



Commonwealth of Kentucky
Office of State Budget Director

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GENERAL FUND RECEIPTS RISE FOR APRIL

Increase considered an anomaly; early May receipts down

FRANKFORT, Ky. – The Office of State Budget Director today reported General Fund receipts for April 2008 totaled \$940.6 million, a 35.9 percent increase as compared to April 2007. The increase is due primarily to timing considerations, highlighting the accelerated processing of final income tax payments this year.

Fiscal year 2008 General Fund revenues to date total \$7.157 billion, a 3.7 percent increase over receipts for the same time period in FY07.

State Budget Director Mary Lassiter explained the growth seen in April is an anomaly, and will largely be given back in May.

“A year ago, receipts fell dramatically in April and then rebounded in May,” she said. “This year, the Department of Revenue got the money in the bank quicker. The evidence that this is timing-related is reflected by General Fund receipts in the first nine days of May this year, which are below receipts in the same nine-day period in the previous year by about \$188 million.”

Lassiter praised the Department of Revenue in the Finance and Administration Cabinet for improving the efficiency of processing tax returns in a timely manner.

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Lassiter said she does not believe that April's receipts signal any change in Kentucky's economic or revenue outlook from the reduced projection adopted by the Consensus Forecasting Group in January, upon which the revised budget was based. That estimate called for reduced revenues from budgeted levels, with a total increase in the fiscal year of just 0.7 percent. The General Fund budget was reduced as a result of the revenue shortfall earlier this year.

The following is a summary of receipts among the major accounts:

- Sales and use tax rose 14.8 percent compared to a year earlier when delays depressed receipts;
- Individual income tax receipts grew 92.1 percent from last April due to several timing issues including processing of final payments and lingering effects from HB 1 of the 2006 Special Session;
- Revenues from the corporation income tax fell from April 2007 by 78.4 percent again due principally to aftereffects of HB 1;
- Coal severance taxes grew 48.9 percent;
- Cigarette tax revenues were up 3.0 percent;
- Property taxes increased 8.6 percent compared to last year due to timing shifts; and
- Lottery revenues were up 6.7 percent.

Road Fund revenues dipped by 0.5 percent in April 2008 compared to April 2007 revenues. Through April, Road Fund revenues in FY08 have increased by 4.8 percent compared to the same time period in FY07. The consensus revenue estimates expect a total of \$1.283 billion in Road Fund revenues for FY08. Based upon these projections, Road Fund receipts must rise by 3.8 percent in the final months to meet the revised official consensus estimate.

Among the major accounts in the Road Fund, motor fuels taxes were up 3.2 percent despite the increased price of gasoline at the pump. Motor vehicle usage taxes decreased 5.7 percent. License and privilege taxes fell 7.5 percent, and nontax receipts dropped 12.7 percent primarily due to a decrease in departmental fees. Collections during April totaled \$113.5 million, bringing in more than \$1.053 billion to date during this fiscal year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>2008</u>	<u>APRIL</u> <u>2007</u>	<u>% Change</u>	<u>FY 2008</u>	<u>JULY THROUGH APRIL</u> <u>FY 2007</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$940,569,590	\$692,189,197	35.9%	\$7,157,068,001	\$6,901,569,498	3.7%
Tax Receipts	\$922,732,683	\$671,918,203	37.3%	\$6,905,967,843	\$6,660,552,603	3.7%
Sales and Gross Receipts	\$260,442,825	\$225,068,104	15.7%	\$2,766,820,970	\$2,659,929,013	4.0%
Beer Consumption	520,866	216,063	141.1%	5,367,961	4,897,690	9.6%
Beer Wholesale	3,710,434	1,628,309	127.9%	40,572,109	35,671,657	13.7%
Cigarette	13,713,773	13,320,630	3.0%	142,243,192	137,978,492	3.1%
Distilled Spirits Case Sales	7,903	5,282	49.6%	86,193	79,190	8.8%
Distilled Spirits Consumption	781,940	531,720	47.1%	8,587,742	8,062,171	6.5%
Distilled Spirits Wholesale	2,013,770	1,450,773	38.8%	21,972,683	20,169,636	8.9%
Insurance Premium	(128,867)	(35,889)	---	88,973,618	85,961,542	3.5%
Pari-Mutuel	574,840	133,016	332.2%	3,216,214	2,885,623	11.5%
Race Track Admission	0	0	---	181,075	190,362	-4.9%
Sales and Use	232,361,277	202,422,566	14.8%	2,390,365,032	2,303,691,125	3.8%
Wine Consumption	176,876	85,009	108.1%	1,962,082	1,827,661	7.4%
Wine Wholesale	878,174	455,853	92.6%	9,916,146	8,914,906	11.2%
Telecommunications Tax	5,069,141	4,390,067	15.5%	45,988,476	42,819,624	7.4%
Other Tobacco Products	762,698	464,705	64.1%	7,388,446	6,779,333	9.0%
License and Privilege	\$54,618,998	\$18,460,694	195.9%	\$388,607,388	\$294,470,296	32.0%
Alc. Bev. License Suspension	82,000	75,030	9.3%	732,310	527,591	38.8%
Coal Severance	21,778,541	14,621,783	48.9%	188,499,737	177,642,131	6.1%
Corporation License	659,599	958,073	-31.2%	2,853,811	10,325,676	-72.4%
Corporation Organization	4,500	14,879	-69.8%	240,691	88,467	172.1%
Occupational Licenses	13,279	2,731	386.2%	102,733	114,259	-10.1%
Oil Production	894,799	238,719	274.8%	7,706,268	4,739,398	62.6%
Race Track License	0	0	---	194,510	283,675	-31.4%
Bank Franchise Tax	1,082,340	410,648	163.6%	71,375,052	63,676,645	12.1%
Driver License Fees	39,780	50,448	-21.1%	504,265	502,661	0.3%
Minerals Severance	1,031,443	757,652	36.1%	13,690,575	11,886,112	15.2%
Natural Gas Severance	2,586,414	1,330,732	94.4%	25,625,466	24,683,681	3.8%
Limited Liability Entity	26,446,305	0	---	77,081,970	0	---
Income	\$568,212,876	\$393,733,151	44.3%	\$3,200,437,510	\$3,164,385,708	1.1%
Corporation	23,872,665	110,314,904	-78.4%	334,154,413	749,666,783	-55.4%
Individual	544,340,211	283,418,248	92.1%	2,866,283,096	2,414,718,925	18.7%
Property	\$31,844,117	\$29,322,563	8.6%	\$475,720,853	\$478,361,857	-0.6%
Building & Loan Association	12,355	11,999	3.0%	247,856	475,525	-47.9%
General - Real	3,757,710	4,054,495	-7.3%	232,690,933	223,680,967	4.0%
General - Tangible	20,734,142	21,525,547	-3.7%	181,469,645	183,454,607	-1.1%
Omitted & Delinquent	5,852,602	3,276,337	78.6%	24,720,050	29,579,716	-16.4%
Public Service	1,478,575	452,699	226.6%	35,544,549	40,106,026	-11.4%
Other	8,732	1,486	487.6%	1,047,820	1,065,016	-1.6%
Inheritance	\$4,653,742	\$2,245,185	107.3%	\$43,830,838	\$34,409,740	27.4%
Miscellaneous	\$2,960,126	\$3,088,506	-4.2%	\$30,550,284	\$28,995,989	5.4%
Legal Process	1,904,964	2,168,074	-12.1%	20,248,695	20,727,416	-2.3%
T. V. A. In Lieu Payments	1,055,161	918,640	14.9%	10,279,021	8,200,046	25.4%
Other	0	1,792	-100.0%	22,569	68,527	-67.1%
Nontax Receipts	\$20,548,863	\$18,462,896	11.3%	\$247,109,695	\$228,799,390	8.0%
Departmental Fees	2,682,170	2,010,039	33.4%	25,308,289	22,662,357	11.7%
PSC Assessment Fee	1,940	375	417.6%	10,673,484	12,297,887	-13.2%
Fines & Forfeitures	2,297,927	2,594,132	-11.4%	23,719,194	22,173,001	7.0%
Interest on Investments	100,949	111,417	-9.4%	1,211,858	1,172,626	3.3%
Lottery	16,000,000	15,000,000	6.7%	155,761,591	153,125,113	1.7%
Sale of NOx Credits	41,250	0	---	9,576,850	611,600	1465.9%
Miscellaneous	(575,374)	(1,253,067)	---	20,858,429	16,756,808	24.5%
Redeposit of State Funds	(\$2,711,955)	\$1,808,098	-250.0%	\$3,990,463	\$12,217,505	-67.3%

2. ROAD FUND REVENUE

	2008	APRIL 2007	% Change	FY 2008	JULY THROUGH APRIL FY 2007	% Change
TOTAL STATE ROAD FUND	\$113,492,097	\$114,073,001	-0.5%	\$1,052,886,046	\$1,004,364,861	4.8%
Tax Receipts-	\$109,660,520	\$109,723,669	-0.1%	\$1,017,639,792	\$972,352,059	4.7%
Sales and Gross Receipts	\$86,166,907	\$84,338,522	2.2%	\$847,246,087	\$804,223,182	5.3%
Motor Fuels Taxes	46,699,286	45,240,411	3.2%	477,096,068	444,625,097	7.3%
Motor Fuels Use & Surtax	4,471,953	1,981,526	125.7%	30,820,541	23,865,423	29.1%
Truck Trip Permits (fuel)	31,400	28,240	11.2%	230,600	257,620	-10.5%
Motor Vehicle Usage	34,964,268	37,088,345	-5.7%	339,098,879	335,475,041	1.1%
License and Privilege	\$23,493,612	\$25,385,147	-7.5%	\$170,393,705	\$168,128,877	1.3%
Motor Vehicles	18,464,399	20,740,892	-11.0%	83,018,056	81,569,434	1.8%
Motor Vehicle Operators	1,262,710	1,431,845	-11.8%	12,738,317	13,344,158	-4.5%
Weight Distance	1,748,888	2,163,158	-19.2%	65,749,555	66,552,609	-1.2%
Truck Decal Fees	309,048	309,454	-0.1%	369,406	451,588	-18.2%
Other Special Fees	1,708,567	739,798	131.0%	8,518,371	6,211,088	37.1%
Nontax Receipts	\$3,753,787	\$4,298,236	-12.7%	\$33,699,350	\$31,654,666	6.5%
Departmental Fees	2,043,587	3,183,012	-35.8%	16,847,818	14,525,201	16.0%
In Lieu of Traffic Fines	90,179	105,788	-14.8%	938,361	971,146	-3.4%
Highway Tolls	0	296	-100.0%	0	3,717,504	-100.0%
Investment Income	1,545,151	911,910	69.4%	15,127,954	11,917,353	26.9%
Miscellaneous	74,869	97,230	-23.0%	785,216	523,463	50.0%
Redeposit of State Funds	\$77,791	\$51,096	52.2%	\$1,546,903	\$358,136	331.9%

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