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**GENERAL FUND AND ROAD FUND RECEIPTS  
FOR JULY 2020**

***General Fund receipts increase 7.0 percent***  
***Road Fund receipts increase 7.2 percent***

**FRANKFORT, Ky. (Monday, August 10, 2020)** - State Budget Director John Hicks announced today Kentucky's General Fund receipts for July, the first month of Fiscal Year 2021 (FY21), totaled \$905.1 million, a 7.0 percent increase compared to July 2019 receipts. Collections for the month were surprisingly strong given the general slowdown in consumer spending arising from the uncertainty of the novel coronavirus.

The official revenue estimate for FY21 calls for revenue to grow 0.3 percent compared to FY20 actual receipts. Based on July's receipts, General Fund revenues can fall 0.2 percent for the remainder of the fiscal year to meet the enacted budget estimate.

State Budget Director Hicks was pleased with July revenue collections, but noted that there is tremendous uncertainty going forward. "The two largest revenue sources in July, the sales tax and individual income tax, were both aided by the \$600 per week enhanced unemployment insurance benefits and the paycheck protection program. Both of those programs have now expired. The sustainability of these revenue increases in future months are very uncertain, depending on Congressional action to continue. As Kentucky continues the measured reopening of various sectors of the economy, the revenue pattern emerging from the July tax receipts report is seemingly a step ahead of progress on the economic front. We will continue to monitor the revenue patterns and economic trends, culminating in a report later this month that will contain the first updated view of the revenue projections for FY21."

Among the major accounts:

- Individual income tax receipts rose 6.2 percent due to higher withholding and estimated, tax payments. The withholding component of the individual income tax was aided by nearly \$20.4 million attributable to withholding from unemployment insurance benefits. Excluding that \$20.4 million, withholding declined by 1.9 percent. Over the last four months, from April through July, withholding has dropped by 4.6 percent when excluding unemployment insurance benefits.
- Sales tax revenues grew 12.3 percent in July. Increases in disposable income from transfer payments, along with the taxation of internet transaction, helped buoy the sales tax collections. In the April through June quarter, sales tax revenues declined by 5.9 percent.
- Corporation and LLET receipts declined a combined 41.2 percent. July is traditionally a low month of collections for business taxes, so large percentage changes on a low base of activity are common.
- Cigarette tax collections rose 2.1 percent in July.
- Property tax receipts grew 41.1 percent due to increases in tangible property receipts, particularly on motor vehicles.
- Coal severance tax revenues fell 37.1 percent to \$3.2 million.
- Lottery revenues were unchanged at \$19.0 million.

Road Fund revenues for July totaled \$137.5 million, a 7.2 percent increase compared to last July. The increase was led by an all-time high monthly collection level for motor vehicle usage taxes after recent heavy declines. The official Road Fund revenue estimate for FY21 calls for revenue to increase 3.5 percent compared to FY20 actual receipts. Based on the first month's receipts, revenues must grow 3.1 percent for the rest of the fiscal year and still meet budgeted levels.

Among the major Road Fund categories:

- Motor fuels tax receipts fell 1.1 percent, after a 19 percent drop in the April through June quarter.
- Motor vehicle usage tax grew 11.8 percent, following a 28 percent decline in the April through June quarter.
- License and privilege taxes rose 29.0 percent, reflecting a pick-up in vehicle registrations and driver license renewals.

**KENTUCKY STATE GOVERNMENT REVENUE**  
**1. GENERAL FUND REVENUE**

	<u>JULY</u> <u>2020</u>	<u>JULY</u> <u>2019</u>	<u>% Change</u>
<b>TOTAL GENERAL FUND</b>	<b>\$905,134,293</b>	<b>\$845,662,660</b>	<b>7.0%</b>
<b>Tax Receipts</b>	<b>\$868,885,227</b>	<b>\$813,510,398</b>	<b>6.8%</b>
Sales and Gross Receipts	\$467,683,089	\$418,929,142	11.6%
Beer Consumption	539,173	666,719	-19.1%
Beer Wholesale	6,479,333	6,342,170	2.2%
Cigarette	30,625,251	29,982,641	2.1%
Distilled Spirits Case Sales	18,229	16,367	11.4%
Distilled Spirits Consumption	1,605,020	1,475,217	8.8%
Distilled Spirits Wholesale	5,409,022	4,846,850	11.6%
Insurance Premium	502,746	2,297	---
Pari-Mutuel	1,378,811	1,344,424	2.6%
Race Track Admission	0	80,510	-100.0%
Sales and Use	411,127,172	366,258,296	12.3%
Wine Consumption	302,036	279,189	8.2%
Wine Wholesale	1,599,120	1,397,691	14.4%
Telecommunications Tax	5,984,547	4,481,886	33.5%
Other Tobacco Products	2,112,105	1,751,177	20.6%
Floor Stock Tax	524	3,709	-85.9%
License and Privilege	\$208,767	(\$173,732)	---
Alc. Bev. License Suspension	2,500	33,750	-92.6%
Corporation License	0	281	-100.0%
Corporation Organization	150	25,115	-99.4%
Occupational Licenses	15,205	8,053	88.8%
Race Track License	0	95,000	-100.0%
Bank Franchise Tax	62,060	(381,818)	---
Driver License Fees	128,852	45,887	180.8%
Natural Resources	\$5,604,476	\$8,007,115	-30.0%
Coal Severance	3,224,555	5,129,846	-37.1%
Oil Production	187,904	460,285	-59.2%
Minerals Severance	1,941,702	1,808,040	7.4%
Natural Gas Severance	250,315	608,944	-58.9%
Income	\$380,426,726	\$371,423,556	2.4%
Corporation	10,418,987	19,681,904	-47.1%
Individual	363,191,001	342,108,036	6.2%
Limited Liability Entity	6,816,737	9,633,615	-29.2%
Property	\$13,817,424	\$9,793,877	41.1%
Building & Loan Association	21,875	22,012	-0.6%
General - Real	67,447	6,320	967.2%
General - Tangible	13,958,975	10,438,278	33.7%
Omitted & Delinquent	(1,313,084)	(1,810,969)	---
Public Service	1,082,212	1,138,235	-4.9%
Other	0	0	---
Inheritance Tax	\$5,323,684	\$3,626,479	46.8%
Miscellaneous	(\$4,178,937)	\$1,903,963	---
Legal Process	716,423	866,905	-17.4%
T. V. A. In Lieu Payments	(5,167,786)	941,559	---
Other	272,426	95,500	185.3%
<b>Nontax Receipts</b>	<b>\$31,533,261</b>	<b>\$32,928,069</b>	<b>-4.2%</b>
Departmental Fees	1,033,564	1,377,406	-25.0%
PSC Assessment Fee	13,681,547	12,810,788	6.8%
Fines & Forfeitures	861,992	1,389,440	-38.0%
Income on Investments	(72,850)	(262,911)	---
Lottery	19,000,000	19,000,000	0.0%
Miscellaneous	(2,970,992)	(1,386,654)	---
Redeposit of State Funds	\$4,715,805	(\$775,806)	---

**2. ROAD FUND REVENUE**

	<u>JULY</u> <u>2020</u>	<u>JULY</u> <u>2019</u>	<u>% Change</u>
<b>TOTAL STATE ROAD FUND</b>	<b>\$137,527,010</b>	<b>\$128,248,147</b>	<b>7.2%</b>
Tax Receipts-	\$134,955,153	\$125,588,989	7.5%
Sales and Gross Receipts	\$115,180,170	\$110,260,853	4.5%
Motor Fuels Taxes	61,972,924	62,670,993	-1.1%
Motor Vehicle Usage	53,207,246	47,589,860	11.8%
License and Privilege	\$19,774,983	\$15,328,136	29.0%
Motor Vehicles	9,887,697	5,547,213	78.2%
Motor Vehicle Operators	1,774,975	1,288,295	37.8%
Weight Distance	7,249,130	7,717,499	-6.1%
Truck Decal Fees	23,060	7,043	227.4%
Other Special Fees	840,120	768,085	9.4%
Nontax Receipts	\$2,551,771	\$2,525,168	1.1%
Departmental Fees	2,090,831	1,982,705	5.5%
In Lieu of Traffic Fines	12,735	29,397	-56.7%
Income on Investments	197,492	193,021	2.3%
Miscellaneous	250,713	320,045	-21.7%
Redeposit of State Funds	\$20,087	\$133,990	-85.0%

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