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MID-YEAR ECONOMIC REVIEW: 1979

The second half of 1979 has begun amidst warnings from economists of an impending recession for the national economy. If predictions are based upon the historical behavior of the U.S. economy, then the prospect of an eventual recession is a fairly safe bet. Our economy has been characterized by cyclical swings for many years. Assuming that such behavior will continue in the future, the question of whether or not there will be a recession in the future is meaningless. Rather, the interesting question is *when* it will occur.

Some observers have suggested (at the time of this writing in early July) that a recession has already begun. Such a conclusion may prove premature, given that the technical definition of a recession is two successive quarters of declining real GNP. If those observers are correct (but we won't know for two quarters), they will most certainly be hailed. If they have spoken too quickly, they will merely push back their forecast of the recession's beginning. This has already happened once. In the latter months of 1978, a significant number of observers were forecasting the beginning of a recession in early 1979. When it failed to materialize, they set their sights upon the second half of 1979.

Unfortunately, the prospects for an economic slowdown (slower growth in real economic activity) are now very real. A slowdown should not be confused with a recession, the latter being a situation of declines in real activity. Most analysts agree that the major threat to healthy growth is posed by the energy situation. Escalating prices of crude oil have certainly been transmitted into higher prices for refined petroleum products. As a result, the costs to producers of final goods that rely heavily upon energy as an input have risen rapidly. Those cost increases can cause firms to cut back on the level of production and let a portion of their existing capacity lie idle, thereby adversely affecting employment and depressing expenditures by consumers. Consumer spending is also affected in a more direct manner by the rising prices of gasoline and other products derived from oil. As a larger proportion of the consumer's budget is allocated toward such products, a relatively lower proportion of the budget remains for other expenditures. The price situation in this area is not likely to improve during the remainder of 1979, especially in view of the recent decision by the OPEC cartel to increase the base price of Arabian light oil from \$14.55/barrel to \$18/barrel. Members of OPEC will also continue to apply, on an individual basis, surcharges of up to \$2/barrel.

Before one jumps to the conclusion that the economic outlook is overly grim, it is useful to review the economy's performance during the initial months of 1979. Table 1 (p. 2) contains data on

several barometers of economic activity. The table is by no means exhaustive, but it does contain key economic series which are reported monthly.

Personal income, in current dollar terms, has continued to grow throughout the first half of 1979. When compared with the growth of the price level over the same period, however, the real value of personal income has not grown. In other words, the amount of purchasing power available to consumers before taxes has stagnated. The chances of this trend in real income continuing are very good, given the likely prospect of high inflation throughout the remainder of the year. Consumers may become extremely cautious, curtailing current spending and becoming less willing to assume additional debt in credit markets. The erratic pattern of movement in retail sales may be evidence of rising consumer caution. While sales posted a healthy gain in March, the figures for April and May showed moderate declines. Analysts will be paying close attention to the advanced estimate for June when it becomes available. At this juncture, it is premature to conclude that retail sales have assumed a downward course.

Another popular indicator of economic activity is the Industrial Production Index, which measures the quantity of physical output produced in the economy. Table 1 shows that it, too, has behaved rather erratically during 1979. The decline in the index from March to April was viewed by some economists as evidence that a recession was imminent. However, the index posted a healthy gain in May to a level which was roughly the same as the March value. It is now doubtful whether production, as measured by the index, can continue to sustain an upward trend. The level of productive capacity in the economy is being strained, a situation that is typical of an economic expansion's peak.

Housing starts have been particularly volatile through May, decreasing substantially during January and February, but rebounding strongly in March. Weather factors were a major reason for the early declines. Some economists viewed the slight decline in April as a harbinger of a softening housing industry, but were then caught off guard by May's increase. High interest rates, escalating construction costs, and extended debt positions of consumers are all combining to make the level of starts lower than in 1978. When the restrained nature of monetary policy over the past months is added to the above factors, it seems certain that the level of activity in the market for new housing in the second half of 1979 will be below that of 1978. Yet there is no indication of a collapse in the housing industry.

On balance, national economic activity in the first half of 1979 is signaling a slowdown in growth (Continued on page 2)

(Continued from p. 1) for the second half of the year. A recession is a real possibility, especially in view of the stifling effects of high inflation rates. If a recession does occur, we should not expect a high degree of moderation in price-level increases. The old wisdom of lower inflation rates accompanying increased unemployment and other recessionary conditions no longer holds, especially in the present situation of administered energy inflation.

THE STATE ECONOMY

A common characterization of state economic activity views state performance as being directly determined by national economic activity. To some extent this is true, but one should not jump to the conclusion that the magnitude of cyclical swings in the national economy is mirrored, in a proportional sense, by the state economy. This warning is especially relevant in the present environment of a possible recession in the United States. All industries are not affected in an identical way by slowdowns or recessions, and the same is true in economic expansions. Consumer and durable goods industries are very vulnerable in a recession, making states whose economies depend heavily upon them bear a relatively larger share of the recessionary impacts. While these industries are certainly important in Nebraska, they do not account for as high a share of total economic activity when compared to other states. On the other hand, Nebraska depends more heavily upon agriculture than do other industrialized states.

Table 2 contains several economic series for Nebraska which are available on a monthly basis. As in Table 1, the percentages reported in parentheses are the percentage changes in the respective series from the previous month. The employment situation for Nebraska remained strong during the first three months of 1979, with the decline in the number of employed from December, 1978, to January, 1979, being due to standard seasonal patterns. Nebraska's unemployment rate fell to 2.6 percent in March, the lowest rate for any state, and continued its decline in April. Simultaneously, the unemployment rates for the two largest

urban areas fell to very low levels. These developments are signals of a healthy economy in Nebraska. Retail sales through March, 1979, were also encouraging. Like the employment figures, the decline in sales from December, 1978, through February, 1979,

Table 2
NEBRASKA ECONOMIC SERIES¹

		January	February	March	April
Employment					
Nebraska	1979	721,400	721,950	732,900	742,050
		(-2.0)	(.1)	(1.5)	(1.2)
	1978	703,750	703,800	723,200	748,450
Omaha	1979	264,000	263,850	264,750	263,800
	1978	255,550	254,900	257,550	264,450
Lincoln	1979	106,500	108,150	108,300	106,850
	1978	103,100	103,450	105,100	106,400
Unemployment Rate					
(percent)					
Nebraska	1979	3.4	3.0	2.6	2.4
	1978	4.3	4.4	4.2	2.5
Omaha	1979	4.0	3.8	3.4	3.4
	1978	4.9	5.1	5.3	4.0
Lincoln	1979	2.9	2.3	2.0	2.0
	1978	4.4	4.5	3.1	2.7
Retail Sales					
(millions of dollars)					
Nebraska	1979	598.7	573.0	713.8	699.0
		(-27.5)	(-4.3)	(24.6)	(-2.1)
	1978	523.4	482.3	645.9	619.0
Omaha ²	1979	153.6	151.8	170.5	166.2
	1978	145.7	132.4	159.5	165.4
Lincoln ²	1979	66.3	61.6	69.5	71.8
	1978	57.3	51.0	66.0	63.0

¹ Numbers in parentheses are the percentage changes from the previous month.

² Totals exclude motor vehicle sales.

Sources: Nebraska Department of Labor and Nebraska Department of Revenue.

Table 1
NATIONAL ECONOMIC SERIES¹

		January	February	March	April	May
Personal Income (in billions of dollars, SAAR ²)	1979	1,819.0	1,833.1	1,855.2	1,863.3	1,876.5
		(.4)	(.8)	(1.2)	(.4)	(.7)
	1978	1,615.5	1,625.0	1,646.3	1,669.4	1,682.1
Retail Sales (in millions of dollars, SAAR)	1979	70,855.0	71,122.0	72,045.0	71,217.0	71,108.0
		(-.1)	(.4)	(1.3)	(-1.1)	(-.2)
	1978	61,892.0	62,898.0	64,075.0	65,146.0	65,522.0
Industrial Production Index (SA ³)	1979	150.9	151.2	152.3	150.2	152.1
		(0.0)	(.2)	(.7)	(-1.4)	(1.3)
	1978	138.8	139.2	140.9	143.2	143.9
Housing Starts (thousands, SAAR)	1979	1,679.0	1,384.0	1,793.0	1,735.0	1,827.0
		(-19.0)	(-17.6)	(29.6)	(-3.2)	(5.3)
	1978	1,744.0	1,659.0	2,011.0	2,176.0	2,037.0
Inflation Rate ⁴ (percent)	1979	9.3	9.9	10.1	10.4	10.8
	1978	6.8	6.4	6.6	6.6	7.0
Unemployment Rate (percent, SA)	1979	5.8	5.7	5.7	5.8	5.8
	1978	6.3	6.1	6.2	6.1	6.1

¹ Numbers in parentheses are the percentage changes from the previous month.

² SAAR - Seasonally adjusted at annual rates.

³ SA - Seasonally adjusted.

⁴ The inflation rate is calculated as the percentage change in the Consumer Price Index from the respective month in 1978.

Sources: U.S. Department of Commerce and U.S. Department of Labor.

was due to seasonal patterns. For the first three months of 1979, sales were 14.2 percent higher than in the corresponding time period of 1978. Those figures are certainly not indicative of a recessionary period at the state level, nor of the beginning of such a period.

Confidential data on residential building activity supplied to the Bureau of Business Research by the F. W. Dodge organization are also inconsistent with the behavior exhibited by the housing market during a recession. Housing activity in the state through May has been below the level observed during the same months of 1978, but there has been steady month-to-month growth since January of this year. High mortgage rates and rising construction costs will continue to prevail in Nebraska's housing market throughout the rest of the year. Rising gasoline prices will also affect the amount of new building as prospective buyers become more sensitive about commuting costs. The number of housing starts will remain below the levels posted in 1978, but it is premature to forecast drastic declines in building activity.

Table 3 contains data on selected agricultural prices received by Nebraska farmers and on cash farm marketings. Prices of wheat and corn have risen throughout the past year. The price of wheat should continue to post moderate gains after a slight dip during the harvest months. Below par yields abroad, particularly in the Soviet Union, could provide favorable exporting opportunities for American producers. In addition, some crop analysts are forecasting lower U.S. wheat yields due to harsh conditions this past winter. These factors will definitely put upward pressure upon price. Cattle prices apparently peaked for the short term in April and have fallen back somewhat since then, yet they remain at relatively high levels. Overall, the effects of higher prices in the grains noted above and livestock can be seen in the cash farm marketings figures. Marketings during 1979 have easily exceeded the amounts registered in the last half of 1978. This excellent performance is a key element in explaining the healthy record of the Nebraska economy through the first half of 1979.

STATE TAX REVIEW

State and local government expenditures and taxation policies are an integral part of state economic activity. In the most basic terms, expenditures by governments represent an injection of spending into the economy, while taxes withdraw spending power from consumers and firms. It follows that expenditures provide

a fiscal stimulus to the overall level of economic activity, while, conversely, taxes provide a contractionary influence. Recognition of these effects is of timely interest for at least two reasons. First, revenues from the state personal income tax have been at high levels during the first half of 1979 and have contributed to a significant surplus of funds in the state's treasury at the end of the last fiscal year. The magnitude of the surplus has been the subject of recent public discussion. Second, with the unhappy prospect of an economic slowdown or recession in the near future, high tax receipts in advance of such a cyclical swing provide a contractionary influence upon the state economy. Even though several forms of taxation are present in Nebraska, attention will be given here to three which give information on the health of the state economy: the individual income tax, the corporate income tax, and the sales and use tax. Table 4 (p. 6) reports the receipts from these three tax categories for the first half of 1979 and the first half of 1978. The percentage increase between the corresponding months in 1978 and 1979 are reported in parentheses for each tax category. Individual income tax receipts through June of 1979 were much higher than the levels of 1978. A portion of these increases is of course due to the raising of the tax rate from 16 percent to 18 percent of the federal income tax liability, effective on January 1, 1979. However, the growth rates shown in Table 4 are, in general, a great deal higher than 12.5 percent, which was the effective percentage increase in the tax rate. The difference is due to the rising incomes of Nebraskans and the progressive nature of the federal income tax. Income gains force individuals into higher tax brackets and the resulting increase in tax payments is proportionately greater than the increase in income. Although figures for Nebraska personal income during the first half of 1979 are not yet available, the income tax receipts data suggest that there has been significant growth in that area. Corporate income tax receipts have exhibited fairly erratic behavior due to seasonal factors, but, on balance, are at higher levels than in 1978. Sales and use tax receipts posted some healthy gains over the six-month period, with March and April being extremely good months when compared to the values of a year ago. Receipts in June posted a small percentage increase over June of 1978, but this is not necessarily a signal of a slowdown in retail sales. Strong seasonal patterns are present in the month-to-month movement of retail sales and

(Continued on page 6)

Table 3
FARM PRICES AND MARKETINGS - NEBRASKA

Prices on the 15th of the month	Aug. '78	Sept. '78	Oct. '78	Nov. '78	Dec. '78	Jan. '79	Feb. '79	Mar. '79	Apr. '79	May '79	June '79
Wheat (dollars per bu.)	2.59	2.67	2.84	2.90	2.84	2.85	2.86	2.83	2.85	3.03	3.45
Corn (dollars per bu.)	1.95	1.89	1.87	1.96	2.00	2.05	2.07	2.11	2.15	2.27	2.42
All Beef Cattle (dollars per cwt.)	49.30	53.00	54.20	52.30	54.10	59.60	63.60	70.50	74.60	71.70	68.70
Steers and Heifers (dollars per cwt.)	51.70	54.80	55.60	54.50	56.20	61.20	65.80	72.90	76.80	73.80	71.10
Cash Farm Marketings (millions of dollars, SA ¹)	8.727	8.805	9.343	9.496	9.632	10.160	10.737	11.927	10.880	----	----

¹SA - Seasonally adjusted.

Source: U.S. Department of Agriculture.

Review and Outlook

Real output in Nebraska recorded its second consecutive monthly increase in April, with the physical volume index for the state recording a gain of 0.8 percent. Compared to its 1967 base-period level, the index rose from March's revised value of 143.3 to a value of 144.4 in April, 2.4 percent above its level of April, 1978.

Although activity fell in only one of five sectors, this month's increase in the state index was due primarily to an increase in the agricultural sector, where activity rose 6.6 percent. The index for nonagricultural output was unchanged. The March-to-April changes in the four nonagricultural sectors were: construction, +1.1 percent; manufacturing, +0.1 percent; distributive, un-

changed; and government, -0.7 percent.

Despite recent improvements, the Nebraska physical volume index is still considerably below its peak level of 149.4 recorded in December, 1978. On a year-to-date basis, however, Nebraska's economy recorded moderate growth compared to last year. For the first four months of 1979, the index of physical output was 1.1 percent above the level for the same period in 1978.

April marked the beginning of the fifth year of the current economic expansion for both the Nebraska and the national economies. The general consensus of economic forecasts expects the level of activity in the national economy to peak in the next few months, with a decline in real output during the last half of 1979. However, the latest data present (Continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

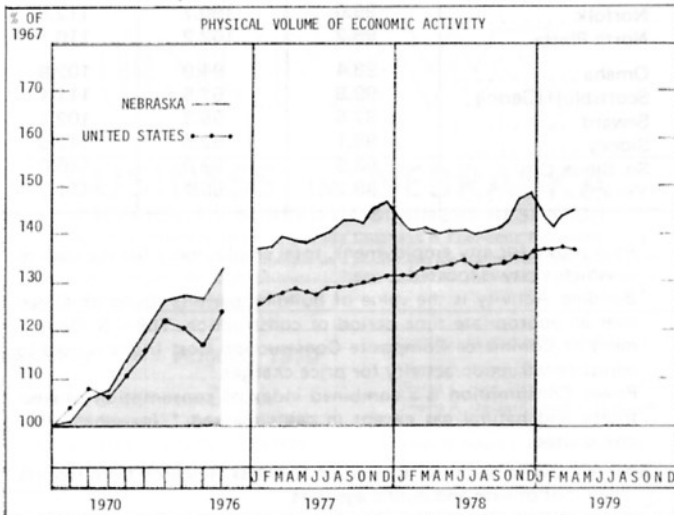
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR				
April, 1979	Current Month as Percent of Same Month Previous Year		1979 Year to Date as Percent of 1978 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	114.6	112.4	113.0	113.6
Agricultural	131.5	126.8	119.9	128.5
Nonagricultural	112.1	112.0	111.9	113.1
Construction	100.6	109.9	101.8	115.2
Manufacturing	119.7	117.0	118.7	117.2
Distributive	111.9	110.8	112.4	112.3
Government	105.4	106.5	103.3	106.5
Physical Volume	102.4	101.9	101.1	103.1
Agricultural	104.7	107.9	93.6	104.7
Nonagricultural	102.0	101.7	102.2	103.1
Construction	90.0	98.3	89.6	101.4
Manufacturing	107.9	105.6	107.2	106.4
Distributive	101.3	100.3	102.7	102.1
Government	100.8	100.3	99.6	100.6

2. CHANGE FROM 1967		
Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	317.9	292.2
Agricultural	317.4	309.7
Nonagricultural	318.0	291.6
Construction	313.2	267.3
Manufacturing	361.6	287.8
Distributive	313.0	300.7
Government	278.8	272.3
Physical Volume	144.4	136.1
Agricultural	124.5	128.5
Nonagricultural	147.8	136.3
Construction	122.8	104.8
Manufacturing	159.9	129.2
Distributive	148.0	142.2
Government	139.5	140.8

3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)

Region Number ¹ and City	City Sales ²	Sales in Region ²	
	April, 1979 as percent of April, 1978	April, 1979 as percent of April, 1978	Year to date '79 as percent of Year to date '78
<i>The State</i>	101.0	101.9	103.0
1 Omaha	90.7	91.3	96.5
Bellevue	80.6		
2 Lincoln	102.9	103.4	102.6
3 So. Sioux City	96.6	98.5	96.6
4 Nebraska City	98.5	104.4	109.6
5 Fremont	105.4	105.8	107.3
Blair	102.3		
6 West Point	102.1	108.2	111.3
7 Falls City	100.3	103.8	102.9
8 Seward	106.8	105.4	103.2
9 York	114.6	113.8	113.8
10 Columbus	120.2	111.2	110.5
11 Norfolk	103.1	109.8	108.0
12 Grand Island	115.8	117.2	112.3
13 Hastings	103.8	103.2	104.9
14 Beatrice	104.5	107.3	107.8
Fairbury	102.5		
15 Kearney	102.2	104.1	109.4
16 Lexington	106.5	112.5	112.5
17 Holdrege	108.9	103.9	112.3
18 North Platte	104.4	102.8	110.0
19 Ogallala	100.6	95.7	108.5
20 McCook	104.2	104.7	108.7
21 Sidney	96.3	98.1	106.3
Kimball	90.6		
22 Scottsbluff/Gering	98.2	97.1	106.7
23 Alliance	103.2	99.8	107.2
Chadron	92.3		
24 O'Neill	105.5	118.7	120.7
25 Hartington	112.1	112.4	108.2
26 Broken Bow	123.7	119.2	116.0

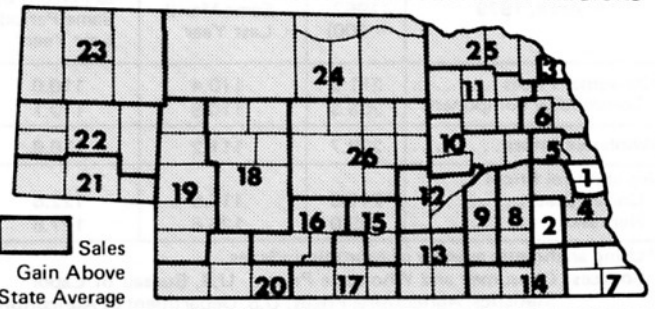


¹ See region map below.

² Sales on which sales taxes are collected by retailers located in the state. Region totals include motor vehicle sales; city totals exclude motor vehicle sales.

Compiled from data provided by Nebraska Department of Revenue.

1979 YEAR TO DATE AS PERCENT OF 1978 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



(Continued from page 4) a confusion of positive and negative signals at both the state and national levels. The events of upcoming months should therefore warrant close scrutiny.

Two important indicators of an economy's well-being, employment and retail sales, have been strong in Nebraska recently. A slight drop in employment was reported in April, 1979, compared to April, 1978, but it was the first year-to-year decline in more than a year. This loss in employment was offset by a larger drop in the labor force so that the number of unemployed actually fell in April. April's unemployment rate of 2.4 percent was the lowest rate in the nation for that month and was the lowest rate for Nebraska in recent years. Compared to March, more than 9,000 workers were added in April—a larger increase than would be expected simply because of seasonal influences.

After adjustment for price changes, twenty of the state's twenty-six planning regions had total retail sales above the sales of April, 1978. Moreover, non-motor vehicle sales in twenty-three of the thirty-one principal trading centers were higher than last year. Broken Bow and Columbus had increases of more than 20 percent, while Grand Island, York, and Hartington all posted increases exceeding 10 percent. It does appear, however, that the spurt in retail sales which began in mid-1978 seems to be slowing down in the last two months.

Economic activity in the five state sectors also showed some improvement when compared to last April. The physical volume index was 2.4 percent above April, 1978. Construction, with a drop of 10.0 percent, was the only sector recording a drop. The increases in the remaining sectors ranged from a high of +7.9 percent in manufacturing to a low of +0.7 percent in government. Throughout 1979, the manufacturing and distributive sectors, which together account for about 70 percent of the state's output, have consistently shown improvement relative to 1978.

The most encouraging development in the Nebraska economy in April was the first month-to-month increase in the construction sector since September, 1978. The primary reasons for this increase were gains in nonresidential building and non-building construction.

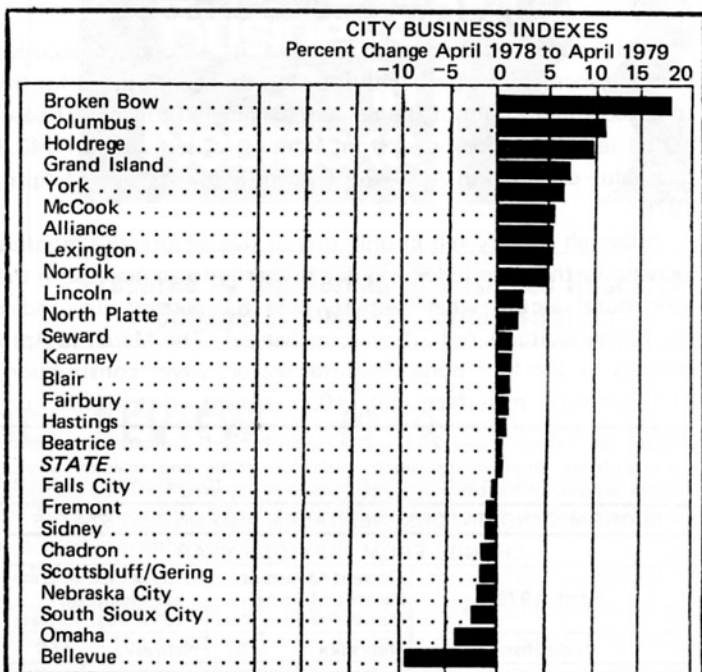
The April gain in the state's economy was reflected in the city business indexes, as seventeen of the twenty-six reporting cities registered gains relative to April, 1978 (note the inclusion of South Sioux City in this and succeeding months). Most of the cities achieved their growth through increases in retail sales and power consumption. For the second consecutive month, Broken Bow posted the largest gain in activity, with an increase of 18.1 percent. Other cities with April-to-April increases exceeding 5 percent were: Columbus, Holdrege, Grand Island, York, McCook, Alliance, and Lexington.

J. A. D.

5. PRICE INDEXES

April, 1979	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	211.5	110.4	110.0
Commodity component	203.3	110.8	110.1
Wholesale Prices	229.7	111.2	110.9
Agricultural Prices			
United States	241.0	117.6	122.6
Nebraska	255.0	125.6	127.8

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.



Source: Table 3 (page 4) and Table 4 below.

4. APRIL CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Employment ¹	Building Activity ²	Power Consumption ³
<i>The State</i>	99.6	83.7	108.1
Alliance	119.8	17.8	136.3
Beatrice	97.8	65.5	112.2
Bellevue	98.4	67.1	106.0*
Blair	97.7	85.7	124.5
Broken Bow	98.3	238.7	155.4
Chadron	90.4	189.3	128.6
Columbus	100.0	142.2	111.0
Fairbury	104.7	68.0	105.2*
Falls City	98.0	68.8	121.5
Fremont	100.2	48.5	102.3*
Grand Island	99.3	102.1	106.7
Hastings	100.4	75.0	NA
Holdrege	98.4	96.5	171.7
Kearney	98.1	109.4	113.4
Lexington	99.7	90.4	132.6
Lincoln	102.7	89.1	106.2
McCook	99.6	150.2	121.9
Nebraska City	98.5	80.7	102.5
Norfolk	99.0	190.7	112.5
North Platte	98.2	102.2	110.1
Omaha	98.4	94.9	102.9
Scottsbluff/Gering	99.5	67.5	111.1
Seward	97.5	98.3	102.7
Sidney	98.1	52.5	142.6
So. Sioux City	93.9	93.9	116.0
York	98.2	95.7	111.7

¹As a proxy for city employment, total employment for the county in which a city is located is used.

²Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

³Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

(Continued from page 3) these factors are subject to change. Given the high receipts of the individual income tax under the 18 percent rate, the apparent growth in taxable income, and the significant balance in the state treasury at the end of the fiscal year, it is interesting to look at alternative tax rate scenarios. To do this, we must first exclude final and fiduciary receipts from total individual income taxes, since the bulk of collections in those categories during 1979 will still be based on the 16 percent rate of 1978, and focus only upon the withholding and estimated categories. The next step involves computing the federal income tax liability upon which the state withholding and estimated totals were based. Finally, we apply alternative rates to the federal tax liability. Table 5 contains the relevant figures. The calculations

show that had the tax rate remained at 16 percent, actual receipts from the withholding and estimated categories would have been \$12.9 million lower than the actual receipts yielded by the 18 percent rate. Alternatively, receipts in these categories yielded by a tax rate of 17 percent would have been only \$6.5 million below the actual receipts. Thus, one factor which has led to the positive state treasury balance at the end of the fiscal year is the increase in the state individual income tax rate from 16 percent to 18 percent. Estimates of that balance have ranged from approximately \$20 million to \$61 million. The loss in receipts from maintaining the tax rate at 16 percent would not have been nearly enough to cancel the positive treasury balance, even using the lower figure of the balance's uncertain range.

J. R. S.

Table 4
SELECTED TAX RECEIPTS - NEBRASKA¹
(thousands of dollars)

		January	February	March	April	May	June
Individual Income Tax ²	1979	24,800 (14.9)	29,439 (28.5)	23,558 (29.2)	42,037 (15.2)	19,954 (19.0)	21,169 (26.8)
	1978	21,581	22,908	18,236	36,500	16,764	16,699
Corporate Income Tax	1979	2,743 (25.1)	1,967 (5.5)	7,653 (-16.4)	7,676 (9.4)	1,731 (-1.3)	8,866 (10.6)
	1978	2,193	1,864	9,154	7,016	1,753	8,071
Sales and Use Taxes	1979	26,151 (-0.2)	21,181 (5.6)	20,380 (18.9)	21,052 (45.4)	23,445 (8.4)	20,338 (1.4)
	1978	26,195	20,052	17,137	14,482	21,635	20,054

¹ Numbers in parentheses are the percentage changes between the corresponding months of 1978 and 1979.

² The Individual Income Tax is calculated as the sum of withholding receipts, estimated receipts, final receipts, and fiduciary receipts.

Source: Nebraska Department of Revenue.

Table 5
ALTERNATIVE STATE INDIVIDUAL INCOME TAX RECEIPTS FROM THE
WITHHOLDING AND ESTIMATED CATEGORIES - NEBRASKA, 1979
(thousands of dollars)

	January	February	March	April	May	June	Six-Month Total
Federal Liability	129,717	105,517	66,933	125,089	106,772	111,006	645,035
State Receipts - 18% rate (actual)	23,349	18,993	12,048	22,516	19,219	19,981	116,106 (actual)
State Receipts - 17% rate	22,052	17,938	11,379	21,265	18,151	18,871	109,656
State Receipts - 16% rate	20,755	16,883	10,709	20,014	17,084	17,761	103,206
State Receipts - 15% rate	19,458	15,828	10,040	18,763	16,016	16,651	96,755

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