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**STATE BUDGET DIRECTOR ANNOUNCES
GENERAL FUND AND ROAD FUND RECEIPTS
FOR JULY 2009**

General Fund receipts decline 4.0 percent
Road Fund receipts decline 8.2 percent

FRANKFORT, Ky. - State Budget Director Mary Lassiter announced today Kentucky's General Fund receipts for July, the first month of Fiscal Year 2010 (FY10), totaled \$620.5 million, a 4.0 percent decline compared to July 2008 receipts.

Lassiter was not surprised by the July receipts. "The prolonged economic downturn continues to have a profound effect on Kentucky revenues. With Kentucky's unemployment rate at a 26-year high, our citizens' incomes and spending have been reduced and that is borne out by the performance of our two largest revenue accounts – sales tax and individual income tax. Combined, these accounts fell 7.3 percent, or more than \$38 million, from one year ago," she said.

The revised consensus General Fund revenue estimate for FY10 (adjusted for the impact of legislation from the 2009 Regular and Special Sessions of the General Assembly) calls for revenue to fall 1.5 percent compared to FY09 actual receipts. Based on July's results, General Fund revenues can fall 1.3 percent for the remainder of the fiscal year and still meet the official estimate.

Pursuant to KRS 48.120 (1), the Consensus Forecasting Group (CFG) will be meeting on Wednesday, August 12 to discuss the estimates for the current fiscal year and planning estimates for the

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next four fiscal years. Preliminary planning estimates were tendered by the CFG during the May 29, 2009 meeting of the state forecasters, where the official estimate for FY10 was revised downward prior to the 2009 extraordinary session.

Among the major accounts:

- Individual income taxes fell 6.5 percent due to weak withholding payments.
- Sales tax revenues dropped 8.2 percent.
- Corporation income tax was down 59.0 percent, due to increased refund payments.
- Cigarette taxes increased 66.7 percent due to the provisions of HB144 enacted by the 2009 General Assembly.
- Property taxes fell 9.1 percent.
- Coal severance tax increased 1.5 percent.
- Lottery revenues increased 3.7 percent.

Lassiter also announced that Road Fund revenues for July totaled \$90.4 million, a decrease of 8.2 percent compared to last July. Before June's report chronicled a 9.4 percent monthly increase, the Road Fund had fallen for 15 consecutive months. Lassiter noted that "the Road Fund was unable to build upon June's favorable report due to continued weaknesses in the motor vehicle usage account. Federal and state tax law provisions will hopefully reinvigorate vehicle sales in the upcoming months to provide much-needed revenues for the maintenance of our state transportation infrastructure." Among the major Road Fund categories:

- Motor fuels tax receipts rose 1.8 percent.
- Motor vehicle usage tax fell 21.2 percent compared to the same period one year ago as vehicle sales continue to lag.
- License and privilege taxes fell 14.8 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>2009</u>	<u>JULY</u> <u>2008</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$620,452,381	\$646,572,028	-4.0%
Tax Receipts	\$595,008,179	\$619,926,716	-4.0%
Sales and Gross Receipts	\$290,042,881	\$296,315,411	-2.1%
Beer Consumption	582,244	569,127	2.3%
Beer Wholesale	4,957,425	4,688,274	5.7%
Cigarette	23,972,661	14,379,108	66.7%
Distilled Spirits Case Sales	10,706	9,910	8.0%
Distilled Spirits Consumption	1,070,995	1,004,044	6.7%
Distilled Spirits Wholesale	2,707,261	2,414,704	12.1%
Insurance Premium	86,597	48,037	80.3%
Pari-Mutuel	339,216	296,870	14.3%
Race Track Admission	92,646	121,478	-23.7%
Sales and Use	244,418,664	266,117,910	-8.2%
Wine Consumption	211,437	154,605	36.8%
Wine Wholesale	1,021,729	991,994	3.0%
Telecommunications Tax	8,701,506	4,765,130	82.6%
Other Tobacco Products	1,810,242	754,220	140.0%
Floor Stock Tax	59,552	0	---
License and Privilege	\$34,636,054	\$27,348,889	26.6%
Alc. Bev. License Suspension	35,350	9,000	292.8%
Coal Severance	22,977,911	22,635,268	1.5%
Corporation License	1,030,657	31,706	3150.6%
Corporation Organization	76,175	0	---
Occupational Licenses	13,586	24,095	-43.6%
Oil Production	616,350	1,331,545	-53.7%
Race Track License	112,500	172,500	-34.8%
Bank Franchise Tax	(21,185)	(101,425)	---
Driver License Fees	52,652	53,167	-1.0%
Minerals Severance	1,294,056	1,404,710	-7.9%
Natural Gas Severance	1,670,025	4,450,946	-62.5%
Limited Liability Entity	6,777,978	(2,662,623)	---
Income	\$248,937,542	\$271,135,766	-8.2%
Corporation	3,649,768	8,904,159	-59.0%
Individual	245,287,774	262,231,607	-6.5%
Property	\$16,135,417	\$17,755,884	-9.1%
Building & Loan Association	91,207	228,467	-60.1%
General - Real	30,194	73,421	-58.9%
General - Tangible	7,660,890	11,279,048	-32.1%
Omitted & Delinquent	4,448,950	4,487,053	-0.8%
Public Service	3,904,075	1,687,896	131.3%
Other	101	0	---
Inheritance Tax	\$3,340,979	\$4,283,483	-22.0%
Miscellaneous	1,915,307	3,087,282	-38.0%
Legal Process	1,915,307	2,024,498	-5.4%
T. V. A. In Lieu Payments	0	1,055,161	-100.0%
Other	0	7,623	-100.0%
Nontax Receipts	\$25,193,252	\$26,462,319	-4.8%
Departmental Fees	3,239,670	2,196,304	47.5%
PSC Assessment Fee	5,506,142	8,851,827	-37.8%
Fines & Forfeitures	2,954,473	2,650,255	11.5%
Interest on Investments	62,940	121,640	-48.3%
Lottery	14,000,000	13,500,000	3.7%
Sale of NOx Credits	0	0	---
Miscellaneous	(569,973)	(857,707)	---
Redeposit of State Funds	\$250,951	\$182,993	37.1%

2. ROAD FUND REVENUE

	<u>2009</u>	<u>JULY</u> <u>2008</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$90,414,504	\$98,540,960	-8.2%
Tax Receipts-	\$88,742,901	\$96,841,981	-8.4%
Sales and Gross Receipts	\$80,166,334	\$86,773,058	-7.6%
Motor Fuels Taxes	52,176,718	51,265,633	1.8%
Motor Vehicle Usage	27,989,616	35,507,425	-21.2%
License and Privilege	\$8,576,567	\$10,068,923	-14.8%
Motor Vehicles	4,373,094	4,542,374	-3.7%
Motor Vehicle Operators	1,377,911	1,357,375	1.5%
Weight Distance	2,288,483	3,265,279	-29.9%
Truck Decal Fees	16,643	16,847	-1.2%
Other Special Fees	520,437	887,048	-41.3%
Nontax Receipts	\$1,574,850	\$1,628,120	-3.3%
Departmental Fees	1,451,218	972,310	49.3%
In Lieu of Traffic Fines	74,606	89,743	-16.9%
Investment Income	0	498,431	-100.0%
Miscellaneous	49,026	67,636	-27.5%
Redeposit of State Funds	\$96,753	\$70,859	36.5%

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