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GENERAL FUND AND ROAD FUND RECEIPTS
FOR DECEMBER 2018

General Fund receipts declined 0.8 Percent
Road Fund receipts rose 3.5 Percent

FRANKFORT, Ky. (Thursday, January 10, 2019) - State Budget Director John Chilton reported today that General Fund receipts fell 0.8 percent in December with revenues of \$1,131.1 million. December's receipts declined marginally compared to the \$1,140.0 million collected in December 2017. Through the first half of the fiscal year (FY19), the General Fund has grown 3.7 percent.

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

Despite the slight decline in General Fund receipts in December, Chilton remained positive in his assessment of December's activity. "Sales and use taxes grew by 10.5 percent in December, reaching double-digit growth for the second consecutive months. This surge in consumption taxes is directly attributable to the expansion of the sales tax base and our ongoing efforts to capture a higher percentage of online sales. December's decline in General Fund receipts is primarily due to weakness in individual income tax receipts. The monthly setback was anticipated due to a one-time spike in estimated tax payments in December 2017, where taxpayers were accelerating state income tax payments in response to the Federal changes limiting the deductibility of state taxes beginning in

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2018. The income tax grew 14.2 percent in December 2017, fueling General Fund growth of 11.2 percent for the month. December 2017 was the highest month of General Fund receipts on record, thus created a tremendous challenge for growth in December 2018. Despite the slight decline in December 2018, we are pleased at the pace of General Fund revenue collections received thus far in FY19.”

Among the major General Fund accounts:

- Individual income taxes fell 8.7 percent in December. Year-to-date collections are down 2.3 percent. Earlier in 2018, the top corporate and individual income tax rates were decreased from 6.0 percent to 5.0 percent.
- Sales tax revenues grew 10.5 percent in December, partially attributable to the October 1st implementation of sales tax collections on internet sales made possible by the U.S. Supreme Court’s *Wayfair* decision. Sales tax collections have increased 8.6 percent in the first half of the year, roughly congruous with the projections for FY19.
- Corporation income tax receipts increased \$10.1 million in December and have now increased 4.9 percent so far in FY19.
- The Limited Liability Entity Tax (LLET) declined \$20.0 million, thus negating the increase in corporation income taxes. The combination of corporate income taxes and the LLET has shown a 3.7 percent decline through the first half of FY19.
- Cigarette taxes are up 35.6 percent for the month and have grown 66.8 percent for the first half of the fiscal year. The increase coincides with the 83.3 percent increase in the cigarette tax from \$0.60 per pack to \$1.10 per HB 487.
- Property taxes grew 5.6 percent in December and are up 3.6 percent for the year.
- Coal severance tax receipts fell 5.8 percent for the month. Year-to-date collections are down 14.7 percent.
- Lottery revenues increased 2.4 percent in December and are up 5.3 percent for the year.

Road Fund receipts grew 3.5 percent in December with collections of \$117.1 million. Year-to-date collections have grown 4.3 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 eight of the past ten 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 4.7 percent for the remainder of the fiscal year to meet that estimate.

Among the Road Fund accounts:

- Motor fuels receipts climbed 1.8 percent in December and 1.9 percent for the year.
- Motor vehicle usage collections rose 5.7 percent for the month. Year-to-date collections are up 5.6 percent.
- License and privilege fees fell by 9.9 percent in December following strong growth in the prior two months. For the first half of the fiscal year, receipts are up 6.1 percent.
- Nontax receipts rose sharply in December and have grown 42.3 percent for the year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	DECEMBER	DECEMBER	% Change	JULY THROUGH DECEMBER		% Change
	2018	2017		FY 2019	FY 2018	
TOTAL GENERAL FUND	\$1,131,129,093	\$1,140,037,715	-0.8%	\$5,597,125,965	\$5,399,886,462	3.7%
Tax Receipts	\$1,109,695,285	\$1,114,092,969	-0.4%	\$5,401,989,132	\$5,217,860,739	3.5%
Sales and Gross Receipts	\$381,303,809	\$346,392,843	10.1%	\$2,326,708,121	\$2,080,476,954	11.8%
Beer Consumption	717,807	468,385	53.3%	3,331,119	3,256,894	2.3%
Beer Wholesale	4,556,942	4,814,350	-5.3%	29,958,792	31,410,893	-4.6%
Cigarette	24,919,832	18,376,242	35.6%	177,046,940	106,136,572	66.8%
Distilled Spirits Case Sales	19,069	14,242	33.9%	75,093	78,368	-4.2%
Distilled Spirits Consumption	712,622	1,283,129	-44.5%	6,856,358	7,199,009	-4.8%
Distilled Spirits Wholesale	2,602,119	4,242,303	-38.7%	22,716,271	22,786,787	-0.3%
Insurance Premium	305	1,005,904	-100.0%	47,974,163	46,259,472	3.7%
Pari-Mutuel	1,434,139	664,784	115.7%	4,817,967	2,813,108	71.3%
Race Track Admission	57,771	49,219	17.4%	153,276	158,150	-3.1%
Sales and Use	338,661,526	306,491,780	10.5%	1,963,470,838	1,807,657,375	8.6%
Wine Consumption	170,492	302,648	-43.7%	1,456,562	1,544,357	-5.7%
Wine Wholesale	1,044,375	1,744,493	-40.1%	7,987,514	8,568,766	-6.8%
Telecommunications Tax	4,675,291	5,121,599	-8.7%	28,289,586	31,383,438	-9.9%
Other Tobacco Products	1,712,111	1,813,712	-5.6%	11,383,704	11,224,697	1.4%
Floor Stock Tax	19,410	51	---	21,189,939	(931)	---
License and Privilege	\$387,641	\$1,131,490	-65.7%	(\$82,538)	\$1,392,094	-105.9%
Alc. Bev. License Suspension	38,250	55,083	-30.6%	180,257	275,367	-34.5%
Corporation License	240	14,425	-98.3%	46,443	12,086	---
Corporation Organization	0	810	-100.0%	107,040	17,640	506.8%
Occupational Licenses	3,468	8,697	-60.1%	55,714	67,581	-17.6%
Race Track License	95,000	100,600	-5.6%	218,375	229,050	-4.7%
Bank Franchise Tax	187,911	902,198	-79.2%	(1,048,868)	445,647	---
Driver License Fees	62,772	49,676	26.4%	358,500	344,722	4.0%
Natural Resources	\$9,498,245	\$10,023,265	-5.2%	\$58,621,364	\$64,251,281	-8.8%
Coal Severance	6,392,468	6,787,297	-5.8%	39,759,234	46,627,466	-14.7%
Oil Production	292,243	452,182	-35.4%	3,176,467	2,418,239	31.4%
Minerals Severance	1,838,257	1,841,758	-0.2%	10,823,568	10,946,731	-1.1%
Natural Gas Severance	975,278	942,027	3.5%	4,862,096	4,258,845	14.2%
Income	\$533,181,707	\$581,437,024	-8.3%	\$2,551,304,330	\$2,617,232,413	-2.5%
Corporation	117,439,108	107,349,894	9.4%	288,837,756	275,358,104	4.9%
Individual	398,750,917	436,664,599	-8.7%	2,184,309,370	2,236,125,976	-2.3%
Limited Liability Entity	16,991,682	37,422,530	-54.6%	78,157,203	105,748,333	-26.1%
Property	\$179,987,981	\$170,479,309	5.6%	\$430,814,983	\$415,819,563	3.6%
Building & Loan Association	0	0	---	257,579	9,883	---
General - Real	95,644,015	85,865,960	11.4%	216,206,484	209,401,905	3.2%
General - Tangible	46,035,826	54,128,914	-15.0%	147,968,382	149,063,034	-0.7%
Omitted & Delinquent	5,776,277	2,760,368	109.3%	12,531,258	9,206,025	36.1%
Public Service	32,430,615	27,257,091	19.0%	52,842,357	47,078,792	12.2%
Other	101,248	466,975	-78.3%	1,008,924	1,059,924	-4.8%
Inheritance Tax	\$3,405,516	\$2,763,509	23.2%	\$24,583,900	\$26,996,075	-8.9%
Miscellaneous	\$1,930,386	\$1,865,529	3.5%	\$10,038,972	\$11,692,359	-14.1%
Legal Process	988,828	988,229	0.1%	6,433,279	6,376,670	0.9%
T. V. A. In Lieu Payments	941,559	877,300	7.3%	3,601,898	5,311,809	-32.2%
Other	0	0	---	3,795	3,880	-2.2%
nontax receipts	\$21,173,527	\$25,516,186	-17.0%	\$192,726,009	\$179,834,612	7.2%
Departmental Fees	828,315	1,962,919	-57.8%	6,383,518	7,719,554	-17.3%
PSC Assessment Fee	198,125	1,437	---	16,139,609	15,825,437	2.0%
Fines & Forfeitures	1,181,561	1,220,872	-3.2%	10,390,207	8,608,772	20.7%
Income on Investments	(1,173,128)	(557,333)	---	(5,938,568)	(3,243,422)	---
Lottery	21,000,000	20,500,000	2.4%	122,646,017	116,500,000	5.3%
Miscellaneous	(861,346)	2,388,292	-136.1%	43,105,226	34,424,269	25.2%
Redeposit of State Funds	\$260,281	\$428,560	-39.3%	\$2,410,824	\$2,191,112	10.0%

2. ROAD FUND REVENUE

	<u>DECEMBER</u> <u>2018</u>	<u>DECEMBER</u> <u>2017</u>	<u>% Change</u>	<u>JULY THROUGH DECEMBER</u> <u>FY 2019</u>	<u>JULY THROUGH DECEMBER</u> <u>FY 2018</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$117,111,094	\$113,195,310	3.5%	\$771,318,586	\$739,514,012	4.3%
Tax Receipts-	113,619,905	111,447,100	1.9%	\$755,049,395	\$728,162,931	3.7%
Sales and Gross Receipts	\$104,207,548	\$100,998,846	3.2%	\$650,759,004	\$629,845,594	3.3%
Motor Fuels Taxes	65,889,993	64,749,478	1.8%	395,593,938	388,290,442	1.9%
Motor Vehicle Usage	38,317,555	36,249,369	5.7%	255,165,067	241,555,152	5.6%
License and Privilege	\$9,412,358	\$10,448,254	-9.9%	\$104,290,391	\$98,317,337	6.1%
Motor Vehicles	7,034,898	7,424,341	-5.2%	45,438,693	41,287,821	10.1%
Motor Vehicle Operators	1,293,395	1,270,040	1.8%	8,368,429	8,384,931	-0.2%
Weight Distance	496,508	1,212,650	-59.1%	42,285,050	41,432,813	2.1%
Truck Decal Fees	3,037	4,057	-25.1%	27,665	25,360	9.1%
Other Special Fees	584,520	537,166	8.8%	8,170,554	7,186,412	13.7%
Nontax Receipts	\$3,555,444	\$1,630,955	118.0%	\$15,285,829	\$10,744,595	42.3%
Departmental Fees	1,955,126	1,274,057	53.5%	9,487,598	8,792,318	7.9%
In Lieu of Traffic Fines	24,285	24,960	-2.7%	180,103	168,896	6.6%
Income on Investments	938,222	126,656	640.8%	3,799,232	1,037,731	---
Miscellaneous	637,811	205,282	210.7%	1,818,896	745,650	143.9%
Redeposit of State Funds	(64,256)	117,256	---	\$983,362	\$606,487	62.1%

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