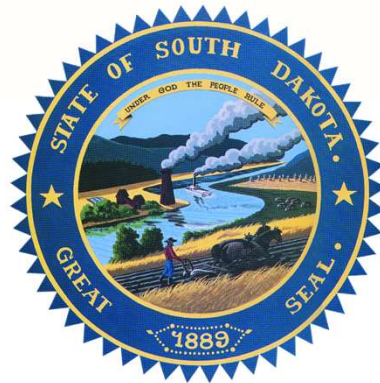


Governor's Council of Economic Advisors

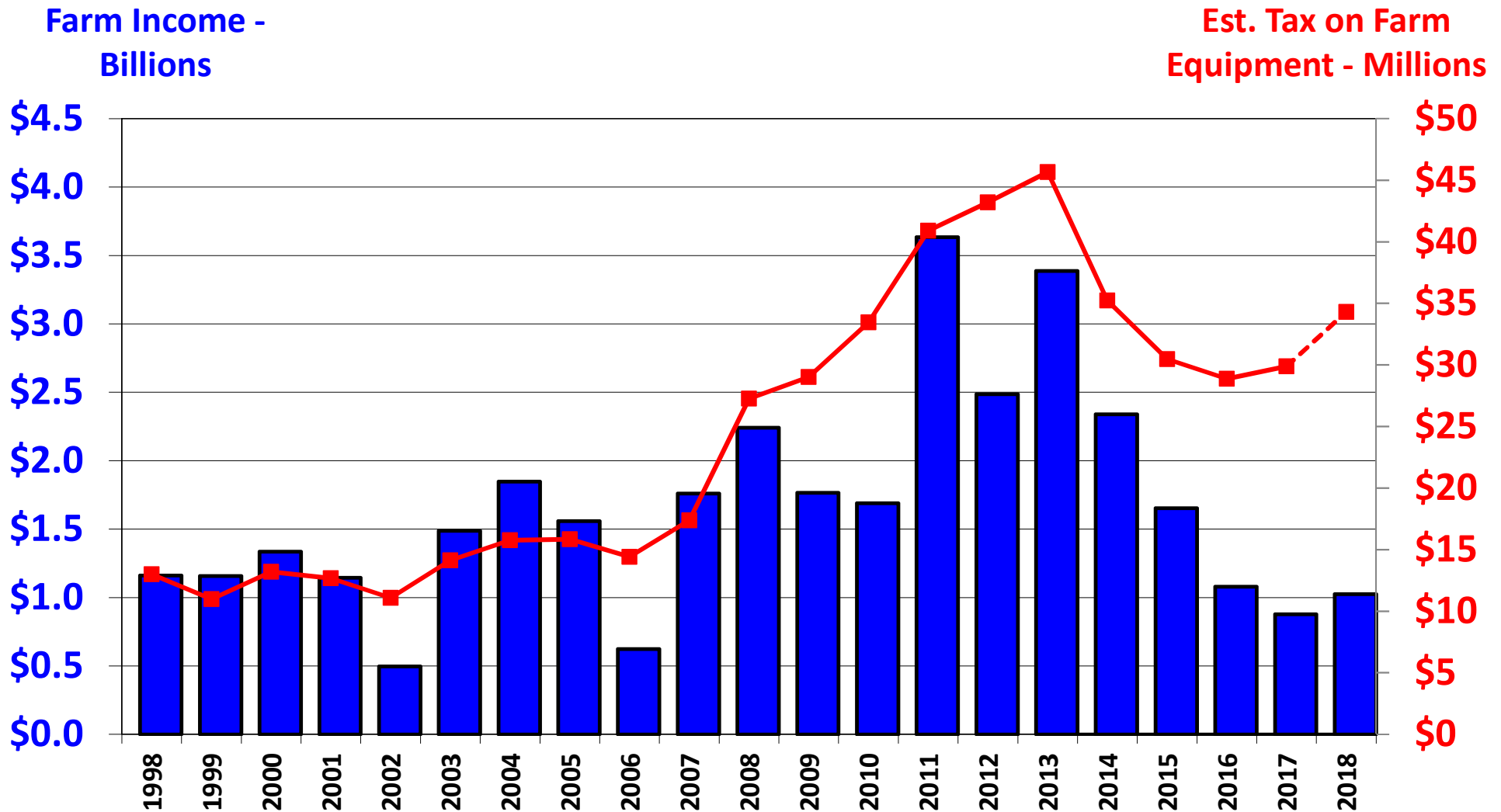


May 23, 2019

IHS Markit Economics forecast for South Dakota Key Indicators (April '19)

	2015	2016	2017	2018	2019 f	2020 f	'09-'19 avg.
SD Real GDP Growth	2.6%	0.3%	-0.4%	1.3%	2.6%	2.0%	1.5%
SD NF Employment	1.1%	0.9%	0.5%	1.2%	2.2%	1.0%	0.7%
SD NF Income	6.4%	2.0%	2.1%	3.9%	4.4%	4.9%	3.6%
SD Housing Starts	4,100	5,590	5,030	4,640	4,230	4,750	4,220
SD Unempl. Rate	3.1%	3.0%	3.2%	3.0%	2.8%	2.8%	3.8%

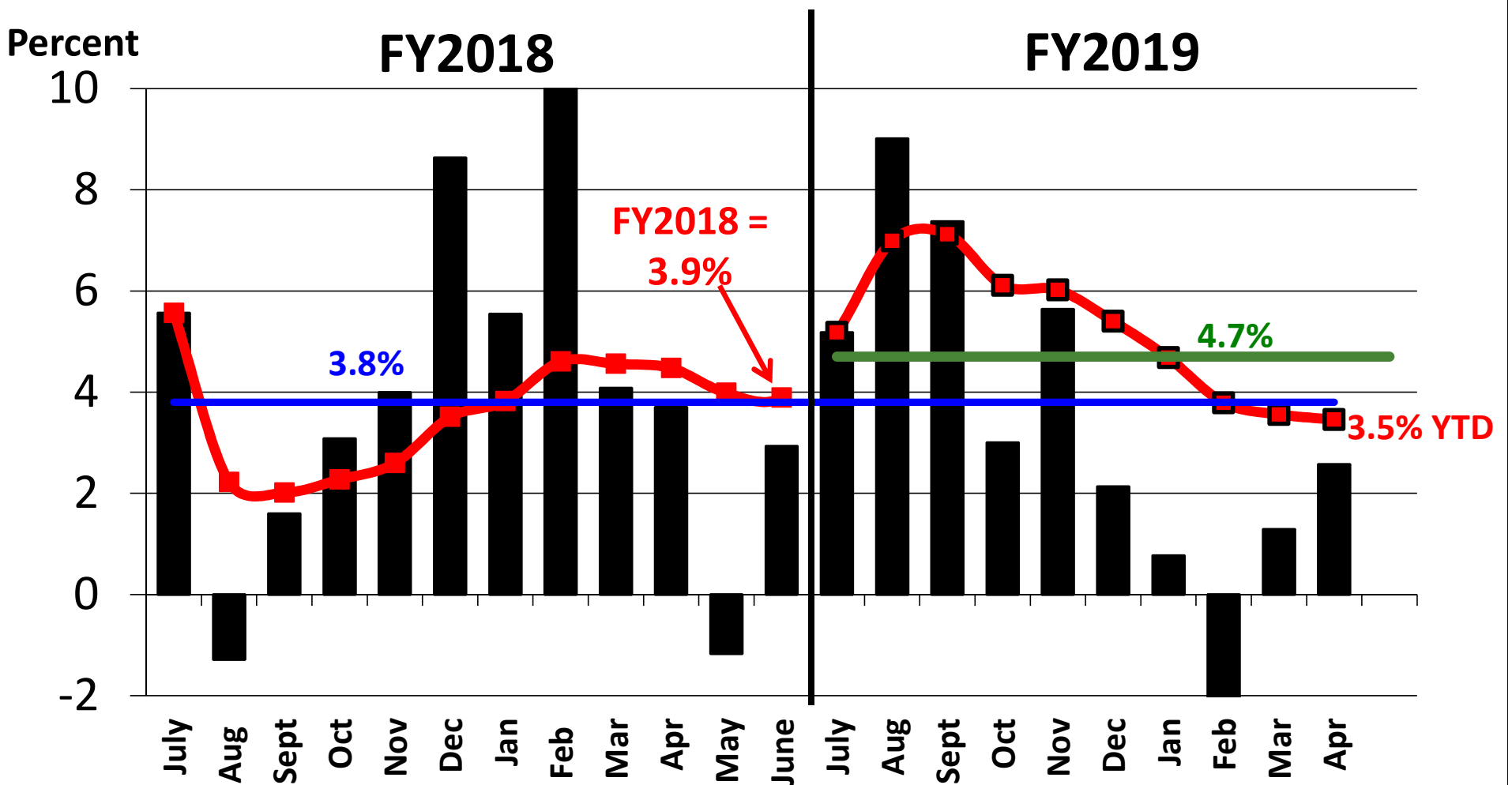
SD Net Farm Income vs. Sales Tax on Farm Machinery



Source: BEA and SD Dept. of Revenue

Recent Sales & Use Tax Growth Rates

Blue = FY10-FY18 Average Red = Running YTD FY18/FY19 Growth
 Black = Monthly Growth Rates Green = Growth of Rev. Adopt FY19 Est.



Source: SD Bureau of Finance and Management

FY2018 vs. FY2019 Taxable Sales Growth through April

	(in millions)			Growth from
<u>Top 15 Major Groups (82% of total)</u>	<u>FY18</u>	<u>FY19</u>	<u>% Chg</u>	<u>FY10-FY18</u>
Misc. Retail *	\$1,965.6	\$2,208.8	12.4%	3.4%
General Merchandise Stores	\$1,935.7	\$1,950.9	0.8%	3.3%
Food Stores	\$1,284.6	\$1,311.6	2.1%	1.5%
Building Materials & Garden Supplies	\$1,155.8	\$1,193.7	3.3%	3.8%
Eating & Drinking Places	\$1,227.8	\$1,259.5	2.6%	4.0%
Electric, Gas, & Sanitary Services	\$1,290.0	\$1,346.5	4.4%	1.1%
Wholesale Trade - Durable Goods	\$980.9	\$1,076.2	9.7%	3.8%
Auto Dealers/Service Stations	\$819.1	\$864.7	5.6%	3.7%
Communications	\$997.7	\$1,002.1	0.4%	3.2%
Business Services	\$874.7	\$941.6	7.7%	4.9%
Furniture & Homefurnishing Stores	\$530.6	\$529.3	-0.3%	2.4%
Auto Repair, Services, & Parking	\$450.4	\$473.1	5.0%	5.1%
Engineering & Management Services	\$461.1	\$510.0	10.6%	5.9%
Apparel & Accessory Stores	\$359.7	\$370.5	3.0%	4.6%
Hotels & Other Lodging Places	\$529.5	\$552.4	4.3%	5.3%
Total of Top 15 Major Groups	\$14,863.2	\$15,590.9	4.9%	3.4%
Remaining Groups	\$3,296.3	\$3,441.9	4.4%	5.4%
Total Taxable Sales	\$18,159.4	\$19,032.9	4.8%	3.7%

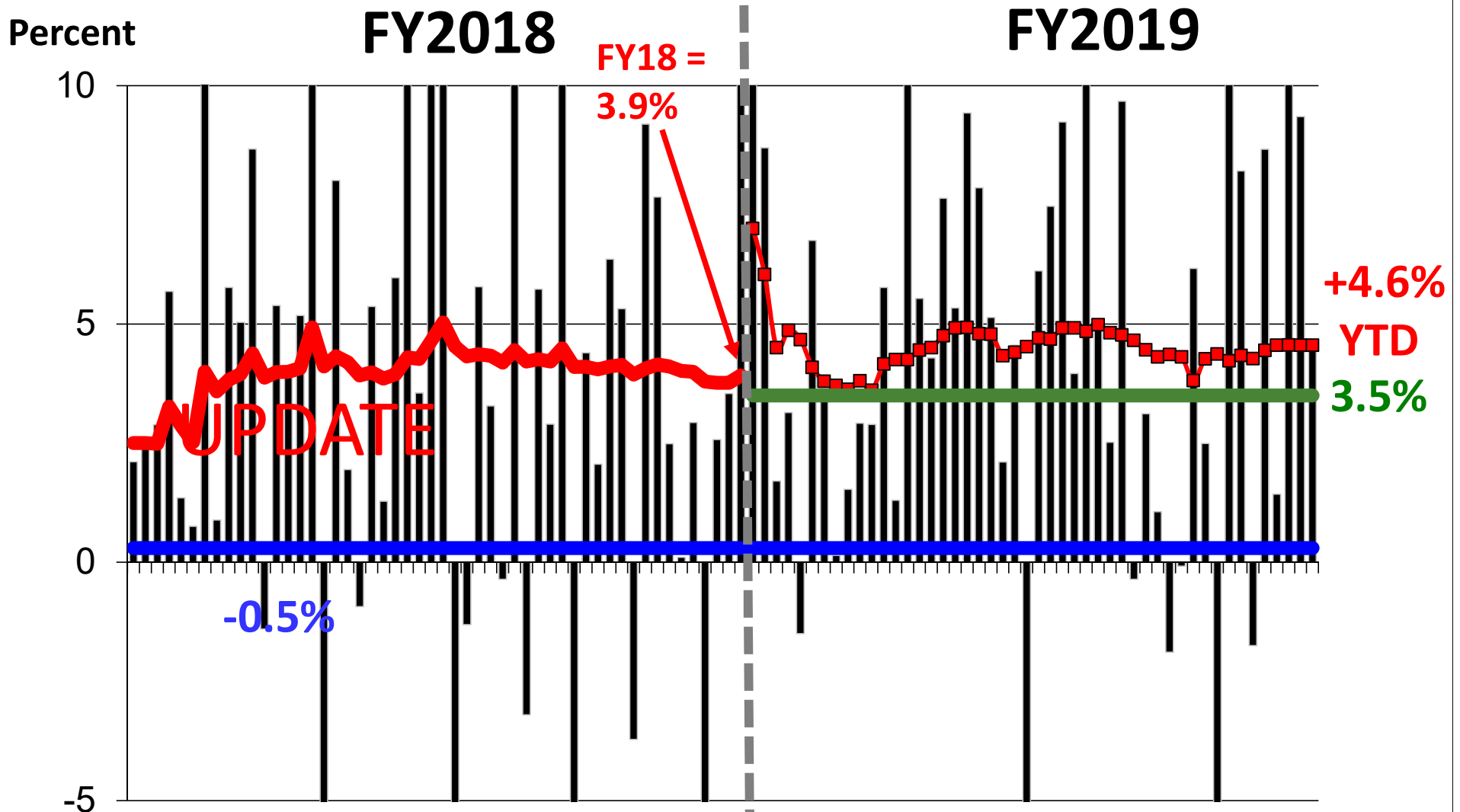
Sales Tax Reported by Remote Sellers

Current Year		Previous Year		\$ Change Year/Year
Month	Amount	Month	Amount	
Apr. 2018	\$5,123,192	Apr. 2017	\$4,501,974	\$621,218
May 2018	\$4,283,475	May 2017	\$4,225,772	\$57,704
Jun 2018	\$4,482,290	Jun 2017	\$4,539,197	(\$56,907)
Jul. 2018	\$6,255,463	Jul. 2017	\$6,294,019	(\$38,556)
Aug. 2018	\$5,035,280	Aug. 2017	\$4,208,554	\$826,727
Sep. 2018	\$5,069,254	Sep. 2017	\$4,858,597	\$210,657
Oct. 2018	\$5,571,722	Oct. 2017	\$4,997,685	\$574,037
Nov. 2018	\$5,579,406	Nov. 2017	\$4,669,368	\$910,038
Dec. 2018	\$6,326,749	Dec. 2017	\$4,931,666	\$1,395,084
Jan. 2019	\$8,353,613	Jan. 2018	\$7,275,261	\$1,078,352
Feb. 2019	\$5,833,018	Feb. 2018	\$4,386,830	\$1,446,188
Mar. 2019	\$5,169,870	Mar. 2018	\$4,266,849	\$903,021
Apr. 2019	\$7,642,065	Apr. 2018	\$5,123,192	\$2,518,873

Growth Rate for Video Lottery

7% of Total

Blue = FY10-FY18 Avg. Red = FY18 YTD Growth/FY19 YTD Growth
Black = Weekly Growth Rates Green = Growth of Rev Adopt FY19 Est.



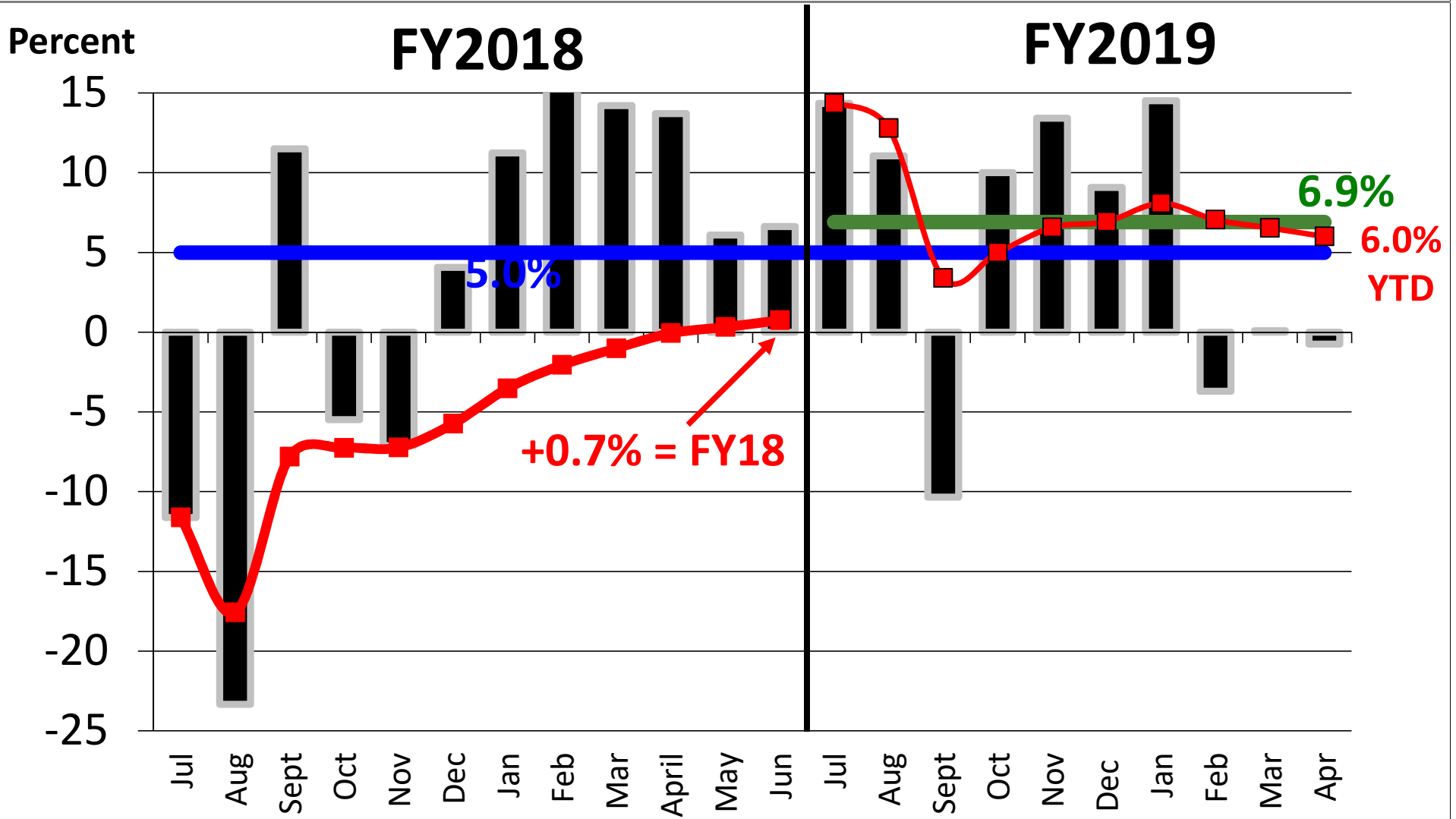
Source: SD Department of Revenue/Bureau of Finance and Management

Recent Growth Rates for Net CET

7% of Total

Blue = FY10-FY18 Average Red = FY18/FY19 YTD Growth

Black = Monthly Growth Rates Green = Growth of Rev. Adopt FY19 Est.

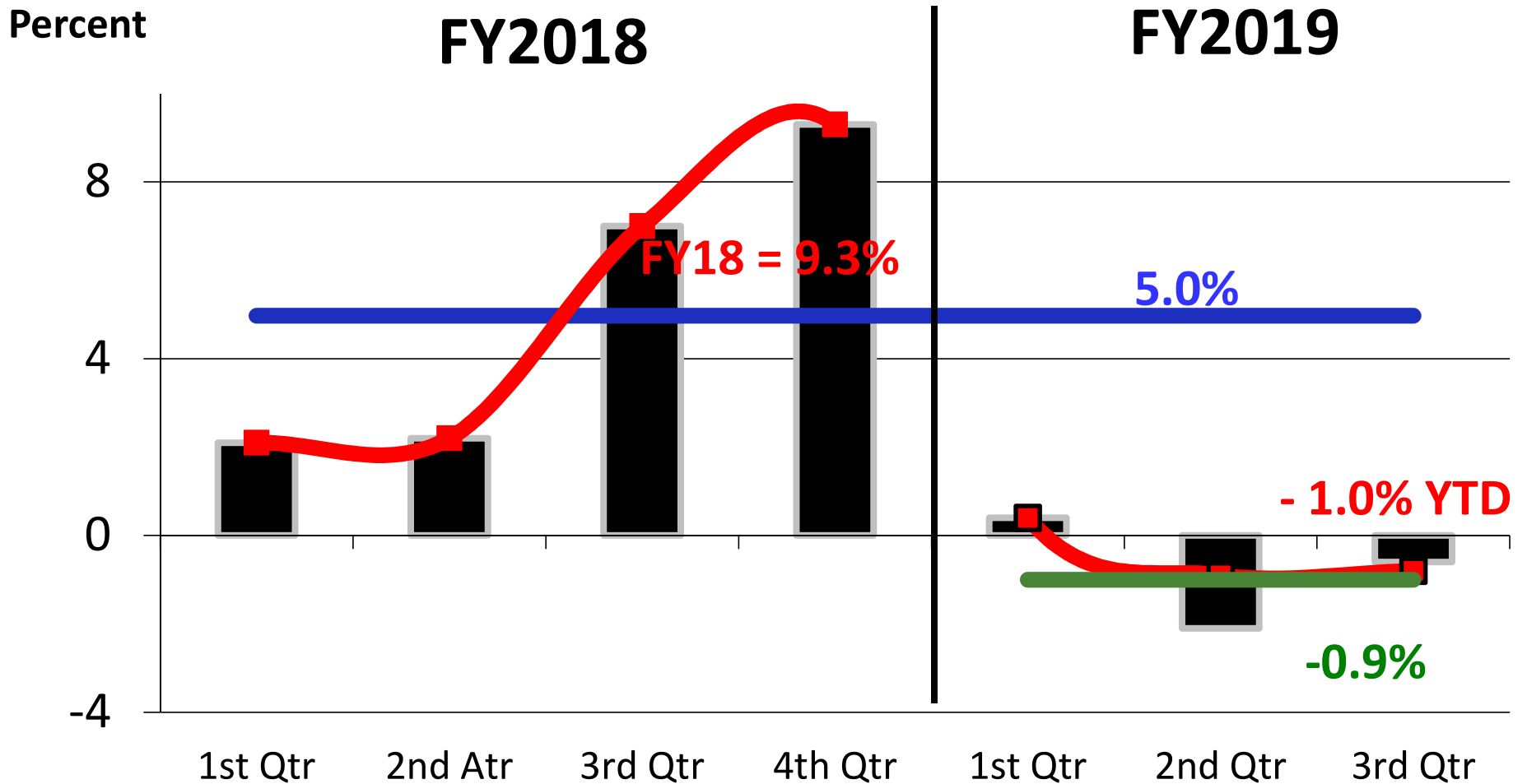


Source: SD Bureau of Finance and Management

Growth Rates for Insurance Company Tax

5% of Total

Blue = FY10-FY18 Average Red = FY18/FY19 YTD Growth
Black = Quarterly Growth Rates Green = Growth of Adopted FY19 Est.



Source: SD Bureau of Finance and Management

Other Discussion?