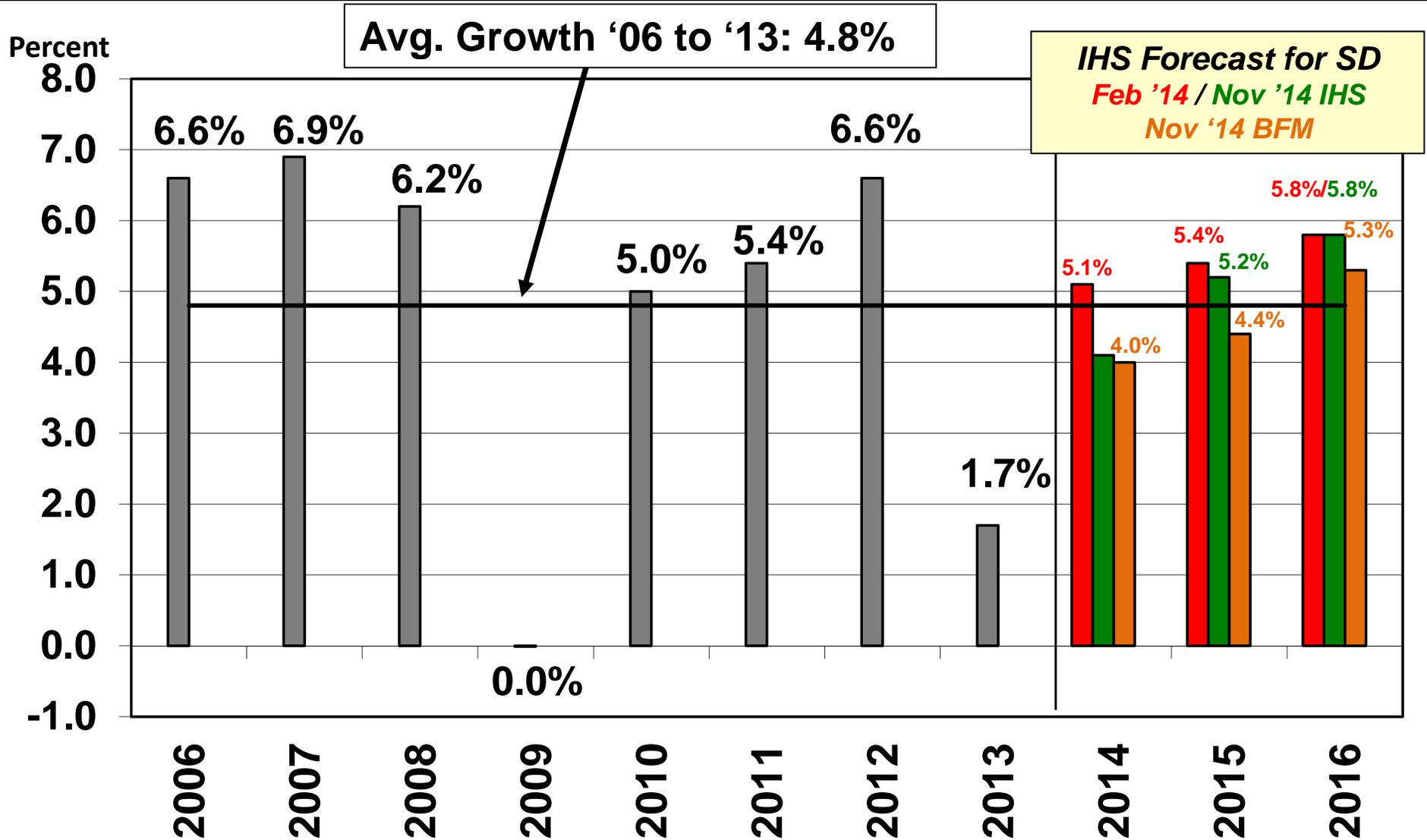
Changes in forecasts for SD Nonfarm Income Growth



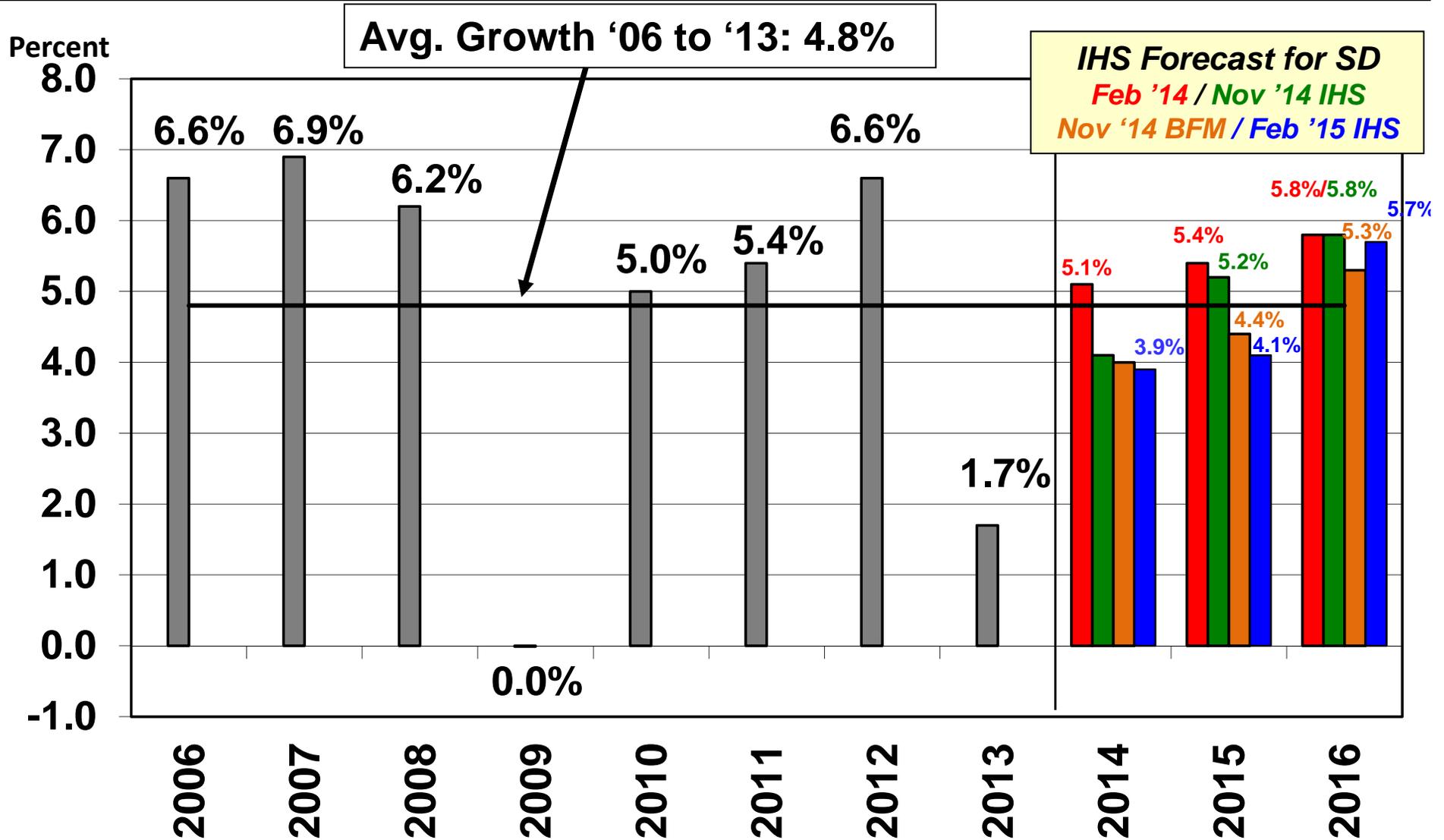
Changes in forecasts for SD Nonfarm Income Growth



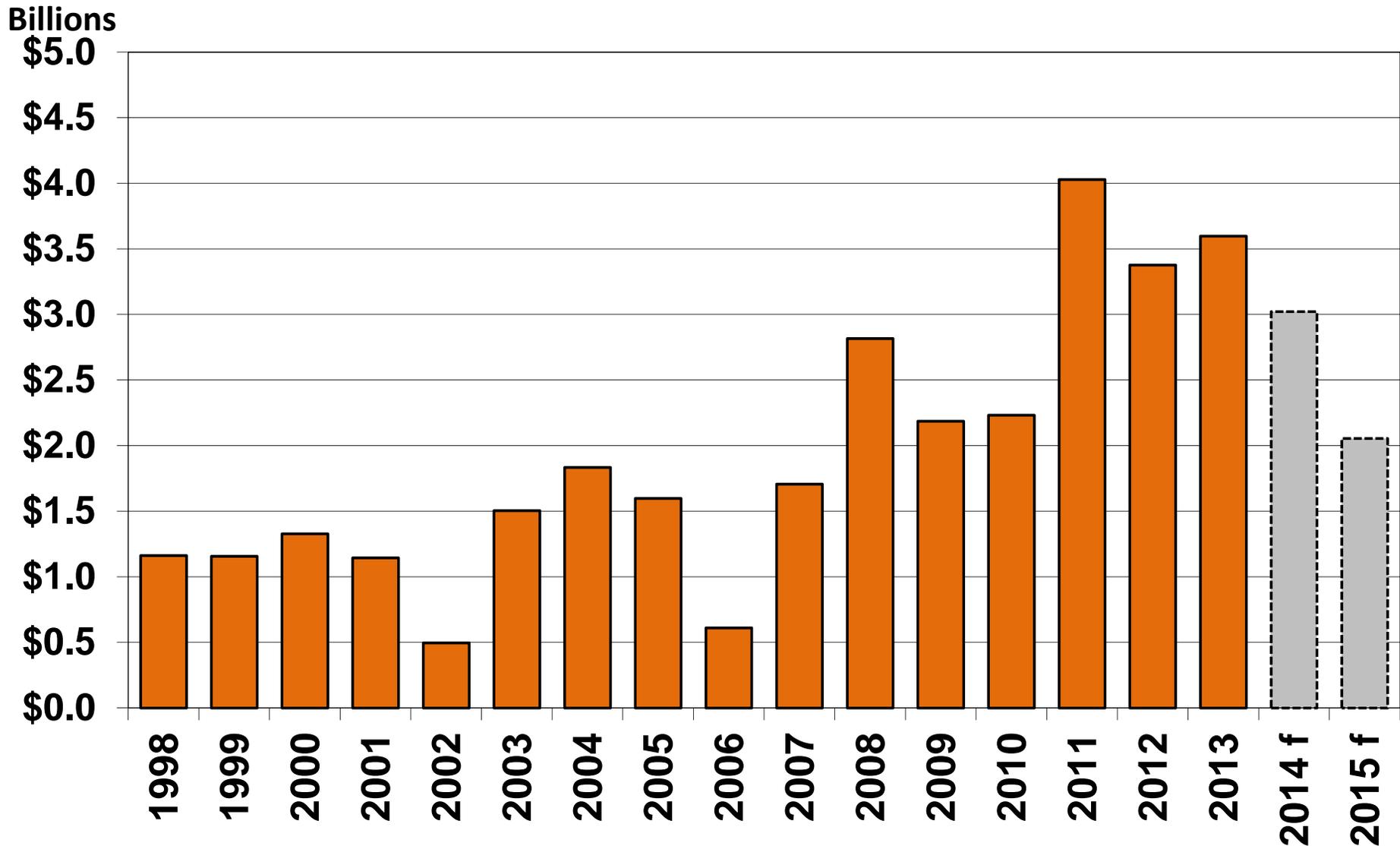
Changes in forecasts for SD Nonfarm Income Growth



Changes in forecasts for SD Nonfarm Income Growth



Lower SD Farm Income in 2014 projected lower for 2015



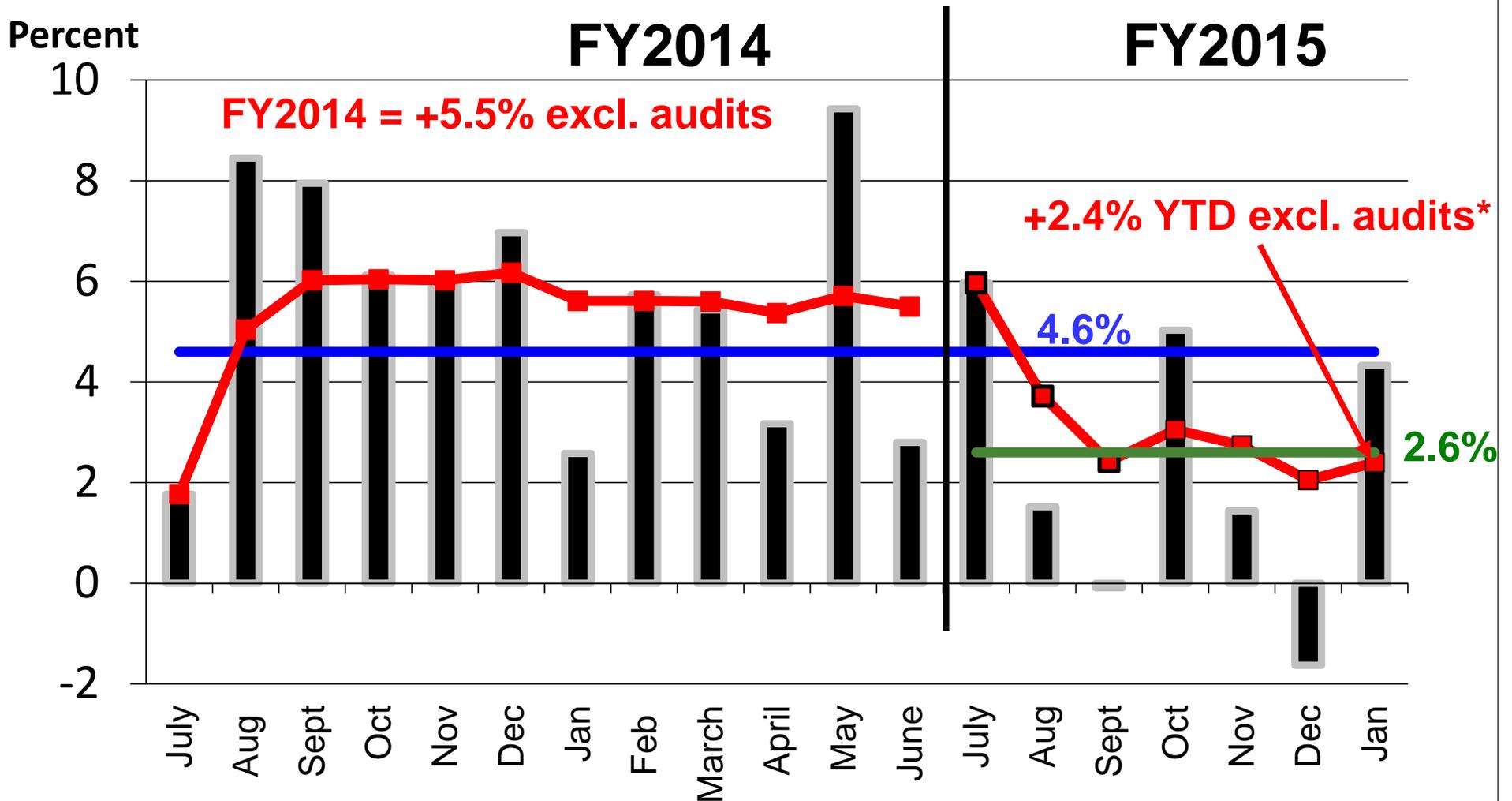
Growth Rates of Key Revenue Sources



60% of Total

Growth Rates for Sales Tax Collections

Blue = FY06-FY14 Average Red = Running YTD FY14/FY15 Growth
Black = Monthly Growth Rates Green = Growth for Revised FY15 Est.

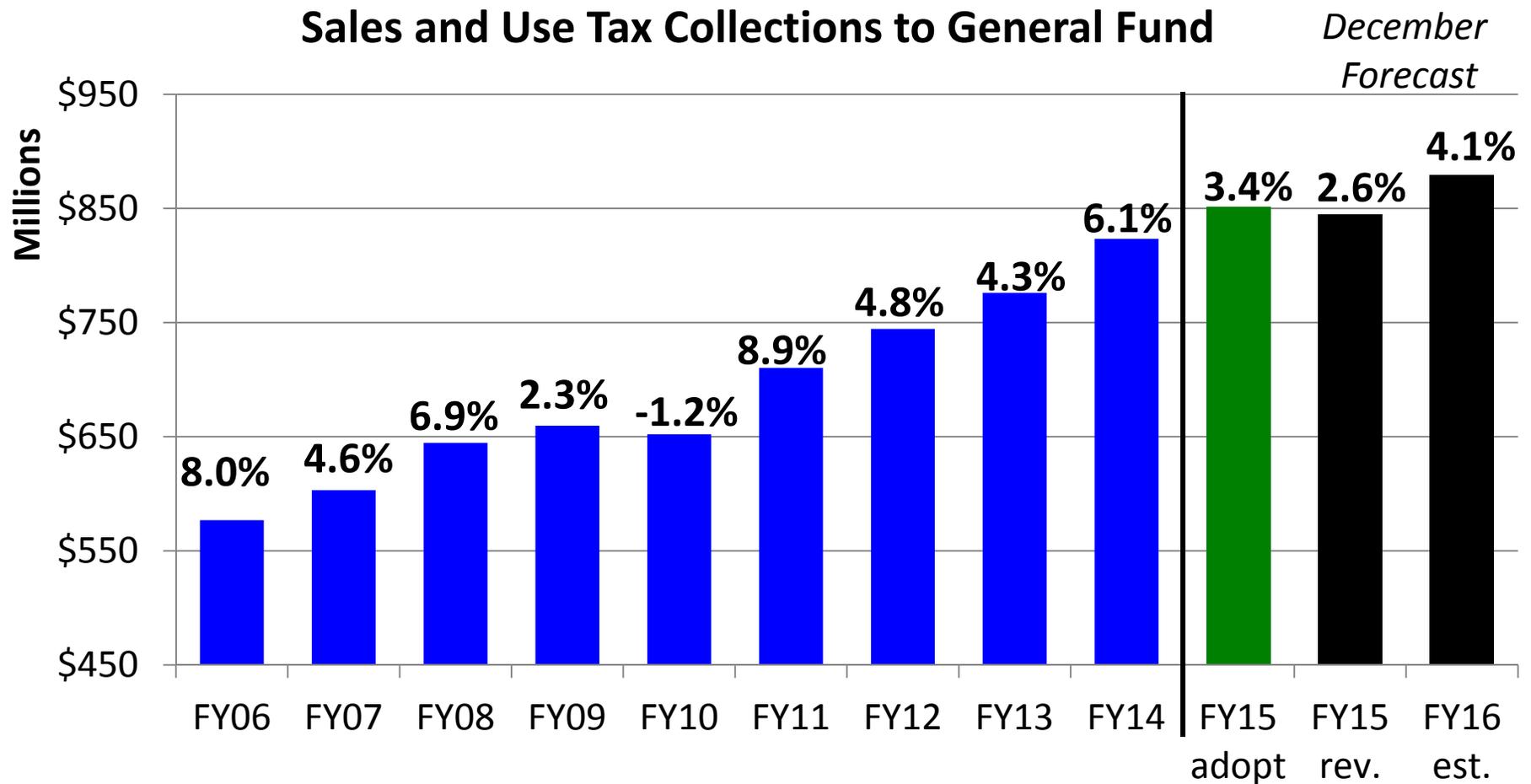


* YTD growth w/audits at +1.6%

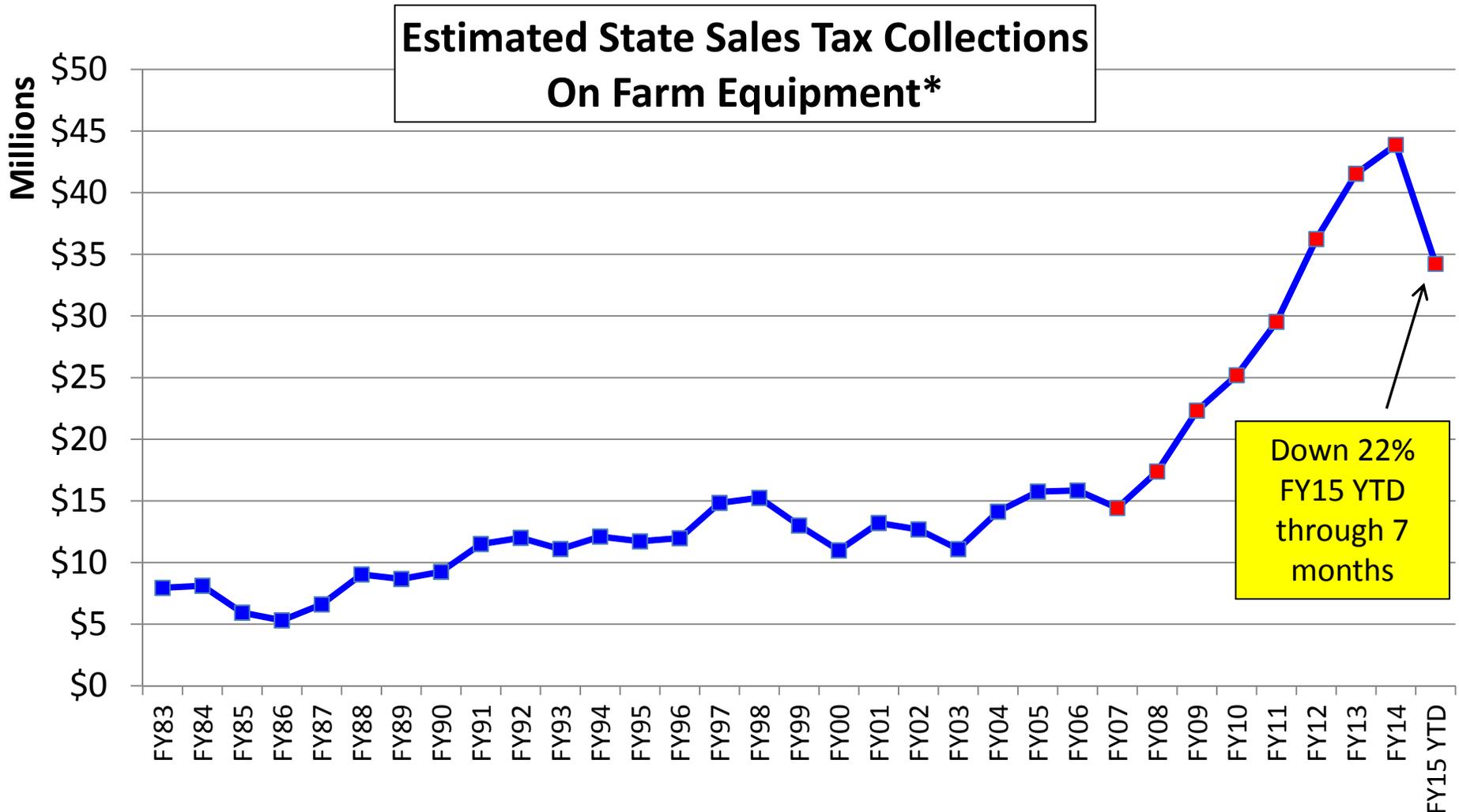
FY2015 Taxable Sales Growth by Major Group

Taxable Sales by Major Group Comparison				Average Growth from FY04-FY14
<u>Top 10 Major Groups (71% of total)</u>	<u>FY14 YTD</u>	<u>FY15 YTD</u>	<u>% Chg</u>	<u>FY04-FY14</u>
Misc. Retail	1,564,137,254	1,473,463,188	-5.8%	8.5%
General Merchandise Stores	1,313,239,571	1,363,100,651	3.8%	5.4%
Food Stores	921,551,802	921,148,325	0.0%	2.7%
Building Materials & Garden Supplies	846,258,894	898,481,520	6.2%	4.0%
Eating & Drinking Places	769,206,548	822,019,154	6.9%	4.2%
Electric, Gas, & Sanitary Services	799,570,904	808,128,692	1.1%	5.3%
Wholesale Trade - Durable Goods	727,150,938	791,047,322	8.8%	-0.2%
Auto Dealers/Service Stations	559,913,825	623,501,645	11.4%	4.9%
Communications	629,621,555	676,011,654	7.4%	4.5%
Hotels&Lodging/Bus Services/Furnishings/Other	532,585,919	584,079,080	9.7%	6.3%
Total of Top 10 Major Groups	8,663,237,210	8,960,981,231	3.4%	4.6%
Remaining Groups	3,518,018,404	3,623,368,012	3.0%	4.7%
Total Taxable Sales	12,181,255,614	12,584,349,243	3.3%	4.6%

Sales and Use Tax Receipts

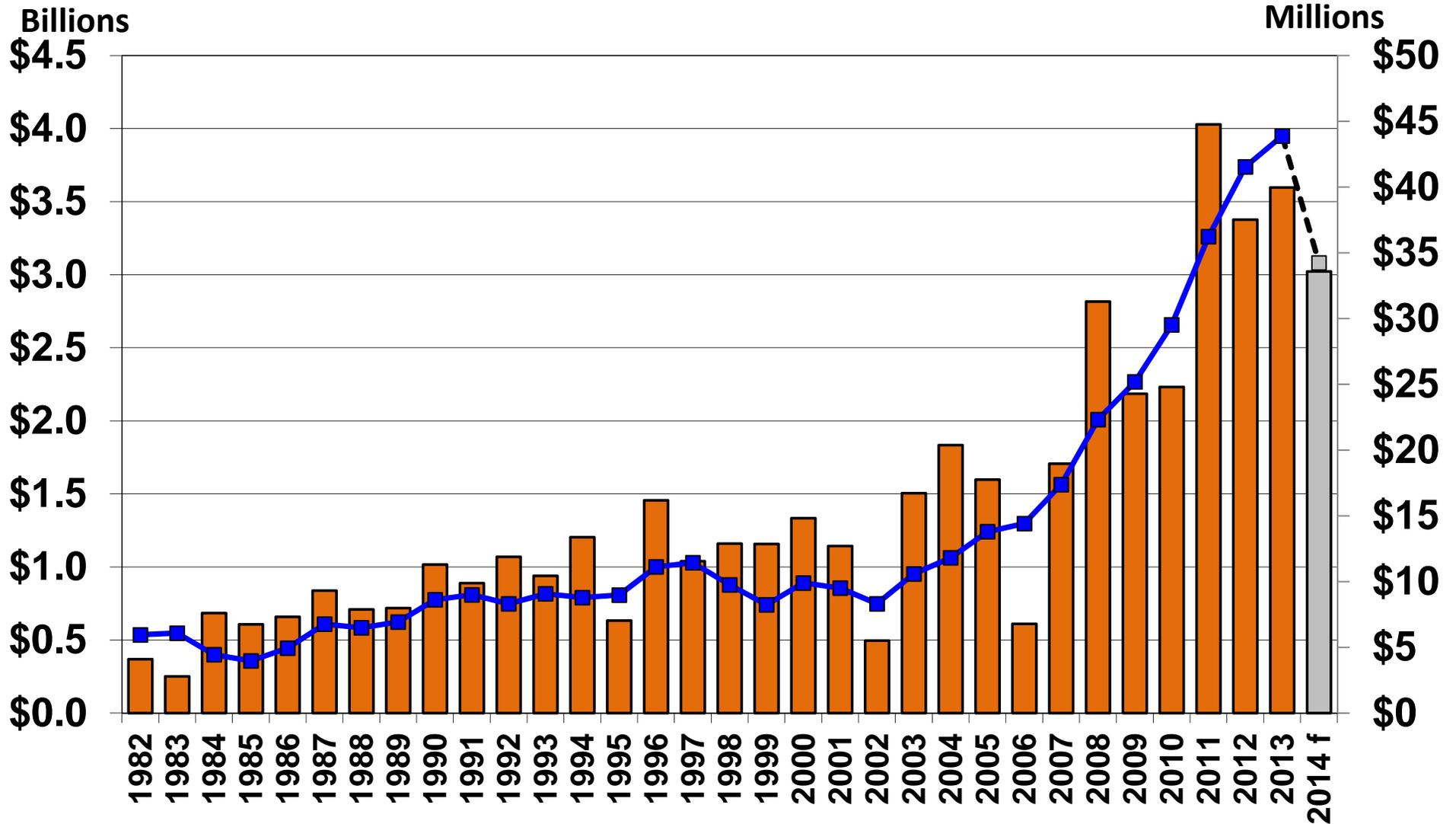


Ag Economy Impact on the Sales Tax: FY2015 YTD figures much lower



* Prior to 1-1-06, the collections were converted to 4% rate as the rate changed from 3% to 4% on 1-1-06

SD Farm Income and Equipment Tax Collections are highly correlated

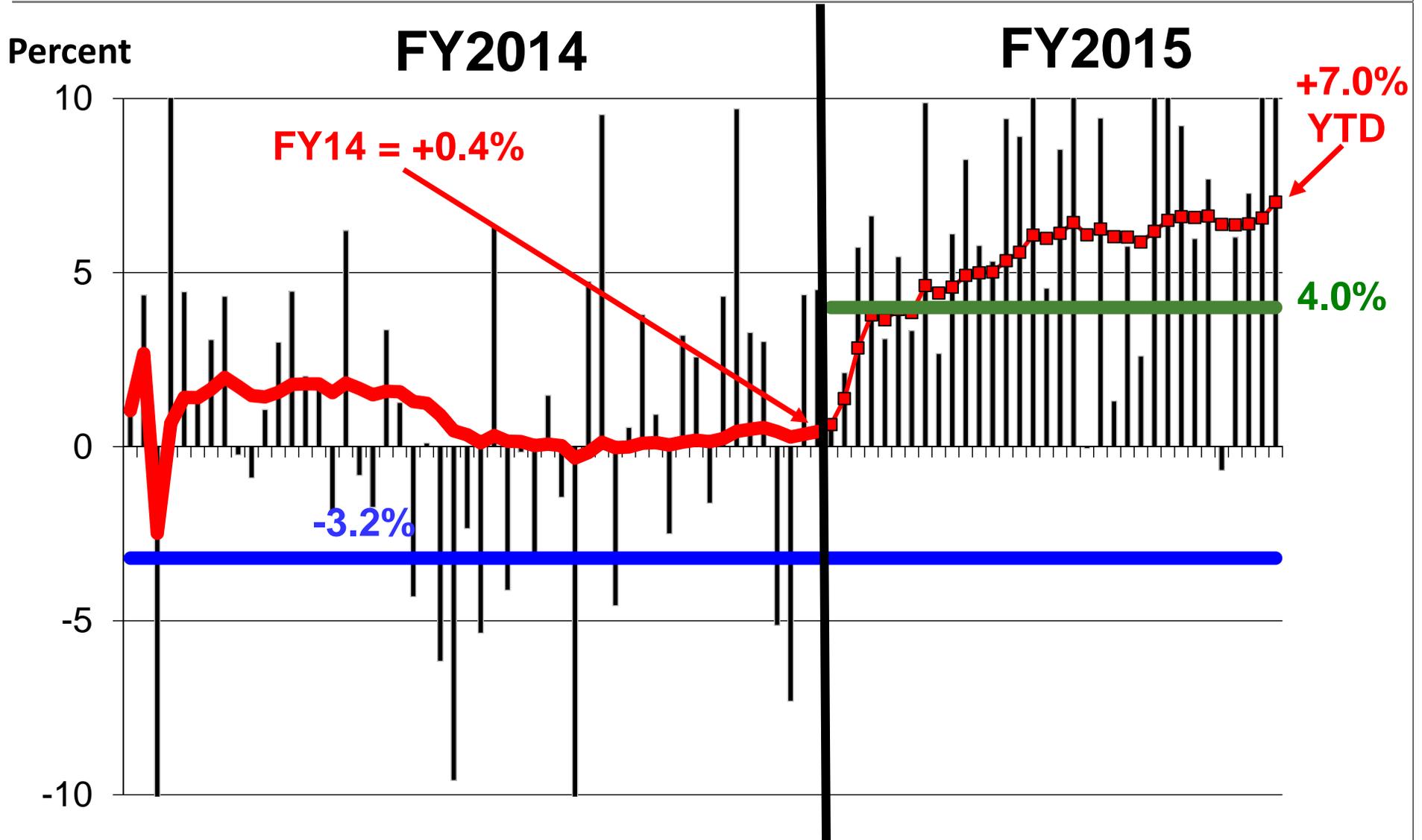


Growth Rate for Video Lottery

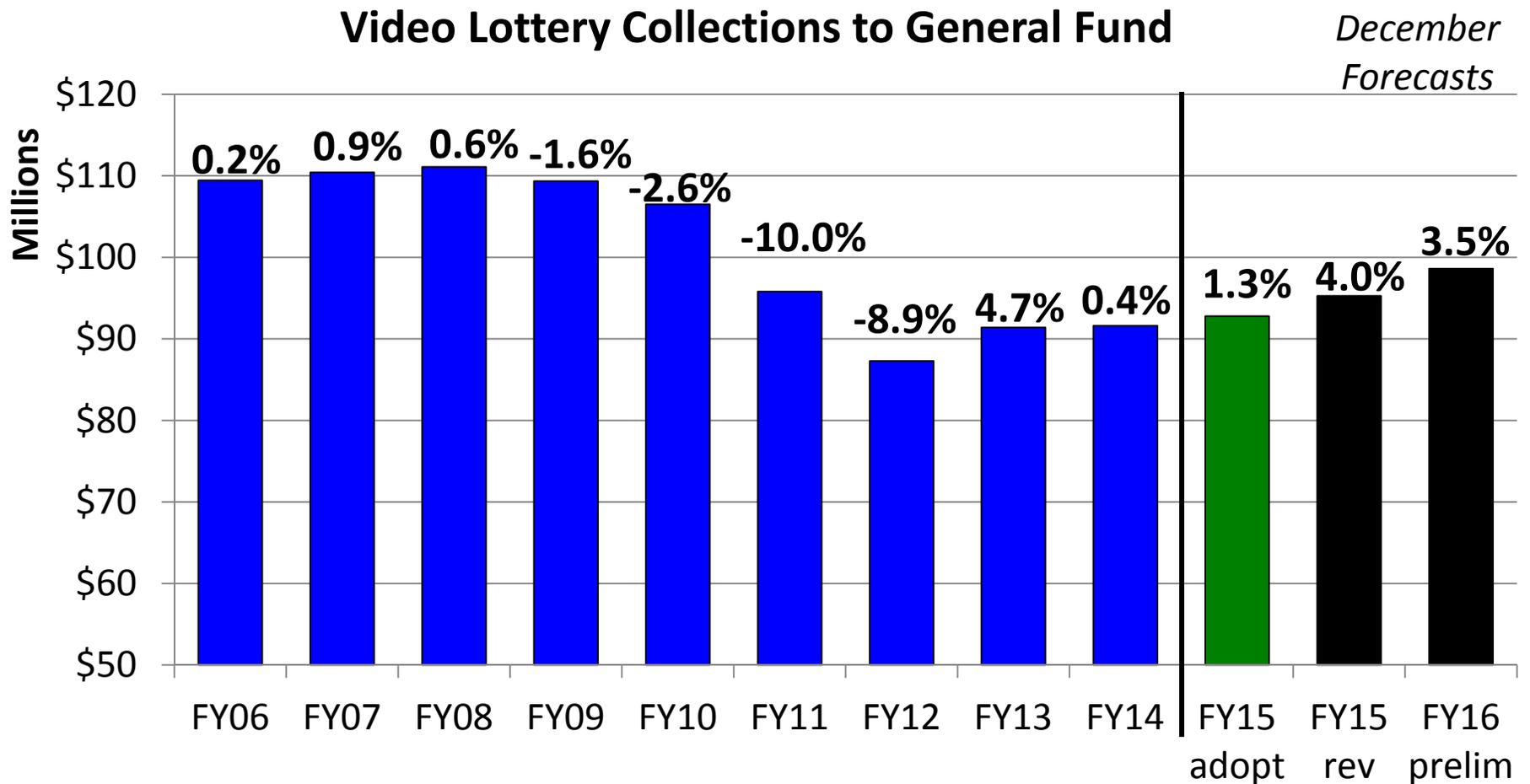
7% of Total

Blue = FY08-FY14 Avg. Red = FY14 YTD Growth/FY15 YTD Growth

Black = Weekly Growth Rates Green = Growth of Revised FY15 Est.



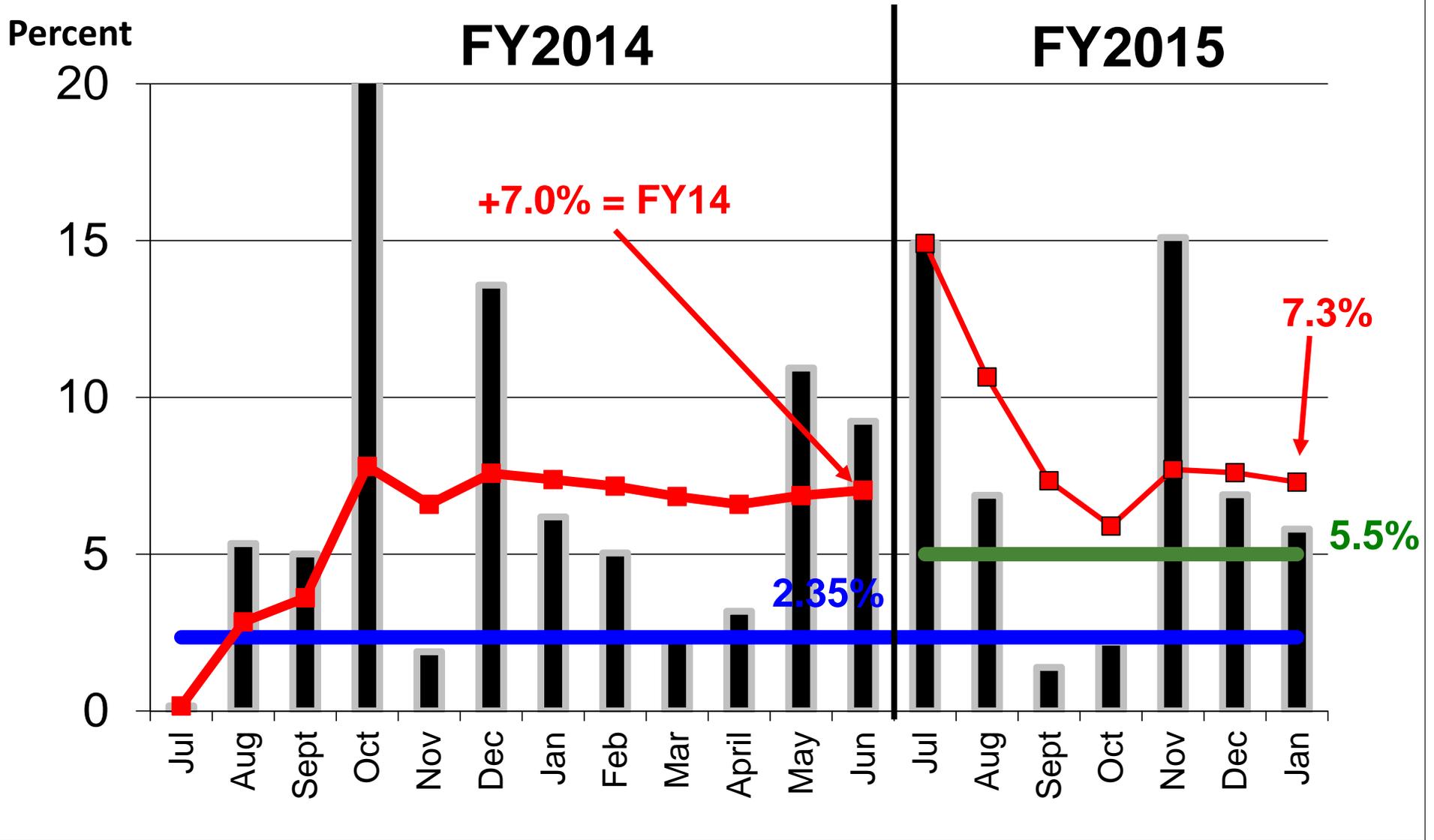
Video Lottery Receipts



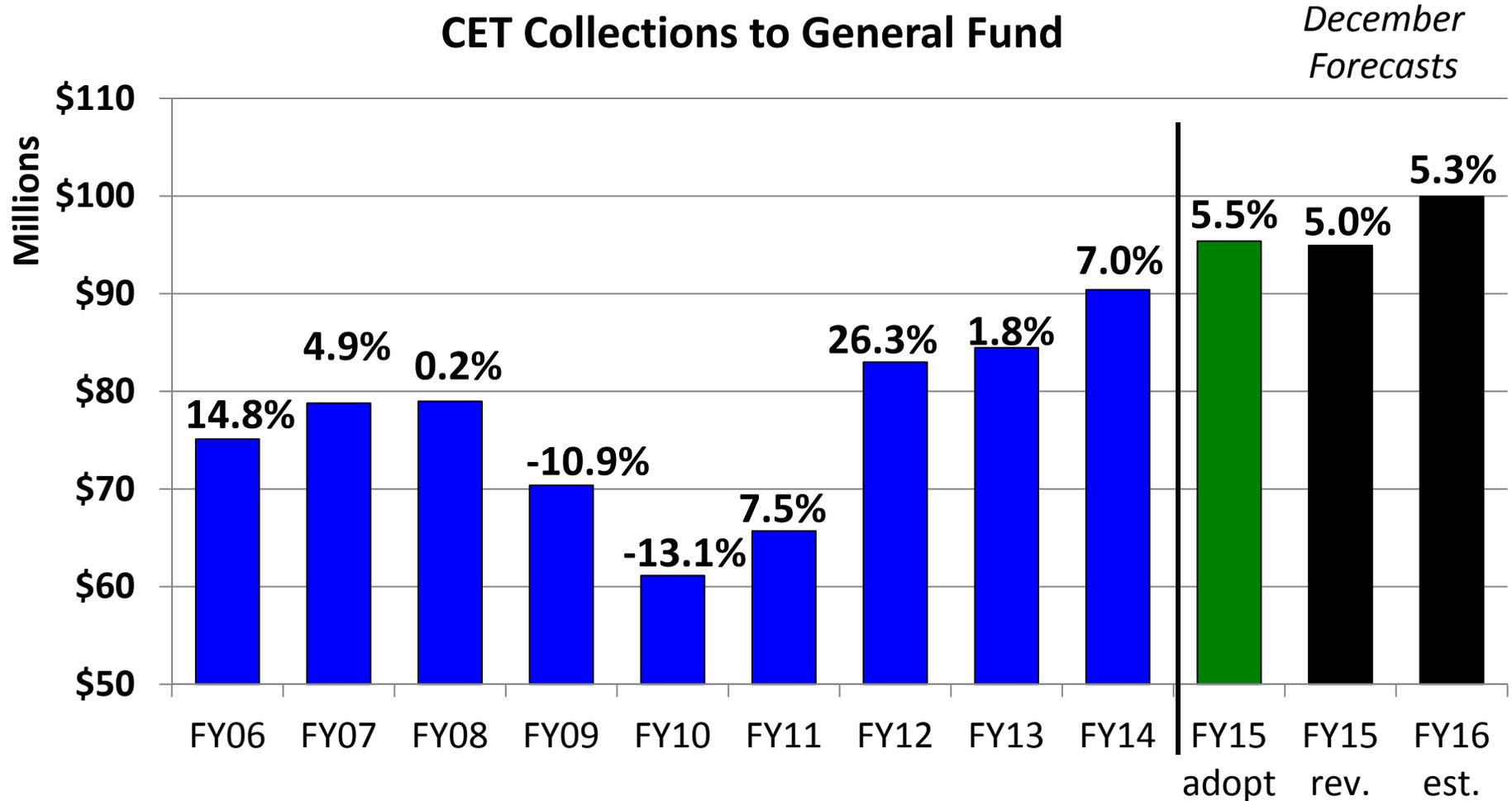
Recent Growth Rates for Net CET

7% of Total

Blue = FY05-FY14 Average Red = FY14 YTD Growth/FY15 YTD Growth
 Black = Monthly Growth Rates Green = Growth of Revised FY15 Est.



Contractor's Excise Tax

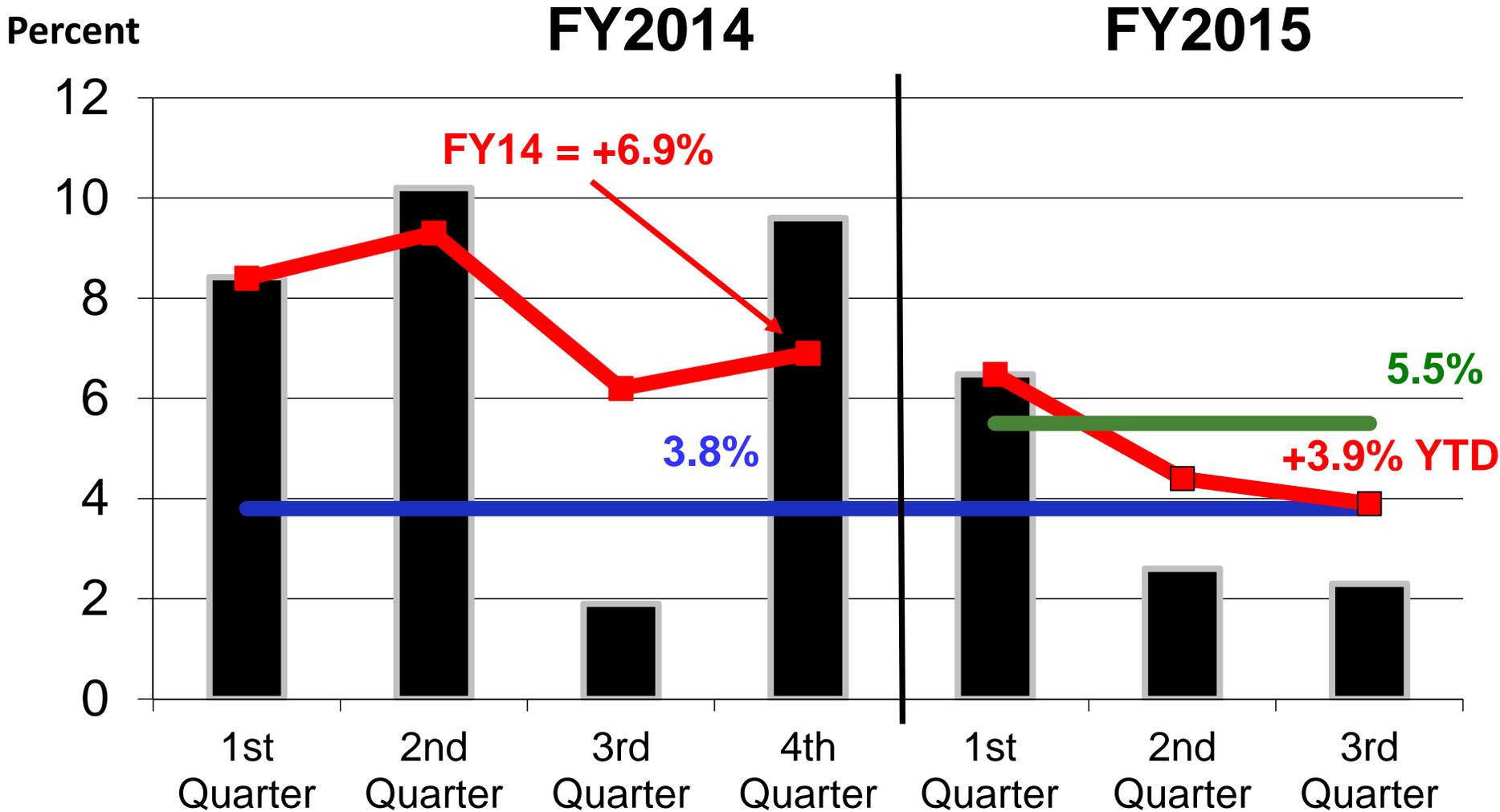


Growth Rates for Insurance Company Tax

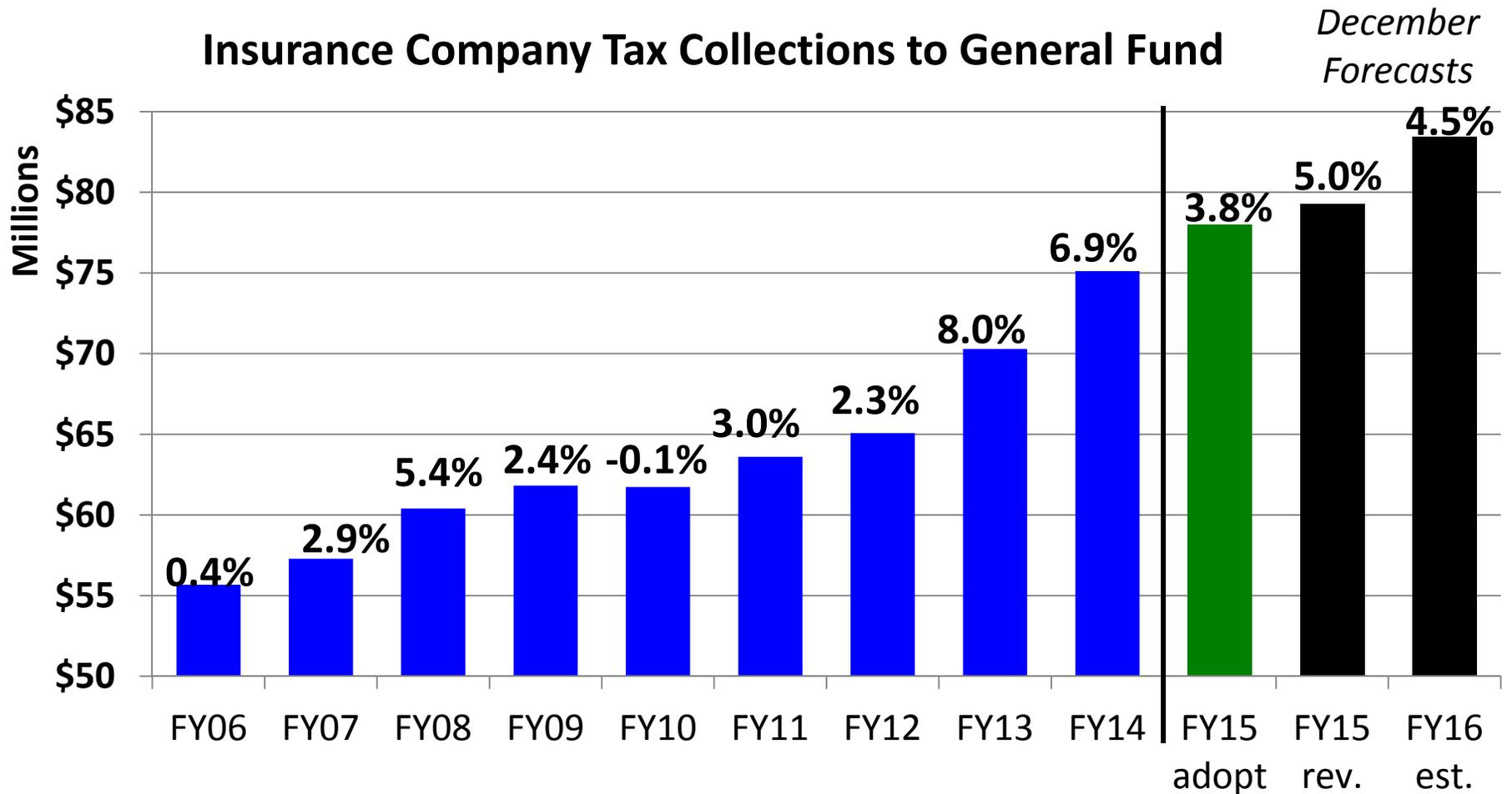
5% of Total

Blue = FY06-FY14 Average Red = FY14 YTD Growth/FY15 YTD Growth

Black = Quarterly Growth Rates Green = Growth of Revised FY15 Est.



Insurance Company Tax

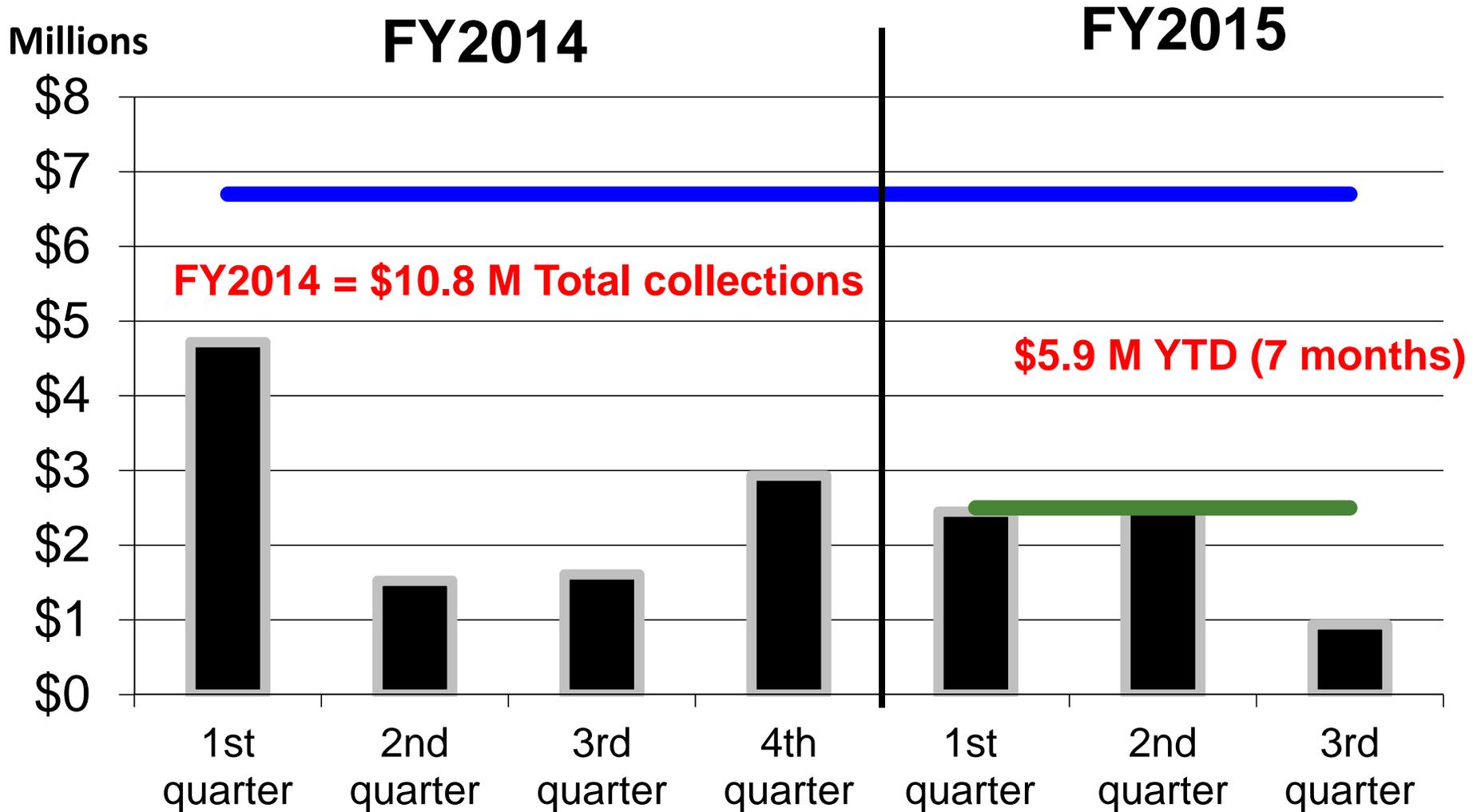


2% of Total

Bank Franchise Tax Collections

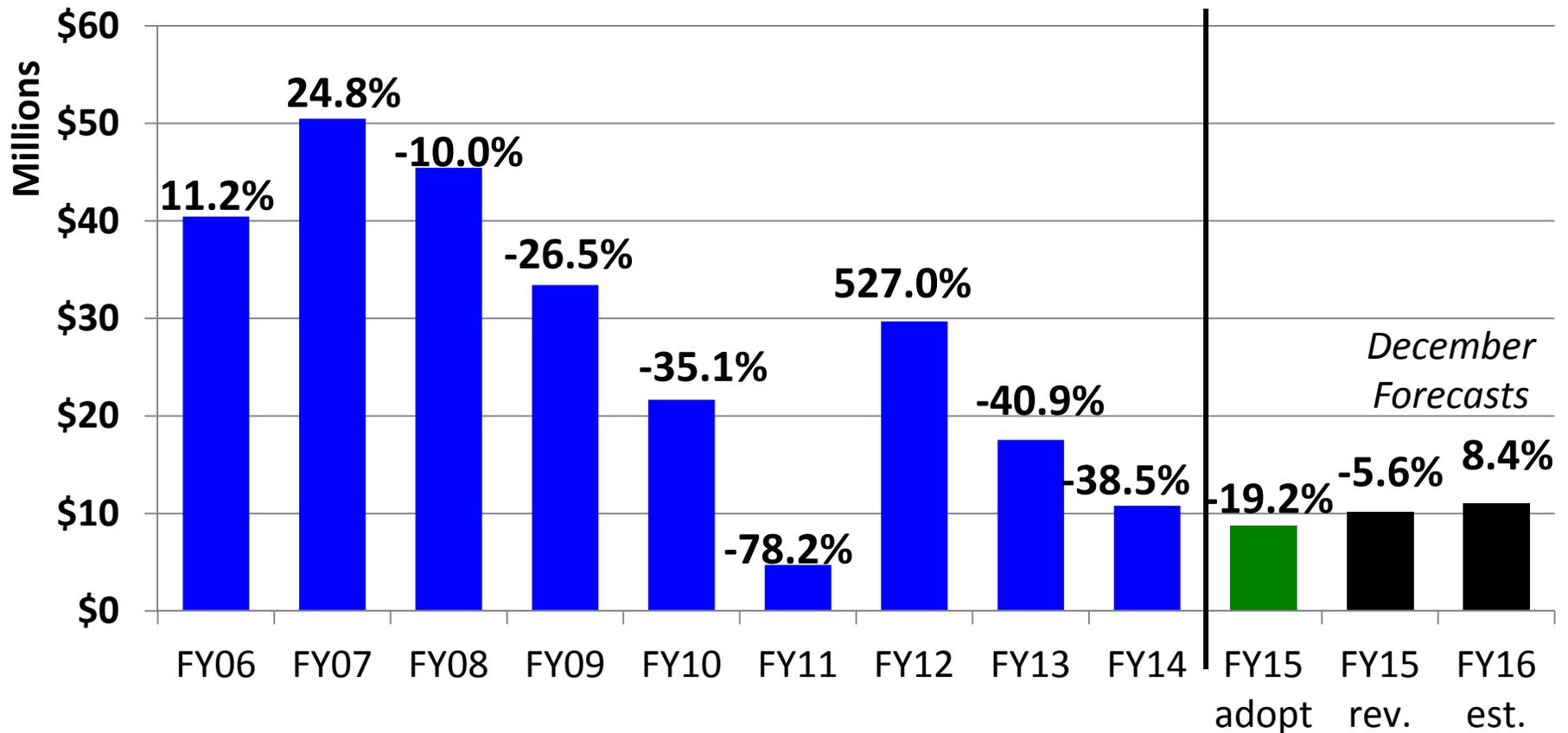
\$6.7 M = average quarterly collections (past 8 yrs.)

Black = Actual Quarterly Collections \$2.5 M/Qtr. = Revised FY15 Est.

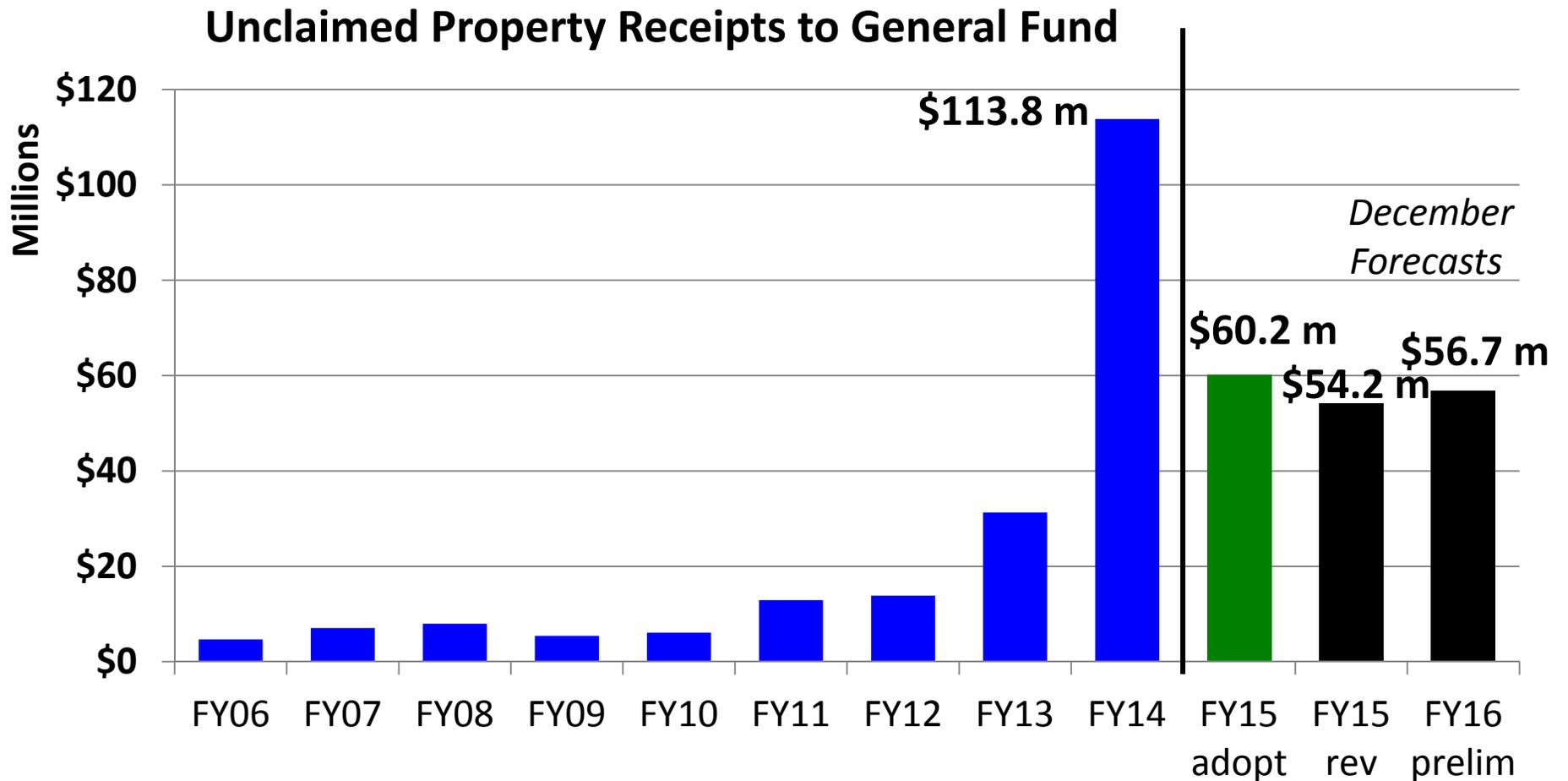


Bank Franchise Tax

Bank Franchise Tax Collections to General Fund



Unclaimed Property Receipts



Other Discussion

- Tourism
- Agriculture
- Geographical Areas
- Other Discussion