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GENERAL FUND AND ROAD FUND RECEIPTS
FOR FEBRUARY 2019

General Fund receipts rose 8.4 Percent
Road Fund receipts grew 11.5 Percent

FRANKFORT, Ky. (Monday, March 11, 2019) - State Budget Director John Chilton reported today that General Fund receipts climbed 8.4 percent in February with revenues of \$859.4 million. February's receipts compare favorably to the \$793.0 million collected in February 2018. Through the first eight months of FY19, the General Fund has grown 3.2 percent.

The official General Fund revenue estimate for FY19 calls for revenue to grow 3.3 percent compared to FY18 actual receipts. After February's results are considered, General Fund revenues must increase 3.5 percent for the remainder of the fiscal year to meet the official estimate.

Following declines in General Fund receipts in December and January, Chilton was cautiously optimistic regarding the positive reversal of fortune in February. "The pattern for FY19 has been healthy growth in the sales tax and cigarette taxes due to the passage of HB 487 in 2018. February saw both taxes keeping pace as the sales tax grew 7.1 percent and cigarette taxes grew 72.2 percent.

"Unlike prior months, however, the individual income tax grew by 9.0 percent despite the rate reduction in HB 487. A deeper look into that tax shows that refunds were down \$36.6 million compared to last year, likely attributable to the timing of refund requests rather than an increase in actual tax collections. Thus, the 9.0 percent surge in the individual income tax is unlikely to repeat during the remainder of the refund season.

"One other bright spot in the month was the coal severance tax, which eclipsed \$10.0 million

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for the month for the first time since December 2015. Despite the nonrecurring nature of the increase in net income tax collections, February was a good month for General Fund growth. With just four months remaining in the fiscal year, we are once again running very close to the official revenue estimate for FY19.”

Among the major General Fund accounts:

- Individual income taxes grew 9.0 percent in February. Year-to-date collections are down 3.2 percent. In 2018, the top corporate and individual income tax rates were decreased from 6.0 percent to 5.0 percent.
- Sales tax revenues grew 7.1 percent in February following a very strong holiday season of growth. Sales tax collections have increased 8.6 percent through the first eight months of FY19, roughly equal to the official projections. In 2018, the sales tax was expanded to include many services that were not previously subject to tax.
- Corporation income tax receipts fell \$13.4 million in February and have now fallen 2.9 percent so far in FY19.
- The Limited Liability Entity Tax (LLET) grew 43.1 percent but has now dropped 17.9 percent thus far in FY19.
- Cigarette taxes were up 72.2 percent for the month and have grown 71.5 percent for the first eight months of the fiscal year. The revenue 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 0.2 percent in January and are up 3.8 percent for the year.
- Coal severance tax receipts grew 24 percent for the month. Year-to-date collections are down 9.7 percent.
- Lottery revenues were equal to last year’s dividend payment but are up 3.9 percent for the year.

Road Fund receipts grew 11.5 percent in February with collections of \$123.6 million. Year-to-date collections have grown 4.9 percent compared to last year’s total. Road Fund receipts have now risen in ten of the past twelve months. The official Road Fund revenue estimate calls for a 0.3 percent decrease in receipts for the entire FY19. Based on year-to-date collections, revenues can fall 9.7 percent for the remainder of the fiscal year to meet that estimate.

Among the Road Fund accounts:

- Motor fuels receipts grew 25.1 percent in February due to an unusually small base in February 2018. Look for the fuels account to fall sharply in March due to the timing issue that occurred in 2018.
- Motor vehicle usage collections increased 1.5 percent for the month. Year-to-date collections are up 4.9 percent.
- License and privilege rose 0.2 percent in February. Year-to-date growth is a healthy 6.0 percent.
- Nontax receipts climbed sharply in February and have grown 36.8 percent for the year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>FEBRUARY</u> <u>2019</u>	<u>FEBRUARY</u> <u>2018</u>	<u>% Change</u>	<u>JULY THROUGH</u> <u>FEBRUARY</u> <u>FY 2019</u>	<u>FY 2018</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$859,446,222	\$793,009,732	8.4%	\$7,381,122,598	\$7,149,728,224	3.2%
Tax Receipts	\$831,315,489	\$765,280,843	8.6%	\$7,135,273,445	\$6,919,331,040	3.1%
Sales and Gross Receipts	\$335,258,516	\$300,586,164	11.5%	\$3,103,587,591	\$2,768,772,252	12.1%
Beer Consumption	204,829	344,862	-40.6%	3,935,243	4,022,701	-2.2%
Beer Wholesale	4,192,924	3,179,434	31.9%	38,658,567	39,131,751	-1.2%
Cigarette	27,929,286	16,220,864	72.2%	234,363,033	136,693,529	71.5%
Distilled Spirits Case Sales	10,257	9,821	4.4%	109,758	104,262	5.3%
Distilled Spirits Consumption	926,646	891,320	4.0%	9,920,173	9,558,606	3.8%
Distilled Spirits Wholesale	2,911,818	2,742,876	6.2%	32,887,127	30,408,099	8.2%
Insurance Premium	32,730,124	28,996,112	12.9%	80,767,706	75,311,063	7.2%
Pari-Mutuel	1,335,717	604,956	120.8%	7,692,009	4,104,141	87.4%
Race Track Admission	0	0	---	153,276	159,457	-3.9%
Sales and Use	256,984,500	239,930,984	7.1%	2,607,240,020	2,399,862,833	8.6%
Wine Consumption	217,208	214,558	1.2%	2,151,964	2,127,909	1.1%
Wine Wholesale	1,151,233	1,147,756	0.3%	11,828,196	11,757,069	0.6%
Telecommunications Tax	4,766,657	4,898,522	-2.7%	37,668,422	41,227,533	-8.6%
Other Tobacco Products	1,877,737	1,404,100	33.7%	14,973,562	14,303,970	4.7%
Floor Stock Tax	19,579	0	---	21,238,536	(673)	---
License and Privilege	\$10,417,153	\$12,542,336	-16.9%	\$12,695,341	\$16,083,482	-21.1%
Alc. Bev. License Suspension	12,500	32,833	-61.9%	225,257	336,533	-33.1%
Corporation License	2,072	(5,661)	---	60,779	6,080	---
Corporation Organization	0	3,510	---	107,040	44,545	140.3%
Occupational Licenses	6,801	9,011	-24.5%	72,222	86,952	-16.9%
Race Track License	0	0	---	218,375	232,200	-6.0%
Bank Franchise Tax	10,344,113	12,447,019	-16.9%	11,557,413	14,928,406	-22.6%
Driver License Fees	51,667	55,624	-7.1%	454,255	448,765	1.2%
Natural Resources	\$13,052,804	\$9,830,660	32.8%	\$80,264,435	\$84,387,730	-4.9%
Coal Severance	10,480,432	8,449,679	24.0%	56,485,827	62,546,799	-9.7%
Oil Production	391,862	319,001	22.8%	4,108,422	3,192,502	28.7%
Minerals Severance	1,197,824	926,819	29.2%	13,321,169	12,862,455	3.6%
Natural Gas Severance	982,686	135,160	627.1%	6,349,018	5,785,975	9.7%
Income	\$438,339,808	\$409,665,632	7.0%	\$3,347,926,283	\$3,476,292,049	-3.7%
Corporation	(22,911,272)	(9,480,692)	---	271,133,490	279,132,935	-2.9%
Individual	443,083,561	406,446,436	9.0%	2,972,977,278	3,070,694,575	-3.2%
Limited Liability Entity	18,167,518	12,699,888	43.1%	103,815,515	126,464,539	-17.9%
Property	\$28,526,940	\$28,465,457	0.2%	\$546,201,815	\$526,001,992	3.8%
Building & Loan Association	0	21,518	---	256,328	31,401	716.3%
General - Real	9,756,975	9,098,231	7.2%	284,396,158	275,147,283	3.4%
General - Tangible	14,250,346	14,404,016	-1.1%	185,060,350	187,517,481	-1.3%
Omitted & Delinquent	3,206,910	2,521,545	27.2%	14,249,575	11,412,483	24.9%
Public Service	678,370	2,095,921	-67.6%	60,538,374	50,350,485	20.2%
Other	634,338	324,226	95.6%	1,701,030	1,542,858	10.3%
Inheritance Tax	\$3,586,520	\$2,240,976	60.0%	\$30,555,510	\$32,397,726	-5.7%
Miscellaneous	\$2,133,748	\$1,949,618	9.4%	\$14,042,470	\$15,395,809	-8.8%
Legal Process	1,192,190	1,066,559	11.8%	8,547,720	8,315,551	2.8%
T. V. A. In Lieu Payments	941,559	877,300	7.3%	5,485,015	7,066,410	-22.4%
Other	0	5,758	-100.0%	9,735	13,848	-29.7%
nontax receipts	\$23,704,189	\$26,038,440	-9.0%	\$238,511,699	\$226,103,451	5.5%
Departmental Fees	1,313,379	2,742,223	-52.1%	8,408,439	12,220,381	-31.2%
PSC Assessment Fee	5,842	50	11583.7%	16,141,869	15,826,349	2.0%
Fines & Forfeitures	1,468,526	1,380,962	6.3%	13,154,199	11,292,714	16.5%
Income on Investments	(1,130,160)	(562,564)	---	(8,222,144)	(4,401,624)	---
Lottery	20,000,000	20,000,000	0.0%	162,146,017	156,000,000	3.9%
Miscellaneous	2,046,602	2,477,769	-17.4%	46,883,318	35,165,630	33.3%
Redeposit of State Funds	\$4,426,544	\$1,690,449	161.9%	\$7,337,453	\$4,293,734	70.9%

2. ROAD FUND REVENUE

	<u>FEBRUARY</u> <u>2019</u>	<u>FEBRUARY</u> <u>2018</u>	<u>% Change</u>	<u>JULY THROUGH FEBRUARY</u> <u>FY 2019</u>	<u>FY 2018</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$123,567,909	\$110,855,612	11.5%	\$1,021,234,652	\$973,682,008	4.9%
Tax Receipts-	\$121,009,214	\$108,721,487	11.3%	\$999,479,734	\$958,230,254	4.3%
Sales and Gross Receipts	\$94,655,814	\$82,419,262	14.8%	\$850,837,413	\$818,042,745	4.0%
Motor Fuels Taxes	58,153,693	46,473,260	25.1%	515,308,781	498,058,580	3.5%
Motor Vehicle Usage	36,502,121	35,946,002	1.5%	335,528,632	319,984,165	4.9%
License and Privilege	\$26,353,401	\$26,302,225	0.2%	\$148,642,321	\$140,187,509	6.0%
Motor Vehicles	10,219,878	9,098,839	12.3%	64,514,347	58,922,498	9.5%
Motor Vehicle Operators	1,541,518	1,399,085	10.2%	10,991,226	10,921,958	0.6%
Weight Distance	13,131,934	14,352,533	-8.5%	62,661,969	60,895,491	2.9%
Truck Decal Fees	2,048	1,082	89.3%	34,334	28,272	21.4%
Other Special Fees	1,458,022	1,450,686	0.5%	10,440,445	9,419,290	10.8%
Nontax Receipts	\$2,447,836	\$2,047,335	19.6%	\$20,170,606	\$14,743,485	36.8%
Departmental Fees	1,635,045	1,591,863	2.7%	12,251,757	12,080,817	1.4%
In Lieu of Traffic Fines	71,656	26,175	173.8%	283,964	225,986	25.7%
Income on Investments	604,197	106,478	467.4%	5,325,640	1,136,043	368.8%
Miscellaneous	136,937	322,819	-57.6%	2,309,245	1,300,639	77.5%
Redeposit of State Funds	\$110,860	\$86,789	27.7%	\$1,584,311	\$708,270	123.7%

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