

Public Utility Excise 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	\$104.1	\$176.2	\$160.2	\$157.7	\$171.1	\$142.1	\$150.1
Growth	-54.0%	69.2%	-9.0%	-1.6%	8.5%	-17.0%	5.6%
						<i>June</i>	
Revenue	\$104.1	\$176.2	\$160.2	\$157.7	\$184.5	\$130.5	\$133.1
Growth	-54.0%	69.2%	-9.0%	-1.6%	17.0%	-29.3%	2.0%
						<i>Difference</i>	
					\$13.4	-\$11.6	-\$17.0

Receipts from the public utility excise tax are estimated to be \$184.5 million in FY 2009, \$13.4 million more than the February estimate. The increase reflects higher than anticipated receipts in February and May when large quarterly payments from natural gas companies are due. Taxes paid by natural gas companies account for more than 97% of total tax receipts from the public utility excise tax. The reason for the underestimate in February is unclear, but the improved outlook does not carry forward to the next two fiscal years. The forecast is based on the U.S. Energy Information Administration's Short Term Energy Outlook for the East North Central states. That forecast has been revised downward for both natural gas consumption and average prices, likely reflecting the severity of the recession. Revenues from this tax, which are based on utilities' gross receipts, fall by \$54 million from FY 2009 to FY 2010 mainly because of much lower natural gas prices, and to a lesser extent because of lower consumption. The Energy Information Administration expects prices to begin to rise late in this calendar year, resulting in the \$2.6 million upturn in predicted tax receipts shown above from FY 2010 to FY 2011.