

LOCAL NEWS

Legislative Update

Representative Richard White

Hardworking Kentuckians drive \$320 million budget surplus

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 health-care, 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 in-

stead 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 Richard.White@kylegislature.gov and keep track through the Kentucky legislature's website at legislature.ky.gov.

Downtown Morehead, Inc. and the City of Morehead Present "An Evening with the Blues" on Saturday, September 6, 2026

Downtown Morehead, Inc. and the City of Morehead are proud to present "An Evening with the Blues," a free outdoor concert on Saturday, September 6, 2026, at the Battson Oates Commons Stage in downtown Morehead.

Headlining the evening will be internationally acclaimed blues guitarist Tinsley Ellis, performing his acclaimed Acoustic Songs & Stories show featuring music from his latest album, Naked Truth. Ellis, one of the most respected names in contemporary blues, is expected to take the stage at approximately 8:00 p.m.

Also appearing will be John Ford and the John Ford Blues Society, a regional favorite known for delivering authentic, soulful blues performances.

Adding to the evening's celebration of blues music, acclaimed guitarist Mike DeBellefeuille and his band, Like Minded Individuals (LMI), will also perform. A respected figure in eastern Kentucky's music scene, DeBellefeuille has spent decades entertaining audiences with a blend of blues, blues-rock, classic rock, Americana, and original music. Known for his expressive guitar work and engaging stage presence, he has earned a reputation as one of northeastern Kentucky's premier blues musicians. Opening the afternoon's entertainment at

4:00 p.m. will be The Robert Frahm Trio, bringing its distinctive Lexington, Kentucky sound to downtown Morehead. Featuring veteran musicians with deep roots in the blues tradition, the trio adds another exciting dimension to an outstanding day of live music.

Guests are encouraged to bring lawn chairs and enjoy an evening of outstanding live music in the heart of downtown Morehead. A variety of downtown restaurants and businesses will be open, giving visitors an opportunity to dine, shop, and experience the community before and during the concert. The concert is free and open to the public.

For additional information, contact:

Tony Pence
Downtown Morehead, Inc.

606-548-1073
tonypence@gmail.com
www.downtownmorehead.org

Downtown Morehead, Inc. and the City of Morehead invite everyone to experience an unforgettable evening of world-class blues music while enjoying the hospitality, restaurants, and unique shops that make downtown Morehead a vibrant destination. Events like "An Evening with the Blues" continue the community's commitment to promoting arts, culture, and economic vitality throughout the Gateway Region.

Welcome to the Eicher Family Benefit Supper and Auction

This is for medical expenses. Your support, whether through attending, donating, or bidding, is greatly appreciated.

Friday, July 24, 2026
6271 Moorefield Rd.,
Carlisle, KY 40311

Supper beginning at 4PM

.....MENU.....

- Homemade Pizza
- Buttered Noodles
- Salad
- Bread
- Pie & Ice Cream
- Drinks

Live Auction begins at 6:00PM

A silent aquction will also be held throughout the evening. Drawing at 7:30PM

For more information call
James: 859-333-1540
Ben: 606-336-6373

Thank you for supporting the Eicher family.
Every donation makes a difference!

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