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GENERAL FUND AND ROAD FUND RECEIPTS
FOR FEBRUARY 2024

General Fund receipts decreased 6.5 percent, year-to-date up 3.0 percent

Road Fund receipts increased 5.2 percent, year-to-date up 6.5 percent

FRANKFORT, KY – Monday March 11, 2024 - The Office of State Budget Director reported today that February's General Fund receipts fell 6.5 percent compared to February of last year. Collections for the month were \$1,007.6 million. February saw small gains in sales and gross receipts, property and miscellaneous taxes and large drops in individual and business taxes. Receipts have now grown 3.0 percent through the first eight months of FY24. The official General 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 2.1 percent for the remainder of the year to meet the official estimate.

State Budget Director John Hicks commented: "February's year-over-year decline was concentrated in the individual income tax due to a lower tax rate and some timing issues. The income tax rate in February 2024 was 4.0 percent compared to a 4.5 percent in February 2023. The other part of the decline was due to some receipts which were normally received in February but were received in late January in FY24. Withholding in January and February combined fell 9.0 percent but the individual income tax rate fell 11.1 percent. Wage and salary incomes continue to grow in Kentucky as the pace of wage expansion has persistently outpaced the rate reductions to the individual income tax."

Among the major accounts:

- Sales and use tax receipts grew by 2.0 percent. Year-to-date growth in this account now stands at 5.4 percent. Sales and use tax collections have now risen for 22 consecutive months.
- Combined corporation income and LLET tax receipts declined \$7.8 million compared to February 2023. LLET receipts grew by \$8.3 million to \$11.8 million, but the corporation income tax collections posted a decline of \$16.0 million in revenues due to higher refunds. For the year, combined revenues have decreased 8.9 percent.
- Individual income tax collections fell 18.1 percent, or \$87.2 million, in February. Among the major components of the tax, estimated payments increased, withholding receipts fell 16.9 percent, net returns declined by \$19.7 million, and fiduciary fell by \$0.7 million. The tax rate was reduced from 4.5 percent to 4.0 percent effective January 1, 2024. Collections have grown 0.1 percent though the first eight months of the fiscal year.
- Property tax collections rose 21.2 percent for the month on the strength of the omitted and delinquent accounts, as well as the public service property tax receipts. For the year, total property tax revenues have increased 2.7 percent.
- Cigarette tax receipts fell 6.3 percent for the month and have decreased 9.8 percent year-to-date.
- Coal severance tax receipts declined 13.7 percent in February and have decreased 21.4 percent through the first eight months of the fiscal year.
- Interest on investments grew 32.4 percent while posting \$21.7 million in revenues.

Road Fund receipts grew 5.2 percent in February as collections totaled \$140.0 million. Total revenue has grown 6.5 percent through the first eight months of FY24. Motor fuels collections grew 14.4 percent while motor vehicle usage tax receipts rose 13.0 percent. License and registration collections were somewhat depressed because of delays in deposits as Kentucky's vehicle information system is being updated. The official Road Fund revenue estimate calls for revenues to increase 7.3 percent for the fiscal year. Based on year-to-date tax collections, revenues must increase 8.8 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 2024	FEBRUARY 2023	% Change	JULY THROUGH FY 2024	FEBRUARY FY 2023	% Change
TOTAL GENERAL FUND	\$1,007,632,301	\$1,078,075,324	-6.5%	\$10,096,102,178	\$9,803,565,457	3.0%
Tax Receipts	\$952,357,813	\$1,027,224,242	-7.3%	\$9,587,656,277	\$9,435,306,487	1.6%
Sales and Gross Receipts	\$487,661,693	\$474,432,306	2.8%	\$4,460,773,822	\$4,247,453,186	5.0%
Beer Consumption	420,835	389,672	8.0%	3,956,956	4,075,652	-2.9%
Beer Wholesale	4,583,606	4,622,192	-0.8%	46,866,666	47,335,321	-1.0%
Cigarette	16,023,615	17,097,973	-6.3%	178,333,743	197,789,573	-9.8%
Distilled Spirits Case Sales	15,602	14,762	5.7%	223,819	158,887	40.9%
Distilled Spirits Consumption	1,314,236	1,244,938	5.6%	12,860,908	12,540,385	2.6%
Distilled Spirits Wholesale	5,035,847	4,572,330	10.1%	51,690,350	49,247,342	5.0%
Insurance Premium	48,949,073	45,946,013	6.5%	111,984,354	102,409,576	9.3%
Pari-Mutuel	5,181,169	4,183,904	23.8%	32,533,258	34,000,472	-4.3%
Race Track Admission	0	0	---	0	63,820	-100.0%
Sales and Use	389,038,531	381,335,268	2.0%	3,898,971,494	3,700,599,160	5.4%
Wine Consumption	221,001	234,614	-5.8%	2,075,830	2,177,967	-4.7%
Wine Wholesale	1,349,394	1,459,259	-7.5%	13,578,243	13,832,273	-1.8%
Telecommunications Tax	9,345,099	6,798,514	37.5%	52,659,034	51,078,498	3.1%
Other Tobacco Products	3,387,861	3,657,458	-7.4%	27,665,374	29,266,296	-5.5%
Floor Stock Tax	24	25	-3.7%	1,043	2,438	-57.2%
Car Rental & Ride Sharing	2,795,799	2,875,384	-2.8%	27,372,749	2,875,526	851.9%
Natural Resources	\$10,837,396	\$12,100,053	-10.4%	\$77,287,100	\$100,991,442	-23.5%
Coal Severance	8,412,820	9,744,485	-13.7%	52,097,135	66,293,335	-21.4%
Oil Production	618,413	473,315	30.7%	4,022,504	5,211,258	-22.8%
Minerals Severance	1,545,586	805,445	91.9%	18,929,427	17,222,082	9.9%
Natural Gas Severance	260,577	1,076,809	-75.8%	2,238,035	12,264,767	-81.8%
Individual Income Tax	\$395,024,307	\$482,245,806	-18.1%	\$3,714,336,862	\$3,709,116,180	0.1%
Withholding	471,496,228	567,640,113	-16.9%	3,223,163,254	3,405,941,700	-5.4%
Declarations	11,108,547	8,020,789	38.5%	231,092,417	333,463,768	-30.7%
Net Returns	(110,420,613)	(90,691,380)	---	(190,053,394)	(25,576,873)	---
Fiduciary	(3,427,210)	(2,723,716)	---	(22,762,773)	(4,712,415)	---
Pass-Through Entity Tax	26,267,355	0	---	472,897,358	0	---
Major Business Taxes	\$617,594	\$8,396,771	-92.6%	\$597,964,965	\$656,428,129	-8.9%
Corporation Income	(11,229,031)	4,809,653	---	464,774,886	563,434,647	-17.5%
LLET	11,846,624	3,587,118	230.3%	133,190,079	92,993,482	43.2%
Property	\$51,158,551	\$42,217,486	21.2%	\$679,080,365	\$661,019,774	2.7%
General - Real	9,939,392	9,368,526	6.1%	351,469,170	331,597,582	6.0%
General - Tangible	5,815,350	4,311,535	34.9%	125,844,407	124,870,354	0.8%
Tangible - Motor Vehicle	12,912,360	16,785,627	-23.1%	110,896,340	111,569,982	-0.6%
Omitted & Delinquent	13,674,871	9,341,696	46.4%	22,400,677	12,761,542	75.5%
Public Service	8,453,933	2,118,596	299.0%	64,278,101	77,556,676	-17.1%
Other	362,645	291,505	24.4%	4,191,670	2,663,638	57.4%
Inheritance Tax	\$5,262,119	\$6,125,651	-14.1%	\$50,169,996	\$51,790,667	-3.1%
Miscellaneous	\$1,796,154	\$1,706,168	5.3%	\$8,043,166	\$8,507,109	-5.5%
License and Privilege	\$131,599	\$104,930	25.4%	1,148,341	1,255,111	-8.5%
Bank Franchise	\$0	(\$147,505)	---	(900,705)	(116,608)	---
Legal Process	695,235	779,147	-10.8%	5,792,975	6,200,534	-6.6%
T. V. A. In Lieu Payments	969,320	969,576	0.0%	1,995,616	1,140,161	75.0%
Other	0	20	-100.0%	6,939	27,911	-75.1%
Nontax Receipts	\$55,146,913	\$50,786,645	8.6%	\$507,384,013	\$360,843,041	40.6%
Departmental Fees	2,323,649	948,094	145.1%	9,360,569	7,905,474	18.4%
PSC Assessment Fee	660	1,255	-47.4%	11,167,347	10,214,367	9.3%
Fines & Forfeitures	1,748,012	1,666,929	4.9%	14,648,950	12,695,044	15.4%
Income on Investments	21,745,670	16,423,683	32.4%	190,257,906	68,744,205	176.8%
Lottery	27,500,000	26,500,000	3.8%	228,548,869	217,290,883	5.2%
Miscellaneous	1,828,922	5,246,684	-65.1%	53,400,373	43,993,069	21.4%
Redeposit of State Funds	\$127,574	\$64,437	98.0%	\$1,061,888	\$7,415,929	-85.7%

2. ROAD FUND REVENUE

	<u>FEBRUARY</u> <u>2024</u>	<u>FEBRUARY</u> <u>2023</u>	<u>% Change</u>	<u>JULY THROUGH FEBRUARY</u> <u>FY 2024</u>	<u>FY 2023</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$139,980,266	\$133,069,562	5.2%	\$1,192,421,177	\$1,119,658,274	6.5%
Tax Receipts-	\$138,780,344	\$131,000,630	5.9%	\$1,166,053,647	\$1,099,119,891	6.1%
Sales and Gross Receipts	\$120,440,787	\$105,901,345	13.7%	\$1,024,422,368	\$945,532,665	8.3%
Motor Fuels Taxes	66,899,338	58,501,933	14.4%	594,669,720	522,134,522	13.9%
Motor Vehicle Usage	53,540,152	47,399,411	13.0%	429,752,649	423,398,143	1.5%
EV Charging Station Tax	1,296	0	---	1,296	0	---
License and Privilege	\$18,339,557	\$25,099,285	-26.9%	\$141,631,279	\$153,587,226	-7.8%
Motor Vehicles	3,790,509	11,260,163	-66.3%	47,995,954	62,128,082	-22.7%
Motor Vehicle Operators	2,518,343	2,813,363	-10.5%	21,276,685	18,564,685	14.6%
Weight Distance	11,026,742	10,146,378	8.7%	65,030,513	65,788,111	-1.2%
Truck Decal Fees	17,320	9,120	89.9%	100,260	135,220	-25.9%
Other Special Fees	986,643	870,262	13.4%	7,227,867	6,971,128	3.7%
Nontax Receipts	\$1,246,093	\$1,992,538	-37.5%	\$24,493,473	\$20,227,070	21.1%
Departmental Fees	746,139	2,296,262	-67.5%	12,001,525	16,705,492	-28.2%
In Lieu of Traffic Fines	16,170	27,450	-41.1%	121,005	315,255	-61.6%
Income on Investments	164,713	(637,215)	---	8,199,522	766,610	969.6%
Miscellaneous	319,071	306,040	4.3%	4,171,421	2,439,713	71.0%
Hybrid/Electric Annual Fee	0	0	---	0	0	---
Redeposit of State Funds	(\$46,172)	\$76,394	---	\$1,874,056	\$311,313	502.0%

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