



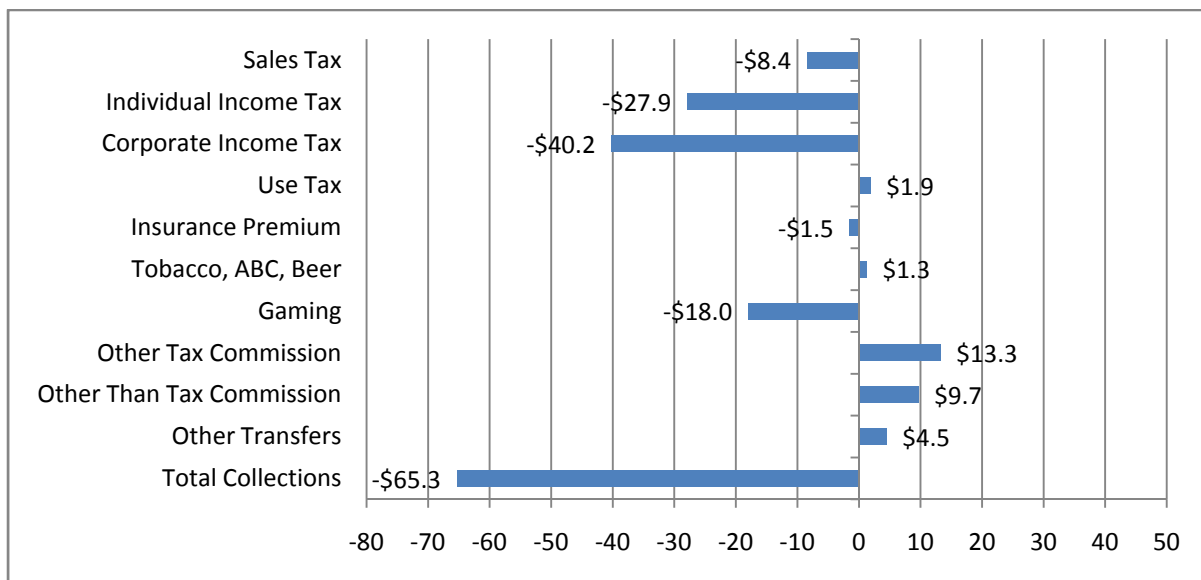
**STATE REVENUE COLLECTIONS FOR DECEMBER COME IN BELOW ESTIMATE:  
ADDITIONAL BUDGET CUTS FOR CURRENT FISCAL YEAR ANTICIPATED**

**SUMMARY:** A review of state tax collections showed that, through the first half of the fiscal year (July 1, 2008 – December 31, 2008) total General Fund Revenues were \$65,291,338 below the Sine Die estimate. In December, monthly collections were short by \$32.3 million – the largest shortfall to date in the fiscal year. Mississippi’s budget is required to be balanced. When revenues come in below estimate, the State Fiscal Officer, appointed by the Governor, may cut spending up to 5%. Any cuts above 5% of the enacted budget must be executed as a uniform percentage of all general funds.

**Year-to-Date Fiscal Picture**

Starting in September, General Fund Revenue Collections fell below the Sine Die Revenue Estimate for FY 2009. When collections fall below the Sine Die Estimate, especially if the collections are not expected to increase over the estimate during the fiscal year, budgetary action is needed to keep the budget balanced. Mississippi’s current fiscal year appropriations, or spending decisions, were based on the assumption that the state would generate at least as much as the estimate. With lower revenue collections, cuts have been implemented and are expected to occur again to balance the budget. Figure 1 shows the difference between General Fund Revenue Collections and the Revenue Estimate through the first half of the fiscal year.

**Figure 1: FY 2009 General Fund Revenue Collections Year-to-Date Compared to Sine Die Estimate**



Source: Mississippi Joint Legislative Budget Committee FY 2009 Revenue Collections for December.