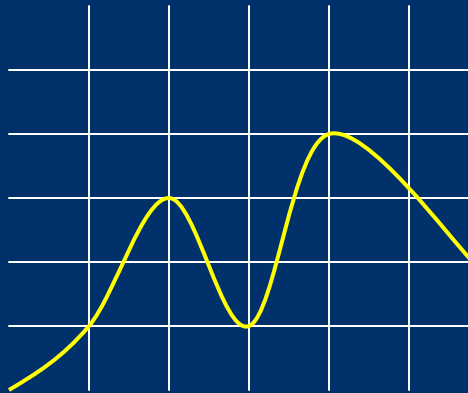


WYOMING'S FISCAL PICTURE

Are We in Focus?



Wyoming Taxpayer's Association
Annual Meeting 2007
October 10, 2007

Presented by Buck McVeigh, EAD Administrator

Quick Facts

→ 2006:

- population highest ever: 515,004 (1.2%).
- job growth: 12,800; 4.9% (2nd in U.S.), mining 17%.
- per capita income up 9.0% (2nd in U.S.) to \$40,676.
- consumer spending up 10%.
- state revenue outpacing forecast levels.
- Inflation outpacing U.S. 4.4% vs. 2.5% .

→ 2Q2007:

- job growth rate: 3.4%, mining sector 4%.
- income growth rate: 5.0%.
- consumer spending: not much change.
- mineral revenue: decline.
- Inflation outpacing U.S. 4.7% vs. 2.7% .

Why is mineral production important to Wyoming?

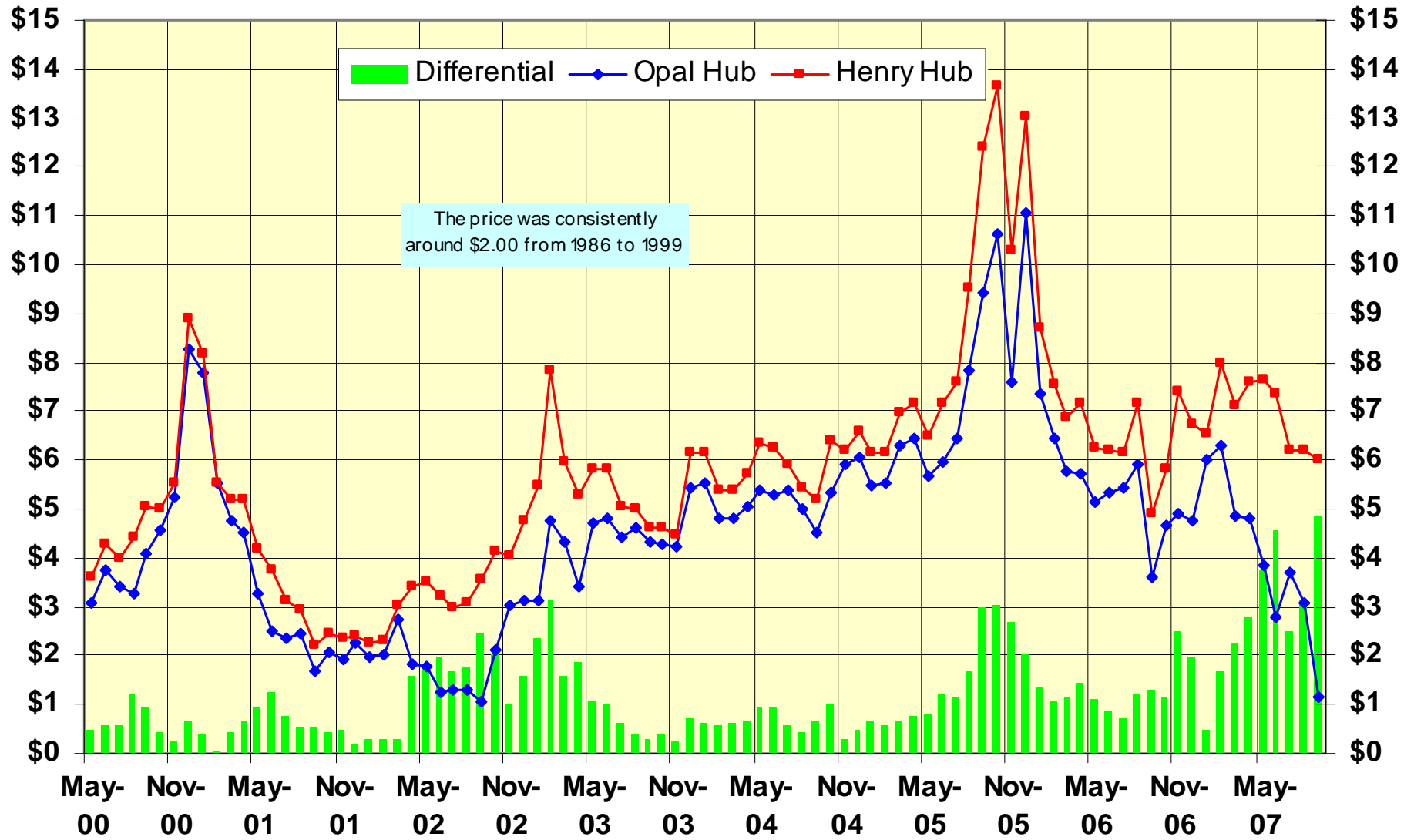
- Mineral income currently makes up close to two-thirds of State's total revenue.
- Mineral income is obtained from:
 - Severance taxes (FY07 = \$852 million; -17% from FY06).
 - Federal mineral royalties (FY07 = \$757 million; -12% from FY06).
 - Mineral property taxes (FY07 = \$1+ billion; +% FY06).
 - Coal lease bonuses (FY07 = \$170 million; -18% from FY06).
 - Sales and use taxes (FY07 = \$179 million; +34% from FY06).

Energy Price Sensitivity

- Crude Oil → [\$1.00 per bbl. change]
± \$6 million revenue change.
- Coal → [\$0.25 per ton price change]
± \$14 million revenue change.
- Natural Gas → [\$0.10 per mcf change]
± \$23 million revenue change.

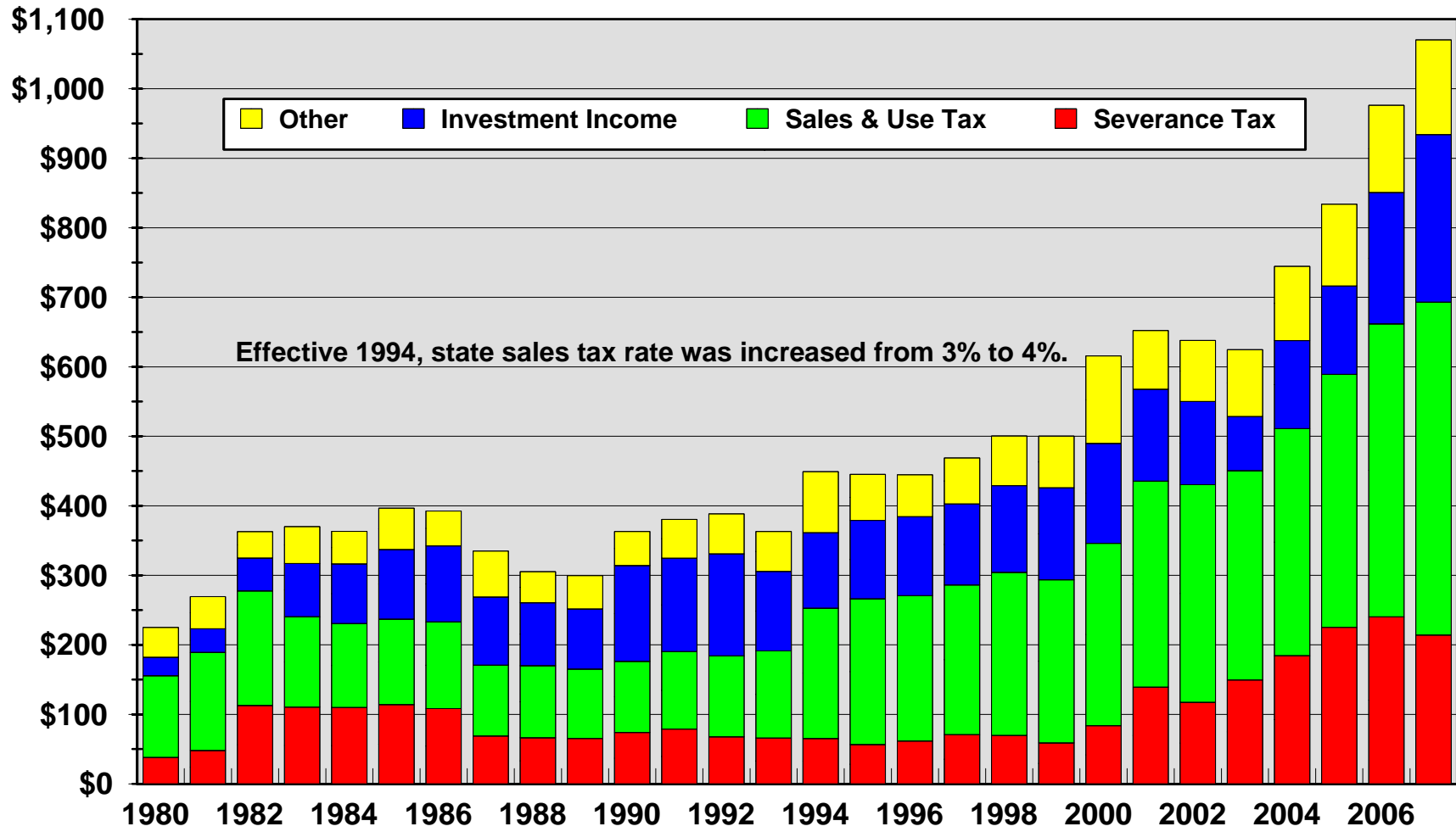
Note: revenue sources include severance taxes, federal mineral royalties, and the school foundation portion of ad valorem taxes (based on FY06 projections). Source: January 2007 CREG Forecast and Legislative Services Office.

Natural Gas Price (\$/mcf): May 2000 - Sept 2007



General Fund Revenue: FY 1980 - FY 2007

(in millions of current dollars)

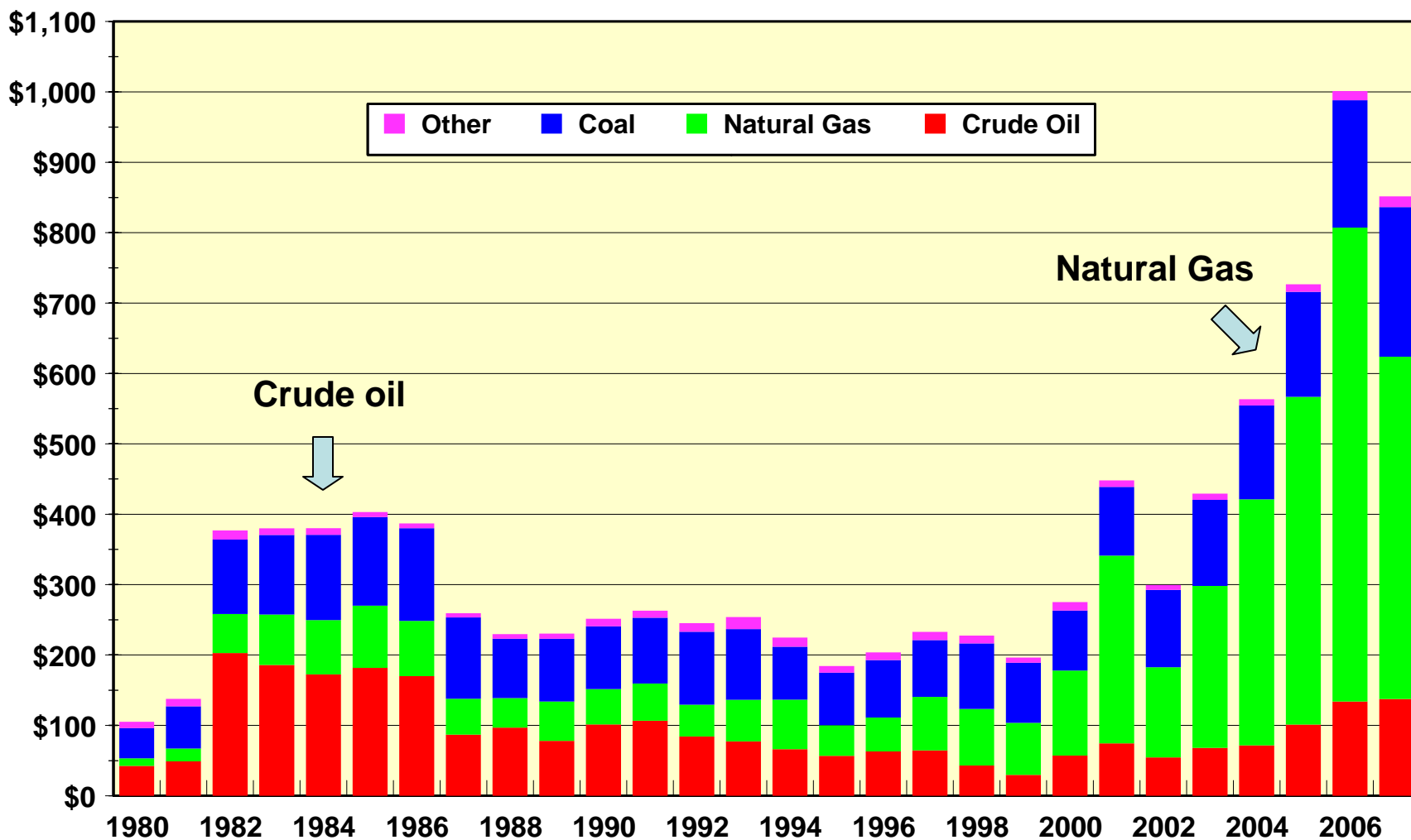


PWMTF = Permanent Wyoming Mineral Trust Fund

Wyoming Economic Analysis Division

Mineral Severance Taxes: FY1980 - FY2007

(in millions of current dollars)

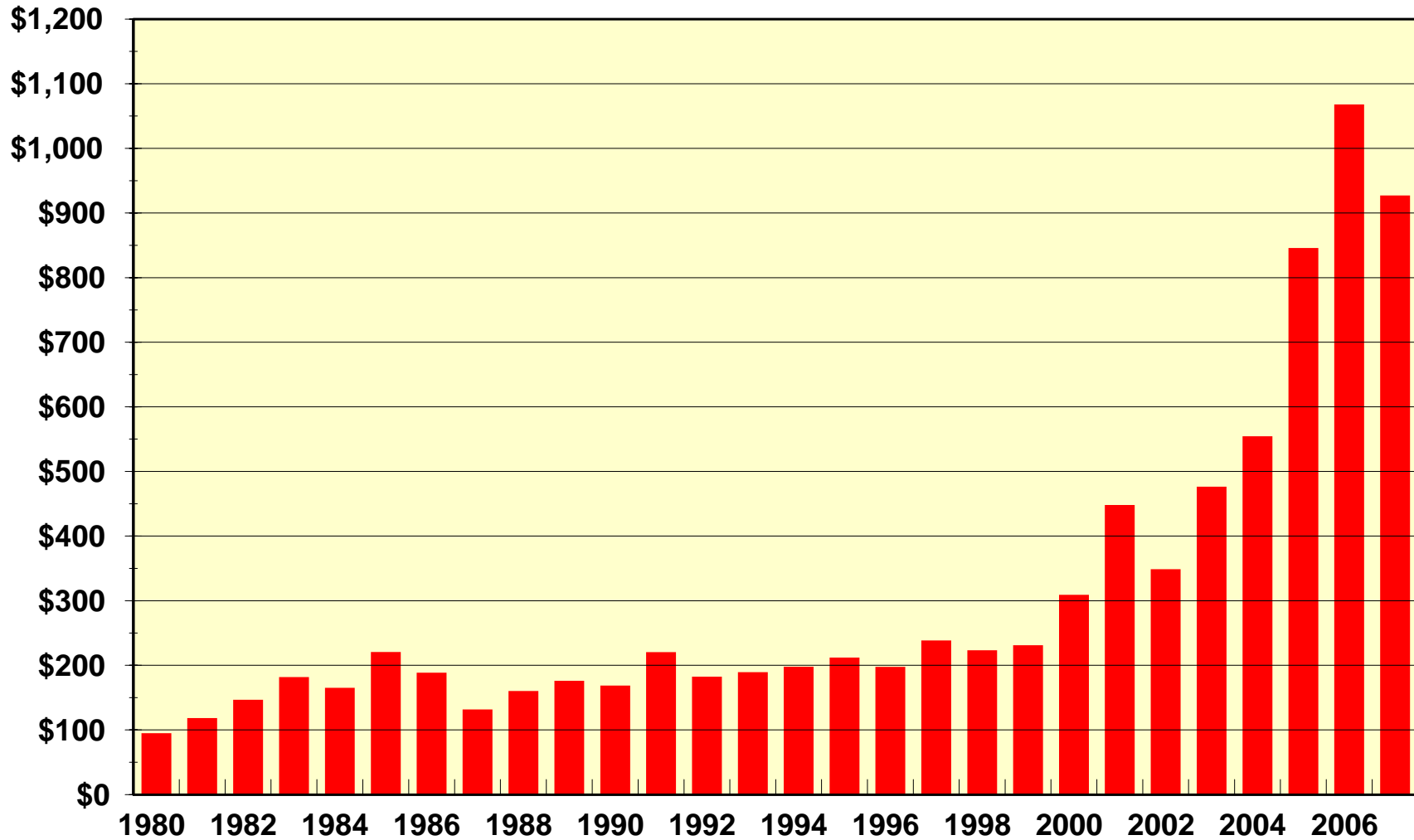


Source: Wyoming CREG

Prepared by Wyoming Economic Analysis Division

Federal Mineral Royalties: FY 1980 - FY 2007

(in millions of current dollars)

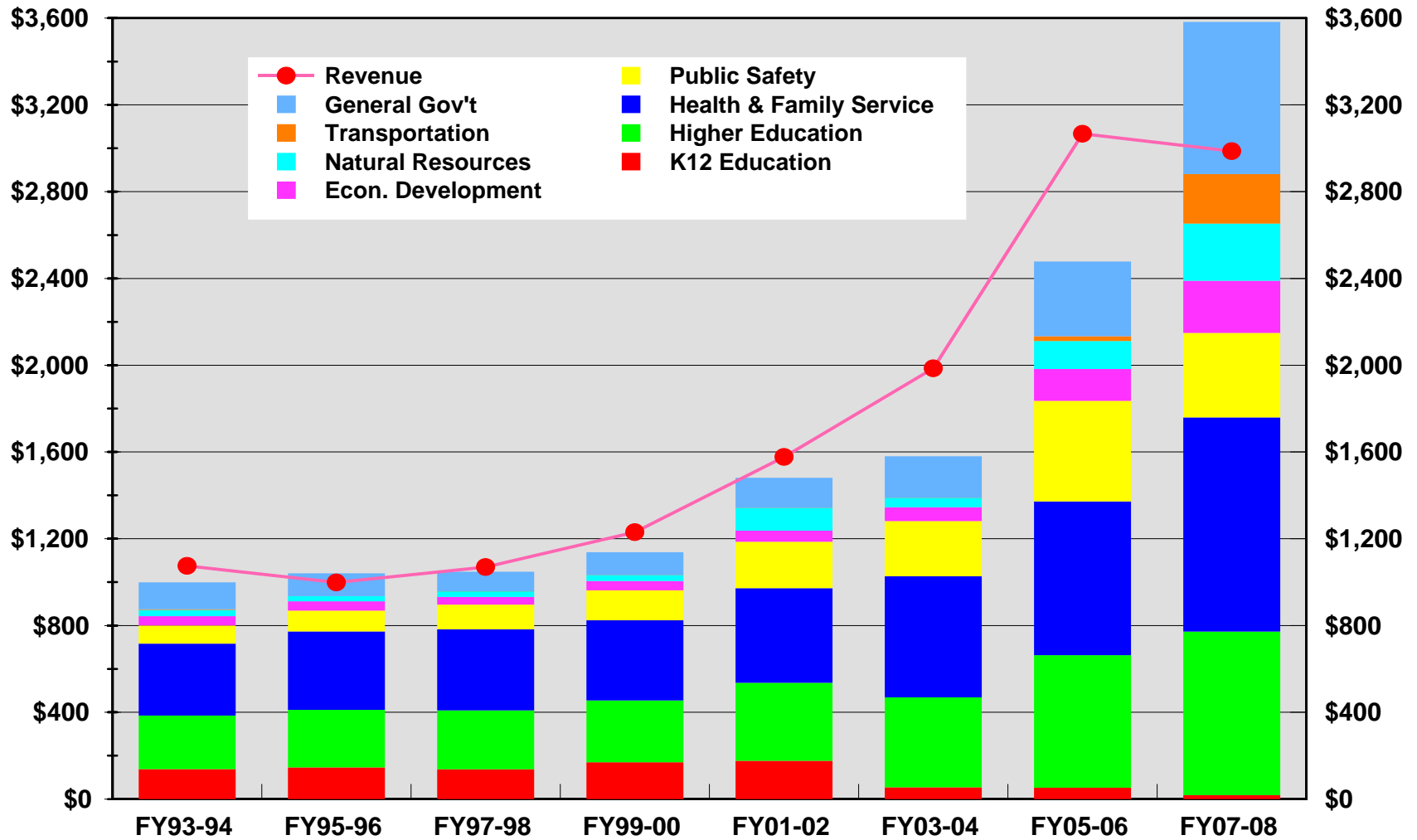


Source: Wyoming CREG

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Appropriations from General Fund and Other Reserve Accounts

(in millions of current dollars)

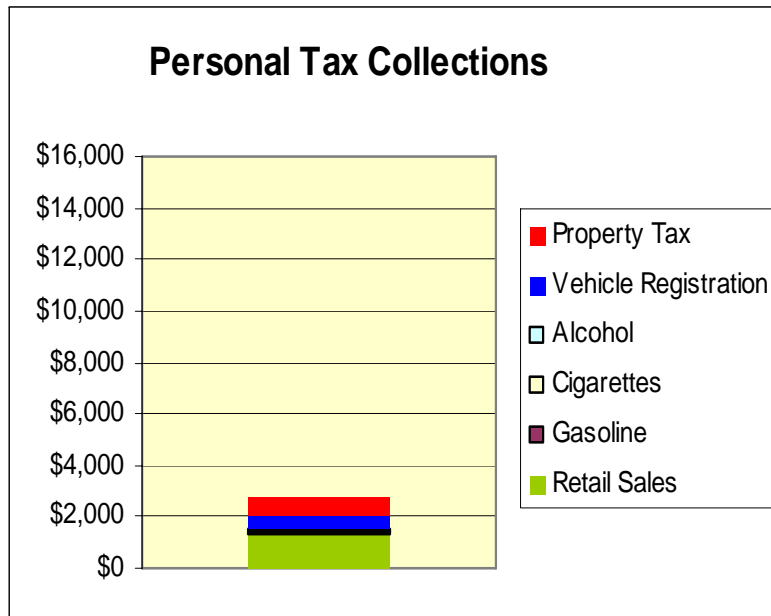


Source: LSO (through 2007 Budget Session)

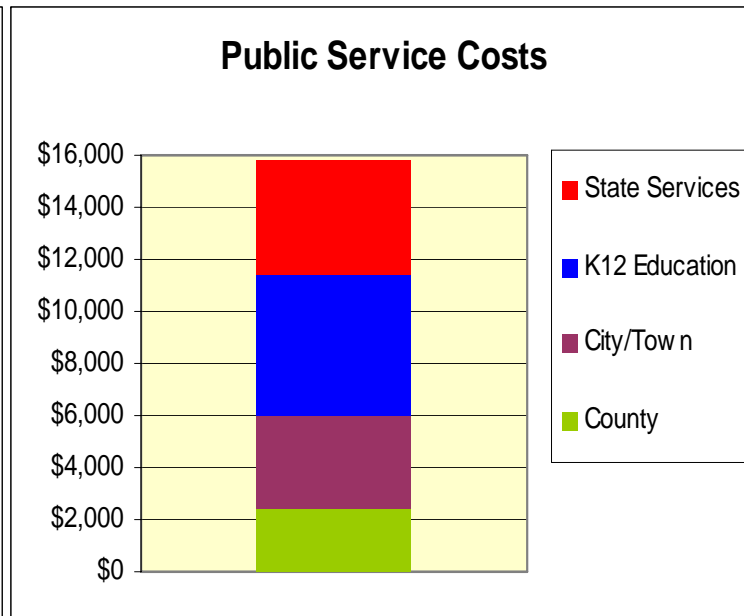
Prepared by Wyoming Economic Analysis Division

Direct Tax Collections and Public Service Costs: 2001

(For a 4-person family with income of \$40,000 and owning home valued at \$100,000)



Retail Sales	\$1,320
Gasoline	\$126
Cigarettes	\$85
Alcohol	\$1
Vehicle Registration	\$475
Property Tax	\$750
TOTAL:	\$2,757

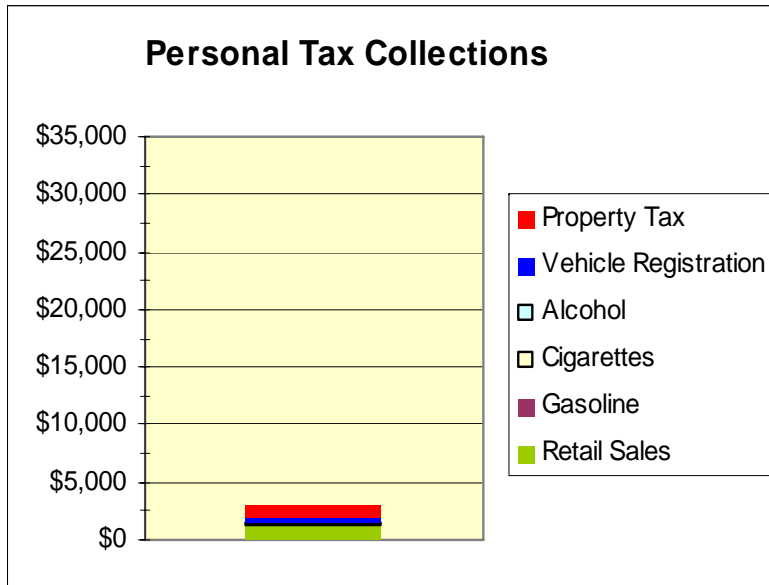


County	\$2,400
City/Town	\$3,600
K12 Education	\$5,360
State Services	\$4,440
TOTAL:	\$15,800

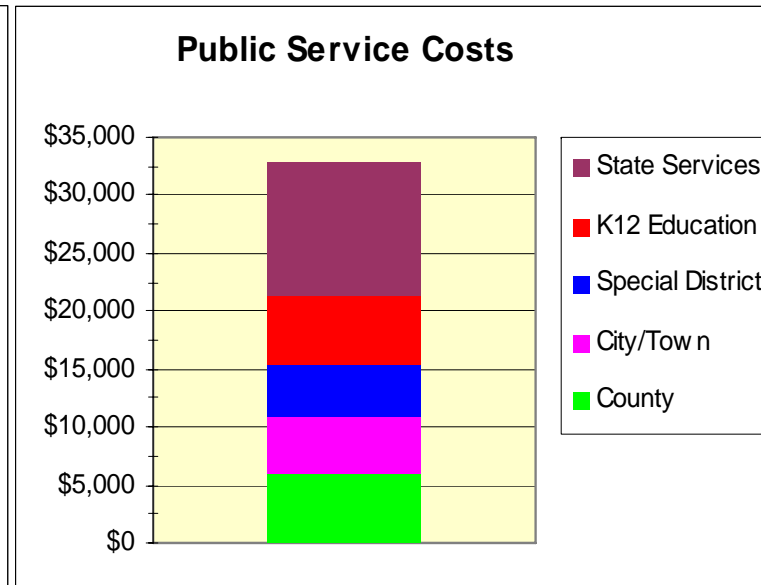
Prepared by Wyoming Economic Analysis Division

Direct Tax Collections and Public Service Costs: 2006

For a 4-person family with income of \$50,000 and owning home valued at \$150,000



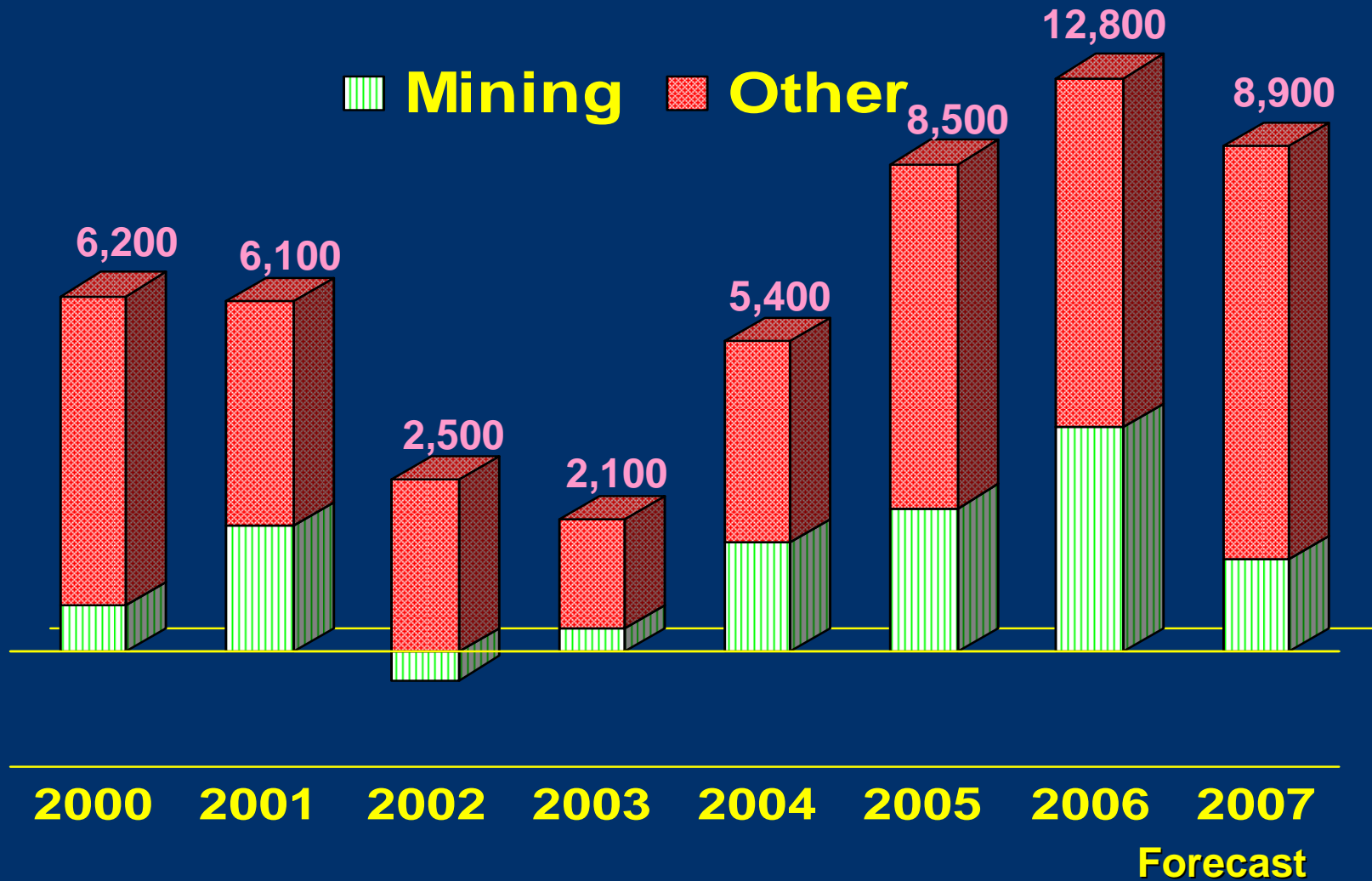
Retail Sales	\$1,400
Gasoline	\$160
Cigarettes	\$160
Alcohol	\$10
Vehicle Registration	\$500
Property Tax	\$1,100
TOTAL:	\$3,330



County	\$6,040
City/Town	\$4,880
Special District	\$4,480
K12 Education	\$5,890
State Services	\$11,670
TOTAL:	\$32,960

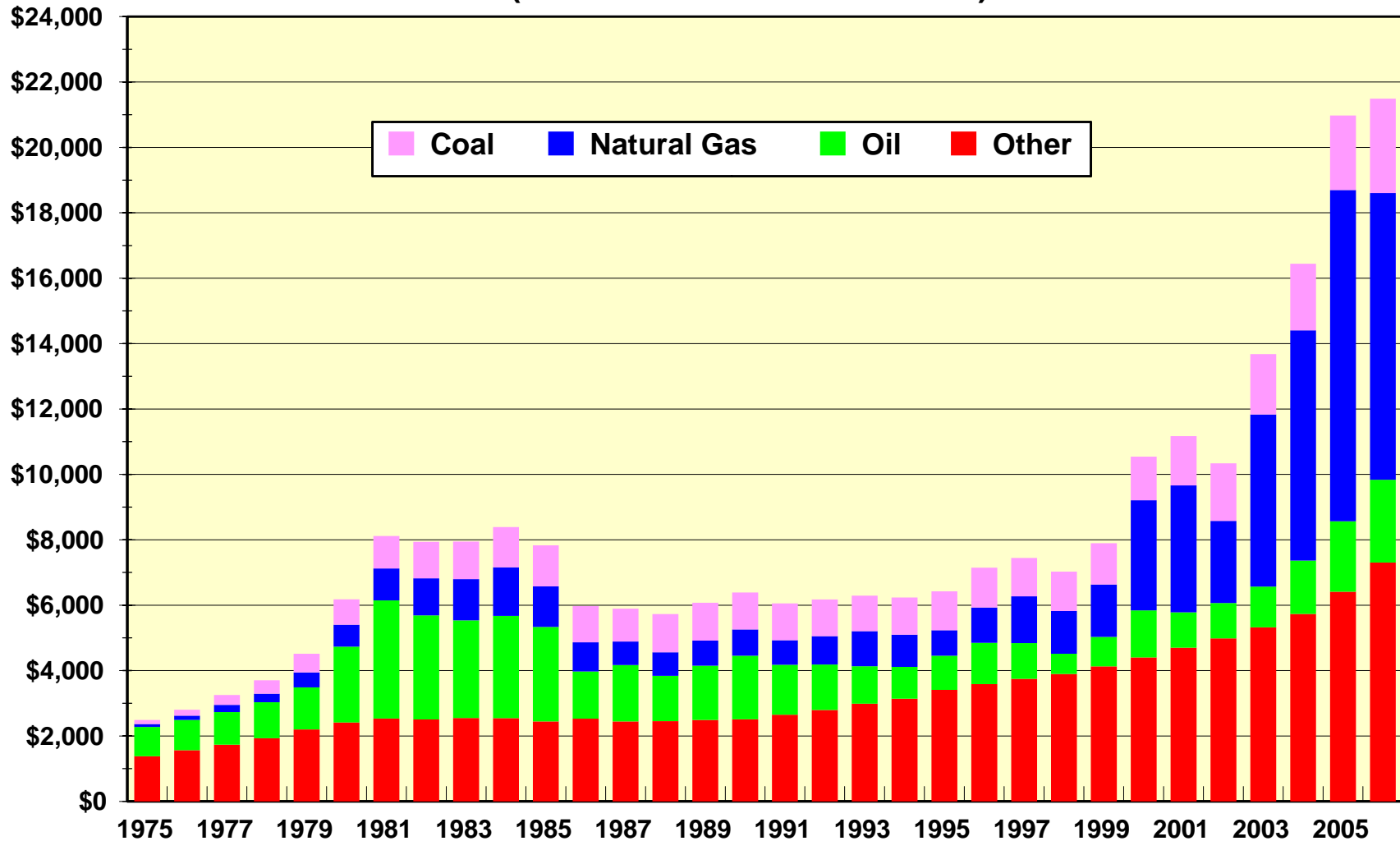
Prepared by Wyoming Economic Analysis Division

Wyoming Job Growth Outlook: 12,800 New Jobs in 2006



Total Locally and State Assessed Valuation

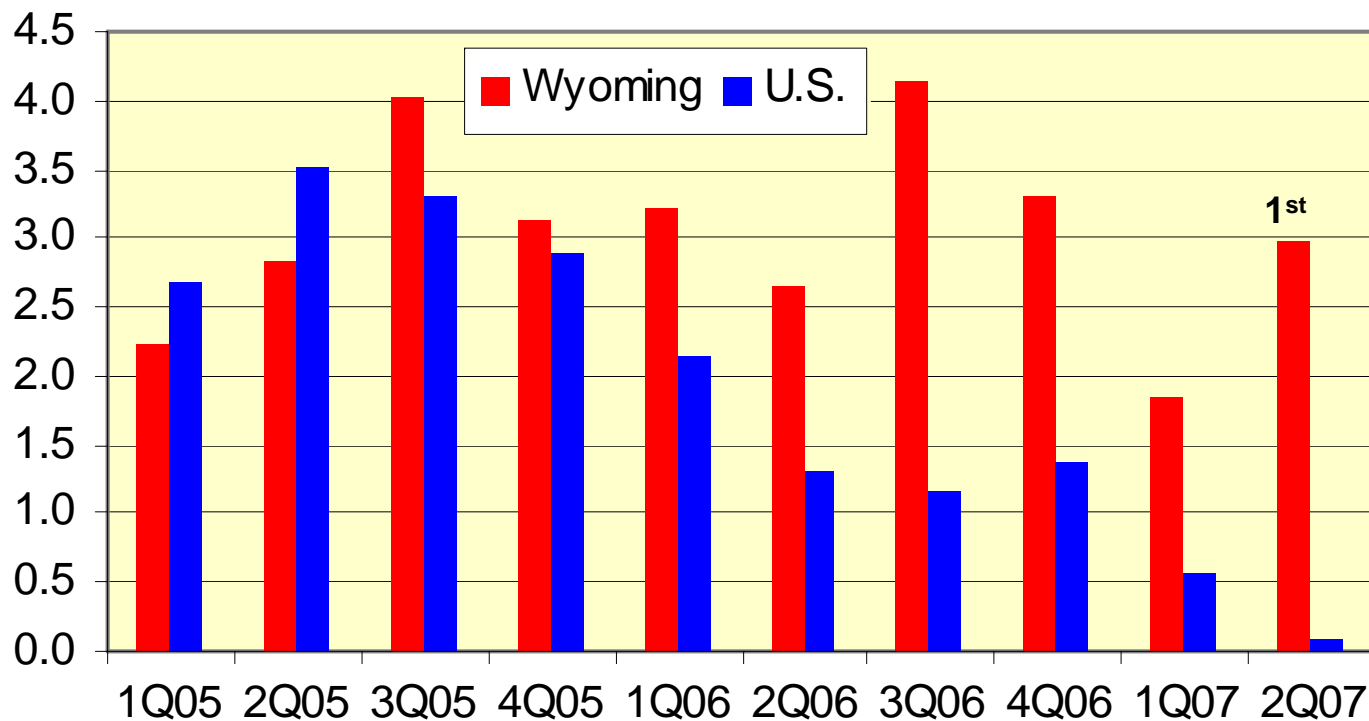
(in millions of current dollars)



* **Other** includes other minerals, real and personal property

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Quarterly Percent Change in House Prices



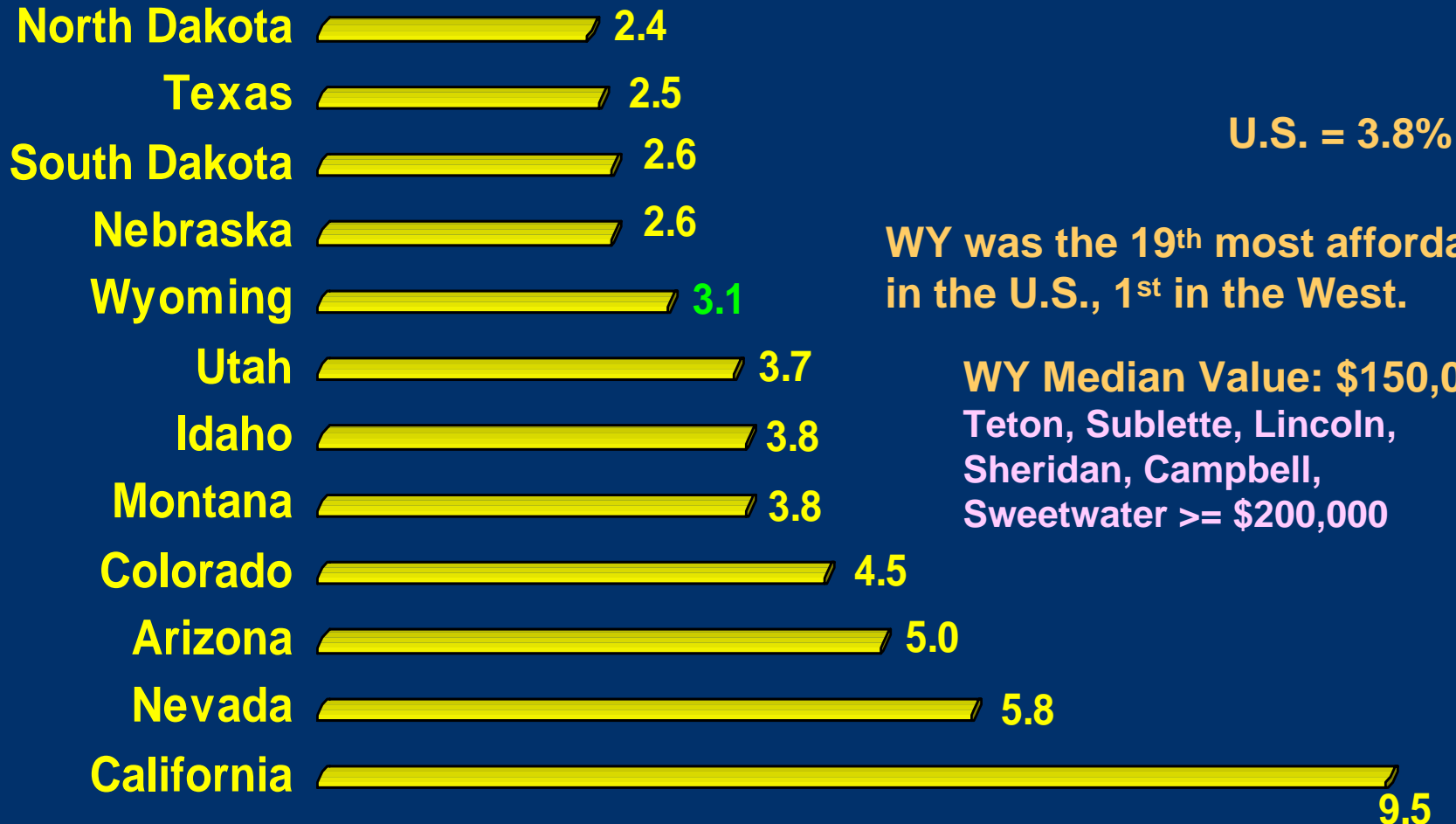
Source: Office of Federal Housing Enterprise Oversight

Other Indicators for 2Q2007:

- **Foreclosure Rate:** WY was the one of the lowest in the nation (nearly doubled in July).
- **Existing Home Sales:** U.S. = -10.8% (worst since 1991); WY = 10.8% (1st)
- **Single Family Building Permits:** U.S. = -25%; WY = 5%.

Housing Affordability: 2006

(Ratio of Median Value of Housing Unit to Median Household Income)



Wyoming Economic Analysis Division

THANK YOU!

Economic Analysis Division – EAD

“Wyoming’s Source for Business and Economic Information”

<http://eadiv.state.wy.us>

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