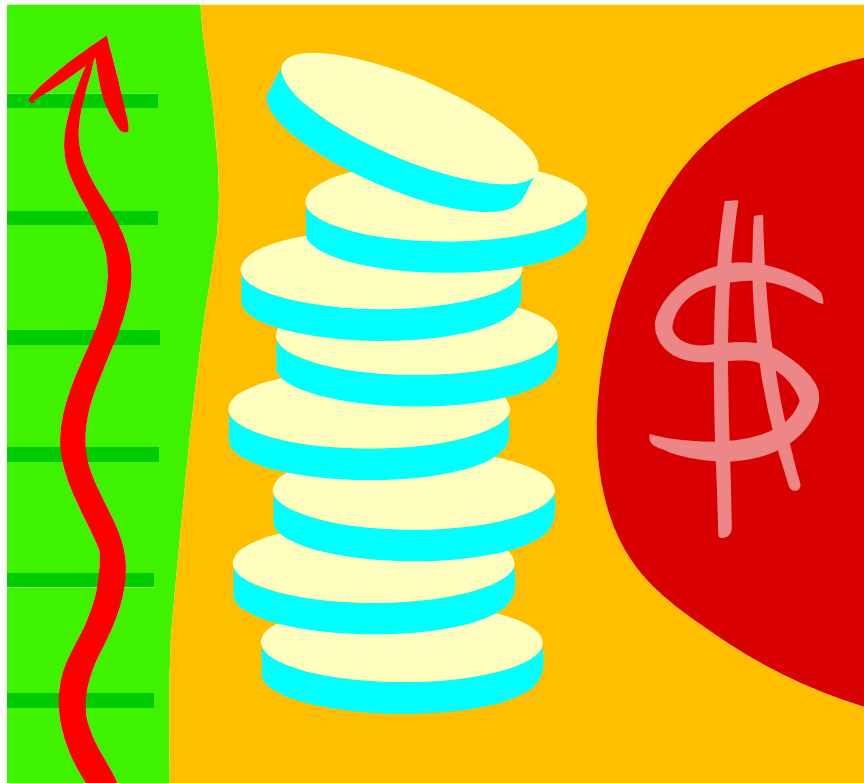


GENERAL FUND PROJECTIONS



GENERAL FUND REVENUE ESTIMATES AND PROJECTED UNAPPROPRIATED GENERAL FUND BALANCES

The 2007 Legislature (includes the 23rd Special Session) approved a General Fund operating budget for the 2007-09 biennium that totals \$6.802 billion. The Governor recommended an operating budget that totaled \$6.840 billion or approximately \$38 million more than was approved by the 2007 Legislature.

State law provides that the Economic Forum, whose membership is from the private sector, must develop a forecast of all state General Fund revenues by December 1 of even-numbered years and a revised forecast by May 1 in odd-numbered years. The Governor's recommended budget was based on the Economic Forum's December 2006 revenue forecast. The legislatively-approved budget was based on the May 2007 revised revenue forecast which was adjusted downward by an additional amount of \$23.6 million over the 2007-09 biennium. These actions, which are addressed in the Tax Policy section of the Appropriations Report, adjusted revenue estimates mainly from sales taxes, gaming taxes, modified business taxes, interest income and General Fund repayments. After adjusting for the revenue changes approved by the 2007 Legislature, the May 2007 revenue forecast was reduced by \$21.4 million in FY 2006-07 and \$111.8 million over the 2007-09 biennium when compared to the December 2006 forecast.

The schedules that follow present the projected appropriated General Fund balance at the close of FY 2006-07, FY 2007-08 and FY 2008-09 and recap the revenue forecast upon which the 2007-09 biennial budget was based. Including the revenue reductions approved by the 2007 Legislature, total unrestricted General Fund revenues are forecast to increase by 4.7 percent in FY 2007-08 and 6.8 percent in FY 2008-09. The state's two largest revenue sources, sales tax and gaming taxes, are projected to account for approximately 60.5 percent of all General Fund revenues during the 2007-09 biennium (does not include live entertainment tax). Sales taxes are projected to increase by 5.4 percent in FY 2007-08 and 7.0 percent in FY 2008-09, while gaming taxes are projected to grow by 4.8 percent in FY 2007-08 and 7.7 percent in FY 2008-09.

The budget approved by the Legislature projects a General Fund balance of \$190.6 million at the end of the 2007-09 biennium compared to the projected balance of \$181.9 million in The Executive Budget. In addition to the expected surplus at the end of FY 2008-09, if the entire \$36 million appropriation made to the Interim Finance Committee pursuant to passage of A.B. 617 is transferred to the Rainy Day Fund on January 1, 2009, the balance in the Rainy Day Fund is projected to increase from approximately \$267.6 million on June 30, 2007, to approximately \$303.6 million at the end of the 2007-09 biennium. The balance in the Rainy Day Fund, along with the projected General Fund balance, will be available to meet future financial emergencies.

**Statement of Projected Unappropriated General Fund Balance
Fiscal Years 2005-06, 2006-07, 2007-08 and 2008-09**

	Fiscal Year 2005-06			Fiscal Year 2006-07		
	Legislature Approves	Actual	Difference	Governor Recommends	Legislature Approves	Difference
Resources:						
Unappropriated General Fund Balance - July 1	\$ 131,285,291	\$ 164,725,081	\$ 33,439,790	\$ 351,402,725	\$ 351,402,725	\$ -
Unrestricted General Fund Revenue						
Economic Forum - May 2005/November 2006/May 2007 ^a	\$ 2,879,605,669	\$ 3,066,403,459	\$ 186,797,790	\$ 3,168,644,779	\$ 3,147,420,427	\$ (21,224,352)
Less Restricted Revenues						
Unclaimed Property - Millennium Scholarship/Economic Development	\$ (7,600,000)	\$ (7,600,000)	\$ -	\$ -	\$ -	\$ -
Quarterly Slot Tax - Problem Gambling	\$ (822,000)	\$ (818,707)	\$ 3,293	\$ -	\$ -	\$ -
Subtotal - Less Restricted Revenues	\$ 2,871,183,669	\$ 3,057,984,752	\$ 186,801,083	\$ 3,168,644,779	\$ 3,147,420,427	\$ (21,224,352)
Revenue Revisions						
Sales Tax Commissions - LEED Impact	\$ -	\$ -	\$ -	\$ -	\$ (128,000)	\$ (128,000)
Total Unrestricted General Fund Revenue ^b	\$ 2,871,183,669	\$ 3,057,984,752	\$ 186,801,083	\$ 3,168,644,779	\$ 3,147,292,427	\$ (21,352,352)
Restricted General Fund Revenue						
Unclaimed Property - Millennium Scholarship/Economic Development	\$ 7,600,000	\$ 7,600,000	\$ -	\$ 7,600,000	\$ 7,600,000	\$ -
Quarterly Slot Tax - Problem Gambling	\$ 822,000	\$ 818,707	\$ (3,293)	\$ 1,678,003	\$ 1,634,634	\$ (43,369)
Total Restricted General Fund Revenue	\$ 8,422,000	\$ 8,418,707	\$ (3,293)	\$ 9,278,003	\$ 9,234,634	\$ (43,369)
Unrestricted General Fund Reversions	\$ 55,340,000	\$ 62,199,150	\$ 6,859,150	\$ 233,540,000	\$ 241,087,839	\$ 7,547,839
Total General Fund Resources	\$ 3,066,230,960	\$ 3,293,327,690	\$ 227,096,730	\$ 3,762,865,507	\$ 3,749,017,625	\$ (13,847,882)
Appropriations / Transfers:						
Unrestricted Appropriations / Transfers						
Operating Appropriations	\$ (2,773,519,360)	\$ (2,773,519,360)	\$ -	\$ (3,024,395,084)	\$ (3,024,395,084)	\$ -
Appropriation Transfers	\$ -	\$ 15,972,068	\$ 15,972,068	\$ (15,972,068)	\$ (15,972,068)	\$ -
Supplemental Appropriations - 2007 Legislature	\$ -	\$ -	\$ -	\$ (27,096,698)	\$ (27,913,241)	\$ (816,543)
One-Time Appropriations - 2005 Legislature	\$ (38,347,592)	\$ (38,347,592)	\$ -	\$ (23,807,077)	\$ (23,807,077)	\$ -
One-Time Appropriations - 2007 Legislature	\$ -	\$ -	\$ -	\$ (111,150,089)	\$ (80,061,687)	\$ 31,088,402
Fund to Stabilize Operation of State Government - 2005 Legislature	\$ (37,000,000)	\$ (37,000,000)	\$ -	\$ (34,000,000)	\$ (34,000,000)	\$ -
Capital Improvement Program - 2007 Legislature	\$ (53,623,972)	\$ (53,623,972)	\$ -	\$ (144,000,000)	\$ (156,966,186)	\$ (12,966,186)
Highway Projects - 2007 Legislature	\$ -	\$ -	\$ -	\$ (170,000,000)	\$ (170,000,000)	\$ -
Restoration of Fund Balances - 2007 Legislature	\$ -	\$ -	\$ -	\$ (23,654,973)	\$ (25,154,973)	\$ (1,500,000)
Cost of 2007 Legislature	\$ -	\$ -	\$ -	\$ (18,500,000)	\$ (18,000,000)	\$ 500,000
Total Unrestricted Appropriations / Transfers	\$ (2,902,490,924)	\$ (2,886,518,856)	\$ 15,972,068	\$ (3,592,575,989)	\$ (3,576,270,316)	\$ 16,305,673
Restricted Transfers						
Millennium Scholarship	\$ (7,600,000)	\$ (7,600,000)	\$ -	\$ (7,600,000)	\$ (7,600,000)	\$ -
Problem Gambling	\$ (822,000)	\$ (818,707)	\$ 3,293	\$ (1,678,003)	\$ (1,634,634)	\$ 43,369
Disaster Relief Account	\$ (2,000,000)	\$ (2,000,000)	\$ -	\$ (2,000,000)	\$ (2,000,000)	\$ -
Total Restricted Transfers	\$ (10,422,000)	\$ (10,418,707)	\$ 3,293	\$ (11,278,003)	\$ (11,234,634)	\$ 43,369
Total Appropriations / Transfers	\$ (2,912,912,924)	\$ (2,896,937,563)	\$ 15,975,361	\$ (3,603,853,992)	\$ (3,587,504,950)	\$ 16,349,042
Adjustments to Fund Balance	\$ -	\$ 4,479,838	\$ 4,479,838	\$ -	\$ -	\$ -
Unappropriated Balance June 30	\$ 153,318,036	\$ 400,869,965	\$ 247,551,929	\$ 159,011,515	\$ 161,512,675	\$ 2,501,160
Transfer to Fund to Stabilize the Operation of State Government	\$ -	\$ (49,467,240)	\$ (49,467,240)	\$ -	\$ -	\$ -
Unappropriated Balance June 30 After Above Transfer	\$ 153,318,036	\$ 351,402,725	\$ 198,084,689	\$ 159,011,515	\$ 161,512,675	\$ 2,501,160

^a Economic Forum Forecast: Governor Recommends - December 2006/Legislature Approves - May 2007 (**Before** Governor Recommends/Legislatively Approved Changes)

^b Economic Forum Forecast: Governor Recommends - December 2006/Legislature Approves - May 2007 (**After** Governor Recommends/Legislatively Approved Changes)

**Statement of Projected Unappropriated General Fund Balance
Fiscal Years 2005-06, 2006-07, 2007-08 and 2008-09**

	Fiscal Year 2007-08			Fiscal Year 2008-09		
	Governor Recommends	Legislature Approves	Difference	Governor Recommends	Legislature Approves	Difference
Resources:						
Unappropriated General Fund Balance - July 1	\$ 159,011,515	\$ 161,512,675	\$ 2,501,160	\$ 167,961,387	\$ 179,089,997	\$ 11,128,610
Unrestricted General Fund Revenue						
Economic Forum - November 2006/May 2007 ^a	\$ 3,345,369,568	\$ 3,305,303,016	\$ (40,066,552)	\$ 3,578,845,439	\$ 3,530,660,287	\$ (48,185,152)
Less Restricted Revenues						
Unclaimed Property - Millennium Scholarship/Economic Development	\$ (7,800,000)	\$ -	\$ 7,800,000	\$ (7,800,000)	\$ -	\$ 7,800,000
Quarterly Slot Tax - Problem Gambling	\$ (1,665,975)	\$ (1,651,880)	\$ 14,095	\$ (1,665,975)	\$ (1,708,857)	\$ (42,882)
Subtotal - Less Restricted Revenues	\$ 3,335,903,593	\$ 3,303,651,136	\$ (32,252,457)	\$ 3,569,379,464	\$ 3,528,951,430	\$ (40,428,034)
Revenue Revisions						
Increase Cost Recovery Plan Revenue	\$ 515,765	\$ -	\$ (515,765)	\$ 536,820	\$ -	\$ (536,820)
Reduce Modified Business Tax on Non-Financial Institutions from 0.65 % to 0.62%/0.63%	\$ (13,539,462)	\$ (8,771,000)	\$ 4,768,462	\$ (14,622,600)	\$ (9,447,000)	\$ 5,175,600
Eliminate Branch Bank Excise Tax	\$ (2,940,000)	\$ -	\$ 2,940,000	\$ (2,975,000)	\$ -	\$ 2,975,000
Sales Tax Commissions - LEED Impact	\$ -	\$ (1,035,000)	\$ (1,035,000)	\$ -	\$ (833,000)	\$ (833,000)
Live Entertainment Tax - Exempt Minor League Baseball	\$ -	\$ (104,752)	\$ (104,752)	\$ -	\$ (104,752)	\$ (104,752)
Interest Earnings - Remediation Trust Fund	\$ -	\$ (1,513,000)	\$ (1,513,000)	\$ -	\$ (1,184,000)	\$ (1,184,000)
Accelerate Repayment from College Savings Plan	\$ -	\$ 1,963,014	\$ 1,963,014	\$ -	\$ 885,576	\$ 885,576
Total Unrestricted General Fund Revenue ^b	\$ 3,319,939,896	\$ 3,294,190,398	\$ (25,749,498)	\$ 3,552,318,684	\$ 3,518,268,254	\$ (34,050,430)
Restricted General Fund Revenue						
Unclaimed Property - Millennium Scholarship/Economic Development	\$ 15,400,000	\$ 7,600,000	\$ (7,800,000)	\$ 15,400,000	\$ 7,600,000	\$ (7,800,000)
Quarterly Slot Tax - Problem Gambling	\$ 1,665,975	\$ 1,651,880	\$ (14,095)	\$ 1,665,975	\$ 1,708,857	\$ 42,882
Total Restricted General Fund Revenue	\$ 17,065,975	\$ 9,251,880	\$ (7,814,095)	\$ 17,065,975	\$ 9,308,857	\$ (7,757,118)
Unrestricted General Fund Reversions	\$ 60,000,000	\$ 60,000,000	\$ -	\$ 95,000,000	\$ 95,000,000	\$ -
Total General Fund Resources	\$ 3,556,017,386	\$ 3,524,954,953	\$ (31,062,433)	\$ 3,832,346,046	\$ 3,801,667,108	\$ (30,678,938)
Appropriations / Transfers:						
Unrestricted Appropriations / Transfers						
Operating Appropriations	\$ (3,292,268,993)	\$ (3,266,993,072)	\$ 25,275,921	\$ (3,547,908,425)	\$ (3,535,128,336)	\$ 12,780,089
One-Time Appropriations - 2007 Legislature	\$ (48,721,031)	\$ (29,773,031)	\$ 18,948,000	\$ (5,000,000)	\$ (8,092,035)	\$ (3,092,035)
Capital Improvement Program - 2007 Legislature	\$ (28,000,000)	\$ (37,846,973)	\$ (9,846,973)	\$ (22,000,000)	\$ -	\$ 22,000,000
Fund to Stabilize Operation of State Government - 2007 Legislature ^c	\$ -	\$ -	\$ -	\$ (36,000,000)	\$ (36,000,000)	\$ -
Cost of 2009 Legislature	\$ -	\$ -	\$ -	\$ (20,500,000)	\$ (20,500,000)	\$ -
Total Unrestricted Appropriations / Transfers	\$ (3,368,990,024)	\$ (3,334,613,076)	\$ 34,376,948	\$ (3,631,408,425)	\$ (3,599,720,371)	\$ 31,688,054
Restricted Transfers						
Millennium Scholarship	\$ (10,400,000)	\$ (7,600,000)	\$ 2,800,000	\$ (10,400,000)	\$ (7,600,000)	\$ 2,800,000
Problem Gambling	\$ (1,665,975)	\$ (1,651,880)	\$ 14,095	\$ (1,665,975)	\$ (1,708,857)	\$ (42,882)
Economic Development	\$ (5,000,000)	\$ -	\$ 5,000,000	\$ (5,000,000)	\$ -	\$ 5,000,000
Disaster Relief Account	\$ (2,000,000)	\$ (2,000,000)	\$ -	\$ (2,000,000)	\$ (2,000,000)	\$ -
Total Restricted Transfers	\$ (19,065,975)	\$ (11,251,880)	\$ 7,814,095	\$ (19,065,975)	\$ (11,308,857)	\$ 7,757,118
Total Appropriations / Transfers	\$ (3,388,055,999)	\$ (3,345,864,956)	\$ 42,191,043	\$ (3,650,474,400)	\$ (3,611,029,228)	\$ 39,445,172
Unappropriated Balance June 30	\$ 167,961,387	\$ 179,089,997	\$ 11,128,610	\$ 181,871,646	\$ 190,637,880	\$ 8,766,234

^a Economic Forum Forecast: Governor Recommends - December 2006/Legislature Approves - May 2007 (**Before** Governor Recommends/Legislatively Approved Changes)

^b Economic Forum Forecast: Governor Recommends - December 2006/Legislature Approves - May 2007 (**After** Governor Recommends/Legislatively Approved Changes)

^c Appropriated to the Interim Finance Committee.

**GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2007 FORECAST
ACTUAL: FY 2003 THROUGH FY 2006 AND FORECAST: FY 2007 THROUGH FY 2009**

FY 2008 and FY 2009 ECONOMIC FORUM FORECAST ADJUSTED FOR LEGISLATIVE ACTIONS APPROVED BY THE 2007 LEGISLATURE (74th SESSION AND 23rd SPECIAL SESSION)

DESCRIPTION	FY 2003		FY 2004		FY 2005		FY 2006		MAY 1, 2007 ECONOMIC FORUM FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	ACTUAL [a.]	% Change	FY 2007	% Change	FY 2008	% Change	FY 2009	% Change
TAXES														
TOTAL MINING TAXES	\$10,641,100	13.0%	\$16,817,927	58.0%	\$16,449,304	-2.2%	\$19,661,886	19.5%	\$21,873,000	11.2%	\$22,873,000	4.6%	\$22,789,000	-0.4%
TOTAL SALES AND USE TAX [1-FY04][1-FY07]	\$693,528,823	5.9%	\$790,602,667	14.0%	\$913,895,384	15.6%	\$1,005,054,248	10.0%	\$1,030,462,000	2.5%	\$1,086,457,000	5.4%	\$1,162,783,000	7.0%
TOTAL GAMING TAXES [2-FY04][3-FY04][1-FY06][1-FY08]	\$596,260,210	1.1%	\$714,653,673	19.9%	\$749,655,622	4.9%	\$838,094,296	11.8%	\$859,542,950	2.6%	\$900,492,620	4.8%	\$969,718,143	7.7%
LIVE ENTERTAINMENT TAX [4a&4b-FY04][2-FY06][2-FY08][5-FY08]	\$70,212,815	8.3%	\$89,201,827	27.0%	\$107,884,337	20.9%	\$117,109,288	8.6%	\$129,091,000	10.2%	\$139,258,248	7.9%	\$152,939,248	9.8%
INSURANCE PREMIUM TAX	\$174,133,841	11.2%	\$194,457,058	11.7%	\$215,948,970	11.1%	\$238,627,989	10.5%	\$262,611,900	10.1%	\$291,014,000	10.8%	\$320,546,900	10.1%
LIQUOR TAX [5-FY04]	\$16,531,358	3.3%	\$33,025,941	99.8%	\$35,490,874	7.5%	\$37,347,240	5.2%	\$39,028,000	4.5%	\$40,589,000	4.0%	\$41,807,000	3.0%
CIGARETTE TAX [6-FY04]	\$44,019,969	5.2%	\$106,770,729	142.6%	\$113,282,664	6.1%	\$114,693,245	1.2%	\$115,200,000	0.4%	\$115,700,000	0.4%	\$116,200,000	0.4%
OTHER TOBACCO TAX [7-FY04]	\$5,916,301	6.4%	\$6,927,276	17.1%	\$7,557,607	9.1%	\$8,178,593	8.2%	\$8,792,000	7.5%	\$9,407,000	7.0%	\$10,066,000	7.0%
LAETRILE & GEROVITAL MFG. HECC TRANSFER	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000	
BUSINESS LICENSE FEE [8-FY04][3-FY06][4-FY06]	\$739,561	8.6%	\$11,851,752	1503%	\$14,486,315	22.2%	\$21,897,095	51.2%	\$18,956,000	-13.4%	\$19,404,000	2.4%	\$19,987,000	3.0%
BUSINESS LICENSE TAX [9-FY04]	\$79,026,132	0.8%	\$22,216,500	-71.9%	\$1,297,383	-94.2%	\$431,986	-66.7%	\$199,750		\$50,000			
MODIFIED BUSINESS TAX														
MBT-NONFINANCIAL [10-FY04][5-FY06][6-FY06][3-FY08]			\$146,161,812		\$205,348,170	40.5%	\$232,760,812	13.3%	\$257,976,000	10.8%	\$276,292,000	7.1%	\$297,566,000	7.7%
MBT-FINANCIAL [11-FY04][5-FY06]			\$15,487,677		\$21,575,335	39.3%	\$22,491,110	4.2%	\$22,647,000	0.7%	\$24,277,000	7.2%	\$25,977,000	7.0%
BRANCH BANK EXCISE TAX [12-FY04][7-FY06]			\$1,508,192		\$3,084,456	104.5%	\$2,819,210	-8.6%	\$2,861,000	1.5%	\$3,047,000	6.5%	\$3,190,000	4.7%
REAL PROPERTY TRANSFER TAX [13-FY04][8-FY06]			\$88,024,738		\$148,730,974	69.0%	\$164,841,506	10.8%	\$123,735,000	-24.9%	\$124,166,000	0.3%	\$134,880,000	8.6%
TOTAL TAXES	\$1,696,010,111	4.5%	\$2,242,707,768	32.2%	\$2,559,687,394	14.1%	\$2,829,008,504	10.5%	\$2,897,975,600	2.4%	\$3,058,026,868	5.5%	\$3,283,449,291	7.4%
LICENSES														
INSURANCE LICENSES	\$10,076,143	29.1%	\$10,578,744	5.0%	\$11,358,651	7.4%	\$12,536,529	10.4%	\$13,665,000	9.0%	\$14,348,000	5.0%	\$15,783,000	10.0%
BANKING LICENSES [16-FY04]	\$20,400	-13.6%												
MARRIAGE LICENSES	\$587,712	0.0%	\$594,588	1.2%	\$599,890	0.9%	\$559,974	-6.7%	\$510,000	-8.9%	\$513,600	0.7%	\$516,200	0.5%
TOTAL SECRETARY OF STATE [14-FY04]	\$54,026,461	7.9%	\$75,312,846	39.4%	\$84,122,084	11.7%	\$101,139,626	20.2%	\$99,528,000	-1.6%	\$105,535,600	6.0%	\$111,892,700	6.0%
PRIVATE SCHOOL LICENSES	\$207,145	14.4%	\$251,705	21.5%	\$274,132	8.9%	\$246,102	-10.2%	\$243,000	-1.3%	\$251,500	3.5%	\$265,500	5.6%
PRIVATE EMPLOYMENT AGENCY	\$29,100	0.3%	\$26,000	-10.7%	\$18,700	-28.1%	\$18,000	-3.7%	\$14,000	-22.2%	\$14,000		\$14,000	
TOTAL REAL ESTATE [15-FY04][16-FY04]	\$1,548,788	-8.4%	\$2,653,740	71.3%	\$2,628,035	-1.0%	\$3,167,643	20.5%	\$3,193,000	0.8%	\$3,354,000	5.0%	\$3,455,000	3.0%
TOTAL FINANCIAL INSTITUTIONS [16-FY04]	\$1,926,415	7.3%												
ATHLETIC COMMISSION FEES	\$1,901,357	11.4%	\$2,258,306	18.8%	\$2,462,447	9.0%	\$3,042,779	23.6%	\$4,164,000	36.8%	\$3,000,000	-28.0%	\$3,000,000	
TOTAL LICENSES	\$70,323,520	10.1%	\$91,675,929	30.4%	\$101,463,939	10.7%	\$120,710,653	19.0%	\$121,317,000	0.5%	\$127,016,700	4.7%	\$134,926,400	6.2%
FEES AND FINES														
VITAL STATISTICS FEES [17-FY04]	\$647,213	12.2%	\$759,587	17.4%	\$845,362	11.3%	\$901,094	6.6%	\$942,500	4.6%	\$985,900	4.6%	\$1,030,300	4.5%
DIVORCE FEES	\$201,070	2.1%	\$205,535	2.2%	\$208,010	1.2%	\$211,146	1.5%	\$200,000	-5.3%	\$202,000	1.0%	\$204,000	1.0%
CIVIL ACTION FEES	\$1,322,518	5.8%	\$1,376,653	4.1%	\$1,412,898	2.6%	\$1,396,729	-1.1%	\$1,419,500	1.6%	\$1,422,700	0.2%	\$1,426,000	0.2%
INSURANCE FEES	\$617,132	-14.2%	\$624,149	1.1%	\$576,035	-7.7%	\$1,370,097	137.8%	\$860,000	-37.2%	\$700,000	-18.6%	\$700,000	
TOTAL REAL ESTATE FEES	\$436,415	9.9%	\$1,097,847	151.6%	\$1,243,176	13.2%	\$1,452,974	16.9%	\$1,204,400	-17.1%	\$1,240,500	3.0%	\$1,245,700	0.4%
SHORT-TERM CAR LEASE	\$22,208,165	12.9%	\$25,638,556	15.4%	\$26,793,014	4.5%	\$26,659,712	-0.5%	\$29,820,000	11.9%	\$29,517,000	-1.0%	\$30,403,000	3.0%
ATHLETIC COMMISSION LICENSES/FINES	\$210,920	71.6%	\$109,825	-47.9%	\$122,515	11.6%	\$690,076	463.3%	\$500,000	-27.5%	\$500,000		\$500,000	
WATER PLANNING FEES														
STATE ENGINEER SALES	\$1,590,428	1.2%	\$1,698,473	6.8%	\$2,077,432	22.3%	\$2,249,185	8.3%	\$1,800,000	-20.0%	\$1,700,000	-5.6%	\$1,700,000	
SUPREME COURT FEES	\$212,035	2.0%	\$219,042	3.3%	\$208,203	-4.9%	\$195,680	-6.0%	\$210,300	7.5%	\$216,400	2.9%	\$222,600	2.9%
MISC. FINES/FORFEITURES	\$350,947	103.4%	\$261,421	-25.5%	\$484,199	85.2%	\$1,269,520	162.2%	\$1,598,900	25.9%	\$1,091,000	-31.8%	\$1,101,000	0.9%
TOTAL FEES AND FINES	\$27,796,842	11.7%	\$31,991,088	15.1%	\$33,970,845	6.2%	\$36,396,214	7.1%	\$38,555,600	5.9%	\$37,575,500	-2.5%	\$38,532,600	2.5%
USE OF MONEY AND PROPERTY														
LYON COUNTY REPAYMENTS														
OTHER REPAYMENTS [18-FY04]	\$2,405,277	158.1%	\$2,008,738	-16.5%	\$2,100,078	4.5%	\$2,200,892	4.8%	\$2,932,015	33.2%	\$4,797,618	63.6%	\$3,744,851	-21.9%
MARLETTE REPAYMENT	\$10,512		\$10,512		\$10,512		\$10,664	1.4%	\$10,512	-1.4%	\$10,512		\$10,512	
INTEREST INCOME	\$5,990,047	-52.1%	\$4,528,633	-24.4%	\$13,685,869	202.2%	\$32,933,368	140.6%	\$55,929,200	69.8%	\$41,502,500	-25.8%	\$32,183,900	-22.5%
TOTAL USE OF MONEY AND PROPERTY	\$8,405,836	-37.5%	\$6,547,883	-22.1%	\$15,796,458	141.2%	\$35,144,924	122.5%	\$58,871,727	67.5%	\$46,310,630	-21.3%	\$35,939,263	-22.4%
OTHER REVENUE														
HOOVER DAM REVENUE	\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000		\$300,000	
MISC. SALES AND REFUNDS	\$932,709	-34.9%	\$899,132	-3.6%	\$1,428,335	58.9%	\$3,934,335	175.4%	\$864,200	-78.0%	\$859,500	-0.5%	\$839,600	-2.3%
COST RECOVERY PLAN	\$5,004,477	0.0%	\$9,714,586	94.1%	\$9,624,189	-0.9%	\$10,458,762	8.7%	\$10,438,900	-0.2%	\$7,003,200	-32.9%	\$7,018,100	0.2%
PETROLEUM INSPECTION FEES[4-FY08]	\$563,727	2.4%	\$557,966	-1.0%	\$582,201	4.3%	\$580,469	-0.3%	\$586,400	1.0%				
UNCLAIMED PROPERTY [9-FY06]	\$16,014,824	-17.1%	\$19,611,605	22.5%	\$19,811,660	1.0%	\$22,269,598	12.4%	\$18,383,000	-17.5%	\$17,098,000	-7.0%	\$17,263,000	1.0%
TOTAL OTHER REVENUE	\$22,815,737	-14.3%	\$31,083,289	36.2%	\$31,746,384	2.1%	\$37,543,164	18.3%	\$30,572,500	-18.6%	\$25,260,700	-17.4%	\$25,420,700	0.6%
TOTAL GENERAL FUND REVENUE	\$1,825,352,046	4.2%	\$2,404,005,956	31.7%	\$2,742,665,021	14.1%	\$3,058,803,459	11.5%	\$3,147,292,427	2.9%	\$3,294,190,398	4.7%	\$3,518,268,254	6.8%

**GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2007 FORECAST
ACTUAL: FY 2003 THROUGH FY 2006 AND FORECAST: FY 2007 THROUGH FY 2009**

FY 2008 and FY 2009 ECONOMIC FORUM FORECAST ADJUSTED FOR LEGISLATIVE ACTIONS APPROVED BY THE 2007 LEGISLATURE (74th SESSION AND 23rd SPECIAL SESSION)

NOTES:

[a.] Subject to adjustment based on reconciliation with the Controller's Office and Budget Division

FY 2004

- [1-FY04] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the sales tax to the state from 1.25% to 0.5%, effective July 1, 2003.
- [2-FY04] S.B. 8 (20th S.S.) increased gross gaming tax rates by 0.5%: 3.0% to 3.5% on monthly revenue up to \$50,000; 4.0% to 4.5% on revenue over \$50,000 and up to \$134,000; 6.25% to 6.75% on revenue exceeding \$134,000, effective August 1, 2003.
- [3-FY04] S.B. 8 (20th S.S.) increased quarterly restricted slot fees by 33%: from \$61 to \$81 per machine, up to 5 machines; from \$106 to \$141 for each machine over 5, up to 15 machines, effective July 22, 2003.
- [4a-FY04] S.B. 8 (20th S.S.) modified types of establishments and entertainment subject to the current 10% Casino Entertainment Tax (CET), effective September 1 to December 31, 2003 [Estimated to generate \$4,982,000 additional collections during 4-month period].
- [4b-FY04] S.B. 8 (20th S.S.) repealed CET and replaced with the Live Entertainment Tax (LET): 5% of admissions price, if entertainment is in facility with 7,500 or more seats; 10% of admissions price & food, beverage, and merchandise purchased, if facility has more than 300 and up to 7,500 seats; exempt from the tax if facility is a non-gaming establishment with less than 300 seats or is gaming establishment with less than 300 seats and less than 51 slot machines, 6 games, or any combination thereof, effective January 1, 2004.
- [5-FY04] S.B. 8 (20th S.S.) increased liquor taxes by 75%: beer from 9 cents to 16 cents per gallon; liquor up to 14% alcohol from 40 cents to 70 cents per gallon; liquor over 14% and up to 22% alcohol from 75 cents to \$1.30 per gallon; liquor over 22% alcohol from \$2.05 (15 cents for alcohol abuse program, 50 cents to local government, and \$1.40 to state general fund) to \$3.60 per gallon (15 cents for alcohol abuse program, 50 cents to local government, and \$2.95 to state general fund), effective August 1, 2003. [Estimated to generate \$13,873,000 in FY 2004 and \$15,536,000 in FY 2005]. A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the liquor tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate \$734,000 in FY 2004 and \$822,000 in FY 2005]
- [6-FY04] S.B. 8 (20th S.S.) increased cigarette tax per pack of 20 by 45 cents: from 35 cents per pack (10 cents to Local Government Distribution Fund, 25 cents to state general fund) to 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to state general fund), effective July 22, 2003. [Estimated to generate \$63,268,000 in FY 2004 and \$70,047,000 in FY 2005] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the cigarette tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate \$2,538,000 in FY 2004 and \$2,884,000 in FY 2005]
- [7-FY04] A.B. 4 (20th S.S.) reduced collection allowance provided to taxpayer for collecting and remitting tax on other tobacco items from 2.0% to 0.5%, effective August 1, 2003.
- [8-FY04] S.B. 8 (20th S.S.) changed the \$25 one-time annual business license fee to an annual fee of \$100, effective July 22, 2003.
- [9-FY04] S.B. 8 (20th S.S.) repealed the current quarterly \$25 per employee tax when the Modified Business Tax comes online, effective October 1, 2003. [See Notes 10 and 11]
- [10-FY04] S.B. 8 (20th S.S.) imposes tax on gross payroll of a business less a deduction for health care provided to employees, effective October 1, 2003. Tax rate is 0.70% in FY 2004 and 0.65% in FY 2005.
- [11-FY04] S.B. 8 (20th S.S.) imposes tax of 2.0% on gross payroll of a financial institution less a deduction for health care provided to employees, effective October 1, 2003.
- [12-FY04] S.B. 8 (20th S.S.) imposes excise tax on each bank of \$7,000 per year (\$1,750 per quarter) on each branch office, effective January 1, 2004.
- [13-FY04] S.B. 8 (20th S.S.) imposes tax of \$1.30 per \$500 of value on the transfers of real property, effective October 1, 2003.
- [14-FY04] S.B.2 and A.B. 4 (20th S.S.) makes changes to the rates and structure of the fees collected from entities filing with the Secretary of State's office, effective September 1, 2003 for Securities and UCC fee increases and November 1, 2003 for changes to commercial recording fees.
- [15-FY04] S.B. 428 (2003 Session) increases real estate salesman, broker-salesman, and brokers licensing fees by \$20 for an original license and \$10 for renewal of license (original and renewal license fee varies depending on type of license), effective July 1, 2003.
- [16-FY04] A.B. 493 (2003 Session) established that revenues from fees collected by the Division of Financial Institutions of the Department of Business & Industry will be deposited in a separate fund to pay the expenses related to the operations of the Commissioner of Financial Institutions and the Division of Financial Institutions, effective January 1, 2004. Previously, the revenues from the fees were deposited in the state general fund.
- [17-FY04] A.B. 550 (2003 Session) increased state's portion of the fee for issuing copy of a birth certificate by \$2 and fee for issuing copy of death certificate by \$1, effective October 1, 2003
- [18-FY04] S.B. 504 (2003 Session) transferred the State Printing Division of the Department of Administration to the Legislative Counsel Bureau and all debt to the state general fund was forgiven, effective July 1, 2003.
- [19-FY04] Beginning in FY 2004, the portion of the fees collected by the Real Estate Division for Real Estate Testing Fees that belong to the general fund are transferred from Category 28 in BA 3823 to GL 4741 in the General Fund. Previously, the revenue from these fees were reverted to the general fund at the end of the fiscal year.

FY 2006

- [1-FY06] S.B. 357 (2005 Session) allocates \$1 per slot machine per quarter in FY 2006 and \$2 per slot machine per quarter in FY 2007 from the quarterly license fee imposed on restricted and nonrestricted slot machines and sunsets effective June 30, 2007. A total of \$822,000 in FY 2006 and \$1,678,000 is projected to be deposited in the Account to Support Programs for the Prevention and Treatment of Problem Gambling. (FY 2006: \$84,666 - restricted; \$737,334 - Nonrestricted and FY 2007: \$172,834 - Restricted; \$1,505,166 -
- [2-FY06] A.B. 554 (2005 Session) lowers the occupancy threshold from 300 to 200, effective July 1, 2005. Estimated to generate \$3,600,000 in FY 2006 and FY 2007.
- [3-FY06] S.B. 3 (22nd S.S.) provides an exemption for entities that have four or fewer rental dwelling units. Estimated to reduce collections by \$2,975,000 in FY 2006 and \$3,060,000 in FY 2007.
- [4-FY06] S.B. 3 (22nd S.S.) allows an entity operating a facility where craft shows, exhibitions, trade shows, conventions, or sporting events to pay the BLF for entities not having a business license as an annual flat fee of \$5,000 or on a \$1.25 times the number entities without a business license times the number days of the show basis. Estimated to generate \$134,420 in FY 2006 and \$158,884 in FY 2007.
- [5-FY06] S.B. 391 (2005 Session) replaces the NAICS-based approach for defining a financial institution with a structure based on a state or federal licensing or regulatory requirement for conducting financial activities. Collection agencies and pawn shops are not included as financial institutions, but as nonfinancial businesses. The changes are estimated to reduce MBT-Financial collections by \$1,801,800 in FY 2006 and \$2,047,500 in FY 2007 and increase MBT-Nonfinancial collections by \$584,168 in FY 2006 and \$621,237 in FY 2007. Net effect is a reduction in total MBT collections of \$1,217,632 in FY 2006 and \$1,426,263 in FY 2007.
- [6-FY06] S.B. 523 (2005 Session) reduces the MBT-nonfinancial institutions tax rate from 0.65% to 0.63% from July 1, 2005 to June 30, 2007. Estimated to reduce collections by \$6,978,000 in FY 2006 and \$7,450,000 in FY 2007.
- [7-FY06] S.B. 3 (22nd S.S.) provides an exemption for the first branch bank operated by a bank in each county, replacing the previous exemption for one branch bank only. Estimated to reduce collections by \$441,000 in FY 2006 and FY 2007.
- [8-FY06] S.B. 390 (2005 Session) increases the collection allowance provided to Clark County and Washoe County from 0.2% to 1.0%, effective July 1, 2005, which makes the collection allowance 1.0% in all 17 counties. Estimated to reduce collections by \$1,056,292 in FY 2006 and \$1,022,504 in FY 2007.
- [9-FY06] S.B. 4 (22nd S.S.) allocates \$7,600,000 of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2006 and FY 2007.

FY 2007

- [1-FY07] The growth rates for FY 2007, FY 2008, and FY 2009 for the state share sales tax commissions for the LSST, BCCRT, SCCRT, and PTT were adjusted based on a revised consensus Budget Division and Fiscal Analysis Division estimate of the growth in local sales taxes for FY 2007 and the impact of AB 621 (2007 Session) for the LEED sales tax exemptions in FY 2008 and FY 2009. These adjustments were estimated to reduce the state share sales tax commissions by \$128,000 in FY 2007, \$1,035,000 in FY 2008, and \$833,000 in FY 2009.

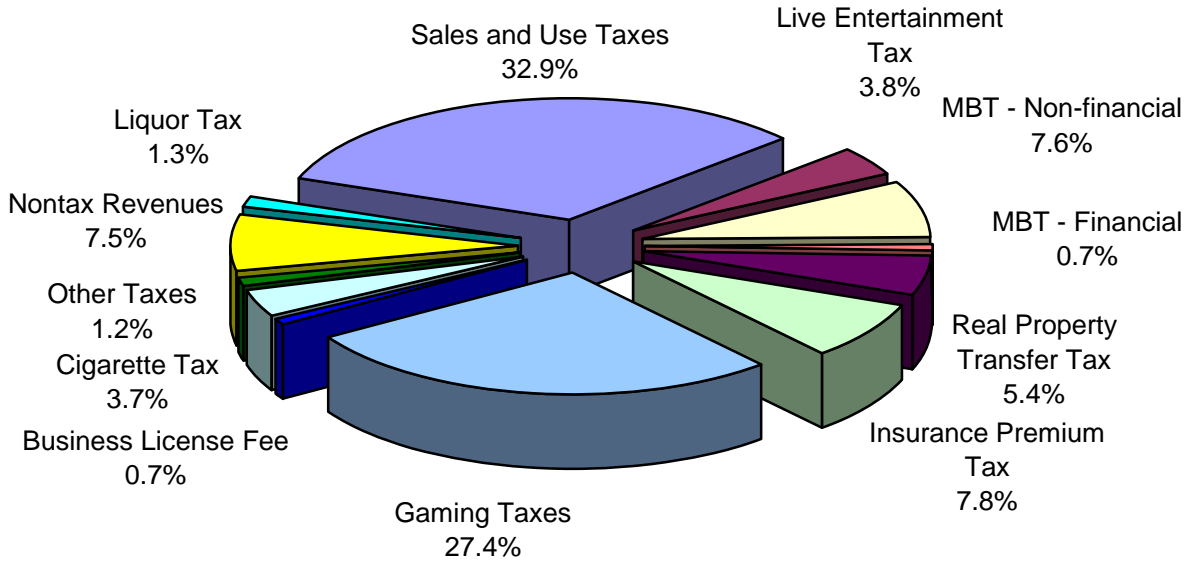
FY 2008

- [1-FY08] S.B. 453 (2007 Session) repealed the June 30, 2007, sunset provision of S.B. 357 (2005 Session) for the \$2 per slot machine per quarter allocated from the quarterly license fee imposed on restricted and nonrestricted slot machines to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The Gaming Control Board estimated that nonrestricted and restricted slot fees would be reduced by \$1,477,176 and \$1,529,276 and by \$174,704 and \$179,581 in FY 2008 and FY 2009, respectively. Per the A.B. 554 (2005 Session), race events that are part of the National Association of Stock Car Auto Racing (NASCAR) Nextel Cup series and all races associated with such an event are exempt from the LET, effective July 1, 2007.
- [2-FY08] A.B. 628 (2007 Session) repealed the sunset provision of S.B. 523 (2005 Session). Thus, the MBT-nonfinancial institutions tax rate stays at 0.63%, effective for FY 2008 and thereafter, resulting in a reduction of \$8,771,000 in FY 2008 and \$9,447,000 in FY 2009.
- [3-FY08] S.B. 165 (2005 Session) requires the state General Fund portion of the petroleum inspection fees imposed pursuant to NRS 590.120 to be deposited into a separate account for use by the Department of Agriculture, effective July 1, 2007.
- [4-FY08] A.B. 487 (2007 Session) provides an exemption from the LET-Nongaming for a baseball contest, event or exhibition conducted by a professional minor league baseball players at a stadium, effective July 1, 2007. It was estimated by the Department of Taxation that this exemption would reduce LET-Nongaming collections by \$104,752 in FY 2008 and FY 2009.
- [6-FY08] The Treasurer's Office is accelerating the General Fund Repayment from the College Savings Plan by \$1,963,014 in FY 2008 and \$885,576 in FY 2009.
- [7-FY08] Transfer interest income earned to the Remediation Trust Fund by the Treasurer's Office. \$1,513,000 in FY 2008 and \$1,184,000 in FY 2009.

**ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2007 FORECAST FOR THE 2007-09 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2007 LEGISLATURE (74th SESSION and 23rd SPECIAL SESSION)**

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS					
	FY 2007	% Change	FY 2008	% Change	FY 2009	% Change
ECONOMIC FORUM MAY 1, 2007 FORECAST	\$3,147,420,427	2.9%	\$3,305,303,016	5.0%	\$3,530,660,287	6.8%
TAXES						
SALES AND USE TAX (A.B. 621) The growth rates for FY 2007, FY 2008, and FY 2009 for the state share sales tax commissions for the LSST, BCCRT, SCCRT, and PTT were adjusted based on a revised consensus Budget Division and Fiscal Analysis Division estimate of the growth in local sales taxes for FY 2007 and the impact of A.B. 621 (2007 Session) for the LEED sales tax exemptions in FY 2008 and FY 2009.	(\$128,000)		(\$1,035,000)		(\$833,000)	
RESTRICTED SLOT FEES (S.B. 453)			(\$174,704)		(\$179,581)	
NON-RESTRICTED SLOT FEES (S.B. 453) S.B. 453 (2007 Session) repealed the June 30, 2007, sunset provision of S.B. 357 (2005 Session) for the \$2 per slot machine per quarter allocated from the quarterly license fee imposed on restricted and nonrestricted slot machines to the Account to Support Programs for the Prevention and Treatment of Problem Gambling.			(\$1,477,176)		(\$1,529,276)	
MODIFIED BUSINESS TAX - NON-FINANCIAL INSTITUTIONS (A.B. 628) A.B. 628 (2007 Session) repealed the sunset provision of S.B. 523 (2005 Session). Thus, the MBT-nonfinancial institutions tax rate stays at 0.63%, effective for FY 2008 and thereafter.			(\$8,771,000)		(\$9,447,000)	
LIVE ENTERTAINMENT TAX-NON-GAMING ESTABLISHMENTS (A.B. 487) A.B. 487 (2007 Session) provides an exemption from the LET-Nongaming for a baseball contest, event or exhibition conducted by a professional minor league baseball players at a stadium, effective July 1, 2007.			(\$104,752)		(\$104,752)	
NET IMPACT - TOTAL TAXES	<u>(\$128,000)</u>		<u>(\$11,562,632)</u>		<u>(\$12,093,609)</u>	
USE OF MONEY AND PROPERTY						
COLLEGE SAVINGS PLAN REPAYMENT The Treasurer's Office is accelerating the General Fund Repayment from the College Savings Plan.			\$1,963,014		\$885,576	
INTEREST INCOME Transfer interest income earned to the Remediation Trust Fund by the Treasurer's Office.			(\$1,513,000)		(\$1,184,000)	
NET IMPACT - TOTAL USE OF MONEY AND PROPERTY			<u>\$450,014</u>		<u>(\$298,424)</u>	
NET IMPACT - TOTAL GENERAL FUND	<u>(\$128,000)</u>		<u>(\$11,112,618)</u>		<u>(\$12,392,033)</u>	
ECONOMIC FORUM MAY 1, 2007 FORECAST AFTER ADJUSTMENTS BASED ON MEASURES APPROVED BY THE 2007 LEGISLATURE	<u>\$3,147,292,427</u>	<u>2.9%</u>	<u>\$3,294,190,398</u>	<u>4.7%</u>	<u>\$3,518,268,254</u>	<u>6.8%</u>

NEVADA GENERAL FUND REVENUE ACTUAL BY SOURCE, FY 2005-06

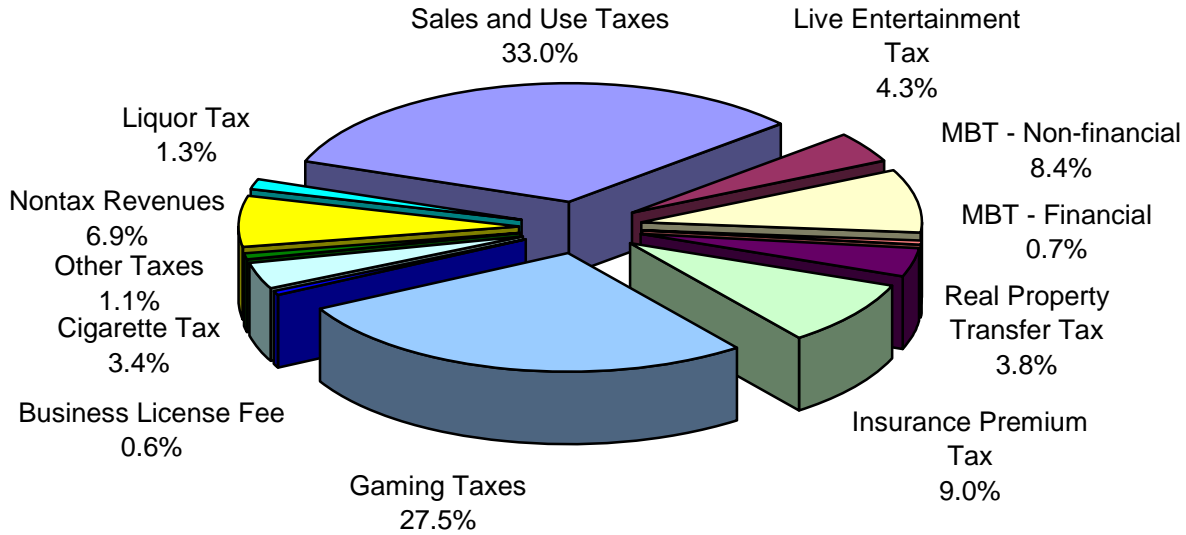


ACTUAL GENERAL FUND REVENUE - FY 2005-06

	<u>Millions \$'s</u>	<u>% of Total</u>		<u>Millions \$'s</u>	<u>% of Total</u>
Taxes:			Other Taxes:		
State Gaming Taxes	\$838.1	27.4%	Business License Tax ^A	\$0.4	0.0%
Sales and Use Taxes	\$1,005.1	32.9%	Mining Tax	\$19.7	0.6%
Insurance Premium Tax	\$238.6	7.8%	Annual Slot Tax Transfer	\$5.0	0.2%
Cigarette Tax	\$114.7	3.7%	Other Tobacco Tax	\$8.2	0.3%
Live Entertainment Tax:			Branch Bank Excise Tax	\$2.8	0.1%
Gaming Establishments	\$108.4	3.5%	Subtotal Other Taxes	\$36.1	1.2%
Non-Gaming Establishments	\$8.7	0.3%	Subtotal Taxes	\$2,829.0	92.5%
Modified Business Tax (MBT):			Nontax Revenues		
Non-Financial Institutions	\$232.8	7.6%	Licenses	\$120.7	4.0%
Financial Institutions	\$22.5	0.7%	Fees and Fines	\$36.4	1.2%
Real Property Transfer Tax	\$164.8	5.4%	Use of Money and Property	\$35.2	1.1%
Business License Fee	\$21.9	0.7%	Miscellaneous Revenues	\$37.5	1.2%
Liquor Tax	\$37.3	1.3%	Subtotal Nontax Revenues	\$229.8	7.5%
			Total General Fund	\$3,058.8	100.0%

^A Business License Tax was repealed by S.B. 8 (20th S.S.), but residual amounts are still collected from audits.

NEVADA GENERAL FUND REVENUE ADJUSTED* ECONOMIC FORUM FORECAST, 2007-09 BIENNIUM



ESTIMATED GENERAL FUND REVENUE - 2007-09 BIENNIUM ADJUSTED* ECONOMIC FORUM MAY 1, 2007 FORECAST

	<u>Millions \$'s</u>	<u>% of Total</u>		<u>Millions \$'s</u>	<u>% of Total</u>
Taxes:			Other Taxes:		
State Gaming Taxes	\$1,870.2	27.5%	Business License Tax	\$0.1	0.0%
Sales and Use Taxes	\$2,249.2	33.0%	Mining Tax	\$45.6	0.6%
Insurance Premium Tax	\$611.6	9.0%	Annual Slot Tax Transfer	\$10.0	0.2%
Cigarette Tax	\$231.9	3.4%	Tobacco & Other Taxes	\$19.5	0.2%
Live Entertainment Tax:			Branch Bank Excise Tax	\$6.2	0.1%
Gaming Establishments	\$272.9	4.0%	Subtotal Other Taxes	\$81.4	1.1%
Non-Gaming Establishments	\$19.3	0.3%			
Modified Business Tax (MBT):			Subtotal Taxes	\$6,341.5	93.1%
Non-Financial Institutions	\$573.9	8.4%			
Financial Institutions	\$50.3	0.7%	Nontax Revenues		
Real Property Transfer Tax	\$259.0	3.8%	Licenses	\$261.9	3.8%
Business License Fee	\$39.4	0.6%	Fees and Fines	\$76.1	1.1%
Liquor Tax	\$82.4	1.3%	Use of Money and Property	\$82.3	1.2%
			Miscellaneous Revenues	\$50.7	0.8%
			Subtotal Nontax Revenues	\$471.0	6.9%
			Total General Fund	\$6,812.5	100.0%

*Adjusted for Legislative actions approved by the 2007 Legislature (74th Session and 23rd Special Session). The FY 2008 footnotes for the General Fund Revenue Tables on page 8 provide a description of the Legislative actions approved by the 2007 Legislature reflected in the above table and chart.