

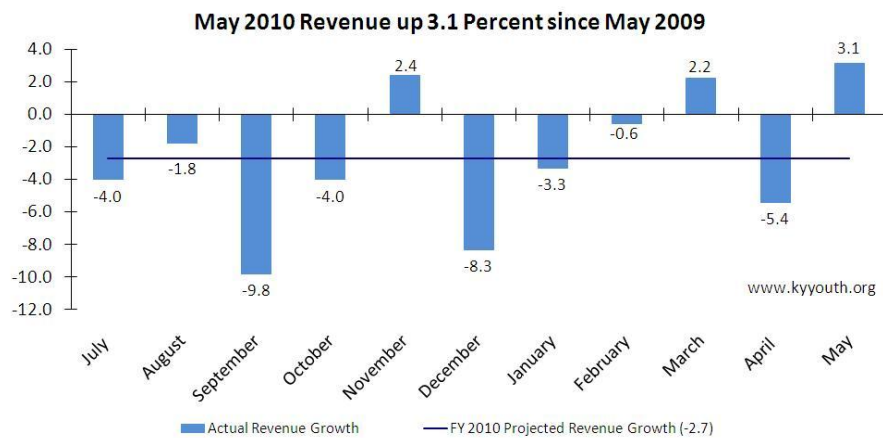
May Revenues Up 3.1 Percent

Slow Recovery Highlights Need for Balanced Approach

Moderately improved state revenue collections indicate a continued but slow recovery. This suggests the recent cuts in spending for the next two years are not likely to be able to be restored and that there is still need for lawmakers to adopt a balanced approach that includes new revenues so important programs can be restored and maintained.

The state's revenue collections for May were slightly above collections from May of last year. This is good news, but the need for new revenue should not be forgotten for several reasons:

- This is only the third month for revenue growth in the last fiscal year. It's too soon to tell if this represents the beginning of a trend.
- While sales and use tax revenue is up 1.1 percent since last year, it is still 2.7 percent below estimates for the year. Income tax revenue remains 5.7 percent lower than projections.
- [Kentucky's unemployment rate](#) remains high, affecting sales and use tax and income tax revenue.



SOURCE: Office of the State Budget Director, "General Fund and Road Fund Receipts for May 2010" Available: <http://www.osbd.ky.gov/NR/rdonlyres/D592DA03-DC4A-4FDD-8BF5-E2908D4551B8/0/1005TaxReceipt.pdf>

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Kentucky Youth Advocates is home to the Kentucky Tax and Budget Initiative. We work to promote an adequate, sustainable and transparent budget upon which we can build strong public structures and the long-term economic vitality of the Commonwealth. Funding is provided by the Annie E. Casey Foundation and the Stoneman Family Foundation.