

STATE OF OREGON  
**LEGISLATIVE REVENUE OFFICE**  
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## LRO FORECAST SUMMARY

**June 2023**

### NEW FACTS SINCE THE LAST FORECAST

	1st Qtr 2023 Forecast	1st Qtr 2023 Reported	Difference
Employment	1,987,101	1,982,626	-4,475
Personal Income (\$ billion)	277.3	277.4	0.1
Personal Income Tax (\$ million)			
Withholding	2,621.0	2,680.2	59.3
Other Payments less Refunds	-180.8	69.9	250.7
Total	2,440.2	2,750.2	310.0
Corporate Income Tax	137.6	169.7	32.0

#### NEW FACTS

- First Quarter personal income tax collections came in \$310.0 million (12.7%) above the March 2023 forecast.
- First Quarter corporate income tax collections came in \$32.0 (23.3%) million above the March 2023 forecast.
- First Quarter Oregon personal income was \$0.1 billion (0.0%) above the March 2023 forecast.
- First Quarter Oregon employment was 4,475 jobs (-0.2%) below the March 2023 forecast.

<b>2021-23</b>
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**CHANGE FROM CLOSE OF SESSION**  
(\$ Million)

General Fund Resources	Close of Session	June 2023 Forecast	Difference
Beginning Balance	3,025.6	4,082.5	1,056.9
Transfer to Rainy Day Fund	-224.6	-222.9	1.7
Personal	20,628.1	25,659.5	5,031.4
Corporate	1,344.0	3,161.2	1,817.2
Other	1,428.4	1,934.5	506.1
Gross GF Revenue	23,400.4	30,755.1	7,354.7
Shared Services Fund	-40.6	-27.2	13.4
Rainy Day Fund	-56.0	-129.0	-73.0
PERS UAL Fund	-74.9	-89.0	-14.1
Net GF Revenue	23,228.9	30,509.9	7,281.0
Lottery Resources*	1,725.8	1,894.7	168.9
Anticipated Administrative Actions**	-21.5	0.0	21.5
Net GF and Lottery Resources	27,734.2	36,264.2	8,530.0

\* All lottery resources including dedicated funds.

\*\* Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

<b>CHANGE SINCE CLOSE OF SESSION</b>
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- Personal income tax revenue is up \$5,031.4 (24.4%) million from the 2021 COS estimate.
- Corporate tax revenue is up \$1,817.2 million (135.2%) from the 2021 COS estimate.
- General Fund gross revenue is up \$7,354.7 million (31.4%) from the 2021 COS estimate.
- Net GF and Lottery resources are up \$8,530.0 million (30.8%) from the 2021 COS estimate.

**EFFECT ON 2% KICKER**

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	June 2023 Forecast	Amount +/- Kicker Threshold
Personal & Other	22,056.4	22,497.6	27,594.0	5,096.4
Corporation***	1,321.4	1,347.8	3,138.6	1,790.8

\*\*\* As per the AG, the corporate kicker calculation excludes the minimum tax paid by S-corporations because it is a flat tax.

<b>KICKER REFUNDS IMPLIED BY FORECAST</b>
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**PERSONAL:** A personal kicker of \$5,537.5 million is projected for 2023.

**CORPORATE:** Corporate tax revenue of \$1,817.2 million is projected to be dedicated to K-12 education spending in 2023-25.

<b>2021-23</b>
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## CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	March 2023 Forecast	June 2023 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund*	-220.7	-222.9	-2.2
Personal	24,185.4	25,659.5	1,474.1
Corporate	2,889.4	3,161.2	271.7
Other	1,809.2	1,934.5	125.3
Gross GF Revenue	28,884.0	30,755.1	1,871.1
Shared Services Fund	-50.5	-27.2	23.2
Rainy Day Fund	-117.7	-129.0	-11.3
PERS UAL Fund	-89.0	-89.0	0.0
Net GF Revenue	28,626.9	30,509.9	1,883.0
Administrative Actions**	0.0	0.0	0.0
Net General Fund Resources	32,488.7	34,369.5	1,880.8
Lottery Resources***	1,899.1	1,894.7	-4.4
Net GF and Lottery Resources	34,387.8	36,264.2	1,876.4
Select Other Taxes			
Corporate Activity***	2,451.0	2,541.4	90.3
Marijuana***	314.2	315.9	1.7

\* Includes Ballot Measure 110 savings transfer

\*\* Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

\*\*\* All receipts including dedicated funds.

<b>REVENUE CHANGES</b>
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- Projected 2021-23 Net General Fund Resources are up \$1,880.8 million (5.8%) from the March 2023 forecast.
- Projected 2021-23 Lottery resources are down \$4.4 million (-0.2%) from the March 2023 forecast.
- Projected combined net General Fund and Lottery Resources are up \$1,876.4 million (5.5%) from the March 2023 forecast.

<b>2021-23</b>
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## EFFECT ON ENDING BALANCE

Current vs. Close of Session  
(\$ Million)

General Fund	Close of Session	June 2023 Forecast	Difference
Beginning Balance	3,025.6	4,082.5	1,056.9
Transfer to Rainy Day Fund*	-224.6	-222.9	1.7
Revenue	23,228.9	30,509.9	7,281.0
Administrative Actions	-21.5	0.0	21.5
<b>Total Resources</b>	<b>26,008.4</b>	<b>34,369.5</b>	<b>8,361.1</b>
<b>Expenditures</b>	<b>25,446.0</b>	<b>27,367.4</b>	<b>1,921.4</b>
Ending Balance	562.4	7,002.1	6,439.7
Rainy Day Fund Transfer	254.5	273.7	19.2
<b>Remaining Balance</b>	<b>308.0</b>	<b>6,728.4</b>	<b>6,420.5</b>

<b>ENDING BALANCE</b>
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- The projected ending balance is up \$6,439.7 million from the 2021 Close-of-Session estimate.
- The projected ending balance is up \$2,374.5 million from the March 2023 forecast.
- The Rainy Day Fund is projected to receive \$273.7 million following the 2021-23 biennium.

Current vs. Prior Forecast  
(\$ Million)

General Fund	March 2023 Forecast	June 2023 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund*	-220.7	-222.9	-2.2
Revenue	28,626.9	30,509.9	1,883.0
Administrative Actions	0.0	0.0	0.0
<b>Total Resources</b>	<b>32,488.7</b>	<b>34,369.5</b>	<b>1,880.8</b>
<b>Expenditures</b>	<b>27,861.0</b>	<b>27,367.4</b>	<b>-493.6</b>
Ending Balance	4,627.6	7,002.1	2,374.5
Rainy Day Fund Transfer	278.6	273.7	-4.9
<b>Remaining Balance</b>	<b>4,349.0</b>	<b>6,728.4</b>	<b>2,379.4</b>

\* Includes Ballot Measure 110 savings transfer

<b>2021-23</b>
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<b>Reserve Fund Position</b>				
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	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$414.6	\$962.2		\$1,376.8
Deposits	\$294.0	\$349.7		\$643.7
Interest	\$23.0	\$39.7		\$62.7
Withdrawals	\$23.2	\$0.0		\$23.2
Projected Ending Balance	\$708.4	\$1,351.6	\$7,002.1	\$9,062.1

\*Excludes funds in the Oregon Growth and the Oregon Resource and Technology Development subaccounts.

<b>2023-25</b>
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

<b>Combined Revenue</b>	March 2023 Forecast	June 2023 Forecast	Difference
Beginning Balance	4,627.6	7,002.1	2,374.5
Transfer to Rainy Day Fund**	-278.6	-310.7	-32.1
Personal	21,569.5	21,088.3	-481.2
Corporate	2,058.6	2,245.0	186.5
Other	1,702.2	1,975.3	273.1
Gross GF Revenue	25,330.2	25,308.6	-21.6
Shared Services Fund	-48.6	-37.0	11.5
Rainy Day Fund	-83.8	-91.6	-7.8
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,197.8	25,180.0	-17.8
Net General Fund Resources	29,546.9	31,871.4	2,324.5
Lottery Resources***	1,901.7	1,919.4	17.7
Net GF and Lottery Resources	31,448.6	33,790.7	2,342.2
Select Other Taxes			
Corporate Activity****	2,603.4	2,779.1	175.7
Marijuana****	315.7	316.9	1.2

\*\* Includes Ballot Measure 110 savings transfer

\*\*\* Includes all receipts including dedicated funds and carryover of 2021-23 ending balance.

\*\*\*\* All receipts including dedicated funds

<b>2025-27</b>
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

Combined Revenue	March 2023 Forecast	June 2023 Forecast	Difference
Personal	28,537.5	29,911.4	1,373.9
Corporate	2,080.4	2,380.3	299.9
Other	1,608.2	1,724.4	116.2
Gross GF Revenue	32,226.1	34,016.2	1,790.0
Shared Services Fund	-17.6	-19.4	-1.7
Rainy Day Fund	-84.7	-97.1	-12.4
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	32,123.8	33,899.7	1,775.9
Lottery Resources*	1,967.6	1,980.2	12.6
Net GF and Lottery Resources	34,091.4	35,879.9	1,788.5
Select Other Taxes			
Corporate Activity*	2,909.3	3,110.9	201.6
Marijuana*	357.5	357.5	0.0

\* All receipts including dedicated funds

<b>2027-29</b>
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

Combined Revenue	March 2023 Forecast	June 2023 Forecast	Difference
Personal	32,786.1	34,601.6	1,815.5
Corporate	2,205.7	2,673.2	467.4
Other	1,703.5	1,828.3	124.8
Gross GF Revenue	36,695.3	39,103.1	2,407.7
Shared Services Fund	0.0	-4.7	-4.7
Rainy Day Fund	-89.8	-109.1	-19.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	36,605.5	38,989.3	2,383.8
Lottery Resources*	2,120.6	2,132.8	12.2
Net GF and Lottery Resources	38,726.1	41,122.1	2,395.9
Select Other Taxes			
Corporate Activity*	3,249.2	3,474.4	225.2
Marijuana*	412.9	412.9	0.0

\* All receipts including dedicated funds

<b>2029-31</b>
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**CHANGE FROM PRIOR FORECAST**  
(\$ Million)

Combined Revenue	March 2023 Forecast	June 2023 Forecast	Difference
Personal	37,132.5	39,217.9	2,085.5
Corporate	2,497.4	2,960.9	463.5
Other	1,804.9	1,950.8	145.9
Gross GF Revenue	41,434.7	44,129.6	2,694.9
Shared Services Fund	0.0	-20.0	-20.0
Rainy Day Fund	-101.7	-120.8	-19.1
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	41,333.0	43,988.8	2,655.8
Lottery Resources*	2,259.5	2,271.1	11.6
Net GF and Lottery Resources	43,592.5	46,259.9	2,667.4
Select Other Taxes			
Corporate Activity*	3,642.3	3,888.1	245.8
Marijuana*	471.1	471.1	0.0

\* All receipts including dedicated funds

<b>Biennial Net General Fund Revenue Growth: 1993 - 2031</b>
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	Personal	Corporate	Other	Total
<b>1993-95 to 1995-97</b>	17.1%	18.8%	28.4%	18.3%
<b>1995-97 to 1997-99</b>	13.0%	-13.9%	-17.6%	7.7%
<b>1997-99 to 1999-01</b>	22.6%	28.2%	2.8%	21.5%
<b>1999-01 to 2001-03</b>	-11.9%	-44.4%	97.9%	-7.5%
<b>2001-03 to 2003-05</b>	16.8%	52.5%	-35.4%	11.4%
<b>2003-05 to 2005-07</b>	22.8%	31.7%	6.4%	22.1%
<b>2005-07 to 2007-09</b>	-8.6%	-18.9%	10.2%	-8.0%
<b>2007-09 to 2009-11</b>	3.7%	20.9%	29.8%	6.8%
<b>2009-11 to 2011-13</b>	15.7%	6.8%	-4.1%	13.1%
<b>2011-13 to 2013-15</b>	14.8%	25.0%	-12.4%	13.2%
<b>2013-15 to 2015-17</b>	15.4%	8.1%	25.2%	15.5%
<b>2015-17 to 2017-19</b>	17.1%	39.4%	3.9%	17.6%
<b>2017-19 to 2019-21</b>	6.3%	13.6%	25.5%	8.0%
<b>2019-21 to 2021-23</b>	28.4%	60.2%	9.8%	29.6%
<b>2021-23 to 2023-25</b>	-17.9%	-29.0%	7.0%	-17.5%
<b>2023-25 to 2025-27</b>	42.0%	6.0%	-12.7%	34.6%
<b>2025-27 to 2027-29</b>	15.7%	12.3%	6.0%	15.0%
<b>2027-29 to 2029-31</b>	13.3%	10.8%	6.7%	12.8%