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**GENERAL FUND RECEIPTS FOR OCTOBER TOTALED
\$662.6 MILLION**

FRANKFORT, KY (Friday, November 9, 2007) – The Office of State Budget Director reported General Fund receipts for October 2007 were \$662.6 million, an increase of 0.4 percent from October 2006. Year-to-date, revenues have risen by 1.3 percent and total \$2.730 billion. The revised revenue estimate rendered on October 15 by the Consensus Forecasting Group (CFG) requires revenue in the current fiscal year to rise by 1.1 percent from the previous fiscal year. Based on year-to-date growth, revenues for the remainder of the fiscal year must grow by 1.0 percent to satisfy the revised consensus estimate.

State Budget Director Stan Cave noted that the growth in October was diminished by declines in corporation income tax receipts. “The decline in corporation receipts is a reaction to House Bill 1 from the 2006 Special Session,” he said, “which created a net tax reduction for corporations.” Consistent with a slowing economy, Cave noted, the growth in other areas was lackluster.

Among the major accounts,

- The sales and use tax was up 1.7 percent;
- Individual income taxes rose by 6.9 percent;
- Corporation income taxes fell by 36.4 percent, due to both weaker declaration payments and a weaker net balance on returns;
- Property taxes were down sharply due to timing differences in the real and public services company property taxes, falling 18.5 percent;
- Cigarette taxes rose by 5.8 percent;
- The coal severance tax decreased by 2.3 percent in a continuation of its recent trend.
- Lottery revenues were up by 3.6 percent compared to their total from the previous year.

The Road Fund grew 14.6 percent in October, with total revenues of \$99.7 million. Year-to-date, the Road Fund is up 9.2 percent, totaling \$426.4 million. In October, motor fuels taxes grew by 7.1 percent due to a rate increase that became effective in July. Motor vehicle usage taxes were up by 15.4 percent. License and privilege taxes rose by 26.1 percent due to an increase in motor vehicle license fees. Nontax receipts were up by 28.1 percent due to increases in investment income and departmental fees.

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KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	OCTOBER			JULY THROUGH OCTOBER		
	2007	2006	% Change	FY 2008	FY 2007	% Change
TOTAL GENERAL FUND	\$662,553,129	\$660,219,166	0.4%	\$2,729,664,719	\$2,695,957,275	1.3%
Tax Receipts	\$639,364,847	\$630,134,117	1.5%	\$2,636,758,112	\$2,596,830,676	1.5%
Sales and Gross Receipts	\$292,438,748	\$280,443,352	4.3%	\$1,133,172,312	\$1,096,911,049	3.3%
Beer Consumption	578,719	535,116	8.1%	2,420,648	2,326,467	4.0%
Beer Wholesale	3,741,122	3,623,845	3.2%	17,936,425	16,833,504	6.6%
Cigarette	14,965,180	14,148,504	5.8%	58,739,020	55,849,854	5.2%
Distilled Spirits Case Sales	7,962	7,879	1.1%	33,334	31,864	4.6%
Distilled Spirits Consumption	801,787	805,934	-0.5%	3,365,790	3,260,456	3.2%
Distilled Spirits Wholesale	2,034,419	1,988,360	2.3%	8,370,500	7,909,715	5.8%
Insurance Premium	16,747,893	10,324,138	62.2%	40,805,436	39,121,421	4.3%
Pari-Mutuel	605,575	585,738	3.4%	1,315,357	1,325,021	-0.7%
Race Track Admission	815	1,139	-28.5%	153,466	118,913	29.1%
Sales and Use	246,701,620	242,493,793	1.7%	974,909,151	946,316,886	3.0%
Wine Consumption	191,608	190,008	0.8%	743,270	720,104	3.2%
Wine Wholesale	949,845	920,582	3.2%	3,610,124	3,453,835	4.5%
Telecommunications Tax	4,368,309	4,113,728	6.2%	17,694,140	16,755,154	5.6%
Other Tobacco Products	743,893	704,588	5.6%	3,075,651	2,887,857	6.5%
License and Privilege	\$26,545,074	\$24,078,626	10.2%	\$114,329,569	\$95,076,767	20.2%
Alc. Bev. License Suspension	44,650	21,750	105.3%	363,420	122,750	196.1%
Coal Severance	18,913,817	19,350,190	-2.3%	72,345,935	74,113,339	-2.4%
Corporation License	585,076	455,090	28.6%	2,487,357	2,142,760	16.1%
Corporation Organization	3,528	6,765	-47.8%	91,585	48,165	90.1%
Occupational Licenses	10,891	5,876	85.4%	51,486	36,385	41.5%
Oil Production	700,401	472,114	48.4%	2,740,018	2,330,882	17.6%
Race Track License	0	0	---	186,575	160,500	16.2%
Bank Franchise Tax	52,327	1,724	2935.2%	6,479	(216,103)	---
Driver License Fees	47,869	36,308	31.8%	224,784	197,570	13.8%
Minerals Severance	1,445,150	1,532,682	-5.7%	6,022,499	5,703,801	5.6%
Natural Gas Severance	2,728,339	2,196,127	24.2%	9,195,036	10,436,718	-11.9%
Limited Liability Entity	2,013,026	0	---	20,614,395	0	---
Income	\$295,725,647	\$295,743,040	0.0%	\$1,282,410,349	\$1,313,222,605	-2.3%
Corporation	30,101,137	47,330,207	-36.4%	194,073,301	326,969,139	-40.6%
Individual	265,624,510	248,412,833	6.9%	1,088,337,049	986,253,466	10.4%
Property	\$18,532,044	\$22,750,178	-18.5%	\$77,351,638	\$63,871,426	21.1%
Building & Loan Association	0	0	---	93,832	423,953	-77.9%
General - Real	1,368,247	1,988,959	-31.2%	1,944,396	2,273,921	-14.5%
General - Tangible	13,591,910	7,879,994	72.5%	39,856,076	30,850,548	29.2%
Omitted & Delinquent	1,793,844	3,273,299	-45.2%	21,351,259	14,971,269	42.6%
Public Service	1,532,470	9,125,283	-83.2%	13,696,961	14,853,555	-7.8%
Other	245,573	482,642	-49.1%	409,114	498,179	-17.9%
Inheritance	\$2,779,893	\$4,055,262	-31.4%	\$16,841,555	\$16,292,469	3.4%
Miscellaneous	\$3,343,441	\$3,063,660	9.1%	\$12,652,689	\$11,456,360	10.4%
Legal Process	2,151,309	1,977,574	8.8%	8,704,637	8,763,657	-0.7%
T. V. A. In Lieu Payments	1,192,132	1,086,086	9.8%	3,948,053	2,688,205	46.9%
Other	0	0	---	0	4,499	-100.0%
Nontax Receipts	\$21,119,861	\$29,066,352	-27.3%	\$89,096,935	\$90,957,590	-2.0%
Departmental Fees	2,305,136	2,134,139	8.0%	9,657,436	8,791,837	9.8%
PSC Assessment Fee	49,123	5,115	860.4%	10,578,781	12,263,940	-13.7%
Fines & Forfeitures	2,299,474	2,076,250	10.8%	9,915,477	8,738,198	13.5%
Interest on Investments	107,602	116,694	-7.8%	544,231	477,982	13.9%
Lottery	14,500,000	14,000,000	3.6%	56,000,000	55,000,000	1.8%
Sale of NOx Credits	0	0	---	0	87,500	-100.0%
Miscellaneous	1,858,525	10,734,155	-82.7%	2,401,010	5,598,133	-57.1%
Redeposit of State Funds	\$2,068,422	\$1,018,697	103.0%	\$3,809,671.69	\$8,169,008.87	-53.4%

2. ROAD FUND REVENUE

	<u>2007</u>	<u>OCTOBER</u>	<u>% Change</u>	<u>JULY THROUGH OCTOBER</u>		<u>% Change</u>
		<u>2006</u>		<u>FY 2008</u>	<u>FY 2007</u>	
TOTAL STATE ROAD FUND	\$99,704,054	\$87,031,551	14.6%	\$426,359,616	\$390,369,194	9.2%
Tax Receipts-	\$96,357,568	\$84,680,460	13.8%	\$413,212,295	\$378,859,245	9.1%
Sales and Gross Receipts	\$85,336,635	\$75,937,168	12.4%	\$355,726,596	\$328,186,120	8.4%
Motor Fuels Taxes	45,808,353	42,768,311	7.1%	195,706,076	179,171,966	9.2%
Motor Fuels Use & Surtax	2,159,568	791,839	172.7%	12,408,354	7,906,585	56.9%
Truck Trip Permits (fuel)	23,040	24,520	-6.0%	91,880	104,160	-11.8%
Motor Vehicle Usage	37,345,673	32,352,498	15.4%	147,520,286	141,003,410	4.6%
License and Privilege	\$11,020,934	\$8,743,292	26.1%	\$57,485,699	\$50,673,125	13.4%
Motor Vehicles	6,634,994	4,307,425	54.0%	25,177,148	18,539,700	35.8%
Motor Vehicle Operators	1,169,004	1,258,720	-7.1%	5,175,706	5,303,157	-2.4%
Weight Distance	2,223,029	2,554,986	-13.0%	24,281,757	24,350,610	-0.3%
Truck Decal Fees	7,240	9,718	-25.5%	43,293	53,031	-18.4%
Other Special Fees	986,666	612,443	61.1%	2,807,795	2,426,627	15.7%
Nontax Receipts	\$3,308,278	\$2,582,180	28.1%	\$13,048,889	\$11,379,559	14.7%
Departmental Fees	1,820,955	1,010,583	80.2%	7,590,359	4,664,267	62.7%
In Lieu of Traffic Fines	107,790	98,612	9.3%	401,359	409,161	-1.9%
Highway Tolls	0	437,186	-100.0%	0	2,020,942	-100.0%
Investment Income	1,249,075	997,099	25.3%	4,608,329	4,155,886	10.9%
Miscellaneous	130,458	38,700	237.1%	448,842	129,303	247.1%
Redeposit of State Funds	\$38,207	(\$231,089)	---	\$98,432	\$130,390	-24.5%

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