



## Data Alert

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### For Immediate Release

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## **Growth in State Tax Revenues Continued in the Second Quarter of 2012**

*By Lucy Dadayan*

Preliminary tax collection data for the April-June quarter of 2012 show further growth in overall state tax collections, as well as for income and sales tax revenues. However, the growth in tax collections has slowed in the last four quarters. We will provide a full report on the April-June period after Census Bureau data for the quarter are available.

The Rockefeller Institute's compilation of preliminary data from 48 states shows that collections from major tax sources increased by 3.0 percent in nominal terms in the second quarter of 2012 compared to the same quarter of 2011. Tax collections have now risen for ten straight quarters, beginning with the first quarter of 2010. This growth followed five quarters of declines brought on by the Great Recession.

Among 48 early reporting states, 40 states reported gains while eight states reported declines in overall tax revenue collections during the second quarter of 2012. Personal income taxes showed a growth of 4.3 percent. Sales taxes reported relatively weak growth at 2.7 percent, and corporate income taxes declined by 4.7 in the second quarter of 2012 (see Table 1).

Table 2 shows state-by-state figures for the change in major tax revenues during the second quarter of 2012 compared to the same quarter a year earlier. North Dakota and Colorado reported the largest increases in overall tax collections, at 25.8 and 14.3 percent respectively. According to preliminary data, seven states reported double-digit growth in total tax collections, six states in personal income taxes, and another six states in sales tax revenues. Among the states reporting declines in overall tax collections, California reported the largest decline of \$1.7 billion or 4.9 percent. Such decline is mostly attributable to the expiration of temporary tax increases.

Overall, state tax revenues are showing continued improvement, though the pace of growth has been slow in the last four quarters. Now that most states have closed the books for fiscal year 2012, preliminary figures show 4.1 percent growth for the nation in total tax revenues during the fiscal year. Every state except California and Delaware reported growth in overall tax collections for the fiscal 2012 compared to fiscal 2011.

**Table 1: State Taxes Showed Continued Growth in the Second Quarter of 2012**  
Percent Change in State Tax Collections vs. Same Quarter Year Ago

	PIT	CIT	Sales	Total
2007 Q1	8.5	14.8	3.1	5.2
2007 Q2	9.2	1.7	3.5	5.5
2007 Q3	7.0	(4.3)	(0.7)	3.1
2007 Q4	3.8	(14.5)	4.0	3.6
2008 Q1	4.8	(1.4)	0.7	2.6
2008 Q2	8.1	(7.0)	1.0	5.4
2008 Q3	0.9	(13.2)	4.7	2.8
2008 Q4	(1.9)	(23.0)	(5.3)	(4.0)
2009 Q1	(19.4)	(20.2)	(8.4)	(12.2)
2009 Q2	(27.7)	3.0	(9.5)	(16.3)
2009 Q3	(11.5)	(21.3)	(10.1)	(11.0)
2009 Q4	(4.1)	0.7	(4.8)	(3.1)
2010 Q1	3.6	0.3	0.1	3.3
2010 Q2	1.3	(19.0)	5.7	1.9
2010 Q3	3.9	0.5	4.3	5.1
2010 Q4	10.6	18.1	5.1	8.1
2011 Q1	12.9	5.7	6.5	10.4
2011 Q2	16.9	19.1	6.6	11.8
2011 Q3	10.1	0.6	1.5	5.7
2011 Q4	3.8	(8.8)	2.8	3.5
2012 Q1	4.7	2.8	4.4	4.7
2012 Q2 (preliminary)	4.3	(4.7)	2.7	3.0

**Table 2: Percent Change in State Tax Revenue**  
Quarterly Tax Revenue by Major Tax  
April-June 2011 to 2012, Percent change

	PIT	CIT	Sales	Total
<b>United States</b>	<b>4.3</b>	<b>(4.7)</b>	<b>2.7</b>	<b>3.0</b>
<b>New England</b>	<b>5.1</b>	<b>6.0</b>	<b>10.8</b>	<b>7.0</b>
Connecticut	11.1	(33.9)	19.9	13.4
Maine	1.1	15.3	5.9	3.1
Massachusetts	1.7	30.3	4.9	4.1
New Hampshire	NA	(3.5)	NA	1.9
Rhode Island	(0.4)	48.6	5.3	5.2
Vermont	7.5	5.1	1.7	0.8
<b>Mid-Atlantic</b>	<b>1.4</b>	<b>(12.1)</b>	<b>(0.1)</b>	<b>0.3</b>
Delaware	5.6	(24.0)	NA	(2.5)
Maryland	6.8	13.9	10.9	5.6
New Jersey	7.5	(29.7)	1.0	1.6
New York	(3.1)	(4.2)	0.6	(2.0)
Pennsylvania	5.5	(6.7)	(6.4)	1.3
<b>Great Lakes</b>	<b>10.5</b>	<b>(9.7)</b>	<b>4.8</b>	<b>7.0</b>
Illinois	16.9	32.5	4.4	13.8
Indiana	2.4	38.5	6.5	6.6
Michigan	16.3	(71.7)	(0.5)	(2.4)
Ohio	0.8	(74.0)	9.3	5.2
Wisconsin	12.9	11.2	4.7	8.7
<b>Plains</b>	<b>6.9</b>	<b>39.1</b>	<b>8.4</b>	<b>8.3</b>
Iowa	9.4	28.0	12.2	12.2
Kansas	8.4	35.4	10.1	11.9
Minnesota	9.3	84.8	6.2	7.6
Missouri	5.3	(0.8)	2.8	4.2

Nebraska	2.4	26.6	(0.1)	1.2
North Dakota	(5.9)	76.5	45.6	25.8
South Dakota	NA	NA	5.4	10.8
<b>Southeast</b>	<b>7.3</b>	<b>10.9</b>	<b>2.2</b>	<b>4.7</b>
Alabama	21.8	2.7	6.0	4.6
Arkansas	9.0	6.5	6.1	5.0
Florida	NA	12.0	4.3	5.6
Georgia	4.2	23.9	2.2	4.8
Kentucky	3.5	3.6	6.0	3.2
Louisiana	6.3	11.4	(4.8)	6.7
Mississippi	8.6	17.0	3.4	6.3
North Carolina	6.2	12.6	(12.0)	(0.2)
South Carolina	9.0	21.8	4.8	5.8
Tennessee	NA	14.8	6.5	9.2
Virginia	8.4	4.3	1.2	5.4
West Virginia	2.4	(13.3)	5.5	2.2
<b>Southwest</b>	<b>8.5</b>	<b>4.1</b>	<b>10.9</b>	<b>8.5</b>
Arizona	9.0	(10.8)	5.8	4.8
New Mexico	ND	ND	ND	ND
Oklahoma	7.9	32.1	9.7	3.3
Texas	NA	NA	11.9	10.0
<b>Rocky Mountain</b>	<b>9.7</b>	<b>18.3</b>	<b>5.6</b>	<b>7.8</b>
Colorado	13.1	44.7	8.7	14.3
Idaho	5.0	8.9	6.2	6.0
Montana	7.6	(15.6)	NA	(0.5)
Utah	6.3	3.9	0.6	3.4
Wyoming	NA	NA	7.1	7.0
<b>Far West</b>	<b>(1.1)</b>	<b>(20.5)</b>	<b>(5.7)</b>	<b>(3.9)</b>
Alaska	NA	(77.9)	NA	(0.0)
California	(1.6)	(19.2)	(6.8)	(4.9)
Hawaii	ND	ND	ND	ND
Nevada	NA	NA	6.0	4.2
Oregon	3.7	(1.6)	NA	3.5
Washington	NA	NA	(4.8)	(3.4)

**Source:** Individual state data, analysis by Rockefeller Institute.

**Notes:** NA - not applicable; ND - no data.

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