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GENERAL FUND AND ROAD FUND RECEIPTS
FOR DECEMBER 2009

General Fund receipts fell 8.3 percent
Road Fund receipts rose 3.9 percent

FRANKFORT, KY (Friday, January 8, 2010) – The Office of State Budget Director reported today that December's General Fund receipts fell 8.3 percent compared to December of 2008, a decrease of \$71.0 million. Total revenues for the month were \$787.6 million, compared to \$858.6 million during December 2008. Receipts have now declined 4.6 percent during the first half of the fiscal year, FY10.

The December, 2009 revised revenue forecast by the Commonwealth's Consensus Revenue Forecasting Group (CFG) estimated a 2.7 percent decline for FY10. Accounting for December collections, revenues can decline 0.8 percent during the last six months of the fiscal year and meet the revised estimate for FY10.

Road Fund receipts for December totaled \$86.4 million, increasing 3.9 percent from December 2008 levels. Year-to-date receipts are down 1.7 percent.

State Budget Director Mary Lassiter noted that the weak General Fund performance in December was expected and consistent with the CFG revised estimate.

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“December’s negative revenue report is a stark reminder that recessionary economic times continue to prevail, and the economic recovery predicted by the CFG will not occur immediately. While the precise timing of the recovery was not predicted, the CFG did express caution that employment and income declines would continue to linger well into the early part of 2010.”

Sales and use taxes, combined with the individual income tax collections, make up approximately 75 percent of total General Fund revenues, and they continued to exhibit considerable weakness in December, falling \$54.8 million compared to the previous year. For the first half of the fiscal year these taxes are off a combined 6.8 percent.

Among the major accounts:

- Sales and use tax receipts fell 8.2 percent in December, and are off 5.6 percent for the year.
- Corporation income tax receipts declined 36.0 percent and are down 36.6 percent for the year.
- Individual income tax collections fell 11.4 percent. Both withholding of payroll taxes and estimated tax payments showed considerable weakness in December. Year-to-date receipts are down 7.7 percent.
- Property tax collections rose 14.2 percent, and are up 5.2 percent for the year-to-date.
- Cigarette tax receipts increased 77.4 percent, and are up 74.7 percent for the year, consistent with the recent trends following the rate increase in April 2009.
- Coal severance tax receipts decreased 5.9 percent in a continuation of the recent trend downward, posting an 11.1 percent decline year-to-date.

Road Fund receipts increased 3.9 percent in December with collections of \$86.4 million. Revised Road Fund estimates call for an increase in revenues of 0.6 percent for the fiscal year. Based on year-to-date tax collections, revenues must increase by 2.9 percent for the remainder of FY10 to meet the estimate. Lassiter noted that the Road Fund is finally showing signs of life after nearly two years of constant declines. “Motor fuels receipts are growing, albeit slowly, and motor vehicle usage tax receipts appear to have stabilized”.

Among the accounts, motor fuels rose 0.5 percent. Motor vehicle usage revenue fell 0.2 percent. License and privilege receipts grew 2.5 percent on strength in the weight distance tax.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>DECEMBER</u>			<u>JULY THROUGH DECEMBER</u>		
	<u>2009</u>	<u>2008</u>	<u>% Change</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$787,644,999	\$858,594,467	-8.3%	\$4,130,818,311	\$4,328,293,412	-4.6%
Tax Receipts	\$765,876,937	\$822,246,951	-6.9%	\$3,971,401,533	\$4,175,841,971	-4.9%
Sales and Gross Receipts	\$265,725,645	\$274,843,811	-3.3%	\$1,667,630,417	\$1,683,237,924	-0.9%
Beer Consumption	434,334	444,597	-2.3%	3,912,229	3,369,932	16.1%
Beer Wholesale	3,844,969	3,538,353	8.7%	26,219,143	27,082,448	-3.2%
Cigarette	23,165,442	13,059,341	77.4%	141,487,351	80,988,461	74.7%
Distilled Spirits Case Sales	9,091	8,163	11.4%	54,476	54,279	0.4%
Distilled Spirits Consumption	886,656	793,203	11.8%	5,383,695	5,341,094	0.8%
Distilled Spirits Wholesale	2,327,462	2,197,459	5.9%	13,768,486	13,843,764	-0.5%
Insurance Premium	1,955	3,043	-35.8%	40,108,708	40,636,852	-1.3%
Pari-Mutuel	153,768	322,517	-52.3%	(1,076,588)	1,947,492	---
Race Track Admission	20,955	55,540	-62.3%	137,878	193,657	-28.8%
Sales and Use	226,675,168	246,901,560	-8.2%	1,384,808,452	1,467,722,393	-5.6%
Wine Consumption	227,098	202,395	12.2%	1,207,468	1,175,095	2.8%
Wine Wholesale	1,186,698	1,015,537	16.9%	6,098,894	6,118,491	-0.3%
Telecommunications Tax	5,196,671	5,583,710	-6.9%	34,770,933	30,315,118	14.7%
Other Tobacco Products	1,584,228	718,392	120.5%	10,565,582	4,448,848	137.5%
Floor Stock Tax	11,150	0	---	183,709	0	---
License and Privilege	\$47,358,636	\$47,135,616	0.5%	\$221,041,335	\$230,592,997	-4.1%
Alc. Bev. License Suspension	69,450	16,200	328.7%	205,775	163,500	25.9%
Coal Severance	23,820,763	25,325,443	-5.9%	131,827,275	148,223,817	-11.1%
Corporation License	558,944	925,087	-39.6%	1,667,129	4,155,833	-59.9%
Corporation Organization	0	15	-100.0%	123,650	34,065	263.0%
Occupational Licenses	3,982	12,097	-67.1%	73,020	105,223	-30.6%
Oil Production	628,510	596,150	5.4%	3,541,827	6,272,893	-43.5%
Race Track License	58,800	117,825	-50.1%	218,000	298,200	-26.9%
Bank Franchise Tax	645,177	(151,242)	---	(428,141)	(5,214,080)	---
Driver License Fees	41,488	38,579	7.5%	298,860	305,566	-2.2%
Minerals Severance	1,576,979	1,309,912	20.4%	7,894,807	8,221,077	-4.0%
Natural Gas Severance	1,496,745	4,207,178	-64.4%	8,951,520	25,927,924	-65.5%
Limited Liability Entity	18,457,798	14,738,372	25.2%	66,667,614	42,098,978	58.4%
Income	\$319,236,642	\$382,103,581	-16.5%	\$1,707,267,033	\$1,900,876,986	-10.2%
Corporation	50,441,016	78,753,053	-36.0%	104,428,337	164,632,243	-36.6%
Individual	268,795,625	303,350,528	-11.4%	1,602,838,697	1,736,244,743	-7.7%
Property	\$125,966,033	\$110,259,767	14.2%	\$335,972,059	\$319,222,626	5.2%
Building & Loan Association	0	0	---	91,143	209,366	-56.5%
General - Real	82,123,923	68,195,836	20.4%	173,668,519	151,279,234	14.8%
General - Tangible	38,669,737	35,948,742	7.6%	107,140,251	118,729,337	-9.8%
Omitted & Delinquent	2,618,263	1,153,534	127.0%	13,552,140	11,150,021	21.5%
Public Service	2,554,109	4,917,884	-48.1%	40,829,052	37,227,275	9.7%
Other	0	43,770	-100.0%	690,953	627,394	10.1%
Inheritance	\$4,807,105	\$3,931,098	22.3%	22,252,097	22,018,343	1.1%
Miscellaneous	\$2,782,877	\$3,973,077	-30.0%	\$17,238,593	\$19,893,095	-13.3%
Legal Process	1,582,735	1,693,258	-6.5%	11,304,004	12,152,217	-7.0%
T. V. A. In Lieu Payments	1,200,142	2,279,819	-47.4%	5,934,096	7,733,042	-23.3%
Other	0	0	---	493	7,837	---
Nontax Receipts	\$21,711,704	\$36,310,356	-40.2%	\$158,006,853	\$151,807,746	4.1%
Departmental Fees	1,769,341	2,486,982	-28.9%	11,775,589	13,664,859	-13.8%
PSC Assessment Fee	33,255	5,643	489.3%	8,255,969	9,356,882	-11.8%
Fines & Forfeitures	2,121,239	2,051,933	3.4%	15,199,166	14,294,692	6.3%
Interest on Investments	63,072	232,302	-72.8%	423,750	2,078,927	-79.6%
Lottery	16,500,000	16,500,000	0.0%	93,000,000	91,500,000	1.6%
Sale of NOx Credits	0	0	---	601,430	0	---
Miscellaneous	1,224,797	15,033,496	-91.9%	28,750,948	20,912,386	37.5%
Redeposit of State Funds	\$56,357	\$37,159	51.7%	1,409,924	643,695	119.0%

2. ROAD FUND REVENUE

	<u>2009</u>	<u>DECEMBER</u>		<u>JULY THROUGH DECEMBER</u>		
		<u>2008</u>	<u>% Change</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$86,420,116	\$83,199,897	3.9%	\$581,707,237	\$592,029,606	-1.7%
Tax Receipts-	82,483,038	82,050,595	0.5%	\$567,742,417	\$576,749,773	-1.6%
Sales and Gross Receipts	\$74,556,579	\$74,316,096	0.3%	\$486,756,171	\$489,473,992	-0.6%
Motor Fuels Taxes	52,287,254	52,012,118	0.5%	320,752,872	315,678,818	1.6%
Motor Vehicle Usage	22,269,324	22,303,978	-0.2%	166,003,299	173,795,174	-4.5%
License and Privilege	\$7,926,459	\$7,734,498	2.5%	\$80,986,246	\$87,275,780	-7.2%
Motor Vehicles	5,125,621	5,051,100	1.5%	33,249,059	33,045,640	0.6%
Motor Vehicle Operators	1,181,855	994,230	18.9%	8,069,795	7,988,679	1.0%
Weight Distance	1,089,259	658,049	65.5%	35,317,203	40,717,349	-13.3%
Truck Decal Fees	1,980	3,307	-40.1%	45,629	76,774	-40.6%
Other Special Fees	527,744	1,027,813	-48.7%	4,304,560	5,447,338	-21.0%
Nontax Receipts	\$2,829,253	\$1,136,491	148.9%	\$12,425,397	\$15,053,101	-17.5%
Departmental Fees	2,427,750	702,043	245.8%	9,371,225	9,293,506	0.8%
In Lieu of Traffic Fines	66,885	79,506	-15.9%	373,551	482,092	-22.5%
Investment Income	290,376	321,469	-9.7%	2,335,512	4,951,394	-52.8%
Miscellaneous	44,242	33,473	32.2%	345,109	326,109	5.8%
Redeposit of State Funds	\$1,107,825	\$12,812	8547.1%	\$1,539,422	\$226,732	579.0%

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