

## POLICY BRIEF

CSLF.GSU.EDU • APRIL 28, 2015

# Georgia's Revenue and Expenditure Portfolio in Brief, FY 1995 – FY 2012

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## Introduction

This brief provides an update to the Fiscal Research Center's report "Georgia's Revenue and Expenditure Portfolio in Brief, 1989 – 2010," with an overview and analysis of changes in Georgia's state and local expenditure and revenue portfolios and rankings between fiscal year (FY) 1995 and FY 2012.<sup>1</sup> During the period, real per capita revenues and expenditures rose in Georgia but more slowly than in most other states. As a result, Georgia's national rankings for the level of per capita revenues and expenditures in FY 2012 are generally lower than the rankings for FY 1995. A large portion of the decreases in rankings occurred during the FY 1995 to FY 2005 period. In recent years, the rate of decrease diminished as growth in real per capita revenues and expenditures decelerated in Georgia and in other states during the recession. However, in FY 2012, Georgia's aggregate per capita revenue and expenditure totals (state and local combined) were below the corresponding totals in nearly every other state. Table 1 summarizes these findings.

## Methodology

This report compares Georgia's revenue and expenditure portfolio to other states through rankings of per capita revenues and expenditures on a real (inflation-adjusted) basis. All revenue and expenditure numbers for the FY 1995 to FY 2012 period are based on data produced by the U.S. Census of Governments and U.S. Census Current



IN COLLABORATION WITH



<sup>1</sup> Bourdeaux, Carolyn, Nicholas Warner, Sandy Zook, Sungman Jun. "Georgia's Revenue and Expenditure Portfolio in Brief, 1989-2010." Atlanta: Fiscal Research Center. January 2013. Retrieved from [http://cslf.gsu.edu/files/2014/06/georgias\\_revenue\\_and\\_expenditure\\_portfolio\\_in-brief\\_1989-2010/pdf](http://cslf.gsu.edu/files/2014/06/georgias_revenue_and_expenditure_portfolio_in-brief_1989-2010/pdf).

Population Survey.<sup>2,3</sup> Rankings for Georgia in real per capita revenue and expenditure categories are reported relative to other states, with higher rankings representing greater per capita revenue or greater per capita expenditures. For example, a ranking of first would indicate the highest per capita revenue or expenditure in the nation, while a ranking of 50th would represent the lowest per capita level.

To highlight the trends in real per capita revenue and expenditures, a review of the relevant periods of change and the key revenue or expenditure categories driving the increase or decrease in rankings is provided. The review includes an analysis of the combined totals for state and local governments, as well as separate analyses of Georgia's state and local government portfolios.

## State and Local Combined Rankings

As shown in Table 1, Georgia's state and local governments raised \$271 more own source per capita revenue in FY 2012 than in FY 1995, an increase of 5.9 percent. This increase was smaller than that achieved by several other states over the period. During this period, Georgia's own source real per capita revenue fell to 24.8 percent below the national average in FY 2012 after trailing it by only 7.2 percent in FY 1995. Accordingly, Georgia's ranking in own source real per capita revenue decreased from 33rd in FY 1995 to 49th in FY 2012. Georgia's ranking in real direct expenditures per capita also decreased over the period, from 31st in FY 1995 to 49th in FY 2012. These rankings reflect per capita spending levels 8.4 percent below the national average in FY 1995 and 21.4 percent below the national average in FY 2012.

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<sup>2</sup> This time period was chosen to illustrate 10-year and recent trends. While prior reports used a 1989 base year, all numbers are now reported in 2012 dollars, adjusted for inflation using the GDP price index.

<sup>3</sup> Data Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years.

## EXPENDITURES

Overall, slightly more than half of the decrease in rankings from 31st to 49th occurred over the FY 1995 – FY 2005 period. The significant drivers of the changes, however, differ in each period. Table 2 contains more detail on real per capita direct expenditures, organized by character and object, as well as by function.<sup>4</sup> The character and object section provides a breakdown of either the time period of benefit or nature of the expenditures. Reported expenditures are mostly categorized as current operations (those that benefit the current period only) or capital expenditures (those that have benefits extending to future periods). Descriptions of the expenses in the character and object categories are provided at the bottom of each table.<sup>5</sup> The functional grouping in the table provides detail on expenditures organized by function, such as education, health and public safety.

### FY 1995 to FY 2005

- Current Operations: Georgia's ranking in real per capita expenditures for current operations decreased from 28th to 42nd, while real per capita expenditures grew by an average annual rate of 2.1 percent.
- Capital Outlays: Georgia's ranking decreased from 13th to 19th, as real per capita expenditures increased by a lower rate than current operations, averaging 1.2 percent annually.
- Functional categories:
  - Education: Real per capita expenditures grew by an average annual rate of 2.7 percent while overall education rankings decreased from 27th to 31st. The ranking for K-12 education increased from 24th to 21st, as real per capita expenditures grew by an average annual rate of 3.3 percent.
  - Public welfare: Rankings for per capita expenditures decreased from 27th to 43rd, as expenditures grew at an average annual rate of 2.3 percent. The decrease in ranking likely reflects slower growth in Medicaid

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<sup>4</sup> Definitions for all expenditure and revenue categories can be found on the U.S. Census Bureau website at [www.census.gov/govs/definitions](http://www.census.gov/govs/definitions).

<sup>5</sup> All tables can be found at the end of the report.

expenditures in Georgia compared to the growth in other states.

### FY 2005 to FY 2012

- From FY 2005 to FY 2012, Georgia's ranking for spending on current operations decreased six more places to 48th. Real per capita expenditures in this category were flat in FY 2012 compared to FY 2005.
- Georgia's ranking in per capita capital outlays decreased more significantly during this period, from 19th to 35th, as real per capita capital outlays trended lower by an average annual rate of 2.8 percent.
- Functional categories generally showed smaller decreases in rankings versus the FY 1995 to FY 2005 period.
  - In public education, Georgia's ranking decreased from 31st to 38th. Total real education expenditures per capita in FY 2012 were flat compared to FY 2005. Real per capita expenditures for K-12 education decreased by an average annual rate of 0.7 percent from FY 2005 to FY 2012.
  - Transportation was an exception to the trend of smaller changes in rankings. The ranking decreased from 28th to 51st as real per capita expenditures decreased at an average annual rate of 5.9 percent over the period. Per capita expenditures were 38 percent below the national average in FY 2012.

### REVENUES

Table 3 presents combined state and local real per capita revenues by source. Overall, Georgia's ranking in real per capita revenue from own sources decreased from 33rd in FY 1995 to 49th in FY 2012. Georgia raised 25 percent less revenue per capita than the national average in FY 2012. While a larger portion of the decrease in rankings occurred from FY 1995 to FY 2005, the downward trend in rankings continued through FY 2012.

Within specific revenue categories, the table indicates a common theme of lower rankings. The ranking for real per capita revenue from taxes decreased from 32nd to 46th, while the ranking for real per capita revenue from charges

and miscellaneous revenue trended downward from 25th to 45th. Although the ranking for per capita revenue from property taxes in Georgia held constant at 33rd between FY 1995 and FY 2012, Georgia's ranking for all other revenue sources decreased over the period. At 26th, real per capita revenue from sales taxes is now Georgia's only revenue source with a ranking above 30th. In FY 1995, Georgia had five revenue categories ranked above 25th, including sales taxes, individual and corporate income taxes and current charges.

## State Revenue and Expenditure Rankings

Tables 4 and 5 provide details on state-level rankings for real per capita expenditures and revenues, respectively. In comparison to many of its peers, Georgia relies more heavily on local governments for raising revenue and funding public services. Therefore, a review of state government rankings alone may not provide a full measure of the state's relative fiscal condition. To illustrate, in FY 2012, Georgia's own source state/local revenue split was 46/54, ranking third highest in the nation in terms of reliance upon local revenues to fund public services.<sup>6</sup>

### EXPENDITURES

State-level real per capita direct expenditures ranked 48th in FY 2012, 27 percent below the national average and 10 places lower in rank than in FY 1995. The time pattern and drivers of the decreases in rank closely mirror those discussed above in the combined state and local analysis. Nearly all of the decrease in state per capita expenditure rankings occurred between FY 1995 and FY 2005. An analysis of state-level expenditures reveals the following important observations:

- Capital Outlays: Real per capita capital outlays decreased by 34.5 percent from FY 1995 to FY 2012. As a percentage of total direct expenditures, real per capita

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<sup>6</sup> In FY 2012, only New York and Florida had a greater reliance upon local revenues. Data source: 2012 Census of Governments, State and Local Government Finances.

capital outlays decreased from 15 percent to 7.8 percent during the period.

- **Education:** State level, “other” direct expenditures consist mostly of higher education and the state’s technical schools. Although state support of K-12 education through the Quality Basic Education and Equalization formulas is quite significant, the actual expenditures occur largely at the local level, and they are not reflected in this report as state-level direct expenditures. Georgia’s rank in state level other education expenditures decreased slightly, from 20th in FY 1995 to 25th in FY 2012, as real per capita expenditures grew by an average annual rate of 2.4 percent over the period.
- **Public Welfare:** As discussed above, lower growth in state-level Medicaid expenditures since FY 2005 drives the trend in rankings for public welfare. Georgia’s ranking decreased from 22nd in FY 1995 to 47th in FY 2012.
- **Transportation:** Georgia’s overall decrease in ranking for transportation is driven exclusively by declining state-level transportation spending. Real per capita transportation expenditures decreased on average by 1.7 percent annually, from FY 1995 to FY 2012, and Georgia’s ranking fell from 27th to 49th.

## REVENUES

Georgia’s ranking in real per capita own source state-level revenue remained at 50th in the nation in FY 2012. The FY 2012 real per capita revenue was 36 percent lower than the national average and also slightly below the state’s FY 1995 level. Per capita revenue levels well below the national average have persisted in the state for more than a decade, as Georgia ranked 49th in FY 2005 and 44th in FY 1995. Structurally, Georgia relies heavily on individual income and general sales taxes for state-level revenues. While real per capita state revenue from the individual income tax ranked 26th in FY 2012, general sales taxes ranked significantly lower at 41st. In 1995, Georgia ranked 19th and 23rd, respectively, in state-level per capita personal income and general sales tax revenues. Revenue

raised from charges and miscellaneous revenue also ranked low when compared to other states: 49th in FY 2012, nearly 41 percent below the national average.

## Local Revenue and Expenditure Rankings

Tables 6 and 7 show Georgia’s rankings for local government real per capita expenditures and revenues. The generally higher revenue and expenditure rankings for Georgia’s local versus state governments reflect the state’s fiscal approach of relying heavily on local government for funding public services. However, Georgia still raises and spends less overall than the national average on a per capita basis at the local level. Georgia’s local government own source real per capita revenue ranked 25th in FY 2012 and was nearly 12 percent below the national average. Real per capita expenditures at the local level in FY 2012 ranked 29th, 16 percent below the national average.

## EXPENDITURES

Similar to state expenditures, the ranking for current operations decreased mostly during the FY 1995 to FY 2005 period, from 23rd to 28th. The subsequent changes in rankings have been modest, from 28th to 31st, as real per capita expenditures increased by just over 2 percent cumulatively from FY 2005 to FY 2012. Rankings of per capita local capital outlays decreased only during the FY 2005 to FY 2012 time frame, from 15th to 23rd. Real per capita capital outlays fell by 18 percent over this period, though they remained more than 12 percent above FY 1995 levels.

A review of local government per capita expenditures by function further clarifies the overall trend between FY 1995 and FY 2012.

- Rankings for per capita expenditures in K-12 education decreased modestly over the period, from 23rd to 26th. Real per capita expenditures had a period of significant growth from FY 1995 to FY 2005, followed by a reduction in real per capita expenditures from FY 2005 to FY 2012.

- Local government expenditure rankings increased in a number of areas, reflecting Georgia’s increasing reliance upon local government. Rankings for public welfare, health, public safety, environment and housing, and government administration all rose from FY 1995 to FY 2012.

## REVENUES

Following the pattern of local government expenditures, rankings for own source real per capita revenue at the local government level also fell substantially during the FY 1995 to FY 2012 period, from 13th to 25th. The decrease in ranking is not driven by local government tax revenues, which have remained relatively flat over the period (28th in FY 2012 compared to 27th in FY 1995). Instead, the primary driver is the lack of growth in charges and miscellaneous revenues; the FY 2012 amount was essentially unchanged in real per capita terms from FY 1995. As a result, Georgia’s ranking for real per capita revenue from charges and miscellaneous revenue was 20th in FY 2012, compared to ninth in FY 1995.

## Conclusion

Georgia’s rankings in real per capita expenditures and revenues have changed substantially over the past two decades. While rankings and real per capita figures were both slightly below national averages in FY 1995, by FY 2012 Georgia ranked among the lowest in the nation in these measures. Although much of the overall decrease in rankings occurred during the FY 1995 to FY 2005 period,

the downward trend at both the state and local government levels continued through FY 2012.

At the state level, Georgia raised less real per capita own source revenue in FY 2012 than in FY 1995. General sales tax revenues also decreased in real per capita terms during this time frame. In addition, the state did not significantly increase per capita revenue from other tax sources and charges over the period. Despite a decrease in own source real per capita revenue from FY 1995 to FY 2012, the state increased real per capita direct expenditures during this time period. Notably, however, the state recorded reductions in real per capita expenditures for capital outlays and transportation while increasing overall real per capita expenditures. These reductions may indicate potential challenges ahead in the state’s ability to maintain or expand both the level and quality of its public services in comparison to other states.

Local governments in Georgia also have experienced lower rankings over time in real per capita direct expenditures, matching the trends at the state level. Georgia’s fiscal approach of greater reliance upon local governments, as well as the relative stability in real per capita property tax revenue, likely contributed to local governments’ higher rankings during the period compared to the state. Differences in both expenditure preferences and revenue-raising abilities at the local level, however, potentially create a wide disparity in local fiscal conditions. Thus, no strong conclusions can be made at this time on how aggregate trends affect specific local public services across Georgia.

**TABLE 1. SUMMARY OF STATE AND LOCAL GENERAL REVENUE AND EXPENDITURE (2012 DOLLARS)**

STATE AND LOCAL (REAL PER CAPITA)	FY 1995	RANK	NATIONAL AVERAGE IN FY 1995	% BELOW/ABOVE NATIONAL AVERAGE IN		RANK	NATIONAL AVERAGE IN FY 2012	% BELOW/ABOVE NATIONAL AVERAGE IN FY 2012
				FY 1995	FY 2012			
<b>General Revenue</b>	\$5,649	32	\$6,122	-7.71%	\$6,390	50	\$8,306	-23.08%
from Own-Sources	\$4,570	33	\$4,924	-7.20%	\$4,841	49	\$6,438	-24.81%
Taxes	\$3,087	32	\$3,458	-10.72%	\$3,257	46	\$4,438	-26.61%
<b>Direct Expenditure</b>	\$6,462	31	\$7,055	-8.41%	\$7,907	49	\$10,063	-21.42%

Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years

**TABLE 2. GEORGIA'S STATE AND LOCAL EXPENDITURE PORTFOLIO (2012 DOLLARS)**

STATE AND LOCAL EXPENDITURE PORTFOLIO (REAL PER CAPITA)	FY 1995 PER CAPITA	RANK	FY 2005 PER CAPITA	RANK	FY 2010 PER CAPITA	RANK	FY 2012 PER CAPITA	RANK	NATIONAL AVERAGE IN FY 2012	% BELOW/ ABOVE NATIONAL AVERAGE IN FY 2012
<b>Direct Expenditure</b>	\$6,462	31	\$7,777	41	\$8,361	48	\$7,907	49	\$10,063	-21.42%
<b>By Character and Object (i)</b>										
Current Operations	\$4,812	28	\$5,919	42	\$6,045	48	\$5,908	48	\$7,337	-19.47%
Capital Outlays	\$956	13	\$1,077	19	\$1,079	28	\$882	35	\$1,058	-16.68%
Assistance and Subsidies	\$126	31	\$110	28	\$120	31	\$105	38	\$161	-34.90%
Interest on Debt	\$267	37	\$210	46	\$237	43	\$243	41	\$400	-39.26%
Insurance Benefits and Repayment	\$300	44	\$460	41	\$880	31	\$770	34	\$1,108	-30.49%
Exhibit: Salaries and Wages	\$2,075	31	\$2,280	42	\$2,399	36	\$2,218	40	\$2,693	-17.66%
<b>By Functions (ii)</b>										
Education	\$1,949	27	\$2,550	31	\$2,671	38	\$2,548	38	\$2,779	-8.30%
K-12 Education	\$1,366	24	\$1,816	21	\$1,873	24	\$1,726	27	\$1,808	-4.53%
Other Education	\$583	24	\$735	29	\$798	22	\$823	28	\$971	-15.31%
Social Services										
Public Welfare	\$903	27	\$1,130	43	\$1,038	47	\$1,051	50	\$1,552	-32.30%
Hospitals	\$643	6	\$447	14	\$538	15	\$503	19	\$498	1.04%
Health	\$127	41	\$191	33	\$198	37	\$200	34	\$270	-25.98%
Transportation – Highways (iii)	\$374	37	\$478	28	\$370	46	\$312	51	\$507	-38.40%
Public Safety	\$460	25	\$581	25	\$616	27	\$596	28	\$721	-17.40%
Environment and Housing	\$366	39	\$476	39	\$488	39	\$461	43	\$625	-26.30%
Government Administration	\$256	38	\$351	38	\$348	38	\$338	36	\$396	-14.66%
<b>Debt Outstanding</b>	\$4,408	37	\$4,991	45	\$5,620	45	\$5,624	45	\$9,407	-40.21%
Long-Term Debt	\$4,393	37	\$4,933	44	\$5,522	45	\$5,574	45	\$9,266	-39.85%

(i) Current operations includes direct expenditures for compensation of officers and employees and for supplies, materials, and contractual services except any amounts for capital outlay; also includes repair and maintenance services for the upkeep of buildings, infrastructure, and equipment to maintain required standards of compliance. Capital outlays include direct expenditures for purchase or construction, by contract or force account, of buildings and other improvements; for purchase of land, equipment, and existing structures; and for payments on capital leases. Assistance and subsidies are direct cash assistance to foreign governments, private individuals, and nongovernmental organizations (e.g., foreign aid, agricultural supports, public welfare, veteran bonuses, and cash grants for tuition and scholarships). Interest on debt includes amounts paid for the use of borrowed money. Insurance benefits and repayment includes social insurance payments to beneficiaries, employee retirement annuities and other benefits, and withdrawal of insurance or employee retirement contributions.

(ii) We do not report the following functional categories of direct expenditures: transportation (air transportation – airports, parking facilities, sea and inland port facilities), utilities, liquor store, and insurance trust.

(iii) Includes expenditures for roads, bridges, tunnels and associated infrastructure. State rankings include Washington D.C. (51 total possible rank positions).

Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years

**TABLE 3. GEORGIA'S STATE AND LOCAL REVENUE PORTFOLIO (2012 DOLLARS)**

STATE AND LOCAL REVENUE PORTFOLIO (REAL PER CAPITA)	FY 1995 PER CAPITA	RANK	FY 2005 PER CAPITA	RANK	FY 2010 PER CAPITA	RANK	FY 2012 PER CAPITA	RANK	NATIONAL AVERAGE IN FY 2012	% BELOW/ ABOVE NATIONAL AVERAGE IN FY 2012
<b>General Revenue from Own Sources</b>	\$4,570	33	\$5,071	44	\$4,873	47	\$4,841	49	\$6,438	-24.81%
<b>Taxes (i)</b>	\$3,087	32	\$3,520	38	\$3,229	44	\$3,257	46	\$4,438	-26.61%
Property Tax	\$869	33	\$1,052	34	\$1,130	34	\$1,044	33	\$1,426	-26.77%
General Sales Tax	\$938	13	\$981	22	\$902	27	\$923	26	\$1,006	-8.25%
Selective Sales Tax	\$270	48	\$317	47	\$284	49	\$318	49	\$517	-38.39%
Individual Income Tax	\$744	23	\$938	21	\$751	29	\$821	31	\$983	-16.46%
Corporate Income Tax	\$126	24	\$91	39	\$73	35	\$60	44	\$157	-62.01%
Motor Vehicle License Tax	\$40	46	\$37	49	\$30	48	\$31	48	\$78	-60.13%
Other Taxes (ii)	\$99	45	\$104	51	\$58	50	\$59	51	\$271	-78.15%
<b>Charges and Miscellaneous Revenue</b>	\$1,483	25	\$1,552	46	\$1,644	44	\$1,584	45	\$1,999	-20.80%
Current Charges	\$1,024	16	\$1,057	36	\$1,205	34	\$1,180	31	\$1,364	-13.53%
Miscellaneous General Revenue	\$459	43	\$495	48	\$439	49	\$404	50	\$635	-36.42%
<b>Intergovernmental Revenue</b>	\$1,080	34	\$1,355	47	\$1,842	41	\$1,549	44	\$1,869	-17.12%
Federal Government	\$1,080	34	\$1,355	47	\$1,842	41	\$1,549	44	\$1,869	-17.12%

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

(ii) State rankings include Washington D.C. (51 total possible rank positions).

Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years

**TABLE 4. GEORGIA'S STATE EXPENDITURE PORTFOLIO (2012 DOLLARS)**

STATE EXPENDITURE PORTFOLIO (REAL PER CAPITA)	FY 1995 PER CAPITA	RANK	FY 2005 PER CAPITA	RANK	FY 2010 PER CAPITA	RANK	FY 2012 PER CAPITA	RANK	NATIONAL AVERAGE IN FY 2012	% BELOW/ ABOVE NATIONAL AVERAGE IN FY 2012
<b>Direct Expenditure</b>	\$2,769	38	\$3,343	47	\$3,609	48	\$3,481	48	\$4,796	-27.42%
<b>By Character and Object (i)</b>										
Current Operations	\$1,901	34	\$2,417	46	\$2,288	49	\$2,327	48	\$3,156	-26.26%
Capital Outlays	\$414	14	\$333	35	\$299	42	\$271	43	\$383	-29.08%
Assistance and Subsidies	\$126	24	\$110	24	\$120	28	\$105	35	\$128	-18.39%
Interest on Debt	\$60	44	\$58	45	\$75	45	\$69	45	\$160	-56.51%
Insurance Benefits and Repayment	\$268	43	\$425	42	\$827	34	\$708	35	\$970	-26.96%
Exhibit: Salaries and Wages	\$579	43	\$500	49	\$579	47	\$598	45	\$804	-25.58%
<b>By Functions (ii)</b>										
Education	\$583	29	\$732	36	\$794	38	\$818	36	\$867	-5.58%
K-12 Education	\$0		\$0		\$0		\$0		\$22	
Other Education	\$583	20	\$732	25	\$794	26	\$818	25	\$845	-3.16%
Social Services										
Public Welfare	\$888	22	\$1,111	36	\$1,013	46	\$1,027	47	\$1,385	-25.84%
Hospitals	\$119	29	\$87	30	\$91	30	\$95	32	\$209	-54.41%
Health	\$51	48	\$68	44	\$90	40	\$97	41	\$134	-27.70%
Transportation – Highways (iii)	\$255	27	\$351	21	\$218	48	\$180	49	\$312	-42.17%
Public Safety	\$182	19	\$197	31	\$187	32	\$179	33	\$217	-17.21%
Environment and Housing	\$128	22	\$84	42	\$106	36	\$94	38	\$118	-19.72%
Government Administration	\$76	50	\$103	47	\$77	49	\$83	47	\$163	-48.96%
<b>Debt Outstanding</b>	\$1,088	43	\$1,184	47	\$1,475	48	\$1,351	47	\$3,663	-63.11%
Long-Term Debt	\$1,088	43	\$1,184	47	\$1,462	47	\$1,345	46	\$3,613	-62.79%

(i) Current operations includes direct expenditures for compensation of officers and employees and for supplies, materials, and contractual services except any amounts for capital outlay; also includes repair and maintenance services for the upkeep of buildings, infrastructure, and equipment to maintain required standards of compliance. Capital outlays include direct expenditures for purchase or construction, by contract or force account, of buildings and other improvements; for purchase of land, equipment, and existing structures; and for payments on capital leases. Assistance and subsidies are direct cash assistance to foreign governments, private individuals, and nongovernmental organizations (e.g., foreign aid, agricultural supports, public welfare, veteran bonuses, and cash grants for tuition and scholarships). Interest on debt includes amounts paid for the use of borrowed money. Insurance benefits and repayment includes social insurance payments to beneficiaries, employee retirement annuities and other benefits, and withdrawal of insurance or employee retirement contributions.

(ii) We do not report the following functional categories of direct expenditures: transportation (air transportation – airports, parking facilities, sea and inland port facilities), utilities, liquor store, and insurance trust.

(iii) Includes expenditures for roads, bridges, tunnels and associated infrastructure.

Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years



**TABLE 5. GEORGIA'S STATE REVENUE PORTFOLIO (2012 DOLLARS)**

STATE REVENUE PORTFOLIO (REAL PER CAPITA)	FY 1995 PER CAPITA	RANK	FY 2005 PER CAPITA	RANK	FY 2010 PER CAPITA	RANK	FY 2012 PER CAPITA	RANK	NATIONAL AVERAGE IN FY 2012	% BELOW/ ABOVE NATIONAL AVERAGE IN FY 2012
<b>General Revenue from Own Sources</b>	\$2,303	44	\$2,586	49	\$2,170	50	\$2,248	50	\$3,505	-35.87%
<b>Taxes (i)</b>	\$1,836	40	\$2,007	42	\$1,581	50	\$1,685	49	\$2,556	-34.06%
Property Tax	\$6	24	\$9	24	\$9	21	\$7	22	\$42	-83.42%
General Sales Tax	\$685	23	\$680	34	\$520	40	\$535	41	\$785	-31.86%
Selective Sales Tax	\$178	50	\$212	50	\$177	50	\$211	50	\$426	-50.52%
Individual Income Tax	\$744	19	\$938	19	\$751	26	\$821	26	\$897	-8.53%
Corporate Income Tax	\$126	23	\$91	38	\$73	35	\$60	42	\$134	-55.46%
Motor Vehicle License Tax	\$40	46	\$37	46	\$30	46	\$31	46	\$72	-57.04%
Other Taxes	\$56	45	\$41	50	\$21	50	\$21	50	\$200	-89.26%
<b>Charges and Miscellaneous Revenue</b>	\$467	44	\$578	49	\$589	48	\$563	49	\$950	-40.75%
Current Charges	\$257	45	\$320	45	\$378	45	\$360	46	\$557	-35.42%
Miscellaneous General Revenue	\$210	42	\$258	47	\$211	49	\$203	48	\$392	-48.31%
<b>Intergovernmental Revenue</b>	\$1,011	36	\$1,263	46	\$1,734	39	\$1,420	44	\$1,706	-16.79%
Federal Government	\$999	32	\$1,242	46	\$1,706	37	\$1,391	44	\$1,644	-15.39%

(i) No individual income tax: AK, FL, NV, SD, TX, WA, WY; no general sales tax: DE, MT, NH, OR; no corporate income tax: NV, SD, TX, WA, WY; no state property tax: CO, CT, DE, HI, ID, IA, NY, NC, OH, OK, SD, TN, TX, UT

Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years

**TABLE 6. GEORGIA'S LOCAL EXPENDITURE PORTFOLIO (2012 DOLLARS)**

LOCAL EXPENDITURE PORTFOLIO (REAL PER CAPITA)	FY 1995 PER CAPITA	RANK	FY 2005 PER CAPITA	RANK	FY 2010 PER CAPITA	RANK	FY 2012 PER CAPITA	RANK	NATIONAL AVERAGE IN FY 2012	% BELOW/ ABOVE NATIONAL AVERAGE IN FY 2012
<b>Direct Expenditure</b>	\$3,693	19	\$4,433	23	\$4,752	28	\$4,426	29	\$5,267	-15.96%
<b>By Character and Object (i)</b>										
Current Operations	\$2,911	23	\$3,502	28	\$3,756	28	\$3,581	31	\$4,181	-14.35%
Capital Outlays	\$542	15	\$744	15	\$780	21	\$610	23	\$676	-9.65%
Assistance and Subsidies	\$0		\$0		\$0		\$0		\$33	
Interest on Debt	\$207	18	\$152	28	\$162	27	\$173	24	\$240	-27.81%
Insurance Benefits and Repayment	\$33	18	\$35	23	\$54	20	\$62	18	\$138	-55.35%
Exhibit: Salaries and Wages	\$1,497	24	\$1,780	22	\$1,820	20	\$1,620	27	\$1,890	-14.29%
<b>By Functions (ii)</b>										
Education	\$1,366	30	\$1,819	26	\$1,876	27	\$1,730	30	\$1,912	-9.53%
K-12 Education	\$1,366	23	\$1,816	21	\$1,873	25	\$1,726	26	\$1,786	-3.37%
Other Education	\$0	14	\$3	15	\$4	15	\$4	15	\$126	-96.69%
Social Services										
Public Welfare	\$14	38	\$19	36	\$25	34	\$24	33	\$167	-85.79%
Hospitals	\$524	3	\$360	12	\$448	11	\$408	12	\$289	41.29%
Health	\$76	18	\$123	13	\$108	17	\$103	15	\$136	-24.28%
Transportation – Highways (iii)	\$119	41	\$127	43	\$151	40	\$132	42	\$195	-32.39%
Public Safety	\$278	27	\$384	24	\$429	26	\$416	23	\$505	-17.48%
Environment and Housing	\$238	43	\$392	31	\$381	34	\$366	36	\$507	-27.83%
Government Administration	\$180	22	\$248	14	\$271	11	\$255	10	\$233	9.33%
<b>Debt Outstanding</b>	\$3,320	19	\$3,807	27	\$4,145	30	\$4,273	28	\$5,744	-25.61%
Long-Term Debt	\$3,304	19	\$3,749	24	\$4,060	29	\$4,229	27	\$5,653	-25.19%

(i) Current operations includes direct expenditures for compensation of officers and employees and for supplies, materials, and contractual services except any amounts for capital outlay; also includes repair and maintenance services for the upkeep of buildings, infrastructure, and equipment to maintain required standards of compliance. Capital outlays include direct expenditures for purchase or construction, by contract or force account, of buildings and other improvements; for purchase of land, equipment, and existing structures; and for payments on capital leases. Assistance and subsidies are direct cash assistance to foreign governments, private individuals, and nongovernmental organizations (e.g., foreign aid, agricultural supports, public welfare, veteran bonuses, and cash grants for tuition and scholarships). Interest on debt includes amounts paid for the use of borrowed money. Insurance benefits and repayment includes social insurance payments to beneficiaries, employee retirement annuities and other benefits, and withdrawal of insurance or employee retirement contributions.

(ii) We do not report the following functional categories of direct expenditures: transportation (air transportation – airports, parking facilities, sea and inland port facilities), utilities, liquor store, and insurance trust.

(iii) Includes expenditures for roads, bridges, tunnels and associated infrastructure.

Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years

**TABLE 7. GEORGIA'S LOCAL REVENUE PORTFOLIO (2012 DOLLARS)**

LOCAL REVENUE PORTFOLIO (REAL PER CAPITA)	FY 1995 PER CAPITA	RANK	FY 2005 PER CAPITA	RANK	FY 2010 PER CAPITA	RANK	FY 2012 PER CAPITA	RANK	NATIONAL AVERAGE IN FY 2012	% BELOW/ ABOVE NATIONAL AVERAGE IN FY 2012
<b>General Revenue from Own Sources</b>	\$2,266	13	\$2,486	23	\$2,703	23	\$2,593	25	\$2,932	-11.58%
<b>Taxes</b>	\$1,251	27	\$1,512	27	\$1,648	27	\$1,572	28	\$1,882	-16.49%
Property Tax	\$863	28	\$1,043	30	\$1,121	32	\$1,038	31	\$1,384	-25.05%
General Sales Tax (i)	\$253	9	\$301	13	\$382	9	\$389	8	\$222	75.34%
Selective Sales Tax	\$91	11	\$105	11	\$108	12	\$108	14	\$91	18.16%
Individual Income Tax	\$0		\$0		\$0		\$0		\$85	
Corporate Income Tax	\$0		\$0		\$0		\$0		\$23	
Motor Vehicle License Tax	\$0		\$0		\$0		\$0		\$6	
Other Taxes	\$43	19	\$63	21	\$37	23	\$38	27	\$71	-46.99%
<b>Charges and Miscellaneous Revenue</b>	\$1,016	9	\$973	22	\$1,055	21	\$1,021	20	\$1,050	-2.76%
Current Charges	\$767	6	\$737	19	\$827	18	\$820	17	\$807	1.57%
Miscellaneous General Revenue	\$249	20	\$236	27	\$228	25	\$201	23	\$242	-17.18%
<b>Intergovernmental Revenue</b>	\$1,042	36	\$1,288	38	\$1,256	43	\$1,185	44	\$1,725	-31.31%

(i) Zero general sales tax: CT, DE, HI, ID, IN, KY, MA, ME, MS, MT, NH, NJ, OR, RI, WV

Sources: U.S. Census Bureau Annual Surveys of State and Local Government Finances and U.S. Census Bureau annual population estimates for applicable fiscal years

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## ACKNOWLEDGMENTS

Special thanks to Mels de Zeeuw and Robert Buschman for their careful review of earlier versions of this brief.

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