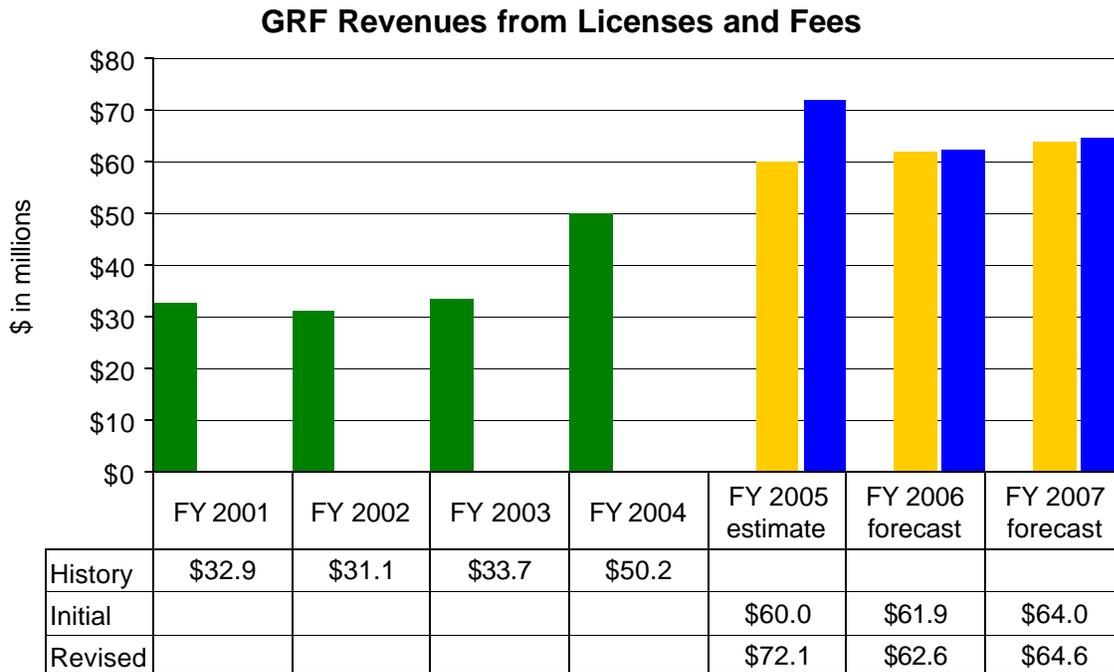


Licenses and Fees



The initial forecast for GRF revenue, from licenses and fees, for FY 2005 was \$60.0 million, a 19.6% increase over FY 2004 GRF revenue. For FY 2006 and FY 2007, GRF revenue was projected to be \$61.9 million and \$64.0 million, which were increases of 3.2% and 3.4%, respectively.

The revised forecast is \$72.1 million in FY 2005, \$62.6 million in FY 2006, and \$64.6 million in FY 2007. These forecasts represent increases over the initial forecast of 20.2%, 1.1%, and 0.9%.

The forecast was changed because receipts from licenses and fees have been much higher than expected for FY 2005. The new forecast takes this information into account.

The proposed budget affects licenses and fees by eliminating the tax exemption on premiums written by surplus line insurers, risk purchasing groups, and risk retention groups. Elimination of this exemption is expected to increase revenue from licenses and fees by \$12.0 million per fiscal year.