



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
January 9, 2009

Contact: John Hicks
Greg Harkenrider
502-564-7300

GENERAL FUND AND ROAD FUND RECEIPTS
FOR DECEMBER 2008

General Fund receipts rose 1.3 percent
Road Fund receipts fell 7.5 percent

FRANKFORT, KY (Friday, January 9, 2009) – The Office of State Budget Director reported today that December's General Fund receipts rose 1.3 percent compared to December of last year, an increase of \$11.3 million. Total revenues for the month were \$858.6 million, compared to \$847.3 million during December 2007. Receipts have increased 2.0 percent for the first six months of the fiscal year.

The November, 2008 revised revenue forecast by the Commonwealth's Consensus Revenue Forecasting Group called for a 2.7 percent decline for the entire fiscal year which requires about a 5 percent decline for the last eight months of the fiscal year. To meet the revenue estimate receipts must decline 7 percent over the last six months of fiscal year 2009.

Road Fund receipts for December totaled \$83.2 million, a 7.5 percent decrease from December 2007 levels. Year-to-date receipts are down by 5.6 percent.

Acting State Budget Director, John Hicks, noted that growth in General Fund receipts is slowing, as anticipated by the revised revenue forecast. "For the past several months, General Fund receipts have been affected, both positively and negatively, by timing issues and one-time events. When receipts are viewed over a longer period of time, a clearer picture emerges. Sales

-more-

tax receipts which are closely tied to economic activity, grew by 3.2 percent in the first quarter but declined by 0.2 percent in the second quarter. The withholding tax component of the individual income tax grew 3.4 percent in the first quarter but only 2.3 percent in the second quarter. With a rapidly slowing economy, we anticipate that our major taxes will begin to decline accordingly”.

Among the major accounts:

- Sales and use tax receipts were up 5.0 percent for December, and are up 1.5 percent for the year.
- Corporation income tax receipts grew 7.4 percent, but are down 39 percent for the year.
- Individual income tax collections rose by 2.7 percent on the strength of estimated payments. Withholding fell 3.0 percent.
- Property tax collections fell 22.3 percent due to timing differences.
- Cigarette tax receipts declined by 2.5 percent.
- Coal severance tax receipts increased by 37.9 percent in a continuation of its recent trend.

Road Fund receipts fell 7.5 percent in December with collections of \$83.2 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 must decrease by 1.2 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 and an increasingly uncertain economy”.

Among the accounts, motor fuels rose by 3.5 percent. Motor vehicle usage revenue continued its slide, falling 17.6 percent. License and privilege receipts grew 1.1 percent on strength in the weight distance tax.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>DECEMBER</u>			<u>JULY THROUGH DECEMBER</u>		
	<u>2008</u>	<u>2007</u>	<u>% Change</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$858,594,467	\$847,264,015	1.3%	\$4,328,293,412	\$4,243,331,177	2.0%
Tax Receipts	\$822,246,951	\$822,312,949	0.0%	\$4,175,841,971	\$4,083,751,820	2.3%
Sales and Gross Receipts	\$274,843,811	\$262,794,106	4.6%	\$1,683,237,924	\$1,660,666,221	1.4%
Beer Consumption	444,597	468,491	-5.1%	3,369,932	3,443,065	-2.1%
Beer Wholesale	3,538,353	3,820,423	-7.4%	27,082,448	26,081,766	3.8%
Cigarette	13,059,341	13,395,380	-2.5%	80,988,461	84,970,466	-4.7%
Distilled Spirits Case Sales	8,163	8,031	1.6%	54,279	51,025	6.4%
Distilled Spirits Consumption	793,203	797,826	-0.6%	5,341,094	5,129,975	4.1%
Distilled Spirits Wholesale	2,197,459	2,073,961	6.0%	13,843,764	12,979,184	6.7%
Insurance Premium	3,043	(3,188)	---	40,636,852	41,001,026	-0.9%
Pari-Mutuel	322,517	121,045	166.4%	1,947,492	2,121,562	-8.2%
Race Track Admission	55,540	23,949	131.9%	193,657	177,415	9.2%
Sales and Use	246,901,560	235,221,038	5.0%	1,467,722,393	1,446,206,256	1.5%
Wine Consumption	202,395	215,563	-6.1%	1,175,095	1,158,432	1.4%
Wine Wholesale	1,015,537	1,160,659	-12.5%	6,118,491	5,790,165	5.7%
Telecommunications Tax	5,583,710	4,753,381	17.5%	30,315,118	26,942,344	12.5%
Other Tobacco Products	718,392	737,548	-2.6%	4,448,848	4,613,541	-3.6%
License and Privilege	\$47,135,616	\$40,727,469	15.7%	\$230,592,997	\$181,166,109	27.3%
Alc. Bev. License Suspension	16,200	22,250	-27.2%	163,500	433,170	-62.3%
Coal Severance	25,325,443	18,368,105	37.9%	148,223,817	110,903,103	33.7%
Corporation License	925,087	862,613	7.2%	4,155,833	3,735,164	11.3%
Corporation Organization	15	86,495	-100.0%	34,065	185,700	-81.7%
Occupational Licenses	12,097	7,298	65.8%	105,223	62,769	67.6%
Oil Production	596,150	866,838	-31.2%	6,272,893	4,384,853	43.1%
Race Track License	117,825	3,210	3570.3%	298,200	189,785	57.1%
Bank Franchise Tax	(151,242)	806,405	---	(5,214,080)	(226,658)	---
Driver License Fees	38,579	42,300	-8.8%	305,566	313,970	-2.7%
Minerals Severance	1,309,912	2,343,156	-44.1%	8,221,077	9,928,116	-17.2%
Natural Gas Severance	4,207,178	1,652,832	154.5%	25,927,924	14,249,899	82.0%
Limited Liability Entity	14,738,372	15,665,967	---	42,098,978	37,006,239	13.8%
Income	\$382,103,581	\$368,680,532	3.6%	\$1,900,876,986	\$1,892,464,419	0.4%
Corporation	78,753,053	73,318,787	7.4%	164,632,243	271,828,161	-39.4%
Individual	303,350,528	295,361,745	2.7%	1,736,244,743	1,620,636,258	7.1%
Property	\$110,259,767	\$141,880,608	-22.3%	\$319,222,626	\$304,214,424	4.9%
Building & Loan Association	0	0	---	209,366	93,832	123.1%
General - Real	68,195,836	96,892,600	-29.6%	151,279,234	149,998,530	0.9%
General - Tangible	35,948,742	43,269,715	-16.9%	118,729,337	112,270,144	5.8%
Omitted & Delinquent	1,153,534	1,543,845	-25.3%	11,150,021	10,485,846	6.3%
Public Service	4,917,884	173,971	2726.8%	37,227,275	30,848,895	20.7%
Other	43,770	477	9082.8%	627,394	517,178	21.3%
Inheritance	\$3,931,098	\$5,547,950	-29.1%	22,018,343	26,644,818	-17.4%
Miscellaneous	\$3,973,077	\$2,682,285	48.1%	\$19,893,095	\$18,595,829	7.0%
Legal Process	1,693,258	1,627,123	4.1%	12,152,217	12,537,454	-3.1%
T. V. A. In Lieu Payments	2,279,819	1,055,161	116.1%	7,733,042	6,058,375	27.6%
Other	0	0	---	7,837	0	---
Nontax Receipts	\$36,310,356	\$25,085,275	44.7%	\$151,807,746	\$154,532,449	-1.8%
Departmental Fees	2,486,982	2,272,863	9.4%	13,664,859	14,393,044	-5.1%
PSC Assessment Fee	5,643	16,946	-66.7%	9,356,882	10,601,255	-11.7%
Fines & Forfeitures	2,051,933	2,100,548	-2.3%	14,294,692	14,404,055	-0.8%
Interest on Investments	232,302	127,398	82.3%	2,078,927	813,751	155.5%
Lottery	16,500,000	16,000,000	3.1%	91,500,000	92,261,591	-0.8%
Sale of NOx Credits	0	0	---	0	0	---
Miscellaneous	15,033,496	4,567,520	229.1%	20,912,386	22,058,753	-5.2%
Redeposit of State Funds	\$37,159	(\$134,209)	---	643,695	5,046,908	-87.2%

2. ROAD FUND REVENUE

	<u>2008</u>	<u>DECEMBER</u>	<u>% Change</u>	<u>JULY THROUGH DECEMBER</u>		<u>% Change</u>
		<u>2007</u>		<u>FY 2009</u>	<u>FY 2008</u>	
TOTAL STATE ROAD FUND	\$83,199,897	\$89,915,356	-7.5%	\$592,029,606	\$627,267,597	-5.6%
Tax Receipts-	82,050,595	85,003,949	-3.5%	\$576,749,773	\$607,820,067	-5.1%
Sales and Gross Receipts	\$74,316,096	\$77,352,182	-3.9%	\$489,473,992	\$516,219,870	-5.2%
Motor Fuels Taxes	52,012,118	50,273,324	3.5%	315,678,818	311,685,277	1.3%
Motor Vehicle Usage	22,303,978	27,078,858	-17.6%	173,795,174	204,534,593	-15.0%
License and Privilege	\$7,734,498	\$7,651,766	1.1%	\$87,275,780	\$91,600,196	-4.7%
Motor Vehicles	5,051,100	5,305,194	-4.8%	33,045,640	35,836,236	-7.8%
Motor Vehicle Operators	994,230	1,230,622	-19.2%	7,988,679	7,817,867	2.2%
Weight Distance	658,049	442,085	48.9%	40,717,349	43,322,010	-6.0%
Truck Decal Fees	3,307	3,587	-7.8%	76,774	50,469	52.1%
Other Special Fees	1,027,813	670,280	53.3%	5,447,338	4,573,614	19.1%
Nontax Receipts	\$1,136,491	\$4,952,269	-77.1%	\$15,053,101	\$19,326,988	-22.1%
Departmental Fees	702,043	1,302,819	-46.1%	9,293,506	10,305,084	-9.8%
In Lieu of Traffic Fines	79,506	73,349	8.4%	482,092	567,723	-15.1%
Investment Income	321,469	3,548,651	-90.9%	4,951,394	7,900,220	-37.3%
Miscellaneous	33,473	27,450	21.9%	326,109	553,961	-41.1%
Redeposit of State Funds	\$12,812	(\$40,861)	---	\$226,732	\$120,543	88.1%

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>.