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GENERAL FUND AND ROAD FUND RECEIPTS

For APRIL 2017

General Fund receipts increased 1.7 percent

Road Fund receipts decreased 5.0 percent

FRANKFORT, Ky. (Wednesday, May 10, 2017) - The Office of State Budget Director (OSBD) reported today that April's General Fund receipts rebounded from a disappointing March performance and recorded the seventh positive month out of the first ten months of FY17. Collections grew 1.7 percent compared to April of last year, an increase of \$18.7 million. Total revenues for the month were \$1,095.8 million, compared to \$1,077.1 million received during April 2016. Receipts have now grown 1.3 percent for the first ten months of FY17.

The official enacted budget calls for 2.7 percent revenue growth for the entire fiscal year. To meet the official revenue estimate, receipts must increase 9.7 percent over the last two months of the fiscal year. In April, OSBD economists released an interim revenue estimate in which they called for revenues to grow 1.6 percent in FY17, a shortfall of \$113.2 million compared to budgeted levels.

Road Fund receipts for April totaled \$123.9 million, a 5.0 percent decrease over April 2016 levels. Year-to-date receipts for FY17 are up 1.1 percent.

State Budget Director John Chilton underscored the importance of the individual income and sales tax when evaluating monthly receipts. "The General Fund grew a very modest 1.7 percent in April and stands at 1.3 percent through the first ten months of FY17. Over 75 percent of General Fund

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receipts come from the sales tax (33.4 percent) and the individual income tax (42.5 percent). When these two taxes go through cyclical slumps, the General Fund struggles to grow. So far this fiscal year, the sales tax has grown 0.7 percent and the individual income tax stands at an increase of 2.6 percent after posting growth of 6.0 percent and 5.2 percent, respectively, in FY16. We will continue to look for signs of improving growth in the upcoming months.”

Among the major accounts:

- Sales and use tax receipts increased 1.8 percent for the month and have now grown 0.7 percent year-to-date. Receipts in this account had declined in five of the six previous months, including each of the last three months.
- Corporation income tax receipts rose 1.4 percent in April but have decreased 5.7 percent so far this year. Declaration receipts improved but were mostly offset by lower balances on net returns. Compared to last year, most of the decrease in corporate tax receipts occurred in March 2017. We had hoped that the March decrease was attributable to the change in the due date of Federal corporate tax returns but the rebound that we hoped for did not occur in April.
- Individual income tax collections grew 3.8 percent in April and have grown 2.6 percent though the first 10 months of FY17. Withholding receipts have remained strong this year, increasing 3.3 percent so far in FY17. The remaining accounts, declarations, net returns and fiduciary, have all declined in FY17.
- Property tax collections rose 8.6 percent in April and are up 3.0 percent year-to-date.
- In April, cigarette tax receipts declined 1.7 percent and have declined 2.1 percent year-to-date.
- Coal severance tax receipts reverted to their declining trajectory, falling 7.8 percent in April after posting gains in each of the immediately preceding three months. Through the first ten months of the fiscal year, collections are down 19.7 percent compared to last year.

Road Fund receipts fell 5.0 percent in April with collections of \$123.9 million. Year-to-date collection now stand at an increase of 1.1 percent. The official Road Fund revenue estimate call for revenues to decline 1.7 percent for the fiscal year. Based on year-to-date tax collections, revenues can fall 15.3 percent for the remainder of the year to meet the official estimate. In April, we released our interim revenue estimate that calls for Road Fund revenues to end the year with growth of 1.2 percent, or \$44.2 million above budgeted levels. Among the accounts for April, motor fuels grew 0.1 percent, motor vehicle usage revenue fell 14.9 percent and license and privilege receipts increased 2.0 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	APRIL	APRIL	% Change	JULY THROUGH APRIL		% Change
	2017	2016		FY 2017	FY 2016	
TOTAL GENERAL FUND	\$1,095,786,656	\$1,077,083,134	1.7%	\$8,699,841,141	\$8,591,066,779	1.3%
Tax Receipts	\$1,079,116,760	\$1,054,650,080	2.3%	\$8,428,050,099	\$8,322,286,383	1.3%
Sales and Gross Receipts	\$362,576,927	\$354,828,804	2.2%	\$3,374,476,305	\$3,354,451,970	0.6%
Beer Consumption	539,520	603,122	-10.5%	5,144,560	5,362,254	-4.1%
Beer Wholesale	5,138,415	5,414,931	-5.1%	49,268,427	50,493,981	-2.4%
Cigarette	18,157,151	18,474,401	-1.7%	181,405,454	185,365,478	-2.1%
Distilled Spirits Case Sales	13,275	6,819	94.7%	128,463	112,178	14.5%
Distilled Spirits Consumption	1,212,902	660,535	83.6%	11,887,889	10,559,941	12.6%
Distilled Spirits Wholesale	3,820,214	2,191,922	74.3%	36,658,616	31,865,591	15.0%
Insurance Premium	375,077	422,791	-11.3%	100,228,386	97,778,452	2.5%
Pari-Mutuel	1,176,990	796,391	47.8%	5,206,459	3,568,119	45.9%
Race Track Admission	0	0	---	141,991	190,880	-25.6%
Sales and Use	323,609,761	317,897,561	1.8%	2,901,775,769	2,881,551,652	0.7%
Wine Consumption	261,592	176,498	48.2%	2,570,600	2,604,819	-1.3%
Wine Wholesale	1,431,373	959,013	49.3%	15,373,585	13,711,242	12.1%
Telecommunications Tax	5,065,883	5,199,443	-2.6%	46,876,208	53,534,741	-12.4%
Other Tobacco Products	1,774,773	2,025,100	-12.4%	17,803,859	17,744,461	0.3%
Floor Stock Tax	0	276	-100.0%	6,040	8,182	-26.2%
License and Privilege	\$940,746	\$838,992	12.1%	\$105,845,159	\$109,746,077	-3.6%
Alc. Bev. License Suspension	24,800	29,450	-15.8%	309,053	402,951	-23.3%
Corporation License	(474)	(9,799)	---	6,272	133,788	-95.3%
Corporation Organization	0	9,460	-100.0%	971,452	101,145	860.5%
Occupational Licenses	30,139	53,504	-43.7%	136,673	190,931	-28.4%
Race Track License	11,621	0	---	239,096	276,150	-13.4%
Bank Franchise Tax	807,812	696,361	16.0%	103,597,128	108,099,497	-4.2%
Driver License Fees	66,848	60,016	11.4%	585,484	541,615	8.1%
Natural Resources	\$10,258,146	\$10,357,540	-1.0%	\$109,632,892	\$130,631,025	-16.1%
Coal Severance	7,742,161	8,398,768	-7.8%	85,080,598	105,971,853	-19.7%
Oil Production	442,730	328,067	35.0%	4,268,366	4,001,287	6.7%
Minerals Severance	1,078,022	1,167,348	-7.7%	14,238,365	14,808,157	-3.8%
Natural Gas Severance	995,233	463,357	114.8%	6,045,563	5,849,728	3.3%
Income	\$677,244,000	\$661,163,457	2.4%	\$4,226,038,761	\$4,126,164,707	2.4%
Corporation	44,287,449	43,679,205	1.4%	342,348,999	363,220,187	-5.7%
Individual	599,337,264	577,235,001	3.8%	3,701,506,833	3,607,018,197	2.6%
Limited Liability Entity	33,619,287	40,249,251	-16.5%	182,182,929	155,926,323	16.8%
Property	\$23,064,146	\$21,232,925	8.6%	\$555,398,980	\$539,017,503	3.0%
Building & Loan Association	0	0	---	15,372	(11,881)	---
General - Real	2,665,276	2,821,251	-5.5%	271,197,271	265,324,258	2.2%
General - Tangible	21,769,616	22,098,522	-1.5%	213,470,262	212,194,647	0.6%
Omitted & Delinquent	(2,945,845)	(4,531,558)	---	10,609,585	6,917,441	53.4%
Public Service	1,572,198	785,190	100.2%	58,433,522	52,992,813	10.3%
Other	2,901	59,520	-95.1%	1,672,968	1,600,224	4.5%
Inheritance Tax	\$3,181,301	\$4,446,737	-28.5%	\$35,855,463	\$41,821,656	-14.3%
Miscellaneous	\$1,851,494	\$1,781,626	3.9%	\$20,802,539	\$20,453,445	1.7%
Legal Process	1,008,285	925,410	9.0%	11,030,101	11,992,742	-8.0%
T. V. A. In Lieu Payments	830,072	848,556	-2.2%	9,690,032	8,422,699	15.0%
Other	13,137	7,660	71.5%	82,406	38,005	116.8%
Nontax Receipts	\$16,290,645	\$21,947,524	-25.8%	\$264,068,657	\$263,686,480	0.1%
Departmental Fees	2,173,713	2,457,017	-11.5%	16,140,707	16,731,559	-3.5%
PSC Assessment Fee	439	440	-0.4%	13,032,139	10,869,263	19.9%
Fines & Forfeitures	2,490,633	2,024,443	23.0%	16,370,081	17,756,980	-7.8%
Income on Investments	(424,132)	(71,458)	---	(1,351,765)	(710,697)	---
Lottery	20,000,000	20,000,000	0.0%	196,127,129	189,278,429	3.6%
Sale of NOx Credits	0	0	---	0	0	---
Miscellaneous	(7,950,008)	(2,462,918)	---	23,750,365	29,760,945	-20.2%
Redeposit of State Funds	\$379,251	\$485,531	-21.9%	\$7,722,385	\$5,093,915	51.6%

	<u>APRIL</u>	<u>APRIL</u>	<u>% Change</u>	<u>JULY THROUGH APRIL</u>		<u>% Change</u>
	<u>2017</u>	<u>2016</u>		<u>FY 2017</u>	<u>FY 2016</u>	
TOTAL STATE ROAD FUND	\$123,899,871	\$130,422,970	-5.0%	\$1,242,911,510	\$1,229,874,774	1.1%
Tax Receipts-	\$122,137,486	\$128,756,648	-5.1%	\$1,224,193,426	\$1,210,524,581	1.1%
Sales and Gross Receipts	\$103,280,753	\$110,263,661	-6.3%	\$1,043,620,157	\$1,028,549,291	1.5%
Motor Fuels Taxes	62,969,003	62,907,639	0.1%	629,480,402	620,347,429	1.5%
Motor Vehicle Usage	40,311,750	47,356,022	-14.9%	414,139,754	408,201,862	1.5%
License and Privilege	\$18,856,733	\$18,492,986	2.0%	\$180,573,269	\$181,975,289	-0.8%
Motor Vehicles	12,832,620	12,965,490	-1.0%	89,423,012	91,919,177	-2.7%
Motor Vehicle Operators	1,565,110	1,442,766	8.5%	13,433,501	13,619,621	-1.4%
Weight Distance	3,670,199	3,359,901	9.2%	66,308,910	64,873,865	2.2%
Truck Decal Fees	158,925	77,152	106.0%	190,611	116,452	63.7%
Other Special Fees	629,878	647,679	-2.7%	11,217,236	11,446,175	-2.0%
Nontax Receipts	\$1,744,697	\$1,442,871	20.9%	\$18,136,588	\$18,542,948	-2.2%
Departmental Fees	1,190,481	1,254,618	-5.1%	15,436,574	15,992,404	-3.5%
In Lieu of Traffic Fines	34,469	41,596	-17.1%	303,474	352,875	-14.0%
Income on Investments	416,748	116,212	258.6%	1,025,725	1,591,367	-35.5%
Miscellaneous	102,999	30,445	238.3%	1,370,815	606,303	126.1%
Redeposit of State Funds	\$17,688	\$223,451	-92.1%	\$581,496	\$807,245	-28.0%

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