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**GENERAL FUND AND ROAD FUND RECEIPTS
FOR SEPTEMBER 2007**

General Fund receipts \$843.9 million

Road Fund receipts \$108.9 million

FRANKFORT, Ky. - (Monday, October 8, 2007) – The Office of State Budget Director released information today showing that September's General Fund revenues contracted by 1.4 percent over the same month in 2006. Collections of \$843.9 million were \$11.7 million less than were received in September, 2006.

For the first quarter of FY08, General Fund revenues are up by 1.5 percent. The official revised revenue estimate for FY08 which was prepared by the Consensus Forecasting Group in January 2007 predicts that FY08 General Fund Revenues will rise by 3.6 percent compared to the previous year. Based on the revenues received so far, receipts must grow by 4.3 percent for the remainder of the fiscal year to meet the estimate. The official revenue estimate is scheduled to be reviewed and possibly revised by the Consensus Forecasting Group no later than October 15.

State Budget Director Stan Cave stated that despite the overall decline observed in September, he was encouraged by the growth of the two largest sources of revenue in the General Fund, the sales tax and the individual income tax. "The growth posted in those two accounts indicates that Kentucky's economy is strong and healthy", he said.

The individual income tax receipts rose by 18.1 percent in September, and were up by 11.5 percent for the first quarter compared to the same period last year. Sales and use tax collections grew by 5.1 percent in September, and for the year thus far have risen by 3.5 percent.

Cave explained that cuts in the corporation income tax, including a rate reduction effective on January 1 of 2007, and a reassignment of taxes paid by businesses organized as pass-through entities, reduced the corporation income tax in September. Compared to a year earlier, the corporation income tax declined by 40.6 percent in the past month.

Among other major accounts for September:

- The coal severance tax was down by 7.8 percent.
- Property taxes rose by 85.1 percent due primarily to timing in the area of the Public Service Company Property Tax.
- Cigarette taxes fell by 6.0 percent.
- Lottery revenues were unchanged.

The Road Fund posted growth of 10.1 percent in September. Total revenues of \$108.9 million were \$10.0 million more than the \$98.9 million collected a year earlier. For the first quarter of Fiscal Year 2008, Road Fund receipts are up 7.7 percent. The official revenue estimate projected FY08 growth of 3.9 percent. Based on year-to-date growth, the Road Fund must expand by 2.7 percent to meet the official estimate.

Road Fund growth in September was boosted by the growth in motor fuels taxes (up by 16.5 percent), motor fuels use and surtax (up 25.4 percent), and motor vehicle license taxes (up 68.6 percent). Meanwhile, the motor vehicle usage tax fell by 3.1 percent, and nontax receipts were down 27.2 percent mainly due to the repeal of remaining tolls on Kentucky parkways.

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KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	SEPTEMBER			JULY THROUGH SEPTEMBER		
	2007	2006	% Change	FY 2008	FY 2007	% Change
TOTAL GENERAL FUND	\$843,856,140	\$855,620,254	-1.4%	\$2,067,111,590	\$2,035,738,110	1.5%
Tax Receipts	\$822,320,548	\$834,738,192	-1.5%	\$1,997,393,265	\$1,966,696,560	1.6%
Sales and Gross Receipts	\$286,435,878	\$279,981,885	2.3%	\$840,733,564	\$816,467,697	3.0%
Beer Consumption	583,705	611,369	-4.5%	1,841,929	1,791,350	2.8%
Beer Wholesale	5,051,500	4,592,387	10.0%	14,195,303	13,209,659	7.5%
Cigarette	12,861,295	13,681,804	-6.0%	43,773,840	41,701,350	5.0%
Distilled Spirits Case Sales	8,003	7,669	4.3%	25,372	23,986	5.8%
Distilled Spirits Consumption	808,635	787,114	2.7%	2,564,003	2,454,522	4.5%
Distilled Spirits Wholesale	1,987,147	1,846,822	7.6%	6,336,080	5,921,355	7.0%
Insurance Premium	23,169,822	28,439,307	-18.5%	24,057,543	28,797,283	-16.5%
Pari-Mutuel	161,829	112,496	43.9%	709,782	739,283	-4.0%
Race Track Admission	17,230	16,083	7.1%	152,651	117,774	29.6%
Sales and Use	235,466,206	224,033,500	5.1%	728,207,530	703,823,093	3.5%
Wine Consumption	176,741	174,456	1.3%	551,662	530,095	4.1%
Wine Wholesale	851,180	826,544	3.0%	2,660,279	2,533,253	5.0%
Telecommunications Tax	4,511,676	4,090,777	10.3%	13,325,831	12,641,426	5.4%
Other Tobacco Products	780,911	761,556	2.5%	2,331,758	2,183,268	6.8%
License and Privilege	\$38,626,558	\$26,414,626	46.2%	\$87,784,495	\$70,998,141	23.6%
Alc. Bev. License Suspension	121,050	74,000	63.6%	318,770	101,000	215.6%
Coal Severance	18,452,495	20,007,593	-7.8%	53,432,118	54,763,148	-2.4%
Corporation License	298,677	801,001	-62.7%	1,902,281	1,687,671	12.7%
Corporation Organization	78,852	27,946	182.2%	88,057	41,400	112.7%
Occupational Licenses	8,955	8,480	5.6%	40,595	30,509	33.1%
Oil Production	723,675	537,355	34.7%	2,039,617	1,858,768	9.7%
Race Track License	8,050	18,000	-55.3%	186,575	160,500	16.2%
Bank Franchise Tax	37,871	151,262	-75.0%	(45,848)	(217,827)	---
Driver License Fees	62,059	56,139	10.5%	176,915	161,262	9.7%
Minerals Severance	1,381,060	1,265,302	9.1%	4,577,349	4,171,119	9.7%
Natural Gas Severance	2,363,853	3,467,548	-31.8%	6,466,697	8,240,592	-21.5%
Limited Liability Entity	15,089,962	0	---	18,601,369	0	---
Income	\$466,694,590	\$506,972,646	-7.9%	\$986,684,703	\$1,017,479,565	-3.0%
Corporation	133,820,748	225,127,493	-40.6%	163,972,164	279,638,932	-41.4%
Individual	332,873,843	281,845,153	18.1%	822,712,539	737,840,634	11.5%
Property	\$22,618,980	\$12,221,352	85.1%	\$58,819,593	\$41,121,249	43.0%
Building & Loan Association	5,045	(95,716)	---	93,832	423,953	-77.9%
General - Real	109,783	(30,312)	---	576,149	284,962	102.2%
General - Tangible	8,593,861	7,659,422	12.2%	26,264,166	22,970,554	14.3%
Omitted & Delinquent	4,636,631	2,957,233	56.8%	19,557,415	11,697,970	67.2%
Public Service	9,172,009	1,723,350	432.2%	12,164,491	5,728,272	112.4%
Other	101,651	7,376	1278.2%	163,541	15,537	952.6%
Inheritance	\$4,774,107	\$6,067,346	-21.3%	\$14,061,662	\$12,237,207	14.9%
Miscellaneous	\$3,170,435	\$3,080,337	2.9%	\$9,309,248	\$8,392,700	10.9%
Legal Process	2,251,795	2,279,278	-1.2%	6,553,328	6,786,083	-3.4%
T. V. A. In Lieu Payments	918,640	801,059	14.7%	2,755,921	1,602,119	72.0%
Other	0	0	---	0	4,499	-100.0%
Nontax Receipts	\$20,553,191	\$15,794,650	30.1%	\$67,977,075	\$61,891,237	9.8%
Departmental Fees	2,760,066	2,399,580	15.0%	7,352,300	6,657,698	10.4%
PSC Assessment Fee	27,608	8,367	230.0%	10,529,657	12,258,825	-14.1%
Fines & Forfeitures	2,537,745	2,279,011	11.4%	7,616,003	6,661,948	14.3%
Interest on Investments	160,048	118,817	34.7%	436,629	361,287	20.9%
Lottery	14,500,000	14,500,000	0.0%	41,500,000	41,000,000	1.2%
Sale of NOx Credits	0	0	---	0	87,500	-100.0%
Miscellaneous	567,723	(3,511,125)	---	542,485	(5,136,022)	---
Redeposit of State Funds	\$982,401	\$5,087,412	-80.7%	\$1,741,250	\$7,150,312	-75.6%

2. ROAD FUND REVENUE

	SEPTEMBER			JULY THROUGH SEPTEMBER		
	2007	2006	% Change	FY 2008	FY 2007	% Change
TOTAL STATE ROAD FUND	\$108,895,185	\$98,894,518	10.1%	\$326,655,562	\$303,337,643	7.7%
Tax Receipts-	106,527,263	95,344,279	11.7%	\$316,854,726	\$294,178,786	7.7%
Sales and Gross Receipts	\$97,592,315	\$89,189,119	9.4%	\$270,389,961	\$252,248,952	7.2%
Motor Fuels Taxes	56,771,130	48,725,922	16.5%	149,897,723	136,403,655	9.9%
Motor Fuels Use & Surtax	7,105,908	5,664,779	25.4%	10,248,786	7,114,746	44.0%
Truck Trip Permits (fuel)	27,240	24,760	10.0%	68,840	79,640	-13.6%
Motor Vehicle Usage	33,688,038	34,773,658	-3.1%	110,174,612	108,650,912	1.4%
License and Privilege	\$8,934,948	\$6,155,160	45.2%	\$46,464,765	\$41,929,833	10.8%
Motor Vehicles	6,326,792	3,751,455	68.6%	18,542,154	14,232,275	30.3%
Motor Vehicle Operators	1,368,396	1,429,244	-4.3%	4,006,702	4,044,437	-0.9%
Weight Distance	508,529	347,486	46.3%	22,058,728	21,795,624	1.2%
Truck Decal Fees	4,419	10,617	-58.4%	36,052	43,313	-16.8%
Other Special Fees	726,813	616,359	17.9%	1,821,129	1,814,184	0.4%
Nontax Receipts	\$2,361,979	\$3,245,339	-27.2%	\$9,740,611	\$8,797,379	10.7%
Departmental Fees	880,818	1,120,774	-21.4%	5,769,404	3,653,684	57.9%
In Lieu of Traffic Fines	93,356	91,768	1.7%	293,569	310,549	-5.5%
Highway Tolls	0	613,656	-100.0%	0	1,583,756	-100.0%
Investment Income	1,241,037	1,409,763	-12.0%	3,359,254	3,158,787	6.3%
Miscellaneous	146,768	9,378	1465.0%	318,384	90,603	251.4%
Redeposit of State Funds	\$5,943	\$304,900	-98.1%	\$60,225	\$361,479	-83.3%

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