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Statement on Comptroller's Revised Revenue Estimate

(AUSTIN, Texas) — Center for Public Policy Priorities Senior Fiscal Analyst Dick Lavine made the following comments regarding the Texas Comptroller of Public Accounts revised revenue estimate released yesterday.

“To meet the needs of *all* Texans for education—the proven path to better jobs—and health and human services—vital protection for Texas families—our state must reform its out-of-date revenue system.

“When the Legislature returns in 2013, even with the comptroller’s revised revenue estimate, it will face three problems:

1. the Legislature still has no way to cover the \$10 billion structural deficit it created by the 2006 tax cut;
2. before it can even write the next budget, the Legislature must first cover an estimated \$4.8 billion in authorized but unfunded Medicaid expenditures; and
3. Texas will have more people and higher costs.

“Any one of these three problems dwarfs the revenue growth forecast by the comptroller, leaving the state with a shortfall, not a surplus.

“This slightly higher forecast is a result of better-than-expected growth in 2011, which sets a higher base for future growth, one-time steps such as speeding up payment of sales and alcohol taxes, and hoped-for strength in oil prices.”

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