

Texas Revenue and Economic Update 2024 TTARA Annual Meeting

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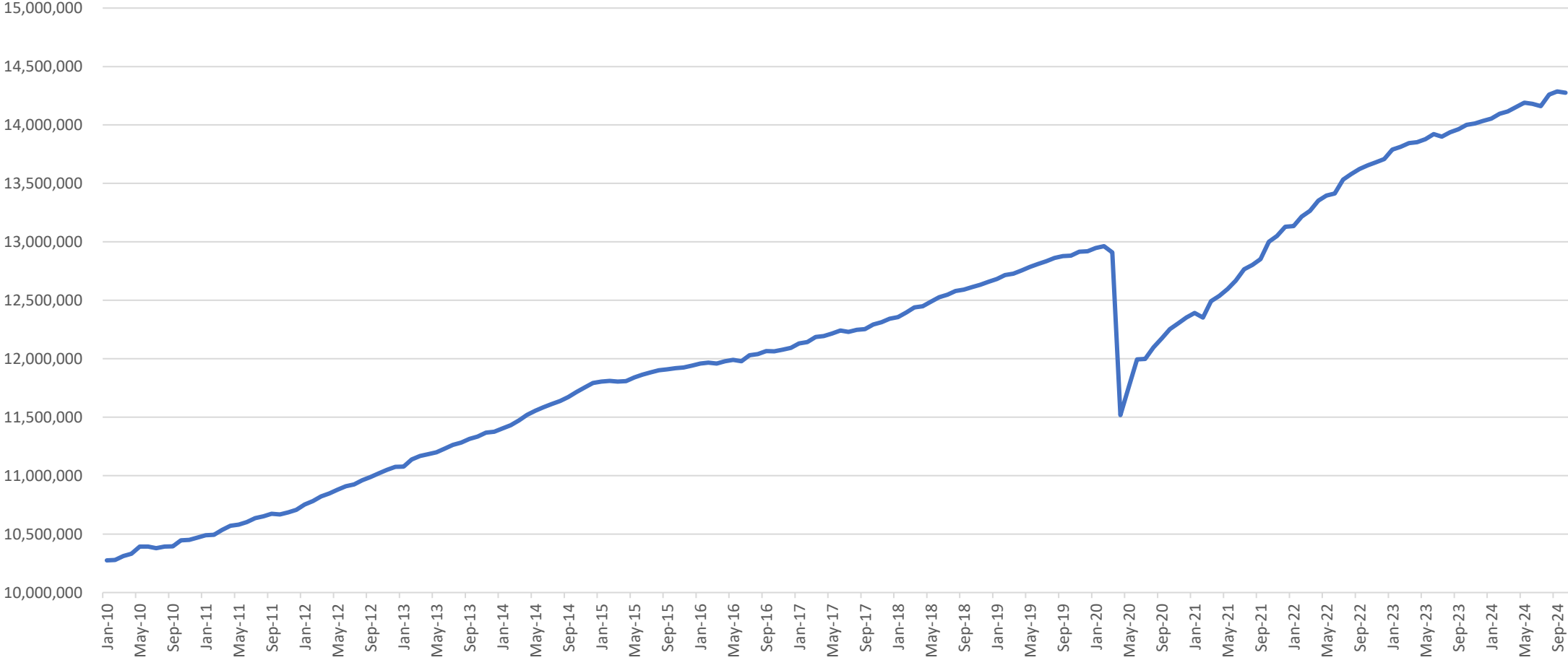
GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Biennial Revenue Estimate (BRE) in Numbers

BRE provides assumptions on the growth of Texas economy and revenue for the next 2.5 years and includes:

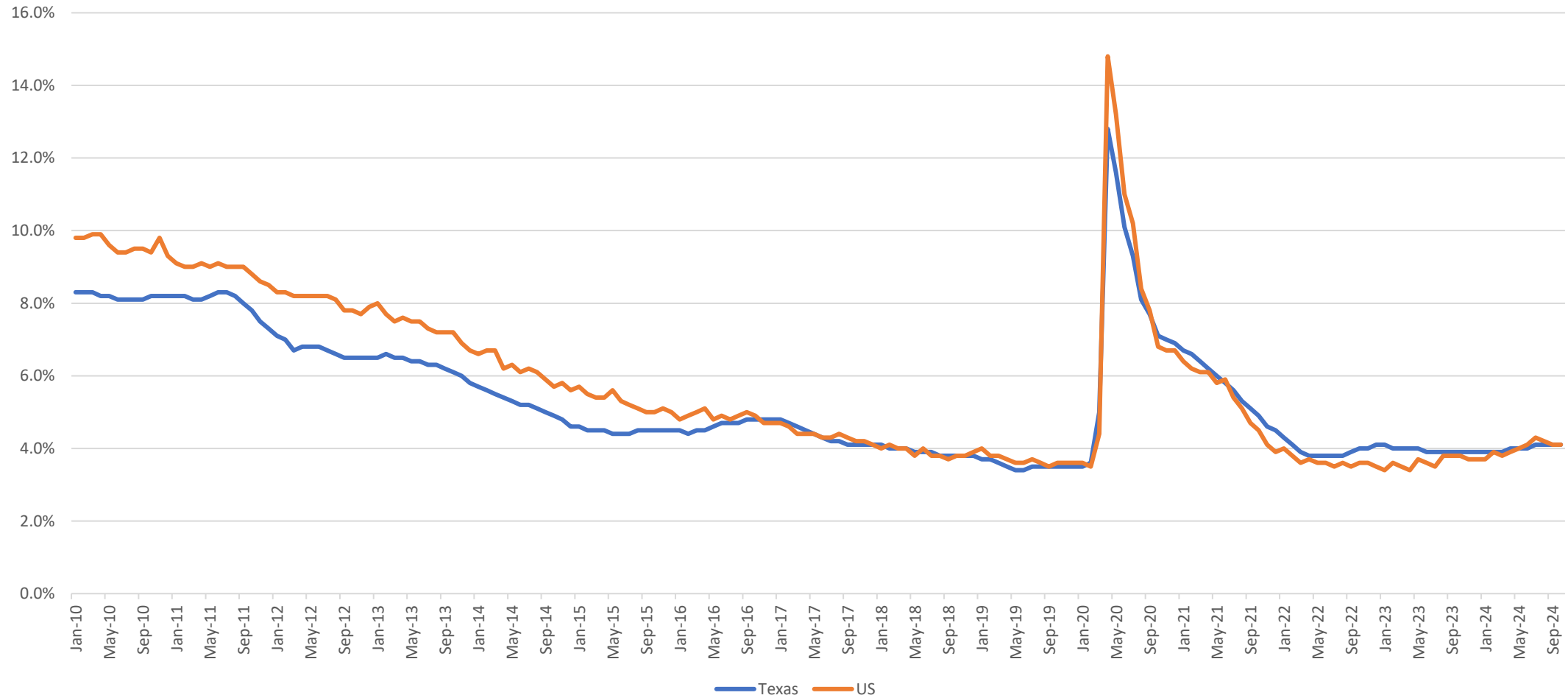
- nearly **200** estimates of various economic indicators,
- more than **1,400** estimates of various revenues, and
- estimates of nearly **400** balances in various funds and accounts.

Texas Monthly Employment (Jan. 2010 – Oct. 2024)



Source: BLS, Texas Workforce Commission

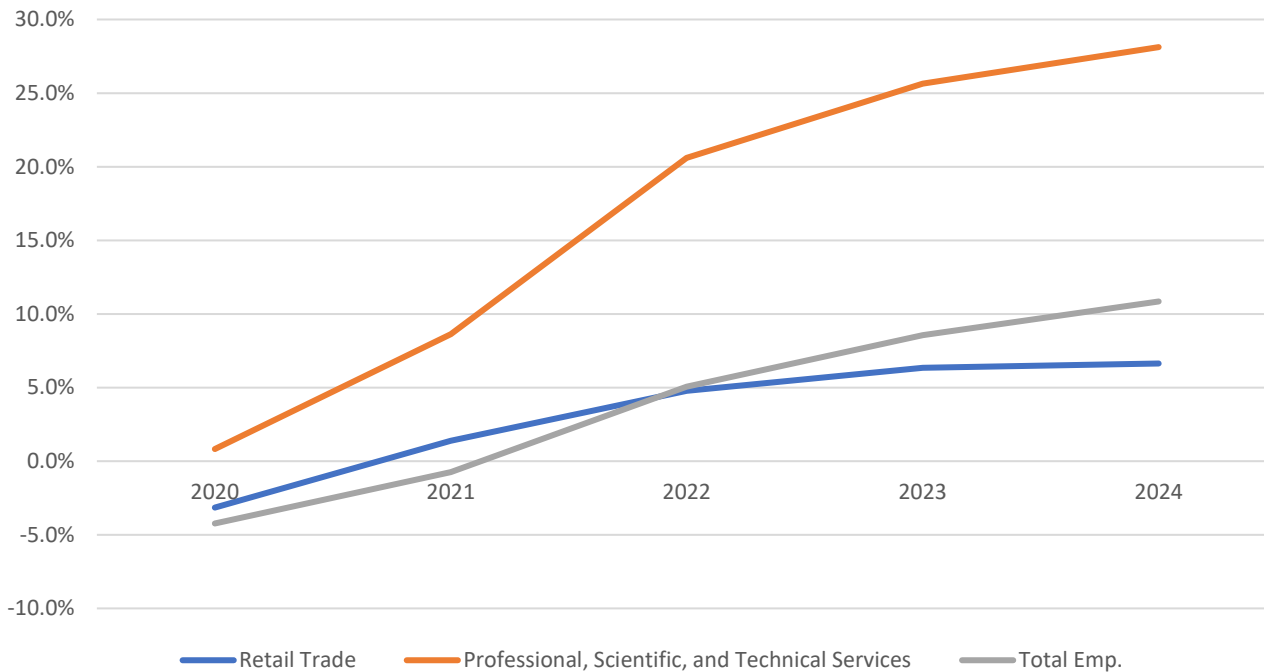
Monthly Unemployment Rate, TX and US (Jan. 2010 – Oct. 2024)



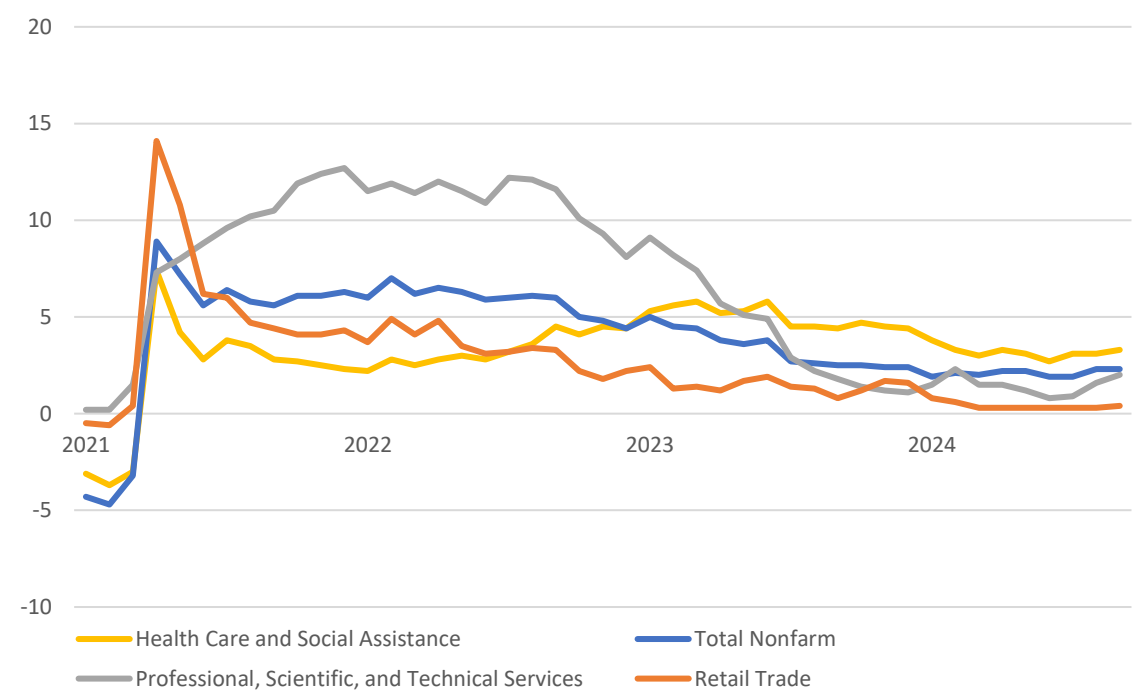
Source: BLS, Texas Workforce Commission

Sectoral Shift in Jobs Growth

Cumulative Employment Percent Change from 2019

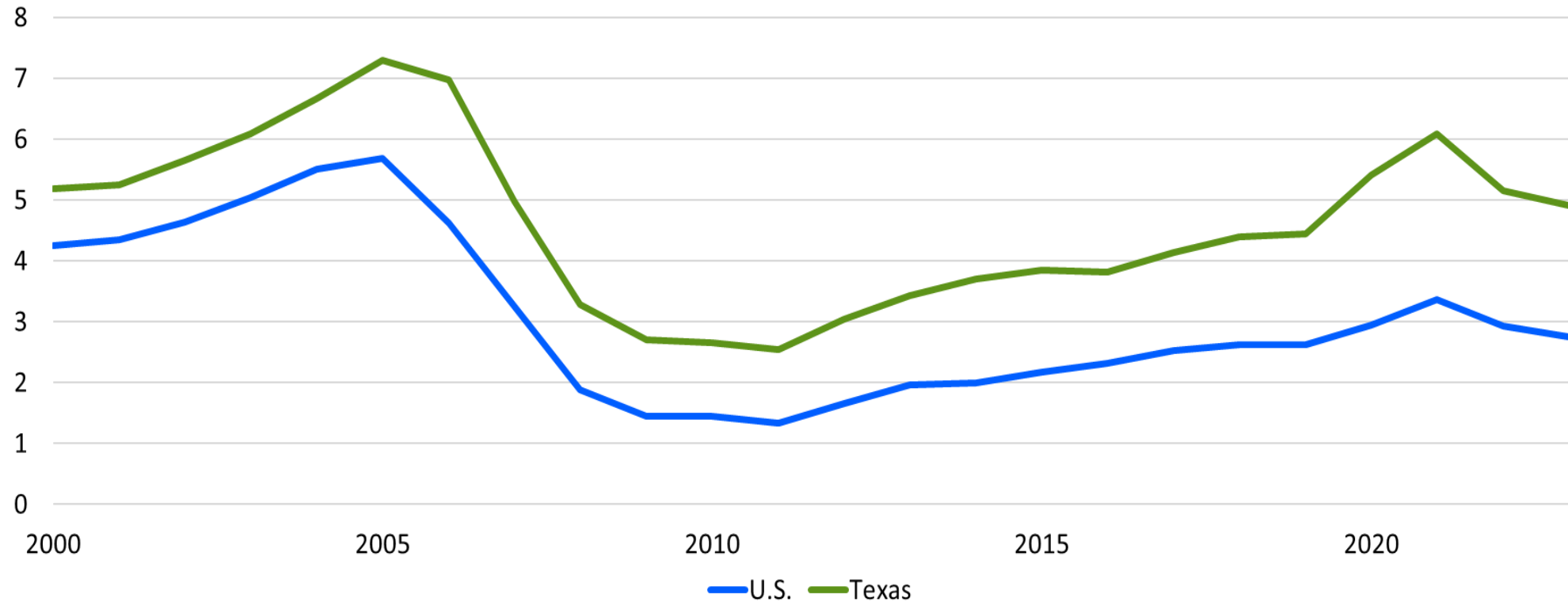


YoY Employment Percent Change, Selected Sectors



Ratio of new single-family housing permits to population

In general, above average investment in new housing



Sources: BLS., Moody's Analytics

Severance Taxes: Price, Production and Tax Collections, FY 2014-2025

From 2024-25 Certification Revenue Estimate

FY	Oil			Natural Gas			Total Tax Collections (\$)
	Price (\$)	Production	Tax Collections (\$)	Price (\$)	Production	Tax Collections (\$)	
2014	101.05	893,453,775	3,872,278,898	4.18	8,032,581,212	1,899,581,526	5,771,860,424
2015	65.93	1,079,867,946	2,877,019,959	3.34	8,421,628,812	1,280,409,939	4,157,429,897
2016	41.4	1,034,311,500	1,703,902,576	2.30	8,139,266,156	578,798,864	2,282,701,440
2017	48.77	1,066,662,872	2,107,332,837	3.04	7,434,568,476	982,762,914	3,090,095,750
2018	60.58	1,294,832,644	3,391,514,446	2.89	7,966,736,940	1,431,106,198	4,822,620,644
2019	59.62	1,560,731,024	3,886,822,399	2.99	9,376,733,545	1,685,680,675	5,572,503,074
2020	45.46	1,612,416,400	3,229,343,408	2.09	9,903,486,051	925,472,744	4,154,816,152
2021	54.49	1,432,594,462	3,449,131,602	2.65	10,252,347,777	1,568,541,762	5,017,673,365
2022	89.90	1,539,391,642	6,361,687,478	5.31	11,456,434,469	4,469,945,456	10,831,632,933
2023	79.08	1,657,634,164	5,931,042,193	4.77	11,841,184,544	3,350,372,977	9,281,415,170
2024	79.00	1,730,684,555	6,304,153,531	2.43	12,342,101,702	2,133,639,866	8,437,793,397
2025*	77.00	1,743,731,041	6,536,952,000	2.93	11,693,459,081	2,802,748,000	9,339,700,000

*projected

Texas Economic Performance for the last 30 years and Projections for CY 2024-2025

From *2024-25 Certification Revenue Estimate*

	Average CY 1994- 2023	Calendar Year 2024*	Calendar Year 2025*
Population	1.7%	1.5%	1.3%
Gross State Product (Annual Change)	5.9%	3.9%	4.1%
Real Gross State Product (Annual Change)	3.5%	2.0%	1.8%
Personal Income (Annual Change)	5.9%	5.3%	5.0%

*projected

Revenue, Fiscal 2024 Actual vs. 2024-25 CRE (All Funds)

Revenue Category	FY 2024 Actual	FY 2024 CRE	Change over CRE	
			\$	%
Sales Taxes	\$ 47,159,947	\$ 47,862,082	(\$ 702,135)	-1.5%
Motor Vehicle Sales and Rental Taxes	6,835,103	6,962,348	(127,245)	-1.8%
Motor Fuel Taxes	3,846,520	3,880,154	(33,634)	-0.9%
Franchise Tax	6,861,291	6,795,400	65,891	1.0%
Oil Production Tax	6,304,154	6,008,777	295,377	4.9%
Insurance Taxes	4,157,636	4,221,880	(64,244)	-1.5%
Cigarette and Tobacco Taxes	1,069,814	1,085,700	(15,886)	-1.5%
Natural Gas Production Tax	2,133,640	2,492,999	(359,359)	-14.4%
Alcoholic Beverages Taxes	1,773,178	1,854,100	(80,922)	-4.4%
Hotel Occupancy Tax	755,807	816,688	(60,881)	-7.5%
Utility Taxes	664,578	615,078	49,500	8.0%
Other Taxes	312,561	333,186	(20,625)	-6.2%
Total Tax Collections	81,874,229	\$ 82,928,392	(\$ 1,054,163)	-1.3%

Tax Volatility, %

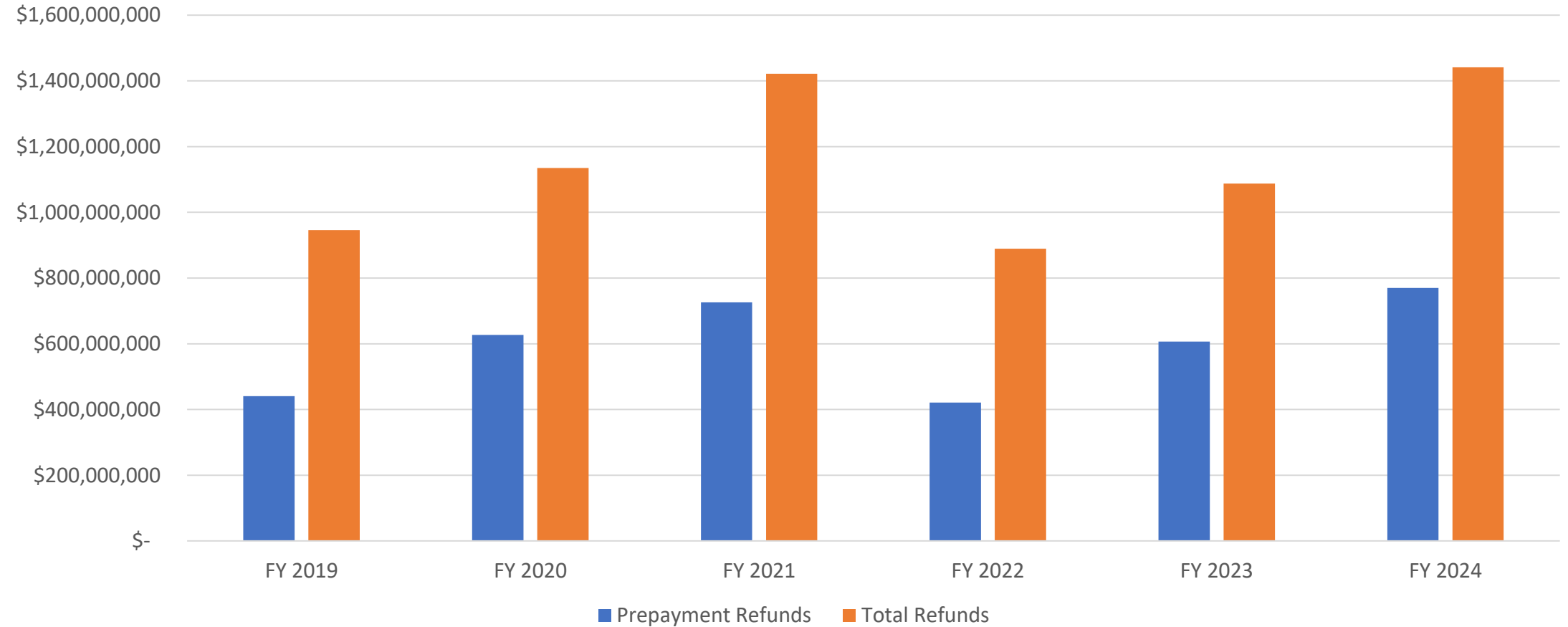
Tax	FY 2024	FY 2025*	Average FY 1996-2024
Sales Taxes	1.2	4.6	5.4
Motor Vehicle Sales and Use Taxes	0.2	3.9	4.6
Severance Taxes	-9.1	10.7	8.7
Total Taxes	-0.3	4.6	5.2

Sales Tax By Industry, Change from Prior Year and Average Growth

Industry	FY 2023	FY 2024	YoY Growth FY 2023-2024	Compound Annual Growth Rate - Prior to Pandemic (FY 2004-2019)	Compound Annual Growth Rate - Pandemic Recovery (FY 2021-2023)
Mining	\$ 1,988,443,168	\$ 1,969,428,437	-1.0%	14.2%	71.6%
Construction	\$ 2,114,500,094	\$ 2,215,185,105	4.8%	7.4%	19.7%
Manufacturing	\$ 3,913,816,248	\$ 3,855,630,113	-1.5%	6.1%	18.4%
Wholesale Trade	\$ 4,261,419,648	\$ 4,085,330,226	-4.1%	6.0%	19.0%
Retail Trade	\$ 18,317,498,714	\$ 18,392,134,540	0.4%	4.3%	7.7%
Information	\$ 3,005,540,027	\$ 3,093,624,401	2.9%	4.5%	10.7%
Services	\$ 4,776,386,149	\$ 4,982,997,283	4.3%	5.9%	17.0%
Eating and Drinking Places	\$ 4,787,481,256	\$ 4,968,240,219	3.3%	5.9%	13.5%

Sales Tax Refunds, Prepayment and Total

FY 2019 – FY 2024



Remaining General Revenue Funds Authority, Projected 2024-25

From *2024-25 Certification Revenue Estimate*, Comptroller’s July Update Letter, and LBB’s Fiscal Size Up

Projected 2024-25	Amount
Pay-as-you-go Spending Limit	\$21.3 billion
Tax Revenues Spending Limit*	\$9.6 billion
Consolidated General Revenue Spending Limit*	\$18.3 billion

* Legislative Budget Board