

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE
 PUBLIC SERVICE BUILDING (Temporary Location)
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LRO FORECAST SUMMARY

March 2023

NEW FACTS SINCE THE LAST FORECAST

	4th Qtr 2022 Forecast	4th Qtr 2022 Reported	Difference
Employment	1,969,123	1,975,778	6,655
Personal Income (\$ billion)	273.8	272.7	-1.1
Personal Income Tax (\$ million)			
Withholding	2,658.0	2,641.5	-16.5
Other Payments less Refunds	131.7	409.8	278.1
Total	2,789.7	3,051.3	261.6
Corporate Income Tax	240.1	371.2	131.1

NEW FACTS

- Fourth Quarter personal income tax collections came in \$261.6 million (9.4%) above the December 2022 forecast.
- Fourth Quarter corporate income tax collections came in \$131.1 (54.6%) million above the December 2022 forecast.
- Fourth Quarter Oregon personal income was \$1.1 billion (-0.4%) below the December 2022 forecast.
- Fourth Quarter Oregon employment was 6,655 jobs (0.3%) above the December 2022 forecast.

2021-23

CHANGE FROM CLOSE OF SESSION (\$ Million)

General Fund Resources	Close of Session	March 2023 Forecast	Difference
Beginning Balance	3,025.6	4,082.5	1,056.9
Transfer to Rainy Day Fund	-224.6	-220.7	3.9
Personal	20,628.1	24,185.4	3,557.4
Corporate	1,344.0	2,889.4	1,545.5
Other	1,428.4	1,809.2	380.8
Gross GF Revenue	23,400.4	28,884.0	5,483.6
Shared Services Fund	-40.6	-50.5	-9.9
Rainy Day Fund	-56.0	-117.7	-61.7
PERS UAL Fund	-74.9	-89.0	-14.1
Net GF Revenue	23,228.9	28,626.9	5,398.0
Lottery Resources*	1,725.8	1,899.1	173.3
Anticipated Administrative Actions**	-21.5	0.0	21.5
Net GF and Lottery Resources	27,734.2	34,387.8	6,653.6

* All lottery resources including dedicated funds.

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

CHANGE SINCE CLOSE OF SESSION

- Personal income tax revenue is up \$3,557.4 (17.2%) million from the 2021 COS estimate.
- Corporate tax revenue is up \$1,545.5 million (115.0%) from the 2021 COS estimate.
- General Fund gross revenue is up \$5,483.6 million (23.4%) from the 2021 COS estimate.
- Net GF and Lottery resources are up \$6,653.6 million (24.0%) from the 2021 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	March 2023 Forecast	Amount +/- Kicker Threshold
Personal & Other	22,056.4	22,497.6	25,994.6	3,497.0
Corporation***	1,321.4	1,347.8	2,866.8	1,519.0

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

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: A personal kicker of \$3,938.2 million is projected for 2023.

CORPORATE: Corporate tax revenue of \$1,545.5 million is projected to be dedicated to K-12 education spending in 2023-25.

2021-23

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2022 Forecast	March 2023 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund	-220.7	-220.7	0.0
Personal	23,945.5	24,185.4	240.0
Corporate	2,648.0	2,889.4	241.5
Other	1,793.7	1,809.2	15.5
Gross GF Revenue	28,387.1	28,884.0	496.9
Shared Services Fund	-50.5	-50.5	0.0
Rainy Day Fund	-107.8	-117.7	-9.8
PERS UAL Fund	-89.0	-89.0	0.0
Net GF Revenue	28,139.8	28,626.9	487.1
Administrative Actions*	0.0	0.0	0.0
Net General Fund Resources	32,001.6	32,488.7	487.1
Lottery Resources**	1,882.7	1,899.1	16.4
Net GF and Lottery Resources	33,884.3	34,387.8	503.5
Select Other Taxes			
Corporate Activity**	2,455.7	2,451.0	-4.7
Marijuana**	326.9	314.2	-12.7

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

** All receipts including dedicated funds.

REVENUE CHANGES

- Projected 2021-23 Net General Fund Resources are up \$487.1 million (1.7%) from the December 2022 forecast.
- Projected 2021-23 Lottery resources are up \$16.4 million (0.9%) from the December 2022 forecast.
- Projected combined net General Fund and Lottery Resources are up \$503.5 million (1.5%) from the December 2022 forecast.

2021-23

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	March 2023 Forecast	Difference
Beginning Balance	3,025.6	4,082.5	1,056.9
Transfer to Rainy Day Fund	-224.6	-220.7	3.9
Revenue	23,228.9	28,626.9	5,398.0
Administrative Actions	-21.5	0.0	21.5
Total Resources	26,008.4	32,488.7	6,480.3
Expenditures	25,446.0	27,861.0	2,415.0
Ending Balance	562.4	4,627.6	4,065.2
Rainy Day Fund Transfer	254.5	278.6	24.2
Remaining Balance	308.0	4,349.0	4,041.1

ENDING BALANCE

- The projected ending balance is up \$4,065.2 million from the 2021 Close-of-Session estimate.
- The projected ending balance is up \$487.1 million from the December 2022 forecast.
- The Rainy Day Fund is projected to receive \$278.6 million following the 2021-23 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	December 2022 Forecast	March 2023 Forecast	Difference
Beginning Balance	4,082.5	4,082.5	0.0
Transfer to Rainy Day Fund	-220.7	-220.7	0.0
Revenue	28,139.8	28,626.9	487.1
Administrative Actions	0.0	0.0	0.0
Total Resources	32,001.6	32,488.7	487.1
Expenditures	27,861.0	27,861.0	0.0
Ending Balance	4,140.6	4,627.6	487.1
Rainy Day Fund Transfer	278.6	278.6	0.0
Remaining Balance	3,862.0	4,349.0	487.1

2021-23

Reserve Fund Position

	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$414.6	\$962.2		\$1,376.8
Deposits	\$294.1	\$338.4		\$632.5
Interest	\$24.1	\$42.0		\$66.1
Withdrawals	\$24.3	\$0.0		\$24.3
Projected Ending Balance	\$708.4	\$1,342.5	\$4,627.6	\$6,678.6

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

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2022 Forecast	March 2023 Forecast	Difference
Beginning Balance	4,140.6	4,627.6	487.1
Transfer to Rainy Day Fund	-278.6	-278.6	0.0
Personal	21,540.1	21,569.5	29.4
Corporate	1,955.9	2,058.6	102.7
Other	1,649.8	1,702.2	52.4
Gross GF Revenue	25,145.7	25,330.2	184.6
Shared Services Fund	-48.6	-48.6	0.0
Rainy Day Fund	-79.6	-83.8	-4.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,017.4	25,197.8	180.4
Net General Fund Resources	28,879.4	29,546.9	667.5
Lottery Resources**	1,854.6	1,901.7	47.1
Net GF and Lottery Resources	30,734.0	31,448.6	714.6
Select Other Taxes			
Corporate Activity***	2,577.1	2,603.4	26.3
Marijuana***	351.6	315.7	-35.9

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

*** All receipts including dedicated funds

2025-27

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2022 Forecast	March 2023 Forecast	Difference
Personal	28,551.2	28,537.5	-13.7
Corporate	2,118.9	2,080.4	-38.6
Other	1,593.9	1,608.2	14.3
Gross GF Revenue	32,264.1	32,226.1	-38.0
Shared Services Fund	-17.6	-17.6	0.0
Rainy Day Fund	-86.3	-84.7	1.6
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	32,160.2	32,123.8	-36.4
Lottery Resources*	1,923.3	1,967.6	44.3
Net GF and Lottery Resources	34,083.5	34,091.4	7.9
Select Other Taxes			
Corporate Activity*	2,859.5	2,909.3	49.8
Marijuana*	394.0	357.5	-36.5

* All receipts including dedicated funds

2027-29

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2022 Forecast	March 2023 Forecast	Difference
Personal	32,913.0	32,786.1	-126.9
Corporate	2,271.5	2,205.7	-65.8
Other	1,686.9	1,703.5	16.6
Gross GF Revenue	36,871.4	36,695.3	-176.0
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-92.5	-89.8	2.7
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	36,778.9	36,605.5	-173.3
Lottery Resources*	2,071.7	2,120.6	48.9
Net GF and Lottery Resources	38,850.6	38,726.1	-124.5
Select Other Taxes			
Corporate Activity*	3,195.0	3,249.2	54.2
Marijuana*	443.5	412.9	-30.7

* All receipts including dedicated funds

2029-31

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	December 2022 Forecast	March 2023 Forecast	Difference
Personal	37,349.2	37,132.5	-216.8
Corporate	2,584.9	2,497.4	-87.6
Other	1,788.2	1,804.9	16.6
Gross GF Revenue	41,722.4	41,434.7	-287.7
Shared Services Fund	0.0	0.0	0.0
Rainy Day Fund	-105.3	-101.7	3.6
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	41,617.1	41,333.0	-284.1
Lottery Resources*	2,207.6	2,259.5	51.9
Net GF and Lottery Resources	43,824.7	43,592.5	-232.2
Select Other Taxes			
Corporate Activity*	3,571.8	3,642.3	70.5
Marijuana*	495.5	471.1	-24.4

* All receipts including dedicated funds

Biennial Net General Fund Revenue Growth: 1993 - 2031
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	Personal	Corporate	Other	Total
1993-95 to 1995-97	17.1%	18.8%	28.4%	18.3%
1995-97 to 1997-99	13.0%	-13.9%	-17.6%	7.7%
1997-99 to 1999-01	22.6%	28.2%	2.8%	21.5%
1999-01 to 2001-03	-11.9%	-44.4%	97.9%	-7.5%
2001-03 to 2003-05	16.8%	52.5%	-35.4%	11.4%
2003-05 to 2005-07	22.8%	31.7%	6.4%	22.1%
2005-07 to 2007-09	-8.6%	-18.9%	10.2%	-8.0%
2007-09 to 2009-11	3.7%	20.9%	29.8%	6.8%
2009-11 to 2011-13	15.7%	6.8%	-4.1%	13.1%
2011-13 to 2013-15	14.8%	25.0%	-12.4%	13.2%
2013-15 to 2015-17	15.4%	8.1%	25.2%	15.5%
2015-17 to 2017-19	17.1%	39.4%	3.9%	17.6%
2017-19 to 2019-21	6.3%	18.1%	25.5%	8.4%
2019-21 to 2021-23	20.9%	40.9%	2.3%	21.2%
2021-23 to 2023-25	-10.8%	-28.8%	-1.0%	-12.0%
2023-25 to 2025-27	32.5%	1.1%	-5.5%	27.5%
2025-27 to 2027-29	15.0%	6.0%	5.9%	14.0%
2027-29 to 2029-31	13.3%	13.2%	5.9%	12.9%