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For Immediate Release
April 10, 2023

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

General Fund receipts increased 0.5 percent, Year-to-Date up 5.8 percent
Road Fund receipts increased 7.0 percent, Year-to-Date up 4.1 percent

FRANKFORT, KY – (Monday April 10, 2023) - The Office of State Budget Director reported today that March's General Fund receipts rose 0.5 percent compared to March of last year. Collections for the month were \$1,045.9 million, the largest March receipt total on record. Among the major accounts, the sales and use tax grew the most in March with a \$39.4 million increase compared to March of last year.

The official General Fund revenue estimate, which revised upward the FY23 estimate by \$1.4 billion and the FY24 estimate by \$1.3 billion in December 2022, calls for 3.4 percent revenue growth in FY23. The only use of the upward revision in the revenue estimates by the 2023 Session of the General Assembly was to offset the income tax rate reduction affecting FY24. To meet the official revenue estimate, receipts can fall 2.2 percent over the last three months of the fiscal year.

State Budget Director John Hicks noted that the long stretch of revenue growth has coincided with a sustained period of overall prosperity in the Kentucky economy. "Including the revenue growth from March, General Fund receipts have now risen in the last 11 quarters since the fourth quarter of FY20 following the initial onset of COVID. Consistent growth in state revenue reflects business investment,

improving wage conditions, and higher levels of ongoing consumption, which in turn feeds back through economy to create more demand for business activity. Tax revenues rise as a consequence of economic growth.”

Among the major accounts:

- Individual income tax collections fell 10.6 percent, or \$46.8 million, in March, with two-thirds of the decline attributable to withholding, which declined 6.4 percent following the ten percent tax reduction in January 2023. Early filing and payment of tax-year 2022 refunds made up the remainder of the revenue decline. Total income tax collections have grown 4.4 percent through the first nine months of the year.
- Sales and use tax receipts increased 10.7 percent for the month and have grown 10.7 percent year-to-date. This follows two consecutive fiscal years with double-digit growth. March receipts included the second month of collections with the 34 new services that were added to the sales tax in January.
- Combined corporation income and limited liability entity tax (LLET) tax receipts declined \$13.7 million compared to March 2022 with net collections of \$43.2 million. LLET receipts declined by 41.8 percent while corporation income tax collections improved by 22.2 percent with revenues of \$19.3 million. For the year, combined revenues have increased 3.0 percent.
- Property tax collections fell 1.4 percent for the month but have increased 7.2 percent year-to-date.
- Cigarette tax receipts fell 15.9 percent for the month and have decreased 7.2 percent year-to-date.
- Coal severance tax receipts rose 7.4 percent in March and have increased 50.2 percent through the first three quarters of the fiscal year.
- Income on investments contributed \$19.4 million in General Fund receipts due to higher interest rates and investable balances.

Road Fund receipts grew 7.0 percent in March as collections totaled \$151.5 million. Total revenue has grown 4.1 percent through the first nine months of FY23. 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 can decline 1.1 percent during the final quarter of the fiscal year and still meet the official estimate.

Motor fuels collections grew 2.1 percent while motor vehicle usage tax receipts surged 7.2 percent higher. The statutorily required tax rate increase of two cents per gallon on motor fuels, while effective March 1, will not affect Road Fund revenue receipts until April collections. License and privilege collections fell 12.5 percent due to some timing differences from the prior fiscal year but remain 1.8 percent higher through the first three quarters. Road Fund receipts were also positively impacted by a \$7.1 million swing on income from investments compared to the prior year.

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TEAM
KENTUCKY

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>MARCH</u> <u>2023</u>	<u>MARCH</u> <u>2022</u>	<u>% Change</u>	<u>JULY THROUGH MARCH</u> <u>FY 2023</u>	<u>JULY THROUGH MARCH</u> <u>FY 2022</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$1,045,918,821	\$1,040,524,479	0.5%	\$10,849,484,278	\$10,253,769,398	5.8%
Tax Receipts	\$983,247,812	\$1,011,806,536	-2.8%	\$10,418,554,299	\$9,727,097,069	7.1%
Sales and Gross Receipts	\$493,998,258	\$461,439,065	7.1%	\$4,741,451,444	\$4,319,859,749	9.8%
Beer Consumption	472,307	449,405	5.1%	4,547,959	4,748,196	-4.2%
Beer Wholesale	4,562,905	4,530,004	0.7%	51,898,226	49,686,452	4.5%
Cigarette	25,468,420	30,268,634	-15.9%	223,257,993	240,594,389	-7.2%
Distilled Spirits Case Sales	15,186	10,429	45.6%	174,073	164,066	6.1%
Distilled Spirits Consumption	1,296,178	1,413,950	-8.3%	13,836,562	13,706,582	0.9%
Distilled Spirits Wholesale	5,181,271	5,195,427	-0.3%	54,428,613	52,229,061	4.2%
Insurance Premium	28,626,897	34,394,839	-16.8%	131,036,473	106,234,873	23.3%
Pari-Mutuel	5,532,783	4,600,532	20.3%	39,533,255	33,441,870	18.2%
Race Track Admission	0	0	---	63,820	105,875	-39.7%
Sales and Use	408,656,091	369,301,976	10.7%	4,109,255,251	3,711,953,932	10.7%
Wine Consumption	220,299	258,312	-14.7%	2,398,266	2,533,511	-5.3%
Wine Wholesale	1,460,219	1,548,876	-5.7%	15,292,492	15,499,860	-1.3%
Telecommunications Tax	6,554,322	6,349,798	3.2%	57,632,820	57,289,485	0.6%
Other Tobacco Products	3,244,735	3,116,887	4.1%	32,511,031	31,695,984	2.6%
Floor Stock Tax	48	(5)	---	2,486	(24,385)	---
Car Rental & Ride Sharing	2,706,597	0	---	5,582,123	0	---
Natural Resources	\$11,578,226	\$9,990,117	15.9%	\$112,569,667	\$76,707,927	46.8%
Coal Severance	7,625,084	7,102,534	7.4%	73,918,420	49,209,412	50.2%
Oil Production	726,647	413,167	75.9%	5,937,905	5,190,749	14.4%
Minerals Severance	2,052,954	1,222,551	67.9%	19,275,036	16,009,484	20.4%
Natural Gas Severance	1,173,540	1,251,866	-6.3%	13,438,307	6,298,283	113.4%
Individual Income Tax	\$393,741,792	\$440,558,505	-10.6%	\$4,102,857,972	\$3,929,515,515	4.4%
Withholding	435,892,712	465,869,560	-6.4%	3,841,834,412	3,673,371,408	4.6%
Declarations	8,680,354	8,691,979	-0.1%	342,144,122	326,287,036	4.9%
Net Returns	(49,293,656)	(34,807,203)	---	(74,870,529)	(69,263,640)	8.1%
Fiduciary	(1,537,618)	804,168	---	(6,250,034)	(879,289)	---
Major Business Taxes	\$43,249,744	\$56,989,866	-24.1%	\$699,677,873	\$679,494,920	3.0%
Corporation Income	19,293,390	15,794,305	22.2%	582,728,037	525,830,484	10.8%
LLET	23,956,354	41,195,561	-41.8%	116,949,836	153,664,436	-23.9%
Property	\$35,112,650	\$35,605,196	-1.4%	\$696,132,423	\$649,239,133	7.2%
General - Real	2,481,213	2,249,493	10.3%	334,078,795	320,242,701	4.3%
General - Tangible	2,663,401	4,471,977	-40.4%	127,533,754	118,890,232	7.3%
Tangible - Motor Vehicle	21,463,246	19,060,011	12.6%	133,033,228	117,846,347	12.9%
Omitted & Delinquent	6,805,406	4,465,848	52.4%	19,566,948	17,199,967	13.8%
Public Service	887,079	4,773,093	-81.4%	78,443,755	72,145,617	8.7%
Other	812,304	584,775	38.9%	3,475,942	2,914,267	19.3%
Inheritance Tax	\$4,167,320	\$5,080,835	-18.0%	\$55,957,987	\$61,361,023	-8.8%
Miscellaneous	\$1,399,823	\$2,142,952	-34.7%	\$9,906,933	\$10,918,801	-9.3%
License and Privilege	\$163,534	\$207,555	-21.2%	1,418,645	1,231,192	15.2%
Bank Franchise	(\$515,480)	\$534,000	-196.5%	(632,088)	1,118,566	-156.5%
Legal Process	782,194	617,065	26.8%	6,982,728	7,621,203	-8.4%
T. V. A. In Lieu Payments	969,576	769,618	26.0%	2,109,737	899,281	134.6%
Other	0	14,713	---	27,911	48,559	-42.5%
Nontax Receipts	\$62,545,074	\$28,666,970	118.2%	\$423,388,115	\$520,036,367	-18.6%
Departmental Fees	1,778,125	1,718,539	3.5%	9,683,599	9,774,024	-0.9%
PSC Assessment Fee	150	9,292	-98.4%	10,214,517	13,501,656	-24.3%
Fines & Forfeitures	1,732,180	1,591,030	8.9%	14,427,224	13,628,037	5.9%
Income on Investments	19,386,865	(637,769)	---	88,131,070	(1,853,844)	---
Lottery	30,000,000	28,000,000	7.1%	247,290,883	230,342,688	7.4%
Miscellaneous	9,647,753	(2,014,122)	---	53,640,822	254,643,807	-78.9%
Redeposit of State Funds	\$125,935	\$50,974	147.1%	\$7,541,864	\$6,635,963	13.7%

2. ROAD FUND REVENUE

	<u>MARCH</u> <u>2023</u>	<u>MARCH</u> <u>2022</u>	<u>% Change</u>	<u>JULY THROUGH MARCH</u> <u>FY 2023</u>	<u>JULY THROUGH MARCH</u> <u>FY 2022</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$151,529,706	\$141,680,390	7.0%	\$1,271,187,980	\$1,220,727,252	4.1%
Tax Receipts-	\$145,123,628	\$142,408,237	1.9%	\$1,244,243,519	\$1,208,089,867	3.0%
Sales and Gross Receipts	\$124,972,245	\$119,375,948	4.7%	\$1,070,504,910	\$1,037,382,287	3.2%
Motor Fuels Taxes	60,461,893	59,220,921	2.1%	582,596,414	576,613,837	1.0%
Motor Vehicle Usage	64,510,352	60,155,028	7.2%	487,908,496	460,768,450	5.9%
License and Privilege	\$20,151,383	\$23,032,288	-12.5%	\$173,738,609	\$170,707,579	1.8%
Motor Vehicles	14,363,363	16,050,222	-10.5%	76,491,445	72,534,593	5.5%
Motor Vehicle Operators	2,722,665	4,625,258	-41.1%	21,287,350	20,499,477	3.8%
Weight Distance	402,715	1,474,908	-72.7%	66,190,826	65,908,204	0.4%
Truck Decal Fees	16,560	10,600	56.2%	151,780	93,740	61.9%
Other Special Fees	2,646,080	871,300	203.7%	9,617,208	11,671,565	-17.6%
Nontax Receipts	\$6,403,842	(\$719,258)	---	\$26,630,912	\$12,169,902	118.8%
Departmental Fees	2,176,193	3,516,221	-38.1%	18,881,686	18,316,647	3.1%
In Lieu of Traffic Fines	49,590	20,425	142.8%	364,845	176,330	106.9%
Income on Investments	3,756,528	(4,622,041)	---	4,523,137	(9,000,362)	---
Miscellaneous	421,532	366,137	15.1%	2,861,244	2,677,287	6.9%
Redeposit of State Funds	\$2,236	(\$8,589)	---	\$313,549	\$467,484	-32.9%

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