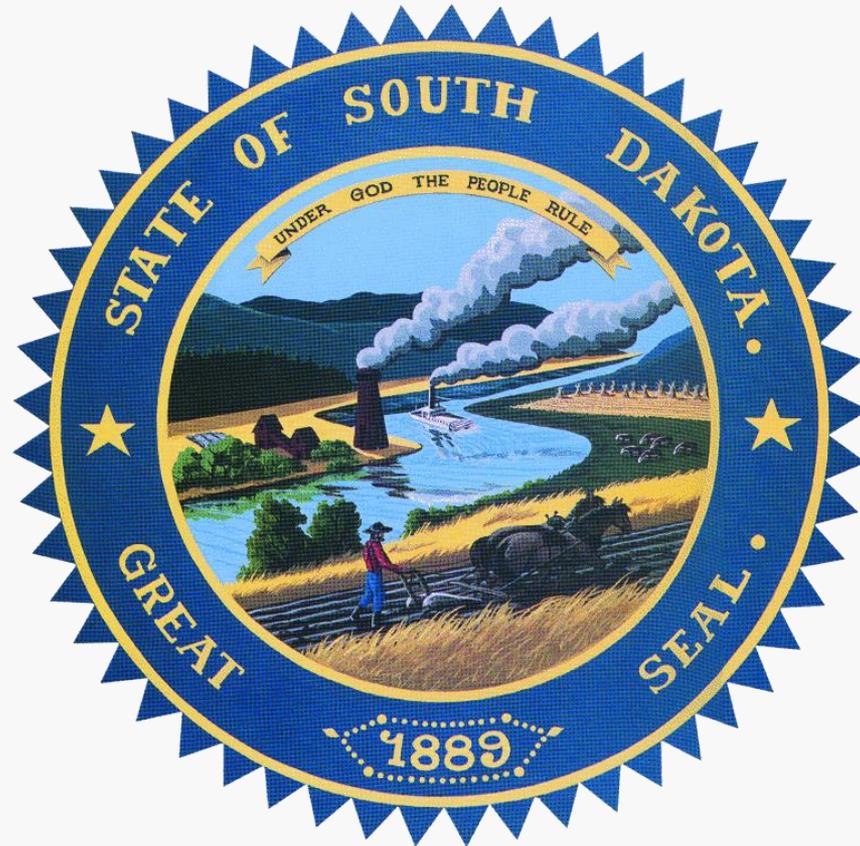
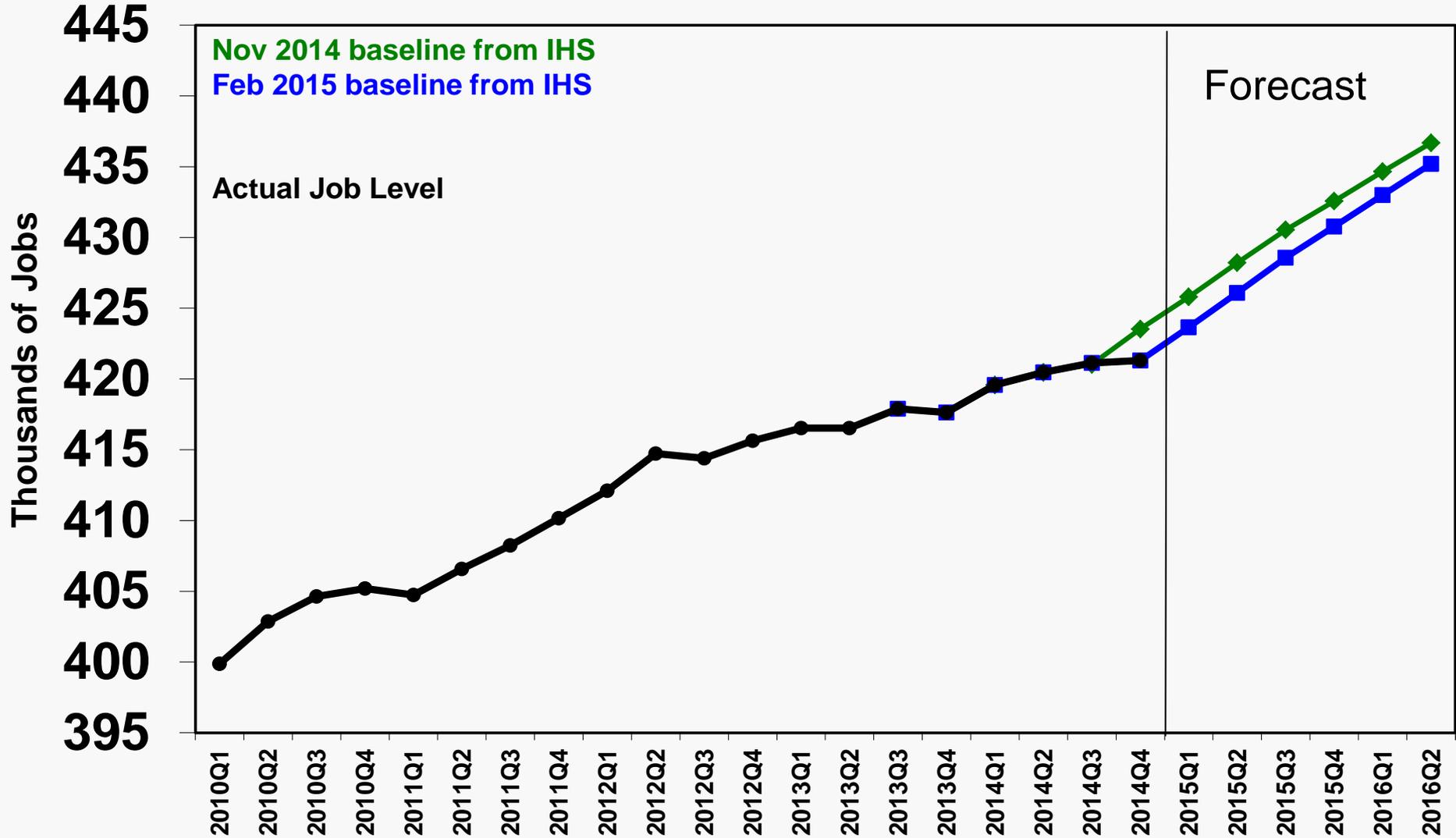


Governor's Council of Economic Advisors

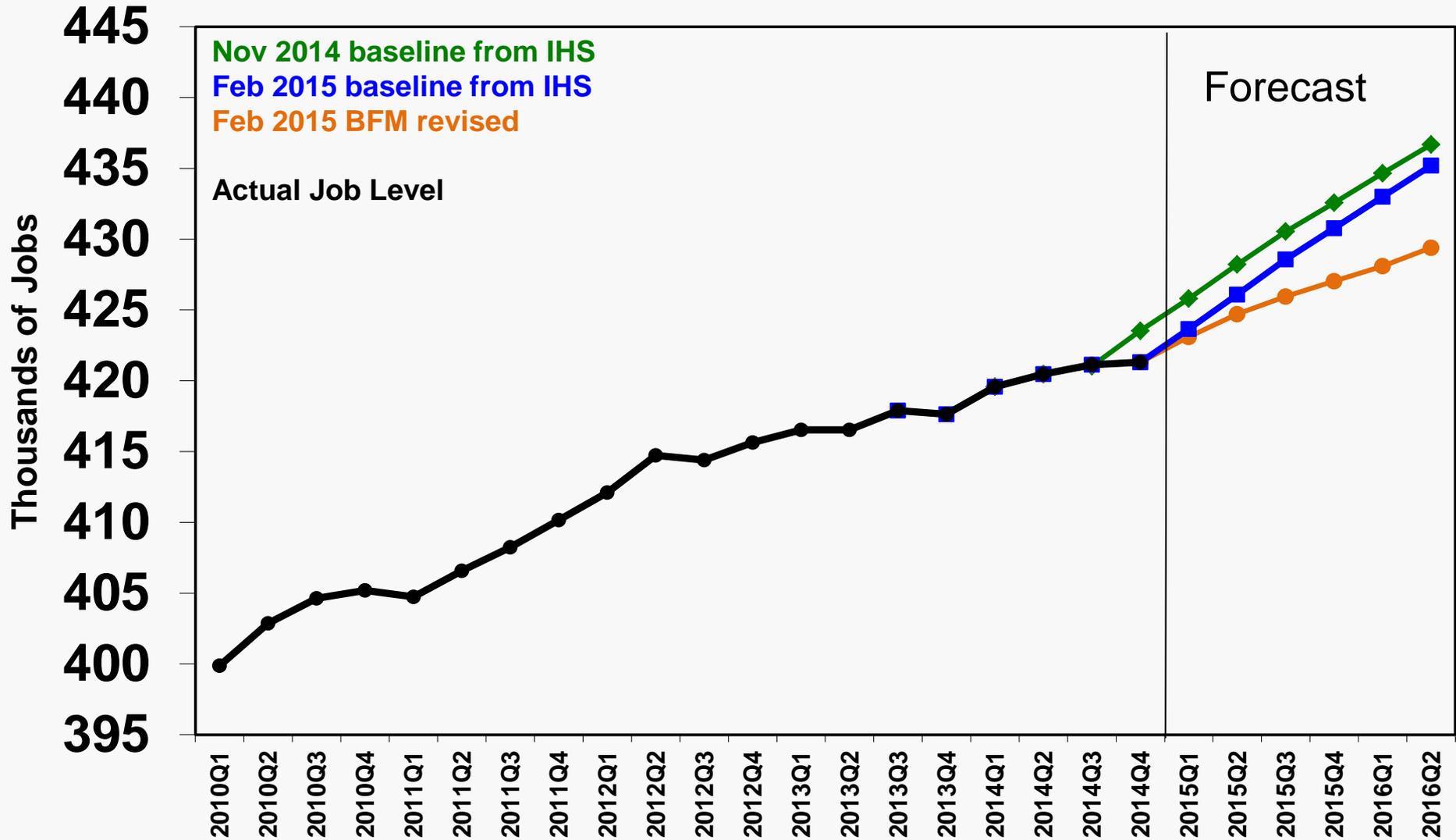


May 13, 2015

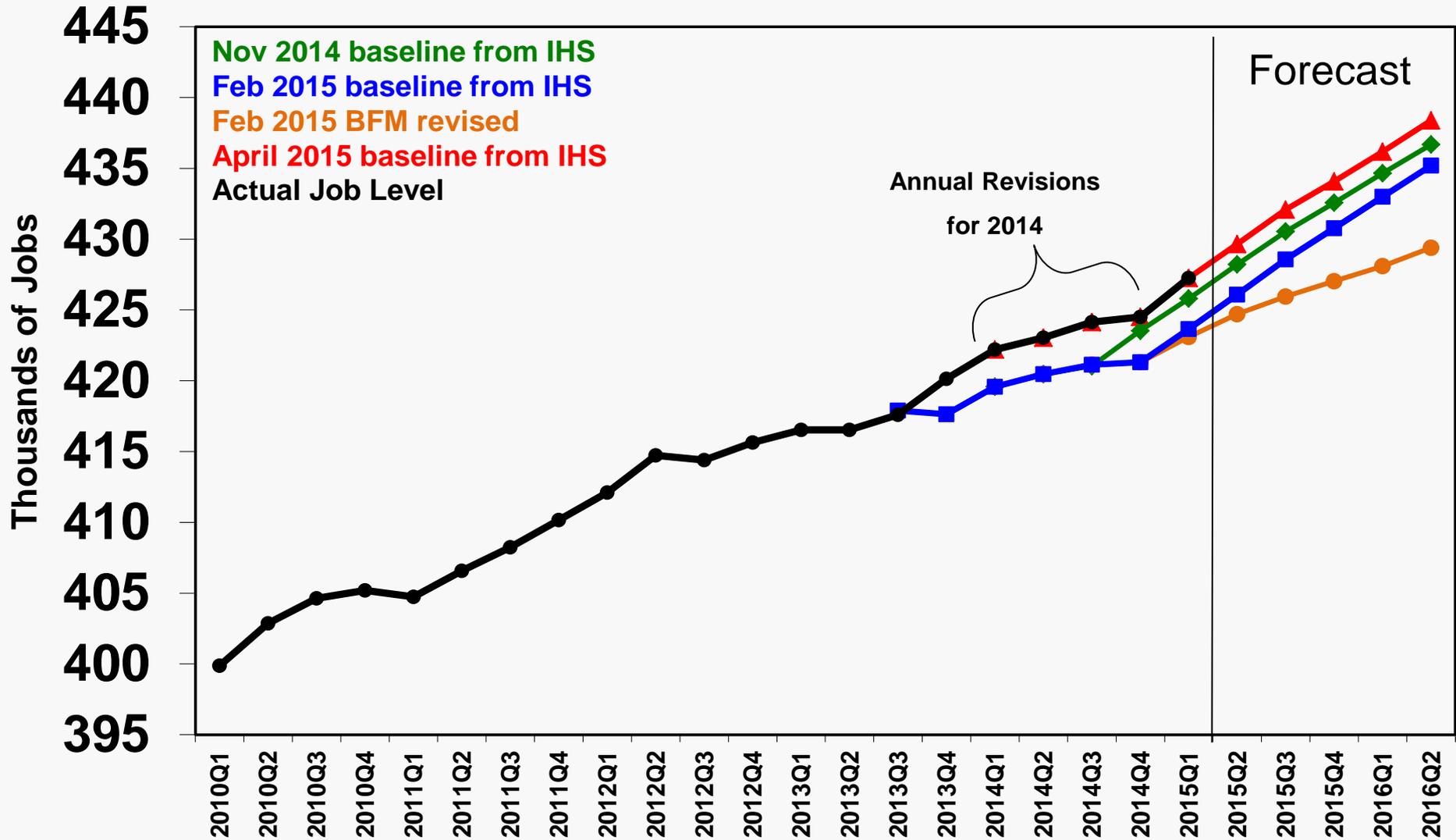
SD Nonfarm Employment Forecast Changes



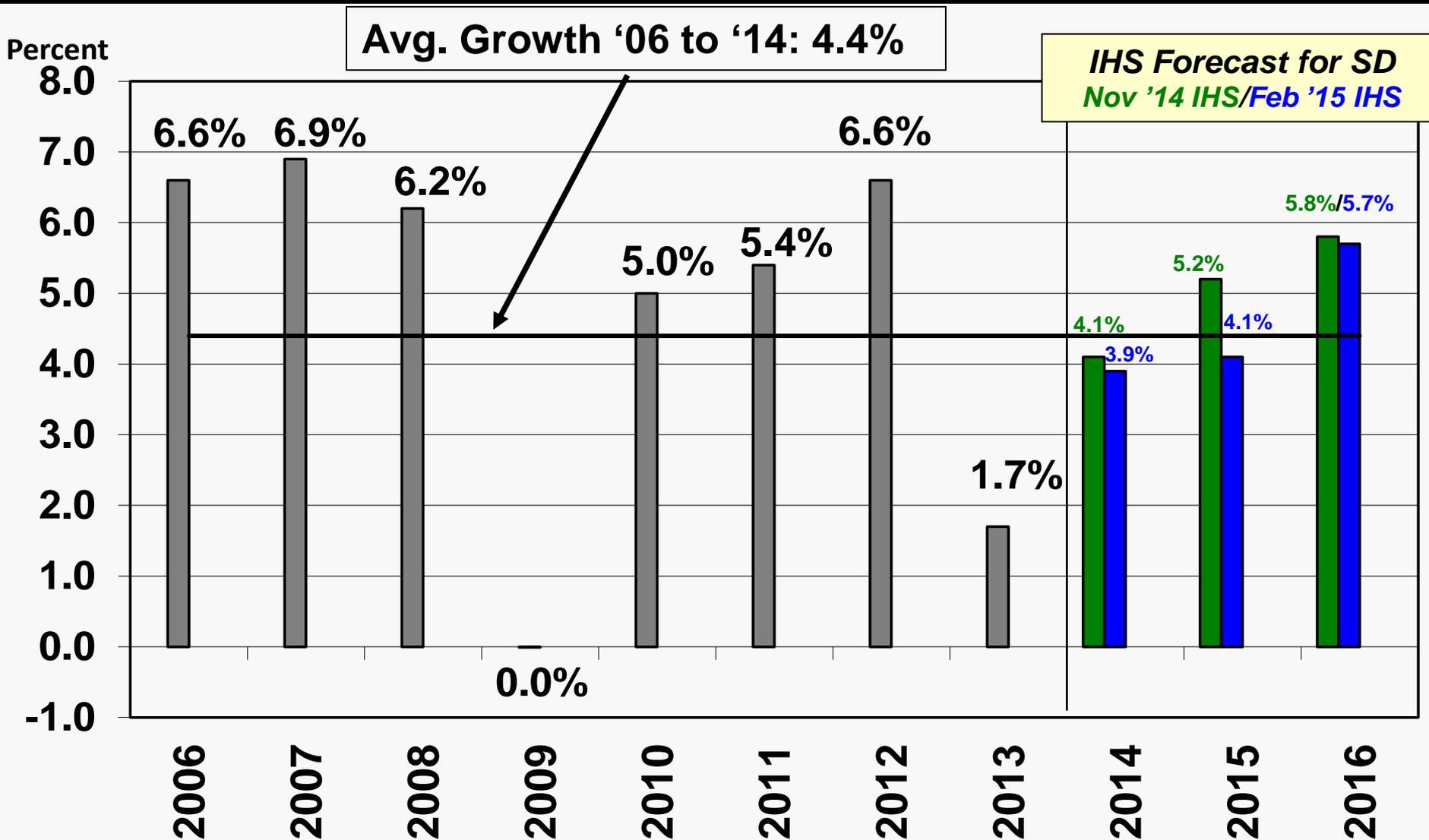
SD Nonfarm Employment Forecast Changes



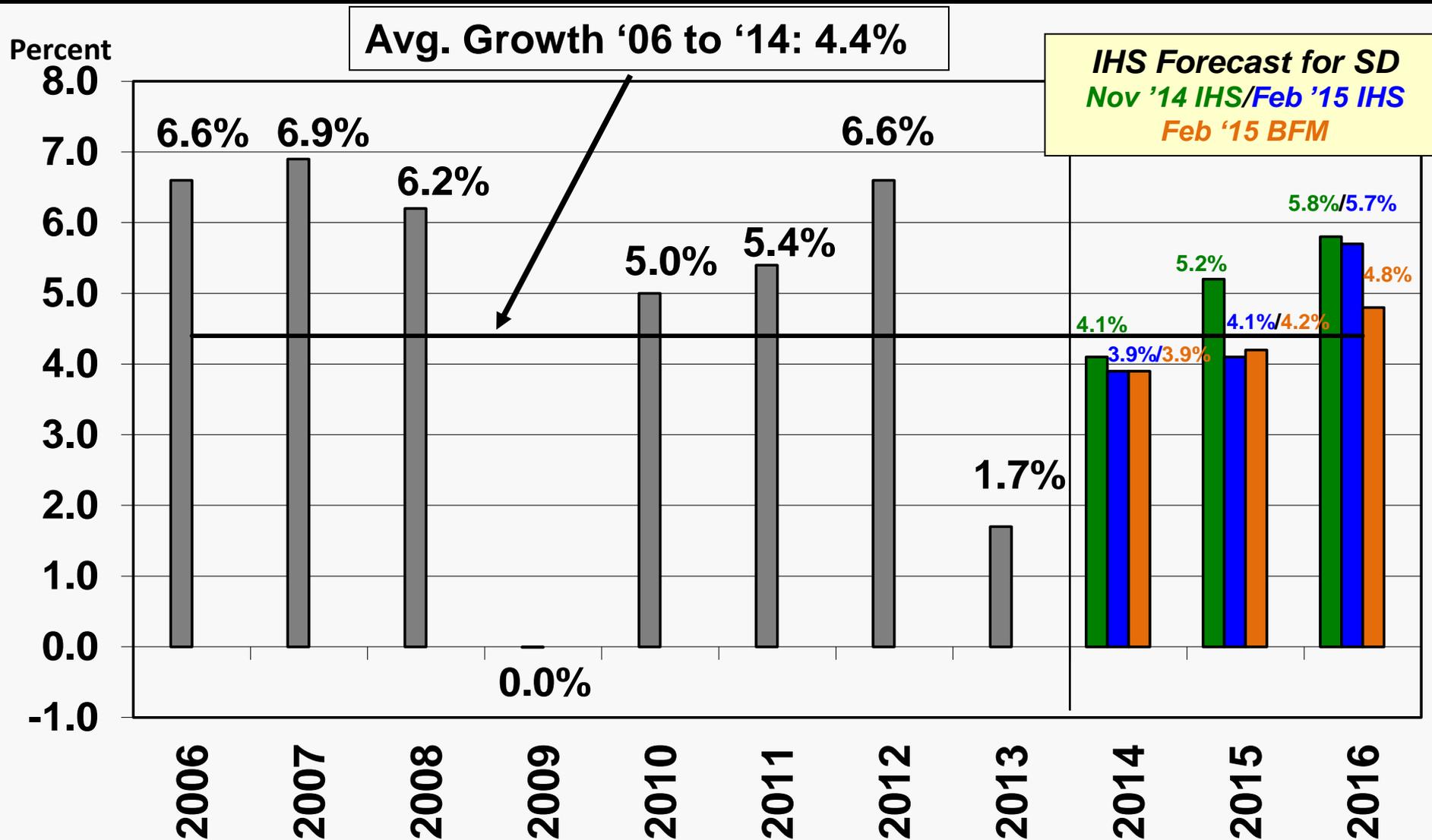
SD Nonfarm Employment Forecast Changes



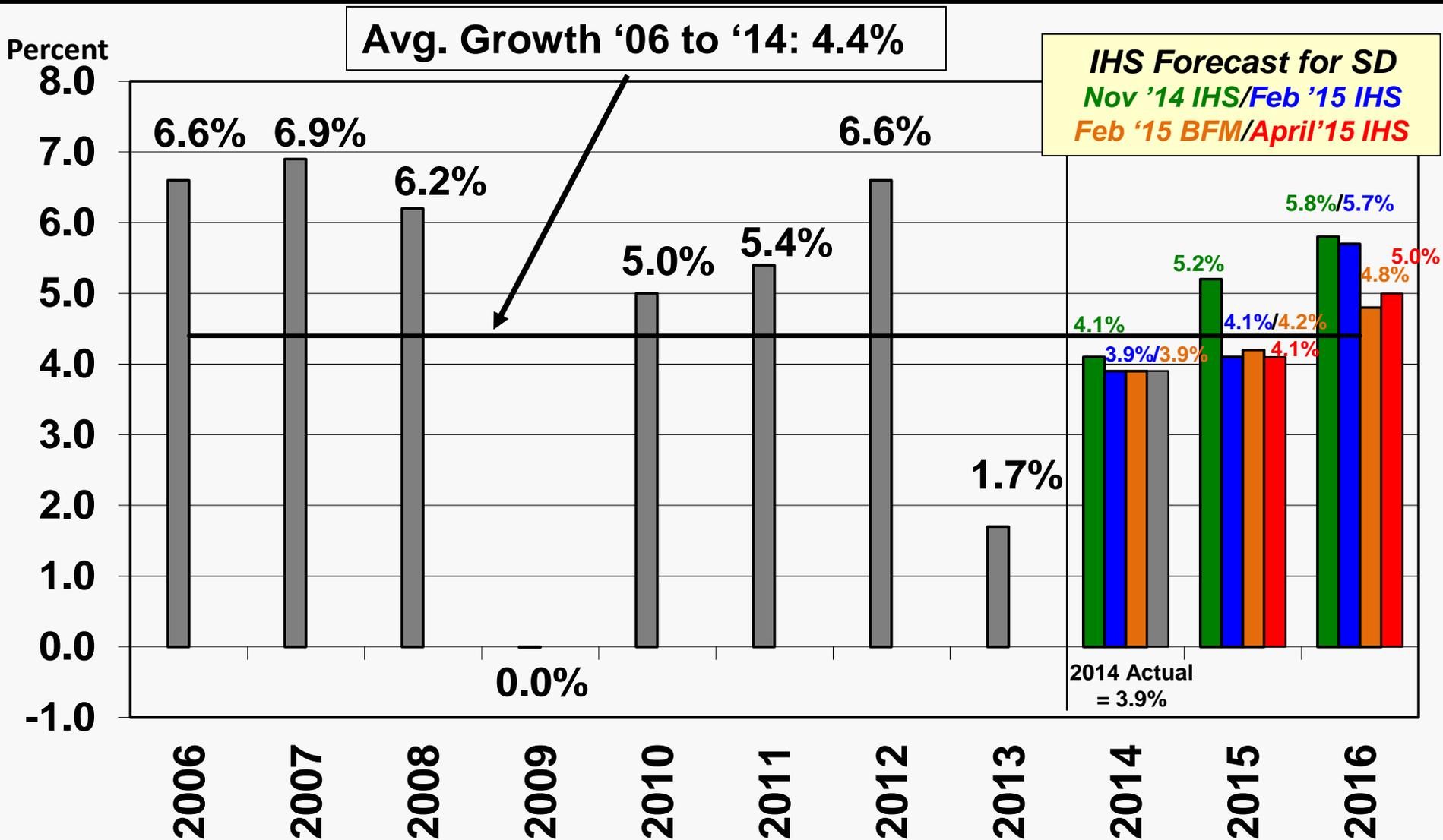
Changes in forecasts for SD Nonfarm Income Growth



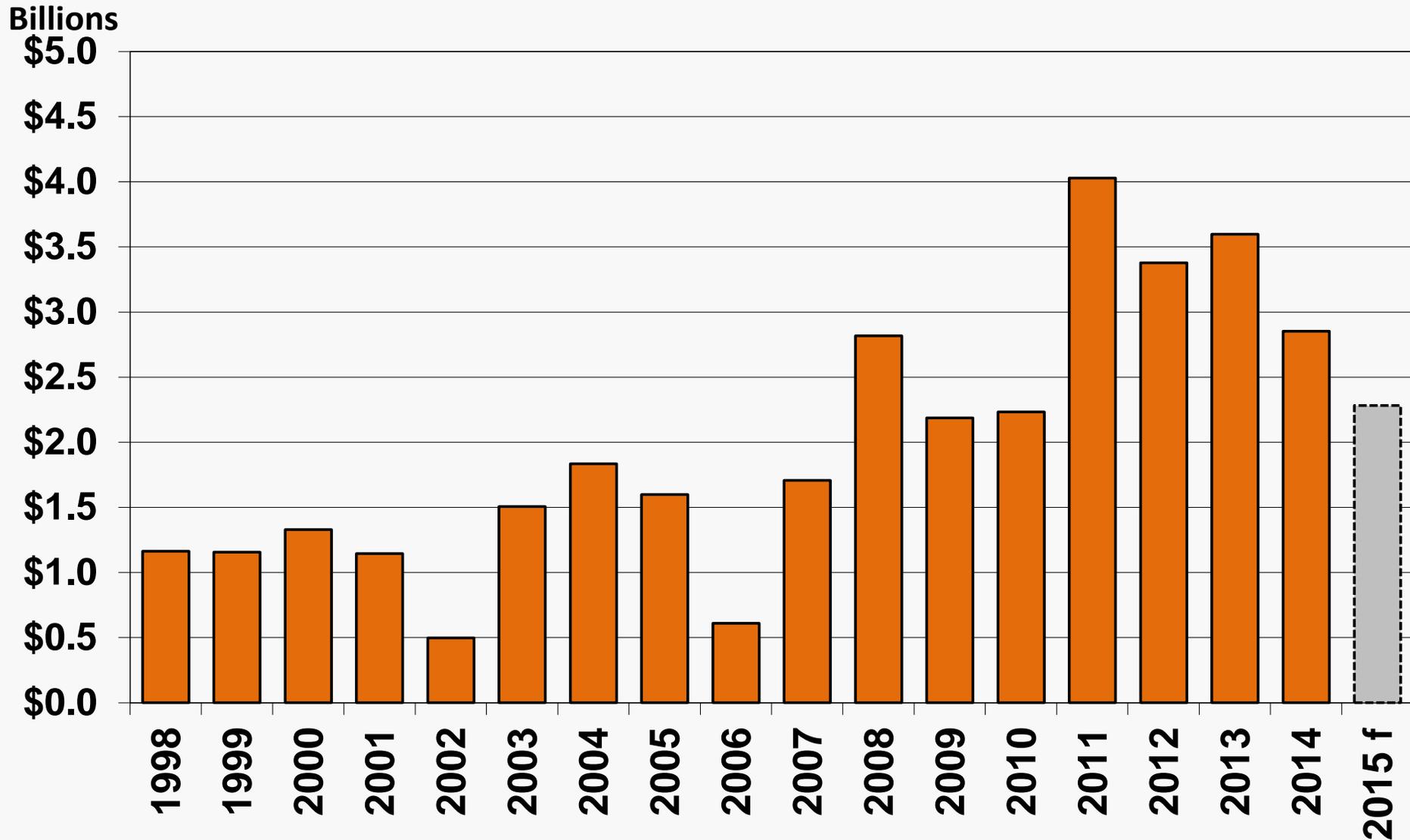
Changes in forecasts for SD Nonfarm Income Growth



Changes in forecasts for SD Nonfarm Income Growth



Lower SD Farm Income in 2014 projected lower for 2015



Growth Rates of Key Revenue Sources

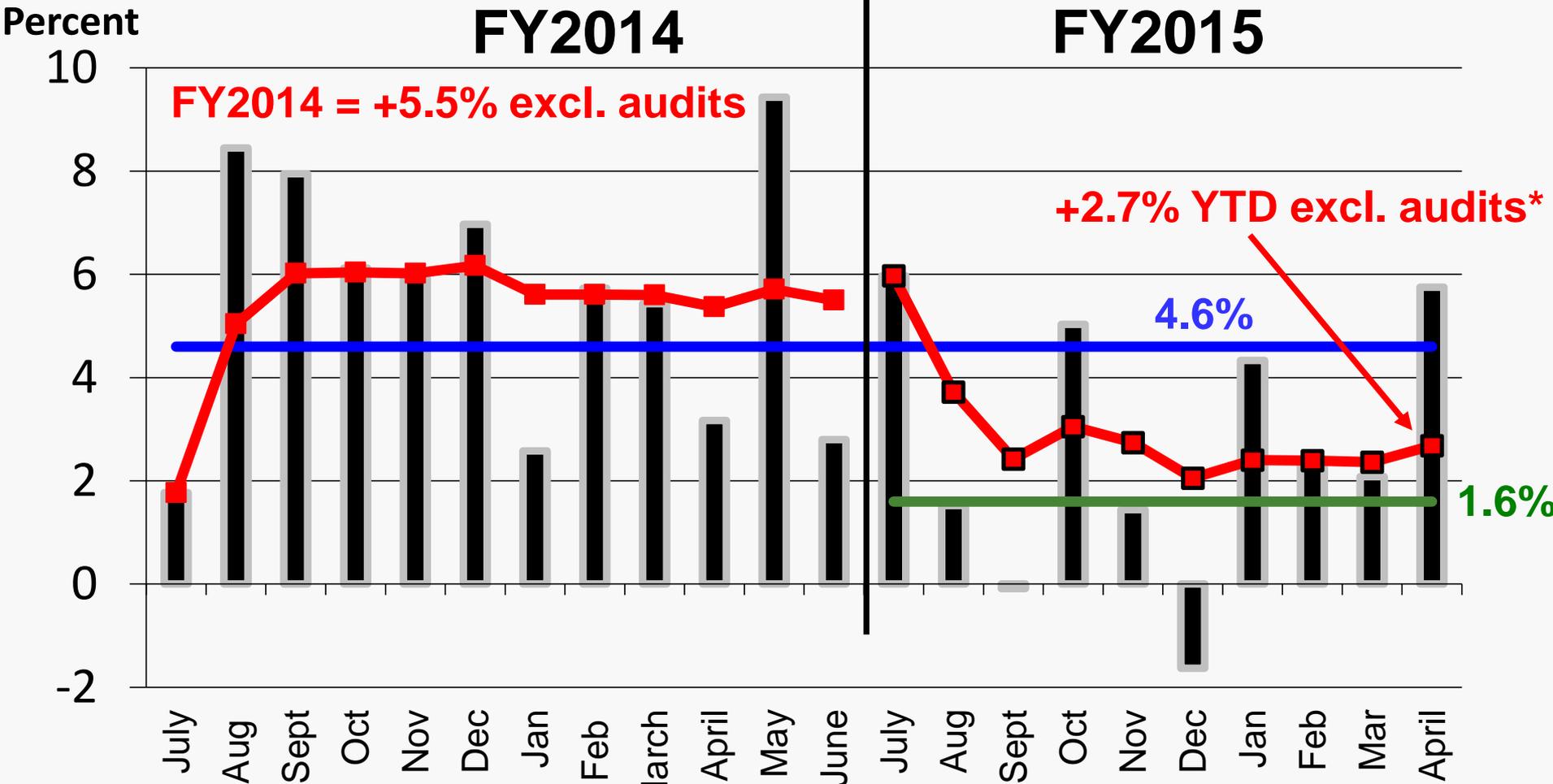


Photo: SD Tourism

Growth Rates for Sales Tax Collections

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

Black = Monthly Growth Rates Green = Growth for Leg. Revised FY15 Est.



*** YTD growth w/audits at +2.1%**

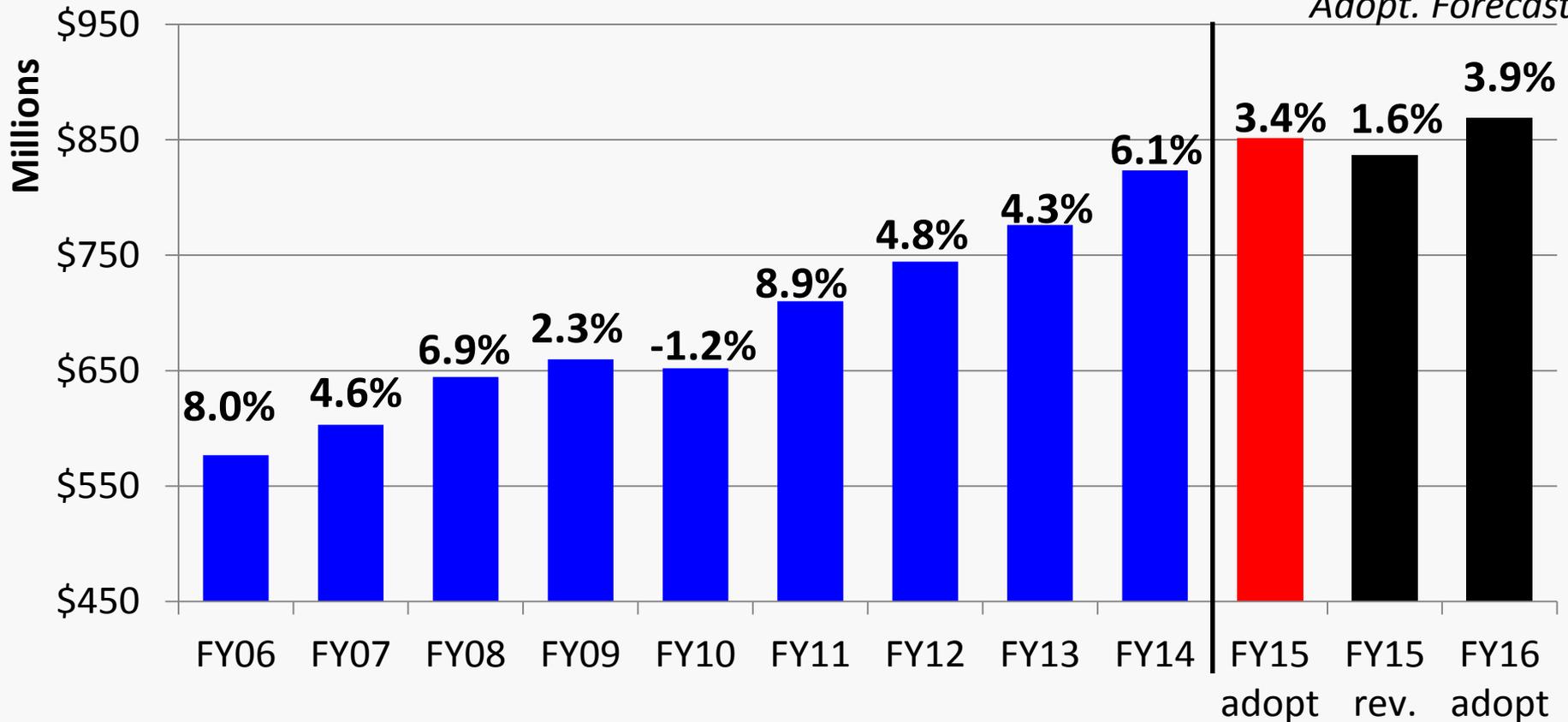
FY2015 Taxable Sales Growth by Major Group (through March)

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	1,902,613,915	1,798,781,845	-5.5%	8.5%
General Merchandise Stores	1,611,253,353	1,680,805,976	4.3%	5.4%
Food Stores	1,154,751,142	1,155,896,621	0.1%	2.7%
Building Materials & Garden Supplies	992,187,016	1,072,079,985	8.1%	4.0%
Eating & Drinking Places	950,896,790	1,024,407,892	7.7%	4.2%
Electric, Gas, & Sanitary Services	1,107,665,107	1,097,699,980	-0.9%	5.3%
Wholesale Trade - Durable Goods	885,136,421	954,866,151	7.9%	-0.2%
Auto Dealers/Service Stations	693,145,660	768,103,481	10.8%	4.9%
Communications	810,428,827	867,682,183	7.1%	4.5%
Hotels&Lodging/Bus Services/Furnishings/Other	658,616,901	723,622,883	9.9%	6.3%
Total of Top 10 Major Groups	10,766,695,132	11,143,946,997	3.5%	4.6%
Remaining Groups	4,310,004,621	4,453,306,604	3.3%	4.7%
Total Taxable Sales	15,076,699,753	15,597,253,601	3.5%	4.6%

Sales and Use Tax Receipts

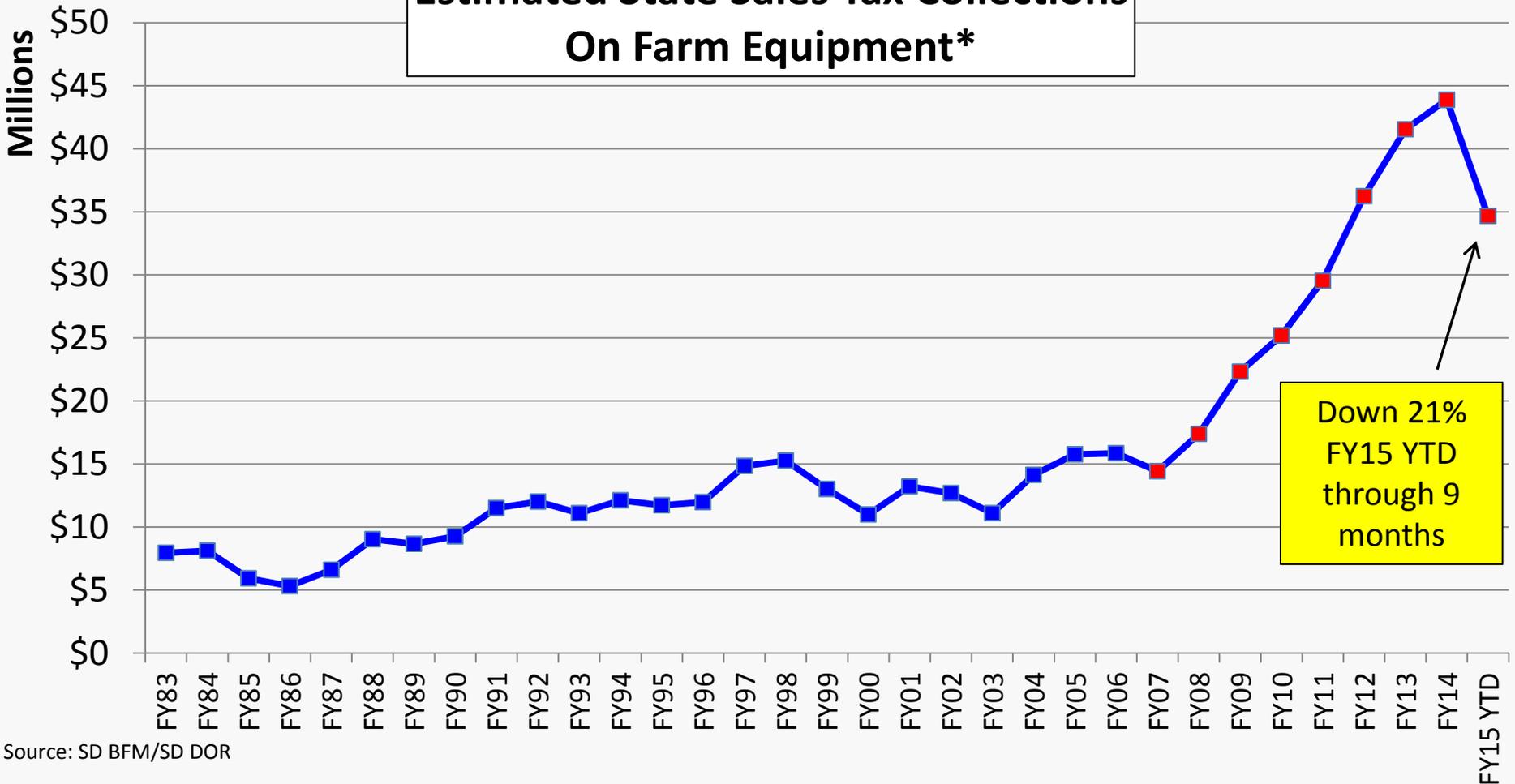
Sales and Use Tax Collections to General Fund

March '15
Adopt. Forecast



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

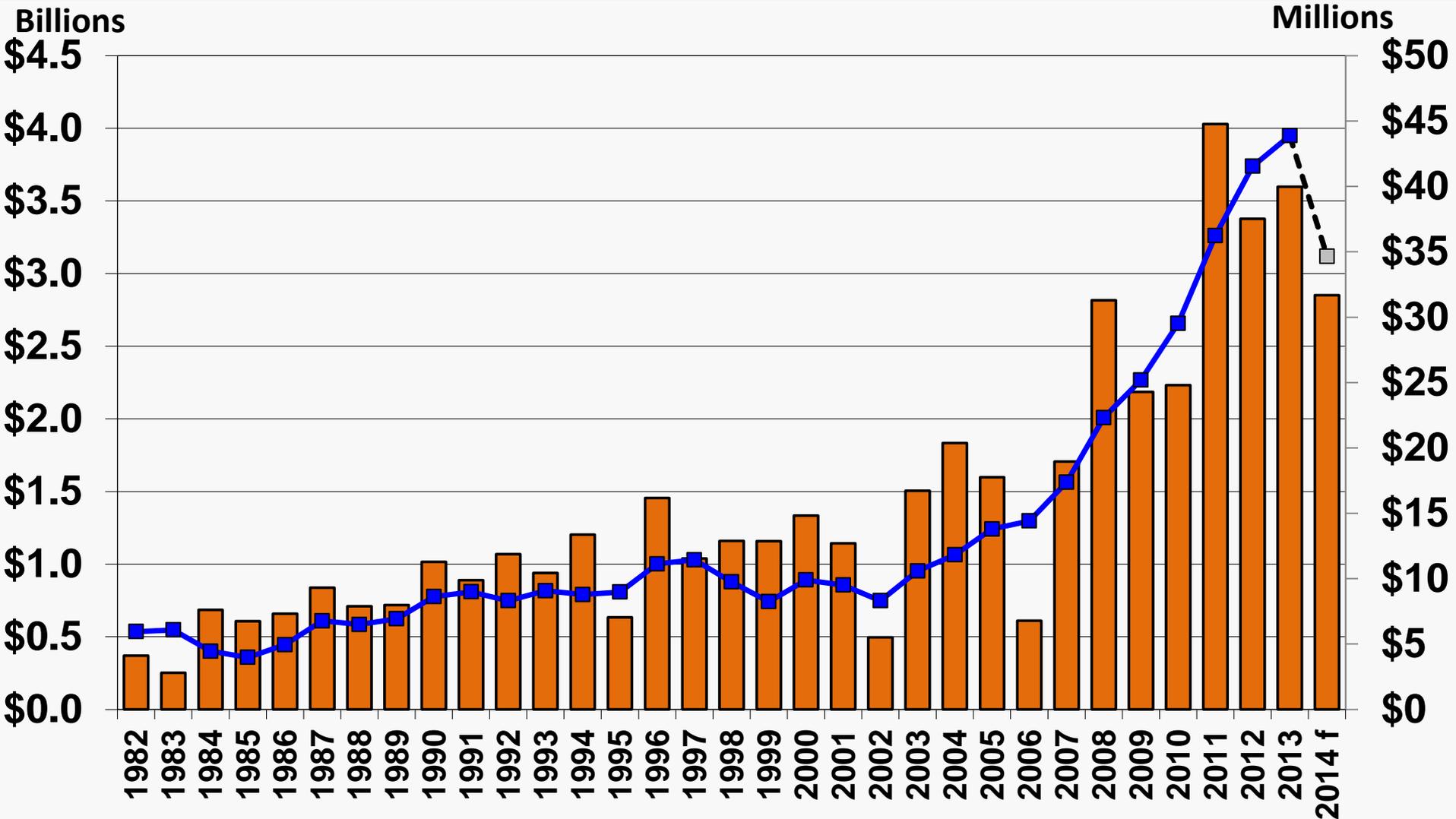
**Estimated State Sales Tax Collections
On Farm Equipment***



Source: SD BFM/SD DOR

* 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

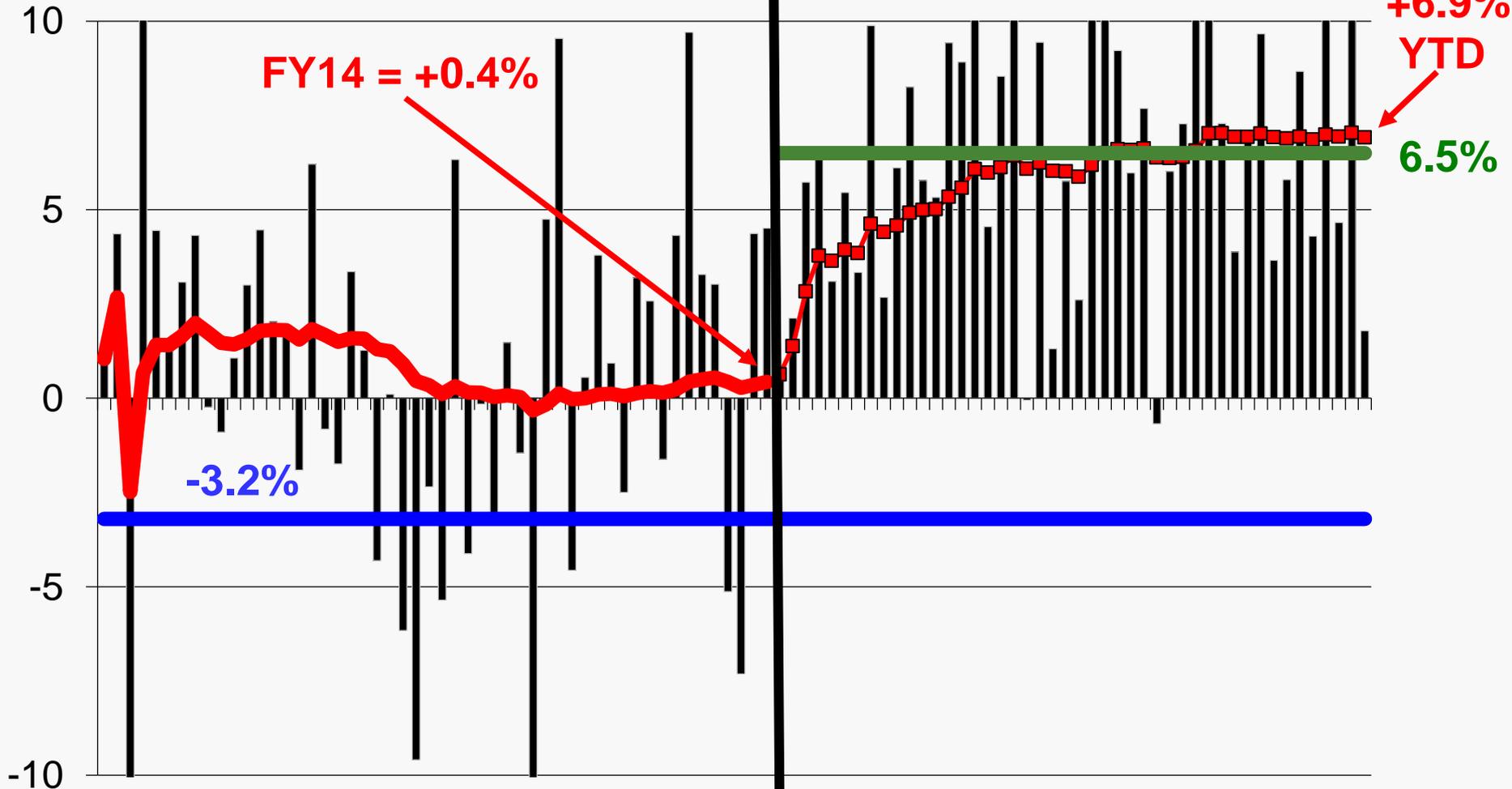
Blue = FY08-FY14 Avg. Red = FY14 YTD Growth/FY15 YTD Growth

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

Percent

FY2014

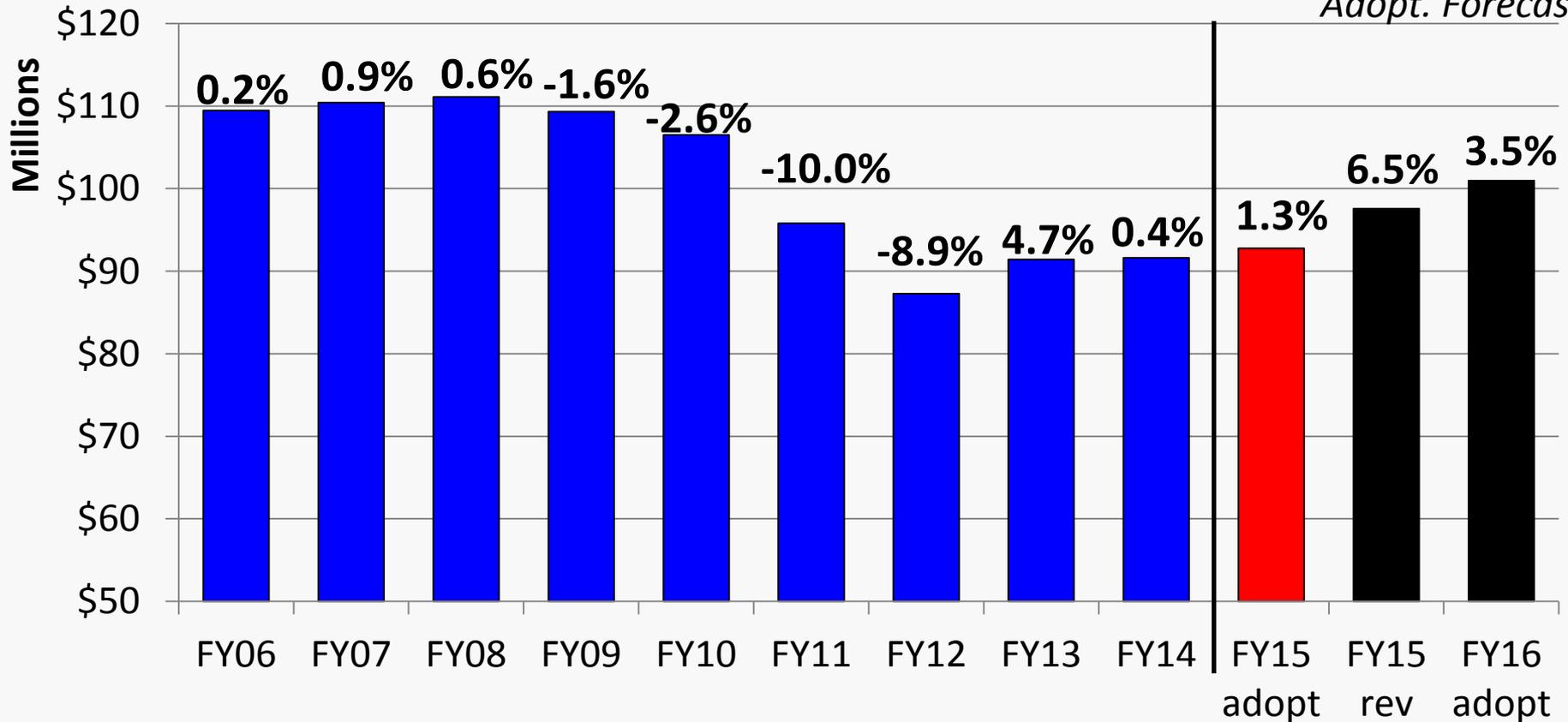
FY2015



Video Lottery Receipts

Video Lottery Collections to General Fund

March '15
Adopt. Forecast



Recent Growth Rates for Net CET

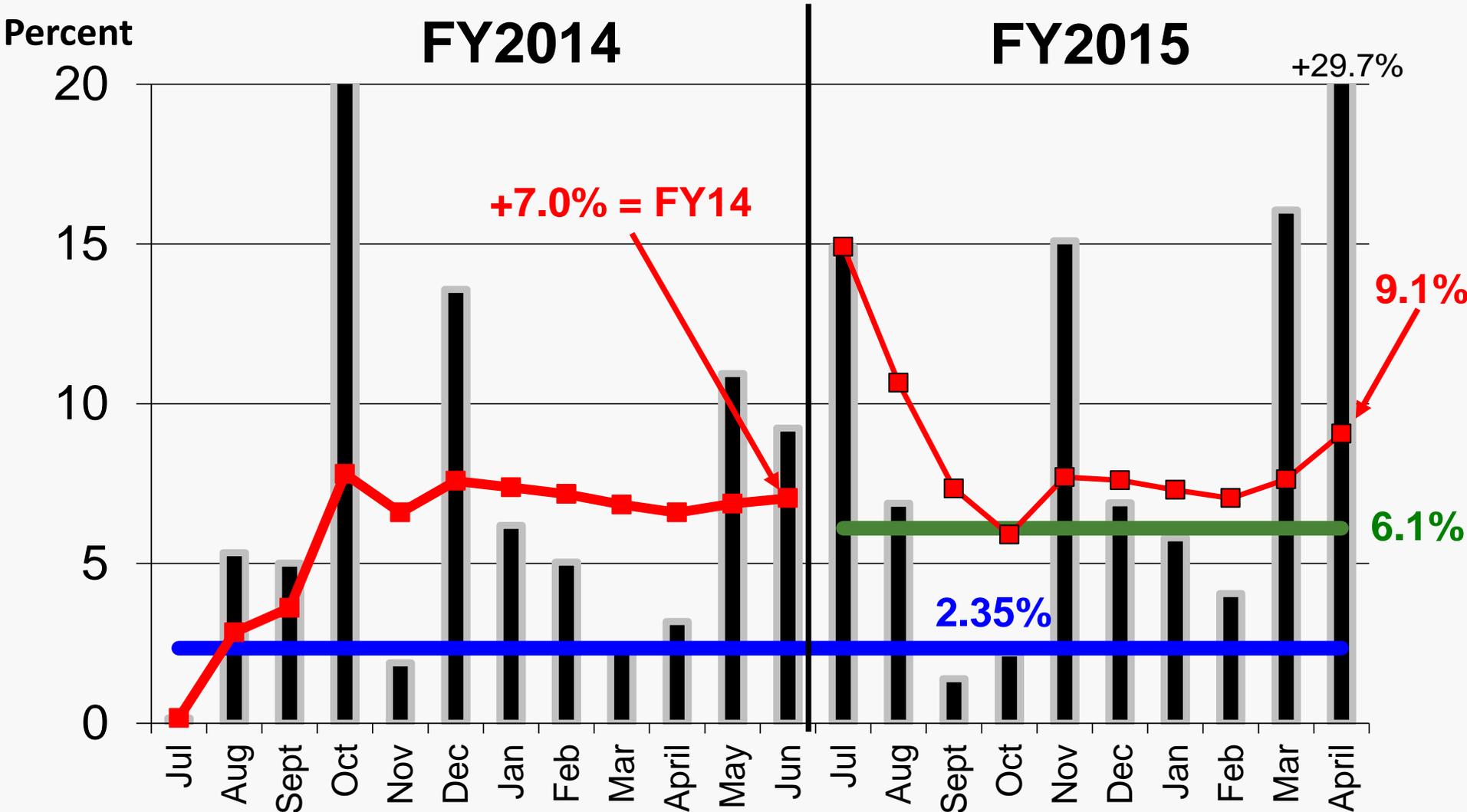
7% of Total

Blue = FY05-FY14 Average

Red = FY14 YTD Growth/FY15 YTD Growth

Black = Monthly Growth Rates

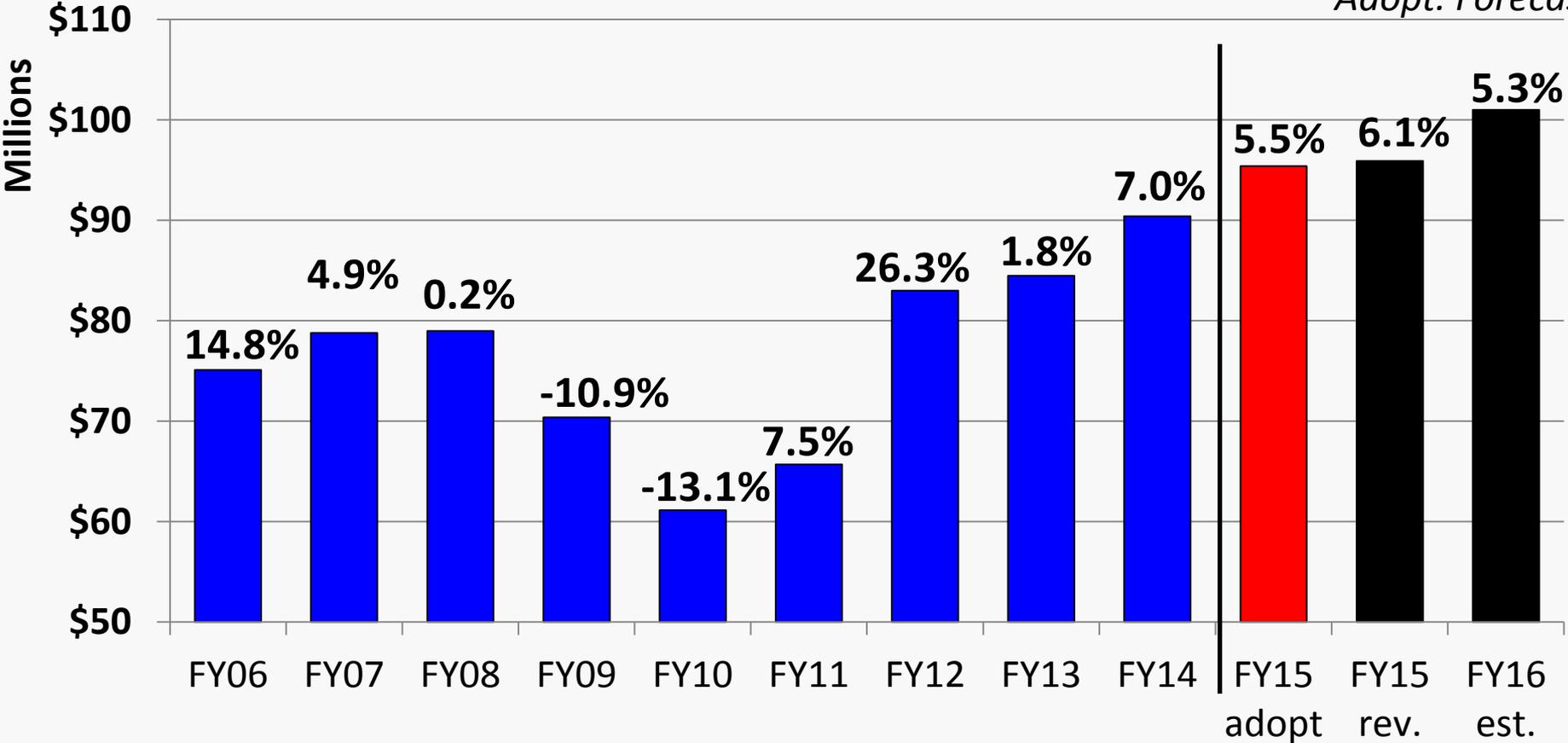
Green = Growth of Leg.Revised FY15 Est.



Contractor's Excise Tax

CET Collections to General Fund

March '15
Adopt. Forecast



Source: SD BFM

Growth Rates for Insurance Company Tax

5% of Total

Blue = FY06-FY14 Average

Red = FY14 YTD Growth/FY15 YTD Growth

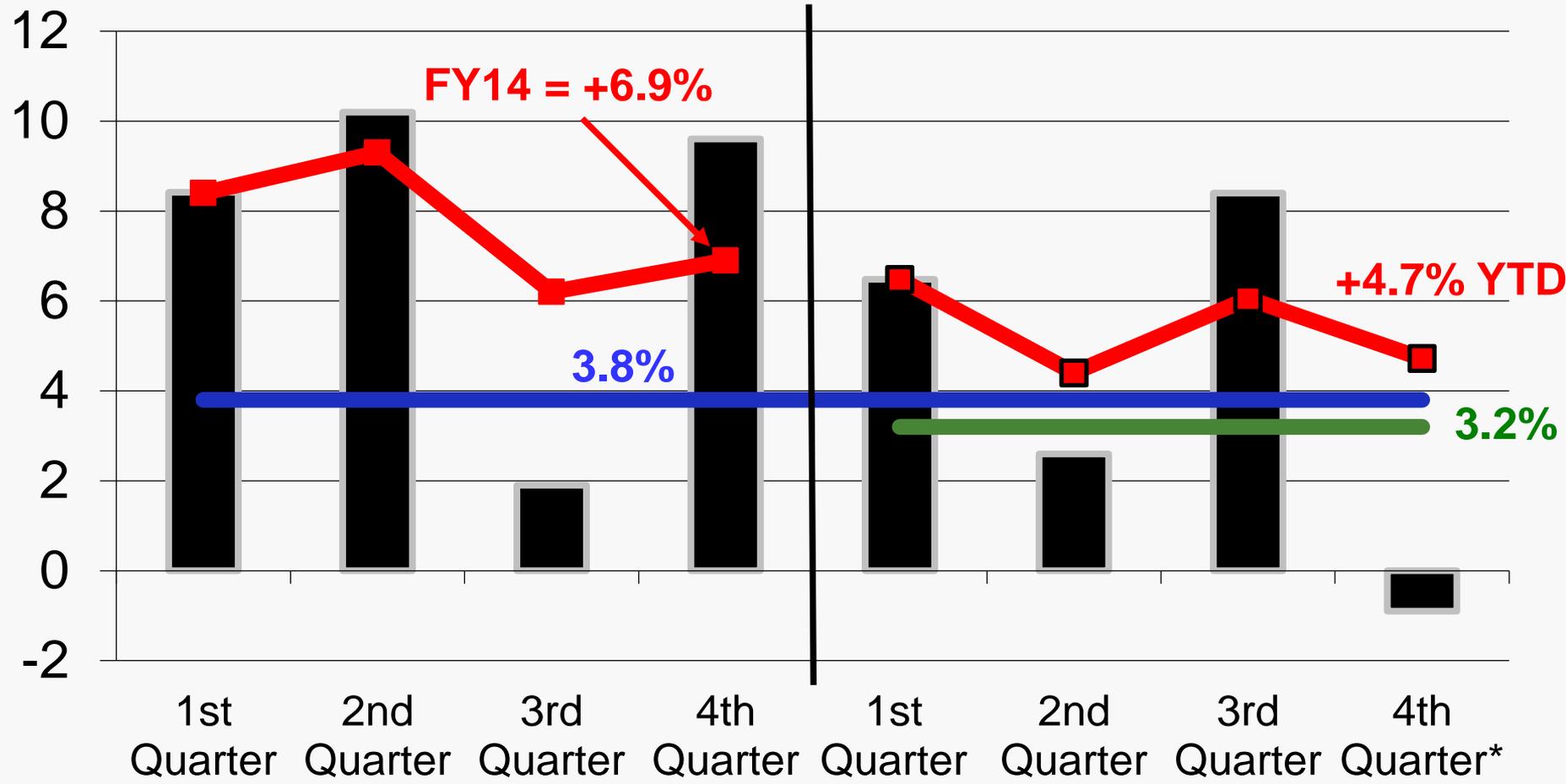
Black = Quarterly Growth Rates

Green = Growth of Leg.Revised FY15 Est.

Percent

FY2014

FY2015



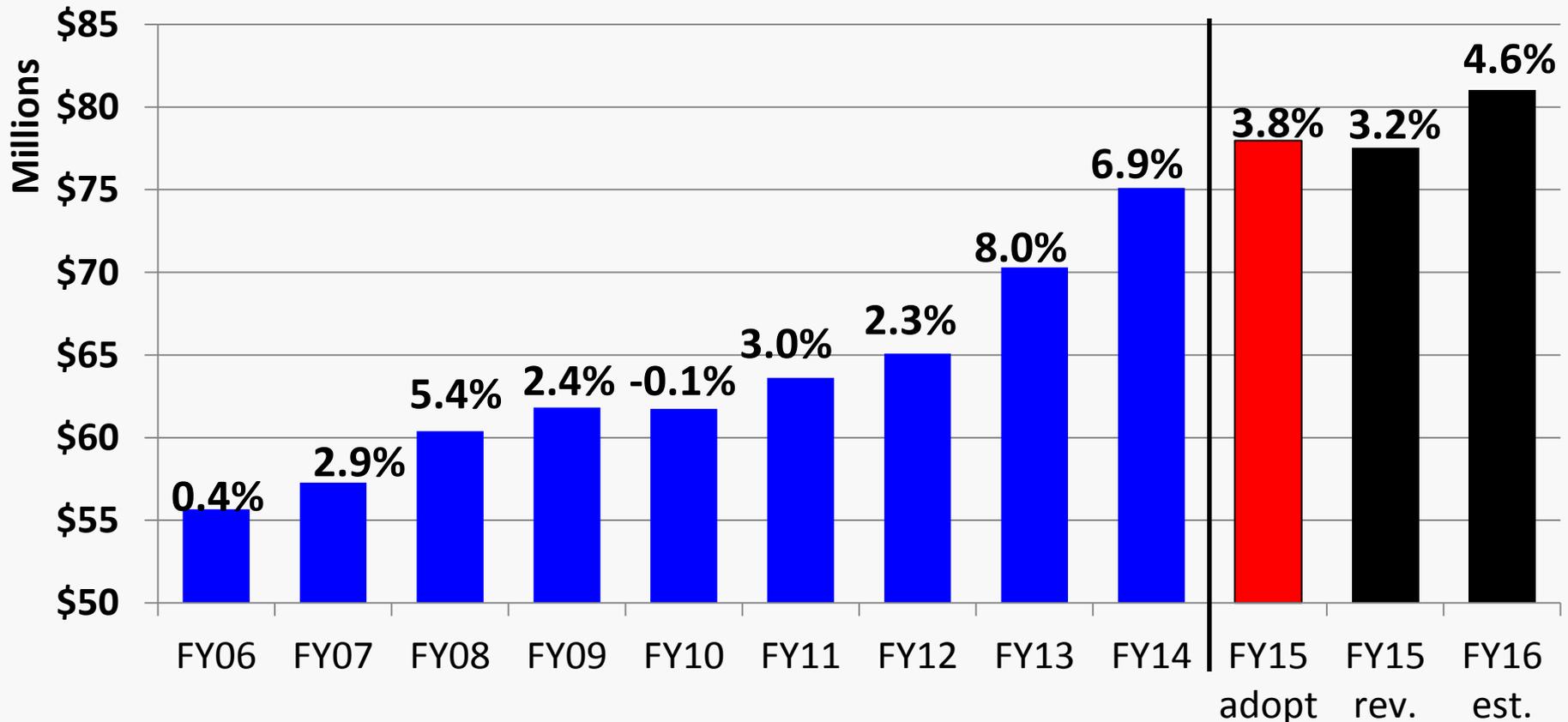
*First month

Source: SD BFM

Insurance Company Tax

Insurance Company Tax Collections to General Fund

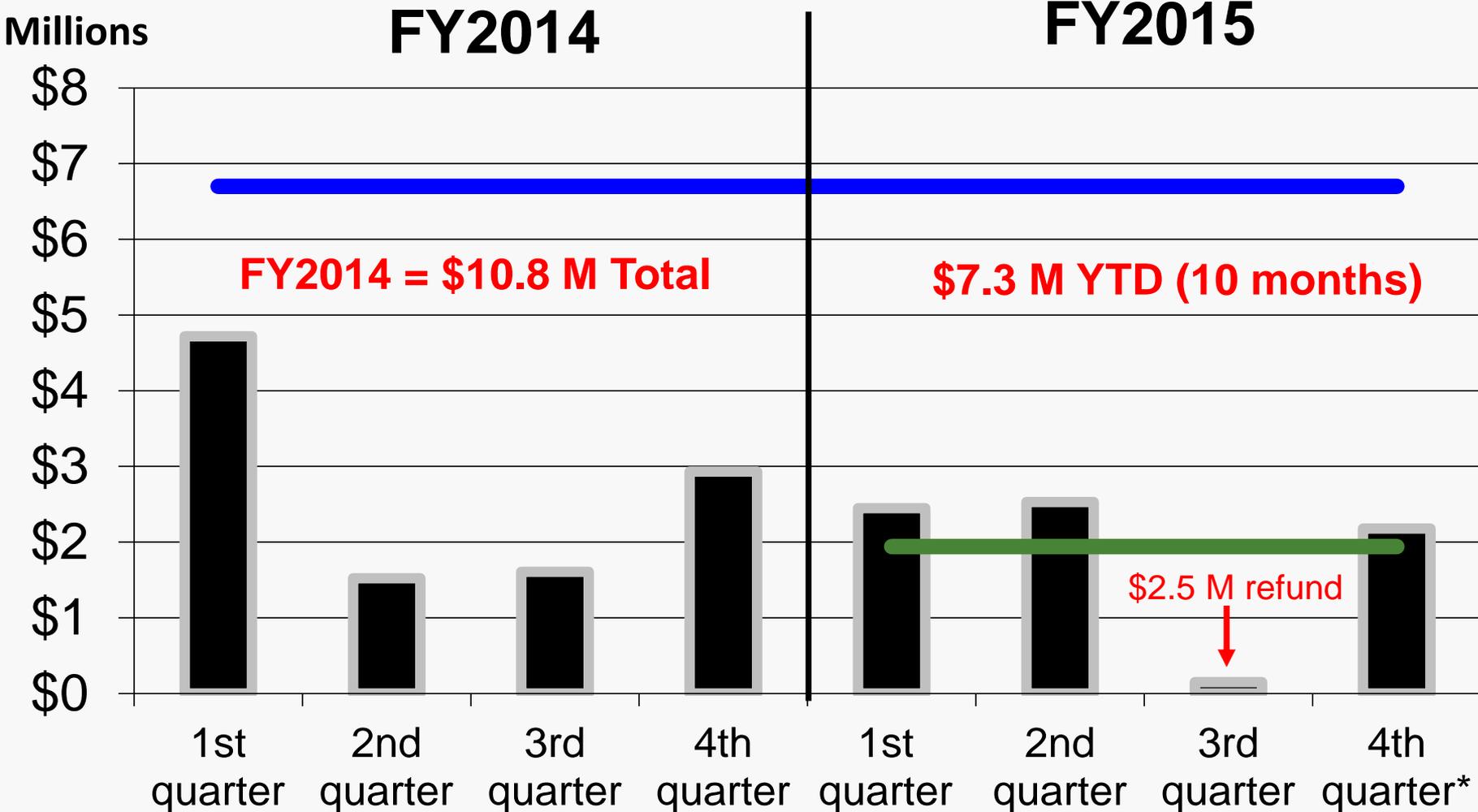
March '15
Adopt. Forecast



Bank Franchise Tax Collections

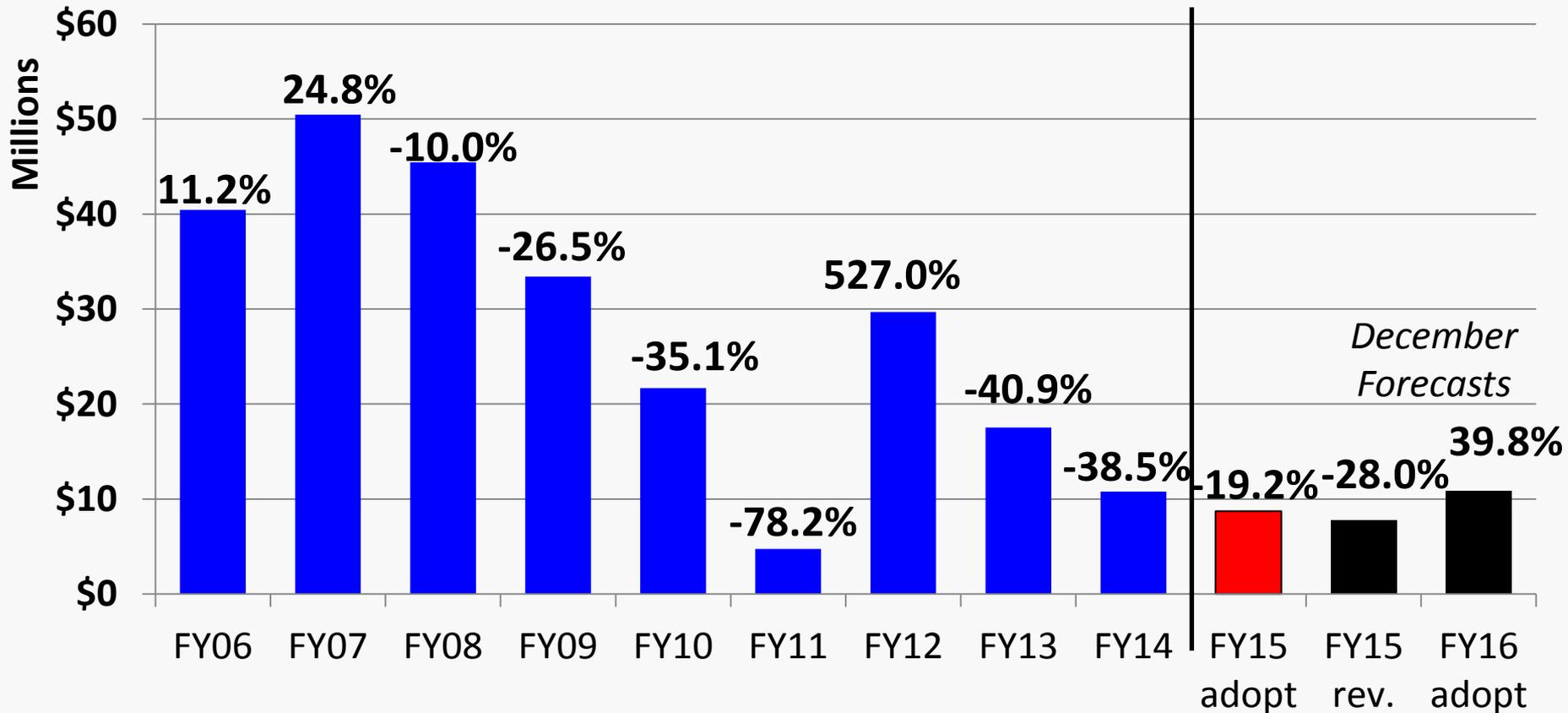
\$6.7 M = average quarterly collections (past 8 yrs.)

Black = Actual Quarterly Collections \$1.9 M/Qtr. = Leg. Revised FY15 Est.

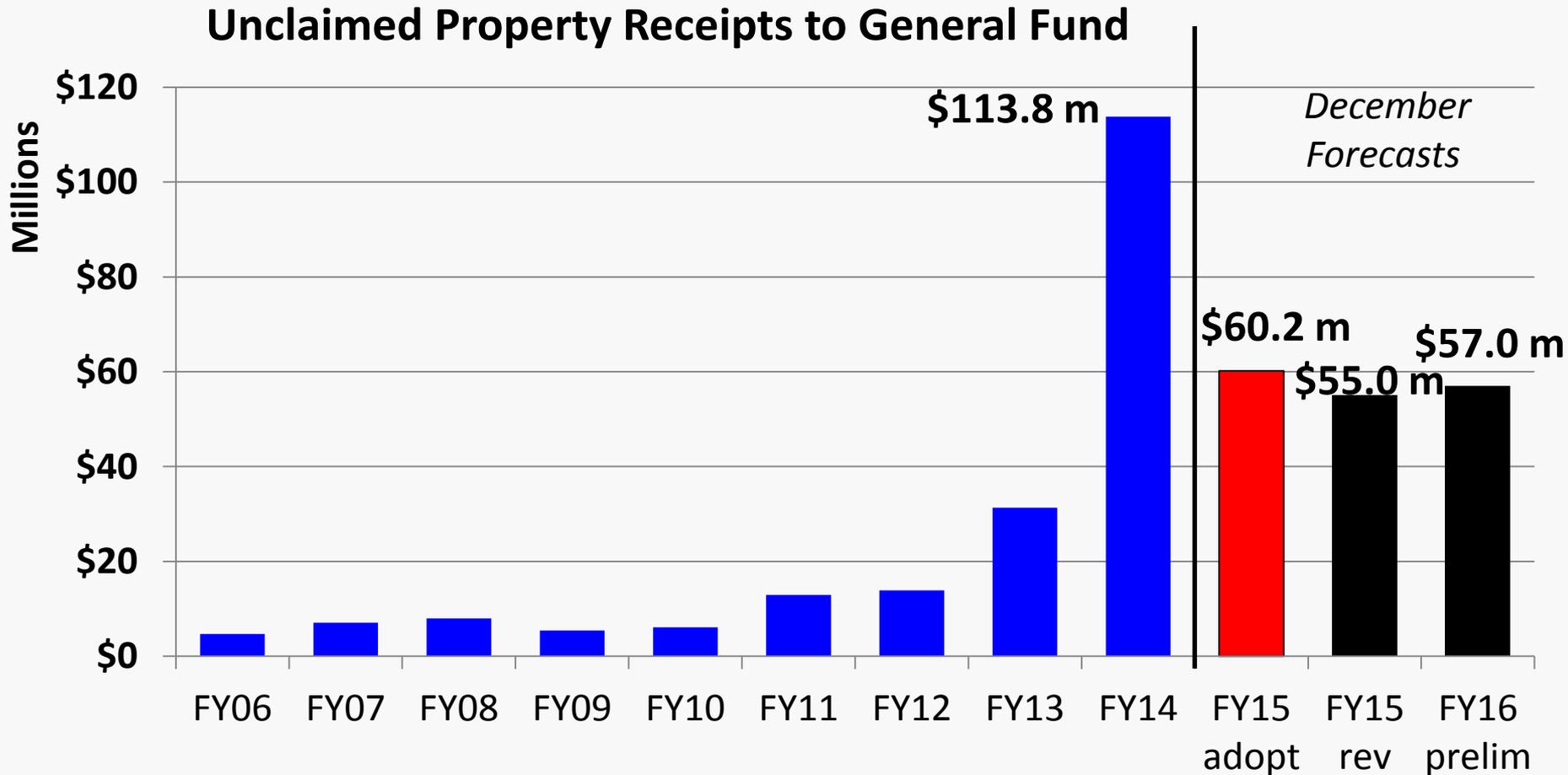


Bank Franchise Tax

Bank Franchise Tax Collections to General Fund



Unclaimed Property Receipts



Other Discussion

- Tourism
- Agriculture
- Geographical Areas
- Other Discussion