

July 14, 2022

The Honorable Greg Abbott, Governor
The Honorable Dan Patrick, Lieutenant Governor
The Honorable Dade Phelan, Speaker of the House
Members of the 87th Legislature

Ladies and Gentlemen:

Rapid, historically high revenue growth in recent months, well in excess of last year's estimate, warrants update of the *Certification Revenue Estimate* (CRE) published in November 2021. We now estimate the state will have \$149.07 billion in General Revenue-related (GR-R) funds available for general-purpose spending for the 2022-23 biennium, up \$13.75 billion, or 10.2 percent, from our November estimate. This results, after certain cost adjustments, in a projected fiscal 2023 ending balance of \$26.95 billion, a substantial upward revision of \$14.95 billion from our previously projected surplus of \$11.99 billion.

Of the increase to the projected ending balance, \$13.75 billion is a net increase in estimated revenue after setting aside transfers of severance tax revenues from the General Revenue Fund, and \$1.2 billion is due to net adjustments to projected GR-R costs for the Foundation School Program (FSP) and other probable disbursements. Increased projections provided by the Texas Education Agency and the Legislative Budget Board of local funding from property tax revenues, and our upward revision of estimated revenue accruing to the Property Tax Relief Fund from franchise tax and to the Tax Reduction and Excellence in Education Fund from sales taxes collected by online marketplace providers, result in a reduction of \$1.97 billion in GR-R costs for the FSP, offset in part by \$771 million in other probable disbursements for certain Medicaid costs funded by premium credits and for the recent budget execution order providing funds for additional mental health and school safety initiatives.

In fiscal 2023, the Economic Stabilization Fund (ESF) and State Highway Fund (SHF) will each receive \$3.58 billion in transfers from the General Revenue Fund for severance taxes collected in fiscal 2022. After accounting for appropriations and investment and interest earnings, we project an ESF fiscal 2023 ending balance of \$13.66 billion.

The return of high and persistent general price inflation has impacted both the national and global economies. Following the end of pandemic restrictions, elevated demand buoyed by last year's stimulus programs and savings accumulated during the pandemic when normal spending activities were curtailed, has been met with continuing shortages and thus higher prices for many items due to still unresolved supply chain disruptions and labor force participation still remaining below pre-pandemic levels. Already increasing inflation was further exacerbated by spikes in oil and other commodity prices following the Russian invasion of Ukraine. The result has been record high sales tax and severance tax revenues.

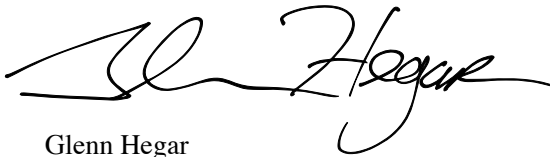


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The revised estimate is subject to substantial uncertainty. High inflation is now being met by the Federal Reserve System and other central banks with the intent of curbing price pressures by slowing economic activity in the U.S. and abroad. There is a significant risk that the shift to restrictive monetary policy may push economies into recession. Economic activity could also be impaired by further dislocations stemming from geopolitical conflict or renewed COVID restrictions among our global trading partners. While this is not a recession forecast and continued economic growth is expected, the rate of economic growth is anticipated to slow and revenue growth in fiscal 2023 is estimated conservatively in view of the degree of uncertainty and heightened risk of recession.

Our office will, of course, provide a new estimate for this biennium, along with our forecast for the 2024-25 biennium, when we publish the *Biennial Revenue Estimate* in January, prior to the start of the 88th Regular Session of the Texas Legislature. In the meantime, I will continue to closely monitor the Texas economy and state revenues, and will keep you informed of any significant events as they arise.

Sincerely,



Glenn Hegar

Enclosure

cc: Jerry McGinty, Legislative Budget Board



The 2022-2023 Certification Revenue Estimate Revised July 2022



The state of Texas will have an estimated \$149.07 billion available for general-purpose spending in the 2022-23 biennium, 26.8 percent more than in 2020-21. This figure represents the sum of the 2020-21 ending balance and tax and non-tax revenue collections in 2022-23, less revenue set aside for transfers to the Economic Stabilization Fund (ESF) and State Highway Fund (SHF) and adjustments to General Revenue-dedicated account balances. In all, the state is expected to collect \$360.94 billion for all state funds in 2022-23.

The state's tax system is the main source of General Revenue-related (GR-R) funding. Tax collections in 2022-23 will generate \$134.89 billion, while non-tax revenue sources will produce an additional \$17.99 billion. Factoring in the estimated \$11.23 billion ending balance carried forward from 2020-21, these three sources will total \$164.12 billion. Against this amount, \$14.77 billion must be placed in reserve for future transfers to the ESF and SHF and \$276 million must be deducted for various adjustments to General Revenue-dedicated account balances (**Table 1**).

GR-R spending is expected to total \$122.12 billion in the 2022-23 biennium (**Table 2**). Subtracting this amount from the projected \$149.07 billion available for general-purpose spending leaves an estimated 2022-23 ending balance of \$26.95 billion (**Table 3**).

Texas Economic Outlook

The Texas economy added 762,400 nonfarm jobs from May 2021 to May 2022, an increase of 6.1 percent, to reach 13,357,100. Texas added more new jobs than any other state except California over those 12 months. Private-sector employment rose by 6.9 percent,

while government employment (federal, state and local) grew by 1.5 percent. The state's rate of job growth was the highest among the 10 most populous states and the second highest among all states (behind Nevada). Employment growth is expected to be 5.5 percent in fiscal 2022 and 2.1 percent in 2023.

Texas real gross state product (GSP), after increasing by 3.3 percent in fiscal 2021, is projected to grow by 4.6 percent in 2022, led by increases in the professional and business services, information, and leisure and hospitality industries. Real GSP is expected to grow by an additional 1.4 percent in 2023.

Texas nominal (current dollar) GSP increased by 6.8 percent in fiscal 2021 as Texas exited the recession that resulted from the COVID-19 pandemic. Nominal GSP is expected to grow by 14.1 percent in 2022, which would be the fastest rate of growth since at least 1990. However, much of that growth is a result of rapid increases in the price level; projected 2022 inflation, measured by changes in the Consumer Price Index (CPI), is 7.6 percent, the highest rate of inflation since 1981 (10.3 percent). Note also that changes in the prices of natural gas and, especially, oil can have significant effects on the growth rates of Texas nominal GSP. Removing the value of mining industry output, nominal GSP grew by 7 percent in 2021 and is projected to grow by 12.1 percent in 2022. Nominal GSP is expected to grow by 5.4 percent in 2023.

Texas personal income, buoyed by support from federal pandemic relief spending, increased by 7 percent in fiscal 2021, following 5 percent growth in 2020. Personal income is projected to grow by 5.1 percent in 2022 and 4.2 percent in 2023.

From a historically low 3.6 percent in fiscal 2019, the Texas unemployment rate increased to an average of 6.8 percent in 2020. The rate fell somewhat in 2021 to 6.2 percent. The unemployment rate is expected to fall further this biennium, to an average of 4.5 percent in 2022 and to 4.4 percent in 2023.

In sum, after a short, but severe, recession induced by the COVID-19 pandemic, the Texas economy returned to real GSP growth in fiscal 2021. Growth accelerated in 2022 and is expected to continue in 2023, although at a rate lower than the average growth rate over the past 20 years of 3.1 percent.

The 2020-21 Ending Balance

The ending GR-R certification balance for 2020-21 was \$11.23 billion, after setting aside \$2.91 billion for constitutionally required transfers to the ESF and SHF from fiscal 2021 oil and natural gas severance tax collections. The ending balance, in addition to estimated net revenue collections in the 2022-23 biennium, will be used to fund 2022-23 appropriations (**Table 3**).

Transfers to the Economic Stabilization Fund and State Highway Fund

The constitutionally required transfers of fiscal 2021 oil and natural gas production tax collections reserved for deposit to the ESF and SHF in fiscal 2022 totaled \$2.91 billion, an amount that was divided equally between the two funds. These transfer amounts have been deducted from revenues and balances available for the 2022-23 biennium.

In fiscal 2023, the two funds will receive equal shares from an estimated \$7.17 billion reserved from oil and natural gas production taxes collected in fiscal 2022. An estimated \$7.6 billion will be reserved from those tax collections in fiscal 2023 for transfers to the two funds in fiscal 2024, in the next biennium.

Beginning in fiscal 2018, the SHF also started to receive transfers of state sales tax revenue. Article VIII,

Section 7-c (a) of the Texas Constitution provides that annual state sales tax revenue in excess of \$28 billion, up to a maximum of \$2.5 billion, is dedicated for public roadways other than toll roads. In both fiscal 2022 and 2023, \$2.5 billion is expected to be transferred to the SHF.

Article VIII, Section 7-c (b) of the Texas Constitution directs that 35 percent of motor vehicle sales, rental and use tax revenue exceeding \$5 billion be transferred to the SHF, beginning in fiscal 2020. The threshold for such a transfer, however, was not met until fiscal 2021, with \$237 million being transferred that year. In fiscal 2022, the transfer from motor vehicle sales and use taxes is projected to be \$437 million, with a transfer of \$456 million expected in fiscal 2023.

After the fiscal 2023 transfers, and accounting for interest and other investment earnings, the total ESF balance — cash and the invested balance — is projected to reach \$13.66 billion at the end of the 2022-23 biennium, absent any additional appropriations from the fund. The constitutional limit on the ESF balance, \$20.26 billion during the 2022-23 biennium, will not be reached.

Tax Revenue

The state's tax system is the main source of GR-R funding. Tax collections in the 2022-23 biennium are expected to total \$134.89 billion, a 32.6 percent increase from 2020-21 collections of \$101.76 billion. In 2022-23, tax collections are expected to be 88.2 percent of total net general revenues (**Table 1**).

Since 1988, state sales tax revenues have accounted for more than half of all state GR-R tax collections. In the 2022-23 biennium, sales tax collections, net of transfers to the SHF and the accounts of the Texas Parks and Wildlife Department and the Texas Historical Commission, are expected to be \$77.92 billion, accounting for 57.8 percent of all GR-R tax collections. The oil production tax, at \$12.81 billion, and the motor vehicle

sales and rental taxes, at \$11.69 billion, are the next largest sources of GR-R revenue for 2022-23.

Sales and Use Taxes: GR-R collections from the state sales tax were \$63.05 billion in the 2020-21 biennium, an increase of 3.8 percent from 2018-19 collections of \$60.73 billion. The GR-R amount for 2020-21 is net of \$5 billion allocated to the SHF, as required by the Texas Constitution. On an all funds basis, 2020-21 state sales tax collections were \$70.12 billion, growing only by 6.3 percent from the previous biennium as growth was slowed by effects of the COVID-19 pandemic.

All funds sales tax revenue includes amounts deposited to the Tax Reduction and Excellence in Education Fund (TREE fund) collected from online marketplace providers, attributable to the requirement that they collect and remit tax as provided by House Bill 1525, 86th Legislature. Deposits to the TREE fund were \$1.83 billion in the 2020-21 biennium and are forecast to reach \$2.69 billion in 2022-23.

Following extraordinary annual growth in fiscal 2022 collections fueled by inflation and rebounding economic activity after the end of pandemic restrictions, growth is expected to slow in 2023 as household savings balances built up during the pandemic have been spent down and higher interest rates curb demand. For the 2022-23 biennium, GR-R sales tax revenue is forecast to grow by 23.6 percent, to \$77.92 billion. All funds sales tax revenue is forecast to reach \$86.2 billion, 22.9 percent more than the 2020-21 biennium.

Franchise Tax: Franchise tax collections grew modestly in fiscal 2021, to \$4.53 billion at an annual rate of 2.5 percent. For the 2020-21 biennium, total franchise tax collections were \$8.95 billion, 13.2 percent above 2018-19 collections. The revenue outlook for the 2022-23 biennium is for rapid compound average annual growth of 10.3 percent. This will push biennial collections to an estimated \$10.92 billion, 22 percent above 2020-21 collections.

Franchise tax collections are allocated to GR and to the Property Tax Relief Fund (PTRF). The GR amount is based on the Comptroller's estimate of the amount of revenue that would have accrued if the tax as it existed in fiscal 2007 had remained in effect. Any collections in excess of the estimate for the old tax are credited to the PTRF and used to help fund the Foundation School Program. For the 2022-23 biennium, the estimated GR-R amount is \$7.64 billion and the estimated amount for the PTRF is \$3.27 billion.

Motor Vehicle Sales and Rental Taxes: The Texas motor vehicle sales and use tax (including seller-financed sales) applies to the retail sales of new and used motor vehicles at a rate of 6.25 percent of the sale's total consideration. Also included in this group of related taxes are the motor vehicle rental tax (10 percent of gross receipts on rentals of 30 days or less, or 6.25 percent of gross receipts on rentals of 31 to 180 days) and the manufactured housing sales and use tax (5 percent of 65 percent of the sales price of a new manufactured home). Together, the GR-R collections from this entire group of motor vehicle-related taxes are expected to reach \$11.69 billion in the 2022-23 biennium, an increase of 14.4 percent from 2020-21 collections of \$10.22 billion. Revenue collections from motor vehicle-related taxes are expected to continue to increase through the 2022-23 biennium, albeit at a slower pace than fiscal 2021, as post COVID-19 pent-up demand dissipates and prices moderate.

The GR-R amount for 2020-21 is net of revenue allocated to the SHF as required by the Texas Constitution, which dedicates 35 percent of the portion of annual motor vehicle sales and rental tax revenue collections in excess of \$5 billion to the SHF. An estimated amount of \$893 million of motor vehicle-related sales and rental taxes will be deposited to the SHF during the 2022-23 biennium. An estimated additional \$64 million from 2022-23 collections will be deposited outside of GR-R to the PTRF.

Oil and Natural Gas Production Taxes: The taxes in this group consist of the oil production tax, levied at 4.6 percent of market value, and the natural gas production tax, levied at 7.5 percent of market value. Condensate from natural gas production is taxed at the oil tax rate, with the resulting tax receipts included in natural gas tax revenues. The fiscal 2020 average NYMEX market price was \$45.46 per barrel, 23.7 percent less than the 2019 average of \$59.62, as demand collapsed and working storage was tight amid the COVID-19 pandemic lockdown. Prices rebounded in 2021 to an average of \$54.49, an increase of 19.9 percent, as demand returned after the lockdown of the pandemic. Consequently, oil tax collections decreased to \$3.23 billion in fiscal 2020, 16.9 percent less than collections of \$3.89 billion in fiscal 2019, before rebounding to \$3.45 billion in fiscal 2021. In fiscal 2022 and 2023, Texas oil production is expected to increase slightly, and market prices are expected to average \$90 in 2022 and \$97 in 2023. With much higher average prices than the previous biennium, oil tax collections are expected to increase, generating \$12.81 billion in the 2022-23 biennium, 91.8 percent more than the \$6.68 billion collected in 2020-21.

Natural gas production in Texas hit peak levels in 2015, modestly declined in 2016 and has grown considerably in the last three years to surpass the 2015 peak. Production is expected to continue near current levels in 2022 and 2023 due to the influx of casinghead gas from oil production in the Permian Basin and the Eagle Ford regions.

The market price for natural gas averaged \$2.65 per million BTUs in fiscal 2021, 26.8 percent above the \$2.09 average in 2020. Prices dipped through fiscal 2020; however, they reversed course starting in the winter of fiscal 2021 due to concerns about low inventory levels. The February 2021 winter storm also caused a price spike, with NYMEX prices exceeding \$3.00. Prices continued to climb through the end of the 2021

fiscal year and through fiscal 2022 due to tightening supply concerns during the winter withdrawal period and worldwide geopolitical issues creating uncertainty in the market. Prices are expected to average \$5.30 in 2022 and \$5.75 in 2023. Natural gas tax collections in the 2022-23 biennium are expected to be \$9.15 billion, 266.8 percent above 2020-21 collections of \$2.49 billion.

Insurance Taxes: As a result of decreased economic activity related to the COVID-19 pandemic, fiscal 2021 GR-R insurance tax collections (based on calendar year 2020 insurance premiums) were 1.5 percent less than fiscal 2020 collections, the first year-over-year decrease since 2009. Economic growth resumed in late 2020 and continued through 2021, and fiscal 2022 insurance tax collections based on that increased activity are projected to increase substantially by 18.4 percent. Revenue is expected to further increase in fiscal 2023 and is projected to be \$6.51 billion in the 2022-23 biennium, up 19.7 percent from the \$5.44 billion collected in 2020-21. The tax base is expected to grow throughout the biennium due to increases in the price level, population, property values and the volume of real estate sales. In recent years, the expansion of Medicaid managed care (which is subject to insurance premium and maintenance taxes, while Medicaid on a fee-for-service basis is not) has led to significant year-over-year growth in insurance premium tax collections, averaging 8.4 percent from fiscal 2012 through 2022. That expansion, however, is largely complete, and future growth in insurance tax collections is not expected to differ significantly from the rate of growth of the Texas economy.

Tobacco and Alcoholic Beverages Taxes: Collections to all funds in the 2022-23 biennium from the taxes on cigarettes (at a tax rate of \$1.41 per pack), cigars (from 1 cent per 10 cigars to \$15 per 1,000 cigars) and other tobacco products (\$1.22 per ounce for snuff, chewing tobacco, roll-your-own tobacco and pipe tobacco) are expected to decline by 5.4 percent to \$2.55 billion

from 2020-21 collections of \$2.7 billion, a trend that is consistent with recent fiscal periods. From 2022-23 collections, \$1.09 billion is expected to be deposited to GR and \$1.46 billion to the PTRF.

Texas levies six alcoholic beverage taxes: the mixed beverage gross receipts tax (6.7 percent of the vendor's gross receipts); the mixed beverage sales tax (8.25 percent of the consumer's payment); and excise taxes on liquor (\$2.40 per gallon), beer (\$6 per barrel or 19.4 cents per gallon), wine (from 20.4 to 51.6 cents per gallon) and ale (19.8 cents per gallon). Effective Sept. 1, 2021, the beer tax was renamed malt beverage tax, and the malt liquor tax was repealed and replaced with malt beverage tax, which includes malt liquor, ale and beer. Alcoholic beverage tax collections are deposited to GR. During fiscal 2020, mixed beverage taxes were significantly impacted by forced bar and restaurant closures due to the COVID-19 pandemic and saw some of the biggest declines on record. These taxes experienced a steady increase throughout fiscal 2021, finishing on a relatively strong upward trend. Wine, liquor and beer tax collections rose throughout the pandemic, surpassing pre-pandemic levels. After falling by 10.5 percent to \$2.38 billion in the 2020-21 biennium, alcoholic beverages taxes are expected to grow by 38.5 percent in 2022-23, to \$3.3 billion.

Motor Fuel Taxes: Taxes on motor fuels are levied at a rate of 20 cents per gallon for gasoline and diesel fuel, and at a rate of 15 cents per gallon on liquefied and compressed natural gas. Approximately 75 percent of collections from these taxes are deposited to the SHF, with the remaining deposited to GR-R funds. GR-R collections from these taxes are estimated to be \$1.99 billion in the 2022-23 biennium, an increase of 3.3 percent from 2020-21 collections of \$1.93 billion. GR-R collections in 2020-21 were 3.1 percent lower than collections in the 2018-19 biennium. This was the result of reductions in motor fuel revenues brought about by COVID-19-related shutdowns and curtailment of travel

in 2020. The growth in 2022-23 GR-R collections is attributed to continued population growth and a recovering economy.

Hotel Occupancy Tax: The hotel occupancy tax is imposed on a person who pays for a hotel, motel or a similar facility at a state tax rate of 6 percent of the price paid for the room. Local taxing authorities are authorized to impose an additional hotel tax that is collected at the local level and is used for local governmental purposes. Fiscal 2021 was a year of significant recovery in hotel tax collections, reaching \$488 million, an increase of 3.6 percent from the 2020 level of \$471 million. For the 2020-21 biennium, collections were \$959 million (22.5 percent below 2018-19) – a direct result of travel restrictions. In 2022-23, collections are expected to reach \$1.42 billion, a 48.3 percent increase from 2020-21. This estimate is the result of higher prices per room and assumes that business and leisure travel return to pre-pandemic levels.

Utility Taxes: The utility taxes group has three separate taxes: the gas, electric and water utility tax, which accounts for about 80 percent of the group's tax collections; the public utility gross receipts assessment; and the gas utility pipeline tax. Collections from the utility taxes are deposited to GR, and in the 2020-21 biennium, total collections were \$1.02 billion, an increase of 10.1 percent from 2018-19. Much of this increase is attributable to high natural gas and electricity prices during the February 2021 winter storm; the COVID-19 pandemic had only a minor negative impact on collections. In the 2022-23 biennium, revenue collections are expected to rise, largely due to sustained higher natural gas prices, resulting in an increase of 7.3 percent from the 2020-21 biennium, to \$1.09 billion.

Other Taxes: This category includes the taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions, as well as tax refunds to employers of certain welfare recipients. Total GR-R collections for the category are estimated to be

\$270 million in the 2022-23 biennium, 16.8 percent higher than 2020-21 collections of \$231 million. Most of the increase is related to an increase in oil well service tax collections.

Non-Tax Revenue

In the 2022-23 biennium, the state's GR-R funds are expected to receive \$17.99 billion in non-tax revenue, 14.4 percent more than the \$15.72 billion collected in 2020-21. The major revenue sources are interest and investment income; licenses, fees, fines and penalties; state health service fees and rebates; net lottery proceeds; escheated estates; and settlements of claims.

Interest and Investment Income: GR-R interest and investment income in the 2022-23 biennium is expected to be \$4.6 billion, an increase of 33.9 percent from the \$3.43 billion collected in 2020-21. The Permanent School Fund (PSF) traditionally produces most of the investment income accruing to GR-R funds. This revenue category includes interest earnings on state deposits. Several factors contributed to the substantial increase in estimated revenue. First, the increase is due to a larger PSF corpus balance and distributions from the PSF to the Available School Fund (ASF) adopted by the State Board of Education and the School Land Board (SLB) for 2022-23. Second, the total assumes a supplemental distribution of \$875 million from the SLB during the biennium. Combined distributions from both boards are expected to bring \$2.15 billion to the ASF in fiscal 2022 and \$2.19 billion in fiscal 2023, a biennial increase of \$932 million or 27.4 percent from 2020-21. And finally, it is due to higher interest that will be earned on the balances of GR-R funds in the State Treasury as a result of higher treasury pool rates.

State Health Service Fees and Rebates: For 2022-23, GR-R collections in this category are expected to be \$2.88 billion, 58.8 percent more than the \$1.81 billion received in 2020-21. Most of the category's revenue

comes from the federally mandated and state-supplemental Medicaid vendor drug programs that consist of rebates the state collects from manufacturers of drugs that are covered by state Medicaid programs. Based on estimates provided by the Texas Health and Human Services Commission and the Legislative Budget Board, in 2022-23 the GR portion of these rebates is expected to total \$2.38 billion, 78.1 percent more than the \$1.33 billion received in 2020-21.

Net Lottery Proceeds: This category primarily comprises revenue received from the sale of all Texas lottery games, less prize payouts administered by lottery retailers, a retailer commission of 5 percent and other items. Approximately 60 percent of net lottery proceeds are transferred to the Foundation School Account in GR to support public education in Texas. These transfers in the 2022-23 biennium are expected to total \$3.55 billion, an increase of 0.2 percent from the \$3.54 billion transferred in 2020-21. Lottery sales had an unexpected boost in the 2020-21 biennium due to consumers seeking alternate entertainment options that were still available during the COVID-19 lockdown. The estimate assumes average jackpot levels in 2022-23, along with subdued growth in scratch-off games. While large jackpots on multi-state draw games (i.e., games in which customers select numbers for play, such as Powerball and Mega Millions) can result in substantially increased game sales and transfers for public education, their occurrence is random and unpredictable.

Unclaimed Property and Escheated Estates: For this revenue category, which includes unclaimed property submitted to the state, GR-R collections are expected to be \$1.68 billion in the 2022-23 biennium, 11.4 percent more than 2020-21 collections of \$1.51 billion. The category's revenues are the proceeds from abandoned personal property such as checking accounts, savings accounts, certificates of deposit, safe deposit boxes, stocks, bonds, mutual funds, mineral proceeds and other types of property. The impacts of COVID-19 are not

apparent at this time given that most property types are dormant for three to five years before being remitted to the state.

Tobacco Suit Settlement Claims: In fiscal 1999, Texas began receiving regularly scheduled court settlement payments from tobacco product manufacturers. In the 2022-23 biennium, Texas tobacco settlement receipts are expected to total \$1.08 billion, a 1.4 percent decline from the \$1.09 billion collected in 2020-21. Tobacco settlement payments have been affected negatively by the declining trend in national cigarette consumption, which has reduced the sales volume of the settling cigarette manufacturers and thereby lowered settlement payments.

Revenue to All Funds

Revenue collections deposited to all funds are expected to total \$360.94 billion in the 2022-23 biennium, 15.7 percent more than the \$312.07 billion collected in 2020-21. In 2022-23, GR-R receipts are projected to total \$152.88 billion, 30.1 percent more than the 2020-21 total of \$117.49 billion.

Dedicated federal income in 2022-23 is expected to account for \$143.45 billion, or 2.4 percent more than the \$140.06 billion received in 2020-21, during which the state received a substantial increase in federal revenue to cover costs associated with COVID-19. Federal revenue to the Coronavirus Relief Fund in 2020-21 was \$44.08 billion, compared to the \$33.88 billion expected for 2022-23. The American Rescue Plan Act of 2020 enacted on March 11, 2021, provided states with additional federal funding, including state and local recovery funds, disaster assistance, education, health and human services programs, nutrition assistance, housing programs and federal funds to cover revenue losses as a result of the pandemic. A second large source of all funds revenue is the SHF share of motor fuel tax revenues; this fund is constitutionally dedicated to activities associated with the state highway system.

Total estimated revenues do not include certain local funds appropriated but not deposited into the State Treasury, but do include certain revenues deposited in the State Treasury but not appropriated, such as royalties deposited to the PSE.

Note: This report contains estimates and projections that are based on available information, assumptions and estimates as of the date of the forecasts upon which they are based. Assumptions involve judgments about future economic and market conditions and events that are difficult to predict. Actual results could differ from those predicted, and the difference could be material.

The spreadsheets in this report are available in accessible data form (Excel) at:

<https://comptroller.texas.gov/transparency/reports/certification-revenue-estimate/2022-23-update/docs/cre-2022-23-update.xlsx>

TABLE 1
General Revenue-Related Funds, by Source and Biennium

(In Millions of Dollars)

	<u>2020-21</u>	<u>2022-23</u>	<u>Percent Change</u>
TAX COLLECTIONS			
Sales Taxes	\$ 63,053	\$ 77,923	23.6 %
Motor Vehicle Sales and Rental Taxes	10,219	11,689	14.4
Motor Fuel Taxes	1,927	1,991	3.3
Franchise Tax	6,226	7,641	22.7
Oil Production Tax	6,678	12,811	91.8
Insurance Taxes	5,439	6,512	19.7
Cigarette and Tobacco Taxes	1,137	1,091	(4.0)
Natural Gas Production Tax	2,494	9,149	266.8
Alcoholic Beverages Taxes	2,383	3,301	38.5
Hotel Occupancy Tax	959	1,422	48.3
Utility Taxes	1,017	1,091	7.3
Other Taxes	231	270	16.8
TOTAL TAX COLLECTIONS	<u>\$ 101,764</u>	<u>\$ 134,891</u>	<u>32.6 %</u>
NON-TAX COLLECTIONS			
Licenses, Fees, Fines, and Penalties	2,838	2,925	3.1 %
State Health Service Fees and Rebates	1,813	2,879	58.8
Net Lottery Proceeds	3,540	3,548	0.2
Land Income	10	12	23.6
Interest and Investment Income	3,434	4,597	33.9
Settlements of Claims	1,308	1,158	(11.5)
Escheated Estates	1,508	1,680	11.4
Sales of Goods and Services	266	273	2.9
Other Revenue	1,008	919	(8.8)
TOTAL NON-TAX COLLECTIONS	<u>\$ 15,725</u>	<u>\$ 17,991</u>	<u>14.4 %</u>
TOTAL NET REVENUE	<u>\$ 117,488</u>	<u>\$ 152,882</u>	<u>30.1 %</u>
BALANCES AND ADJUSTMENTS			
Beginning Balance in Fund 1	\$ 4,290	\$ 10,771	
Beginning Balances in Funds 2 and 3	431	464	
Change in GR-Dedicated Account Balances	554	(276)	
Reserve for Transfers to Economic Stabilization and State Highway Funds	(5,182)	(14,772)	
TOTAL BALANCES AND ADJUSTMENTS	<u>\$ 93</u>	<u>\$ (3,813)</u>	
TOTAL GENERAL REVENUE-RELATED FUNDS AVAILABLE FOR CERTIFICATION	<u>\$ 117,581</u>	<u>\$ 149,068</u>	<u>26.8 %</u>

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE 2

General Revenue-Related Spending in the 2022-23 Biennium

(In Millions of Dollars)

General Appropriations Act*	\$ 116,368
Emergency Appropriations and Reductions, and Other Legislation Making Appropriations, net**	1,648
<i>Subtotal: Certified General-Revenue Related Appropriations***</i>	<u>\$ 118,016</u>
Fiscal Year End and Other Adjustments to Disbursements, net****	<u>4,107</u>
TOTAL	<u><u>\$ 122,123</u></u>

* Conference Committee Report for SB 1, 87th Legislature, Regular Session.

** Includes methods of reclassification of appropriations made in SB 1 and reductions and other appropriations made in SB 1605, 87th Legislature, Regular Session; HB 5 and HB 9, 87th Legislature, Second Called Session; and SB 8, 87th Legislature, Third Called Session.

*** The sufficient balance of the Economic Stabilization Fund for 2022-23, based on certified General Revenue-Related appropriations, is \$8,261.15 million.

**** Includes reductions and increases in General Revenue costs as a result of: (1) revisions of estimated revenue to the Property Tax Relief and Tax Reduction and Excellence in Education Funds, and (2) adjustments to fiscal year-end settle-up payments to the Teacher Retirement System and other fiscal year-end payments.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE 3

General Revenue-Related Balances and Available Revenue

(In Millions of Dollars)

FISCAL 2022 BALANCES		
Beginning General Revenue Fund Cash	\$ 14,408	
Less: Dedicated Oil Overcharge Account	(70)	
Less: Dedicated Lottery Account	(150)	
Less: Texas Enterprise Account	(322)	
Less: Statewide Electronic Filing Account	(23)	
Less: Governor's University Research Initiative Account	(106)	
Less: Constitutionally Dedicated Victims of Crime Accounts	(26)	
Less: Texas Military Revolving Account	(0)	
Less: Federal Elections Improvement Account	(19)	
Less: Judicial and Court Personnel Training Fund Account	(6)	
Less: BP Oil Spill Fund Account	(0)	
Less: Reserve for Economic Stabilization and State Highway Funds Transfer	(2,915)	
Beginning Balances in Funds 2 and 3	464	
BALANCES AVAILABLE FOR CERTIFICATION		\$ 11,235
FISCAL 2022-23 REVENUES		
Estimated Tax Collections	\$ 134,891	
Estimated Other Revenue	17,991	
TOTAL ESTIMATED NET REVENUE		\$ 152,882
FISCAL 2022-23 OTHER ADJUSTMENTS		
Change in Dedicated General Revenue Account Balances	\$ (276)	
Reserve for Economic Stabilization and State Highway Funds Transfers	(14,772)	
		\$ (15,048)
TOTAL FISCAL 2022-23 ESTIMATED AVAILABLE REVENUE AND BALANCES		\$ 149,068
Less: Fiscal 2022-23 Estimated Expenditures		(122,123)
FISCAL 2022-23 ENDING CERTIFICATION BALANCE		\$ 26,945

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE 4

Texas Economic History and Outlook for Fiscal Years 2014 to 2023

Summer 2022 Forecast

TEXAS ECONOMY	2014	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Real Gross State Product (Billion 2012\$)	1,513	1,593	1,618	1,648	1,714	1,768	1,746	1,804	1,887	1,914
<i>Annual percent change</i>	<i>2.9</i>	<i>5.3</i>	<i>1.5</i>	<i>1.9</i>	<i>4.0</i>	<i>3.2</i>	<i>(1.3)</i>	<i>3.3</i>	<i>4.6</i>	<i>1.4</i>
Gross State Product (Billion Current \$)	1,567	1,578	1,570	1,647	1,781	1,851	1,793	1,915	2,186	2,305
<i>Annual percent change</i>	<i>4.9</i>	<i>0.7</i>	<i>(0.6)</i>	<i>4.9</i>	<i>8.2</i>	<i>3.9</i>	<i>(3.1)</i>	<i>6.8</i>	<i>14.1</i>	<i>5.4</i>
Personal Income (Billion Current \$)	1,251	1,302	1,291	1,361	1,461	1,531	1,608	1,721	1,809	1,885
<i>Annual percent change</i>	<i>6.0</i>	<i>4.1</i>	<i>(0.8)</i>	<i>5.5</i>	<i>7.3</i>	<i>4.8</i>	<i>5.0</i>	<i>7.0</i>	<i>5.1</i>	<i>4.2</i>
Nonfarm Employment (Thousands)	11,497	11,825	11,979	12,173	12,443	12,746	12,424	12,531	13,220	13,491
<i>Annual percent change</i>	<i>3.0</i>	<i>2.9</i>	<i>1.3</i>	<i>1.6</i>	<i>2.2</i>	<i>2.4</i>	<i>(2.5)</i>	<i>0.9</i>	<i>5.5</i>	<i>2.1</i>
Resident Population (Thousands)	26,857	27,342	27,782	28,156	28,487	28,831	29,177	29,485	29,805	30,145
<i>Annual percent change</i>	<i>1.7</i>	<i>1.8</i>	<i>1.6</i>	<i>1.3</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>
Unemployment Rate (Percent)	5.5	4.5	4.6	4.5	4.0	3.6	6.8	6.2	4.5	4.4
NYMEX Oil Price (\$ per Barrel)	\$ 101.05	\$ 64.93	\$ 41.40	\$ 48.77	\$ 60.58	\$ 59.62	\$ 45.46	\$ 54.49	\$ 90.00	\$ 97.00
NYMEX Natural Gas Price (\$ per Million BTUs)	\$ 4.18	\$ 3.34	\$ 2.30	\$ 3.04	\$ 2.89	\$ 2.99	\$ 2.09	\$ 2.65	\$ 5.30	\$ 5.75
U.S. ECONOMY										
Real Gross Domestic Product (Billion 2012\$)	16,825	17,310	17,593	17,958	18,501	18,912	18,493	19,168	19,836	20,191
<i>Annual percent change</i>	<i>2.3</i>	<i>2.9</i>	<i>1.6</i>	<i>2.1</i>	<i>3.0</i>	<i>2.2</i>	<i>(2.2)</i>	<i>3.6</i>	<i>3.5</i>	<i>1.8</i>
Consumer Price Index (1982-4=100)	236.0	236.8	238.9	243.8	249.7	254.4	258.1	266.6	286.7	299.4
<i>Annual percent change</i>	<i>1.6</i>	<i>0.3</i>	<i>0.9</i>	<i>2.1</i>	<i>2.4</i>	<i>1.9</i>	<i>1.5</i>	<i>3.3</i>	<i>7.6</i>	<i>4.4</i>
Personal Consumption Expenditures Deflator (2012=100)	102.6	103.1	103.8	105.6	107.8	109.5	110.9	114.0	120.8	125.5
<i>Annual percent change</i>	<i>1.5</i>	<i>0.5</i>	<i>0.7</i>	<i>1.7</i>	<i>2.1</i>	<i>1.6</i>	<i>1.3</i>	<i>2.8</i>	<i>6.0</i>	<i>3.8</i>
Prime Interest Rate (Percent)	3.3	3.3	3.4	3.9	4.7	5.4	3.9	3.3	3.8	6.0

* Estimated or projected

SOURCES: Glenn Hegar, Texas Comptroller of Public Accounts; and IHS Markit.

TABLE A-1

Estimated General Revenue-Related Balances, Revenue, Disbursements, and Appropriation Authority

	Thousands of Dollars	
	2022	2023
REVENUE AND BEGINNING FUND BALANCES		
General Revenue-Related Adjusted Fund Balance*	\$ 11,234,891	\$ 16,184,357
General Revenue-Related Revenue**	75,474,598	77,406,966
Adjustment to Dedicated Account Balances	(137,845)	(137,845)
Total Revenue and Beginning Fund Balances	\$ 86,571,645	\$ 93,453,479
PROBABLE DISBURSEMENTS AND OTHER ADJUSTMENTS		
Disbursements for Foundation School Programs	\$ 15,864,852	\$ 19,955,471
State Technology and Instructional Materials Disbursements	414,759	10,000
Other Probable Disbursements	46,939,915	38,938,180
Reserve for Transfers to the Economic Stabilization and State Highway Funds	7,167,762	7,604,589
TOTAL PROBABLE DISBURSEMENTS AND OTHER ADJUSTMENTS	\$ 70,387,287	\$ 66,508,240
ESTIMATED ENDING CERTIFICATION BALANCE, AUGUST 31	\$ 16,184,357	\$ 26,945,239
APPROPRIATION AUTHORITY		
Prior-Year Authority	\$ 2,473,204	
Current-Year Authority	63,219,525	
TOTAL APPROPRIATION AUTHORITY	\$ 65,692,729	

* Excludes constitutionally restricted accounts, dedicated lottery proceeds, oil overcharge and other general revenue-dedicated account balances that are not available for certification.

** Excludes constitutionally restricted motor fuel, sales and motor vehicle sales taxes transfers to the State Highway Fund.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-2

Estimated General Revenue-Related Revenue and Balances Available for Certification

	Thousands of Dollars	
	2020-21	2022-23
BEGINNING FUND BALANCES		
Consolidated General Revenue Fund Adjusted Balance	\$ 4,289,697	\$ 10,770,773
Available School Fund Balance	58,188	26,810
State Technology and Instructional Materials Fund Balance	372,930	437,309
TOTAL BEGINNING FUND BALANCES	\$ 4,720,816	\$ 11,234,891
REVENUE		
General Revenue Fund	\$ 110,383,314	\$ 144,874,008
Available School Fund	3,407,222	4,340,002
State Technology and Instructional Materials Fund	9,416	9,988
Foundation School Account	3,688,108	3,657,566
TOTAL REVENUE	\$ 117,488,061	\$ 152,881,564
OTHER ADJUSTMENTS		
Change in General Revenue-Dedicated Account Balances	\$ 554,474	\$ (275,690)
Reserve for Transfers to the Economic Stabilization and State Highway Funds	(5,181,895)	(14,772,351)
TOTAL OTHER ADJUSTMENTS	\$ (4,627,422)	\$ (15,048,041)
TOTAL GENERAL REVENUE-RELATED REVENUE AND BALANCES	\$ 117,581,455	\$ 149,068,415

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-3
Estimated General Revenue-Related Funds Revenue

Object Code Description	Thousands of Dollars	
	2022	2023
GENERAL REVENUE FUND		
3004 Motor Vehicle Sales and Use Tax	\$ 5,580,000	\$ 5,621,900
3005 Motor Vehicle Rental Tax	440,000	448,800
3007 Gasoline Tax	2,647,958	2,671,002
3008 Diesel Fuel Tax	1,012,097	1,039,269
3016 Motor Vehicle Sales and Use Tax—Seller Financed Motor Vehicles	196,982	199,937
3027 Driver Record Information Fees	4,973	5,098
3102 Limited Sales and Use Tax	41,297,202	41,905,800
3111 Boat and Boat Motor Sales and Use Tax	109,149	111,332
3114 Escheated Estates	842,789	837,173
3130 Franchise/Business Margins Tax	3,780,000	3,859,400
3139 Hotel Occupancy Tax	698,000	723,800
3175 Professional Fees	65,871	63,874
3186 Securities Fees	181,912	160,000
3201 Insurance Premium Taxes	3,050,000	3,172,000
3219 Insurance Maintenance Tax—Workers' Compensation Division and OIEC	46,326	47,716
3230 Public Utility Gross Receipts Assessment	57,146	57,691
3233 Gas, Electric and Water Utility Tax	440,760	461,522
3250 Mixed Beverage Gross Receipts Tax	612,000	631,600
3251 Mixed Beverage Sales Tax	753,600	777,700
3253 Liquor Tax	119,600	119,600
3258 Beer Tax	124,700	125,800
3275 Cigarette Tax	312,700	341,600
3278 Cigar and Tobacco Products Tax	222,861	214,192
3290 Oil Production Tax	6,227,857	6,582,800
3291 Natural Gas Production Tax	4,460,807	4,688,300
3849 Tobacco Suit Settlement Receipts	548,300	528,500
3854 Interest Other—General, Non-Program	1,556	1,556
3950 Allocations to General Revenue from Special Funds	3,804	0
3952 Allocation of Uncompensated Care and Disproportionate Share Revenues	265,207	236,984
Other General Revenue Fund Revenue	3,250,241	3,669,622
3901 Less: Motor Fuel Taxes Allocation to State Highway Fund	(2,676,443)	(2,714,549)
3924 Less: Sporting Goods Sales Taxes Allocation to the TPWD and THC	(246,166)	(254,781)
3925 Less: Sales Taxes Allocation to State Highway Fund	(2,500,000)	(2,500,000)
3928 Less: Motor Vehicle Sales Taxes Allocation to State Highway Fund	(437,076)	(455,939)
SUBTOTAL, GENERAL REVENUE FUND	\$ 71,494,709	\$ 73,379,299
SCHOOL FUNDS*		
3851 Interest on State Deposits/Investments—General, Non-Program	\$ 6,106	\$ 8,884
3910 Allocation from Permanent School Fund to Available School Fund	2,145,000	2,190,000
3922 State Gain from Lottery Proceeds	1,773,781	1,773,781
Other School Funds Revenue	55,002	55,002
SUBTOTAL, SCHOOL FUNDS	\$ 3,979,889	\$ 4,027,667
TOTAL ESTIMATED NET GENERAL REVENUE-RELATED FUNDS	\$ 75,474,598	\$ 77,406,966

* Includes net revenue for the Available School Fund, the State Technology and Instructional Materials Fund, and the Foundation School Account.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-4

Estimated General Revenue-Dedicated Accounts Revenue

Account Number Account	Thousands of Dollars	
	2022	2023
9 Game, Fish, and Water Safety	\$ 150,128	\$ 150,243
27 Coastal Protection	16,845	17,105
64 State Parks	238,255	238,603
151 Clean Air	67,573	68,105
153 Water Resource Management	86,282	87,746
225 University of Houston Current	78,446	78,446
238 University of Texas at Dallas Current	53,632	54,688
242 Texas A&M University Current	113,282	113,782
244 University of Texas at Arlington Current	68,142	68,706
248 University of Texas at Austin Current	113,667	113,667
249 University of Texas at San Antonio Current	45,065	45,516
250 University of Texas at El Paso Current	31,435	32,016
255 Texas Tech University Current	58,372	58,372
258 University of North Texas Current	48,754	49,724
259 Sam Houston State University Current	27,368	27,574
421 Criminal Justice Planning	14,793	14,793
469 Compensation to Victims of Crime	59,782	60,045
549 Waste Management	36,449	36,697
550 Hazardous and Solid Waste Remediation Fees	28,898	29,015
655 Petroleum Storage Tank Remediation	16,846	17,077
5000 Solid Waste Disposal Fees	11,606	11,720
5007 Commission on State Emergency Communications	18,355	18,355
5025 Lottery*	542,864	542,864
5050 9-1-1 Service Fees	32,511	32,449
5064 Volunteer Fire Department Assistance	21,652	21,642
5073 Fair Defense	33,532	33,532
5080 Quality Assurance	60,057	60,057
5094 Operating Permit Fees	39,757	40,093
5111 Designated Trauma Facility and EMS	89,163	88,599
5155 Oil and Gas Regulation and Cleanup	71,697	74,249
Other Accounts	989,906	950,515
TOTAL ESTIMATED GENERAL REVENUE-DEDICATED ACCOUNTS	<u>\$ 3,265,114</u>	<u>\$ 3,235,995</u>

* Net of proceeds to the Foundation School Account and other dedicated accounts.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-5

Estimated Federal Income, by Fund or Account

Fund/ Account Number	Fund or Account	Thousands of Dollars	
		2022	2023
1	General Revenue Fund	\$ 38,924,817	\$ 41,037,165
6	State Highway Fund	4,803,138	5,229,894
9	Game, Fish, and Water Safety Account	58,019	58,019
37	Federal Child Welfare Service Account	512,693	518,687
92	Federal Disaster Account	185,718	278,496
127	Community Affairs Federal Account	280,726	282,887
148	Federal Health, Education and Welfare Account	3,351,406	3,519,735
171	Federal School Lunch Account	3,180,816	2,086,180
222	Department of Public Safety Federal Account	1,850	1,850
224	Governor's Office Federal Projects Account	115,591	123,278
273	Federal Health and Health Lab Funding Excess Revenue Account	301,277	301,277
325	Coronavirus Relief Fund	15,295,554	18,580,706
421	Criminal Justice Planning Account	218,678	218,539
449	Texas Military Federal Account	68,797	67,864
469	Compensation to Victims of Crime Account	20,511	21,249
549	Waste Management Account	6,750	6,750
5026	Workforce Commission Federal Account	1,579,444	1,667,827
5091	Office of Rural Community Affairs Federal Account	67,777	67,777
	Other Funds and Accounts	206,722	203,009
TOTAL ESTIMATED FEDERAL INCOME		\$ 69,180,284	\$ 74,271,189

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-6

Estimated Other Funds Revenue, by Fund or Account

Fund/ Account Number	Fund or Account	Thousands of Dollars	
		2022	2023
6	State Highway Fund	\$ 7,592,429	\$ 7,691,647
11	Available University Fund	1,220,037	1,278,669
193	Foundation School Account/Local Recapture–Attendance Credits	3,247,922	2,792,551
304	Property Tax Relief Fund	2,350,893	2,449,420
365	Texas Mobility Fund	367,961	367,038
573	Judicial Fund	77,292	77,292
	Disproportionate Share Revenue/State & Local Hospitals	6,859,575	5,989,047
	Appropriated Receipts	613,198	615,287
	Other Funds	6,932,896	7,587,449
TOTAL ESTIMATED OTHER FUNDS REVENUE		\$ 29,262,203	\$ 28,848,400

Note: Excludes certain local funds that are appropriated but not deposited in the State Treasury, and deposits by semi-independent agencies. Includes certain state revenue deposited in the State Treasury but not appropriated. Excludes federal income.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-7
Estimated All Funds Revenue, Excluding Trust Funds

Source	Thousands of Dollars	
	2022	2023
General Revenue-Related	\$ 75,474,598	\$ 77,406,966
General Revenue-Dedicated	3,265,114	3,235,995
Federal Income	69,180,284	74,271,189
Other Funds	29,262,203	28,848,400
TOTAL ESTIMATED ALL FUNDS REVENUE	\$ 177,182,199	\$ 183,762,550

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenue deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-8

Estimated Allocations and Transfers from the General Revenue Fund

	Thousands of Dollars	
	2022	2023
ALLOCATIONS AND TRANSFERS TO OTHER FUNDS		
Available School Fund–Motor Fuel Taxes	\$ 899,033	\$ 911,854
State Highway Fund–Motor Fuel Taxes	2,676,443	2,714,549
State Highway Fund–Severance Taxes	1,457,260	3,583,881
State Highway Fund–Sales Taxes	2,500,000	2,500,000
State Highway Fund–Motor Vehicle Sales Taxes	437,076	455,939
County and Road District Highway Fund–Motor Fuel Taxes	7,300	7,300
Economic Stabilization Fund–Severance Taxes	1,457,260	3,583,881
Teacher Retirement System Trust Fund (excl. health insurance)	3,145,706	2,578,328
TOTAL ALLOCATIONS AND TRANSFERS TO OTHER FUNDS	\$ 12,580,077	\$ 16,335,733
ALLOCATIONS AND TRANSFERS TO GENERAL REVENUE-DEDICATED ACCOUNTS		
Motor Fuel Allocation to Parks and Wildlife	\$ 18,854	\$ 19,018
Motor Fuel Enforcement Allocation	33,029	33,527
State Parks Account–Sporting Goods Sales Tax (SGST)	183,901	184,249
Texas Recreation and Parks Account–SGST	13,577	13,587
Parks and Wildlife Conservation Capital Account–SGST	26,069	33,738
Large County & Municipal Recreation and Parks Account–SGST	5,387	5,372
Historic Sites Account–SGST	17,232	17,835
Foundation School Account–Occupation Taxes	3,577,626	3,760,653
Hotel Occupancy Tax–Economic Development	58,166	60,316
Alcoholic Beverage Taxes–Specialty Court	13,656	14,093
Texas Department of Insurance Operating Account–Insurance Maintenance Taxes and Fees	144,606	144,053
Rural Volunteer Fire Department Insurance Account–Sales Tax	2,160	2,280
TOTAL ALLOCATIONS AND TRANSFERS TO GENERAL REVENUE-DEDICATED ACCOUNTS	\$ 4,094,263	\$ 4,288,721
TOTAL ALLOCATIONS AND TRANSFERS FROM GENERAL REVENUE	\$ 16,674,340	\$ 20,624,454

Details of the Economic Stabilization Fund – Cash Basis Reporting

	Thousands of Dollars	
	2022	2023
TOTAL BEGINNING BALANCE*	\$ 10,274,492	\$ 10,614,691
TRANSFERS, INTEREST AND INVESTMENT INCOME		
Oil Production Tax Transfer	1,093,973	2,135,995
Natural Gas Production Tax Transfer	363,287	1,447,886
Unencumbered Balance Transfer	0	0
Interest Income	21,671	88,835
Investment Income**	(203,933)	206,315
TOTAL TRANSFERS AND INTEREST INCOME	\$ 1,274,997	\$ 3,879,031
APPROPRIATIONS	934,799	829,565
TOTAL ENDING BALANCE OF ESF	\$ 10,614,691	\$ 13,664,157

* The total beginning balance includes cash balance in the State Treasury and invested balance with Texas Treasury Safekeeping Trust Company. Invested balance and gain on those investments are based on the projected earnings as of June 24, 2022.

** Investment income represents the change in fair value of invested assets due to market interest rate increases. It does not represent realized losses in the portfolio.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-9

Available School Fund and State Technology and Instructional Materials Fund Estimated Balances, Revenues and Expenditures

	Thousands of Dollars	
	2022	2023
BEGINNING CASH BALANCES		
Available School Fund	\$ 26,810	\$ 18,476
State Technology and Instructional Materials Fund	437,309	452,502
TOTAL BEGINNING CASH BALANCES	\$ 464,119	\$ 470,978
ESTIMATED REVENUE		
<i>Available School Fund</i>		
Total Return Allocation from Permanent School Fund	\$ 2,145,000	\$ 2,190,000
Interest on State Deposits/Investments–General, Non-Program	1,112	3,890
Allocation from General Revenue Fund	899,033	911,854
TOTAL ESTIMATED AVAILABLE SCHOOL FUND REVENUE	\$ 3,045,145	\$ 3,105,744
<i>State Technology and Instructional Materials Fund</i>		
Sale of Textbooks	\$ 0	\$ 0
Interest on State Deposits/Investments–General, Non-Program	4,994	4,994
Other Revenue	0	0
TOTAL ESTIMATED STATE TECHNOLOGY AND INSTRUCTIONAL MATERIALS FUND REVENUE	\$ 4,994	\$ 4,994
TOTAL ESTIMATED REVENUE AND BEGINNING CASH BALANCES	\$ 3,514,258	\$ 3,581,716
ESTIMATED EXPENDITURES		
State Technology and Instructional Materials*	\$ 414,759	\$ 10,000
Administration–State Technology and Instructional Materials Fund	2,271	2,271
Administration–Available School Fund	0	0
Per Capita Apportionment		
5,140,538 (prior year ADA) @ \$511	2,626,250	
5,127,583 (prior year ADA) @ \$609		3,124,100
TOTAL ESTIMATED EXPENDITURES	\$ 3,043,280	\$ 3,136,371
ENDING CASH BALANCE	\$ 470,978	\$ 445,345

* Represents only state revenue.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-10

Foundation School Program and Other School Programs Funded Through State General Revenue-Related Funds, the Property Tax Relief and the Tax Reduction and Excellence in Education Funds, and Local Funds

	Thousands of Dollars	
	2022	2023
COST OF PUBLIC SCHOOL PROGRAMS		
State Share of the Foundation School Program	\$ 20,531,110	\$ 24,104,806
State Share of Other School Programs	17,136	17,136
Local Recapture–Attendance Credits	3,247,922	2,792,551
Local Funds Assignment and Other Local Funds	26,804,419	26,195,506
TOTAL COST OF PUBLIC SCHOOL PROGRAMS	\$ 50,600,586	\$ 53,109,998
FUNDING		
<i>State Funds</i>		
Available School Fund	\$ 2,626,250	\$ 3,124,100
Foundation School Account–Opening Balance	848,080	0
Foundation School Account–Occupation Taxes	3,577,626	3,760,653
Foundation School Account–Lottery Proceeds	1,773,781	1,773,781
General Revenue	7,039,115	11,296,937
Property Tax Relief Fund	3,350,893	2,449,420
Tax Reduction and Excellence in Education Fund	1,332,500	1,361,800
Total State Funds	\$ 20,548,245	\$ 23,766,691
<i>Local Funds</i>		
Local Recapture–Attendance Credits	\$ 3,247,922	\$ 2,792,551
Local Funds Assignment and Other Local Funds	26,804,419	26,195,506
Total Local Funds	\$ 30,052,341	\$ 28,988,057
TOTAL STATE AND LOCAL FUNDING*	\$ 50,600,586	\$ 52,754,748

Sources of Property Tax Relief Fund Revenue

	Thousands of Dollars	
	2022	2023
BEGINNING CASH BALANCE	\$ 1,000,000	\$ 0
REVENUE		
3004 Motor Vehicle Sales and Use Tax	31,806	32,045
3130 Franchise/Business Margins Tax	1,620,000	1,654,000
3275 Cigarette Tax	676,400	738,900
3278 Cigar and Tobacco Products Tax	21,438	21,609
3851 Interest on State Deposits/Investments–General, Non-Program	1,249	2,866
TOTAL REVENUE	\$ 2,350,893	\$ 2,449,420
NET TRANSFERS	0	0
APPROPRIATIONS	3,350,893	2,449,420
ENDING CASH BALANCE	\$ 0	\$ 0

* As appropriated in SB 1, 87th Legislature, Regular Session.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts; and Legislative Budget Board.

TABLE A-11
Sources of State Highway Fund Revenue

Object Code	Description	Thousands of Dollars	
		2022	2023
STATE REVENUE			
3010	Motor Fuel Lubricants Sales Tax	\$ 37,500	\$ 37,500
3014	Motor Vehicle Registration Fees	1,615,657	1,656,048
3018	Special Vehicle Permits Fees	125,119	127,557
3752	Sale of Publications/Advertising	4,683	4,729
3767	Supplies/Equipment/Services–Federal/Other	20,474	20,679
3851	Interest on State Deposits/Investments–General, Non-Program	13,013	12,411
3901	Motor Fuel Taxes Allocation	2,676,443	2,714,549
3969	Severance Taxes Allocation	1,457,260	3,583,881
3925	Sales Taxes Allocation	2,500,000	2,500,000
3928	Motor Vehicle Sales Taxes Allocation	437,076	455,939
	Other Revenue	162,464	162,235
	TOTAL STATE REVENUE	\$ 9,049,689	\$ 11,275,528
FEDERAL INCOME			
3001	Federal Receipts Matched–Transportation Programs*	\$ 4,803,138	\$ 5,229,894
3701	Federal Receipts Not Matched–Other Programs	0	0
	TOTAL FEDERAL INCOME	\$ 4,803,138	\$ 5,229,894
	TOTAL STATE HIGHWAY FUND REVENUE	\$ 13,852,827	\$ 16,505,422

* The estimate for Federal Income is based on the Texas Department of Transportation's June cash forecast.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-12
State Revenue, by Source and Fiscal Year
General Revenue-Related

	Thousands of Dollars			
	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
TAX COLLECTIONS				
Sales Taxes	\$ 30,799,500	\$ 32,253,565	\$ 38,660,185	\$ 39,262,351
Motor Vehicle Sales and Rental Taxes	4,773,615	5,445,758	5,827,101	5,861,893
Motor Fuel Taxes	913,780	1,013,339	989,599	1,001,891
Franchise Tax	3,055,377	3,170,881	3,782,027	3,859,400
Oil Production Tax	3,229,347	3,449,132	6,227,857	6,582,800
Insurance Taxes	2,740,586	2,698,504	3,194,999	3,316,616
Cigarette and Tobacco Taxes	546,724	590,222	535,561	555,792
Natural Gas Production Tax	925,473	1,568,542	4,460,807	4,688,300
Alcoholic Beverages Taxes	1,125,322	1,257,444	1,628,480	1,672,700
Hotel Occupancy Tax	470,703	487,815	698,000	723,800
Utility Taxes	478,155	538,815	534,162	556,713
Other Taxes	138,326	92,581	131,424	138,318
TOTAL TAX COLLECTIONS	\$ 49,196,907	\$ 52,566,598	\$ 66,670,202	\$ 68,220,574
REVENUE BY SOURCE				
Tax Collections	\$ 49,196,907	\$ 52,566,598	\$ 66,670,202	\$ 68,220,574
Licenses, Fees, Fines, and Penalties	1,439,320	1,398,708	1,482,461	1,442,922
State Health Service Fees and Rebates	985,540	827,438	1,272,417	1,606,663
Net Lottery Proceeds	1,655,764	1,884,455	1,773,781	1,773,781
Land Income	6,389	3,628	6,090	6,292
Interest and Investment Income	1,729,079	1,704,891	2,240,057	2,356,500
Settlements of Claims	594,637	713,540	588,667	568,867
Escheated Estates	715,456	792,564	842,789	837,173
Sales of Goods and Services	125,203	140,426	136,628	136,628
Other Revenue	534,852	472,664	461,506	457,566
TOTAL NET REVENUE	\$ 56,983,148	\$ 60,504,913	\$ 75,474,598	\$ 77,406,966

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-13

Percent Change in State Revenue, by Source and Fiscal Year General Revenue-Related

	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
TAX COLLECTIONS				
Sales Taxes	3.2 %	4.7 %	19.9 %	1.6 %
Motor Vehicle Sales and Rental Taxes	(3.9)	14.1	7.0	0.6
Motor Fuel Taxes	(9.4)	10.9	(2.3)	1.2
Franchise Tax	3.1	3.8	19.3	2.0
Oil Production Tax	(16.9)	6.8	80.6	5.7
Insurance Taxes	5.5	(1.5)	18.4	3.8
Cigarette and Tobacco Taxes	(8.0)	8.0	(9.3)	3.8
Natural Gas Production Tax	(45.1)	69.5	184.4	5.1
Alcoholic Beverages Taxes	(17.8)	11.7	29.5	2.7
Hotel Occupancy Tax	(26.0)	3.6	43.1	3.7
Utility Taxes	1.4	12.7	(0.9)	4.2
Other Taxes	(35.2)	(33.1)	42.0	5.2
TOTAL TAX COLLECTIONS	<u>(2.1) %</u>	<u>6.8 %</u>	<u>26.8 %</u>	<u>2.3 %</u>
REVENUE BY SOURCE				
Tax Collections	(2.1) %	6.8 %	26.8 %	2.3 %
Licenses, Fees, Fines, and Penalties	1.7	(2.8)	6.0	(2.7)
State Health Service Fees and Rebates	(6.9)	(16.0)	53.8	26.3
Net Lottery Proceeds	8.7	13.8	(5.9)	0.0
Land Income	(18.6)	(43.2)	67.8	3.3
Interest and Investment Income	2.5	(1.4)	31.4	5.2
Settlements of Claims	(3.7)	20.0	(17.5)	(3.4)
Escheated Estates	3.2	10.8	6.3	(0.7)
Sales of Goods and Services	(5.7)	12.2	(2.7)	0.0
Other Revenue	6.7	(11.6)	(2.4)	(0.9)
TOTAL NET REVENUE	<u>(1.5) %</u>	<u>6.2 %</u>	<u>24.7 %</u>	<u>2.6 %</u>

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-14
State Revenue, by Source and Biennium
General Revenue-Related

	Thousands of Dollars		
	2018-19 Actual	2020-21 Actual	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	\$ 60,727,319	\$ 63,053,065	\$ 77,922,536
Motor Vehicle Sales and Rental Taxes	9,897,902	10,219,373	11,688,994
Motor Fuel Taxes	1,988,997	1,927,120	1,991,490
Franchise Tax	5,791,958	6,226,258	7,641,427
Oil Production Tax	7,278,341	6,678,479	12,810,657
Insurance Taxes	5,105,102	5,439,090	6,511,615
Cigarette and Tobacco Taxes	1,155,971	1,136,946	1,091,353
Natural Gas Production Tax	3,116,787	2,494,015	9,149,107
Alcoholic Beverages Taxes	2,661,391	2,382,766	3,301,180
Hotel Occupancy Tax	1,237,354	958,518	1,421,800
Utility Taxes	923,753	1,016,969	1,090,875
Other Taxes	419,005	230,907	269,742
TOTAL TAX COLLECTIONS	<u>\$ 100,303,880</u>	<u>\$ 101,763,505</u>	<u>\$ 134,890,776</u>
REVENUE BY SOURCE			
Tax Collections	\$ 100,303,880	\$ 101,763,505	\$ 134,890,776
Licenses, Fees, Fines, and Penalties	2,827,193	2,838,028	2,925,383
State Health Service Fees and Rebates	2,317,376	1,812,979	2,879,080
Net Lottery Proceeds	2,907,636	3,540,218	3,547,562
Land Income	3,834	10,018	12,382
Interest and Investment Income	2,933,745	3,433,970	4,596,557
Settlements of Claims	1,135,150	1,308,177	1,157,534
Escheated Estates	1,329,612	1,508,021	1,679,962
Sales of Goods and Services	260,803	265,629	273,256
Other Revenue	1,002,958	1,007,516	919,072
TOTAL NET REVENUE	<u>\$ 115,022,186</u>	<u>\$ 117,488,061</u>	<u>\$ 152,881,564</u>

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-15

Percent Change in State Revenue, by Source and Biennium General Revenue-Related

	2018-19 Actual	2020-21 Actual	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	6.7 %	3.8 %	23.6 %
Motor Vehicle Sales and Rental Taxes	9.1	3.2	14.4
Motor Fuel Taxes	5.4	(3.1)	3.3
Franchise Tax	3.9	7.5	22.7
Oil Production Tax	91.0	(8.2)	91.8
Insurance Taxes	11.0	6.5	19.7
Cigarette and Tobacco Taxes	(2.6)	(1.6)	(4.0)
Natural Gas Production Tax	99.6	(20.0)	266.8
Alcoholic Beverages Taxes	10.9	(10.5)	38.5
Hotel Occupancy Tax	17.6	(22.5)	48.3
Utility Taxes	5.7	10.1	7.3
Other Taxes	135.5	(44.9)	16.8
TOTAL TAX COLLECTIONS	<u>12.5 %</u>	<u>1.5 %</u>	<u>32.6 %</u>
REVENUE BY SOURCE			
Tax Collections	12.5 %	1.5 %	32.6 %
Licenses, Fees, Fines, and Penalties	(1.9)	0.4	3.1
State Health Service Fees and Rebates	(12.6)	(21.8)	58.8
Net Lottery Proceeds	16.1	21.8	0.2
Land Income	(86.8)	161.3	23.6
Interest and Investment Income	35.3	17.1	33.9
Settlements of Claims	3.3	15.2	(11.5)
Escheated Estates	(12.9)	13.4	11.4
Sales of Goods and Services	6.2	1.9	2.9
Other Revenue	21.3	0.5	(8.8)
TOTAL NET REVENUE	<u>11.6 %</u>	<u>2.1 %</u>	<u>30.1 %</u>

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-16
State Revenue, by Source and Fiscal Year
All Funds, Excluding Trust Funds

	Thousands of Dollars			
	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Tax Collections				
Sales Taxes	\$ 34,099,115	\$ 36,019,605	\$ 42,782,096	\$ 43,422,292
Motor Vehicle Sales and Rental Taxes	4,815,240	5,730,934	6,295,983	6,349,877
Motor Fuel Taxes	3,524,712	3,596,892	3,666,042	3,716,440
Franchise Tax	4,418,420	4,529,830	5,402,027	5,513,400
Oil Production Tax	3,229,347	3,449,132	6,227,857	6,582,800
Insurance Taxes	2,741,653	2,699,643	3,196,182	3,317,689
Cigarette and Tobacco Taxes	1,299,014	1,397,304	1,233,399	1,316,301
Natural Gas Production Tax	925,473	1,568,542	4,460,807	4,688,300
Alcoholic Beverages Taxes	1,125,322	1,257,444	1,628,480	1,672,700
Hotel Occupancy Tax	470,703	487,815	698,000	723,800
Utility Taxes	478,155	538,815	534,162	556,713
Other Taxes	252,664	197,529	245,059	255,725
TOTAL TAX COLLECTIONS	\$ 57,379,818	\$ 61,473,483	\$ 76,370,094	\$ 78,116,037
REVENUE BY SOURCE				
Tax Collections	\$ 57,379,818	\$ 61,473,483	\$ 76,370,094	\$ 78,116,037
Federal Income	58,116,754	81,940,096	69,180,284	74,271,189
Licenses, Fees, Fines, and Penalties	6,178,186	6,325,234	6,319,499	6,340,453
State Health Service Fees and Rebates	7,560,515	6,815,774	10,076,560	9,714,461
Net Lottery Proceeds	2,391,653	2,954,627	2,900,595	2,900,595
Land Income	1,809,261	2,147,842	4,129,366	4,585,722
Interest and Investment Income	2,529,037	1,975,496	1,805,637	1,964,298
Settlements of Claims	624,354	761,239	676,257	600,353
Escheated Estates	715,456	792,564	842,789	837,173
Sales of Goods and Services	254,791	321,237	272,705	273,032
Other Revenue	4,016,497	4,988,858	4,608,413	4,159,237
TOTAL NET REVENUE	\$ 141,576,323	\$ 170,496,451	\$ 177,182,199	\$ 183,762,550

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenues deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-17

Percent Change in State Revenue, by Source and Fiscal Year All Funds, Excluding Trust Funds

	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
TAX COLLECTIONS				
Sales Taxes	0.2 %	5.6 %	18.8 %	1.5 %
Motor Vehicle Sales and Rental Taxes	(3.9)	19.0	9.9	0.9
Motor Fuel Taxes	(5.8)	2.0	1.9	1.4
Franchise Tax	4.8	2.5	19.3	2.1
Oil Production Tax	(16.9)	6.8	80.6	5.7
Insurance Taxes	5.5	(1.5)	18.4	3.8
Cigarette and Tobacco Taxes	(7.9)	7.6	(11.7)	6.7
Natural Gas Production Tax	(45.1)	69.5	184.4	5.1
Alcoholic Beverages Taxes	(17.8)	11.7	29.5	2.7
Hotel Occupancy Tax	(26.0)	3.6	43.1	3.7
Utility Taxes	1.4	12.7	(0.9)	4.2
Other Taxes	(22.6)	(21.8)	24.1	4.4
TOTAL TAX COLLECTIONS	<u>(3.4) %</u>	<u>7.1 %</u>	<u>24.2 %</u>	<u>2.3 %</u>
REVENUE BY SOURCE				
Tax Collections	(3.4) %	7.1 %	24.2 %	2.3 %
Federal Income	38.7	41.0	(15.6)	7.4
Licenses, Fees, Fines, and Penalties	(4.6)	2.4	(0.1)	0.3
State Health Service Fees and Rebates	5.7	(9.9)	47.8	(3.6)
Net Lottery Proceeds	(4.7)	23.5	(1.8)	0.0
Land Income	(19.6)	18.7	92.3	11.1
Interest and Investment Income	1.0	(21.9)	(8.6)	8.8
Settlements of Claims	(3.4)	21.9	(11.2)	(11.2)
Escheated Estates	3.2	10.8	6.3	(0.7)
Sales of Goods and Services	(8.6)	26.1	(15.1)	0.1
Other Revenue	(3.0)	24.2	(7.6)	(9.7)
TOTAL NET REVENUE	<u>10.7 %</u>	<u>20.4 %</u>	<u>3.9 %</u>	<u>3.7 %</u>

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-18
State Revenue, by Source and Biennium
All Funds, Excluding Trust Funds

	Thousands of Dollars		
	2018-19 Actual	2020-21 Actual	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	\$ 65,961,151	\$ 70,118,721	\$ 86,204,388
Motor Vehicle Sales and Rental Taxes	9,984,033	10,546,174	12,645,860
Motor Fuel Taxes	7,418,001	7,121,604	7,382,482
Franchise Tax	7,903,809	8,948,250	10,915,427
Oil Production Tax	7,278,341	6,678,479	12,810,657
Insurance Taxes	5,107,459	5,441,297	6,513,871
Cigarette and Tobacco Taxes	2,730,930	2,696,318	2,549,700
Natural Gas Production Tax	3,116,787	2,494,015	9,149,107
Alcoholic Beverages Taxes	2,661,391	2,382,766	3,301,180
Hotel Occupancy Tax	1,237,354	958,518	1,421,800
Utility Taxes	923,753	1,016,969	1,090,875
Other Taxes	642,488	450,193	500,784
TOTAL TAX COLLECTIONS	<u>\$ 114,965,497</u>	<u>\$ 118,853,302</u>	<u>\$ 154,486,131</u>
REVENUE BY SOURCE			
Tax Collections	\$ 114,965,497	\$ 118,853,302	\$ 154,486,131
Federal Income	81,523,043	140,056,849	143,451,473
Licenses, Fees, Fines, and Penalties	12,889,304	12,503,421	12,659,952
State Health Service Fees and Rebates	14,816,981	14,376,289	19,791,021
Net Lottery Proceeds	4,738,922	5,346,281	5,801,190
Land Income	4,312,293	3,957,103	8,715,088
Interest and Investment Income	4,353,442	4,504,533	3,769,935
Settlements of Claims	1,190,673	1,385,593	1,276,610
Escheated Estates	1,329,612	1,508,021	1,679,962
Sales of Goods and Services	564,011	576,028	545,737
Other Revenue	7,423,243	9,005,354	8,767,650
TOTAL NET REVENUE	<u>\$ 248,107,022</u>	<u>\$ 312,072,774</u>	<u>\$ 360,944,749</u>

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenues deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-19
Percent Change in State Revenue, by Source and Biennium
All Funds, Excluding Trust Funds

	2018-19 Actual	2020-21 Actual	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	15.4 %	6.3 %	22.9 %
Motor Vehicle Sales and Rental Taxes	9.1	5.6	19.9
Motor Fuel Taxes	4.5	(4.0)	3.7
Franchise Tax	11.0	13.2	22.0
Oil Production Tax	91.0	(8.2)	91.8
Insurance Taxes	11.0	6.5	19.7
Cigarette and Tobacco Taxes	(6.2)	(1.3)	(5.4)
Natural Gas Production Tax	99.6	(20.0)	266.8
Alcoholic Beverages Taxes	10.9	(10.5)	38.5
Hotel Occupancy Tax	17.6	(22.5)	48.3
Utility Taxes	5.7	10.1	7.3
Other Taxes	64.2	(29.9)	11.2
TOTAL TAX COLLECTIONS	<u>17.2 %</u>	<u>3.4 %</u>	<u>30.0 %</u>
REVENUE BY SOURCE			
Tax Collections	17.2 %	3.4 %	30.0 %
Federal Income	4.7	71.8	2.4
Licenses, Fees, Fines, and Penalties	4.7	(3.0)	1.3
State Health Service Fees and Rebates	(0.2)	(3.0)	37.7
Net Lottery Proceeds	10.9	12.8	8.5
Land Income	52.2	(8.2)	120.2
Interest and Investment Income	42.6	3.5	(16.3)
Settlements of Claims	0.9	16.4	(7.9)
Escheated Estates	(12.9)	13.4	11.4
Sales of Goods and Services	(6.2)	2.1	(5.3)
Other Revenue	26.0	21.3	(2.6)
TOTAL NET REVENUE	<u>11.5 %</u>	<u>25.8 %</u>	<u>15.7 %</u>

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.