

**COMPARATIVE STATEMENT
FISCAL YEARS 2002/2003 THROUGH 2004/2005**

| | ACTUAL 2002/2003 | EXISTING AS OF 12/02/03 2003/2004 | EXECUTIVE BUDGET 2004/2005 | SUPPLEMENTARY RECOMMENDATION 2004/2005 | TOTAL RECOMMENDATION 2004/2005 |
|---|-------------------------|---|----------------------------------|--|--------------------------------------|
| AVAILABLE GENERAL FUND REVENUE ¹ | \$6,403,036,303 | \$6,537,800,000 | \$6,550,900,000 | 160,000,000 | \$6,710,900,000 |
| GENERAL FUND CARRY-FORWARD | 13,290,928 | 25,596,341 | 0 | 0 | 0 |
| IEB CARRY-FORWARD | 86,387,000 | 0 | 0 | 0 | 0 |
| PRIOR YEAR GENERAL FUND NON-RECURRING REVENUE ² | 131,547,010 | 4,200,000 | | 0 | 0 |
| SELF-GENERATED REVENUE | 1,060,771,306 | 1,187,763,892 | 1,268,076,010 | 0 | 1,268,076,010 |
| STATUTORY DEDICATIONS | 2,573,901,722 | 2,753,233,649 | 2,702,840,974 | 51,400,000 | 2,754,240,974 |
| FEDERAL | 5,812,966,128 | 6,488,904,100 | 5,950,605,121 | 156,849,492 | 6,107,454,613 |
| TOTAL FUNDS AVAILABLE | \$16,081,900,397 | \$16,997,497,982 | \$16,472,422,105 | \$368,249,492 | \$16,840,671,597 |
| EXPENDITURES | | | | | |
| GENERAL APPROPRIATIONS BILL | \$14,363,675,628 | \$15,329,599,983 | \$14,939,233,283 | \$385,519,742 | \$15,324,753,025 |
| ANCILLARY APPROPRIATIONS | \$47,586,511 | \$98,812,467 | \$97,335,317 | \$0 | \$97,335,317 |
| NON-APPROPRIATED REQUIREMENTS | \$568,358,514 | \$417,512,492 | \$455,960,532 | (\$17,270,250) | \$438,690,282 |
| JUDICIAL EXPENSE | \$99,554,324 | \$100,861,342 | \$100,861,342 | \$0 | \$100,861,342 |
| LEGISLATIVE EXPENSE | \$62,403,990 | \$64,940,703 | \$61,854,117 | \$0 | \$61,854,117 |
| SPECIAL ACTS | \$473,213 | \$19,200,003 | \$0 | \$0 | \$0 |
| CAPITAL OUTLAY | \$899,426,105 | \$904,229,817 | \$817,177,515 | \$0 | \$817,177,515 |
| TOTAL EXPENDITURES | \$16,041,478,284 | \$16,935,156,807 | \$16,472,422,105 | \$368,249,492 | \$16,840,671,597 |
| FUNDS LESS EXPENDITURES | \$40,422,113 | \$62,341,175 | \$0 | \$0 | \$0 |
| CARRY FORWARD BALANCES | (17,395,113) | 0 | 0 | 0 | 0 |
| TRANSFER FOR INCENTIVE FUND | 0 | 0 | 0 | 0 | 0 |
| ANTICIPATED CONTINGENCY FUNDING | 0 | 0 | 0 | 0 | 0 |
| FUNDS LESS EXPENDITURES AFTER ADJUSTMENTS | \$23,027,000 | \$62,341,175 | \$0 | \$0 | \$0 |
| BUDGET STABILIZATION FUND ENDING BALANCE | \$191,140,116 | \$192,190,116 | \$192,190,116 | \$0 | \$192,190,116 |

(1) The Existing Operating Budget column for FY 2003 - 2004 reflects the Official Revenue Forecast from the 12/16/03 meeting of the Revenue Estimating Conference.

(2) In FY 2002 - 2003, non-recurring revenue consists of \$131,547,010 from the FY 2001 - 2002 tax amnesty program.

(2) In FY 2003 - 2004, non-recurring revenue consists of \$4,200,000 from a securities settlement.



STATE OF LOUISIANA
COMPARATIVE STATEMENT OF OFFICIAL REVENUE
FORECASTS AND ACTUAL REVENUE
FISCAL YEARS 1998-99 THROUGH 2004/2005 (IN MILLIONS)

SW - 2

| December, 2003 | ACTUAL | | ACTUAL | | ACTUAL | | ACTUAL | | FORECAST | | ANNUAL GROWTH DURING | | | |
|--|---------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|--------------|---------------|----------------------|--------------|---------------|--|
| | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 99/00 | 00/01 | 01/02 | 02/03 | 03/04 | 04/05 | |
| Alcoholic Beverage Tax | 13.7 | 16.4 | 15.9 | 16.3 | 16.31 | 16.4 | 16.0 | 20.2% | -3.4% | 2.8% | 0.0% | 0.6% | -2.4% | |
| Beer Tax | 36.5 | 38.5 | 36.5 | 36.8 | 36.43 | 37.9 | 37.3 | 5.5% | -5.1% | 0.8% | -1.0% | 4.0% | -1.6% | |
| Corporate Franchise Tax | 296.5 | 269.4 | 248.6 | 228.8 | 187.45 | 190.4 | 193.3 | -9.1% | -7.7% | -7.9% | -18.1% | 1.6% | 1.5% | |
| Corporate Income Tax | 286.3 | 222.0 | 293.1 | 208.9 | 198.72 | 216.9 | 226.0 | -22.5% | 32.0% | -28.7% | -4.9% | 9.2% | 4.2% | |
| Corporate Total | 582.8 | 491.4 | 541.6 | 437.7 | 386.16 | 407.2 | 419.3 | -15.7% | 10.2% | -19.2% | -11.8% | 5.4% | 3.0% | |
| Gasoline Tax | 427.3 | 434.4 | 423.8 | 442.1 | 440.83 | 437.8 | 441.7 | 1.7% | -2.4% | 4.3% | -0.3% | -0.7% | 0.9% | |
| Gift Tax | 9.2 | 5.1 | 4.6 | 4.0 | 5.57 | 5.4 | 5.3 | -44.4% | -11.1% | -12.0% | 38.5% | -3.1% | -1.9% | |
| Hazardous Waste Tax | 4.3 | 3.7 | 4.8 | 4.4 | 4.48 | 4.5 | 4.4 | -14.9% | 30.9% | -7.7% | 1.1% | 0.5% | -2.2% | |
| Individual Income Tax | 1535.6 | 1594.8 | 1763.2 | 1770.2 | 1867.15 | 2131.0 | 2302.5 | 3.9% | 10.6% | 0.4% | 5.5% | 14.1% | 8.0% | |
| Inheritance Tax | 86.7 | 90.4 | 78.4 | 64.4 | 53.52 | 36.4 | 17.0 | 4.3% | -13.3% | -17.9% | -16.9% | -32.0% | -53.3% | |
| Natural Gas Franchise Tax | 7.7 | 10.0 | 6.4 | 4.7 | 15.25 | 6.0 | 6.0 | 30.2% | -35.7% | -26.6% | 222.6% | -60.7% | 0.0% | |
| Public Utilities | 6.1 | 2.3 | 2.6 | 2.8 | -0.92 | 2.4 | 2.4 | -62.8% | 15.1% | 7.1% | -132.6% | 161.3% | 0.0% | |
| Auto Rental Excise | 4.2 | 4.5 | 4.8 | 4.3 | 4.18 | 4.3 | 4.4 | 8.7% | 5.9% | -9.5% | -3.8% | 3.0% | 2.3% | |
| Sales Tax | 2029.9 | 2089.2 | 2436.1 | 2349.1 | 2262.59 | 2125.0 | 2007.1 | 2.9% | 16.6% | -3.6% | -3.7% | -6.1% | -5.5% | |
| Severance Tax | 261.3 | 405.5 | 445.0 | 492.0 | 462.69 | 468.9 | 427.0 | 55.2% | 9.7% | 10.6% | -6.0% | 1.3% | -8.9% | |
| Special Fuels Tax | 109.3 | 115.5 | 115.0 | 116.2 | 117.70 | 122.7 | 125.1 | 5.7% | -0.5% | 1.1% | 1.3% | 4.3% | 2.0% | |
| Supervision & Inspection Fees | 4.1 | 4.8 | 5.3 | 5.4 | 4.98 | 5.00 | 5.20 | 15.1% | 11.2% | 1.5% | -7.4% | 0.5% | 4.0% | |
| Tobacco Tax | 85.5 | 89.7 | 96.6 | 128.5 | 112.76 | 141.3 | 135.9 | 4.9% | 7.7% | 33.0% | -12.2% | 25.3% | -3.8% | |
| Unknown Owners | 12.2 | 13.1 | 20.3 | 16.1 | 12.94 | 13.0 | 13.0 | 7.4% | 55.4% | -20.8% | -19.4% | 0.4% | 0.0% | |
| Miscellaneous Receipts | 1.8 | 1.8 | 1.9 | 1.9 | 2.08 | 5.3 | 5.3 | 0.4% | 5.0% | 1.0% | 8.9% | 154.5% | 0.0% | |
| TOTAL REVENUE DEPT | 5218.2 | 5,411.1 | 6002.9 | 5897.0 | 5804.7 | 5970.6 | 5974.9 | 3.7% | 10.9% | -1.8% | -1.6% | 2.9% | 0.1% | |
| Royalties | 166.6 | 267.0 | 452.62 | 287.1 | 387.39 | 375.0 | 318.4 | 60.3% | 69.5% | -36.6% | 34.9% | -3.2% | -15.1% | |
| Rentals | 22.5 | 14.8 | 12.25 | 15.1 | 15.48 | 15.0 | 12.7 | -34.2% | -17.4% | 23.7% | 2.2% | -3.1% | -15.1% | |
| Bonuses | 18.5 | 23.275 | 31.05 | 23.2 | 22.80 | 18.8 | 15.9 | 25.8% | 33.4% | -25.2% | -1.9% | -17.8% | -15.1% | |
| Royalty Interest | 3.2 | 1.5 | 2.9 | 14.2 | 17.94 | 3.5 | 2.9 | -52.1% | 89.3% | 397.1% | 26.2% | -80.5% | -17.1% | |
| TOTAL MINERAL BOARD | 210.8 | 306.7 | 498.8 | 339.7 | 443.61 | 412.3 | 350.0 | 45.5% | 62.7% | -31.9% | 30.6% | -7.1% | -15.1% | |
| Interest on Investments | 75.3 | 52.1 | 31.4 | 59.1 | 61.24 | 40.1 | 33.2 | -30.8% | -39.7% | 88.2% | 3.7% | -34.5% | -17.2% | |
| Interest Earnings ^{TTF} | | | 10.5 | 5.6 | 3.13 | 3.6 | 3.6 | | | -46.5% | -44.4% | 15.2% | 0.0% | |
| Various Agency Receipts INA | 18.8 | 28.1 | 24.0 | 27.1 | 26.99 | 41.1 | 35.1 | 49.5% | -14.8% | 13.0% | -0.3% | 52.3% | -14.6% | |
| Agency SGR Over-collections | 13.2 | 14.6 | 15.0 | 13.8 | 18.95 | 18.9 | 18.9 | 10.3% | 2.5% | -7.8% | 37.2% | 0.0% | 0.0% | |
| Bond Reimbursements | 26.6 | 23.6 | 22.1 | 13.9 | 12.92 | 13.1 | 11.8 | -11.4% | -6.2% | -37.2% | -7.1% | 1.2% | -9.6% | |
| Education Support Fund | 57.2 | 55.7 | 66.7 | 51.2 | 52.02 | 53.3 | 46.5 | -2.6% | 19.7% | -23.2% | 1.5% | 2.5% | -12.8% | |
| Lottery | 113.7 | 96.2 | 103.3 | 113.0 | 108.90 | 111.5 | 99.5 | -15.4% | 7.3% | 9.3% | -3.6% | 2.4% | -10.8% | |
| Land Based Casino | 3.5 | 61.7 | 82.3 | 57.6 | 59.96 | 61.0 | 62.0 | 1639.2% | 33.4% | -30.0% | 4.2% | 1.7% | 1.6% | |
| Tobacco Settlement | | 186.6 | 141.4 | 194.9 | 54.80 | 53.8 | 53.9 | | -24.2% | 37.8% | -71.9% | -1.8% | 0.2% | |
| Provider Fees | 81.2 | 86.0 | 91.4 | 89.7 | 96.90 | 96.9 | 96.9 | 5.9% | 6.3% | -1.8% | 8.0% | 0.0% | 0.0% | |
| TOTAL TREASURY | 389.5 | 604.6 | 588.0 | 625.8 | 495.81 | 493.3 | 461.5 | 55.2% | -2.7% | 6.4% | -20.8% | -0.5% | -6.5% | |
| Excise License Tax | 112.1 | 103.0 | 108.2 | 147.8 | 174.83 | 189.3 | 193.80 | -8.1% | 5.1% | 36.6% | 18.3% | 8.3% | 2.4% | |
| Insurance Fees | 30.9 | 32.0 | 31.7 | 32.3 | 34.99 | 40.0 | 40.0 | 3.5% | -0.9% | 2.1% | 8.2% | 14.3% | 0.0% | |
| TOTAL INSURANCE | 143.0 | 134.9 | 139.9 | 180.1 | 209.82 | 229.3 | 233.8 | -5.6% | 3.6% | 28.8% | 16.5% | 9.3% | 2.0% | |
| Misc Public Safety/ABP | 11.6 | 10.4 | 10.4 | 12.8 | 11.59 | 12.8 | 11.6 | -10.0% | -0.5% | 23.4% | -9.6% | 10.4% | -9.3% | |
| Certificate of Title | 21.0 | 20.6 | 20.7 | 23.0 | 23.57 | 24.9 | 25.3 | -1.5% | 0.3% | 10.9% | 2.6% | 5.6% | 1.6% | |
| Motor Vehicle License | 80.0 | 86.8 | 83.0 | 89.8 | 85.93 | 90.8 | 92.2 | 8.5% | -4.4% | 8.2% | -4.3% | 5.7% | 1.5% | |
| Motor Vehicle Sales | 269.0 | 257.0 | 267.9 | 300.7 | 291.36 | 306.5 | 311.3 | -4.5% | 4.3% | 12.2% | -3.1% | 5.2% | 1.6% | |
| Riverboat Gaming | 260.2 | 269.7 | 297.0 | 340.2 | 338.54 | 331.3 | 335.3 | 3.6% | 10.1% | 14.6% | -0.5% | -2.1% | 1.2% | |
| Racetrack Slots | | 0.0 | 0.0 | 8.2 | 20.39 | 27.0 | 27.0 | | | | 147.2% | 32.4% | 0.0% | |
| Video Poker | 199.0 | 144.9 | 154.9 | 164.6 | 174.95 | 178.5 | 185.6 | -27.2% | 6.9% | 6.3% | 6.3% | 2.0% | 4.0% | |
| TOTAL PUBLIC SAFETY | 840.8 | 789.4 | 833.9 | 939.3 | 946.33 | 971.8 | 988.3 | -6.1% | 5.6% | 12.6% | 0.7% | 2.7% | 1.7% | |
| Total Taxes Licenses & Fees | 6802.3 | 7,246.7 | 8063.4 | 7982.0 | 7900.27 | 8077.3 | 8008.4 | 6.5% | 11.3% | -1.0% | -1.0% | 2.2% | -0.9% | |





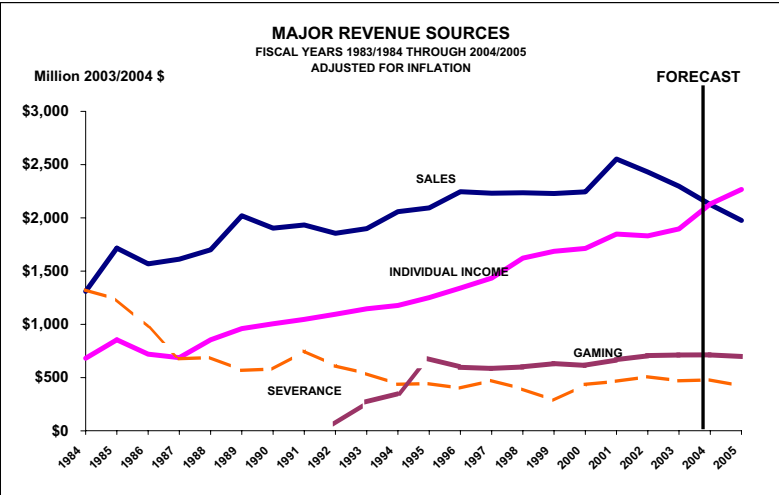
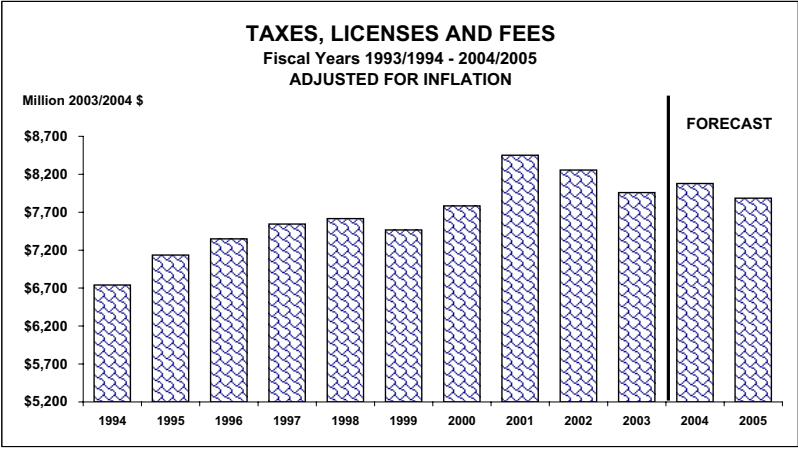
| DEDICATIONS | | | | | | | | | | | | | |
|--------------------------------|---------------|----------------|----------------|---------------|----------------|---------------|---------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Fund/Rev | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 99/00 | 00/01 | 01/02 | 02/03 | 03/04 | 04/05 |
| Trans Trust/Fuels | 428.8 | 439.4 | 430.5 | 447.1 | 446.82 | 448.4 | 453.4 | 2.5% | -2.0% | 3.8% | -0.1% | 0.3% | 1.1% |
| Trans Trust/Motor Vehicle Lic. | 31.1 | 34.2 | 33.884 | 38.7 | 37.17 | 36.00 | 36.60 | 9.9% | -1.0% | 14.1% | -3.8% | -3.1% | 1.7% |
| Trans Trust/Sales Jet Fuel | 5.0 | 5.0 | 5.0 | 5.0 | 6.30 | 6.3 | 6.3 | 0.0% | 0.0% | 0.0% | 26.0% | 0.0% | 0.0% |
| Trans Trust/Interest & Fees | 14.6 | 13.4 | 11.5 | 7.0 | 4.45 | 21.5 | 21.5 | -8.1% | -14.2% | -39.0% | -36.5% | 383.1% | 0.0% |
| TIME/uels | 109.9 | 109.9 | 107.7 | 111.8 | 111.71 | 112.1 | 113.4 | 0.0% | -2.0% | 3.8% | -0.1% | 0.4% | 1.2% |
| Hwy Fund #2 | 10.4 | 10.4 | 9.6 | 10.3 | 10.08 | 10.4 | 10.6 | -0.2% | -7.7% | 7.2% | -1.7% | 3.1% | 1.9% |
| Parishes/Severance | 29.8 | 49.6 | 39.4 | 39.9 | 37.45 | 38.7 | 35.2 | 66.4% | -20.7% | 1.2% | -6.0% | 3.3% | -9.0% |
| Forest Productivity | 3.7 | 4.0 | 3.3 | 3.2 | 2.98 | 3.0 | 3.0 | 9.8% | -16.9% | -5.1% | -5.9% | 0.6% | 0.0% |
| Parishes/Royalties | 16.7 | 26.7 | 45.3 | 28.4 | 39.69 | 37.5 | 31.8 | 60.3% | 69.5% | -37.2% | 39.6% | -5.5% | -15.1% |
| Legal Support,MRA&Coll | 0.7 | 1.2 | 0.2 | 1.2 | 1.60 | 1.6 | 1.6 | 67.0% | -80.3% | 410.6% | 0.0% | 0.0% | 0.0% |
| Wetlands Conservation Fund | 5.0 | 15.0 | 25.0 | 25.0 | 25.00 | 25.0 | 25.0 | 200.0% | 66.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| Mineral Revenue Audit & Set. | 0.0 | 8.7 | 11.3 | 2.6 | 67.17 | 0.0 | 0.0 | | 30.2% | -77.4% | 0.0% | -100.0% | 0.0% |
| Education Support Fund | 57.2 | 55.7 | 66.7 | 51.2 | 52.02 | 53.3 | 46.5 | -2.6% | 19.7% | -23.2% | 1.5% | 2.5% | -12.8% |
| Workforce Dev Fund / Sales | 9.3 | 11.3 | 13.7 | 12.3 | 13.79 | 10.9 | 10.4 | 21.5% | 21.1% | -10.1% | 11.9% | -20.9% | -4.6% |
| Telephone Property Relief | | 0.0 | 5.0 | 0.0 | 0.00 | 0.0 | 0.0 | | | | 0.0% | | |
| 2% Fire Insurance | 8.7 | 8.7 | 9.1 | 10.1 | 11.19 | 11.5 | 11.6 | -0.4% | 5.0% | 10.8% | 11.0% | 2.5% | 1.5% |
| Fire Marshall | 6.4 | 6.4 | 6.7 | 7.4 | 8.26 | 8.4 | 8.6 | 0.3% | 5.0% | 9.7% | 12.3% | 2.0% | 1.5% |
| LSU Fireman Training | 1.3 | 1.3 | 1.3 | 1.5 | 1.65 | 1.7 | 1.7 | 0.3% | 1.7% | 13.2% | 12.3% | 2.5% | 1.5% |
| Budget Stabilization | | 34.1 | 133.0 | 7.3 | 2.04 | 52.8 | 0.0 | | 289.7% | -94.5% | 0.0% | 0.0% | 0.0% |
| Tourism Promotion District | 16.0 | 16.0 | 16.5 | 17.0 | 17.50 | 17.5 | 17.4 | 0.0% | 3.1% | 3.0% | 2.9% | 0.0% | -0.6% |
| Hazardous Waste Site | 4.3 | 3.7 | 4.8 | 4.4 | 4.48 | 4.5 | 4.4 | -14.9% | 30.9% | -7.8% | 1.2% | 1.0% | -2.7% |
| Retirement Systems | 9.9 | 13.6 | 24.0 | 32.3 | 34.99 | 40.0 | 40.0 | 37.3% | 76.6% | 34.8% | 8.2% | 14.3% | 0.0% |
| Bond Reimbursements | 17.0 | 13.2 | 11.7 | 5.7 | 7.60 | 8.0 | 7.0 | -22.4% | -11.2% | -51.5% | 33.7% | 5.6% | -13.2% |
| Video Poker | 56.6 | 42.3 | 44.6 | 47.4 | 44.72 | 54.2 | 53.1 | -25.2% | 5.5% | 6.2% | -5.7% | 21.2% | -2.0% |
| Racetrack Slots | | 0.0 | 0.0 | 8.1 | 14.77 | 18.0 | 18.0 | | | | 0.0% | 21.9% | 0.0% |
| Lottery | 113.7 | 95.7 | 102.8 | 112.5 | 108.40 | 111.0 | 99.0 | -15.8% | 7.4% | 9.4% | -3.6% | 2.4% | -10.8% |
| Casino Gaming Proceeds | 3.5 | 41.3 | 47.3 | 0.0 | 0.00 | 0.0 | 0.0 | 1064.2% | 14.5% | -100.0% | 0.0% | 0.0% | 0.0% |
| SELF Fund | | | 25.7 | 116.4 | 124.50 | 129.8 | 130.7 | | | 353.7% | 6.9% | 4.3% | 0.7% |
| Riverboat Gaming | 53.0 | 55.7 | 56.4 | 56.7 | 55.12 | 53.8 | 52.8 | 5.1% | 1.2% | 0.6% | -2.8% | -2.4% | -1.9% |
| Compulsive & Problem Gaming | 1.0 | 2.0 | 2.0 | 2.0 | 2.00 | 2.0 | 2.0 | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Supervision&Inspection Fees | 4.1 | 4.8 | 5.3 | 5.4 | 4.98 | 5.0 | 5.2 | 15.1% | 11.2% | 1.5% | -7.4% | 0.5% | 3.9% |
| Inspection Gasoline Fee | 0.8 | 0.7 | 0.8 | 0.9 | 0.83 | 3.5 | 3.5 | -14.5% | 16.0% | 6.4% | -5.5% | 319.6% | 0.0% |
| Louisiana & Tobacco Funds | | 176.8 | 141.4 | 194.9 | 54.80 | 53.8 | 53.9 | | -20.0% | 37.8% | -71.9% | -1.8% | 0.2% |
| Other | 0.0 | 0.0 | 0.0 | 14.8 | 0.00 | 0.0 | 0.0 | | | | | | |
| State Police Salary Fund | | | | | 15.60 | 15.6 | 15.6 | | | | | 0.0% | 0.0% |
| Tobacco Tax Health Care Fund | | | | | 30.68 | 42.4 | 40.8 | | | | | 38.2% | -3.8% |
| Provider Fees | 81.2 | 86.0 | 91.4 | 89.7 | 96.90 | 96.9 | 96.9 | 5.9% | 6.3% | -1.8% | 8.0% | 0.0% | 0.0% |
| Total Dedications | 1100.1 | 1,387.3 | 1533.4 | 1518.0 | 1497.24 | 1535.1 | 1457.5 | 26.1% | 10.5% | -1.0% | -1.4% | 2.5% | -5.1% |
| Amnesty collections est. | | | | 192.8 | | | | | | | | | |
| Revenue settlement -Riverwood | | | | 29.5 | | | | | | | | | |
| Transfer from Incentive Fund | | | | 3.0 | | | | | | | | | |
| Fund Balance Transfer | 9.1 | 3.4 | | | 86.39 | | | -62.1% | | | | | |
| GENERAL FUND REVENUE | 5788.0 | 5,713.8 | 5,862.8 | 6530.0 | 6463.95 | 6537.8 | 6550.9 | -1.3% | 2.6% | 11.4% | -1.0% | 1.1% | 0.2% |

**LOUISIANA ECONOMIC FORECAST SUMMARY
BY FISCAL YEAR END JUNE 30**

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| LOUISIANA INCOME (MILLION \$) | | | | | | | | | | | |
| NOMINAL PERSONAL INCOME | 82,966 | 86,114 | 89,977 | 95,024 | 98,780 | 101,222 | 106,455 | 111,735 | 115,515 | 119,674 | 124,820 |
| % CHANGE | 6.1 | 3.8 | 4.5 | 5.6 | 4.0 | 2.5 | 5.2 | 5.0 | 3.4 | 3.6 | 4.3 |
| LOUISIANA EMPLOYMENT (IN THOUSANDS) | | | | | | | | | | | |
| TOTAL NONAGRICULTURAL | 1,750 | 1,792 | 1,828 | 1,875 | 1,893 | 1,912 | 1,922 | 1,905 | 1,899 | 1,907 | 1,926 |
| % CHANGE | 3.7 | 2.4 | 2.0 | 2.6 | 1.0 | 1.0 | 0.5 | -0.9 | -0.3 | 0.4 | 1.0 |
| MINERAL RELATED ASSUMPTIONS | | | | | | | | | | | |
| OIL PRICE (\$/BBL) | 16.91 | 17.74 | 21.30 | 15.72 | 12.19 | 24.29 | 29.49 | 22.53 | 28.29 | 27.11 | 24.00 |
| % CHANGE | 13.4 | 4.9 | 20.1 | -26.2 | -22.5 | 99.3 | 21.4 | -23.6 | 25.6 | -4.2 | -11.5 |
| OIL PRODUCTION (MIL BBL) | 127.2 | 127.1 | 127.9 | 125.9 | 113.8 | 107.9 | 105.9 | 91.6 | 83.0 | 79.6 | 75 |
| % CHANGE | -3.7 | -0.1 | 0.6 | -1.6 | -9.6 | -5.2 | -1.9 | -13.5 | -9.4 | -4.1 | -5.3 |
| NATURAL GAS PRODUCTION (MIL MCF) | 1,540 | 1,580 | 1,637 | 1,596 | 1,503 | 1,438 | 1,503 | 1,378 | 1,157 | 1,190 | 1,084 |
| % CHANGE | -1.9 | 2.6 | 3.6 | -2.5 | -5.8 | -4.3 | 4.5 | -8.3 | -16.0 | 2.9 | -8.9 |
| ROYALTY NATURAL GAS PRICE (\$/MCF) | 1.74 | 2.36 | 2.58 | 2.36 | 1.93 | 2.74 | 5.91 | 2.95 | 4.85 | 4.54 | 4.10 |
| % CHANGE | -23.3 | 35.6 | 9.3 | -8.5 | -18.2 | 42.0 | 115.7 | -50.1 | 64.4 | -6.4 | -9.7 |
| NATURAL GAS SEVERANCE RATE (CENTS/MCF) | 8.7 | 7.0 | 7.7 | 10.1 | 9.3 | 7.8 | 9.7 | 19.9 | 12.5 | 17.0 | 17.0 |
| UNITED STATES REAL GDP % CHANGE | 3.6 | 2.8 | 4.1 | 4.4 | 4.1 | 4.4 | 1.8 | 0.8 | 2.7 | 3.8 | 4.0 |
| IMPLICIT PRICE DEFLATOR: TOTAL | | | | | | | | | | | |
| CONSUMPTION EXPENDITURES: % CHANGE | 2.4 | 2.1 | 2.2 | 1.4 | 1.2 | 2.3 | 2.5 | 1.5 | 1.9 | 1.5 | 1.6 |
| U. S. EMPLOYMENT (IN MILLIONS) | 115.9 | 118.3 | 121.1 | 124.3 | 127.4 | 130.5 | 132.3 | 130.9 | 130.2 | 130.3 | 133.2 |
| TOTAL NONAGRICULTURAL % CHANGE | 3.3 | 2.0 | 2.4 | 2.7 | 2.5 | 2.5 | 1.3 | -1.0 | -0.5 | 0.1 | 2.2 |

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State of Louisiana
Economic Assumptions and Revenue Forecasts
for Fiscal Years 2003-2004 and 2004-2005

Economic Outlook

Fiscal Year 2003-2004 was buoyed by the infusion of federal stimulus dollars in the form of federal grants and federal medicaid assistance payments. The dollar impact on the current budget exceeds \$250 million. State economic activity was positively impacted due to the individual income tax rebates authorized by the President during the summer of 2003. Global Insight predicts that economic growth in 2004 will be the strongest since the bursting of the high-tech bubble in 2000, for both the U.S. (4.7%) and global (3.7%) economies. The main drivers of the recovery will be tax cuts and low interest rates. The key to sustained economic growth for Louisiana and the rest of the nation is jobs, jobs, and more jobs. Thanks to the more robust recovery, businesses are becoming less cautious about hiring. Most labor market indicators are decidedly upbeat and, despite lower-than-expected job gains in November, Global Insight predicts that national payroll employment should increase by 150,000 to 200,000 per month over the next year.

Louisiana Employment

Louisiana's annual average employment growth since 1991 is 1.52%, while that of the United States is 1.37%. The current forecast for state employment is 0.4% growth in 2004 and 1.1% for 2005.

Since 1986, Louisiana employment has increased by approximately 295,000. Positive job growth has occurred in health and social service (2,630 jobs), government (3,970 jobs) and construction (2,350 jobs) during the last two years. The largest employment declines since 2002 have been in professional and business services (-6,490 jobs), and natural resources and mining (-1,780 jobs).

Louisiana Employment 2003 Annual Average
In Thousands

| | |
|------------------------------------|----------|
| Total Non-Agricultural | 1,896.02 |
| Natural Resources & Mining | 47.22 |
| Construction | 120.85 |
| Trade, Transportation, & Utilities | 384.86 |
| Information | 29.59 |
| Financial Activities | 99.04 |
| Professional & Business Services | 175.31 |
| Educational Services | 35.95 |
| Health Care & Social Services | 203.03 |
| Leisure | 195.56 |
| Government | 376.88 |
| Manufacturing | 156.93 |
| Other | 70.80 |

Louisiana Personal Income

Louisiana's personal income is projected to increase by 3.6% and 4.3% during Fiscal Years 2003-2004 and 2004-2005, respectively. Louisiana's income growth during the 1990s and through 2003 has been approximately 5.0%.



Revenue Summary

Fiscal Year 2002-2003

Available general fund revenue was \$6,483.3 million in Fiscal Year 2002-2003, a modest 0.3% increase in available funds over the previous year. The following table ranks the revenue sources with the largest percentage growth and at least a \$10 million increase over the prior year during Fiscal Year 2002-2003.

| Revenue Source | Growth in Million \$ | Growth in % |
|-----------------------|----------------------|-------------|
| Natural Gas Franchise | 10.5 | 222.6 |
| Royalties | 99.9 | 34.9 |
| Excise License Tax | 27.0 | 18.3 |
| Video Poker | 10.4 | 6.3 |
| Individual IncomeTax | 96.9 | 5.5 |

Natural Gas Franchise and Royalties grew due to receipt of settlement funds. The Excise License Tax grew in response to higher insurance premiums. Individual Income tax receipts were impacted by the passage of legislation revising the withholding tax tables and compressing the taxable income brackets.

The following table ranks the revenue sources with the largest annual percentage declines and at least a \$10 million decline during Fiscal Year 2002-2003.

| Revenue Source | Growth in Million \$ | Growth in % |
|-------------------------|----------------------|-------------|
| Tobacco Settlement | -140.1 | - 71.9 |
| Corporate Franchise Tax | -41.4 | - 18.1 |
| Inheritance Tax | - 11.1 | - 16.9 |
| Tobacco Tax | - 15.7 | - 12.2 |
| Severance Tax | -29.3 | - 6.0 |
| Corporate Income Tax | - 10.2 | - 4.9 |
| Sales Tax | - 86.5 | - 3.7 |

Tobacco Settlement revenues were lower due to including only revenues that can be appropriated in any Fiscal Year. Corporate Taxes were lower due to lower economic growth. The decline in the Inheritance Tax is in accordance with the phased out repeal of the tax. Tobacco Tax is lower due to the stockpiling of tobacco stamps that took place in the prior year in anticipation of a tax increase. Severance Taxes were lower due to a steep decline in production attributable to aged wells and two storms in the Gulf of Mexico that closed production for several weeks during Fiscal Year 2002-2003. The reduction in Sales Tax is due to the passage of a Constitutional amendment repealing 2 cents on the sale of food used for home consumption and home utilities.

Fiscal Year 2003-2004

The Revenue Estimating Conference official forecast of available general fund revenue is \$6,537.8 million for the Fiscal Year 2003-2004. The forecast is \$54.48 million or 0.8% above actual collections for Fiscal Year 2002-2003. The following tables rank the revenue sources with the largest expected annual percentage changes, which are expected to change by at least \$10 million during Fiscal Year 2003-2004.

| Revenue Source | Growth in Million \$ | Growth in % |
|-------------------------|----------------------|-------------|
| Various Agency Receipts | 14.1 | 52.3 |
| Tobacco Tax | 28.5 | 25.3 |
| Individual IncomeTax | 263.5 | 14.1 |



| | | |
|------------------------|------|-----|
| Corporate Income Tax | 18.2 | 9.1 |
| Excise License Tax | 14.5 | 8.3 |
| Motor Vehicle SalesTax | 15.1 | 5.2 |

The increase in Various Agency Receipts is due to the inclusion of some transportation fees previously classified as self-generated revenue. Tobacco Tax revenues increased due to the passage of an additional 12 cents-per-pack tax and a full year of collection. Individual Income Tax receipts reflect the effects of a Constitutional amendment compressing the tax brackets and elimination of excess federal deductions. Corporate Income Tax receipts and Motor Vehicles Sales Tax receipts are expected to increase due to improvement in the economy. The increase in Excise License Tax revenues is due to insurance rate increases.

| Revenue Source | Growth in Million \$ | Growth in % |
|------------------------|----------------------|-------------|
| Royalties Interest | -14.4 | -80.5 |
| Interest on Investment | -21.1 | -34.5 |
| Inheritance Tax | - 17.1 | -32.0 |
| Sales Tax | -137.6 | -6.1 |

Lower Royalties Interest is due to the fact that no large royalty settlements are anticipated in the current year and lower investment interest is a result of the lower market rates. Declining Inheritance Taxes are due to the continued phasing out of this tax. Sales Tax revenues are reduced due to legislation eliminating the tax on food for home consumption and home utilities.

Fiscal Year 2004-2005

The Revenue Estimating Conference official forecast of available general fund revenue is \$6,550.9 million in Fiscal Year 2004-2005. The forecast is \$12.5 million or 0.2% above the official forecast for general fund recurring revenues for Fiscal Year 2003-2004. The forecast for Fiscal Year 2004-2005 is impacted by the expiration of the suspension of the exemption of Sales Tax on certain business activities. If the taxes are renewed prior to the ensuing year, the revenue forecast would increase by approximately \$160 million. The following tables rank the revenue sources with the largest expected annual percentage changes, which are expected to change by at least \$10 million during Fiscal Year 2004-2005.

| Revenue Source | Growth in Million \$ | Growth in % |
|-----------------------|----------------------|-------------|
| Individual Income Tax | 171.5 | 8.0 |

Individual Income Tax receipts are expected to grow due to improvement in the economy and growth in personal income.

| Revenue Source | Growth in Million \$ | Growth in % |
|----------------|----------------------|-------------|
| InheritanceTax | -19.4 | -53.3 |
| Royalties | -56.6 | -15.1 |
| Lottery | -12.0 | -10.8 |
| SeveranceTax | -41.9 | -8.9 |
| Sales Tax | -117.9 | -5.5 |

The Inheritance Tax in being phased out and will continue to decline until eliminated. Severance Taxes and Royalties are projected to decline due to an expected drop in the price for crude oil and natural gas and lower production for both. The impact of legalization of lottery sales in Texas is expected to impact lottery sales in Louisiana. The decline in Sales Taxes is due to the expiration of the suspension of the exemption of Sales Tax on business utilities and other business activities.



