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**GENERAL FUND RECEIPTS FOR FEBRUARY TOTALED
\$582.7 MILLION**

FRANKFORT, Ky. (Monday March 10, 2008) - Kentucky's General Fund recorded growth of 2.7 percent in February compared to last year, according to figures released today by the Office of State Budget Director. Revenues totaled \$582.7 million compared to a total of \$567.2 million in February 2007.

Year-to-date revenues have risen by 0.8 percent, with total revenues of \$5.579 billion. The official revised consensus revenue estimate projects revenue growth of 0.7 percent for Fiscal Year 2008. Based on year-to-date growth, revenues for the remaining four months need to grow at an average rate of 0.4 percent to satisfy the official estimate.

State Budget Director Mary Lassiter cautioned that February receipts do not necessarily indicate stronger revenue growth ahead. "Given the current economic conditions and forecast for poor economic growth in the remainder of the fiscal year, we should not expect to see much growth in the near future," she said. "Revenues to date reflect that we're on track to meet the reduced revenue estimates that have necessitated current year budget reductions."

Among General Fund revenue sources, the major developments were:

- Sales and use tax revenues rose by 6.2 percent.
- Individual income tax receipts grew by 3.5 percent.

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- The corporation income tax recorded a negative \$16,965 in receipts, primarily due to a high level of refunds.
- Coal severance tax revenue expanded by 6.5 percent.
- Property taxes grew by 16.4 percent due to differences in timing between this year and last year.
- Cigarette taxes were up 8.5 percent from last February.

Revenue from the Kentucky Lottery was up by 6.7 percent compared to last year.

The Road Fund grew moderately in February, rising by 7.2 percent with total receipts of \$110.9 million. So far in this fiscal year, the Road Fund is up by 7.0 percent, higher than the growth (4.6 percent) required by the revised consensus revenue estimate. Based on year-to-date receipts, revenues must rise by 0.3 percent in the remaining four months of the fiscal year to meet the estimate.

Among the major Road Fund accounts, motor fuels taxes rose 1.5 percent in February. The motor vehicle usage tax grew by 14.1 percent in February, continuing the growth the tax has seen in recent months. License and privilege taxes were up 13.1 percent in February due to strong growth in motor vehicle license and weight distance taxes. Non-tax receipts rose by 102.4 percent principally due to higher investment income.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	FEBRUARY			JULY THROUGH FEBRUARY		
	2008	2007	% Change	FY 2008	FY 2007	% Change
TOTAL GENERAL FUND	\$582,718,628	\$567,160,370	2.7%	\$5,578,819,128	\$5,533,176,278	0.8%
Tax Receipts	\$564,683,042	\$544,253,896	3.8%	\$5,372,756,405	\$5,335,967,877	0.7%
Sales and Gross Receipts	\$254,440,681	\$238,551,723	6.7%	\$2,243,868,885	\$2,170,406,475	3.4%
Beer Consumption	447,756	450,138	-0.5%	4,344,605	4,192,300	3.6%
Beer Wholesale	3,353,163	2,949,240	13.7%	33,590,614	31,018,155	8.3%
Cigarette	12,849,088	11,843,282	8.5%	113,438,095	110,428,671	2.7%
Distilled Spirits Case Sales	7,275	5,978	21.7%	70,931	66,827	6.1%
Distilled Spirits Consumption	719,449	609,788	18.0%	7,082,029	6,790,546	4.3%
Distilled Spirits Wholesale	1,793,114	1,396,023	28.4%	18,141,699	16,949,859	7.0%
Insurance Premium	22,918,710	21,765,325	5.3%	63,974,651	60,947,666	5.0%
Pari-Mutuel	131,381	154,130	-14.8%	2,418,439	2,573,607	-6.0%
Race Track Admission	0	5,205	-100.0%	177,415	187,426	-5.3%
Sales and Use	205,511,540	193,587,386	6.2%	1,948,407,387	1,888,758,449	3.2%
Wine Consumption	156,408	138,862	12.6%	1,614,373	1,579,873	2.2%
Wine Wholesale	791,875	623,493	27.0%	8,174,575	7,672,681	6.5%
Telecommunications Tax	5,096,348	4,435,758	14.9%	36,457,957	33,688,248	8.2%
Other Tobacco Products	664,575	587,113	13.2%	5,976,116	5,552,169	7.6%
License and Privilege	\$34,433,250	\$29,143,839	18.1%	\$242,269,094	\$195,809,600	23.7%
Alc. Bev. License Suspension	87,220	26,000	235.5%	588,490	316,301	86.1%
Coal Severance	18,942,972	17,791,842	6.5%	147,802,711	147,270,636	0.4%
Corporation License	(2,534,179)	2,409,607	---	1,695,064	7,800,302	-78.3%
Corporation Organization	26,450	3,460	664.5%	233,732	67,613	245.7%
Occupational Licenses	9,216	11,903	-22.6%	77,504	105,343	-26.4%
Oil Production	833,678	503,717	65.5%	6,053,351	4,106,125	47.4%
Race Track License	0	3,850	-100.0%	189,785	279,300	-32.0%
Bank Franchise Tax	11,183,728	3,815,893	193.1%	11,482,458	4,945,733	132.2%
Driver License Fees	51,793	64,050	-19.1%	407,313	401,526	1.4%
Minerals Severance	864,063	659,319	31.1%	11,953,477	10,311,609	15.9%
Natural Gas Severance	3,577,778	3,854,198	-7.2%	20,211,771	20,205,110	0.0%
Limited Liability Entity	1,390,532	0	---	41,573,438	0	---
Income	\$234,985,327	\$244,193,333	-3.8%	\$2,402,062,395	\$2,495,427,692	-3.7%
Corporation	(16,965)	17,090,800	---	273,714,766	568,084,995	-51.8%
Individual	235,002,292	227,102,533	3.5%	2,128,347,629	1,927,342,696	10.4%
Property	\$31,088,918	\$26,706,700	16.4%	\$422,572,918	\$422,182,869	0.1%
Building & Loan Association	170,757	0	---	268,608	425,552	-36.9%
General - Real	12,790,869	12,922,661	-1.0%	224,248,466	215,793,072	3.9%
General - Tangible	15,930,393	12,205,261	30.5%	149,496,733	147,287,296	1.5%
Omitted & Delinquent	1,656,820	(1,796,687)	---	14,262,179	20,520,763	-30.5%
Public Service	222,843	3,136,562	-92.9%	33,445,462	37,331,067	-10.4%
Other	317,237	238,904	32.8%	851,470	825,117	3.2%
Inheritance	\$6,554,030	\$2,413,704	171.5%	\$37,584,736	\$29,302,487	28.3%
Miscellaneous	\$3,180,836	\$3,244,597	-2.0%	\$24,398,377	\$22,838,755	6.8%
Legal Process	2,125,675	2,323,183	-8.5%	16,229,369	16,419,956	-1.2%
T. V. A. In Lieu Payments	1,055,161	918,640	14.9%	8,168,698	6,362,765	28.4%
Other	0	2,773	-100.0%	310	56,034	-99.4%
Nontax Receipts	\$17,882,458	\$22,055,180	-18.9%	\$199,503,846	\$188,007,862	6.1%
Departmental Fees	2,936,171	2,792,451	5.1%	19,671,816	17,813,288	10.4%
PSC Assessment Fee	5,802	9,175	-36.8%	10,667,153	12,296,269	-13.2%
Fines & Forfeitures	2,628,594	2,676,262	-1.8%	18,773,237	17,052,252	10.1%
Interest on Investments	105,896	142,919	-25.9%	1,028,498	949,725	8.3%
Lottery	16,000,000	15,000,000	6.7%	123,761,591	118,125,113	4.8%
Sale of NOx Credits	540,000	98,750	446.8%	4,855,000	512,100	848.1%
Miscellaneous	(4,334,005)	1,335,623	---	20,746,551	21,259,115	-2.4%
Redeposit of State Funds	\$153,128	\$851,294	-82.0%	\$6,558,876	\$9,200,540	-28.7%

2. ROAD FUND REVENUE

	<u>2008</u>	<u>FEBRUARY</u>	<u>% Change</u>	<u>JULY THROUGH FEBRUARY</u>		<u>% Change</u>
		<u>2007</u>		<u>FY 2008</u>	<u>FY 2007</u>	
TOTAL STATE ROAD FUND	\$110,860,050	\$103,440,215	7.2%	\$842,103,495	\$786,657,780	7.0%
Tax Receipts-	\$106,128,725	\$101,687,426	4.4%	\$814,440,523	\$761,410,790	7.0%
Sales and Gross Receipts	\$77,145,690	\$76,066,253	1.4%	\$679,550,476	\$638,285,634	6.5%
Motor Fuels Taxes	44,324,574	43,682,267	1.5%	383,716,622	358,523,860	7.0%
Motor Fuels Use & Surtax	1,333,817	4,791,814	-72.2%	22,799,051	18,337,322	24.3%
Truck Trip Permits (fuel)	25,720	22,240	15.6%	179,720	197,180	-8.9%
Motor Vehicle Usage	31,461,579	27,569,932	14.1%	272,855,083	261,227,271	4.5%
License and Privilege	\$28,983,035	\$25,621,173	13.1%	\$134,890,047	\$123,125,156	9.6%
Motor Vehicles	10,154,207	7,831,504	29.7%	54,712,390	47,610,813	14.9%
Motor Vehicle Operators	1,362,070	1,524,948	-10.7%	10,249,943	10,698,683	-4.2%
Weight Distance	16,627,124	15,724,145	5.7%	63,557,432	60,048,110	5.8%
Truck Decal Fees	2,245	2,027	10.8%	56,401	77,753	-27.5%
Other Special Fees	837,390	538,550	55.5%	6,313,881	4,689,797	34.6%
Nontax Receipts	\$3,570,989	\$1,764,750	102.4%	\$26,349,082	\$24,966,466	5.5%
Departmental Fees	1,363,014	1,239,990	9.9%	13,257,745	10,420,912	27.2%
In Lieu of Traffic Fines	85,412	93,677	-8.8%	752,255	763,553	-1.5%
Highway Tolls	0	10,392	-100.0%	0	3,715,510	-100.0%
Investment Income	2,062,615	401,006	414.4%	11,688,180	9,780,489	19.5%
Miscellaneous	59,948	19,685	204.5%	650,902	286,003	127.6%
Redeposit of State Funds	\$1,160,336	(\$11,961)	---	\$1,313,891	\$280,524	368.4%

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