



Office of State Budget Director

284 Capitol Annex, 702 Capitol Avenue
Frankfort, Kentucky 40601

(502) 564-7300

Internet: osbd.ky.gov

Matthew G. Bevin
Governor

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
June 11, 2018

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

GENERAL FUND, ROAD FUND RECEIPTS DECREASE
IN MAY 2018

General Fund receipts decreased 4.9 percent
Road Fund receipts decreased 2.3 percent

FRANKFORT, Ky. (Friday, June 8, 2018) The Office of State Budget Director reported today that May's General Fund receipts fell 4.9 percent compared to May of last year, a decrease of \$36.5 million. Total revenues for the month were \$703.1 million, compared to \$739.6 million during May 2017. General Fund receipts have now grown 3.4 percent for the first eleven months of FY18.

The official budget estimate calls for 2.3 percent revenue growth for the entire fiscal year. To meet the estimate, receipts can decline 7.6 percent in the final month of the fiscal year. The most recent internal revenue estimate predicts revenues will grow 3.4 percent for the year.

State Budget Director John Chilton noted that with the exception of the sales and gross receipts taxes, receipts were weak across the board. "General Fund receipts in May softened considerably following the 6.3 percent increase in General Fund receipts in April. This reduction was due to the correction of an April accounting error and declines in license and privilege, natural resources, income and property tax collections for the month. The individual income tax fell sharply due to increased refund activity despite the withholding component of the individual income tax rising 6.3 percent during May. With a single month remaining in the fiscal year, revenues are on track to exceed the official budgeted estimate but are in line with the most recent internal forecast."

-more-



Among the major accounts:

- Sales and use tax receipts increased 1.5 percent for the month and have grown 3.0 percent year-to-date.
- Corporation income tax receipts rose \$9.3 million in May and have grown 15.6 percent for the year.
- Individual income tax collections fell 11.1 percent in May due primarily to an April accounting error and increased refund activity. Receipts have now grown 3.9 percent through the first eleven months of FY18.
- While the preponderance of property tax collections occurred earlier in the fiscal year, property tax collections decreased 15.8 percent in May but have grown 2.9 percent year-to-date.
- Cigarette tax receipts rose 0.5 percent in May but have fallen 5.1 percent year-to-date.
- Coal severance tax receipts fell 20.2 percent in May to an all-time low of \$6.1 million. Collections have declined 11.8 percent through the first eleven months of the fiscal year.

Road Fund receipts fell 2.3 percent in May 2018 with collections of \$135.6 million. Year-to-date collections of \$1.38 billion are essentially flat, having fallen 0.1 percent so far this year. The official Road Fund revenue estimate calls for a 0.3 percent decrease in revenues for the fiscal year. Based on year-to-date tax collections, Road Fund revenues can decline 2.5 percent in June and still meet the estimate. The most recent internal revenue estimate predicted revenues would decrease 0.8 percent for the year. Among the accounts, motor fuels taxes grew 0.4 percent and have grown 0.4 percent for the year. Motor vehicle usage tax revenue grew 1.1 percent, while license and privilege receipts fell 10.9 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>MAY</u> <u>2018</u>	<u>MAY</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH MAY</u> <u>FY 2018</u>	<u>FY 2017</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$703,119,517	\$739,572,330	-4.9%	\$9,758,794,834	\$9,439,413,471	3.4%
Tax Receipts	\$680,268,694	\$717,059,126	-5.1%	\$9,459,670,760	\$9,145,109,225	3.4%
Sales and Gross Receipts	\$369,647,424	\$355,041,318	4.1%	\$3,834,196,382	\$3,729,517,623	2.8%
Beer Consumption	490,123	482,576	1.6%	5,528,163	5,627,137	-1.8%
Beer Wholesale	4,593,231	4,469,841	2.8%	52,990,839	53,738,268	-1.4%
Cigarette	19,163,474	19,073,919	0.5%	190,329,906	200,479,373	-5.1%
Distilled Spirits Case Sales	13,261	11,803	12.4%	141,855	140,265	1.1%
Distilled Spirits Consumption	1,217,443	1,101,778	10.5%	13,002,979	12,989,667	0.1%
Distilled Spirits Wholesale	4,063,315	3,436,353	18.2%	41,389,818	40,094,969	3.2%
Insurance Premium	38,767,141	29,781,874	30.2%	145,363,864	130,010,260	11.8%
Pari-Mutuel	1,219,783	846,452	44.1%	7,160,719	6,052,911	18.3%
Race Track Admission	32,120	0	---	195,837	141,991	37.9%
Sales and Use	291,058,929	286,867,260	1.5%	3,283,049,025	3,188,643,029	3.0%
Wine Consumption	271,608	248,137	9.5%	2,868,280	2,818,737	1.8%
Wine Wholesale	1,596,613	1,423,956	12.1%	15,939,691	16,797,540	-5.1%
Telecommunications Tax	5,380,590	5,497,348	-2.1%	56,458,080	52,373,556	7.8%
Other Tobacco Products	1,779,845	1,800,020	-1.1%	19,778,049	19,603,879	0.9%
Floor Stock Tax	(51)	0	---	(725)	6,040	---
License and Privilege	\$172,850	\$1,369,553	-87.4%	\$117,072,308	\$107,214,712	9.2%
Alc. Bev. License Suspension	23,000	18,550	24.0%	471,200	327,603	43.8%
Corporation License	(139)	871	---	6,629	7,143	-7.2%
Corporation Organization	1,650	0	---	49,771	971,452	-94.9%
Occupational Licenses	39,450	48,198	-18.2%	180,151	184,871	-2.6%
Race Track License	40,000	0	---	278,500	239,096	16.5%
Bank Franchise Tax	10,027	1,250,366	-99.2%	115,459,061	104,847,494	10.1%
Driver License Fees	58,862	51,568	14.1%	626,995	637,053	-1.6%
Natural Resources	\$9,680,626	\$10,037,196	-3.6%	\$112,340,602	\$119,670,088	-6.1%
Coal Severance	6,136,610	7,689,472	-20.2%	81,857,815	92,770,070	-11.8%
Oil Production	520,950	435,160	19.7%	4,751,534	4,703,527	1.0%
Minerals Severance	1,789,203	1,220,167	46.6%	16,631,655	15,458,532	7.6%
Natural Gas Severance	1,233,863	692,396	78.2%	9,099,597	6,737,959	35.0%
Income	\$270,986,083	\$315,424,567	-14.1%	\$4,729,168,330	\$4,541,463,328	4.1%
Corporation	(2,398,221)	(11,678,827)	---	382,100,225	330,670,172	15.6%
Individual	266,882,205	300,278,259	-11.1%	4,158,064,957	4,001,785,092	3.9%
Limited Liability Entity	6,502,099	26,825,135	-75.8%	189,003,148	209,008,064	-9.6%
Property	\$24,272,318	\$28,828,712	-15.8%	\$601,203,646	\$584,227,692	2.9%
Building & Loan Association	578,389	520,141	11.2%	609,790	535,513	13.9%
General - Real	2,720,322	2,453,122	10.9%	283,305,097	273,650,393	3.5%
General - Tangible	16,451,834	19,411,741	-15.2%	242,397,506	232,882,003	4.1%
Omitted & Delinquent	2,597,859	2,831,420	-8.2%	13,302,421	13,441,004	-1.0%
Public Service	1,917,845	3,612,289	-46.9%	59,756,071	62,045,811	-3.7%
Other	6,070	0	---	1,832,760	1,672,968	9.6%
Inheritance Tax	\$3,498,280	\$4,439,372	-21.2%	\$44,052,687	\$40,294,835	9.3%
Miscellaneous	2,011,112	1,918,409	4.8%	21,636,806	22,720,948	-4.8%
Legal Process	1,131,566	1,078,253	4.9%	11,898,678	12,108,354	-1.7%
T. V. A. In Lieu Payments	877,300	830,072	5.7%	9,698,311	10,520,104	-7.8%
Other	2,246	10,084	-77.7%	39,818	92,490	-56.9%
Nontax Receipts	\$22,475,597	\$22,303,574	0.8%	\$293,828,559	\$286,372,231	2.6%
Departmental Fees	2,418,923	2,103,221	15.0%	19,554,519	18,243,929	7.2%
PSC Assessment Fee	0	0	---	15,840,076	13,032,139	21.5%
Fines & Forfeitures	1,342,738	1,464,759	-8.3%	16,327,193	17,834,840	-8.5%
Income on Investments	(1,038,824)	(436,016)	---	(7,633,942)	(1,787,781)	---
Lottery	21,000,000	20,500,000	2.4%	217,500,000	216,627,129	0.4%
Miscellaneous	(1,247,240)	(1,328,391)	---	32,240,713	22,421,975	43.8%
Redeposit of State Funds	\$375,227	\$209,630	79.0%	\$5,295,515	\$7,932,015	-33.2%

2. ROAD FUND REVENUE

	<u>MAY</u> <u>2018</u>	<u>MAY</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH MAY</u> <u>FY 2018</u>	<u>FY 2017</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$135,570,475	\$138,692,935	-2.3%	\$1,380,079,386	\$1,381,604,444	-0.1%
Tax Receipts-	\$132,456,916	\$135,338,544	-2.1%	\$1,355,713,147	\$1,359,531,970	-0.3%
Sales and Gross Receipts	\$103,171,447	\$102,467,044	0.7%	\$1,141,360,130	\$1,146,087,201	-0.4%
Motor Fuels Taxes	60,924,453	60,692,866	0.4%	692,725,645	690,173,268	0.4%
Motor Vehicle Usage	42,246,994	41,774,178	1.1%	448,634,485	455,913,932	-1.6%
License and Privilege	\$29,285,469	\$32,871,500	-10.9%	\$214,353,017	\$213,444,769	0.4%
Motor Vehicles	11,824,523	14,694,880	-19.5%	105,051,781	104,117,892	0.9%
Motor Vehicle Operators	1,416,128	1,299,002	9.0%	15,376,938	14,732,503	4.4%
Weight Distance	14,903,252	16,073,445	-7.3%	81,224,166	82,382,354	-1.4%
Truck Decal Fees	90,600	87,402	3.7%	283,989	278,013	2.1%
Other Special Fees	1,050,966	716,771	46.6%	12,416,143	11,934,006	4.0%
Nontax Receipts	\$3,004,065	\$2,875,732	4.5%	\$23,470,891	\$21,012,320	11.7%
Departmental Fees	1,553,378	2,315,737	-32.9%	17,835,256	17,752,311	0.5%
In Lieu of Traffic Fines	30,266	33,841	-10.6%	320,428	337,315	-5.0%
Income on Investments	924,686	438,844	110.7%	2,836,044	1,464,569	93.6%
Miscellaneous	495,736	87,310	467.8%	2,479,163	1,458,124	70.0%
Redeposit of State Funds	\$109,494	\$478,659	-77.1%	\$895,349	\$1,060,155	-15.5%

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>.