

# **FINANCING GEORGIA'S FUTURE III**

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## I. OVERVIEW AND KEY FINDINGS

Between 1998 and 2012, Georgia witnessed two major economic shocks: the 2001 and 2008-09 national recessions. Accompanying those events were changes to underlying economic structures, demographics, demands on government, and pressures on state and local finances. This report documents major state and local revenue sources over that period. Its purpose is to serve as an encyclopedia of recent trends in Georgia's state and local finances. In doing so, this report provides a foundation for future discourse around government finance in Georgia.

- State revenue trends from 1998 to 2012:
  - State tax revenue in 2012 was 79.9% of its level in 1998, relative to total personal income
  - Major taxes decreased per capita and relative to personal income
    - Individual income tax decreased by 8.9% per capita and by 15.2% relative to personal income
    - General sales tax decreased by 21.0% per capita and by 26.4% relative to personal income
  - Selective sales taxes increased per capita and relative to personal income (by 24.4% and 15.9% respectively)
  - Charges increased per capita and relative to personal income (by 36.1% and 26.8% respectively)
    - Higher education charges increased by 75.8% per capita and by 63.8% relative to personal income
  - Intergovernmental transfers increased per capita and relative to personal income
    - Local transfers increased by 248.4% per capita and by 224.6% relative to personal income
    - Federal transfers increased by 45.8% per capita and by 35.8% relative to personal income
- Local revenue trends from 1998 to 2012:
  - Local governments raised more own-source revenue in 2012 than the state government (a reversal from 1998)
  - Local tax revenue in 2012 was 109.1% of its level in 1998, relative to personal income
  - Major taxes increased per capita and relative to personal income
    - Property tax increased by 23.3% per capita and by 14.9% relative to personal income
    - General sales tax increased by 8.7% per capita and by 1.3% relative to personal income
  - Selective sales taxes increased per capita and relative to personal income (by 11.7% and 4.1% respectively)

- Charges increased per capita and relative to personal income (by 21.4% and 13.1% respectively)
- Intergovernmental transfers increased per capita but decreased relative to personal income
  - State transfers decreased by 2.6% per capita and by 9.3% relative to personal income
  - Federal transfers increased by 49.6% per capita and by 39.3% relative to personal income
- State rankings from 1998 to 2012:
  - State revenues remained among the lowest in the country and local revenues remained among the higher
  - Major state tax rankings have fallen on a per capita basis and relative to personal income
    - Individual income tax fell from 16<sup>th</sup> to 26<sup>th</sup> on a per capita basis and from 17<sup>th</sup> to 24<sup>th</sup> relative to personal income
    - Sales taxes fell from 42<sup>nd</sup> to 44<sup>th</sup> on a per capita basis and from 40<sup>th</sup> to 41<sup>st</sup> relative to personal income
  - Major local tax rankings have risen and fallen on a per capita basis and relative to personal income
    - Property tax rose from 31<sup>st</sup> to 30<sup>th</sup> on a per capita basis and 34<sup>th</sup> to 25<sup>th</sup> relative to personal income
    - Sales taxes fell from 4<sup>th</sup> to 7<sup>th</sup> on a per capita basis and remained at 5<sup>th</sup> relative to personal income

## II. SUMMARY OF GEORGIA REVENUE SOURCES

This section presents a summary of state and local government revenue in Georgia, how it has changed over time, and how it compares with other states. Revenue is examined in terms of the per capita real amount and as a percentage of total personal income. Each measure is calculated for major sources of state and/or local revenue in 1998 and 2012, and comparative rankings with other states are provided. The local level of government includes counties, municipalities, school boards and special districts. Data are from the U.S. Census Bureau and presented in real 2012 dollars (adjusted using the U.S. Bureau of Economic Analysis (BEA) GDP deflator). Per-capita data is calculated using population data from the BEA. 2012 is the latest year for which all data is available.

On the following page, the first table presents per-capita and percent-income measures of Georgia's own-source revenue and intergovernmental revenue. The second table shows Georgia's national rankings for each measure of each revenue category, with higher rankings indicating higher levels relative to other state or local governments in the U.S. General own-source revenue includes income, sales, and property taxes in addition to various fees and charges (but does not include utility or insurance fees and charges).

### Georgia's State and Local Revenue – Summary

		----- Per Capita -----		- Percentage of Personal Income -	
		1998*	2012	1998	2012
General Own-Source Revenue	Total	\$4,756	\$4,842	13.7%	13.0%
	State	\$2,457	\$2,249	7.1%	6.0%
	Local	\$2,298	\$2,594	6.6%	7.0%
Total Taxes	Total	\$3,308	\$3,258	9.5%	8.8%
	State	\$1,965	\$1,686	5.7%	4.5%
	Local	\$1,343	\$1,573	3.9%	4.2%
Total Charges	Total	\$940	\$1,180	2.7%	3.2%
	State	\$264	\$360	0.8%	1.0%
	Local	\$675	\$820	2.0%	2.2%
Intergovernmental Transfers	Total	\$2,123	\$2,606	6.1%	7.0%
	State	\$963	\$1,420	2.8%	3.8%
	Local	\$1,160	\$1,185	3.4%	3.2%

\*2012 dollars

### Georgia's State and Local Revenue – National Rankings

		----- Per Capita -----		- Percentage of Personal Income -	
		1998	2012	1998	2012
General Own-Source Revenue	Total	35	48	39	43
	State	44	50	43	49
	Local	17	24	10	7
Total Taxes	Total	29	45	37	39
	State	40	49	40	44
	Local	23	27	19	16
Total Charges	Total	29	31	31	24
	State	46	46	44	41
	Local	17	16	16	11
Intergovernmental Transfers	Total	38	43	36	34
	State	40	44	38	32
	Local	30	43	33	32

Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

- In terms of real revenue per capita, from 1998 to 2012:
  - State and local taxes decreased by 1.5%
    - State taxes decreased by 14.2%
    - Local taxes increased by 17.1%
  - State and local charges increased by 25.6%
    - State charges increased by 36.1%
    - Local charges increased by 21.5%
  - State and local intergovernmental revenue increased by 22.7%
    - State intergovernmental revenue increased by 47.5%
    - Local intergovernmental revenue increased by 2.2%
  
- In terms of revenue as a percentage of personal income, from 1998 to 2012:
  - State and local taxes decreased by 8.2%
    - State taxes decreased by 20.1%
    - Local taxes increased by 9.1%
  - State and local charges increased by 17.0%
    - State charges increased by 26.8%
    - Local charges increased by 13.1%
  - State and local intergovernmental revenue increased by 14.3%
    - State intergovernmental revenue increased by 37.4%
    - Local intergovernmental revenue decreased by 4.8%

- As a share of total state and local revenue, from 1998 to 2012:
  - State and local taxes decreased from 69.6% to 67.3%
    - State taxes decreased from 41.3% to 34.8%
    - Local taxes increased from 28.2% to 32.5%
  - State and local charges increased from 19.8% to 24.4%
    - State charges increased from 5.6% to 7.4%
    - Local charges increased from 14.2% to 16.9%
  - State and local intergovernmental revenue increased from 44.6% to 53.8%
    - State intergovernmental revenue increased from 20.2% to 29.3%
    - Local intergovernmental revenue increased from 24.4% to 24.5%

On the following page, the first table shows per-capita and percent-income measures of Georgia's major tax sources. The second table shows Georgia's national rankings for each measure of each tax revenue category, with higher rankings indicating higher revenue levels relative to other state/local governments in the U.S.



### Georgia's Tax Revenue – Summary

		----- Per Capita -----		- Percentage of Personal Income -	
		1998*	2012	1998	2012
Total Taxes	Total	\$3,308	\$3,258	9.5%	8.8%
	State	\$1,965	\$1,686	5.7%	4.5%
	Local	\$1,343	\$1,573	3.9%	4.2%
Individual Income Tax	State	\$902	\$821	2.6%	2.2%
Corporate Income Tax	State	\$125	\$60	0.4%	0.2%
Property Tax	Local	\$842	\$1,038	2.4%	2.8%
Sales Taxes	Total	\$1,301	\$1,242	3.8%	3.3%
	State	\$847	\$745	2.4%	2.0%
	Local	\$454	\$497	1.3%	1.3%
License Taxes	Total	\$67	\$87	0.2%	0.2%
	State	\$67	\$51	0.2%	0.1%
	Local	\$0	\$36	0.0%	0.1%

\*2012 dollars

### Georgia's Tax Revenue – National Rankings

		----- Per Capita -----		- Percentage of Personal Income -	
		1998	2012	1998	2012
Total Taxes	Total	29	45	37	39
	State	40	49	40	44
	Local	23	27	19	16
Individual Income Tax	State	16	26	17	24
Corporate Income Tax	State	23	42	29	40
Property Tax	Local	31	30	34	25
Sales Taxes	Total	22	40	22	27
	State	42	44	40	41
	Local	4	7	5	5
License Taxes	Total	48	50	48	49
	State	48	50	48	50
	Local	36	24	36	20

Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

- In terms of revenue per capita, from 1998 to 2012:
  - State and local taxes decreased by 1.5%
  - State taxes decreased by 14.2%
    - State individual income tax decreased by 8.9%
    - State sales taxes decreased by 12.0%
  - Local taxes increased by 17.1%
    - Local property tax increased by 23.3%
    - Local sales taxes increased by 9.4%
  
- In terms of revenue as a percentage of personal income, from 1998 to 2012:
  - State and local taxes decreased by 8.2%
  - State taxes decreased by 20.1%
    - State individual income tax decreased by 15.2%
    - State sales taxes decreased by 18.0%
  - Local taxes increased by 9.1%
    - Local property tax increased by 14.9%
    - Local sales taxes increased by 1.9%
  
- As a share of total state and local tax revenue, from 1998 to 2012:
  - State taxes decreased from 59.4% to 51.7%
    - State individual income tax decreased from 27.3% to 25.2%
    - State sales taxes decreased from 25.6% to 22.9%
  - Local taxes increased from 40.6% to 48.3%
    - Local property tax increased from 25.4% to 31.9%
    - Local sales taxes increased from 13.7% to 15.3%

### III. STATE OWN-SOURCE REVENUE IN GEORGIA

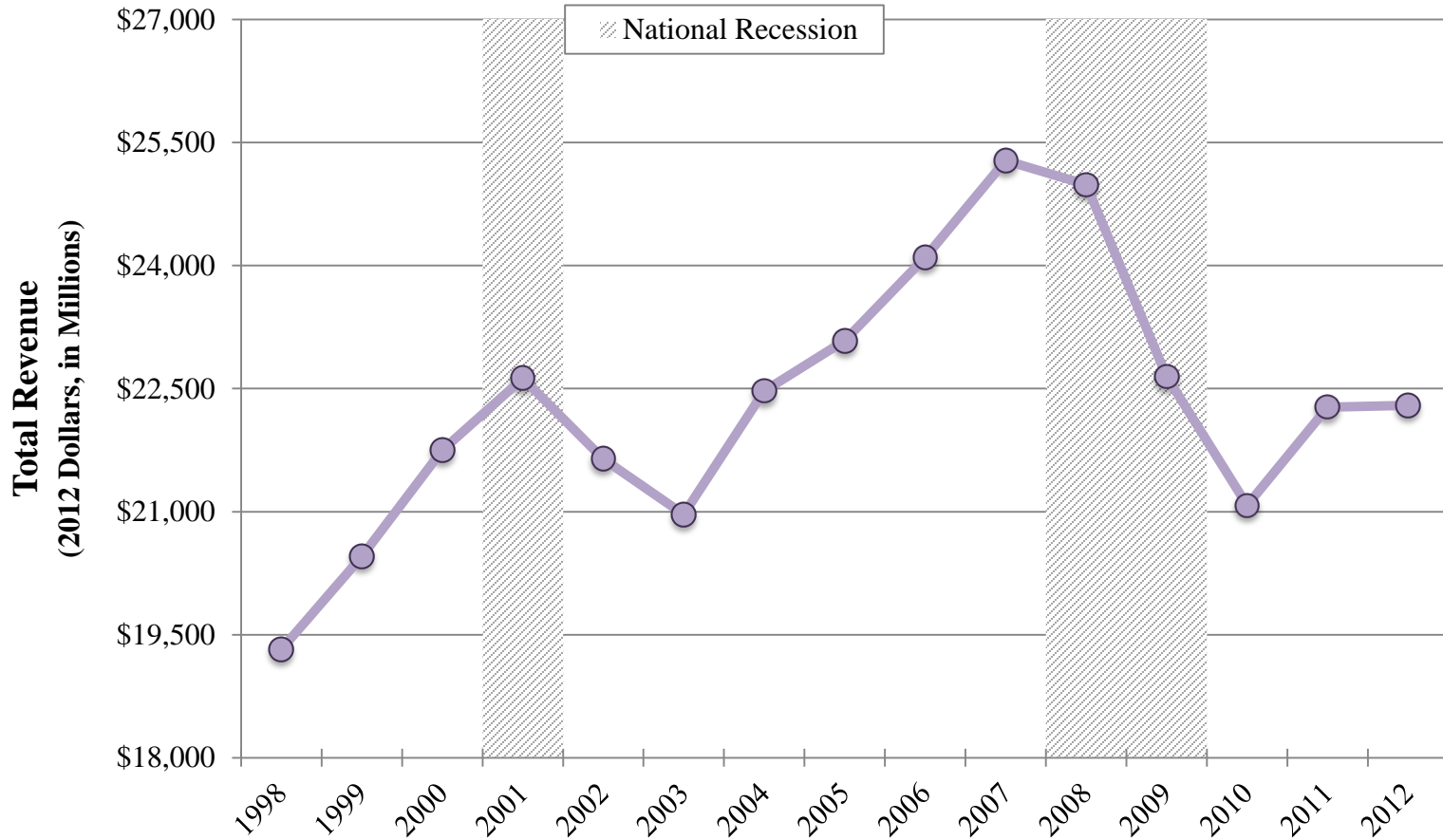
This section presents a discussion of Georgia's state revenue trends from 1998 to 2012. Revenue is examined in terms of the total real amount (adjusted to 2012 dollars using the BEA GDP deflator), the per capita real amount (in 2012 dollars), and as a percentage of total personal income. Per-capita and percent-income measures are shown on the same chart, with both vertical axes scaled identically relative to the 1998 value of their respective measures. Percent change in per capita and percent income from the preceding year is also examined. Periods of national recession are noted in relation to each measure.

The following three charts describe how state general own-source revenue (i.e. excluding intergovernmental transfers) has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total own-source revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 15.4% from 1998 to 2012
  - Peaked in 2007 and decreased by 11.8% from 2007 to 2012
  - Troughed in 1998
  
- Per capita own-source revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 8.5% from 1998 to 2012
  - Peaked in 2001 and decreased by 16.8% from 2001 to 2012
  - Troughed in 2010 and increased by 3.6% from 2010 to 2012

- Own-source revenue as a percentage of personal income:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Decreased overall by 14.7% from 1998 to 2012
  - Peaked in 2001 and decreased by 17.0% from 2001 to 2012
  - Troughed in 2012

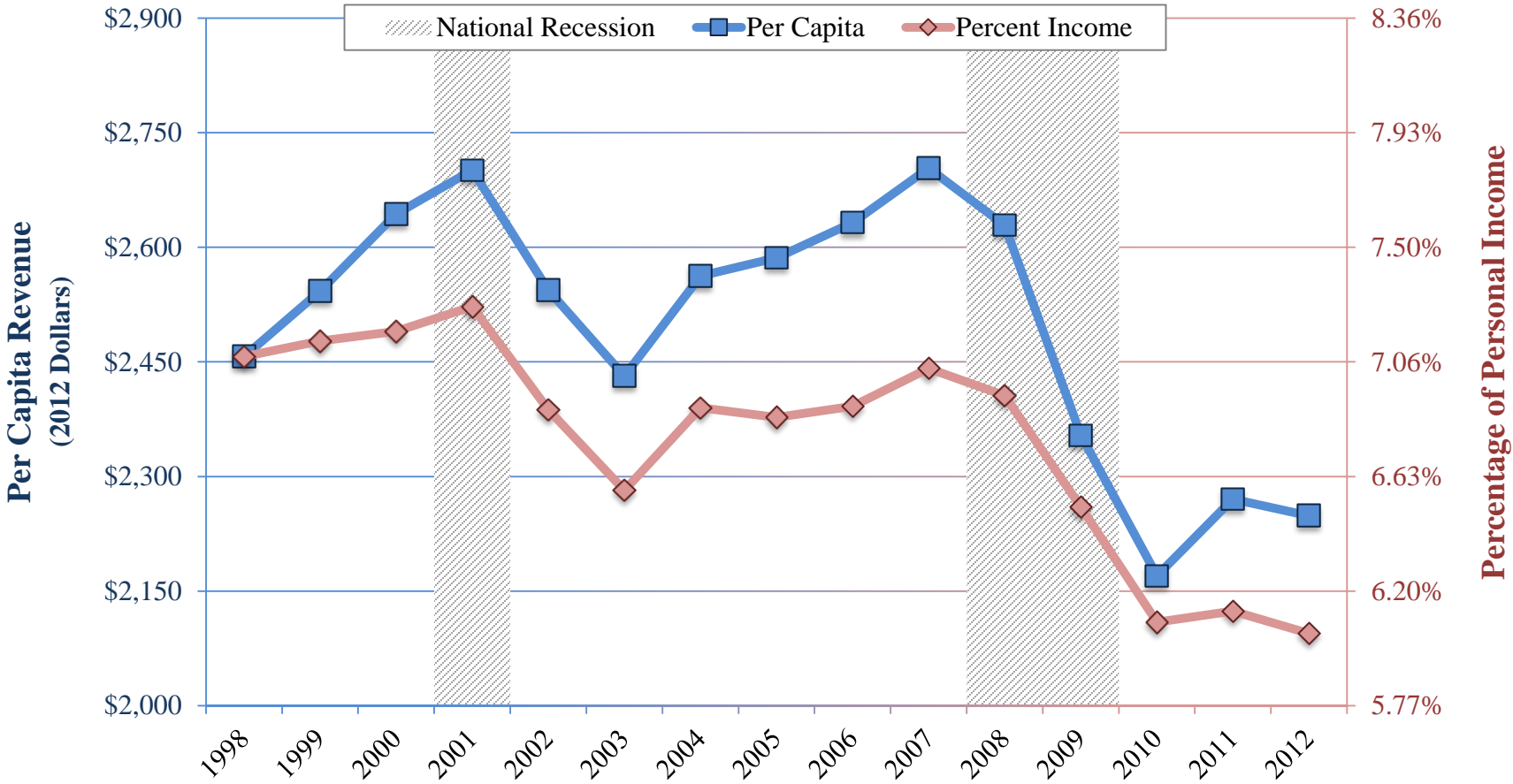
## Georgia – State Revenue General Own-Source Revenue – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

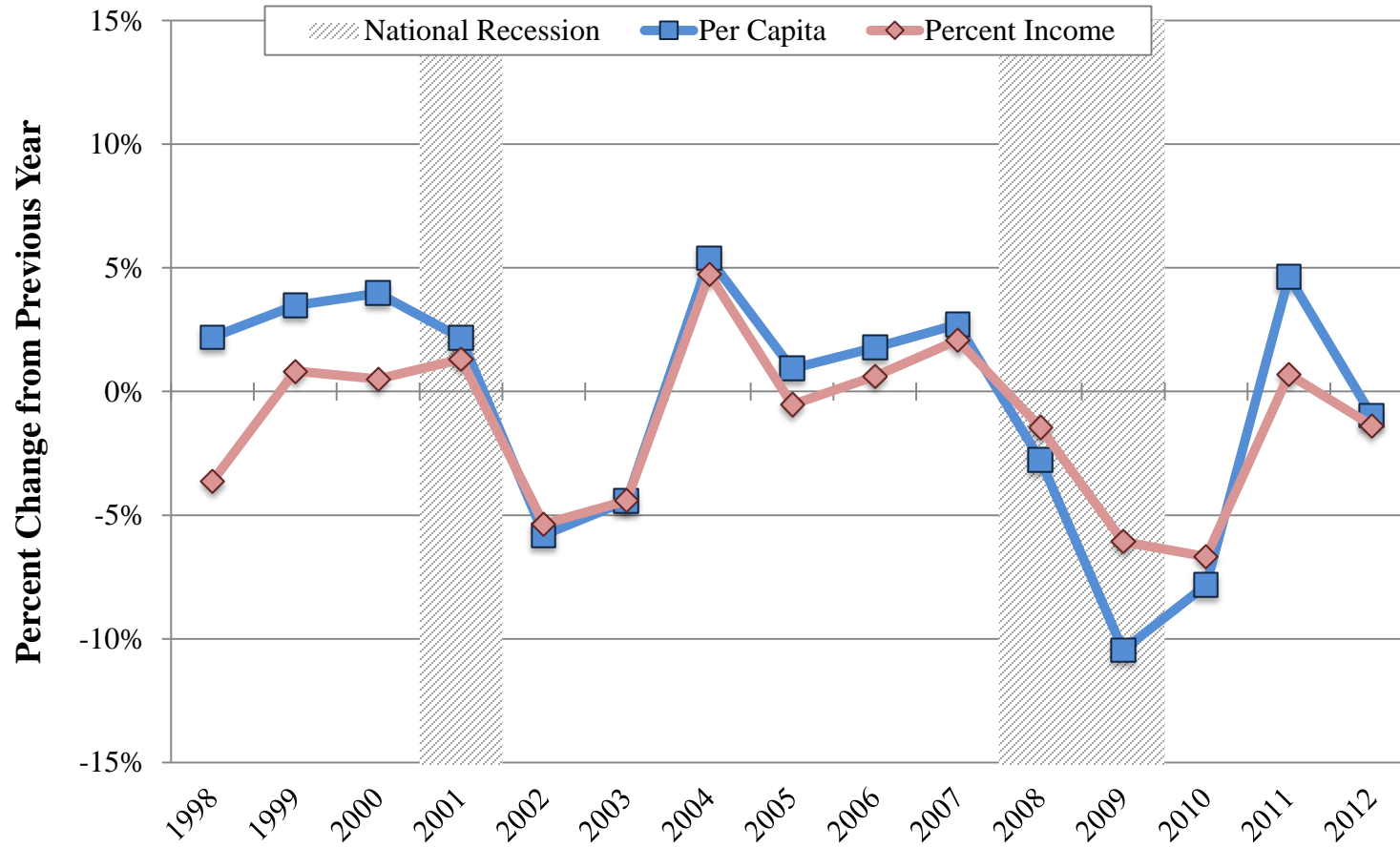
## Georgia – State Revenue

### General Own-Source Revenue– Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue General Own-Source Revenue – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

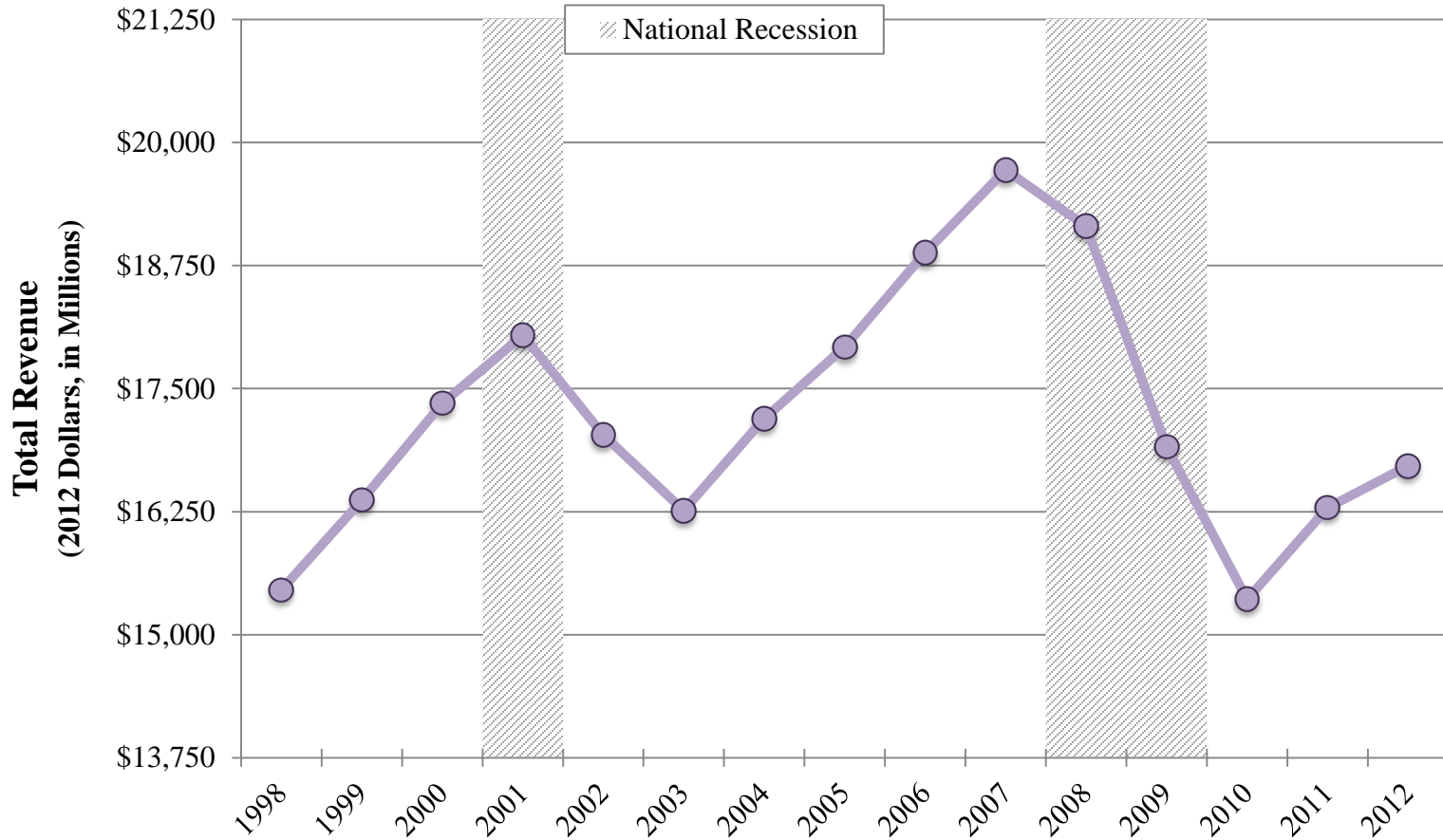
## A. State Tax Revenue

This section discusses tax revenue for Georgia's state government. The following three charts describe how state revenue raised by taxes has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total tax revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 8.1% from 1998 to 2012
  - Peaked in 2007 and decreased by 15.2% from 2007 to 2012
  - Troughed in 2010 and increased by 8.8% from 2010 to 2012
  
- Per capita tax revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 14.2% from 1998 to 2012
  - Peaked in 2001 and decreased by 21.7% from 2001 to 2012
  - Troughed in 2010 and increased by 6.6% from 2010 to 2012
  
- Tax revenue as a percentage of personal income:
  - Remained flat before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 20.1% from 1998 to 2012
  - Peaked in 2001 and decreased by 21.9% from 2001 to 2012
  - Troughed in 2010 and increased by 2.2% from 2010 to 2012



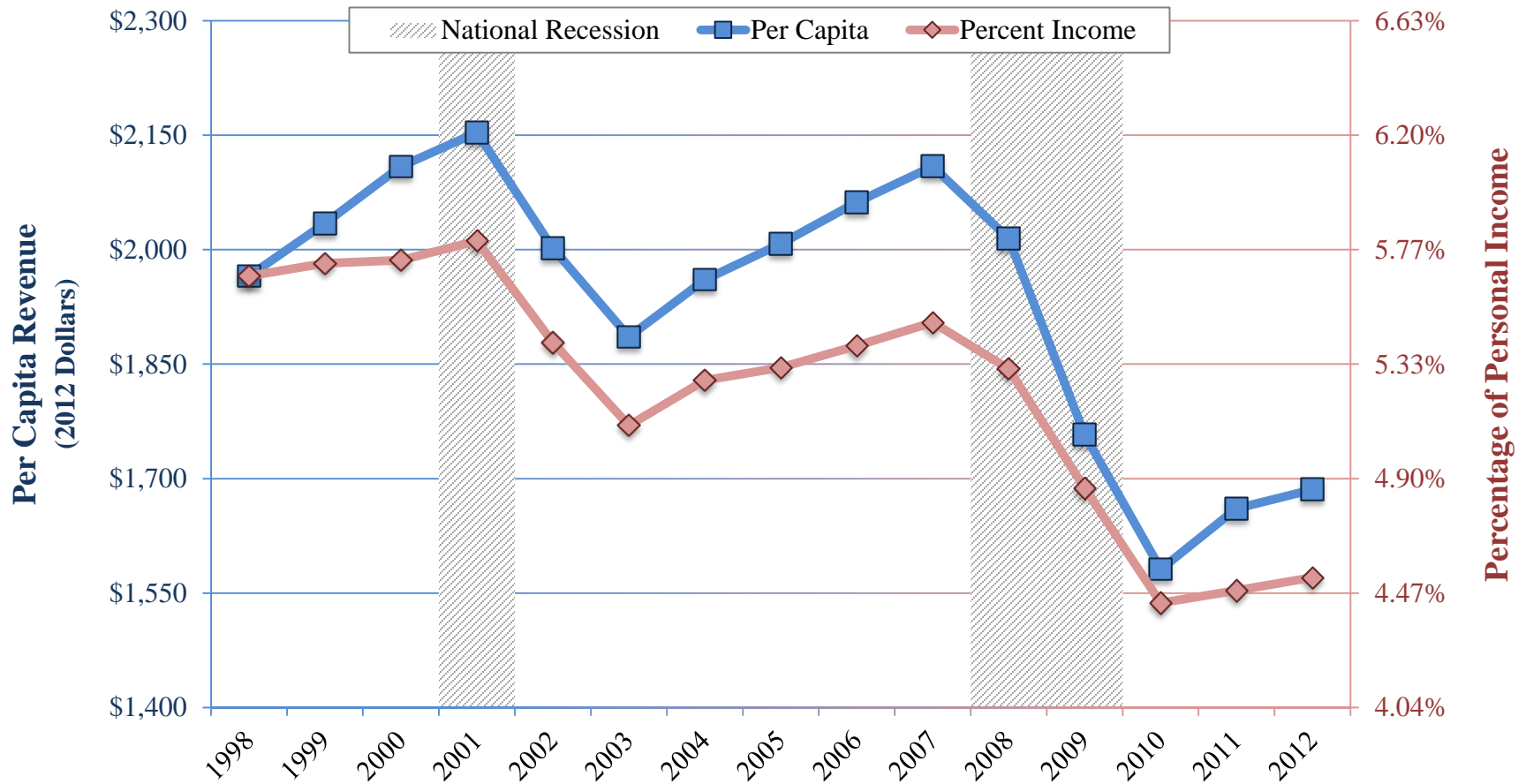
## Georgia – State Revenue Total Taxes – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

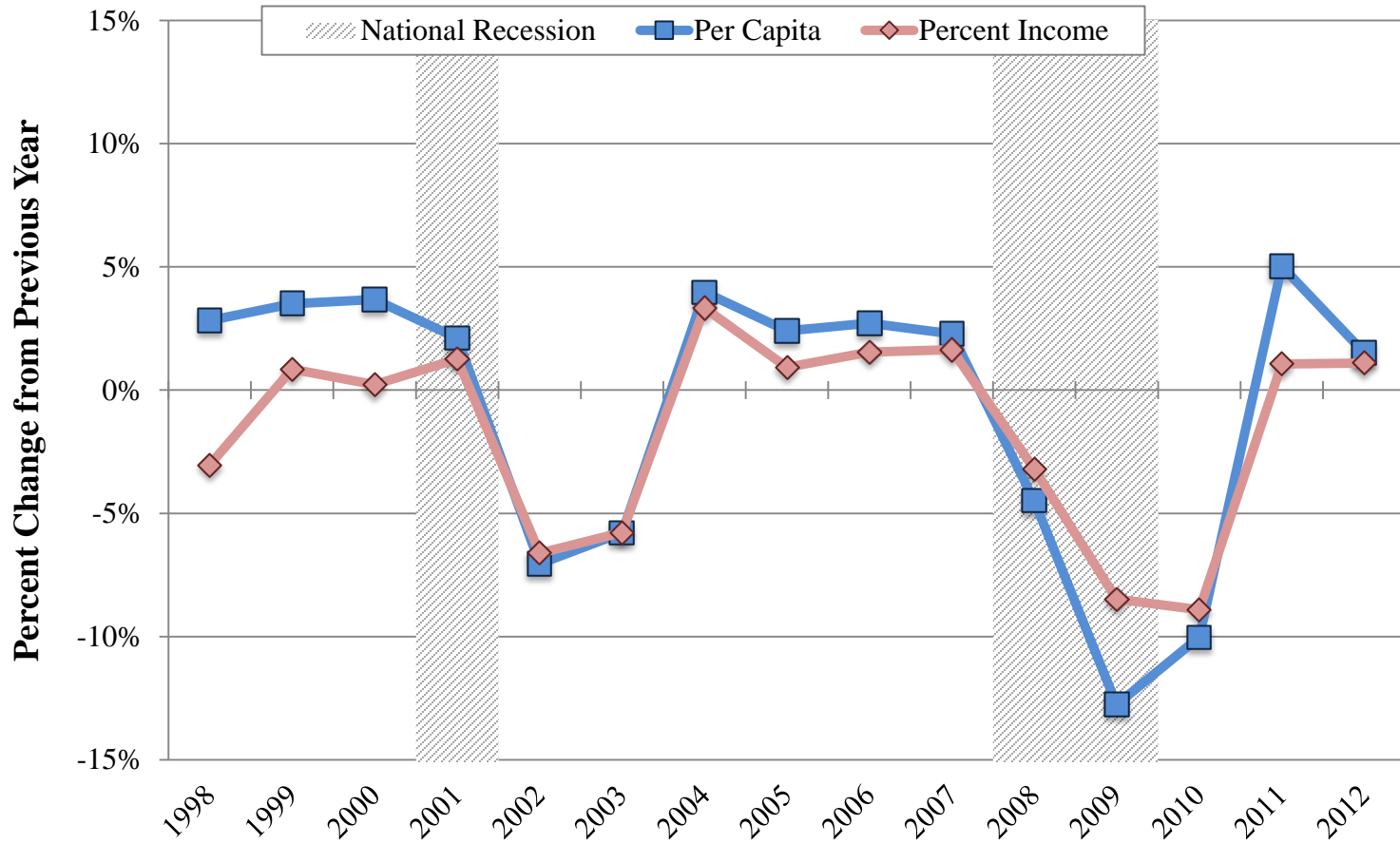
## Georgia – State Revenue

### Total Taxes – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Total Taxes – Annual Change



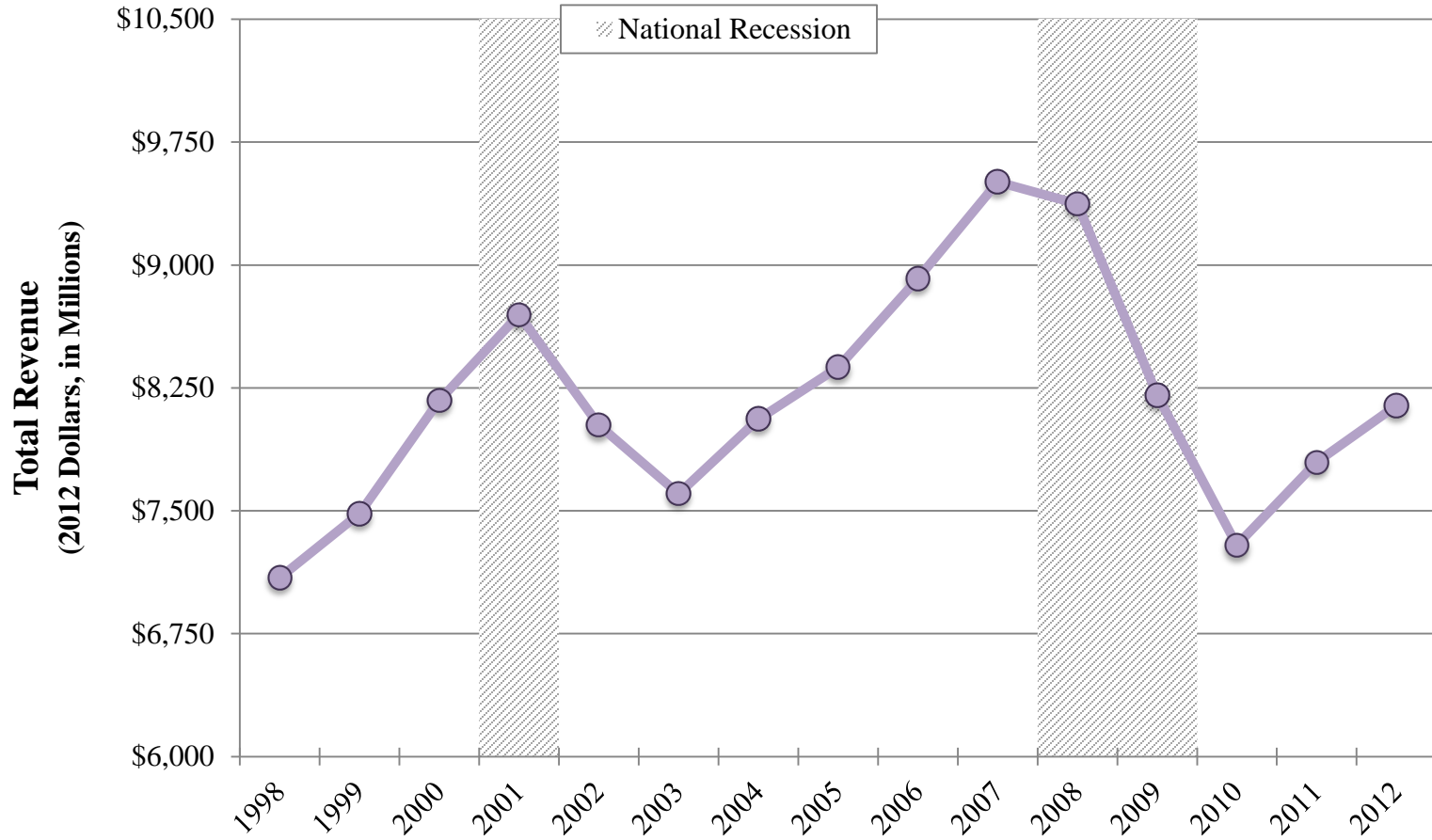
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 1. Individual income tax

The following three charts describe how state revenue raised by individual income tax has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income,; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 14.8% from 1998 to 2012
  - Peaked in 2007 and decreased by 14.4% from 2007 to 2012
  - Troughed in 1998 and increased by 14.8% from 1998 to 2012
  
- Per capita revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 8.9% from 1998 to 2012
  - Peaked in 2001 and decreased by 20.9% from 2001 to 2012
  - Troughed in 2010 and increased by 9.4% from 2010 to 2012
  
- Revenue as a percentage of personal income:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 15.2% from 1998 to 2012
  - Peaked in 2001 and decreased by 21.1% from 2001 to 2012
  - Troughed in 2010 and increased by 4.9% from 2010 to 2012

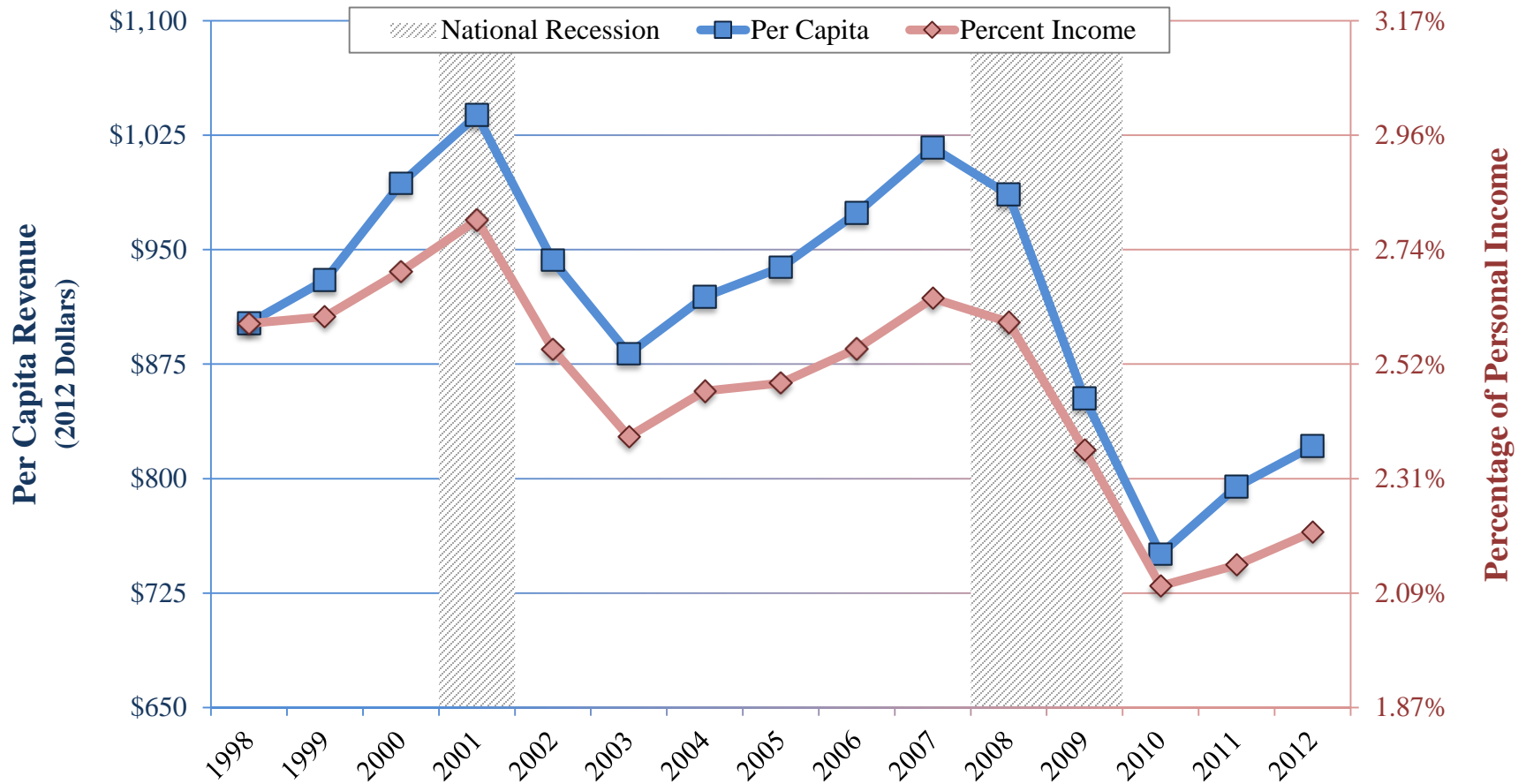
## Georgia – State Revenue Individual Income Tax – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

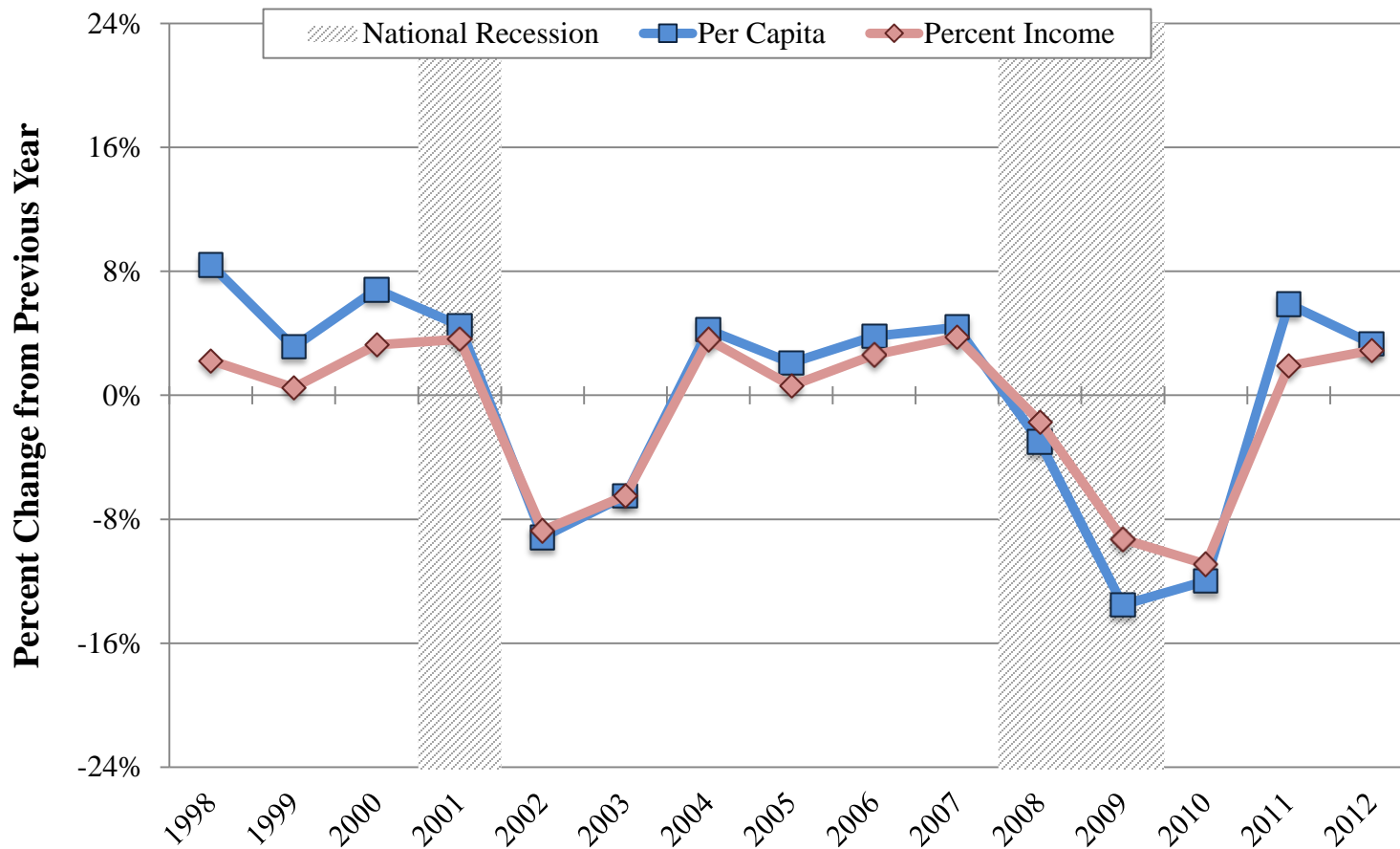
## Georgia – State Revenue

### Individual Income Tax – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Individual Income Tax – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

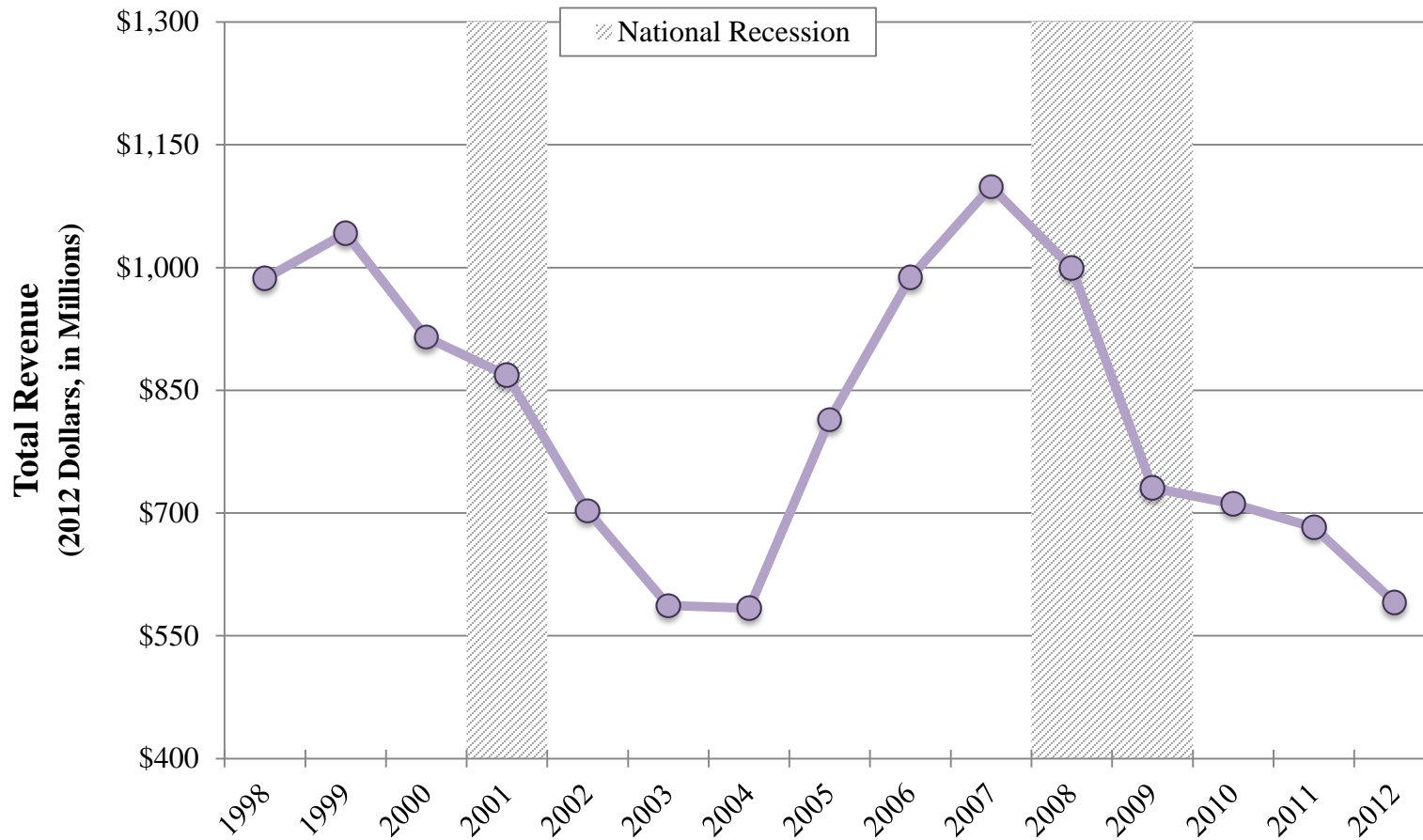
## 2. Corporate income tax

The following three charts describe how state revenue raised by corporate income tax has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Decreased before and during the 2001 recession, decreased then increased between recessions, and then decreased during and after the 2008-09 recession
  - Decreased overall by 40.1% from 1998 to 2012
  - Peaked in 2007 and decreased by 46.3% from 2007 to 2012
  - Troughed in 2004 and increased by 1.2% from 2004 to 2012
- Per capita revenue:
  - Decreased before and during the 2001 recession, decreased then increased between recessions, and then decreased during and after the 2008-09 recession
  - Decreased overall by 52.5% from 1998 to 2012
  - Peaked in 1999 and decreased by 54.0% from 1999 to 2012
  - Troughed in 2012
- Revenue as a percentage of personal income:
  - Decreased before and during the 2001 recession, decreased then increased between recessions, and then decreased during and after the 2008-09 recession
  - Decreased overall by 55.8% from 1998 to 2012
  - Peaked in 1999 and decreased by 56.0% from 1999 to 2012
  - Troughed in 2012



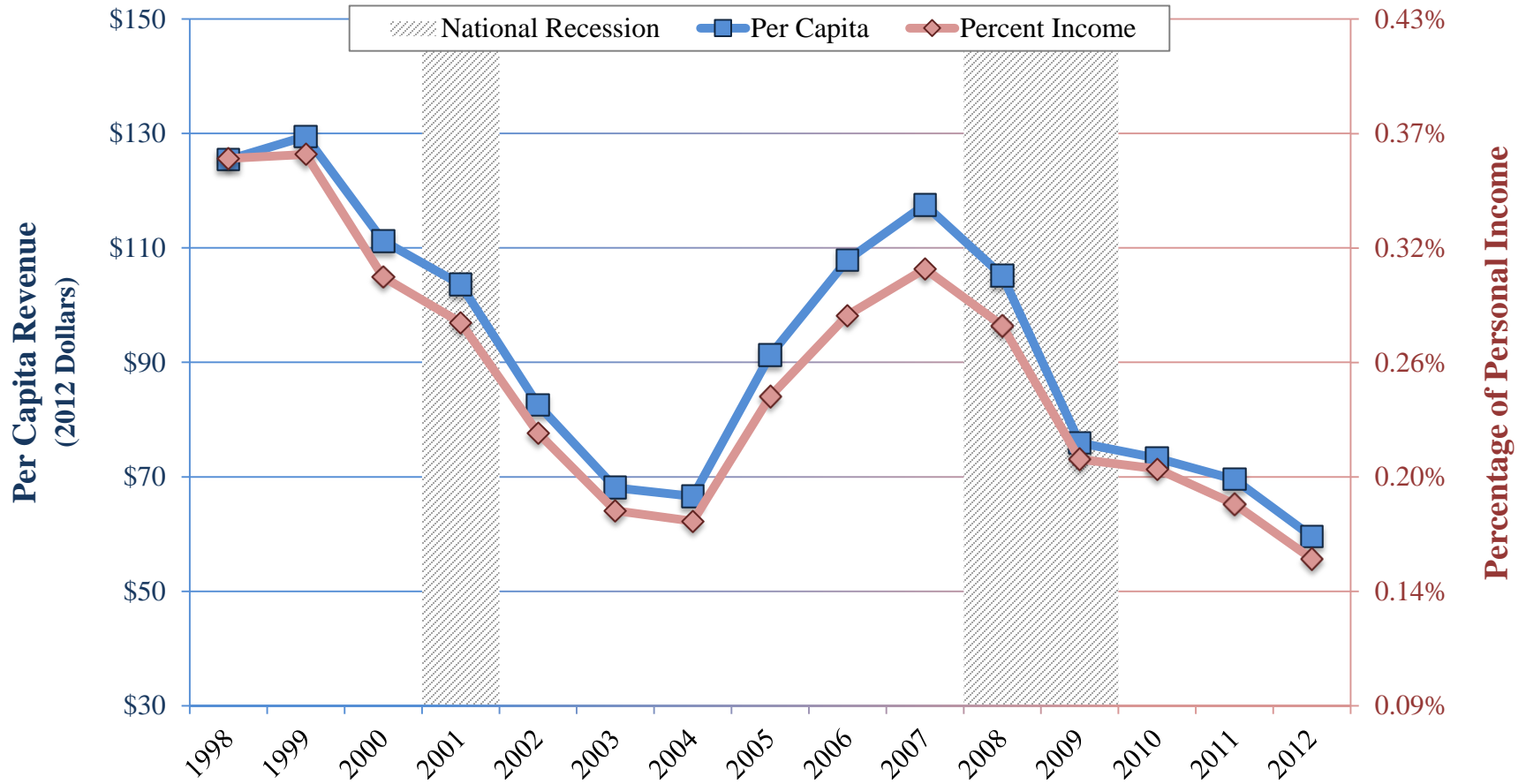
## Georgia – State Revenue Corporate Income Tax – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

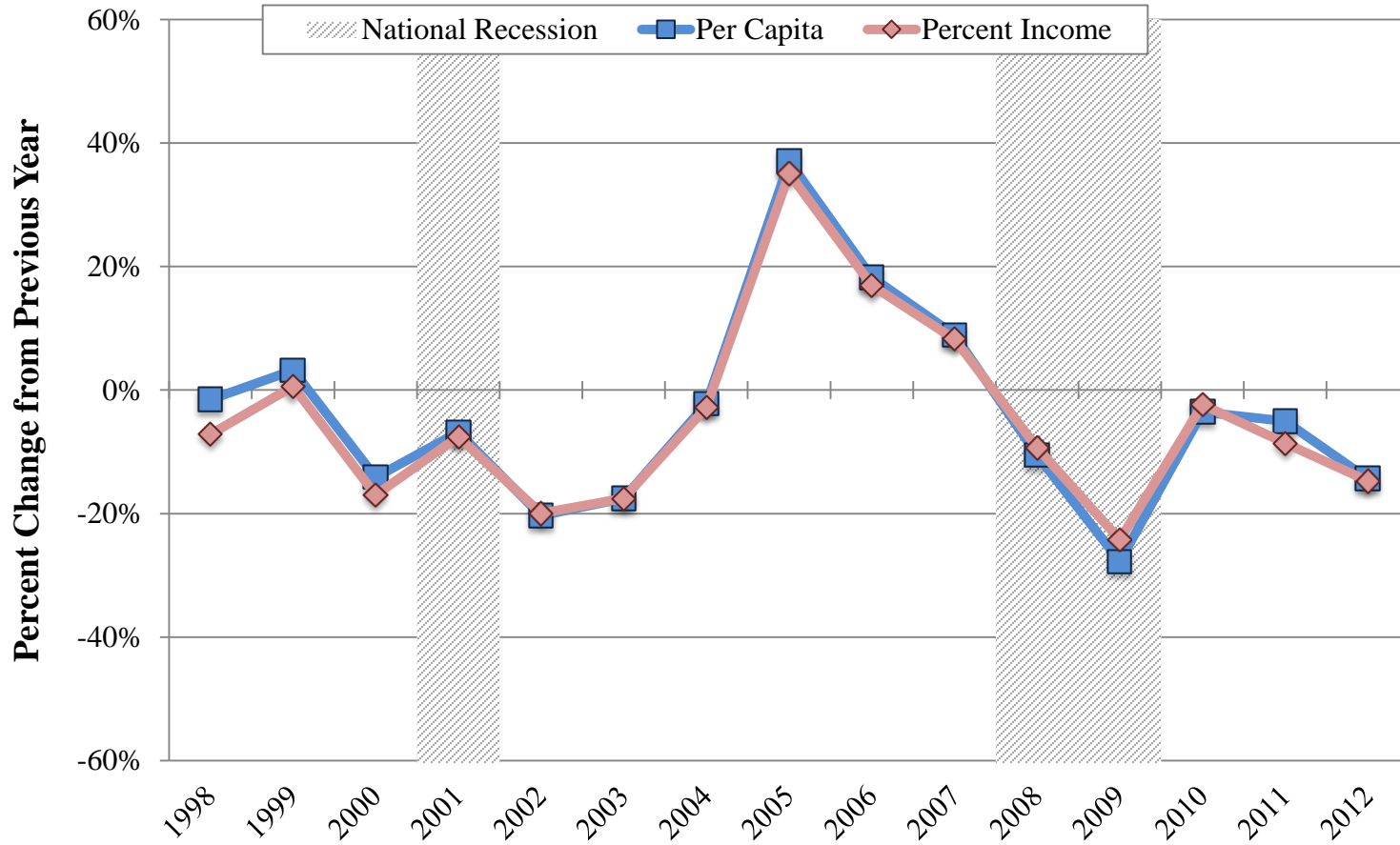
## Georgia – State Revenue

### Corporate Income Tax – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Corporate Income Tax – Annual Change



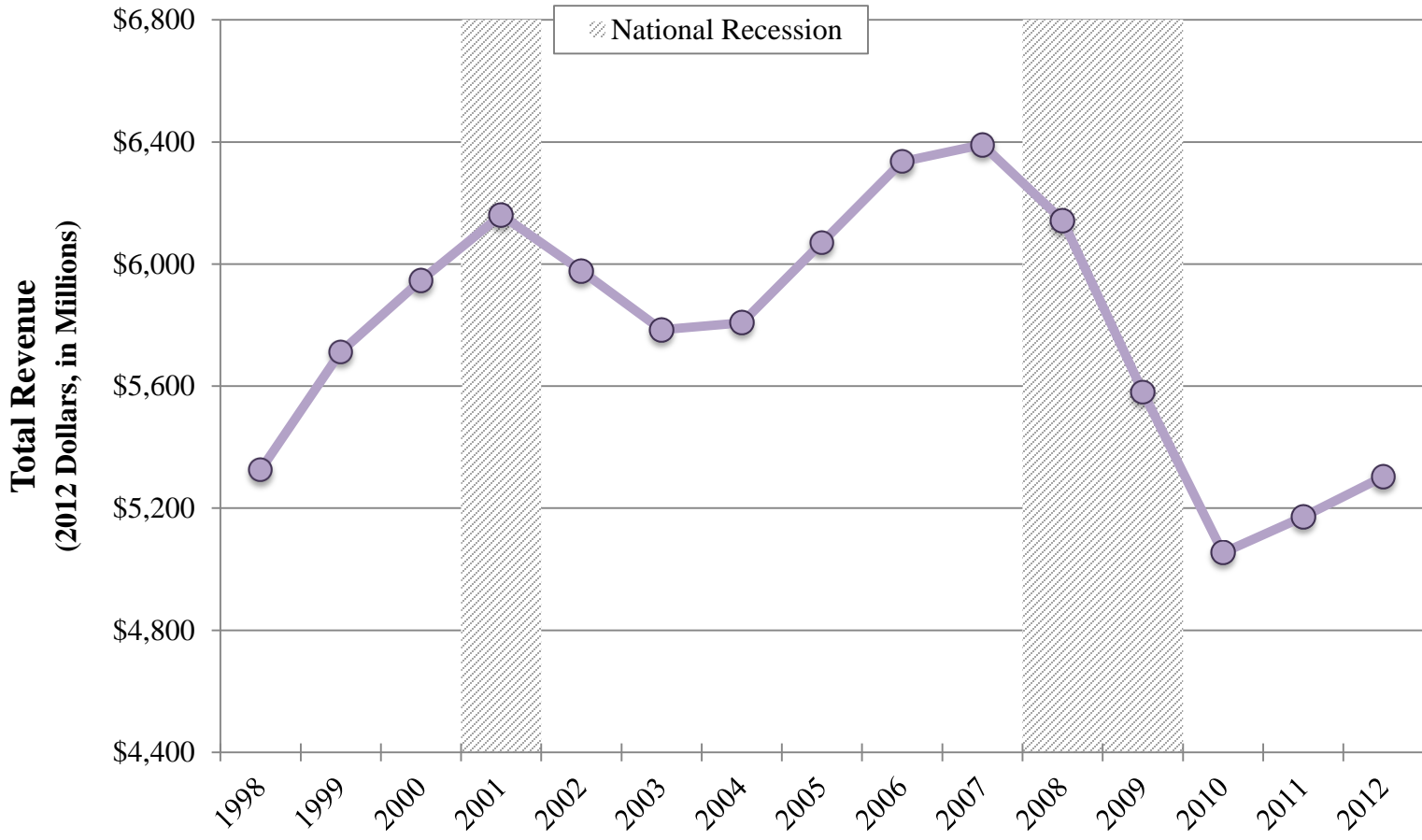
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

### 3. General sales tax

The following three charts describe how state revenue raised by general sales tax has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 0.4% from 1998 to 2012
  - Peaked in 2007 and decreased by 17.0% from 2007 to 2012
  - Troughed in 2010 and increased by 4.9% from 2010 to 2012
- Per capita revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 21.0% from 1998 to 2012
  - Peaked in 2001 and decreased by 27.3% from 2001 to 2012
  - Troughed in 2010 and increased by 2.8% from 2010 to 2012
- Revenue as a percentage of personal income:
  - Remained flat before and decreased during the 2001 recession, decreased then remained flat between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Decreased overall by 26.4% from 1998 to 2012
  - Peaked in 1999 and decreased by 28.0% from 1999 to 2012
  - Troughed in 2011 and increased by 1.0% from 2011 to 2012

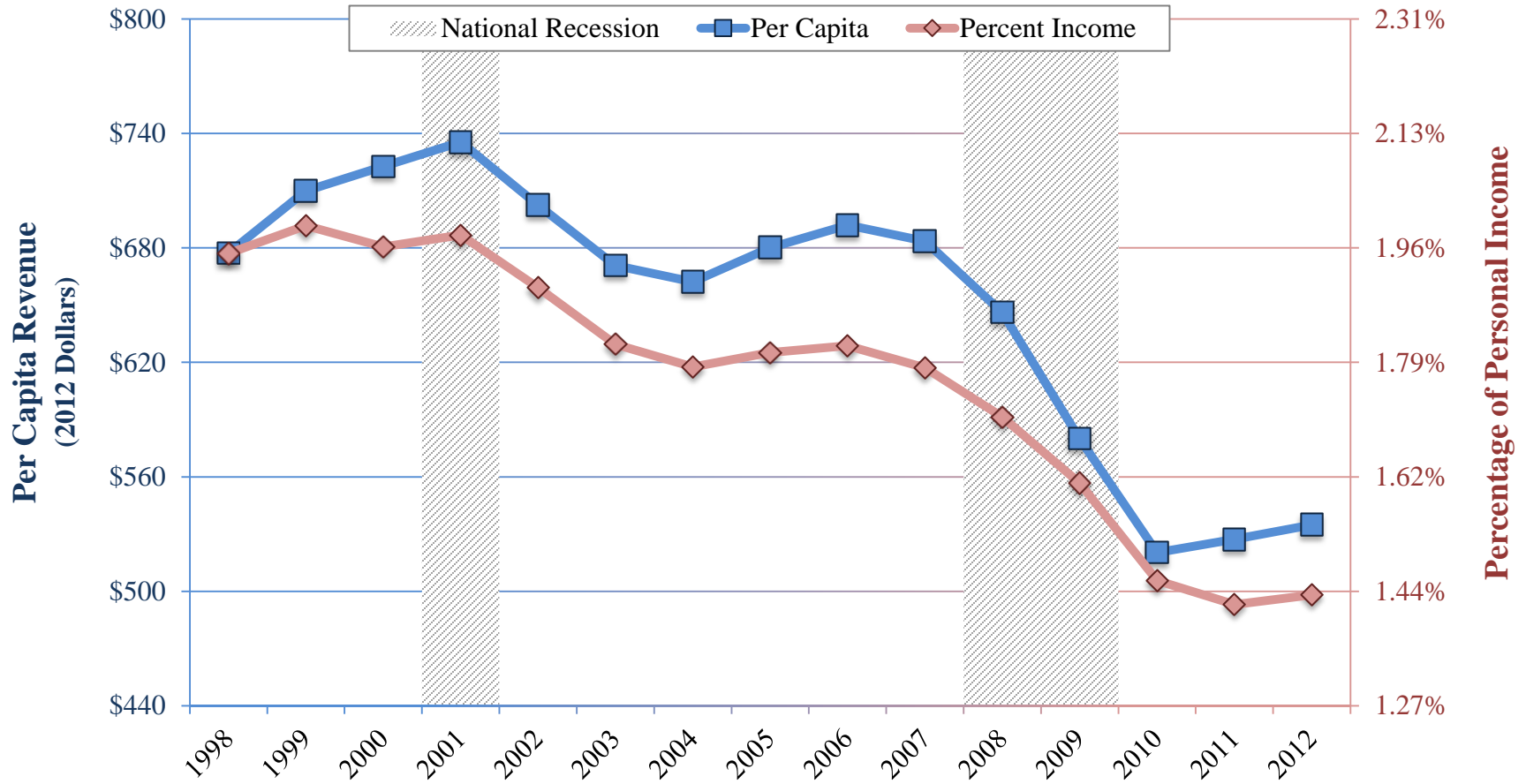
## Georgia – State Revenue General Sales Tax – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

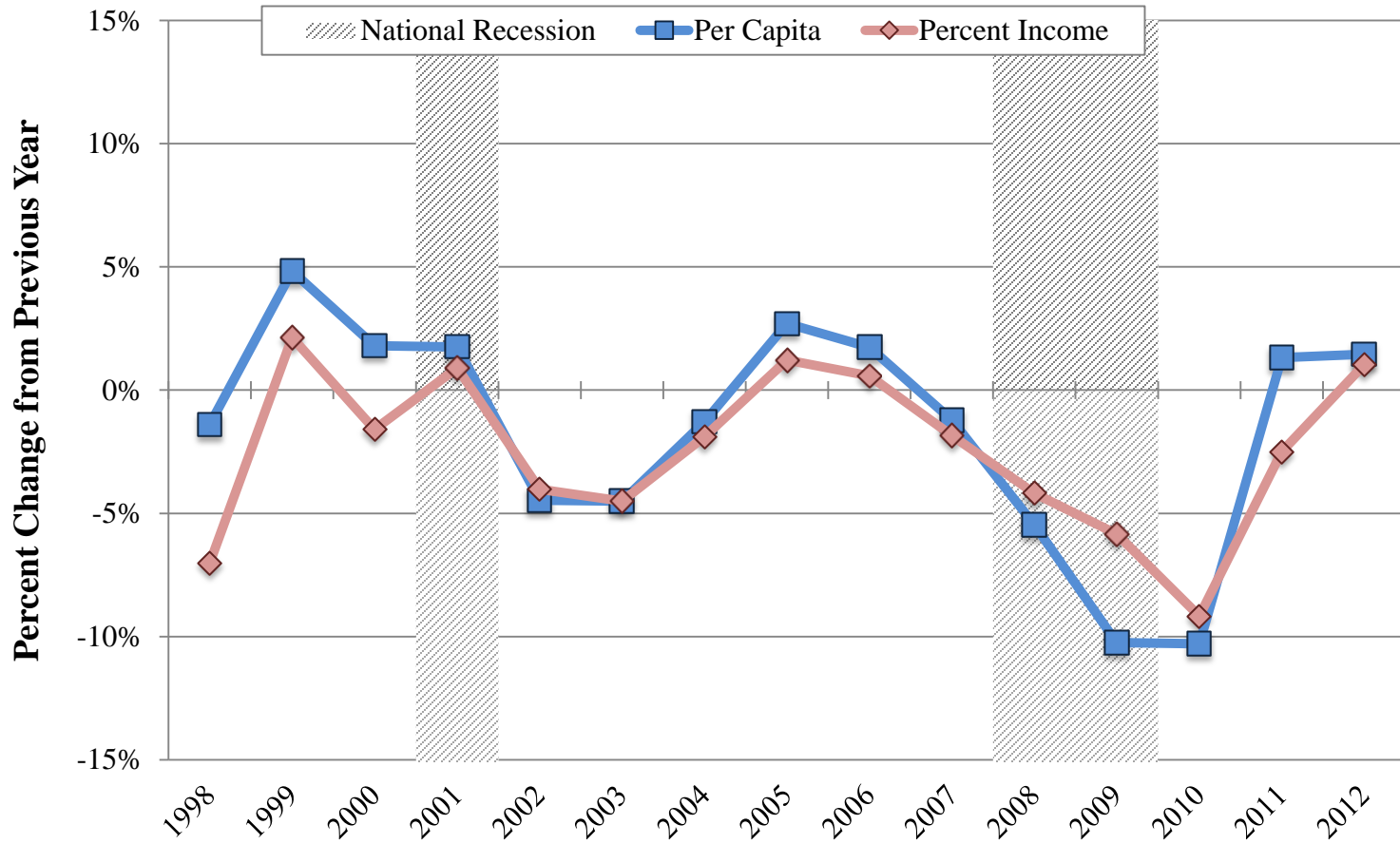
## Georgia – State Revenue

### General Sales Tax – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue General Sales Tax – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

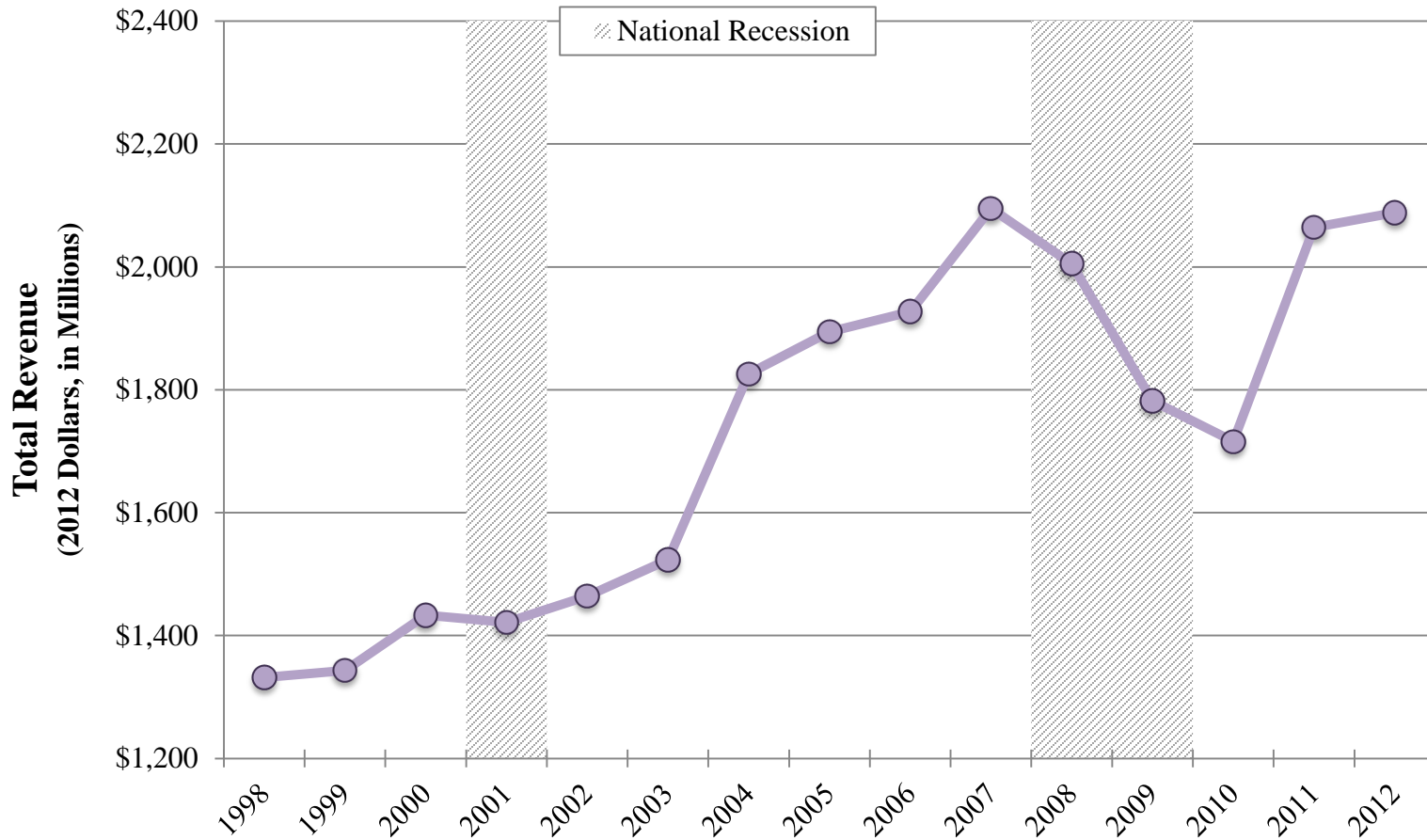
#### 4. Selective sales taxes

The following three charts describe how state revenue raised by selective sales taxes (motor fuels, alcohol, tobacco, and others) has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Increased before and remained flat during the 2001 recession, increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 56.8% from 1998 to 2012
  - Peaked in 2007 and decreased by 0.3% from 2007 to 2012
  - Troughed in 1998
  
- Per capita revenue:
  - Increased before and decreased during the 2001 recession, increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 24.4% from 1998 to 2012
  - Peaked in 2007 and decreased by 6.0% from 2007 to 2012
  - Troughed in 1999 and increased by 26.2% from 1999 to 2012
  
- Revenue as a percentage of personal income:
  - Decreased before and during the 2001 recession, increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 15.9% from 1998 to 2012
  - Peaked in 2007 and decreased by 3.0% from 2007 to 2012
  - Troughed in 2001 and increased by 23.8% from 2001 to 2012

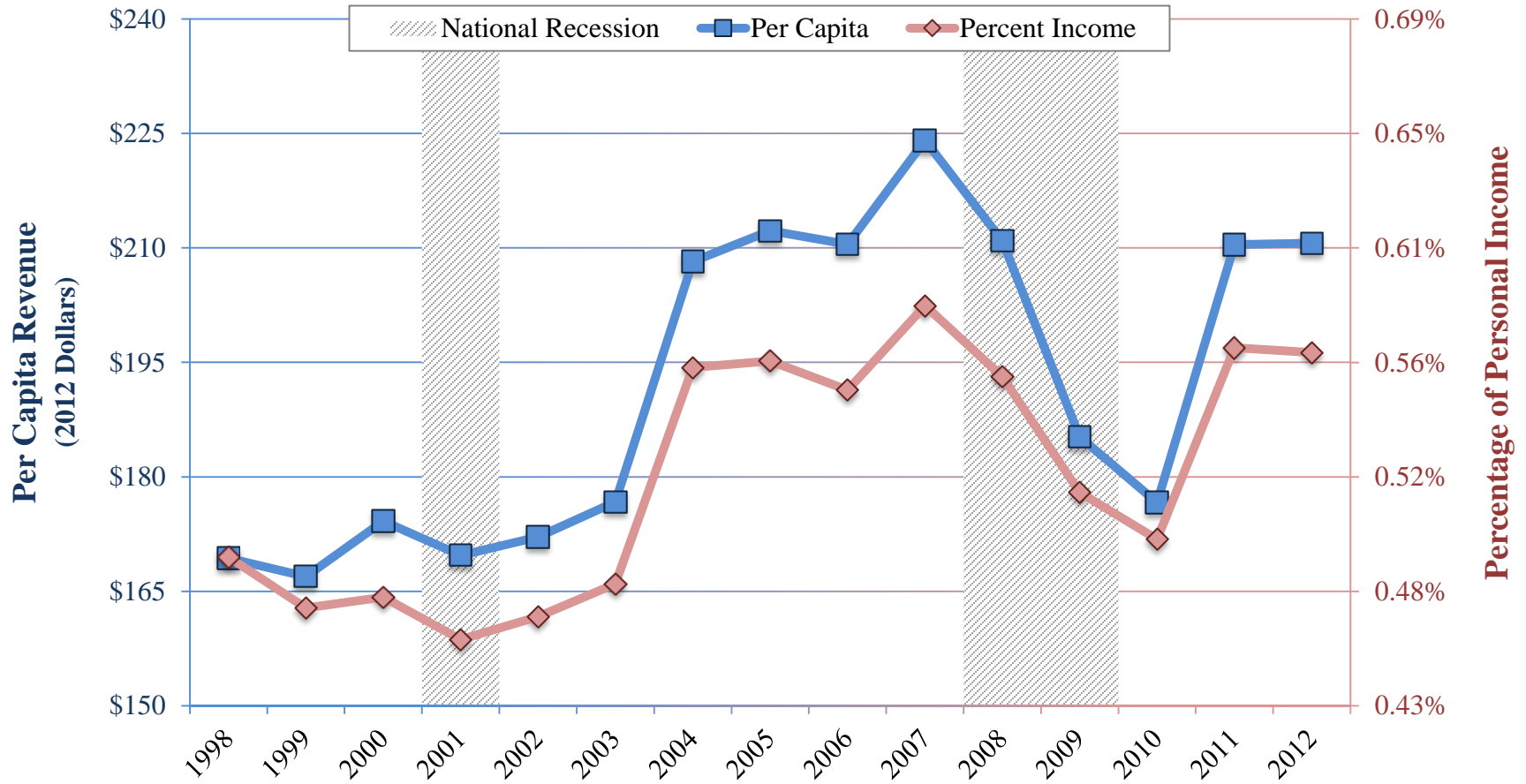


## Georgia – State Revenue Selective Sales Taxes – Total



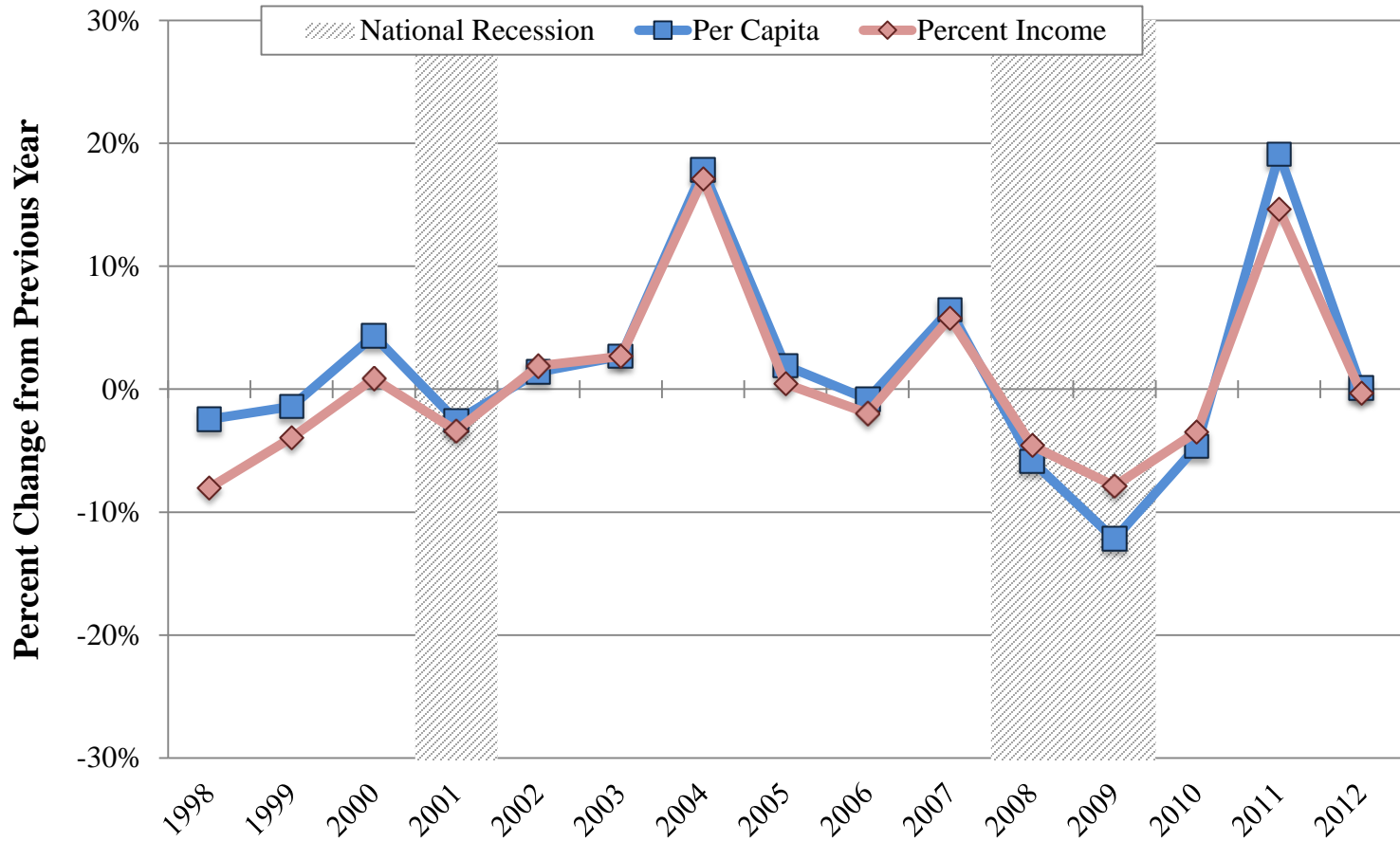
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Selective Sales Taxes – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Selective Sales Taxes – Annual Change



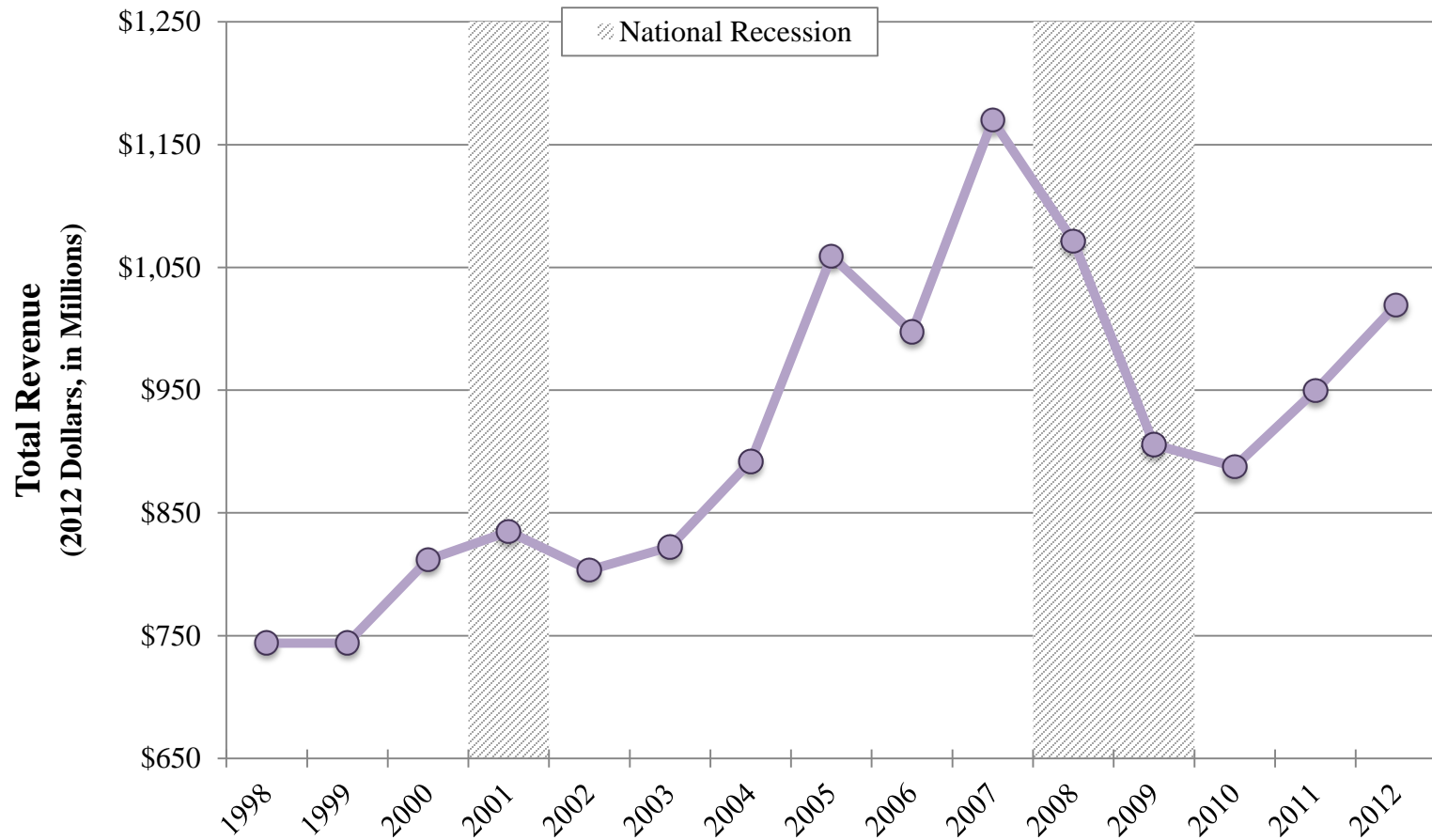
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 5. Fuel tax

The following three charts describe how state revenue raised by fuel tax (a major component of selective sales tax revenue) has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

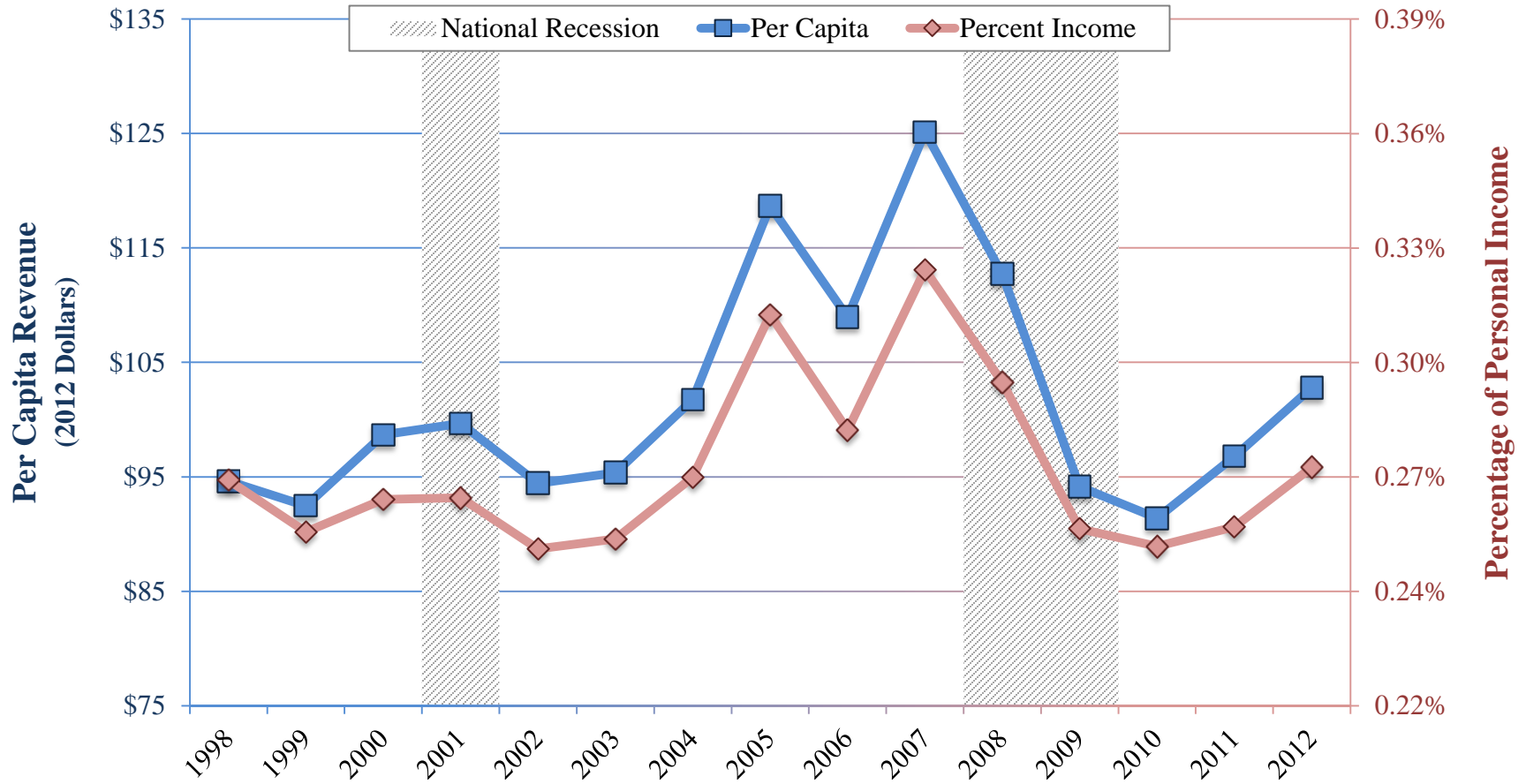
- Total revenue:
  - Increased before and remained flat during the 2001 recession, increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 37.0% from 1998 to 2012
  - Peaked in 2007 and decreased by 12.9% from 2007 to 2012
  - Troughed in 1999 and increased by 37.0% from 1999 to 2012
- Per capita revenue:
  - Increased before and decreased during the 2001 recession, increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 8.6% from 1998 to 2012
  - Peaked in 2007 and decreased by 17.8% from 2007 to 2012
  - Troughed in 2010 and increased by 12.5% from 2010 to 2012
- Revenue as a percentage of personal income:
  - Decreased before and during the 2001 recession, increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 1.2% from 1998 to 2012
  - Peaked in 2007 and decreased by 15.3% from 2007 to 2012
  - Troughed in 2002 and increased by 8.1% from 2002 to 2012

## Georgia – State Revenue Fuel Tax – Total



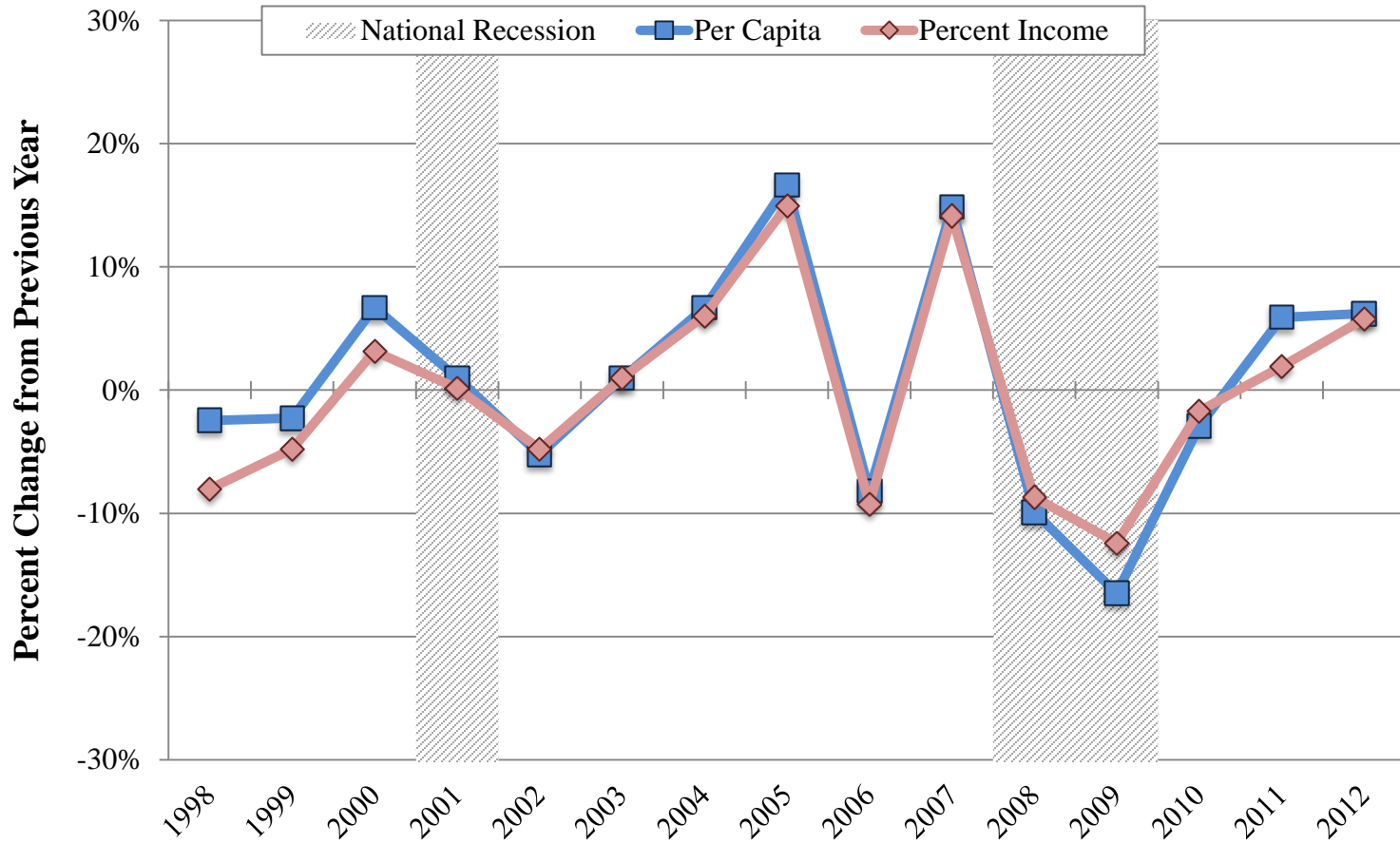
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Fuel Tax – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Fuel Tax – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

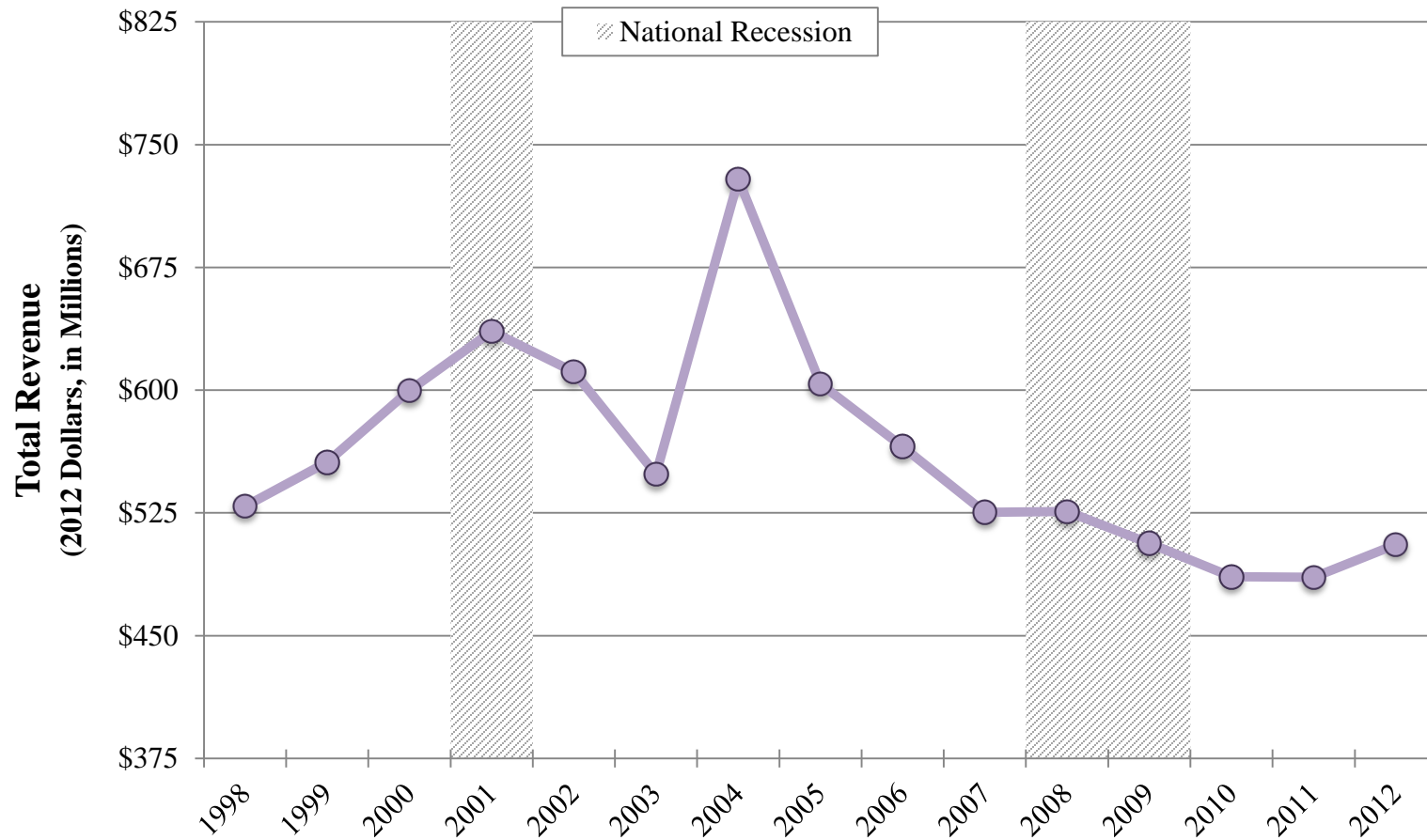
## 6. License taxes

The following three charts describe how state revenue raised by license taxes has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Increased before and decreased during the 2001 recession, increased then decreased between recessions, and then decreased during and increased after the 2008-09 recession
  - Decreased overall by 4.4% from 1998 to 2012
  - Peaked in 2004 and decreased by 30.6% from 2004 to 2012
  - Troughed in 2011 and increased by 4.1% from 2011 to 2012
- Per capita revenue:
  - Increased before and decreased during the 2001 recession, increased then decreased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Decreased overall by 24.2% from 1998 to 2012
  - Peaked in 2004 and decreased by 38.7% from 2004 to 2012
  - Troughed in 2011 and increased by 3.0% from 2011 to 2012
- Revenue as a percentage of personal income:
  - Increased before and decreased during the 2001 recession, increased then decreased between recessions, and then remained flat during and decreased after the 2008-09 recession
  - Decreased overall by 29.4% from 1998 to 2012
  - Peaked in 2004 and decreased by 38.7% from 2004 to 2012
  - Troughed in 2011 and increased by 2.6% from 2011 to 2012



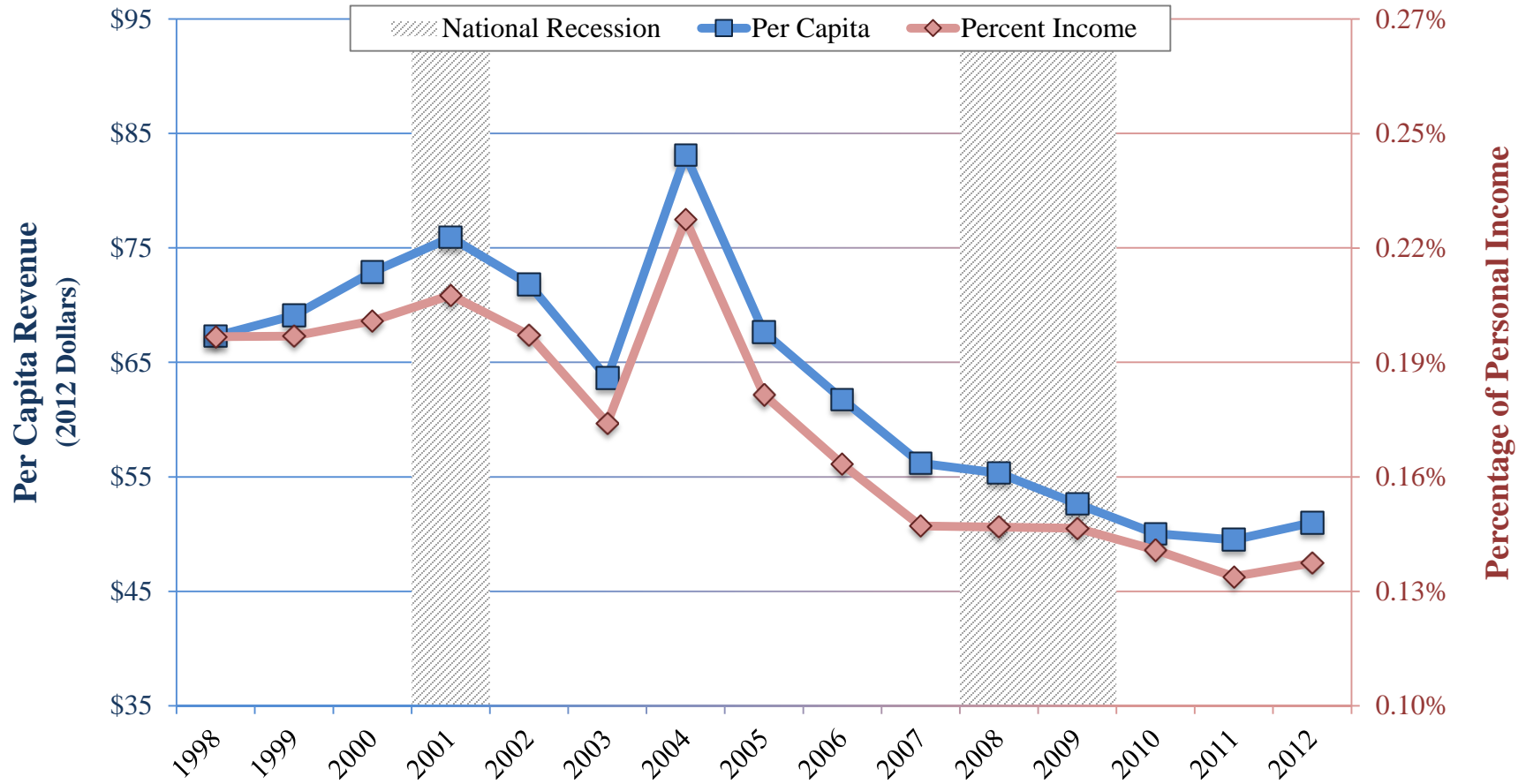
## Georgia – State Revenue License Taxes – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

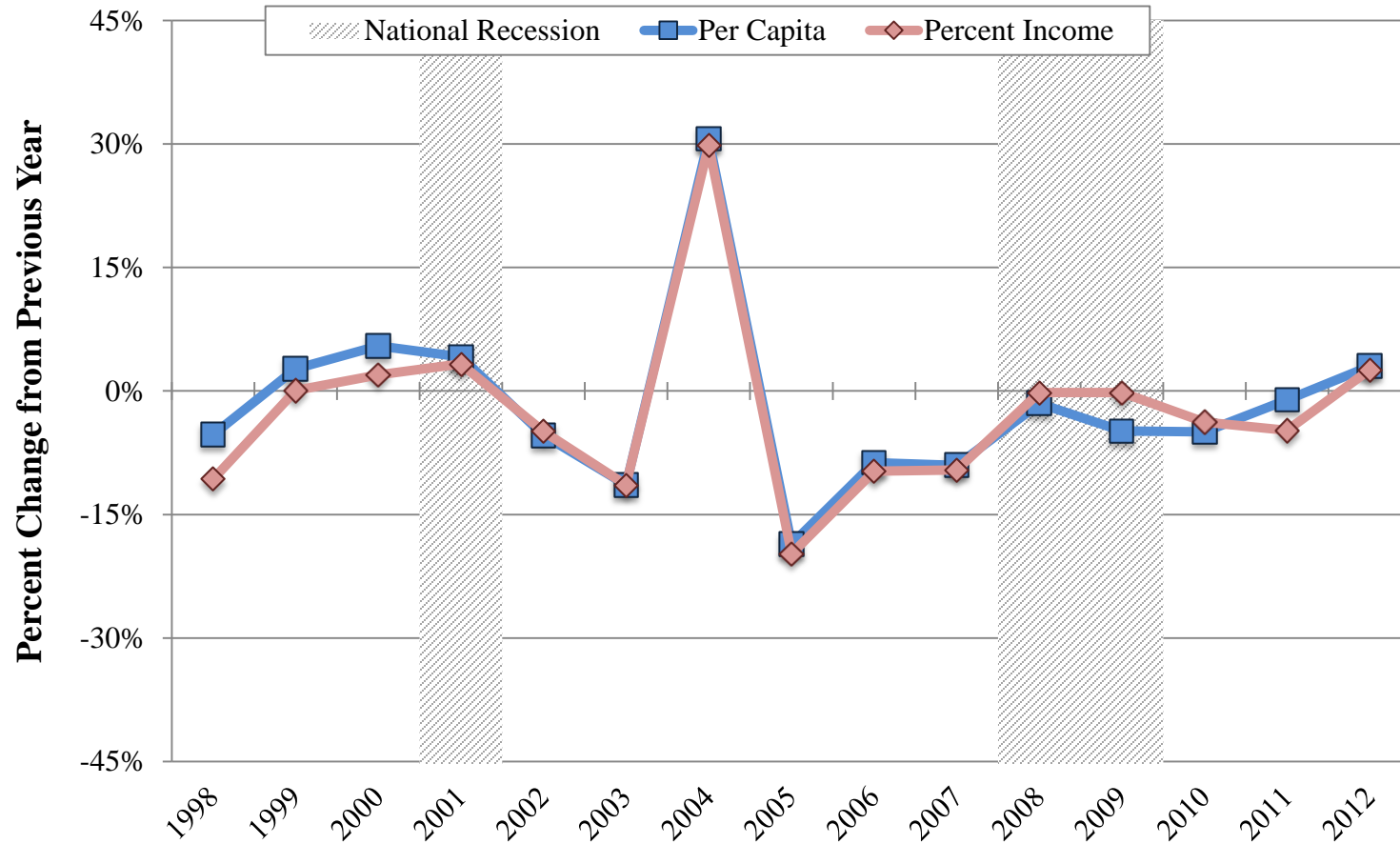
## Georgia – State Revenue

### License Taxes – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue License Taxes – Annual Change



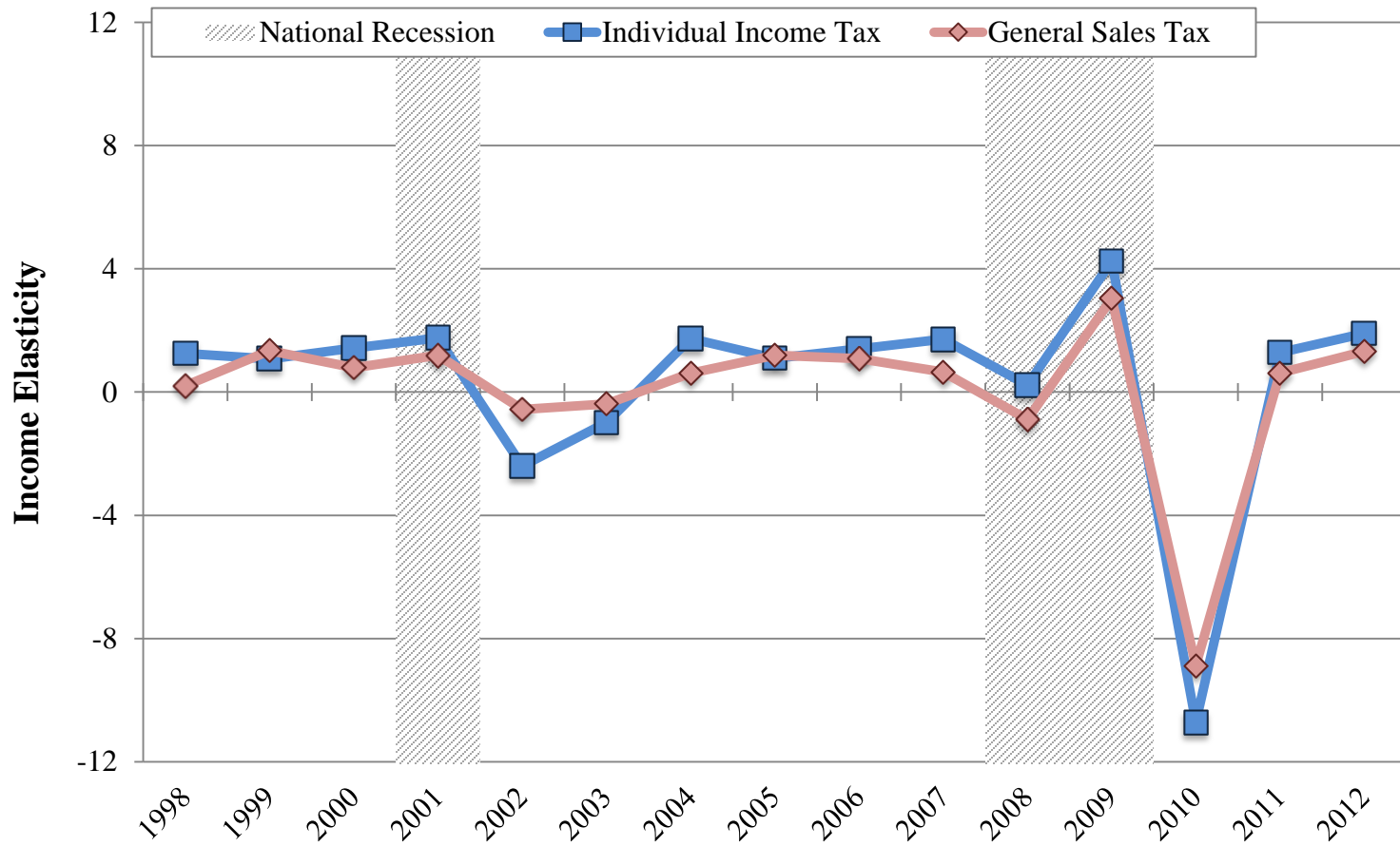
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 7. Income elasticities of major state taxes

Income elasticity of revenue measures the responsiveness of revenue to changes in total personal income. The elasticity is measured as the ratio of the percent change in revenue to the percent change in income. For example, an elasticity of 2 means that a 1% increase in personal income results in a revenue increase of 2%. The following chart shows the annual income elasticities of the state individual income tax and general sales tax from 1998 to 2012.

- Elasticities for both taxes:
  - Had positive values in the low single digits before recessions and after recovery
  - Became negative in response to each recession and took two to three years to recover
  - Increased then decreased in response to the 2008-09 recession, resulting from a concurrent decrease in revenue and income in 2009, followed by a decrease in revenue and increase in income in 2010
- General sales tax elasticity was almost always smaller in magnitude than individual income tax elasticity. Possible causes include:
  - Consumption-smoothing behavior during relatively high- and low-income periods limits general sales tax volatility
  - The individual income tax's progressive structure causes the distribution of rates to change as incomes change, while the general sales tax rate remains constant regardless of changes in incomes

## Georgia – State Revenue Income Elasticities of Major Taxes



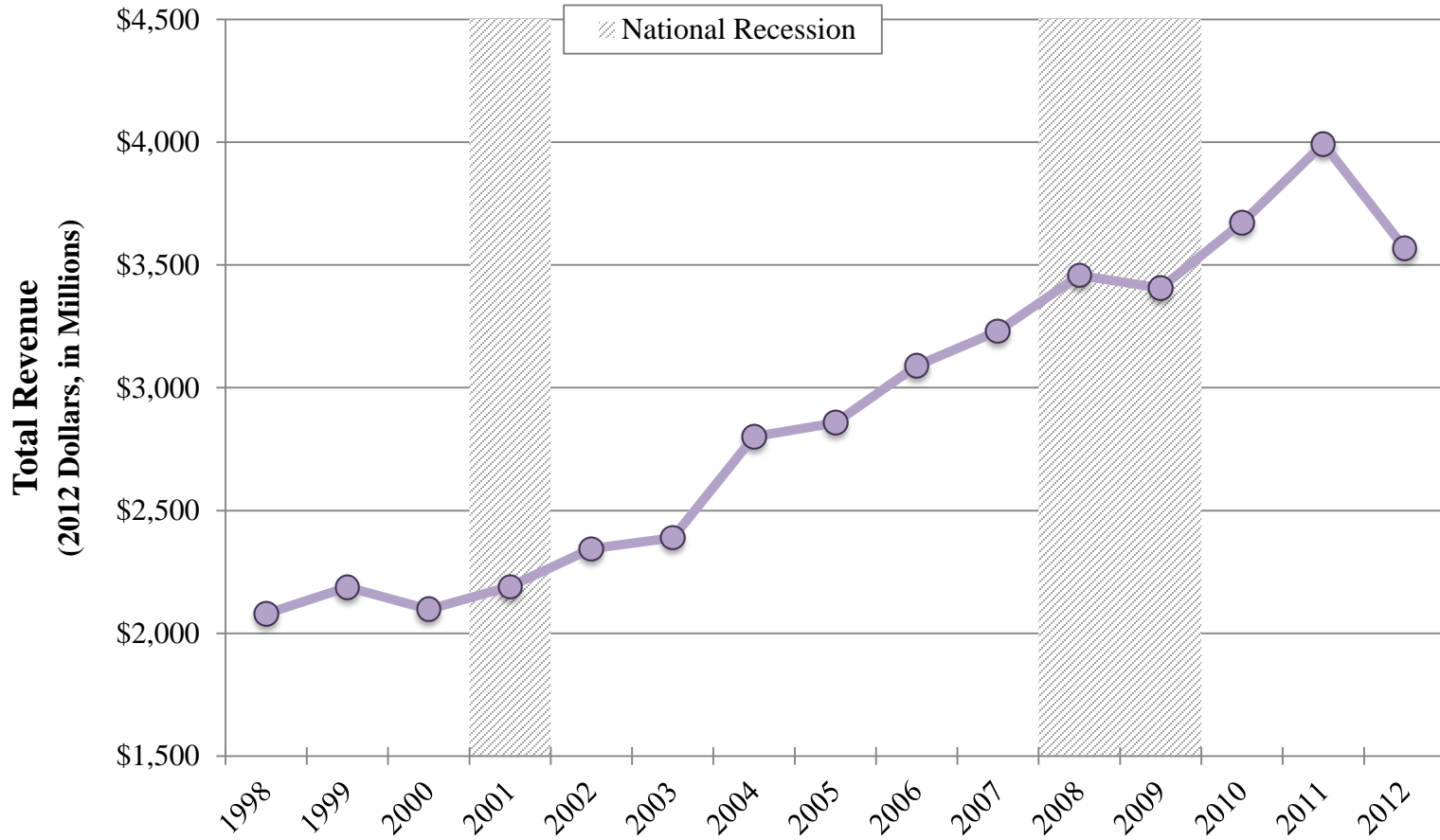
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## B. State Charge Revenue

This section discusses user charge revenue for Georgia's state government. The following three charts describe how state revenue raised by user charges has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total charge revenue:
  - Remained flat before and increased during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 71.6% from 1998 to 2012
  - Peaked in 2011 and decreased by 10.6% from 2011 to 2012
  - Troughed in 1998
  
- Per capita charge revenue:
  - Decreased before and increased during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 36.1% from 1998 to 2012
  - Peaked in 2011 and decreased by 11.6% from 2011 to 2012
  - Troughed in 2000 and increased by 41.1% from 2000 to 2012
  
- Charge revenue as a percentage of personal income:
  - Decreased before and increased during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 26.8% from 1998 to 2012
  - Peaked in 2011 and decreased by 11.9% from 2011 to 2012
  - Troughed in 2000 and increased by 39.6% from 2000 to 2012

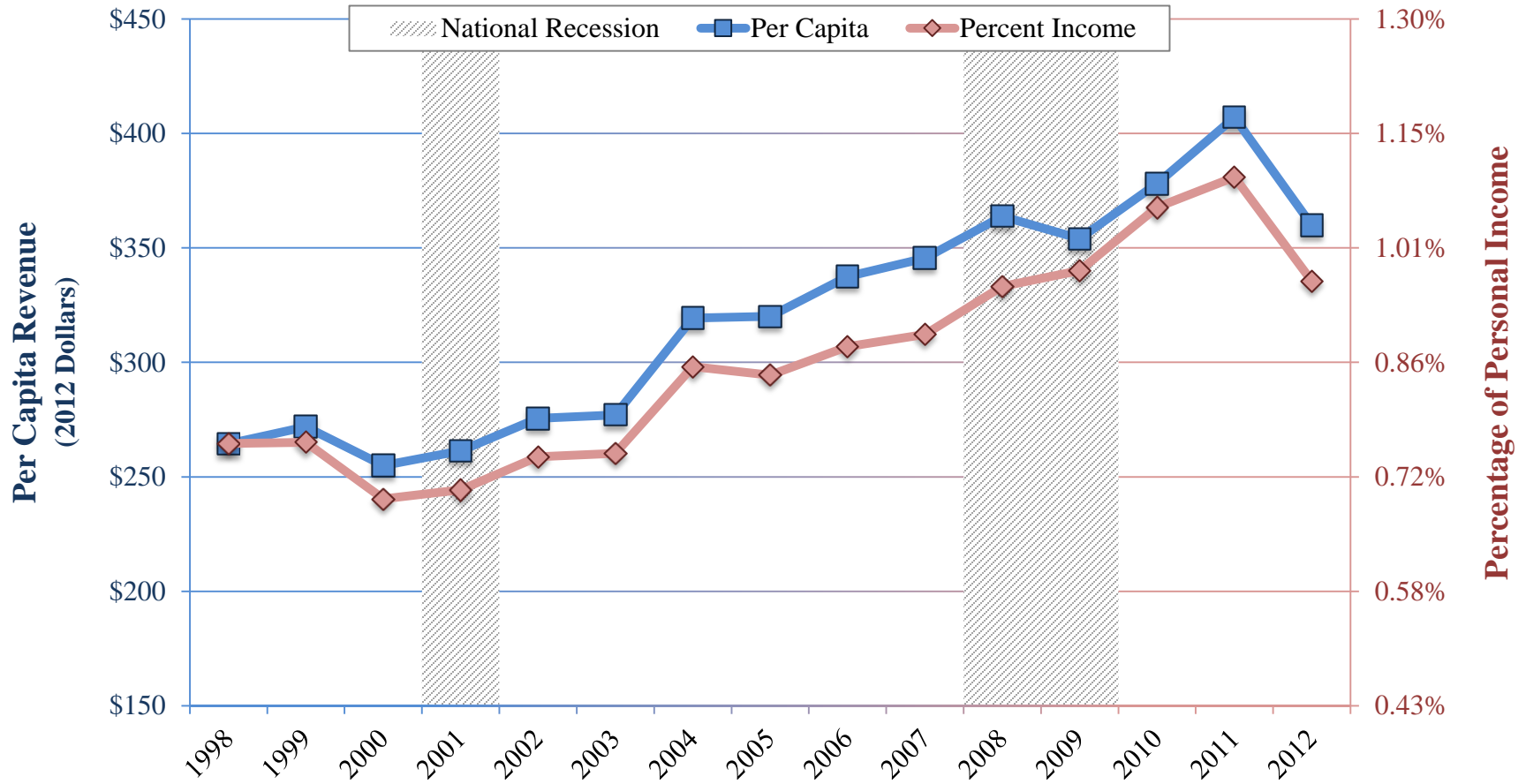
## Georgia – State Revenue Total Charges – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue

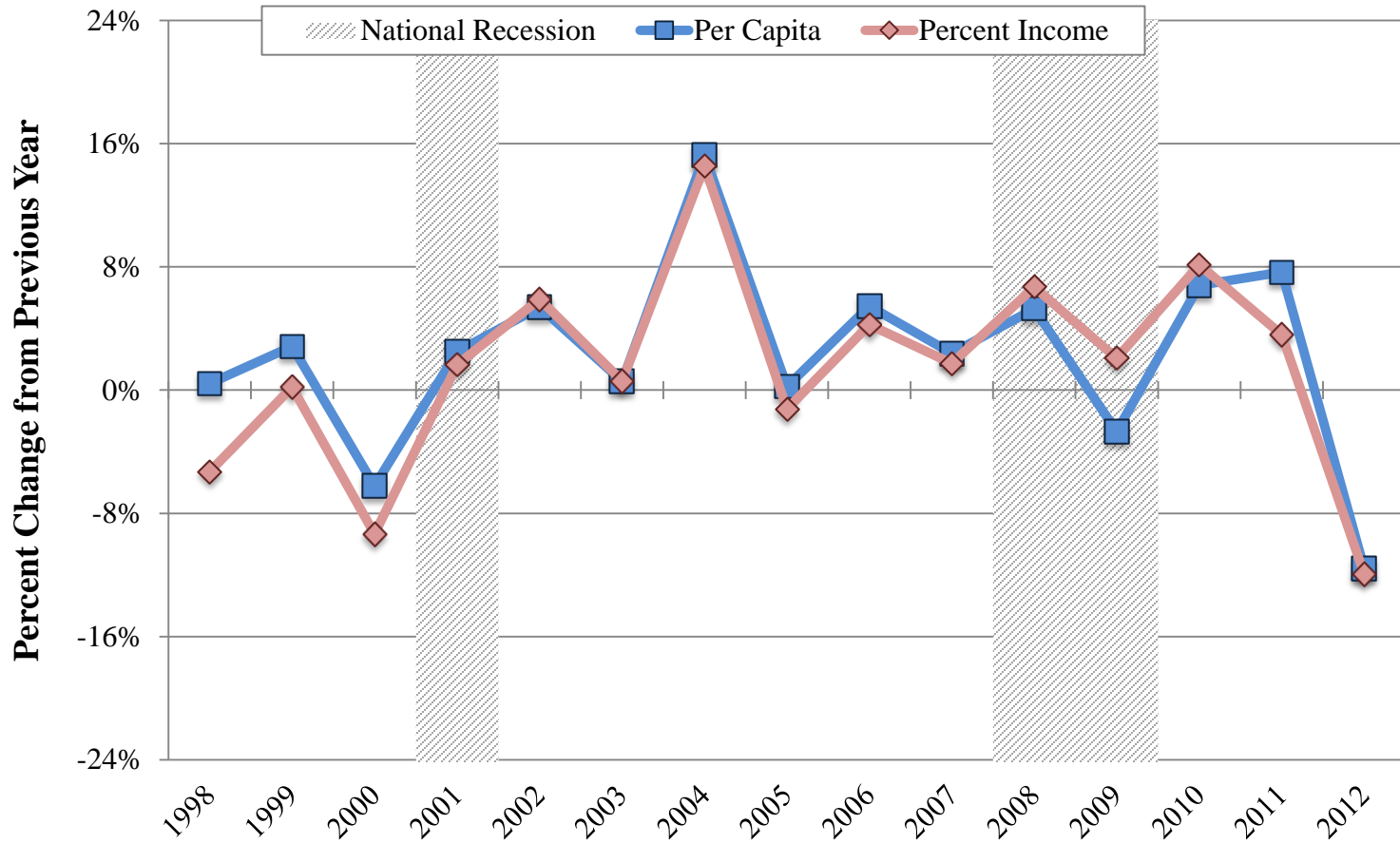
### Total Charges – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).



## Georgia – State Revenue Total Charges – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 1. Higher education charges

The following three charts describe how state revenue raised by higher education charges has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

### ■ Total revenue:

- Increased before and during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
- Increased overall by 121.7% from 1998 to 2012
- Peaked in 2011 and decreased by 14.4% from 2011 to 2012
- Troughed in 1998

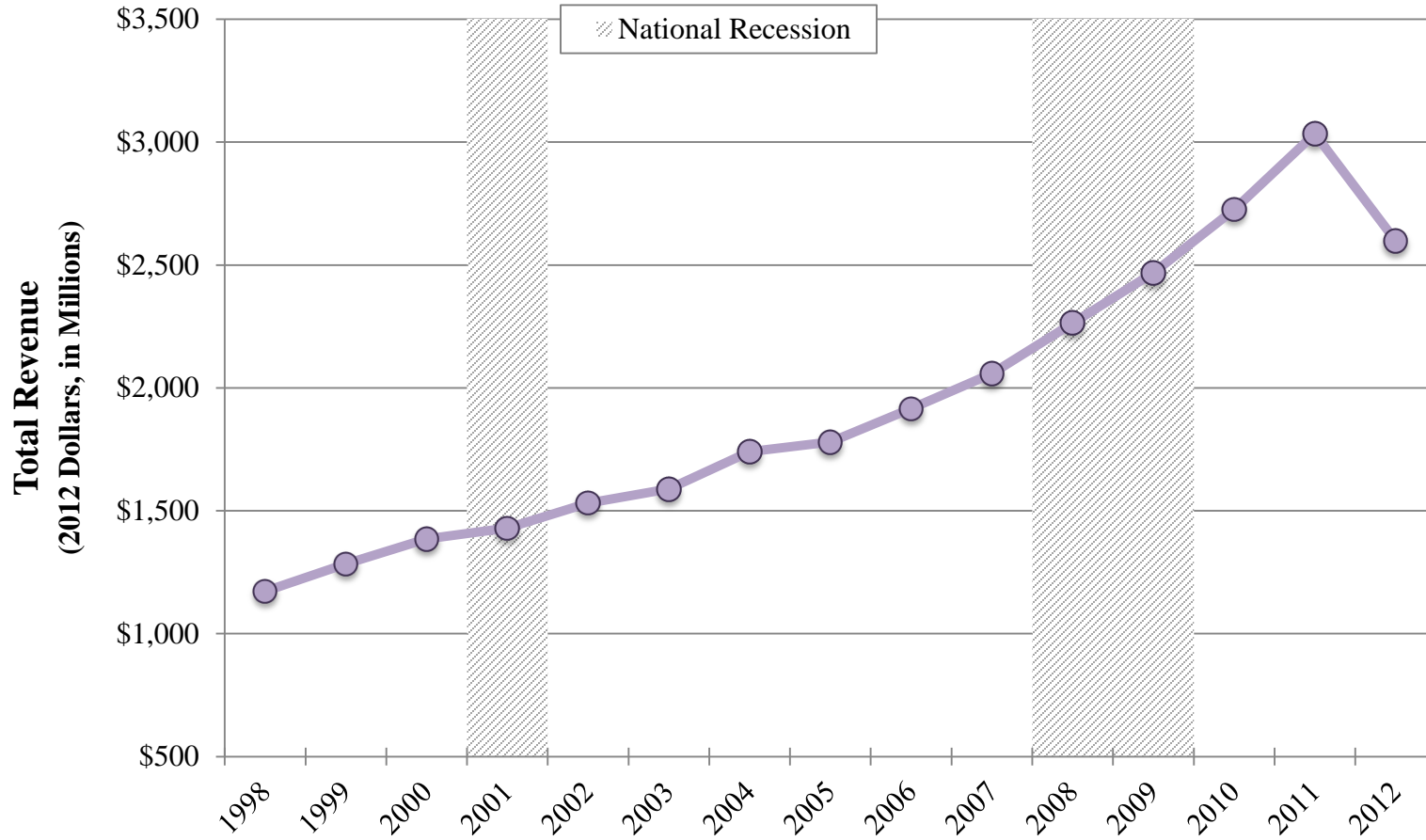
### ■ Per capita revenue:

- Increased before and during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
- Increased overall by 75.8% from 1998 to 2012
- Peaked in 2011 and decreased by 15.3% from 2011 to 2012
- Troughed in 1998

### ■ Revenue as a percentage of personal income:

- Increased before and during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
- Increased overall by 63.8% from 1998 to 2012
- Peaked in 2011 and decreased by 15.6% from 2011 to 2012
- Troughed in 1998

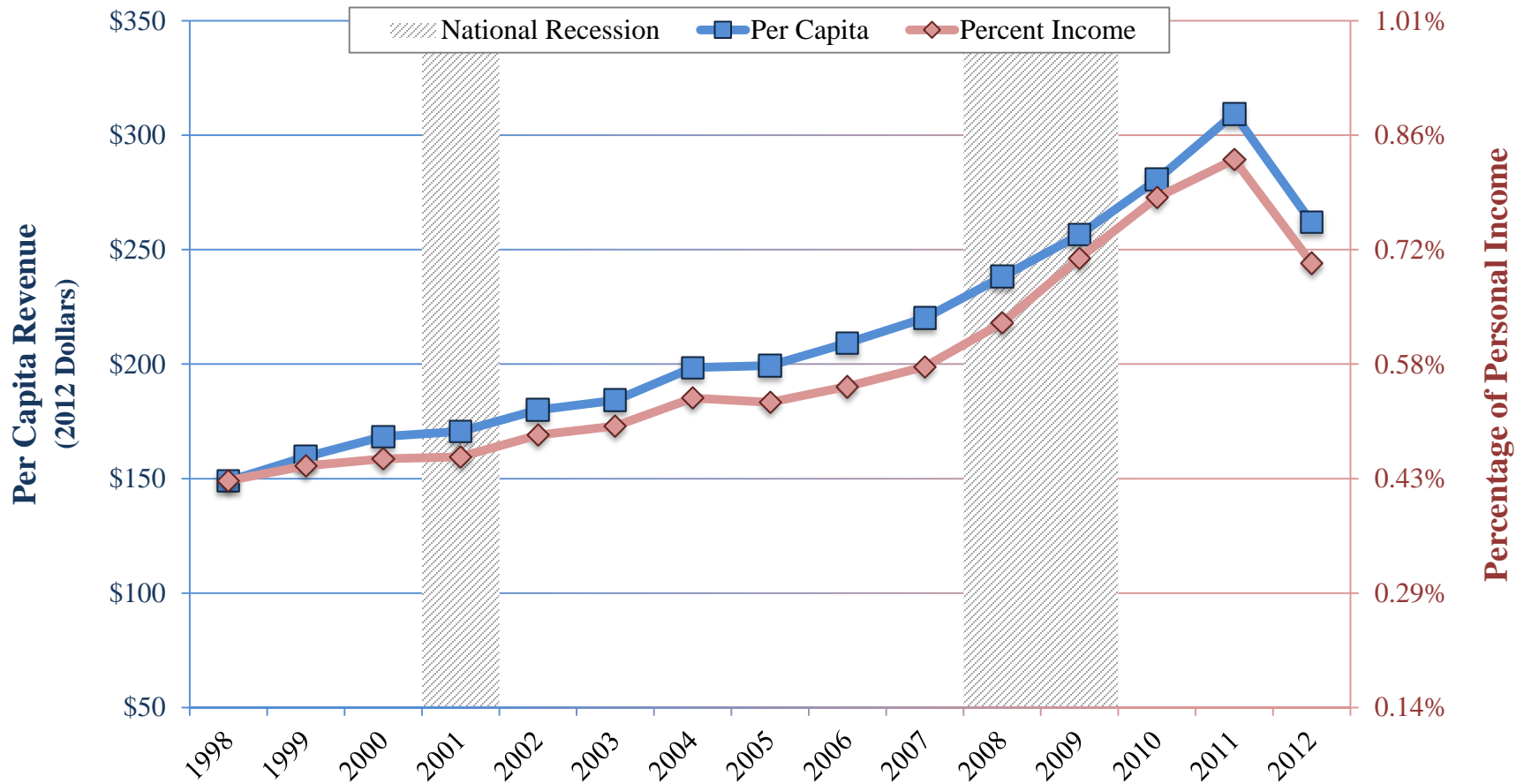
## Georgia – State Revenue Higher Education Charges – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

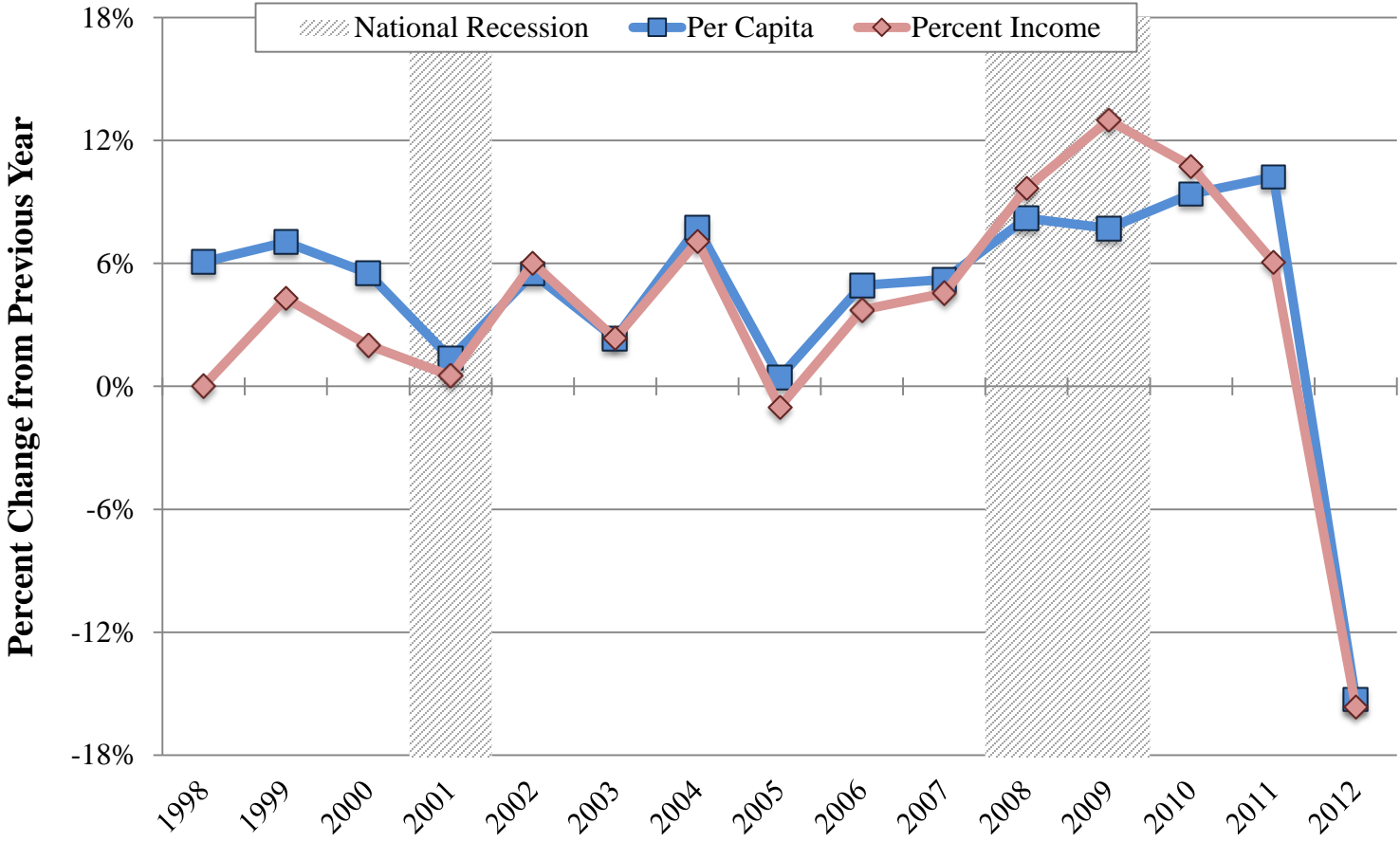
## Georgia – State Revenue

### Higher Education Charges – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012)

## Georgia – State Revenue Higher Education Charges – Annual Change



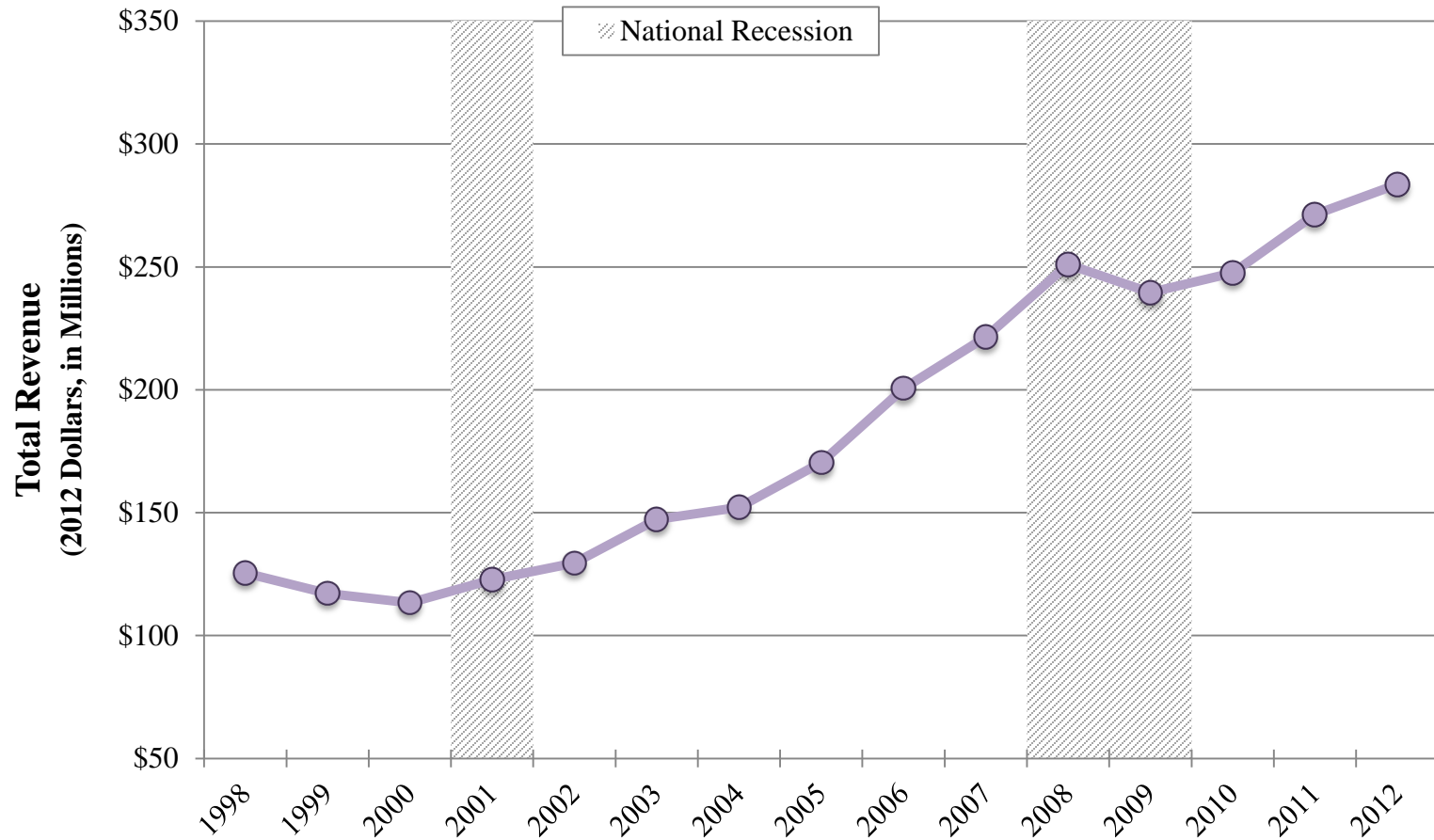
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 2. Water transport charges

The following three charts describe how state revenue raised by water transport charges has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Decreased before and increased during the 2001 recession, increased between recessions, and then remained flat during and increased after the 2008-09 recession
  - Increased overall by 126.0% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 2000 and increased by 150.1% from 2000 to 2012
  
- Per capita revenue:
  - Decreased before and increased during the 2001 recession, increased between recessions, and then remained flat during and increased after the 2008-09 recession
  - Increased overall by 79.2% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 2000 and increased by 107.5% from 2000 to 2012
  
- Revenue as a percentage of personal income:
  - Decreased before and increased during the 2001 recession, increased between recessions, and then remained flat during and increased after the 2008-09 recession
  - Increased overall by 67.0% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 2000 and increased by 105.3% from 2000 to 2012

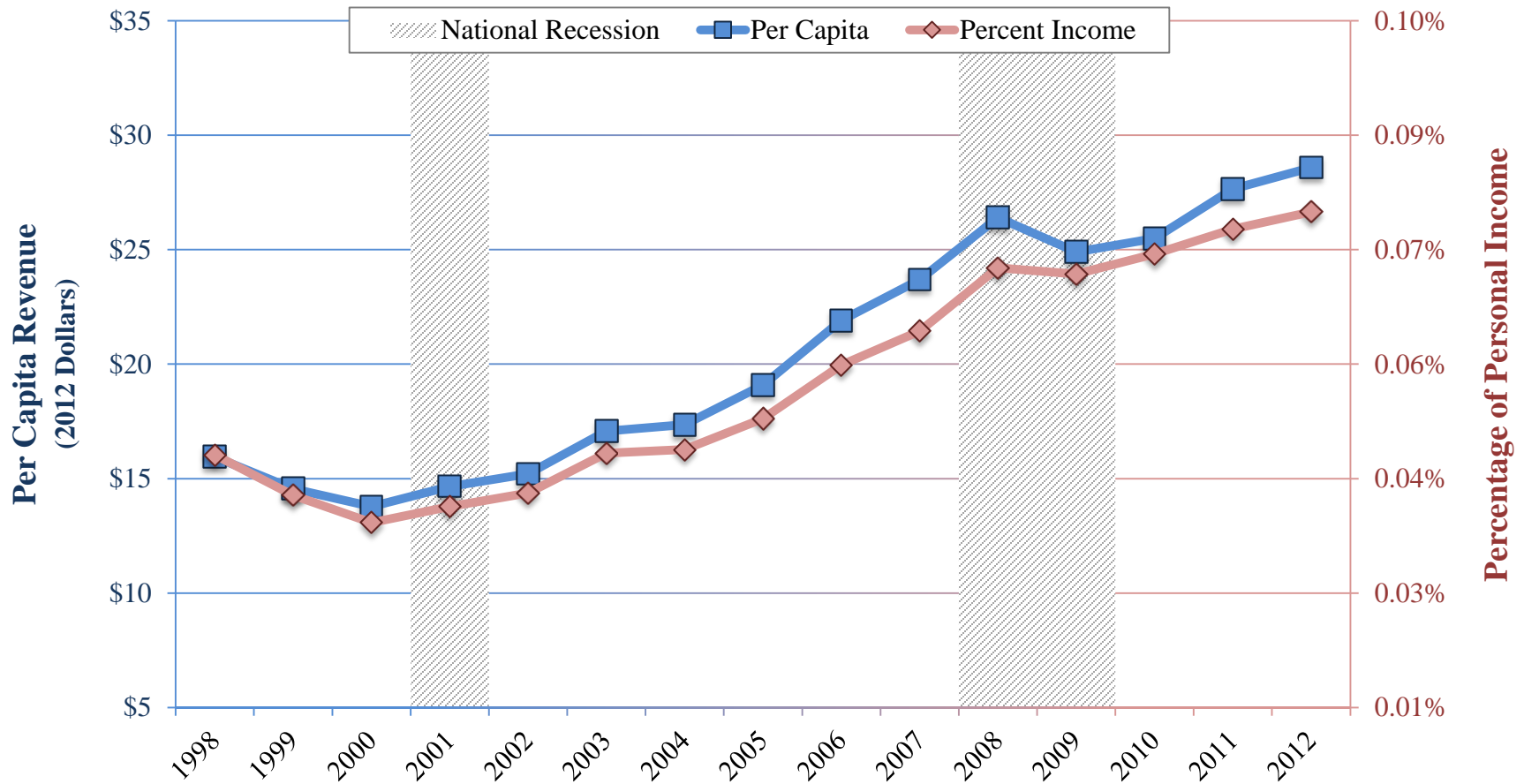
## Georgia – State Revenue Water Transport Charges – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue

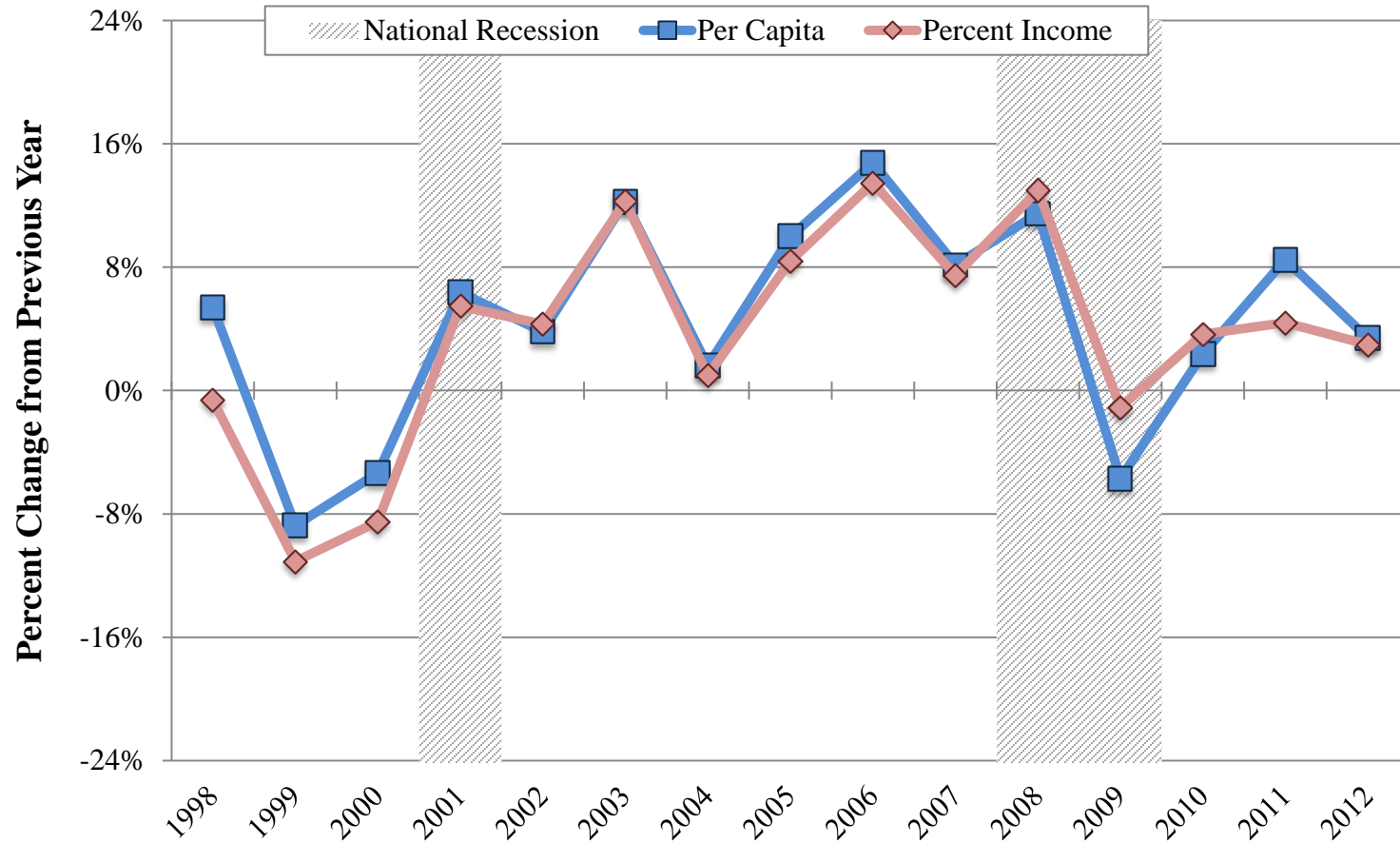
### Water Transport Charges – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).



## Georgia – State Revenue Water Transport Charges – Annual Change



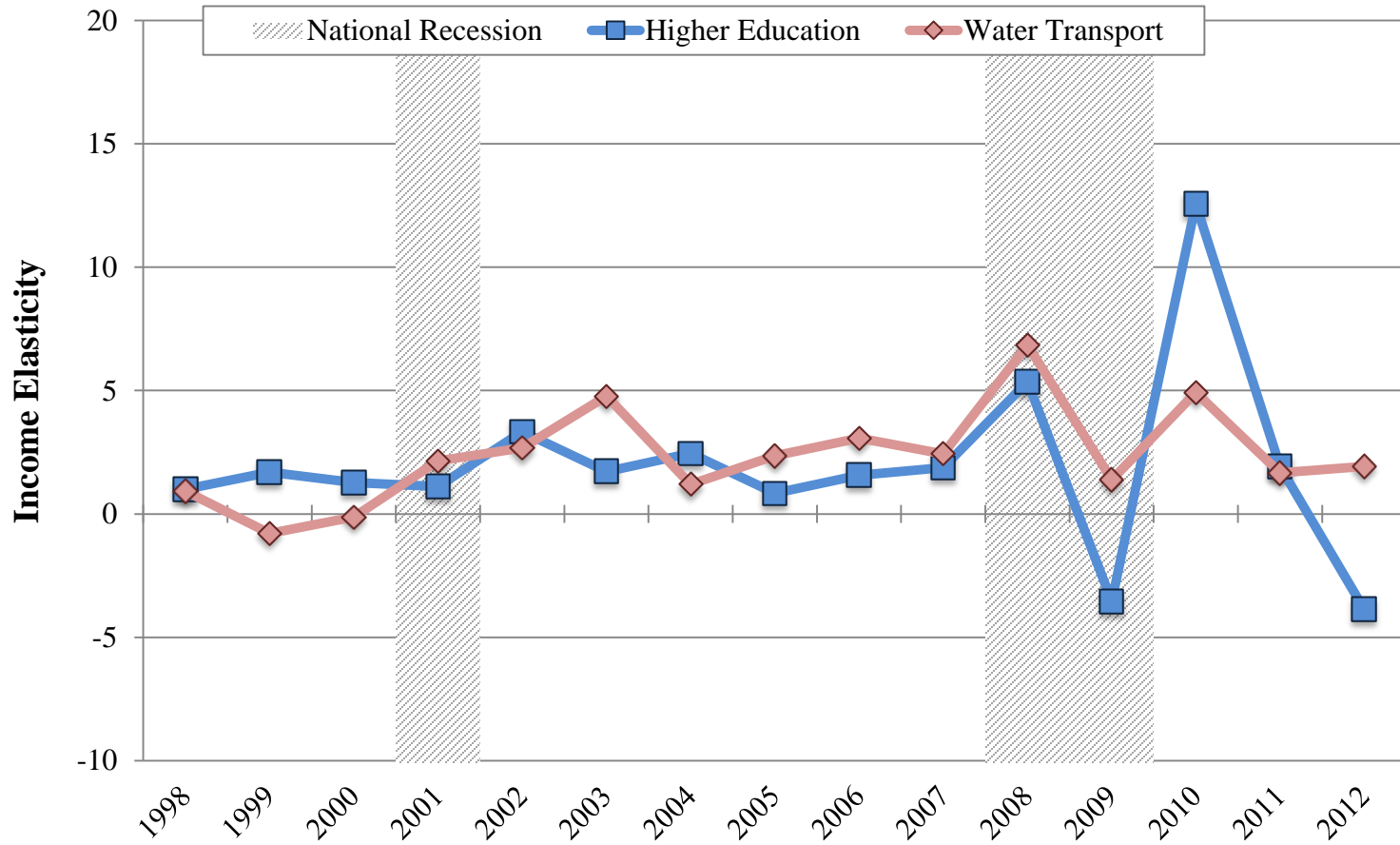
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

### 3. Income elasticities of major state charges

Income elasticity of revenue measures the responsiveness of revenue to changes in total personal income. The elasticity is measured as the ratio of the percent change in revenue to the percent change in income. For example, an elasticity of 2 means that a 1% increase in personal income results in a revenue increase of 2%. The following chart shows the annual income elasticities of state higher education and water transport charges from 1998 to 2012.

- Higher education charge elasticity consistently had low, positive values until the 2008-09 recession when its magnitude increased
  - The negative value in 2009 reflects increased charges and decreased income
  
- Water transport charge initially became negative, but had low positive values from the 2001 recession on
  - It remained positive in 2009, indicating that water transport charges decreased as income decreased

## Georgia – State Revenue Income Elasticities of Major Charges



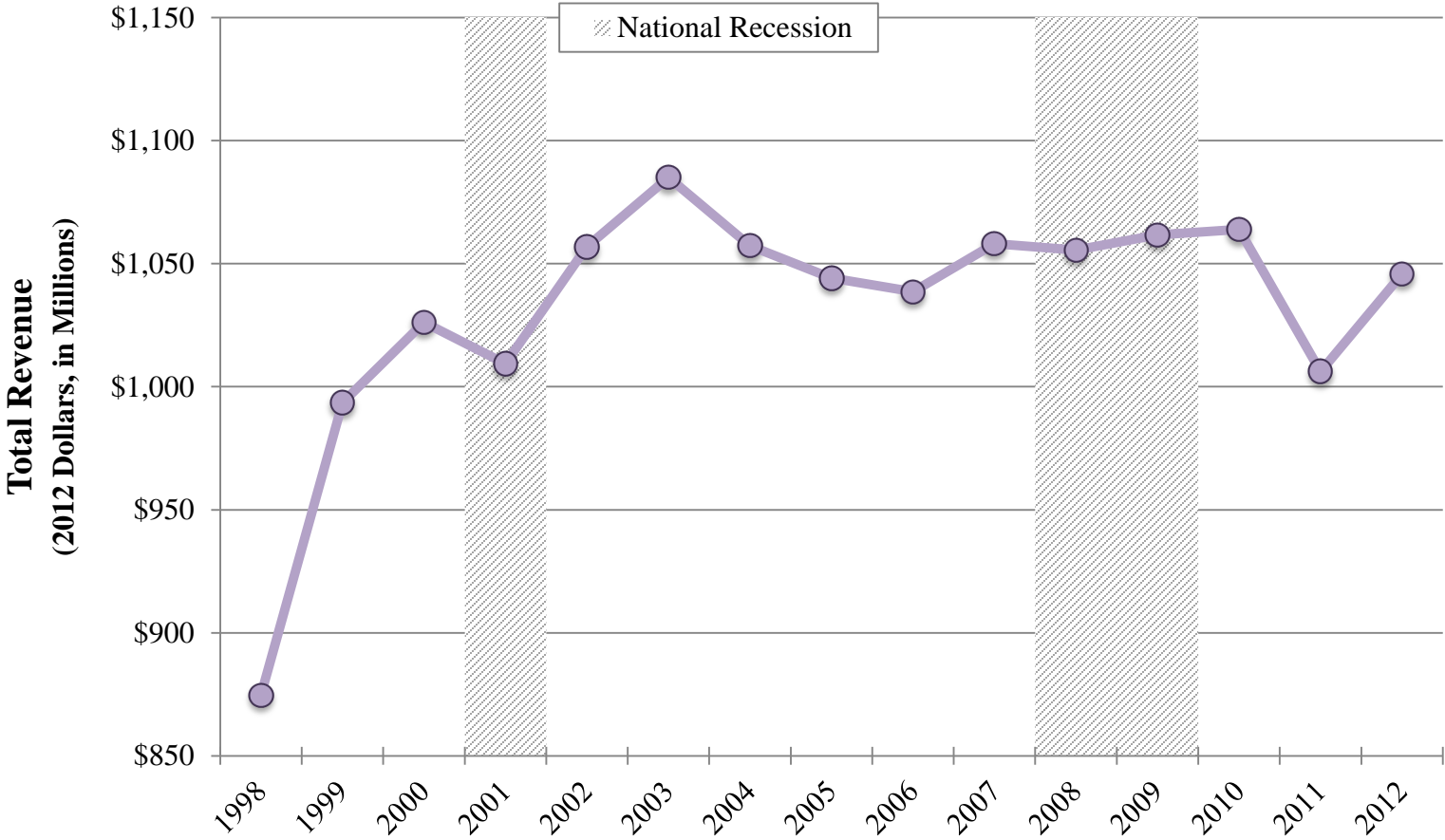
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## C. State Lottery Revenue

This section discusses lottery revenue for Georgia's state government. The following three charts describe how state revenue raised by the lottery has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

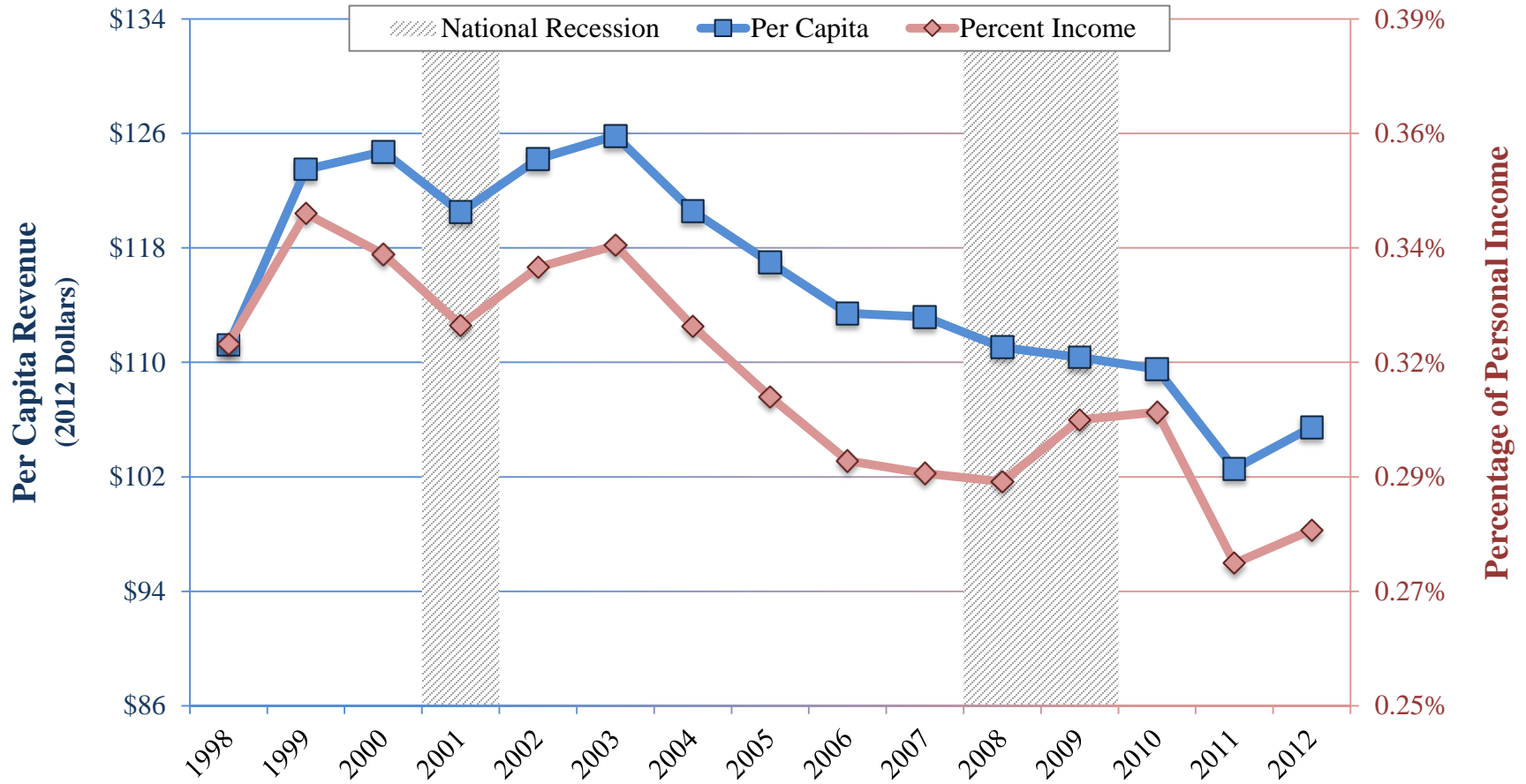
- Total lottery revenue:
  - Increased before and decreased during the 2001 recession, increased then decreased between recessions, and then remained flat during and decreased after the 2008-09 recession
  - Increased overall by 19.6% from 1998 to 2012
  - Peaked in 2003 and decreased by 3.6% from 2003 to 2012
  - Troughed in 1998
  
- Per capita lottery revenue:
  - Increased before and decreased during the 2001 recession, increased then decreased between recessions, and then remained flat during and decreased after the 2008-09 recession
  - Decreased overall by 5.2% from 1998 to 2012
  - Peaked in 2003 and decreased by 16.2% from 2003 to 2012
  - Troughed in 2011 and increased by 2.8% from 2011 to 2012
  
- Lottery revenue as a percentage of personal income:
  - Increased before and decreased during the 2001 recession, increased then decreased between recessions, and then increased during and decreased after the 2008-09 recession
  - Decreased overall by 11.7% from 1998 to 2012
  - Peaked in 1999 and decreased by 18.3% from 1999 to 2012
  - Troughed in 2011 and increased by 2.4% from 2011 to 2012

## Georgia – State Revenue Lottery Revenue – Total



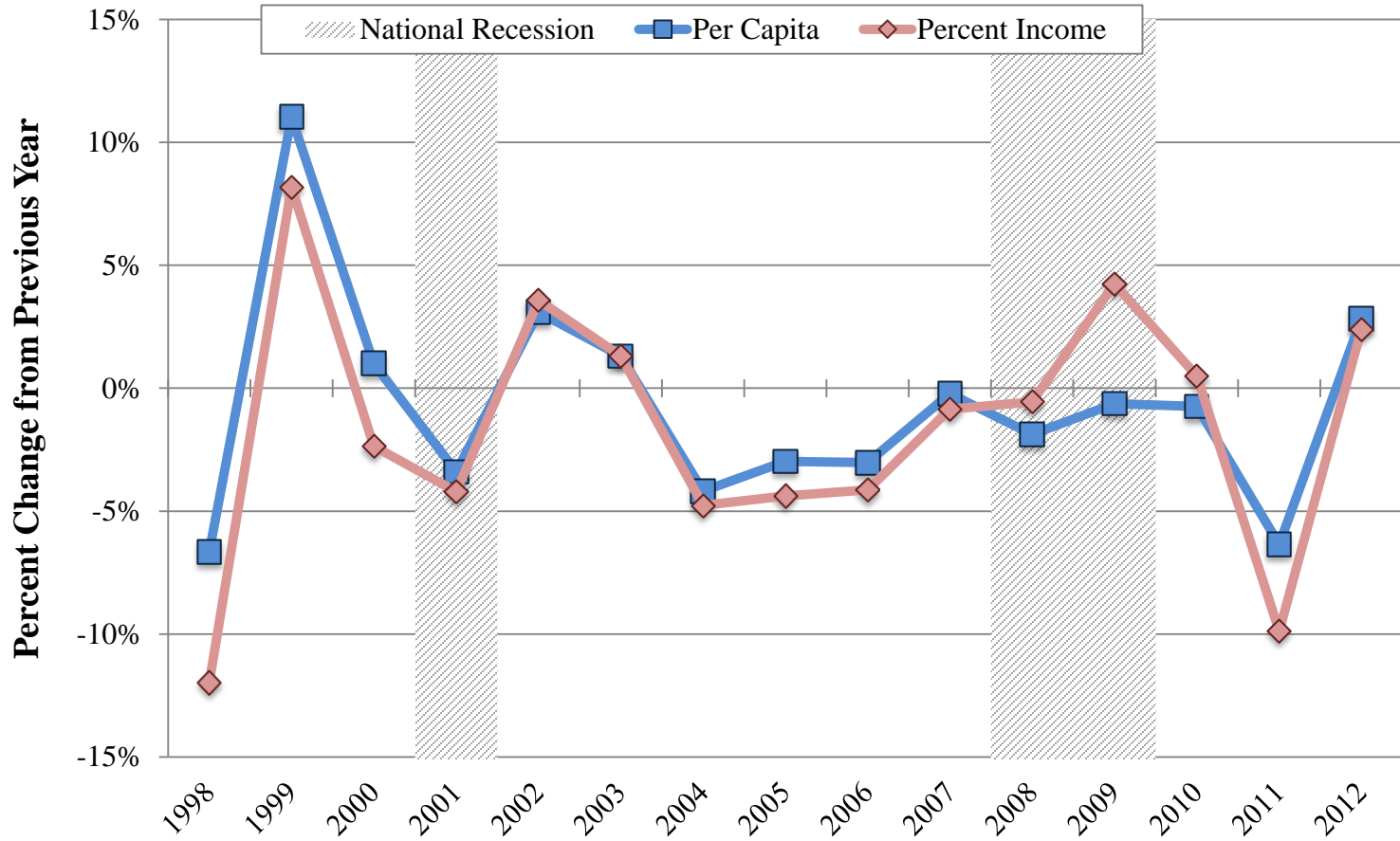
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Lottery Revenue – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Lottery Revenue – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 1. Income elasticities of state lottery sales and prizes

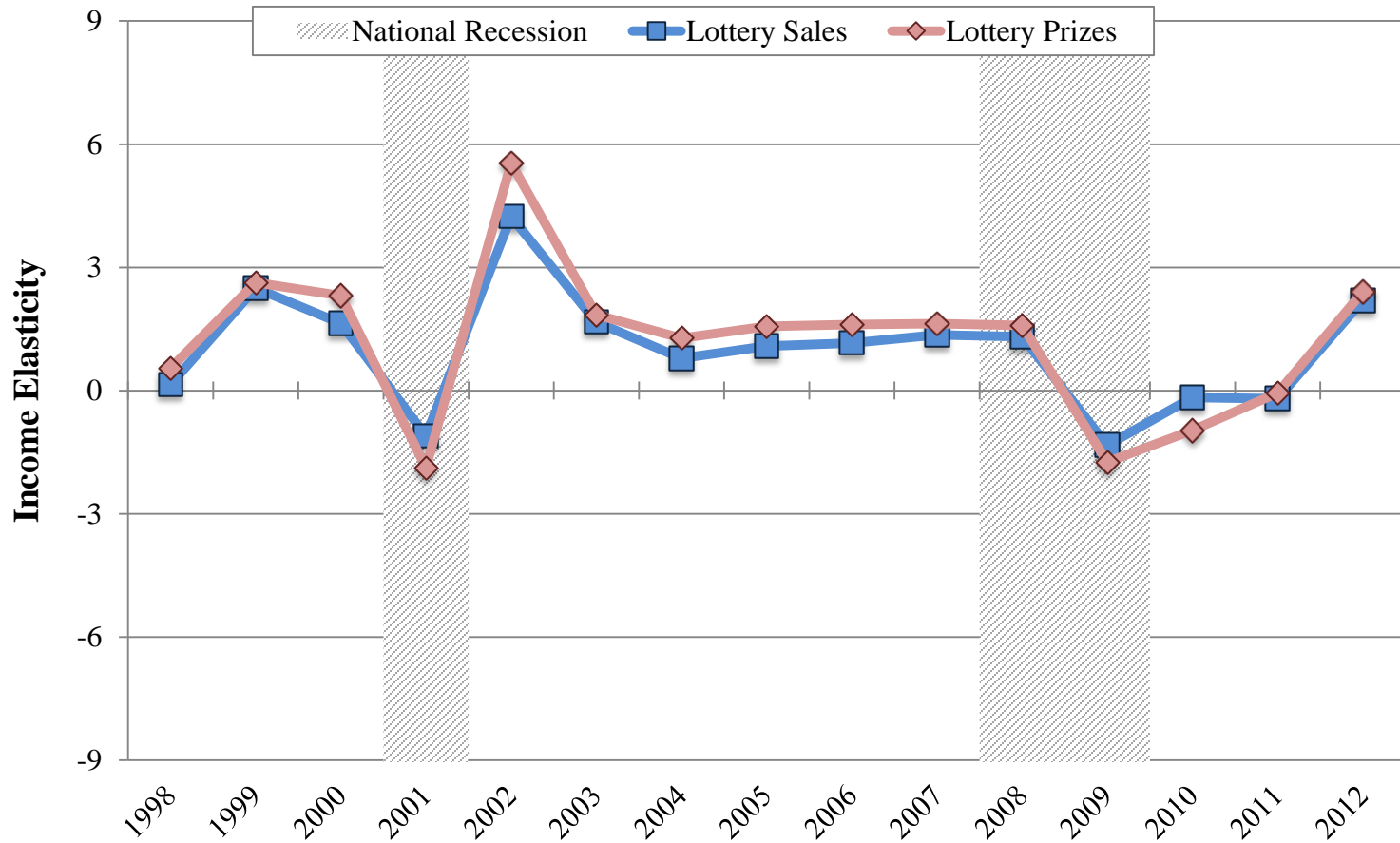
Income elasticity of revenue measures the responsiveness of revenue to changes in total personal income. The elasticity is measured as the ratio of the percent change in revenue to the percent change in income. For example, an elasticity of 2 means that a 1% increase in personal income results in a revenue increase of 2%. The following chart shows the annual income elasticities of lottery sales and lottery prizes from 1998 to 2012.

- Elasticities for both sales and prizes:
  - Had positive values in the low, single digits before recessions and after recovery
  - Responded to the 2001 recession by becoming negative, then sharply increasing
  - Responded to the 2008-09 recession by becoming negative as income decreased in 2009, then remaining negative as income increased by lottery activity decreased
- Lottery sales elasticity was almost always smaller in magnitude than lottery prizes elasticity. Possible causes include:
  - Demand for lottery tickets is relatively more stable in response to macroeconomic conditions
  - Willingness to supply prizes is relatively more volatile



## Georgia – State Revenue

### Income Elasticities of Lottery Sales and Prizes



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## IV. LOCAL OWN-SOURCE REVENUE IN GEORGIA

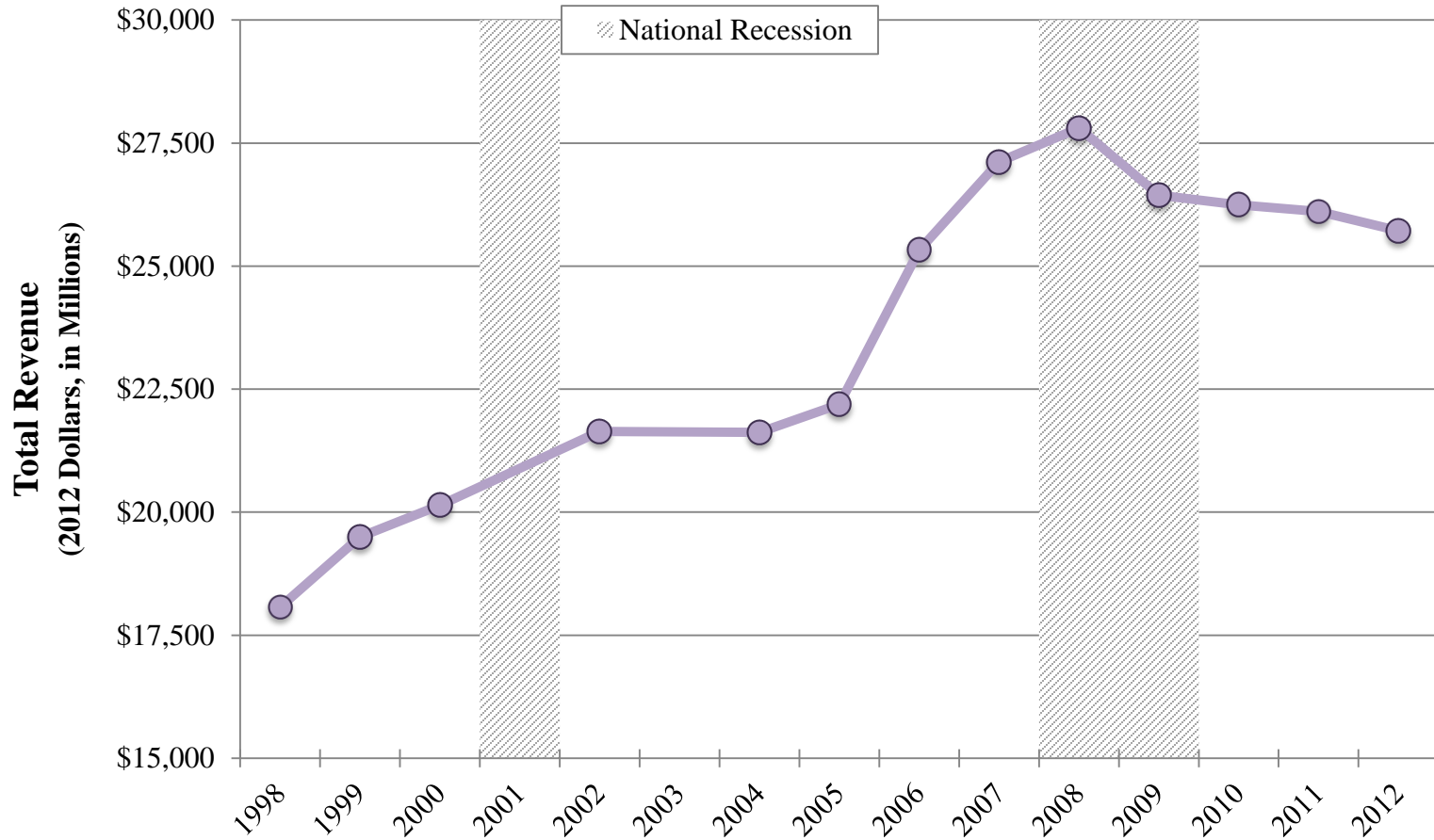
This section presents a discussion of Georgia's local revenue trends from 1998 to 2012. Revenue is examined in terms of the total real amount (adjusted to 2012 dollars using the BEA GDP deflator), the per capita real amount (in 2012 dollars), and as a percentage of total personal income. Per-capita and percent-income measures are shown on the same chart, with both vertical axes scaled identically relative to the 1998 value of their respective measures. Percent change in per-capita and percent income from the preceding year is also examined. Periods of national recession are noted in relation to each measure. Because the U.S. Census Bureau did not disaggregate state data from their Annual Survey of State and Local Government Finances in 2001 and 2003, data are missing for those years.

The following three charts describe how local general own-source revenue (i.e. excluding intergovernmental transfers) has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total own-source revenue:
  - Increased before and during the 2001 recession, remained flat then increased between recessions, and then decreased during and after the 2008-09 recession
  - Increased overall by 42.3% from 1998 to 2012
  - Peaked in 2008 and decreased by 11.3% from 2008 to 2012
  - Troughed in 1998
  
- Per capita own-source revenue:
  - Increased before and during the 2001 recession, decreased then increased between recessions, and then decreased during and after the 2008-09 recession
  - Increased overall by 12.8% from 1998 to 2012
  - Peaked in 2008 and decreased by 11.3% from 2008 to 2012
  - Troughed in 1998

- Own-source revenue as a percentage of personal income:
  - Remained flat before and increased during the 2001 recession, decreased then increased between recessions, and then remained flat during and decreased after the 2008-09 recession
  - Increased overall by 5.1% from 1998 to 2012
  - Peaked in 2008 and decreased by 9.8% from 2008 to 2012
  - Troughed in 2005 and increased by 5.7% from 2005 to 2012

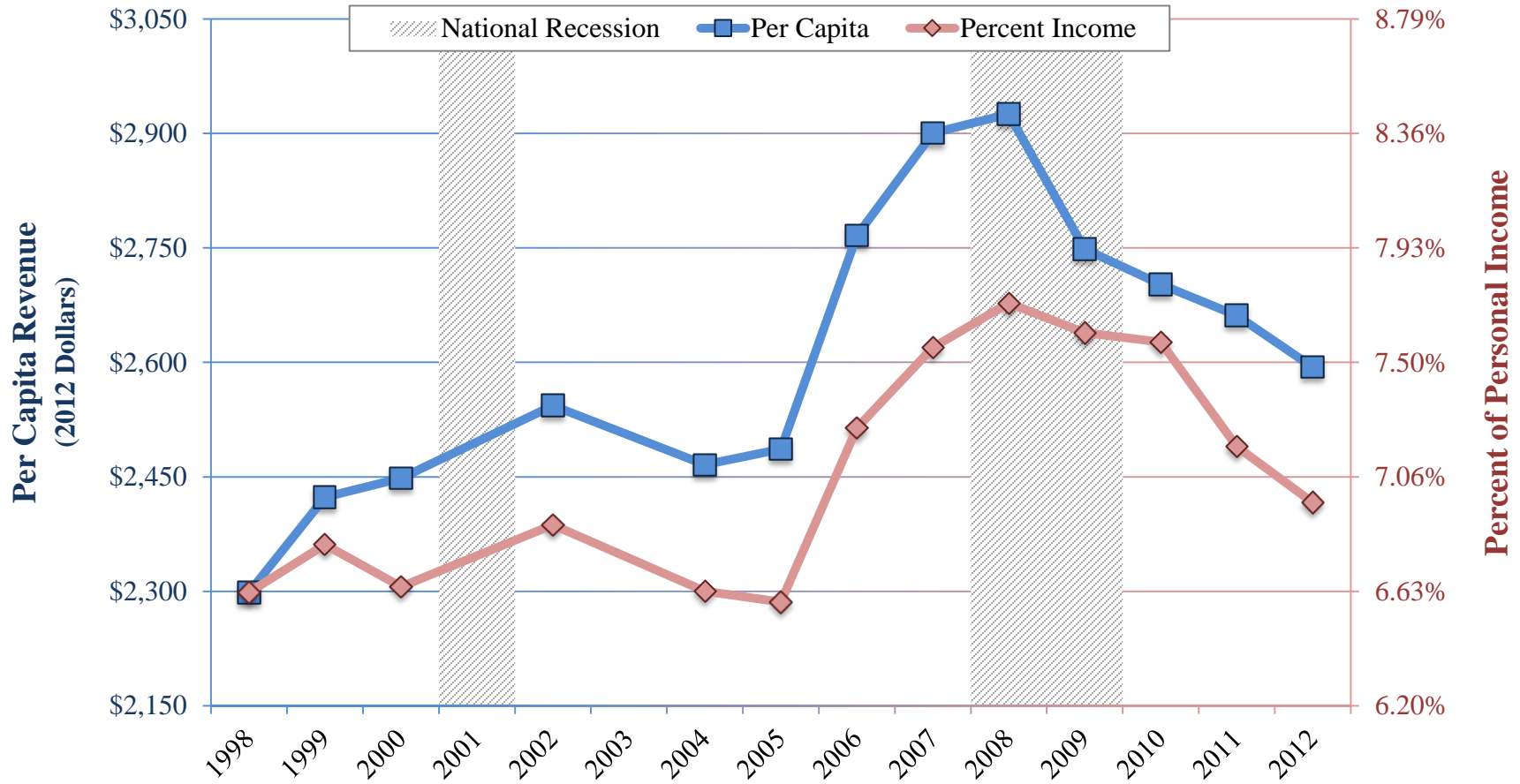
## Georgia – Local Revenue General Own-Source Revenue – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

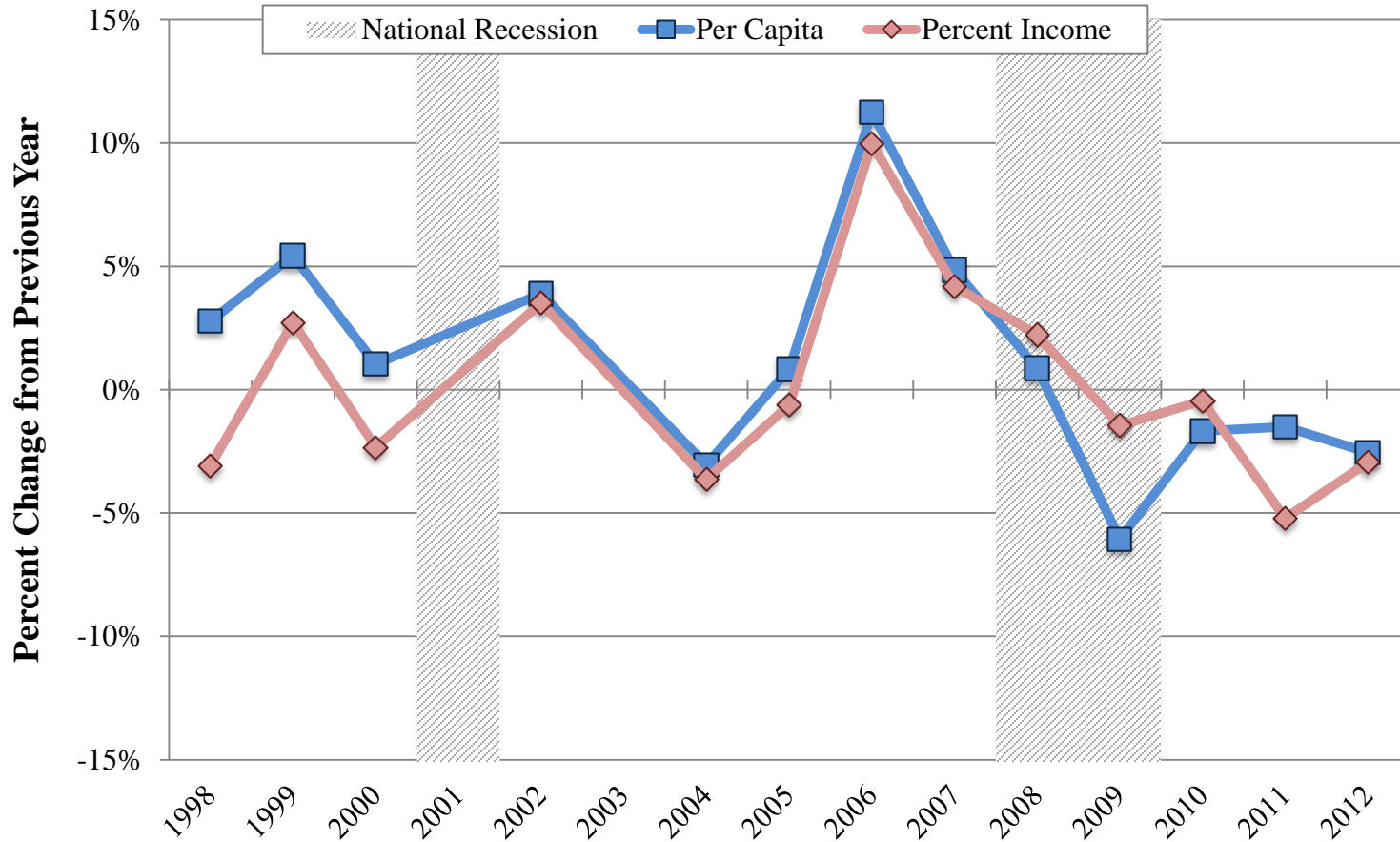
## Georgia – Local Revenue

### General Own-Source Revenue – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue General Own-Source Revenue – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

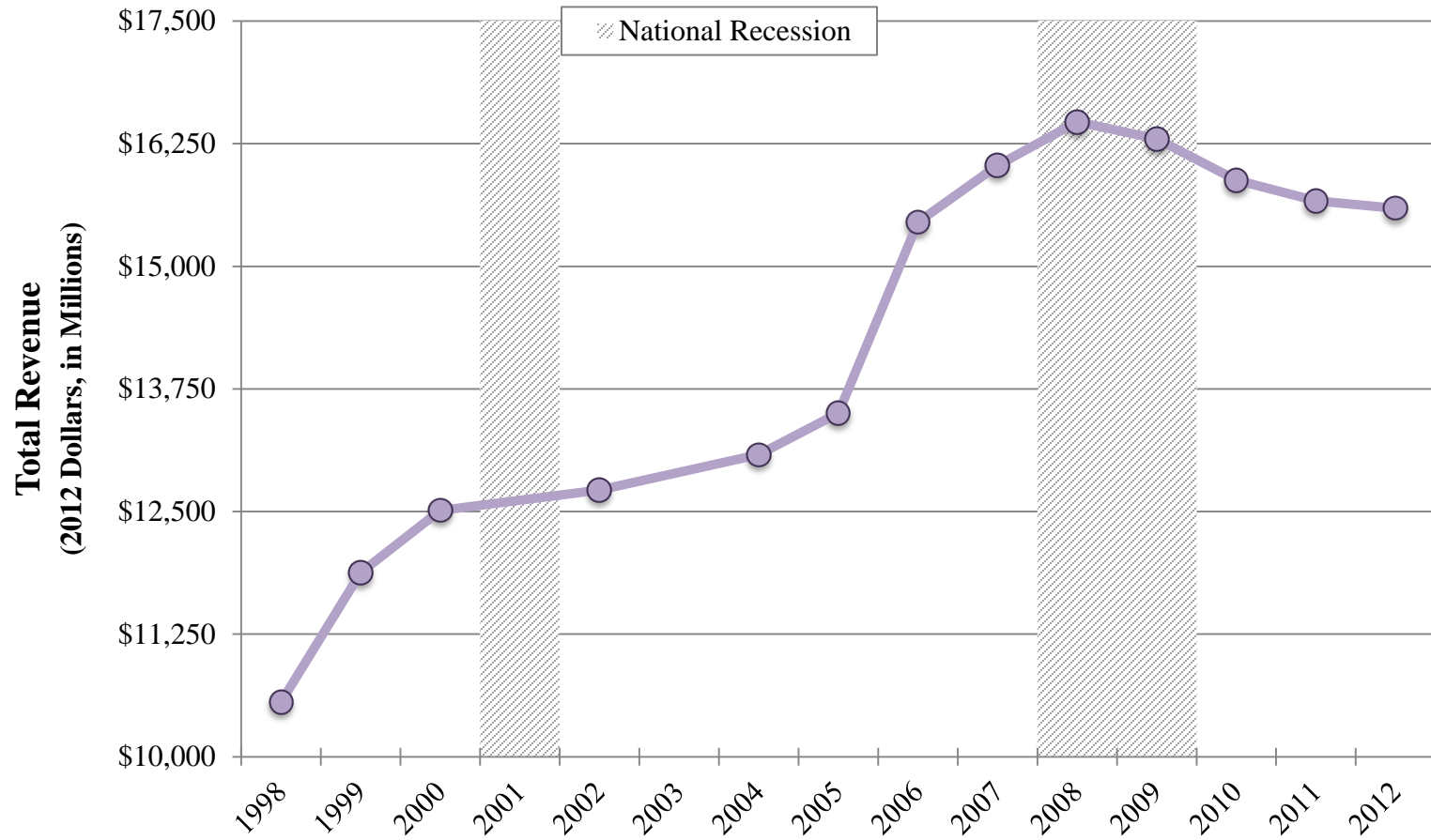
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## A. Local Tax Revenue

This section discusses tax revenue for Georgia's local governments. The following three charts describe how local revenue raised by taxes has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total tax revenue:
  - Increased before and remained flat during the 2001 recession, increased between recessions, and then decreased during and after the 2008-09 recession
  - Increased overall by 47.7% from 1998 to 2012
  - Peaked in 2008 and decreased by 5.3% from 2008 to 2012
  - Troughed in 1998
  
- Per capita tax revenue:
  - Increased before and decreased during the 2001 recession, remained flat then increased between recessions, and then decreased during and after the 2008-09 recession
  - Increased overall by 17.1% from 1998 to 2012
  - Peaked in 2008 and decreased by 9.3% from 2008 to 2012
  - Troughed in 1998
  
- Tax revenue as a percentage of personal income:
  - Increased before and decreased during the 2001 recession, remained flat then increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 9.1% from 1998 to 2012
  - Peaked in 2009 and decreased by 9.9% from 2009 to 2012
  - Troughed in 1998

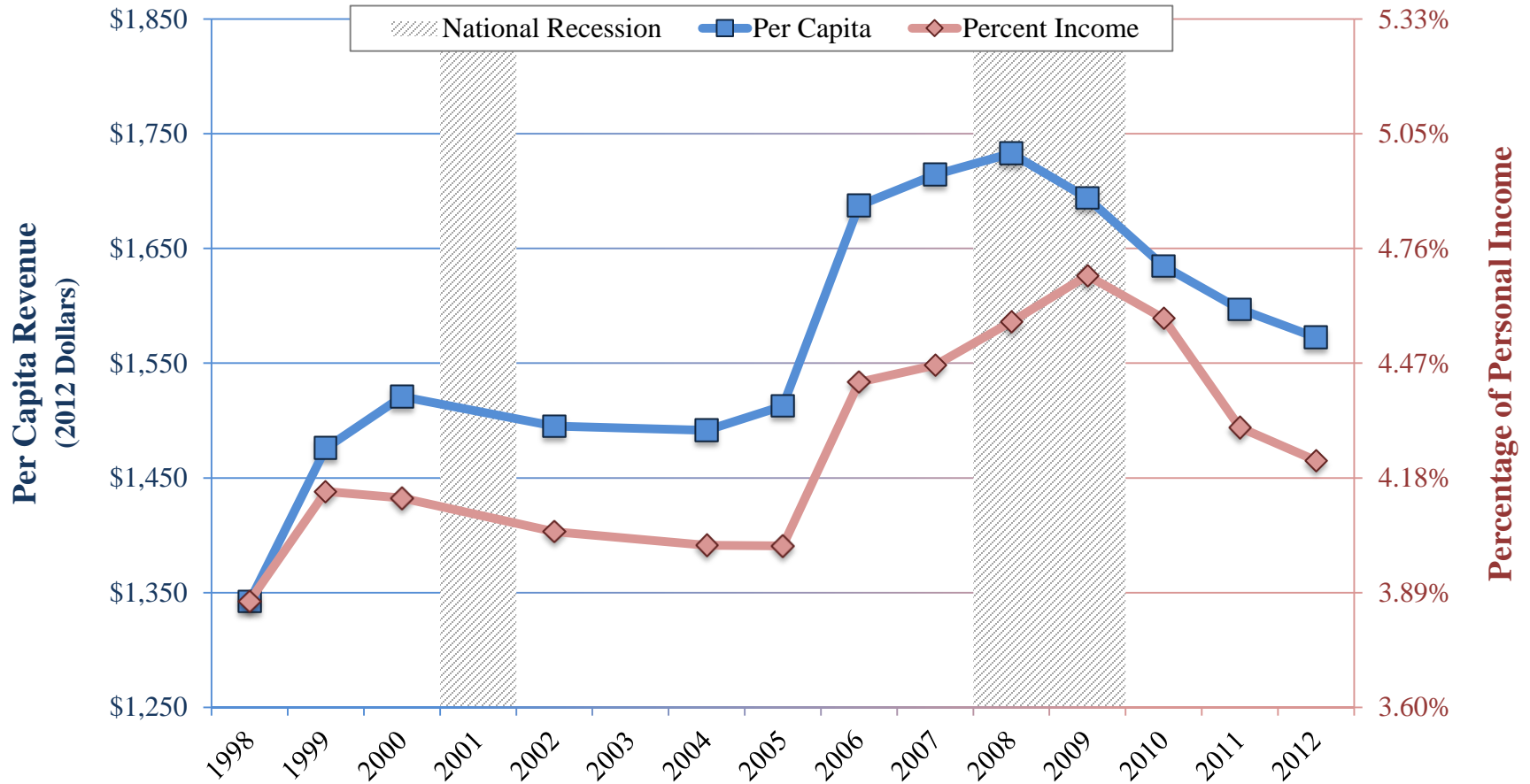
## Georgia – Local Revenue Total Taxes – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

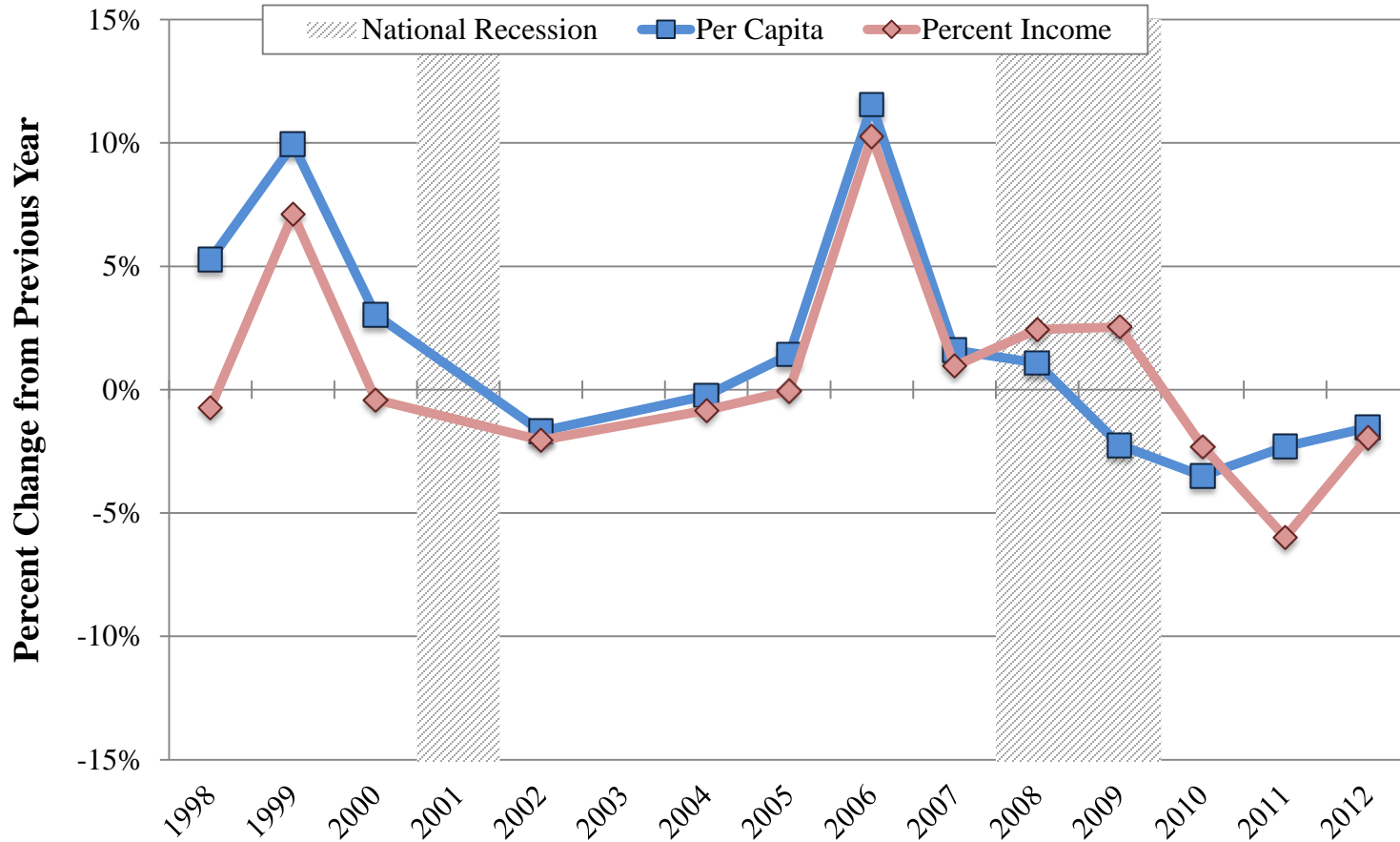


## Georgia – Local Revenue Total Taxes – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Total Taxes – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

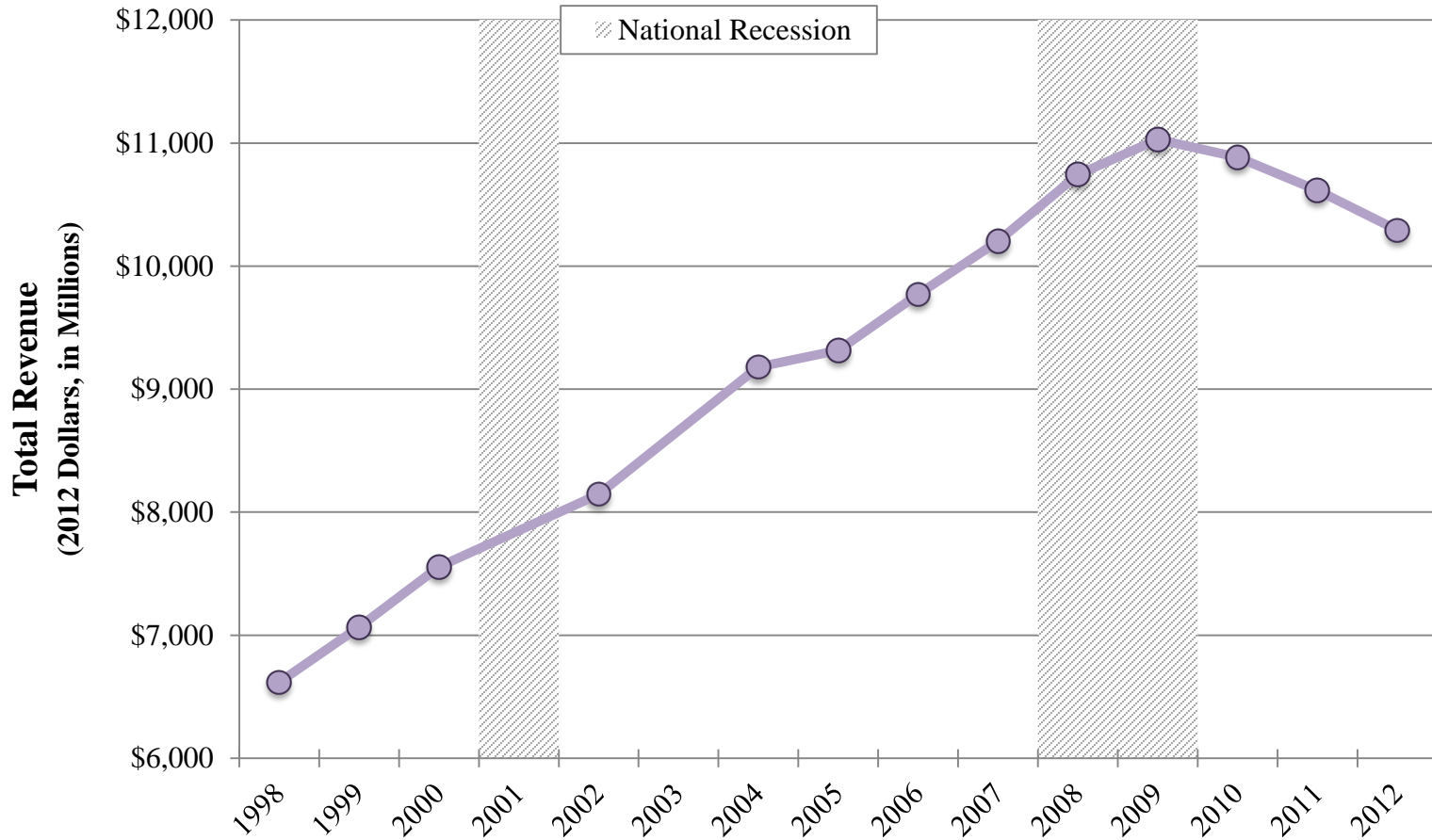
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 1. Property tax

The following three charts describe how local revenue raised by property tax has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

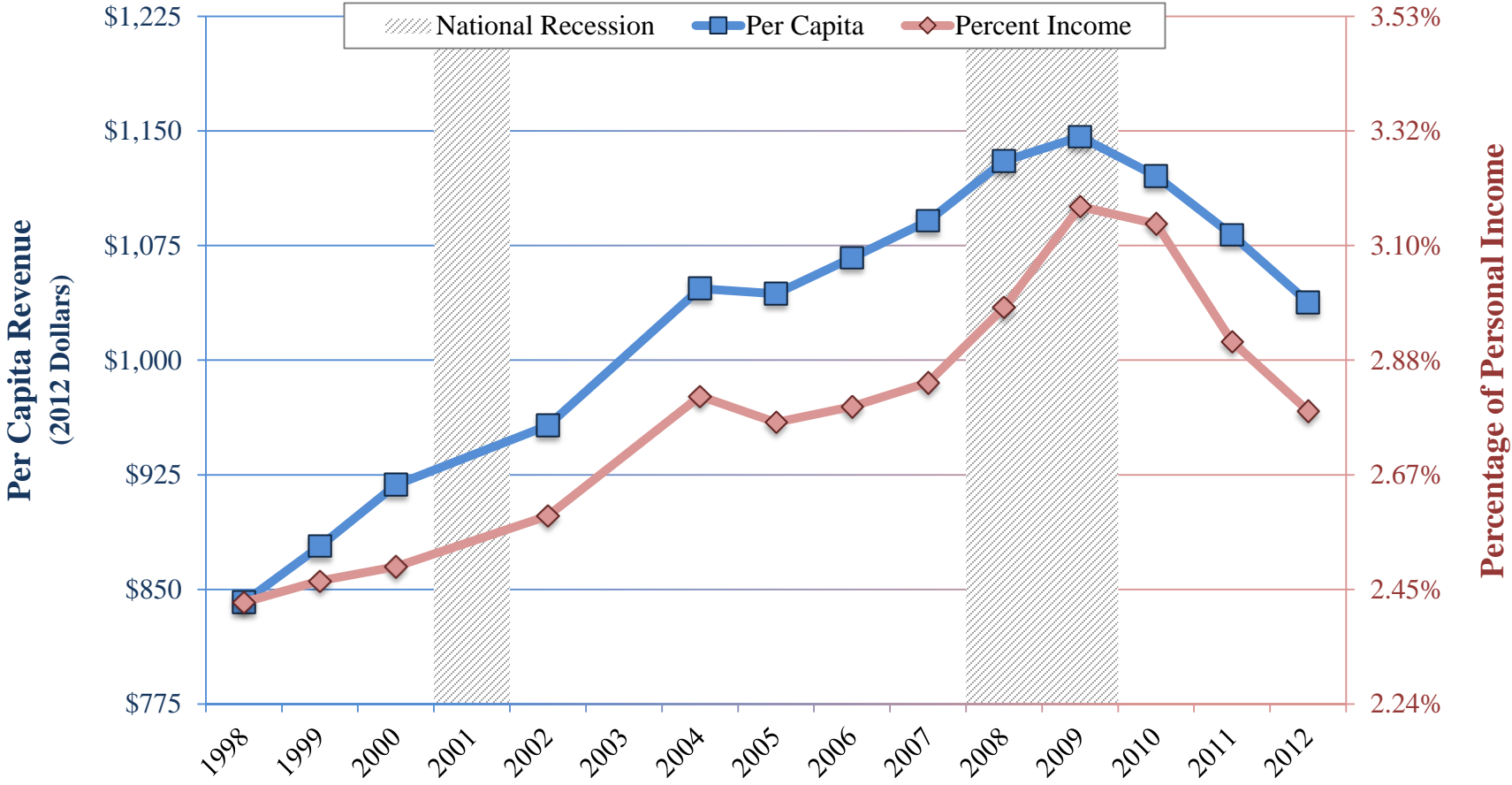
- Total revenue:
  - Increased before and during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 55.5% from 1998 to 2012
  - Peaked in 2009 and decreased by 6.7% from 2009 to 2012
  - Troughed in 1998
  
- Per capita revenue:
  - Increased before and during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 23.3% from 1998 to 2012
  - Peaked in 2009 and decreased by 9.5% from 2009 to 2012
  - Troughed in 1998
  
- Revenue as a percentage of personal income:
  - Increased before and during the 2001 recession, increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 14.9% from 1998 to 2012
  - Peaked in 2009 and decreased by 12.2% from 2009 to 2012
  - Troughed in 1998

## Georgia – Local Revenue Property Tax – Total



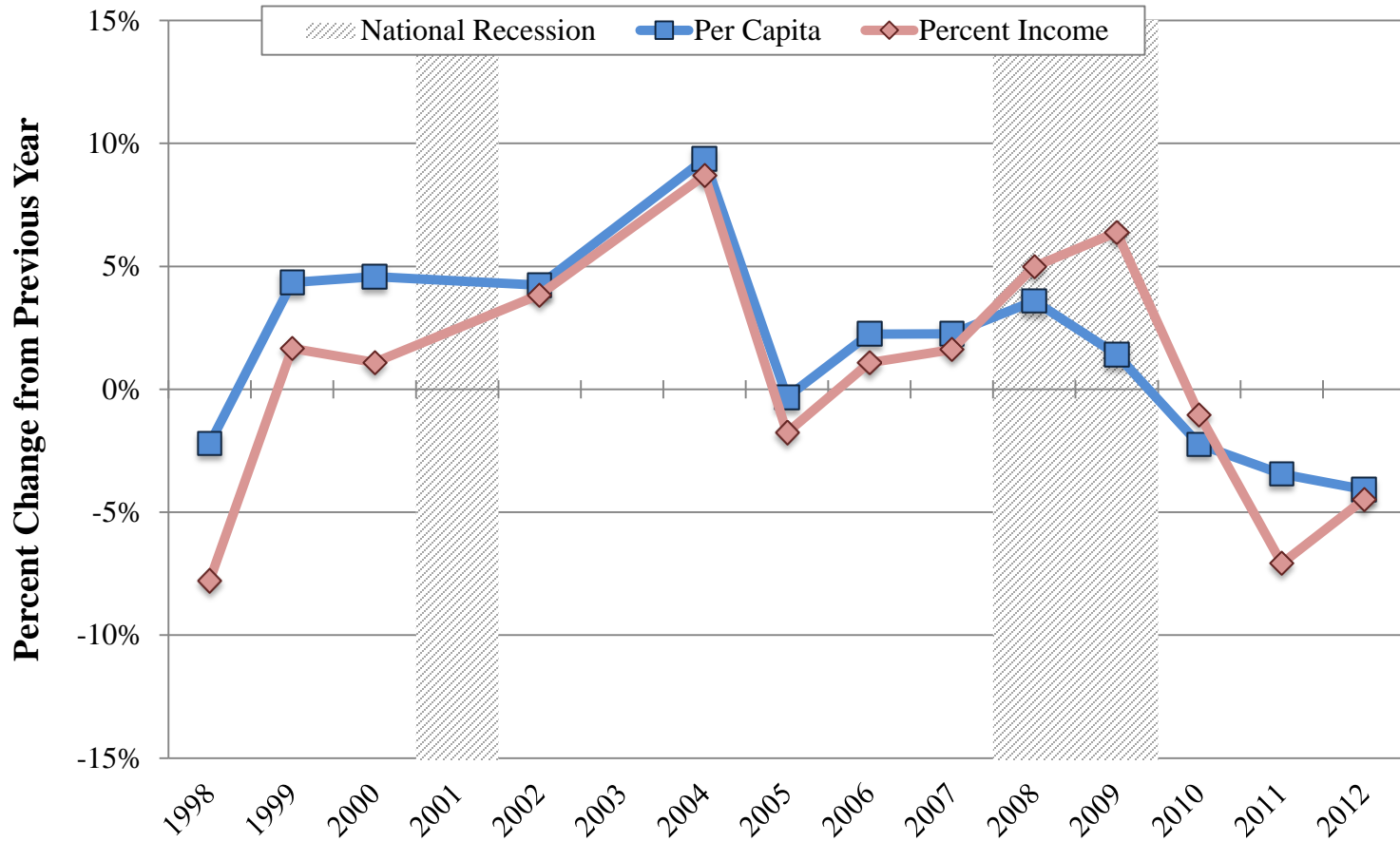
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Property Tax – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Property Tax – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

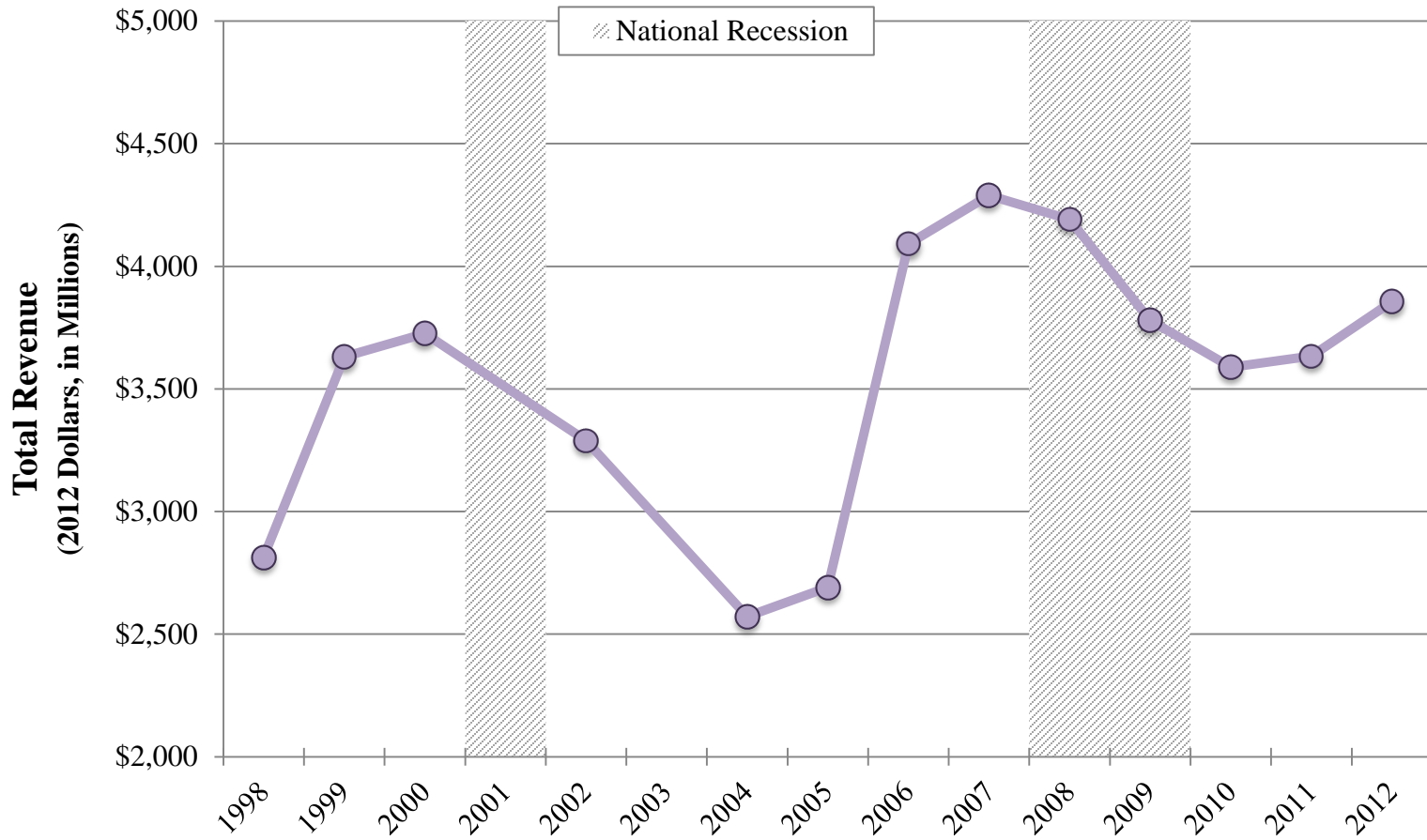
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 2. General sales tax

The following three charts describe how local revenue raised by general sales tax has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 37.1% from 1998 to 2012
  - Peaked in 2007 and decreased by 10.1% from 2007 to 2012
  - Troughed in 2004 and increased by 49.9% from 2004 to 2012
- Per capita revenue:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 8.7% from 1998 to 2012
  - Peaked in 2007 and decreased by 15.2% from 2007 to 2012
  - Troughed in 2004 and increased by 32.6% from 2004 to 2012
- Revenue as a percentage of personal income:
  - Increased before and decreased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 1.3% from 1998 to 2012
  - Peaked in 1999 and decreased by 17.6% from 1999 to 2012
  - Troughed in 2004 and increased by 32.4% from 2004 to 2012

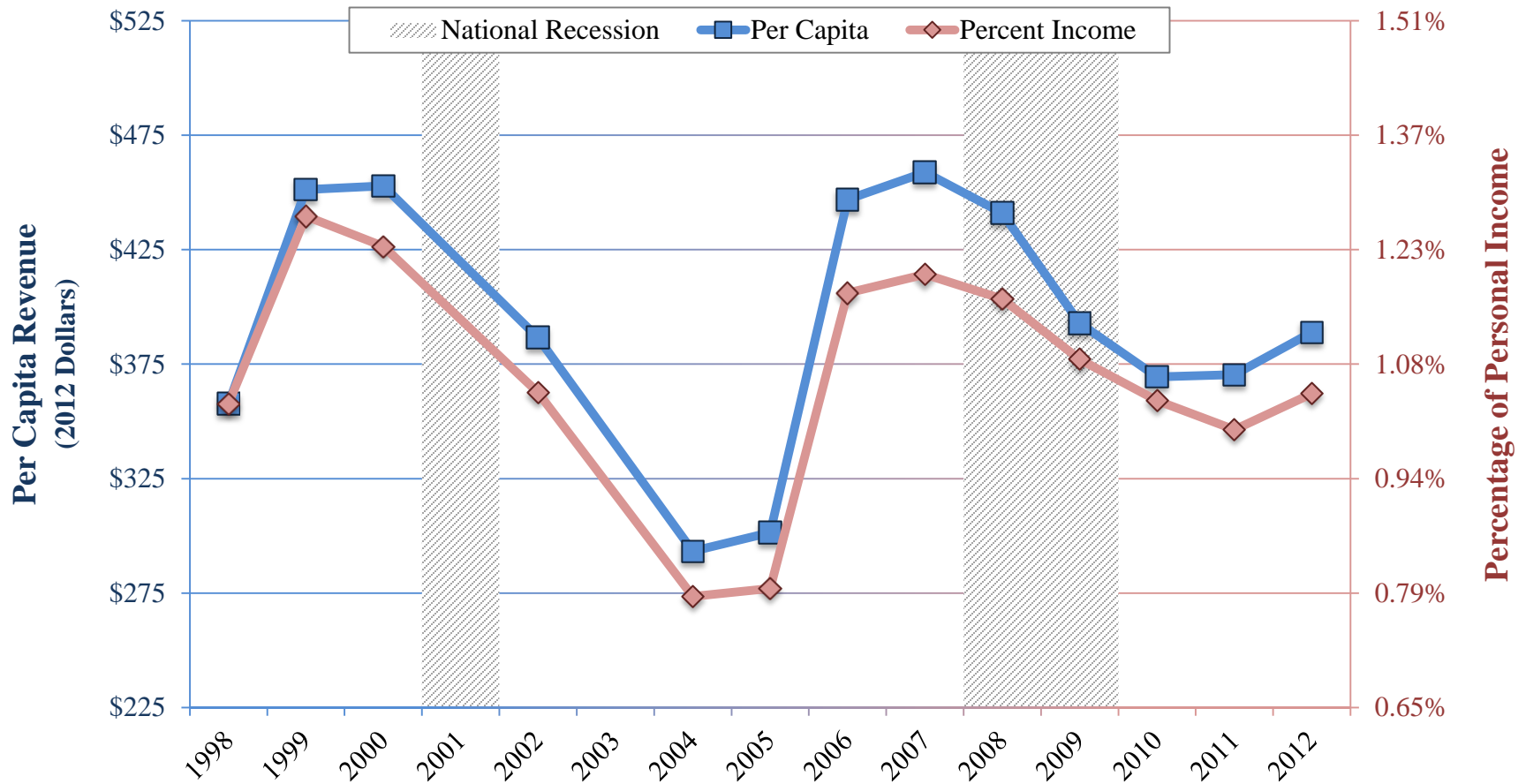
## Georgia – Local Revenue General Sales Tax – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

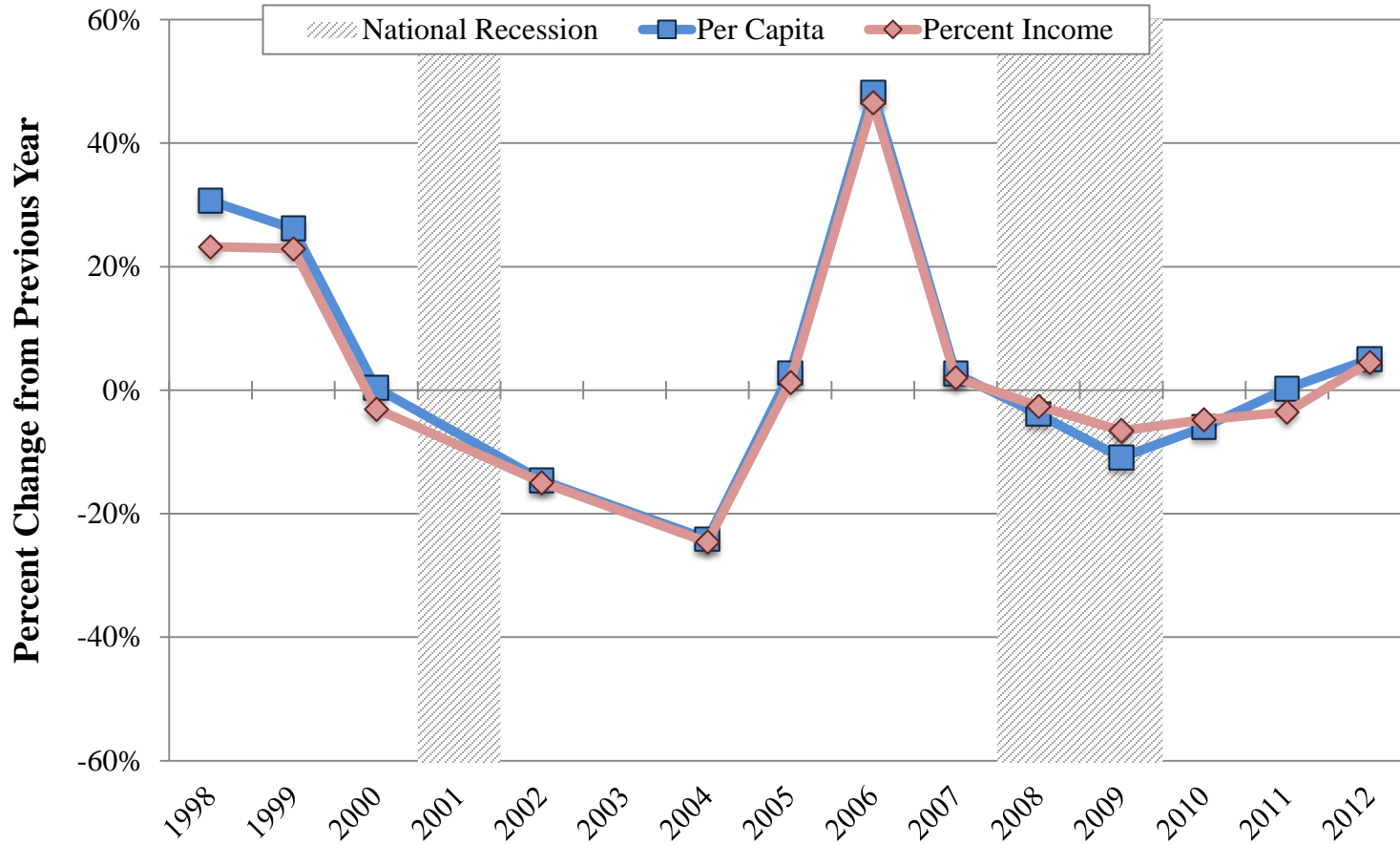


## Georgia – Local Revenue General Sales Tax – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue General Sales Tax – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

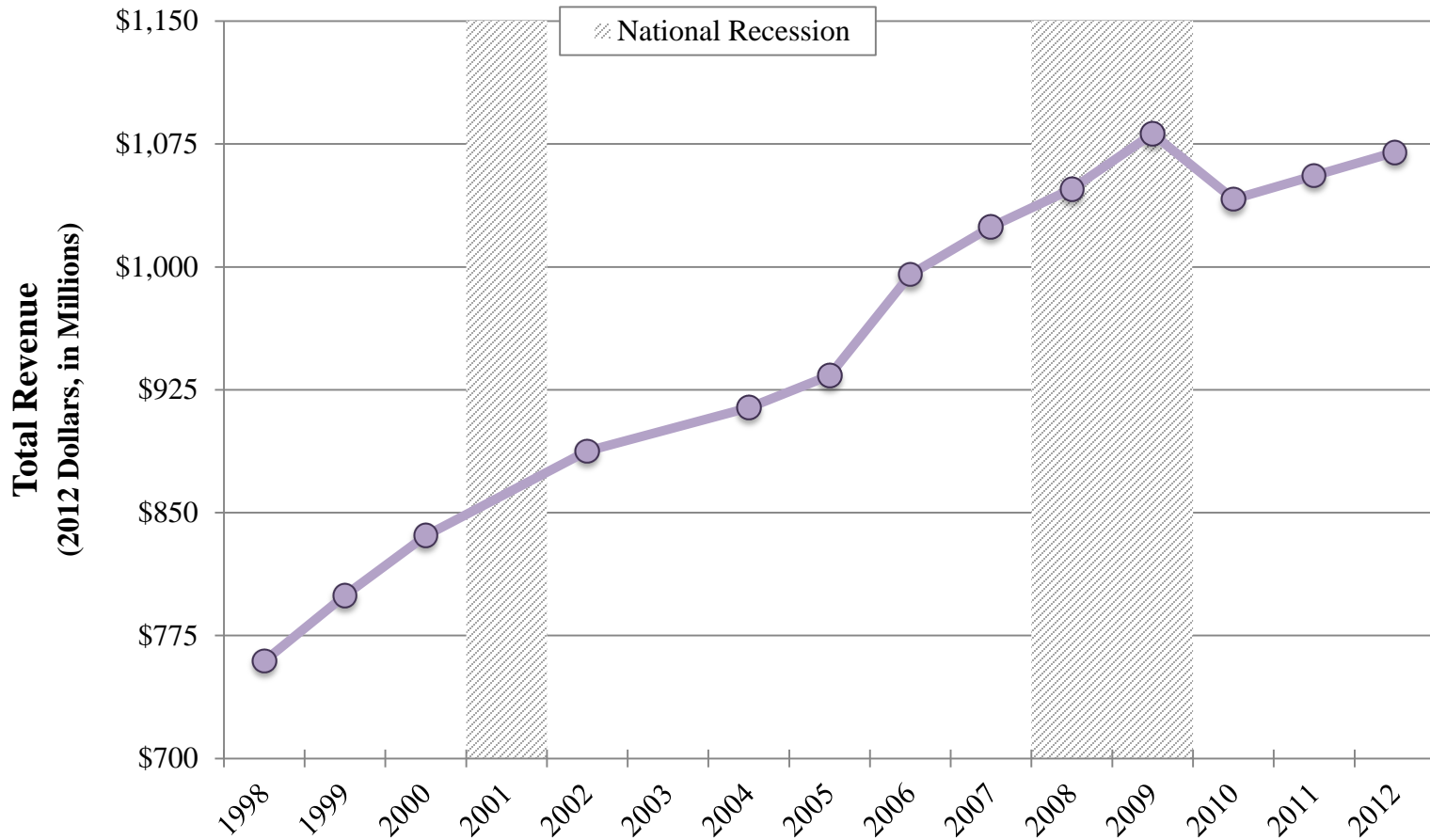
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

### 3. Selective sales taxes

The following three charts describe how local revenue raised by selective sales taxes has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

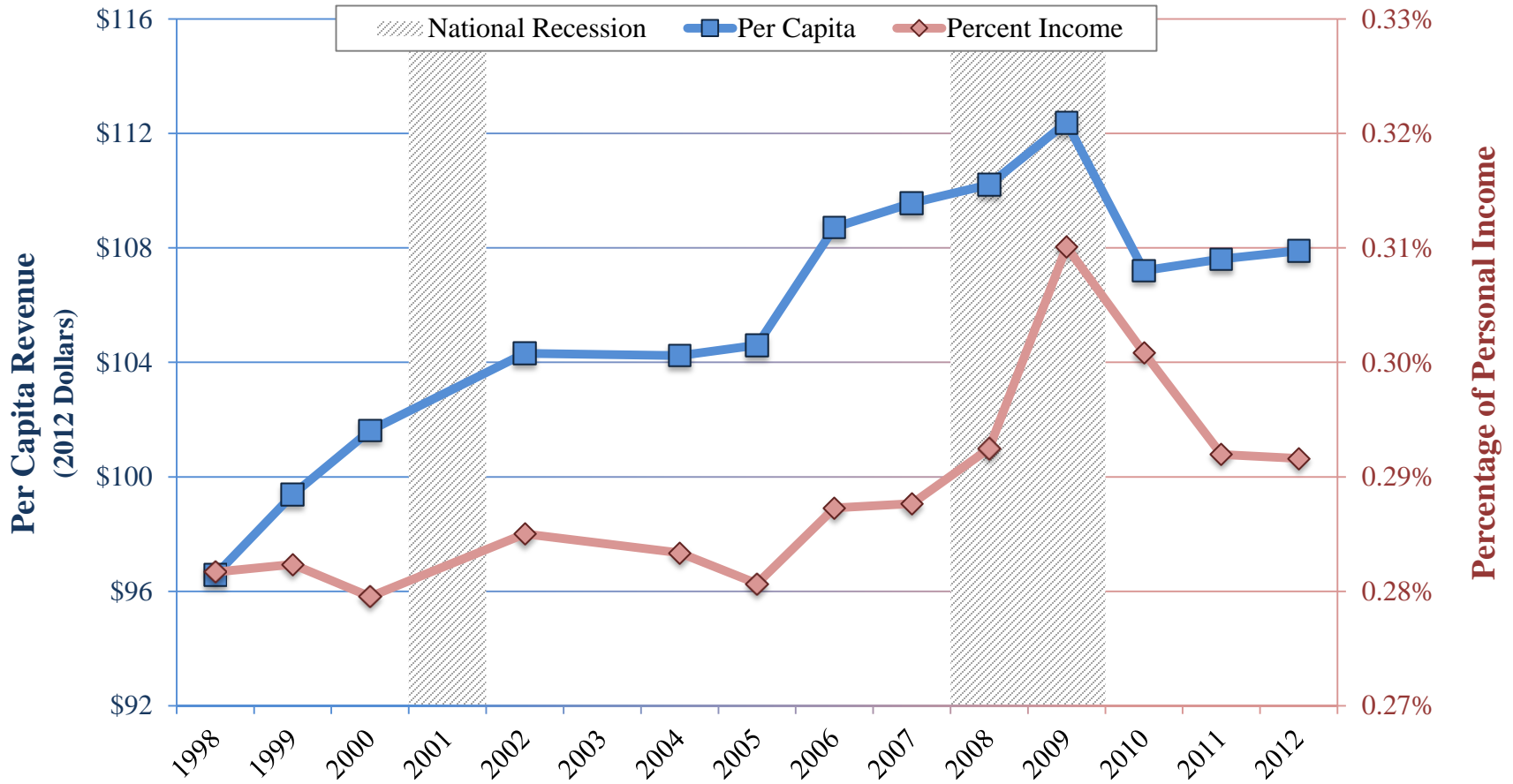
- Total revenue:
  - Increased before and during the 2001 recession, increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 40.9% from 1998 to 2012
  - Peaked in 2009 and decreased by 1.0% from 2009 to 2012
  - Troughed in 1998
  
- Per capita revenue:
  - Increased before and during the 2001 recession, remained flat then increased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Increased overall by 11.7% from 1998 to 2012
  - Peaked in 2009 and decreased by 4.0% from 2009 to 2012
  - Troughed in 1998
  
- Revenue as a percentage of personal income:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Increased overall by 4.1% from 1998 to 2012
  - Peaked in 2009 and decreased by 6.8% from 2009 to 2012
  - Troughed in 2000 and increased by 5.0% from 2000 to 2012

## Georgia – Local Revenue Selective Sales Taxes – Total



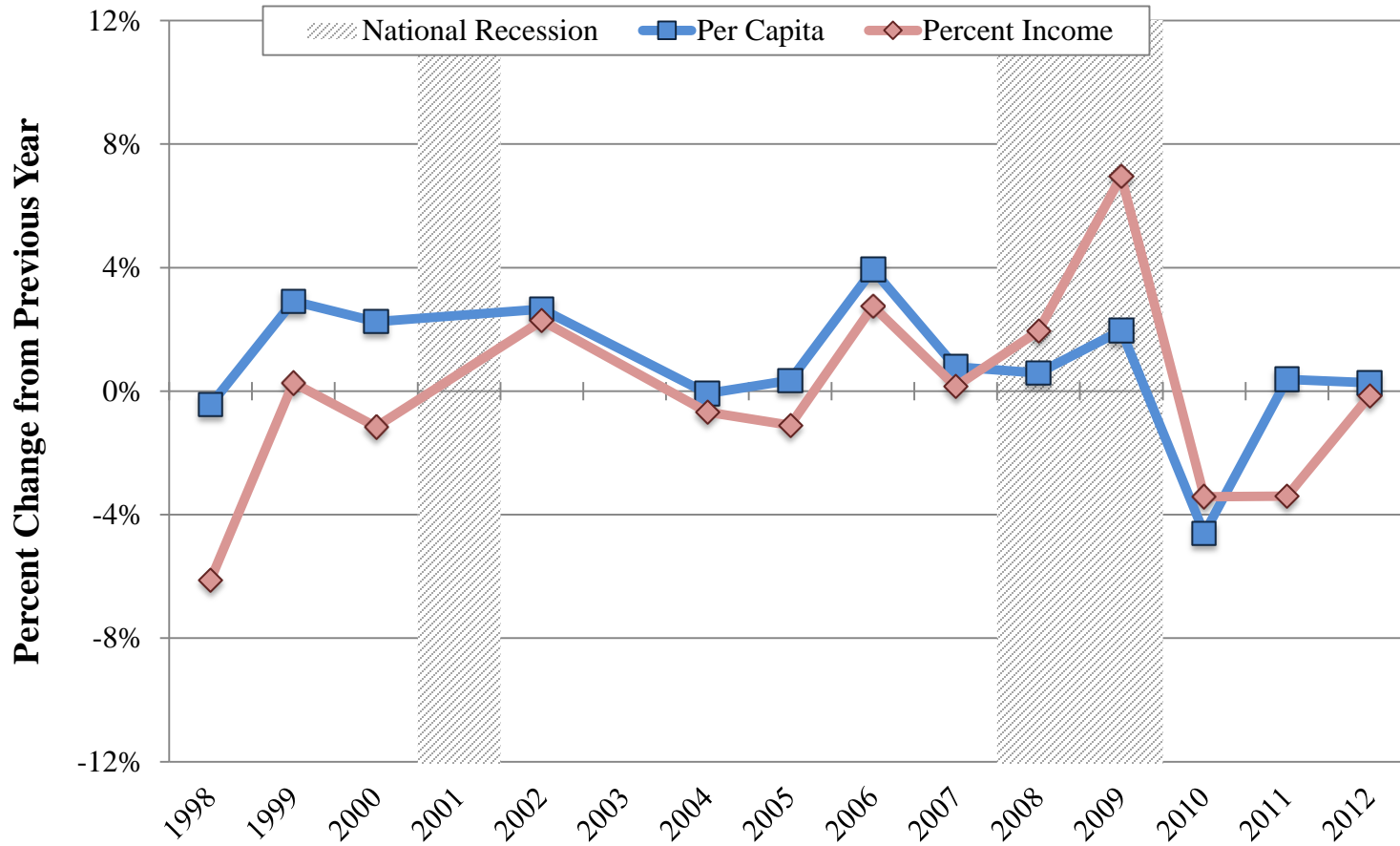
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Selective Sales Taxes – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Selective Sales Taxes – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

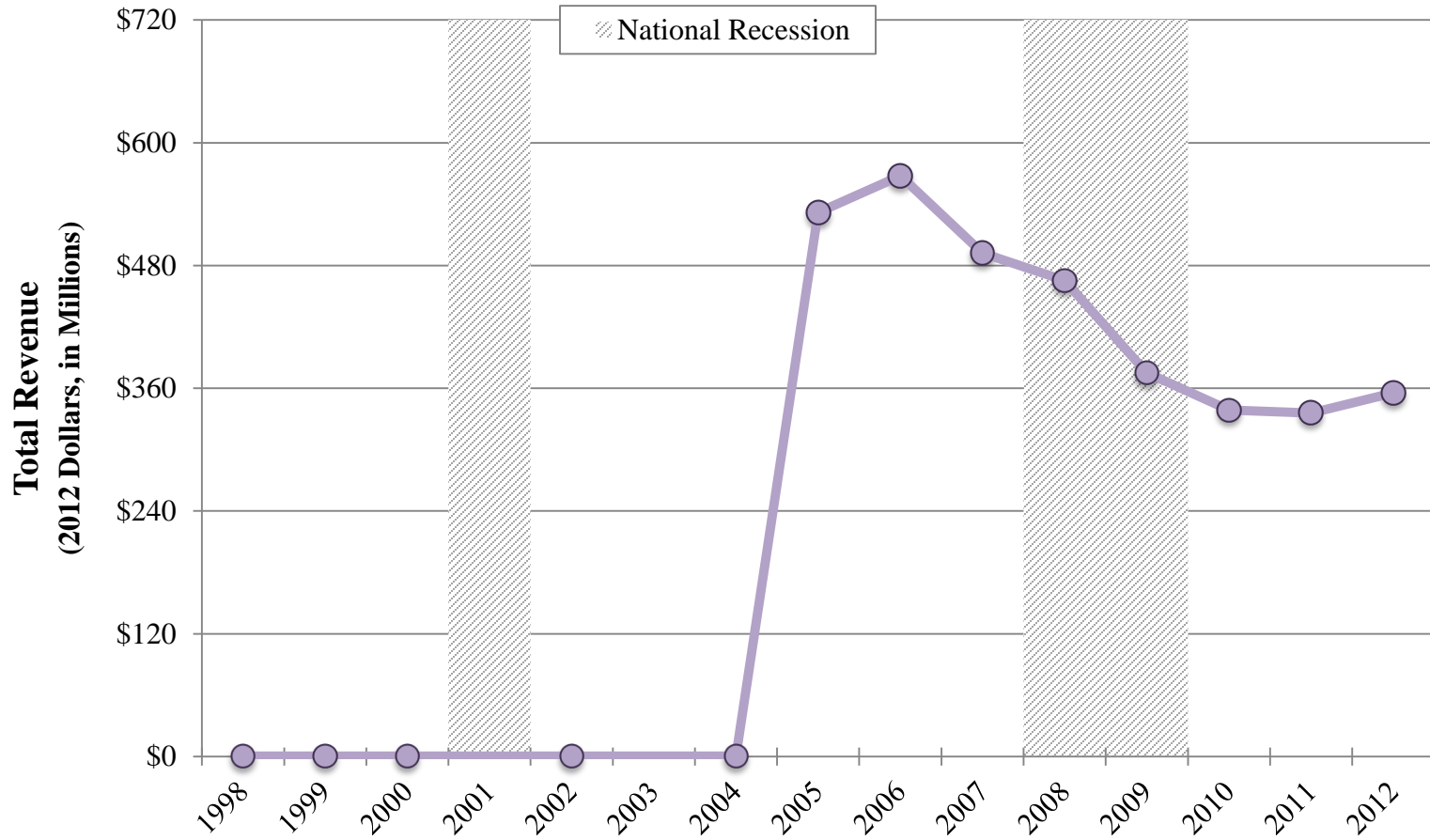
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

#### 4. License taxes

The following three charts describe how local revenue raised by license taxes has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures. There appears to be a drastic increase in 2005, but this is a result of changes in reporting that incorporated previously separate taxes. For this reason, 2005 is used as a reference point instead of 1998, and the axes of the per-capita and percent-change chart are scaled to this year.

- Total revenue:
  - Increased then decreased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Decreased overall by 33.2% from 2005 to 2012
  - Peaked in 2006 and decreased by 37.4% from 2006 to 2012
  - Troughed in 2011 and increased by 5.8% from 2004 to 2012
  
- Per capita revenue:
  - Increased then decreased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Decreased overall by 39.9% from 2005 to 2012
  - Peaked in 2006 and decreased by 42.2% from 2006 to 2012
  - Troughed in 2011 and increased by 4.7% from 2011 to 2012
  
- Revenue as a percentage of personal income:
  - Increased then decreased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Decreased overall by 39.0% from 2005 to 2012
  - Peaked in 2006 and decreased by 40.7% from 2006 to 2012
  - Troughed in 2011 and increased by 4.3% from 2011 to 2012

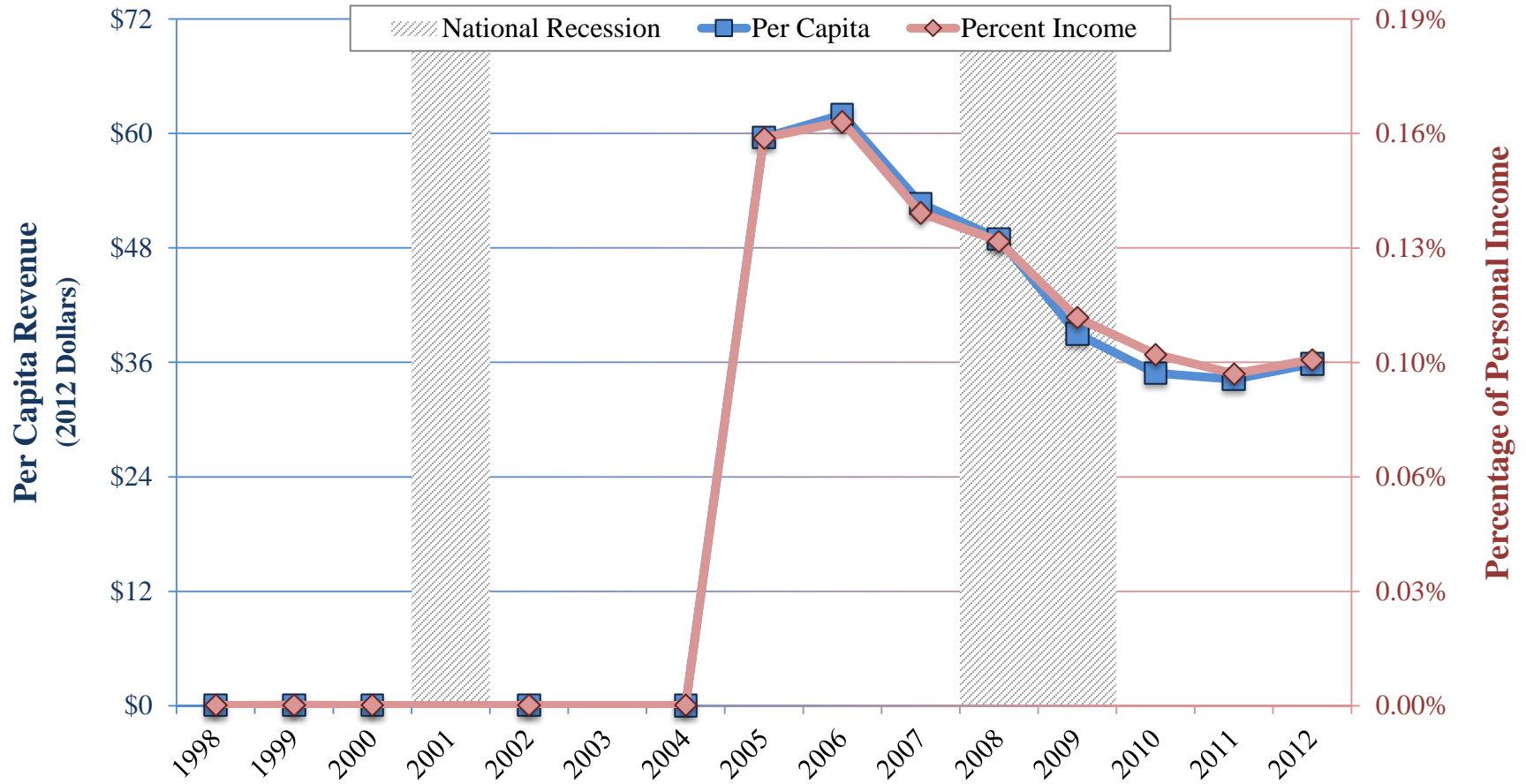
## Georgia – Local Revenue License Taxes – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

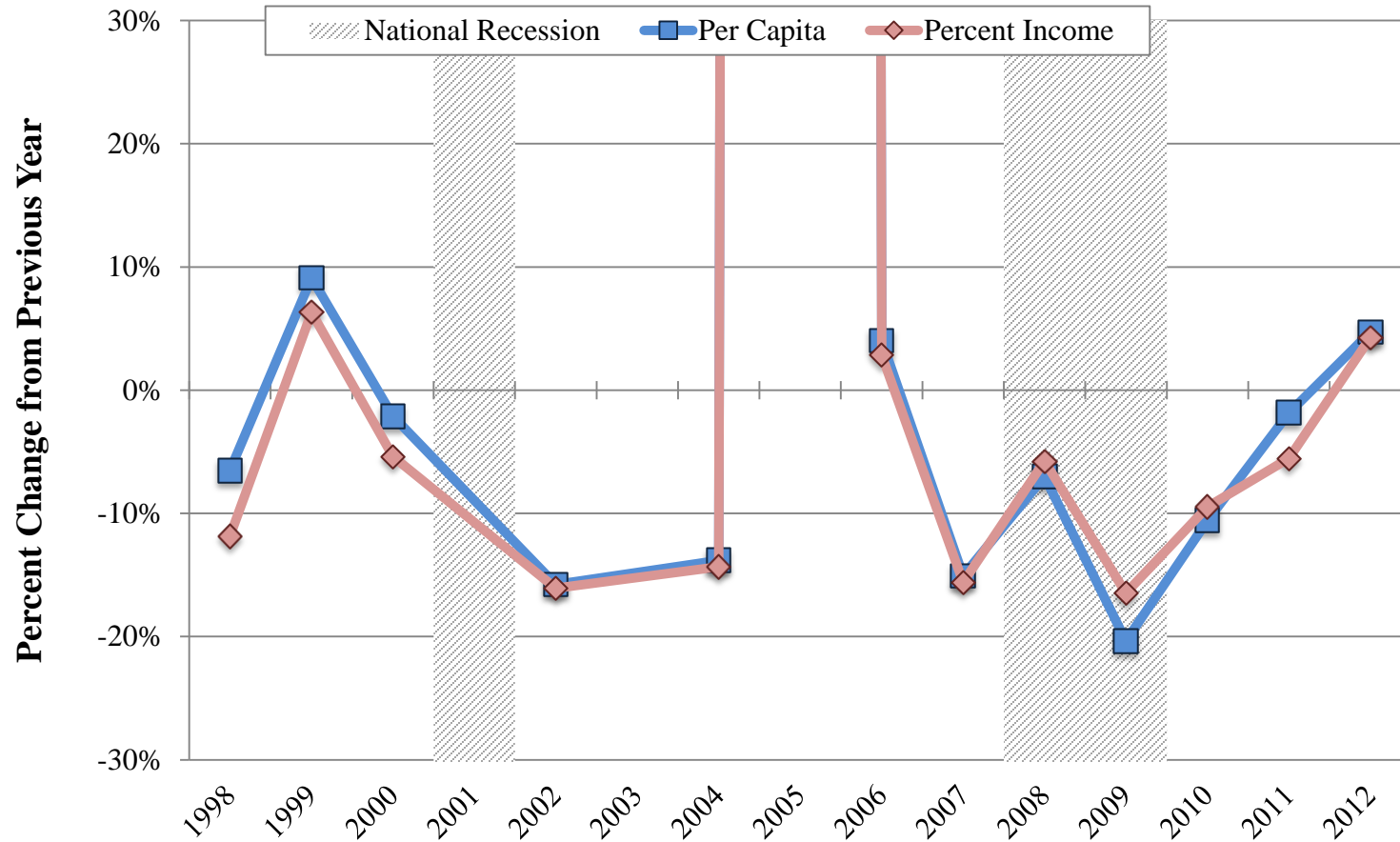


## Georgia – Local Revenue License Taxes – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue License Taxes – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

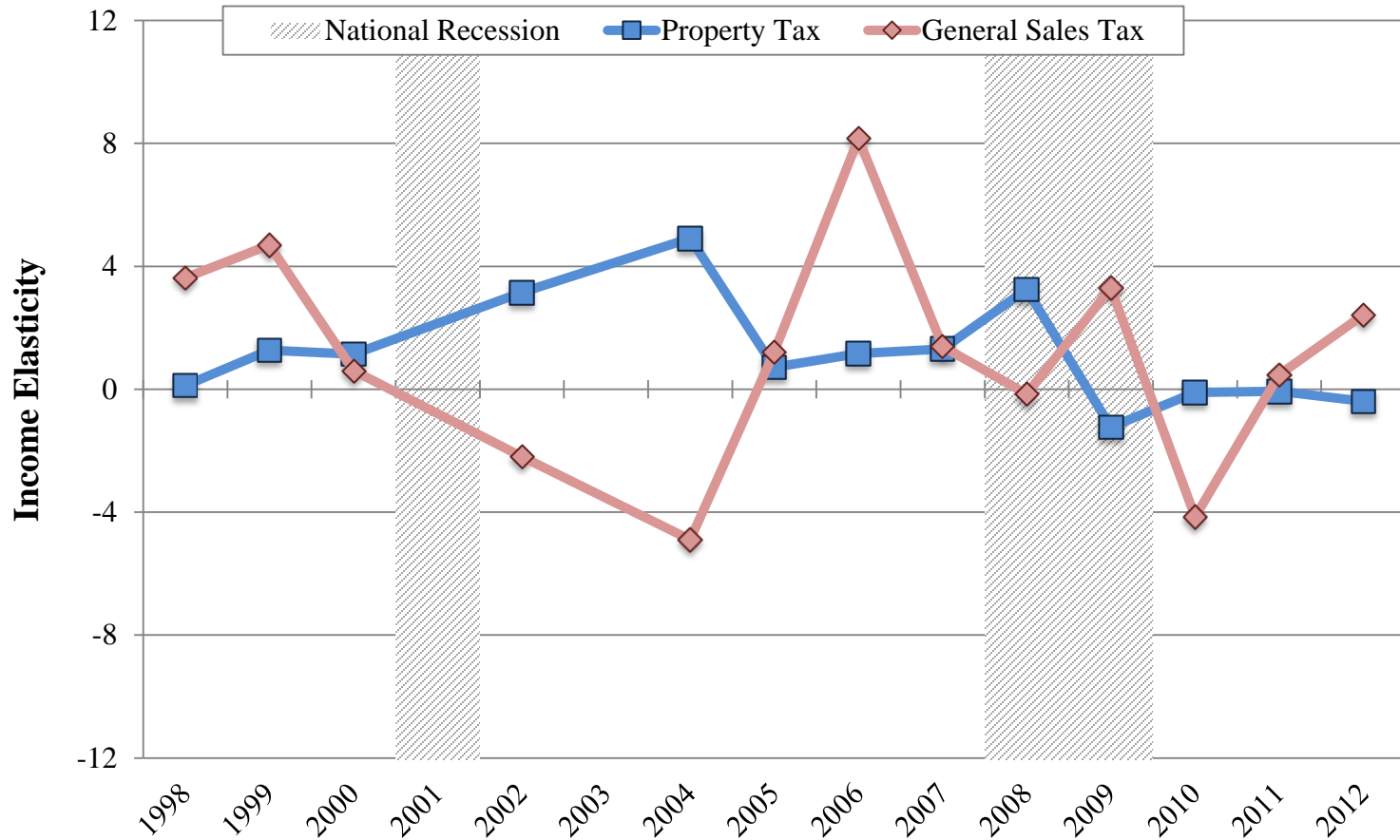
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 5. Income elasticities of major local taxes

Income elasticity of revenue measures the responsiveness of revenue to changes in total personal income. The elasticity is measured as the ratio of the percent change in revenue to the percent change in income. For example, an elasticity of 2 means that a 1% increase in personal income results in a revenue increase of 2%. The following chart shows the annual income elasticities of local property tax and general sales tax from 1998 to 2012.

- Property tax elasticity:
  - Remained in the low, positive, single digits before the 2008-09 recession
  - Became negative as income decreased in 2009 and remained negative as revenue decreased
  
- General sales tax elasticity:
  - Decreased significantly in response to recessions, with a spike in 2009 as income also decreased
  - Continued to decrease following the 2001 recession before sharply increasing in 2006
  
- General sales tax elasticity almost always had larger swings in magnitude than property tax elasticity. Possible causes include:
  - Property holdings remain relatively constant despite macroeconomic conditions, while consumption behavior responds more significantly
  - Local sales tax policies have been more subject to change than property tax policies

## Georgia – Local Revenue Income Elasticities of Major Taxes



**Note:** For 2002 and 2004, elasticity was calculated with change from two years previous.

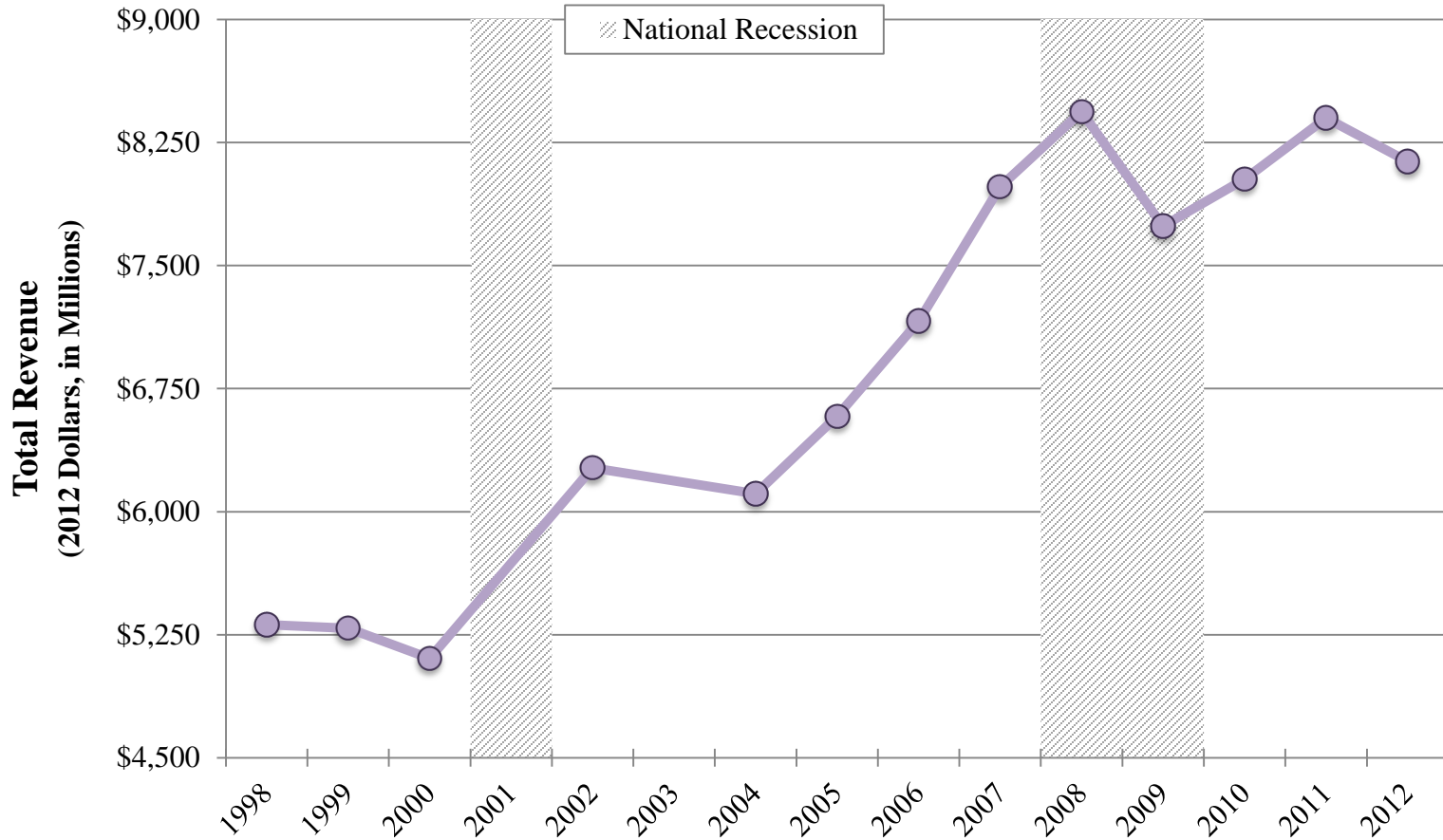
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## B. Local Charge Revenue

This section discusses user charge revenue for Georgia's local governments. The following three charts describe how local revenue raised by user charges has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

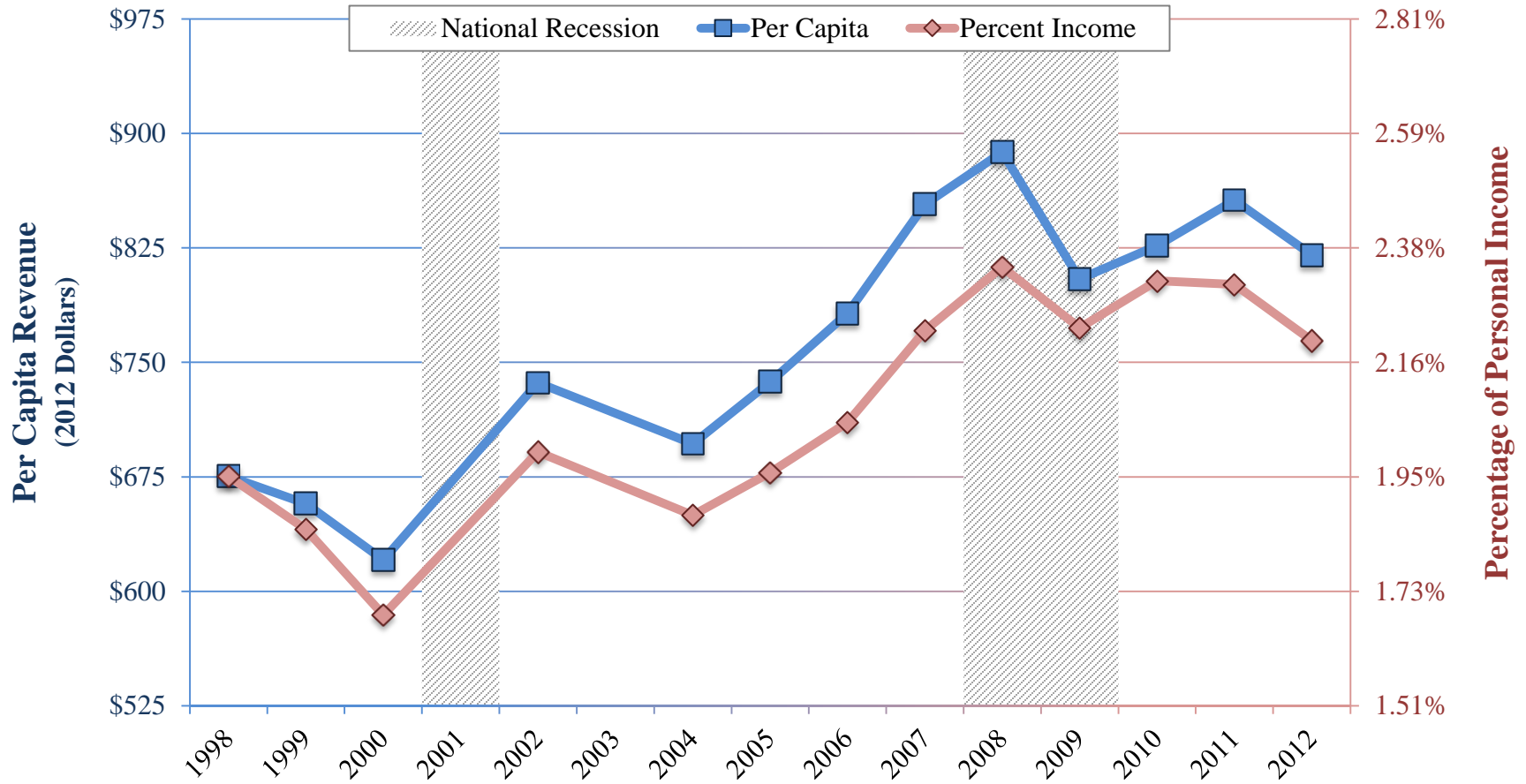
- Total charge revenue:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 53.1% from 1998 to 2012
  - Peaked in 2008 and decreased by 3.6% from 2008 to 2012
  - Troughed in 2000 and increased by 59.3% from 2000 to 2012
  
- Per capita charge revenue:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Increased overall by 21.4% from 1998 to 2012
  - Peaked in 2008 and decreased by 7.6% from 2008 to 2012
  - Troughed in 2000 and increased by 32.2% from 2000 to 2012
  
- Charge revenue as a percentage of personal income:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Increased overall by 13.1% from 1998 to 2012
  - Peaked in 2008 and decreased by 6.0% from 2008 to 2012
  - Troughed in 2000 and increased by 30.7% from 2000 to 2012

## Georgia – Local Revenue Total Charges – Total



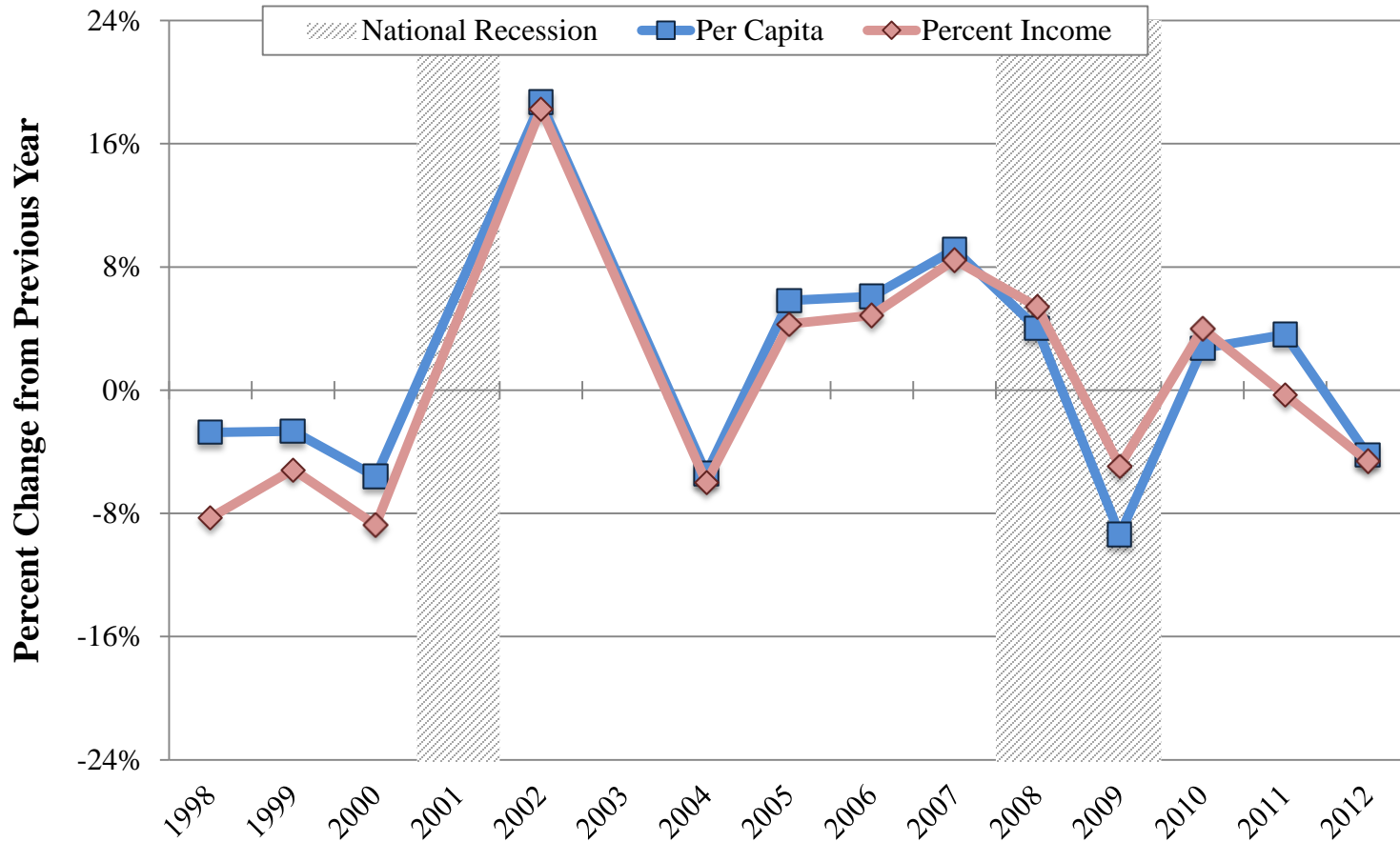
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Total Charges – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Total Charges – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

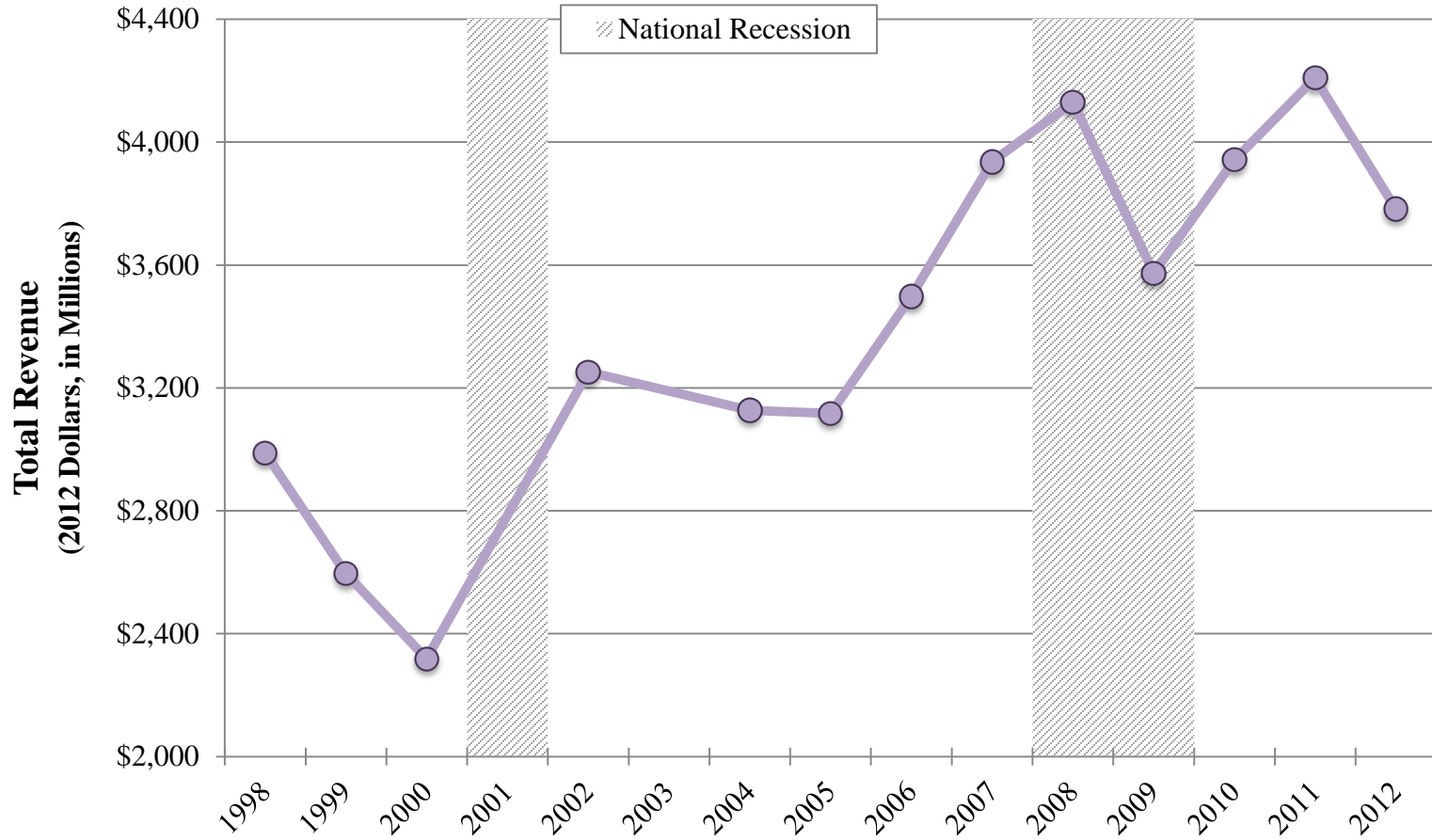


## 1. Hospital charges

The following three charts describe how local revenue raised by hospital charges has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

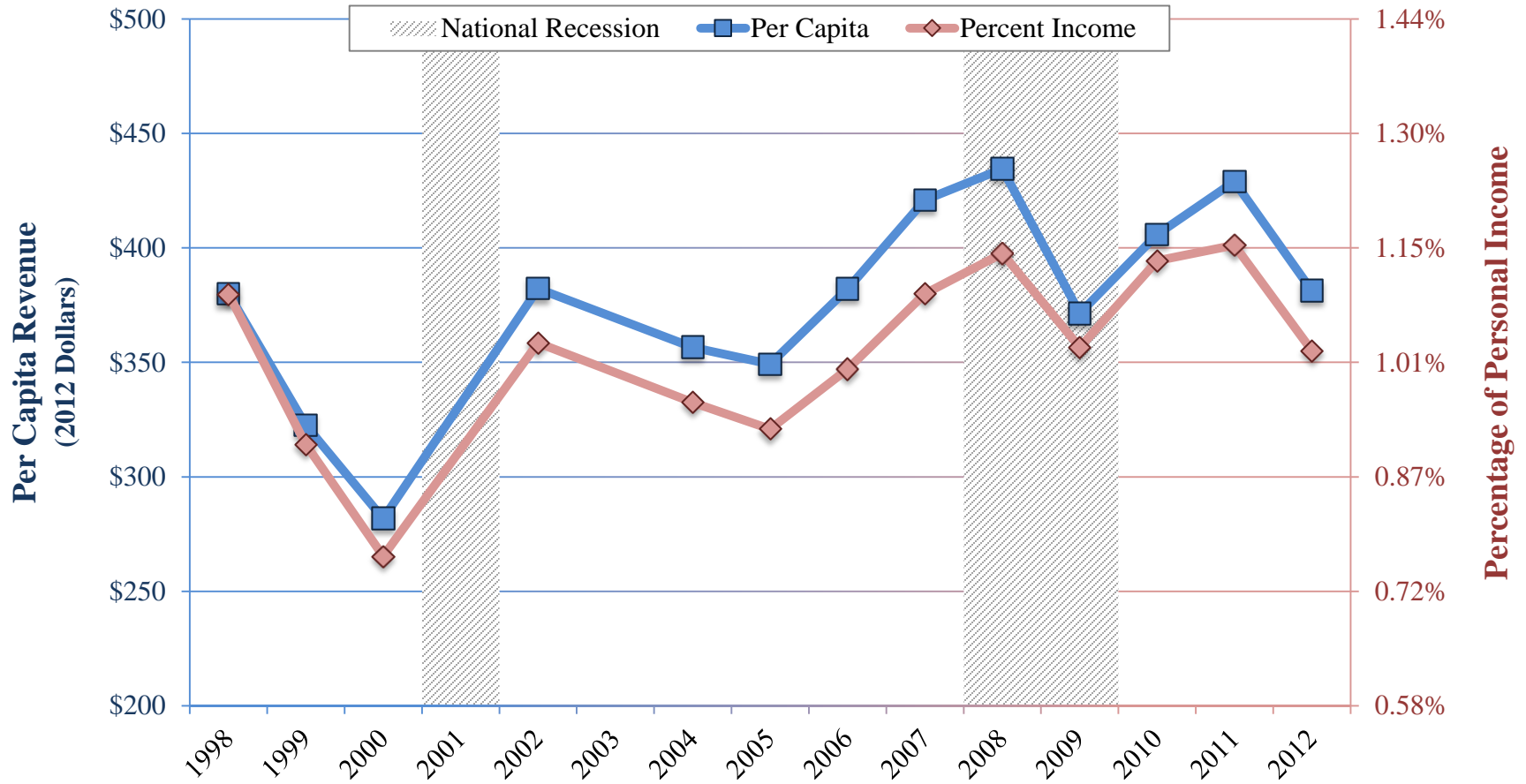
- Total revenue:
  - Decreased before and increased during the 2001 recession, remained flat then increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 26.6% from 1998 to 2012
  - Peaked in 2011 and decreased by 10.2% from 2011 to 2012
  - Troughed in 2000 and increased by 63.1% from 2000 to 2012
- Per capita revenue:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Increased overall by 0.4% from 1998 to 2012
  - Peaked in 2008 and decreased by 12.2% from 2008 to 2012
  - Troughed in 2000 and increased by 35.3% from 2000 to 2012
- Revenue as a percentage of personal income:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then decreased during and remained flat after the 2008-09 recession
  - Decreased overall by 6.5% from 1998 to 2012
  - Peaked in 2011 and decreased by 11.5% from 2011 to 2012
  - Troughed in 2000 and increased by 33.9% from 2000 to 2012

## Georgia – Local Revenue Hospital Charges – Total



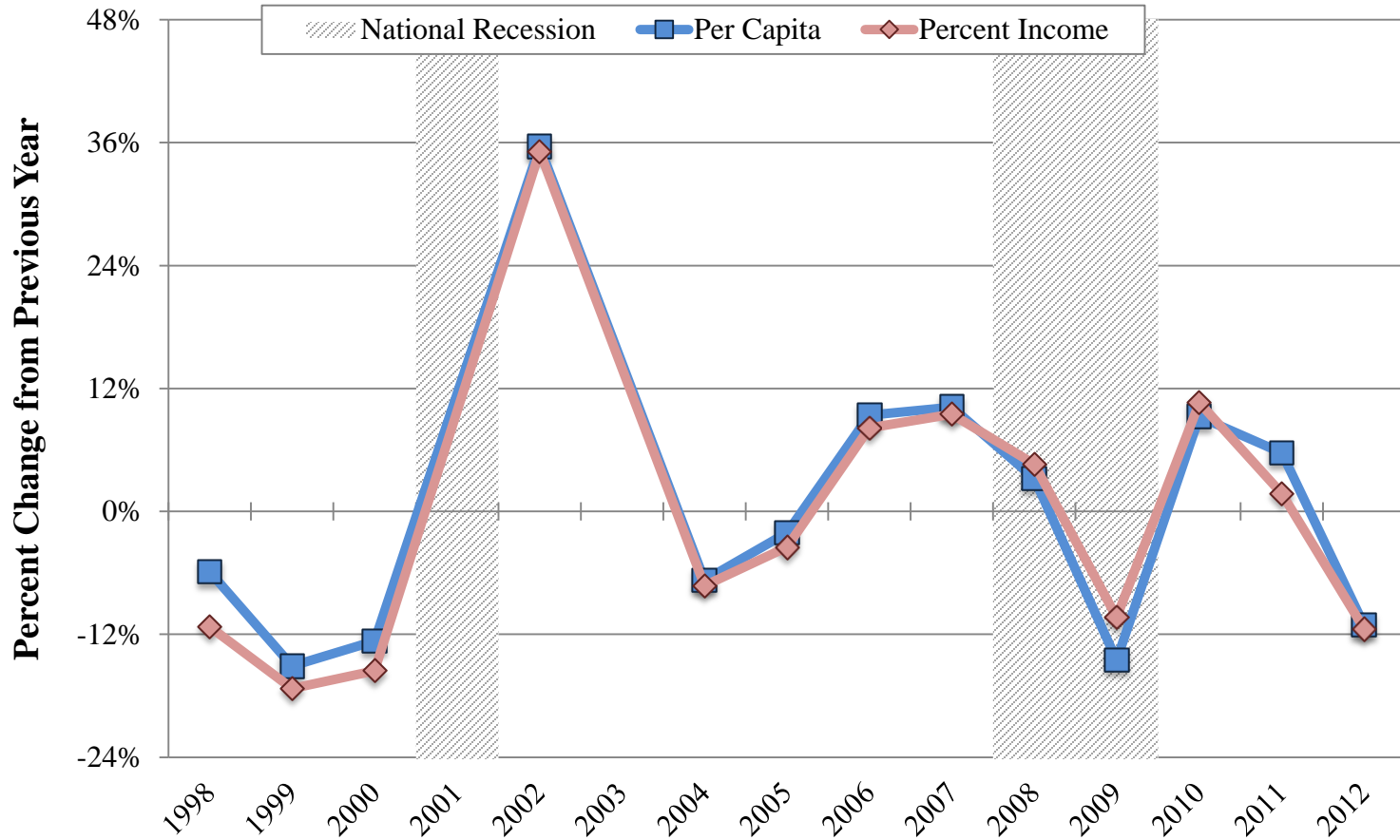
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Hospital Charges – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012)

## Georgia – Local Revenue Hospital Charges – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

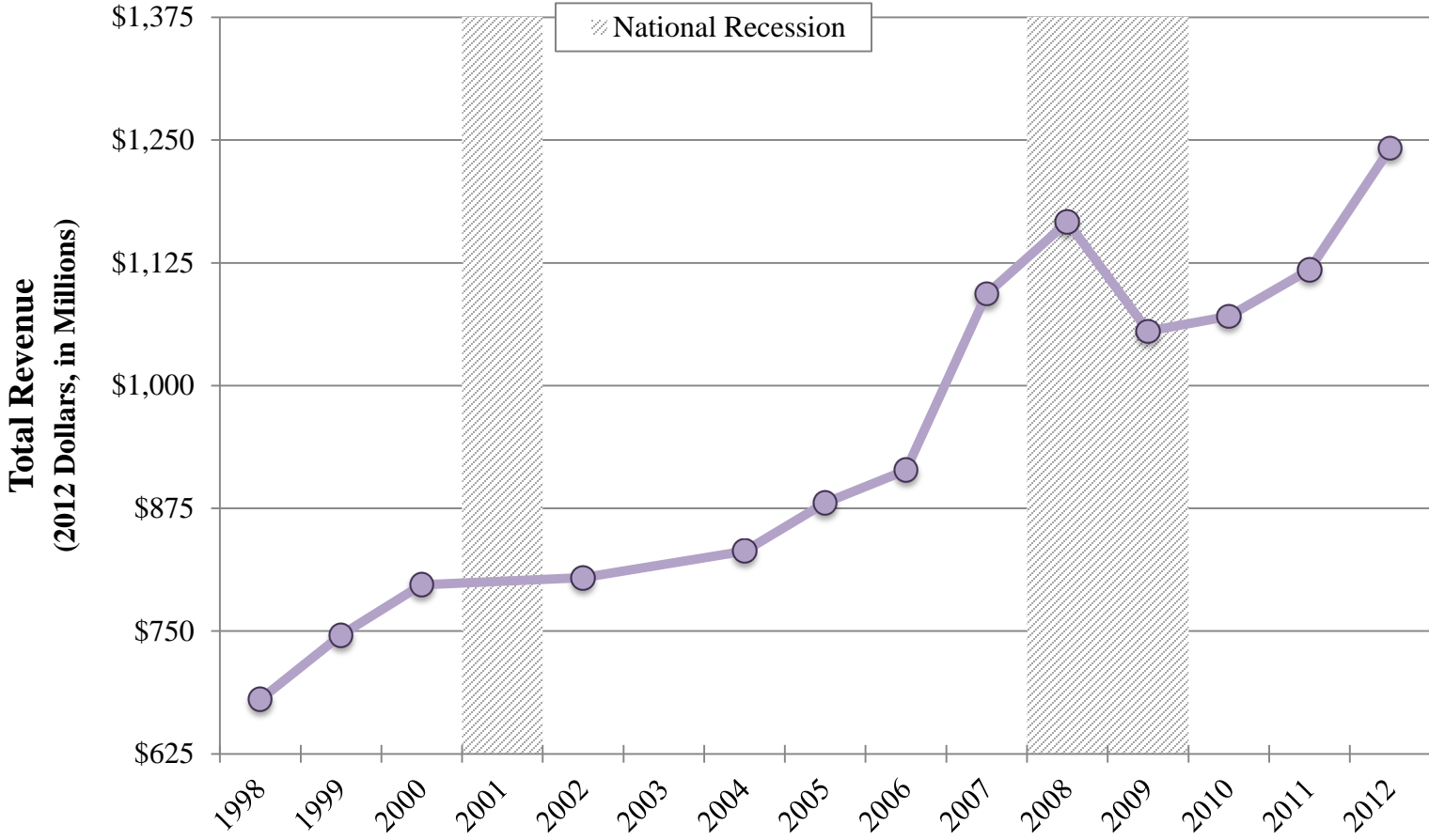
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 2. Sewerage charges

The following three charts describe how local revenue raised by sewerage charges has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

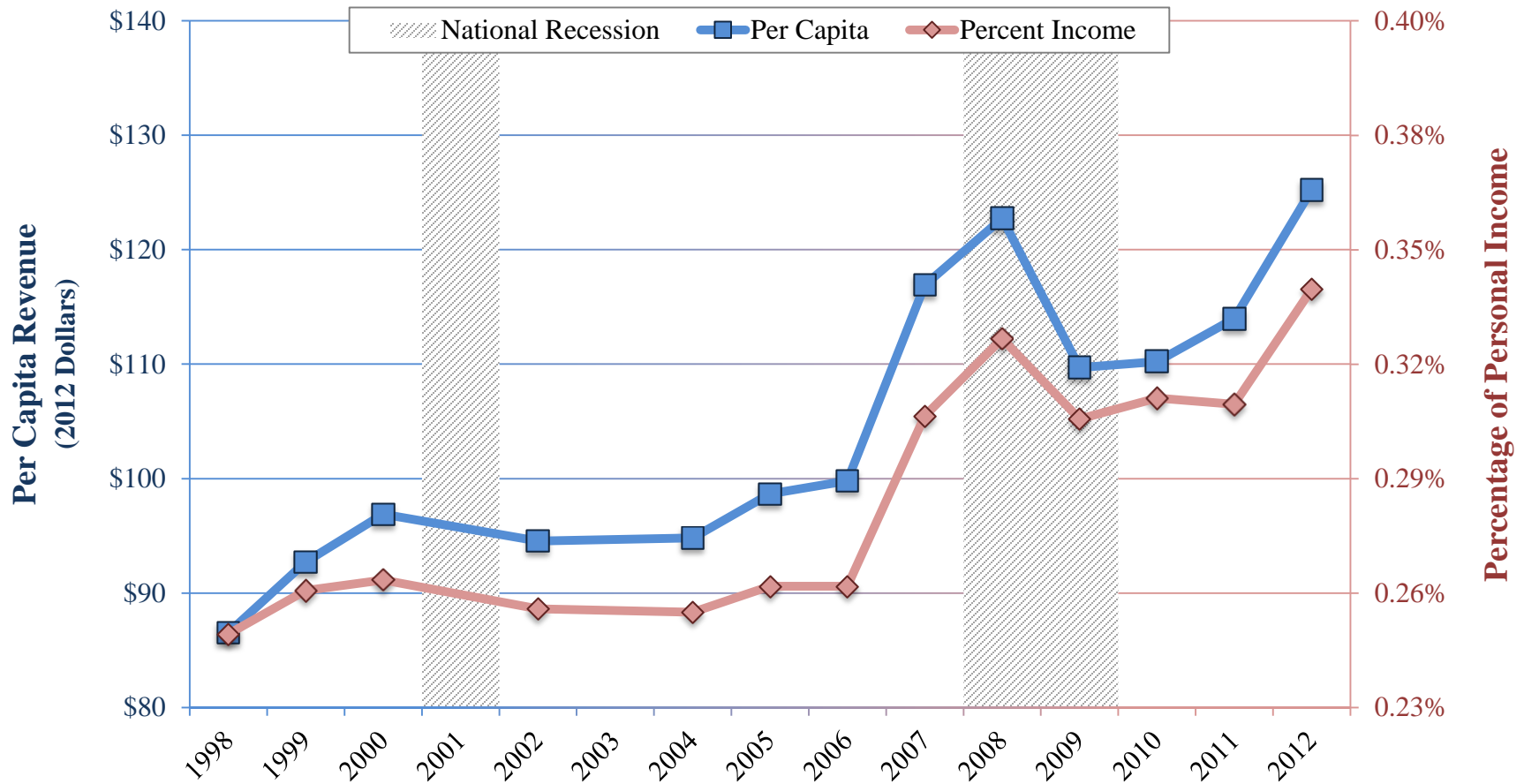
- Total revenue:
  - Increased before and remained flat during the 2001 recession, remained flat then sharply increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 82.5% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 1998
  
- Per capita revenue:
  - Increased before and decreased during the 2001 recession, remained flat then sharply increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 44.7% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 1998
  
- Revenue as a percentage of personal income:
  - Increased before and decreased during the 2001 recession, remained flat then sharply increased between recessions, and then decreased during and increased after the 2008-09 recession
  - Increased overall by 34.8% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 1998

## Georgia – Local Revenue Sewerage Charges – Total



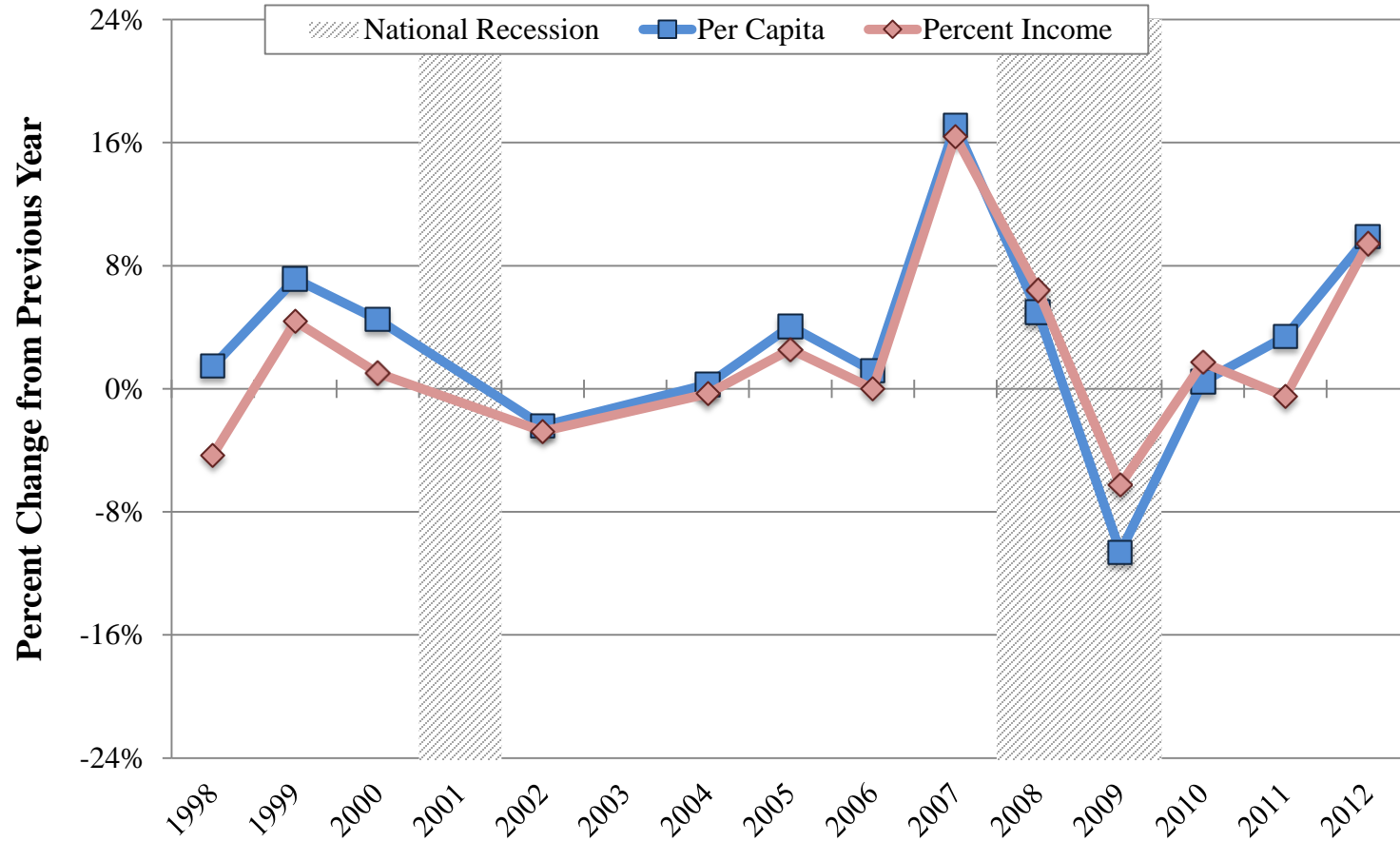
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Sewerage Charges – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Sewerage Charges – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

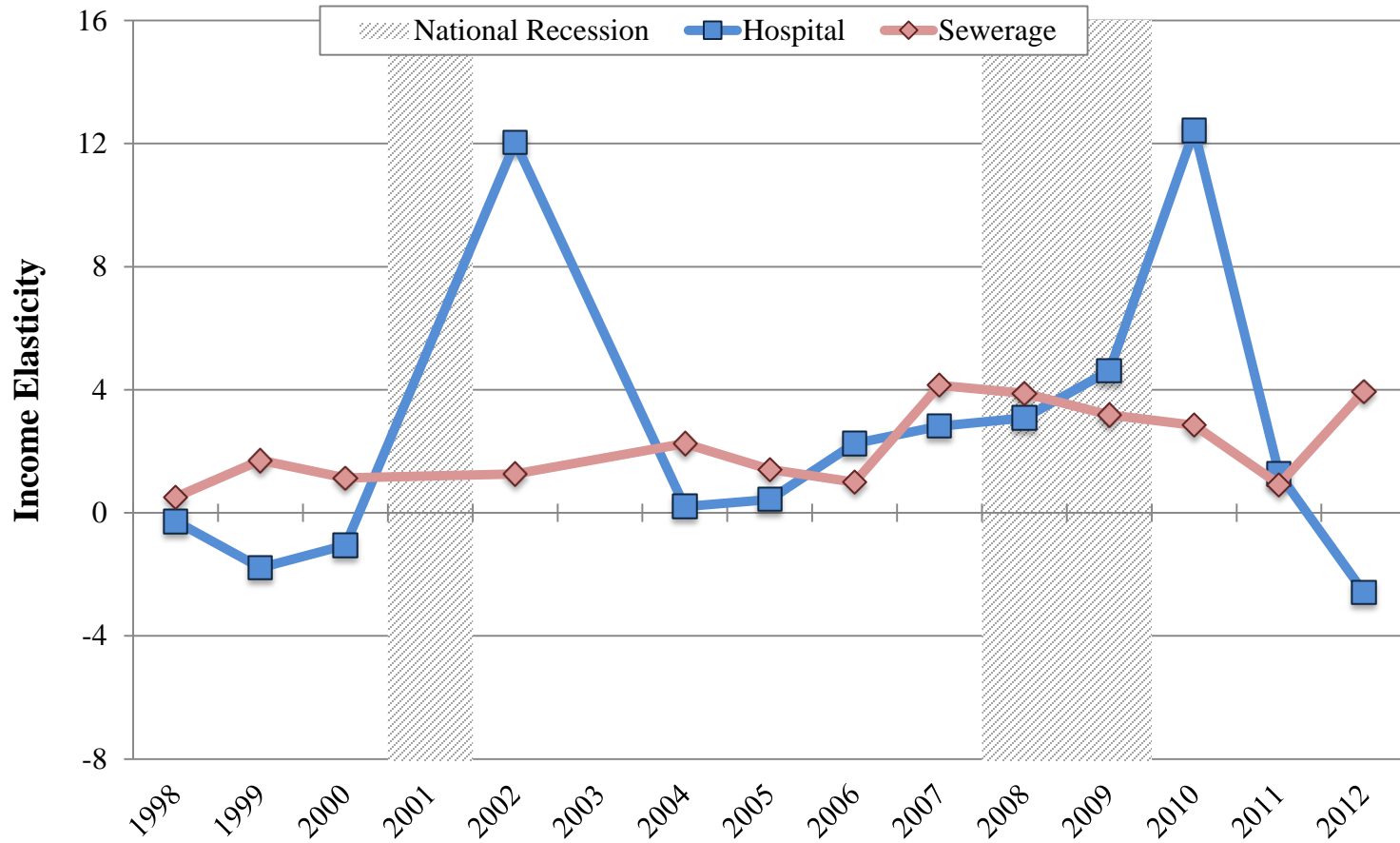


### 3. Income elasticities of major local charges

Income elasticity of revenue measures the responsiveness of revenue to changes in total personal income. The elasticity is measured as the ratio of the percent change in revenue to the percent change in income. For example, an elasticity of 2 means that a 1% increase in personal income results in a revenue increase of 2%. The following chart shows the annual income elasticities of local hospital and sewerage charges from 1998 to 2012.

- Hospital charge elasticity:
  - Was negative before the 2001 recession, then sharply increased immediately afterward
  - Remained positive through the 2008-09 recession and again increased sharply afterward
- Sewerage charge elasticity remained consistently positive and low through the entire period

## Georgia – Local Revenue Income Elasticities of Major Charges



**Note:** For 2002 and 2004, elasticity was calculated with change from two years previous.

Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## V. INTERGOVERNMENTAL TRANSFER REVENUE IN GEORGIA

This section presents a discussion of revenue trends for Georgia's intergovernmental transfers from 1998 to 2012. Revenue is examined in terms of the total real amount (adjusted to 2012 dollars using the BEA GDP deflator), the per capita real amount (in 2012 dollars), and as a percentage of total personal income. Per-capita and percent-income measures are shown on the same chart, with both vertical axes scaled identically relative to the 1998 value of their respective measures. Percent change in per-capita and percent income from the preceding year is also examined. Periods of national recession are noted in relation to each measure.

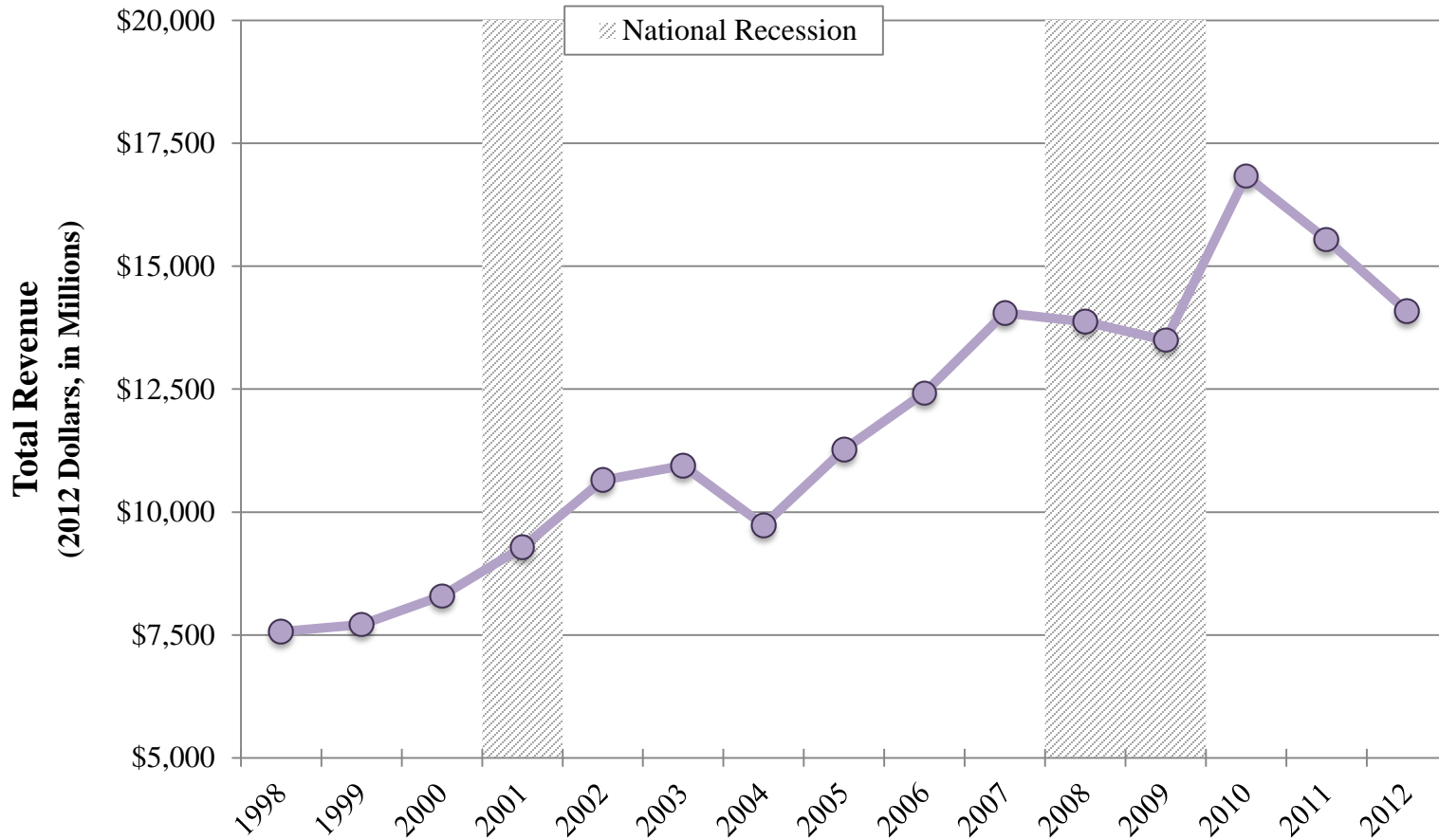
### A. State Intergovernmental Transfer Revenue

This section discusses intergovernmental transfer revenue for Georgia's state government. The following three charts describe how state revenue transferred from federal and local governments has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total transfer revenue:
  - Increased before and during the 2001 recession, decreased then increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 86.0% from 1998 to 2012
  - Peaked in 2010 and decreased by 16.4% from 2010 to 2012
  - Troughed in 1998
  
- Per capita transfer revenue:
  - Increased before and during the 2001 recession, decreased then increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 47.5% from 1998 to 2012
  - Peaked in 2010 and decreased by 18.1% from 2010 to 2012
  - Troughed in 1999 and increased by 48.2% from 1999 to 2012

- Transfer revenue as a percentage of personal income:
  - Remained flat before and increased during the 2001 recession, decreased then increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 37.4% from 1998 to 2012
  - Peaked in 2010 and decreased by 21.5% from 2010 to 2012
  - Troughed in 1999 and increased by 41.7% from 1999 to 2012

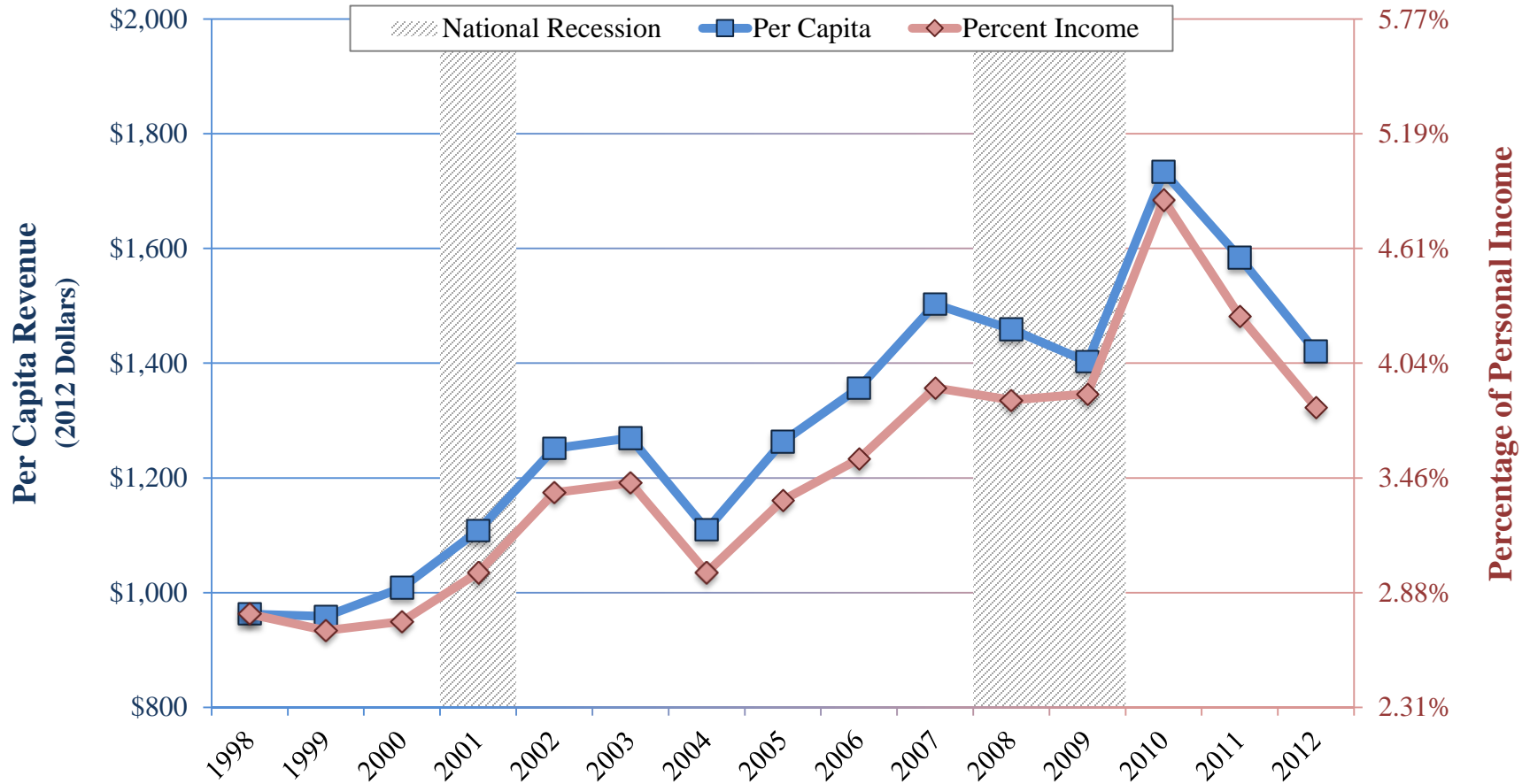
## Georgia – State Revenue Intergovernmental Transfers – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

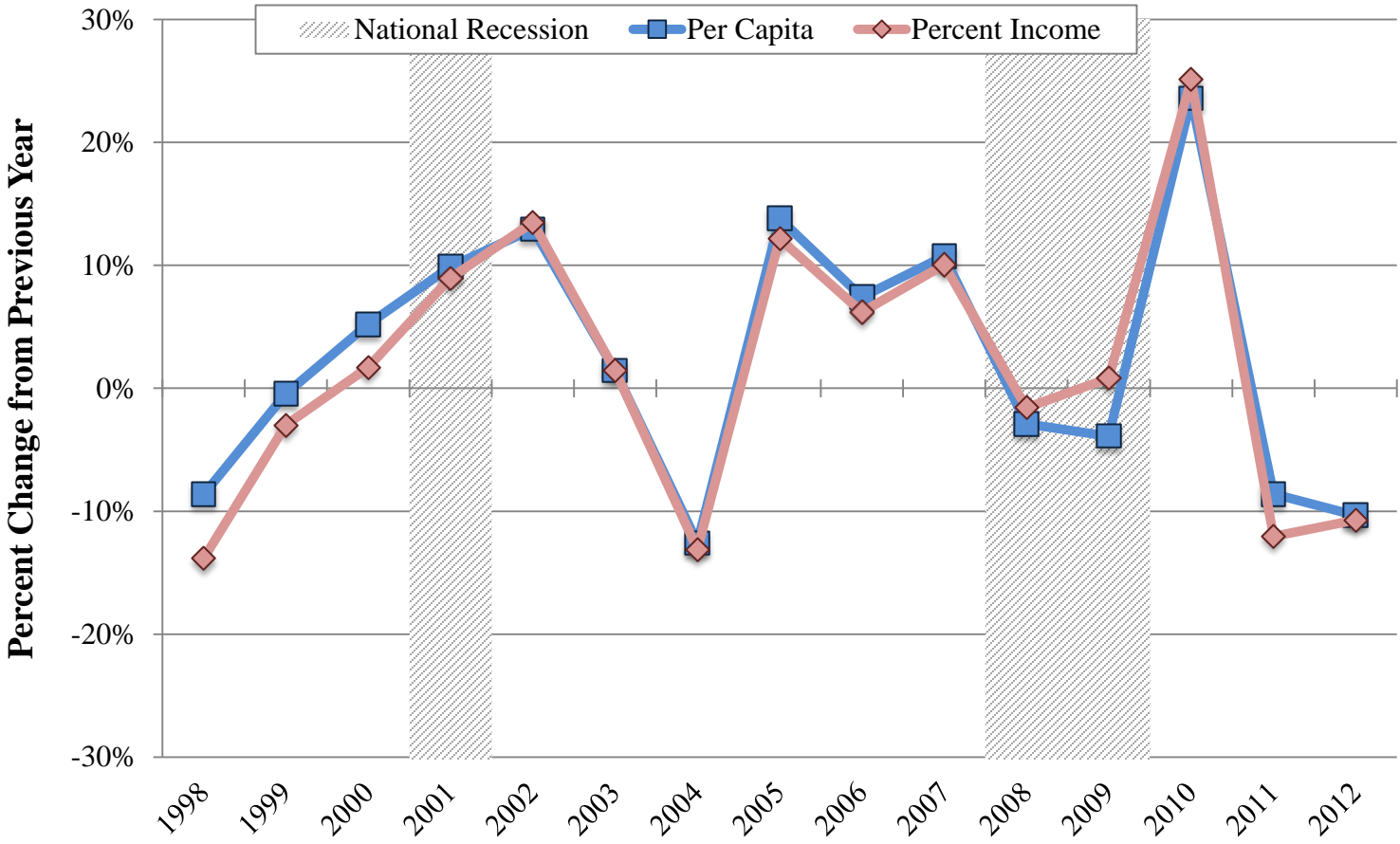
## Georgia – State Revenue

### Intergovernmental Transfers – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Intergovernmental Transfers – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

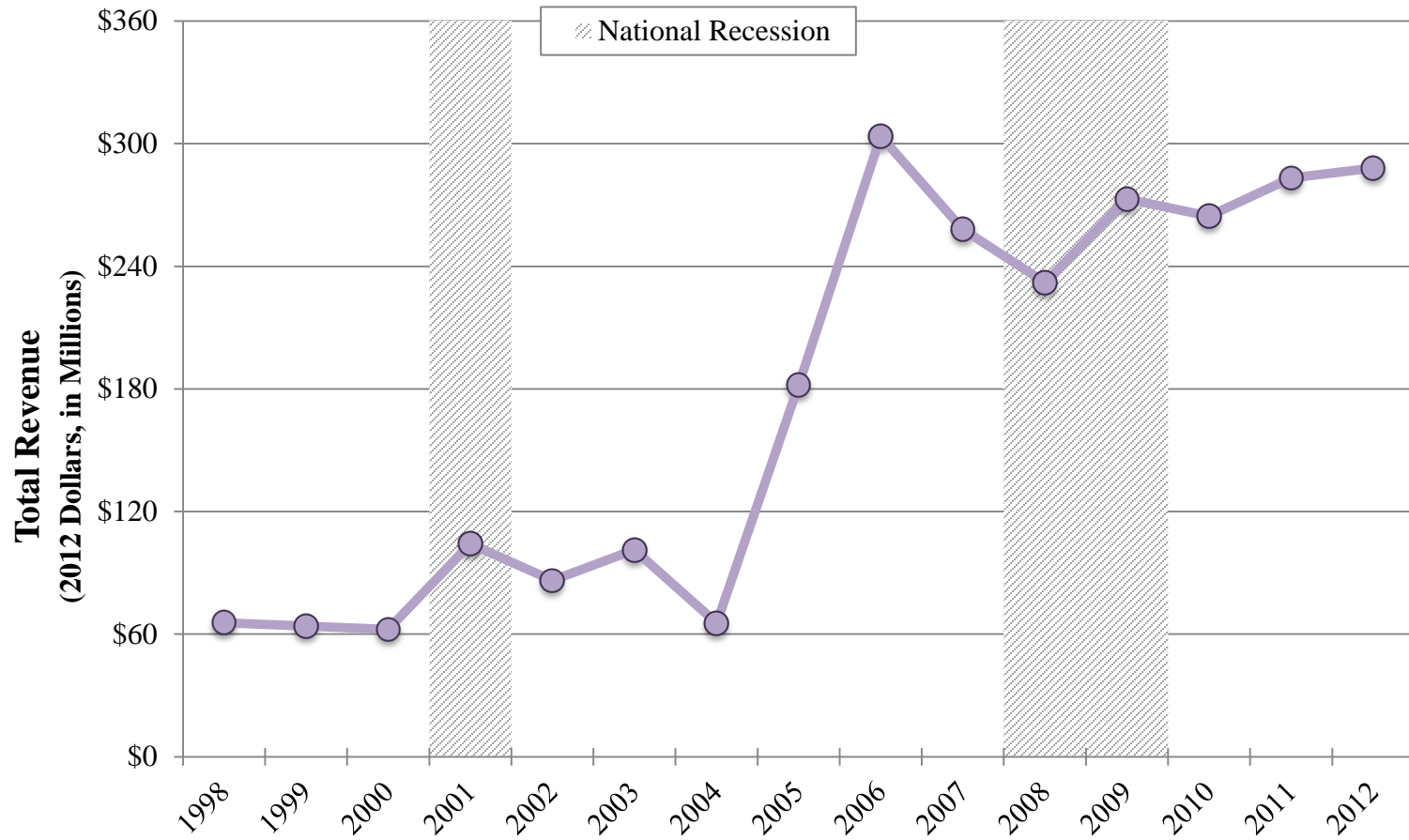
## 1. Local transfers

The following three charts describe how state revenue transferred from local governments has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Remained flat before and increased during the 2001 recession, decreased then sharply increased between recessions, and then remained flat during and after the 2008-09 recession
  - Increased overall by 339.3% from 1998 to 2012
  - Peaked in 2006 and decreased by 5.1% from 2006 to 2012
  - Troughed in 2000 and increased by 362.6% from 2000 to 2012
- Per capita revenue:
  - Decreased before and increased during the 2001 recession, decreased then sharply increased between recessions, and then remained flat during and after the 2008-09 recession
  - Increased overall by 248.4% from 1998 to 2012
  - Peaked in 2006 and decreased by 12.4% from 2006 to 2012
  - Troughed in 2004 and increased by 289.6% from 2004 to 2012
- Revenue as a percentage of personal income:
  - Decreased before and increased during the 2001 recession, decreased then sharply increased between recessions, and then remained flat during and after the 2008-09 recession
  - Increased overall by 224.6% from 1998 to 2012
  - Peaked in 2006 and decreased by 10.2% from 2006 to 2012
  - Troughed in 2004 and increased by 289.1% from 2004 to 2012



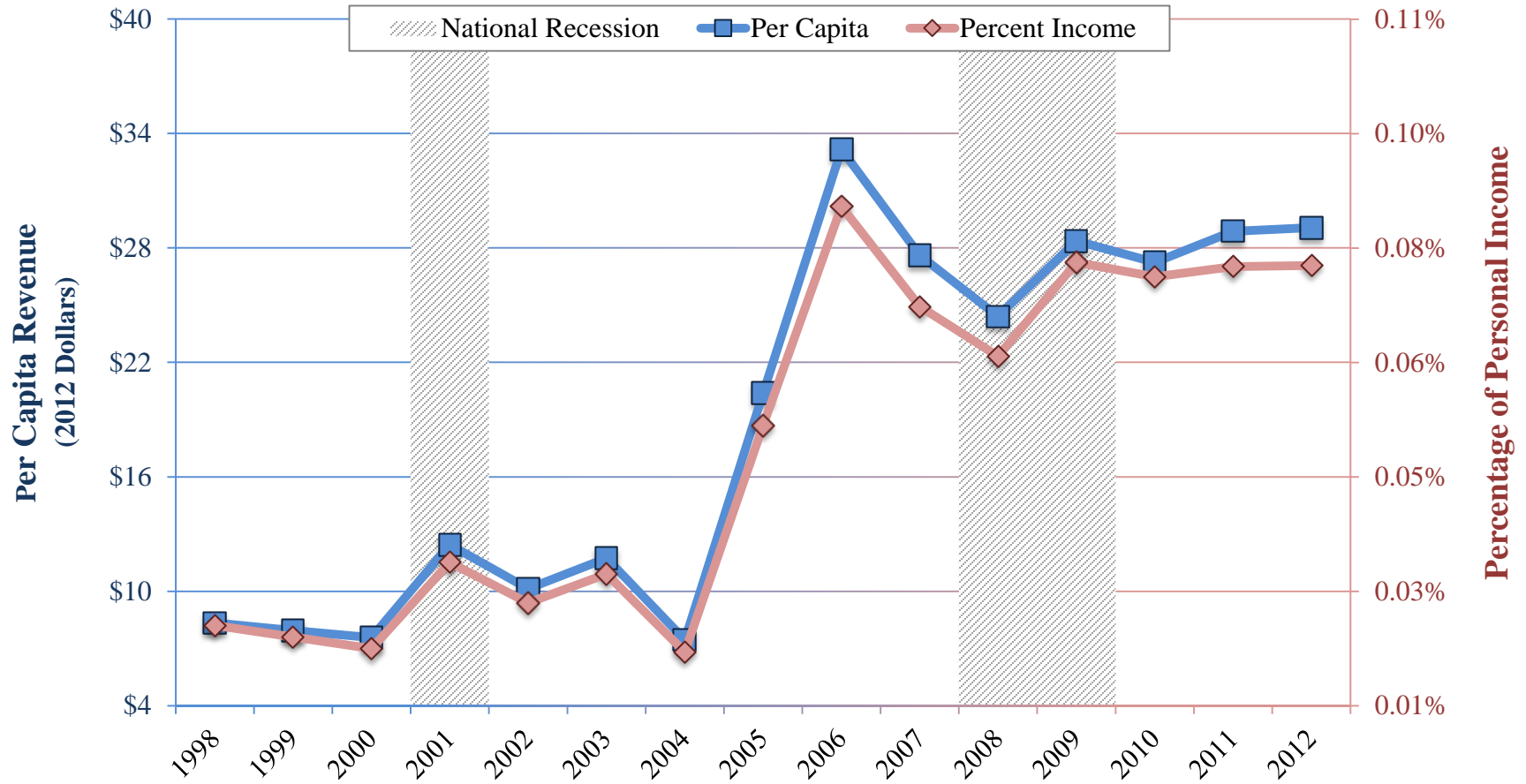
## Georgia – State Revenue Local Transfers – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

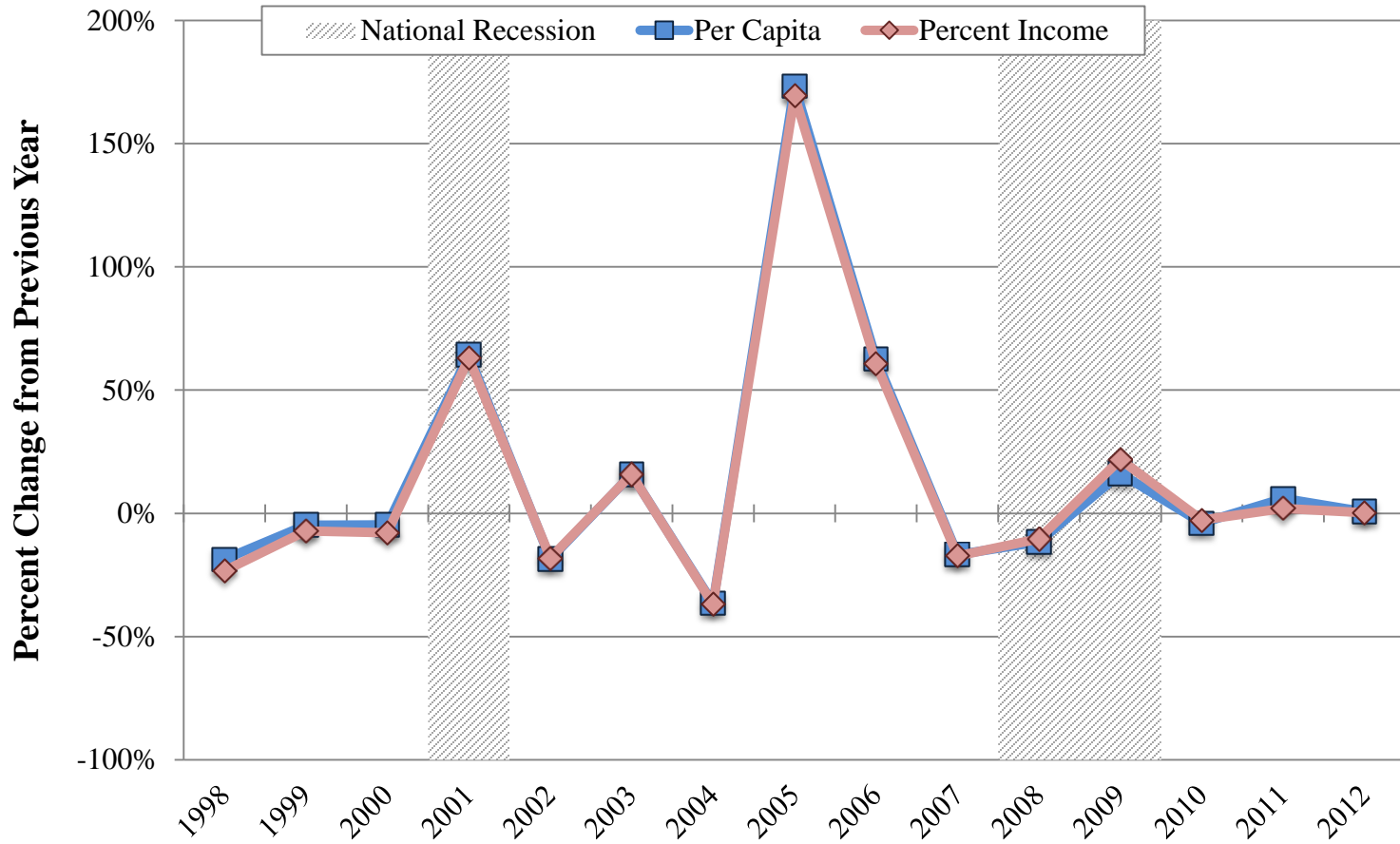
## Georgia – State Revenue

### Local Transfers – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Local Transfers – Annual Change



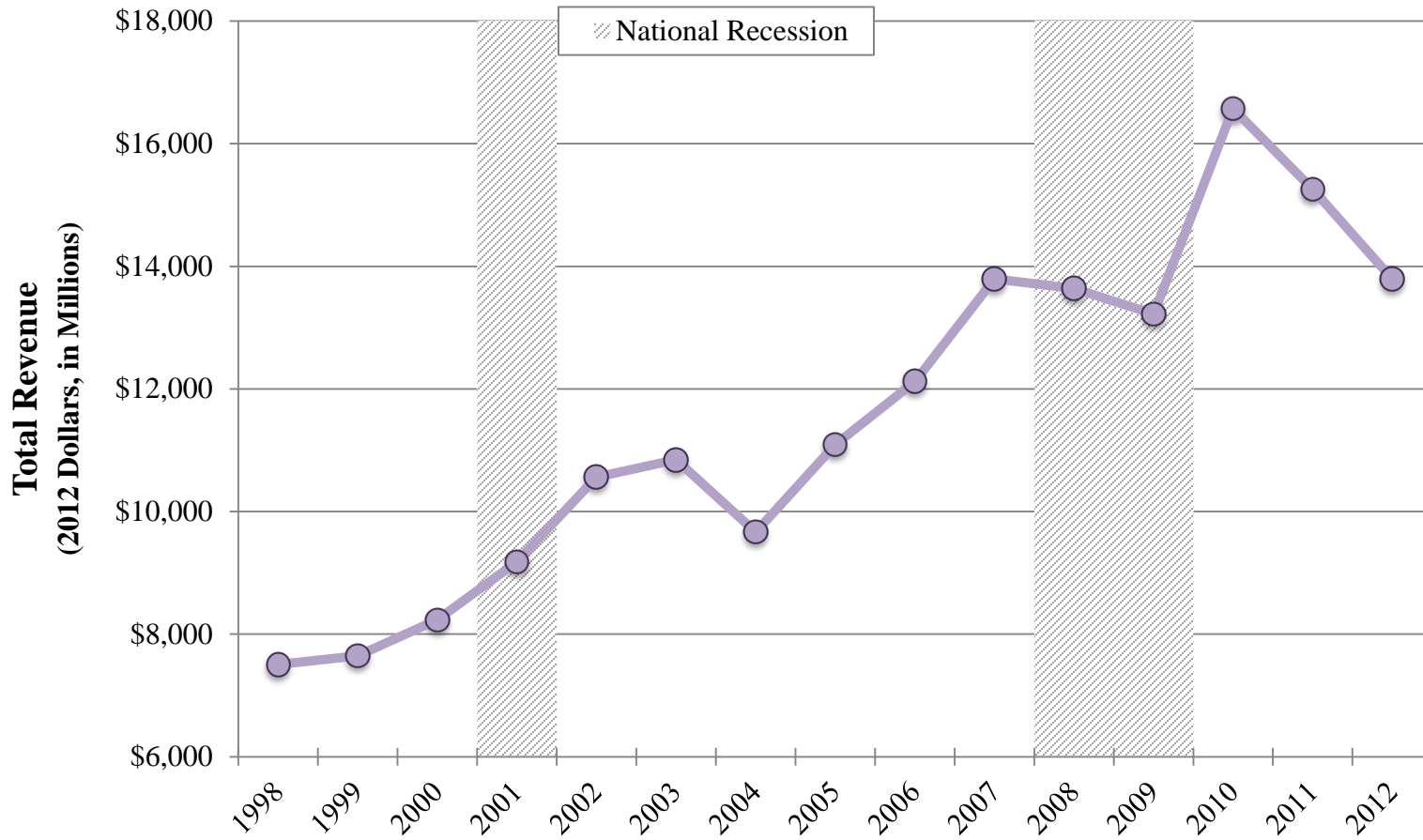
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 2. Federal transfers

The following three charts describe how state revenue transferred from the federal government has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total revenue:
  - Increased before and during the 2001 recession, decreased then increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 83.8% from 1998 to 2012
  - Peaked in 2010 and decreased by 16.8% from 2010 to 2012
  - Troughed in 1998
  
- Per capita revenue:
  - Increased before and during the 2001 recession, decreased then increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 45.8% from 1998 to 2012
  - Peaked in 2010 and decreased by 18.5% from 2010 to 2012
  - Troughed in 1999 and increased by 46.4% from 1999 to 2012
  
- Revenue as a percentage of personal income:
  - Remained flat before and increased during the 2001 recession, decreased then increased between recessions, and then increased during and decreased after the 2008-09 recession
  - Increased overall by 35.8% from 1998 to 2012
  - Peaked in 2010 and decreased by 21.8% from 2010 to 2012
  - Troughed in 1999 and increased by 39.9% from 1999 to 2012

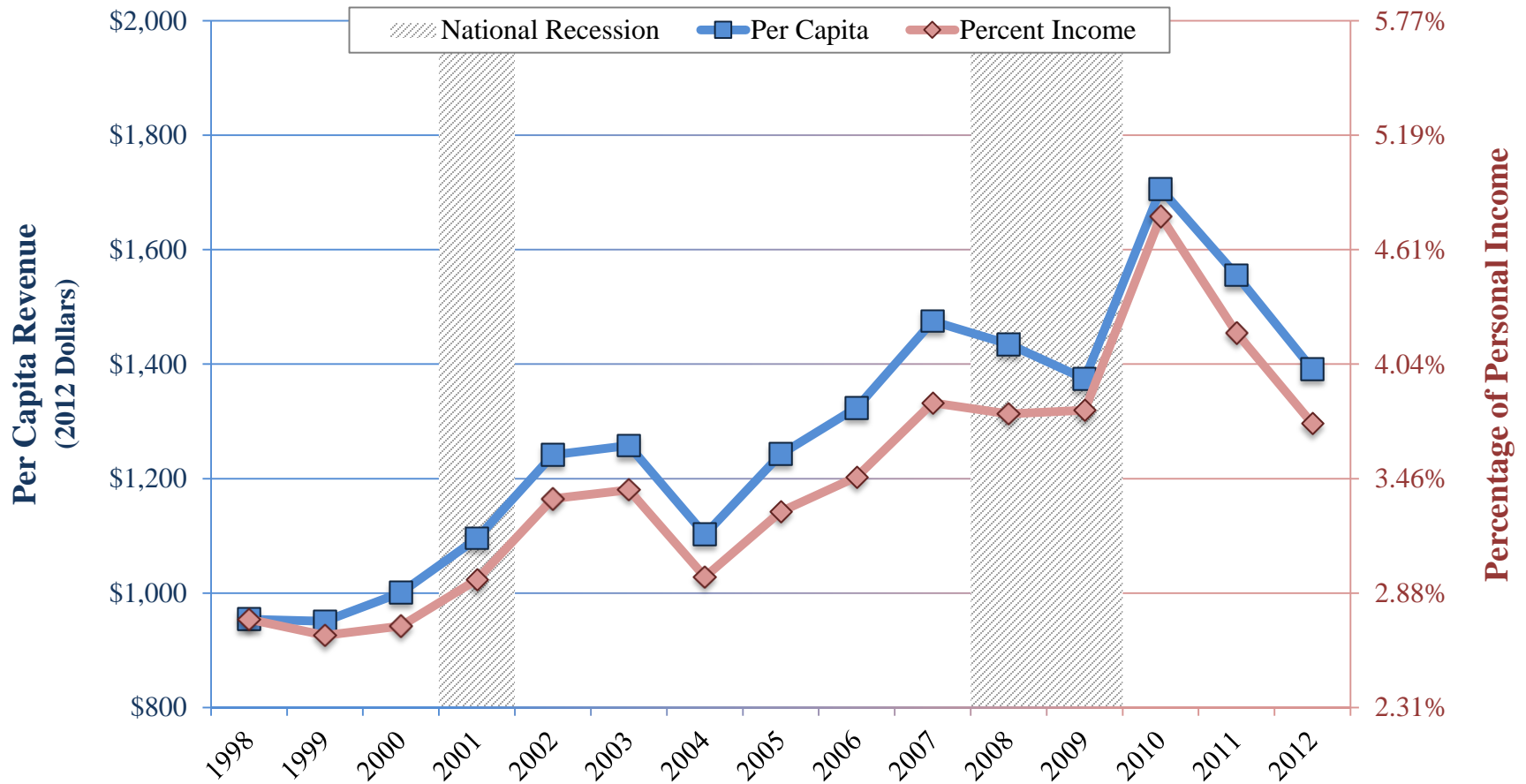
## Georgia – State Revenue Federal Transfers – Total



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

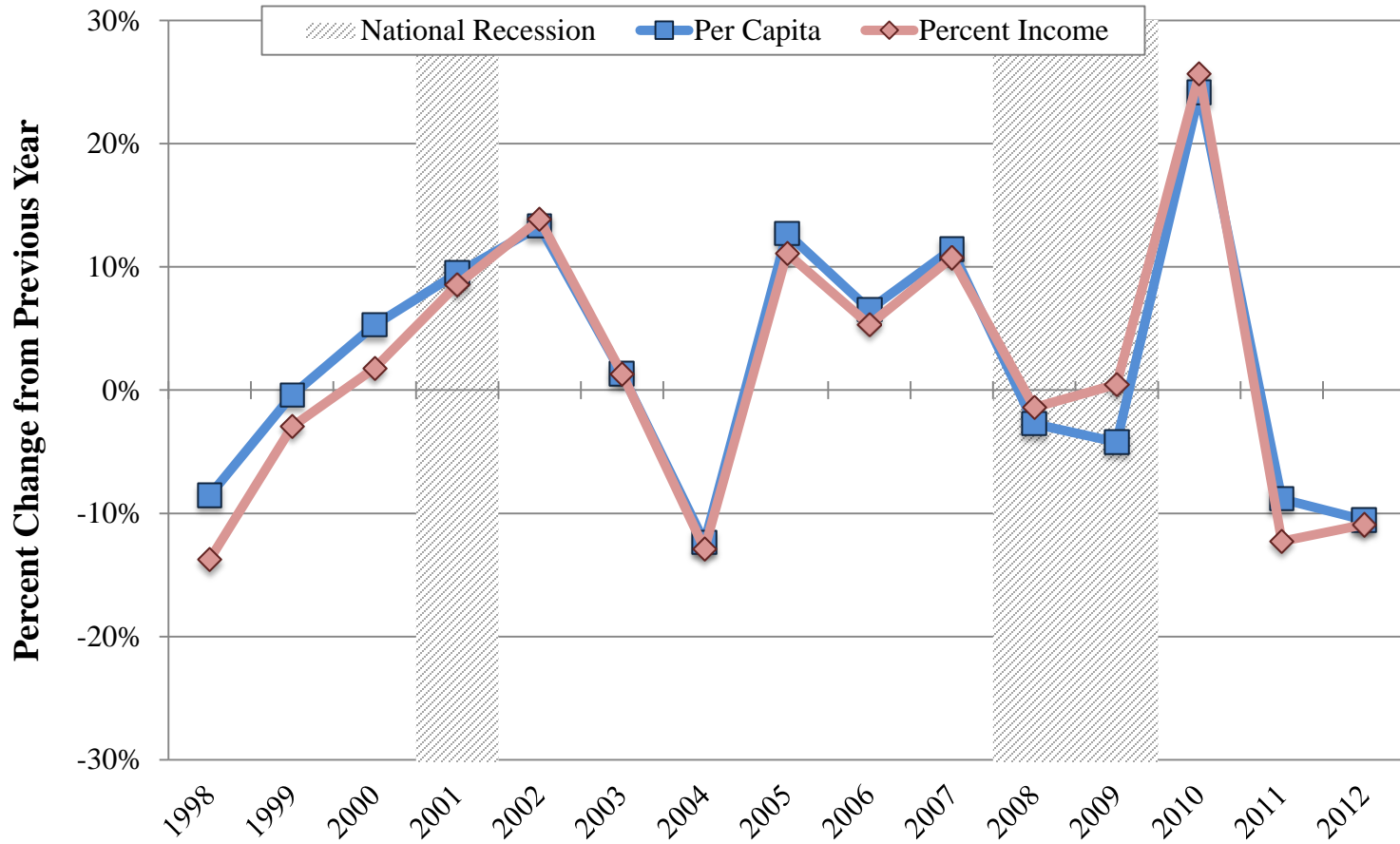
## Georgia – State Revenue

### Federal Transfers – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – State Revenue Federal Transfers – Annual Change



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## B. Local Intergovernmental Transfer Revenue

This section discusses intergovernmental transfer revenue for Georgia's local governments. Because the U.S. Census Bureau did not disaggregate state data from their Annual Survey of State and Local Government Finances in 2001 and 2003, data are missing for those years. The following three charts describe how local revenue transferred from federal and local governments has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

- Total transfer revenue:

- Increased before and during the 2001 recession, remained flat then increased between recessions, and then decreased during and after the 2008-09 recession
- Increased overall by 28.8% from 1998 to 2012
- Peaked in 2008 and decreased by 8.0% from 2008 to 2012
- Troughed in 1998

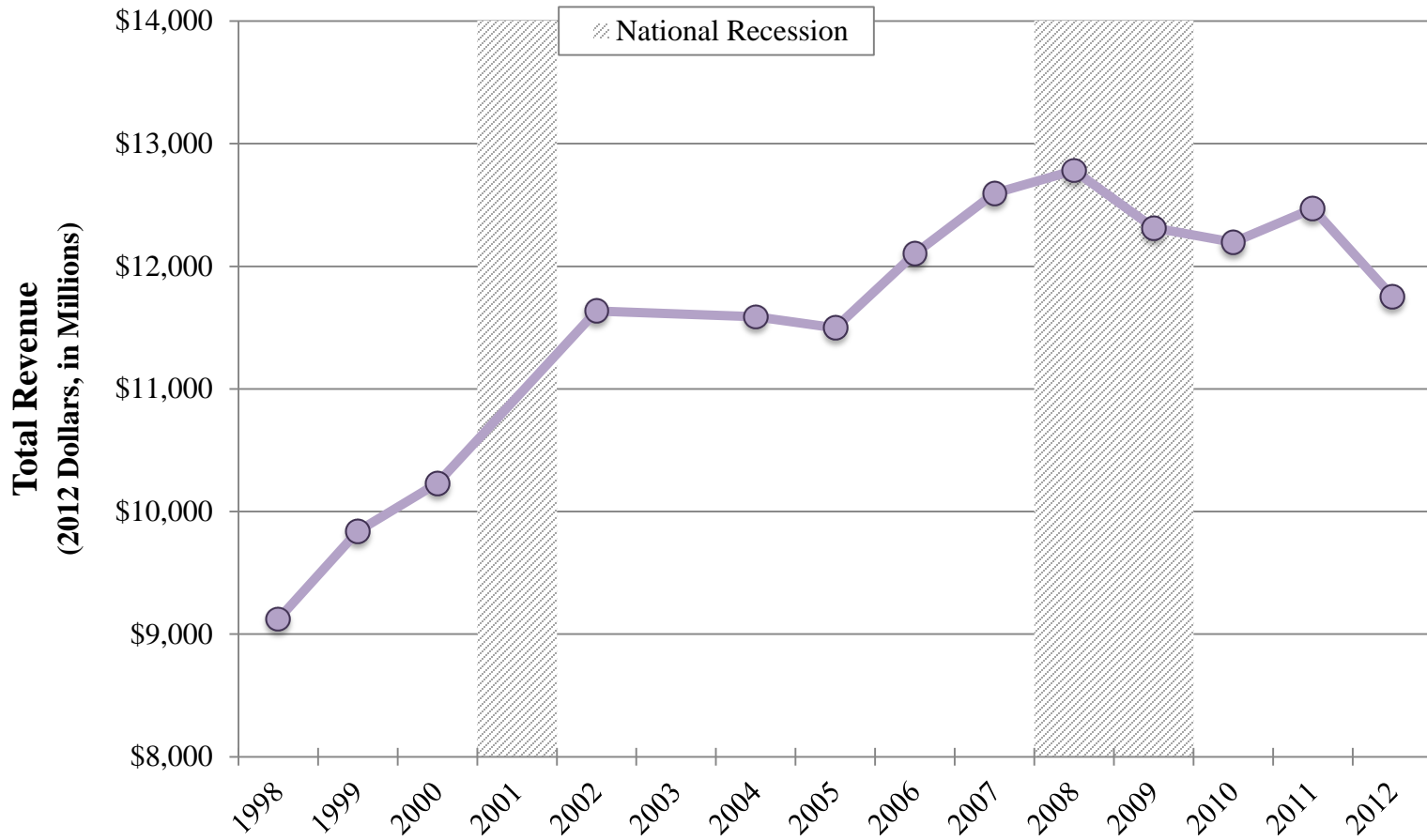
- Per capita transfer revenue:

- Increased before and during the 2001 recession, decreased then increased between recessions, and then decreased during and after the 2008-09 recession
- Increased overall by 2.2% from 1998 to 2012
- Peaked in 2002 and decreased by 13.3% from 2002 to 2012
- Troughed in 1998



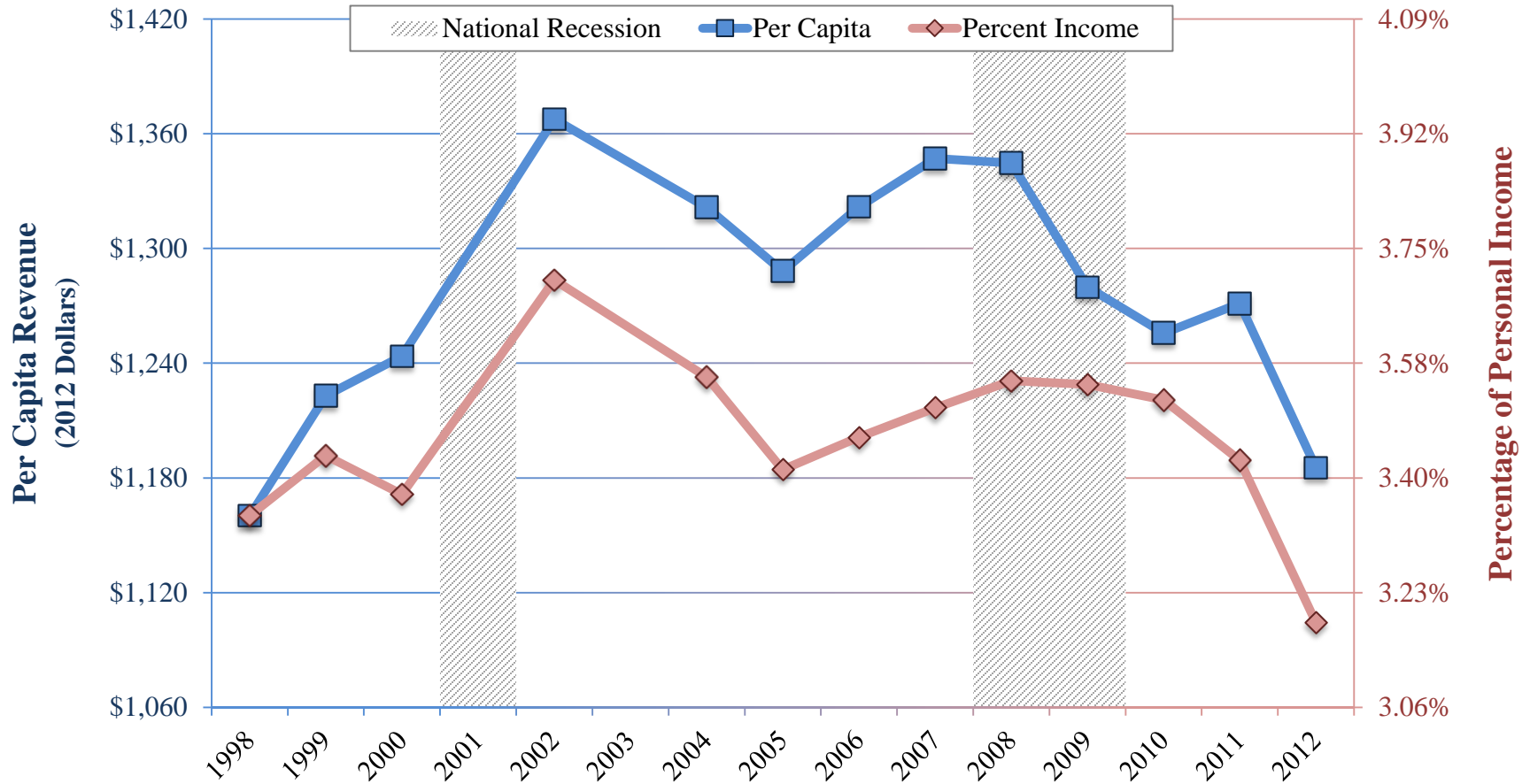
- Transfer revenue as a percentage of personal income:
  - Remained flat before and increased during the 2001 recession, decreased then increased between recessions, and then remained flat during and decreased after the 2008-09 recession
  - Decreased overall by 4.8% from 1998 to 2012
  - Peaked in 2002 and decreased by 14.0% from 2002 to 2012
  - Troughed in 2012

## Georgia – Local Revenue Intergovernmental Transfers – Total



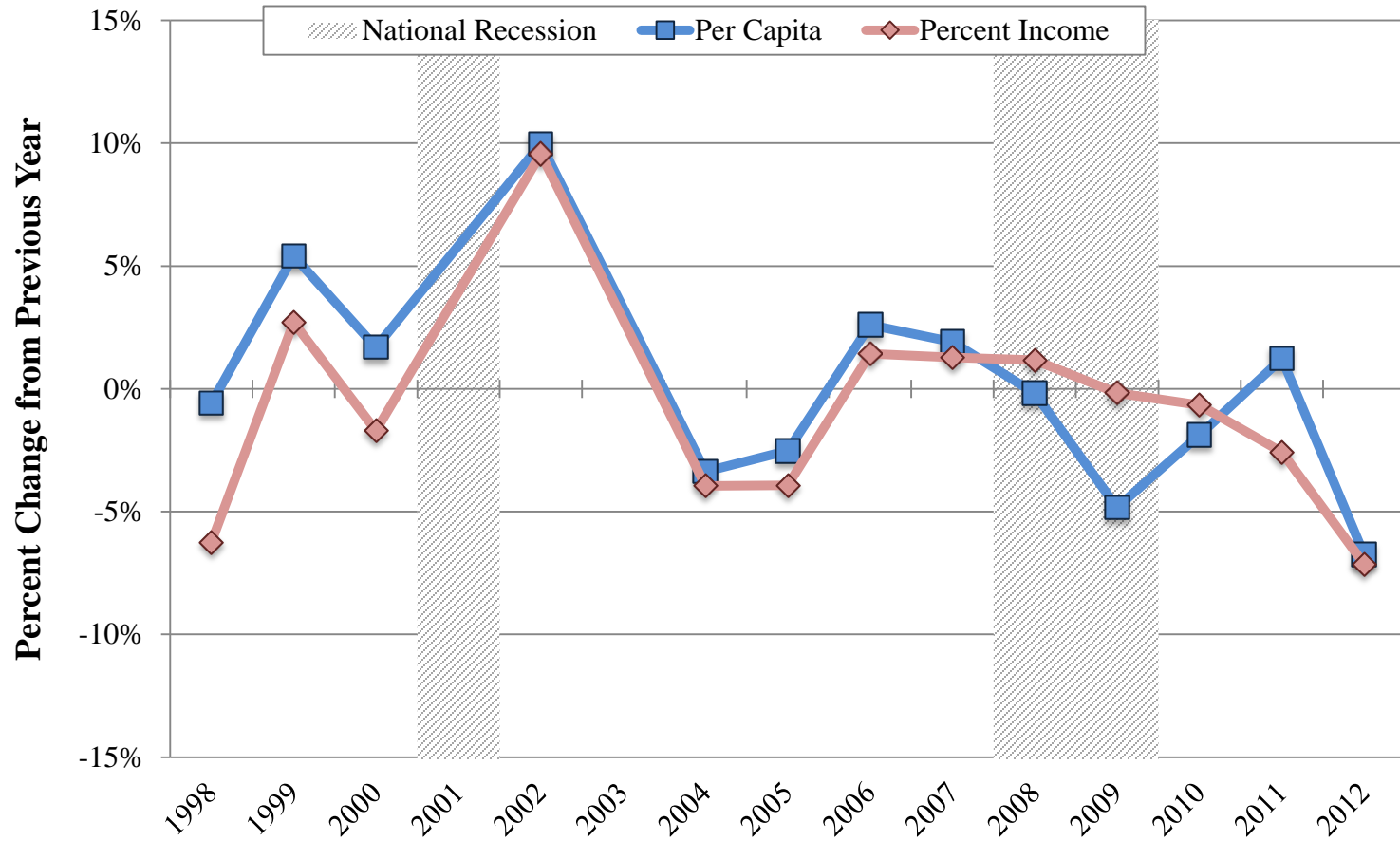
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Intergovernmental Transfers – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Intergovernmental Transfers – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

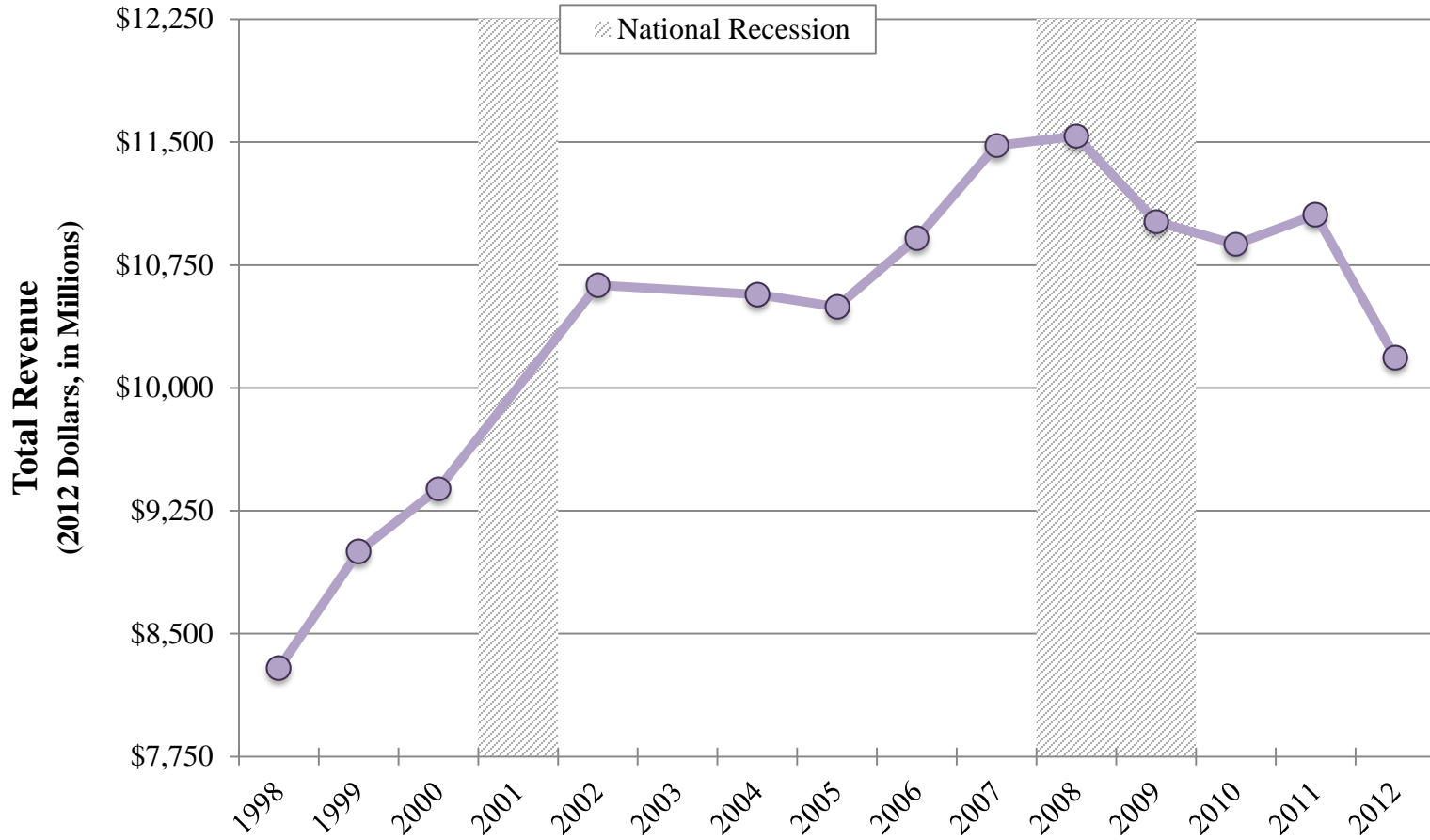
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## 1. State Transfers

The following three charts describe how local revenue transferred from the state government has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

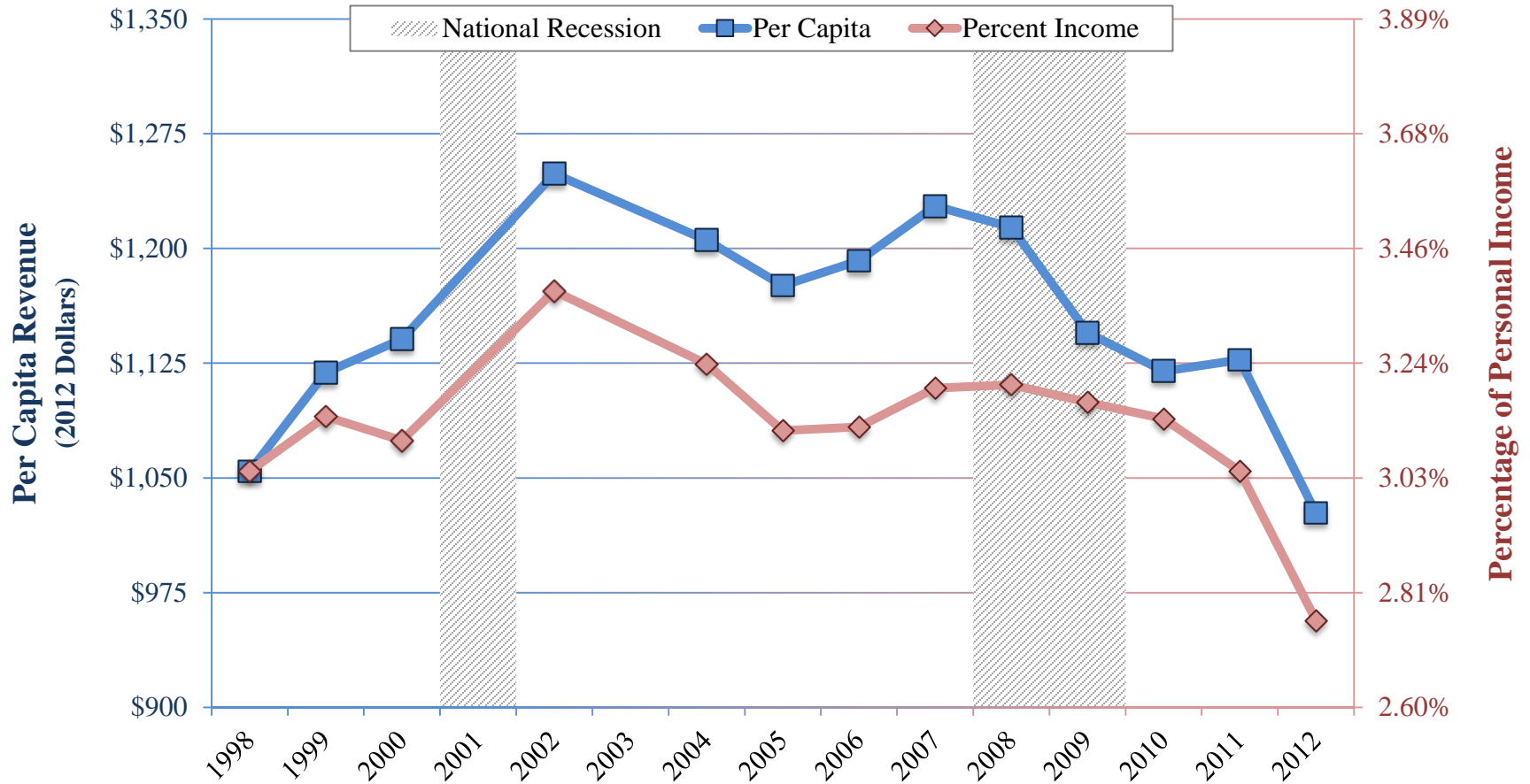
- Total revenue:
  - Increased before and during the 2001 recession, remained flat then increased between recessions, and then decreased during and after the 2008-09 recession
  - Increased overall by 22.8% from 1998 to 2012
  - Peaked in 2008 and decreased by 11.7% from 2008 to 2012
  - Troughed in 1998
  
- Per capita revenue:
  - Increased before and during the 2001 recession, decreased then increased between recessions, and then decreased during and after the 2008-09 recession
  - Decreased overall by 2.6% from 1998 to 2012
  - Peaked in 2002 and decreased by 17.8% from 2002 to 2012
  - Troughed in 2012
  
- Revenue as a percentage of personal income:
  - Increased before and during the 2001 recession, decreased then slightly increased between recessions, and then decreased during and after the 2008-09 recession
  - Decreased overall by 9.3% from 1998 to 2012
  - Peaked in 2002 and decreased by 18.4% from 2002 to 2012
  - Troughed in 2012

## Georgia – Local Revenue State Transfers – Total



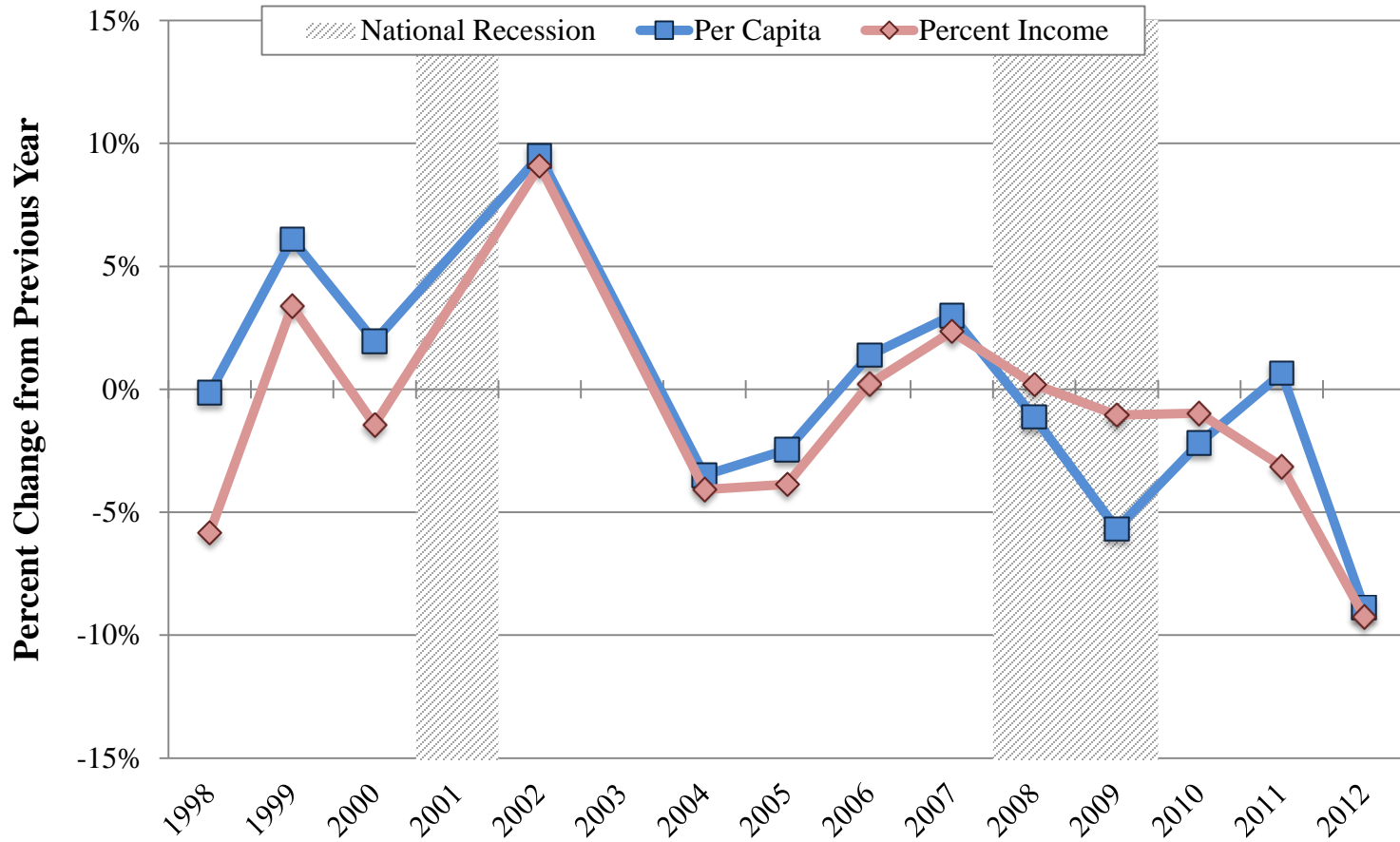
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue State Transfers – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue State Transfers – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

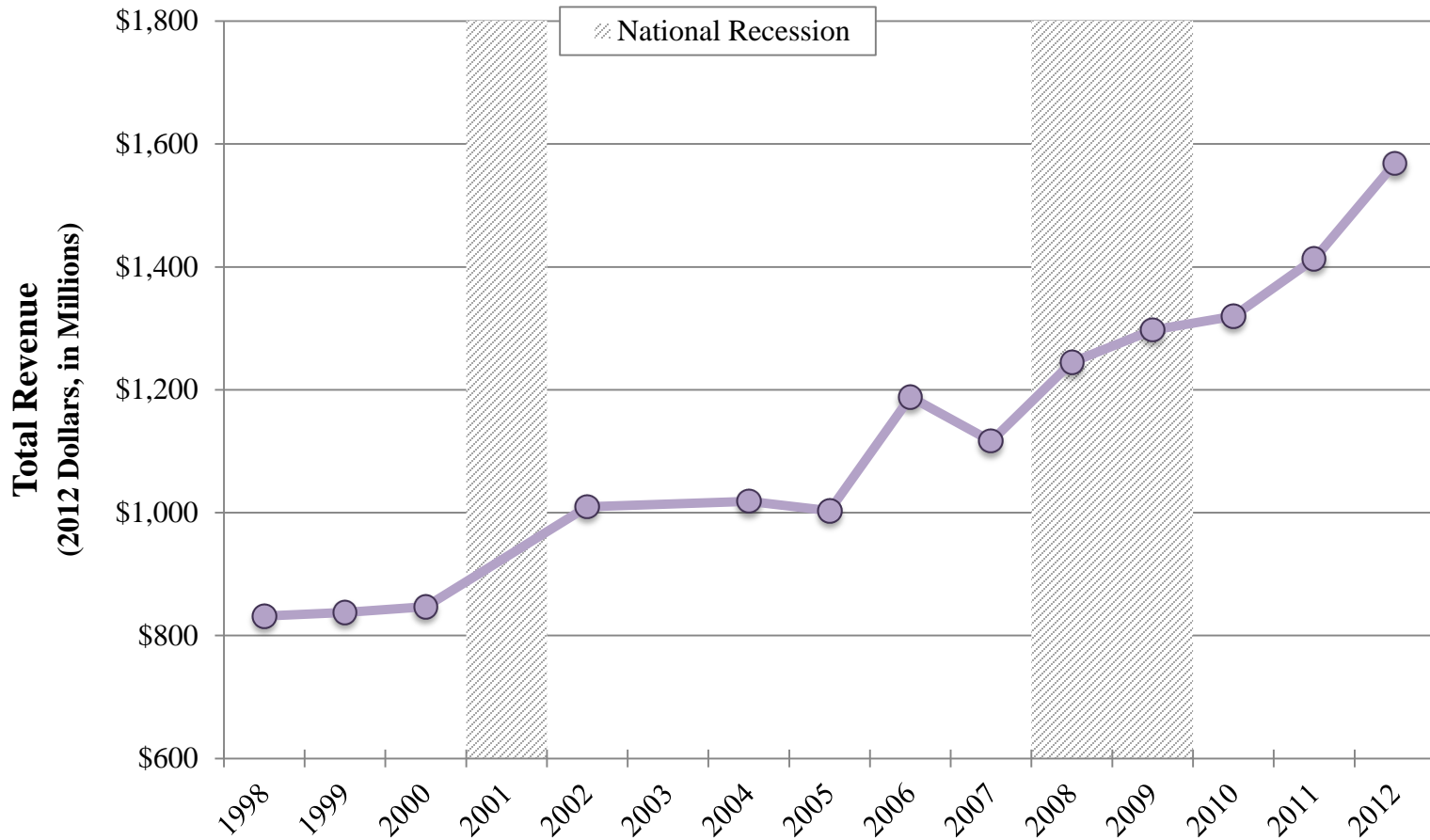


## 2. Federal Transfers

The following three charts describe how local revenue transferred from the federal government has changed from 1998 to 2012. The first chart shows total revenue; the second chart shows revenue per capita and revenue as a percentage of total personal income; and the third chart shows percent change from the previous year in per-capita and percent-income measures.

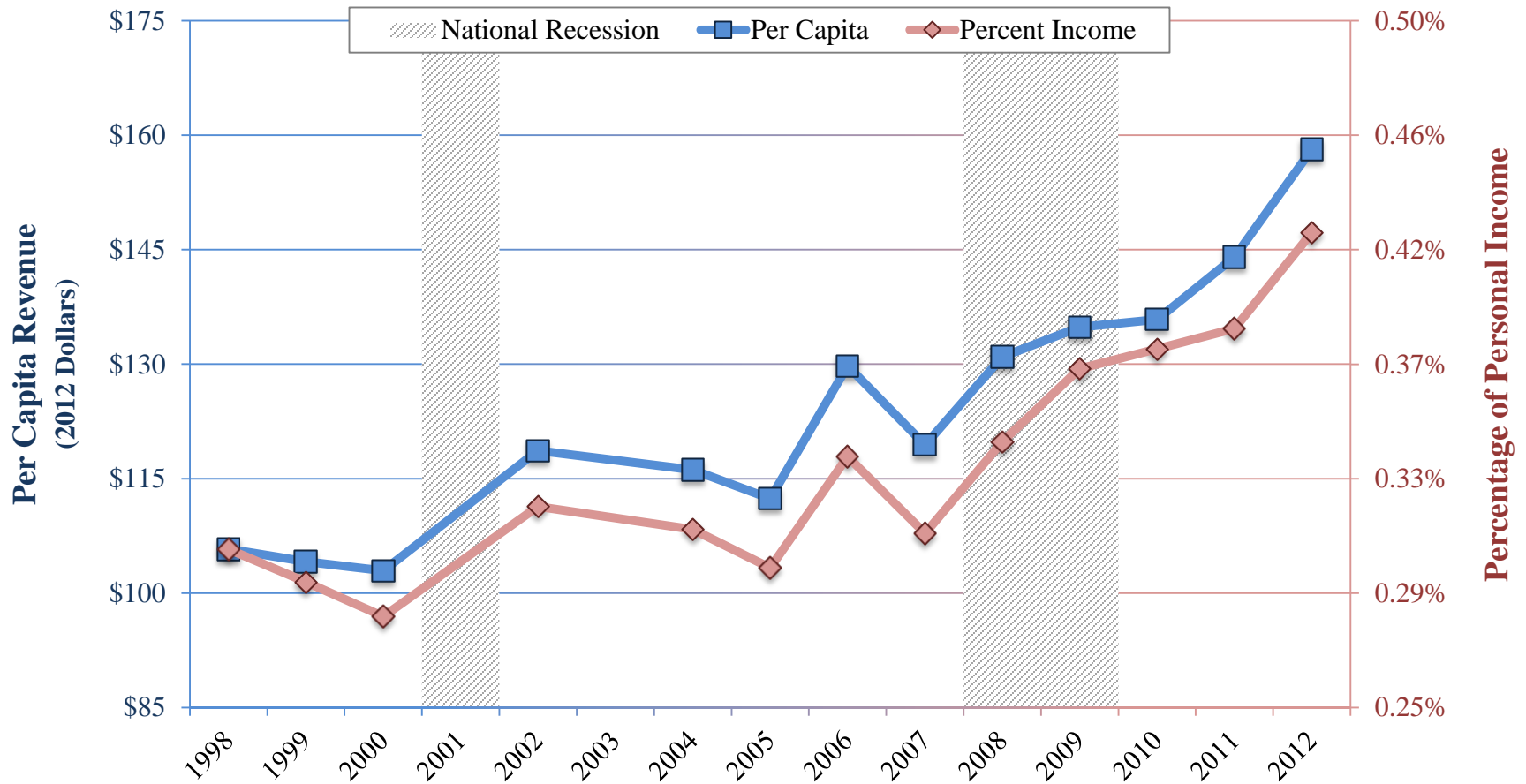
- Total revenue:
  - Remained flat before and increased during the 2001 recession, remained flat then increased between recessions, and then increased during and after the 2008-09 recession
  - Increased overall by 88.6% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 1998
  
- Per capita revenue:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then increased during and after the 2008-09 recession
  - Increased overall by 49.6% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 2000 and increased by 53.7% from 2000 to 2012
  
- Revenue as a percentage of personal income:
  - Decreased before and increased during the 2001 recession, decreased then increased between recessions, and then increased during and after the 2008-09 recession
  - Increased overall by 39.3% from 1998 to 2012
  - Peaked in 2012
  - Troughed in 2000 and increased by 52.0% from 2000 to 2012

## Georgia – Local Revenue Federal Transfers – Total



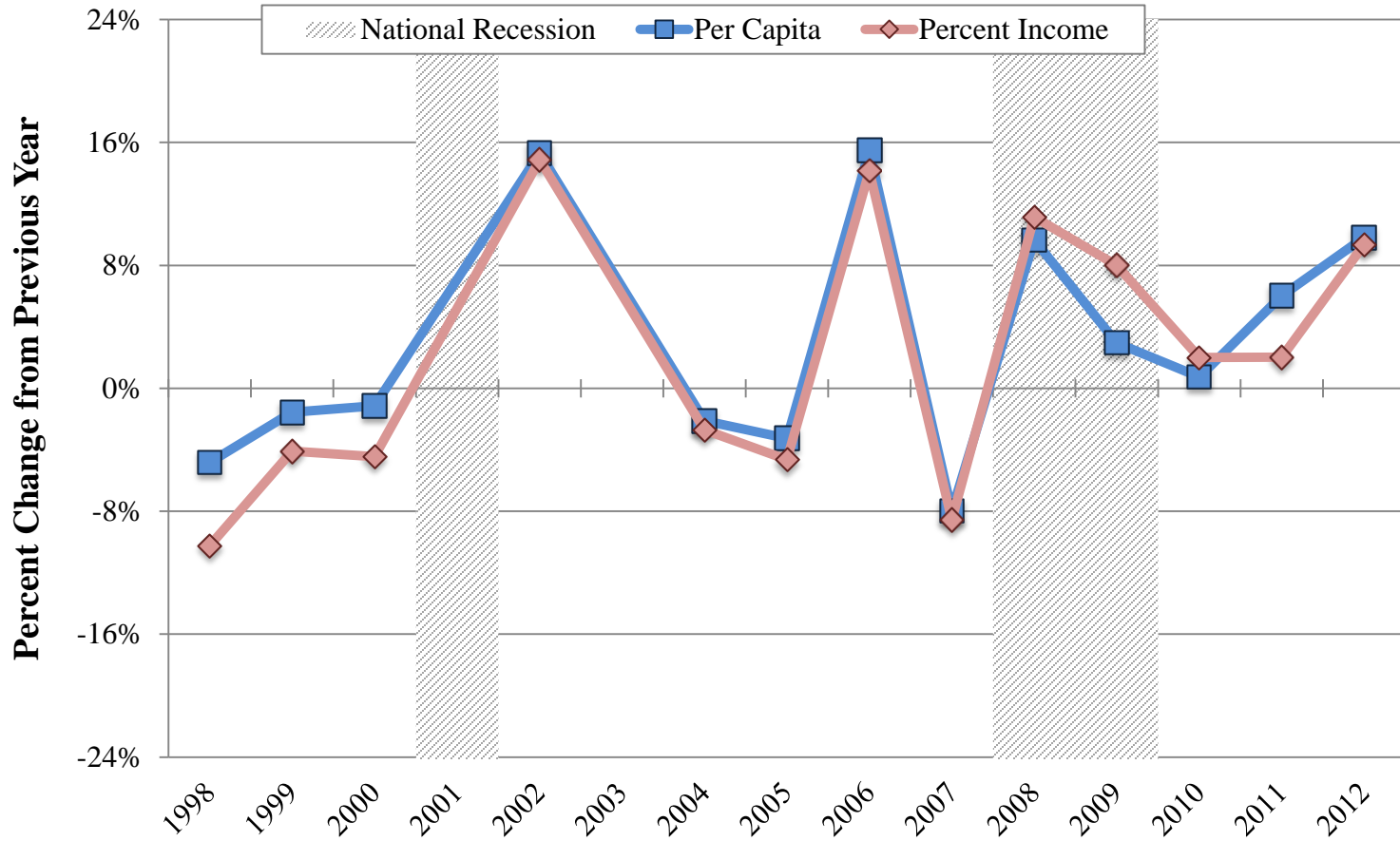
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Federal Transfers – Per Capita and Percent Income



Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1998-2012).

## Georgia – Local Revenue Federal Transfers – Annual Change



**Note:** For 2002 and 2004, percent change was calculated from two years previous.

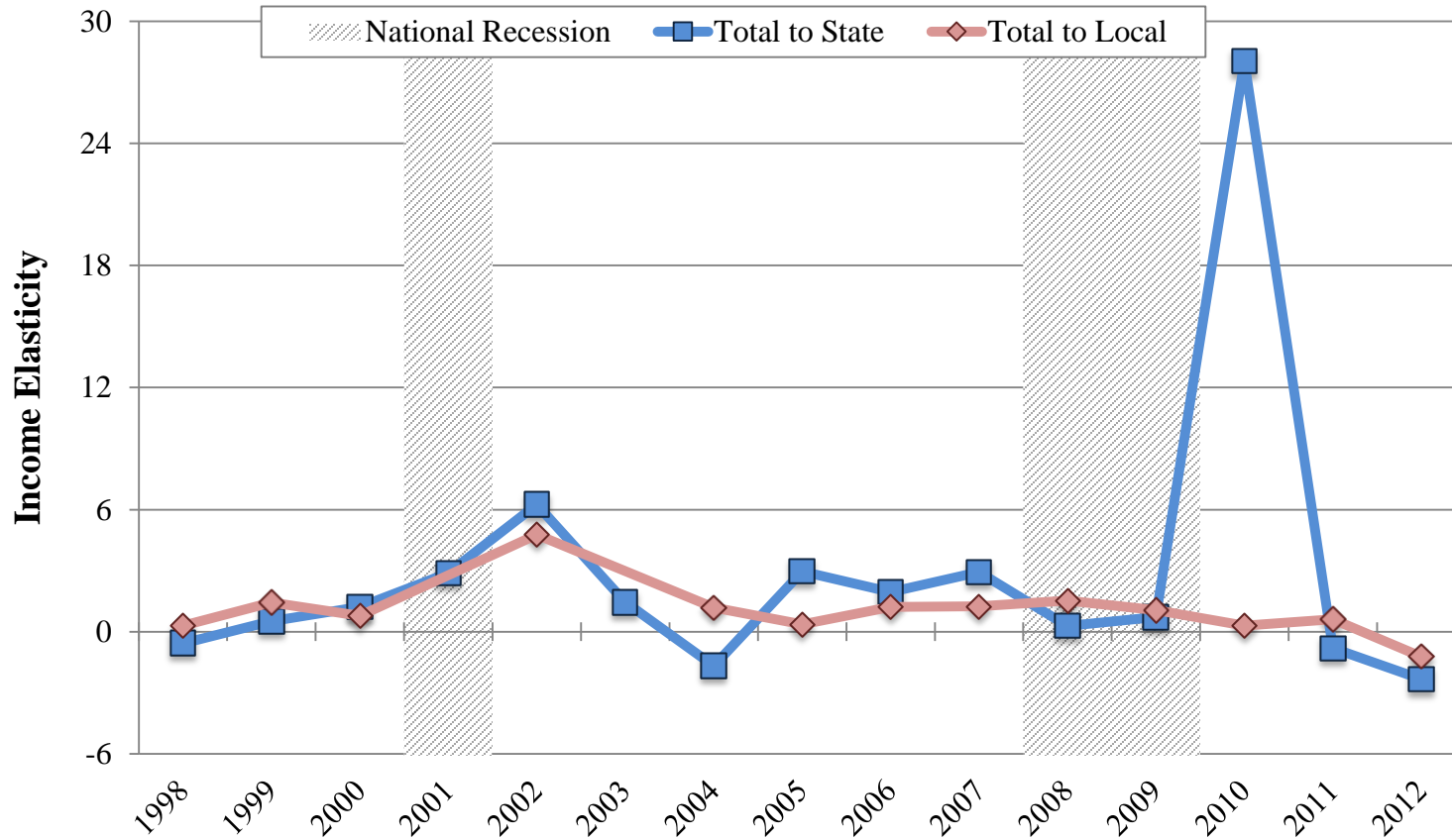
Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

## C. Income Elasticities of Intergovernmental Transfers

Income elasticity of revenue measures the responsiveness of revenue to changes in total personal income. The elasticity is measured as the ratio of the percent change in revenue to the percent change in income. For example, an elasticity of 2 means that a 1% increase in personal income results in a revenue increase of 2%. The following chart shows the annual income elasticities of total transfer revenue to the state government and to local governments from 1998 to 2012.

- Elasticities for both levels of intergovernmental revenue:
  - Had positive values in the single digits before recessions
  - Increased in magnitude immediately after the 2001 recession
  - Decreased several years after recessions, likely due to policy response to recovery
  
- While both elasticities responded similarly after the 2001 recession, they responded very differently after the 2008-09 recession:
  - State transfer elasticity spiked dramatically in 2010 as federal transfers increased substantially
  - Local transfer elasticity remained flat as state transfers slightly decreased
  
- Local intergovernmental elasticity was less volatile than state intergovernmental elasticity. Possible causes include:
  - Federal transfer policies were targeted more toward state governments and were more responsive to macroeconomic conditions
  - State transfer policies to local governments were more closely linked to income levels (not countercyclical)

## Georgia – Intergovernmental Revenue Income Elasticities of Transfers



**Note:** For 2002 and 2004, local elasticity was calculated with change from two years previous.

Source: State & Local Government Finance Data Query System. The Urban Institute – Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (1997-2012).

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