



RESEARCH REPORT

State Revenue Growth Stagnates in Fiscal Year 2024

State Tax and Economic Review, 2024 Quarter 2

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Get Real-Time Data

The *State Tax and Economic Review* is the preeminent source of data and analysis on state tax collections. The Urban Institute's State and Local Finance Initiative regularly collects data and information from all 50 states, uses this information to adjust national and state data from the US Census Bureau, then provides the most timely, accurate, and in-depth look at how states are faring.

Visit our [project page](#) to read previous *State Tax and Economic Review* reports and subscribe to gain direct access to the following datasets:

[Monthly State Government Tax Revenue Data](#)

Data from all states from 2010 to present on revenue from the individual income tax, corporate income tax, general sales tax, and total taxes.

[Monthly State Government Personal Income Tax Data](#)

Data from 41 states with broad-based income taxes from 2010 to present for the following components of personal income taxes: withholding, estimated payments, final payments, refunds, and total net personal income taxes.

[Quarterly State Government Tax Revenue Data](#)

Data from all states from 2010 to present on tax revenue from the individual income tax, corporate income tax, general sales tax, and motor fuel tax.

[Annual State Government Tax Revenue Collections versus Official Forecasts](#)

Data from nearly all states from fiscal year 2015 onward for actual revenue collections and revenue forecasts for the individual income tax, corporate income tax, and general sales tax.

[Annual State and Local Government Gambling Revenue Data](#)

Data from all states for fiscal year 2000 onward for revenues collected on various types of gambling, including lottery, pari-mutuels, casinos and racinos, and video games.

[Monthly State Government Marijuana Tax Revenue Data](#)

Data from all states that tax sales of recreational marijuana from inception of the tax to present.

Executive Summary

The fiscal landscape has shifted dramatically since the initial wave of pandemic-related effects on the economy. Although states initially forecasted sustained growth for fiscal years 2023 and 2024, widespread tax cuts and weak stock market performance have led to most states reporting fiscal year 2024 revenue performance significantly below earlier projections. The fiscal outlook remains uncertain—states face potential fiscal impacts from the 2025 expiration of certain Tax Cuts and Jobs Act provisions, and with the presidential election, fiscal unpredictability persists, as potential policy shifts could reshape the economic landscape for state budgets. Many states have built up substantial rainy-day funds, which could help ease the transition to slower revenue growth, but the long-term sustainability of recent tax cuts amid economic headwinds remains a concern.

Below are five key takeaways from this report:

1. **Temporary boost in income tax collections:** Personal and corporate income tax revenues saw a substantial increase in the second quarter of 2024 compared with the same period in 2023, largely due to a temporary boost from California’s delayed tax filing deadline. This one-time adjustment created a unique surge in state income tax collections that may not persist in future quarters. Overall, personal and corporate income tax revenues declined over the full fiscal year 2024 in the median state.
2. **Ongoing sales tax challenges:** Sales tax revenue continues to lag, marking the fifth consecutive quarter of inflation-adjusted¹ declines as consumer spending increasingly shifts toward untaxed services rather than taxable goods. This trend is concerning for states reliant on sales tax revenues, and if it continues, it could signal deeper, more structural challenges in revenue generation from this source.
3. **Moderating revenue growth and economic uncertainty:** Preliminary data for the third quarter of 2024 indicates that revenue growth is slowing, with the median state reporting only a 2.7 percent nominal year-over-year increase. The fiscal outlook remains uncertain as states face potential fiscal impacts from the 2025 expiration of certain Tax Cuts and Jobs Act provisions, which may alter federal tax structures and indirectly impact state revenue streams.
4. **Modest Growth Projected for State Tax Revenues in fiscal year 2025:** State tax revenue growth is expected to remain modest in fiscal year 2025, with the median state forecasting a 1.7 percent increase and national growth at 2.5 percent. Personal income and sales tax revenues show restrained growth, while corporate income tax revenue is projected to decline in some states, reflecting the effects of recent policy changes and local economic conditions.

5. **Economic Growth with Shifting Spending Patterns and Rising Unemployment:** Economic indicators showed continued growth in the second quarter of 2024. Solid gross domestic product growth of 3.0 percent and a 2.7 percent increase in personal consumption (driven by services) highlight economic resilience, though a 0.6 percent drop in inflation-adjusted spending on taxable goods may impact sales tax revenues. Housing remains strong, with a 5.9 percent increase in home prices supporting property tax stability, even as the labor market shows signs of cooling; the unemployment rate has risen steadily since early 2023, reaching 4.2 percent in the third quarter of 2024, suggesting potential headwinds for future economic momentum.

Trends in State and Local Revenues

State and local tax revenues surged due to economic shifts from the COVID-19 pandemic and substantial federal aid. This revenue growth prompted many states to implement tax cuts, including income tax rate reductions, refundable credits, tax holidays, and one-time rebates. However, the fiscal landscape has since shifted dramatically. Widespread tax cuts, coupled with weak stock market performance, led to significant state revenue weakness in fiscal years 2023 and 2024, creating a more challenging budget environment for many state and local governments.

Table 1 shows real state and local government tax revenues from major sources for the second quarters of 2023 and 2024 as well as for fiscal years 2023 and 2024, along with percentage changes.

TABLE 1

State and Local Government Tax Revenue Trends

Millions of dollars, adjusted for inflation

Tax source	2023 Q2	2024 Q2	YOY percent change	Fiscal year 2023	Fiscal year 2024	YOY percent change
Total state-local major taxes	\$510,619	\$533,346	4.5	\$2,041,711	\$2,086,920	2.2
State major taxes	\$327,696	\$344,869	5.2	\$1,129,592	\$1,143,166	1.2
Personal income tax	143,278	158,095	10.3	493,637	508,009	2.9
Corporate income tax	51,803	55,353	6.9	142,075	146,685	3.2
Sales tax	127,004	125,679	(1.0)	470,092	463,593	(1.4)
Property tax	5,611	5,742	2.3	23,788	24,878	4.6
Local major taxes	\$182,923	\$188,477	3.0	\$912,119	\$943,754	3.5
Personal income tax	15,324	13,372	(12.7)	49,124	45,320	(7.7)
Corporate income tax	4,748	4,510	(5.0)	13,246	12,870	(2.8)
Sales tax	29,464	29,896	1.5	122,134	118,527	(3.0)
Property tax	133,386	140,699	5.5	727,615	767,037	5.4

Source: US Census Bureau (tax revenue), with adjustments by the author.

Notes: Q = quarter; YOY = year-over-year.

Major findings include the following:

- **State and local government tax revenues** from major sources increased by 4.5 percent in real terms in the second quarter of 2024 compared with the same period a year earlier, while the year-over-year real growth for fiscal year 2024 was 2.2 percent.
- **State government tax revenues** from major sources grew by 5.2 percent in real terms in the second quarter of 2024 compared to the previous year, with overall year-over-year growth of 1.2 percent for fiscal year 2024. **State personal income tax revenues** saw a real term increase of 10.3 percent in the second quarter of 2024 over the same period last year, with an overall rise of 2.9 percent for fiscal year 2024. The second-quarter increase was largely driven by strong gains in California, where personal income tax revenues surged due to a delayed income tax filing deadline.² **State corporate income tax revenues** rose by 6.9 percent in real terms in the second quarter compared to a year earlier and increased by 3.2 percent over the fiscal year.

In contrast, **state sales tax revenues** declined by 1.0 percent in real terms in the second quarter of 2024 and by 1.4 percent over fiscal year 2024.

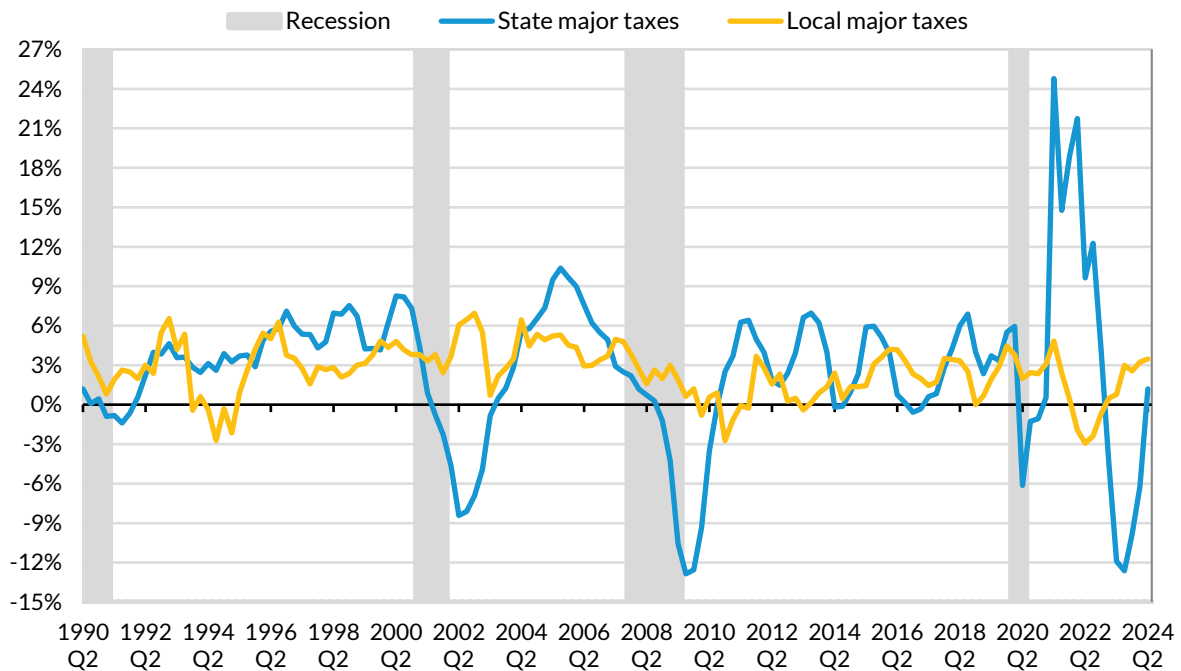
- Local government tax revenues** from major sources increased by 3.0 percent in real terms in the second quarter of 2024 compared to the same period in 2023, with a year-over-year growth of 3.5 percent for fiscal year 2024. **Local property taxes**, the largest source of local government revenue, increased by 5.5 percent in real terms in the second quarter and saw a 5.4 percent rise over the fiscal year. **Local sales taxes** showed a modest increase of 1.5 percent, while **local personal and corporate income taxes** declined by 12.7 percent and 5.0 percent, respectively, in the second quarter. However, income taxes remain a minor revenue source for local governments, concentrated in only a few states.

Figure 1 shows the year-over-year percentage change in the four-quarter moving average of real state and local revenue collections from major sources—personal income, corporate income, sales, and property taxes—providing a clearer view of broader revenue trends by smoothing out short-term economic fluctuations and policy changes, such as shifts in income tax filing deadlines.

FIGURE 1

State Major Tax Revenues Are Slowly Rebounding

Year-over-year inflation-adjusted percentage change in state and local taxes from major sources



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Source: US Census Bureau (tax revenue) and Bureau of Economic Analysis (GDP), analysis by the author.

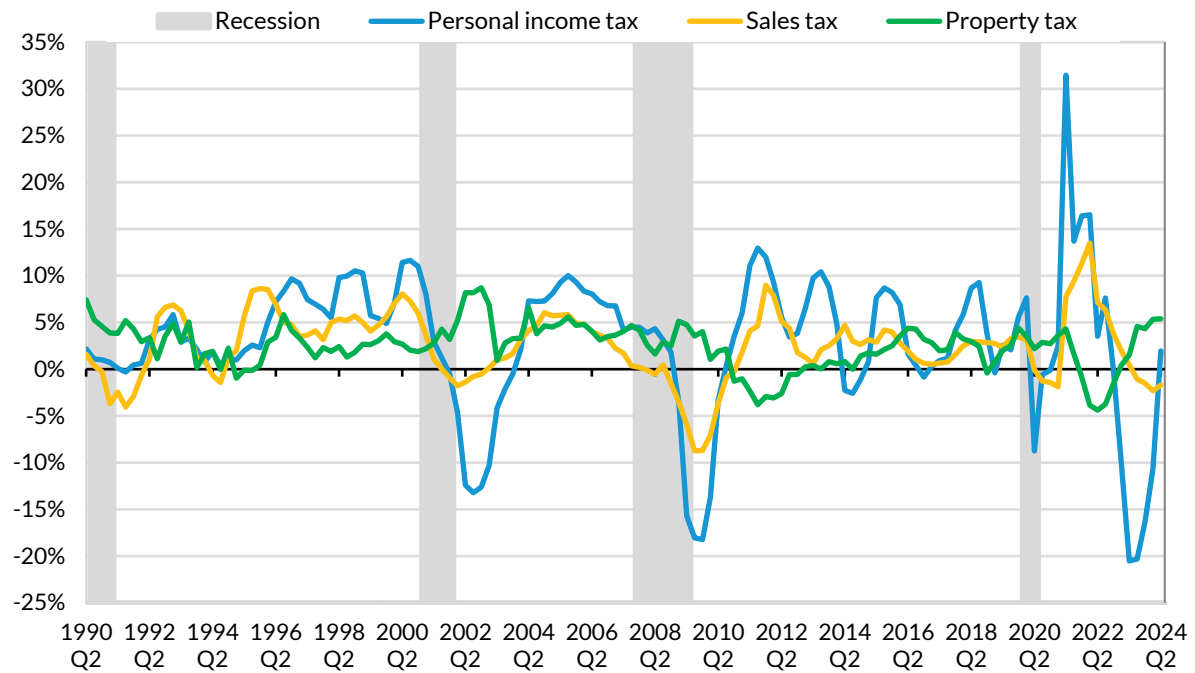
Notes: Year-over-year change is the percentage change of four-quarter moving averages. Data are adjusted for inflation. Data are for four major tax categories only: personal income, corporate income, general sales, and property.

By this measure, real state tax revenues from major sources increased by 1.2 percent in the second quarter of 2024, while real local tax revenues increased by 3.5 percent.

Most local governments rely heavily on property taxes, which tend to respond relatively slowly to changes in property values. Since the COVID-19 pandemic, commercial property values, particularly for office spaces, have declined, negatively impacting local property tax collections despite rising residential property values. Additionally, higher borrowing costs negatively impacted housing markets overall, potentially reducing future residential property tax revenues.

Figure 2 breaks out inflation-adjusted state and local personal income, sales, and property tax revenues. Real state and local personal income tax revenues increased by 1.9 percent in the second quarter of 2024 compared with the same quarter of 2023, using the four-quarter moving average. Over the same period, real state and local sales tax revenues declined 1.7 percent and real state and local property taxes, the majority of which are collected by local governments, increased 5.4 percent.

FIGURE 2
State and Local Sales Tax Revenues Continue Downward Trend
Year-over-year inflation-adjusted percentage change in major state-local taxes



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Source: US Census Bureau (tax revenue) and Bureau of Economic Analysis (GDP), analysis by the author.

Notes: Year-over-year change is the percentage change of four-quarter moving averages. Data are adjusted for inflation.

State Tax Revenues in the Second Quarter of 2024

Total state government tax revenue collections rose 8.0 percent in nominal terms and 5.3 percent in real terms in the second quarter of 2024 relative to a year earlier, according to US Census Bureau data adjusted by the author ([table A.1](#)).³ In the second quarter of 2024, personal income tax revenues increased by 10.3 percent in real terms compared to the previous year, while corporate income tax revenues rose by 6.9 percent. Inflation-adjusted sales tax collections declined by 1.0 percent, while motor fuel tax collections also dropped by 1.0 percent during the same period.

[Table A.1](#) shows (1) nominal and inflation-adjusted growth in state government tax revenue collections from major sources and (2) average quarterly year-over-year growth for fiscal year 2024. The average quarterly year-over-year growth rate in overall state tax revenue collections for fiscal year 2024 was 3.6 percent in nominal terms and only 0.9 percent in real terms.

Revenue performance varied across regions and states during the second quarter of 2024 ([table A.2](#)). The Plains and Great Lakes regions saw year-over-year declines in nominal state tax revenue collections in the second quarter of 2024, down 2.7 and 0.1 percent, respectively.⁴ In contrast, other regions experienced year-over-year growth, led by the Far West region with a robust 28.8 percent increase, primarily driven by significant gains in California.

Thirty-one states reported year-over-year nominal growth in total state tax revenue collections for the second quarter of 2024, with five states (California, Connecticut, Massachusetts, Rhode Island, and South Carolina) reporting double-digit growth. State tax revenues declined in 19 states, mostly because of declines in personal income tax revenues. The largest total revenue drops were in Oregon and Nebraska, where total state tax revenues declined 31.6 and 26.7 percent, respectively. Revenue declines in Oregon were primarily due to the issuance of a substantial “kicker” credit, which returned a significant portion of the previous year’s revenue surplus to taxpayers in the form of tax rebates.⁵ This credit, along with decreases in personal and corporate income tax revenues, contributed to the overall reduction in state tax revenues.

Overall growth in state tax revenues weakened substantially in fiscal year 2024. This contrasts with the strong growth observed in prior years, which was driven by factors such as the robust stock market observed throughout 2021, record number of initial public offerings, high inflation rate, increased spending on taxable goods during the COVID-19 pandemic, and the expectation of potential (if unrealized) federal tax hikes (Dadayan 2022a).

In fiscal year 2024, state total tax revenues increased by 3.8 percent in nominal terms compared to the previous year. However, the median state saw only a 0.6 percent increase ([table A.3](#)), reflecting a broader trend of stagnant revenues across many states. The Southwest region experienced a nominal

decline of 1.0 percent in total state tax revenues, while all other regions reported year-over-year growth. Growth remained modest in the Great Lakes, Plains, and Rocky Mountain regions, each seeing increases of less than 1.0 percent. The Far West region led with a robust 13.2 percent year-over-year growth, largely driven by California's substantial gains.

State tax revenues increased in 27 states and declined in 23 states in fiscal year 2024 in nominal terms, ranging from a 21.1 percent increase in California to a 44.9 percent decline in Alaska. Four states—Alaska, Oregon, West Virginia, and Wyoming—recorded year-over-year double-digit declines. Conversely, California and Nebraska were the only two states to report double-digit growth.

Personal Income Taxes

State personal income tax revenues increased 13.2 percent in nominal terms and 10.3 percent in real terms in the second quarter of 2024 compared with the same period in 2023. The average quarterly year-over-year growth rate in state personal income tax collections was 5.2 percent in nominal terms and 2.5 percent in real terms in fiscal year 2024 ([table A1](#)).

Personal income tax revenue performance varied significantly across different regions and states. The Plains region reported year-over-year declines of 10.1 percent in personal income tax revenue collections in the second quarter of 2024, while the rest of the regions reported growth ([table A2](#)). The Far West region reported the strongest growth at 44.1 percent, primarily driven by California's performance. This surge is largely attributed to a lower comparative base and the state's delayed income tax filing deadline, which shifted from April 2023 to November 2023.

Eighteen states reported year-over-year declines in personal income tax revenues in the second quarter of 2024, with seven states reporting double-digit declines. The declines in personal income tax revenues were largely due to recent state income tax rate cuts.

State personal income taxes increased by 5.7 percent in nominal terms in fiscal year 2024 compared to fiscal year 2023 ([table A.3](#)). However, the median state saw a 0.1 percent decline in nominal terms. Personal income tax revenues increased in 20 states and declined in 21 states in fiscal year 2024, with changes ranging from a 38.4 percent decline in North Dakota to a 27.7 percent increase in California.

More broadly, personal income taxes have become more volatile in recent years because an increasingly large share of income is generated from capital gains instead of wage income. Thus, swings in the stock market, coupled with taxpayer decisions on when to realize capital gains and losses, have contributed to personal income tax collection volatility.

For example, personal income tax revenues saw robust year-over-year growth in the first and second quarters of 2022, driven by strong stock market performance and elevated inflation, which led to bracket creep in several states. Personal income tax revenues then declined over the subsequent five quarters, largely because of a weak stock market. Additionally, reductions in personal income tax rates in several states further weakened revenue growth. Moreover, the introduction of new pass-through entity taxes, which redirected some revenues from personal income taxes to corporate income taxes, also contributed to these declines.

As of now, 36 states have enacted a pass-through entity tax. This is in part a workaround to the 2017 Tax Cuts and Jobs Act's \$10,000 cap on the federal individual income tax deduction for state and local taxes because state and local taxes are fully deductible as a business expense in calculating business earnings for determining federal tax liability (Dadayan and Buhl 2023).

Generally, pass-through entity taxes allow certain taxpayers to reduce their federal taxable liability by paying taxes at the entity rather than the individual owner level. [Table A.7](#) lists all states that enacted a pass-through entity tax and their respective effective dates. State pass-through entity tax structures and rules vary widely, which can lead to complications, especially for businesses operating across state lines. States also differ in their classification of pass-through entity taxes. Some states categorize these taxes as corporate income taxes (because they are paid by businesses), while others categorize them as personal income taxes (as they apply to pass-through income). A few states even categorize them for both personal and corporate income taxes.

To get a clearer picture of the underlying trends in personal income tax collections, we examine trends in the four major components of tax collections: withholding, quarterly estimated payments, final payments, and refunds. The US Census Bureau does not collect data on the individual components of personal income taxes. The data presented here were collected by the author directly from the states.

[Table 2](#) shows the growth for each major component of personal income tax collections in the past eight quarters.

TABLE 2
Growth in State Government Personal Income Tax Components

Year-over-year nominal percentage change

Personal Income Tax Components	Fiscal Year 2023				Fiscal Year 2024			
	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Withholding	3.1	(0.6)	0.3	3.8	3.4	3.1	5.4	5.5
Estimated payments	(18.4)	(16.2)	(44.7)	(44.5)	(25.9)	53.0	(5.3)	27.1
Final payments	23.7	44.3	(0.6)	(39.3)	3.5	21.6	2.6	5.6
Refunds	81.2	87.6	28.3	3.7	(14.0)	4.5	13.6	6.4
Total	(1.6)	(6.0)	(18.5)	(28.0)	(2.4)	8.9	1.9	13.7

Source: Individual state data, analysis by the author.

Notes: Q = quarter. The percentage changes for total personal income tax differ from data reported by the US Census Bureau.

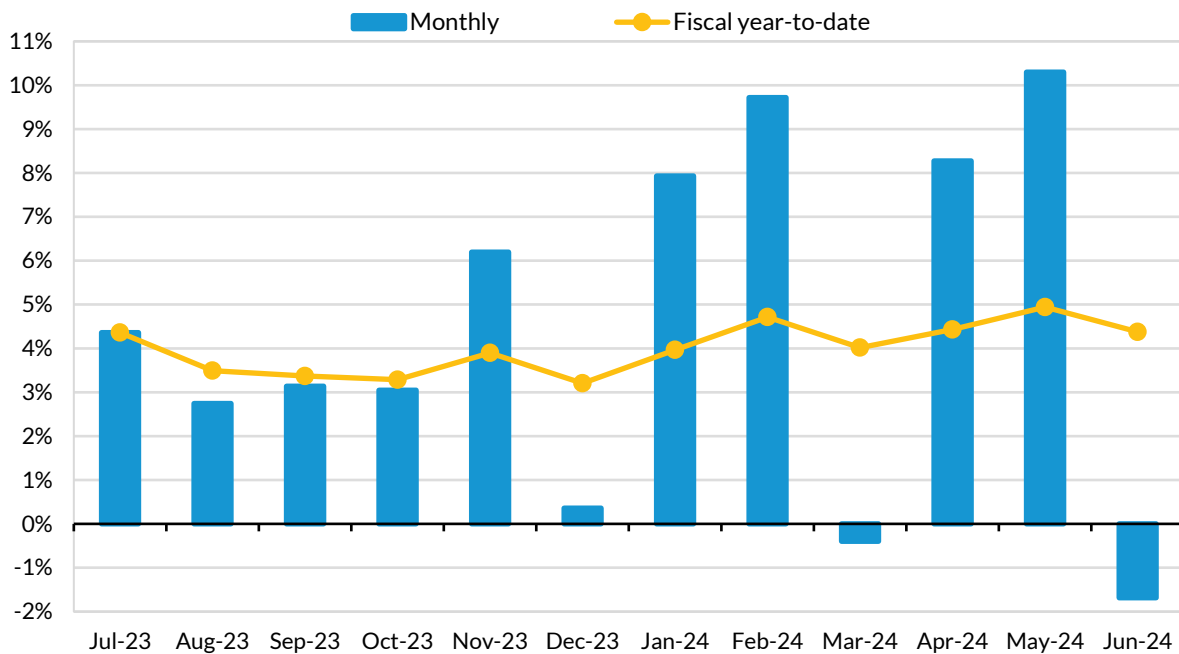
Withholding

Withholding is usually a good indicator of the current strength of personal income tax revenue and the economy because it comes largely from wages and salaries and thus is less volatile than estimated payments or final settlements. However, bonuses and stock options received by employees are also subject to withholding and can have significantly affect withholding growth.

Table A.4 shows year-over-year nominal growth in withholding for the last eight quarters for all states with a broad-based personal income tax. In the second quarter of 2024, growth in withholding was positive across all regions, with a national year-over-year increase of 5.5 percent in nominal terms. The Mideast region led with the strongest year-over-year increase at 6.9 percent, while the Southeast region reported the weakest growth at 3.4 percent.

In the second quarter of 2024, 34 of the 41 states that levy personal income tax reported growth in withholding compared with a year earlier. The growth rates varied, ranging from 1.3 percent in Arkansas to 14.7 percent in Idaho. In contrast, seven states reported declines in withholding during the same period. Notably, three states—Kentucky, Montana, and North Dakota—reported double-digit declines, primarily due to income tax cuts enacted since 2021.

FIGURE 3
Solid Growth in Withholding Revenue in Fiscal Year 2024 Despite Monthly Volatility
Nominal year-over-year percentage change in withholding tax collections, monthly and fiscal year to date



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Source: Individual state government agencies, analysis by the author.

Figure 3 shows monthly and fiscal year-to-date nominal growth rates in withholding between July 2023 and May 2024, which corresponds to state fiscal year 2024 in 46 states.⁶ Monthly data should be viewed with caution because they may include one-time payments, or a given month may have fewer tax processing days than the same month in the prior year.

During fiscal year 2024, withholding growth fluctuated monthly, with notable peaks in February 2024 and May 2024 and slight declines in March 2024 and June 2024. Despite these variations, cumulative growth remained stable throughout the fiscal year, showing a 4.4 percent year-over-year increase. States collected around \$450 billion in withholding revenues in fiscal year 2024. Thirty-two states reported year-over-year growth in withholding tax revenues in the fiscal year 2024, while nine states (Arizona, Iowa, Kentucky, Mississippi, Montana, North Dakota, Ohio, South Carolina, and West Virginia) reported declines. The declines in these states were largely due to enacted income tax rate cuts.

Estimated Payments

Higher-income taxpayers (and self-employed taxpayers) make estimated tax payments (also known as declarations) on their income not subject to withholding. This income often comes from investments, such as capital gains realized in the stock market, or from self-employment or business income. Estimated payments normally represent less than a quarter of overall income tax revenues, but because of their volatility, they can have a large impact on the direction of overall collections.

The first estimated payment for each tax year is typically due in April in most states; the second, third, and fourth payments are generally due in June, September, and January, respectively (although many high-income taxpayers make the last estimated payment in December so that it is deductible on their federal tax return for that tax year rather than the next). In some states, the first estimated payment includes payments with extension requests for income tax returns for the previous tax year and is thus related partly to income received in that previous tax year. Subsequent estimated payments are generally related to income for the current tax year, although that relationship is often quite loose.

As noted, because the first estimated payment in April contains a combination of payments related to both the current and prior tax year, it is not a good indicator of the current strength of the economy. The second, third, and fourth estimated payments are easier to interpret because they are more directly related to the current year, and thus give a real-time look at how the state's economy and income tax base are doing. Weakness in these payments can reflect weakness in nonwage income, such as that generated by the stock market. However, it can also be "noisy" in the sense that it reflects taxpayers' responses to tax payment rules as well as to expected nonwage income.

In this report, we present estimated payments for June 2024, which corresponds to the second estimated payments for tax year 2024, as well as combined estimated payments for the April through June 2024 period, corresponding to the first two estimated payments for tax year 2024 (table A.5).

Estimated payments showed varied performance across states. In the 38 states with complete data, second estimated payments for tax year 2024 (filed in June 2024) surged by 52.2 percent, although the median state saw growth of just 3.0 percent. This marked a stark contrast to the widespread steep declines observed in the second estimated payments for tax year 2023. From April to June 2024, overall estimated payments rose by 27.1 percent year-over-year, while the median state recorded only a 3.7 percent increase. Among individual states, 20 reported year-over-year growth in the second estimated payments, and 23 states showed growth for the first and second estimated payments combined. The overall rise in estimated payments can be attributed to the lower base from the previous year, as well as a rebound in stock market performance and increased capital gains realizations.

The strongest growth in estimated payments was in California, where payments surged by \$2.7 billion, or 174.7 percent, in the April through June 2024 period compared with the same period the previous year. This dramatic rise can be largely attributed to the postponed income tax filing deadline in 2023, which led to significant reductions that year and created an artificially low baseline for year-over-year comparisons.

Figure 4 shows year-over-year quarterly percentage change in estimated payments and S&P 500 Index for the past decade. The longer-term trends indicate substantial volatility in estimated payments, which is partially caused by volatility in the stock market as well as by taxpayer responses to actual and expected federal and state tax policy changes, which affect timing of the capital gains realizations.

Because temporary changes in timing can alter revenue patterns significantly, we recommend relying on combined quarterly figures and longer-term trends. The year-over-year growth in estimated payments generally mirrored stock market trends in 2022. Both estimated payments and the stock market saw increases in the first quarter of 2022 but declined over the following three quarters of 2022.

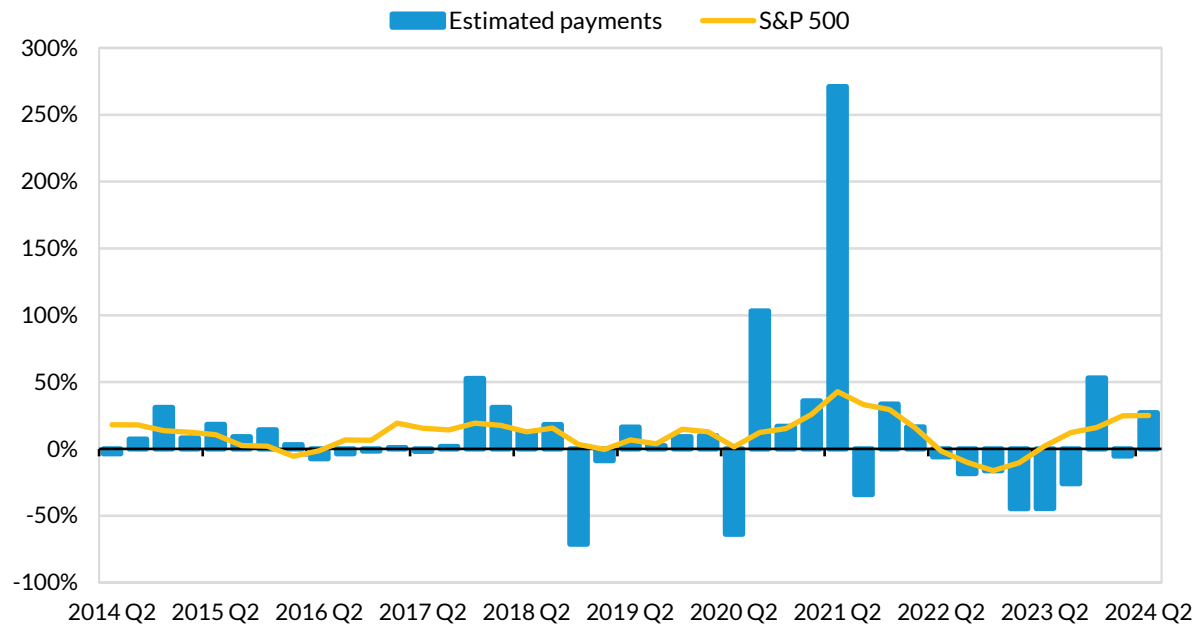
This pattern persisted into the first quarter of 2023, with both experiencing further declines. However, while the stock market began to recover in the second quarter of 2023, estimated payments continued to decrease through the second and third quarters. A notable rebound in estimated payments occurred in the fourth quarter of 2023, fueled in part by strong growth in California due to a delayed income tax deadline.

Estimated payments demonstrated robust growth in the second quarter of 2024, aligning with the stock market's positive trajectory. Preliminary data for the third quarter of 2024 indicate that this strong growth continued in both estimated payments and the stock market.

FIGURE 4

Large Volatility in Estimated Payments

Year-over-year nominal percentage change in estimated payments and S&P 500 Index



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Source: Individual state government agencies and Yahoo Finance (S&P500), analysis by the author.

Final Payments

Final payments typically account for a small share of total personal income tax revenues in the first, third, and fourth quarters of the tax year and a much larger share in the second quarter due to the April 15 personal income tax filing deadline.⁷ Final payments accounted for 26.4 percent of all personal income tax revenues in the second quarter of 2024.

Table A.6 presents the nominal year-over-year growth rates in final payments for the last eight quarters. Final payments demonstrated nationwide growth in all four quarters of 2024, primarily driven by strong performance in California. However, the median state saw declines in each quarter, underscoring the uneven growth patterns across the country.

Nationally, final payments in the second quarter of 2024 showed a 5.6 percent increase compared with the same period in 2023, although the median state experienced a decline of 3.6 percent. Significant variation was evident across states, with 23 states reporting year-over-year declines and 16 states reporting growth. It is important to note that the overall growth observed in the second quarter of 2024 is measured against a lower base from the prior year, when final payments saw steep and widespread declines.

Refunds

By definition, personal income tax refunds to taxpayers represent a reduction in state personal income tax revenues. Refunds are typically a small amount in the third and fourth quarters of the tax year and a much larger amount in the first and second quarters.

Refund payments increased by 8.5 percent in the second quarter of 2024 compared with the same period in 2023, leading to states issuing over \$2.4 billion more in refunds. While 15 states reported a decrease in refund amounts during this period, 25 states saw an increase. This rise in refunds across these 25 states can be partially attributed to reduced tax liabilities resulting from recently enacted income tax cuts and pass-through entity taxes. Oregon saw the largest increase in refunds, with \$1.5 billion more in payments in the second quarter of 2024 compared with the same period in 2023, mainly due to the 'kicker' rebate, as discussed above.

Actual versus Forecasted Personal Income Tax Revenues

We collect and analyze data on both actual and forecasted monthly personal income tax revenue from various states. Forecast information is available for 24 states. In [table 3](#), we present the actual income tax revenue data for the second quarters of 2023 and 2024, alongside the forecasted values for the second quarter of 2024.

In the second quarter of 2024, actual personal income tax collections were lower than forecasted in 11 of 24 states, with an average forecast underestimate of 4.7 percent. However, in the median state, personal income tax revenues were overestimated by 0.2 percent ([table 3](#)). The variance between actual and forecasted revenues can be attributed to differences in the timing of the forecasts—some states update their revenue forecasts monthly, while others do so only annually. Moreover, the considerable variance in recent quarters, especially for a few states, also reflects the impact of state fiscal policy measures.

TABLE 3

Actual versus Forecasted State Personal Income Tax Revenues

State	2023 Q2 actual (\$ millions)	2024 Q2 actual (\$ millions)	2024 Q2 forecast (\$ millions)	Percent change, 2024 Q2 vs 2023 Q2	Percentage variance, 2024 Q2 actual from forecast	Forecast date
Median				2.3%	0.2%	
Average	\$79,571	\$96,965	\$101,755	21.9%	-4.7%	
Arizona	1,262	1,483	1,395	17.5	6.3	Jan-24
Arkansas	803	926	798	15.3	16.0	Feb-24
California	22,486	37,061	42,174	64.8	(12.1)	May-23
Idaho	780	725	812	(7.0)	(10.6)	Jul-23
Indiana	2,634	2,769	3,074	5.1	(9.9)	Dec-23

State	2023 Q2 actual (\$ millions)	2024 Q2 actual (\$ millions)	2024 Q2 forecast (\$ millions)	Percent change, 2024 Q2 vs 2023 Q2	Percentage variance, 2024 Q2 actual from forecast	Forecast date
Kansas	1,412	1,498	1,469	6.0	1.9	Nov-23
Maine	806	794	866	(1.5)	(8.3)	Dec-23
Massachusetts	6,765	8,613	7,367	27.3	16.9	Jan-24
Michigan	3,521	3,311	3,456	(6.0)	(4.2)	Jan-24
Minnesota	4,811	4,829	5,280	0.4	(8.5)	Feb-24
Mississippi	734	759	700	3.4	8.4	Nov-22
Montana	752	657	707	(12.6)	(7.1)	Jun-23
Nebraska	914	171	583	(81.3)	(70.7)	Feb-24
New Mexico	870	640	910	(26.5)	(29.7)	May-24
New York	14,538	16,257	15,794	11.8	2.9	Feb-24
North Dakota	190	151	192	(20.4)	(21.3)	May-23
Ohio	3,333	2,790	2,948	(16.3)	(5.4)	Jun-23
Oklahoma	1,043	1,062	1,025	1.8	3.5	Feb-23
Pennsylvania	5,635	5,786	5,778	2.7	0.1	Jun-23
Rhode Island	524	509	485	(2.9)	4.9	Nov-23
South Carolina	1,288	1,771	1,764	37.5	0.4	May-24
Vermont	400	456	371	14.2	23.0	Jan-24
West Virginia	858	605	603	(29.5)	0.3	Jan-23
Wisconsin	3,212	3,342	3,202	4.0	4.4	Jan-24

Source: Individual state data, analysis by the author.

Corporate Income Taxes

State corporate income tax revenue is highly volatile because corporate profits and the timing of tax payments can vary and shift across quarters. Further, most states collect a small share of state revenues from corporate taxes, and thus large fluctuations in percentage terms might yield little overall budget impact.

Total state corporate income tax revenues increased by 9.6 percent in nominal terms and 6.9 percent in real terms in the second quarter of 2024 relative to a year earlier (table A.1). This overall growth was primarily driven by significant gains in California, not due to economic growth, but because of a delayed income tax filing deadline in 2023. Excluding California, corporate income tax revenues for the rest of the nation fell by 2.6 percent in nominal terms. The median state reported a 1.5 percent decline in nominal terms. The average quarterly year-over-year growth rate in state corporate income tax collections for fiscal year 2024 was 5.1 percent in nominal terms and 2.4 percent in real terms.

The Far West, Mideast, Plains, and Southeast regions reported year-over-year growth in state corporate income tax revenue collections in the second quarter of 2024, while the rest of the regions reported declines. The Far West region posted the strongest increase at 51.1 percent, driven primarily by robust growth in California, followed by a 3.2 percent rise in the Plains region. In contrast, the Great

Lakes region recorded the largest decline, with corporate income tax revenues falling by 18.2 percent, followed by a 12.3 percent drop in the Southwest region.

Twenty states reported year-over-year growth in corporate income tax collections, while 24 states reported declines in the second quarter of 2024 (table A.2). The strongest growth in dollar value was in California, where corporate income tax revenues increased by \$5.9 billion, or 54.1 percent, in the second quarter of 2024 compared with the same quarter in 2023. The steepest decline in dollar value was in Illinois, where corporate income tax revenues declined by \$1.0 billion, or 23.0 percent.

Year-over-year nominal growth in state corporate income tax revenues was 6.0 percent in fiscal year 2024. The median state, however, reported a 3.3 percent decline. Twenty states reported year-over-year growth, while 25 states reported declines in nominal terms (table A.3).

Before the COVID-19 pandemic, states were forecasting lower corporate income tax collections, mostly because of higher costs for business inputs and a weakened global economy (Dadayan 2020b). However, after the initial pandemic shock, corporate tax revenues grew significantly, aided by federal COVID relief efforts. Currently, we are witnessing sustained growth in corporate profits. According to data from the Bureau of Economic Analysis, US corporate profits increased by \$374 billion, or 10.8 percent, in the second quarter of 2024 compared with the same quarter of 2023.⁸

The future of state corporate income tax collections remains unpredictable, driven in part by the potential for federal policy changes following the 2024 presidential elections and continued uncertainty about the economy. According to the Conference Board's survey, the Consumer Confidence Index weakened in September 2024 as consumers continued to express concerns about the labor market.⁹

General Sales Taxes

State general sales tax collections increased by 1.5 percent in nominal terms but declined by 1.0 percent in real terms for the second quarter of 2024 compared with the same period in 2023 (table A.1). Growth in the median state was 1.6 percent in nominal terms. The average quarterly year-over-year growth rate in state general sales tax collections for fiscal year 2024 was 1.2 percent in nominal terms, but negative 1.4 percent in real terms.

Sales tax collections increased in all regions during the second quarter of 2024 compared with the same period in 2023. The New England region reported the largest average year-over-year growth at 5.5 percent, while the Great Lakes region reported the weakest growth at 0.3 percent in nominal terms (table A.2).

Of the 45 states with broad-based sales taxes, 31 reported year-over-year growth in sales tax collections for the second quarter of 2024, while 14 reported declines. Connecticut and Louisiana were the only states to gain double-digit growth, at 13.4 percent and 12.3 percent, respectively. North Carolina reported the steepest decline at 4.7 percent, followed by Kansas at 3.7 percent.

State sales tax revenues rose by 1.2 percent in nominal terms in fiscal year 2024 compared to fiscal year 2023 (table A.3). All regions saw year-over-year growth during this period. However, on a state-by-state basis, 11 states reported declines in sales tax revenues, while 34 saw growth.

Overall growth in general sales tax revenues weakened substantially throughout fiscal year 2024. Strong growth observed during the COVID-19 period was partly driven partly by inflation-induced price increases, which boosted sales tax revenues. However, as high inflation and interest rates have persisted, consumers have adjusted their spending habits, leading to reduced purchases. This shift, along with the transition back to spending on services rather than goods, has contributed to the slowdown in sales tax revenue growth. Many state officials have expressed concerns about sales tax performance over the longer run, especially as consumers shift back to spending more on services, which are largely not subject to sales tax (Dadayan and Rueben 2021). Although some states have expanded their sales tax bases to include some services, many services are still not subject to state sales tax.¹⁰

Motor Fuel Taxes

Motor fuel tax collections increased 1.6 percent in nominal terms but declined by 1.0 percent in real terms for the second quarter of 2024 compared with the same period in 2023 (table A.1). Year-over-year growth in the median state was 1.4 percent in nominal terms. The average quarterly year-over-year growth rate in state motor fuel tax collections for fiscal year 2024 was 6.4 percent in nominal terms and 3.6 percent in real terms.

All regions except the Mideast reported year-over-year nominal growth in motor fuel tax revenue collections during the second quarter of 2024. The Plains region saw the strongest growth at 6.6 percent, while the Mideast region experienced a decline of 2.6 percent.

Thirty-five states reported year-over-year growth in motor fuel sales tax collections for the second quarter of 2024, while 15 states saw declines (table A.2). Washington saw the largest year-over-year decline, with a 22.1 percent drop in motor fuel sales tax collections, followed by Oklahoma with a 7.3 percent decrease. Conversely, four states reported double-digit year-over-year growth.

State motor fuel sales tax revenues rose by 6.2 percent in fiscal year 2024 compared to fiscal year 2023, with the median state reporting only a 1.6 percent growth ([table A.3](#)). Thirty-seven states reported year-over-year growth in motor fuel sales tax revenue collections, while 13 states saw declines during fiscal year 2024.

Fluctuating fuel prices, general improvements in fuel efficiency, the increased purchase of electric and hybrid vehicles, and shifts in driving habits all impact gasoline consumption and motor fuel tax collections, along with changes in state motor fuel tax rates. States also differ in their motor fuel tax structures. In 28 states, the tax is set as a fixed cent-per-gallon rate, while in 22 states, at least part of the tax rate is variable, linked to metrics, such as the price of gasoline, inflation, or other factors.¹¹

Oil and gas prices are typically volatile. High prices have largely benefited oil-dependent states, at least in the short-term (Dadayan 2022b). Price increases generally boost motor fuel tax revenues in states with a variable tax rate and that do not enact gas tax holidays or suspend motor fuel tax rate adjustments.

Other Taxes

The US Census Bureau's quarterly data on state tax collections provide detailed information for some smaller revenue sources, including state property taxes, tobacco excise taxes, alcoholic beverage excise taxes, and motor vehicle and operators' license taxes. In [table A.8](#), we present year-over-year growth rates for a four-quarter moving average of inflation-adjusted revenues at the national level. In the second quarter of 2024, states collected \$84.0 billion from these combined smaller tax sources, constituting approximately 19.1 percent of total state tax collections.

Compared with major tax sources, revenues from smaller state taxes have seen less volatility. The four-quarter moving average of inflation-adjusted revenues from smaller state tax sources showed a 0.6 percent increase for the second quarter of 2024 compared with the same quarter in 2023. State property taxes, which represent a small portion of overall state tax revenues, increased 4.6 percent. Tax revenues from tobacco product sales declined 10.6 percent, tax revenues from alcoholic beverage sales declined 2.7 percent, while revenues from motor vehicle and operators' licenses increased 1.2 percent. Finally, revenues from all other smaller tax sources increased 1.2 percent.

Preliminary Review of State Tax Revenues in the Third Quarter of 2024

The Urban Institute regularly collects monthly state tax revenue data for all states. Preliminary data from 47 states indicate continued sluggishness in the median state tax revenue collections in the third quarter of 2024. Although nominal state tax revenues rose by 4.7 percent in the third quarter of 2024 compared with the same period in 2023, the year-over-year growth in the median state was a modest 2.7 percent ([table A.9](#)). State tax revenues increased in 36 states in nominal terms, while 11 states reported year-over-year declines for the third quarter of 2024.

Personal income tax collections rose by 8.8 percent in the third quarter of 2024 compared with the same period a year earlier. Growth in the median state was weaker, at 5.9 percent in nominal terms. The strongest growth in dollar value was in California, where personal income tax revenues increased by \$4.2 billion, or 18.1 percent, in the third quarter of 2024 compared with the same quarter in 2023.

According to preliminary data, 11 states experienced year-over-year declines in personal income tax revenues during this period, with three states reporting double-digit declines. These declines were influenced by both the economic slowdown and the tax cuts enacted in recent years, which have reduced state revenues and created budgetary challenges for some states.

Year-over-year growth in state corporate income tax revenues was 2.5 percent in the third quarter of 2024. The median state, however, reported a 1.1 percent decline. Just like in the case of personal income tax revenues, the growth in the national average is largely attributed to California. Excluding California from the analysis, corporate income tax revenues exhibited a year-over-year decrease of 1.6 percent in the third quarter of 2024. Large variations were observed across the states, with corporate income tax revenues increasing in 21 states, 12 of them reporting double-digit growth. Conversely, 23 states reported year-over-year declines in corporate income tax revenues, with 10 states reporting double-digit declines.

Finally, state general sales tax collections increased 0.2 percent in the third quarter of 2024 compared with the same quarter in 2023; growth in the median state was 1.5 percent. Twenty-eight states reported growth in sales tax collections, while 14 states reported declines.

BOX 1

Forecasts: States Expect Slower Tax Revenue Growth in Fiscal Year 2025

State tax revenue growth has decelerated in the first quarter of fiscal year 2025, according to the preliminary data discussed above. This report expands on recent trends by analyzing states' forecasts for personal income tax, corporate income tax, sales tax, and overall tax collections for fiscal year 2025. [Table 4](#) presents projected revenue growth for fiscal year 2025, alongside the month and year of each forecast. These estimates are the most current public projections available as of this report's publication. As shown in [Table 4](#), 11 states have forecast dates between July and October 2024, suggesting that their fiscal 2024 forecasts closely align with actual collections.

Forecasts for fiscal year 2025 indicate modest growth in total state revenue collections, with the median state projecting a 1.7 percent increase and a national growth rate of 2.5 percent. Overall, 33 states expect growth in total tax revenues for fiscal year 2025, though only five states anticipate increases exceeding 5 percent, suggesting a generally tempered revenue outlook across most states.

Personal income tax revenues are projected to grow by 3.1 percent in the median state and 4.3 percent nationwide in fiscal year 2025. Specifically, 33 states anticipate growth in personal income tax revenue, with only 8 states projecting increases above 5 percent and 9 states expect declines. These projected declines are largely attributable to recent tax legislation. For instance, Nebraska reduced its top income tax rate from 6.64 percent to 5.84 percent as of January 1, 2024, while Kentucky lowered its individual income tax rate from 4.5 percent to 4 percent on the same date.

Corporate income tax revenue forecasts for fiscal year 2025 suggest a median state decline of 0.9 percent, while the national growth rate is expected to be 1.3 percent. Twenty-four states anticipate declines in corporate income tax revenue, while 22 expect growth, with only 7 states projecting growth exceeding 5 percent.

Sales tax revenues are projected to grow by 2.9 percent in the median state and 2.6 percent nationally for fiscal year 2025. Only two states anticipate declines, while most project moderate growth. Notably, only three states forecast increases exceeding 5 percent, reflecting a broadly steady yet restrained growth outlook across states.

These forecasts offer valuable insights into anticipated state revenue trends, influenced by both economic factors and recent policy changes. However, like all projections, they remain subject to revision as new data emerges and economic conditions shift. The diverse outlook across states underscores the need to factor in local economic conditions and policy decisions when analyzing these forecasts, as these factors are essential in understanding each state's unique fiscal outlook.

TABLE 4

State Revenue Forecasts for Fiscal Year 2025

Nominal percentage change, fiscal year 2025 versus fiscal year 2024

State/region	PIT	CIT	Sales	Total	Forecast date
US (median)	3.1	(0.9)	2.9	1.7	
US (average)	4.3	1.3	2.6	2.5	
Alabama	(1.6)	0.3	1.2	(0.8)	2/1/2024
Alaska	N/A	18.5	N/A	8.7	3/13/2024
Arizona	5.7	3.2	3.1	4.2	10/9/2024
Arkansas	2.4	3.3	1.2	2.4	5/15/2024
California	4.5	10.8	2.2	5.6	5/1/2024
Colorado	0.8	(19.3)	3.6	(1.7)	6/1/2024
Connecticut	2.2	2.3	2.5	3.1	4/1/2024
Delaware	3.8	(22.2)	N/A	0.8	5/1/2024
Florida	N/A	2.2	1.4	1.6	1/16/2024
Georgia	2.0	0.5	2.7	2.8	1/15/2024
Hawaii	1.3	(32.0)	8.9	3.5	9/5/2024
Idaho	13.5	(3.1)	6.4	7.2	1/15/2024
Illinois	3.3	(10.1)	2.0	0.5	4/1/2024
Indiana	3.4	4.9	4.4	3.8	12/19/2023
Iowa	9.2	(15.9)	5.6	(5.3)	10/1/2024
Kansas	(6.5)	2.4	(3.2)	(3.8)	6/26/2024
Kentucky	(4.0)	1.0	4.4	(0.0)	12/8/2023
Louisiana	0.2	(24.0)	2.3	(2.1)	5/9/2024
Maine	0.5	(1.8)	1.5	(0.5)	3/1/2024
Maryland	4.3	(1.5)	3.2	1.1	3/1/2024
Massachusetts	4.1	(1.9)	2.9	2.7	12/15/2023
Michigan	5.6	0.6	1.4	2.4	5/1/2024
Minnesota	7.9	5.4	2.9	3.9	2/1/2024
Mississippi	(6.1)	0.2	3.4	(1.4)	11/1/2023
Missouri	(0.1)	1.0	2.7	0.2	1/24/2024
Montana	4.4	(2.1)	N/A	2.0	7/1/2023
Nebraska	(20.4)	(47.1)	4.0	(16.8)	2/1/2024
Nevada	N/A	N/A	4.5	2.7	5/1/2023
New Hampshire	(20.7)	(0.3)	N/A	(0.8)	2/14/2023
New Jersey	4.0	(14.1)	3.6	3.7	5/1/2024
New Mexico	(10.2)	6.7	2.0	(0.0)	8/1/2024
New York	10.6	5.0	2.6	3.5	10/1/2024
North Carolina	0.2	5.8	3.2	1.8	4/1/2024
North Dakota	24.6	(1.9)	4.2	(16.5)	5/15/2023
Ohio	3.5	2.1	3.0	2.8	6/22/2023
Oklahoma	3.6	(8.3)	(4.1)	1.6	6/1/2024
Oregon	39.0	(16.0)	N/A	25.7	9/1/2024
Pennsylvania	3.7	(4.1)	2.3	1.1	6/1/2024
Rhode Island	4.0	(8.0)	3.7	1.8	5/1/2024
South Carolina	1.6	(20.2)	1.9	(0.0)	5/1/2024
South Dakota	N/A	(11.3)	4.2	(3.2)	2/1/2024
Tennessee	N/A	(2.9)	3.2	(0.5)	11/1/2023
Texas	N/A	N/A	3.1	1.9	7/1/2024
Utah	2.9	(4.1)	1.5	1.6	5/1/2024
Vermont	1.9	(5.2)	3.5	1.7	7/30/2024
Virginia	(5.2)	8.3	0.7	(2.6)	8/14/2024
Washington	N/A	N/A	3.1	3.2	9/1/2024
West Virginia	1.0	51.4	4.4	7.8	11/1/2023
Wisconsin	3.9	4.8	2.7	3.4	1/24/2024
Wyoming	N/A	N/A	0.7	(11.5)	10/1/2024

Source: Individual state data, analysis by the author.

Notes: PIT = personal income tax; CIT = corporate income tax; NA = not applicable.

Factors Driving State Tax Revenues

Tax revenues vary across states and time because of three major factors: changes in the economy (which often differ from state to state), the interaction of economic changes with a state's specific tax system, and legislated changes in tax rates or rules. The next two sections discuss changes in both economic conditions and recently legislated tax changes.

Economic Indicators

In general, total state tax revenues rise when the state's economy grows, income taxes grow when resident incomes rise, sales taxes rise with increased consumer purchase of taxable items, and property taxes increase with house prices. However, federal and state policy actions and background conditions can affect these relationships, as during the COVID-19 pandemic and its aftermath, for example.

State Gross Domestic Product

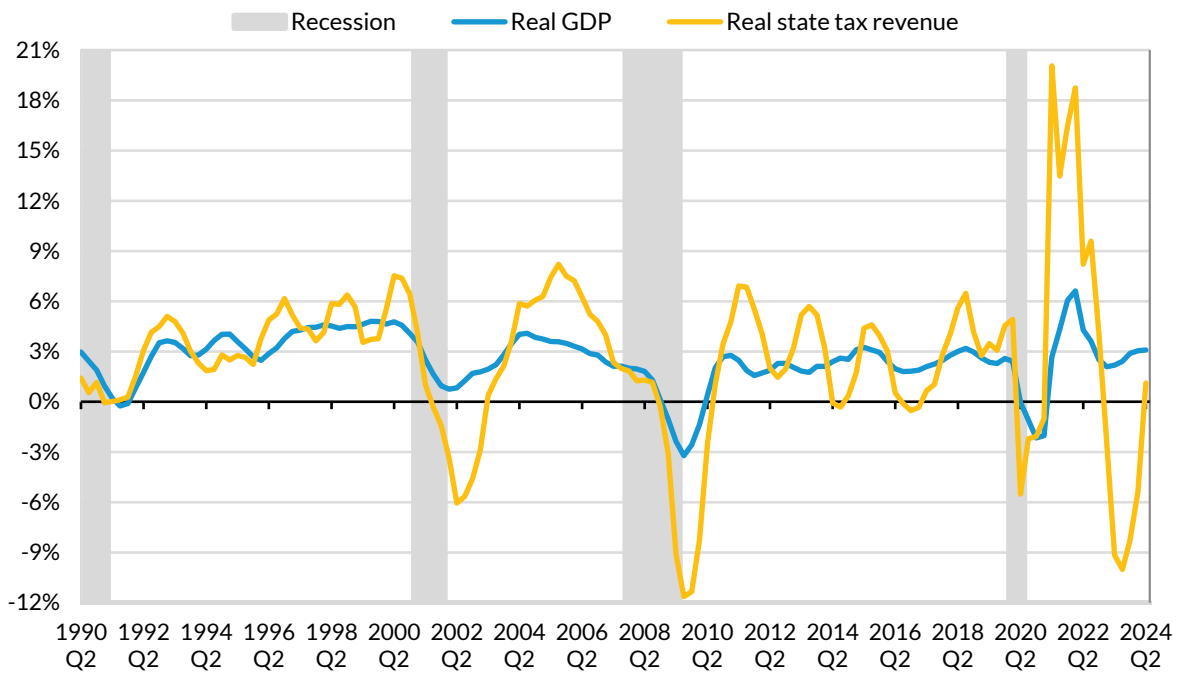
Figure 5 shows year-over-year growth for four-quarter moving averages in real GDP and real state tax revenue. We present moving averages to smooth short-term fluctuations and illustrate the interplay between the state of the economy and state revenues. As shown in figure 5, real GDP growth remained steady throughout 2023 and the first half of 2024, while real state tax revenues saw sharp declines from the first quarter of 2023 through the first quarter of 2024, rebounding only in the second quarter of 2024. Year-over-year growth in the four-quarter moving average reached 3.1 percent for real GDP but only 1.1 percent for real state tax revenues by the second quarter of 2024.

However, volatility in state tax revenue is not fully explained by changes in real GDP, a broad measure of the economy. State tax revenues became far more volatile in the past two decades, mostly due to changes in state tax rates and states' growing reliance on income taxes, some of which are progressive and dependent on volatile non-wage income sources such as stock options and capital gains. This was particularly true for the second half of 2020 and all of 2021, when the stock market soared and led to larger capital gains realizations and increases in nonwithholding income tax payments. However, the stock market declined in 2022 and performed weakly for much of 2023. In calendar year 2022, the S&P 500 index saw an average annual decrease of 4.1 percent, a stark contrast to the average annual growth of 32.8 percent observed in calendar year 2021. In calendar year 2023, its average annual growth was 4.5 percent. Notably, there was a significant improvement in the stock market during the final quarter of calendar year 2023 and the first half of 2024.

FIGURE 5

State Tax Revenue Is More Volatile than the Economy

Year-over-year percentage change in real state taxes and real GDP



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Source: US Census Bureau (tax revenue) and Bureau of Economic Analysis (GDP), analysis by the author.

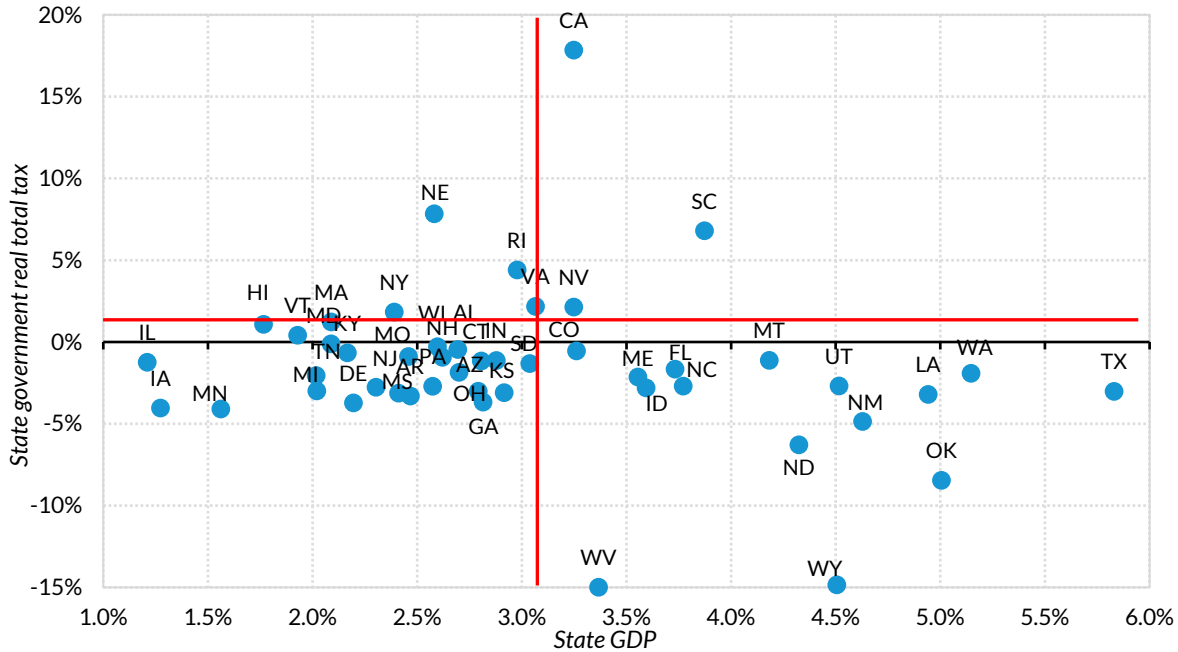
Notes: Year-over-year change is the percentage change of four-quarter moving averages. Data are adjusted for inflation.

States vary substantially in correlations between growth rates in real GDP and real state tax revenues. Figure 6 shows each state’s four-quarter moving averages in real GDP and real state tax revenues for the second quarter of 2024 compared with the second quarter in 2023. By this measure, real state GDP increased in all 50 states, while real state tax revenues increased in only 10 states. The year-over-year change in real state GDP ranged from 5.8 percent in Texas to 1.2 percent in Illinois; the change in real state tax revenues ranged from 17.8 percent in California to negative 46.5 percent in Alaska. Large swings in Alaska’s and other energy-dependent states’ revenue collections reflect volatile oil prices (Dadayan and Boyd 2016). In addition, the relationship between economic growth and revenue growth was also impacted by state tax cuts over the last three years.

FIGURE 6

Growth Disparity: State Tax Revenues versus State GDP

Year-over-year percentage change in real state taxes and real GDP, 2024 Q2 versus 2023 Q2



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Source: US Census Bureau (tax revenue) and Bureau of Economic Analysis (GDP), analysis by the author.

Notes: Year-over-year change is the percentage change of four-quarter moving averages. Data are adjusted for inflation.

Red lines show US median. Alaska and Oregon are outliers and are excluded from the figure.

State Unemployment and Employment

The national unemployment rate has steadily increased since the first quarter of 2023, when it averaged 3.5 percent. By the second quarter of 2024, it had risen to 4.0 percent, reaching 4.2 percent in the third quarter of 2024.

With preliminary unemployment and employment data for the third quarter of 2024 now available, we focus on these figures rather than those from the second quarter to provide a more current outlook. Unemployment rates ranged from 2.0 percent in South Dakota to 5.5 percent in Nevada for the third quarter of 2024, although unemployment rates varied for different socioeconomic and demographic groups in each state.

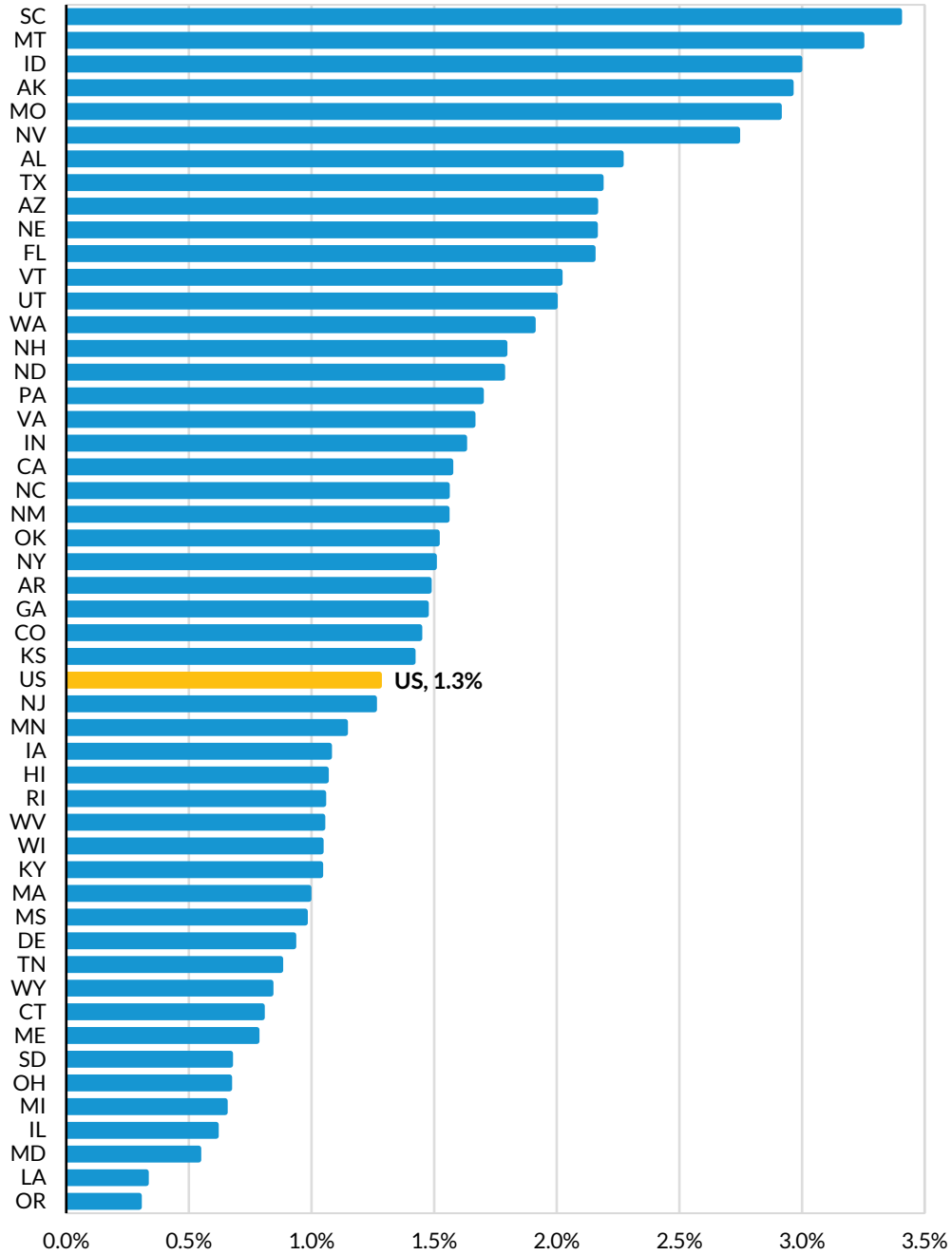
Nationwide employment increased 1.3 percent in the second quarter of 2024 compared with the same quarter in 2023 (figure 7). Every state experienced year-over-year employment growth during this period, though rates varied significantly. Oregon recorded the smallest increase at 0.3 percent, while South Carolina saw the highest growth at 3.4 percent. Despite this overall growth, employment

levels in Hawaii, Louisiana, and Maryland remained below their pre-pandemic levels from the third quarter of 2019.

FIGURE 7

Continued Employment Expansion in the Third Quarter of 2024

Year-over-year percentage change in employment, 2024 Q3 versus 2023 Q3



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Source: Bureau of Labor Statistics, analysis by the author.

Notes: Year-over-year change is the percentage change of seasonally adjusted employment.

Both public and private sector employment have surpassed prepandemic levels as of October 2024, reflecting a steady recovery in the labor market. State and local governments now employ approximately 439,000 more individuals than they did prior to the COVID-19 pandemic.

In the private sector, however, there is significant variation across industries. The leisure and hospitality sector, which was among the hardest hit during the pandemic, has rebounded to employ around 90,000 more people than before. Despite this overall gain, the sector still faces challenges; notably, the accommodations subsector remains about 183,100 jobs below pre-pandemic levels.

Conversely, other sectors have flourished in the post-pandemic economy. The trade, transportation, and utilities sector, for example, has seen substantial growth, adding approximately 1.3 million jobs above pre-pandemic levels by October 2024. This increase is largely driven by the boom in e-commerce and heightened demand for logistics and delivery services throughout the pandemic period and beyond.

Despite the overall recovery, the labor market continues to face challenges. Many industries, particularly those in leisure and hospitality, are still grappling with staffing shortages.

Housing Market

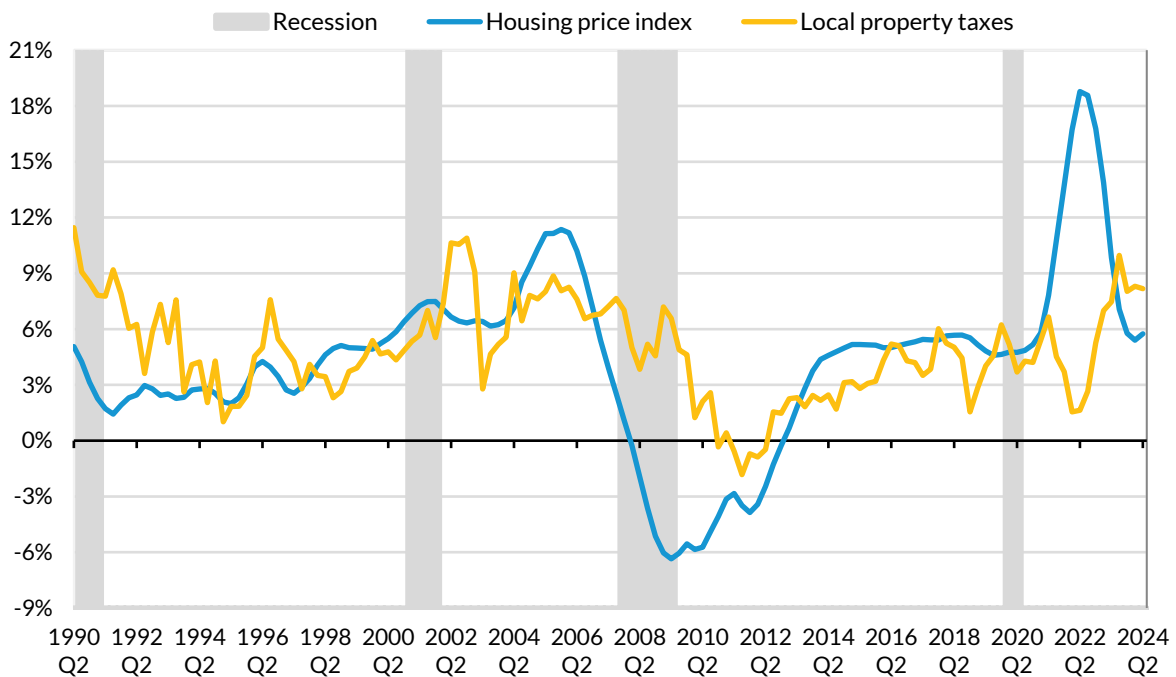
House prices are an important determinant of local property taxes, though changes in property tax revenues often lag property price changes. Assessment lags and assessment caps can affect how quickly house price changes translate into property tax revenue changes. Declines in house prices usually lead to declines in property taxes, while growth in house prices usually leads to growth in property tax revenues.

Figure 8 shows year-over-year percentage changes in the four-quarter moving average of the house price index and local property taxes in nominal terms. National average house prices showed robust growth during the COVID-19 pandemic, but this trend has been tapering off since mid-2022. House prices appreciated 5.7 percent for the second quarter of 2024 compared with a year earlier; year-over-year growth in local property taxes was 8.2 percent for the same period, based on four-quarter moving averages.

FIGURE 8

Housing Prices Skyrocketed During the Pandemic but Growth Is Moderating Now

Year-over-year nominal percentage change in house prices versus local property taxes



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Sources: US Census Bureau (property taxes) and Federal Housing Finance Agency (house price indexes), analysis by the author.

Notes: Year-over-year change is the percentage change of four-quarter moving averages.

Figure 9 shows year-over-year nominal percentage change in house price indexes for all states in the second quarter of 2024. House price indexes increased in all 50 states compared to the same period a year earlier. The range of growth spanned from a modest 1.5 percent increase in Louisiana to a robust 10.4 percent surge in West Virginia. This wide range indicates the uneven nature of the housing market recovery and growth across different regions. Nationally, house prices grew at a year-over-year rate of 5.9 percent in the second quarter of 2024, reflecting a modest deceleration from the 6.4 percent growth recorded in the first quarter of 2024.

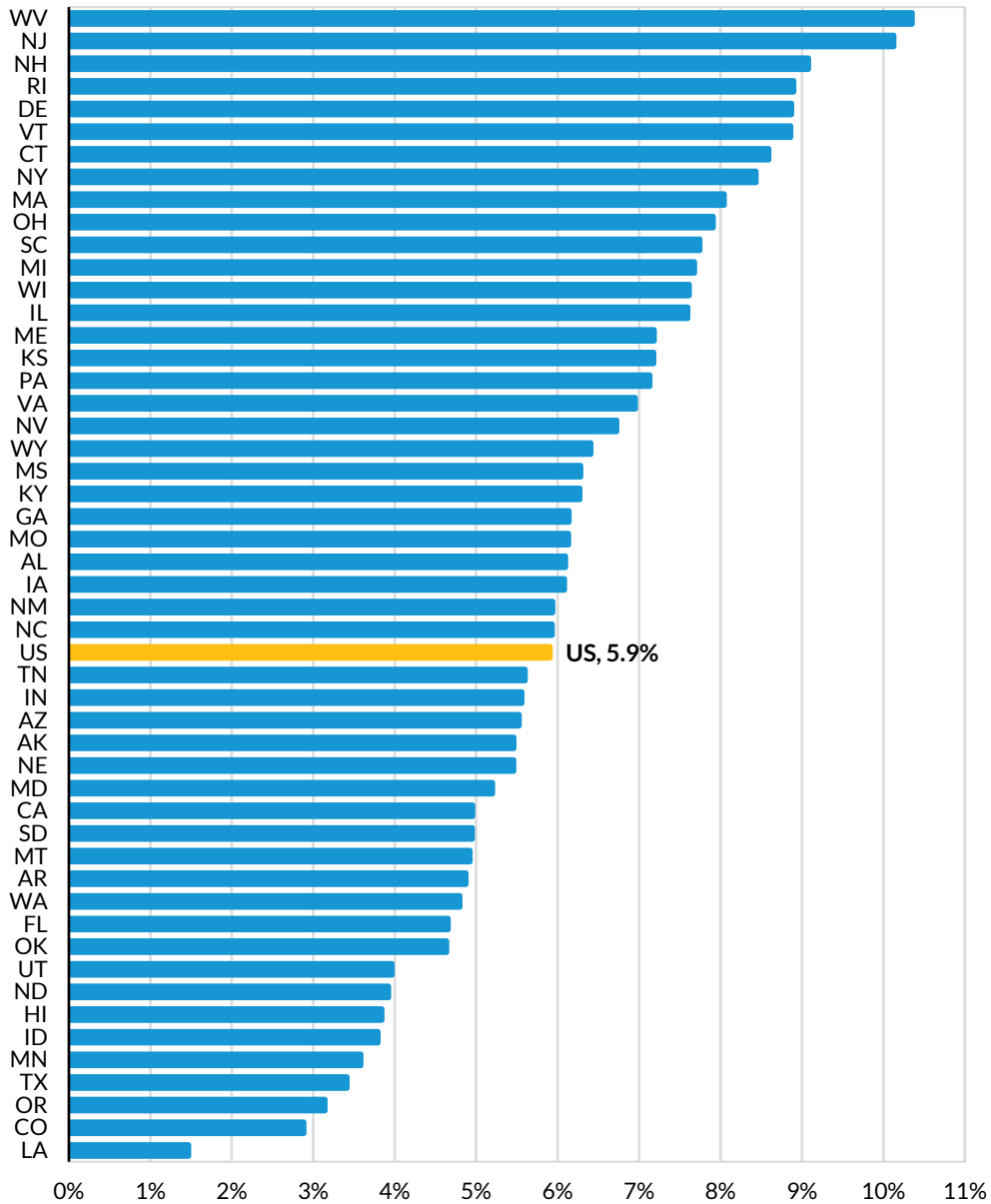
The COVID-19 pandemic, contrary to initial fears, did not negatively impact residential real estate values. Instead, it catalyzed a boom in many housing markets as demand for homes surged, driven by factors such as the need for more space, low interest rates, and changing work patterns (Duca and Murphy 2021).

However, it's important to note the contrasting impact on commercial real estate. While residential markets thrived, the pandemic's effect on commercial property values, and consequently on commercial property tax revenues, has been largely negative and continues to be uncertain (Auxier and Brosy 2024).

FIGURE 9

All States Reported Growth in Housing Prices in the Second Quarter of 2024

Year-over-year percentage change in house prices, 2024 Q2 versus 2023 Q2



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Source: Federal Housing Finance Agency (house price indexes for all transactions, seasonally not adjusted, analysis by the author).

As business leases come due, many companies are reevaluating their office space needs in terms of both size and location. This has resulted in a rise in commercial property vacancies in numerous urban centers. Additionally, higher borrowing costs for mortgages have weakened home sales due to higher interest rates.

The Fannie Mae Home Purchase Sentiment Index shows an improvement in consumer confidence in the housing market, largely attributable to the recent cuts in mortgage interest rates. However, consumers also expressed concerns over current high home prices and the potential for further price increases.¹²

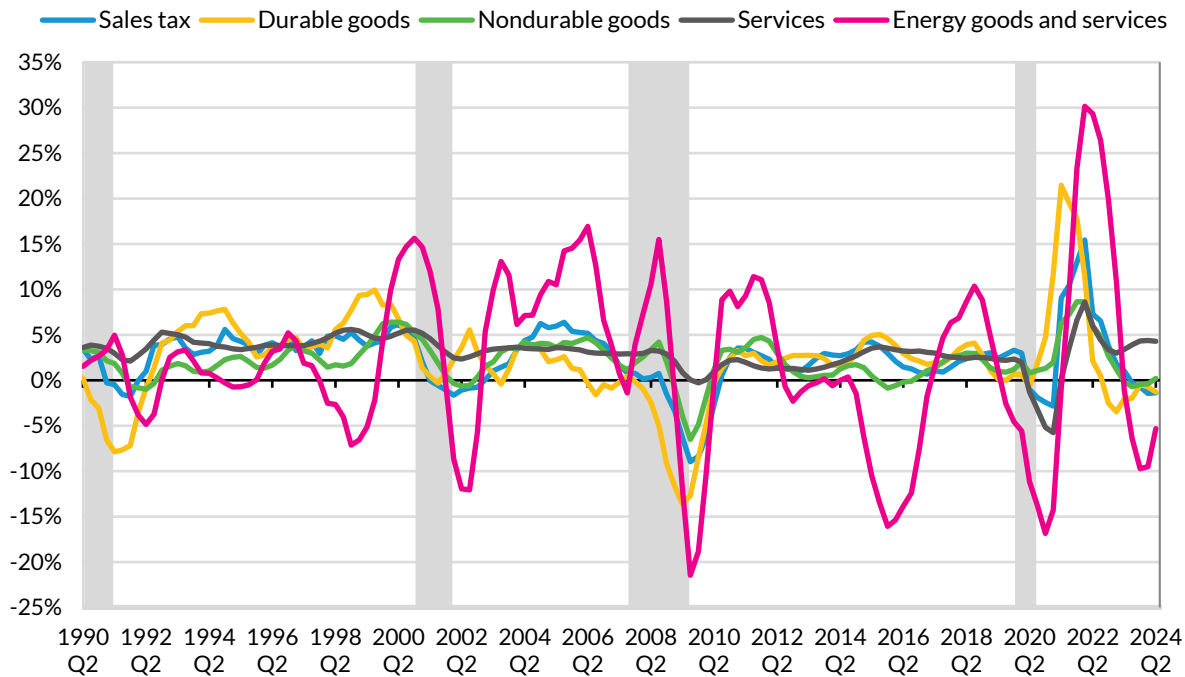
Personal Consumption Expenditures

Personal consumption expenditures are a measure of national consumer spending. The measure shows the value of the goods and services purchased by American consumers and is correlated with most states' general sales tax base. [Figure 10](#) displays the year-over-year percentage change in the four-quarter moving average of inflation-adjusted personal consumption expenditures for services, durable goods, and nondurable goods as well as for aggregate state real sales tax collections. We also show trends in the consumption of energy goods and services.

FIGURE 10

Continued Weakness in Spending on Goods in the Second Quarter of 2024

Year-over-year percentage change in real sales taxes and real personal consumption spending



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Sources: US Census Bureau (sales taxes) and Bureau of Economic Analysis (NIPA table 2.3.5), analysis by the author.

Notes: Year-over-year change is the percentage change of four-quarter moving averages. Data are adjusted for inflation.

As shown in [figure 10](#), year-over-year spending on services increased an average 4.3 percent in the second quarter of 2024. Although spending on both durable and nondurable goods surged during the

pandemic, this growth has significantly slowed since the second quarter of 2022. In the second quarter of 2024, year-over-year spending on durable goods decreased by 1.3 percent, marking its seventh consecutive quarterly drop, while nondurable goods spending increased slightly by 0.2 percent, breaking a trend of four quarterly declines. Overall, these patterns indicate a return to more typical spending habits, with a shift back toward services over goods.

Spending on gasoline and energy goods accounts for approximately one-fifth of total spending on nondurable goods. [Figure 10](#) shows that after eight consecutive quarters of contraction, real spending on energy goods and services began to increase in the third quarter of 2021, driven largely by significant increases in gas and oil prices, and continued through the first quarter of 2023. However, in the second quarter of 2023, year-over-year spending on gasoline and energy goods fell by 1.1 percent, with sharper declines occurring in the subsequent quarters. By the second quarter of 2024, year-over-year spending on gasoline and energy goods had dropped by 5.3 percent, marking its fifth consecutive quarterly drop.

Tax Law Changes Affecting the Second Quarter of 2024

Anticipated and actual federal policy changes had a substantial effect on state tax revenues in the past few years. But changes in state tax laws also affect state tax revenue trends. Several states enacted tax changes for the fiscal year 2024.

We present analysis based on data and information retrieved from the National Association of State Budget Officers' Fall 2023 Fiscal Survey of the States. However, the analysis and forecasted effects are based on anticipated revenue gains or losses in response to states' legislated tax changes and do not include the effects of changing economic conditions. Actual revenue collections often deviate from estimated tax revenues, driven by the performance of underlying economic indicators, and these estimates may not fully account for inflation.¹³

During the Second quarter of 2024, enacted tax changes were forecasted to decrease state revenues by a net \$3.3 billion compared with the same period in 2022 (this reflects both tax decreases and increases).¹⁴ Overall, tax changes were expected to decrease personal income taxes by \$2.5 billion, corporate income taxes by \$188 million, and sales taxes by \$401 million. Other changes to taxes and fees were forecasted to decrease revenues by approximately \$123 million (NASBO 2023). Below, we discuss some of the major enacted tax changes for fiscal year 2024.

The cumulative effect of all tax changes enacted is projected to result in a net decrease of \$13.3 billion in state revenues for fiscal year 2024, with \$5.4 billion of this decrease stemming from one-time measures. In comparison, legislated tax actions in fiscal year 2023 were estimated to decrease state

revenues by \$16.2 billion. Minnesota, Ohio, and Virginia enacted the most substantial tax cuts in terms of total revenue, with estimated net losses of \$1.3 billion, \$1.4 billion, and \$2.0 billion, respectively. However, some smaller states (e.g., Iowa and Tennessee) enacted tax cuts that were larger as a share of their state's revenue collections.

For fiscal year 2024, 29 states enacted personal income tax cuts, and two states enacted increases. The net impact of these legislated tax changes was a net estimated decrease of personal income tax revenues by \$10.9 billion. Virginia was projected to see the most considerable revenue decrease, including a \$1 billion tax refund through the pass-through entity tax and a \$0.9 billion refund to all taxpayers who filed a Virginia income tax return for the 2022 tax year.¹⁵ It is important to note, however, that both these measures were one-time actions.

Several other states also enacted various laws that were expected to significantly reduce personal tax revenue collections in the fiscal year 2024. Officials in Minnesota put into effect various personal income tax measures, such as issuing one-time rebates and expanding the state's child tax credit. The net impact of Minnesota's measures was forecasted to decrease personal income tax revenues by approximately \$1.7 billion in fiscal year 2024. Notably, the distribution of one-time rebates was expected to be the primary contributor to this reduction, accounting for approximately \$1.1 billion of the decrease.¹⁶

Officials in Ohio enacted income tax rate cuts and streamlined the income tax brackets, consolidating them from four to three for the 2023 tax year, and further from three to two for the 2024 tax year. These changes were projected to decrease personal income tax revenues by approximately \$1.1 billion in fiscal year 2024.¹⁷

Kentucky retroactively reduced the state's flat personal income tax rate from 5.0 percent to 4.5 percent starting January 1, 2023, and then further lowered the rate to 4.0 percent effective January 1, 2024. As a result of these income tax rate cuts, it was estimated that the state will experience a net loss of approximately \$1.0 billion in revenue in fiscal year 2024.¹⁸

Officials in Michigan enacted several income tax measures, including reduction of state personal income tax rate from 4.25 percent to 4.05 percent for 2023, rolling back the retirement tax, and expanding the Working Families Tax Credit.¹⁹ These tax measures were estimated to decrease Michigan's personal income tax collections by \$0.8 billion in fiscal year 2024.

West Virginia Governor Justice signed into law a bill that lowered personal income tax rates by 21.25 percent across all brackets, which was estimated to decrease personal income tax collections by \$0.8 billion in fiscal year 2024.²⁰

Nineteen states enacted corporate income tax decreases, and two states enacted increases. Legislated tax changes were estimated to decrease aggregate corporate income tax revenues by \$0.5 billion in fiscal year 2024. The largest corporate income tax revenue reduction was in New Jersey, where a 2.5 percent surtax on corporations with annual net income over \$1 million expired on January 1, 2024. Not renewing the surtax was estimated to reduce New Jersey's corporate income tax revenues by \$0.3 billion in fiscal year 2024.²¹

Meanwhile, officials in Ohio restructured their commercial activity tax by eliminating the annual minimum tax and increasing the exclusion amount from \$1 million to \$3 million effective January 1, 2024. The net impact of these changes pertaining to commercial activity tax was an estimated decrease of \$0.2 billion in Ohio's corporate income tax revenues for fiscal year 2024.²² And Minnesota reformed its treatment of global intangible low-taxed income (GILTI) to align with federal standards, effective January 1, 2023, which means the state now classifies GILTI income as dividend income for state tax purposes. This measure was estimated to increase Minnesota's corporate income tax revenues by \$0.3 billion in fiscal year 2024.²³

Thirteen states enacted sales tax decreases, and three states enacted increases. The net impact of these legislated tax changes was an estimated decrease in national sales tax revenues of \$1.5 billion in fiscal year 2024. The most significant sales tax legislation was in Florida, where sales tax revenues were estimated to decrease by \$0.9 billion in fiscal year 2024. Governor DeSantis authorized a substantial tax relief package, which included numerous sales tax holidays, toll relief package, and tax incentives and sales tax refunds targeted for incentivizing new housing development.²⁴ Officials in Tennessee approved a one-time sales tax holiday on groceries for a three-month period that was estimated to decrease Tennessee's sales tax revenue by \$0.3 billion in fiscal year 2024.²⁵

Nineteen states enacted changes for some other type of tax, with an estimated overall net decrease of \$0.5 billion in fiscal year 2023. These changes were estimated to decrease state tax revenues in 15 states and increase revenues in four states. The most significant legislated changes for these other taxes were in Massachusetts, New Mexico, and Nevada, where tax measures were estimated to decrease collections in fiscal year 2024 by \$128 million, \$148 million, and \$138 million, respectively.

Conclusion

State revenue volatility since the onset of the COVID-19 pandemic has made accurate forecasting particularly challenging (Dadayan 2024). Although states initially forecasted sustained growth for fiscal years 2023 and 2024 (Dadayan 2023a), actual collections have been weaker, prompting many states to revise forecasts downward. This decline has been driven mainly by reductions in personal income tax collections, influenced by stock market fluctuations and broad state-level income tax cuts. As a result, most states have reported revenue performance for fiscal year 2024 that fell significantly below earlier projections.

State revenue collections fell during the first half of fiscal year 2024, followed by sluggish growth in the second half, with notable differences across states. For fiscal year 2024, revenue growth was largely stagnant in the median state, increasing by just 0.6 percent. The median state experienced a 1.6 percent decline in personal income tax revenue and a 3.3 percent drop in corporate income tax revenue, while sales tax revenues rose by 1.6 percent.

Preliminary data for the third quarter of 2024 shows slowing revenue growth, with the median state reporting a 2.7 percent nominal year-over-year increase. Personal income tax revenues grew solidly, while corporate income taxes declined, and sales taxes showed weak growth. This stagnation can be partially attributed to recent state tax policies, including income tax rate cuts.

The fiscal outlook remains uncertain as states face potential fiscal impacts from the 2025 expiration of certain Tax Cuts and Jobs Act provisions, which may alter federal tax structures and indirectly impact state revenue streams. Coupled with the presidential election, this adds to fiscal unpredictability, as potential policy shifts could reshape the economic landscape for state budgets. While many states have built up substantial rainy-day funds, which could help ease the transition to slower revenue growth, the long-term sustainability of recent tax cuts amid economic headwinds remains a concern.

Appendix: Additional Tables

TABLE A.1

Quarterly State Government Tax Revenue by Major Tax

Year/quarter	Nominal YOY Percentage Change					Inflation rate	Real YOY Percentage Change				
	PIT	CIT	Sales	MFT	Total		PIT	CIT	Sales	MFT	Total
<i>Average growth, fiscal YTD 2024</i>	5.2	5.1	1.2	6.4	3.6	2.7	2.5	2.4	(1.4)	3.6	0.9
2024 Q2	13.2	9.6	1.5	1.6	8.0	2.6	10.3	6.9	(1.0)	(1.0)	5.3
2024 Q1	1.5	3.4	0.7	6.8	3.1	2.4	(0.9)	1.0	(1.6)	4.3	0.6
2023 Q4	9.0	9.1	1.2	6.6	4.4	2.6	6.3	6.4	(1.3)	3.9	1.8
2023 Q3	(2.7)	(1.8)	1.5	10.6	(1.2)	3.1	(5.6)	(4.8)	(1.6)	7.3	(4.2)
2023 Q2	(27.5)	(10.5)	2.1	8.1	(12.6)	3.4	(29.9)	(13.5)	(1.3)	4.5	(15.5)
2023 Q1	(21.8)	(22.9)	6.7	0.8	(6.8)	5.3	(25.8)	(26.8)	1.3	(4.3)	(11.5)
2022 Q4	(13.1)	(9.5)	7.1	(3.1)	(0.4)	6.5	(18.4)	(15.0)	0.5	(9.0)	(6.5)
2022 Q3	(0.7)	28.7	11.5	(3.4)	7.1	7.3	(7.4)	19.9	3.9	(10.0)	(0.2)
2022 Q2	13.5	42.7	9.4	(1.2)	15.2	7.8	5.4	32.5	1.6	(8.3)	6.9
2022 Q1	24.2	166.9	18.0	10.0	24.3	7.0	16.1	149.4	10.3	2.8	16.1
2021 Q4	28.4	121.4	18.6	8.1	24.2	6.2	21.0	108.5	11.7	1.8	17.0
2021 Q3	(16.6)	(3.0)	12.4	7.7	(0.5)	5.1	(20.6)	(7.7)	7.0	2.5	(5.3)
2021 Q2	75.5	163.0	40.2	27.6	59.1	4.4	68.1	151.9	34.3	22.2	52.3
2021 Q1	18.0	31.2	3.0	(7.3)	9.4	2.5	15.1	28.0	0.5	(9.6)	6.7
2020 Q4	8.9	24.3	3.4	(7.6)	6.1	1.7	7.1	22.3	1.7	(9.2)	4.4
2020 Q3	43.9	61.8	2.8	(4.2)	19.3	1.3	42.0	59.7	1.5	(5.4)	17.7
2020 Q2	(32.9)	(44.3)	(13.4)	(17.9)	(24.8)	0.8	(33.4)	(44.7)	(14.0)	(18.5)	(25.4)
2020 Q1	5.0	(0.8)	3.9	5.2	4.0	1.6	3.3	(2.3)	2.2	3.5	2.4
2019 Q4	6.2	18.7	5.6	8.3	5.6	1.5	4.6	17.0	4.0	6.7	4.0
2019 Q3	4.3	12.7	7.1	6.0	5.6	1.6	2.7	10.9	5.4	4.4	3.9
2019 Q2	18.8	20.9	2.3	3.2	10.4	1.7	16.9	18.9	0.6	1.5	8.6
2019 Q1	(2.4)	40.8	5.5	1.8	2.7	1.9	(4.2)	38.2	3.6	(0.0)	0.8
2018 Q4	(9.2)	12.9	4.4	6.0	(0.1)	2.2	(11.2)	10.5	2.1	3.8	(2.3)
2018 Q3	7.9	26.7	6.2	8.8	8.3	2.4	5.3	23.7	3.7	6.3	5.8
2018 Q2	10.6	17.3	5.3	8.9	9.0	2.5	7.9	14.4	2.7	6.2	6.4
2018 Q1	15.3	(6.7)	5.0	10.9	8.8	2.1	13.0	(8.5)	2.9	8.7	6.6
2017 Q4	14.9	10.4	4.5	9.7	9.3	1.9	12.7	8.3	2.5	7.6	7.2
2017 Q3	4.6	6.5	3.1	2.0	3.9	1.8	2.7	4.6	1.3	0.1	2.1
2017 Q2	(0.0)	11.7	3.2	5.2	2.5	1.6	(1.6)	10.0	1.6	3.6	0.9
2017 Q1	8.9	(28.0)	2.3	0.9	3.5	2.0	6.7	(29.4)	0.4	(1.0)	1.5
2016 Q4	0.3	(3.3)	1.7	1.2	1.2	1.4	(1.1)	(4.6)	0.3	(0.2)	(0.2)
2016 Q3	2.4	(9.1)	2.7	1.4	1.3	0.9	1.6	(9.8)	1.8	0.5	0.4
2016 Q2	(2.8)	(9.3)	1.2	0.3	(1.6)	0.8	(3.6)	(10.0)	0.3	(0.5)	(2.4)
2016 Q1	1.7	(6.0)	1.9	2.9	1.4	0.8	0.9	(6.7)	1.1	2.1	0.7
2015 Q4	5.1	(9.7)	2.7	3.5	2.3	0.8	4.3	(10.3)	1.9	2.7	1.6
2015 Q3	6.5	0.4	3.5	5.0	4.1	0.8	5.6	(0.4)	2.7	4.1	3.3
2015 Q2	14.0	5.6	3.6	2.5	7.0	1.0	12.9	4.5	2.6	1.5	6.0
2015 Q1	6.9	3.5	5.8	4.3	5.5	0.9	5.9	2.5	4.8	3.3	4.5
2014 Q4	8.4	10.0	6.5	2.4	5.7	1.4	6.9	8.5	5.1	1.0	4.2
2014 Q3	4.4	7.3	6.6	0.6	4.3	1.9	2.5	5.3	4.6	(1.2)	2.4
2014 Q2	(6.7)	(0.3)	4.6	4.0	(1.0)	2.0	(8.5)	(2.2)	2.6	2.0	(2.9)
2014 Q1	(1.3)	7.9	3.0	2.8	0.5	1.7	(2.9)	6.0	1.2	1.1	(1.2)
2013 Q4	1.1	3.7	5.1	3.6	3.1	1.7	(0.6)	2.0	3.3	1.8	1.3
2013 Q3	4.9	2.0	5.5	2.8	5.3	1.6	3.2	0.3	3.8	1.1	3.6
2013 Q2	19.2	8.6	4.6	2.0	10.0	1.7	17.2	6.8	2.8	0.3	8.1
2013 Q1	18.2	9.6	3.9	(1.7)	8.9	1.8	16.0	7.6	2.0	(3.5)	6.9

Source: Bureau of Economic Analysis (GDP) and US Census Bureau (tax revenue), analysis by the author.

Notes: CIT = corporate income tax; MFT = motor fuel tax; PIT = personal income tax; YOY = year-over-year; YTD = year to date.

TABLE A.2

Quarterly State Government Tax Revenue, by State

Nominal percentage change, 2024 Q2 versus 2023 Q2

State/region	PIT	CIT	Sales	MFT	Total
US (median)	3.7	(1.5)	1.6	1.4	1.0
US (average)	13.2	9.6	1.5	1.6	8.0
New England	19.5	(1.6)	5.5	5.2	10.9
Connecticut	14.9	5.3	13.4	14.4	11.3
Maine	(1.3)	(10.4)	5.2	(2.5)	1.0
Massachusetts	27.1	(5.8)	(0.6)	0.2	13.4
New Hampshire	19.1	(2.8)	NA	1.2	(0.2)
Rhode Island	(3.7)	NM	6.3	9.6	14.1
Vermont	14.1	(7.3)	(0.8)	(1.2)	7.2
Mideast	8.5	0.9	3.0	(2.6)	4.5
Delaware	5.9	0.0	NA	0.3	1.2
Maryland	3.4	7.7	6.7	1.4	4.1
New Jersey	10.6	(8.4)	2.7	1.4	3.2
New York	11.8	10.7	2.4	(0.9)	8.5
Pennsylvania	1.5	(16.0)	2.3	(5.9)	(0.8)
Great Lakes	2.8	(18.2)	0.3	2.0	(0.1)
Illinois	12.6	(23.0)	1.6	5.4	0.2
Indiana	5.1	(32.8)	1.0	2.3	0.1
Michigan	(3.6)	(5.7)	2.3	2.5	0.9
Ohio	(16.0)	NA	(3.5)	(2.2)	(3.9)
Wisconsin	4.0	(0.8)	1.3	2.8	2.3
Plains	(10.1)	3.2	2.0	6.6	(2.7)
Iowa	(16.0)	31.0	6.5	11.0	(2.4)
Kansas	6.0	(14.6)	(3.7)	(1.1)	(0.4)
Minnesota	0.4	(2.1)	(1.5)	0.9	(0.0)
Missouri	(7.5)	(4.2)	6.9	18.2	(1.4)
Nebraska	(81.2)	55.4	7.3	(0.3)	(26.7)
North Dakota	(38.2)	(17.9)	1.2	3.6	1.0
South Dakota	NA	42.5	(1.2)	4.1	1.7
Southeast	1.6	1.7	0.6	2.4	2.4
Alabama	12.3	28.2	(2.2)	3.1	8.6
Arkansas	21.0	(13.6)	(1.2)	2.0	2.8
Florida	NA	6.9	0.3	3.0	1.8
Georgia	(3.8)	7.4	(0.7)	4.1	(0.6)
Kentucky	(6.5)	15.5	0.0	9.2	(0.0)
Louisiana	6.7	(35.2)	12.3	(5.5)	1.2
Mississippi	(0.5)	(27.2)	2.9	(2.2)	(0.0)
North Carolina	(8.8)	28.8	(4.7)	4.4	(2.9)
South Carolina	37.5	18.7	2.3	(1.7)	27.1
Tennessee	NA	(4.5)	2.0	(0.9)	4.5
Virginia	7.8	(14.8)	0.3	0.9	3.8
West Virginia	(29.5)	10.4	4.1	5.4	(12.3)
Southwest	10.1	(12.3)	1.9	0.6	2.2
Arizona	17.5	2.9	1.5	1.4	4.9
New Mexico	5.1	124.7	(0.0)	1.4	0.6
Oklahoma	6.2	(63.5)	(1.0)	(7.3)	(4.0)
Texas	NA	NA	2.3	1.5	2.8
Rocky Mountain	2.4	(4.7)	2.2	1.4	1.5
Colorado	12.5	(4.7)	1.8	1.4	5.5
Idaho	(7.1)	(12.2)	3.3	1.2	(0.1)
Montana	(12.7)	(6.1)	NA	7.8	(0.5)
Utah	(2.6)	2.3	2.8	(1.5)	0.2
Wyoming	NA	NA	(1.6)	9.6	(10.6)
Far West	44.1	51.1	0.9	0.9	28.8
Alaska	NA	37.2	NA	16.0	(3.1)
California	65.1	54.1	0.6	6.6	43.7
Hawaii	(6.4)	80.5	(1.7)	(3.5)	1.2
Nevada	NA	NA	2.0	1.4	2.3
Oregon	(46.6)	(0.9)	NA	0.4	(31.6)
Washington	NA	NA	1.6	(22.1)	2.8

Source: US Census Bureau (tax revenue), analysis by the author.

Notes: PIT = personal income tax; CIT = corporate income tax; MFT = motor fuel tax; NA = not applicable, NM = not meaningful.

TABLE A.3

State Government Tax Revenue Trends in Fiscal Year 2024

Nominal percentage change, fiscal year 2024 versus fiscal year 2023

State/region	PIT	CIT	Sales	MFT	Total
US (median)	(0.1)	(3.3)	1.6	1.6	0.6
US (average)	5.7	6.0	1.2	6.2	3.8
New England	7.1	(6.3)	2.2	17.2	3.1
Connecticut	4.7	(10.1)	5.3	95.4	1.5
Maine	(3.3)	1.9	3.9	0.1	0.5
Massachusetts	10.3	(7.1)	(0.5)	1.6	4.0
New Hampshire	NM	(3.3)	NA	(1.0)	1.7
Rhode Island	(1.8)	34.7	4.5	8.6	7.2
Vermont	2.7	(14.8)	1.7	(3.9)	3.1
Mideast	4.3	(4.0)	2.0	5.3	2.2
Delaware	4.9	(6.5)	NA	1.2	(1.2)
Maryland	1.1	8.1	(2.0)	4.1	2.5
New Jersey	1.3	(9.8)	1.6	0.8	(0.6)
New York	7.5	(1.5)	4.2	21.3	4.5
Pennsylvania	0.4	(13.2)	1.3	0.1	(0.1)
Great Lakes	1.3	(13.9)	0.3	5.1	0.7
Illinois	8.2	(20.9)	1.3	9.8	1.4
Indiana	5.8	(20.5)	(0.4)	4.8	1.5
Michigan	(7.1)	1.4	(1.0)	3.7	(0.4)
Ohio	(11.4)	NA	0.3	3.2	(1.1)
Wisconsin	3.2	(1.7)	1.8	0.7	2.3
Plains	(9.3)	23.5	3.6	4.6	0.1
Iowa	(17.5)	72.1	5.5	(1.8)	(1.5)
Kansas	(0.1)	(6.1)	(0.6)	(1.6)	(0.5)
Minnesota	(6.3)	7.5	1.7	0.5	(1.5)
Missouri	(10.7)	(3.6)	7.4	14.6	1.8
Nebraska	(17.4)	148.9	8.3	11.2	10.6
North Dakota	(38.4)	(20.9)	4.0	2.4	(3.7)
South Dakota	NA	10.9	(0.0)	3.3	1.3
Southeast	(0.2)	(1.6)	0.7	10.7	1.1
Alabama	0.6	13.7	(1.7)	3.4	2.2
Arkansas	(4.9)	(10.4)	1.7	2.0	(0.7)
Florida	NA	9.5	(0.2)	9.3	1.0
Georgia	(5.6)	(5.1)	(0.0)	110.2	(0.4)
Kentucky	(0.6)	2.3	4.1	13.4	2.0
Louisiana	2.8	(19.7)	0.2	(3.5)	(0.6)
Mississippi	(5.3)	(14.7)	2.2	(1.2)	(0.2)
North Carolina	(2.2)	(5.0)	1.1	5.7	(0.1)
South Carolina	6.2	3.4	2.8	(0.1)	9.8
Tennessee	NA	(9.2)	1.9	0.1	0.6
Virginia	7.0	(6.1)	(1.0)	3.2	4.9
West Virginia	(15.9)	10.8	3.8	2.9	(12.7)
Southwest	(2.9)	(5.5)	2.2	0.8	(1.0)
Arizona	(7.5)	(3.4)	3.0	1.7	0.8
New Mexico	(3.0)	41.8	2.5	(1.2)	(2.3)
Oklahoma	2.7	(38.1)	0.4	(0.8)	(6.0)
Texas	NA	NA	2.1	1.0	(0.4)
Rocky Mountain	0.2	2.4	1.8	2.2	0.2
Colorado	2.2	10.8	1.3	1.5	2.1
Idaho	3.9	(15.9)	1.5	(5.6)	(0.2)
Montana	(1.8)	0.8	NA	2.2	1.5
Utah	(3.4)	2.2	1.6	8.4	(0.1)
Wyoming	NA	NA	5.9	1.5	(12.6)
Far West	20.2	35.9	0.3	4.2	13.9
Alaska	NA	(12.2)	NA	(1.6)	(44.9)
California	27.7	38.3	(0.6)	6.7	21.1
Hawaii	5.8	48.3	0.9	(2.0)	3.8
Nevada	NA	NA	3.4	3.7	4.8
Oregon	(30.8)	1.0	NA	1.2	(20.7)
Washington	NA	NA	1.3	(7.5)	0.7

Source: US Census Bureau (tax revenue), analysis by the author.

Notes: PIT = personal income tax; CIT = corporate income tax; MFT = motor fuel tax; NA = not applicable, NM = not meaningful.

TABLE A4

State Personal Income Tax Withholding

Year-over-year nominal percentage change

State/Region	Fiscal Year 2023				Fiscal Year 2024			
	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
US (median)	7.2	6.3	2.4	4.5	3.3	3.6	4.2	5.4
US (average)	3.1	(0.6)	0.3	3.8	3.4	3.1	5.4	5.5
New England	2.5	5.6	4.1	7.1	7.3	4.8	5.4	6.6
Connecticut	(5.8)	7.0	6.4	7.0	10.4	2.6	(0.3)	2.8
Maine	5.4	8.3	15.1	3.8	7.2	5.9	(5.5)	8.2
Massachusetts	5.0	4.7	1.5	8.0	7.0	5.8	10.2	8.3
Rhode Island	8.0	2.1	2.4	3.6	1.9	3.8	4.6	6.2
Vermont	13.0	11.3	6.5	5.3	(2.4)	4.0	3.2	5.4
Midwest	3.5	(1.3)	(1.6)	5.3	3.5	3.4	5.9	6.9
Delaware	9.0	9.1	4.2	8.4	8.3	0.7	8.6	9.9
Maryland	4.3	5.1	2.0	9.9	4.8	2.5	4.2	8.1
New Jersey	8.3	5.3	2.4	2.9	6.3	4.8	6.0	7.0
New York	1.3	(7.0)	(4.9)	4.2	1.7	3.2	6.6	6.8
Pennsylvania	5.4	5.6	5.0	4.6	5.0	4.2	4.1	4.4
Great Lakes	4.0	4.5	0.1	5.1	10.0	6.2	3.8	5.7
Illinois	3.6	8.8	(6.4)	1.5	16.8	9.6	7.1	14.0
Indiana	7.0	8.9	4.9	8.7	16.8	16.1	7.4	(0.6)
Michigan	8.1	3.3	3.5	5.4	(0.1)	(0.1)	2.9	5.1
Ohio	6.4	9.1	11.4	6.2	5.5	(1.1)	(7.5)	(1.5)
Wisconsin	(8.1)	(11.4)	(3.2)	7.8	4.8	5.3	6.6	2.5
Plains	6.6	7.7	0.4	2.7	2.2	(0.6)	4.4	3.8
Iowa	5.8	9.5	(5.7)	(13.0)	(6.2)	(12.3)	(2.6)	2.1
Kansas	7.3	9.1	3.9	9.3	9.0	5.5	8.8	9.2
Minnesota	5.9	6.2	3.3	6.0	3.3	4.1	6.3	5.1
Missouri	6.5	6.4	(2.5)	0.8	0.2	(4.5)	5.5	3.0
Nebraska	8.4	10.6	2.2	7.0	6.6	3.5	1.2	2.3
North Dakota	17.4	24.8	(7.1)	20.9	2.4	(26.3)	(18.2)	(25.9)
Southeast	6.9	1.9	2.3	1.2	0.6	0.8	1.1	3.4
Alabama	8.4	8.0	6.6	6.9	8.4	6.6	3.2	5.1
Arkansas	2.2	(3.8)	(8.3)	(1.3)	(0.8)	(1.0)	1.1	1.3
Georgia	10.1	3.6	7.1	4.7	4.8	4.4	(4.3)	(1.5)
Kentucky	8.0	7.5	(1.0)	(6.7)	(0.8)	(7.2)	(7.4)	(10.5)
Louisiana	(5.0)	(15.0)	2.1	4.5	(2.3)	12.9	(3.5)	9.5
Mississippi	9.8	7.3	1.2	(2.2)	(2.8)	(3.4)	(0.5)	4.1
North Carolina	1.0	(0.7)	0.7	2.4	2.8	(0.6)	6.7	5.5
South Carolina	10.4	4.7	(3.0)	(8.9)	(8.3)	(8.0)	3.0	6.4
Virginia	9.6	1.8	2.6	2.8	0.4	3.6	6.3	8.5
West Virginia	10.9	8.9	9.5	(0.1)	(13.4)	(13.2)	(13.2)	(2.0)
Southwest	10.8	3.5	(1.2)	(5.3)	(5.8)	(3.1)	3.7	6.1
Arizona	7.9	2.0	(9.6)	(16.9)	(15.5)	(12.6)	0.4	5.6
New Mexico	29.3	0.8	11.0	4.4	2.3	9.5	8.2	7.3
Oklahoma	7.2	7.3	6.6	9.2	5.2	4.9	5.8	6.1
Rocky Mountain	8.0	6.5	2.2	3.9	4.4	3.7	3.6	5.3
Colorado	7.3	6.9	2.9	3.6	3.2	2.8	4.9	6.5
Idaho	6.0	3.8	(0.6)	2.4	13.3	9.4	14.6	14.7
Montana	12.1	9.1	5.7	5.3	5.0	10.6	(11.3)	(13.5)
Utah	9.0	6.3	1.0	4.5	3.1	1.3	1.6	5.3
Far West	(2.8)	(9.1)	0.1	3.7	1.5	3.5	9.7	5.5
California	(3.9)	(10.8)	(0.3)	3.5	0.8	3.3	10.2	5.1
Hawaii	6.6	9.1	6.0	7.1	9.7	6.3	7.4	9.3
Oregon	4.9	4.5	2.6	4.1	4.5	5.1	5.9	8.1

Source: Individual state data, analysis by the author.

TABLE A.5

State Personal Income Tax Estimated Payments and Declarations

Year-over-year nominal percentage change

State	Tax year 2023		Tax year 2024	
	June 2023, 2nd payment	April-June 2023, 1st & 2nd payments	June 2024, 2nd payment	April-June 2024, 1st & 2nd payments
Median	(23.8)	(27.2)	3.0	3.7
Average	(43.9)	(44.5)	52.2	27.1
Alabama	(32.6)	(37.0)	(66.1)	(31.7)
Arizona	(45.3)	(44.0)	5.9	4.5
Arkansas	(54.2)	(56.2)	(3.6)	0.6
California	(72.9)	(69.1)	228.0	174.7
Colorado	(37.8)	(52.6)	8.1	(1.0)
Connecticut	(29.3)	(30.0)	34.5	29.6
Delaware	(14.9)	(11.5)	11.6	12.1
Georgia	(37.4)	(34.6)	6.3	28.5
Hawaii	(31.7)	(26.0)	(9.5)	(14.0)
Illinois	(24.4)	(26.3)	19.0	19.0
Indiana	(35.5)	(42.8)	(2.5)	2.4
Iowa	(16.6)	(22.8)	(68.7)	(79.5)
Kansas	(39.5)	(40.3)	9.9	10.0
Kentucky	(33.2)	(37.3)	(29.7)	(27.6)
Louisiana	(12.4)	(15.3)	(8.9)	(8.9)
Maine	(7.6)	(13.4)	(4.4)	(2.9)
Maryland	(10.0)	(0.6)	(3.1)	1.7
Massachusetts	(13.4)	(19.7)	31.6	31.4
Michigan	(24.1)	(25.4)	3.4	3.8
Minnesota	(17.6)	(39.6)	2.6	6.3
Mississippi	(27.0)	(37.3)	(2.4)	(0.9)
Missouri	(14.6)	(25.8)	(0.9)	49.6
Montana	(14.2)	(37.2)	(19.2)	(27.2)
Nebraska	(23.2)	(24.2)	(46.9)	(46.9)
New Jersey	(22.8)	(25.7)	15.6	16.8
New York	(29.6)	(51.4)	20.9	11.6
North Carolina	(42.0)	(42.1)	8.4	9.0
North Dakota	(7.2)	(64.0)	(12.1)	(23.2)
Ohio	(11.3)	(4.3)	(1.5)	(3.3)
Oklahoma	(18.5)	(26.8)	7.9	3.6
Oregon	(22.4)	(19.1)	(10.3)	(27.1)
Pennsylvania	(19.0)	(20.7)	15.2	10.9
Rhode Island	(23.4)	(27.6)	(9.6)	(7.1)
South Carolina	(31.2)	(50.6)	29.1	76.5
Vermont	(21.4)	(24.8)	22.2	22.7
Virginia	(30.9)	(37.4)	59.6	38.0
West Virginia	(29.8)	(19.9)	(33.7)	(38.7)
Wisconsin	(21.9)	(26.3)	16.3	11.7

Source: Individual state data, analysis by the author.

Notes: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming have no broad-based personal income tax and are not shown in this table.

TABLE A.6

State Personal Income Tax Final Payments

Year-over-year nominal percentage change

State/Region	Fiscal Year 2023				Fiscal Year 2024			
	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Median	23.6	39.1	(6.5)	(33.7)	(7.4)	(16.1)	(4.0)	(3.6)
Average	23.7	44.3	(0.6)	(39.3)	3.5	21.6	2.6	5.6
Alabama	(6.5)	34.8	(0.7)	(36.7)	(1.7)	(4.0)	(8.9)	2.3
Arizona	33.7	56.2	(13.3)	(57.1)	(34.4)	(30.7)	(15.0)	(17.8)
Arkansas	19.7	39.1	(28.6)	(61.4)	(8.2)	(38.3)	(6.2)	15.9
California	20.1	30.4	(27.0)	(60.0)	18.6	142.9	19.3	61.9
Colorado	21.7	36.1	(8.8)	(42.2)	(4.6)	(12.6)	(3.0)	23.2
Connecticut	(42.3)	55.1	(80.2)	(45.7)	107.0	(15.6)	396.9	22.5
Delaware	254.5	(65.5)	(19.9)	(29.3)	(15.4)	177.9	(19.7)	2.3
Georgia	65.4	35.7	(0.7)	(51.4)	(21.2)	(29.0)	(13.5)	(13.2)
Hawaii	(4.6)	34.6	(17.5)	(28.0)	(12.9)	(16.1)	(5.3)	(2.9)
Idaho	(10.7)	4.3	(4.3)	(34.1)	(15.4)	(19.7)	(11.0)	(12.7)
Illinois	24.9	57.7	(2.9)	(44.6)	0.1	(20.9)	(4.0)	6.9
Indiana	25.6	30.9	16.9	(38.3)	(41.4)	(62.6)	(10.2)	(1.2)
Iowa	76.3	28.7	(2.0)	(18.6)	(13.8)	15.6	42.3	(6.3)
Kansas	39.0	44.6	(6.9)	(47.5)	(23.0)	(12.8)	6.9	(3.3)
Kentucky	15.2	58.8	17.4	(19.9)	1.3	(16.6)	(18.5)	(21.5)
Louisiana	19.5	24.9	58.7	(15.0)	(5.5)	1.4	(3.9)	(3.6)
Maine	45.4	60.6	7.0	(29.3)	(6.9)	(24.1)	(3.9)	(19.8)
Maryland	2.1	32.0	(12.5)	(29.6)	27.4	(20.8)	17.7	30.0
Massachusetts	56.6	26.9	(6.9)	(44.2)	(9.0)	(19.6)	(1.0)	52.2
Michigan	15.7	44.2	(6.5)	(35.7)	(7.4)	(3.4)	(15.6)	(7.8)
Minnesota	(10.6)	(11.9)	(34.6)	(27.5)	(15.4)	(16.1)	(9.8)	(6.3)
Missouri	109.8	63.3	134.7	(33.3)	4.0	(243.5)	31.7	(37.7)
Montana	50.1	229.5	(16.4)	(27.9)	17.1	(19.1)	(1.9)	(6.7)
Nebraska	26.1	45.6	(15.8)	(29.4)	6.5	356.3	119.4	(27.4)
New Jersey	24.9	75.3	(15.6)	(38.7)	(20.1)	(20.4)	(3.8)	2.8
New Mexico	27.2	(19.1)	(23.0)	(47.8)	(7.6)	(40.7)	16.0	104.8
New York	38.1	81.5	(21.1)	(35.9)	(26.8)	(32.6)	(3.4)	1.2
North Carolina	23.6	39.5	106.6	(22.0)	79.1	54.5	(27.2)	(13.1)
North Dakota	38.5	43.3	37.9	63.7	(22.2)	126.0	(23.8)	(23.4)
Ohio	11.8	19.0	15.8	(14.6)	207.5	31.7	36.1	(32.7)
Oklahoma	21.7	39.1	9.7	(15.2)	(6.7)	(3.9)	1.7	2.9
Pennsylvania	6.9	61.9	2.6	(42.0)	13.2	(19.0)	(8.4)	(5.2)
Rhode Island	23.3	30.2	15.8	(25.9)	5.8	(8.5)	(25.3)	(4.4)
South Carolina	10.7	52.8	38.0	(33.7)	(16.8)	(25.3)	(11.4)	8.6
Utah	38.2	38.0	(16.1)	(50.5)	(20.7)	(9.0)	(8.1)	(9.5)
Vermont	96.3	56.1	(9.4)	(34.2)	(26.2)	(12.6)	(0.7)	9.1
Virginia	62.2	490.4	46.4	(14.1)	(98.4)	(49.4)	(13.3)	(14.9)
West Virginia	17.1	8.6	(14.9)	9.8	154.1	109.6	49.7	(43.3)
Wisconsin	9.4	17.3	20.5	(15.1)	(1.9)	14.1	(10.4)	1.8

Source: Individual state data, analysis by the author.

Notes: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming have no broad-based personal income tax and are not shown in this table.

TABLE A.7

States with Pass-Through Entity Elective Tax and Effective Dates

State	Effective date
Alabama	Tax year 2021
Arizona	Tax year 2022
Arkansas	Tax year 2022
California	Tax year 2021
Colorado	Tax year 2022
Connecticut	Tax year 2018
Delaware	NA
Georgia	Tax year 2022
Hawaii	Tax year 2023
Idaho	Tax year 2021
Illinois	Tax year 2021
Indiana	Tax year 2022
Iowa	Tax year 2022
Kansas	Tax year 2022
Kentucky	Tax year 2022
Louisiana	Tax year 2019
Maine	NA
Maryland	Tax year 2020
Massachusetts	Tax year 2021
Michigan	Tax year 2021
Minnesota	Tax year 2021
Mississippi	Tax year 2022
Missouri	Tax year 2022
Montana	Tax year 2023
Nebraska	Tax year 2018
New Jersey	Tax year 2020
New Mexico	Tax year 2022
New York	Tax year 2021
North Carolina	Tax year 2022
North Dakota	NA
Ohio	Tax year 2022
Oklahoma	Tax year 2019
Oregon	Tax year 2022
Pennsylvania	NA
Rhode Island	Tax year 2019
South Carolina	Tax year 2021
Utah	Tax year 2022
Vermont	NA
Virginia	Tax year 2021
West Virginia	Tax year 2022
Wisconsin	Tax year 2019

Source: Individual state information, compiled by the author.

Notes: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming have no broad-based personal income tax and are not shown in this table. NA = not applicable. State names are hyperlinked to their respective pass-through entity elective tax guidelines.

TABLE A.8

Quarterly State Government Tax Revenue for Nonmajor Tax Revenue Sources

Year-over-year real percentage change; four-quarter moving averages

Year/quarter	Property tax	Tobacco product sales tax	Alcoholic beverage sales tax	Motor vehicle & operators' license taxes	Other taxes	Total nonmajor taxes
2024 Q2 collections (\$ millions)	\$5,742	\$3,992	\$2,255	\$9,712	\$62,345	\$84,046
Average growth, fiscal year 2024	2.8	(10.8)	(1.8)	(0.0)	(1.0)	(1.2)
2024 Q1	4.6	(10.6)	(2.7)	1.2	1.2	0.6
2023 Q4	3.5	(10.3)	(1.3)	0.7	(4.2)	(3.3)
2023 Q3	1.6	(11.1)	(1.9)	(0.3)	(3.1)	(2.8)
2023 Q2	1.5	(11.1)	(1.6)	(1.7)	2.1	0.6
2023 Q1	0.0	(12.4)	(1.6)	(2.2)	6.1	3.0
2022 Q4	1.3	(13.6)	(3.5)	(5.0)	13.7	7.5
2022 Q3	1.7	(12.6)	(1.6)	(6.2)	9.9	5.0
2022 Q2	1.6	(12.3)	(0.8)	(7.1)	4.4	1.1
2022 Q1	0.6	(9.6)	2.5	(7.3)	7.9	3.5
2021 Q4	2.4	(5.2)	10.4	0.5	12.1	8.0
2021 Q3	2.8	(4.6)	8.7	1.3	13.2	8.9
2021 Q2	4.6	(1.3)	7.8	5.2	14.6	10.8
2021 Q1	5.8	0.9	5.3	7.7	7.8	6.9
2020 Q4	2.1	(0.7)	(5.5)	(3.1)	(5.7)	(4.2)
2020 Q3	2.8	0.7	(5.1)	(2.5)	(5.9)	(4.1)
2020 Q2	2.6	(1.1)	(3.3)	(3.4)	(6.8)	(5.0)
2020 Q1	0.3	(2.5)	(2.3)	(3.0)	(4.6)	(3.7)
2019 Q4	1.3	(3.1)	2.9	2.0	1.4	1.1
2019 Q3	0.4	(4.0)	2.9	1.3	1.6	1.0
2019 Q2	(0.2)	(6.0)	0.3	1.5	3.6	2.0
2019 Q1	5.5	(7.6)	(1.2)	0.9	4.8	2.9
2018 Q4	6.6	(5.4)	(0.5)	4.4	5.5	4.2
2018 Q3	9.1	(5.2)	(1.4)	7.2	5.4	4.7
2018 Q2	8.2	0.9	0.1	4.5	5.5	5.0
2018 Q1	3.7	5.3	1.4	4.8	3.9	4.0
2017 Q4	1.1	4.8	1.2	1.2	3.1	2.7
2017 Q3	(0.5)	6.2	3.0	(0.2)	2.9	2.5
2017 Q2	(1.2)	3.6	3.0	3.8	1.2	1.7
2017 Q1	0.5	1.9	2.3	1.6	0.4	0.8
2016 Q4	3.1	1.3	1.1	2.4	(1.3)	(0.1)
2016 Q3	2.4	1.5	0.5	2.8	(1.6)	(0.3)
2016 Q2	5.0	1.3	0.8	1.1	(2.4)	(0.9)
2016 Q1	4.2	0.7	1.7	2.6	(1.7)	(0.3)
2015 Q4	5.1	1.8	2.7	2.3	(1.3)	0.1
2015 Q3	8.8	0.2	1.6	2.9	(0.9)	0.5
2015 Q2	6.2	(0.7)	1.4	1.7	(0.3)	0.5
2015 Q1	5.3	(2.0)	1.7	1.3	(0.6)	0.1
2014 Q4	4.4	(3.9)	(0.1)	1.3	(0.3)	(0.0)
2014 Q3	0.9	(4.6)	1.6	(0.6)	(1.8)	(1.6)
2014 Q2	3.3	(3.6)	1.4	0.7	(1.6)	(1.0)
2014 Q1	5.3	0.6	0.0	1.2	(0.4)	0.3
2013 Q4	5.2	1.9	1.4	0.9	0.5	1.0
2013 Q3	4.9	3.7	(0.7)	0.4	3.3	2.9
2013 Q2	3.3	3.6	(2.4)	(0.5)	3.7	2.9
2013 Q1	(0.3)	(1.0)	(1.8)	(0.9)	2.7	1.5

Source: US Census Bureau (tax revenue), analysis by the author.

Notes: Q= quarter.

TABLE A.9

Preliminary State Government Tax Revenues in the Third Quarter of 2024, by State

Nominal percentage change, 2024 Q3 versus 2023 Q3

State/region	PIT	CIT	Sales	Total
US (median)	5.9	(1.1)	1.5	2.7
US (average)	8.8	2.5	0.2	4.7
New England	10.1	0.7	5.3	5.9
Connecticut	5.2	8.8	5.5	4.0
Maine	22.7	12.9	2.2	12.4
Massachusetts	9.4	(4.0)	6.5	6.0
New Hampshire	1.2	(15.3)	NA	(5.8)
Rhode Island	17.4	8.4	4.4	7.6
Vermont	8.2	64.6	0.4	9.7
Mideast	7.1	(4.7)	1.7	3.0
Delaware	4.0	25.5	NA	1.1
Maryland	3.4	9.3	0.3	0.6
New Jersey	5.9	4.6	2.3	3.4
New York	10.7	(7.6)	1.9	3.8
Pennsylvania	(0.1)	(9.0)	1.6	2.2
Great Lakes	6.2	(7.2)	(1.8)	1.6
Illinois	11.0	(10.3)	(4.0)	3.5
Indiana	(0.2)	(24.3)	2.0	0.1
Michigan	14.8	(3.5)	(0.5)	4.3
Ohio	(4.2)	NA	(5.3)	(3.8)
Wisconsin	6.7	2.8	2.1	4.3
Plains	12.8	(0.3)	(0.9)	7.0
Iowa	(1.2)	5.1	2.2	11.3
Kansas	10.2	(15.1)	(1.8)	1.6
Minnesota	45.9	(6.6)	(2.0)	19.4
Missouri	(6.2)	(2.5)	(4.5)	(1.0)
Nebraska	(32.9)	59.2	1.5	(7.4)
North Dakota	8.7	(6.6)	6.9	(16.4)
South Dakota	NA	(81.3)	(4.5)	(4.0)
Southeast	3.9	4.2	0.1	3.4
Alabama	7.0	3.2	(3.2)	3.9
Arkansas	(9.2)	(25.4)	0.5	(2.9)
Florida	NA	11.9	(1.8)	3.9
Georgia	(1.8)	(2.1)	3.6	0.2
Kentucky	(17.5)	73.5	1.3	2.2
Louisiana	20.0	47.9	(5.2)	7.6
Mississippi	0.5	(39.5)	0.9	(2.1)
North Carolina	1.5	17.3	(1.0)	1.3
South Carolina	12.3	24.2	2.3	12.6
Tennessee	NA	(7.7)	4.0	2.0
Virginia	15.1	(21.2)	2.0	9.2
West Virginia	(12.2)	(36.4)	2.3	(7.8)
Southwest	8.7	(5.1)	0.1	1.4
Arizona	9.7	3.3	3.7	6.5
New Mexico	ND	ND	ND	ND
Oklahoma	7.3	(25.7)	(1.0)	(1.2)
Texas	NA	NA	(0.4)	0.7
Rocky Mountain	2.1	1.4	2.0	2.3
Colorado	0.6	(0.6)	1.5	0.6
Idaho	7.6	19.0	2.6	3.9
Montana	2.1	(3.6)	NA	8.2
Utah	3.0	(1.6)	2.1	2.7
Wyoming	NA	NA	ND	ND
Far West	14.7	24.0	(0.0)	10.2
Alaska	NA	31.6	NA	15.5
California	18.1	27.4	(0.6)	12.2
Hawaii	8.4	6.0	3.2	19.4
Nevada	NA	NA	ND	ND
Oregon	(9.1)	(4.4)	NA	(6.0)
Washington	NA	NA	0.8	1.6

Source: Individual state data, analysis by the author.

Notes: PIT = personal income tax; CIT = corporate income tax; NA = not applicable, ND = no data.

Notes

- ¹ In this report, all the references to inflation-adjusted (or real) revenues and growth rates are based on the adjustments using the GDP price index and relative to the second quarter of 2024.
- ² California extended the income tax filing deadline from April 2023 to November 2023 for residents impacted by 2022-23 winter storms. See State of California Franchise Tax Board, “California Severe Winter Storms,” accessed November 1, 2024, <https://www.ftb.ca.gov/file/when-to-file/california-severe-winter-storms.html>.
- ³ The author made several adjustments for the second quarter of 2024 and to several previous quarters of tax revenue data reported by the US Census Bureau based on information and data received directly from the states and from the Census Bureau.
- ⁴ In this report, the author uses US Bureau of Economic Analysis regions as the basis of analysis.
- ⁵ Oregon Department of Revenue, “Oregon “Kicker” Tax Credit,” accessed November 1, 2024, <https://www.oregon.gov/dor/programs/individuals/pages/kicker.aspx>
- ⁶ The fiscal year in 46 states runs from July 1 to June 30. The fiscal year runs from October 1 to September 31 in Alabama and Michigan, from April 1 to March 31 in New York, and from September 1 to August 31 in Texas.
- ⁷ Income tax returns are usually due on April 15 in 35 of 41 states that have a broad-based personal income tax. The remaining six states have income tax return due dates later than April 15. Those states are Arkansas (May 15), Delaware (April 30), Hawaii (April 20), Iowa (April 30), Louisiana (May 15), and Virginia (May 1).
- ⁸ “Table 6.16D. Corporate Profits by Industry,” US Bureau of Economic Analysis, accessed November 1, 2024, <https://apps.bea.gov/iTable/?reqid=19&step=3&isuri=1&1921=survey&1903=239>.
- ⁹ The Conference Board, “US Consumer Confidence Fell in September,” September 24, 2024, <https://www.conference-board.org/topics/consumer-confidence/press/CCI-sep-2024>.
- ¹⁰ See “What Happens When States Ditch Income Tax for Sales Tax?” National Conference of State Legislatures, February 14, 2023, <https://www.ncsl.org/state-legislatures-news/details/what-happens-when-states-ditch-income-tax-for-sales-tax>.
- ¹¹ National Conference of State Legislatures, “Variable Rate Gas Taxes,” July 14, 2021, <https://www.ncsl.org/research/transportation/variable-rate-gas-taxes.aspx>.
- ¹² See “National Housing Survey,” Fannie Mae, August 7, 2024, <https://www.fanniemae.com/research-and-insights/surveys-indices/national-housing-survey>.
- ¹³ For state-by-state analysis on the impact of the pandemic-related changes on state budgets, visit “How the COVID-19 Pandemic is Transforming State Budgets,” Urban Institute, accessed November 1, 2024, <https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/projects/state-fiscal-pages-covid-edition>.
- ¹⁴ Author’s analysis of data from National Association of State Budget Officers (2023), table A-1.
- ¹⁵ Governor of Virginia, “Governor Glenn Youngkin Announces Eligible Taxpayers Will Begin to Receive Tax Rebates,” October 24, 2023, <https://www.governor.virginia.gov/newsroom/news-releases/2023/october/name-1016371-en.html>.
- ¹⁶ Minnesota Department of Revenue, “One-Time Tax Rebate Payments of up to \$1,300 Will Begin This Week,” August 16, 2023, <https://www.revenue.state.mn.us/press-release/2023-08-16/one-time-tax-rebate-payments-1300-will-begin-week>.

- ¹⁷ Ohio Department of Taxation, “Annual Tax Rates,” accessed November 1, 2024, <https://tax.ohio.gov/individual/resources/annual-tax-rates>.
- ¹⁸ Kentucky Department of Revenue, “DOR Announces Updates to Individual Income Tax for 2023 Tax Year,” accessed November 1, 2024, <https://revenue.ky.gov/News/Pages/DOR-Announces-Updates-to-Individual-Income-Tax-for-2023-Tax-Year.aspx>.
- ¹⁹ Michigan Department of Treasury, “Treasurer Eubanks Announces Income Tax Cut for Michiganders,” March 29, 2023, <https://www.michigan.gov/treasury/about/news/2023/03/29/treasurer-eubanks-announces-income-tax-cut-for-michiganders>.
- ²⁰ West Virginia Office of the Governor, “Gov. Justice Signs Largest Tax Cut in West Virginia History Into Law,” March 7, 2023, <https://governor.wv.gov/News/press-releases/2023/Pages/Gov.-Justice-signs-largest-tax-cut-in-West-Virginia-history-into-law.aspx>.
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- ²⁴ Florida Governor Ron DeSantis, “Governor Ron DeSantis Highlights Largest Tax Relief Plan in Florida’s History,” May 25, 2023, <https://www.flgov.com/2023/05/25/governor-ron-desantis-highlights-largest-tax-relief-plan-in-floridas-history>.
- ²⁵ Tennessee Department of Revenue, “Sales Tax Holiday,” accessed November 1, 2024, <https://www.tn.gov/revenue/taxes/sales-and-use-tax/sales-tax-holiday.html>.

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