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For Immediate Release
November 9, 2018

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GENERAL FUND AND ROAD FUND RECEIPTS
FOR October 2018
General Fund receipts rose 3.5 Percent
Road Fund receipts rose 3.4 Percent

FRANKFORT, Ky. (Friday, November 9, 2018) - State Budget Director John Chilton reported today that General Fund receipts rose 3.5 percent in October with revenues of \$826.0 million. This compares to \$798.4 million collected in October 2017. Through the four months of the fiscal year (FY19), the General Fund has grown 4.2 percent.

The official General Fund revenue estimate for FY19 calls for revenue to grow 3.3 percent compared to FY18 actual receipts. Based on October's results, General Fund revenues must increase 2.9 percent for the remainder of the fiscal year to meet the official estimate.

Chilton observed that the October activity continued to follow the path predicted by the tax reform efforts in 2018, albeit colored by some notable timing differences. "Sales and gross receipts taxes grew by 8.4 percent in October, largely aided by the timing of an \$8.5 million gain in insurance premiums taxes and a \$11.4 million gain in the cigarette tax which is attributable to the tax law change. The sales and use tax increased by only 3.3 percent compared to October 2017, but growth was muted due to substantial refund activity. Meanwhile, the individual income tax showed continued weakness with a 1.0 percent setback in October due to the rate reductions embodied in the tax reform measure, HB 487. Taken in aggregate, October's revenue collections were consistent

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with the latest Governor's Office for Economic Analysis estimates that were released on October 30, predicting that FY19 receipts will nearly equal the official budgeted estimate as General Fund growth becomes more parsimonious in the coming quarters."

Among the major General Fund accounts:

- Individual income taxes fell 1.0 percent in October as a 3.0 percent decline in withholding overwhelmed gains net returns and estimated tax payments. Year-to-date collections are down 0.7 percent. This is consistent with the reduction in tax rates in HB 487.
- Sales tax revenues grew 3.3 percent in October, partially encumbered by \$10 million in refunds attributable to tax increment financing agreements. Collections have increased 7.0 percent in the first four months of the year.
- Corporation income tax receipts increased \$5.2 million in October but have declined 1.6 percent so far in FY19.
- Cigarette taxes are up 71.2 percent for the month and have grown 66.2 percent for the first four months of the fiscal year. The increase coincides with the July 1 83.3 percent increase in the cigarette tax from \$0.60 per pack to \$1.10 per pack in HB 487.
- Property taxes grew 61.5 percent in October, up 4.7 percent for the year.
- Coal severance tax receipts fell 9.5 percent for the month. Year-to-date collections are down 18.4 percent.
- Lottery revenues increased 2.5 percent in October and are up 2.7 percent for the year.

Road Fund receipts grew 3.4 percent in October with collections of \$123.7 million. Year-to-date collections have grown 3.7 percent compared to last year's total. Despite declines in Road Fund revenue in FY15 and FY16, followed by anemic growth in FY17 and FY18, receipts have now risen in six of the past eight months. 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 2.3 percent for the remainder of the fiscal year to meet the estimate.

Among the Road Fund accounts:

- Motor fuels receipts dipped 1.6 percent in September but have grown 0.6 percent for the year.
- Motor vehicle usage collections rose 10.0 percent for the month. Year-to-date collections are up 6.2 percent.
- License and privilege taxes rebounded from a weak September to post 5.9 percent growth in October. For the first four months of the fiscal year, receipts are up 5.9 percent.
- Nontax receipts increased marginally in October but have grown 42.8 percent for the year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>OCTOBER</u> <u>2018</u>	<u>OCTOBER</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH OCTOBER</u> <u>FY 2019</u>	<u>FY 2018</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$825,997,829	\$798,444,647	3.5%	\$3,493,427,726	\$3,352,007,368	4.2%
Tax Receipts	\$788,405,448	\$763,723,326	3.2%	\$3,376,531,452	\$3,244,481,274	4.1%
Sales and Gross Receipts	\$375,009,550	\$345,876,429	8.4%	\$1,554,630,205	\$1,400,906,304	11.0%
Beer Consumption	459,515	502,969	-8.6%	2,205,157	2,282,540	-3.4%
Beer Wholesale	4,525,839	4,892,216	-7.5%	20,812,015	21,996,649	-5.4%
Cigarette	27,450,552	16,033,459	71.2%	118,214,674	71,141,126	66.2%
Distilled Spirits Case Sales	6,813	12,296	-44.6%	40,558	50,444	-19.6%
Distilled Spirits Consumption	1,103,375	1,139,179	-3.1%	4,767,747	4,681,850	1.8%
Distilled Spirits Wholesale	3,676,847	3,605,996	2.0%	15,282,629	14,428,374	5.9%
Insurance Premium	17,854,098	9,322,076	91.5%	47,968,858	45,289,571	5.9%
Pari-Mutuel	785,796	451,783	73.9%	2,271,828	1,681,659	35.1%
Race Track Admission	1,522	9,871	-84.6%	87,860	108,930	-19.3%
Sales and Use	311,318,456	301,473,747	3.3%	1,288,650,069	1,204,437,680	7.0%
Wine Consumption	231,928	233,385	-0.6%	1,001,481	978,269	2.4%
Wine Wholesale	1,205,796	1,260,123	-4.3%	5,255,662	5,330,459	-1.4%
Telecommunications Tax	4,668,382	5,243,184	-11.0%	19,072,211	21,018,316	-9.3%
Other Tobacco Products	1,697,589	1,696,146	0.1%	7,816,871	7,481,419	4.5%
Floor Stock Tax	23,041	0	---	21,182,585	(982)	---
License and Privilege	\$151,068	\$532,450	---	(\$190,663)	\$165,937	---
Alc. Bev. License Suspension	29,757	57,600	-48.3%	141,007	191,450	-26.3%
Corporation License	0	3,162	-100.0%	44,657	14,059	---
Corporation Organization	(699)	3,550	-119.7%	8,806	15,925	-44.7%
Occupational Licenses	10,683	12,116	-11.8%	41,703	48,982	-14.9%
Race Track License	875	28,375	-96.9%	95,875	128,450	-25.4%
Bank Franchise Tax	50,610	374,240	---	(754,616)	(470,489)	---
Driver License Fees	59,843	53,407	12.1%	231,905	237,560	-2.4%
Natural Resources	\$10,059,764	\$10,761,271	-6.5%	\$39,318,072	\$44,450,940	-11.5%
Coal Severance	6,998,810	7,733,845	-9.5%	26,953,182	33,021,493	-18.4%
Oil Production	553,206	393,067	40.7%	2,280,628	1,541,523	47.9%
Minerals Severance	2,083,838	1,813,707	14.9%	7,087,916	7,351,303	-3.6%
Natural Gas Severance	423,910	820,652	-48.3%	2,996,346	2,536,621	18.1%
Income	\$377,941,721	\$384,194,429	-1.6%	\$1,688,668,060	\$1,704,601,900	-0.9%
Corporation	16,141,753	10,951,943	47.4%	161,957,994	164,588,410	-1.6%
Individual	351,334,229	354,818,020	-1.0%	1,467,272,678	1,478,121,864	-0.7%
Limited Liability Entity	10,465,739	18,424,467	-43.2%	59,437,388	61,891,627	-4.0%
Property	\$21,598,333	\$13,376,667	61.5%	\$70,172,080	\$67,029,622	4.7%
Building & Loan Association	0	(801)	---	257,579	9,883	2506.3%
General - Real	2,650,414	2,155,778	22.9%	2,704,758	1,432,848	88.8%
General - Tangible	11,429,714	10,535,073	8.5%	44,261,428	43,242,484	2.4%
Omitted & Delinquent	(1,995,972)	(872,016)	---	2,947,960	3,930,841	-25.0%
Public Service	9,221,738	1,559,244	491.4%	19,703,428	18,407,872	7.0%
Other	292,439	(611)	---	296,927	5,693	---
Inheritance Tax	\$4,400,933	\$6,811,049	-35.4%	\$17,995,828	\$19,466,046	-7.6%
Miscellaneous	(\$755,922)	\$2,171,029	-134.8%	\$5,937,871	\$7,860,524	-24.5%
Legal Process	157,198	1,104,037	-85.8%	4,215,295	4,285,997	-1.6%
T. V. A. In Lieu Payments	(913,120)	1,066,992	-185.6%	1,718,781	3,557,209	-51.7%
Other	0	0	---	3,795	17,319	-78.1%
nontax Receipts	\$37,415,156	\$34,569,865	8.2%	\$116,007,813	\$107,326,259	8.1%
Departmental Fees	834,792	946,451	-11.8%	4,484,729	4,240,586	5.8%
PSC Assessment Fee	252,108	4,795	5157.5%	15,941,275	15,817,378	0.8%
Fines & Forfeitures	1,336,448	1,492,900	-10.5%	7,730,547	5,915,927	30.7%
Income on Investments	(1,380,692)	(687,444)	---	(2,825,566)	(1,823,993)	---
Lottery	20,500,000	20,000,000	2.5%	77,000,000	75,000,000	2.7%
Miscellaneous	15,872,501	12,813,163	---	13,676,826	8,176,361	---
Redeposit of State Funds	\$177,225	\$151,456	17.0%	\$888,461	\$199,835	344.6%

2. ROAD FUND REVENUE

	<u>OCTOBER 2018</u>	<u>OCTOBER 2017</u>	<u>% Change</u>	<u>JULY THROUGH OCTOBER</u>		<u>% Change</u>
				<u>FY 2019</u>	<u>FY 2018</u>	
TOTAL STATE ROAD FUND	\$123,714,284	\$119,642,293	3.4%	\$520,999,077	\$502,268,648	3.7%
Tax Receipts-	\$121,064,313	\$116,962,816	3.5%	\$510,417,987	\$494,631,156	3.2%
Sales and Gross Receipts	\$105,916,733	\$102,657,853	3.2%	\$440,219,018	\$428,331,586	2.8%
Motor Fuels Taxes	59,530,839	60,469,866	-1.6%	260,707,429	259,236,128	0.6%
Motor Vehicle Usage	46,385,894	42,187,987	10.0%	179,511,589	169,095,458	6.2%
License and Privilege	\$15,147,581	\$14,304,963	5.9%	\$70,198,969	\$66,299,570	5.9%
Motor Vehicles	7,724,965	6,965,962	10.9%	31,451,335	27,925,880	12.6%
Motor Vehicle Operators	1,235,944	1,355,433	-8.8%	5,563,131	5,660,135	-1.7%
Weight Distance	5,067,439	5,895,005	-14.0%	26,293,665	26,713,058	-1.6%
Truck Decal Fees	5,250	2,010	161.2%	21,989	18,603	18.2%
Other Special Fees	1,113,982	86,554	1187.0%	6,868,849	5,981,892	14.8%
Nontax Receipts	\$2,386,262	\$2,355,308	1.3%	\$10,045,715	\$7,034,524	42.8%
Departmental Fees	1,819,231	2,144,781	-15.2%	6,621,859	5,654,961	17.1%
In Lieu of Traffic Fines	31,940	33,955	-5.9%	124,573	121,805	2.3%
Income on Investments	345,108	72,965	---	2,252,196	984,626	128.7%
Miscellaneous	189,983	103,606	83.4%	1,047,087	273,133	283.4%
Redeposit of State Funds	\$263,708	\$324,169	-18.7%	\$535,375	\$602,968	-11.2%

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