

2009-10 Tentative Budget Agreement

Summary

General Points

- This budget includes \$27.945 billion in spending.
- There are no broad-based tax increases.
- Basic Education funding receives a \$300 million increase.
- Approximately \$1.2 billion in recurring revenue.

Recurring Revenues

- \$373.9 million in fiscal year 2009-10 and \$550.6 million in fiscal year 2010-11 from a delay in the phase-out of the Capital Stock and Franchise Tax. The CSFT rate will be set at 2.89 mills for 2009 through 2011.
 - Changes to the Net Operating Loss Carry-Forward and Sales Factor provisions represent a combined tax reduction of \$73.9 million in fiscal year 2009-10 and \$92.1 million in 2010-11.
- \$200 million in fiscal year 2009-10 from the addition of table games in casinos. Table games are expected to generate about \$120.7 million in fiscal year 2010-11.
- \$170.9 million in fiscal year 2009-10 and again in fiscal year 2010-11 by redirecting the portion of the cigarette tax which goes to HCPRA to the General Fund.
- \$100 million in increased leases for the Marcellus Shale area.
- \$97.2 million in fiscal year 2009-10, and \$145.7 million in fiscal year 2010-11, from a 25-cent per pack increase in the cigarette tax.
- \$75 million by reducing various tax credit programs.
- \$60 million in fiscal year 2009-10 and again in fiscal year 2010-11 by reducing eligibility errors in the Department of Public Welfare.
- \$25 million in fiscal year 2009-10 and again in fiscal year 2010-11 by transferring profits from the state stores into the General Fund.
- Increasing the limits for and taxing small games of chance could generate up to \$100 million in fiscal year 2009-10, and \$200 million in fiscal year 2010-11.

One-Time Revenue Sources

- \$755 million from the Rainy Day Fund will be available in 2009-10.
- \$708 million from the surplus in the Health Care Provider Retention Account (HCPRA) will be transferred to the General Fund in fiscal year 2009-10.
- \$211.4 million in fiscal year 2009-10 by accelerating the due date for sales tax collections.
- \$159.1 million in fiscal year 2010-11 by accelerating the due date for personal income tax collections.
- \$150 million from the Tobacco Endowment account in fiscal year 2009-10, plus an additional \$150 million in fiscal year 2010-11.
- \$143 million transfer from the Oil & Gas Lease Fund in fiscal year 2009-10, plus an additional \$125 million transfer in fiscal year 2010-11.
- \$100 million from a tax amnesty program in fiscal year 2009-10.
- \$16.1 million by reducing spending on the tobacco fund cessation and prevention program in fiscal year 2009-10, and again in fiscal year 2010-11.
- At least \$9.5 million from various budget transfers for fiscal year 2009-10.