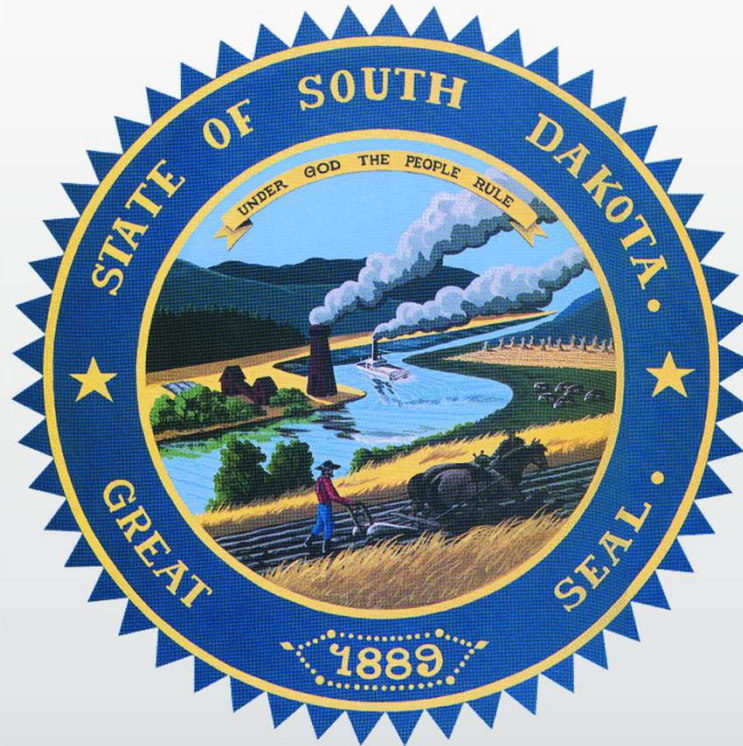


Governor's Council of Economic Advisors



South Dakota Bureau Of Finance and Management
January 29, 2020

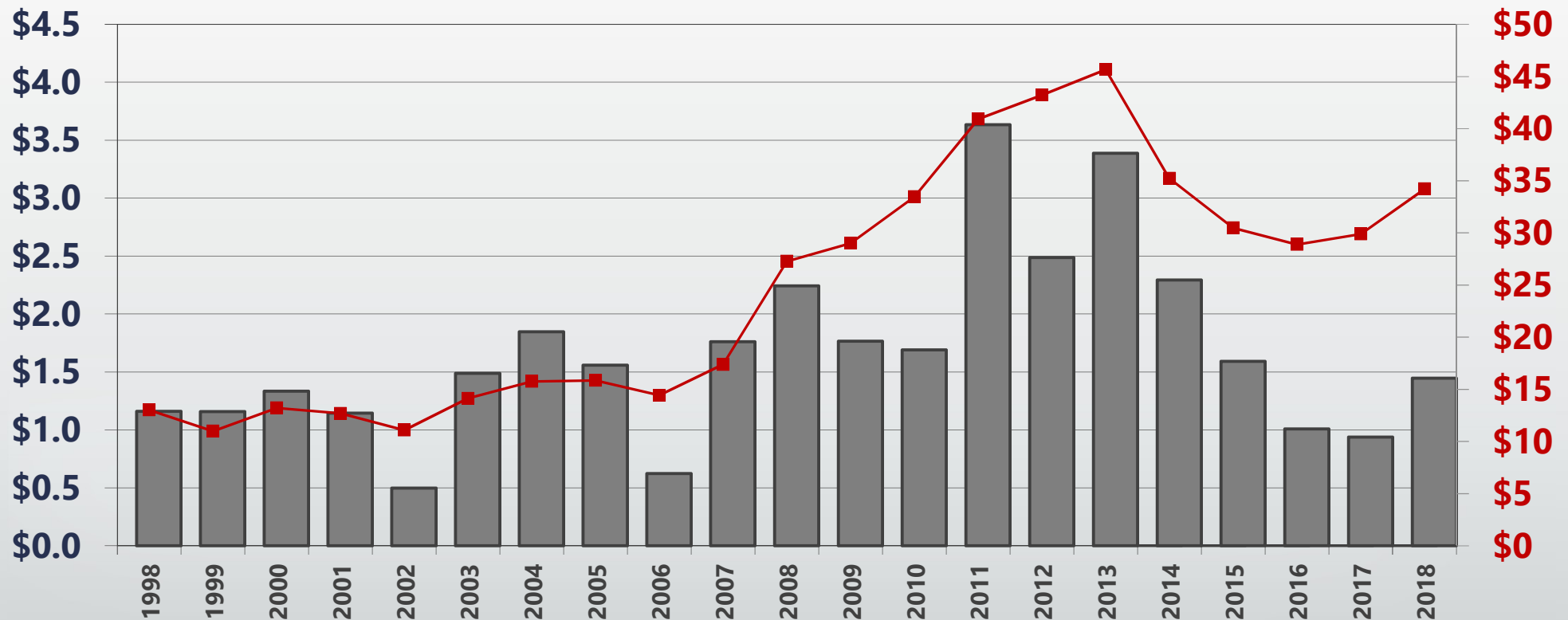
Governor's Recommended for South Dakota Key Indicators (Oct '19)

	2016	2017	2018	2019 f	2020 f	2021 f	'09-'19 avg.
SD Real GDP Growth	0.3%	-0.4%	1.3%	2.7%	1.8%	2.0%	1.6%
SD NF Employment	0.9%	0.5%	1.2%	1.8%	0.6%	0.7%	0.8%
SD NF Income	2.5%	3.4%	5.4%	4.1%	3.9%	4.0%	4.0%
SD Housing Starts	5,583	5,046	4,742	3,980	4,522	4,445	4,202
SD Unempl. Rate	3.0%	3.2%	3.0%	2.9%	2.7%	2.7%	3.8%

SD Net Farm Income vs. Sales Tax on Farm Machinery

Farm Income -
Billions

Est. Tax on Farm
Equipment - Millions

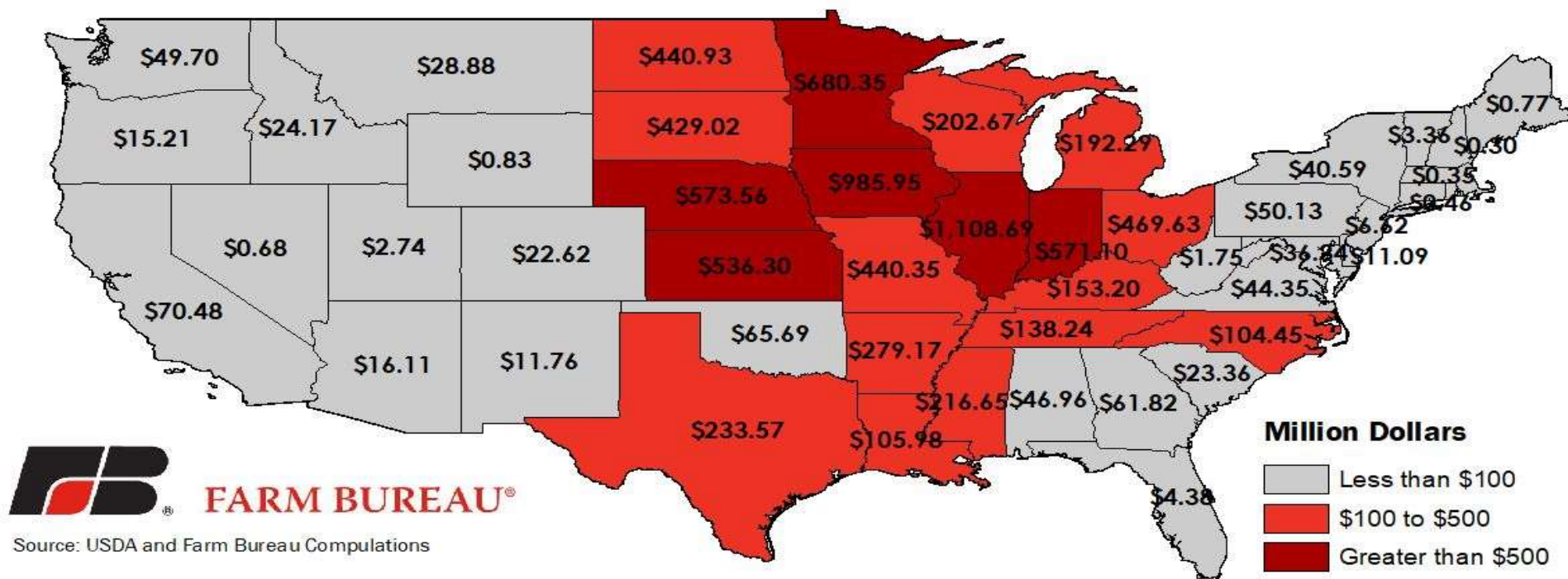


Source: Department of Revenue and BEA

Markets Facilitation Payments By State - 2018

Figure 1. Total Market Facilitation Program Payments, U.S. \$8.5 Billion

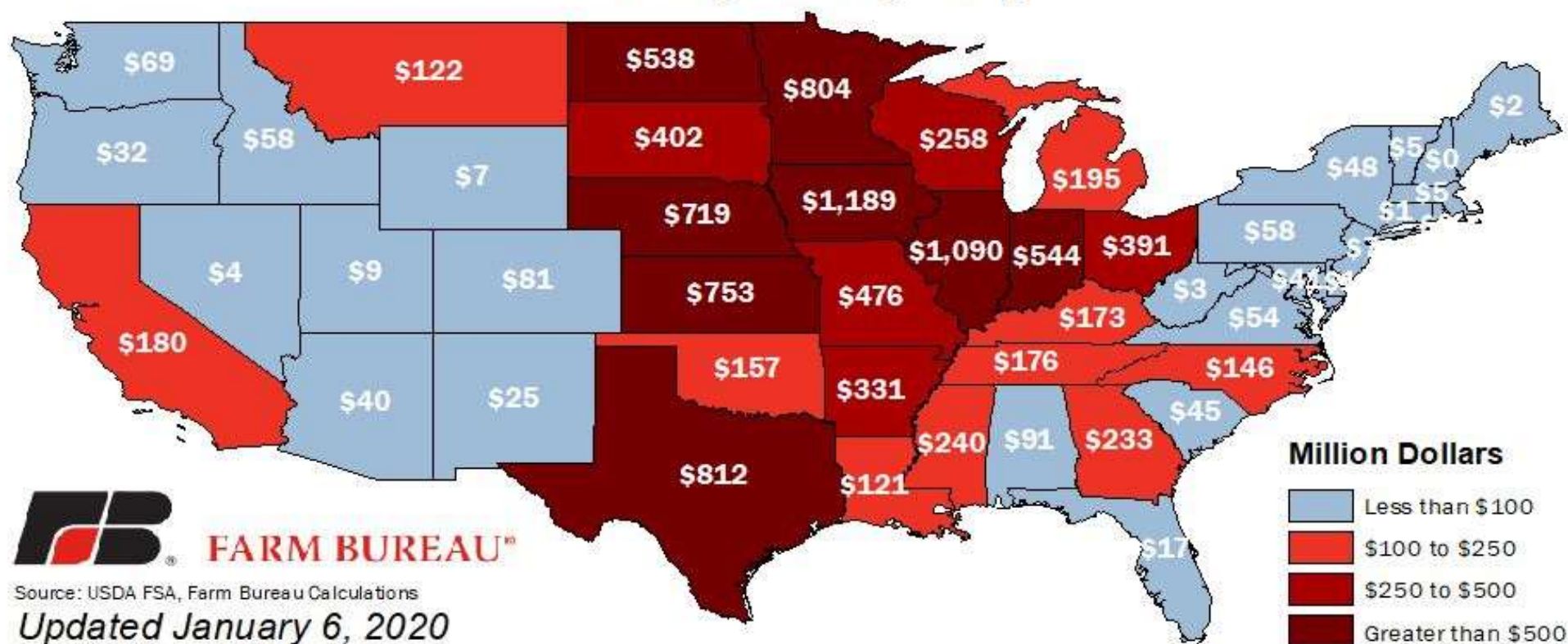
As of May 13, 2019, Includes Corn, Cotton, Dairy, Sweet Cherries, Hogs, Shelled Almonds, Sorghum, Soybeans and Wheat



Source: USDA and Farm Bureau Computations

Markets Facilitation Payments By State - 2019

Figure 1. 2019 MFP Payments for Livestock, Non-Specialty Crops and Specialty Crops

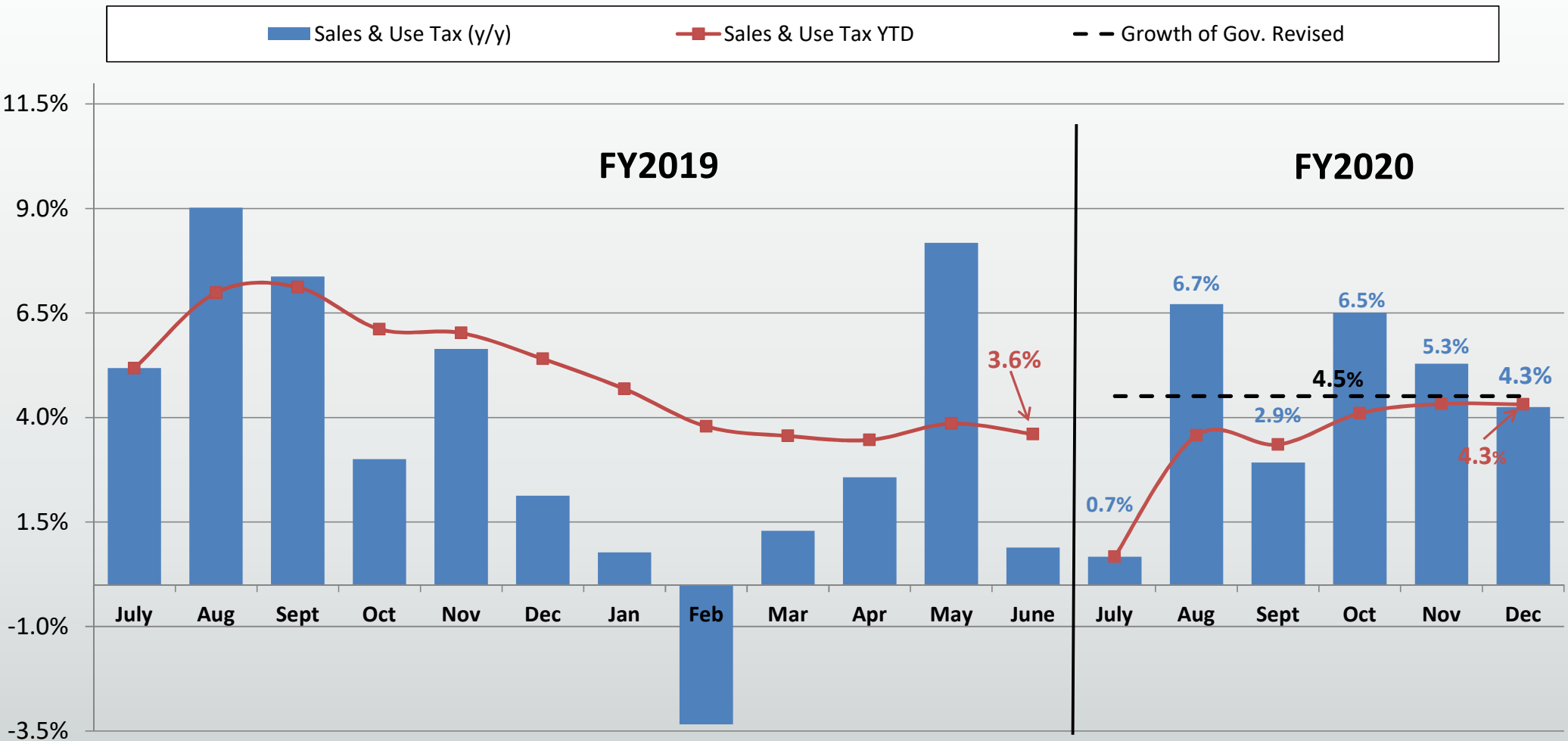


Source: USDA FSA, Farm Bureau Calculations

Updated January 6, 2020

Source: American Farm Bureau Federation

Recent Sales & Use Tax Growth Rates



Source: BFM

Sales and Use Tax by Major Group

FY2020 YTD Reported Sales Tax Growth through December				% Chg
Top 15 Major Groups (80% of total)	FY2020	FY2019	% Chg	FY19-FY18
53 - General Merchandise Stores	\$ 54,182,752	\$ 53,567,630	1.15%	1.12%
59 - Miscellaneous Retail	\$ 72,394,144	\$ 57,810,193	25.23%	15.37%
58 - Eating And Drinking Places	\$ 37,213,927	\$ 36,053,948	3.22%	2.83%
52 - Building Materials, Hardware, Garden Supply, And Mobile Home I	\$ 36,456,183	\$ 37,616,975	-3.09%	2.14%
54 - Food Stores	\$ 36,389,142	\$ 35,416,739	2.75%	2.41%
49 - Electric, Gas, And Sanitary Services	\$ 32,547,230	\$ 32,931,992	-1.17%	3.23%
50 - Wholesale Trade-durable Goods	\$ 32,168,384	\$ 29,999,779	7.23%	10.56%
48 - Communications	\$ 26,596,419	\$ 26,342,124	0.97%	1.06%
73 - Business Services	\$ 27,273,778	\$ 24,834,157	9.82%	4.99%
55 - Automotive Dealers And Gasoline Service Stations	\$ 25,207,021	\$ 24,437,390	3.15%	5.26%
70 - Hotels, Rooming Houses, Camps, And Other Lodging Places	\$ 19,146,245	\$ 18,728,254	2.23%	4.32%
57 - Home Furniture, Furnishings, And Equipment Stores	\$ 14,709,049	\$ 14,359,407	2.43%	0.35%
75 - Automotive Repair, Services, And Parking	\$ 14,313,054	\$ 13,379,639	6.98%	6.10%
87 - Engineering, Accounting, Research, Management, And Related Se	\$ 11,766,371	\$ 12,763,547	-7.81%	7.80%
56 - Apparel And Accessory Stores	\$ 10,482,289	\$ 10,392,729	0.86%	2.74%
Total of Top 15 Major Groups	\$ 450,845,988	\$ 428,634,503	5.18%	5.09%
Remaining Groups	\$ 115,884,297	\$ 112,097,852	3.38%	5.05%
Total Sales Tax	\$ 566,730,284	\$ 540,732,355	4.81%	5.08%

Source: Department of Revenue

Governor's Revised vs. Actual YTD Collections

Governor Revised FY2020 Estimate (Nov. 2019) vs. Actual Revenues Year-To-Date Through DECEMBER FY2020 Comparison

	Gov. Revised	Actual		YTD % Chg.	YTD ACTUAL	YTD Growth	Annual Growth
	YTD	YTD	DOLLAR	Actual/Revised	% CHG	Needed for GOV	Needed For GOV
	FY2020	FY2020	CHANGE	Comparison	OVER FY19	REVISED FY2020	REVISED FY2020
ONGOING RECEIPTS							
Net Sales and Use Tax (excl. cost of admin)	561,914,277	565,683,428	3,769,151	0.7%	4.3%	3.6%	4.5%
Lottery	57,924,175	58,096,957	172,782	0.3%	2.1%	1.8%	2.9%
Net Contractor's Excise Tax	70,122,979	72,636,604	2,513,625	3.6%	9.6%	5.8%	4.1%
Insurance Company Tax	41,835,096	41,905,854	70,758	0.2%	0.3%	0.1%	0.9%
Unclaimed Property Receipts	57,595,505	55,574,119	(2,021,386)	-3.5%	0.3%	4.0%	-2.9%
Licenses, Permits, and Fees	14,710,069	15,118,141	408,073	2.8%	-36.0%	-37.7%	0.3%
Tobacco Taxes	28,790,423	28,069,215	(721,208)	-2.5%	-2.6%	-0.1%	-1.9%
Trust Funds	26,854,666	26,854,666	0	0.0%	3.9%	3.9%	3.5%
Net Transfers In (excluding one-time)	12,494,207	12,447,571	(46,635)	-0.4%	-4.1%	-3.7%	-11.8%
Alcohol Beverage Tax	2,175,879	2,183,574	7,696	0.4%	-1.1%	-1.4%	2.0%
Bank Franchise Tax	1,978,177	1,358,134	(620,043)	-31.3%	-42.0%	-15.6%	-16.7%
Charges for Goods and Services	7,908,482	8,117,886	209,404	2.6%	11.5%	8.7%	1.3%
Telecommunications Tax	1,959,689	1,943,768	(15,921)	-0.8%	-11.9%	-11.2%	-7.4%
Severance Taxes	3,155,482	2,590,069	(565,413)	-17.9%	-6.0%	14.5%	13.2%
Investment Income and Interest	10,871,267	10,882,174	10,907	0.1%	85.0%	84.8%	77.5%
Alcohol Beverage 2% Wholesale Tax	1,141,873	1,205,171	63,297	5.5%	7.1%	1.5%	1.9%
SUBTOTAL (ONGOING RECEIPTS)	\$ 901,432,246	\$ 904,667,332	3,235,087	0.4%	3.1%	2.7%	3.3%

Other Discussion Items

- Next Meeting Dates

- May 13th
- May 21st
- May 28th

- Other Comments

- Public Comment