

**COMPARATIVE STATEMENT  
FISCAL YEARS 2003/2004 THROUGH 2005/2006**

	ACTUAL 2003/2004	EXISTING AS OF 12/03/2004 2004/2005	EXECUTIVE BUDGET 2005/2006	SUPPLEMENTARY RECOMMENDATION 2005/2006	TOTAL RECOMMENDATION 2005/2006
<b>AVAILABLE GENERAL FUND REVENUE <sup>1</sup></b>	\$6,765,148,994	\$6,819,700,000	\$7,104,000,000	\$0	\$7,104,000,000
<b>GENERAL FUND CARRY-FORWARD</b>	19,212,063	21,546,848	0	0	0
<b>UTILIZATION OF PREMIUM BOND FUNDS</b>	29,852,167	0	0	0	0
<b>UTILIZATION OF FUND BALANCES</b>	7,551,228	2,719,000	0	0	0
<b>NON-RECURRING REVENUE FOR CAPITAL OUTLAY <sup>2</sup></b>	4,002,946	17,270,250	0	0	0
<b>SELF-GENERATED REVENUE</b>	1,279,607,742	1,310,451,117	1,366,078,937	0	1,366,078,937
<b>STATUTORY DEDICATIONS</b>	2,501,802,973	3,183,663,422	3,091,193,799	123,430,135	3,214,623,934
<b>FEDERAL</b>	6,213,400,921	6,442,910,910	6,156,228,556	267,582,440	6,423,810,996
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$16,820,579,034</b>	<b>\$17,798,261,547</b>	<b>\$17,717,501,292</b>	<b>\$391,012,575</b>	<b>\$18,108,513,867</b>
<b>EXPENDITURES</b>					
<b>GENERAL APPROPRIATIONS BILL</b>	\$14,918,686,554	\$16,114,391,006	\$15,945,421,807	\$450,548,875	\$16,395,970,682
<b>ANCILLARY APPROPRIATIONS</b>	\$61,096,456	\$97,488,372	\$97,338,492	\$0	\$97,338,492
<b>NON-APPROPRIATED REQUIREMENTS</b>	\$452,920,402	\$463,047,275	\$412,603,082	(\$59,536,300)	\$353,066,782
<b>JUDICIAL EXPENSE</b>	\$100,719,393	\$107,047,619	\$107,047,619	\$0	\$107,047,619
<b>LEGISLATIVE EXPENSE</b>	\$64,871,905	\$65,921,940	\$65,921,940	\$0	\$65,921,940
<b>SPECIAL ACTS</b>	\$29,056,054	\$7,663,642	\$0	\$0	\$0
<b>CAPITAL OUTLAY</b>	\$904,229,817	\$942,646,706	\$1,089,168,352	\$0	\$1,089,168,352
<b>TOTAL EXPENDITURES</b>	<b>\$16,531,580,581</b>	<b>\$17,798,206,560</b>	<b>\$17,717,501,292</b>	<b>\$391,012,575</b>	<b>\$18,108,513,867</b>
<b>FUNDS LESS EXPENDITURES</b>	\$288,998,453	\$54,987	\$0	\$0	\$0
<b>CARRY FORWARD BALANCES</b>	(21,546,848)	0	0	0	0
<b>RESERVED FOR FY 2004/2005</b>	(223,572,996)	0	0	0	0
<b>FUNDS LESS EXPENDITURES AFTER ADJUSTMENTS</b>	\$43,878,609	\$54,987	\$0	\$0	\$0
<b>BUDGET STABILIZATION FUND ENDING</b>					
<b>BALANCE</b>	\$239,343,930	\$239,343,930	\$253,033,783	\$0	\$253,033,783

(1) The Existing Operating Budget column for FY 2004 - 2005 reflects the Official Revenue Forecast from the 5/14/04 meeting of the Revenue Estimating Conference.

(2) In FY 2003 - 2004, non-recurring revenue consists of \$4,002,946 from a securities settlement

(2) In FY 2004 - 2005, non-recurring revenue consists of \$17,270,250 cash surplus from FY 2002 - 2003.



**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE  
FISCAL YEARS 2003/2004 THROUGH 2008/2009 (IN MILLIONS)**

December, 2004	ACTUAL	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	03/04	ANNUAL GROWTH DURING				
	2002/03	2003/04	2004/05 EOB	2004/05 Dec. 15, 2004	2005/06 Dec. 15, 2004	2006/07 Dec. 15, 2004	2007/08 Dec. 15, 2004	2008/09 Dec. 15, 2004		04/05	05/06	06/07	07/08	08/09
Alcoholic Beverage Tax	16.31	16.9	16.4	16.8	16.5	16.2	16.0	15.8	3.4%	-0.4%	-1.8%	-1.8%	-1.2%	-1.3%
Beer Tax	36.43	36.6	37.8	36.3	35.7	35.6	35.5	35.5	0.4%	-0.8%	-1.7%	-0.3%	-0.3%	0.0%
Corporate Franchise Tax	187.45	181.0	199.0	185.0	165.5	145.8	126.2	106.3	-3.4%	2.2%	-10.5%	-11.9%	-13.4%	-15.8%
Corporate Income Tax	198.72	236.7	206.0	278.0	312.5	314.7	311.7	306.7	19.1%	17.4%	12.4%	0.7%	-1.0%	-1.6%
Corporate Total	386.16	417.8	405.0	463.0	478.0	460.5	437.9	413.0	8.2%	10.8%	3.2%	-3.7%	-4.9%	-5.7%
Gasoline Tax	440.83	438.8	449.0	446.8	446.8	447.5	449.2	449.4	-0.5%	1.8%	0.0%	0.2%	0.4%	0.0%
Gift Tax	5.57	3.8	4.6	2.9	3.2	3.3	3.3	3.5	-31.9%	-23.5%	10.3%	3.1%	0.0%	6.1%
Hazardous Waste Tax	4.48	4.8	5.0	4.9	4.9	5.0	5.1	5.2	6.6%	2.6%	0.0%	2.0%	2.0%	2.0%
Individual Income Tax	1867.15	2192.0	2306.5	2337.9	2417.5	2534.0	2662.2	2800.9	17.4%	6.7%	3.4%	4.8%	5.1%	5.2%
Inheritance Tax	53.52	42.2	16.9	17.0	1.0	1.0	1.0	1.0	-21.2%	-59.7%	-94.1%	0.0%	0.0%	0.0%
Natural Gas Franchise Tax	15.25	2.9	3.4	5.3	4.7	4.9	5.4	4.1	-81.2%	85.3%	-11.3%	4.3%	10.2%	-24.1%
Public Utilities	-0.92	8.7	2.5	2.2	2.0	2.0	2.1	2.1	850.1%	-74.8%	-9.1%	0.0%	5.0%	0.0%
Auto Rental Excise	4.18	4.4	4.4	4.5	4.5	4.6	4.7	4.8	5.3%	2.3%	0.0%	2.2%	2.2%	2.1%
Sales Tax	2262.59	2152.0	2159.9	2200.6	2220.8	2243.2	2264.3	2286.9	-4.9%	2.3%	0.9%	1.0%	0.9%	1.0%
Severance Tax	462.69	527.1	502.0	625.5	494.4	415.7	403.2	391.1	13.9%	18.7%	-21.0%	-15.9%	-3.0%	-3.0%
Special Fuels Tax	117.70	122.0	126.4	127.4	130.1	133.3	137.1	144.4	3.7%	4.4%	2.1%	2.5%	2.9%	5.3%
Supervision&Inspection Fees	4.98	5.2	5.0	5.1	5.4	5.8	6.2	6.6	5.3%	-2.7%	5.9%	7.4%	6.9%	6.5%
Tobacco Tax	112.76	145.6	142.6	139.4	136.1	130.8	127.5	123.7	29.1%	-4.3%	-2.4%	-3.9%	-2.5%	-3.0%
Unknown Owners	12.94	21.8	13.0	14.6	14.3	14.1	13.8	13.5	68.4%	-33.0%	-2.1%	-1.4%	-2.1%	-2.2%
Miscellaneous Receipts	2.08	6.5	8.5	5.6	5.6	5.6	5.6	5.6	210.7%	-13.4%	0.0%	0.0%	0.0%	0.4%
<b>TOTAL REVENUE DEPT</b>	<b>5804.71</b>	<b>6149.1</b>	<b>6208.9</b>	<b>6455.2</b>	<b>6421.6</b>	<b>6463.0</b>	<b>6580.1</b>	<b>6707.3</b>	<b>5.9%</b>	<b>5.0%</b>	<b>-0.5%</b>	<b>0.6%</b>	<b>1.8%</b>	<b>1.9%</b>
Royalties	387.39	407.0	354.0	417.4	403.9	353.0	269.9	262.4	5.1%	2.6%	-3.2%	-12.6%	-23.5%	-2.8%
Rentals	15.48	11.0	10.6	16.7	16.2	14.1	10.8	10.5	-28.7%	51.3%	-3.0%	-13.0%	-23.4%	-2.8%
Bonuses	22.80	23.0	17.7	20.9	20.2	17.7	13.5	13.1	1.0%	-9.3%	-3.3%	-12.4%	-23.7%	-3.0%
Royalty Interest	17.94	4.2	3.0	2.9	2.9	2.9	2.9	2.9	-76.8%	-30.4%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL MINERAL BOARD</b>	<b>443.61</b>	<b>445.2</b>	<b>385.3</b>	<b>457.9</b>	<b>443.2</b>	<b>387.7</b>	<b>297.1</b>	<b>288.9</b>	<b>0.4%</b>	<b>2.9%</b>	<b>-3.2%</b>	<b>-12.5%</b>	<b>-23.4%</b>	<b>-2.8%</b>
Interest on Investments	61.24	51.0	45.0	34.5	45.0	47.0	54.0	48.0	-16.7%	-32.3%	30.4%	4.4%	14.9%	-11.1%
Interest Earnings (TTF)	3.13	2.1	3.6	1.4	0.9	0.8	0.4	0.2	-33.6%	-32.5%	-35.7%	-11.1%	-50.0%	-50.0%
Various Agency Receipts INA	26.99	43.4	35.4	38.0	38.0	38.0	38.0	38.0	60.6%	-12.4%	0.0%	0.0%	0.0%	0.1%
Agency SGR Over-collections	18.95	17.5	21.3	19.5	19.2	16.9	16.9	16.9	-7.6%	11.4%	-1.5%	-12.0%	0.0%	0.0%
Bond Reimbursements	12.92	7.6	11.8	4.8	4.4	4.4	4.4	4.3	-40.9%	-37.1%	-8.3%	0.0%	0.0%	-2.3%
Education Support Fund	52.02	64.8	55.0	63.8	62.9	59.5	53.8	53.3	24.5%	-1.5%	-1.4%	-5.4%	-9.6%	-0.9%
Lottery	108.90	116.9	105.0	112.3	105.5	105.5	105.5	105.5	7.4%	-3.9%	-6.1%	0.0%	0.0%	0.0%
Land Based Casino	59.96	60.0	62.0	66.5	69.9	72.8	75.7	78.7	0.1%	10.8%	5.1%	4.1%	4.0%	4.0%
Tobacco Settlement	54.80	54.0	53.9	55.7	57.2	57.4	58.3	59.1	-1.4%	3.1%	2.7%	0.3%	1.6%	1.4%
Provider Fees	96.90	94.1	94.4	96.1	94.7	94.7	94.7	94.7	-2.8%	2.1%	-1.5%	0.0%	0.0%	0.0%
<b>TOTAL TREASURY</b>	<b>495.81</b>	<b>511.4</b>	<b>487.4</b>	<b>492.6</b>	<b>497.7</b>	<b>497.0</b>	<b>501.8</b>	<b>498.7</b>	<b>3.2%</b>	<b>-3.7%</b>	<b>1.0%</b>	<b>-0.1%</b>	<b>1.0%</b>	<b>-0.6%</b>
Excise License Tax	174.83	200.3	203.0	215.8	230.1	245.6	262.9	281.7	14.5%	7.8%	6.6%	6.7%	7.0%	7.2%
Insurance Fees	34.99	39.2	41.2	42.0	44.4	47.4	50.7	54.4	11.9%	7.2%	5.7%	6.8%	7.0%	7.3%
<b>TOTAL INSURANCE</b>	<b>209.82</b>	<b>239.4</b>	<b>244.2</b>	<b>257.8</b>	<b>274.5</b>	<b>293.0</b>	<b>313.6</b>	<b>336.0</b>	<b>14.1%</b>	<b>7.7%</b>	<b>6.5%</b>	<b>6.7%</b>	<b>7.0%</b>	<b>7.1%</b>
Misc Public Safety/ABP	11.59	11.1	12.0	11.2	11.3	11.4	11.4	11.4	-4.3%	1.0%	0.9%	0.9%	0.3%	-0.3%
Certificate of Title	23.57	24.0	24.1	23.7	24.2	24.7	25.2	25.2	2.0%	-1.4%	2.1%	2.1%	2.2%	-0.1%
Motor Vehicle License	85.93	87.3	87.3	86.4	87.5	88.7	90.1	91.7	1.7%	-1.1%	1.3%	1.4%	1.6%	1.8%
Motor Vehicle Sales	291.36	292.6	301.0	295.2	305.7	315.3	326.0	337.5	0.4%	0.9%	3.6%	3.1%	3.4%	3.5%
Riverboat Gaming	338.54	342.2	350.0	340.0	341.0	351.2	361.8	372.6	1.1%	-0.6%	0.3%	3.0%	3.0%	3.0%
Racetrack Slots	20.39	35.3	39.3	42.8	42.9	42.1	42.3	42.3	73.1%	21.3%	0.2%	-1.9%	0.5%	0.0%
Video Poker	174.95	177.1	186.0	179.8	182.3	184.9	187.5	190.1	1.2%	1.5%	1.4%	1.4%	1.4%	1.4%
<b>TOTAL PUBLIC SAFETY</b>	<b>946.33</b>	<b>969.6</b>	<b>999.7</b>	<b>979.1</b>	<b>994.8</b>	<b>1018.3</b>	<b>1044.4</b>	<b>1070.8</b>	<b>2.5%</b>	<b>1.0%</b>	<b>1.6%</b>	<b>2.4%</b>	<b>2.6%</b>	<b>2.5%</b>
<b>Total Taxes Licenses &amp; Fees</b>	<b>7900.27</b>	<b>8314.8</b>	<b>8325.5</b>	<b>8642.7</b>	<b>8631.7</b>	<b>8659.0</b>	<b>8736.9</b>	<b>8901.8</b>	<b>5.2%</b>	<b>3.9%</b>	<b>-0.1%</b>	<b>0.3%</b>	<b>0.9%</b>	<b>1.9%</b>





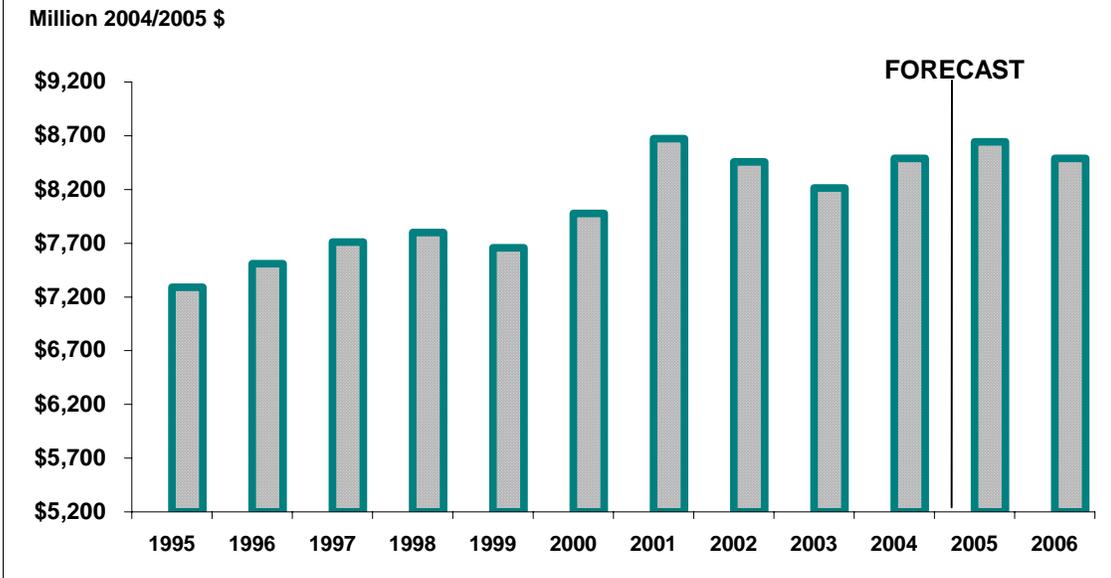
Dedications Fund/Rev	2002/03	2003/04	2004/05 EOB	2004/05	2005/06	2006/07	2007/08	2008/09	03/04	04/05	05/06	06/07	07/08	08/09
Trans Trust/Fuels	446.82	448.6	460.3	459.0	461.5	464.6	469.0	475.0	0.4%	2.3%	0.5%	0.7%	1.0%	1.3%
Trans Trust/Motor Vehicle Lic.	37.17	40.0	37.5	34.3	34.7	35.2	35.8	36.4	7.6%	-14.2%	1.2%	1.5%	1.6%	1.8%
Trans Trust/Sales Jet Fuel	6.30	6.3	6.3	6.3	6.3	6.3	6.3	6.3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trans Trust/Interest & Fees	4.45	20.1	21.5	19.4	18.9	18.6	18.4	18.3	350.9%	-3.3%	-2.6%	-1.6%	-1.1%	-0.5%
TIME/Fuels	111.71	112.2	115.1	114.7	115.4	116.2	117.3	118.8	0.4%	2.3%	0.6%	0.7%	0.9%	1.3%
Highway Fund #2	10.08	10.4	10.2	9.9	10.1	10.2	10.4	10.5	3.6%	-5.2%	2.0%	1.0%	1.6%	1.8%
Parishes/Severance	37.45	38.7	40.2	51.6	40.8	34.3	33.3	32.3	3.2%	33.5%	-20.9%	-15.9%	-3.0%	-3.0%
Forest Productivity	2.98	2.9	3.5	3.2	3.2	3.2	3.2	3.2	-1.9%	9.4%	0.0%	0.9%	0.0%	0.0%
Parishes/Royalties	39.69	42.8	35.4	41.8	40.4	35.3	27.0	26.3	7.9%	-2.4%	-3.3%	-12.6%	-23.5%	-2.6%
DNR/AG Support Fund	1.60	1.6	1.6	2.1	2.1	2.1	2.1	2.1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Wetlands Conservation Fund	25.00	25.0	25.0	25.0	25.0	25.0	15.0	15.0	0.0%	0.0%	0.0%	0.0%	-40.0%	0.0%
Mineral Revenue Audit & Set.	67.17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%				
Education Support Fund	52.02	64.8	55.0	63.8	62.9	59.5	53.8	53.3	24.5%	-1.5%	-1.4%	-5.4%	-9.6%	-0.9%
Workforce Dev Fd/Sales	13.79	10.7	10.1	11.2	11.4	11.5	11.7	11.8	-22.0%	4.2%	1.8%	1.0%	1.2%	1.3%
2% Fire Insurance	11.19	12.0	13.5	14.0	15.0	16.0	17.1	18.3	7.3%	16.5%	7.1%	6.7%	6.9%	7.0%
Fire Marshall	8.26	9.0	10.0	10.8	11.5	12.3	13.1	14.1	9.2%	19.7%	6.5%	6.8%	7.0%	7.2%
LSU Fireman Training	1.65	1.8	2.0	1.9	2.1	2.2	2.2	2.4	9.2%	5.3%	10.5%	5.3%	-0.5%	9.1%
Budget Stabilization	2.04	40.0	0.0	137.1	3.5	0.0	0.0	0.0	0.0%	0.0%	-97.4%	-100.0%		
Tourism Promotion District	17.50	17.5	17.5	17.5	17.5	17.5	17.5	17.5	128.6%	-56.3%	0.0%	0.0%	0.0%	0.0%
Hazardous Waste Site	4.48	4.8	5.0	4.9	4.9	5.0	5.1	5.2	6.6%	2.6%	0.0%	2.0%	2.0%	2.0%
Retirement Systems	34.99	39.2	41.2	42.0	44.4	47.4	50.7	54.4	11.9%	7.2%	5.7%	6.8%	7.0%	7.3%
Video Poker	44.72	50.7	53.8	52.3	54.5	54.3	55.2	55.7	13.3%	3.2%	4.2%	-0.4%	1.6%	1.0%
Racetrack Slots	14.77	18.8	19.1	19.4	19.8	19.6	19.6	19.6	27.4%	3.1%	2.1%	-1.0%	0.0%	0.0%
Lottery	108.40	116.4	104.5	111.8	105.0	105.0	105.0	105.0	7.4%	-4.0%	-6.1%	0.0%	0.0%	0.0%
SELF Fund	124.50	129.8	134.7	139.6	140.9	145.8	151.0	156.3	4.2%	7.6%	0.9%	3.5%	3.6%	3.5%
Riverboat Gaming	55.12	56.8	57.4	56.5	56.6	58.3	60.1	61.9	3.1%	-0.6%	0.2%	3.0%	3.1%	3.0%
Compulsive & Problem Gaming	2.00	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Supervision&Inspection Fees	4.98	5.2	5.0	5.1	5.4	5.8	6.2	6.6	5.3%	-2.7%	5.9%	7.4%	6.9%	6.5%
Inspection Gasoline Fee	0.83	5.2	7.2	4.4	4.4	4.4	4.4	4.4	526.7%	-15.8%	0.0%	0.0%	0.0%	0.0%
Louisiana & Tobacco Funds	54.80	54.0	53.9	55.7	57.2	57.4	58.3	59.1	-1.4%	3.1%	2.7%	0.3%	1.6%	1.4%
Other	0.00	0.0	0.0	0.0	0.0									
State Police Salary Fund	15.60	15.6	15.6	15.6	15.6	15.6	15.6	15.6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tobacco Tax Health Care Fund	30.68	43.5	42.5	41.8	40.8	39.2	38.3	37.1	41.9%	-4.0%	-2.4%	-3.8%	-2.5%	-3.0%
Provider Fees	96.90	94.1	94.4	96.1	94.7	94.7	94.7	94.7	-2.8%	2.1%	-1.5%	0.0%	0.0%	0.0%
<b>Total Dedications</b>	<b>1497.24</b>	<b>1545.6</b>	<b>1505.9</b>	<b>1670.8</b>	<b>1527.7</b>	<b>1524.5</b>	<b>1519.2</b>	<b>1539.3</b>	<b>3.2%</b>	<b>8.1%</b>	<b>-8.6%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>1.3%</b>
Fund Balance Transfer	86.39													
<b>GENERAL FUND REVENUE</b>	<b>6489.42</b>	<b>6769.2</b>	<b>6819.7</b>	<b>6971.8</b>	<b>7104.0</b>	<b>7134.5</b>	<b>7217.7</b>	<b>7362.4</b>	<b>4.3%</b>	<b>3.0%</b>	<b>1.9%</b>	<b>0.4%</b>	<b>1.2%</b>	<b>2.0%</b>

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

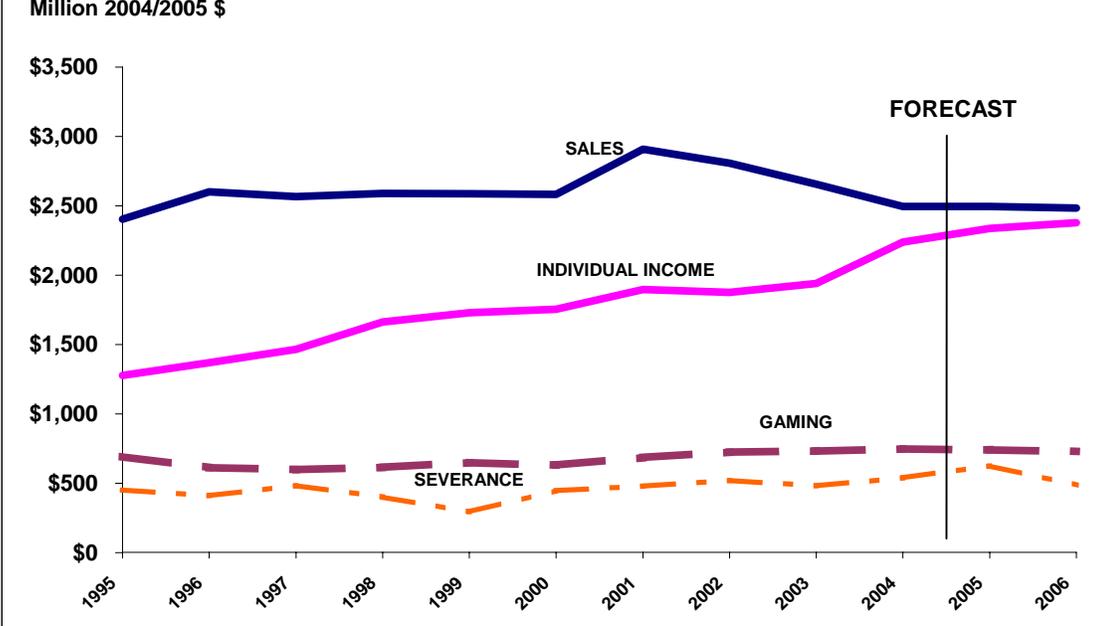
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>LOUISIANA INCOME (MILLION \$)</b>											
<b>NOMINAL PERSONAL INCOME</b>	86,114	89,977	95,024	98,780	101,773	106,748	112,075	114,700	119,989	124,861	128,931
<b>% CHANGE</b>	3.8	4.5	5.6	4.0	3.0	4.9	5.0	2.3	4.6	4.1	3.3
<b>LOUISIANA EMPLOYMENT (IN THOUSANDS)</b>											
<b>TOTAL NONAGRICULTURAL</b>	1,792	1,828	1,875	1,893	1,912	1,922	1,905	1,902	1,907	1,917	1,923
<b>% CHANGE</b>	2.4	2.0	2.6	1.0	1.0	0.5	-0.9	-0.1	0.3	0.5	0.3
<b>MINERAL RELATED ASSUMPTIONS</b>											
<b>OIL PRICE (\$/BBL)</b>	17.74	21.30	15.72	12.19	24.29	29.49	22.65	28.29	31.83	41.41	30.50
<b>% CHANGE</b>	4.9	20.1	-26.2	-22.5	99.3	21.4	-23.2	24.9	12.5	30.1	-26.3
<b>OIL PRODUCTION (MIL BBL)</b>	127.1	127.9	125.9	113.8	107.9	105.9	91.6	83.0	84.7	74.8	75.7
<b>% CHANGE</b>	-0.1	0.6	-1.6	-9.6	-5.2	-1.9	-13.5	-9.4	2.0	-11.7	1.2
<b>NATURAL GAS PRODUCTION (MIL MCF)</b>	1,580	1,637	1,596	1,503	1,438	1,503	1,378	1,157	1,197	1,151	1,097
<b>% CHANGE</b>	2.6	3.6	-2.5	-5.8	-4.3	4.5	-8.3	-16.0	3.5	-3.8	-4.7
<b>ROYALTY NATURAL GAS PRICE (\$/MCF)</b>	2.36	2.58	2.36	1.93	2.74	5.44	2.70	4.94	5.75	5.14	5.35
<b>% CHANGE</b>	35.6	9.3	-8.5	-18.2	42.0	98.5	-50.4	83.0	16.4	-10.6	4.1
<b>NATURAL GAS SEVERANCE RATE (CENTS/MCF)</b>	7.0	7.7	10.1	9.3	7.8	9.7	19.9	10.9	17.0	20.0	20.0
<b>UNITED STATES REAL GDP % CHANGE</b>	2.8	4.1	4.7	4.4	4.1	2.1	1.4	2.1	4.5	4.0	3.7
<b>IMPLICIT PRICE DEFLATOR: TOTAL</b>											
<b>CONSUMPTION EXPENDITURES: % CHANGE</b>	2.0	2.1	1.1	1.2	2.3	2.3	1.5	1.9	1.9	2.1	1.7
<b>U. S. EMPLOYMENT (IN MILLIONS)</b>	118.4	121.2	124.4	127.4	130.6	132.3	130.9	130.1	130.3	132.4	134.7
<b>TOTAL NONAGRICULTURAL % CHANGE</b>	2.0	2.4	2.6	2.5	2.5	1.3	-1.0	-0.6	0.2	1.6	1.7



## TAXES, LICENSES AND FEES Fiscal Years 1994/1995 - 2005/2006 ADJUSTED FOR INFLATION



## MAJOR REVENUE SOURCES FISCAL YEARS 1994/1995 THROUGH 2005/2006 ADJUSTED FOR INFLATION



**State of Louisiana  
Economic Assumptions and Revenue Forecasts  
for Fiscal Years 2004-2005 and 2005-2006**

**Economic Outlook**

The U.S. economy grew by 4.4% in 2004 and the expectation for 2005 is a 3.6% growth. The 2004 expansion was fueled by consumer spending and housing with a shift to more business fixed investment spending and exports for 2005. Consumer spending growth will be determined more by income and employment gains and 2004 was the first year since 1997 that consumer spending rose less rapidly than overall GDP. Export growth should also provide an important support to economic growth during 2005 and beyond.

Fiscal Year 2004-2005 has been a year of recovery for state revenues. Corporate taxes are projected to be significantly higher than previous years even with the phase out of the debt component for corporate franchise tax beginning in Fiscal Year 2005-2006. Sales and individual income taxes are also growing as the local economy continues to improve. Oil and gas revenues have produced estimates for surplus revenues for the year to add to the State's Rainy Day Fund.

**Louisiana Employment**

Louisiana employment has experienced fifteen years of positive employment growth during the last seventeen years. Louisiana's annual average employment growth since 1988 is 1.5%, and the average employment growth for the United States is also 1.5% over the same period. State employment is forecast to grow by .5% for Fiscal Year 2005 and by .33% for Fiscal Year 2006.

Louisiana Employment

In Thousands

As of December 2004

Statewide Nonfarm Employment	1923.1
Goods Producing	321.0
Natural Resources and Mining	48.4
Construction	118.9
Manufacturing	154.3
Service Providing	1601.5
Trade, Transportation and Utilities	393.8
Information	28.3
Financial Activities	101.1
Professional and Business Services	178.6
Educational and Health Services	247.6
Leisure and Hospitality	198.6
Other Services	71.5
Government	381.8

**Louisiana Personal Income**

Louisiana's personal income is projected to increase by 4.06% and 3.26%, respectively during Fiscal Years 2004-2005 and 2005-2006. For the first three quarters of calendar year 2004, Louisiana's average in personal income growth was 5.2%.



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## Revenue Summary

### Fiscal Year 2003/2004

Available general fund revenue was \$6,765.15 million in Fiscal Year 2003-2004, a healthy 4.3% growth from 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 2003-2004.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Pari-mutuel Gaming	14.9	73.2
Various Agency Receipts	16.4	60.6
Tobacco	32.8	29.2
Education Support Fund	12.7	24.5
Corporate Income	41.2	19.1
Individual Income <sup>3</sup>	24.9	17.4
Excise License Tax	25.4	14.5
Severance	64.4	13.9
Royalties	19.6	5.1

Pari-mutuel gaming (Slots at the Racetracks) increased with the opening of facilities at Louisiana Downs located in Bossier Parish and Evangeline Downs located in St. Landry Parish. The increase in Various Agency Receipts was applicable to a Securities Settlement through the Office of Financial Institutions and the inclusion of various fees for the Department of Transportation and Development. Tobacco receipts increased due to an increase in the tobacco tax. Increases in the Education Support Fund were due primarily to higher royalty revenues. The growth in corporate income receipts was a result of the recovering economy. Individual Income tax receipts were impacted by the passage of legislation revising the withholding tax tables and compressing the taxable income brackets. The Excise License Tax grew in response to higher insurance premiums. Severance and royalties increased due to the higher prices for oil and gas.

The following table ranks the revenue sources with the largest annual percentage declines and at least a \$10 million decline during Fiscal Year 2003-2004.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Natural Gas Franchise	-12.4	-81.2
Royalty Interest	-13.8	-76.8
Inheritance Tax	- 11.3	- 21.2
Investment Interest	-10.2	-16.7
Sales Tax	- 110.6	- 4.9

Prior year collections in natural gas franchise tax included a settlement which was non-recurring for Fiscal Year 2003-2004, thus reflected in the negative growth. Royalty interest was similar in that the prior year had included a large settlement, including interest, which was non-recurring for Fiscal Year 2003-2004. The decrease in inheritance revenues is due to legislation authorized in 1997, which phases out the state's share of the inheritance tax. Lower investment returns reflect the current market environment for government securities. Lower sales tax revenues were due to a constitutional amendment, which eliminated sales tax on food used for home consumption and home utilities.

### Fiscal Year 2004-2005

The Revenue Estimating Conference's official forecast of available general fund revenue is \$6,971.8 million for the Fiscal Year 2004-2005. The forecast is \$206.7 million or 3.1% above actual collections for fiscal year 2003-2004. The following table ranks the revenue sources with the largest expected annual percentage changes, which are expected to change by at least \$10 million during Fiscal Year 2002-2003.



<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Severance	98.4	18.7
Corporate Income	41.2	17.4
Excise License Tax	15.6	7.8
Individual income <sup>1</sup>	45.9	6.7
Royalties	10.4	2.6
Sales	48.6	2.3

Severance and royalty revenues reflect the higher oil and gas prices due to the instability in the world oil markets. Increased revenues from corporate income taxes are a result of the economic recovery. Individual income is higher due to tax law changes affecting withholding and the narrowing of the state income tax brackets. Excise license tax reflects the growth in insurance premium rates. The elimination of sales tax on food for home consumption and home utilities has been completed for the determination of a new sales tax base and the increase is due to normal inflationary growth.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Inheritance Tax	-25.2	-59.7
Interest on Investments	- 16.5	-32.3

Declining inheritance taxes are due to the continued phasing out of the state tax. Lower interest income receipts are reflective of the low interest rate environment in the capital markets.

#### **Fiscal Year 2005-2006**

The Revenue Estimating Conference's official forecast of available general fund revenue is \$7104.0 million in Fiscal Year 2005-2006. The forecast is \$132.2 million or 1.9% above the official forecast for general fund recurring revenues for Fiscal Year 2004-2005. The following table ranks the revenue sources with the largest expected annual percentage changes, which are expected to change by at least \$10 million during Fiscal Year 2005-2006.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Interest on Investments <sup>1</sup>	0.5	30.4
Corporate Income	34.6	12.4
Excise License Tax	14.2	6.6
Motor Vehicle Sales	10.5	3.6
Individual income tax <sup>7</sup>	9.6	3.4
Sales Tax	20.2	.9

Investment income is expected to grow with higher interest rates expected as the federal funds rate is increased. Corporate income is projected to increase as the national economy strengthens. Excise License taxes are expected to increase due to the continued rise in cost of insurance premiums. Motor vehicle sales are expected to increase in line with projected inflation increases. Individual income tax is projected to grow due to projected employment growth and economic recovery. Sales tax increases reflect the improving economy and expected inflation increases.

<u>Revenue Source</u>	<u>Growth in Million \$</u>	<u>Growth in %</u>
Inheritance-	16.0	-94.1
Severance-	131.1	-21.0
Corporate Franchise	-19.5	-10.6
Royalties	13.5	-3.2



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The phase out of the inheritance tax that began as a result of legislation passed in 1997 is now complete. Severance and royalties are projected to decline due to a lower forecast price for oil. Corporate franchise is expected to decline due to the phase out of the tax levied on corporate debt. This phase out will begin with Fiscal Year 2005-2006 and continue until complete in Fiscal Year 2011-2012.



