

# BIENNIAL REVENUE ESTIMATE

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January 2019



**Glenn Hegar**

Texas Comptroller of Public Accounts

# Revenue Available for General-Purpose Spending

## BIENNIAL REVENUE ESTIMATE

		2018-19	2020-21
General Revenue-Related (GR-R) Tax Collections	+	\$99.27	\$107.32
Other GR-R Revenue	+	\$14.55	\$14.16
<b>Total GR-R Revenue</b>	<b>=</b>	<b>\$113.82</b>	<b>\$121.48</b> <small>SUBTOTAL</small>
Beginning Balance	+	\$1.94	\$4.18
<b>Total GR-R Revenue &amp; Fund Balances</b>	<b>=</b>	<b>\$115.77</b>	<b>\$125.67</b> <small>SUBTOTAL</small>
Revenue Reserved for Transfers to the Economic Stabilization and State Highway Funds	-	\$5.57	\$6.34
Amount Needed for Transfer to the Texas Tomorrow Fund*	-	\$0.00	\$0.21
<b>Total Revenue Available for General-Purpose Spending</b>	<b>=</b>	<b>\$110.20</b>	<b>\$119.12</b> <small>TOTAL</small>

In Billions of Dollars

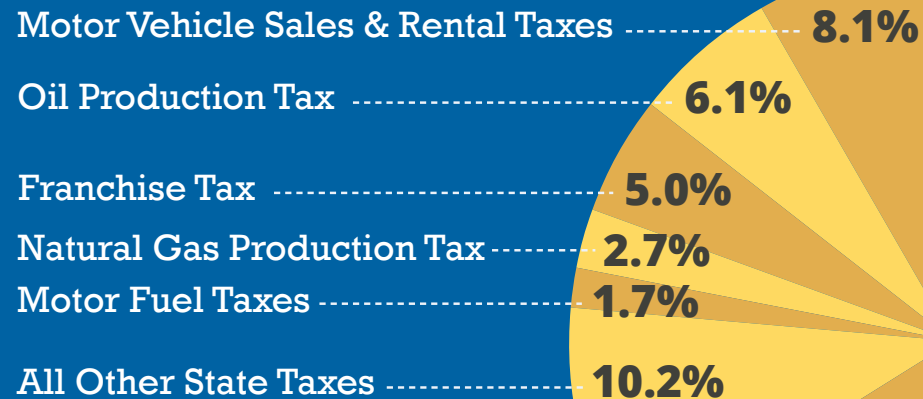
\* The original, constitutionally guaranteed prepaid tuition program is projected to have a cash shortfall of \$211 million in the 2020-21 biennium. The BRE assumes the shortfall will be paid from general revenue.

Note: Totals may not sum because of rounding.

# Sources of General Revenue-Related Revenue for 2020-21

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## STATE TAX REVENUE

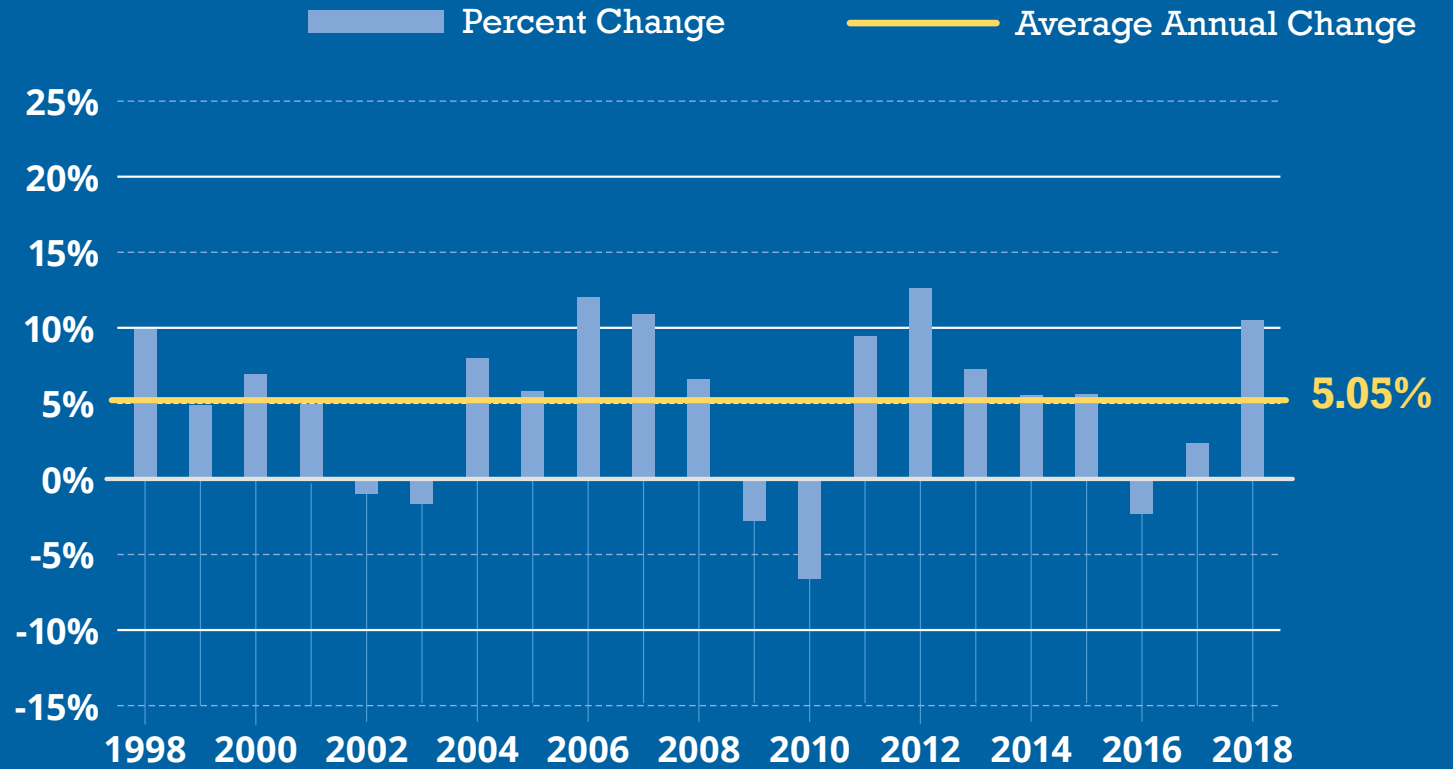


## OTHER REVENUE



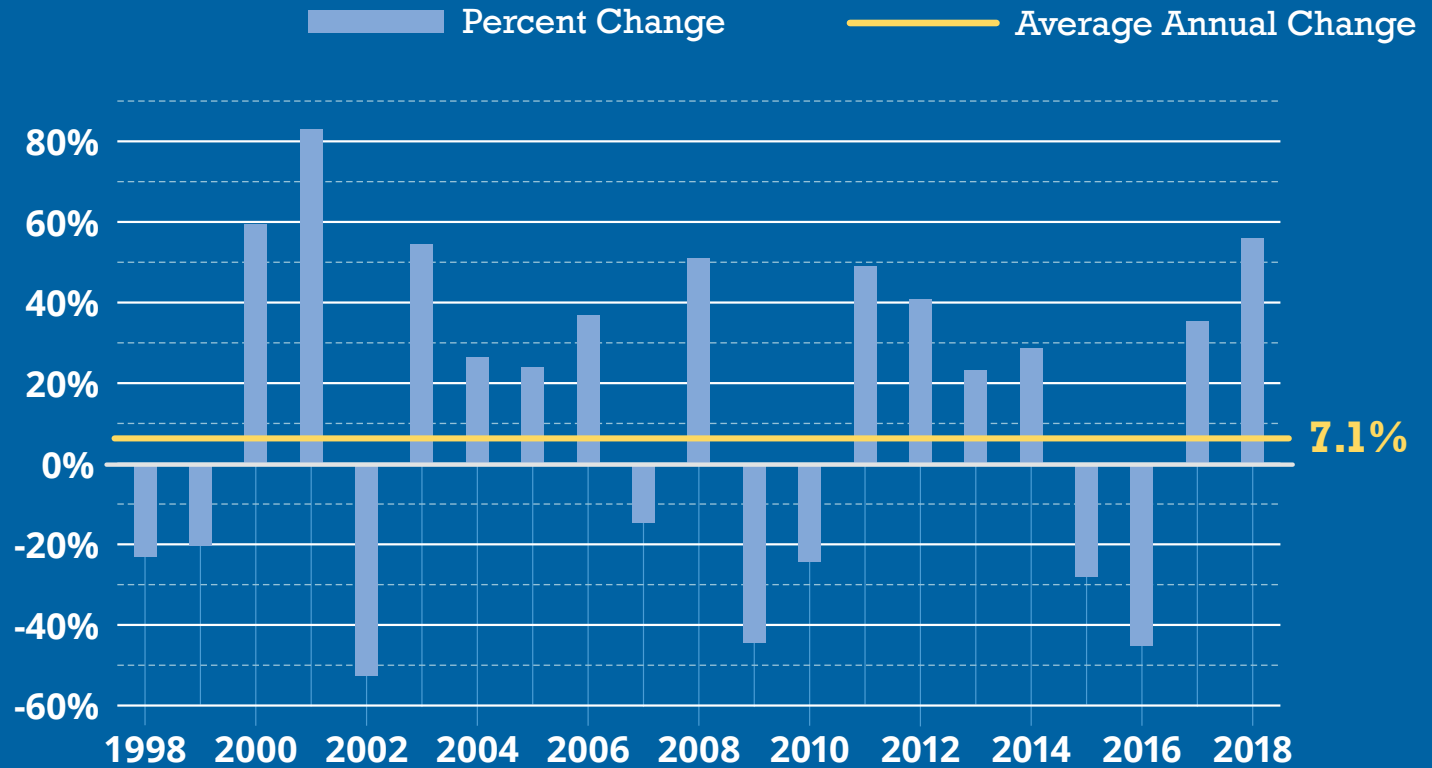
# Sales Tax Collections, Annual Change All Funds

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# Severance Tax Collections, Annual Change All Funds

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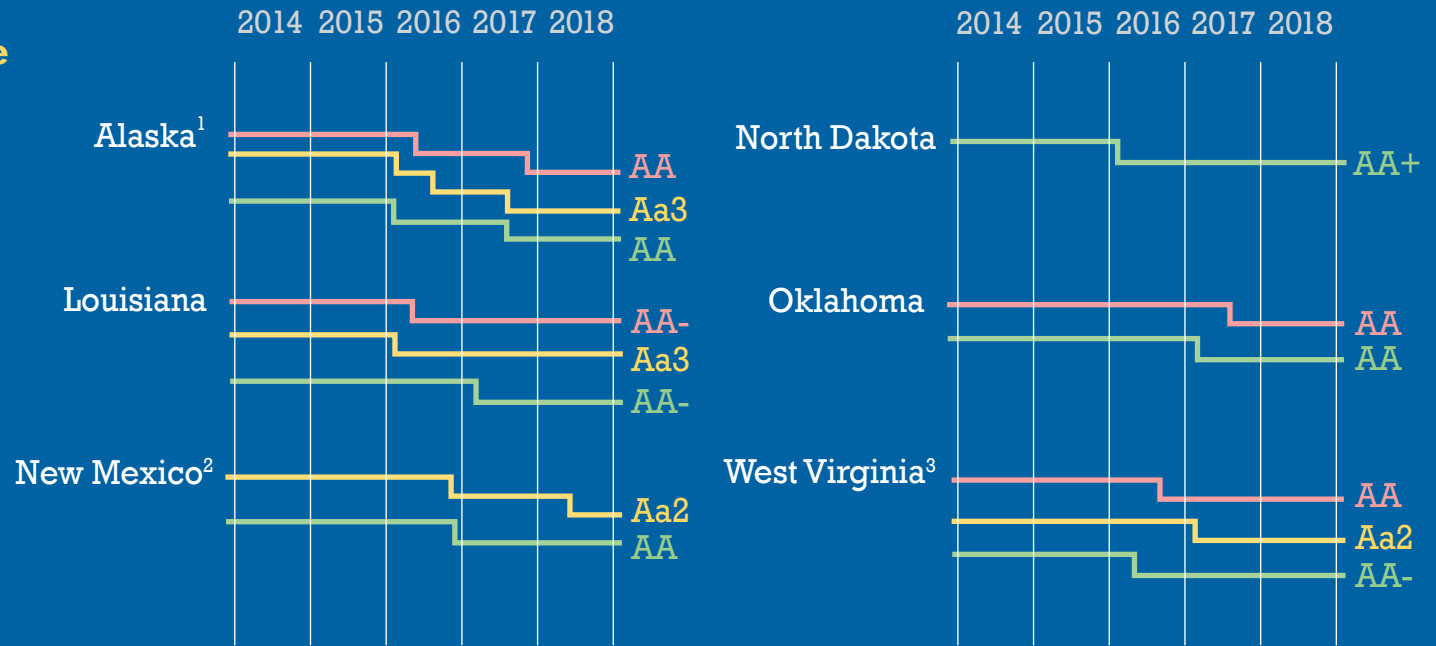
# Texas Rating - Five-Year History



## Energy-Related Downgrades

(Reliance on tax revenue from oil and gas, coal)

### State Rating - Five-Year History



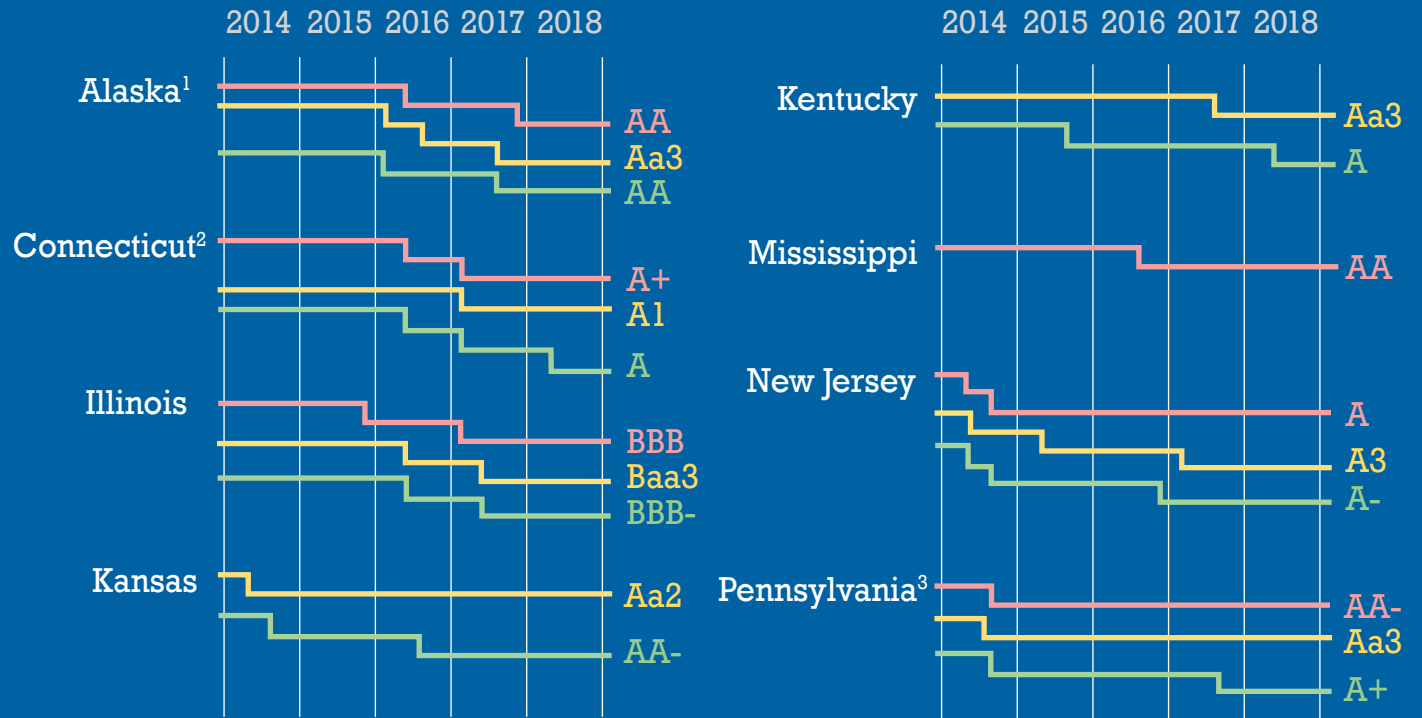
<sup>1</sup> Rating agencies also cited pensions.  
<sup>2</sup> Rating agencies also cited pensions, Medicaid.  
<sup>3</sup> Downgrades are due to reliance on coal-related revenue.

# Texas Rating - Five-Year History



## Pension-Related Downgrades

### State Rating: Five-Year History



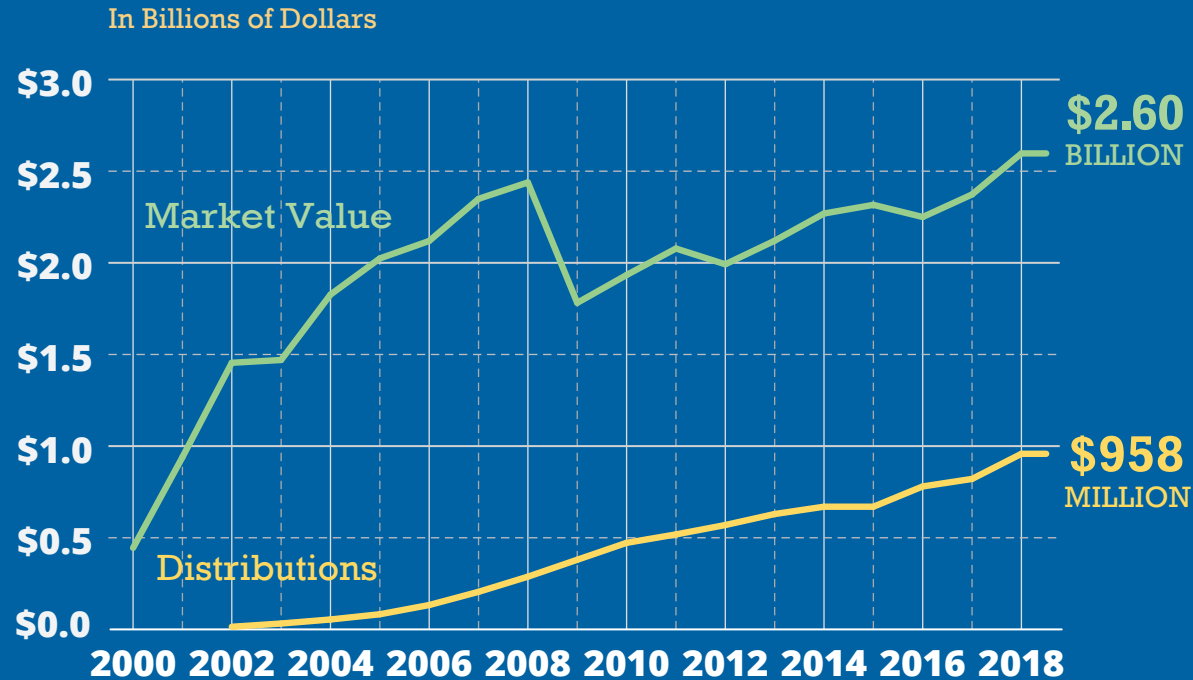
<sup>1</sup> Rating agencies also cited reliance on oil- and gas-related revenue.

<sup>2</sup> Rating agencies also cited state debt increase.

<sup>3</sup> Rating agencies also cited structural imbalance.

# Tobacco Settlement - Permanent Trust Account Corpus and Distribution

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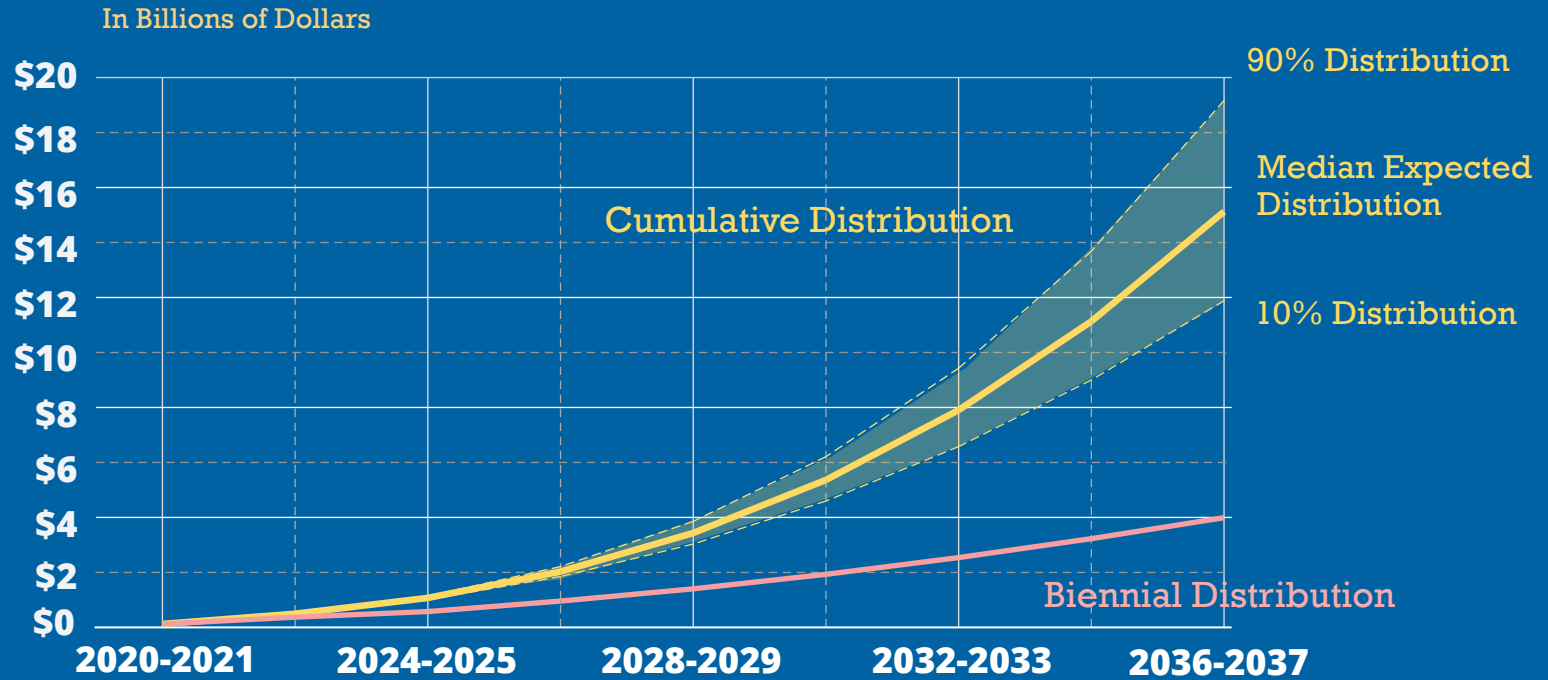


The Tobacco Settlement Trust Account was funded with an initial investment of \$1.68 billion between 2000 and 2003. When adjusted for inflation, that amount would now be worth \$2.41 billion assuming no distributions were made from the trust. Our investments have yielded a trust account with a market value of \$2.6 billion (nearly \$200 million more than the inflation-adjusted value would be), while at the same time making regular yearly distributions that together total nearly \$1 billion from inception to date.



# Texas Legacy Fund Potential Distribution Projections

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