

South Dakota Banking Commission

December 17, 2025



Outline of Presentation

- US Economy
- US Forecast
- SD Economy
- SD Forecast
- General Fund Revenue Collections

US Economy

Consumption

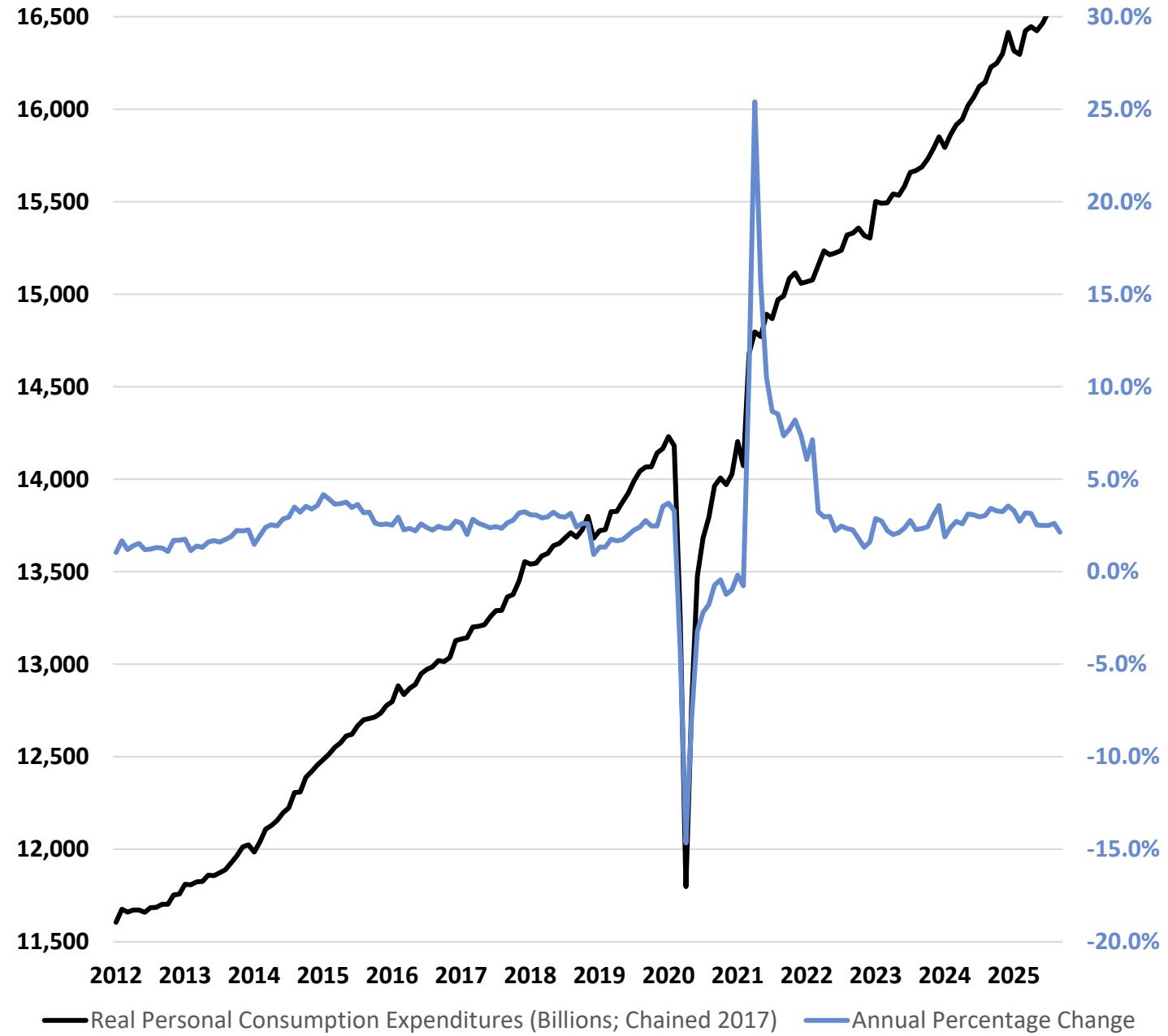
Federal Fiscal Picture

Employment and Unemployment

Inflation

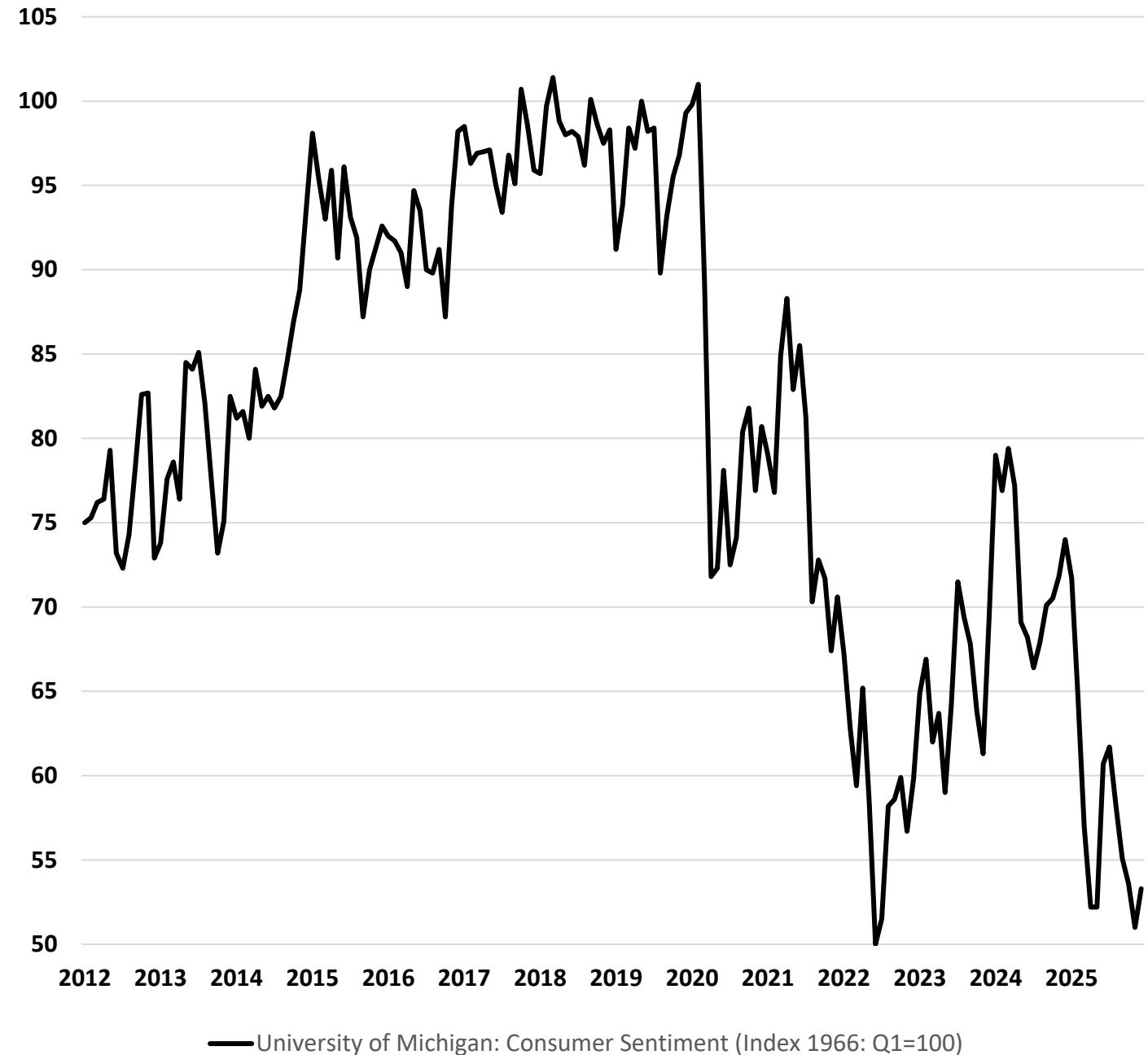


US Real Personal Consumption Expenditures



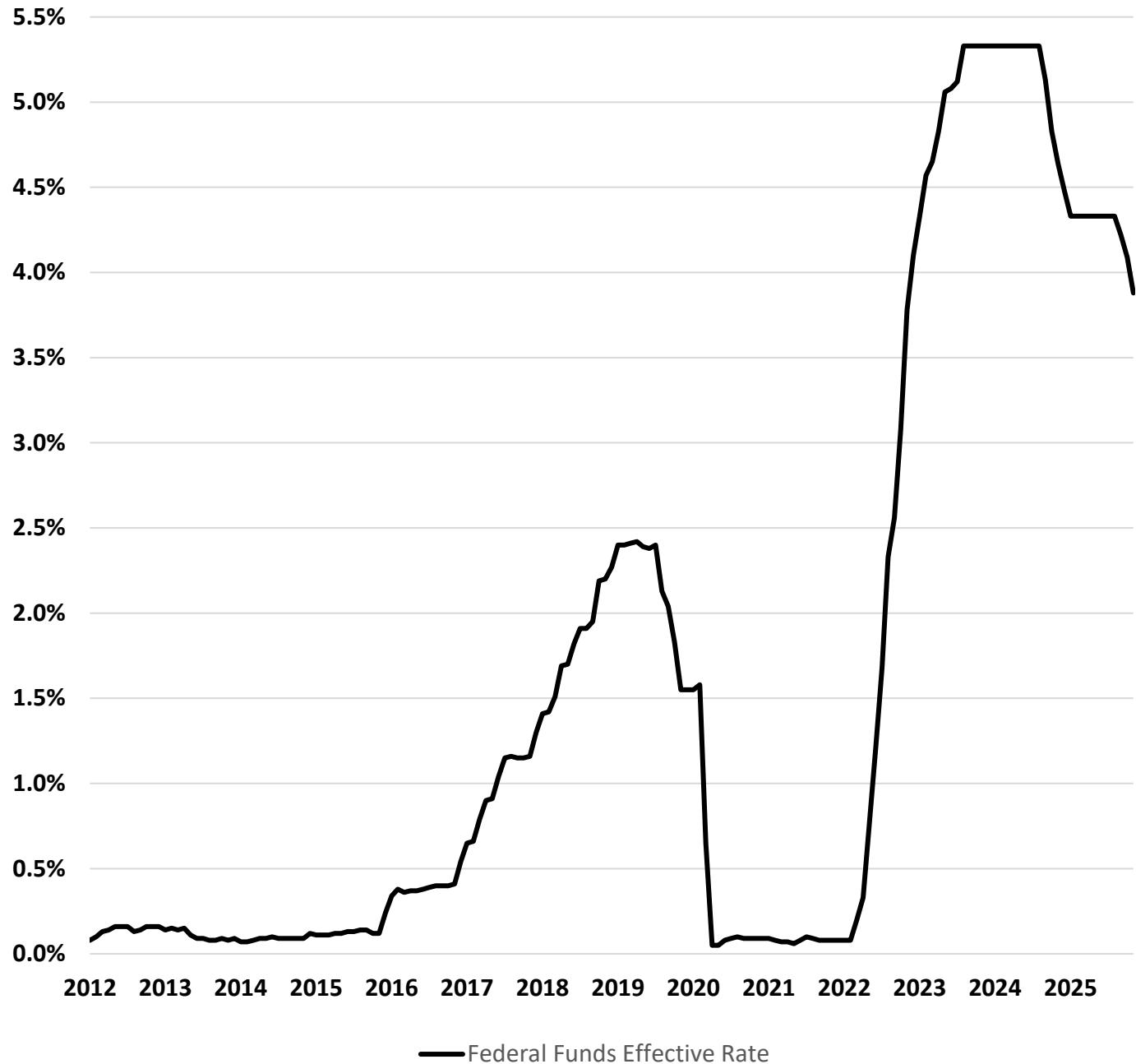


US Consumer Sentiment

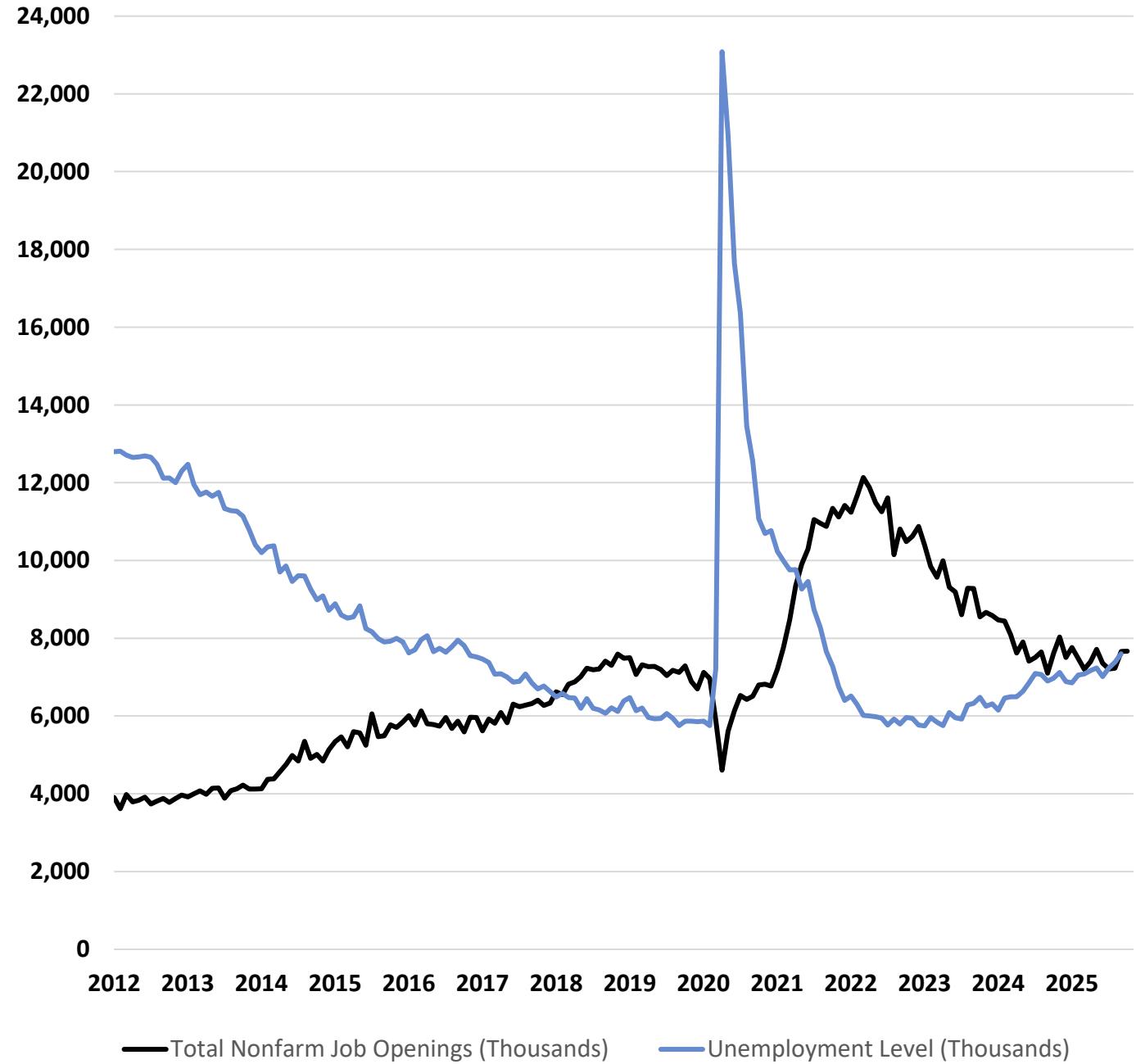




Interest Rates

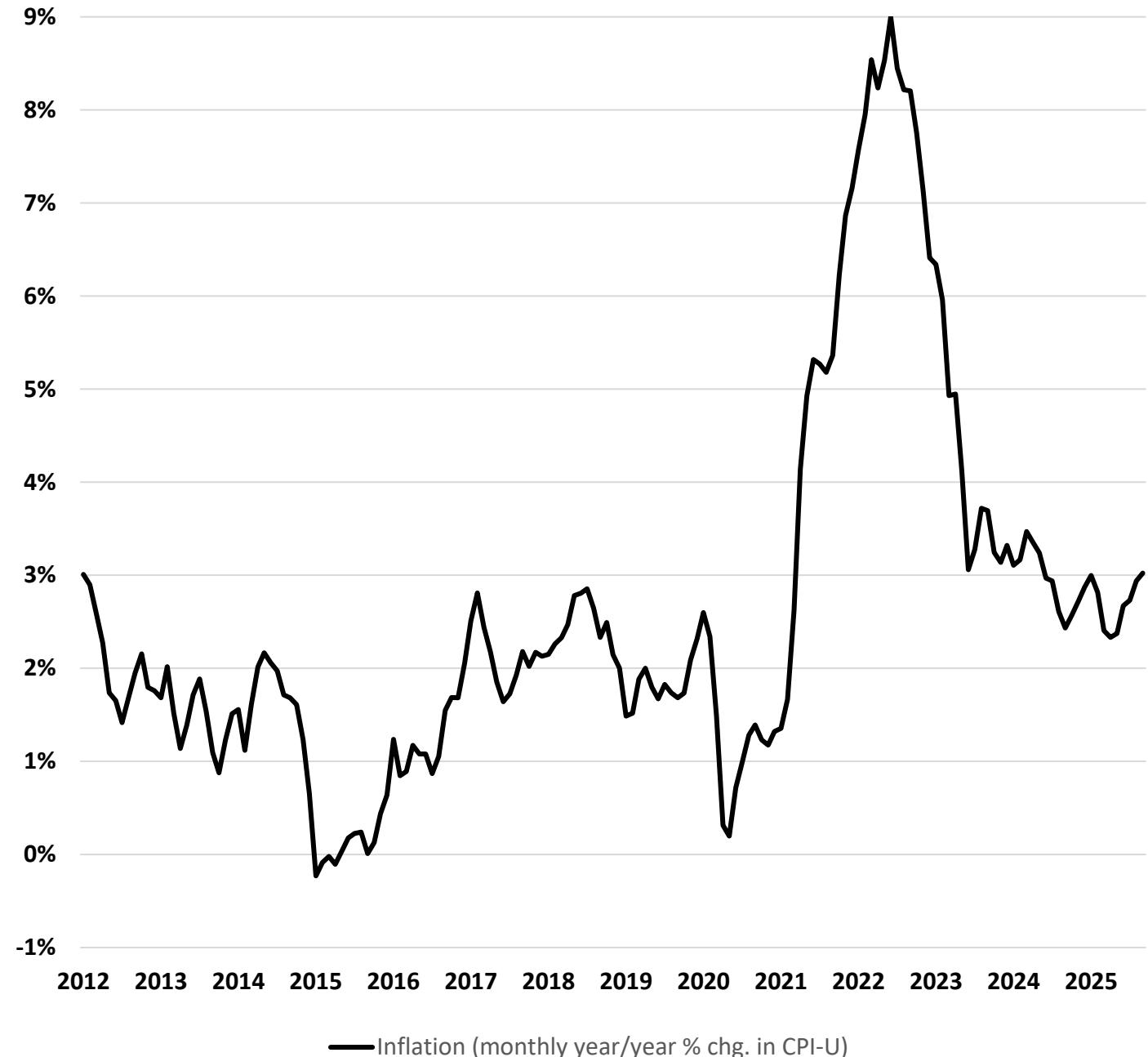


US Job Openings
vs.
Unemployment
Level





Inflation: CPI



S&P Global Forecast - US

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 f | 2026 f | 2027 f | '14-'24 avg. |
|---------------------------|-------|------|------|------|------|--------|--------|--------|--------------|
| Real GDP Growth | -2.1% | 6.2% | 2.5% | 2.9% | 2.8% | 2.0% | 2.2% | 1.8% | 2.5% |
| Nonfarm Employment | -5.8% | 2.9% | 4.3% | 2.2% | 1.3% | 0.9% | 0.5% | 0.5% | 1.4% |
| Personal Income | 6.9% | 9.5% | 3.0% | 6.5% | 5.6% | 5.0% | 5.5% | 5.5% | 5.3% |
| Unemployment Rate | 8.1% | 5.4% | 3.6% | 3.6% | 4.0% | 4.3% | 4.6% | 4.6% | 4.8% |
| CPI-U | 1.3% | 4.7% | 8.0% | 4.1% | 3.0% | 2.7% | 2.8% | 2.5% | 2.8% |

SD Economy

Employment

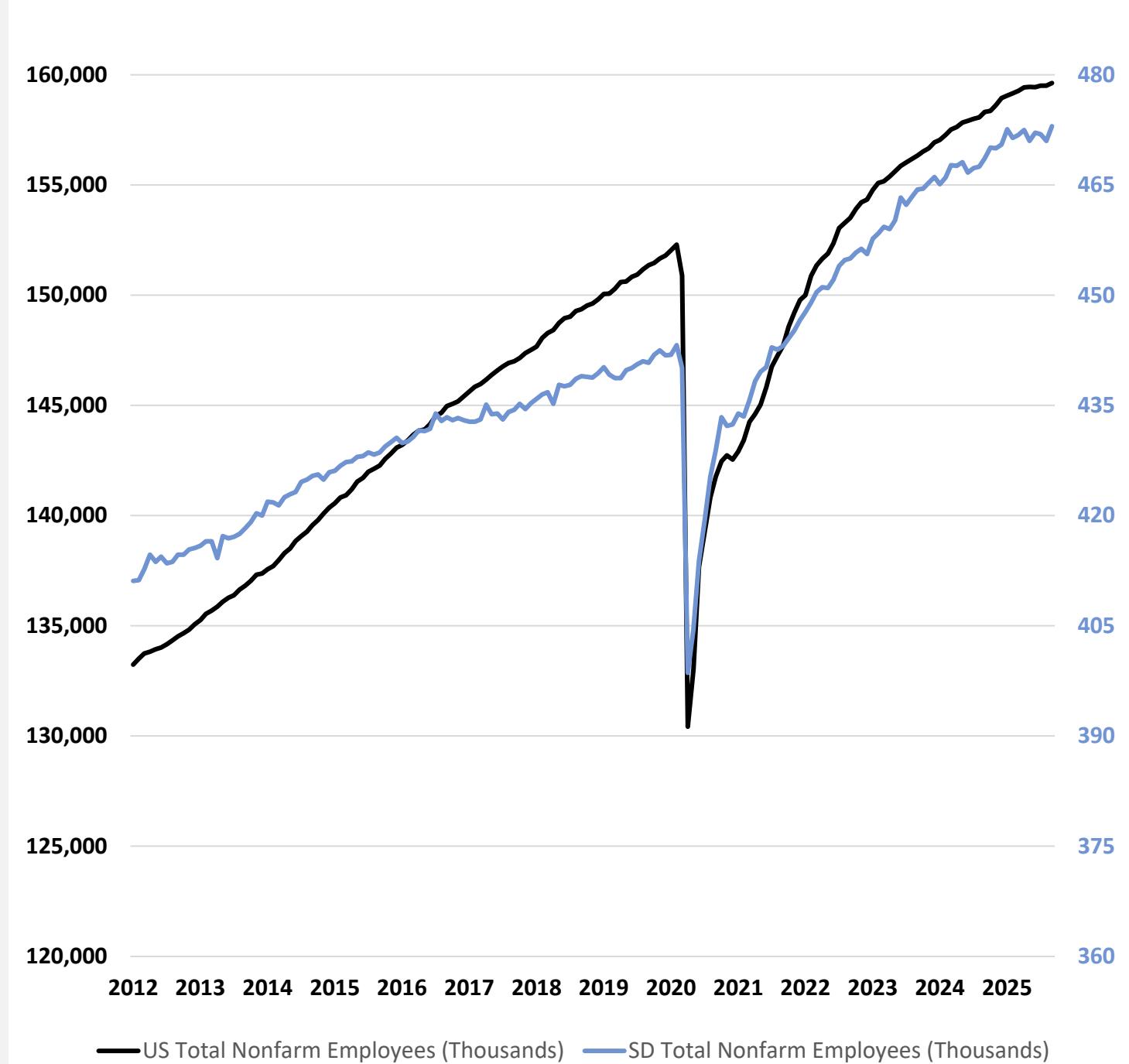
Housing

Income

Tourism

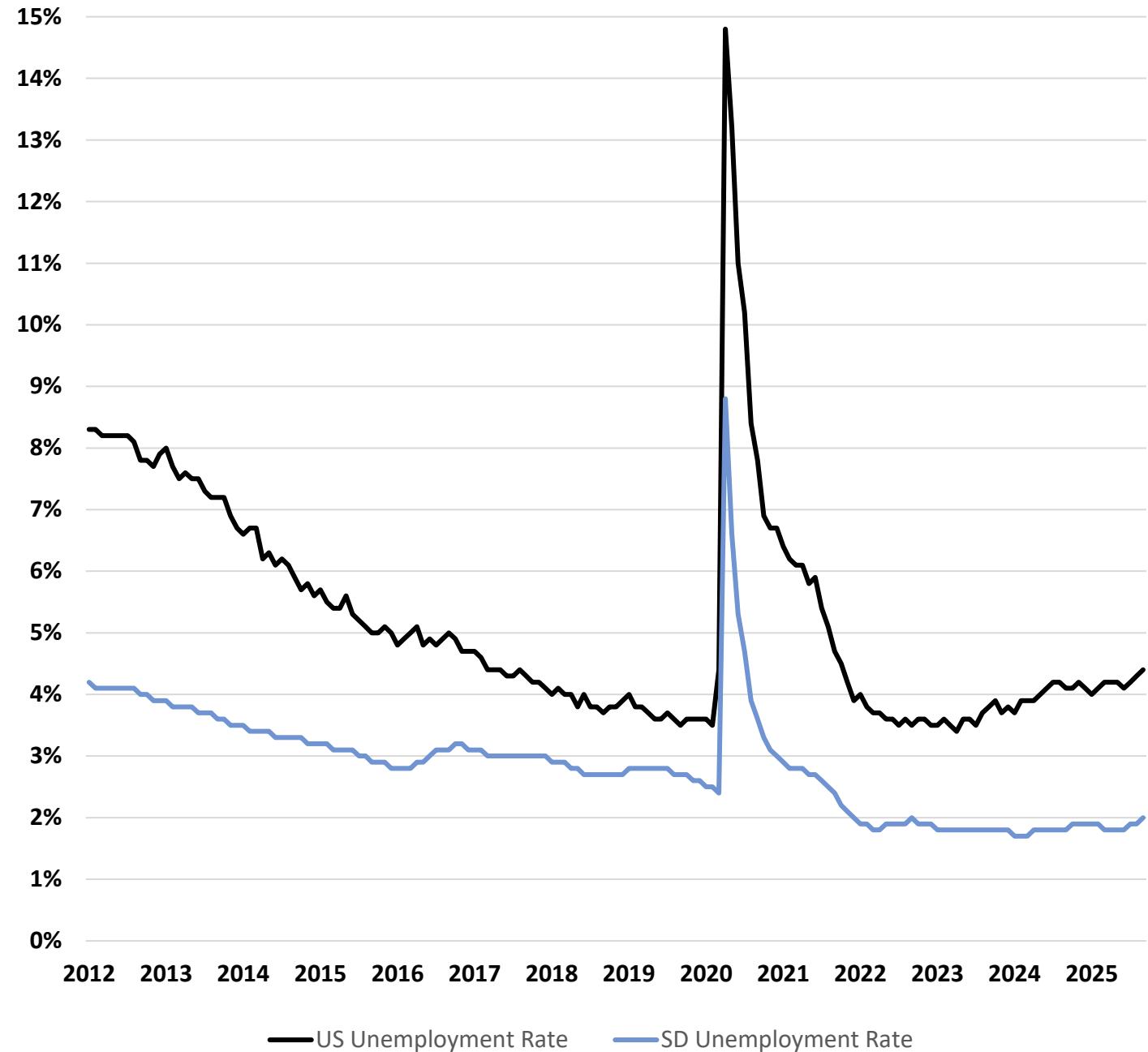


Employment Growth



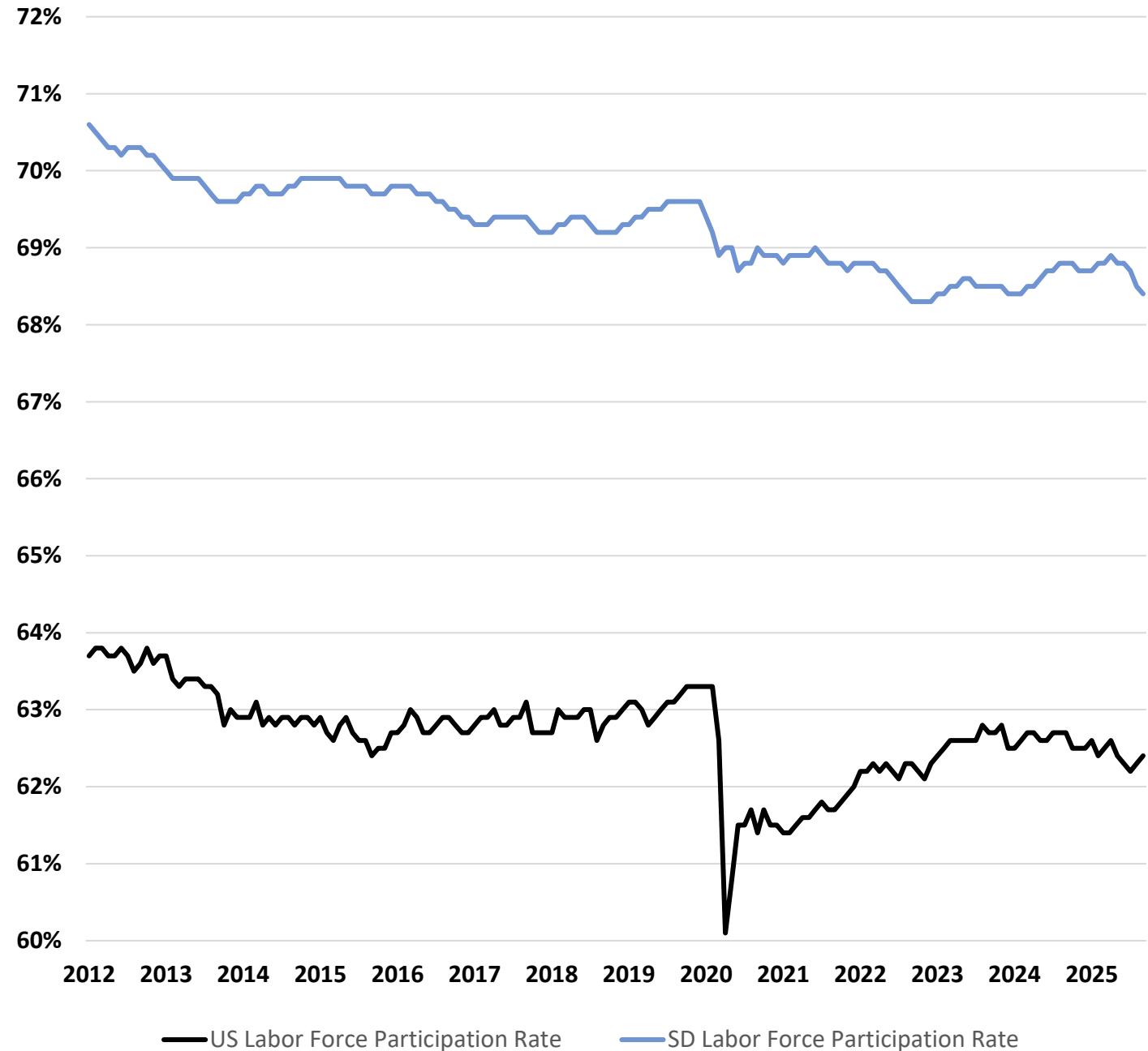


Unemployment Rate



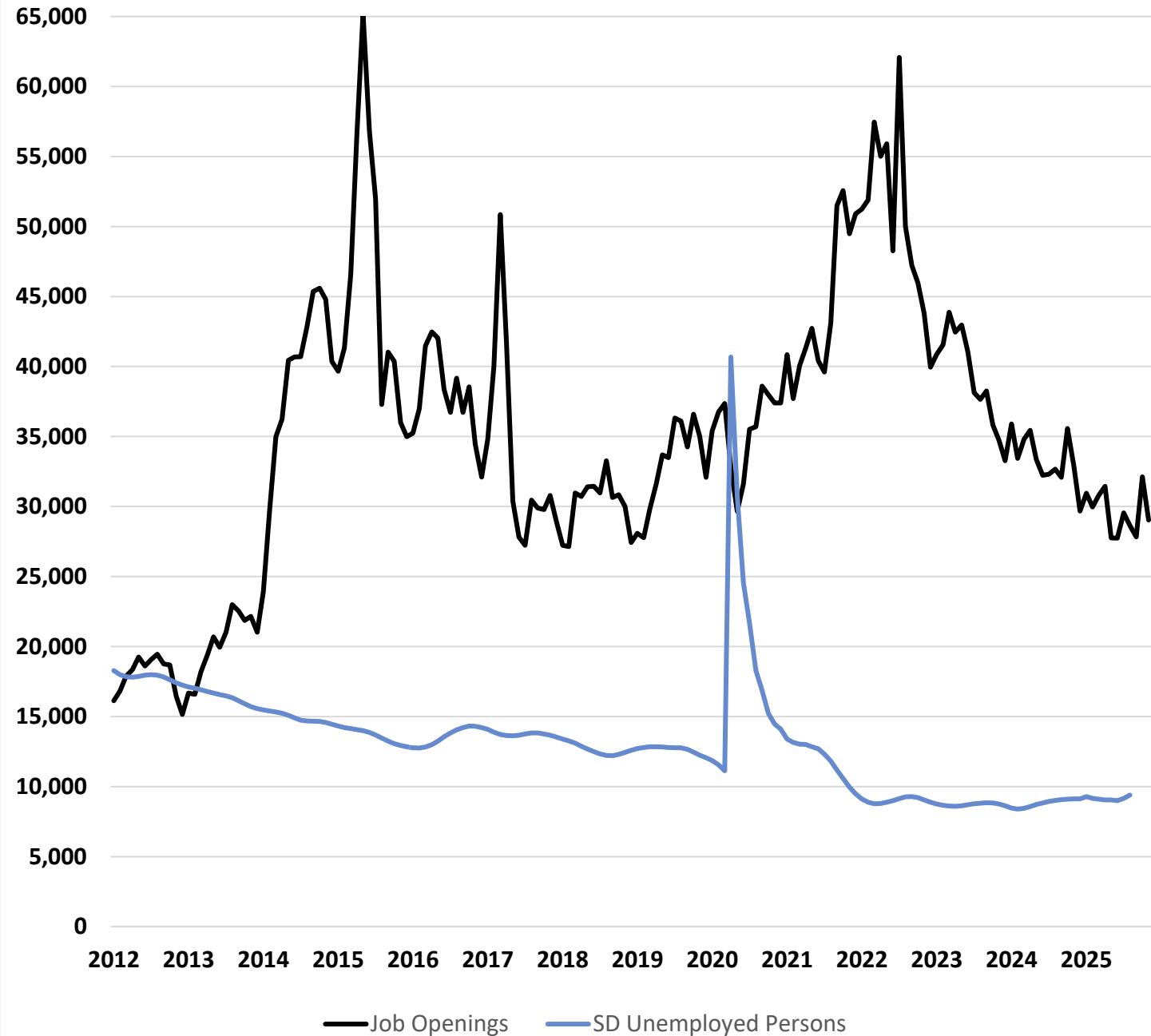


Labor Force Participation Rate



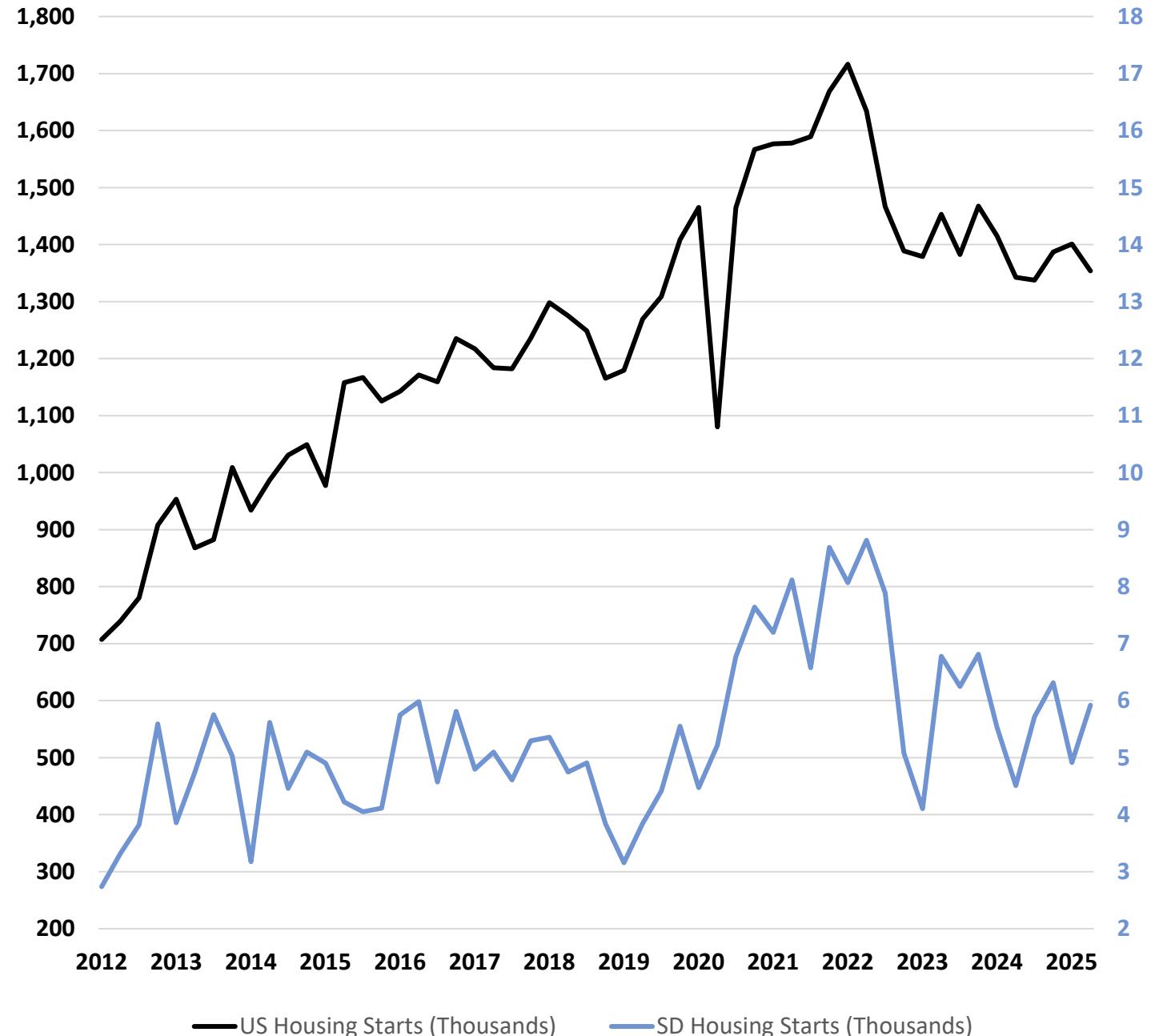


SD Job Openings vs. Unemployed



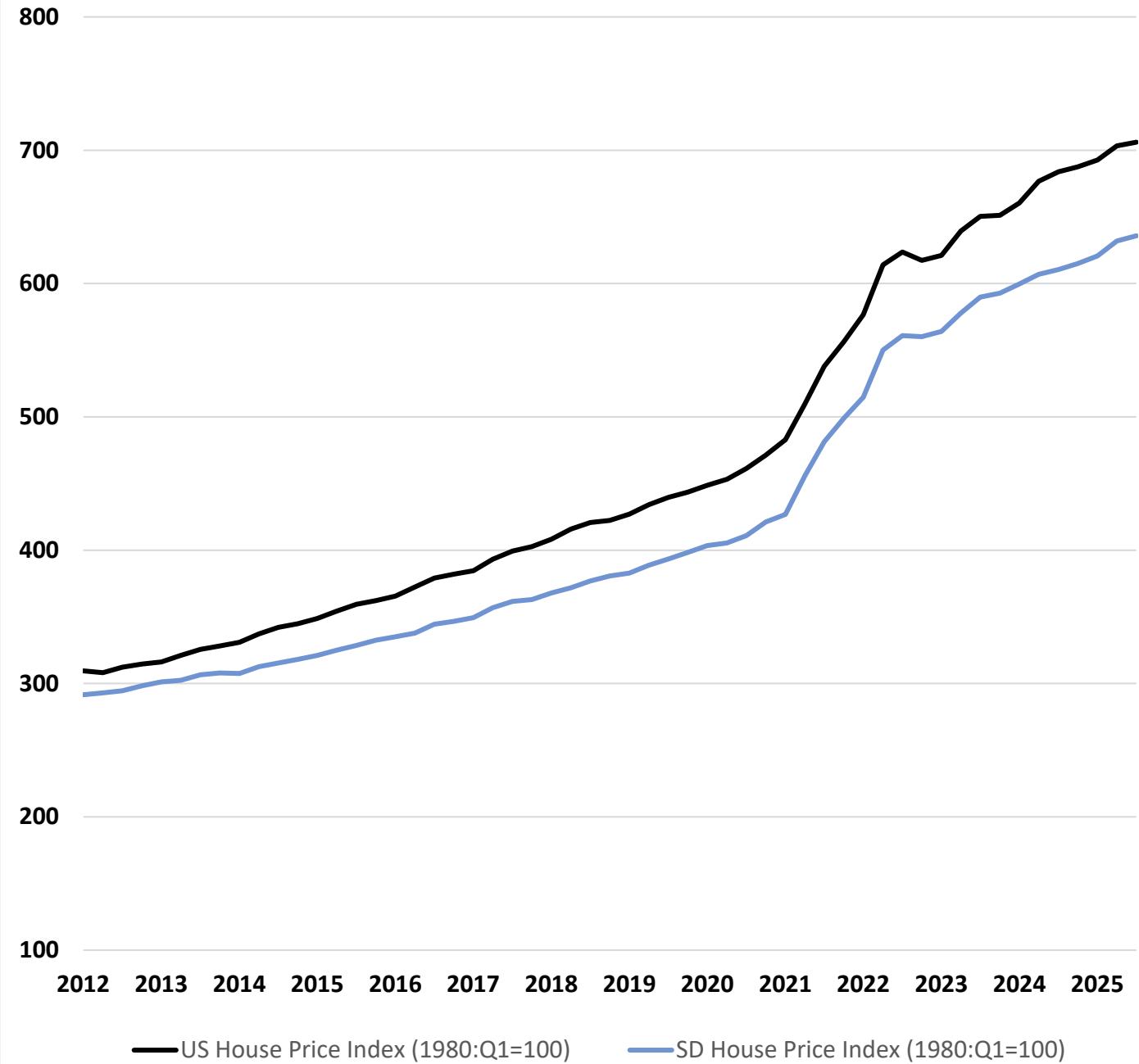


Housing Starts



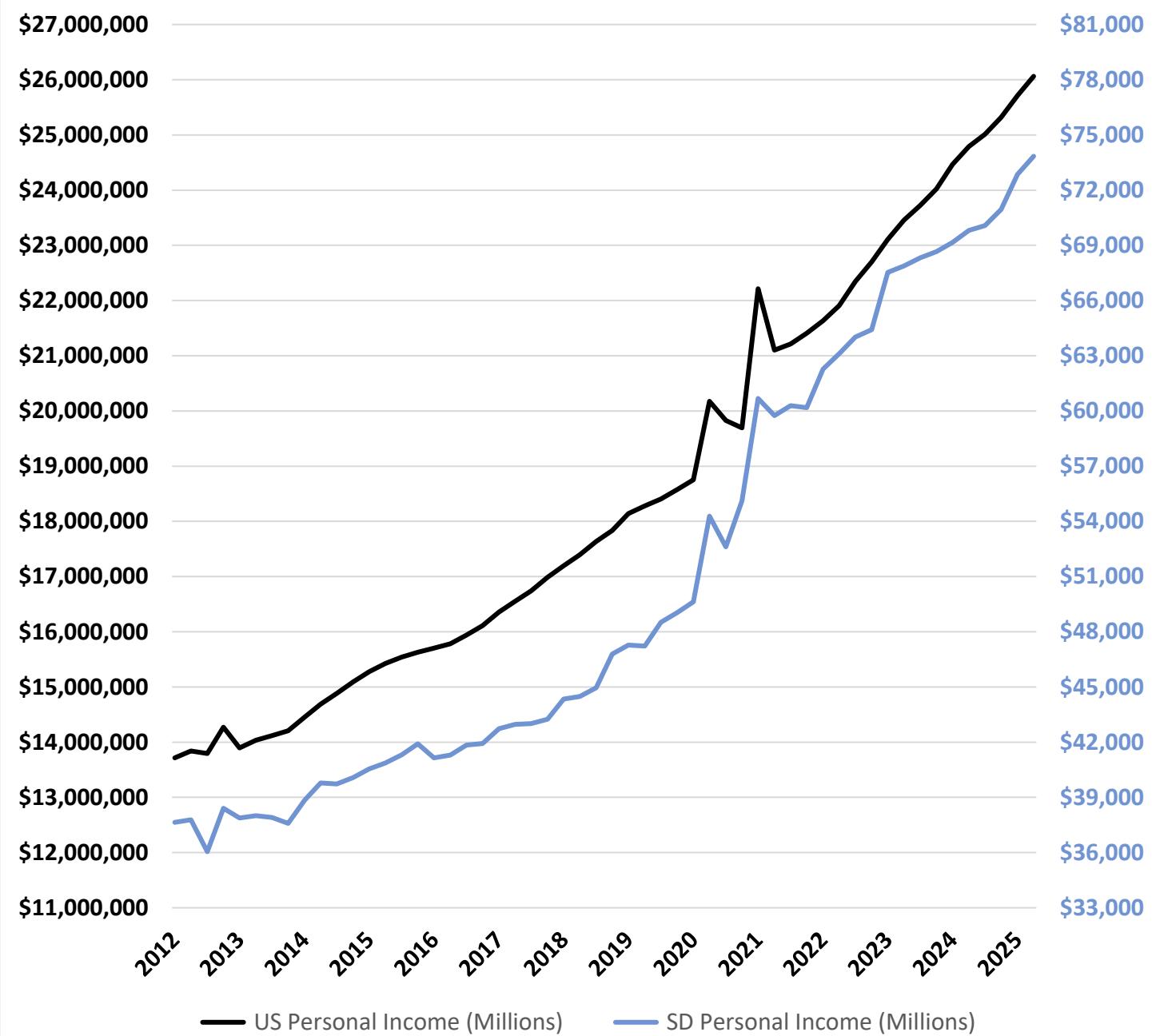


Home Price



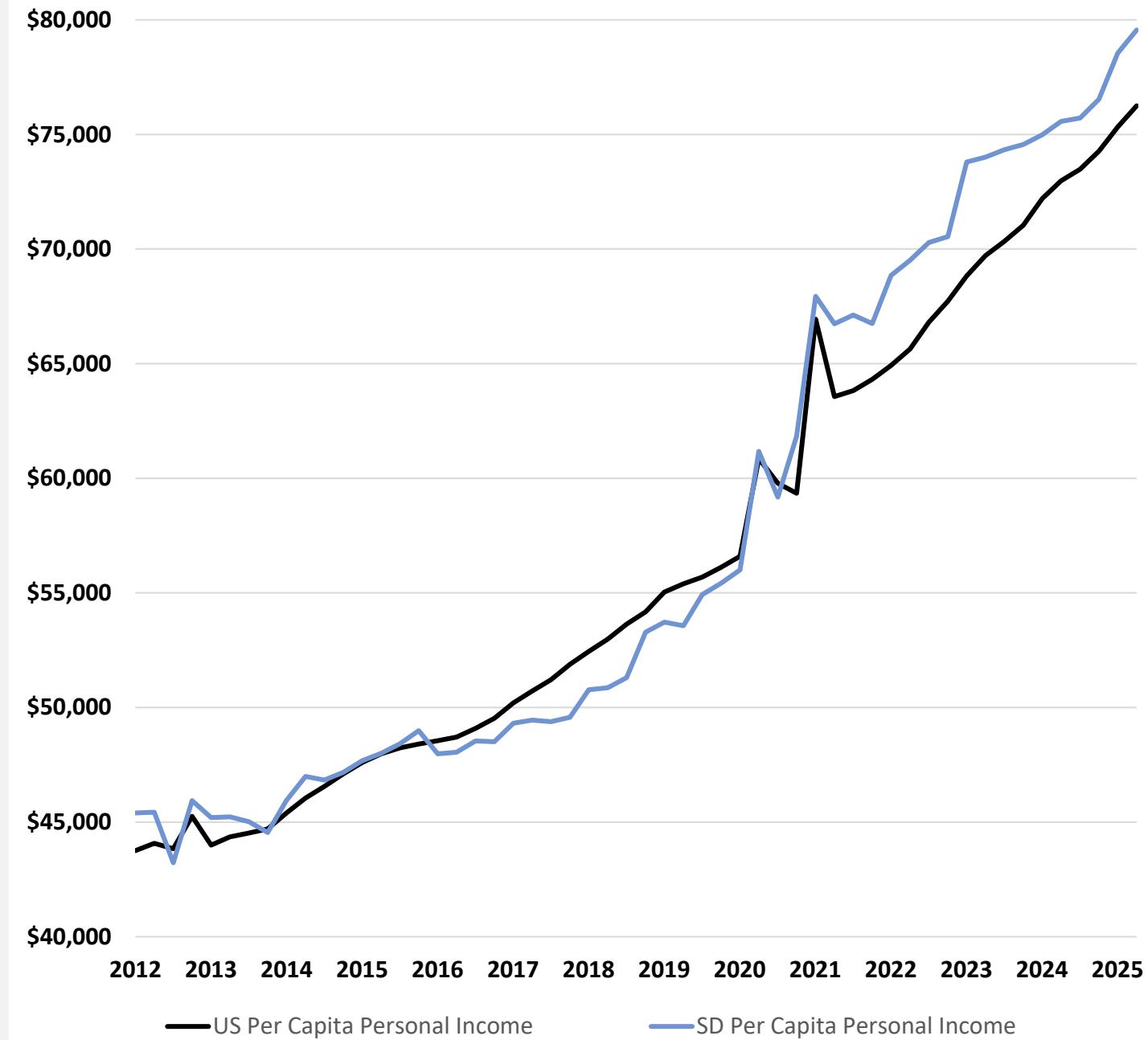


Personal Income

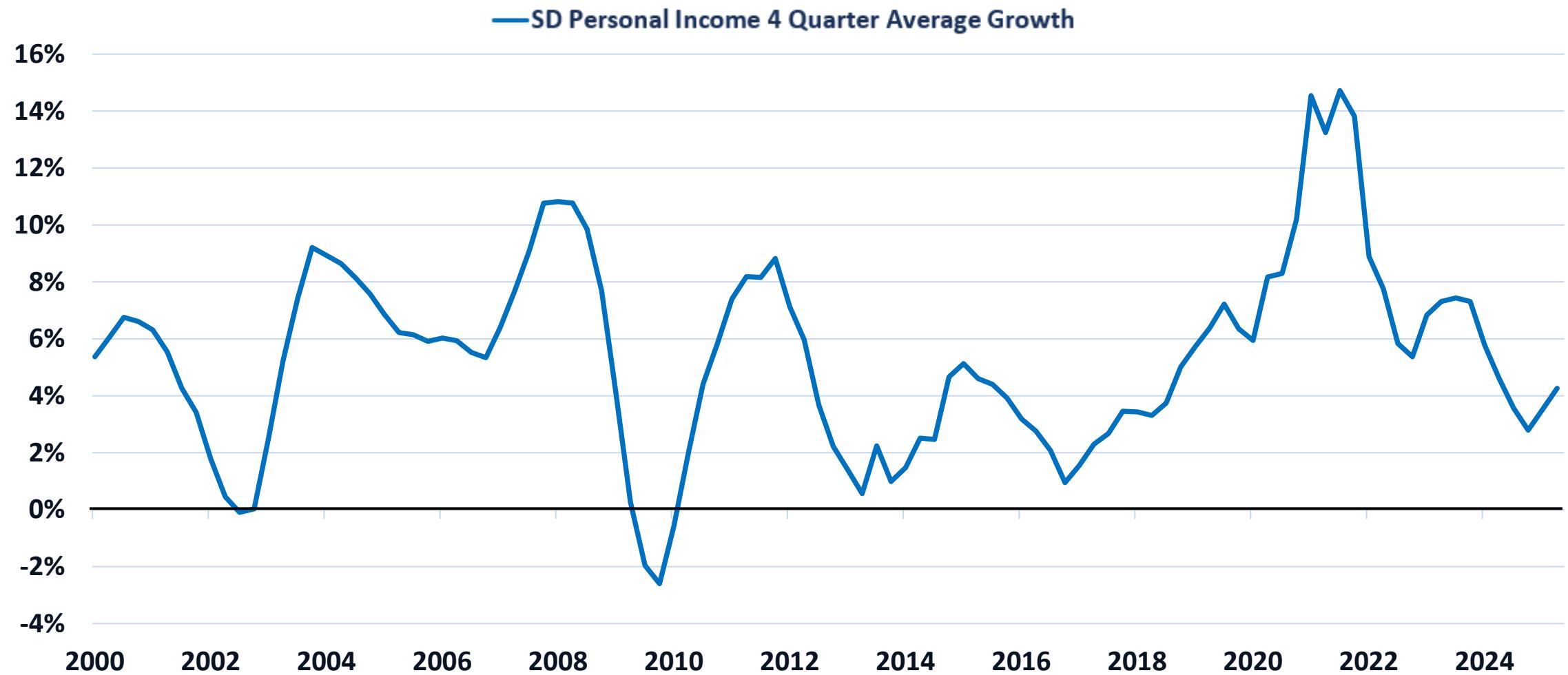




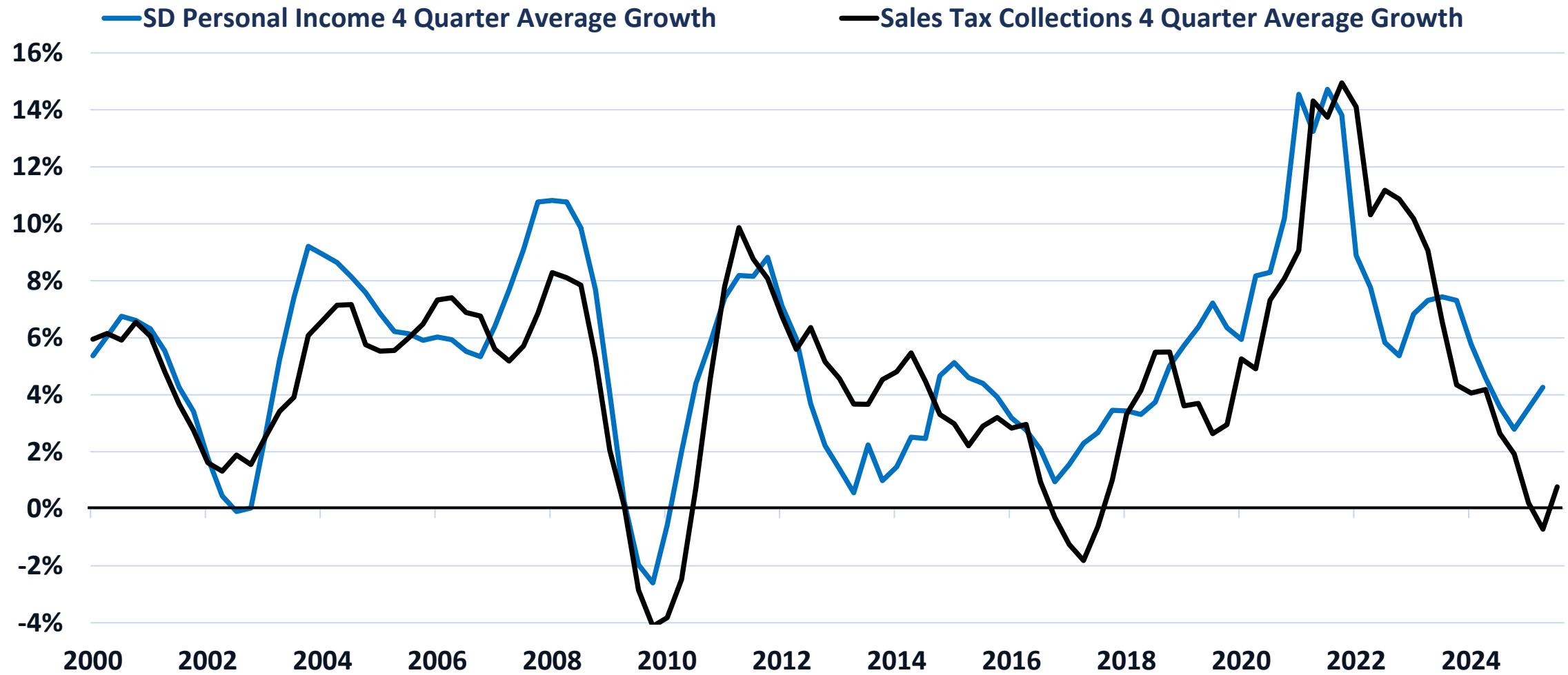
Per Capita Personal Income



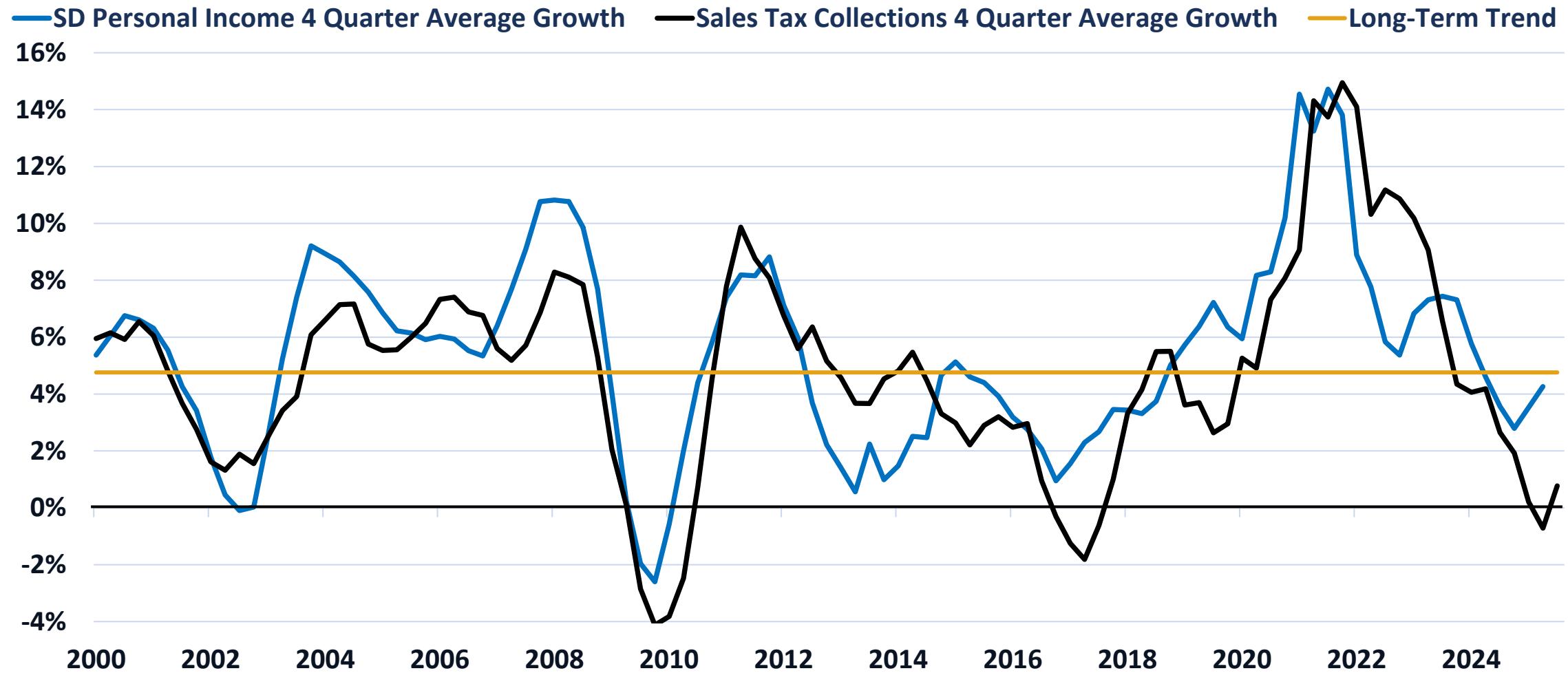
SD Personal Income



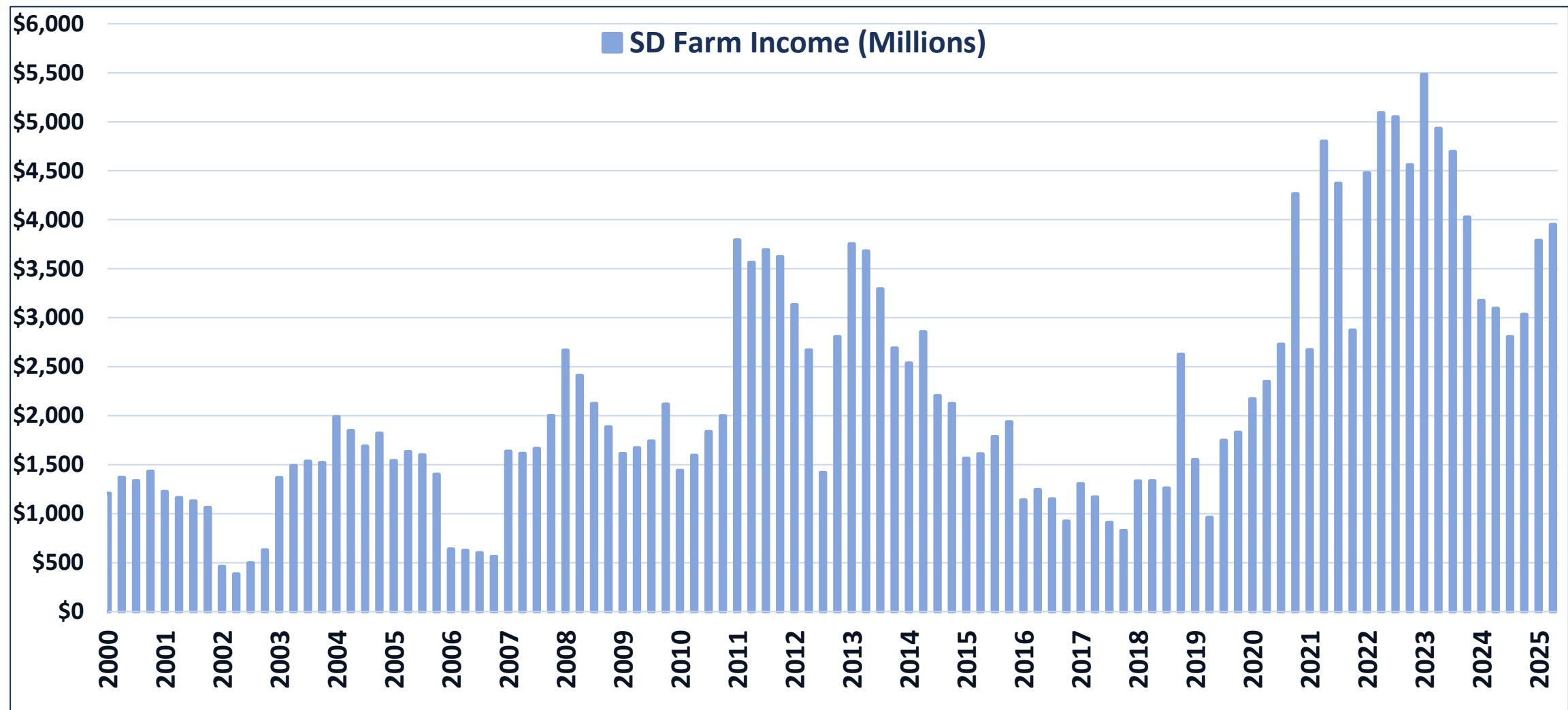
SD Personal Income vs. Sales Tax Collections



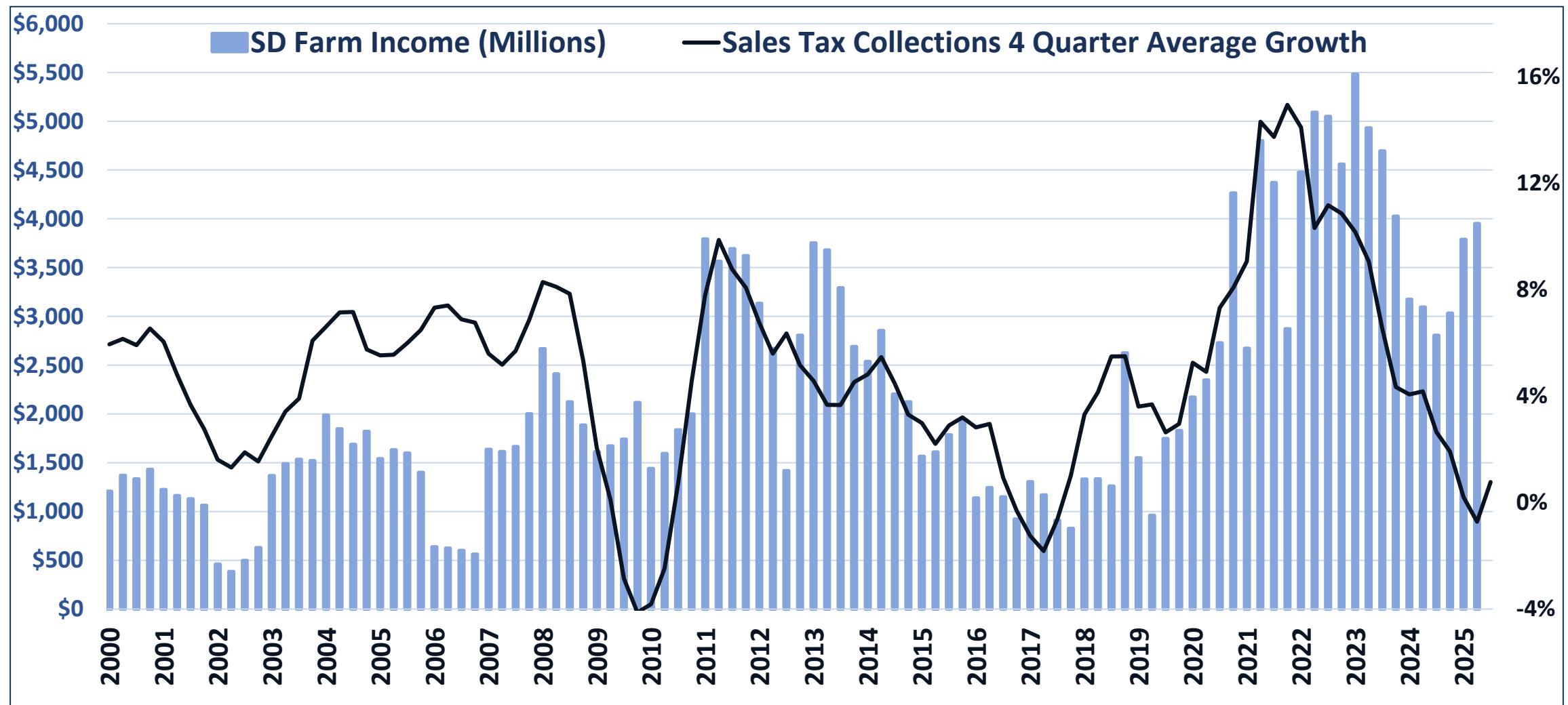
SD Personal Income vs. Sales Tax Collections



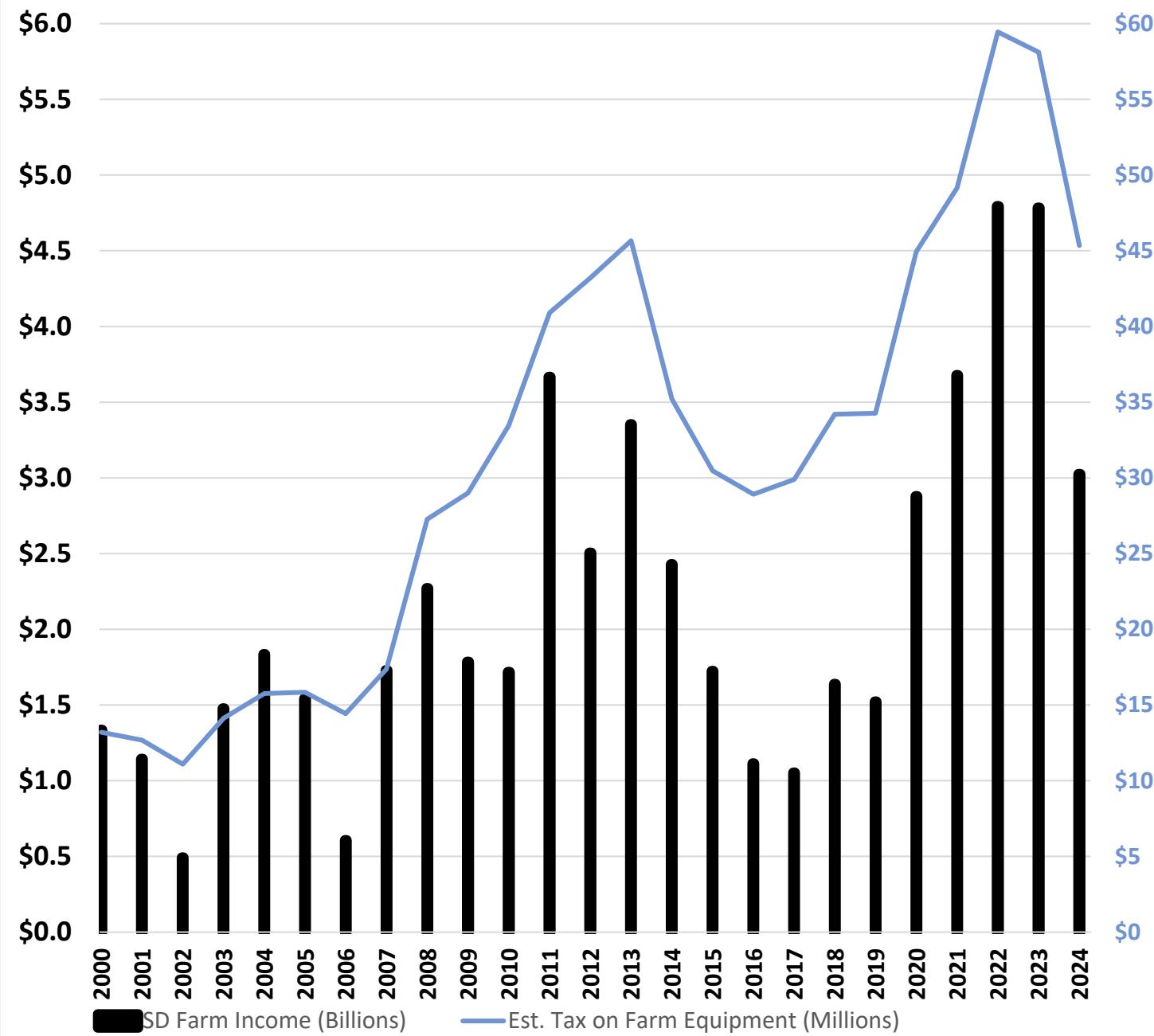
SD Farm Income



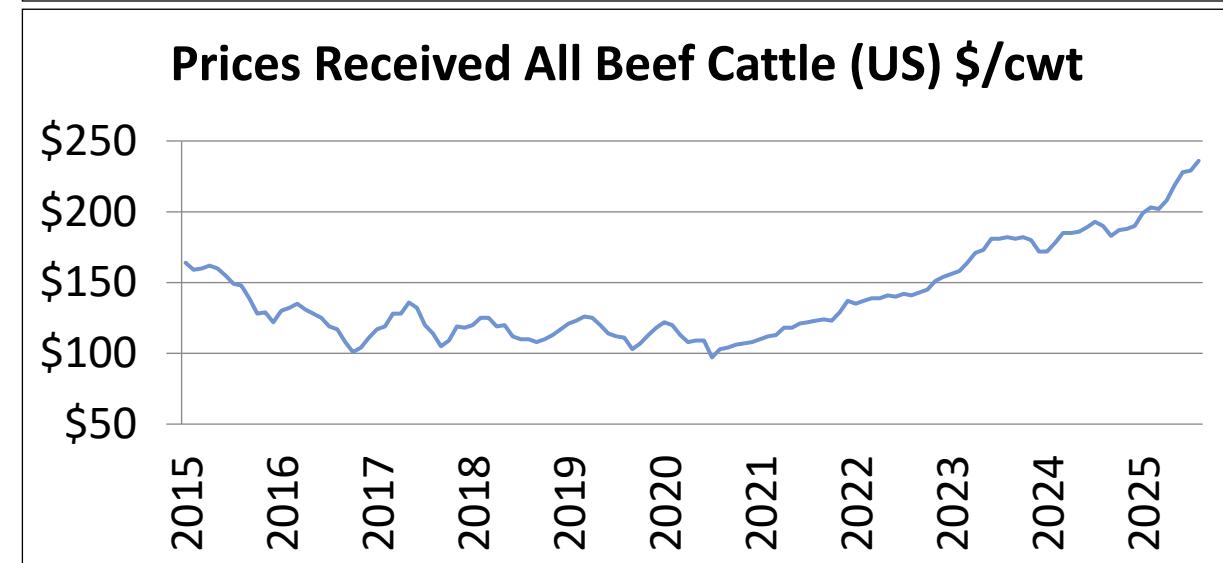
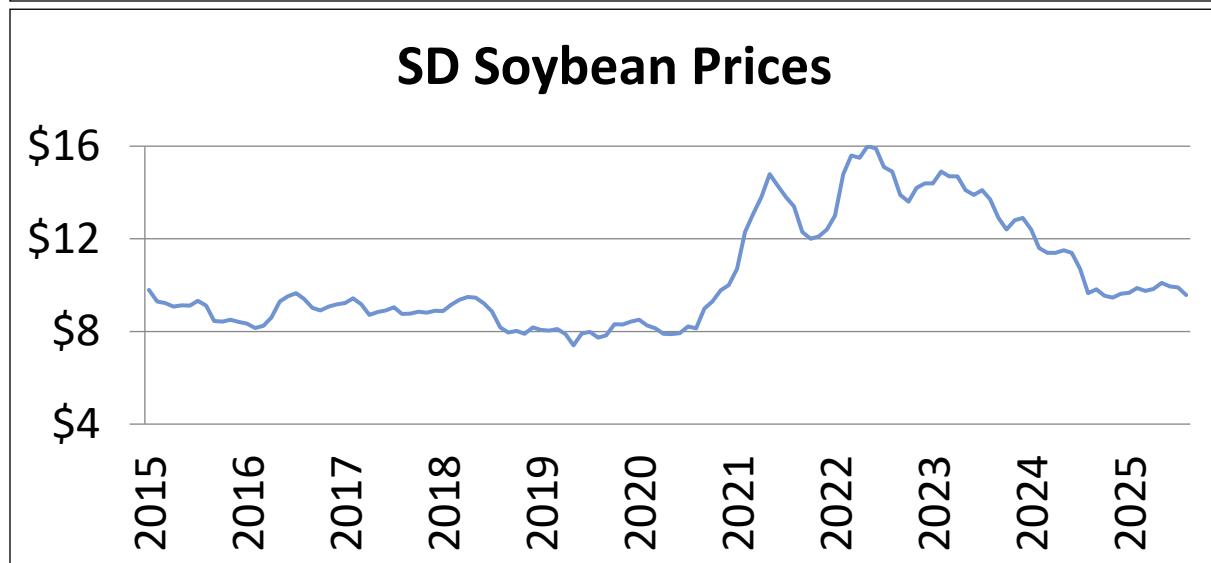
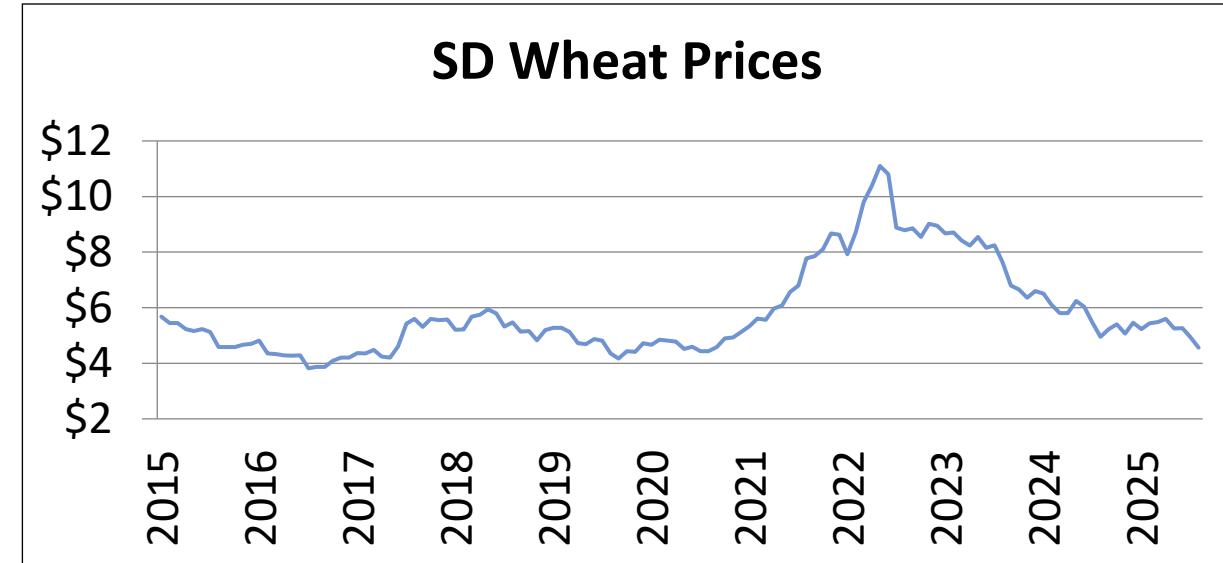
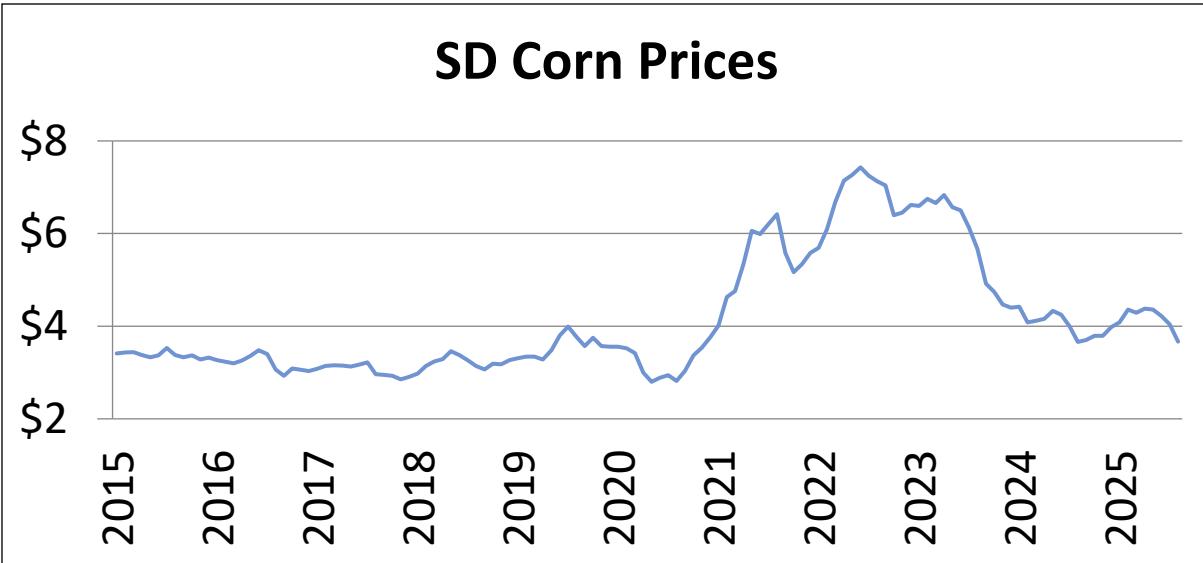
SD Farm Income vs. Sales Tax Collections



SD Farm Income & Spending on Equipment

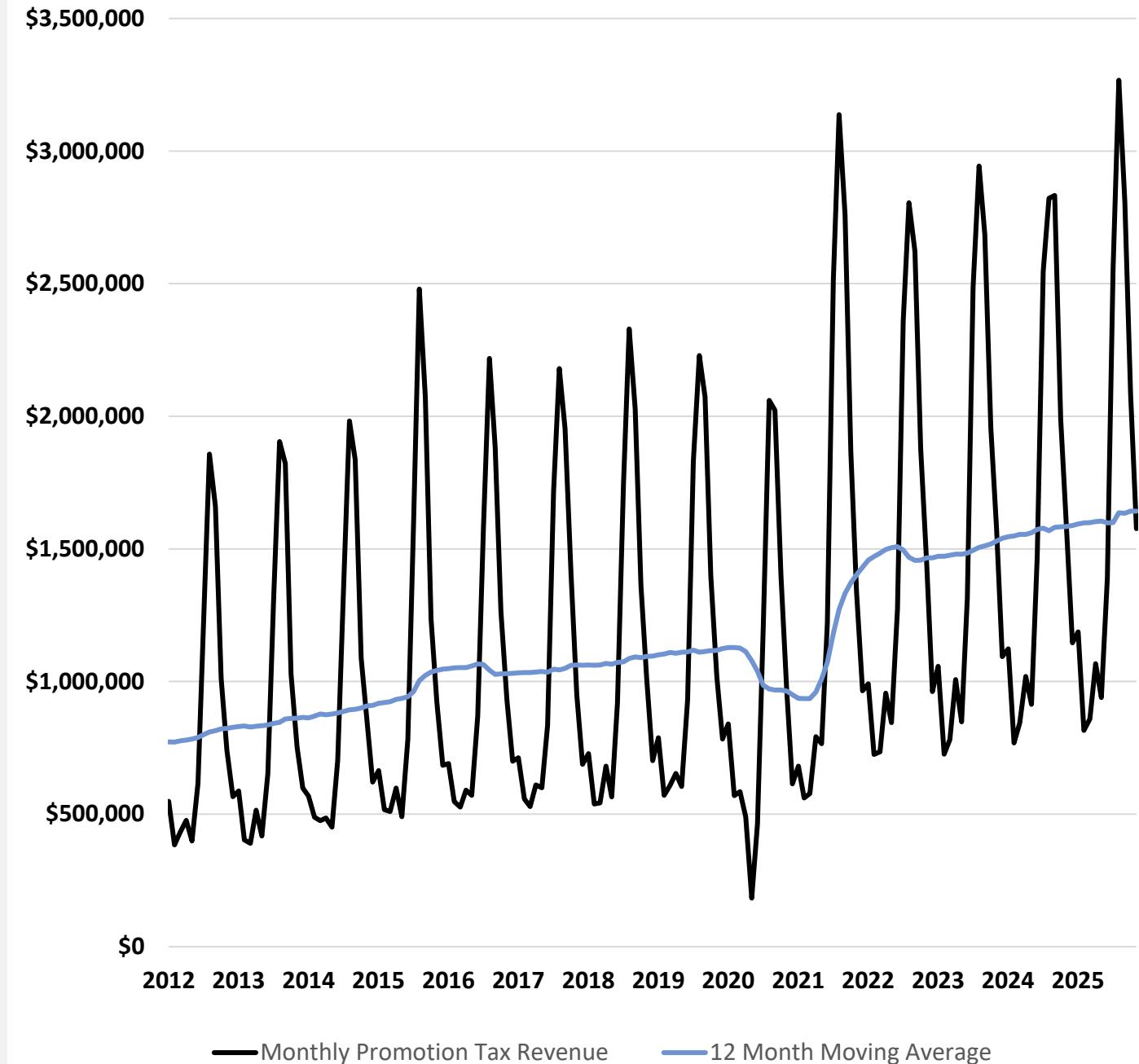


Agriculture Economy/Prices



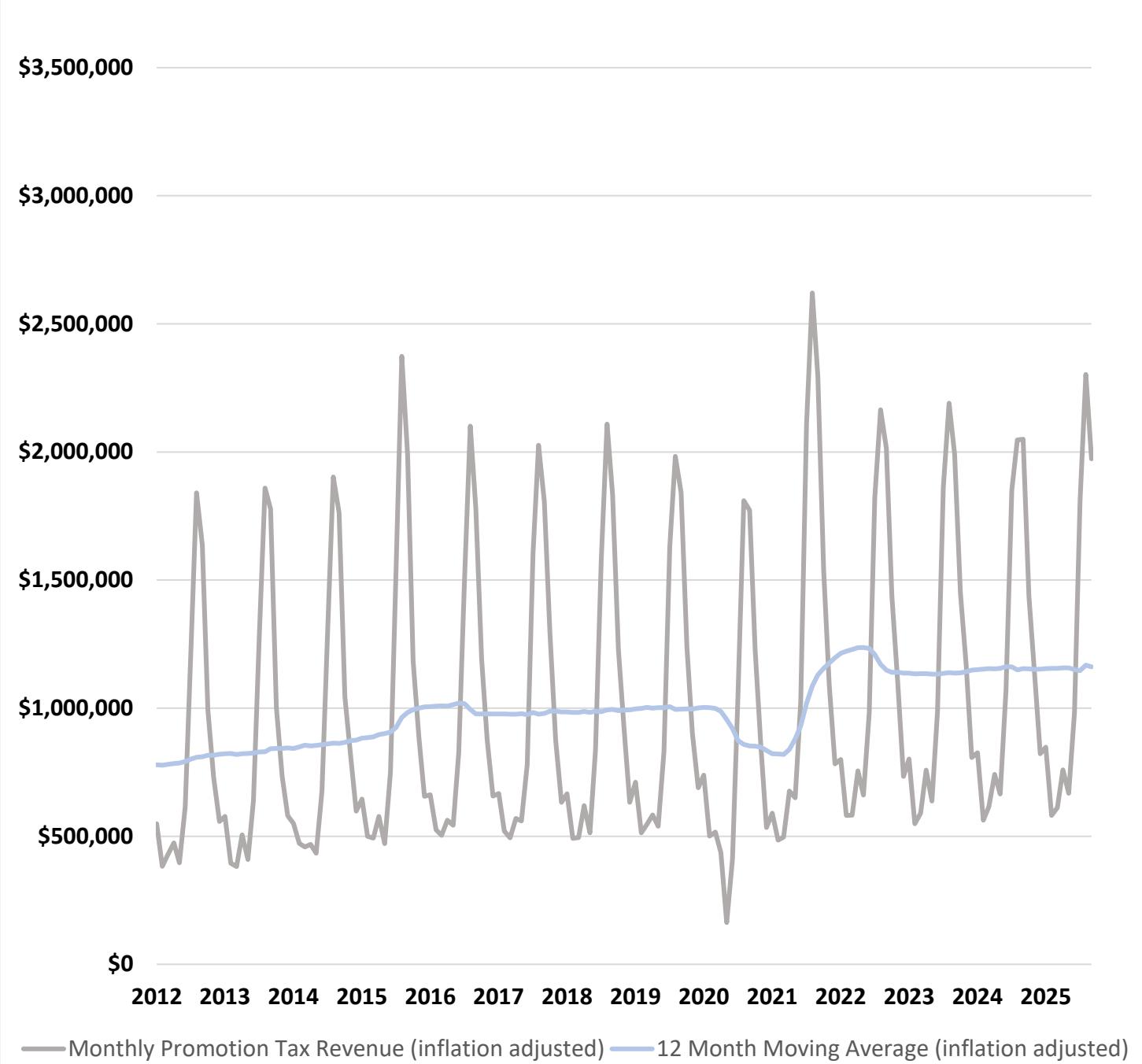


SD Tourism Promotion Tax Collections





SD Tourism Promotion Tax Collections (inflation adjusted)



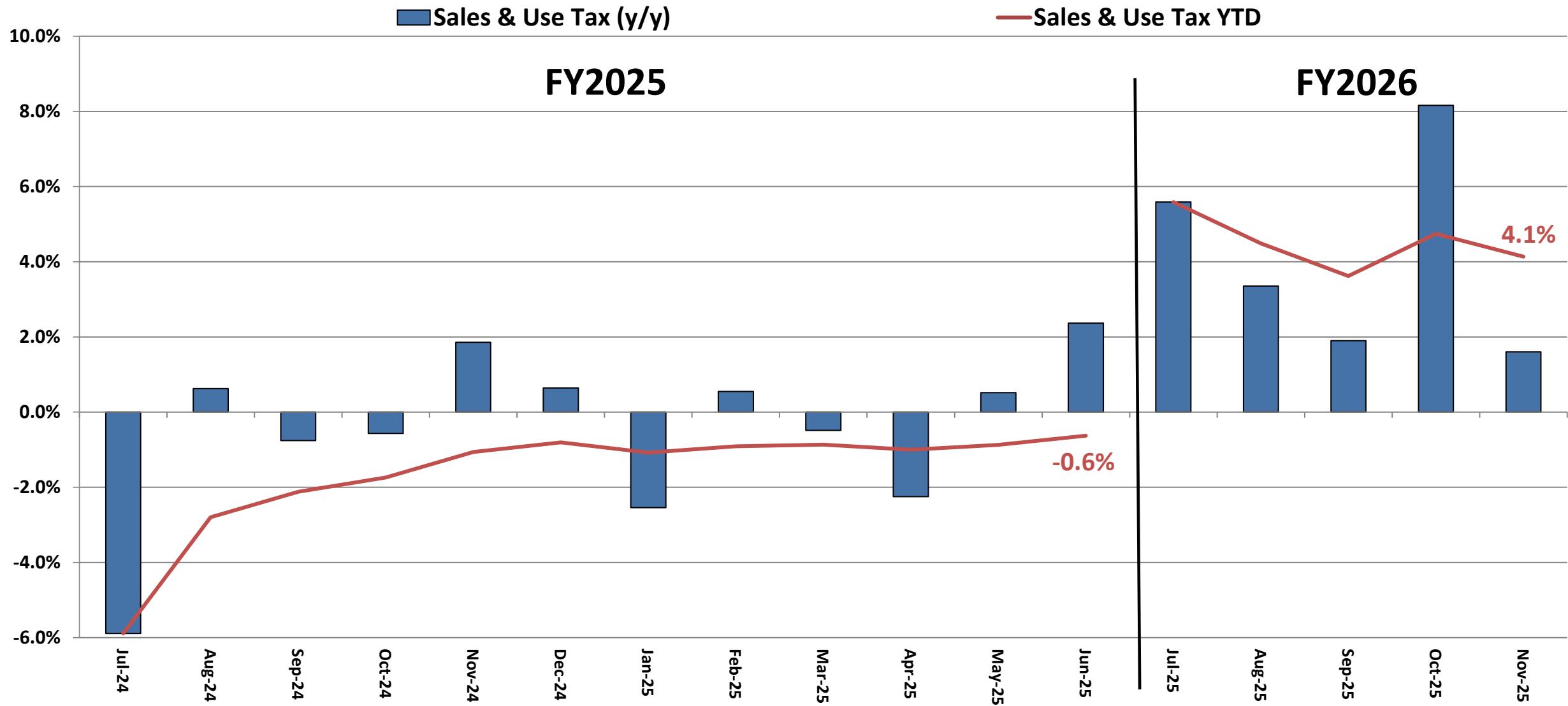
S&P Global Forecast - SD

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 f | 2026 f | 2027 f | '14-'24 avg. |
|---------------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------------|
| Real GDP Growth | 1.6% | 5.0% | -1.4% | 3.6% | 0.8% | 0.9% | 2.8% | 2.2% | 1.6% |
| Nonfarm Employment | -3.2% | 3.4% | 2.8% | 2.0% | 1.3% | 0.9% | 0.4% | 0.5% | 1.1% |
| Personal Income | 10.2% | 13.8% | 5.4% | 7.3% | 2.8% | 5.8% | 4.7% | 5.7% | 5.8% |
| Housing Starts | 6,029 | 7,646 | 7,464 | 5,989 | 5,518 | 5,570 | 5,215 | 4,878 | 5,545 |
| Unemployment Rate | 4.1% | 2.5% | 1.9% | 1.8% | 1.8% | 1.9% | 2.2% | 2.4% | 2.7% |



General Fund Revenue

Sales & Use Tax Growth



Actual Revenue FY2025 vs. Actual Revenue FY2026
Year-To-Date Through NOVEMBER FY2026 Comparison

**General Fund
Receipts**

*FY2025 Actuals vs.
FY2026 Actuals*

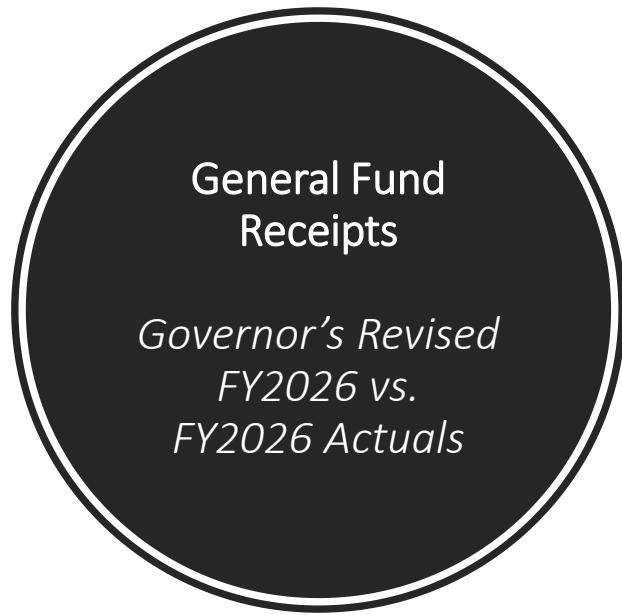
| | Actual NOVEMBER YTD FY2025 | Actual NOVEMBER YTD FY2026 | DOLLAR CHANGE | YTD GROWTH OVER FY2025 |
|---|---|---|--------------------------|-----------------------------------|
| ONGOING RECEIPTS | | | | |
| Net Sales and Use Tax (excl. cost of admin) | 637,170,196 | 663,519,398 | 26,349,202 | 4.1% |
| Lottery | 74,148,539 | 75,093,725 | 945,186 | 1.3% |
| Net Contractor's Excise Tax | 102,591,198 | 106,357,184 | 3,765,986 | 3.7% |
| Insurance Company Tax | 56,357,186 | 61,474,190 | 5,117,004 | 9.1% |
| Unclaimed Property Receipts | 104,792,492 | 61,384,827 | (43,407,665) | -41.4% |
| Licenses, Permits, and Fees | 2,046,224 | 11,452,802 | 9,406,578 | 459.7% |
| Tobacco Taxes | 20,345,576 | 19,233,251 | (1,112,325) | -5.5% |
| Trust Funds | 35,309,002 | 37,307,402 | 1,998,400 | 5.7% |
| Net Transfers In (excluding one-time) | 13,235,882 | 13,712,400 | 476,518 | 3.6% |
| Alcohol Beverage Tax | 2,463,517 | 2,422,699 | (40,817) | -1.7% |
| Bank Franchise Tax | 4,005,241 | 5,121,730 | 1,116,489 | 27.9% |
| Charges for Goods and Services | 5,037,714 | 4,738,421 | (299,293) | -5.9% |
| Telecommunications Tax | 732,061 | 1,042,998 | 310,937 | 42.5% |
| Severance Taxes | 8,194,627 | 11,485,947 | 3,291,320 | 40.2% |
| Investment Income and Interest | 95,892,631 | 71,791,448 | (24,101,184) | -25.1% |
| Alcohol Beverage 2% Wholesale Tax | 1,300,112 | 1,336,644 | 36,533 | 2.8% |
| SUBTOTAL (ONGOING RECEIPTS) | \$ 1,163,622,198 | \$ 1,147,475,068 | \$ (16,147,131) | -1.4% |
| ONE-TIME RECEIPTS | | | | |
| Bank Franchise Tax Prior Year Revenue | 216,984 | 25,923 | (191,061) | -88.1% |
| One-Time Unclaimed Property | 176,321,347 | - | (176,321,347) | -100.0% |
| SUBTOTAL (ONE-TIME RECEIPTS) | \$ 176,538,331 | \$ 25,923 | \$ (176,512,408) | -100.0% |
| GRAND TOTAL | \$ 1,340,160,529 | \$ 1,147,500,990 | \$ (192,659,539) | -14.4% |

Legislative Adopted FY2026 Estimate (Feb. 2025) vs. Actual Revenues
Year-to-Date Through NOVEMBER FY2026 Comparison



| | Leg. Adopted NOVEMBER YTD FY2026 | Actual NOVEMBER YTD FY2026 | DOLLAR CHANGE | YTD % Chg. Actual/Adopt Comparison |
|---|---|---|--------------------------|---|
| ONGOING RECEIPTS | | | | |
| Net Sales and Use Tax (excl. cost of admin) | 662,993,888 | 663,519,398 | 525,510 | 0.1% |
| Lottery | 74,981,401 | 75,093,725 | 112,324 | 0.1% |
| Net Contractor's Excise Tax | 107,137,175 | 106,357,184 | (779,991) | -0.7% |
| Insurance Company Tax | 62,835,302 | 61,474,190 | (1,361,112) | -2.2% |
| Unclaimed Property Receipts | 61,384,827 | 61,384,827 | 0 | 0.0% |
| Licenses, Permits, and Fees | 11,405,266 | 11,452,802 | 47,536 | 0.4% |
| Tobacco Taxes | 19,675,224 | 19,233,251 | (441,974) | -2.2% |
| Trust Funds | 37,300,000 | 37,307,402 | 7,402 | 0.0% |
| Net Transfers In (excluding one-time) | 13,742,471 | 13,712,400 | (30,071) | -0.2% |
| Alcohol Beverage Tax | 2,514,324 | 2,422,699 | (91,624) | -3.6% |
| Bank Franchise Tax | 3,510,004 | 5,121,730 | 1,611,726 | 45.9% |
| Charges for Goods and Services | 5,178,983 | 4,738,421 | (440,562) | -8.5% |
| Telecommunications Tax | 711,319 | 1,042,998 | 331,679 | 46.6% |
| Severance Taxes | 8,582,030 | 11,485,947 | 2,903,918 | 33.8% |
| Investment Income and Interest | 81,276,930 | 71,791,448 | (9,485,482) | -11.7% |
| Alcohol Beverage 2% Wholesale Tax | 1,320,352 | 1,336,644 | 16,293 | 1.2% |
| SUBTOTAL (ONGOING RECEIPTS) | \$ 1,154,549,495 | \$ 1,147,475,068 | \$ (7,074,427) | -0.6% |
| ONE-TIME RECEIPTS | | | | |
| Bank Franchise Tax Prior Year Revenue | - | 25,923 | 25,923 | N/A |
| SUBTOTAL (ONE-TIME RECEIPTS) | \$ 0 | \$ 25,923 | \$ 25,923 | N/A |
| GRAND TOTAL | \$ 1,154,549,495 | \$ 1,147,500,990 | \$ (7,048,505) | -0.6% |

Governor's Revised FY2026 Estimate (Nov. 2025) vs. Actual Revenues
Year-To-Date Through NOVEMBER FY2026 Comparison



| | Gov. Revised NOVEMBER YTD FY2026 | Actual NOVEMBER YTD FY2026 | DOLLAR CHANGE | YTD % Chg. Actual/Revised Comparison |
|---|---|---|----------------------------|---|
| ONGOING RECEIPTS | | | | |
| Net Sales and Use Tax (excl. cost of admin) | 662,575,652 | 663,519,398 | 943,746 | 0.1% |
| Lottery | 74,587,813 | 75,093,725 | 505,912 | 0.7% |
| Net Contractor's Excise Tax | 106,658,341 | 106,357,184 | (301,157) | -0.3% |
| Insurance Company Tax | 61,257,266 | 61,474,190 | 216,924 | 0.4% |
| Unclaimed Property Receipts | 61,384,827 | 61,384,827 | 0 | 0.0% |
| Licenses, Permits, and Fees | 11,937,191 | 11,452,802 | (484,388) | -4.1% |
| Tobacco Taxes | 19,147,578 | 19,233,251 | 85,672 | 0.4% |
| Trust Funds | 37,307,402 | 37,307,402 | 0 | 0.0% |
| Net Transfers In (excluding one-time) | 13,688,998 | 13,712,400 | 23,402 | 0.2% |
| Alcohol Beverage Tax | 2,429,089 | 2,422,699 | (6,390) | -0.3% |
| Bank Franchise Tax | 5,494,150 | 5,121,730 | (372,420) | -6.8% |
| Charges for Goods and Services | 4,987,882 | 4,738,421 | (249,461) | -5.0% |
| Telecommunications Tax | 1,028,284 | 1,042,998 | 14,715 | 1.4% |
| Severance Taxes | 12,186,600 | 11,485,947 | (700,652) | -5.7% |
| Investment Income and Interest | 71,788,739 | 71,791,448 | 2,709 | 0.0% |
| Alcohol Beverage 2% Wholesale Tax | 1,340,793 | 1,336,644 | (4,149) | -0.3% |
| SUBTOTAL (ONGOING RECEIPTS) | <u>\$ 1,147,800,604</u> | <u>\$ 1,147,475,068</u> | <u>\$ (325,537)</u> | <u>0.0%</u> |
| ONE-TIME RECEIPTS | | | | |
| Bank Franchise Tax Prior Year Revenue | 25,923 | 25,923 | 0 | 0.0% |
| SUBTOTAL (ONE-TIME RECEIPTS) | <u>\$ 25,923</u> | <u>\$ 25,923</u> | <u>\$ -</u> | <u>0.0%</u> |
| GRAND TOTAL | <u>\$ 1,147,826,527</u> | <u>\$ 1,147,500,990</u> | <u>\$ (325,537)</u> | <u>0.0%</u> |