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GENERAL FUND AND ROAD FUND RECEIPTS
FOR JULY 2019

General Fund receipts increase 1.9 percent
Road Fund receipts increase 0.4 percent

FRANKFORT, Ky. (Monday, August 12, 2019) - State Budget Director John Chilton announced today Kentucky's General Fund receipts for July, the first month of Fiscal Year 2020 (FY20), totaled \$845.7 million, a 1.9 percent increase compared to July 2018 receipts. Increases in the sales and use tax and cigarette taxes out-paced declines in the income, natural resources and property taxes as the impacts of tax law changes continue to influence monthly receipts.

The official revenue estimate for FY20 calls for revenue to grow 0.6 percent compared to FY19 actual receipts. Based on July's receipts, General Fund revenues need to increase 0.5 percent for the remainder of the fiscal year to meet the official estimate. The FY20 official estimate consists of the December 2017 revenue estimate rendered by the Consensus Forecasting Group (CFG) adjusted for subsequently enacted legislation. The CFG met on August 9 to begin the process of revising the FY20 revenue estimate as well as preparing estimates for FY21 and FY22. The CFG will meet again in October before rendering final revenue estimates in December.

State Budget Director Chilton emphasized that economic growth continues in the Commonwealth but until full implementation, tax law changes will dominate the flow of monthly receipts. "Clearly the impacts of legislation are continuing to enhance several of our revenue accounts and that will continue for many more months. Fiscal Year 2020 has started much like FY19 ended, with strong growth in sales and excise taxes coupled with declines in the income-related revenue sources. Due to the effective dates of

the tax law changes and taxpayer responses to the changes, it may be well into the fiscal year until tax policy impacts are more clearly discernible in actual receipts. Additionally, it is common to see large fluctuations in growth rates early in the fiscal year until receipts begin to stabilize; typically, after three or four months. As always, we will closely monitor receipts as well as the economic conditions of the Commonwealth.”

Among the major accounts:

- Individual income tax receipts fell 0.5 percent as withholding collections fell 0.4 percent.
- Sales tax revenues grew 10.7 percent.
- Corporation and LLET receipts declined a combined 13.3 percent.
- Total cigarette tax collections fell 24.0 percent in July because the floor stocks tax yielded \$13.1 million in July 2018 and that revenue was nonrecurring. The cigarette excise and surtax grew 13.9 percent in July 2019 when the effects of the floor stocks tax are eliminated.
- Property tax receipts fell 22.0 percent on a very small base of collections.
- Coal severance tax revenues fell 1.1 percent to \$5.1 million.
- Lottery revenues increased by \$1 million to \$19.0 million.

Road Fund revenues for July totaled \$128.2 million, a 0.4 percent increase compared to last July. The official Road Fund revenue estimate for FY20 calls for revenue to decline 3.7 percent compared to FY19 actual receipts. Based on the first month’s receipts, revenues can fall 4.0 percent for the rest of the fiscal year and still meet budgeted levels. Like the General Fund, new official Road Fund revenue estimates for the current year and the next two fiscal years will be established by the CFG in December.

Among the major Road Fund categories:

- Motor fuels tax receipts fell 2.4 percent.
- Motor vehicle usage tax grew 10.7 percent.
- License and privilege taxes fell 9.7 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>JULY</u> <u>2019</u>	<u>JULY</u> <u>2018</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$845,662,660	\$830,236,749	1.9%
Tax Receipts	\$813,510,398	\$797,287,025	2.0%
Sales and Gross Receipts	\$418,929,142	\$391,538,582	7.0%
Beer Consumption	666,719	577,398	15.5%
Beer Wholesale	6,342,170	5,394,343	17.6%
Cigarette	29,982,641	26,327,867	13.9%
Distilled Spirits Case Sales	16,367	15,137	8.1%
Distilled Spirits Consumption	1,475,217	1,399,118	5.4%
Distilled Spirits Wholesale	4,846,850	4,478,349	8.2%
Insurance Premium	2,297	57,922	-96.0%
Pari-Mutuel	1,344,424	672,592	99.9%
Race Track Admission	80,510	86,193	-6.6%
Sales and Use	366,258,296	330,846,618	10.7%
Wine Consumption	279,189	254,026	9.9%
Wine Wholesale	1,397,691	1,339,763	4.3%
Telecommunications Tax	4,481,886	5,019,753	-10.7%
Other Tobacco Products	1,751,177	1,948,097	-10.1%
Floor Stock Tax	3,709	13,121,405	-99.9%
License and Privilege	(\$173,732)	\$189,320	---
Alc. Bev. License Suspension	33,750	21,250	58.8%
Corporation License	281	305	-7.9%
Corporation Organization	25,115	0	---
Occupational Licenses	8,053	10,523	-23.5%
Race Track License	95,000	95,000	0.0%
Bank Franchise Tax	(381,818)	453	---
Driver License Fees	45,887	61,790	-25.7%
Natural Resources	\$8,007,115	\$8,428,019	-5.0%
Coal Severance	5,129,846	5,184,928	-1.1%
Oil Production	460,285	536,340	-14.2%
Minerals Severance	1,808,040	1,842,035	-1.8%
Natural Gas Severance	608,944	864,716	-29.6%
Income	\$371,423,556	\$377,677,801	-1.7%
Corporation	19,681,904	22,154,768	-11.2%
Individual	342,108,036	343,869,817	-0.5%
Limited Liability Entity	9,633,615	11,653,216	-17.3%
Property	\$9,793,877	\$12,553,323	-22.0%
Building & Loan Association	22,012	257,579	-91.5%
General - Real	6,320	14,040	-55.0%
General - Tangible	10,438,278	11,469,779	-9.0%
Omitted & Delinquent	(1,810,969)	(1,422,229)	---
Public Service	1,138,235	2,234,153	-49.1%
Other	0	0	---
Inheritance Tax	\$3,626,479	\$5,088,943	-28.7%
Miscellaneous	\$1,903,963	\$1,811,036	5.1%
Legal Process	866,905	933,736	-7.2%
T. V. A. In Lieu Payments	941,559	877,300	7.3%
Other	95,500	0	---
NONTAX RECEIPTS	\$32,928,069	\$32,681,652	0.8%
Departmental Fees	1,377,406	712,886	93.2%
PSC Assessment Fee	12,810,788	13,880,840	-7.7%
Fines & Forfeitures	1,389,440	1,458,990	-4.8%
Income on Investments	(262,911)	21,799	---
Lottery	19,000,000	18,000,000	5.6%
Miscellaneous	(1,386,654)	(1,392,863)	---
Redeposit of State Funds	(\$775,806)	\$268,072	---

2. ROAD FUND REVENUE

	<u>JULY</u> <u>2019</u>	<u>JULY</u> <u>2018</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$128,248,147	\$127,728,309	0.4%
Tax Receipts-	\$125,588,989	\$124,155,065	1.2%
Sales and Gross Receipts	\$110,260,853	\$107,177,438	2.9%
Motor Fuels Taxes	62,670,993	64,204,318	-2.4%
Motor Vehicle Usage	47,589,860	42,973,119	10.7%
License and Privilege	\$15,328,136	\$16,977,627	-9.7%
Motor Vehicles	5,547,213	8,615,323	-35.6%
Motor Vehicle Operators	1,288,295	1,373,118	-6.2%
Weight Distance	7,717,499	6,173,169	25.0%
Truck Decal Fees	7,043	8,219	-14.3%
Other Special Fees	768,085	807,799	-4.9%
Nontax Receipts	\$2,525,168	\$3,495,163	-27.8%
Departmental Fees	1,982,705	2,095,955	-5.4%
In Lieu of Traffic Fines	29,397	24,163	21.7%
Income on Investments	193,021	1,079,909	-82.1%
Miscellaneous	320,045	295,136	8.4%
Redeposit of State Funds	\$133,990	\$78,080	71.6%

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