

MINUTES OF BUDGET AND CONTROL BOARD MEETING

APRIL 16 1974

The Budget and Control Board met in the Conference Room of the Governor's Office at 11:00 a. m. on April 16, 1974 for the purpose of considering revised revenue projections. Board members in attendance were.

Governor John C. West
Mr. R. J. Aycock
Mr. Henry Mills

Senator Dennis was prevented from attending because of duties in the Senate, and Mr. Patterson was in New York City.

Also in attendance were Messrs. P. C. Smith and W. T. Putnam.

Mr. P. C. Smith reported that the Board of Economic Advisors had met on April 10, 1974, and had revised revenue estimates for the fiscal years 1973-74 and 1974-75.

The revised estimates, which were adopted as official by the Budget and Control Board, show that General Fund receipts for the fiscal year are expected to be \$749,200,000; while for the year 1974-75, these funds should reach \$827,300,000. It was pointed out that the revised estimate for the fiscal year 1974-75 is approximately \$18,008,000 in excess of the revenue estimate which is presently being used by the Ways and Means Committee.

Mr. Henry Mills indicated that he would like to propose that the Budget and Control Board recommend to the Ways and Means Committee that the additional funds be used to increase the salaries of teachers and State employees by an average of 8 percent. However, in the discussion, Mr. Aycock said he felt that at the present point in time the decision should be made by the Ways and Means Committee.

In view of Mr. Aycock's position, no formal motion was made but both Mr. Mills and Governor West indicated that they hoped that the Ways and Means Committee would see fit to recommend an additional increase in salaries for both teachers and State employees.

Information furnished to the Budget and Control Board by the Board of Economic Advisors has been retained in these files and is identified as Exhibit I.

There being no further business, the meeting was adjourned at 11:45 a. m.

Exhibit F
April 16, 1974

April 16, 1974

GENERAL FUND, 1974-75

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Estimated Revenue (Revised by Economic Advisors, April 10, 1974)	\$ 827,300,000
Prior Estimate (Budget Report)	<u>809,292,000</u>
Gross Increase	18,008,000
<u>Less:</u> 7½% of Income Tax Increase (to Counties)	<u>1,020,000</u>
Net Increase	\$ 16,988,000
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Deficit in Ways and Means Bill (as of April 11)	<u>9,453,000</u>
Balance	\$ <u><u>7,535,000</u></u>

GENERAL FUND REVENUE COLLECTIONS
ACTUAL AND PROJECTED
FISCAL YEARS 1971-72--1974-75
(IN THOUSANDS OF DOLLARS)

REVENUE ITEM	1971-72	1972-73*	1973-74 REVISED**	ESTIMATED 1974-75**	CHANGE
Admissions Tax	\$ 2,508	\$ 2,895	\$ 4,000	\$ 4,400	500
Alcoholic Liquors	21,313	23,479	26,000	27,500	
Bank Tax	1,361	1,703	1,730	1,850	
Beer and Wine	28,689	31,784	35,200	38,500	
Building & Loan Assoc.	433	911	800	800	
Business License	19,373	20,505	21,500	22,600	500
Coin-Operated Device	998	1,085	1,256	1,300	
Contractors License	276	321	310	320	
Corporation License	5,415	6,685	6,850	7,500	
Documentary Tax	4,471	5,757	6,600	6,800	
Earned on Investments	6,855	10,282	14,000	15,000	3,000
Electric Power Tax	7,878	8,629	9,370	9,900	
Estate Tax	6,367	4,361	4,600	4,600	
Fertilizer Inspection	245	251	260	270	
Gasoline Tax-Counties	13,790	14,621	14,400	14,000	(2,400)
Gift Tax	168	569	300	310	10
Insurance Tax	16,327	18,811	20,000	21,800	800
Motor Transport Fees	1,171	1,350	1,400	1,450	
Retailers License	591	422	570	450	
Soft Drinks Tax	8,705	8,981	9,550	9,950	
Workmens Compensation	1,478	1,723	1,850	1,950	
Public Service Asses.	525	690	912	910	(2)
Public Service Auth.	757	1,007	1,100	1,100	
Dept. of Agriculture	4,834	5,261	5,562	5,890	
Misc. Dept. Revenue	1,978	1,978	2,040	2,050	
Dept. Supported Appr.	1,253	1,402	1,793	1,800	
TOTAL ALL OTHER REVENUES	<u>157,759</u>	<u>175,465</u>	<u>191,953</u>	<u>203,000</u>	<u>2,408</u>
RETAIL SALES TAX	<u>245,497</u>	<u>280,370</u>	<u>311,000</u>	<u>340,600</u>	<u>2,000</u>
INCOME TAX TOTAL	<u>178,226</u>	<u>211,419</u>	<u>246,200</u>	<u>283,700</u>	<u>13,600</u>
Individual	127,708	150,737	176,200	210,000	
Corporation	50,518	60,681	70,000	73,700	
TOTAL GENERAL FUND	<u>581,482</u>	<u>667,255</u>	<u>749,200</u>	<u>827,300</u>	<u>18,008</u>
% Change from Pre- vious Year	15.2	14.8	12.3	10.4	
PERSONAL INCOME (MILLIONS)	\$ 8,311	\$ 9,268	\$ 10,600	\$ 11,600	

* Adjusted to exclude windfall.

** Revised estimates by Economic Advisers.

Economic Advisers

April 10, 1974

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