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Ga. Tax Revenue Continues Decline; Some Analysts Say Tax Increases Needed

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ATLANTA — Georgia's tax collections keep plummeting. September revenue figures show a 16% decline from the same time last year.



State coffers continue to take in less money. Three months into the fiscal year 2010, revenues are down about 14% as compared to the first three months of last year. (photo courtesy Bill Geideck)

Three months into the fiscal year 2010, revenues are down about 14% as compared to the first three months of last year.

This has some analysts saying the state must raise taxes or make more cuts in Education and health care.

Georgia had an \$800 million deficit in July, the last official estimate.

Since then, the state has experienced lower than anticipated tax collections and extensive flood damage.

Alan Essig with the Georgia Budget and Policy Institute says when you include those costs the state's deficit is likely closer to 1.5 billion dollars.

He says Georgia has two options: raise money with new taxes or face cuts to critical services.

"We spend about 86 percent of the state budget on education, on health care on social services and on our corrections system. Which means that by trying to save hundreds of millions of dollars - if you depend totally on budget cuts - you have got to cut education and health care."

Essig offers up various ways for the state to increase revenues. For example, raising the price of a pack of cigarettes by \$1 would generate about \$300 million dollars in a years time.

A spokesperson for the governor said it's too soon to make decisions about the budget. He says come next legislative session, both raising taxes and making more budget cuts will be on the table.