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**GENERAL FUND AND ROAD FUND RECEIPTS
FOR FEBRUARY 2023**

General Fund receipts increased 11.4 percent, Year-to-Date up 6.4 percent
Road Fund receipts increased 1.3 percent, Year-to-Date up 3.8 percent

FRANKFORT, KY – (Thursday March 9, 2023) - The Office of State Budget Director reported today that February's General Fund receipts rose 11.4 percent compared to February of last year. Collections for the month were \$1,078.1 million, the largest February receipt total on record. Receipts have now grown 6.4 percent in the first eight months of FY23. Among the major accounts, all had increases over last February except for the individual income tax, which had a small decline due to earlier tax refund processing. Sales tax receipts led the way with the largest increase.

The official General Fund revenue estimate, which was revised upward by \$1.4 billion, calls for 3.4 percent revenue growth in FY23. To meet the official revenue estimate, receipts can fall 1.7 percent over the last four months of the fiscal year.

State Budget Director John Hicks noted that the \$110.6 million of General Fund revenue growth from February point to the strong fiscal condition of the Commonwealth. "Despite the 10 percent reduction to the rate of income tax withholding that began on January 1, state revenues grew by \$185.7 million during the previous two months. Sales and use tax receipts grew by 18.4 percent, reflecting \$59 million of the February increase, income tax withholding receipts grew by over \$13 million, and income on investments grew by over \$16 million. Broadly-based revenue growth is indicative of an economy

with a vibrant business community, strong wage gains for Kentucky households, and a confident consumer economy.”

Among the major accounts:

- Individual income tax collections fell 1.7 percent, or \$8.6 million, in February due primarily to earlier processing of refunds compared to the previous tax year. Withholding grew by 2.4 percent despite the 10 percent decline in the tax rate as of January 1. Total income tax collections have grown 6.3 percent through the first eight months of the year.
- Sales and use tax receipts increased 18.4 percent for the month and have grown 10.7 percent year-to-date. February receipts included the first month of collections with the 34 new services added to the sales tax in January.
- Combined corporation income and limited liability entity tax (LLET) tax receipts increased \$5.7 million compared to February 2022 with collections of \$8.4 million. LLET receipts declined by \$3.0 to \$3.6 million while corporation income tax collections improved by \$8.7 million with revenues of \$4.8 million. For the year, combined revenues have increased 5.4 percent.
- Property tax collections grew 11.7 percent for the month and have increased 7.7 percent year-to-date.
- Cigarette tax receipts fell 11.1 percent for the month and have decreased 6.0 percent year-to-date.
- Coal severance tax receipts rose 60.8 percent, or \$3.7 million, in February and have increased 57.4 percent through the first eight months of the fiscal year.
- Income on investments contributed \$16.4 million in General Fund receipts due to higher interest rates and investable balances.

Road Fund receipts grew 1.3 percent in February as collections totaled \$133.1 million. Total revenue has grown 3.8 percent through the first eight months of FY23. Motor fuels collections grew 2.7 percent while motor vehicle usage tax receipts rose 2.0 percent. License and privilege collections fell 7.3 percent due to fluctuations in the other fees account. The official Road Fund revenue estimate calls for revenues to increase 2.7 percent for the fiscal year. Based on year-to-date tax collections, revenues must increase 0.8 percent for the remainder of the year to meet the official estimate.

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KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	FEBRUARY 2023	FEBRUARY 2022	% Change	JULY THROUGH FEBRUARY FY 2023	JULY THROUGH FEBRUARY FY 2022	% Change
TOTAL GENERAL FUND	\$1,078,075,324	\$967,481,850	11.4%	\$9,803,565,457	\$9,213,244,919	6.4%
Tax Receipts	\$1,027,224,242	\$949,142,477	8.2%	\$9,435,306,487	\$8,715,290,533	8.3%
Sales and Gross Receipts	\$474,432,306	\$401,576,015	18.1%	\$4,247,453,186	\$3,858,420,685	10.1%
Beer Consumption	389,672	429,532	-9.3%	4,075,652	4,298,790	-5.2%
Beer Wholesale	4,622,192	3,891,146	18.8%	47,335,321	45,156,448	4.8%
Cigarette	17,097,973	19,231,917	-11.1%	197,789,573	210,325,754	-6.0%
Distilled Spirits Case Sales	14,762	14,396	2.5%	158,887	153,638	3.4%
Distilled Spirits Consumption	1,244,938	1,191,284	4.5%	12,540,385	12,292,631	2.0%
Distilled Spirits Wholesale	4,572,330	4,378,217	4.4%	49,247,342	47,033,634	4.7%
Insurance Premium	45,946,013	35,710,015	28.7%	102,409,576	71,840,034	42.6%
Pari-Mutuel	4,183,904	3,693,064	13.3%	34,000,472	28,841,338	17.9%
Race Track Admission	0	9,385	-100.0%	63,820	105,875	-39.7%
Sales and Use	381,335,268	322,130,459	18.4%	3,700,599,160	3,342,651,956	10.7%
Wine Consumption	234,614	218,992	7.1%	2,177,967	2,275,199	-4.3%
Wine Wholesale	1,459,259	1,255,174	16.3%	13,832,273	13,950,984	-0.9%
Telecommunications Tax	6,798,514	6,538,192	4.0%	51,078,498	50,939,687	0.3%
Other Tobacco Products	3,657,458	2,899,329	26.1%	29,266,296	28,579,098	2.4%
Floor Stock Tax	25	(15,086)	---	2,438	(24,380)	---
Car Rental & Ride Sharing	2,875,384	0	---	2,875,526	0	---
Natural Resources	\$12,100,053	\$8,576,754	41.1%	\$100,991,442	\$66,717,810	51.4%
Coal Severance	9,744,485	6,060,952	60.8%	66,293,335	42,106,877	57.4%
Oil Production	473,315	464,726	1.8%	5,211,258	4,777,582	9.1%
Minerals Severance	805,445	890,889	-9.6%	17,222,082	14,786,933	16.5%
Natural Gas Severance	1,076,809	1,160,187	-7.2%	12,264,767	5,046,417	143.0%
Individual Income Tax	\$482,245,806	\$490,800,911	-1.7%	\$3,709,116,180	\$3,488,957,010	6.3%
Withholding	567,640,113	554,342,458	2.4%	3,405,941,700	3,207,501,848	6.2%
Declarations	8,020,789	6,765,142	18.6%	333,463,768	317,595,057	5.0%
Net Returns	(90,691,380)	(69,560,553)	---	(25,576,873)	(34,456,437)	---
Fiduciary	(2,723,716)	(746,136)	---	(4,712,415)	(1,683,458)	---
Major Business Taxes	\$8,396,771	\$2,745,798	205.8%	\$656,428,129	\$622,505,055	5.4%
Corporation Income	4,809,653	(3,865,689)	---	563,434,647	510,036,179	10.5%
LLET	3,587,118	6,611,487	-45.7%	92,993,482	112,468,875	-17.3%
Property	\$42,217,486	\$37,783,759	11.7%	\$661,019,774	\$613,633,936	7.7%
General - Real	9,368,526	7,994,710	17.2%	331,597,582	317,993,209	4.3%
General - Tangible	4,311,535	3,360,569	28.3%	124,870,354	114,418,256	9.1%
Tangible - Motor Vehicle	16,785,627	16,059,349	4.5%	111,569,982	98,786,336	12.9%
Omitted & Delinquent	9,341,696	2,157,780	332.9%	12,761,542	12,734,119	0.2%
Public Service	2,118,596	7,898,226	-73.2%	77,556,676	67,372,524	15.1%
Other	291,505	313,125	-6.9%	2,663,638	2,329,492	14.3%
Inheritance Tax	\$6,125,651	\$5,877,471	4.2%	\$51,790,667	\$56,280,189	-8.0%
Miscellaneous	\$1,706,168	\$1,781,770	-4.2%	\$8,507,109	\$8,775,850	-3.1%
License and Privilege	\$104,930	\$136,832	-23.3%	1,255,111	1,023,637	22.6%
Bank Franchise	(\$147,505)	\$0	---	(116,608)	584,566	---
Legal Process	779,147	860,061	-9.4%	6,200,534	7,004,138	-11.5%
T. V. A. In Lieu Payments	969,576	769,618	26.0%	1,140,161	129,663	779.3%
Other	20	15,259	-99.9%	27,911	33,846	-17.5%
Nontax Receipts	\$50,786,645	\$18,177,963	179.4%	\$360,843,041	\$491,369,397	-26.6%
Departmental Fees	948,094	1,001,285	-5.3%	7,905,474	8,055,484	-1.9%
PSC Assessment Fee	1,255	495	153.6%	10,214,367	13,492,365	-24.3%
Fines & Forfeitures	1,666,929	1,341,900	24.2%	12,695,044	12,037,006	5.5%
Income on Investments	16,423,683	(265,954)	---	68,744,205	(1,216,075)	---
Lottery	26,500,000	24,000,000	10.4%	217,290,883	202,342,688	7.4%
Miscellaneous	5,246,684	(7,899,763)	---	43,993,069	256,657,929	-82.9%
Redeposit of State Funds	\$64,437	\$161,410	-60.1%	\$7,415,929	\$6,584,989	12.6%

2. ROAD FUND REVENUE

	<u>FEBRUARY</u> <u>2023</u>	<u>FEBRUARY</u> <u>2022</u>	<u>% Change</u>	<u>JULY THROUGH FEBRUARY</u> <u>FY 2023</u>	<u>FY 2022</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$133,069,562	\$131,396,618	1.3%	\$1,119,658,274	\$1,079,046,862	3.8%
Tax Receipts-	\$131,000,630	\$130,561,442	0.3%	\$1,099,119,891	\$1,065,681,630	3.1%
Sales and Gross Receipts	\$105,901,345	\$103,474,146	2.3%	\$945,532,665	\$918,006,339	3.0%
Motor Fuels Taxes	58,501,933	56,990,446	2.7%	522,134,522	517,392,917	0.9%
Motor Vehicle Usage	47,399,411	46,483,701	2.0%	423,398,143	400,613,422	5.7%
License and Privilege	\$25,099,285	\$27,087,295	-7.3%	\$153,587,226	\$147,675,291	4.0%
Motor Vehicles	11,260,163	9,375,404	20.1%	62,128,082	56,484,371	10.0%
Motor Vehicle Operators	2,813,363	16,458	16994.6%	18,564,685	15,874,219	16.9%
Weight Distance	10,146,378	12,920,741	-21.5%	65,788,111	64,433,296	2.1%
Truck Decal Fees	9,120	7,820	16.6%	135,220	83,140	62.6%
Other Special Fees	870,262	4,766,873	-81.7%	6,971,128	10,800,265	-35.5%
Nontax Receipts	\$1,992,538	\$947,659	110.3%	\$20,227,070	\$12,889,160	56.9%
Departmental Fees	2,296,262	1,644,799	39.6%	16,705,492	14,800,425	12.9%
In Lieu of Traffic Fines	27,450	17,250	59.1%	315,255	155,905	102.2%
Income on Investments	(637,215)	(1,098,153)	---	766,610	(4,378,321)	---
Miscellaneous	306,040	383,763	-20.3%	2,439,713	2,311,151	5.6%
Redeposit of State Funds	\$76,394	(\$112,483)	---	\$311,313	\$476,072	-34.6%

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