

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE  
FISCAL YEARS 2012/2013 THROUGH 2018/2019 (IN MILLIONS)**

Revenue	ACTUAL	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2012/13	2013/14	2014/15 Jan. 26, 2015	2015/16 Jan. 26, 2015	2016/17 Jan. 26, 2015	2017/18 Jan. 26, 2015	2018/19 Jan. 26, 2015
Alcoholic Beverage Tax	22.1	22.8	23.6	24.2	24.9	25.6	26.2
Beer Tax	34.9	34.3	33.2	33.0	32.8	32.6	32.5
Corporate Franchise Tax							
Corporate Income Tax							
Corporate Total	336.3	329.5	350.0	350.0	353.1	370.1	420.0
Gasoline and Special Fuels Tax	583.0	588.9	606.0	614.2	623.4	632.6	641.8
Gift Tax	0.0	0.1	-	-	-	-	-
Hazardous Waste Tax	3.3	3.0	3.3	3.3	3.3	3.3	3.3
Individual Income Tax	2,753.8	2,750.6	2,869.4	2,987.8	3,126.1	3,263.9	3,403.9
Inheritance Tax	(0.0)	0.1	-	-	-	-	-
Natural Gas Franchise Tax	1.6	0.7	0.3	0.3	0.3	0.3	0.3
Public Utilities	7.1	7.6	7.4	7.4	7.4	7.4	7.4
Auto Rental Excise	0.0	0.0	-	-	-	-	-
Sales Tax	2,581.9	2,620.1	2,700.6	2,769.5	2,861.7	2,946.5	3,024.2
Severance Tax	847.1	823.0	681.4	508.2	541.9	559.7	596.7
Supervision&Inspection Fees	8.0	8.5	8.5	8.5	8.5	8.5	8.5
Tobacco Tax	136.6	143.1	143.1	141.7	141.4	141.1	141.0
Unknown Owners	53.3	48.6	53.6	54.7	54.2	53.8	53.3
Miscellaneous Receipts	4.4	4.2	4.2	4.2	4.2	4.2	4.2
<b>TOTAL REVENUE DEPT</b>	<b>7,373.6</b>	<b>7,385.0</b>	<b>7,484.6</b>	<b>7,507.0</b>	<b>7,783.2</b>	<b>8,049.6</b>	<b>8,363.3</b>
Royalties	494.8	470.0	334.3	385.4	403.3	420.2	441.3
Rentals	13.7	10.3	10.4	11.5	11.9	12.2	12.7
Bonuses	15.2	15.5	8.0	9.6	10.1	10.6	11.2
Royalty Interest	3.1	2.2	1.0	2.0	2.0	2.0	2.0
<b>TOTAL MINERAL BOARD</b>	<b>526.9</b>	<b>498.0</b>	<b>353.7</b>	<b>408.4</b>	<b>427.3</b>	<b>445.1</b>	<b>467.2</b>
Interest on Investments	63.6	42.7	30.0	32.0	34.0	36.0	38.0
Interest Earnings (TTF)	0.7	0.5	0.3	0.3	0.3	0.3	0.3
Various Agency Receipts INA	73.5	71.8	213.2	216.2	219.8	223.5	229.0
Agency SGR Over-collections	25.5	28.6	28.6	28.6	28.6	28.6	28.6
Bond Reimbursements	39.7	24.3	25.8	25.8	25.8	25.8	25.8
Education Support Fund	58.1	58.6	49.7	55.0	57.5	60.0	62.5
Lottery	162.4	164.4	165.8	153.0	153.0	153.0	153.0
Land Based Casino	72.6	72.6	72.5	72.5	72.5	72.5	72.5
Tobacco Settlement	123.8	180.2	120.0	99.3	100.6	102.0	105.5
Provider Fees	110.0	125.3	132.0	133.3	136.4	139.5	142.6
<b>TOTAL TREASURY</b>	<b>729.9</b>	<b>769.0</b>	<b>837.9</b>	<b>815.9</b>	<b>828.4</b>	<b>841.1</b>	<b>857.8</b>
Excise License Tax	421.9	445.5	469.6	532.7	555.1	581.9	603.9
Insurance Fees	57.1	60.3	63.0	65.9	68.8	71.9	75.2
<b>TOTAL INSURANCE</b>	<b>478.9</b>	<b>505.8</b>	<b>532.6</b>	<b>598.6</b>	<b>623.9</b>	<b>653.8</b>	<b>679.1</b>
Misc Public Safety/ABP	12.4	13.9	14.3	14.8	14.9	15.2	16.1
Certificate of Title	24.0	24.6	25.6	26.4	26.6	27.3	28.9
Motor Vehicle License	112.7	113.7	119.8	126.2	127.4	130.0	132.6
Motor Vehicle Sales	355.6	371.2	387.2	399.2	402.8	412.4	436.8
Riverboat Gaming	363.8	372.5	386.3	386.5	389.7	392.8	395.9
Racetrack Slots	61.0	58.7	59.2	59.2	59.2	59.2	59.2
Video Poker	194.3	187.8	190.8	191.9	194.0	195.6	197.1
<b>TOTAL PUBLIC SAFETY</b>	<b>1,123.8</b>	<b>1,142.3</b>	<b>1,183.2</b>	<b>1,204.1</b>	<b>1,214.6</b>	<b>1,232.5</b>	<b>1,266.6</b>
<b>Total TAX, LICENSES &amp; FEES</b>	<b>10,233.1</b>	<b>10,300.1</b>	<b>10,391.9</b>	<b>10,534.1</b>	<b>10,877.4</b>	<b>11,222.1</b>	<b>11,634.0</b>

**COMPARATIVE STATEMENT OF OFFICIAL REVENUE FORECASTS AND ACTUAL REVENUE  
FISCAL YEARS 2012/2013 THROUGH 2018/2019 (IN MILLIONS)**

<b>Dedications</b>	<b>ACTUAL 2012/13</b>	<b>ACTUAL 2013/14</b>	<b>FORECAST 2014/15 Jan. 26, 2015</b>	<b>FORECAST 2015/16 Jan. 26, 2015</b>	<b>FORECAST 2016/17 Jan. 26, 2015</b>	<b>FORECAST 2017/18 Jan. 26, 2015</b>	<b>FORECAST 2018/19 Jan. 26, 2015</b>
Trans Trust/fuels	466.4	471.1	484.8	491.4	498.7	506.1	513.4
Trans Trust/motor vehicle lic	47.3	48.0	50.4	53.1	53.6	54.7	55.8
Trans Trust/sales jet fuel	29.8	29.8	29.8	29.8	29.8	29.8	29.8
Trans Trust/interest & fees	28.1	28.5	28.2	28.2	28.2	28.2	28.2
TIME/fuels	116.6	117.8	121.2	122.8	124.7	126.5	128.4
H F #2/motor vehicle license	11.9	11.6	12.3	12.9	13.0	13.3	13.6
State Highway Improvement Fund	53.5	52.6	55.4	58.4	58.9	60.1	61.3
Parishes/severance	44.9	49.9	41.3	30.8	32.9	33.9	36.2
Forest Productivity	1.8	2.3	2.3	2.3	2.3	2.3	2.3
Parishes/royalties	54.1	46.2	33.4	38.5	40.3	42.0	44.1
DNR/AG Support Fund	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Wetlands Conservation&Rst	30.4	29.5	25.0	25.0	25.0	25.0	25.0
Mineral Revenue Audit & Set.	-	-	-	-	-	-	-
Education Support Fund	58.1	58.6	49.7	55.0	57.5	60.0	62.5
LA Econ Dev Port Dev Infra Fund							
Workforce Develop Fd/sales	11.8	12.0	12.4	12.7	13.1	13.5	13.9
Tourism Promotion Dist/sal	22.1	22.4	23.2	23.8	24.5	25.2	26.0
Telecommunications Fund for the Deaf	-	1.0	1.0	1.0	1.0	1.0	1.0
2% Fire Insurance/excise lic	20.4	21.5	21.1	21.9	23.0	24.3	25.3
Fire Marshall/excise license	15.3	15.7	15.4	16.0	16.8	17.7	18.5
LSU Fireman Training /excise	3.1	3.1	3.1	3.2	3.4	3.6	3.7
Retirement Systems/insurance	57.1	60.3	63.0	65.9	68.8	71.9	75.2
ELT MATF Medicaid Managed Care	17.9	30.9	31.0	76.3	76.3	76.3	76.3
State Police Salary Fund	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Video Poker	59.4	57.9	58.3	58.6	59.3	59.7	60.2
Racetrack Slots	32.5	32.1	31.8	31.8	31.8	31.8	31.8
Lottery	161.9	163.9	156.3	152.5	152.5	152.5	152.5
SELF Fund	150.1	152.0	151.4	151.4	152.1	152.8	153.4
Casino Support Fund			3.6	3.6	3.6	3.6	3.6
Riverboat Gaming	57.4	58.7	60.7	60.8	61.3	61.8	62.2
Compulsive & Problem Gaming	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Budget Stabilization	-	-	-	25.0	25.0	320.5	-
Haz Waste Site	3.3	3.0	3.3	3.3	3.3	3.3	3.3
Supervision&Inspection Fees	8.0	8.5	8.5	8.5	8.5	8.5	8.5
Inspection Gasoline Fee	4.4	4.2	4.2	4.2	4.2	4.2	4.2
Louisiana & Tobacco Funds	136.5	192.5	132.7	111.9	113.2	114.5	118.0
Tobacco Tax Health Care Fund	38.8	37.6	39.0	38.6	38.5	38.4	38.4
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
GOZone Bond Reimb./Hosp.Leases/Other Ded	37.9	92.0	56.0	-	-	-	-
Provider Fees	110.0	125.3	132.0	133.3	136.4	139.5	142.6
NOW Waiver Fund							
<b>Total Dedications</b>	<b>1,955.5</b>	<b>2,105.1</b>	<b>2,006.3</b>	<b>2,017.1</b>	<b>2,046.1</b>	<b>2,371.2</b>	<b>2,084.0</b>
<b>GENERAL FUND REVENUE</b>	<b>8,277.6</b>	<b>8,195.0</b>	<b>8,385.6</b>	<b>8,516.9</b>	<b>8,831.4</b>	<b>8,850.9</b>	<b>9,550.1</b>
Fund Balance Transfer	-	-	-	-	-	-	-
<b>GENERAL FUND REVENUE (including Fund Balance Transfer)</b>	<b>8,277.6</b>	<b>8,195.0</b>	<b>8,385.6</b>	<b>8,516.9</b>	<b>8,831.4</b>	<b>8,850.9</b>	<b>9,550.1</b>

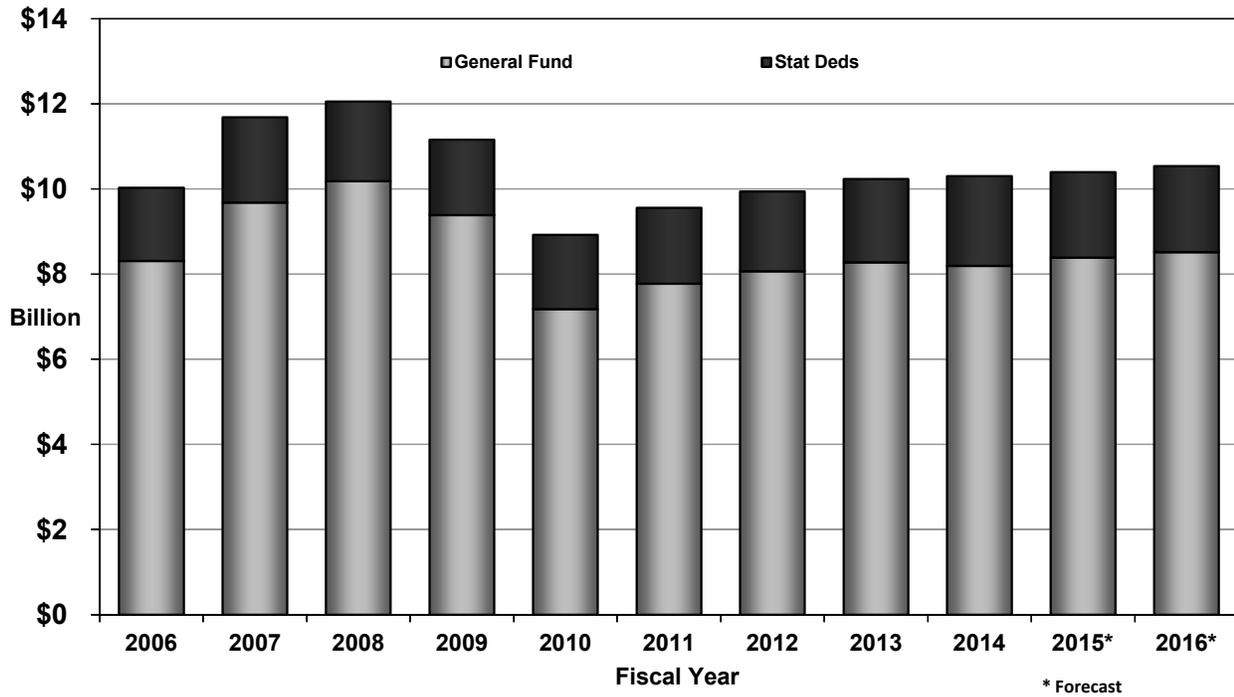
# ECONOMIC OUTLOOK

## LOUISIANA ECONOMIC FORECAST SUMMARY BY FISCAL YEAR ENDING JUNE 30

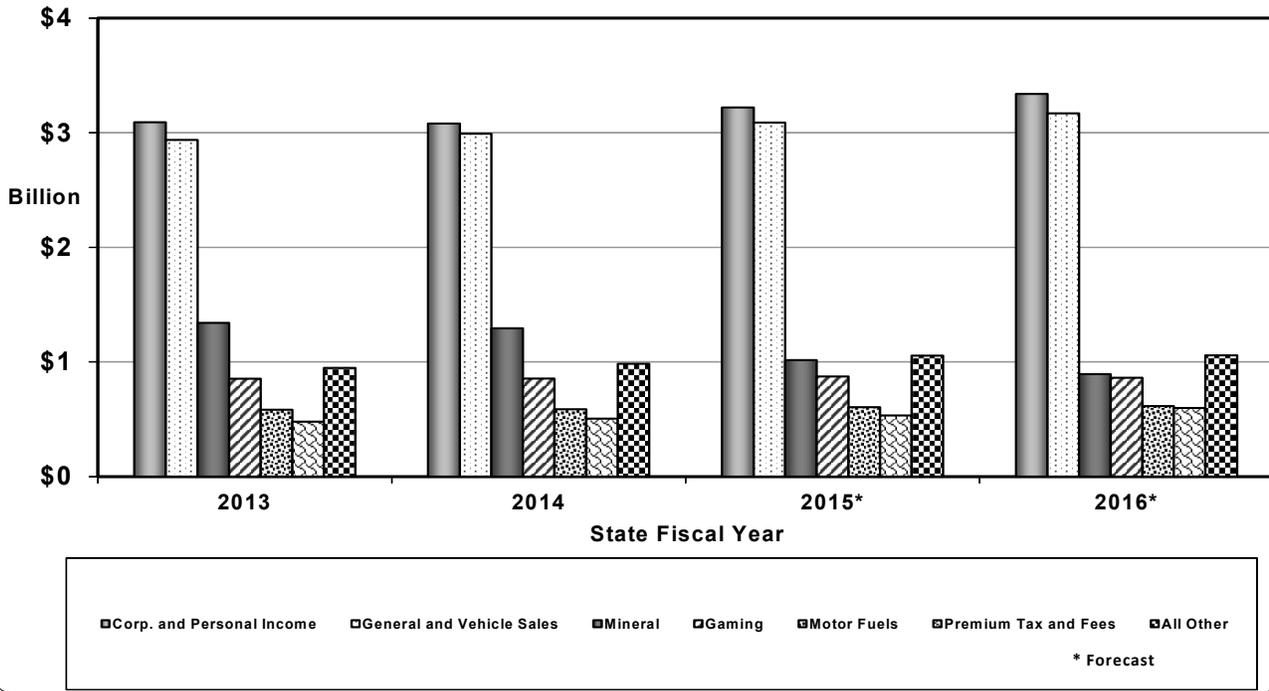
	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015*</u>	<u>FY 2016*</u>
<b>Macroeconomic Assumptions</b>							
Population (Thousand)	4,526.9	4,565.2	4,592.0	4,617.4	4,633.6	4,647.5	4,662.5
<i>% Change</i>	1.3%	0.8%	0.6%	0.6%	0.4%	0.3%	0.3%
Louisiana Non-Agricultural Employment (Thousand)	1,886.0	1,891.0	1,915.1	1,936.8	1,959.4	1,987.2	2,012.3
<i>% Change</i>	-2.1%	0.3%	1.3%	1.1%	1.2%	1.4%	1.3%
National Non-Agricultural Employment (Million)	130.1	130.9	133.0	135.2	137.5	140.5	144.0
<i>% Change</i>	-3.1%	0.6%	1.6%	1.6%	1.7%	2.1%	2.5%
Louisiana Wages and Salaries (\$ Billion)	82.3	85.3	87.7	90.3	93.0	97.3	104.0
<i>% Change</i>	-1.6%	3.7%	2.8%	3.0%	3.0%	4.6%	6.9%
National Wages and Salaries (\$ Billion)	6,280.9	6,526.0	6,767.9	7,033.8	7,271.3	7,629.8	8,206.1
<i>% Change</i>	-1.6%	3.7%	2.8%	3.0%	3.0%	4.6%	6.9%
Inflation (Personal Consumption Deflator - Year 2009 = 100)	101.4	104.0	105.9	107.1	108.8	109.7	112.1
<i>% Change</i>	1.0%	1.8%	2.4%	1.4%	1.3%	1.1%	1.7%
Annual Change in U.S. Real Gross Domestic Product	0.2%	2.3%	2.0%	2.0%	2.5%	3.2%	3.7%
<b>Mineral-Related Assumptions</b>							
Severance Crude Oil Price (\$/barrel)	68.4	85.7	109.3	105.0	103.4	69.4	59.6
<i>% Change</i>	-13.0%	25.4%	27.5%	-3.9%	-1.6%	-32.9%	-14.0%
Oil Production (Million Barrels)	67.4	68.3	70.7	71.9	70.2	67.0	64.9
<i>% Change</i>	-2.2%	1.4%	3.5%	1.7%	-2.4%	-4.5%	-3.2%
Henry Hub Natural Gas Price (\$/MCF)	4.3	4.3	3.3	3.5	4.2	3.5	3.4
<i>% Change</i>	-33.2%	0.1%	-24.5%	6.3%	22.5%	-16.5%	-3.4%
Natural Gas Severance Rate (¢/MCF)	33.1	16.4	16.4	14.8	11.8	16.3	13.0
Natural Gas Production (Million MCF)	1,794.4	2,598.9	3,080.5	2,714.1	2,058.6	1,817.8	1,767.0
<i>% Change</i>	30.0%	44.8%	18.5%	-11.9%	-24.2%	-11.7%	-2.8%

\* Forecast

### TAXES, LICENSES AND FEES



### TAXES, LICENSES & FEES Major Revenue Sources



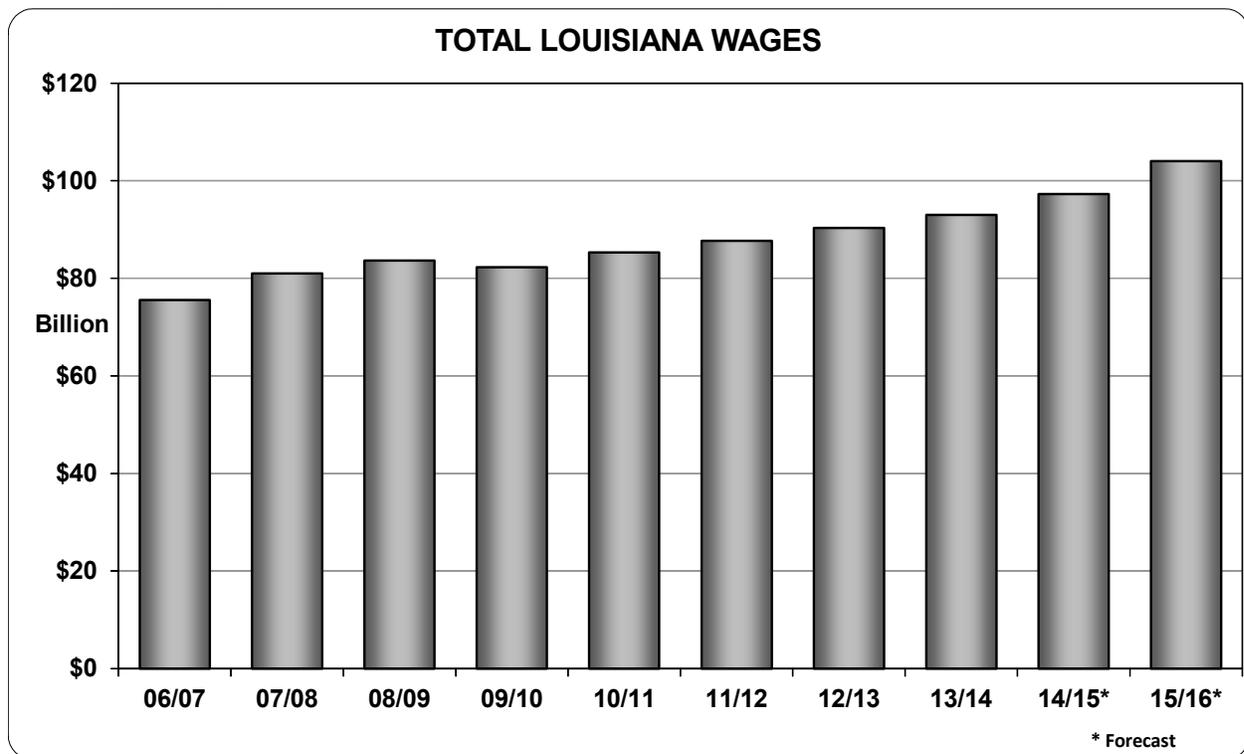
## Louisiana Employment and Wages

Over the last few fiscal years, Louisiana non-farm employment has been steadily rising, in tune with national economic activity. After falling in fiscal year FY2009-2010 by about 2%, non-farm employment had a very modest recovery in fiscal year FY2010-2011. Subsequent fiscal years FY2011-2012, FY2012-2013 and FY2013-2014 showed an improvement of 1.2% per year on average, while in fiscal years FY2014-2015 and FY2015-2016 small recoveries are expected (1.4% and 1.3%, respectively).

Louisiana nominal wages fell (because of the effects of the crisis at the time) by 1.6% in FY2009-2010 and recovered 3.7%, 2.8%, 3.0% and 3.0% in FY2010-2011, FY2011-2012, FY2012-2013 and FY2013-2014, respectively. The projection for FY2014-2015 and FY2015-2016 is an increase in nominal wages of 4.6% and 6.9%.

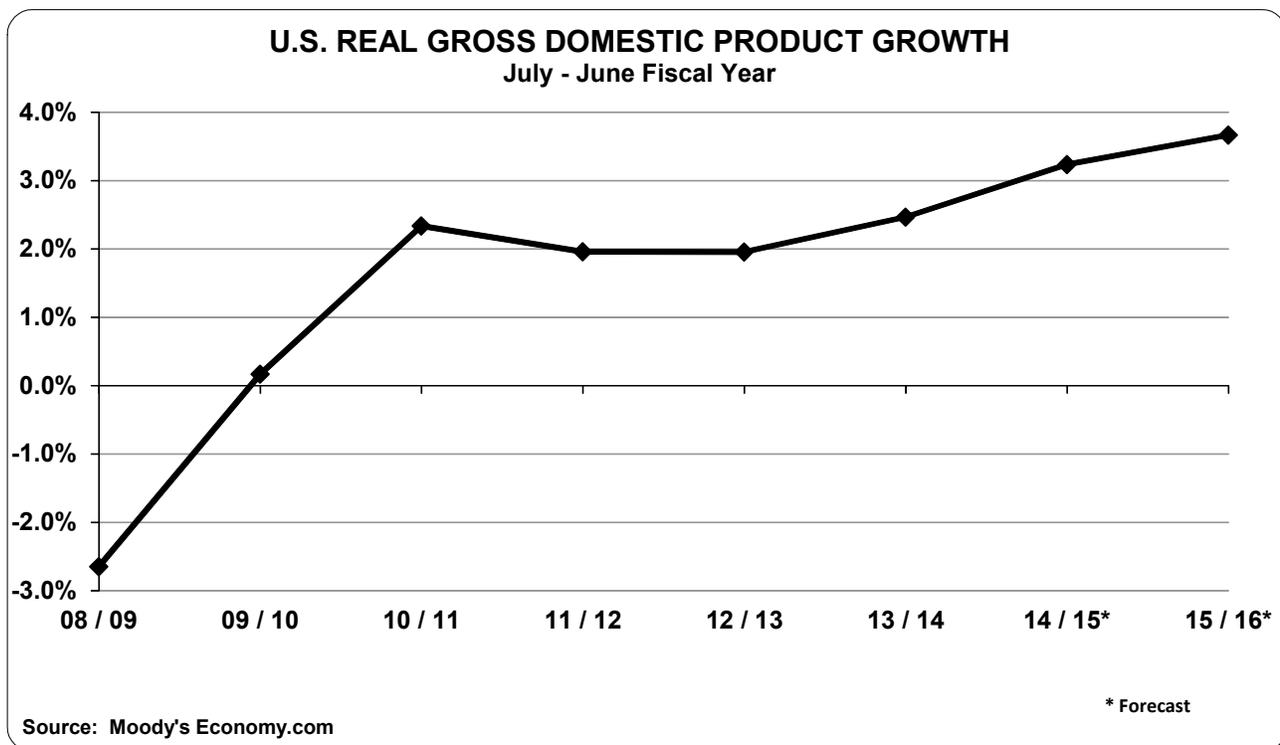
Louisiana Employment (Thousands, SA)	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15 forecast	FY 2015/16 forecast
<b>Statewide Nonfarm Employment</b>	<b>1,915</b>	<b>1,937</b>	<b>1,959</b>	<b>1987</b>	<b>2012</b>
<b>Goods Producing</b>	<b>319</b>	<b>325</b>	<b>331</b>	<b>339</b>	<b>346</b>
Natural Resources & Mining	55	53	54	53	54
Construction	123	129	133	138	142
Total Manufacturing	141	143	145	148	150
<b>Service Providing</b>	<b>1,596</b>	<b>1,611</b>	<b>1,628</b>	<b>1649</b>	<b>1666</b>
Trade, Transportation & Utilities	376	380	386	395	401
Information	24	26	24	24	25
Financial Activities	94	94	96	96	96
Professional & Business Services	200	205	209	216	216
Education & Health Services	280	287	292	297	224
Leisure & Hospitality	204	210	218	222	224
Other Services (except Public Administration)	64	65	66	66	68
Total Government	353	344	338	333	333

Source: Moody's Economy.com.



## U.S. Real Gross Domestic Product

The following is based upon the Moody's Economy.com data and forecast. The year 2009 was one of the worst years for the U.S. economy after World War II. The recession, which began late 2007, continued throughout 2008 and 2009. The National Bureau of Economic Research (NBER) Business Cycle Dating Committee has declared that the recession ended in the summer of 2009. U.S. real GDP fell by 3.2% during FY2008-2009, and close to 8 million jobs were lost since the economic downturn started. The national unemployment rate is now, at the time of this writing, at about 5.6% and is widely expected to remain at that level. During FY2009-2010 U.S. real GDP remained flat, growing at a pace of 1.0%. Fiscal years FY2010-2011, FY2011-2012, FY2012-2013 and FY2013-2014 presented modest growth rates of 2.3%, 2.0%, 2.0% and 2.5%, respectively. Projections by Moody's Economy.com indicate that for FY2014-2015 and FY2015-2016 the U.S. economy may grow at healthier rates of 3.2% and 3.7%, respectively.



## Revenue Summary - Fiscal Year 2013-2014

Fiscal year FY2013-2014, saw a modest recovery in tax collections. Taxes, Licenses and Fees (TLF) collections increased by under 1%, and the State General Fund fell by 1%, compared to the previous fiscal year.

	Actual (Million \$)	Annual Change from Prior Year (Million \$)	Annual Change from Prior Year (%)
Taxes, Licenses and Fees	10,300.1	67.0	0.7
Statutory Dedications	2,105.1	149.6	7.6
State General Fund	8,195.0	-82.6	-1.0

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	38.2	1.5
Excise License Tax (Premium Insurance Tax)	23.6	5.6
Vehicle Sales Tax	15.6	4.4

The highest increase (in absolute terms) was in the General Sales Tax, but percentage-wise it was rather small. As economic activity increases, we do expect a higher collection in this tax. The Premium License Tax continued its upward path in its collection due to the expansion in the coverage of Medicaid eligible people. Finally, the Vehicle Sales Tax continued to increase in its collection due to a strong vehicle sales market.

The next table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during FY2013-2014:

### Annual Revenue Decreases Greater than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Royalties	-24.8	-5.0
Severance Tax	-24.1	-2.9
Interest Earnings on SGF	-20.9	-32.9

Mineral Revenue declined in the previous fiscal year, mostly due to decreases in production and higher refunds to Severance Tax payers. Interest Earnings on the State General Fund decreased because of the low interest environment.

### Revenue Summary - Fiscal Year 2014-2015

The Revenue Estimating Conference (REC) met on January 26, 2015 and adopted a forecast for fiscal year FY2014-2015 that projected an amount for Taxes, Licenses and Fees of \$10,391.9 million; this represents an increase of about \$92 million compared to the actual collection of fiscal year FY2013-2014. With this Official Forecast, the State General is projected to increase by close to \$191 million, compared to the actual SGF collection in FY2013-2014 (a 2.3% increase).

	<b>Current (Estimated) (Million \$)</b>	<b>Annual Change from Prior Year (Million \$)</b>	<b>Annual Change from Prior Year (%)</b>
Taxes, Licenses and Fees	10,391.9	91.8	0.9
Statutory Dedications	2,0006.3	-98.8	-4.7
State General Fund	8,385.6	190.6	2.3

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

#### Annual Revenue Increases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Individual Income Tax	118.8	4.3
General Sales Tax	80.5	3.1
Excise License Tax (Premium Insurance Tax)	24.1	5.4
Vehicle Sales Tax	16.0	4.3
Riverboat Gaming	13.8	3.7

As the economy recovers, it is projected that tax revenue will see some recovery as well. This shows that growth of tax revenue collection is occurring at a steady pace, in line with the fact that the economy is on the way of gradual recovery. Thus, the two most important revenue streams of the state, the Individual Income Tax and the General Sales Tax, are expected to continue to gradually increase their collections. In addition, the Excise License Tax revenue (which is the tax on insurance premiums) is also forecast to increase, Vehicle Sales Tax collections continue to show strength, and Riverboat Gaming collections are expected to rise (due to the opening of a new riverboat casino complex in Lake Charles).

The following table ranks the revenue sources with the largest projected annual percentage declines during Fiscal Year 2014-2015:

#### Annual Revenue Decreases Greater than \$10 Million

<b>Revenue Source</b>	<b>Annual Change (Million \$)</b>	<b>Annual Change (%)</b>
Severance Tax	-141.6	-17.2
Royalties	-135.7	-28.9

A combination of lower oil and natural gas production and substantially lower prices have decreased the projection for the collection of the Severance Tax and Royalties.

### Revenue Summary - Fiscal Year 2015-2016

The REC meeting on January 26, 2015 also revised the forecast for FY2015-2016. It projects an increase of 1.6% in the State General Fund for FY2015-2016, compared to the projection for FY2014-2015. This increase can be explained by a slow, but steady increase in economic activity over the coming year, but hampered by a significant decrease in the mineral revenue.

	Forecast (Million \$)	Annual Change from Current Year (Million \$)	Annual Change from Current Year (%)
Taxes, Licenses and Fees	10,534.1	142.2	1.4
Statutory Dedications	2017.1	10.8	0.5
State General Fund	8,516.9	131.3	1.6

The following table shows revenue sources that are projected to increase by \$10 million or more during Fiscal Year 2015-2016:

#### Annual Revenue Increases Higher than \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Individual Income Tax	118.4	4.1
General Sales Tax	68.9	2.6
Excise License Tax (Premium Insurance Tax)	63.1	13.4
Vehicle Sales Tax	12.0	3.1

The projected increase in these revenues is linked to the expectation of a slow, but continual rise in economic activity; this is particularly true for the Individual Income Tax and both Sales Taxes (General and Vehicle). The Excise License Tax is forecast to increase due to the final expansion of the Bayou Health program, which will entail a higher number of health insurance policies sold.

The following table ranks the revenue sources with the largest projected annual percentage declines and a \$10 million or more estimated decrease during Fiscal Year 2015-2016:

#### Annual Revenue Decreases Greater or Equal to \$10 Million

Revenue Source	Annual Change (Million \$)	Annual Change (%)
Severance Tax	-173.2	-25.4
Lottery Proceeds	-12.8	-7.7

Severance Tax collections are expected to decline due to a decrease in oil and natural gas production, combined with a significant weakness in their prices. Lottery Proceeds reflect a conservative outlook, given that the last two fiscal years the state saw record Lottery collections; therefore, the change in the forecast manifests a prudence that such record income may not continue in the future.

