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GENERAL FUND AND ROAD FUND RECEIPTS FOR AUGUST 2012

General Fund receipts rose 2.5 percent
Road Fund receipts fell 2.9 percent

FRANKFORT, KY (September 10, 2012) - State Budget Director Mary Lassiter reported today that General Fund receipts increased 2.5 percent in August compared to last year. Total revenues for the month were \$639.1 million, compared to \$623.3 million during August 2011. For the first two months of Fiscal Year 2013 (FY13), General Fund receipts have been almost flat. The official revenue estimate for FY13 calls for revenue to increase 2.4 percent compared to FY12 actual receipts. Based on August's results, General Fund revenues need to grow 2.8 percent for the remainder of the fiscal year to meet the official estimate.

Lassiter noted that: "The increase in August receipts roughly offsets the decline we experienced in July. It is premature to draw any conclusions for the entire year based upon just the first two months of receipts. However, the two largest General Fund revenue sources, the individual income and sales taxes, have both started FY13 with year-to-date declines through August. We will be closely monitoring these taxes as the year progresses."

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Among the major accounts:

- Individual income taxes increased 0.3 percent primarily due to weak withholding payments. Collections year-to-date are down 2.1 percent.
- Sales tax revenues rose 2.2 percent but have declined 2.0 percent through the first two months of the fiscal year.
- Corporation income tax fell \$400,000 due to a small decline in declaration payments. Year-to-date receipts have declined 2.4 percent.
- Cigarette taxes grew 3.8 percent but have fallen 6.0 percent for the year.
- Property taxes are often volatile as the fiscal year begins but level off as the year progresses. In August, the volatility continued as property tax collections rose 82.8 percent, partially due to central collection of some local taxes with distributions to follow in upcoming months.
- Coal severance tax collections continued the recent downward trend, decreasing 19.4 percent and are down 19.1 percent through the first two months of the year.
- Lottery revenues grew 3.3 percent to \$15.5 million.

Road Fund receipts for August totaled \$130.4 million, a decrease of 2.9 percent from August 2011 levels. The August decline was the first monthly decline since June 2010, thus breaking a string of 25 consecutive months of growth in the Road Fund. The official Road Fund revenue estimate calls for a 3.9 percent increase in receipts for the entire fiscal year (FY13). Based on year-to-date collections, revenues must increase 3.9 percent for the remainder of the fiscal year to meet the estimate.

Among the accounts:

- Motor fuels receipts grew 2.1 percent.
- Motor vehicle usage collections decreased 13.5 percent.
- License and privilege tax receipts grew 2.6 percent.
- Nontax receipts fell \$1.2 million.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>AUGUST</u>			<u>JULY THROUGH AUGUST</u>		
	<u>2012</u>	<u>2011</u>	<u>% Change</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$639,118,438	\$623,318,087	2.5%	\$1,316,335,142	\$1,316,500,887	0.0%
Tax Receipts	\$617,337,067	\$603,594,440	2.3%	\$1,264,955,283	\$1,274,799,328	-0.8%
Sales and Gross Receipts	\$283,394,014	\$278,917,269	1.6%	\$585,527,064	\$601,134,111	-2.6%
Beer Consumption	572,987	514,074	11.5%	1,164,519	1,128,317	3.2%
Beer Wholesale	4,163,357	4,711,305	-11.6%	9,362,113	10,078,150	-7.1%
Cigarette	23,517,634	22,655,951	3.8%	40,318,608	42,888,233	-6.0%
Distilled Spirits Case Sales	4,128	7,615	-45.8%	14,614	19,438	-24.8%
Distilled Spirits Consumption	887,093	741,454	19.6%	1,910,378	1,910,378	0.0%
Distilled Spirits Wholesale	2,276,108	1,803,893	26.2%	4,961,443	4,763,026	4.2%
Insurance Premium	88,697	403,517	-78.0%	193,397	426,405	-54.6%
Pari-Mutuel	182,457	134,085	36.1%	498,815	435,009	14.7%
Race Track Admission	236	154	53.1%	80,617	82,477	-2.3%
Sales and Use	243,489,049	238,141,748	2.2%	509,743,655	520,317,202	-2.0%
Wine Consumption	218,271	193,186	13.0%	441,847	419,672	5.3%
Wine Wholesale	1,054,723	1,001,937	5.3%	2,139,942	2,137,451	0.1%
Telecommunications Tax	5,139,402	6,824,943	-24.7%	11,009,177	12,800,662	-14.0%
Other Tobacco Products	1,798,786	1,776,366	1.3%	3,685,676	3,716,284	-0.8%
Floor Stock Tax	1,088	7,042	-84.5%	2,264	11,406	-80.1%
License and Privilege	\$31,332,597	\$37,057,486	-15.4%	\$68,279,257	\$82,210,246	-16.9%
Alc. Bev. License Suspension	29,942	16,050	86.6%	44,070	36,350	21.2%
Coal Severance	20,350,686	25,253,313	-19.4%	42,512,490	52,528,387	-19.1%
Corporation License	9,604	523,460	-98.2%	(321,618)	500,562	---
Corporation Organization	24,627	0	---	37,422	0	---
Occupational Licenses	4,101	13,224	-69.0%	9,075	19,273	-52.9%
Oil Production	803,093	783,893	2.4%	1,592,909	1,635,998	-2.6%
Race Track License	0	0	---	95,000	95,000	0.0%
Bank Franchise Tax	65,745	(926,073)	---	(34,195)	(836,083)	---
Driver License Fees	53,781	50,615	6.3%	112,229	104,401	7.5%
Minerals Severance	912,697	1,514,896	-39.8%	2,362,626	2,852,188	-17.2%
Natural Gas Severance	329,398	2,167,545	-84.8%	1,895,377	4,102,760	-53.8%
Limited Liability Entity	8,748,924	7,660,563	14.2%	19,973,872	21,171,409	-5.7%
Income	\$265,197,278	\$264,894,588	0.1%	\$548,557,907	\$560,212,854	-2.1%
Corporation	(2,040,788)	(1,631,398)	---	11,052,952	11,324,370	-2.4%
Individual	267,238,066	266,525,986	0.3%	537,504,955	548,888,484	-2.1%
Property	\$30,885,563	\$16,897,093	82.8%	\$49,054,848	\$18,900,516	159.5%
Building & Loan Association	0	0	---	4,180	(2,299)	---
General - Real	73,176	32,107	127.9%	160,098	26,883	495.5%
General - Tangible	7,333,458	9,841,725	-25.5%	18,758,695	18,021,787	4.1%
Omitted & Delinquent	8,214,439	5,642,471	45.6%	12,101,428	(1,086,407)	---
Public Service	15,264,336	1,380,674	1005.6%	18,030,293	1,940,438	829.2%
Other	154	115	33.8%	154	115	33.8%
Inheritance	\$3,770,626	\$3,151,990	19.6%	6,659,725	\$6,695,465	-0.5%
Miscellaneous	\$2,756,989	\$2,676,015	3.0%	\$6,876,482	\$5,646,136	21.8%
Legal Process	1,622,002	1,541,282	5.2%	3,471,519	3,376,670	2.8%
T. V. A. In Lieu Payments	1,134,988	1,134,733	0.0%	3,404,963	2,269,466	50.0%
Other	0	0	---	0	0	---
Nontax Receipts	\$22,130,213	\$19,558,568	13.1%	\$51,025,006	\$40,936,904	24.6%
Departmental Fees	1,139,134	1,106,862	2.9%	3,042,261	2,064,395	47.4%
PSC Assessment Fee	2,719,891	933,606	191.3%	13,069,271	5,422,200	141.0%
Fines & Forfeitures	2,005,195	2,455,878	-18.4%	5,984,573	4,688,889	27.6%
Interest on Investments	3,255,535	148,343	2094.6%	2,827,889	199,943	1314.3%
Lottery	15,500,000	15,000,000	3.3%	31,000,000	30,000,000	3.3%
Sale of NOx Credits	6,500	0	---	6,500	0	---
Miscellaneous	(2,496,043)	(86,121)	---	(4,905,488)	(1,438,523)	---
Redeposit of State Funds	(\$348,842)	\$165,079	---	354,853	\$764,655	-53.6%

2. ROAD FUND REVENUE

	<u>AUGUST</u>			<u>JULY THROUGH AUGUST</u>		
	<u>2012</u>	<u>2011</u>	<u>% Change</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$130,450,261	\$134,407,864	-2.9%	\$247,860,188	\$239,078,639	3.7%
Tax Receipts	\$128,765,215	\$132,193,695	-2.6%	\$243,972,751	\$235,190,804	3.7%
Sales and Gross Receipts	\$105,106,768	\$109,135,458	-3.7%	\$208,663,967	\$203,893,386	2.3%
Motor Fuels Taxes	70,114,853	68,659,112	2.1%	139,589,053	132,073,307	5.7%
Motor Vehicle Usage	34,991,916	40,476,346	-13.5%	69,074,914	71,820,079	-3.8%
License and Privilege	\$23,658,447	\$23,058,237	2.6%	\$35,308,784	\$31,297,418	12.8%
Motor Vehicles	6,996,031	7,389,187	-5.3%	12,411,860	13,023,109	-4.7%
Motor Vehicle Operators	1,419,524	1,317,121	7.8%	2,786,599	2,612,214	6.7%
Weight Distance	14,455,606	13,355,333	8.2%	18,712,669	14,302,272	30.8%
Truck Decal Fees	8,130	12,653	-35.7%	16,227	26,633	-39.1%
Other Special Fees	779,156	983,943	-20.8%	1,381,429	1,333,191	3.6%
Nontax Receipts	\$1,116,452	\$2,350,719	-52.5%	\$2,804,107	\$3,420,421	-18.0%
Departmental Fees	710,616	2,216,104	-67.9%	1,470,552	3,225,654	-54.4%
In Lieu of Traffic Fines	59,585	66,272	-10.1%	120,385	124,852	-3.6%
Investment Income	324,302	4,779	6685.4%	1,132,091	6,351	17725.4%
Miscellaneous	21,949	63,564	-65.5%	81,080	63,564	27.6%
Redeposit of State Funds	\$568,594	(\$136,550)	---	1,083,330	\$467,413	131.8%

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