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GENERAL FUND AND ROAD FUND RECEIPTS
FOR JULY 2025

General Fund receipts decline 12.7 percent
Road Fund receipts increase 4.7 percent

FRANKFORT, KY – (Monday, August 11, 2025) - State Budget Director John Hicks announced today Kentucky's General Fund receipts for July, the first month of Fiscal Year 2026 (FY26), totaled \$1,131.1 million, which is 12.7 percent or \$165.1 million less than July 2024 receipts. The major business taxes saw a significant decline from an unusually high amount last July. Individual income and sales tax receipts increased for the month.

State Budget Director John Hicks stated, "Kentucky's biggest General Fund revenue sources are the sales tax and individual income tax, which collectively accounted for 70 percent of the total last year. Both taxes grew in July, which is an indicator that the Kentucky economy is performing well. Total General Fund receipts declined due to a large swing in corporate income tax estimated payments. A very small number of corporations made an unusually large estimated payment last fiscal year in July, October, and January – with the largest coming in July. No such activity was recorded this July, resulting in the major business taxes decline from \$267.7 million last July to a more normal July level, \$52.2 million this year."

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Among the major accounts:

- Individual income tax receipts rose 14.0 percent as the three largest components of the tax (withholding, estimated payments and net returns) all brought in more revenue than last year. Withholding grew 7.7 percent, a strong indication of total wage growth in Kentucky.
- Sales tax revenues grew 2.5 percent with receipts of \$531.8 million. The level of collections is the second largest monthly total outside of winter holiday collections which are due in January. The highest non-holiday sales tax total was April 2025.
- Major business tax receipts fell by \$215.5 million, as corporation income tax receipts decreased sharply. The Limited Liability Entity Tax (LLET) contribution to the major business taxes has grown significantly in the last few months.
- Cigarette tax collections fell 8.3 percent for the month to \$19.9 million.
- Property tax receipts fell 15.2 percent due primarily to timing issues with the omitted and delinquent collections and distributions. July property tax receipts average only around two percent of the full yearly amount.
- Coal severance tax revenues fell 1.5 percent to \$5.9 million.
- Lottery revenues increased 3.9 percent to \$26.5 million.
- Income on investments recorded receipts of \$25.1 million. July last year was the highest month of interest on investments ever recorded at \$37.6 million, so a decline was expected.

Road Fund revenues for July totaled \$171.4 million, a 4.7 percent increase compared to last July. The official Road Fund revenue estimate for FY26 calls for revenue to increase 1.4 percent compared to FY25 actual receipts.

Among the major Road Fund categories:

- Motor fuels tax receipts fell 6.1 percent.
- Motor vehicle usage tax rose 11.1 percent to \$70.7 million, setting an all-time monthly high.
- License and privilege taxes increased 34.1 percent to \$25.3 million.

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TEAM
KENTUCKY

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>JULY</u> <u>2025</u>	<u>JULY</u> <u>2024</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$1,131,094,274	\$1,296,175,347	-12.7%
Tax Receipts	\$1,061,577,988	\$1,218,554,272	-12.9%
Sales and Gross Receipts	\$583,632,852	\$575,133,938	1.5%
Beer Consumption	545,863	536,165	1.8%
Beer Wholesale	6,294,107	6,272,299	0.3%
Cigarette	19,938,237	21,750,797	-8.3%
Distilled Spirits Case Sales	15,281	21,663	-29.5%
Distilled Spirits Consumption	1,360,231	1,807,359	-24.7%
Distilled Spirits Wholesale	5,112,287	6,618,277	-22.8%
Insurance Premium	17,754	201,218	-91.2%
Pari-Mutuel	4,034,260	3,742,226	7.8%
Race Track Admission	0	0	---
Sales and Use	531,815,540	518,606,332	2.5%
Wine Consumption	119,216	228,970	-47.9%
Wine Wholesale	792,179	1,439,020	-45.0%
Telecommunications Tax	6,623,530	6,502,796	1.9%
Other Tobacco Products	2,799,387	3,719,804	-24.7%
Floor Stock Tax	(2)	48	---
Car Rental & Ride Sharing	4,164,981	3,686,963	13.0%
Natural Resources	\$10,590,580	\$9,325,599	13.6%
Coal Severance	5,927,605	6,015,818	-1.5%
Oil Production	253,698	321,018	-21.0%
Minerals Severance	3,516,035	2,824,804	24.5%
Natural Gas Severance	893,242	163,959	444.8%
Individual Income Tax	\$388,700,803	\$340,902,104	14.0%
Withholding	379,779,998	352,582,977	7.7%
Declarations	8,257,592	6,482,527	27.4%
Net Returns	(6,980,260)	(27,757,442)	---
Fiduciary	126,159	(466,514)	---
Pass-Through Entity Tax	7,517,314	10,060,556	-25.3%
Major Business Taxes	\$52,214,461	\$267,672,944	-80.5%
Corporation Income	(8,672,379)	258,825,362	---
LLET	60,886,840	8,847,582	588.2%
Property	\$12,219,684	\$14,410,909	-15.2%
General - Real	(466,214)	212,682	---
General - Tangible	806,728	795,001	1.5%
Tangible - Motor Vehicle	15,927,997	16,040,667	-0.7%
Omitted & Delinquent	(4,501,491)	(2,572,701)	---
Public Service	347,958	33,002	954.4%
Other	104,707	(97,742)	---
Inheritance Tax	\$11,946,166	\$9,047,211	32.0%
Miscellaneous	\$2,273,443	\$2,061,567	10.3%
License and Privilege	\$299,460	\$238,742	25.4%
Bank Franchise	\$0	98,540	-100.0%
Legal Process	965,562	748,597	29.0%
T. V. A. In Lieu Payments	992,773	969,320	2.4%
Other	15,648	6,368	145.7%
Nontax Receipts	\$67,095,888	\$77,399,168	-13.3%
Departmental Fees	833,376	1,318,215	-36.8%
PSC Assessment Fee	12,773,179	10,104,431	26.4%
Fines & Forfeitures	1,673,636	1,566,820	6.8%
Income on Investments	25,097,854	37,573,588	-33.2%
Lottery	26,500,000	25,500,000	3.9%
Miscellaneous	217,843	1,336,113	-83.7%
Redeposit of State Funds	\$2,420,397	\$221,908	990.7%

2. ROAD FUND REVENUE

	<u>JULY</u> <u>2025</u>	<u>JULY</u> <u>2024</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$171,418,433	\$163,756,074	4.7%
Tax Receipts-	\$166,569,210	\$157,632,720	5.7%
Sales and Gross Receipts	\$141,250,929	\$138,752,753	1.8%
Motor Fuels Taxes	70,472,314	75,050,161	-6.1%
Motor Vehicle Usage	70,716,040	63,663,647	11.1%
EV Charging Station Tax	62,574	38,946	60.7%
License and Privilege	\$25,318,281	\$18,879,966	34.1%
Motor Vehicles	10,284,239	6,158,272	67.0%
Motor Vehicle Operators	3,031,941	2,596,937	16.8%
Weight Distance	11,113,731	9,350,268	18.9%
Truck Decal Fees	7,560	7,620	-0.8%
Other Special Fees	880,810	766,870	14.9%
Nontax Receipts	\$4,873,432	\$6,042,476	-19.3%
Departmental Fees	2,271,500	2,686,718	-15.5%
In Lieu of Traffic Fines	14,670	12,045	21.8%
Income on Investments	815,339	2,514,390	-67.6%
Miscellaneous	1,570,860	500,943	213.6%
Hybrid/Electric Annual Fee	201,063	328,380	-38.8%
Redeposit of State Funds	(\$24,209)	\$80,879	---

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