



Consensus Revenue Estimating Group April 2021 Revenue Forecast - Fiscal Year 2021 - 2026

The Consensus Revenue Estimating Group (CREG) released the *April 2021 Revenue Update* on April 29, 2021. This report is only intended to update revenue collections and does not formally modify the official CREG revenue forecast or the LSO fiscal profile.

While the outlook is positive and tempered by positive oil and gas prices, the ability to maintain production could be problematic and could continue to present future challenges. Highlights include an uptick in sales tax collections by \$18 million over projections with a strong indicator in remote sales, these numbers could continue to grow with federal stimulus payments from the American Rescue Plan. Sales tax did dip from the mining sector by 61.4%, however severance tax payments are up about 10.7% or \$43.4 million and Federal Mineral Royalty payments (less coal) is ahead by 8.6% or \$31.3 million. Surface coal stays on pace with the CREG forecast.

Overall, tax revenues are up \$71.2 million from projections, with a surplus of \$45.5 million in the General Fund and \$25.7 million in the Budget Reserve Account (BRA). Additionally, the School Foundation Program (SFP) has collected \$11.4 million more than the original forecast, while the School Capital Construction Account (SCCA) is short by about \$330,000 due to a lag in state mineral royalties. There are strong investment earnings as of right now, there is about \$61.8 million that could be available for the Strategic Investment Projects Account (SIPA) and a similar amount in the Legislative Stabilization Reserve Account (LSRA) if the fiscal year was ended in April 2021. The state should maintain caution as the federal mineral leases could stifle oil and gas development that would have a major impact on future revenues.

