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GENERAL FUND AND ROAD FUND RECEIPTS
FOR DECEMBER 2014

General Fund receipts rose 0.5 percent
Road Fund receipts rose 2.0 percent

FRANKFORT, Ky. (Monday, January 12, 2015) - The Office of State Budget Director reported today that December's General Fund receipts rose 0.5 percent compared to December of last year, an increase of \$5.0 million. Total revenues for the month were \$917.6 million, compared to \$912.6 million during December 2013. Receipts have increased 3.5 percent for the first six months of the fiscal year that ends June 30, 2015 (FY15). The official revenue forecast for FY15 calls for 3.6 percent revenue growth. Revenues would need to grow 3.7 percent for the last six months of the fiscal year to meet the budgeted estimate.

State Budget Director Jane Driskell noted it is an encouraging sign that General Fund revenues increased in spite of declines in sales and property taxes and only moderate growth in individual income tax collections. "We recognized last month that some of November's outstanding growth was likely attributable to timing issues and that has played out in December. If you look at General Fund growth from the November/December period in the current fiscal year compared to the same period in FY14, the combined period would have grown at a solid 6.3 percent. During that same combined period, individual income grew at 8.8 percent and sales at 5.2 percent. With half of the year on the books, the month-to-month variations are less important than the year-to-date totals.

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With the solid growth through the first six months, it appears we are more likely to meet the official revenue estimates,” said Driskell.

Among the major accounts:

- Individual income tax collections rose 4.3 percent in December. November receipts swelled 13.7 percent, so the timing of collections may be the culprit for the slower rate of growth -- as mentioned above. Year-to-date collections in this account have increased 6.4 percent due primarily to a 6.3 percent growth in withholding collections.
- Corporation income tax receipts increased 22.0 percent but are down 9.4 percent for the year. December is an indicator for possible estimated-payment growth later in the fiscal year.
- Sales and use tax receipts fell 0.7 percent in December but have increased 4.5 percent for the year. November growth was 11.8 percent, so a December slowdown was not surprising.
- Property tax collections declined 13.4 percent but are up 2.3 percent for the year.
- Cigarette tax receipts declined 0.5 percent in December and for the first six months are down 4.1 percent.
- Coal severance tax receipts decreased 12.3 percent in December and have dropped 6.3 percent for the year.

Road Fund receipts increased 2.0 percent in December with collections of \$123.6 million and have grown 1.1 percent for the year. Official Road Fund estimates call for a decrease in revenues of 0.9 percent for the fiscal year. Based on year-to-date tax collections, revenues can decline 2.9 percent for the remainder of FY15 to meet the estimate. Driskell noted that even though Road Fund collections are slightly ahead of pace to meet the official estimate, receipts will slow in the second half of the year. “The motor fuels tax rate declined 4.3 cents per gallon for the period January – March and the effects of the drop will be felt beginning in February. Additionally, the Department of Revenue is currently determining the tax rate for the final quarter of the fiscal year and with gas prices at their current level, it is very likely that the tax rate will fall further.”

Among the accounts, motor fuels receipts fell 1.1 percent in December, but are up 0.9 percent for the first six months. Motor vehicle usage revenue declined 0.9 percent in December and has decreased 0.7 percent year-to-date. License and privilege receipts increased 27.3 percent for the month and have grown 4.9 percent for the year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	DECEMBER			JULY THROUGH DECEMBER		
	2014	2013	% Change	FY 2015	FY 2014	% Change
TOTAL GENERAL FUND	\$917,568,262	\$912,645,057	0.5%	\$4,877,338,778	\$4,712,452,320	3.5%
Tax Receipts	\$890,998,043	\$888,968,545	0.2%	\$4,693,479,311	\$4,540,308,446	3.4%
Sales and Gross Receipts	\$306,541,605	\$308,880,934	-0.8%	\$1,893,971,565	\$1,826,133,520	3.7%
Beer Consumption	416,683	510,959	-18.5%	3,113,203	3,215,611	-3.2%
Beer Wholesale	3,896,281	4,749,665	-18.0%	29,642,833	30,503,617	-2.8%
Cigarette	18,460,622	18,545,894	-0.5%	112,315,711	117,173,478	-4.1%
Distilled Spirits Case Sales	11,011	10,119	8.8%	65,634	63,174	3.9%
Distilled Spirits Consumption	998,568	933,445	7.0%	6,166,887	5,866,406	5.1%
Distilled Spirits Wholesale	3,122,690	2,723,226	14.7%	17,825,011	16,659,286	7.0%
Insurance Premium	6,966	25,000	-72.1%	44,704,759	43,326,674	3.2%
Pari-Mutuel	195,761	175,411	11.6%	1,379,775	842,097	63.8%
Race Track Admission	48,403	2,072	2235.6%	145,963	105,115	38.9%
Sales and Use	270,604,179	272,414,569	-0.7%	1,626,908,119	1,557,141,336	4.5%
Wine Consumption	290,565	161,732	79.7%	1,472,455	1,403,423	4.9%
Wine Wholesale	1,668,321	1,399,339	19.2%	8,055,116	7,358,774	9.5%
Telecommunications Tax	5,382,457	5,412,554	-0.6%	31,442,383	31,843,724	-1.3%
Other Tobacco Products	1,439,098	1,818,357	-20.9%	10,732,714	10,633,052	0.9%
Floor Stock Tax	0	(1,408)	---	1,001	(2,246)	---
License and Privilege	\$40,207,983	\$45,610,343	-11.8%	\$206,269,750	\$225,946,967	-8.7%
Alc. Bev. License Suspension	25,950	14,400	80.2%	220,430	163,265	35.0%
Coal Severance	16,546,798	18,877,703	-12.3%	97,550,789	104,093,800	-6.3%
Corporation License	21,138	6,085	247.4%	303,930	404,718	-24.9%
Corporation Organization	24,850	920	2601.1%	37,591	20,777	80.9%
Occupational Licenses	7,992	6,583	21.4%	72,907	70,606	3.3%
Oil Production	802,648	733,176	9.5%	6,563,078	6,458,483	1.6%
Race Track License	107,575	10,150	959.9%	238,350	135,150	76.4%
Bank Franchise Tax	123,132	97,902	25.8%	(16,159)	2,266,310	---
Driver License Fees	45,745	45,967	-0.5%	351,707	321,642	9.3%
Minerals Severance	669,475	1,497,716	-55.3%	8,575,460	8,876,584	-3.4%
Natural Gas Severance	1,545,786	1,972,783	-21.6%	9,343,509	9,191,167	1.7%
Limited Liability Entity	20,286,894	22,346,959	-9.2%	83,028,158	93,944,464	-11.6%
Income	\$421,086,861	\$391,960,176	7.4%	\$2,184,739,846	\$2,087,219,438	4.7%
Corporation	83,555,038	68,459,711	22.0%	208,854,950	230,645,842	-9.4%
Individual	337,531,823	323,500,465	4.3%	1,975,884,896	1,856,573,595	6.4%
Property	\$118,626,991	\$136,959,467	-13.4%	\$370,430,077	\$362,031,669	2.3%
Building & Loan Association	0	0	---	(498,150)	5,753	---
General - Real	75,001,600	71,810,305	4.4%	184,469,693	180,119,270	2.4%
General - Tangible	35,367,252	59,987,711	-41.0%	131,191,308	121,606,849	7.9%
Omitted & Delinquent	2,840,951	2,642,756	7.5%	6,033,049	11,015,249	-45.2%
Public Service	5,414,102	2,518,694	115.0%	48,380,070	44,058,575	9.8%
Other	3,086	1	---	854,106	5,225,972	-83.7%
Inheritance	\$2,665,859	\$3,442,454	-22.6%	25,785,961	24,076,572	7.1%
Miscellaneous	\$1,868,744	\$2,115,171	-11.7%	\$12,282,111	\$14,900,280	-17.6%
Legal Process	1,084,519	1,136,388	-4.6%	7,531,125	8,105,173	-7.1%
T. V. A. In Lieu Payments	784,225	978,784	-19.9%	4,747,082	6,794,715	-30.1%
Other	0	0	---	3,904	392	895.8%
Nontax Receipts	\$26,708,018	\$23,232,760	15.0%	\$182,960,060	\$170,906,459	7.1%
Departmental Fees	1,724,934	1,933,582	-10.8%	7,164,730	8,220,362	-12.8%
PSC Assessment Fee	50	0	---	14,671,653	14,699,356	-0.2%
Fines & Forfeitures	1,588,755	1,768,841	-10.2%	11,119,926	12,137,638	-8.4%
Income on Investments	(96,067)	(43,048)	---	(392,431)	(698,437)	---
Lottery	19,500,000	17,500,000	11.4%	109,500,000	103,139,743	6.2%
Sale of NOx Credits	0	9,438	-100.0%	27,594	48,438	-43.0%
Miscellaneous	3,990,346	2,063,948	93.3%	40,868,589	33,359,359	22.5%
Redeposit of State Funds	(\$137,798)	\$443,753	---	899,407	1,237,415	-27.3%

2. ROAD FUND REVENUE

	<u>DECEMBER</u>			<u>JULY THROUGH DECEMBER</u>		
	<u>2014</u>	<u>2013</u>	<u>% Change</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$123,624,555	\$121,145,867	2.0%	\$784,862,700	\$776,002,756	1.1%
Tax Receipts-	122,352,344	121,031,376	1.1%	\$772,292,319	\$764,977,090	1.0%
Sales and Gross Receipts	\$110,831,400	\$111,978,060	-1.0%	\$677,920,036	\$675,049,261	0.4%
Motor Fuels Taxes	76,726,681	77,571,793	-1.1%	462,437,983	458,153,342	0.9%
Motor Vehicle Usage	34,104,719	34,406,267	-0.9%	215,482,053	216,895,919	-0.7%
License and Privilege	\$11,520,945	\$9,053,316	27.3%	\$94,372,283	\$89,927,829	4.9%
Motor Vehicles	6,689,758	6,187,325	8.1%	40,598,310	36,587,472	11.0%
Motor Vehicle Operators	1,125,953	1,135,119	-0.8%	8,138,558	8,122,669	0.2%
Weight Distance	2,701,417	796,583	239.1%	40,546,877	38,693,064	4.8%
Truck Decal Fees	7,183	1,632	340.1%	31,460	22,019	42.9%
Other Special Fees	996,633	932,656	6.9%	5,057,078	6,502,605	-22.2%
Nontax Receipts	\$920,678	\$71,648	1185.0%	\$10,090,180	\$9,251,799	9.1%
Departmental Fees	879,974	797,718	10.3%	7,978,591	7,695,325	3.7%
In Lieu of Traffic Fines	42,861	38,966	10.0%	243,208	265,354	-8.3%
Income on Investments	(258,236)	(817,004)	---	1,255,726	870,877	44.2%
Miscellaneous	256,079	51,969	392.8%	612,655	420,242	45.8%
Redeposit of State Funds	351,532	42,843	720.5%	\$2,480,201	\$1,773,867	39.8%

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