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**GENERAL FUND AND ROAD FUND RECEIPTS
DECLINE IN FEBRUARY 2009**
General Fund receipts fell 9.3 percent
Road Fund receipts fell 11.7 percent

FRANKFORT, KY (Tuesday, March 10, 2009) – The Office of State Budget Director reported today that February's General Fund receipts fell 9.3 percent compared to February of last year, a decrease of \$54.3 million. Total revenues for the month were \$528.4 million, compared to \$582.7 million during February 2008. Receipts are now flat (0.0% growth) for the first eight 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. To meet the revenue estimate, receipts must decline 7.6 percent over the last four months of the fiscal year.

Road Fund receipts for February totaled \$97.9 million, falling 11.7 percent from February 2008 levels. Year-to-date receipts in the Road Fund are down by 7.3 percent.

State Budget Director Mary Lassiter noted that not only are General Fund tax receipts trending downward, but the rate of decline is increasing, particularly among the sales and individual income taxes. "Sales and use, and individual income taxes are particularly important to the health of the General Fund since they account for approximately 75 percent of total tax revenue. Both of these revenue sources have fallen prey to state and national recessions. Just three months ago General Fund receipts were \$85 million greater than in the previous year.

Since then, sales tax receipts have fallen by nearly 2 percent and individual income tax collections are off 6.4 percent. ”

Among the major accounts:

- Sales and use tax receipts were down 6.0 percent for the month and are down 0.2 percent for the year.
- Individual income tax collections fell by 9.7 percent, reflecting year-to-date growth of 2.6 percent.
- Corporation income tax receipts were negative for the month and are down 40.0 percent for the year.
- Property tax collections decreased 41.2 percent in February.
- Cigarette tax receipts declined by 5.5 percent.
- Coal severance tax receipts increased by 28.3 percent.

Road Fund receipts fell 11.7 percent in February with collections of \$97.9 million. The Consensus Forecasting Group’s 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 increase by 4.4 percent for the remainder of FY09 to meet the estimate. Lassiter expressed concern about the declines in the Road Fund but hinted that some minor help may be on the horizon. “The decidedly negative trend in the Kentucky Road Fund is predominantly a function of motor vehicle usage tax, which is down 18.0 percent through the first eight months of FY09. While economic growth patterns don’t usually make dramatic reversals, we do expect some minor improvements in vehicle sales attributable to the federal income tax credit that was adopted as part of the American Recovery and Reinvestment Act of 2009 to help create demand for new vehicle purchases.”

Among the accounts, motor fuels rose by 4.7 percent, motor vehicle usage revenue was off 24.9 percent, and license and privilege receipts fell 16.6 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	2009	FEBRUARY 2008	% Change	FY 2009	JULY THROUGH FEBRUARY FY 2008	% Change
TOTAL GENERAL FUND	\$528,410,155	\$582,718,628	-9.3%	\$5,579,227,624	\$5,578,819,128	0.0%
Tax Receipts	\$503,546,263	\$564,683,042	-10.8%	\$5,373,103,987	\$5,372,756,405	0.0%
Sales and Gross Receipts	\$234,501,847	\$254,440,681	-7.8%	\$2,232,164,526	\$2,243,868,885	-0.5%
Beer Consumption	452,683	447,756	1.1%	4,277,191	4,344,605	-1.6%
Beer Wholesale	3,335,086	3,353,163	-0.5%	34,931,632	33,590,614	4.0%
Cigarette	12,138,505	12,849,088	-5.5%	105,288,234	113,438,095	-7.2%
Distilled Spirits Case Sales	6,258	7,275	-14.0%	72,907	70,931	2.8%
Distilled Spirits Consumption	622,968	719,449	-13.4%	7,183,770	7,082,029	1.4%
Distilled Spirits Wholesale	1,541,782	1,793,114	-14.0%	18,741,503	18,141,699	3.3%
Insurance Premium	16,485,943	22,918,710	-28.1%	57,169,400	63,974,651	-10.6%
Pari-Mutuel	142,361	131,381	8.4%	2,223,455	2,418,439	-8.1%
Race Track Admission	0	0	---	193,657	177,415	9.2%
Sales and Use	193,186,418	205,511,540	-6.0%	1,945,200,578	1,948,407,387	-0.2%
Wine Consumption	146,863	156,408	-6.1%	1,609,513	1,614,373	-0.3%
Wine Wholesale	719,560	791,875	-9.1%	8,397,825	8,174,575	2.7%
Telecommunications Tax	5,003,837	5,096,348	-1.8%	41,017,143	36,457,957	12.5%
Other Tobacco Products	719,583	664,575	8.3%	5,857,717	5,976,116	-2.0%
License and Privilege	\$44,194,797	\$34,433,250	28.3%	\$306,277,440	\$242,269,094	26.4%
Alc. Bev. License Suspension	34,900	87,220	-60.0%	241,900	588,490	-58.9%
Coal Severance	24,308,470	18,942,972	28.3%	193,654,676	147,802,711	31.0%
Corporation License	2,585,833	(2,534,179)	---	7,770,835	1,695,064	358.4%
Corporation Organization	0	26,450	-100.0%	34,065	233,732	-85.4%
Occupational Licenses	13,110	9,216	42.3%	127,126	77,504	64.0%
Oil Production	276,662	833,678	-66.8%	6,860,747	6,053,351	13.3%
Race Track License	0	0	---	298,200	189,785	57.1%
Bank Franchise Tax	4,293,775	11,183,728	-61.6%	(539,670)	11,482,458	---
Driver License Fees	33,934	51,793	-34.5%	381,472	407,313	-6.3%
Minerals Severance	541,984	864,063	-37.3%	9,648,465	11,953,477	-19.3%
Natural Gas Severance	3,138,694	3,577,778	-12.3%	31,460,480	20,211,771	55.7%
Limited Liability Entity	8,967,435	1,390,532	---	56,339,145	41,573,438	35.5%
Income	\$201,766,377	\$234,985,327	-14.1%	\$2,348,624,448	\$2,402,062,395	-2.2%
Corporation	(10,338,988)	(16,965)	---	164,298,050	273,714,766	-40.0%
Individual	212,105,365	235,002,292	-9.7%	2,184,326,398	2,128,347,629	2.6%
Property	\$18,288,684	\$31,088,918	-41.2%	\$435,353,293	\$422,572,918	3.0%
Building & Loan Association	6,612	170,757	---	215,978	268,608	-19.6%
General - Real	9,633,616	12,790,869	-24.7%	228,779,844	224,248,466	2.0%
General - Tangible	8,904,359	15,930,393	-44.1%	154,835,141	149,496,733	3.6%
Omitted & Delinquent	(993,876)	1,656,820	---	12,308,279	14,262,179	-13.7%
Public Service	506,315	222,843	127.2%	38,340,774	33,445,462	14.6%
Other	231,658	317,237	-27.0%	873,277	851,470	2.6%
Inheritance	\$1,787,211	\$6,554,030	-72.7%	\$26,042,372	\$37,584,736	-30.7%
Miscellaneous	\$3,007,347	\$3,180,836	-5.5%	\$24,641,908	\$24,398,377	1.0%
Legal Process	1,854,422	2,125,675	-12.8%	15,743,164	16,229,369	-3.0%
T. V. A. In Lieu Payments	1,139,910	1,055,161	8.0%	8,872,951	8,168,698	8.6%
Other	13,015	0	---	25,792	310	8220.1%
Nontax Receipts	\$24,246,576	\$17,882,458	35.6%	\$204,204,811	\$199,503,846	2.4%
Departmental Fees	3,200,580	2,936,171	9.0%	19,600,065	19,671,816	-0.4%
PSC Assessment Fee	4,734	5,802	-18.4%	9,368,357	10,667,153	-12.2%
Fines & Forfeitures	2,569,451	2,628,594	-2.2%	18,828,031	18,773,237	0.3%
Interest on Investments	79,258	105,896	-25.2%	2,264,641	1,028,498	120.2%
Lottery	17,000,000	16,000,000	6.3%	124,500,000	123,761,591	0.6%
Sale of NOx Credits	0	540,000	-100.0%	0	4,855,000	-100.0%
Miscellaneous	1,392,553	(4,334,005)	---	29,643,717	20,746,551	42.9%
Redeposit of State Funds	\$617,316	\$153,128	303.1%	\$1,918,826	\$6,558,876	-70.7%

2. ROAD FUND REVENUE

	<u>FEBRUARY</u>			<u>JULY THROUGH FEBRUARY</u>		
	<u>2009</u>	<u>2008</u>	<u>% Change</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$97,871,844	\$110,860,050	-11.7%	\$780,828,956	\$842,103,496	-7.3%
Tax Receipts-	\$95,614,750	\$106,128,725	-9.9%	\$759,880,531	\$814,440,523	-6.7%
Sales and Gross Receipts	\$71,439,899	\$77,145,690	-7.4%	\$638,470,279	\$679,550,476	-6.0%
Motor Fuels Taxes	47,813,535	45,684,111	4.7%	414,660,791	406,695,393	2.0%
Motor Vehicle Usage	23,626,364	31,461,579	-24.9%	223,809,488	272,855,083	-18.0%
License and Privilege	\$24,174,851	\$28,983,035	-16.6%	\$121,410,252	\$134,890,047	-10.0%
Motor Vehicles	6,527,894	10,154,207	-35.7%	45,980,119	54,712,390	-16.0%
Motor Vehicle Operators	1,095,113	1,362,070	-19.6%	10,282,579	10,249,943	0.3%
Weight Distance	15,229,709	16,627,124	-8.4%	57,423,302	63,557,432	-9.7%
Truck Decal Fees	2,590	2,245	15.4%	87,016	56,401	54.3%
Other Special Fees	1,319,546	837,390	57.6%	7,637,236	6,313,881	21.0%
Nontax Receipts	\$2,242,275	\$3,570,989	-37.2%	\$20,293,236	\$26,349,082	-23.0%
Departmental Fees	1,229,346	1,363,014	-9.8%	12,488,226	13,257,745	-5.8%
In Lieu of Traffic Fines	76,054	85,412	-11.0%	633,326	752,255	-15.8%
Investment Income	922,677	2,062,615	-55.3%	6,793,223	11,688,180	-41.9%
Miscellaneous	14,198	59,948	-76.3%	378,462	650,902	-41.9%
Redeposit of State Funds	\$14,819	\$1,160,336	-98.7%	\$655,189	\$1,313,891	-50.1%

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