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Economic Analysis

National Economy

In 2004-05 the national economy was characterized by very strong growth, slowly increasing employment, high productivity, rising interest rates, increasing energy prices, and high residential building activity. The unemployment rate declined steadily throughout the year.

Gross Domestic Product

Real gross domestic product—the broadest measure of the nation’s output of goods and services—increased 4.2 percent in 2004, up from 2.7 percent growth in 2003. This real GDP growth was the fastest since 1999, and well above its ten-year average of 3.3 percent. With exceptionally strong productivity, nonagricultural employment increased 1.1 percent, far slower than job growth historically associated with such high real GDP increases.

Real GDP by Sector

Domestic Investment. A major reason for the stronger GDP growth in 2004 was a rapid rise in real domestic investment spending. Real domestic fixed investment spending, which made up 16 percent of total real GDP, increased 9.7 percent in 2004. This is the strongest growth in investment spending since 1998. Major components of investment had varying growth rates. The largest component, equipment and software, jumped 11.9 percent in 2004. Strong profits growth and the need to replace aging equipment were major factors behind the rapid increase in equipment spending. Residential investment increased 10.3 percent, as historically low interest rates encouraged home building activity. This was the strongest growth since 1992. Investment in nonresidential structures, such as office buildings, increased 2.2 percent. While a modest increase, the 2004 increase in nonresidential investment ended three years of declines associated with the 2001 recession.



Exports. Real exports increased 8.4 percent in 2004, reflecting the stronger economies of our trading partners. This was the largest increase in exports since 2000. However, real imports increased even faster, 10.7 percent, resulting in a worsening trade balance.

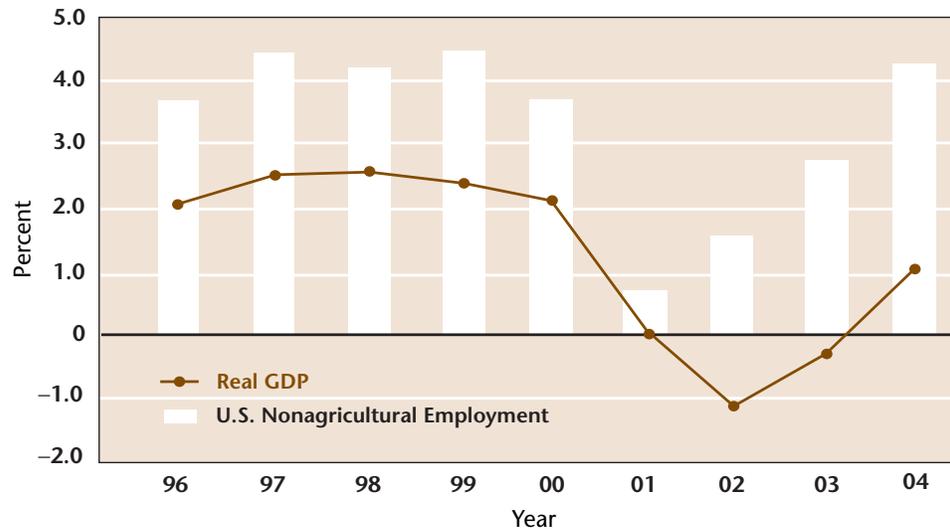
Consumer Spending. Real consumer spending increased by 3.9 percent, a growth rate a bit below real GDP. Consumer spending is important to GDP growth because it accounts for 70 percent of total GDP.

Government Spending. Real government spending on goods and services grew by 2.2 percent in 2004, pulling down real GDP growth. Weak revenues slowed real growth in state and local government spending to just 0.4 percent, the lowest since 1982. However, federal government spending rose 5.2 percent because of increased defense spending. Real national defense spending increased 7.0 percent, while non-defense spending increased 1.8 percent.

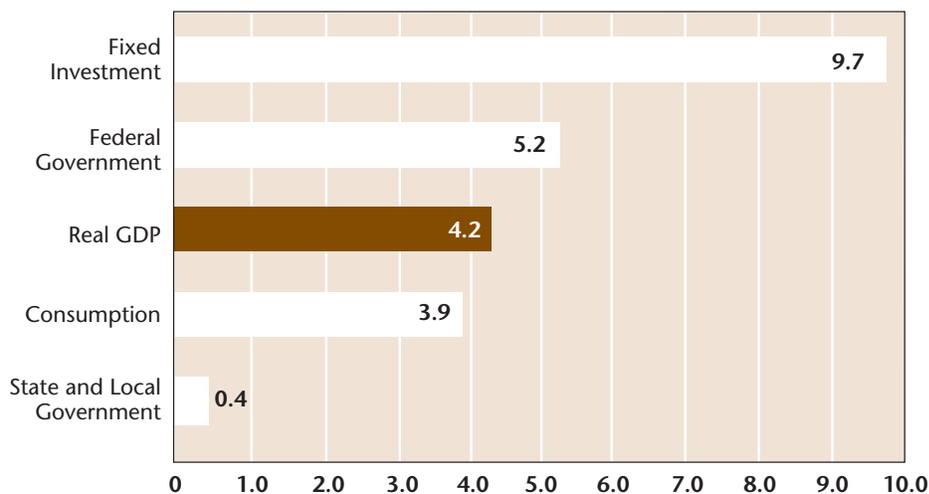
The Unemployment Rate

The U.S. unemployment rate averaged 5.5 percent in 2004, well below the 6.0 percent rate of 2003. This is lower than the 5.8 percent average for the decade of the 1990s.

Growth in Real GDP and U.S. Nonagricultural Employment, 1996–2004



2004 Growth in Real GDP and Major Components



Productivity and Consumer Prices

Business productivity increased 3.4 percent in 2004. While slower than the exceptionally strong growth of the previous two years, this was still very strong growth by historical standards. Business productivity increased an average of 2.0 percent per year during the decade of the 1990s.

The U.S. consumer price index rose 3.0 percent in fiscal year 2004-05, up from 2.2 percent in fiscal year 2003-04. Rising energy prices were a major cause of the higher inflation rate.

Interest Rates and the Federal Budget Deficit

The Federal Reserve Board raised interest rates by increments of 0.25 percent each of the eight times that the Board met in 2004-05. The federal funds rate increased from an average of 1.0 percent for June 2004 to an average of 3.0 percent for June 2005. Despite the consistent increases in short term rates, long term interest rates changed little throughout the fiscal year, perplexing many analysts. Conventional fixed mortgage rates for new homes averaged 5.9 percent in 2004-05, the same as 2003-04. These are relatively low mortgage interest rates by historical standards. Conventional fixed mortgage rates for new homes averaged 8.0 percent over the decade of the 1990s.

With the strong economic growth, the federal budget deficit decreased from \$412 billion in federal fiscal year 2003-04 to \$319 billion in 2004-05 (October 1 to September 30). The 2004-05 deficit was about



2.6 percent of GDP. The deficit remains lower in relation to GDP than many of the budget deficits of the 1980s and early 1990s. The highest ratio of the past 50 years was fiscal year 1982-83, when the federal budget deficit was 6.0 percent of GDP.

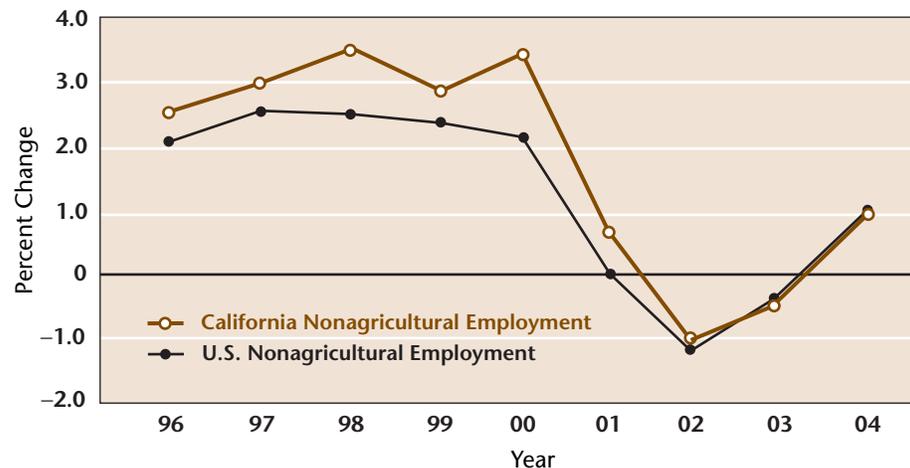
California Economy

The California economy grew briskly in 2004, much faster than the U.S. economy. California real gross state product rose 5.1 percent in 2004, above the U.S. real GDP growth rate of 4.2 percent. Personal income rose 6.6 percent in 2004, much faster than the state's 2.6 percent increase in consumer prices. The California unemployment rate was 6.2 percent in 2004, down from 6.8 percent in 2003.

Unprecedented Budget Shortfall Addressed

In 2002-03, California faced what the Legislative Analyst's Office called an unprecedented budget shortfall. It was brought about by the combined effects of increased spending and reduced revenues, in turn caused by the recession and declines in stock market prices. While the shortfall decreased substantially since 2002-03, it lingered into fiscal years 2003-04 and 2004-05. The budget enacted in 2004-05 included a combination of borrowing, spending cuts, local government contributions, funding shifts, and tax amnesty programs.

Growth in California and U.S. Nonagricultural Employment, 1996–2004



Employment and Income Growth

California nonagricultural employment increased 1.0 percent in 2004, the first increase in two years. This modest gain in jobs about matched that of the U.S. and increased payrolls by 146,500 jobs. The average annual unemployment rate was 6.2 percent in 2004, 0.7 percent above the U.S. rate.

California personal income increased by 6.6 percent, well above a national personal income increase of 6.0 percent. This was stronger than the 5.2 percent average growth of the 1990s.

Employment Sectors

Manufacturing. The manufacturing sector, which employs 11 percent of workers on nonagricultural payrolls, had the largest jobs decline of any private sector of the California economy. A total of 15,200 jobs were lost in manufacturing in 2004, a 1.0 percent decline from 2003. Job losses were widespread among many durable goods and nondurable goods manufacturing industries.

Information. Information providers—publishing, motion pictures, broadcasting, telecommunications and Internet services—increased employment by 6,300 jobs, a 1.3 percent gain. An 8.0 percent increase in motion picture jobs offset a 3.0 percent decline in telecommunications jobs. Information jobs account for a relatively small share of state jobs, about 3.0 percent.

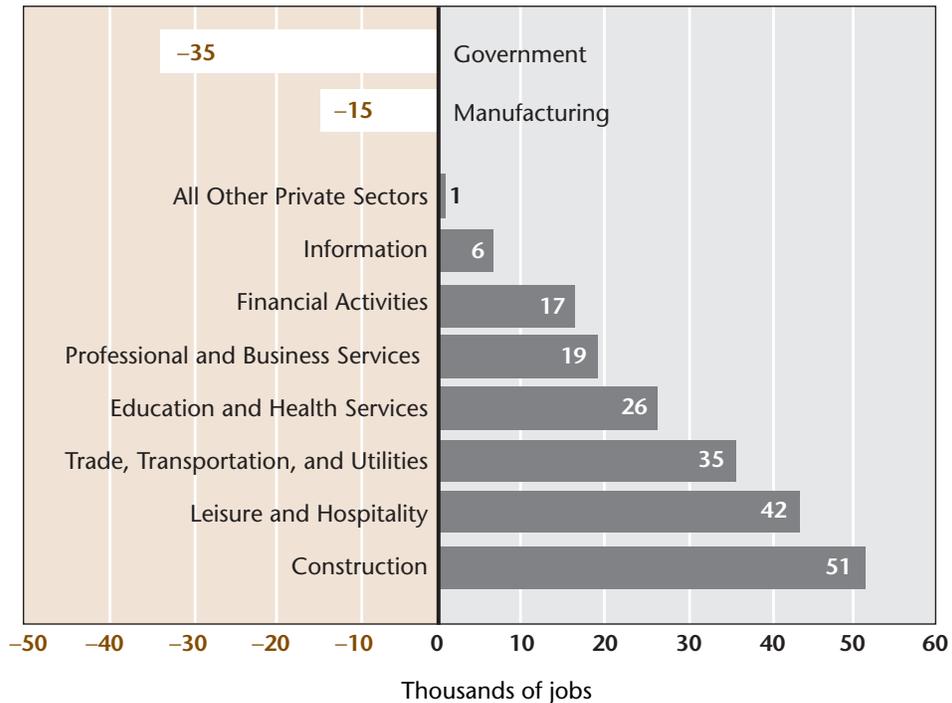
Government. Government is California's second largest sector, with 16 percent of all California nonagricultural jobs. Government lost 35,200 jobs, a 1.5 percent decline. Federal, state and local governments all lost jobs in 2004. About 40 percent of all government job losses were in local education, largely as a result of reduced state spending. Employment among Indian tribes, defined as part of the government sector, increased by 12.9 percent, largely as a consequence of casino expansions.

Professional and Business Services. The professional and business services category is the state's third largest sector, employing 14 percent of Californian nonagricultural workers. This sector gained 18,700 jobs, a 0.9 percent increase. Most of the jobs were added in employment services, which provides temporary help to companies.

Trade, Transportation and Utilities. This employment sector is the state's largest employment sector, accounting for about 19 percent of all nonfarm jobs. In 2004, about 34,600 jobs were added, a 1.3 percent gain.



2004 California Growth in Nonagricultural Employment by Employment Sector (Thousands of Jobs)



Most of the jobs were added in retail trade, particularly home improvement stores and general merchandise stores. Both of these kinds of retail trade stores increased their employment by close to 5.0 percent.

Education and Health Services. Private education and health services are a relatively large sector, accounting for about 11 percent of nonfarm employment. This sector gained 25,800 jobs, a 1.7 percent increase.

Financial Activities. Employment in financial activities—which includes lenders, insurance agents, and real estate brokers—accounts for about 6.0 percent of nonfarm Californian jobs. Financial activities increased by 17,200 jobs, a gain of 1.9 percent.

Leisure and Hospitality. Leisure and hospitality industries, such as restaurants and hotels, employ about 10 percent of nonfarm Californian workers. Employment increased 3.0 percent in 2004, a gain of 42,100 jobs. This sector had the second largest gain. The job gains were widespread within this industry.

Construction. About 6.0 percent of nonfarm jobs are in construction. In 2004 construction employment increased more than any other sector, adding 51,400 jobs or 6.5 percent.

Other Sectors. The remaining private industry sectors (other services, mining and natural resources) provide employment for 4.0 percent of nonagricultural workers. Employment in this group increased by about 0.2 percent.

Exports

The value of exports from California ports to other countries jumped 17 percent in 2004. The increases were widespread across many countries that are major trading partners with California. Stronger economies of our major trading partners accounted for much of the increased trade.

Building Construction and Home Prices

The value of all private building construction permits issued in California increased by 7.1 percent in 2004 (measured in inflation-adjusted 2004 dollars). Both residential and nonresidential building permit valuations increased. The value of residential construction permits issued increased 7.6 percent, while nonresidential building construction permit values rose 5.9 percent. The increase in nonresidential activity follows three consecutive years of declines associated with the 2001 recession. Values of all major types of nonresidential building permits (industrial buildings, offices, stores and hotels) rose in 2004. Home building permits increased from 196,000 units in 2003 to 213,000 in 2004. This was the largest number of homebuilding permits issued since 1989.

Home prices increased rapidly in 2004 and early 2005. This continued a trend of the last several years that is largely the result of relatively low home mortgage rates. In 2004 statewide median home prices rose 21 percent, with the median price of an existing single-family detached California home averaging \$451,276. Increases in home prices and sales in 2004 were widespread among California regions. Statewide sales of existing single-family detached homes set a record in 2004, totaling about 625,000, an increase of 3.8 percent over the previous record set in 2003. During the decade of the 1990s an average of about 403,000 existing California homes were sold each year.

Consumer Prices

Following the national trend, California consumer prices rose faster in 2004 because of higher energy costs. Statewide consumer prices for all urban consumers rose 2.6 percent in 2004, up from a 2.3 percent increase in 2003. At the national level, the consumer price index increased by 2.7 percent in 2004, up from 2.3 percent in 2003.



Taxable Sales Activity

Transactions subject to the sales and use tax totaled \$515.3 billion during the 2004-05 fiscal year. This is an increase of \$35.2 billion, or 7.3 percent, over 2003-04. Taxable sales grew in every quarter, starting with a 6.8 percent increase in the third quarter of 2004 and ending with an increase of 7.8 percent in the second quarter of 2005 (see table below).

Taxable sales increased by 5.4 percent over the previous fiscal year when measured in constant dollars. The California Taxable Sales Deflator—an index that tracks price changes only for commodities subject to the sales and use tax—showed annual inflation of 1.8 percent. By quarter, the Deflator indicated inflation for taxable goods within a range of 1.4 percent to 2.4 percent throughout the fiscal year. The 1.8 percent inflation rate shown by the Deflator contrasted with the 3.3 percent rate indicated by the California Consumer Price Index. That index also measures price increases for housing costs and services not subject to the sales and use tax.

California retail stores reported taxable receipts of \$360.6 billion in 2004-05, an increase of 7.4 percent over the prior fiscal year.

“Business and personal service establishments” had taxable transactions amounting to \$22.6 billion, an increase of 2.5 percent. This category comprises businesses whose tax liability is based mainly on the sale of materials and parts. Much of their income comes from nontaxable service and repair labor.

Taxable sales for the “All Other Outlets,” category totaled \$132.0 billion, a 7.9 percent increase from 2003-04. This category is made up of diverse

2004-05 Taxable Sales

Growth in Actual Dollars Compared to Growth in Constant-Value Dollars

Quarter	Taxable Transactions		Percent Change from Prior Year in		
	Amount	Percent of Total	Actual Dollars	Constant Value Dollars	California Taxable Sales Deflator
July–Sept	\$126,475,536,000	24.5	6.8	5.3	1.4
Oct–Dec	\$134,701,884,000	26.1	9.8	7.3	2.4
Jan–March	\$119,387,765,000	23.2	4.8	3.1	1.7
April–June	\$134,732,999,000	26.1	7.8	6.1	1.6
Fiscal Year	\$515,298,184,000	100.0	7.3	5.4	1.8



2004-05 New Vehicle Registrations and Taxable Sales of New Car Dealers

Quarter	New Vehicle Registrations						Taxable Sales of New Car Dealers	
	Automobiles		Trucks		Total		Amount	Percent Change Year to Year
	Number	Percent Change Year to Year	Number	Percent Change Year to Year	Number	Percent Change Year to Year		
July–Sept	447,579	11.8	115,804	16.4	563,383	12.7	\$15,969,162,000	-1.6
Oct–Dec	428,368	2.9	104,106	7.2	532,474	3.7	14,836,625,000	12.6
Jan–March	455,020	-0.7	101,077	-1.2	556,097	-0.8	14,427,835,000	2.3
April–June	483,819	4.0	113,329	4.1	597,148	4.0	16,118,078,000	9.1
Fiscal Year	1,814,786	4.3	434,316	6.5	2,249,102	4.7	\$61,351,700,000	5.3

manufacturers and wholesalers, construction contractors, petroleum producers, publishers, and a multitude of part-time permittees. The bulk of their business is not taxable.

Appendix Table 19, on [page A-24](#), shows details on sales tax activity and the number of sales tax permittees by business type. Each of the 37 retail business types listed in that table experienced increases over the previous year. The greatest increase in sales was for sellers of mobile homes, trailers and campers, while the smallest was stationary and book dealers.

Retailers specializing in nondurable goods outperformed stores dealing mainly in durable goods, with taxable sales increases of 8.3 percent and 6.6 percent, respectively.

Nondurable Goods

Service stations. Service station sales increased dramatically for the third year in a row. Their taxable transactions grew by 16.5 percent in 2004-05 to total \$34.7 billion. While today's service stations are often minimarts that sell a variety of products, gasoline is still their main stock in trade. In 2004-05, consumption of gasoline hardly changed from 2003-04, decreasing by 0.1 percent, remaining at 15.9 billion gallons. At the same time, the average yearly price of gasoline jumped 17.8 percent, growing from \$1.797 in 2003-04 to \$2.117 in 2004-05.

Other retailers. Other nondurable goods retailers also saw their sales increase during the fiscal year. General merchandise stores reported taxable sales of \$49.1 billion, an increase of 5.6 percent over 2003-04. Restaurants' taxable sales totaled \$44.7 billion, an increase of 7.0 percent.



2004-05 Taxable Sales of Service Stations Compared to Gasoline Distributions

Quarter	Taxable Transactions		Gasoline Distributions			
	Amount	Percent Change Year to Year	Gallons	Percent Change Year to Year	Estimated Expenditure	Percent Change Year to Year
July–Sept	\$8,404,920,000	13.7	4,064,663,794	0.2	\$8,134,499,000	14.4
Oct–Dec	\$8,614,873,000	29.0	3,958,617,369	0.1	\$8,396,270,000	32.7
Jan–Mar	\$7,986,884,000	11.2	3,842,685,297	-1.6	\$7,751,940,000	12.8
Apr–June	\$9,719,189,000	13.6	4,048,788,298	0.9	\$9,409,191,000	13.2
Annual	\$34,725,866,000	16.5	15,914,754,758	-0.1	\$33,691,900,000	17.7

Durable Goods

New car dealers. New car dealers reported moderate sales increases again this year. Their taxable sales grew by 5.3 percent over the previous fiscal year, to \$61.4 billion. In comparison, the number of vehicles sold in 2004-05 increased by 4.7 percent compared to 2003-04.

According to the Department of Motor Vehicles, new vehicle registrations in 2004-05 totaled 2,249,102. This was an increase of 101,395 registrations, or 4.7 percent, from 2003-04. New automobile registrations rose 4.3 percent, totaling 1,814,786. New truck registrations increased faster, by 6.5 percent, to 434,316.

Construction and home-related businesses. California's construction industry provided strong growth in related business categories. Construction contractors posted taxable sales of \$21.7 billion, an increase of 13.4 percent. Sales for the building material group increased by 7.3 percent to total \$34.1 billion. That group includes lumber and building material stores, hardware stores, plumbing and electrical supply stores, and paint, glass, and wallpaper stores.

Household and home furnishings stores had strong increases in taxable transactions while household appliance dealers experienced moderate growth. Household and home furnishings stores' taxable sales totaled \$12.5 billion, an increase of 9.0 percent, while household appliance dealers' sales reached \$4.5 billion, an increase of 2.4 percent.

Specialty stores. Another group of durable goods retailers, specialty stores, also experienced improved growth during the fiscal year. Specialty store sales were \$50.2 billion, up 6.6 percent from 2003-04. The specialty store group includes retailers who specialize in sales of sporting goods,

jewelry, musical instruments, office and school supplies, toys, books, and other products. Every retailer type reported taxable sales growth in 2004-05.

Revenue Growth

Tax programs administered by the Board of Equalization produced state and local revenues totaling \$49,953,096,000 during fiscal year 2004-05. This was an increase of \$3.6 billion, or 7.9 percent, from 2003-04. An improving California economy was primarily responsible for the increased revenues.

Revenues from each tax are presented in the text table on [page 73](#). Additional detail and historical comparisons are found in Appendix Table 2, on [page A-2](#).

Sales and Use Taxes

Sales and use taxes contribute 83 percent of the revenue from Board-administered tax programs. Combined revenue from all state and local sales and use taxes totaled \$41,475,086,000 in 2004-05, an increase of 9.0 percent from 2003-04. The state's portion of the sales tax was \$27,367,554,000 (including the fiscal recovery fund). The portion allocated to other jurisdictions—cities, counties and special districts—totaled \$14,107,532,000, including allocations to the Local Revenue Fund and the Public Safety Fund. Sales and use tax details are provided in Appendix Tables 19 through 23B, beginning on [page A-24](#).

By the end of the fiscal year, special district taxes were being levied by 64 jurisdictions in 35 counties (see “District Transactions (Sales) and Use Tax,” on [page 31](#)). These counties are the source of 91 percent of all taxable sales in the state. [See Table [21C](#) for figures.] Some districts cover entire counties while others are restricted to city limits or other legal boundaries. Special district information is located in Appendix Table [21C](#), on [page A-30](#). Appendix Table [23B](#), on [page A-34](#), lists total sales and use tax rates by county.

Special Taxes

Fuel taxes. In 2004-05, the state's fuel tax revenues totaled \$3,396,928,000, a 0.8 percent increase from the previous fiscal year. Distribution of gasoline for highway use decreased 0.1 percent to 15.9 billion gallons. Historical fuel tax data are presented in Appendix Tables [24–26](#), beginning on [page A-35](#).



Alcoholic beverage tax. The state's excise tax revenues from alcoholic beverages increased 0.5 percent from 2003-04 levels to total \$314,275,000 for the fiscal year. Revenues from beer and wine decreased 5.7 percent to \$156,612,000, while revenues from distilled spirits increased 7.5 percent to \$157,663,000. Tax rates range from twenty cents a gallon for wine to \$3.30 per gallon for distilled spirits. For historical data on taxes, total apparent consumption, and per-capita apparent consumption by major type of beverage, see Appendix Tables 27-29, beginning on [page A-39](#).

Cigarette and tobacco taxes and fees. Revenue from excise taxes on cigarettes and other tobacco products totaled \$1,091,224,000 in 2004-05. This was an increase of only 0.4 percent from the previous year. For more information on these taxes, see Appendix Tables 30A and 30B, which begin on [page A-42](#).

Insurance Taxes. Starting with this annual report, we are including insurance taxes in this comparison of revenues. Insurance taxes were \$1,973,696,000 in 2004-05, an increase of 7.6 percent. For more information on these taxes, see Appendix Tables 31-33, which begin on [page A-44](#).

Electricity, telephone, and natural gas surcharges. The electrical energy surcharge, levied on the use of electricity in California, produced \$64,427,000 in 2004-05, a 10.7 percent increase from the previous year. The natural gas surcharge produced \$301,376,000, an increase of 14.8 percent. The emergency telephone users surcharge, which funds the 911 statewide emergency number system, totaled \$128,463,000, a decrease of 5.6 percent. Additional detail and historical comparisons are provided in Appendix Table 2, on [page A-2](#).

Hazardous substance taxes and other environmental fees. Revenues from hazardous substance taxes and other environmental fees totaled \$471,177,000, an 11.3 percent increase from 2003-04. These taxes and fees are used to fund specific environmental programs. The implementation of the Electronic Waste Recycling Act of 2003 began on January 1, 2005, and required collection and remittance of a new fee.

Property Taxes

Locally collected property taxes on state-assessed properties amounted to \$715,600,000, a decrease of 4.5 percent. The timber yield tax, which is levied when timber is harvested to substitute for an annual value-based property tax, totaled \$14,267,000, a 1.6 percent decline. The private railroad car tax, levied on railroad cars owned by firms that do not operate railroads, produced \$6,577,000, a decrease of 0.9 percent.



Comparison of Revenues 2003-04 and 2004-05

In Thousands of Dollars

<i>Revenue Source</i>	<i>2003-04</i>	<i>2004-05</i>	<i>Percent Change</i>
Sales and Use Taxes			
State tax (5.00%)	\$24,064,797	\$26,180,129	8.8
Local revenue fund state sales tax (0.50%)	2,442,269	2,635,571	7.9
Public safety fund sales tax (0.50%)	2,442,040	2,635,803	7.9
Fiscal recovery fund sales tax (0.25%) ¹	–	1,187,425	– ⁹
City and county sales tax ²	4,822,579	4,053,961	–15.9
County transportation tax (0.25%)	1,205,470	1,312,438	8.9
Special district taxes	3,081,100	3,469,334	12.6
Other taxes and fees	365	425	16.5
Totals	38,058,620	41,475,086	9.0
Fuel Taxes and Fees			
Gasoline and jet fuel	2,870,322	2,864,865	–0.2
Diesel and use fuel ³	501,233	532,063	6.2
Totals	3,371,555	3,396,928	0.8
Alcoholic Beverage Taxes			
	312,838 ^r	314,275	0.5
Cigarette and Tobacco Products Taxes			
Cigarette tax	117,137	119,056	1.6
Cigarette and tobacco products surtax	321,125	330,887	3.0
Breast cancer research cigarette stamp tax	28,427	28,840	1.5
California children and families first cigarette stamp tax	601,708	609,503	1.3
Cigarette and tobacco products licensing fee ⁴	18,479	2,938	– ⁹
Totals	1,086,875	1,091,224	0.4
Other Special Taxes and Fees			
Insurance taxes	1,834,205	1,973,696	7.6
Electrical energy surcharge ⁵	58,173	64,427	10.7
Natural gas surcharge	262,614	301,376	14.8
Emergency telephone users surcharge ⁶	136,124	128,463	–5.6
Hazardous substances taxes and other environmental fees ⁷	423,348	471,177	11.3
Property Taxes			
Local taxes on state assessed properties ⁸	749,200	715,600	–4.5
Timber yield tax	14,503	14,267	–1.6
Private railroad car tax	6,637	6,577	–0.9
Grand Totals	\$46,314,692^r	\$49,953,096	7.9

¹ This tax became effective July 1, 2004.

² City and county sales tax rate, 1.00% through June 30, 2004; 0.75% effective July 1, 2004.

³ Includes diesel fuel taxes collected under the International Fuel Tax Agreement (IFTA) implemented on January 1, 1996.

⁴ This tax became effective January 1, 2004.

⁵ Effective January 1, 2004, the tax rate was increased to \$0.0003 per kilowatt hour from \$0.0002.

⁶ Effective November 1, 2004, the tax rate was lowered to 0.65% from 0.72%.

⁷ Includes revenues from the hazardous substances tax, integrated waste management fee, underground storage tank maintenance fee, tire recycling fee, oil spill prevention and administration fee, oil spill response fee, childhood lead poisoning prevention fee, occupational lead poisoning prevention fee, marine invasive species control fee, water rights fee, and electronic waste recycling fee.

⁸ Collected by county tax collectors.

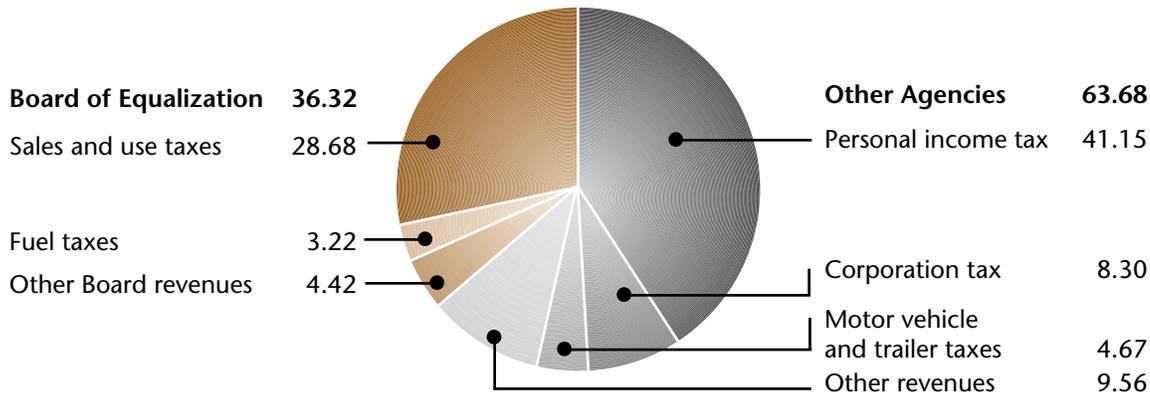
⁹ Not computed.

^r Revised. The grand total now includes insurance tax revenues.



Sources of State Revenue July 1, 2004—June 30, 2005

Percentage of Total State Revenue



Revenue Source		Revenue (in thousands)	Percent Change from 2002-03	Percentage of Total State Revenue
Board of Equalization	<i>Major Taxes and Licenses</i>			
	Sales and Use Tax ¹	\$29,967,136	13.05	28.68
	Gasoline and Jet Fuel Tax	2,834,532	.37	2.71
	Diesel and Use Fuel Taxes	531,609	6.15	.51
	Insurance Gross Premiums Tax	2,232,955	5.58	2.14
	Cigarette and Tobacco Products Tax	1,096,224	1.35	1.05
	Alcoholic Beverage Tax	314,252	.46	.30
	<i>Totals, Major Taxes and Licenses</i>	\$36,976,708	10.90	35.39
	<i>Totals, Minor Revenues ²</i>	972,019	9.60	.93
	Grand Total	\$37,948,727	10.87	36.32
Other Agencies	<i>Major Taxes and Licenses</i>			
	Personal Income Tax	\$42,992,007	18.11	41.15
	Corporation Tax	8,670,065	25.18	8.30
	Motor Vehicle "in lieu" Tax	2,133,709	4.00	2.04
	Trailer Coach Fees "in lieu" Tax	23,974	13.80	.02
	Motor Vehicle Registration and Other Fees	2,716,022	15.95	2.60
	Estate, Inheritance and Gift Tax	213,036	-46.45	.20
	Horse Racing (Parimutuel) License Fees	38,491	-8.67	.04
	<i>Totals, Major Taxes and Licenses</i>	\$56,787,304	17.86	54.36
	<i>Totals, Minor Revenues</i>	9,734,327	-8.76	9.32
Grand Total	\$66,521,631	13.04	63.68	
TOTAL STATE REVENUE		\$104,470,358	8.55	100.00

Source: 2006-07 Governor's Budget

¹ Includes revenues from the state sales tax, the state disaster relief tax, the local revenue fund state sales tax, and the fiscal recovery fund sales tax.

² Includes private railroad car, electrical energy, natural gas, emergency telephone, and environmental taxes and fees.

Note: Percentage detail may not compute to totals due to rounding.