



# THE NELSON A. ROCKEFELLER INSTITUTE OF GOVERNMENT

*The public policy research arm of the State University of New York*



## NEWS

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## For Immediate Release

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## Uncertainty Weighs on State Revenue Forecasts for FY 2016-17

Albany, NY — State tax revenue growth slowed significantly in the second half of 2015 and, according to preliminary data, early in 2016, this according to the just released State Revenue Report of the Nelson A. Rockefeller Institute of Government, the public policy research arm of the State University of New York. Year-over-year growth was 1.9 percent in the fourth quarter of 2015. Preliminary data for the first quarter of 2016 call for another quarter of 1.9 percent growth.

Personal income tax revenue growth slowed to 5.1 percent on a year-over-year basis in the fourth quarter. Growth was weak in sales tax collections, at 2.1 percent, and motor fuels tax at 3.5 percent during this same period.

State corporate income taxes declined by 9.2 percent in the fourth quarter of 2015, compared to average growth of 5.3 percent in the four previous quarters, and oil state economies continue to be suffering from significant declines in prices and production. All eight states with economies heavily dependent upon oil and mineral production had year-over-year declines in total state tax revenue in the fourth quarter of 2015, the report said.

Also reported was slowing growth in withholding from wages in the fourth quarter, and first quarter slowing in estimated payments and final returns.

Adding to this picture of slow growth and declines, the report put a spotlight on the potential impact of this recent slowing of state revenue performance, combined with a volatile stock market and turmoil related to Brexit. This suggests that the outlook for state budgets in the 2016-17 state fiscal year that begins on July 1st in 46 states has become "gloomier and more uncertain," the report's authors wrote.

To read the report, go to [www.rockinst.org/pdf/government\\_finance/state\\_revenue\\_report/2016-06-30-SRR\\_103\\_final.pdf](http://www.rockinst.org/pdf/government_finance/state_revenue_report/2016-06-30-SRR_103_final.pdf).

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