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GENERAL FUND AND ROAD FUND RECEIPTS
FOR DECEMBER 2013

General Fund receipts fell 3.5 percent
Road Fund receipts rose 4.2 percent

FRANKFORT, KY (January 10, 2014) - The Office of State Budget Director reported today that December's General Fund receipts fell 3.5 percent compared to December of last year, a decrease of \$33.2 million. Total revenues for the month were \$912.6 million, compared to \$945.8 million during December 2012. Receipts have increased 1.2 percent for the first six months of the fiscal year that ends June 30, 2014. The official revenue forecast for FY14 -- revised by the CFG in mid-December -- calls for 2.1 percent revenue growth. Revenues would need to grow 3.1 percent for the last six months of the fiscal year to meet the estimate.

State Budget Director Jane C. Driskell noted that even though revenue growth declined in December, collections were not as weak as the top-line growth might suggest. "December 2012 collections contained approximately \$25 million in amnesty money that created an artificial headwind to overcome this year. Additionally, property tax collections are subject to timing and large month-to-month variations. Taken together, these events created a nearly \$45 million hole which the remaining tax collections could not overcome. We will continue to monitor receipts and are optimistic we can meet the revenue estimates."

Among the major accounts:

- Sales and use tax receipts increased 6.6 percent in December and have increased 3.0 percent for the year.
- Corporation income tax receipts fell 13.5 percent but are up 18.4 percent for the year.
- Individual income tax collections fell 1.8 percent in December. Year-to-date collections in this account have increased 2.4 percent.
- Property tax collections declined 13.5 percent and are down 8.8 percent for the year.
- Cigarette tax receipts declined 6.2 in December and for the first six months are down 3.6 percent.
- Coal severance tax receipts decreased 6.0 percent in December and have fallen 14.4 percent for the year.

Road Fund receipts increased 4.2 percent in December with collections of \$121.1 million. Official Road Fund estimates call for an increase in revenues of 6.1 percent for the fiscal year. Based on year-to-date tax collections of 7.0 percent, revenues need to increase 5.2 percent for the remainder of FY14 to meet the estimate. Driskell noted that even though Road Fund collections are ahead of pace to meet the official estimate, “receipts will slow down in the second half of the year due to statutory reductions in the motor fuels tax rate”. The tax rate on motor fuels will decline 1.5 cents per gallon for the period January – March based on the results of the October 2013 survey of wholesale fuels prices.

Among the accounts, motor fuels receipts rose 11.7 percent in December, and are up 8.4 percent for the first six months. Motor vehicle usage revenue grew 10.8 percent in December, and has increased 7.6 percent over last year. License and privilege receipts fell 31.3 percent for the month, primarily due to an anomaly in the timing of the weight distance tax. Overall, the weight distance tax is performing very much in line with our expectations.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	DECEMBER			JULY THROUGH DECEMBER		
	2013	2012	% Change	FY 2014	FY 2013	% Change
TOTAL GENERAL FUND	\$912,645,057	\$945,774,519	-3.5%	\$4,712,452,320	\$4,656,459,716	1.2%
Tax Receipts	\$888,968,545	\$919,625,012	-3.3%	\$4,540,308,446	\$4,480,913,957	1.3%
Sales and Gross Receipts	\$308,880,934	\$294,281,225	5.0%	\$1,826,133,520	\$1,784,465,294	2.3%
Beer Consumption	510,959	518,303	-1.4%	3,215,611	3,244,964	-0.9%
Beer Wholesale	4,749,665	4,739,793	0.2%	30,503,617	27,758,586	9.9%
Cigarette	18,545,894	19,764,218	-6.2%	117,173,478	121,531,322	-3.6%
Distilled Spirits Case Sales	10,119	10,674	-5.2%	63,174	61,701	2.4%
Distilled Spirits Consumption	933,445	1,015,398	-8.1%	5,866,406	6,072,013	-3.4%
Distilled Spirits Wholesale	2,723,226	2,818,761	-3.4%	16,659,286	15,767,068	5.7%
Insurance Premium	25,000	17,197	45.4%	43,326,674	41,810,028	3.6%
Pari-Mutuel	175,411	435,904	-59.8%	842,097	2,342,161	-64.0%
Race Track Admission	2,072	16,479	-87.4%	105,115	126,070	-16.6%
Sales and Use	272,414,569	255,461,200	6.6%	1,557,141,336	1,511,896,143	3.0%
Wine Consumption	161,732	277,371	-41.7%	1,403,423	1,430,408	-1.9%
Wine Wholesale	1,399,339	1,516,928	-7.8%	7,358,774	7,376,512	-0.2%
Telecommunications Tax	5,412,554	5,900,240	-8.3%	31,843,724	34,005,754	-6.4%
Other Tobacco Products	1,818,357	1,786,394	1.8%	10,633,052	11,031,335	-3.6%
Floor Stock Tax	(1,408)	2,366	---	(2,246)	11,228	---
License and Privilege	\$45,610,343	\$52,260,901	-12.7%	\$225,946,967	\$251,036,466	-10.0%
Alc. Bev. License Suspension	14,400	14,833	-2.9%	163,265	203,933	-19.9%
Coal Severance	18,877,703	20,089,311	-6.0%	104,093,800	121,565,409	-14.4%
Corporation License	6,085	12,660	-51.9%	404,718	(443,324)	---
Corporation Organization	920	0	---	20,777	47,759	-56.5%
Occupational Licenses	6,583	4,749	38.6%	70,606	36,240	94.8%
Oil Production	733,176	843,684	-13.1%	6,458,483	5,224,047	23.6%
Race Track License	10,150	55,536	-81.7%	135,150	196,711	-31.3%
Bank Franchise Tax	97,902	2,850,153	-96.6%	2,266,310	2,096,962	8.1%
Driver License Fees	45,967	50,394	-8.8%	321,642	325,939	-1.3%
Minerals Severance	1,497,716	1,582,741	-5.4%	8,876,584	7,549,343	17.6%
Natural Gas Severance	1,972,783	963,151	104.8%	9,191,167	6,117,062	50.3%
Limited Liability Entity	22,346,959	25,793,687	-13.4%	93,944,464	108,116,384	-13.1%
Income	\$391,960,176	\$408,518,165	-4.1%	\$2,087,219,438	\$2,007,925,440	3.9%
Corporation	68,459,711	79,123,652	-13.5%	230,645,842	194,870,310	18.4%
Individual	323,500,465	329,394,512	-1.8%	1,856,573,595	1,813,055,129	2.4%
Property	\$136,959,467	\$158,352,391	-13.5%	\$362,031,669	\$397,115,829	-8.8%
Building & Loan Association	0	0	---	5,753	(15,820)	---
General - Real	71,810,305	102,779,654	-30.1%	180,119,270	190,739,386	-5.6%
General - Tangible	59,987,711	41,169,455	45.7%	121,606,849	129,577,690	-6.2%
Omitted & Delinquent	2,642,756	10,580,541	-75.0%	11,015,249	29,969,945	-63.2%
Public Service	2,518,694	3,822,740	-34.1%	44,058,575	46,063,771	-4.4%
Other	1	0	---	5,225,972	780,857	569.3%
Inheritance	\$3,442,454	\$3,631,830	-5.2%	24,076,572	20,635,653	16.7%
Miscellaneous	\$2,115,171	\$2,580,500	-18.0%	\$14,900,280	\$19,735,275	-24.5%
Legal Process	1,136,388	1,439,652	-21.1%	8,105,173	9,979,656	-18.8%
T. V. A. In Lieu Payments	978,784	1,140,847	-14.2%	6,794,715	9,755,383	-30.3%
Other	0	0	---	392	236	66.3%
Nontax Receipts	\$23,232,760	\$26,177,707	-11.2%	\$170,906,459	\$174,311,268	-2.0%
Departmental Fees	1,933,582	2,033,763	-4.9%	8,220,362	10,063,244	-18.3%
PSC Assessment Fee	0	15	-100.0%	14,699,356	13,076,450	12.4%
Fines & Forfeitures	1,768,841	2,592,815	-31.8%	12,137,638	15,125,932	-19.8%
Income on Investments	(43,048)	138,017	-131.2%	(698,437)	1,342,364	---
Lottery	17,500,000	17,500,000	0.0%	103,139,743	101,766,568	1.3%
Sale of NOx Credits	9,438	0	---	48,438	27,604	75.5%
Miscellaneous	2,063,948	3,913,098	-47.3%	33,359,359	32,909,106	1.4%
Redeposit of State Funds	\$443,753	(\$28,199)	---	1,237,415	1,234,491	0.2%

2. ROAD FUND REVENUE

	<u>DECEMBER</u>			<u>JULY THROUGH DECEMBER</u>		
	<u>2012</u>	<u>% Change</u>		<u>FY 2014</u>	<u>FY 2013</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$121,145,867	\$116,223,504	4.2%	\$776,002,756	\$725,163,047	7.0%
Tax Receipts-	121,031,376	113,654,475	6.5%	\$764,977,090	\$712,604,354	7.3%
Sales and Gross Receipts	\$111,978,060	\$100,480,340	11.4%	\$675,049,261	\$624,386,781	8.1%
Motor Fuels Taxes	77,571,793	69,418,445	11.7%	458,153,342	422,775,640	8.4%
Motor Vehicle Usage	34,406,267	31,061,895	10.8%	216,895,919	201,611,140	7.6%
License and Privilege	\$9,053,316	\$13,174,135	-31.3%	\$89,927,829	\$88,217,573	1.9%
Motor Vehicles	6,187,325	5,643,995	9.6%	36,587,472	35,186,039	4.0%
Motor Vehicle Operators	1,135,119	1,217,236	-6.7%	8,122,669	8,182,723	-0.7%
Weight Distance	796,583	5,254,664	-84.8%	38,693,064	37,833,525	2.3%
Truck Decal Fees	1,632	687	137.7%	22,019	36,414	-39.5%
Other Special Fees	932,656	1,057,553	-11.8%	6,502,605	6,978,873	-6.8%
Nontax Receipts	\$71,648	\$1,831,749	-96.1%	\$9,251,799	\$9,843,021	-6.0%
Departmental Fees	797,718	1,658,111	-51.9%	7,695,325	7,143,560	7.7%
In Lieu of Traffic Fines	38,966	47,752	-18.4%	265,354	342,948	-22.6%
Income on Investments	(817,004)	124,658	---	870,877	2,090,347	-58.3%
Miscellaneous	51,969	1,227	4135.5%	420,242	266,166	57.9%
Redeposit of State Funds	42,843	\$737,280	-94.2%	\$1,773,867	\$2,715,673	-34.7%

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