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## GEORGIA'S REVENUE AND EXPENDITURE PORTFOLIO IN BRIEF, 1989-2009

### Introduction

This brief provides a brief overview of changes in Georgia's state and local expenditure and revenue portfolios between Fiscal Year (FY) 1989 and FY2009 based on data produced by the U.S. Census of Governments.<sup>1</sup> The overall trend in Georgia between this period has been a decrease in revenue and expenditure rankings (representing lower real per capita spending and revenues than other states). Table 1 summarizes these findings.

In absolute terms Georgia is raising more per capita revenue and had more per capita direct expenditures in FY 2009 than FY 1989, but these increases have not matched the increases in other states. Georgia's rank decreased from 33<sup>rd</sup> in FY1989 to 47<sup>th</sup> in FY2009 state and local real (inflation adjusted) per capita own-source revenue. Georgia declined from 11.7 percent below the national average in FY1989 to 23.5 percent below the national average in FY2009. Georgia's real per capita direct expenditures were ranked 30<sup>th</sup> nationally in FY1989 and fell to 48<sup>th</sup> in FY2009. Georgia was 8.9 percent below the national average in FY1989 and then 18.7 below that average FY 2009.

### Detail On State and Local Combined Rankings

#### *Expenditures*

Table 2 shows more detail on real per capita direct expenditures, organized by character and object and by

function.<sup>2</sup> The character and object categories are less intuitive and descriptions of what is included can be found at the bottom of each table. Not all expenditures by function are reported. Expenditures include those financed by state and local operating funds as well as by federal funds and debt.

A key question is which categories of expenditures significantly influenced Georgia's drop from 30<sup>th</sup> to 48<sup>th</sup>. Importantly, around half of this decline in rank is attributable to the 2008 to 2009 time period and half occurred between 1989 and 2000. There are different trends in these periods. When examining expenditures by character and object, the major drivers of changes in expenditures are current operations and capital outlay. In the 1989-2000 period, although real per capita current operations grew by 30 percent, Georgia's rank declined from 27<sup>th</sup> to 41<sup>st</sup>, a drop of 14 places. Capital outlay grew by 28 percent, but this was consistent with other states' growth, and Georgia's rank hardly changed. Notably Georgia's rankings in all other character and object categories except for assistance and subsidies declined as well.

From 2000 to 2009, Georgia's current operations rank declined from 41<sup>st</sup> place to 47<sup>th</sup>, but most dramatically, Georgia's capital outlay rank fell from 12<sup>th</sup> to 25<sup>th</sup> nationally. Both categories grew in real terms, but current operations only grew by 18 percent and

**TABLE 1. SUMMARY OF STATE AND LOCAL GENERAL REVENUE AND EXPENDITURE (1989 DOLLARS)**

State and Local (Real Per Capita)	FY 1989	Rank	% Below/ Above National Average FY1989	National Average in FY1989	FY 2009	Rank	% Below/ Above National Average FY2009	National Average FY2009
General Revenue								
from Own-Source	\$2,381	33	-11.73%	\$2,697	\$3,021	47	-23.53%	\$3,951
Taxes	\$1,636	30	-9.81%	\$1,814	\$2,033	42	-22.01%	\$2,606
Direct Expenditure	\$3,267	30	-8.87%	\$3,585	\$4,934	48	-18.70%	\$6,069

capital outlays only grew by six percent. Although Georgia's investment in infrastructure (capital outlay) still falls in the middle of the pack of states, the rate of growth has slowed over the past decade relative to the national average. All other categories except insurance benefits and repayment declined over this period.

The functional categories are also interesting. Major drivers of changes in expenditures are K-12 education and public welfare. The public welfare category includes a number of programs, but Medicaid is the dominant one. In the K-12 category, one can see Georgia's rank climb from 28<sup>th</sup> nationally in 1989 to 19<sup>th</sup> in 2009, reflecting a 65 percent real increase in per capita spending. Meanwhile in public welfare, Georgia declined from 27<sup>th</sup> to 47<sup>th</sup>, even as real per capita expenditures in this category grew by 112 percent. This anomaly of significant growth in spending combined with declining rank is likely driven by the effect of Medicaid on Georgia's expenditures as compared to other states. Although Medicaid expenditures have grown rapidly across the country, Georgia has slowed the growth of this program much more substantially than other states.

One other area of note is the drop in rank of real per capita long-term debt in Georgia from 34<sup>th</sup> in 1989 to 44<sup>th</sup> in 2009. This shift may partly reflect the general decline in capital outlay investment relative to other states but also likely reflects the effect of the local use of sales taxes to finance infrastructure on a cash basis.

#### Revenues

Table 3 shows state and local combined real per capita revenues. The trends visible in the table have been discussed in detail in prior reports, including Buschman (2009), and Bourdeaux and Jun (2011). In brief, Georgia's rank in real per capita own source revenues (all revenues except for federal

funds) has dropped from 33<sup>rd</sup> to 47<sup>th</sup>. The major categories of revenues that have driven this drop in rank include individual income, sales taxes, and current charges. The most dramatic shift has been in the category of current charges where Georgia's rank declined from eighth to 37<sup>th</sup> from 1989 to 2009. This category includes any fees, assessments or charges for the provision of public services and is a category heavily influenced by tuition revenues at the state level and charges for hospital services, sewerage, and education at the local level (see Bluestone [2009] for more details). Also of note is the decline in corporate income tax rank from 17<sup>th</sup> to 39<sup>th</sup>. This drop reflects a 45 percent real decline in corporate income tax per capita collected over this period.

Georgia's rank relative to the national average in its core taxes is relatively close to the middle. Georgia is 29<sup>th</sup> in income taxes, 25<sup>th</sup> in sales taxes, and 34<sup>th</sup> in property taxes. Where Georgia is substantially below the national averages, and has been for much of the past decade, are in more discrete taxes such as selective sales taxes, motor vehicle taxes, other taxes, and as already mentioned, current charges and miscellaneous general revenue. Georgia is also 46<sup>th</sup> nationally in the receipt of per capita federal grant funds.

#### Detail on State Only Ranking

Tables 4 and 5 show Georgia state-level rankings for revenues and expenditures. As has been discussed in other reports, Georgia relies more on local governments for revenue-raising and service provision than other states. The state's total own-source revenues are split 47-53 state-local, making Georgia fourth in the nation in reliance on local revenues to fund public services (Bourdeaux and Jun, 2011).

This local reliance is reflected in the state's relative ranking in per capita direct expenditures which was low in 1989 at 42<sup>nd</sup>

**TABLE 2. GEORGIA'S FY 2009 STATE AND LOCAL EXPENDITURE PORTFOLIO (1989 DOLLARS)**

<b>State and Local Expenditure Portfolio (Real Per Capita)</b>	<b>FY 1989</b>	<b>Rank</b>	<b>FY 2000</b>	<b>Rank</b>	<b>FY 2008</b>	<b>Rank</b>	<b>FY 2009</b>	<b>Rank</b>	<b>% Below/ Above National Average in FY 2009</b>	<b>National Average in FY 2009</b>
Direct Expenditure	\$3,267	30	\$4,169	40	\$5,135	38	\$4,934	48	-18.7%	\$6,069
<i>By Character and Object<sup>1</sup></i>										
Current Operations	\$2,372	27	\$3,073	41	\$3,837	39	\$3,634	47	-19.0%	\$4,489
Capital Outlays	\$532	11	\$682	12	\$762	17	\$723	25	-3.1%	\$746
Assistance and Subsidies	\$53	35	\$73	25	\$57	38	\$61	37	-31.5%	\$90
Interest on Debt	\$180	35	\$150	41	\$127	46	\$138	44	-37.8%	\$221
Insurance Benefits and Repayment	\$130	37	\$189	43	\$353	30	\$378	37	-27.8%	\$523
Exhibit: Salaries and Wages	\$1,180	29	\$1,353	35	\$1,443	36	\$1,463	37	-13.4%	\$1,689
<i>By Functions *</i>										
Education	\$977	35	\$1,415	29	\$1,695	27	\$1,667	35	-6.9%	\$1,790
K-12 Education	\$728	28	\$1,015	16	\$1,230	12	\$1,201	19	1.9%	\$1,179
Other Education	\$248	45	\$400	37	\$465	44	\$465	44	-23.8%	\$611
Social Services										
Public Welfare	\$294	27	\$533	37	\$618	45	\$624	47	-31.2%	\$907
Hospitals	\$395	2	\$239	14	\$338	11	\$278	19	5.3%	\$264
Health	\$67	36	\$102	33	\$152	23	\$133	30	-17.4%	\$161
Transportation										
Highways	\$201	41	\$239	45	\$257	44	\$209	48	-45.2%	\$382
Public Safety **	\$218	23	\$307	27	\$387	25	\$376	29	-8.8%	\$413
Environment and Housing	\$226	30	\$287	33	\$320	34	\$313	35	-19.0%	\$386
Government Administration ***	\$72	31	\$92	36	\$224	35	\$222	37	-20.9%	\$280
Debt Outstanding										
Long-Term Debt	\$2,652	34	\$2,823	41	\$3,294	44	\$3,340	44	-32.8%	\$4,971

\* We do not report the category "Other Direct Expenditures," which includes utilities, liquor store, insurance trust, interest on general debt, etc.

\*\*In FY 1989 and 2000, the US Census of Governments did not include protective inspection and regulation expenditures in this category.

\*\*\*In FY 1989 and 2000, the US Census of Governments did not include judicial & legal and other administration expenditures in this category.

<sup>1</sup>Current operations includes compensation for officers and employees as well as expenditure for supplies and materials. Capital outlays include funding intended for the construction of buildings, grounds and other improvements including replacements or major alterations. Assistance or subsidies are cash contributions to persons. At the local level this includes only public welfare recipients and at the state level this may include veterans bonus', grants for tuition, scholarships, and aid for nonpublic education institutes. Insurance benefits and repayments are comprised of social insurance payments to beneficiaries, employee retirement annuities, and include only amounts paid where associated administrative costs fall under current operations.

**TABLE 3. GEORGIA'S FY 2009 STATE AND LOCAL REVENUE PORTFOLIO (1989 DOLLARS)**

State and Local Revenue Portfolio (Real Per Capita)	FY 1989	Rank	FY 2000	Rank	FY 2008	Rank	FY 2009	Rank	% Below/ Above National Average in FY2009	National Average in FY2009
General Revenue from Own Source	\$2,381	33	\$3,125	34	\$3,295	43	\$3,021	47	-23.5%	\$3,951
<i>Taxes</i>	\$1,636	30	\$2,228	25	\$2,223	38	\$2,033	42	-22.0%	\$2,606
Property Tax	\$445	33	\$568	33	\$675	33	\$673	34	-18.3%	\$824
General Sales Tax	\$441	18	\$721	11	\$646	21	\$579	25	1.1%	\$573
Selective Sales Tax	\$179	39	\$169	50	\$190	48	\$174	49	-41.7%	\$299
Individual Income Tax	\$426	15	\$610	20	\$585	27	\$503	29	-0.8%	\$508
Corporate Income Tax	\$82	17	\$68	27	\$62	41	\$45	39	-50.0%	\$90
Motor Vehicle License Tax	\$12	50	\$23	48	\$20	49	\$18	49	-62.4%	\$49
Other Taxes*					\$45	50	\$39	50	-85.2%	\$264
<i>Charges and Miscellaneous Revenue</i>	\$744	26	\$897	42	\$1,072	43	\$989	47	-26.5%	\$1,345
Current Charges	\$527	8	\$537	36	\$742	29	\$689	37	-15.3%	\$814
Miscellaneous General Revenue	\$218	46	\$360	39	\$330	48	\$299	48	-43.7%	\$531
Intergovernmental Revenue										
Federal Government	\$474	35	\$677	44	\$928	34	\$890	46	-26.4%	\$1,210

\* In FY 1989 and 2000, the US Census did not report other taxes.

No individual income tax: AK, FL, NV, SD, TX, WA, WY; No general sales tax: DE, MT, NH, OR; No corporate income tax: NV, TX, WA, WY.

**TABLE 4. GEORGIA'S FY 2009 STATE EXPENDITURE PORTFOLIO (1989 DOLLARS)**

State Expenditure Portfolio (Real Per Capita)	FY 1989	Rank	FY 2000	Rank	FY 2008	Rank	FY 2009	Rank	% Below/ Above National Average in FY2009	National Average in FY2009
Direct Expenditure	\$1,175	42	\$1,689	46	\$2,032	45	\$1,976	49	-36.6%	\$3,117
<i>By Character and Object<sup>1</sup></i>										
Current Operations	\$781	46	\$1,187	45	\$1,413	46	\$1,350	49	-36.9%	\$2,139
Capital Outlays	\$191	26	\$227	25	\$195	42	\$170	46	-43.6%	\$301
Assistance and Subsidies	\$53	27	\$73	21	\$57	36	\$61	35	-26.8%	\$84
Interest on Debt	\$34	47	\$37	45	\$40	47	\$43	46	-61.2%	\$110
Insurance Benefits and Repayment	\$115	40	\$165	43	\$328	35	\$352	39	-27.1%	\$483
Exhibit: Salaries and Wages	\$333	41	\$357	45	\$331	48	\$354	47	-40.8%	\$597
<i>By Functions *</i>										
Education	\$247	41	\$400	31	\$463	37	\$463	39	-22.4%	\$597
K-12 Education	\$0		\$0		\$0		\$0		-100.0%	\$42
Other Education	\$247	41	\$400	29	\$463	36	\$463	37	-16.5%	\$555
Social Services										
Public Welfare	\$289	25	\$524	32	\$604	44	\$609	46	-28.5%	\$853
Hospitals	\$69	30	\$64	27	\$53	30	\$40	36	-63.6%	\$110
Health	\$27	39	\$33	49	\$77	31	\$64	34	-40.0%	\$106
Transportation										
Highways	\$131	38	\$151	40	\$151	40	\$115	49	-53.6%	\$247
Public Safety **	\$77	17	\$111	30	\$127	31	\$111	35	-13.6%	\$128
Environment and Housing	\$73	16	\$63	34	\$66	36	\$63	38	-41.6%	\$107
Government Administration ***	\$24	40	\$37	38	\$54	49	\$50	48	-63.0%	\$135
Debt Outstanding										
Long-Term Debt	\$474	47	\$679	45	\$861	48	\$863	48	-63.4%	\$2,356

\* We do not report the category "Other Direct Expenditures," which includes utilities, liquor store, insurance trust, interest on general debt, etc.

\*\*In FY 1989 and 2000, the US Census of Governments did not include protective inspection and regulation expenditures in this category.

\*\*\*In FY 1989 and 2000, the US Census of Governments did not include judicial & legal and other administration expenditures in this category.

<sup>1</sup>Current operations includes compensation for officers and employees as well as expenditure for supplies and materials. Capital outlays include funding intended for the construction of buildings, grounds and other improvements including replacements or major alterations. Assistance or subsidies are cash contributions to persons. At the local level this includes only public welfare recipients and at the state level this may include veterans bonus', grants for tuition, scholarships, and aid for nonpublic education institutes. Insurance benefits and repayments are comprised of social insurance payments to beneficiaries, employee retirement annuities, and include only amounts paid where associated administrative costs fall under current operations.

**TABLE 5. GEORGIA'S FY 2009 STATE REVENUE PORTFOLIO (1989 DOLLARS)**

<b>State Revenue Portfolio (Real Per Capita)</b>	<b>FY 1989</b>	<b>Rank</b>	<b>FY 2000</b>	<b>Rank</b>	<b>FY 2008</b>	<b>Rank</b>	<b>FY 2009</b>	<b>Rank</b>	<b>% Below/ Above National Average in FY2009</b>	<b>National Average in FY2009</b>
General Revenue from Own Source	\$1,160	44	\$1,622	44	\$1,558	50	\$1,389	50	-41.1%	\$2,359
<i>Taxes</i>	\$990	35	\$1,294	38	\$1,194	44	\$1,037	49	-35.4%	\$1,604
Property Tax	\$4	22	\$5	21	\$5	22	\$5	21	-90.3%	\$55
General Sales Tax	\$316	36	\$444	29	\$383	37	\$342	39	-26.0%	\$462
Selective Sales Tax	\$123	47	\$107	50	\$125	50	\$109	50	-57.4%	\$257
Individual Income Tax	\$426	13	\$610	17	\$585	23	\$503	25	5.7%	\$476
Corporate Income Tax	\$82	17	\$68	27	\$62	41	\$45	38	-47.2%	\$85
Motor Vehicle License Tax	\$12	50	\$23	47	\$20	48	\$18	49	-58.3%	\$44
Other Taxes*					\$14	50	\$14	50	-93.9%	\$226
<i>Charges and Miscellaneous Revenue</i>	\$170	50	\$328	46	\$364	49	\$352	49	-53.3%	\$754
Current Charges	\$112	46	\$156	46	\$216	44	\$209	48	-45.9%	\$386
Miscellaneous General Revenue	\$59	50	\$172	43	\$149	49	\$143	48	-61.1%	\$368
Intergovernmental Revenue										
Federal Government	\$417	35	\$614	43	\$851	30	\$811	46	-26.4%	\$1,102

\* In FY 1989 and 2000, the US Census did not report other taxes.

No individual income tax: AK, FL, NV, SD, TX, WA, WY; No general sales tax: DE, MT, NH, OR; No corporate income tax: NV, TX, WA, WY.

nationally and has fallen lower to 49<sup>th</sup> nationally. This is 37 percent below the national average. Across all expenditure categories, except public safety and “other education,” the state is over 20 percent below the national average in per capita spending. As noted above, Georgia is 47<sup>th</sup> even when adding back the local spending, so local governments on aggregate push state spending up somewhat relative to the national average, but not enough to make the state a high-spending state relative to its peers.

In the expenditures by character and object category, major cost drivers include current operations, capital outlay and insurance benefits and repayments. The most notable change is the decline in rank in per capita capital outlay from 26<sup>th</sup> to 46<sup>th</sup> which represents a decline of 11 percent.

By function, the major categories of expenditures are other education and public welfare. K-12 education expenditures in Georgia occur largely at the local level and so the state transfer payments through the Quality Basic Education and Equalization formulas are not reflected as state-level direct expenditures. “Other education” includes higher education and the state’s technical schools. Georgia’s education rank has changed little, but the public welfare rank dropped from 25<sup>th</sup> in the nation to 46<sup>th</sup>, again almost certainly reflecting Georgia’s slower growth in the Medicaid program as compared to other states.

Georgia’s state-level revenue portfolio has been discussed in detail in other reports. Georgia is 50<sup>th</sup> in per capita own-source revenues in 2009. As noted in the state and local analysis, this rank is largely driven by the state’s low rank in many types of non-core revenues, including selective sales taxes (50<sup>th</sup>), motor vehicle license tax (49<sup>th</sup>), other taxes (50<sup>th</sup>), and current charges and miscellaneous revenue (49<sup>th</sup>). Georgia falls closer to the middle of the states in the core revenues of sales tax (39<sup>th</sup>) and income tax (25<sup>th</sup>).

### **Detail On Local-Only Ranking**

Georgia’s local government rankings for aggregated per capita expenditures and revenues are reflected in Tables 6 and 7. While the rankings look dramatically higher than the state rankings, recall that combined with the state numbers, Georgia’s overall per capita numbers across almost all categories are below the national average. Notable exceptions are capital outlay and K-12 education on the expenditure side and sales taxes on the revenue side. In general, aggregated local expenditures and revenues “make up” for very low state expenditures and revenues but do not fully replace them. An important caveat is that the local revenues presented here are aggregated to the state level, but may not be evenly distributed

across the state—there may be substantial geographic differences in local per capita spending and revenues.

From 1989 to 2009, Georgia’s local direct expenditures per capita have dropped in rank by eight places from 16<sup>th</sup> to 24<sup>th</sup> in the nation. Again, the major driver is current operations and capital outlay in the character and object categories. The most notable drop here is in current operations, where the state has declined in rank by eight places, almost exactly mirroring the change in overall direct expenditures. Interestingly, this decline does not appear to be driven by salaries and wages, where local governments in Georgia (in aggregate) rank 20<sup>th</sup> in the nation.

K-12 education expenditures is the dominant functional category for local governments, and here Georgia ranks 19<sup>th</sup> in the nation—an increase from its 26<sup>th</sup> rank in 1989. Also of note is the decline in long-term debt from 15<sup>th</sup> in the nation to 23<sup>rd</sup>. While this may partly reflect the slowdown in investment in capital outlay, it is also likely a result of the state’s use of sales tax revenues to finance infrastructure. In government administration, Georgia’s local rank shifted from 19<sup>th</sup> to ninth; however, this likely reflects the addition of judicial administration to this expenditure category in 2003 since Georgia relies more heavily on local funding for this service relative to other states.

In terms of the local revenue portfolio, Georgia’s rank at the local level has declined by nine places. Interestingly, Georgia’s rank in terms of local taxes per capita has increased from 30<sup>th</sup> to 26<sup>th</sup>; the decline therefore appears to be largely driven by the substantial decline in rank for charges and miscellaneous revenue. Georgia’s localities have shifted from seventh in the nation to 21<sup>st</sup>. What is driving this shift is not entirely clear. Possibly, local governments in other states are increasingly reliant on charges for services, and Georgia has not mirrored this effort.

### **Conclusion**

The analysis of Georgia’s expenditure portfolio shows that the state is overall a low-spending state and has seen a substantial decline in spending per capita in the public sector, with a marked and sudden decline from 2008 to 2009. In terms of mix of services, the state has made a substantial investment in the K-12 education portion of its portfolio; however, this is increasingly financed at the local level which may indicate substantial variation in investment across the state. The state also has tended to invest more in capital outlay per capita than other states, but its relative investment is declining as compared to other states. Finally, the state’s spending in public welfare, largely dominated by Medicaid spending, has grown over 100

**TABLE 6. GEORGIA'S FY 2009 LOCAL EXPENDITURE PORTFOLIO (1989 DOLLARS)**

<b>Local Expenditure Portfolio (Real Per Capita)</b>	<b>FY 1989</b>	<b>Rank</b>	<b>FY 2000</b>	<b>Rank</b>	<b>FY 2008</b>	<b>Rank</b>	<b>FY 2009</b>	<b>Rank</b>	<b>% Below/ Above National Average in FY2009</b>	<b>National Average in FY2009</b>
Direct Expenditure	\$2,092	16	\$2,480	22	\$3,103	14	\$2,958	24	0.2%	\$2,952
<i>By Character and Object</i>										
Current Operations	\$1,591	17	\$1,887	26	\$2,424	19	\$2,284	25	-2.8%	\$2,350
Capital Outlays	\$340	11	\$455	11	\$568	14	\$553	16	24.2%	\$445
Assistance and Subsidies	\$0		\$0		\$0		\$0		-100.0%	\$6
Interest on Debt	\$147	16	\$113	20	\$87	31	\$95	30	-14.6%	\$111
Insurance Benefits and Repayment	\$15	18	\$25	18	\$25	23	\$26	21	-35.6%	\$40
Exhibit: Salaries and Wages	\$846	20	\$996	23	\$1,112	18	\$1,109	20	1.6%	\$1,092
<i>By Functions *</i>										
Education	\$730	31	\$1,015	23	\$1,232	20	\$1,203	25	0.8%	\$1,193
K-12 Education	\$728	26	\$1,015	15	\$1,230	11	\$1,201	19	5.6%	\$1,137
Other Education	\$2	27	\$0	31	\$2	29	\$2	29	-96.5%	\$56
Social Services										
Public Welfare	\$6	41	\$9	36	\$14	31	\$15	31	-72.8%	\$54
Hospitals	\$326	2	\$175	12	\$285	9	\$238	14	54.4%	\$154
Health	\$40	10	\$69	12	\$75	13	\$70	13	25.8%	\$55
Transportation										
Highways	\$70	39	\$88	38	\$106	33	\$95	38	-29.8%	\$135
Public Safety **	\$140	27	\$196	27	\$260	23	\$266	22	-0.2%	\$266
Environment and Housing	\$152	33	\$225	26	\$254	28	\$250	27	-10.2%	\$278
Government Administration ***	\$48	19	\$54	23	\$170	10	\$172	9	18.3%	\$145
Debt Outstanding										
Long-Term Debt	\$2,178	15	\$2,145	19	\$2,433	24	\$2,477	23	-5.3%	\$2,615

\* We do not report the category "Other Direct Expenditures," which includes utilities, liquor store, insurance trust, interest on general debt, etc.

\*\*In FY 1989 and 2000, the US Census of Governments did not include protective inspection and regulation expenditures in this category.

\*\*\*In FY 1989 and 2000, the US Census of Governments did not include judicial & legal and other administration expenditures in this category.

<sup>1</sup>Current operations includes compensation for officers and employees as well as expenditure for supplies and materials. Capital outlays include funding intended for the construction of buildings, grounds and other improvements including replacements or major alterations. Assistance or subsidies are cash contributions to persons. At the local level this includes only public welfare recipients and at the state level this may include veterans bonus', grants for tuition, scholarships, and aid for nonpublic education institutes. Insurance benefits and repayments are comprised of social insurance payments to beneficiaries, employee retirement annuities, and include only amounts paid where associated administrative costs fall under current operations.



**TABLE 7. GEORGIA'S FY 2009 LOCAL REVENUE PORTFOLIO (1989 DOLLARS)**

<b>Local Revenue Portfolio (Real Per Capita)</b>	<b>FY 1989</b>	<b>Rank</b>	<b>FY 2000</b>	<b>Rank</b>	<b>FY 2008</b>	<b>Rank</b>	<b>FY 2009</b>	<b>Rank</b>	<b>% Below/ Above National Average in FY2009</b>	<b>National Average in FY2009</b>
General Revenue from Own Source	\$1,220	13	\$1,503	15	\$1,736	15	\$1,632	22	2.5%	\$1,592
<i>Taxes</i>	\$646	30	\$933	14	\$1,028	24	\$995	26	-0.6%	\$1,002
Property Tax	\$442	32	\$564	29	\$670	30	\$668	31	-13.1%	\$769
General Sales Tax	\$125	10	\$278	4	\$263	8	\$237	9	114.4%	\$111
Selective Sales Tax	\$56	7	\$62	8	\$65	13	\$65	12	52.9%	\$43
Individual Income Tax	\$0		\$0		\$0		\$0			\$32
Corporate Income Tax	\$0		\$0		\$0		\$0			\$5
Motor Vehicle License Tax	\$0		\$0		\$0		\$0			\$5
Other Taxes*					\$31	23	\$25	25	-34.6%	\$38
<i>Charges and Miscellaneous Revenue</i>	\$574	7	\$569	19	\$708	15	\$637	21	7.8%	\$590
Current Charges	\$415	3	\$381	20	\$527	15	\$480	18	12.5%	\$427
Miscellaneous General Revenue	\$159	20	\$188	17	\$181	24	\$156	24	-4.4%	\$163
<b>Intergovernmental Revenue</b>										
Federal Government	\$57	27	\$63	30	\$77	34	\$79	33	-26.8%	\$108

\* In FY 1989 and 2000, the US Census did not report other taxes.

No individual income tax: AK, FL, NV, SD, TX, WA, WY; No general sales tax: DE, MT, NH, OR; No corporate income tax: NV, TX, WA, WY.

percent on a real per capita basis over this period, but this is substantially less than the growth in other states. The state's overall rank in this area has dropped significantly as a result.

For those services financed heavily at the local level, further analysis should examine the distribution of impact across Georgia. A heavy reliance on local financing has pros and cons. On the positive side, services can be tailored to reflect local preferences. On the negative side, there may be more disparities in the availability of funding and therefore more variability in the quality and quantity of services across the state.

The revenue story has been told elsewhere, but this brief provides an updated snapshot. As previous assessments have shown, Georgia is more dependent on core revenues than other states, and in the recent recession, it is these revenues that have taken a substantial hit. For at least the past decade, Georgia has had very little reliance (relative to other states) on non-core revenue sources such as selective sales taxes (gas taxes, tobacco taxes, etc.) and charges and fees. The declining core revenues combined with already low non-core revenues has caused Georgia's revenue rank to drop to 47th in the nation in own-source revenues.

## Notes

1. This time period was chosen as this brief is an update of a prior report examining the 20-year trend of 1989 through 2008. All numbers are reported in 1989 dollars and inflation adjusted using the Gross Domestic Product price index.
2. All expenditure and revenue categories can be found at the State and Local Financial Survey Web Page : <http://www.census.gov/govs/definitions>.

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## Georgia's Revenue and Expenditure Porfolio in Brief, 1989-2009

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