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FINES, FEES, AND FINANCIAL STRAIN: CHALLENGES FOR STATE AND LOCAL GOVERNMENTS IN A TIME OF FISCAL UNCERTAINTY

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ABSTRACT

Criminal legal system fines and fees are a routine source of revenue for many state and local governments. These legal financial obligations encompass both penalties imposed for civil infractions, such as traffic and parking tickets, and court- or incarceration-related costs. Recent federal policies may increase pressure on states and localities to fill budget gaps and consider options for raising additional revenue. However, expanding reliance on fines and fees may deepen financial hardships among residents without meaningfully improving state and local budgets. Using data from the Urban Institute's December 2024 Well-Being and Basic Needs Survey, this research brief examines the prevalence of fines and fees and the ability of households to pay them. Nearly one in five working-age adults reported their households were charged fines or fees in 2024, with court and incarceration-related costs disproportionately affecting families with low incomes. One in four of those who were charged fines or fees reported owing money for unpaid fines and fees incurred in 2024 or before. Among adults who were charged court- or incarceration-related costs, more than half had unpaid fine or fee debts, and most had experienced problems affording food, housing, or health care. Despite these challenges, few were asked about their ability to pay fines and fees or offered reductions, waivers, or community service alternatives to making payments. These findings suggest revenue gains from increased assessment and collection of fines or fees may be limited. And potential efforts to increase court and incarceration-related costs, in particular, would worsen household debts and material hardships.

Criminal legal system fines and fees, also referred to as legal financial obligations, broadly refer to traffic tickets, parking tickets, and court- or incarceration-related costs. These are common sources of revenue for state and local governments across the US. While fines and fees have theoretically differing purposes, they are often levied together and for many types of violations. Each of speeding tickets, parking tickets, or court- or incarceration-related costs often include both fine and fee components (Boddupalli and Mucciolo 2022; Legislative Analyst’s Office 2021; Mucciolo, Walker, and Boddupalli 2023).

Recent federal policy developments will increase pressure on states and localities to fill budget gaps by cutting spending or identifying new revenues, and policymakers may be tempted to consider increasing fines or fees as one potential solution. The budget reconciliation bill, passed by Congress in July 2025, includes unprecedented cuts to Medicaid and the Supplemental Nutrition Assistance Program (SNAP) and policies designed to shift program administration and benefit costs to states.¹ Further, the bill includes provisions that could reduce taxable income depending on how state tax laws conform with federal law.² These changes are expected to exacerbate the current uncertain fiscal outlook for states brought about by changing economic conditions and trade policies.³ This may jeopardize the continuance and expansion of fine and fee reforms that various states and localities across the US have made in recent years, including the elimination of specific fees and their related criminal legal system debts.⁴ During previous periods of fiscal strain, state and local officials sought to increase reliance on fines and fees (Carpenter et al. 2021). However, the extent to which this may be an effective strategy in the future depends on residents’ ability to pay them. Efforts to impose fines and fees on households with low and moderate incomes may result in growing household debts that undermine their financial stability and well-being, while doing little to help balance state and local budgets.

In this research brief, we use data from the Urban Institute’s 2024 Well-Being and Basic Needs Survey (WBNS), a nationally representative survey fielded in December 2024 with a sample of 7,771 adults ages 18 to 64, to examine the national prevalence of fines and fees, how the burden of different types of fines and fees varies by family income, and whether households are able to pay them. We also focus on the share of adults in households that were charged fines or fees in the 12 months prior to December 2024 who also reported owing money for unpaid fines and fees from the past year or earlier years as a key indicator of their ability to pay. In doing so, we build on prior analyses on how fines and fees impact family well-being (Boddupalli et al. 2024, 2025).

Our key findings include the following:

- In December 2024, nearly one in five working-age adults (18 percent) reported that their households incurred fines or fees in the past 12 months, largely from traffic and parking tickets. The prevalence of fines and fees remained about the same between 2023 and 2024.

- Though the incidence of court- or incarceration-related costs (4 percent) was less common than that of traffic tickets (11 percent) and parking tickets (8 percent), the amounts charged for court- or incarceration-related costs were much higher. More than half of adults (54 percent) who incurred court- or incarceration-related costs in 2024 were charged \$500 or more. In contrast, just 7 percent of adults who incurred tickets only (and no other fines and fees) were charged \$500 or more.
- Households that reported only traffic or parking tickets had similar incomes to those who were not charged any fines and fees in 2024. But the burden of court- or incarceration-related costs fell disproportionately on adults with family incomes below 200 percent of the federal poverty level (FPL), who comprised 44 percent of those who incurred court- or incarceration-related costs.
- Nearly one in four adults (24 percent) who were charged fines or fees in 2024 reported owing money for unpaid fines or fees from that year or prior years. Among adults who incurred court- or incarceration-related costs, more than half (55 percent) reported owing money for unpaid fines or fees. And this rate was even higher (71 percent) among those with lower family incomes (i.e., below 200 percent of FPL) who incurred court- or incarceration-related costs. These findings suggest that if fines and fees continue to be assessed without regard to people's ability to pay, then state and local governments may worsen household debts while imposing legal financial obligations that are not likely to actually be collected.
- Adults who were charged fines and fees, particularly those incurring court- or incarceration-related costs, reported significantly higher rates of material hardship than adults with no such obligations. Those with court- or incarceration-related costs were most likely to experience food insecurity (61 percent) and face housing, utility, and health care hardships (around 50 percent each) in 2024. Consistent with their lower incomes, adults whose households incurred these types of fines or fees also had higher rates of participation in public benefit programs, indicating that the effectiveness of these government supports may be blunted by the financial and nonfinancial consequences of fine and fee burdens.
- Only five percent of adults charged or owing money for fines and fees reported that court or government staff asked whether they could afford to pay their parking tickets, traffic tickets, or criminal justice fines, fees, or court costs.
- Among those who were charged or owed money for fines and fees, one in four (26 percent) reported they were offered at least one option to afford their fines and fees. However, in most cases, this option was payment programs or installment plans, which do not reduce the total amount of money owed.

Our findings suggest state and local governments will face difficulty collecting significant revenues from the imposition of fines and fees, particularly if they seek to increase reliance on court- and incarceration-

related costs that are disproportionately imposed on residents who lack the means to pay. The financial burdens of these costs often fall on those who already face outstanding debts from fines and fees levied in prior years and who experience high rates of financial strain and material hardship. Moreover, our findings suggest that state and local efforts to assess ability to pay and offer meaningful reductions, waivers, or nonfinancial alternatives to making fine or fee payments are not yet a common practice.

Below, we provide further background to situate fines and fees in today's context, followed by key results from our analysis,⁵ and policy implications for changemakers to consider.

BACKGROUND

Fines are typically intended to penalize people for violating the law and deter future violations, whereas fees are designed to pay for public services and cover administrative costs. State and local officials may include fees, which typically accompany fines, with the intent of funding specific government functions that may or may not be related to the nature of violations, such as funding health care programs or court construction with fee revenues from speeding tickets or stop sign infractions (Boddupalli and Mucciolo 2022; Legislative Analyst's Office 2021). In recent decades, many states and localities have expanded the range of fees they assess and what types of violations those fees may be imposed for.⁶

Issues with fines and fees, including how they impact the well-being of families, have been salient for changemakers across the US in recent years (Boddupalli et al. 2024). Recent federal policy changes and underlying economic conditions in 2025, however, may warrant further interest in how fines and fees will continue to be leveraged as sources of revenue and financial penalties for residents.

Many state and local governments faced budget crunches in 2025, and the fiscal outlook for most remains uncertain going forward.⁷ Adding to this volatility are current and forthcoming cuts in federal programs that allocate dollars toward states and localities,⁸ due to cancellations of numerous federal grants under the Department of Government Efficiency's efforts,⁹ ongoing lawsuits with "sanctuary" jurisdictions,¹⁰ and the budget reconciliation bill's substantial reductions in federal funding for Medicaid, SNAP, and other social programs.¹¹ Moreover, the outlook for the national economy is unclear, with the full extent of global tariffs' impacts yet to be felt.¹² While many states and localities have implemented fine and fee reforms in recent years, fiscal uncertainty could stall further considerations.

In their forthcoming legislative sessions, states may face pressures to fill existing or forecasted budget gaps by raising revenues. However, appetite among policymakers to raise taxes is typically low. And, the menu of permissible revenue options for local governments like counties or cities tends to be fairly limited: even those that have income, sales, or property taxes can run into preemption challenges with state leaders, or Constitutional and statutory rules that limit what tax rates they can set and how much revenues they may raise (Pagano and Hoene 2018).

Currently, criminal legal system fines and fees are a small, but consistent, source of revenue for state and local governments.¹³ State and local governments also often earmark revenues from certain fines or fees to fund police departments, courts, highways, and other programs (Boddupalli and Mucciolo 2022). In doing so, they embed a fiscal incentive for police and court officials to ensure sufficient revenues are raised to continue government operations: this can be especially important for smaller jurisdictions that may not have many other revenue sources to rely on.¹⁴ And, importantly, there are rarely any legal limitations in place on what types of monetary sanctions a state or locality may set and how much revenue can be raised from them, increasing the viability of “taxation by citation.”¹⁵ This, combined with the evolving political and economic conditions, can therefore incentivize leaders to explore increasing their use of fines and fees. In previous periods of fiscal strain, revenue motivations pushed states and localities to increase the types of fines and fees they impose and their budgetary reliance on them (Carpenter et al. 2021; Lau et al. 2019; Makowsky and Stratmann 2009; US DOJ 2011, 2024).¹⁶ For example, the US Department of Justice (US DOJ)’s investigation into Ferguson, Missouri, found that, in the years following 2008’s Great Recession, the city’s law enforcement practices were shaped by a focus on revenues to make up for a sales tax shortfall rather than public safety; and, that these practices harmed the civil rights of the city’s Black residents (US DOJ 2015).

State and local governments seldom impose fines or fees with regard to people’s ability to pay (Jones 2024). Prior research shows that most people charged fines or fees were not asked whether they could afford to pay; among those who were offered any alternatives, being offered reductions, waivers, community service, or classes was not common (Boddupalli et al. 2025). This has two important consequences: states and localities may sometimes fail to collect the full amounts that they charge because people cannot afford to make payments (Patil and Pierrette 2025); and, those unable to pay their fines or fees end up facing various consequences for failure to pay, such as driver’s license suspensions or jail time, in addition to amassing burdensome debts (Boddupalli et al. 2024). Some observers have likened the imposition of fines and fees upon those who cannot afford them, and the subsequent punishments for nonpayment, to “drawing blood from stones” (Harris, Evans, and Beckett 2010).

Enforcing penalties for failure to pay carries its own costs, diverting limited public safety resources away from core missions like violence prevention and solving serious crimes. These challenges are further exacerbated during periods of economic upheaval when public budgets are constrained (Vera Institute for Justice 2013). As a result, law enforcement agencies may face cuts to functions such as officer training, community policing services, and response times (Police Executive Research Forum 2013). Redirecting police resources toward revenue-generating activities, such as increased ticketing or fine enforcement, may undermine public safety by eroding community trust and misallocating enforcement capacity. Research has shown that jurisdictions relying more heavily on fines, fees, and forfeitures tend to solve fewer violent crimes (Goldstein, Sances, and You 2018).

Given this economic and political context, monitoring the prevalence and impacts of criminal legal system fines and fees, and their resulting debts, will remain important, to assess whether the ways state and local governments use fines and fees is addressing public safety and fiscal objectives without risking the financial stability of their residents and communities.

FINDINGS

How common are fines and fees?

In December 2024, nearly one in five working-age¹⁷ adults (18 percent) reported they or a household member were charged any fines and fees in the past 12 months (figure 1). The prevalence of different kinds of fines or fees varied: 11 percent of adults incurred traffic tickets, and 8 percent incurred parking tickets. And 4 percent of all adults reported court- or incarceration-related costs in 2024, including fees for public defenders, incarceration and probation or parole supervision costs, or court-imposed fines or restitution (data not shown).

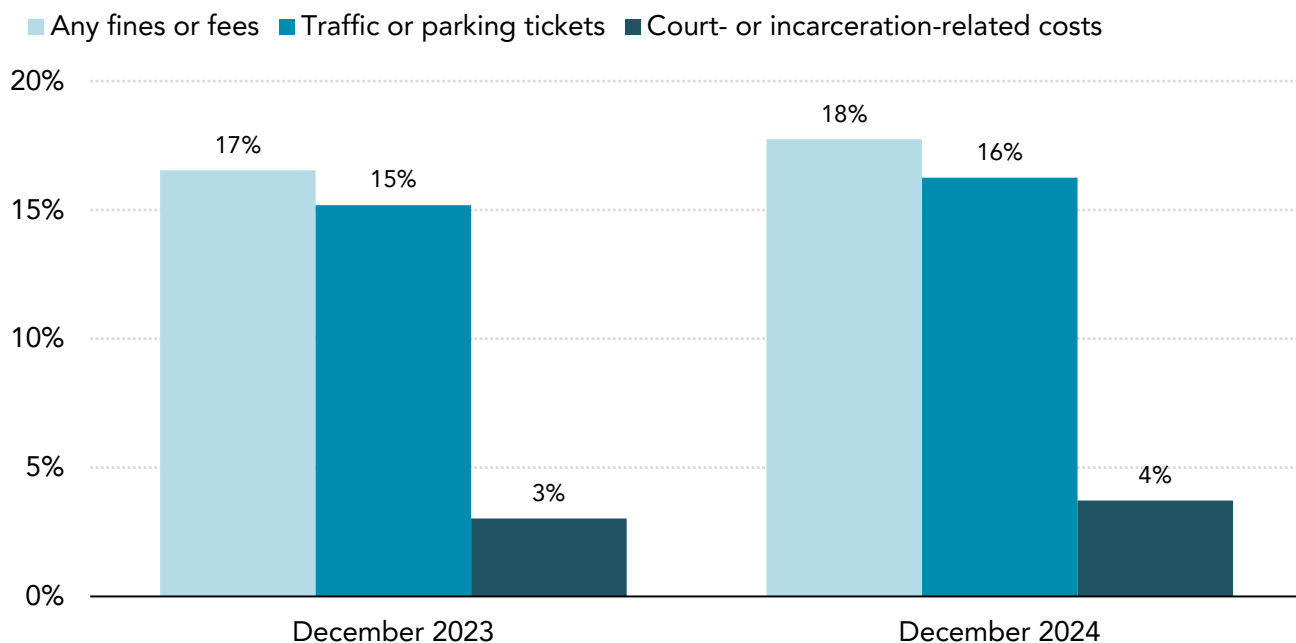
Compared to December 2023 (Boddupalli et al. 2024), the prevalence of fines and fees in December 2024 remained about the same.

FIGURE 1



Fines and Fees Charged in the Past 12 Months

Among adults ages 18 to 64, December 2023 and December 2024



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2023 and December 2024.

Notes: Data include respondents or their household members who were charged fines or fees in the past 12 months. Because respondents could report multiple types of fines and fees, the categories shown are not mutually exclusive and do not sum to the total share of adults reporting any fines or fees.

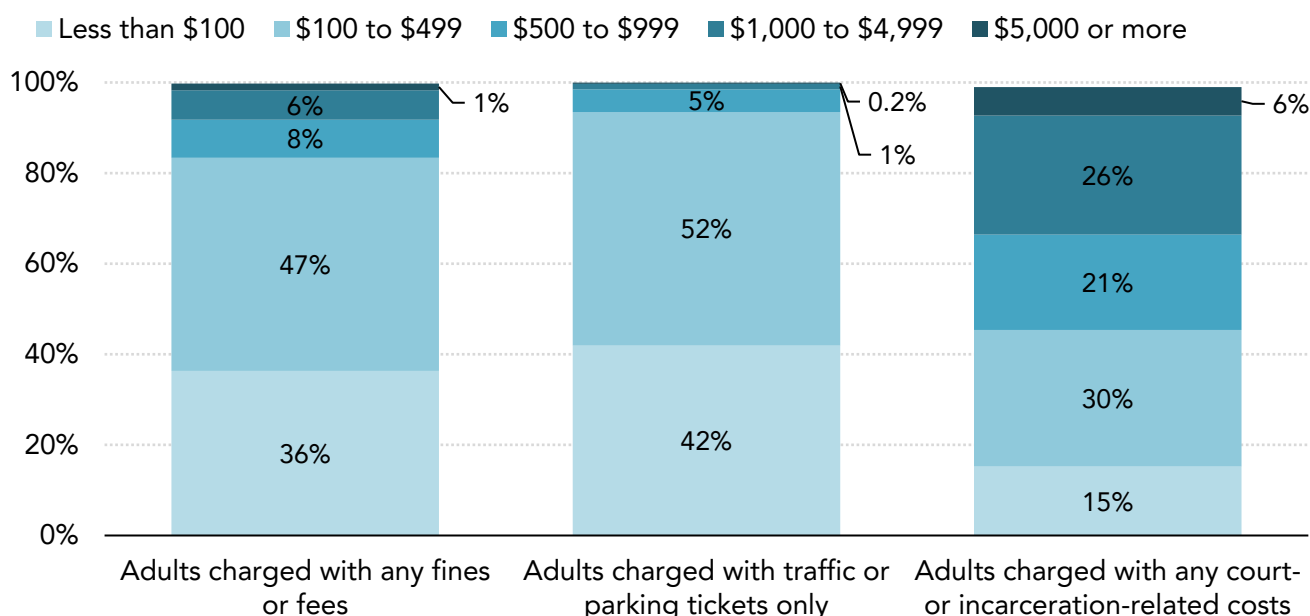
Notably, six in ten adults with court- or incarceration-related costs also reported incurring traffic or parking tickets, indicating that many had both types of fine and fee obligations (data not shown).

What amounts are people charged for various fines and fees?

Most adults whose households incurred fines and fees in 2024 (83 percent) reported being charged under \$500. Less than one in ten people reported being charged \$1,000 or more (figure 2).

FIGURE 2

Amounts of Fines or Fees Charged in the Past 12 Months Among adults ages 18 to 64, December 2024



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: Estimates are not shown for the 0.2 percent of adults who did not report the amount they were charged. Data include respondents or their household members who were charged fines or fees in the past 12 months. All estimates for adults charged with court- or incarceration-related costs differ significantly from estimates for adults charged with traffic or parking tickets only at the 0.01 level, using two-tailed tests.

However, this varied greatly by the type of violation. Approximately 33 percent of adults in households charged with court- or incarceration-related costs were charged over \$1,000, compared with just 1 percent of those charged with traffic or parking tickets only.

Who is most likely to face fines and fees?

Adults in households that were charged only traffic or parking tickets had somewhat similar family incomes to those who were not charged any fines and fees in the 12 months prior to December 2024. They were less

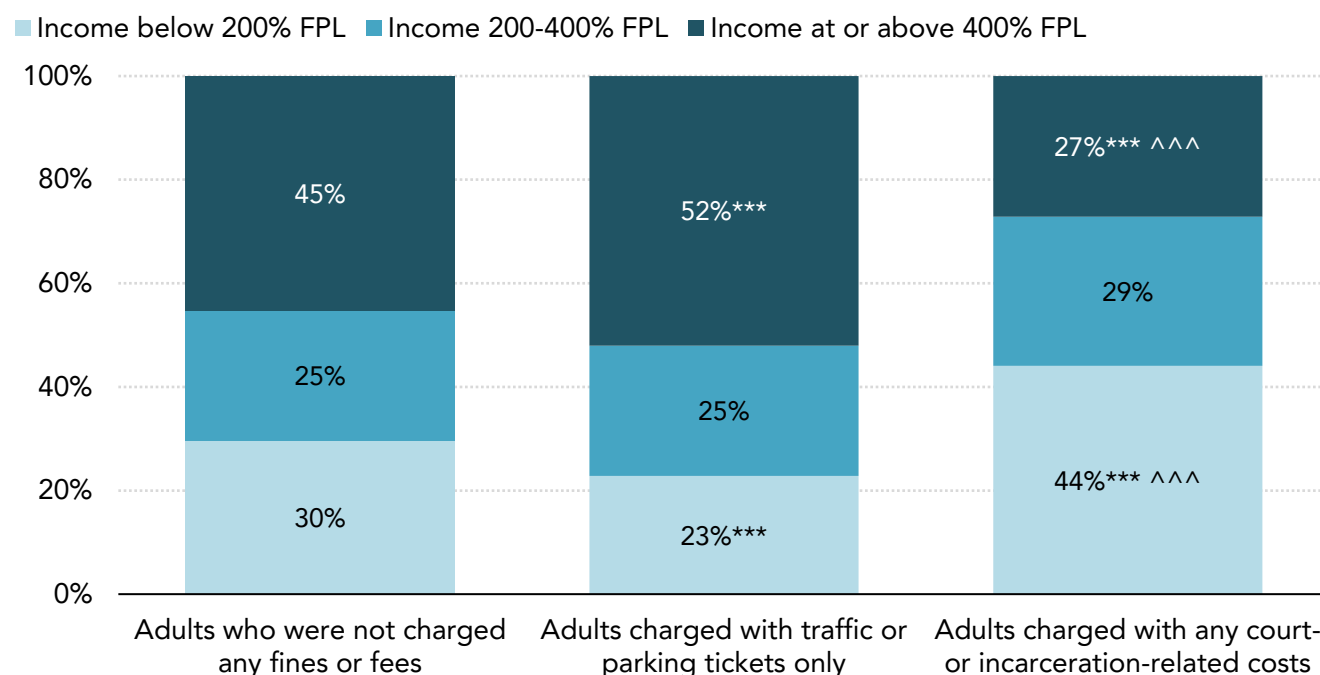
likely than those without fines and fees to have incomes below 200 percent of FPL (23 percent versus 30 percent) and more likely to have incomes of 400 percent of FPL or more (52 percent versus 45 percent).

However, adults charged with court- or incarceration-related costs were disproportionately likely to have lower family incomes. For example, those with family incomes below 200 percent of FPL comprised 44 percent of those with court- or incarceration-related costs, compared with 30 percent of those with no fines or fees and 23 percent of those with traffic or parking tickets only (figure 3).

FIGURE 3

Family Incomes of Adults With or Without Fines or Fees Charges in the Past 12 Months

Among adults ages 18 to 64, December 2024



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: FPL = Federal poverty level. The FPL varies by family size: in 2024, it was \$31,200 for a family of four. Income is reported for the family. Data include respondents or their household members who were charged fines or fees in the past 12 months.

*/**/** Estimate differs significantly from adults who were not charged any fines or fees at the 0.10/0.05/0.01 level, using two-tailed tests.

^^/^ Estimate differs significantly from adults charged with traffic or parking tickets only at the 0.10/0.05/0.01 level, using two-tailed tests.

Our prior analysis of 2023 data found that the prevalence of fines and fees also varies by race and ethnicity, with racial disparities persisting across income levels and fine or fee types (Boddupalli et al. 2024).

Do households charged with fines and fees have the ability to pay?

Six percent of all adults reported they or a household member currently owe money for unpaid fines and fees incurred in either the past year or before. Among those with any unpaid fines and fees, 27 percent owed \$1,000 or more (data not shown).

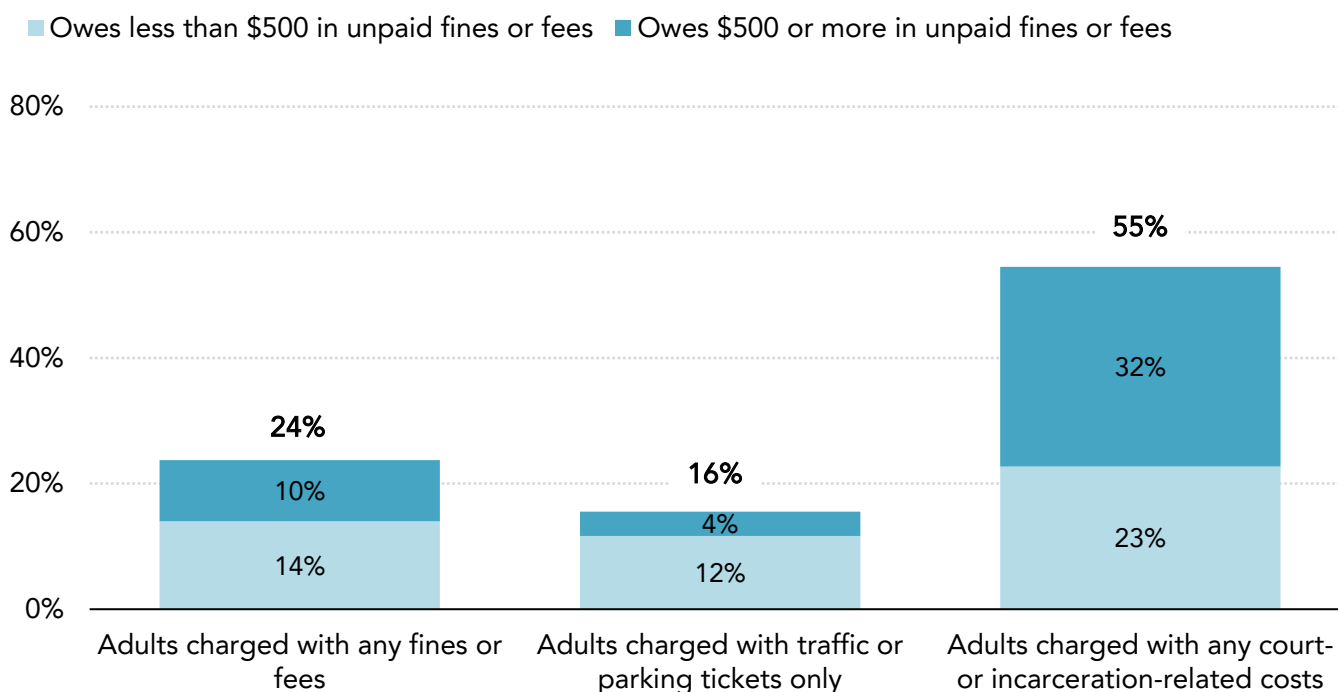
Many adults who incurred fines and fees in 2024 owed significant amounts in unpaid criminal legal system debts, particularly if they incurred court- or incarceration-related costs (figure 4). Nearly one in four adults (24 percent) who were charged any fines or fees in the 12 months prior to December 2024 reported having unpaid fines or fees from the past year or prior years. This varied by type of fines and fees charged.

FIGURE 4



Prevalence of Outstanding Debts from Fines and Fees

Among adults ages 18 to 64 who were charged fines or fees in the past 12 months, December 2024



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: Data include respondents or their household members who were charged fines or fees in the past 12 month. Estimates reflect the share who currently owe money for unpaid fines or fees incurred in the past year or prior years. All estimates for adults charged with court- or incarceration-related costs differ significantly from estimates for adults charged with traffic or parking tickets only at the 0.01 level, using two-tailed tests.

Consistent with their lower incomes and higher charges, over half of those charged any court- or incarceration-related costs in the past year (55 percent) owed money for fines and fees, with 23 percent

owing less than \$500 and 32 percent owing \$500 or more. In contrast, 16 percent of adults with only traffic or parking tickets reported having unpaid fines or fees, including four percent owing \$500 or more.

Unpaid debt from fines and fees was especially prevalent among those with lower family incomes. Forty-two percent of adults with incomes below 200 percent of FPL who were charged any fines or fees in 2024 reported having unpaid fines or fees from the past year or prior years (figure 5). Among adults in families with low incomes and court- or incarceration-related costs, 71 percent owed money for fines and fees, including 35 percent who owed \$500 or more. Whereas, 27 percent of adults with low incomes and charged only traffic or parking tickets reported unpaid fines or fees, with eight percent owing \$500 or more.

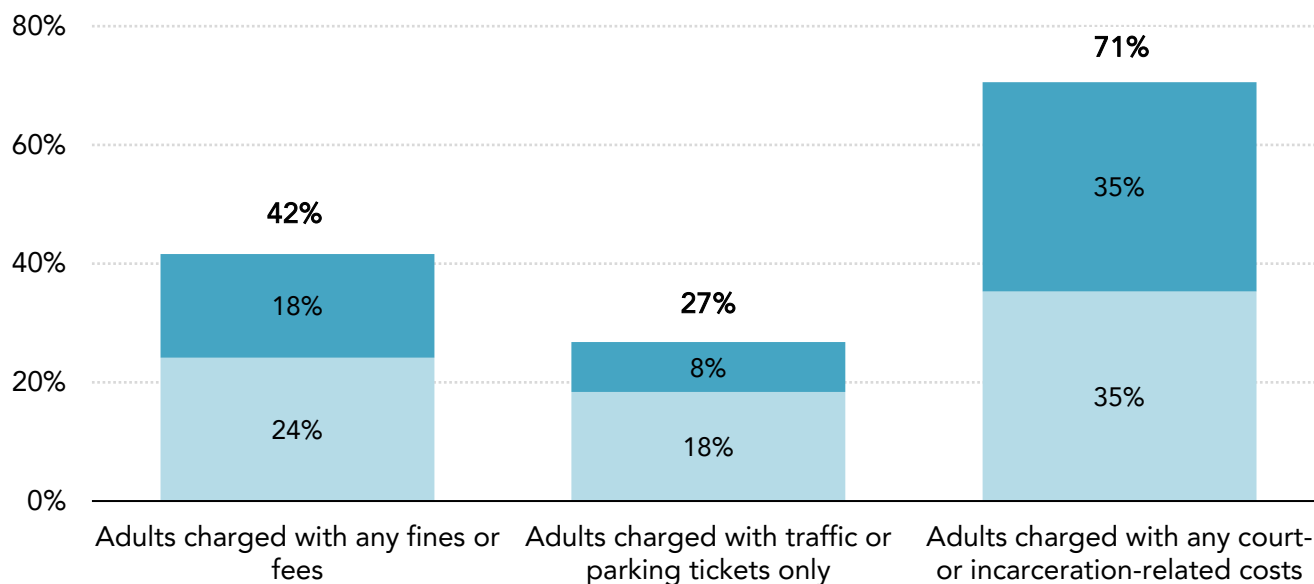
FIGURE 5



Prevalence of Outstanding Debts from Fines and Fees

Among adults ages 18 to 64 who were charged fines or fees in the past 12 months *and* have family incomes below 200 percent of FPL, December 2024

■ Owes less than \$500 in unpaid fines or fees ■ Owes \$500 or more in unpaid fines or fees



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: FPL = Federal poverty level. The FPL varies by family size: in 2024, it was \$31,200 for a family of four. Income is reported for the family. Data include respondents or their household members who were charged fines or fees in the past 12 months. Estimates reflect the share who currently owe money for unpaid fines or fees incurred in the past year or prior years. All estimates for adults charged with court- or incarceration-related costs differ significantly from estimates for adults charged with traffic or parking tickets only at the 0.01 level, using two-tailed tests.

To what extent do adults with fines and fees experience financial insecurity and material hardships?

Adults charged with fines and fees were significantly likelier to face material hardships than those with no such obligations (table 1). Rates of material hardship and financial insecurity were especially high among adults whose households incurred court- or incarceration-related costs.

While 26 percent of those facing no fines or fees and 23 percent of those who were only charged traffic or parking tickets reported not being confident in their ability to come up with \$400 for an unexpected expense, this share was nearly twice as high (49 percent) for those charged court- or incarceration-related costs in the 12 months prior to December 2024. Furthermore, among those with court- or incarceration-related costs, 61 percent reported experiencing food insecurity,¹⁸ and about half reported experiencing hardships related to housing or utilities (i.e., having problems with paying their rent, mortgage, or utility bills, or having a utility shutoff) and health care (i.e., having problems paying family medical bills or forgoing needed care because of costs).

TABLE 1

Financial Insecurity, Material Hardships, and Participation in Public Benefit Programs

Among adults ages 18 to 64 with or without fines or fees charges in the past 12 months, December 2024



	Adults who were <i>not</i> charged any fines or fees	Adults charged with traffic or parking tickets only	Adults charged with any court- or incarceration- related costs
Financial insecurity			
Not confident in ability to come up with \$400 for an unexpected expense	26%	23%	49%***^^^
Material hardships experienced in the past 12 months			
Food insecurity	25%	29%**	61%***^^^
Housing/utilities hardship	15%	20%***	48%***^^^
Health care hardship	22%	29%***	52%***^^^
Family participation in public benefit programs in the past 12 months			
Medicaid/CHIP	20%	18%	41%***^^^
SNAP	12%	10%	34%***^^^
SSDI	5%	4%*	13%***^^^
SSI	5%	2%***	12%***^^^
Housing assistance	4%	3%	13%***^^^
TANF/cash assistance	1%	1%	9%***^^^
Unemployment benefits	1%	2%	8%***^^^

Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: Data include respondents or their household members who were charged fines or fees in the past 12 months. Food insecurity is based on the six-item short form of the USDA's Household Food Security Survey Module. Housing/utilities hardship refers to problems paying the rent or mortgage, problems paying utility bills, or having a utility shutoff. Health care hardship refers to problems paying medical bills or having unmet needs for medical care because of costs. CHIP = Children's Health Insurance Program; SNAP = Supplemental Nutrition Assistance Program; SSDI = Social Security Disability Insurance; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families.

*/**/** Estimate differs significantly from adults who were not charged any fines or fees at the 0.10/0.05/0.01 level, using two-tailed tests.

^^/^^/^^ Estimate differs significantly from adults charged with traffic or parking tickets only at the 0.10/0.05/0.01 level, using two-tailed tests.

Further, family participation in public benefit programs in 2024 was significantly higher for those with court- or incarceration-related costs than for all other adults. Participation was similar between those charged only traffic or parking tickets and those who incurred no fines or fees. Whereas, over a third of adults with court- or incarceration-related costs reported that their families participated in Medicaid/Children's Health Insurance Program (CHIP) and SNAP in the 12 months prior to December 2024, and over 10 percent participated in programs providing housing assistance or disability benefits.

These results show that state and local governments may be imposing fine or fee burdens on those who are receiving public support through other means, thereby taking away and giving resources to the same households. Alleviating the financial burdens associated with fines and fees could make those public benefit supports more effective in improving the well-being of families.

What affordability options are offered to those charged fines or fees?

Our prior analysis of the 2024 WBNS data found that only 5 percent of adults charged or owing money for fines or fees reported that court or government staff asked whether they could afford to pay them (Boddupalli et al. 2025). In other words, fines and fees were largely assessed without taking into account people's incomes or savings. This varied by the type of fines and fees: 10 percent of those facing any court- or incarceration-related costs were asked about their ability to pay, compared with just 3 percent of those with only parking or traffic tickets (table 2).

Regardless of whether courts and government agencies explicitly ask about an individual's ability to pay, they may offer certain alleviation measures or payment alternatives. Practices vary widely on when they offer relief (e.g., either at sentencing or post-conviction), how they offer it (either routinized or by request), and how much relief they may provide (Jones 2024). Among adults whose households were charged a fine or fee in 2024 or owed money from charges in that year or prior years, one in four (26 percent) reported they were offered some way of affording their fines or fees (Boddupalli et al. 2025).

However, payment programs or installment plans were more common (17 percent) than other options offered to afford fine or fee costs, such as reductions in the amount charged (8 percent), waiver or clearance of amount charged (4 percent), community service (4 percent), or other ways to reduce amounts owed, such as participation in a social services program (7 percent). Adults with court- or incarceration-related costs

were more likely to report any affordability option (51 percent) than those with parking or traffic tickets only (18 percent).

TABLE 2

Ability to Pay Fines and Fees and Affordability Options Offered

Among adults ages 18 to 64 with fines or fees charged in the past 12 months or owing money for unpaid fines or fees, December 2024



	Adults charged with or owing money for any fines or fees	Adults charged with or owing money for traffic or parking tickets only	Adults charged with or owing money for any court- or incarceration-related costs
Asked about ability to afford fine or fee payments			
Yes	5%	3%	10%***
No	86%	89%	77%***
Don't know	9%	8%	13%**
Offered alleviation measures or payment alternatives			
Any option	26%	18%	51%***
Payment program or installment plan	17%	11%	38%***
Reduction in amount charged	8%	6%	15%***
Waiver or clearance of amount charged	4%	3%	11%***
Community service	4%	1%	15%***
Some other way to reduce amount charged, such as taking a class or participating in a social services program	7%	5%	13%***

Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: Data include respondents or their household members who were charged fines or fees in the past 12 months or currently owe money for unpaid fines or fees incurred in the past year or prior years. Respondents were asked "Did any court or government staff ask whether you or your household could afford to pay your [parking tickets, traffic tickets, or other criminal justice fines, fees, or court costs]?" and "Were you or someone living with you offered any of the following options to afford your [parking tickets, traffic tickets, or other criminal justice fines, fees, or court costs]?"

*/**/** Estimate differs significantly from adults charged with or owing money for traffic or parking tickets only at the 0.10/0.05/0.01 level, using two-tailed tests.

DISCUSSION AND CONCLUSION

As state and local governments face fiscal challenges in the coming years, they may face growing pressures to identify new revenue sources to help fill budget gaps. Our findings suggest increased reliance on fines and fees will have diminishing returns, particularly from court- or incarceration-related costs imposed on those with limited means.

Our research provides new evidence on the prevalence of fines and fees, who they affect, and their potential consequences on households' financial stability and well-being. Building on a prior analysis, we find that the share of households incurring fines and fees was relatively stable between 2023 and 2024, with nearly one in five adults charged a fine or fee annually, largely from traffic or parking tickets. Those who are already struggling financially consistently report disproportionate prevalence of court- or incarceration-related costs, with many incurring thousands of dollars in fines and fees. More than half of adults who incurred court- or incarceration-related costs in 2024 owed money for unpaid charges from that year or earlier years, increasing household debt burdens and potentially undermining their ability to afford basic needs such as food, housing, and health care. These findings are consistent with prior research (Fines and Fees Justice Center 2023; Nelson, Knaack, and Sweeney 2018).

Further, we find that state and local jurisdictions continue to impose fines and fees with limited consideration of ability to pay, which may have serious implications for families with lower incomes who are already facing financial insecurity. For example, the prevalence of being charged with or owing money for any criminal legal system fines or fees in December 2024 was similar across family income levels (data not shown). However, because the financial penalties incurred for the underlying violations are not typically scaled to people's means, they end up inequitably jeopardizing the well-being of people with low incomes.

While many jurisdictions view criminal legal system fines and fees as tools for public safety, their financial and nonfinancial harms are worth considering too (Boddupalli et al. 2024). Fines, fees, and their resulting debts can also undermine public safety down the road: for example, prior research has shown that large fine or fee burdens can push people to commit crimes to pay off their court debts (Nelson, Knaack, and Sweeney 2018). Importantly, fines, fees, and their related debts impact not just an individual who may have violated the law, but also their entire family (deVuono-powell et al. 2015; Nagrecha, Katzenstein, and Davis 2019).

States and localities can help address fairness concerns and reduce financial burdens by not only asking people if they are able to afford imposed amounts, but also to offer a robust set of affordability measures. Doing so could help maintain accountability for those who may have committed violations while reducing financial strain on their families (Boddupalli et al. 2025). Prior research suggests offering alleviation or payment alternatives can mitigate hardships without undermining state and local efforts to deter unlawful

behavior (Pager et al. 2024). Importantly, for those unable to afford fines or fees, debt relief can reduce recidivism (Bing et al. 2024).

Our research findings can help advance the dialogue on fines and fees at a critical juncture, as jurisdictions around the country contemplate avenues to address budget shortfalls and raise revenue. Prior research suggests that fines and fees can be an inefficient source of revenue, even costing more to enforce than is eventually collected in some jurisdictions (Menendez et al. 2019). In recent years, the US Department of Justice has issued guidance to courts and government agencies on various legal and policy concerns with criminal legal system fines and fees (US DOJ 2023). Recognizing this, some jurisdictions have been pursuing strategies to assess people's ability to pay when assessing fines (by looking at their wages or eligibility for means-tested public benefits, for example), allow judges or local government staff to routinely and proactively present fine or fee reductions or waivers, offer community service and other nonfinancial penalties as payment alternatives, stop the practice of driver's license suspensions for unpaid fines and fees, eliminate specific fees, and forgive court debts that have remained uncollected for many years (Boddupalli et al. 2024). These strategies may help states and localities more effectively support their residents' well-being and avoid causing unnecessary financial strain.

Lastly, while fines are used as a financial penalty to deter people from engaging in unlawful and unsafe behavior, fees are designed to help cover the costs of public services, similar to taxes. Government officials may design them with differing underlying purposes, but fines and fees are often levied together. Those that face these legal financial obligations may experience no meaningful distinction between the included fines versus fees and typically have no discretion to pay one over the other. And, publicly available data from state and local governments on fines and fees is not sufficiently disaggregated, in terms of imposed amounts, types of violations, and collected revenues, to understand their varying implications. Without this information, it can be challenging to understand both the well-being and revenue implications from specific fines or fees. With more robust data in the future, state and local changemakers can better diagnose and reform fines and fees practices.

For example, eliminating any and all financial penalties for speeding may remove a key deterrence tool for state and local governments, which could have negative consequences for public safety. However, as designed, speeding tickets in most places not only include a fine, ostensibly meant for deterrence, but also various administrative fees and surcharges that fund unrelated, even if worthwhile, public services (Boddupalli and Mucciolo 2022). If the primary goal of imposing fines and fees is to deter future unlawful behavior and improve public safety, then right-sizing the fine amounts to people's ability to pay may be prudent. Stacking various fees on top of the fines may worsen people's financial strain while being inefficient revenue-raisers, especially compared with other revenue sources like income, sales, or property taxes (Menendez et al. 2019). Going forward, fine and fee practices could be more effective and fair if they balance public safety and fiscal objectives with residents' financial well-being.

APPENDIX: DATA AND METHODS

This research brief draws on data from a nationally representative sample of 7,771 adults ages 18 to 64 who participated in the December 2024 round of the Urban Institute’s Well-Being and Basic Needs Survey (WBNS). The WBNS is an internet-based survey designed to monitor changes in individual and family well-being as policymakers consider changes to federal safety net programs. For each round of the WBNS, we draw a stratified random sample (including a large oversample of adults in low-income households) from the KnowledgePanel, a probability-based internet panel maintained by Ipsos that includes households with and without internet access. Survey weights adjust for unequal selection probabilities and are poststratified to the characteristics of nonelderly adults based on benchmarks from the Current Population Survey Annual Social and Economic Supplement and the American Community Survey. Participants can complete the survey in English or Spanish. The full WBNS questionnaire and all related publications are publicly accessible.¹⁹ For further information on the survey design and content, see Karpman, Zuckerman, and Gonzalez (2018).

Our analysis focuses primarily on the 1,331 adults who reported they or a household member were charged fines, fees, or court costs in the 12 months prior to December 2024, including the amounts they were charged, their annual family income in 2024, and the share who reported currently owing money for unpaid fines, fees, or court costs from 2024 or earlier years. We also examine the extent to which adults who were charged or owe money for fines or fees were asked about their ability to pay fines and fees and offered affordability options. All analyses examine differences between those incurring only traffic or parking tickets versus those reporting any court- or incarceration-related costs. We further examine material hardships experienced in the 12 months prior to December 2024 among those with or without fines and fees based on measures used in previous WBNS analyses.

The WBNS has several limitations, including a low cumulative response rate. The survey weights mitigate, but do not eliminate, potential nonresponse bias. However, studies assessing recruitment for the KnowledgePanel have found little evidence of nonresponse bias for core demographic and socioeconomic measures,²⁰ and WBNS estimates are generally consistent with benchmarks from federal surveys (Karpman, Zuckerman, and Gonzalez 2018). The sampling frame for the WBNS also excludes or underrepresents certain groups of adults, including those experiencing homelessness, those who have low literacy levels, and those who are not proficient in English or Spanish. Finally, there may be recall bias or other sources of measurement error in self-reported fines and fees incurred by the respondent or a household member, which may result in underreporting of these experiences.

The WBNS questions about fines and fees are shown on the next page.

APPENDIX: DATA AND METHODS

1. In the past 12 months, were you or someone living with you charged any fines, fees, or court costs because of the following reasons?
 - Parking ticket
 - Traffic ticket (such as speeding, red light, or driving without a license)
 - Incarceration and probation/parole supervision costs
 - Court-imposed fines or restitution in a criminal case
 - Court fees, such as fees for public defenders
 - Other criminal justice fines or fees
2. What is the total amount you or someone living with you were charged for [prior selection of fines, fees, or court costs] in the past 12 months? Your best guess is fine.
 - Less than \$100
 - \$100 to \$499
 - \$500 to \$999
 - \$1,000 to \$4,999
 - \$5,000 or more
3. Do you or someone living with you currently owe any money for unpaid fines, fees, or court costs because of the following reasons? Include fines, fees, and court costs from the past year or earlier years.
 - Parking ticket
 - Traffic ticket (such as speeding, red light, or driving without a license)
 - Incarceration and probation/parole supervision costs
 - Court-imposed fines or restitution in a criminal case
 - Court fees, such as fees for public defenders
 - Other criminal justice fines or fees
4. What is the total amount you and your household currently owe for unpaid [prior selection of fines, fees, or court costs]? Your best guess is fine.
 - Less than \$100
 - \$100 to \$499
 - \$500 to \$999
 - \$1,000 to \$4,999
 - \$5,000 or more
5. Did any court or government staff ask whether you and your household could afford to pay your [prior selection of fines, fees, or court costs]?
 - Yes
 - No
 - Don't know
6. Were you or someone living with you offered any of the following options to afford [prior selection of fines, fees, or court costs]?
 - A payment program or installment plan
 - A reduction in the amount charged
 - Waiver or clearance of the amount charged
 - Community service
 - Some other way to reduce the amount charged, such as taking a class or participating in a social services program

- ¹ See, for example, Andrew Lautz, “What Does the One Big Beautiful Bill Cost?” Bipartisan Policy Center, July 23, 2025, <https://bipartisanpolicy.org/explainer/what-does-the-one-big-beautiful-bill-cost/>; Rhiannon Euhus, Elizabeth Williams, Alice Burns, and Robin Rudowitz, “Allocating CBO’s Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package,” Kaiser Family Foundation, July 23, 2025, <https://www.kff.org/medicaid/allocating-cbos-estimates-of-federal-medicaid-spending-reductions-across-the-states-enacted-reconciliation-package/>; Julia Cortina, “The One Big Beautiful Bill Act and the Supplemental Nutrition Assistance Program (SNAP): What Counties Should Know,” National Association for Counties, July 9, 2025, <https://www.naco.org/resource/one-big-beautiful-bill-act-and-supplemental-nutrition-assistance-program-snap-what>.
- ² Lucy Dadayan, “The OBBBA Is Here and States Are Making Some Big Choices,” TaxVox, Urban-Brookings Tax Policy Center, August 12, 2025, <https://taxpolicycenter.org/taxvox/obbba-here-and-states-are-making-some-big-choices>.
- ³ Lucy Dadayan, “Revenue Growth Uneven across States as Fiscal Challenges Loom,” Urban-Brookings Tax Policy Center, August 27, 2025, <https://taxpolicycenter.org/research-reports/revenue-growth-uneven-across-states-fiscal-challenges-loom>.
- ⁴ Fines and Fees Justice Center, “2024 Legislative Round-Up: Fines and Fees Reform Across the Country,” February 3, 2025, <https://finesandfeesjusticecenter.org/2025/02/03/2024-legislative-roundup-fines-and-fees-reform-around-the-country/>.
- ⁵ Further information about the survey and methods is available in the appendix.
- ⁶ Joseph Shapiro, “As Court Fees Rise, the Poor Are Paying the Price,” *National Public Radio*, May 19, 2014, <https://www.npr.org/2014/05/19/312158516/increasing-court-fees-punish-the-poor>.
- ⁷ See, for example, Josh Goodman, “Lawmakers Face Budget Crunches, Tough Decisions to Close Expected Shortfalls,” Pew Charitable Trusts, January 13, 2025, <https://www.pew.org/en/research-and-analysis/articles/2025/01/13/lawmakers-face-budget-crunches-tough-decisions-to-close-expected-shortfalls>; Lucy Dadayan, “Revenue Growth Uneven across States as Fiscal Challenges Loom,” Urban-Brookings Tax Policy Center, August 27, 2025, <https://taxpolicycenter.org/research-reports/revenue-growth-uneven-across-states-fiscal-challenges-loom>; Teryn Zmuda, Isabella Reed, Abby Davidson, and Stacy Nakintu, “The Big Shift: An Analysis of the Local Cost of Federal Cuts,” National Association of Counties, July 9, 2025, <https://www.naco.org/resource/big-shift-analysis-local-cost-federal-cuts>.
- ⁸ Urban-Brookings Tax Policy Center, “What types of federal grants are made to state and local governments and how do they work?,” *The Tax Policy Center Briefing Book*, January 2024, <https://taxpolicycenter.org/briefing-book/what-types-federal-grants-are-made-state-and-local-governments-and-how-do-they-work>.
- ⁹ Cristin Dorgelo and Jacob Leibenluft, “DOGE Interference in Federal Grantmaking Adds Burden, Uncertainty, and Risk,” Center on Budget and Policy Priorities, May 28, 2025, <https://www.cbpp.org/research/federal-budget/doge-interference-in-federal-grantmaking-adds-burden-uncertainty-and-risk>.
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- ¹³ Aravind Boddupalli, “Five Facts about Fines and Fees Revenues,” TaxVox, Urban-Brookings Tax Policy Center, December 5, 2024, <https://taxpolicycenter.org/taxvox/five-facts-about-fines-and-fees-revenues>.

NOTES

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- ¹⁶ See also, for example, David Randall, “It’s Not Your Imagination. Recessions Do Lead to More Traffic Tickets.” *Forbes*, August 19, 2010, <https://www.forbes.com/sites/davidrandall/2010/08/19/its-not-your-imagination-recessions-do-lead-to-more-traffic-tickets/>; Joseph Shapiro, “As Court Fees Rise, The Poor Are Paying the Price,” *National Public Radio*, May 19, 2014, <https://www.npr.org/2014/05/19/312158516/increasing-court-fees-punish-the-poor>.
- ¹⁷ “Working-age adults” refer to those ages 18 to 64, and are hereafter referred to as adults.
- ¹⁸ Our estimate of household food insecurity is based on the six-item short form of the USDA’s Household Food Security Survey Module and uses a 12-month reference period. Respondents with two to four affirmative responses are defined as having low household food security, and respondents with five to six affirmative responses are defined as having very low household food security. These groups are jointly defined as food insecure. Affirmative responses include reporting that it was often or sometimes true that the food the household bought did not last, and the household did not have money to get more; it was often or sometimes true that the household could not afford to eat balanced meals; if adults in the household ever cut the size of meals or skipped meals because there was not enough money for food; meals were cut or skipped almost every month, or some months but not every month; the respondent ate less than they felt they should because there was not enough money for food; and if the respondent was ever hungry but did not eat because there was not enough money for food.
- ¹⁹ For more information, see the Urban Institute, “The Well-Being and Basic Needs Survey,” updated 2025, <https://www.urban.org/policy-centers/health-policy-center/projects/well-being-and-basic-needs-survey>.
- ²⁰ Garrett, Joe, J. Michael Dennis, and Charles A. DiSogra. 2010. “Non-Response Bias: Recent Findings from Address-Based Panel Recruitment,” presented at the Annual Conference of the American Association for Public Opinion Research, Chicago, May 13–16; Timothy Heeren, Erika M Edwards, J Michael Dennis, Sergei Rodkin, Ralph W Hingson, and David L Rosenbloom. 2008. “A Comparison of Results from an Alcohol Survey of a Prerecruited Internet Panel and the National Epidemiologic Survey on Alcohol and Related Conditions.” *Alcoholism: Clinical and Experimental Research* 32 (2): 222–9. <https://doi.org/10.1111/j.1530-0277.2007.00571.x>.

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