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GENERAL FUND AND ROAD FUND RECEIPTS
MIXED FOR FEBRUARY 2010
General Fund receipts fell 0.6 percent
Road Fund receipts increased 1.6 percent

FRANKFORT, KY (Wednesday, March 10, 2010) – The Office of State Budget Director reported today that February's General Fund receipts fell 0.6 percent compared to February of last year, a decrease of \$3.4 million. Total revenues for the month were \$525.0 million, compared to \$528.4 million during February 2009. Receipts have now fallen 4.0 percent for the first eight months of Fiscal Year 2010.

The December 21, 2009 official revenue forecast by the Commonwealth's Consensus Forecasting Group (CFG) called for a 2.7 percent decline for the entire fiscal year. To meet the revenue estimate, receipts can decline 0.2 percent over the last four months of the fiscal year.

Road Fund receipts for February totaled \$99.4 million, a 1.6 percent increase over February 2009 levels. Year-to-date receipts for FY10 are down 1.1 percent.

State Budget Director Mary Lassiter noted that General Fund tax receipts continue to lack positive momentum despite a prognosis by the CFG that revenues should improve in the second half of the fiscal year. "General Fund receipts have now declined in 11 of the previous 12 months. While weak tax collections are built into our expectations of the tight budget environment, we had expected to see an upturn in receipts this spring. Sales tax collections were

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particularly weak this month, falling 9.1 percent despite some hopeful signs in the data leading up to February collections. With only four months remaining this fiscal year, the margin of error on the revenue estimates continues to tighten.”

Among the major accounts:

- Sales and use tax receipts decreased 9.1 percent for the month and have declined 4.6 percent year-to-date.
- Corporation income tax refunds outpaced receipts by \$8.2 million in February and have declined 37.5 percent for the year.
- Individual income tax collections fell 3.2 percent in February and have fallen 6.5 percent through the first eight months of FY10. The withholding subcomponent of individual income fell more sharply, a 6.5 percent decline for the month.
- Property tax collections increased 29.0 percent, primarily due to timing differences in the collection and remittance of tax receipts. Year-to-date totals show an increase of 2.0 percent, much more in line with the expectations of the revenue estimates.
- Cigarette tax receipts rose 65.8 percent and have now risen 72.1 percent year-to-date due to the rate increases enacted by the 2009 General Assembly.
- Coal severance tax receipts fell 11.3 percent and are down 12.5 percent through the first eight months of the fiscal year, in continuation of a projected decline in receipts attributable to underlying weakness in coal prices.

Road Fund receipts grew 1.6 percent in February 2010 with collections of \$99.4 million. The officially revised Road Fund estimate calls for an increase in revenues of 0.6 percent for the fiscal year. Based on year-to-date tax collections, revenues must increase 3.8 percent for the remainder of FY10 to meet the estimate. Lassiter noted that Road Fund receipts continued to be dominated by the two largest accounts, motor fuels taxes and the usage tax on the purchase of new or used automobiles. “Motor fuels taxes posted robust growth of 6.5 percent, much in line with the increase in fuels taxes that the CFG had been predicting. However, the motor vehicle usage tax receipts fell 1.5 percent in February and 5.4 percent year-to-date, partly attributable to the trade-in credit approved last summer.”

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	2010	FEBRUARY 2009	% Change	FY 2010	FY 2009	% Change
TOTAL GENERAL FUND	\$524,988,512	\$528,410,155	-0.6%	\$5,354,373,185	\$5,579,227,624	-4.0%
Tax Receipts	\$501,296,877	\$503,546,263	-0.4%	\$5,149,862,498	\$5,373,103,987	-4.2%
Sales and Gross Receipts	\$227,829,856	\$234,501,847	-2.8%	\$2,228,931,754	\$2,232,164,526	-0.1%
Beer Consumption	469,546	452,683	3.7%	4,114,614	4,277,191	-3.8%
Beer Wholesale	3,159,759	3,335,086	-5.3%	34,711,297	34,931,632	-0.6%
Cigarette	20,128,217	12,138,505	65.8%	181,230,726	105,288,234	72.1%
Distilled Spirits Case Sales	6,036	6,258	-3.5%	73,567	72,907	0.9%
Distilled Spirits Consumption	596,980	622,968	-4.2%	7,251,053	7,183,770	0.9%
Distilled Spirits Wholesale	1,450,505	1,541,782	-5.9%	18,607,930	18,741,503	-0.7%
Insurance Premium	18,342,168	16,485,943	11.3%	58,461,534	57,169,400	2.3%
Pari-Mutuel	92,699	142,361	-34.9%	(888,101)	2,223,455	---
Race Track Admission	14,938	0	---	152,816	193,657	-21.1%
Sales and Use	175,627,145	193,186,418	-9.1%	1,855,787,749	1,945,200,578	-4.6%
Wine Consumption	143,362	146,863	-2.4%	1,657,867	1,609,513	3.0%
Wine Wholesale	713,461	719,560	-0.8%	8,450,852	8,397,825	0.6%
Telecommunications Tax	5,400,323	5,003,837	7.9%	45,053,002	41,017,143	9.8%
Other Tobacco Products	1,667,985	719,583	131.8%	14,054,044	5,857,717	139.9%
Floor Stock Tax	16,733	0	---	212,804	0	---
License and Privilege	\$47,150,259	\$44,194,797	6.7%	\$283,307,765	\$306,277,440	-7.5%
Alc. Bev. License Suspension	56,500	34,900	61.9%	313,475	241,900	29.6%
Coal Severance	21,557,259	24,308,470	-11.3%	169,522,712	193,654,676	-12.5%
Corporation License	(21,445)	2,585,833	---	2,222,796	7,770,835	-71.4%
Corporation Organization	0	0	---	134,359	34,065	294.4%
Occupational Licenses	10,959	13,110	-16.4%	92,651	127,126	-27.1%
Oil Production	432,214	276,662	56.2%	4,936,817	6,860,747	-28.0%
Race Track License	3,850	0	---	221,850	298,200	-25.6%
Bank Franchise Tax	6,313,779	4,293,775	47.0%	6,182,841	(539,670)	---
Driver License Fees	46,976	33,934	38.4%	390,121	381,472	2.3%
Minerals Severance	622,549	541,984	14.9%	9,264,775	9,648,465	-4.0%
Natural Gas Severance	3,411,055	3,138,694	8.7%	13,999,679	31,460,480	-55.5%
Limited Liability Entity	14,716,564	8,967,435	64.1%	76,025,688	56,339,145	34.9%
Income	\$197,038,478	\$201,766,377	-2.3%	\$2,144,211,656	\$2,348,624,448	-8.7%
Corporation	(8,240,728)	(10,338,988)	---	102,768,023	164,298,050	-37.5%
Individual	205,279,205	212,105,365	-3.2%	2,041,443,634	2,184,326,398	-6.5%
Property	\$23,587,654	\$18,288,684	29.0%	\$443,860,804	\$435,353,293	2.0%
Building & Loan Association	7,156	6,612	8.2%	98,299	215,978	-54.5%
General - Real	8,338,086	9,633,616	-13.4%	237,646,033	228,779,844	3.9%
General - Tangible	10,465,040	8,904,359	17.5%	140,179,316	154,835,141	-9.5%
Omitted & Delinquent	2,612,353	(993,876)	---	18,312,031	12,308,279	48.8%
Public Service	1,966,878	506,315	288.5%	46,716,700	38,340,774	21.8%
Other	198,141	231,658	-14.5%	908,424	873,277	4.0%
Inheritance	\$2,663,935	\$1,787,211	49.1%	\$26,406,770	\$26,042,372	1.4%
Miscellaneous	\$3,026,694	\$3,007,347	0.6%	\$23,143,749	\$24,641,908	-6.1%
Legal Process	1,725,964	1,854,422	-6.9%	14,692,257	15,743,164	-6.7%
T. V. A. In Lieu Payments	1,200,142	1,139,910	5.3%	8,334,380	8,872,951	-6.1%
Other	100,588	13,015	672.9%	117,111	25,792	354.1%
Nontax Receipts	\$22,960,820	\$24,246,576	-5.3%	\$202,167,662	\$204,204,811	-1.0%
Departmental Fees	2,630,675	3,200,580	-17.8%	17,028,535	19,600,065	-13.1%
PSC Assessment Fee	5,496	4,734	16.1%	8,331,188	9,368,357	-11.1%
Fines & Forfeitures	2,017,270	2,569,451	-21.5%	19,588,849	18,828,031	4.0%
Interest on Investments	61,962	79,258	-21.8%	555,389	2,264,641	-75.5%
Lottery	17,500,000	17,000,000	2.9%	127,000,000	124,500,000	2.0%
Sale of NOx Credits	0	0	---	601,430	0	---
Miscellaneous	745,417	1,392,553	-46.5%	29,062,272	29,643,717	-2.0%
Redeposit of State Funds	\$730,814	\$617,316	18.4%	\$2,343,024	\$1,918,826	22.1%

2. ROAD FUND REVENUE

	<u>2010</u>	<u>FEBRUARY</u>	<u>% Change</u>	<u>JULY THROUGH FEBRUARY</u>		<u>% Change</u>
		<u>2009</u>		<u>FY 2010</u>	<u>FY 2009</u>	
TOTAL STATE ROAD FUND	\$99,444,392	\$97,871,844	1.6%	\$772,264,829	\$780,828,957	-1.1%
Tax Receipts-	\$97,761,510	\$95,614,750	2.2%	\$754,677,587	\$759,880,531	-0.7%
Sales and Gross Receipts	\$74,187,923	\$71,439,899	3.8%	\$640,189,782	\$638,470,279	0.3%
Motor Fuels Taxes	50,914,716	47,813,535	6.5%	428,466,082	414,660,791	3.3%
Motor Vehicle Usage	23,273,206	23,626,364	-1.5%	211,723,700	223,809,488	-5.4%
License and Privilege	\$23,573,588	\$24,174,851	-2.5%	\$114,487,805	\$121,410,252	-5.7%
Motor Vehicles	6,802,107	6,527,894	4.2%	46,955,347	45,980,119	2.1%
Motor Vehicle Operators	1,325,756	1,095,113	21.1%	10,591,943	10,282,579	3.0%
Weight Distance	14,986,169	15,229,709	-1.6%	51,709,651	57,423,302	-10.0%
Truck Decal Fees	3,452	2,590	33.3%	52,443	87,016	-39.7%
Other Special Fees	456,103	1,319,546	-65.4%	5,178,421	7,637,236	-32.2%
Nontax Receipts	\$1,612,552	\$2,242,275	-28.1%	\$15,878,941	\$20,293,236	-21.8%
Departmental Fees	1,391,689	1,229,346	13.2%	12,275,790	12,488,226	-1.7%
In Lieu of Traffic Fines	61,244	76,054	-19.5%	503,223	633,326	-20.5%
Investment Income	158,227	922,677	-82.9%	2,647,343	6,793,223	-61.0%
Miscellaneous	1,393	14,198	-90.2%	452,585	378,462	19.6%
Redeposit of State Funds	\$70,329	\$14,819	374.6%	\$1,708,301	\$655,189	160.7%

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