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GENERAL FUND AND ROAD FUND RECEIPTS
FOR AUGUST 2018

General Fund receipts rose 4.3 Percent
Road Fund receipts fell 0.9 Percent

FRANKFORT, Ky. (Monday, September 10, 2018) - State Budget Director John Chilton reported today that General Fund receipts increased 4.3 percent in August compared to last year. Total revenues for the month were \$759.9 million, compared to \$728.3 million during August 2017. So far this fiscal year (FY19), General Fund receipts have increased 4.5 percent.

The official revenue estimate for FY19 calls for revenue to increase 3.3 percent compared to FY18 actual receipts. Based on August's results, General Fund revenues need to grow 3.1 percent for the remainder of the fiscal year to meet the official estimate.

Chilton noted that receipts through the first two months of FY19 were impacted by the effects of the tax package passed by the General Assembly in the 2018 Legislative Session. "The sales tax and cigarette taxes have increased sharply this fiscal year, as expected, due to the changes contained in HB 487. On the other hand, collections from the income taxes have predictably fallen off due to the rate reductions embodied in the tax plan. When the positive and negative impacts interact, the net effect has been robust growth in the General Fund of 4.5 percent. While it definitely takes more than two months of a fiscal year to define a trend, we are certainly pleased with the early accuracy of the estimates from tax reform. Going forward, we will attempt to further consider which parts of the monthly receipts are attributable to tax reform as opposed to general economic growth predicted by the Consensus Forecasting Group last December."

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Among the major accounts:

- Individual income taxes fell 4.6 percent as both withholding and estimated payments declined compared to last year. This decrease was expected as the top rate was decreased from 6 percent to 5 percent.
- Sales tax revenues grew 14.4 percent in August and are up 8.8 percent through the first two months of the fiscal year, largely in response to the 2018 changes
- Corporation income tax collections increased \$5.9 million as net returns rose. Year-to-date receipts in this account have increased 19.9 percent. The changes affecting corporation income taxation include a decrease in the top tax rate from 6 percent to 5 percent and changes to consolidation and apportionment requirements.
- Cigarette taxes grew 49.1 percent for the month due largely to tax law changes and collections have increased 55.2 percent for the year.
- Property taxes declined 32.1 percent in August and have fallen 24.9 percent for the fiscal year. Large swings in receipts are not unusual early in a fiscal year for this account.
- Coal severance tax collections in August fell 5.4 percent and are down 22.8 percent through the first two months of the fiscal year.
- Lottery revenues grew 2.7 percent in August and have increased 2.8 percent through the first two months of FY19.

Road Fund revenue fell 0.9 percent in August with revenues of \$143.3 million but have increased 5.5 percent for the first two months of the fiscal year. Motor vehicle usage tax collections declined 8.2 percent due to a timing issue in a prior month, while motor fuels revenues increased slightly in August. The official Road Fund revenue estimate calls for an overall 0.3 percent decrease in receipts for the FY19. Based on year-to-date collections, revenues can decline 1.5 percent for the remainder of the fiscal year to meet the estimate.

Among the accounts:

- Motor fuels rose 0.7 percent in August and have increased 0.8 percent for the year.
- Motor vehicle usage collections fell 8.2 percent for the month but have grown 3.9 percent for the first two months of the fiscal year.
- License and privilege tax rose 7.4 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>AUGUST</u> <u>2018</u>	<u>AUGUST</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH AUGUST</u> <u>FY 2019</u>	<u>JULY THROUGH AUGUST</u> <u>FY 2018</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$759,857,042	\$728,343,528	4.3%	\$1,590,093,791	\$1,521,162,853	4.5%
Tax Receipts	\$740,607,529	\$709,126,989	4.4%	\$1,537,894,554	\$1,468,655,739	4.7%
Sales and Gross Receipts	\$381,476,752	\$324,304,018	17.6%	\$773,015,334	\$680,879,575	13.5%
Beer Consumption	554,093	510,840	8.5%	1,131,492	1,136,340	-0.4%
Beer Wholesale	5,210,153	4,956,209	5.1%	10,604,496	11,079,612	-4.3%
Cigarette	32,137,743	21,559,700	49.1%	58,465,609	37,677,825	55.2%
Distilled Spirits Case Sales	11,117	11,058	0.5%	26,254	25,329	3.7%
Distilled Spirits Consumption	1,011,970	1,036,287	-2.3%	2,411,088	2,360,763	2.1%
Distilled Spirits Wholesale	3,317,906	3,070,369	8.1%	7,796,255	7,213,996	8.1%
Insurance Premium	1,532,942	601,066	155.0%	1,590,864	637,591	149.5%
Pari-Mutuel	396,369	408,816	-3.0%	1,068,961	857,519	24.7%
Race Track Admission	145	116	25.8%	86,338	84,298	2.4%
Sales and Use	324,742,902	283,837,354	14.4%	655,589,520	602,545,036	8.8%
Wine Consumption	222,411	210,336	5.7%	476,437	480,374	-0.8%
Wine Wholesale	1,251,685	1,140,998	9.7%	2,591,448	2,569,189	0.9%
Telecommunications Tax	4,922,902	5,248,198	-6.2%	9,942,655	10,565,220	-5.9%
Other Tobacco Products	2,131,461	1,713,654	24.4%	4,079,557	3,647,466	11.8%
Floor Stock Tax	4,032,955	(982)	---	17,154,360	(982)	---
License and Privilege	(\$713,953)	\$266,758	-367.6%	(\$524,632)	(\$379,297)	---
Alc. Bev. License Suspension	41,250	23,300	77.0%	62,500	53,350	17.2%
Corporation License	600	7,842	-92.3%	905	8,348	-89.2%
Corporation Organization	0	0	---	0	2,395	-100.0%
Occupational Licenses	6,645	11,576	-42.6%	17,168	24,443	-29.8%
Race Track License	0	0	---	95,000	95,000	0.0%
Bank Franchise Tax	(818,516)	164,493	-597.6%	(818,063)	(685,643)	---
Driver License Fees	56,068	59,548	-5.8%	117,858	122,810	-4.0%
Natural Resources	\$10,767,497	\$11,754,640	-8.4%	\$19,195,516	\$22,461,880	-14.5%
Coal Severance	7,765,577	8,212,078	-5.4%	12,950,504	16,766,683	-22.8%
Oil Production	589,181	379,260	55.3%	1,125,521	739,832	52.1%
Minerals Severance	1,579,579	2,240,695	-29.5%	3,421,614	3,693,268	-7.4%
Natural Gas Severance	833,161	922,607	-9.7%	1,697,877	1,262,097	34.5%
Income	\$324,000,302	\$339,617,015	-4.6%	\$701,678,103	\$712,685,740	-1.5%
Corporation	3,442,809	(2,484,820)	---	25,597,578	21,356,222	19.9%
Individual	318,162,864	333,477,238	-4.6%	662,032,681	675,398,855	-2.0%
Limited Liability Entity	2,394,629	8,624,598	-72.2%	14,047,845	15,930,663	-11.8%
Property	\$17,463,298	\$25,727,213	-32.1%	\$30,016,621	\$39,995,235	-24.9%
Building & Loan Association	0	0	---	257,579	10,684	2310.9%
General - Real	29,252	50,132	-41.7%	43,292	21,870	97.9%
General - Tangible	11,277,738	12,831,570	-12.1%	22,747,517	22,764,861	-0.1%
Omitted & Delinquent	2,887,774	3,523,769	-18.0%	1,465,545	1,634,378	-10.3%
Public Service	3,264,288	9,321,742	-65.0%	5,498,442	15,563,442	-64.7%
Other	4,247	0	---	4,247	0	---
Inheritance Tax	\$4,877,498	\$5,520,493	-11.6%	\$9,966,441	\$9,304,445	7.1%
Miscellaneous	\$2,736,134	\$1,936,853	41.3%	\$4,547,170	\$3,708,161	22.6%
Legal Process	1,855,038	1,102,901	68.2%	2,788,775	2,030,698	37.3%
T. V. A. In Lieu Payments	877,300	830,072	5.7%	1,754,601	1,660,144	5.7%
Other	3,795	3,880	-2.2%	3,795	17,319	-78.1%
Nontax Receipts	\$19,191,138	\$19,103,934	0.5%	\$51,872,790	\$52,771,760	-1.7%
Departmental Fees	863,558	748,902	15.3%	1,576,444	2,047,112	-23.0%
PSC Assessment Fee	559,010	761,262	-26.6%	14,439,850	15,810,072	-8.7%
Fines & Forfeitures	1,372,993	1,466,778	-6.4%	2,831,983	2,934,837	-3.5%
Income on Investments	(738,374)	(385,236)	---	(716,575)	(589,882)	---
Lottery	19,000,000	18,500,000	2.7%	37,000,000	36,000,000	2.8%
Miscellaneous	(1,866,050)	(1,987,772)	---	(3,258,913)	(3,430,379)	---
Redeposit of State Funds	\$58,376	\$112,604	-48.2%	\$326,448	(\$264,646)	---

2. ROAD FUND REVENUE

	<u>AUGUST</u> <u>2018</u>	<u>AUGUST</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH AUGUST</u>		<u>% Change</u>
				<u>FY 2019</u>	<u>FY 2018</u>	
TOTAL STATE ROAD FUND	\$143,282,883	\$144,644,897	-0.9%	\$271,011,192	\$256,892,728	5.5%
Tax Receipts	\$140,556,817	\$142,378,045	-1.3%	\$264,711,882	\$253,029,891	4.6%
Sales and Gross Receipts	\$111,429,099	\$115,246,077	-3.3%	\$218,606,537	\$214,266,312	2.0%
Motor Fuels Taxes	64,029,621	63,602,629	0.7%	128,233,939	127,271,628	0.8%
Motor Vehicle Usage	47,399,478	51,643,448	-8.2%	90,372,598	86,994,684	3.9%
License and Privilege	\$29,127,717	\$27,131,968	7.4%	\$46,105,345	\$38,763,579	18.9%
Motor Vehicles	9,024,026	9,058,278	-0.4%	17,639,348	14,046,406	25.6%
Motor Vehicle Operators	1,453,776	1,414,647	2.8%	2,826,894	2,836,656	-0.3%
Weight Distance	14,507,798	15,944,076	-9.0%	20,680,967	20,479,640	1.0%
Truck Decal Fees	4,080	7,513	-45.7%	12,299	12,663	-2.9%
Other Special Fees	4,138,037	707,455	484.9%	4,945,836	1,388,214	256.3%
Nontax Receipts	\$2,568,107	\$2,108,537	21.8%	\$6,063,271	\$3,681,166	64.7%
Departmental Fees	1,719,170	1,630,482	5.4%	3,815,125	2,669,624	42.9%
In Lieu of Traffic Fines	42,160	35,055	20.3%	66,323	61,560	7.7%
Income on Investments	659,018	421,010	56.5%	1,738,927	875,754	98.6%
Miscellaneous	147,759	21,990	571.9%	442,896	74,228	496.7%
Redeposit of State Funds	\$157,960	\$158,315	-0.2%	236,040	\$181,671	29.9%

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