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GENERAL FUND AND ROAD FUND RECEIPTS
FOR SEPTEMBER 2018
General Fund receipts rose 4.4 Percent
Road Fund receipts rose 0.4 Percent

FRANKFORT, Ky. (Wednesday, October 10, 2018) - State Budget Director John Chilton reported today that General Fund receipts rose 4.4 percent in September with revenues of \$1,077.3 million. This compares to \$1,032.4 million collected in September 2017. Through the first quarter of the fiscal year (FY19), the General Fund has grown 4.5 percent.

The official General Fund revenue estimate for FY19 calls for revenue to grow 3.3 percent compared to FY18 actual receipts. Based on September's results, General Fund revenues must increase 3.0 percent for the remainder of the fiscal year to meet the official estimate.

Chilton noted that the September gains were broadly based and revenue collections continue to be impacted by legislation enacted by the General Assembly. "Total General Fund revenues grew by \$44.9 million as all of the major revenue categories, with the exception of natural resources, posted gains. Sales and use, and cigarette tax collections continued to perform strongly while the income taxes have been soft. This same pattern has persisted the entire first quarter of FY19, and it conforms to expectations following the 2018 tax reform measures adopted in HB 487 where consumption taxes were increased and income-based taxation was lowered through rate reductions. As the remaining elements of tax reform are fully implemented, we will assess the overall tax reform

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strategy and address any unintended consequences that have arisen. For now, however, the combination of tax reform and a growing economy have state revenues on a solid path to hit the budgeted estimates.”

Among the major General Fund accounts:

- Individual income taxes increased 1.3 percent in September as a decline in withholding offset gains in fiduciary, net returns and estimated tax payments. Year-to-date collections are down 0.7 percent.
- Sales tax revenues grew 7.1 percent in September due in large part to HB 487. Collections have increased 8.2 percent in the first three months of the year.
- Corporation income tax receipts fell 9.1 percent for the month and have declined 5.1 percent in the first quarter of the fiscal year.
- Cigarette taxes are up 108.3 percent in September and have grown 103.1 percent for the first three months of the fiscal year. The increase coincides with the July 1 increase in the cigarette tax from \$0.60 per pack to \$1.10 per pack by HB 487. The increase was boosted by the one-time collection of increased taxes on cigarettes in wholesaler inventories. While tax collections are up, it appears that consumption is down.
- Property taxes grew 35.9 percent in September but are down 9.5 percent for the year.
- Coal severance tax receipts fell 17.8 percent for the month. Year-to-date collections are down 21.1 percent.
- Lottery revenues increased 2.6 percent in September and are up 2.7 percent for the year.

Road Fund receipts grew 0.4 percent in September with collections of \$126.3 million.

Year-to-date collections have grown 3.8 percent compared to last year’s total. The increase in quarterly collections is the strongest since the third quarter of FY17. The official Road Fund revenue estimate calls for a 0.3 percent decrease in receipts for the entire fiscal year (FY19). Based on year-to-date collections, revenues can fall 1.7 percent for the remainder of the fiscal year to meet the estimate.

Among the Road Fund accounts:

- Motor fuels receipts rose 2.0 percent in September and have grown 1.2 percent for the year.
- Motor vehicle usage collections rose 7.1 percent for the month. Year-to-date collections are up 4.9 percent.
- License and privilege taxes fell 32.4 percent in September. For the first three months of the fiscal year, receipts are up 5.9 percent.
- Nontax receipts increased \$600,000 in September and have grown 63.7 percent for the year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>SEPTEMBER</u> <u>2018</u>	<u>SEPTEMBER</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH SEPTEMBER</u> <u>FY 2019</u>	<u>JULY THROUGH SEPTEMBER</u> <u>FY 2018</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$1,077,336,105	\$1,032,399,868	4.4%	\$2,667,429,897	\$2,553,562,721	4.5%
Tax Receipts	\$1,050,231,451	\$1,012,102,209	3.8%	\$2,588,126,004	\$2,480,757,948	4.3%
Sales and Gross Receipts	\$406,605,321	\$374,150,299	8.7%	\$1,179,620,655	\$1,055,029,875	11.8%
Beer Consumption	614,150	643,231	-4.5%	1,745,641	1,779,571	-1.9%
Beer Wholesale	5,681,680	6,024,821	-5.7%	16,286,176	17,104,433	-4.8%
Cigarette	32,298,512	17,429,842	85.3%	90,764,122	55,107,667	64.7%
Distilled Spirits Case Sales	7,491	12,820	-41.6%	33,745	38,149	-11.5%
Distilled Spirits Consumption	1,253,284	1,181,908	6.0%	3,664,372	3,542,671	3.4%
Distilled Spirits Wholesale	3,809,527	3,608,383	5.6%	11,605,781	10,822,379	7.2%
Insurance Premium	28,523,895	35,329,904	-19.3%	30,114,759	35,967,495	-16.3%
Pari-Mutuel	417,072	372,357	12.0%	1,486,032	1,229,876	20.8%
Race Track Admission	0	14,762	-100.0%	86,338	99,059	-12.8%
Sales and Use	321,742,093	300,418,896	7.1%	977,331,613	902,963,933	8.2%
Wine Consumption	293,116	264,510	10.8%	769,553	744,884	3.3%
Wine Wholesale	1,458,418	1,501,147	-2.8%	4,049,866	4,070,336	-0.5%
Telecommunications Tax	4,461,174	5,209,912	-14.4%	14,403,829	15,775,132	-8.7%
Other Tobacco Products	2,039,725	2,137,808	-4.6%	6,119,283	5,785,274	5.8%
Floor Stock Tax	4,005,185	0	---	21,159,545	(982)	---
License and Privilege	\$182,900	\$12,784	1330.7%	(\$341,732)	(\$366,514)	---
Alc. Bev. License Suspension	48,750	80,500	-39.4%	111,250	133,850	-16.9%
Corporation License	43,752	2,549	1616.6%	44,657	10,897	309.8%
Corporation Organization	9,505	9,980	-4.8%	9,505	12,375	-23.2%
Occupational Licenses	13,852	12,424	11.5%	31,020	36,866	-15.9%
Race Track License	0	5,075	-100.0%	95,000	100,075	-5.1%
Bank Franchise Tax	12,836	(159,086)	---	(805,226)	(844,729)	---
Driver License Fees	54,205	61,343	-11.6%	172,062	184,153	-6.6%
Natural Resources	\$10,062,791	\$11,227,789	-10.4%	\$29,258,307	\$33,689,669	-13.2%
Coal Severance	7,003,868	8,520,965	-17.8%	19,954,372	25,287,648	-21.1%
Oil Production	601,902	408,625	47.3%	1,727,422	1,148,457	50.4%
Minerals Severance	1,582,463	1,844,327	-14.2%	5,004,077	5,537,595	-9.6%
Natural Gas Severance	874,558	453,871	92.7%	2,572,435	1,715,968	49.9%
Income	\$609,048,236	\$607,721,732	0.2%	\$1,310,726,340	\$1,320,407,472	-0.7%
Corporation	120,218,664	132,280,245	-9.1%	145,816,242	153,636,467	-5.1%
Individual	453,905,768	447,904,989	1.3%	1,115,938,449	1,123,303,844	-0.7%
Limited Liability Entity	34,923,804	27,536,498	26.8%	48,971,649	43,467,161	12.7%
Property	\$18,557,126	\$13,657,720	35.9%	\$48,573,747	\$53,652,955	-9.5%
Building & Loan Association	0	0	---	257,579	10,684	2310.9%
General - Real	11,053	(744,800)	---	54,344	(722,930)	---
General - Tangible	10,084,197	9,942,550	1.4%	32,831,714	32,707,411	0.4%
Omitted & Delinquent	3,478,387	3,168,480	9.8%	4,943,932	4,802,857	2.9%
Public Service	4,983,248	1,285,186	287.7%	10,481,690	16,848,628	-37.8%
Other	242	6,304	-96.2%	4,488	6,304	-28.8%
Inheritance Tax	\$3,628,453	\$3,350,552	8.3%	\$13,594,894	\$12,654,997	7.4%
Miscellaneous	\$2,146,623	\$1,981,334	8.3%	\$6,693,793	\$5,689,495	17.7%
Legal Process	1,269,322	1,151,262	10.3%	4,058,097	3,181,960	27.5%
T. V. A. In Lieu Payments	877,300	830,072	5.7%	2,631,901	2,490,216	5.7%
Other	0	0	---	3,795	17,319	-78.1%
Nontax Receipts	\$26,719,866	\$19,984,634	33.7%	\$78,592,656	\$72,756,394	8.0%
Departmental Fees	2,073,492	1,247,023	66.3%	3,649,937	3,294,134	10.8%
PSC Assessment Fee	1,249,318	2,511	49647.3%	15,689,168	15,812,583	-0.8%
Fines & Forfeitures	3,562,116	1,488,190	139.4%	6,394,100	4,423,027	44.6%
Income on Investments	(728,299)	(546,667)	---	(1,444,874)	(1,136,549)	---
Lottery	19,500,000	19,000,000	2.6%	56,500,000	55,000,000	2.7%
Miscellaneous	1,063,238	(1,206,423)	---	(2,195,674)	(4,636,802)	---
Redeposit of State Funds	\$384,788	\$313,025	22.9%	\$711,236	\$48,379	1370.1%

2. ROAD FUND REVENUE

	<u>SEPTEMBER</u> <u>2018</u>	<u>SEPTEMBER</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH SEPTEMBER</u> <u>FY 2019</u>	<u>JULY THROUGH SEPTEMBER</u> <u>FY 2018</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$126,273,601	\$125,733,627	0.4%	\$397,284,793	\$382,626,355	3.8%
Tax Receipts-	124,641,792	124,638,448	0.0%	\$389,353,673	\$377,668,339	3.1%
Sales and Gross Receipts	\$115,695,748	\$111,407,421	3.8%	\$334,302,285	\$325,673,733	2.6%
Motor Fuels Taxes	72,942,651	71,494,634	2.0%	201,176,590	198,766,262	1.2%
Motor Vehicle Usage	42,753,097	39,912,787	7.1%	133,125,695	126,907,471	4.9%
License and Privilege	\$8,946,043	\$13,231,027	-32.4%	\$55,051,388	\$51,994,606	5.9%
Motor Vehicles	6,087,022	6,913,512	-12.0%	23,726,370	20,959,918	13.2%
Motor Vehicle Operators	1,500,292	1,468,046	2.2%	4,327,187	4,304,703	0.5%
Weight Distance	545,259	338,414	61.1%	21,226,226	20,818,053	2.0%
Truck Decal Fees	4,440	3,930	13.0%	16,739	16,593	0.9%
Other Special Fees	809,030	4,507,125	-82.0%	5,754,867	5,895,339	-2.4%
Nontax Receipts	\$1,596,182	\$998,051	59.9%	\$7,659,452	\$4,679,216	63.7%
Departmental Fees	987,502	840,556	17.5%	4,802,627	3,510,180	36.8%
In Lieu of Traffic Fines	26,310	26,290	0.1%	92,633	87,850	5.4%
Income on Investments	168,162	35,906	368.3%	1,907,089	911,660	109.2%
Miscellaneous	414,208	95,299	334.6%	857,103	169,526	405.6%
Redeposit of State Funds	\$35,627	\$97,128	-63.3%	\$271,667	\$278,799	-2.6%

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