

### General Governmental Functions

Revenues of the general governmental functions (excluding capital projects) totaled \$7,545,165,000 for the fiscal year ended June 30, 1987. This represents an increase of 11.8 percent over revenues for the fiscal year 1986. Income tax, the largest source of revenue, produced 33.7 percent of general governmental revenues compared to 31.7 percent last year. The revenues (amounts expressed in thousands) from various sources and the changes from last year are shown in the following tabulation:

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over 1986 Actual</u>	
			<u>Amount</u>	<u>Percent</u>
Income taxes	\$2,540,426	33.7%	\$399,832	18.7%
Retail sales and use taxes	1,302,463	17.2	112,860	9.5
Motor vehicle taxes and fees	794,946	10.5	53,006	7.1
Other taxes	751,081	10.0	109,314	17.0
Other licenses and fees	102,285	1.4	11,181	12.3
Charges for services	284,983	3.8	46,121	19.3
Interest and other investment income	65,436	.9	(29,028)	(30.7)
Other	174,834	2.3	1,701	1.0
Gain on exchange of securities	39,543	.5	(13,794)	(25.9)
Federal revenue	<u>1,489,168</u>	<u>19.7</u>	<u>105,960</u>	<u>7.7</u>
Total	<u>\$7,545,165</u>	<u>100.0%</u>	<u>\$797,153</u>	<u>11.8%</u>

Of the total income tax revenue for fiscal year 1987, \$2,302,500,000 was produced by the individual income tax and \$237,926,000 by the corporate income tax, representing increases of \$382,080,000 and \$17,752,000, respectively, compared to the prior year. The increase in individual income tax revenues of 19.9 percent over the prior year is attributable to population growth, a higher personal income level for the State's taxpayers, and a higher than usual capital gains taxable income as a result of changes to the tax rates in the Federal Tax Reform Act of 1986. The increase in the corporate income tax revenues of 8.1 percent from the prior year is attributable to the improvement in the national economy.

The retail sales and use taxes increased \$112,860,000 or 9.5 percent over the previous year which is also attributable to the improvement in the national economy.

Other taxes increased \$109,314,000 or 17.0 percent over the previous year which are primarily attributable to the higher than usual capital gains transactions.

Revenues from charges for services increased \$46,121,000 or 19.3 percent from 1986. This increase resulted primarily from an increase in recoveries of Medical Assistance payments.

Changes in levels of expenditures (amounts expressed in thousands) for major functions from the previous year (excluding capital projects) are shown in the following tabulation: