

**Estimated Revenues Based on Growth Rates
State Funding Board Staff Recommendation
May 1, 2008**

	<u>FY 2007-2008</u>	<u>Growth Rate</u>	<u>FY 2008-2009</u>	<u>Growth Rate</u>
Total Taxes	\$ 11,080,300,000	0.25%	\$11,218,800,000	1.25%
			\$11,274,200,000	1.75%
	\$ 11,163,200,000	1.00%	\$11,302,700,000	1.25%
			\$11,358,600,000	1.75%
Spread		0.75%		0.50%
General Fund	\$ 9,214,900,000	-0.50%	\$ 9,353,100,000	1.50%
			\$ 9,399,200,000	2.00%
	\$ 9,284,400,000	0.25%	\$ 9,423,700,000	1.50%
			\$ 9,470,100,000	2.00%
Spread		0.75%		0.50%

State Funding Board
Net Lottery Proceeds Estimates
Actual 2006-2007 and Estimated 2007-2008 and 2008-2009
May 1, 2008

	<u>2006-2007</u> <u>Actual</u>	<u>2007-2008</u> <u>Revised</u>	<u>%</u>	<u>2008-2009</u> <u>Estimated</u>	<u>%</u>
Lottery Corporation					
Low	271,968,000	272,500,000	0.20%	278,000,000	2.02%
High	271,968,000	274,500,000	0.93%	281,000,000	2.37%
Mid-Range Estimate	271,968,000	273,400,000	0.53%	279,500,000	2.23%
Fiscal Review Staff					
Low	271,968,000	269,597,000	-0.87%	271,897,000	0.85%
Median	271,968,000	272,243,000	0.10%	275,021,000	1.02%
High	271,968,000	274,900,000	1.08%	278,244,000	1.22%
Recommended Range					
Low	271,968,000	272,000,000	0.01%	275,000,000	1.10%
High	271,968,000	274,500,000	0.93%	278,500,000	1.46%

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2007-2008

(Accrual - Basis Estimates)

2007-2008

DEPARTMENT OF REVENUE SOURCE OF REVENUE	2006-2007	% CHANGE		BUDGET DOC.	% CHANGE		% CHANGE		% CHANGE		% CHANGE	
	ACTUAL ACCRUAL	BUDGETED ESTIMATE	OVER 06-07 ACTUAL	REVISED ESTIMATE	OVER 06-07 ACTUAL	DR. FOX ESTIMATE	OVER 06-07 ACTUAL	FISCAL REVIEW ESTIMATE	OVER 06-07 ACTUAL	REVENUE DEPT. ESTIMATE	OVER 06-07 ACTUAL	
Sales and use Tax	\$ 6,815,407,300	\$ 7,093,300,000	4.08%	\$ 7,030,500,000	3.16%	\$ 6,830,000,000	0.21%	\$ 6,937,000,000	1.78%	\$ 6,903,900,000	1.30%	
Gasoline Tax	612,263,500	602,000,000	-1.68%	606,000,000	-1.02%	614,100,000	0.30%	620,000,000	1.26%	618,000,000	0.94%	
Motor Fuel Tax	185,879,400	189,000,000	1.68%	186,000,000	0.06%	183,100,000	-1.50%	182,721,000	-1.70%	182,400,000	-1.87%	
Gasoline Inspection Tax	65,312,200	65,600,000	0.29%	65,500,000	0.29%	66,600,000	1.97%	66,000,000	1.05%	65,600,000	0.44%	
Motor Vehicle Registration Tax	257,367,700	260,000,000	1.02%	259,100,000	0.67%	260,000,000	1.02%	258,000,000	0.25%	254,000,000	-1.31%	
Income Tax	247,567,500	263,200,000	6.31%	257,500,000	4.01%	252,000,000	1.79%	269,000,000	8.66%	243,100,000	-1.80%	
Privilege Tax - Less Earmarked Portion	313,793,300	344,900,000	9.91%	317,300,000	1.12%	301,200,000	-4.01%	286,382,000	-8.74%	300,700,000	-4.17%	
Gross Receipts Tax - TVA	250,247,600	261,100,000	4.34%	270,300,000	8.01%	270,300,000	8.01%	270,333,000	8.03%	270,300,000	8.01%	
Gross Receipts Tax - Other	27,370,100	23,300,000	-14.87%	23,300,000	-14.87%	22,500,000	-17.79%	26,600,000	-2.81%	29,800,000	8.88%	
Beer Tax	17,979,100	18,500,000	2.90%	18,500,000	2.90%	19,000,000	5.68%	19,000,000	5.68%	19,100,000	6.23%	
Alcoholic Beverage Tax	40,998,300	42,400,000	3.42%	42,600,000	3.91%	43,000,000	4.88%	42,638,000	4.00%	43,100,000	5.13%	
Franchise & Excise Taxes	1,766,079,800	1,820,900,000	3.10%	1,766,100,000	0.00%	1,650,000,000	-6.57%	1,650,000,000	-6.57%	1,644,600,000	-6.88%	
Inheritance and Estate Tax	112,393,000	93,700,000	-16.63%	93,700,000	-16.63%	98,700,000	-12.18%	98,000,000	-12.81%	99,100,000	-11.83%	
Tobacco Tax	137,993,500	359,300,000	160.37%	329,300,000	138.63%	295,000,000	113.78%	281,198,000	103.78%	290,800,000	110.73%	
Motor Vehicle Title Fees	11,105,200	12,000,000	8.06%	11,500,000	3.56%	11,500,000	3.56%	10,900,000	-1.85%	10,800,000	-2.75%	
Mixed Drink Tax	53,656,700	55,800,000	3.99%	57,400,000	6.98%	56,300,000	4.93%	55,700,000	3.81%	54,400,000	1.39%	
Business Tax	133,773,300	134,200,000	0.32%	139,100,000	3.98%	137,800,000	3.01%	137,000,000	2.41%	134,700,000	0.69%	
Severance Tax	1,549,400	1,700,000	9.72%	1,700,000	9.72%	1,700,000	9.72%	2,100,000	35.54%	2,200,000	41.99%	
Coin Operated Amusement Tax	340,700	300,000	-11.95%	300,000	-11.95%	300,000	-11.95%	300,000	-11.95%	300,000	-11.95%	
Unauthorized Substance Tax	1,602,700	2,000,000	24.79%	2,000,000	24.79%	2,000,000	24.79%	2,000,000	24.79%	1,600,000	-0.17%	
TOTAL DEPARTMENT OF REVENUE	\$ 11,052,680,300	\$ 11,643,100,000	5.34%	\$ 11,477,700,000	3.85%	\$ 11,115,100,000	0.56%	\$ 11,214,872,000	1.47%	\$ 11,168,500,000	1.05%	

GENERAL FUND ONLY (2) \$ 9,261,248,800 \$ 9,778,900,000 5.59% \$ 9,598,900,000 3.65% \$ 9,239,800,000 -0.23% \$ 9,325,572,000 0.69% \$ 9,295,400,000 0.37%

Budgeted Est. Compared to New Est. - Total \$ (165,400,000) \$ (528,000,000) \$ (428,228,000) \$ (474,600,000)

Budgeted Est. Compared to New Est. - Gen. Fund \$ (180,000,000) \$ (539,100,000) \$ (453,328,000) \$ (483,500,000)

Revised Est. Compared to New Est. - Total \$ (362,600,000) \$ (262,828,000) \$ (309,200,000)

Revised Est. Compared to New Est. - Gen. Fund \$ (359,100,000) \$ (273,328,000) \$ (303,500,000)

SELECTED TAXES	ACTUAL	BUDGETED	%	BUDGET DOCUMENT	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%
SALES AND USE TAX	\$ 6,815,407,300	\$ 7,093,300,000	4.08%	\$ 7,030,500,000	3.16%	\$ 6,830,000,000	0.21%	\$ 6,937,000,000	1.78%	\$ 6,903,900,000	1.30%
FRANCHISE AND EXCISE TAXES	1,766,079,800	1,820,900,000	3.10%	1,766,100,000	0.00%	1,650,000,000	-6.57%	1,650,000,000	-6.57%	1,644,600,000	-6.88%
INCOME TAX	247,567,500	263,200,000	6.31%	257,500,000	4.01%	252,000,000	1.79%	269,000,000	8.66%	243,100,000	-1.80%
ROAD USER TAXES	1,120,822,800	1,116,500,000	-0.39%	1,116,600,000	-0.38%	1,123,800,000	0.27%	1,126,721,000	0.53%	1,120,000,000	-0.07%
ALL OTHER TAXES	1,102,802,900	1,349,200,000	22.34%	1,307,000,000	18.52%	1,259,300,000	14.19%	1,232,151,000	11.73%	1,256,900,000	13.97%

(1) Privilege Tax estimates are reduced by \$34.6 million for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2008-2009**

(Accrual - Basis Estimates)

2008-2009									
DEPARTMENT OF REVENUE	BUDGET	% CHANGE		% CHANGE		% CHANGE		% CHANGE	
	DOCUMENT	OVER 07-08	DR. FOX	OVER 07-08	FISCAL REVIEW	OVER 07-08	REVENUE DEPT.	OVER 07-08	
SOURCE OF REVENUE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
Sales and use Tax	\$ 7,306,600,000	3.93%	\$ 6,966,600,000	2.00%	\$ 7,090,740,000	2.22%	\$ 7,046,600,000	2.07%	
Gasoline Tax	609,100,000	0.51%	608,000,000	-0.99%	620,000,000	0.00%	622,500,000	0.73%	
Motor Fuel Tax	188,300,000	1.24%	184,900,000	0.98%	184,548,000	1.00%	185,000,000	1.43%	
Gasoline Inspection Tax	66,200,000	1.07%	67,900,000	1.95%	66,660,000	1.00%	67,700,000	3.20%	
Motor Vehicle Registration Tax	263,000,000	1.51%	265,200,000	2.00%	260,580,000	1.00%	267,900,000	5.47%	
Income Tax	262,600,000	1.98%	239,400,000	-5.00%	242,100,000	-10.00%	246,500,000	1.40%	
Privilege Tax - Less Earmarked Portion	305,300,000	-3.78%	301,200,000	0.00%	294,973,000	3.00%	295,000,000	-1.90%	
Gross Receipts Tax - TVA	283,800,000	4.99%	283,800,000	4.99%	286,553,000	6.00%	274,400,000	1.52%	
Gross Receipts Tax - Other	23,800,000	2.15%	23,000,000	2.22%	27,265,000	2.50%	31,200,000	4.70%	
Beer Tax	19,100,000	3.24%	19,600,000	3.16%	19,855,000	4.50%	19,400,000	1.57%	
Alcoholic Beverage Tax	44,300,000	3.99%	44,700,000	3.95%	44,344,000	4.00%	42,100,000	-2.32%	
Franchise & Excise Taxes	1,801,300,000	2.00%	1,633,500,000	-1.00%	1,650,000,000	0.00%	1,674,200,000	1.80%	
Inheritance and Estate Tax	93,700,000	0.00%	96,700,000	-2.03%	98,980,000	1.00%	100,800,000	1.72%	
Tobacco Tax	345,800,000	5.01%	325,000,000	10.17%	309,318,000	10.00%	315,800,000	8.60%	
Motor Vehicle Title Fees	11,600,000	0.87%	11,600,000	0.87%	11,118,000	2.00%	11,400,000	5.56%	
Mixed Drink Tax	61,400,000	6.97%	60,300,000	7.10%	58,207,000	4.50%	53,900,000	-0.92%	
Business Tax	147,500,000	6.04%	140,500,000	1.96%	142,138,000	3.75%	133,700,000	-0.74%	
Severance Tax	1,800,000	5.88%	1,800,000	5.88%	2,400,000	14.29%	1,800,000	-18.18%	
Coin Operated Amusement Tax	300,000	0.00%	300,000	0.00%	300,000	0.00%	300,000	0.00%	
Unauthorized Substance Tax	2,000,000	0.00%	2,000,000	0.00%	2,000,000	0.00%	2,000,000	25.00%	
TOTAL DEPARTMENT OF REVENUE	\$11,837,500,000	3.13%	\$11,276,000,000	1.45%	\$11,412,079,000	1.76%	\$11,392,200,000	2.00%	
GENERAL FUND ONLY (2)	\$ 9,938,200,000	3.53%	\$ 9,399,600,000	1.73%	\$ 9,521,479,000	2.10%	\$ 9,501,300,000	2.22%	
Growth over FY 07 Budgeted Est. - Total	\$ 194,400,000		\$ (367,100,000)		\$ (231,021,000)		\$ (250,900,000)		
Growth over FY 07 Budgeted Est. - Gen. Fund	\$ 159,300,000		\$ (379,300,000)		\$ (257,421,000)		\$ (277,600,000)		
Budget Document Compared to New Est. - Total			\$ (561,500,000)		\$ (425,421,000)		\$ (445,300,000)		
Budget Document Compared to New Est. - Gen. Fund			\$ (538,600,000)		\$ (416,721,000)		\$ (436,900,000)		

SELECTED TAXES	BUDGET	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%
	DOCUMENT							
SALES AND USE TAX	\$ 7,306,600,000	3.93%	\$ 6,966,600,000	2.00%	\$ 7,090,740,000	2.22%	\$ 7,046,600,000	2.07%
FRANCHISE AND EXCISE TAXES	1,801,300,000	2.00%	1,633,500,000	-1.00%	1,650,000,000	0.00%	1,674,200,000	1.80%
INCOME TAX	262,600,000	1.98%	239,400,000	-5.00%	242,100,000	-10.00%	246,500,000	1.40%
ROAD USER TAXES	1,126,600,000	0.90%	1,126,000,000	0.20%	1,131,788,000	0.45%	1,143,100,000	2.06%
ALL OTHER TAXES	1,340,400,000	2.56%	1,310,500,000	4.07%	1,297,451,000	5.30%	1,281,800,000	1.98%

(1) Privilege Tax estimates are reduced by \$34.6 million for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

(COLLECTIONS THROUGH APRIL 30, 2008)

SALES & USE TAX

2007-2008 APRIL ESTIMATES

	<u>2006-2007</u> <u>ACTUAL</u>	<u>FOX</u>	<u>%</u>	<u>FRC</u>	<u>%</u>	<u>DOR</u>	<u>%</u>
ANNUAL	\$6,815,407,300	\$ 6,830,000,000	0.21%	\$ 6,937,000,000	1.78%	\$ 6,903,900,000	1.30%
AUG / APRIL	5,078,052,300	5,124,200,000	0.91%	5,124,200,000	0.91%	5,124,200,000	0.91%
MAY / JULY	1,737,355,000	1,705,800,000	-1.82%	1,812,800,000	4.34%	1,779,700,000	2.44%
JAN / APRIL	\$2,328,802,300	\$ 2,278,381,000	-2.17%	\$ 2,278,381,000	-2.17%	\$ 2,278,381,000	-2.17%

GROWTH RATES

JAN.	-1.36%
FEB.	-1.91%
MARCH	0.60%
APRIL	-4.93%