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**GENERAL FUND - ROAD FUND RECEIPTS DECREASE
IN MAY 2016**

General Fund receipts decreased 7.5 percent
Road Fund receipts decreased 5.9 percent

FRANKFORT, KY (June 10, 2016) - The Office of State Budget Director reported today that May's General Fund receipts fell 7.5 percent compared to May of last year, a decrease of \$57.3 million. Total revenues for the month were \$705.8 million, compared to \$763.1 million during May 2015. Receipts have now grown 3.9 percent for the first eleven months of FY16.

The official budget estimate calls for 3.2 percent revenue growth for the fiscal year that ends June 30. To meet the estimate, June receipts can be 2.9 percent less than June 2015.

State Budget Director John Chilton noted that even though receipts declined in May, revenues are on track to meet the budgeted estimate. "Monthly revenue collections were hampered by declines in several accounts, some expected and some not. Coal severance, insurance premiums taxes, and the LLET tax all continued their year-long declines. On the other hand, in May individual income tax collections fell by 14.8 percent or \$49.4 million. This was only the second month in FY16 in which receipts in this account did not increase compared to FY15 levels. Offsetting these declines, May sales and use tax revenues increased more than four percent which is slightly less than their year-to-date level. With one month remaining in the fiscal year, we will meet budgeted revenue levels provided collections do not decline more than 2.9 percent compared to June 2015 levels."

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Among the major accounts:

- Sales and use tax receipts increased 4.1 percent for the month and have grown 6.3 percent year-to-date.
- Corporation income tax receipts grew by \$600,000 in May and have grown 9.3 percent for the year.
- Individual income tax collections fell 14.8 percent in May due primarily to declines in withholding and balances on net returns. Receipts have grown 5.6 percent through the first eleven months of FY16.
- Property tax collections decreased 0.5 percent in May but have grown 2.8 percent year-to-date.
- Cigarette tax receipts declined 3.9 percent in May but have grown 0.8 percent year-to-date.
- Coal severance tax receipts fell 48.4 percent in May to a record low of \$7.4 million. Collections have fallen 32.2 percent through the first eleven months of the fiscal year.

Road Fund receipts fell 5.9 percent in May 2016 with collections of \$118.6 million. Year-to-date collections have declined 4.0 percent. The official Road Fund revenue estimate calls for a 5.3 percent decrease in revenues for the fiscal year. Based on year-to-date tax collections, revenues can fall as much as 20.4 percent in June and the revenue estimate will be achieved. The most recent internal revenue estimate predicted revenues will decline 4.3 percent for the year. Among the accounts, motor fuel taxes rose 2.3 percent, motor vehicle usage revenue fell 22.6 percent, and license and privilege receipts grew 4.1 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	2016	MAY 2015	% Change	FY 2016	JULY THROUGH MAY FY 2015	% Change
TOTAL GENERAL FUND	\$705,781,148	\$763,075,627	-7.5%	\$9,296,847,926	\$8,944,030,288	3.9%
Tax Receipts	\$682,222,750	\$741,142,073	-7.9%	\$9,004,509,133	\$8,641,626,218	4.2%
Sales and Gross Receipts	\$352,102,349	\$350,043,069	0.6%	\$3,706,554,320	\$3,521,134,989	5.3%
Beer Consumption	490,543	500,750	-2.0%	5,852,797	5,577,551	4.9%
Beer Wholesale	5,005,473	4,994,745	0.2%	55,499,454	52,444,174	5.8%
Cigarette	19,504,033	20,287,238	-3.9%	204,869,512	203,319,975	0.8%
Distilled Spirits Case Sales	12,678	12,238	3.6%	124,855	122,507	1.9%
Distilled Spirits Consumption	1,182,176	1,139,447	3.7%	11,742,117	11,503,205	2.1%
Distilled Spirits Wholesale	3,692,009	3,511,322	5.1%	35,557,600	33,674,791	5.6%
Insurance Premium	28,124,083	36,887,997	-23.8%	125,902,535	136,749,714	-7.9%
Pari-Mutuel	703,788	400,657	75.7%	4,271,906	2,685,451	59.1%
Race Track Admission	4,509	0	---	195,389	155,426	25.7%
Sales and Use	284,242,930	272,997,118	4.1%	3,165,794,582	2,979,260,693	6.3%
Wine Consumption	259,301	249,579	3.9%	2,864,121	2,699,209	6.1%
Wine Wholesale	1,474,113	1,519,204	-3.0%	15,185,355	15,138,643	0.3%
Telecommunications Tax	5,699,615	5,731,725	-0.6%	59,234,356	58,224,172	1.7%
Other Tobacco Products	1,707,172	1,808,602	-5.6%	19,451,633	19,571,219	-0.6%
Floor Stock Tax	(75)	2,450	---	8,108	8,260	-1.8%
License and Privilege	\$402,590	\$145,075	177.5%	\$110,148,666	\$101,677,088	8.3%
Alc. Bev. License Suspension	45,024	25,500	76.6%	447,975	395,017	13.4%
Corporation License	(50,381)	(235,277)	---	83,408	179,539	-53.5%
Corporation Organization	0	30,942	-100.0%	101,145	140,869	-28.2%
Occupational Licenses	37,996	19,558	94.3%	228,926	144,649	58.3%
Race Track License	8,225	0	---	284,375	247,766	14.8%
Bank Franchise Tax	280,610	251,665	11.5%	108,380,107	99,961,055	8.4%
Driver License Fees	81,116	52,687	54.0%	622,730	608,194	2.4%
Natural Resources	\$9,343,861	\$17,251,181	-45.8%	\$139,974,887	\$205,162,215	-31.8%
Coal Severance	7,389,427	14,325,713	-48.4%	113,361,279	167,250,237	-32.2%
Oil Production	353,894	544,489	-35.0%	4,355,181	9,202,570	-52.7%
Minerals Severance	1,250,696	1,425,780	-12.3%	16,058,853	13,819,527	16.2%
Natural Gas Severance	349,845	955,200	-63.4%	6,199,573	14,889,882	-58.4%
Income	\$291,961,982	\$345,173,682	-15.4%	\$4,418,126,689	\$4,200,256,692	5.2%
Corporation	1,692,526	1,064,265	59.0%	364,912,713	333,906,977	9.3%
Individual	284,317,339	333,666,289	-14.8%	3,891,335,536	3,684,972,007	5.6%
Limited Liability Entity	5,952,117	10,443,128	-43.0%	161,878,440	181,377,708	-10.8%
Property	\$21,689,493	\$21,806,421	-0.5%	\$560,706,996	\$545,278,133	2.8%
Building & Loan Association	573,341	585,430	-2.1%	561,460	87,280	543.3%
General - Real	2,720,645	2,715,549	0.2%	268,044,903	259,130,818	3.4%
General - Tangible	14,662,963	13,298,076	10.3%	226,857,610	215,670,158	5.2%
Omitted & Delinquent	2,826,266	3,499,504	-19.2%	9,743,707	10,799,320	-9.8%
Public Service	909,653	1,711,361	-46.8%	53,902,466	58,104,507	-7.2%
Other	(3,374)	(3,500)	---	1,596,850	1,486,050	7.5%
Inheritance Tax	\$4,604,040	\$4,586,355	0.4%	\$46,425,696	\$45,193,979	2.7%
Miscellaneous	2,118,435	2,136,290	-0.8%	22,571,880	22,923,122	-1.5%
Legal Process	1,269,879	1,352,065	-6.1%	13,262,621	14,222,056	-6.7%
T. V. A. In Lieu Payments	848,556	784,225	8.2%	9,271,255	8,668,207	7.0%
Other	0	0	---	38,005	32,858	15.7%
Nontax Receipts	\$23,322,592	\$21,729,302	7.3%	\$287,009,072	\$300,731,547	-4.6%
Departmental Fees	2,056,681	2,712,225	-24.2%	18,788,240	18,894,790	-0.6%
PSC Assessment Fee	110	365	-69.8%	10,869,373	14,696,423	-26.0%
Fines & Forfeitures	1,802,823	1,889,281	-4.6%	19,559,804	20,783,212	-5.9%
Income on Investments	(33,628)	(48,201)	---	(744,325)	(711,901)	---
Lottery	20,000,000	18,000,000	11.1%	209,278,429	201,000,000	4.1%
Sale of NOx Credits	0	0	---	0	27,594	-100.0%
Miscellaneous	(503,394)	(824,368)	---	29,257,551	46,041,430	-36.5%
Redeposit of State Funds	\$235,806	\$204,252	15.4%	\$5,329,721	\$1,672,523	218.7%

	<u>2016</u>	<u>MAY</u> <u>2015</u>	<u>% Change</u>	<u>FY 2016</u>	<u>JULY THROUGH MAY</u> <u>FY 2015</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$118,592,535	\$125,987,907	-5.9%	\$1,348,467,310	\$1,404,281,675	-4.0%
Tax Receipts-	\$117,845,472	\$123,501,431	-4.6%	\$1,328,370,052	\$1,380,412,369	-3.8%
Sales and Gross Receipts	\$89,003,787	\$95,786,260	-7.1%	\$1,117,553,079	\$1,175,329,427	-4.9%
Motor Fuels Taxes	60,947,705	59,560,176	2.3%	681,295,134	779,996,223	-12.7%
Motor Vehicle Usage	28,056,082	36,226,084	-22.6%	436,257,944	395,333,205	10.4%
License and Privilege	\$28,841,684	\$27,715,172	4.1%	\$210,816,973	\$205,082,942	2.8%
Motor Vehicles	11,108,554	11,882,840	-6.5%	103,027,731	99,253,596	3.8%
Motor Vehicle Operators	1,323,311	1,242,106	6.5%	14,942,932	14,696,117	1.7%
Weight Distance	15,614,829	13,756,289	13.5%	80,488,693	78,853,470	2.1%
Truck Decal Fees	159,690	100,434	59.0%	276,142	317,686	-13.1%
Other Special Fees	635,301	733,503	-13.4%	12,081,476	11,962,072	1.0%
Nontax Receipts	\$733,452	\$2,266,088	-67.6%	\$19,276,400	\$20,867,370	-7.6%
Departmental Fees	690,248	2,002,351	-65.5%	16,682,652	16,553,079	0.8%
In Lieu of Traffic Fines	34,500	23,966	44.0%	387,375	410,758	-5.7%
Income on Investments	(84,357)	90,815	---	1,507,010	2,903,414	-48.1%
Miscellaneous	93,062	148,956	-37.5%	699,364	1,000,119	-30.1%
Redeposit of State Funds	\$13,612	\$220,388	-93.8%	\$820,857	\$3,001,936	-72.7%

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