



# FISCAL RESEARCH CENTER

## **Comparing Georgia's Revenue Portfolio to Regional and National Peers**

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**ANDREW YOUNG SCHOOL**  
OF POLICY STUDIES

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## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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### I. Introduction

Over the past two years, Georgia has been disproportionately affected by the recession compared to other states. During Fiscal Year (FY) 2009, the state's Gross State Product declined by 1.44 percent, the 5<sup>th</sup> largest decline in the nation. In part this was driven by Georgia's reliance on industries that were closely associated with the national housing industry as well as its own internal housing "bubble." (Hawley 2010) The impact of the recession (as well as state level decisions not to raise taxes), has had a significant impact on the state's relative rank in terms of tax burden per capita relative to other states. In FY2008, prior to the recession, the state of Georgia ranked 44<sup>th</sup> in the nation in state tax revenues per capita. Based on the U.S. Census's quarterly report on state revenues, in FY2010, Georgia has moved to 49<sup>th</sup> in the nation in tax revenues per capita.<sup>1</sup>

In general, Georgia's state and local tax portfolio has the following characteristics.

- 1) In FY2008, prior to the recession, Georgia was 50<sup>th</sup> in the nation in total state government revenues per capita, and as mentioned, has now moved to 49<sup>th</sup> in the nation in tax revenues per capita in FY2010.<sup>2</sup> However, the FY2008-10 rankings are not driven by core taxes – sales and income taxes – but by low corporate taxes, low charges and miscellaneous revenues, low selective sales taxes such as tobacco and motor fuel, and generally low (or non-existent) other sources of revenues.
- 2) In Georgia, in FY2008, local government revenues made up a much more significant share of the total state-local revenue portfolio than in most other states. In fact, in only three states, Florida, Colorado and New York, did local revenues make up a larger share of the state-local revenue mix.
- 3) Georgia's local governments, in aggregate, rank 24<sup>th</sup> in the nation in per capita tax revenues, and when combined, state and local revenues per capita were around the southeastern average or 38<sup>th</sup> in the nation (in FY2008).

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<sup>1</sup> This may be subject to some change as the US Census finalizes its numbers; however, Georgia's numbers as reported by the Census are similar to those reported in Georgia's audited financial statements. Barring major changes in *other* state reporting we would expect this ranking to hold or be close as the Census refines its numbers.

<sup>2</sup> Non-tax revenue numbers are not yet available for FY2009 and FY2010. Also, local revenues both tax and non-tax are not yet available for FY2009 and FY2010.

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- 4) An analysis of local revenues suggests that a major driver of higher than average local taxes per capita is the local use of the sales tax, which is partly used for local government operations but is also used to finance local and school district capital projects.
- 5) In 2002-2003, there was a notable shift in Georgia's state government tax revenues with a widening gap between Georgia's taxes per capita and national and peer state tax average revenues per capita. Although 2009 and 2010 data is limited to the state-level only, it appears that Georgia's revenues continue to decline on a per capita basis.
  - Georgia dropped from 37<sup>th</sup> in the nation in per capita sales tax revenues in FY2008 to 39<sup>th</sup> in FY2009 and now to 42<sup>nd</sup> in the nation in FY2010.
  - Georgia dropped from 23<sup>rd</sup> in the nation in per capita income tax revenues in FY2008, to 25<sup>th</sup> in FY2009, and now to 28<sup>th</sup> in FY2010.
- 6) At the same time, average local sales and property tax revenues per capita have grown. The trend in sales tax revenues appears to be partly driven by opportunities to finance infrastructure on a cash basis through the state's education local option sales tax (ELOST), the special purpose local option sales tax (SPLOST) and municipal option sales tax (MOST).

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## II. Methodology

This report updates FRC report No. 201 from December 2009, describing Georgia's FY2007 revenue and expenditure portfolio as compared to regional and national peers (Buschman 2009). The report uses updated 2008 U.S. Census data and, where available, 2009 and 2010 Census data. The 2009 and 2010 data are only available for state level taxes and do not include local revenues or expenditures or combined state and local revenues or expenditures. The FY2010 data is an estimate constructed by the Fiscal Research Center based on state quarterly reports of their tax revenues.

The analysis primarily uses "per capita" rankings as a way of assessing Georgia's relative standing as compared to other states. These are only meant to give policy-makers a relative benchmark. There are other important metrics such as revenues and expenditures as a percentage of gross state product, personal income, or adjusted for cost of living. However, this report provides some insight on these metrics by comparing Georgia to other southeastern states. Neighbor states have a similar demographic profile and so provide some "control" for these other variables.<sup>3</sup> The report also compares Georgia to states which have AAA bond ratings by at least two of the three major bond rating agencies as a way of assessing how Georgia measures up against other states that are judged by the financial community to be "well managed."<sup>4</sup>

In this analysis, the tables show the top three and bottom three states, as well as the national average (50-state mean) and median, the AAA state average, and the southeastern state average. Also, for comparative purposes all of the southeastern states are shown regardless of where they rank. The southeastern states are shaded grey.

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<sup>3</sup> The southeastern states for purposes of this analysis are Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

<sup>4</sup> Since this report uses 2008 Census data, we use the 2008 bond ratings from Moody's, Standard and Poor's and Fitch. States with AAA ratings were Delaware, Georgia, Maryland, Minnesota, North Carolina, South Carolina, Utah, and Virginia. Note that these states are the same as those used in the previous FRC report that used 2007 Census data and so can be used for comparative purposes.

## **Comparing Georgia's Revenue Portfolio to Regional and National Peers**

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Finally, this analysis takes advantage of “trend” data to show how Georgia’s revenues have changed over time relative to national averages, southeastern state averages, and AAA state averages. Local government numbers by state are not available for 2001 and 2003, and so the figures that show local revenues or expenditures or combined state and local revenues and expenditures will have gaps for these dates. All trend data are adjusted for inflation using the Gross Domestic Product price index (The Bureau of Economic Analysis' National Income Product Accounts (NIPA) Table 1.1.4). When the trend runs out to 2010, population growth is assumed to be zero in calculating real per capita revenues since FY2010 population data is not yet available from the U.S. Census.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

### III. Revenues

#### A. Own Source Revenues

##### *Own Source Revenues (State and Local)*

Table 1 reports the per capita rank of Georgia's state and local own source revenue in FY 2008. This amount includes all sources of revenue that the state raises, including tax revenues as well as a fees and charges, but does not include grants and other revenue from other levels of government or state level utilities. Compared to 2007, Georgia dropped from 42<sup>nd</sup> to 43<sup>rd</sup> switching places with Alabama. Georgia falls in the bottom quintile of states, 21 percent or \$1,402 below the 50-state average.

**TABLE 1. FY2008 OWN SOURCE  
GENERAL REVENUE  
(STATE AND LOCAL)**

Rank	State	\$ per capita
1	Alaska	\$23,118
2	Wyoming	\$11,332
3	New York	\$9,457
<b>Top Quintile Cutoff</b>		<b>\$7,280</b>
<b>50-State Mean</b>		<b>\$6,542</b>
20	Virginia	\$6,234
23	Florida	\$6,122
<b>Nat'l Median</b>		<b>\$6,116</b>
<b>AAA Mean</b>		<b>\$5,941</b>
<b>SE Mean</b>		<b>\$5,421</b>
38	South Carolina	\$5,388
39	North Carolina	\$5,340
40	Alabama	\$5,216
<b>Last Quintile Cutoff</b>		<b>\$5,212</b>
<b>43</b>	<b>Georgia</b>	<b>\$5,141</b>
45	Mississippi	\$5,066
48	South Dakota	\$4,921
49	Tennessee	\$4,864
50	Arkansas	\$4,756

**TABLE 2. FY2008 OWN SOURCE  
GENERAL REVENUE (STATE ONLY)**

Rank	State	\$ per capita
1	Alaska	\$19,886
2	Wyoming	\$6,491
3	Delaware	\$5,968
<b>Top Quintile Cutoff</b>		<b>\$4,638</b>
<b>50-State Mean</b>		<b>\$4,031</b>
20	Virginia	\$3,686
<b>AAA Mean</b>		<b>\$3,614</b>
<b>Nat'l Median</b>		<b>\$3,559</b>
34	North Carolina	\$3,184
38	Alabama	\$3,049
39	South Carolina	\$2,998
40	Mississippi	\$2,997
<b>Last Quintile Cutoff</b>		<b>\$2,969</b>
<b>SE Mean</b>		<b>\$2,956</b>
45	Tennessee	\$2,703
48	Missouri	\$2,638
49	Florida	\$2,597
<b>50</b>	<b>Georgia</b>	<b>\$2,432</b>

**TABLE 3. FY2008 OWN SOURCE  
GENERAL REVENUE  
(LOCAL ONLY)**

Rank	State	\$ per capita
1	New York	\$5,020
2	Wyoming	\$4,841
3	Florida	\$3,526
<b>Top Quintile Cutoff</b>		<b>\$2,955</b>
<b>15</b>	<b>Georgia</b>	<b>\$2,709</b>
21	Virginia	\$2,547
<b>50-State Mean</b>		<b>\$2,511</b>
<b>Nat'l Median</b>		<b>\$2,468</b>
<b>SE Mean</b>		<b>\$2,466</b>
28	South Carolina	\$2,390
<b>AAA Mean</b>		<b>\$2,327</b>
35	Alabama	\$2,167
36	Tennessee	\$2,161
38	North Carolina	\$2,155
39	Mississippi	\$2,070
<b>Last Quintile Cutoff</b>		<b>\$1,973</b>
48	West Virginia	\$1,464
49	Arkansas	\$1,190
50	Vermont	\$1,047

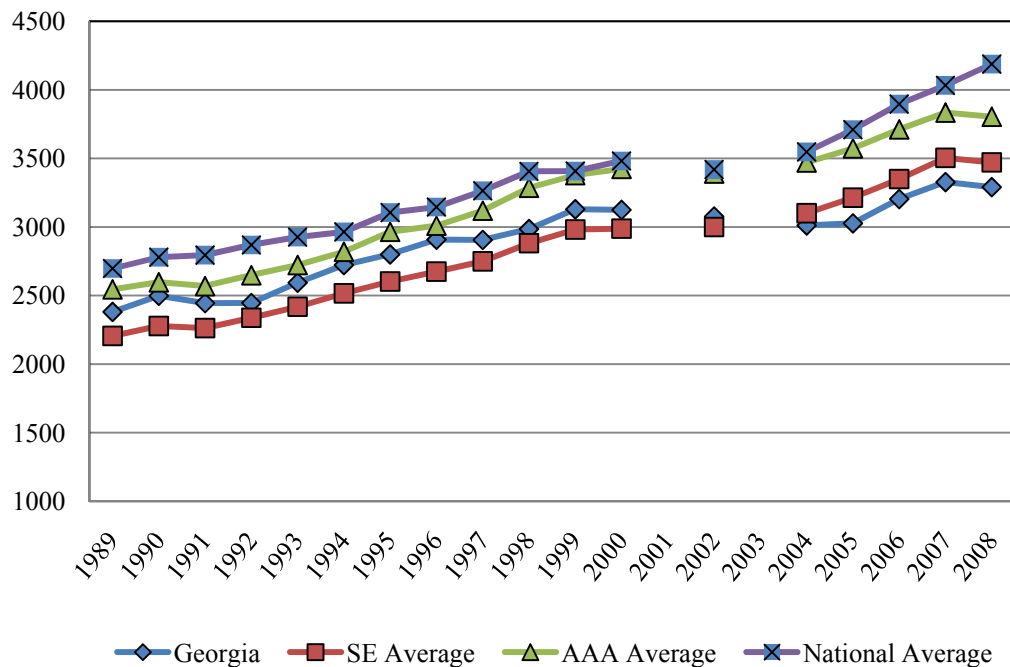


## Comparing Georgia's Revenue Portfolio to Regional and National Peers

Compared to its peer groups, Georgia is \$800 or 13 percent below the AAA average and \$281 or 5 percent below the southeastern state average. Although the percentage may seem small, if Georgia were to raise state and local own source revenues to the southeastern average, this would be equivalent to \$2.7 billion in additional revenues.

Figure 1 shows the revenue trends from 1989 through 2008 for own source state and local revenues per capita and compares Georgia to three different peer groups, the 50 state average, the AAA rated state average, and the southeastern state average. The figure shows all groups (including Georgia) trending upward over the past 20 years; however, prior to 2004 Georgia was above the southeastern average and now has dropped below.

**FIGURE 1. PER CAPITA STATE PLUS LOCAL OWN SOURCE REVENUE (1989 DOLLARS)**



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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This upward trend in real per capita own source revenues is driven by increased local revenues in aggregate, not increased state revenues. Tables 2 and 3 show the division between *state* own source and *local* own source revenues. Although Georgia's governmental sector is generally "low revenue" compared to other states, Georgia's state-local revenue mix is weighted more towards local revenues than other states. In FY2008, the state of Georgia ranked 50<sup>th</sup> nationally, while in aggregate, local governments in Georgia ranked 15<sup>th</sup> in per capita own source revenues.

In 2008, Georgia's own source revenues per capita for state government was \$1,600 or 40 percent below the 50-state average, \$1,183 or 33 percent below AAA rated states, and \$524 or 18 percent below the southeastern states. Local own source revenues per capita are higher than in other states, but do not fully compensate for the low state per capita numbers. In terms of local own source revenues per capita, Georgia was \$198 or 8 percent above the 50 state mean, \$382 or 10 percent above the southeastern state average and \$382 or 16 percent above the AAA state average.

### *Own Source Revenues (State versus Local)*

A comparison of state-local share of revenues measured as a percentage of total revenues (Tables 4 and 5), shows that states on average split state-local revenues 60-40, whereas Georgia's split is 47-53. Georgia is one of the few states in the nation where local own source revenues in the aggregate exceed state revenues. The only states with a larger local share of revenues are New York, Colorado and Florida. Although requiring additional analysis, a heavy reliance on local governments may have distributional implications because counties with a strong tax base can raise more revenues than those with a weak tax base.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**TABLE 4. FY2008 SHARE OF OWN SOURCE REVENUE (STATE ONLY)**

Rank	State	% of Total
1	Alaska	86.0%
2	Vermont	84.1%
3	Delaware	79.8%
<i>Top Quintile Cutoff</i>		<b>66.2%</b>
<i>50-State Mean</i>		<b>60.2%</b>
<i>AAA Mean</i>		<b>59.9%</b>
21	North Carolina	59.6%
22	Mississippi	59.2%
23	Virginia	59.1%
25	Alabama	58.5%
<i>Nat'l Median</i>		<b>58.2%</b>
33	South Carolina	55.6%
34	Tennessee	55.6%
<i>SE Mean</i>		<b>54.7%</b>
<i>Last Quintile Cutoff</i>		<b>52.7%</b>
47	<b>Georgia</b>	<b>47.3%</b>
48	New York	46.9%
49	Colorado	46.4%
50	Florida	42.4%

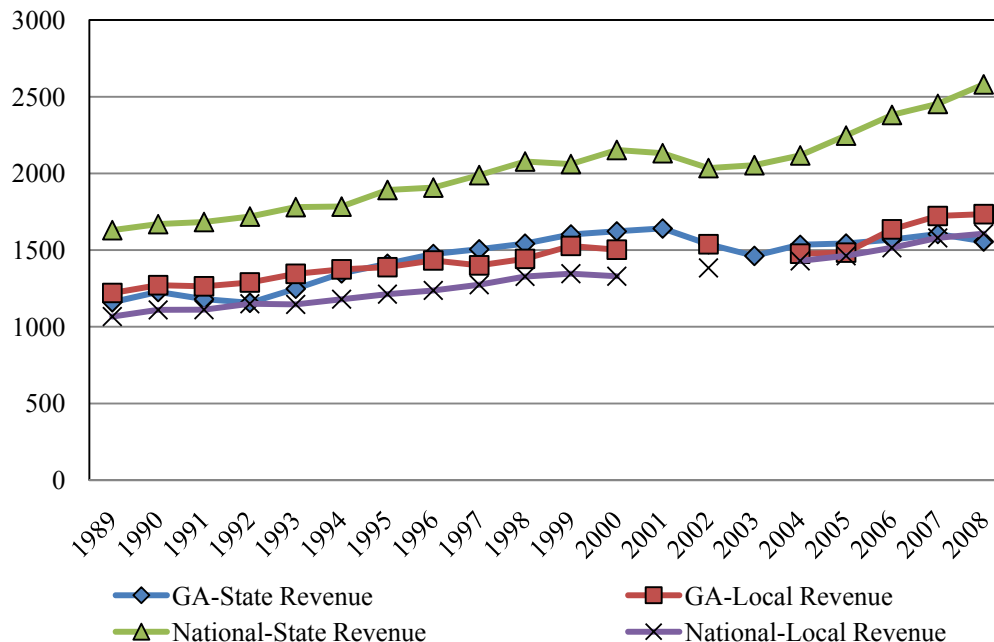
**TABLE 5. FY2008 SHARE OF OWN SOURCE REVENUE (LOCAL ONLY)**

Rank	State	\$ per capita
1	Florida	57.6%
2	Colorado	53.6%
3	New York	53.1%
4	<b>Georgia</b>	<b>52.7%</b>
<i>Top Quintile Cutoff</i>		<b>47.3%</b>
<i>SE Mean</i>		<b>45.3%</b>
17	Tennessee	44.4%
18	South Carolina	44.4%
<i>Nat'l Median</i>		<b>41.8%</b>
26	Alabama	41.5%
28	Virginia	40.9%
29	Mississippi	40.8%
30	North Carolina	40.4%
<i>AAA Mean</i>		<b>40.1%</b>
<i>50-State Mean</i>		<b>39.8%</b>
<i>Last Quintile Cutoff</i>		<b>33.8%</b>
48	Delaware	20.2%
49	Vermont	15.9%
50	Alaska	14.0%

Figure 2 shows how this trend has changed over time as well as how Georgia compares to national state and local averages on a per capita inflation adjusted basis. Most noticeable is the widening gap between Georgia's state-level revenues and state level revenues nationally. On average nationally, state real revenues per capita have grown over the past decade while Georgia's revenues have been flat. Georgia's 2008 own source revenues are roughly equivalent to 1998 revenues by this measure adjusted for inflation. Georgia's local revenues were mostly flat from 1997-2005, but then grew in 2006 and surpassed state revenues. Georgia's local revenues have been above the national average for the past 20 years.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 2. STATE VS. LOCAL PER CAPITA OWN SOURCE REVENUE (1989 DOLLARS)**



### B. Revenue from the Federal Government

Table 6 shows state and local per capita revenue from the federal government in FY 2008. Here Georgia ranks 34<sup>th</sup>—above the bottom quintile but 16 percent below the 50-state average. Georgia has fallen in this ranking from 31<sup>st</sup> in 2007, which in turn was a dramatic increase from 46<sup>th</sup> in 2006. Based on this measure, Georgia is almost exactly at the AAA state mean, but is 10 percent below the southeastern state average.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

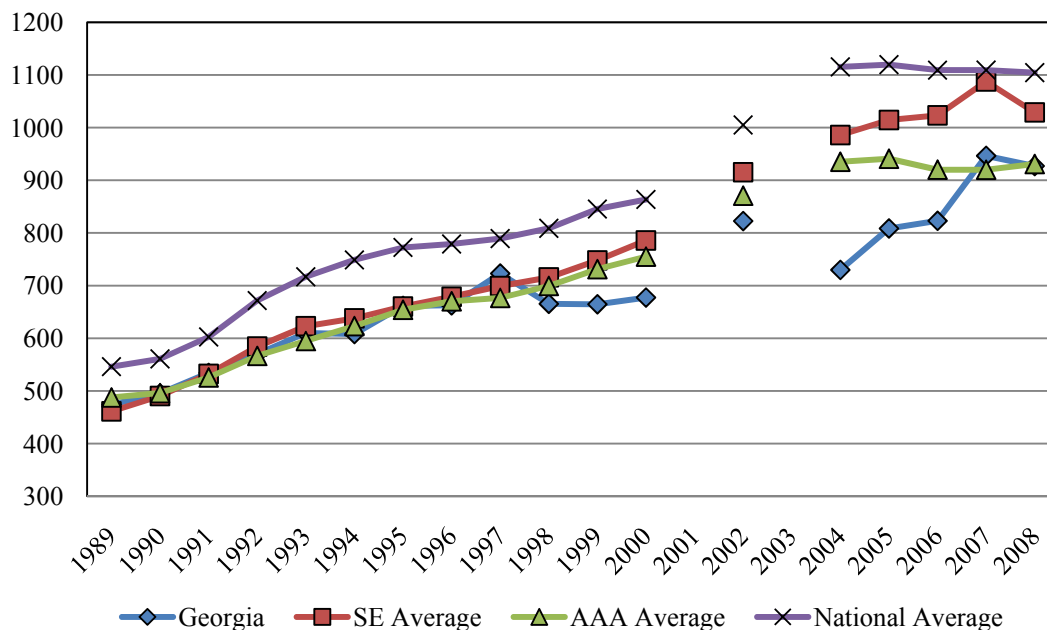
**TABLE 6. FY2008 REVENUE FROM  
FEDERAL GOVERNMENT  
(STATE AND LOCAL)**

Rank	State	\$ per capita
1	Wyoming	\$3,921
2	Alaska	\$3,551
3	Louisiana	\$3,402
4	Mississippi	\$2,785
<i>Top Quintile Cutoff</i>		<b><i>\$1,967</i></b>
<i>50-State Mean</i>		<b><i>\$1,725</i></b>
15	Alabama	\$1,723
18	North Carolina	\$1,642
<i>SE Mean</i>		<b><i>\$1,607</i></b>
25	South Carolina	\$1,556
<i>Nat'l Median</i>		<b><i>\$1,552</i></b>
<i>AAA Mean</i>		<b><i>\$1,454</i></b>
<b>34</b>	<b>Georgia</b>	<b>\$1,448</b>
36	Tennessee	\$1,418
<i>Last Quintile Cutoff</i>		<b><i>\$1,352</i></b>
47	Florida	\$1,263
48	Colorado	\$1,141
49	Virginia	\$1,022
50	Nevada	\$864

Figure 3 shows Georgia's unusual trend line as compared to other states. Further analysis is needed to better understand what is driving this trend. From 1989 through 1997, Georgia tracks almost exactly the same as its peers in the southeast and other AAA states. In 1998, the state drops below its peer states, a trend that continues until 2007 and 2008 where federal receipts dramatically move upward. The spike in federal funds in 2002 likely reflects the federal stimulus funds distributed to assist states through that recession.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 3. PER CAPITA REVENUE FROM FEDERAL GOVERNMENT (1989 DOLLARS)**



### C. Analysis of General Revenues from Own Sources

The Census breaks down state and local own source revenue into two categories: 1) taxes and 2) charges and miscellaneous general revenue. Table 7 shows per capita taxes and Table 8 shows per capita current charges and miscellaneous revenues in FY 2008. Georgia's state plus local taxes are well below national and AAA averages but are almost exactly at the southeastern state average. Georgia places 38<sup>th</sup> (down from 34<sup>th</sup> in FY 2007) in per capita tax revenues and 4<sup>th</sup> among the eight southeastern states.<sup>5</sup> The per capita tax burden in Georgia is \$892 or 20 percent below the 50-state average, \$399 or 10 percent below AAA ranked states, and \$51 or 1 percent above the southeastern state average. Figure 4 shows that from 1989 through 2004, Georgia's real per capita total taxes were several hundred dollars above the southeastern average; however, since 2004, the state has narrowed the gap almost to parity.

<sup>5</sup> We also examined Georgia's rank in terms of taxes as a percentage of personal income and found that the state's rank was exactly the same.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**TABLE 7. FY2008 ALL TAXES  
(STATE AND LOCAL)**

Rank	State	\$ per capita
1	Alaska	\$14,147
2	New York	\$7,103
3	Wyoming	\$6,930
<b>Top Quintile Cutoff</b>		<b>\$4,887</b>
<b>50- State Mean</b>		<b>\$4,360</b>
22	Virginia	\$4,196
<b>Nat'l Median</b>		<b>\$4,007</b>
26	Florida	\$3,981
<b>AAA Mean</b>		<b>\$3,867</b>
33	North Carolina	\$3,591
<b>38</b>	<b>Georgia</b>	<b>\$3,468</b>
<b>SE Mean</b>		<b>\$3,417</b>
<b>Last Quintile Cutoff</b>		<b>\$3,336</b>
46	Mississippi	\$3,133
48	Tennessee	\$3,045
49	Alabama	\$3,002
50	South Carolina	\$2,923

**TABLE 8. FY2008 CHARGES &  
MISCELLANEOUS GENERAL REVENUE  
(STATE AND LOCAL)**

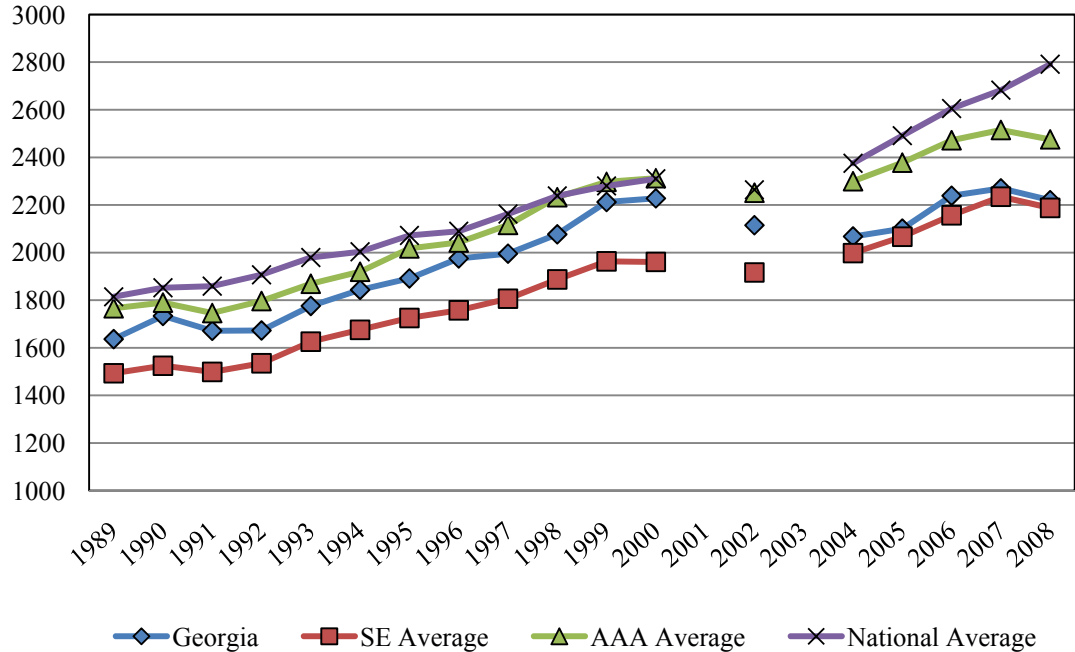
Rank	State	\$ per capita
1	Alaska	\$8,971
2	Wyoming	\$4,402
3	Delaware	\$3,239
6	South Carolina	\$2,465
<b>Top Quintile Cutoff</b>		<b>\$2,299</b>
13	Alabama	\$2,214
<b>50- State Mean</b>		<b>\$2,182</b>
15	Florida	\$2,141
<b>AAA Mean</b>		<b>\$2,074</b>
24	Virginia	\$2,038
<b>SE Mean</b>		<b>\$2,004</b>
<b>Nat'l Median</b>		<b>\$2,001</b>
28	Mississippi	\$1,933
37	Tennessee	\$1,819
40	North Carolina	\$1,749
<b>Last Quintile Cutoff</b>		<b>\$1,686</b>
<b>43</b>	<b>Georgia</b>	<b>\$1,673</b>
48	Arizona	\$1,572
49	Arkansas	\$1,476
50	Connecticut	\$1,310

In terms of state plus local charges and miscellaneous revenue<sup>6</sup> per capita, Georgia places in the bottom quintile at 43<sup>rd</sup> (same ranking as in FY2007). The state is below the 50-state average by 23 percent, below the AAA rated state average by 19 percent, and below the southeastern state average by \$331 or 17 percent.

<sup>6</sup> Current charges for services and miscellaneous revenues include tuition and fees at state colleges, municipally-owned hospital revenues, school lunch sales, airport and seaport fees, and other charges, as well as interest earnings, lottery and other miscellaneous revenues.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 4. PER CAPITA TOTAL STATE AND LOCAL TAXES (1989 DOLLARS)**



### *Taxes (State versus Local)*

Georgia's rank in state versus local own source revenues (Tables 2 and 3) show a low rank for the state and high rank for local government. Tables 9 and 10 repeat this theme, as the same type of split is reflected in state versus local taxes. Examining state-level taxes first, in FY2008, Georgia state government ranked 44<sup>th</sup> in per capita taxes. Georgia is significantly lower than the national average—\$942 or 34 percent below the 50-state mean and well below its peer groups. Georgia is 6<sup>th</sup> out of the 8 southeastern states, which themselves are among the lowest tax states.

Tables 11 and 12 show that Georgia's ranking has declined even further to 48<sup>th</sup> in the nation in FY2009 and 49<sup>th</sup> in the nation in FY2010. The nominal dollar decline between FY2008 and FY2010 is 19 percent for Georgia. Equivalent numbers for FY2009 and FY2010 are not yet available at the local level.



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

TABLE 9. FY2008 ALL TAXES (STATE ONLY)			TABLE 10. FY2008 ALL TAXES (LOCAL ONLY)		
Rank	State	\$ per capita	Rank	State	\$ per capita
1	Alaska	\$12,245	1	New York	\$3,746
2	Wyoming	\$4,512	2	New Jersey	\$2,675
3	Connecticut	\$4,167	3	Connecticut	\$2,431
<b>Top Quintile Cutoff</b>		<b>\$3,348</b>	7	Florida	\$2,035
<b>50- State Mean</b>		<b>\$2,805</b>	<b>Top Quintile Cutoff</b>		<b>\$2,005</b>
<b>Nat'l Median</b>		<b>\$2,475</b>	15	Virginia	\$1,834
<b>AAA Mean</b>		<b>\$2,463</b>	24	<b>Georgia</b>	<b>\$1,605</b>
27	North Carolina	\$2,464	<b>Nat'l Median</b>		<b>\$1,557</b>
31	Virginia	\$2,362	<b>50-State Mean</b>		<b>\$1,555</b>
34	Mississippi	\$2,303	<b>AAA Mean</b>		<b>\$1,404</b>
<b>SE Mean</b>		<b>\$2,062</b>	<b>SE Mean</b>		<b>\$1,355</b>
<b>Last Quintile Cutoff</b>		<b>\$1,926</b>	37	Tennessee	\$1,196
41	Florida	\$1,946	38	South Carolina	\$1,151
42	Alabama	\$1,939	39	North Carolina	\$1,128
44	<b>Georgia</b>	<b>\$1,863</b>	<b>Last Quintile Cutoff</b>		<b>\$1,063</b>
45	Tennessee	\$1,849	41	Alabama	\$1,063
48	South Carolina	\$1,772	48	Mississippi	\$831
49	New Hampshire	\$1,703	49	Arkansas	\$654
50	South Dakota	\$1,641	50	Vermont	\$630

During FY2009 and FY2010, the gap widened between Georgia's revenues per capita and the national average. In FY2009, Georgia was \$897 or 35 percent below the 50-state mean, \$609 or 27 percent below the AAA states and \$214 dollars or 12 percent below the southeastern states. The FY2010 numbers are estimates based on the state's quarterly reported revenues and may change somewhat as the Census completes its estimates. However, these numbers give some sense of the magnitude of the recession on the state's revenues: Georgia is now \$912 dollars or 38 percent below the 50-state average, \$707 dollars or 32 percent below the AAA states and \$322 or 18 percent below its southeastern peers.

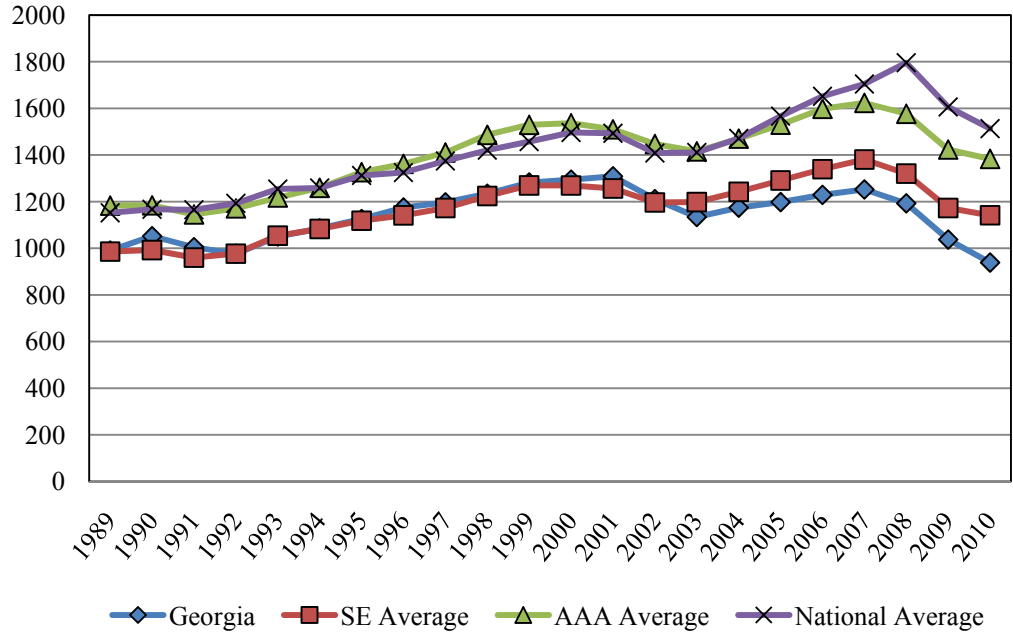
## Comparing Georgia's Revenue Portfolio to Regional and National Peers

TABLE 11. FY2009 ALL TAXES (STATE ONLY)			TABLE 12. FY2010 ALL TAXES ESTIMATE (STATE ONLY)		
Rank	State	\$ per capita	Rank	State	\$ per capita
1	Alaska	\$7,096	1	Alaska	\$6,464
2	Wyoming	\$5,080	2	North Dakota	\$4,089
3	Vermont	\$4,028	3	Vermont	\$3,786
<b>Top Quintile Cutoff</b>		<b>\$3,122</b>	<b>Top Quintile Cutoff</b>		<b>\$2,978</b>
<b>50- State Mean</b>		<b>\$2,533</b>	<b>50- State Mean</b>		<b>\$2,404</b>
<b>Nat'l Median</b>		<b>\$2,321</b>	22	North Carolina	\$2,290
<b>AAA Mean</b>		<b>\$2,245</b>	<b>AAA Mean</b>		<b>\$2,199</b>
32	Mississippi	\$2,207	<b>Nat'l Median</b>		<b>\$2,192</b>
33	North Carolina	\$2,185	27	Mississippi	\$2,131
36	Virginia	\$2,055	31	Virginia	\$2,063
<b>SE Mean</b>		<b>\$1,849</b>	<b>SE Mean</b>		<b>\$1,814</b>
40	Alabama	\$1,764	40	Alabama	\$1,703
<b>Last Quintile Cutoff</b>		<b>\$1,728</b>	<b>Last Quintile Cutoff</b>		<b>\$1,701</b>
43	Florida	\$1,724	41	Florida	\$1,701
45	Tennessee	\$1,659	42	Tennessee	\$1,661
48	<b>Georgia</b>	<b>\$1,636</b>	48	Texas	\$1,538
49	New Hampshire	\$1,604	49	<b>Georgia</b>	<b>\$1,492</b>
50	South Carolina	\$1,567	50	South Carolina	\$1,473

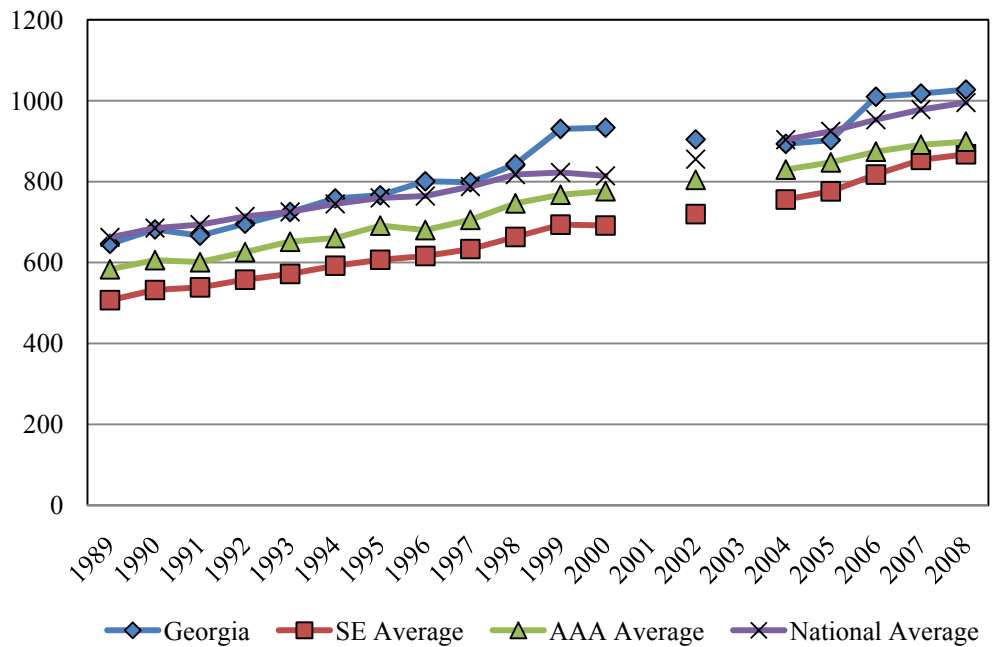
Figure 5 shows the longitudinal trend of the tax burden per capita at the state government level from 1989 through 2010. While Georgia mirrored the southeastern average from 1989 through 2002, in 2003, the state declined below the southeastern average. The gap between Georgia and the southeastern average has continued to widen over the past seven years. This divergence represents a marked difference from other states. On a real per capita basis, from 1989 to 2008, the southeastern states taxes grew by 16 percent, the AAA states grew by 17 percent, and nationally revenues grew by 31 percent. In contrast, real per capita revenues in Georgia declined by 5 percent over this period. Only two other states in the nation had an actual decline in real per capita revenues over this period—Arizona and South Carolina. Over the past decade, Georgia state government has declined more than any other state in the nation with a drop in real per capita tax revenues of 27 percent (see Appendix Table A-1 for data).

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 5. PER CAPITA STATE TAXES (1989 DOLLARS)**



**FIGURE 6. PER CAPITA LOCAL TAXES (1989 DOLLARS)**



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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In terms of taxes at the local level, Table 10 shows that Georgia ranked slightly above average in FY2008. Georgia was 24<sup>th</sup> nationally and 3<sup>rd</sup> among the southeastern states. This is \$50 (3 percent) above the 50-state average, \$201 (14 percent) above AAA rated states, and \$250 (18 percent) above the southeastern states. Figure 6 shows the trend of tax burden at the local level. Through FY1998, Georgia's local revenues mirrored the national average. In FY1998 and FY2006, the tax burden jumped—a similar pattern is reflected in the local sales tax trends suggesting that this jump is at least partly attributable to passage of legislation allowing an additional local sales tax increment for education-related infrastructure investment in 1996 as well as renewed local SPLOSTs and the City of Atlanta's sales tax increase after the 2003 recession.

### *Charges and Miscellaneous General Revenues*

In FY2008, Georgia ranked 43<sup>rd</sup> in the nation in charges and miscellaneous general revenues as shown previously in Table 8. Tables 13 and 14 show state government per capita ranking relative to local government (in aggregate) ranking. Again, the state-local divide is visible. In FY2008, the state government ranked 49<sup>th</sup> in the nation, while Georgia's local governments ranked 15<sup>th</sup>. For the state-only charges at \$568 per capita, Georgia is 54 percent or \$658 below the 50 state average. Local charges are \$148 or 16 percent above the 50-state average – larger than the national average, but in no way making up for the very low state charges.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**TABLE 13. FY2008 CHARGES &  
MISCELLANEOUS GENERAL REVENUE  
(STATE)**

Rank	State	\$ per capita
1	Alaska	\$7,644
2	Delaware	\$2,624
3	Wyoming	\$1,979
<b>Top Quintile Cutoff</b>		<b>\$1,431</b>
12	Virginia	\$1,325
14	South Carolina	\$1,226
<b>50- State Mean</b>		<b>\$1,226</b>
<b>AAA Mean</b>		<b>\$1,151</b>
18	Alabama	\$1,110
<b>Nat'l Median</b>		<b>\$1,042</b>
<b>SE Mean</b>		<b>\$894</b>
38	Tennessee	\$854
<b>Last Quintile Cutoff</b>		<b>\$785</b>
43	North Carolina	\$721
44	Mississippi	\$694
48	Florida	\$651
<b>49</b>	<b>Georgia</b>	<b>\$568</b>
50	Nevada	\$545

**TABLE 14. FY2008 CHARGES &  
MISCELLANEOUS GENERAL REVENUE  
(LOCAL)**

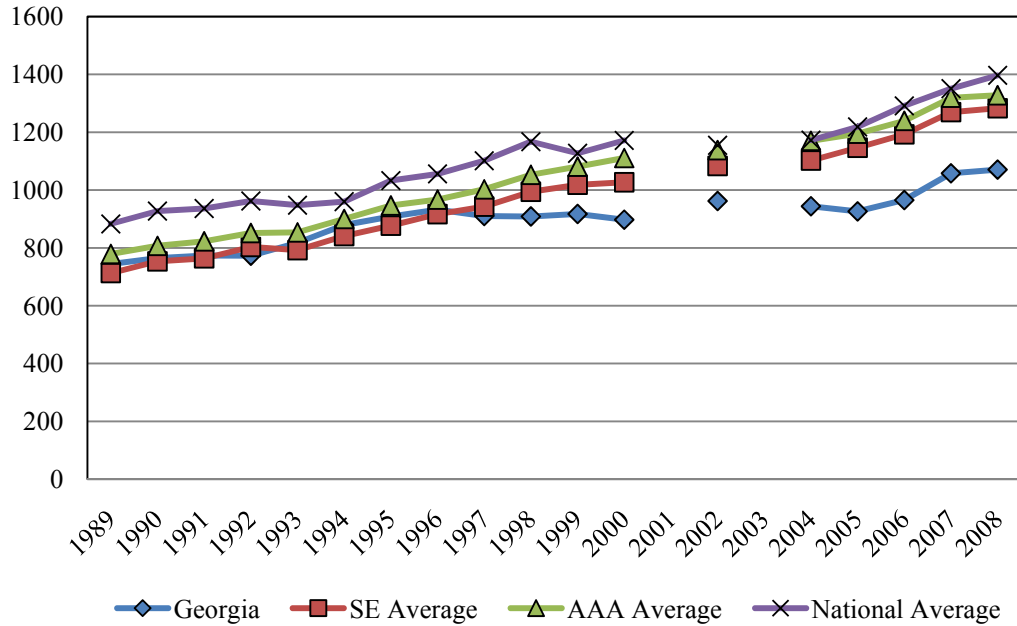
Rank	State	\$ per capita
1	Wyoming	\$2,422
2	California	\$1,615
3	Florida	\$1,490
<b>Top Quintile Cutoff</b>		<b>\$1,267</b>
11	South Carolina	\$1,239
12	Mississippi	\$1,239
<b>SE Mean</b>		<b>\$1,110</b>
<b>15</b>	<b>Georgia</b>	<b>\$1,104</b>
16	Alabama	\$1,104
21	North Carolina	\$1,028
23	Tennessee	\$965
<b>50- State Mean</b>		<b>\$956</b>
<b>AAA Mean</b>		<b>\$923</b>
<b>Nat'l Median</b>		<b>\$917</b>
37	Virginia	\$713
<b>Last Quintile Cutoff</b>		<b>\$616</b>
48	Hawaii	\$446
49	Connecticut	\$418
50	Vermont	\$417

Figures 7-9 show the trend. State and local charges and miscellaneous revenues combined are going up, but are well below the national average or peer states. This trend is driven almost entirely by local changes (Figure 9), while the state revenues have remained flat (Figure 8). Also interesting is that the southeastern states on average are more dependent on local charges overall as compared to the national average or the AAA states. In FY2011, Georgia raised user fees systematically for the first time since 1992. Future trends should show increases in this revenue source at the state government level.<sup>7</sup>

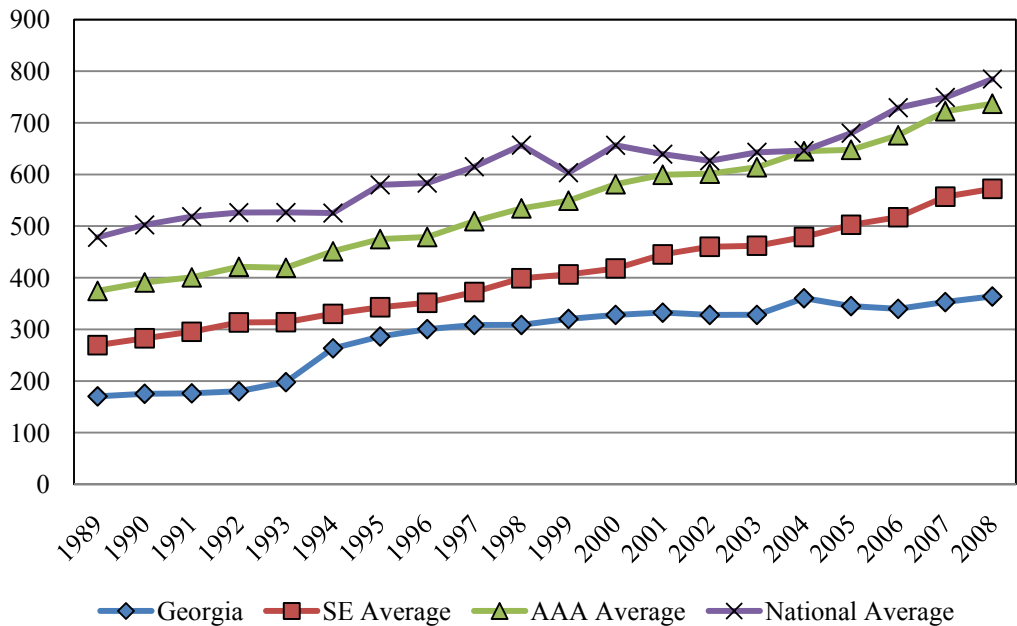
<sup>7</sup> For further information on Georgia's charges and miscellaneous revenues, see Bluestone (2009).

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 7. PER CAPITA STATE AND LOCAL CHARGES & MISCELLANEOUS REVENUE (1989 DOLLARS)**

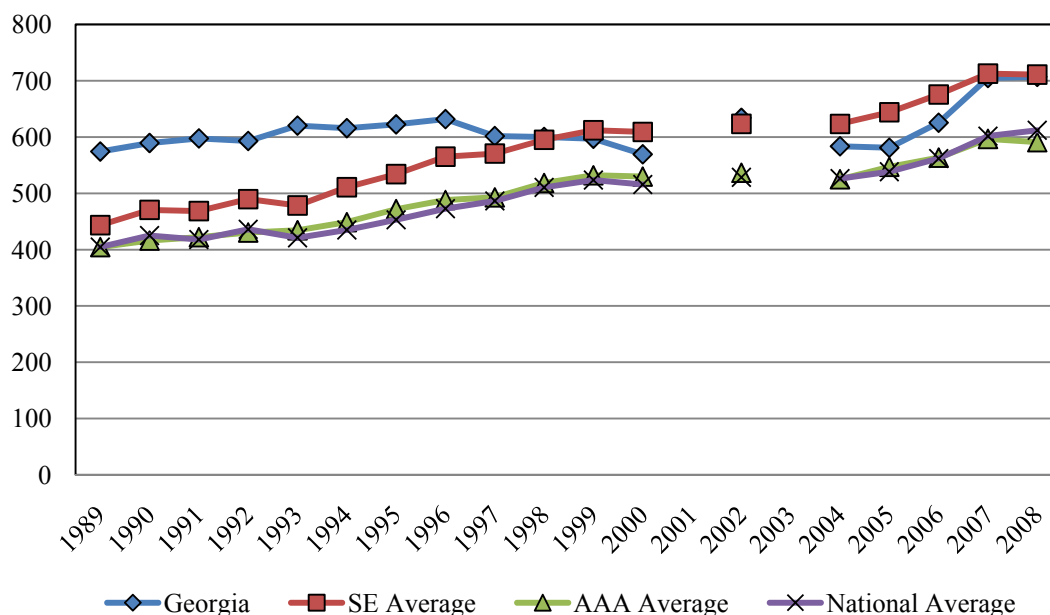


**FIGURE 8. PER CAPITA STATE CHARGES & MISCELLANEOUS REVENUE (1989 DOLLARS)**



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 9. PER CAPITA LOCAL CHARGES & MISCELLANEOUS REVENUE (1989 DOLLARS)**



### D. Comparative Core Taxes

#### *Georgia's Tax Portfolio*

Most state and local governments rely on three core taxes: sales, personal income, and property taxes (sometimes corporate income is also included since it overlaps with the personal income tax). Nationally, most states have an income and sales tax, while almost all local governments are in some measure dependent on the property tax. States vary in the extent to which local governments can access the sales, income (or corporate income) taxes to supplement their property tax revenues or the extent to which the state relies on property taxes.

Recall that Georgia ranked 38<sup>th</sup> out of 50 states in per capita state and local tax burden in FY2008. Tables 15, 16, and 17 show Georgia's rank for per capita sales, income and property taxes. Given Georgia's overall lower rank, these higher rankings in the core taxes suggest that Georgia is more dependent on these core taxes than other states.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**TABLE 15. FY2008 GENERAL SALES TAX (STATE AND LOCAL)**

Rank	State	\$ per capita
1	Wyoming	\$2,282
2	Washington	\$2,091
3	Hawaii	\$2,035
5	Tennessee	\$1,409
<b>Top Quintile Cutoff</b>		<b>\$1,247</b>
11	Florida	\$1,240
16	Mississippi	\$1,066
21	<b>Georgia</b>	<b>\$1,008</b>
<i>SE Mean</i>		<i>\$963</i>
<i>50- State Mean</i>		<i>\$944</i>
<i>Nat'l Median</i>		<i>\$895</i>
27	Alabama	\$887
36	North Carolina	\$781
<i>AAA Mean</i>		<i>\$718</i>
39	South Carolina	\$705
<b>Last Quintile Cutoff</b>		<b>\$663</b>
44	Virginia	\$608

Zero GST: DE, MT, NH, OR.

**TABLE 16. FY2008 PERSONAL INCOME TAX (STATE AND LOCAL)**

Rank	State	\$ per capita
1	New York	\$2,386
2	Connecticut	\$2,142
3	Maryland	\$1,977
9	Virginia	\$1,298
<b>Top Quintile Cutoff</b>		<b>\$1,216</b>
13	North Carolina	\$1,189
<i>AAA Mean</i>		<i>\$1,176</i>
<i>Nat'l Median</i>		<i>\$930</i>
27	<b>Georgia</b>	<b>\$912</b>
<i>50- State Mean</i>		<i>\$894</i>
36	Alabama	\$682
<i>SE Mean</i>		<i>\$661</i>
37	South Carolina	\$636
39	Mississippi	\$528
<b>Last Quintile Cutoff</b>		<b>\$495</b>
43	Tennessee	\$47
44T	Florida	\$0

Zero PIT: AK, FL, V, SD, TX, WA, WY.

**TABLE 17. FY2008 PROPERTY TAX (STATE AND LOCAL)**

Rank	State	\$ per capita
1	New Jersey	\$2,621
2	Connecticut	\$2,377
3	Wyoming	\$2,364
<b>Top Quintile Cutoff</b>		<b>\$1,642</b>
10	Florida	\$1,642
18	Virginia	\$1,356
<i>50- State Mean</i>		<i>\$1,256</i>
<i>Nat'l Median</i>		<i>\$1,202</i>
33	<b>Georgia</b>	<b>\$1,054</b>
<i>AAA Mean</i>		<i>\$1,008</i>
<i>SE Mean</i>		<i>\$985</i>
36	South Carolina	\$955
38	North Carolina	\$851
40	Mississippi	\$782
<b>Last Quintile Cutoff</b>		<b>\$773</b>
42	Tennessee	\$748
48	New Mexico	\$566
49	Arkansas	\$510
50	Alabama	\$493

Table 18 confirms Georgia's relatively high dependency on these core taxes compared to the national average and national "median" state. The median gives a better indication of tax mix since some states are heavily reliant on less common taxes such as gaming or severance taxes and may skew the average.

**TABLE 18. STATE AND LOCAL TAX MIX (2008)**

	National Average Per Capita		National Median Per Capita		Georgia Average Per Capita	
General Sales Tax	\$944	22%	\$895	23%	\$1,008	29%
Individual Income Tax	\$894	21%	\$930	24%	\$912	26%
Property Tax	\$1,256	29%	\$1,202	31%	\$1,054	30%
Corporate Income Tax	\$187	4%	\$139	4%	\$97	3%
Other Taxes	\$520	12%	\$211	5%	\$70	2%
Selective Sales Tax	\$480	11%	\$447	11%	\$297	9%
Motor Vehicle License	\$78	2%	\$68	2%	\$31	1%



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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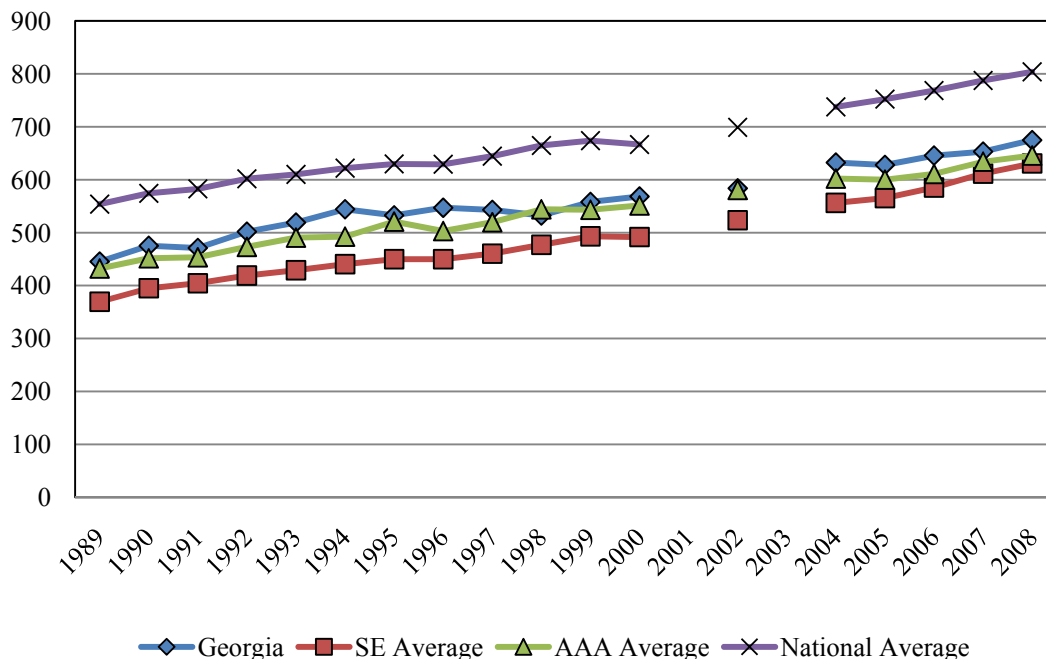
Nationally, sales taxes made up 23 percent of the median state overall tax portfolio in FY2008, the individual income tax made up around 24 percent and property taxes made up 31 percent. Five percent was composed of “other taxes,” 11 percent was composed of “selective sales” such as tobacco taxes and motor fuel taxes, and corporate income taxes made up around four percent (totaling 20 percent “non-core”). In contrast, in Georgia, sales taxes made up 29 percent of the total tax portfolio in FY2008, the income tax was 26 percent and the property tax was 30 percent of total revenues for state and local government. “Other taxes” made up two percent of Georgia’s portfolio, selective sales were nine percent and corporate income was three percent (or 14 percent “non-core” taxes).

### *Property Tax*

Property taxes made up Georgia’s largest source of tax revenue at the state and local level. Property taxes are predominantly local in Georgia, although the state collects a quarter mill. The state amount will be phased out starting in 2012. In FY2008, the AAA states and the southeastern states had a similar property tax burden on average (Table 17). Georgia is slightly above these peer states. Georgia ranked 33<sup>rd</sup> nationally (down from 32<sup>nd</sup> in 2007), which is \$202 (7.9 percent) below the 50-state average, above the southeastern state average by \$69 (5.5 percent) and above the AAA average by \$45 or 4.3 percent. Figure 10 shows steady growth in the property tax on a real per capita basis, both in Georgia and across the country.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 10. PER CAPITA PROPERTY TAX (STATE & LOCAL) (1989 DOLLARS)**

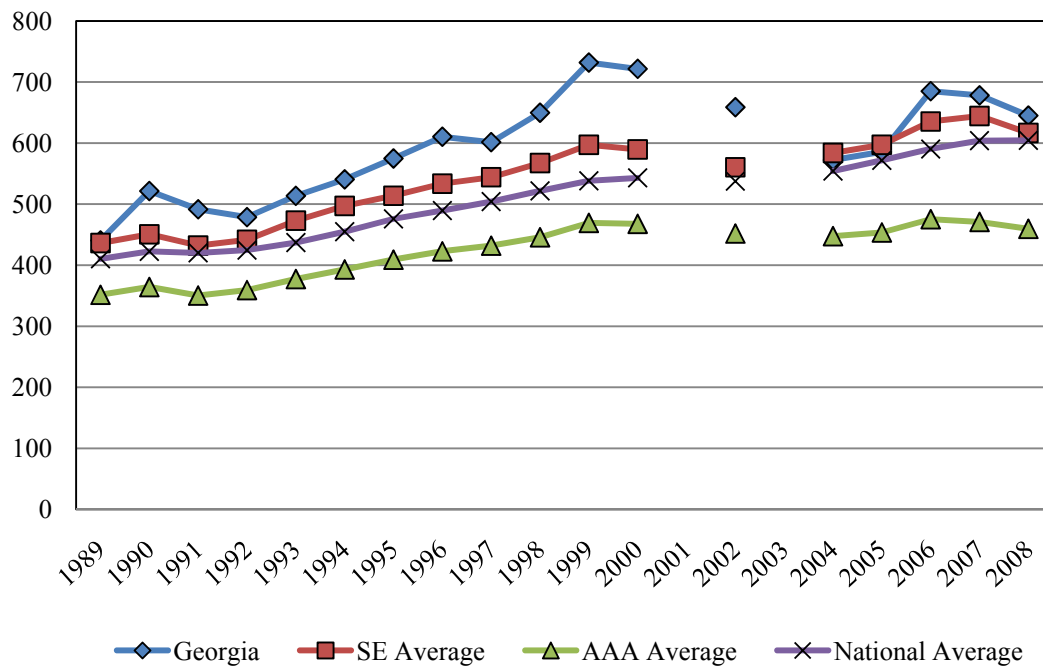


### *General Sales Tax*

The general sales tax was the second largest tax revenue generator in Georgia in FY 2008 (see Table 18) for state and local governments combined. In rank, Georgia was 21<sup>st</sup> in FY2008 down from 18<sup>th</sup> in FY2007. AAA states are less dependent on sales tax (and more dependent on income tax) than the southeastern states which have the opposite trend. Georgia falls in the middle of both sets of peer states. Georgia's sales taxes were slightly above the 50-state average by \$63 (7 percent), above the southeastern state average by \$45 (5 percent), but \$289 dollars above the AAA mean or 40 percent in FY2008. Figure 11 shows Georgia's historic reliance on the sales tax, which has generally been greater than the national average or peer states.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 11. PER CAPITA STATE AND LOCAL GENERAL SALES TAX (1989 DOLLARS)**



As with own source revenues, taxes generally, and charges and miscellaneous revenue, the state's relatively high overall ranking is largely driven by the local sales tax. Tables 19 and 20 show that the state government's general sales tax revenue brings in \$598 per capita which ranks 37<sup>th</sup> in the country and 5<sup>th</sup> in the southeast. In aggregate, local sales tax revenues are \$410 per capita, which ranks 8<sup>th</sup> in the nation and 1<sup>st</sup> in the southeast. Also, the FY2009 and estimated FY2010 state-only data allows us to see the decline in state sales tax revenue and the decline in Georgia's ranking in sales tax per capita as the state has absorbed the impact of the recession. Measuring state level sales taxes only, in FY2008 (Table 19) Georgia ranks 37<sup>th</sup> in the nation, this is \$168 (22 percent) below the national average (which is almost exactly the same as the southeastern state average) and \$30 or 5 percent above the AAA mean. The FY2009 and FY2010 data in Tables 21-22 shows that Georgia's sales tax revenues and relative rank have continued to decline. In FY2009, Georgia was \$10 above the AAA average but had slipped below the 50 state mean by \$190 or 26 percent and was below the southeastern average by \$166 or 24 percent. By FY2010, the state had fallen further, below even the AAA average. The relative

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**TABLE 19. FY2008 GENERAL  
SALES TAX (STATE ONLY)**

Rank	State	\$ per capita
1	Hawaii	\$2,035
2	Wyoming	\$1,841
3	Washington	\$1,728
5	Florida	\$1,168
6	Tennessee	\$1,095
7	Mississippi	\$1,066
<i>Top Quintile Cutoff</i>		<b>\$990</b>
<i>Nat'l Median</i>		<b>\$768</b>
<i>SE Mean</i>		<b>\$767</b>
<i>50-State Mean</i>		<b>\$766</b>
30	South Carolina	\$678
<b>37</b>	<b>Georgia</b>	<b>\$598</b>
40	North Carolina	\$570
<i>AAA Mean</i>		<b>\$568</b>
<i>Last Quintile Cutoff</i>		<b>\$546</b>
43	Alabama	\$489
44	Virginia	\$469
45	Colorado	\$469

**TABLE 20. FY2008 GENERAL  
SALES TAX (LOCAL ONLY)**

Rank	State	\$ per capita
1	Louisiana	\$820
2	New York	\$603
3	Colorado	\$597
<b>8</b>	<b>Georgia</b>	<b>\$410</b>
9	Alabama	\$398
<i>Top Quintile Cutoff</i>		<b>\$364</b>
13	Tennessee	\$314
20	North Carolina	\$212
<i>SE Mean</i>		<b>\$196</b>
<i>50-State Mean</i>		<b>\$178</b>
<i>AAA Mean</i>		<b>\$150</b>
25	Virginia	\$138
<i>Nat'l Median</i>		<b>\$126</b>
28	Florida	\$72
30	South Carolina	\$27
35	Mississippi	\$0
<i>Last Quintile Cutoff</i>		<b>\$0</b>

Zero GST: AK, DE, MT, NH, OR.

rankings for the other states are similar, except that North Carolina jumped from 40<sup>th</sup> to 31<sup>st</sup> (or by \$95 per capita) in part because the state raised its sales tax rate in response to the recession.

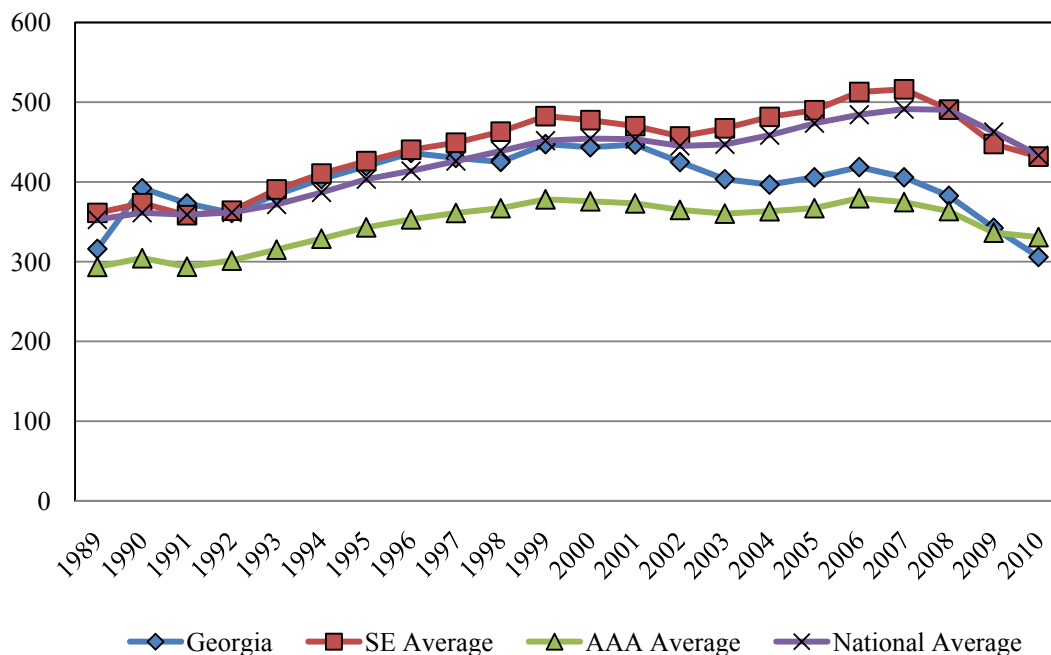
## Comparing Georgia's Revenue Portfolio to Regional and National Peers

TABLE 21. FY2009 GENERAL SALES TAX (STATE ONLY)			TABLE 22. FY2010 GENERAL SALES TAX (STATE ONLY)		
Rank	State	\$ per capita	Rank	State	\$ per capita
1	Hawaii	\$1,901	1	Hawaii	\$1,822
2	Wyoming	\$1,819	2	Washington	\$1,422
3	Washington	\$1,506	3	Wyoming	\$1,112
4	Florida	\$1,037	4	Tennessee	\$981
5	Mississippi	\$1,025	6	Mississippi	\$965
7	Tennessee	\$1,010	7	Florida	\$946
<i>Top Quintile Cutoff</i>		<b>\$950</b>	<i>Top Quintile Cutoff</i>		<b>\$925</b>
<i>50-State Mean</i>		<b>\$730</b>	<i>50-State Mean</i>		<b>\$689</b>
<i>Nat'l Median</i>		<b>\$727</b>	<i>SE Mean</i>		<b>\$686</b>
<i>SE Mean</i>		<b>\$706</b>	<i>Nat'l Median</i>		<b>\$685</b>
31	South Carolina	\$638	31	North Carolina	\$624
<b>39</b>	<b>Georgia</b>	<b>\$540</b>	34	South Carolina	\$597
<i>AAA Mean</i>		<b>\$530</b>	<i>AAA Mean</i>		<b>\$526</b>
40	North Carolina	\$529	<i>Last Quintile Cutoff</i>		<b>\$487</b>
<i>Last Quintile Cutoff</i>		<b>\$516</b>	<b>42</b>	<b>Georgia</b>	<b>\$486</b>
43	Alabama	\$439	43	Virginia	\$449
44	Virginia	\$428	44	Alabama	\$439
45	Colorado	\$423	45	Colorado	\$406

Figure 12 shows that Georgia's state level sales tax revenues have declined on a per capita inflation adjusted basis since 2001. Prior to 2001, Georgia's sales tax revenues tracked closely with the national and southeastern average. Currently, the state is collecting fewer sales tax revenues on a real per capita basis than it did in 1989.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 12. STATE ONLY PER CAPITA GENERAL SALES TAX (1989 DOLLARS)**



Looking at the underlying influences on the southeastern states, it appears that, on average, neighboring states have raised sales taxes, expanded their base, or otherwise taken action to keep their sales tax revenues growing over the past decade. Over the same period, Georgia has adopted incremental tax reductions (such as minor exemptions and sales tax holidays). In 2003, Tennessee raised its sales tax revenues by 1 percentage point. South Carolina first allowed the sales tax reduction on food to expire from 2002 through 2003 which kept revenues up during the recession, but then phased it out from 2004-2007. North Carolina raised the sales tax by half a cent in 2005, dropped it by 0.25 percentage point in 2006, and then raised it again by one percent in 2009. In 2005, Virginia increased its sales tax by a 0.5 percentage point. Although there have been some sales tax cuts as well among peer states, the overall effect has been adjustments to raise sales tax revenues.<sup>8</sup>

<sup>8</sup> See Buschman (2010) for more detail.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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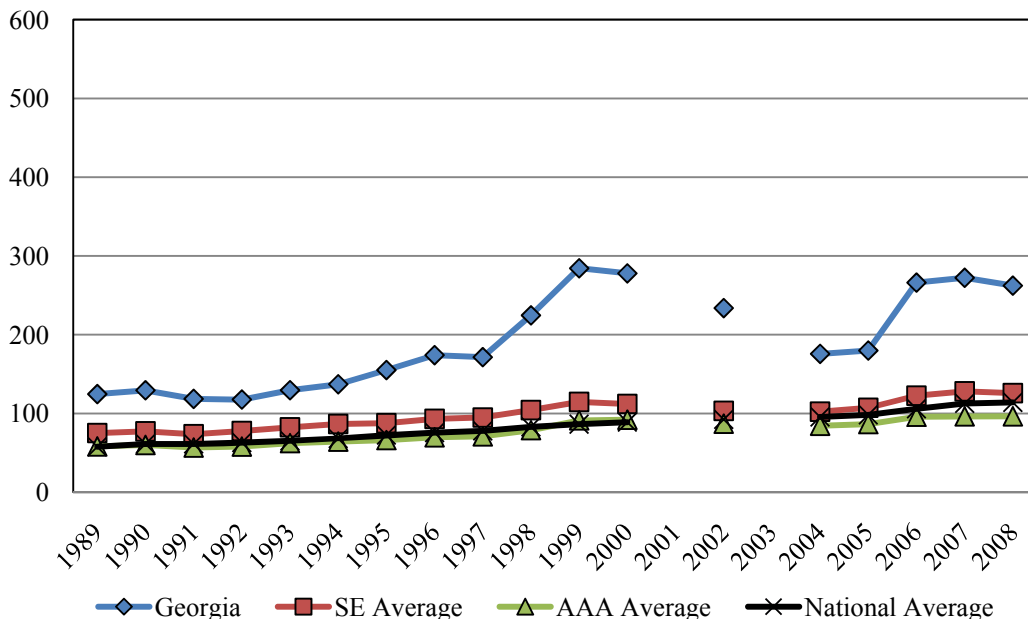
Compared to states nationally, other states have trended down as well, particularly over the last four or five years, but most have not trended downward as significantly as Georgia. Over the past 22 years, Georgia's state real sales tax revenues per capita declined by three percent, the 6<sup>th</sup> largest decline in the nation. Over the past decade, Georgia's real sales tax revenues per capita declined by 31 percent, the 2<sup>nd</sup> largest decline in the nation (see Appendix Table A-2 for details).

While sales tax revenues per capita have declined at the state level, Georgia's local government sales tax revenues per capita have increased. This growth appears to be driven by local use of the sales tax for capital investment. In FY2008, local level sales taxes in Georgia ranked 8<sup>th</sup> nationally, and 1<sup>st</sup> among the southeastern states (Table 20). Although high relative to peer states, it is important to keep in mind that only 30 states actually permit a local sales tax. In FY2008 Georgia was \$259 (172 percent) above the AAA state average, \$232 (130 percent) above the 50-state mean, and \$213 (109 percent) above the southeastern state average.

Figure 13 shows that for the past 20 years, local sales taxes have always been above the national, southeastern, and AAA averages. The trends in local sales tax revenues also are much "lumpier," with significant increases in 1998 and 1999 followed by a period of decline and then another sharp increase in 2006. These jumps in revenues per capita reflect the extensive use of sales tax revenues for capital investment at the local level. For instance, the sharp jump upward in 1996-97 reflects state approval of the education local option sales tax (ELOST). The more recent increase in 2006 reflects a combination of factors including economic growth as well as the adoption of the municipal option sales tax for the City of Atlanta and the resumption of special local option sales taxes (SPLOST) after a number of counties let theirs lapse during the 2002-2003 recession.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 13. LOCAL PER CAPITA GENERAL SALES TAX (1989 DOLLARS)**



### *Individual Income Tax*

The individual income tax is collected only at the state level in Georgia (although this is not so for some other states). Based on Table 16, the state ranked 27<sup>th</sup> in FY2008 (down from 25<sup>th</sup> in FY2007) and was slightly above the 50-state average by \$18 or 2 percent in terms of state plus local income tax revenue. Georgia ranked 3<sup>rd</sup> in the southeast. Georgia is above the southeastern state average by \$251 or 38 percent and below the AAA average by \$264 or 22 percent.

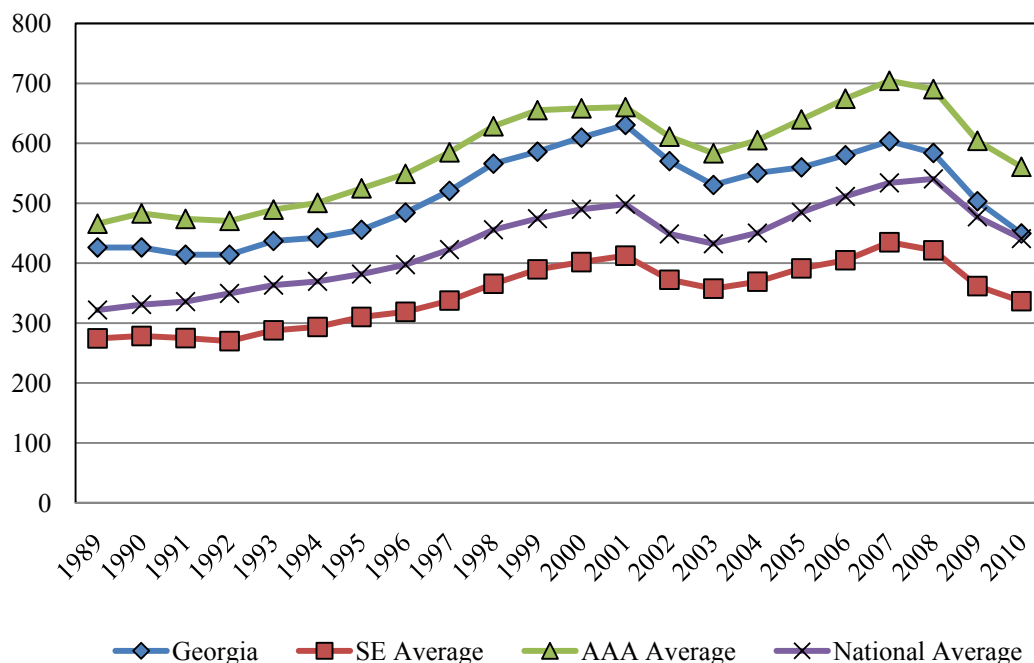
Tables 23-25 show the *state only* ranking from FY2008 through FY2010. Once we drop out states with local income taxes, Georgia's relative ranking climbs to 23<sup>rd</sup>. However, the trends show that Georgia's income tax burden, relative to other states, continues downward, with the state ranking 25<sup>th</sup> in FY2009 and 28<sup>th</sup> in FY2010. Figure 14 shows that Georgia's income tax revenues per capita originally tracked fairly consistently just below the AAA average until around 2004, at which point Georgia's income tax revenues began to trend downward relative to the AAA average until in FY2010 Georgia's income tax revenues nearly equal the 50-state



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

TABLE 23. FY2008 INDIVIDUAL INCOME TAX (STATE ONLY)			TABLE 24. FY2009 INDIVIDUAL INCOME TAX (STATE ONLY)			TABLE 25. FY2010 INDIVIDUAL INCOME TAX (STATE ONLY)		
Rank	State	\$ per capita	Rank	State	\$ per capita	Rank	State	\$ per capita
1	Connecticut	\$2,142	1	New York	\$1,885	1	New York	\$1,789
2	Massachusetts	\$1,910	2	Connecticut	\$1,813	2	Massachusetts	\$1,516
3	New York	\$1,878	3	Massachusetts	\$1,607	3	Connecticut	\$1,504
8	Virginia	\$1,298	9	Virginia	\$1,131	9	Virginia	\$1,098
<b>Top Quintile Cutoff</b>		<b>\$1,200</b>	<b>Top Quintile Cutoff</b>		<b>\$1,100</b>	<b>Top Quintile Cutoff</b>		<b>\$1,088</b>
11	North Carolina	\$1,189	14	North Carolina	\$1,019	14	North Carolina	\$974
<b>AAA Mean</b>		<b>\$1,079</b>	<b>AAA Mean</b>		<b>\$953</b>	<b>AAA Mean</b>		<b>\$891</b>
<b>23</b>	<b>Georgia</b>	<b>\$912</b>	<b>25</b>	<b>Georgia</b>	<b>\$794</b>	<b>28</b>	<b>Georgia</b>	<b>\$714</b>
<b>Nat'l Median</b>		<b>\$857</b>	<b>Nat'l Median</b>		<b>\$784</b>	<b>Nat'l Median</b>		<b>\$728</b>
<b>50- State Mean</b>		<b>\$845</b>	<b>50- State Mean</b>		<b>\$753</b>	<b>50- State Mean</b>		<b>\$701</b>
<b>SE Mean</b>		<b>\$658</b>	<b>SE Mean</b>		<b>\$570</b>	<b>SE Mean</b>		<b>\$535</b>
36	Alabama	\$658	37	Alabama	\$565	35	Alabama	\$528
37	South Carolina	\$636	38	South Carolina	\$516	37	South Carolina	\$478
39	Mississippi	\$528	39	Mississippi	\$503	39	Mississippi	\$458
<b>Last Quintile Cutoff</b>		<b>\$495</b>	<b>Last Quintile Cutoff</b>		<b>\$297</b>	<b>Last Quintile Cutoff</b>		<b>\$319</b>
43	Tennessee	\$47	43	Tennessee	\$35	43	Tennessee	\$27

**FIGURE 14. PER CAPITA INDIVIDUAL INCOME TAX (STATE ONLY) (1989 DOLLARS)**



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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average. Georgia's real income tax revenues per capita in FY2010 are almost exactly equal to Georgia's revenues in FY1995.

This trend appears to be more a function of the economy than of significant changes in tax rates by other states or by Georgia (Buschman 2010). From 1989-2010, Georgia's real per capita income tax revenues have grown by 5 percent. The state's real income tax revenues per capita grew in the 1990s; however, in the past decade, most of the gains were erased as Georgia's real per capita income tax revenues declined by 26 percent – the 8<sup>th</sup> largest decline in the nation (see Appendix Table A-3 for details).

### *Corporate Income Tax*

The corporate income tax is a relatively small tax generator in Georgia at \$97 per capita (3.9 percent of all taxes). Table 26 provides the rankings and per capita tax burden for the corporate income tax in FY 2008. Georgia ranks 41<sup>st</sup> nationally and 7<sup>th</sup> out of the 8 southeastern states. Georgia is \$90 (48 percent) below the 50-state average, \$46 (32 percent) below the AAA rated states, and \$18 (16 percent) below the southeastern state average. Given that four states do not have a corporate income tax, this makes Georgia's corporate income tax revenues per capita 4<sup>th</sup> lowest in the nation.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**TABLE 26. FY2008 CORPORATE  
INCOME TAX (STATE AND LOCAL)**

Rank	State	\$ per capita
1	Alaska	\$1,427
2	New York	\$582
3	New Hampshire	\$465
<b>Top Quintile Cutoff</b>		<b>\$243</b>
<i>50- State Mean</i>		<i>\$187</i>
18	Tennessee	\$161
<i>AAA Mean</i>		<i>\$143</i>
<b>Nat'l Median</b>		<b>\$139</b>
28	Mississippi	\$131
30	North Carolina	\$130
34	Florida	\$120
<i>SE Mean</i>		<i>\$115</i>
37	Alabama	\$112
39	Virginia	\$101
<b>Last Quintile Cutoff</b>		<b>\$97</b>
<b>41</b>	<b>Georgia</b>	<b>\$97</b>
45	South Carolina	\$71
46	Missouri	\$64
47	Nevada	\$0
47	Texas	\$0
47	Washington	\$0
47	Wyoming	\$0

Zero CIT: NV, TX, WA, WY.

For the corporate income tax, FY2009 and FY2010 estimated numbers are available at the state level only (Table 28-29). In Georgia, only the state has access to the corporate income tax, but this is not necessarily the case in other states. When other states' local corporate income taxes are removed, Georgia still retains its 41<sup>st</sup> ranking in FY2008 (Table 27). In FY2009 Georgia's ranking rose to 38<sup>th</sup> and in FY2010 it appears that Georgia will again move up to 34<sup>th</sup> – this has occurred even though the per capita value of Georgia's corporate income tax dropped from \$97 to \$70.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

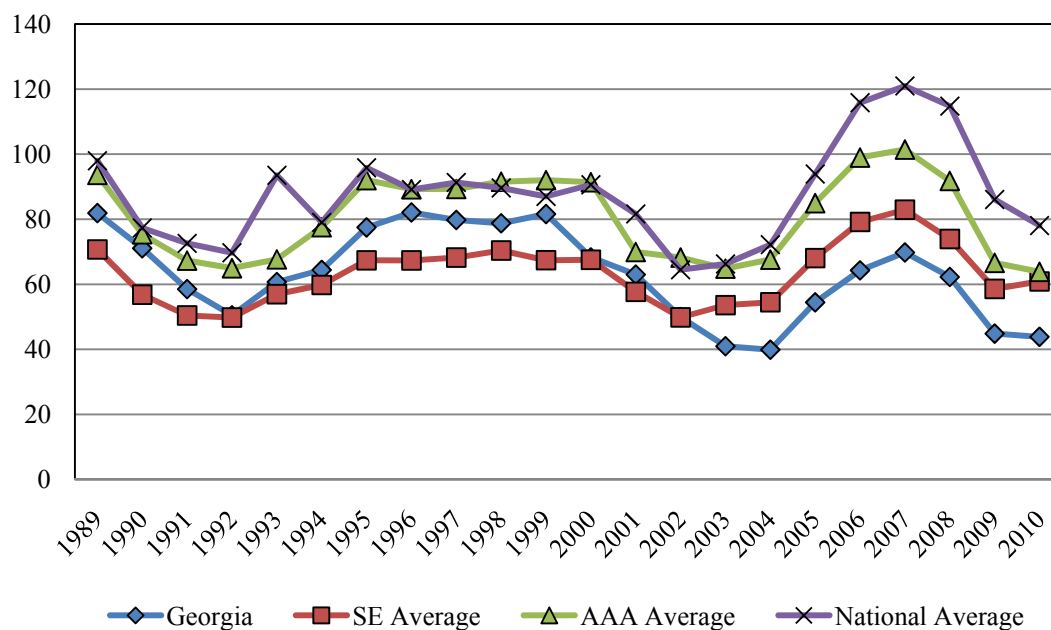
TABLE 27. FY2008 CORPORATE INCOME (STATE ONLY)			TABLE 28. FY2009 CORPORATE INCOME (STATE ONLY)			TABLE 29. FY2010 CORPORATE INCOME (STATE ONLY)		
Rank	State	\$ per capita	Rank	State	\$ per capita	Rank	State	\$ per capita
1	Alaska	\$1,427	1	Alaska	\$906	1	Alaska	\$921
2	New Hampshire	\$465	2	New Hampshire	\$372	2	New Hampshire	\$377
3	Delaware	\$352	3	New Jersey	\$275	3	Massachusetts	\$257
<b>Top Quintile Cutoff</b>		<b>\$243</b>	<b>Top Quintile Cutoff</b>		<b>\$200</b>	<b>Top Quintile Cutoff</b>		<b>\$156</b>
<b>50- State Mean</b>		<b>\$179</b>	<b>50- State Mean</b>		<b>\$136</b>	11	Tennessee	\$143
18	Tennessee	\$161	19	Tennessee	\$130	13	North Carolina	\$138
<b>AAA Mean</b>		<b>\$143</b>	24	Mississippi	\$110	<b>50- State Mean</b>		<b>\$124</b>
<b>Nat'l Median</b>		<b>\$134</b>	<b>Nat'l Median</b>		<b>\$107</b>	22	Mississippi	\$107
26	Mississippi	\$131	<b>AAA Mean</b>		<b>\$105</b>	<b>AAA Mean</b>		<b>\$101</b>
28	North Carolina	\$130	26	Alabama	\$105	24	Virginia	\$100
34	Florida	\$120	29	Florida	\$99	<b>Nat'l Median</b>		<b>\$97</b>
<b>SE Mean</b>		<b>\$115</b>	30	North Carolina	\$96	<b>SE Mean</b>		<b>\$97</b>
37	Alabama	\$112	<b>SE Mean</b>		<b>\$92</b>	26	Florida	\$97
39	Virginia	\$101	37	Virginia	\$80	30	Alabama	\$91
<b>Last Quintile Cutoff</b>		<b>\$97</b>	38	<b>Georgia</b>	<b>\$71</b>	34	<b>Georgia</b>	<b>\$70</b>
41	<b>Georgia</b>	<b>\$97</b>	<b>Last Quintile Cutoff</b>		<b>\$65</b>	<b>Last Quintile Cutoff</b>		<b>\$44</b>
44	South Carolina	\$71	44	South Carolina	\$48	44	South Carolina	\$28
45	Ohio	\$65	45	Missouri	\$47	45	New Mexico	\$27
46	Missouri	\$64	46	Ohio	\$45	46	Ohio	\$11

Examining the underlying data suggests that part of the issue is simply economic rather than any particular tax change (states that fell below Georgia include Arizona, Colorado and Idaho which were significantly affected by the recession). However, there may also be different aspects of the corporate income tax structures such as requirements around the timing of recognizing losses that creates more variability in revenues per capita during a recession across states.

Figure 15 shows the trend over time. Georgia's per capita corporate income tax revenues were higher or equal to the southeastern state average until FY 2002 but have been consistently lower from 2003 to current. Overall, corporate income tax revenues per capita are volatile but ultimately trend downward in Georgia. Georgia's real per capita corporate income taxes have declined by 46 percent, 9<sup>th</sup> in the nation, from 1989 to 2010, and revenues declined by 36 percent or 10<sup>th</sup> in the nation over the past decade (see Appendix Table A-4 for details).

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 15. PER CAPITA CORPORATE INCOME TAXES (STATE ONLY) (1989 DOLLARS)**



### *Selective Sales Tax*

As noted earlier, while Georgia is in middle of the state rankings in its core taxes, in selective sales and other smaller taxes, Georgia ranks near the bottom. Examining “selective sales” taxes overall, Georgia ranked 48<sup>th</sup> in the nation and last in the southeast for combined state and local per capita selective sales taxes (Table 30). At \$297 per capita, Georgia’s tax burden was \$183 (38 percent) below the 50-state average, \$141 (32 percent) below AAA rated states, and \$133 (31 percent) below the southeastern states average in FY 2008. Figure 16 shows that selective sales for Georgia have historically been well below the national average as well as below peer states and has been more or less flat in terms of real per capita growth over time.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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**TABLE 30. FY2008 SELECTIVE  
SALES TAXES (STATE AND LOCAL)**

<b>Rank</b>	<b>State</b>	<b>\$ per capita</b>
1	Nevada	\$965
2	Vermont	\$842
3	Illinois	\$776
8	Florida	\$631
<i>Top Quintile Cutoff</i>		<b>\$581</b>
21	Alabama	\$520
23	Virginia	\$493
<i>50- State Mean</i>		<b>\$480</b>
<i>Nat'l Median</i>		<b>\$447</b>
<i>AAA Mean</i>		<b>\$438</b>
<i>SE Mean</i>		<b>\$430</b>
30	North Carolina	\$424
32	Mississippi	\$406
39	Tennessee	\$353
<i>Last Quintile Cutoff</i>		<b>\$339</b>
43	South Carolina	\$315
<b>48</b>	<b>Georgia</b>	<b>\$297</b>
49	Oregon	\$290
50	Idaho	\$278

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 16. PER CAPITA STATE AND LOCAL SELECTIVE SALES TAX (1989 DOLLARS)**

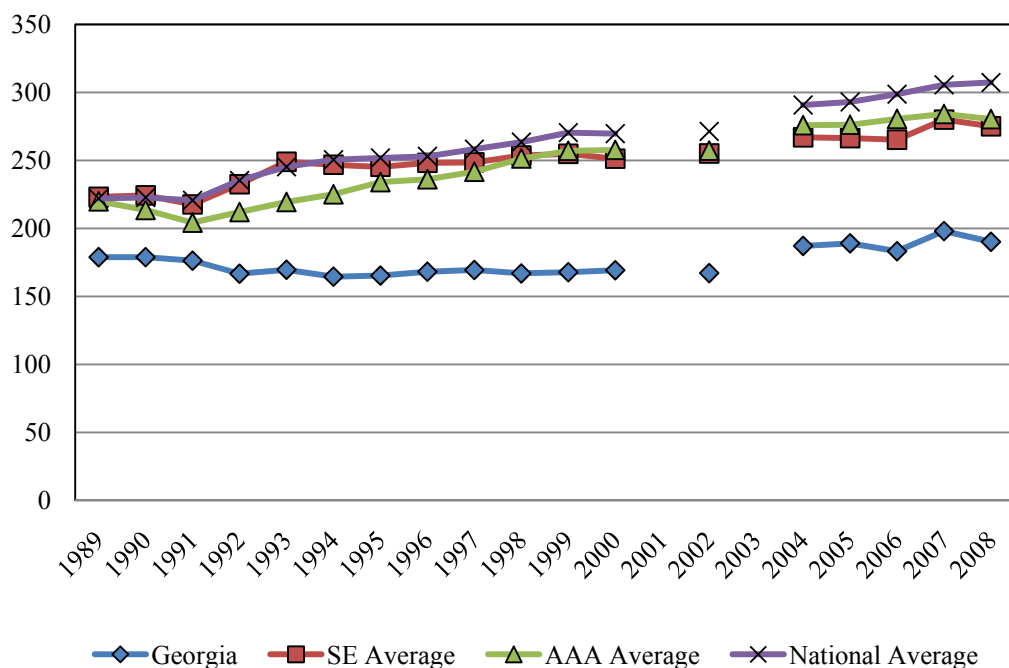


Table 31 shows the breakdown of Georgia's rank by type of selective sales tax. Two of the major drivers of Georgia's low relative rank are the motor fuel tax and the tobacco tax, where Georgia ranks 43<sup>rd</sup> and 46<sup>th</sup> in the nation, respectively.

**TABLE 31. GEORGIA'S RANK FOR SELECTIVE SALES (FY 2008)**

	Amount	50-State	Southeast
Motor Fuel	\$104	43th	8th
Tobacco Product	\$24	46th	6th
Alcoholic Beverage	\$30	12th	6th
Public Utilities	\$29	38th	5th
Other	\$110	38th	7th

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

State-only data is available for FY2009 and FY2010 and is shown in Tables 32-34. These indicate that again Georgia as a state is at the bottom in these taxes, ranking 50<sup>th</sup> in the nation. Figure 17 shows that after an uptick during the past decade the state selective sales tax revenues per capita are now trending downward and are at a 20 year low.

**TABLE 32. FY2008 SELECTIVE SALES TAXES (STATE ONLY)**

Rank	State	\$ per capita
1	Vermont	\$831
2	Nevada	\$708
3	Connecticut	\$647
<b>Top Quintile Cutoff</b>		<b>\$536</b>
18	Alabama	\$459
23	Florida	\$422
<b>Nat'l Median</b>		<b>\$416</b>
26	Indiana	\$416
<b>50- State Mean</b>		<b>\$413</b>
28	North Carolina	\$396
30	Mississippi	\$372
<b>AAA Mean</b>		<b>\$359</b>
<b>SE Mean</b>		<b>\$339</b>
35	Virginia	\$313
38	Tennessee	\$285
40	South Carolina	\$273
<b>Last Quintile Cutoff</b>		<b>\$264</b>
48	California	\$214
49	Oregon	\$201
50	Georgia	\$195

**TABLE 33. FY2009 SELECTIVE SALES TAXES (STATE ONLY)**

Rank	State	\$ per capita
1	Vermont	\$805
2	Nevada	\$627
3	New Hampshire	\$626
<b>Top Quintile Cutoff</b>		<b>\$536</b>
18	Alabama	\$453
24	Florida	\$412
<b>Nat'l Median</b>		<b>\$404</b>
<b>50- State Mean</b>		<b>\$401</b>
28	Mississippi	\$377
29	North Carolina	\$370
<b>AAA Mean</b>		<b>\$341</b>
<b>SE Mean</b>		<b>\$321</b>
38	Virginia	\$271
<b>Last Quintile Cutoff</b>		<b>\$261</b>
41	Tennessee	\$261
43	South Carolina	\$256
48	California	\$200
49	Oregon	\$195
50	Georgia	\$172

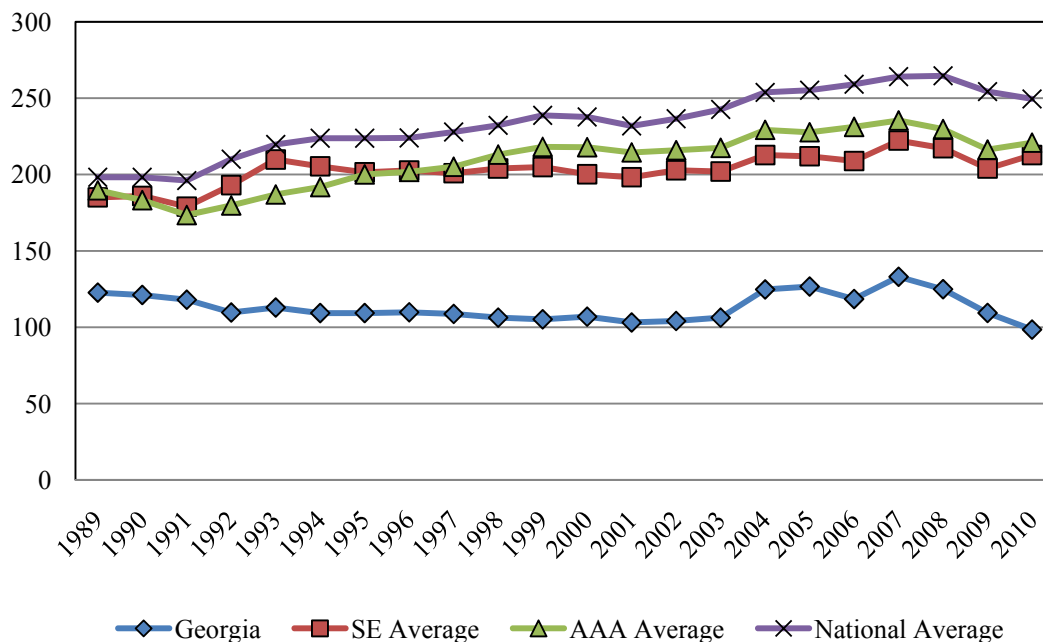
**TABLE 34. FY2010 SELECTIVE SALES TAXES (STATE ONLY)**

Rank	State	\$ per capita
1	Minnesota	\$656
2	Nevada	\$649
3	Vermont	\$642
<b>Top Quintile Cutoff</b>		<b>\$546</b>
14	Florida	\$473
16	Alabama	\$448
21	Mississippi	\$409
<b>50- State Mean</b>		<b>\$396</b>
25	North Carolina	\$381
<b>Nat'l Median</b>		<b>\$380</b>
<b>AAA Mean</b>		<b>\$351</b>
<b>SE Mean</b>		<b>\$338</b>
36	Tennessee	\$292
40	Virginia	\$276
<b>Last Quintile Cutoff</b>		<b>\$271</b>
41	South Carolina	\$271
48	California	\$200
49	Oregon	\$198
50	Georgia	\$156



## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 17. PER CAPITA STATE SELECTIVE SALES TAXES (1989 DOLLARS)**

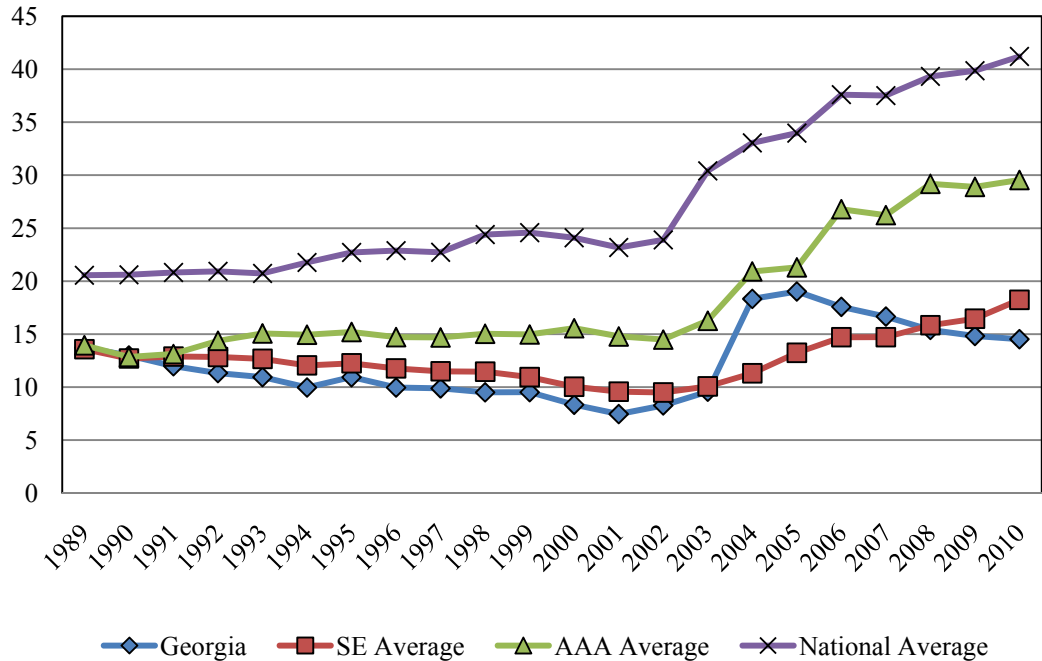


### *Tobacco*

Motor fuel taxes and a host of "other taxes" are the main drivers of Georgia's selective sales ranking. Although tobacco makes up a small portion of the total selective sales taxes, Georgia's tobacco tax is low compared to its peer states. Figure 18 shows the trend over time for tobacco taxes. The tobacco tax in Georgia was below the southeastern average through 2003. In 2003, the state raised the tax by 25 cents; however, since then the tax has declined on a real per capita basis even as other states have raised their taxes. Nationally and among AAA states, there has been a concerted effort to raise this tax (Buschman 2010).

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 18. PER CAPITA TOBACCO PRODUCTS TAX (1989 DOLLARS)**

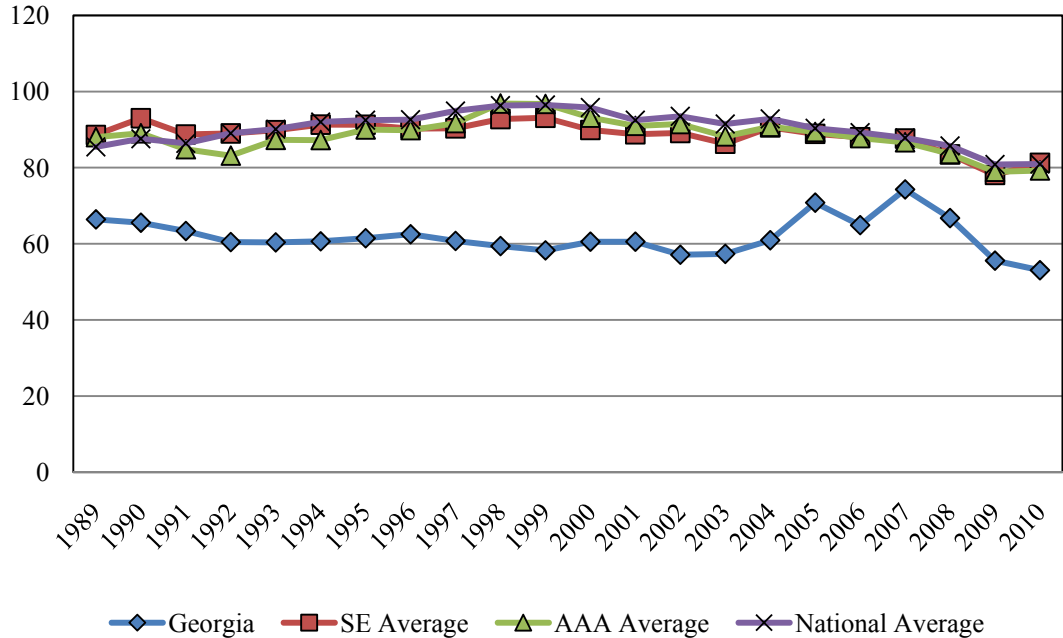


### *Motor Fuel*

Motor Fuel taxes have also been declining, Georgia ranks last in the southeast and has some of the lowest revenue per capita from the gas tax in the country (Figure 19). In FY2010, Georgia's motor fuel tax revenues were \$44 per capita (35 percent) below the southeastern average.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**FIGURE 19. PER CAPITA MOTOR FUEL (STATE ONLY) (1989 DOLLARS)**



### *Other Selective Sales Taxes*

Georgia also ranks fairly low (38th) in "other" selective sales taxes per capita. Other selective sales taxes include various health care related assessments, special sales taxes on motor vehicle purchases, and sales taxes intended to capture revenues from tourism such as taxes on car rentals and special hotel/motel taxes. These also include amusement sales taxes and taxes on gambling.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

### IV. Other Taxes

Finally, there are a variety of other taxes that other states utilize that Georgia is less reliant upon. Motor vehicle license fees are a small amount of revenue (Table 35) but Georgia is 49th in the nation, below all peer states and brings in less than half of the national median. "Other taxes" make up a larger percentage of most states' tax portfolios and include a variety of taxes such as severance taxes (a tax on natural resources extracted from the state—see Alaska for a good example), estate taxes, real estate transfer taxes, other taxes or fees on professional licenses, and documentary or stock transfer taxes. Again, Georgia ranks 50th (Table 36) and is 28 percent below the 49th state. Georgia is 75 percent below the southeastern average.

**TABLE 35. FY2008 MOTOR  
VEHICLE LICENSE  
(STATE AND LOCAL)**

Rank	State	\$ per capita
1	Hawaii	\$184
2	Oklahoma	\$175
3	Montana	\$156
<b>Top Quintile Cutoff</b>		<b>\$103</b>
	<b>50- State Mean</b>	<b>\$78</b>
25	North Carolina	\$70
<b>Nat'l Median</b>		<b>\$68</b>
27	Tennessee	\$66
30	Virginia	\$65
	<b>AAA Mean</b>	<b>\$64</b>
32	Florida	\$63
	<b>SE Mean</b>	<b>\$53</b>
38	Alabama	\$50
<b>Last Quintile Cutoff</b>		<b>\$49</b>
45	Mississippi	\$42
48	South Carolina	\$36
<b>49</b>	<b>Georgia</b>	<b>\$31</b>
50	Louisiana	\$20

**TABLE 36. FY2008 OTHER TAXES  
(STATE AND LOCAL)**

Rank	State	\$ per capita
1	Alaska	\$10,246
2	Wyoming	\$1,842
3	North Dakota	\$1,382
	<b>50- State Mean</b>	<b>\$425</b>
<b>Top Quintile Cutoff</b>		<b>\$422</b>
	<b>AAA Mean</b>	<b>\$405</b>
18	Florida	\$285
<b>Nat'l Median</b>		<b>\$284</b>
19	Virginia	\$277
	<b>SE Mean</b>	<b>\$275</b>
20	Tennessee	\$260
21	Alabama	\$259
26	South Carolina	\$206
31	Mississippi	\$178
<b>Last Quintile Cutoff</b>		<b>\$149</b>
42	North Carolina	\$145
48	Hawaii	\$98
49	Arkansas	\$97
<b>50</b>	<b>Georgia</b>	<b>\$70</b>

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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### V. Conclusion

Overall Georgia's *state* taxes per capita are well below national, southeastern and AAA-state averages and for many specific taxes in the bottom quartile of states. Further, Georgia's relative rank as a state has been declining—a trend evident by the increasing gap between the national average and Georgia's real taxes per capita. In FY2008, Georgia was 50<sup>th</sup> in the nation in own source revenues per capita, while more recent data on taxes indicates that Georgia is now 49<sup>th</sup> in the nation in tax revenues per capita in FY2010. The addition of local taxes pushes Georgia more into alignment with southeastern averages but the state is still below AAA states and national averages across most tax types.

In part, the local growth in taxes appears to be driven by local use of sales tax dollars to finance capital investment. Georgia's reliance on local taxes needs further analysis for several reasons. First, it is possible that local per capita tax growth could be uneven. Because local government revenues from the Census are reported in aggregate, it is not clear whether certain regions of the state are driving the increases in local taxes per capita or whether the growth is evenly distributed across the state. Second, local governments are financing infrastructure on a cash basis using the sales tax revenues rather than using debt financing over longer periods. Debt financing may smooth investment over 20 years, but may also *underrepresent* total revenues being tapped by other states relative to Georgia. In other words, Georgia has a relatively higher tax burden now because it is paying for infrastructure upfront (with cash), but over the long term the burden will be lower because state and local governments are carrying a lower long-term debt burden as compared to peer states. Finally, reliance on local taxes raises issues of disparity across the state which may or may not be a desirable policy outcome. On the one hand, rural areas with low tax bases may not want or need the same amount of public services that more urban areas require. On the other hand, in areas such as education funding and infrastructure, local governments with low tax bases may fall significantly behind urban areas in terms of the services or the quality of services that they are able to provide. Financing government services at the state level tends (although not always) to create a more even distribution of services across the state.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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Lastly, when considering Georgia's combined state and local tax portfolio, Georgia overall is more reliant on its core taxes than other states—sales tax, income tax and property tax – while Georgia ranks among the bottom ten for non-core taxes and charges and miscellaneous revenues. Georgia's relative rank for charges and miscellaneous revenues may increase in future years as a concerted effort was made to increase this source of revenue for FY2011. However, Georgia's non-core taxes have been relatively flat on a real per capita basis over the past 20 years, and in so far as the state is considering increasing taxes, may be an alternative to increases in core taxes.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

**TABLE 37. GEORGIA'S REVENUE PORTFOLIO: SUMMARY**

<b>State-Only Revenue Portfolio FY08-FY10</b>	<b>FY2008</b>	<b>Rank</b>	<b>FY2009</b>	<b>Rank</b>	<b>FY2010</b>	<b>Rank</b>	<b>% Below/ Above National Average in FY2010</b>	<b>National Average</b>
Income	\$912	23	\$794	25	\$714	28	1.9%	\$701
General Sales	\$598	37	\$540	39	\$486	42	-29.4%	\$689
Property	\$8	22	\$8	22	\$9	22	-90.6%	\$92
Corporate Income	\$97	41	\$71	38	\$70	34	-43.8%	\$124
Selective Sales	\$195	50	\$172	50	\$156	50	-60.5%	\$396
Motor Vehicle License	\$31	48	\$29	49	\$29	48	-59.5%	\$72
Other Taxes	\$22	50	\$22	50	\$28	50	-91.6%	\$330
<b>Total</b>	<b>\$1,863</b>	<b>44</b>	<b>\$1,636</b>	<b>48</b>	<b>\$1,492</b>	<b>49</b>		

**States Without a Tax Type (State-only)**

Zero IIT: AK, FL, NV,SD, TX, WA, WY

Zero GST: AK, DE, MT, NH, OR.

Zero PT: CO, CT, DE, HI, ID, IA, NY, NC, OH, OK, SD, TN, TX, UT

Zero CI: NV, TX, WA, WY.

<b>State and Local Revenue Portfolio FY06-FY08</b>	<b>FY2006</b>	<b>Rank</b>	<b>FY2007</b>	<b>Rank</b>	<b>FY2008</b>	<b>Rank</b>	<b>% Below/ Above National Average in FY2008</b>	<b>National Average</b>
Income	\$862	24	\$923	25	\$912	27	2.0%	\$894
General Sales	\$1,017	16	\$1,037	18	\$1,008	21	6.7%	\$944
Property	\$959	33	\$998	32	\$1,054	33	-16.1%	\$1,256
Corporate Income	\$95	42	\$107	40	\$97	41	-48.0%	\$187
Selective Sales	\$272	50	\$303	47	\$297	48	-38.1%	\$480
Motor Vehicle License	\$30	50	\$30	49	\$31	49	-60.9%	\$78
Other Taxes	\$90	50	\$72	50	\$70	50	-86.6%	\$520
<b>Total</b>	<b>\$3,325</b>	<b>35</b>	<b>\$3,470</b>	<b>34</b>	<b>\$3,468</b>	<b>38</b>		
Other Charges and Miscellaneous Revenue	\$1,434	46	\$1,617	42	\$1,673	43	-23.3%	\$2,182

**States Without a Tax Type (State and Local)**

Zero IIT: AK, FL, NV,SD,TX,WA,WY

Zero GST: DE, MT, NH, OR.

Zero CIT: NV, TX, WA, WY.

## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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## **Comparing Georgia's Revenue Portfolio to Regional and National Peers**

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### **Appendix**









## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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### About the Authors

**Carolyn Bourdeaux** is an Associate Professor of Public Administration. She recently returned to the Andrew Young School after a leave of absence working as Director of the Georgia Senate Budget and Evaluation Office. Her recent research focuses on state budget decision-making, and program and performance based budgeting.

**Sungman Jun** is a graduate student working towards his Ph.D. in public finance in the Public Management and Policy Program at the Andrew Young School.

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

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# Comparing Georgia's Revenue Portfolio to Regional and National Peers

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## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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### RECENT PUBLICATIONS

(All publications listed are available at <http://frc.aysps.gsu.edu> or call the Fiscal Research Center at 404/413-0249, or fax us at 404/413-0248.)

***Comparing Georgia's Revenue Portfolio to Regional and National Peers (Carolyn Bourdeaux and Sungman Jun)***. This report updates Buschman's "Comparing Georgia's Fiscal Policies to Regional and National Peers (FRC Report 201)" with 2008-2010 data. [FRC Report 222](#) (January 2011)

***Georgia's Taxes: A Summary of Major State and Local Government Taxes, 17th Edition (Jack Morton, Richard Hawkins, and David L. Sjoquist)***. A handbook on taxation that provides a quick overview of all state and local taxes in Georgia. [FRC Annual Publication A\(17\)](#) (January 2011)

***Some Issues Associated with Increasing Georgia's Cigarette Tax (David I. Sjoquist)***. This policy brief provides revenue estimates for an increase in tobacco taxes, discusses social cost of smoking, and explores the effect on convenience store employment from increases in tobacco taxes. [FRC Brief 221](#) (December 2010)

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***Latino Immigration and the Low-Skill Urban Labor Market in Atlanta (Cathy Yang Liu)***. This report examines the dynamic competition between Latino immigrants and black workers in Atlanta's low-skilled urban labor market from 1990 to 2008. [FRC Report 219](#) (December 2010)

***Georgia's Individual Income Tax: Options for Reform (Sally Wallace and Andrew Stephenson)***. This report analyzes the current structure of Georgia's individual income tax and provides analysis of a variety of reform options. [FRC Report 218](#) (December 2010)

***A Review of State Revenue Actions, 1999-2010 (Robert Buschman)***. This report examines tax and other revenue changes enacted by the states since 1999 with particular focus on Georgia's Southeast and AAA-rated peers, and how states have dealt with budget gaps in two post-recession periods. [FRC Report 217](#) (November 2010)

***A Review of State Tax Reform Efforts (Carolyn Bourdeaux)***. This report reviews the work of 18 state tax commissions, special committees or task forces that have been convened to comprehensively review a state's tax code and summarizes common themes from their final proposals. [FRC Report 216](#) (November 2010)



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***Informing Lottery Budget Decisions: HOPE and Pre-K (David L. Sjoquist and Mary Beth Walker with the Assistance of Lorenzo Almada and Ashley Custard).*** This report addresses how different allocations of lottery revenue between the Pre-K and HOPE programs might affect the achievement of the objectives of these two programs. FRC Report 215 (October 2010)

***The Georgia Premium Tax: Options for Reform (Martin Grace).*** This brief examines the basic structure of Georgia's insurance premium tax and the revenue impact of a number of potential reform options. FRC Brief 214 (October 2010)

***Why Was the 2007 and 2009 Employment Loss in Georgia So Large? (Zackary Hawley).*** This brief investigates the employment loss in Georgia during the recent recession (2007-2009) and suggests three sources from which the loss comes--national growth trend, local industry mix and local competitive effects. FRC Brief 213 (October 2010)

***An Analysis of Water Related Infrastructure Spending in Georgia (Peter Bluestone).*** This report examines the effects of past Georgia state and local government infrastructure investments and conservation policies on water quality and quantity and explores the necessary infrastructure investment to maintain future water quality and quantity. FRC Report/Brief 212 (September 2010)

***Transit Infrastructure, Is Georgia Doing Enough? (Peter Bluestone)*** This report is the first of a series on Georgia's public infrastructure and focuses on transit infrastructure in the Atlanta region. FRC Report/Brief 211 (September 2010)

***HB480 – Eliminating the Motor Vehicle Property Tax: Estimating Procedure, Revenue Effects, and Distributional Implications (Laura Wheeler).*** This report reviews the revenue estimates and distributional consequences of HB 480 legislation to replace the motor vehicle sales and property tax with a title fee. FRC Report/Brief 210 (August 2010)

***Estimating Georgia's Structural Budget Deficit (Carolyn Bourdeaux and David L. Sjoquist).*** This report examines whether the state of Georgia faces a structural deficit and concludes that it does. The deficit will total approximately \$1.8 billion in fiscal year 2012, and the state will need to make systemic structural changes to bring its revenues and expenditures back into alignment over the long term. FRC Report 209 (July 2010)

***Revenue from a Regional Transportation Sales Tax (David L. Sjoquist).*** This brief calculates the revenue for 2009 generated by a one percent sales tax for each of the 12 Regional Commission areas. FRC Brief 208 (June 2010)

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## Comparing Georgia's Revenue Portfolio to Regional and National Peers

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