

CERTIFICATION REVENUE ESTIMATE

The Comptroller issues at least two revenue estimates when the Legislature meets in regular session. The Biennial Revenue Estimate tells lawmakers how much money they can spend on the state budget. The Certification Revenue Estimate (CRE), released after the state budget is final, reflects legislative action and new economic information. The CRE may be updated as warranted by economic circumstances. This estimate updates the CRE issued in November 2021.

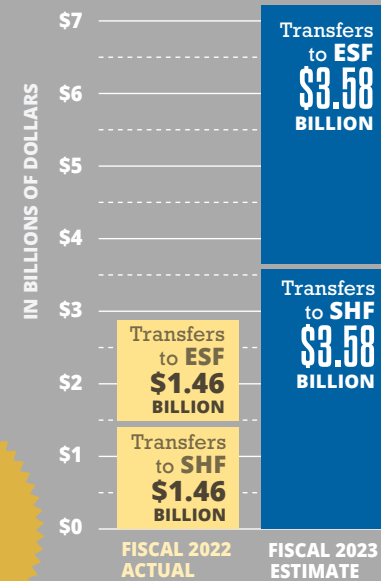
Revenue Available for General-Purpose Spending in the 2022-23 Biennium

		CERTIFICATION REVENUE ESTIMATE November 2021	CERTIFICATION REVENUE ESTIMATE July 2022	In Billions of Dollars
General Revenue-Related (GR-R) Tax Collections	+	\$117.20	\$134.89	
Other GR-R Revenues	+	\$16.17	\$17.99	
Total GR-R Revenues	=	\$133.37	\$152.88	SUBTOTAL
Beginning Balance (Funds carried forward from 2021)	+	\$10.96	\$10.96	
Total GR-R Revenue & Fund Balances	=	\$144.33	\$163.84	SUBTOTAL
Revenue Reserved for Transfers to the Economic Stabilization and State Highway Funds	-	\$9.01	\$14.77	
Total Revenue Available for General-Purpose Spending	=	\$135.32	\$149.07	TOTAL

\$26.9 BILLION GR-R BALANCE END OF FISCAL 2023

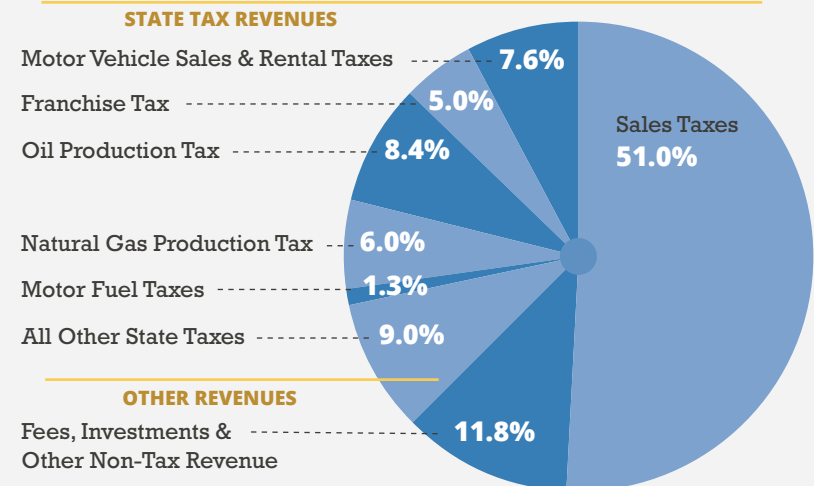
Note: Totals may not sum because of rounding.

Severance Tax Transfer to the Economic Stabilization Fund (ESF) and State Highway Fund (SHF)



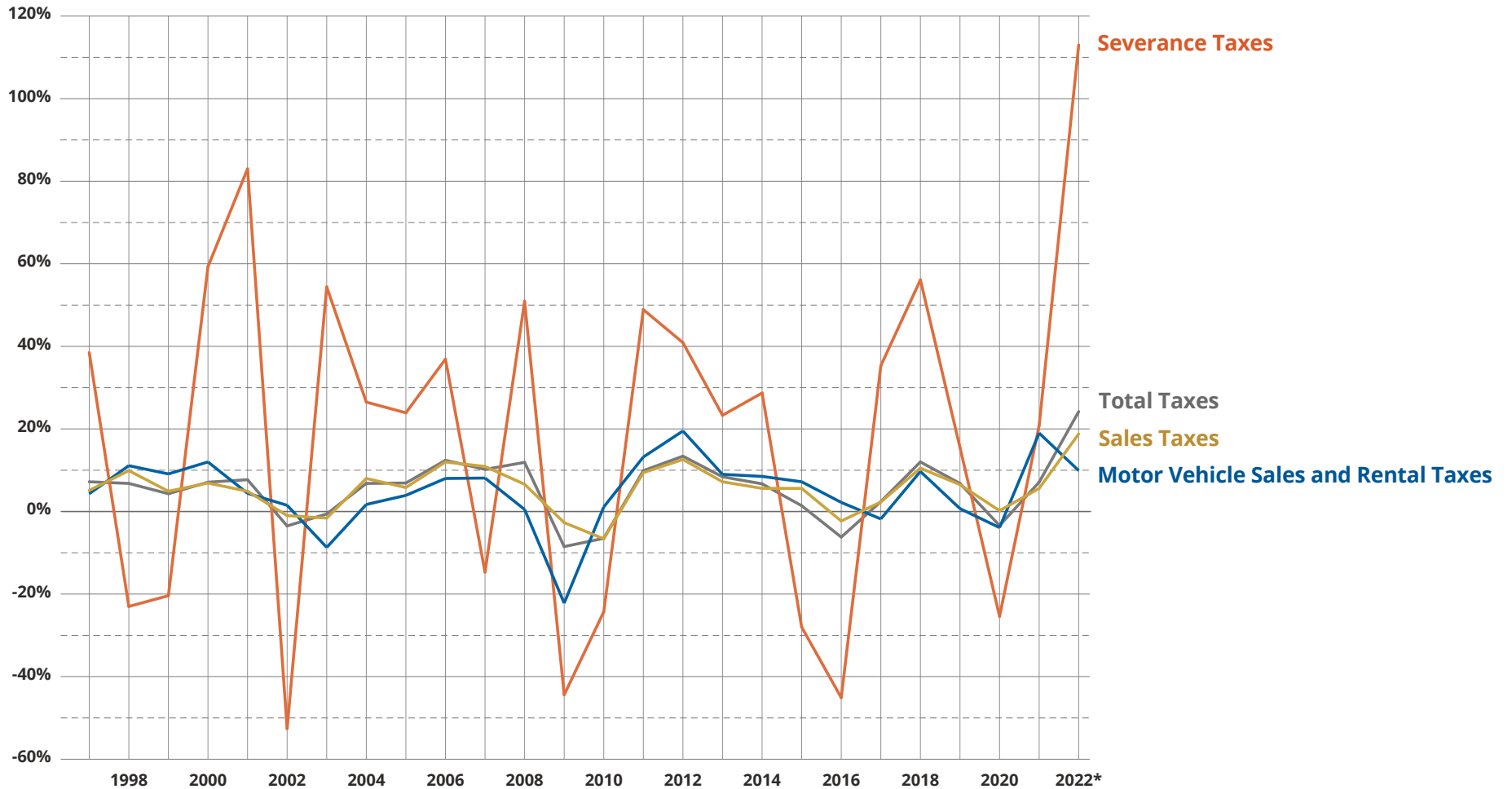
The ESF will have a projected balance of \$13.66 billion at the end of fiscal 2023, taking into account interest and investment earnings, and absent any additional legislative appropriations. The Legislature can appropriate money from the ESF only with a super-majority vote of the House and Senate.

Projected General Revenue-Related Revenues



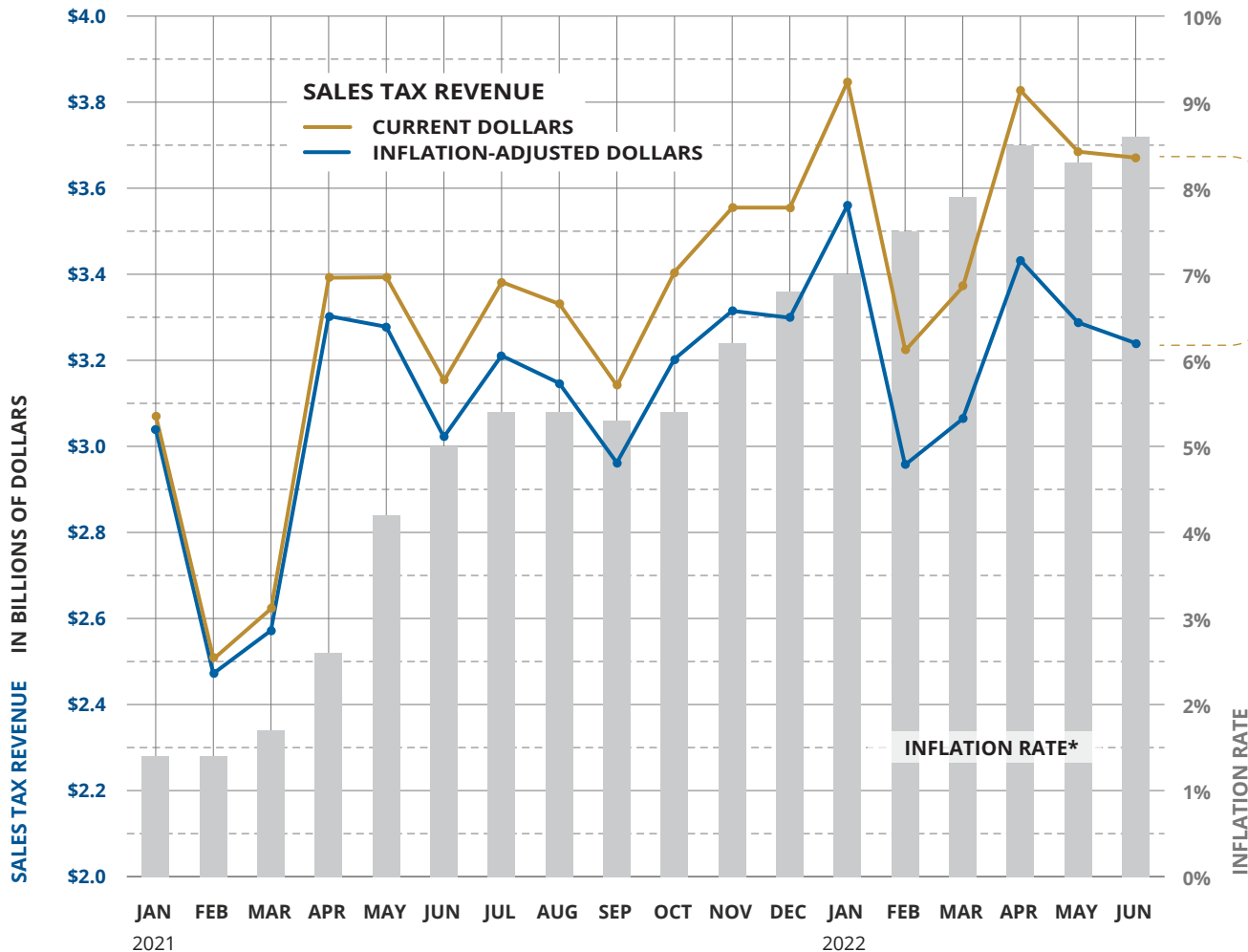
Texas has recently experienced a sustained period of historically high revenues. State sales tax revenues, which account for 59 percent of all funds tax collections, surged in June with strong growth in all major economic sectors. Motor vehicle sales and rental tax collections are setting records; before May 2021, this revenue source had never topped \$500 million. Oil and natural gas production taxes also hit high marks in June, although severance taxes are historically volatile.

**Annual Percentage Change of Tax Collections
Fiscal Years 1997-2022 (All funds tax collections)**



* Amounts estimated in 2022-23 CRE, updated July 2022

Current Dollars Versus Inflation-Adjusted Dollars January 2021 to June 2022



The difference between current (non-inflation-adjusted) dollars and constant (inflation-adjusted) dollars represents the share of sales tax revenue attributable to recent price inflation rather than to growth in the physical numbers or measures of taxable goods and services.

The widening of this gap indicates that the share of sales tax revenue attributable to inflation has been growing rapidly.

*YoY change in the Consumer Price Index for All Urban Consumers (CPI-U).
The rate of inflation displayed is for the month preceding the month of sales tax collections.