Current Revenue / Budget Situation  
July 20, 2007

1. Through May general revenue is down $318 million from the March estimating conference.
   a. Corporate income tax continues to decline. $168 million less than estimated.
   b. Sales Tax, particularly general sales tax, tourism, and business, are behind. Total of $140 million.
   c. Documentary stamp taxes are down by $11 million.

2. Downward revenue trend is expected to continue.

3. Agencies, including universities, have been told to expect a minimum 4% recurring budget reduction.

4. This 4% reduction (approx. $100 m) will be realized through a 24% quarterly release of funds instead of the normal 25% quarterly release.

5. A 10% (approx. $232 m) recurring budget reduction plan for 2007-08 is to be submitted to the Legislature and Governor by August 8.

6. The target 10% budget reduction amount was provided by the Governor’s office to agencies on July 16.

7. A general revenue estimating conference will be held August 1.

8. A special session will begin on September 18.

Attachments:
  2. Memorandum from the Office of the Governor and Legislature