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GENERAL FUND AND ROAD FUND RECEIPTS
FOR APRIL 2019

General Fund receipts rose 10.7 Percent
Road Fund receipts rose 8.0 Percent

FRANKFORT, Ky. (Friday, May 10, 2019) - State Budget Director John Chilton reported today that General Fund receipts surged ahead 10.7 percent in April with revenues of \$1,289.9 million. April's receipts compare favorably to the \$1,165.3 million collected in April 2018. Through the first ten months of FY19, the General Fund has grown 4.8 percent. Receipts reached a new all-time peak in April, besting the previous record by \$124.6 million.

The official General Fund revenue estimate for FY19 calls for revenue to grow 3.3 percent compared to FY18 actual receipts. After April's collections are considered, General Fund revenues could fall 4.2 percent for the remaining two months of the fiscal year and still meet the official estimate.

Chilton cited tax law changes in 2018 and 2019 as the impetus for April's growth spurt. "Once again, the sales and cigarette taxes produced large increases due to the passage of HB 487 in 2018. However, \$60 million of April's General Fund growth was attributable to the income taxes, despite 2017 HB 487 adopting rate decreases which reduced receipts in the months leading up to the income tax filing season. Part of that increase emphasizes the base broadening that occurred in 2018, where some individual income tax deductions were eliminated, increasing the amount of income subject to taxation. The remainder of growth is linked to a provision of HB 354, enacted in 2019, that requires calendar-year corporations to make estimated tax payments in April and June instead of waiting until

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June for one large payment. Since a portion of the corporation income tax revenue received in April would have been received in June, part of the April increase could be an acceleration of income tax revenue rather than pure economic growth. Nevertheless, April was an extremely positive month – creating a greater possibility that FY19 revenues may exceed the budgeted revenue estimates.”

Among the major General Fund accounts:

- Individual income taxes fell marginally by 0.2 percent in April. Year-to-date collections are down 1.9 percent. Despite the annual decline, the returns submitted this 2019 filing season have helped offset some of the year-to-date declines in withholding due to the 2018 rate reduction.
- Corporation income tax receipts and the limited liability entity tax (LLET) grew 54.6 percent for the month and have risen 8.7 percent thus far in FY19. A portion of April’s increase represents an acceleration of revenues that are normally received in June.
- Sales tax revenues grew by a surprising 12.3 percent in April. Sales tax collections have increased 8.8 percent through the first ten months of FY19, a pace slightly ahead of the official projections. In 2018, the sales tax was expanded to include many services that were not previously subject to tax.
- Cigarette taxes were up 100.8 percent for the month and have grown 70.6 percent for the first ten 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 2018 HB 487.
- Property tax receipts rose 15.6 percent in April and are up 4.5 percent for the year.
- Coal severance tax receipts grew 30.7 percent in April. Year-to-date collections are down 1.2 percent.
- Lottery revenues in April exceeded last year’s dividend payment by \$1.0 million and are up 4.4 percent for the fiscal year.

Road Fund receipts rose 8.0 percent in April with collections of \$145.6 million. Year-to-date collections have grown 3.4 percent compared to last year’s total. 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 17.6 percent for the remainder of the fiscal year to meet that estimate.

Among the Road Fund accounts:

- Motor fuels receipts grew 1.4 percent in April due to an increase in gallons purchased.
- Motor vehicle usage collections rose 19.2 percent for the month with receipts of \$49.8 million following a poor performance in March. Year-to-date collections are up 4.9 percent.
- License and privilege taxes were up 3.8 in April. Year-to-date growth is a healthy 4.2 percent.
- Nontax receipts continued a high rate of growth, primarily due to income on investments. Growth in nontax receipts is a strong 32.7 percent thus far in FY19.

KENTUCKY STATE GOVERNMENT REVENUE

1. GENERAL FUND REVENUE

	<u>APRIL</u> <u>2019</u>	<u>APRIL</u> <u>2018</u>	<u>% Change</u>	<u>JULY THROUGH APRIL</u> <u>FY 2019</u>	<u>JULY THROUGH APRIL</u> <u>FY 2018</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$1,289,943,725	\$1,165,316,286	10.7%	\$9,491,142,763	\$9,055,675,317	4.8%
Tax Receipts	\$1,261,368,450	\$1,140,696,366	10.6%	\$9,190,794,540	\$8,779,402,066	4.7%
Sales and Gross Receipts	\$415,335,445	\$359,722,364	15.5%	\$3,877,154,342	\$3,464,548,958	11.9%
Beer Consumption	534,302	527,136	1.4%	4,906,375	5,038,040	-2.6%
Beer Wholesale	4,447,507	4,808,144	-7.5%	46,823,692	48,397,608	-3.3%
Cigarette	31,298,909	15,590,256	100.8%	292,024,551	171,166,432	70.6%
Distilled Spirits Case Sales	13,851	13,798	0.4%	134,703	128,594	4.8%
Distilled Spirits Consumption	1,241,140	1,264,045	-1.8%	12,170,510	11,785,536	3.3%
Distilled Spirits Wholesale	4,205,629	3,943,182	6.7%	40,313,496	37,326,502	8.0%
Insurance Premium	1,048,694	66,116	1486.1%	111,646,388	106,596,723	4.7%
Pari-Mutuel	1,752,783	886,132	97.8%	11,074,511	5,940,937	86.4%
Race Track Admission	0	4,261	---	153,276	163,718	-6.4%
Sales and Use	364,240,491	324,435,352	12.3%	3,255,893,438	2,991,990,096	8.8%
Wine Consumption	221,983	250,700	-11.5%	2,608,178	2,596,672	0.4%
Wine Wholesale	1,406,652	1,332,271	5.6%	14,473,830	14,343,078	0.9%
Telecommunications Tax	3,127,431	4,845,887	-35.5%	45,289,839	51,077,490	-11.3%
Other Tobacco Products	1,776,841	1,755,085	1.2%	18,362,548	17,998,205	2.0%
Floor Stock Tax	19,231	0	---	21,279,009	(673)	---
License and Privilege	\$1,793,914	\$1,675,124	7.1%	\$120,338,460	\$116,899,458	2.9%
Alc. Bev. License Suspension	20,000	58,833	-66.0%	258,757	448,200	-42.3%
Corporation License	1,413	3,338	---	62,669	6,769	825.8%
Corporation Organization	500	0	---	311,587	48,121	547.5%
Occupational Licenses	28,867	28,294	2.0%	118,568	140,701	-15.7%
Race Track License	0	6,300	-100.0%	218,375	238,500	-8.4%
Bank Franchise Tax	1,685,853	1,514,606	11.3%	118,802,114	115,449,034	2.9%
Driver License Fees	57,281	63,753	-10.2%	566,390	568,133	-0.3%
Natural Resources	\$10,867,318	\$9,308,951	16.7%	\$103,383,724	\$102,659,975	0.7%
Coal Severance	8,923,113	6,825,192	30.7%	74,836,109	75,721,205	-1.2%
Oil Production	321,727	516,738	-37.7%	4,767,169	4,230,584	12.7%
Minerals Severance	1,080,316	981,651	10.1%	15,302,634	14,842,452	3.1%
Natural Gas Severance	542,161	985,371	-45.0%	8,477,811	7,865,734	7.8%
Income	\$800,189,606	\$740,132,991	8.1%	\$4,431,602,929	\$4,458,182,246	-0.6%
Corporation	127,497,002	71,344,969	78.7%	435,999,042	384,498,446	13.4%
Individual	625,825,017	627,360,190	-0.2%	3,815,361,097	3,891,182,752	-1.9%
Limited Liability Entity	46,867,587	41,427,831	13.1%	180,242,790	182,501,048	-1.2%
Property	\$28,640,550	\$24,786,223	15.6%	\$602,952,441	\$576,931,327	4.5%
Building & Loan Association	0	0	---	256,328	31,401	---
General - Real	3,012,496	2,644,706	13.9%	290,960,812	280,584,775	3.7%
General - Tangible	26,991,097	21,534,215	25.3%	231,204,147	225,945,672	2.3%
Omitted & Delinquent	(5,624,556)	(3,748,065)	---	12,381,472	10,704,562	15.7%
Public Service	4,224,310	4,289,258	-1.5%	66,112,889	57,838,226	14.3%
Other	37,203	66,109	-43.7%	2,036,793	1,826,690	11.5%
Inheritance Tax	\$2,596,907	\$3,171,860	-18.1%	\$37,318,024	\$40,554,408	-8.0%
Miscellaneous	\$1,944,710	\$1,898,853	2.4%	\$18,044,620	\$19,625,694	-8.1%
Legal Process	1,003,151	997,829	0.5%	10,666,753	10,767,112	-0.9%
T. V. A. In Lieu Payments	941,559	877,300	7.3%	7,368,132	8,821,010	-16.5%
Other	0	23,724	-100.0%	9,735	37,572	-74.1%
Nontax Receipts	\$27,522,533	\$24,175,411	13.8%	\$290,423,692	\$271,352,963	7.0%
Departmental Fees	970,894	2,248,812	-56.8%	11,225,500	17,135,596	-34.5%
PSC Assessment Fee	269	55	385.1%	16,142,376	15,840,076	1.9%
Fines & Forfeitures	2,058,409	1,858,656	10.7%	16,904,371	14,984,455	12.8%
Income on Investments	(1,219,876)	(1,147,056)	---	(10,450,690)	(6,595,118)	---
Lottery	21,500,000	20,500,000	4.9%	205,146,017	196,500,000	4.4%
Miscellaneous	4,212,836	714,943	---	51,456,118	33,487,953	53.7%
Redeposit of State Funds	\$1,052,743	\$444,509	136.8%	\$9,924,531	\$4,920,288	101.7%

2. ROAD FUND REVENUE

	<u>APRIL</u> <u>2019</u>	<u>APRIL</u> <u>2018</u>	<u>% Change</u>	<u>JULY THROUGH APRIL</u> <u>FY 2019</u>	<u>FY 2018</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$145,584,486	\$134,861,355	8.0%	\$1,286,898,126	\$1,244,508,911	3.4%
Tax Receipts-	\$141,337,692	\$131,393,755	7.6%	\$1,257,965,144	\$1,223,256,231	2.8%
Sales and Gross Receipts	\$113,418,933	\$104,502,203	8.5%	\$1,065,080,872	\$1,038,188,684	2.6%
Motor Fuels Taxes	63,637,490	62,730,547	1.4%	638,946,282	631,801,192	1.1%
Motor Vehicle Usage	49,781,443	41,771,656	19.2%	426,134,590	406,387,491	4.9%
License and Privilege	\$27,918,759	\$26,891,551	3.8%	\$192,884,272	\$185,067,547	4.2%
Motor Vehicles	19,933,799	19,751,072	0.9%	97,802,990	93,227,257	4.9%
Motor Vehicle Operators	1,501,682	1,585,227	-5.3%	13,875,147	13,960,810	-0.6%
Weight Distance	5,249,062	4,647,346	12.9%	68,498,426	66,320,914	3.3%
Truck Decal Fees	130,888	140,977	-7.2%	175,724	193,389	-9.1%
Other Special Fees	1,103,327	766,930	43.9%	12,531,986	11,365,177	10.3%
Nontax Receipts	\$4,001,705	\$3,315,206	20.7%	\$27,167,721	\$20,466,826	32.7%
Departmental Fees	2,832,042	2,510,910	12.8%	16,234,437	16,281,878	-0.3%
In Lieu of Traffic Fines	30,850	28,666	7.6%	346,059	290,162	19.3%
Income on Investments	860,656	287,216	199.7%	7,494,672	1,911,358	292.1%
Miscellaneous	278,157	488,414	-43.0%	3,092,553	1,983,427	55.9%
Redeposit of State Funds	\$245,089	\$152,394	60.8%	\$1,765,260	\$785,855	124.6%

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