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GENERAL FUND AND ROAD FUND RECEIPTS
FOR AUGUST 2024

General Fund receipts declined 4.5 percent, Year-to-Date up 4.2 percent
Road Fund receipts declined 2.1 percent, Year-to-Date up 5.6 percent

FRANKFORT, KY – (Tuesday, September 10, 2024) - The Office of State Budget Director reported today that both General Fund and Road Fund receipts declined in August compared to last year. The declines were highly affected by tax rate reductions. Total General Fund collections equaled \$1,028.2 million, a decline of 4.5 percent. Through the first two months of fiscal year 2025 (FY25), General Fund receipts have increased 4.2 percent.

The official revenue estimate for FY25 calls for General Fund revenues to essentially equal FY24 actual receipts, or no growth. Based on August's results, receipts can decline 0.7 percent for the remainder of the fiscal year and still meet the official estimate.

State Budget Director John Hicks remarked, "The combination of large business tax refunds and the lower income tax rate resulted in a decline in total receipts. The 4.6 percent growth in sales tax and the growth in underlying salaries and wages reflect continued growth in the Kentucky economy."

Among the major accounts:

- Individual income tax collections declined 12.8 percent. Withholding declined 7.4 percent due to an 11.1 reduction in the individual income tax rate, from 4.5 percent to 4.0 percent. Net returns and the pass-through entity tax payments were down compared to last August.
- Sales tax revenues grew 4.6 percent in August, which is on par with the growth expected.

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- Corporation income tax and Limited Liability Entity tax receipts both had significant refunds processed yielding negative revenues collections totaling -\$8.2 million compared to last August. Year-to-date receipts are much higher due to the large corporate income tax collection in July.
- Cigarette taxes declined by 17.3 percent and have declined 8.7 percent for the year.
- Property taxes increased by 68.3 percent in August and have increased by 15.7 percent for the fiscal year. Large swings in the timing of receipts are not unusual early in a fiscal year for this account.
- Coal severance tax collections in August declined 11.6 percent to \$5.9 million and are down 17.9 percent through the first two months of the fiscal year.
- Lottery revenues rose 3.9 percent to \$26.5 million in August and are up 4.0 percent through the first two months of FY25.
- Income from investments grew \$10.2 million in August with total receipts of \$33.3 million.

Road Fund receipts for August totaled \$164.4 million, a decline of 2.1 percent from August 2023 levels. Through the first two months of the fiscal year, collections in this fund have grown 5.6 percent. The official Road Fund revenue estimate calls for a 2.6 percent decline in receipts for FY25. The expected decline is due to a statutory reduction in the motor fuels tax rate. The tax rate was reduced by 2.1 cents per gallon, a 7.6 percent decline for FY25. The August receipts are the first month of collections with the new tax rate. Based on year-to-date collections, revenues can fall 4.3 percent for the remainder of the fiscal year and still meet the official estimate.

Among the accounts:

- Motor fuels tax receipts fell 8.3 percent in August due to the reduction in the tax rate and have fallen 0.4 percent for the year.
- Motor vehicle usage collections grew 2.3 percent for the month and have grown 12.0 percent for the first two months of the fiscal year.
- License and privilege tax declined 1.4 percent in August and have declined 1.4 percent year-to-date.

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KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>AUGUST</u> <u>2024</u>	<u>AUGUST</u> <u>2023</u>	<u>% Change</u>	<u>JULY THROUGH AUGUST</u> <u>FY 2025</u>	<u>JULY THROUGH AUGUST</u> <u>FY 2024</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$1,028,167,888	\$1,076,279,795	-4.5%	\$2,322,592,234	\$2,229,581,397	4.2%
Tax Receipts	\$963,760,828	\$1,026,457,011	-6.1%	\$2,182,315,100	\$2,117,076,334	3.1%
Sales and Gross Receipts	\$553,978,065	\$533,883,868	3.8%	\$1,129,112,003	\$1,111,241,219	1.6%
Beer Consumption	489,312	546,679	-10.5%	1,025,476	1,099,172	-6.7%
Beer Wholesale	6,301,996	5,934,751	6.2%	12,574,295	12,942,007	-2.8%
Cigarette	24,062,069	29,081,911	-17.3%	45,812,867	50,196,074	-8.7%
Distilled Spirits Case Sales	19,688	23,152	-15.0%	41,351	44,155	-6.3%
Distilled Spirits Consumption	1,555,297	1,084,748	43.4%	3,362,656	2,846,390	18.1%
Distilled Spirits Wholesale	5,852,463	4,585,372	27.6%	12,470,741	11,419,274	9.2%
Insurance Premium	1,102,347	1,695,369	-35.0%	1,303,565	1,683,955	-22.6%
Pari-Mutuel	2,299,811	2,180,272	5.5%	6,042,037	5,146,078	17.4%
Race Track Admission	0	0	---	0	0	---
Sales and Use	496,234,778	474,263,559	4.6%	1,014,841,109	996,648,786	1.8%
Wine Consumption	243,152	219,582	10.7%	472,121	487,204	-3.1%
Wine Wholesale	1,574,178	1,422,342	10.7%	3,013,198	3,027,420	-0.5%
Telecommunications Tax	6,520,329	5,752,915	13.3%	13,023,125	11,412,563	14.1%
Other Tobacco Products	3,656,966	3,357,540	8.9%	7,376,770	6,923,310	6.5%
Floor Stock Tax	24	895	-97.3%	72	897	-92.0%
Car Rental & Ride Sharing	4,065,656	3,734,781	8.9%	7,752,619	7,363,933	5.3%
Natural Resources	\$9,234,287	\$9,818,509	-6.0%	18,559,885	\$21,059,879	-11.9%
Coal Severance	5,912,699	6,690,162	-11.6%	11,928,517	14,528,302	-17.9%
Oil Production	532,990	661,050	-19.4%	854,009	782,343	9.2%
Minerals Severance	2,620,235	2,299,299	14.0%	5,445,039	4,843,735	12.4%
Natural Gas Severance	168,363	167,999	0.2%	332,321	905,500	-63.3%
Individual Income Tax	\$369,335,595	\$423,623,380	-12.8%	710,237,699	\$855,074,418	-16.9%
Withholding	344,674,403	372,096,348	-7.4%	697,257,380	790,017,116	-11.7%
Declarations	6,213,305	9,466,809	-34.4%	12,695,832	16,881,647	-24.8%
Net Returns	(559,882)	7,446,972	---	(28,317,324)	9,845,528	---
Fiduciary	(909,682)	(1,831,056)	---	(1,376,196)	(2,546,315)	---
Pass-Through Entity Tax	19,917,451	36,444,308	-45.3%	29,978,007	40,876,443	-26.7%
Major Business Taxes	(\$8,249,645)	\$32,187,069	---	259,423,298	\$76,202,436	240.4%
Corporation Income	(6,139,149)	12,358,952	---	252,686,213	50,408,090	401.3%
LLET	(2,110,497)	19,828,117	---	6,737,085	25,794,346	-73.9%
Property	\$28,822,258	\$17,124,838	68.3%	43,233,167	37,356,174	15.7%
General - Real	14,881	53,646	-72.3%	227,563	412,201	-44.8%
General - Tangible	3,477,406	1,760,799	97.5%	4,272,406	1,768,907	141.5%
Tangible - Motor Vehicle	16,942,500	14,264,201	18.8%	32,983,167	29,958,676	10.1%
Omitted & Delinquent	6,010,812	(1,380,541)	---	3,438,111	2,756,394	---
Public Service	182,489	2,426,733	-92.5%	215,491	2,459,995	-91.2%
Other	2,194,170	0	---	2,096,428	0	---
Inheritance Tax	\$8,893,668	\$8,657,033	2.7%	17,940,879	\$13,101,334	36.9%
Miscellaneous	\$1,746,601	\$1,162,314	50.3%	3,808,168	3,040,874	25.2%
License and Privilege	\$127,249	\$291,056	-56.3%	365,992	397,106	-7.8%
Bank Franchise	(\$69,586)	(\$741,792)	---	28,954	(741,792)	---
Legal Process	719,618	643,473	11.8%	1,468,215	1,446,408	1.5%
T. V. A. In Lieu Payments	969,320	969,576	0.0%	1,938,640	1,939,152	0.0%
Other	0	0	---	6,368	0	---
Nontax Receipts	\$64,234,657	\$49,248,032	30.4%	139,882,823	\$111,795,450	25.1%
Departmental Fees	706,606	303,040	133.2%	2,024,821	1,723,100	17.5%
PSC Assessment Fee	770,156	276,325	178.7%	10,874,587	11,084,119	-1.9%
Fines & Forfeitures	1,606,507	1,559,418	3.0%	3,173,327	3,175,535	-0.1%
Income on Investments	33,324,503	23,136,416	44.0%	70,898,091	44,272,790	60.1%
Lottery	26,500,000	25,500,000	3.9%	52,000,000	50,000,000	4.0%
Miscellaneous	1,326,885	(1,527,167)	---	911,996	1,539,905	-40.8%
Redeposit of State Funds	\$172,403	\$574,752	-70.0%	394,311	\$709,613	-44.4%

2. ROAD FUND REVENUE

	<u>AUGUST</u> <u>2024</u>	<u>AUGUST</u> <u>2023</u>	<u>% Change</u>	<u>JULY THROUGH AUGUST</u> <u>FY 2025</u>	<u>FY 2024</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$164,350,989	\$167,869,119	-2.1%	\$328,107,063	\$310,737,590	5.6%
Tax Receipts-	\$159,237,639	\$164,285,639	-3.1%	\$316,870,359	\$302,899,850	4.6%
Sales and Gross Receipts	\$134,774,529	\$139,470,636	-3.4%	\$273,527,283	\$260,150,831	5.1%
Motor Fuels Taxes	68,183,141	74,342,045	-8.3%	143,233,301	143,853,395	-0.4%
Motor Vehicle Usage	66,545,172	65,055,010	2.3%	130,208,818	116,297,437	12.0%
EV Charging Station Tax	46,217	0	---	85,163	0	---
License and Privilege	\$24,463,109	\$24,815,002	-1.4%	\$43,343,076	\$42,749,019	1.4%
Motor Vehicles	7,975,514	5,796,081	37.6%	14,133,785	14,005,545	0.9%
Motor Vehicle Operators	3,081,762	5,431,622	-43.3%	5,678,699	5,448,162	4.2%
Weight Distance	12,532,094	12,759,264	-1.8%	21,882,362	21,773,211	0.5%
Truck Decal Fees	17,040	11,520	47.9%	24,660	32,040	-23.0%
Other Special Fees	856,700	816,515	4.9%	1,623,570	1,490,060	9.0%
Nontax Receipts	\$5,108,133	\$3,312,223	54.2%	\$11,150,609	\$6,488,771	71.8%
Departmental Fees	2,452,361	1,834,812	33.7%	5,139,079	3,206,041	60.3%
In Lieu of Traffic Fines	18,675	16,905	10.5%	30,720	32,160	-4.5%
Income on Investments	1,794,006	987,431	81.7%	4,308,395	2,257,446	90.9%
Miscellaneous	487,112	473,075	3.0%	988,055	993,124	-0.5%
Hybrid/Electric Annual Fee	355,980	0	---	684,360	0	---
Redeposit of State Funds	\$5,217	\$271,257	-98.1%	\$86,096	\$1,348,969	-93.6%

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