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For Immediate Release
November 10, 2009

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GENERAL FUND AND ROAD FUND RECEIPTS
FOR OCTOBER 2009

General Fund and Road Fund receipts fell 4.0 percent

FRANKFORT, KY (Tuesday, November 10, 2009) – State Budget Director Mary Lassiter reported today that October's General Fund receipts declined 4.0 percent compared to last year. Total revenues for the month were \$652.4 million, compared to \$679.6 million during October 2008. Receipts have now fallen 5.2 percent for the first four months of the fiscal year, and receipts would need to increase by 0.2 percent over the final eight months of FY10 to achieve the official revenue estimate of \$8,295.9 million.

Road Fund receipts for October totaled \$89.9 million, also a 4.0 percent decrease from October 2008 levels. Year-to-date Road Fund receipts are down by 3.2 percent. Based on year-to-date collections, Road Fund receipts can still contract 4.8 percent and still meet the official FY10 estimate rendered in May 2009.

Director Lassiter noted that the poor revenue performance in October was in line with projections made last month. "When the Consensus Forecasting Group (CFG) made their preliminary revenue projections on October 12, 2009, they cautioned that the first and second quarters of FY10 would show a continuation of the recent negative revenue trends. The CFG projected an additional revenue shortfall in the current fiscal year of approximately \$161 million.

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While this estimate is unofficial at this time, we are very concerned about the ability of revenues to meet budgeted levels. The Beshear Administration remains committed to tight fiscal management as the Commonwealth endures what we hope is the tail end of this persistent economic downturn.”

Among the major accounts,

- Corporation income tax receipts fell by 81.9 percent in October and are down by 43.7 percent year-to-date, albeit on a small base. Timing of refunds can greatly influence growth rates in months where corporate income tax payments are not typically due.
- Individual income tax collections fell 9.5 percent and are now down 7.7 percent for the first four months of FY10.
- Sales and use tax receipts were down 4.3 percent in October and stand 6.8 percent below levels seen during the same period in FY09.
- Property tax collections were off 7.8 percent largely due to timing, and are down 6.3 percent year-to-date. Large swings in property tax revenues are typical in the fall months.
- Cigarette tax receipts grew 53.0 percent due to the rate increase that went into effect in April 2009, and are up 72.3 percent for the first four months of the fiscal year.
- Coal severance tax receipts fell 14.0 percent in a continuation of the current trend of moderating energy prices, and are down 9.5 percent year-to-date.
- Lottery revenues were up 3.2 percent for the month and 2.6 percent for the year, on track with predicted amounts.

Road Fund receipts also fell 4.0 percent in October as very modest 0.8 percent growth in the motor fuels accounts were overwhelmed by a sharp 20.2 percent decline in motor vehicle usage taxes. Motor fuels taxes have rebounded nicely in the first four months of FY10, climbing 2.2 percent. Director Lassiter noted that the October Road Fund performance was also consistent with the recent predictions of the CFG. “The most recent projections of the CFG called for Road Fund receipts to improve compared to the official projections by approximately \$31.4 million as receipts accelerate in the second half of the fiscal year. October receipts were projected to show declines much in line with the actual receipts”.

Among the accounts, the major source of volatility in the Road Fund is attributable to the motor vehicle usage tax. Programs like “Cash for Clunkers” served to change the normal monthly purchasing patterns for consumers, making larger month-to-month fluctuations. Despite the programs to spur vehicle sales, year-to-date motor vehicle usage taxes are down 9.6 percent compared to last year.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	<u>OCTOBER</u>			<u>JULY THROUGH OCTOBER</u>		
	<u>2009</u>	<u>2008</u>	<u>% Change</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>% Change</u>
TOTAL GENERAL FUND	\$652,373,502	\$679,637,178	-4.0%	\$2,620,826,952	\$2,764,547,256	-5.2%
Tax Receipts	\$623,152,957	\$658,313,335	-5.3%	\$2,522,251,131	\$2,678,893,488	-5.8%
Sales and Gross Receipts	\$293,085,396	\$292,098,338	0.3%	\$1,141,237,464	\$1,162,957,105	-1.9%
Beer Consumption	548,523	596,164	-8.0%	2,282,813	2,350,465	-2.9%
Beer Wholesale	4,768,268	4,617,887	3.3%	19,212,163	19,168,803	0.2%
Cigarette	22,434,244	14,664,419	53.0%	96,622,875	56,078,548	72.3%
Distilled Spirits Case Sales	8,722	8,736	-0.2%	35,923	36,420	-1.4%
Distilled Spirits Consumption	857,318	703,174	21.9%	3,567,161	3,598,600	-0.9%
Distilled Spirits Wholesale	2,180,027	1,889,840	15.4%	8,984,770	9,028,005	-0.5%
Insurance Premium	12,420,589	9,319,949	33.3%	40,106,504	40,518,891	-1.0%
Pari-Mutuel	149,662	518,640	-71.1%	(1,401,250)	1,126,476	---
Race Track Admission	285	16,490	-98.3%	92,983	138,117	-32.7%
Sales and Use	241,572,706	252,512,116	-4.3%	935,468,184	1,003,940,206	-6.8%
Wine Consumption	198,238	349,261	-43.2%	778,518	725,022	7.4%
Wine Wholesale	996,755	1,403,841	-29.0%	3,883,763	3,916,693	-0.8%
Telecommunications Tax	5,226,681	4,802,020	8.8%	24,287,536	19,364,296	25.4%
Other Tobacco Products	1,715,324	695,801	146.5%	7,171,727	2,968,563	141.6%
Floor Stock Tax	8,055	0	---	143,795	0	---
License and Privilege	\$38,871,454	\$40,769,332	-4.7%	\$146,987,031	\$145,322,541	1.1%
Alc. Bev. License Suspension	28,375	0	---	96,725	101,400	-4.6%
Coal Severance	20,834,583	24,235,052	-14.0%	87,677,770	96,909,605	-9.5%
Corporation License	193,171	1,724,834	-88.8%	871,704	2,814,349	-69.0%
Corporation Organization	0	14,780	-100.0%	101,730	27,395	271.3%
Occupational Licenses	13,212	14,490	-8.8%	54,529	76,970	-29.2%
Oil Production	579,573	995,213	-41.8%	2,423,082	5,000,136	-51.5%
Race Track License	525	7,875	-93.3%	113,025	180,375	-37.3%
Bank Franchise Tax	(617,614)	(3,016,396)	---	(783,364)	(6,392,510)	---
Driver License Fees	49,550	47,631	4.0%	206,513	208,182	-0.8%
Minerals Severance	1,206,229	1,201,158	0.4%	4,833,261	5,392,044	-10.4%
Natural Gas Severance	1,514,413	2,197,530	-31.1%	5,791,453	15,768,308	-63.3%
Limited Liability Entity	15,069,437	13,347,165	12.9%	45,600,602	25,236,287	80.7%
Income	\$260,934,166	\$293,822,741	-11.2%	\$1,124,401,762	\$1,252,854,821	-10.3%
Corporation	1,252,539	6,910,568	-81.9%	50,293,809	89,282,615	-43.7%
Individual	259,681,627	286,912,173	-9.5%	1,074,107,953	1,163,572,207	-7.7%
Property	\$23,816,613	\$25,822,595	-7.8%	\$83,950,809	\$89,585,699	-6.3%
Building & Loan Association	0	(23,173)	---	91,143	205,294	-55.6%
General - Real	(37,098)	1,120,720	---	97,705	1,391,409	-93.0%
General - Tangible	16,854,633	9,611,463	75.4%	39,198,111	47,315,399	-17.2%
Omitted & Delinquent	1,696,073	(1,033,281)	---	15,051,964	11,206,747	34.3%
Public Service	5,299,236	16,143,882	-67.2%	28,820,934	28,882,142	-0.2%
Other	3,768	2,984	26.3%	690,952	584,708	18.2%
Inheritance	\$3,150,950	\$2,626,690	20.0%	\$14,319,847	\$15,645,986	-8.5%
Miscellaneous	\$3,294,377	\$3,173,640	3.8%	\$11,354,219	\$12,527,336	-9.4%
Legal Process	2,040,384	2,025,812	0.7%	7,819,914	8,206,400	-4.7%
T. V. A. In Lieu Payments	1,253,992	1,147,829	9.2%	3,533,812	4,313,313	-18.1%
Other	0	0	---	493	7,623	---
Nontax Receipts	\$29,146,643	\$21,410,041	36.1%	\$97,581,168	\$86,020,972	13.4%
Departmental Fees	1,201,186	1,981,215	-39.4%	8,700,038	8,093,034	7.5%
PSC Assessment Fee	5,595	(2,697)	---	8,215,752	9,351,405	-12.1%
Fines & Forfeitures	3,158,714	2,346,692	34.6%	10,644,189	9,908,778	7.4%
Interest on Investments	78,871	349,871	-77.5%	278,592	1,505,503	-81.5%
Lottery	16,000,000	15,500,000	3.2%	60,000,000	58,500,000	2.6%
Sale of NOx Credits	140,650	0	---	601,430	0	---
Miscellaneous	8,561,627	1,234,960	593.3%	9,141,167	(1,337,749)	---
Redeposit of State Funds	\$73,902	(\$86,198)	---	\$994,653	(\$367,203)	---

2. ROAD FUND REVENUE

	<u>2009</u>	<u>OCTOBER</u>	<u>% Change</u>	<u>JULY THROUGH OCTOBER</u>		<u>% Change</u>
		<u>2008</u>		<u>FY 2010</u>	<u>FY 2009</u>	
TOTAL STATE ROAD FUND	\$89,884,797	\$93,596,571	-4.0%	\$392,500,902	\$405,569,565	-3.2%
Tax Receipts-	\$87,701,724	\$90,912,276	-3.5%	\$383,845,753	\$394,102,624	-2.6%
Sales and Gross Receipts	\$76,604,662	\$82,342,324	-7.0%	\$332,466,568	\$340,313,990	-2.3%
Motor Fuels Taxes	52,136,597	51,697,174	0.8%	214,307,497	209,672,380	2.2%
Motor Vehicle Usage	24,468,065	30,645,150	-20.2%	118,159,071	130,641,610	-9.6%
License and Privilege	\$11,097,061	\$8,569,952	29.5%	\$51,379,184	\$53,788,635	-4.5%
Motor Vehicles	5,812,439	4,373,420	32.9%	22,835,629	22,017,484	3.7%
Motor Vehicle Operators	1,330,787	1,340,650	-0.7%	5,573,743	5,596,073	-0.4%
Weight Distance	3,401,378	1,989,787	70.9%	20,788,937	22,703,307	-8.4%
Truck Decal Fees	10,268	18,543	-44.6%	39,706	62,352	-36.3%
Other Special Fees	542,189	847,554	-36.0%	2,141,170	3,409,418	-37.2%
Nontax Receipts	\$2,232,699	\$2,815,944	-20.7%	\$8,459,199	\$11,303,480	-25.2%
Departmental Fees	1,678,100	1,879,267	-10.7%	6,242,584	7,276,392	-14.2%
In Lieu of Traffic Fines	80,685	91,358	-11.7%	306,666	336,536	-8.9%
Investment Income	355,009	781,573	-54.6%	1,668,015	3,475,752	-52.0%
Miscellaneous	118,905	63,746	86.5%	241,935	214,801	12.6%
Redeposit of State Funds	(\$49,625)	(\$131,649)	---	\$195,950	\$163,460	19.9%

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