



Missouri Budget, Revenue & Tax Credits

September 2012

Missouri Division of Budget and Planning



Missouri Budget, Revenue & Tax Credits

- Budget – with and without tax credits
- Revenue – recent trends and historical comparisons
- Tax Credits – recent trends and comparison to revenue collections
- State comparisons – key programs and tax credits

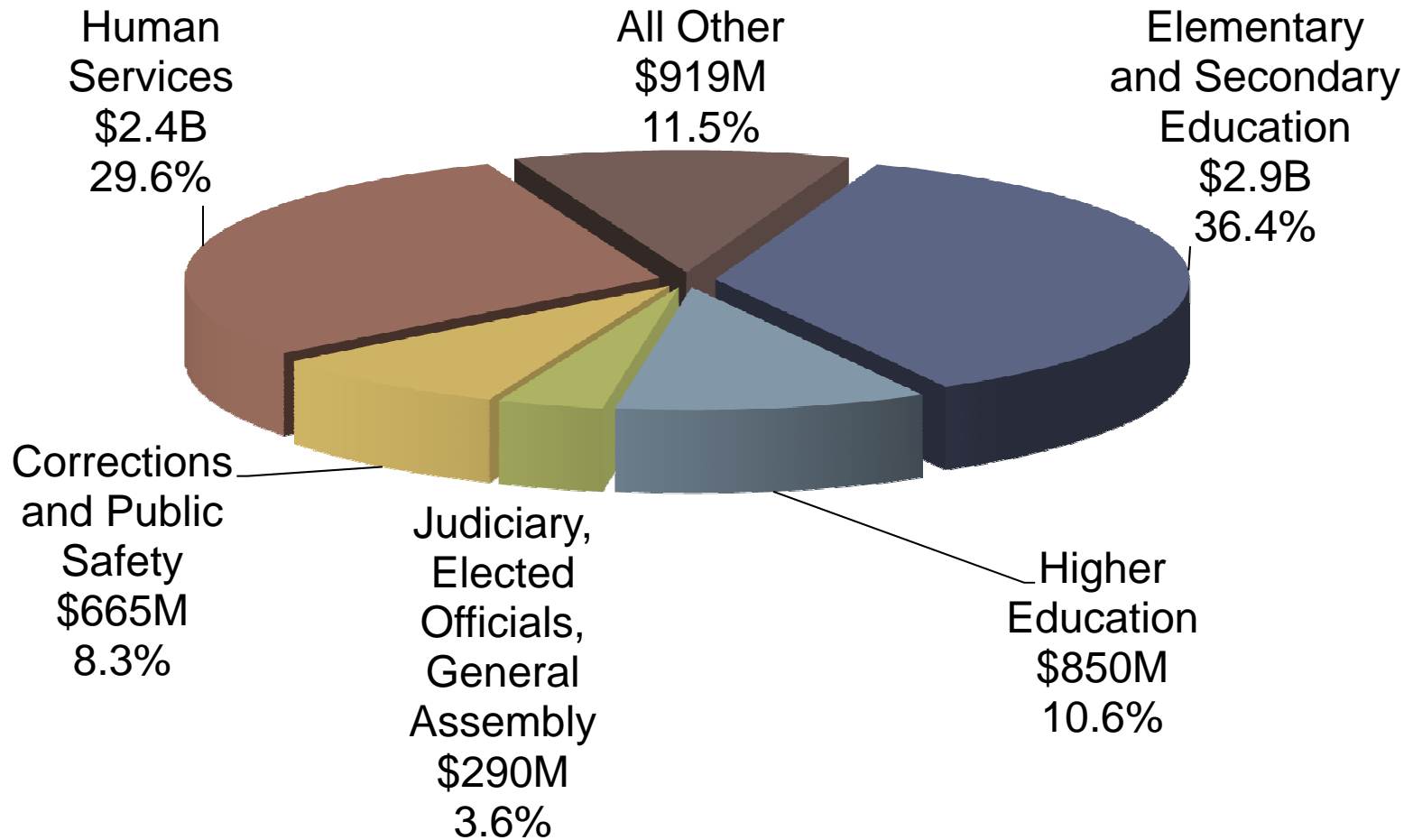


The Budget

- The official spending pie
- Adding in tax credits
- Further comparison of spending

FY 2013 General Revenue Operating Budget

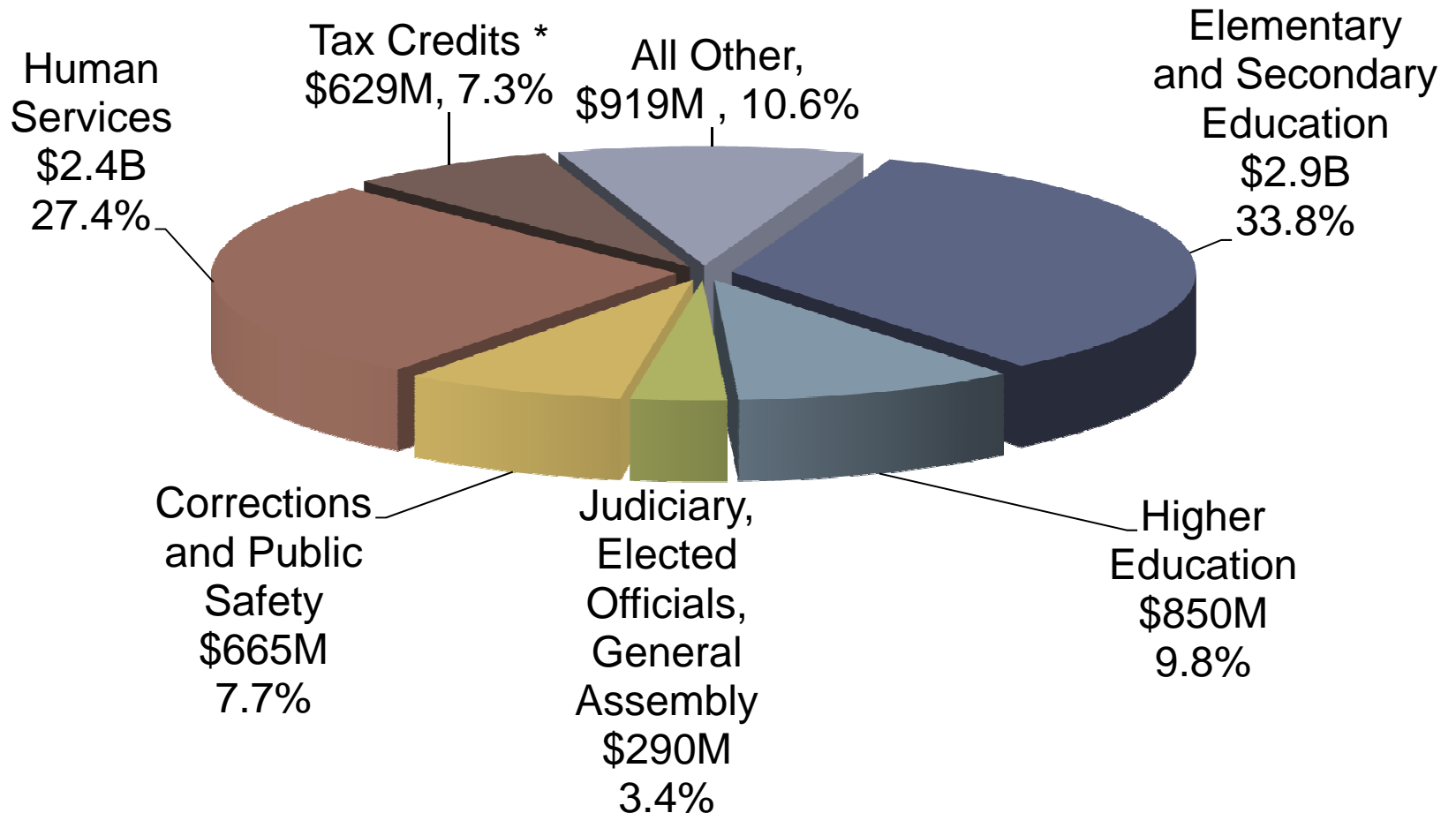
Total Appropriations \$8.01 Billion



What's Missing? Tax Credits.

Add in Tax Credits

Total Expenditures \$8.64 Billion



* Assumes no growth in tax credit redemptions

Tax Credit Redemptions Compared to GR Approps (millions of \$s)

Agency	FY 13 Approp	FY 12 Redm.
Elementary and Secondary Education	2,917.5	
Social Services	1,499.4	
Higher Education	850.4	
Total Tax Credits		629.5
Corrections	602.5	
Mental Health	602.0	
Non-Senior Tax Credits		511.9
Employee Benefits	492.1	
Health	270.8	
Judiciary	170.8	
LIHTC Redemptions		164.2
Historic Redemptions		133.9
Senior Property		117.6
Office of Administration	112.5	
Statewide Leasing & Property Mgmt	112.4	
Revenue	84.9	
Public Safety	62.9	
Elected Officials	49.6	
Public Debt	45.2	
Economic Development	36.6	
Public Defender	36.3	
All Other (Agric, Nat Res, etc)	67.9	

\$ 608.3M

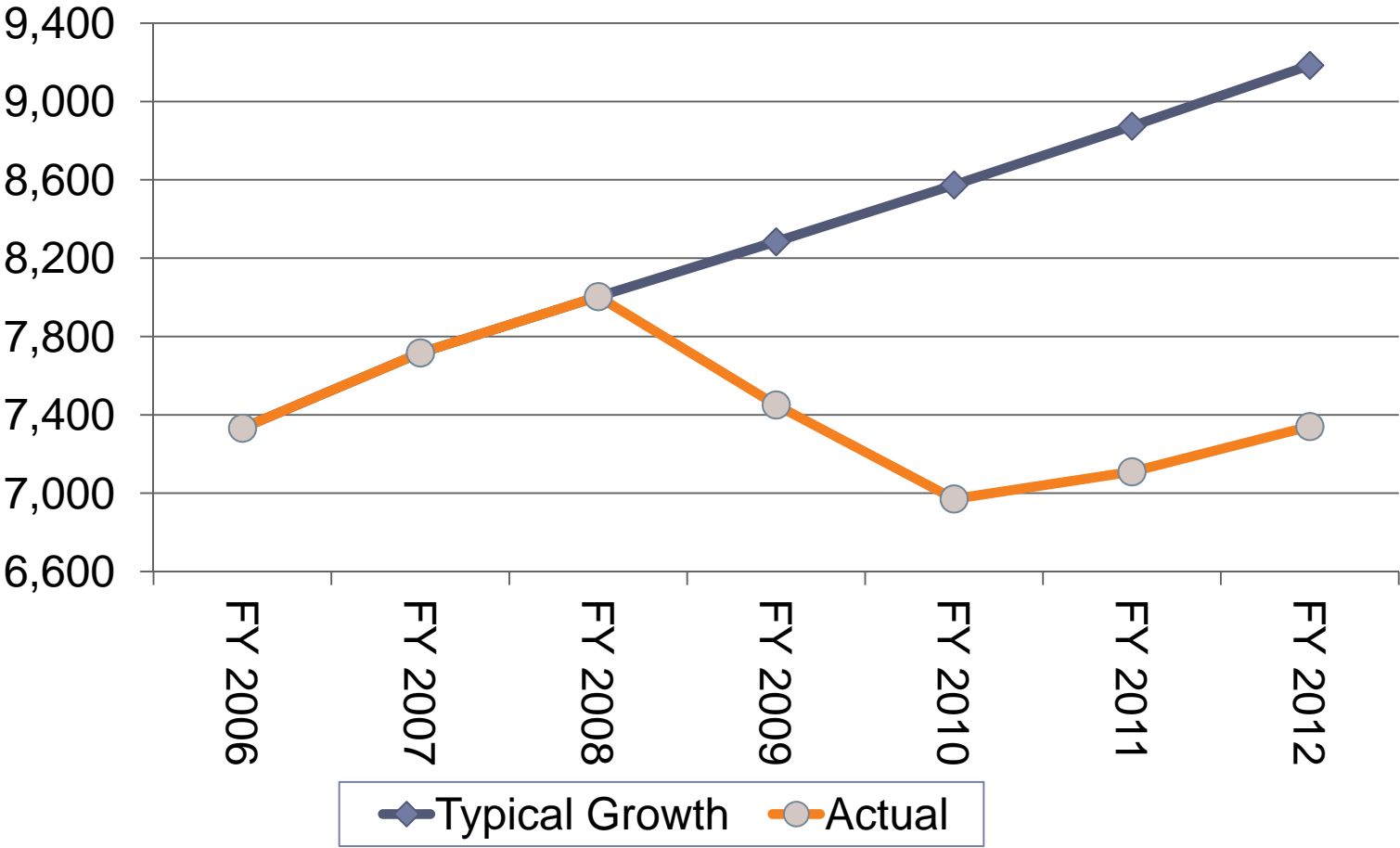
\$140.8M



Revenue

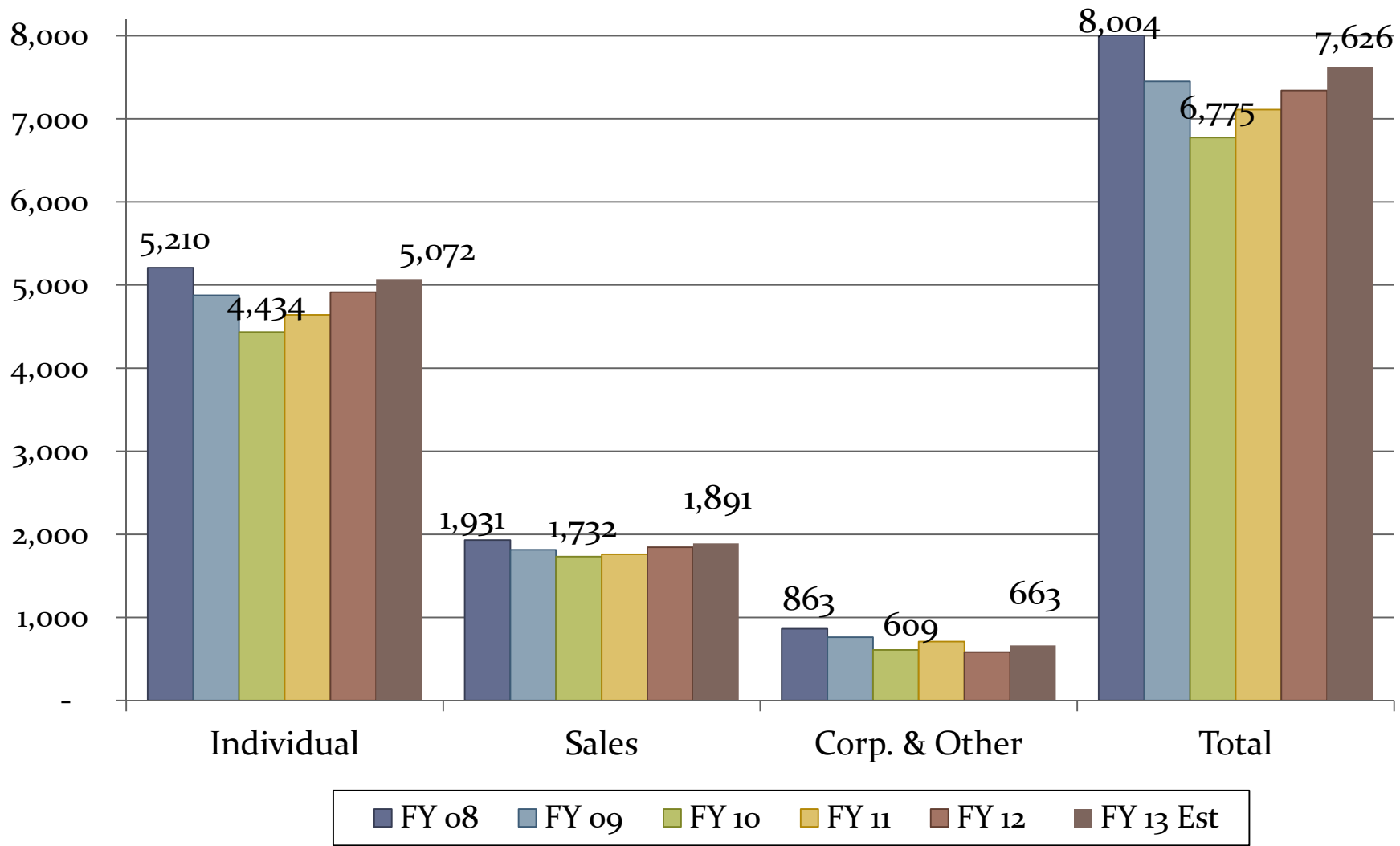
- Recent general revenue collections
- Historical comparisons

MO General Revenue Collections

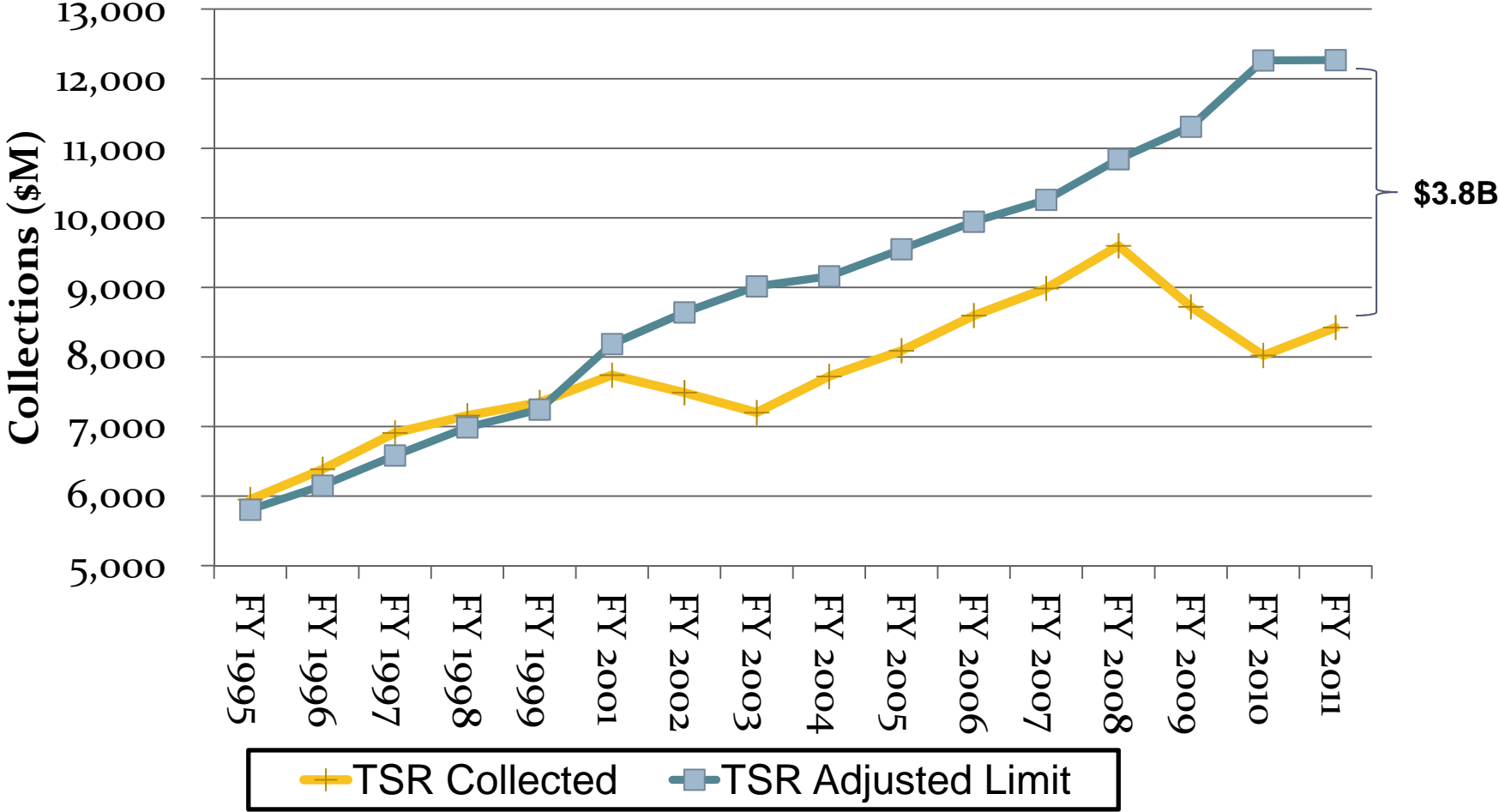


Typical Growth assumes an annual increase of 3.5%

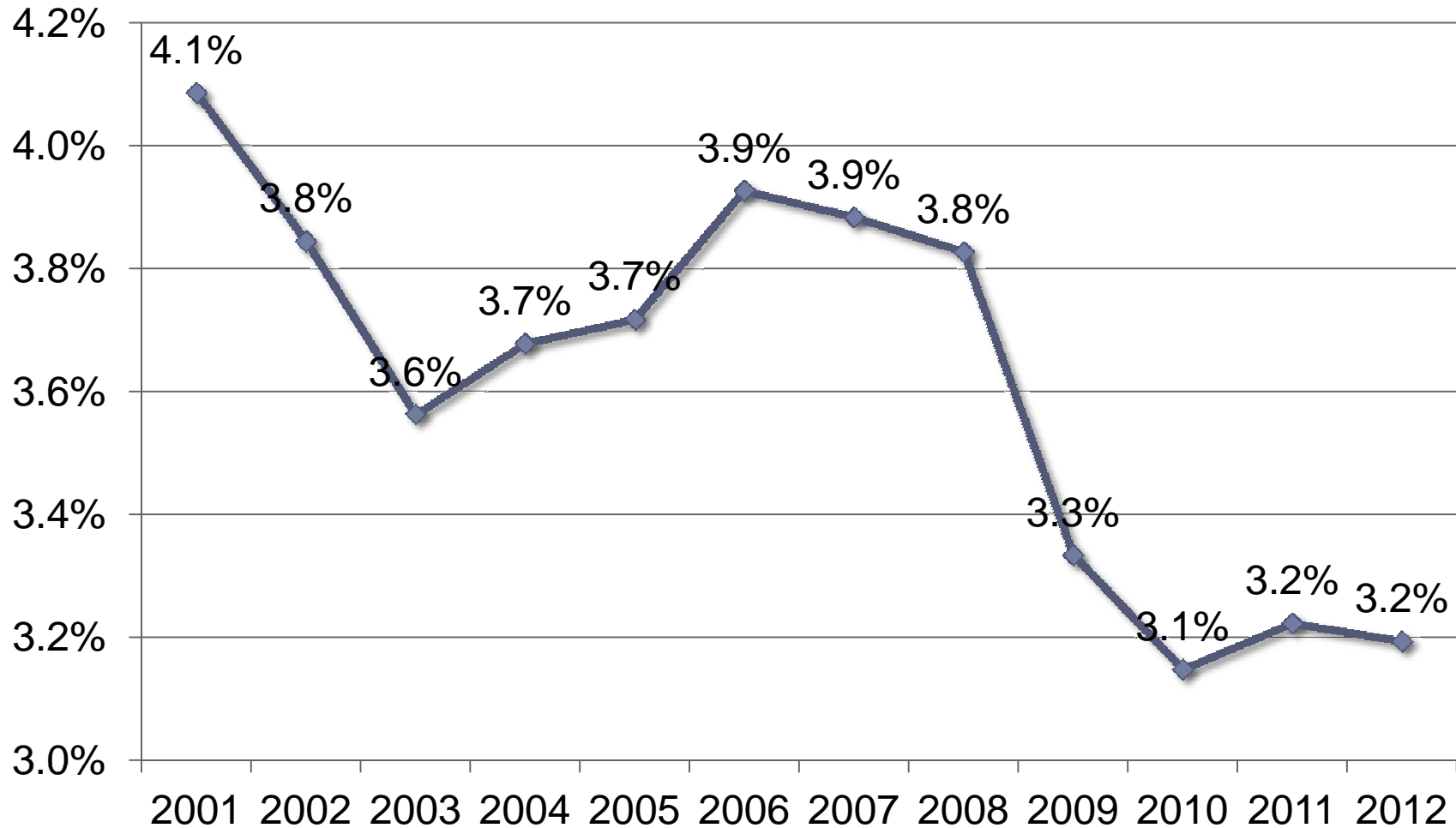
NET GENERAL REVENUE COLLECTIONS (\$s in millions)



The Hancock Gap



General Revenue as % of Personal Income

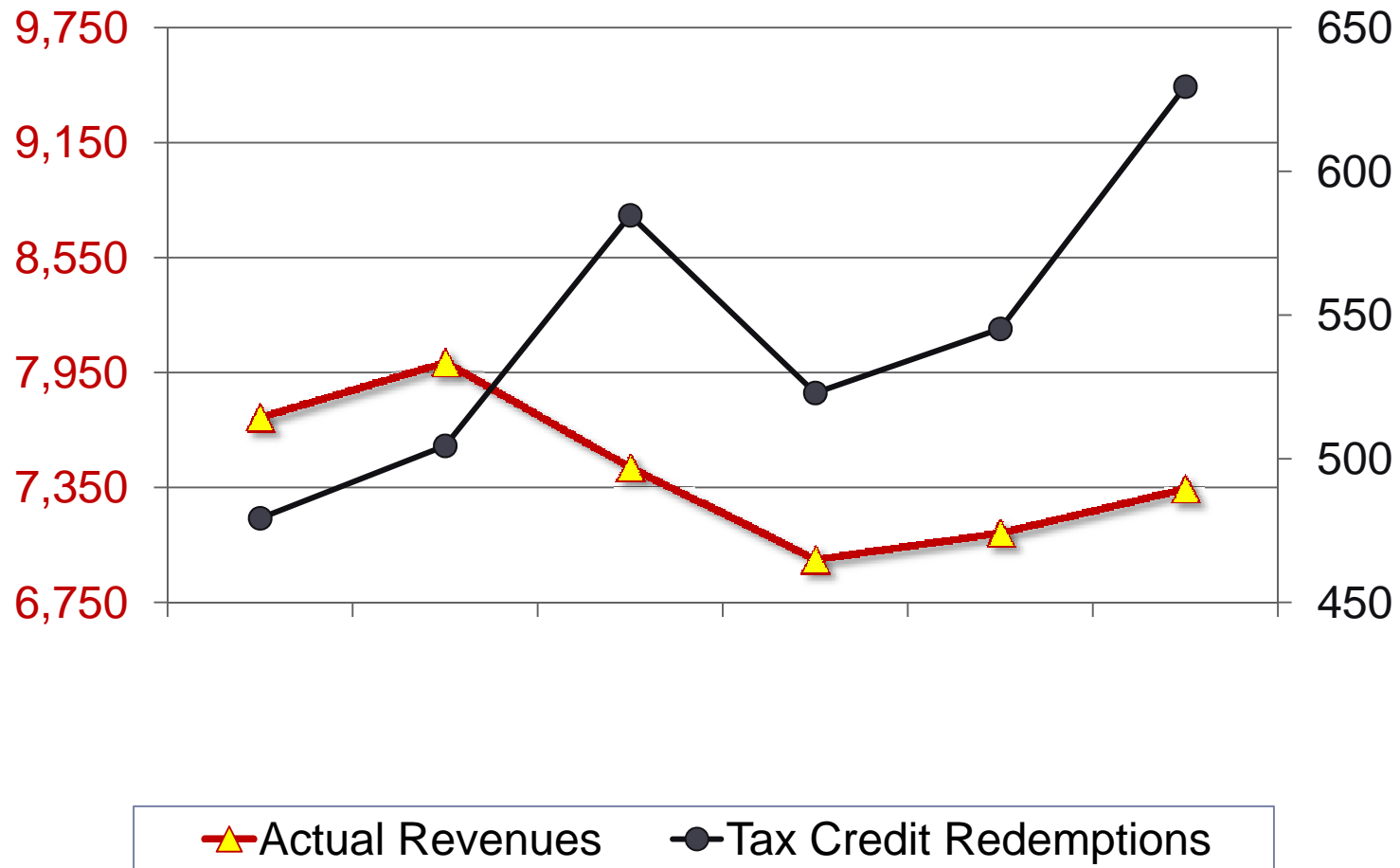




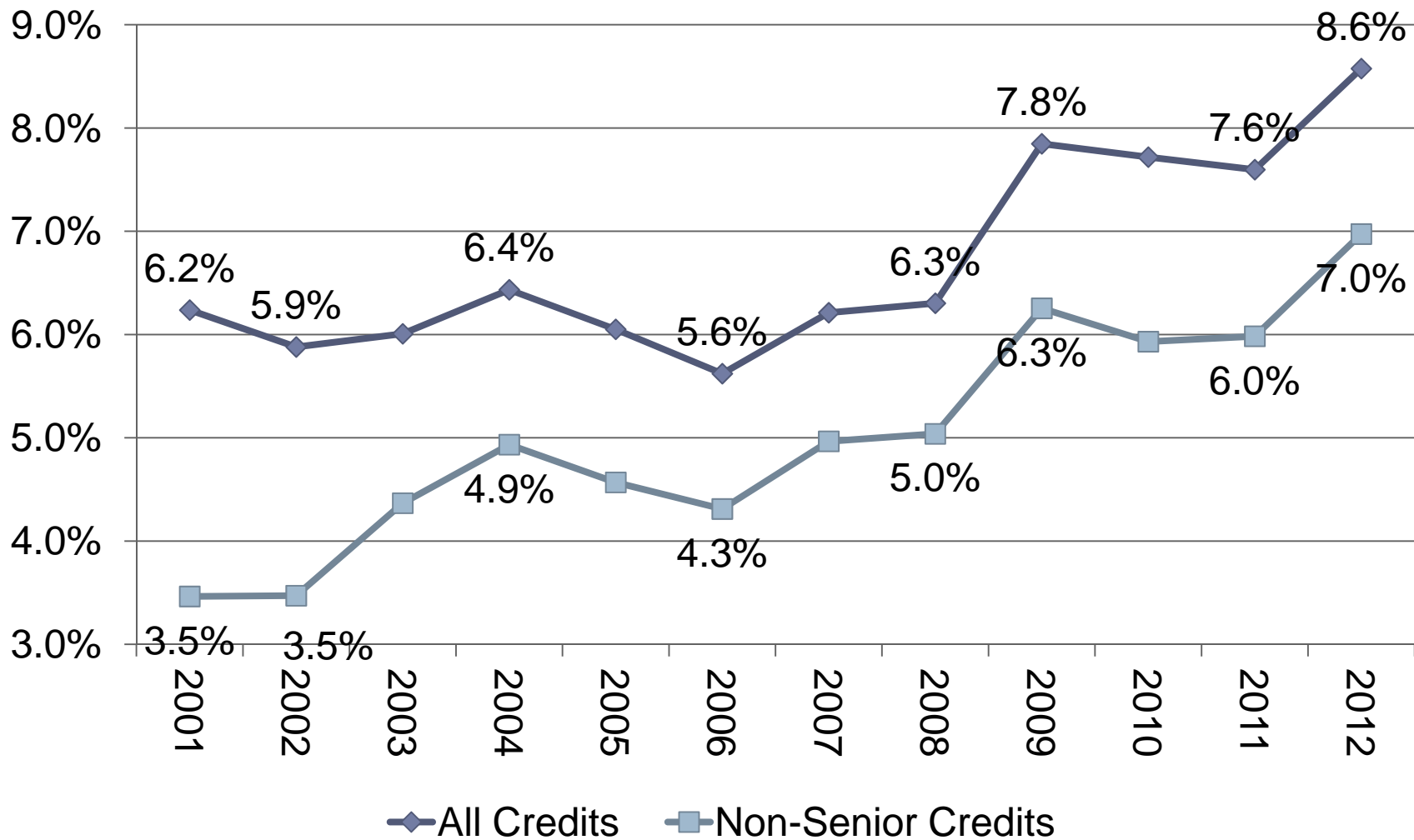
Tax Credits

- Tax credit growth compared to revenue
- Growth in redemptions
- Largest tax credits

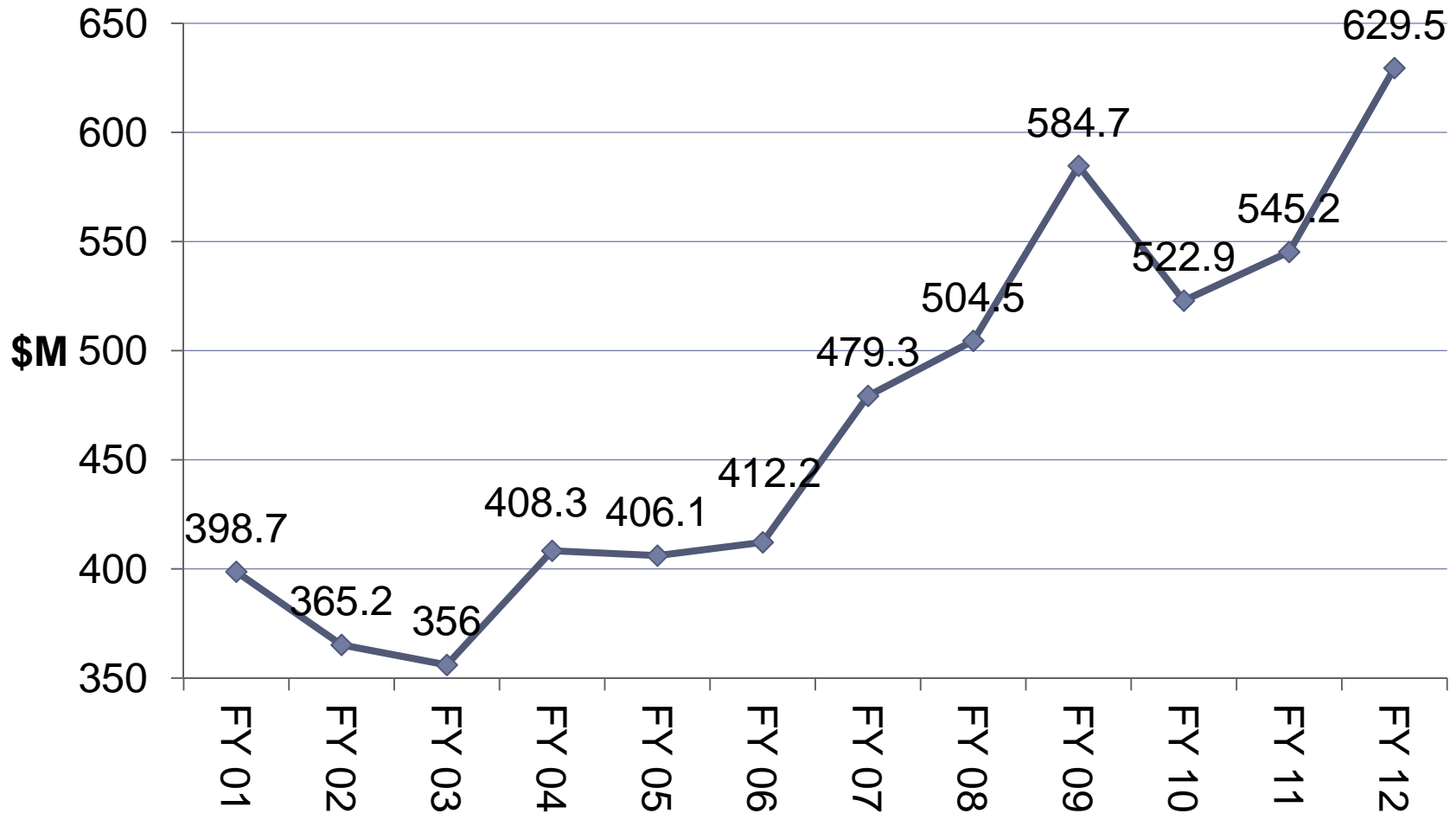
General Revenue Collections & Tax Credit Redemptions



Ratio of Credits to Net GR



Tax Credit Redemptions by Fiscal Year



FY 12 Biggest Program Redemptions

Program	FY12, \$M
Low Income Housing *	164.2
Historic Preservation *	133.9
Property Tax	117.6
Missouri Quality Jobs *	35.4
Infrastructure Development *	33.4
Brownfield Remediation Tax *	17.0
Qualified Equity / New Markets *	15.4
Missouri Health Insurance Pool *	14.3
Neighborhood Assistance	9.8
Distressed Areas Land Assemblage	7.6
Enhanced Enterprise Zone	7.3
BUILD	6.6

- These 12 programs account for 89% of the FY12 redemptions.
- Programs with an “*” were the 7 programs with the biggest growth over FY11



State Comparisons

- Rankings on key comparisons
- Tax credit rankings for the “big two”
- Summary

MISSOURI 2012 RANKING* ON KEY STATS

	MO Rank	MO	US
Per Cap State & Local Govt Expds on K-12	34	\$ 1,652	\$ 1,881
K-12 Expds % of All State & Local Govt Expds	16	24.3%	23.3%
Per Cap State & Local Govt Expds on Higher Ed	42	\$ 627	\$ 763
Higher Ed % of All State & Local Govt Expds	31	9.2%	9.5%
Per Capita State and Local Govt Revenue	47	\$ 5,428	\$ 6,732
State & Local Tax Rev as% of Personal Income	46	8.9%	10.7%
Per Capita State Govt Total Revenue	43	\$ 2,996	\$ 3,666
State Govt Tax Rev as a % of Personal Income	44	4.4%	5.7%

*Morgan Quitno Press State Rankings



Tax Credits – the “Big Two” State Comparisons

- Low Income Housing Tax Credits *
- California #1 at \$516M
- Georgia #2 at \$200M
- Missouri #3 at \$132M
- Massachusetts #4 at \$50M

* Estimated annual state expenditures on low-income housing tax credits from most recent year's estimates of available credits by Novogradac & Co LLP (accounting firm with expertise in low income housing tax credits)



Tax Credits – the “Big Two” State Comparisons

- Historic Tax Credits **
 - Illinois #1 at \$365M
 - Missouri #2 at \$331M
 - Pennsylvania #3 at \$305M

** Rankings by investment in certified projects from National Park Service’s December 2011 report, Appendix D.



MISSOURI STATE RANKING

- Low Income Housing Tax Credits (MO is #3)
- Historic Preservation Tax Credits (MO is #2)
- K-12 Education (Mo is #34)
- Higher Education (Mo is #42)