

CONSENSUS REVENUE ESTIMATING GROUP
 WYOMING STATE GOVERNMENT

CHEYENNE, WYOMING 82002
 (307) 777-7504 [EAD] or 777-7881 [LSO]

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 Contact: Jim Robinson @ (307) 777-7221



Buck McVeigh, Co-Chair [EAD]
 Bill Mai, Co-Chair [LSO]

January 2011 CREG Revenue Forecast

CHEYENNE — The Consensus Revenue Estimating Group (CREG) met on January 5, 2011. The attached revenue report provides the revised revenue forecasts and associated assumptions which resulted from that meeting. Please note the forecast covers FY 2011 through FY 2016.

Revisions were made to two categories of revenue in this January report: sales and use tax revenues to the General Fund, and leasing revenues to the General Fund and Common School Land Income Account. These revisions added monies to each year of the General Fund forecast, and increased FY 2011 revenues to the Common School Land Income Account. Projections of income from all other sources were left unchanged from the October 2010 CREG forecast.

FY 2011-12 Biennium General Fund Revenue Forecast Comparison

Revenue Source	October 2010 Forecast FY 2011-12 Biennium	January 2011 Forecast FY 2011-12 Biennium	Difference
Sales and Use Tax	\$ 876.6 M	\$ 894.0 M	+ \$ 17.4 M
Severance Tax	\$ 420.3 M	\$ 420.3 M	+ \$ 0.0 M
Investment Income	\$ 391.2 M	\$ 391.2 M	+ \$ 0.0 M
All Other	\$ 264.2 M	\$ 269.5 M	+ \$ 5.3 M
Total General Fund	\$1,952.3 M	\$1,975.0 M	+ \$ 22.7 M

Sales and use tax projections were increased to account for renewed natural gas activity in Campbell, Sublette, and Sweetwater counties but also activity involving energy-related seismic exploration currently taking place in the southeastern corner of the state. The General Fund forecast for sales and use tax was increased by \$17.4 million in the 2011-12 biennium. This forecast was also increased by \$6.5 million in FY 2013-14, and by \$2.5 million in FY 2015-16.

\$5.3 million was added to the FY 2011 General Fund forecast in the Revenue from Others category shown in Tables 1 and 2 of this report. The Office of State Lands and Investments held a competitive oil and gas lease auction on November 3, 2010 which resulted in total proceeds of \$48.9 million. Of that amount, \$5.3 million flowed to the General Fund.

Aside from the additions to the sales and use tax forecast, and the additional mineral lease sale monies, no other General Fund or Budget Reserve Account categories of revenue were revised. For details of other aspects of the revenue forecast, please refer to the October 2010 CREG report.