

Estate Tax

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Forecast	FY 2011 Forecast
						<i>February</i>	
Revenue	\$60.4	\$54.1	\$72.1	\$61.4	\$66.2	\$68.2	\$54.8
Growth	-6.0%	-10.5%	33.4%	-14.9%	7.9%	3.0%	-19.7%
						<i>June</i>	
Revenue	\$60.4	\$54.1	\$72.1	\$61.4	\$65.9	\$65.7	\$56.5
Growth	-6.0%	-10.5%	33.4%	-14.9%	7.3%	-0.3%	-14.0%
						<i>Difference</i>	
					(\$0.3)	(\$2.5)	\$1.7

Estate tax revenue collections are estimated to be \$65.9 million in FY 2009, \$0.3 million or 0.5% less than the February estimate. In the next biennium, estate tax revenue collections are revised downward by \$2.5 million for FY 2010 but revised upward by \$1.7 million for FY 2011. The estimates are revised down in FY 2009 and FY 2010 due to the current economic downturn.

Earnings on Investments

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Forecast	FY 2011 Forecast
						<i>February</i>	
Revenue	\$35.0	\$107.3	\$176.2	\$169.6	\$151.4	\$88.4	\$135.2
Growth	94.7%	206.6%	64.2%	-3.8%	-10.7%	-41.6%	52.9%
						<i>June</i>	
Revenue	\$35.0	\$107.3	\$176.2	\$169.6	\$139.7	\$45.2	\$56.3
Growth	94.7%	206.6%	64.2%	-3.8%	-17.6%	-67.6%	24.6%
						<i>Difference</i>	
					(\$11.7)	(\$43.2)	(\$78.9)

The current estimate of FY 2009 revenues is \$139.7 million, which is approximately \$11.7 million or 7.7% below the February estimate. The estimate is revised downward due to lower anticipated balances in state funds. The Global Insight forecast of short-term interest rates, which were used for the estimates, were also revised downward since January. In the next biennium, earnings on investments baseline estimates are estimated to be \$45.2 million in FY 2010 and \$56.3 million in FY 2011. The estimates are revised downward by \$43.2 million and \$78.9 million, respectively, compared with February estimates. The revisions are primarily attributable to lower anticipated cash balances in state funds that will be available for investment in the next biennium. Of particular importance, the Budget Stabilization Fund (BSF) is projected to be significantly lower than its current balance. Short-term interest rates are expected to remain low in the next biennium.