

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE
FISCAL YEARS 2014/2015 THROUGH 2020/2021 (IN MILLIONS)**

Revenue	ACTUAL 2014/15	ACTUAL 2015/16	FORECAST 2016/17 13-Jan-17	FORECAST 2017/18 13-Jan-17	FORECAST 2018/19 13-Jan-17	FORECAST 2019/20 13-Jan-17	FORECAST 2020/21 13-Jan-17
Alcoholic Beverage Tax	23.8	27.6	36.4	37.4	38.1	38.8	39.5
Beer Tax	33.7	35.9	41.7	41.5	41.3	41.1	40.9
Corporate Franchise Tax							
Corporate Income Tax							
Corporate Total	300.1	248.8	412.1	451.9	483.5	575.0	637.3
Gasoline and Special Fuels Tax	606.4	622.2	632.5	635.8	645.1	654.4	663.6
Gift Tax	0.0	0.0	-	-	-	-	-
Hazardous Waste Tax	3.7	3.1	2.8	2.8	2.8	2.8	2.8
Individual Income Tax	2886.1	2877.8	2,881.3	2,929.0	2,942.7	2,982.3	3,022.3
Inheritance Tax	0.0	0.0	-	-	-	-	-
Natural Gas Franchise Tax	0.6	0.4	0.5	0.5	0.5	0.5	0.5
Public Utilities	7.0	11.7	5.8	5.8	5.8	5.8	5.8
Auto Rental Excise	0.0	1.7	6.6	6.6	6.6	6.6	6.6
Sales Tax	2700.8	2937.6	3,741.2	3,798.2	2,815.3	2,791.0	2,823.9
Severance Tax	708.4	429.6	404.2	463.3	481.4	500.3	509.0
Supervision&Inspection Fees	7.9	8.2	8.0	8.0	8.0	8.0	8.0
Tobacco Tax	153.9	252.7	320.0	320.0	320.0	320.0	320.0
Unknown Owners	57.3	49.3	51.2	52.3	51.8	51.3	50.8
Miscellaneous Receipts	4.6	4.6	4.6	4.6	4.6	4.6	4.6
TOTAL REVENUE DEPT	7,494.5	7,511.4	8,548.9	8,757.7	7,847.5	7,982.5	8,135.6
Royalties	288.7	150.5	176.4	188.6	195.7	203.9	212.8
Rentals	10.5	3.6	3.5	3.8	3.9	4.1	4.3
Bonuses	7.0	1.9	1.8	1.9	2.0	2.0	2.1
Royalty Interest	0.6	1.2	1.3	1.3	1.3	1.3	1.3
TOTAL MINERAL BOARD	306.7	157.2	183.0	195.6	202.9	211.3	220.5
Interest on Investments	29.8	16.8	8.0	8.5	9.0	9.5	10.0
Interest Earnings (TTF)	0.3	0.7	1.0	1.0	1.0	1.0	1.0
Various Agency Receipts INA	324.9	248.5	207.8	212.1	218.2	218.1	218.0
Agency SGR Over-collections	27.1	30.1	54.7	54.7	54.7	54.7	54.7
Bond Reimbursements	22.9	25.2	26.6	26.6	26.6	26.6	26.6
Education Support Fund	41.7	44.3	41.2	46.3	48.8	51.2	53.7
Lottery	156.8	187.5	176.1	153.3	153.3	153.3	153.3
Land Based Casino	71.4	63.8	60.0	60.0	60.0	60.0	60.0
Tobacco Settlement	134.0	101.3	94.3	95.6	96.9	98.3	99.7
Provider Fees	131.6	130.8	141.8	148.0	151.0	154.0	157.0
TOTAL TREASURY	940.7	849.1	811.5	806.1	819.5	826.7	834.0
Excise License Tax	454.1	529.7	852.4	864.6	838.2	851.6	853.6
Insurance Fees	63.0	65.8	65.5	68.8	72.2	75.8	79.6
TOTAL INSURANCE	517.1	595.5	917.9	933.4	910.4	927.4	933.2
Misc Public Safety/ABP	13.5	16.7	17.4	18.8	19.4	19.4	19.7
Certificate of Title	24.3	82.8	27.1	29.2	30.1	30.1	30.6
Motor Vehicle License	116.9	122.2	127.7	137.7	141.7	141.9	144.0
Motor Vehicle Sales	396.2	410.8	517.3	511.3	438.2	432.0	436.2
Riverboat Gaming	410.1	415.4	411.3	418.1	420.6	423.3	426.1
Racetrack Slots	57.7	53.6	50.7	50.7	50.7	50.7	50.7
Video Poker	190.8	185.7	183.0	185.7	187.1	188.6	190.1
TOTAL PUBLIC SAFETY	1,209.5	1,287.3	1,334.6	1,351.5	1,287.7	1,286.0	1,297.3
Total TAX, LICENSES & FEES	10,468.4	10,400.4	11,795.8	12,044.3	11,068.0	11,234.0	11,420.6

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE
FISCAL YEARS 2014/2015 THROUGH 2020/2021 (IN MILLIONS)**

Dedications	ACTUAL 2014/15	ACTUAL 2015/16	FORECAST 2016/17 13-Jan-17	FORECAST 2017/18 13-Jan-17	FORECAST 2018/19 13-Jan-17	FORECAST 2019/20 13-Jan-17	FORECAST 2020/21 13-Jan-17
Trans Trust/fuels	485.1	497.8	506.0	508.6	516.1	523.5	530.9
Trans Trust/motor vehicle lic	49.7	50.7	53.7	57.9	59.6	59.7	60.6
Trans Trust/sales jet fuel	29.8	29.8	29.8	29.8	29.8	29.8	29.8
Trans Trust/interest & fees	30.0	27.8	28.1	28.1	28.1	28.1	28.1
TIME/fuels	121.3	124.4	126.5	127.2	129.0	130.9	132.7
H F #2/motor vehicle license	11.8	13.1	13.3	14.4	14.8	14.8	15.0
State Highway Improvement Fund	53.8	58.4	59.9	64.6	66.5	66.5	67.5
Parishes/severance	43.9	38.7	36.4	41.7	43.3	45.0	45.8
Forest Productivity	2.5	2.2	2.2	2.2	2.2	2.2	2.2
Parishes/royalties	34.0	15.1	17.6	18.9	19.6	20.4	21.3
DNR/AG Support Fund	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Wetlands Conservation&Rst	23.6	15.5	15.6	16.9	17.3	17.8	25.0
Mineral Revenue Audit & Set.	-	-	-	-	-	-	-
Education Support Fund	41.7	44.3	41.2	46.3	48.8	51.2	53.7
Workforce Develop Fd/sales	12.5	12.9	16.4	16.6	12.5	12.4	12.5
Tourism Promotion Dist/sal	23.2	24.5	31.1	31.5	23.8	23.6	23.8
Telecommunications Fund for the Deaf	1.0	1.0	1.0	1.0	1.0	1.0	1.0
2% Fire Insurance/excise lic	21.6	22.0	22.1	20.3	19.9	19.8	19.9
Fire Marshall/excise license	16.1	16.2	16.6	15.2	14.9	14.8	14.9
LSU Fireman Training /excise	3.2	3.2	3.3	3.0	3.0	2.9	3.0
Retirement Systems/insurance	63.0	65.8	65.5	68.8	72.2	75.8	79.6
ELT MATF Medicaid Managed Care	51.3	113.4	428.7	477.1	457.4	472.7	472.7
State Police Salary Fund	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Video Poker	58.8	59.1	57.0	57.9	58.3	58.8	59.2
Racetrack Slots	32.7	32.7	30.9	30.9	30.9	30.9	30.9
Lottery	156.3	187.0	175.6	152.8	152.8	152.8	152.8
SELF Fund	155.4	150.7	146.0	149.3	149.8	150.4	151.0
Higher Education Initiatives Fund	-	350.0	-	-	-	-	-
Casino Support Fund	3.6	1.8	1.8	-	-	-	-
Riverboat Gaming	64.3	65.3	64.5	65.6	66.0	66.4	66.8
Compulsive & Problem Gaming	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Budget Stabilization Fund	-	-	25.0	25.0	25.0	25.0	25.0
Revenue Stabilization Fund	-	-	-	-	-	-	37.3
Haz Waste Site	3.7	3.1	2.8	2.8	2.8	2.8	2.8
Supervision&Inspection Fees	7.9	8.2	8.0	8.0	8.0	8.0	8.0
Inspection Gasoline Fee	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Louisiana & Tobacco Funds	148.7	111.1	104.8	106.1	107.4	108.8	110.2
Tobacco Tax Health Care Fund	44.8	30.1	32.3	32.3	32.3	32.3	32.3
Tobacco Tax Medicaid Match Fund	-	122.7	131.9	131.9	131.9	131.9	131.9
Rapid Response Fund/Economic Dev	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Rapid Response Fund/Workforce	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Unclaimed Property Leverage	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Capitol Tech	10.0	10.0	10.0	10.0	10.0	10.0	10.0
LDR Fraud / Lottery Reserves / Debt Recovery	63.1	5.0	5.0	5.0	-	-	-
Provider Fees	131.6	130.8	141.8	148.0	151.0	154.0	157.0
NOW Waiver Fund	-	-	-	-	-	-	-
Total Dedications	2,059.2	2,503.7	2,511.7	2,574.7	2,565.2	2,604.4	2,674.7
GENERAL FUND REVENUE	8,409.2	7,896.8	9,284.1	9,469.6	8,502.8	8,629.6	8,746.0
Fund Balance Transfer	-	-	-	-	-	-	-
GENERAL FUND REVENUE (including Fund Balance Transfer)	8,409.2	7,896.8	9,284.1	9,469.6	8,502.8	8,629.6	8,746.0

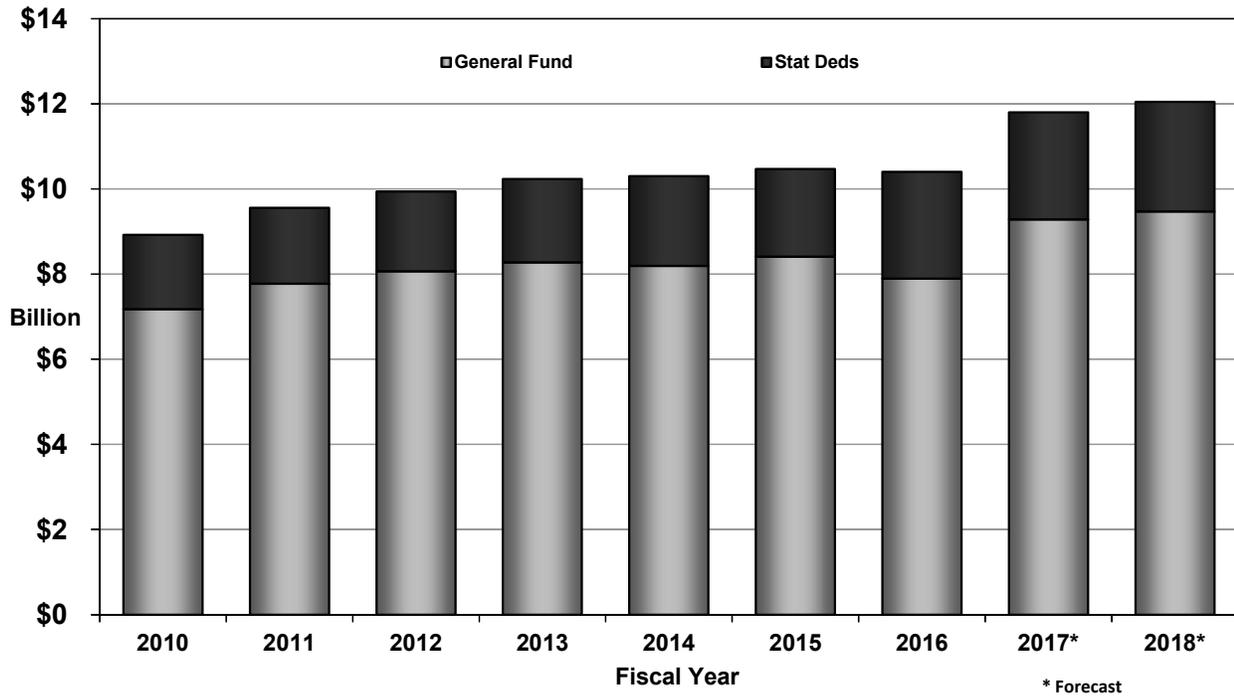
ECONOMIC OUTLOOK

LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR ENDING JUNE 30

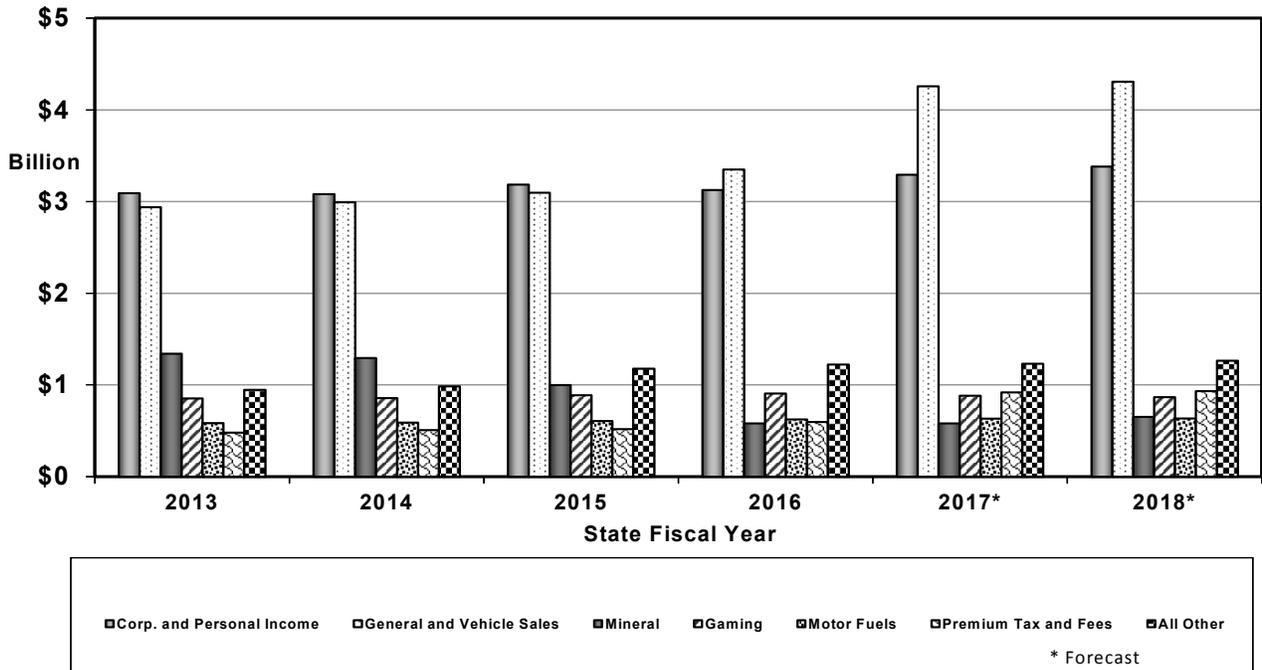
	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017*</u>	<u>FY 2018*</u>
Macroeconomic Assumptions							
Population (Thousand)	4,593.0	4,618.2	4,639.8	4,661.3	4,677.9	4,691.4	4,703.9
<i>% Change</i>	0.6%	0.5%	0.5%	0.5%	0.4%	0.3%	0.3%
Louisiana Non-Agricultural Employment (Thousand)	1,916.3	1,938.5	1,967.3	1,994.8	1,982.0	1,978.1	1,997.6
<i>% Change</i>	1.3%	1.2%	1.5%	1.4%	-0.6%	-0.2%	1.0%
National Non-Agricultural Employment (Million)	133.1	135.2	137.6	140.4	143.1	145.4	147.5
<i>% Change</i>	1.6%	1.6%	1.7%	2.1%	1.9%	1.6%	1.4%
Louisiana Wages and Salaries (\$ Billion)	87.6	90.2	93.1	96.8	96.8	98.7	103.4
<i>% Change</i>	2.7%	3.0%	3.2%	4.0%	0.0%	1.9%	4.9%
National Wages and Salaries (\$ Billion)	6,763.3	7,025.8	7,280.2	7,662.5	8,018.2	8,393.7	8,904.7
<i>% Change</i>	3.6%	3.9%	3.6%	5.3%	4.6%	4.7%	6.1%
Inflation (Personal Consumption Deflator - Year 2009 = 100)	105.2	106.9	108.4	109.3	110.0	111.9	114.9
<i>% Change</i>	2.4%	1.5%	1.4%	0.9%	0.7%	1.7%	2.7%
Annual Change in U.S. Real Gross Domestic Product	2.0%	1.5%	2.1%	2.9%	1.7%	2.2%	2.8%
Mineral-Related Assumptions							
Severance Crude Oil Price (\$/barrel)	109.30	105.05	103.40	76.22	44.42	48.13	51.41
<i>% Change</i>	27.5%	-3.9%	-1.6%	-26.3%	-41.7%	8.4%	6.8%
Oil Production (Million Barrels)	70.8	71.9	70.6	66.9	59.9	56.0	53.6
<i>% Change</i>	3.6%	1.6%	-1.9%	-5.2%	-10.4%	-6.6%	-4.2%
Henry Hub Natural Gas Price (\$/MCF)	3.28	3.48	4.24	3.33	2.15	3.08	3.22
<i>% Change</i>	-24.0%	6.1%	21.8%	-21.5%	-35.4%	43.3%	4.5%
Natural Gas Severance Rate (¢/MCF)	16.4	14.8	11.8	16.3	15.8	9.8	11.7
Natural Gas Production (Million MCF)	3,047.6	2,714.4	2,072.8	1,832.5	1,751.8	1,654.6	1,566.6
<i>% Change</i>	17.3%	-10.9%	-23.6%	-11.6%	-4.4%	-5.5%	-5.3%

* Forecast

TAXES, LICENSES AND FEES



TAXES, LICENSES & FEES Major Revenue Sources



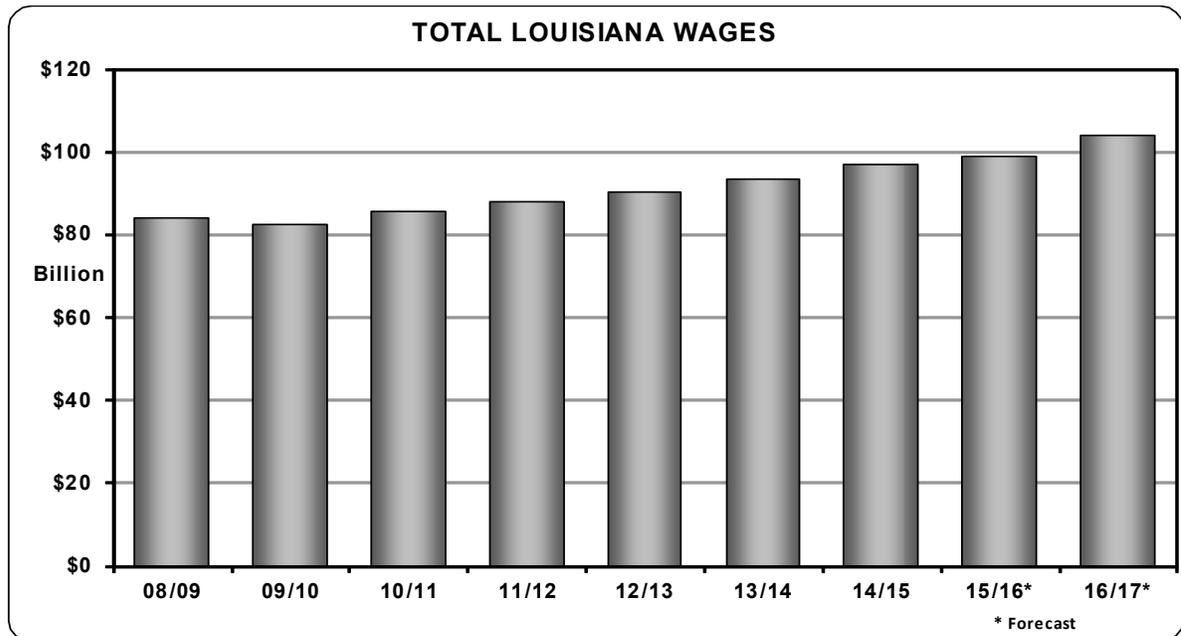
Louisiana Employment and Wages

Over the last fiscal years since the Great Recession of 2008-2009 up to FY2014-2015, Louisiana non-farm employment had been steadily rising, in tune with national economic activity. However, this steady increase hit a bump in FY2015-2016, when the fall in the oil price per barrel had a profound effect on the Louisiana labor market. From FY2014-2015 to FY2015-2016, Louisiana shed a total of about 13,000 jobs, most of them concentrated in the oil services industry. For FY2016-2017 it is projected that the labor market will still be in recession (albeit shedding fewer jobs than the fiscal year before), with a healthy recovery for FY2017-2018.

Louisiana nominal wages had been steadily increasing with the recovery after the Great Recession. In FY2014-2015 the increase hit 4%, a percentage not seen in the last ten years. However, as the job market entered in recession in FY2015-2016, and employment fell, nominal wages stopped increasing. For FY2016-2017 the projected increase is 1.9% and for FY2017-2018 a higher estimate is expected, 4.9%, in tune with a strong recovery expected in the job market.

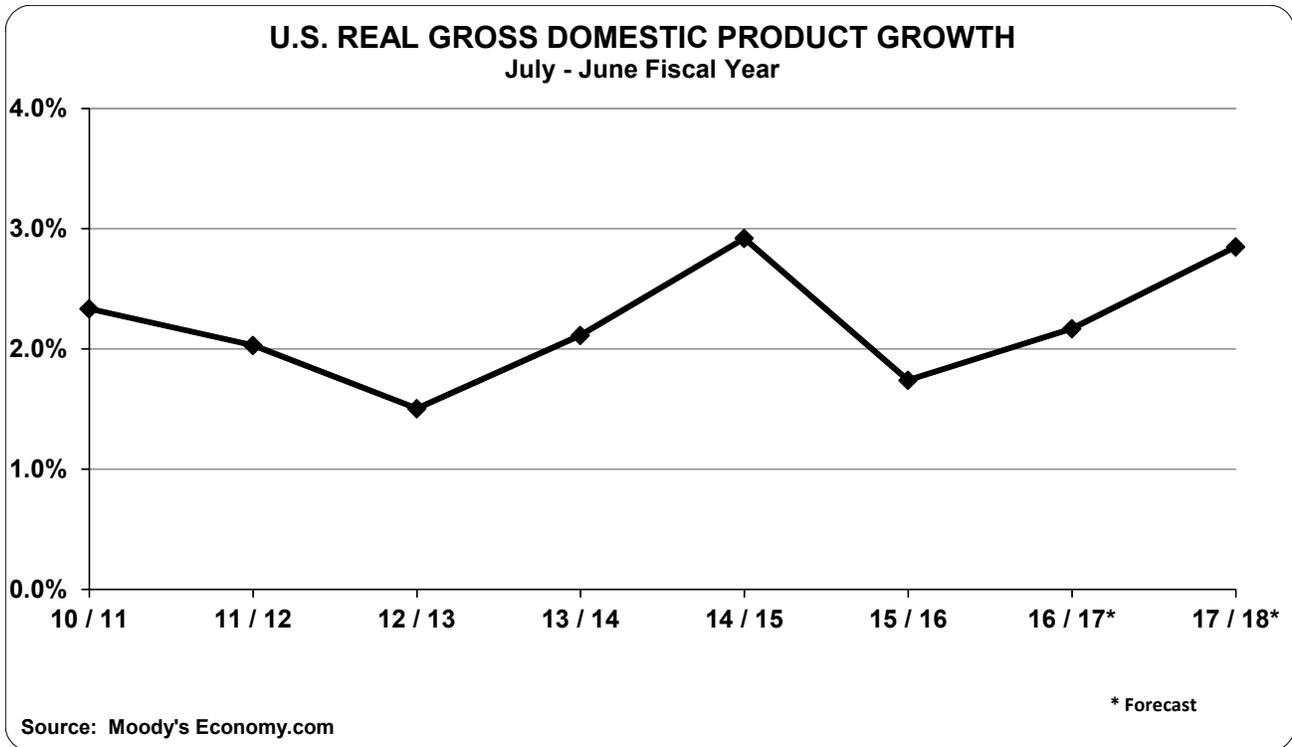
Louisiana Employment (Thousands, SA)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 forecast	FY 2017-18 forecast
Statewide Nonfarm Employment	1,967	1,995	1,982	1,978	1,997
Goods Producing	336	341	327	318	320
Natural Resources & Mining	56	53	43	39	38
Construction	134	141	143	145	150
Total Manufacturing	146	147	140	134	132
Service Providing	1,632	1,654	1,655	1,653	1,676
Trade, Transportation & Utilities	386	393	393	392	395
Information	26	26	25	25	25
Financial Activities	93	93	90	91	90
Professional & Business Services	209	213	211	212	216
Education & Health Services	295	302	308	316	323
Leisure & Hospitality	217	223	229	227	229
Other Services (except Public Administration)	72	73	74	75	75
Total Government	333	328	326	323	323

Source: Moody's Economy.com.



U.S. Real Gross Domestic Product

The following is based upon the Moody's Economy.com data and forecast. After the Great Recession of 2008-2009, the U.S. economy expanded at a slow and steady pace. Contrary to past recoveries in other recessions, the GDP did not see high rates of growth; rather it maintained a steady pace of 2%. In FY2014-2015 growth was of 2.9%, but in FY2015-2016 it slowed to 1.7%. The projection of U.S. economic growth in FY2016-2017 is 2.2%, and for the following FY2017-2018, it is 2.8%.



Revenue Summary - Fiscal Year 2015-2016

Unfortunately, FY2015-2016 did not see an increase in tax collections as measured by Taxes, Licenses & Fees (TLF), compared to FY2014-2015. This broad measure tracked by the Revenue Estimating Conference (REC) saw a small decrease of -0.6%. In addition, Statutory Dedications had a large increase of 21.6% (compared to the previous fiscal year), which caused State General Fund collection to fall by 6.3%. The sharp increase in Statutory Dedications was largely driven by two factors: first, the Higher Education Initiatives Fund, which was created during the 2015 Regular Session and diverted \$350 million from State General Fund into this dedication; second, the Medicaid Managed Care dedication from the Premium Insurance Tax also saw a significant increase, due to changes in coverage.

	FY 2015-2016 Actual (Million \$)	Annual Change (Million \$)	Annual Change (%)
Taxes, Licenses and Fees	10,400.4	-68.0	-0.6
Statutory Dedications	2,503.7	444.4	21.6
State General Fund	7,896.8	-534.9	-6.3

The following table displays the revenue sources that showed an increase of at least \$10 million over the prior fiscal year:

Annual Revenue Increases Greater than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
General Sales Tax	236.8	8.8
Tobacco Tax	98.8	64.2
Excise License Tax (Premium Insurance Tax)	75.7	16.7
Titles	58.5	240.7
Lottery Proceeds	30.7	19.6
Vehicle Sales Tax	15.8	2.6
Riverboat Casino Tax Collection	14.6	3.7

The General Sales Tax saw an increase in its collection because the Legislature passed and the Governor signed an increase in the tax rate and an expansion of the tax base affected by this levy (2016 First Extraordinary Session). These increases started to be in effect by April 1, 2016 so that it influenced the last few months of FY2015-2016. The Tobacco Tax collection increased because the tax on cigarette packs was increased. The Excise License Tax collection rose due to an expansion of the Medicaid coverage. Title Fee collection climbed because fees on certain vehicles were increased by \$50 each. Lottery Proceeds is the calendar year collection for 2015, which had good jackpots, and thus, encountered a high demand for tickets. The Vehicle Sales Tax collection increased because of the same reason as the General Sales Tax – a rate increase decided by the Legislature.

The following table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during FY2015-2016:

Annual Revenue Decreases Greater than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Severance Tax	-278.8	-39.4
Royalties	-138.2	-47.9
Corporate Collections	-51.4	-17.1
Tobacco Settlement	-32.7	-24.4
Interest Earnings on SGF	-13.0	-43.5

Mineral Revenue declined in the previous fiscal year, mostly due to decreases in production and the remarkable fall of the oil price since July 2014. Corporate Collections decreased largely because of the same reason – many oil and natural gas related companies saw a sharp decrease in their earnings. Interest Earnings on the State General Fund decreased because of the low interest environment.

Revenue Summary - Fiscal Year 2016 - 2017

The Revenue Estimating Conference (REC) met January 13, 2017 and adopted a forecast for FY2016-2017 that projected an amount for Taxes, Licenses & Fees (TLF) of \$11,795.8 million; this represents an increase of \$1,395.4 million compared to the actual TLF collection of fiscal year FY2015-2016. With this Official Forecast, the State General Fund (SGF) is projected to increase by \$1,387.3 million, compared to the actual SGF collection in FY2015-2016 (a 17.6% increase). The reason, in part, for this increase in the SGF is that, for FY2016-2017, Statutory Dedications are projected to stay fairly constant (compared to the previous fiscal year), so that several tax increases enacted in various Legislative sessions will be reflected as increases in the SGF.

	FY 2016-2017 Forecast (Million \$)	Annual Change (Million \$)	Annual Change (%)
Taxes, Licenses and Fees	11,795.8	1,395.4	13.4
Statutory Dedications	2511.7	8.1	0.3
State General Fund	9,284.1	1,387.3	17.6

The following table ranks the revenue sources with the largest expected percentage growth and a \$10 million or higher increase over the prior fiscal year:

Annual Revenue Increases Greater than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
General Sales Tax	803.6	27.4
Excise License Tax (Premium Insurance Tax)	322.6	60.9
Corporate Collections (Income & Franchise)	163.3	65.7
Vehicle Sales Tax	106.5	25.9
Tobacco Tax	67.3	26.6
Royalties	25.9	17.2

The bulk of the raises are due to increases in taxes and reductions in tax credits passed by the legislature during the First and Second Extraordinary Legislative Sessions of 2016. Such changes are mostly concentrated in the Sales Taxes (General and Vehicle) and the Excise License Tax. During the First Extraordinary Legislative Session of 2016 the legislature passed and the Governor signed an increase of one percentage point of the General and Vehicles Sales Taxes (raising it from 4 to 5%), and, concurrently, expanding the base of the General Sales Tax (these provisions expire at the end of FY2017-2018). In that same Legislative Session, the Tobacco Tax on cigarette packs was raised by 22 cents per pack. The Excise License Tax was increased for Health Management Organizations during the Second Extraordinary Legislative Session of 2016 (in addition to increasing other fees charged to medical providers). The increase in Royalties reflects a projected increase in the oil price, given the low collection of this stream during the previous fiscal year.

The following table ranks the revenue sources with the largest projected annual percentage declines during Fiscal Year 2016-2017:

Annual Revenue Decreases Greater than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Certificate of Title proceeds	-55.7	-67.3
Severance Tax	-25.4	-5.9
Lottery Proceeds	-11.4	-6.1

The Certificate of Title proceeds reduction reflects a change in the assignment of a portion of such proceeds as Fees and Self-generated Revenue and not State General Fund. Projected Severance Tax collection are lower, because of a high previous projection. Lottery Proceeds are the actual collections for Calendar Year 2016, and came out to be \$11 million lower than in CY2015.

Revenue Summary - Fiscal Year 2017 - 2018

The REC meeting on January 13, 2017 also revised the forecast for FY2017-2018. It projects an increase of 2% in the State General Fund for FY2017-2018 compared to the projection for FY2016-2017. This increase can be explained by a projected increase in general economic activity and a slow normalization of the job market.

	FY 2017-2018 Forecast (Million \$)	Annual Change (Million \$)	Annual Change (%)
Taxes, Licenses and Fees	12,044.3	248.5	2.1
Statutory Dedications	2,574.7	63.0	2.5
State General Fund	9,469.6	185.5	2.0

The following table shows revenue sources that are projected to increase by \$10 million or more during FY2017-2018:

Annual Revenue Increases Higher than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Severance Tax	59.1	14.6
General Sales Tax	57.0	1.5
Individual Income Tax	47.7	1.7
Corporate Collections	39.8	9.7
Excise License Tax	12.2	1.4
Royalties	12.2	6.9

The projected increases in these revenues are linked to the expectation of a slow rise in economic activity, despite the challenges faced in the overall tax collection; this is particularly true for the Individual Income Tax, Corporate Collections and the General Sales Tax. Mineral revenue (Severance and Royalties) are expected to increase because of a slow rise in oil prices.

The following table ranks the revenue sources with the largest projected annual percentage declines and a \$10 million or more estimated decrease during FY2017-2018:

Annual Revenue Decreases Greater or Equal to \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Lottery Proceeds	-22.8	-12.9

Lottery Proceeds reflect a conservative outlook, in which no unusually big jackpots are expected, so that Lottery collections revert to a more ordinary level.