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**GENERAL FUND AND ROAD FUND RECEIPTS**  
**FOR OCTOBER 2008**

*General Fund receipts rose 2.6 percent*  
*Road Fund receipts fell 6.1 percent*

**FRANKFORT, KY (Monday, November 10, 2008)** – The Office of State Budget Director reported today that October's General Fund receipts rose 2.6 percent compared to last year. Accounting for the early collection of one particular tax in October instead of November, General Fund receipts rose only 0.4 percent compared to last year. Total revenues for the month were \$679.6 million, compared to \$662.6 million during October 2007. Receipts have increased 1.3 percent for the first four months of the fiscal year.

Road Fund receipts for October totaled \$93.6 million, a 6.1 percent decrease from October 2007 levels. Year-to-date receipts are down by 4.9 percent.

Budgeted General Fund revenues for FY09 call for growth of 2.6 percent over FY08 actual receipts. Based on year-to-date collections, the rate of growth required in the final eight months of FY09 to meet official budgeted General Fund revenues is 3.1 percent. The Quarterly Economic and Revenue Report, released October 30, forecasted General Fund receipts to be \$293.6 less than budgeted for FY09. Based on that report, the Consensus Forecasting Group has been asked to revise the official revenue forecast for FY09.

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Acting State Budget Director, John Hicks, noted that approximately \$14.6 million of the \$17.1 million in revenue growth for the month of October was attributable to public service company property taxes: “There has been acceleration in the billing and collection for the public service company property tax. Last year a large payment was received in November rather than October, so the \$14.6 million in growth this year represents an acceleration payment of taxes rather than sustainable growth in the underlying tax”.

Among the major accounts,

- Corporation income tax receipts fell by 77.0 percent, due to both weaker declaration payments and a weaker net balance on returns.
- Individual income tax collections rose by 8.0 percent despite growth in withholding of only 2.8 percent.
- Sales and use tax receipts were up 2.4 percent.
- Property tax collections were up 39.3 percent due to timing differences in the public services company property tax highlighted above.
- Cigarette tax receipts declined by 2.0 percent.
- Coal severance tax receipts increased by 28.1 percent in a continuation of its recent trend.
- Lottery revenues were up by 6.9 percent compared to their total from the previous year.

Road Fund receipts fell 6.1 percent in October with collections of \$93.6 million. Budgeted Road Fund revenues call for growth of 4.9 percent for the fiscal year. Based on year-to-date growth, revenues must increase by 9.9 percent for the remainder of FY09 to meet the estimate. Hicks expressed concerns over the Road Fund and noted that “the motor vehicle usage tax continues to fall victim to the worsening economy. Households appear to be delaying automobile purchases until the economy stabilizes and other household debt is retired”.

Among the accounts, motor fuels rose by 7.7 percent. Motor vehicle usage revenue continued its slide, falling 17.9 percent. License and privilege receipts fell 22.2 percent on weakness in the motor vehicle license account. Investment income was down 37.4 percent.

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

	<b>2008</b>	<b>OCTOBER 2007</b>	<b>% Change</b>	<b>FY 2009</b>	<b>JULY THROUGH OCTOBER FY 2008</b>	<b>% Change</b>
<b>TOTAL GENERAL FUND</b>	<b>\$679,637,178</b>	<b>\$662,553,129</b>	<b>2.6%</b>	<b>\$2,764,547,256</b>	<b>\$2,729,664,719</b>	<b>1.3%</b>
<b>Tax Receipts</b>	<b>\$658,313,335</b>	<b>\$639,364,847</b>	<b>3.0%</b>	<b>\$2,678,893,488</b>	<b>\$2,636,758,112</b>	<b>1.6%</b>
Sales and Gross Receipts	\$292,098,338	\$292,438,748	-0.1%	\$1,162,957,105	\$1,133,172,312	2.6%
Beer Consumption	596,164	578,719	3.0%	2,350,465	2,420,648	-2.9%
Beer Wholesale	4,617,887	3,741,122	23.4%	19,168,803	17,936,425	6.9%
Cigarette	14,664,419	14,965,180	-2.0%	56,076,548	58,739,020	-4.5%
Distilled Spirits Case Sales	8,736	7,962	9.7%	36,420	33,334	9.3%
Distilled Spirits Consumption	703,174	801,787	-12.3%	3,598,600	3,365,790	6.9%
Distilled Spirits Wholesale	1,889,840	2,034,419	-7.1%	9,028,005	8,370,500	7.9%
Insurance Premium	9,319,949	16,747,893	-44.4%	40,518,891	40,805,436	-0.7%
Pari-Mutuel	518,640	605,575	-14.4%	1,126,476	1,315,357	-14.4%
Race Track Admission	16,490	815	1924.1%	138,117	153,466	-10.0%
Sales and Use	252,512,116	246,701,620	2.4%	1,003,940,206	974,909,151	3.0%
Wine Consumption	349,261	191,608	82.3%	725,022	743,270	-2.5%
Wine Wholesale	1,403,841	949,845	47.8%	3,916,693	3,610,124	8.5%
Telecommunications Tax	4,802,020	4,368,309	9.9%	19,364,296	17,694,140	9.4%
Other Tobacco Products	695,801	743,893	-6.5%	2,968,563	3,075,651	-3.5%
License and Privilege	\$40,769,332	\$26,545,074	53.6%	\$145,322,541	\$114,329,569	27.1%
Alc. Bev. License Suspension	0	44,650	-100.0%	101,400	363,420	-72.1%
Coal Severance	24,235,052	18,913,817	28.1%	96,909,605	72,345,935	34.0%
Corporation License	1,724,834	585,076	194.8%	2,814,349	2,487,357	13.1%
Corporation Organization	14,780	3,528	318.9%	27,395	91,585	-70.1%
Occupational Licenses	14,490	10,891	33.0%	76,970	51,486	49.5%
Oil Production	995,213	700,401	42.1%	5,000,136	2,740,018	82.5%
Race Track License	7,875	0	---	180,375	186,575	-3.3%
Bank Franchise Tax	(3,016,396)	52,327	---	(6,392,510)	6,479	---
Driver License Fees	47,631	47,869	-0.5%	208,182	224,784	-7.4%
Minerals Severance	1,201,158	1,445,150	-16.9%	5,392,044	6,022,499	-10.5%
Natural Gas Severance	2,197,530	2,728,339	-19.5%	15,768,308	9,195,036	71.5%
Limited Liability Entity	13,347,165	2,013,026	563.0%	25,236,287	20,614,395	22.4%
Income	\$293,822,741	\$295,725,647	-0.6%	\$1,252,854,821	\$1,282,410,349	-2.3%
Corporation	6,910,568	30,101,137	-77.0%	89,282,615	194,073,301	-54.0%
Individual	286,912,173	265,624,510	8.0%	1,163,572,207	1,088,337,049	6.9%
Property	\$25,822,595	\$18,532,044	39.3%	\$89,585,699	\$77,351,638	15.8%
Building & Loan Association	(23,173)	0	---	205,294	93,832	118.8%
General - Real	1,120,720	1,368,247	-18.1%	1,391,409	1,944,396	-28.4%
General - Tangible	9,611,463	13,591,910	-29.3%	47,315,399	39,856,076	18.7%
Omitted & Delinquent	(1,033,281)	1,793,844	-157.6%	11,206,747	21,351,259	-47.5%
Public Service	16,143,882	1,532,470	953.5%	28,882,142	13,696,961	110.9%
Other	2,984	245,573	-98.8%	584,708	409,114	42.9%
Inheritance	\$2,626,690	\$2,779,893	-5.5%	\$15,645,986	\$16,841,555	-7.1%
Miscellaneous	\$3,173,640	\$3,343,441	-5.1%	\$12,527,336	\$12,652,689	-1.0%
Legal Process	2,025,812	2,151,309	-5.8%	8,206,400	8,704,637	-5.7%
T. V. A. In Lieu Payments	1,147,829	1,192,132	-3.7%	4,313,313	3,948,053	9.3%
Other	0	0	---	7,623	0	---
<b>Nontax Receipts</b>	<b>\$21,410,041</b>	<b>\$21,119,861</b>	<b>1.4%</b>	<b>\$86,020,972</b>	<b>\$89,096,935</b>	<b>-3.5%</b>
Departmental Fees	1,981,215	2,305,136	-14.1%	8,093,034	9,657,436	-16.2%
PSC Assessment Fee	(2,697)	49,123	-105.5%	9,351,405	10,578,781	-11.6%
Fines & Forfeitures	2,346,692	2,299,474	2.1%	9,908,778	9,915,477	-0.1%
Interest on Investments	349,871	107,602	225.2%	1,505,503	544,231	176.6%
Lottery	15,500,000	14,500,000	6.9%	58,500,000	56,000,000	4.5%
Sale of NOx Credits	0	0	---	0	0	---
Miscellaneous	1,234,960	1,858,525	-33.6%	(1,337,749)	2,401,010	---
Redeposit of State Funds	(\$86,198)	\$2,068,422	---	(\$367,203)	\$3,809,672	---

**2. ROAD FUND REVENUE**

	<u>2008</u>	<u>OCTOBER</u>		<u>JULY THROUGH OCTOBER</u>		
		<u>2007</u>	<u>% Change</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>% Change</u>
<b>TOTAL STATE ROAD FUND</b>	<b>\$93,596,571</b>	<b>\$99,704,054</b>	<b>-6.1%</b>	<b>\$405,569,564</b>	<b>\$426,359,616</b>	<b>-4.9%</b>
Tax Receipts-	\$90,912,276	\$96,357,568	-5.7%	\$394,102,624	\$413,212,295	-4.6%
Sales and Gross Receipts	\$82,342,324	\$85,336,635	-3.5%	\$340,313,990	\$355,726,597	-4.3%
Motor Fuels Taxes	51,697,174	47,990,962	7.7%	209,672,380	208,206,311	0.7%
Motor Vehicle Usage	30,645,150	37,345,673	-17.9%	130,641,610	147,520,286	-11.4%
License and Privilege	\$8,569,952	\$11,020,934	-22.2%	\$53,788,635	\$57,485,699	-6.4%
Motor Vehicles	4,373,420	6,634,994	-34.1%	22,017,484	25,177,148	-12.5%
Motor Vehicle Operators	1,340,650	1,169,004	14.7%	5,596,073	5,175,706	8.1%
Weight Distance	1,989,787	2,223,029	-10.5%	22,703,307	24,281,757	-6.5%
Truck Decal Fees	18,543	7,240	156.1%	62,352	43,293	44.0%
Other Special Fees	847,554	986,666	-14.1%	3,409,418	2,807,795	21.4%
Nontax Receipts	\$2,815,944	\$3,308,278	-14.9%	\$11,303,480	\$13,048,889	-13.4%
Departmental Fees	1,879,267	1,820,955	3.2%	7,276,392	7,590,359	-4.1%
In Lieu of Traffic Fines	91,358	107,790	-15.2%	336,536	401,359	-16.2%
Investment Income	781,573	1,249,075	-37.4%	3,475,752	4,608,329	-24.6%
Miscellaneous	63,746	130,458	-51.1%	214,801	448,842	-52.1%
Redeposit of State Funds	(\$131,649)	\$38,207	---	\$163,460	\$98,432	66.1%

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