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For Immediate Release
January 10, 2013

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GENERAL FUND AND ROAD FUND RECEIPTS
INCREASE IN DECEMBER 2012
General Fund receipts rose 4.9 percent
Road Fund receipts rose 6.2 percent

FRANKFORT, KY (January 10, 2013) - The Office of State Budget Director reported today that General Fund receipts rose 4.9 percent in December compared to December of 2011, an increase of \$44.4 million. Total revenues for the month were \$945.8 million, compared to \$901.4 million during December 2011. Receipts have increased 3.8 percent for the first six months of the fiscal year that ends June 30, 2013 (FY13).

The official revenue forecast for FY13 calls for 2.4 percent revenue growth. General Fund revenues would need to grow 1.0 percent during the remaining six months of the fiscal year to meet the estimate. State Budget Director Mary Lassiter noted that while it may appear that receipts are slightly ahead of projections, the General Fund has yet to reestablish a consistent pattern of growth following the recession. "We are pleased that the General Fund is on track to achieve budgeted revenue levels. However, sales and use tax receipts, which typically act as a barometer of the underlying economic conditions, continue to perform poorly, having increased only 0.1 percent through the first half of the

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fiscal year.” The weakness in the core taxes is being partially masked by the receipts from the Tax Amnesty Program, as well as favorable timing on the property taxes year-to-date. December receipts, like November collections, were buoyed by one-time Tax Amnesty receipts.

Among the major accounts:

- Sales and use tax receipts increased 1.7 percent in December and have increased 0.1 percent for the year.
- Corporation income tax receipts fell 11.6 percent but are up 4.4 percent for the year. The LLET tax, however, grew by 23.5 percent, and have grown 24.5 percent for the year.
- Individual income tax collections rose 10.1 percent in December. Year-to-date collections in this account have increased 4.9 percent.
- Property tax collections rose 12.1 percent and are up 25.2 percent for the year.
- Cigarette tax receipts were flat in December. Collections for the first six months are down 4.2 percent.
- Coal severance tax receipts decreased 18.7 percent in December and have fallen 24.0 percent for the year.

Road Fund receipts for December totaled \$116.2 million, a 6.2 percent increase from December 2011 levels. Year-to-date receipts have increased 3.4 percent for the first six months of FY13. The official revenue estimate projected 3.9 percent growth for the fiscal year. Based on year-to-date tax collections, revenues need to increase 4.3 percent for the remainder of FY13 to meet the estimate. Lassiter noted that growth in the Road Fund’s primary revenue sources has been erratic through the first half of the fiscal year. “Motor fuels tax receipts continued a recent pattern of volatility. Strong growth of 9.6 percent in July was followed by weak collections in August and a decline in September. October saw receipts at the top of another peak, with an increase of 16.2 percent. However collections plunged in November and December, increasing only 6.4 and 1.8 percent respectively.” Among the accounts, motor fuels tax receipts rose 1.8 percent in December, and are up 5.3 percent for the first six months. Motor vehicle usage tax revenues grew 7.2 percent in December, and have increased 2.6 percent for the first six months of the year. License and privilege receipts grew 33.0 percent for the month, but have decreased 5.0 percent for the year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

| | <u>DECEMBER</u> | | | <u>JULY THROUGH DECEMBER</u> | | |
|-------------------------------|----------------------|----------------------|-----------------|------------------------------|------------------------|-----------------|
| | <u>2012</u> | <u>2011</u> | <u>% Change</u> | <u>FY 2013</u> | <u>FY 2012</u> | <u>% Change</u> |
| TOTAL GENERAL FUND | \$945,774,519 | \$901,393,476 | 4.9% | \$4,656,459,716 | \$4,486,385,916 | 3.8% |
| Tax Receipts | \$919,625,012 | \$876,198,003 | 5.0% | \$4,480,913,957 | \$4,330,184,659 | 3.5% |
| Sales and Gross Receipts | \$294,281,225 | \$288,510,641 | 2.0% | \$1,784,465,294 | \$1,784,177,398 | 0.0% |
| Beer Consumption | 518,303 | 440,869 | 17.6% | 3,244,964 | 3,140,296 | 3.3% |
| Beer Wholesale | 4,739,793 | 4,258,047 | 11.3% | 27,758,586 | 27,903,605 | -0.5% |
| Cigarette | 19,764,218 | 19,759,100 | 0.0% | 121,531,322 | 126,832,431 | -4.2% |
| Distilled Spirits Case Sales | 10,674 | 10,288 | 3.8% | 61,701 | 58,231 | 6.0% |
| Distilled Spirits Consumption | 1,015,398 | 977,510 | 3.9% | 6,072,013 | 5,651,177 | 7.4% |
| Distilled Spirits Wholesale | 2,818,761 | 2,645,277 | 6.6% | 15,767,068 | 14,582,708 | 8.1% |
| Insurance Premium | 17,197 | 387 | 4348.7% | 41,810,028 | 40,574,297 | 3.0% |
| Pari-Mutuel | 435,904 | 433,350 | 0.6% | 2,342,161 | 1,305,884 | 79.4% |
| Race Track Admission | 16,479 | 31,683 | -48.0% | 126,070 | 138,999 | -9.3% |
| Sales and Use | 255,461,200 | 251,211,088 | 1.7% | 1,511,896,143 | 1,511,006,738 | 0.1% |
| Wine Consumption | 277,371 | 278,050 | -0.2% | 1,430,408 | 1,346,067 | 6.3% |
| Wine Wholesale | 1,516,928 | 1,497,411 | 1.3% | 7,376,512 | 7,006,898 | 5.3% |
| Telecommunications Tax | 5,900,240 | 5,225,412 | 12.9% | 34,005,754 | 33,574,655 | 1.3% |
| Other Tobacco Products | 1,786,394 | 1,736,197 | 2.9% | 11,031,335 | 11,047,653 | -0.1% |
| Floor Stock Tax | 2,366 | 5,974 | -60.4% | 11,228 | 7,762 | 44.7% |
| License and Privilege | \$52,260,901 | \$53,142,225 | -1.7% | \$251,036,466 | \$276,459,052 | -9.2% |
| Alc. Bev. License Suspension | 14,833 | 30,100 | -50.7% | 203,933 | 134,800 | 51.3% |
| Coal Severance | 20,089,311 | 24,709,936 | -18.7% | 121,565,409 | 159,926,317 | -24.0% |
| Corporation License | 12,660 | 232,322 | -94.6% | (443,324) | 727,038 | --- |
| Corporation Organization | 0 | 20,762 | -100.0% | 47,759 | 21,667 | 120.4% |
| Occupational Licenses | 4,749 | 6,172 | -23.0% | 36,240 | 43,070 | -15.9% |
| Oil Production | 843,684 | 776,624 | 8.6% | 5,224,047 | 4,550,444 | 14.8% |
| Race Track License | 55,536 | 57,500 | -3.4% | 196,711 | 195,000 | 0.9% |
| Bank Franchise Tax | 2,850,153 | 2,491,188 | 14.4% | 2,096,962 | 1,888,274 | 11.1% |
| Driver License Fees | 50,394 | 45,021 | 11.9% | 325,939 | 305,439 | 6.7% |
| Minerals Severance | 1,582,741 | 1,889,448 | -16.2% | 7,549,343 | 8,897,393 | -15.2% |
| Natural Gas Severance | 963,151 | 2,005,860 | -52.0% | 6,117,062 | 12,942,091 | -52.7% |
| Limited Liability Entity | 25,793,687 | 20,877,292 | 23.5% | 108,116,384 | 86,827,520 | 24.5% |
| Income | \$408,518,165 | \$388,509,543 | 5.2% | \$2,007,925,440 | \$1,915,601,977 | 4.8% |
| Corporation | 79,123,652 | 89,466,883 | -11.6% | 194,870,310 | 186,682,141 | 4.4% |
| Individual | 329,394,512 | 299,042,659 | 10.1% | 1,813,055,129 | 1,728,919,837 | 4.9% |
| Property | \$158,352,391 | \$141,209,534 | 12.1% | \$397,115,829 | \$317,100,370 | 25.2% |
| Building & Loan Association | 0 | 0 | --- | (15,820) | (46,134) | --- |
| General - Real | 102,779,654 | 74,418,335 | 38.1% | 190,739,386 | 151,686,908 | 25.7% |
| General - Tangible | 41,169,455 | 35,696,700 | 15.3% | 129,577,690 | 115,665,335 | 12.0% |
| Omitted & Delinquent | 10,580,541 | 15,567,451 | -32.0% | 29,969,945 | 11,558,481 | 159.3% |
| Public Service | 3,822,740 | 15,525,581 | -75.4% | 46,063,771 | 37,477,398 | 22.9% |
| Other | 0 | 1,468 | -100.0% | 780,857 | 758,382 | 3.0% |
| Inheritance | \$3,631,830 | \$2,237,846 | 62.3% | 20,635,653 | 19,827,894 | 4.1% |
| Miscellaneous | \$2,580,500 | \$2,588,214 | -0.3% | \$19,735,275 | \$17,017,968 | 16.0% |
| Legal Process | 1,439,652 | 1,453,226 | -0.9% | 9,979,656 | 9,980,828 | 0.0% |
| T. V. A. In Lieu Payments | 1,140,847 | 1,134,988 | 0.5% | 9,755,383 | 7,032,186 | 38.7% |
| Other | 0 | 0 | --- | 236 | 4,954 | -95.2% |
| Nontax Receipts | \$26,177,707 | \$25,019,733 | 4.6% | \$174,311,268 | \$155,009,978 | 12.5% |
| Departmental Fees | 2,033,763 | 3,018,943 | -32.6% | 10,063,244 | 10,102,058 | -0.4% |
| PSC Assessment Fee | 15 | 1,909 | -99.2% | 13,076,450 | 5,436,227 | 140.5% |
| Fines & Forfeitures | 2,592,815 | 1,783,243 | 45.4% | 15,125,932 | 12,669,932 | 19.4% |
| Income on Investments | 138,017 | 46,770 | 195.1% | 1,342,364 | 416,133 | 222.6% |
| Lottery | 17,500,000 | 20,000,000 | -12.5% | 101,766,568 | 101,500,000 | 0.3% |
| Sale of NOx Credits | 0 | 0 | --- | 27,604 | 0 | --- |
| Miscellaneous | 3,913,098 | 168,868 | 2217.3% | 32,909,106 | 24,885,629 | 32.2% |
| Redeposit of State Funds | (\$28,199) | \$175,740 | --- | 1,234,491 | 1,191,279 | 3.6% |

2. ROAD FUND REVENUE

| | <u>DECEMBER</u> | | | <u>JULY THROUGH DECEMBER</u> | | |
|------------------------------|----------------------|----------------------|-----------------|------------------------------|----------------------|-----------------|
| | <u>2012</u> | <u>2011</u> | <u>% Change</u> | <u>FY 2013</u> | <u>FY 2012</u> | <u>% Change</u> |
| TOTAL STATE ROAD FUND | \$116,223,504 | \$109,477,943 | 6.2% | \$725,163,047 | \$701,509,261 | 3.4% |
| Tax Receipts- | 113,654,475 | 107,057,072 | 6.2% | \$712,604,354 | \$690,677,281 | 3.2% |
| Sales and Gross Receipts | \$100,480,340 | \$97,152,781 | 3.4% | \$624,386,781 | \$597,794,353 | 4.4% |
| Motor Fuels Taxes | 69,418,445 | 68,185,429 | 1.8% | 422,775,640 | 401,323,292 | 5.3% |
| Motor Vehicle Usage | 31,061,895 | 28,967,352 | 7.2% | 201,611,140 | 196,471,061 | 2.6% |
| License and Privilege | \$13,174,135 | \$9,904,291 | 33.0% | \$88,217,573 | \$92,882,928 | -5.0% |
| Motor Vehicles | 5,643,995 | 5,849,919 | -3.5% | 35,186,039 | 41,992,340 | -16.2% |
| Motor Vehicle Operators | 1,217,236 | 1,219,794 | -0.2% | 8,182,723 | 7,884,214 | 3.8% |
| Weight Distance | 5,254,664 | 1,947,703 | 169.8% | 37,833,525 | 37,900,183 | -0.2% |
| Truck Decal Fees | 687 | 5,815 | -88.2% | 36,414 | 77,118 | -52.8% |
| Other Special Fees | 1,057,553 | 881,061 | 20.0% | 6,978,873 | 5,029,073 | 38.8% |
| Nontax Receipts | \$1,831,749 | \$2,291,670 | -20.1% | \$9,843,021 | \$10,251,031 | -4.0% |
| Departmental Fees | 1,658,111 | 1,895,661 | -12.5% | 7,143,560 | 9,104,016 | -21.5% |
| In Lieu of Traffic Fines | 47,752 | 50,132 | -4.7% | 342,948 | 369,561 | -7.2% |
| Income on Investments | 124,658 | 94,143 | 32.4% | 2,090,347 | 230,189 | 808.1% |
| Miscellaneous | 1,227 | 251,734 | -99.5% | 266,166 | 547,265 | -51.4% |
| Redeposit of State Funds | \$737,280 | \$129,201 | 470.6% | \$2,715,673 | \$580,949 | 367.5% |

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