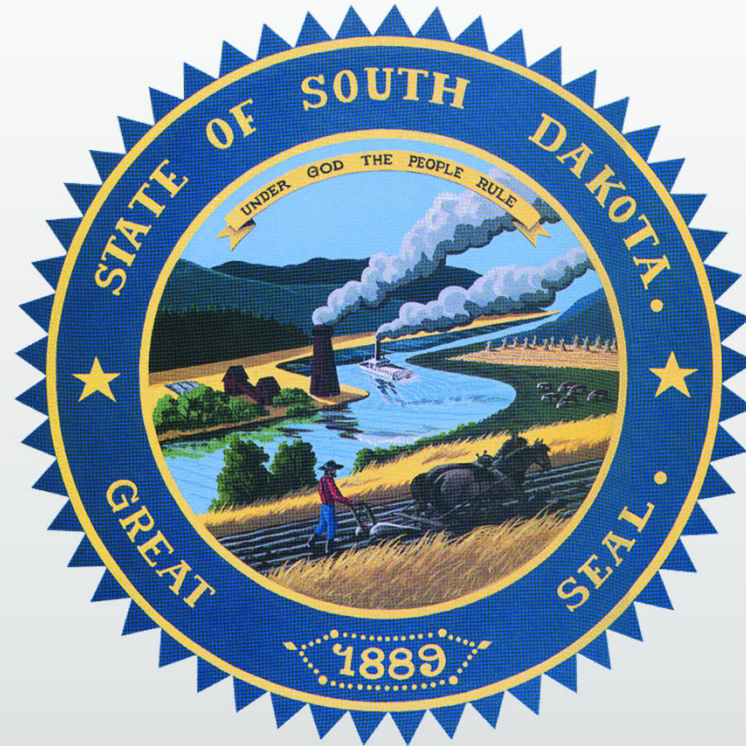


Governor's Council of Economic Advisors



South Dakota Bureau Of Finance and Management
January 27th, 2021

Governor's Council of Economic Advisors

REVENUES

FY2021 Legislative Adopted v. Actual

Legislative Adopted FY2021 Estimate (Feb. 2020) vs. Actual Revenues Year-to-Date Through DECEMBER FY2021 Comparison

	Leg. Adopted YTD FY2021	Actual YTD FY2021	DOLLAR CHANGE	YTD % Chg. Actual/Adopt Comparison
ONGOING RECEIPTS				
Net Sales and Use Tax (excl. cost of admin)	576,918,735	608,222,696	31,303,960	5.4%
Lottery	59,721,207	67,130,744	7,409,537	12.4%
Net Contractor's Excise Tax	76,765,114	81,719,127	4,954,013	6.5%
Insurance Company Tax	43,379,928	46,291,912	2,911,984	6.7%
Unclaimed Property Receipts	50,212,535	69,664,743	19,452,208	38.7%
Licenses, Permits, and Fees	17,135,184	15,776,857	(1,358,327)	-7.9%
Tobacco Taxes	26,686,056	29,866,064	3,180,008	11.9%
Trust Funds	28,192,176	28,223,883	31,707	0.1%
Net Transfers In (excluding one-time)	12,792,842	13,307,355	514,513	4.0%
Alcohol Beverage Tax	2,299,223	2,339,307	40,084	1.7%
Bank Franchise Tax	1,477,330	1,922,906	445,575	30.2%
Charges for Goods and Services	8,366,331	7,959,286	(407,045)	-4.9%
Telecommunications Tax	1,965,578	1,788,178	(177,400)	-9.0%
Severance Taxes	2,817,133	6,272,812	3,455,679	122.7%
Investment Income and Interest	11,530,029	18,374,970	6,844,942	59.4%
Alcohol Beverage 2% Wholesale Tax	1,213,014	1,386,853	173,839	14.3%
SUBTOTAL (ONGOING RECEIPTS)	\$ 921,472,417	\$ 1,000,247,694	\$ 78,775,277	8.5%
ONE-TIME RECEIPTS				
¹ Closeout of SDRC Inc. Funds	0	3,381,726	3,381,726	N/A
² Refinancing Gains	0	6,745,654	6,745,654	N/A
³ One-Time Sales and Use Tax	0	13,486,289	13,486,289	N/A
⁴ Bank Franchise Tax Prior Year Revenue	0	9,720,271	9,720,271	N/A
SUBTOTAL (ONE-TIME RECEIPTS)	\$ 0	\$ 33,333,940	\$ 33,333,940	N/A
GRAND TOTAL	\$ 921,472,417	\$ 1,033,581,634	\$ 112,109,217	12.2%

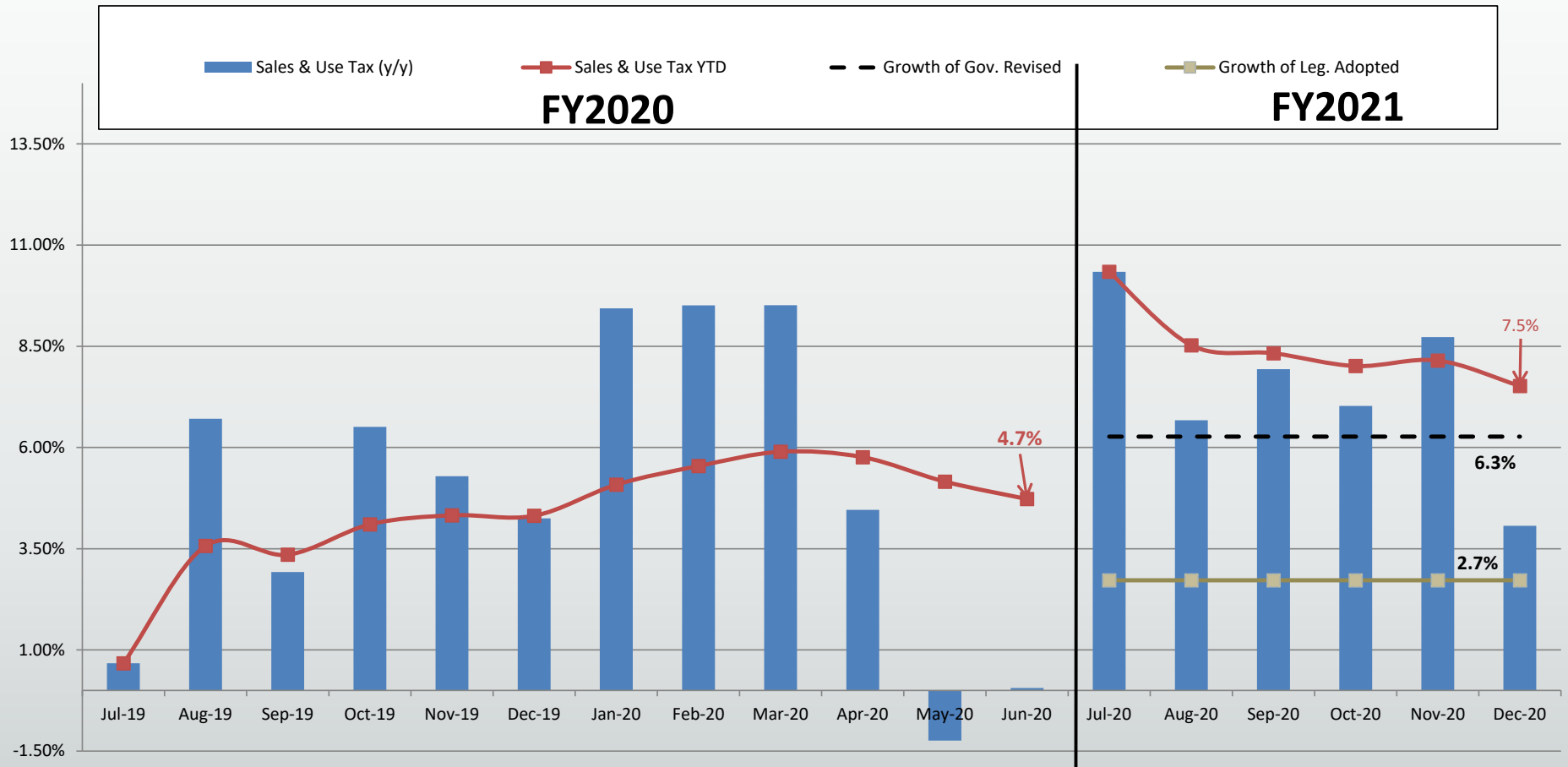
FY2021 Governor's Revised v. Actual

Governor Revised FY2020 Estimate (Nov. 2020) vs. Actual Revenues Year-To-Date Through DECEMBER FY2020 Comparison

	Gov. Revised YTD FY2021	Actual YTD FY2021	DOLLAR CHANGE	YTD % Chg. Actual/Revised Comparison
ONGOING RECEIPTS				
Net Sales and Use Tax (excl. cost of admin)	611,975,201	608,222,696	(3,752,506)	-0.6%
Lottery	65,194,347	67,130,744	1,936,397	3.0%
Net Contractor's Excise Tax	82,893,044	81,719,127	(1,173,916)	-1.4%
Insurance Company Tax	45,617,165	46,291,912	674,747	1.5%
Unclaimed Property Receipts	52,604,955	52,959,996	355,041	0.7%
Licenses, Permits, and Fees	15,584,497	15,776,857	192,361	1.2%
Tobacco Taxes	28,399,322	29,866,064	1,466,742	5.2%
Trust Funds	28,223,883	28,223,883	0	0.0%
Net Transfers In (excluding one-time)	12,021,301	13,307,355	1,286,054	10.7%
Alcohol Beverage Tax	2,332,083	2,339,307	7,224	0.3%
Bank Franchise Tax	2,200,593	1,922,906	(277,688)	-12.6%
Charges for Goods and Services	8,515,764	7,959,286	(556,478)	-6.5%
Telecommunications Tax	2,071,403	1,788,178	(283,225)	-13.7%
Severance Taxes	6,306,362	6,272,812	(33,550)	-0.5%
Investment Income and Interest	18,360,223	18,374,970	14,748	0.1%
Alcohol Beverage 2% Wholesale Tax	1,284,625	1,386,853	102,229	8.0%
SUBTOTAL (ONGOING RECEIPTS)	\$ 983,584,766	\$ 983,542,947	\$ (41,820)	0.0%
ONE-TIME RECEIPTS				
¹ Closeout of SDRC Inc. Funds	3,381,726	3,381,726	0	0.0%
² Refinancing Gains/Transfer from SDBA	6,744,667	6,745,654	987	0.0%
³ One Time Sales and Use Tax	13,486,289	13,486,289	0	0.0%
⁴ Bank Franchise Prior Year Revenue	9,720,271	9,720,271	0	0.0%
⁵ One Time unclaimed property	16,704,747	16,704,747	0	0.0%
SUBTOTAL (ONE-TIME RECEIPTS)	\$ 50,037,700	\$ 50,038,687	\$ 987	0.0%
GRAND TOTAL	\$ 1,033,622,466	\$ 1,033,581,634	\$ (40,833)	0.0%

Recent Sales & Use Tax Growth Rates

Recent Growth Rates in State Sales and Use Tax



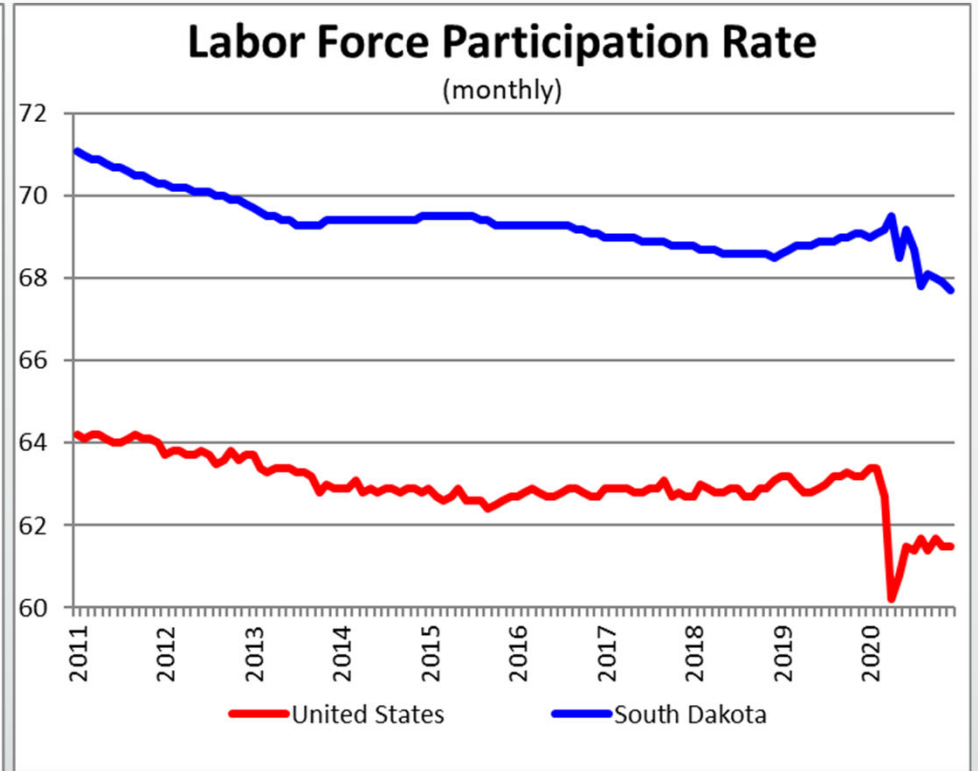
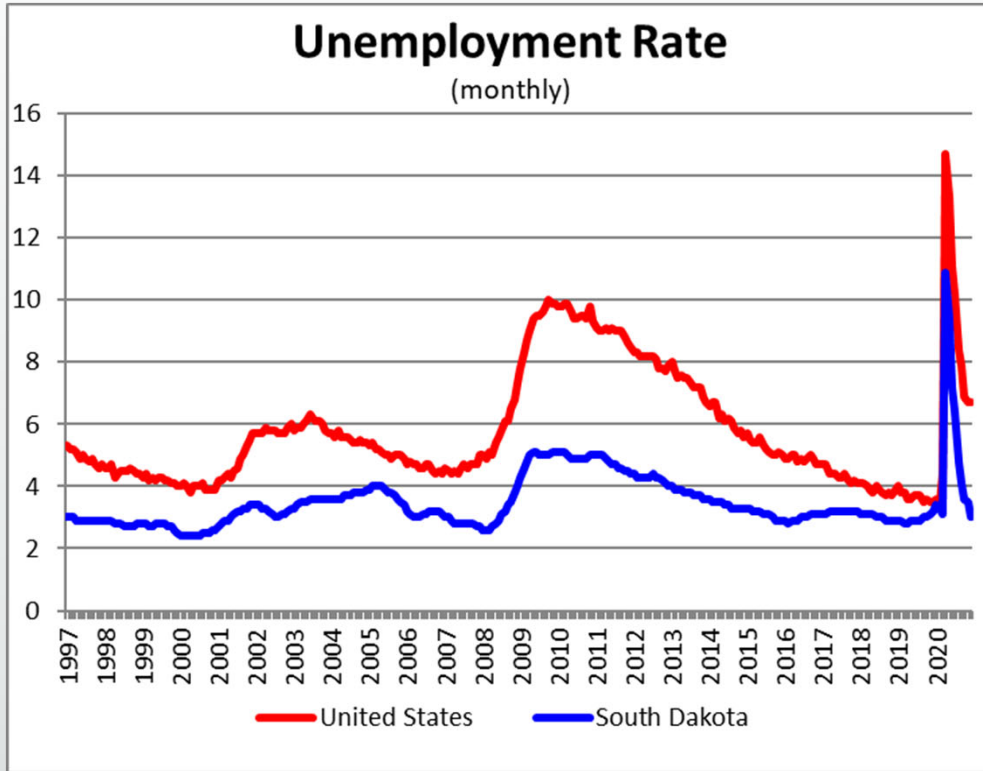
Sales and Use Tax by Division: Fiscal Year To Date

	FY20 YTD	FY21 YTD	% Change
Agriculture, Forestry, & Fishing	218,296,326	239,929,730	9.9%
Mining	45,131,285	40,464,349	-10.3%
Construction	15,600,167	15,814,793	1.4%
Manufacturing	689,814,361	1,127,262,231	63.4%
Transportation & Public Utilities	1,468,326,994	1,336,625,726	-9.0%
Wholesale Trade	919,167,036	1,197,435,708	30.3%
Retail Trade	6,453,387,280	7,129,761,796	10.5%
Finance, Insurance, & Real Estate	285,404,222	315,764,472	10.6%
Services	2,341,181,990	2,383,040,582	1.8%
Public Administration	1,639,145	1,687,397	2.9%
Total	12,437,948,806	13,787,786,783	10.9%

Governor's Council of Economic Advisors

**ECONOMIC
PERFORMANCE**

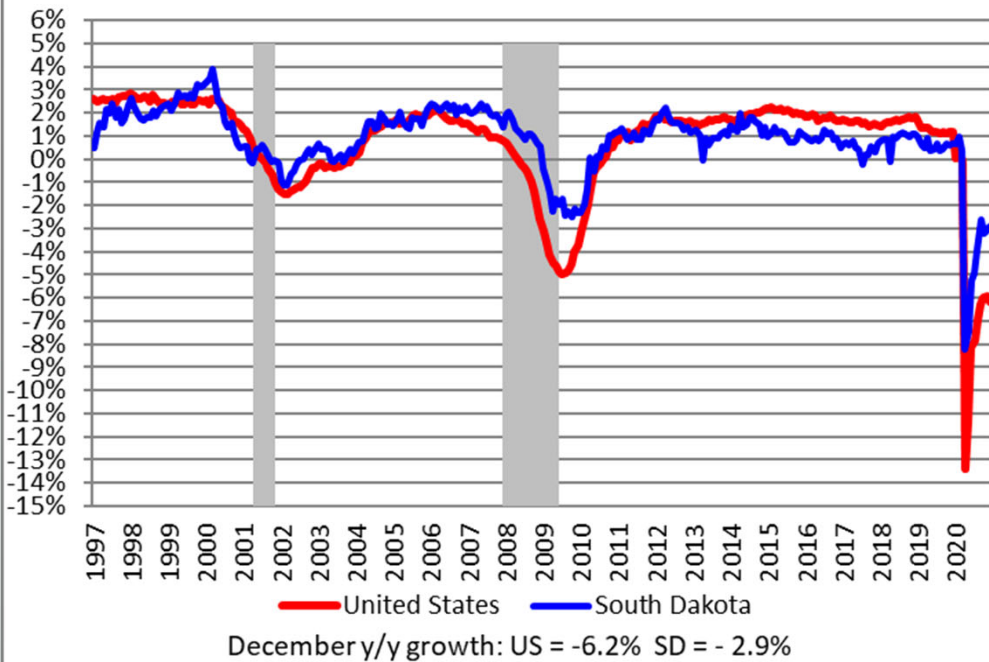
Economic Metrics



Economic Metrics

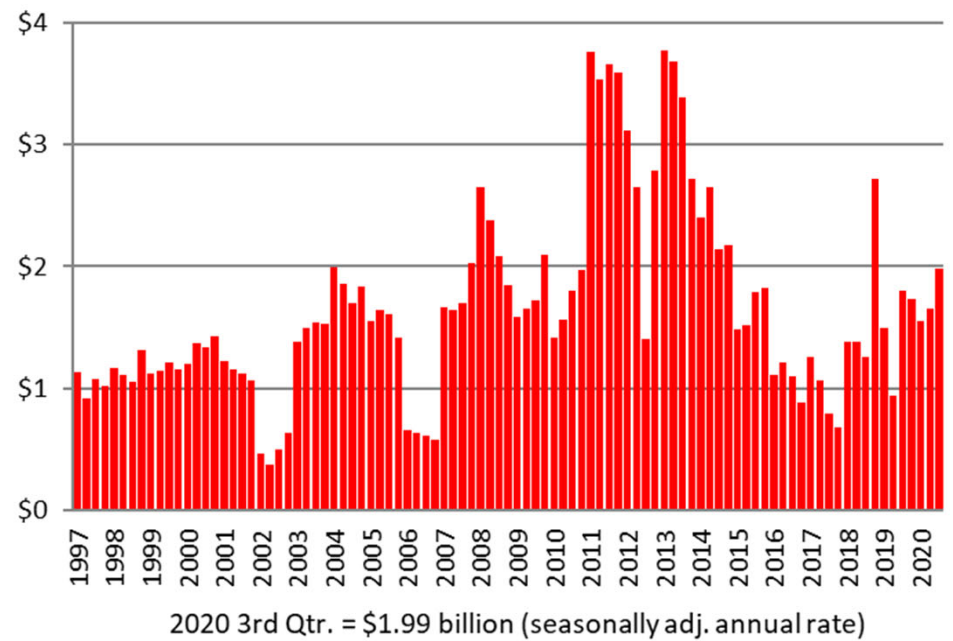
Nonfarm Employment Growth

(monthly year/year % chg)



South Dakota Farm Income

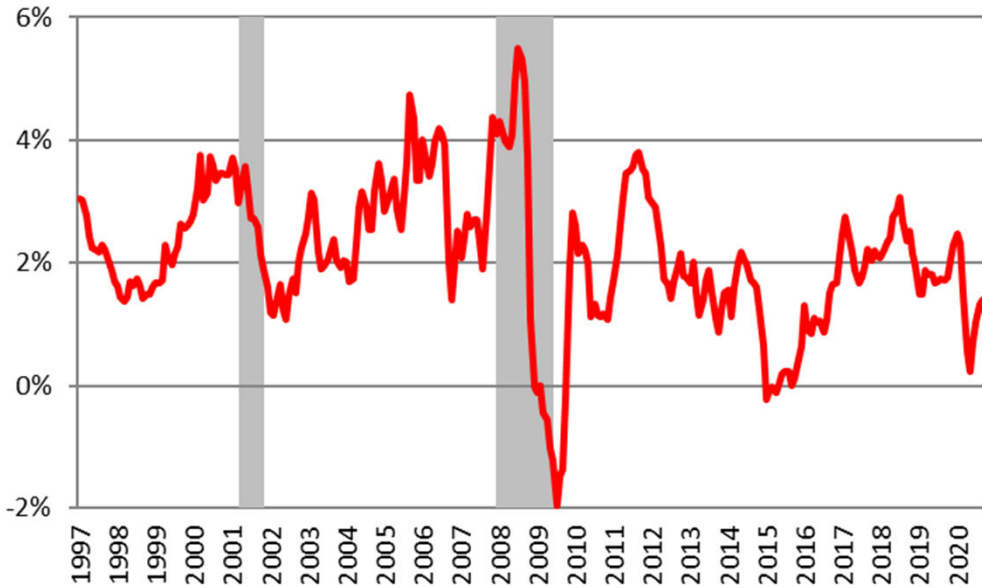
(quarterly levels at SAAR in billions)



Economic Metrics

U.S. Inflation

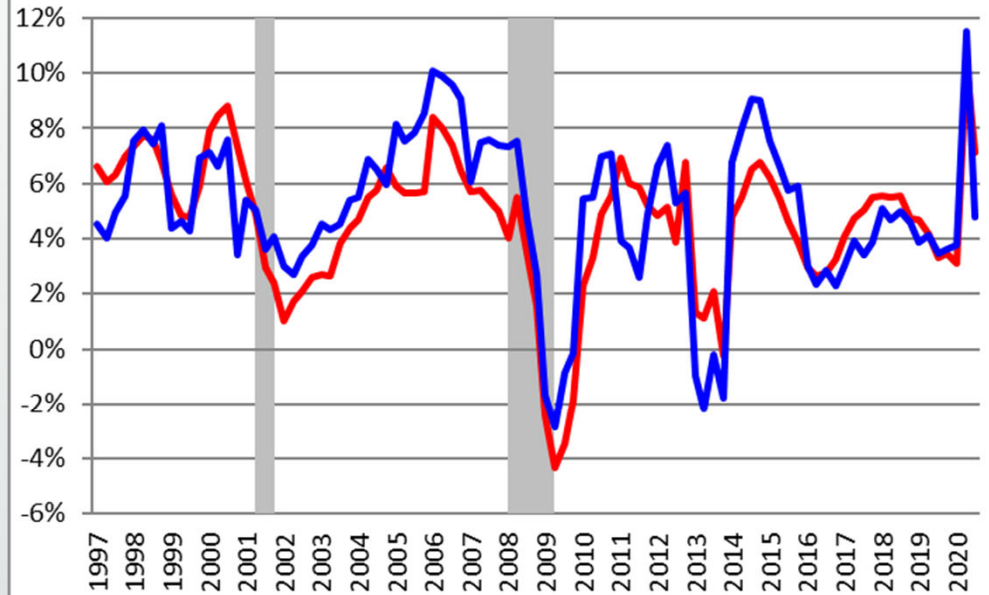
(monthly year/year % chg. in CPI)



December CPI: +1.3% compared to last year

Nonfarm Income Growth

(quarterly year/year % chg)



— United States — South Dakota
2020 3rd Qtr. y/y growth: US = 7.1% SD = 4.8%

IHS Economics Forecast for U.S. Economy Key Indicators (January '21)

	2017	2018	2019	2020	2021 f	2022 f	'10-'20 avg.
Real GDP Growth	2.4%	3.0%	2.2%	-3.6%	4.0%	3.9%	1.8%
NF Employment	1.6%	1.6%	1.4%	-5.8%	3.0%	3.3%	0.9%
NF Income	5.7%	5.1%	4.2%	2.1%	8.8%	0.7%	5.6%
Unempl. Rate	4.4%	3.9%	3.7%	8.1%	5.2%	3.9%	6.5%

IHS Economics Forecast for U.S. Economy Key Indicators (January '21)

Optimistic Scenario			Pessimistic Scenario			
	2021 f	2022 f		2021 f	2022 f	'10-'20 avg.
Real GDP Growth	5.3%	3.9%		3.0%	3.9%	1.8%
NF Employment	3.7%	3.1%		1.8%	2.7%	0.9%
NF Income	13.6%	1.2%		8.6%	1.1%	5.6%
Unempl. Rate	4.6%	3.6%		5.8%	4.8%	6.5%

IHS Economics Forecast for South Dakota Key Indicators (January '21)

	2017	2018	2019	2020	2021 f	2022 f	'09-'19 avg.
SD Real GDP Growth	0.6%	2.7%	0.6%	-2.2%	3.0%	2.6%	1.4%
SD NF Employment	0.4%	0.9%	0.6%	-3.4%	2.0%	1.8%	0.6%
SD NF Income	3.7%	4.8%	3.9%	5.6%	1.1%	2.3%	3.9%
SD Housing Starts	5,040	4,740	3,890	5,860	5,540	4,500	4,420
SD Unempl. Rate	3.2%	3.1%	3.3%	5.3%	3.1%	2.9%	3.7%

Governor's Council of Economic Advisors

**Council
Discussion**

Other Discussion Items

- Next Meeting Dates
 - May
- Other Comments
- Public Comment