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GENERAL FUND AND ROAD FUND RECEIPTS
FOR JULY 2022

General Fund receipts increased 9.7 percent
Road Fund receipts decreased 0.2 percent

FRANKFORT, KY – (Wednesday, August 10, 2022) - State Budget Director John Hicks announced today Kentucky's General Fund receipts for July, the first month of Fiscal Year 2023 (FY23), totaled \$1,077.1 million, a 9.7 percent increase compared to July 2021 receipts. This is the fifth consecutive month, and tenth out of the last 11 months, in which collections have exceeded \$1 billion. The \$95.6 million increase in revenues was concentrated in the sales and gross receipts and the individual income tax. The major business taxes and miscellaneous taxes both declined compared to last July.

Due to the revenue surplus in FY22, the official revenue estimate for FY23 is 6.4 percent lower than the FY22 actual receipts. Receipts can decline 7.6 percent over the rest of the fiscal year and still meet the revenue estimate.

State Budget Director Hicks commented that the largest two taxes continue to dictate the performance of Kentucky's General Fund revenues as the new fiscal year begins. "The individual income tax and sales tax continue to be the engine of General Fund growth to start FY23. Combined receipts in the two accounts grew \$99.1 million in July while all the remaining accounts fell a collective \$3.5 million. Strength in these two accounts demonstrates that the Kentucky economy remains strong with payrolls increasing and consumers continuing to make purchases that elevate the sales tax. July was the second highest month on record for the sales and use tax with collections of \$496.2 million. Increasing payrolls and slightly lower gasoline prices at the pump have contributed to the higher discretionary income used

for spending by Kentucky consumers. July's receipts from individual income and sales taxes continue the recent trend of double-digit percentage growth seen in FY22. Kentucky is extremely well-positioned to exceed the enacted estimate from the 2022 Regular Session of the General Assembly.”

Among the major accounts:

- Individual income tax receipts grew 12.2 percent as withholding collections rose 11.5 percent. Withholding growth in FY22 was 11.1 percent.
- Sales tax revenues grew 12.3 percent while posting the second highest level of collections ever received during a single month. The sales and use tax grew 11.0 percent in FY22.
- Major business tax receipts fell 30.4 percent as the corporation income tax declined while LLET collections increased. July is not typically a large month for business tax collections, so it is not unusual to see big swings in percentage terms during smaller months.
- Cigarette tax collections rose 11.1 percent for the month.
- Property tax receipts rose 20.8 percent primarily on the strength of motor vehicle and public service collections. Like the business taxes, July is a relatively minor month for property tax collections.
- Coal severance tax revenues grew 55.8 percent to \$7.8 million.
- Lottery revenues increased by \$1.5 million to \$23.5 million.

Road Fund revenues for July totaled \$137.7 million, a 0.2 percent decrease compared to last July. The official Road Fund revenue estimate for FY23 calls for revenue to increase 2.7 percent compared to FY22 actual receipts. Based on the first month's receipts, revenues must grow 3.0 percent for the rest of the fiscal year to meet budgeted levels.

Among the major Road Fund categories:

- Motor fuels tax receipts grew 0.8 percent.
- Motor vehicle usage tax collections fell 6.8 percent.
- License and privilege tax receipts rose 14.4 percent.

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TEAM
KENTUCKY

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>JULY</u> <u>2022</u>	<u>JULY</u> <u>2021</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$1,077,109,246	\$981,481,593	9.7%
Tax Receipts	\$1,037,805,468	\$943,301,009	10.0%
Sales and Gross Receipts	\$552,688,302	\$496,461,133	11.3%
Beer Consumption	654,548	737,380	-11.2%
Beer Wholesale	7,743,386	8,010,303	-3.3%
Cigarette	24,540,808	22,087,895	11.1%
Distilled Spirits Case Sales	34,039	21,736	56.6%
Distilled Spirits Consumption	1,721,684	1,915,362	-10.1%
Distilled Spirits Wholesale	6,537,846	6,428,396	1.7%
Insurance Premium	16,607	168,474	-90.1%
Pari-Mutuel	2,927,374	2,879,691	1.7%
Race Track Admission	63,820	44,073	---
Sales and Use	496,199,081	441,889,241	12.3%
Wine Consumption	277,984	396,014	-29.8%
Wine Wholesale	1,650,565	1,731,310	-4.7%
Telecommunications Tax	6,260,762	6,109,165	2.5%
Other Tobacco Products	4,059,774	4,040,749	0.5%
Floor Stock Tax	24	1,343	-98.2%
Car Rental & Ride Sharing	0	0	---
Natural Resources	\$12,840,745	\$7,242,079	77.3%
Coal Severance	7,760,795	4,980,099	55.8%
Oil Production	1,121,892	290,113	286.7%
Minerals Severance	2,929,961	1,722,219	70.1%
Natural Gas Severance	1,028,097	249,648	311.8%
Individual Income Tax	\$413,312,216	\$368,496,666	12.2%
Withholding	404,917,030	363,145,438	11.5%
Declarations	9,911,380	10,505,767	-5.7%
Net Returns	(701,074)	(4,585,228)	---
Fiduciary	(815,120)	(569,311)	---
Major Business Taxes	\$35,565,537	\$51,136,619	-30.4%
Corporation Income	25,171,956	42,298,871	-40.5%
LLET	10,393,581	8,837,748	17.6%
Property	\$16,124,390	\$13,351,441	20.8%
General - Real	(26,714)	19,683	---
General - Tangible	427,069	55,338	671.7%
Tangible - Motor Vehicle	15,830,101	13,732,018	15.3%
Omitted & Delinquent	(3,177,761)	(1,035,621)	---
Public Service	3,071,522	570,105	438.8%
Other	173	9,916	-98.3%
Inheritance Tax	\$5,456,667	\$4,654,674	17.2%
Miscellaneous	\$1,817,611	\$1,958,399	-7.2%
License and Privilege	\$276,432	\$235,861	17.2%
Bank Franchise	\$0	\$111,776	-100.0%
Legal Process	766,084	896,111	-14.5%
T. V. A. In Lieu Payments	769,618	714,650	7.7%
Other	5,476	0	---
Nontax Receipts	\$39,182,261	\$33,592,913	16.6%
Departmental Fees	1,256,277	685,752	83.2%
PSC Assessment Fee	9,675,088	11,922,678	-18.9%
Fines & Forfeitures	1,571,138	1,538,574	2.1%
Income on Investments	3,270,194	(60,989)	---
Lottery	23,500,000	22,000,000	6.8%
Miscellaneous	(90,437)	(2,493,102)	---
Redeposit of State Funds	\$121,517	\$4,587,671	-97.4%

2. ROAD FUND REVENUE

	<u>JULY</u> <u>2022</u>	<u>JULY</u> <u>2021</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$137,670,010	\$137,918,397	-0.2%
Tax Receipts-	\$133,799,027	\$134,710,971	-0.7%
Sales and Gross Receipts	\$115,894,375	\$119,055,952	-2.7%
Motor Fuels Taxes	65,868,675	65,376,785	0.8%
Motor Vehicle Usage	50,025,701	53,679,167	-6.8%
License and Privilege	\$17,904,652	\$15,655,020	14.4%
Motor Vehicles	6,591,328	4,176,186	57.8%
Motor Vehicle Operators	2,496,584	2,665,546	-6.3%
Weight Distance	8,086,486	8,124,357	-0.5%
Truck Decal Fees	32,720	16,000	104.5%
Other Special Fees	697,535	672,930	3.7%
Nontax Receipts	\$3,846,235	\$3,016,497	27.5%
Departmental Fees	2,041,992	2,111,725	-3.3%
In Lieu of Traffic Fines	26,910	17,130	57.1%
Income on Investments	1,459,280	582,295	150.6%
Miscellaneous	318,053	305,347	4.2%
Redeposit of State Funds	\$24,747	\$190,928	-87.0%

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