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GENERAL FUND AND ROAD FUND RECEIPTS
FOR OCTOBER 2010

General Fund receipts rose 8.1 percent
Road Fund receipts rose 12.2 percent

FRANKFORT, Ky. (Wednesday, November 10, 2010) - State Budget Director Mary Lassiter reported today that General Fund receipts grew 8.1 percent in October compared to last year. Total revenues for the month were \$705.3 million, compared to \$652.4 million during October 2009. Receipts have now risen 5.3 percent for the first four months of the fiscal year, and would need to increase 3.7 percent over the final eight months of FY11 to achieve the official revenue estimate of \$8,570.9 million.

Road Fund receipts for October totaled \$100.9 million, a 12.2 percent increase from October 2009 levels. Year-to-date Road Fund receipts are up 12.0 percent. Based on year-to-date collections, Road Fund receipts need to grow 1.5 percent over the balance of the fiscal year to meet the official FY11 estimate.

Director Lassiter noted that October's revenue growth was anticipated and factored into the enacted State budget and the most recent interim revenue outlook. "Strong revenue growth in the first half of the fiscal year was predicted and budgeted. We are pleased to see that tax revenues are responding very favorably to the slow but steady recovery from the national recession. October's

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revenue growth is not sustainable going forward, but it is certainly encouraging to see the Kentucky economy, and the corresponding tax receipts, advancing forward in the manner projected by the revenue forecasters and relied upon in the enacted budget.”

Among the major accounts,

- Corporation income tax receipts grew \$12.2 million in October and are up 67.8 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 rose 7.0 percent and are up 4.6 percent for the first four months of FY11, but are slightly behind budgeted projections.
- Sales and use tax receipts were up 5.5 percent in October and stand 3.9 percent above levels seen during the same period in FY10, also slightly behind budgeted projections.
- Property tax collections grew 27.5 percent largely due to timing, and are down 2.3 percent year-to-date. Large swings in property tax revenues are typical in the fall months.
- Cigarette tax receipts grew 6.1 percent but are down 4.0 percent for the first four months of the fiscal year.
- Coal severance tax receipts rose 9.5 percent and are up 9.1 percent year-to-date.
- Lottery revenues were unchanged for the month and are up 1.7 percent for the year, on track with predicted amounts.

Road Fund receipts rose 12.2 percent in October as motor fuels and motor vehicle usage tax collections grew strongly. Motor fuels taxes have rebounded in the first four months of FY11, climbing 19.3 percent, largely due to rising fuel prices.

Among the accounts, motor vehicle usage tax receipts grew 16.0 percent, aided by the expiration of the trade-in credit and have risen 4.5 percent year-to-date. License and privilege tax receipts fell 24.5 percent but are up 0.4 percent for the year.

Lassiter noted that October receipts for the Road Fund are slightly ahead of the official estimates but consistent with the unofficial interim estimates recently released by the Office of State Budget Director (OSBD). “The most recent projections by OSBD economists called for Road Fund receipts to improve compared to the official projections as receipts accelerate in the first half of the fiscal year before moderating in the final two quarters of the fiscal year.”

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	OCTOBER			JULY THROUGH OCTOBER		
	2010	2009	% Change	FY 2011	FY 2010	% Change
TOTAL GENERAL FUND	\$705,310,107	\$652,373,502	8.1%	\$2,760,405,902	\$2,620,826,952	5.3%
Tax Receipts	\$680,507,184	\$623,152,957	9.2%	\$2,670,701,045	\$2,522,251,131	5.9%
Sales and Gross Receipts	\$306,453,414	\$293,085,396	4.6%	\$1,176,106,250	\$1,141,237,464	3.1%
Beer Consumption	488,991	548,523	-10.9%	2,281,027	2,282,813	-0.1%
Beer Wholesale	4,675,089	4,768,268	-2.0%	19,498,645	19,212,163	1.5%
Cigarette	23,803,176	22,434,244	6.1%	92,804,489	96,622,875	-4.0%
Distilled Spirits Case Sales	8,897	8,722	2.0%	(307,609)	35,923	---
Distilled Spirits Consumption	873,983	857,318	1.9%	3,641,822	3,567,161	2.1%
Distilled Spirits Wholesale	2,225,378	2,180,027	2.1%	9,130,396	8,984,770	1.6%
Insurance Premium	10,782,248	12,420,589	-13.2%	40,455,494	40,106,504	0.9%
Pari-Mutuel	138,217	149,662	-7.6%	2,083,553	(1,401,250)	---
Race Track Admission	449	285	57.3%	87,184	92,983	-6.2%
Sales and Use	254,884,991	241,572,706	5.5%	972,114,484	935,468,184	3.9%
Wine Consumption	208,046	198,238	4.9%	810,592	778,518	4.1%
Wine Wholesale	1,079,550	996,755	8.3%	4,458,326	3,883,763	14.8%
Telecommunications Tax	5,495,650	5,226,681	5.1%	21,649,266	24,287,536	-10.9%
Other Tobacco Products	1,773,751	1,715,324	3.4%	7,343,416	7,171,727	2.4%
Floor Stock Tax	14,998	8,055	86.2%	55,167	143,795	-61.6%
License and Privilege	\$45,515,900	\$38,871,454	17.1%	\$179,861,011	\$146,987,031	22.4%
Alc. Bev. License Suspension	43,392	28,375	52.9%	142,642	96,725	47.5%
Coal Severance	22,805,798	20,834,583	9.5%	95,645,649	87,677,770	9.1%
Corporation License	(208,912)	193,171	---	3,194,829	871,704	266.5%
Corporation Organization	1,490	0	---	20,902	101,730	-79.5%
Occupational Licenses	13,443	13,212	1.8%	46,545	54,529	-14.6%
Oil Production	608,327	579,573	5.0%	2,429,909	2,423,082	0.3%
Race Track License	700	525	33.3%	105,700	113,025	-6.5%
Bank Franchise Tax	(213,281)	(617,614)	---	2,275,736	(783,364)	---
Driver License Fees	52,063	49,550	5.1%	217,127	206,513	5.1%
Minerals Severance	1,402,830	1,206,229	16.3%	5,380,126	4,833,261	11.3%
Natural Gas Severance	3,716,016	1,514,413	145.4%	8,852,487	5,791,453	52.9%
Limited Liability Entity	17,294,036	15,069,437	14.8%	61,549,358	45,600,602	35.0%
Income	\$292,394,382	\$260,934,166	12.1%	\$1,207,997,225	\$1,124,401,762	7.4%
Corporation	14,499,408	1,252,539	1057.6%	84,400,766	50,293,809	67.8%
Individual	277,894,974	259,681,627	7.0%	1,123,596,459	1,074,107,953	4.6%
Property	\$30,358,528	\$23,816,613	27.5%	\$81,984,030	\$83,950,809	-2.3%
Building & Loan Association	0	0	---	(53,180)	91,143	---
General - Real	1,148,127	(37,098)	---	464,159	97,705	375.1%
General - Tangible	18,605,003	16,854,633	10.4%	40,906,039	39,198,111	4.4%
Omitted & Delinquent	1,113,578	1,696,073	-34.3%	16,429,083	15,051,964	9.1%
Public Service	9,052,159	5,299,236	70.8%	23,561,791	28,820,934	-18.2%
Other	439,661	3,768	11567.0%	676,138	690,952	-2.1%
Inheritance	\$2,472,910	\$3,150,950	-21.5%	\$13,805,917	\$14,319,847	-3.6%
Miscellaneous	\$3,312,049	\$3,294,377	0.5%	\$10,946,612	\$11,354,219	-3.6%
Legal Process	1,798,174	2,040,384	-11.9%	7,006,675	7,819,914	-10.4%
T. V. A. In Lieu Payments	1,513,875	1,253,992	20.7%	3,914,160	3,533,812	10.8%
Other	0	0	---	25,778	493	5129.9%
Nontax Receipts	\$24,466,476	\$29,146,643	-16.1%	\$88,801,361	\$97,581,168	-9.0%
Departmental Fees	1,671,309	1,201,186	39.1%	7,510,307	8,700,038	-13.7%
PSC Assessment Fee	11,235	5,595	100.8%	8,880,740	8,215,752	8.1%
Fines & Forfeitures	2,246,084	3,158,714	-28.9%	8,555,681	10,644,189	-19.6%
Interest on Investments	57,242	78,871	-27.4%	247,825	278,592	-11.0%
Lottery	16,000,000	16,000,000	0.0%	61,000,000	60,000,000	1.7%
Sale of NOx Credits	0	140,650	-100.0%	22,513	601,430	-96.3%
Miscellaneous	4,480,606	8,561,627	-47.7%	2,584,296	9,141,167	-71.7%
Redeposit of State Funds	\$336,447	\$73,902	355.3%	\$903,496	\$994,653	-9.2%

2. ROAD FUND REVENUE

	<u>2010</u>	<u>OCTOBER</u>	<u>% Change</u>	<u>JULY THROUGH OCTOBER</u>		<u>% Change</u>
		<u>2009</u>		<u>FY 2011</u>	<u>FY 2010</u>	
TOTAL STATE ROAD FUND	\$100,889,840	\$89,884,797	12.2%	\$439,572,534	\$392,500,902	12.0%
Tax Receipts-	\$99,376,065	\$87,701,724	13.3%	\$430,715,772	\$383,845,753	12.2%
Sales and Gross Receipts	\$90,996,842	\$76,604,662	18.8%	\$379,118,045	\$332,466,568	14.0%
Motor Fuels Taxes	62,606,299	52,136,597	20.1%	255,616,263	214,307,497	19.3%
Motor Vehicle Usage	28,390,543	24,468,065	16.0%	123,501,781	118,159,071	4.5%
License and Privilege	\$8,379,223	\$11,097,061	-24.5%	\$51,597,727	\$51,379,184	0.4%
Motor Vehicles	5,569,715	5,812,439	-4.2%	23,470,214	22,835,629	2.8%
Motor Vehicle Operators	1,298,451	1,330,787	-2.4%	5,450,274	5,573,743	-2.2%
Weight Distance	922,749	3,401,378	-72.9%	19,677,178	20,788,937	-5.3%
Truck Decal Fees	12,387	10,268	20.6%	46,654	39,706	17.5%
Other Special Fees	575,922	542,189	6.2%	2,953,407	2,141,170	37.9%
Nontax Receipts	\$1,196,411	\$2,232,699	-46.4%	\$7,250,791	\$8,459,199	-14.3%
Departmental Fees	990,083	1,678,100	-41.0%	6,027,517	6,242,584	-3.4%
In Lieu of Traffic Fines	62,161	80,685	-23.0%	255,134	306,666	-16.8%
Investment Income	144,167	355,009	-59.4%	626,119	1,668,015	-62.5%
Miscellaneous	0	118,905	-100.0%	342,021	241,935	41.4%
Redeposit of State Funds	\$317,364	(\$49,625)	---	\$1,605,970	\$195,950	719.6%

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