



Commonwealth of Kentucky  
Office of State Budget Director

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## GENERAL FUND RECEIPTS DECLINE FOR MARCH

*General Fund receipts total \$637.7 million*

**FRANKFORT, Ky.** – The Office of State Budget Director today reported March General Fund receipts of \$637.7 million – a 5.7 percent decrease in collections compared with March 2007. Through the first nine months of the current fiscal year (FY08) the General Fund has grown a scant 0.1 percent over the same time period in FY07, with revenues reaching \$6.216 billion.

The consensus revenue estimate was revised downward in January of this year resulting in a budget reduction and forecasts a growth rate for FY08 of just 0.7 percent. Based on year-to-date growth, the General Fund must grow 2.2 percent in the last three months of the fiscal year to meet estimates.

“March revenues were affected by increased refund payments in both the individual and corporation income taxes,” State Budget Director Mary Lassiter said. “Growth in most other accounts was also nonexistent.” “We are very concerned about the impact March receipts may have on budgeted revenues for the year. We will have a better feel for how we will end the year when we complete the quarterly report later this month.”

Among the major accounts:

- Sales and use tax fell by 1.4 percent;
- Individual income tax dropped by 5.1 percent due to higher refund payments issued in March compared to the previous year;

- Corporation income tax was down by 48.7 percent, affected by refund payments due to the change in the way limited-liability pass-through entities are taxed;
- Property taxes declined by 20.7 percent due to a change in timing of collections;
- Cigarette taxes rose by 6.1 percent;
- Coal severance taxes grew by 20.1 percent; and
- Lottery receipts were down 20.0 percent from last March.

Kentucky's Road Fund decreased by 6.1 percent in March with receipts of \$97.3 million. So far this fiscal year Road Fund collections have risen 5.5 percent. Consensus revenue estimates call for 4.6 percent growth in FY08 for the Road Fund. Based on collections through March, the Road Fund must grow 2.3 percent in the remaining three months of FY08 to meet estimates.

Among the largest accounts in the Road Fund, motor fuels taxes were up 14.2 percent in March. The growth in March was affected by the change in the rate related to the wholesale price of gasoline. The motor vehicle usage tax fell by 15.8 percent. License and privilege taxes fell by 38.8 percent, and nontax receipts were up 50.5 percent on the strength of investment income and departmental fees.

**KENTUCKY STATE GOVERNMENT REVENUE**  
**1. GENERAL FUND REVENUE**

	<u>MARCH</u>			<u>JULY THROUGH MARCH</u>		
	<u>2008</u>	<u>2007</u>	<u>% Change</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>% Change</u>
<b>TOTAL GENERAL FUND</b>	<b>\$637,679,283</b>	<b>\$676,204,023</b>	<b>-5.7%</b>	<b>\$6,216,498,410</b>	<b>\$6,209,380,302</b>	<b>0.1%</b>
<b>Tax Receipts</b>	<b>\$610,478,755</b>	<b>\$652,666,523</b>	<b>-6.5%</b>	<b>\$5,983,235,161</b>	<b>\$5,988,634,401</b>	<b>-0.1%</b>
Sales and Gross Receipts	\$262,509,260	\$264,454,434	-0.7%	\$2,506,378,145	\$2,434,860,908	2.9%
Beer Consumption	502,491	489,328	2.7%	4,847,095	4,681,627	3.5%
Beer Wholesale	3,271,061	3,025,192	8.1%	36,861,675	34,043,348	8.3%
Cigarette	15,091,323	14,229,192	6.1%	128,529,418	124,657,862	3.1%
Distilled Spirits Case Sales	7,359	7,081	3.9%	78,290	73,908	5.9%
Distilled Spirits Consumption	723,773	739,904	-2.2%	7,805,802	7,530,450	3.7%
Distilled Spirits Wholesale	1,817,214	1,769,004	2.7%	19,958,913	18,718,863	6.6%
Insurance Premium	25,127,834	25,049,766	0.3%	89,102,485	85,997,432	3.6%
Pari-Mutuel	222,935	179,001	24.5%	2,641,374	2,752,608	-4.0%
Race Track Admission	3,660	2,936	24.6%	181,075	190,362	-4.9%
Sales and Use	209,596,368	212,510,111	-1.4%	2,158,003,755	2,101,268,559	2.7%
Wine Consumption	170,833	162,779	4.9%	1,785,206	1,742,652	2.4%
Wine Wholesale	863,398	786,372	9.8%	9,037,972	8,459,053	6.8%
Telecommunications Tax	4,461,378	4,741,308	-5.9%	40,919,336	38,429,556	6.5%
Other Tobacco Products	649,633	762,459	-14.8%	6,625,749	6,314,628	4.9%
License and Privilege	\$91,719,296	\$80,200,002	14.4%	\$333,988,390	\$276,009,602	21.0%
Alc. Bev. License Suspension	61,820	136,260	-54.6%	650,310	452,561	43.7%
Coal Severance	18,918,485	15,749,712	20.1%	166,721,196	163,020,348	2.3%
Corporation License	499,148	1,567,300	-68.2%	2,194,213	9,367,603	-76.6%
Corporation Organization	2,459	5,975	-58.9%	236,191	73,588	221.0%
Occupational Licenses	11,949	6,184	93.2%	89,454	111,528	-19.8%
Oil Production	758,118	394,553	92.1%	6,811,470	4,500,679	51.3%
Race Track License	4,725	4,375	8.0%	194,510	283,675	-31.4%
Bank Franchise Tax	58,810,255	58,320,264	0.8%	70,292,713	63,265,997	11.1%
Driver License Fees	57,173	50,687	12.8%	464,486	452,213	2.7%
Minerals Severance	705,655	816,851	-13.6%	12,659,132	11,128,461	13.8%
Natural Gas Severance	2,827,281	3,147,840	-10.2%	23,039,052	23,352,950	-1.3%
Limited Liability Entity	9,062,226	0	---	50,635,665	0	---
Income	\$230,162,239	\$275,224,865	-16.4%	\$2,632,224,634	\$2,770,652,557	-5.0%
Corporation	36,566,983	71,266,884	-48.7%	310,281,749	639,351,879	-51.5%
Individual	193,595,257	203,957,981	-5.1%	2,321,942,885	2,131,300,677	8.9%
Property	\$21,303,818	\$26,856,426	-20.7%	\$443,876,736	\$449,039,295	-1.1%
Building & Loan Association	(33,108)	37,973	---	235,501	463,526	-49.2%
General - Real	4,684,756	3,833,400	22.2%	228,933,223	219,626,472	4.2%
General - Tangible	11,238,770	14,641,764	-23.2%	160,735,503	161,929,061	-0.7%
Omitted & Delinquent	4,605,270	5,782,617	-20.4%	18,867,448	26,303,380	-28.3%
Public Service	620,512	2,322,260	-73.3%	34,065,974	39,653,327	-14.1%
Other	187,618	238,412	-21.3%	1,039,087	1,063,530	-2.3%
Inheritance	\$1,592,361	\$2,862,068	-44.4%	\$39,177,097	\$32,164,555	21.8%
Miscellaneous	\$3,191,782	\$3,068,728	4.0%	\$27,590,159	\$25,907,484	6.5%
Legal Process	2,114,362	2,139,387	-1.2%	18,343,730	18,559,343	-1.2%
T. V. A. In Lieu Payments	1,055,161	918,640	14.9%	9,223,859	7,281,406	26.7%
Other	22,259	10,701	108.0%	22,569	66,735	-66.2%
<b>Nontax Receipts</b>	<b>\$27,056,986</b>	<b>\$22,328,632</b>	<b>21.2%</b>	<b>\$226,560,832</b>	<b>\$210,336,494</b>	<b>7.7%</b>
Departmental Fees	2,954,303	2,839,029	4.1%	22,626,119	20,652,317	9.6%
PSC Assessment Fee	4,390	1,243	253.2%	10,671,543	12,297,512	-13.2%
Fines & Forfeitures	2,648,030	2,526,617	4.8%	21,421,267	19,578,869	9.4%
Interest on Investments	82,410	111,484	-26.1%	1,110,908	1,061,209	4.7%
Lottery	16,000,000	20,000,000	-20.0%	139,761,591	138,125,113	1.2%
Sale of NOx Credits	4,680,600	99,500	4604.1%	9,535,600	611,600	1459.1%
Miscellaneous	687,252	(3,249,240)	---	21,433,803	18,009,875	19.0%
Redeposit of State Funds	\$143,541	\$1,208,868	-88.1%	\$6,702,418	\$10,409,407	-35.6%

**2. ROAD FUND REVENUE**

	<u>2008</u>	<u>MARCH</u>	<u>% Change</u>	<u>JULY THROUGH MARCH</u>		<u>% Change</u>
		<u>2007</u>		<u>FY 2008</u>	<u>FY 2007</u>	
<b>TOTAL STATE ROAD FUND</b>	<b>\$97,290,453</b>	<b>\$103,634,081</b>	<b>-6.1%</b>	<b>\$939,393,949</b>	<b>\$890,291,860</b>	<b>5.5%</b>
Tax Receipts-	\$93,538,750	\$101,217,600	-7.6%	\$907,979,273	\$862,628,390	5.3%
Sales and Gross Receipts	\$81,528,704	\$81,599,026	-0.1%	\$761,079,180	\$719,884,660	5.7%
Motor Fuels Taxes	46,680,160	40,860,826	14.2%	430,396,782	399,384,686	7.8%
Motor Fuels Use & Surtax	3,549,537	3,546,575	0.1%	26,348,588	21,883,898	20.4%
Truck Trip Permits (fuel)	19,480	32,200	-39.5%	199,200	229,380	-13.2%
Motor Vehicle Usage	31,279,527	37,159,425	-15.8%	304,134,610	298,386,696	1.9%
License and Privilege	\$12,010,046	\$19,618,574	-38.8%	\$146,900,093	\$142,743,730	2.9%
Motor Vehicles	9,841,267	13,217,729	-25.5%	64,553,657	60,828,542	6.1%
Motor Vehicle Operators	1,225,664	1,213,630	1.0%	11,475,607	11,912,313	-3.7%
Weight Distance	443,235	4,341,341	-89.8%	64,000,667	64,389,451	-0.6%
Truck Decal Fees	3,957	64,381	-93.9%	60,358	142,134	-57.5%
Other Special Fees	495,923	781,493	-36.5%	6,809,804	5,471,290	24.5%
Nontax Receipts	\$3,596,481	\$2,389,965	50.5%	\$29,945,563	\$27,356,431	9.5%
Departmental Fees	1,546,486	921,277	67.9%	14,804,231	11,342,189	30.5%
In Lieu of Traffic Fines	95,927	101,806	-5.8%	848,182	865,358	-2.0%
Highway Tolls	0	1,699	-100.0%	0	3,717,208	-100.0%
Investment Income	1,894,623	1,224,954	54.7%	13,582,803	11,005,443	23.4%
Miscellaneous	59,445	140,230	-57.6%	710,348	426,232	66.7%
Inter-Agency Motor Pool	\$0	\$0	---	\$0	\$0	---
Motor Carrier Taxes - Undistributed	\$0	\$0	---	\$0	\$0	---
Redeposit of State Funds	\$155,222	\$26,516	485.4%	\$1,469,113	\$307,039	378.5%

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