



Office of State Budget Director

284 Capitol Annex, 702 Capitol Avenue
Frankfort, Kentucky 40601

Matthew G. Bevin
Governor

(502) 564-7300
Internet: osbd.ky.gov

John E. Chilton
State Budget Director

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

For Immediate Release
September 9, 2016

Contact: John E. Chilton
Greg Harkenrider
502-564-7300

GENERAL FUND AND ROAD FUND RECEIPTS
FOR AUGUST 2016
General Fund receipts fell 0.2 Percent
Road Fund receipts rose 4.3 percent

FRANKFORT, Ky. (Friday, September 9, 2016) - State Budget Director John Chilton reported today that General Fund receipts decreased 0.2 percent in August compared to last year. Total revenues for the month were \$721.4 million, compared to \$722.9 million during August 2015. So far this fiscal year (FY17), General Fund receipts have increased 2.3 percent.

Chilton noted that even though there have been fluctuations in collections in the first two months of the fiscal year, receipts seem to be on track to meet the official estimate "August revenues were nearly flat following 4.8 percent growth in July. During the span between May 1 and August 31, total General Fund collections have fallen compared to the same summer months last year. While we still seem to be on pace to hit the budgeted revenue target for FY17, the recent revenue slowdown confirms the need for cautious spending and diligent management of resources. We will continue to monitor the fiscal condition of the Commonwealth for trends related to the economy or specific taxes."

The official revenue estimate for FY17 calls for revenue to increase 2.7 percent compared to FY16 actual receipts. Based on the August results, General Fund revenues need to grow 2.7 percent for the remainder of the fiscal year to meet the official estimate.

-more-

Among the major accounts:

- Individual income taxes decreased 2.8 percent due to a 4.0 percent decline withholding payments. The remaining three components of the tax, declarations, net returns and fiduciary, all showed modest increases.
- Sales tax revenues rose 1.7 percent and have increased 2.5 percent through the first two months of the fiscal year.
- Corporation income tax collections increased \$1.2 million as declaration payments were almost completely offset by a decline in net refunds. Year-to-date receipts have grown by \$7.6 million.
- Cigarette taxes grew 5.5 percent but have fallen 2.5 percent for the year.
- Property taxes decreased 6.6 percent but have grown 8.0 percent for the fiscal year. (Most property tax collections are concentrated later in the fiscal year.)
- Coal severance tax collections improved relative to July when collections were at an all-time low of \$6.9 million. Receipts in August fell 24.6 percent and are down 36.5 percent through the first two months of the fiscal year.
- Lottery revenues grew 2.8 percent to \$18.5 million.

Road Fund revenue grew 4.3 percent in August with revenues of \$139.2 million. Motor vehicle usage tax collections and motor fuels receipts together were essentially flat, increasing only \$100,000 for the month. The increase in revenues came from motor vehicle license and weight distance collections. The increases offset timing issues from July. The official Road Fund revenue estimate calls for a 1.7 percent decrease in receipts for the entire fiscal year (FY17). Based on year-to-date collections, revenues can decline 2.1 percent for the remainder of the fiscal year to meet the estimate.

Among the accounts:

- Motor fuels fell 0.4 percent in August but have increased 0.7 percent for the year.
- Motor vehicle usage collections increased 0.8 percent for the month but have declined 4.0 percent for the first two months of the fiscal year.
- License and privilege tax grew 21.6 percent.
- Nontax receipts increased \$1.0 million and are down \$100,000 for the year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>AUGUST</u> <u>2016</u>	<u>AUGUST</u> <u>2015</u>	<u>% Change</u>	<u>JULY THROUGH</u> <u>FY 2017</u>	<u>JULY THROUGH</u> <u>FY 2016</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$721,412,105	\$722,891,829	-0.2%	\$1,490,700,113	\$1,456,674,506	2.3%
Tax Receipts	\$702,091,716	\$708,571,764	-0.9%	\$1,441,559,336	\$1,412,454,925	2.1%
Sales and Gross Receipts	\$333,485,243	\$327,277,933	1.9%	\$691,117,339	\$678,049,460	1.9%
Beer Consumption	516,697	595,382	-13.2%	1,085,487	1,316,963	-17.6%
Beer Wholesale	5,078,353	5,653,208	-10.2%	11,036,400	12,612,786	-12.5%
Cigarette	20,005,407	18,957,060	5.5%	39,601,474	40,596,987	-2.5%
Distilled Spirits Case Sales	10,599	11,027	-3.9%	24,417	24,559	-0.6%
Distilled Spirits Consumption	1,002,406	1,032,015	-2.9%	2,302,823	2,310,132	-0.3%
Distilled Spirits Wholesale	2,964,262	3,016,819	-1.7%	6,846,681	6,788,280	0.9%
Insurance Premium	1,295,215	233,055	455.8%	1,305,236	238,437	447.4%
Pari-Mutuel	361,013	425,657	-15.2%	796,410	653,482	21.9%
Race Track Admission	80,349	0	---	80,349	111,140	-27.7%
Sales and Use	293,656,716	288,684,428	1.7%	610,556,434	595,579,655	2.5%
Wine Consumption	213,464	229,037	-6.8%	476,466	487,516	-2.3%
Wine Wholesale	1,263,239	1,262,788	0.0%	2,640,399	2,743,257	-3.7%
Telecommunications Tax	5,334,331	5,337,042	-0.1%	10,796,620	10,902,099	-1.0%
Other Tobacco Products	1,703,180	1,840,415	-7.5%	3,568,099	3,679,651	-3.0%
Floor Stock Tax	15	0	---	43	4,516	-99.0%
License and Privilege	\$278,903	(\$926,400)	---	(\$1,459,955)	(\$527,153)	---
Alc. Bev. License Suspension	35,650	47,725	-25.3%	85,200	71,075	19.9%
Corporation License	8,881	27,776	-68.0%	10,280	38,109	-73.0%
Corporation Organization	5,945	0	---	5,945	0	---
Occupational Licenses	13,818	13,263	4.2%	28,434	45,453	-37.4%
Race Track License	95,000	0	---	95,000	132,500	-28.3%
Bank Franchise Tax	60,148	(1,071,801)	---	(1,807,853)	(931,908)	---
Driver License Fees	59,461	56,637	5.0%	123,039	117,618	4.6%
Natural Resources	\$11,217,538	\$14,014,392	-20.0%	\$20,059,186	\$30,678,567	-34.6%
Coal Severance	8,438,578	11,186,295	-24.6%	15,411,778	24,272,470	-36.5%
Oil Production	394,967	541,142	-27.0%	850,361	1,186,085	-28.3%
Minerals Severance	1,959,151	1,618,107	21.1%	3,145,935	3,805,902	-17.3%
Natural Gas Severance	424,841	668,849	-36.5%	651,113	1,414,110	-54.0%
Income	\$326,502,978	\$335,734,165	-2.7%	\$683,760,493	\$656,346,910	4.2%
Corporation	(9,707,025)	(10,868,843)	---	14,395,488	6,772,219	112.6%
Individual	330,215,545	339,729,378	-2.8%	664,341,866	632,930,556	5.0%
Limited Liability Entity	5,994,458	6,873,629	-12.8%	5,023,139	16,644,135	-69.8%
Property	\$24,550,501	\$26,299,189	-6.6%	\$37,036,418	\$34,291,663	8.0%
Building & Loan Association	16,633	0	---	16,633	0	---
General - Real	39,731	134,097	-70.4%	6,519	87,305	-92.5%
General - Tangible	9,676,089	10,049,700	-3.7%	21,132,389	19,545,014	8.1%
Omitted & Delinquent	3,189,027	2,263,606	40.9%	812,374	(2,240,280)	---
Public Service	11,624,206	13,846,829	-16.1%	15,063,688	16,894,666	-10.8%
Other	4,815	4,958	-2.9%	4,815	4,958	-2.9%
Inheritance Tax	\$4,174,447	\$4,014,257	4.0%	\$7,227,861	\$9,591,934	-24.6%
Miscellaneous	\$1,882,106	\$2,158,229	-12.8%	\$3,817,994	\$4,023,544	-5.1%
Legal Process	1,029,626	1,374,004	-25.1%	2,116,958	2,455,095	-13.8%
T. V. A. In Lieu Payments	848,556	784,225	8.2%	1,697,112	1,568,450	8.2%
Other	3,924	0	---	3,924	0	---
Nontax Receipts	\$18,580,996	\$14,210,348	30.8%	\$48,833,546	\$43,880,460	11.3%
Departmental Fees	1,062,364	832,136	27.7%	1,870,773	1,757,928	6.4%
PSC Assessment Fee	365,784	163,213	124.1%	12,907,059	10,760,481	19.9%
Fines & Forfeitures	1,579,213	1,795,909	-12.1%	3,283,710	3,754,179	-12.5%
Income on Investments	(49,102)	(58,591)	---	(32,581)	(92,867)	---
Lottery	18,500,000	18,000,000	2.8%	36,000,000	35,000,000	2.9%
Sale of NOx Credits	0	0	---	0	0	---
Miscellaneous	(2,877,264)	(6,522,318)	---	(5,195,416)	(7,299,261)	---
Redeposit of State Funds	\$739,394	\$109,717	573.9%	\$307,231	\$339,122	-9.4%

	<u>AUGUST</u>	<u>AUGUST</u>	<u>% Change</u>	<u>JULY THROUGH AUGUST</u>		<u>% Change</u>
	<u>2016</u>	<u>2015</u>		<u>FY 2017</u>	<u>FY 2016</u>	
TOTAL STATE ROAD FUND	\$139,239,342	\$133,488,053	4.3%	\$261,061,672	\$261,099,033	0.0%
Tax Receipts	\$137,340,284	\$132,537,069	3.6%	\$258,062,239	\$258,002,729	0.0%
Sales and Gross Receipts	\$110,883,834	\$110,777,287	0.1%	\$217,277,831	\$220,103,199	-1.3%
Motor Fuels Taxes	63,836,966	64,123,284	-0.4%	128,276,419	127,364,954	0.7%
Motor Vehicle Usage	47,046,868	46,654,003	0.8%	89,001,412	92,738,245	-4.0%
License and Privilege	\$26,456,451	\$21,759,782	21.6%	\$40,784,407	\$37,899,530	7.6%
Motor Vehicles	8,139,372	5,764,165	41.2%	13,966,759	13,894,115	0.5%
Motor Vehicle Operators	1,376,341	1,420,127	-3.1%	2,791,538	2,806,014	-0.5%
Weight Distance	15,837,455	14,010,160	13.0%	20,035,620	19,934,680	0.5%
Truck Decal Fees	1,980	19,986	-90.1%	2,010	25,366	-92.1%
Other Special Fees	1,101,303	545,344	101.9%	3,988,480	1,239,355	221.8%
Nontax Receipts	\$1,757,969	\$816,245	115.4%	\$2,862,809	\$2,999,761	-4.6%
Departmental Fees	1,525,317	795,446	91.8%	2,464,893	2,698,495	-8.7%
In Lieu of Traffic Fines	33,375	44,749	-25.4%	62,370	72,222	-13.6%
Income on Investments	(94,829)	(85,367)	---	(25,044)	167,998	---
Miscellaneous	294,106	61,416	378.9%	360,590	61,045	490.7%
Redeposit of State Funds	\$141,088	\$134,739	4.7%	136,624	\$96,543	41.5%

An electronic version of this report is available for viewing and downloading in PDF format at the Office of the State Budget Director's web site. To access this report, set your browser to <http://www.osbd.ky.gov>.