

# CFG PRELIMINARY ESTIMATES

(INTRODUCTORY REMARKS AND RECEIPTS UPDATES)

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## Assessment of Current Situation

- Continuation of the process of revising FY22 and projecting the FY23/FY24 biennium
  - ▣ "Preliminary Estimates" are due by October 15<sup>th</sup> pursuant to KRS 48.120 (2)
  - ▣ Today is not an official revision to the estimates
  - ▣ One more opportunity to estimate FY22-FY24 in December pursuant to KRS 48.120 (3)
- What has changed since August
  - ▣ First quarter receipts were added to the history of our dependent variables
  - ▣ Updated economic outlook from IHS Markit
    - In August we used the July economic outlook
    - In October we are using the September economic outlook

## GF and RF Receipts through the First Quarter

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- General Fund grew by 35.0 percent in September and 20.0 percent in the First Quarter of FY22
  - ▣ One-time cash inflow equaling \$225 million pursuant to a legal settlement with Flutter Entertainment, the parent company of PokerStars
  - ▣ September receipts were up 35.0 percent as a result, 20.0 percent YTD
  - ▣ Without this settlement, growth in the General Fund would have been 14.8 percent in September and 12.1 percent year-to-date
  - ▣ Sales tax grew 10.8 percent, 9.9 percent in the 1<sup>st</sup> quarter
  - ▣ Individual Income taxes grew 7.6 percent, 6.5 percent in the 1<sup>st</sup> quarter
  - ▣ Business taxes grew 55.8 percent in September, 76.0 percent in the 1<sup>st</sup> quarter
- Road Fund grew by 5.0 percent in September and 3.5 percent in the First Quarter of FY22
  - ▣ Motor Fuels taxes grew 5.8 percent, 4.9 percent in the 1<sup>st</sup> quarter
  - ▣ Motor Vehicle Usage tax grew 4.8 percent, 3.8 percent in the 1<sup>st</sup> quarter

## General Fund Highlights from FY22 Quarter 1

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- The largest three revenue sources constitute 89.8 percent of total tax receipts in the 1<sup>st</sup> quarter of FY22
  - ▣ Sales -- \$1,238.6 million
  - ▣ Individual -- \$1,262.3 million
  - ▣ Business Taxes -- \$290.6 million
- Collectively, the biggest three taxes have grown 12.7 percent in the first quarter compared to 12.3 percent overall growth in tax receipts (not counting nontax revenues)
- Non-big-three taxes have grown 8.5 percent collectively through the first quarter of FY22

# Monthly General Fund Revenue Growth

(Millions \$)

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