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**GENERAL FUND AND ROAD FUND RECEIPTS  
FOR JULY 2008**

***General Fund receipts grew 1.9%***  
***Road Fund receipts declined 1.9%***

**FRANKFORT, Ky.** - State Budget Director Mary Lassiter announced today Kentucky's General Fund receipts for July, 2008, the first month of Fiscal Year 2009 (FY09), totaled \$646.6 million, a 1.9 percent increase compared to July 2007 receipts.

The Road Fund receipts for July totaled \$98.5 million, a decrease of 1.9 percent from July 2007 levels.

Lassiter said she was not overly concerned by the July General Fund receipts. "July's General Fund revenue growth is slightly less than the budgeted levels," she said. "I am encouraged by the strong showing in July for the sales and individual income taxes, the two largest accounts in the General Fund, but we remain concerned about the economic outlook for the upcoming months."

Budgeted General Fund revenues for FY09 call for growth of 2.6 percent over FY08 actual receipts. Since July is a relatively small month for receipts (7.3 percent of the projected revenues for FY09), the fact that July receipts grew at 1.9 percent did not alter the 2.6 percent revenue growth required for the remainder of the fiscal year to meet the budgeted revenue estimate.

Highlights of the major accounts for July, as compared to July 2007, include:

- Individual income taxes rose 5.2 percent due to strong withholding payments.
- Sales tax revenues grew by 6 percent.

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- Corporation income tax was down 66.1 percent, due to increased refund payments.
- Cigarette taxes increased 2.1 percent.
- Property taxes fell 4.3 percent.
- Coal severance tax soared in July, increasing 28.6 percent on the strength of coal prices.
- Lottery revenues were unchanged.

Road Fund revenues for July totaled \$98.5 million, a decline of 1.9 percent compared to last July. Lassiter expressed more concern over the decline in Road Fund revenues. “We are seeing a consistent decline in both fuel consumption and vehicle sales which both have significant impacts on receipts to the Road Fund,” she said. Among the major accounts in the Road Fund:

- Motor fuels tax receipts fell by 2.4 percent as lower motor fuel consumption more than offset the increase in the tax rate. However, the motor fuels use and surtax accounts collected \$3.8 million this July compared to \$2.5 million in July of 2007 due to a timing anomaly. The fuel tax accounts combined resulted in a 0.3 percent increase in July.
- Motor vehicle usage tax fell by 4.0 percent compared to the same period one year ago as vehicle sales continue to lag.
- License and privilege taxes fell 7.2 percent.

**KENTUCKY STATE GOVERNMENT REVENUE**  
**1. GENERAL FUND REVENUE**

	<b>2008</b>	<b>JULY 2007</b>	<b>% Change</b>
<b>TOTAL GENERAL FUND</b>	<b>\$646,572,028</b>	<b>\$634,238,003</b>	<b>1.9%</b>
<b>Tax Receipts</b>	<b>\$619,926,716</b>	<b>\$608,591,347</b>	<b>1.9%</b>
Sales and Gross Receipts	\$296,315,411	\$280,769,703	5.5%
Beer Consumption	569,127	634,361	-10.3%
Beer Wholesale	4,688,274	4,625,219	1.4%
Cigarette	14,379,108	14,076,679	2.1%
Distilled Spirits Case Sales	9,910	9,992	-0.8%
Distilled Spirits Consumption	1,004,044	1,011,346	-0.7%
Distilled Spirits Wholesale	2,414,704	2,521,955	-4.3%
Insurance Premium	48,037	278,257	-82.7%
Pari-Mutuel	296,870	358,625	-17.2%
Race Track Admission	121,478	108,696	11.8%
Sales and Use	266,117,910	250,984,325	6.0%
Wine Consumption	154,605	204,509	-24.4%
Wine Wholesale	991,994	984,951	0.7%
Telecommunications Tax	4,765,130	4,192,778	13.7%
Other Tobacco Products	754,220	778,009	-3.1%
License and Privilege	\$27,348,889	\$25,809,651	6.0%
Alc. Bev. License Suspension	9,000	151,970	-94.1%
Coal Severance	22,635,268	17,602,068	28.6%
Corporation License	31,706	186,298	-83.0%
Corporation Organization	0	3,392	-100.0%
Occupational Licenses	24,095	13,276	81.5%
Oil Production	1,331,545	619,208	115.0%
Race Track License	172,500	141,025	22.3%
Bank Franchise Tax	(101,425)	(30,491)	---
Driver License Fees	53,167	57,809	-8.0%
Minerals Severance	1,404,710	1,681,551	-16.5%
Natural Gas Severance	4,450,946	2,365,424	88.2%
Limited Liability Entity	(2,662,623)	3,018,121	---
Income	\$271,135,766	\$275,471,523	-1.6%
Corporation	8,904,159	26,232,752	-66.1%
Individual	262,231,607	249,238,771	5.2%
Property	\$17,755,884	\$18,561,485	-4.3%
Building & Loan Association	228,467	87,527	161.0%
General - Real	73,421	430,579	-82.9%
General - Tangible	11,279,048	8,051,854	40.1%
Omitted & Delinquent	4,487,053	9,171,451	-51.1%
Public Service	1,687,896	820,075	105.8%
Other	0	0	---
Inheritance Tax	\$4,283,483	\$4,883,233	-12.3%
Miscellaneous	3,087,282	3,095,752	-0.3%
Legal Process	2,024,498	2,177,112	-7.0%
T. V. A. In Lieu Payments	1,055,161	918,640	14.9%
Other	7,623	0	---
<b>Nontax Receipts</b>	<b>\$26,462,319</b>	<b>\$25,123,645</b>	<b>5.3%</b>
Departmental Fees	2,196,304	2,251,537	-2.5%
PSC Assessment Fee	8,851,827	9,491,604	-6.7%
Fines & Forfeitures	2,650,255	2,574,046	3.0%
Interest on Investments	121,640	136,584	-10.9%
Lottery	13,500,000	13,500,000	0.0%
Sale of NOx Credits	0	0	---
Miscellaneous	(857,707)	(2,830,126)	---
Redeposit of State Funds	\$182,993	\$523,011	-65.0%

**2. ROAD FUND REVENUE**

	<u>2008</u>	<u>JULY</u> <u>2007</u>	<u>% Change</u>
<b>TOTAL STATE ROAD FUND</b>	<b>\$98,540,960</b>	<b>\$100,471,383</b>	<b>-1.9%</b>
Tax Receipts-	\$96,841,981	\$97,841,163	-1.0%
Sales and Gross Receipts	\$86,773,058	\$88,091,425	-1.5%
Motor Fuels Taxes	47,442,002	48,607,311	-2.4%
Motor Fuels Use & Surtax	3,796,911	2,479,887	53.1%
Truck Trip Permits (fuel)	26,720	19,880	34.4%
Motor Vehicle Usage	35,507,425	36,984,346	-4.0%
License and Privilege	\$10,068,923	\$9,749,738	3.3%
Motor Vehicles	4,542,374	4,894,665	-7.2%
Motor Vehicle Operators	1,357,375	1,246,117	8.9%
Weight Distance	3,265,279	3,075,779	6.2%
Truck Decal Fees	16,847	19,203	-12.3%
Other Special Fees	887,048	513,974	72.6%
Nontax Receipts	\$1,628,120	\$2,617,676	-37.8%
Departmental Fees	972,310	2,026,674	-52.0%
In Lieu of Traffic Fines	89,743	99,503	-9.8%
Investment Income	498,431	458,185	8.8%
Miscellaneous	67,636	33,314	103.0%
Redeposit of State Funds	\$70,859	\$12,544	464.9%

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