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**GENERAL FUND RECEIPTS FOR DECEMBER TOTALED
\$847.3 MILLION**

FRANKFORT, KY (Thursday, January 10, 2008) –The Office of State Budget Director reported today that December 2007 General Fund receipts totaled \$847.3 million, a decline of 5.9 percent from December one year ago. Year-to-date, total General Fund revenues of \$4.243 billion are less than collected at this point one year ago by \$16.1 million, or 0.4 percent.

State Budget Director Mary Lassiter said that the decline could be attributed to the corporation income tax. “The decline in the corporation income tax can be mostly tied to tax law changes, including a reduction in the top marginal rate to 6 percent and the removal of pass-through entities. Nevertheless, the size of the decrease thus far in the fiscal year confirms the need for the measures that Governor Beshear has announced to bring the budget back into balance.”

Revenue growth of 0.8 percent over the actual receipts of the last fiscal year is required in the current year (FY 2008) in order to satisfy the current year's adjusted official revenue estimate. When year-to-date growth is considered, General Fund revenues must rise by 2.0 percent for the rest of the year to satisfy the growth requirement of the current year's adjusted official revenue estimate.

Among the separate accounts:

- Individual income tax receipts rose by 9.7 percent due to tax law changes that restored payments by pass-through entities to this tax.
- Sales and use tax revenues shrank by 1.5 percent.
- Corporation income taxes were down by 61.6 percent primarily due to removal of pass-through entities.
- Coal severance tax receipts were up by 3.3 percent.
- Property tax revenues, which are historically volatile during fall and early winter months, rose by 14.8 percent in December.

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- Lottery revenues were up by 6.7 percent from the previous December.
- Cigarette taxes yielded \$13.4 million in December, an increase of 0.2 percent compared to one year ago.

Road Fund receipts rose by 3.6 percent in December, with total collections of \$89.9 million. So far this fiscal year the Road Fund is up 6.7 percent with total revenues of \$627.3 million.

Among the major accounts:

- Motor fuels taxes were up 10.6 percent in December due to a rate change tied to the price of gasoline.
- Motor vehicle usage taxes were down 6.5 percent month-over-month.
- License and privilege taxes grew by 3.8 percent compared to the previous December due to increases in motor vehicle license taxes.
- Non-tax receipts rose by 56.4 percent due mostly to a sharp increase in investment income.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>DECEMBER</u>			<u>JULY THROUGH DECEMBER</u>		
	<u>2007</u>	<u>2006</u>	<u>% Change</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$847,264,015	\$900,268,742	-5.9%	\$4,243,331,177	\$4,259,389,619	-0.4%
Tax Receipts	\$822,312,949	\$881,421,045	-6.7%	\$4,083,751,820	\$4,108,963,542	-0.6%
Sales and Gross Receipts	\$262,794,106	\$265,639,448	-1.1%	\$1,660,666,221	\$1,615,904,287	2.8%
Beer Consumption	468,491	471,904	-0.7%	3,443,065	3,290,413	4.6%
Beer Wholesale	3,820,423	3,689,344	3.6%	26,081,766	24,111,457	8.2%
Cigarette	13,395,380	13,373,689	0.2%	84,970,466	84,727,463	0.3%
Distilled Spirits Case Sales	8,031	7,410	8.4%	51,025	48,808	4.5%
Distilled Spirits Consumption	797,826	807,065	-1.1%	5,129,975	5,014,278	2.3%
Distilled Spirits Wholesale	2,073,961	2,000,697	3.7%	12,979,184	12,363,604	5.0%
Insurance Premium	(3,188)	6,518	---	41,001,026	39,131,024	4.8%
Pari-Mutuel	121,045	276,550	-56.2%	2,121,562	2,220,635	-4.5%
Race Track Admission	23,949	65,296	-63.3%	177,415	184,208	-3.7%
Sales and Use	235,221,038	238,866,107	-1.5%	1,446,206,256	1,408,984,762	2.6%
Wine Consumption	215,563	234,790	-8.2%	1,158,432	1,145,268	1.1%
Wine Wholesale	1,160,659	1,071,080	8.4%	5,790,165	5,500,616	5.3%
Telecommunications Tax	4,753,381	4,052,900	17.3%	26,942,344	24,896,915	8.2%
Other Tobacco Products	737,548	716,098	3.0%	4,613,541	4,284,837	7.7%
License and Privilege	\$40,727,469	\$25,484,692	59.8%	\$181,166,109	\$143,912,014	25.9%
Alc. Bev. License Suspension	22,250	77,100	-71.1%	433,170	257,381	68.3%
Coal Severance	18,368,105	17,773,336	3.3%	110,903,103	111,385,164	-0.4%
Corporation License	862,613	1,681,111	-48.7%	3,735,164	4,696,543	-20.5%
Corporation Organization	86,495	2,180	3867.7%	185,700	54,406	241.3%
Occupational Licenses	7,298	6,464	12.9%	62,769	71,562	-12.3%
Oil Production	866,838	394,085	120.0%	4,384,853	3,110,696	41.0%
Race Track License	3,210	103,125	-96.9%	189,785	275,700	-31.2%
Bank Franchise Tax	806,405	406,310	98.5%	(226,658)	(61,094)	---
Driver License Fees	42,300	57,035	-25.8%	313,970	308,564	1.8%
Minerals Severance	2,343,156	1,718,704	36.3%	9,928,116	8,771,374	13.2%
Natural Gas Severance	1,652,832	3,265,243	-49.4%	14,249,899	15,041,718	-5.3%
Limited Liability Entity	15,665,967	0	---	37,006,239	0	---
Income	\$368,680,532	\$460,106,903	-19.9%	\$1,892,464,419	\$2,016,553,373	-6.2%
Corporation	73,318,787	190,898,246	-61.6%	271,828,161	518,457,673	-47.6%
Individual	295,361,745	269,208,657	9.7%	1,620,636,258	1,498,095,700	8.2%
Property	\$141,880,608	\$123,537,099	14.8%	\$304,214,424	\$292,176,080	4.1%
Building & Loan Association	0	0	---	93,832	425,552	-78.0%
General - Real	96,892,600	77,482,767	25.1%	149,998,530	149,007,816	0.7%
General - Tangible	43,269,715	42,139,569	2.7%	112,270,144	104,071,490	7.9%
Omitted & Delinquent	1,543,845	2,623,576	-41.2%	10,485,846	21,056,879	-50.2%
Public Service	173,971	1,284,855	-86.5%	30,848,895	17,054,611	80.9%
Other	477	6,333	-92.5%	517,178	559,731	-7.6%
Inheritance	\$5,547,950	\$4,013,712	38.2%	26,644,818	23,403,116	13.9%
Miscellaneous	\$2,682,285	\$2,639,189	1.6%	\$18,595,829	\$17,014,671	9.3%
Legal Process	1,627,123	1,720,549	-5.4%	12,537,454	12,484,687	0.4%
T. V. A. In Lieu Payments	1,055,161	918,640	14.9%	6,058,375	4,525,485	33.9%
Other	0	0	---	0	4,499	-100.0%
Nontax Receipts	\$25,085,275	\$18,799,939	33.4%	\$154,532,449	\$142,833,017	8.2%
Departmental Fees	2,272,863	1,871,323	21.5%	14,393,044	12,867,387	11.9%
PSC Assessment Fee	16,946	11,102	52.6%	10,601,255	12,281,406	-13.7%
Fines & Forfeitures	2,100,548	3,069,844	-31.6%	14,404,055	13,946,821	3.3%
Interest on Investments	127,398	177,090	-28.1%	813,751	691,854	17.6%
Lottery	16,000,000	15,000,000	6.7%	92,261,591	88,625,113	4.1%
Sale of NOx Credits	0	98,000	-100.0%	0	199,500	-100.0%
Miscellaneous	4,567,520	(1,427,420)	---	22,058,753	14,220,937	55.1%
Redeposit of State Funds	(\$134,209)	\$47,758	---	5,046,908	7,593,061	-33.5%

2. ROAD FUND REVENUE

	<u>2007</u>	<u>DECEMBER</u>		<u>JULY THROUGH DECEMBER</u>		
		<u>2006</u>	<u>% Change</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$89,915,356	\$86,798,690	3.6%	\$627,267,597	\$587,890,919	6.7%
Tax Receipts-	85,003,949	83,602,521	1.7%	\$607,820,067	\$569,100,169	6.8%
Sales and Gross Receipts	\$77,352,182	\$76,228,029	1.5%	\$516,219,870	\$482,567,444	7.0%
Motor Fuels Taxes	47,997,797	43,383,242	10.6%	293,512,144	270,353,042	8.6%
Motor Fuels Use & Surtax	2,258,087	3,858,240	-41.5%	18,045,373	13,037,296	38.4%
Truck Trip Permits (fuel)	17,440	25,940	-32.8%	127,760	153,220	-16.6%
Motor Vehicle Usage	27,078,858	28,960,608	-6.5%	204,534,593	199,023,886	2.8%
License and Privilege	\$7,651,766	\$7,374,491	3.8%	\$91,600,196	\$86,532,725	5.9%
Motor Vehicles	5,305,194	4,776,746	11.1%	35,836,236	31,575,239	13.5%
Motor Vehicle Operators	1,230,622	1,276,863	-3.6%	7,817,867	8,024,545	-2.6%
Weight Distance	442,085	712,511	-38.0%	43,322,010	43,283,809	0.1%
Truck Decal Fees	3,587	8,952	-59.9%	50,469	70,051	-28.0%
Other Special Fees	670,280	599,420	11.8%	4,573,614	3,579,082	27.8%
Nontax Receipts	\$4,952,269	\$3,166,533	56.4%	\$19,326,988	\$18,611,528	3.8%
Departmental Fees	1,302,819	1,127,597	15.5%	10,305,084	8,196,243	25.7%
In Lieu of Traffic Fines	73,349	73,472	-0.2%	567,723	564,398	0.6%
Highway Tolls	0	122,483	-100.0%	0	2,687,722	-100.0%
Investment Income	3,548,651	1,821,537	94.8%	7,900,220	6,920,967	14.1%
Miscellaneous	27,450	21,444	28.0%	553,961	242,198	128.7%
Redeposit of State Funds	(\$40,861)	\$29,636	---	\$120,543	\$179,222	-32.7%

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