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GENERAL FUND AND ROAD FUND RECEIPTS FOR MAY 2023

General Fund receipts decreased 7.2 percent, Up 3.4 percent Year-to-Date
Road Fund receipts increased 11.2 percent, Up 4.7 percent Year-to-Date

FRANKFORT, KY – (Monday, June 12, 2023) - The Office of State Budget Director reported today that General Fund receipts declined by 7.2 percent in May compared to May 2022. Total revenues for the month were \$1,146.0 million. This is only the third time that May receipts exceeded \$1.0 billion. Receipts have now grown 3.4 percent for the first 11 months of FY23. Individual income tax receipts declined by \$148 million due to the 10 percent reduction in the tax rate and a higher amount of tax refunds. Sales and gross receipts rose by 6.2 percent, or \$40.0 million, and earnings on investment rose by \$19.4 million. General Fund receipts are still on pace to result in a third consecutive year with a budget surplus in excess of \$1 billion.

State Budget Director John Hicks commented on the May receipts. "Year-over-year monthly revenue declines are now to be expected given the reduction to the individual income tax rate that became effective January 2023. The payroll withholding base continues to rise reflecting higher total Kentucky wages and salaries. The tax rate impact has already been considered in our revenue forecasting. A revenue surplus in excess of \$1.0 billion is still expected when the annual revenue total is compared to the estimate used in the creation of the current budget."

Among the major accounts:

- Sales and use tax receipts increased 6.2 percent for the month and have grown 10.0 percent year-to-date.
- Corporation income and Limited Liability Entity Tax (LLET) tax receipts declined 26.7 percent for the month but have grown 5.1 percent year-to-date.
- Individual income tax collections decreased 25.3 percent, or \$147.7 million. All components of the tax were lower than what was collected last May. Prior to the tax rate reduction, individual income tax receipts grew by 8.6 percent through December 2022. Receipts have now decreased 2.2 percent through the 11 months of FY23. May marked the first month in which revenue was collected from the new Pass-Through Entity tax enacted in the 2023 legislative session. Collections for the month were \$175,021.
- Property tax collections grew 3.7 percent in May. The public service as well as omitted and delinquent categories increased in May while the remaining components all decreased. Year-to-date receipts are up 7.3 percent.
- Cigarette tax receipts fell 10.5 percent in May and are down 10.1 percent year-to-date.
- Coal severance tax receipts had their first monthly decline in FY23, falling 3.3 percent. Collections have increased 41.5 percent through the first eleven months of the fiscal year.

Road Fund receipts for May totaled \$165.3 million, an 11.2 percent increase compared to May 2022 levels. Year-to-date receipts have increased 4.7 percent. The official Road Fund revenue estimate calls for a 2.7 percent increase in revenues for the fiscal year. The Road Fund is now expected to yield a revenue surplus for FY23. Based on year-to-date tax collections, revenues can decline 16.7 percent in June and still meet the estimate. Among the accounts, motor fuels revenue rose 9.5 percent and motor vehicle usage collections grew 10.9 percent. License and privilege taxes also posted double digit growth with a 24.2 percent, bringing growth through the first 11 months up to 3.1 percent.

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TEAM
KENTUCKY

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>MAY</u> <u>2023</u>	<u>MAY</u> <u>2022</u>	<u>% Change</u>	<u>JULY THROUGH MAY</u> <u>FY 2023</u>	<u>JULY THROUGH MAY</u> <u>FY 2022</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$1,145,965,895	\$1,234,310,182	-7.2%	\$13,784,189,210	\$13,327,003,934	3.4%
Tax Receipts	\$1,085,600,196	\$1,201,559,538	-9.7%	\$13,229,583,770	\$12,723,571,844	4.0%
Sales and Gross Receipts	\$569,280,469	\$529,252,446	7.6%	\$5,878,810,028	\$5,385,489,577	9.2%
Beer Consumption	482,906	471,986	2.3%	5,546,357	5,800,076	-4.4%
Beer Wholesale	5,374,355	5,428,148	-1.0%	62,954,050	60,624,255	3.8%
Cigarette	28,696,375	32,079,340	-10.5%	269,733,461	300,146,007	-10.1%
Distilled Spirits Case Sales	19,268	18,019	6.9%	213,481	201,174	6.1%
Distilled Spirits Consumption	1,618,252	1,553,478	4.2%	17,092,484	16,908,568	1.1%
Distilled Spirits Wholesale	6,202,786	5,995,868	3.5%	67,126,101	64,542,706	4.0%
Insurance Premium	47,819,145	33,133,218	44.3%	179,367,368	140,102,835	28.0%
Pari-Mutuel	5,696,426	4,816,652	18.3%	50,413,963	43,267,478	16.5%
Race Track Admission	0	0	---	63,820	105,875	-39.7%
Sales and Use	458,410,372	431,662,597	6.2%	5,084,847,030	4,621,196,798	10.0%
Wine Consumption	248,350	269,058	-7.7%	2,892,691	3,084,748	-6.2%
Wine Wholesale	1,676,384	1,707,793	-1.8%	18,586,447	18,944,474	-1.9%
Telecommunications Tax	6,055,999	6,732,833	-10.1%	69,875,121	70,158,347	-0.4%
Other Tobacco Products	3,486,213	5,383,458	-35.2%	38,039,472	40,430,597	-5.9%
Floor Stock Tax	156	0	---	2,642	(24,361)	---
Car Rental & Ride Sharing	3,493,483	0	---	12,055,541	0	---
Natural Resources	\$12,557,239	\$11,863,998	5.8%	\$136,809,057	\$98,302,302	39.2%
Coal Severance	8,537,613	8,831,497	-3.3%	90,200,229	63,767,721	41.5%
Oil Production	508,825	660,395	-23.0%	6,718,057	6,729,817	-0.2%
Minerals Severance	2,363,862	1,570,548	50.5%	23,862,944	19,517,896	22.3%
Natural Gas Severance	1,146,939	801,558	43.1%	16,027,827	8,286,868	93.4%
Individual Income Tax	\$436,874,939	\$584,619,096	-25.3%	\$5,362,349,226	\$5,481,632,356	-2.2%
Withholding	386,663,896	414,617,321	-6.7%	4,703,510,977	4,580,117,145	2.7%
Declarations	31,990,984	83,553,270	-61.7%	557,100,661	676,387,914	-17.6%
Net Returns	18,033,684	85,890,855	-79.0%	106,706,835	222,412,023	-52.0%
Fiduciary	11,354	557,649	-98.0%	(5,144,269)	2,715,274	-289.5%
Pass-Through Entity Tax	175,021	0	---	175,021	0	---
Major Business Taxes	\$30,796,340	\$42,020,598	-26.7%	\$1,018,464,652	\$968,897,544	5.1%
Corporation Income	18,013,894	24,051,394	-25.1%	825,718,737	741,123,717	11.4%
LLET	12,782,447	17,969,204	-28.9%	192,745,916	227,773,827	-15.4%
Property	\$26,804,108	\$25,857,793	3.7%	\$752,257,570	\$701,299,589	7.3%
General - Real	2,053,757	2,385,734	-13.9%	338,756,742	325,485,618	4.1%
General - Tangible	1,855,254	1,964,706	-5.6%	135,857,009	124,056,287	9.5%
Tangible - Motor Vehicle	18,563,885	18,870,620	-1.6%	179,996,789	161,911,299	11.2%
Omitted & Delinquent	2,432,825	2,026,930	20.0%	13,201,494	12,854,336	2.7%
Public Service	1,896,217	594,587	218.9%	81,005,714	74,045,067	9.4%
Other	2,171	15,216	-85.7%	3,439,821	2,946,982	16.7%
Inheritance Tax	\$7,257,107	\$6,269,581	15.8%	\$66,231,196	\$73,252,858	-9.6%
Miscellaneous	\$2,029,994	\$1,676,025	21.1%	\$14,662,040	\$14,697,618	-0.2%
License and Privilege	\$158,939	\$282,923	-43.8%	1,748,757	1,648,323	6.1%
Bank Franchise	\$0	(\$261,654)	---	(235,881)	1,146,012	---
Legal Process	896,960	877,962	2.2%	8,744,750	9,396,242	-6.9%
T. V. A. In Lieu Payments	969,576	769,618	26.0%	4,048,889	2,438,518	66.0%
Other	4,519	7,176	-37.0%	355,524	68,523	418.8%
Nontax Receipts	\$60,301,379	\$32,639,805	84.7%	\$546,738,404	\$598,054,202	-8.6%
Departmental Fees	2,051,560	976,650	110.1%	13,549,317	11,961,734	13.3%
PSC Assessment Fee	(100)	0	---	10,214,517	13,501,974	-24.3%
Fines & Forfeitures	1,928,427	1,624,001	18.7%	18,245,506	17,210,487	6.0%
Income on Investments	20,042,701	672,709	2879.4%	126,741,520	(1,268,565)	---
Lottery	30,000,000	28,000,000	7.1%	307,290,883	286,342,688	7.3%
Miscellaneous	6,278,792	1,366,445	359.5%	70,696,662	270,305,883	-73.8%
Redeposit of State Funds	\$64,320	\$110,839	-42.0%	\$7,867,036	\$5,377,888	46.3%

2. ROAD FUND REVENUE

	<u>MAY</u>	<u>MAY</u>	<u>% Change</u>	<u>JULY THROUGH MAY</u>		<u>% Change</u>
	<u>2023</u>	<u>2022</u>		<u>FY 2023</u>	<u>FY 2022</u>	
TOTAL STATE ROAD FUND	\$165,271,428	\$148,604,856	11.2%	\$1,589,780,587	\$1,517,813,063	4.7%
Tax Receipts-	\$162,513,135	\$144,101,288	12.8%	\$1,556,682,279	\$1,499,915,876	3.8%
Sales and Gross Receipts	\$129,051,932	\$117,167,368	10.1%	\$1,323,174,749	\$1,273,468,307	3.9%
Motor Fuels Taxes	68,696,952	62,736,012	9.5%	722,245,940	705,255,032	2.4%
Motor Vehicle Usage	60,354,981	54,431,356	10.9%	600,928,809	568,213,275	5.8%
License and Privilege	\$33,461,202	\$26,933,920	24.2%	\$233,507,530	\$226,447,568	3.1%
Motor Vehicles	12,784,261	10,174,678	25.6%	105,499,185	99,818,253	5.7%
Motor Vehicle Operators	2,586,922	2,637,719	-1.9%	26,906,164	26,627,512	1.0%
Weight Distance	14,796,801	13,366,337	10.7%	87,354,552	86,741,838	0.7%
Truck Decal Fees	39,100	34,780	12.4%	219,680	172,360	27.5%
Other Special Fees	3,254,118	720,405	351.7%	13,527,949	13,087,605	3.4%
Nontax Receipts	\$2,751,907	\$4,460,035	-38.3%	\$32,770,372	\$17,360,762	88.8%
Departmental Fees	2,127,635	1,846,663	15.2%	22,920,195	22,461,140	2.0%
In Lieu of Traffic Fines	23,550	18,120	30.0%	422,160	211,685	99.4%
Income on Investments	213,883	2,232,619	-90.4%	5,830,019	(8,534,230)	---
Miscellaneous	386,840	362,633	6.7%	3,597,998	3,222,167	11.7%
Redeposit of State Funds	\$6,387	\$43,533	-85.3%	\$327,935	\$536,425	-38.9%

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