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Sales tax revenues plunge \$170M

Last quarter of 2008 is dismal as consumers cut back spending

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ALBANY — Adding to New York's unrelenting bad economic news, state officials said this week the latest sales tax figures are down roughly 6 percent during the last quarter of 2008.

Revenues dropped \$170 million for the last quarter, going from

\$2.69 billion to \$2.52 billion.

That could mean that the state's \$15.4 billion budget gap might grow once again.

Officials at Gov. David Paterson's Budget Division aren't yet saying whether that gap has widened, but they are expected to release an updated version of Paterson's proposed \$121 billion budget plan on Thursday.

That's the day the governor puts out his 30-day amendments to the budget.

The drop in sales tax revenue

was also felt in counties across the state, noted Mark Lavigne, spokesman for the state Association of Counties, whose members were briefed Monday by state officials. In Albany County, for example, sale tax revenues fell 7.4 percent in the last quarter. In Rensselaer County, the drop was 2.7 percent; in Saratoga County, 7 percent; Schenectady County's decrease was just under 2 percent.

Lavigne said state officials expect another 12,000 layoffs across New York to be announced by the

end of March, according to notices that employers are required to provide.

"We're watching all these different statistics each month," said Lavigne.

Between the time the budget proposal is released and the amendment date, any number of interest groups can ask for tweaks or minor changes. Lavigne said counties are looking for fewer cuts in retroactive reimbursements from the state for their child-welfare expenses.

Not all of the budget news is negative: Division of Budget spokesman Matt Anderson said the original budget proposal was completed under the assumption that the federal government was working on an economic stimulus package of \$220 billion, which would be divided up among the states.

Since then, the proposed package has grown to \$775 billion.

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