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**GENERAL FUND RECEIPTS FOR JANUARY TOTALED
\$752.8 MILLION**

FRANKFORT, Ky. (Friday, February 8, 2008) - Kentucky's General Fund recorded growth of 6.5 percent in January compared to last year, according to figures released today by the Office of State Budget Director. Revenues totaled \$752.8 million compared to a total of \$706.6 million in January 2007.

Year-to-date revenue growth is 0.6 percent, with total revenues of \$4.996 billion. The official revised consensus revenue estimate, most recently revised downward in January, projects revenue growth of 0.7 percent for Fiscal Year 2008. Growth in the remaining five months needs to average 0.8 percent to satisfy the official estimate.

State Budget Director Mary Lassiter noted that the increase in January, largely in the area of individual income taxes, was a result of changes enacted in House Bill 1 of the 2006 special session. "House Bill 1 restored tax filing responsibility to the individual income tax for limited liability pass-through businesses, and these individuals sent their declaration payments in January as required by law." Lassiter noted that this was the mirror effect of the decline seen in December's corporation income tax payments. "For corporations, December is normally a big reporting month, so the change in the timing led to a decline last December followed by good growth in January."

Other than that, Lassiter noted that there were few surprises in the January numbers. "The Consensus Forecasting Group made its forecast last month, and these numbers are consistent with the outlook taken by that group," she said. "We continue to be concerned about the national economic outlook and the impact that it will have on state revenues," she added.

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Among other General Fund taxes, the major developments were:

- Sales and use tax revenues grew by 3.7 percent.
- The corporation income tax fell by 94.1 percent, principally due to changes in tax laws.
- Coal severance tax revenue declined by 0.8 percent.
- Property taxes slipped by 15.5 percent due to timing differences in the payment of the public service company property tax between this year and last year.
- Cigarette taxes rose by 12.7 percent.
- Revenue from the Kentucky Lottery was up by 6.9 percent compared to last year.

The Road Fund grew strongly in January, rising by 9.1 percent with total receipts of \$104.0 million. So far in this fiscal year, the Road Fund is up by 7.0 percent, higher than the growth (4.6 percent) required by the revised consensus revenue estimate.

Among the major Road Fund accounts, motor fuels taxes rose 3.1 percent in January, as the additional tax tied to the price of gasoline continued to boost revenues. The motor vehicle usage tax had a strong month, rising 6.4 percent in January and continuing the growth the tax has seen in recent months. License and privilege taxes rose 30.4 percent in January due to growth in the weight distance tax and other motor vehicle license fees. Non-tax receipts fell by 24.8 percent principally due to the loss of toll and investment income.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	JANUARY			JULY THROUGH JANUARY		
	2008	2007	% Change	FY 2008	FY 2007	% Change
TOTAL GENERAL FUND	\$752,769,323	\$706,626,288	6.5%	\$4,996,100,500	\$4,966,015,908	0.6%
Tax Receipts	\$724,321,543	\$682,750,439	6.1%	\$4,808,073,363	\$4,791,713,981	0.3%
Sales and Gross Receipts	\$328,761,983	\$315,950,464	4.1%	\$1,989,428,204	\$1,931,854,751	3.0%
Beer Consumption	453,784	451,749	0.5%	3,896,849	3,742,161	4.1%
Beer Wholesale	4,155,685	3,957,458	5.0%	30,237,451	28,068,916	7.7%
Cigarette	15,618,541	13,857,926	12.7%	100,589,007	98,585,389	2.0%
Distilled Spirits Case Sales	12,631	12,041	4.9%	63,656	60,849	4.6%
Distilled Spirits Consumption	1,232,605	1,166,479	5.7%	6,362,580	6,180,758	2.9%
Distilled Spirits Wholesale	3,369,401	3,190,232	5.6%	16,348,586	15,553,836	5.1%
Insurance Premium	54,915	51,317	7.0%	41,055,941	39,182,341	4.8%
Pari-Mutuel	165,496	198,841	-16.8%	2,287,058	2,419,476	-5.5%
Race Track Admission	0	(1,988)	---	177,415	182,220	-2.6%
Sales and Use	296,689,592	286,186,300	3.7%	1,742,895,848	1,695,171,062	2.8%
Wine Consumption	299,533	295,742	1.3%	1,457,965	1,441,010	1.2%
Wine Wholesale	1,592,534	1,548,572	2.8%	7,382,700	7,049,188	4.7%
Telecommunications Tax	4,419,265	4,355,575	1.5%	31,361,609	29,252,491	7.2%
Other Tobacco Products	698,000	680,219	2.6%	5,311,541	4,965,056	7.0%
License and Privilege	\$26,669,735	\$22,753,747	17.2%	\$207,835,844	\$166,665,761	24.7%
Alc. Bev. License Suspension	68,100	32,920	106.9%	501,270	290,301	72.7%
Coal Severance	17,956,637	18,093,630	-0.8%	128,859,739	129,478,794	-0.5%
Corporation License	494,080	694,153	-28.8%	4,229,244	5,390,696	-21.5%
Corporation Organization	21,582	9,747	121.4%	207,282	64,153	223.1%
Occupational Licenses	5,520	21,878	-74.8%	68,289	93,440	-26.9%
Oil Production	834,819	491,713	69.8%	5,219,673	3,602,409	44.9%
Race Track License	0	(250)	---	189,785	275,450	-31.1%
Bank Franchise Tax	525,387	1,190,934	-55.9%	298,729	1,129,840	-73.6%
Driver License Fees	41,550	28,912	43.7%	355,520	337,476	5.3%
Minerals Severance	1,161,298	880,917	31.8%	11,089,414	9,652,291	14.9%
Natural Gas Severance	2,384,094	1,309,194	82.1%	16,633,994	16,350,912	1.7%
Limited Liability Entity	3,176,668	0	---	40,182,907	0	---
Income	\$274,612,649	\$234,680,986	17.0%	\$2,167,077,068	\$2,251,234,358	-3.7%
Corporation	1,903,570	32,536,522	-94.1%	273,731,731	550,994,195	-50.3%
Individual	272,709,078	202,144,463	34.9%	1,893,345,336	1,700,240,163	11.4%
Property	\$87,269,576	\$103,300,089	-15.5%	\$391,484,000	\$395,476,169	-1.0%
Building & Loan Association	4,020	0	---	97,852	425,552	-77.0%
General - Real	61,459,068	53,862,595	14.1%	211,457,597	202,870,411	4.2%
General - Tangible	21,296,197	31,010,546	-31.3%	133,566,340	135,082,036	-1.1%
Omitted & Delinquent	2,119,513	1,260,571	68.1%	12,605,359	22,317,450	-43.5%
Public Service	2,373,724	17,139,895	-86.2%	33,222,619	34,194,506	-2.8%
Other	17,055	26,482	-35.6%	534,233	586,213	-8.9%
Inheritance	\$4,385,888	\$3,485,666	25.8%	\$31,030,706	\$26,888,783	15.4%
Miscellaneous	\$2,621,712	\$2,579,488	1.6%	\$21,217,541	\$19,594,158	8.3%
Legal Process	1,566,241	1,612,085	-2.8%	14,103,694	14,096,772	0.0%
T. V. A. In Lieu Payments	1,055,161	918,640	14.9%	7,113,537	5,444,125	30.7%
Other	310	48,762	-99.4%	310	53,261	-99.4%
Nontax Receipts	\$27,088,939	\$23,119,665	17.2%	\$181,621,388	\$165,952,682	9.4%
Departmental Fees	2,342,600	2,153,450	8.8%	16,735,644	15,020,838	11.4%
PSC Assessment Fee	60,097	5,688	956.5%	10,661,352	12,287,094	-13.2%
Fines & Forfeitures	1,740,588	429,169	305.6%	16,144,643	14,375,990	12.3%
Interest on Investments	108,851	114,952	-5.3%	922,602	806,806	14.4%
Lottery	15,500,000	14,500,000	6.9%	107,761,591	103,125,113	4.5%
Sale of NOx Credits	4,315,000	213,850	1917.8%	4,315,000	413,350	943.9%
Miscellaneous	3,021,803	5,702,555	-47.0%	25,080,556	19,923,492	25.9%
Redeposit of State Funds	\$1,358,841	\$756,184	79.7%	\$6,405,749	\$8,349,245	-23.3%

2. ROAD FUND REVENUE

	<u>2008</u>	<u>JANUARY</u>		<u>JULY THROUGH JANUARY</u>		
		<u>2007</u>	<u>% Change</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$103,975,848	\$95,326,646	9.1%	\$731,243,445	\$683,217,565	7.0%
Tax Receipts-	\$100,491,731	\$90,623,195	10.9%	\$708,311,797	\$659,723,364	7.4%
Sales and Gross Receipts	\$86,184,916	\$79,651,937	8.2%	\$602,404,786	\$562,219,381	7.1%
Motor Fuels Taxes	45,879,905	44,488,551	3.1%	339,392,048	314,841,593	7.8%
Motor Fuels Use & Surtax	3,419,860	508,213	572.9%	21,465,233	13,545,509	58.5%
Truck Trip Permits (fuel)	26,240	21,720	20.8%	154,000	174,940	-12.0%
Motor Vehicle Usage	36,858,911	34,633,454	6.4%	241,393,504	233,657,340	3.3%
License and Privilege	\$14,306,815	\$10,971,258	30.4%	\$105,907,011	\$97,503,983	8.6%
Motor Vehicles	8,721,947	8,204,071	6.3%	44,558,183	39,779,309	12.0%
Motor Vehicle Operators	1,070,007	1,149,191	-6.9%	8,887,873	9,173,736	-3.1%
Weight Distance	3,608,299	1,040,156	246.9%	46,930,308	44,323,964	5.9%
Truck Decal Fees	3,687	5,675	-35.0%	54,156	75,727	-28.5%
Other Special Fees	902,876	572,165	57.8%	5,476,491	4,151,247	31.9%
Nontax Receipts	\$3,451,106	\$4,590,188	-24.8%	\$22,778,093	\$23,201,716	-1.8%
Departmental Fees	1,589,648	984,679	61.4%	11,894,731	9,180,922	29.6%
In Lieu of Traffic Fines	99,120	105,477	-6.0%	666,843	669,876	-0.5%
Highway Tolls	0	1,017,395	-100.0%	0	3,705,117	-100.0%
Investment Income	1,725,344	2,458,516	-29.8%	9,625,564	9,379,483	2.6%
Miscellaneous	36,993	24,120	53.4%	590,954	266,318	121.9%
Redeposit of State Funds	\$33,012	\$113,263	-70.9%	\$153,555	\$292,485	-47.5%

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