

Proposed 2009-10 State Budget Agreement Summary

General Points

- This budget includes \$27.945 billion in spending.
- There are no broad-based tax increases.
- No programs are moved offline.

Recurring Revenues

- \$373.9 million in fiscal year 2009-10 and \$550.6 million in fiscal year 2010-11 by delaying the phase-out of the Capitol Stock and Franchise Tax. The CSFT rate would be set at 2.89 mills for 2009 through 2011.
 - Businesses would benefit by changes to the Net Operating Loss Carry-Forward and Sales Factor provisions. These changes would cut business taxes by a combined \$73.9 million in fiscal year 2009-10 and \$92.1 million in 2010-11.
- \$200 million in fiscal 2009-10 by adding table games at existing casinos. Table games would generate about \$120.7 million in fiscal year 2010-11.
- \$170.9 million per year in fiscal 2009-10 and 2010-11 by redirecting the portion of the cigarette tax that currently goes to the Health Care Provider Retention Account (HCPRA) to the General Fund.
- \$100 million by leasing more state property for Marcellus Shale drilling.
- \$97.2 million in fiscal year 2009-10, and \$145.7 million in fiscal year 2010-11, by increasing the cigarette tax by 25-cents per pack.
- \$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 state store profits into the General Fund.
- Increasing the limits and taxing small games of chance would 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 for fiscal 2009-10.
- \$708 million from the surplus in the Health Care Provider Retention Account (HCPRA) would 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 through a 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 for fiscal year 2009-10.
- \$31.9 million from various transfers identified in Senate Bill 850 for 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.

Items Not in This Plan

- There is no PIT (Personal Income Tax) increase.
- There is no sales tax increase, or elimination of any sales tax exemptions.
- There are no slots or video poker at corner bars and taverns.
- There is no keno.