Florida lawmakers got more bad budget news Tuesday as state economists reduced their estimate of general revenue collections for the current and next fiscal years.

The new estimate could add about $1 billion to a previously forecast $2.5-billion gap between expected income and spending considered high priority to critical in the budget for the fiscal year that begins July 1.

Preliminary figures show the revised forecast for the current budget that runs through June 30 could range from $420 million to $705 million less than economists had forecast in August.

The estimate for the next budget year could be down by $560 million to $762 million. Forecasts for the following two years also are down.

General revenue still is expected to increase over prior-year collections in each case, just not as much as expected.

The economists planned to release final numbers later Tuesday.

Gov.-elect Rick Scott will use the new revenue estimates to formulate his budget recommendation to the Legislature early next year.

Economists revise the estimates three times each year. The next update in March will be used by the Legislature to draft the 2011-12 budget.

The new estimates are based on an economic forecast that last month predicted Florida will recover from the recession more slowly than anticipated. That includes an unemployment rate expected to remain at or near 11.8 percent through the first quarter of 2011 before it begins slowly dropping.

The current state budget is slightly more than $70 billion. General revenue accounts for about a third of that total and is the only segment over which lawmakers and the governor have total discretion.

The bulk of the budget is spending funded and dictated by the federal government and those state taxes and fees earmarked for specific purposes, such as fuel taxes that must go for transportation purposes.
Sales tax revenues, which make up 70 percent of general revenue, are forecast to fall below prior estimates in virtually every segment including autos, other durable goods, construction, business investment and tourism and recreation.

Other major general revenue sources declining from the August estimate include corporate income tax, motor vehicle fees, insurance premium tax and beverage tax.