JUNE/JULY 2019

FISCAL NOTES

Motor Fuels Taxes in a Changing Texas Transportation Scene

By Shannon Halbrook and Jess Donald

SHOULD TEXAS RETHINK THE WAY IT FUNDS ROADS?

Since 1923, Texas has used revenue from its motor fuels excise taxes to build and maintain our state highways, roads and bridges. In a century, our population — and our traffic — have soared. Automobiles have become much more fuel-efficient and, increasingly, are being joined on our roads by hybrid and fully electric vehicles. But while driving has changed drastically, the taxes we depend on to fund our road infrastructure haven't.

TEXAS MOTOR FUELS TAXES

In fiscal 2018, Texas motor fuels taxes brought in $3.7 billion, about 6.6 percent of all state tax collections. In that year, they were the state's fourth-largest source of tax revenue after the sales tax, the motor vehicle sales and rental tax and the franchise tax.

The majority of our motor fuels tax revenue is used for transportation projects. In Texas, gasoline and diesel fuel are subject to a 20-cent tax per gallon. In addition, the federal government imposes taxes of 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel fuel.

According to the American Petroleum Institute, when taking into account the federal tax (and other applicable state taxes and fees, although Texas has none), Texas' total levies on gasoline and diesel are the nation's seventh-lowest and fourth-lowest, respectively, and by far the lowest among the 10 most populous states. Texas drivers pay total levies of 38.4 cents per gallon on gasoline, versus nearly 74 cents in California and 60.4 cents in Florida, for example.

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A Message from the Comptroller

The Texas economy is a magnet for people from other states seeking greater opportunities. According to the Census Bureau, our state saw the greatest numerical population growth in 2018, gaining more than 379,000 new residents. And we see one result of this growth on our roads every day.

Our aging road-and-bridge infrastructure needs both more maintenance and new expansion if we're going to maintain our robust growth. Yet our largest state funding source for transportation, the motor fuels taxes, have seen almost no real revenue growth after inflation in two decades. Because these taxes are based on volume rather than price, steadily increasing fuel efficiency is chipping away at their potential. Wider adoption of electric and alternative-fuel vehicles will add to this problem. Finally, the federal Highway Trust Fund, once a reliable source of additional funding, is approaching insolvency.

In this issue of *Fiscal Notes*, we examine the state of transportation funding in Texas and some options other states are exploring to raise additional revenue for surface transportation, including variable-rate taxes linked to measures such as inflation, sales taxation of motor fuels and mileage-based user fees. Amending a tax type that hasn't changed in nearly a century wouldn't be easy, but a failing road and highway system is even more unpalatable.

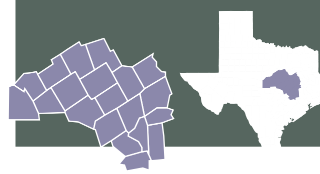
We also look at the phenomenon of equity crowdfunding. In 2014, Texas joined at least 33 other states in allowing this form of crowdfunding, in which companies seeking capital can sell small equity stakes for equally small contributions, without many of the requirements involved in traditional, "accredited" investing in stocks and bonds. Since its approval, Texas businesses have raised about $2.5 million in this way. Interest in equity crowdfunding in Texas has waxed and waned, but it remains an option for small businesses and budding entrepreneurs.

As always, I hope you enjoy this issue!

GLENN HEGAR

Texas Comptroller of Public Accounts

REGIONAL SNAPSHOT



CENTRAL TEXAS REGION

POPULATION GROWTH

The 20-county Central Texas Region covers about 17,400 square miles in the heart of Texas, stretching from Hillsboro on the north to Interstate 45 on the east and from East Yegua Creek on the south to the confluence of the San Saba and Colorado rivers.

CENTRAL TEXAS REGION VS. TEXAS AND U.S., 2010-2017

REGION 7.9%

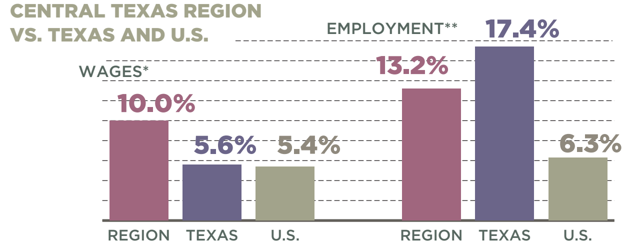
TEXAS 12.6%

U.S. 5.5%

Source: U.S. Census Bureau

JOBS & WAGE CHANGES, 2007-2017

In 2017, the Central Texas Region accounted for 3.6 percent of the state's total employment.



* Real rate of change

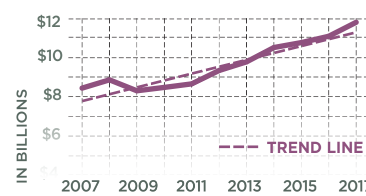
**Figures include private- and public-sector employees with the exception of active-duty military personnel, railroad employees, religious institution employees and the self-employed.

Sources: JobsEQ and U.S. Bureau of Labor Statistics

ECONOMY

State-taxable sales receipts directly attributable to the Central Texas Region have increased slowly and steadily since the recession.

REGIONAL RECEIPTS SUBJECT TO SALES TAX, 2007-2017



Source: Texas Comptroller of Public Accounts

CONCLUSION

The Central Texas Region includes the Waco, Killeen-Temple and College Station-Bryan metropolitan statistical areas (MSAs). The region has seen reasonable population growth since 2010, and its median age is significantly younger than Texas as a whole. Its employment growth rate is slightly below the state's, but its wage growth is almost double that of the state.

THE CENTRAL TEXAS REGION IS ONE OF THE COMPTROLLER'S 12 ECONOMIC REGIONS.

To see a complete list of these regions, plus more in-depth county-by-county data, visit: comptroller.texas.gov/economy/economic-data/regions/

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Texas' gasoline and diesel tax rates haven't changed since 1991, while the federal rates were last changed in 1993. In the years since, fuel prices have tripled — but since the taxes are based on volume rather than price, tax collections have risen much more slowly.

ROUGH ROADS AHEAD?

The Texas Department of Transportation's (TxDOT) Texas Transportation Plan 2040 identifies several major challenges facing the state, including an aging transportation infrastructure, inflation, greater fuel efficiency and shaky funding from a federal Highway Trust Fund it describes as "near insolvency." Today, Texas' motor fuels taxes are simply failing to produce the revenue needed to meet these challenges.

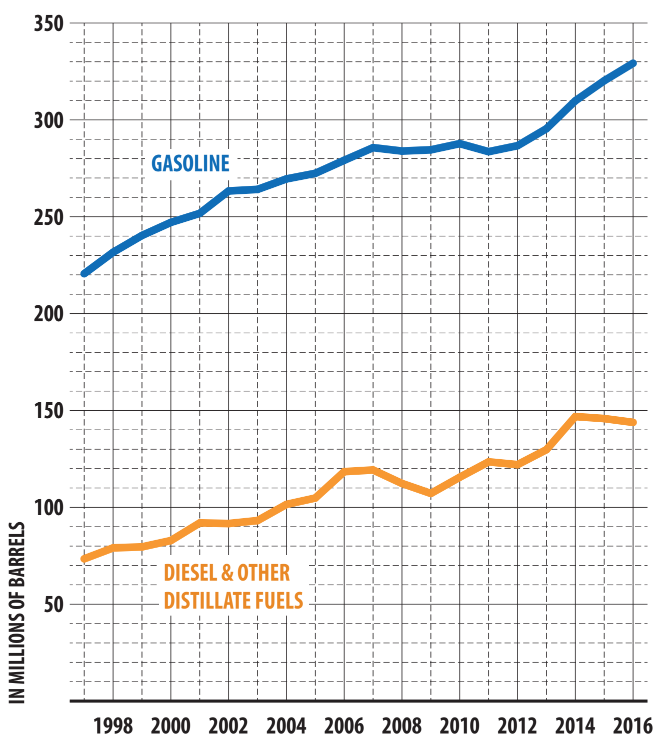
Since 1990, Texas' population has risen by 55 percent while Texans' average daily vehicle miles traveled have increased by 70 percent. TxDOT's transportation plan estimates the state's population will rise to 45 million by 2040, putting further strains on an already overburdened road infrastructure.

According to the U.S. Energy Information Administration, the amount of gasoline used annually by Texas' entire transportation sector (including rail, air and marine uses as well as autos) rose by 49 percent between 1997 and 2016, to 329 million barrels (**Exhibit 1**). Its use of diesel and other distillate fuels rose by 96 percent in the same period. Texas' annual growth rate for gasoline consumption has surpassed that of the nation as a whole in every year since 2005.

After adjusting for inflation, however, Texas' motor fuels tax revenue has actually declined during the last two decades (**Exhibit 2**).

EXHIBIT 1

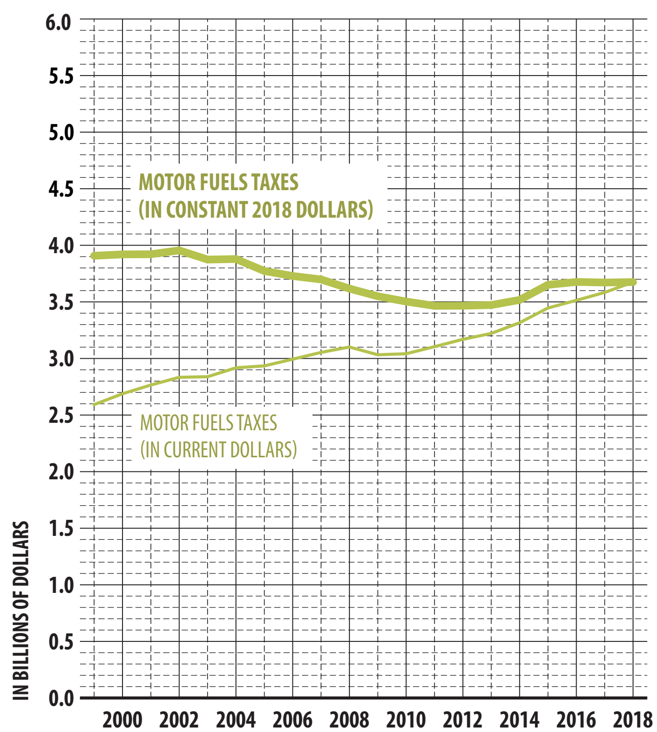
TEXAS TRANSPORTATION SECTOR: GASOLINE AND DISTILLATE FUEL USE, 1997-2016



Source: U.S. Energy Information Administration

EXHIBIT 2

TEXAS MOTOR FUELS TAX REVENUE, 1999-2018, IN CURRENT AND CONSTANT 2018 DOLLARS



Sources: U.S. Bureau of Labor Statistics and Texas Comptroller of Public Accounts

Fuel efficiency is likely to continue improving — meaning less motor fuel use and less tax revenue per mile.

Experts at the Texas A&M Transportation Institute (TTI) have suggested that Texas' motor fuel revenue is likely to peak around 2030 and then begin to fall, thanks to increasing fuel efficiency and an apparent leveling off of per-capita vehicle miles traveled.

Since 1978, the fuel economy of American cars and light trucks has been governed by the National Highway Traffic Safety Administration's Corporate Average Fuel Economy (CAFE) standards. Over time, CAFE standards have gradually increased; the current rule would require automakers to have an average fuel economy of 54.5 miles per gallon by model year 2025. While Congressional attempts are under way to freeze those increases, fuel efficiency is likely to continue improving — meaning less motor fuel use and less tax revenue per mile.

Alternative-fuel vehicles — hybrids, all-electric cars and trucks and those fueled by natural gas and propane — will have a growing impact. While the number of alternative-fuel vehicles has risen by about 10 percent annually over the last few years, they made up only 1 percent of the 24.6 million registered vehicles on Texas roads in fiscal 2018. Even so, TTI predicts that these vehicles will account for 18 percent of U.S. domestic cars and trucks and 11 percent of commercial vehicles by 2040 — and that increasing use of alternative fuels could reduce annual state revenue by almost $200 million by 2035.

RISING ROAD COSTS

While motor fuels tax revenue is showing little growth and may even decline, the cost of maintaining our aging highways and roads — and building more — is rising dramatically.

The Federal Highway Administration's National Highway Construction Cost Index, used by planners and policymakers to calculate the inflation of highway-construction costs for items such as asphalt and machinery, has risen by *84 percent* since 2003, far surpassing the general inflation rate of 33 percent during the same period. According to 2016 testimony from the TTI , due to rapid inflation the 20-cent motor fuels tax "now purchases less than 10 cents' worth of construction."

While the challenge is particularly acute in Texas because of our rapid growth, it's a nationwide problem. In fiscal 2013, according to the Tax Foundation, state-level gas taxes, tolls and license fees produced enough revenue to cover only 41.4 percent of state spending on roads. At the federal level, the Congressional Budget Office has estimated the Highway Trust Fund may be insolvent as soon as 2021, while the National Surface Transportation Infrastructure Financing Commission projects a cumulative, nationwide highway investment funding shortfall of $2.3 trillion through 2035.

OTHER STATES LOOK FOR MONEY

Many states have recognized that existing motor fuels taxes can't fully support rising needs and costs. In its 2016 testimony before the Texas House, TTI noted that 26 states were funding road construction projects with revenue bonds; 24 states were using general obligation bonds; and 33 had employed public-private partnerships. In addition, many states have financed projects with tools such as tax increment financing or transportation reinvestment zones, both of which redirect property tax growth from a specific geographic zone to pay for improvements within it.

According to the National Conference of State Legislatures (NCSL), 31 states have raised their motor fuels tax rates since 2013, including four in 2019. But fuel tax hikes were rejected in Massachusetts in 2014 and Missouri in 2018, for instance. A 2019 University of Texas/ *Texas Tribune* poll found that 72 percent of Texas voters wouldn't support a similar tax increase.

Many states have adopted *variable-rate gas taxes*. These tax rates are indexed to some external statistic such as the inflation rate or the price of gasoline, and can be used alone or in conjunction with a volume-based tax. NCSL reports that 22 states and the District of Columbia have implemented some form of variable-rate gasoline tax (**Exhibit 3**).

> **Twenty-two states and the District of Columbia have implemented some form of variable-rate gasoline tax.**

One type, used by several states, is a tax on the wholesale or "rack" price of gasoline. (The rack price is the price at which refineries sell gasoline to their various clients, including wholesalers or gas stations.)

While this generates more revenue when gas prices are high, it obviously leaves states vulnerable when prices fall. Since 2015, when oil prices fell sharply, Kentucky, North Carolina and California have found themselves forced to scramble for additional transportation revenue.

EXHIBIT 3

STATES WITH VARIABLE-RATE GASOLINE TAXES

TAX STRUCTURE

	Motor fuels tax varies with:				
	Gasoline prices	Inflation	Other	Notes:	Year of Last Increase
Alabama		✓		Tax indexed annually to the National Highway Construction Cost Index	2019
Arkansas	✓				2019
California		✓			2017
Connecticut	✓				2013
Florida		✓			2015
Georgia		✓	✓	Tax varies with inflation and vehicle fuel-efficiency	2015
Hawaii			✓	General sales tax applies to gasoline	
Illinois			✓	General sales tax applies to gasoline	
Indiana		✓	✓	Tax varies with inflation and general sales tax applies to gasoline	2017
Kentucky	✓				2015
Maryland	✓	✓			2015
Michigan		✓			2017
Nebraska	✓		✓	Tax varies with gasoline prices and legislature's spending decisions	2016
New Jersey	✓		✓	Tax varies with gasoline prices and state revenue collection	2016
New York	✓				2013
North Carolina		✓	✓	Tax varies with population and inflation	2015
Pennsylvania	✓				2015
Rhode Island		✓			2015
Utah	✓	✓			2017
Vermont	✓				2015
Virginia	✓				2015
West Virginia	✓				2017
D.C.	✓				2009

Source: National Conference of State Legislatures

Motor Fuels Taxes in a Changing Texas Transportation Scene

In 2015, voters approved Proposition 7, potentially the largest increase in transportation funding in Texas history.

Nine states have linked the gasoline tax to the Consumer Price Index (CPI) or another inflation measure. Still others have tied the variable rate to metrics such as population or certain legislative appropriations. Three states, Hawaii, Illinois and Indiana, apply their general sales tax to gasoline in addition to the motor fuels tax. And in 2015, Georgia linked its motor fuels tax to vehicle efficiency standards as well as CPI.

Some states have begun rethinking the gasoline tax entirely, exploring funding methods tied more closely to actual use. Examples include greater use of toll lanes or mileage-based user fees, which have been piloted in several states. The National Surface Transportation Infrastructure Financing Commission has called such measures "the consensus choice for the future."

In 2015, Oregon became the first U.S. state to test a road usage charge program, called OReGO. Drivers opting in to the program agree to tracking with a mileage-reporting device and pay 1.5 cents per mile, while receiving a tax credit for the standard gasoline tax that is automatically applied to their road usage charges. Despite privacy concerns, more than 1,300 Oregon vehicles are currently enrolled in the program.

NEW MONEY FOR TEXAS ROADS

In November 2014, Texas voters overwhelmingly passed Proposition 1, which directs more funding to the state's transportation needs. Prior to Prop 1, the state's Economic Stabilization Fund (ESF), the "rainy day fund," received 75 percent of the state's annual oil and natural gas production tax revenue in excess of fiscal 1987 revenues. Proposition 1 now allocates up to half of that revenue to the State Highway Fund (SHF) — $1.38 billion in fiscal 2019. The allocations to the SHF will end after the fiscal 2035 transfer if the Legislature doesn't renew them.

In 2015, voters approved Proposition 7, potentially the largest increase in transportation funding in Texas history. This amendment directs the Comptroller's office to deposit up to $2.5 billion of net revenue annually into the SHF from the state sales tax, after total sales tax receipts exceed $28 billion. The deposits will cease in fiscal 2032 unless the Legislature extends the arrangement. Beginning in fiscal 2020, Proposition 7 further directs the Comptroller's office to annually transfer to the SHF 35 percent of state motor vehicle sales tax revenue above the first $5 billion collected. Without legislative action, this will expire in 2029.

Federal legislation has added to Texas transportation funding as well. The 2015 Fixing America's Surface Transportation Act (FAST) provides federal funding to state and local governments to assist with mobility needs. Under FAST, Texas is receiving $18.3 billion in additional highway funding for fiscal 2016 through fiscal 2020.

Yet even these additional funding streams won't address the entire problem. As population and traffic congestion continue to grow, Texas policymakers may consider alternatives. **FN**

Equity Crowdfunding in Texas

By Jackie Benton

A FUNDING TOOL FOR SMALL BUSINESS

It was intended to help boost a battered economy. In the wake of the 2008 financial crisis and the Great Recession, the federal Jumpstart Our Business Startups (JOBS) Act was signed into law on April 5, 2012. The JOBS Act eased federal securities regulation on small businesses to allow them to access capital through innovative approaches such as crowdfunding, the use of the internet to tap large numbers of small contributors.

The act's Title III, Section 302 in particular was envisioned as a positive for small business. Title III provides an exemption from U.S. Securities and Exchange Commission (SEC) registration requirements to allow *equity crowdfunding*, raising money by selling small ownership shares to many different individual contributors.

The act also opened the door to small business investment opportunities by removing a stipulation that investors must be accredited by the SEC as possessing a net worth of more than $1 million (including spouse) and earnings of more than $200,000 annually ($300,000 with spouse) in the previous two years. The law contains a number of provisions to protect these "nonaccredited" investors, including investment limits, disclosures by the issuing company and a requirement to use regulated intermediaries through an approved online portal.

Congress directed the SEC to release new rules regarding equity crowdfunding and issue disclosure and registration requirements by 2013. The SEC didn't issue these rules and requirements until May 16, 2016, however.

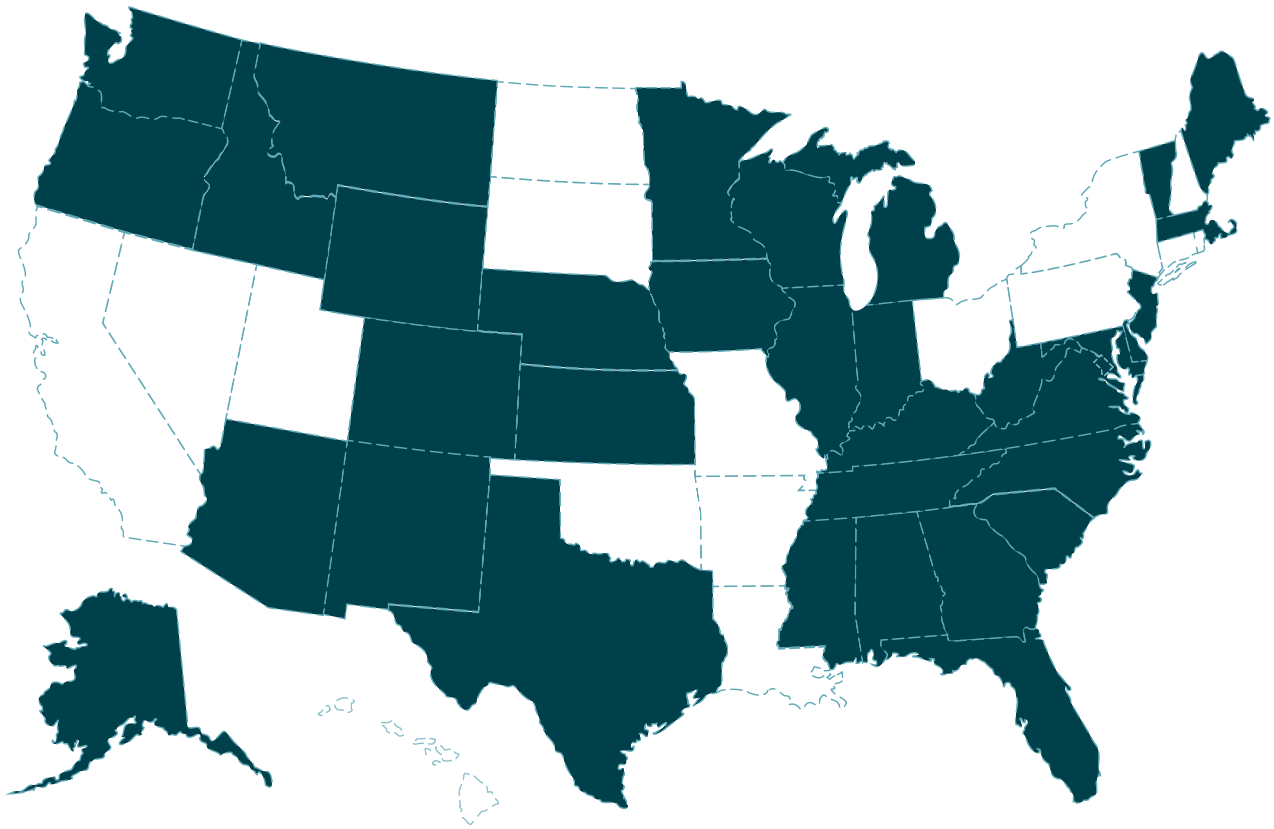
In response to this delay, the Texas State Securities Board (TSSB) implemented the equivalent of Title III in Texas. In 2014, it adopted state equity crowdfunding rules and requirements, allowing small businesses to raise capital within Texas using this approach. Many states did the same; according to the North American Securities Administrators Association, at least 34 states and the District of Columbia have adopted equity crowdfunding rules or statutes (**Exhibit 1**).

While it was only one part of the JOBS Act, the inclusion of equity crowdfunding caught the attention of many small businesses looking for new funding avenues, says attorney Steve Litke of Weaver, Johnston & Nelson PLLC in Dallas.

"Overall, the act dealt with a number of areas in regulating and updating capital markets and raising capital," he says. "The intent with the crowdfunding rule was to make it easier for entrepreneurs and small business owners to have another resource to raise capital."

EXHIBIT 1

STATES WITH INTRASTATE CROWDFUNDING PROVISIONS



Source: North American Securities Administrators Association

DONATIONS VS. INVESTMENTS

The concept of crowdfunding isn't new.

"It's actually been around quite a while, but donation-based crowdfunding really took off after the introduction of the internet," Litke says. "Online donation-based crowdfunding platforms such as GoFundMe or Indiegogo make it easy to launch a campaign, but they do not issue securities and cannot provide contributors with a security. They have to find other appealing incentives so people will contribute."

STEVE LITKE

WEAVER, JOHNSTON & NELSON, PLLC

Incentives offered by crowdfunding campaigns on donation-based platforms might include product discounts, early access to new products, merchandise featuring the company's logo — or nothing at all.

The Oculus Rift story demonstrates the difference between donation-based crowdfunding and equity crowdfunding. During its early development phase, the Oculus Rift virtual-reality headset was featured on Kickstarter. More than 9,500 donors gave $2.4 million (more than 10 times the campaign's goal) to take the headset from the drawing board to reality. In return for their contributions, donors who gave $25 received an Oculus Rift T-shirt, while those who offered $275 or more received an unassembled Oculus Rift prototype.

Eighteen months later, Oculus Rift was purchased by Facebook for $3 billion. Had the company been funded through equity crowdfunding instead of

TRAVIS ILES

COMMISSIONER,
TEXAS STATE SECURITIES BOARD

donations, those who invested $300 would have seen an estimated $20,000 return on their investments instead of an unassembled headset, according to OnMarket BookBuilds, an investment technology company.

"It's highly unlikely you're going to invest in the next Dell using the TSSB or SEC equity crowdfunding portals," says Litke. "But you never know."

UNIQUELY TEXAN

"The interest in this type of fundraising made it important [that] a structure was in place to allow businesses to tap this method of capital acquisition without inadvertently falling into noncompliance with state and federal securities laws designed to protect investors and legitimate businesses," says TSSB Commissioner Travis Iles. "Texas created an intrastate crowdfunding structure to bridge the gap while a federal, interstate mechanism was being developed as a result of the passage of the JOBS Act."

The federal and Texas equity crowdfunding rules are similar in that both require the use of registered, approved crowdfunding portals listed on the SEC or TSSB websites to act as regulated intermediaries between companies and their investors. TSSB regulates Texas crowdfunding portals, and users must comply with its rules of operation. The portals are allowed a certain amount of flexibility in how they raise and distribute investments, and often have focused on different types of investments such as real estate, oil and gas and more.

The Texas equity crowdfunding program possesses some uniquely Texas-centric features:

- companies must use state-certified Texas equity crowdfunding portals, and campaigns are capped at $1 million in any 12-month period.
- any company using a Texas portal must originate in Texas, with a valid Certificate of Formation from the Texas Secretary of State authorizing it to conduct business in the state. The company's principal place of business also must be located in Texas, and the company must derive 80 percent of its gross revenue from Texas or have 80 percent of its assets located in Texas.
- only Texas residents can invest in a Texas equity crowdfunding campaign, and the amount of securities purchased from any issuing company by a non-accredited investor is capped at $5,000. (There is no dollar limit for SEC-accredited investors.)
- any Texan can participate without proof of income.

TO HAVE AND TO HOLD

While any Texan willing to do so can invest under Texas crowdfunding rules, it's important that the investment is made with a keen awareness of what to expect, says business attorney R. Shawn McBride of R. Shawn McBride Law Firm, PLLC. Investing in a business through equity crowdfunding is *very* different from buying and selling stocks and bonds in a traditional way such as on the New York Stock Exchange or NASDAQ, McBride says.

"You're going to be a minority investor, which means [you have] a small percentage of the overall ownership of the company," he says. "You'll usually have voting rights, but you'll still be a small fish in a big pond and not have much sway on the company's decisions. Even if all the company's crowdfunding investors came together as one voting bloc, it probably wouldn't be enough to change the course of a proposed action of a company."

McBride also notes investors using equity crowdfunding should be prepared for their money to become illiquid, or locked up, with the company for years, because it can be difficult to find a buyer for stock in a small private company.

"It's going to be stuck there for a while," he says. "If you needed it for an emergency, you're not going to be able to pull this money out quickly. With small companies, it's very typical you'll have trouble finding a buyer — there aren't as many people who know the company exists because it's not one of the larger publicly traded companies. And that's another challenge for privately held companies: you've got to figure out what the price of the stock is.

Equity Crowdfunding in Texas

R. SHAWN MCBRIDE

ATTORNEY,
R. SHAWN MCBRIDE
LAW FIRM, PLLC

"You're buying hope," McBride continues. "The hope is that you'll find the next big thing. You're investing in a company that has different characteristics than buying the standard Wall Street stock. A private company has a smaller trading floor, less certainty and more risk."

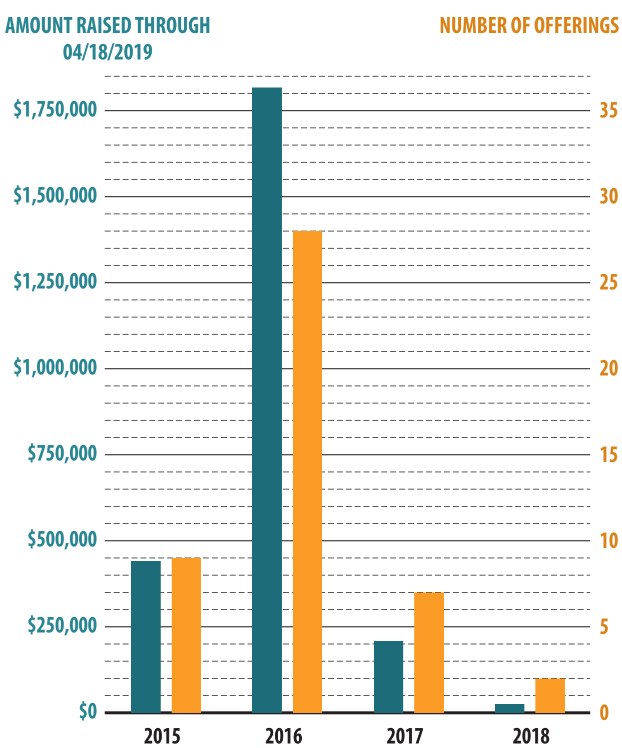
HERE TO STAY?

Since launch, portals hosted on the TSSB website have helped match Texas investors with a wide array of Texas businesses ranging from hair salons and restaurants to oil and gas companies, tech providers and others. In all, equity crowdfunding has raised nearly $2.5 million for small Texas businesses (**Exhibit 2**).

As **Exhibit 2** indicates, Texas equity crowdfunding enjoyed some popularity in its first two years, but both the number of Texas companies using equity crowdfunding and the amounts raised have declined precipitously since 2016. Similarly, the number of companies operating Texas crowdfunding portals has fallen from nine in 2015 to only one in 2019.

EXHIBIT 2

TEXAS EQUITY CROWDFUNDING CAMPAIGNS THROUGH APRIL 2019



Source: Texas State Securities Board

As of April 30, 2019, the SEC hosts only 44 crowdfunding portals nationally. The number of portals on both the SEC and TSSB websites has declined due to the lack of profit, says McBride. "The portals make their money from people making transactions, so you have to have some volume there."

A major reason for this cooling, according to McBride, has to do with the amount of work companies must put into creating an equity crowdfunding campaign and then maintaining their fiduciary responsibilities to their investors.

"I think a lot of people found the rules more cumbersome than what they thought they would be. The market just hasn't liked it," McBride says. "Most of the companies found out it wasn't worth the work that has to go into it, so it comes down to [a need for] rule revision."

Iles believes some Texas businesses will continue to use equity crowdfunding. TSSB's program recently was tweaked to mirror the federal program, and Iles anticipates future changes will only improve it.

The value of equity crowdfunding, he says, is simply that it offers small businesses and entrepreneurs another tool to obtain capital.

"Equity crowdfunding goes along with the donor-based crowdfunding philosophy," he says. "It's helping the folks you know at the coffee shop and the hair salon, or the customers who like a business and are investing in it out of a sense of goodwill rather than pure investment motivation." **FN**

State Revenue Watch

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year.

These numbers were current at press time. For the most current data as well as downloadable files, visit **comptroller.texas.gov/transparency.**

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

NET STATE REVENUE — All Funds Excluding Trust

(AMOUNTS IN THOUSANDS)

Monthly and Year-to-Date Collections: Percent Change From Previous Year

Tax Collections by Major Tax	MAY 2019	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
SALES TAX	$3,007,788	$25,315,385	7.48%
PERCENT CHANGE FROM MAY 2018	9.04%		
MOTOR VEHICLE SALES AND RENTAL TAXES	429,472	3,612,089	-0.12%
PERCENT CHANGE FROM MAY 2018	1.29%		
MOTOR FUEL TAXES	315,971	2,776,729	1.82%
PERCENT CHANGE FROM MAY 2018	1.97%		
FRANCHISE TAX	3,466,347	3,886,361	12.17%
PERCENT CHANGE FROM MAY 2018	7.37%		
OIL PRODUCTION TAX	367,273	2,855,469	19.86%
PERCENT CHANGE FROM MAY 2018	16.24%		
INSURANCE TAXES	30,277	1,514,019	1.59%
PERCENT CHANGE FROM MAY 2018	9.72%		
CIGARETTE AND TOBACCO TAXES	124,356	993,728	4.68%
PERCENT CHANGE FROM MAY 2018	0.76%		
NATURAL GAS PRODUCTION TAX	129,049	1,329,916	24.27%
PERCENT CHANGE FROM MAY 2018	28.43%		
ALCOHOLIC BEVERAGES TAXES	117,458	1,016,779	6.54%
PERCENT CHANGE FROM MAY 2018	4.44%		
HOTEL OCCUPANCY TAX	58,078	460,188	5.20%
PERCENT CHANGE FROM MAY 2018	4.80%		
UTILITY TAXES[1]	9,418	324,657	6.45%
PERCENT CHANGE FROM MAY 2018	13.00%		
OTHER TAXES[2]	20,045	254,725	6.29%
PERCENT CHANGE FROM MAY 2018	-24.81%		
TOTAL TAX COLLECTIONS	**$8,075,532**	**$44,340,046**	**7.64%**
PERCENT CHANGE FROM MAY 2018	**7.80%**		

Revenue By Source	MAY 2019	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
TOTAL TAX COLLECTIONS	$8,075,532	$44,340,046	7.64%
PERCENT CHANGE FROM MAY 2018	7.80%		
FEDERAL INCOME	3,300,832	31,123,802	4.10%
PERCENT CHANGE FROM MAY 2018	0.50%		
LICENSES, FEES, FINES AND PENALTIES	554,795	4,901,967	1.27%
PERCENT CHANGE FROM MAY 2018	-2.72%		
STATE HEALTH SERVICE FEES AND REBATES[3]	411,808	5,120,557	-8.52%
PERCENT CHANGE FROM MAY 2018	188.92%		
NET LOTTERY PROCEEDS[4]	233,276	1,954,692	16.63%
PERCENT CHANGE FROM MAY 2018	10.12%		
LAND INCOME	186,902	1,722,496	17.07%
PERCENT CHANGE FROM MAY 2018	34.49%		
INTEREST AND INVESTMENT INCOME	75,997	1,707,666	40.08%
PERCENT CHANGE FROM MAY 2018	19.21%		
SETTLEMENTS OF CLAIMS	2,589	537,692	8.35%
PERCENT CHANGE FROM MAY 2018	7.37%		
ESCHEATED ESTATES	14,023	145,022	17.18%
PERCENT CHANGE FROM MAY 2018	-21.45%		
SALES OF GOODS AND SERVICES	29,109	213,215	0.58%
PERCENT CHANGE FROM MAY 2018	17.32%		
OTHER REVENUE	536,922	2,476,471	18.22%
PERCENT CHANGE FROM MAY 2018	37.08%		
TOTAL NET REVENUE	**$13,421,784**	**$94,243,629**	**6.10%**
PERCENT CHANGE FROM MAY 2018	**8.77%**		

[1] Includes public utility gross receipts assessment, gas, electric and water utility tax and gas utility pipeline tax.

[2] Includes taxes not separately listed, such as taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions as well as refunds to employers of certain welfare recipients.

[3] Includes various health-related service fees and rebates that were previously in "license, fees, fines and penalties" or in other non-tax revenue categories.

[4] Gross sales less retailer commission and the smaller prizes paid by retailers.

Notes: Totals may not add due to rounding.

Excludes local funds and deposits by certain semi-independent agencies.

Includes certain state revenues that are deposited in the State Treasury but not appropriated.

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