

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 08 FORECAST
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 2/10/2008	Proposed OPB Forecast 5/9/08	Proposed LFO Forecast 5/9/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	19.0	19.0	19.0	-	-
Beer	36.5	37.2	36.5	0.7	-
Corporate Franchise	247.4	304.1	283.0	56.7	35.6
Corporate Income	663.1	709.6	752.5	46.5	89.4
<i>Total Corp Fran. & Inc.</i>	910.5	1,013.7	1,035.5	103.2	125.0
Gasoline & Special Fuels	610.0	572.7	585.0	(37.3)	(25.0)
Gift	3.0	2.6	3.0	(0.4)	-
Hazardous Waste	4.5	4.3	4.5	(0.2)	-
Individual Income	2,981.0	3,212.7	3,144.5	231.7	163.5
Inheritance	3.0	9.3	8.0	6.3	5.0
Natural Gas Franchise	5.0	5.2	5.0	0.2	-
Public Utilities	5.0	5.1	5.0	0.1	-
Auto Rental Excise	5.5	5.7	5.5	0.2	-
Sales Tax - General	2,835.3	2,853.1	2,835.3	17.8	-
Severance	945.0	1,032.1	1,030.0	87.1	85.0
Special Fuels	-	-	-	-	-
Supervision/Inspection Fee	6.0	6.4	7.0	0.4	1.0
Tobacco	143.7	147.4	144.8	3.7	1.1
Unclaimed Property	28.0	36.2	32.0	8.2	4.0
Miscellaneous Receipts	6.5	6.0	6.5	(0.5)	-
Total-Dept. of Revenue	8,547.5	8,968.7	8,907.0	421.2	359.6
Royalties	582.0	636.4	645.0	54.4	63.0
Rentals	22.0	22.6	22.0	0.6	-
Bonuses	24.0	25.7	24.0	1.7	-
Mineral Interest	2.0	3.0	2.0	1.0	-
Total-Natural Res.	630.0	687.7	693.0	57.7	63.0
Interest Earnings (SGF)	160.0	185.0	170.0	25.0	10.0
Interest Earnings (TTF)	15.0	16.4	16.3	1.4	1.3
Var. Agy. Receipts	32.3	35.0	32.3	2.7	-
Agency SGR Over-Collections	18.3	18.3	18.3	(0.0)	-
Bond Reimbursements	4.3	4.3	4.3	(0.0)	-
Quality Ed. Support Fund	67.0	68.5	67.0	1.5	-
Lottery Proceeds	130.2	128.7	130.2	(1.5)	-
Land-based Casino	90.0	90.2	90.0	0.2	-
Tobacco Settlement	71.8	74.1	74.1	2.3	2.3
DHH Provider Fees	108.4	108.4	108.4	-	-
Total Treasury	697.3	728.9	710.9	31.6	13.6
Excise License	335.0	348.0	335.0	13.0	-
Ins. Rating Fees (SGF)	52.8	52.7	52.8	(0.1)	-
Total-Insurance	387.8	400.7	387.8	12.9	0.0
Misc. DPS Permits & ABC Permits	10.8	11.1	11.2	0.3	0.4
Titles	22.9	24.6	23.7	1.7	0.8
Vehicle Licenses	95.0	97.6	97.6	2.6	2.6
Vehicle Sales Tax	327.0	341.5	339.0	14.5	12.0
Riverboat Gaming	383.0	391.5	389.0	8.5	6.0
Racetrack slots	57.0	57.7	57.0	0.7	-
Video Draw Poker	205.0	207.9	210.0	2.9	5.0
Total-Public Safety	1,100.7	1,131.9	1,127.5	31.2	26.8
Total Taxes, Lic., Fees	11,363.2	11,917.9	11,826.2	554.7	463.0
<i>Less: Dedications</i>	(1,778.8)	(1,769.6)	(1,779.4)	9.2	(0.6)
<i>Less: NOW Waiver Fund Allocation</i>	(50.0)	(50.0)	(50.0)	-	-
STATE GENERAL FUND REVENUE - DIRECT	9,534.4	10,098.3	9,996.8	563.9	462.4
Oil Price (\$/barrel)	\$82.51	\$88.28	\$92.35	\$5.77	\$9.84

ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 08 FORECAST
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 2/10/2008	Proposed OPB Forecast 5/9/08	Proposed LFO Forecast 5/9/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
			ADOPTED		
Motor Fuels/Veh Sales Tax-TTF	488.0	458.2	468.0	(29.8)	(20.0)
Motor Vehicles Lic. - TTF	39.9	42.9	41.0	3.0	1.1
Aviation Tax - TTF	9.7	9.7	9.7	-	-
TTF/Interest and Fees	39.5	38.2	40.8	(1.3)	1.3
Motor Fuels - TIME Program	122.0	114.5	117.0	(7.5)	(5.0)
Motor Veh.Lic - Hwy Fund #2	11.1	11.5	11.4	0.4	0.3
State Highway Improvement Fund	10.9	10.8	11.2	(0.1)	0.3
Severance Tax -Parishes	40.8	42.3	44.2	1.5	3.4
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	(0.0)	-
Royalties - Parishes	58.2	63.6	64.5	5.4	6.3
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	-	-
Wetlands Fund	34.4	37.1	37.1	2.7	2.8
Mineral Audit Settlement Fund	0.0	0.0	0.0	-	-
Quality Ed. Support Fund	67.0	68.5	67.0	1.5	-
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0	-	-
Sales Tax Econ. Development	13.8	14.4	13.8	0.6	0.1
Tourist Promotion District	23.7	24.0	23.8	0.2	0.1
Excise Lic. - 2% Fire Ins.	17.2	21.2	17.2	4.0	-
Excise Lic. -Fire Mars. Fd.	13.4	17.4	13.4	4.0	-
Excise Lic. - LSU Fire Tr.	2.7	3.1	2.7	0.5	-
Insurance Fees	52.8	52.7	52.8	(0.1)	-
State Police Salary Fund	15.6	15.6	15.6	-	-
Video Draw Poker	64.1	61.3	65.4	(2.8)	1.3
Racetrack Slots	25.3	24.7	25.4	(0.6)	0.1
Lottery Proceeds Fund	129.7	128.4	129.7	(1.3)	-
SELF Fund	171.2	173.6	172.5	2.4	1.3
Riverboat 'Gaming' Enforce.	58.3	62.3	62.2	4.0	3.9
Compulsive Gaming Fund	2.5	2.5	2.5	-	-
Stabilization Fund	0.0	0.0	0.0	-	-
Hazardous Waste Funds	4.5	4.3	4.5	(0.2)	-
Supervision/Inspection Fee	6.0	6.4	7.0	0.4	1.0
Insp. Fee/Gasoline, Ag. Petr. Fund	5.2	4.8	5.0	(0.4)	(0.2)
Tobacco Settlement	71.8	74.1	74.1	2.3	2.3
Tob Tax Health Care Fd / Reg Enf Fd	42.3	44.2	42.6	1.9	0.3
Rapid Response Fund	7.8	7.8	7.8	(0.0)	-
Unclaimed Property / I-49	15.0	15.0	15.0	-	-
DHH Provider Fees	108.4	108.4	108.4	-	-
Total Dedications	1,778.8	1,769.6	1,779.4	(9.2)	0.6

ADOPTED

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REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 09 FORECAST
(In Million \$)

REVENUE SOURCE / Dedications	ADOPTED				
	Official Forecast 2/10/2008	Proposed OPB Forecast 5/9/08	Proposed LFO Forecast 5/9/08	OPB +/- Official Forecast	LFO +/- Official Forecast
Alcoholic Beverage	19.0	19.4	19.0	0.4	-
Beer	36.5	38.0	36.5	1.5	-
Corporate Franchise	247.8	275.8	261.7	28.0	13.9
Corporate Income	681.9	643.4	706.8	(38.5)	24.9
<i>Total Corp Fran. & Inc.</i>	929.7	919.2	968.5	(10.5)	38.8
Gasoline & Special Fuels	632.0	561.2	595.0	(70.8)	(37.0)
Gift	-	1.9	-	1.9	-
Hazardous Waste	4.5	4.4	4.5	(0.1)	-
Individual Income	2,776.1	2,937.6	2,873.1	161.5	97.0
Inheritance	1.4	5.0	1.4	3.6	-
Natural Gas Franchise	5.0	5.3	5.0	0.3	-
Public Utilities	5.0	5.2	5.0	0.2	-
Auto Rental Excise	5.5	5.8	5.5	0.3	-
Sales Tax - General	2,960.2	2,861.9	2,891.2	(98.3)	(69.0)
Severance	843.0	1,070.0	973.0	227.0	130.0
Special Fuels	-	-	-	-	-
Supervision/Inspection Fee	6.0	6.5	7.0	0.5	1.0
Tobacco	141.1	150.5	141.3	9.4	0.2
Unclaimed Property	28.0	37.0	32.0	9.0	4.0
Miscellaneous Receipts	6.5	6.1	6.5	(0.3)	-
Total-Dept. of Revenue	8,399.5	8,635.0	8,564.5	235.5	165.0
Royalties	552.0	659.8	723.0	107.8	171.0
Rentals	22.1	22.8	24.6	0.7	2.5
Bonuses	24.0	23.1	24.0	(0.9)	-
Mineral Interest	1.0	1.0	1.0	-	-
Total-Natural Res.	599.1	706.7	772.6	107.6	173.5
Interest Earnings (SGF)	135.0	185.0	150.0	50.0	15.0
Interest Earnings (TTF)	9.0	16.0	15.0	7.0	6.0
Var. Agy. Receipts	32.3	35.0	32.3	2.7	-
Agency SGR Over-Collections	18.3	18.0	18.3	(0.3)	-
Bond Reimbursements	4.3	4.3	4.3	(0.0)	-
Quality Ed. Support Fund	65.0	69.2	65.0	4.2	-
Lottery Proceeds	123.0	124.0	128.7	1.0	5.7
Land-based Casino	90.0	90.2	90.0	0.2	-
Tobacco Settlement	76.1	76.7	76.7	0.6	0.6
DHH Provider Fees	106.3	106.3	106.3	-	-
Total Treasury	659.4	724.7	686.7	65.3	27.3
Excise License	350.7	364.4	350.7	13.6	-
Ins. Rating Fees (SGF)	54.9	53.8	54.9	(1.1)	-
Total-Insurance	405.6	418.2	405.6	12.6	0.0
Misc. DPS Permits & ABC Permits	10.4	11.3	11.4	1.0	1.1
Titles	22.0	25.1	24.2	3.1	2.2
Vehicle Licenses	94.0	99.6	94.0	5.6	-
Vehicle Sales Tax	314.0	348.6	346.1	34.6	32.1
Riverboat Gaming	379.0	391.5	385.0	12.5	6.0
Racetrack slots	57.0	57.7	57.0	0.7	-
Video Draw Poker	205.0	202.7	210.0	(2.3)	5.0
Total-Public Safety	1,081.3	1,136.6	1,127.8	55.3	46.4
Total Taxes, Lic., Fees	11,144.8	11,621.2	11,557.1	476.3	412.2
<i>Less: Dedications</i>	<i>(1,804.1)</i>	<i>(1,820.2)</i>	<i>(1,854.5)</i>	<i>(16.1)</i>	<i>(50.4)</i>
<i>Less: NOW Waiver Fund Allocation</i>					
STATE GENERAL FUND REVENUE - DIRECT	9,340.7	9,800.9	9,702.5	460.2	361.8
Oil Price (\$/barrel)	\$73.45	\$97.55	\$84.23	\$24.10	\$10.78

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REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 09 FORECAST
(In Million \$)

REVENUE SOURCE / Dedications	Official Forecast 2/10/2008	ADOPTED			
		Proposed OPB Forecast 5/9/08	Proposed LFO Forecast 5/9/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
			ADOPTED		
Motor Fuels/Veh Sales Tax-TTF	505.6	483.9	510.6	(21.7)	5.0
Motor Vehicles Lic. - TTF	39.5	43.8	39.5	4.3	-
Aviation Tax - TTF	9.7	9.7	9.7	-	-
TTF/Interest and Fees	33.5	37.8	39.5	4.3	6.0
Motor Fuels - TIME Program	126.4	112.2	119.0	(14.2)	(7.4)
Motor Veh.Lic - Hwy Fund #2	11.0	11.7	11.0	0.7	-
State Highway Improvement Fund	21.5	33.1	32.2	11.6	10.7
Severance Tax -Parishes	41.3	41.7	47.2	0.4	5.9
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	(0.0)	-
Royalties - Parishes	55.2	66.0	72.3	10.8	17.1
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	-	-
Wetlands Fund	31.8	38.3	37.4	6.5	5.6
Mineral Audit Settlement Fund	0.0	0.0	0.0	-	-
Quality Ed. Support Fund	65.0	69.2	65.0	4.2	-
LA Econ Dev Port Dev Infra Fund	0.0		0.0	-	-
Sales Tax Econ. Development	14.3	14.4	14.1	0.1	(0.2)
Tourist Promotion District	24.6	24.1	24.3	(0.5)	(0.3)
Excise Lic. - 2% Fire Ins.	18.8	22.2	18.8	3.4	-
Excise Lic. -Fire Mars. Fd.	14.6	18.2	14.6	3.6	-
Excise Lic. - LSU Fire Tr.	2.9	3.3	2.9	0.4	-
Insurance Fees	54.9	53.8	54.9	(1.1)	-
State Police Salary Fund	15.6	15.6	15.6	-	-
Video Draw Poker	62.9	58.7	64.2	(4.1)	1.3
Racetrack Slots	26.1	25.8	25.6	(0.3)	(0.5)
Lottery Proceeds Fund	122.5	123.5	128.2	1.0	5.7
SELF Fund	170.4	173.6	171.7	3.2	1.3
Riverboat 'Gaming' Enforce.	62.8	62.3	61.6	(0.5)	(1.2)
Compulsive Gaming Fund	2.5	2.5	2.5	-	-
Stabilization Fund	0.0	0.0	0.0	-	-
Hazardous Waste Funds	4.5	4.4	4.5	(0.1)	-
Supervision/Inspection Fee	6.0	6.5	7.0	0.5	1.0
Insp. Fee/Gasoline, Ag. Petr. Fund	5.4	4.7	5.1	(0.7)	(0.3)
Tobacco Settlement	76.1	76.7	76.7	0.6	0.6
Tob Tax Health Care Fd / Reg Enf Fd	41.5	45.1	41.6	3.6	0.1
Rapid Response Fund	10.0	10.0	10.0	-	-
Unclaimed Property / I-49	15.0	15.0	15.0	-	-
DHH Provider Fees	106.3	106.3	106.3	-	-
Total Dedications	1,804.1	1,820.2	1,854.5	16.1	50.4

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REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 10-12 FORECAST

(In Million \$)

REVENUE SOURCE / Dedications	ADOPTED LFO FY10 5/9/08	ADOPTED LFO FY11 5/9/08	ADOPTED LFO FY12 5/9/08
Alcoholic Beverage	19.0	19.0	19.0
Beer	36.5	36.5	36.5
Corporate Franchise	219.4	156.7	160.6
Corporate Income	622.0	601.0	644.2
<i>Total Corp Fran. & Inc.</i>	841.4	757.7	804.8
Gasoline & Special Fuels	604.0	615.0	624.0
Gift	0.0	0.0	0.0
Hazardous Waste	4.5	4.5	4.5
Individual Income	2,916.2	3,046.0	3,185.8
Inheritance	1.4	1.4	1.4
Natural Gas Franchise	5.0	5.0	5.0
Public Utilities	5.0	5.0	5.0
Auto Rental Excise	5.5	5.5	5.5
Sales Tax - General	2,794.2	2,889.2	2,981.2
Severance	928.0	895.0	875.0
Special Fuels			
Supervision/Inspection Fee	7.0	7.0	7.0
Tobacco	140.9	140.4	140.0
Unclaimed Property	32.0	32.0	32.0
Miscellaneous Receipts	6.5	6.5	6.5
Total-Dept. of Revenue	8,347.0	8,465.7	8,733.2
Royalties	614.0	556.0	553.0
Rentals	20.9	18.9	18.8
Bonuses	24.0	24.0	24.0
Mineral Interest	1.0	1.0	1.0
Total-Natural Res.	659.9	599.9	596.8
Interest Earnings (SGF)	130.0	110.0	90.0
Interest Earnings (TTF)	14.0	13.0	12.0
Var. Agy. Receipts	32.3	32.3	32.3
Agency SGR Over-Collections	18.3	18.3	18.3
Bond Reimbursements	4.3	4.3	4.3
Quality Ed. Support Fund	65.0	65.0	65.0
Lottery Proceeds	123.0	123.0	123.0
Land-based Casino	90.0	90.0	90.0
Tobacco Settlement	81.5	86.5	91.8
DHH Provider Fees	106.3	106.3	106.3
Total Treasury	664.8	648.8	633.1
Excise License	363.0	377.2	390.8
Ins. Rating Fees (SGF)	57.1	59.3	61.7
Total-Insurance	420.1	436.5	452.5
Misc. DPS Permits & ABC Permits	12.7	13.7	14.0
Titles	26.5	28.9	29.5
Vehicle Licenses	97.0	99.0	102.0
Vehicle Sales Tax	353.4	360.8	368.4
Riverboat Gaming	381.0	377.0	373.0
Racetrack slots	57.0	57.0	57.0
Video Draw Poker	210.0	210.0	210.0
Total-Public Safety	1,137.6	1,146.4	1,153.9
Total Taxes, Lic., Fees	11,229.4	11,297.2	11,569.3
<i>Less: Dedications</i>	<i>(1,903.4)</i>	<i>(1,959.1)</i>	<i>(2,060.1)</i>
<i>Less: NOW Waiver Fund Allocation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
STATE GENERAL FUND REVENUE - DIRECT	9,325.9	9,338.1	9,509.3
Oil Price (\$/barrel)	\$72.17	\$68.46	\$67.63
	ADOPTED	ADOPTED	ADOPTED

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REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 10-12 FORECAST

(In Million \$)

REVENUE SOURCE / Dedications	ADOPTED LFO FY10 5/9/08	ADOPTED LFO FY11 5/9/08	ADOPTED LFO FY12 5/9/08
	ADOPTED	ADOPTED	ADOPTED
Motor Fuels/Veh Sales Tax-TTF	553.9	600.2	683.4
Motor Vehicles Lic. - TTF	40.7	41.6	42.8
Aviation Tax - TTF	9.7	9.7	9.7
TTF/Interest and Fees	38.5	37.5	36.5
Motor Fuels - TIME Program	120.8	123.0	124.8
Motor Veh.Lic - Hwy Fund #2	11.3	11.6	11.9
State Highway Improvement Fund	44.3	45.3	46.6
Severance Tax -Parishes	50.2	53.4	57.1
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4
Royalties - Parishes	61.4	55.6	55.3
Royalties-DNR/AG Support Fund	2.6	2.6	2.6
Wetlands Fund	34.4	32.6	32.1
Mineral Audit Settlement Fund	0.0	0.0	0.0
Quality Ed. Support Fund	65.0	65.0	65.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0
Sales Tax Econ. Development	13.7	14.2	14.6
Tourist Promotion District	23.6	24.4	25.1
Excise Lic. - 2% Fire Ins.	20.5	22.3	24.3
Excise Lic. -Fire Mars. Fd.	15.9	17.3	18.9
Excise Lic. - LSU Fire Tr.	3.2	3.5	3.8
Insurance Fees	57.1	59.3	61.7
State Police Salary Fund	15.6	15.6	15.6
Video Draw Poker	64.2	64.2	64.2
Racetrack Slots	25.6	25.6	25.6
Lottery Proceeds Fund	122.5	122.5	122.5
SELF Fund	170.8	169.9	169.1
Riverboat 'Gaming' Enforce.	61.0	60.3	59.7
Compulsive Gaming Fund	2.5	2.5	2.5
Stabilization Fund	0.0	0.0	0.0
Hazardous Waste Funds	4.5	4.5	4.5
Supervision/Inspection Fee	7.0	7.0	7.0
Insp. Fee/Gasoline, Ag. Petr. Fund	5.2	5.3	5.4
Tobacco Settlement	81.5	86.5	91.8
Tob Tax Health Care Fd / Reg Enf Fd	41.5	41.3	41.2
Rapid Response Fund	10.0	10.0	10.0
Unclaimed Property / I-49	15.0	15.0	15.0
DHH Provider Fees	106.3	106.3	106.3
Total Dedications	1,903.4	1,959.1	2,060.1
	ADOPTED	ADOPTED	ADOPTED

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**REVENUE ESTIMATING CONFERENCE
May 9, 2008**

**State General Fund Revenue Forecast
(millions of \$)**

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$9,681	\$9,997	\$9,703	\$9,326	\$9,338	\$9,509
Yr/Yr \$ Chg.	\$1,378	\$381	-\$294	-\$377	\$12	\$171
Yr/Yr % Chg.	16.6%	3.3%	-2.9%	-3.9%	0.1%	1.8%
Forecast Change		\$462	\$362	\$364	\$294	\$269

Strong collections growth in FY07 continued the 12.3% surge experienced in the storm year of FY06. In that year most of the revenue surge was sales tax, as the economy began its recovery from hurricanes Katrina and Rita, growing by 19% and making up 60% of the year's revenue gains. In FY07 most of the revenue surge was income tax, as deferred payments came in, unemployment dropped below the national average, and wage premiums pushed up taxable incomes, growing by 30% and making up 45% of the year's revenue gains. In both years the corporate sector contributed as oil prices continued rising and the dollar exchange rate continued falling, driving exports and corporate collections. Mineral revenues continued their surge in FY07, as production came back on line and oil prices continued to rise.

Growth appears to be slowing across the board in FY08 (sales tax, income tax, corporate taxes, mineral revenue), but upward revisions to the forecast baseline are still recommended throughout the forecast horizon, driven largely by oil & gas revenue and personal income tax collections. The year-over-year forecast path continues to be one of lower revenue each year through FY10 as oil price forecasts moderate and tax cuts phase in. However, past forecasts have failed to find the state's post-storm revenue peak, and upside potential may still exist in certain revenues such as personal income tax and severance & royalty collections. Downside risks exist in slowing recovery activity after the immediate replacement surges, and the possibility of a national recession that dampens oil prices and tax receipts in general.

**Sales Tax Forecast
(millions of \$)**

	FY07	FY08	FY09	FY10	FY11	FY12
General	\$2,838	\$2,835	\$2,891	\$2,794	\$2,889	\$2,981
Vehicle	\$360	\$339	\$346	\$353	\$361	\$368
Forecast Change		\$12	\$32	\$31	\$33	\$33
1% Busi. Utils.			-\$69	-\$68	-\$68	-\$68
MM&E Accel.				-\$4		
MM&E	-\$6	-\$9	-\$11	-\$14		
Business Utilities				-\$156	-\$156	-\$156

Other Susps Expire					-\$32	-\$32	-\$32
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The big surge year for both general and vehicle sales tax was FY06, the fiscal year of the storms, with growth of 17.2% and 29.2%, respectively, as many possessions were replaced immediately after the storms. Even while substantial recovery spending and strong oil & gas activity continues, growth in the general sales tax slowed in FY07 to 4.2% and has slowed even more in FY08 to 2.6% on a cash basis through April and to only 0.5% on an accrual basis. Also, even with this year-to-date cash basis growth, it seems likely that a net accrual loss of as much as \$50 million may occur at the end of this year (the offset to last year's large net accrual gain). Continued recovery spending and oil & gas activity support projected out-year baseline growth in excess of 3% per year. Federal tax rebate checks will help in FY09, but the effects of the U.S. slowdown/recession appear to have not yet made their way into the state's spending flows in a significant way.

The forecast accounts for the 1% reduction in the business utilities sales tax rate enacted in the recent 2008ES2 session, and already accounted for the scheduled drop of this tax rate on business utilities to 1% (from 3.3%) in FY10, as well as the scheduled drop of the tax rate on all other suspended exemptions to 1% (from 4%) at the same time. The acceleration of the phase-out of tax on manufacturing machinery & equipment is accounted for in FY10, as well as the scheduled phase-out up to then (albeit at a significantly reduced level). Other than these scheduled changes and fiscal notes, no changes have been made to the base forecasts of the general sales tax.

Vehicle replacement peaked by the middle of FY07 and that year finished with a 4.8% drop which has continued into FY08 (3.5% through January). While a decline is projected through FY08, that decline has been lessening and positive growth is expected in FY09 and beyond, reversing a decline formerly expected through FY10. Support to this tax comes from income and job growth in Louisiana, fleet shifting to more fuel efficient vehicles, and federal rebate checks in FY09.

Personal Income Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Income Tax	\$3,257	\$3,145	\$2,873	\$2,916	\$3,046	\$3,186
Forecast Change		\$164	\$97	\$69	\$79	\$92
Tuition Deduction				-\$23	-\$25	-\$26
Excess Itemized		-\$157	-\$190	-\$308	-\$332	-\$357
Earned Income Credit			-\$41	-\$41	-\$41	-\$41
Insurance Credit			-\$92			
Film Production	-\$50	-\$50	-\$50	-\$50	-\$50	-\$50
Citizens Credit	-\$40	-\$56	-\$56	-\$56	-\$56	-\$56
Film Infrastructure		-\$10	-\$49	-\$84	-\$69	-\$43

Collections held up in storm year FY06 (4.6%) due to withholding strength, but the surge really occurred in FY07 with 29.7% growth. Deferred payment catch up, low unemployment, wage growth, oil & gas sector gains all contributed to a very strong year. While withholding continues to perform well in FY08, the catch-up effect has ended and a net accrual loss is likely, as well. Underlying base growth is projected as a 0.7% decline in FY08 from the strong prior year, essentially flat in FY09 (+0.4%), then returning to the modest 4% range for FY10 - FY12.

Performance of this tax is also influenced by a variety of tax breaks. The most recent being a deduction for nonpublic school tuition payments and school uniform costs for all students, enacted in the recent second special session of 2008. Additional reductions must also be made for the return of the excess federal itemized deduction, the new state earned income tax credit, and a one-time credit of 7% of homeowner insurance premiums. Already built into the baseline forecast is approximately \$50 million per year of film production tax credits, \$56 million per year of Citizens assessment credits, and a portion of the film infrastructure credit exposure. It should be noted that a large potential exposure exists from unused Citizens credits (possibly \$200 million), and that the film infrastructure tax credit exposure is a maximum exposure of what appears might occur over the next few years (one-half allocated against corporate taxes and one-half against personal income tax). Substantially more film infrastructure tax credits than this have been applied for, and the amount of tax credit actually granted will depend on actual approved expenditures. In addition, the timing of specific dollar realizations of this tax credit, and others is uncertain.

This tax has been a strong suit of the state's revenue base, exhibiting remarkable resiliency in the post-storm period. If there is material upward potential in the revenue forecast other than the oil & gas sector, that potential is in this tax.

Corporate Tax Forecast (millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$1,052	\$1036	\$969	\$841	\$758	\$805
Forecast Change		\$125	\$39	\$86	\$55	\$98
New Markets Credit			-\$10	-\$15	-\$15	-\$8
Borr Cap Accel					-\$26	
Film Production	-\$35	-\$35	-\$35	-\$35	-\$35	-\$35
Borrowed Capital	-\$45	-\$68	-\$90	-\$113	-\$135	-\$161
Film Infrastructure		-\$10	-\$49	-\$84	-\$69	-\$43

FY07 was the fourth consecutive year of growth in corporate collections (the last years experiencing double-digit growth), driven by national economic growth, oil price increases, and exchange rate declines benefiting the broadly defined energy sector and exporters in the state. Cash basis growth has slowed to 7.8% through April'08 of FY08, and accrual basis growth is currently only 0.5%. Even with this year-to-date information

the degree of confidence that can be placed on corporate forecasts is fairly low. In addition, the baseline forecasts already account for about \$35 million per year of film production tax credits, and must be further reduced to account for the continuing phase-out of franchise tax on borrowed capital through FY12 and film infrastructure tax credit exposure. It needs to be emphasized here that the film infrastructure tax credit exposure is likely a maximum exposure of what might occur over the next few years (one-half allocated against corporate taxes and one-half against personal income tax). Substantially more tax credit than this has been applied for, and the amount of tax credit actually granted will depend on actual approved expenditures. The timing of specific dollar realizations of this tax credit and others is also uncertain.

Caution is always advised with corporate forecasts due to the highly volatile characteristics of these receipts. Double-digit annual growth and declines are typical, and monthly receipt variation within the year makes it difficult to identify current trending. In addition, roughly one-half to two-thirds of these revenues are collected in the last quarter of fiscal year. Thus, a cautious approach is typically taken with corporate forecasts.

Oil and Gas Price Forecast

	FY07	FY08	FY09	FY10	FY11	FY12
Oil \$/bbl, WTI	\$63.41	\$92.35	\$84.23	\$72.17	\$68.46	\$67.63
Forecast Change		\$9.84	\$10.78	\$9.07	\$10.31	\$9.55
Gas \$/mmbtu, HH	\$6.86	\$7.85	\$8.72	\$8.36	\$7.85	\$7.91
Forecast Change		\$0.77	\$1.46	\$1.13	\$1.13	\$1.14
Gas Sev. Tax Rate ¢/mcf	37.3¢	26.9¢	28.8¢	35.4¢	33.9¢	31.7¢

With the rise in oil prices occurring over the past few years, climbing above \$100/bbl, the forecast for oil prices is a big question and risk, especially for FY09 and beyond. The oil price forecasts above are an average of forecasts made by Moody's, the federal Energy Information Administration, and the low price case of the state Department of Natural Resources. Oil price projections have been materially increased since the last forecast, with the projected price for FY08 now \$34.35/bbl higher than the price utilized at the beginning of the fiscal year, and FY09 being \$28.78/bbl higher. The out-years are higher, as well: FY10 \$20/bbl higher and FY11 \$17/bbl higher. This oil price up-cycle has been largely demand driven, but some unknown amount of price increase is likely attributable to geopolitical risk premium, weakening of U.S. dollar pricing currency, and commodity speculation. Given these influences, considerable uncertainty is associated with all oil price forecasts. While natural gas prices are more weather related and regionally determined, and have not exhibited the same degree of volatility and uncertainty as oil prices, they have also begun to exhibit material upward movement in their forecasts. A similar averaging is utilized for the gas price forecast above and is materially higher than the last forecast. Natural gas severance tax rates for each fiscal year are determined by the average gas price during the twelve month period ending in the month of March prior to the start of a new fiscal year. Thus, the FY09 tax rate is already fixed, while the table displays projected tax rates in FY10 – FY12 based on the

gas price projections for the relevant periods. These new projected tax rates are 5¢ - 6¢ higher than the last projection.

Severance and Royalty Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Severance & Royalty	\$1,427	\$1,675	\$1,696	\$1,542	\$1,451	\$1,428
Forecast Change		\$148	\$301	\$336	\$294	\$277

Price spike up with production spike down in FY06 kept mineral revenue fairly unaffected in the storm year. Production recovery to pre-storm path within one year meant full year of normal production while oil prices continued to rise in FY07. Prices have continued to rise in FY08, as have the forecasts for mineral revenue. Even as the level of oil price forecasts continues to rise, the year-over-year pattern is for moderating oil prices. This causes revenue forecasts to fall off somewhat in FY10 and beyond. Material increases are made to the severance and royalty forecast; the interaction of significant oil & gas price changes, gas severance tax effects, updated production, and additional collections data. As a cautionary note, with the Stabilization Fund filled, all mineral revenue volatility over a threshold of approximately \$950 million directly affects the state general fund. Finally, royalty collections available to the state general fund are reduced by some \$13 million per year starting in FY09 as receipts from the Attakapas Wildlife Management Area are formally dedicated to the Conservation Fund for use by the Department of Wildlife and Fisheries.

Gaming Revenue Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Riverboat	\$389	\$389	\$385	\$381	\$377	\$373
Video Poker	\$214	\$210	\$210	\$210	\$210	\$210
Lottery	\$129	\$130	\$129	\$123	\$123	\$123
Land-Based	\$84	\$90	\$90	\$90	\$90	\$90
Slots	\$56	\$57	\$57	\$57	\$57	\$57
Forecast Change		\$11	\$17	\$11	\$11	\$11

Riverboat: While the immediate post-storm boom is over, this sector has stabilized at about a 10% higher level of activity than the pre-storm period. As the Gulf Coast comes fully back on-line through 2008, some downward pressure on this activity may occur. A small forecast increase has been added to FY08 (\$6 million), but a 1% decline is imposed in each subsequent year, and continual assessment of competitive pressures will be necessary.

Video poker: This sector exhibits a similar pattern, in that the immediate post-storm boom is over, but the overall sector has settled at a level of activity about 5% higher than the immediate pre-storm period. Prior to the storms this sector was growing steadily, due almost entirely to truck-stop activity. In the post-storm period the truck-stop component

has been erratic but flat on average, while the other major component of bars & restaurants initially declined before stabilizing. A small increase to the forecast has been made, and projections have been held flat in all subsequent years.

Lottery: In the pre-storm period, Lottery transfers to the State were typically around \$110 million per year. In the post-storm years transfers have been around \$130 million each year. Calendar year 2008 sales so far suggest slightly less transfers for use in FY09, with somewhat less projected for the out-years. However, lottery sales are strongly influenced by jackpot size and frequency, which can materially revise forecasts.

Land-Based: Performance has been above pre-storm levels since re-opening in early 2006. The forecast is for a gain on FY07 (\$6m) as well as relative to current forecast (\$3m). Projections are held steady through FY12 as the city, its tourism base, and the Gulf Coast all continue recovery.

Slots: Post-storm win-per-admission has been 20% - 25% higher than pre-storm while admissions themselves have been below pre-storm levels. Collections from these facilities appears stable, and operations at the New Orleans Fairgrounds is included in the forecasts.

Premium Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$286	\$335	\$351	\$363	\$377	\$391
Forecast Change		\$29	\$40	\$27	\$15	\$11
Investment Credits	-\$114	-\$119	-\$124	-\$129	-\$134	-\$139
Guaranty Credits	-\$27	-\$24	-\$21	-\$19	-\$17	-\$15
CapCo Credits	-\$47	-\$33	-\$26	-\$18	-\$10	-\$10

Premium tax collections have performed well in the post-storm period, growing by 4.9% in the fiscal year of the storms (FY06) and then surging 33.3% in FY07 as higher premiums began to be imposed. Strong collections growth has continued in FY08, exhibiting 31.3% growth through March on a cash basis and 20.3% growth on an accrual basis. Consequently, forecasts for all years have been increased. In addition, net collections are also benefiting from declining tax credits. While basic investment tax credits grow steadily, credits for insurance guaranty assessments and CAPCO investments are declining. LIGA has not levied an assessment since 2004 and CAPCO credits continue their scheduled phase-down. Projected growth drops to 4.7% in FY09, then below 4% per year thereafter as premium increases moderate. The forecast assumes no additional guaranty assessments are levied or new tax credits are granted.

Motor Fuels Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$607	\$585	\$595	\$604	\$615	\$624
Forecast Change		-\$25	-\$37	-\$47	-\$54	-\$59

Combined gasoline and special fuels (diesel) performed well in the post-storm period, of FY06 and FY07, growing by 3.0% and 2.3%, respectively. However, collections are actually dropping in FY08 below the same period in FY07: -7.0% year-to-date cash through March'08 and -5.1% on an accrual basis. The drop in the current year results in materially lower levels of expected tax collections throughout the forecast horizon. Growth rebounds in FY09 to 1.7% and then settles in the 1.5% range in the out-years. Risks to this outlook would be continual oil price increases or sustained high prices that continue to push up gasoline pump prices to the point of significant demand destruction, and a more severe U.S. recession than is currently anticipated that sharply curtails consumer, business, and trucking activity. As evidenced by the tax drop so far in FY08, demand destruction is already be occurring.

New Dedications
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Vehicle Sales Tax To TTF			\$31	\$63	\$96	\$165
State Hwy Imp Fd Accel			\$11	\$11		
State Highway Improvement Fund		\$11	\$22	\$33		
Tourism Promotion District		\$5.0	\$5.6	\$4.5	\$5.2	\$5.9
NOW Opportunities Waiver Fund		\$50	\$?	\$?	\$?	\$?

Significant changes to dedications of state tax revenue are depicted in the table above. These dedications divert revenue from the state general fund in favor of the uses supported by the particular special fund receiving the dedicated revenue. The most recent dedications occurred in the second special session of 2008. The first and most significant of these is a phase-in of motor vehicle sales tax collections to the Transportation Trust Fund (TTF). This will occur over a seven-year period and dedicate approximately \$365 million per year of revenue when fully phased in during FY15. Second is an acceleration of the existing dedication of vehicle license tax collections to the State Highway Improvement Fund. Originally enacted in 2006 with its first effect in FY08, this new special fund captures the remaining vehicle license tax revenue currently flowing to the state general fund, phased-in equally over a four year period. Full phase-in will now occur in FY10 rather than FY11. These monies will support road projects in the state system that are not eligible for federal highway funding assistance. Enacted in the 2007 session, the cap on retention of sales tax receipts by the Tourism Promotion District is entirely removed effective in FY08. The monies are used for out-of-state tourism advertising and promotion. Also enacted in the 2007 session, the NOW Opportunities Waiver Program can receive 12% of revenue forecast increases above the forecast in place at the beginning of the fiscal year, up to \$50 million per year. This is currently expected to occur in FY08 but can not be projected for subsequent years of the forecast horizon since it can not be known what forecast will be in place at the beginning of any particular fiscal year and how much that forecast may change during the year.

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 08 FORECAST
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	19.0	19.1	19.0	0.1	-
Beer	35.0	37.2	36.5	2.2	1.5
Corporate Franchise	216.9	312.4	247.4	95.5	30.5
Corporate Income	587.8	618.8	663.1	31.0	75.3
<i>Total Corp Fran. & Inc.</i>	804.7	931.2	910.5	126.5	105.8
Gasoline & Special Fuels	621.0	594.1	610.0	(26.9)	(11.0)
Gift	3.0	2.2	3.0	(0.8)	-
Hazardous Waste	5.0	4.6	4.5	(0.4)	(0.5)
Individual Income	2,973.0	2,984.1	2,981.0	11.1	8.0
Inheritance	3.0	3.8	3.0	0.8	-
Natural Gas Franchise	5.0	7.1	5.0	2.1	-
Public Utilities	4.5	5.7	5.0	1.2	0.5
Auto Rental Excise	5.5	5.5	5.5	-	-
Sales Tax - General	2,911.7	2,857.2	2,835.3	(54.5)	(76.4)
Severance	942.0	959.2	945.0	17.2	3.0
Special Fuels	-	-	-	-	-
Supervision/Inspection Fee	6.0	6.5	6.0	0.5	-
Tobacco	147.0	147.4	143.7	0.4	(3.3)
Unclaimed Property	26.0	26.5	28.0	0.5	2.0
Miscellaneous Receipts	6.5	6.0	6.5	(0.5)	-
Total-Dept. of Revenue	8,517.9	8,597.4	8,547.5	79.5	29.6
Royalties	553.0	594.0	582.0	41.0	29.0
Rentals	23.0	22.6	22.0	(0.4)	(1.0)
Bonuses	32.0	35.0	24.0	3.0	(8.0)
Mineral Interest	1.3	2.0	2.0	0.7	0.7
Total-Natural Res.	609.3	653.6	630.0	44.3	20.7
Interest Earnings (SGF)	150.0	168.9	160.0	18.9	10.0
Interest Earnings (TTF)	15.0	17.9	15.0	2.9	-
Var. Agy. Receipts	32.3	35.0	32.3	2.7	-
Agency SGR Over-Collections	18.3	17.0	18.3	(1.3)	0.0
Bond Reimbursements	4.3	4.3	4.3	-	0.0
Quality Ed. Support Fund	60.0	68.1	67.0	8.1	7.0
Lottery Proceeds	128.9	130.0	130.2	1.1	1.3
Land-based Casino	87.0	88.5	90.0	1.5	3.0
Tobacco Settlement	71.8	71.8	71.8	-	-
DHH Provider Fees	108.4	108.4	108.4	-	-
Total Treasury	676.0	709.9	697.3	33.9	21.3
Excise License	306.0	328.7	335.0	22.7	29.0
Ins. Rating Fees (SGF)	52.8	52.7	52.8	(0.1)	(0.0)
Total-Insurance	358.8	381.4	387.8	22.6	29.0
Misc. DPS Permits & ABC Permits	10.5	12.0	10.8	1.5	0.3
Titles	22.2	24.2	22.9	2.0	0.7
Vehicle Licenses	89.0	96.0	95.0	7.0	6.0
Vehicle Sales Tax	317.0	323.6	327.0	6.6	10.0
Riverboat Gaming	356.0	389.0	383.0	33.0	27.0
Racetrack slots	54.0	57.2	57.0	3.2	3.0
Video Draw Poker	201.0	211.7	205.0	10.7	4.0
Total-Public Safety	1,049.7	1,113.6	1,100.7	63.9	51.0
Total Taxes, Lic., Fees	11,211.7	11,455.9	11,363.3	244.2	151.6
<i>Less: Dedications</i>	(1,763.6)	(1,778.7)	(1,778.7)	(15.1)	(15.1)
<i>Less: NOW Waiver Fund Allocation</i>	(50.0)	(50.0)	(50.0)	-	-
STATE GENERAL FUND REVENUE - DIRECT	9,398.1	9,627.2	9,534.5	229.1	136.4
Oil Price (\$/barrel)	80.00	83.91	82.51	3.91	2.51

ADOPTED

Fiscal Year 06/07 Nonrecurring Revenue	ADOPTED	1,088.0
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Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 08 FORECAST
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
ADOPTED					
Motor Fuels-Transp. Trust Fd.	496.8	475.3	488.0	-21.5	(8.8)
Motor Vehicles Lic. - TTF	37.4	42.4	39.9	5.0	2.5
Aviation Tax - TTF	9.7	9.7	9.7	0.0	-
TTF/Interest and Fees	39.5	39.7	39.5	0.2	-
Motor Fuels - TIME Program	124.2	118.8	122.0	-5.4	(2.2)
Motor Veh.Lic - Hwy Fund #2	10.4	11.3	11.1	0.9	0.7
State Highway Improvement Fund	10.2	10.2	10.9	0.0	0.7
Severance Tax -Parishes	40.7	43.0	40.8	2.3	0.1
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	0.0	-
Royalties - Parishes	55.3	59.4	58.2	4.1	2.9
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	0.0	-
Wetlands Fund	34.0	35.1	34.4	1.1	0.4
Mineral Audit Settlement Fund	0.0	0.0	0.0	0.0	-
Quality Ed. Support Fund	60.0	68.1	67.0	8.1	7.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0	0.0	-
Sales Tax Econ. Development	14.1	14.3	13.8	0.2	(0.3)
Tourist Promotion District	24.2	23.9	23.7	-0.3	(0.5)
Excise Lic. - 2% Fire Ins.	17.2	20.0	17.2	2.8	0.0
Excise Lic. -Fire Mars. Fd.	13.4	16.4	13.4	3.0	(0.0)
Excise Lic. - LSU Fire Tr.	2.7	3.0	2.7	0.3	(0.0)
Insurance Fees	52.8	52.7	52.8	-0.1	(0.0)
State Police Salary Fund	15.6	15.6	15.6	0.0	-
Video Draw Poker	63.0	61.4	64.1	-1.6	1.1
Racetrack Slots	22.1	23.9	25.3	1.8	3.2
Lottery Proceeds Fund	128.4	129.5	129.7	1.1	1.3
SELF Fund	162.5	171.3	171.2	8.8	8.7
Riverboat 'Gaming' Enforce.	58.3	61.9	58.3	3.6	(0.0)
Compulsive Gaming Fund	2.5	2.5	2.5	0.0	-
Stabilization Fund	0.0	0.0	0.0	0.0	-
Hazardous Waste Funds	5.0	4.6	4.5	-0.4	(0.5)
Supervision/Inspection Fee	6.0	6.5	6.0	0.5	-
Insp. Fee/Gasoline, Ag. Petr. Fund	5.3	5.0	5.2	-0.3	(0.1)
Tobacco Settlement	71.8	71.8	71.8	0.0	-
Tob Tax Health Care Fd / Reg Enf Fd	43.3	44.2	42.3	0.9	(1.0)
Rapid Response Fund	7.8	7.8	7.8	0.0	0.0
Unclaimed Property / I-49	15.0	15.0	15.0	0.0	-
DHH Provider Fees	108.4	108.4	108.4	0.0	-
Total Dedications	1,763.6	1,778.7	1,778.7	15.1	15.1

ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 09 FORECAST
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	19.0	19.2	19.0	0.2	-
Beer	35.0	36.5	36.5	1.5	1.5
Corporate Franchise	240.7	281.2	247.8	40.5	7.1
Corporate Income	636.2	524.6	681.9	(111.6)	45.7
<i>Total Corp Fran. & Inc.</i>	877.0	805.8	929.7	(71.2)	52.8
Gasoline & Special Fuels	638.0	579.2	632.0	(58.8)	(6.0)
Gift	-	1.9	-	1.9	-
Hazardous Waste	5.0	5.0	4.5	-	(0.5)
Individual Income	2,810.1	2,917.0	2,776.1	106.9	(34.0)
Inheritance	1.4	3.5	1.4	2.1	-
Natural Gas Franchise	5.0	5.0	5.0	-	-
Public Utilities	4.5	4.0	5.0	(0.5)	0.5
Auto Rental Excise	5.5	5.2	5.5	(0.3)	-
Sales Tax - General	2,985.6	2,866.0	2,960.2	(119.6)	(25.4)
Severance	853.0	924.8	843.0	71.8	(10.0)
Special Fuels	-	-	-	-	-
Supervision/Inspection Fee	6.0	6.0	6.0	-	-
Tobacco	144.0	144.6	141.1	0.6	(2.9)
Unclaimed Property	26.0	26.5	28.0	0.5	2.0
Miscellaneous Receipts	6.5	6.0	6.5	(0.5)	-
Total-Dept. of Revenue	8,421.5	8,356.2	8,399.5	(65.3)	(22.0)
Royalties	535.0	530.5	552.0	(4.5)	17.0
Rentals	21.4	22.6	22.1	1.2	0.7
Bonuses	32.0	31.5	24.0	(0.5)	(8.0)
Mineral Interest	1.0	1.0	1.0	-	-
Total-Natural Res.	589.4	585.6	599.1	(3.8)	9.7
Interest Earnings (SGF)	125.0	155.0	135.0	30.0	10.0
Interest Earnings (TTF)	9.0	16.0	9.0	7.0	-
Var. Agy. Receipts	32.3	35.0	32.3	2.7	-
Agency SGR Over-Collections	18.3	17.0	18.3	(1.3)	-
Bond Reimbursements	4.3	4.3	4.3	(0.0)	-
Quality Ed. Support Fund	60.0	66.1	65.0	6.1	5.0
Lottery Proceeds	116.5	123.2	123.0	6.7	6.5
Land-based Casino	87.0	87.6	90.0	0.6	3.0
Tobacco Settlement	76.1	73.6	76.1	(2.5)	-
DHH Provider Fees	106.3	106.3	106.3	-	-
Total Treasury	634.9	684.1	659.4	49.2	24.5
Excise License	311.0	345.1	350.7	34.1	39.7
Ins. Rating Fees (SGF)	54.9	54.3	54.9	(0.6)	(0.1)
Total-Insurance	365.9	399.4	405.6	33.5	39.7
Misc. DPS Permits & ABC Permits	10.2	12.0	10.4	1.8	0.2
Titles	21.6	23.5	22.0	1.9	0.4
Vehicle Licenses	91.0	95.0	94.0	4.0	3.0
Vehicle Sales Tax	309.0	317.1	314.0	8.1	5.0
Riverboat Gaming	356.0	390.1	379.0	34.1	23.0
Racetrack slots	54.0	58.5	57.0	4.5	3.0
Video Draw Poker	201.0	209.7	205.0	8.7	4.0
Total-Public Safety	1,042.8	1,105.9	1,081.3	63.1	38.5
Total Taxes, Lic., Fees	11,054.5	11,131.2	11,144.9	76.7	90.3
<i>Less: Dedications</i>	<i>(1,784.8)</i>	<i>(1,759.8)</i>	<i>(1,804.1)</i>	<i>25.0</i>	<i>(19.4)</i>
<i>Less: NOW Waiver Fund Allocation</i>					
STATE GENERAL FUND REVENUE - DIRECT	9,269.8	9,371.4	9,340.7	101.6	70.9
Oil Price (\$/barrel)	70.45	76.84	73.45	6.39	3.00

ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 09 FORECAST
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
			ADOPTED		
Motor Fuels-Transp. Trust Fd.	510.4	463.4	505.6	-47.0	(4.8)
Motor Vehicles Lic. - TTF	38.2	41.9	39.5	3.7	1.3
Aviation Tax - TTF	9.7	9.7	9.7	0.0	-
TTF/Interest and Fees	33.5	37.8	33.5	4.3	-
Motor Fuels - TIME Program	127.6	115.9	126.4	-11.7	(1.2)
Motor Veh.Lic - Hwy Fund #2	10.6	11.2	11.0	0.6	0.4
State Highway Improvement Fund	20.8	20.2	21.5	-0.6	0.7
Severance Tax -Parishes	41.8	42.5	41.3	0.7	(0.4)
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	0.0	-
Royalties - Parishes	53.5	53.1	55.2	-0.4	1.7
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	0.0	-
Wetlands Fund	31.8	33.2	31.8	1.4	(0.0)
Mineral Audit Settlement Fund	0.0	0.0	0.0	0.0	-
Quality Ed. Support Fund	60.0	66.1	65.0	6.1	5.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0	0.0	-
Sales Tax Econ. Development	14.4	14.3	14.3	-0.1	(0.1)
Tourist Promotion District	24.7	23.9	24.6	-0.8	(0.2)
Excise Lic. - 2% Fire Ins.	18.8	21.1	18.8	2.3	-
Excise Lic. -Fire Mars. Fd.	14.6	17.3	14.6	2.7	-
Excise Lic. - LSU Fire Tr.	2.9	3.1	2.9	0.2	-
Insurance Fees	54.9	54.3	54.9	-0.6	(0.1)
State Police Salary Fund	15.6	15.6	15.6	0.0	-
Video Draw Poker	61.8	61.9	62.9	0.1	1.1
Racetrack Slots	23.0	25.2	26.1	2.2	3.2
Lottery Proceeds Fund	116.0	122.7	122.5	6.7	6.5
SELF Fund	162.5	170.7	170.4	8.2	7.9
Riverboat 'Gaming' Enforce.	62.8	62.0	62.8	-0.8	-
Compulsive Gaming Fund	2.5	2.5	2.5	0.0	-
Stabilization Fund	0.0	0.0	0.0	0.0	-
Hazardous Waste Funds	5.0	5.0	4.5	0.0	(0.5)
Supervision/Inspection Fee	6.0	6.0	6.0	0.0	-
Insp. Fee/Gasoline, Ag. Petr. Fund	5.5	4.9	5.4	-0.6	(0.1)
Tobacco Settlement	76.1	73.6	76.1	-2.5	-
Tob Tax Health Care Fd / Reg Enf Fd	42.4	43.4	41.5	1.0	(0.9)
Rapid Response Fund	10.0	10.0	10.0	0.0	-
Unclaimed Property / I-49	15.0	15.0	15.0	0.0	-
DHH Provider Fees	106.3	106.3	106.3	0.0	-
Total Dedications	1,784.8	1,759.8	1,804.1	(25.0)	19.4
			ADOPTED		

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 10-12 FORECAST

(In Million \$)

	ADOPTED	ADOPTED	ADOPTED
REVENUE SOURCE / Dedications	LFO FY10 2/10/08	LFO FY11 2/10/08	LFO FY12 2/10/08
Alcoholic Beverage	19.0	19.0	19.0
Beer	36.5	36.5	36.5
Corporate Franchise	190.7	155.2	130.5
Corporate Income	564.9	547.3	576.2
<i>Total Corp Fran. & Inc.</i>	755.6	702.5	706.7
Gasoline & Special Fuels	651.0	669.0	683.0
Gift	0.0	0.0	0.0
Hazardous Waste	4.5	4.5	4.5
Individual Income	2,847.5	2,967.5	3,093.5
Inheritance	1.4	1.4	1.4
Natural Gas Franchise	5.0	5.0	5.0
Public Utilities	5.0	5.0	5.0
Auto Rental Excise	5.5	5.5	5.5
Sales Tax - General	2,866.2	2,957.5	3,049.5
Severance	760.0	742.0	731.0
Special Fuels			
Supervision/Inspection Fee	6.0	6.0	6.0
Tobacco	140.7	140.3	139.9
Unclaimed Property	28.0	28.0	28.0
Miscellaneous Receipts	6.5	6.5	6.5
Total-Dept. of Revenue	8,138.4	8,296.1	8,520.9
Royalties	446.0	415.0	420.0
Rentals	17.8	16.6	16.8
Bonuses	24.0	24.0	24.0
Mineral Interest	1.0	1.0	1.0
Total-Natural Res.	488.8	456.6	461.8
Interest Earnings (SGF)	125.0	95.0	65.0
Interest Earnings (TTF)	8.0	7.0	6.0
Var. Agy. Receipts	32.3	32.3	32.3
Agency SGR Over-Collections	18.3	18.3	18.3
Bond Reimbursements	4.3	4.3	4.3
Quality Ed. Support Fund	65.0	65.0	65.0
Lottery Proceeds	123.0	123.0	123.0
Land-based Casino	90.0	90.0	90.0
Tobacco Settlement	80.3	84.7	89.3
DHH Provider Fees	106.3	106.3	106.3
Total Treasury	652.6	626.0	599.6
Excise License	363.0	377.2	390.8
Ins. Rating Fees (SGF)	57.1	59.3	61.7
Total-Insurance	420.1	436.5	452.5
Misc. DPS Permits & ABC Permits	11.6	12.5	12.7
Titles	24.2	26.2	26.8
Vehicle Licenses	97.0	98.0	100.0
Vehicle Sales Tax	322.0	328.0	335.0
Riverboat Gaming	375.0	371.0	367.0
Racetrack slots	57.0	57.0	57.0
Video Draw Poker	205.0	205.0	205.0
Total-Public Safety	1,091.7	1,097.7	1,103.5
Total Taxes, Lic., Fees	10,791.6	10,912.9	11,138.3
<i>Less: Dedications</i>	<i>(1,829.5)</i>	<i>(1,868.3)</i>	<i>(1,898.2)</i>
<i>Less: NOW Waiver Fund Allocation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
STATE GENERAL			
FUND REVENUE - DIRECT	8,962.0	9,044.6	9,240.0
Oil Price (\$/barrel)	63.10	58.15	58.08
	ADOPTED	ADOPTED	ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 10-12 FORECAST

(In Million \$)

	ADOPTED	ADOPTED	ADOPTED
	LFO FY10 2/10/08	LFO FY11 2/10/08	LFO FY12 2/10/08
REVENUE SOURCE / Dedications	ADOPTED	ADOPTED	ADOPTED
Motor Fuels-Transp. Trust Fd.	520.8	535.2	546.4
Motor Vehicles Lic. - TTF	40.7	41.2	42.0
Aviation Tax - TTF	9.7	9.7	9.7
TTF/Interest and Fees	32.5	31.5	30.5
Motor Fuels - TIME Program	130.2	133.8	136.6
Motor Veh.Lic - Hwy Fund #2	11.3	11.4	11.7
State Highway Improvement Fund	33.3	44.8	45.7
Severance Tax -Parishes	41.8	45.0	48.5
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4
Royalties - Parishes	44.6	41.5	42.0
Royalties-DNR/AG Support Fund	2.6	2.6	2.6
Wetlands Fund	28.1	27.1	26.9
Mineral Audit Settlement Fund	0.0	0.0	0.0
Quality Ed. Support Fund	65.0	65.0	65.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0
Sales Tax Econ. Development	13.9	14.3	14.8
Tourist Promotion District	23.9	24.6	25.4
Excise Lic. - 2% Fire Ins.	20.5	22.3	24.3
Excise Lic. -Fire Mars. Fd.	15.9	17.3	18.9
Excise Lic. - LSU Fire Tr.	3.2	3.5	3.8
Insurance Fees	57.1	59.3	61.7
State Police Salary Fund	15.6	15.6	15.6
Video Draw Poker	62.9	62.9	62.9
Racetrack Slots	26.1	26.1	26.1
Lottery Proceeds Fund	122.5	122.5	122.5
SELF Fund	169.5	168.7	167.8
Riverboat 'Gaming' Enforce.	62.8	62.8	62.8
Compulsive Gaming Fund	2.5	2.5	2.5
Stabilization Fund	0.0	0.0	0.0
Hazardous Waste Funds	4.5	4.5	4.5
Supervision/Inspection Fee	6.0	6.0	6.0
Insp. Fee/Gasoline, Ag. Petr. Fund	5.6	5.8	5.9
Tobacco Settlement	80.3	84.7	89.3
Tob Tax Health Care Fd / Reg Enf Fd	41.4	41.3	41.2
Rapid Response Fund	10.0	10.0	10.0
Unclaimed Property / I-49	15.0	15.0	15.0
DHH Provider Fees	106.3	106.3	106.3
Total Dedications	1,829.5	1,868.3	1,898.2
	ADOPTED	ADOPTED	ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE
February 10, 2008

State General Fund Revenue Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$9,681	\$9,535	\$9,341	\$8,962	\$9,045	\$9,240
Yr/Yr \$ Chg.	\$1,378	-\$81	-\$194	-\$379	\$83	\$195
Yr/Yr % Chg.	16.6%	-1.5%	-2.0%	-4.1%	0.9%	2.2%
Forecast Change		\$136	\$71	-\$27	-\$20	-\$18

Strong collections growth in FY07 continued the 12.3% surge experienced in the storm year of FY06. In that year most of the revenue surge was sales tax, as the economy began its recovery from hurricanes Katrina and Rita, growing by 19% and making up 60% of the year's revenue gains. In FY07 most of the revenue surge was income tax, as deferred payments came in, unemployment dropped below the national average, and wage premiums pushed up taxable incomes, growing by 30% and making up 45% of the year's revenue gains. In both years the corporate sector contributed as oil prices continued rising and the dollar exchange rate continued falling. Mineral revenues continued their surge in FY07, as production came back on line and oil prices continued to rise.

Growth appears to be slowing across the board in FY08 (sales tax, income tax, corporate taxes, mineral revenue), but upward revisions to the forecast baseline are still possible for FY08 and FY09. Some small amount of the increases made by the last forecast to the out-years FY10-FY12 are pulled back with this revision. The year-over-year forecast path continues to be one of lower revenue each year through FY10. Past forecasts have failed to find the state's post-storm revenue peak, and upside potential may still exist in certain revenues (corporate taxes, personal income tax, higher oil price moves). However, downside risks also exist in slowing recovery activity after the immediate replacement surges, and the increasing possibility of a national recession that pulls down oil prices and tax receipts in general.

Sales Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
General	\$2,838	\$2,835	\$2,960	\$2,866	\$2,958	\$3,050
Vehicle	\$360	\$327	\$314	\$322	\$328	\$335
Forecast Change		-\$66	-\$20	-\$28	-\$11	-\$23
MM&E	-\$6	-\$9	-\$11	-\$14	-\$18	-\$18
Business Utilities				-\$156	-\$156	-\$156
Other Suspensions				-\$32	-\$32	-\$32

The big surge year for both general and vehicle sales tax was FY06, the fiscal year of the storms, with growth of 17.2% and 29.2%, respectively, as many possessions were replaced immediately after the storms. While substantial recovery spending continues to occur along with strong oil & gas activity, growth in the general sales tax slowed in FY07 to 4.2% and has slowed even more in FY08 to 2.5% on a cash basis through January and has actually declined 0.6% on an accrual basis. While underlying cash basis growth is projected at 1.8% for FY08, it seems likely that a net accrual loss of as much as \$50 million may occur at the end of this year (the offset to last year's large net accrual gain). Out-year baseline receipts are projected to grow around 3% per year, and the phase-out of tax on manufacturing machinery & equipment is built in through FY11 (albeit at a significantly reduced level). The forecast also accounts for the scheduled drop of the tax rate on business utilities to 1% (from 3.3%) in FY10 and the scheduled drop of the tax rate on all other suspended exemptions to 1% (from 4%) at the same time. Net revisions to the general sales tax forecast are -\$76 million for FY08, -\$25 million for FY09, -\$33 million FY10, -\$17 million for FY11, and -\$30 million for FY12.

Vehicle replacement peaked by the middle of FY07 and that year finished with a 4.8% drop which has continued into FY08 (3.5% through January). While a decline is projected to continue through FY09 before positive growth returns in FY10, that decline has been moderated and the forecast baseline has been increased by some \$10 million in FY08 and \$4 million - \$6 million in subsequent years.

Personal Income Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Income Tax	\$3,257	\$2,981	\$2,776	\$2,848	\$2,968	\$3,094
Forecast Change		\$8	-\$34	-\$54	-\$21	\$21
Film Production	-\$50	-\$50	-\$50	-\$50	-\$50	-\$50
Citizens Credit	-\$40	-\$56	-\$56	-\$56	-\$56	-\$56
Film Infrastructure		-\$10	-\$49	-\$84	-\$69	-\$43
Excess Itemized		-\$157	-\$190	-\$308	-\$332	-\$357
Earned Income Credit			-\$41	-\$41	-\$41	-\$41
Insurance Credit			-\$92			

Collections held up in storm year FY06 (4.6%) due to withholding strength, but the surge really occurred in FY07 with 29.7% growth. Deferred payment catch up, low unemployment, wage growth, oil & gas sector gains all contributed to a very strong year. While withholding continues to perform well in FY08, the catch-up effect has ended and a net accrual loss is likely, as well. Underlying base growth is projected as a 3.3% decline in FY08 from the strong prior year. The underlying base for FY09 - FY11 is somewhat lower than the previous forecast, before improving for FY12. Year-over-year base growth stops dropping in FY09, then returns to the positive 4% range for FY10 - FY12.

Performance of this tax will be influenced by a variety of tax breaks. Already built into the baseline forecast is approximately \$50 million per year of film production tax credits and \$56 million per year of Citizens assessment credits. Additional reductions must also be made for the return of the excess federal itemized deduction, the new state earned income tax credit, and a one-time credit of 7% of homeowner insurance premiums. While this tax has been one of the strong suits of the revenue forecast, it should be noted that a large potential exposure exists from unused Citizens credits (possibly \$200 million). It also needs to be emphasized here that the film infrastructure tax credit exposure is a maximum exposure of what appears reasonable to expect over the next few years (one-half allocated against corporate taxes and one-half against personal income tax). Substantially more tax credit than this has been applied for, and the amount of tax credit actually granted will depend on actual approved expenditures. The timing of specific dollar realizations of this tax credit is also uncertain.

Corporate Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$1,052	\$911	\$930	\$756	\$703	\$707
Forecast Change		\$106	\$53	-\$41	-\$67	-\$69
Film Production	-\$35	-\$35	-\$35	-\$35	-\$35	-\$35
Borrowed Capital	-\$45	-\$68	-\$90	-\$113	-\$135	-\$161
Film Infrastructure		-\$10	-\$49	-\$84	-\$69	-\$43

FY07 was the fourth consecutive year of growth in corporate collections, driven by national economic growth, oil price increases, and exchange rate declines benefiting the broadly defined energy sector and exporters in the state. Cash basis growth has continued into FY08 at a much slower pace of 7.7% through January, and accrual basis growth is currently a negative 5.2%. Even with this slowing growth, substantially higher baseline forecasts are possible for each year of the forecast horizon, but the degree of confidence that can be placed on corporate forecasts is fairly low. In addition, the baseline forecasts already account for about \$35 million per year of film production tax credits, and must be further reduced to account for the continuing phase-out of franchise tax on borrowed capital through FY12 and film infrastructure tax credit exposure. It needs to be emphasized here that the film infrastructure tax credit exposure is a maximum exposure of what appears reasonable to expect over the next few years (one-half allocated against corporate taxes and one-half against personal income tax). Substantially more tax credit than this has been applied for, and the amount of tax credit actually granted will depend on actual approved expenditures. The timing of specific dollar realizations of this tax credit is also uncertain.

Caution is always advised with corporate forecasts due to the highly volatile characteristics of these receipts and the large forecast error associated with them. Double-digit annual growth and declines are typical, and monthly receipt variation within the

year makes it difficult to identify current trending. In addition, roughly one-half to two-thirds of these revenues are collected in the last quarter of fiscal year. Thus, this forecast is typically recommended at something less than what the forecast model would generate.

Oil and Gas Price Forecast

	FY07	FY08	FY09	FY10	FY11	FY12
Oil \$/bbl, WTI	\$63.41	\$82.51	\$73.45	\$63.10	\$58.15	\$58.08
Forecast Change		\$2.51	\$3.00	\$5.62	\$3.03	\$2.92
Gas \$/mmbtu, HH	\$6.86	\$7.08	\$7.26	\$7.23	\$6.72	\$6.77
Gas Sev. Tax Rate ¢/mcf	37.3¢	26.9¢	28.5¢	29.5¢	29.0¢	27.3¢

With the rise in oil prices occurring over the past few years, recently breaching \$100/bbl, the forecast for oil prices is a big question and risk, especially for FY09 and beyond. The oil price forecasts above are an average of forecasts made by Moody's, the federal Energy Information Administration, and the low price case of the state Department of Natural Resources. Oil price projections have been modestly increased since the last forecast, but the projected price for FY08 is \$24.51 higher than the price utilized at the beginning of the fiscal year, with FY09 being \$18/bbl higher. The out-years are higher, as well: FY10 almost \$11/bbl higher and FY11 \$7/bbl higher. Given the fact that oil prices are internationally determined, considerable uncertainty is associated with all of these forecasts. Natural gas prices are more regionally determined and weather-related, and have not exhibited the volatility and uncertainty of oil prices. The Moody's forecast is utilized above and is only modestly different from the last forecast. Natural gas severance tax rates for each fiscal year are determined by the average gas price during the twelve month period ending in the month of March prior to the start of a new fiscal year. Thus, the FY08 tax rate is already fixed, while the table displays projected tax rates in FY09 – FY12 based on the gas price projections for the relevant periods. These new projected tax rates are within 1¢ - 2¢ of the last projection.

Severance and Royalty Forecast (millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Severance & Royalty	\$1,427	\$1,527	\$1,395	\$1,206	\$1,157	\$1,151
Forecast Change		\$32	\$7	\$26	\$30	\$15

Price spike up with production spike down in FY06 kept mineral revenue fairly unaffected in the storm year. Production recovery to pre-storm path within one year meant full year of normal production while oil prices continued to rise in FY07, with continuing price increases in FY08. Moderating oil price forecasts cause revenue to fall off in FY09 and beyond. Relatively modest increases are made to the severance and royalty forecast; the interaction of modest oil & gas price changes, gas severance tax effects, updated production, and additional collections data. As a cautionary note, with

the Stabilization Fund filled, all mineral revenue volatility over a threshold of approximately \$950 million directly affects the state general fund. Royalty collections available to the state general fund are reduced by \$13 million per year starting in FY09 as receipts from the Attakapas Wildlife Management Area are formally dedicated to the Conservation Fund for use by the Department of Wildlife and Fisheries.

Gaming Revenue Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Riverboat	\$389	\$383	\$376	\$375	\$371	\$367
Video Poker	\$214	\$205	\$205	\$205	\$205	\$205
Lottery	\$129	\$130	\$125	\$125	\$125	\$125
Land-Based	\$84	\$90	\$90	\$90	\$90	\$90
Slots	\$56	\$57	\$57	\$57	\$57	\$57
Forecast Change		\$38	\$42	\$38	\$34	\$30

Riverboat: While the immediate post-storm boom is over, this sector has stabilized at about a 10% higher level of activity than the pre-storm period. The forecast in all years has been raised as a result. As the Gulf Coast comes fully back on-line through 2008, some downward pressure on this activity is likely. A small 1% decline is imposed in each subsequent year, and continual assessment of competitive pressures will be necessary.

Video poker: This sector exhibits a similar pattern, in that the immediate post-storm boom is over, but the overall sector has settled at a level of activity about 5% higher than the immediate pre-storm period. Prior to the storms this sector was growing steadily, due virtually entirely to truck-stop activity. In the post-storm period the truck-stop component has been erratic but essentially flat, while the other major component of bars & restaurants initially declined before stabilizing. Only a small increase to the forecast has been made, and projections have been held flat in all subsequent years.

Lottery: In the pre-storm period, Lottery transfers to the State were typically around \$110 million per year. In the two post-storm years transfers have been around \$130 million each year. While acknowledging that lottery sales are largely jackpot driven, an increase in the forecast for FY09 and subsequent years to \$125 million per year seems reasonable.

Land-Based: Performance has been above pre-storm levels since re-opening in early 2006. The forecast is for a gain on FY07 (\$6m) as well as relative to current forecast (\$3m). Projections are held steady through FY12 as the city, its tourism base, and the Gulf Coast all continue recovery.

Slots: Post-storm win-per-admission has been 20% - 25% higher than pre-storm with a gradual rising trend while admissions themselves have been below pre-storm levels with a gradual falling trend. Collections from the base of facilities will likely remain stable, but this forecast now includes the new facility at the New Orleans Fairgrounds, which accounts for essentially all of the \$3 million increase in this sector's forecast.

Premium Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$286	\$335	\$351	\$363	\$377	\$391
Forecast Change		\$29	\$40	\$27	\$15	\$11
Investment Credits	-\$114	-\$119	-\$124	-\$129	-\$134	-\$139
Guaranty Credits	-\$27	-\$24	-\$21	-\$19	-\$17	-\$15
CapCo Credits	-\$47	-\$33	-\$26	-\$18	-\$10	-\$10

Premium tax collections have performed well in the post-storm period, growing by 4.9% in the fiscal year of the storms (FY06) and then surging 33.3% in FY07 as higher premiums began to be imposed. Strong collections growth has continued in FY08, exhibiting 37.5% growth through December on a cash basis and 17.1% growth on an accrual basis. Consequently, forecasts for all years have been increased. In addition, net collections are also benefiting from falling tax credits. While basic investment tax credits grow steadily, credits for insurance guaranty assessments and CAPCO investments are falling. LIGA has not levied an assessment since 2004 and CAPCO credits continue their scheduled phase-down. Projected growth drops to 4.7% in FY09, then below 4% per year thereafter as premium increases moderate. The forecast assumes no additional guaranty assessments are levied or new tax credits are granted.

Motor Fuels Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$607	\$610	\$632	\$651	\$669	\$683
Forecast Change		-\$11	-\$6	-\$7	-\$5	-\$4

Combined gasoline and special fuels (diesel) performed well in the post-storm period, of FY06 and FY07, growing by 3.0% and 2.3%, respectively. However, growth has slowed in FY08 and only about 0.5% growth is now expected this year. Growth rebounds in FY09 (over 3%) then settles in the 2%-3% range in the out-years. The slowdown in the current year results in reduced levels of expected tax collections throughout the forecast horizon. Risks to this outlook would be continual rapid oil price increases or sustained high prices that push up gasoline pump prices to the point of significant demand destruction, and the possibility of a U.S. recession that curtails consumer, business, and trucking activity. A recession scenario is not yet formally forecast by most macro-economy watchers, but the probability of its occurrence has been elevated in virtually all forecast discussions. As evidenced by slowing growth in FY08, demand destruction may already be occurring.

New Dedications
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
State Highway Improvement Fund		\$11	\$22	\$33	\$45	\$46
Tourism Promotion District		\$5.0	\$5.6	\$4.5	\$5.2	\$5.9
NOW Opportunities Waiver Fund		\$50	\$?	\$?	\$?	\$?

Significant changes to dedications of state tax revenue are depicted in the table above. These dedications divert revenue from the state general fund in favor of the uses supported by the particular special fund receiving the dedicated revenue. These recent dedications include the State Highway Improvement Fund, enacted in 2006 with its first effect in FY08. This new special fund will capture the remaining vehicle license tax revenue currently flowing to the state general fund, phased-in equally over a four year period. These monies will support road projects in the state system that are not eligible for federal highway funding assistance. The cap on retention of sales tax receipts by the Tourism Promotion District is entirely removed effective in FY08. The monies are used for out-of-state tourism advertising and promotion. Finally, the NOW Opportunities Waiver Program can receive 12% of revenue forecast increases above the forecast in place at the beginning of the fiscal year ,up to \$50 million per year. This is currently expected to occur in FY08 but can not be projected for subsequent years of the forecast horizon since it can not be known what forecast will be in place at the beginning of any particular fiscal year.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 08 FORECAST

(In Million \$)

REVENUE SOURCE / Dedications	Official Forecast 5/22/07	Proposed OPB Forecast 12/10/07	ADOPTED		OPB +(-) Official Forecast	LFO +(-) Official Forecast
			Proposed LFO Forecast 12/10/07			
Alcoholic Beverage	17.0	18.3	19.0		1.3	2.0
Beer	37.0	36.4	35.0		(0.6)	(2.0)
Corporate Franchise	284.8	317.9	216.9		33.1	(67.9)
Corporate Income	520.5	599.4	587.8		78.9	67.3
<i>Total Corp Fran. & Inc.</i>	805.3	917.3	804.7		112.0	(0.6)
Gasoline & Special Fuels	628.0	631.0	621.0		3.0	(7.0)
Gift	4.0	3.1	3.0		(0.9)	(1.0)
Hazardous Waste	5.0	5.0	5.0		-	-
Individual Income	2,569.0	2,907.8	2,973.0		338.8	404.0
Inheritance	4.0	4.0	3.0		-	(1.0)
Natural Gas Franchise	7.0	8.3	5.0		1.3	(2.0)
Public Utilities	3.5	4.0	4.5		0.5	1.0
Auto Rental Excise	5.5	5.5	5.5		-	-
Sales Tax - General	2,849.0	2,827.9	2,911.7		(21.1)	62.7
Severance	776.8	953.9	942.0		177.1	165.2
Special Fuels					-	-
Supervision/Inspection Fee	4.5	6.5	6.0		2.0	1.5
Tobacco	140.4	146.3	147.0		5.9	6.6
Unclaimed Property	30.0	30.0	26.0		-	(4.0)
Miscellaneous Receipts	5.4	5.6	6.5		0.2	1.1
Total-Dept. of Revenue	7,891.4	8,510.9	8,517.9		619.5	626.5
Royalties	460.0	589.9	553.0		129.9	93.0
Rentals	20.7	22.3	23.0		1.6	2.3
Bonuses	36.8	51.4	32.0		14.6	(4.8)
Mineral Interest	1.0	1.0	1.3		-	0.3
Total-Natural Res.	518.5	664.6	609.3		146.1	90.8
Interest Earnings (SGF)	150.0	155.0	150.0		5.0	-
Interest Earnings (TTF)	10.0	17.1	15.0		7.1	5.0
Var. Agy. Receipts	31.4	30.0	32.3		(1.4)	0.9
Agency SGR Over-Collections	16.2	17.0	18.3		0.8	2.1
Bond Reimbursements	4.1	4.3	4.3		0.2	0.2
Quality Ed. Support Fund	61.2	67.8	60.0		6.6	(1.2)
Lottery Proceeds	120.4	128.9	128.9		8.5	8.5
Land-based Casino	83.0	87.1	87.0		4.1	4.0
Tobacco Settlement	66.6	71.8	71.8		5.2	5.2
DHH Provider Fees	97.1	108.4	108.4		11.3	11.3
Total Treasury	640.0	687.4	676.0		47.4	36.0
Excise License	269.3	308.2	306.0		38.9	36.7
Ins. Rating Fees (SGF)	52.3	50.9	52.8		(1.4)	0.5
Total-Insurance	321.6	359.1	358.8		37.5	37.2
Misc. DPS Permits & ABC Permits	12.1	12.1	10.5		-	(1.6)
Titles	26.3	24.3	22.2		(2.0)	(4.1)
Vehicle Licenses	98.0	92.0	89.0		(6.0)	(9.0)
Vehicle Sales Tax	337.0	335.3	317.0		(1.7)	(20.0)
Riverboat Gaming	356.0	389.0	356.0		33.0	-
Racetrack slots	54.0	55.3	54.0		1.3	-
Video Draw Poker	215.0	211.2	201.0		(3.8)	(14.0)
Total-Public Safety	1,098.4	1,119.2	1,049.7		20.8	(48.7)
Total Taxes, Lic., Fees	10,469.9	11,341.2	11,211.7		871.3	741.8
<i>Less: Dedications</i>	<i>(1,728.5)</i>	<i>(1,804.7)</i>	<i>(1,763.6)</i>		(76.2)	(35.1)
<i>Less: New Opportunities Waiver Fund Allocation</i>		<i>(50.0)</i>	<i>(50.0)</i>		(50.0)	(50.0)
STATE GENERAL						
FUND REVENUE - DIRECT	8,741.4	9,486.5	9,398.1		745.1	656.7

ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 08 FORECAST

(In Million \$)

REVENUE SOURCE / Dedications	ADOPTED				
	Official Forecast 5/22/07	Proposed OPB Forecast 12/10/07	Proposed LFO Forecast 12/10/07	OPB +(-) Official Forecast	LFO +(-) Official Forecast
			ADOPTED		
Motor Fuels-Transp. Trust Fd.	502.4	504.8	496.8	2.4	(5.6)
Motor Vehicles Lic. - TTF	43.1	40.6	37.4	(2.5)	(5.7)
Aviation Tax - TTF	9.7	9.7	9.7	0.0	0.0
TTF/Interest and Fees	31.8	38.9	39.5	7.1	7.7
Motor Fuels - TIME Program	125.6	126.2	124.2	0.6	(1.4)
Motor Veh.Lic - Hwy Fund #2	11.5	10.8	10.4	(0.7)	(1.1)
State Highway Improvement Fund	10.3	9.8	10.2	(0.5)	(0.1)
Severance Tax -Parishes	48.8	43.0	40.7	(5.8)	(8.1)
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	0.0	0.0
Royalties - Parishes	46.0	59.0	55.3	13.0	9.3
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	0.0	0.0
Wetlands Fund	28.9	35.2	34.0	6.3	5.1
Mineral Audit Settlement Fund	0.0	0.0	0.0	0.0	0.0
Quality Ed. Support Fund	61.2	67.8	60.0	6.6	(1.2)
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0	0.0	0.0
Sales Tax Econ. Development	14.2	14.2	14.1	0.0	(0.1)
Tourist Promotion District	18.7	23.7	24.2	5.0	5.5
Excise Lic. - 2% Fire Ins.	17.1	18.8	17.2	1.7	0.1
Excise Lic. -Fire Mars. Fd.	11.9	15.4	13.4	3.5	1.5
Excise Lic. - LSU Fire Tr.	2.4	2.8	2.7	0.4	0.3
Insurance Fees	52.3	50.9	52.8	(1.4)	0.5
State Police Salary Fund	15.6	15.6	15.6	0.0	0.0
Video Draw Poker	66.3	62.1	63.0	(4.2)	(3.3)
Racetrack Slots	21.0	23.0	22.1	2.0	1.1
Lottery Proceeds Fund	119.9	128.4	128.4	8.5	8.5
SELF Fund	158.6	169.9	162.5	11.3	3.9
Riverboat 'Gaming' Enforce.	57.3	61.9	58.3	4.6	1.0
Compulsive Gaming Fund	2.5	2.5	2.5	0.0	0.0
Stabilization Fund	0.0	0.0	0.0	0.0	0.0
Hazardous Waste Funds	5.0	5.0	5.0	0.0	0.0
Supervision/Inspection Fee	4.5	6.5	6.0	2.0	1.5
Insp. Fee/Gasoline, Ag. Petr. Fund	4.8	5.3	5.3	0.5	0.5
Tobacco Settlement	66.6	71.8	71.8	5.2	5.2
Tob Tax Health Care Fd / Reg Enf Fd	42.4	43.9	43.3	1.5	0.9
Rapid Response Fund	10.0	7.8	7.8	(2.2)	(2.2)
Unclaimed Property / I-49	15.0	15.0	15.0	0.0	0.0
DHH Provider Fees	97.1	108.4	108.4	11.3	11.3
Total Dedications	1,728.5	1,804.7	1,763.6	76.2	35.1

ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 09 FORECAST

(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 5/22/07	Proposed OPB Forecast 12/10/07	Proposed LFO Forecast 12/10/07	OPB +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	17.0	18.7	19.0	1.7	2.0
Beer	37.0	36.8	35.0	(0.2)	(2.0)
Corporate Franchise	271.7	310.0	240.7	38.3	(31.0)
Corporate Income	496.0	494.5	636.2	(1.5)	140.2
<i>Total Corp Fran. & Inc.</i>	767.8	804.5	877.0	36.7	109.2
Gasoline & Special Fuels	625.0	626.0	638.0	1.0	13.0
Gift	4.0	1.9	-	(2.1)	(4.0)
Hazardous Waste	5.0	5.0	5.0	-	0.0
Individual Income	2,636.0	2,921.1	2,810.1	285.1	174.1
Inheritance	4.0	3.5	1.4	(0.5)	(2.6)
Natural Gas Franchise	7.0	8.3	5.0	1.3	(2.0)
Public Utilities	3.5	4.0	4.5	0.5	1.0
Auto Rental Excise	5.5	5.5	5.5	-	0.0
Sales Tax - General	2,929.0	2,788.5	2,985.6	(140.5)	56.6
Severance	771.0	919.4	853.0	148.4	82.0
Special Fuels	-	-	-	-	0.0
Supervision/Inspection Fee	4.5	6.0	6.0	1.5	1.5
Tobacco	140.1	144.6	144.0	4.5	3.9
Unclaimed Property	30.0	30.0	26.0	-	(4.0)
Miscellaneous Receipts	5.4	5.6	6.5	0.2	1.1
Total-Dept. of Revenue	7,991.7	8,329.4	8,421.5	337.7	429.8
Royalties	423.0	530.5	535.0	107.5	112.0
Rentals	19.0	22.6	21.4	3.6	2.4
Bonuses	33.8	46.2	32.0	12.4	(1.8)
Mineral Interest	1.0	1.0	1.0	-	0.0
Total-Natural Res.	476.9	600.3	589.4	123.4	112.5
Interest Earnings (SGF)	125.0	120.0	125.0	(5.0)	0.0
Interest Earnings (TTF)	9.0	15.0	9.0	6.0	0.0
Var. Agy. Receipts	31.4	30.0	32.3	(1.4)	0.9
Agency SGR Over-Collections	16.2	17.0	18.3	0.8	2.1
Bond Reimbursements	4.1	4.3	4.3	0.2	0.2
Quality Ed. Support Fund	59.6	65.8	60.0	6.2	0.4
Lottery Proceeds	120.0	116.5	116.5	(3.5)	(3.5)
Land-based Casino	83.0	89.5	87.0	6.5	4.0
Tobacco Settlement	68.5	73.6	76.1	5.1	7.6
DHH Provider Fees	97.1	106.3	106.3	9.2	9.2
Total Treasury	613.9	638.0	634.9	24.1	20.9
Excise License	283.1	323.6	311.0	40.5	27.9
Ins. Rating Fees (SGF)	57.6	52.2	54.9	(5.4)	(2.6)
Total-Insurance	340.7	375.8	365.9	35.1	25.3
Misc. DPS Permits & ABC Permits	12.5	12.0	10.2	(0.5)	(2.3)
Titles	27.0	22.2	21.6	(4.8)	(5.4)
Vehicle Licenses	100.0	94.0	91.0	(6.0)	(9.0)
Vehicle Sales Tax	346.0	321.0	309.0	(25.0)	(37.0)
Riverboat Gaming	356.0	390.1	356.0	34.1	0.0
Racetrack slots	54.0	56.0	54.0	2.0	(0.0)
Video Draw Poker	215.0	209.2	201.0	(5.8)	(14.0)
Total-Public Safety	1,110.4	1,104.5	1,042.8	(5.9)	(67.6)
Total Taxes, Lic., Fees	10,533.7	11,048.0	11,054.5	514.3	520.9
<i>Less: Dedications</i>	<i>(1,740.6)</i>	<i>(1,791.5)</i>	<i>(1,784.8)</i>	(50.9)	(44.2)
<i>Less: New Opportunities Waiver Fund Allocation</i>					
STATE GENERAL					
FUND REVENUE - DIRECT	8,793.1	9,256.5	9,269.8	463.4	476.7

ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 09 FORECAST

(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 5/22/07	Proposed OPB Forecast 12/10/07	Proposed LFO Forecast 12/10/07	OPB +(-) Official Forecast	LFO +(-) Official Forecast
			ADOPTED		
Motor Fuels-Transp. Trust Fd.	500.0	500.8	510.4	0.8	10.4
Motor Vehicles Lic. - TTF	44.0	41.5	38.2	-2.5	-5.8
Aviation Tax - TTF	9.7	9.7	9.7	0.0	0.0
TTF/Interest and Fees	30.8	36.8	33.5	6.0	2.7
Motor Fuels - TIME Program	125.0	125.2	127.6	0.2	2.6
Motor Veh.Lic - Hwy Fund #2	11.8	11.1	10.6	-0.7	-1.1
State Highway Improvement Fund	21.2	20.0	20.8	-1.2	-0.4
Severance Tax -Parishes	48.9	42.5	41.8	-6.4	-7.1
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	0.0	0.0
Royalties - Parishes	42.3	53.0	53.5	10.7	11.2
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	0.0	0.0
Wetlands Fund	28.0	33.4	31.8	5.4	3.8
Mineral Audit Settlement Fund	0.0	0.0	0.0	0.0	0.0
Quality Ed. Support Fund	59.6	65.8	60.0	6.2	0.4
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0	0.0	0.0
Sales Tax Econ. Development	14.6	14.0	14.4	-0.6	-0.3
Tourist Promotion District	19.1	23.3	24.7	4.2	5.6
Excise Lic. - 2% Fire Ins.	18.0	19.7	18.8	1.7	0.8
Excise Lic. -Fire Mars. Fd.	12.6	16.2	14.6	3.6	2.0
Excise Lic. - LSU Fire Tr.	2.5	2.9	2.9	0.4	0.4
Insurance Fees	57.6	52.2	54.9	-5.4	-2.6
State Police Salary Fund	15.6	15.6	15.6	0.0	0.0
Video Draw Poker	67.3	60.4	61.8	-6.9	-5.5
Racetrack Slots	20.9	23.7	23.0	2.8	2.1
Lottery Proceeds Fund	119.5	116.0	116.0	-3.5	-3.5
SELF Fund	158.6	172.6	162.5	14.0	3.8
Riverboat 'Gaming' Enforce.	57.3	62.0	62.8	4.7	5.5
Compulsive Gaming Fund	2.5	2.5	2.5	0.0	0.0
Stabilization Fund	0.0	0.0	0.0	0.0	0.0
Hazardous Waste Funds	5.0	5.0	5.0	0.0	0.0
Supervision/Inspection Fee	4.5	6.0	6.0	1.5	1.5
Insp. Fee/Gasoline, Ag. Petr. Fund	4.8	5.3	5.5	0.5	0.7
Tobacco Settlement	68.5	73.6	76.1	5.1	7.6
Tob Tax Health Care Fd / Reg Enf Fd	42.3	43.4	42.4	1.1	0.2
Rapid Response Fund	10.0	10.0	10.0	0.0	0.0
Unclaimed Property / I-49	15.0	15.0	15.0	0.0	0.0
DHH Provider Fees	97.1	106.3	106.3	9.2	9.2
Total Dedications	1,740.6	1,791.5	1,784.8	50.9	44.2

ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 10-12 FORECAST

(In Million \$)

	ADOPTED	ADOPTED	ADOPTED
	LFO FY10 12/10/07	LFO FY11 12/10/07	LFO FY12 12/10/07
REVENUE SOURCE / Dedications			
Alcoholic Beverage	19.0	19.0	19.0
Beer	35.0	35.0	35.0
Corporate Franchise	218.7	215.7	211.5
Corporate Income	577.4	554.4	564.4
<i>Total Corp Fran. & Inc.</i>	796.2	770.1	775.9
Gsasoline & Special Fuels	658.0	674.0	687.0
Gift	0.0	0.0	0.0
Hazardous Waste	5.0	5.0	5.0
Individual Income	2,901.5	2,988.5	3,072.5
Inheritance	1.4	1.4	1.4
Natural Gas Franchise	5.0	5.0	5.0
Public Utilities	4.5	4.5	4.5
Auto Rental Excise	5.5	5.5	5.5
Sales Tax - General	2,899.2	2,974.1	3,079.1
Severance	757.0	726.0	726.0
Special Fuels			
Supervision/Inspection Fee	6.0	6.0	6.0
Tobacco	144.0	143.0	143.0
Unclaimed Property	26.0	26.0	26.0
Miscellaneous Receipts	6.5	6.5	6.5
Total-Dept. of Revenue	8,269.7	8,389.5	8,597.4
Royalties	423.0	401.0	410.0
Rentals	16.9	16.0	16.4
Bonuses	25.0	25.0	25.0
Mineral Interest	1.0	1.0	1.0
Total-Natural Res.	465.9	443.0	452.4
Interest Earnings (SGF)	100.0	75.0	50.0
Interest Earnings (TTF)	8.0	7.0	6.0
Var. Agy. Receipts	32.3	32.3	32.3
Agency SGR Over-Collections	18.3	18.3	18.3
Bond Reimbursements	4.3	4.3	4.3
Quality Ed. Support Fund	56.9	56.0	56.4
Lottery Proceeds	116.5	116.5	116.5
Land-based Casino	87.0	87.0	87.0
Tobacco Settlement	80.3	84.7	89.3
DHH Provider Fees	106.3	106.3	106.3
Total Treasury	610.0	587.5	566.5
Excise License	336.0	362.0	380.0
Ins. Rating Fees (SGF)	57.1	59.4	61.8
Total-Insurance	393.1	421.4	441.8
Misc. DPS Permits & ABC Permits	11.4	12.2	12.5
Titles	23.8	25.8	26.2
Vehicle Licenses	93.0	95.0	97.0
Vehicle Sales Tax	317.0	322.0	328.0
Riverboat Gaming	356.0	356.0	356.0
Racetrack slots	54.0	54.0	54.0
Video Draw Poker	201.0	201.0	201.0
Total-Public Safety	1,056.2	1,066.0	1,074.7
Total Taxes, Lic., Fees	10,795.0	10,907.5	11,132.8
<i>Less: Dedications</i>	<i>(1,806.2)</i>	<i>(1,843.2)</i>	<i>(1,874.9)</i>
<i>Less: New Opportunities Waiver Fund Allocation</i>			
STATE GENERAL			
FUND REVENUE - DIRECT	8,988.8	9,064.3	9,257.9
	ADOPTED	ADOPTED	ADOPTED

Some columns and lines do not add precisely due to rounding.

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 10-12 FORECAST

(In Million \$)

	ADOPTED	ADOPTED	ADOPTED
	LFO FY10	LFO FY11	LFO FY12
<u>REVENUE SOURCE / Dedications</u>	<u>12/10/07</u>	<u>12/10/07</u>	<u>12/10/07</u>
-	ADOPTED	ADOPTED	ADOPTED
Motor Fuels-Transp. Trust Fd.	526.4	539.2	549.6
Motor Vehicles Lic. - TTF	39.1	39.9	40.7
Aviation Tax - TTF	9.7	9.7	9.7
TTF/Interest and Fees	32.5	31.5	30.5
Motor Fuels - TIME Program	131.6	134.8	137.4
Motor Veh.Lic - Hwy Fund #2	10.9	11.1	11.3
State Highway Improvement Fund	31.9	43.4	44.3
Severance Tax -Parishes	41.7	44.1	48.2
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4
Royalties - Parishes	42.3	40.1	41.0
Royalties-DNR/AG Support Fund	2.6	2.6	2.6
Wetlands Fund	27.7	26.6	26.7
Mineral Audit Settlement Fund	0.0	0.0	0.0
Quality Ed. Support Fund	56.9	56.0	56.4
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0
Sales Tax Econ. Development	14.0	14.4	14.9
Tourist Promotion District	24.1	24.7	25.6
Excise Lic. - 2% Fire Ins.	20.5	22.3	24.3
Excise Lic. -Fire Mars. Fd.	15.9	17.3	18.9
Excise Lic. - LSU Fire Tr.	3.2	3.5	3.8
Insurance Fees	57.1	59.4	61.8
State Police Salary Fund	15.6	15.6	15.6
Video Draw Poker	61.8	61.8	61.8
Racetrack Slots	23.0	23.0	23.0
Lottery Proceeds Fund	116.0	116.0	116.0
SELF Fund	162.5	162.5	162.5
Riverboat 'Gaming' Enforce.	62.8	62.8	62.8
Compulsive Gaming Fund	2.5	2.5	2.5
Stabilization Fund	0.0	0.0	0.0
Hazardous Waste Funds	5.0	5.0	5.0
Supervision/Inspection Fee	6.0	6.0	6.0
Insp. Fee/Gasoline, Ag. Petr. Fund	5.7	5.8	5.9
Tobacco Settlement	80.3	84.7	89.3
Tob Tax Health Care Fd / Reg Enf Fd	42.4	42.1	42.1
Rapid Response Fund	10.0	10.0	10.0
Unclaimed Property / I-49	15.0	15.0	15.0
DHH Provider Fees	106.3	106.3	106.3
Total Dedications	1,806.2	1,843.2	1,874.9
	ADOPTED	ADOPTED	ADOPTED

Some columns and lines do not add precisely due to rounding.

**REVENUE ESTIMATING CONFERENCE
December 10, 2007**

**State General Fund Revenue Forecast
(millions of \$)**

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$9,680	\$9,398	\$9,270	\$8,989	\$9,064	\$9,258
\$ Chg.	\$1,376	-\$217	-\$128	-\$281	\$76	\$194
% Chg.	16.6%	-2.9%	-1.4%	-3.0%	0.8%	2.1%
Base Change		\$657	\$477	\$271	\$182	na

Strong collections growth in FY07 continued the 12.3% surge experienced in the storm year of FY06. In FY06 most of the revenue surge was sales tax, as the economy began its recovery from hurricanes Katrina and Rita, growing by 19% and making up 60% of the year's revenue gains. In FY07 most of the revenue surge was income tax, as deferred payments came in, unemployment dropped below the national average, and wage premiums pushed up taxable incomes, growing by 30% and making up 45% of the year's revenue gains. In both years the corporate sector contributed as oil prices continued rising and the dollar exchange rate continued falling.

Growth in sales tax, income tax, and mineral revenue continues into FY08, albeit at slower rates. This continued growth performance on top of the very strong finish of FY07 necessitates an upward revision of the forecast baseline. The current forecast is increased for all four years of FY08 – FY11 from the previous forecast baseline, but the year-over-year forecast path continues to be one of lower revenue each year until around FY12. Past forecasts have failed to find the state's post-storm revenue peak, but FY07 may be close to that peak. Thus, the revenue forecast path depicts declining revenue from a year-over-year perspective while at the same time being higher than previous forecasts of that path.

**Sales Tax Forecast
(millions of \$)**

	FY07	FY08	FY09	FY10	FY11	FY12
General	\$2,838	\$2,912	\$2,986	\$2,899	\$2,974	\$3,079
Vehicle	\$362	\$317	\$309	\$317	\$322	\$328

The big surge years for both general and vehicle sales tax was FY06, the fiscal year of the storms, with growth of 17.2% and 29.2%, respectively, as many possessions were replaced after the storms. With substantial recovery spending continuing to occur and oil & gas activity continuing to respond to price signals, growth in the general sales tax continued in FY07 (4.2%), and is still growing in FY08 (3.4% ytd). Comparable base growth is projected to continue but will be offset somewhat by the continued phase-out of tax on manufacturing machinery & equipment built in through FY11, and two annual sales tax holidays enacted in the 2007 session. Also built into the forecast is the scheduled drop of the tax rate on business utilities to 1% (from 3.3%) in FY10.

Vehicle replacement peaked by the middle of FY07 and that year finished with a 4.8% drop which has continued into FY08 (6.2% ytd). That decline is projected to continue through FY09 before growth returns in FY10.

Personal Income Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Income Tax	\$3,257	\$2,973	\$2,810	\$2,902	\$2,989	\$3,073
Ex. Itm.		-\$157	-\$190	-\$308	-\$332	-\$357
EITC			-\$41	-\$41	-\$41	-\$41
Ins. Credit			-\$92			

Collections held up in storm year FY06 (4.6%) due to withholding strength, but surge really occurred in FY07 with 29.7% growth. Deferred payment catch up, low unemployment, wage growth, oil & gas sector gains all contributed to a very strong year. While withholding continues to grow quickly in FY08, catch-up effect is ending and FY08 base growth is actually a 3.9% decline from the strong prior year. Growth is offset by tax breaks granted in the 2007 session: phase-in of excess itemized deduction (Ex. Itm.), a new earned income tax credit (EITC), and a one-time credit of 7% of homeowner insurance premiums in FY09 (Ins. Credit). Already built into the baseline forecast are approximately \$50 million per year of Citizens assessment credits and \$100 million per year of film credits. This tax is likely the strong suit of the revenue forecast, but large exposures exist from unused Citizens credits (\$200 million) and certified film infrastructure projects (\$1.4 billion).

Corporate Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$1,052	\$805	\$877	\$796	\$770	\$776

FY07 was the fourth consecutive year of growth in corporate collections, consistent with oil price increases and exchange rate declines, benefiting the broadly defined energy sector and exporters in the state. Forecasts in excess of \$1 billion per year are possible for each year of the forecast horizon. However, forecasts of peaking and then falling oil prices, and the exchange rate bottoming out call for these revenues stabilizing and even pulling back somewhat. Caution is always advised with these revenues due to their highly volatile characteristics. Double-digit annual growth and declines are the norm, and monthly receipt variation within the year makes it impossible to identify any current trending. In addition, roughly one-half to two-thirds of these revenues are typically collected in last quarter of fiscal year. The phase-out of franchise tax on borrowed capital is built in through FY11 as is roughly \$50 million per year of film production credits. Some portion of the film infrastructure credit exposure also exists against these revenues.

Oil and Gas Price Forecasts

	FY07	FY08	FY09	FY10	FY11	FY12
Oil \$/bbl, WTI	\$63.41	\$80.00	\$70.45	\$57.48	\$55.12	\$55.16
Gas \$/mmbtu, HH	\$6.86	\$7.46	\$7.19	\$6.77	\$6.86	\$7.07
Gas Sev. Tax Rate ¢/mcf	37.3¢	26.9¢	29.7¢	29.8¢	27.2¢	27.3¢

With 2007 being the fifth year of oil price increase, recently approaching \$100/bbl, the forecast for oil prices is a big question and risk, especially for FY09 and beyond. The oil price forecasts above are an average of forecasts made by Moody’s, the federal Energy Information Administration, and the low price case of the state Department of Natural Resources. The \$80/bbl average for FY08 is \$22 higher than the current baseline price forecast, with FY09 \$15/bbl higher than current baseline. The out-years are a little higher, as well: FY10 \$5/bbl higher and FY11 \$4/bbl higher. Considerable uncertainty is associated with all of these forecasts. Natural gas prices are more regionally determined and weather-related, and have not exhibited the volatility and uncertainty of oil prices. The Moody’s forecast is utilized above and seems reasonable. Natural gas severance tax rates for each fiscal year are determined by the average gas price during the twelve month period ending in the month of March prior to the start of a new fiscal year. Thus, the FY08 tax rate is already fixed, while the table displays projected tax rates in FY09 – FY12 based on the gas price projections for the relevant periods. These new forecast tax rates are less than 1¢ higher than in the baseline forecast.

Severance and Royalty Forecast (millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Severance	\$910	\$942	\$853	\$757	\$726	\$726
Royalty	\$517	\$553	\$535	\$423	\$401	\$410

Price spike up with production spike up in FY06 kept mineral revenue fairly unaffected in storm year. Production recovery to pre-storm path within one year meant full year of normal production while oil prices continued to rise in FY07, with continuing price increases in FY08. Moderating oil price forecasts cause revenue to fall off in FY09 and beyond. With the Stabilization Fund filled, all price volatility flows directly to the state general fund. Royalty collections available to the state general fund are reduced by \$13 million per year starting in FY09 as receipts from Attakapas Wildlife Management Area are dedicated to the Conservation Fund for use by the Department of Wildlife and Fisheries.

Gaming Revenue Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Riverboat	\$389	\$356	\$356	\$356	\$356	\$356
Video Poker	\$214	\$201	\$201	\$201	\$201	\$201
Lottery	\$129	\$120	\$120	\$120	\$120	\$120
Land-Based	\$84	\$87	\$87	\$87	\$87	\$87
Slots	\$56	\$54	\$54	\$54	\$54	\$54

Riverboat: Immediate post-storm boom is over. While operator win (state tax base) has settled around 27% higher for riverboats, admissions have dropped for three straight months. Forecast for riverboats is kept at current \$356 million, which is 5% over their pre-storm performance but down from FY07 (and FY06 peak of \$403m). Out-years FY09 - FY12 held at \$356m, as well. As Gulf Coast fully comes back on-line through 2008 some downward pressure on these forecasts may occur.

Video poker: Exhibits similar pattern, settling at a 10% higher win per device post-storm, but with overall play falling toward pre-storm levels or even below in bars & restaurants. Performance appears to be stabilizing around \$201m for FY08, and is held at that level through FY12. This is 9% over pre-storm levels but \$14m less than FY07 and the current forecast in place.

Land-Based: Performance has been above pre-storm levels since re-opening in early 2006. Forecast is for small gain on FY07 (\$3m) as well as relative to current forecast (\$4m). Held steady through FY12 as city, tourism, and Gulf Coast all continue recovery.

Slots: Post-storm win per admission has stayed around 20% higher than pre-storm, but admissions themselves have been below pre-storm levels and have gradually tapered off for the past several months. Consequently, collections will likely fall somewhat.

Premium Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$285	\$306	\$311	\$336	\$362	\$380

Premium tax collections have performed well in the post-storm period, growing by 4.9% in the fiscal year of the storms (FY06) and then surging 33.3% in FY07 as higher premiums began to be imposed. In addition, net collections are also benefiting from falling tax credits. Tax credits for insurance guaranty assessments (LIGA) and CAPCO investments have been falling. LIGA has not levied an assessment since 2004 and CAPCO credits continue their scheduled phase-down. Net collections growth is expected to moderate considerably in FY08 as premium increases moderate, then growth will pick back up as credit phase-downs continue. Net collections are expected to grow faster than the growth in gross liabilities in the out-years due to credit phase-downs, unless additional guaranty assessments are levied or new capital is allowed into the CAPCO program.

Motor Fuels Tax Forecast
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$607	\$621	\$638	\$658	\$674	\$687

Combined gasoline and special fuels (diesel) have performed well throughout the post-storm period, growing by 3.0% in FY06 and 2.3% in FY07. This is expected to continue with projected growth rates of 1.9% - 3.2% throughout the forecast horizon. Risks to this outlook would be continual rapid oil price increases that push up gasoline pump prices faster than consumers can adjust, and the possibility of a U.S. recession that curtails consumer, business, and trucking activity. Neither of these scenarios are formally forecast by most macro-economy watchers, but the probabilities of their occurrence have been elevated in most forecast discussions.

Dedications
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
State Highway Improvement Fund	na	\$10	\$21	\$32	\$43	\$44
Attakapas WMA	na	na	\$13	\$13	\$13	\$13
Tourism Promotion District	na	\$5.5	\$5.6	\$5.8	\$5.2	\$6.1
NOW Opportunities Waiver Fund		\$50				

Significant changes to dedications of state tax revenue are depicted in the table above. These dedications divert revenue from the state general fund in favor of the uses supported by the particular special fund receiving the dedicated revenue. These recent dedications include the State Highway Improvement Fund, enacted in 2006 with its first effect in FY08. It will phase in to the new special fund the remaining vehicle license tax revenue currently flowing to the state general fund. These monies will support road projects in the state system that are not eligible for federal highway funding assistance. A formal statutory dedication of state oil & gas royalty receipts, from production in the Attakapas Wildlife Management Area, to the Conservation Fund begins in FY09. These monies will support the operations of the Department of Wildlife and Fisheries. The cap on retention of sales tax receipts by the Tourism Promotion District is entirely removed effective in FY08. The monies are used for out-of-state tourism advertising and promotion. Finally, the NOW Opportunities Waiver Program can receive 12% of revenue forecast increases above the forecast in place at the beginning of the fiscal year (up to \$50 million). This is currently expected to occur in FY08 but can not be projected for subsequent years of the forecast horizon since it can not be known what forecast will in place at the beginning of any particular fiscal year.