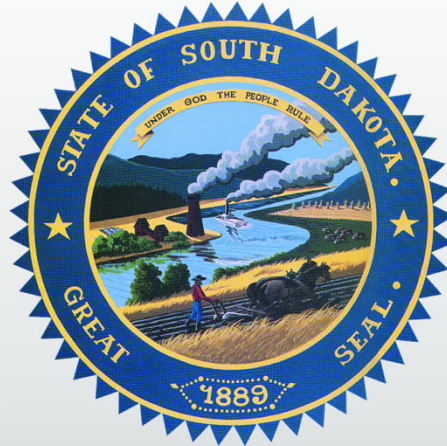


Governor's Council of Economic Advisors



South Dakota Bureau Of Finance and Management
August 18th, 2020

IHS Economics Forecast for South Dakota Key Indicators (April '20)

	2016	2017	2018	2019	2020 f	2021 f	'09-'19 avg.
SD Real GDP Growth	0.5%	-0.1%	1.9%	0.7%	-4.0%	6.6%	1.5%
SD NF Employment	0.9%	0.4%	0.9%	0.6%	-3.5%	-0.7%	0.6%
SD NF Income	2.5%	3.4%	5.4%	4.0%	2.3%	3.9%	3.9%
SD Housing Starts	5,550	5,040	4,740	3,890	3,560	4,010	4,200
SD Unempl. Rate	3.0%	3.2%	3.1%	3.3%	6.4%	5.9%	3.7%

IHS Economics Forecast for South Dakota Key Indicators (August '20)

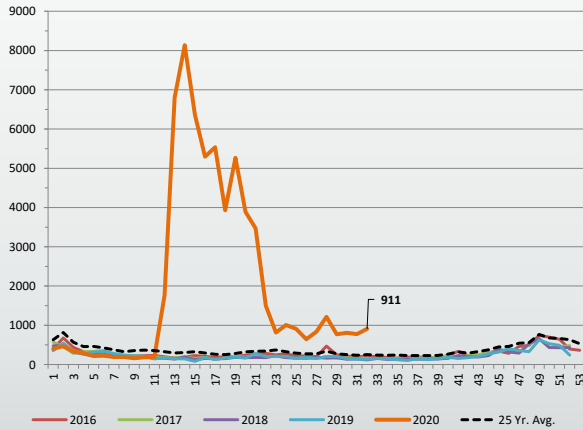
	2016	2017	2018	2019	2020 f	2021 f	'09-'19 avg.
SD Real GDP Growth	0.5%	-0.1%	1.9%	0.7%	-2.7%	3.5%	1.5%
SD NF Employment	0.9%	0.4%	0.9%	0.6%	-2.5%	3.5%	0.6%
SD NF Income	2.5%	3.4%	5.4%	4.0%	4.7%	0.1%	3.9%
SD Housing Starts	5,550	5,040	4,740	3,890	4,340	4,690	4,200
SD Unempl. Rate	3.0%	3.2%	3.1%	3.3%	6.0%	4.4%	3.7%

IHS Economics Forecast for U.S. Economy Key Indicators (August '20)

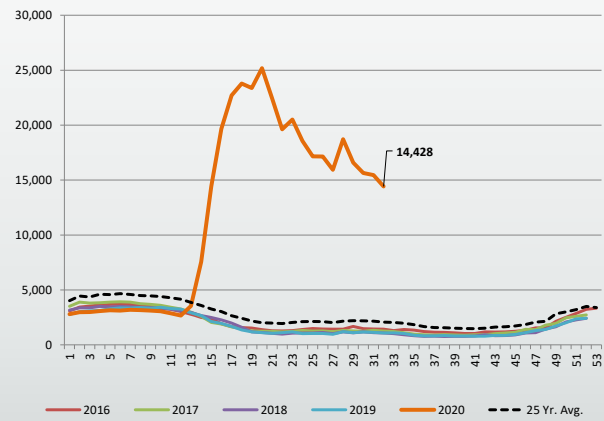
	2016	2017	2018	2019	2020 f	2021 f	'09-'19 avg.
Real GDP Growth	1.7%	2.3%	3.0%	2.2%	-4.8%	3.1%	1.9%
NF Employment	1.8%	1.6%	1.6%	1.4%	-5.5%	2.5%	0.9%
NF Income	1.6%	5.7%	5.1%	4.2%	-8.9%	-10.8%	5.3%
Unempl. Rate	4.9%	4.4%	3.9%	3.7%	8.6%	7.6%	6.5%

COVID-19 Weekly Metrics

SD Initial Claims for Reemployment Assistance
(weekly claims by calendar year)

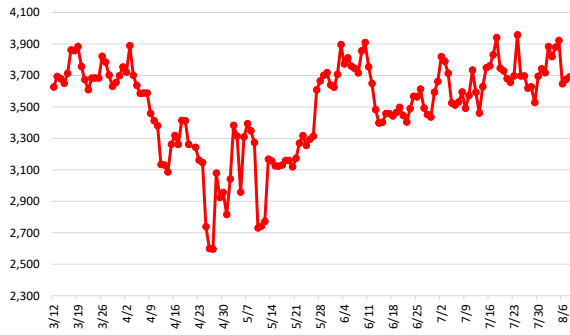


SD Continued Claims for Reemployment Assistance
(weekly claims by calendar year)



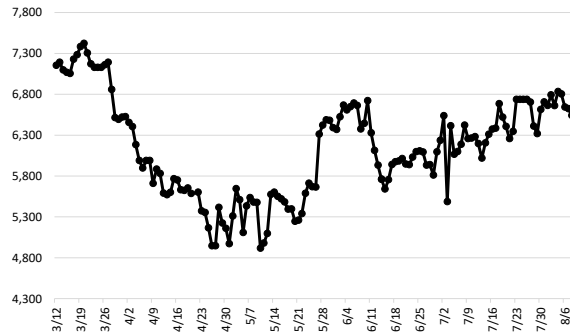
COVID-19 Weekly Metrics

Job Openings Advertised Online
Rapid City MSA



Source: Online advertised jobs data, virtual labor market data system, Labor Market Information Center, SD Department of Labor and Regulation. (Jobs de-duplication Level 2).

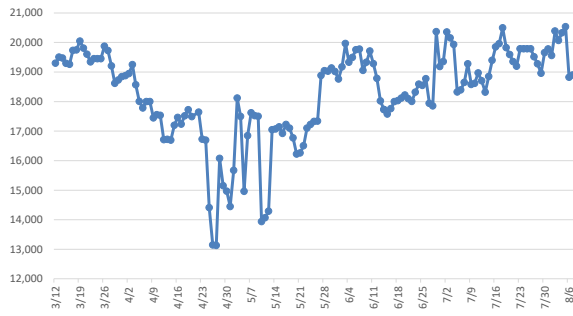
Job Openings Advertised Online
Sioux Falls MSA



Source: Online advertised jobs data, virtual labor market data system, Labor Market Information Center, SD Department of Labor and Regulation. (Jobs de-duplication Level 2).

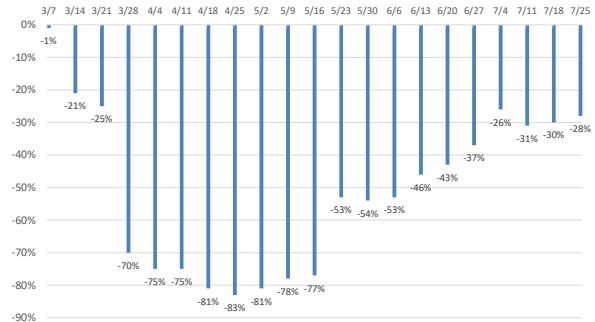
COVID-19 Weekly Metrics

**Job Openings Advertised Online
Statewide South Dakota**



Source: Online advertised jobs data, virtual labor market data system, Labor Market Information Center, SD Department of Labor and Regulation. (Jobs de-duplication Level 2).

**Weekly Estimated Travel Spending in South Dakota: Year over Year
Percent Change**



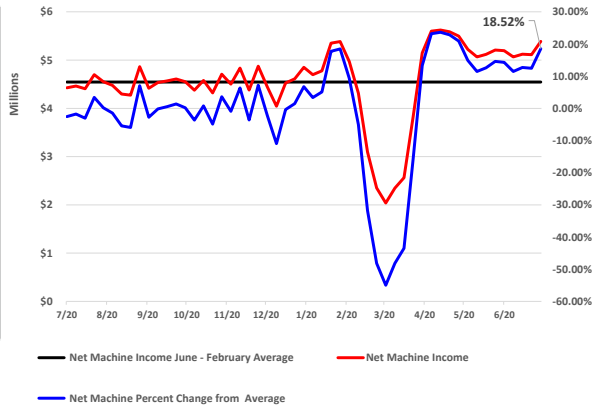
Source: Tourism Economics/U.S. Travel Association

COVID-19 Weekly Metrics

South Dakota Traffic Trends

	March	April	May	June	July	August
State Highways	-14%	-36%	-20%	-9%	-3%	3%
Rural Interstate	-13%	-40%	-25%	-11%	-5%	6%
Rural Non Interstate	-11%	-33%	-12%	-6%	-2%	9%
Urban	-15%	-34%	-19%	-8%	-2%	0%

Video Lottery Net Machine Income: Weekly

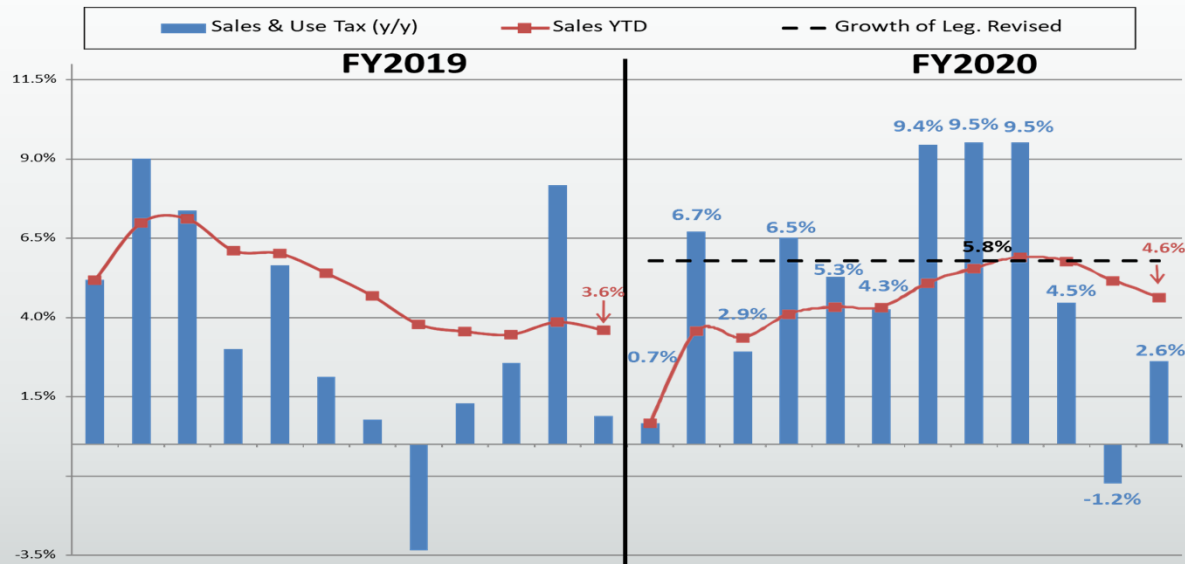


FY2020 Legislative Adopted v. Actual

	LEG ADOPTED FY2020	ACTUAL FY2020	DOLLAR CHANGE	PERCENT CHANGE
ONGOING RECEIPTS				
Sales and Use Tax	\$ 1,084,665,451	\$ 1,072,830,649	\$ (11,834,802)	(1.1)
Lottery	127,061,394	122,489,001	(4,572,394)	(3.6)
Contractor's Excise Tax	124,492,747	123,723,519	(769,228)	(0.6)
Insurance Company Tax	88,950,909	93,271,112	4,320,203	4.9
Unclaimed Property Receipts	41,500,000	47,308,472	5,808,472	14.0
Licenses, Permits, and Fees	69,387,902	68,277,940	(1,109,962)	(1.6)
Tobacco Taxes	48,625,438	51,066,112	2,440,674	5.0
Trust Funds	39,874,058	39,859,256	(14,802)	(0.0)
Net Transfers In	21,005,164	19,858,120	(1,147,044)	(5.5)
Alcohol Beverage Tax	8,000,000	8,142,691	142,691	1.8
Bank Franchise Tax	14,072,270	12,060,604	(2,011,666)	(14.3)
Charges for Goods and Services	16,800,000	15,403,871	(1,396,129)	(8.3)
Telecommunications Tax	4,668,160	5,964,072	1,295,912	27.8
Severance Taxes	5,500,000	5,881,928	381,928	6.9
Investment Income and Interest	11,088,044	11,150,037	61,993	0.6
Alcohol Bev 2% Wholesale Tax	2,262,350	2,335,754	73,404	3.2
TOTAL (ONGOING RECEIPTS)	\$ 1,707,953,888	\$ 1,699,623,137	\$ (8,330,751)	(0.5)
ONE-TIME RECEIPTS				
Refinancing Gains/Transfer from SDBA	\$ 7,082,539	\$ 7,082,539	\$ -	0.0
Unexpended Carryovers and Specials	0	425,135	425,135	100.0
Transfer from Budget Reserve	14,859,866	14,859,866	0	0.0
Obligated Cash Carried Forward	19,354,553	19,354,553	0	0.0
SUBTOTAL (ONE-TIME RECEIPTS)	\$ 41,296,958	\$ 41,722,093	\$ 425,135	100.0
GRAND TOTAL	\$ 1,749,250,846	\$ 1,741,345,230	(\$7,905,616)	(0.5)

Source: BFM

Recent Sales & Use Tax Growth Rates



Source: BFM

Legislative Adopted July v. Actual July

	Leg Adopted JULY FY2021	Actual JULY FY2021	DOLLAR CHANGE	MTD % Chg. Actual/Adopt Comparison
ONGOING RECEIPTS				
Net Sales and Use Tax (excl. cost of admin)	102,766,674	108,766,108	5,999,434	5.8%
Lottery	9,432,203	10,848,543	1,416,340	15.0%
Net Contractor's Excise Tax	12,459,828	13,915,889	1,456,061	11.7%
Insurance Company Tax	16,632,661	18,075,887	1,443,226	8.7%
Unclaimed Property Receipts*	(869,125)	0	869,125	-100.0%
Licenses, Permits, and Fees	808,710	953,186	144,476	17.9%
Tobacco Taxes	5,048,949	5,400,530	351,581	7.0%
Trust Funds	28,192,176	28,192,176	0	0.0%
Net Transfers In (excluding one-time)	7,592,351	8,504,317	911,966	12.0%
Alcohol Beverage Tax	17,493	11,129	(6,364)	-36.4%
Bank Franchise Tax	47,220	54,611	7,391	15.7%
Charges for Goods and Services	1,458,103	2,486,421	1,028,318	70.5%
Telecommunications Tax	0	0	0	N/A
Severance Taxes**	847,825	1,968,396	1,120,571	132.2%
Investment Income and Interest	10,295	3,345	(6,951)	-67.5%
Alcohol Beverage 2% Wholesale Tax	201,215	182,273	(18,942)	-9.4%
SUBTOTAL (ONGOING RECEIPTS)	\$ 184,646,580	\$ 199,362,812	\$ 14,716,232	8.0%

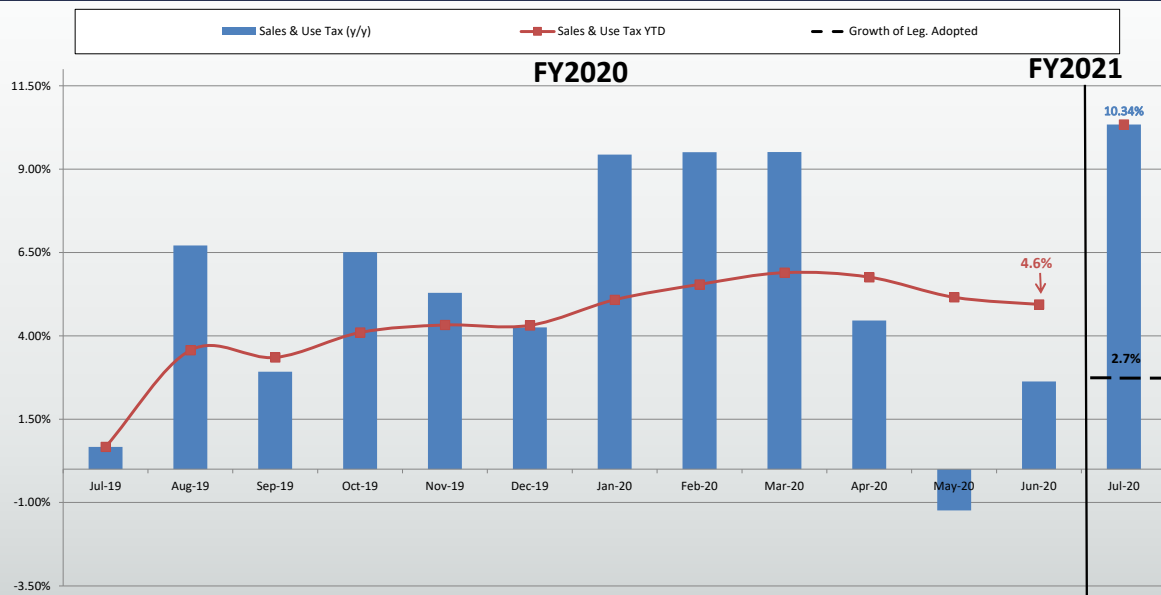
NOTES

* Unclaimed Property activity was not recorded in the general fund. July activity will be reflected next month.

** Severance Tax increase is partially due to delayed payment in July of FY2020.

Source: BFM

Recent Sales & Use Tax Growth Rates



Source: BFM

Sales and Use Tax by Major Group & Division: July

Top 10 Major Groups	2020	2019	%	Division	2020	2019	%
Misc. Retail	325,644,167	262,739,739	23.9	Agriculture, Forestry, & Fishing	46,721,094	42,489,476	10.0
General Merchandise Stores	224,736,992	213,678,660	5.2	Mining	7,176,410	7,739,722	-7.3
Building Materials & Garden Supplies	184,955,254	146,132,878	26.6	Construction	3,353,819	3,336,194	0.5
Wholesale Trade - Durable Goods	156,479,634	124,541,317	25.6	Manufacturing	178,276,224	121,173,421	47.1
Food Stores	153,737,274	138,682,421	10.9	Transportation & Public Utilities	257,087,044	241,172,984	6.6
Eating & Drinking Places	128,787,893	142,052,975	-9.3	Wholesale Trade	197,493,709	160,243,869	23.2
Electric, Gas, & Sanitary Services	125,342,654	116,913,895	7.2	Retail Trade	1,223,436,700	1,090,291,732	12.2
Business Services	124,935,276	120,011,063	4.1	Finance, Insurance, & Real Estate	56,535,779	52,035,776	8.6
Automotive Dealers & Service Stations	110,508,638	94,513,246	16.9	Services	422,421,255	450,028,147	-6.1
Communications	104,042,913	102,051,335	2.0	Public Administration	367,150	324,048	13.3

Source: Department of Revenue

Sales and Use Tax by Major Group & Division: May

Top 10 Major Groups	2020	2019	%	Division	2020	2019	%
Misc. Retail	260,924,325	242,406,664	7.6	Agriculture, Forestry, & Fishing	31,313,207	31,465,855	-0.5
General Merchandise Stores	194,175,809	183,403,346	5.9	Mining	5,118,695	5,007,565	2.2
Food Stores	142,976,235	120,586,797	18.6	Construction	2,026,547	2,224,423	-8.9
Building Materials & Garden Supplies	136,940,470	109,883,483	24.6	Manufacturing	106,645,651	83,888,296	27.1
Wholesale Trade - Durable Goods	119,838,683	126,015,933	-4.9	Transportation & Public Utilities	232,877,180	240,820,367	-3.3
Electric, Gas, & Sanitary Services	116,923,852	123,250,999	-5.1	Wholesale Trade	150,441,131	154,352,297	-2.5
Communications	98,088,304	98,326,074	-0.2	Retail Trade	937,023,988	934,909,776	0.2
Business Services	97,837,799	92,637,221	5.6	Finance, Insurance, & Real Estate	45,525,926	35,750,012	27.3
Automotive Dealers & Service Stations	77,965,772	82,637,944	-5.7	Services	290,845,562	335,242,146	-13.2
Eating & Drinking Places	67,394,691	115,206,205	-41.5	Public Administration	436,759	127,454	242.7

Source: Department of Revenue

Sales and Use Tax by Major Group & Division: FY20 Total

Top 10 Major Groups	2020	2019	%	Division	2020	2019	%
Misc. Retail	325,644,167	262,739,739	23.9	Agriculture, Forestry, & Fishing	46,721,094	42,489,476	10.0
General Merchandise Stores	224,736,992	213,678,660	5.2	Mining	7,176,410	7,739,722	-7.3
Building Materials & Garden Supplies	184,955,254	146,132,878	26.6	Construction	3,353,819	3,336,194	0.5
Wholesale Trade - Durable Goods	156,479,634	124,541,317	25.6	Manufacturing	178,276,224	121,173,421	47.1
Food Stores	153,737,274	138,682,421	10.9	Transportation & Public Utilities	257,087,044	241,172,984	6.6
Eating & Drinking Places	128,787,893	142,052,975	-9.3	Wholesale Trade	197,493,709	160,243,869	23.2
Electric, Gas, & Sanitary Services	125,342,654	116,913,895	7.2	Retail Trade	1,223,436,700	1,090,291,732	12.2
Business Services	124,935,276	120,011,063	4.1	Finance, Insurance, & Real Estate	56,535,779	52,035,776	8.6
Automotive Dealers & Service Stations	110,508,638	94,513,246	16.9	Services	422,421,255	450,028,147	-6.1
Communications	104,042,913	102,051,335	2.0	Public Administration	367,150	324,048	13.3

Source: Department of Revenue

Remote Sellers

State Sales Tax Reported by Remote Sellers - July 2020

[2019-2018 State Sales Tax Reported by Remote Seller.pdf](#)

	Current Year		Previous Year	\$ Change YoY
Jan 2020	\$10,200,715	Jan 2019	\$8,353,613	\$1,847,102
Feb 2020	\$6,102,724	Feb 2019	\$5,833,018	\$269,706
Mar 2020	\$5,388,964	Mar 2019	\$5,169,870	\$219,094
Apr 2020	\$6,727,771	Apr 2019	\$7,642,065	(\$914,294)
May 2020	\$6,682,485	May 2019	\$7,418,818	(\$736,333)
Jun 2020	\$6,390,215	Jun 2019	\$7,068,777	(\$678,562)
Jul 2020	\$9,233,140	Jul 2019	\$8,515,404	\$717,736

City Sales Tax Reported by Remote Sellers - July 2020

[2019-2018 City Sales Tax Reported by Remote Seller.pdf](#)

	Current Year		Previous Year	\$ Change YoY
Jan 2020	\$3,729,021	Jan 2019	\$3,386,816	\$342,205
Feb 2020	\$2,399,905	Feb 2019	\$2,171,262	\$228,643
Mar 2020	\$2,115,285	Mar 2019	\$2,011,840	\$103,445
Apr 2020	\$2,528,599	Apr 2019	\$3,021,445	(\$492,846)
May 2020	\$2,384,442	May 2019	\$2,805,377	(\$420,935)
Jun 2020	\$2,300,943	Jun 2019	\$2,624,545	(\$323,602)
Jul 2020	\$3,108,742	Jul 2019	\$3,153,622	(\$44,880)

Source: Department of Revenue

Other Discussion Items

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