

Fiscal Year 2024 Financial Results

Interim Joint Committee on Appropriations and Revenue

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Fiscal Year 2024 Overview

Revenue Story

General Fund Year-End

Budget Reserve Trust Fund

Road Fund Year-End

Original FY 2024 General Fund Budgeted Revenue versus Revised Revenue Estimate

(\$ million)

	2022	2024	
	Enacted	Enacted	\$ Diff
Individual Income	5,249.3	5,778.3	529.0
Sales & Use	5,625.4	5,828.4	203.0
Corp. Inc. & LLET	963.8	1,277.4	313.7
Property	735.9	808.6	72.7
Lottery	343.6	343.6	0.0
Cigarettes	305.7	272.2	-33.5
Coal Severance	75.2	84.9	9.7
Other	852.1	1,161.2	309.1
General Fund	14,151.0	15,554.5	1,403.5

FY 2024 General Fund Revenues

Budget to Actual

(\$ million)

	FY24		
	Actual	Estimate	\$ Diff
Individual Income	5,807.5	5,778.3	29.2
Sales & Use	5,802.6	5,828.4	-25.8
Corp. Inc. & LLET	1,249.1	1,277.4	-28.3
Property	808.2	808.6	-0.4
Lottery	343.6	343.6	0.0
Cigarettes	270.5	272.2	-1.7
Coal Severance	77.8	84.9	-7.1
Other	1,212.0	1,161.2	50.8
General Fund	15,571.3	15,554.5	16.8

FY 2024 General Fund Revenues Compared to FY 2023

(\$ million)

	Actual FY24	Actual FY23	Difference (\$ mil)	Difference (%)
Sales and Use	5,802.6	5,576.3	226.3	4.1
Individual Income	5,807.5	5,843.9	-36.4	-0.6
Corp Inc & LLET	1,249.1	1,221.6	27.5	2.3
Coal Severance	77.8	96.6	-18.7	-19.4
Cigarette Taxes	270.5	299.3	-28.8	-9.6
Property	808.2	774.4	33.8	4.4
Lottery	343.6	337.0	6.6	2.0
Other	<u>1,212.0</u>	<u>998.7</u>	<u>213.3</u>	<u>21.4</u>
TOTAL	15,571.3	15,147.7	423.6	2.8

FY 2024 General Fund Revenues

■ Individual Income Tax

- Total income tax receipts declined 0.6% to \$5,807.5 million
- Individual income tax rate was lowered by 10% Jan 2023 and 11.1% on Jan 2024. Withholding fell only 6.5% in FY24
- Individual declarations and net returns dropped sharply
- Pass-through entity tax receipts totaled \$791.9 million

■ Sales and Use Tax

- After three consecutive years of double-digit growth, the sales tax grew by 4.1% in FY24 to \$5,802.6 million

■ Individual Income & Sales equal 74.6% of Gen Fund revenues

- Each tax type made up 37.3% of General Fund revenues

FY 2024 General Fund Revenues

- Income from Investments
 - FY 19-22 Average: (\$4 million); FY23: \$150 million; FY24: \$300 million
- Property Tax Receipts
 - FY 19-22 Average: \$679 million; FY23: \$774 million; FY24: \$808 million
- Lottery Receipts
 - FY 19-22 Average: \$280 million; FY23: \$337 million; FY24: \$343.6 million

FY 2024 General Fund Situation Better than Original Budget

Unbudgeted Ending Balance	\$ 248.0 million
Revenue More than Enacted	\$1,403.5 million
Expected Lapses	\$ 296.8 million
Fund Transfers	<u>\$ 80.0 million</u>
TOTAL	\$2,028.3 million
Deposit to Budget Reserve Trust Fund	\$2,017.6 million

Budget Reserve Trust Fund

- **Four consecutive deposits > \$1 billion (FY21-FY24)**
- **End of FY 2023 Balance** \$2,260,597,156
- **FY 2023 Surplus Deposit** \$1,452,921,410
- **FY 2023 Uses-E Ky SAFE, NGE** (\$485,055,453)
- **FY 2024 Budgeted Deposit** \$2,017,591,200
- **FY 2024 Uses-HB 1/SB91** (\$504,700,000)
- **FY 2024 Estimated Ending Balance** \$5,226,409,766

Budget Reserve Trust Fund

➤ FY 2025 Surplus Deposit	\$15,044,859
➤ FY 2025 Budgeted Deposit	<u>\$873,650,500</u>
➤ FY 2025 Budgeted Ending Balance	\$4,560,129,725
➤ FY 2025 Uses-HB 1/SB91	(\$1,554,975,400)
➤ FY 2026 Uses-HB 1/SB 91	<u>(\$1,050,356,500)</u>
➤ FY 2026 Estimated Ending Balance	\$3,509,773,225
➤ 21.9% of FY 2026 General Fund Revenues	
➤ 22.2% of FY 2026 Recurring General Fund Appropriations	

Original FY 2024 Road Fund Budgeted Revenue versus Revised Revenue Estimate

(\$ million)

	2022	2024	
	Enacted	Enacted	\$ Diff
Motor Fuels	817.4	905.1	87.7
Motor Vehicle Usage	569.1	672.2	103.2
Motor Vehicle License	121.7	126.8	5.1
Motor Vehicle Operators	28.3	31.2	2.9
Weight Distance	96.6	87.7	-8.9
Income on Investments	2.1	11.8	9.7
Other	44.1	46.8	2.7
Road Fund	1,679.2	1,881.7	202.5

FY 2024 Road Fund Budget to Actual

(\$ million)

	FY24		
	Actual	Estimate	\$ Diff
Motor Fuels	905.4	905.1	0.3
Motor Vehicle Usage	671.0	672.2	-1.2
Motor Vehicle License	119.5	126.8	-7.3
Motor Vehicle Operators	32.7	31.2	1.5
Weight Distance	86.8	87.7	-0.9
Income on Investments	14.6	11.8	2.8
Other	44.5	46.8	-2.3
Road Fund	1,874.6	1,881.7	-7.1

FY 2024 Road Fund Revenues Compared to FY 2023

(\$ million)

	Actual <u>FY24</u>	Actual <u>FY23</u>	Difference <u>(\$ mil)</u>	Difference <u>(%)</u>
Motor Fuels	905.4	798.3	107.2	13.4
Motor Vehicle Usage	671.0	660.3	10.6	1.6
Motor Vehicle License	119.5	126.7	-7.2	-5.7
Motor Vehicle Operator	32.7	29.7	3.0	9.9
Weight Distance	86.8	87.7	-0.9	-1.1
Investment Income	14.6	6.3	8.3	131.7
Other	<u>44.5</u>	<u>44.2</u>	<u>0.3</u>	<u>0.7</u>
TOTAL	1,874.6	1,753.3	121.3	6.9

Road Fund Revenue Milestones

- Motor fuels grew by 13.4% to \$905.4 million, a new record
 - Motor Fuels tax rate went from 28 cents to 30.1 cents
- Motor vehicle usage also set a new record in FY24
 - \$671.0 million beat FY23 total of \$660.3 million
- Motor fuels and motor vehicle usage made up 84% of all Road Fund revenues

FY 2024 Road Fund Situation Better than Original Budget

Revenue More than Enacted	\$ 202.5 million
Revenue Sharing Increase	(\$ 42.5 million)
Current Year Capital Appropriation	<u>(\$ 2.5 million)</u>
Net Amount	\$157.5 million

Appropriated the use of the \$157.5 million in the FY 2025 Road Fund Budget

FY2024 Road Fund Surplus

Revenue Less than Revised Estimate	(\$ 7.1 million)
Expenditures Less than Budgeted	\$16.8 million
Fund Transfers	<u>\$ 0.1 million</u>
Official Surplus	\$ 9.8 million

Deposited into the Highways State Construction Account to support projects in the 2024-2026 Biennial Highway Construction Program

Questions