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**GENERAL FUND AND ROAD FUND RECEIPTS DECREASE
IN MAY 2020**

General Fund receipts decreased 8.1 percent, Year-to-date down 1.8 percent
Road Fund receipts decreased 33.4 percent, Year-to-date down 4.6 percent

FRANKFORT, Ky. (Wednesday, June 10, 2020) - The Office of State Budget Director reported today that May's General Fund receipts fell 8.1 percent compared to May of last year, a decrease of \$69.0 million. Total revenues for the month were \$781.0 million, compared to \$850.0 million during May 2019. Receipts have now fallen 1.8 percent for the first eleven months of FY20. The revised official estimate for FY20 rendered by the Consensus Forecasting Group (CFG) on May 22, 2020, calls for 3.5 percent revenue decline for the entire fiscal year. To meet the estimate with one month remaining, receipts must decline by 20.6 percent.

State Budget Director John Hicks noted that General Fund revenues were better than expected due to an unanticipated 12.4 percent increase in the individual income tax. "Income tax withholding receipts were buttressed by unemployment insurance payments, defying economic expectations by increasing 8.0 percent following a 7.5 percent decline in April. Many of the beneficiaries of unemployment insurance elect to have withholding deducted from their weekly payments. A lower level of income tax refunds also contributed to the increase from last May, likely a result of the change in the filing deadline from April 15 to July 15. Sales tax receipts were down by 10.9 percent which was better than the CFG expected in their recent revenue estimate which predicted a 26 percent decline for May and June combined. Business taxes declined significantly, continuing a trend seen throughout the fiscal year."

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Among the major accounts:

- Sales and use tax receipts decreased 10.9 percent for the month, following a 6.4 percent decline in April. Receipts have grown 3.7 percent year-to-date. Kentucky taxes all transactions that flow through online marketplace providers which partially compensates for the reduction of taxable sales at traditional brick and mortar store locations.
- In May, corporation income tax revenue was down \$27.1 million while limited liability entity tax receipts grew by \$13.4 million. Collections in these accounts have declined 32.9 percent for the year.
- Individual income tax collections were surprisingly higher, increasing 12.4 percent in May. Withholding receipts, supported by unemployment insurance benefit payments, and net returns both increased relative to last May while declarations were essentially unchanged. Receipts have now fallen 1.5 percent though the first eleven months of FY20.
- Property tax collections decreased 42.6 percent in May and are down 0.4 percent year-to-date. All of the major components of this tax experienced declines for the month.
- Cigarette tax receipts rose 0.6 percent in May and are up 0.3 percent year-to-date.
- Coal severance tax receipts fell 52.5 percent in May to \$4.2 million. Collections have declined 32.5 percent through the first eleven months of the fiscal year.

Road Fund receipts fell 33.4 percent in May 2020 with collections of \$95.8 million with declines in every major tax account. This follows a decline of 30.1 percent in April. Year-to-date collections are lower by 4.6 percent. Among the accounts, motor fuels fell 27.7 percent and are down 2.7 percent for the year. Motor vehicle usage revenue declined 30.1 percent following a 60.1 percent decline in April, while license and privilege receipts fell 41.9 percent. Hicks observed that “even with the large reductions to the motor fuels and motor vehicle usage accounts in May, collections were still ahead of expectations set by the CFG revision to the FY20 Road Fund estimates”. Based on year-to-date tax collections, revenues must decline 81.1 percent in June to meet the estimate.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>MAY</u> <u>2020</u>	<u>MAY</u> <u>2019</u>	<u>% Change</u>	<u>JULY THROUGH MAY</u> <u>FY 2020</u>	<u>JULY THROUGH MAY</u> <u>FY 2019</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$781,025,850	\$849,982,428	-8.1%	\$10,156,410,524	\$10,341,125,190	-1.8%
Tax Receipts	\$746,148,021	\$794,084,238	-6.0%	\$9,809,214,935	\$9,984,878,777	-1.8%
Sales and Gross Receipts	\$377,801,821	\$430,037,392	-12.1%	\$4,431,843,710	\$4,307,191,734	2.9%
Beer Consumption	526,081	552,132	-4.7%	5,659,816	5,458,507	3.7%
Beer Wholesale	5,153,979	5,003,638	3.0%	55,897,690	51,827,330	7.9%
Cigarette	32,365,067	32,169,796	0.6%	325,011,940	324,194,347	0.3%
Distilled Spirits Case Sales	15,694	14,873	5.5%	164,460	149,577	10.0%
Distilled Spirits Consumption	1,395,203	1,321,622	5.6%	14,500,955	13,492,132	7.5%
Distilled Spirits Wholesale	4,465,504	4,604,653	-3.0%	49,113,769	44,918,149	9.3%
Insurance Premium	21,972,344	34,704,544	-36.7%	135,291,368	146,350,932	-7.6%
Pari-Mutuel	22,553	1,940,392	-98.8%	14,927,887	13,014,903	14.7%
Race Track Admission	0	61,070	-100.0%	143,685	214,345	-33.0%
Sales and Use	302,794,500	339,929,310	-10.9%	3,730,209,859	3,595,822,748	3.7%
Wine Consumption	297,121	273,662	8.6%	2,971,642	2,881,840	3.1%
Wine Wholesale	1,541,622	1,542,746	-0.1%	16,247,527	16,016,576	1.4%
Telecommunications Tax	5,450,385	6,057,169	-10.0%	61,631,149	51,347,008	20.0%
Other Tobacco Products	1,799,158	1,857,298	-3.1%	20,022,019	20,219,846	-1.0%
Floor Stock Tax	2,610	4,487	-41.8%	49,946	21,283,496	-99.8%
License and Privilege	(\$651,966)	\$371,595	---	\$123,856,731	\$120,710,055	2.6%
Alc. Bev. License Suspension	7,450	36,250	-79.4%	247,950	295,007	-16.0%
Corporation License	8,779	410	2041.2%	47,428	63,079	-24.8%
Corporation Organization	0	0	---	60,992	311,587	-80.4%
Occupational Licenses	11,623	42,042	-72.4%	128,225	160,610	-20.2%
Race Track License	0	50,500	-100.0%	242,717	268,875	-9.7%
Bank Franchise Tax	(689,318)	184,197	---	121,910,890	118,986,310	2.5%
Driver License Fees	9,501	58,197	-83.7%	1,218,530	624,587	95.1%
Natural Resources	\$6,288,253	\$12,589,164	-50.1%	\$83,078,363	\$115,972,888	-28.4%
Coal Severance	4,209,061	8,869,042	-52.5%	56,473,821	83,705,152	-32.5%
Oil Production	85,488	706,304	-87.9%	4,498,266	5,473,473	-17.8%
Minerals Severance	1,708,970	2,152,103	-20.6%	17,887,220	17,454,737	2.5%
Natural Gas Severance	284,734	861,714	-67.0%	4,219,055	9,339,525	-54.8%
Income	\$341,736,809	\$317,364,668	7.7%	\$4,481,975,953	\$4,748,967,597	-5.6%
Corporation	(23,663,056)	3,385,708	---	219,948,762	439,384,751	-49.9%
Individual	344,555,551	306,529,955	12.4%	4,061,252,265	4,121,891,051	-1.5%
Limited Liability Entity	20,844,313	7,449,005	179.8%	200,774,925	187,691,795	7.0%
Property	\$15,910,187	\$27,703,052	-42.6%	\$627,910,629	\$630,655,492	-0.4%
Building & Loan Association	516,324	677,497	-23.8%	323,470	933,826	-65.4%
General - Real	2,148,843	2,720,658	-21.0%	303,006,765	293,681,470	3.2%
General - Tangible	10,251,728	15,614,233	-34.3%	242,025,059	246,818,380	-1.9%
Omitted & Delinquent	1,984,611	5,178,268	-61.7%	10,114,551	17,559,740	-42.4%
Public Service	967,136	3,510,997	-72.5%	70,154,683	69,623,886	0.8%
Other	41,545	1,399	2869.7%	2,286,103	2,038,192	12.2%
Inheritance Tax	\$3,779,031	\$3,839,631	-1.6%	\$42,731,985	\$41,157,655	3.8%
Miscellaneous	1,283,886	2,178,736	-41.1%	17,817,564	20,223,356	-11.9%
Legal Process	420,265	1,237,177	-66.0%	11,123,187	11,903,930	-6.6%
T. V. A. In Lieu Payments	832,214	941,559	-11.6%	5,824,909	8,309,691	-29.9%
Other	31,407	0	---	869,468	9,735	8831.3%
Nontax Receipts	\$34,747,859	\$55,350,566	-37.2%	\$329,334,980	\$345,774,258	-4.8%
Departmental Fees	1,026,936	2,477,118	-58.5%	12,883,196	13,702,618	-6.0%
PSC Assessment Fee	194	1,601	-87.9%	13,071,616	16,143,977	-19.0%
Fines & Forfeitures	498,523	1,543,460	-67.7%	14,983,108	18,447,831	-18.8%
Income on Investments	37,838	(795,667)	---	(6,103,808)	(11,246,357)	---
Lottery	22,000,000	21,500,000	2.3%	245,363,344	226,646,017	8.3%
Miscellaneous	11,184,367	30,624,053	-63.5%	49,137,525	82,080,171	-40.1%
Redeposit of State Funds	\$129,970	\$547,624	-76.3%	\$17,860,609	\$10,472,155	70.6%

2. ROAD FUND REVENUE

	<u>MAY</u>	<u>MAY</u>	<u>% Change</u>	<u>JULY THROUGH MAY</u>		<u>% Change</u>
	<u>2020</u>	<u>2019</u>		<u>FY 2020</u>	<u>FY 2019</u>	
TOTAL STATE ROAD FUND	\$95,762,738	\$143,773,925	-33.4%	\$1,364,366,696	\$1,430,672,051	-4.6%
Tax Receipts-	\$94,344,049	\$138,295,425	-31.8%	\$1,333,654,501	\$1,396,260,569	-4.5%
Sales and Gross Receipts	\$75,395,482	\$105,704,894	-28.7%	\$1,132,205,043	\$1,170,785,766	-3.3%
Motor Fuels Taxes	45,468,619	62,905,704	-27.7%	682,880,170	701,851,986	-2.7%
Motor Vehicle Usage	29,926,863	42,799,190	-30.1%	449,324,873	468,933,780	-4.2%
License and Privilege	\$18,948,567	\$32,590,531	-41.9%	\$201,449,457	\$225,474,803	-10.7%
Motor Vehicles	7,800,476	12,369,030	-36.9%	97,385,814	110,172,020	-11.6%
Motor Vehicle Operators	609	1,411,685	-100.0%	12,882,538	15,286,832	-15.7%
Weight Distance	10,430,674	14,666,957	-28.9%	79,975,868	83,165,383	-3.8%
Truck Decal Fees	28,040	129,300	-78.3%	82,140	305,024	-73.1%
Other Special Fees	688,768	4,013,559	-82.8%	11,123,098	16,545,545	-32.8%
Nontax Receipts	\$1,391,343	\$5,673,825	-75.5%	\$30,212,654	\$32,841,546	-8.0%
Departmental Fees	641,372	3,134,244	-79.5%	18,994,381	19,368,681	-1.9%
In Lieu of Traffic Fines	8,355	32,910	-74.6%	273,817	378,969	-27.7%
Income on Investments	238,952	2,029,072	-88.2%	6,499,580	9,523,745	-31.8%
Miscellaneous	502,664	477,599	5.2%	4,444,875	3,570,151	24.5%
Redeposit of State Funds	\$27,345	(\$195,325)	---	\$499,542	\$1,569,935	-68.2%

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