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GENERAL FUND AND ROAD FUND RECEIPTS
FOR JANUARY 2009 DECLINE

General Fund receipts fell 4.0 percent
Road Fund receipts fell 12.5 percent

FRANKFORT, KY (Monday, February 9, 2009) – The Office of State Budget Director reported today that January's General Fund receipts fell 4.0 percent compared to January of last year, a decrease of \$30.2 million. Total revenues for the month were \$722.5 million, compared to \$752.8 million during January 2008. Receipts have increased 1.1 percent for the first seven months of the fiscal year.

The November 2008 revised revenue forecast by the Commonwealth's Consensus Revenue Forecasting Group called for a 2.7 percent decline for the entire fiscal year. To meet the revenue estimate, receipts must decline 7.9 percent over the last five months of the fiscal year.

Road Fund receipts for January totaled \$90.9 million, a 12.5 percent decrease from January 2008 levels. Year-to-date receipts are down by 6.6 percent.

State Budget Director Mary Lassiter noted that the General Fund tax receipts are starting to become more aligned with the underlying economy, which has been in recession since the middle of 2008. "For the first six months of the fiscal year, General Fund collections continued to post positive growth despite a rash of the economic news to the contrary. December and

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January receipts, however, have exposed the vulnerability of our major taxes to the worsening economy. Sales and individual income tax collections, the two largest revenue sources, fell by over \$49 million compared to January 2008.”

Among the major accounts:

- Sales and use tax receipts were down 4.2 percent for the month and are up only 0.5 percent for the year.
- Corporation income tax receipts grew 425.6 percent, but are down 36.2 percent for the year.
- Individual income tax collections fell by 13.5 percent as the principal components (withholding, declaration payments, and net returns) posted January declines.
- Property tax collections increased 12.1 percent on the strength of real and tangible property receipts.
- Cigarette tax receipts declined by 22.1 percent.
- Coal severance tax receipts increased by 17.6 percent.

Road Fund receipts fell 12.5 percent in January with collections of \$90.9 million. The officially revised Road Fund estimates call for a decline in revenues of 3.4 percent for the fiscal year. Based on year-to-date tax collections, revenues must increase by 1.1 percent for the remainder of FY09 to meet the estimate. Lassiter noted that the performance of the Road Fund continues to be driven by motor vehicle usage tax receipts. “For the first seven months of the year, the motor vehicle usage tax has declined 17.1 percent compared to last year. While the demand for motor fuels has fallen modestly in response to lower gasoline prices, the demand for automobiles and light trucks has fallen prey to the current recession. The corresponding free fall in the motor vehicle usage tax has more than offset the small gains in fuels taxes, with the net effect leading to a pronounced downturn in the Kentucky Road Fund. Until the market for vehicle sales improves, tax receipts will continue to languish.”

Among the accounts, motor fuels rose by 3.7 percent. Motor vehicle usage revenue plunged 28.4 percent, and license and privilege receipts fell 30.4 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	JANUARY			JULY THROUGH JANUARY		
	2009	2008	% Change	FY 2009	FY 2008	% Change
TOTAL GENERAL FUND	\$722,524,057	\$752,769,323	-4.0%	\$5,050,817,469	\$4,996,100,500	1.1%
Tax Receipts	\$693,715,753	\$724,321,543	-4.2%	\$4,869,557,724	\$4,808,073,363	1.3%
Sales and Gross Receipts	\$314,424,754	\$328,761,983	-4.4%	\$1,997,662,678	\$1,989,428,204	0.4%
Beer Consumption	454,576	453,784	0.2%	3,824,508	3,896,849	-1.9%
Beer Wholesale	4,514,098	4,155,685	8.6%	31,596,546	30,237,451	4.5%
Cigarette	12,161,268	15,618,541	-22.1%	93,149,729	100,589,007	-7.4%
Distilled Spirits Case Sales	12,370	12,631	-2.1%	66,649	63,656	4.7%
Distilled Spirits Consumption	1,219,708	1,232,605	-1.0%	6,560,803	6,362,580	3.1%
Distilled Spirits Wholesale	3,355,957	3,369,401	-0.4%	17,199,721	16,348,586	5.2%
Insurance Premium	46,604	54,915	-15.1%	40,683,456	41,055,941	-0.9%
Pari-Mutuel	133,602	165,496	-19.3%	2,081,094	2,287,058	-9.0%
Race Track Admission	0	0	---	193,657	177,415	9.2%
Sales and Use	284,291,767	296,689,592	-4.2%	1,752,014,159	1,742,895,848	0.5%
Wine Consumption	287,556	299,533	-4.0%	1,462,650	1,457,965	0.3%
Wine Wholesale	1,559,774	1,592,534	-2.1%	7,678,265	7,382,700	4.0%
Telecommunications Tax	5,698,188	4,419,265	28.9%	36,013,306	31,361,609	14.8%
Other Tobacco Products	689,286	698,000	-1.2%	5,138,134	5,311,541	-3.3%
License and Privilege	\$31,489,647	\$26,669,735	18.1%	\$262,082,644	\$207,835,844	26.1%
Alc. Bev. License Suspension	43,500	68,100	-36.1%	207,000	501,270	-58.7%
Coal Severance	21,122,388	17,956,637	17.6%	169,346,206	128,859,739	31.4%
Corporation License	1,029,168	494,080	108.3%	5,185,001	4,229,244	22.6%
Corporation Organization	0	21,582	-100.0%	34,065	207,282	-83.6%
Occupational Licenses	8,793	5,520	59.3%	114,016	68,289	67.0%
Oil Production	311,192	834,819	-62.7%	6,584,085	5,219,673	26.1%
Race Track License	0	0	---	298,200	189,785	57.1%
Bank Franchise Tax	380,635	525,387	-27.6%	(4,833,445)	298,729	---
Driver License Fees	41,972	41,550	1.0%	347,538	355,520	-2.2%
Minerals Severance	885,404	1,161,298	-23.8%	9,106,481	11,089,414	-17.9%
Natural Gas Severance	2,393,862	2,384,094	0.4%	28,321,786	16,633,994	70.3%
Limited Liability Entity	5,272,732	3,176,668	66.0%	47,371,710	40,182,907	17.9%
Income	\$245,981,085	\$274,612,649	-10.4%	\$2,146,858,071	\$2,167,077,068	-0.9%
Corporation	10,004,796	1,903,570	425.6%	174,637,038	273,731,731	-36.2%
Individual	235,976,290	272,709,078	-13.5%	1,972,221,033	1,893,345,336	4.2%
Property	\$97,841,983	\$87,269,576	12.1%	\$417,064,609	\$391,484,000	6.5%
Building & Loan Association	0	4,020	-100.0%	209,366	97,852	114.0%
General - Real	67,866,994	61,459,068	10.4%	219,146,228	211,457,597	3.6%
General - Tangible	27,201,445	21,296,197	27.7%	145,930,782	133,566,340	9.3%
Omitted & Delinquent	2,152,134	2,119,513	1.5%	13,302,155	12,605,359	5.5%
Public Service	607,184	2,373,724	-74.4%	37,834,459	33,222,619	13.9%
Other	14,226	17,055	-16.6%	641,620	534,233	20.1%
Inheritance	\$2,236,818	\$4,385,888	-49.0%	\$24,255,161	\$31,030,706	-21.8%
Miscellaneous	\$1,741,466	\$2,621,712	-33.6%	\$21,634,561	\$21,217,541	2.0%
Legal Process	1,736,525	1,566,241	10.9%	13,888,742	14,103,694	-1.5%
T. V. A. In Lieu Payments	0	1,055,161	-100.0%	7,733,042	7,113,537	8.7%
Other	4,941	310	1493.7%	12,778	310	4021.8%
Nontax Receipts	\$28,150,489	\$27,088,939	3.9%	\$179,958,235	\$181,621,388	-0.9%
Departmental Fees	2,734,626	2,342,600	16.7%	16,399,485	16,735,644	-2.0%
PSC Assessment Fee	6,741	60,097	-88.8%	9,363,623	10,661,352	-12.2%
Fines & Forfeitures	1,963,888	1,740,588	12.8%	16,258,580	16,144,643	0.7%
Interest on Investments	106,455	108,851	-2.2%	2,185,383	922,602	136.9%
Lottery	16,000,000	15,500,000	3.2%	107,500,000	107,761,591	-0.2%
Sale of NOx Credits	0	4,315,000	-100.0%	0	4,315,000	-100.0%
Miscellaneous	7,338,779	3,021,803	142.9%	28,251,164	25,080,556	12.6%
Redeposit of State Funds	\$657,815	\$1,358,841	-51.6%	\$1,301,510	\$6,405,749	-79.7%

2. ROAD FUND REVENUE

	<u>JANUARY</u>			<u>JULY THROUGH JANUARY</u>		
	<u>2009</u>	<u>2008</u>	<u>% Change</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$90,927,506	\$103,975,848	-12.5%	\$682,957,112	\$731,243,445	-6.6%
Tax Receipts-	\$87,516,008	\$100,491,731	-12.9%	\$664,265,781	\$708,311,797	-6.2%
Sales and Gross Receipts	\$77,556,387	\$86,184,916	-10.0%	\$567,030,380	\$602,404,786	-5.9%
Motor Fuels Taxes	51,168,437	49,326,005	3.7%	366,847,256	361,011,282	1.6%
Motor Vehicle Usage	26,387,950	36,858,911	-28.4%	200,183,124	241,393,504	-17.1%
License and Privilege	\$9,959,621	\$14,306,815	-30.4%	\$97,235,401	\$105,907,011	-8.2%
Motor Vehicles	6,406,585	8,721,947	-26.5%	39,452,225	44,558,183	-11.5%
Motor Vehicle Operators	1,198,787	1,070,007	12.0%	9,187,466	8,887,873	3.4%
Weight Distance	1,476,244	3,608,299	-59.1%	42,193,593	46,930,308	-10.1%
Truck Decal Fees	7,652	3,687	107.6%	84,426	54,156	55.9%
Other Special Fees	870,352	902,876	-3.6%	6,317,691	5,476,491	15.4%
Nontax Receipts	\$2,997,860	\$3,451,106	-13.1%	\$18,050,962	\$22,778,093	-20.8%
Departmental Fees	1,965,374	1,589,648	23.6%	11,258,879	11,894,731	-5.3%
In Lieu of Traffic Fines	75,181	99,120	-24.2%	557,272	666,843	-16.4%
Investment Income	919,151	1,725,344	-46.7%	5,870,546	9,625,564	-39.0%
Miscellaneous	38,155	36,993	3.1%	364,264	590,954	-38.4%
Redeposit of State Funds	\$0	\$0	---	\$295,108	\$60,225	390.0%