



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
April 10, 2017

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

GENERAL FUND AND ROAD FUND RECEIPTS
FOR MARCH 2017

General Fund receipts decreased 11.4 percent
Road Fund receipts increased 3.2 percent

FRANKFORT, Ky. (Monday, April 10, 2017) - The Office of State Budget Director reported today that March's General Fund receipts fell 11.4 percent compared to March of last year, a decrease of \$99.2 million. Total revenues for the month were \$770.9 million, compared to \$870.1 million during March 2016. Receipts have now grown 1.2 percent for the first nine months of FY17. For the quarter, total General Fund collections declined 3.2 percent, thus marking the first quarterly decline since the second quarter of FY14. Growth rates for the three quarters of FY17 have been 3.4, 3.3 and -3.2 percent.

The official revenue estimate calls for 2.7 percent revenue growth for the fiscal year. To meet the estimate, receipts must grow 6.6 percent over the last three months of FY17.

State Budget Director John Chilton noted that General Fund revenue collections were adversely affected this month by the individual and corporation income accounts. "Net of refunds, corporation income tax receipts declined by \$67.4 million compared to last year, while individual income tax revenue, net of refunds, fell \$44.7 million in the month of March. We believe that the decline involves issues of administrative timing and that seems to be the case in March. On the corporate side, the due date for federal corporate tax returns was permanently changed from March 15 until April 15, so we expect April receipts to include payments that in the past that would have been

-more-

made in March. The quarterly decline of 3.2 percent means that General Fund collections need to grow 6.6 percent in the final quarter of the year to reach the official forecast. Fourth quarter collections last year grew only 0.6 percent which leaves open the possibility of strong growth for the final three months of FY17 to end the fiscal year somewhere near, yet likely below, the official estimate.”

Among the major accounts:

- Sales and use tax receipts decreased 1.1 percent for the month but have grown 0.6 percent year-to-date. Receipts have now fallen in five of the last six months.
- Corporation income tax receipts fell 89.3 percent as both declarations and net returns declined. For the year, collections have decreased 6.7 percent.
- Individual income tax collections declined 15.0 percent in March as withholding, net return and fiduciary fell while declarations posted a small gain. In addition, last year the Department of Revenue delayed refunds so that they could more closely screen returns for fraudulent claims. This year, refunds have not been delayed. Collections have grown 2.4 percent through the first nine months of FY17.
- Property tax collections fell 1.9 percent for the month but have grown 2.8 percent year-to-date.
- Cigarette tax receipts increased 8.3 percent but have declined 2.2 percent year-to-date.
- Coal severance tax collections continue to rebound from their historic low, increasing for the third consecutive month. Collections rose 8.2 percent in March but have decreased 20.7 percent through the first nine months of the fiscal year.

Road Fund receipts grew 3.2 percent in March 2017 with collections of \$130.7 million, \$4.1 million more than last March. Through the first nine months of FY17, receipts have increased 1.8 percent. For the third quarter, total Road Fund collections rose 5.4 percent. Growth rates for the three quarters this fiscal year are 3.6, -3.6 and 5.4 percent. The official Road Fund revenue estimate calls for revenues to decline 1.7 percent for the fiscal year. Based on year-to-date tax collections, revenues can fall 11.8 percent for the remainder of FY17 and still meet that estimate. Among the accounts, motor fuels fell 1.4 percent, motor vehicle usage revenue increased 7.2 percent, and license and privilege receipts grew 3.2 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>MARCH</u> <u>2017</u>	<u>MARCH</u> <u>2016</u>	<u>% Change</u>	<u>JULY THROUGH MARCH</u> <u>FY 2017</u>	<u>JULY THROUGH MARCH</u> <u>FY 2016</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$770,922,677	\$870,117,908	-11.4%	\$7,604,054,485	\$7,513,983,645	1.2%
Tax Receipts	\$740,263,544	\$846,117,588	-12.5%	\$7,348,933,339	\$7,267,636,303	1.1%
Sales and Gross Receipts	\$307,314,713	\$311,099,015	-1.2%	\$3,011,899,378	\$2,999,623,166	0.4%
Beer Consumption	506,962	434,153	16.8%	4,605,040	4,759,132	-3.2%
Beer Wholesale	4,679,781	3,630,399	28.9%	44,130,011	45,079,049	-2.1%
Cigarette	20,302,190	18,738,304	8.3%	163,248,303	166,891,077	-2.2%
Distilled Spirits Case Sales	14,249	9,505	49.9%	115,188	105,358	9.3%
Distilled Spirits Consumption	1,307,713	897,611	45.7%	10,674,988	9,899,406	7.8%
Distilled Spirits Wholesale	3,873,029	2,637,458	46.8%	32,838,402	29,673,669	10.7%
Insurance Premium	15,523,038	21,640,680	-28.3%	99,853,309	97,355,660	2.6%
Pari-Mutuel	881,026	537,132	64.0%	4,029,469	2,771,728	45.4%
Race Track Admission	0	0	---	141,991	190,880	-25.6%
Sales and Use	251,446,318	254,175,132	-1.1%	2,578,166,009	2,563,654,091	0.6%
Wine Consumption	160,189	219,114	-26.9%	2,309,008	2,428,321	-4.9%
Wine Wholesale	1,807,657	1,231,723	46.8%	13,942,211	12,752,229	9.3%
Telecommunications Tax	5,093,404	5,295,321	-3.8%	41,810,325	48,335,299	-13.5%
Other Tobacco Products	1,719,158	1,651,166	4.1%	16,029,086	15,719,361	2.0%
Floor Stock Tax	0	1,316	-100.0%	6,040	7,906	-23.6%
License and Privilege	\$98,307,222	\$99,773,830	-1.5%	\$104,904,413	\$108,907,085	-3.7%
Alc. Bev. License Suspension	11,100	36,150	-69.3%	284,253	373,501	-23.9%
Corporation License	18,326	70,226	-73.9%	6,746	143,587	-95.3%
Corporation Organization	3,690	0	---	971,452	91,685	959.6%
Occupational Licenses	23,669	32,256	-26.6%	106,534	137,427	-22.5%
Race Track License	0	0	---	227,475	276,150	-17.6%
Bank Franchise Tax	98,188,030	99,579,468	-1.4%	102,789,317	107,403,136	-4.3%
Driver License Fees	62,408	55,730	12.0%	518,637	481,599	7.7%
Natural Resources	\$11,851,024	\$10,001,285	18.5%	\$99,374,746	\$120,273,486	-17.4%
Coal Severance	9,285,475	8,585,689	8.2%	77,338,437	97,573,085	-20.7%
Oil Production	491,004	246,058	99.5%	3,825,636	3,673,221	4.1%
Minerals Severance	1,034,151	854,250	21.1%	13,160,344	13,640,809	-3.5%
Natural Gas Severance	1,040,394	315,289	230.0%	5,050,330	5,386,371	-6.2%
Income	\$289,942,256	\$394,114,940	-26.4%	\$3,548,794,761	\$3,465,001,249	2.4%
Corporation	8,039,824	75,399,649	-89.3%	298,061,550	319,540,982	-6.7%
Individual	253,020,475	297,732,437	-15.0%	3,102,169,569	3,029,783,196	2.4%
Limited Liability Entity	28,881,958	20,982,855	37.6%	148,563,642	115,677,071	28.4%
Property	\$25,352,602	\$25,853,273	-1.9%	\$532,334,834	\$517,784,578	2.8%
Building & Loan Association	0	0	---	15,372	(11,881)	---
General - Real	3,135,362	3,571,506	-12.2%	268,531,995	262,503,007	2.3%
General - Tangible	18,160,775	18,160,160	0.0%	191,700,646	190,096,125	0.8%
Omitted & Delinquent	2,863,127	3,481,511	-17.8%	13,555,430	11,448,999	18.4%
Public Service	942,436	343,565	174.3%	56,861,323	52,207,623	8.9%
Other	250,902	296,531	-15.4%	1,670,067	1,540,705	8.4%
Inheritance Tax	\$4,232,031	\$2,901,040	45.9%	\$32,674,162	\$37,374,919	-12.6%
Miscellaneous	\$3,263,696	\$2,374,204	37.5%	\$18,951,045	\$18,671,820	1.5%
Legal Process	1,312,794	1,515,442	-13.4%	10,021,816	11,067,332	-9.4%
T. V. A. In Lieu Payments	1,936,835	848,556	128.3%	8,859,960	7,574,143	17.0%
Other	14,067	10,207	37.8%	69,269	30,345	128.3%
Nontax Receipts	\$29,358,995	\$23,222,185	26.4%	\$247,778,012	\$241,738,956	2.5%
Departmental Fees	2,488,583	2,222,395	12.0%	13,966,994	14,274,542	-2.2%
PSC Assessment Fee	170	415	-58.9%	13,031,700	10,868,823	19.9%
Fines & Forfeitures	1,812,287	2,207,772	-17.9%	13,879,448	15,732,538	-11.8%
Income on Investments	(273,067)	(58,861)	---	(927,633)	(639,239)	---
Lottery	19,500,000	19,000,000	2.6%	176,127,129	169,278,429	4.0%
Sale of NOx Credits	0	0	---	0	0	---
Miscellaneous	5,831,023	(149,536)	---	31,700,373	32,223,864	-1.6%
Redeposit of State Funds	\$1,300,138	\$778,135	67.1%	\$7,343,134	\$4,608,385	59.3%

	<u>MARCH</u> <u>2017</u>	<u>MARCH</u> <u>2016</u>	<u>% Change</u>	<u>JULY THROUGH MARCH</u>		<u>% Change</u>
				<u>FY 2017</u>	<u>FY 2016</u>	
TOTAL STATE ROAD FUND	\$130,657,825	\$126,648,959	3.2%	\$1,119,011,638	\$1,099,451,804	1.8%
Tax Receipts-	\$127,767,627	\$124,808,608	2.4%	\$1,102,055,939	\$1,081,767,933	1.9%
Sales and Gross Receipts	\$105,242,571	\$102,986,094	2.2%	\$940,339,403	\$918,285,630	2.4%
Motor Fuels Taxes	59,371,514	60,213,895	-1.4%	566,511,399	557,439,790	1.6%
Motor Vehicle Usage	45,871,056	42,772,199	7.2%	373,828,004	360,845,840	3.6%
License and Privilege	\$22,525,057	\$21,822,514	3.2%	\$161,716,536	\$163,482,303	-1.1%
Motor Vehicles	19,804,350	18,838,376	5.1%	76,590,392	78,953,687	-3.0%
Motor Vehicle Operators	1,417,328	1,451,080	-2.3%	11,868,391	12,176,855	-2.5%
Weight Distance	455,054	774,995	-41.3%	62,638,710	61,513,964	1.8%
Truck Decal Fees	5,880	(120)	---	31,686	39,300	-19.4%
Other Special Fees	842,445	758,183	11.1%	10,587,357	10,798,496	-2.0%
Nontax Receipts	\$2,940,107	\$2,198,360	33.7%	\$16,391,891	\$17,100,077	-4.1%
Departmental Fees	2,639,395	1,694,437	55.8%	14,246,093	14,737,786	-3.3%
In Lieu of Traffic Fines	37,895	37,295	1.6%	269,006	311,279	-13.6%
Income on Investments	182,346	364,619	-50.0%	608,977	1,475,155	-58.7%
Miscellaneous	80,471	102,009	-21.1%	1,267,816	575,857	120.2%
Redeposit of State Funds	(\$49,909)	(\$358,008)	---	\$563,808	\$583,794	-3.4%

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>.