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GENERAL FUND AND ROAD FUND RECEIPTS
FOR JULY 2021

General Fund receipts increase 8.4 percent
Road Fund receipts increase 0.3 percent

FRANKFORT, KY - (Tuesday, August 10, 2021) - State Budget Director John Hicks announced today that Kentucky's General Fund receipts for July, the first month of Fiscal Year 2022 (FY22), totaled \$981.5 million, an 8.4 percent increase compared to July 2020 receipts. The \$76.4 million increase in revenues was concentrated in the sales tax and business taxes. Most of the major revenue categories increased.

Due to the large revenue surplus from FY21, revenues can still decline by 7.7 percent compared to FY21 actual receipts to meet the official revenue estimate. Both the General Fund and Road Fund estimates for FY22 will be revised this fall to provide new revenue forecasts before the next budget cycle.

State Budget Director Hicks noted that in the first month of the new fiscal year, many accounts continued the strong growth patterns witnessed in FY21. "Major business taxes were the primary source of new money in July, with the combination of the corporation income tax and the limited liability entity tax contributing \$33.9 million of the \$76.4 million of nominal growth for the month. These major business taxes grew 38.1 percent in FY21, and this pattern has continued in the first month of FY22. Kentucky businesses are seeing increased corporate profits with a 14.3 percent growth rate in FY21 over the prior year. Sales tax receipts also continued their path of robust performance with the sales tax growing by 7.5 percent in July, adding an additional \$30.7 million in nominal growth. The Consensus Forecasting Group (CFG) will meet on August 13th for the first in a series of three meetings culminating in December with the official consensus estimates for FY22 through FY24."

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Among the major accounts:

- Individual income tax receipts grew 1.5 percent as withholding collections rose 4.1 percent to offset a significant decline in estimated payments.
- Sales tax revenues grew 7.5 percent totaling \$441.9 million.
- Combined corporation income and LLET receipts were \$33.9 million more than last July.
- Cigarette tax collections fell 27.9 percent for the month, extending a recent trend of volatile receipts.
- Property tax receipts fell 3.4 percent, primarily due to declines in tangible property and the public service property tax. July is historically a low month for property tax collections.
- Coal severance tax revenues grew 54.4 percent to \$5.0 million.
- Lottery revenues increased by \$3 million to \$22.0 million.

Road Fund revenues for July totaled \$137.9 million, a 0.3 percent increase compared to last July. To meet the official Road Fund revenue estimate for FY22 revenues can decline 2.0 percent compared to FY21 actual receipts. Based on the first month's receipts, revenues can fall 2.2 percent for the rest of the fiscal year and still meet budgeted levels. Like the General Fund, new official Road Fund revenues estimates will be established by the CFG in December.

Among the major Road Fund categories:

- Motor fuels tax receipts grew 5.5 percent.
- Motor vehicle usage tax rose just 0.9 percent, but the level of collections remained quite high at \$53.7 million.
- License and privilege taxes fell 20.8 percent due to a large decline in motor vehicle license taxes.

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TEAM
KENTUCKY

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>JULY</u> <u>2021</u>	<u>JULY</u> <u>2020</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$981,481,593	\$905,134,293	8.4%
Tax Receipts	\$943,301,009	\$868,866,961	8.6%
Sales and Gross Receipts	\$496,461,133	\$467,683,089	6.2%
Beer Consumption	737,380	539,173	36.8%
Beer Wholesale	8,010,303	6,479,333	23.6%
Cigarette	22,087,895	30,625,251	-27.9%
Distilled Spirits Case Sales	21,736	18,229	19.2%
Distilled Spirits Consumption	1,915,362	1,605,020	19.3%
Distilled Spirits Wholesale	6,428,396	5,409,022	18.8%
Insurance Premium	168,474	502,746	-66.5%
Pari-Mutuel	2,879,691	1,378,811	108.9%
Race Track Admission	44,073	0	---
Sales and Use	441,889,241	411,127,172	7.5%
Wine Consumption	396,014	302,036	31.1%
Wine Wholesale	1,731,310	1,599,120	8.3%
Telecommunications Tax	6,109,165	5,984,547	2.1%
Other Tobacco Products	4,040,749	2,112,105	91.3%
Floor Stock Tax	1,343	524	156.3%
Natural Resources	\$7,242,079	\$5,604,476	29.2%
Coal Severance	4,980,099	3,224,555	54.4%
Oil Production	290,113	187,904	54.4%
Minerals Severance	1,722,219	1,941,702	-11.3%
Natural Gas Severance	249,648	250,315	-0.3%
Individual Income Tax	\$368,496,666	\$363,191,001	1.5%
Withholding	363,145,438	348,970,430	4.1%
Declarations	10,505,767	18,693,203	-43.8%
Net Returns	(4,585,228)	(5,046,710)	---
Fiduciary	(569,311)	574,077	---
Major Business Taxes	\$51,136,619	\$17,235,725	196.7%
Corporation Income	42,298,871	10,418,987	306.0%
LLET	8,837,748	6,816,737	29.6%
Property	\$13,351,441	\$13,817,424	-3.4%
General - Real	19,683	67,447	-70.8%
General - Tangible	55,338	826,075	-93.3%
Tangible - Motor Vehicle	13,732,018	13,132,900	4.6%
Omitted & Delinquent	(1,035,621)	(1,313,084)	---
Public Service	570,105	1,082,212	-47.3%
Other	9,916	21,875	-54.7%
Inheritance Tax	\$4,654,674	\$5,323,684	-12.6%
Miscellaneous	\$1,958,399	(\$3,988,437)	---
License and Privilege	\$235,861	\$146,707	60.8%
Bank Franchise	\$111,776	\$62,060	80.1%
Legal Process	896,111	716,423	25.1%
T. V. A. In Lieu Payments	714,650	(5,167,786)	---
Other	0	254,159	-100.0%
Nontax Receipts	\$33,592,913	\$31,551,528	6.5%
Departmental Fees	685,752	1,033,564	-33.7%
PSC Assessment Fee	11,922,678	13,681,547	-12.9%
Fines & Forfeitures	1,538,574	861,992	78.5%
Income on Investments	(60,989)	(72,850)	---
Lottery	22,000,000	19,000,000	15.8%
Miscellaneous	(2,493,102)	(2,952,725)	---
Redeposit of State Funds	\$4,587,671	\$4,715,805	-2.7%

2. ROAD FUND REVENUE

	<u>JULY</u> <u>2021</u>	<u>JULY</u> <u>2020</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$137,918,397	\$137,527,010	0.3%
Tax Receipts-	\$134,710,971	\$134,955,153	-0.2%
Sales and Gross Receipts	\$119,055,952	\$115,180,170	3.4%
Motor Fuels Taxes	65,376,785	61,972,924	5.5%
Motor Vehicle Usage	53,679,167	53,207,246	0.9%
License and Privilege	\$15,655,020	\$19,774,983	-20.8%
Motor Vehicles	4,176,186	9,887,697	-57.8%
Motor Vehicle Operators	2,665,546	1,774,975	50.2%
Weight Distance	8,124,357	7,249,130	12.1%
Truck Decal Fees	16,000	23,060	-30.6%
Other Special Fees	672,930	840,120	-19.9%
Nontax Receipts	\$3,016,497	\$2,551,771	18.2%
Departmental Fees	2,111,725	2,090,831	1.0%
In Lieu of Traffic Fines	17,130	12,735	34.5%
Income on Investments	582,295	197,492	194.8%
Miscellaneous	305,347	250,713	21.8%
Redeposit of State Funds	\$190,928	\$20,087	850.5%

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