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**GENERAL FUND AND ROAD FUND RECEIPTS
FOR DECEMBER 2022**

General Fund receipts increased 3.3 percent, up 5.8 percent year-to-date
Road Fund receipts rose 9.0 percent, up 3.4 percent year-to-date

FRANKFORT, KY – (Tuesday, January 10, 2023) - State Budget Director John Hicks reported today that General Fund receipts rose 3.3 percent in December compared to last year. Total revenues for the month were \$1,435.7 million. Receipts have now risen 5.8 percent for the first half of the fiscal year. When adjusting for the one-time legal settlement received in September of FY22, General Fund receipts have risen 9.2 percent through the first six months of FY23.

The state's revenue forecasting entity, the Consensus Forecasting Group, increased the official General Fund estimates by \$1,442.9 million in FY23 and \$1,314.8 million in FY24. Revenue growth needed in the final six months of FY23 to hit the revised FY23 official estimate is 1.2 percent.

Road Fund receipts for November totaled \$136.7 million, a 9.0 percent increase from December 2021 levels. Year-to-date Road Fund receipts have increased 3.4 percent. Based on collections through the first six months, Road Fund receipts must grow 2.1 percent over the balance of the fiscal year to meet the official FY23 estimate of \$1,721.0 million.

Hicks noted that revenue receipts remain very positive in December, posting the fourth highest monthly total ever recorded in the General Fund. "We have seen strong sales tax growth for nearly two years, and individual income withholding receipts continue to rise. Sales tax receipts in December were \$461.7 million, the fifth highest monthly total. General Fund revenue growth in the past two Decembers

was 16.1 percent in FY21 and 10.4 percent in FY22, so the revenue generated from 3.3 percent total revenue growth was formidable due to the high prior-year levels of revenue. As we transition to the second half of the fiscal year, revenues will start to be affected by the many tax law changes from the 2022 Legislative Session that become effective in January 2023, particularly the 10 percent reduction in the individual income tax, and applying the sales tax to 35 additional services.

Among the major accounts:

- Sales and use tax receipts rose 6.4 percent in December and have increased 10.5 percent for the year.
- Business tax receipts declined 5.7 percent for the month but have risen 3.5 percent for the year. Both corporation income and limited liability entity tax (LLET) collections were lower in December than the very high receipts in the prior year.
- Individual income tax collections grew 2.2 percent in December due to a 4.5 percent increase in withholding combined with an increase in tax return refunds and a decline in declarations. Year-to-date collections in this account have increased 8.6 percent.
- Property tax collections rose 8.4 percent in December and are up 7.9 percent for the year.
- Cigarette tax receipts decreased 13.5 percent in December. For the first six months of the year collections have fallen 6.4 percent in this account.
- Coal severance tax receipts rose 39.6 percent in December and have risen 54.3 percent for the year.
- Earnings on investments were over \$10 million more than last December.
- Lottery revenues grew 7.7 percent in December and have increased 6.8 percent for the year.

Road Fund receipts for December totaled \$136.7 million, a 9.0 percent increase from December 2021 levels. Collections in the Road Fund accelerated in the second quarter after being flat in the first three months of FY23. Growth rates for the two quarters have been -0.3 percent and 7.3 percent, respectively. December's motor fuels tax receipts were the highest in over three years, growing 6.0 percent for the month and are up 1.8 percent for the year. Year-to-date increases in motor fuels are strictly due to increases in gallons sold, which are aided by lower motor fuels prices and the current freeze on motor fuels tax rates. Motor vehicle usage tax collections rose 3.9 percent in December and have grown 3.8 percent through the first six months of the fiscal year. License and privilege receipts grew 52.7 percent for the month, largely due to a timing issue in the collection of some fees. For the year, license and privilege revenues have increased 6.0 percent.

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KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	DECEMBER	DECEMBER	% Change	JULY THROUGH DECEMBER		% Change
	2022	2021		FY 2023	FY 2022	
TOTAL GENERAL FUND	\$1,435,722,159	\$1,390,184,551	3.3%	\$7,437,436,364	\$7,032,839,097	5.8%
Tax Receipts	\$1,388,991,615	\$1,356,166,616	2.4%	\$7,159,177,329	\$6,580,822,282	8.8%
Sales and Gross Receipts	\$517,931,586	\$492,540,673	5.2%	\$3,162,885,082	\$2,884,014,318	9.7%
Beer Consumption	485,687	512,129	-5.2%	3,305,377	3,382,933	-2.3%
Beer Wholesale	5,639,085	5,168,760	9.1%	37,375,869	35,830,225	4.3%
Cigarette	25,454,279	29,411,504	-13.5%	155,270,240	165,949,986	-6.4%
Distilled Spirits Case Sales	19,655	23,372	-15.9%	120,966	117,496	3.0%
Distilled Spirits Consumption	1,641,023	1,580,993	3.8%	9,559,845	9,544,135	0.2%
Distilled Spirits Wholesale	6,801,922	6,500,908	4.6%	37,422,381	35,567,841	5.2%
Insurance Premium	3,980	29,636	-86.6%	57,858,245	36,120,226	60.2%
Pari-Mutuel	4,043,714	2,836,539	42.6%	24,010,753	20,489,856	17.2%
Race Track Admission	0	0	---	63,820	82,990	-23.1%
Sales and Use	461,678,136	434,020,080	6.4%	2,766,074,441	2,504,028,769	10.5%
Wine Consumption	311,425	224,423	38.8%	1,598,431	1,682,782	-5.0%
Wine Wholesale	2,067,001	2,066,937	0.0%	10,160,524	10,361,782	-1.9%
Telecommunications Tax	6,289,690	6,742,133	-6.7%	37,841,603	38,576,933	-1.9%
Other Tobacco Products	3,495,754	3,440,711	1.6%	22,220,225	22,287,681	-0.3%
Floor Stock Tax	233	(17,453)	---	2,364	(9,319)	---
Car Rental & Ride Sharing	0	0	---	0	0	---
Natural Resources	\$12,916,205	\$9,395,945	37.5%	\$75,506,466	\$48,751,825	54.9%
Coal Severance	7,872,026	5,639,796	39.6%	46,730,463	30,293,703	54.3%
Oil Production	561,656	877,723	-36.0%	4,395,145	3,229,815	36.1%
Minerals Severance	2,503,840	2,059,847	21.6%	14,830,762	12,267,492	20.9%
Natural Gas Severance	1,978,684	818,579	141.7%	9,550,096	2,960,815	222.5%
Individual Income Tax	\$447,183,214	\$437,728,118	2.2%	\$2,761,316,874	\$2,542,065,874	8.6%
Withholding	431,045,424	412,662,629	4.5%	2,526,108,136	2,344,764,841	7.7%
Declarations	22,240,069	26,545,074	-16.2%	190,175,346	173,244,479	9.8%
Net Returns	(4,479,126)	(1,151,461)	---	46,610,399	24,565,809	89.7%
Fiduciary	(1,623,154)	(328,124)	---	(1,577,006)	(509,254)	---
Major Business Taxes	\$202,947,536	\$215,252,765	-5.7%	\$598,150,079	\$577,911,519	3.5%
Corporation Income	176,859,336	184,382,106	-4.1%	515,668,521	484,794,551	6.4%
LLET	26,088,200	30,870,659	-15.5%	82,481,558	93,116,967	-11.4%
Property	\$200,252,122	\$184,813,098	8.4%	\$516,305,533	\$478,420,334	7.9%
General - Real	100,933,914	100,640,485	0.3%	252,365,632	246,657,663	2.3%
General - Tangible	37,996,312	32,445,479	17.1%	104,183,900	93,314,704	11.6%
Tangible - Motor Vehicle	10,968,272	11,803,597	-7.1%	80,878,917	73,116,744	10.6%
Omitted & Delinquent	2,136,701	4,293,013	-50.2%	3,776,586	9,326,098	-59.5%
Public Service	48,112,487	35,629,002	35.0%	72,570,410	53,986,777	34.4%
Other	104,435	1,521	6765.6%	2,530,089	2,018,349	25.4%
Inheritance Tax	\$5,890,182	\$14,728,410	-60.0%	\$40,107,613	\$44,312,514	-9.5%
Miscellaneous	\$1,870,769	\$1,707,607	9.6%	\$4,905,682	\$5,345,898	-8.2%
License and Privilege	\$153,460	\$29,296	423.8%	988,907	718,963	37.5%
Bank Franchise	\$68,128	\$116,992	-41.8%	65,313	584,566	-88.8%
Legal Process	679,606	791,700	-14.2%	4,626,693	5,444,785	-15.0%
T. V. A. In Lieu Payments	969,576	769,618	26.0%	(798,991)	(1,409,574)	---
Other	0	0	---	23,759	7,158	231.9%
Nontax Receipts	\$40,150,478	\$33,263,357	20.7%	\$271,182,941	\$445,631,414	-39.1%
Departmental Fees	776,185	748,453	3.7%	6,042,737	6,269,840	-3.6%
PSC Assessment Fee	43,756	50	87412.0%	10,203,674	13,491,870	-24.4%
Fines & Forfeitures	1,409,573	1,384,954	1.8%	9,655,194	9,328,612	3.5%
Income on Investments	10,033,549	(286,941)	---	37,643,337	(617,438)	---
Lottery	28,000,000	26,000,000	7.7%	163,790,883	153,342,688	6.8%
Miscellaneous	(112,585)	5,416,840	---	43,847,118	263,815,843	-83.4%
Redeposit of State Funds	\$6,580,066	\$754,579	772.0%	\$7,076,093	\$6,385,401	10.8%

2. ROAD FUND REVENUE

	<u>DECEMBER</u> <u>2022</u>	<u>DECEMBER</u> <u>2021</u>	<u>% Change</u>	<u>JULY THROUGH DECEMBER</u> <u>FY 2023</u>	<u>JULY THROUGH DECEMBER</u> <u>FY 2022</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$136,722,917	\$125,424,390	9.0%	\$842,483,436	\$815,152,162	3.4%
Tax Receipts-	\$133,414,959	\$123,382,102	8.1%	\$827,781,021	\$802,938,787	3.1%
Sales and Gross Receipts	\$121,678,625	\$115,698,405	5.2%	\$721,704,936	\$702,857,832	2.7%
Motor Fuels Taxes	72,470,744	68,336,506	6.0%	402,908,827	395,872,321	1.8%
Motor Vehicle Usage	49,207,880	47,361,899	3.9%	318,796,110	306,985,511	3.8%
License and Privilege	\$11,736,334	\$7,683,696	52.7%	\$106,076,085	\$100,080,956	6.0%
Motor Vehicles	7,406,286	5,120,208	44.6%	42,304,504	39,483,071	7.1%
Motor Vehicle Operators	3,219,078	30,902	10317.2%	14,269,584	11,797,977	20.9%
Weight Distance	379,925	1,524,828	-75.1%	44,672,105	43,886,360	1.8%
Truck Decal Fees	14,960	8,120	84.2%	103,820	61,040	70.1%
Other Special Fees	716,085	999,638	-28.4%	4,726,072	4,852,508	-2.6%
Nontax Receipts	\$3,261,968	\$1,665,956	95.8%	\$14,522,500	\$11,673,988	24.4%
Departmental Fees	1,919,490	1,880,869	2.1%	12,686,751	11,242,189	12.8%
In Lieu of Traffic Fines	33,977	17,210	97.4%	232,140	119,425	94.4%
Income on Investments	1,131,119	(590,723)	---	(325,920)	(1,430,008)	---
Miscellaneous	177,382	358,600	-50.5%	1,929,529	1,742,381	10.7%
Redeposit of State Funds	\$45,991	\$376,333	-87.8%	\$179,916	\$539,387	-66.6%

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