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GENERAL FUND AND ROAD FUND RECEIPTS
FOR AUGUST 2009
General Fund receipts fell 1.8 percent
Road Fund receipts fell 0.4 percent

State Budget Director Mary Lassiter reported today that General Fund receipts fell 1.8 percent in August compared to last year. Total revenues for the month were \$622.4 million, compared to \$633.7 million during August 2008. So far this fiscal year (FY10), the General Fund has fallen 2.9 percent.

Road Fund receipts for August totaled \$116.5 million, a decrease of 0.4 percent from August 2008 levels.

Lassiter noted that while total General Fund receipts weren't too far off last year's total, revenues will not likely rebound until the state's economy also turns around. "Despite some improvement in the national economic outlook, Kentucky's economy, specifically the state labor market, continues to struggle in the persistent economic downturn. Until our employment and wage situation improves, revenues are expected to decline" she said. "The two accounts most closely tied to the economy and which account for nearly 75 percent of General Fund revenues – sales and individual income taxes – performed poorly in August, falling a combined 6.1 percent."

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The revised consensus General Fund revenue estimate for FY10 (adjusted for the impact of legislation from the 2009 Regular and Special Sessions of the General Assembly) calls for revenue to fall 1.5 percent compared to FY09 actual receipts. Based on August's results, General Fund revenues can fall 1.3 percent for the remainder of the fiscal year and still meet the official estimate.

Among the major accounts:

- Individual income taxes declined 4.2 percent due to lower withholding and declaration payments.
- Sales tax revenues fell 8.1 percent in August on the heels of an 8.2 percent slide in July.
- Corporation income tax increased \$6.1 million due to a more favorable net balance on returns.
- Cigarette taxes grew by 83.3 percent due to the increase in the cigarette tax rate.
- Property taxes grew 5.0 percent due to growth in public service company taxes.
- Coal severance tax fell 11.9 percent due to mild weather and the falling price of coal.
- Lottery revenues were up 3.6 percent.

The Road Fund was virtually unchanged in August, falling 0.4 percent with revenues of \$116.5 million. The official Road Fund revenue estimate calls for a 4.3 percent reduction in receipts for the entire fiscal year (FY10). Based on year-to-date collections, revenues can fall 4.3 percent for the remainder of the fiscal year to meet the estimate.

Lassiter said, "The Cash for Clunkers program clearly had an impact on August collections, but growth of that magnitude will be difficult to sustain as some consumers may have accelerated vehicle purchases that would have normally taken place over a longer period of time."

Among the Road Fund accounts:

- Motor fuels taxes grew 2.6 percent due to an increase in consumption.
- Motor vehicle usage tax collections increased 11.4 percent, buoyed by the Cash for Clunkers program.
- License and privilege taxes fell 13.1 percent, primarily due to weakness in the weight distance tax caused by fewer shipped goods in the weak economy.
- Nontax receipts fell \$1.9 million, or 45.0 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>AUGUST</u>			<u>JULY THROUGH AUGUST</u>		
	<u>2009</u>	<u>2008</u>	<u>% Change</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$622,405,665	\$633,699,082	-1.8%	\$1,242,858,046	\$1,280,271,110	-2.9%
Tax Receipts	\$599,034,876	\$614,544,483	-2.5%	\$1,194,043,055	\$1,234,471,199	-3.3%
Sales and Gross Receipts	\$271,400,451	\$281,077,665	-3.4%	\$561,443,332	\$577,393,077	-2.8%
Beer Consumption	592,213	610,602	-3.0%	1,174,457	1,179,728	-0.4%
Beer Wholesale	4,940,467	5,046,231	-2.1%	9,897,892	9,734,505	1.7%
Cigarette	24,054,949	13,122,404	83.3%	48,027,611	27,501,512	74.6%
Distilled Spirits Case Sales	8,257	8,917	-7.4%	18,963	18,828	0.7%
Distilled Spirits Consumption	822,062	995,832	-17.4%	1,893,057	1,999,877	-5.3%
Distilled Spirits Wholesale	2,043,807	2,572,970	-20.6%	4,751,068	4,987,674	-4.7%
Insurance Premium	110,087	397,170	-72.3%	196,684	445,207	-55.8%
Pari-Mutuel	(407,688)	161,447	---	(68,472)	458,318	---
Race Track Admission	53	150	-65.0%	92,698	121,628	-23.8%
Sales and Use	231,225,108	251,721,337	-8.1%	475,643,772	517,839,247	-8.1%
Wine Consumption	186,344	80,311	132.0%	397,781	234,916	69.3%
Wine Wholesale	964,150	623,914	54.5%	1,985,879	1,615,908	22.9%
Telecommunications Tax	4,965,987	4,956,855	0.2%	13,667,493	9,721,985	40.6%
Other Tobacco Products	1,835,162	779,525	135.4%	3,645,403	1,533,745	137.7%
Floor Stock Tax	59,493	0	---	119,045	0	---
License and Privilege	\$28,410,556	\$28,836,621	-1.5%	\$63,046,610	\$56,185,509	12.2%
Alc. Bev. License Suspension	14,500	50,500	-71.3%	49,850	59,500	-16.2%
Coal Severance	20,460,260	23,227,845	-11.9%	43,438,171	45,863,112	-5.3%
Corporation License	(68,193)	722,407	---	962,464	754,114	27.6%
Corporation Organization	3,860	8,405	-54.1%	80,035	8,405	852.2%
Occupational Licenses	10,894	12,507	-12.9%	24,479	36,603	-33.1%
Oil Production	595,662	1,411,798	-57.8%	1,212,011	2,743,343	-55.8%
Race Track License	0	0	---	112,500	172,500	-34.8%
Bank Franchise Tax	(198,347)	(3,323,187)	---	(219,532)	(3,424,613)	---
Driver License Fees	54,241	57,424	-5.5%	106,892	110,591	-3.3%
Minerals Severance	1,034,259	1,265,169	-18.3%	2,328,314	2,669,880	-12.8%
Natural Gas Severance	1,612,354	2,614,673	-38.3%	3,282,378	7,065,619	-53.5%
Limited Liability Entity	4,891,068	2,789,079	75.4%	11,669,047	126,455	9127.8%
Income	\$265,552,176	\$270,926,782	-2.0%	\$514,489,717	\$542,062,548	-5.1%
Corporation	6,144,851	75,992	7986.2%	9,794,619	8,980,150	9.1%
Individual	259,407,325	270,850,790	-4.2%	504,695,099	533,082,397	-5.3%
Property	\$27,000,222	\$25,714,912	5.0%	\$43,135,639	\$43,470,797	-0.8%
Building & Loan Association	(64)	0	---	91,143	228,467	-60.1%
General - Real	27,746	100,844	-72.5%	57,940	174,264	-66.8%
General - Tangible	6,461,781	12,980,038	-50.2%	14,122,671	24,259,087	-41.8%
Omitted & Delinquent	2,996,227	2,528,287	18.5%	7,445,178	7,015,340	6.1%
Public Service	17,421,960	9,993,909	74.3%	21,326,035	11,681,805	82.6%
Other	92,572	111,834	-17.2%	92,673	111,834	-17.1%
Inheritance	\$3,578,460	\$4,743,415	-24.6%	6,919,439	\$9,026,898	-23.3%
Miscellaneous	\$3,093,011	\$3,245,089	-4.7%	\$5,008,317	\$6,332,371	-20.9%
Legal Process	1,952,608	2,189,927	-10.8%	3,867,915	4,214,425	-8.2%
T. V. A. In Lieu Payments	1,139,910	1,055,161	8.0%	1,139,910	2,110,323	-46.0%
Other	493	0	---	493	7,623	-93.5%
Nontax Receipts	\$23,027,738	\$19,770,153	16.5%	\$48,220,990	\$46,232,472	4.3%
Departmental Fees	2,679,863	1,779,677	50.6%	5,919,534	3,975,981	48.9%
PSC Assessment Fee	2,698,186	491,543	448.9%	8,204,329	9,343,370	-12.2%
Fines & Forfeitures	2,307,154	2,563,397	-10.0%	5,261,627	5,213,653	0.9%
Interest on Investments	71,985	626,299	-88.5%	134,925	747,938	-82.0%
Lottery	14,500,000	14,000,000	3.6%	28,500,000	27,500,000	3.6%
Sale of NOx Credits	227,750	0	---	227,750	0	---
Miscellaneous	542,799	309,237	75.5%	(27,174)	(548,470)	---
Redeposit of State Funds	\$343,051	(\$615,554)	---	594,001	(\$432,561)	---

2. ROAD FUND REVENUE

	<u>AUGUST</u>			<u>JULY THROUGH AUGUST</u>		
	<u>2009</u>	<u>2008</u>	<u>% Change</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$116,468,899	\$116,941,899	-0.4%	\$206,883,403	\$215,482,859	-4.0%
Tax Receipts	\$114,261,417	\$112,713,095	1.4%	\$203,004,318	\$209,555,076	-3.1%
Sales and Gross Receipts	\$90,871,489	\$85,793,187	5.9%	\$171,037,823	\$172,566,246	-0.9%
Motor Fuels Taxes	54,509,915	53,142,630	2.6%	106,686,633	104,408,263	2.2%
Motor Vehicle Usage	36,361,574	32,650,557	11.4%	64,351,190	68,157,983	-5.6%
License and Privilege	\$23,389,928	\$26,919,908	-13.1%	\$31,966,495	\$36,988,830	-13.6%
Motor Vehicles	6,581,749	7,448,921	-11.6%	10,954,843	11,991,295	-8.6%
Motor Vehicle Operators	1,454,573	1,501,603	-3.1%	2,832,484	2,858,977	-0.9%
Weight Distance	14,780,979	16,959,724	-12.8%	17,069,462	20,225,003	-15.6%
Truck Decal Fees	10,424	15,403	-32.3%	27,067	32,250	-16.1%
Other Special Fees	562,202	994,256	-43.5%	1,082,639	1,881,304	-42.5%
Nontax Receipts	\$2,325,832	\$4,225,467	-45.0%	\$3,900,682	\$5,853,587	-33.4%
Departmental Fees	1,332,204	2,788,760	-52.2%	2,783,421	3,761,071	-26.0%
In Lieu of Traffic Fines	77,144	83,862	-8.0%	151,750	173,605	-12.6%
Investment Income	885,283	1,314,029	-32.6%	885,283	1,812,461	-51.2%
Miscellaneous	31,202	38,815	-19.6%	80,228	106,451	-24.6%
Redeposit of State Funds	(\$118,350)	\$3,338	---	(21,597)	\$74,197	---

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