



Office of State Budget Director

284 Capitol Annex, 702 Capitol Avenue
Frankfort, Kentucky 40601

Steven L. Beshear
Governor

(502) 564-7300
FAX: (502) 564-6684
Internet: osbd.ky.gov

John T. Hicks
Acting State Budget
Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

For Immediate Release
December 9, 2008

Contact: John Hicks
Greg Harkenrider
502-564-7300

GENERAL FUND AND ROAD FUND RECEIPTS
FOR NOVEMBER 2008

General Fund receipts rose 5.8 percent
Road Fund receipts fell 7.0 percent

FRANKFORT, KY (Tuesday, December 9, 2008) – The Office of State Budget Director reported today that November's General Fund receipts rose 5.8 percent compared to November of last year, an increase of \$38.7 million. Accounting for earlier collection of \$34 million in property taxes, November General Fund receipts were essentially flat. Total revenues for the month were \$705.2 million, compared to \$666.4 million during November 2007. Receipts have increased 2.2 percent for the first five months of the fiscal year.

Road Fund receipts for November totaled \$103.3 million, a 7.0 percent decrease from November 2007 levels. Year-to-date receipts are down by 5.3 percent.

On November 21, the Consensus Forecasting Group reduced the official FY 2009 General Fund revenue estimate by \$456.1 million, a 5.1 percent reduction from the enacted budget estimates, and the Road Fund revenue estimate by \$104.7, a 7.9 percent reduction from the budget estimates.

Acting State Budget Director, John Hicks, noted that timing issues and prior year collection levels affected the November General Fund receipts: "Typically in the fall months of

-more-

the year, the collection schedule for real property tax payments can greatly affect revenue growth rates for any particular month. November of 2007 was characterized by weak collections in most of the major taxes, so the solid percentage growth in this month's receipts is more indicative of weak collections last November, when collections grew by only 0.5 percent. Individual income tax collections were surprisingly higher and are contrary to the underlying economic data on employment and earnings."

Among the major accounts:

- Sales and use tax receipts were down 8.1 percent.
- Corporation income tax receipts were negative for the month; \$7.8 million lower than in November 2007, due to both weaker declaration payments and a weaker net balance on returns. Corporate tax refunds paid out exceeded cash payments into that account.
- Individual income tax collections rose by 13.7 percent. Receipts from withholding were up 7.9 percent and refunds were down from last year.
- Property tax collections were up 40.5 percent due to timing differences.
- Cigarette tax receipts declined by 7.7 percent.
- Coal severance tax receipts increased by 28.7 percent in a continuation of its recent trend.

Road Fund receipts fell 7.0 percent in November with collections of \$103.3 million. Revised Road Fund estimates call for a decline in revenues of 3.4 percent for the fiscal year. Based on year-to-date tax collections, revenues can decrease by 2.0 percent for the remainder of FY09 to meet the estimate. Hicks noted that the performance of the Road Fund was consistent with the outlook predicted last month by the Consensus Forecasting Group. "While motor fuels receipts are showing very modest signs of growth in response to falling gasoline prices, motor vehicle usage tax collections continue to plunge as consumers are unwilling to commit to additional car loan payments in light of their already-tight household budgets".

Among the accounts, motor fuels rose by 1.5 percent. Motor vehicle usage revenue continued its slide, falling 30.4 percent. License and privilege receipts fell 2.7 percent on weakness in the weight distance tax.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	NOVEMBER			JULY THROUGH NOVEMBER		
	2008	2007	% Change	FY 2009	FY 2008	% Change
TOTAL GENERAL FUND	\$705,151,690	\$666,402,444	5.8%	\$3,469,698,945	\$3,396,067,163	2.2%
Tax Receipts	\$674,701,533	\$624,680,758	8.0%	\$3,353,595,020	\$3,261,438,870	2.8%
Sales and Gross Receipts	\$245,437,008	\$264,699,803	-7.3%	\$1,408,394,113	\$1,397,872,115	0.8%
Beer Consumption	574,869	553,926	3.8%	2,925,334	2,974,574	-1.7%
Beer Wholesale	4,375,292	4,324,918	1.2%	23,544,095	22,261,343	5.8%
Cigarette	11,852,572	12,836,066	-7.7%	67,929,120	71,575,086	-5.1%
Distilled Spirits Case Sales	9,697	9,660	0.4%	46,117	42,994	7.3%
Distilled Spirits Consumption	949,291	966,359	-1.8%	4,547,891	4,332,149	5.0%
Distilled Spirits Wholesale	2,618,300	2,534,724	3.3%	11,646,305	10,905,223	6.8%
Insurance Premium	114,919	198,778	-42.2%	40,633,809	41,004,214	-0.9%
Pari-Mutuel	498,498	685,160	-27.2%	1,624,975	2,000,517	-18.8%
Race Track Admission	0	0	---	138,117	153,466	-10.0%
Sales and Use	216,880,626	236,076,067	-8.1%	1,220,820,832	1,210,985,217	0.8%
Wine Consumption	247,678	199,599	24.1%	972,700	942,869	3.2%
Wine Wholesale	1,186,261	1,019,382	16.4%	5,102,953	4,629,506	10.2%
Telecommunications Tax	5,367,112	4,494,822	19.4%	24,731,408	22,188,963	11.5%
Other Tobacco Products	761,893	800,342	-4.8%	3,730,456	3,875,993	-3.8%
License and Privilege	\$38,134,840	\$26,109,071	46.1%	\$183,457,381	\$140,438,640	30.6%
Alc. Bev. License Suspension	45,900	47,500	-3.4%	147,300	410,920	-64.2%
Coal Severance	25,988,770	20,189,063	28.7%	122,898,374	92,534,997	32.8%
Corporation License	416,397	385,194	8.1%	3,230,746	2,872,552	12.5%
Corporation Organization	6,655	7,620	-12.7%	34,050	99,205	-65.7%
Occupational Licenses	16,155	3,984	305.5%	93,126	55,470	67.9%
Oil Production	676,607	777,998	-13.0%	5,676,743	3,518,016	61.4%
Race Track License	0	0	---	180,375	186,575	-3.3%
Bank Franchise Tax	1,329,672	(1,039,542)	---	(5,062,838)	(1,033,063)	---
Driver License Fees	58,804	46,885	25.4%	266,986	271,669	-1.7%
Minerals Severance	1,519,122	1,562,461	-2.8%	6,911,166	7,584,960	-8.9%
Natural Gas Severance	5,952,438	3,402,031	75.0%	21,720,746	12,597,067	72.4%
Limited Liability Entity	2,124,320	725,877	192.7%	27,360,607	21,340,272	28.2%
Income	\$265,918,583	\$241,373,538	10.2%	\$1,518,773,405	\$1,523,783,888	-0.3%
Corporation	(3,403,425)	4,436,073	---	85,879,189	198,509,374	-56.7%
Individual	269,322,009	236,937,465	13.7%	1,432,894,215	1,325,274,514	8.1%
Property	\$119,377,161	\$84,982,178	40.5%	\$208,962,859	\$162,333,815	28.7%
Building & Loan Association	4,072	0	---	209,366	93,832	123.1%
General - Real	81,691,989	51,161,534	59.7%	83,083,398	53,105,929	56.4%
General - Tangible	35,465,196	29,144,353	21.7%	82,780,595	69,000,429	20.0%
Omitted & Delinquent	(1,210,261)	(12,409,259)	---	9,996,486	8,942,000	11.8%
Public Service	3,427,248	16,977,963	-79.8%	32,309,390	30,674,924	5.3%
Other	(1,084)	107,587	---	583,624	516,701	13.0%
Inheritance	\$2,441,259	\$4,255,313	-42.6%	\$18,087,245	\$21,096,868	-14.3%
Miscellaneous	\$3,392,682	\$3,260,855	4.0%	\$15,920,018	\$15,913,544	0.0%
Legal Process	2,252,559	2,205,694	2.1%	10,458,959	10,910,330	-4.1%
T. V. A. In Lieu Payments	1,139,910	1,055,161	8.0%	5,453,222	5,003,214	9.0%
Other	214	0	---	7,837	0	---
Nontax Receipts	\$29,476,418	\$40,350,240	-26.9%	\$115,497,389	\$129,447,175	-10.8%
Departmental Fees	3,084,842	2,462,745	25.3%	11,177,876	12,120,181	-7.8%
PSC Assessment Fee	(167)	5,529	---	9,351,239	10,584,309	-11.6%
Fines & Forfeitures	2,333,981	2,388,030	-2.3%	12,242,759	12,303,507	-0.5%
Interest on Investments	341,123	142,122	140.0%	1,846,625	686,353	169.0%
Lottery	16,500,000	20,261,591	-18.6%	75,000,000	76,261,591	-1.7%
Sale of NOx Credits	0	0	---	0	0	---
Miscellaneous	7,216,638	15,090,223	-52.2%	5,878,890	17,491,234	-66.4%
Redeposit of State Funds	\$973,739	\$1,371,446	-29.0%	\$606,536	\$5,181,117	-88.3%

2. ROAD FUND REVENUE

	<u>2008</u>	<u>NOVEMBER</u>	<u>% Change</u>	<u>JULY THROUGH NOVEMBER</u>		<u>% Change</u>
		<u>2007</u>		<u>FY 2009</u>	<u>FY 2008</u>	
TOTAL STATE ROAD FUND	\$103,260,145	\$110,992,625	-7.0%	\$508,829,709	\$537,352,241	-5.3%
Tax Receipts-	100,596,554	109,603,823	-8.2%	\$494,699,178	\$522,816,118	-5.4%
Sales and Gross Receipts	\$74,843,906	\$83,141,092	-10.0%	\$415,157,896	\$438,867,689	-5.4%
Motor Fuels Taxes	53,994,320	53,205,642	1.5%	263,666,700	261,411,953	0.9%
Motor Vehicle Usage	20,849,586	29,935,450	-30.4%	151,491,196	177,455,736	-14.6%
License and Privilege	\$25,752,647	\$26,462,731	-2.7%	\$79,541,282	\$83,948,430	-5.2%
Motor Vehicles	5,977,055	5,353,895	11.6%	27,994,540	30,531,043	-8.3%
Motor Vehicle Operators	1,398,376	1,411,539	-0.9%	6,994,450	6,587,245	6.2%
Weight Distance	17,355,993	18,598,168	-6.7%	40,059,300	42,879,925	-6.6%
Truck Decal Fees	11,115	3,590	209.6%	73,468	46,883	56.7%
Other Special Fees	1,010,108	1,095,540	-7.8%	4,419,525	3,903,335	13.2%
Nontax Receipts	\$2,613,130	\$1,325,829	97.1%	\$13,916,610	\$14,374,719	-3.2%
Departmental Fees	1,315,071	1,411,906	-6.9%	8,591,463	9,002,265	-4.6%
In Lieu of Traffic Fines	66,050	93,015	-29.0%	402,586	494,374	-18.6%
Investment Income	1,154,174	(256,760)	---	4,629,925	4,351,569	6.4%
Miscellaneous	77,835	77,669	0.2%	292,637	526,511	-44.4%
Redeposit of State Funds	\$50,461	\$62,972	-19.9%	\$213,920	\$161,404	32.5%

An electronic version of this report is available for viewing and downloading in PDF format at the Office of the State Budget Director's web site. To access this report, set your browser to <http://www.osbd.ky.gov>.