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### **WYMAN SAYS SALES TAX RECEIPTS HIKE SURPLUS TO \$393.3 MILLION**

State Comptroller Nancy Wyman today said a jump in sales-tax revenue has helped push the projected 2010 budget surplus to \$393.3 million.

Receipts of the sales tax – the largest tax category after the income tax – have been on the rise since March and increased by nearly \$39 million over the last month.

“The improvement in the sales tax is a good indicator that our economy is slowly turning around,” Wyman said, “but overall growth is still far below what we need for a full recovery.”

Even with the recent upswing, the sales tax is expected to generate about 4 percent less revenue than 2009. And even with significant increases in income tax and corporation tax rates, overall net General Fund revenues are estimated to end the year just 1.2 percent higher than last year.

Overall, Wyman’s surplus projection rose by \$150.4 million in the last month. Estimated receipts from licenses and permits were up by \$20 million; insurance company tax receipts rose by \$12.9 million and tax refunds paid by the state dropped by \$14.1 million. Net government spending was estimated to be \$41.7 million lower than last month’s projection.

Although the 2010 fiscal year ended June 30, the state still accrues receipts in several major tax categories through July. Wyman will close the books and issue her final 2010 budget forecast on Sept. 1.

Wyman again noted that a \$500 million deficit projected for most of the fiscal year was mainly eliminated not by revenue gains, but by deficit-mitigation measures that included federal stimulus dollars, deferral of payments to the state pension fund and one-time transfers of money from accounts including the Rainy Day Fund.