For Immediate Release
January 9, 2009
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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

#### DECEMBER

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
<th>% Change</th>
<th>FY 2009</th>
<th>FY 2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL GENERAL FUND</strong></td>
<td>$858,594,467</td>
<td>$847,264,015</td>
<td>1.3%</td>
<td>$4,328,293,412</td>
<td>$4,243,331,177</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Tax Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Gross Receipts</td>
<td>$274,843,811</td>
<td>$262,794,106</td>
<td>4.6%</td>
<td>$1,683,237,924</td>
<td>$1,660,666,221</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Beer Consumption</strong></td>
<td>444,597</td>
<td>468,491</td>
<td>-5.1%</td>
<td>3,369,932</td>
<td>3,443,065</td>
<td>-2.1%</td>
</tr>
<tr>
<td><strong>Beer Wholesale</strong></td>
<td>3,538,353</td>
<td>3,820,423</td>
<td>-7.4%</td>
<td>27,082,448</td>
<td>26,081,766</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Cigarettes</strong></td>
<td>13,059,341</td>
<td>13,395,380</td>
<td>-2.5%</td>
<td>80,988,461</td>
<td>84,970,466</td>
<td>-4.7%</td>
</tr>
<tr>
<td><strong>Distilled Spirits Case Sales</strong></td>
<td>8,163</td>
<td>8,031</td>
<td>1.6%</td>
<td>54,279</td>
<td>51,025</td>
<td>6.4%</td>
</tr>
<tr>
<td><strong>Distilled Spirits Consumption</strong></td>
<td>793,203</td>
<td>797,826</td>
<td>-0.6%</td>
<td>5,341,094</td>
<td>5,129,795</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>Distilled Spirits Wholesale</strong></td>
<td>2,197,459</td>
<td>2,073,961</td>
<td>6.0%</td>
<td>13,843,764</td>
<td>12,979,184</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Insurance Premium</strong></td>
<td>3,043</td>
<td>(3,188)</td>
<td></td>
<td>40,636,852</td>
<td>41,001,026</td>
<td>-0.9%</td>
</tr>
<tr>
<td><strong>Pari-Mutuel</strong></td>
<td>322,517</td>
<td>121,045</td>
<td>166.4%</td>
<td>1,947,492</td>
<td>2,126,562</td>
<td>-8.2%</td>
</tr>
<tr>
<td><strong>Race Track Admission</strong></td>
<td>55,540</td>
<td>23,949</td>
<td>131.9%</td>
<td>193,657</td>
<td>177,415</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>Sales and Use</strong></td>
<td>246,901,560</td>
<td>235,221,038</td>
<td>5.0%</td>
<td>1,467,722,393</td>
<td>1,446,206,256</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Wine Consumption</strong></td>
<td>202,395</td>
<td>215,563</td>
<td>-6.1%</td>
<td>1,175,095</td>
<td>1,158,432</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Wine Wholesale</strong></td>
<td>1,015,537</td>
<td>1,160,659</td>
<td>-12.5%</td>
<td>5,618,491</td>
<td>5,790,165</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>Telecommunications Tax</strong></td>
<td>5,583,710</td>
<td>4,753,381</td>
<td>17.5%</td>
<td>30,315,118</td>
<td>26,942,344</td>
<td>12.5%</td>
</tr>
<tr>
<td><strong>Other Tobacco Products</strong></td>
<td>718,392</td>
<td>737,548</td>
<td>-2.6%</td>
<td>4,484,848</td>
<td>4,613,541</td>
<td>-2.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$47,135,616</td>
<td>$40,727,469</td>
<td>15.7%</td>
<td>$230,592,997</td>
<td>$181,166,109</td>
<td>27.3%</td>
</tr>
<tr>
<td><strong>License and Privilege</strong></td>
<td>$1,253,324</td>
<td>$1,273,006</td>
<td>-1.5%</td>
<td>$11,930,980</td>
<td>$11,572,663</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$48,388,931</td>
<td>$42,997,475</td>
<td>13.1%</td>
<td>$242,523,977</td>
<td>$232,738,772</td>
<td>4.2%</td>
</tr>
<tr>
<td><strong>Corporation</strong></td>
<td>278,753,053</td>
<td>73,318,787</td>
<td>274.3%</td>
<td>164,632,423</td>
<td>271,828,161</td>
<td>-39.4%</td>
</tr>
<tr>
<td><strong>Individual</strong></td>
<td>303,350,528</td>
<td>295,631,745</td>
<td>2.7%</td>
<td>1,736,244,743</td>
<td>1,620,636,258</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Property</strong></td>
<td>$110,259,767</td>
<td>$141,880,608</td>
<td>-22.3%</td>
<td>$319,222,626</td>
<td>$304,214,424</td>
<td>4.9%</td>
</tr>
<tr>
<td><strong>Building &amp; Loan Association</strong></td>
<td>0</td>
<td>0</td>
<td>---</td>
<td>209,366</td>
<td>93,832</td>
<td>123.1%</td>
</tr>
<tr>
<td><strong>General - Real</strong></td>
<td>68,195,836</td>
<td>96,892,600</td>
<td>-29.6%</td>
<td>151,279,234</td>
<td>149,998,530</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>General - Tangible</strong></td>
<td>36,948,742</td>
<td>43,269,715</td>
<td>-15.6%</td>
<td>118,729,337</td>
<td>112,270,144</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Omitted &amp; Delinquent</strong></td>
<td>1,153,534</td>
<td>1,548,845</td>
<td>-25.3%</td>
<td>11,150,021</td>
<td>13,225,184</td>
<td>-15.8%</td>
</tr>
<tr>
<td><strong>Public Service</strong></td>
<td>4,917,884</td>
<td>173,971</td>
<td>2726.8%</td>
<td>37,227,235</td>
<td>30,848,895</td>
<td>20.7%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>43,770</td>
<td>477</td>
<td>9082.8%</td>
<td>627,394</td>
<td>512,075</td>
<td>21.7%</td>
</tr>
<tr>
<td><strong>Inheritance</strong></td>
<td>$3,931,098</td>
<td>$5,547,950</td>
<td>-29.1%</td>
<td>22,018,343</td>
<td>26,644,818</td>
<td>-17.4%</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>$3,973,077</td>
<td>$2,682,285</td>
<td>48.1%</td>
<td>$19,893,095</td>
<td>$18,595,829</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Legal Process</strong></td>
<td>1,693,258</td>
<td>1,627,123</td>
<td>4.1%</td>
<td>12,152,417</td>
<td>12,537,454</td>
<td>-3.1%</td>
</tr>
<tr>
<td><strong>T. V. A. In Lieu Payments</strong></td>
<td>2,279,819</td>
<td>1,055,161</td>
<td>116.1%</td>
<td>7,733,042</td>
<td>6,058,375</td>
<td>27.6%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>0</td>
<td>0</td>
<td>---</td>
<td>7,837</td>
<td>0</td>
<td>---</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$36,310,356</td>
<td>$25,085,275</td>
<td>44.7%</td>
<td>$151,807,746</td>
<td>$154,532,449</td>
<td>-1.8%</td>
</tr>
<tr>
<td><strong>Departmental Fees</strong></td>
<td>2,486,962</td>
<td>2,272,863</td>
<td>9.4%</td>
<td>13,664,859</td>
<td>14,393,044</td>
<td>-5.1%</td>
</tr>
<tr>
<td><strong>PSC Assessment Fee</strong></td>
<td>5,643</td>
<td>16,946</td>
<td>-66.7%</td>
<td>9,356,882</td>
<td>10,601,255</td>
<td>-11.7%</td>
</tr>
<tr>
<td><strong>Fines &amp; Forfeitures</strong></td>
<td>2,051,933</td>
<td>2,100,548</td>
<td>-2.3%</td>
<td>14,294,692</td>
<td>14,404,055</td>
<td>-0.8%</td>
</tr>
<tr>
<td><strong>Interest on Investments</strong></td>
<td>232,302</td>
<td>127,398</td>
<td>82.3%</td>
<td>2,078,927</td>
<td>813,751</td>
<td>155.5%</td>
</tr>
<tr>
<td><strong>Lottery</strong></td>
<td>16,500,000</td>
<td>16,000,000</td>
<td>3.1%</td>
<td>91,500,000</td>
<td>92,261,591</td>
<td>-0.8%</td>
</tr>
<tr>
<td><strong>Sale of NOx Credits</strong></td>
<td>0</td>
<td>0</td>
<td>---</td>
<td>0</td>
<td>0</td>
<td>---</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>15,033,496</td>
<td>4,567,520</td>
<td>229.1%</td>
<td>20,912,386</td>
<td>22,058,753</td>
<td>-5.2%</td>
</tr>
<tr>
<td><strong>Redeem of State Funds</strong></td>
<td>$37,159</td>
<td>($134,209)</td>
<td>---</td>
<td>643,695</td>
<td>5,046,908</td>
<td>-87.2%</td>
</tr>
</tbody>
</table>
## 2. ROAD FUND REVENUE

<table>
<thead>
<tr>
<th></th>
<th>DECEMBER 2008</th>
<th>2007</th>
<th>% Change</th>
<th>JULY THROUGH DECEMBER FY 2009</th>
<th>FY 2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL STATE ROAD FUND</strong></td>
<td>$83,199,897</td>
<td>$89,915,356</td>
<td>-7.5%</td>
<td><strong>$592,029,606</strong></td>
<td>$627,267,597</td>
<td>-5.6%</td>
</tr>
<tr>
<td><strong>Tax Receipts-</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>82,050,595</td>
<td>85,003,949</td>
<td>-3.5%</td>
<td><strong>$576,749,773</strong></td>
<td>$607,820,067</td>
<td>-5.1%</td>
</tr>
<tr>
<td><strong>Sales and Gross Receipts</strong></td>
<td>$74,316,096</td>
<td>$77,352,182</td>
<td>-3.9%</td>
<td><strong>$489,473,992</strong></td>
<td>$516,219,870</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Motor Fuels Taxes</td>
<td>52,012,118</td>
<td>50,273,324</td>
<td>3.5%</td>
<td><strong>315,678,818</strong></td>
<td>311,185,277</td>
<td>1.3%</td>
</tr>
<tr>
<td>Motor Vehicle Usage</td>
<td>22,303,978</td>
<td>27,078,858</td>
<td>-17.6%</td>
<td>173,795,174</td>
<td>204,534,593</td>
<td>-15.0%</td>
</tr>
<tr>
<td><strong>License and Privilege</strong></td>
<td>$7,734,498</td>
<td>$7,651,766</td>
<td>1.1%</td>
<td><strong>$87,275,780</strong></td>
<td>$91,600,196</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>5,051,100</td>
<td>5,305,194</td>
<td>-4.8%</td>
<td>33,045,640</td>
<td>35,836,236</td>
<td>-7.8%</td>
</tr>
<tr>
<td>Motor Vehicle Operators</td>
<td>994,230</td>
<td>1,230,622</td>
<td>-19.2%</td>
<td>7,988,679</td>
<td>7,817,867</td>
<td>2.2%</td>
</tr>
<tr>
<td>Weight Distance</td>
<td>658,049</td>
<td>442,085</td>
<td>48.9%</td>
<td>40,717,349</td>
<td>43,322,010</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Truck Decal Fees</td>
<td>3,307</td>
<td>3,587</td>
<td>-7.8%</td>
<td>76,774</td>
<td>50,469</td>
<td>52.1%</td>
</tr>
<tr>
<td>Other Special Fees</td>
<td>1,027,813</td>
<td>670,280</td>
<td>53.3%</td>
<td>5,447,338</td>
<td>4,573,614</td>
<td>19.1%</td>
</tr>
<tr>
<td><strong>Nontax Receipts</strong></td>
<td>$1,136,491</td>
<td>$4,952,269</td>
<td>-77.1%</td>
<td><strong>$15,053,101</strong></td>
<td>$19,326,988</td>
<td>-22.1%</td>
</tr>
<tr>
<td>Departmental Fees</td>
<td>702,043</td>
<td>1,302,819</td>
<td>-46.1%</td>
<td>9,293,506</td>
<td>10,305,084</td>
<td>-9.8%</td>
</tr>
<tr>
<td>In Lieu of Traffic Fines</td>
<td>79,506</td>
<td>73,349</td>
<td>8.4%</td>
<td>482,092</td>
<td>567,723</td>
<td>-15.1%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>321,469</td>
<td>3,548,651</td>
<td>-90.9%</td>
<td>4,951,394</td>
<td>7,900,220</td>
<td>-37.3%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>33,473</td>
<td>27,450</td>
<td>21.9%</td>
<td>326,109</td>
<td>553,961</td>
<td>-41.1%</td>
</tr>
<tr>
<td><strong>Deposits to State Funds</strong></td>
<td><strong>314,012</strong></td>
<td>(<strong>340,001</strong></td>
<td>---</td>
<td><strong>$2,820,132</strong></td>
<td>$1,920,345</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

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