



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
August 10, 2018

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

GENERAL FUND AND ROAD FUND RECEIPTS
FOR JULY 2018

General Fund receipts increase 4.7 percent
Road Fund receipts increase 13.8 percent

FRANKFORT, Ky. (Friday, August 10, 2018) - State Budget Director John Chilton announced today Kentucky's General Fund receipts for July, the first month of Fiscal Year 2019 (FY19), totaled \$830.2 million, a 4.7 percent increase compared to July 2017 receipts.

The official revenue estimate for FY19 calls for revenue to grow 3.3 percent compared to FY18 actual receipts. Based on July's receipts, General Fund revenues need to increase 3.2 percent for the remainder of the fiscal year to meet the official estimate. The FY19 official estimate consists of the December 2017 revenue estimate rendered by the Consensus Forecasting Group on December 15, 2017, plus an additional \$192.3 million arising from final passage of HB 487. (House Bill 487 made various changes to the individual and corporation income taxes, as well as the sales and use, and tobacco taxes.)

State Budget Director Chilton noted that the impacts of HB 487 are readily apparent in the July collections. "Cigarette taxes collections rose \$23.3 million over last July which is a direct result of the 50 cent per-pack increase in the cigarette tax, including the corresponding floor stock tax. Additionally, sales tax is now applied to selected services and it is expected to generate an additional \$188.2 million in revenue this year. However, since most of the sales tax collected by retailers in July will not be remitted until August, most of the collections arising from the newly taxable

-more-



services will not be begin until then. Furthermore, revenue gains from the more broadly applied sales tax will be offset somewhat by cuts in the individual and corporation income tax rates. (The top six percent rate has been cut to five percent.) As FY19 progresses, the interplay between the revenue enhancements and the tax cuts will become more clear – but for now, tax receipts are performing as anticipated in the revenue estimation process.”

Among the major accounts:

- Individual income tax receipts rose 0.6 percent but withholding collections declined by 1.8 percent, primarily attributable to the decrease in tax rate.
- Sales tax revenues grew 3.8 percent.
- Corporation income tax collections declined 7.1 percent.
- LLET receipts grew \$4.4 million.
- Cigarette tax collections rose by \$23.3 million in July, primarily attributable to the boost in floor stock taxes.
- Property tax receipts fell 12.0 percent.
- Coal severance tax revenues fell 39.4 percent to an all-time monthly low of \$5.2 million.
- Lottery revenues rose 2.9 percent.

Road Fund revenues for July totaled \$127.7 million, a 13.8 percent increase compared to last July. The official Road Fund revenue estimate for FY19 calls for revenue to decline 0.3 percent compared to FY18 actual receipts. Based on the first month’s receipts, revenues can fall 1.4 percent for the rest of the fiscal year and still meet budgeted levels.

Among the major Road Fund categories:

- Motor fuels tax receipts rose 0.8 percent.
- Motor vehicle usage tax increased 21.6 percent due, in part, to FY17 collections being under-reported as a result of a timing issue.
- License and privilege taxes rose \$5.4 million.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>JULY</u> <u>2018</u>	<u>JULY</u> <u>2017</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$830,236,749	\$792,819,325	4.7%
Tax Receipts	\$797,287,025	\$759,528,750	5.0%
Sales and Gross Receipts	\$391,538,582	\$356,575,557	9.8%
Beer Consumption	577,398	625,500	-7.7%
Beer Wholesale	5,394,343	6,123,404	-11.9%
Cigarette	26,327,867	16,118,124	63.3%
Distilled Spirits Case Sales	15,137	14,270	6.1%
Distilled Spirits Consumption	1,399,118	1,324,476	5.6%
Distilled Spirits Wholesale	4,478,349	4,143,627	8.1%
Insurance Premium	57,922	36,525	58.6%
Pari-Mutuel	672,592	448,703	49.9%
Race Track Admission	86,193	84,182	2.4%
Sales and Use	330,846,618	318,707,682	3.8%
Wine Consumption	254,026	270,038	-5.9%
Wine Wholesale	1,339,763	1,428,191	-6.2%
Telecommunications Tax	5,019,753	5,317,022	-5.6%
Other Tobacco Products	1,948,097	1,933,812	0.7%
Floor Stock Tax	13,121,405	0	---
License and Privilege	\$189,320	(\$646,055)	---
Alc. Bev. License Suspension	21,250	30,050	-29.3%
Corporation License	305	506	-39.7%
Corporation Organization	0	2,395	-100.0%
Occupational Licenses	10,523	12,867	-18.2%
Race Track License	95,000	95,000	0.0%
Bank Franchise Tax	453	(850,135)	---
Driver License Fees	61,790	63,263	-2.3%
Natural Resources	\$8,428,019	\$10,707,240	-21.3%
Coal Severance	5,184,928	8,554,605	-39.4%
Oil Production	536,340	360,571	48.7%
Minerals Severance	1,842,035	1,452,573	26.8%
Natural Gas Severance	864,716	339,490	154.7%
Income	\$377,677,801	\$373,068,725	1.2%
Corporation	22,154,768	23,841,042	-7.1%
Individual	343,869,817	341,921,618	0.6%
Limited Liability Entity	11,653,216	7,306,065	59.5%
Property	\$12,553,323	\$14,268,022	-12.0%
Building & Loan Association	257,579	10,684	2310.9%
General - Real	14,040	(28,262)	---
General - Tangible	11,469,779	9,933,291	15.5%
Omitted & Delinquent	(1,422,229)	(1,889,391)	---
Public Service	2,234,153	6,241,700	-64.2%
Other	0	0	---
Inheritance Tax	\$5,088,943	\$3,783,952	34.5%
Miscellaneous	\$1,811,036	\$1,771,308	2.2%

Volume 57

Number 1

Legal Process	933,736	927,797	0.6%
T. V. A. In Lieu Payments	877,300	830,072	5.7%
Other	0	13,439	-100.0%
Nontax Receipts	\$32,681,652	\$33,667,826	-2.9%
Departmental Fees	712,886	1,298,210	-45.1%
PSC Assessment Fee	13,880,840	15,048,810	-7.8%
Fines & Forfeitures	1,458,990	1,468,058	-0.6%
Income on Investments	21,799	(204,646)	---
Lottery	18,000,000	17,500,000	2.9%
Miscellaneous	(1,392,863)	(1,442,607)	---
Redeposit of State Funds	\$268,072	(\$377,250)	---

2. ROAD FUND REVENUE

	<u>JULY</u> <u>2018</u>	<u>JULY</u> <u>2017</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$127,728,309	\$112,247,831	13.8%
Tax Receipts-	\$124,155,065	\$110,651,846	12.2%
Sales and Gross Receipts	\$107,177,438	\$99,020,235	8.2%
Motor Fuels Taxes	64,204,318	63,668,999	0.8%
Motor Vehicle Usage	42,973,119	35,351,236	21.6%
License and Privilege	\$16,977,627	\$11,631,611	46.0%
Motor Vehicles	8,615,323	4,988,128	72.7%
Motor Vehicle Operators	1,373,118	1,422,010	-3.4%
Weight Distance	6,173,169	4,535,564	36.1%
Truck Decal Fees	8,219	5,150	59.6%
Other Special Fees	807,799	680,759	18.7%
Nontax Receipts	\$3,495,163	\$1,572,629	122.2%
Departmental Fees	2,095,955	1,039,142	101.7%
In Lieu of Traffic Fines	24,163	26,505	-8.8%
Income on Investments	1,079,909	454,745	137.5%
Miscellaneous	295,136	52,238	465.0%
Redeposit of State Funds	\$78,080	\$23,356	234.3%

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>.