

December 2009, Number 202

## CURRENT CHARGES AND MISCELLANEOUS GENERAL REVENUE: A COMPARATIVE ANALYSIS OF GEORGIA AND SELECTED STATES

In fiscal year 2007, Georgia collected \$15.4 billion in state and local current charges and miscellaneous revenue, which was 32 percent of Georgia state and local own source revenue.<sup>1</sup> State and local current charges and miscellaneous revenue is a census revenue category made up of many subcategories. For instance, current charges include public college tuition and fees, highway tolls, and revenue from public hospitals, while miscellaneous revenue includes interest earnings, fines and forfeits, and lottery revenue.

In this brief Georgia's current charges and miscellaneous general revenue are examined and compared to the AAA bond rated states (AAA), the Southeastern neighbor states (SE) and the U.S. average for fiscal years (FY) 2007 and 1992.<sup>2</sup> We use several measures of state, local and total current charges and miscellaneous revenue to compare Georgia across these different state groups, including per capita, per beneficiary, and as a share of own source revenue.

We find that Georgia's per capita state and local current charges and miscellaneous revenue are at or near the bottom in rankings among all the states, the AAA states, and the SE neighbor states for FY 2007. Georgia was in the middle of these rankings for the three groups in fiscal year 1992. Since FY 1992, Georgia has not kept pace with the AAA states or the

SE states in the growth of current charges and miscellaneous revenue. Georgia had the lowest percentage of growth in per capita terms from 1992 to 2007 among the SE states and was second to last among the AAA states.

For miscellaneous revenue, Georgia collected below the U.S. state average and ranked last of the AAA states and the SE states. The difference in per capita collections is largely attributed to Georgia's low per capita interest collections. Additional research is needed to further understand why Georgia collects so little interest per capita when compared to the U.S. state average, the AAA states, and the SE states.

Most of the difference in state and local current charges and miscellaneous revenue is due to relatively low state government collections of per capita current charges. Georgia's local governments collected \$774 per capita which was more than the U.S. state average of \$698 for local per capita current charges. For state government current charges, Georgia collected \$312 per capita in fiscal year 2007; this is \$153 less than the U.S. state average of \$465 per capita. Georgia ranked last among the nine AAA states and the eight SE states in state government per capita current charges.

In Georgia, state government current charges and miscellaneous revenue represent a smaller share of total own source revenue compared to the AAA states, the SE states and the U.S. state average. Nationally, state government current charges account for 8 percent of average state and local own source revenue. In Georgia, state government current charges account for only 6 percent of state and local own source revenue. This ranks Georgia last among the AAA states and second to last among the SE states.

In the three categories of current charges that represent most of the current charge revenue for states: higher education, hospitals, and highways Georgia also ranked below the U.S. state average. Georgia institutions of higher education collected less general revenue per full time equivalent student than the U.S. state average, the AAA states, or the SE states. For instance, Georgia collected \$4,493 less than the U.S. state average per full time equivalent student. For total higher education revenue per full time equivalent student, Georgia ranked 48th nationally, last of the AAA states, and second to last of the SE states.<sup>3</sup>

Georgia collected \$41 per capita in state hospital revenue in FY 2006. This ranked Georgia sixth of the AAA states and sixth of the SE states. Georgia collected considerably less revenue than the U.S. state average of \$106 per capita.

Hospital revenue generated at institutions of higher education can account for much of this state revenue. For instance, for the high revenue AAA states of Utah, \$318 per capita, and Missouri, \$92 per capita, almost all hospital current charge revenue was generated at institutions of higher education. For the SE states, Alabama collected \$215 in per capita state current charges for hospitals, while Mississippi collected \$157 per capita. Again, almost all hospital current charge revenue was generated at institutions of higher education. Georgia generated \$19 per capita of hospital revenue at its institutions of higher education, the lowest amount of the six states that generated any hospital revenue at institutions of higher education.

Georgia collected \$4.24 per capita for highway current charge revenue, ranking Georgia sixth of the AAA states and fourth among the SE states. However, Georgia collected considerably less than the U.S. state average of \$20 per capita in highway current charge revenue.

If Georgia collected the U.S. state average in the three categories of higher education, hospitals, and highways state current charge revenue would increase by approximately \$1.46 billion. Further research is necessary to better understand how revenues are generated in the subcategories

of higher education, hospitals and highways in Georgia and how they differ from those in other states.

#### NOTES:

1. Own source revenue is money collected by state and local governments from their "own sources" such as taxes, fees, special assessments, tuition, and all other general sources except federal transfers.
2. The AAA bond rated states are: Delaware, Utah, Minnesota, Virginia, North Carolina, South Carolina, Missouri, Maryland, and Georgia. The southeastern neighbor states are: South Carolina, Alabama, Virginia, Florida, Tennessee, Mississippi, North Carolina, and Georgia.
3. In this brief, total higher education revenue does not include hospital sales and services from institutions of higher education.

#### ABOUT THE AUTHOR

**Peter Bluestone** is a Research Associate with the Fiscal Research Center. He is a Georgia State University Urban Fellows Recipient. His research interests include urban economics, environmental economics and state and local fiscal policy. He received his Ph.D. in Economics from Georgia State University.

#### ABOUT FRC

The Fiscal Research Center provides nonpartisan research, technical assistance, and education in the evaluation and design the state and local fiscal and economic policy, including both tax and expenditure issues. The Center's mission is to promote development of sound public policy and public understanding of issues of concern to state and local governments.

The Fiscal Research Center (FRC) was established in 1995 in order to provide a stronger research foundation for setting fiscal policy for state and local governments and for better-informed decision making. The FRC, one of several prominent policy research centers and academic departments housed in the School of Policy Studies, has a full-time staff and affiliated faculty from throughout Georgia State University and elsewhere who lead the research efforts in many organized projects.

The FRC maintains a position of neutrality on public policy issues in order to safeguard the academic freedom of authors. Thus, interpretations or conclusions in FRC publications should be understood to be solely those of the author. For more information on the Fiscal Research Center, call 404-413-0249.

## RECENT PUBLICATIONS

*Current Charges and Miscellaneous General Revenue: A Comparative Analysis of Georgia and Selected States.* This brief examines Georgia's current charges and miscellaneous general revenue compared to the AAA bond rated states, the Southeastern neighbor states, and the U.S. average for fiscal years 2007 and 1992. (December 2009)

*Comparing Georgia's Fiscal Policies to Regional and National Peers.* This report analyzes the major components of Georgia's state and local revenue and expenditure mixes relative to its peer states. (December 2009)

*Recent Changes in State and Local Funding for Education in Georgia.* This brief examines how the 2001 recession affected K-12 education spending in Georgia school systems. (September 2009)

*Household Income Inequality in Georgia, 1980 – 2007.* This brief explores the change in the distribution of income. (September 2009)

*Household Tax Burden Effects from Replacing Ad Valorem Taxes with Additional Sales Tax Levies.* This brief estimates net tax effects across income classes from a sales tax for property tax swap; where Georgia property taxes are reduced and state sales taxes increased. (August 2009)

*An Examination of the Financial Health of Georgia's Start-Up Charter Schools.* This brief examines the financial health of start-up charter schools in Georgia during the 2006-07 school year. (July 2009)

*Corporate Tax Revenue Buoyancy.* This brief analyzes the growth pattern of the Georgia corporate income tax over time and the factors that have influenced this growth. (July 2009)

*Forecasting the Recession and State Revenue Effects.* This brief presents information regarding the degree to which macroeconomic forecasters anticipated the timing and magnitude of the present recession and whether the significant decline in state revenues that has resulted might have been better anticipated. (June 2009)

*Georgia's Brain Gain.* This brief investigates trends in the interstate migration of young college graduates. (March 2009)

*The Value of Homestead Exemptions in Georgia.* This brief estimates the total property tax savings, state-wide, to homeowners arising from homestead exemptions: examples and descriptions are provided. (March 2009)

*Comparison of Georgia's Tobacco and Alcoholic Beverage Excise Tax Rates.* This brief provides a detailed comparison of excise tax rates across the United States. (March 2009)

*Buoyancy of Georgia's Sales and Use Tax.* This brief explores the growth in sales tax revenue relative to the growth of the state's economy. (March 2009)

*Buoyancy of Georgia's Personal Income Tax.* This brief analyzes the growth in Georgia's Income Tax and explores reasons for trends over time. (March 2009)

*Growth and Local Government Spending in Georgia.* This report is a technical analysis that estimates the effect of local government spending on economic growth at the county level in Georgia. (February 2009)

*Georgia Revenues and Expenditures: An Analysis of Their Geographic Distribution.* This report presents a geographic analysis of "who bears the burden" of state taxes and who benefits from state public expenditures. (February 2009)

*Trends in Georgia Highway Funding, Urban Congestion, and Transit Utilization.* This report examines transportation funding, as well as urban congestion and transit utilization in Georgia as well as six other states for fiscal years 2000 and 2005. (October 2008)

*Options for Funding Trauma Care in Georgia* This report examines several options for funding trauma care in Georgia through dedicated revenue sources, with the objective of raising approximately \$100 million. (October 2008)

*Distribution of the Georgia Corporate and Net Worth Tax Liabilities, 1998 and 2005.* This brief illustrates the distribution of corporate and net worth income tax liabilities among Georgia corporations. (September 2008)

*The Effect of Insurance Premium Taxes on Employment.* This report provides estimates of the effect of the insurance premium taxes on state-level employment in the insurance industry. (September 2008)

*Variation in Teacher Salaries in Georgia.* This report documents the variation in K-12 public school teacher salaries in Georgia and discusses the causes of variation in teacher salaries within and across districts. (August 2008)

*A Brief History of the Property Tax in Georgia.* This report is a chronology of the development of the property tax system that currently exists in Georgia from the 1852 legislation pointing out significant changes made over the past 156 years. (August 2008)

*Estimates of the Effects on Property Tax Expansion Under Assessment Caps Proposed in HR 1246.* This report estimates the effect of assessment caps proposed in HB 1246 on county, school district, and city tax base growth. (July 2008)

*By the Numbers: Property Taxes in Georgia.* This report presents data on the property tax in Georgia, considering the growth in property tax base and property tax revenue, how the tax base varies by county, changes over time, and property taxes by type of government. (June 2008)

*Property Tax Limitations.* This report discusses property tax limitations in the U.S. and highlights limitations imposed in Georgia. (June 2008)

*An Analysis of a Need-Based Student Aid Program for Georgia.* This report explores issues associated with establishing a need-based student aid program in Georgia. (May 2008)

*A Closer Look at Georgia's Veteran Population.* This brief compares demographic information on Georgia's veteran population with that of the rest of the country. (May 2008)

*Tracking the Economy of the City of Atlanta: Past Trends and Future Prospects.* This report explores the changes in the level and composition of employment in the City of Atlanta over the last 25 years. (May 2008)

*Georgia's Immigrants: Past, Present, and Future.* This report examines the economic success of immigrants relative to the state's residents as a whole and speculates on how we might expect immigrant populations to fare in the future. (April 2008)

*Property Tax in Georgia.* This report discusses the structure of the property tax in Georgia and various provisions that make up the structure of the property tax. (March 2008)

*A Targeted Property Tax Relief Program for Georgia.* This report describes how a targeted property tax relief program could be designed and provides estimates of the cost and distribution of program benefits. (February 2008)

For a free copy of any of the publications listed, call the Fiscal Research Center at 404/413-0249, or fax us at 404/413-0248. All reports are available on our webpage at: [frc.gsu.edu](http://frc.gsu.edu).

## Document Metadata

*This document was retrieved from IssueLab - a service of the Foundation Center, <http://www.issuelab.org>*

*Date information used to create this page was last modified: 2014-02-15*

*Date document archived: 2010-05-20*

*Date this page generated to accompany file download: 2014-04-15*

*IssueLab Permalink:*

*[http://www.issuelab.org/resource/current\\_charges\\_and\\_miscellaneous\\_revenues\\_a\\_comparative\\_analysis\\_of\\_georgia\\_and\\_selective\\_states\\_brief](http://www.issuelab.org/resource/current_charges_and_miscellaneous_revenues_a_comparative_analysis_of_georgia_and_selective_states_brief)*

---

# Current Charges and Miscellaneous Revenues: A Comparative Analysis of Georgia and Selective States - Brief

**Publisher(s):** Fiscal Research Center of the Andrew Young School of Policy Studies

**Author(s):** Peter Bluestone

**Date Published:** 2009-12-01

**Rights:** Copyright 2009 Fiscal Research Center of the Andrew Young School of Policy Studies

**Subject(s):** Community and Economic Development; Government Reform