



REVENUE COLLECTIONS CONTINUE TO FALL UNDER ESTIMATE: BALANCED APPROACH NEEDED FOR MISSISSIPPI TO COMPETE

October 15, 2009

Key Takeaway: General fund revenue collections for the first quarter of FY 2010 have come in \$77 Million (7.7%) under estimate. Current year budget cuts of \$179 Million have already been made. While budget cuts may be part of the solution, a balanced approach including raising additional revenue, is necessary to minimize further harm to the state’s economy and to position Mississippi to compete when the economy turns around.

Appropriations for each fiscal year are made using revenue estimates. FY 2010 appropriations were made in the spring of 2009. When revenue comes in below estimates cuts must be made, reserve funds must be used, or new revenue must be collected.

General fund collections for July through September have come in \$77 Million below estimate. Over half of that deficit is from September. September revenue was \$44.9 million under estimate. The table below shows monthly and cumulative estimates versus actual collections for the first quarter of FY 2010.

FY 2010 First Quarter General Fund Revenue Collection Estimates Vs. Actual

	July	August	September	1st Quarter Cumulative
Estimate	\$226,369,892	\$323,547,683	\$ 449,953,738	\$999,871,313
Actual	\$200,448,719	\$317,039,892	\$ 404,972,928	\$922,461,539
Difference	\$25,921,173	\$6,507,791	\$ 44,980,810	\$77,409,774
% shortfall	11.45%	2.01%	10.16%	7.74%

Source: Monthly Tax Commission Transfers from the Mississippi State Tax Commission

Current year budget cuts of \$171.9 Million have already been made, however if revenues continue fall short of estimates, additional action may be needed. Facing a problem this big requires a balanced approach that includes raising revenues to position the state to move forward when prosperity returns.