



Commonwealth of Kentucky  
Office of State Budget Director

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**GENERAL FUND RECEIPTS FOR MAY FALL SIGNIFICANTLY**

*Year-to-date revenue growth is 1.2%*

**FRANKFORT, Ky.** – State Budget Director Mary Lassiter today reported that General Fund receipts for May 2008 totaled \$634.3 million, a decrease of \$163.8 million, or 20.5 percent from May 2007.

This significant decline in May revenue was predicted last month when receipts were reported for April, a month that saw an unusually large increase of 35.9 percent. So far this fiscal year (FY08), the General Fund has received \$7.8 billion, a 1.2 percent increase over the same eleven-month time period in FY07.

Given the economic outlook with one month left in the fiscal year, Lassiter expressed caution about the ability to meet the reduced revenue 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. In total, General Fund receipts must total \$841.7 million in June to meet the budget, 3.7% less than June receipts in 2007.

“The major taxes need strong growth in June to meet the estimate,” Lassiter said. “The sales tax must grow by over 10 percent in June, when we’ve seen a net decline over the last two months.” The combination of individual and corporate income taxes, and the limited liability entity tax must grow by almost 3 percent.”

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

- The sales and use tax fell 12.0 percent.
- Individual income tax receipts fell by 22.6 percent over last May due to timing differences in processing receipts.
- The corporation income tax was also affected by the timing change and refunds. Receipts were negative \$2.5 million compared to \$64 million one year earlier.
- Cigarette taxes declined by 6.6 percent.
- Coal severance taxes declined 9.9 percent.
- Property taxes rose 153.9 percent as a result of timing shifts compared to last year.
- Lottery revenues were up by 3.3 percent.

Road Fund revenues declined by 3.7 percent compared to May 2007. Collections last month totaled \$110.6 million, bringing the year-to-date total to \$1.16 billion. Road Fund revenues in FY08 have increased 3.9 percent compared to the same time period in FY07, yet need to grow by 4.6 percent to meet budgeted levels. Based on revised consensus revenue estimates of \$1.28 billion in Road Fund revenues for the current fiscal year, receipts must grow 11.9 percent in the final month to meet that estimate. Lassiter reiterated the testimony of the Transportation Cabinet earlier in the week: “We are seeing a continued decline in motor fuels consumption resulting from the significantly higher prices at the pump. Through March of this year, we have collected tax on 65 million fewer gallons than last year.”

Among the major accounts in the Road Fund, motor fuels taxes were up 1.1 percent. Motor vehicle usage taxes fell 12.9 percent. License and privilege taxes fell 14.7 percent, and nontax receipts grew 10.6 percent primarily due to investment income.

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

	<b>2008</b>	<b>MAY 2007</b>	<b>% Change</b>	<b>FY 2008</b>	<b>JULY THROUGH MAY FY 2007</b>	<b>% Change</b>
<b>TOTAL GENERAL FUND</b>	<b>\$634,310,716</b>	<b>\$798,165,539</b>	<b>-20.5%</b>	<b>\$7,791,378,716</b>	<b>\$7,699,735,037</b>	<b>1.2%</b>
<b>Tax Receipts</b>	<b>\$610,316,749</b>	<b>\$784,678,403</b>	<b>-22.2%</b>	<b>\$7,516,284,593</b>	<b>\$7,445,231,006</b>	<b>1.0%</b>
<b>Sales and Gross Receipts</b>	<b>\$293,801,229</b>	<b>\$333,500,441</b>	<b>-11.9%</b>	<b>\$3,060,622,199</b>	<b>\$2,993,429,454</b>	<b>2.2%</b>
Beer Consumption	563,314	816,295	-31.0%	5,931,275	5,713,986	3.8%
Beer Wholesale	4,326,660	6,069,279	-28.7%	44,898,769	41,740,936	7.6%
Cigarette	13,715,003	14,676,562	-6.6%	155,958,194	152,655,055	2.2%
Distilled Spirits Case Sales	9,718	11,663	-16.7%	95,911	90,853	5.6%
Distilled Spirits Consumption	972,665	1,215,077	-20.0%	9,560,408	9,277,248	3.1%
Distilled Spirits Wholesale	2,541,159	2,944,256	-13.7%	24,513,842	23,113,893	6.1%
Insurance Premium	24,710,929	27,671,765	-10.7%	113,684,547	113,633,307	0.0%
Pari-Mutuel	1,532,702	1,992,941	-23.1%	4,748,916	4,878,564	-2.7%
Race Track Admission	28,690	0	---	209,765	190,362	10.2%
Sales and Use	238,405,991	270,914,158	-12.0%	2,628,771,023	2,574,605,283	2.1%
Wine Consumption	205,899	300,067	-31.4%	2,167,981	2,127,728	1.9%
Wine Wholesale	1,062,441	1,464,760	-27.5%	10,978,588	10,379,667	5.8%
Telecommunications Tax	4,998,935	4,375,273	14.3%	50,987,411	47,194,897	8.0%
Other Tobacco Products	727,124	1,048,344	-30.6%	8,115,571	7,827,676	3.7%
<b>License and Privilege</b>	<b>\$28,010,272</b>	<b>\$32,216,271</b>	<b>-13.1%</b>	<b>\$416,617,660</b>	<b>\$326,686,568</b>	<b>27.5%</b>
Alc. Bev. License Suspension	34,000	55,450	-38.7%	766,310	583,041	31.4%
Coal Severance	22,709,922	25,193,411	-9.9%	211,209,659	202,835,542	4.1%
Corporation License	(856,201)	1,262,075	---	1,997,610	11,587,751	-82.8%
Corporation Organization	3,113	7,484	-58.4%	243,804	95,951	154.1%
Occupational Licenses	16,445	38,895	-57.7%	119,178	153,154	-22.2%
Oil Production	1,322,875	898,459	47.2%	9,029,143	5,637,857	60.2%
Race Track License	40,000	0	---	234,510	283,675	-17.3%
Bank Franchise Tax	16,445	20,246	-18.8%	71,391,497	63,696,891	12.1%
Driver License Fees	48,214	52,745	-8.6%	552,479	555,406	-0.5%
Minerals Severance	1,131,021	1,603,284	-29.5%	14,821,596	13,489,396	9.9%
Natural Gas Severance	2,395,674	3,084,223	-22.3%	28,021,140	27,767,904	0.9%
Limited Liability Entity	1,148,764	0	---	78,230,734	0	---
<b>Income</b>	<b>\$259,118,197</b>	<b>\$401,816,259</b>	<b>-35.5%</b>	<b>\$3,459,555,707</b>	<b>\$3,566,201,967</b>	<b>-3.0%</b>
Corporation	(2,478,360)	63,981,947	---	331,676,054	813,648,730	-59.2%
Individual	261,596,557	337,834,312	-22.6%	3,127,879,653	2,752,553,237	13.6%
<b>Property</b>	<b>\$22,900,121</b>	<b>\$9,018,867</b>	<b>153.9%</b>	<b>\$498,620,974</b>	<b>\$487,380,724</b>	<b>2.3%</b>
Building & Loan Association	839,147	795,252	5.5%	1,087,003	1,270,777	-14.5%
General - Real	2,635,007	2,811,392	-6.3%	235,325,940	226,492,359	3.9%
General - Tangible	17,185,301	1,466,844	1071.6%	198,654,947	184,921,451	7.4%
Omitted & Delinquent	2,211,761	2,310,497	-4.3%	26,931,812	31,890,214	-15.5%
Public Service	27,443	1,627,173	-98.3%	35,571,991	41,733,198	-14.8%
Other	1,461	7,709	-81.0%	1,049,281	1,072,725	-2.2%
<b>Inheritance</b>	<b>\$3,522,656</b>	<b>\$5,207,302</b>	<b>-32.4%</b>	<b>\$47,353,494</b>	<b>\$39,617,042</b>	<b>19.5%</b>
<b>Miscellaneous</b>	<b>\$2,964,275</b>	<b>\$2,919,263</b>	<b>1.5%</b>	<b>\$33,514,559</b>	<b>\$31,915,252</b>	<b>5.0%</b>
Legal Process	1,907,065	2,000,622	-4.7%	22,155,760	22,728,039	-2.5%
T. V. A. In Lieu Payments	1,055,161	918,640	14.9%	11,334,182	9,118,686	24.3%
Other	2,049	0	---	24,617	68,527	-64.1%
<b>Nontax Receipts</b>	<b>\$21,928,023</b>	<b>\$16,752,759</b>	<b>30.9%</b>	<b>\$269,037,718</b>	<b>\$245,552,150</b>	<b>9.6%</b>
Departmental Fees	2,978,248	2,517,562	18.3%	28,286,537	25,179,918	12.3%
PSC Assessment Fee	1,607	(1,933)	---	10,675,090	12,295,954	-13.2%
Fines & Forfeitures	2,142,625	2,167,157	-1.1%	25,861,819	24,340,158	6.3%
Interest on Investments	95,890	131,286	-27.0%	1,307,747	1,303,912	0.3%
Lottery	15,500,000	15,000,000	3.3%	171,261,591	168,125,113	1.9%
Sale of NOx Credits	1,752,600	89,000	1869.2%	11,329,450	700,600	1517.1%
Miscellaneous	(542,946)	(3,150,313)	---	20,315,483	13,606,495	49.3%
<b>Redeposit of State Funds</b>	<b>\$2,065,944</b>	<b>(\$3,265,624)</b>	<b>---</b>	<b>\$6,056,406</b>	<b>\$8,951,881</b>	<b>-32.3%</b>

**2. ROAD FUND REVENUE**

	<u>2008</u>	<u>MAY</u> <u>2007</u>	<u>% Change</u>	<u>FY 2008</u>	<u>JULY THROUGH MAY</u> <u>FY 2007</u>	<u>% Change</u>
<b>TOTAL STATE ROAD FUND</b>	<b>\$110,631,059</b>	<b>\$114,940,676</b>	<b>-3.7%</b>	<b>\$1,163,517,104</b>	<b>\$1,119,305,537</b>	<b>3.9%</b>
Tax Receipts-	\$107,289,744	\$111,939,290	-4.2%	\$1,124,929,536	\$1,084,291,349	3.7%
Sales and Gross Receipts	\$81,161,132	\$81,315,872	-0.2%	\$928,407,219	\$885,539,054	4.8%
Motor Fuels Taxes	46,444,797	45,945,296	1.1%	523,540,865	490,570,393	6.7%
Motor Fuels Use & Surtax	1,900,919	(2,297,971)	---	32,721,459	21,567,452	51.7%
Truck Trip Permits (fuel)	24,400	26,200	-6.9%	255,000	283,820	-10.2%
Motor Vehicle Usage	32,791,016	37,642,348	-12.9%	371,889,895	373,117,389	-0.3%
License and Privilege	\$26,128,612	\$30,623,418	-14.7%	\$196,522,317	\$198,752,295	-1.1%
Motor Vehicles	5,273,512	10,175,964	-48.2%	88,291,568	91,745,398	-3.8%
Motor Vehicle Operators	1,295,825	1,205,762	7.5%	14,034,143	14,549,920	-3.5%
Weight Distance	17,951,430	18,233,417	-1.5%	83,700,984	84,786,027	-1.3%
Truck Decal Fees	374,144	361,862	3.4%	743,550	813,450	-8.6%
Other Special Fees	1,233,701	646,413	90.9%	9,752,072	6,857,501	42.2%
Nontax Receipts	\$3,266,446	\$2,954,437	10.6%	\$36,965,796	\$34,609,104	6.8%
Departmental Fees	1,602,780	1,632,253	-1.8%	18,450,598	16,157,454	14.2%
In Lieu of Traffic Fines	84,092	105,378	-20.2%	1,022,453	1,076,524	-5.0%
Highway Tolls	0	461	-100.0%	0	3,717,965	-100.0%
Investment Income	1,510,972	1,128,441	33.9%	16,638,926	13,045,793	27.5%
Miscellaneous	68,602	87,905	-22.0%	853,819	611,367	39.7%
Redeposit of State Funds	\$74,869	\$46,949	59.5%	\$1,621,772	\$405,084	300.4%

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