



**Office of State Budget Director**

200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, Kentucky 40622

**Andy Beshear**  
Governor

(502) 564-7300  
Internet: [osbd.ky.gov](http://osbd.ky.gov)

**John Hicks**  
State Budget Director

Governor's Office for Policy and Management  
Governor's Office for Economic Analysis  
Governor's Office for Policy Research

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**Contact: John Hicks**  
**Greg Harkenrider**  
**502-564-7300**

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

***General Fund receipts increase 7.1 percent***  
***Road Fund receipts increase 3.8 percent***

**FRANKFORT, KY – (Thursday, August 10, 2023)** - The Office of State Budget Director announced today Kentucky's General Fund receipts for July, the first month of Fiscal Year 2024 (FY24), totaled \$1,153.3 million, a 7.1 percent increase compared to July 2022 receipts. All the major taxes: individual income, sales, business, property, showed growth over last year, with a surprising rise in individual income tax collections after a 10 percent tax rate reduction.

The revised official revenue estimate for FY24, which was increased by \$967 million after the FY24 budget was originally enacted, calls for revenue to decline 0.2 percent compared to FY23 actual receipts. Therefore, receipts can decline 0.8 percent over the remaining eleven months of the fiscal year and still meet the revenue estimate. The official revenue estimates for both the General Fund and the Road Fund will be revised later this fall in anticipation of the 2024 Regular Session when the 2024-2026 biennial budget is considered.

State Budget Director John Hicks stated, "General Fund revenues posted substantial growth in July compared to July 2022, despite the 10 percent reduction in the individual income tax rate. July's strong individual income tax revenue performance was 4.4 percent higher than last year, underpinned by 3.2 percent growth in the withholding component of the individual income tax. Withholding is a direct reflection of wages and salaries through payrolls – the tax is withheld at just under the tax rate. Growth in

withholding, with the lower tax rate, means that there were more jobs in Kentucky, coupled with higher wages and salaries. July also experienced solid growth in the two other largest revenue sources, the sales tax and major business taxes, which increased by 5.3 percent and 23.8 percent, respectively.”

Among the major accounts:

- Individual income tax receipts grew 4.4 percent on the strength of withholding and net returns. Impacted by the 10 percent tax rate reduction, withholding declined by only 6.6 percent over the last four months leading up to July’s increase of 3.2 percent.
- Sales tax revenues grew 5.3 percent to \$522.4 million, marking just the fourth time collections in this account have exceeded \$500 million.
- Major business tax receipts grew 23.8 percent, or \$8.4 million, as corporation income tax receipts increased while LLET collections declined.
- Cigarette tax collections fell 14.0 percent for the month to \$21.1 million.
- Property tax receipts rose 25.5 percent due primarily to timing issues with the omitted and delinquent collections. Early in the year, it is common to see large percentage changes in property tax collections because of the collection schedule.
- Coal severance tax revenues grew 1.0 percent to \$7.8 million.
- Lottery revenues increased 4.3 percent to \$24.5 million.
- Income on investments increased \$17.9 million over July 2022 collections. Receipts of \$21.1 million are the second largest monthly total ever.

Road Fund revenues for July totaled \$142.9 million, a 3.8 percent increase compared to last July. The official Road Fund revenue estimate for FY24 calls for revenue to decline 4.1 percent compared to FY23 actual receipts. Based on the first month’s receipts, revenues can decline 4.8 percent for the rest of the fiscal year and still meet the official estimate. Motor fuels tax receipts are expected to grow further starting with August receipts due to a 2.1 cents tax rate increase that went into effect July 1.

Among the major Road Fund categories:

- Motor fuels tax receipts grew 5.5 percent.
- Motor vehicle usage tax rose 2.4 percent.
- License and privilege taxes increased 0.2 percent to \$17.9 million.

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**KENTUCKY STATE GOVERNMENT REVENUE**  
**1. GENERAL FUND REVENUE**

	<u>JULY</u> <u>2023</u>	<u>JULY</u> <u>2022</u>	<u>% Change</u>
<b>TOTAL GENERAL FUND</b>	<b>\$1,153,301,602</b>	<b>\$1,077,109,246</b>	<b>7.1%</b>
<b>Tax Receipts</b>	<b>\$1,090,619,323</b>	<b>\$1,037,805,468</b>	<b>5.1%</b>
<b>Sales and Gross Receipts</b>	<b>\$577,357,351</b>	<b>\$552,688,302</b>	<b>4.5%</b>
Beer Consumption	552,493	654,548	-15.6%
Beer Wholesale	7,007,255	7,743,386	-9.5%
Cigarette	21,114,164	24,540,808	-14.0%
Distilled Spirits Case Sales	21,003	34,039	-38.3%
Distilled Spirits Consumption	1,761,642	1,721,684	2.3%
Distilled Spirits Wholesale	6,833,902	6,537,846	4.5%
Insurance Premium	(11,413)	16,607	---
Pari-Mutuel	2,965,806	2,927,374	1.3%
Race Track Admission	---	63,820	---
Sales and Use	522,385,227	496,199,081	5.3%
Wine Consumption	267,622	277,984	-3.7%
Wine Wholesale	1,605,079	1,650,565	-2.8%
Telecommunications Tax	5,659,648	6,260,762	-9.6%
Other Tobacco Products	3,565,770	4,059,774	-12.2%
Floor Stock Tax	2	24	-92.4%
Car Rental & Ride Sharing	3,629,152	0	---
<b>Natural Resources</b>	<b>\$11,241,370</b>	<b>\$12,840,745</b>	<b>-12.5%</b>
Coal Severance	7,838,140	7,760,795	1.0%
Oil Production	121,293	1,121,892	-89.2%
Minerals Severance	2,544,436	2,929,961	-13.2%
Natural Gas Severance	737,501	1,028,097	-28.3%
<b>Individual Income Tax</b>	<b>\$431,451,039</b>	<b>\$413,312,216</b>	<b>4.4%</b>
Withholding	417,920,769	404,917,030	3.2%
Declarations	7,414,838	9,911,380	-25.2%
Net Returns	2,398,556	(701,074)	---
Fiduciary	(715,259)	(815,120)	---
Pass-Through Entity Tax	4,432,135	0	---
<b>Major Business Taxes</b>	<b>\$44,015,366</b>	<b>\$35,565,537</b>	<b>23.8%</b>
Corporation Income	38,049,137	25,171,956	51.2%
LLET	5,966,229	10,393,581	-42.6%
<b>Property</b>	<b>\$20,231,336</b>	<b>\$16,124,390</b>	<b>25.5%</b>
General - Real	358,555	(26,714)	---
General - Tangible	8,108	427,069	-98.1%
Tangible - Motor Vehicle	15,694,476	15,830,101	-0.9%
Omitted & Delinquent	4,136,935	(3,177,761)	---
Public Service	33,262	3,071,522	-98.9%
Other	---	173	-100.0%
<b>Inheritance Tax</b>	<b>\$4,444,301</b>	<b>\$5,456,667</b>	<b>-18.6%</b>
<b>Miscellaneous</b>	<b>\$1,878,560</b>	<b>\$1,817,611</b>	<b>3.4%</b>
License and Privilege	\$106,049	\$276,432	-61.6%
Bank Franchise	---	\$0	---
Legal Process	802,935	766,084	4.8%
T. V. A. In Lieu Payments	969,576	769,618	26.0%
Other	---	5,476	---
<b>Nontax Receipts</b>	<b>\$62,547,418</b>	<b>\$39,182,261</b>	<b>59.6%</b>
Departmental Fees	1,420,060	1,256,277	13.0%
PSC Assessment Fee	10,807,794	9,675,088	11.7%
Fines & Forfeitures	1,616,118	1,571,138	2.9%
Income on Investments	21,136,374	3,270,194	546.3%
Lottery	24,500,000	23,500,000	4.3%
Miscellaneous	3,067,072	(90,437)	---
<b>Redeposit of State Funds</b>	<b>\$134,861</b>	<b>\$121,517</b>	<b>11.0%</b>

**2. ROAD FUND REVENUE**

	<b><u>JULY</u> <u>2023</u></b>	<b><u>JULY</u> <u>2022</u></b>	<b><u>% Change</u></b>
<b>TOTAL STATE ROAD FUND</b>	<b>\$142,942,052</b>	<b>\$137,670,010</b>	<b>3.8%</b>
Tax Receipts-	\$138,687,792	\$133,799,027	3.7%
Sales and Gross Receipts	\$120,753,776	\$115,894,375	4.2%
Motor Fuels Taxes	69,511,349	65,868,675	5.5%
Motor Vehicle Usage	51,242,426	50,025,701	2.4%
License and Privilege	\$17,934,016	\$17,904,652	0.2%
Motor Vehicles	8,209,464	6,591,328	24.5%
Motor Vehicle Operators	16,540	2,496,584	-99.3%
Weight Distance	9,013,948	8,086,486	11.5%
Truck Decal Fees	20,520	32,720	-37.3%
Other Special Fees	673,545	697,535	-3.4%
Nontax Receipts	\$3,176,548	\$3,846,235	-17.4%
Departmental Fees	1,371,229	2,041,992	-32.8%
In Lieu of Traffic Fines	15,255	26,910	-43.3%
Income on Investments	1,270,015	1,459,280	-13.0%
Miscellaneous	520,049	318,053	63.5%
Redeposit of State Funds	\$1,077,712	\$24,747	4254.9%

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