# REVENUE ESTIMATING CONFERENCE
# January 13, 2017

**Legislative Fiscal Office**
**State Revenue Forecast**
**(millions of $)**

| | Actual FY16 | Forecast=> FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Total Tax Revenue | $10,400 | $11,734 | $11,958 | $10,982 | $11,148 | $11,335 |
| Less Dedications | ($2,503) | ($2,449) | ($2,489) | ($2,479) | ($2,518) | ($2,589) |
| SGF Revenue | $7,897 | $9,284 | $9,470 | $8,503 | $8,630 | $8,746 |
| | | | | | | |
| Change From REC | $0 | ($341) | ($398) | ($245) | ($267) | na |
| | | | | | | |
| Yr/Yr SGF Change | ($512) | $1,387 | $186 | ($967) | $127 | $116 |
| Yr/Yr % Change | -6.1% | 17.6% | 2.0% | -10.2% | 1.5% | 1.3% |
| | | | | | | |
| Yr/Yr Total Tax Change | ($68) | $1,333 | $225 | ($976) | $166 | $187 |
| Yr/Yr % Change | -0.6% | 12.8% | 1.9% | -8.2% | 1.5% | 1.7% |

The table above depicts the current recommended aggregate forecast horizon. Substantial downgrades to the general fund forecast relative to the June 30, 2016 official baseline are recommended. The downgrades incorporate the actual results of FY16, where general fund collections came in some $315 million lower than anticipated, as well as reassessments of the economy's growth prospects and oil and natural gas price and production estimates. While mineral prices are upgraded substantially from the official baseline, poor revenue performance in FY16 combined with continuing employment declines with little sign of improvement result in a net downgrade to the revenue baseline forecast in all years of the forecast horizon. Major revenue areas are discussed below.

Year-over-year changes appear odd but are the result of temporary revenue increases enacted in the 2015 Regular session, and the 2016 1st & 2nd Extraordinary Sessions, much of which terminate at the end of FY18. Thus, revenue increases sharply in FY17, grows modestly in FY18, and then declines sharply in FY19, with modest growth after that.

Underlying economic projections anticipate a bottoming out of the state's employment decline in 2017, with a slow improvement over the second half of 2017 and beyond. However, annual employment growth seems likely to be negative for some months to come, with consequent dampening of aggregate incomes and tax receipts. Economic conditions are depicted and discussed below.

Forecast risks are still probably weighted to the downside. While oil and natural gas prices may have established a sustainable bottom range, the U.S. economy has exhibited only modest growth and is still well below its traditional potential growth, while the world economy continues to struggle, both advanced and emerging economies. The revenue raising legislation enacted in the 2015 Regular Session made significant changes in ways that add substantial uncertainty to the amounts of additional revenue expected, and the 2016 1st & 2nd Extraordinary Session actions relied, in material part, on essentially unknown potential tax bases. Finally, much of the actions taken in these sessions were complicated measures that terminate in just two years, adding uncertainty of compliance and enforcement to that of potential unanticipated taxpayer response.

**Oil and Gas Price Forecast**

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Oil, $/bbl | $44.42 | $48.13 | $51.41 | $53.99 | $56.44 | $58.43 |
| Change From REC | | $18.13 | $15.86 | $15.73 | $16.27 | $18.26 |
| Gas, $/mcf | $2.15 | $3.08 | $3.22 | $3.29 | $3.39 | $3.52 |
| Change From REC | | $0.99 | $1.03 | $1.00 | $1.01 | $1.14 |
| Gas Sev. Tax, ¢/mcf | 15.8 | 9.8 | 11.7 | 12.2 | 12.5 | 13.0 |

**Oil and natural gas prices** are upgraded with this forecast, primarily reflecting the fact that new baseline forecasts have not been adopted for nearly a year. International oil producers have been able to support oil prices through jawboning and announced production cuts, and prices have bounced around within the mid-$40s to mid-$50s per barrel for several months. Natural gas prices have also recovered from their lows and varied in the in the upper $2s per mcf range for some time, as well, albeit with considerable ability to surge up or down. Price forecasts are based on an average of West Texas Intermediate projections by Moody's Analytics, the Energy Information Administration, and Louisiana spot price projections of the State Department of Natural Resources. With horizontal drilling / hydraulic fracturing of shale formations becoming an industry norm, there is the distinct possibility of a supply-based ceiling on oil and gas prices in the foreseeable future. These wells can be relatively quickly drilled and there is a substantial inventory of drilled but not yet fractured wells built up that can be quickly completed as prices rise. Barring strong surges in demand or sharp cutbacks by other producers, U.S. shale production is likely to impose a controlling effect on price increases.

**Severance and Royalty Forecast**
**(millions of $)**

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Severance & Royalty | $580 | $581 | $652 | $677 | $704 | $722 |
| Change From REC | | $125 | $138 | $129 | $132 | na |

**Mineral revenue forecasts** are upgraded substantially from the existing forecast baseline as the result of higher price forecasts. Much of this upgrade comes in severance tax rather than royalties as royalty production has exhibited a distinctly faster decline than total production since 2014. Severance taxes are negatively influenced in FY17 by the 38% drop in the natural gas severance tax rate from its FY16 level, based on gas price weakness during FY16, but will be positively influenced in FY18 by stronger gas prices this year boosting the tax rate next year. Based on forecasts of gradually improving prices, mineral revenues are expected to climb modestly over time.

Risks to the mineral revenue forecast always exist, as these revenues are largely influenced by international and regional commodity prices that can experience dramatic swings. Currently, the balance of those risks seems to be to the upside as the U.S. and world economies slowly continue to expand and oil & gas supply overhangs are worked off. Some ceiling probably exists for these prices, though, as a result of the spread of horizontal drilling / hydraulic fracturing techniques and the shift to the U.S. as the world swing producer of oil.

**Sales Tax Forecast**

**(millions of $)**

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| General Sales Tax | $2,938 | $3,741 | $3,798 | $2,815 | $2,791 | $2,824 |
| Change From REC | | ($33) | $47 | $84 | $93 | na |
| | | | | | | |
| Vehicle Sales Tax | $411 | $517 | $511 | $438 | $432 | $436 |
| Change From REC | | ($6) | ($19) | ($11) | ($11) | na |

**General sales tax** forecasts are modestly downgraded for FY17 as a result of weak receipts in FY16 and persistent economic weakness during this fiscal year. The upgrades in FY18 and beyond primarily reflect a change in the timing of underlying economic outlook to one of slow modest improvement beginning in 2017, from one of essentially zero growth. Base tax receipts growth, exclusive of the effects of temporary legislative changes to the tax rate and base, are only about 1.5% per year.

These forecasts incorporate the expected revenue from the 2016 1st & 2nd Extraordinary Sessions, that raised the state sales tax rate and expanded the state sales tax base through FY18, with a trailing effect nine months into FY19 from continued taxation of business utilities. The two-year effectiveness of these changes accounts for the step-down in FY19 and beyond from the level in FY18.

**Vehicle sales tax** forecasts are decreased somewhat throughout the forecast horizon. Although lower motor fuel prices provide a positive influence on this tax, employment declines over the past year have had a negative influence. The step-up in FY17 and FY18 is associated with the temporary state sales tax increase enacted in the 2016 1st & 2nd Extraordinary Sessions. Again, the two-year effectiveness of these changes accounts for the step-down in FY19 and beyond.

These sales tax forecasts currently incorporate additional receipts associated with repair and replacement spending following the late August flooding disaster in a number of parishes. The tax effect of post-event spending may have begun showing up in tax receipts as early as September, and appear to be in October and November receipts, as well. However, such effects are not apparent in the December receipts, especially with regard to vehicles. The initial surge of such receipts may be behind us, again, especially regarding vehicles, and subsequent periods may show much less obvious receipts, even though home and infrastructure repair will continue on for many more months.

**Personal Income Tax Forecast**
**(millions of $)**

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Income Tax | $2,878 | $2,881 | $2,929 | $2,943 | $2,982 | $3,022 |
| Change From REC | | ($207) | ($248) | ($313) | ($368) | na |

**Personal income tax** forecasts are substantially downgraded throughout the forecast horizon with the expectation of the beginning of an employment recovery pushed back into 2017 and only improving slowly after that. Underlying base growth beyond FY17 is no more than 1.5% per year. The essentially flat performance in FY17 is attributable to the further and permanent reduction in the credit for the Citizens Insurance Assessment, but this gain is offset in FY19 and beyond by the expiration of the reduction in the credit for taxes paid to other states enacted in the 2015 regular session.

**Corporate Tax Forecast**
**Combined Income & Franchise Tax**
**(millions of $)**

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Corporate Tax | $249 | $412 | $452 | $484 | $575 | $637 |
| Change From REC | $0 | ($98) | ($153) | $33 | $71 | na |

**Corporate tax** forecasts have been downgraded for FY17 and FY18, but upgraded somewhat in the out-years. Final collections in FY16 ($248 million) were far below what was expected at the outset of the year ($780 million), inclusive of actions taken in the 2015 regular session that were intended to expand collections in FY16 by being applicable to returns filed after June 30, 2015 ($404 million). Much of the expected revenue increase was to result from a 28% reduction of numerous tax credits and deductions. Instead, collections actually came in less than in FY15, and refunds during FY16 were 44% greater than during FY15.

However, actions of the 2015 session are presumed to be reflected in the baseline of collections going forward, and no incremental additions related to that session's actions are included in the forecast. The FY17 forecast of that base of collections is an increase over FY16 of some $314 million. Added to that baseline forecast are the expected fiscal effects of actions taken in the 2nd extraordinary session of 2016, as well as the expiration of 2015 session actions in FY19 and beyond. FY17 collections have along way to go to get to even the downwardly revised recommendation here, but much of the net receipt weakness this year is associated with accumulated film tax credits that have been cleared out with respect to FY17. Net receipts in the second half of the fiscal year should be substantially better than in the first half and, in fact, have been considerably better than last fiscal year.

Corporate tax receipts have always been the riskiest of all the taxes that finance the state general fund budget, and substantial changes have been made to final corporate tax calculations in the last four sessions. Taxpayer response and the interaction of those changes is essentially unknown and unquantifiable. For example, certain changes were made to expand the corporate tax base and liability (add-back provisions and single sales apportionment with market sourcing of sales). However, other changes expand the availability of nonrefundable tax credits (inventory tax credit). Thus, it is possible that the gains from tax liability expansion may be offset to some extent by the greater availability of inventory tax credit carry-forwards. With the already substantial tax planning potential of corporate tax filers and the fact that one-half to two-thirds of corporate tax is routinely collected in the last quarter of the fiscal year, it is essentially impossible to forecast corporate tax collections, even near the end of the fiscal year.

**Gaming Revenue Forecast**

**(millions of $)**

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| All Gaming | $906 | $881 | $868 | $872 | $876 | $880 |
| Change From REC | | ($26) | ($22) | ($18) | ($14) | na |

**Gaming** forecasts have been downgraded largely reflecting the weakness of discretionary spending in the state's economy from both residents and tourists. Lottery transfers reflect the historically large Powerball jackpot experienced in January (which support the FY17 budget), then return to normal sales levels supporting FY18 and beyond. Land-based casino activity has been essentially flat since 2010, but has distinctly stepped down after the New Orleans ban on indoor smoking, which became effective April 2015, and a second step-down seems evident from mid-2016. Monthly remittances are fixed by contract, but a true-up to actual annual gaming activity occurs in March each year, at which point all influences on gaming activity are realized by the state fisc. FY17 transfers are expected to be 6% lower than in FY16, after a 10.6% drop in FY16 from FY15, and are not expected to be no greater than the $60 million minimum amount provided for in the operating contract. Riverboat gaming has exhibited only very modest growth in most years, except for when new venues open (the latest being the Golden Nugget boat in Lake Charles as of early December 2014). Riverboat is downgraded throughout the forecast horizon relative to previous expectations but still exhibits modest growth year-over-year.
Video Poker gaming has been mildly variable from year to year, but exhibited negative performance in FY16 with another modest drop expected for FY17, before very modest growth returns in the out-year's forecasts. Racetrack Slot gaming performance has been negative in recent years, accelerating its downward performance in FY16, with the expectation of another down year in FY17. At best, no growth is the prospect for FY18 and beyond.

**Tobacco, Alcohol, and Beer Tax Forecast**
**(millions of $)**

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Tob, Alc, Beer Tax | $316 | $398 | $399 | $399 | $400 | $400 |
| Change From REC | | $17 | $17 | $17 | $17 | na |

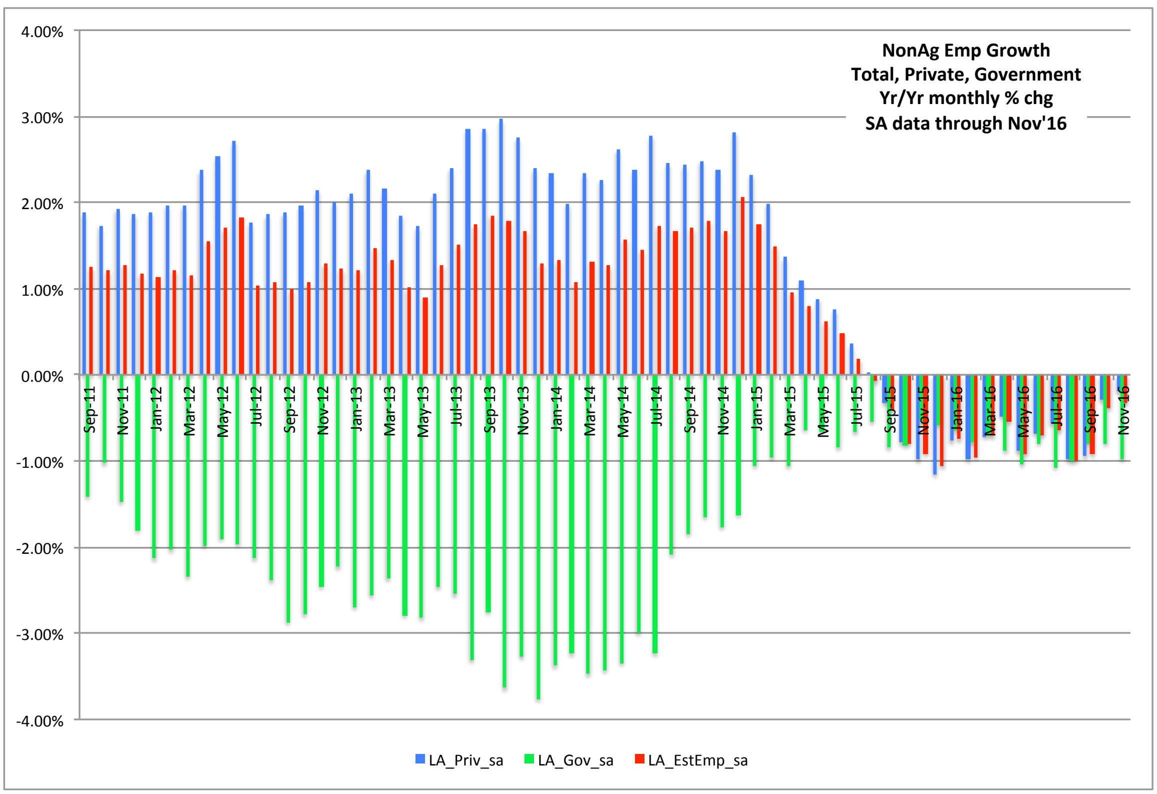
**Tobacco, Alcohol, and Beer** personal excise taxes are increased somewhat from the previous forecast, even though these are stable taxes largely driven by demographics and consumer tastes. Alcohol and beer products were subject to tax increases in the 2016 1st Extraordinary Session, and cigarette tobacco products faced tax increases in that session and in the 2015 Regular session. The 2016 session tax rate increases went into effect on April 1, 2016 and generated revenue during FY16. Collections during FY16 were close to estimates, exhibiting errors of only 0.2% for beer, 0.7% for tobacco, and 2.4% for alcohol. Even given that performance, tobacco taxes appear to be settling at a level that warrants an increase in the baseline tax forecast. The revenue increases generated from cigarettes is fully dedicated to health care financing, while that from alcohol and beer continues to support the general fund.

**Excise License Tax Forecast**
**(millions of $)**

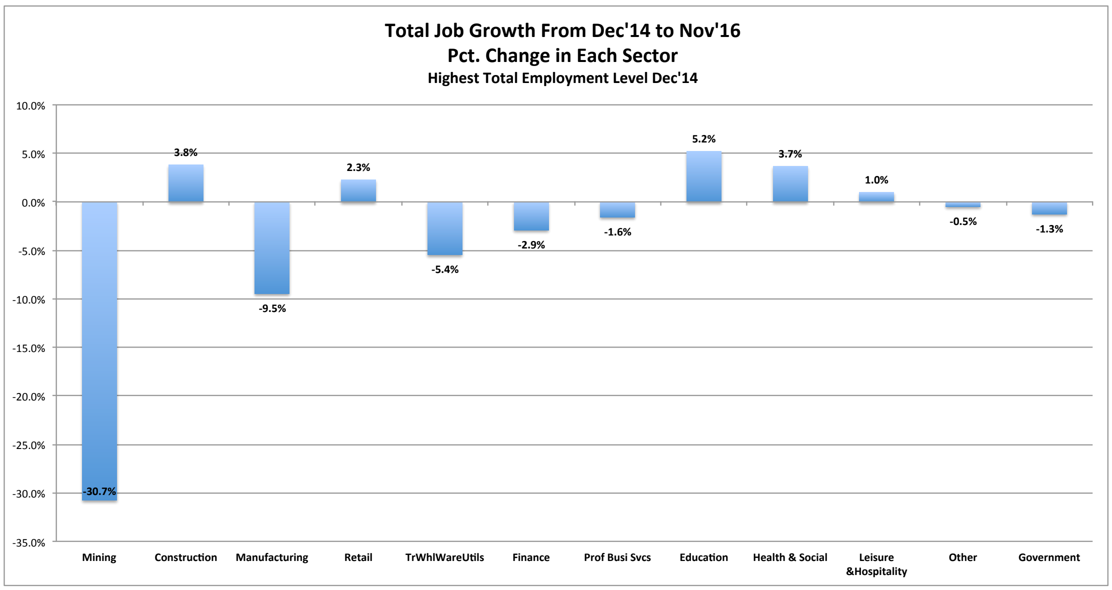
| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Excise License Tax | $530 | $790 | $779 | $752 | $766 | $768 |
| Change From REC | $0 | ($4) | ($64) | ($90) | ($112) | na |

**Premium tax** forecasts have been downgraded on the weakness of personal income growth prospects as the state's economic recovery is pushed back and moderated. Collections in FY16 were very close to forecast with only 0.1% error. Collections have stepped up in recent years as the expansion of coverage associated with the Healthy Louisiana program (formerly Bayou Health) has proceeded, and as Medicaid expansion has begun being implemented and legislation has increased the tax rate on the premiums of health maintenance organizations. In addition, the FY17 and FY18 collections will be enhanced from a temporary reduction in the investment tax credit enacted in the 2016 1st Extraordinary Session. The La Dept. of Health is reporting greater Medicaid enrollment than previously expected and has recommended an increase to the premium tax forecast. However, the FY17 forecast already anticipates a nearly 50% increase over FY16 collections, and through December receipts is running less than 20% ahead. Although greater tax receipts associated with Medicaid premiums may occur, the bulk of the tax is not related to Medicaid premiums and appears to be lagging. Reconciliation returns and tax payments will be received in the spring of 2017 for all insurance premiums subject to the tax, at which point an assessment of performance of the entire tax will be possible. Thus, no additions were made at this point for the LDH analysis.

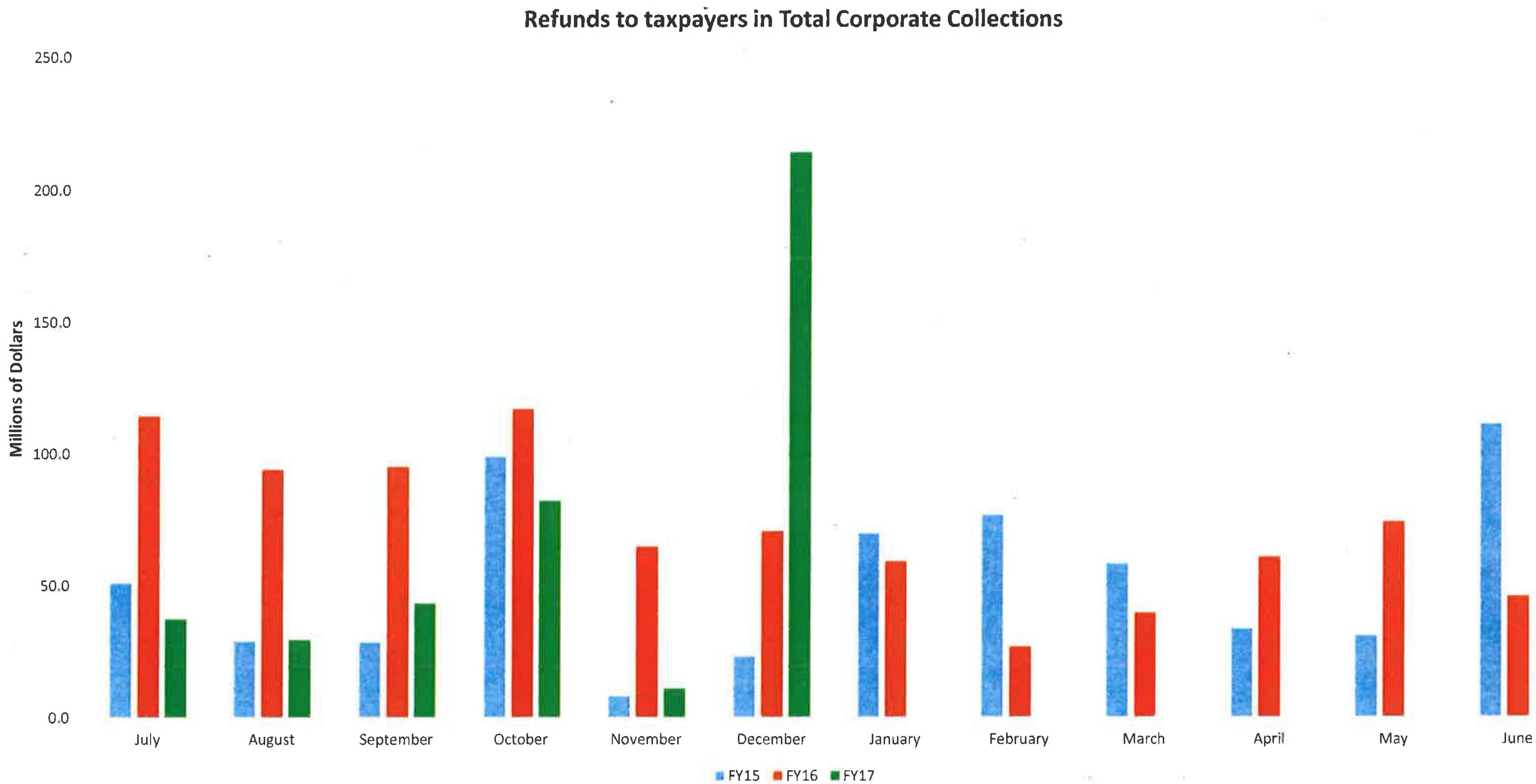
**Underlying economic conditions** are summed up in the following two charts. The first displays payroll employment growth for each month from the same month one year before. Employment growth began slowing in the state at the beginning of 2015 and began absolute declines by August of 2015. Growth has settled to a roughly consistent 1% decline rate since then. Of note here is that this slow down and contraction is essentially a private sector employment phenomenon. The public sector has been declining for many months prior to the start of the total employment growth slow down in early-2015. Earlier in 2016 it was expected that the total employment declines would bottom out and begin a turn-around to eventual employment increases again by the end of 2016. While employment growth declines appear to have bottomed out in roughly the 1% range, there has been no sustained turn-around in total employment as of yet. Some improvement may be hinted at by the October and November figures, but those months were still declines relative to the same months in the prior year, which were decline months themselves. Thus, the level of employment continues to fall, and no end is yet confidently in sight. Consequently, the sustained turn-around that will eventually come has been pushed back into the second half of 2017, and a very modest climb out is expected in the months after that.




The second chart below decomposes employment growth by major industry sector for the last nineteen months, from the peak of statewide employment in December 2014 to the latest reported month. The most obvious aspect of the chart is the decline in mining employment (oil & gas) over this time period, but declines have also occurred in the associated sectors of manufacturing, transportation, finance, and business & other services. Of note here is that these declining sectors are primarily the highest average wage sectors of the economy. Positive growth is still being exhibited in the relatively high average wage construction sector, and in the moderate average wage sectors such as health care, education, and social assistance. The large but lowest wage sectors of retail trade and leisure & hospitality have also eked out employment growth over this period. Finally, the moderate average wage government sector (federal, state, and local) has continued to decline. These employment trends associated with their average wages go a long way to explaining the current fiscal condition of the state.



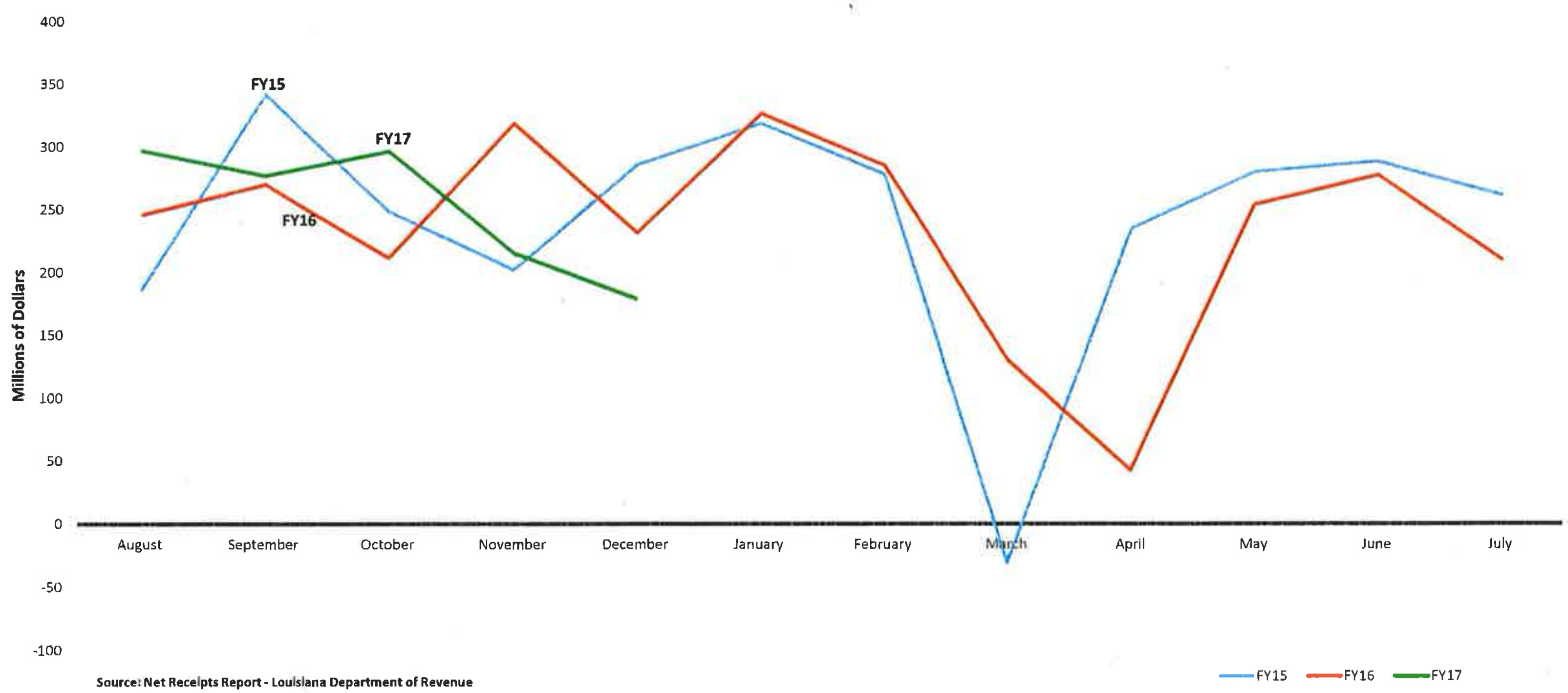

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employment, November 2016, thousands | | | | | | | | | | | | |
| 1975.3 | 38.3 | 146.7 | 134.0 | 236.0 | 154.7 | 90.2 | 211.4 | 48.5 | 265.0 | 227.5 | 99.9 | 323.1 |
| Change Since Dec 2014, thousands | | | | | | | | | | | | |
| -25.9 | -17.0 | 5.4 | -14.0 | 5.3 | -8.9 | -2.7 | -3.4 | 2.4 | 9.4 | 2.2 | -0.5 | -4.1 |
| Average Annual Wage, 2015 | | | | | | | | | | | | |
| | $95,128 | $56,738 | $69,334 | $26,736 | $61,930 | $63,183 | $54,447 | $39,578 | $42,641 | $20,231 | $42,364 | $45,001 |


Refunds to taxpayers in Total Corporate Collections
Millions of Dollars
250.0
200.0
150.0
100.0
50.0
0.0
July
August
September
October
November
December
January
February
March
April
May
June
FY15
FY16
FY17

**INDIVIDUAL INCOME TAX MONTHLY COLLECTIONS**
**In millions of dollars (adjusted for Amnesty collections)**

| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| **August** | 190 | 181 | 186 | 246 | 297 |
| **September** | 241 | 340 | 342 | 270 | 277 |
| **October** | 281 | 242 | 248 | 211 | 296 |
| **November** | 210 | 185 | 202 | 318 | 215 |
| **December** | 242 | 264 | 285 | 231 | 179 |
| **January** | 407 | 379 | 318 | 326 | |
| **February** | 217 | 242 | 278 | 285 | |
| **March** | -100 | -72 | -31 | 130 | |
| **April** | 277 | 207 | 235 | 43 | |
| **May** | 271 | 219 | 279 | 253 | |
| **June** | 233 | 317 | 288 | 277 | |
| **July** | 280 | 253 | 261 | 210 | |

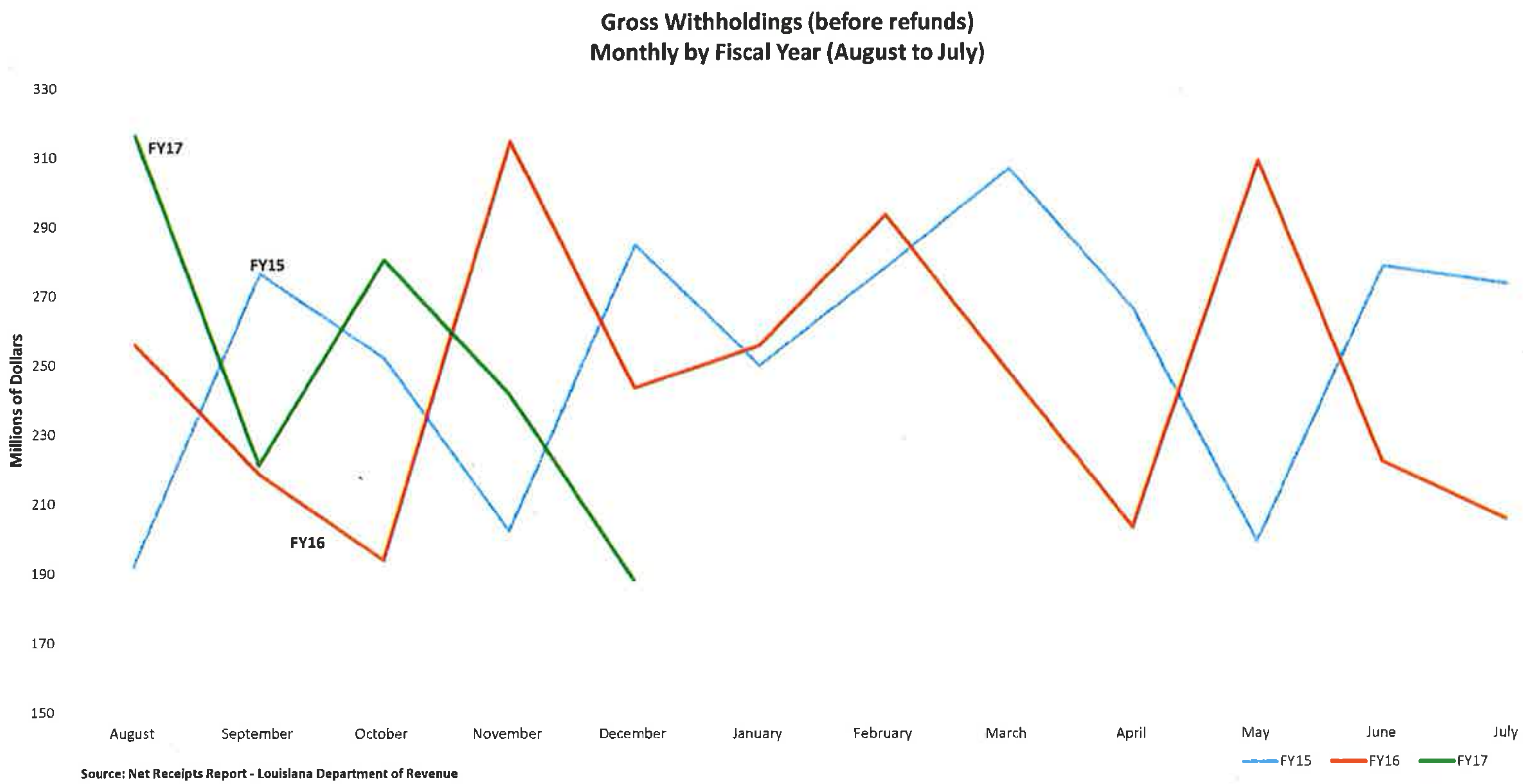
**Total Individual Income Tax Collections**
**Monthly by Fiscal Year (August to July)**

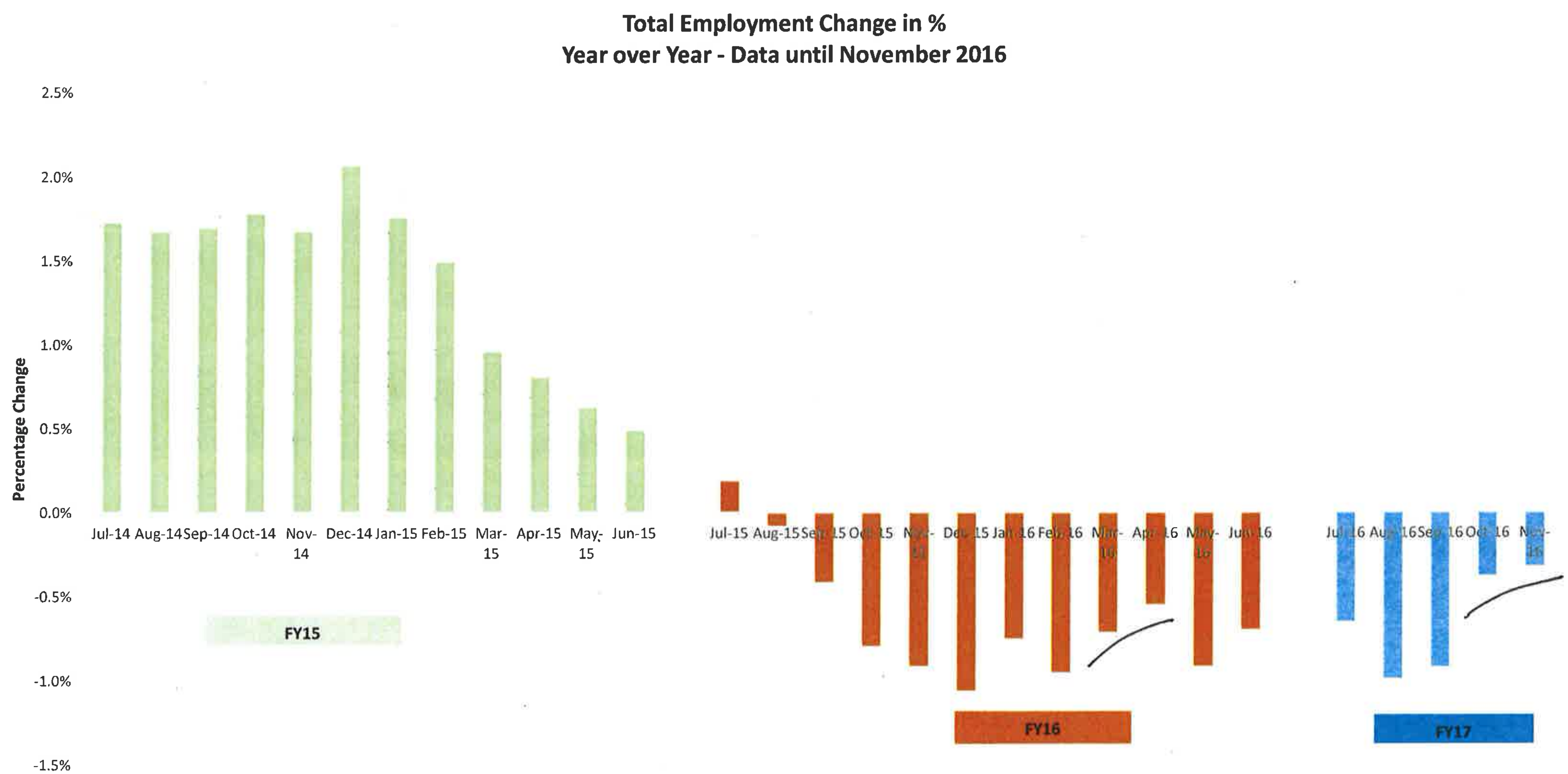


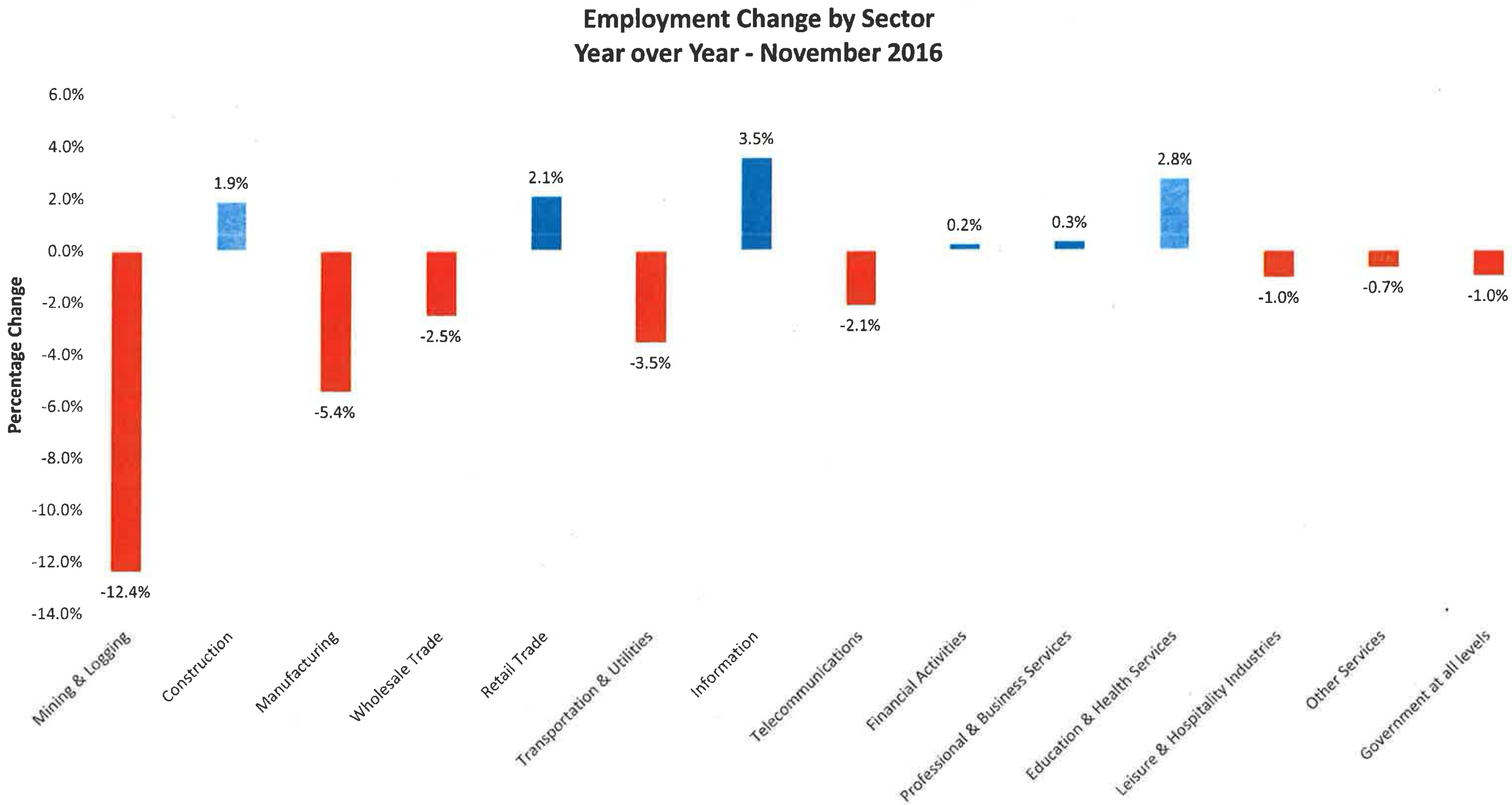

Source: Net Receipts Report - Louisiana Department of Revenue

**GROSS WITHHOLDINGS (BEFORE REFUNDS TO TAXPAYERS)**
**In millions of dollars (adjusted for Amnesty collections)**

| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| **August** | 198 | 185 | 192 | 256 | 317 |
| **September** | 190 | 265 | 277 | 218 | 221 |
| **October** | 278 | 243 | 252 | 194 | 281 |
| **November** | 220 | 198 | 202 | 315 | 242 |
| **December** | 243 | 275 | 285 | 243 | 188 |
| **January** | 285 | 289 | 250 | 256 | |
| **February** | 238 | 243 | 278 | 293 | |
| **March** | 173 | 237 | 307 | 248 | |
| **April** | 297 | 252 | 266 | 203 | |
| **May** | 217 | 189 | 199 | 309 | |
| **June** | 193 | 279 | 279 | 222 | |
| **July** | 283 | 261 | 273 | 206 | |

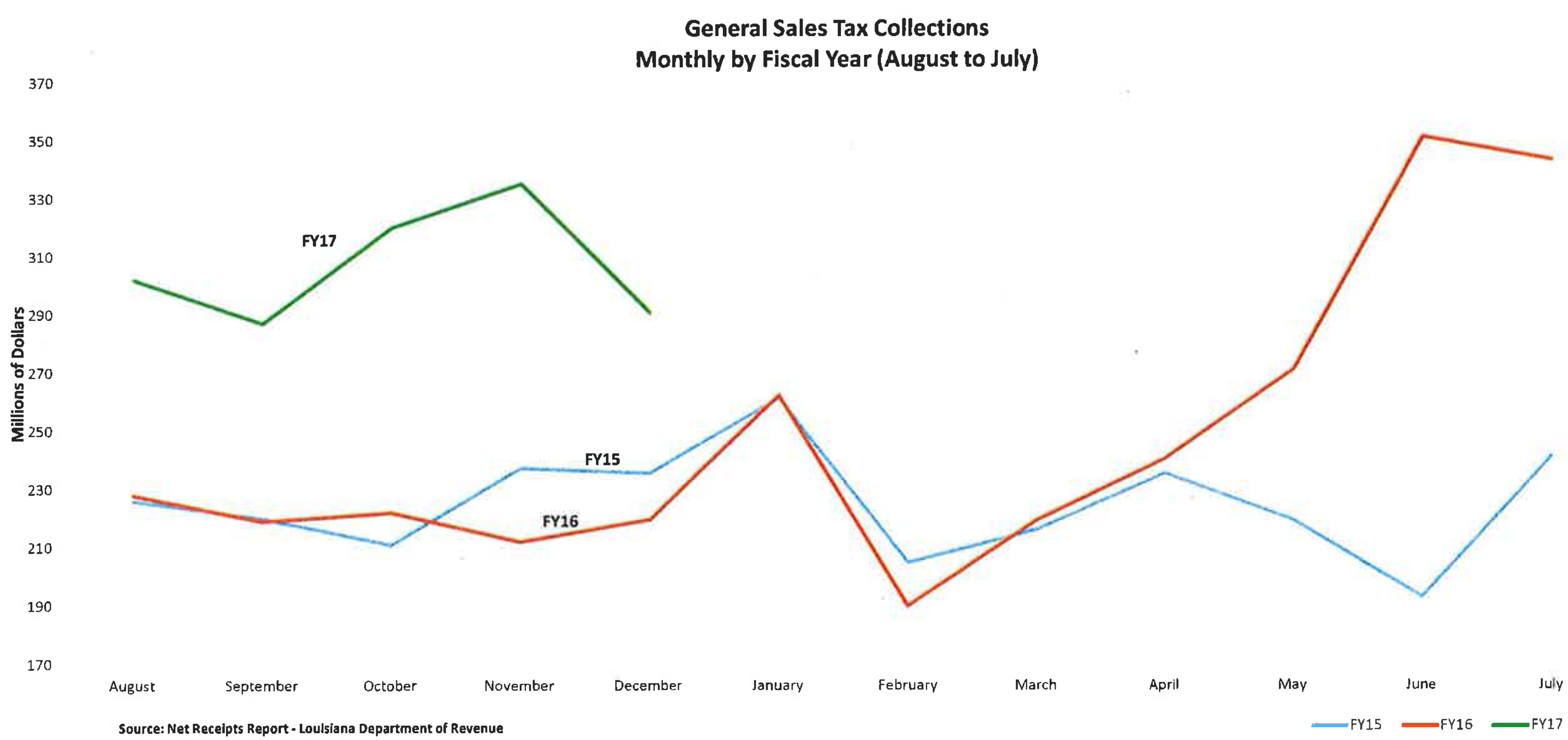



Total Employment Change in %
Year over Year - Data until November 2016
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
-1.0%
-1.5%
Percentage Change
Jul-14 Aug-14 Sep-14 Oct-14 Nov-14 Dec-14 Jan-15 Feb-15 Mar-15 Apr-15 May-15 Jun-15
Jul-15 Aug-15
FY15
FY16
FY17


Employment Change by Sector
Year over Year - November 2016
Percentage Change
6.0%
4.0%
2.0%
0.0%
-2.0%
-4.0%
-6.0%
-8.0%
-10.0%
-12.0%
-14.0%
-12.4%
1.9%
-5.4%
-2.5%
2.1%
-3.5%
3.5%
-2.1%
0.2%
0.3%
2.8%
-1.0%
-0.7%
-1.0%
Mining & Logging
Construction
Manufacturing
Wholesale Trade
Retail Trade
Transportation & Utilities
Information
Telecommunications
Financial Activities
Professional & Business Services
Education & Health Services
Leisure & Hospitality Industries
Other Services
Government at all levels

**GENERAL SALES TAX MONTHLY COLLECTIONS**
**In millions of dollars (adjusted for Amnesty collections)**

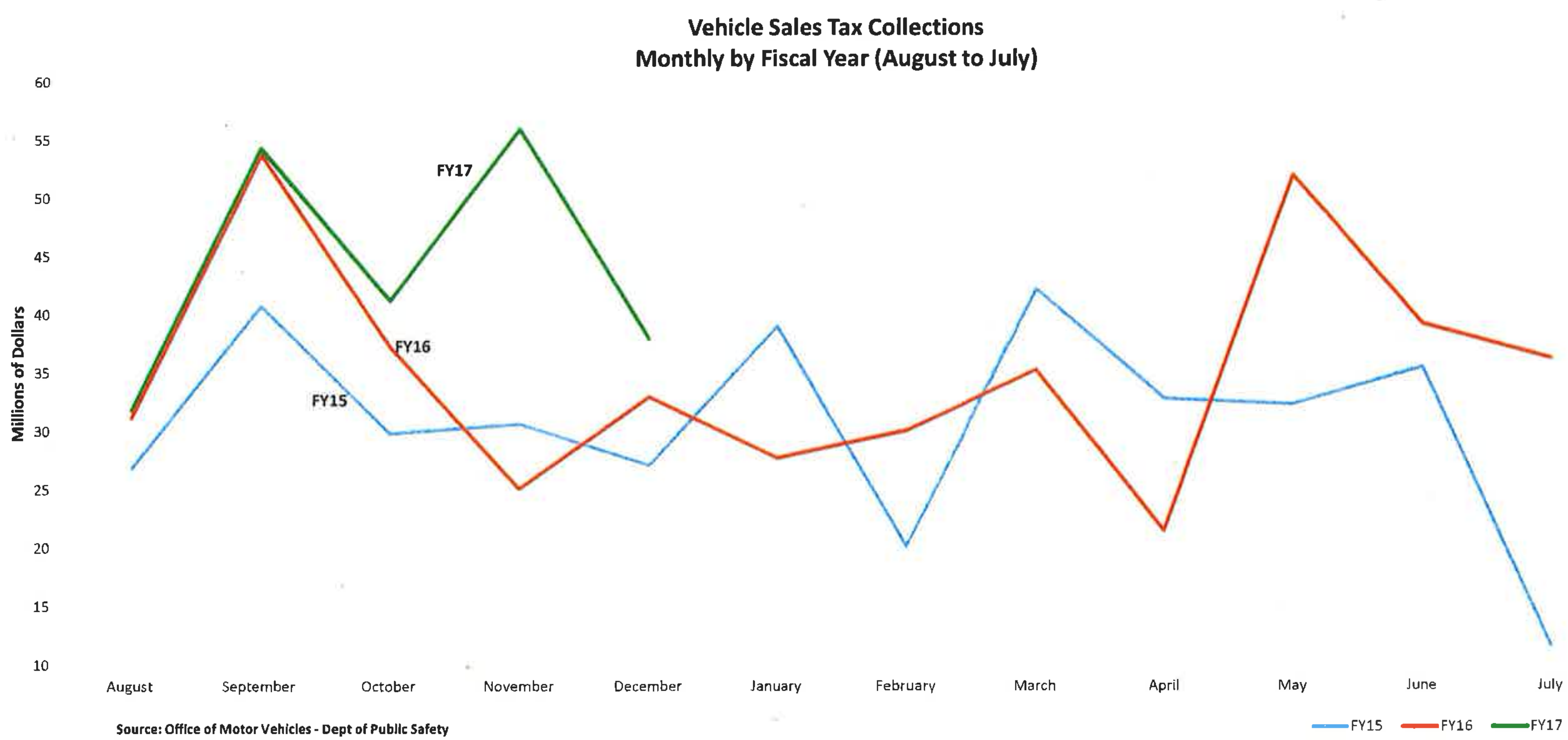
| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| August | 193 | 209 | 226 | 228 | 302 |
| September | 200 | 210 | 220 | 219 | 287 |
| October | 214 | 212 | 211 | 222 | 320 |
| November | 217 | 219 | 237 | 212 | 335 |
| December | 216 | 212 | 236 | 220 | 291 |
| January | 255 | 258 | 261 | 262 | |
| February | 201 | 189 | 205 | 190 | |
| March | 196 | 219 | 216 | 219 | |
| April | 231 | 229 | 235 | 240 | |
| May | 235 | 234 | 219 | 271 | |
| June | 226 | 237 | 193 | 351 | |
| July | 219 | 239 | 241 | 343 | |




Source: Net Receipts Report - Louisiana Department of Revenue

**VEHICLE SALES TAX MONTHLY COLLECTIONS**
**In millions of dollars**

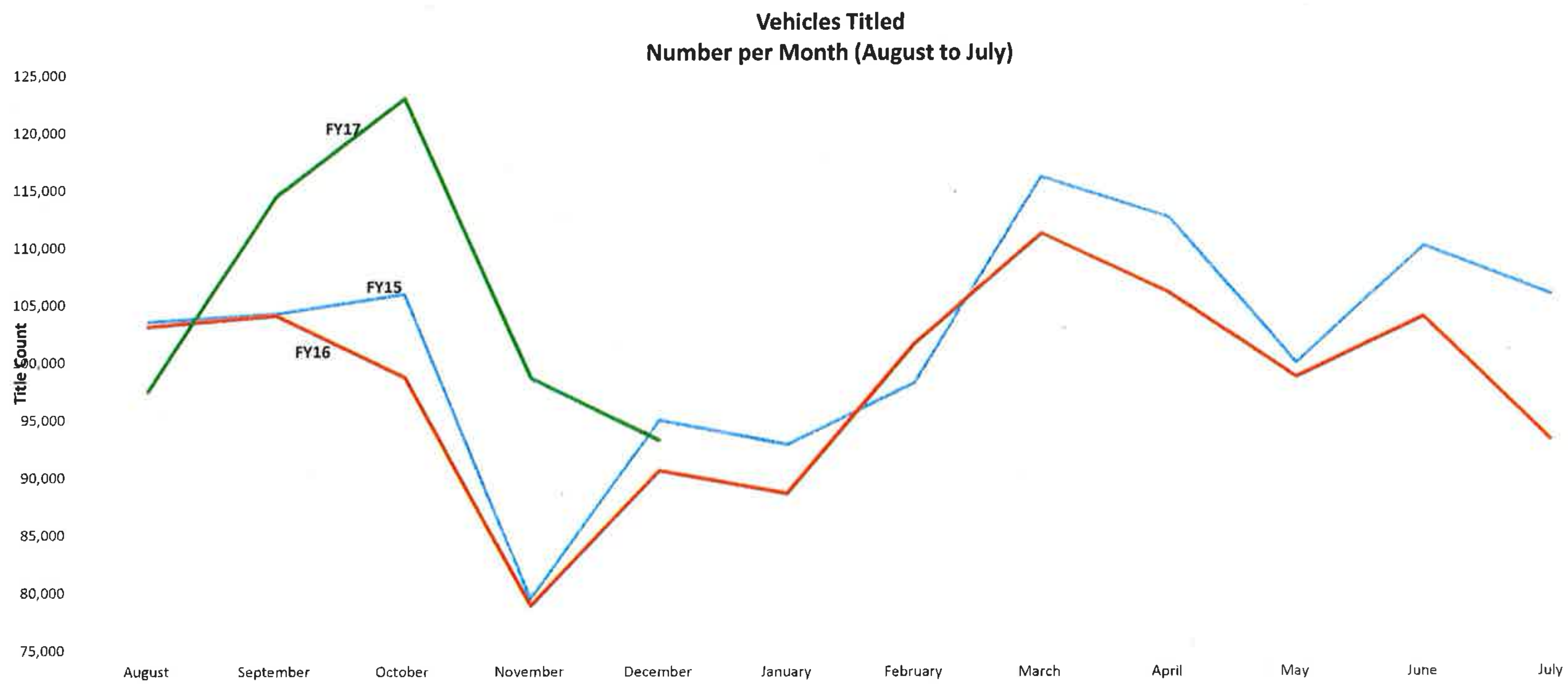
| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| **August** | 26 | 29 | 27 | 31 | 32 |
| **September** | 27 | 32 | 41 | 54 | 54 |
| **October** | 32 | 32 | 30 | 37 | 41 |
| **November** | 25 | 29 | 31 | 25 | 56 |
| **December** | 23 | 26 | 27 | 33 | 38 |
| **January** | 32 | 27 | 39 | 28 | |
| **February** | 29 | 29 | 20 | 30 | |
| **March** | 31 | 33 | 42 | 35 | |
| **April** | 34 | 35 | 33 | 21 | |
| **May** | 34 | 33 | 32 | 52 | |
| **June** | 26 | 27 | 35 | 39 | |
| **July** | 29 | 30 | 12 | 36 | |



## VEHICLES TITLED PER MONTH - VOLUME
Number per month



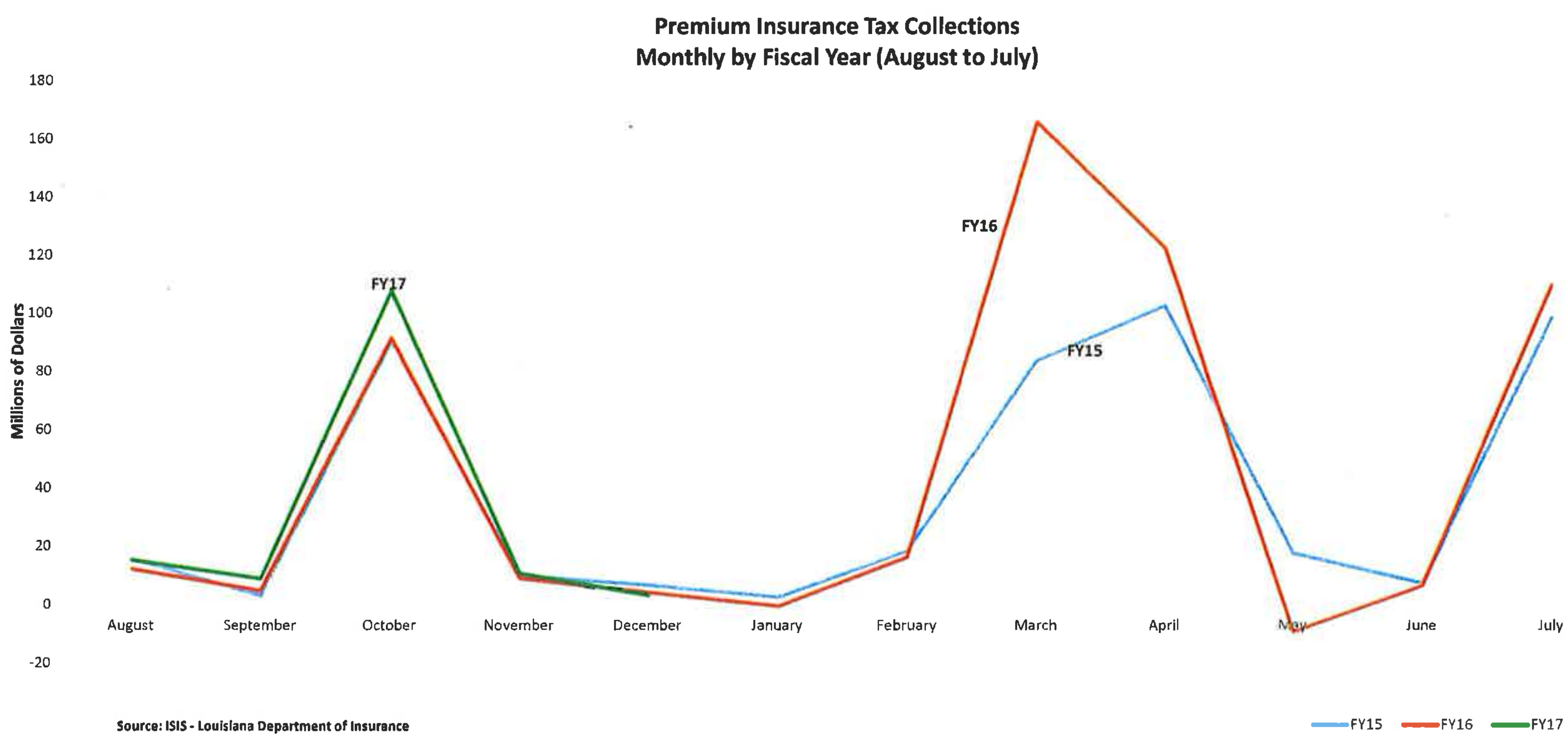
| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| August | 92,966 | 106,455 | 103,539 | 103,110 | 97,463 |
| September | 90,120 | 96,993 | 104,232 | 104,092 | 114,439 |
| October | 104,614 | 101,508 | 105,959 | 98,744 | 123,013 |
| November | 85,019 | 78,951 | 79,524 | 78,910 | 98,662 |
| December | 78,500 | 81,168 | 95,010 | 90,616 | 93,275 |
| January | 95,324 | 84,867 | 92,866 | 88,620 | |
| February | 93,657 | 101,873 | 98,216 | 101,645 | |
| March | 109,498 | 110,872 | 116,113 | 111,206 | |
| April | 115,054 | 109,460 | 112,599 | 106,053 | |
| May | 108,440 | 106,136 | 99,982 | 98,730 | |
| June | 97,197 | 102,601 | 110,107 | 103,965 | |
| July | 105,463 | 106,123 | 105,893 | 93,314 | |




Source: Office of Motor Vehicles - Dept of Public Safety

**PREMIUM INSURANCE TAX - TOTAL COLLECTIONS MONTHLY**
**In millions of dollars**

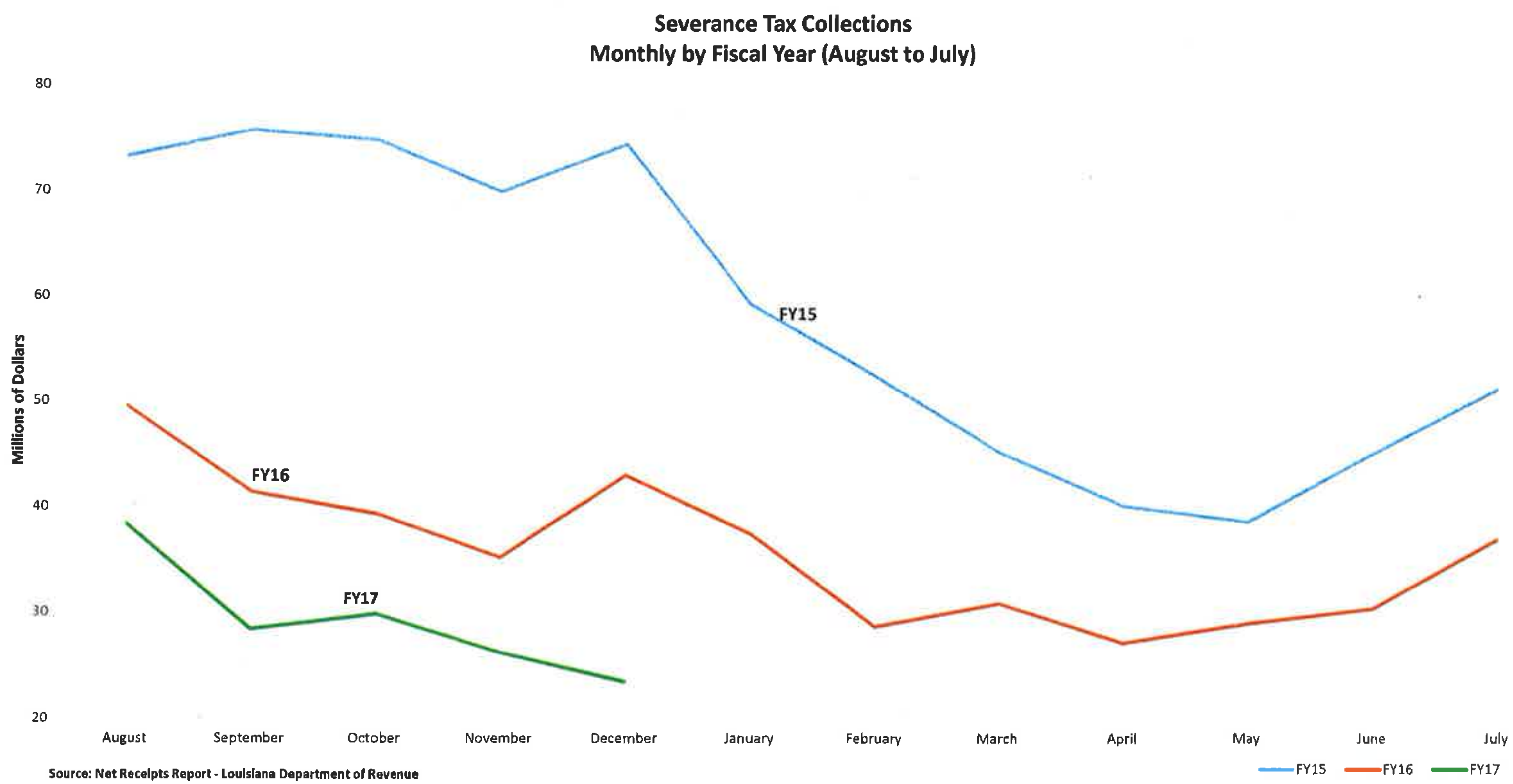
| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| **August** | 8 | 9 | 16 | 12 | 15 |
| **September** | 6 | 6 | 3 | 5 | 9 |
| **October** | 77 | 84 | 90 | 91 | 108 |
| **November** | 9 | 14 | 10 | 9 | 10 |
| **December** | 6 | 9 | 7 | 4 | 3 |
| **January** | 2 | 1 | 2 | -1 | |
| **February** | 11 | 10 | 18 | 16 | |
| **March** | 70 | 98 | 83 | 166 | |
| **April** | 127 | 106 | 102 | 122 | |
| **May** | 13 | 9 | 17 | -10 | |
| **June** | 2 | 5 | 7 | 6 | |
| **July** | 89 | 93 | 98 | 109 | |




Source: ISIS - Louisiana Department of Insurance

**SEVERANCE TAX MONTHLY COLLECTIONS**
**In millions of dollars (adjusted for Amnesty collections)**

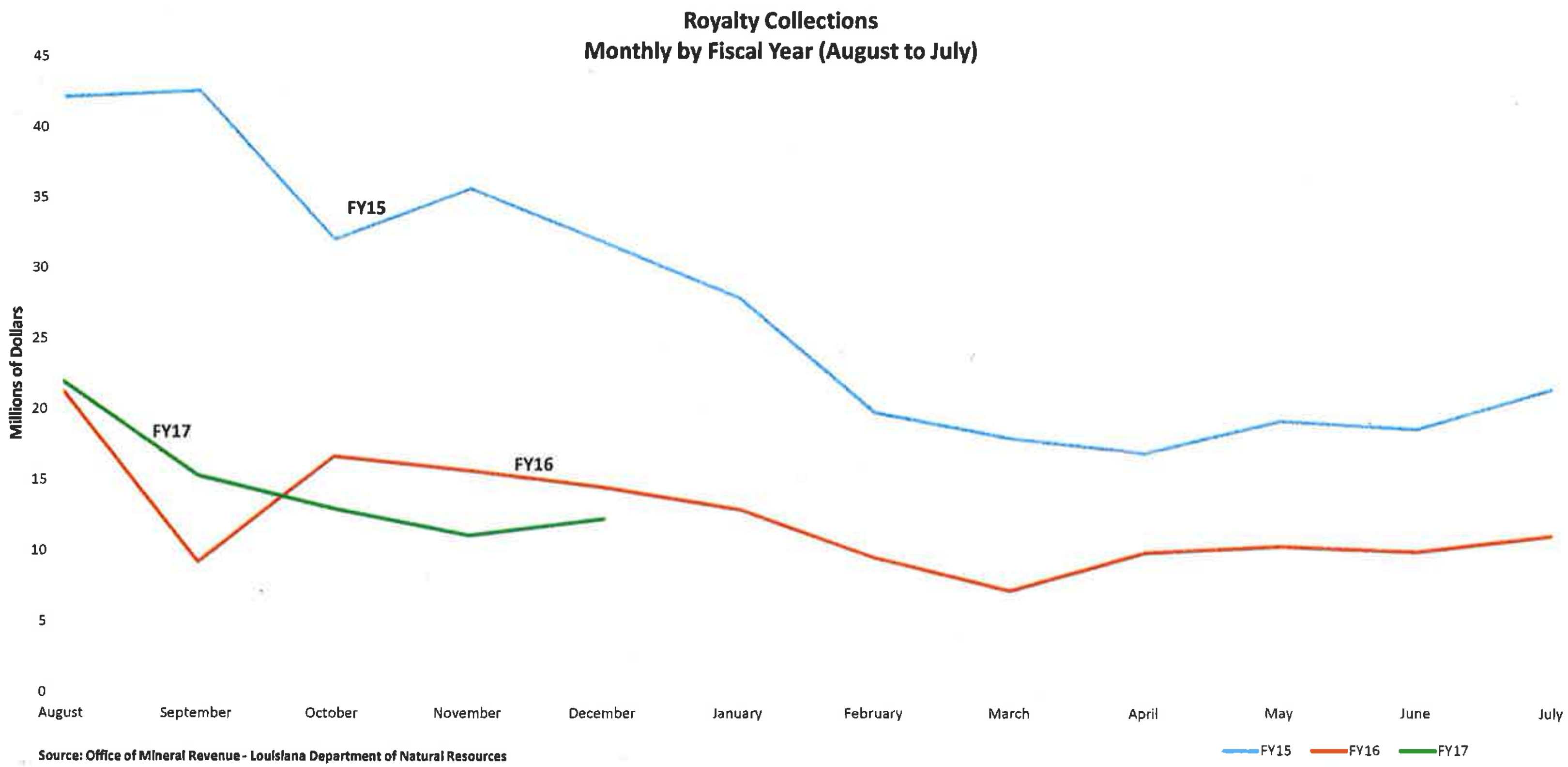
| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| August | 62 | 75 | 73 | 50 | 38 |
| September | 64 | 74 | 76 | 41 | 28 |
| October | 64 | 68 | 75 | 39 | 30 |
| November | 68 | 67 | 70 | 35 | 26 |
| December | 75 | 63 | 74 | 43 | 23 |
| January | 71 | 65 | 59 | 37 | |
| February | 78 | 65 | 52 | 29 | |
| March | 74 | 61 | 45 | 31 | |
| April | 66 | 68 | 40 | 27 | |
| May | 73 | 74 | 39 | 29 | |
| June | 74 | 68 | 45 | 30 | |
| July | 75 | 84 | 51 | 37 | |



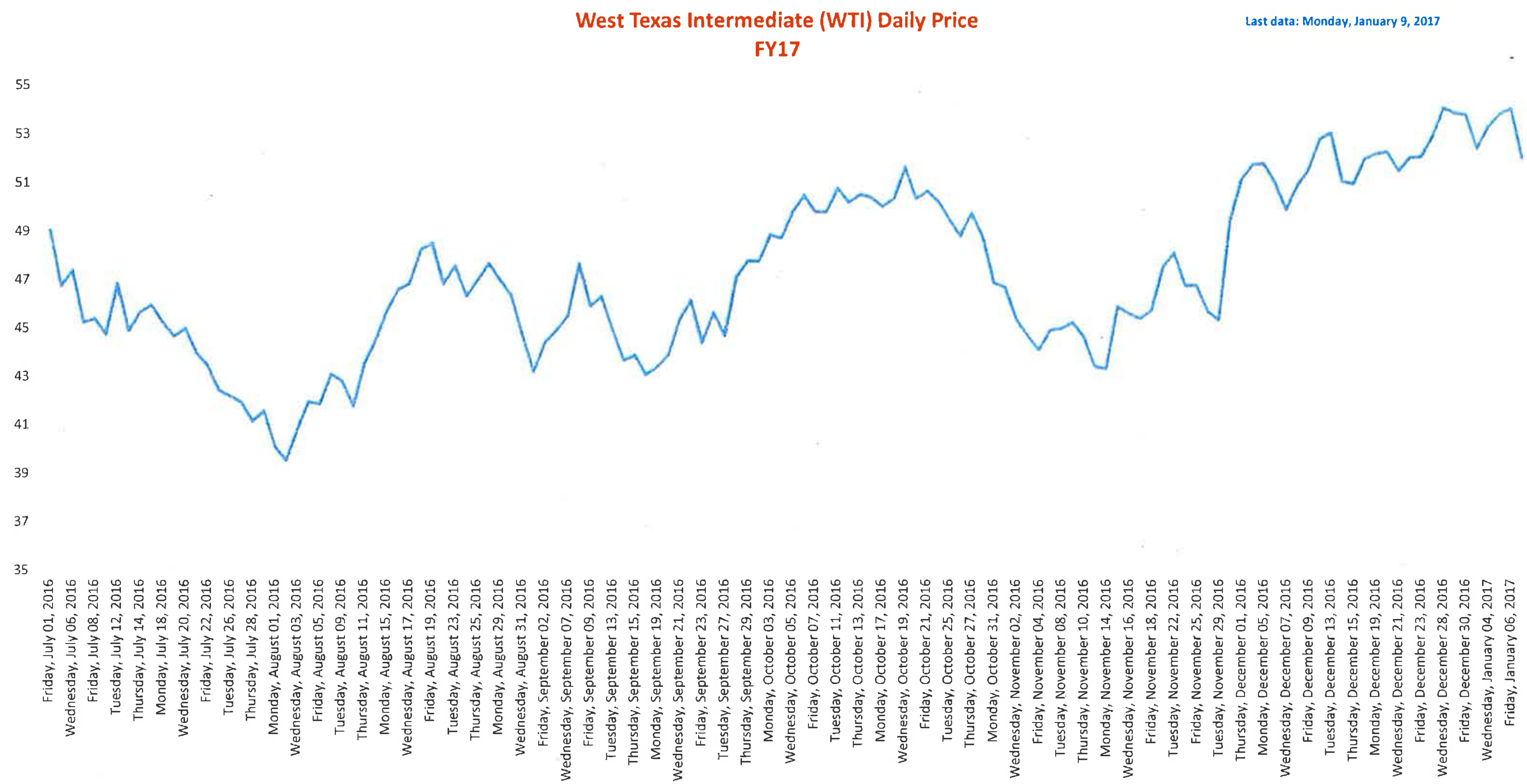

Source: Net Receipts Report - Louisiana Department of Revenue

**ROYALTY MONTHLY CASH COLLECTIONS**
**In millions of dollars**

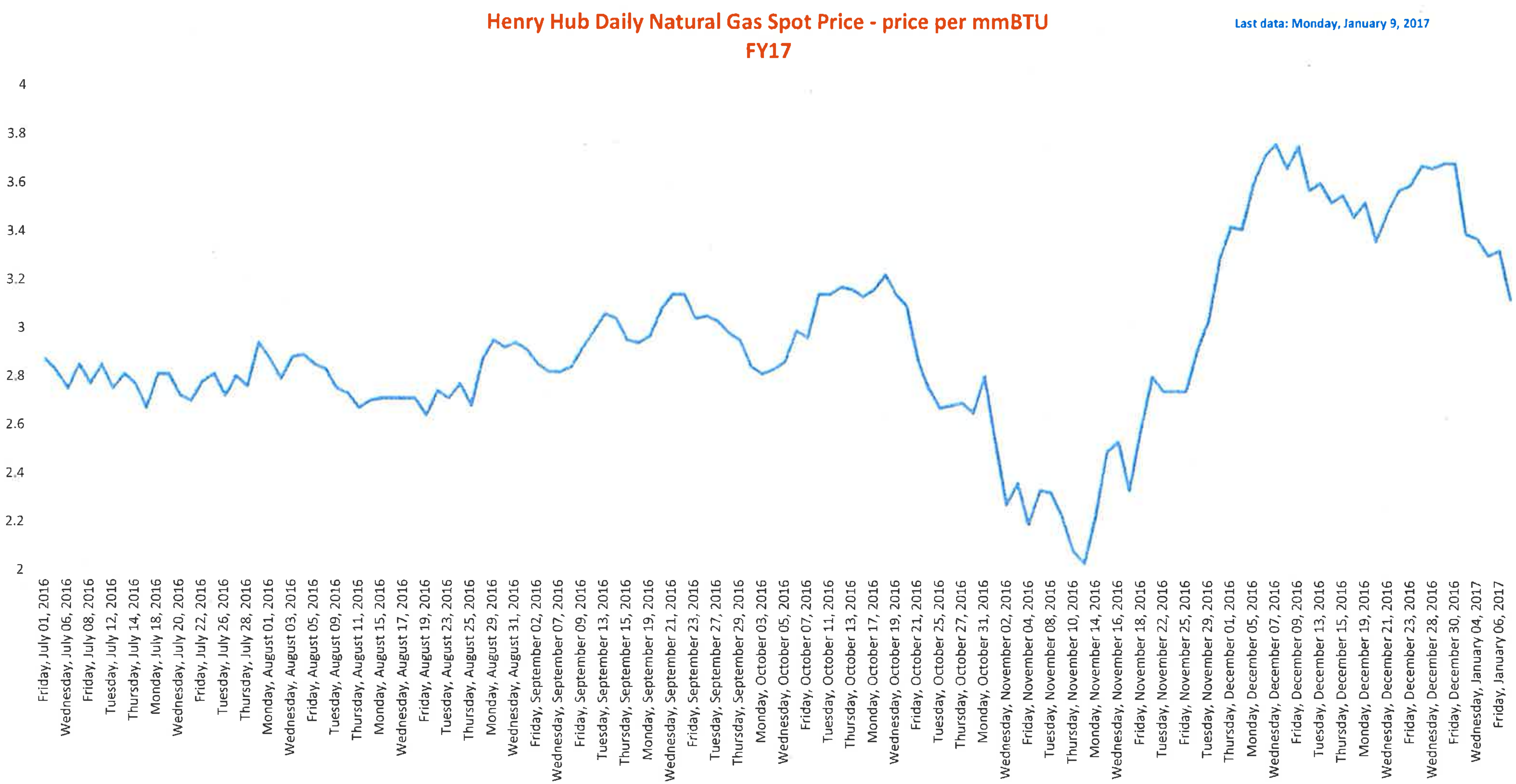
| | FY13 | FY14 | FY15 | FY16 | FY17 |
|---|---|---|---|---|---|
| August | 34 | 41 | 42 | 21 | 22 |
| September | 36 | 44 | 43 | 9 | 15 |
| October | 36 | 44 | 32 | 17 | 13 |
| November | 30 | 44 | 36 | 16 | 11 |
| December | 46 | 37 | 32 | 14 | 12 |
| January | 39 | 34 | 28 | 13 | |
| February | 41 | 37 | 20 | 10 | |
| March | 47 | 32 | 18 | 7 | |
| April | 40 | 38 | 17 | 10 | |
| May | 40 | 42 | 19 | 10 | |
| June | 44 | 38 | 19 | 10 | |
| July | 42 | 34 | 21 | 11 | |

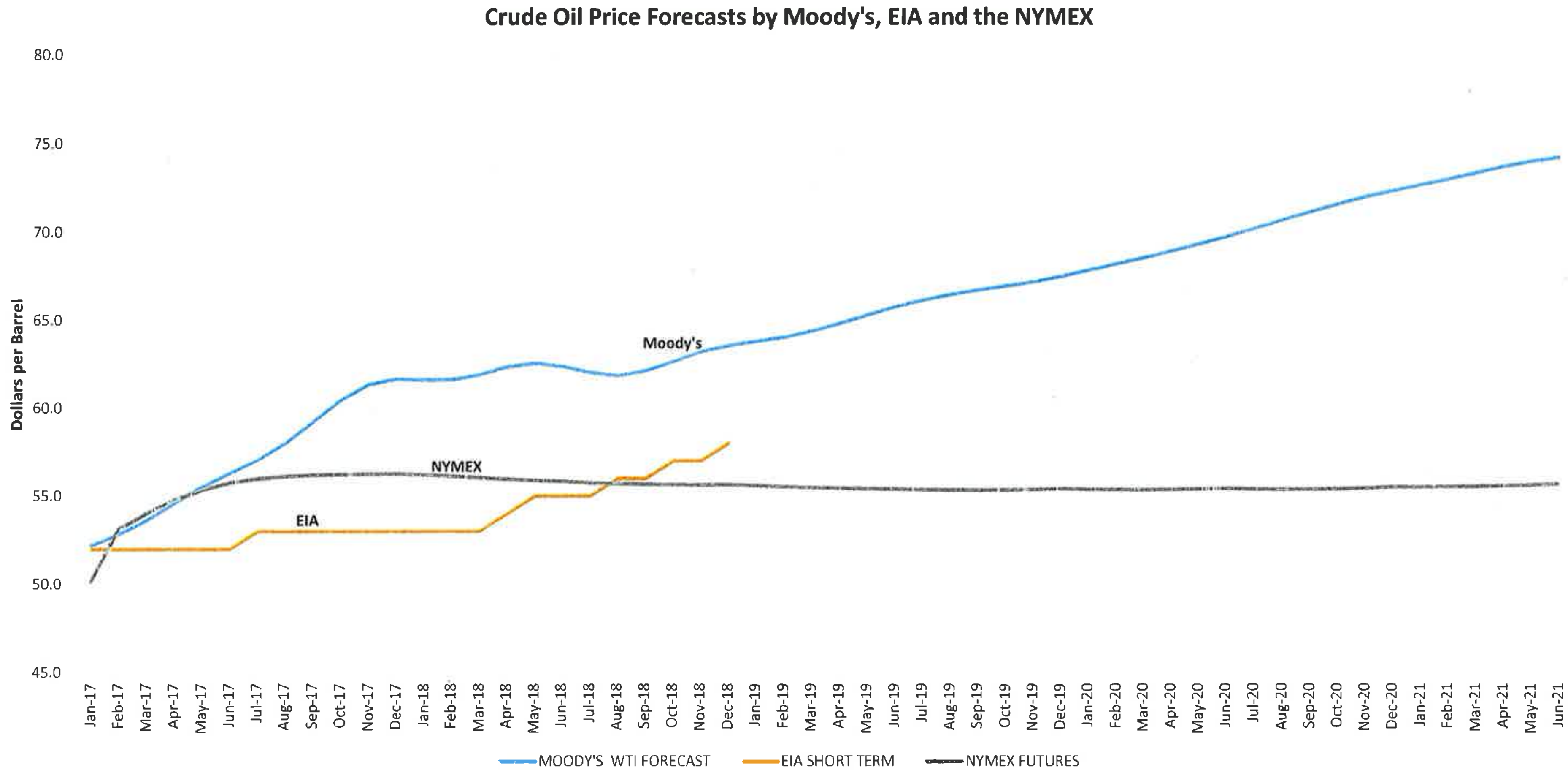



Source: Office of Mineral Revenue - Louisiana Department of Natural Resources




**DAILY AVERAGE FY16:** 41.97
**DAILY AVERAGE FY17:** 47.21

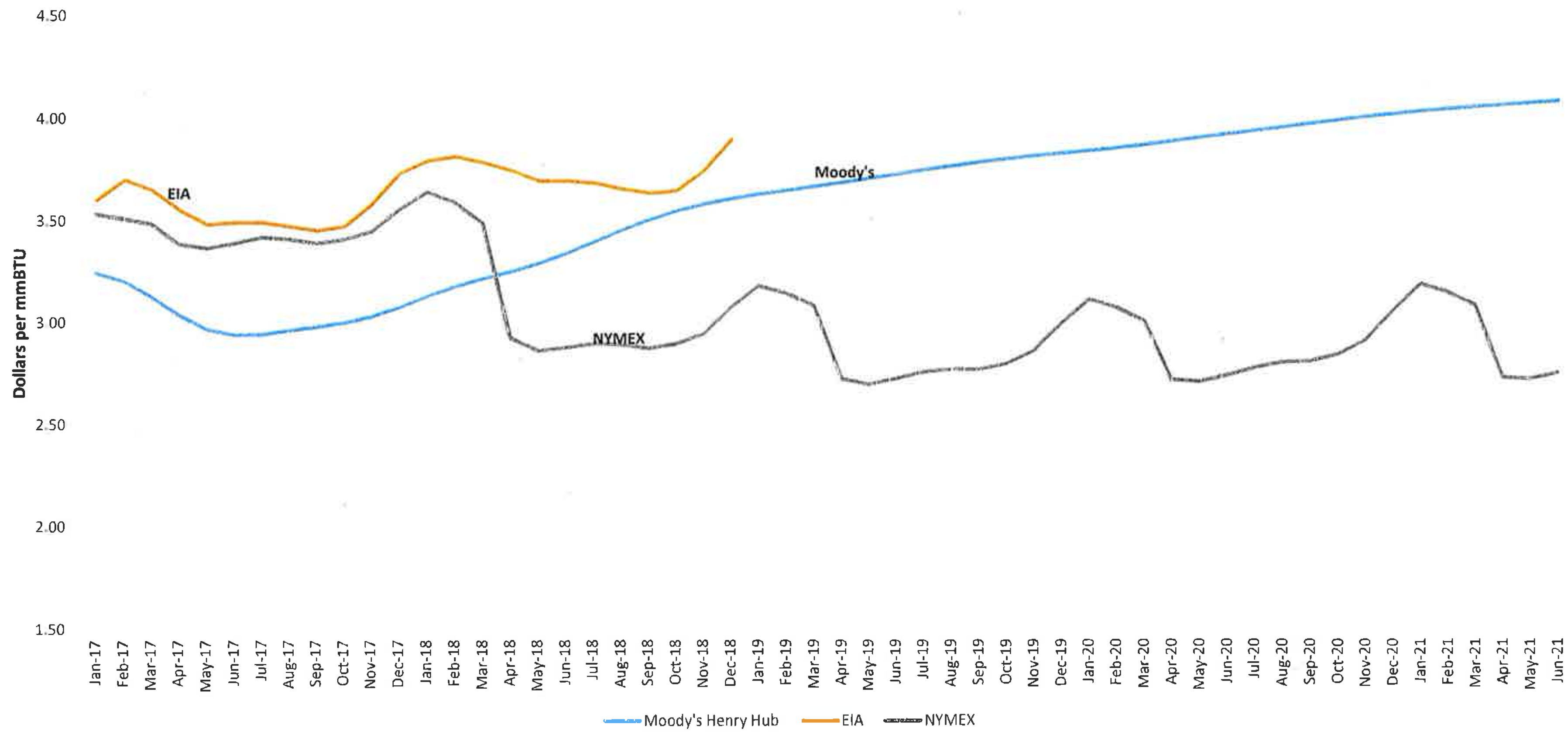

Henry Hub Daily Natural Gas Spot Price - price per mmBTU
FY17
Last data: Monday, January 9, 2017
4
3.8
3.6
3.4
3.2
3
2.8
2.6
2.4
2.2
2
Friday, July 01, 2016
Wednesday, July 06, 2016
Friday, July 08, 2016
Tuesday, July 12, 2016
Thursday, July 14, 2016
Monday, July 18, 2016
Wednesday, July 20, 2016
Friday, July 22, 2016
Tuesday, July 26, 2016
Thursday, July 28, 2016
Monday, August 01, 2016
Wednesday, August 03, 2016
Friday, August 05, 2016
Tuesday, August 09, 2016
Thursday, August 11, 2016
Monday, August 15, 2016
Wednesday, August 17, 2016
Friday, August 19, 2016
Tuesday, August 23, 2016
Thursday, August 25, 2016
Monday, August 29, 2016
Wednesday, August 31, 2016
Friday, September 02, 2016
Wednesday, September 07, 2016
Friday, September 09, 2016
Tuesday, September 13, 2016
Thursday, September 15, 2016
Monday, September 19, 2016
Wednesday, September 21, 2016
Friday, September 23, 2016
Tuesday, September 27, 2016
Thursday, September 29, 2016
Monday, October 03, 2016
Wednesday, October 05, 2016
Friday, October 07, 2016
Tuesday, October 11, 2016
Thursday, October 13, 2016
Monday, October 17, 2016
Wednesday, October 19, 2016
Friday, October 21, 2016
Tuesday, October 25, 2016
Thursday, October 27, 2016
Monday, October 31, 2016
Wednesday, November 02, 2016
Friday, November 04, 2016
Tuesday, November 08, 2016
Thursday, November 10, 2016
Monday, November 14, 2016
Wednesday, November 16, 2016
Friday, November 18, 2016
Tuesday, November 22, 2016
Friday, November 25, 2016
Tuesday, November 29, 2016
Thursday, December 01, 2016
Monday, December 05, 2016
Wednesday, December 07, 2016
Friday, December 09, 2016
Tuesday, December 13, 2016
Thursday, December 15, 2016
Monday, December 19, 2016
Wednesday, December 21, 2016
Friday, December 23, 2016
Wednesday, December 28, 2016
Friday, December 30, 2016
Wednesday, January 04, 2017
Friday, January 06, 2017




**OPB Proposed Oil Price Forecast (dollars per barrel)**

| | |
|---|---|
| **FY17** | **$48.74** |
| **FY18** | **$52.96** |
| **FY19** | **$53.37** |
| **FY20** | **$53.93** |
| **FY21** | **$54.55** |

**Henry Hub Natural Gas Price forecasts by Moody's, EIA and the NYMEX**
**Per million British Thermal Units (mmBTU)**




**OPB Proposed Natural Gas Price Forecast (dollars per mmBTU) and projected Severance Tax Rate**

| | | |
|---|---|---|
| **FY17** | **$3.06** | **$9.8 ¢ (this is the actual rate for FY16)** |
| **FY18** | **$3.26** | **$11.2 ¢** |
| **FY19** | **$3.10** | **$13.0 ¢** |
| **FY20** | **$3.16** | **$12.9 ¢** |
| **FY21** | **$3.26** | **$13.3 ¢** |