Commonwealth of Kentucky

Quarterly Economic & Revenue Report

Annual Report Fiscal Year 2026

Office of State Budget Director

Governor's Office for Economic Analysis

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Andy Beshear
Governor

John Hicks
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

July 30, 2026

The Honorable Andy Beshear
Governor
Commonwealth of Kentucky
State Capitol Building
Frankfort, Kentucky 40601

Mr. Jay Hartz, Director
Legislative Research Commission
Room 300, State Capitol
Frankfort, Kentucky 40601

Mr. Zach Ramsey, Director
Administrative Office of the Courts
1001 Vandalay Drive
Frankfort, Kentucky 40601

Dear Honorable Governor Beshear, Mr. Hartz and Mr. Ramsey:

In accordance with KRS 48.400(2), the Office of State Budget Director (OSBD) is directed to report on the actual revenue receipts from the just-concluded quarter and prepare an interim forecast for revenue receipts for the next three fiscal quarters. In fulfillment of this mandate, OSBD submits this *Quarterly Economic and Revenue Report* for the fourth quarter of fiscal year 2026 (FY26).

This report includes the actual revenue receipts and economic conditions for the fourth quarter and an unofficial forecast for the first three quarters of FY27 (the forecast horizon). The report also provides an outlook for the national and state economies. Forecasted values from these economic models provide the inputs into the Kentucky revenue models.

General Fund receipts increased for the 16th consecutive year. Collections for the year were $15,975.5 million, or 1.7 percent above FY25 totals. FY26 General Fund revenues were $476.6 million greater than the official estimate, and $320.6 million more than the enacted estimate. FY26 concluded on a high note with 7.2 percent General Fund revenue growth in the fourth quarter. Road Fund receipts were $1,821.9 million in FY26, a decrease of 2.2 percent compared to FY25. Compared to the official estimate, Road Fund collections for FY26 were $22.1 million less than the forecast.

General Fund receipts are expected to rise 6.2 percent during the forecasting horizon. Among the larger accounts, there are large increases in the sales tax and major business taxes, with a small decline in the individual income tax associated with annualizing the half-percent income tax rate reduction as of January 2026. Four of the eight major tax accounts are forecasted to post declines when compared to FY26, but the four positive accounts are expected to far outpace their negative counterparts. Road Fund receipts are forecasted to marginally increase in the first three quarters of FY27. Motor fuels tax receipts are forecasted to grow 2.0 percent, or $12.0 million, in the first nine months of FY27 because of a 0.6 cent per gallon rise in the tax rate. In contrast, motor vehicle usage tax revenues are forecasted to decline $11.9 million, or 2.2 percent over the first three quarters of FY27.

This office will continue to closely monitor Kentucky's economic and revenue conditions and will provide updates at the appropriate times.

Sincerely,

John T. Hicks
State Budget Director

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Executive Summary

In accordance with KRS 48.400(2), the Office of State Budget Director (OSBD) is directed to continuously monitor the financial situation of the Commonwealth, report on the actual revenue receipts from the just-concluded quarter and prepare projected revenue receipts for the next three fiscal quarters. In fulfillment of this mandate, OSBD submits this *Quarterly Economic and Revenue Report* for the fourth quarter of Fiscal Year 2026 (FY26). This report includes the actual revenue receipts for the fourth quarter, an annual review of FY26, and an unofficial forecast for the first three quarters of FY27, the forecast horizon. The report also provides updates on the national and Kentucky economic landscapes for the most recently completed quarter and an economic outlook for the forecast horizon. Appendices at the end of the report show General Fund and Road Fund receipts for the last 10 years.

The latest official estimates listed in Table 1 are from the December 2025 meeting of the state Consensus Forecasting Group (CFG), which forecasted a $156 million General Fund revenue shortfall and a $50.3 million Road Fund revenue shortfall. No revisions to the FY26 CFG estimates were necessary pursuant to legislative actions enacted during the 2026 Regular Session. With FY26 General Fund actual revenues now compiled, receipts were $476.6 million greater than the official estimate and $302.6 million more than the enacted budget estimate. Deviations between actual receipts and estimated revenues in the base year often get carried forward into following two years to produce future deviations between actual and estimated receipts.

Projected General Fund Growth for the First Three Quarters of FY27

General Fund receipts are expected to rise 6.2 percent during the forecast horizon. Among the larger accounts, there are sizeable increases in the sales tax and major business taxes, with a small decline in the individual income tax associated with annualizing the half-percent income tax rate reduction as of January 2026.

Table 1 displays the General Fund outlook. The two accounts that stand out as sources of growth are the sales tax and major business taxes (corporation income tax plus the limited liability entity tax). Sales tax collections are expected to grow 5.2 percent during the forecast horizon. Inflation increases the purchase price of many taxable goods and services, leading to higher sales tax receipts. Strong growth in Kentucky wages and salaries will provide many consumers with the additional income needed to exceed FY26 levels of taxable consumption despite persistent inflation.

Major business taxes are projected to grow 68.4 percent during the first three quarters of FY27 compared to the same period in FY26. July receipts in FY27 will include $329.5 million of corporate income tax declaration payments beyond the small amount of normal collections for the month. This information has been included in the forecast provided in Table 1. Similar growth was seen in the month of July in FY25, and major business taxes grew 81.7 percent in the first three quarters of that fiscal year. For forecasting purposes, the extra July payment is added to the prediction from the model to produce the three-quarter outlook.

Projected Road Fund Growth for the First Three Quarters of FY27

Even though Road Fund revenues declined over the second half of FY26, receipts are forecasted to increase modestly in the first three quarters of FY27. Revenues rose at a rate of 0.2 percent in the first six months of FY26. In the second half of the fiscal year, revenues fell 4.6 percent primarily due to a $31.1 million decline in motor fuels taxes. Looking ahead to the forecast horizon, the two largest accounts, motor fuels and motor vehicle usage taxes, will move in opposite directions and cancel each other out with a small net increase. The remaining accounts are expected to increase only by relatively small amounts.

Motor fuels tax receipts are forecasted to grow 2.0 percent in the first nine months of FY27. Motor vehicle usage tax revenues are projected to decline 2.2 percent during the first three quarters of FY27 compared to the same quarters in FY26.

Summary of General Fund Receipts for the Fourth Quarter of FY26

General Fund revenues collected in the fourth quarter were the largest of any quarter in FY26, both in terms of dollar amounts and percentage changes. Seven of the eight major accounts saw increases ranging from $2.5 million to $120.8 million. The major business, sales and use, and individual income taxes combined to account for $287.7 million of the total increase. Fourth quarter revenues totaled $4,692.1 million, $317.1 million more than for the same time period last year.

On an annual basis, General Fund receipts increased for the 16th consecutive year. Collections for the year were $15,975.5 million, or 1.7 percent above FY25 totals. Growth in the middle two quarters of FY26 was tepid but accelerated to 7.2 percent in the fourth quarter to end the fiscal year strongly. Seven of the eight major accounts posted growth in FY26. Seventy-four percent of General Fund revenues were in the individual income tax and the sales tax accounts. Growth in both of those accounts was strong, with the individual income tax growing 4.6 percent and the sales tax surging ahead by 6.4 percent. The lone declining category was the major business taxes, which fell by 21.9 percent due largely to the high base of comparison from FY25.

Summary of Road Fund Receipts for the Fourth Quarter of FY26

Fourth quarter Road Fund receipts were the second highest quarterly total in FY26 at $472.4 million, but revenues were $34.4 million less than in the same quarter last year. Motor fuels tax collections were $21.6 million below what was received in FY25, and that accounted for much of the quarterly decline in the Road Fund. Of the seven major accounts, only two increased in the final quarter. Those were the weight distance tax and "Other" revenues. Together, they combined to grow by $2.2 million.

Revenues were essentially flat over the first six months of FY26, growing only 0.2 percent before declining in each of the last two quarters. Receipts for the year were $1,821.9 million, a decrease of 2.2 percent compared to FY25. Collections were within 1.2 percent, or $22.1 million, of the official estimate. Eighty-four percent of revenue came from motor vehicle usage and motor fuels taxes. Motor vehicle license tax revenues accounted for seven percent and the weight distance tax accounted for five percent. "Other" taxes accounted for three percent while motor vehicle operators accounted for two percent. Income on investment was less than one percent.

Summary of the Economy for the Fourth Quarter of FY26

Real GDP grew by 2.2 percent in the fourth quarter of FY26. Real exports were the fastest-growing component of real GDP with 7.8 percent growth. The largest component of real GDP is real consumption, which grew 2.2 percent. US personal income grew 3.2 percent. All five components of personal income grew in the fourth quarter. The largest income component is wages and salaries income, which grew 3.8 percent in the fourth quarter of FY26. US non-farm employment inched up 0.2 percent in the fourth quarter of FY26. Five of the 11 employment sectors gained jobs in the fourth quarter of FY26. The number of persons in the civilian labor force fell 0.5 percent in the fourth quarter of FY26, while those out of the labor force increased 2.5 percent.

Kentucky personal income rose 2.4 percent in the fourth quarter of FY26. The fastest-growing component was supplements to wages and salaries income, which grew 3.3 percent. The largest component of Kentucky personal income is wages and salaries, which grew 2.3 percent. Kentucky non-farm employment fell 0.04 percent in the fourth quarter of FY26. This is the fourth decline in the last six quarters. The fastest-growing component was leisure and hospitality employment, which rose 1.3 percent in the fourth quarter. Mining employment fell the most in percentage terms during the fourth quarter, dropping 3.0 percent. The largest employment sector in Kentucky is trade, transportation, and utilities employment. It fell by 0.9 percent, or 3,700 jobs in the fourth quarter of FY26.

Summary of Projected Major Economic Factors

Real GDP is expected to rise 1.9 percent in the first three quarters of FY27. All four contributing components of real GDP are also expected to increase during the forecast horizon. Real exports are expected to rise the fastest among the contributing components, with 7.2 percent expected growth during the forecast horizon. Inflation is expected to be 4.1 percent on average during the first three quarters of FY27, with energy prices creating the most upward pressure. US personal income is expected to rise 4.2 percent. All five contributing components of personal income are expected to improve during the forecast horizon.

Kentucky personal income is expected to grow 3.5 percent during the first three quarters of FY27. All five contributing components of personal income are also expected to rise during the forecast horizon. The fastest-growing component is expected to be supplements to wages and salaries income, with growth at 4.3 percent during the first nine months of FY27. Kentucky wages and salaries income, the largest personal income component, is expected to rise 3.5 percent during the first three quarters of FY27. Kentucky non-farm employment is expected to increase 0.2 percent during the first three quarters of FY27. Seven of the 11 employment sectors are expected to gain jobs during the forecast horizon.

REVENUE & ECONOMIC OUTLOOK

GENERAL FUND

The Interim Outlook presents unofficial estimates prepared pursuant to KRS 48.400(2). Forecasted revenues presented in Table 1 were projected using the June 2026 “control scenario” economic forecast from both S&P Global and the Kentucky MAK model as the primary inputs into the revenue models. S&P Global has placed a 50 percent likelihood on their "control scenario" as being the most likely economic outcome, relative to the pessimistic (25 percent) and optimistic (25 percent) scenarios. All estimates in this outlook extend from the first quarter of FY27 through the third quarter of FY27, the forecast horizon.

The latest official estimates listed in Table 1 are from the December 2025 meeting of the state Consensus Forecasting Group (CFG). No revisions to the FY26 CFG estimates were necessary pursuant to legislative actions enacted during the 2026 Regular Session of the General Assembly. With FY26 actual receipts now compiled, General Fund revenues came in $476.6 million greater than the official estimate, and $320.6 more than the enacted estimate.

General Fund receipts are expected to rise 6.2 percent during the forecast horizon. Among the larger accounts, a small decline in the individual income tax is expected to be offset by large increases in the sales tax and major business taxes. Four of the eight major tax accounts are forecasted to post declines when compared to FY26, but the four positive accounts are expected to far outpace their negative counterparts.

Individual income tax receipts rose 4.6 percent in FY26 following declines in FY24 and FY25. The increase in FY26 occurred despite a 12.5 percent tax rate reduction from 4.0 percent to 3.5 percent, effective on January 1, 2026. The reduction to the tax rate lowered the withholding and declaration payment components of the individual income tax in the second half of FY26 between January and June. Despite the double-digit percent drop in the individual income tax rate, receipts increased 4.0 percent in the fourth fiscal quarter due to a favorable movement in net returns as pay returns from tax year 2025 offset the refund liability incurred in 2025. Higher wages and salary income subject to withholding also helped buffer the decline in the tax rate. The fourth-quarter increase propelled FY26 individual income tax receipts $183.6 million over the official estimate.

Table 1 displays the outlook for the individual income tax and the remaining General Fund revenues. Individual income tax receipts are expected to incur a slight reduction of 0.3 percent for the FY27 forecast horizon. Withholding collections are expected to grow by a modest 1.3 percent, nearly enough to completely offset declines in the estimated payments and fiduciary accounts. Once again, positive growth in withholding is made possible due to a rise in wage and salary income. Taxable wages and salary income is expected to increase at a pace significant enough to offset the 12.5 percent tax rate decline that will dampen receipts in the July through December period of FY27 compared to the same months in FY26.

Table 1
General Fund Interim Outlook
$ millions

	FY26				FY26		FY27	
	Q4		Full Year		Official		Q1-Q3	
	Actual	% Chg	Actual	% Chg	Estimate	$ Diff	Estimate	% Chg
Individual Income	1,693.8	4.0	5,566.4	4.6	5,382.8	183.6	3,861.8	-0.3
Sales & Use	1,633.6	8.0	6,196.6	6.4	6,047.7	148.9	4,800.3	5.2
Corp. Inc. & LLE	762.5	15.4	1,432.7	-21.9	1,347.1	85.6	1,128.6	68.4
Property	106.1	6.7	853.0	1.6	864.2	-11.2	769.4	3.0
Lottery	92.6	13.3	370.0	5.5	370.0	0.0	275.0	-0.9
Cigarettes	62.2	-2.4	246.1	1.1	224.7	21.4	181.6	-1.3
Coal Severance	15.5	94.6	63.0	12.3	55.1	7.9	50.3	6.0
Other	325.9	1.8	1,247.7	0.7	1,207.3	40.4	920.7	-0.1
General Fund	**4,692.1**	**7.2**	**15,975.5**	**1.7**	**15,498.9**	**476.6**	**11,987.7**	**6.2**

In the period between FY21 and FY26, **sales and use tax** collections have fluctuated greatly, posting annual growth rates of 12.0, 11.0, 10.1, 4.1, 0.3, and 6.4 percent, respectively. Fiscal Year 2026 sales tax collections finished the year at 6.4 percent, including an 8.0 percent surge in the fourth quarter that contributed to a $148.9 positive gap between actual receipts and the official sales tax estimate for FY26. Since 2019, the base of the sales tax has been broadened to include additional services three times, including large expansions that took effect in 2019 and 2023 as well as the most recent addition of data brokering services in 2026. Taxing online vendors as remote sellers or marketplace facilitators also greatly expanded taxable gross receipts. With many of these base expansions fully built into the sales tax history, growth is expected to be harder to achieve. Nevertheless, collections are expected to grow 5.2 percent during the forecast horizon. Inflation increases the purchase price of many goods, leading to higher sales tax receipts. Strong growth in Kentucky wages and salaries will provide consumers with the additional income needed to exceed FY26 levels of taxable consumption despite persistent inflation. However, in households where wages are not rising quickly enough to overcome the effects of inflation, the use of credit is expected to continue increasing to temporarily fill the gap.

Major business taxes (corporation income tax plus the limited liability entity tax) have always posed unique challenges in forecasting due to the credit that flows through dollar-for-dollar from the LLET to the corporation income tax. This flow of payments between the taxes has created a data measurement issue that is addressed by combining the taxes prior to estimation. In FY25, a different complication emerged – a large increase in corporation estimated payments. Three months of the fiscal year experienced abnormally high payments that combined to total over $400 million in seemingly nonrecurring revenues. Major business taxes grew 46.9 percent in FY25 with collections of $1,834.5 million. Appropriate adjustments were made to the major business taxes model to account for these nonrecurring payments in July, October, and January during FY25. July receipts will include $329.5 million in estimated payments beyond the small amount of normal collections for the month. The similarities between the extra payments in July 2024 and July 2026 are unmistakable – the payments came from an extremely small number of taxpayers within days of the due date for estimated payments for fiscal-year filers with tax years beginning on February 1. For forecasting purposes, the extra July payment is added to the prediction from the model, but no adjustments to the model were made for the potentially elevated estimated payments in October and January in FY27. Therefore, estimated growth of 68.4 percent for the major business taxes includes the model forecast plus the $329.5 million already in the bank from July for a total of $1,128.6 million.

Property tax receipts grew 6.7 percent in the fourth quarter of FY26, but annual growth was a much weaker 1.6 percent following annual increases of 4.4 percent and 3.9 percent in FY24 and FY25, respectively. Fiscal Years 2025 and FY26 were dissimilar regarding the performance of the various categories of property taxes. In general, real property tax receipts were stronger in FY26 (4.3 percent growth) when compared to FY25 (2.0 percent), but tangible personal property including motor vehicles was the exact opposite – strong in FY25 (8.0 percent) but much weaker in FY26 (1.9 percent decline). Tangible personal property tax revenues fell 4.5 percent in FY26, and motor vehicle property taxes were unchanged from prior year totals. Total property tax receipts going forward are expected to increase 3.0 percent in the first three quarters of FY27. Total state revenues from real property are expected to grow 3.5 percent despite the state tax rate on real property falling from 10.6 cents per $100 in assessed valuation in tax assessment year 2025 to 10.3 cents per $100 in tax assessment year 2026 to adjust for the growing assessment base. The next largest categories of state property tax revenue, motor vehicle property taxes and tangible personal property, are projected to increase by 1.0 percent and 1.6 percent, respectively.

General Fund dividend payments from the **Kentucky Lottery** have continued to grow despite the maturity of the state lottery and the growing number of alternative sources of recreational gaming. General Fund payments totaled $370.0 million in FY26, up from the $350.7 million received in the General Fund for FY25. Including the dividend payments that were required to be diverted into a separate account at the direction of the budget bill, total lottery dividend payments were $370.3 million in FY23, $392.5 million in FY24, $371.0 million in FY25, and $400.9 million in FY26. This interim forecast calls for a 0.9 percent decline in General Fund lottery payments during the forecast horizon.

Cigarette taxes are collected at the rate of $1.10 per pack, effective July 1, 2018. Cigarette tax receipts continued to drop in FY25, plunging by 9.9 percent after declining 9.6 percent in FY24. The FY26 official estimate predicted a further decrease in cigarette tax receipts with a 7.7 percent projected annual decline, but collections actually increased 1.1 percent compared to FY25. Increased cigarette sales in FY26 were likely impacted by a recent $2.00 per pack tax increase in a surrounding state. October 2025 cigarette tax collections growth was 14.3 percent followed by growth in November of 18.9 percent and an 8.9 percent increase in December. Cigarette tax receipts rose by $13.3 million, or 171.8 percent, in March due to the weak base set in March 2025. The interim forecast calls for a 1.3 percent decline for the first three quarters of FY27. Now that the border sales have had a full year to be absorbed into the base, it is expected that cigarette sales will resume a downward trajectory consistent with the national trend of reduced consumption.

Since the **coal severance tax** grew 36.7 percent to $96.6 million in FY23, receipts have endured a dramatic decline. Coal severance tax collections fell to $77.8 million in FY24 and to $56.1 million in FY25. While severed tons have fallen between FY23 and FY25, the coal severance tax losses were largely a price phenomenon. Prices firmed up in FY26 and severance tax receipts partially rebounded with total revenues of $63.0 million. Coal severance tax receipts are expected to maintain this momentum during the forecast horizon with a 6.0 percent increase as energy prices continue to remain elevated.

The "**Other**" category contains over 60 smaller accounts that make up the remainder of the General Fund. Income on investments, insurance premiums, miscellaneous, other, and inheritance are the four largest ongoing accounts in the "Other" category. Total collections in these accounts rose 0.7 percent to $1,247.7 million in FY26 to finish the year $40.4 million above the official estimate. Summarizing FY26 collections, income on investments declined as expected, but many gross receipts and excise taxes exceeded the official estimates by sharply rebounding from weaker performances in FY25. The gross receipts and excise tax increases were broadly based with only two declining accounts. Expected revenues during the forecast horizon are estimated to be $920.7 million, essentially flat compared to the same quarters in FY26.

Income on investments has now become a perennial source of income that has emerged since FY23 as a significant contributor to General Fund revenue. Receipts of $150.5 million in FY23 were followed by investment income earnings of $300.2 million in FY24 and $323.0 million in FY25. Investment income fell in FY26 to $244.1 million. Investible balances declined in FY26 due to budget appropriations that identified the State's "Rainy Day Fund" as a funding source. This trend of declining investible balances is expected to continue throughout the forecast horizon.

ROAD FUND

Revenues were essentially flat over the first six months of FY26, growing only 0.2 percent. In the second half of the fiscal year, revenues fell 4.6 percent primarily due to a $31.1 million decline in motor fuels taxes. The remaining accounts combined to fall by $12.2 million. Total Road Fund receipts for the year were $1,821.9 million, a decrease of 2.2 percent compared to FY25. Collections were within 1.2 percent, or $22.1 million, of the official estimate.

Looking ahead, Road Fund revenues are forecasted to be essentially unchanged over the first three quarters of FY27, as seen in Table 2. The two largest accounts, motor fuels and the motor vehicle usage tax, will cancel each other out with a net increase of $15,000. All of the remaining accounts are expected to increase but only in relatively small amounts. The increases range from $0.3 million to $3.8 million.

Table 2
Road Fund Interim Outlook
$ millions

	FY26				FY26		FY27	
	Q4		Full Year		Official		Q1-Q3	
	Actual	% Chg	Actual	% Chg	Estimate	$ Diff	Estimate	% Chg
Motor Fuels	194.5	-10.0	790.7	-5.5	806.2	-15.5	608.2	2.0
Motor Vehicle Usage	186.5	-4.4	734.2	2.0	737.6	-3.4	535.8	-2.2
Motor Vehicle License	45.7	-3.2	121.1	3.3	120.4	0.7	76.3	1.2
Motor Vehicle Operators	7.9	-15.3	31.3	-7.0	34.6	-3.3	25.2	7.7
Weight Distance	21.2	2.1	87.1	0.9	88.1	-1.0	66.2	0.5
Income on Investments	1.8	-65.7	6.9	-63.6	9.2	-2.3	8.9	74.9
Other	14.8	13.8	50.6	-1.6	47.9	2.7	36.2	1.2
Road Fund	**472.4**	**-6.8**	**1,821.9**	**-2.2**	**1,844.0**	**-22.1**	**1,356.8**	**0.5**

Motor fuels tax receipts are forecasted to grow 2.0 percent, or $12.0 million in the first nine months of FY27

In contrast to slightly higher projection for motor fuels tax collections, motor vehicle usage tax revenues are forecasted to decline $11.9 million, or 2.2 percent over the first three quarters of FY27. Receipts in this account have been very strong for the last several years with collections reaching all-time highs in each of the past six years.

To estimate growth of the other components of the Road Fund, GOEA consulted with officials in the Transportation Cabinet and the Department of Revenue to assess recent growth patterns as well as administrative factors in developing an updated estimate. Growth in motor vehicle license fees are expected to be 1.2 percent in the first three quarters of FY27 after growing 3.3 percent in FY26. Weight distance taxes are forecasted to remain steady. Collections in FY26 rose 0.9 percent and receipts through the first nine months of FY27 are expected to increase 0.5 percent. Motor vehicle operators' license (driver's license) taxes are forecasted to increase 7.7 percent and investment income collections are projected to be $8.9 million, $3.8 million more than in the prior year. The "other" category is expected to increase 1.2 percent.

NATIONAL OUTLOOK

Real GDP is expected to rise 1.9 percent, or $445.8 billion, in the first three quarters of FY27 compared to the first three quarters of FY26. See Table 3. All four contributing components of real GDP are expected to increase during the forecast horizon. Real imports, a deduction from real GDP, is expected to rise the fastest among all five real GDP components.

Real consumption is expected to rise 1.7 percent, or $288.7 billion, in the first three quarters of FY27. That is the largest contributing amount to real GDP among the components for the fourth quarter. Real consumption is the largest component of real GDP. Real consumption makes up 69.1 percent of real GDP during the forecast horizon.

Real investment is expected to grow 6.3 percent, or $280.6 billion, in the first three quarters of FY27. Real investment had weak growth for six quarters in a row starting in the first quarter of FY25, but it has performed above average for the last two quarters. Adjacent-quarter growth for the last two quarters are 1.7 and 2.6 percent, respectively. Real investment makes up 19.2 percent of real GDP during the forecast horizon.

Real government expenditures is expected to increase 0.9 percent in the first three quarters of FY27. Growth in real government expenditures has been low or negative for the last seven quarters. The forecast continues that trend with near zero adjacent-quarter growth for the next three quarters. Real government expenditures makes up 16.4 percent of real GDP during the forecast horizon. Real exports are expected to grow 7.2 percent, or $196.2 billion, in the first three quarters of FY27. Real exports growth was weak for several quarters from the second quarter of FY25 to the second quarter of FY26, with three declines during that time. Real exports adjacent-quarter growth has been 3.1 and 3.0 percent, respectively for the last two quarters. The forecast continues that solid trend. Real exports make up 11.9 percent of real GDP during the forecast horizon. Real imports are expected to rise 10.1 percent, or $376.6 billion, in the first three quarters of FY27. Real imports, like real exports, have really surged in the last two quarters. Adjacent-quarter growth rates in real imports for two quarters are 4.9 and 3.3 percent, respectively. Real imports, a deduction from real GDP, make up 16.7 percent of real GDP during the forecast horizon.

Inflation, as measured by the CPI for all goods, is expected to be 4.1 percent for the first three quarters of FY27. This is largely driven by energy prices. Energy inflation is expected to be 19.1 percent during the first three quarters of FY27.

US personal income is expected to rise 4.2 percent in the first three quarters of FY27. All five contributing components of personal income are expected to grow during that time as well. The fastest growing component is expected to be dividends, interest, and rents income, which is expected to grow 4.4 percent during that same time. See Table 4. US wages and salaries income is expected to contribute $543.9 billion, which is nearly 50 percent of the net US personal income growth during the forecast horizon. Kentucky wages and salaries is the largest personal income component and makes up 49.7 percent of total US personal income. Dividends, interest, and rent income makes up 20.3 percent of total US personal income.

US non-farm employment is expected to rise 0.2 percent in the first three quarters of FY27. This is low growth for a three-quarter period, but only four of the 11 supersectors are showing declines during this period. That is a small improvement over the last couple of quarters, where five or more supersectors were showing declines. The fastest-growing supersector is expected to be mining employment with 4.5 percent growth. The fastest-growing supersector in absolute terms is educational services employment, which is expected to rise 1.3 percent during the first three quarters of FY27 or 400,000 net jobs. The fastest-dropping supersector is expected to be information services with an expected decline of 2.8 percent during the forecast horizon. The largest US employment supersector is trade, transportation, and utilities (TTU). That employment sector is expected to fall 0.2 percent during the forecast horizon.

Table 3
US Economic Outlook
Interim Forecast

	Q1, Q2, & Q3			
	FY27	**FY26**	**$ Chg**	**% Chg**
Real GDP ($ billions, AR)	24,524.2	24,078.4	445.8	1.9
Real Consumption	16,946.9	16,658.1	288.7	1.7
Real Investment	4,705.5	4,424.9	280.6	6.3
Real Govt. Expenditures	4,025.0	3,990.5	34.4	0.9
Real Exports	2,918.3	2,722.1	196.2	7.2
Real Imports	4,094.7	3,718.1	376.6	10.1
CPI all goods (% chg)	4.1	2.8	NA	NA
CPI Food (% chg)	2.7	3.0	NA	NA
CPI Energy (% chg)	19.1	2.7	NA	NA
CPI Core (% chg)	3.1	2.8	NA	NA
Industrial Production Index (% chg)	1.0	1.4	NA	NA
Unemployment Rate (%)	4.6	4.4	NA	NA
Housing Starts (millions, NSA)	1.3	1.4	0.0	-1.6

Table 4
US Labor and Income Outlook
Interim Forecast

	Q1, Q2, & Q3			
	FY27	**FY26**	**Chg**	**% Chg**
Non-farm Employment (millions, NSA)	158.8	158.5	0.3	0.2
Goods-producing	21.6	21.5	0.1	0.7
Construction	8.3	8.3	0.1	0.6
Mining	0.6	0.6	0.0	4.5
Manufacturing	12.7	12.6	0.1	0.5
Service-providing	113.9	113.6	0.3	0.2
Trade, Transportation & Utilities	28.6	28.7	-0.1	-0.2
Information	2.8	2.8	-0.1	-2.8
Finance	9.0	9.2	-0.1	-1.4
Business Services	22.4	22.4	0.0	0.1
Educational Services	28.0	27.6	0.4	1.3
Leisure and Hospitality Services	17.0	16.9	0.1	0.7
Other Services	6.0	6.0	0.0	0.1
Government	23.3	23.4	-0.1	-0.4
Personal Income ($ billions, AR)	27,553.7	26,444.4	1,109.3	4.2
Wages and Salaries	13,686.4	13,142.5	543.9	4.1
Transfer Receipts	5,238.4	5,051.8	186.7	3.7
Dividends, Interest, and Rents	5,604.2	5,367.2	237.0	4.4
Supplements to Wages and Salaries	2,919.5	2,812.2	107.3	3.8
Proprietors' Income	2,198.8	2,122.4	76.5	3.6
Social Insurance	2,093.7	2,051.6	42.0	2.0
Residence Adjustment	0.0	0.0	0.0	NA

KENTUCKY OUTLOOK

Kentucky personal income is expected to increase 3.5 percent during the first three quarters of FY27. All five contributing components of Kentucky personal income are expected to improve during the forecast horizon. The fastest-growing component is expected to be supplements to wages and salaries, which will grow 4.3 percent during the first nine months of FY27. The largest component of personal income is wages and salaries. Wages and salaries income is expected to rise 3.5 percent in the first three quarters of FY27. Supplements to wages and salaries make up 11.2 percent of total Kentucky personal income, while wages and salaries income make up 47.3 percent of total Kentucky personal income.

Kentucky non-farm employment is expected to increase 0.2 percent in the first three quarters of FY27. Five of the 11 supersectors are expected to lose jobs during the first three quarters of FY27. Four of the five are very small net declines. Leisure and hospitality employment is expected to be the fastest-growing supersector in absolute terms during the forecast horizon. It is expected to rise 1.4 percent, or 2,900 net jobs during that time. Employment in information services is expected to be the fastest-falling supersector with a 1.5 percent net decline predicted for the first three quarters of FY27. The largest supersector, TTU employment is expected to fall 0.5 percent, or 2,000 net jobs during the first nine months of FY27. Trade, transportation, and utilities employment makes up 20.7 percent of total Kentucky non-farm employment. Leisure and hospitality employment makes up 10.3 percent of total Kentucky non-farm employment, while information services employment, the second smallest supersector, makes up 1.0 percent.

Table 5
KY Labor and Income Outlook
Interim Forecast

	Q1, Q2, & Q3			
	FY27	**FY26**	**$ Chg**	**% Chg**
Non-farm Employment (thousands, NSA)	2,036.7	2,032.6	4.2	0.2
Goods-producing	351.1	350.8	0.3	0.1
Construction	92.8	92.7	0.1	0.2
Mining	7.1	6.9	0.1	1.7
Manufacturing	251.2	251.2	0.0	0.0
Service-providing	1,368.9	1,365.4	3.5	0.3
Trade, Transportation & Utilities	421.9	423.9	-2.0	-0.5
Information	19.8	20.1	-0.3	-1.5
Finance	94.7	95.5	-0.8	-0.8
Business Services	227.3	225.4	2.0	0.9
Educational Services	321.8	319.8	2.1	0.6
Leisure and Hospitality Services	210.2	207.3	2.9	1.4
Other Services	73.1	73.4	-0.3	-0.4
Government	316.7	316.4	0.4	0.1
Personal Income ($ billions, AR)	292.7	282.9	9.8	3.5
Wages and Salaries	138.5	133.8	4.7	3.5
Transfer Receipts	79.5	77.2	2.3	3.0
Dividends, Interest, and Rents	48.1	46.9	1.3	2.7
Supplements to Wages and Salaries	32.8	31.4	1.4	4.3
Proprietors' Income	20.3	19.6	0.8	4.0
Social Insurance	22.7	22.2	0.5	2.3
Residence Adjustment	-3.8	-3.7	-0.1	3.3

REVENUE RECEIPTS

GENERAL FUND
Fourth Quarter, FY26

General Fund revenues collected in the fourth quarter were the largest of any quarter in FY26, both in terms of dollar amounts and percentage changes. Seven of the eight major accounts saw increases ranging from $2.5 to $120.8 million. The major business, sales and use, and individual income taxes combined to account for $287.7 million of the total increase. Fourth quarter revenues totaled $4,692.1 million, $317.1 million more than for the same time period last year. Detailed information on these and other accounts is available in Appendix A.

Individual income tax receipts grew 4.0 percent in the final quarter with revenues of $1,693.8 million, $65.2 million more than what was collected in FY25. A 9.5 percent decline in withholding revenues, resulting from a 12.5 percent reduction in the tax rate, was offset by growth in the other components of the tax.

Sales and use taxes brought in $1,633.6 million in the quarter, an increase of $120.8 million. Collections in the last three months of the year were the highest of any of the four quarters in FY26.

Combined corporation income and limited liability entity tax (LLET) collections increased 15.4 percent in the fourth quarter. Receipts totaled $762.5 million and were $101.7 million more than collected a year earlier.

Property tax collections grew $6.7 million in the fourth quarter as public service collections accounted for the majority of the gains. Receipts in the quarter were $106.1 million compared to $99.4 million in FY25.

Collections from the Kentucky Lottery Corporation rose 13.3 percent, or $10.9 million, to $92.6 million in the fourth quarter of the year.

Cigarette tax revenue fell 2.4 percent in the final quarter of FY26. Receipts of $62.2 million were $1.5 million less than collected in the fourth quarter of FY25.

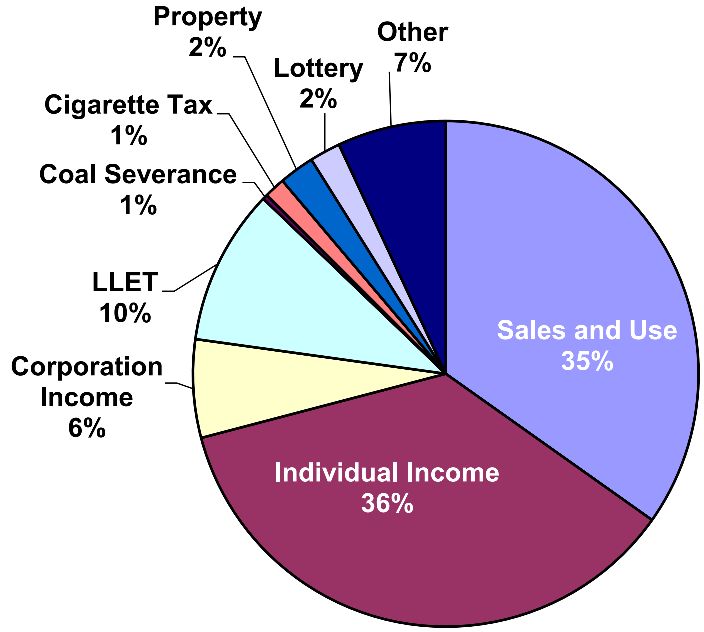
Coal severance tax collections nearly doubled in the final quarter with revenues of $15.5 million. This represents a $7.5 million increase over prior year receipts.

Table 6 Summary General Fund Receipts $ millions				
	FY26 Q4	FY25 Q4	Diff $	Diff %
Individual Income	1,693.8	1,628.6	65.2	4.0
Sales & Use	1,633.6	1,512.8	120.8	8.0
Corp. Inc. & LLET	762.5	660.8	101.7	15.4
Property	106.1	99.4	6.7	6.7
Lottery	92.6	81.7	10.9	13.3
Cigarettes	62.2	63.8	-1.5	-2.4
Coal Severance	15.5	8.0	7.5	94.6
Other	325.9	320.1	5.8	1.8
Total	**4,692.1**	**4,375.1**	**317.1**	**7.2**

The "Other" category encompasses the remaining General Fund taxes and fees. Collections in this account increased 1.8 percent, or $5.8 million, over FY25 levels. Fourth quarter receipts were $325.9 million and compare to $320.1 million collected in the prior year.

Figure A details the composition of fourth quarter General Fund receipts by tax type. Seventy-one percent of General Fund revenues were in the areas of the individual income tax and the sales tax. The next-largest source of revenue was the corporation and LLET taxes at 16 percent followed by the "Other" account at seven percent. Property taxes and Lottery receipts each accounted for two percent. Coal Severance and cigarette revenues each accounted for one percent.

Figure A
Composition of Fourth Quarter FY26
General Fund Revenues



ROAD FUND
Fourth Quarter, FY26

Fourth quarter Road Fund receipts were $472.4 million, the second highest quarterly total in FY26. Revenues were 6.8 percent, or $34.4 million, less than in the same quarter last year. Motor fuels tax collections were $21.6 million less than in FY25 and contributed to much of the quarterly decline in the fund. Of the seven major accounts, only two increased in the final quarter. Those were the weight distance tax and "Other" revenues. Together, they combined to grow by $2.2 million. Summary data are contained in Table 7 and detailed data are shown in Appendix A.

Motor fuels tax receipts fell 10.0 percent, or $21.6 million, during the fourth quarter due to Governor Beshear lowering the tax rate by 10 cents per gallon to provide relief to Kentucky families experiencing rising gas prices. Receipts were $194.5 million and compare to $216.0 million collected during the fourth quarter last fiscal year.

Table 7
Summary Road Fund Receipts
$ millions

	FY26 Q4	FY25 Q4	Diff $	Diff %
Motor Fuels	194.5	216.0	-21.6	-10.0
Motor Vehicle Usage	186.5	195.1	-8.6	-4.4
Motor Vehicle License	45.7	47.2	-1.5	-3.2
Motor Vehicle Operators	7.9	9.4	-1.4	-15.3
Weight Distance	21.2	20.8	0.4	2.1
Income on Investments	1.8	5.3	-3.5	-65.7
Other	14.8	13.0	1.8	13.8
Total	**472.4**	**506.8**	**-34.4**	**-6.8**

Motor vehicle usage tax receipts totaled $186.5 million for the quarter. Collections were 4.4 percent, or $8.6 million, less than the same period last year and were the second largest quarterly total for the year.

Motor vehicle license tax collections declined 3.2 percent during the final three months of the year. Receipts of $45.7 million compare to $47.2 million received during the fourth quarter of FY25.

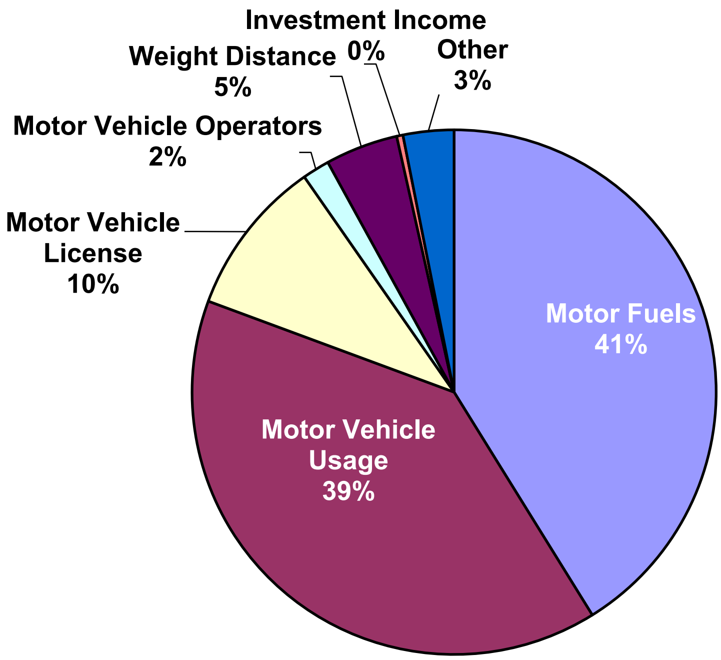
Motor vehicle operator's fees totaled $7.9 million in the just completed quarter, a 15.3 percent decrease compared to the level observed a year ago.

Weight distance tax receipts grew 2.1 percent, or $0.4 million, with collections of $21.2 million.

The remaining two accounts in the Road Fund, income on investment and "Other" receipts combined for a total $16.6 million, a decrease of 9.2 percent over FY25 levels.

Figure B details the composition of Road Fund revenues by tax type in the fourth quarter of FY26. Motor fuels taxes and motor vehicle usage taxes comprised 80 percent of Road Fund revenues in the fourth quarter. The next-largest source of revenue was the motor vehicle license tax with 10 percent, followed by weight distance taxes with five percent. The “Other” category accounted for three percent while motor vehicle operators accounted for two percent of the total Road Fund receipts. Income on investments accounted for less than one percent.

Figure B
Composition of Fourth Quarter FY26
Road Fund Revenues



ANNUAL TOTALS FY26
General Fund

General Fund receipts increased for the 16th consecutive year. Collections for the year were $15,975.5 million, or 1.7 percent above FY25 totals. Revenues grew in the final three quarters after declining in the first. Growth in the middle two quarters was tepid but accelerated to 7.2 percent in the final three months. General Fund growth rates for the four quarters were -2.8, 1.4, 0.2, and 7.2 percent, respectively.

Sales and use tax receipts rose 6.4 percent in FY26 with revenue growth of $375.3 million. Growth rates in the prior five years for the sales tax were 12.0, 11.0, 10.1, 4.1, and 0.3 percent, respectively, so the 6.4 percent increase in FY26 breaks the five-year streak of declining rates of growth in sales tax collections. Growth rates for the quarters of FY26 were 3.9, 6.7, 7.2 and 8.0 percent, respectively.

Individual income tax receipts rose 4.6 percent on the strength of declarations and net returns. Receipts for the year were $247.2 million more than FY25 collections. Among the accounts, declarations grew by $100.6 million, net returns grew by $153.6 million, and withholding and Pass-Through Entity tax revenue were essentially flat. Withholding collections grew 6.1 percent in the first half of the year due to higher taxable wages and salaries. After the 12.5 percent tax rate cut that became effective in January 2026, withholding collections fell 6.3 percent in the second half of the year. For the year withholding collections declined by 0.4 percent.

Combined corporation income and the (LLET) collections fell 21.9 percent, or $401.8 million, compared to last year, but were still better than estimated. The drop in revenues can be attributed to unusually high nonrecurring estimated payments received last year. Quarterly growth rates for the combined business taxes were -41.8, -42.1, -48.6, and 15.4 percent, respectively.

Property tax receipts rose 1.6 percent in FY26 on the strength of real property which grew by nearly $16 million. Property tax receipts can vary greatly due to timing issues in the annual billing and collection cycle. Growth rates for the four quarters were -19.6, -1.8, 14.8, and 6.7 percent, respectively.

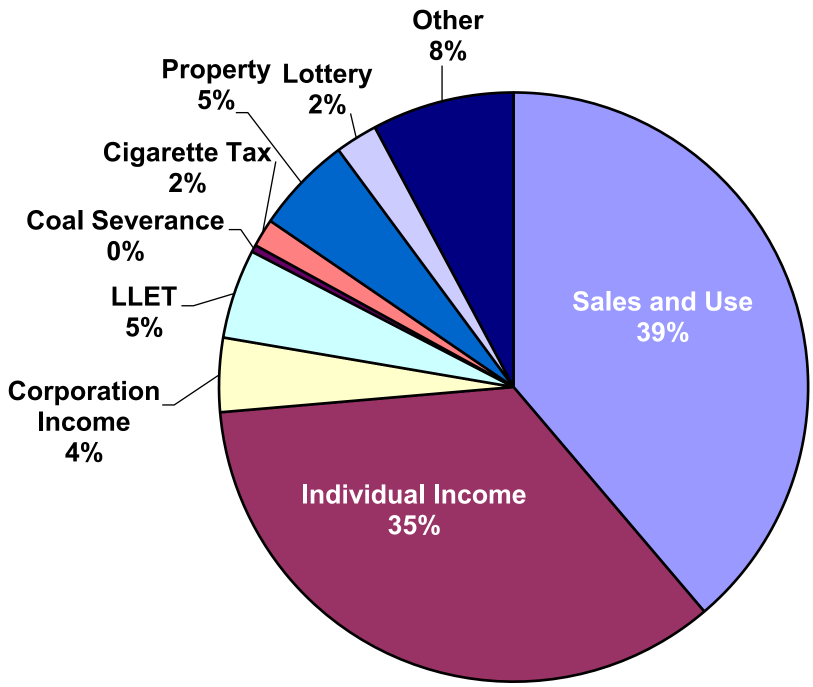
Revenues from the cigarette tax reversed a five-year slide and rose 1.1 percent, or $2.6 million, in FY26. Collections fell in the first and fourth quarters but growth in the middle six months of the year more than compensated for those declines. The quarterly growth rates were -8.4, 14.0, 3.8 and -2.4 percent, respectively.

After declining sharply over the past two years, coal severance collections grew 12.3 percent in FY26. All three categories of severance taxes (coal, natural gas, and minerals) exceeded the official estimates. Coal severance tax collections in FY26 were $63.0 million, $7.9 million higher than the official estimate of $55.1 million. Quarterly growth rates for this account were -15.7, 0.1, 14.5 and 94.6 percent, respectively.

Collections from the Kentucky Lottery Corporation rose $19.3 million, or 5.5 percent for the year just ended. The "Other" category, which includes multiple taxes and fees such as inheritance taxes, gross receipts and excise taxes, and insurance premium taxes grew 0.7 percent for the year.

Figure C details the composition of FY26 General Fund receipts by tax type. Seventy-four percent of General Fund revenues were in the areas of the individual income tax and the sales tax. The next-largest sources of revenue was the combined corporate and LLET taxes at nine percent and the "Other" which accounted for eight percent. Property tax collections were five percent, cigarette taxes and lottery dividends each were two percent. Finally, coal severance taxes accounted for less than one percent.

Figure C
Composition of FY26 General Fund Revenues



Fund D
FY26 Quarterly General Fund Growth Rate
Percent

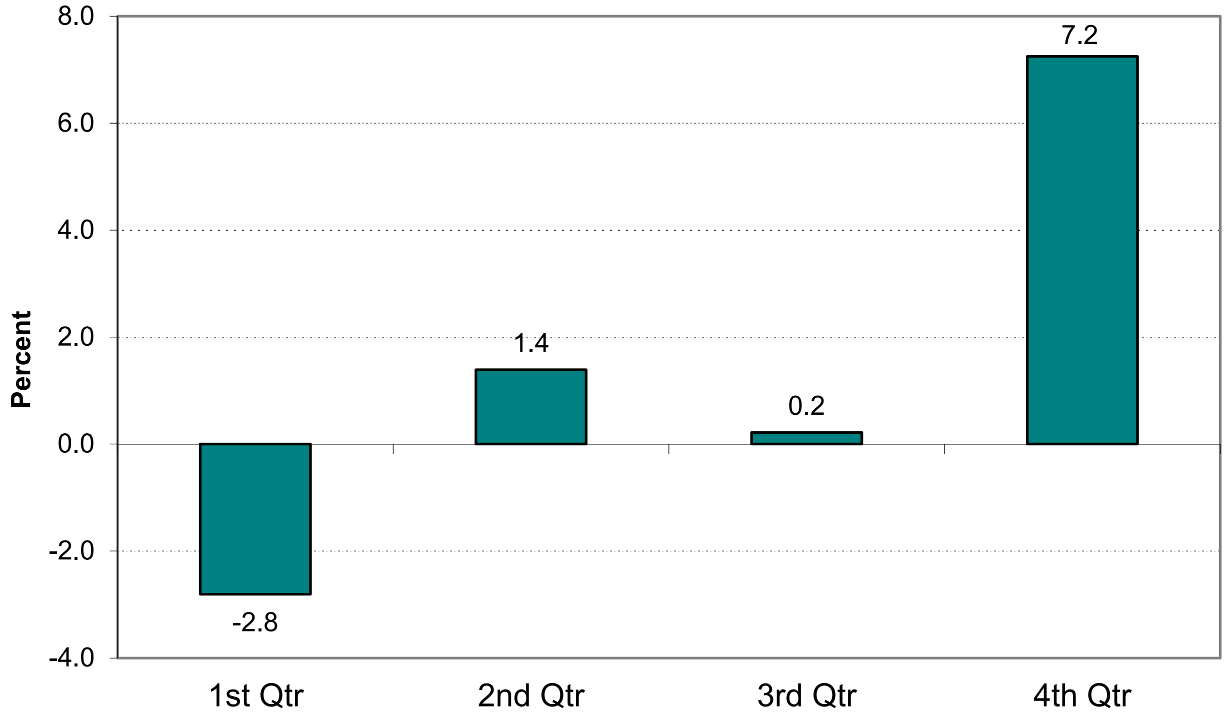


Table 8
General Fund Quarterly Growth Rates
percents

	FY26				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
Individual Income	7.2	10.2	-2.6	4.0	4.6
Sales & Use	3.9	6.7	7.2	8.0	6.4
Corp. Inc. & LLET	-41.8	-42.1	-48.6	15.4	-21.9
Property	-19.6	-1.8	14.8	6.7	1.6
Lottery	3.7	3.0	2.8	13.3	5.5
Cigarettes	-8.4	14.0	3.8	-2.4	1.1
Coal Severance	-15.7	0.1	14.5	94.6	12.3
Other	0.0	7.3	-4.7	1.8	0.7
Total	**-2.8**	**1.4**	**0.2**	**7.2**	**1.7**

Table 9
General Fund Revenues Compared to Previous Years
$ millions

	Full Year			Growth Rates (%)		
	FY26	**FY25**	**FY24**	**FY26**	**FY25**	**FY24**
Individual Income	5,566.4	5,319.2	5,807.5	4.6	-8.4	-0.6
Sales & Use	6,196.6	5,821.3	5,802.6	6.4	0.3	4.1
Corp. Inc. & LLET	1,432.7	1,834.5	1,249.1	-21.9	46.9	2.3
Property	853.0	839.3	808.2	1.6	3.9	4.4
Lottery	370.0	350.7	343.6	5.5	2.1	2.0
Cigarettes	246.1	243.6	270.5	1.1	-9.9	-9.6
Coal Severance	63.0	56.1	77.8	12.3	-28.0	-19.4
Other	1,247.7	1,238.6	1,212.0	0.7	2.2	21.4
Total	**15,975.5**	**15,703.2**	**15,571.3**	**1.7**	**0.8**	**2.8**

Table 10
FY26 General Fund Receipts Compared to Official Estimate
$ millions

	FY26		Difference	
	Actual	**Estimate**	**$**	**%**
Individual Income	5,566.4	5,382.8	183.6	3.4
Sales & Use	6,196.6	6,047.7	148.9	2.5
Corp. Inc. & LLET	1,432.8	1,347.1	85.7	6.4
Property	853.0	864.2	-11.2	-1.3
Lottery	370.0	370.0	0.0	0.0
Cigarettes	246.1	224.7	21.4	9.5
Coal Severance	63.0	55.1	7.9	14.3
Other	1,247.6	1,207.3	40.3	3.3
Total	**15,975.5**	**15,498.9**	**476.6**	**3.1**

Table 11
General Fund Quarterly Revenue Receipts
$ millions

	FY26				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
Individual Income	1,330.8	1,336.8	1,205.1	1,693.8	5,566.4
Sales & Use	1,550.9	1,543.4	1,468.8	1,633.6	6,196.6
Corp. Inc. & LLET	325.4	257.9	86.9	762.6	1,432.8
Property	63.2	446.5	237.3	106.1	853.0
Lottery	84.0	101.4	92.0	92.6	370.0
Cigarettes	64.3	65.4	54.3	62.2	246.1
Coal Severance	13.9	18.4	15.2	15.5	63.0
Other	310.9	312.3	298.6	325.8	1,247.6
Total	**3,743.2**	**4,082.0**	**3,458.1**	**4,692.1**	**15,975.5**

ANNUAL TOTALS, FY26
Road Fund

Road Fund revenues were essentially flat over the first six months of the year, growing only 0.2 percent before declining in each of the last two quarters. Receipts for the year were $1,821.9 million, a decrease of 2.2 percent compared to FY25. Road Fund collections were within 1.2 percent, or $22.1 million, of the official estimate. Growth rates for the four quarters were 0.1, 0.3, -2.0, and -6.8 percent, respectively. Road Fund collections are detailed in Table 7.

Motor fuels tax receipts declined in all four quarters of the year due to a drop in the tax rate. The best quarters were the first two when revenues fell 3.4 percent each quarter. Declines in the remaining quarters were 5.1 percent and 10.0 percent. Total collections for the year were $790.7 million, a decrease of 5.5 percent. The sharp drop in collections in the last quarter of the year left this account $15.5 million below the official revenue estimate.

Motor vehicle usage tax revenues set an all-time high for the sixth consecutive year with revenues of $734.2 million. Collections in this account were steady for the first nine months of the year with growth rates between 3.9 percent and 5.6 percent but declined in the final quarter. Revenues for the year were within $3.4 million of the official forecast. Growth rates for the four quarters were 3.9, 3.9, 5.6, and -4.4 percent, respectively.

Motor vehicle license tax receipts grew 3.3 percent for the year to $121.1 million as collections rose sharply in the first two quarters before falling in each of the last two quarters. Receipts were $0.7 million over the official estimate. Quarterly growth rates were 17.4, 16.1, -2.2 and -3.2 percent, respectively.

Motor vehicle operators' receipts fell 7.0 percent with collections of $31.3 million. The growth rates for this account were 4.1, -8.9, -7.5 and -15.3 percent, respectively. Investment income receipts were $6.9 million for the year and "Other" income declined 1.6 percent to $50.6 million. Taken together, these accounts were $0.4 million above the official estimate.

Weight distance tax collections fell in the first quarter before growing for the remainder of the year. Revenues in this account were $87.1 million, 0.9 percent over FY25 receipts and were $1.0 million less than projected. Growth rates for the four quarters were -0.5, 1.5, 0.7 and 2.1 percent, respectively.

Figure E details the composition of FY26 Road Fund receipts by tax type. Eighty-three percent of the Road Fund came from motor vehicle usage and motor fuels taxes in the just completed year. Following these, the motor vehicle license tax accounted for seven percent and the weight distance tax accounted for five percent. "Other" taxes accounted for three percent while motor vehicle operators accounted for two percent. Income on investment was less than one percent.

Figure E
Composition of FY26 Road Fund Revenues

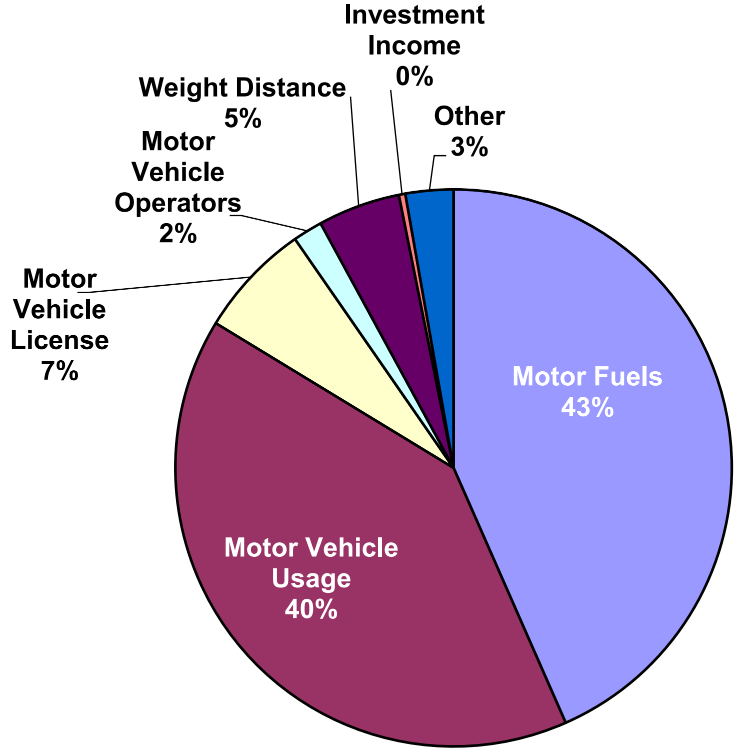


Figure F
FY26 Quarterly Road Fund Growth Rate
Percent

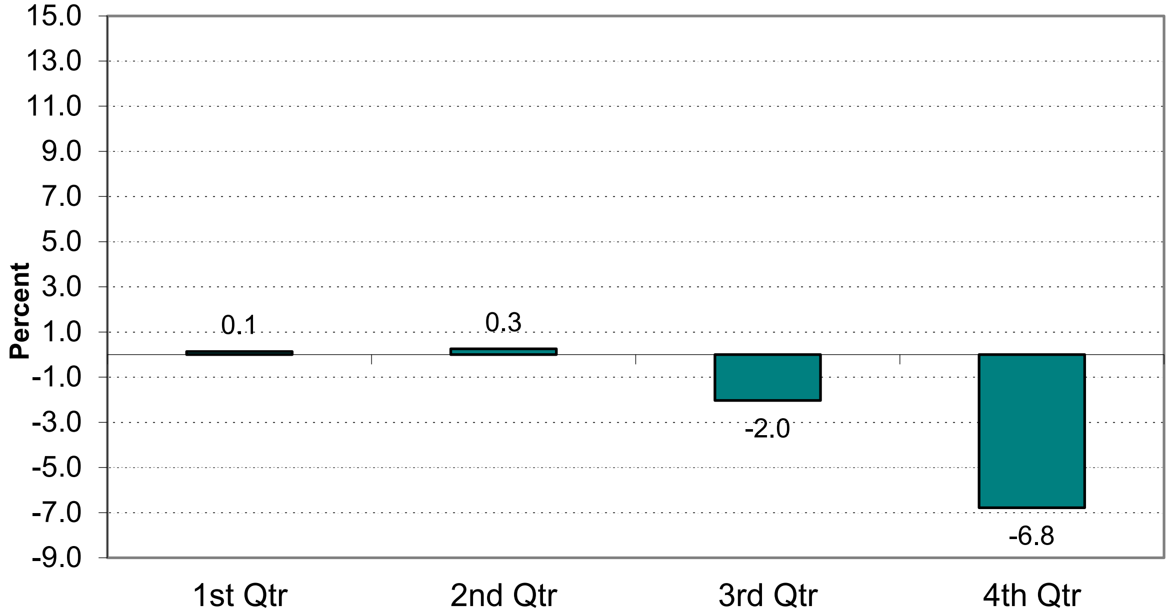


Table 12
Road Fund Quarterly Growth Rates
percents

	FY26				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
Motor Fuels	-3.4	-3.4	-5.1	-10.0	-5.5
Motor Vehicle Usage	3.9	3.9	5.6	-4.4	2.0
Motor Vehicle License	17.4	16.1	-2.2	-3.2	3.3
Motor Vehicle Operators	4.1	-8.9	-7.5	-15.3	-7.0
Weight Distance	-0.5	1.5	0.7	2.1	0.9
Income on Investments	-47.6	-69.6	-77.5	-65.7	-63.6
Other	-0.6	12.1	-26.8	13.8	-1.6
Total	**0.1**	**0.3**	**-2.0**	**-6.8**	**-2.2**

Table 13
Road Fund Revenues Compared to Previous Years
$ millions

	Full Year			Growth Rates (%)		
	FY26	**FY25**	**FY24**	**FY26**	**FY25**	**FY24**
Motor Fuels	790.7	836.4	905.4	-5.5	-7.6	13.4
Motor Vehicle Usage	734.2	719.5	671.0	2.0	7.2	1.6
Motor Vehicle License	121.1	117.3	119.5	3.3	-1.9	-5.7
Motor Vehicle Operators	31.3	33.7	32.7	-7.0	3.1	9.9
Weight Distance	87.1	86.3	86.8	0.9	-0.6	-1.1
Income on Investments	6.9	19.0	14.6	-63.6	29.7	131.7
Other	50.6	51.4	44.5	-1.6	15.3	0.7
Total	**1,821.9**	**1,863.5**	**1,874.6**	**-2.2**	**-0.6**	**6.9**

Table 14
Road Fund Receipts Compared to Official Estimate
$ millions

	FY26		Difference	
	Actual	**Estimate**	**$**	**%**
Motor Fuels	790.7	806.2	-15.5	-1.9
Motor Vehicle Usage	734.2	737.6	-3.4	-0.5
Motor Vehicle License	121.1	120.4	0.7	0.6
Motor Vehicle Operators	31.3	34.6	-3.3	-9.4
Weight Distance	87.1	88.1	-1.0	-1.2
Income on Investments	6.9	9.2	-2.3	-24.9
Other	50.6	47.9	2.7	5.5
Total	**1,821.9**	**1,844.0**	**-22.1**	**-1.2**

Table 15
Road Fund Quarterly Revenue Receipts
$ millions

	FY26				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
Motor Fuels	215.9	202.0	178.3	194.5	790.7
Motor Vehicle Usage	197.0	172.5	178.3	186.5	734.2
Motor Vehicle License	23.2	19.4	32.9	45.7	121.1
Motor Vehicle Operators	9.1	7.5	6.8	7.9	31.3
Weight Distance	22.2	22.4	21.3	21.2	87.1
Income on Investments	3.1	0.9	1.1	1.8	6.9
Other	12.4	12.7	10.7	14.8	50.6
Total	**482.9**	**437.3**	**429.3**	**472.4**	**1,821.9**

THE ECONOMY
FOURTH QUARTER FY26

NATIONAL ECONOMY

Real gross domestic product (Real GDP) grew by 2.2 percent, a net $530 billion, in the fourth quarter of FY26 compared to the fourth quarter of FY25. Adjacent-quarter real GDP growth has been low to average for eight consecutive quarters: 0.8, 0.5, -0.2, 0.9, 1.1, 0.1, 0.4, and 0.6 percent, respectively. Adjacent-quarter growth rates are the important measure for two reasons. First, it eliminates contamination of growth from other quarters and second it is the official measure used to determine turning points in the economy. Real consumption and real investment contributed the most to real GDP growth in the fourth quarter of FY26.

Real consumption grew 2.2 percent in the fourth quarter of FY26. Adjacent-quarter growth was precisely 1.0 percent from the fourth quarter of FY24 to the second quarter of FY25. Since then, adjacent-quarter growth has been below 1.0 percent. Adjacent-quarter growth in the fourth quarter of FY26 is 0.5 percent. Real consumption made up 69.1 percent of real GDP in the fourth quarter of FY26.

Real investment grew 5.0 percent in the fourth quarter of FY26. Real investment growth has improved in every quarter of the fiscal year. Adjacent-quarter growth for the four quarters of FY26 are: 0.01, 0.6, 1.7, and 2.6 percent, respectively. This is a considerable turn-around from FY25, when the four adjacent-quarter growth rates were: 0.2, -1.7, 5.4, and -3.6 percent, respectively. Real investment made up 18.9 percent of real GDP in the fourth quarter of FY26.

Real government expenditures fell 0.1 percent in the fourth quarter of FY26. Real government expenditures have been low for some time. Average adjacent-quarter growth for the last two years is 0.2 percent. Real government expenditures made up 16.4 percent of real GDP in the fourth quarter of FY26.

Real exports rose 7.8 percent in the fourth quarter of FY26. Quarterly real exports have been volatile for the last two years, as tariff wars and recessions in some importing countries have occurred during that time. Despite that, the overall trend for real exports has been positive. Average adjacent-quarter growth over the last two years is 1.1 percent. Real exports made up 11.7 percent of real GDP in the fourth quarter of FY26. Real imports rose 6.9 percent in the fourth quarter of FY26. Real imports, a deduction in the real GDP identity, made up 16.3 percent of real GDP in the fourth quarter of FY26.

Net exports equal -$1,105.6 billion in the fourth quarter of FY26. This means that real exports and real imports combined were a $1.1 trillion drag on real GDP for the quarter. This is the ninth quarter in history that net exports have been below $1 trillion.

Total US outlays grew 2.6 percent in the fourth quarter of FY26. Almost all of that annual growth occurred in first and third quarters of FY26. The fastest growing outlay is Medicare, which grew 10.5 percent, or $126.3 billion, in the fourth quarter of FY26 compared to the fourth quarter of FY25. Medicare was the fastest in both percentage and absolute terms. Aid to foreign governments was the fastest falling in percentage terms losing 27.6 percent, or $16.2 billion, in the fourth quarter of FY26. Non-defense consumption was the fastest falling in absolute terms losing $37.7 billion, or 6.3 percent, in the fourth quarter of FY26. Interest on the debt continues to grow significantly every quarter as both the account balance and interest rates rise. Interest on the debt rose 7.2 percent to $1,244.7 billion in the fourth quarter of FY26. That is another all-time record high.

The price for all goods and services, as measured by the CPI index, rose 4.0 percent in the fourth quarter of FY26. This is up sharply from 2.7 percent in the third quarter of FY26. Energy prices were the leading cause of the increase, with the CPI for energy rising 21.0 percent in the fourth quarter of FY26.

The Working Population data has tapered again in the fourth quarter of FY26. While the population series has increased, its growth rate continues to fall towards zero. There is also a clear shift occurring in the population, as those not in the labor force continues to rise, while those in the labor force continues to fall. Those out of the labor force grew 2.5 percent while the civilian labor force fell 0.5 percent in the fourth quarter of FY26. Additionally, the number employed fell 0.6 percent in the fourth quarter of FY26, while the unemployed rose by 1.4 percent. The labor force participation rate fell to 61.7 percent.

US personal income rose 3.2 percent in the fourth quarter of FY26. All five contributing components of personal income rose in the fourth quarter. The fastest growing component was supplements to wages and salaries (also known as fringe benefits), which grew 4.0 percent in the fourth quarter of FY26. Wages and salaries, the largest component of personal income, grew 3.8 percent in the fourth quarter of FY26. Wages and salaries made up 49.8 percent of total US personal income in the fourth quarter of FY26, while supplements to wages and salaries made up 10.7 percent during that same time.

Total US non-farm employment rose 0.2 percent in the fourth quarter of FY26. Six of the 11 supersectors lost jobs in the fourth quarter of FY26 relative to the fourth quarter of FY25. Information services employment lost the most in percentage terms in the fourth quarter of FY26, falling 3.1 percent, representing 0.1 million net jobs. Government employment, which includes federal, state, and local government employment, fell the most in absolute terms losing 0.3 million net jobs, or 1.1 percent. Information services made up 1.7 percent of total US non-farm employment in the fourth quarter of FY26, while government employment made up 14.7 percent in the fourth quarter of FY26.

Educational services grew the most in both percentage and absolute terms, rising 2.2 percent, or 0.6 million net jobs. The largest employment sector in the US is trade, transportation, and utilities employment. It lost 0.2 percent or 50,000 net jobs in the fourth quarter of FY26 compared to the fourth quarter of FY25. Trade, transportation, and utilities employment made up 18.1 percent of total US non-farm employment in the fourth quarter of FY26.

KENTUCKY ECONOMY

Kentucky personal income rose 2.4 percent in the fourth quarter of FY26. This is the twentieth consecutive increase in adjacent-quarter growth for Kentucky personal income. All five contributing components of Kentucky personal income rose in the fourth quarter. Social insurance also rose, but it is a subtraction from personal income. The residential adjustment component represents the net of those persons who live in Kentucky and work outside Kentucky and those persons who live outside Kentucky and work inside Kentucky.

The fastest-growing component of Kentucky personal income is supplements to wages and salaries income. Supplements to wages and salaries income rose 3.3 percent in the fourth quarter of FY26 compared to the fourth quarter of FY25. Wages and salaries income, the largest component of Kentucky personal income, rose 2.3 percent in the fourth quarter of FY26. Supplements to wages and salaries made up 11.2 percent of total Kentucky personal income in the fourth quarter of FY26. Wages and salaries income made up 47.5 percent of total Kentucky personal income.

Kentucky non-farm employment fell by 0.04 percent in the fourth quarter of FY26. This is the fourth decline (annual rate) in the last six quarters. Eight of the 11 supersectors lost jobs in the fourth quarter of FY26 compared to the fourth quarter of FY25. The sector which saw the largest drop was mining employment which fell 3.0 percent, or 200 net jobs. On an absolute-basis, the sector which saw the largest drop was trade, transportation, and utilities employment which fell 3,700 net jobs, or 0.9 percent in the fourth quarter of FY26. Trade, transportation and utilities employment is the largest supersector in Kentucky and makes up 20.8 percent of total non-farm employment in the Commonwealth.

Three supersectors gained jobs in the fourth quarter of FY26. The fastest growing supersector is leisure and hospitality services employment, which rose 1.3 percent, or a net 2,700 jobs in the fourth quarter of FY26 compared to the fourth quarter of FY25. This is somewhat unusual in that the leisure and hospitality services employment sector contains the largest amount of luxury goods and services among the supersectors. Typically, luxury goods and services are the first sector to decline during a downturn. This does not seem to be a normal downturn. Leisure and hospitality services employment makes up 10.3 percent of total non-farm employment in Kentucky in the fourth quarter of FY26.

Table 16
History of US Economic Series

	FY25		FY26							
	Q4	% chg	Q1	% chg	Q2	% chg	Q3	% chg	Q4	% chg
Real GDP ($ billions, AR)	23,771.0	2.1	24,026.8	2.3	24,055.7	2.0	24,152.7	2.6	24,301.0	2.2
Real Consumption	16,445.7	2.7	16,585.9	2.6	16,665.2	2.1	16,723.3	2.3	16,803.0	2.2
Real Investment	4,382.8	0.0	4,383.2	-0.2	4,408.3	2.1	4,483.1	-1.4	4,599.9	5.0
Real Government Expenditures	3,993.0	1.9	4,015.0	1.1	3,957.1	-1.2	3,999.5	0.1	3,987.7	-0.1
Real Exports	2,647.3	1.5	2,708.8	1.7	2,686.8	1.1	2,770.9	4.2	2,855.0	7.8
Real Imports	3,705.3	1.8	3,664.3	-1.7	3,655.4	-1.9	3,834.6	-5.1	3,960.6	6.9
CPI - All Goods (% chg)	2.5	NA	2.9	NA	2.7	NA	2.7	NA	4.0	NA
CPI - Food (% chg)	2.9	NA	3.1	NA	2.9	NA	2.9	NA	2.7	NA
CPI - Energy (% chg)	-2.4	NA	0.7	NA	3.2	NA	4.2	NA	21.0	NA
Core CPI (% chg)	2.8	NA	3.1	NA	2.7	NA	2.5	NA	2.8	NA
Industrial Prod. Index (% chg)	0.5	NA	1.7	NA	1.6	NA	1.1	NA	1.3	NA
Working Population (millions, NSA)	273.4	1.9	274.0	1.9	G	NA	274.8	0.7	275.1	0.6
Civilian Labor Force	170.7	1.6	171.3	1.3	G	NA	170.0	-0.1	169.8	-0.5
Employed	163.8	1.4	163.7	1.1	G	NA	162.2	-0.4	162.8	-0.6
Unemployed	7.0	7.7	7.6	6.0	G	NA	7.8	4.7	7.0	1.4
Not in Labor Force	102.7	2.4	102.7	2.9	G	NA	104.8	2.1	105.2	2.5
Labor Force Participation Rate (%)	62.4	NA	62.3	NA	G	NA	62.0	NA	61.7	NA
Unemployment Rate (%)	4.2	NA	4.3	NA	4.5	NA	4.3	NA	4.4	NA
Housing Starts (millions, AR)	1.4	1.0	1.3	0.5	1.3	-4.7	1.4	1.1	1.4	4.1

Table 17
History of US Labor and Income Data

	FY25		FY26							
	Q4	% chg	Q1	% chg	Q2	% chg	Q3	% chg	Q4	% chg
Non-farm Employment (millions, NSA)	158.5	0.6	158.5	0.5	158.4	0.2	158.5	0.1	158.8	0.2
Goods-producing	21.5	-0.4	21.5	-0.7	21.5	-0.6	21.5	-0.3	21.5	-0.1
Mining	0.6	-0.9	0.6	-2.3	0.6	-2.8	0.6	-3.1	0.6	-2.0
Construction	8.3	1.1	8.3	0.2	8.3	0.0	8.3	0.5	8.3	0.6
Manufacturing	12.6	-1.4	12.6	-1.3	12.6	-0.9	12.6	-0.6	12.6	-0.4
Service-providing	113.4	0.6	113.5	0.7	113.6	0.5	113.7	0.5	113.9	0.5
Trade, Transportation & Utilities	28.8	-0.4	28.7	-0.3	28.7	-0.4	28.6	-0.5	28.7	-0.2
Information	2.9	-2.4	2.9	-1.7	2.8	-1.4	2.8	-2.6	2.8	-3.1
Finance	9.2	0.6	9.2	0.4	9.2	0.1	9.1	-0.6	9.1	-1.2
Business Services	22.4	-0.8	22.4	-0.8	22.4	-0.6	22.4	-0.2	22.5	0.04
Educational Services	27.3	3.3	27.4	3.2	27.6	2.7	27.7	2.5	27.9	2.2
Leisure and Hospitality Services	16.8	0.5	16.9	0.7	16.9	0.7	17.0	0.8	17.0	0.9
Other Services	6.0	0.6	6.0	0.7	6.0	0.8	6.0	0.8	6.0	0.7
Government	23.6	1.1	23.6	0.5	23.4	-0.6	23.3	-1.0	23.3	-1.1
Personal Income ($ billions, AR)	25,987.5	4.8	26,269.6	5.0	26,424.9	4.4	26,638.7	3.6	26,820.9	3.2
Wages and Salaries	12,860.0	4.4	13,049.3	4.7	13,136.6	4.0	13,241.6	3.5	13,351.2	3.8
Transfer Receipts	4,952.3	9.2	5,013.9	9.3	5,053.6	8.6	5,087.8	6.3	5,107.3	3.1
Dividends, Interest, and Rents	5,324.9	1.9	5,332.4	2.1	5,354.4	1.9	5,414.8	1.9	5,448.0	2.3
Supplements to Wages and Salaries	2,750.3	4.7	2,787.5	4.9	2,813.0	4.9	2,836.1	4.2	2,859.7	4.0
Proprietors' Income	2,105.2	4.6	2,117.7	4.2	2,111.3	2.3	2,138.2	1.7	2,131.2	1.2
Social Insurance	2,005.1	4.8	2,031.3	5.0	2,043.9	4.3	2,079.7	4.2	2,076.5	3.6
Residential Adjustment	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA

Table 18
US Federal Outlays
$ billions, AR

	Q4			
	FY26	FY25	$ Chg	% Chg
Federal Outlays excl. Gross Investment	7,691.1	7,496.3	194.8	2.6
National Defense	928.8	890.8	37.9	4.3
Non-Defense Consumption	559.1	596.8	-37.7	-6.3
Federal Transfer Payments to Resident Persons	3,762.9	3,657.0	106.0	2.9
Medicare	1,331.7	1,205.3	126.3	10.5
Social Security	1,648.6	1,607.5	41.1	2.6
Social Insurance to Rest of the World	39.7	38.3	1.4	3.7
Grants-in-Aid to State & Local Govts	1,004.0	973.8	30.3	3.1
Medicaid	713.7	672.4	41.4	6.2
Non-Medicaid Grants to State & Local Govts	290.3	301.4	-11.1	-3.7
Aid to Foreign Govts	42.5	58.7	-16.2	-27.6
Interest on the Debt	1,244.7	1,160.9	83.8	7.2
Subsidies	109.3	119.2	-9.9	-8.3

Table 19
History of KY Labor and Income Data

	FY25		FY26							
	Q4	% chg	Q1	% chg	Q2	% chg	Q3	% chg	Q4	% chg
Non-farm Employment (thousands, NSA)	2,038.9	0.1	2,034.7	-0.2	2,028.4	-0.4	2,034.6	0.1	2,038.2	-0.04
Goods-producing	353.4	-1.9	351.3	-2.3	350.6	-1.5	350.6	-0.6	351.5	-0.5
Mining	7.1	-12.0	7.0	-12.1	7.0	-7.9	6.9	-4.7	6.9	-3.0
Construction	92.9	-0.8	92.5	-1.4	92.6	-0.2	92.9	1.2	92.8	-0.1
Manufacturing	253.4	-2.0	251.8	-2.3	251.0	-1.8	250.8	-1.1	251.9	-0.6
Service-providing	1,367.5	0.4	1,365.8	0.1	1,362.0	-0.2	1,368.3	0.4	1,370.8	0.2
Trade, Transportation & Utilities	427.3	0.3	425.5	-0.8	423.0	-0.9	423.1	-0.8	423.6	-0.9
Information	20.6	-1.6	20.2	-3.1	20.1	-3.2	20.0	-2.8	20.0	-2.9
Finance	95.5	0.0	95.6	0.2	95.7	0.4	95.3	-0.1	95.0	-0.5
Business Services	224.4	-0.8	225.5	0.6	224.1	0.4	226.6	1.4	227.1	1.2
Educational Services	319.7	2.1	319.2	1.3	318.5	0.3	321.6	1.0	322.5	0.9
Leisure and Hospitality Services	206.4	-0.1	206.4	0.3	207.1	-0.1	208.3	1.5	209.2	1.3
Other Services	73.5	-0.3	73.3	-0.8	73.6	-0.1	73.4	-0.2	73.3	-0.2
Government	318.0	1.5	317.6	0.7	315.8	-0.3	315.7	-0.3	315.9	-0.7
Personal Income ($ billions, AR)	279.5	4.9	281.3	4.9	282.8	4.4	284.6	3.7	286.2	2.4
Wages and Salaries	132.8	4.3	132.9	3.5	133.7	3.7	134.8	3.9	135.9	2.3
Transfer Receipts	75.6	8.8	76.7	9.8	77.4	8.2	77.5	6.0	77.7	2.8
Dividends, Interest, and Rents	46.6	1.6	46.7	1.9	46.9	1.7	47.1	1.1	47.2	1.3
Supplements to Wages and Salaries	31.1	4.8	31.2	4.2	31.3	4.4	31.8	4.8	32.1	3.3
Proprietors' Income	19.2	2.9	19.6	3.5	19.3	0.4	19.8	0.3	19.7	2.7
Social Insurance	22.0	4.7	22.0	3.9	22.1	4.0	22.5	4.7	22.5	2.5
Residential Adjustment	-3.7	NA	-3.7	NA	-3.6	NA	-3.8	NA	-3.8	NA

Table 20
History and Outlook
Annual Growth Rates (%)

	FY25				FY26				FY27		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
United States											
Real GDP	2.8	2.4	2.0	2.1	2.3	2.0	2.6	2.2	1.6	1.9	2.0
Real Consumption	3.2	3.4	3.1	2.7	2.6	2.1	2.3	2.2	1.7	1.7	1.8
Real Investment	2.7	0.1	5.9	0.0	-0.2	2.1	-1.4	5.0	6.2	6.5	6.2
Real Government Expenditures	3.9	3.6	2.7	1.9	1.1	-1.2	0.1	-0.1	-0.2	1.9	1.0
Real Exports	5.0	3.3	2.1	1.5	1.7	1.1	4.2	7.8	6.9	8.6	6.2
Real Imports	7.7	6.2	13.2	1.8	-1.7	-1.9	-5.1	6.9	10.1	12.2	8.2
Personal Income	5.4	5.4	5.1	4.8	5.0	4.4	3.6	3.2	3.3	4.2	5.2
Wage & Salary	5.3	5.5	5.3	4.4	4.7	4.0	3.5	3.8	3.4	4.2	4.8
Industrial Production Index	-0.8	-0.9	0.7	0.5	1.7	1.6	1.1	1.3	1.1	1.2	0.6
Total Non-farm Employment	1.0	0.9	0.7	0.6	0.5	0.2	0.1	0.2	0.2	0.3	0.1
Manufacturing Employment	-0.7	-1.2	-1.4	-1.4	-1.3	-0.9	-0.6	-0.4	-0.1	1.2	0.4
Unemployment Rate	4.2	4.1	4.1	4.2	4.3	4.5	4.3	4.4	4.5	4.6	4.7
Kentucky											
Personal Income	5.0	5.3	4.1	4.9	4.9	4.4	3.7	2.4	2.7	3.4	4.3
Wage & Salary	4.0	4.0	2.7	4.3	3.5	3.7	3.9	2.3	3.2	3.6	3.8
Non-farm Employment	1.0	0.5	-0.1	0.1	-0.2	-0.4	0.1	0.0	0.2	0.4	0.0
Goods Producing	1.0	-0.7	-2.4	-1.9	-2.3	-1.5	-0.6	-0.5	0.1	0.0	0.1
Service Providing	0.8	0.5	0.3	0.4	0.1	-0.2	0.4	0.2	0.4	0.5	-0.1
Government	2.1	1.7	1.2	1.5	0.7	-0.3	-0.3	-0.7	-0.4	0.3	0.5

APPENDIX A

General Fund and Road Fund
Revenue Receipts
Fourth Quarter FY26

KENTUCKY STATE GOVERNMENT – GENERAL FUND REVENUE

	Fourth Quarter FY 2026	Fourth Quarter FY 2025	% Change	Year-To-Date FY 2026	Year-To-Date FY 2025	% Change
TOTAL GENERAL FUND	**$4,692,146,209**	**$4,375,073,083**	**7.2%**	**$15,975,510,433**	**$15,703,197,887**	**1.7%**
Tax Receipts	**$4,501,793,011**	**$4,174,360,222**	**7.8%**	**$15,188,816,717**	**$14,897,416,750**	**2.0%**
Sales and Gross Receipts	**$1,884,957,754**	**$1,747,586,294**	**7.9%**	**$7,125,390,638**	**$6,717,904,749**	**6.1%**
Beer Consumption	1,193,587	1,451,487	-17.8%	5,280,650	4,683,885	12.7%
Beer Wholesale	14,900,086	17,259,588	-13.7%	65,512,086	68,631,695	-4.5%
Cigarette	62,238,426	63,776,392	-2.4%	246,146,573	243,555,668	1.1%
Distilled Spirits Case Sales	61,371	50,498	21.5%	235,431	223,105	5.5%
Distilled Spirits Consumptic	4,799,593	3,541,539	35.5%	18,833,437	17,232,813	9.3%
Distilled Spirits Wholesale	18,564,622	13,337,065	39.2%	72,496,394	68,455,252	5.9%
Insurance Premium	78,060,879	75,952,314	2.8%	249,474,587	239,227,488	4.3%
Pari-Mutuel	24,064,870	16,467,080	46.1%	84,044,404	74,157,769	13.3%
Race Track Admission	0	0	---	0	0	---
Sales and Use	1,633,566,290	1,512,768,077	8.0%	6,196,599,167	5,821,340,448	6.4%
Wine Consumption	657,742	335,532	96.0%	2,698,674	2,509,228	7.5%
Wine Wholesale	4,748,183	2,365,158	100.8%	19,045,329	17,019,953	11.9%
Telecommunications Tax	21,167,273	19,969,169	6.0%	83,548,583	79,821,646	4.7%
Other Tobacco Products	8,968,229	8,834,029	1.5%	34,544,363	38,286,213	-9.8%
Floor Stock Tax	355	(2)	---	749	311	141.0%
Car Rental & Ride Sharing	11,966,248	11,478,367	4.3%	46,930,211	42,759,273	9.8%
Natural Resources	**$28,684,528**	**$16,796,048**	**70.8%**	**$107,997,118**	**$93,593,346**	**15.4%**
Coal Severance	15,519,799	7,975,540	94.6%	62,955,467	56,051,277	12.3%
Oil Production	1,695,373	880,064	92.6%	4,811,067	5,170,802	-7.0%
Minerals Severance	8,241,285	6,364,834	29.5%	32,785,243	27,521,517	19.1%
Natural Gas Severance	3,228,071	1,575,610	104.9%	7,445,341	4,849,750	53.5%
Individual Income Tax	**$1,693,751,308**	**$1,628,572,653**	**4.0%**	**$5,566,426,444**	**$5,319,190,492**	**4.6%**
Withholding	1,076,372,351	1,189,564,608	-9.5%	4,569,501,477	4,585,636,407	-0.4%
Declarations	171,294,476	142,926,327	19.8%	442,969,080	342,404,353	29.4%
Net Returns	203,927,068	107,541,838	89.6%	41,379,620	(112,223,595)	---
Fiduciary	9,783,360	3,369,712	190.3%	777,287	(6,742,337)	---
Pass-Through Entity Tax	232,374,052	185,170,167	25.5%	511,798,980	510,115,663	0.3%
Major Business Taxes	**$762,503,748**	**$660,772,612**	**15.4%**	**$1,432,727,055**	**$1,834,491,754**	**-21.9%**
Corporation Income	294,832,222	168,575,603	74.9%	649,595,200	1,213,673,240	-46.5%
LLET	467,671,526	492,197,009	-5.0%	783,131,855	620,818,514	26.1%
Property	**$106,066,446**	**$99,396,103**	**6.7%**	**$852,960,490**	**$839,307,942**	**1.6%**
General - Real	5,625,376	4,371,054	28.7%	384,401,993	368,481,106	4.3%
General - Tangible	9,325,162	12,982,279	-28.2%	144,604,601	151,427,895	-4.5%
Tangible - Motor Vehicle	74,459,340	73,280,865	1.6%	210,483,533	210,440,605	0.0%
Omitted & Delinquent	(1,381,902)	2,846,856	---	18,291,484	16,501,092	10.9%
Public Service	18,013,386	5,932,461	203.6%	90,129,046	87,955,067	2.5%
Other	25,084	(17,412)	---	5,049,833	4,502,177	12.2%
Inheritance Tax	**$18,979,975**	**$15,698,522**	**20.9%**	**$84,331,959**	**$77,705,686**	**8.5%**
Miscellaneous	**$6,849,251**	**$5,537,990**	**23.7%**	**$18,983,013**	**$15,222,782**	**24.7%**
License and Privilege	$426,045	$486,082	-12.4%	1,639,288	1,972,919	-16.9%
Bank Franchise	$0	($54,292)	---	(5,946)	(3,135,516)	---
Legal Process	3,044,610	2,109,899	44.3%	10,114,621	9,298,450	8.8%
T. V. A. In Lieu Payments	3,305,779	2,978,318	11.0%	7,140,537	7,052,203	1.3%
Other	72,817	17,984	304.9%	94,513	34,726	172.2%
Nontax Receipts	**$190,149,436**	**$200,286,339**	**-5.1%**	**$784,433,573**	**$803,667,038**	**-2.4%**
Departmental Fees	9,507,480	9,382,888	1.3%	21,491,039	20,267,397	6.0%
PSC Assessment Fee	31,093	0	---	14,708,654	10,903,018	34.9%
Fines & Forfeitures	5,328,781	5,587,114	-4.6%	20,655,875	20,047,078	3.0%
Income on Investments	56,411,131	77,448,021	-27.2%	244,145,738	322,995,930	-24.4%
Lottery	92,613,936	81,707,480	13.3%	370,000,000	350,679,200	5.5%
Miscellaneous	26,257,017	26,160,836	0.4%	113,432,268	78,774,414	44.0%
Redeposit of State Funds	**$203,762**	**$426,521**	**-52.2%**	**$2,260,142**	**$2,114,099**	6.9%

KENTUCKY STATE GOVERNMENT - ROAD FUND REVENUE

	Fourth Quarter FY 2026	Fourth Quarter FY 2025	% Change	Year-To-Date FY 2026	Year-To-Date FY 2025	% Change
TOTAL STATE ROAD FUND	**$472,393,114**	**$506,781,596**	**-6.8%**	**$1,821,935,424**	**$1,863,514,808**	**-2.2%**
Tax Receipts-	$461,956,933	$491,280,859	-6.0%	$1,781,187,126	$1,807,699,895	-1.5%
Sales and Gross Receipts	$381,155,288	$411,285,772	-7.3%	$1,525,725,562	$1,556,494,900	-2.0%
Motor Fuels Taxes	194,453,294	216,043,509	-10.0%	790,695,433	836,423,221	-5.5%
Motor Vehicle Usage	186,481,454	195,078,482	-4.4%	734,223,935	719,491,851	2.0%
EV Charging Station Tax	220,540	163,781	34.7%	806,194	579,828	39.0%
License and Privilege	$80,801,645	$79,995,087	1.0%	$255,461,564	$251,204,994	1.7%
Motor Vehicles	45,731,352	47,237,184	-3.2%	121,148,108	117,298,059	3.3%
Motor Vehicle Operators	7,923,363	9,357,680	-15.3%	31,330,909	33,697,722	-7.0%
Weight Distance	21,190,942	20,762,687	2.1%	87,074,371	86,270,947	0.9%
Truck Decal Fees	70,280	63,720	10.3%	179,560	180,820	-0.7%
Other Special Fees	5,885,708	2,573,816	128.7%	15,728,616	13,757,447	14.3%
Nontax Receipts	$10,241,095	$13,035,405	-21.4%	$39,566,263	$52,316,307	-24.4%
Departmental Fees	5,799,973	5,525,295	5.0%	22,671,976	23,421,143	-3.2%
In Lieu of Traffic Fines	40,860	42,435	-3.7%	168,000	164,955	1.8%
Income on Investments	1,821,058	5,308,727	-65.7%	6,908,676	18,965,486	-63.6%
Miscellaneous	1,536,250	1,671,436	-8.1%	6,704,128	6,666,689	0.6%
Hybrid/Electric Annual Fee	1,042,954	487,511	113.9%	3,113,482	3,098,034	0.5%
Redeposit of State Funds	$195,086	$2,465,333	-92.1%	$1,182,035	$3,498,606	-66.2%

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APPENDIX B

Summary Statistics for General Fund Major Revenue Sources Fiscal Years 2017- 2026 ($)

	FY17	FY18	FY19	FY20	FY21
TOTAL GENERAL FUND	**10,477,848,874**	**10,838,200,084**	**11,392,698,460**	**11,566,621,672**	**12,827,432,329**
Tax Receipts	**10,132,685,779**	**10,497,829,798**	**10,988,227,884**	**11,185,135,285**	**12,414,752,386**
Sales and Gross Receipts	**4,086,441,364**	**4,211,205,101**	**4,717,609,351**	**4,859,752,240**	**5,407,385,853**
Beer Consumption	6,205,443	6,069,024	5,885,046	6,147,066	6,200,831
Beer Wholesale	59,525,060	59,119,872	56,215,810	61,686,347	63,363,832
Cigarette	221,375,451	211,834,789	353,452,495	354,965,469	349,939,662
Cigarette Floor Stock	6,040	-3,399	21,289,650	51,120	6,958
Distilled Spirits Case Sales	153,781	155,861	163,929	180,755	202,034
Distilled Spirits Consumption	14,237,920	14,288,035	14,756,577	15,928,560	17,520,621
Distilled Spirits Wholesale	44,064,952	45,559,663	49,288,861	53,860,774	62,862,108
Insurance Premium	148,188,827	157,154,273	165,476,033	168,803,965	176,537,254
Pari-Mutuel	6,807,535	7,894,063	14,578,083	15,771,742	31,229,897
Race Track Admission	174,356	195,837	214,345	143,685	21,551
Sales and Use	3,485,215,349	3,605,661,335	3,937,610,039	4,070,905,629	4,561,017,999
Wine Consumption	3,084,190	3,165,448	3,143,994	3,261,354	3,461,261
Wine Wholesale	18,289,377	17,445,613	17,608,228	17,837,410	19,936,744
Telecommunications Tax	57,540,002	61,125,754	55,757,372	68,074,621	73,910,160
Other Tobacco Products	21,573,080	21,538,933	22,168,888	22,133,743	41,174,942
Car Rental & Ride Sharing	-	-	-	-	-
License and Privilege	**107,690,065**	**117,424,507**	**121,663,708**	**125,203,420**	**117,938,539**
Alc. Bev. License & Suspension	367,853	559,200	320,000	264,150	225,350
Corporation License	7,423	11,596	62,947	83,625	197,340
Corporation Organization	982,251	54,471	314,310	65,992	35,791
Occupational Licenses	229,579	216,991	193,778	173,320	272,299
Race Track License	276,596	278,500	268,875	242,717	242,691
Bank Franchise Tax	105,129,792	115,617,923	119,821,064	123,097,210	116,008,780
Driver License Fees	696,570	685,826	682,734	1,276,406	956,288
Natural Resources	**130,063,924**	**122,972,027**	**127,756,984**	**87,324,689**	**84,445,676**
Coal Severance	100,455,465	89,643,238	92,906,947	58,820,499	56,073,988
Oil Production	5,120,700	5,360,469	5,910,918	4,591,931	4,200,401
Minerals Severance	16,923,270	18,181,584	18,926,560	19,425,087	20,607,726
Natural Gas Severance	7,564,489	9,786,736	10,012,558	4,487,171	3,563,561
Income	**5,136,952,770**	**5,353,058,930**	**5,307,357,898**	**5,404,391,683**	**6,026,619,268**
Corporation	497,479,037	511,352,679	555,976,332	346,366,518	608,017,501
Individual	4,393,862,556	4,603,578,834	4,544,676,175	4,765,235,522	5,143,769,886
LLET	245,611,177	238,127,417	206,705,391	292,789,644	274,831,881
Property	**602,095,597**	**621,260,307**	**647,009,309**	**643,046,099**	**702,475,525**
Bank Deposits	644,459	676,071	666,267	699,983	836,189
Building & Loan Association	2,369,893	2,158,239	1,701,042	1,609,784	51,057
Distilled Spirits	1,020,812	1,149,557	1,372,441	1,580,059	1,751,298
General - Real	273,935,818	283,388,656	293,725,321	304,018,815	317,378,436
General - Tangible	244,469,542	254,292,498	258,458,750	251,537,841	291,489,619
Omitted & Delinquent	15,966,205	16,274,357	20,097,838	12,184,648	17,994,932
Public Service	63,680,782	63,313,796	70,981,420	71,408,609	72,960,107
Other	8,087	7,133	6,230	6,360	13,887
Inheritance	**44,699,808**	**48,248,219**	**44,434,124**	**46,322,174**	**62,068,793**
Miscellaneous	**24,742,251**	**23,660,706**	**22,396,511**	**19,094,980**	**13,818,732**
Legal Process	13,299,585	13,035,070	13,135,526	11,554,463	10,161,708
T. V. A. In Lieu Payments	11,350,177	10,575,611	9,251,250	6,657,123	3,252,452
Other	92,490	50,025	9,735	883,395	404,571
Nontax Receipts	**335,817,562**	**334,713,465**	**393,632,360**	**363,353,087**	**393,971,345**
Departmental Fees	21,805,380	22,657,477	17,464,180	15,286,507	11,508,943
PSC Assessment Fee	13,784,610	16,218,175	19,665,109	14,921,519	16,663,260
Fines & Forfeitures	19,676,290	17,829,955	19,960,970	15,576,601	12,728,359
Interest on Investments	-1,129,875	-7,611,235	-10,553,105	-6,147,796	-344,153
Lottery	241,627,129	253,000,000	263,946,017	271,363,344	289,100,000
Sale of NOx Credits	0	0	0	0	0
Miscellaneous	40,054,028	32,619,094	83,149,189	52,352,911	64,314,936
Redeposit of State Funds	**9,345,533**	**5,656,821**	**10,838,216**	**18,133,300**	**18,708,597**

	FY22	FY23	FY24	FY25	FY26
TOTAL GENERAL FUND	**14,702,460,457**	**15,147,662,170**	**15,571,258,639**	**15,703,197,887**	**15,975,510,533**
Tax Receipts	**14,072,971,696**	**14,527,687,760**	**14,792,490,987**	**14,897,416,750**	**15,188,797,690**
Sales and Gross Receipts	**5,909,080,340**	**6,453,385,746**	**6,719,517,184**	**6,717,904,749**	**7,125,390,638**
Beer Consumption	6,278,125	6,064,945	6,847,863	4,683,885	5,280,650
Beer Wholesale	66,130,324	69,440,398	69,087,217	68,631,695	65,512,086
Cigarette	324,467,834	299,280,936	270,459,361	243,555,668	246,146,573
Cigarette Floor Stock	-24,238	2,666	39,359	311	749
Distilled Spirits Case Sales	227,894	234,898	300,887	223,105	235,431
Distilled Spirits Consumption	18,524,507	18,828,726	19,217,935	17,232,813	18,833,437
Distilled Spirits Wholesale	70,704,041	73,923,974	76,458,261	68,455,252	72,496,394
Insurance Premium	167,305,685	195,995,018	221,184,299	239,227,488	249,474,587
Pari-Mutuel	47,733,411	56,281,309	65,586,754	74,157,769	84,044,404
Race Track Admission	135,855	63,820	0	0	0
Sales and Use	5,062,877,350	5,576,312,025	5,802,582,156	5,821,340,448	6,296,599,167
Wine Consumption	3,336,159	3,159,312	3,048,562	2,509,228	2,698,674
Wine Wholesale	20,558,086	20,382,672	20,126,299	17,019,953	19,045,329
Telecommunications Tax	76,442,297	75,663,030	80,709,719	79,821,646	83,548,583
Other Tobacco Products	44,383,011	41,979,246	42,617,956	38,286,213	34,544,363
Car Rental & Ride Sharing	-	15,772,771	41,250,554	42,759,273	46,930,211
License and Privilege	**2,454,271**	**1,028,124**	**2,487,114**	**-1,162,597**	**1,652,470**
Alc. Bev. License & Suspension	303,050	601,000	499,153	439,500	29,900
Corporation License	146,936	7,280	69,170	8,617	0
Corporation Organization	56,907	321,434	55,827	27,367	105,254
Occupational Licenses	246,572	289,802	237,683	243,799	298,108
Race Track License	222,000	199,400	183,500	212,400	211,000
Bank Franchise Tax	622,155	-1,240,636	542,654	-3,135,516	-5,945
Driver License Fees	856,652	849,844	899,127	1,041,236	1,014,153
Natural Resources	**109,019,465**	**147,031,423**	**115,048,798**	**93,593,346**	**107,997,118**
Coal Severance	70,653,864	96,553,542	77,833,048	56,051,277	62,955,467
Oil Production	7,547,757	7,565,799	6,024,470	5,170,802	4,811,067
Minerals Severance	21,366,602	26,321,853	27,600,394	27,521,517	32,785,243
Natural Gas Severance	9,451,241	16,590,229	3,590,886	4,849,750	7,445,341
Income	**7,234,132,602**	**7,065,496,368**	**7,056,635,591**	**7,153,682,246**	**6,999,134,472**
Corporation	932,591,148	1,006,250,613	913,372,008	1,213,673,240	649,595,200
Individual	6,047,528,269	5,843,883,534	5,807,499,108	5,319,190,492	5,566,407,417
LLET	254,013,185	215,362,221	335,764,475	620,818,514	783,131,855
Property	**723,856,929**	**774,375,669**	**808,162,087**	**839,307,942**	**852,960,490**
Bank Deposits	944,556	971,637	938,980	886,310	1,073,947
Building & Loan Association	0	0	0	-97,742	4
Distilled Spirits	1,953,945	2,453,430	3,124,610	3,690,258	3,943,667
General - Real	325,304,165	338,783,090	361,140,907	368,481,106	384,401,993
General - Tangible	303,570,938	334,012,668	335,216,148	361,868,500	355,088,134
Omitted & Delinquent	17,426,031	17,215,367	20,797,642	16,501,092	18,291,484
Public Service	74,646,764	80,924,768	86,054,426	87,955,067	90,129,046
Other	10,530	14,709	889,374	23,350	32,215
Inheritance	**81,264,890**	**71,809,112**	**75,635,004**	**77,705,686**	**84,331,959**
Miscellaneous	**13,163,199**	**14,561,319**	**15,005,209**	**16,385,379**	**17,349,671**
Legal Process	9,879,393	9,173,850	9,102,747	9,298,450	10,114,621
T. V. A. In Lieu Payments	3,208,136	5,018,465	5,872,896	7,052,203	7,140,537
Other	75,670	369,004	29,566	34,726	94,513
Nontax Receipts	**623,610,826**	**611,879,618**	**776,477,108**	**803,667,038**	**784,433,573**
Departmental Fees	13,891,710	15,961,962	18,050,560	20,267,397	21,491,039
PSC Assessment Fee	15,819,870	11,910,522	14,079,612	10,903,018	14,708,654
Fines & Forfeitures	18,644,759	19,798,963	21,926,522	20,047,078	20,655,875
Interest on Investments	585,342	150,510,534	300,188,056	322,995,930	244,145,738
Lottery	295,000,000	336,974,700	343,574,700	350,679,200	370,000,000
Sale of NOx Credits	0	0	0	0	0
Miscellaneous	279,669,144	76,722,937	78,657,657	78,774,414	113,432,268
Redeposit of State Funds	**5,877,936**	**8,094,791**	**2,290,543**	**2,114,099**	**2,260,142**

General Fund Growth Rates
Major Revenue Sources
Fiscal Years 2017 – 2026
(%)

	FY17	FY18	FY19	FY20	FY21
TOTAL GENERAL FUND	**1.3%**	**3.4%**	**5.1%**	**1.5%**	**10.9%**
Tax Receipts	**1.4%**	**3.6%**	**4.7%**	**1.8%**	**11.0%**
Sales and Gross Receipts	**0.6%**	**3.1%**	**12.0%**	**3.0%**	**11.3%**
Beer Consumption	-5.4%	-2.2%	-3.0%	4.5%	0.9%
Beer Wholesale	-2.7%	-0.7%	-4.9%	9.7%	2.7%
Cigarette	-1.3%	-4.3%	66.9%	0.4%	-1.4%
Cigarette Floor Stock	-25.5%	-156.3%	---	---	-86.4%
Distilled Spirits Case Sales	---	1.4%	5.2%	10.3%	11.8%
Distilled Spirits Consumption	11.0%	0.4%	3.3%	7.9%	10.0%
Distilled Spirits Wholesale	13.3%	3.4%	8.2%	9.3%	16.7%
Insurance Premium	2.0%	6.1%	5.3%	2.0%	4.6%
Pari-Mutuel	---	16.0%	84.7%	8.2%	98.0%
Race Track Admission	-24.0%	12.3%	9.5%	-33.0%	-85.0%
Sales and Use	0.7%	3.5%	9.2%	3.4%	12.0%
Wine Consumption	-0.6%	2.6%	-0.7%	3.7%	6.1%
Wine Wholesale	10.3%	-4.6%	0.9%	1.3%	11.8%
Telecommunications Tax	-11.0%	6.2%	-8.8%	22.1%	8.6%
Other Tobacco Products	1.4%	-0.2%	2.9%	-0.2%	86.0%
Car Rental & Ride Sharing	---	---	---	---	---
License and Privilege	**-3.1%**	**9.0%**	**3.6%**	**2.9%**	**-5.8%**
Alc. Bev. License Suspension	-23.5%	52.0%	-42.8%	-17.5%	-14.7%
Corporation License	-94.5%	56.2%	442.8%	32.9%	136.0%
Corporation Organization	618.4%	-94.5%	477.0%	-79.0%	-45.8%
Occupational Licenses	-20.6%	-5.5%	-10.7%	-10.6%	57.1%
Race Track License	-14.7%	0.7%	-3.5%	-9.7%	0.0%
Bank Franchise Tax	-3.6%	10.0%	3.6%	2.7%	-5.8%
Driver License Fees	2.6%	-1.5%	-0.5%	87.0%	-25.1%
Natural Resources	**-12.9%**	**-5.5%**	**3.9%**	**-31.6%**	**-3.3%**
Coal Severance	-16.7%	-10.8%	3.6%	-36.7%	-4.7%
Oil Production	7.8%	4.7%	10.3%	-22.3%	-8.5%
Minerals Severance	-3.8%	7.4%	4.1%	2.6%	6.1%
Natural Gas Severance	17.3%	29.4%	2.3%	-55.2%	-20.6%
Income	**2.5%**	**4.2%**	**-0.9%**	**1.8%**	**11.5%**
Corporation	-5.5%	2.8%	8.7%	-37.7%	75.5%
Individual	2.6%	4.8%	-1.3%	4.9%	7.9%
LLET	21.0%	-3.0%	-13.2%	41.6%	-6.1%
Property	**4.3%**	**3.2%**	**4.1%**	**-0.6%**	**9.2%**
Bank Deposits	1.9%	4.9%	-1.5%	5.1%	19.5%
Building & Loan Association	8.1%	-8.9%	-21.2%	-5.4%	-96.8%
Distilled Spirits	6.2%	12.6%	19.4%	15.1%	10.8%
General - Real	2.2%	3.5%	3.6%	3.5%	4.4%
General - Tangible	-8.8%	4.0%	1.6%	-2.7%	15.9%
Omitted & Delinquent	-93.3%	1.9%	23.5%	-39.4%	47.7%
Public Service	431.1%	-0.6%	12.1%	0.6%	2.2%
Other	-100.0%	-11.8%	-12.7%	2.1%	118.3%
Inheritance	**-12.8%**	**7.9%**	**-7.9%**	**4.2%**	**34.0%**
Miscellaneous	**0.4%**	**-4.4%**	**-5.3%**	**-14.7%**	**-27.6%**
Legal Process	-8.1%	-2.0%	0.8%	-12.0%	-12.1%
T. V. A. In Lieu Payments	12.2%	-6.8%	-12.5%	-28.0%	-51.1%
Other	143.4%	-45.9%	-80.5%	8974.4%	-54.2%
Nontax Receipts	**-2.6%**	**-0.3%**	**17.6%**	**-7.7%**	**8.4%**
Departmental Fees	-0.4%	3.9%	-22.9%	-12.5%	-24.7%
PSC Assessment Fee[7]	-4.1%	17.7%	21.3%	-24.1%	11.7%
Fines & Forfeitures	-7.2%	-9.4%	12.0%	-22.0%	-18.3%
Interest on Investments	-492.6%	---	---	---	---
Lottery	-0.1%	4.7%	4.3%	2.8%	6.5%
Sale of NOx Credits	---	---	---	---	---
Miscellaneous	-11.6%	-18.6%	154.9%	-37.0%	22.8%
Redeposit of State Funds	**63.4%**	**-39.5%**	**91.6%**	**67.3%**	**3.2%**

	FY22	FY23	FY24	FY25	FY26
TOTAL GENERAL FUND	**14.6%**	**3.0%**	**2.8%**	**0.8%**	**1.7%**
Tax Receipts	**13.4%**	**3.2%**	**1.8%**	**0.7%**	**2.0%**
Sales and Gross Receipts	**9.3%**	9.2%	4.1%	0.0%	6.1%
Beer Consumption	1.2%	-3.4%	12.9%	-31.6%	12.7%
Beer Wholesale	4.4%	5.0%	-0.5%	-0.7%	-4.5%
Cigarette	-7.3%	-7.8%	-9.6%	-9.9%	1.1%
Cigarette Floor Stock	-448.3%	---	---	-99.2%	141.0%
Distilled Spirits Case Sales	12.8%	3.1%	28.1%	-25.9%	5.5%
Distilled Spirits Consumption	5.7%	1.6%	2.1%	-10.3%	9.3%
Distilled Spirits Wholesale	12.5%	4.6%	3.4%	-10.5%	5.9%
Insurance Premium	-5.2%	17.1%	12.9%	8.2%	4.3%
Pari-Mutuel	52.8%	17.9%	16.5%	13.1%	13.3%
Race Track Admission	530.4%	-53.0%	-100.0%	---	---
Sales and Use	11.0%	10.1%	4.1%	0.3%	8.2%
Wine Consumption	-3.6%	-5.3%	-3.5%	-17.7%	7.5%
Wine Wholesale	3.1%	-0.9%	-1.3%	-15.4%	11.9%
Telecommunications Tax	3.4%	-1.0%	6.7%	-1.1%	4.7%
Other Tobacco Products	7.8%	-5.4%	1.5%	-10.2%	-9.8%
Car Rental & Ride Sharing	---	---	161.5%	3.7%	9.8%
License and Privilege	**-97.9%**	**-58.1%**	**141.9%**	**-146.7%**	**-242.1%**
Alc. Bev. License Suspension	34.5%	98.3%	-16.9%	-12.0%	-93.2%
Corporation License	-25.5%	-95.0%	850.1%	-87.5%	-100.0%
Corporation Organization	59.0%	464.8%	-82.6%	-51.0%	284.6%
Occupational Licenses	-9.4%	17.5%	-18.0%	2.6%	22.3%
Race Track License	-8.5%	-10.2%	-8.0%	15.7%	-0.7%
Bank Franchise Tax	-99.5%	-299.4%	-143.7%	-677.8%	-99.8%
Driver License Fees	-10.4%	-0.8%	5.8%	15.8%	-2.6%
Natural Resources	**29.1%**	**34.9%**	**-21.8%**	**-18.6%**	**15.4%**
Coal Severance	26.0%	36.7%	-19.4%	-28.0%	12.3%
Oil Production	79.7%	0.2%	-20.4%	-14.2%	-7.0%
Minerals Severance	3.7%	23.2%	4.9%	-0.3%	19.1%
Natural Gas Severance	165.2%	75.5%	-78.4%	35.1%	53.5%
Income	**20.0%**	**-2.3%**	**-0.1%**	**1.4%**	**-2.2%**
Corporation	53.4%	7.9%	-9.2%	32.9%	-46.5%
Individual	17.6%	-3.4%	-0.6%	-8.4%	4.6%
LLET	-7.6%	-15.2%	55.9%	84.9%	26.1%
Property	**3.0%**	**7.0%**	**4.4%**	**3.9%**	**1.6%**
Bank Deposits	13.0%	2.9%	-3.4%	-5.6%	21.2%
Building & Loan Association	-100.0%	---	---	---	---
Distilled Spirits	11.6%	25.6%	27.4%	18.1%	6.9%
General - Real	2.5%	4.1%	6.6%	2.0%	4.3%
General - Tangible	4.1%	10.0%	0.4%	8.0%	-1.9%
Omitted & Delinquent	-3.2%	-1.2%	20.8%	-20.7%	10.9%
Public Service	2.3%	8.4%	6.3%	2.2%	2.5%
Other	-24.2%	39.7%	5946.6%	-97.4%	38.0%
Inheritance	**30.9%**	**-11.6%**	**5.3%**	**2.7%**	**8.5%**
Miscellaneous	**-4.7%**	**10.6%**	**3.0%**	**9.2%**	**5.9%**
Legal Process	-2.8%	-7.1%	-0.8%	2.1%	8.8%
T. V. A. In Lieu Payments	-1.4%	56.4%	17.0%	20.1%	1.3%
Other	-81.3%	387.7%	-92.0%	17.5%	172.2%
Nontax Receipts	**58.3%**	**-1.9%**	**26.9%**	**3.5%**	**-2.4%**
Departmental Fees	20.7%	14.9%	13.1%	12.3%	6.0%
PSC Assessment Fee	-5.1%	-24.7%	18.2%	-22.6%	34.9%
Fines & Forfeitures	46.5%	6.2%	10.7%	-8.6%	3.0%
Interest on Investments	-270.1%	---	99.4%	7.6%	-24.4%
Lottery	2.0%	14.2%	2.0%	2.1%	5.5%
Sale of NOx Credits	---	---	---	---	---
Miscellaneous	334.8%	-72.6%	2.5%	0.1%	44.0%
Redeposit of State Funds	**-68.6%**	**37.7%**	**-71.7%**	**-7.7%**	**6.9%**

APPENDIX C

Summary Statistics for Road Fund Major Revenue Sources Fiscal Years 2017 – 2026 ($)

	FY17	FY18	FY19	FY20	FY21
TOTAL STATE ROAD FUND	**1,508,003,421**	**1,511,003,520**	**1,566,079,860**	**1,491,513,188**	**1,642,340,305**
Tax Receipts-	**1,484,228,925**	**1,483,223,103**	**1,527,527,150**	**1,459,053,657**	**1,614,526,694**
Sales and Gross Receipts	**1,260,348,857**	**1,258,070,574**	**1,287,770,861**	**1,240,878,729**	**1,369,253,236**
Motor Fuels Taxes	760,514,967	764,937,870	773,248,338	741,601,128	748,377,115
Motor Vehicle Usage	499,833,891	493,132,705	514,522,523	499,277,601	620,876,121
EV Charging Station Tax	0	0	0	0	0
License and Privilege	**223,880,068**	**225,152,529**	**239,756,289**	**218,174,928**	**245,273,458**
Motor Vehicles	111,927,466	112,850,030	120,900,980	108,626,329	125,481,645
Motor Vehicle Operators	16,120,127	16,794,541	16,631,111	12,930,555	22,080,766
Weight Distance	82,886,950	81,711,920	86,721,474	83,374,856	83,185,252
Truck Decal Fees	289,874	289,061	313,011	120,460	145,500
Other Special Fees	12,655,651	13,506,977	18,189,713	13,122,728	14,380,295
Nontax Receipts	**22,938,976**	**26,904,635**	**36,942,367**	**32,083,175**	**26,934,560**
Departmental Fees	19,473,809	20,951,634	20,633,454	20,315,948	21,907,240
In Lieu of Traffic Fines	378,757	353,405	410,389	282,892	210,555
Investment Income	1,581,851	2,837,474	11,923,927	6,688,478	-118,008
Miscellaneous	1,504,559	2,762,123	3,974,598	4,795,857	4,934,773
Hybrid/Electric Annual Fee	0	0	0	0	0
Redeposit of State Funds	**835,520**	**875,783**	**1,610,343**	**376,356**	**879,051**

	FY22	FY23	FY24	FY25	FY26
TOTAL STATE ROAD FUND	**1,675,354,852**	**1,753,323,281**	**1,874,570,513**	**1,863,514,808**	**1,821,935,424**
Tax Receipts-	**1,657,098,864**	**1,717,417,646**	**1,830,583,626**	**1,807,699,895**	**1,781,204,692**
Sales and Gross Receipts	**1,403,734,092**	**1,458,609,862**	**1,576,573,167**	**1,556,494,900**	**1,525,725,562**
Motor Fuels Taxes	774,647,395	798,263,863	905,442,929	836,423,221	790,695,433
Motor Vehicle Usage	629,086,696	660,345,999	670,961,957	719,491,851	734,223,935
EV Charging Station Tax	0	0	168,281	579,828	806,194
License and Privilege	**253,364,772**	**258,807,784**	**254,010,459**	**251,204,994**	**255,479,130**
Motor Vehicles	123,656,728	126,713,604	119,531,390	117,298,059	121,165,674
Motor Vehicle Operators	28,504,651	29,736,792	32,689,269	33,697,722	31,330,909
Weight Distance	87,201,685	87,722,299	86,794,007	86,270,947	87,074,371
Truck Decal Fees	183,160	240,000	199,820	180,820	179,560
Other Special Fees	13,818,548	14,395,089	14,795,972	13,757,447	15,728,616
Nontax Receipts	**17,566,474**	**35,523,095**	**42,112,996**	**52,316,307**	**39,566,263**
Departmental Fees	24,699,775	24,785,707	19,685,933	23,421,143	22,671,976
In Lieu of Traffic Fines	227,990	443,040	178,800	164,955	168,000
Investment Income	-11,019,731	6,308,931	14,617,002	18,965,486	6,908,676
Miscellaneous	3,658,440	3,985,418	6,185,320	6,666,689	6,704,128
Hybrid/Electric Annual Fee	0		1,445,941	3,098,034	3,113,482
Redeposit of State Funds	**689,514**	**382,540**	**1,947,472**	**3,498,606**	**1,182,035**

Road Fund Growth Rates
Major Revenue Sources
Fiscal Years 2017 – 2026
(%)

	FY17	FY18	FY19	FY20	FY21
TOTAL STATE ROAD FUND	**1.7%**	**0.2%**	**3.6%**	**-4.8%**	**10.1%**
Tax Receipts-	**1.8%**	**-0.1%**	**3.0%**	**-4.5%**	**10.7%**
Sales and Gross Receipts	**2.1%**	**-0.2%**	**2.4%**	**-3.6%**	**10.3%**
Motor Fuels Taxes	1.4%	0.6%	1.1%	-4.1%	0.9%
Motor Vehicle Usage	3.2%	-1.3%	4.3%	-3.0%	24.4%
EV Charging Station Tax	---	---	---	---	---
License and Privilege	**0.0%**	**0.6%**	**6.5%**	**-9.0%**	**12.4%**
Motor Vehicles	-1.0%	0.8%	7.1%	-10.2%	15.5%
Motor Vehicle Operators	-1.3%	4.2%	-1.0%	-22.3%	70.8%
Weight Distance	1.9%	-1.4%	6.1%	-3.9%	-0.2%
Truck Decal Fees	2.1%	-0.3%	8.3%	-61.5%	20.8%
Other Special Fees	-1.5%	6.7%	34.7%	-27.9%	9.6%
Nontax Receipts	**-0.4%**	**17.3%**	**37.3%**	**-13.2%**	**-16.0%**
Departmental Fees	0.9%	7.6%	-1.5%	-1.5%	7.8%
In Lieu of Traffic Fines	-11.4%	-6.7%	16.1%	-31.1%	-25.6%
Investment Income	-35.9%	79.4%	320.2%	-43.9%	-101.8%
Miscellaneous	79.6%	83.6%	43.9%	20.7%	2.9%
Hybrid/Electric Annual Fee	---	---	---	---	---
Redeposit of State Funds	**-25.2%**	**4.8%**	**83.9%**	**-76.6%**	**133.6%**

	FY22	FY23	FY24	FY25	FY26
TOTAL STATE ROAD FUND	**2.0%**	**4.7%**	**6.9%**	**-0.6%**	**-2.2%**
Tax Receipts-	**2.6%**	**3.6%**	**6.6%**	**-1.3%**	**-1.5%**
Sales and Gross Receipts	**2.5%**	**3.9%**	**8.1%**	**-1.3%**	**-2.0%**
Motor Fuels Taxes	3.5%	3.0%	13.4%	-7.6%	-5.5%
Motor Vehicle Usage	1.3%	5.0%	1.6%	7.2%	2.0%
EV Charging Station Tax	---	---	---	244.6%	39.0%
License and Privilege	**3.3%**	**2.1%**	**-1.9%**	**-1.1%**	**1.7%**
Motor Vehicles	-1.5%	2.5%	-5.7%	-1.9%	3.3%
Motor Vehicle Operators	29.1%	4.3%	9.9%	3.1%	-7.0%
Weight Distance	4.8%	0.6%	-1.1%	-0.6%	0.9%
Truck Decal Fees	25.9%	31.0%	-16.7%	-9.5%	-0.7%
Other Special Fees	-3.9%	4.2%	2.8%	-7.0%	14.3%
Nontax Receipts	**-34.8%**	**102.2%**	**18.6%**	**24.2%**	**-24.4%**
Departmental Fees	12.7%	0.3%	-20.6%	19.0%	-3.2%
In Lieu of Traffic Fines	8.3%	94.3%	-59.6%	-7.7%	1.8%
Investment Income	---	---	---	---	-63.6%
Miscellaneous	-25.9%	8.9%	55.2%	7.8%	0.6%
Hybrid/Electric Annual Fee	---	---	---	---	0.5%
Redeposit of State Funds	**-21.6%**	**-44.5%**	**409.1%**	**79.6%**	**-66.2%**

Glossary

Adjacent-quarter	A growth rate computed as the current quarter relative to the previous quarter.
AR	Annual Rate is the quantity of a series that would occur for the entire year, if the current period's growth were to continue for the entire year.
Civilian Labor Force	A subset of the working population who are currently employed or are actively looking for employment.
Employed	In the context of working population and civilian laborforce data, Employed is a subset of the civilian labor force who are employed regardless of industry or profession. This is therefore different than non-farm employment, which explicitly does not include those persons employed in the agricultural sector.
Growth rate	Unless otherwise stipulated, a growth rate is computed as the current quarter relative to the same quarter of the previous year.
Labor Force Participation Rate	The Civilian Labor Force divided by the Working Population.
Not in Labor Force	A subset of the working population who have decided not to be employed nor seek employment.
SA	Seasonally-Adjusted
SAAR	Seasonally-Adjusted Annual Rate
Unemployed	In the context of working population and civilian laborforce data, Unemployed is a subset of the civilian labor force who are not currently employed but are actively seeking employment.
Working population	The group of persons who are 16 years or older, non-institutionalized, not in prison, not in an old-age home, and not engaged in active military duty. It is meant to capture those persons who are capable of working and could work if suitable employment were found. Working population figures are listed in millions.

Tables Notes

Tables 3, 4, and 5
Data for FY27 Q1, Q2, and Q3 are June 2026 estimates.
Source: IHS Markit – Economics & Country Risk, June 9, 2026 data release.

Table 16
Real series are annual rate, billions of chained 2000 dollars.
Real components do not sum to real GDP because they are annualized independently. Data for FY26 Q4 are June 2026 estimates.
Source: IHS Markit - Economics & Country Risk, June 9, 2026 data release.

[1] Working population is the group of persons who are 16 years or older, non-institutionalized, not in prison, not in an old-age home and not engaged in active military duty. It is meant to capture those persons who are capable of working and could work if suitable employment were found. Working population figures are listed in millions.
[2] Civilian Labor Force is a subset of the working population who are currently employed or are actively looking for employment.
[3] Employed is a subset of the civilian labor force who are employed regardless of industry or profession. This is therefore different than non-farm employment, which explicitly does not include those persons employed in the agricultural sector.
[4] Unemployed is a subset of the civilian labor force who are not currently employed but are actively seeking employment.
[5] Not in Labor Force is a subset of the working population who have decided not to be employed nor seek employment.
[6] Labor Force Participation Rate is computed as the Civilian Labor Force divided by the Working Population.

Tables 17, 18, 19, and 20
Data for FY26 Q4 are June 2026 estimates.
Source: IHS Markit - Economics & Country Risk, June 9, 2026 data release.