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GENERAL FUND AND ROAD FUND RECEIPTS
FOR SEPTEMBER 2009

General Fund receipts fell 9.8 Percent
Road Fund receipts fell 0.8 percent

State Budget Director Mary Lassiter reported today that General Fund receipts fell 9.8 percent in September compared to last year. Total revenues for the month were \$725.6 million, compared to \$804.6 million during September 2008. So far this fiscal year (FY10), the General Fund has fallen 5.6 percent.

Road Fund receipts for September totaled \$95.7 million, a decrease of 0.8 percent from September 2008 levels.

General Fund receipts have continued on a declining path for the past nine months as a result of the national recession and its impact on the Kentucky economy. "Tax collections have been weak in the major sources of revenue that support the operations of government. Sales and use taxes and income taxes comprise nearly 75 percent of our General Fund tax revenues and have been declining for an extended period of time."

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

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revenue to fall 1.5 percent compared to FY09 actual receipts. Based on receipts through September, General Fund revenues can fall 0.2 percent for the remainder of the fiscal year and still meet the official estimate. Given recent trends in the major taxes, the likelihood of meeting the official estimate is in question. The Consensus Forecasting Group is scheduled to meet on October 12, 2009 to consider preliminary revenue estimates for the current and next two fiscal years in preparation for the biennial budgets to be considered by the 2010 General Assembly.

September General Fund receipts among the major accounts:

- Individual income taxes declined 9.9 percent due to lower withholding and declaration payments.
- Sales tax revenues fell 6.6 percent.
- Corporation income tax decreased 46.5 percent due to lower declaration payments.
- Cigarette taxes grew by 88.1 percent due to increased tax rates.
- Property taxes fell 16.2 percent.
- Coal severance taxes fell 12.7 percent because of lower prices.
- Lottery revenues were unchanged at \$15.5 million.

The Road Fund declined slightly in September, falling 0.8 percent with revenues of \$95.7 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 4.7 percent for the remainder of the fiscal year to meet the estimate.

Lassiter said, "September motor vehicle usage tax receipts were weak primarily due to the conclusion of the Cash for Clunkers program and because of the incentive enacted during the Special Session for the purchase of new cars. Beginning September 1, and running through August 31, 2010, the trade-in value on new car purchases is exempt from the motor vehicle usage tax."

Among the accounts:

- Motor fuels taxes grew 3.6 percent due to an increase in consumption.
- Motor vehicle usage tax collections decreased 7.8 percent.
- License and privilege taxes grew 1.0 percent.
- Nontax receipts fell 11.7 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	SEPTEMBER			JULY THROUGH SEPTEMBER		
	2009	2008	% Change	FY 2010	FY 2009	% Change
TOTAL GENERAL FUND	\$725,595,404	\$804,638,967	-9.8%	\$1,968,453,450	\$2,084,910,078	-5.6%
Tax Receipts	\$705,055,119	\$786,108,953	-10.3%	\$1,899,098,174	\$2,020,580,152	-6.0%
Sales and Gross Receipts	\$286,708,737	\$293,465,690	-2.3%	\$848,152,069	\$870,858,767	-2.6%
Beer Consumption	559,833	574,573	-2.6%	1,734,290	1,754,302	-1.1%
Beer Wholesale	4,546,002	4,816,411	-5.6%	14,443,895	14,550,916	-0.7%
Cigarette	26,161,020	13,910,617	88.1%	74,188,631	41,412,129	79.1%
Distilled Spirits Case Sales	8,238	8,856	-7.0%	27,201	27,683	-1.7%
Distilled Spirits Consumption	816,786	895,550	-8.8%	2,709,843	2,895,426	-6.4%
Distilled Spirits Wholesale	2,053,674	2,150,492	-4.5%	6,804,743	7,138,166	-4.7%
Insurance Premium	27,489,230	30,753,734	-10.6%	27,685,914	31,198,941	-11.3%
Pari-Mutuel	(1,482,439)	149,518	---	(1,550,912)	607,836	---
Race Track Admission	0	0	---	92,698	121,628	-23.8%
Sales and Use	218,251,707	233,588,843	-6.6%	693,895,478	751,428,090	-7.7%
Wine Consumption	182,499	140,844	29.6%	580,280	375,761	54.4%
Wine Wholesale	901,130	896,944	0.5%	2,887,009	2,512,852	14.9%
Telecommunications Tax	5,393,362	4,840,291	11.4%	19,060,855	14,562,276	30.9%
Other Tobacco Products	1,810,999	739,017	145.1%	5,456,403	2,272,762	140.1%
Floor Stock Tax	16,694	0	---	135,740	0	---
License and Privilege	\$45,068,966	\$48,367,700	-6.8%	\$108,115,576	\$104,553,209	3.4%
Alc. Bev. License Suspension	18,500	41,900	-55.8%	68,350	101,400	-32.6%
Coal Severance	23,405,017	26,811,440	-12.7%	66,843,188	72,674,552	-8.0%
Corporation License	(283,932)	335,401	---	678,533	1,089,515	-37.7%
Corporation Organization	21,695	4,210	415.3%	101,730	12,615	706.4%
Occupational Licenses	16,838	25,878	-34.9%	41,317	62,480	-33.9%
Oil Production	631,497	1,261,580	-49.9%	1,843,509	4,004,923	-54.0%
Race Track License	0	0	---	112,500	172,500	-34.8%
Bank Franchise Tax	53,782	48,498	10.9%	(165,750)	(3,376,114)	---
Driver License Fees	50,071	49,961	0.2%	156,963	160,551	-2.2%
Minerals Severance	1,298,718	1,521,006	-14.6%	3,627,032	4,190,886	-13.5%
Natural Gas Severance	994,662	6,505,159	-84.7%	4,277,040	13,570,778	-68.5%
Limited Liability Entity	18,862,118	11,762,667	60.4%	30,531,165	11,889,122	156.8%
Income	\$348,977,878	\$416,969,533	-16.3%	\$863,467,596	\$959,032,081	-10.0%
Corporation	39,246,652	73,391,897	-46.5%	49,041,270	82,372,047	-40.5%
Individual	309,731,227	343,577,637	-9.9%	814,426,326	876,660,034	-7.1%
Property	\$16,998,557	\$20,292,307	-16.2%	\$60,134,196	\$63,763,104	-5.7%
Building & Loan Association	0	0	---	91,143	228,467	-60.1%
General - Real	76,863	96,425	-20.3%	134,803	270,689	-50.2%
General - Tangible	8,220,807	13,444,849	-38.9%	22,343,478	37,703,936	-40.7%
Omitted & Delinquent	5,910,713	5,224,688	13.1%	13,355,891	12,240,028	9.1%
Public Service	2,195,663	1,056,455	107.8%	23,521,697	12,738,260	84.7%
Other	594,511	469,890	26.5%	687,184	581,724	18.1%
Inheritance	\$4,249,457	\$3,992,399	6.4%	\$11,168,896	\$13,019,297	-14.2%
Miscellaneous	\$3,051,525	\$3,021,324	1.0%	\$8,059,842	\$9,353,695	-13.8%
Legal Process	1,911,615	1,966,163	-2.8%	5,779,530	6,180,588	-6.5%
T. V. A. In Lieu Payments	1,139,910	1,055,161	8.0%	2,279,819	3,165,484	-28.0%
Other	0	0	---	493	7,623	---
Nontax Receipts	\$20,213,535	\$18,378,458	10.0%	\$68,434,525	\$64,610,930	5.9%
Departmental Fees	1,579,319	2,135,839	-26.1%	7,498,852	6,111,819	22.7%
PSC Assessment Fee	5,828	10,732	-45.7%	8,210,157	9,354,102	-12.2%
Fines & Forfeitures	2,223,849	2,348,433	-5.3%	7,485,475	7,562,086	-1.0%
Interest on Investments	64,796	407,693	-84.1%	199,721	1,155,631	-82.7%
Lottery	15,500,000	15,500,000	0.0%	44,000,000	43,000,000	2.3%
Sale of NOx Credits	233,030	0	---	460,780	0	---
Miscellaneous	606,714	(2,024,239)	---	579,540	(2,572,708)	---
Redeposit of State Funds	\$326,750	\$151,556	115.6%	\$920,751	(\$281,005)	---

2. ROAD FUND REVENUE

	<u>SEPTEMBER</u>			<u>JULY THROUGH SEPTEMBER</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	\$95,732,702	\$96,490,134	-0.8%	\$302,616,105	\$311,972,994	-3.0%
Tax Receipts-	93,139,711	93,635,272	-0.5%	\$296,144,029	\$303,190,348	-2.3%
Sales and Gross Receipts	\$84,824,083	\$85,405,420	-0.7%	\$255,861,906	\$257,971,666	-0.8%
Motor Fuels Taxes	55,484,267	53,566,943	3.6%	162,170,900	157,975,206	2.7%
Motor Vehicle Usage	29,339,816	31,838,477	-7.8%	93,691,006	99,996,460	-6.3%
License and Privilege	\$8,315,628	\$8,229,852	1.0%	\$40,282,123	\$45,218,682	-10.9%
Motor Vehicles	6,068,347	5,652,769	7.4%	17,023,190	17,644,064	-3.5%
Motor Vehicle Operators	1,410,472	1,396,447	1.0%	4,242,956	4,255,424	-0.3%
Weight Distance	318,097	488,517	-34.9%	17,387,559	20,713,520	-16.1%
Truck Decal Fees	2,370	11,559	-79.5%	29,437	43,810	-32.8%
Other Special Fees	516,342	680,560	-24.1%	1,598,981	2,561,864	-37.6%
Nontax Receipts	\$2,325,818	\$2,633,950	-11.7%	\$6,226,500	\$8,487,536	-26.6%
Departmental Fees	1,781,062	1,636,054	8.9%	4,564,483	5,397,125	-15.4%
In Lieu of Traffic Fines	74,231	71,573	3.7%	225,982	245,178	-7.8%
Investment Income	427,723	881,718	-51.5%	1,313,006	2,694,178	-51.3%
Miscellaneous	42,802	44,605	-4.0%	123,030	151,055	-18.6%
Redeposit of State Funds	\$267,172	\$220,912	20.9%	\$245,576	\$295,109	-16.8%

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