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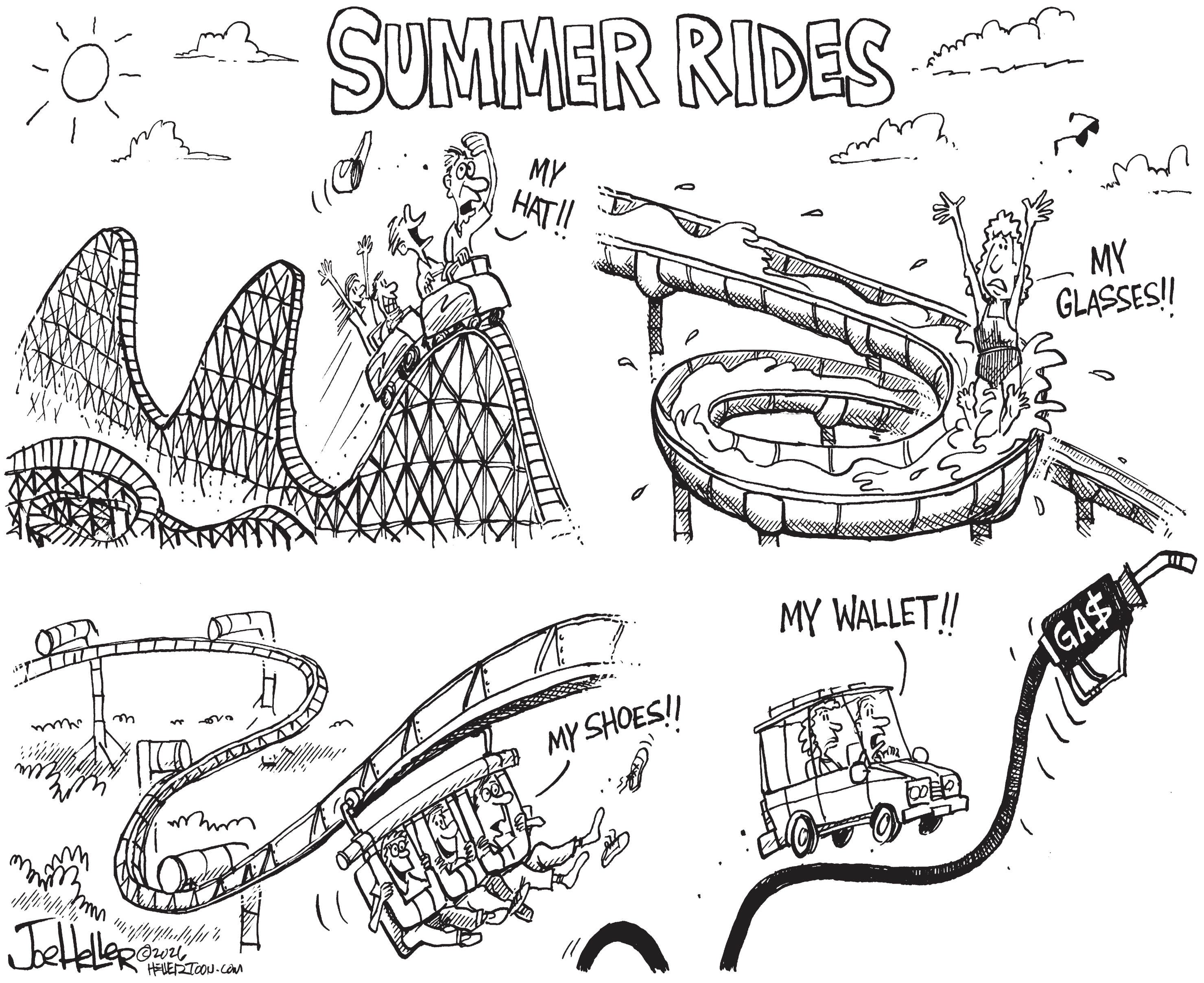
The Hart County News-Herald

OPINION

JULY 30, 2026



LEGISLATIVE UPDATE

HARDWORKING KENTUCKIANS DRIVE $320 MILLION BUDGET SURPLUS

Representative Ryan Bivens

The latest state revenue numbers show what happens when Kentucky's workers, families, and employers grow our economy: the Commonwealth finished the 2026 fiscal year stronger than expected. On July 10, the Office of State Budget Director announced that General Fund receipts for the fiscal year ending June 30 totaled nearly $16 billion - $320.6 million more than lawmakers originally budgeted and $476.6 million above the official revenue estimate issued in December 2025.

That performance reflects a stronger-than-expected economy, and the credit belongs to the hardworking Kentuckians who help drive it every day - our workers, families and employers who contribute to the Commonwealth's success.

The news is especially significant because just a few months ago, the governor warned Kentucky was on track to face a $156 million revenue shortfall. At the time, legislators questioned some of the assumptions behind that projection. The final numbers show those concerns were warranted, as actual revenues came in nearly half a billion dollars above that December estimate.

While final surplus numbers will not be known until year-end expenditures are finalized, we already know several key facts:

• General Fund receipts totaled $15.98 billion, a 1.7% increase over FY25. Revenues exceeded the budgeted estimate by $320.6 million and surpassed the December 2025 official forecast by $476.6 million.

• Road Fund revenues totaled $1.82 billion, down 2.2% from FY25 and $72.4 million below the original estimate, largely due to lower motor fuel tax collections.

• Strong sales tax and individual income tax collections helped drive the General Fund's better-than-expected performance. Sales tax receipts increased 6.4% over the previous year, with growth improving each quarter throughout FY26.

• Individual income tax collections increased 4.6%, adding $247.3 million compared with FY25. Growth was fueled by strong estimated payments and net returns.

• Kentucky's individual income tax rate was reduced from 4% to 3.5% on Jan. 1, 2026. Despite that reduction, withholding collections declined by only 0.4% for the entire year.

This marks the seventh consecutive year Kentucky has finished with a surplus. These strong results allow the state to continue building its budget reserve trust fund, creating a responsible cushion for unexpected challenges while positioning Kentucky to make strategic investments in the future. A strong reserve balance leaves the legislature better prepared to address needs, invest in opportunities, and continue planning for long-term economic growth. It also leaves us strongly positioned to cut the individual income tax again once all conditions are met to trigger it.

So, what creates a budget surplus?

It is not bigger government or higher taxes. It is a growing economy, responsible budgeting and trusting Kentuckians to keep more of the money they earn. Since 2018, the Legislature has worked to cut the individual income tax nearly in half while still making historic investments in the priorities that matter most.

A strong economy starts with strong communities. That means record investments in public education while supporting policies that empower parents, strengthen classrooms, and help students reach their full potential. It means expanding access to child care and healthcare, and investing in the roads and infrastructure that connect Kentuckians to jobs, schools and opportunities.

It means making strategic investments that deliver real results - expanding high-speed internet, improving water and wastewater systems, supporting economic development and helping communities create opportunities so the next generation can build a future right here in Kentucky.

Most importantly, it means passing budgets that put the needs of Kentuckians first instead of playing politics with taxpayer dollars. We are taking a closer look at how government operates, finding ways to make programs more effective and eliminating those that are outdated, duplicative, or no longer serve the people they were created to help.

At its core, a budget surplus is the result of responsible stewardship of taxpayer dollars and a commitment to good governance. Every day, Kentucky families make difficult decisions to ensure they are getting the most value from every dollar they spend. They deserve a state government that does the same.

While this news is worth celebrating, it also reinforces the need to keep working to make government better and create a stronger Kentucky. One of our biggest priorities must be helping more people enter the workforce. With one of the lowest workforce participation rates in the country, we know there are more people who can work, want to work and deserve the opportunity to build a better future.

Ultimately, the success of our budget comes from remembering one simple truth: state government exists to serve the people of Kentucky - not the other way around.

As always, I can be reached anytime through the toll-free message line in Frankfort at 1-800-372-7181. You can also contact me via email at Ryan.Bivens@kylegislature.gov and keep track through the Kentucky legislature's website at legislature.ky.gov.

LETTER TO THE EDITOR

The Banner/Republican welcomes letters to the editor regarding our publications or local issues of importance. Letters should be no more than 300 words; we reserve the right to edit for clarity or length, or to reject letters that are in poor taste or libelous. Writers must include their name and a valid telephone number for verification purposes. Anonymous letters will be rejected. Send your letter by email to print@jpinews.com or mail to or drop off at any Jobe Publishing office.

Brett's Bulletin

Advancing Legislation to Support American Families

Over the past few weeks, I've been busy working on behalf of Kentucky's Second District. From working to advance legislation out of my committee to protect ratepayers from increased energy costs, to visiting with local businesses across our district, to a bill becoming law that addresses affordability in housing, take a look below to see some of what I've been up to!

Protecting Ratepayers from Footing the Bill for Data Centers

One of the most pressing issues facing local communities across our nation is navigating the development of AI data centers. Throughout the 119th Congress, my Committee has been working to ensure that the United States wins the race for AI against the Chinese Communist Party while protecting local communities in the process.

Over the past month, our committee has worked to advance the Ratepayer Protection Act, which would codify President Trump's Executive Order to protect Americans from footing the bill for any upgrades to energy infrastructure to support data centers.

I understand that folks have concerns about the construction of data centers in their area – know that I too share many of these concerns. As the AI industry continues to take shape, it is essential that local concerns are addressed and that local input is at the core of data center development. Rest assured that as your Congressman, I will continue to advance policies that protect local interests and ensure that the U.S. continues to lead the world in technological innovation.

Hearing from State Medicaid Directors About Fraud

Four years of failed policies under the Biden-Harris Administration enabled widespread fraud across the federal government. Since the beginning of the year, the House Committee on Energy and Commerce has led the charge in the House to combat fraud being committed in our federal health programs, like Medicaid.

Recently, our Subcommittee on Oversight and Investigations conducted a hearing with state Medicaid directors from Minnesota, New York, California, and Ohio to hear about how they plan on addressing fraud plaguing their programs. Take a look at my opening statement! Fraud has no place in government programs, and I will do everything in my power to preserve the program for those who need it most.

Combatting Illicit Drugs

Our Committee is continuing to work to advance legislation to lower health care costs, combat the dangers posed by illicit drugs and pill presses, and keep Americans healthy. In the past several weeks, our Subcommittee on Health has advanced nearly 20 bills to the full Committee.

This includes:

H.R. 8005, Stop Pills That Kill Act, which would implement sentencing penalties for the production of fentanyl, fentanyl

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