53

1988

State Fiscal Capacity and Effort

ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS

August 1990

An Information Report
M-170

Members of the Advisory Commission on Intergovernmental Relations

(August 1990)

Private Citizens

Daniel J. Elazar, Philadelphia, Pennsylvania
Robert B. Hawkins, Jr., *Chairman*, San Francisco, California
Mary Ellen Joyce, Arlington, Virginia

Members of the U.S. Senate

Dave Durenberger, Minnesota
Carl Levin, Michigan
Charles S. Robb, Virginia

Members of the U.S. House of Representatives

Richard K. Armey, Texas
Sander M. Levin, Michigan
Ted Weiss, New York

Officers of the Executive Branch, U.S. Government

Debra Rae Anderson, Deputy Assistant to the President, Director of Intergovernmental Affairs
Samuel K. Skinner, Secretary of Transportation
Richard L. Thornburgh, Attorney General

Governors

John Ashcroft, Missouri
Booth Gardner, Washington
George A. Sinner, North Dakota
Stan Stephens, Montana

Mayors

Victor H. Ashe, Knoxville, Tennessee
Donald M. Fraser, Minneapolis, Minnesota
Robert M. Isaac, Colorado Springs, Colorado
Joseph A. Leafe, Norfolk, Virginia

Members of State Legislatures

David E. Nething, North Dakota Senate
Samuel B. Nunez, Jr., President, Louisiana Senate
Ted L. Strickland, Colorado Senate

Elected County Officials

Harvey Ruvin, Dade County, Florida, County Commission
Sandra R. Smoley, Sacramento County, California, Board of Supervisors
James J. Snyder, Cattaraugus County, New York, County Legislature

ISSN 1042-6027

1988

State Fiscal Capacity and Effort

ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS

Washington, DC 20575

An Information Report
August 1990 M-170

Advisory Commission on Intergovernmental Relations
1111 20th Street, NW
Suite 2000
Washington, DC 20575
Phone: (202) 653-5640
FAX: (202) 653-5429

Preface

The Advisory Commission on Intergovernmental Relations has a long history of research into measuring fiscal capacity. In 1962, the Commission published its first estimates using the Representative Tax System (RTS), followed by a 1972 report extending the measure to include certain classes of local government.

In March 1982, ACIR adopted the following resolution:

> The Commission finds that the use of a single index, resident per capita income, to measure fiscal capacity seriously misrepresents the actual ability of many governments to raise revenue. Because states tax a wide range of economic activities other than the income of their residents, the per capita income measure fails to account for sources of revenue to which income is only related in part. This misrepresentation results in the systematic over- and under-statement of the ability of many states to raise revenue. In addition, the recent evidence suggests that per capita income has deteriorated as a measure of capacity. Therefore,
>
> **The Commission recommends that the federal government utilize a fiscal capacity index, such as the Representative Tax System measure, which more fully reflects the wide diversity of revenue sources which states currently use. The Commission also recommends that the system be further developed so as to improve the accuracy of the underlying data and the consistency of the methodology, and that the Congress authorize sufficient funds and designate an appropriate agency to periodically prepare the tax capacity estimates.**

Also in March 1982, the Commission issued the third report on the subject, *Tax Capacity of the Fifty States: Methodology and Estimates* (M-134), with estimates for 1979 and an analysis of the difference between the personal income measure, the Representative Tax System, and other ways of measuring fiscal capacity. That report remains the basic document explaining the RTS method and its value.

Between 1982 and 1989, ACIR published annual estimates of the fiscal capacity of the states calculated using the RTS. Since 1986, the Representative Revenue System (RRS) also has been included in the reports.

This new report, which contains 1988 RTS and RRS estimates, marks the beginning of biennial publication of this series. This report also makes and explains several refinements to the RTS and RRS methodologies, and contains detailed discussions of the RTS/RRS concepts, implementation, and uses. This report will provide elected officials, analysts, and other citizens with factual and comparative data on the relative economic well-being and fiscal performance of the states.

Robert B. Hawkins, Jr.
Chairman

Acknowledgments

This report is the result of the joint efforts of ACIR, Price Waterhouse, and various associates of ACIR. The project was managed by Carol E. Cohen of ACIR, who was responsible for directing and reviewing the preparation of the estimates and organizing this volume. Ms. Cohen also wrote the text except Chapter 1.

Chapter 1 was written by Douglas H. Clark of the Canadian Department of Finance. ACIR wishes to thank Mr. Clark for this effort and for his much-sought and valuable advice over the years.

The estimates, Appendix A, and some tables were prepared by Price Waterhouse under contract with ACIR. Robert B. Lucke of Price Waterhouse directed the technical effort. Mr. Lucke's expertise, good judgment, and professional but easy-going manner were, as always, a great asset to this project. Credit is also due to Teresa Hannah, especially for her prompt and efficient response to requests for explanations and revisions, and Jay Wortley, particularly for his extensive efforts preparing the lottery and parimutuel regressions and related materials.

Special thanks are due also to those individuals who attended ACIR's technical review session on the RTS and/or otherwise gave us their ideas on ways to improve the RTS methodology and publication: John Shannon, Bob Rafuse, Susannah Calkins, Bob Murrell, Mike Springer, Bob Aten, Henry Wulf, Jay Ladin, Steve Gold, Allen Manvel, Max Sawicky, and Mark Menchik.

Thanks are extended also to the various individuals in the U.S. Census Bureau, Department of the Treasury, other federal agencies, state revenue departments, trade associations and other private entities who provided the information necessary to prepare the estimates in this report.

Laurence Marks at ACIR assisted in preparing this report for publication.

John Kincaid
Executive Director

Robert D. Ebel
Director, Government Finance Research

Contents

Introduction

This is the latest volume in ACIR's series of reports on measuring the fiscal capacity and effort of the states. In addition to presenting estimates of state-local fiscal capacity for 1988, it discusses the concepts and uses of the Representative Tax System (RTS) employed to develop the estimates and makes refinements to the methodology. This research thus extends ACIR's efforts to improve the measurement of fiscal capacity using the Representative Tax System, begun in 1962 and continued with its annual reports and estimates for 1979 through 1986.

This report on 1988 state fiscal capacity differs from previous editions in two ways. First, there has been a two-year interval since the last report, which contained the estimates for 1986. The estimates will be prepared every two years for future reports.

Second, for this publication, ACIR reviewed the RTS methodology—including soliciting comments from a group of experts and critics—and, based on that review, made some technical revisions. The revisions do not reflect fundamental changes in the concepts underlying the RTS, but rather, small changes designed to rationalize and strengthen the methodology. Thus, the 1988 estimates are basically consistent with previous years' estimates. The changes are discussed fully in Chapter 3.

This report is organized in six chapters. Chapter 1, written by Douglas Clark, assistant director of the Federal-Provincial Relations Division of the Canadian Department of Finance, provides a discussion of the conceptual issues in developing the RTS methodology and contains references to Canada's experience with the system. Canada has used the RTS since 1967 as the basis for distributing grants under its federal-provincial equalization program. As Clark notes, the concepts employed in Canada are also applicable to the methodology used to prepare the estimates for the states and the District of Columbia. Indeed, the applicability of the RTS methodology to federal systems other than the United States demonstrates its relevance, versatility, and nonideological approach to measuring fiscal capacity in these systems.

In Chapter 2, the concepts, methods, and uses of the Representative Tax System and Representative Revenue System (RRS) are further defined and described. The chapter contains a one-page "In Brief" description of the RTS and RRS and a table summarizing the basic fiscal elements of the systems for 1988. Thus, this chapter links the methodology used to prepare the estimates in this volume with the conceptual discussion in Chapter 1.

The rationale for and effects of the changes in the methodology for the 1988 estimates are explained in detail in Chapter 3. It also reviews the evolution of the RTS and RRS, pointing out other changes that have been made since the systems became routinized.

Chapter 4 contains the overall fiscal capacity indexes for 1988, with an analysis of the estimates in terms of regional patterns of fiscal capacity and changes in fiscal capacity and effort for particular states. This chapter also compares the RTS and RRS indexes with other measures of 1988 state fiscal capacity.

Chapter 5 contains the detailed tax-by-tax information involved in generating the overall estimates of fiscal capacity, with one table for each of the 27 bases in the Representative Tax System and the three additional revenue bases included in the Representative Revenue System.

Chapter 6 summarizes the information on a state-by-state basis. There are two graphs for each state, one displaying the trends in fiscal capacity and effort, the other the state's fiscal position disaggregated into eight major revenue sources. This section of the report offers a quick visual summary of the results of the analysis for each state.

The two appendixes provide supporting information. Appendix A specifies the data sources and methods used in the RTS and RRS estimation, while Appendix B contains historical data on fiscal capacity and effort indexes.

Chapter 1

The RTS in Concept*

This chapter describes an important concept in the intergovernmental relations and public finance of federal countries, known as the representative tax system or, to those who work with it, the "RTS." The chapter also discusses the uses of the RTS, for example, as an analytical tool in making fiscal and economic comparisons between the regional or state governments of a federation and as a basis for allocating grants from the national government of a federation to its regional or state governments.

The chapter draws on the experiences of two federal countries—Canada and the United States—which have made use of the RTS since its "invention" at the beginning of the 1960s by American economists (notably Selma Mushkin and Alice Rivlin) associated with the U.S. Advisory Commission on Intergovernmental Relations (ACIR). This experience is particularly extensive in Canada, where the RTS forms the central operating element of the large, federal-provincial equalization program. In the United States, the RTS is primarily used as an analytical tool, although it has been incorporated in a few legislative proposals.

Although the presentation in this chapter is intended to be primarily conceptual, it includes some direct references to both the American and Canadian systems. It notes some of the differences between the two systems, but this should not obscure the fact that they are remarkably similar, particularly if the comparison is made between the Canadian RTS and the American Representative Revenue System (RRS), which is a concept closely related to the RTS. The RRS was introduced by ACIR in 1986.

The American RRS is similar to the American RTS, but it is somewhat broader because, like the Canadian RTS, it includes nontax as well as tax sources. The main distinction between ACIR's RTS and RRS relates to user charges (which are included in the RRS only). However, the principles and mechanics underlying the RTS and the RRS are the same, and the discussion in this chapter is therefore applicable to both concepts. For simplicity of presentation, the term RTS is used in the remainder of this chapter even though the context may include nontax revenues, unless there is a specific need to draw a distinction between the RTS and RRS.

The RTS Concept

The RTS may be defined as a hypothetical tax system that is "representative" or "typical" of all the taxes actually levied by the state and local governments of a federation. As such, it abstracts from the actual tax policy of individual state and local governments, yet is representative of those taxing practices in the aggregate. The reliance on a representative or average system is not intended to be a normative choice, but rather to be descriptive of the actual state-local tax systems.

The purpose of the RTS is to compare the revenue-raising capacities of state governments, including their local governments in the aggregate. This is done by estimating the amount of revenues that each state government, with its local governments, could derive from imposing, at average rates, a *standard tax system* made up of the various taxes and quasi-taxes that are actually levied by states and local governments.

The RTS, once established, enables one to estimate and compare the relative amounts of revenue that each state and its local governments could derive each year from the "real world" of state and local taxes. Given that state and local taxing practices tend to change gradually over time, the RTS must be updated periodically. In Canada, this updating has been done every five years since 1967 in conjunction with the operation of the equalization program, with some changes also being made during the course of a five-year period.

The resulting estimates of RTS revenue are often referred to as the "tax capacity" or "fiscal capacity" of the governments concerned (i.e., the estimated capacity of each state and its local governments to raise revenues from a standardized, representative system of taxes).

*This chapter was written by Douglas H. Clark, Assistant Director, Federal-Provincial Relations Division, Canadian Department of Finance. The views expressed here do not necessarily reflect those of the Government of Canada. The writer is pleased to acknowledge valuable suggestions by staff and associates of the U.S. Advisory Commission on Intergovernmental Relations, particularly with respect to the American RTS.

Although the estimates of RTS revenue are referred to widely as fiscal capacity, it should be noted that this concept also warrants a broader definition that takes account of state and local revenues from other governments, of the relationship between each state's overall revenues and its expenditure obligations, and of the costs of meeting these obligations.[1] Although the RTS itself does not take account of these broader considerations, and they are therefore beyond the scope of this chapter, their potential relevance to the uses to which measures of fiscal capacity are put should be kept in mind.

It should also be noted that work is presently nearing completion, under the auspices of ACIR, to develop initial estimates of representative state-local expenditures in the United States through a standardized representative expenditure system, which would be the counterpart of the RTS.[2]

In considering the RTS concept, it should be borne in mind that *the comparisons it makes between states relate to the well-being of governments* as distinct from their residents or their private sectors. This distinction may be very significant, particularly if some governments are able to capture large amounts of revenue from nonresidents through their tax systems.

The Elements Making Up the RTS

The RTS has five basic elements. These are: (1) the revenue coverage, (2) the classification of revenues into separate sources, (3) the definition of a standard tax base for each revenue source, (4) the definition of a standard tax rate for each revenue source, and (5) the estimation of RTS revenues for each state by applying the standard tax rate for each revenue source to the defined tax base of the state for that source and by summing the results for all sources.

In addition, in order to make meaningful comparisons of standardized revenues between states of different "size," another element is required, that is, a "common denominator" measured by economic or demographic data available for all jurisdictions. There are various possibilities here—the simplest of which is to use total resident state population so that the estimated revenues of the RTS (in total and by revenue source) can be placed on a per capita basis for all states.

Following is an elaboration of the five basic elements of the RTS.

Revenue Coverage

In order to prevent biased results, the RTS should take account of all the taxes and quasi-taxes levied by state and local governments. This means coverage of taxes on income, consumption (including lotteries, parimutuel betting, and casinos), real property and other forms of wealth, and natural resource levies of various kinds that are usually imposed when resources are severed from the ground or paid as a successful competitive bid for the right to explore for resources. A strong case can be made for including various quasi-taxes, such as motor vehicle and other licenses, permits, user charges, fines, and certain revenues from state-owned enterprises (limited mainly to remissions of profit to the state government), all of which may be regarded as substitutes for taxes. However, the inclusion of some of these may be debatable (e.g., does the revenue source clearly substitute for taxes?) or depend on the purpose for which measures of fiscal capacity are used (e.g., grants versus analytical tools).

The RTS should also include revenues levied by local governments. The inclusion of local revenues is essential if the RTS is used for interstate comparisons, in order to offset the effect of variations across states in the taxes levied by each type of government.

The importance of comprehensive revenue coverage needs to be emphasized because, in its absence, significant biases may occur in the measurement of fiscal capacity. Two examples may be cited:

(1) If revenues from a particular tax base are excluded, the fiscal capacity of states that are well endowed with that tax base could be significantly understated while the opposite would occur for states not so endowed. This matter is particularly important with respect to natural resource tax bases, given the very uneven distribution of most of these bases among states. However, other tax bases may be unevenly distributed as well.

(2) There is a relationship *between* tax bases for any given state. Thus, if some bases are excluded from coverage by the RTS, a bias may result. For example, if State A has residents who for any reason have a particularly high propensity to buy government lottery tickets, this will be reflected in a relatively high tax base for that revenue source; however, the money spent on lotteries will reduce the disposable income available for other purchases and tend to lower that state's tax bases for other consumption taxes. In turn, if lotteries are excluded from coverage while all other consumption taxes are included in the RTS, there will be a downward bias in State A's measured fiscal capacity.[3]

The foregoing analysis is relevant to a discussion of principles of revenue coverage in a representative tax system and to the question of whether coverage should be limited to those taxes that are levied in a majority of states or should be extended to taxes levied in only a few states. The analysis would support extended coverage.

Exclusions. While RTS revenue coverage should be comprehensive, tax credits and rebates normally should be netted out from total revenues on the ground that they reduce actual revenue collections as surely as a lowering

[1]For an elaboration of this broad concept of fiscal capacity see Office of State and Local Finance, U.S. Department of the Treasury, *Federal-State-Local Fiscal Relations: Report to the President and the Congress* (1985), chapter VIII.

[2]*Representative Expenditures: Addressing the Neglected Dimension of Fiscal Capacity*, ACIR, forthcoming.

[3]A similar argument could be made if State A for any reason has a particularly high propensity to levy taxes on income rather than consumption. This will be reflected in a relatively high tax yield from income, which will tend to reduce the disposable income of its residents available for consumption, and the state's tax bases for consumption taxes will reflect this. However, if for any reason the coverage of consumption taxes were to be only partial in the RTS, there would tend to be an upward bias in State A's measured fiscal capacity.

of tax rates. Intergovernmental revenue, including payments made by state and local governments to each other, also should be excluded. These revenue coverage principles are generally observed in the RTS of both the U.S. ACIR and Canada.

Government Charges and Enterprise Revenues. Reference should be made to two particular revenue sources, the inclusion of which in the RTS is especially open to debate, namely, user charges and revenues derived from state-owned enterprises.

Governments derive large and rather rapidly growing revenues from *user charges*. In Canada, these include rental revenues, parking fees, garbage collection fees, school fees, developers' fees, water charges, sewer charges, recreation fees and old-age special-care facilities. Except where these revenues are collected by state enterprises, they are included in the Canadian RTS. This appears to be roughly similar to what is included in the American RRS.

Because these charges are substitutes for taxes, it seems reasonable to include them in the RTS. If user charges are not included, there is a problem of comparing one state with another—particularly with respect to tax effort. Thus, if State A relies relatively heavily on user charges and relatively lightly on taxes in relation to State B, there will be a bias in any comparison of overall tax effort that excludes user charges.

With *revenues of state enterprises*, there is a divergence between the American and Canadian treatment for purposes of the RTS. In the United States, all revenues of state-owned enterprises, such as utilities and liquor stores, are excluded because they are not considered to be general revenues. However, in Canada, any profit remissions that such enterprises make to provincial governments are included. Most notably, this includes the profits of government monopoly vendors of alcoholic beverages—most of which come from the large mark-ups that such vendors are mandated to collect from customers. This alcoholic beverage revenue arises in all provinces and is effectively a type of consumption tax; therefore, it seems appropriate to include it in the measurement of fiscal capacity in the Canadian context.

Other profit remissions by provincial enterprises to provincial governments also are included in the Canadian RTS. In general, however, these other remissions are relatively small, and relate mainly to natural resource entities, particularly provincial bodies that generate electricity. It seems appropriate to include these profit remissions but not to include the gross revenues from which the profits are generated. Inclusion of the gross revenues of state or provincially owned enterprises in the measurement of state tax effort could produce wide differentials, which would be misleading because they would tend to indicate a high tax effort in jurisdictions with relatively large public sectors and a low tax effort in jurisdictions with relatively small public sectors.

Revenue Classification

The second element of the RTS is the classification of revenue sources. The simplest way of looking at this is that there should be a separate revenue source for each tax. The basic reason for this is that the distribution among states of the capacity to derive revenues tends to be unique for each type of tax, owing to distinctive characteristics of the tax base. The unique distributional pattern may be expected to be particularly marked for natural resource revenues because of the geographically uneven endowment of natural resources. However, experience indicates that the distribution will be uneven for all taxes. For example, the distribution of consumption taxes will be distinctive owing to: (1) different consumption preferences by the residents of different states (relating, for example, to different income levels, different urban/rural population mixes, and cultural differences) and (2) the varying extent to which consumption taxes are paid by nonresident tourists and workers. Similarly, taxes of various kinds having an initial impact on business will have unique distributions among states that will reflect the uneven geographic distribution of business activity.

A basic principle to follow in classifying revenues, therefore, is that there should be a separate source for each tax for which (1) the total amount of revenues of all state governments combined is "significant," (2) the distribution of the tax base among states is distinctive, and (3) reasonably good revenue and tax base data are available.[4] Given that some revenues may not meet all of these criteria, it is desirable for the RTS to have a miscellaneous or residual revenue category. The RTS in both the United States and Canada has such a category.

It is interesting to note that both the American and Canadian representative tax systems have approximately the same number of revenue sources (roughly 30), even though they have evolved quite independently of each other. This is partly a reflection of the fact that the tax systems of the two countries have many similarities in scope and range, but presumably is also a reflection of the relevance of the classification principles set out above.

Tax Base Definition

In order to estimate the amount of revenue that each state could derive from each revenue source in the RTS, it is next necessary to define a tax base to which a tax rate will be applied. This is the key element of the RTS because it is the basic source of interstate differences in RTS yields; it is also the most difficult element to implement.

Each state levying a tax will, of course, have a statutory base for that tax. However, since the statutory base for any given tax will inevitably vary from one state to another—and since the RTS requires that tax revenues be estimated on a uniform basis for all states—it is necessary to define a tax base for each revenue source on some standardized basis. This must be done with a view to two

---

[4]Richard Zuker, of the Canadian Department of Finance, has noted that from a mathematical standpoint one could combine different taxes together even though the distribution of tax base among states is different, provided that the average RTS tax rates are the same for such taxes. This indicates an alternative approach to the classification of revenues from that described. While this view is conceptually valid, it nevertheless seems preferable to separate the various taxes for presentational purposes, in order to make the RTS as meaningful as possible to the public. It is also essential to the extent that tax-by-tax analysis is required.

criteria: (1) the tax base should be related to the statutory bases for which it is defined, and (2) relevant data of reasonably good quality must be available for all states. There may be a conflict between these criteria because data may not be available for all states relating to a tax base defined as typical. In this event, it may be necessary to define a "proxy tax base." Such a base need not have a direct relationship to the typical statutory base, but its distribution among states must be reasonably comparable to the expected distribution of the typical base.

Following is a summary of the types of tax bases that one may expect to find in a representative tax system for the major categories of revenue. (The actual tax bases used by ACIR are shown in Table 1 of the next chapter and are described in detail in Appendix A.)

Type of Tax	Type of Tax Base
1. Income Taxes	Amount of income subject to tax by the state.
2. Consumption Taxes	Value or volume of consumption in the state of the good or service that is taxed.
3. Taxes on Property or Assets	Market value in the state of the property or assets to which the tax relates.
4. Natural Resource Revenues	Value or volume of production in the state of the resource to which the tax relates.

The tax bases for consumption taxes and natural resource revenues may be either ad valorem or volumetric. Normally, the choice should depend on whether the tax is typically levied on the value or volume of consumption/production. However, it may also depend on the relative quality or availability of ad valorem and volumetric data.

Where the tax base data consist of either the value or volume of consumption or production of some particular good or service (or group of goods and services), their values can be observed in market transactions and are therefore likely to be closely comparable from one state to another. Where tax base data cannot be observed from market transactions, their comparability across states is likely to be weaker. Property taxes provide an example; the tax applies whether or not a property is sold during a year. As a consequence, the statutory base relies on assessments made by tax administrators, and there can be considerable difficulty in making the adjustments necessary to establish tax base data for states on a reasonably comparable basis. The data for income taxes are also determined by a type of assessment process but, in this case, if assessments are done on a uniform national basis, it may be possible to obtain comparable tax base data of good quality for all states. This is, in fact, the case for the individual income tax in both the United States and Canada.

Taxes on multiple items. Considerable complexity may arise in defining a tax base for some revenue sources because of the wide variety of goods and services that are subject to tax and because of widespread differences among states as to what is taxed and what is exempt. This is true, for example, of the retail sales tax, for which there is not only a need for multiple data sources to take account of different components of the tax base but also a fundamental question of how to arrive at a tax base that is reasonably representative of differing definitions of what is taxable. A solution to the problem of differing state tax practices may be achieved in three basic ways:

(1) A set of weights could be developed for each component of the tax base. For example, if components A and B of the base are taxed by only some states and these states account for 60 and 40 percent, respectively, of the national consumption of these items, then components A and B could be given respective weights of 0.6 and 0.4 in the tax base—in comparison with a weighting of 1 for components that are taxed in all jurisdictions.

(2) A similar result to (1) could be achieved by treating the tax cited as three taxes instead of one—each with its own separate tax base; the weights of the three taxes in the overall RTS would then automatically reflect the total revenues actually collected from each tax by all states choosing to levy it.

(3) A rule could be adopted whereby any component would be included in the base in full if it is taxed by states accounting for a specified percentage—say 50 percent or more—of the national consumption of that item but entirely excluded if it is taxed by less than the specified percentage.

Although options (1) and (2) are theoretically the most "representative," option (3) is likely to be more feasible administratively and is the option used most frequently in Canada. Another course of action may be to use option (3) as a general rule but to consider the possibility of departing from that rule for some particular component of the base that falls below the general eligibility criterion but is nevertheless a clearly important element of the base when taxed. An example of this is provided by the ACIR tax base for the retail sales tax. That tax base now includes food for home consumption, which is taxed by only 19 states—accounting for less than 50 percent of the total national sales of such food—but the revenues derived have been deemed to be sufficiently large to warrant reflection of food in the tax base.

The above options could be used in other circumstances as well. For example, options (1) or (2) could be used where two different goods are subject to a given tax but typically at significantly different rates. In this case, weights could be established that would reflect the average levels of taxation for the two goods, or the tax could be divided in two.

If there is difficulty in matching a tax base to revenues for some particular tax, one solution would be to adjust the revenues rather than the tax base. That is, one could exclude completely from the RTS that portion of the revenues from a tax for which adequate tax base data are not available. However, this option takes away from the comprehensiveness of revenue coverage which, as noted

above, is a very desirable RTS principle. In addition, revenue adjustment could be complex to administer.

The Special Case of Natural Resources. Special mention should be made of the difficulties associated with developing tax bases for natural resource revenues. While data are likely to be available on the value or volume of production by state of a particular resource, neither may be a very precise measure of the relative abilities of states to derive revenues from a given natural resource. The reason for this is that the potential tax revenues from a natural resource—such as a mineral deposit—tend to vary significantly from one mineral deposit to another (owing to differences in the quality of the deposit and/or in the costs of extraction) and, by extension, from one state to another.

This has led to the view that the "real" tax base for a natural resource is its "economic rent," which can be defined as the surplus revenues that may be available as a result of the production of a natural resource beyond those required to recover all of the operating costs of its extraction together with an adequate rate of return on the capital invested. It is generally held that this rent may be taxed away without resulting in a reduction of production of the resource, which could lead to a portion of the tax being shifted to others. Given that a tax on economic rent cannot be shifted, there is a tendency for a relatively high proportion of such rent to be taxed.

The foregoing has led to the view that actual state revenues from natural resources could be used as the tax base on the grounds that states, through their tax practices, seek to maximize the capture of potential economic rents from natural resources. However, there are reasons to question the uniformity across states of the extent to which resource rents are, in fact, captured. Although economic rent is theoretically easy to tax, it is difficult for the taxing jurisdiction to identify because this involves distinguishing between those returns to resources which constitute true rents and those which simply constitute opportunity costs of production. And these difficulties flow through to the definition of tax bases for purposes of the RTS; that is, it is not feasible to define economic rent for purposes of administering an RTS. In any case, if the RTS is used as a basis for making grants from the federal government to state governments, it would not be appropriate to use actual revenues as a measure of fiscal capacity. To do so would mean simply that states eligible for such grants would have little or no incentive to tax their resources. For all of these reasons, some second best solution, such as value or volume of resource production, must be used as the tax base.

One means of taking account of the fact that economic rents from natural resources tend to vary widely is to subdivide natural resource revenues into categories that will reflect these differences. This has been done to a considerable extent in the Canadian RTS. For example, because economic rents tend to be much lower for synthetic oil, which is mined from tar sands, than for conventional oil, which is drilled from wells, Canada establishes separate revenue categories and tax bases for these two types of oil. ACIR divides natural resource levies into four categories: (1) oil and gas severance taxes, (2) coal severance taxes, (3) non-fuel mineral severance taxes, and (4) rents and royalties from all sources.

Differences in Canadian and American Tax Bases. Finally, it may be of interest to note two other differences between the American and Canadian RTS bases. First, the tax base for *corporation income taxes* is similar in concept, but different in application. In Canada, the base is derived from federal taxable income allocated to the provinces (based on data provided by the tax filer) using a nationwide formula set out in the Income Tax Act of Canada for allocating the taxable income of corporations that operate in more than one province. In the United States, the tax base is an estimate of corporate profits by state derived from nontax data. What is perhaps of more interest conceptually, the corporation income tax base in Canada includes estimates of the income (profits) of provincially owned enterprises (such as electric utilities) that are intended to be comparable to what the profits of these enterprises would be if they were privately owned and taxable. These estimates are derived from the national economic accounts of Statistics Canada. Although this income is not subject to the corporation income tax, it may be remitted in part to the provincial government; thus, it is a potential source of provincial revenue and is brought into the tax base irrespective of whether any portion of it is in fact remitted.

Second, the tax base for miscellaneous revenues (including user charges) in the Canadian RTS is a revenue-weighted average of the tax bases for all non-resource revenues, whereas the American RTS (RRS) uses personal income.

Tax Rate Definition

The fourth element in estimating each state's capacity to raise revenues from any given revenue source in the RTS is the definition of the tax rate to be applied to each state's tax base. This is a relatively simple element of the RTS. It involves using a weighted average of the "actual" rates levied by all states for each kind of tax. This average is calculated with reference not to the statutory tax rates actually levied by states on their own bases but to the total actual revenues for the tax expressed as a share of the total tax base *as defined for purposes of the RTS*. Thus, if all states collectively derive $10 billion from a given tax as defined by the RTS and if the defined tax base for all states for that tax is $100 billion, then the weighted average RTS tax rate will be:

$$\frac{\$10 \text{ billion}}{\$100 \text{ billion}} = 10 \text{ percent.}$$

It should be noted that both the numerator and the denominator of this fraction are calculated with reference to all states and local governments and therefore take account of any jurisdictions that may choose to have a zero rate.

Estimation of RTS Revenues

Once the average tax rate is established for a revenue source, it is applied to the tax base of each state for that revenue source to produce the RTS estimates of standardized revenues on a state-by-state basis. The same is done for each revenue source in the RTS, and the results are summed to produce an estimate of the total yield of the system in each state or province.

For the 1990-91 fiscal year, the Canadian RTS totals $122 billion (Canadian) from 33 revenue sources. What the RTS does is to provide an estimate of how this $122 billion would be distributed among provinces if each province administered the same 33 revenue sources on a standard basis. For the 1988 U.S. estimates presented in this volume, the total RTS revenues are $436 billion from 27 tax sources and the total RRS revenues are $542 billion from 30 revenue sources.

The Uses of the RTS

The RTS has three broad categories of potential use. The first is to provide information on the relative fiscal strengths of the state-local governments of a federation. The second is to provide information on the relative economic strengths of the states within a federation. The third is as an input into the determination of federal grants to state and local governments. These are considered below, followed by a brief assessment.

Provision of Information on Fiscal Disparities

When the revenue yield of the RTS in each state is put on a per capita basis, it provides important information for comparing states' fiscal capacity. This can be done on a source-by-source basis and also on an aggregate basis for all sources combined. The results can be put in index form and presented as *indexes of fiscal capacity.* In addition, when the revenue yields of a state from the RTS are compared with its *actual* revenues for the same sources, *indexes of relative "tax effort"* are produced. Again, this can be done on both a source-by-source basis and an overall basis. If the resulting indexes are compiled over a period of years, important conclusions can be reached concerning trends in relative fiscal capacity and tax effort for individual states.

Where indexes are used, the average per capita fiscal capacity, or tax effort, as the case may be, of all states is expressed as 100, and each state is then related to that average. Thus, a fiscal capacity index of 110 for a given state means that its per capita revenue-raising capacity, as measured by the RTS, is 10 percent above the weighted average revenue-raising capacity of all states combined. Similarly, a tax effort index of 110 for a state means that the overall per capita revenues that it actually collects from the various sources making up the RTS are 10 percent above its estimated per capita revenues from the RTS and, therefore, 10 percent above the average tax effort for all states.

Indexes of fiscal capacity and tax effort based on the RTS are produced in the United States and Canada. In Canada, two sets of indexes of fiscal capacity are calculated—one with reference to all revenues that are included in the RTS and a second with reference to these revenues plus the federal equalization grant. This grant raises the measured capacity of the provinces that receive it up to an exactly equal per capita level, currently about 92 percent of the national average. Accordingly, at the present time, no province has a post-equalization index of fiscal capacity below about 92.

Indexes of fiscal capacity and tax effort are useful on an *aggregate basis*—where all revenue sources are taken into account—because they provide measures of the overall fiscal disparities among the various states of a federation. If there is a sizable range in these disparities, or if there is a trend toward their widening over time, there may be a case for remedial initiatives to be taken by the federal government on grounds of "equity," "efficiency," and "nation building."

Indexes of fiscal capacity and tax effort for *individual revenue sources* are also useful. They may be very helpful to a state government in evaluating its tax policies, for example, in considering which taxes should be changed when there is a need to raise new revenues or when there is scope for tax reduction. Moreover, given the inevitable tax competition between jurisdictions, it is desirable for each jurisdiction to be aware of what other state-local governments are doing on a tax-by-tax basis. Indexes of tax effort are particularly helpful in this regard.

Care should be taken in interpreting indexes of tax effort; in particular, tax effort should not be confused with "tax burden." Effort is a concept that relates to *governments* while burden is a concept that relates to *taxpayers*; for many taxes imposed by a given state or local government, much of the burden may fall on residents of other jurisdictions.

Provision of Information on Economic Disparities

The data provided by the RTS on state-by-state tax bases also yield insights into the relative strengths and weaknesses of a state's overall economy and of particular sectors of that economy. This information may be useful to those seeking to understand and/or influence the makeup of the economic bases of a state or region. Analysis of this kind must, however, take account of the fact that the RTS focuses on the relative well-being of governments as distinct from their residents and the private sector. In Canada and the United States, where data are available on gross domestic product broken down by province (state) and industry, the RTS is a second best tool for economic analysis and, thus, relatively little use is made of it for this purpose.[5]

Allocation of Federal Government Grants to State Governments

Fiscal capacity measures derived from the RTS may be used by a federal government in targeting grants to state governments. If a federal government decides that it wishes to reduce disparities in the fiscal capacities of state governments, it may make grants to the latter with fiscal capacity or tax effort measures as an explicit input. Two examples may be cited:

(1) Equalization grants may be made to those state governments that have an overall fiscal capacity below some specified standard to which these states are raised.

The Canadian equalization program provides annual grants to provinces based on this concept. The program goes back to 1957 and has used the RTS to measure fiscal capacity since 1967. The standard used in the program is a per capita one, derived from the overall revenue yield

[5]For the United States, gross state product for 1963-1986 by industry and component is provided by Vernon Renshaw, Edward A. Trott, Jr. and Howard L. Friedenberg, in U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business* (May 1988). See Table B-13 of this report for gross state product data.

of the RTS each year. Since 1982-83, this standard has been the total per capita yield of the RTS in five "middle-rich" provinces that make up 82 percent of total provincial population. (The standard excludes resource-rich Alberta, with about 9 percent of provincial population, and the four relatively poor Atlantic Provinces, also having about 9 percent of provincial population.)

In 1990-91, the Canadian RTS comprises $122 billion of revenues and, when these revenues are distributed among the provinces on a standardized basis by running them through the RTS model, the resulting per capita yields vary from a low of $2,898 in Newfoundland to a high of $6,306 in Alberta. The program has an equalization standard for 1990-91 of $4,548 per capita. Newfoundland therefore has a per capita shortfall of $1,650 from this standard—to which it is raised by equalization. Another province, Saskatchewan, has a yield of $4,059 per capita and a per capita shortfall of $489.[6]

Equalization is a major Canadian program, with a total 1990-91 payout of about $8.2 billion (or approximately 6.7 percent of the $122.3 billion of RTS revenues). The grants are paid, free of any conditions, to those provinces that are below the standard. Seven of the ten Canadian provinces have been below the standard in recent years; these provinces account for 42 percent of total provincial population. The other three provinces are above the standard and receive no funding under this program. However, they derive important spillover benefits from the improved public services provided in poorer jurisdictions as a result of equalization, and further benefits because "fiscally induced migration" is inhibited.

(2) A "fiscal capacity factor" could be built into federal-state grants or programs that are jointly financed to assist the poorer states. If the federal government contributes a fixed percentage of costs in a jointly financed program, those states with relatively low overall fiscal capacity will have to impose higher tax rates than the richer states to finance their own share. However, a supplementary sharing payment could be calculated for states with, say, below average per capita fiscal capacity so that they would be able to finance their share of the program by levying the same rates of tax (calculated with reference to the RTS) as a state with average capacity.

Although the U.S. government does not have a program of equalization grants comparable to Canada's, many of the funding formulas it uses are designed to provide relatively more aid to those jurisdictions with relatively low fiscal capacity (usually measured by personal income) and relatively less aid for those with relatively high fiscal capacity. Examples include the Aid to Families with Dependent Children (AFDC) and Medicaid matching grants and the now-defunct General Revenue Sharing program. The revenue sharing program also included a tax effort variable in the formula distributing grants to state and local governments.

Assessment of Uses of the RTS

The suggested uses of the RTS, including RTS-based measures of fiscal capacity and tax effort, are important. However, their usefulness will vary with the quality of data that underlie the RTS and also with the validity of the RTS concept itself.

If data of good quality are available, the RTS can provide a very sensitive measure of the relative revenue-raising capacity of states, and one which reflects the real world in which state and local governments operate. In this real world it is much easier to tax some things than others. Politically, it is much easier for a state to levy taxes that fall relatively heavily on nonresidents because they are nonvoters. Further, it is easier to tax goods such as alcohol, tobacco, and gasoline than basic necessities. Administratively, it is easier to tax real property than personal property because real property is immovable. Economically, it is easier to tax the rents from natural resources than other factor returns. The RTS has the great advantage of recognizing these realities by automatically weighting the various elements of fiscal capacity in accordance with how heavily they are taxed in practice.

In addition, the RTS automatically attributes to a state a substantial portion of the taxes that are exported by it to nonresidents. For example, the volumetric or ad valorem tax bases for consumption taxes reflect the purchases by nonresident tourists and persons who cross state borders to go to their place of work. Similarly, taxes collected from business corporations, including natural resource levies, tend to be borne to a considerable extent by out-of-state shareholders of the corporations or by out-of-state purchasers of the goods or services produced—and this is automatically reflected in the RTS tax bases. However, the RTS does not automatically capture all tax exportation opportunities—as, for example, where exportation occurs through the deductibility of state and local taxes for purposes of federal income taxes.[7] Explicit adjustments would be needed to allow for the effects of such exportation.

[6]The numbers in this paragraph are interim numbers, which will change in subsequent re-estimates of equalization for 1990-91. The equalization standard of $4,548 per capita reflects a program constraint that limits program growth in each year from a 1987-88 base to the rate of growth of GNP over a corresponding time period; the interim amount of this constraint for 1990-91 equals $36 per capita. These interim numbers reflect current estimates of provincial revenues provided by the provinces, current estimates of population based upon data from Statistics Canada and tax base data from various sources, mainly Statistics Canada and Revenue Canada. The tax base data presently used for 1990-91 are lagged data for the most recently available year; much of the data relates to 1988. This will be replaced by 1989 data and finally 1990 data before equalization entitlements for 1990-91 are finalized in 1993, by which time revenue data from Statistics Canada will replace the interim provincial-source data.

[7]In Canada, the federal government does not permit individuals to deduct state and local taxes for purposes of determining their federal income tax liability.

It is not a purpose of this discussion to make comparisons between the RTS and other approaches to measuring state fiscal capacity, for example, personal income or macroeconomic approaches such as gross state domestic product. However, the RTS may be expected to give a different—and in some cases significantly different—distribution of fiscal capacity than other approaches because of the system of weighting which underlies it—with major emphasis on those goods and services and those factor returns that are taxed heavily and limited emphasis, or total exclusion, of those elements that are taxed lightly or not at all.

While the RTS has important advantages in that it reflects public finance realities, it does have some conceptual weaknesses. For example, the RTS ignores the fact that there will almost inevitably be an interaction for any given tax between the tax rate in a state and its base for that tax. Thus, if a state chooses to levy a particular consumption tax at a relatively low (or zero) rate, this will tend to increase the volume of purchases of the good or service concerned in that state from what it would be if it were to choose a tax rate close to the average. This distortion could be important for a given tax if there is a wide range of rates across states for that tax. However, it may also be significant with respect to capacity for all taxes combined—to the extent that some states have relatively high or low overall levels of tax effort.[8]

The RTS has other disadvantages, or potential disadvantages, that it shares with other approaches to the measurement of revenue-raising capacity. These include two very complex matters relating to: (1) the extent to which fiscal differentials tend to be capitalized in the price of land and (2) the measurement of differentials among states with respect to expenditure needs which, while not directly relevant to state revenue-raising capacity, is arguably relevant to state fiscal capacity.

[8]If adjustments to tax bases for the effects of interactions with tax rates are feasible, the problems may be more in the nature of measurement problems than conceptual ones.

Conclusions

The RTS may be regarded as a representative or average system of state and local taxes whose purpose is to compare the revenue-raising capacities of state governments within a federation (including their local governments) across the broad range of taxes imposed by these governments.

A central feature of this tax system is that it is designed to be representative of the overall tax system of the states. This is achieved by including all of the various taxes in the system and by weighting each tax in accordance with the extent to which it is used collectively by states and local governments. It is achieved further by a process of standardization, whereby the revenues of each state are estimated for each revenue source by applying a standard (average) tax rate to a standard (typical) tax base.

An important element of the RTS is to have data of good quality for interstate comparisons. The quality of comparisons is particularly sensitive to the tax base data that are a key component of the system. Other important data relate to state revenues and—in order to make interstate comparisons—population or other measures of service needs aggregated to the state level.

Where good data are available, the RTS provides a highly sensitive measure of fiscal capacity, one which reflects the real world of what states tend to tax, which, in turn, reflects the varying abilities of state and local governments to export taxes to nonresidents.

While the RTS is not without some conceptual weaknesses and will inevitably have data problems, it has important uses and applications in the governance of a federal country. These relate to the use of data on relative state-local revenue-raising capacity and tax effort for purposes of state or regional fiscal and economic analysis, and federal grant policy to state and local governments.

Chapter 2

The RTS in Practice: Definitions, Methods, and Uses

The Representative Tax System and Representative Revenue System used in this report are methods for measuring the relative fiscal capacity of each of the 50 U.S. states, together with their local governments, and the District of Columbia. In the United States, per capita personal income is the measure most widely used in federal grant formulas and elsewhere as an indicator of state fiscal capacity. As past ACIR reports have emphasized, however, per capita income is an inadequate gauge of the revenue-raising ability of state and local governments.

The chief arguments against using per capita income to measure state and local government revenue-raising ability are that it fails to reflect the diversity of tax and revenue sources actually used as well as the ability of states to "export" taxes—that is, to levy taxes that are ultimately paid by nonresidents. ACIR developed the Representative Tax System (RTS) as an alternative to per capita income that would more accurately reflect the relative revenue-raising abilities of the states and their localities.[9]

In 1986, ACIR developed the Representative Revenue System (RRS), a parallel measure to the RTS that shows the capacity to collect nontax revenue sources, such as user charges, as well as the tax revenues included in the RTS. Estimates developed using the RRS methodology have been presented along with the RTS estimates since then. Recently, other approaches to measuring fiscal capacity, including Gross State Product, Total Taxable Resources, and Export-Adjusted Income, also have been developed. This report does not discuss these methodologies in detail, but does contain updated estimates for the available measures in Table 7 and Appendix B.[10]

The box on page 12 summarizes the RTS/RRS definitions, method, and uses. These are described in more detail below.

Definitions

This section defines the major concepts and terms used in the remainder of this report.

Revenue-raising ability is the hypothetical ability of a state and its local governments to raise revenues to support public services. The RTS measures revenue-raising ability by estimating the tax yield that would result from applying a standard, representative set of tax base definitions and tax rates in every state. The RRS estimates revenue-raising ability by measuring the revenues that would result from applying a standard, representative set of tax *and revenue* bases and rates in every state. Because the same tax base definitions and tax rates are used for every state, revenue yields estimated under the RTS or RRS vary across states only because of differences in the underlying economic bases that are available to be taxed.

Tax capacity refers to the estimated dollar yield of the Representative Tax System in a particular state. Tax capacity may be estimated for a particular tax or, by summing the capacity under each tax in the RTS, for all taxes combined. *Capacity per capita* is calculated by dividing tax capacity by population, a scaling factor that allows the state capacity figures to be compared more easily. A state's *tax capacity index* is computed by dividing

[9]ACIR first developed the RTS in *Measures of State and Local Fiscal Capacity and Tax Effort* (M-16), published in October 1962, and extended it in *Measuring the Fiscal Capacity and Effort of State and Local Areas* (M-58), released in March 1971. The National Institute of Education of the U.S. Department of Health, Education, and Welfare continued the estimation of state fiscal capacity using the RTS in its two reports, *Tax Wealth in Fifty States* (1978) and *Tax Wealth in Fifty States, 1977 Supplement* (October 1979). Beginning with its March 1982 report containing estimates for 1979, *Tax Capacity of the Fifty States: Methodology and Estimates* (M-134), through its last report, *1986 State Fiscal Capacity and Effort* (M-165), ACIR produced annual estimates of state-local fiscal capacity using a generally consistent RTS methodology.

[10]Readers wishing a thorough discussion of these measures and a comparison of them with the RTS can refer to an earlier ACIR report, *Measuring State Fiscal Capacity: Alternative Methods and their Uses*, September 1986 (M-150).

The RTS and RRS in Brief

States vary in their relative abilities to raise revenues to support public services because of underlying economic factors. The Representative Tax System (RTS) and the Representative Revenue System (RRS) are designed to measure the relative fiscal capacities, or revenue-raising abilities, of states and their local governments. They also measure tax effort, or the relative extent to which these governments utilize their tax bases.

Capacity Defined

The RTS and RRS define fiscal capacity as the relative per capita amounts of revenue states would raise if they used "representative" tax and revenue systems, respectively. The representative systems consist of national average tax rates applied to all commonly used tax or revenue bases. Under these systems, states' capacities vary solely because of differing tax base levels, such as property values or sales tax receipts.

Effort Defined

A state's fiscal effort is defined as the ratio of its actual revenues to its estimated capacity. Effort thus provides a measure of the extent to which a state and its local governments are taxing their available resources relative to the national average.

The Method Step by Step

Step 1. Collect data on the level of the tax or revenue base in each state for each of the 27 bases in the Representative Tax System and the additional three bases included in the Representative Revenue System.

Step 2. Compute the average tax rate for each of the bases by dividing total collections nationwide by the national total base for that tax or revenue.

Step 3. Apply each average tax rate to the appropriate tax or revenue base in every state. This determines the hypothetical revenue yield, or capacity, that would result from each revenue source if every state used a representative system.

Step 4. Add together the hypothetical revenue yields from each source in each state to obtain the total revenue capacity in each state and the U.S. as a whole.

Step 5. Divide total capacity in each state and the total U.S. by population to determine capacity per capita.

Step 6. Divide each state's capacity per capita by the U.S. capacity per capita and multiply by 100. The result is each state's fiscal capacity index, with an index of 100 corresponding to the national average.

Step 7. Divide each state's actual collections for each revenue source by population to get collections per capita.

Step 8. Divide each state's collections per capita by its capacity per capita for each revenue source and the total, and multiply by 100 in each case. The result is each state's fiscal effort index for each revenue and its revenue system as a whole, with an index of 100 equal to the national average fiscal effort.

Uses of the RTS

Fiscal capacity and effort measures produced using the RTS and RRS methodologies provide useful information about states' relative fiscal situations.

Measurements of *capacity* can be used to:

- Monitor and compare trends in states' fiscal and economic health.
- Provide perspective on regional economic trends.
- Target aid through grant formulas to states with lesser abilities to raise revenues from their own sources.

Measurements of *effort* can be used to:

- Compare a state's utilization of its tax and revenue bases, both in aggregate and disaggregated by base, relative to other states.
- For any particular state, identify the composition of the revenue structure and any differences between RTS collections and capacity for each revenue source.
- Target federal aid through grant formulas to states to reflect tax effort.

the state's capacity per capita by the national average capacity per capita and multiplying by 100. The result is an easily interpreted measure of the potential tax wealth of each state in relation to the national average of 100.

Revenue capacity is the estimated dollar yield of the Representative Revenue System in a particular state. Revenue capacity may be estimated for a particular revenue source, or, by summing the capacity under each tax and other revenue source included in the RRS, for the total RRS. A state's *revenue per capita* or *revenue capacity index* is calculated in the same way as are the tax capacity measures explained above.

Fiscal capacity is the hypothetical ability of a state and its local governments to raise revenues to provide public services in the state *relative to* the need for those services. The relative need for services across states is not directly addressed in this report.[11] However, population, which is used primarily as a scaling factor in computing *capacity per capita*, also can be regarded as a rough indicator of public service needs. Thus, while the main focus of this report is on revenue-raising ability, the estimates of per capita tax and revenue capacity can also be regarded as measures of fiscal capacity.

Tax effort measures the extent to which a state utilizes its available tax bases. Tax effort can be measured for each tax base as well as for the total of all revenues in the RTS. Tax effort is determined by comparing a state's actual revenues with its estimated capacity to raise revenues. It is computed by dividing a state's *revenue per capita* (actual collections divided by population) by its *capacity per capita* and multiplying by 100. The result can be interpreted as the intensity with which a state uses its tax bases, relative to the national average of 100.

Revenue effort refers to the extent to which a state utilizes the revenue bases available to it. Revenue effort is calculated in the same manner as is tax effort (as a ratio of collections to tax base).

Methodology

The RTS and RRS provide yardsticks for measuring the potential ability of each state and its local governments to raise taxes—and, in the case of the RRS, certain nontax revenues—from their own sources by defining standardized tax systems. The systems are "representative" in that their elements, a set of tax bases and tax rates, are typical of those in use by state and local governments in this country. The RTS and RRS carry no judgment as to whether the typical system—or the actual state-local tax system of any particular state—is "good" or "bad." Rather, a representative standard is used to ensure that the tax system being measured in each state is grounded in the actual tax policy of state and local governments in the aggregate. At the same time, because the representative systems are hypothetical, they abstract from the actual tax policy of any particular jurisdiction, thus preventing jurisdictions from being able to influence their measured capacity by changing their policy unilaterally. This feature of the RTS is particularly important if the estimates are actually used as a basis for distributing funds, as they are in Canada.

Applying the RTS and RRS tax systems in every state yields consistent estimates of the potential revenue that could be raised in every state under a standardized tax policy. These estimates can be compared across states to ascertain the relative revenue-raising ability of each state. They also can be compared with the actual revenues of a particular state to provide information about that state's tax effort.

Determining the Tax Sources. The RTS and RRS endeavor to include all tax or revenue bases commonly subject to state and local levies. For 1988, Table 1 shows the 27 tax components in the RTS and the additional three revenue components in the RRS, along with their relative weights, in absolute dollars and as a percentage of total RRS revenues. The RTS accounts for 100 percent of tax revenues (as defined and reported by the U.S. Bureau of the Census) and the RRS for 89 percent of general own-source revenues. The only general revenues excluded from the RRS are interest earnings and sale of property—both of which are determined largely by public management practices rather than by private economic activity—and certain miscellaneous general revenues.

Such comprehensiveness ensures that all resources that contribute to a government's ability to raise own-source revenues are included, and thus avoids biasing the measurement of relative revenue-raising ability.

Defining and Estimating the Tax Bases. The definition and quantification of tax bases lies at the heart of the RTS/RRS approach to measuring revenue-raising ability, because the variation across states in tax bases determines the variation in capacity for each revenue source. The RTS/RRS tax bases, as distinct from the statutory tax bases that are defined by each state's tax policy, represent the relative amounts of resources available to be taxed in the states. Thus, in the RTS/RRS, a base for every tax is estimated for every state, regardless of whether or to what extent the state and its localities actually use the tax.

In most cases, the tax bases defined for the RTS/RRS are closely related to statutory tax bases actually used by states and local governments. For example, retail sales form the basis for the General Sales and Gross Receipts Tax, gallons of fuel consumed are the base for the Motor Fuels Tax, and the estimated market value of residential property is used as the base for the Residential Property Tax. In a few cases, the defined bases are proxies that generally are not used as actual bases (e.g., federal income tax liability for Personal Income Taxes and personal income for User Charges), but they are chosen because they represent the best available data on the distribution of the potential tax base among states.[12]

[11] As noted in Chapter 1, work has been undertaken at ACIR by Robert W. Rafuse, Jr., on measuring the relative costs among states of providing a standard set and level of services. This effort uses a "representative expenditure" approach that is analogous to the representative tax system. The representative expenditure approach measures the workloads, or needs, occurring in each state for a variety of service categories in order to reach estimates of total representative expenditures. The work will be published later this year.

[12] For current data on actual state practices regarding tax bases, see ACIR, *Significant Features of Fiscal Federalism, Volume 1*, January 1990 (M-169).

Table 1

Components of the Representative Tax System and Representative Revenue System for 1988

Revenue Base	State-Local Collections: Billions of Dollars	State-Local Collections: Percent of RRS Total	Details of Revenue Bases: Amount (millions)	Details of Revenue Bases: Description	Representative Rate
General Sales and Gross Receipts Taxes	$108.0	19.9%	$1,793,384	Retail sales and receipts of selected service industries	6.02%
Selective Sales Taxes	45.2	8.3			
Parimutuel	0.7	0.1	22,520	Parimutuel turnover from horse and dog racing and jai alai	2.96%
Motor Fuel	18.1	3.3	130,899	Fuel consumption in gallons	$.14/gal.
Insurance	7.0	1.3	$371,292	Insurance premiums: life, health, property, and liability	1.87%
Tobacco	5.0	0.9	27,027	Cigarette consumption in packages	$.19/pk.
Amusement	0.7	0.1	$70,112	Receipts of amusement and entertainment businesses	0.98%
Public Utilities	10.5	1.9	$298,170	Revenues of electric, gas, and telephone companies	3.52%
Distilled Spirits	1.7	0.3	378	Consumption of distilled spirits in gallons	$4.53/gal.
Beer	1.3	0.2	188	Consumption of beer in barrels (31 gal.)	$7.16/bar.
Wine	0.3	0.1	549	Consumption of wine in gallons	$.60/gal.
License Taxes	12.1	2.2			
Vehicle Operator	0.8	0.1	163	Motor vehicle operators' licenses	$4.71/lic.
Corporation	0.8	0.1	4	Number of corporations	$206.57/corp.
Hunting and Fishing	0.7	0.1	67	Number of hunting and fishing licenses	$10.89/lic.
Alcoholic Beverages	0.2	<.1	<1	Licenses for the sale of distilled spirits	$788.88/lic.
Automobile	5.4	1.0	140	Private automobile registrations	$38.42/reg.
Truck	4.1	0.8	41	Private truck registrations	$101.25/reg.
Personal Income Taxes	88.3	16.3	$447,809	Federal income tax liability	19.73%
Corporation Net Income and Net Worth Taxes	25.9	4.8	$250,825	Corporate profits	10.34%
Property Taxes	132.1	24.4			
Residential	85.3	15.7	$6,417,591	Market value of residential property	1.31%
Farm	4.4	0.8	$564,955	Market value of farm real estate	0.77%
Commercial/Industrial	34.5	6.4	$1,811,772	Net book value of inventories, property, industrial plant, and equipment of corporations	1.90%
Public Utilities	8.0	1.5	$592,438	Net book value of fixed assets for electric, gas, and telephone companies	1.36%
Estate and Gift Taxes	3.3	0.6	$8,550	Federal estate and gift tax collections	38.30%
Severance Taxes	4.5	0.8			
Oil and Gas	3.8	0.7	$54,708	Value of oil and gas production	6.94%
Coal	0.6	0.1	$20,765	Value of coal production	2.67%
Nonfuel Mineral	0.2	0.0	$30,202	Value of nonfuel mineral production	0.51%
Other Taxes	16.2	3.0	$4,052,993	Personal income	0.40%
RTS SUBTOTAL	$435.7	80.4%			
Rents and Royalties	2.8	0.5	$2,845	State receipts from rents and royalties	100.00%
Lottery Net Income	6.5	1.2	$18,916	Estimated gross lottery sales	34.40%
User Charges and Special Assessments	97.1	17.9	$4,052,993	Personal income	2.40%
RRS TOTAL	$542.1	100.0%			

Note: Detail may not add to totals due to rounding.
Source: Price Waterhouse compilation.

The tax bases used in the 1988 estimations are described in Table 1 and their total amounts given. The data sources and methods involved in constructing the bases are described in Appendix A.

Calculating the Representative Rate. A standard set of tax rates is the other distinguishing element of the RTS/RRS. The tax rates are calculated by dividing the U.S. total of actual revenues for a tax source by the total estimated RTS/RRS base for all states, producing a national average tax rate. For example, the representative tax rate for Corporate Net Income Taxes of 10.34 percent is calculated by dividing total RTS revenues for that category of $25.926 billion by the U.S. total RTS tax base of $250.825 billion. Like the definition of the tax bases, the RTS/RRS tax rates abstract from, but are representative of, actual state-local tax policy.

The representative rates used in the 1988 RTS/RRS are shown in the last column of Table 1. The representative rates for the different revenue sources reflect the varying degrees to which each type of economic activity and resource is typically taxed. This ability of the RTS/RRS to measure the potential contribution of individual types of tax sources to total state fiscal capacity gives it an advantage over other approaches that measure state fiscal capacity using more aggregate indicators. It allows tax-by-tax comparisons of fiscal capacity across states and, in conjunction with state tax revenues, analysis of the utilization of particular revenue sources.

Estimating Capacity. For each revenue source in the RTS or RRS, the dollar amount of tax capacity for every state is estimated by multiplying the RTS/RRS tax base for each state by the representative tax rate. For example, Alabama's capacity under the general sales tax ($1.37 billion) is the product of its tax base of $22.8 billion and the representative rate of 6.02 percent. The estimates of total RTS/RRS capacity by state are then derived by summing each state's capacity for each tax across taxes. Alabama's 1988 RTS capacity for all taxes is $5.55 billion.

Because the representative tax rates are national averages, the nationwide total of capacity under each tax equals the nationwide total of actual state-local revenues under each tax. As the nationwide total of revenues (capacity) for each tax represents the weight of that tax in the total representative (average) tax system, the use of representative rates maintains those relative weights among tax sources. This weighting system implicit in the RTS/RRS avoids the need to impose an alternative weighting method that is either arbitrary or prescriptive. In this way also, the RTS/RRS is representative, depending on the average choices made by all states and localities taken together.

The variation in capacity across states reflects the differences in the composition and level of taxable resources across states. These taxable resources arise from economic activity within the state undertaken by residents as well as that induced by nonresidents. This feature is important because of the ability of states to "export" part of their taxes to nonresidents, thereby reducing the fiscal burden on residents for any given level of revenue raised. For purposes here, two types of exporting are of interest.[13]

The first type of exporting results from the levying of a tax on income or product at its source (as its value is added or created). The tax is then embodied in the price of the product, and may be passed forward to nonresident consumers (such as those in an out-of-state market) or shifted backward in the form of reduced payments to nonresident factor suppliers (e.g., out-of-state shareholders or contractors). The second type of exporting occurs as a result of levying a tax directly on a product or service purchased at retail by nonresidents visiting the state (for example, hotel room taxes).

Thus, a state's fiscal capacity depends not only on revenue bases located within the state but also on how much of its economy is made up of activities that permit it to pass on taxes to nonresidents in their roles as consumers and/or factor suppliers.

The RTS/RRS directly captures states' opportunities for tax exportation by including nonresident-induced activity in the tax bases. The retail sales tax base, for example, includes purchases made by visitors as well as residents. The severance tax bases include the total value of the resources extracted, regardless of their final destination. In contrast, per capita income, by focusing only on residents, ignores tax exportation and thereby understates the fiscal capacity of tourist-rich states such as Hawaii and Nevada or energy-rich states such as Alaska and Wyoming.[14]

Estimating Tax Effort. A state's tax effort is calculated by dividing its actual tax collections by its capacity to collect taxes. For example, Alaska's overall RTS tax effort index of 127 is the result of dividing the state's RTS revenues per capita of $3,597.82 by its capacity per capita of $2,823.47 (and multiplying by 100 to put it on an index basis). A state's tax effort indicates the extent to which a state is utilizing the tax bases available to it, relative to the national average. Thus, if a state were using a tax base at the national average (i.e., if its tax effort index were 100), its actual collections would just equal its estimated capacity because its capacity is determined by its base multiplied by the representative (national average) rate. Moreover, because tax capacity is derived using standardized tax bases, the RTS/RRS tax effort measures are comparable

---

[13]Another way exportation may occur is through the deductibility of state and local taxes on the federal income tax. Because itemizing taxpayers receive a reduction in their federal income tax liability for every dollar of certain state and local taxes paid, deductibility reduces the effective price of such state and local taxes and provides an indirect subsidy to state and local governments that is paid by taxpayers nationwide.

[14]One can get an idea of the general ability of a state to export part of its tax burden by comparing the state's per capita income index (the ratio of the state's per capita income to the average per capita income of the United States) with its RTS index. Thus, for example, the data show that the 1988 per capita income of Nevadans is $17,511 compared to a national average of $16,489. This suggests that, using per capita income as a measure of fiscal capacity, Nevada has a capacity that is 6 percent higher than the national average. The RTS, however, shows Nevada's 1988 fiscal capacity index to be 135, or 35 percent above the national average. The difference of 29 points between these two measures is largely accounted for by the exporting of taxes to nonresidents.

across states in a way that comparisons of statutory tax rates are not. A simple comparison of nominal sales tax rates, for example, can be misleading because it does not take into consideration the great variation among the states in the composition of their sales tax bases.

Uses of the RTS/RRS

In the United States, the RTS and RRS are currently used primarily as informational and analytical tools. The *aggregate* RTS and RRS capacity indexes are used by federal and state policymakers and analysts to monitor and compare the overall fiscal and economic strengths of the states relative to each other. As the capacity indexes for states in a region tend to move together, they also provide perspective on regional economic trends. The aggregate indexes of tax effort are used also to compare the relative position of the states in their taxing policies.

The *disaggregated* capacity and effort data are useful to state policymakers and others for analyzing a particular state's tax and revenue system. The capacity measures may be used to determine a state's relative strength or weakness in particular economic bases, while the effort measures can be used to compare a state's reliance on specific revenue sources or its mix of taxes and other revenue sources with the national average. From the graphs presented in Chapter 6, for example, policymakers can see at a glance how, relative to other revenue sources and other state-local systems, a state is "underutilizing" or "overworking" particular revenue sources *relative to the national average*.

It should be stressed that the RTS and RRS are descriptive rather than prescriptive. They are not meant to imply that a state should or should not have a particular tax effort or revenue mix. Furthermore, state rankings in fiscal capacity do not imply better or worse services or revenue systems, or more or less efficiency in taxation.

Although the RTS and RRS are not currently used in the United States in fiscal equalization formulas, their potential for this use has been recognized in legislation and in Canada's use of an RTS in its program of federal-provincial equalization assistance. The RTS/RRS capacity measures could be used in federal grant formulas to target aid to states with lesser abilities to raise revenues from their own sources or to target aid to regions experiencing economic downturns. The effort measures also could be used as elements in a grant formula designed to target federal aid to states in relation to tax effort.

Chapter 3

Changes in the Methodology for 1988

The methodology used to prepare the 1988 RTS/RRS estimates reflects a number of changes from that used for the 1986 estimates. It is important to realize that the RTS and RRS are continually evolving. To continue to be representative, the systems must adapt to the changing circumstances of state-local tax policy and data. The RTS and RRS have shown themselves to be flexible and dynamic in responding to these changes.

The types of changes to which the RTS and RRS must be able to respond are:

Changes in state and local tax systems. As state and local tax policies change, the RTS and RRS elements (i.e., tax bases and tax rates) must also change. The representative rates change automatically as actual revenues and estimated tax bases change. The tax bases, however, must be reviewed periodically for consistency with the representative concept. For example, a lottery revenue base is included in the RRS for the first time this year because a sufficient number of states have instituted lotteries in recent years to warrant including it in a representative system. Between 1984 and 1988, the number of state-administered lotteries jumped from 18 to 27.

Changes in data. Changes in the availability or reliability of data may require a change in the methods by which the RTS or RRS is estimated. For example, prior to the breakup of the AT&T monopoly and the consequent changes in the structure of the telephone industry, data on the number of telephones and number of local calls (along with the number of toll calls originating in each state) were used to allocate total U.S. telephone revenues to the states. Subsequent to divestiture, these data were no longer easily accessible or relevant. Instead, data on the number of access lines and toll calls is now used to allocate the revenues.

Another example of having to adapt the methodology to the availability of data occurs in the estimation of the residential property tax base. Quantification of this tax base relies on estimated market value data from Census' *Taxable Property Values and Assessment-Sales Price Ratios.* The most recent edition of this publication contains data for 1981. Since 1981, each year's RTS has had to rely on a methodology extrapolating this data to the current year.

Changes in the operationalization of the RTS concepts. ACIR has attempted to be responsive to criticisms of the RTS and RRS and to refine its methodology to improve the RTS' consistency and credibility. For example, in the reports containing the RTS estimates for 1982 and 1983, ACIR presented the results of some experimental adjustments to the RTS, most of which would later become elements of the RRS. The modifications made to the 1988 methodology may themselves evolve as better methods are developed or new data become accessible.

Previous RTS Modifications

Beginning with the 1979 estimates, the RTS has been prepared in a routinized, generally consistent manner. However, the following refinements have been incorporated in the systems since those estimates were produced.

In the June 1982 *Tax Capacity of the Fifty States, Supplement: 1980 Estimates*, several refinements were made. The Selective Sales-Alcoholic Beverages tax base was broken into the three subcomponents of beer, wine, and distilled spirits. Total Motor Vehicle Registrations were divided into the subcategories of automobile registrations and truck registrations. Vacant Land was dropped as the fifth component of property taxes, leaving residential, farm, commercial-industrial, and public utility as the four separate bases of the property tax. The base of Estate and Gift Taxes was changed from the value of the federally taxable estate to federal estate and gift tax collections.

In the reports containing the 1982 and 1983 estimates, a series of experimental adjustments was made but not formally incorporated into the RTS or RRS. These adjustments included estimating an "All Tax RTS Index," which included all of the tax bases in the standard RTS plus all taxes excluded from the standard RTS; an "All Revenue RTS Index," consisting of the All Tax Index plus

user charges and rents and royalties; and an "Adjusted All Revenue RTS Index," which included the same bases as the All Revenue Index but modified the calculation of the retail sales, income tax, and severance tax bases.[15]

In the report containing the 1984 estimates and subsequent reports, the RRS was formalized as a separate measure composed of all the bases in the RTS plus four others. Three of these four bases—Other Taxes, Rents and Royalties, and User Charges—had been presented as experimental adjustments in the previous reports. Revenues received under the federal *Mineral Leasing Act* were also included as a separate base.

Changes in the 1988 Methodology

No significant methodological changes had been made to the RTS or RRS since the 1984 estimates. For the preparation of the 1988 estimates and this report, the ACIR reviewed the RTS methodology to look systematically at the way the RTS and RRS have evolved and to ensure that the methodology and data used to implement the RTS were as consistent as possible with the concepts underlying the systems.

After considering numerous suggestions, the following changes were made. The revisions do not reflect fundamental changes in the concepts underlying the RTS, but, rather, small changes designed to rationalize and strengthen the methodology. Thus, the 1988 estimates are generally consistent with the previous series of RTS estimates.

Inclusion of "Other Taxes" in the RTS. Other Taxes has been an element of the RRS since it was formalized with the 1984 estimates. However, because this category consists entirely of tax revenues, Other Taxes will now be placed in the RTS rather than the RRS.

This category of taxes includes documentary and stock taxes, and miscellaneous sales, license, and other taxes, such as an emergency telephone system tax in Maryland, a levy on civil actions in Colorado, and a forestry acreage tax in Arkansas. These taxes constituted about 3.8 percent of all taxes in 1988. Use of almost any one of the specific taxes in this category is not widespread and therefore would not be considered representative of average state-local tax policy. However, taken together, this category of taxes represents the ability of state and local governments to levy a variety of smaller taxes consistent with their economic situations and political preferences that increases their capacity to raise revenues. To ensure comprehensiveness and thus avoid bias, this category of revenues is appropriately included in the RTS.

Elimination of the Food and Drug Exclusion from the General Sales Tax Base. Until now, estimates of retail sales of food for home consumption and prescription drugs were excluded from the tax base defined for the General Sales and Gross Receipts Tax of the RTS. The rationale for excluding food and drugs had been that it was representative practice, that is, the majority of states (and those making up more than half of the U.S. population) have such policies. In 1988, 29 states with 76 percent of the population exempted food from sales taxation and all but one of the 46 states with a sales tax exempted prescription drugs.

However, while food and drugs were excluded from the tax base, the revenues from the taxation of such purchases were not excluded in the computation of tax effort under the General Sales Tax. This inconsistency between the tax base and tax revenues made the effort indexes difficult to interpret.

Accordingly, for the 1988 estimates, food and drugs have been included in the sales tax base. It can be argued that the representative aspect of the RTS/RRS applies more to the choice of revenue sources to be included in the systems than to the definition of the base actually used to calculate capacity, as long as the distribution of the base is reasonably related to the relative potential of the states to raise revenue from that source and is estimated consistently across states. Given that food and drugs represent a large part of the revenue potential in every state (in 1988, they averaged 22 percent of the total RTS retail sales base), and that the relative importance of food and drugs in total retail sales varies from state to state, excluding these items from the tax base ignores a significant determinant of tax capacity under the general sales tax. Correcting the inconsistency between tax base and tax revenues also improves the comparability of the effort indexes across states.

In order to provide information on the quantitative importance of this change, Table 2 shows the capacity and effort indexes under the General Sales Tax when food and drugs are included in the base and when they are excluded. The gains and losses in capacity from including food and drugs in the tax base reflect the *relative* size of these items in the total tax base of each state. A state such as Alaska, with a high ratio of food and drug sales to total RTS retail sales (27.1 percent compared to the national average of 22.1 percent), shows an increase in relative capacity, while Nevada, with a ratio of only 12.3 percent, shows a relatively large decrease in capacity from this change.[16] There is an inverse relationship between the capacity and effort changes for all states because tax revenues are being held constant while the tax base is changing. For most states, the change in capacity and effort from including food and drugs in the tax base is small or none.

It has been suggested that ACIR's exclusion of food and drugs from the General Sales Tax base constituted a normative choice that was being recommended implicitly

[15]For the "All Tax RTS Index," timber and other severance taxes, New York's stock transfer tax, and other miscellaneous taxes were included in the measure of RTS tax capacity based on actual collections or disposable income. For the "All Revenue RTS Index," user charges were included based on disposable income while rents and royalties were based on actual receipts. The "Adjusted All Revenue RTS Index" changed the severance tax base from the value of the resources extracted to actual collections; adjusted the income tax base for the effects of federal deductibility; and accounted for base rate interaction in the estimation of the general sales tax base. See ACIR, *1982 Tax Capacity of the Fifty States* (M-142), May 1985, pp. 7-11; and ACIR, *1983 Tax Capacity of the States* (M-148), April 1986, pp. 7-11.

[16]A similar estimate done for Nevada using 1986 data showed food for home consumption and prescription drugs to represent only 11.3 percent of a hypothetical comprehensive base consisting of the current base plus certain expansions. See Bradford Case and Robert D. Ebel, "Using State Consumer Tax Credits for Achieving Equity," *National Tax Journal*, September 1989.

Table 2

RTS General Sales Tax Capacity and Effort Indexes, With and Without Food and Drugs in the Tax Base

	Food and Drugs In Tax Base[1]		Food and Drugs Not in Tax Base[2]		Difference	
	Capacity	Effort	Capacity	Effort	Capacity	Effort
Alabama	76	107	75	108	1	-1
Alaska	111	22	104	24	7	-2
Arizona	104	128	101	131	3	-3
Arkansas	77	108	74	112	3	-4
California	110	103	112	102	-2	1
Colorado	100	99	101	98	-1	1
Connecticut	125	112	129	109	-4	3
Delaware	112	1	115	1	-3	0
District of Columbia	108	146	114	139	-6	7
Florida	118	108	119	107	-1	1
Georgia	98	94	98	94	0	0
Hawaii	124	166	128	161	-4	5
Idaho	74	101	72	104	2	-3
Illinois	97	104	98	102	-1	2
Indiana	92	105	92	105	0	0
Iowa	87	80	85	82	2	-2
Kansas	87	104	87	104	0	0
Kentucky	89	78	88	80	1	-2
Louisiana	85	141	78	153	7	-12
Maine	112	83	113	82	-1	1
Maryland	107	82	109	81	-2	1
Massachusetts	123	65	125	64	-2	1
Michigan	95	76	97	74	-2	2
Minnesota	107	95	110	92	-3	3
Mississippi	71	124	68	128	3	-4
Missouri	94	105	96	103	-2	2
Montana	84	1	80	1	4	0
Nebraska	91	82	92	81	-1	1
Nevada	205	58	230	52	-25	6
New Hampshire	142	11	144	11	-2	0
New Jersey	118	78	119	78	-1	0
New Mexico	82	170	82	169	0	1
New York	102	127	101	128	1	-1
North Carolina	93	90	91	92	2	-2
North Dakota	97	75	101	72	-4	3
Ohio	90	85	89	86	1	-1
Oklahoma	86	108	84	111	2	-3
Oregon	94	0	95	0	-1	0
Pennsylvania	96	76	94	78	2	-2
Rhode Island	104	85	103	85	1	0
South Carolina	86	99	83	102	3	-3
South Dakota	87	127	87	127	0	0
Tennessee	88	146	90	144	-2	2
Texas	95	121	92	125	3	-4
Utah	78	123	78	123	0	0
Vermont	125	64	128	62	-3	2
Virginia	107	66	107	66	0	0
Washington	95	206	92	214	3	-8
West Virginia	83	87	79	91	4	-4
Wisconsin	95	88	94	89	1	-1
Wyoming	87	103	88	102	-1	1

[1]New RTS methodology.

[2]Old RTS methodology.

for all states. Although the RTS does not claim to be normative and this was not the intent of the practice, discontinuing the exclusion of food and drugs from the tax base should help dispel the perception that ACIR is attempting to impose normative choices on state policy through the RTS.

Adjustment of Certain General Sales Tax Revenues. A second change involving the General Sales Tax is the adjustment of certain revenues into or out of general sales tax revenues. Table 3 shows the type and amount of adjustments made to general sales tax revenues by state. Because these adjustments deal with the estimation of RTS revenues rather than tax bases, they do not affect the relative capacities of the states (except through their effect on the representative rate), but only the estimated tax efforts for those states with adjustments.

In general, the revenues used for each base of the RTS/RRS closely follow the revenue classifications used by the Census Bureau in its Government Finance series. However, in the review process, certain anomalies in the Census classifications for the general sales tax were brought to our attention, and suggestions were made for correcting them for purposes of the RTS.

Two types of adjustments were made so as to make the revenues included under the General Sales Tax as consistent as possible with the representative base for that tax. Revenues from sales taxes on specific industries normally imposed as a separate tax—such as a severance tax—in other states were deleted from sales tax revenues and added to the revenues of the other tax. In Arizona, for example, revenues more properly classified as severance taxes were removed from the general sales tax category and classified instead under severance taxes. A similar adjustment for business and occupation tax revenues in West Virginia had been part of the RTS methodology.

The other type of adjustment made was the addition to general sales tax revenue of revenue from selective excise taxes on items normally included in a general sales tax and not included in a separate RTS tax base. A major example of this type of adjustment is the inclusion for 13 states and the District of Columbia of revenue from titling taxes—taxes on the sale of motor vehicles and watercraft—in the general sales tax that would otherwise be classified in Other Taxes. Most states tax such transactions under the general sales tax, but some tax them instead under a separate excise tax. To make the states that use titling taxes comparable with those that use the general sales tax to tax vehicle sales, the revenue from titling taxes is included in the general sales tax category. Similar adjustments are made for other selective excise taxes usually taxed under the general sales tax, such as those on room occupancy and soft drinks.[17]

Adjustment of Corporate "Net Worth" Licenses. Adjustments were made to the classification of revenues for certain taxes on corporations. Previously, the revenues allocated to the RTS Corporation Licenses base followed the classification of such taxes by Census. For the 1988 RTS estimates, revenues from state taxes classified by Census as corporation licenses but based on the level of economic activity or net worth of the corporation, such as a tax levied on the value of a corporation's capital stock or assets, rather than simply being levied at a flat or nominal rate, such as an organization or filing fee or stock tax based on the number of shares, are considered to be more like corporate net income (profits) taxes than license taxes. Accordingly, for purposes of the RTS, revenues from those license taxes actually based on value or output were moved from the corporation license category to revenues associated with the corporate net income tax. To help make this adjustment explicit, starting with this volume, the previous RTS category of "Corporate Net Income Taxes" will be replaced with the title, "Corporation Net Income and Net Worth Taxes."

Table 4 shows the corporate tax revenue adjustments by state. Although the shift of revenues from the corporate license to the corporate income tax will affect the tax effort calculations for certain states under each of these taxes, the effect of these changes on overall state tax effort should be minimal, as revenue is simply being shifted from one category of the RTS to another.

Addition of Lotteries Base. A new base of "Lottery Net Income" will be added to the RRS for the first time in the 1988 estimates. Lotteries have become a prevalent and significant source of state revenue capacity in recent years. In 1988, 26 states and the District of Columbia had instituted lotteries, raising $6.5 billion in net income from them. A lottery base was thus considered appropriately representative to be included in the RRS.

The RRS revenue base for lotteries is defined as gross lottery sales and is estimated for every state, whether or not that state had a lottery in 1988. Estimates of, rather than actual, gross lottery proceeds were used so that a consistent set of data would be used for all states, and because different types of lotteries are in place across the states.

The revenue base was estimated using regression analysis based on cross-sectional data from the states operating one or more lottery games in 1988. A regression was formulated to identify the relationship between gross lottery sales per household (GLSPERHH) and key variables (see below) in the states operating lotteries. The regression, which is in log form, is given below. The coefficient of each independent variable indicates how sensitive gross ticket sales are to changes in that variable.

$$\begin{aligned} GLSPERHH = {} & -3.7 + \underset{(-3.0)}{1.28}\, DIPERHH + \underset{(3.0)}{0.27}\, POPMET \\ & \qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad\quad (1.1) \\ & - \underset{(-2.2)}{0.02}\, COLLEGE + \underset{(2.6)}{0.03}\, PRIZES\% \\ & + \underset{(7.9)}{0.93}\, TOTEXPPERHH \end{aligned}$$

$R^2 = .9317$

(t-statistics are in parentheses)

[17]These adjustments largely follow those made by John L. Mikesell in "Retail Sales and Use Taxation in Minnesota," in *Final Report of the Minnesota Tax Study Commission*, Vol. 2, edited by Robert D. Ebel and Therese J. McGuire (Boston: Butterworths, 1984), Chapter 8. Also see John F. Due and John L. Mikesell, *Sales Taxation: State and Local Structure and Administration* (Baltimore: Johns Hopkins University Press, 1983), pp. 6-9, and "Retail Sales Taxation in the Indiana Revenue System," in *Indiana's Revenue Structure: Major Components and Issues*, edited by James A. Papke (West Lafayette: Purdue University, 1984), Chapter 5.

Table 3

Adjustments to 1988 General Sales and Gross Receipts Revenue

(millions)

State	Census General Sales Tax Revenue	RTS Titling Revenue Adjustments	RTS Other Revenue Adjustments	RTS Revenue	Explanation for Adjustments
Alabama	$1,429.3		$43.959	$1,473.3	Lodgings and Rental Tax
Alaska	56.4			56.4	
Arizona	2,050.2		(24.263)	2,026.0	Severance Tax Revenue
Arkansas	877.5			877.5	
California	14,171.8			14,171.8	
Colorado	1,435.8			1,435.8	
Connecticut	1,984.0			1,984.0	
Delaware	0.0		3.908	3.9	Hotel/Motel Accommodations
District of Columbia	390.6	28.599	5.222	424.5	Motor Vehicles and Trailers; Hotel Occupancy
Florida	6,865.9			6,865.9	
Georgia	2,558.7			2,558.7	
Hawaii	919.8		67.290	987.1	Transient Accommodations
Idaho	328.5		2.069	330.6	Hotel, Motel, and Campgrounds
Illinois	5,035.5	38.583	64.113	5,138.2	Motor Vehicle Use Tax; Hotel and Special Tourism
Indiana	2,361.9			2,361.9	
Iowa	866.3			866.3	
Kansas	990.4			990.4	
Kentucky	951.8	191.420		1,143.2	Motor Vehicle Use Tax
Louisiana	2,280.8		35.095	2,315.9	Room Occupancy and Soft Drinks
Maine	491.9			491.9	
Maryland	1,423.6	360.979		1,784.6	Motor Vehicle and Boat Titling
Massachusetts	2,021.1		50.222	2,071.3	Room Occupancy
Michigan	2,919.1			2,919.1	
Minnesota	1,688.9	235.927		1,924.8	Motor Vehicle Excise
Mississippi	1,007.3			1,007.3	
Missouri	2,246.1			2,246.1	
Montana	0.0		3.373	3.4	Accommodations Tax
Nebraska	522.8			522.8	
Nevada	552.5			552.5	
New Hampshire	0.0		76.922	76.9	Meals Excise and Room Occupancy
New Jersey	3,136.8			3,136.8	
New Mexico	876.8	46.600		923.4	Motor Vehicle Excise
New York	10,207.6			10,207.6	
North Carolina	2,368.3		27.366	2,395.7	Soft Drinks
North Dakota	213.9			213.9	
Ohio	3,653.7			3,653.7	
Oklahoma	1,216.1	94.652	2.284	1,313.0	Motor Vehicle and Boat and Motor Excise; Aircraft Excise and Rental Tax
Oregon	0.0			0.0	
Pennsylvania	3,846.6			3,846.6	
Rhode Island	383.2			383.2	
South Carolina	1,249.4	9.703	33.278	1,292.4	Casual Sales of Motor Vehicles; Soft Drinks and Accommodations Tax
South Dakota	326.5	20.182	0.035	346.8	Auto Registration; Snowmobile Registration
Tennessee	2,784.1			2,784.1	
Texas	7,535.4	895.415	93.556	8,524.4	Motor Vehicle Sales and Use; Hotel/Motel, Manufactured Housing
Utah	715.7			715.7	
Vermont	123.5	32.108	39.858	195.5	Motor Vehicle Sales; Meals and Rooms
Virginia	1,585.9	273.262	6.976	1,866.1	Auto Excise and Watercraft Sales; Mobile Home, Aircraft Sales
Washington	4,013.0	2.753		4,015.7	Boat Excise
West Virginia	516.3	87.728	(11.822)	592.2	Auto Titling Privilege; Soft Drinks; less B&O attributable to severance taxes
Wisconsin	1,776.6			1,776.6	
Wyoming	189.2			189.2	
U.S. Total	$105,147.3	$2,317.911	$519.441	$107,984.7	

Source: U.S. Department of Commerce, Bureau of the Census, *Government Finances in 1987-88, State Government Tax Collections in 1988;* Price Waterhouse.

Table 4

Adjustments to 1988 Corporate License Tax Revenue

(thousands)

State	Census Corporate License Tax Revenue[1]	RTS Revenue Adjustments[2]	RTS Corporate License Tax Revenue	Tax Basis for Revenue Adjustments
Alabama	$82,311	$80,569	$1,742	Value of capital stock
Alaska	892		892	
Arizona	3,801		3,801	
Arkansas	7,722	6,829	893	Value of capital stock
California	8,124		8,124	
Colorado	3,428		3,428	
Connecticut	9,384		9,384	
Delaware	180,583		180,583	
District of Columbia	3,669		3,669	
Florida	22,086		22,086	
Georgia	20,335	14,967	5,368	Net worth
Hawaii	881		881	
Idaho	457		457	
Illinois	75,261	52,941	22,320	Value of capital stock
Indiana	5,043		5,043	
Iowa[3]	12,090	8,463	3,627	Value of capital stock
Kansas	11,505	8,664	2,841	Value of shareholder equity
Kentucky	61,618	61,549	69	Value of capital stock
Louisiana	234,616	232,192	2,424	Net worth
Maine	957		957	
Maryland	4,775		4,775	
Massachusetts	15,308		15,308	
Michigan	9,979		9,979	
Minnesota	2,917		2,917	
Mississippi	58,384	54,487	3,897	Book value of capital
Missouri	51,722	46,114	5,608	Par value of shares of stock
Montana	750		750	
Nebraska	4,520	3,085	1,435	Value of capital stock
Nevada	5,058		5,058	
New Hampshire	4,748		4,748	
New Jersey	137,789		137,789	
New Mexico	2,112		2,112	
New York	24,172		24,172	
North Carolina	121,156	119,094	2,062	Net worth
North Dakota	610		610	
Ohio	273,225		273,225	
Oklahoma	30,402	28,932	1,470	Value of capital stock
Oregon	3,693		3,693	
Pennsylvania	498,201	491,654	6,547	Value of capital stock
Rhode Island	3,048	2,681	367	Value of authorized capital stock
South Carolina	20,491	19,682	809	Value of capital stock and surplus
South Dakota	800		800	
Tennessee	166,504	163,782	2,722	Net worth
Texas	953,201	943,389	9,812	Net worth
Utah				
Vermont	622		622	
Virginia	19,263		19,263	
Washington	6,434		6,434	
West Virginia	3,122	1,472	1,650	Authorized capital stock
Wisconsin	4,738		4,738	
Wyoming	2,249	2,249		Corporate property and assets
U.S. Total	$3,174,756	$2,342,795	$831,961	

[1]The U.S. Census includes a variety of taxes and fees in the corporate license tax revenue category. These taxes and fees include fixed annual fees per corporation, one-time fixed incorporation fees, fixed fees per share of stock, and taxes based on a corporation's net worth or value of stock.

[2]Revenues from state franchise or capital stock taxes assessed on the net worth or value of stock are excluded from the corporate license tax element of the RTS and included with corporate net income taxes.

[3]Iowa's franchise tax was repealed in 1989.

Source: U.S. Department of Commerce, Bureau of the Census, *State Government Tax Collections in 1988*; and Price Waterhouse.

Several alternative variables were tested for inclusion in the regression based on theoretical considerations. The selection of the variables included in the regression was based on both theoretical considerations and the reasonableness of the estimates.[18]

Thus, disposable income per household (DIPERHH) was included because it was expected that lottery sales would increase with disposable income. This expectation is supported by the positive and significant coefficient for this variable. It was also expected that states with higher percentages of their population living in metropolitan areas (POPMET) would have higher lottery sales because the higher density of people and businesses in urban areas compared to rural areas should make lottery tickets more readily available and more convenient to purchase. As expected, the coefficient of this variable is positive; however, it is not statistically significant. The percentage of a state's population with at least one year of college (COLLEGE) is used to measure the impact of formal education on lottery sales. The regression reveals that, other factors being equal, states with relatively more highly educated populations tend to have slightly lower ticket sales per household. The percentage of gross lottery sales paid out in prizes (PRIZES%) was also expected to affect ticket sales positively, as people respond to the higher incentive to play. The regression confirms this relationship with a positive and statistically significant coefficient. Finally, expenditures on lottery commissions and operations per household (TOTEXPPERHH) is included to measure the effect of state marketing effort through advertising and commissions to ticket agents. The coefficient of this variable is also positive, as expected, and significant.

The relationships identified in the regression between gross lottery sales and the independent variables were then used to estimate the representative level of gross ticket sales in each state by applying the relevant data for each state. For the non-lottery states, the percentage share of ticket sales paid in prizes was based on the average percentage share paid in prizes in states with lotteries. Values based on regional data were used to estimate commissions and operating expenses per household, as these variables tend to have regional patterns among the lottery states.

Estimation of the Parimutuels Base. To date, the tax base for the RTS Selective Sales-Parimutuels base has been the actual parimutuel handle (amount wagered). Consequently, the 19 states and the District of Columbia with no parimutuel games and no parimutuel revenue were assigned a tax base of zero. This treatment implied that because these states did not permit parimutuel events they had no capacity to raise revenue from a parimutuels tax.

The 1988 estimates change this treatment of the Parimutuels base by assigning a tax base of estimated parimutuel wagering to all states, regardless of whether they have parimutuel events. The rationale for the change is that even though some states do not legalize parimutuel events they nevertheless have the potential to raise revenue from this source by permitting such activities. This change follows from the principle that the RTS should not be influenced by individual states' policy choices except as they are reflected in representative practice.

The 1988 parimutuels tax base is estimated for all states using regression analysis and cross-sectional data from the states with parimutuel events. An estimated tax base is used for all states in order to have a consistent set of data and because states operate different types of parimutuel events. Two regressions were formulated to estimate the tax base, which is per capita wagers. The first equation estimates attendance at parimutuel events, which is then used in the second equation as one of the independent variables to estimate amounts wagered.

A number of alternative variables and specifications were attempted for each of the equations. Both of the regressions chosen are in log form. The criteria for the selection of variables were theoretical considerations and reasonableness of the estimates.[19]

The first regression, which measures the impact of several independent variables on total attendance at parimutuel events (ATTENDM) is shown below:

$$\begin{aligned} \text{ATTENDM} = &-26.039 + 0.58\,\text{POP} + 1.519\,\text{DIPERCP} \\ &\quad (-2.0) \quad (4.0) \quad (1.4) \\ &+ 2.453\,\text{TEMP} - 0.16\,\text{POPMET} + 0.32\,\text{DAYS} \\ &\quad (2.5) \quad (-0.18) \quad (2.0) \\ &- 0.26\,\text{D2R} \\ &\quad (-1.1) \end{aligned}$$

$R^2 = .8372$

(t-statistics are in parentheses)

The independent variables in the regression are total population (POP), disposable income per capita (DIPERCP), annual average temperature (TEMP), percentage of population in metropolitan areas (POPMET), number of parimutuel events (DAYS), and a dummy variable for states that allow off-track betting (D2R). All of the variables except the off-track betting dummy were expected to be positively related to attendance because they increased the opportunities to attend parimutuel events; in this equation, all but metropolitan population turned out to have positive coefficients, although the coefficients for disposable income (and metropolitan population) are not statistically significant. The off-track betting dummy was expected to have a negative impact on attendance, because it allows gamblers to place bets without attending the event. The coefficient of this variable is negative, as expected, but not significant.

[18]Variables tested but not used included: a dummy for states with no parimutuel wagering, population density (people per square mile), percentage of families living in poverty, percentage of population that is black, unemployment rate, and years the lottery had been in operation. Regressions were also tried with lotto ticket sales as the dependent variable.

[19]Variables tested but not used included: total personal income, total wages and salaries, population density (people per square mile), percentage of families living in poverty, percentage of population that is black, per capita state lottery revenues, population over 18 years of age, population over 34 years of age, and a dummy for states that had two or more types of parimutuel events. Also, separate regressions were tried using the amount wagered on each type of parimutuel event (horse racing, dog racing, and jai alai) as dependent variables.

The second regression equation uses estimates of attendance per capita (ATPERCP) derived from the first equation as one of several independent variables to explain the dependent variable of wagers per capita (WAGERSPERCP). That regression is:

$$\begin{aligned} \text{WAGERSPERCP} = &-4.63 + 0.9\,\text{DIPERCP} + 0.98\,\text{ATPERCP} \\ &(-1.1)\quad(2.0)\qquad\qquad(10.3) \\ &- 0.000009\,\text{TAXR} - 0.21\,\text{DUMLOT} \\ &\quad(0.002)\qquad\quad(-1.3) \\ &+ 0.16\,\text{DAYS} + 0.007\,\text{OTB\%} \\ &\quad(2.0)\qquad\quad(1.7) \end{aligned}$$

$R^2 = .8689$

(t-statistics are in parentheses)

This regression uses two of the same variables to explain wagers as was used to explain attendance, namely, disposable income per capita (DIPERCP) and number of parimutuel events (DAYS). In addition to attendance per capita, the other new variables are the parimutuel tax rate (TAXR), which would be expected to be negatively associated with wagers as gamblers respond to the "price" of wagering; a dummy (DUMLOT) for states with a lottery, which, as a substitute for parimutuel events, would be expected to have a negative influence on wagering; and off-track wagering as a percentage of total wagering (OTB%), which is not captured in the attendance variable but would be expected to be positively associated with total wagering. While all the variables have the expected sign, the parimutuel tax rate, lottery dummy, and off-track betting variables are not significant. The disposable income and attendance variables, however, are strongly associated with the dependent variable.

Addition of Special Assessment Revenues. Special assessment revenues, previously not included in either the RTS or the RRS, have been added to the existing RRS category of User Charges.[20] Clearly a representative revenue source used by all states, special assessments have been added to make the RRS more comprehensive.

Because special assessments are similar to user charges in that they are paid by an identifiable subset of taxpayers and based on the benefit received from a specific service, they have been included in the same RRS category. Thus, the same revenue base, personal income, is used to estimate capacity from special assessments as for user charges, and only the relative distribution of tax effort is affected. As state and local special assessments totaled $2.6 billion in 1988, compared to a total of $94.6 billion for user charges, this change will have only a minor effect.

Elimination of *Mineral Leasing Act* Payments. "Payments Received under the federal *Mineral Leasing Act*" has been an element of the RRS since it was formalized with the 1984 estimates. These revenues had been included on the basis that such payments were essentially public equivalents to the mineral rents and royalties earned from private parties included in another category of the RRS.

The RTS/RRS, however, is intended to measure the ability of state and local governments to raise revenues *from their own sources*. Because federal mineral leasing act payments are intergovernmental revenues, they do not belong in the RTS/RRS. This change will not have a very significant effect on the RRS estimates; in 1988, total state-local collections under the *Mineral Leasing Act* were only $0.4 billion, as contrasted with total RRS rents and royalties of $2.8 billion.

---

[20]Census classifies special assessments as "miscellaneous general revenue" and defines them as "compulsory contributions collected from owners of property benefited by special public improvements (street paving, sidewalks, sewer lines, etc.) to defray the cost of such improvements (either directly or through payment of debt service on indebtedness incurred to finance the improvements) and apportioned according to the assumed benefits to the property affected by the improvements."

Chapter 4

Analysis of the 1988 Estimates

This chapter presents the total RTS and RRS indexes of fiscal capacity and effort for 1988, and discusses the changes in capacity and effort by region and for selected states experiencing relatively large changes. For comparison, it also presents the 1988 indexes for two other measures of fiscal capacity: Personal Income (PCI) and Total Taxable Resources (TTR).

All capacity estimates are subject to error. In the case of the RTS and RRS, the estimates of capacity and revenue for each tax and other revenue source are based on one or more series of data (see Appendix A), each of which may have a range of error. When the estimates for each revenue source are summed to produce the overall estimates, these errors may be additive or offsetting. In addition, discrepancies in the data used from year to year, or technical differences in how the estimates were computed, may make year-to-year comparisons imperfect.

Thus, while the capacity and effort estimates are generally consistent over time, they inevitably have some error associated with them. For this reason, small changes, such as movements of a couple of index points, should not be regarded as significant. Rather, one should focus on the broad picture of states' relative positions and trends in capacity.

Regional Patterns of RTS Capacity

The total 1988 RTS and RRS capacity and effort indexes by state are shown in Table 5. The indexes generally continue the regional patterns begun in the early 1980s and observed throughout the intervening years. In 1988, most of the New England and Mideast states had capacity indexes that were above-average and continuing to increase relative to the national average. Most of the Far West states (including Alaska and Hawaii) also continued to have above-average capacities, although the indexes for some of the states in this region showed slight declines from 1986 to 1988. Energy states continued to see their capacities fall substantially, such that by 1988 many no longer enjoyed the above-average capacities they experienced in the late 1970s and first part of the 1980s. With some exceptions, the states in the Southeast region continued to have the lowest relative capacities, while the Great Lakes, Plains, Southwest, and Rocky Mountain regions made up the middle ground.

The strong economies of the **New England** and **Mideast** regions in 1988 are reflected in the fiscal capacities of these states, which are generally well above average. Five states (Connecticut, Massachusetts, New Hampshire, Delaware, and New Jersey) of the 11 states and the District of Columbia in these regions have capacity over 20 percent above the national average. Only three (Maine, Rhode Island, and Pennsylvania) have RTS indexes below 100, and even these are very close to the national average. These regions also experienced strong growth in their relative fiscal capacities between 1986 and 1988: the RTS index for every state increased by at least 1 and as many as 8 points.

The states in the **Far West** generally maintained their above-average capacities. The RTS indexes for Nevada and Alaska fell somewhat, but are still well above average at 135 and 159, respectively. Hawaii's index of 114 is close to California's, which is 116. Only Oregon and Washington do not show above-average capacities, although both are between 90 and 100 percent of average.

The **Great Lakes** states, with capacities between 87 and 99 percent of average, showed little change overall between 1986 and 1988; however, Illinois and Wisconsin had small increases. Each of the five states in this region experienced a decline in capacity during the recession of the early 1980s, and their capacities have either stayed relatively constant or recovered slightly since then.

The **Plains** states have fared less well than the Great Lakes states. With economies dominated more by agriculture, this region suffered from the national economic recession of the early 1980s as well as the farm recession of the mid-1980s. As a result, most states in this region have experienced nearly continuous declines in their fiscal capacity indexes since the early 1980s. The RTS scores of these states range from 78 for South Dakota to 91 for Kansas—except for Minnesota, which, at 104, is well above the other states in the region. The decline in capacity for North Dakota between 1986 and 1988 (8 index points) is common to states with substantial energy sectors.

Table 5
Total 1988 RTS and RRS Capacity and Effort Indexes by State

	Representative Tax System		Representative Revenue System	
	Capacity	Effort	Capacity	Effort
Alabama	76	84	77	95
Alaska	159	127	255	122
Arizona	99	96	97	97
Arkansas	74	84	74	86
California	116	94	115	98
Colorado	107	89	106	94
Connecticut	143	90	142	83
Delaware	124	84	120	94
District of Columbia	123	154	126	137
Florida	104	82	103	87
Georgia	94	89	93	98
Hawaii	114	112	111	111
Idaho	76	93	76	98
Illinois	99	102	100	95
Indiana	87	93	88	96
Iowa	83	113	84	118
Kansas	91	104	91	104
Kentucky	81	88	80	89
Louisiana	83	90	84	97
Maine	98	105	97	99
Maryland	109	108	111	102
Massachusetts	129	94	131	89
Michigan	95	112	96	112
Minnesota	104	112	103	117
Mississippi	65	94	65	108
Missouri	90	86	89	86
Montana	85	102	84	102
Nebraska	90	98	89	106
Nevada	135	69	129	75
New Hampshire	126	66	123	66
New Jersey	124	101	126	95
New Mexico	83	99	88	103
New York	109	152	110	141
North Carolina	91	93	89	91
North Dakota	86	91	85	107
Ohio	91	97	92	98
Oklahoma	89	89	87	95
Oregon	91	99	91	104
Pennsylvania	94	97	95	93
Rhode Island	99	104	100	99
South Carolina	79	96	78	102
South Dakota	78	95	78	95
Tennessee	84	83	84	89
Texas	96	88	95	89
Utah	78	106	76	109
Vermont	105	100	102	100
Virginia	104	91	104	90
Washington	98	102	98	105
West Virginia	78	88	76	90
Wisconsin	90	119	90	117
Wyoming	123	94	118	105
U.S. Total	100	100	100	100

The **Southwest** and **Rocky Mountain** regions contain a number of energy resource states that experienced significant declines in capacity between 1986 and 1988. New Mexico, Oklahoma, Texas, and Colorado all show decreases of 8 to 10 index points, while Wyoming's decrease is 28 points (from 151 to 123). Except for Colorado (at 107) and Wyoming, all the states in these regions have average to below-average capacities. Utah (with a capacity of 78) and Idaho (at 76) are among those states with the lowest capacities in the nation.

The **Southeast** contains the greatest number of states with the lowest capacities. The five states in this region with capacities below 80 (Alabama, Arkansas, Mississippi, South Carolina, and West Virginia) have consistently had some of the lowest capacities in the nation since the mid-1980s. Mississippi, with a tax capacity 35 percent below the national average, is 9 index points below the next lowest state, Arkansas. Another three states (Kentucky, Louisiana, and Tennessee) have capacities 15 to 20 percent below the national average. Among these, Louisiana, with its large oil and gas industry, experienced a decline of 7 index points between 1986 and 1988, while Kentucky showed an increase of 5 index points.

Four states in the Southeast, however, have capacities within 10 percent of the national average. These include North Carolina (91), Georgia (94), Florida (104), and Virginia (104). Both North Carolina and Virginia experienced increases of 3 index points between 1986 and 1988.

Overall, disparities among the states declined slightly between 1986 and 1988. The population-weighted standard deviation of the RTS capacity estimates, a summary indicator of the dispersion of the state estimates around the national average, decreased from 14.7 in 1986 to 14.5 in 1988.[21] (These standard deviation figures compare to a high of 18.5 in 1981, when the fiscal capacities of the energy-rich states were about at their peaks.) The small change in standard deviation between 1986 and 1988 suggests that the reductions in disparities resulting from the declines in capacity for the highest-capacity (energy) states and small improvements in capacity for some states with the least RTS capacity were just about offset by the increased disparities created by the Northeast and Mideast states, which through 1988 continued to have high and rising fiscal capacities.

Patterns in Tax Effort

Fiscal capacity is determined by the economic bases underlying tax systems. Fiscal effort, however, is the result of two factors. For one, it is determined by policy actions directly affecting revenues, such as legislated increases in tax rates or broadening of tax bases. The 1988 estimates of tax effort, in particular, reflect a period of state legislative activity following the 1986 federal tax reform in which states took action either to keep or to avoid receiving part or all of the income tax "windfall"

[21]The weighting of the estimates by population prevents the small-population, energy-rich states from having too extreme an influence on the standard deviation. It thus provides a better measure than an unweighted standard deviation of the level of fiscal capacity disparities affecting the overall population of the country.

Table 6

States with Largest Changes in RTS Capacity and Effort Indexes between 1986 and 1988

Largest Changes in Capacity	Region*	Change	Largest Changes in Effort	Region*	Change
Connecticut	NE	8	New Mexico	SW	11
Rhode Island	NE	7	District of Columbia	ME	11
New Hampshire	NE	7	Vermont	NE	9
Vermont	NE	6	Maryland	ME	9
Kentucky	SE	5	Texas	SW	9
Massachusetts	NE	5	Kansas	PL	8
Wisconsin	GL	4	Hawaii	FW	7
Pennsylvania	ME	4	Virginia	SE	6
			Maine	NE	6
			Colorado	RM	6
Kansas	PL	-5	Ohio	GL	-6
Louisiana	SE	-7	Michigan	GL	-6
Texas	SW	-8	Rhode Island	NE	-7
New Mexico	SW	-8	Arkansas	SE	-7
North Dakota	PL	-8	Massachusetts	NE	-9
Oklahoma	SW	-9	West Virginia	SE	-10
Colorado	RM	-10	Wisconsin	GL	-15
Nevada	FW	-12	Wyoming	RM	-23
Alaska	FW	-18	Alaska	FW	-41
Wyoming	RM	-28			

*Regions:
NE—New England GL—Great Lakes SE—Southeast RM—Rocky Mountains
ME—Mideast PL—Plains SW—Southwest FW—Far West

created by federal base-broadening.[22] The 1988 tax effort indexes are also the result of numerous other policy actions in recent years affecting, especially, excise taxes, personal and corporate income taxes, and sales taxes.

Tax effort is also determined by fiscal capacity, or a state's economic bases. Because a state's fiscal effort is calculated relative to capacity, even if its revenue collections have remained in step with the national average, its fiscal effort may rise simply because the state's tax or revenue capacity has declined or may fall because its fiscal capacity has increased. Thus, the impact of a changing economy is reflected in the calculation of tax effort.

Several observations can be made about the patterns in 1988 tax effort. First, there is no close relationship between the capacity and effort levels for a particular state.[23] States exhibit a wide range of tax policy regardless of their level of fiscal capacity. For example, Delaware and the District of Columbia have RTS capacity indexes of 124 and 123, respectively, but Delaware's tax effort index is 84, while the District's is 154. Maryland and Utah have similar levels of tax effort (108 and 106, respectively), but their capacities are 31 index points apart, at 109 and 78, respectively.

States with above-average capacity, however, tend to have a wider range of tax effort than states with below-average capacity. In 1988, for example, some of the states with the highest capacity, namely, Alaska and the District of Columbia, are also some of the ones with the highest effort, while other states with high capacity, including Nevada and New Hampshire, had some of the lowest effort indexes among the states.

Another pattern apparent from the 1988 data is the below-average tax effort of the Southeastern states when measured by the RTS. By this measure, all 12 of the states in the region have tax effort below the national average, and seven have tax effort more than 10 percent below average. However, the RTS measure does not include user charges, which generally are used more heavily than average by these states. When effort is measured by the RRS, which includes revenues raised through user charges, the effort indexes for all Southeastern states except North Carolina and Virginia are raised; however, four of these states (Arkansas, Florida, Kentucky, and Tennessee) still show effort below 90 percent of average.

States with Major Capacity or Effort Changes

Table 6 shows the states with the largest changes in capacity and effort between 1986 and 1988, and illustrates the regional nature of economic and fiscal trends. Of the eight states with the largest *increases in capacity*, five are in the New England region (all the New England states

[22]When Congress enacted the *Tax Reform Act of 1986*, it broadened the base of the federal income tax significantly at the same time that it reduced federal statutory tax rates in an attempt to achieve an "equal yield" or "revenue neutral" effect. For states that conformed their individual and corporate income tax bases to federal tax base definitions, the broadening of the federal tax base automatically resulted in a broadening of the state tax base. Without taking any action to reduce statutory tax rates accordingly, those states would have received a 1987-88 revenue "windfall" as a result of the higher income tax base. However, according to Steve Gold ("Did the Windfall Stay or Blow Away?" *The Fiscal Letter*, January/February 1990), of the 39 states most affected by the federal reform, 17 took action to avoid the entire windfall through a combination of base narrowing (e.g., increased personal exemptions and standard deductions) and rate reductions, while 22 states retained all or part of the windfall. The National Conference of State Legislatures estimates that 80 percent of the potential windfall states could have received was avoided by these actions. However, most states did nothing to avoid a corporate income tax windfall.

[23]The correlation between the state capacity and effort indexes for 1988 is .162, indicating a positive but low degree of correspondence between capacity and effort on average.

Table 7

Indexes of 1988 State Fiscal Capacity, by Region

(100 = U.S. Average)

States by Region	Per Capita Personal Income (PCI) Index	Rank	Total Taxable Resources (TTR) Index	Rank	Representative Tax System (RTS) Index	Rank	Representative Revenue System (RRS) Index	Rank
New England								
Connecticut	140	1	134	3	143	2	142	2
Maine	92	28	88	36	98	22	97	23
Massachusetts	126	4	121	5	129	4	131	3
New Hampshire	118	6	109	9	126	5	123	7
Rhode Island	102	14	96	22	99	19	100	20
Vermont	93	26	92	30	105	15	102	18
Mideast								
Delaware	107	11	106	13	124	6	120	8
District of Columbia	130	3	202	1	123	8	126	5
Maryland	118	5	108	10	109	12	111	12
New Jersey	133	2	125	4	124	7	126	6
New York	117	7	118	6	109	13	110	13
Pennsylvania	98	21	94	25	94	26	95	25
Great Lakes								
Illinois	107	10	106	12	99	21	100	19
Indiana	91	30	90	32	87	36	88	36
Michigan	100	18	99	19	95	25	96	24
Ohio	94	25	95	23	91	30	92	28
Wisconsin	94	23	94	27	90	33	90	31
Plains								
Iowa	89	33	90	33	83	42	84	41
Kansas	96	22	98	20	91	28	91	30
Minnesota	101	16	102	17	104	16	103	16
Missouri	94	24	95	24	90	32	89	32
Nebraska	90	32	93	28	90	34	89	34
North Dakota	78	42	86	38	86	37	85	38
South Dakota	77	44	79	44	78	45	78	45
Southeast								
Alabama	78	41	78	46	76	48	77	46
Arkansas	74	48	76	49	74	50	74	50
Florida	101	17	93	29	104	18	103	17
Georgia	93	27	94	26	94	27	93	27
Kentucky	78	43	81	43	81	43	80	43
Louisiana	75	47	87	37	83	41	84	39
Mississippi	67	51	69	51	65	51	65	51
North Carolina	87	35	89	34	91	31	89	33
South Carolina	78	39	77	47	79	44	78	44
Tennessee	84	36	85	40	84	39	84	42
Virginia	107	12	104	14	104	17	104	15
West Virginia	71	50	73	50	78	46	76	48
Southwest								
Arizona	91	29	90	31	99	20	97	22
New Mexico	76	46	84	41	83	40	88	35
Oklahoma	81	38	85	39	89	35	87	37
Texas	88	34	97	21	96	24	95	26
Rocky Mountain								
Colorado	100	20	102	15	107	14	106	14
Idaho	77	45	77	48	76	49	76	49
Montana	78	40	83	42	85	38	84	40
Utah	74	49	79	45	78	47	76	47
Wyoming	83	37	113	7	123	9	118	9
Far West								
California	114	9	112	8	116	10	115	10
Nevada	106	13	107	11	135	3	129	4
Oregon	90	31	89	35	91	29	91	29
Washington	100	19	99	18	98	23	98	21
Alaska	116	8	167	2	159	1	255	1
Hawaii	102	15	102	16	114	11	111	11

Sources: RTS and RRS—Price Waterhouse compilations.
PCI—U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1989.
TTR—U.S. Department of the Treasury, Office of the Assistant Secretary for Economic Policy.

except Maine). The other three are Kentucky (upper Southeast), Wisconsin (Great Lakes) and Pennsylvania (Mideast). These changes can be attributed largely to the economic growth in these states and regions, and, as discussed in Chapter 3, do not appear to be affected significantly by the modifications made to the RTS/RRS methodology for 1988.

Nearly all the states showing the largest *decreases in capacity* between 1986 and 1988 are energy states, and all are in the central or western parts of the country. Oil and gas severance tax revenues—and therefore aggregate capacity—dropped by about one-third between 1986 and 1988, the result of a combination of price, production, and tax policy changes across states. A similar decrease occurred in the capacity for severance taxes from coal, although the decline was not as severe as for oil and gas.

The states and regions with the largest energy sectors, therefore, show the largest declines in capacity. Four of the ten states with the largest decreases in capacity are in the Southeast-Southwest "oil patch," including Louisiana, Texas, New Mexico, and Oklahoma. Another four are states with major energy and/or agricultural economies in the Plains and Rocky Mountain regions, including Kansas, North Dakota, Colorado, and Wyoming. Alaska and Nevada, in the Far West region, are the other two states with the largest decreases in capacity. While Alaska's capacity decrease is the result of declines in some of its major tax bases (e.g, general sales and property taxes), Nevada's decrease is explained largely by the effect of the change in sales tax methodology on the state's relative capacity.

The tax effort indexes for 1988 reflect a number of changes from 1986. In addition to tax policy changes, such as treatment of the "windfall" from federal tax reform, and economic base or capacity changes, the 1988 RTS/RRS tax effort indexes also include a slightly revised set of revenue figures from those included in the 1986 estimates, as explained in Chapter 3. For example, the 1988 RTS estimates include such revenues as titling taxes and miscellaneous other taxes.

Even with these changes, the states with the largest changes in tax effort between 1986 and 1988 also show some regional patterns. Three of the nine states (Maine, Vermont, and Maryland) and the District of Columbia with the *largest increases in tax effort* are in the New England and Mideast regions. The tax effort for all of these four except Maine was affected by the inclusion of titling taxes in the RTS (rather than the RRS) for the first time. Four states—New Mexico, Texas, Kansas, and Colorado—are also on the list of states with the largest decreases in capacity. This inverse relationship between changes in capacity and effort reflects the fact that revenues have not fallen as fast as capacity in these states. In Vermont, however, revenues increased during the same period that capacity increased.

Of the states with the *largest decreases in tax effort*, three (Ohio, Michigan, and Wisconsin) are in the Great Lakes region. The two New England states (Rhode Island and Massachusetts) also exhibit significant increases in tax capacity between the two time periods. The large decreases in tax effort for Alaska and Wyoming accompany the large decreases in tax capacity for those two states.

Comparisons with Other Fiscal Capacity Measures

Table 7 presents the RTS and RRS state fiscal capacity indexes and rankings for 1988, along with those produced using two other measures of fiscal capacity: per capita income and total taxable resources. (Estimates of gross state product, another measure of fiscal capacity, are not available for 1988.) This table allows comparison of the index and rank of each state under the four different measures. Table 13 in Appendix B shows the state fiscal capacity indexes for each of the five measures (including gross state product) over time.[24]

The four measures show generally similar patterns of indexes and rankings for the states. However, the RTS and RRS tend to be more sensitive to changes in capacity than PCI and TTR; thus, the former measures give generally higher indexes to states such as those in the New England region whose capacity is increasing. Also, tourist states, such as Nevada and Hawaii, and states with large energy economies, such as those in the Southwest, tend to have somewhat higher indexes and rankings under the RTS and RRS measures than when measured by PCI; this is because the RTS and RRS capture the exporting potential of these states that PCI ignores. However, the differences among indexes for the energy states are much smaller than they have been in previous years, as the capacity to collect energy-related revenues has declined.

---

[24]For discussion of historical trends in fiscal capacity, see John Kincaid, "Fiscal Capacity and Tax Effort of the American States: Trends and Issues," *Public Budgeting and Finance*, Autumn 1989; Carol E. Cohen and Robert B. Lucke, "The Measurement of State Local Fiscal Capacity and the 1983 Representative Tax System Estimates," *Intergovernmental Perspective*, Fall 1985; Carol E. Cohen, "State Fiscal Capacity and Effort: An Update," *Intergovernmental Perspective*, Spring 1989; and previous ACIR reports on measuring fiscal capacity.

Chapter 5

1988 RTS and RRS Tables: By Revenue Base

In this chapter, the 1988 Representative Tax System (RTS) and Representative Revenue System (RRS) tables are organized by revenue base. In the following tables, for each tax or nontax revenue source, states are compared in terms of:

- tax or revenue base
- capacity per capita
- per capita capacity index and rank
- tax or revenue capacity
- tax or nontax revenue
- revenue per capita
- tax or revenue effort index and rank.

The *tax or revenue base* is an estimate of the resources available for taxation under a particular tax or revenue. A standard definition of tax or other revenue bases is used across all states.

Capacity per capita is the population divided into the revenue that could be collected (i.e., capacity) from the base when the representative (i.e., average) tax rate is applied.

The *per capita capacity index* compares each state's capacity per capita to the average for all states. An index of 100 is the average.

Tax or revenue capacity is the yield for each state when the representative tax rate is applied to the standardized measure of the tax or revenue base.

Tax revenue is the amount each state actually collected for that type of tax or revenue.

Revenue per capita is tax revenue divided by population.

The *tax or revenue effort index* is constructed by dividing actual taxes or revenues per capita by capacity per capita in each state, and then multiplying by 100. An index of 100 means that the state, compared to all others, utilizes the particular tax or revenue base to the national average extent.

These tables show, among other things, which states have the most (or least) capacity to use any particular tax or nontax revenue. For example, those states with oil and gas production and those without are evident. One can also see, for example, which states have the most per capita income tax or sales tax capacity. The rankings particularly facilitate interstate comparisons.

The effort data show which states lean the most on any particular revenue source. Common practice is to compare statutory tax rates (state general sales tax rates, for example) rather than effective rates. However, such comparisons may be misleading because states have chosen different legal definitions of tax base—sometimes creating a broad base that allows for low statutory rates, but sometimes allowing many exemptions that necessitate the use of a higher rate. Because the effort data reported here are based on standardized definitions of tax or revenue bases and revenue collections, no such distortion exists. The RTS/RRS representative rate shown for individual tax or revenue bases is nationwide revenue divided by the total standard base.

Tables 5-1 and 5-2 summarize the RTS and RRS, respectively. Next, Tables 5-3 through 5-33 provide information (including subtotal tables) for each of the 27 RTS tax bases. Tables 5-34 through 5-36 detail the three nontax RRS revenue bases that, added to the 27 RTS bases, constitute the Representative Revenue System.

Table 5-1
The Representative Tax System—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$1,352.68	76 / 48	$5,550.1	$4,682.7	$1,141.29	84 / 45
Alaska		2,823.47	159 / 1	1,482.3	1,888.9	3,597.82	127 / 3
Arizona		1,758.85	99 / 20	6,126.1	5,898.0	1,693.38	96 / 24
Arkansas		1,319.11	74 / 50	3,160.6	2,664.6	1,112.10	84 / 46
California		2,062.36	116 / 10	58,412.3	55,169.0	1,947.85	94 / 28
Colorado		1,897.67	107 / 14	6,262.3	5,564.2	1,686.12	89 / 39
Connecticut		2,526.71	143 / 2	8,166.3	7,373.8	2,281.48	90 / 36
Delaware		2,199.25	124 / 6	1,451.5	1,223.3	1,853.54	84 / 47
District of Columbia		2,187.52	123 / 8	1,340.9	2,060.3	3,361.07	154 / 1
Florida		1,845.39	104 / 18	22,768.4	18,773.4	1,521.59	82 / 49
Georgia		1,669.49	94 / 27	10,582.9	9,455.9	1,491.70	89 / 38
Hawaii		2,016.75	114 / 11	2,210.4	2,479.9	2,262.71	112 / 6
Idaho		1,352.11	76 / 49	1,356.2	1,263.7	1,259.92	93 / 31
Illinois		1,747.85	99 / 21	20,297.8	20,692.5	1,781.84	102 / 16
Indiana		1,548.56	87 / 36	8,608.4	8,006.0	1,440.19	93 / 33
Iowa		1,474.51	83 / 42	4,172.9	4,695.5	1,659.19	113 / 5
Kansas		1,618.48	91 / 28	4,039.7	4,182.3	1,675.60	104 / 13
Kentucky		1,441.09	81 / 43	5,369.5	4,737.0	1,271.34	88 / 41
Louisiana		1,476.37	83 / 41	6,506.4	5,856.9	1,329.00	90 / 37
Maine		1,744.03	98 / 22	2,103.3	2,207.2	1,830.20	105 / 11
Maryland		1,935.65	109 / 12	8,954.3	9,673.0	2,091.01	108 / 9
Massachusetts		2,295.20	129 / 4	13,518.7	12,721.8	2,159.89	94 / 29
Michigan		1,679.55	95 / 25	15,519.1	17,407.4	1,883.92	112 / 7
Minnesota		1,850.83	104 / 16	7,973.4	8,943.2	2,075.96	112 / 8
Mississippi		1,151.23	65 / 51	3,016.2	2,849.9	1,087.73	94 / 27
Missouri		1,589.72	90 / 32	8,171.1	7,051.1	1,371.80	86 / 44
Montana		1,506.37	85 / 38	1,212.6	1,238.3	1,538.27	102 / 15
Nebraska		1,586.52	90 / 34	2,543.2	2,495.1	1,556.49	98 / 21
Nevada		2,388.98	135 / 3	2,518.0	1,744.8	1,655.37	69 / 50
New Hampshire		2,227.51	126 / 5	2,416.8	1,597.1	1,471.99	66 / 51
New Jersey		2,197.66	124 / 7	16,961.5	17,116.4	2,217.73	101 / 17
New Mexico		1,476.66	83 / 40	2,229.8	2,218.4	1,469.15	99 / 19
New York		1,932.82	109 / 13	34,614.8	52,545.7	2,934.04	152 / 2
North Carolina		1,605.14	91 / 31	10,415.7	9,699.2	1,494.72	93 / 32
North Dakota		1,532.42	86 / 37	1,022.1	926.6	1,389.22	91 / 35
Ohio		1,610.05	91 / 30	17,493.2	17,026.5	1,567.10	97 / 22
Oklahoma		1,585.19	89 / 35	5,126.5	4,548.1	1,406.34	89 / 40
Oregon		1,615.54	91 / 29	4,471.8	4,433.4	1,601.66	99 / 20
Pennsylvania		1,672.98	94 / 26	20,072.4	19,531.4	1,627.88	97 / 23
Rhode Island		1,760.88	99 / 19	1,748.6	1,824.5	1,837.34	104 / 12
South Carolina		1,401.92	79 / 44	4,857.6	4,640.7	1,339.30	96 / 25
South Dakota		1,389.32	78 / 45	992.0	941.9	1,319.24	95 / 26
Tennessee		1,493.32	84 / 39	7,314.3	6,080.0	1,241.32	83 / 48
Texas		1,700.25	96 / 24	28,622.1	25,185.7	1,496.12	88 / 42
Utah		1,382.06	78 / 47	2,337.1	2,466.8	1,458.78	106 / 10
Vermont		1,859.40	105 / 15	1,037.5	1,037.9	1,859.97	100 / 18
Virginia		1,850.02	104 / 17	11,124.2	10,146.4	1,687.41	91 / 34
Washington		1,740.83	98 / 23	8,098.3	8,285.9	1,781.14	102 / 14
West Virginia		1,383.87	78 / 46	2,596.1	2,273.2	1,211.75	88 / 43
Wisconsin		1,589.44	90 / 33	7,680.2	9,169.9	1,897.75	119 / 4
Wyoming		2,182.70	123 / 9	1,047.7	980.0	2,041.70	94 / 30
US Total		$1,772.60	100	$435,675.4	$435,675.4	$1,772.60	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for particular taxes.
Source: Price Waterhouse

Table 5-2

The Representative Revenue System—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$1,691.13	77 / 46	$6,938.7	$6,625.4	$1,614.77	95 / 31
Alaska		5,614.57	255 / 1	2,947.7	3,601.0	6,859.04	122 / 3
Arizona		2,139.39	97 / 22	7,451.5	7,219.5	2,072.78	97 / 29
Arkansas		1,626.62	74 / 50	3,897.4	3,337.3	1,392.88	86 / 48
California		2,546.05	115 / 10	72,111.7	70,443.9	2,487.16	98 / 27
Colorado		2,328.08	106 / 14	7,682.7	7,248.4	2,196.50	94 / 36
Connecticut		3,141.02	142 / 2	10,151.8	8,410.8	2,602.34	83 / 49
Delaware		2,649.44	120 / 8	1,748.6	1,639.6	2,484.27	94 / 37
District of Columbia		2,787.50	126 / 5	1,708.7	2,332.6	3,805.25	137 / 2
Florida		2,262.29	103 / 17	27,912.1	24,312.5	1,970.54	87 / 46
Georgia		2,054.68	93 / 27	13,024.6	12,737.3	2,009.35	98 / 26
Hawaii		2,448.78	111 / 11	2,683.9	2,975.3	2,714.67	111 / 8
Idaho		1,666.61	76 / 49	1,671.6	1,642.2	1,637.28	98 / 24
Illinois		2,203.73	100 / 19	25,591.9	24,310.7	2,093.41	95 / 35
Indiana		1,934.18	88 / 36	10,752.1	10,320.1	1,856.47	96 / 30
Iowa		1,844.11	84 / 41	5,218.8	6,136.4	2,168.34	118 / 4
Kansas		2,009.22	91 / 30	5,015.0	5,221.2	2,091.81	104 / 15
Kentucky		1,764.74	80 / 43	6,575.4	5,862.2	1,573.32	89 / 43
Louisiana		1,856.20	84 / 39	8,180.3	7,933.6	1,800.22	97 / 28
Maine		2,131.91	97 / 23	2,571.1	2,552.9	2,116.81	99 / 22
Maryland		2,445.77	111 / 12	11,314.2	11,532.6	2,492.99	102 / 19
Massachusetts		2,883.98	131 / 3	16,986.6	15,130.5	2,568.84	89 / 44
Michigan		2,125.00	96 / 24	19,635.0	22,069.5	2,388.47	112 / 7
Minnesota		2,268.43	103 / 16	9,772.4	11,395.9	2,645.30	117 / 5
Mississippi		1,432.50	65 / 51	3,753.2	4,055.9	1,548.06	108 / 10
Missouri		1,971.03	89 / 32	10,131.1	8,720.1	1,696.51	86 / 47
Montana		1,850.52	84 / 40	1,489.7	1,523.6	1,892.68	102 / 18
Nebraska		1,963.60	89 / 34	3,147.6	3,343.4	2,085.74	106 / 12
Nevada		2,836.28	129 / 4	2,989.4	2,242.6	2,127.70	75 / 50
New Hampshire		2,723.03	123 / 7	2,954.5	1,948.6	1,795.92	66 / 51
New Jersey		2,775.76	126 / 6	21,423.3	20,358.6	2,637.81	95 / 34
New Mexico		1,944.00	88 / 35	2,935.4	3,011.2	1,994.15	103 / 17
New York		2,423.66	110 / 13	43,405.4	61,098.2	3,411.59	141 / 1
North Carolina		1,966.02	89 / 33	12,757.5	11,586.7	1,785.59	91 / 39
North Dakota		1,879.06	85 / 38	1,253.3	1,344.8	2,016.16	107 / 11
Ohio		2,020.40	92 / 28	21,951.7	21,499.3	1,978.76	98 / 25
Oklahoma		1,928.70	87 / 37	6,237.4	5,935.5	1,835.33	95 / 33
Oregon		2,013.75	91 / 29	5,574.1	5,794.9	2,093.53	104 / 16
Pennsylvania		2,094.82	95 / 25	25,133.6	23,282.3	1,940.52	93 / 38
Rhode Island		2,200.95	100 / 20	2,185.5	2,152.8	2,168.01	99 / 23
South Carolina		1,728.26	78 / 44	5,988.4	6,085.4	1,756.26	102 / 20
South Dakota		1,713.02	78 / 45	1,223.1	1,167.7	1,635.49	95 / 32
Tennessee		1,843.73	84 / 42	9,030.6	8,070.1	1,647.64	89 / 42
Texas		2,084.89	95 / 26	35,097.0	31,210.3	1,854.00	89 / 45
Utah		1,684.36	76 / 47	2,848.3	3,108.9	1,838.50	109 / 9
Vermont		2,249.78	102 / 18	1,255.4	1,252.8	2,245.08	100 / 21
Virginia		2,294.56	104 / 15	13,797.2	12,465.4	2,073.08	90 / 40
Washington		2,153.11	98 / 21	10,016.3	10,546.7	2,267.13	105 / 13
West Virginia		1,678.73	76 / 48	3,149.3	2,825.2	1,505.98	90 / 41
Wisconsin		1,990.76	90 / 31	9,619.3	11,208.4	2,319.61	117 / 6
Wyoming		2,611.92	118 / 9	1,253.7	1,314.4	2,738.39	105 / 14
US Total		$2,205.79	100	$542,145.1	$542,145.1	$2,205.79	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

*No combined tax base can be reported; see tables for particular taxes.

Source: Price Waterhouse

Table 5-3

General Sales and Gross Receipts Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$22,823	$334.94	76 / 49	$1,374.3	$1,473.3	$359.07	107 / 17
Alaska	4,253	487.83	111 / 11	256.1	56.4	107.50	22 / 47
Arizona	26,354	455.60	104 / 18	1,586.9	2,026.0	581.67	128 / 7
Arkansas	13,468	338.45	77 / 48	810.9	877.5	366.25	108 / 14
California	227,572	483.80	110 / 12	13,702.7	14,171.8	500.36	103 / 22
Colorado	23,984	437.61	100 / 20	1,444.1	1,435.8	435.09	99 / 25
Connecticut	29,429	548.27	125 / 4	1,772.0	1,984.0	613.85	112 / 13
Delaware	5,389	491.66	112 / 10	324.5	3.9	5.92	1 / 49
District of Columbia	4,816	473.02	108 / 13	290.0	424.5	692.44	146 / 4
Florida	105,905	516.84	118 / 8	6,376.8	6,865.9	556.49	108 / 16
Georgia	45,351	430.78	98 / 21	2,730.7	2,558.7	403.64	94 / 28
Hawaii	9,878	542.68	124 / 5	594.8	987.1	900.63	166 / 3
Idaho	5,448	327.08	74 / 50	328.1	330.6	329.58	101 / 24
Illinois	81,940	424.86	97 / 23	4,933.9	5,138.2	442.45	104 / 20
Indiana	37,278	403.78	92 / 32	2,244.6	2,361.9	424.88	105 / 19
Iowa	17,969	382.31	87 / 37	1,081.9	866.3	306.11	80 / 37
Kansas	15,839	382.09	87 / 40	953.7	990.4	396.80	104 / 21
Kentucky	24,250	391.89	89 / 35	1,460.2	1,143.2	306.81	78 / 38
Louisiana	27,325	373.35	85 / 43	1,645.3	2,315.9	525.50	141 / 6
Maine	9,896	494.06	112 / 9	595.8	491.9	407.91	83 / 34
Maryland	36,225	471.52	107 / 14	2,181.2	1,784.6	385.77	82 / 35
Massachusetts	52,814	539.91	123 / 6	3,180.1	2,071.3	351.67	65 / 44
Michigan	64,040	417.32	95 / 28	3,856.0	2,919.1	315.92	76 / 41
Minnesota	33,507	468.33	107 / 16	2,017.6	1,924.8	446.80	95 / 27
Mississippi	13,534	311.04	71 / 51	814.9	1,007.3	384.46	124 / 10
Missouri	35,379	414.45	94 / 29	2,130.3	2,246.1	436.98	105 / 18
Montana	4,915	367.66	84 / 44	296.0	3.4	4.19	1 / 50
Nebraska	10,614	398.71	91 / 33	639.1	522.8	326.17	82 / 36
Nevada	15,737	899.02	205 / 1	947.6	552.5	524.24	58 / 46
New Hampshire	11,263	625.06	142 / 2	678.2	76.9	70.90	11 / 48
New Jersey	66,664	520.08	118 / 7	4,014.0	3,136.8	406.43	78 / 39
New Mexico	9,022	359.75	82 / 46	543.2	923.4	611.55	170 / 2
New York	133,686	449.47	102 / 19	8,049.6	10,207.6	569.97	127 / 9
North Carolina	44,009	408.37	93 / 31	2,649.9	2,395.7	369.19	90 / 29
North Dakota	4,717	425.87	97 / 22	284.1	213.9	320.66	75 / 42
Ohio	71,071	393.87	90 / 34	4,279.4	3,653.7	336.28	85 / 32
Oklahoma	20,225	376.56	86 / 42	1,217.8	1,313.0	406.01	108 / 15
Oregon	18,918	411.53	94 / 30	1,139.1	0.0	0.00	0 / Z
Pennsylvania	83,893	421.02	96 / 24	5,051.5	3,846.6	320.60	76 / 40
Rhode Island	7,515	455.71	104 / 17	452.5	383.2	385.91	85 / 33
South Carolina	21,723	377.50	86 / 41	1,308.0	1,292.4	372.99	99 / 26
South Dakota	4,533	382.31	87 / 38	273.0	346.8	485.66	127 / 8
Tennessee	31,606	388.54	88 / 36	1,903.1	2,784.1	568.42	146 / 5
Texas	116,751	417.60	95 / 27	7,029.9	8,524.4	506.38	121 / 12
Utah	9,667	344.22	78 / 47	582.1	715.7	423.26	123 / 11
Vermont	5,097	550.06	125 / 3	306.9	195.5	350.28	64 / 45
Virginia	46,814	468.79	107 / 15	2,818.8	1,866.1	310.35	66 / 43
Washington	32,298	418.05	95 / 26	1,944.8	4,015.7	863.22	206 / 1
West Virginia	11,370	364.92	83 / 45	684.6	592.2	315.69	87 / 31
Wisconsin	33,558	418.18	95 / 25	2,020.7	1,776.6	367.67	88 / 30
Wyoming	3,047	382.29	87 / 39	183.5	189.2	394.19	103 / 23
US Total	$1,793,384	$439.35	100	$107,984.7	$107,984.7	$439.35	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 6.02%.
*Tax base is retail sales in millions of dollars.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-4

Total Selective Sales Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$186.66	101 / 24	$765.9	$936.2	$228.17	122 / 8
Alaska		185.63	101 / 25	97.5	82.2	156.60	84 / 42
Arizona		192.68	105 / 12	671.1	633.1	181.76	94 / 28
Arkansas		189.29	103 / 20	453.5	417.9	174.42	92 / 32
California		182.49	99 / 31	5,168.7	3,987.2	140.78	77 / 46
Colorado		175.12	95 / 43	577.9	531.1	160.94	92 / 33
Connecticut		199.87	109 / 7	646.0	895.8	277.18	139 / 4
Delaware		217.56	118 / 4	143.6	142.2	215.48	99 / 22
District of Columbia		253.93	138 / 2	155.7	147.7	240.99	95 / 27
Florida		191.12	104 / 17	2,358.0	3,233.6	262.08	137 / 5
Georgia		204.90	111 / 6	1,298.9	947.1	149.41	73 / 48
Hawaii		150.77	82 / 50	165.2	262.9	239.86	159 / 2
Idaho		164.33	89 / 48	164.8	151.1	150.66	92 / 34
Illinois		181.58	99 / 35	2,108.7	2,680.6	230.83	127 / 7
Indiana		190.64	104 / 18	1,059.8	657.2	118.22	62 / 50
Iowa		183.11	99 / 29	518.2	459.2	162.27	89 / 38
Kansas		187.97	102 / 22	469.2	407.5	163.25	87 / 40
Kentucky		192.19	104 / 13	716.1	598.0	160.48	84 / 43
Louisiana		179.18	97 / 38	789.7	801.1	181.77	101 / 20
Maine		191.78	104 / 15	231.3	245.5	203.57	106 / 15
Maryland		182.81	99 / 30	845.7	873.9	188.90	103 / 18
Massachusetts		193.92	105 / 11	1,142.2	843.2	143.15	74 / 47
Michigan		185.54	101 / 26	1,714.4	1,186.6	128.42	69 / 49
Minnesota		177.42	96 / 40	764.3	818.4	189.97	107 / 14
Mississippi		172.72	94 / 45	452.5	421.8	161.01	93 / 31
Missouri		194.44	106 / 10	999.4	871.3	169.51	87 / 39
Montana		192.12	104 / 14	154.7	186.9	232.12	121 / 9
Nebraska		184.61	100 / 28	295.9	278.1	173.49	94 / 30
Nevada		271.14	147 / 1	285.8	526.0	499.10	184 / 1
New Hampshire		215.64	117 / 5	234.0	180.5	166.35	77 / 45
New Jersey		196.88	107 / 9	1,519.5	2,050.6	265.69	135 / 6
New Mexico		181.86	99 / 33	274.6	245.4	162.49	89 / 37
New York		166.29	90 / 47	2,978.0	2,964.2	165.52	100 / 21
North Carolina		188.95	103 / 21	1,226.1	1,178.0	181.54	96 / 26
North Dakota		190.57	104 / 19	127.1	114.8	172.16	90 / 36
Ohio		181.67	99 / 34	1,973.8	1,950.3	179.50	99 / 23
Oklahoma		176.34	96 / 42	570.3	660.5	204.23	116 / 10
Oregon		178.88	97 / 39	495.1	385.7	139.35	78 / 44
Pennsylvania		176.97	96 / 41	2,123.3	2,169.0	180.78	102 / 19
Rhode Island		182.14	99 / 32	180.9	191.4	192.74	106 / 16
South Carolina		181.15	98 / 36	627.7	606.1	174.92	97 / 25
South Dakota		180.22	98 / 37	128.7	110.8	155.11	86 / 41
Tennessee		191.35	104 / 16	937.2	883.5	180.38	94 / 29
Texas		184.70	100 / 27	3,109.2	3,338.9	198.35	107 / 13
Utah		149.97	81 / 51	253.6	232.1	137.27	92 / 35
Vermont		197.30	107 / 8	110.1	108.0	193.58	98 / 24
Virginia		187.64	102 / 23	1,128.2	1,298.4	215.93	115 / 11
Washington		167.23	91 / 46	778.0	1,079.5	232.06	139 / 3
West Virginia		157.49	86 / 49	295.5	306.8	163.56	104 / 17
Wisconsin		173.10	94 / 44	836.4	906.0	187.50	108 / 12
Wyoming		246.21	134 / 3	118.2	55.9	116.49	47 / 51
US Total		$184.06	100	$45,240.0	$45,240.0	$184.06	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

*No combined tax base can be reported; see tables for particular selective sales taxes.

Source: Price Waterhouse

Table 5-5

Selective Sales: Parimutuel Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$603	$4.35	160 / 10	$17.9	$0.0	$0.00	0 / Z
Alaska	92	5.20	191 / 5	2.7	0.0	0.00	0 / Z
Arizona	575	4.89	180 / 7	17.0	10.1	2.91	60 / 23
Arkansas	118	1.46	54 / 42	3.5	20.6	8.58	589 / 2
California	2,300	2.40	89 / 22	68.1	129.5	4.57	190 / 8
Colorado	275	2.46	91 / 20	8.1	8.5	2.58	105 / 16
Connecticut	791	7.24	267 / 3	23.4	62.5	19.34	267 / 5
Delaware	112	5.03	185 / 6	3.3	0.1	0.12	2 / 31
District of Columbia	209	10.07	371 / 2	6.2	0.0	0.00	0 / Z
Florida	2,913	6.99	258 / 4	86.3	119.7	9.70	139 / 12
Georgia	605	2.83	104 / 17	17.9	0.0	0.00	0 / Z
Hawaii	477	12.88	475 / 1	14.1	0.0	0.00	0 / Z
Idaho	51	1.50	55 / 40	1.5	2.3	2.29	153 / 11
Illinois	631	1.61	59 / 38	18.7	50.0	4.30	268 / 4
Indiana	375	2.00	74 / 32	11.1	0.0	0.00	0 / Z
Iowa	215	2.25	83 / 26	6.4	0.0	0.00	0 / Z
Kansas	52	0.62	23 / 51	1.5	0.0	0.00	0 / Z
Kentucky	270	2.15	79 / 29	8.0	6.5	1.75	81 / 18
Louisiana	357	2.40	88 / 23	10.6	21.3	4.84	202 / 7
Maine	70	1.72	63 / 35	2.1	1.9	1.54	90 / 17
Maryland	530	3.39	125 / 13	15.7	2.7	0.59	17 / 30
Massachusetts	671	3.38	124 / 14	19.9	32.0	5.44	161 / 9
Michigan	503	1.61	59 / 37	14.9	20.2	2.18	136 / 13
Minnesota	129	0.88	33 / 49	3.8	0.0	0.00	0 / Z
Mississippi	214	2.42	89 / 21	6.3	0.0	0.00	0 / Z
Missouri	122	0.70	26 / 50	3.6	0.0	0.00	0 / Z
Montana	24	0.90	33 / 48	0.7	0.1	0.18	20 / 28
Nebraska	117	2.16	79 / 28	3.5	0.7	0.42	19 / 29
Nevada	170	4.78	176 / 8	5.0	0.0	0.01	0 / 32
New Hampshire	163	4.44	164 / 9	4.8	11.5	10.59	239 / 6
New Jersey	1,033	3.96	146 / 11	30.6	8.2	1.07	27 / 26
New Mexico	117	2.30	85 / 25	3.5	2.3	1.54	67 / 20
New York	1,969	3.26	120 / 16	58.3	92.3	5.16	158 / 10
North Carolina	516	2.36	87 / 24	15.3	0.0	0.00	0 / Z
North Dakota	48	2.15	79 / 30	1.4	0.0	0.00	0 / Z
Ohio	607	1.65	61 / 36	18.0	13.4	1.23	74 / 19
Oklahoma	167	1.53	56 / 39	5.0	1.6	0.50	33 / 25
Oregon	129	1.38	51 / 43	3.8	4.2	1.51	109 / 15
Pennsylvania	547	1.35	50 / 44	16.2	9.7	0.80	60 / 22
Rhode Island	113	3.36	124 / 15	3.3	10.8	10.87	323 / 3
South Carolina	324	2.77	102 / 18	9.6	0.0	0.00	0 / Z
South Dakota	51	2.10	77 / 31	1.5	1.0	1.40	67 / 21
Tennessee	443	2.68	99 / 19	13.1	0.0	0.00	0 / Z
Texas	1,227	2.16	80 / 27	36.4	0.0	0.00	0 / Z
Utah	113	1.98	73 / 33	3.3	0.0	0.00	0 / Z
Vermont	24	1.29	47 / 46	0.7	0.2	0.34	26 / 27
Virginia	757	3.73	137 / 12	22.4	0.0	0.00	0 / Z
Washington	230	1.46	54 / 41	6.8	8.9	1.91	131 / 14
West Virginia	72	1.14	42 / 47	2.1	13.8	7.35	646 / 1
Wisconsin	281	1.72	64 / 34	8.3	0.0	0.00	0 / Z
Wyoming	21	1.29	48 / 45	0.6	0.3	0.54	42 / 24
US Total	$22,520	$2.71	100	$666.9	$666.9	$2.71	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 2.96%.
*Tax base is parimutuel handle in millions of dollars (estimated for all states using regression analysis).
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-6

Selective Sales: Motor Fuels—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,477	$83.35	113 / 16	$342.0	$308.1	$75.10	90 / 40
Alaska	274	72.12	98 / 36	37.9	33.7	64.14	89 / 41
Arizona	1,983	78.61	107 / 26	273.8	314.9	90.42	115 / 19
Arkansas	1,622	93.44	127 / 4	223.9	217.2	90.66	97 / 36
California	14,357	69.97	95 / 42	1,981.9	1,292.3	45.63	65 / 48
Colorado	1,704	71.28	97 / 38	235.2	300.0	90.92	128 / 8
Connecticut	1,572	67.13	91 / 44	217.0	292.5	90.51	135 / 5
Delaware	396	82.89	113 / 17	54.7	81.4	123.34	149 / 2
District of Columbia	201	45.19	61 / 51	27.7	27.5	44.92	99 / 35
Florida	6,582	73.65	100 / 32	908.6	1,062.7	86.13	117 / 18
Georgia	4,309	93.83	128 / 3	594.8	411.7	64.95	69 / 47
Hawaii	382	48.12	65 / 49	52.7	85.1	77.68	161 / 1
Idaho	551	75.87	103 / 27	76.1	95.2	94.92	125 / 11
Illinois	5,621	66.81	91 / 45	775.9	847.8	73.01	109 / 25
Indiana	3,305	82.06	112 / 18	456.2	401.5	72.22	88 / 42
Iowa	1,676	81.77	111 / 20	231.4	266.1	94.03	115 / 20
Kansas	1,587	87.75	119 / 9	219.0	170.0	68.12	78 / 45
Kentucky	2,312	85.66	117 / 12	319.2	322.7	86.62	101 / 33
Louisiana	2,402	75.23	102 / 29	331.6	366.8	83.23	111 / 23
Maine	751	85.98	117 / 11	103.7	105.8	87.71	102 / 32
Maryland	2,379	70.99	97 / 40	328.4	441.6	95.46	134 / 6
Massachusetts	2,775	65.03	88 / 46	383.0	305.5	51.87	80 / 43
Michigan	4,753	71.00	97 / 39	656.1	687.3	74.38	105 / 28
Minnesota	2,363	75.73	103 / 28	326.3	391.7	90.91	120 / 16
Mississippi	1,545	81.42	111 / 21	213.3	234.6	89.54	110 / 24
Missouri	3,262	87.60	119 / 10	450.3	339.8	66.11	75 / 46
Montana	547	93.86	128 / 2	75.6	102.4	127.21	136 / 4
Nebraska	970	83.54	114 / 15	133.9	165.8	103.43	124 / 13
Nevada	699	91.52	124 / 7	96.5	121.6	115.38	126 / 10
New Hampshire	571	72.64	99 / 34	78.8	83.0	76.51	105 / 27
New Jersey	3,843	68.73	93 / 43	530.4	330.9	42.87	62 / 49
New Mexico	1,001	91.54	125 / 6	138.2	138.7	91.86	100 / 34
New York	6,231	48.03	65 / 50	860.1	500.5	27.95	58 / 51
North Carolina	3,856	82.03	112 / 19	532.3	596.6	91.94	112 / 22
North Dakota	443	91.71	125 / 5	61.2	63.7	95.45	104 / 29
Ohio	5,721	72.68	99 / 33	789.7	811.4	74.68	103 / 31
Oklahoma	1,980	84.50	115 / 14	273.3	311.4	96.28	114 / 21
Oregon	1,623	80.94	110 / 23	224.0	174.5	63.03	78 / 44
Pennsylvania	5,545	63.80	87 / 47	765.4	969.1	80.77	127 / 9
Rhode Island	432	60.00	82 / 48	59.6	54.8	55.15	92 / 39
South Carolina	1,859	74.05	101 / 30	256.6	306.0	88.31	119 / 17
South Dakota	473	91.44	124 / 8	65.3	61.8	86.62	95 / 37
Tennessee	3,035	85.55	116 / 13	419.0	503.5	102.80	120 / 15
Texas	9,841	80.70	110 / 24	1,358.5	1,473.8	87.55	108 / 26
Utah	905	73.92	101 / 31	125.0	129.4	76.51	104 / 30
Vermont	327	81.00	110 / 22	45.2	42.4	76.05	94 / 38
Virginia	3,509	80.57	110 / 25	484.5	593.7	98.73	123 / 14
Washington	2,444	72.53	99 / 35	337.4	435.5	93.61	129 / 7
West Virginia	971	71.48	97 / 37	134.1	167.7	89.37	125 / 12
Wisconsin	2,475	70.70	96 / 41	341.6	491.3	101.68	144 / 3
Wyoming	456	131.26	179 / 1	63.0	36.8	76.62	58 / 50
US Total	130,899	$73.52	100	$18,069.7	$18,069.7	$73.52	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = $0.14 per gallon.

*Tax base is motor fuel sales in millions of gallons, excluding use by state and local governments.

Source: Price Waterhouse

Table 5-7
Selective Sales: Insurance Premiums—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$5,470	$24.87	88 / 30	$102.0	$138.5	$33.76	136 / 10
Alaska	869	30.87	110 / 12	16.2	23.7	45.07	146 / 7
Arizona	4,830	25.87	92 / 27	90.1	72.4	20.80	80 / 43
Arkansas	2,676	20.83	74 / 47	49.9	44.4	18.54	89 / 34
California	46,151	30.40	108 / 13	861.0	1,152.5	40.69	134 / 11
Colorado	4,481	25.33	90 / 29	83.6	82.2	24.92	98 / 27
Connecticut	7,434	42.91	152 / 2	138.7	151.0	46.71	109 / 19
Delaware	1,377	38.91	138 / 4	25.7	25.2	38.16	98 / 28
District of Columbia	2,295	69.86	248 / 1	42.8	30.2	49.29	71 / 47
Florida	17,528	26.50	94 / 23	327.0	316.3	25.64	97 / 29
Georgia	9,190	27.05	96 / 19	171.4	150.3	23.71	88 / 36
Hawaii	1,874	31.90	113 / 10	35.0	38.9	35.47	111 / 17
Idaho	1,214	22.58	80 / 40	22.7	23.5	23.46	104 / 24
Illinois	17,896	28.75	102 / 17	333.8	187.0	16.10	56 / 50
Indiana	7,351	24.67	88 / 33	137.1	103.5	18.62	75 / 46
Iowa	4,047	26.68	95 / 22	75.5	81.0	28.63	107 / 22
Kansas	3,485	26.04	92 / 26	65.0	72.3	28.95	111 / 18
Kentucky	4,275	21.40	76 / 44	79.7	147.9	39.70	185 / 4
Louisiana	5,603	23.72	84 / 36	104.5	184.8	41.94	177 / 5
Maine	1,885	29.16	103 / 16	35.2	33.5	27.75	95 / 31
Maryland	7,304	29.46	105 / 15	136.3	128.1	27.69	94 / 33
Massachusetts	12,938	40.98	145 / 3	241.4	248.1	42.12	103 / 25
Michigan	15,635	31.57	112 / 11	291.7	43.9	4.75	15 / 51
Minnesota	6,096	26.40	94 / 24	113.7	126.8	29.43	111 / 16
Mississippi	2,855	20.33	72 / 48	53.3	76.4	29.18	144 / 8
Missouri	7,690	27.91	99 / 18	143.5	155.4	30.23	108 / 20
Montana	1,011	23.43	83 / 37	18.9	39.5	49.08	209 / 1
Nebraska	2,306	26.83	95 / 21	43.0	34.5	21.52	80 / 44
Nevada	1,292	22.87	81 / 39	24.1	46.4	44.07	193 / 3
New Hampshire	2,009	34.54	123 / 7	37.5	35.3	32.53	94 / 32
New Jersey	14,203	34.33	122 / 8	265.0	168.1	21.79	63 / 49
New Mexico	1,630	20.13	71 / 49	30.4	43.5	28.80	143 / 9
New York	33,757	35.16	125 / 6	629.8	489.5	27.33	78 / 45
North Carolina	7,797	22.42	80 / 41	145.5	186.8	28.79	128 / 14
North Dakota	962	26.89	95 / 20	17.9	14.7	21.98	82 / 42
Ohio	14,819	25.44	90 / 28	276.5	240.8	22.17	87 / 37
Oklahoma	3,700	21.35	76 / 45	69.0	137.2	42.43	199 / 2
Oregon	3,684	24.83	88 / 31	68.7	58.7	21.22	85 / 40
Pennsylvania	20,527	31.92	113 / 9	382.9	336.4	28.04	88 / 35
Rhode Island	1,901	35.72	127 / 5	35.5	30.4	30.58	86 / 39
South Carolina	4,120	22.18	79 / 43	76.9	83.2	24.01	108 / 21
South Dakota	850	22.22	79 / 42	15.9	23.5	32.89	148 / 6
Tennessee	6,516	24.82	88 / 32	121.6	122.4	25.00	101 / 26
Texas	22,226	24.63	87 / 34	414.6	545.8	32.42	132 / 13
Utah	1,620	17.87	63 / 51	30.2	25.3	14.95	84 / 41
Vermont	884	29.57	105 / 14	16.5	17.2	30.78	104 / 23
Virginia	8,397	26.05	92 / 25	156.6	180.5	30.01	115 / 15
Washington	5,833	23.39	83 / 38	108.8	93.6	20.12	86 / 38
West Virginia	1,917	19.06	68 / 50	35.8	47.2	25.14	132 / 12
Wisconsin	6,337	24.47	87 / 35	118.2	78.4	16.23	66 / 48
Wyoming	544	21.14	75 / 46	10.1	9.7	20.28	96 / 30
US Total	$371,292	$28.18	100	$6,926.5	$6,926.5	$28.18	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 1.87%.
*Tax base is gross insurance premiums in millions of dollars.
Source: Price Waterhouse

Table 5-8

Selective Sales: Tobacco Products—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	464	$20.91	103 / 22	$85.8	$85.5	$20.85	100 / 27
Alaska	44	15.37	76 / 48	8.1	8.9	16.91	110 / 24
Arizona	352	18.68	92 / 37	65.1	52.4	15.05	81 / 40
Arkansas	294	22.71	112 / 15	54.4	64.5	26.91	119 / 22
California	2,516	16.44	81 / 45	465.5	253.0	8.93	54 / 45
Colorado	317	17.75	87 / 39	58.6	63.8	19.34	109 / 25
Connecticut	340	19.45	96 / 33	62.9	87.2	26.98	139 / 11
Delaware	88	24.70	121 / 7	16.3	12.5	18.89	76 / 41
District of Columbia	66	19.83	97 / 29	12.2	11.2	18.29	92 / 32
Florida	1,453	21.79	107 / 19	268.8	340.1	27.57	127 / 19
Georgia	781	22.80	112 / 14	144.6	91.0	14.36	63 / 44
Hawaii	61	10.21	50 / 51	11.2	21.3	19.45	190 / 1
Idaho	87	16.12	79 / 46	16.2	16.3	16.20	101 / 26
Illinois	1,254	19.98	98 / 26	232.0	323.0	27.82	139 / 10
Indiana	746	24.84	122 / 6	138.1	116.3	20.91	84 / 38
Iowa	287	18.74	92 / 36	53.0	83.2	29.40	157 / 4
Kansas	258	19.09	94 / 34	47.7	59.7	23.90	125 / 20
Kentucky	653	32.43	159 / 2	120.8	14.8	3.98	12 / 50
Louisiana	501	21.03	103 / 20	92.7	74.8	16.97	81 / 39
Maine	149	22.86	112 / 13	27.6	40.7	33.72	148 / 7
Maryland	525	20.99	103 / 21	97.1	65.5	14.16	67 / 43
Massachusetts	657	20.65	101 / 24	121.6	168.5	28.60	139 / 12
Michigan	1,122	22.47	110 / 17	207.6	264.5	28.63	127 / 18
Minnesota	404	17.35	85 / 40	74.8	115.8	26.89	155 / 5
Mississippi	292	20.60	101 / 25	54.0	53.3	20.36	99 / 28
Missouri	659	23.73	117 / 8	122.0	105.1	20.44	86 / 36
Montana	73	16.66	82 / 44	13.4	12.1	14.97	90 / 33
Nebraska	150	17.34	85 / 41	27.8	39.0	24.33	140 / 9
Nevada	146	25.58	126 / 4	27.0	14.1	13.37	52 / 46
New Hampshire	191	32.62	160 / 1	35.4	31.7	29.21	90 / 34
New Jersey	833	19.97	98 / 27	154.1	221.8	28.74	144 / 8
New Mexico	119	14.52	71 / 49	21.9	18.8	12.46	86 / 37
New York	1,908	19.71	97 / 32	353.1	456.0	25.46	129 / 16
North Carolina	944	26.90	132 / 3	174.6	16.2	2.50	9 / 51
North Dakota	61	16.78	82 / 43	11.2	16.6	24.95	149 / 6
Ohio	1,326	22.58	111 / 16	245.4	229.1	21.09	93 / 31
Oklahoma	346	19.82	97 / 30	64.1	84.5	26.12	132 / 15
Oregon	296	19.81	97 / 31	54.8	70.3	25.40	128 / 17
Pennsylvania	1,288	19.86	98 / 28	238.3	228.9	19.08	96 / 29
Rhode Island	137	25.45	125 / 5	25.3	33.3	33.55	132 / 14
South Carolina	430	22.97	113 / 12	79.6	30.6	8.83	38 / 47
South Dakota	66	17.18	84 / 42	12.3	14.3	20.00	116 / 23
Tennessee	614	23.18	114 / 11	113.5	84.0	17.15	74 / 42
Texas	1,630	17.92	88 / 38	301.6	417.0	24.77	138 / 13
Utah	94	10.31	51 / 50	17.4	21.7	12.81	124 / 21
Vermont	71	23.48	115 / 10	13.1	12.3	21.96	94 / 30
Virginia	770	23.68	116 / 9	142.4	39.9	6.64	28 / 49
Washington	401	15.96	78 / 47	74.2	129.7	27.89	175 / 2
West Virginia	211	20.83	102 / 23	39.1	34.2	18.24	88 / 35
Wisconsin	496	19.00	93 / 35	91.8	147.3	30.48	160 / 3
Wyoming	57	22.05	108 / 18	10.6	4.0	8.43	38 / 48
US Total	27,027	$20.34	100	$5,000.4	$5,000.4	$20.34	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = $0.185 per package.

*Tax base is cigarette sales in millions of packs.

Source: Price Waterhouse

Table 5-9

Selective Sales: Amusements—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$350	$0.84	30 / 48	$3.4	$0.1	$0.01	2 / 39
Alaska	90	1.69	60 / 17	0.9	0.3	0.58	34 / 13
Arizona	569	1.61	57 / 22	5.6	0.8	0.24	15 / 26
Arkansas	213	0.88	31 / 45	2.1	0.3	0.14	16 / 24
California	20,846	7.24	258 / 2	205.1	0.2	0.01	0 / 42
Colorado	855	2.55	91 / 8	8.4	0.6	0.19	8 / 32
Connecticut	827	2.52	90 / 9	8.1	16.3	5.05	201 / 8
Delaware	116	1.72	61 / 16	1.1	0.1	0.20	12 / 29
District of Columbia	274	4.39	157 / 5	2.7	0.0	0.00	0 / Z
Florida	4,163	3.32	118 / 7	41.0	10.7	0.87	26 / 16
Georgia	927	1.44	51 / 27	9.1	0.0	0.00	0 / Z
Hawaii	254	2.28	81 / 11	2.5	0.0	0.00	0 / Z
Idaho	84	0.83	29 / 49	0.8	0.0	0.00	0 / Z
Illinois	2,665	2.26	80 / 12	26.2	9.5	0.82	36 / 12
Indiana	642	1.14	40 / 35	6.3	0.3	0.05	5 / 36
Iowa	315	1.10	39 / 37	3.1	11.1	3.92	358 / 6
Kansas	240	0.95	34 / 43	2.4	0.8	0.31	33 / 14
Kentucky	357	0.94	34 / 44	3.5	0.8	0.22	23 / 19
Louisiana	427	0.95	34 / 42	4.2	0.3	0.07	7 / 33
Maine	157	1.28	46 / 33	1.5	0.3	0.26	20 / 20
Maryland	858	1.83	65 / 14	8.4	1.6	0.35	19 / 22
Massachusetts	1,237	2.07	74 / 13	12.2	10.7	1.81	88 / 9
Michigan	1,563	1.66	59 / 20	15.4	0.2	0.03	2 / 41
Minnesota	737	1.68	60 / 18	7.3	0.0	0.00	0 / Z
Mississippi	129	0.48	17 / 51	1.3	0.3	0.13	26 / 15
Missouri	818	1.57	56 / 23	8.0	1.0	0.20	13 / 28
Montana	109	1.34	48 / 31	1.1	9.1	11.24	841 / 1
Nebraska	174	1.07	38 / 38	1.7	6.5	4.06	381 / 5
Nevada	5,549	51.80	1,846 / 1	54.6	307.9	292.14	564 / 3
New Hampshire	277	2.51	89 / 10	2.7	0.5	0.48	19 / 21
New Jersey	4,428	5.64	201 / 3	43.6	262.1	33.96	602 / 2
New Mexico	210	1.37	49 / 29	2.1	0.2	0.13	10 / 31
New York	7,888	4.33	154 / 6	77.6	5.0	0.28	6 / 34
North Carolina	690	1.05	37 / 40	6.8	3.5	0.54	52 / 11
North Dakota	38	0.56	20 / 50	0.4	1.3	1.89	335 / 7
Ohio	1,790	1.62	58 / 21	17.6	0.0	0.00	0 / Z
Oklahoma	330	1.00	36 / 41	3.2	1.7	0.53	53 / 10
Oregon	382	1.36	48 / 30	3.8	0.7	0.26	19 / 23
Pennsylvania	1,785	1.46	52 / 26	17.6	0.3	0.02	2 / 40
Rhode Island	169	1.68	60 / 19	1.7	0.2	0.24	14 / 27
South Carolina	373	1.06	38 / 39	3.7	18.9	5.46	515 / 4
South Dakota	62	0.86	31 / 46	0.6	0.1	0.20	23 / 18
Tennessee	738	1.48	53 / 24	7.3	0.0	0.00	0 / Z
Texas	2,432	1.42	51 / 28	23.9	3.6	0.21	15 / 25
Utah	253	1.47	52 / 25	2.5	0.0	0.00	0 / Z
Vermont	312	5.50	196 / 4	3.1	0.2	0.35	6 / 35
Virginia	787	1.29	46 / 32	7.7	0.1	0.02	2 / 38
Washington	830	1.76	63 / 15	8.2	0.3	0.06	4 / 37
West Virginia	161	0.85	30 / 47	1.6	0.4	0.20	23 / 17
Wisconsin	576	1.17	42 / 34	5.7	0.6	0.13	11 / 30
Wyoming	54	1.11	39 / 36	0.5	0.0	0.00	0 / Z
US Total	$70,112	$2.81	100	$689.8	$689.8	$2.81	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 0.98%.
*Tax base is amusement receipts in millions of dollars.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-10

Selective Sales: Public Utilities—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$4,880	$41.89	98 / 24	$171.9	$263.2	$64.14	153 / 10
Alaska	637	42.74	100 / 20	22.4	2.2	4.18	10 / 47
Arizona	4,656	47.08	110 / 5	164.0	141.1	40.52	86 / 18
Arkansas	2,765	40.64	95 / 31	97.4	45.0	18.78	46 / 33
California	32,431	40.32	94 / 34	1,142.1	1,031.0	36.40	90 / 16
Colorado	3,827	40.84	96 / 30	134.8	53.8	16.32	40 / 35
Connecticut	4,056	44.20	103 / 13	142.9	254.8	78.84	178 / 5
Delaware	869	46.35	108 / 8	30.6	17.9	27.20	59 / 26
District of Columbia	1,330	76.43	179 / 1	46.8	73.1	119.21	156 / 9
Florida	14,391	41.08	96 / 29	506.8	930.9	75.45	184 / 4
Georgia	7,785	43.25	101 / 17	274.2	88.8	14.01	32 / 38
Hawaii	952	30.59	72 / 51	33.5	79.4	72.41	237 / 2
Idaho	1,038	36.46	85 / 47	36.6	4.6	4.62	13 / 45
Illinois	15,709	47.64	112 / 4	553.2	1,152.7	99.26	208 / 3
Indiana	6,992	44.30	104 / 12	246.3	0.0	0.00	0 / Z
Iowa	3,391	42.20	99 / 22	119.4	5.2	1.84	4 / 48
Kansas	3,093	43.64	102 / 15	108.9	57.4	23.01	53 / 28
Kentucky	4,179	39.50	92 / 38	147.2	55.7	14.96	38 / 37
Louisiana	5,381	43.00	101 / 18	189.5	99.5	22.58	53 / 29
Maine	1,236	36.09	84 / 48	43.5	29.4	24.40	68 / 23
Maryland	5,324	40.53	95 / 33	187.5	206.3	44.60	110 / 14
Massachusetts	7,464	44.63	104 / 11	262.9	0.0	0.00	0 / Z
Michigan	11,371	43.34	101 / 16	400.5	50.4	5.45	13 / 46
Minnesota	5,033	41.15	96 / 28	177.3	128.2	29.76	72 / 22
Mississippi	2,715	36.50	85 / 46	95.6	20.8	7.95	22 / 41
Missouri	5,918	40.55	95 / 32	208.4	246.1	47.87	118 / 12
Montana	957	41.87	98 / 25	33.7	10.5	13.04	31 / 39
Nebraska	1,896	41.65	97 / 26	66.8	15.7	9.82	24 / 40
Nevada	1,347	45.02	105 / 10	47.4	24.9	23.60	52 / 30
New Hampshire	1,295	42.03	98 / 23	45.6	7.1	6.52	16 / 43
New Jersey	10,769	49.14	115 / 3	379.3	1,004.2	130.12	265 / 1
New Mexico	1,668	38.90	91 / 40	58.7	24.3	16.11	41 / 34
New York	21,139	41.57	97 / 27	744.4	1,245.8	69.56	167 / 7
North Carolina	7,814	42.41	99 / 21	275.2	226.1	34.84	82 / 19
North Dakota	734	38.73	91 / 41	25.8	13.0	19.48	50 / 31
Ohio	14,360	46.55	109 / 7	505.7	588.2	54.14	116 / 13
Oklahoma	3,543	38.59	90 / 42	124.8	68.7	21.25	55 / 27
Oregon	2,922	37.17	87 / 45	102.9	66.4	23.99	65 / 24
Pennsylvania	15,964	46.86	110 / 6	562.2	486.3	40.53	87 / 17
Rhode Island	1,113	39.48	92 / 39	39.2	54.1	54.49	138 / 11
South Carolina	4,321	43.92	103 / 14	152.2	60.3	17.41	40 / 36
South Dakota	698	34.44	81 / 50	24.6	1.0	1.40	4 / 49
Tennessee	5,953	42.80	100 / 19	209.7	39.2	8.00	19 / 42
Texas	21,804	45.61	107 / 9	767.9	583.2	34.65	76 / 21
Utah	1,791	37.31	87 / 44	63.1	39.5	23.36	63 / 25
Vermont	633	39.96	94 / 36	22.3	21.1	37.75	94 / 15
Virginia	6,797	39.81	93 / 37	239.4	388.8	64.66	162 / 8
Washington	5,061	38.31	90 / 43	178.2	309.6	66.54	174 / 6
West Virginia	1,890	35.47	83 / 49	66.5	31.6	16.83	47 / 32
Wisconsin	5,513	40.18	94 / 35	194.1	149.7	30.98	77 / 20
Wyoming	764	56.09	131 / 2	26.9	3.9	8.13	14 / 44
US Total	$298,170	$42.72	100	$10,500.8	$10,500.8	$42.72	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 3.52%.
*Tax base is public utility sales in millions of dollars.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-11

Selective Sales: Alcoholic Beverages, Total—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$10.45	76 / 44	$42.9	$140.8	$34.32	328 / 1
Alaska		17.65	128 / 6	9.3	13.5	25.71	146 / 14
Arizona		15.95	116 / 11	55.5	41.2	11.83	74 / 31
Arkansas		9.35	68 / 49	22.4	25.9	10.81	116 / 20
California		15.71	114 / 13	445.0	128.7	4.54	29 / 50
Colorado		14.91	108 / 16	49.2	22.0	6.67	45 / 41
Connecticut		16.42	119 / 10	53.1	31.5	9.75	59 / 35
Delaware		17.96	130 / 4	11.9	5.0	7.58	42 / 43
District of Columbia		28.16	204 / 2	17.3	5.7	9.30	33 / 48
Florida		17.79	129 / 5	219.5	453.2	36.73	206 / 6
Georgia		13.71	100 / 27	86.9	205.3	32.39	236 / 3
Hawaii		14.80	107 / 17	16.2	38.2	34.85	236 / 4
Idaho		10.98	80 / 41	11.0	9.2	9.17	84 / 27
Illinois		14.53	106 / 19	168.8	110.6	9.52	66 / 33
Indiana		11.64	84 / 39	64.7	35.7	6.42	55 / 37
Iowa		10.37	75 / 45	29.4	12.6	4.45	43 / 42
Kansas		9.88	72 / 47	24.7	47.3	18.95	192 / 8
Kentucky		10.11	73 / 46	37.7	49.4	13.26	131 / 16
Louisiana		12.84	93 / 31	56.6	53.5	12.14	95 / 23
Maine		14.70	107 / 18	17.7	34.0	28.19	192 / 9
Maryland		15.62	113 / 14	72.3	28.0	6.05	39 / 45
Massachusetts		17.19	125 / 7	101.3	78.4	13.31	77 / 29
Michigan		13.89	101 / 24	128.3	120.1	13.00	94 / 24
Minnesota		14.22	103 / 21	61.3	55.9	12.98	91 / 25
Mississippi		10.96	80 / 42	28.7	36.3	13.85	126 / 18
Missouri		12.38	90 / 33	63.7	23.9	4.65	38 / 46
Montana		14.05	102 / 23	11.3	13.2	16.40	117 / 19
Nebraska		12.03	87 / 35	19.3	15.9	9.92	82 / 28
Nevada		29.58	215 / 1	31.2	11.1	10.53	36 / 47
New Hampshire		26.85	195 / 3	29.1	11.4	10.51	39 / 44
New Jersey		15.11	110 / 15	116.6	55.2	7.15	47 / 40
New Mexico		13.10	95 / 30	19.8	17.5	11.59	88 / 26
New York		14.22	103 / 20	254.7	175.1	9.78	69 / 32
North Carolina		11.78	86 / 37	76.5	148.8	22.93	195 / 7
North Dakota		13.74	100 / 26	9.2	5.6	8.40	61 / 34
Ohio		11.13	81 / 40	121.0	67.4	6.20	56 / 36
Oklahoma		9.55	69 / 48	30.9	55.4	17.13	179 / 10
Oregon		13.39	97 / 28	37.1	10.9	3.94	29 / 49
Pennsylvania		11.73	85 / 38	140.7	138.4	11.54	98 / 22
Rhode Island		16.46	120 / 9	16.3	7.8	7.85	48 / 39
South Carolina		14.20	103 / 22	49.2	107.1	30.91	218 / 5
South Dakota		11.98	87 / 36	8.6	9.0	12.61	105 / 21
Tennessee		10.84	79 / 43	53.1	134.4	27.44	253 / 2
Texas		12.26	89 / 34	206.3	315.5	18.74	153 / 13
Utah		7.12	52 / 51	12.0	16.3	9.64	135 / 15
Vermont		16.52	120 / 8	9.2	14.7	26.34	159 / 11
Virginia		12.51	91 / 32	75.2	95.4	15.87	127 / 17
Washington		13.82	100 / 25	64.3	102.0	21.93	159 / 12
West Virginia		8.67	63 / 50	16.3	12.1	6.45	74 / 30
Wisconsin		15.86	115 / 12	76.6	38.6	7.99	50 / 38
Wyoming		13.28	96 / 29	6.4	1.2	2.50	19 / 51
US Total		$13.78	100	$3,385.9	$3,385.9	$13.78	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

*No combined tax base can be reported; see tables for distilled spirits, wine, and beer.

Source: Price Waterhouse

Table 5-12

Alcoholic Beverages: Distilled Spirits—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	4,799	$5.30	76 / 40	$21.7	$47.3	$11.53	218 / 3
Alaska	1,153	9.94	143 / 5	5.2	7.0	13.33	134 / 13
Arizona	5,848	7.60	109 / 20	26.5	17.7	5.08	67 / 33
Arkansas	2,374	4.49	64 / 48	10.7	10.1	4.22	94 / 25
California	48,698	7.79	112 / 16	220.5	98.1	3.46	44 / 43
Colorado	5,760	7.90	113 / 14	26.1	13.2	4.00	51 / 39
Connecticut	6,949	9.74	140 / 6	31.5	21.2	6.56	67 / 31
Delaware	1,534	10.52	151 / 4	6.9	3.3	5.00	48 / 40
District of Columbia	2,473	18.27	262 / 1	11.2	3.8	6.20	34 / 46
Florida	25,707	9.43	135 / 8	116.4	163.6	13.26	141 / 11
Georgia	10,883	7.77	112 / 17	49.3	53.1	8.38	108 / 19
Hawaii	1,592	6.58	94 / 27	7.2	9.2	8.39	128 / 14
Idaho	1,072	4.84	69 / 45	4.9	4.9	4.89	101 / 21
Illinois	18,942	7.39	106 / 23	85.8	64.3	5.54	75 / 29
Indiana	7,138	5.81	83 / 35	32.3	18.6	3.35	58 / 35
Iowa	2,729	4.37	63 / 49	12.4	0.0	0.00	0 / Z
Kansas	2,688	4.88	70 / 44	12.2	19.7	7.89	162 / 7
Kentucky	4,313	5.24	75 / 41	19.5	18.7	5.02	96 / 23
Louisiana	6,146	6.31	91 / 30	27.8	14.9	3.38	54 / 37
Maine	2,142	8.04	115 / 13	9.7	14.9	12.35	154 / 10
Maryland	9,137	8.94	128 / 9	41.4	14.1	3.05	34 / 45
Massachusetts	12,636	9.71	139 / 7	57.2	52.0	8.83	91 / 26
Michigan	14,978	7.34	105 / 24	67.8	66.8	7.23	98 / 22
Minnesota	7,446	7.83	112 / 15	33.7	38.2	8.87	113 / 17
Mississippi	3,226	5.58	80 / 38	14.6	11.7	4.47	80 / 28
Missouri	6,805	5.99	86 / 34	30.8	13.8	2.68	45 / 42
Montana	1,160	6.52	94 / 29	5.3	8.5	10.56	162 / 8
Nebraska	1,994	5.63	81 / 37	9.0	5.9	3.68	65 / 34
Nevada	4,101	17.62	253 / 2	18.6	6.6	6.26	36 / 44
New Hampshire	4,115	17.17	246 / 3	18.6	0.1	0.09	1 / 49
New Jersey	14,245	8.36	120 / 11	64.5	43.2	5.60	67 / 32
New Mexico	1,883	5.65	81 / 36	8.5	7.2	4.77	84 / 27
New York	30,692	7.76	111 / 18	139.0	141.2	7.88	102 / 20
North Carolina	8,723	6.09	87 / 32	39.5	80.8	12.45	205 / 5
North Dakota	1,103	7.49	107 / 21	5.0	2.8	4.20	56 / 36
Ohio	11,465	4.78	69 / 47	51.9	23.3	2.14	45 / 41
Oklahoma	3,432	4.81	69 / 46	15.5	30.4	9.40	196 / 6
Oregon	3,824	6.26	90 / 31	17.3	0.0	0.00	0 / Z
Pennsylvania	13,719	5.18	74 / 42	62.1	86.1	7.18	139 / 12
Rhode Island	1,918	8.75	126 / 10	8.7	4.5	4.53	52 / 38
South Carolina	5,899	7.71	111 / 19	26.7	42.8	12.35	160 / 9
South Dakota	1,033	6.55	94 / 28	4.7	4.4	6.16	94 / 24
Tennessee	5,772	5.34	77 / 39	26.1	31.6	6.45	121 / 16
Texas	18,378	4.94	71 / 43	83.2	222.0	13.19	267 / 1
Utah	1,388	3.72	53 / 50	6.3	6.9	4.08	110 / 18
Vermont	1,014	8.23	118 / 12	4.6	9.7	17.38	211 / 4
Virginia	8,017	6.04	87 / 33	36.3	45.1	7.50	124 / 15
Washington	6,939	6.75	97 / 26	31.4	79.9	17.18	254 / 2
West Virginia	1,489	3.59	52 / 51	6.7	2.1	1.12	31 / 47
Wisconsin	7,988	7.49	107 / 22	36.2	26.4	5.46	73 / 30
Wyoming	744	7.02	101 / 25	3.4	0.8	1.67	24 / 48
US Total	378,203	$6.97	100	$1,712.5	$1,712.5	$6.97	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $4.53 per gallon.
Z = Zero revenue reported.
*Tax base is distilled spirits sales in thousands of gallons.
Source: Price Waterhouse

Table 5-13
Alcoholic Beverages: Beer—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,569	$4.49	82 / 46	$18.4	$85.6	$20.86	465 / 1
Alaska	442	6.03	110 / 12	3.2	5.1	9.71	161 / 12
Arizona	3,299	6.79	124 / 5	23.6	16.0	4.59	68 / 26
Arkansas	1,458	4.36	80 / 49	10.4	13.7	5.72	131 / 16
California	21,511	5.44	99 / 26	154.1	26.3	0.93	17 / 49
Colorado	2,575	5.59	102 / 19	18.4	6.6	2.00	36 / 41
Connecticut	2,158	4.78	87 / 43	15.5	6.8	2.10	44 / 36
Delaware	547	5.94	108 / 13	3.9	1.1	1.67	28 / 45
District of Columbia	530	6.19	113 / 11	3.8	1.2	1.96	32 / 43
Florida	11,699	6.79	124 / 4	83.8	212.5	17.22	254 / 6
Georgia	4,432	5.01	91 / 37	31.8	131.8	20.79	415 / 2
Hawaii	1,006	6.58	120 / 6	7.2	25.2	22.99	350 / 4
Idaho	681	4.87	89 / 39	4.9	3.3	3.29	68 / 27
Illinois	9,367	5.78	106 / 16	67.1	33.7	2.90	50 / 33
Indiana	3,923	5.06	92 / 35	28.1	13.7	2.46	49 / 34
Iowa	2,097	5.31	97 / 30	15.0	9.7	3.43	65 / 28
Kansas	1,550	4.45	81 / 47	11.1	23.4	9.38	211 / 8
Kentucky	2,297	4.42	81 / 48	16.5	26.5	7.11	161 / 11
Louisiana	3,501	5.69	104 / 17	25.1	37.0	8.40	148 / 14
Maine	890	5.29	97 / 31	6.4	15.8	13.10	248 / 7
Maryland	3,439	5.33	97 / 29	24.6	9.6	2.08	39 / 38
Massachusetts	4,580	5.57	102 / 21	32.8	15.4	2.61	47 / 35
Michigan	6,924	5.37	98 / 28	49.6	43.7	4.73	88 / 23
Minnesota	3,180	5.29	97 / 32	22.8	14.1	3.27	62 / 31
Mississippi	1,851	5.06	92 / 34	13.3	23.7	9.05	179 / 10
Missouri	3,915	5.46	100 / 24	28.0	7.3	1.42	26 / 48
Montana	717	6.38	117 / 7	5.1	3.0	3.73	58 / 32
Nebraska	1,255	5.61	102 / 18	9.0	8.3	5.18	92 / 22
Nevada	1,335	9.08	166 / 1	9.6	2.8	2.66	29 / 44
New Hampshire	1,193	7.87	144 / 2	8.5	10.9	10.05	128 / 17
New Jersey	5,204	4.83	88 / 41	37.3	5.2	0.67	14 / 50
New Mexico	1,326	6.29	115 / 9	9.5	7.4	4.90	78 / 25
New York	11,979	4.79	88 / 42	85.8	23.7	1.32	28 / 46
North Carolina	4,201	4.64	85 / 44	30.1	59.6	9.18	198 / 9
North Dakota	519	5.58	102 / 20	3.7	2.4	3.60	65 / 29
Ohio	8,313	5.48	100 / 23	59.6	38.1	3.51	64 / 30
Oklahoma	1,913	4.24	77 / 50	13.7	19.9	6.15	145 / 15
Oregon	2,021	5.23	96 / 33	14.5	4.9	1.77	34 / 42
Pennsylvania	9,777	5.84	107 / 15	70.0	27.6	2.30	39 / 37
Rhode Island	811	5.85	107 / 14	5.8	2.1	2.11	36 / 40
South Carolina	2,680	5.54	101 / 22	19.2	57.9	16.71	302 / 5
South Dakota	484	4.86	89 / 40	3.5	3.8	5.32	110 / 19
Tennessee	3,396	4.97	91 / 38	24.3	96.1	19.62	395 / 3
Texas	14,953	6.36	116 / 8	107.1	86.6	5.14	81 / 24
Utah	696	2.95	54 / 51	5.0	7.6	4.49	152 / 13
Vermont	485	6.23	114 / 10	3.5	3.8	6.81	109 / 20
Virginia	4,523	5.39	98 / 27	32.4	38.6	6.42	119 / 18
Washington	3,256	5.01	92 / 36	23.3	8.8	1.89	38 / 39
West Virginia	1,215	4.64	85 / 45	8.7	8.4	4.48	97 / 21
Wisconsin	4,831	7.16	131 / 3	34.6	9.5	1.97	27 / 47
Wyoming	365	5.45	100 / 25	2.6	0.2	0.42	8 / 51
US Total	187,874	$5.48	100	$1,346.0	$1,346.0	$5.48	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $7.16 per barrel.
*Tax base is beer sales in thousands of barrels.
Source: Price Waterhouse

Table 5-14

Alcoholic Beverages: Wine—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	4,596	$0.67	50 / 42	$2.7	$7.9	$1.93	288 / 6
Alaska	1,469	1.67	125 / 13	0.9	1.4	2.67	160 / 19
Arizona	9,099	1.56	117 / 16	5.4	7.5	2.15	138 / 22
Arkansas	2,005	0.50	37 / 47	1.2	2.1	0.88	176 / 17
California	118,115	2.49	187 / 3	70.4	4.3	0.15	6 / 51
Colorado	7,830	1.41	106 / 18	4.7	2.2	0.67	47 / 43
Connecticut	10,322	1.90	143 / 9	6.2	3.5	1.08	57 / 40
Delaware	1,653	1.49	112 / 17	1.0	0.6	0.91	61 / 38
District of Columbia	3,809	3.70	278 / 1	2.3	0.7	1.14	31 / 49
Florida	32,411	1.57	118 / 15	19.3	77.1	6.25	399 / 1
Georgia	9,847	0.93	69 / 33	5.9	20.4	3.22	348 / 2
Hawaii	3,018	1.64	123 / 14	1.8	3.8	3.47	211 / 10
Idaho	2,136	1.27	95 / 22	1.3	1.0	1.00	79 / 33
Illinois	26,695	1.37	103 / 19	15.9	12.6	1.08	79 / 32
Indiana	7,171	0.77	58 / 38	4.3	3.4	0.61	80 / 31
Iowa	3,320	0.70	52 / 40	2.0	2.9	1.02	147 / 20
Kansas	2,307	0.55	41 / 44	1.4	4.2	1.68	306 / 4
Kentucky	2,828	0.45	34 / 49	1.7	4.2	1.13	249 / 8
Louisiana	6,193	0.84	63 / 35	3.7	1.6	0.36	43 / 46
Maine	2,765	1.37	103 / 20	1.6	3.3	2.74	200 / 11
Maryland	10,516	1.35	102 / 21	6.3	4.3	0.93	69 / 35
Massachusetts	18,846	1.91	143 / 7	11.2	11.0	1.87	98 / 28
Michigan	18,274	1.18	88 / 24	10.9	9.6	1.04	88 / 30
Minnesota	7,982	1.10	83 / 27	4.8	3.6	0.84	76 / 34
Mississippi	1,429	0.33	24 / 51	0.9	0.9	0.34	106 / 26
Missouri	8,039	0.93	70 / 32	4.8	2.8	0.54	58 / 39
Montana	1,546	1.14	86 / 26	0.9	1.7	2.11	185 / 15
Nebraska	2,113	0.79	59 / 37	1.3	1.7	1.06	135 / 23
Nevada	5,109	2.89	217 / 2	3.0	1.7	1.61	56 / 41
New Hampshire	3,286	1.80	135 / 11	2.0	0.4	0.37	20 / 50
New Jersey	24,833	1.92	144 / 6	14.8	6.8	0.88	46 / 45
New Mexico	2,952	1.16	87 / 25	1.8	2.9	1.92	165 / 18
New York	50,250	1.67	126 / 12	29.9	10.2	0.57	34 / 48
North Carolina	11,526	1.06	79 / 29	6.9	8.4	1.29	122 / 24
North Dakota	755	0.67	51 / 41	0.4	0.4	0.60	89 / 29
Ohio	15,936	0.87	66 / 34	9.5	6.0	0.55	63 / 37
Oklahoma	2,750	0.51	38 / 46	1.6	5.1	1.58	311 / 3
Oregon	8,845	1.90	143 / 8	5.3	6.0	2.17	114 / 25
Pennsylvania	14,295	0.71	53 / 39	8.5	24.7	2.06	290 / 5
Rhode Island	3,104	1.86	140 / 10	1.8	1.2	1.21	65 / 36
South Carolina	5,519	0.95	71 / 31	3.3	6.4	1.85	195 / 14
South Dakota	689	0.58	43 / 43	0.4	0.8	1.12	195 / 13
Tennessee	4,397	0.53	40 / 45	2.6	6.7	1.37	256 / 7
Texas	26,845	0.95	71 / 30	16.0	6.9	0.41	43 / 47
Utah	1,291	0.45	34 / 48	0.8	1.8	1.06	234 / 9
Vermont	1,928	2.06	155 / 4	1.1	1.2	2.15	104 / 27
Virginia	10,892	1.08	81 / 28	6.5	11.7	1.95	180 / 16
Washington	16,040	2.05	154 / 5	9.6	13.3	2.86	139 / 21
West Virginia	1,375	0.44	33 / 50	0.8	1.6	0.85	195 / 12
Wisconsin	9,817	1.21	91 / 23	5.8	2.7	0.56	46 / 44
Wyoming	654	0.81	61 / 36	0.4	0.2	0.42	51 / 42
US Total	549,422	$1.33	100	$327.4	$327.4	$1.33	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = $0.60 per gallon.

*Tax base is wine sales in thousands of gallons.

Source: Price Waterhouse

Table 5-15
All License Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$57.87	118 / 15	$237.4	$148.0	$36.06	62 / 46
Alaska		60.20	122 / 10	31.6	37.2	70.95	118 / 17
Arizona		54.09	110 / 22	188.4	216.2	62.08	115 / 18
Arkansas		48.83	99 / 37	117.0	90.7	37.86	78 / 37
California		47.20	96 / 39	1,336.9	1,229.7	43.42	92 / 26
Colorado		62.01	126 / 7	204.6	139.1	42.15	68 / 43
Connecticut		44.00	89 / 43	142.2	225.0	69.63	158 / 3
Delaware		50.31	102 / 30	33.2	228.6	346.32	688 / 1
District of Columbia		25.33	51 / 51	15.5	23.5	38.32	151 / 5
Florida		55.10	112 / 20	679.8	544.2	44.10	80 / 34
Georgia		55.48	113 / 17	351.7	116.1	18.32	33 / 51
Hawaii		37.43	76 / 49	41.0	43.7	39.83	106 / 20
Idaho		73.10	149 / 5	73.3	53.1	52.93	72 / 40
Illinois		42.44	86 / 45	492.9	783.2	67.44	159 / 2
Indiana		49.61	101 / 34	275.8	156.4	28.13	57 / 48
Iowa		62.52	127 / 6	176.9	222.9	78.77	126 / 12
Kansas		60.14	122 / 11	150.1	100.5	40.28	67 / 45
Kentucky		52.50	107 / 26	195.6	110.6	29.69	57 / 49
Louisiana		49.40	100 / 35	217.7	104.7	23.76	48 / 50
Maine		52.96	108 / 24	63.9	75.4	62.49	118 / 16
Maryland		46.25	94 / 40	213.9	153.9	33.28	72 / 41
Massachusetts		39.03	79 / 48	229.9	204.8	34.77	89 / 28
Michigan		51.60	105 / 27	476.8	503.6	54.51	106 / 21
Minnesota		50.84	103 / 28	219.0	320.7	74.45	146 / 7
Mississippi		44.51	90 / 42	116.6	94.1	35.93	81 / 33
Missouri		53.69	109 / 23	276.0	235.5	45.82	85 / 30
Montana		82.41	168 / 2	66.3	65.7	81.57	99 / 24
Nebraska		61.13	124 / 8	98.0	71.7	44.70	73 / 39
Nevada		55.25	112 / 18	58.2	70.6	66.97	121 / 15
New Hampshire		54.47	111 / 21	59.1	62.2	57.32	105 / 22
New Jersey		42.28	86 / 46	326.3	497.9	64.51	153 / 4
New Mexico		60.42	123 / 9	91.2	115.3	76.35	126 / 11
New York		35.56	72 / 50	636.9	629.0	35.12	99 / 25
North Carolina		49.84	101 / 32	323.4	275.3	42.42	85 / 31
North Dakota		79.24	161 / 4	52.9	39.6	59.38	75 / 38
Ohio		47.70	97 / 38	518.2	701.2	64.54	135 / 10
Oklahoma		55.97	114 / 16	181.0	270.4	83.62	149 / 6
Oregon		59.65	121 / 12	165.1	236.2	85.32	143 / 8
Pennsylvania		42.05	85 / 47	504.5	519.0	43.26	103 / 23
Rhode Island		42.44	86 / 44	42.1	33.0	33.25	78 / 36
South Carolina		45.68	93 / 41	158.3	94.9	27.39	60 / 47
South Dakota		79.42	161 / 3	56.7	38.0	53.28	67 / 44
Tennessee		52.53	107 / 25	257.3	223.8	45.69	87 / 29
Texas		50.56	103 / 29	851.1	945.8	56.18	111 / 19
Utah		50.24	102 / 31	84.9	60.5	35.76	71 / 42
Vermont		58.61	119 / 14	32.7	39.8	71.36	122 / 14
Virginia		49.72	101 / 33	299.0	367.7	61.15	123 / 13
Washington		58.67	119 / 13	272.9	223.5	48.05	82 / 32
West Virginia		49.10	100 / 36	92.1	84.3	44.96	92 / 27
Wisconsin		55.10	112 / 19	266.3	209.4	43.34	79 / 35
Wyoming		83.49	170 / 1	40.1	56.2	117.17	140 / 9
US Total		$49.20	100	$12,092.6	$12,092.6	$49.20	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

*No combined tax base can be reported; see tables for particular licenses.

Source: Price Waterhouse

Table 5-16

License Taxes: Motor Vehicle Operators—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,098	$2.41	77 / 51	$9.9	$10.0	$2.44	102 / 19
Alaska	300	2.69	86 / 49	1.4	0.6	1.14	43 / 46
Arizona	2,352	3.18	102 / 31	11.1	6.9	1.98	62 / 38
Arkansas	1,677	3.29	106 / 13	7.9	4.5	1.88	57 / 43
California	18,926	3.14	101 / 34	89.1	73.5	2.59	82 / 29
Colorado	2,226	3.17	102 / 32	10.5	6.3	1.90	60 / 40
Connecticut	2,370	3.45	111 / 3	11.2	21.9	6.76	196 / 1
Delaware	469	3.34	107 / 10	2.2	1.6	2.45	73 / 36
District of Columbia	392	3.01	96 / 42	1.8	1.4	2.32	77 / 32
Florida	8,790	3.35	108 / 8	41.4	71.3	5.78	172 / 4
Georgia	4,336	3.22	103 / 21	20.4	17.6	2.78	86 / 27
Hawaii	635	2.73	87 / 46	3.0	0.0	0.00	0 / Z
Idaho	708	3.32	106 / 12	3.3	3.1	3.09	93 / 24
Illinois	7,263	2.94	94 / 44	34.2	34.0	2.93	100 / 22
Indiana	3,773	3.19	102 / 27	17.8	0.0	0.00	0 / Z
Iowa	1,887	3.14	101 / 35	8.9	9.4	3.31	106 / 16
Kansas	1,706	3.22	103 / 22	8.0	6.0	2.42	75 / 35
Kentucky	2,368	2.99	96 / 43	11.1	6.4	1.71	57 / 42
Louisiana	2,598	2.77	89 / 45	12.2	10.3	2.35	85 / 28
Maine	867	3.38	108 / 7	4.1	6.3	5.22	154 / 5
Maryland	3,137	3.19	102 / 28	14.8	8.2	1.78	56 / 44
Massachusetts	4,250	3.40	109 / 6	20.0	38.0	6.45	190 / 2
Michigan	6,389	3.25	104 / 17	30.1	26.5	2.87	88 / 26
Minnesota	2,479	2.71	87 / 48	11.7	13.7	3.18	117 / 10
Mississippi	1,814	3.26	104 / 16	8.5	6.8	2.61	80 / 30
Missouri	3,512	3.21	103 / 23	16.5	11.9	2.31	72 / 37
Montana	534	3.12	100 / 37	2.5	2.0	2.49	80 / 31
Nebraska	1,088	3.19	102 / 26	5.1	3.1	1.94	61 / 39
Nevada	749	3.34	107 / 9	3.5	3.8	3.58	107 / 15
New Hampshire	798	3.46	111 / 2	3.8	4.7	4.30	124 / 8
New Jersey	5,452	3.32	107 / 11	25.7	25.8	3.34	100 / 20
New Mexico	1,047	3.26	105 / 15	4.9	3.8	2.50	77 / 34
New York	10,143	2.67	85 / 50	47.7	66.4	3.71	139 / 6
North Carolina	4,422	3.21	103 / 24	20.8	37.7	5.80	181 / 3
North Dakota	431	3.04	98 / 40	2.0	2.4	3.56	117 / 11
Ohio	7,379	3.20	102 / 25	34.7	13.8	1.27	40 / 47
Oklahoma	2,219	3.23	104 / 20	10.4	9.5	2.93	91 / 25
Oregon	2,170	3.69	118 / 1	10.2	14.0	5.06	137 / 7
Pennsylvania	7,732	3.03	97 / 41	36.4	43.2	3.60	119 / 9
Rhode Island	666	3.16	101 / 33	3.1	0.0	0.00	0 / Z
South Carolina	2,306	3.13	100 / 36	10.8	8.3	2.41	77 / 33
South Dakota	483	3.18	102 / 30	2.3	1.3	1.82	57 / 41
Tennessee	3,199	3.07	99 / 39	15.1	15.1	3.08	100 / 21
Texas	11,081	3.10	99 / 38	52.1	53.5	3.18	103 / 17
Utah	978	2.72	87 / 47	4.6	5.3	3.16	116 / 12
Vermont	406	3.43	110 / 4	1.9	2.0	3.50	102 / 18
Virginia	4,130	3.23	104 / 19	19.4	22.5	3.74	116 / 13
Washington	3,198	3.23	104 / 18	15.0	16.2	3.49	108 / 14
West Virginia	1,308	3.28	105 / 14	6.2	0.0	0.00	0 / Z
Wisconsin	3,268	3.18	102 / 29	15.4	14.8	3.07	97 / 23
Wyoming	349	3.42	110 / 5	1.6	0.8	1.74	51 / 45
US Total	162,853	$3.12	100	$766.3	$766.3	$3.12	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = $4.71 per license.

*Tax base is the number of motor vehicle operators licenses in thousands.

Z = Zero revenue reported.

Source: Price Waterhouse

Table 5-17
License Taxes: Corporations—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	42,626	$2.15	63 / 50	$8.8	$1.7	$0.42	20 / 39
Alaska	8,807	3.47	102 / 19	1.8	0.9	1.70	49 / 13
Arizona	58,206	3.45	102 / 20	12.0	3.8	1.09	32 / 25
Arkansas	30,481	2.63	78 / 44	6.3	0.9	0.37	14 / 43
California	406,056	2.96	87 / 36	83.9	8.1	0.29	10 / 46
Colorado	71,482	4.47	132 / 7	14.8	3.4	1.04	23 / 35
Connecticut	67,024	4.28	127 / 8	13.8	9.4	2.90	68 / 9
Delaware	15,073	4.72	139 / 4	3.1	180.6	273.61	5,800 / 1
District of Columbia	11,722	3.95	117 / 12	2.4	3.7	5.99	152 / 4
Florida	334,161	5.59	165 / 1	69.0	22.1	1.79	32 / 23
Georgia	94,869	3.09	91 / 28	19.6	5.4	0.85	27 / 29
Hawaii	21,506	4.05	120 / 9	4.4	0.9	0.80	20 / 38
Idaho	14,566	3.00	89 / 35	3.0	0.5	0.46	15 / 42
Illinois	180,533	3.21	95 / 25	37.3	22.3	1.92	60 / 11
Indiana	76,592	2.85	84 / 39	15.8	5.0	0.91	32 / 24
Iowa	42,974	3.14	93 / 26	8.9	3.6	1.28	41 / 18
Kansas	37,426	3.10	92 / 27	7.7	2.8	1.14	37 / 19
Kentucky	44,721	2.48	73 / 47	9.2	0.1	0.02	1 / 49
Louisiana	74,750	3.50	104 / 18	15.4	2.4	0.55	16 / 41
Maine	18,808	3.22	95 / 24	3.9	1.0	0.79	25 / 33
Maryland	79,853	3.57	105 / 17	16.5	4.8	1.03	29 / 27
Massachusetts	115,501	4.05	120 / 10	23.9	15.3	2.60	64 / 10
Michigan	137,455	3.07	91 / 30	28.4	10.0	1.08	35 / 21
Minnesota	70,589	3.38	100 / 21	14.6	2.9	0.68	20 / 37
Mississippi	27,464	2.17	64 / 49	5.7	3.9	1.49	69 / 8
Missouri	75,735	3.04	90 / 31	15.6	5.6	1.09	36 / 20
Montana	15,087	3.87	114 / 13	3.1	0.8	0.93	24 / 34
Nebraska	28,004	3.61	107 / 16	5.8	1.4	0.90	25 / 31
Nevada	20,298	3.98	118 / 11	4.2	5.1	4.80	121 / 5
New Hampshire	19,943	3.80	112 / 15	4.1	4.7	4.38	115 / 6
New Jersey	203,073	5.44	161 / 2	41.9	137.8	17.85	328 / 3
New Mexico	18,855	2.58	76 / 45	3.9	2.1	1.40	54 / 12
New York	422,533	4.87	144 / 3	87.3	24.2	1.35	28 / 28
North Carolina	87,875	2.80	83 / 40	18.2	2.1	0.32	11 / 45
North Dakota	9,430	2.92	86 / 37	1.9	0.6	0.91	31 / 26
Ohio	139,092	2.64	78 / 43	28.7	273.2	25.15	951 / 2
Oklahoma	51,897	3.31	98 / 22	10.7	1.5	0.45	14 / 44
Oregon	43,298	3.23	95 / 23	8.9	3.7	1.33	41 / 17
Pennsylvania	144,769	2.49	74 / 46	29.9	6.5	0.55	22 / 36
Rhode Island	21,844	4.54	134 / 5	4.5	0.4	0.37	8 / 48
South Carolina	45,120	2.69	79 / 41	9.3	0.8	0.23	9 / 47
South Dakota	9,243	2.67	79 / 42	1.9	0.8	1.12	42 / 15
Tennessee	51,798	2.18	65 / 48	10.7	2.7	0.56	25 / 30
Texas	247,052	3.03	90 / 32	51.0	9.8	0.58	19 / 40
Utah	24,629	3.01	89 / 34	5.1	0.0	0.00	0 / Z
Vermont	12,216	4.52	134 / 6	2.5	0.6	1.11	25 / 32
Virginia	87,772	3.02	89 / 33	18.1	19.3	3.20	106 / 7
Washington	69,392	3.08	91 / 29	14.3	6.4	1.38	45 / 14
West Virginia	19,201	2.11	62 / 51	4.0	1.7	0.88	42 / 16
Wisconsin	67,111	2.87	85 / 38	13.9	4.7	0.98	34 / 22
Wyoming	8,915	3.84	113 / 14	1.8	0.0	0.00	0 / Z
US Total	4,027,428	$3.38	100	$832.0	$832.0	$3.38	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $206.57 per corporation.
*Tax base is the number of corporations that filed federal tax returns.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-18

License Taxes: Hunting and Fishing—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	979	$2.60	88 / 34	$10.7	$11.6	$2.83	109 / 18
Alaska	549	11.38	386 / 4	6.0	12.7	24.15	212 / 3
Arizona	1,008	3.15	107 / 31	11.0	13.3	3.82	121 / 16
Arkansas	1,103	5.01	170 / 14	12.0	16.0	6.69	134 / 11
California	4,279	1.64	56 / 41	46.6	54.0	1.91	116 / 17
Colorado	1,385	4.57	155 / 19	15.1	31.1	9.41	206 / 4
Connecticut	363	1.22	42 / 45	4.0	2.7	0.85	69 / 44
Delaware	75	1.24	42 / 44	0.8	0.8	1.29	104 / 22
District of Columbia	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Florida	1,308	1.15	39 / 46	14.2	12.2	0.99	85 / 34
Georgia	1,872	3.22	109 / 28	20.4	16.0	2.52	78 / 40
Hawaii	24	0.24	8 / 50	0.3	0.2	0.19	81 / 37
Idaho	994	10.79	366 / 5	10.8	15.4	15.31	142 / 9
Illinois	1,571	1.47	50 / 43	17.1	14.3	1.23	83 / 35
Indiana	1,237	2.42	82 / 36	13.5	12.0	2.17	89 / 33
Iowa	1,195	4.60	156 / 18	13.0	11.7	4.13	90 / 32
Kansas	613	2.67	91 / 33	6.7	9.6	3.83	143 / 8
Kentucky	1,248	3.65	124 / 23	13.6	10.8	2.90	79 / 38
Louisiana	1,278	3.16	107 / 30	13.9	11.4	2.60	82 / 36
Maine	514	4.64	157 / 17	5.6	9.7	8.06	174 / 5
Maryland	909	2.14	73 / 38	9.9	7.4	1.61	75 / 42
Massachusetts	509	0.94	32 / 48	5.5	5.2	0.88	94 / 29
Michigan	3,957	4.66	158 / 16	43.1	41.4	4.48	96 / 28
Minnesota	2,295	5.80	197 / 10	25.0	25.5	5.93	102 / 26
Mississippi	776	3.23	109 / 27	8.4	7.7	2.95	92 / 31
Missouri	2,343	4.96	168 / 15	25.5	14.6	2.83	57 / 49
Montana	1,366	18.48	627 / 1	14.9	19.2	23.87	129 / 13
Nebraska	672	4.56	155 / 20	7.3	7.9	4.90	107 / 20
Nevada	391	4.04	137 / 22	4.3	4.5	4.27	106 / 21
New Hampshire	324	3.25	110 / 25	3.5	5.3	4.84	149 / 7
New Jersey	693	0.98	33 / 47	7.5	7.5	0.97	100 / 27
New Mexico	442	3.19	108 / 29	4.8	10.9	7.24	227 / 2
New York	2,774	1.69	57 / 40	30.2	23.8	1.33	79 / 39
North Carolina	899	1.51	51 / 42	9.8	12.4	1.91	127 / 14
North Dakota	623	10.17	345 / 6	6.8	3.2	4.86	48 / 50
Ohio	2,029	2.03	69 / 39	22.1	15.2	1.40	69 / 45
Oklahoma	958	3.23	109 / 26	10.4	11.3	3.49	108 / 19
Oregon	2,170	8.54	290 / 7	23.6	21.8	7.88	92 / 30
Pennsylvania	3,375	3.06	104 / 32	36.7	38.0	3.17	103 / 24
Rhode Island	63	0.69	23 / 49	0.7	1.0	0.97	140 / 10
South Carolina	709	2.23	76 / 37	7.7	10.0	2.89	130 / 12
South Dakota	785	11.97	406 / 3	8.5	5.5	7.69	64 / 46
Tennessee	1,845	4.10	139 / 21	20.1	11.8	2.41	59 / 48
Texas	3,981	2.57	87 / 35	43.3	32.7	1.94	76 / 41
Utah	782	5.04	171 / 13	8.5	14.4	8.49	169 / 6
Vermont	273	5.33	181 / 12	3.0	3.8	6.74	126 / 15
Virginia	1,848	3.35	114 / 24	20.1	12.8	2.12	63 / 47
Washington	2,314	5.42	184 / 11	25.2	26.1	5.61	104 / 23
West Virginia	1,127	6.54	222 / 9	12.3	8.6	4.56	70 / 43
Wisconsin	3,126	7.04	239 / 8	34.0	35.0	7.25	103 / 25
Wyoming	559	12.69	431 / 2	6.1	14.2	29.56	233 / 1
US Total	66,514	$2.95	100	$724.1	$724.1	$2.95	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $10.89 per license.
*Tax base is the number of hunting licenses and fishing licenses in thousands.
B = Base is zero.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-19

License Taxes: Alcoholic Beverage Sales—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,914	$0.56	56 / 42	$2.3	$2.3	$0.56	99 / 24
Alaska	1,537	2.31	232 / 2	1.2	1.6	3.11	135 / 15
Arizona	5,064	1.15	115 / 25	4.0	1.6	0.47	41 / 34
Arkansas	1,442	0.47	48 / 45	1.1	0.6	0.24	50 / 31
California	29,496	0.82	83 / 34	23.3	31.4	1.11	135 / 14
Colorado	6,001	1.43	144 / 16	4.7	2.5	0.75	52 / 30
Connecticut	5,775	1.41	142 / 17	4.6	5.9	1.82	129 / 16
Delaware	1,065	1.27	128 / 21	0.8	0.6	0.95	75 / 28
District of Columbia	1,261	1.62	163 / 8	1.0	0.3	0.41	26 / 38
Florida	11,022	0.70	71 / 37	8.7	23.0	1.86	264 / 6
Georgia	4,375	0.54	55 / 43	3.5	1.7	0.27	50 / 32
Hawaii	2,133	1.53	154 / 13	1.7	0.0	0.00	0 / Z
Idaho	1,102	0.87	87 / 32	0.9	1.0	1.00	115 / 19
Illinois	21,491	1.46	147 / 15	17.0	2.0	0.17	12 / 44
Indiana	6,855	0.97	98 / 29	5.4	10.0	1.79	184 / 10
Iowa	5,040	1.40	141 / 18	4.0	7.7	2.71	193 / 9
Kansas	2,479	0.78	79 / 36	2.0	1.7	0.69	88 / 27
Kentucky	2,359	0.50	50 / 44	1.9	1.9	0.52	104 / 23
Louisiana	8,971	1.61	161 / 9	7.1	2.2	0.49	31 / 37
Maine	1,635	1.07	107 / 26	1.3	1.9	1.56	146 / 13
Maryland	5,821	0.99	100 / 28	4.6	0.4	0.08	8 / 46
Massachusetts	8,897	1.19	120 / 24	7.0	1.3	0.22	18 / 40
Michigan	14,872	1.27	128 / 22	11.7	11.5	1.25	98 / 25
Minnesota	4,691	0.86	86 / 33	3.7	0.5	0.12	14 / 43
Mississippi	1,420	0.43	43 / 46	1.1	1.2	0.45	104 / 22
Missouri	9,096	1.40	140 / 19	7.2	2.4	0.47	33 / 36
Montana	1,680	1.65	165 / 7	1.3	1.6	1.94	118 / 18
Nebraska	3,154	1.55	156 / 12	2.5	0.2	0.15	10 / 45
Nevada	2,883	2.16	217 / 3	2.3	0.0	0.02	1 / 48
New Hampshire	1,407	1.02	103 / 27	1.1	1.7	1.53	150 / 12
New Jersey	12,301	1.26	126 / 23	9.7	4.4	0.57	45 / 33
New Mexico	1,825	0.95	96 / 31	1.4	0.0	0.00	0 / 49
New York	29,894	1.32	132 / 20	23.6	29.2	1.63	124 / 17
North Carolina	1,895	0.23	23 / 49	1.5	2.7	0.41	177 / 11
North Dakota	1,342	1.59	160 / 10	1.1	0.3	0.39	25 / 39
Ohio	13,337	0.97	97 / 30	10.5	20.4	1.87	194 / 8
Oklahoma	932	0.23	23 / 51	0.7	3.2	0.98	429 / 2
Oregon	2,035	0.58	58 / 40	1.6	1.5	0.55	95 / 26
Pennsylvania	22,409	1.47	148 / 14	17.7	11.4	0.95	65 / 29
Rhode Island	1,990	1.58	159 / 11	1.6	0.2	0.24	15 / 41
South Carolina	3,467	0.79	79 / 35	2.7	7.5	2.16	274 / 5
South Dakota	1,604	1.77	178 / 5	1.3	0.2	0.26	15 / 42
Tennessee	1,717	0.28	28 / 48	1.4	1.4	0.29	106 / 21
Texas	13,137	0.62	62 / 39	10.4	21.5	1.28	207 / 7
Utah	493	0.23	23 / 50	0.4	0.4	0.25	108 / 20
Vermont	1,377	1.95	196 / 4	1.1	0.4	0.70	36 / 35
Virginia	2,643	0.35	35 / 47	2.1	6.0	1.00	290 / 3
Washington	3,366	0.57	57 / 41	2.7	7.4	1.58	277 / 4
West Virginia	1,522	0.64	64 / 38	1.2	5.8	3.07	479 / 1
Wisconsin	15,642	2.55	257 / 1	12.3	0.2	0.05	2 / 47
Wyoming	1,071	1.76	177 / 6	0.8	0.0	0.00	0 / Z
US Total	309,935	$0.99	100	$244.5	$244.5	$0.99	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = $788.88 per license.

*Tax base is the estimated number of licenses for the sale of distilled spirits in 1987.

Z = Zero revenue reported.

Source: Price Waterhouse

Table 5-20

License Taxes: Motor Vehicle Registrations, Total—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$50.16	129 / 9	$205.8	$122.3	$29.80	59 / 46
Alaska		40.35	104 / 27	21.2	21.4	40.85	101 / 22
Arizona		43.16	111 / 18	150.3	190.6	54.72	127 / 16
Arkansas		37.42	97 / 38	89.7	68.7	28.68	77 / 38
California		38.63	100 / 35	1,094.1	1,062.7	37.52	97 / 26
Colorado		48.36	125 / 10	159.6	95.9	29.06	60 / 44
Connecticut		33.63	87 / 43	108.7	185.2	57.29	170 / 4
Delaware		39.74	103 / 30	26.2	44.9	68.02	171 / 3
District of Columbia		16.75	43 / 51	10.3	18.1	29.59	177 / 2
Florida		44.29	114 / 15	546.5	415.6	33.69	76 / 40
Georgia		45.41	117 / 14	287.8	75.4	11.89	26 / 51
Hawaii		28.87	75 / 49	31.6	42.6	38.83	134 / 10
Idaho		55.12	142 / 5	55.3	33.2	33.07	60 / 45
Illinois		33.35	86 / 44	387.3	710.6	61.19	183 / 1
Indiana		40.17	104 / 28	223.3	129.4	23.27	58 / 47
Iowa		50.24	130 / 8	142.2	190.5	67.33	134 / 11
Kansas		50.37	130 / 7	125.7	80.4	32.20	64 / 42
Kentucky		42.89	111 / 21	159.8	91.5	24.55	57 / 48
Louisiana		38.36	99 / 36	169.0	78.3	17.77	46 / 50
Maine		40.65	105 / 26	49.0	56.5	46.86	115 / 18
Maryland		36.36	94 / 41	168.2	133.1	28.78	79 / 36
Massachusetts		29.45	76 / 48	173.4	145.0	24.62	84 / 31
Michigan		39.34	102 / 32	363.5	414.2	44.82	114 / 19
Minnesota		38.09	98 / 37	164.1	278.1	64.54	169 / 5
Mississippi		35.44	91 / 42	92.8	74.5	28.44	80 / 35
Missouri		41.07	106 / 25	211.1	201.1	39.12	95 / 27
Montana		55.29	143 / 4	44.5	42.1	52.34	95 / 28
Nebraska		48.21	124 / 11	77.3	59.0	36.81	76 / 39
Nevada		41.73	108 / 23	44.0	57.2	54.30	130 / 13
New Hampshire		42.94	111 / 19	46.6	45.9	42.26	98 / 24
New Jersey		31.29	81 / 47	241.5	322.4	41.78	134 / 12
New Mexico		50.44	130 / 6	76.2	98.5	65.21	129 / 14
New York		25.02	65 / 50	448.1	485.4	27.10	108 / 21
North Carolina		42.10	109 / 22	273.2	220.5	33.98	81 / 34
North Dakota		61.52	159 / 2	41.0	33.1	49.65	81 / 33
Ohio		38.86	100 / 34	422.2	378.7	34.86	90 / 30
Oklahoma		45.98	119 / 13	148.7	245.0	75.76	165 / 6
Oregon		43.62	113 / 16	120.7	195.1	70.49	162 / 7
Pennsylvania		31.99	83 / 46	383.8	419.8	34.99	109 / 20
Rhode Island		32.47	84 / 45	32.2	31.5	31.68	98 / 25
South Carolina		36.84	95 / 39	127.6	68.3	19.70	53 / 49
South Dakota		59.82	154 / 3	42.7	30.3	42.39	71 / 41
Tennessee		42.89	111 / 20	210.1	192.7	39.35	92 / 29
Texas		41.24	106 / 24	694.2	828.2	49.20	119 / 17
Utah		39.24	101 / 33	66.4	40.3	23.86	61 / 43
Vermont		43.39	112 / 17	24.2	33.1	59.31	137 / 9
Virginia		39.79	103 / 29	239.2	307.1	51.08	128 / 15
Washington		46.37	120 / 12	215.7	167.4	35.98	78 / 37
West Virginia		36.53	94 / 40	68.5	68.4	36.45	100 / 23
Wisconsin		39.46	102 / 31	190.6	154.6	31.99	81 / 32
Wyoming		61.78	159 / 1	29.7	41.2	85.87	139 / 8
US Total		$38.76	100	$9,525.7	$9,525.7	$38.76	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

*No combined tax base can be reported; see tables for automobile and truck registrations.

Source: Price Waterhouse

Table 5-21

License Taxes: Motor Vehicle Registrations, Automobile—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,907	$27.22	124 / 2	$111.7	$70.6	$17.22	63 / 39
Alaska	227	16.62	76 / 49	8.7	11.9	22.71	137 / 12
Arizona	1,913	21.10	96 / 31	73.5	18.6	5.33	25 / 51
Arkansas	838	13.44	61 / 51	32.2	23.0	9.62	72 / 32
California	16,345	22.17	101 / 24	628.0	742.4	26.21	118 / 16
Colorado	2,113	24.60	112 / 9	81.2	28.6	8.65	35 / 47
Connecticut	2,480	29.48	135 / 1	95.3	157.7	48.80	166 / 6
Delaware	392	22.85	104 / 17	15.1	26.8	40.59	178 / 4
District of Columbia	243	15.26	70 / 50	9.4	14.8	24.09	158 / 7
Florida	8,634	26.89	123 / 3	331.7	265.5	21.52	80 / 26
Georgia	3,676	22.28	102 / 22	141.2	36.3	5.73	26 / 50
Hawaii	609	21.34	97 / 29	23.4	32.4	29.57	139 / 11
Idaho	589	22.58	103 / 19	22.6	8.8	8.81	39 / 44
Illinois	6,336	20.96	96 / 33	243.4	439.8	37.87	181 / 3
Indiana	3,052	21.09	96 / 32	117.3	39.0	7.01	33 / 48
Iowa	1,808	24.54	112 / 10	69.5	118.1	41.73	170 / 5
Kansas	1,516	23.34	107 / 13	58.2	29.4	11.78	50 / 42
Kentucky	1,841	18.98	87 / 43	70.7	25.8	6.92	36 / 45
Louisiana	1,947	16.98	77 / 48	74.8	24.0	5.44	32 / 49
Maine	705	22.44	102 / 21	27.1	30.1	24.96	111 / 19
Maryland	2,846	23.64	108 / 12	109.4	86.1	18.60	79 / 27
Massachusetts	3,309	21.58	99 / 27	127.1	71.1	12.07	56 / 41
Michigan	5,515	22.93	105 / 15	211.9	271.5	29.38	128 / 14
Minnesota	2,494	22.25	102 / 23	95.8	213.8	49.62	223 / 2
Mississippi	1,355	19.87	91 / 39	52.1	39.1	14.92	75 / 28
Missouri	2,701	20.19	92 / 37	103.8	98.9	19.24	95 / 23
Montana	425	20.29	93 / 36	16.3	11.5	14.26	70 / 34
Nebraska	869	20.84	95 / 34	33.4	23.2	14.49	70 / 36
Nevada	565	20.60	94 / 35	21.7	31.6	30.01	146 / 9
New Hampshire	730	25.85	118 / 5	28.0	27.6	25.46	98 / 21
New Jersey	5,171	25.74	117 / 6	198.7	225.0	29.16	113 / 18
New Mexico	777	19.78	90 / 41	29.9	29.2	19.36	98 / 22
New York	8,494	18.22	83 / 45	326.3	296.6	16.56	91 / 25
North Carolina	3,573	21.16	97 / 30	137.3	101.2	15.59	74 / 31
North Dakota	382	21.99	100 / 26	14.7	17.3	25.97	118 / 17
Ohio	6,976	24.67	113 / 8	268.0	190.1	17.50	71 / 33
Oklahoma	1,658	19.70	90 / 42	63.7	198.7	61.44	312 / 1
Oregon	1,731	24.03	110 / 11	66.5	23.9	8.65	36 / 46
Pennsylvania	6,216	19.91	91 / 38	238.8	178.6	14.88	75 / 29
Rhode Island	552	21.37	98 / 28	21.2	19.4	19.51	91 / 24
South Carolina	1,791	19.86	91 / 40	68.8	30.2	8.72	44 / 43
South Dakota	411	22.14	101 / 25	15.8	10.5	14.68	66 / 38
Tennessee	3,358	26.34	120 / 4	129.0	95.3	19.45	74 / 30
Texas	8,314	18.97	87 / 44	319.4	486.4	28.90	152 / 8
Utah	779	17.69	81 / 47	29.9	18.3	10.79	61 / 40
Vermont	332	22.89	104 / 16	12.8	17.8	31.82	139 / 10
Virginia	3,594	22.96	105 / 14	138.1	185.5	30.86	134 / 13
Washington	2,736	22.60	103 / 18	105.1	108.9	23.41	104 / 20
West Virginia	888	18.18	83 / 46	34.1	41.7	22.20	122 / 15
Wisconsin	3,158	25.11	115 / 7	121.3	84.9	17.58	70 / 35
Wyoming	282	22.55	103 / 20	10.8	7.3	15.28	68 / 37
US Total	140,155	$21.91	100	$5,384.8	$5,384.8	$21.91	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = $38.42 per registration.

*Tax base is automobile registrations in thousands.

Source: Price Waterhouse

Table 5-22

License Taxes: Motor Vehicle Registrations, Trucks—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	930	$22.94	136 / 17	$94.1	$51.6	$12.59	55 / 48
Alaska	123	23.73	141 / 15	12.5	9.5	18.14	76 / 37
Arizona	759	22.06	131 / 19	76.8	172.0	49.39	224 / 4
Arkansas	568	23.98	142 / 11	57.5	45.7	19.07	79 / 35
California	4,603	16.46	98 / 36	466.1	320.4	11.31	69 / 43
Colorado	774	23.76	141 / 14	78.4	67.3	20.41	86 / 31
Connecticut	132	4.15	25 / 50	13.4	27.4	8.49	205 / 5
Delaware	110	16.89	100 / 33	11.1	18.1	27.43	162 / 9
District of Columbia	9	1.49	9 / 51	0.9	3.4	5.51	369 / 1
Florida	2,121	17.41	103 / 30	214.8	150.1	12.16	70 / 42
Georgia	1,448	23.13	137 / 16	146.6	39.0	6.16	27 / 51
Hawaii	82	7.53	45 / 47	8.3	10.2	9.26	123 / 14
Idaho	322	32.54	193 / 5	32.6	24.3	24.26	75 / 39
Illinois	1,421	12.39	74 / 43	143.9	270.8	23.32	188 / 6
Indiana	1,047	19.08	113 / 27	106.1	90.4	16.26	85 / 32
Iowa	718	25.70	153 / 10	72.7	72.5	25.60	100 / 23
Kansas	666	27.03	160 / 8	67.5	51.0	20.42	76 / 38
Kentucky	880	23.90	142 / 12	89.1	65.7	17.63	74 / 40
Louisiana	931	21.38	127 / 21	94.2	54.3	12.33	58 / 47
Maine	217	18.21	108 / 29	22.0	26.4	21.90	120 / 16
Maryland	581	12.72	75 / 42	58.8	47.1	10.18	80 / 34
Massachusetts	458	7.86	47 / 46	46.3	73.9	12.55	160 / 10
Michigan	1,497	16.41	97 / 37	151.6	142.7	15.44	94 / 27
Minnesota	674	15.84	94 / 38	68.3	64.3	14.92	94 / 26
Mississippi	403	15.56	92 / 39	40.8	35.4	13.52	87 / 30
Missouri	1,060	20.88	124 / 24	107.3	102.2	19.88	95 / 25
Montana	278	35.01	208 / 4	28.2	30.7	38.08	109 / 21
Nebraska	433	27.37	162 / 7	43.9	35.8	22.32	82 / 33
Nevada	220	21.14	125 / 22	22.3	25.6	24.29	115 / 19
New Hampshire	183	17.09	101 / 31	18.5	18.2	16.81	98 / 24
New Jersey	423	5.55	33 / 49	42.8	97.4	12.62	227 / 3
New Mexico	457	30.66	182 / 6	46.3	69.2	45.86	150 / 12
New York	1,202	6.80	40 / 48	121.7	188.8	10.54	155 / 11
North Carolina	1,342	20.94	124 / 23	135.9	119.3	18.39	88 / 29
North Dakota	260	39.53	235 / 1	26.4	15.8	23.68	60 / 46
Ohio	1,522	14.19	84 / 41	154.1	188.6	17.36	122 / 15
Oklahoma	839	26.28	156 / 9	85.0	46.3	14.32	55 / 49
Oregon	536	19.59	116 / 26	54.2	171.2	61.84	316 / 2
Pennsylvania	1,432	12.08	72 / 44	145.0	241.2	20.11	166 / 8
Rhode Island	109	11.10	66 / 45	11.0	12.1	12.17	110 / 20
South Carolina	581	16.98	101 / 32	58.8	38.1	10.98	65 / 44
South Dakota	266	37.68	224 / 3	26.9	19.8	27.71	74 / 41
Tennessee	801	16.55	98 / 35	81.1	97.5	19.90	120 / 17
Texas	3,702	22.27	132 / 18	374.8	341.8	20.30	91 / 28
Utah	360	21.55	128 / 20	36.4	22.1	13.07	61 / 45
Vermont	113	20.50	122 / 25	11.4	15.3	27.49	134 / 13
Virginia	999	16.82	100 / 34	101.2	121.6	20.22	120 / 18
Washington	1,092	23.77	141 / 13	110.6	58.5	12.58	53 / 50
West Virginia	340	18.34	109 / 28	34.4	26.7	14.25	78 / 36
Wisconsin	685	14.35	85 / 40	69.3	69.6	14.41	100 / 22
Wyoming	186	39.23	233 / 2	18.8	33.9	70.58	180 / 7
US Total	40,896	$16.85	100	$4,140.8	$4,140.8	$16.85	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = $101.25 per registration.

*Tax base is truck registrations in thousands.

Source: Price Waterhouse

Table 5-23

Personal Income Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$4,901	$235.65	66 / 40	$966.9	$978.4	$238.46	101 / 31
Alaska	1,222	459.31	128 / 7	241.1	0.4	0.86	0 / 45
Arizona	5,436	307.92	86 / 27	1,072.5	857.7	246.26	80 / 37
Arkansas	2,500	205.89	57 / 48	493.3	596.9	249.12	121 / 19
California	60,005	417.98	116 / 8	11,838.5	12,864.3	454.20	109 / 26
Colorado	5,893	352.33	98 / 19	1,162.7	1,159.9	351.49	100 / 33
Connecticut	9,974	608.85	169 / 1	1,967.8	352.0	108.92	18 / 42
Delaware	1,391	415.91	116 / 9	274.5	400.1	606.27	146 / 12
District of Columbia	1,667	536.42	149 / 2	328.8	592.8	967.09	180 / 1
Florida	23,580	377.06	105 / 14	4,652.2	0.0	0.00	0 / Z
Georgia	10,149	315.87	88 / 24	2,002.3	2,391.8	377.31	119 / 21
Hawaii	1,964	353.61	98 / 18	387.6	625.6	570.80	161 / 6
Idaho	1,030	202.56	56 / 50	203.2	281.0	280.15	138 / 15
Illinois	23,715	402.89	112 / 11	4,678.8	3,162.7	272.34	68 / 39
Indiana	8,221	291.77	81 / 32	1,621.9	1,956.5	351.96	121 / 20
Iowa	3,850	268.39	75 / 37	759.5	1,064.9	376.31	140 / 13
Kansas	3,922	310.04	86 / 26	773.9	826.3	331.06	107 / 28
Kentucky	4,450	235.62	66 / 41	877.9	1,286.3	345.22	147 / 11
Louisiana	4,964	222.25	62 / 45	979.4	575.7	130.63	59 / 41
Maine	1,758	287.53	80 / 34	346.8	555.2	460.37	160 / 7
Maryland	10,988	468.60	130 / 6	2,167.8	3,575.5	772.92	165 / 5
Massachusetts	15,466	518.04	144 / 3	3,051.2	3,984.7	676.53	131 / 18
Michigan	17,458	372.77	104 / 15	3,444.4	3,960.0	428.58	115 / 24
Minnesota	7,865	360.21	100 / 17	1,551.8	2,625.4	609.43	169 / 4
Mississippi	2,233	168.14	47 / 51	440.5	353.2	134.82	80 / 36
Missouri	8,499	326.23	91 / 23	1,676.8	1,693.6	329.49	101 / 32
Montana	912	223.41	62 / 44	179.8	243.8	302.82	136 / 17
Nebraska	2,241	275.84	77 / 35	442.2	432.0	269.52	98 / 34
Nevada	2,191	410.16	114 / 10	432.3	0.0	0.00	0 / Z
New Hampshire	2,122	385.84	107 / 13	418.6	29.8	27.51	7 / 43
New Jersey	19,609	501.27	139 / 4	3,868.8	2,557.7	331.39	66 / 40
New Mexico	1,722	225.02	63 / 43	339.8	303.7	201.15	89 / 35
New York	45,033	496.10	138 / 5	8,884.7	15,691.5	876.18	177 / 2
North Carolina	9,609	292.14	81 / 31	1,895.7	2,784.4	429.09	147 / 10
North Dakota	790	233.58	65 / 42	155.8	114.0	170.94	73 / 38
Ohio	18,133	329.26	92 / 22	3,577.4	4,940.5	454.72	138 / 16
Oklahoma	4,069	248.24	69 / 38	802.8	832.8	257.51	104 / 29
Oregon	4,260	303.63	84 / 30	840.5	1,283.6	463.75	153 / 9
Pennsylvania	20,825	342.44	95 / 20	4,108.6	4,493.7	374.54	109 / 25
Rhode Island	1,833	364.17	101 / 16	361.6	388.5	391.20	107 / 27
South Carolina	4,172	237.55	66 / 39	823.1	1,141.1	329.31	139 / 14
South Dakota	743	205.21	57 / 49	146.5	0.2	0.23	0 / 46
Tennessee	6,816	274.54	76 / 36	1,344.7	79.7	16.26	6 / 44
Texas	26,670	312.57	87 / 25	5,261.8	0.0	0.00	0 / Z
Utah	1,904	222.09	62 / 46	375.6	637.5	377.00	170 / 3
Vermont	863	305.18	85 / 29	170.3	201.7	361.40	118 / 22
Virginia	11,990	393.39	109 / 12	2,365.5	2,757.9	458.65	117 / 23
Washington	8,014	339.86	95 / 21	1,581.0	0.0	0.00	0 / Z
West Virginia	1,973	207.53	58 / 47	389.3	394.2	210.12	101 / 30
Wisconsin	7,511	306.68	85 / 28	1,481.9	2,320.0	480.13	157 / 8
Wyoming	705	289.85	81 / 33	139.1	0.0	0.00	0 / Z
US Total	$447,809	$359.46	100	$88,349.3	$88,349.3	$359.46	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 19.7%.
*Tax base is federal income tax liability adjusted for deductibility in millions of dollars.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-24

Corporation Net Income and Net Worth Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$3,585	$90.30	86 / 33	$370.5	$258.2	$62.94	70 / 29
Alaska	534	105.13	100 / 19	55.2	23.4	44.55	42 / 47
Arizona	2,755	81.77	78 / 43	284.8	148.1	42.53	52 / 42
Arkansas	2,049	88.39	84 / 35	211.8	123.0	51.35	58 / 35
California	30,304	110.59	105 / 15	3,132.3	4,781.9	168.83	153 / 4
Colorado	3,103	97.19	92 / 28	320.7	146.8	44.48	46 / 45
Connecticut	4,554	145.65	138 / 4	470.7	601.2	186.02	128 / 6
Delaware	1,218	190.78	181 / 1	125.9	119.3	180.79	95 / 15
District of Columbia	929	156.64	149 / 2	96.0	151.5	247.14	158 / 3
Florida	9,988	83.67	79 / 39	1,032.3	624.0	50.58	60 / 34
Georgia	6,738	109.87	104 / 16	696.5	493.9	77.92	71 / 27
Hawaii	882	83.14	79 / 41	91.1	78.1	71.22	86 / 17
Idaho	801	82.58	78 / 42	82.8	61.4	61.17	74 / 26
Illinois	13,341	118.74	113 / 6	1,378.9	1,026.6	88.40	74 / 25
Indiana	6,046	112.41	107 / 12	624.9	261.1	46.97	42 / 48
Iowa	2,482	90.65	86 / 32	256.6	166.5	58.83	65 / 32
Kansas	2,276	94.25	89 / 31	235.3	204.2	81.80	87 / 16
Kentucky	3,180	88.21	84 / 36	328.7	317.3	85.16	97 / 14
Louisiana	3,680	86.31	82 / 38	380.3	452.1	102.58	119 / 7
Maine	1,224	104.88	99 / 20	126.5	84.7	70.24	67 / 30
Maryland	4,294	95.93	91 / 30	443.8	313.1	67.68	71 / 28
Massachusetts	7,218	126.67	120 / 5	746.1	1,068.3	181.38	143 / 5
Michigan	10,114	113.13	107 / 10	1,045.3	1,856.1	200.88	178 / 2
Minnesota	4,882	117.14	111 / 8	504.6	412.0	95.63	82 / 23
Mississippi	1,891	74.58	71 / 46	195.4	150.7	57.50	77 / 24
Missouri	5,328	107.15	102 / 18	550.7	270.3	52.60	49 / 43
Montana	537	68.98	65 / 49	55.5	46.2	57.39	83 / 19
Nebraska	1,375	88.64	84 / 34	142.1	76.9	47.95	54 / 39
Nevada	893	87.52	83 / 37	92.2	0.0	0.00	0 / Z
New Hampshire	1,234	117.59	111 / 7	127.6	145.7	134.27	114 / 11
New Jersey	11,025	147.65	140 / 3	1,139.6	1,181.8	153.13	104 / 13
New Mexico	910	62.30	59 / 51	94.1	49.6	32.83	53 / 41
New York	19,948	115.13	109 / 9	2,061.8	4,076.8	227.64	198 / 1
North Carolina	6,837	108.91	103 / 17	706.7	832.1	128.23	118 / 8
North Dakota	459	71.17	67 / 48	47.5	39.1	58.61	82 / 20
Ohio	11,835	112.59	107 / 11	1,223.3	582.0	53.57	48 / 44
Oklahoma	2,429	77.64	74 / 44	251.1	112.7	34.84	45 / 46
Oregon	2,614	97.61	93 / 26	270.2	167.0	60.35	62 / 33
Pennsylvania	12,863	110.81	105 / 14	1,329.5	1,538.1	128.20	116 / 9
Rhode Island	968	100.76	96 / 22	100.1	81.9	82.45	82 / 21
South Carolina	3,245	96.81	92 / 29	335.4	223.6	64.54	67 / 31
South Dakota	472	68.26	65 / 50	48.7	26.4	36.91	54 / 40
Tennessee	4,727	99.76	95 / 23	488.6	515.9	105.33	106 / 12
Texas	15,918	97.74	93 / 25	1,645.3	943.4	56.04	57 / 36
Utah	1,213	74.17	70 / 47	125.4	71.7	42.38	57 / 37
Vermont	530	98.10	93 / 24	54.7	44.7	80.09	82 / 22
Virginia	5,927	101.88	97 / 21	612.6	334.4	55.61	55 / 38
Washington	4,383	97.39	92 / 27	453.1	0.0	0.00	0 / Z
West Virginia	1,509	83.15	79 / 40	156.0	178.2	94.98	114 / 10
Wisconsin	5,226	111.78	106 / 13	540.1	461.4	95.48	85 / 18
Wyoming	352	75.86	72 / 45	36.4	2.2	4.69	6 / 49
US Total	$250,825	$105.48	100	$25,925.5	$25,925.5	$105.48	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = 10.34%.

*Tax base is apportioned corporate profits in millions of dollars.

Z = Zero revenue reported.

Source: Price Waterhouse

Table 5-25

All Property Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$373.46	69 / 50	$1,532.3	$542.6	$132.25	35 / 50
Alaska		558.69	104 / 19	293.3	565.7	1,077.61	193 / 1
Arizona		591.52	110 / 12	2,060.3	1,835.5	526.99	89 / 28
Arkansas		377.20	70 / 49	903.8	481.1	200.77	53 / 46
California		714.65	133 / 6	20,240.9	15,381.4	543.07	76 / 38
Colorado		677.17	126 / 8	2,234.6	1,993.1	603.96	89 / 26
Connecticut		858.78	160 / 1	2,775.6	2,945.4	911.33	106 / 20
Delaware		740.36	138 / 4	488.6	170.9	258.87	35 / 51
District of Columbia		642.19	119 / 9	393.7	609.4	994.17	155 / 3
Florida		533.22	99 / 22	6,578.8	6,105.3	494.84	93 / 25
Georgia		480.03	89 / 29	3,042.9	2,516.8	397.04	83 / 35
Hawaii		772.40	144 / 3	846.5	353.8	322.80	42 / 48
Idaho		446.91	83 / 37	448.2	357.6	356.51	80 / 36
Illinois		485.26	90 / 28	5,635.3	7,288.6	627.62	129 / 13
Indiana		430.92	80 / 38	2,395.5	2,476.8	445.54	103 / 23
Iowa		420.97	78 / 39	1,191.3	1,810.0	639.59	152 / 4
Kansas		466.62	87 / 31	1,164.7	1,456.2	583.42	125 / 17
Kentucky		383.10	71 / 48	1,427.4	814.0	218.45	57 / 44
Louisiana		420.73	78 / 40	1,854.2	946.8	214.83	51 / 47
Maine		545.47	101 / 20	657.8	699.5	580.03	106 / 19
Maryland		578.26	108 / 14	2,675.0	2,345.1	506.94	88 / 32
Massachusetts		777.58	145 / 2	4,579.9	4,067.8	690.63	89 / 30
Michigan		457.41	85 / 34	4,226.5	6,618.2	716.25	157 / 2
Minnesota		601.01	112 / 11	2,589.1	2,683.5	622.90	104 / 22
Mississippi		315.72	59 / 51	827.2	699.4	266.96	85 / 33
Missouri		419.46	78 / 41	2,156.0	1,520.7	295.86	71 / 39
Montana		463.06	86 / 33	372.8	539.0	669.51	145 / 9
Nebraska		507.87	94 / 23	814.1	1,032.4	644.04	127 / 16
Nevada		574.96	107 / 16	606.0	402.4	381.81	66 / 40
New Hampshire		737.52	137 / 5	800.2	1,015.9	936.35	127 / 15
New Jersey		685.74	128 / 7	5,292.5	7,203.2	933.30	136 / 10
New Mexico		406.89	76 / 44	614.4	244.1	161.64	40 / 49
New York		567.92	106 / 17	10,170.8	15,398.1	859.79	151 / 6
North Carolina		489.84	91 / 26	3,178.6	2,014.4	310.43	63 / 42
North Dakota		398.71	74 / 46	265.9	279.2	418.61	105 / 21
Ohio		466.02	87 / 32	5,063.3	4,791.8	441.03	95 / 24
Oklahoma		474.21	88 / 30	1,533.6	860.2	265.98	56 / 45
Oregon		497.46	93 / 24	1,377.0	2,089.7	754.95	152 / 5
Pennsylvania		493.70	92 / 25	5,923.5	5,271.9	439.40	89 / 29
Rhode Island		536.20	100 / 21	532.4	700.1	705.03	131 / 11
South Carolina		405.14	75 / 45	1,403.8	1,109.4	320.16	79 / 37
South Dakota		415.90	77 / 43	297.0	383.7	537.34	129 / 14
Tennessee		417.07	78 / 42	2,042.8	1,333.8	272.31	65 / 41
Texas		489.13	91 / 27	8,233.9	9,737.5	578.44	118 / 18
Utah		448.35	83 / 36	758.2	676.0	399.78	89 / 27
Vermont		576.41	107 / 15	321.6	417.9	748.97	130 / 12
Virginia		562.85	105 / 18	3,384.4	2,852.9	474.46	84 / 34
Washington		585.04	109 / 13	2,721.6	2,412.3	518.55	89 / 31
West Virginia		389.26	72 / 47	730.2	429.0	228.68	59 / 43
Wisconsin		452.55	84 / 35	2,186.7	3,223.9	667.20	147 / 8
Wyoming		619.33	115 / 10	297.3	438.5	913.46	147 / 7
US Total		$537.64	100	$132,142.3	$132,142.3	$537.64	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

*No combined tax base can be reported; see tables for particular property taxes.

Source: Price Waterhouse

Table 5-26

Property Taxes: Residential and Farm—1988

State	Residential				Farm			
	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity
Alabama	$68,771	$222.68	64 / 42	$913.7	$8,042	$15.19	85 / 27	$62.3
Alaska	14,218	359.79	104 / 21	188.9	564	8.33	47 / 40	4.4
Arizona	114,918	438.34	126 / 9	1,526.7	7,915	17.61	99 / 26	61.3
Arkansas	36,535	202.58	58 / 46	485.4	9,931	32.12	180 / 10	77.0
California	1,118,846	524.82	151 / 5	14,864.3	43,701	11.96	67 / 36	338.7
Colorado	123,271	496.27	143 / 6	1,637.7	12,386	29.09	163 / 14	96.0
Connecticut	155,395	638.77	184 / 1	2,064.5	2,162	5.18	29 / 47	16.8
Delaware	22,253	447.94	129 / 8	295.6	1,194	14.02	79 / 29	9.3
District of Columbia	19,520	423.06	122 / 12	259.3	0	0.00	0 / B	0.0
Florida	365,218	393.26	113 / 18	4,852.1	20,750	13.03	73 / 32	160.8
Georgia	141,880	297.35	86 / 27	1,884.9	11,241	13.74	77 / 30	87.1
Hawaii	52,288	633.83	183 / 2	694.7	1,128	7.98	45 / 44	8.7
Idaho	20,119	266.50	77 / 31	267.3	8,166	63.09	354 / 7	63.3
Illinois	228,508	261.42	75 / 33	3,035.8	31,850	21.25	119 / 23	246.8
Indiana	91,246	218.07	63 / 43	1,212.	15,918	22.19	125 / 20	123.4
Iowa	42,760	200.73	58 / 47	568.1	29,803	81.61	458 / 5	231.0
Kansas	44,697	237.91	69 / 39	593.8	17,637	54.76	307 / 8	136.7
Kentucky	55,944	199.47	58 / 48	743.2	11,403	23.72	133 / 18	88.4
Louisiana	69,197	208.60	60 / 45	919.3	6,865	12.07	68 / 35	53.2
Maine	35,797	394.35	114 / 17	475.6	1,879	12.07	68 / 34	14.6
Maryland	149,021	427.97	123 / 11	1,979.8	4,834	8.10	45 / 42	37.5
Massachusetts	260,414	587.39	169 / 3	3,459.7	2,403	3.16	18 / 50	18.6
Michigan	175,788	252.75	73 / 36	2,335.4	9,639	8.08	45 / 43	74.7
Minnesota	127,045	391.79	113 / 19	1,687.8	16,889	30.38	171 / 11	130.9
Mississippi	32,803	166.33	48 / 50	435.8	9,080	26.86	151 / 16	70.4
Missouri	89,077	230.24	66 / 40	1,183.4	17,503	26.39	148 / 17	135.6
Montana	12,857	212.19	61 / 44	170.8	9,948	95.77	538 / 2	77.1
Nebraska	36,590	303.26	87 / 24	486.1	17,280	83.54	469 / 4	133.9
Nevada	31,418	396.02	114 / 16	417.4	1,698	12.48	70 / 33	13.2
New Hampshire	46,969	575.11	166 / 4	624.0	1,059	7.56	42 / 45	8.2
New Jersey	268,058	461.42	133 / 7	3,561.3	5,260	5.28	30 / 46	40.8
New Mexico	27,980	246.18	71 / 38	371.7	5,870	30.13	169 / 12	45.5
New York	497,485	369.05	106 / 20	6,609.3	8,223	3.56	20 / 48	63.7
North Carolina	150,114	307.34	89 / 23	1,994.3	11,471	13.70	77 / 31	88.9
North Dakota	8,059	160.51	46 / 51	107.1	11,846	137.63	773 / 1	91.8
Ohio	221,874	271.30	78 / 30	2,947.7	15,461	11.03	62 / 37	119.8
Oklahoma	63,244	259.81	75 / 35	840.2	13,893	33.29	187 / 9	107.7
Oregon	69,286	332.55	96 / 22	920.5	8,334	23.33	131 / 19	64.6
Pennsylvania	272,116	301.31	87 / 25	3,615.2	15,462	9.99	56 / 39	119.8
Rhode Island	29,784	398.48	115 / 14	395.7	455	3.55	20 / 49	3.5
South Carolina	64,674	247.97	71 / 37	859.2	4,546	10.17	57 / 38	35.2
South Dakota	12,177	226.58	65 / 41	161.8	8,333	90.44	508 / 3	64.6
Tennessee	96,034	260.48	75 / 34	1,275.8	13,914	22.01	124 / 22	107.8
Texas	331,388	261.53	75 / 32	4,402.6	62,113	28.59	161 / 15	481.3
Utah	38,274	300.70	87 / 26	508.5	4,840	22.18	125 / 21	37.5
Vermont	17,366	413.46	119 / 13	230.7	2,151	29.87	168 / 13	16.7
Virginia	179,914	397.51	115 / 15	2,390.2	10,972	14.14	79 / 28	85.0
Washington	150,174	428.88	124 / 10	1,995.1	11,038	18.39	103 / 24	85.5
West Virginia	26,477	187.51	54 / 49	351.8	2,004	8.28	46 / 41	15.5
Wisconsin	99,306	273.04	79 / 29	1,319.3	11,024	17.68	99 / 25	85.4
Wyoming	10,446	289.12	83 / 28	138.8	4,877	78.74	442 / 6	37.8
US Total	$6,417,591	$346.89	100	$85,260.4	$564,955	$17.81	100	$4,378.1

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rates = 1.31% and 0.77%.

*Tax bases are the estimated market values of residential and farm properties in millions of dollars.

B = Base is zero.

Source: Price Waterhouse

Table 5-27

Property Taxes: Commercial/Industrial and Public Utilities—1988

State	Commercial/Industrial				Public Utilities			
	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity
Alabama	$21,763	$100.90	72 / 42	$414.0	$10,490	$34.69	106 / 20	$142.3
Alaska	4,893	177.28	126 / 5	93.1	514	13.29	41 / 50	7.0
Arizona	18,671	101.97	73 / 41	355.2	8,623	33.59	103 / 23	117.0
Arkansas	12,399	98.44	70 / 45	235.9	7,780	44.06	135 / 10	105.6
California	231,008	155.15	111 / 12	4,394.4	47,426	22.72	69 / 42	643.6
Colorado	22,095	127.36	91 / 25	420.3	5,944	24.44	75 / 39	80.7
Connecticut	31,106	183.08	131 / 3	591.7	7,561	31.74	97 / 26	102.6
Delaware	8,416	242.58	173 / 1	160.1	1,742	35.82	110 / 19	23.6
District of Columbia	5,831	180.96	129 / 4	110.9	1,724	38.17	117 / 16	23.4
Florida	62,179	95.87	68 / 46	1,182.8	28,234	31.05	95 / 28	383.1
Georgia	42,912	128.77	92 / 24	816.3	18,760	40.16	123 / 13	254.6
Hawaii	6,293	109.22	78 / 35	119.7	1,727	21.38	65 / 44	23.4
Idaho	4,950	93.89	67 / 47	94.2	1,732	23.43	72 / 41	23.5
Illinois	99,246	162.57	116 / 7	1,887.9	34,246	40.02	122 / 14	464.7
Indiana	42,794	146.44	104 / 16	814.1	18,114	44.22	135 / 9	245.8
Iowa	15,290	102.77	73 / 40	290.9	7,476	35.85	110 / 18	101.4
Kansas	16,537	126.03	90 / 26	314.6	8,815	47.92	147 / 6	119.6
Kentucky	25,478	130.07	93 / 23	484.7	8,192	29.83	91 / 33	111.2
Louisiana	35,778	154.44	110 / 13	680.6	14,816	45.62	139 / 7	201.0
Maine	7,119	112.29	80 / 33	135.4	2,379	26.77	82 / 34	32.3
Maryland	26,883	110.55	79 / 34	511.4	10,788	31.64	97 / 27	146.4
Massachusetts	49,769	160.74	115 / 9	946.7	11,412	26.29	80 / 35	154.9
Michigan	78,854	162.34	116 / 8	1,500.0	23,317	34.24	105 / 21	316.4
Minnesota	33,731	148.94	106 / 15	641.6	9,489	29.89	91 / 32	128.8
Mississippi	12,317	89.43	64 / 48	234.3	6,391	33.10	101 / 24	86.7
Missouri	35,296	130.63	93 / 22	671.4	12,199	32.21	98 / 25	165.5
Montana	4,194	99.10	71 / 44	79.8	3,323	56.01	171 / 3	45.1
Nebraska	8,930	105.97	76 / 38	169.9	1,784	15.10	46 / 48	24.2
Nevada	6,550	118.21	84 / 31	124.6	3,747	48.24	147 / 5	50.8
New Hampshire	7,586	133.00	95 / 19	144.3	1,747	21.85	67 / 43	23.7
New Jersey	76,615	188.83	135 / 2	1,457.4	17,176	30.20	92 / 31	233.1
New Mexico	6,444	81.18	58 / 49	122.6	5,498	49.40	151 / 4	74.6
New York	159,982	169.93	121 / 6	3,043.3	33,495	25.38	78 / 38	454.5
North Carolina	44,662	130.93	93 / 21	849.6	18,112	37.88	116 / 17	245.8
North Dakota	2,799	79.82	57 / 50	53.2	1,020	20.75	63 / 46	13.8
Ohio	85,588	149.85	107 / 14	1,628.1	27,097	33.84	103 / 22	367.7
Oklahoma	23,126	136.03	97 / 18	439.9	10,744	45.08	138 / 8	145.8
Oregon	17,048	117.16	84 / 32	324.3	4,982	24.42	75 / 40	67.6
Pennsylvania	90,173	142.97	102 / 17	1,715.3	34,866	39.43	121 / 15	473.1
Rhode Island	6,291	120.52	86 / 28	119.7	999	13.65	42 / 49	13.6
South Carolina	18,814	103.29	74 / 39	357.9	11,163	43.72	134 / 11	151.5
South Dakota	2,923	77.89	56 / 51	55.6	1,105	20.99	64 / 45	15.0
Tennessee	31,603	122.74	88 / 27	601.2	4,272	11.84	36 / 51	58.0
Texas	139,656	157.81	113 / 10	2,656.6	51,095	41.19	126 / 12	693.3
Utah	8,821	99.23	71 / 43	167.8	3,270	26.24	80 / 37	44.4
Vermont	3,134	106.83	76 / 37	59.6	1,080	26.25	80 / 36	14.6
Virginia	38,022	120.28	86 / 29	723.3	13,697	30.91	95 / 29	185.9
Washington	29,411	120.27	86 / 30	559.5	6,001	17.51	54 / 47	81.4
West Virginia	10,548	106.96	76 / 36	200.7	11,961	86.51	265 / 2	162.3
Wisconsin	33,280	131.02	93 / 20	633.1	10,972	30.81	94 / 30	148.9
Wyoming	3,963	157.06	112 / 11	75.4	3,340	94.41	289 / 1	45.3
US Total	$1,811,772	$140.22	100	$34,464.7	$592,438	$32.71	100	$8,039.1

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rates = 1.90% and 1.36%
*Tax bases are the net book values of commercial/industrial and public utility properties in millions of dollars.
Source: Price Waterhouse

Table 5-28

Estate and Gift Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$45	$4.22	32 / 47	$17.3	$15.4	$3.75	89 / 25
Alaska	3	1.90	14 / 51	1.0	0.4	0.69	36 / 49
Arizona	92	10.15	76 / 23	35.3	31.0	8.89	88 / 26
Arkansas	41	6.60	50 / 38	15.8	5.7	2.40	36 / 47
California	1,409	19.06	143 / 5	539.7	307.5	10.86	57 / 35
Colorado	90	10.48	79 / 21	34.6	13.2	3.99	38 / 46
Connecticut	246	29.13	219 / 1	94.2	176.9	54.72	188 / 10
Delaware	38	22.20	167 / 3	14.7	11.5	17.39	78 / 29
District of Columbia	23	14.16	106 / 9	8.7	33.6	54.75	387 / 2
Florida	676	20.98	157 / 4	258.8	177.2	14.36	68 / 32
Georgia	175	10.57	79 / 20	67.0	54.2	8.55	81 / 27
Hawaii	27	9.44	71 / 27	10.3	7.3	6.67	71 / 31
Idaho	9	3.61	27 / 49	3.6	1.9	1.92	53 / 37
Illinois	482	15.90	119 / 7	184.7	82.5	7.10	45 / 43
Indiana	76	5.26	40 / 45	29.3	64.5	11.61	221 / 6
Iowa	55	7.43	56 / 34	21.0	58.9	20.82	280 / 3
Kansas	53	8.17	61 / 30	20.4	44.5	17.83	218 / 7
Kentucky	113	11.59	87 / 17	43.2	49.1	13.17	114 / 19
Louisiana	64	5.56	42 / 42	24.5	41.6	9.43	170 / 13
Maine	22	6.86	52 / 36	8.3	11.9	9.88	144 / 16
Maryland	166	13.76	103 / 11	63.7	58.0	12.54	91 / 24
Massachusetts	260	16.92	127 / 6	99.6	254.7	43.24	256 / 4
Michigan	213	8.82	66 / 29	81.5	93.8	10.15	115 / 18
Minnesota	89	7.92	59 / 33	34.1	13.6	3.16	40 / 45
Mississippi	25	3.68	28 / 48	9.6	15.7	6.00	163 / 14
Missouri	149	11.09	83 / 18	57.0	28.6	5.56	50 / 41
Montana	12	5.59	42 / 41	4.5	8.7	10.86	194 / 9
Nebraska	29	6.82	51 / 37	10.9	3.3	2.09	31 / 51
Nevada	27	9.70	73 / 24	10.2	5.3	5.01	52 / 38
New Hampshire	39	13.63	102 / 12	14.8	21.9	20.21	148 / 15
New Jersey	320	15.87	119 / 8	122.5	163.1	21.13	133 / 17
New Mexico	31	7.97	60 / 32	12.0	4.1	2.71	34 / 50
New York	1,166	24.94	187 / 2	446.7	459.8	25.68	103 / 22
North Carolina	163	9.65	72 / 26	62.6	65.7	10.13	105 / 21
North Dakota	8	4.45	33 / 46	3.0	1.5	2.25	50 / 40
Ohio	293	10.33	78 / 22	112.2	45.2	4.16	40 / 44
Oklahoma	94	11.08	83 / 19	35.8	39.8	12.32	111 / 20
Oregon	50	6.96	52 / 35	19.3	13.6	4.93	71 / 30
Pennsylvania	434	13.84	104 / 10	166.1	401.4	33.46	242 / 5
Rhode Island	31	12.04	90 / 16	12.0	21.8	21.97	183 / 11
South Carolina	54	5.95	45 / 39	20.6	36.0	10.39	175 / 12
South Dakota	4	2.17	16 / 50	1.5	10.4	14.51	670 / 1
Tennessee	160	12.54	94 / 14	61.4	33.5	6.84	55 / 36
Texas	555	12.62	95 / 13	212.5	108.4	6.44	51 / 39
Utah	25	5.63	42 / 40	9.5	3.4	2.04	36 / 48
Vermont	18	12.09	91 / 15	6.7	6.2	11.04	91 / 23
Virginia	142	9.05	68 / 28	54.4	43.2	7.19	79 / 28
Washington	99	8.11	61 / 31	37.7	18.8	4.05	50 / 42
West Virginia	27	5.42	41 / 43	10.2	6.5	3.46	64 / 33
Wisconsin	122	9.66	72 / 25	46.7	98.1	20.30	210 / 8
Wyoming	7	5.29	40 / 44	2.5	1.5	3.04	57 / 34
US Total	$8,550	$13.32	100	$3,274.5	$3,274.5	$13.32	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = 38.3%.

*Tax base is federal estate and gift tax collections in millions of dollars.

Source: Price Waterhouse

Table 5-29

Total Severance Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$18.35	100 / 14	$75.3	$56.3	$13.72	75 / 18
Alaska		888.80	4,847 / 1	466.6	1,072.9	2,043.58	230 / 4
Arizona		5.33	29 / 24	18.6	24.3	6.96	131 / 8
Arkansas		15.77	86 / 16	37.8	12.7	5.31	34 / 24
California		11.85	65 / 17	335.7	6.9	0.24	2 / 29
Colorado		20.10	110 / 13	66.3	15.3	4.65	23 / 25
Connecticut		0.19	1 / 46	0.6	0.0	0.00	0 / Z
Delaware		0.05	0 / 50	0.0	0.0	0.00	0 / Z
District of Columbia		0.00	0 / B	0.0	0.0	0.00	0 / Z
Florida		1.22	7 / 32	15.1	75.0	6.08	498 / 1
Georgia		1.11	6 / 33	7.0	0.0	0.00	0 / Z
Hawaii		0.35	2 / 42	0.4	0.0	0.00	0 / Z
Idaho		1.48	8 / 31	1.5	0.5	0.50	34 / 23
Illinois		6.11	33 / 23	70.9	0.0	0.00	0 / Z
Indiana		4.70	26 / 26	26.1	0.7	0.12	3 / 28
Iowa		0.59	3 / 37	1.7	0.0	0.00	0 / Z
Kansas		46.39	253 / 10	115.8	81.8	32.78	71 / 19
Kentucky		34.85	190 / 12	129.9	210.0	56.37	162 / 6
Louisiana		90.59	494 / 5	399.2	465.7	105.68	117 / 10
Maine		0.29	2 / 43	0.3	0.0	0.00	0 / Z
Maryland		0.88	5 / 34	4.1	0.0	0.00	0 / Z
Massachusetts		0.17	1 / 47	1.0	0.0	0.00	0 / Z
Michigan		6.98	38 / 20	64.5	43.6	4.72	68 / 20
Minnesota		1.50	8 / 30	6.5	7.8	1.81	120 / 9
Mississippi		16.53	90 / 15	43.3	49.7	18.98	115 / 11
Missouri		1.58	9 / 29	8.1	0.0	0.00	0 / Z
Montana		51.88	283 / 9	41.8	112.8	140.10	270 / 2
Nebraska		4.04	22 / 27	6.5	2.6	1.60	40 / 22
Nevada		11.40	62 / 18	12.0	10.7	10.11	89 / 15
New Hampshire		0.25	1 / 44	0.3	0.0	0.00	0 / Z
New Jersey		0.16	1 / 48	1.2	0.0	0.00	0 / Z
New Mexico		122.78	669 / 3	185.4	293.4	194.29	158 / 7
New York		0.44	2 / 40	7.9	0.0	0.00	0 / Z
North Carolina		0.42	2 / 41	2.7	0.0	0.00	0 / Z
North Dakota		77.65	423 / 7	51.8	90.9	136.28	175 / 5
Ohio		6.73	37 / 21	73.2	9.4	0.86	13 / 27
Oklahoma		111.91	610 / 4	361.9	386.7	119.57	107 / 13
Oregon		0.49	3 / 39	1.4	0.0	0.00	0 / Z
Pennsylvania		7.40	40 / 19	88.8	0.0	0.00	0 / Z
Rhode Island		0.09	0 / 49	0.1	0.0	0.00	0 / Z
South Carolina		0.53	3 / 38	1.8	0.0	0.00	0 / Z
South Dakota		5.05	28 / 25	3.6	8.4	11.74	232 / 3
Tennessee		1.71	9 / 28	8.4	1.8	0.37	22 / 26
Texas		77.16	421 / 8	1,298.9	1,058.8	62.90	82 / 17
Utah		38.81	212 / 11	65.6	29.2	17.24	44 / 21
Vermont		0.70	4 / 36	0.4	0.0	0.00	0 / Z
Virginia		6.22	34 / 22	37.4	0.0	0.00	0 / Z
Washington		0.87	5 / 35	4.0	0.0	0.00	0 / Z
West Virginia		80.21	437 / 6	150.5	148.0	78.91	98 / 14
Wisconsin		0.22	1 / 45	1.0	0.9	0.19	87 / 16
Wyoming		426.21	2,324 / 2	204.6	230.5	480.24	113 / 12
US Total		$18.34	100	$4,507.3	$4,507.3	$18.34	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

*No combined tax rate can be reported; see tables for particular severance taxes.

B = Base is zero.

Z = Zero revenue reported.

Source: Price Waterhouse

Table 5-30

Severance Taxes: Oil and Gas—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$632	$10.69	69 / 16	$43.9	$47.6	$11.59	108 / 6
Alaska	6,702	886.56	5,735 / 1	465.4	1,072.9	2,043.58	231 / 1
Arizona	1	0.02	0 / 32	0.1	0.0	0.00	0 / Z
Arkansas	519	15.05	97 / 14	36.1	12.2	5.09	34 / 20
California	4,634	11.36	74 / 15	321.8	6.9	0.24	2 / 24
Colorado	784	16.51	107 / 12	54.5	7.3	2.20	13 / 22
Connecticut	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Delaware	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
District of Columbia	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Florida	122	0.68	4 / 26	8.4	9.1	0.73	107 / 8
Georgia	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Hawaii	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Idaho	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Illinois	335	2.01	13 / 23	23.3	0.0	0.00	0 / Z
Indiana	55	0.68	4 / 25	3.8	0.7	0.12	18 / 21
Iowa	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Kansas	1,637	45.55	295 / 8	113.7	80.8	32.36	71 / 14
Kentucky	268	5.00	32 / 18	18.6	15.0	4.02	80 / 11
Louisiana	5,693	89.71	580 / 5	395.3	462.7	104.99	117 / 4
Maine	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Maryland	0	0.00	0 / 33	0.0	0.0	0.00	0 / Z
Massachusetts	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Michigan	811	6.10	39 / 17	56.4	43.6	4.72	77 / 12
Minnesota	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Mississippi	616	16.33	106 / 13	42.8	49.7	18.98	116 / 5
Missouri	2	0.03	0 / 31	0.2	0.0	0.00	0 / Z
Montana	411	35.44	229 / 9	28.5	19.5	24.21	68 / 15
Nebraska	87	3.75	24 / 20	6.0	2.6	1.60	43 / 19
Nevada	30	1.97	13 / 24	2.1	0.0	0.00	0 / Z
New Hampshire	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
New Jersey	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
New Mexico	2,400	110.37	714 / 4	166.7	261.3	173.05	157 / 2
New York	62	0.24	2 / 28	4.3	0.0	0.00	0 / Z
North Carolina	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
North Dakota	660	68.74	445 / 7	45.9	70.1	105.04	153 / 3
Ohio	603	3.85	25 / 19	41.9	4.7	0.43	11 / 23
Oklahoma	5,170	111.02	718 / 3	359.0	386.7	119.57	108 / 7
Oregon	6	0.16	1 / 30	0.4	0.0	0.00	0 / Z
Pennsylvania	402	2.33	15 / 22	27.9	0.0	0.00	0 / Z
Rhode Island	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
South Carolina	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
South Dakota	31	3.01	19 / 21	2.1	1.2	1.74	58 / 16
Tennessee	12	0.17	1 / 29	0.8	0.4	0.08	48 / 18
Texas	18,364	75.76	490 / 6	1,275.3	1,055.6	62.70	83 / 10
Utah	712	29.26	189 / 10	49.5	25.5	15.09	52 / 17
Vermont	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Virginia	39	0.45	3 / 27	2.7	0.0	0.00	0 / Z
Washington	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
West Virginia	593	21.94	142 / 11	41.2	29.6	15.75	72 / 13
Wisconsin	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Wyoming	2,313	334.64	2,165 / 2	160.6	133.8	278.83	83 / 9
US Total	$54,708	$15.46	100	$3,799.2	$3,799.2	$15.46	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 6.94%.
*Tax base is the value of oil and gas production in millions of dollars.
B = Base is zero.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-31

Severance Taxes: Coal—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$1,090	$7.08	314 / 7	$29.1	8.7	$2.13	30 / 11
Alaska	21	1.08	48 / 16	0.6	0.0	0.00	0 / Z
Arizona	152	1.16	52 / 15	4.0	1.2	0.36	31 / 10
Arkansas	6	0.06	3 / 26	0.1	0.0	0.01	17 / 12
California	1	0.00	0 / 27	0.0	0.0	0.00	0 / Z
Colorado	367	2.97	132 / 13	9.8	7.8	2.37	80 / 8
Connecticut	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Delaware	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
District of Columbia	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Florida	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Georgia	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Hawaii	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Idaho	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Illinois	1,673	3.84	170 / 11	44.6	0.0	0.00	0 / Z
Indiana	759	3.64	162 / 12	20.2	0.0	0.00	0 / Z
Iowa	7	0.07	3 / 25	0.2	0.0	0.00	0 / Z
Kansas	22	0.24	11 / 24	0.6	1.0	0.41	171 / 6
Kentucky	4,104	29.37	1,304 / 3	109.5	189.2	50.79	173 / 5
Louisiana	64	0.39	17 / 22	1.7	0.0	0.00	0 / Z
Maine	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Maryland	83	0.48	21 / 21	2.2	0.0	0.00	0 / Z
Massachusetts	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Michigan	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Minnesota	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Mississippi	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Missouri	113	0.59	26 / 19	3.0	0.0	0.00	0 / Z
Montana	391	12.96	575 / 4	10.4	86.1	106.93	825 / 1
Nebraska	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Nevada	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
New Hampshire	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
New Jersey	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
New Mexico	497	8.77	389 / 5	13.2	27.3	18.05	206 / 4
New York	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
North Carolina	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
North Dakota	219	8.77	389 / 6	5.8	20.8	31.24	356 / 2
Ohio	1,032	2.53	112 / 14	27.5	3.9	0.36	14 / 13
Oklahoma	66	0.55	24 / 20	1.8	0.0	0.00	0 / Z
Oregon	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Pennsylvania	2,081	4.63	205 / 10	55.5	0.0	0.00	0 / Z
Rhode Island	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
South Carolina	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
South Dakota	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Tennessee	172	0.93	41 / 18	4.6	1.4	0.29	31 / 9
Texas	593	0.94	42 / 17	15.8	0.0	0.00	0 / Z
Utah	407	6.42	285 / 8	10.9	0.0	0.00	0 / Z
Vermont	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Virginia	1,206	5.35	237 / 9	32.2	0.0	0.00	0 / Z
Washington	63	0.36	16 / 23	1.7	0.0	0.00	0 / Z
West Virginia	4,074	57.92	2,571 / 2	108.7	117.1	62.40	108 / 7
Wisconsin	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Wyoming	1,502	83.47	3,705 / 1	40.1	89.1	185.67	222 / 3
US Total	$20,765	$2.25	100	$553.8	$553.8	$2.25	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 2.67%.
*Tax base is the value of coal production in millions of dollars.
B = Base is zero.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-32

Severance Taxes: Nonfuel Minerals—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$459	$0.57	91 / 19	$2.3	$0.0	$0.00	0 / Z
Alaska	119	1.15	184 / 10	0.6	0.0	0.00	0 / Z
Arizona	2,830	4.15	661 / 3	14.5	23.0	6.61	159 / 7
Arkansas	307	0.65	104 / 15	1.6	0.5	0.21	33 / 16
California	2,709	0.49	78 / 25	13.8	0.0	0.00	0 / Z
Colorado	406	0.63	100 / 16	2.1	0.2	0.07	12 / 18
Connecticut	118	0.19	30 / 45	0.6	0.0	0.00	0 / Z
Delaware	6	0.05	7 / 50	0.0	0.0	0.00	0 / Z
District of Columbia	0	0.00	0 / B	0.0	0.0	0.00	0 / Z
Florida	1,295	0.54	85 / 20	6.6	66.0	5.35	997 / 1
Georgia	1,374	1.11	176 / 11	7.0	0.0	0.00	0 / Z
Hawaii	75	0.35	56 / 33	0.4	0.0	0.00	0 / Z
Idaho	291	1.48	236 / 9	1.5	0.5	0.50	34 / 15
Illinois	588	0.26	41 / 40	3.0	0.0	0.00	0 / Z
Indiana	406	0.37	59 / 32	2.1	0.0	0.00	0 / Z
Iowa	290	0.52	83 / 22	1.5	0.0	0.00	0 / Z
Kansas	292	0.60	95 / 18	1.5	0.0	0.00	1 / 19
Kentucky	345	0.47	75 / 26	1.8	5.8	1.57	332 / 3
Louisiana	435	0.50	80 / 24	2.2	3.0	0.69	136 / 8
Maine	68	0.29	46 / 39	0.3	0.0	0.00	0 / Z
Maryland	363	0.40	64 / 31	1.9	0.0	0.00	0 / Z
Massachusetts	192	0.17	27 / 46	1.0	0.0	0.00	0 / Z
Michigan	1,588	0.88	140 / 13	8.1	0.0	0.00	0 / Z
Minnesota	1,267	1.50	239 / 8	6.5	7.8	1.81	120 / 9
Mississippi	103	0.20	32 / 43	0.5	0.0	0.00	0 / Z
Missouri	968	0.96	153 / 12	4.9	0.0	0.00	0 / Z
Montana	548	3.48	554 / 5	2.8	7.2	8.95	257 / 4
Nebraska	91	0.29	46 / 38	0.5	0.0	0.00	0 / Z
Nevada	1,945	9.42	1,501 / 1	9.9	10.7	10.11	107 / 10
New Hampshire	53	0.25	40 / 41	0.3	0.0	0.00	0 / Z
New Jersey	242	0.16	25 / 47	1.2	0.0	0.00	0 / Z
New Mexico	1,075	3.64	579 / 4	5.5	4.8	3.19	88 / 11
New York	696	0.20	32 / 44	3.6	0.0	0.00	0 / Z
North Carolina	529	0.42	66 / 30	2.7	0.0	0.00	0 / Z
North Dakota	19	0.14	23 / 48	0.1	0.0	0.00	0 / Z
Ohio	737	0.35	55 / 36	3.8	0.8	0.07	20 / 17
Oklahoma	220	0.35	55 / 34	1.1	0.0	0.00	0 / Z
Oregon	178	0.33	52 / 37	0.9	0.0	0.00	0 / Z
Pennsylvania	1,042	0.44	71 / 28	5.3	0.0	0.00	0 / Z
Rhode Island	17	0.09	14 / 49	0.1	0.0	0.00	0 / Z
South Carolina	358	0.53	84 / 21	1.8	0.0	0.00	0 / Z
South Dakota	286	2.04	326 / 7	1.5	7.1	10.00	489 / 2
Tennessee	586	0.61	97 / 17	3.0	0.0	0.00	0 / Z
Texas	1,525	0.46	74 / 27	7.8	3.2	0.19	42 / 14
Utah	1,037	3.13	499 / 6	5.3	3.6	2.15	69 / 13
Vermont	77	0.70	112 / 14	0.4	0.0	0.00	0 / Z
Virginia	495	0.42	67 / 29	2.5	0.0	0.00	0 / Z
Washington	459	0.50	80 / 23	2.3	0.0	0.00	0 / Z
West Virginia	127	0.35	55 / 35	0.7	1.4	0.76	218 / 5
Wisconsin	205	0.22	35 / 42	1.0	0.9	0.19	87 / 12
Wyoming	761	8.10	1,290 / 2	3.9	7.6	15.74	194 / 6
US Total	$30,202	$0.63	100	$154.3	$154.3	$0.63	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 0.51%.
*Tax base is the value of nonfuel mineral production in millions of dollars.
B = Base is zero.
Z = Zero revenue reported.
Source: Price Waterhouse

Table 5-33
All Other Taxes—1988

State	Tax Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$52,720	$51.23	78 / 41	$210.2	$274.4	$66.87	131 / 13
Alaska	10,006	75.99	116 / 8	39.9	50.1	95.49	126 / 14
Arizona	52,233	59.79	91 / 29	208.3	126.2	36.23	61 / 28
Arkansas	29,263	48.69	74 / 48	116.7	59.0	24.61	51 / 37
California	530,968	74.74	114 / 9	2,117.0	2,438.3	86.09	115 / 15
Colorado	54,352	65.67	100 / 19	216.7	129.9	39.38	60 / 29
Connecticut	74,553	91.97	140 / 1	297.2	193.4	59.83	65 / 27
Delaware	11,659	70.43	107 / 11	46.5	146.8	222.49	316 / 1
District of Columbia	13,194	85.81	131 / 3	52.6	77.3	126.17	147 / 11
Florida	204,788	66.18	101 / 17	816.5	1,148.2	93.06	141 / 12
Georgia	96,779	60.87	93 / 27	385.9	377.3	59.52	98 / 18
Hawaii	18,399	66.93	102 / 15	73.4	121.5	110.90	166 / 6
Idaho	12,698	50.48	77 / 45	50.6	26.6	26.50	53 / 35
Illinois	204,115	70.08	107 / 12	813.8	530.1	45.64	65 / 26
Indiana	82,924	59.47	90 / 30	330.6	70.9	12.75	21 / 51
Iowa	41,551	58.54	89 / 33	165.7	46.7	16.50	28 / 49
Kansas	39,320	62.81	96 / 22	156.8	70.8	28.37	45 / 44
Kentucky	47,784	51.13	78 / 43	190.5	208.6	55.98	109 / 16
Louisiana	54,179	49.02	75 / 47	216.0	153.4	34.82	71 / 24
Maine	18,206	60.19	92 / 28	72.6	43.1	35.71	59 / 30
Maryland	90,071	77.63	118 / 5	359.1	569.0	122.99	158 / 7
Massachusetts	122,593	82.98	126 / 4	488.8	226.9	38.52	46 / 43
Michigan	152,934	65.99	100 / 18	609.7	226.4	24.50	37 / 47
Minnesota	71,807	66.46	101 / 16	286.3	137.1	31.82	48 / 42
Mississippi	29,123	44.32	67 / 51	116.1	57.8	22.07	50 / 38
Missouri	79,440	61.62	94 / 25	316.7	185.0	35.99	58 / 31
Montana	10,352	51.27	78 / 40	41.3	32.0	39.71	77 / 21
Nebraska	23,670	58.87	90 / 32	94.4	75.2	46.94	80 / 20
Nevada	18,461	69.83	106 / 13	73.6	177.2	168.13	241 / 2
New Hampshire	21,090	77.50	118 / 6	84.1	64.1	59.08	76 / 23
New Jersey	169,810	87.72	133 / 2	677.0	325.2	42.14	48 / 41
New Mexico	18,814	49.68	76 / 46	75.0	39.5	26.13	53 / 34
New York	345,741	76.97	117 / 7	1,378.5	3,118.7	174.14	226 / 3
North Carolina	92,822	57.03	87 / 35	370.1	153.8	23.70	42 / 46
North Dakota	8,560	51.17	78 / 42	34.1	33.6	50.33	98 / 17
Ohio	168,635	61.88	94 / 24	672.3	352.4	32.43	52 / 36
Oklahoma	43,192	53.25	81 / 38	172.2	72.0	22.26	42 / 45
Oregon	41,180	59.32	90 / 31	164.2	257.5	93.02	157 / 8
Pennsylvania	194,819	64.74	98 / 21	776.7	1,291.7	107.66	166 / 5
Rhode Island	16,769	67.33	102 / 14	66.9	24.6	24.79	37 / 48
South Carolina	44,855	51.61	79 / 39	178.8	137.2	39.59	77 / 22
South Dakota	9,095	50.79	77 / 44	36.3	17.5	24.45	48 / 40
Tennessee	67,909	55.28	84 / 36	270.8	223.9	45.70	83 / 19
Texas	245,647	58.18	88 / 34	979.4	528.5	31.40	54 / 33
Utah	20,604	48.58	74 / 49	82.1	40.7	24.05	50 / 39
Vermont	8,530	60.95	93 / 26	34.0	24.1	43.26	71 / 25
Virginia	106,315	70.49	107 / 10	423.9	625.8	104.07	148 / 10
Washington	76,561	65.62	100 / 20	305.2	536.0	115.22	176 / 4
West Virginia	22,018	46.79	71 / 50	87.8	133.9	71.38	153 / 9
Wisconsin	75,362	62.18	95 / 23	300.5	173.7	35.95	58 / 32
Wyoming	6,523	54.18	82 / 37	26.0	6.0	12.43	23 / 50
US Total	4,052,993	$65.75	100	$16,159.2	$16,159.2	$65.75	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 0.40%.
*Tax base is aggregate personal income in millions of dollars.
Source: Price Waterhouse

Table 5-34

User Charges and Special Assessments—1988

State	Revenue Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Revenue Capacity	Revenue	Revenue Per Capita	Revenue Effort Index/Rank
Alabama	$52,720	$307.89	78 / 41	$1,263.3	$1,883.4	$459.02	149 / 5
Alaska	10,006	456.69	116 / 8	239.8	497.2	947.03	207 / 1
Arizona	52,233	359.34	91 / 29	1,251.6	1,216.3	349.22	97 / 33
Arkansas	29,263	292.65	74 / 48	701.2	672.4	280.64	96 / 35
California	530,968	449.21	114 / 9	12,722.9	14,102.4	497.91	111 / 25
Colorado	54,352	394.66	100 / 19	1,302.4	1,560.0	472.72	120 / 19
Connecticut	74,553	552.73	140 / 1	1,786.4	808.1	250.02	45 / 51
Delaware	11,659	423.29	107 / 11	279.4	393.2	595.82	141 / 9
District of Columbia	13,194	515.74	131 / 3	316.2	216.8	353.64	69 / 45
Florida	204,788	397.72	101 / 17	4,907.1	5,248.4	425.39	107 / 27
Georgia	96,779	365.83	93 / 27	2,319.0	3,276.0	516.80	141 / 8
Hawaii	18,399	402.25	102 / 15	440.9	485.4	442.89	110 / 26
Idaho	12,698	303.36	77 / 45	304.3	376.4	375.25	124 / 17
Illinois	204,115	421.16	107 / 12	4,890.9	3,081.6	265.36	63 / 50
Indiana	82,924	357.44	90 / 30	1,987.0	2,313.8	416.23	116 / 20
Iowa	41,551	351.81	89 / 33	995.6	1,389.4	490.94	140 / 10
Kansas	39,320	377.47	96 / 22	942.2	1,003.7	402.11	107 / 28
Kentucky	47,784	307.30	78 / 43	1,145.0	1,123.6	301.55	98 / 31
Louisiana	54,179	294.58	75 / 47	1,298.2	1,769.5	401.52	136 / 11
Maine	18,206	361.73	92 / 28	436.2	308.4	255.69	71 / 43
Maryland	90,071	466.55	118 / 5	2,158.3	1,489.3	321.93	69 / 44
Massachusetts	122,593	498.73	126 / 4	2,937.5	1,951.1	331.26	66 / 47
Michigan	152,934	396.60	100 / 18	3,664.6	4,085.1	442.12	111 / 23
Minnesota	71,807	399.40	101 / 16	1,720.6	2,446.7	567.94	142 / 7
Mississippi	29,123	266.35	67 / 51	697.8	1,198.8	457.57	172 / 4
Missouri	79,440	370.33	94 / 25	1,903.5	1,597.7	310.83	84 / 41
Montana	10,352	308.14	78 / 40	248.1	251.6	312.55	101 / 29
Nebraska	23,670	353.82	90 / 32	567.2	834.3	520.44	147 / 6
Nevada	18,461	419.69	106 / 13	442.4	491.8	466.59	111 / 24
New Hampshire	21,090	465.76	118 / 6	505.4	318.6	293.65	63 / 49
New Jersey	169,810	527.20	133 / 2	4,068.9	2,702.4	350.15	66 / 48
New Mexico	18,814	298.55	76 / 46	450.8	557.8	369.41	124 / 16
New York	345,741	462.59	117 / 7	8,284.5	7,844.6	438.02	95 / 37
North Carolina	92,822	342.76	87 / 35	2,224.2	1,880.3	289.77	85 / 40
North Dakota	8,560	307.51	78 / 42	205.1	400.0	599.66	195 / 2
Ohio	168,635	371.91	94 / 24	4,040.8	3,804.1	350.13	94 / 38
Oklahoma	43,192	320.02	81 / 38	1,035.0	1,357.7	419.83	131 / 13
Oregon	41,180	356.48	90 / 31	986.7	1,221.9	441.43	124 / 15
Pennsylvania	194,819	389.08	98 / 21	4,668.2	3,137.4	261.49	67 / 46
Rhode Island	16,769	404.65	102 / 14	401.8	297.5	299.59	74 / 42
South Carolina	44,855	310.19	79 / 39	1,074.8	1,442.8	416.38	134 / 12
South Dakota	9,095	305.23	77 / 44	217.9	208.0	291.35	95 / 36
Tennessee	67,909	332.22	84 / 36	1,627.2	1,990.1	406.31	122 / 18
Texas	245,647	349.66	88 / 34	5,886.1	5,743.2	341.16	98 / 32
Utah	20,604	291.96	74 / 49	493.7	640.1	378.54	130 / 14
Vermont	8,530	366.30	93 / 26	204.4	197.4	353.73	97 / 34
Virginia	106,315	423.66	107 / 10	2,547.5	2,318.6	385.60	91 / 39
Washington	76,561	394.35	100 / 20	1,834.5	2,130.4	457.96	116 / 21
West Virginia	22,018	281.23	71 / 50	527.6	524.9	279.81	99 / 30
Wisconsin	75,362	373.72	95 / 23	1,805.8	2,037.2	421.61	113 / 22
Wyoming	6,523	325.63	82 / 37	156.3	289.3	602.67	185 / 3
US Total	$4,052,993	$395.13	100	$97,116.5	$97,116.5	$395.13	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = 2.40%.

*Revenue base is aggregate personal income in millions of dollars.

Source: Price Waterhouse

Table 5-35
Rents and Royalties—1988

State	Revenue Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Revenue Capacity	Revenue	Revenue Per Capita	Revenue Effort Index/Rank
Alabama	$59	$14.46	125 / 10	$59.3	$59.3	$14.46	100 / S
Alaska	1,215	2,314.19	19,990 / 1	1,214.9	1,214.9	2,314.19	100 / S
Arizona	22	6.32	55 / 17	22.0	22.0	6.32	100 / S
Arkansas	0	0.14	1 / 42	0.3	0.3	0.14	100 / S
California	223	7.89	68 / 14	223.3	223.3	7.89	100 / S
Colorado	75	22.65	196 / 8	74.8	74.8	22.65	100 / S
Connecticut	6	1.81	16 / 25	5.9	5.9	1.81	100 / S
Delaware	1	1.42	12 / 26	0.9	0.9	1.42	100 / S
District of Columbia	0	0.00	0 / B	0.0	0.0	0.00	100 / S
Florida	0	0.00	0 / B	0.0	0.0	0.00	100 / S
Georgia	5	0.84	7 / 32	5.3	5.3	0.84	100 / S
Hawaii	10	9.07	78 / 12	9.9	9.9	9.07	100 / S
Idaho	2	2.11	18 / 24	2.1	2.1	2.11	100 / S
Illinois	9	0.76	7 / 33	8.8	8.8	0.76	100 / S
Indiana	0	0.05	0 / 45	0.3	0.3	0.05	100 / S
Iowa	1	0.19	2 / 40	0.5	0.5	0.19	100 / S
Kansas	3	1.24	11 / 29	3.1	3.1	1.24	100 / S
Kentucky	2	0.43	4 / 38	1.6	1.6	0.43	100 / S
Louisiana	307	69.70	602 / 4	307.2	307.2	69.70	100 / S
Maine	2	1.40	12 / 27	1.7	1.7	1.40	100 / S
Maryland	1	0.17	1 / 41	0.8	0.8	0.17	100 / S
Massachusetts	0	0.00	0 / B	0.0	0.0	0.00	100 / S
Michigan	46	4.96	43 / 20	45.8	45.8	4.96	100 / S
Minnesota	6	1.40	12 / 28	6.0	6.0	1.40	100 / S
Mississippi	7	2.76	24 / 23	7.2	7.2	2.76	100 / S
Missouri	0	0.00	0 / B	0.0	0.0	0.00	100 / S
Montana	23	28.45	246 / 5	22.9	22.9	28.45	100 / S
Nebraska	14	8.81	76 / 13	14.1	14.1	8.81	100 / S
Nevada	6	5.74	50 / 18	6.1	6.1	5.74	100 / S
New Hampshire	1	0.51	4 / 37	0.6	0.6	0.51	100 / S
New Jersey	0	0.00	0 / B	0.0	0.0	0.00	100 / S
New Mexico	235	155.60	1,344 / 2	235.0	235.0	155.60	100 / S
New York	12	0.65	6 / 35	11.7	11.7	0.65	100 / S
North Carolina	7	1.10	9 / 31	7.1	7.1	1.10	100 / S
North Dakota	18	27.28	236 / 6	18.2	18.2	27.28	100 / S
Ohio	56	5.12	44 / 19	55.7	55.7	5.12	100 / S
Oklahoma	30	9.16	79 / 11	29.6	29.6	9.16	100 / S
Oregon	69	24.82	214 / 7	68.7	68.7	24.82	100 / S
Pennsylvania	9	0.73	6 / 34	8.7	8.7	0.73	100 / S
Rhode Island	7	7.52	65 / 15	7.5	7.5	7.52	100 / S
South Carolina	2	0.57	5 / 36	2.0	2.0	0.57	100 / S
South Dakota	5	6.55	57 / 16	4.7	4.7	6.55	100 / S
Tennessee	0	0.01	0 / 46	0.1	0.1	0.01	100 / S
Texas	281	16.72	144 / 9	281.5	281.5	16.72	100 / S
Utah	2	1.18	10 / 30	2.0	2.0	1.18	100 / S
Vermont	3	4.50	39 / 21	2.5	2.5	4.50	100 / S
Virginia	0	0.07	1 / 44	0.4	0.4	0.07	100 / S
Washington	18	3.86	33 / 22	18.0	18.0	3.86	100 / S
West Virginia	0	0.08	1 / 43	0.1	0.1	0.08	100 / S
Wisconsin	1	0.26	2 / 39	1.3	1.3	0.26	100 / S
Wyoming	45	94.01	812 / 3	45.1	45.1	94.01	100 / S
US Total	$2,845	$11.58	100	$2,845.4	$2,845.4	$11.58	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 100%.
*Revenue base is actual state receipts from rents and royalties in millions of dollars.
B = Base is zero.
S = All states have the same effort index because of the design of this revenue base.
Source: Price Waterhouse

Table 5-36

Lottery Net Income—1988

State	Revenue Base*	Capacity Per Capita	Per Capita Capacity Index/Rank	Revenue Capacity	Revenue	Revenue Per Capita	Revenue Effort Index/Rank
Alabama	$192.0	$16.10	61 / 31	$66.0	$0.0	$0.00	0 / Z
Alaska	30.9	20.23	76 / 21	10.6	0.0	0.00	0 / Z
Arizona	150.7	14.88	56 / 35	51.8	83.1	23.86	160 / 5
Arkansas	102.5	14.72	56 / 36	35.3	0.0	0.00	0 / Z
California	2,189.0	26.59	100 / 15	753.1	949.2	33.51	126 / 16
Colorado	125.6	13.09	49 / 42	43.2	49.5	15.00	115 / 20
Connecticut	561.5	59.77	226 / 3	193.2	223.1	69.03	115 / 19
Delaware	48.9	25.49	96 / 16	16.8	22.1	33.48	131 / 13
District of Columbia	150.1	84.24	318 / 2	51.6	55.5	90.54	107 / 21
Florida	687.9	19.18	72 / 23	236.7	290.7	23.56	123 / 17
Georgia	341.3	18.52	70 / 24	117.4	0.0	0.00	0 / Z
Hawaii	66.0	20.70	78 / 20	22.7	0.0	0.00	0 / Z
Idaho	26.3	9.03	34 / 50	9.1	0.0	0.00	0 / Z
Illinois	1,146.1	33.95	128 / 7	394.3	527.8	45.45	134 / 12
Indiana	454.5	28.13	106 / 11	156.4	0.0	0.00	0 / Z
Iowa	144.7	17.59	66 / 27	49.8	51.0	18.02	102 / 24
Kansas	87.2	12.02	45 / 44	30.0	32.1	12.86	107 / 22
Kentucky	172.5	15.93	60 / 32	59.3	0.0	0.00	0 / Z
Louisiana	199.2	15.55	59 / 34	68.5	0.0	0.00	0 / Z
Maine	86.8	24.75	93 / 17	29.8	35.6	29.52	119 / 18
Maryland	583.8	43.41	164 / 6	200.8	369.5	79.87	184 / 1
Massachusetts	1,541.6	90.05	340 / 1	530.4	457.6	77.69	86 / 26
Michigan	1,178.7	43.89	166 / 5	405.5	531.1	57.48	131 / 14
Minnesota	210.5	16.81	63 / 30	72.4	0.0	0.00	0 / Z
Mississippi	92.6	12.16	46 / 43	31.9	0.0	0.00	0 / Z
Missouri	164.1	10.99	41 / 47	56.5	71.3	13.87	126 / 15
Montana	17.7	7.56	29 / 51	6.1	10.8	13.42	177 / 2
Nebraska	67.3	14.44	55 / 37	23.2	0.0	0.00	0 / Z
Nevada	67.0	21.87	83 / 18	23.0	0.0	0.00	0 / Z
New Hampshire	92.3	29.25	110 / 10	31.7	32.3	29.77	102 / 25
New Jersey	1,142.0	50.91	192 / 4	392.9	539.8	69.94	137 / 10
New Mexico	57.9	13.18	50 / 41	19.9	0.0	0.00	0 / Z
New York	1,437.0	27.61	104 / 13	494.4	696.3	38.88	141 / 9
North Carolina	321.1	17.03	64 / 28	110.5	0.0	0.00	0 / Z
North Dakota	23.0	11.84	45 / 46	7.9	0.0	0.00	0 / Z
Ohio	1,052.3	33.32	126 / 8	362.0	612.9	56.41	169 / 4
Oklahoma	134.7	14.33	54 / 38	46.3	0.0	0.00	0 / Z
Oregon	136.1	16.91	64 / 29	46.8	70.9	25.61	151 / 8
Pennsylvania	1,117.0	32.03	121 / 9	384.3	604.9	50.42	157 / 6
Rhode Island	80.5	27.90	105 / 12	27.7	23.4	23.56	84 / 27
South Carolina	157.0	15.59	59 / 33	54.0	0.0	0.00	0 / Z
South Dakota	24.7	11.92	45 / 45	8.5	13.1	18.35	154 / 7
Tennessee	258.7	18.17	69 / 26	89.0	0.0	0.00	0 / Z
Texas	893.2	18.25	69 / 25	307.3	0.0	0.00	0 / Z
Utah	45.0	9.16	35 / 49	15.5	0.0	0.00	0 / Z
Vermont	31.8	19.59	74 / 22	10.9	15.0	26.88	137 / 11
Virginia	363.6	20.80	79 / 19	125.1	0.0	0.00	0 / Z
Washington	190.2	14.07	53 / 39	65.4	112.4	24.16	172 / 3
West Virginia	73.9	13.56	51 / 40	25.4	26.9	14.34	106 / 23
Wisconsin	383.9	27.34	103 / 14	132.1	0.0	0.00	0 / Z
Wyoming	13.4	9.58	36 / 48	4.6	0.0	0.00	0 / Z
US Total	$18,916	$26.48	100	$6,507.9	$6,507.9	$26.48	100

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.

Representative Rate = 34.40%.

*Tax base is gross lottery sales estimated using a regression equation.

Z = Zero revenue reported.

Source: Price Waterhouse

Chapter 6

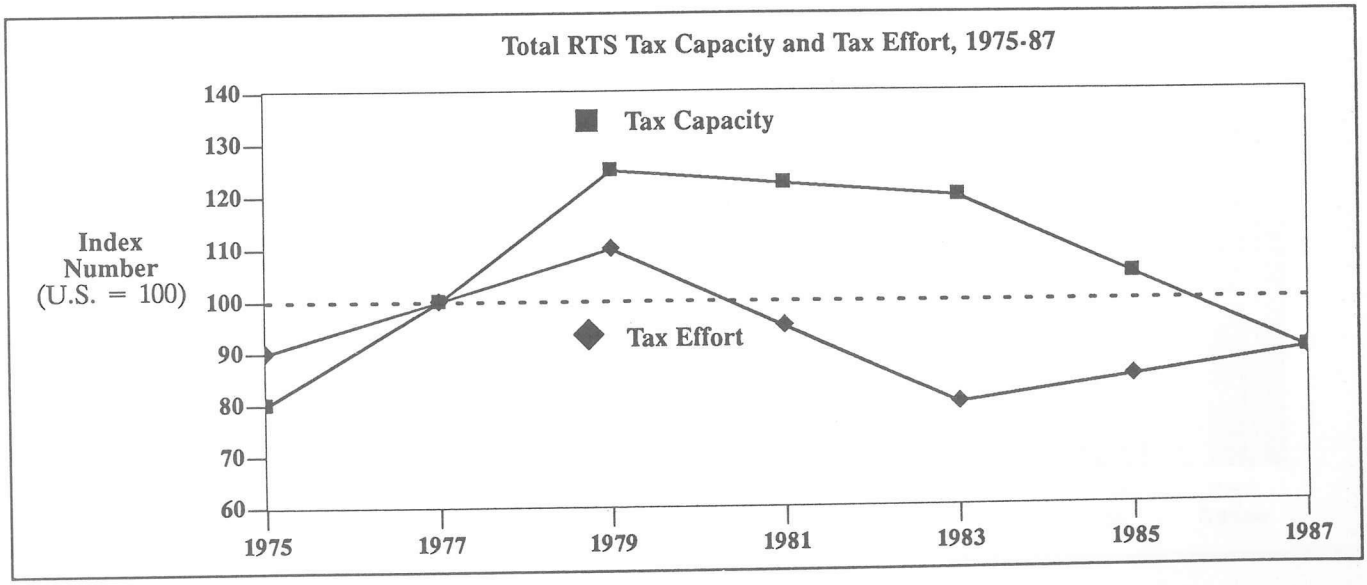
Fiscal Capacity and Effort Graphs: By State

This section contains graphs that present RTS and RRS data on a state-by-state basis. The graphs show fiscal capacity and effort both over time and by selected revenue bases for 1988. While the graphs are intended to facilitate understanding of a state's fiscal position, they must be interpreted with care.

How to Read the Graphs

The top graph on each page shows a state's total RTS tax capacity and tax effort indexes for selected years from 1975 to 1988. These graphs are useful for illustrating the trends in each state's capacity and effort, not for comparing the relative position of a state's capacity and effort (which is shown in the lower graphs). In these graphs, both capacity and effort are expressed as indexes, and thus show a state's position relative to the U.S. average of 100. To get an accurate picture of whether a state has room to raise—or lower—revenues to meet the national average tax effort, one should compare the state's tax effort to the national average index of 100, not to the state's capacity index level.

For example, in the hypothetical graph below, in 1975 the state's capacity is 80 percent of average and its effort is 90 percent of average. This implies that, given its low capacity, the state could increase its tax effort by 10 percent to reach the national average tax effort level. By 1979, the state's capacity has increased to 25 percent above average, and its effort to 10 percent above average. Thus, even though the effort index is below the capacity index, the state still has a tax effort above the national average. In 1983, capacity is 20 percent above average, but the state is 20 percent below the U.S. average in tax effort. In this case, the state could increase its effort by 20 percent if it wished to match the national average effort given its capacity. Finally, in 1987, both capacity and effort are at 90 percent of average. Here, even though its capacity is below average, the state still has room to raise revenues by 10 percent without exceeding the national average in tax effort. This example is intended for



illustrative purposes only; it does not represent any particular state.

Whereas the top graph on each page shows tax capacity and effort over time, the bottom graph compares capacity and revenue utilization for eight selected revenue sources. Estimated capacity per capita, actual revenue collections per capita, and the U.S. average capacity per capita are shown for each of the following bases:

- General Sales and Gross Receipts Taxes (General Sales)
- Total Selective Sales Taxes (Selective Sales)
- Personal Income Taxes (Personal Income)
- Corporation Net Income and Net Worth Taxes (Corporate Income)
- Total Property Taxes (Property)
- Total Severance Taxes (Severance)
- All Other Taxes
- RRS Bases

All Other Taxes includes the RTS tax base of "All Other Taxes," as well as Total License Taxes and Estate and Gift Taxes. RRS Bases include the User Charges and Special Assessments, Rents and Royalties, and Lottery Net Income bases. Several of the bases are summations of other smaller bases. For example, Total Selective Sales Taxes encompasses nine selective sales taxes, and Total License Taxes includes six license taxes.

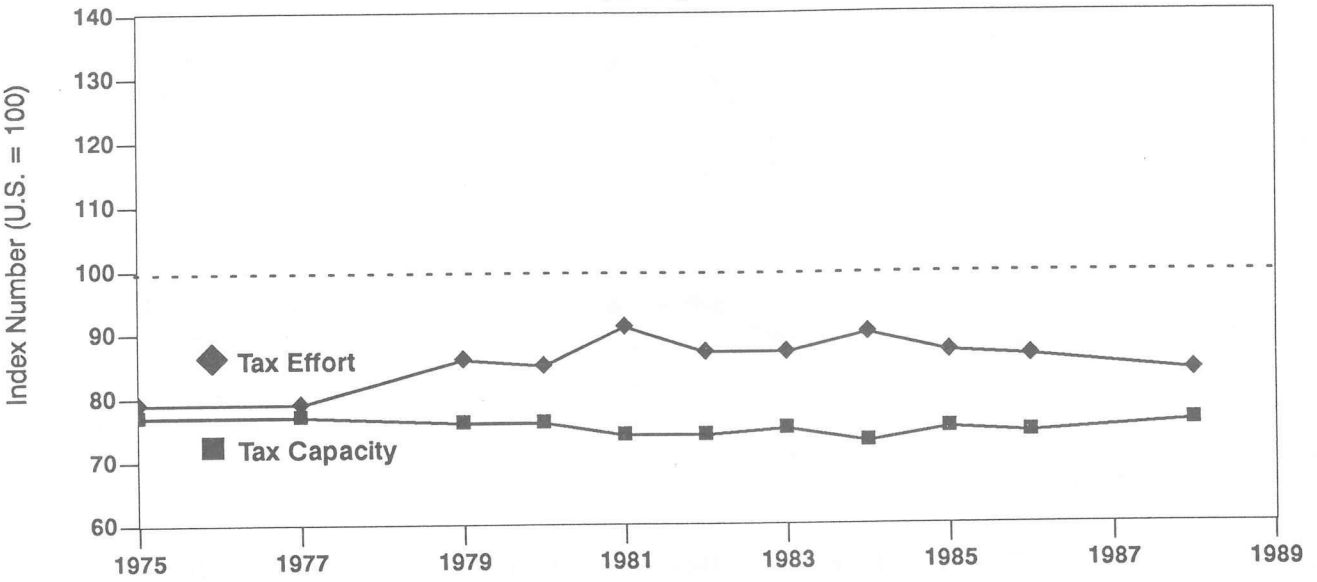
The bottom graph on each page shows the degree to which a state utilizes a particular revenue source relative to other states. If the first bar (capacity) exceeds the second bar (revenue) for a particular revenue source, then the state is raising less revenue from that source than the "average state" would raise given the same base. Conversely, if the revenue bar exceeds the capacity bar, the state is taxing that base more heavily than average.

The lower graphs can also be interpreted to show how a state's mix of revenue sources compares to that of other states. For example, if a state's revenue exceeds its capacity for the general sales tax and income tax but falls below its capacity for property taxation, then that state has a tax mix that emphasizes sales and income taxation but deemphasizes the property tax. The extent to which actual revenue exceeds capacity—or vice versa—provides a measure of the burden a state places on one revenue source in relation to other sources and in relation to other states.

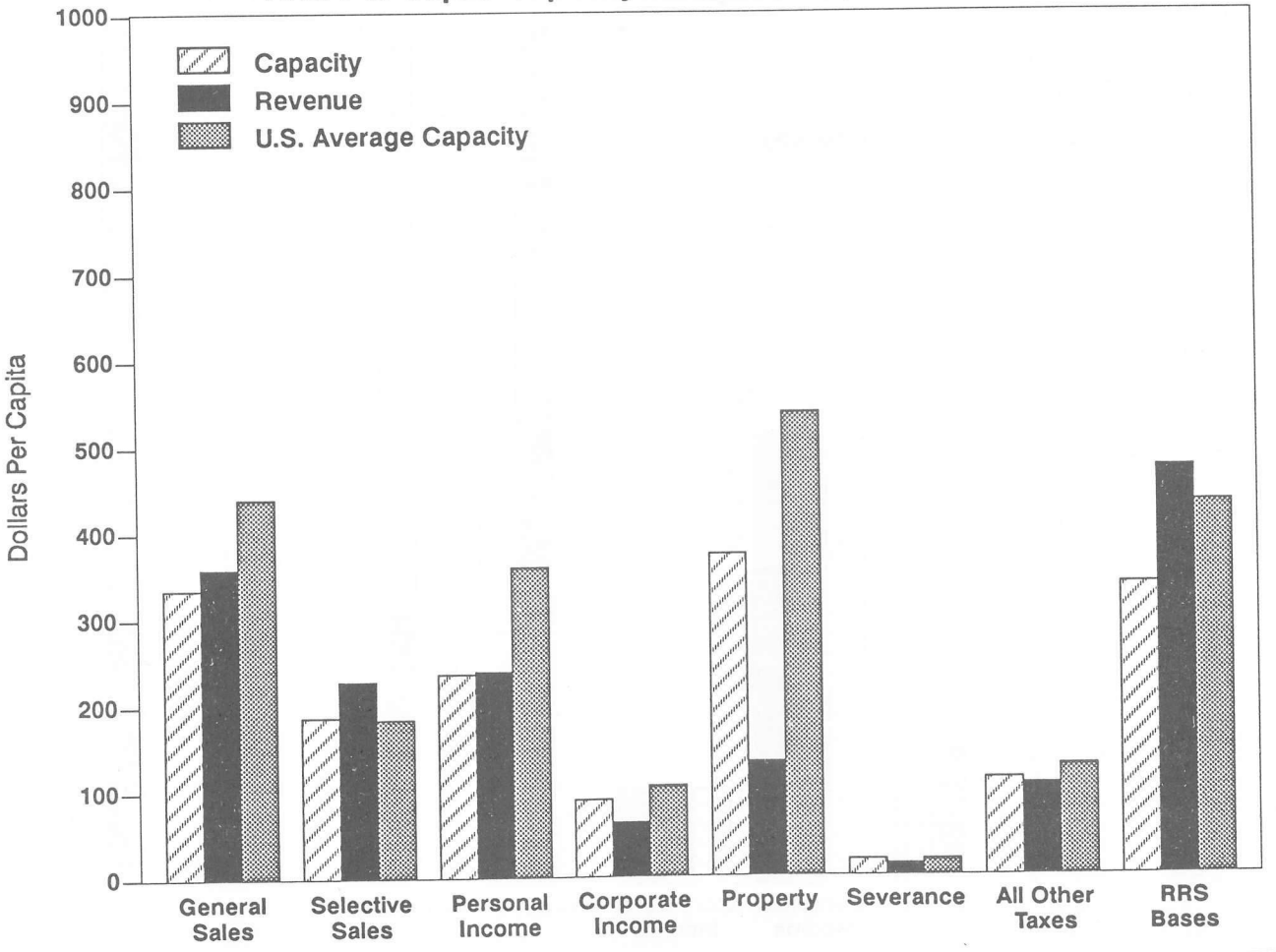
Alabama

1988 RTS Tax Capacity = 76 **1988 RTS Tax Effort = 84**

Total RTS Tax Capacity and Tax Effort, 1975-88

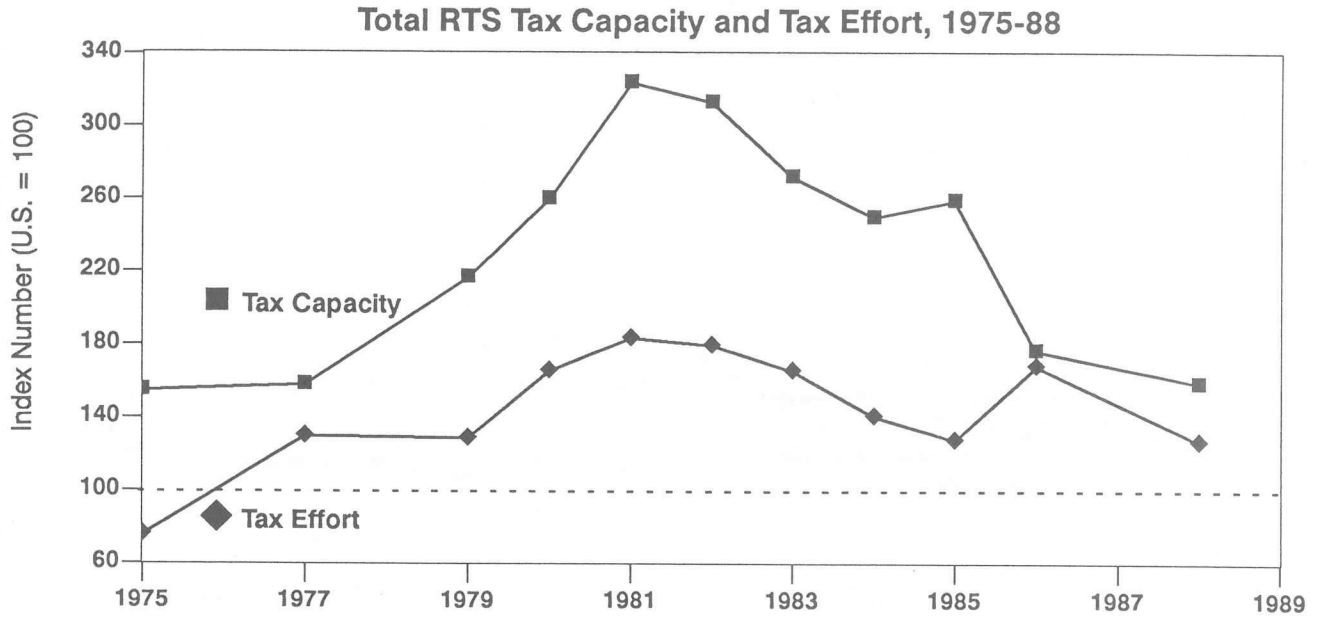


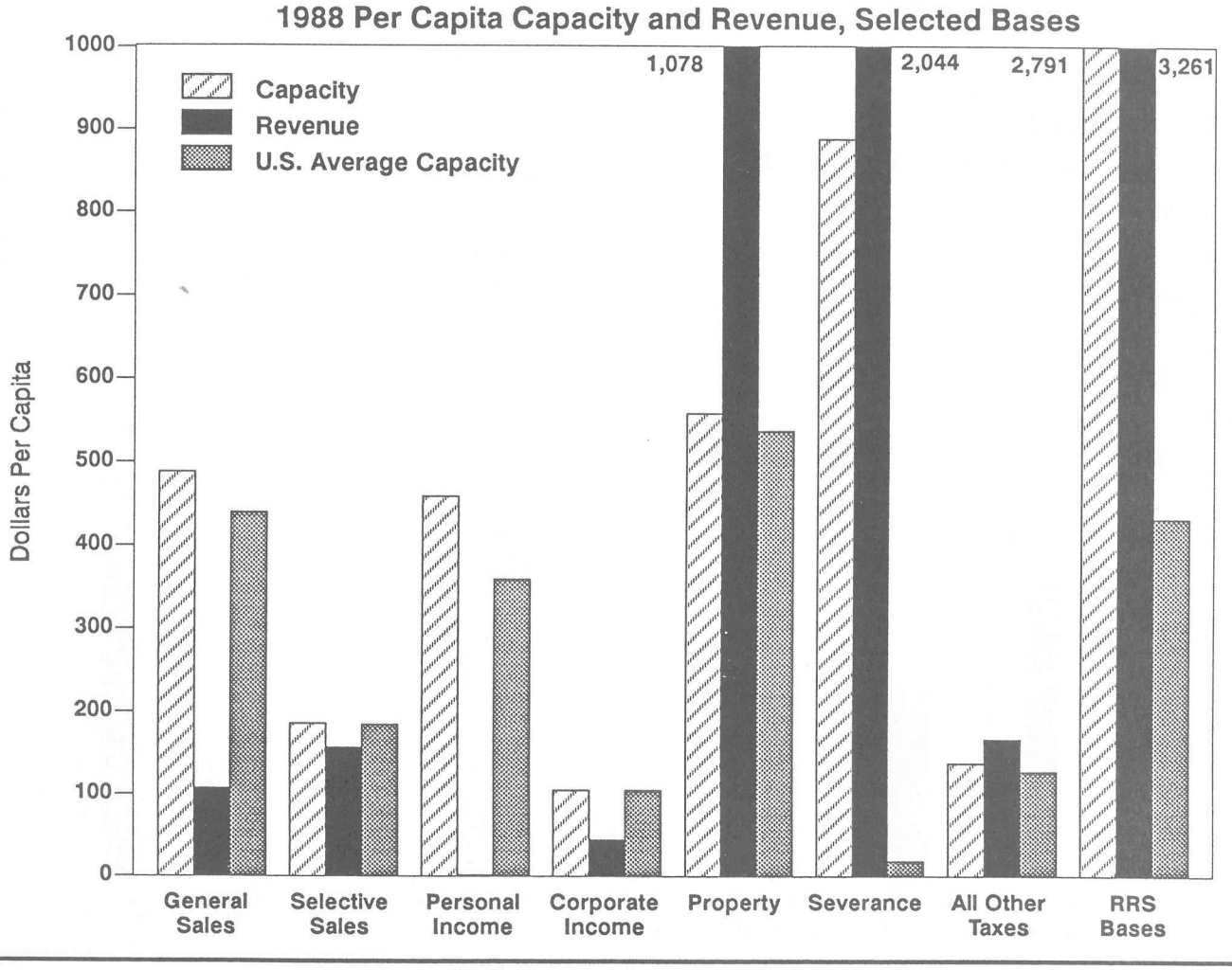
1988 Per Capita Capacity and Revenue, Selected Bases



Alaska

1988 RTS Tax Capacity = 159 **1988 RTS Tax Effort = 127**

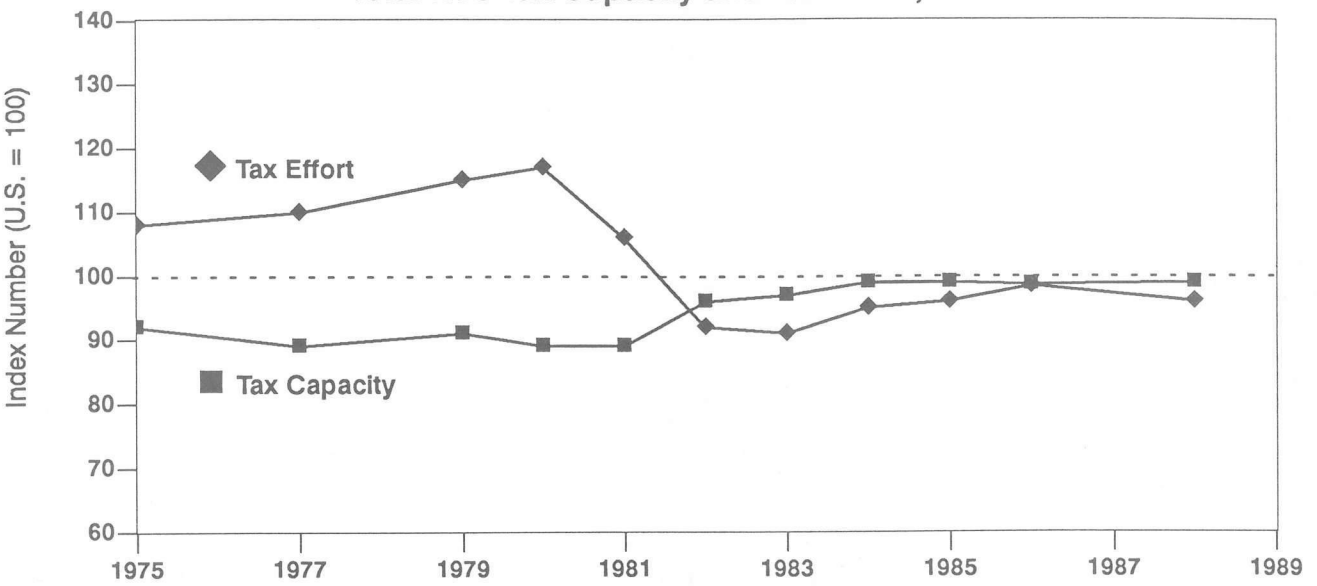




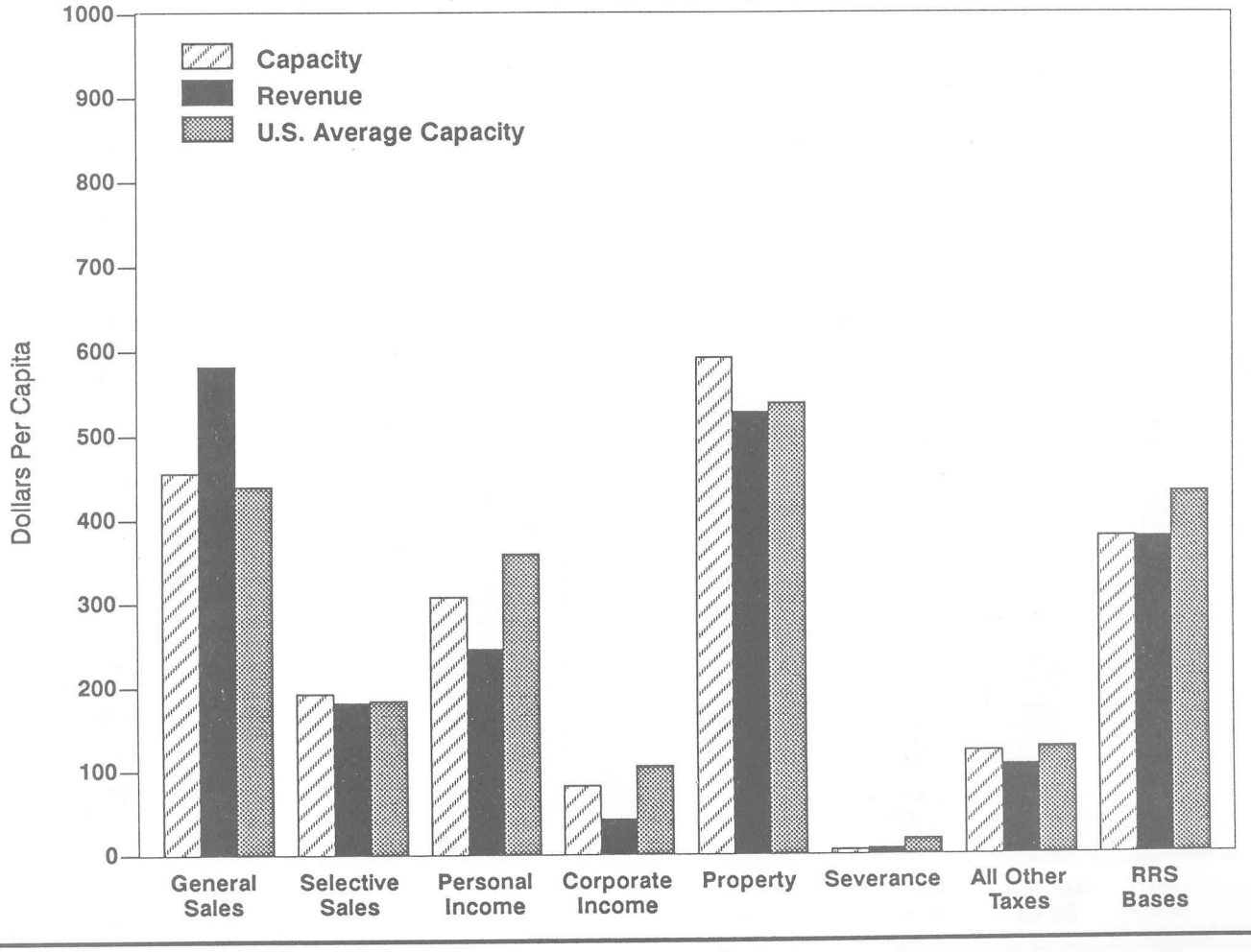
Arizona

1988 RTS Tax Capacity = 99 **1988 RTS Tax Effort = 96**

Total RTS Tax Capacity and Tax Effort, 1975-88

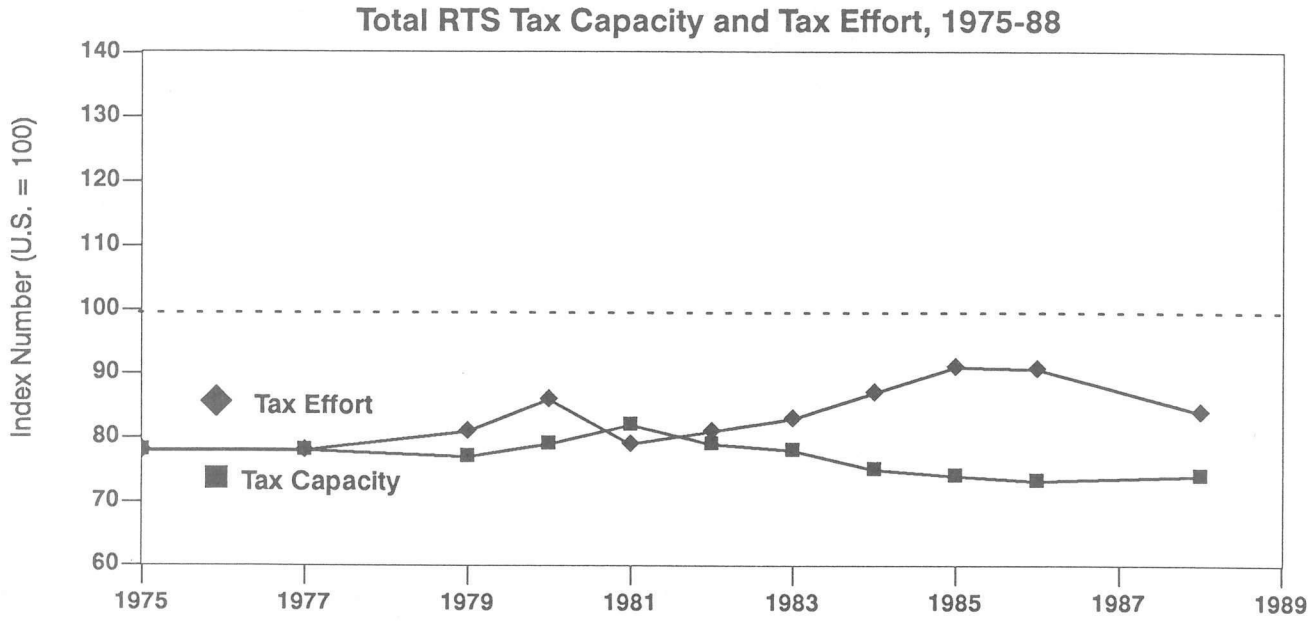


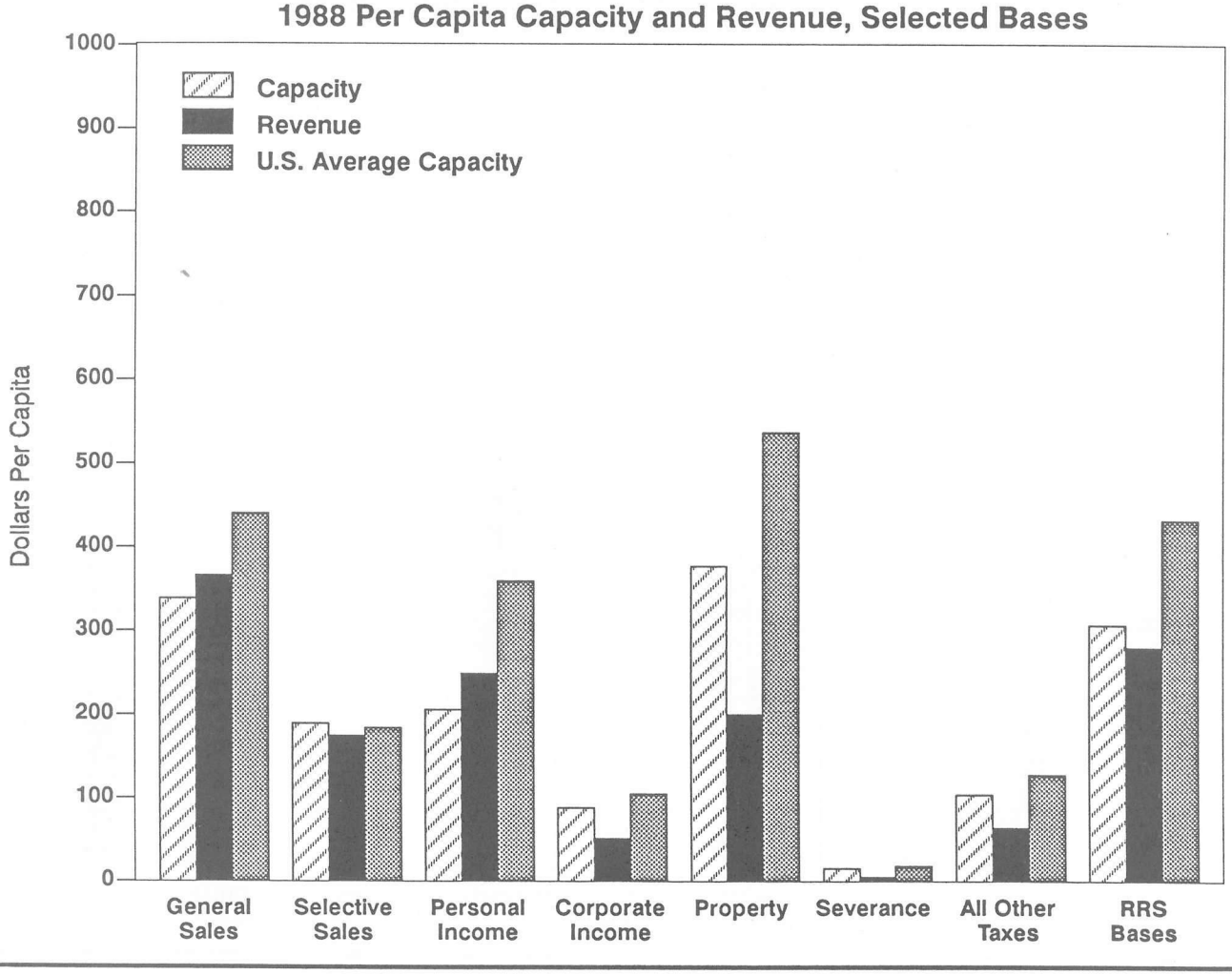
1988 Per Capita Capacity and Revenue, Selected Bases



Arkansas

1988 RTS Tax Capacity = 74 **1988 RTS Tax Effort = 84**

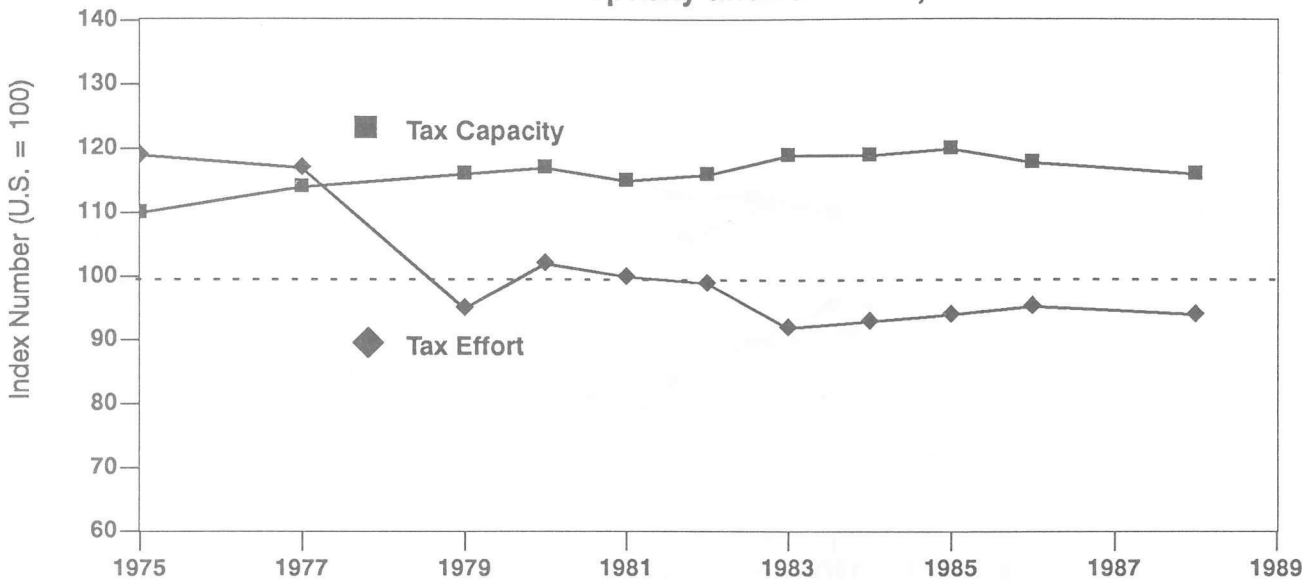




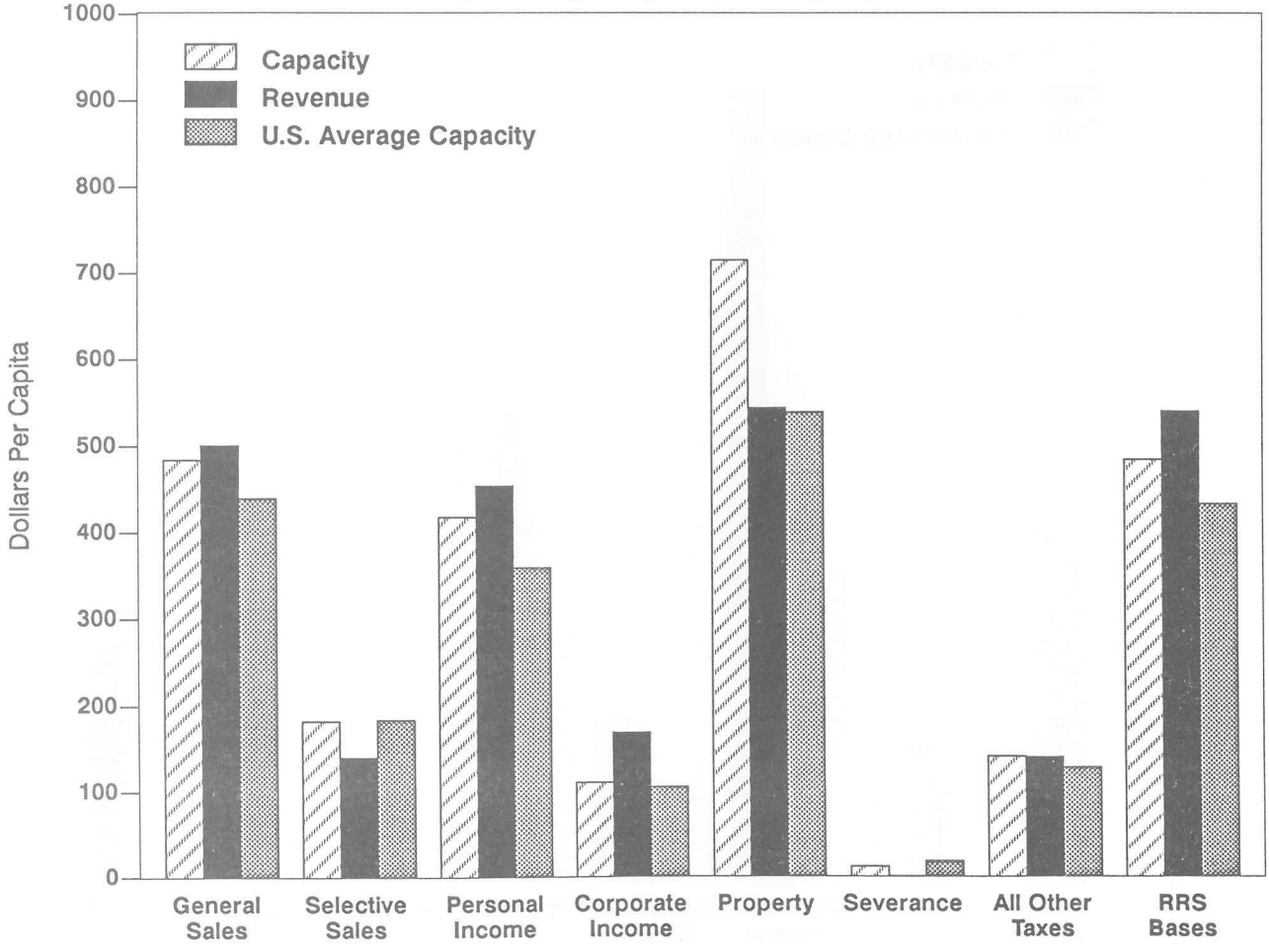
California

1988 RTS Tax Capacity = 116 **1988 RTS Tax Effort = 94**

Total RTS Tax Capacity and Tax Effort, 1975-88

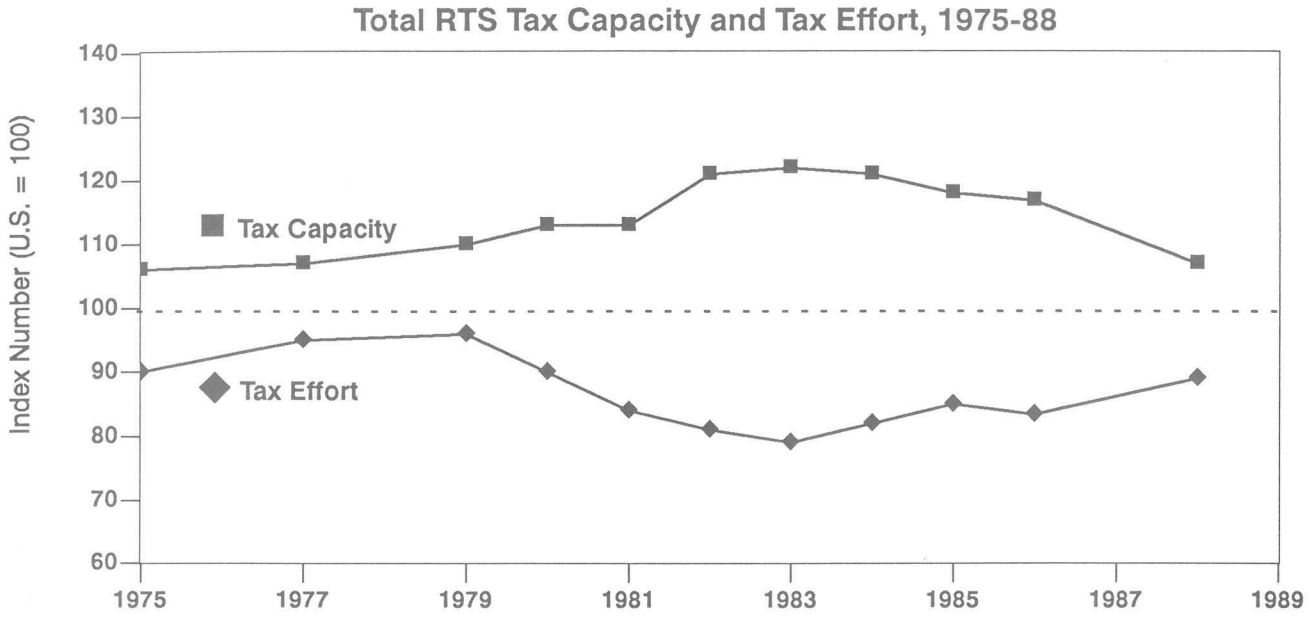


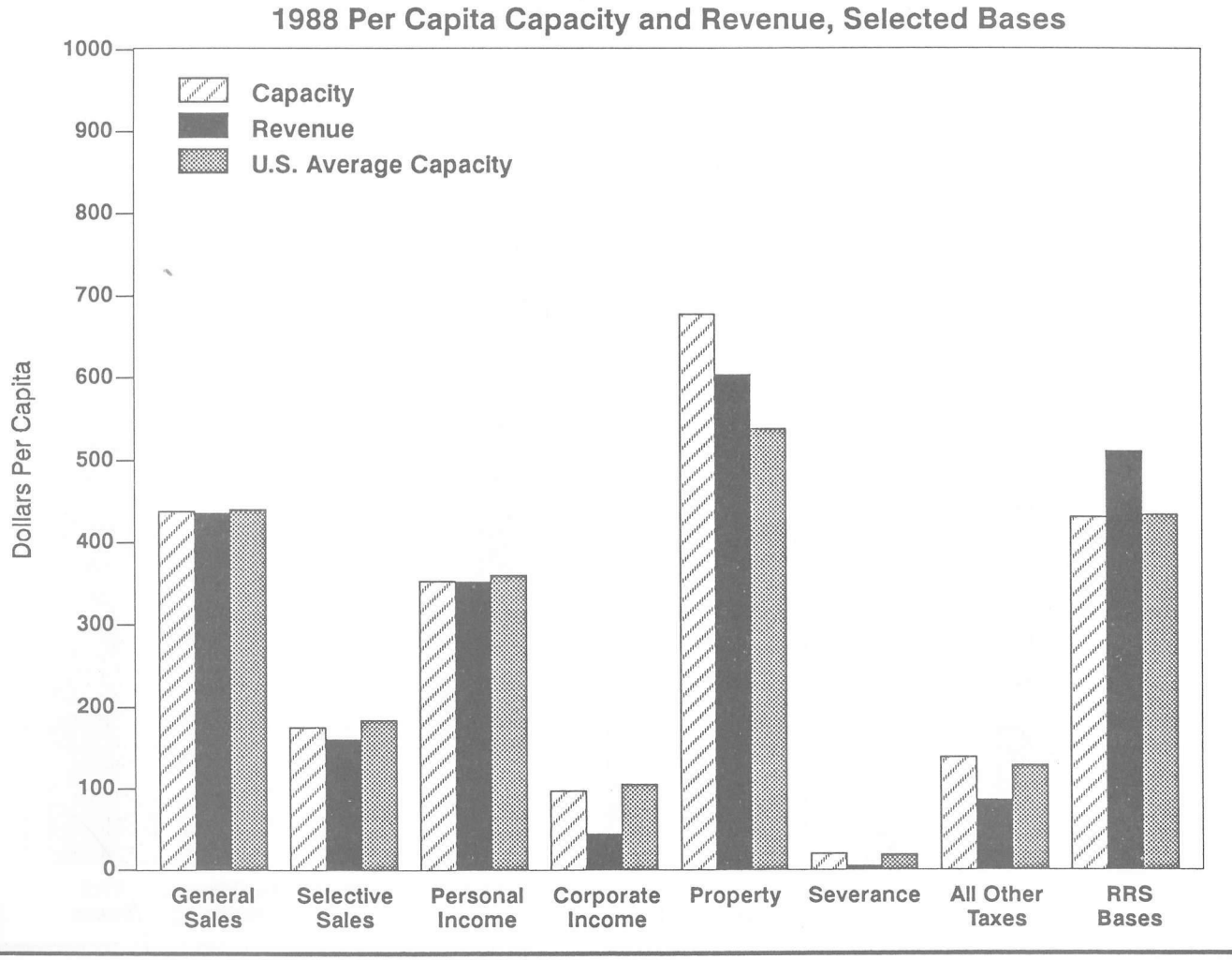
1988 Per Capita Capacity and Revenue, Selected Bases



Colorado

1988 RTS Tax Capacity = 107 **1988 RTS Tax Effort = 89**

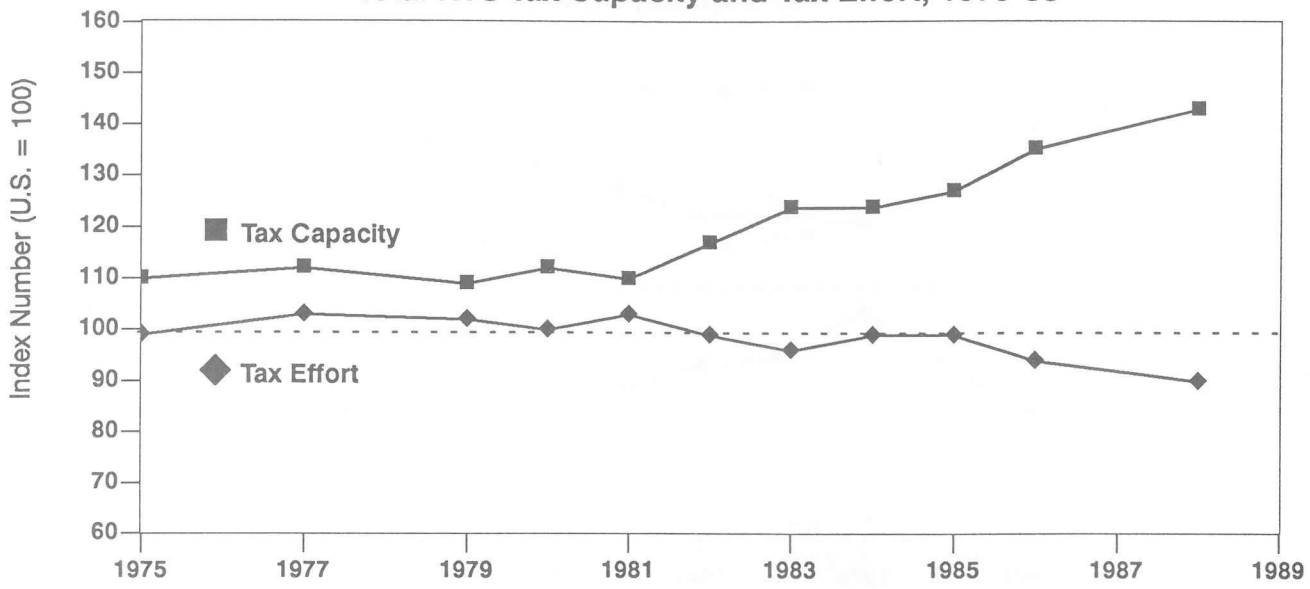




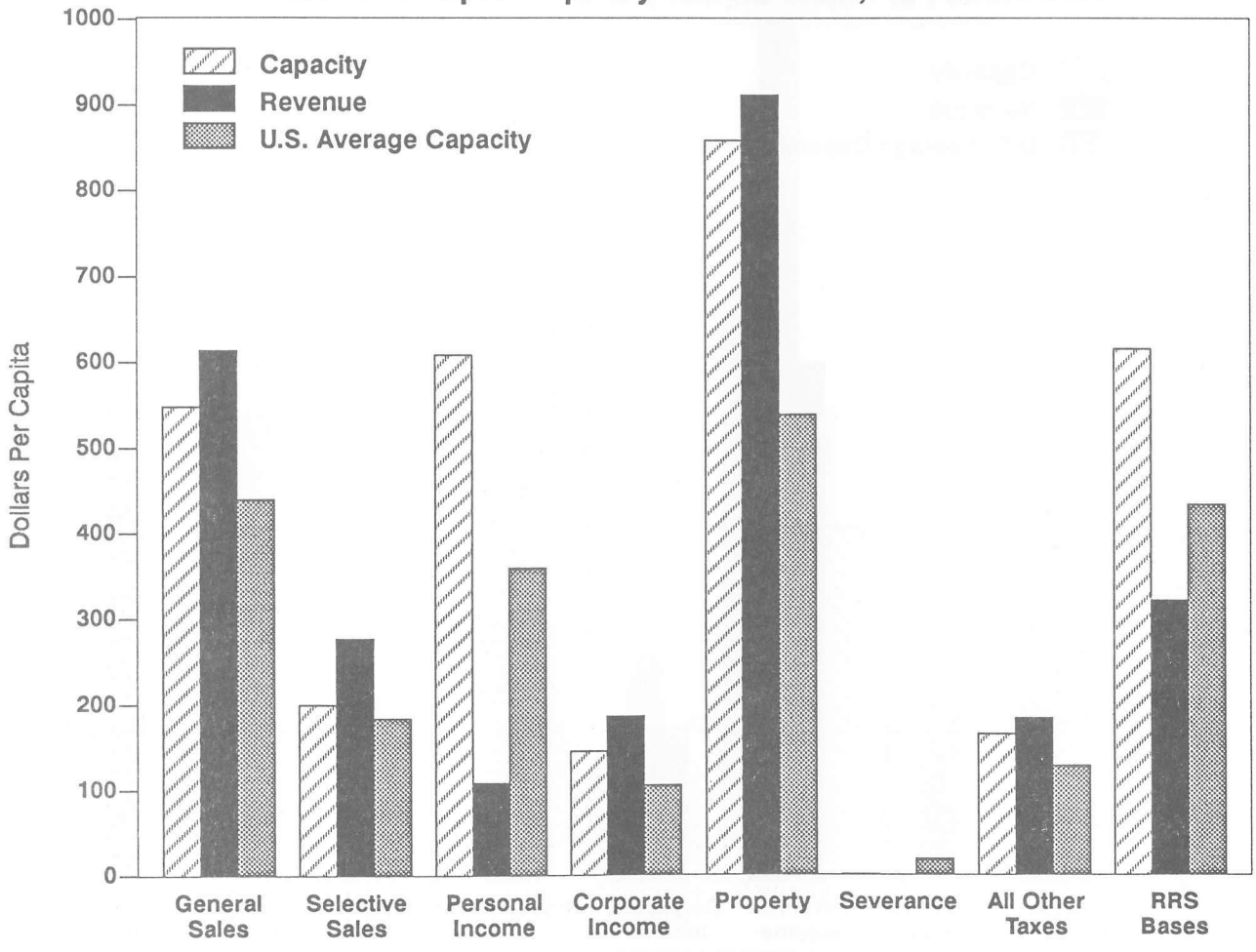
Connecticut

1988 RTS Tax Capacity = 143 **1988 RTS Tax Effort = 90**

Total RTS Tax Capacity and Tax Effort, 1975-88



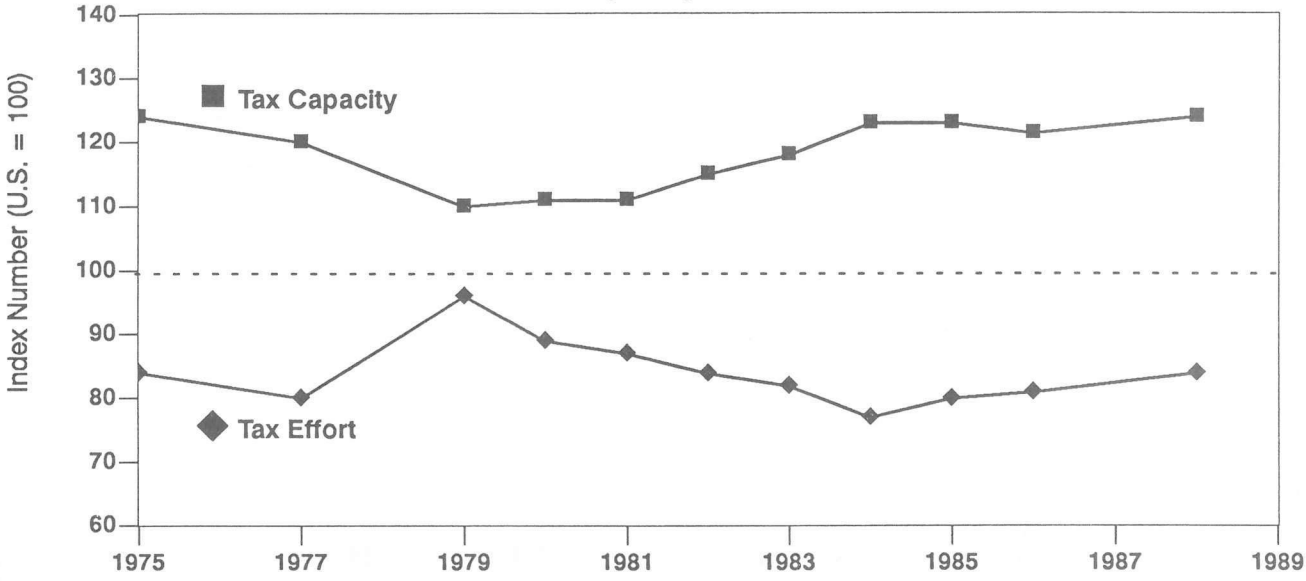
1988 Per Capita Capacity and Revenue, Selected Bases



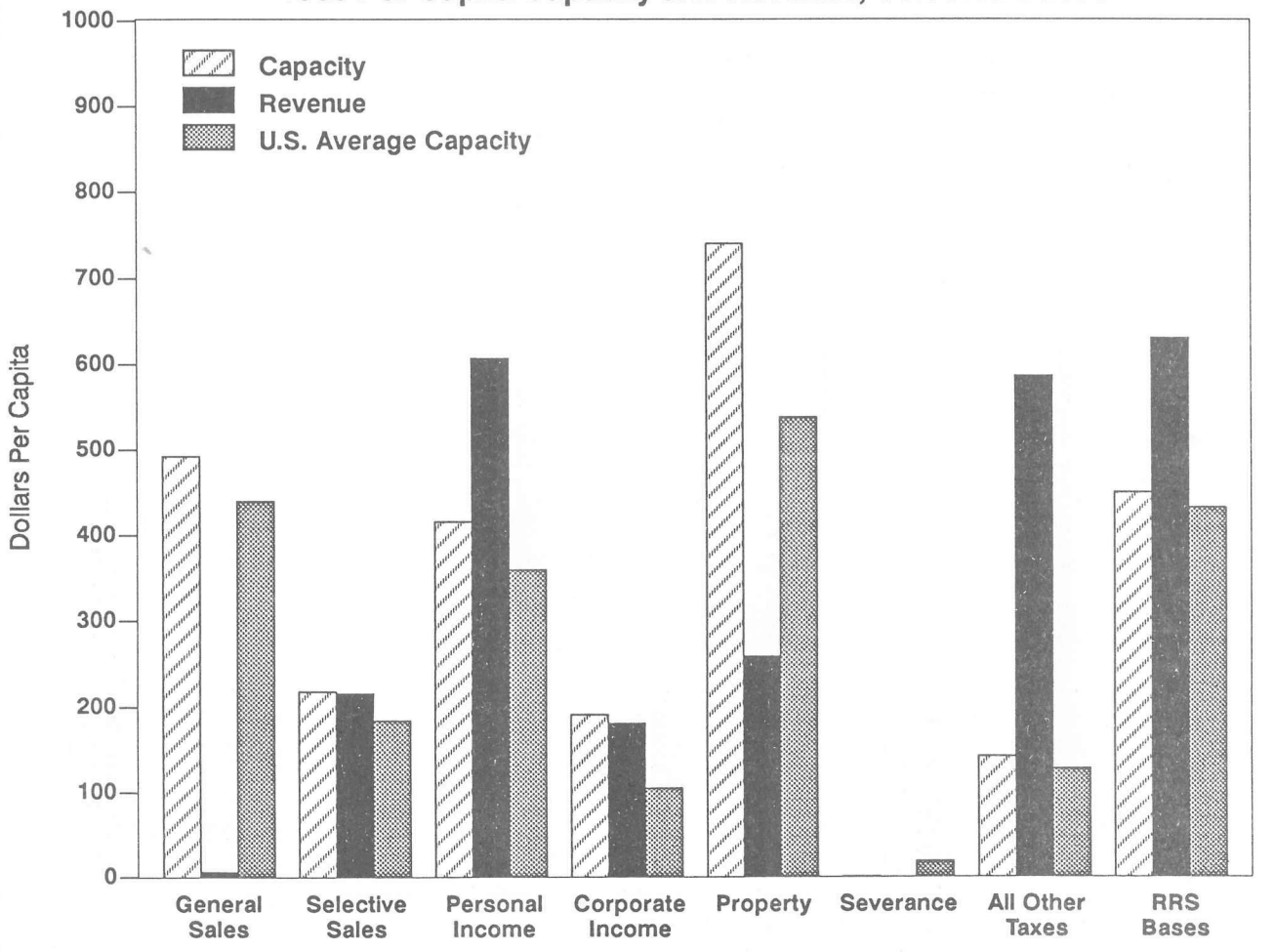
Delaware

1988 RTS Tax Capacity = 124 **1988 RTS Tax Effort = 84**

Total RTS Tax Capacity and Tax Effort, 1975-88



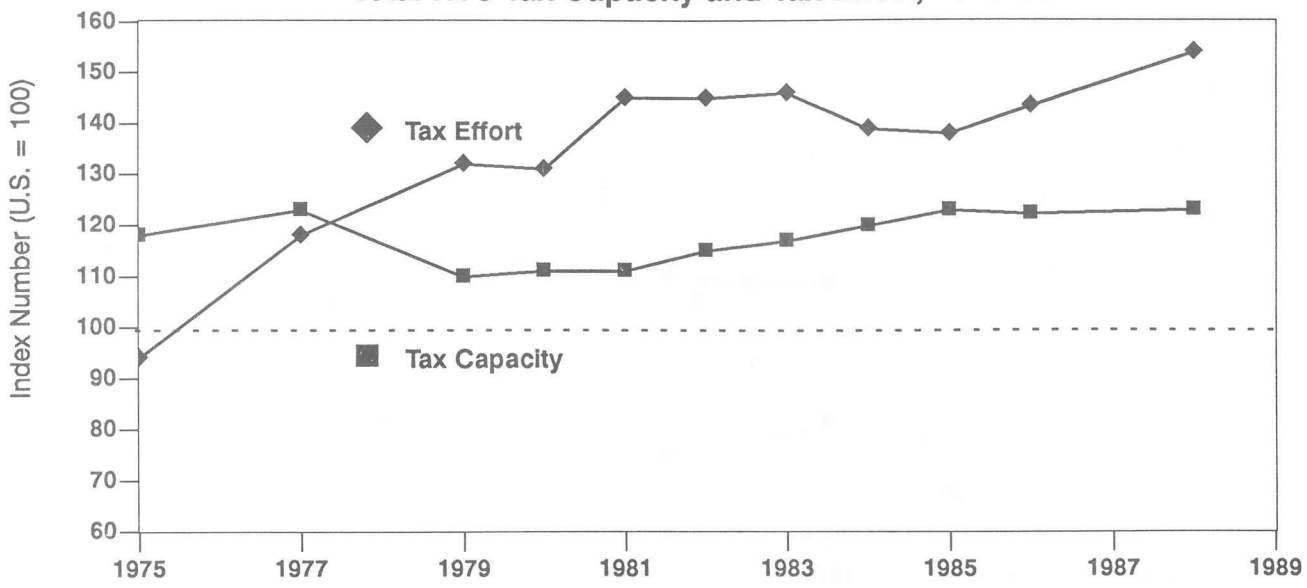
1988 Per Capita Capacity and Revenue, Selected Bases



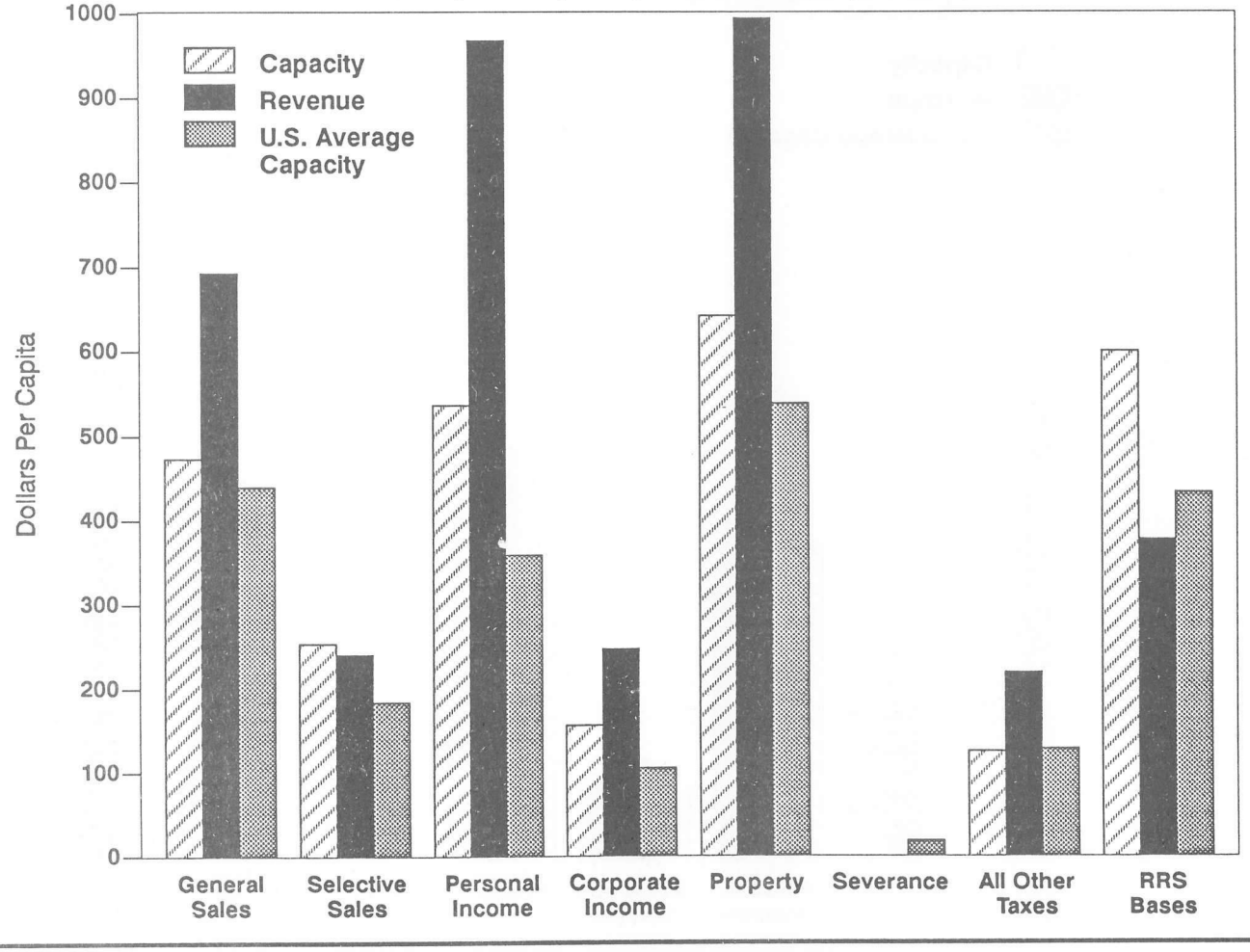
District of Columbia

1988 RTS Tax Capacity = 123 **1988 RTS Tax Effort = 154**

Total RTS Tax Capacity and Tax Effort, 1975-88

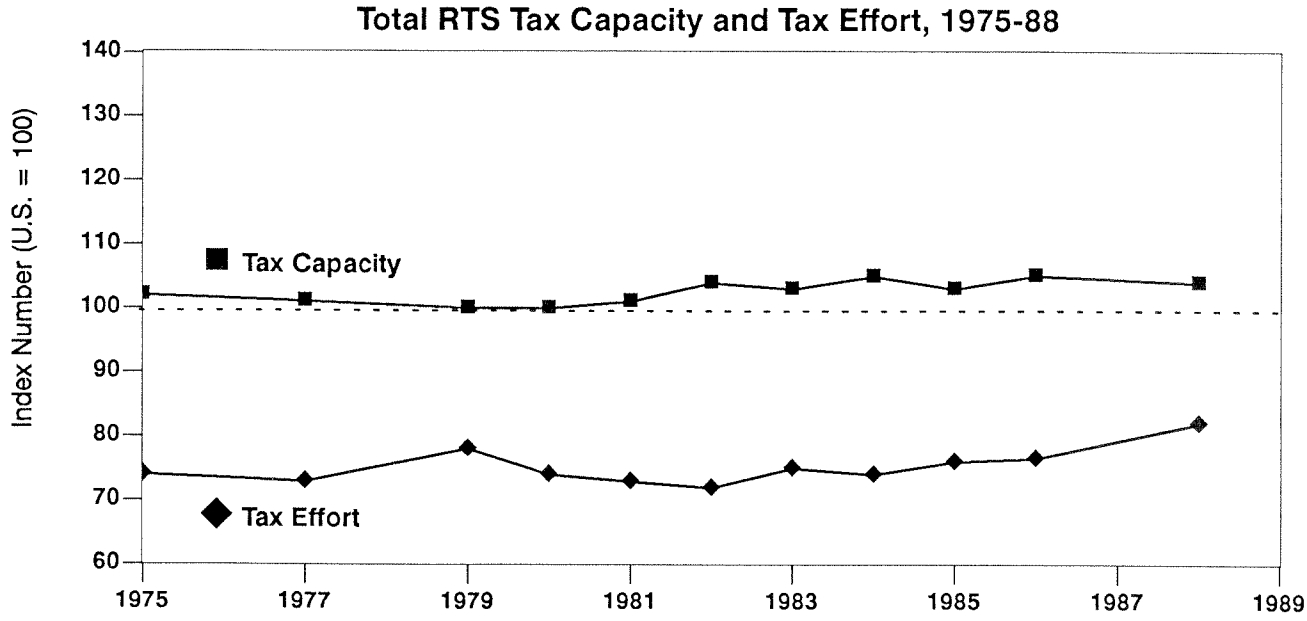


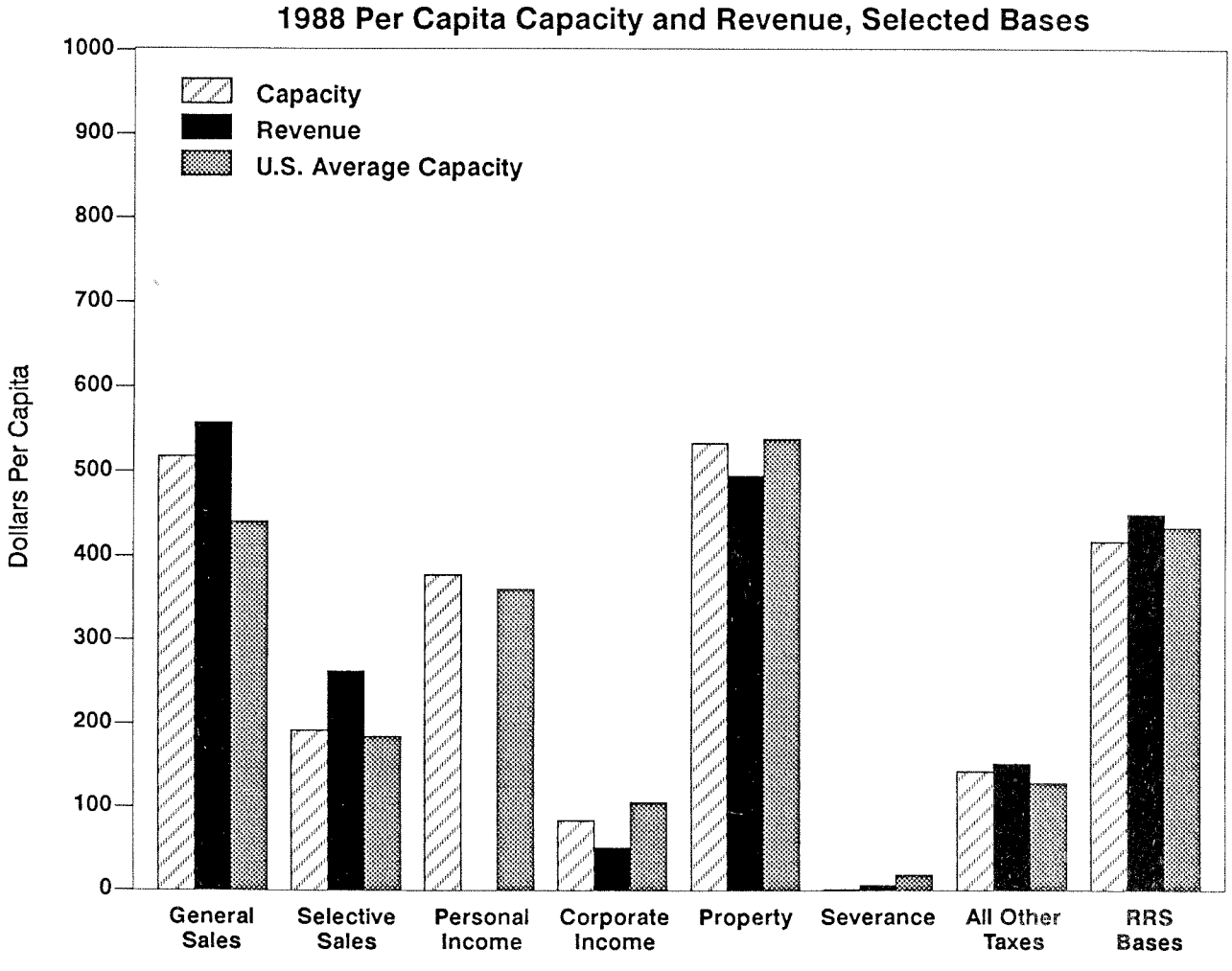
1988 Per Capita Capacity and Revenue, Selected Bases



Florida

1988 RTS Tax Capacity = 104 **1988 RTS Tax Effort = 82**

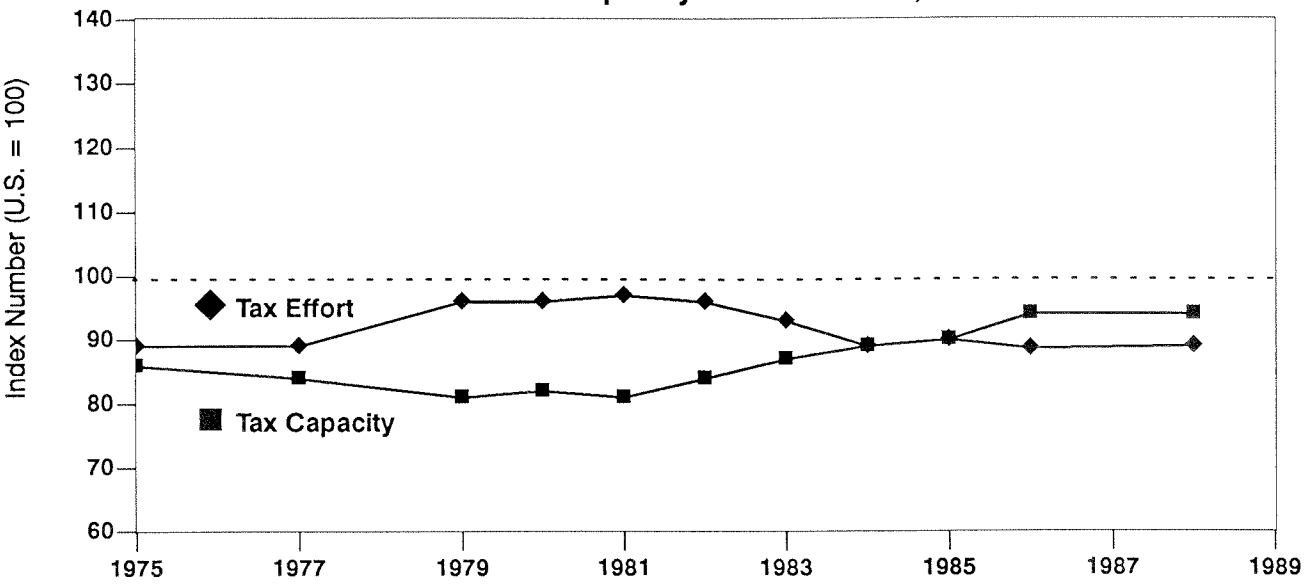




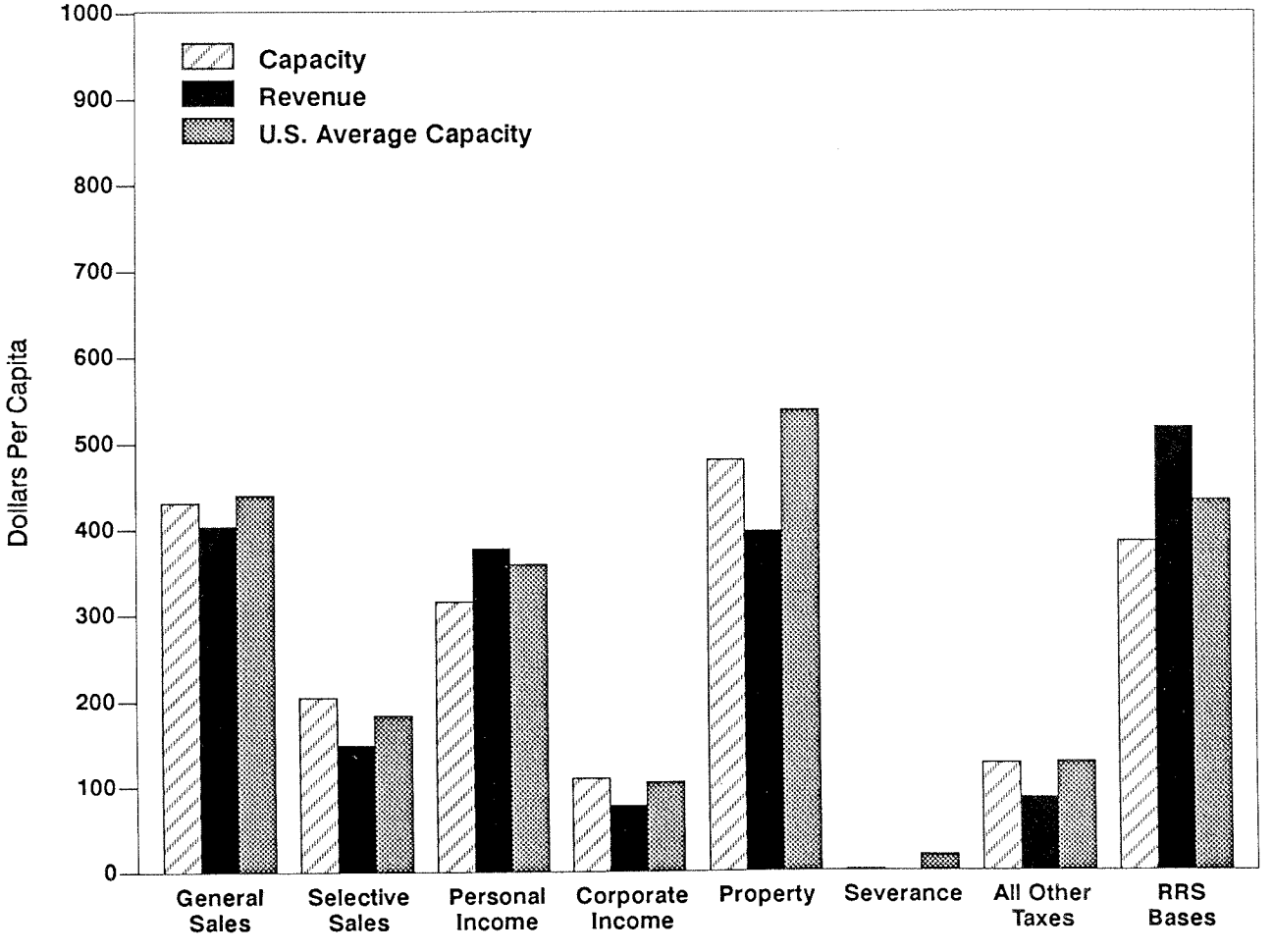
Georgia

1988 RTS Tax Capacity = 94 **1988 RTS Tax Effort = 89**

Total RTS Tax Capacity and Tax Effort, 1975-88



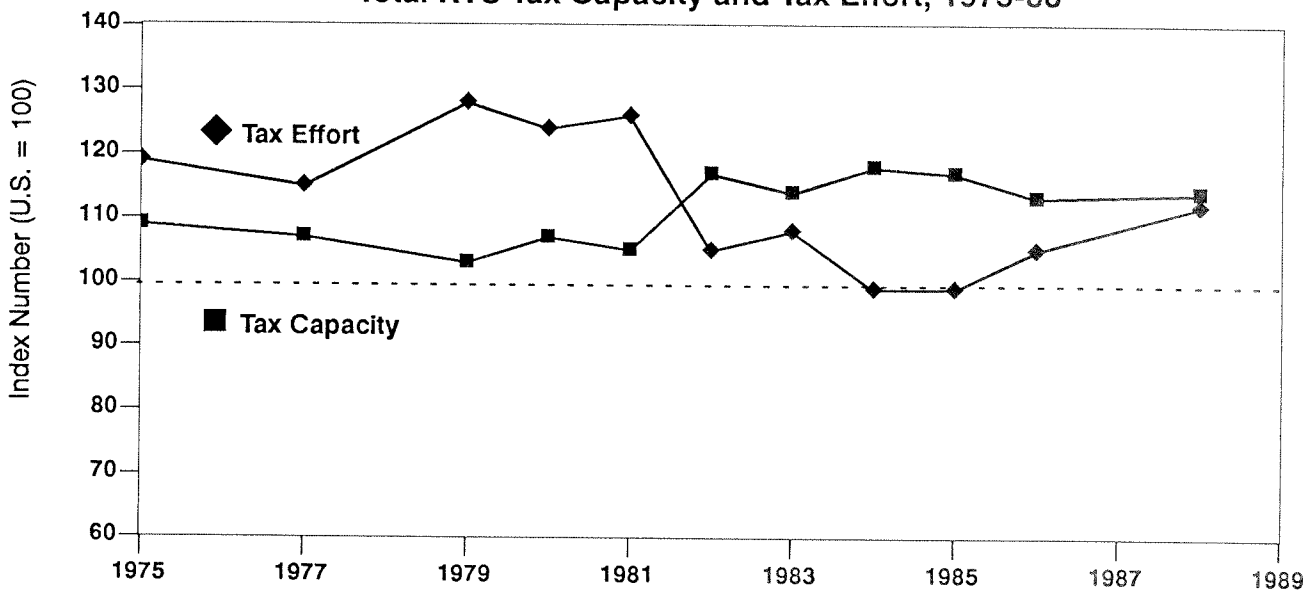
1988 Per Capita Capacity and Revenue, Selected Bases



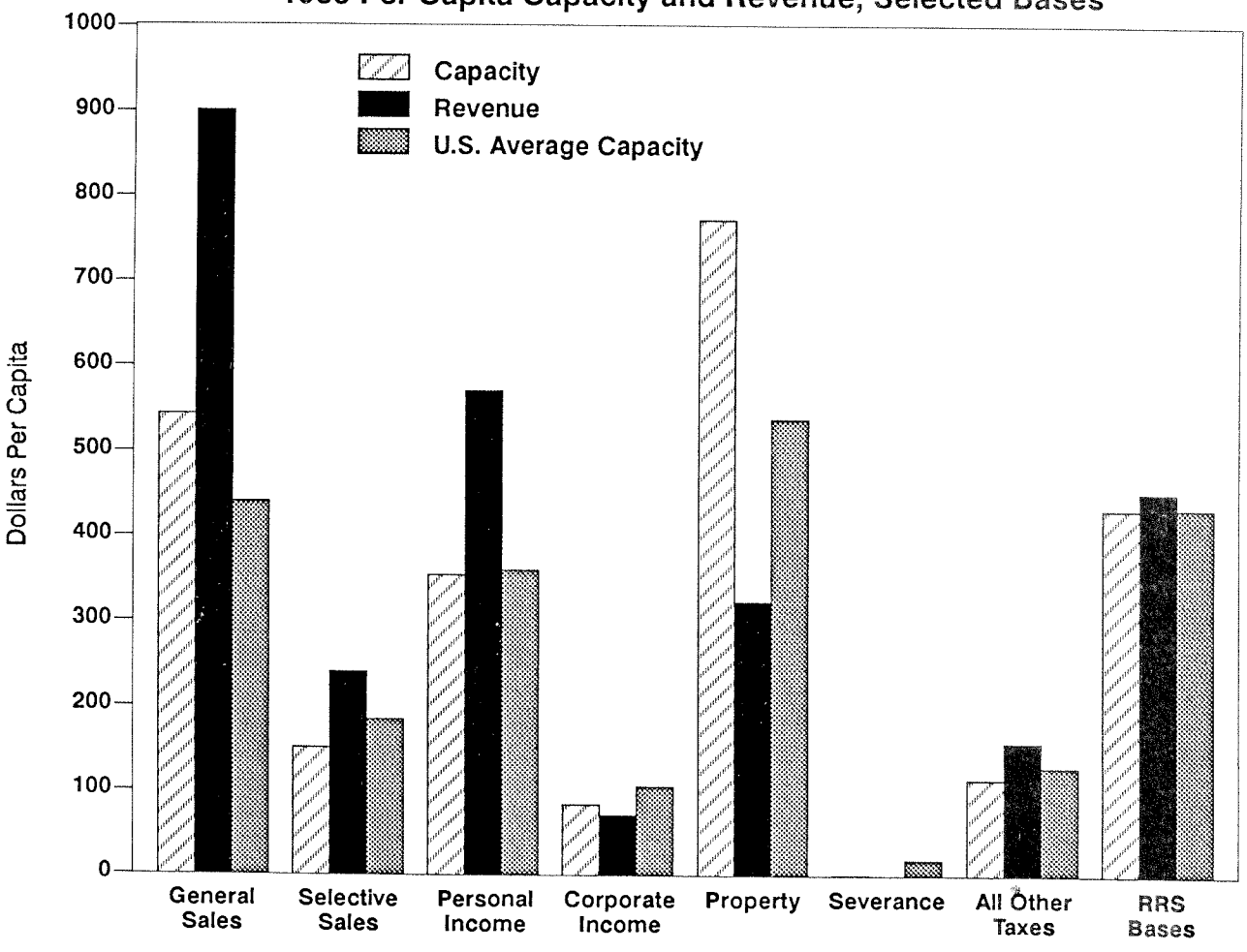
Hawaii

1988 RTS Tax Capacity = 114 **1988 RTS Tax Effort = 112**

Total RTS Tax Capacity and Tax Effort, 1975-88



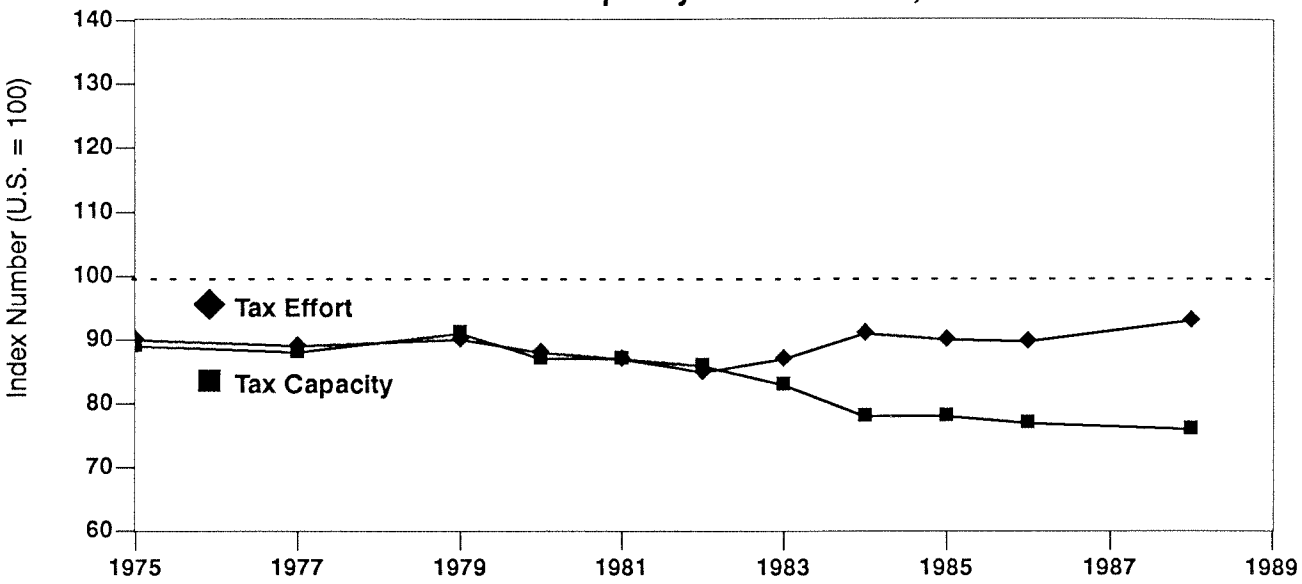
1988 Per Capita Capacity and Revenue, Selected Bases



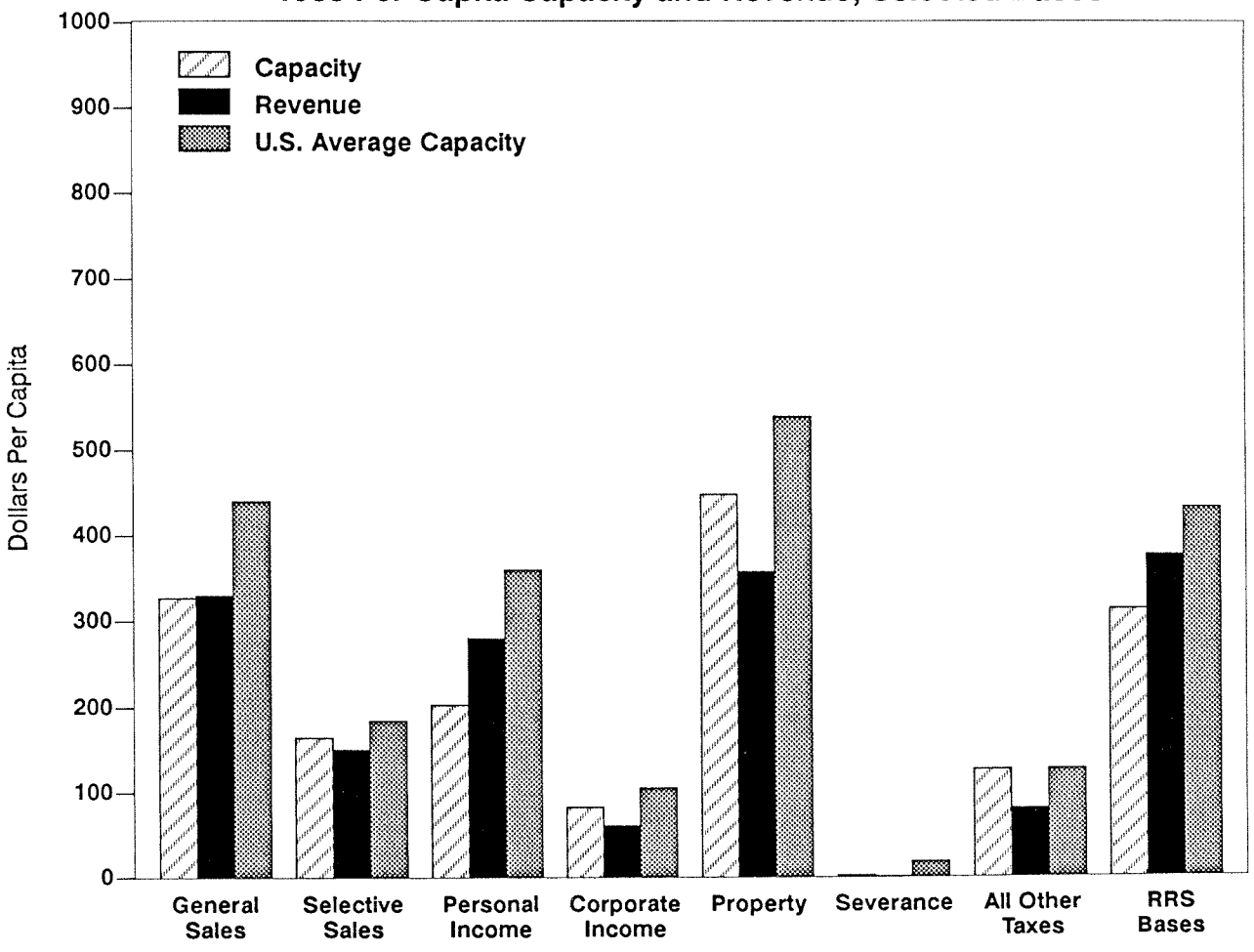
Idaho

1988 RTS Tax Capacity = 76 **1988 RTS Tax Effort = 93**

Total RTS Tax Capacity and Tax Effort, 1975-88

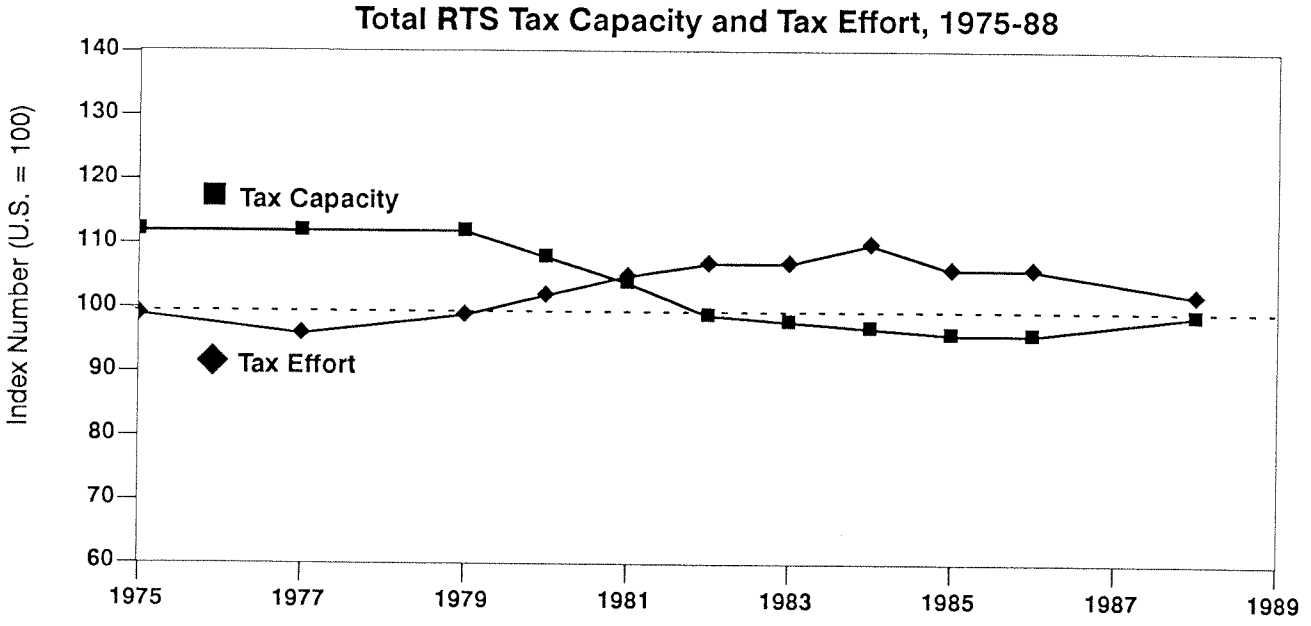


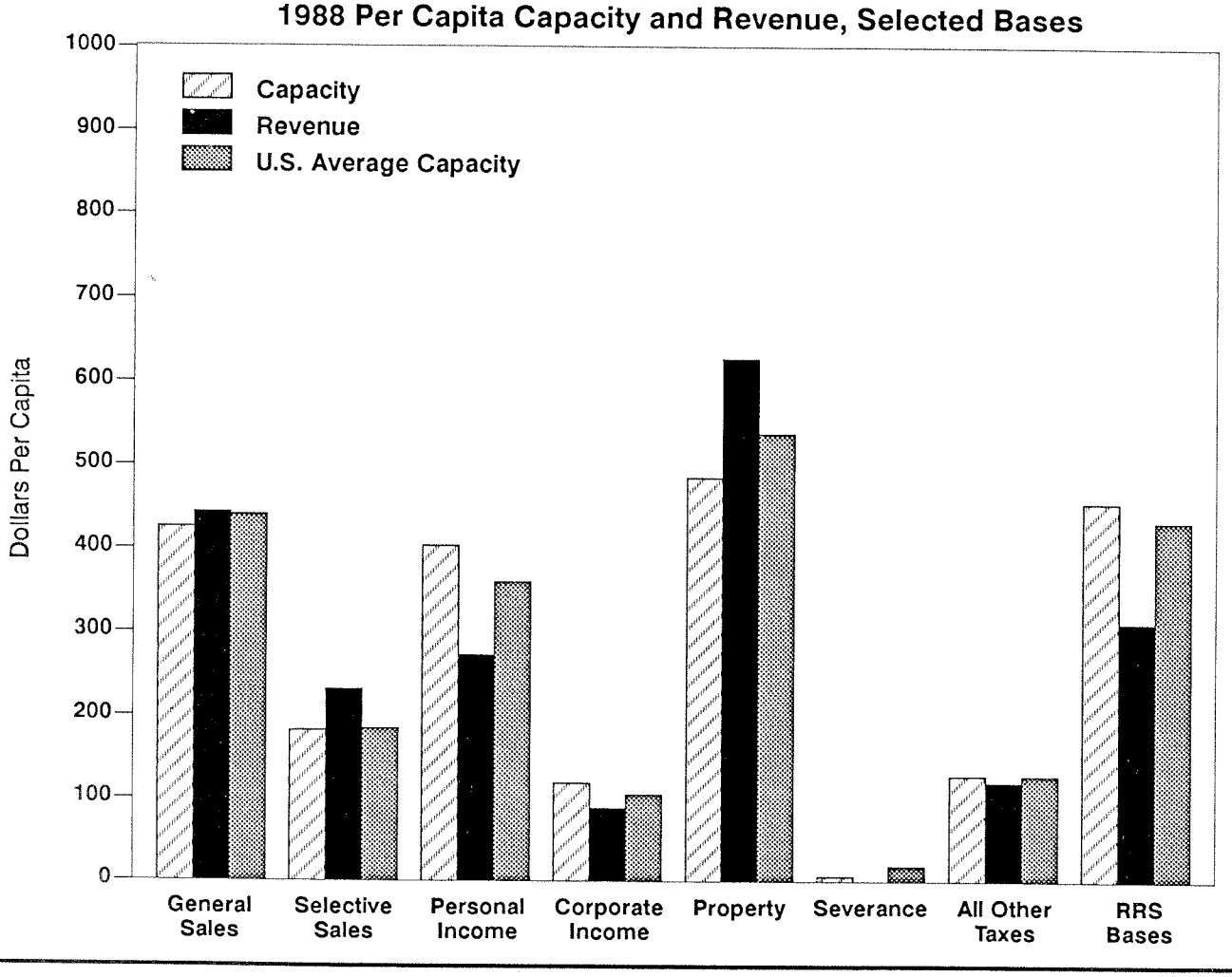
1988 Per Capita Capacity and Revenue, Selected Bases



Illinois

1988 RTS Tax Capacity = 99 **1988 RTS Tax Effort = 102**

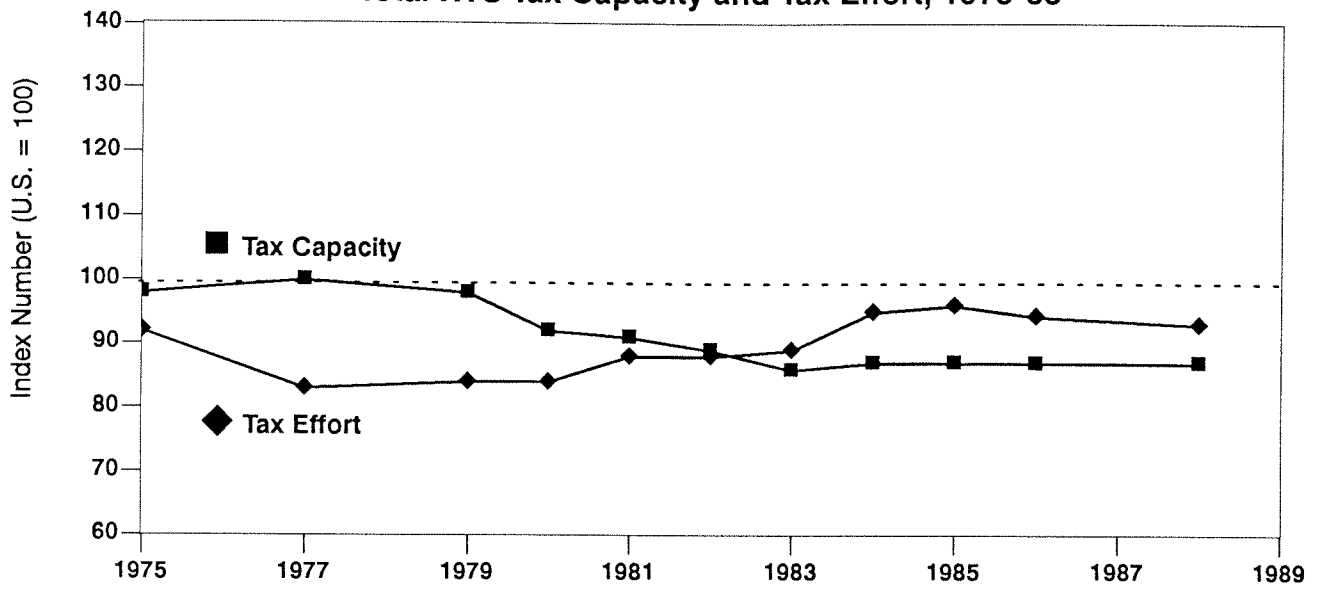




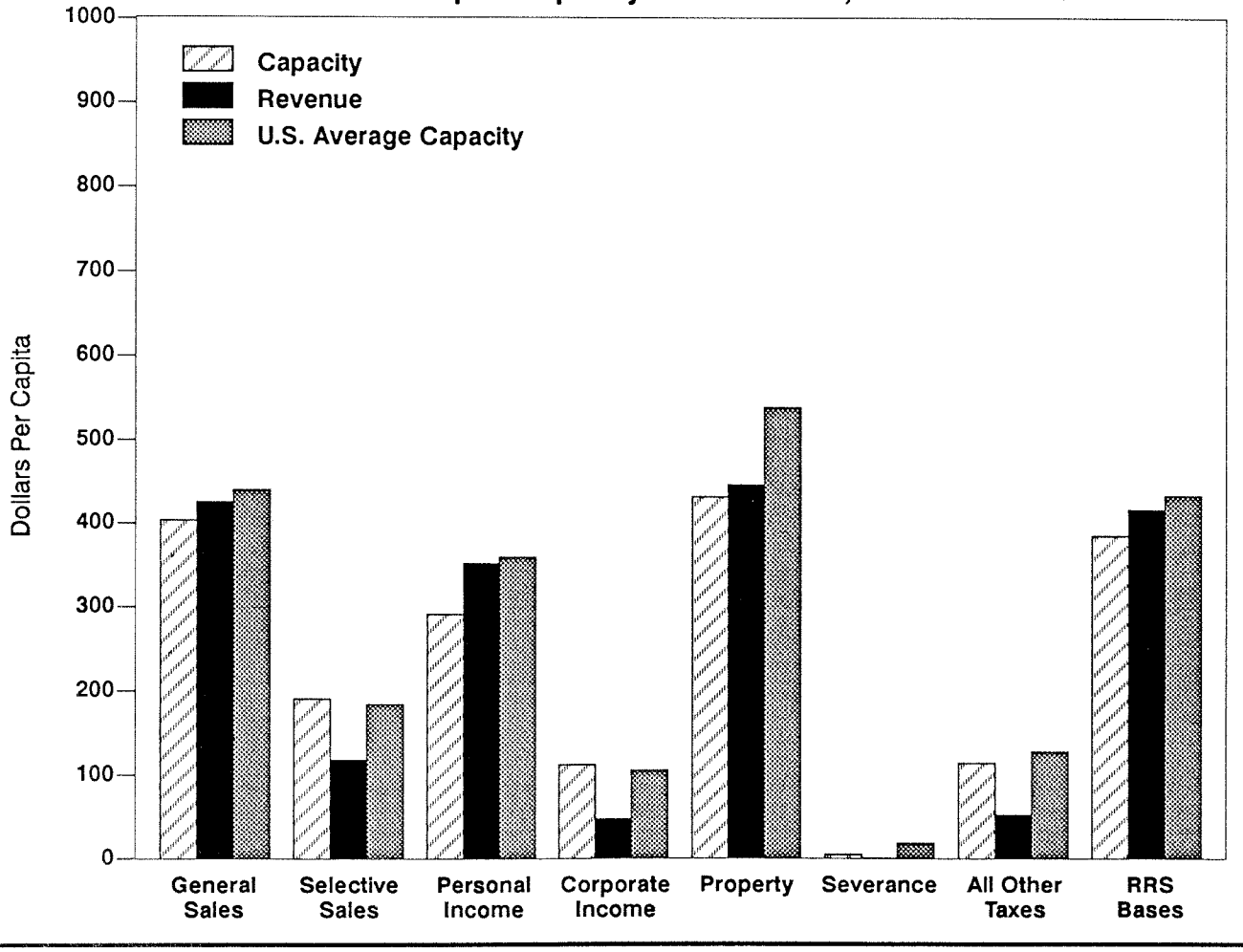
Indiana

1988 RTS Tax Capacity = 87 **1988 RTS Tax Effort = 93**

Total RTS Tax Capacity and Tax Effort, 1975-88

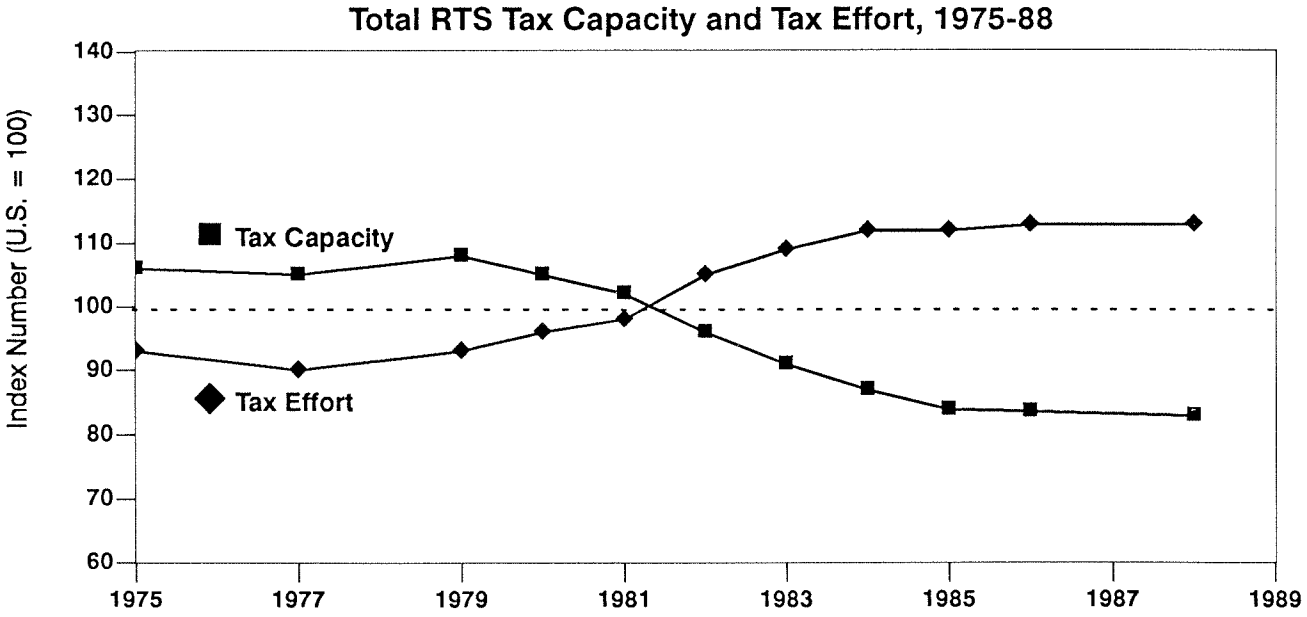


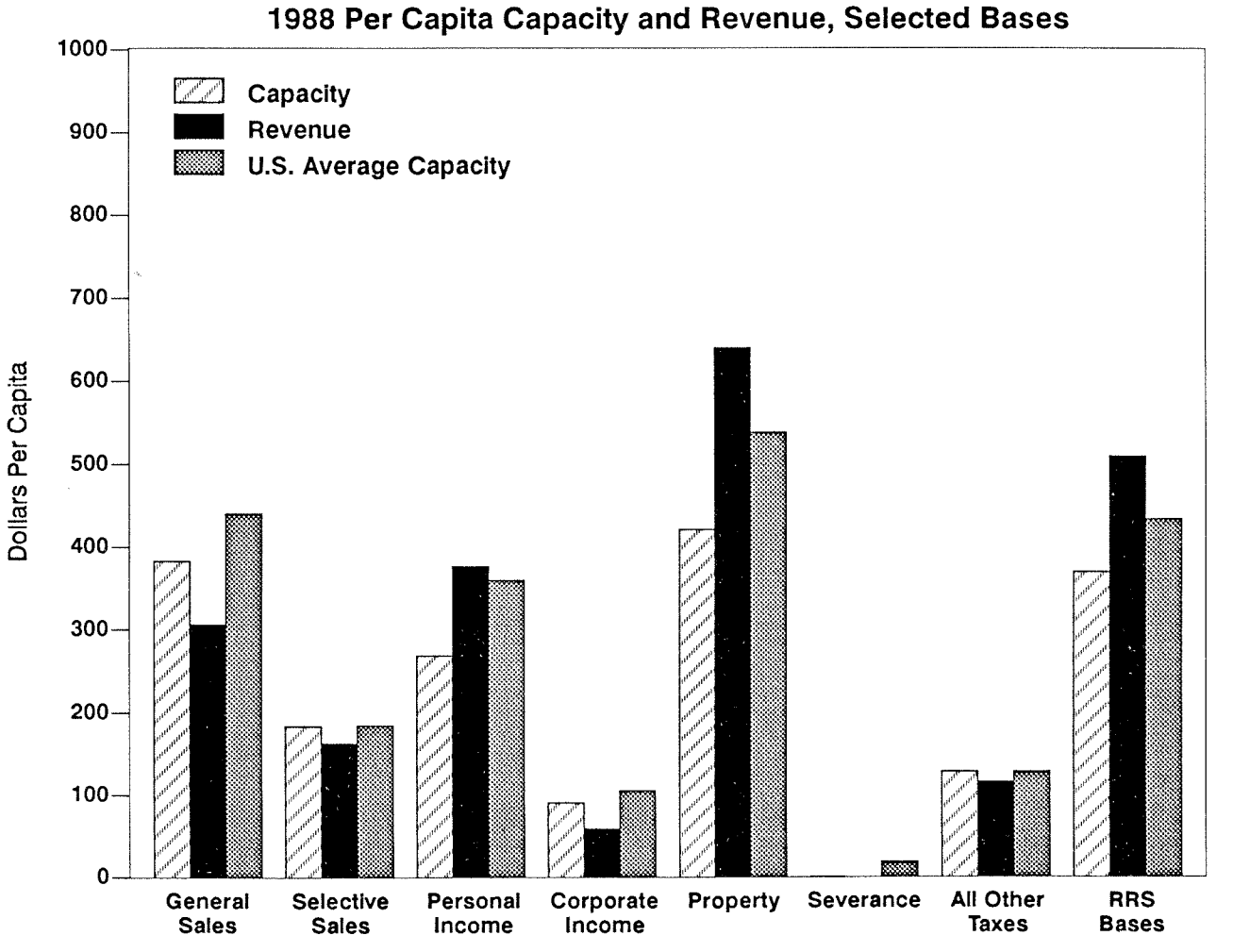
1988 Per Capita Capacity and Revenue, Selected Bases



Iowa

1988 RTS Tax Capacity = 83 **1988 RTS Tax Effort = 113**

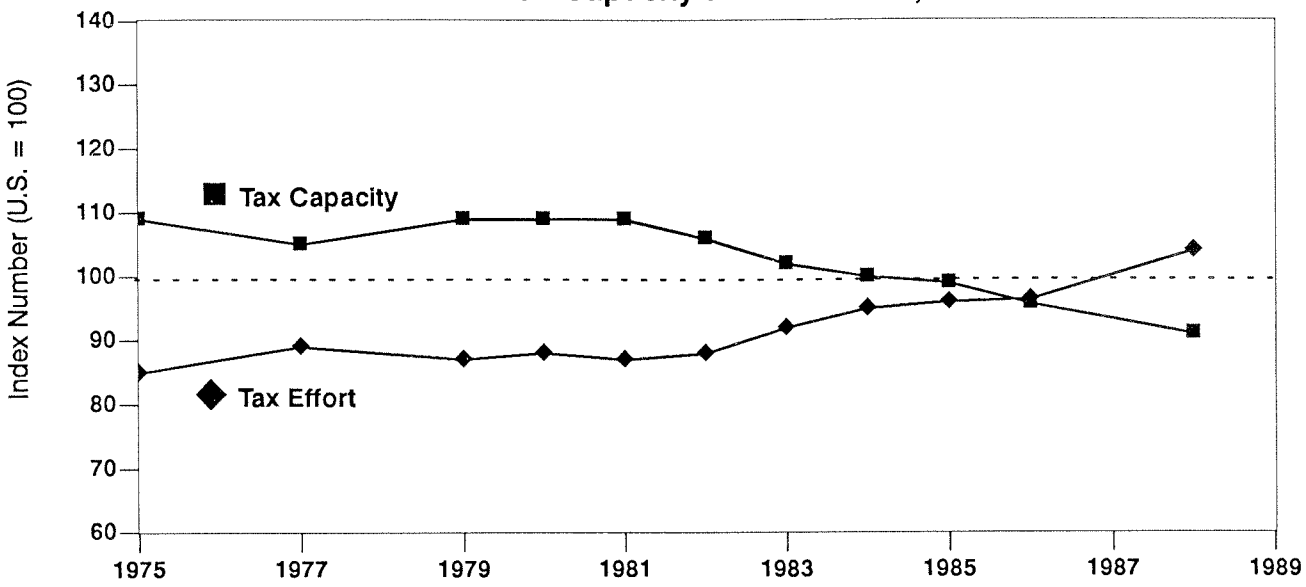




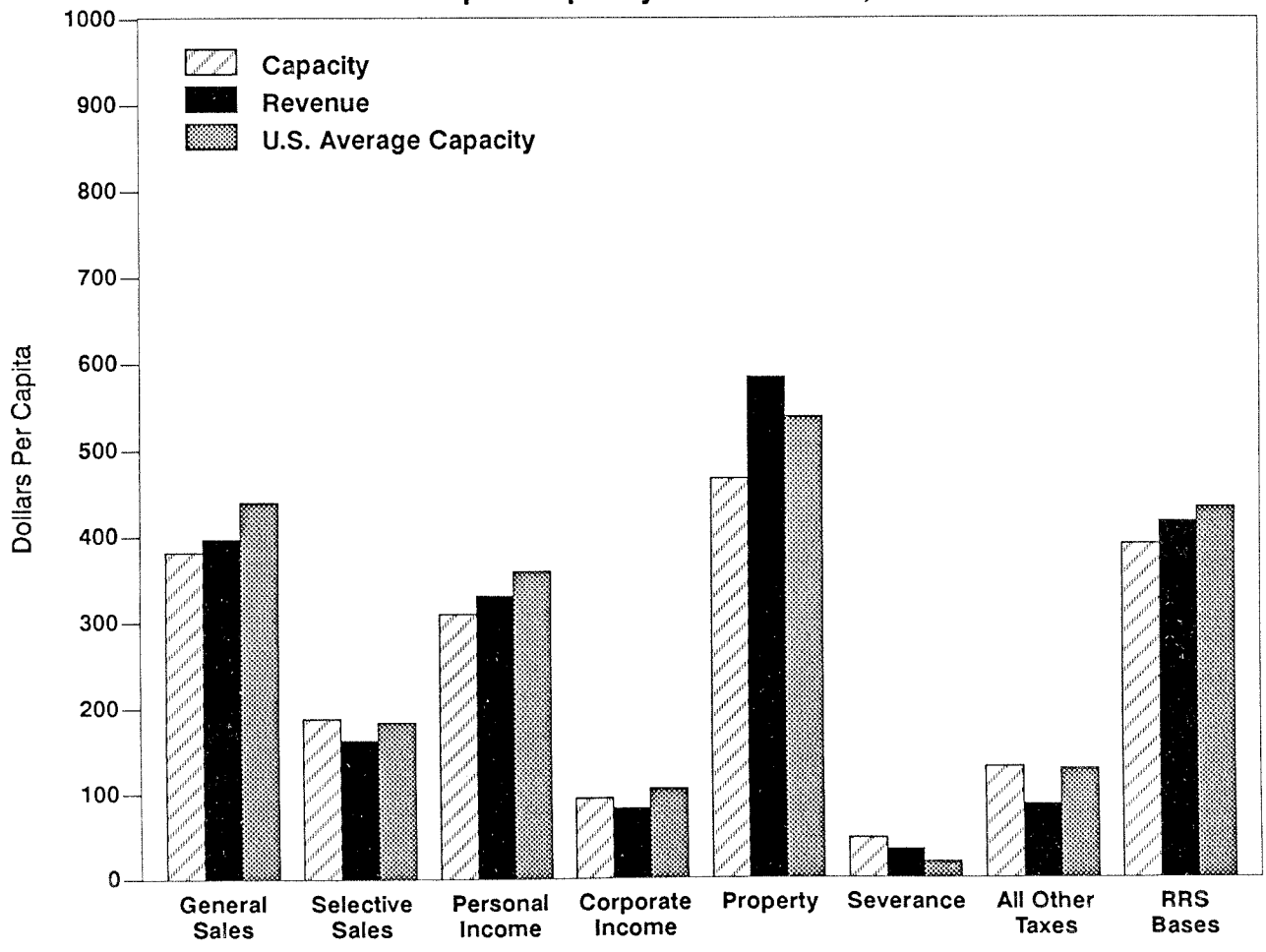
Kansas

1988 RTS Tax Capacity = 91 **1988 RTS Tax Effort = 104**

Total RTS Tax Capacity and Tax Effort, 1975-88

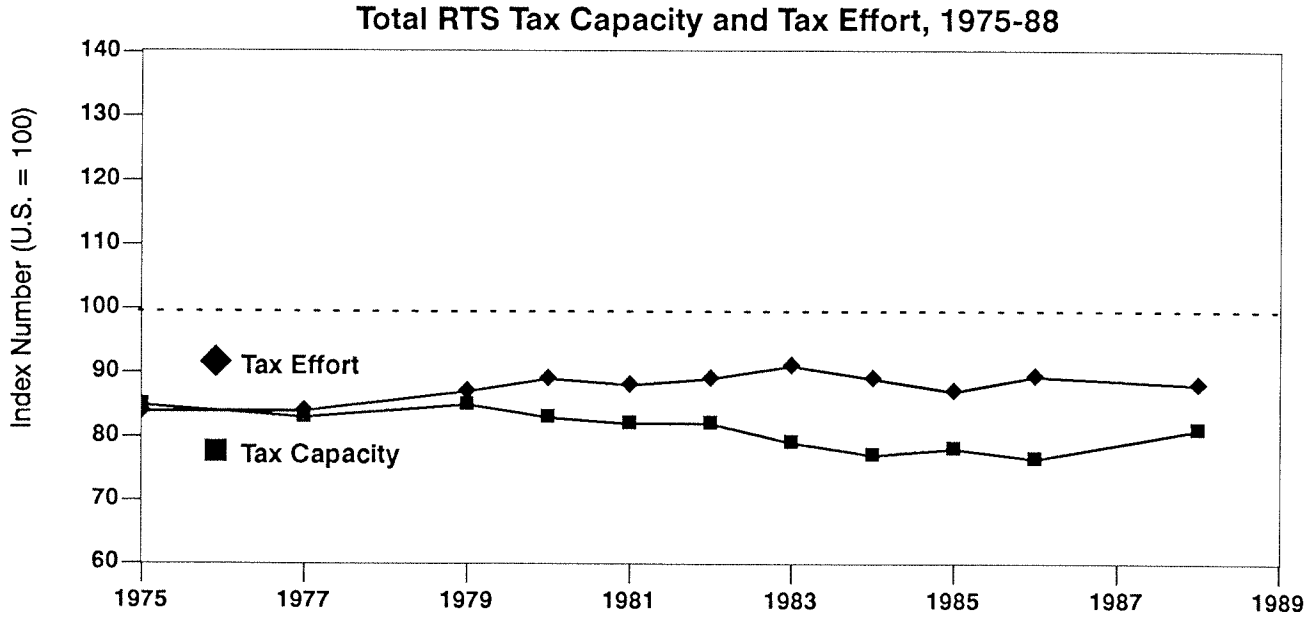


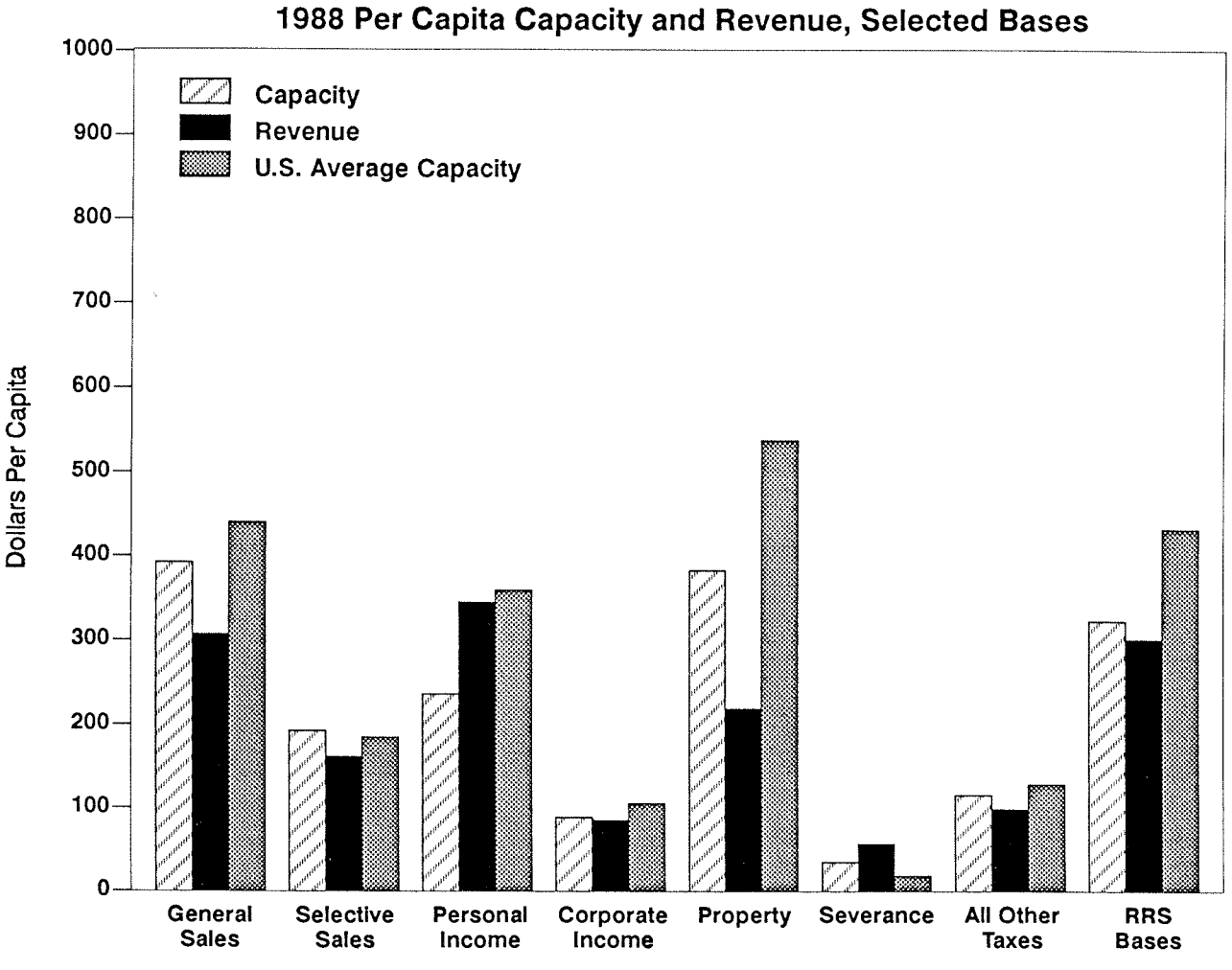
1988 Per Capita Capacity and Revenue, Selected Bases



Kentucky

1988 RTS Tax Capacity = 81 **1988 RTS Tax Effort = 88**

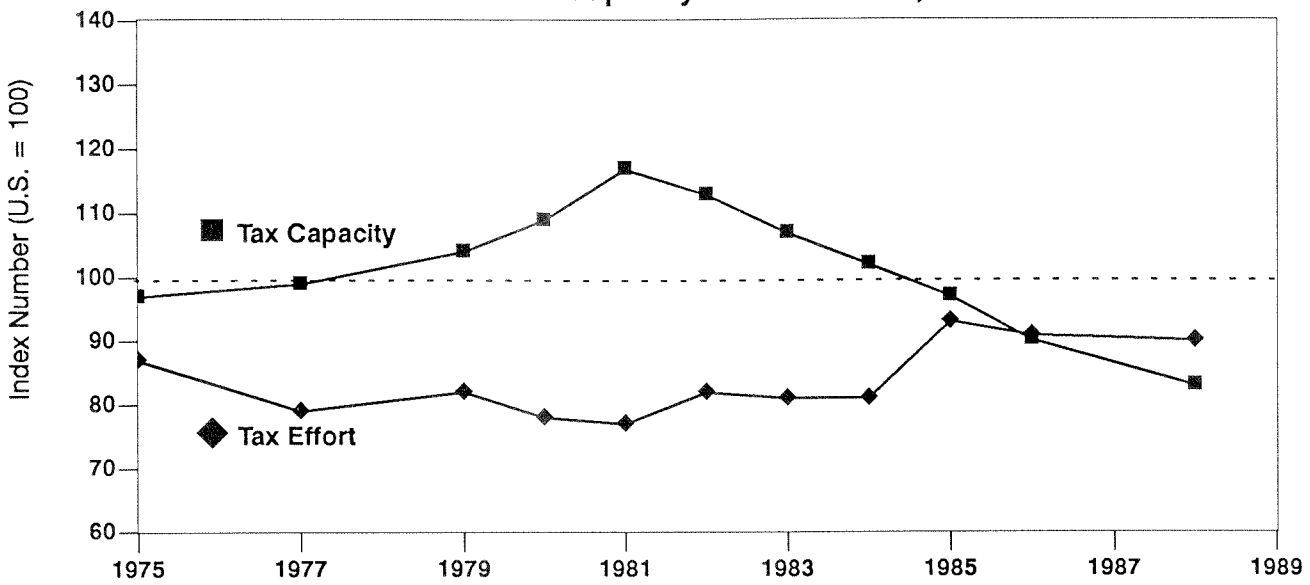




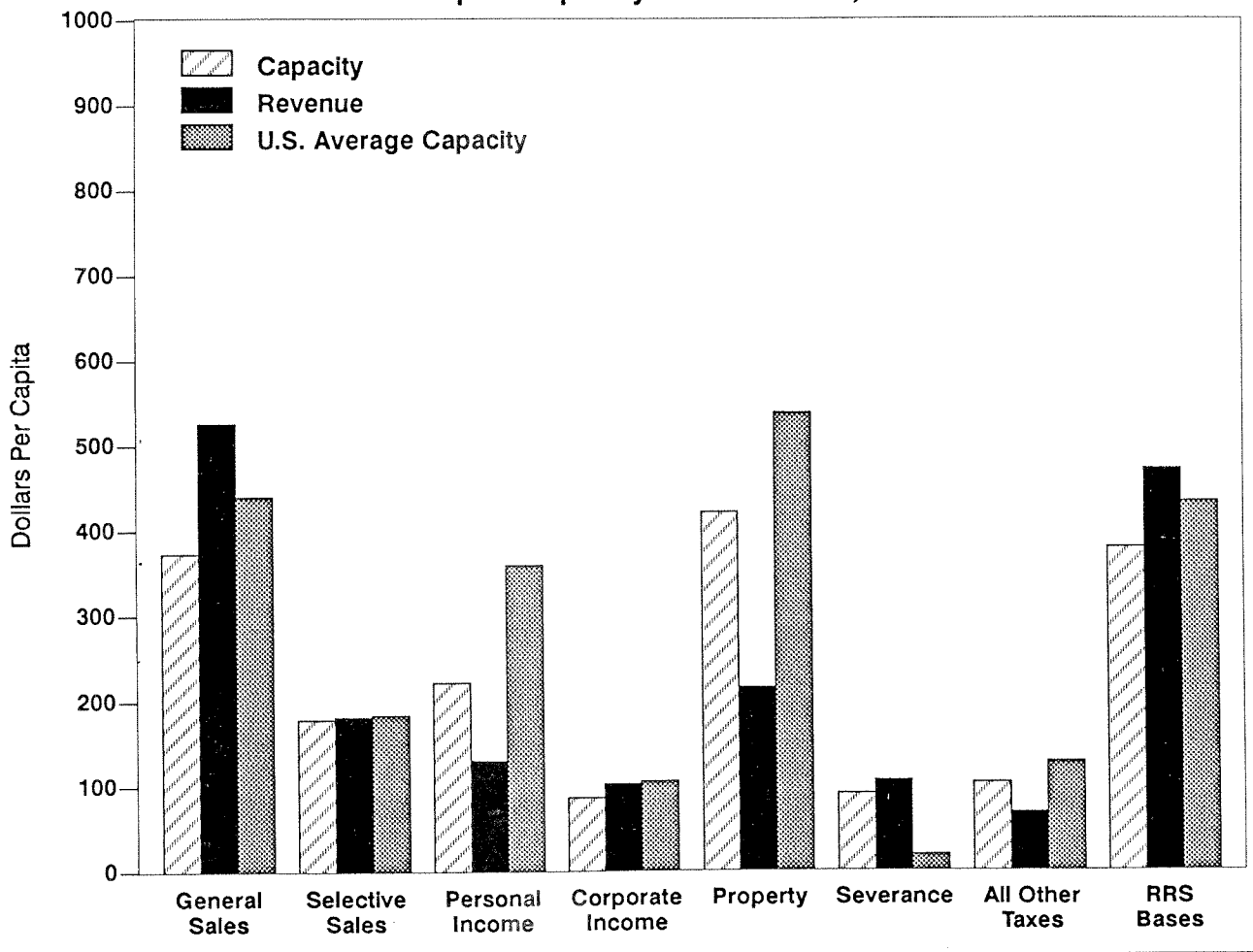
Louisiana

1988 RTS Tax Capacity = 83 **1988 RTS Tax Effort = 90**

Total RTS Tax Capacity and Tax Effort, 1975-88

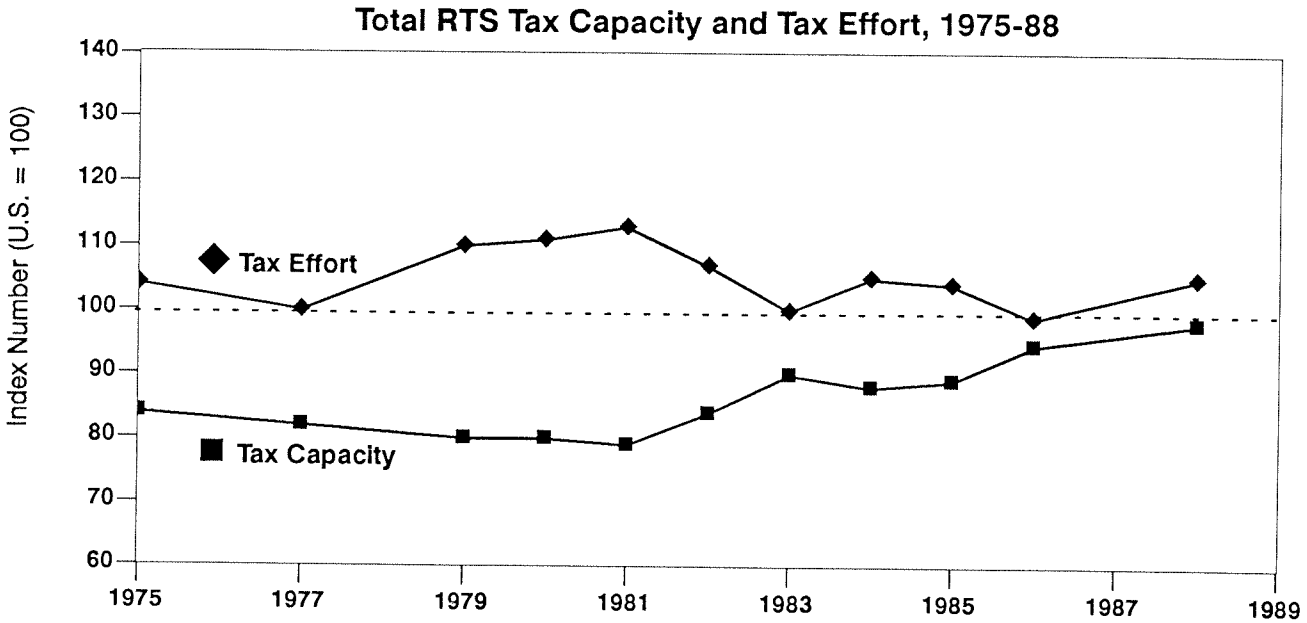


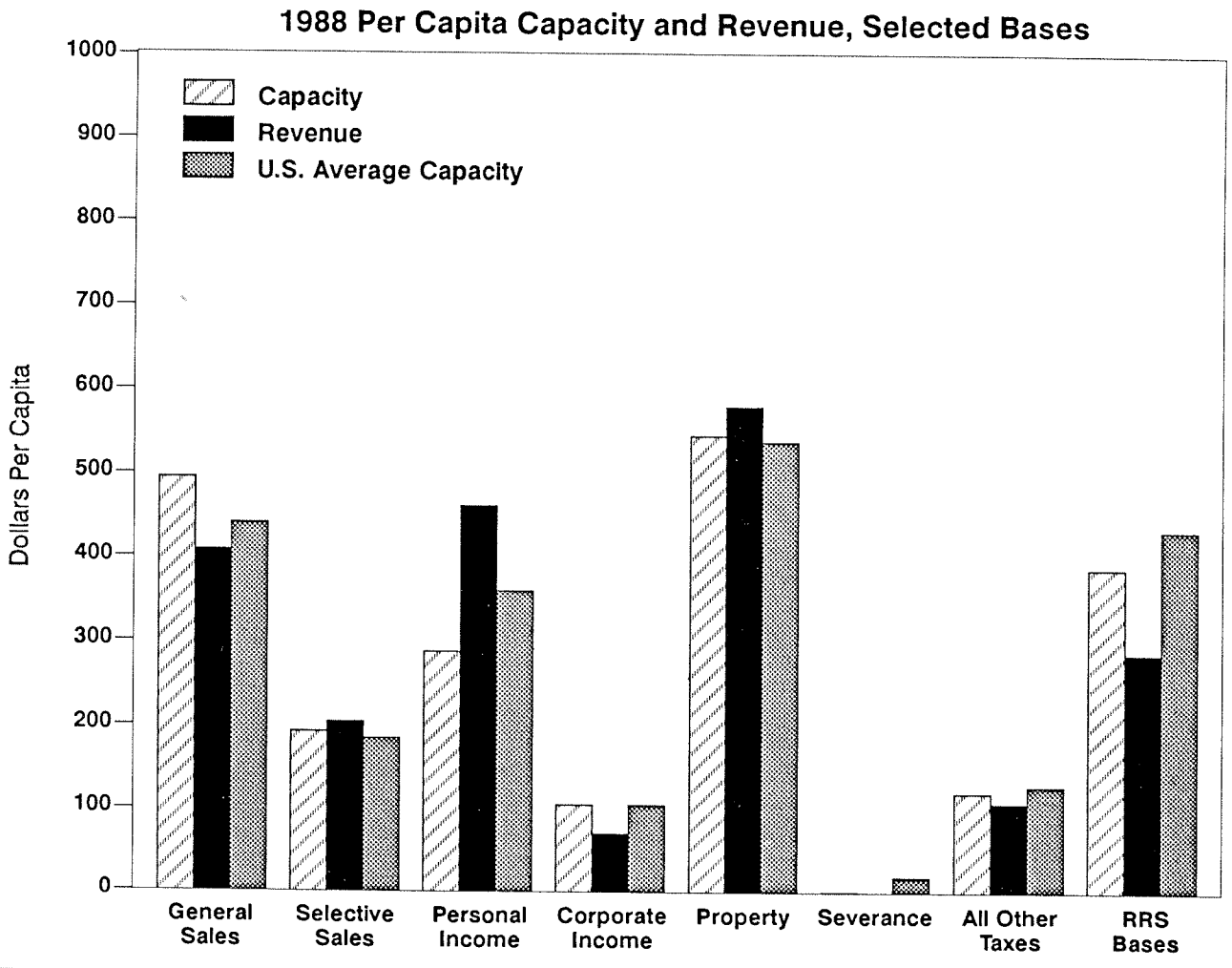
1988 Per Capita Capacity and Revenue, Selected Bases



Maine

1988 RTS Tax Capacity = 98 **1988 RTS Tax Effort = 105**

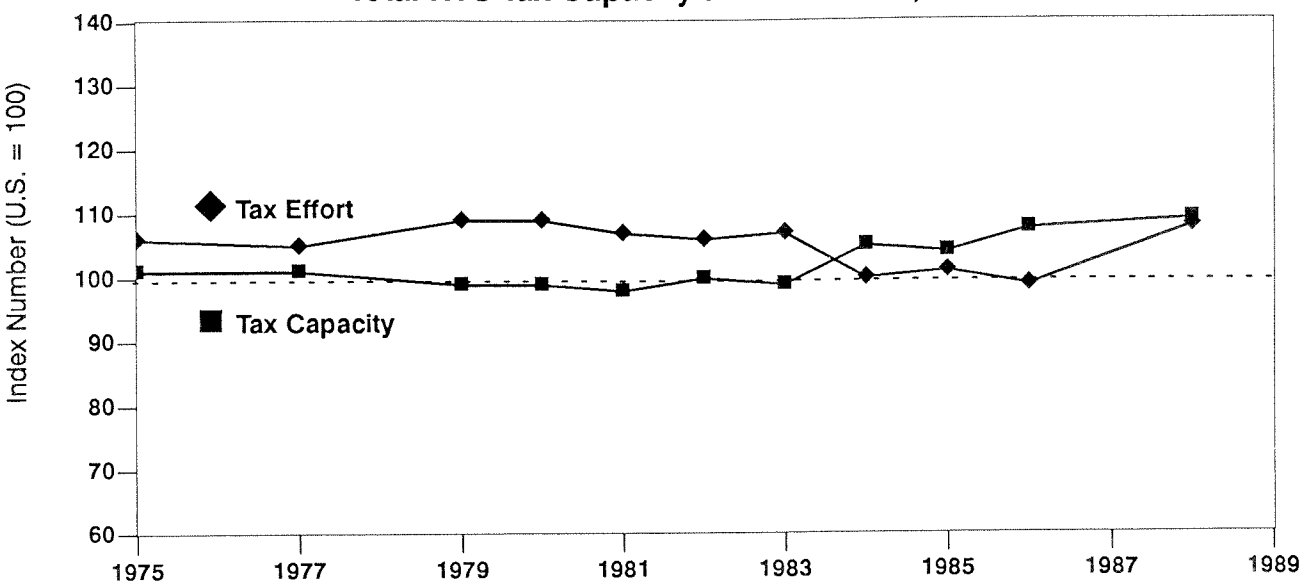




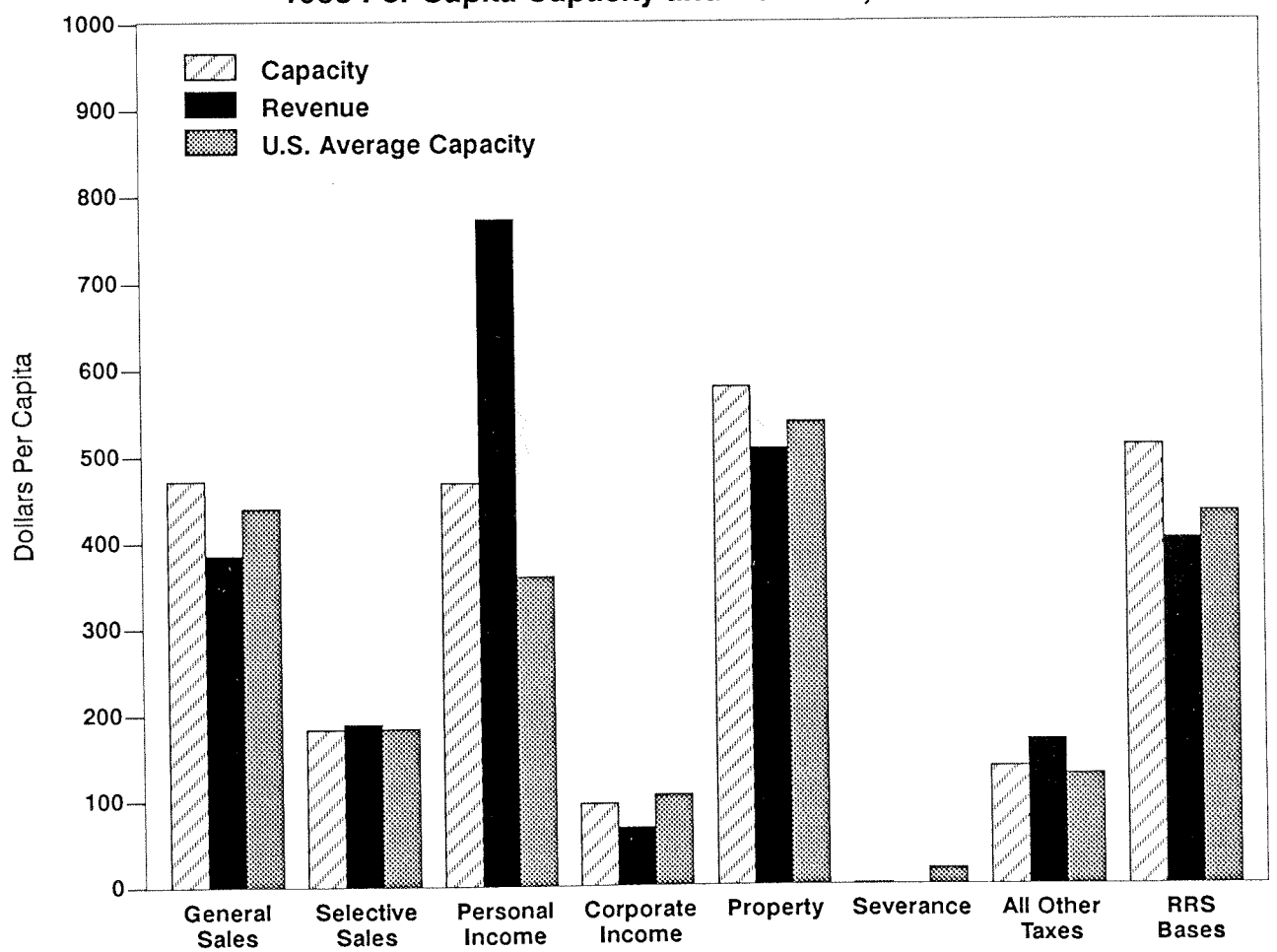
Maryland

1988 RTS Tax Capacity = 109 **1988 RTS Tax Effort = 108**

Total RTS Tax Capacity and Tax Effort, 1975-88

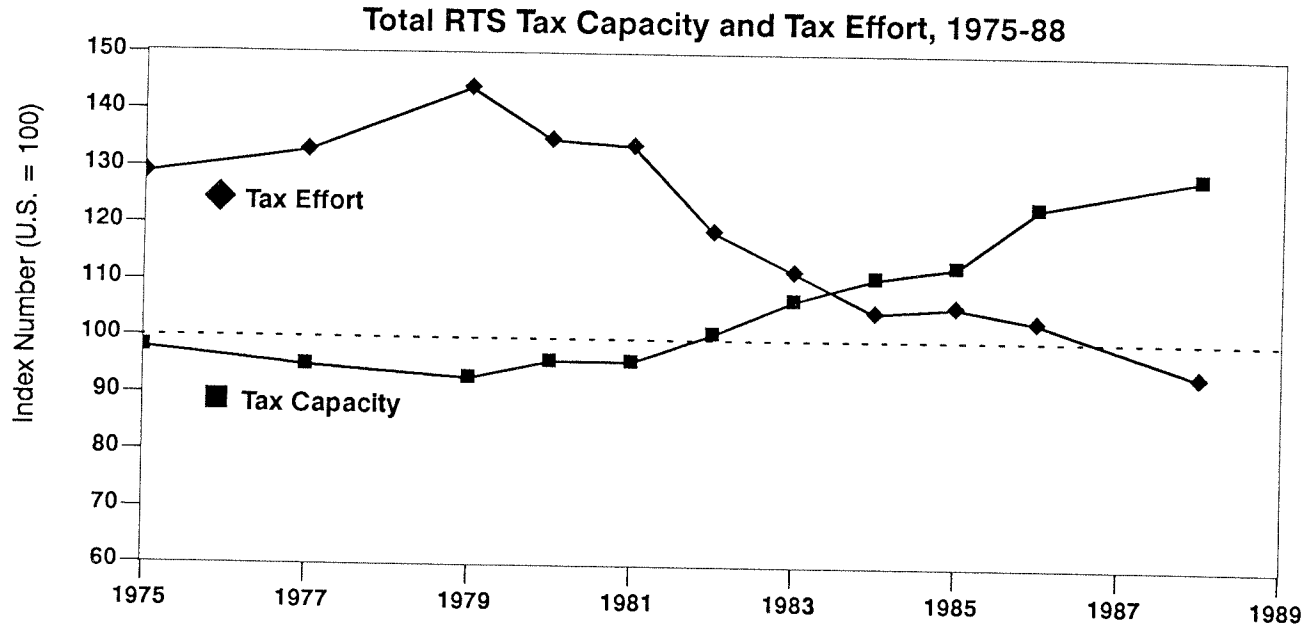


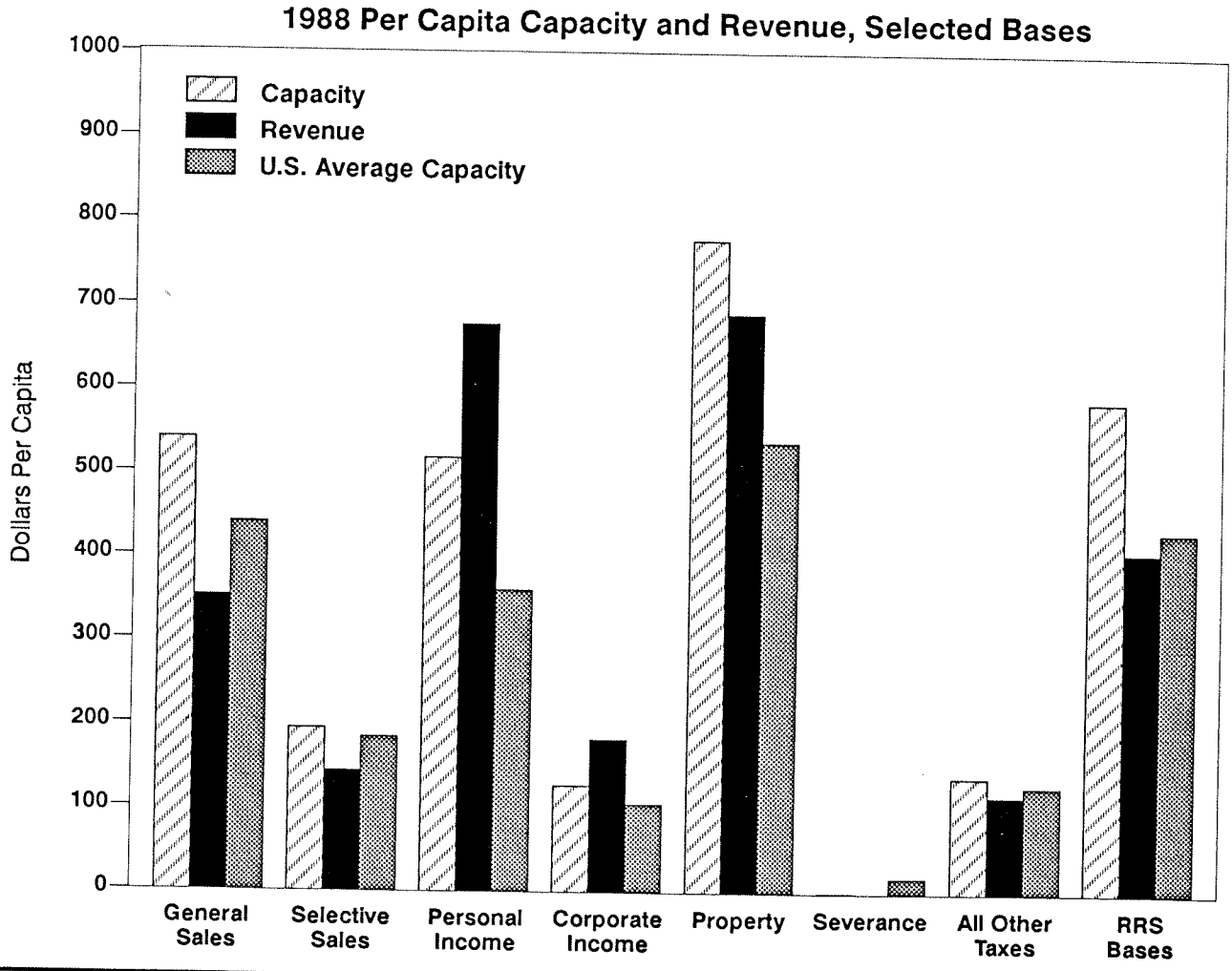
1988 Per Capita Capacity and Revenue, Selected Bases



Massachusetts

1988 RTS Tax Capacity = 129 **1988 RTS Tax Effort = 94**

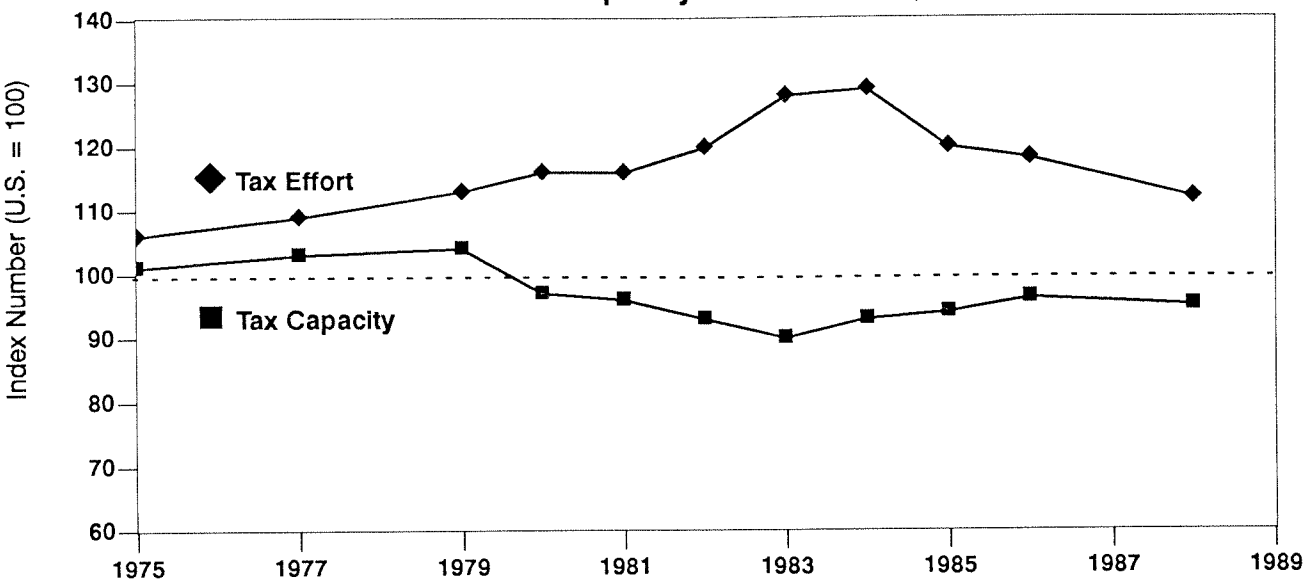




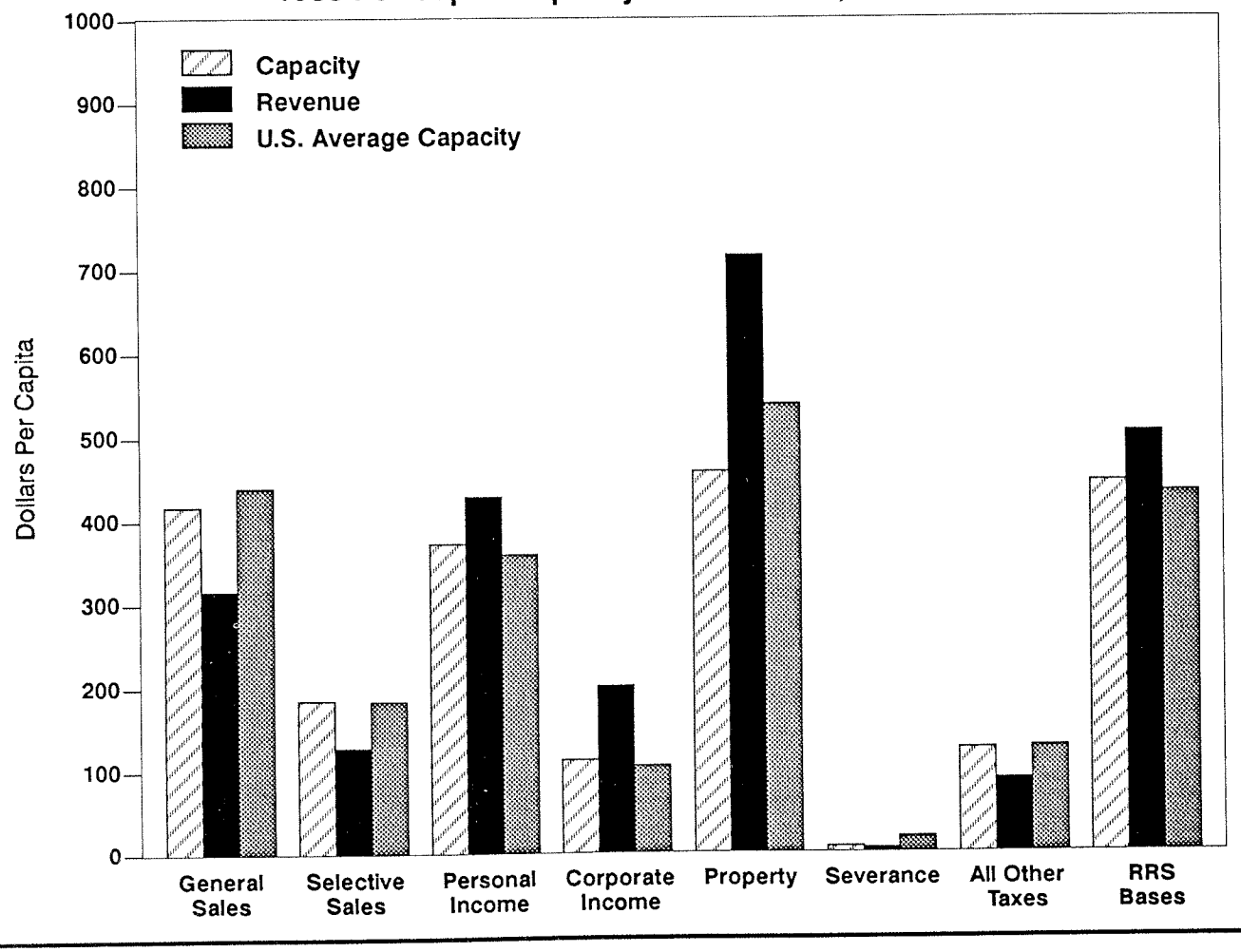
Michigan

1988 RTS Tax Capacity = 95 **1988 RTS Tax Effort = 112**

Total RTS Tax Capacity and Tax Effort, 1975-88



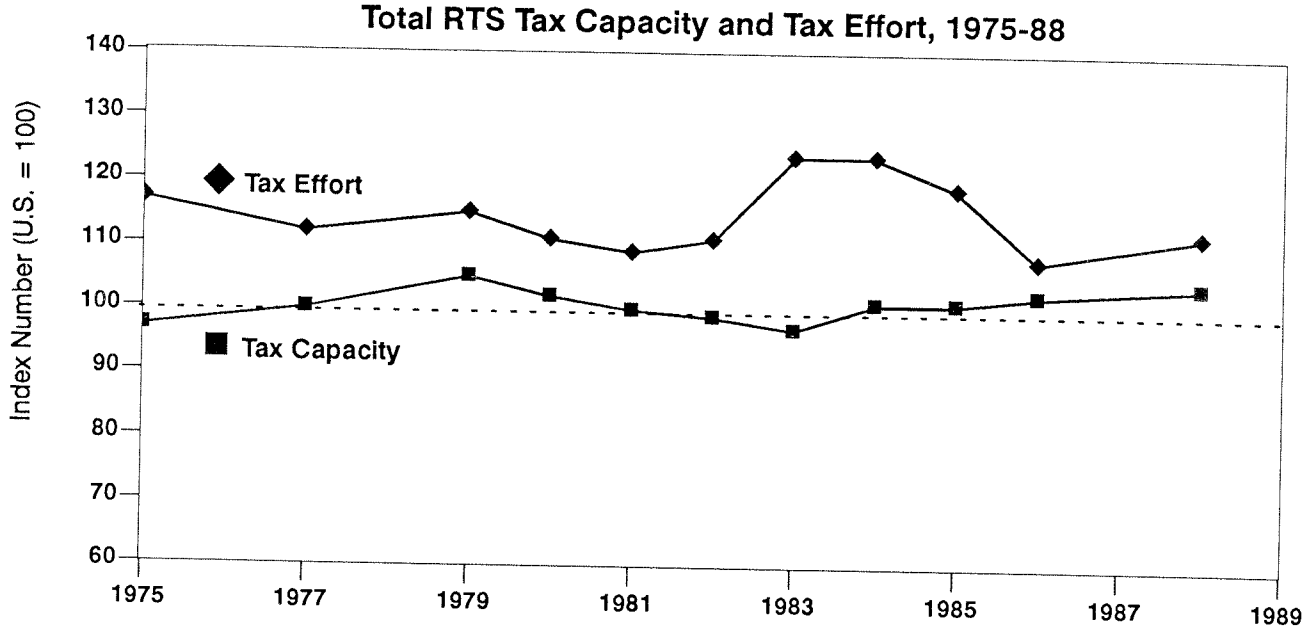
1988 Per Capita Capacity and Revenue, Selected Bases



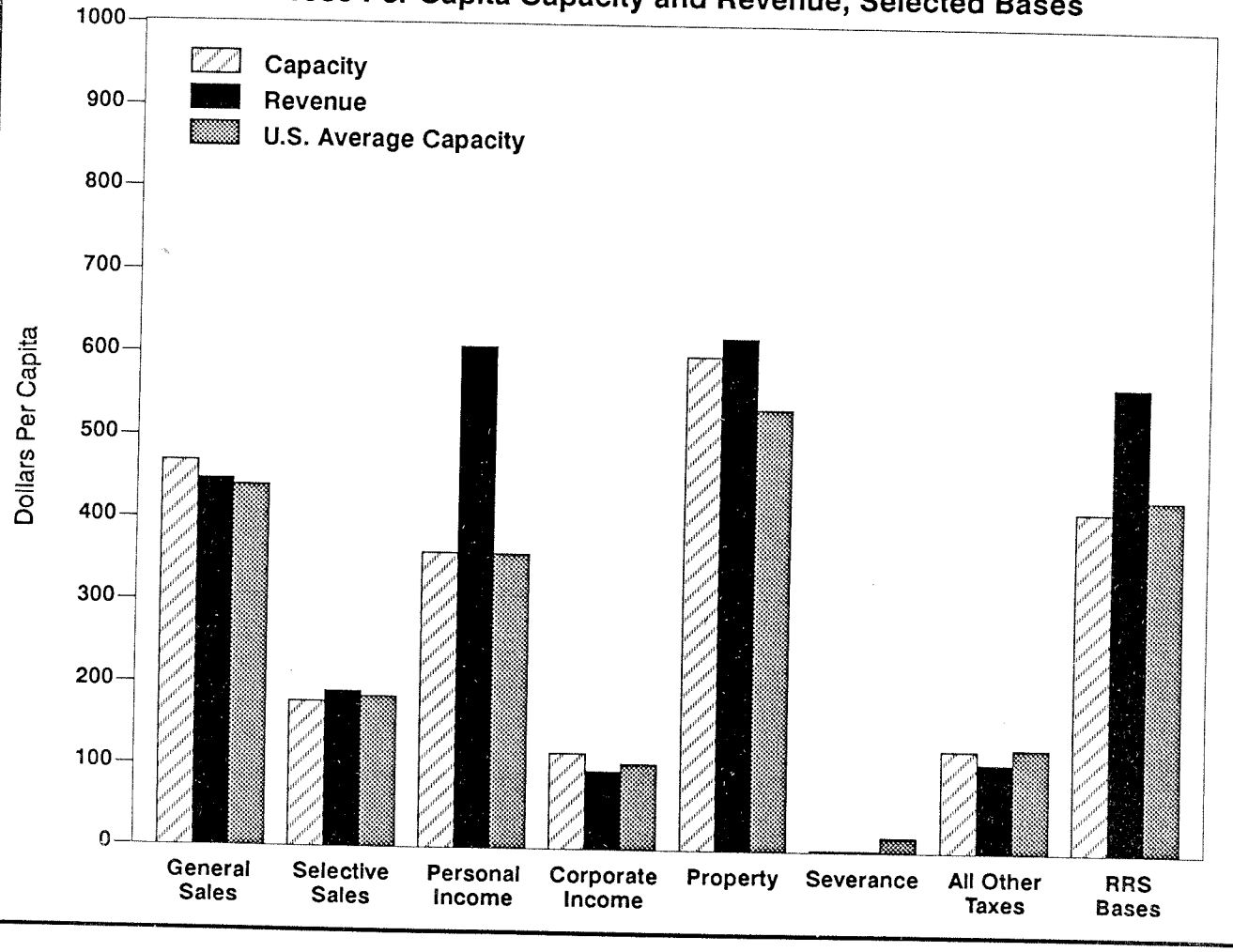
Minnesota

1988 RTS Tax Capacity = 104 **1988 RTS Tax Effort = 112**

Total RTS Tax Capacity and Tax Effort, 1975-88



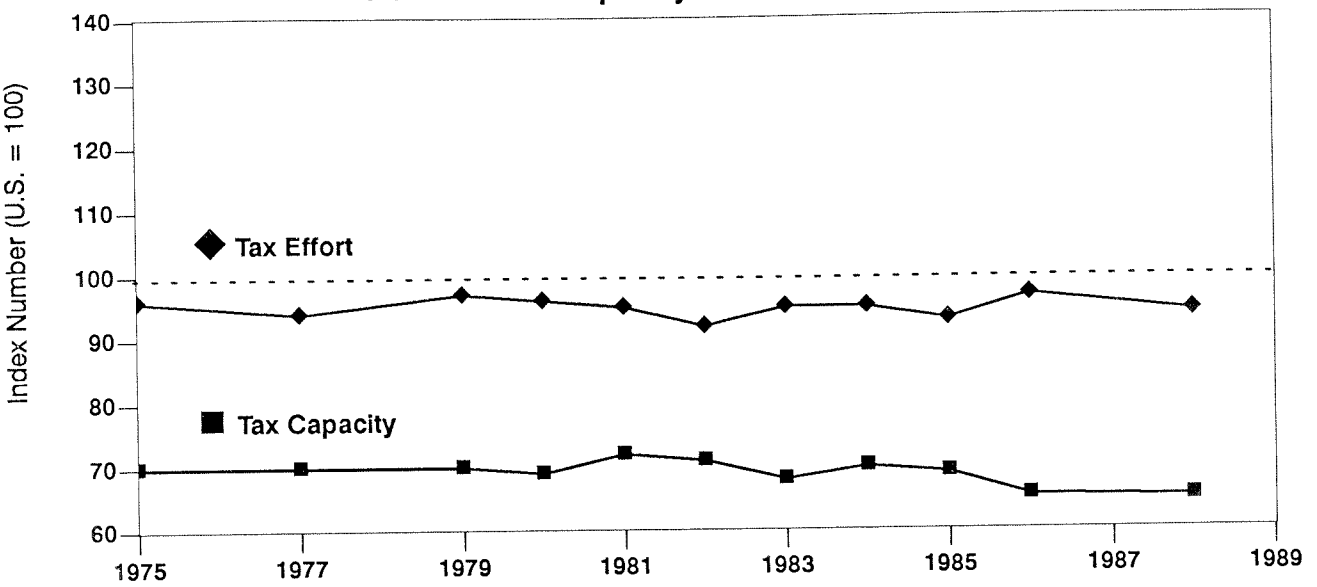
1988 Per Capita Capacity and Revenue, Selected Bases



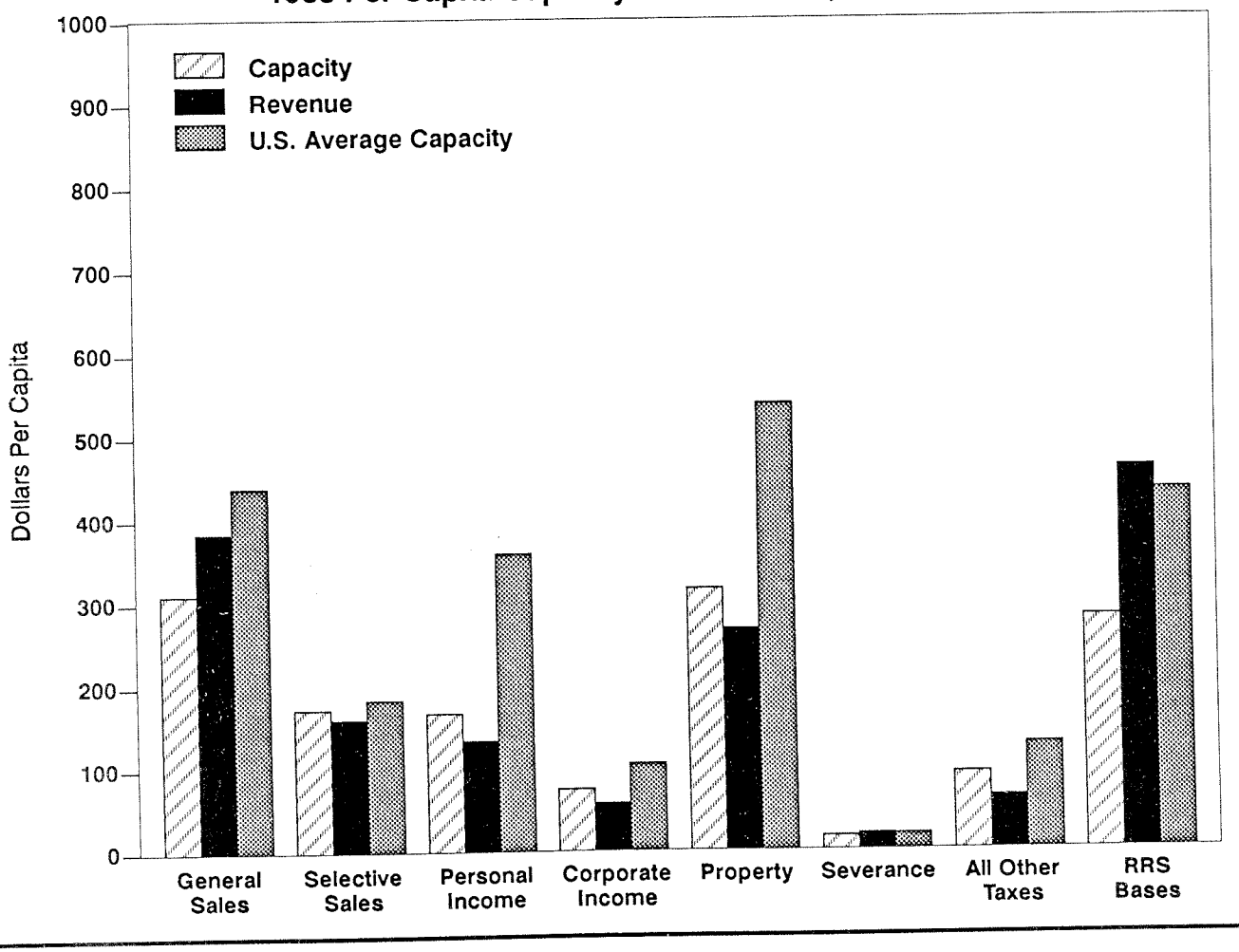
Mississippi

1988 RTS Tax Capacity = 65 **1988 RTS Tax Effort = 94**

Total RTS Tax Capacity and Tax Effort, 1975-88



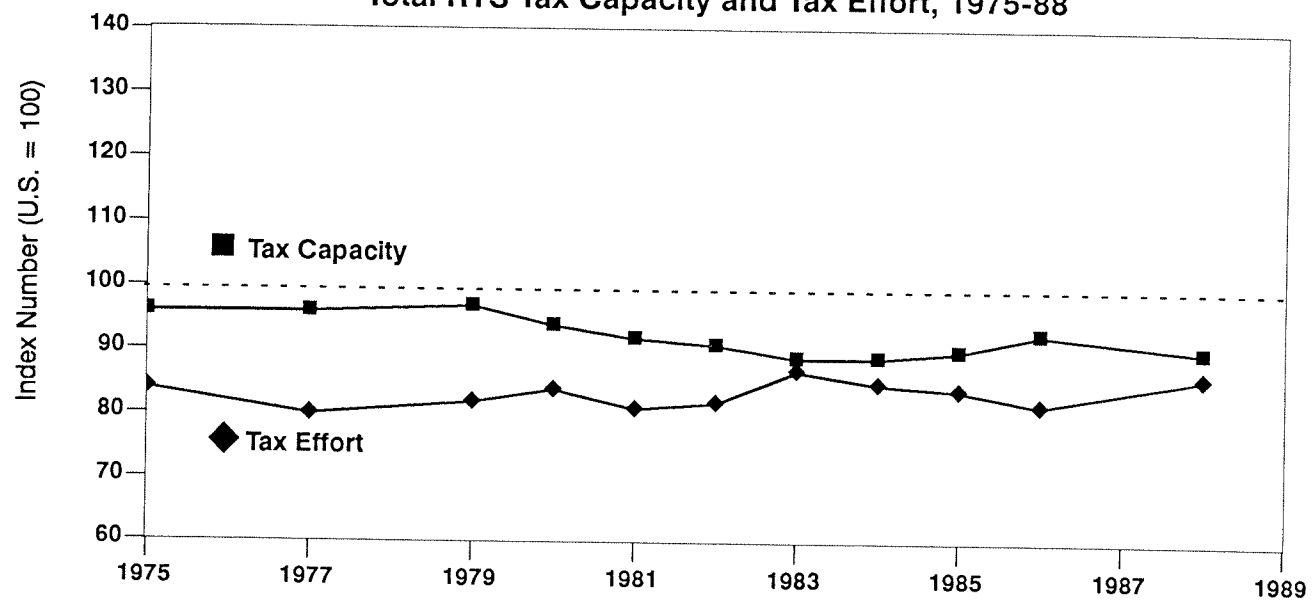
1988 Per Capita Capacity and Revenue, Selected Bases



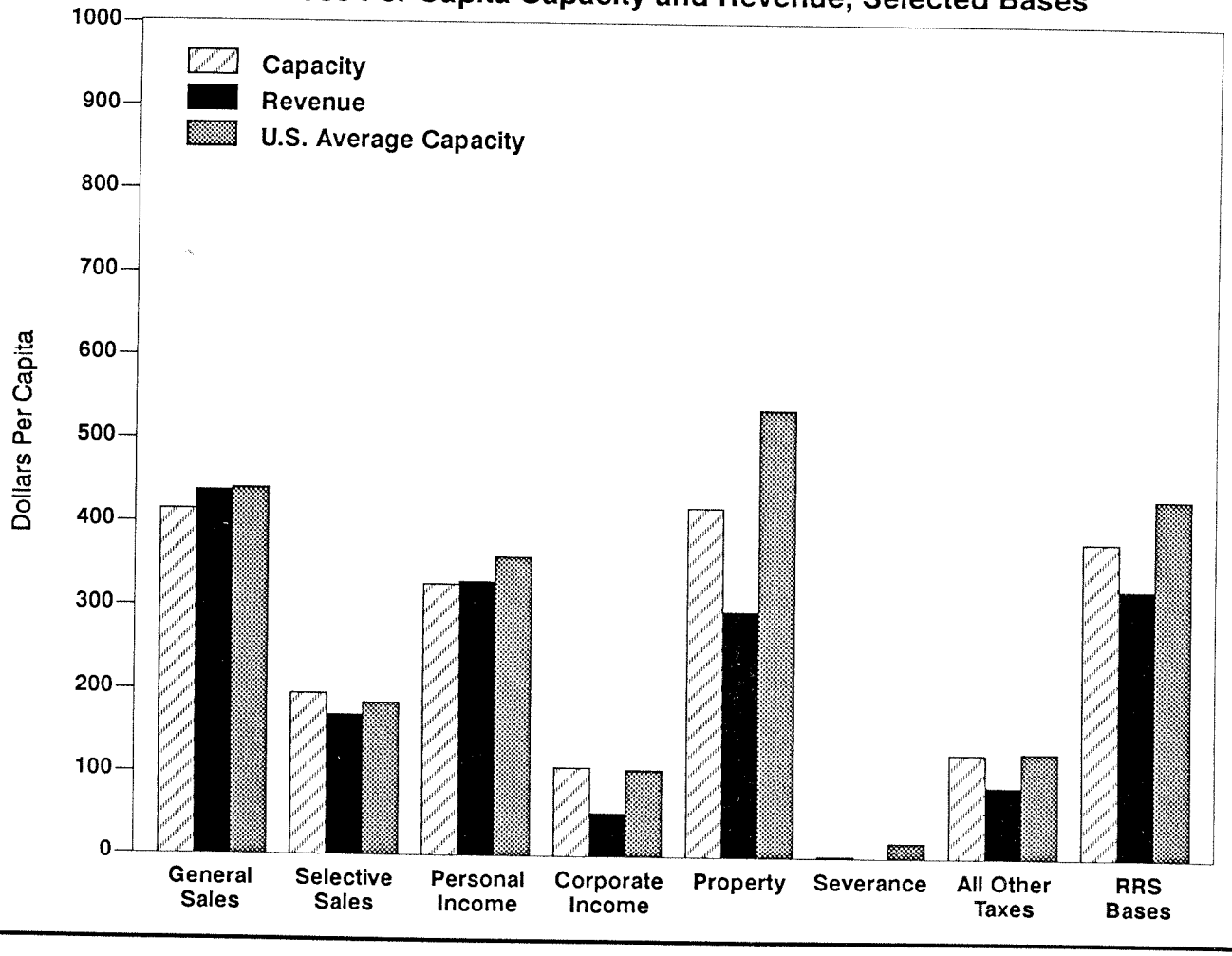
Missouri

1988 RTS Tax Capacity = 90 **1988 RTS Tax Effort = 86**

Total RTS Tax Capacity and Tax Effort, 1975-88



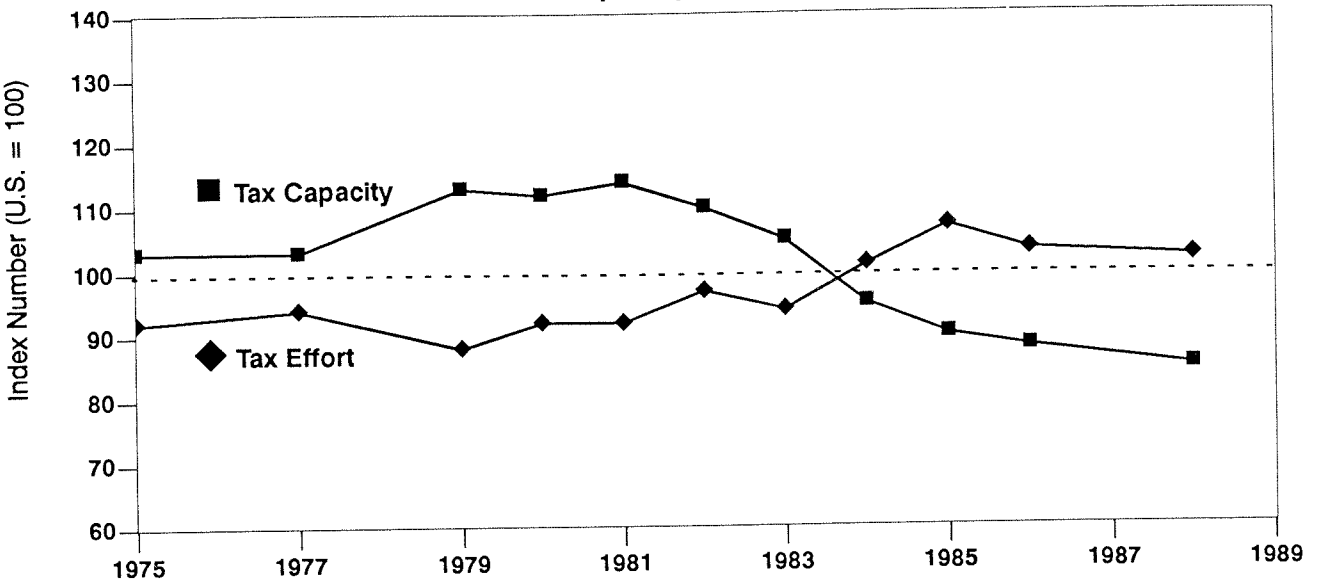
1988 Per Capita Capacity and Revenue, Selected Bases



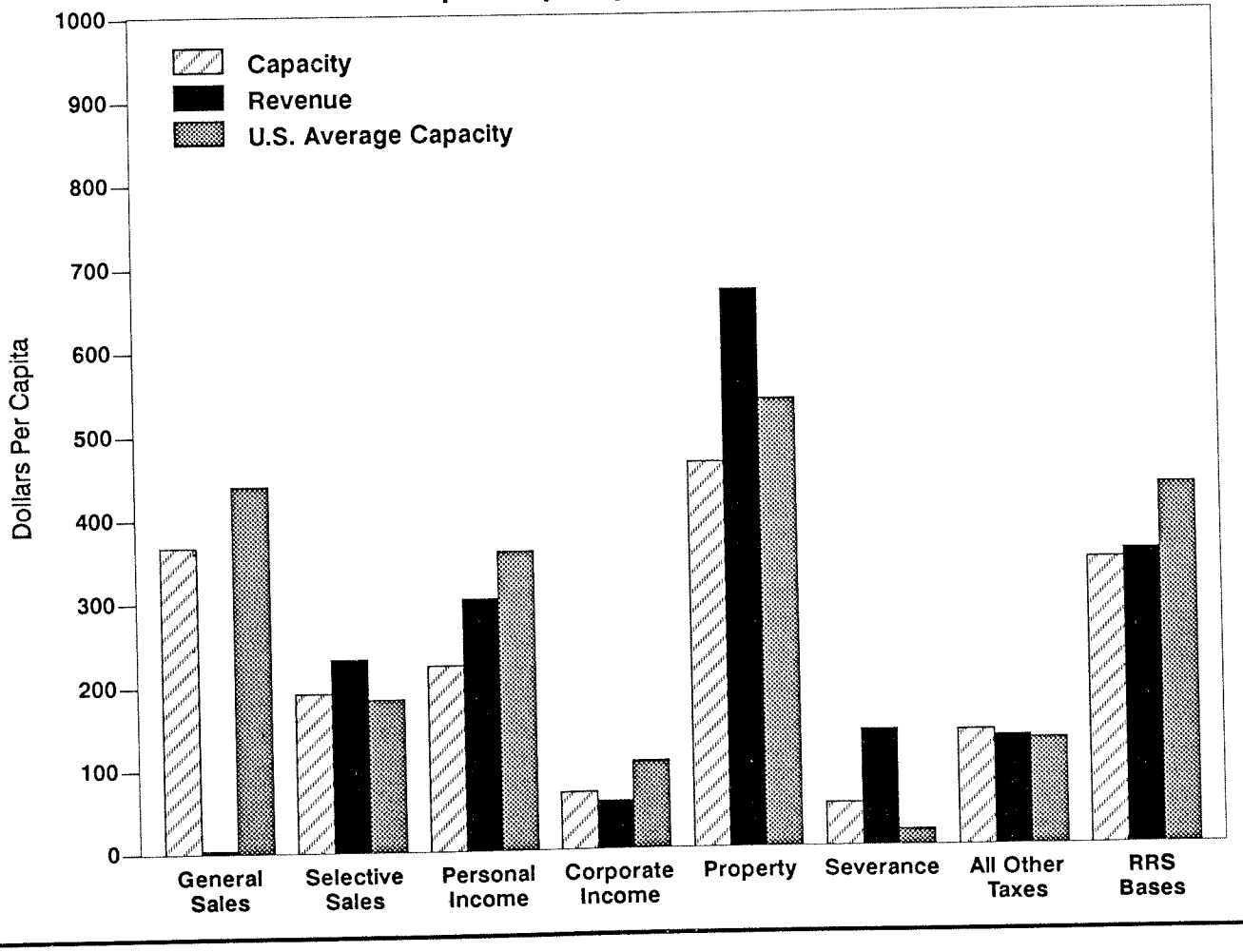
Montana

1988 RTS Tax Capacity = 85 **1988 RTS Tax Effort = 102**

Total RTS Tax Capacity and Tax Effort, 1975-88

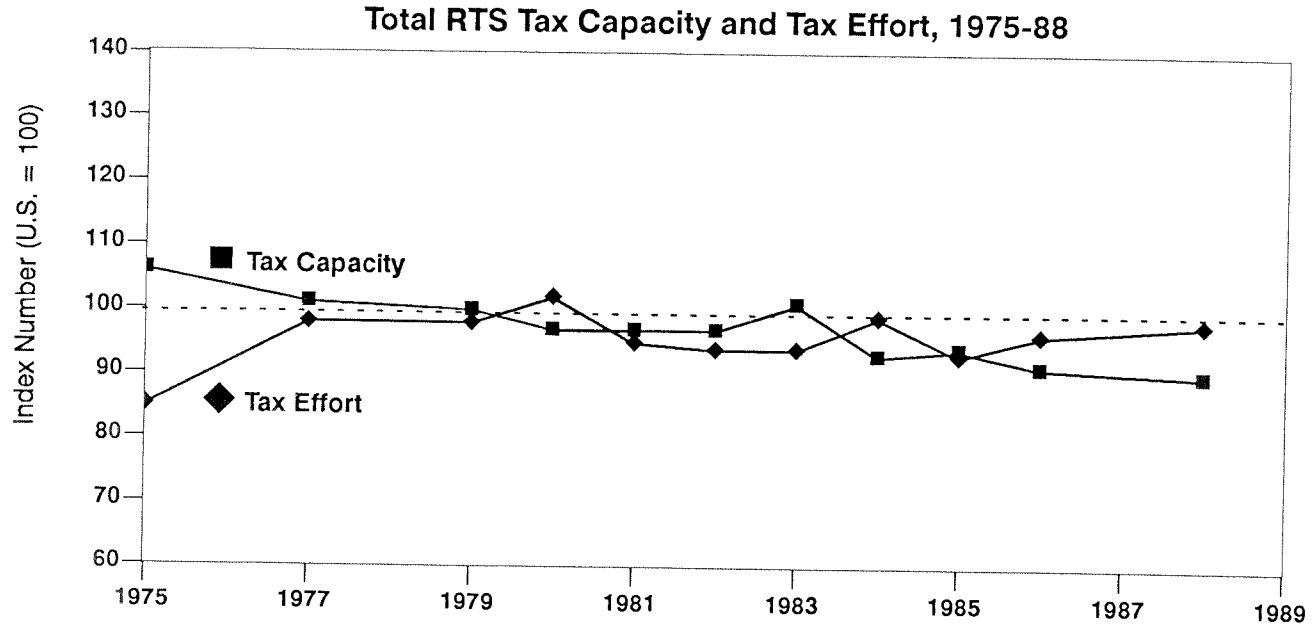


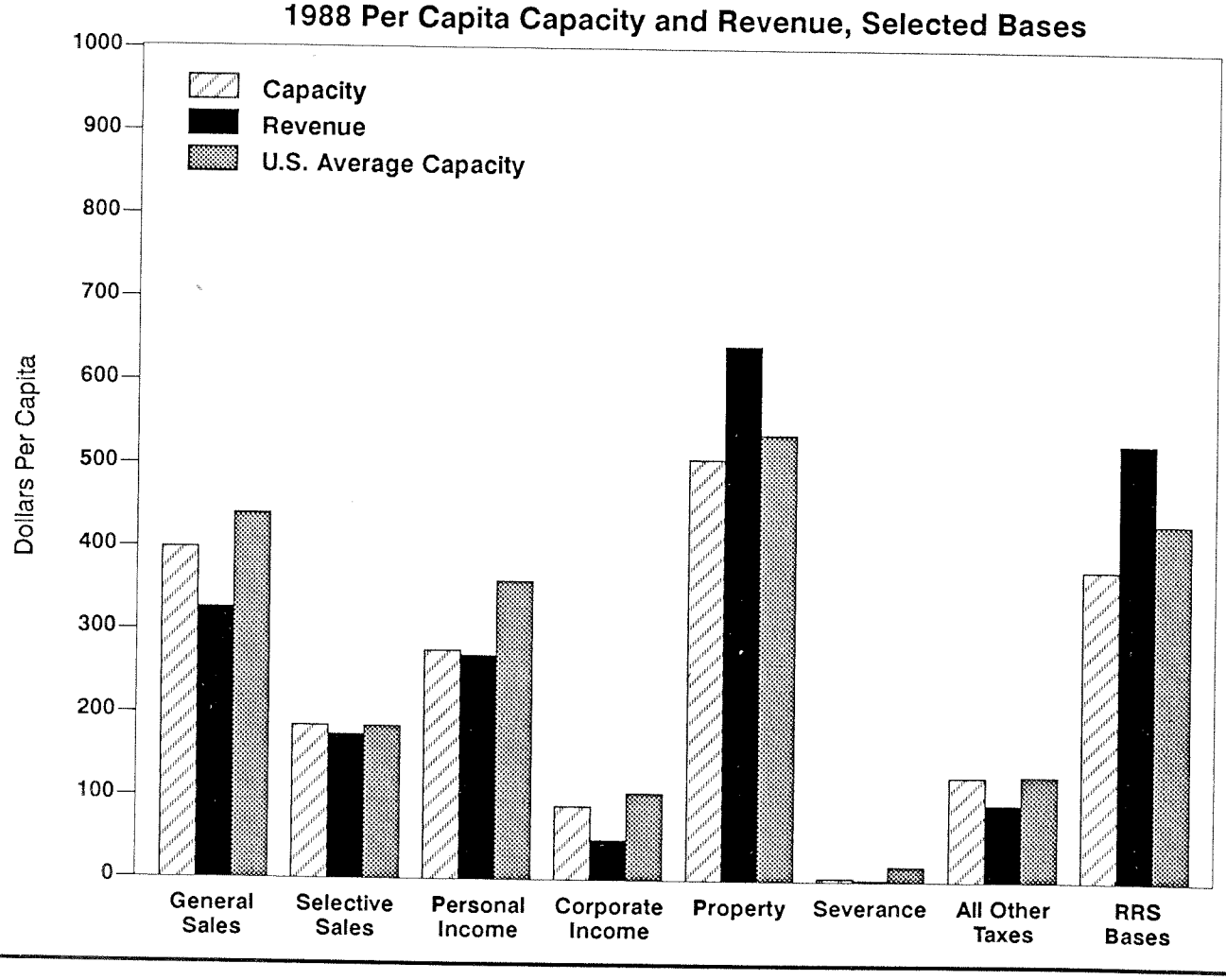
1988 Per Capita Capacity and Revenue, Selected Bases



Nebraska

1988 RTS Tax Capacity = 90 **1988 RTS Tax Effort = 98**

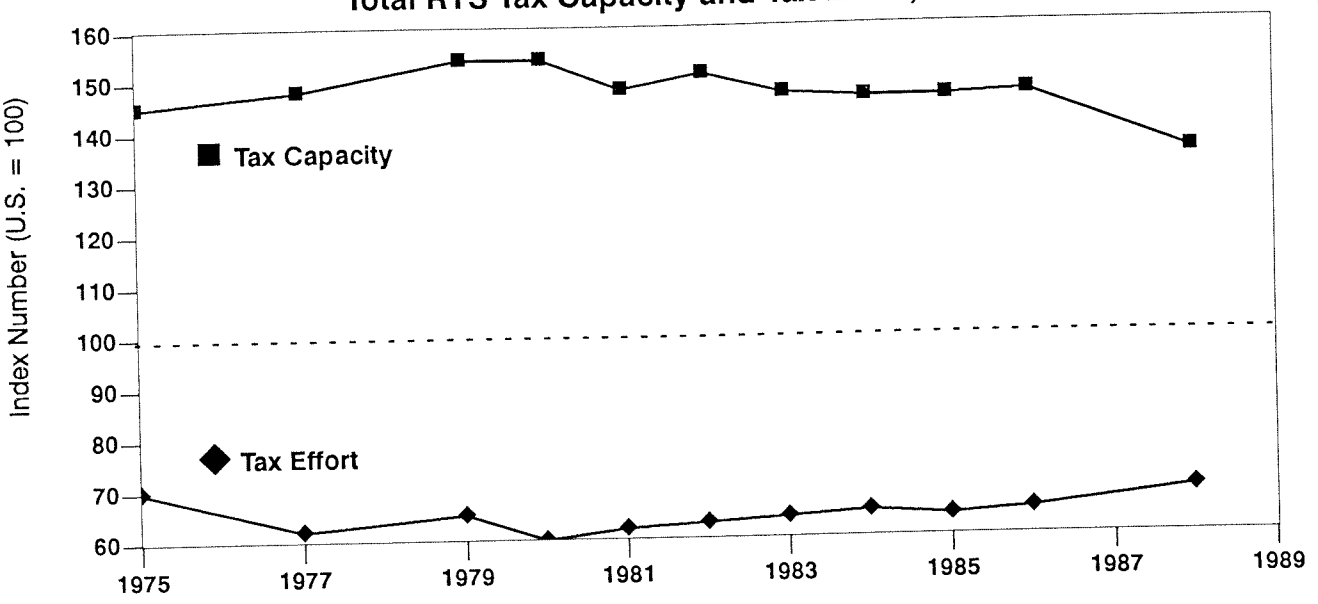




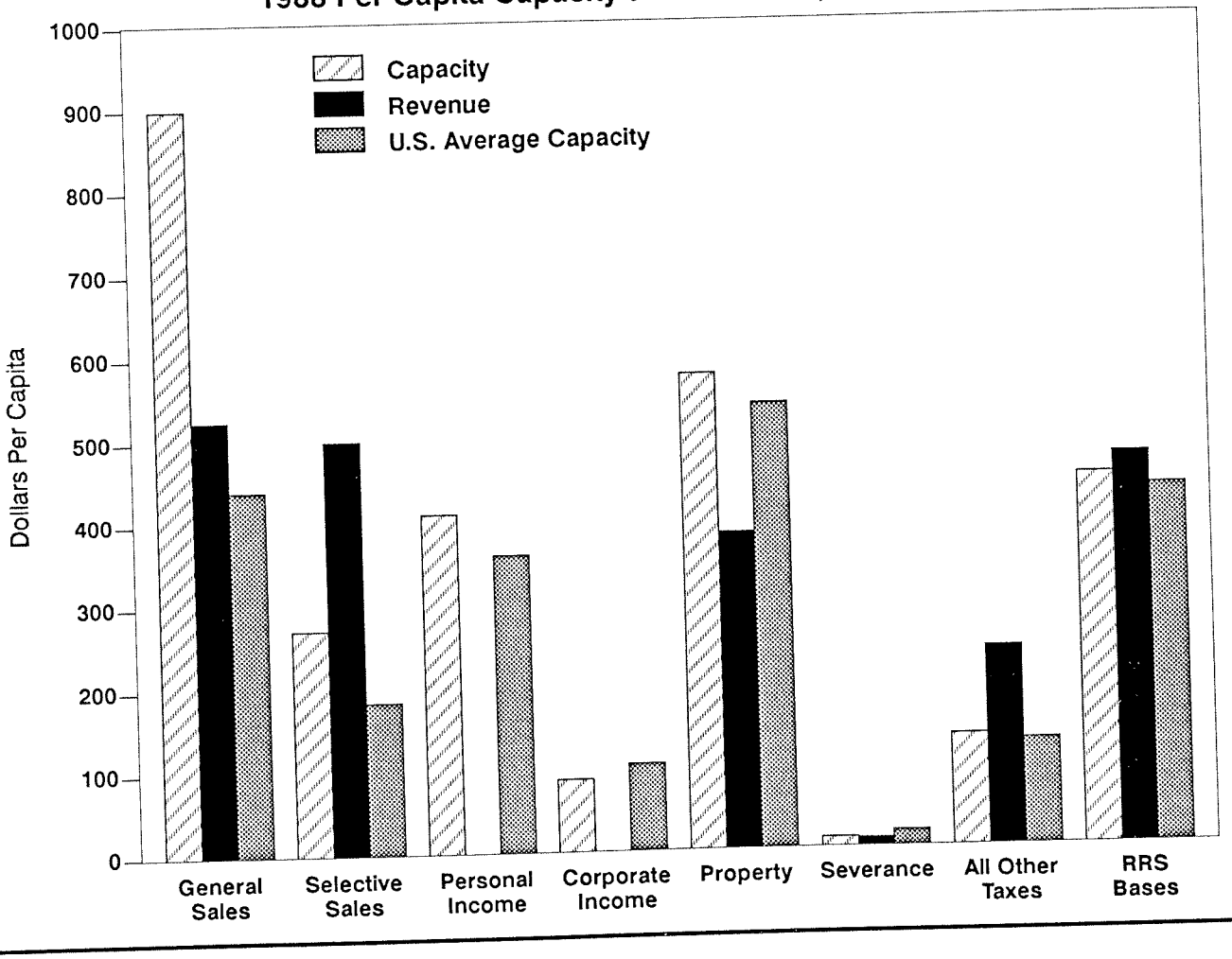
Nevada

1988 RTS Tax Capacity = 135 **1988 RTS Tax Effort = 69**

Total RTS Tax Capacity and Tax Effort, 1975-88

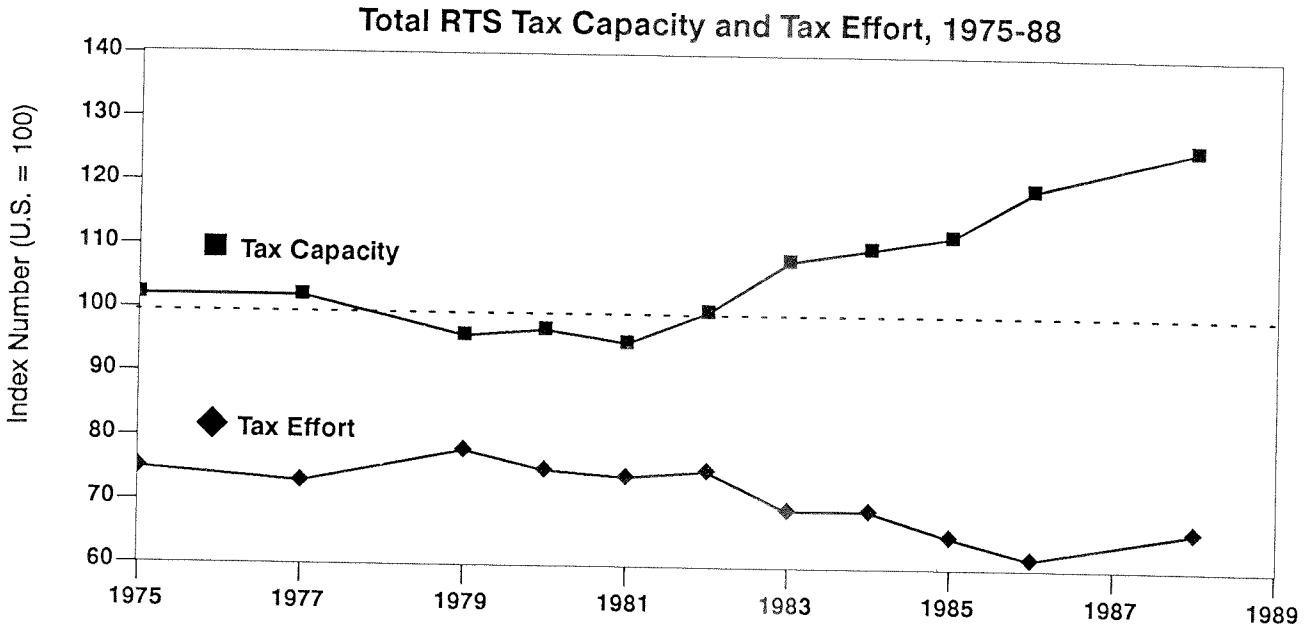


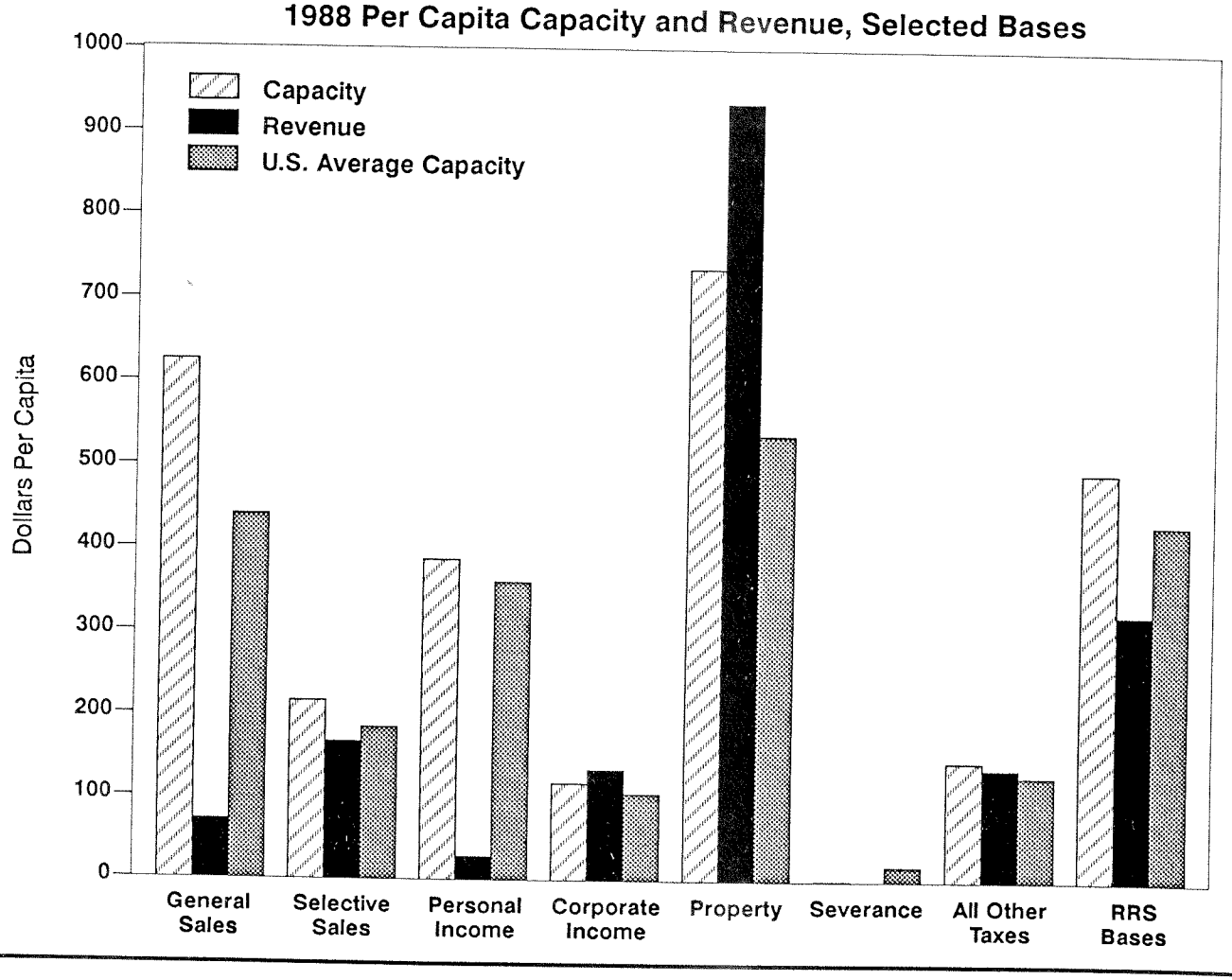
1988 Per Capita Capacity and Revenue, Selected Bases



New Hampshire

1988 RTS Tax Capacity = 126 **1988 RTS Tax Effort = 66**

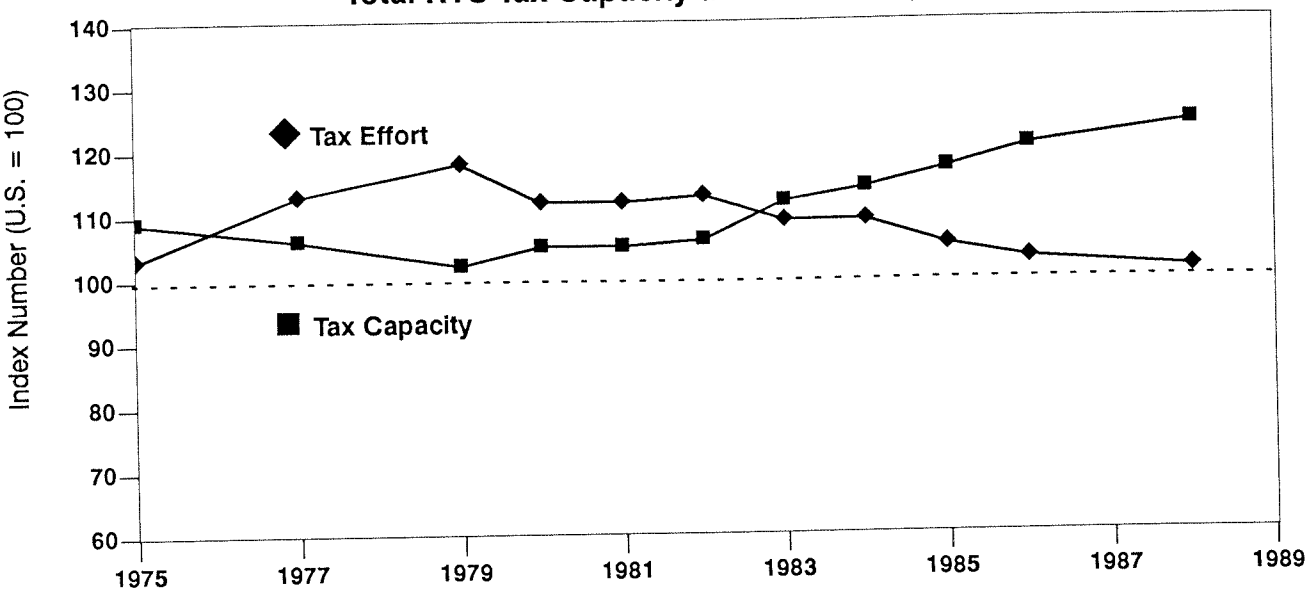




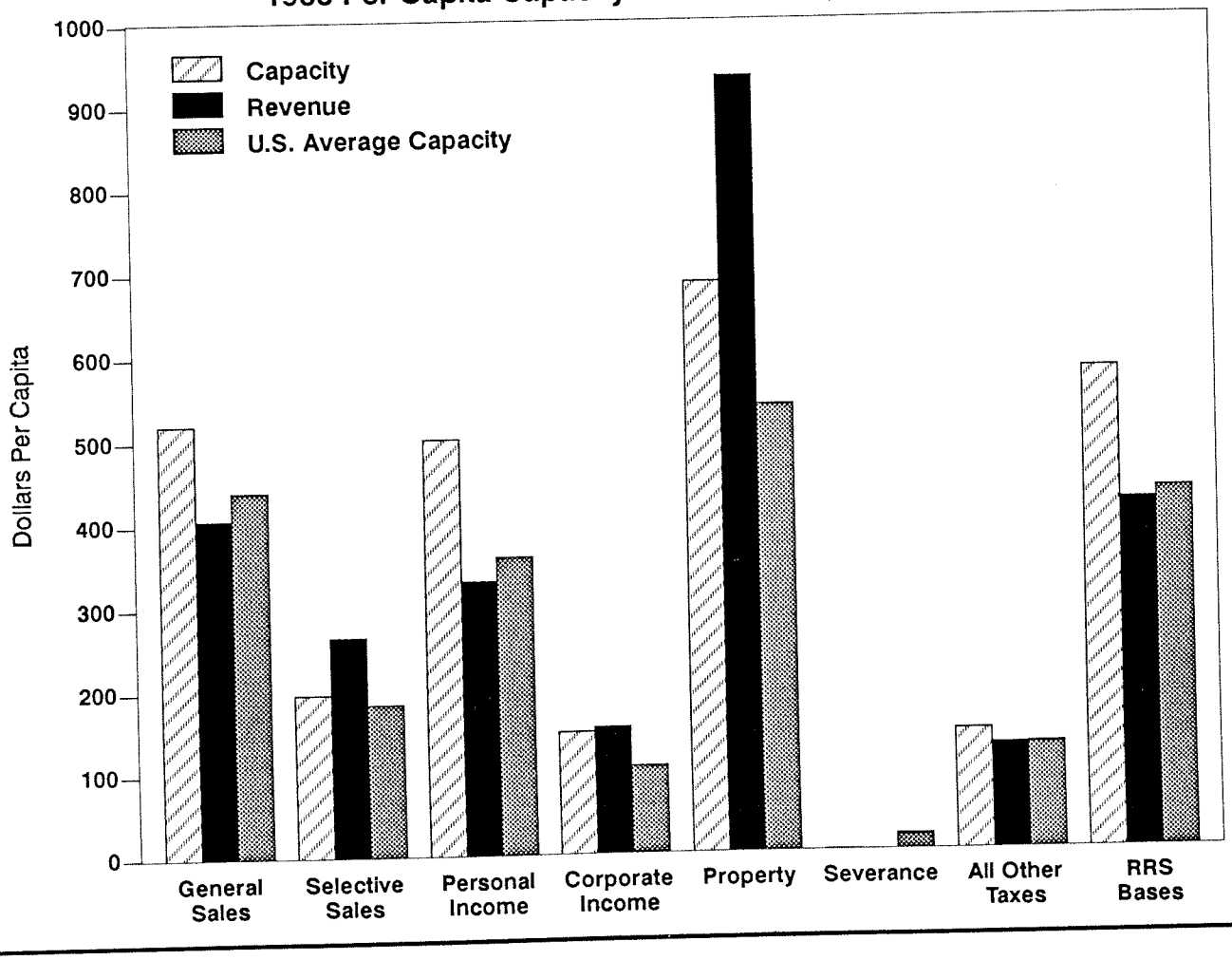
New Jersey

1988 RTS Tax Capacity = 124 **1988 RTS Tax Effort = 101**

Total RTS Tax Capacity and Tax Effort, 1975-88



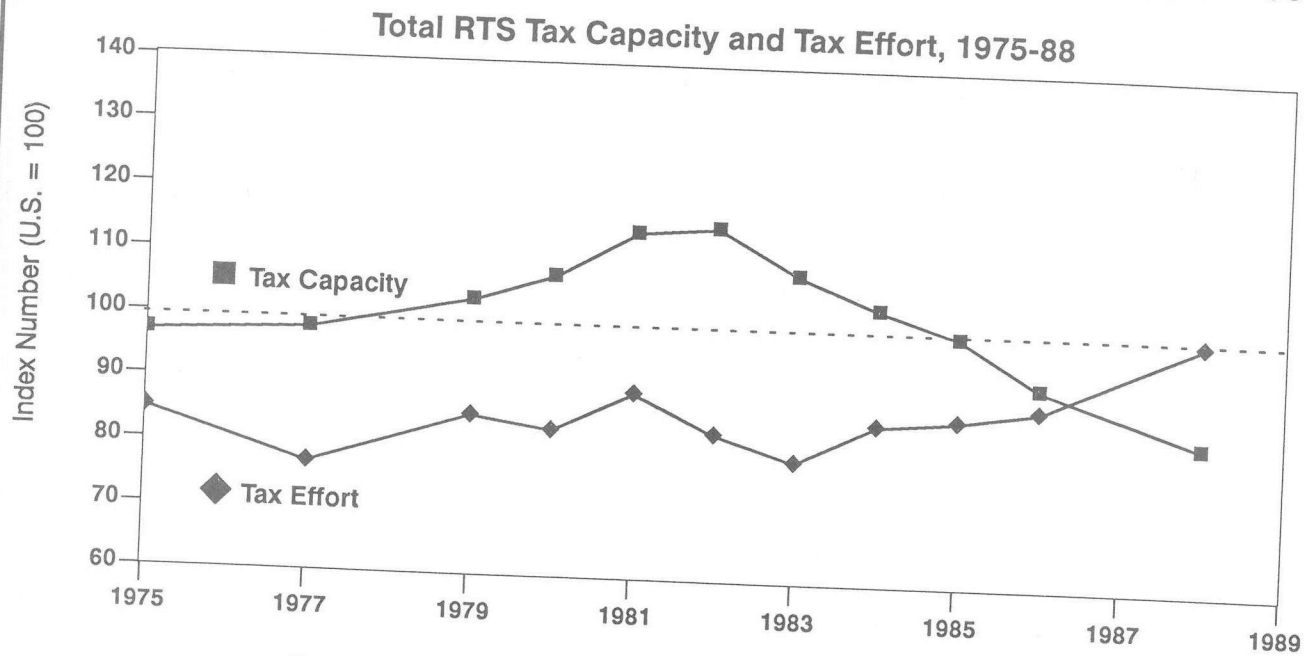
1988 Per Capita Capacity and Revenue, Selected Bases

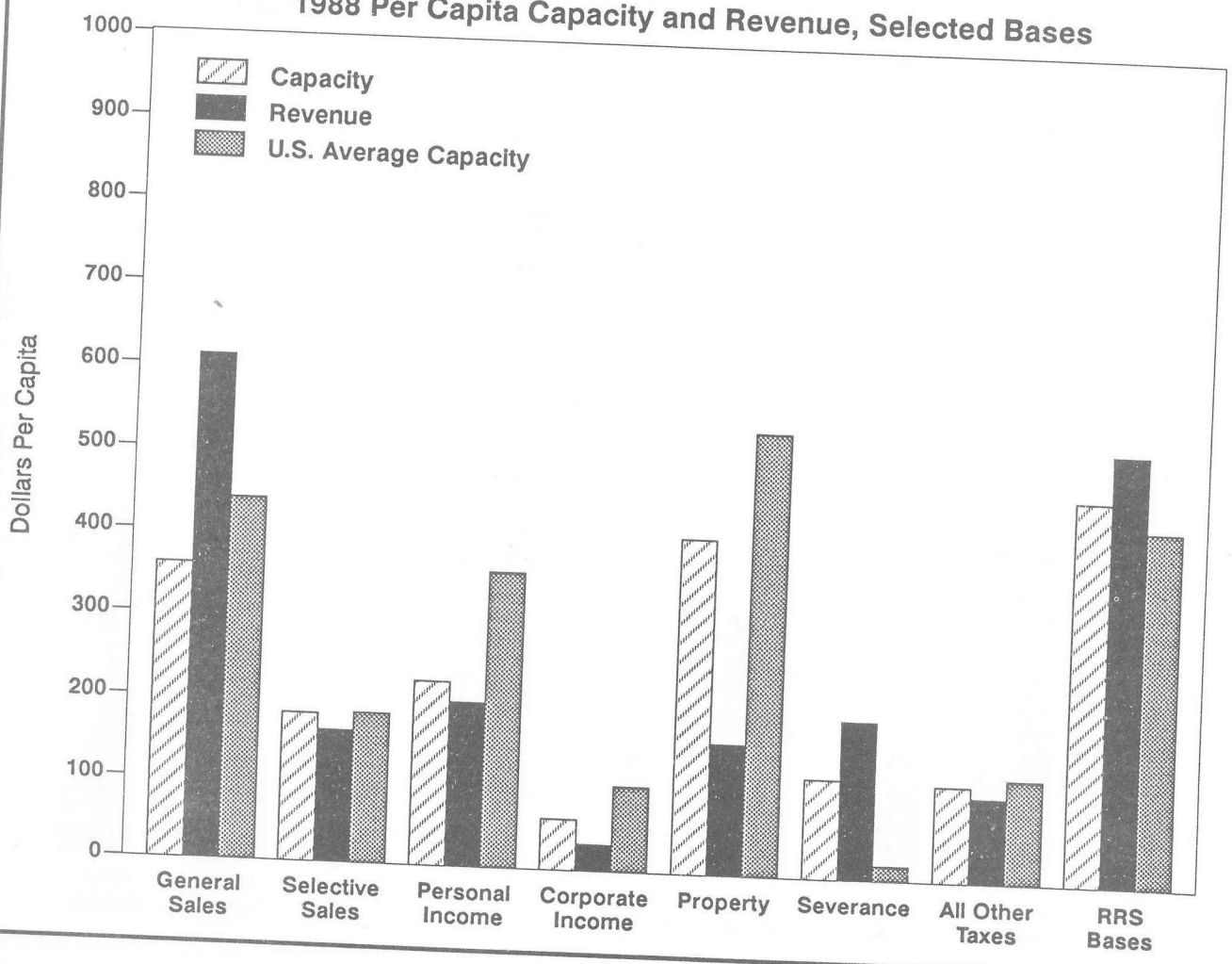


New Mexico

1988 RTS Tax Capacity = 83

1988 RTS Tax Effort = 99

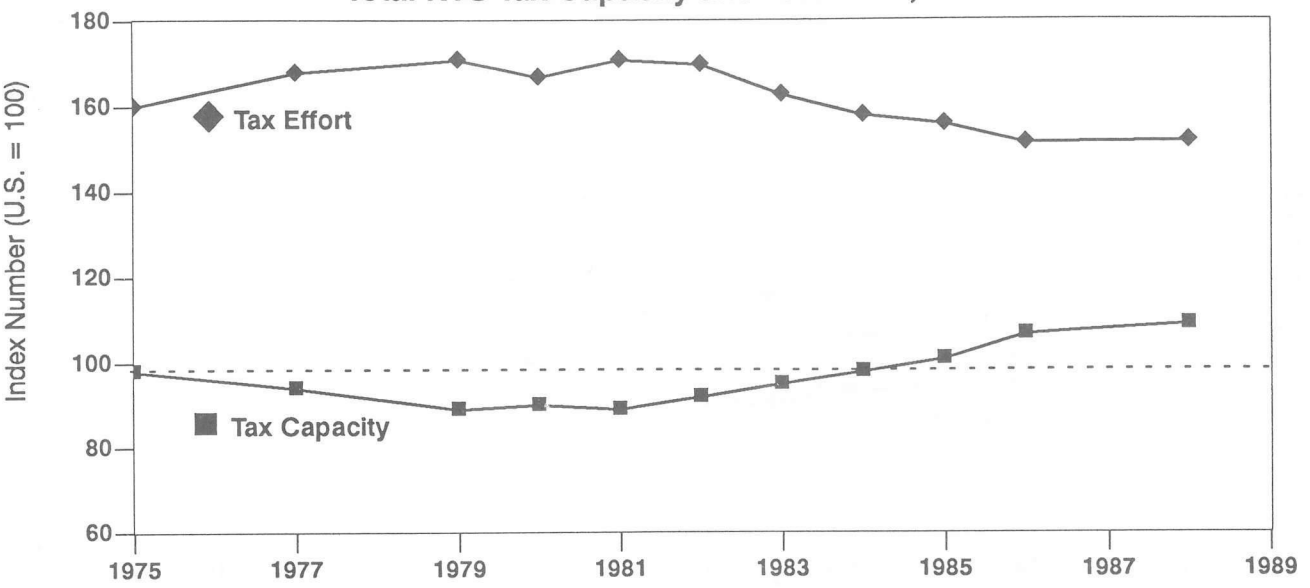




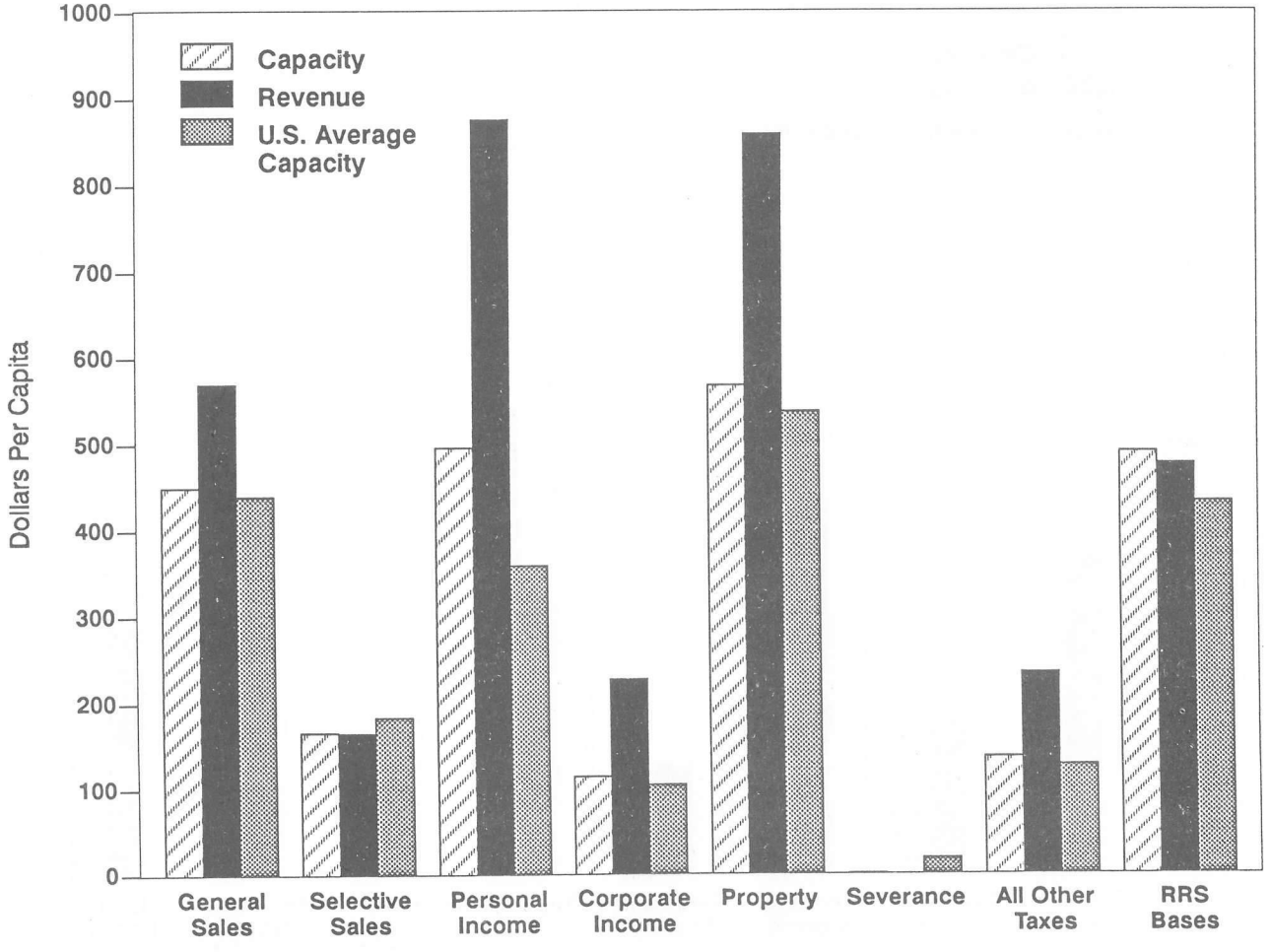
New York

1988 RTS Tax Capacity = 109 **1988 RTS Tax Effort = 152**

Total RTS Tax Capacity and Tax Effort, 1975-88



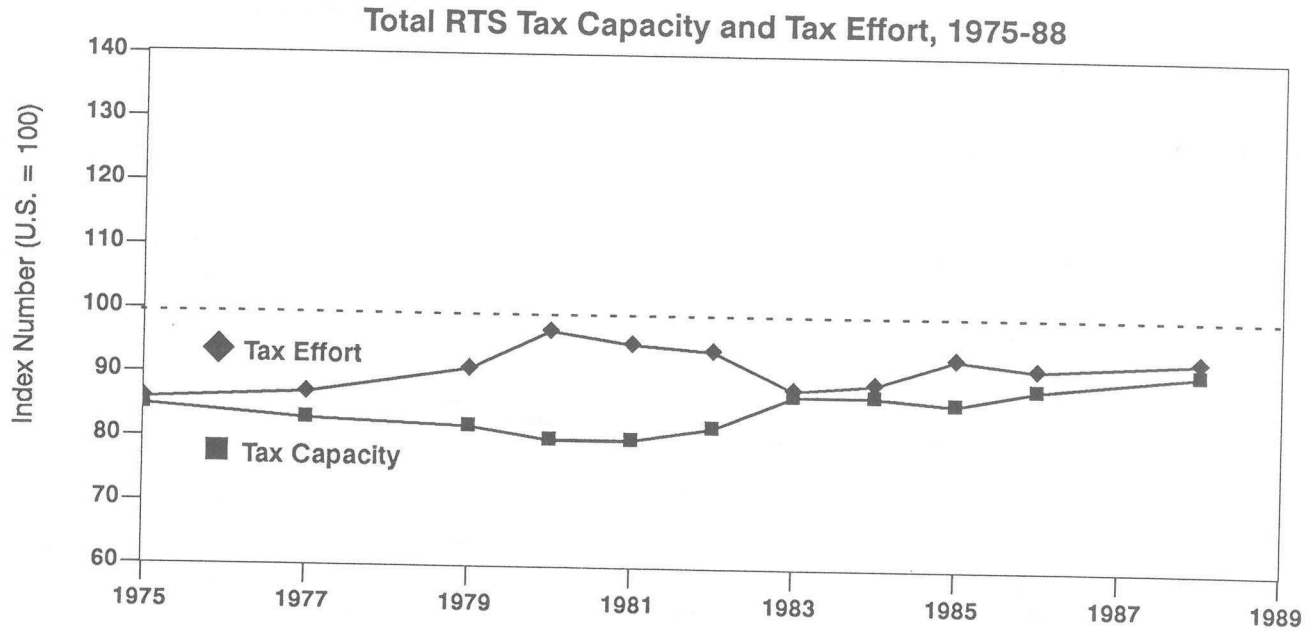
1988 Per Capita Capacity and Revenue, Selected Bases

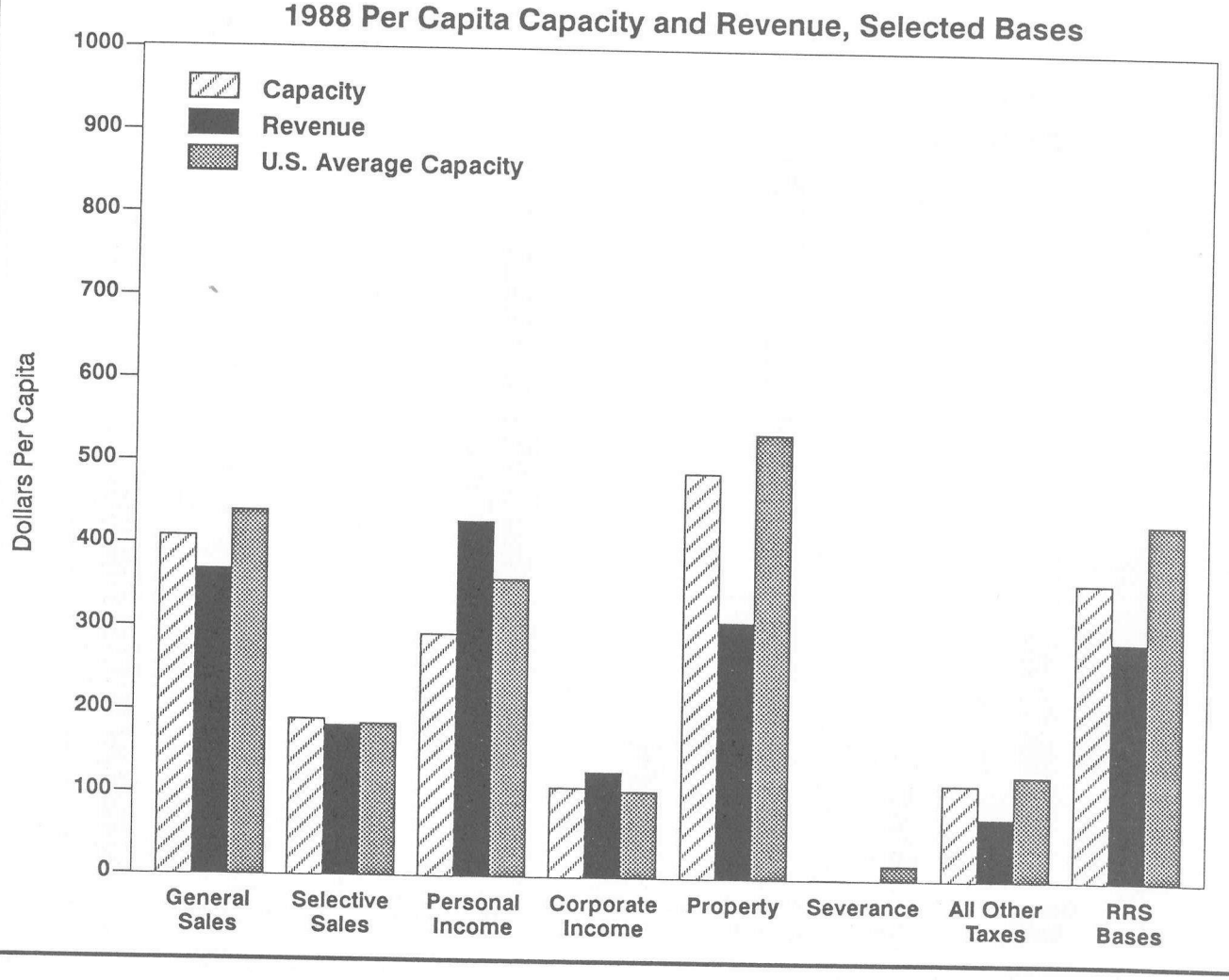


North Carolina

1988 RTS Tax Capacity = 91

1988 RTS Tax Effort = 93

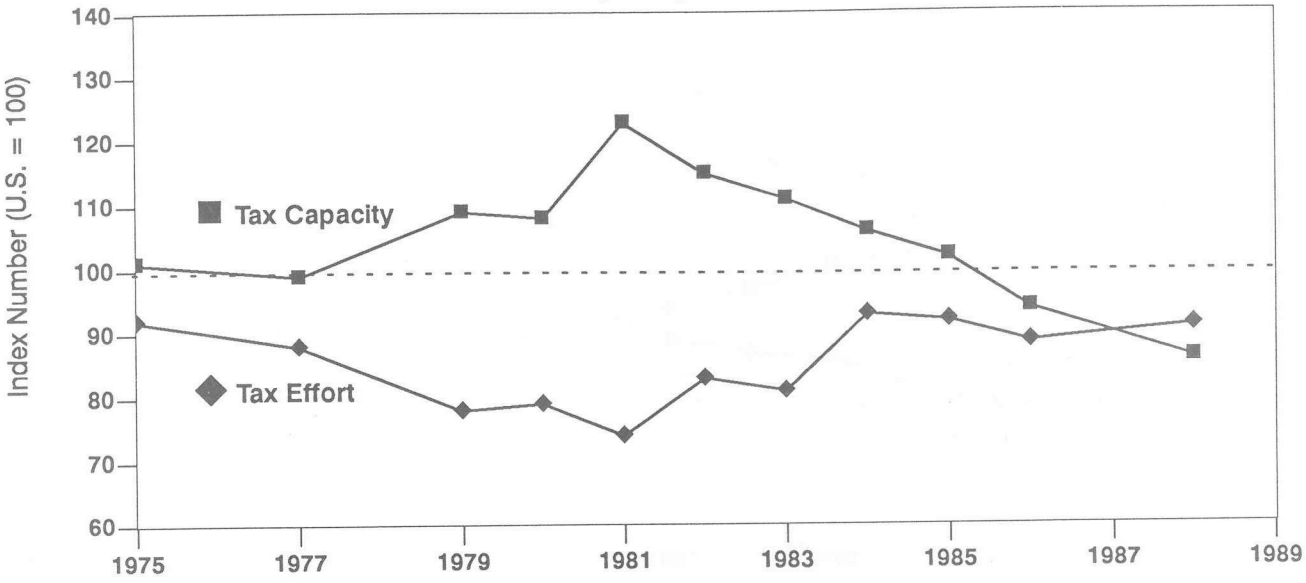




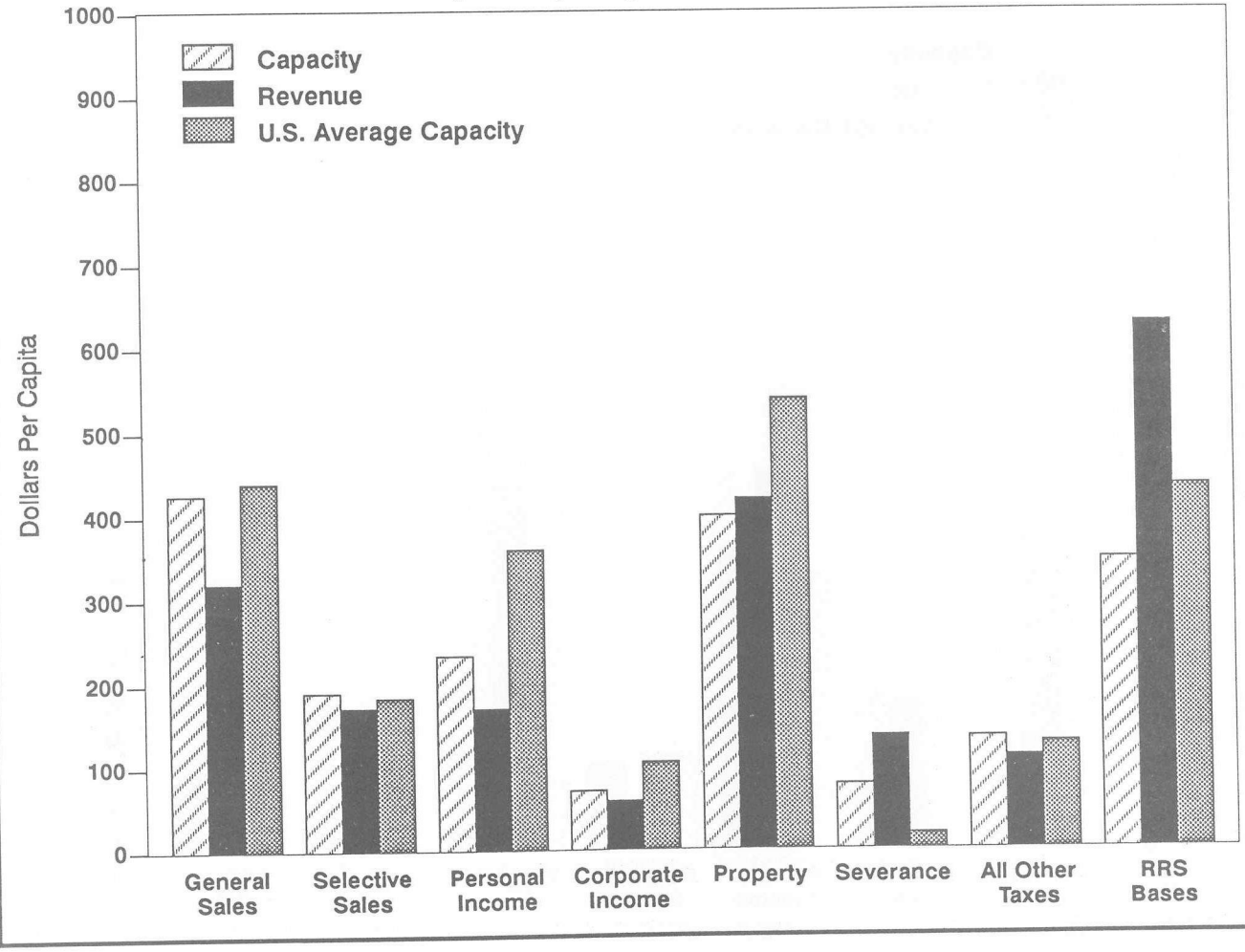
North Dakota

1988 RTS Tax Capacity = 86 **1988 RTS Tax Effort = 91**

Total RTS Tax Capacity and Tax Effort, 1975-88

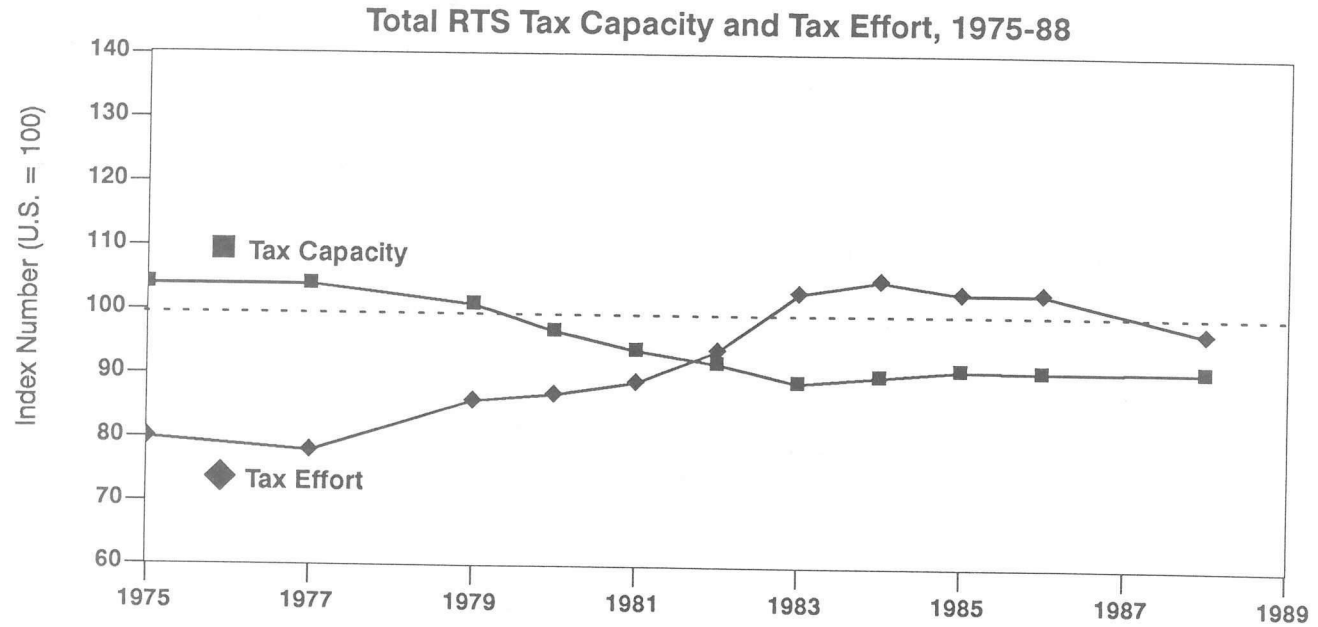


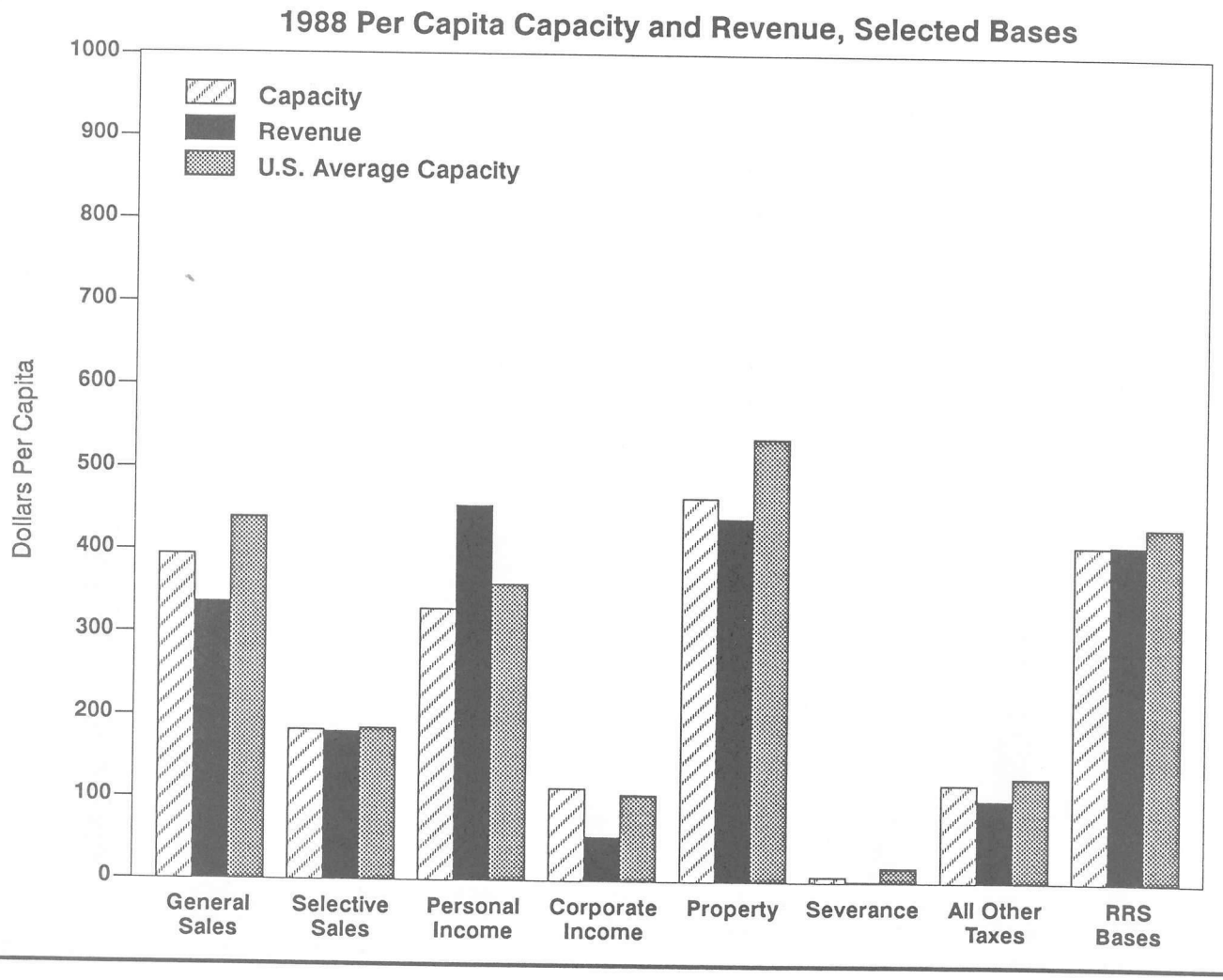
1988 Per Capita Capacity and Revenue, Selected Bases



Ohio

1988 RTS Tax Capacity = 91 **1988 RTS Tax Effort = 97**



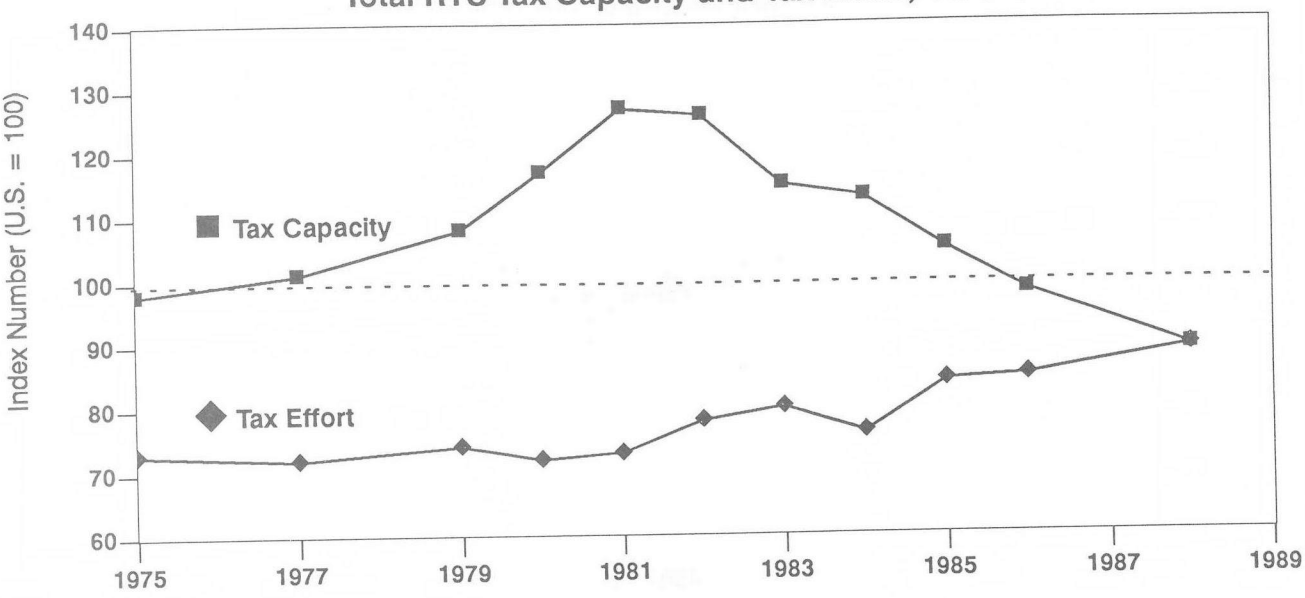


Oklahoma

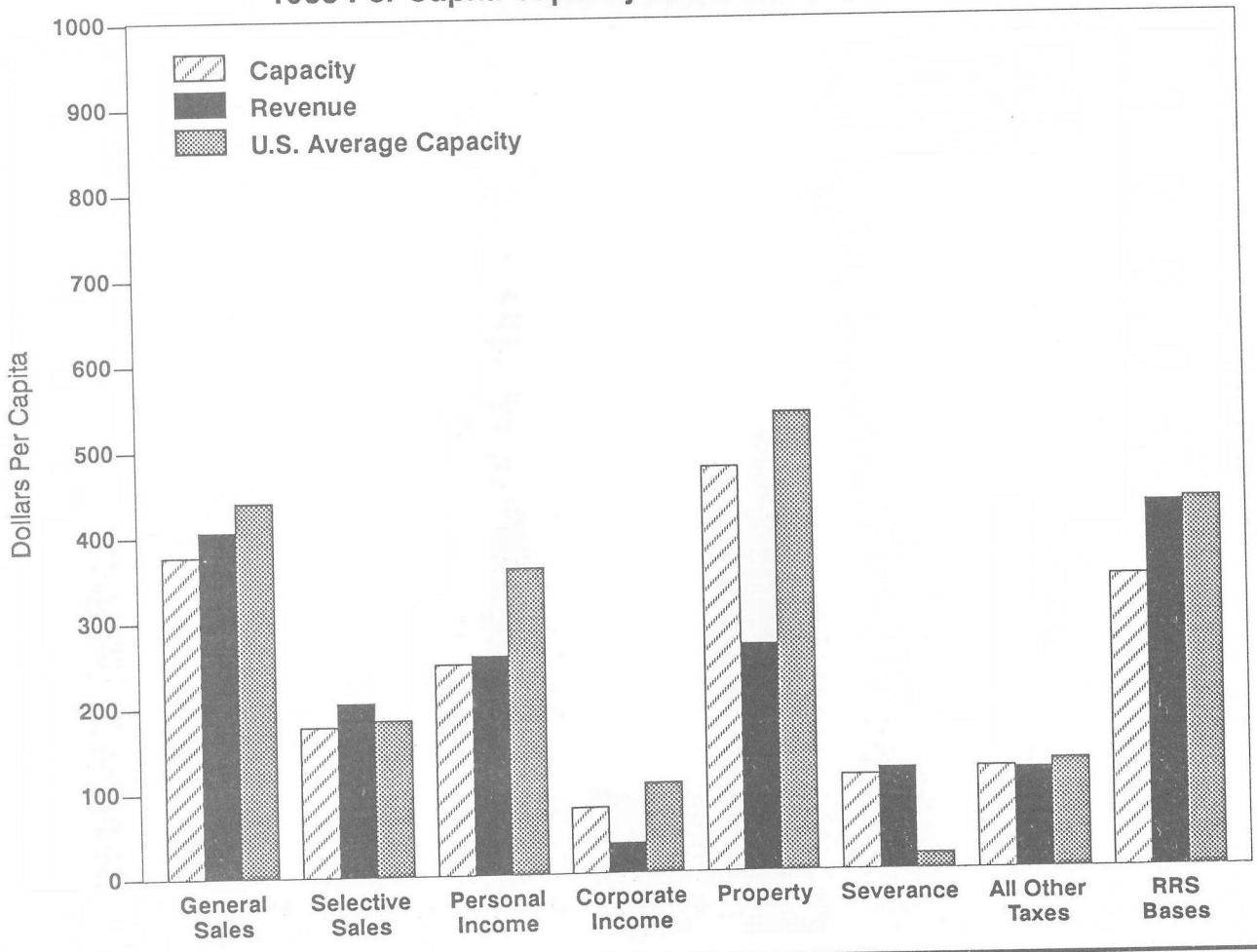
1988 RTS Tax Capacity = 89

1988 RTS Tax Effort = 89

Total RTS Tax Capacity and Tax Effort, 1975-88

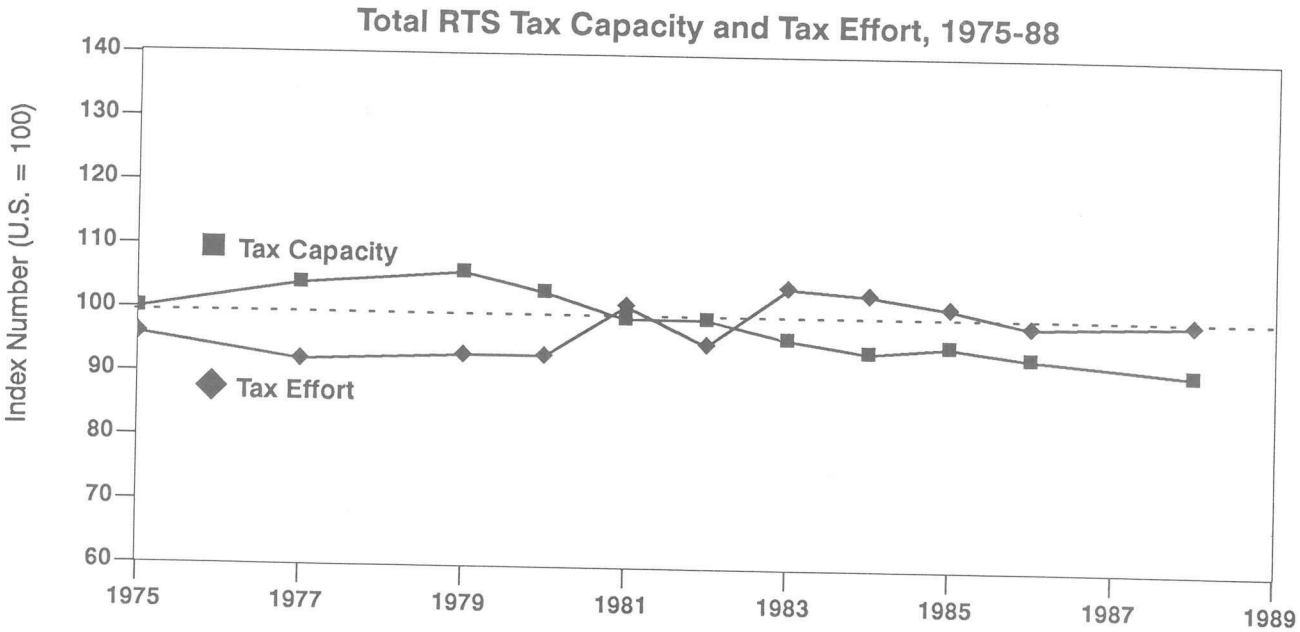


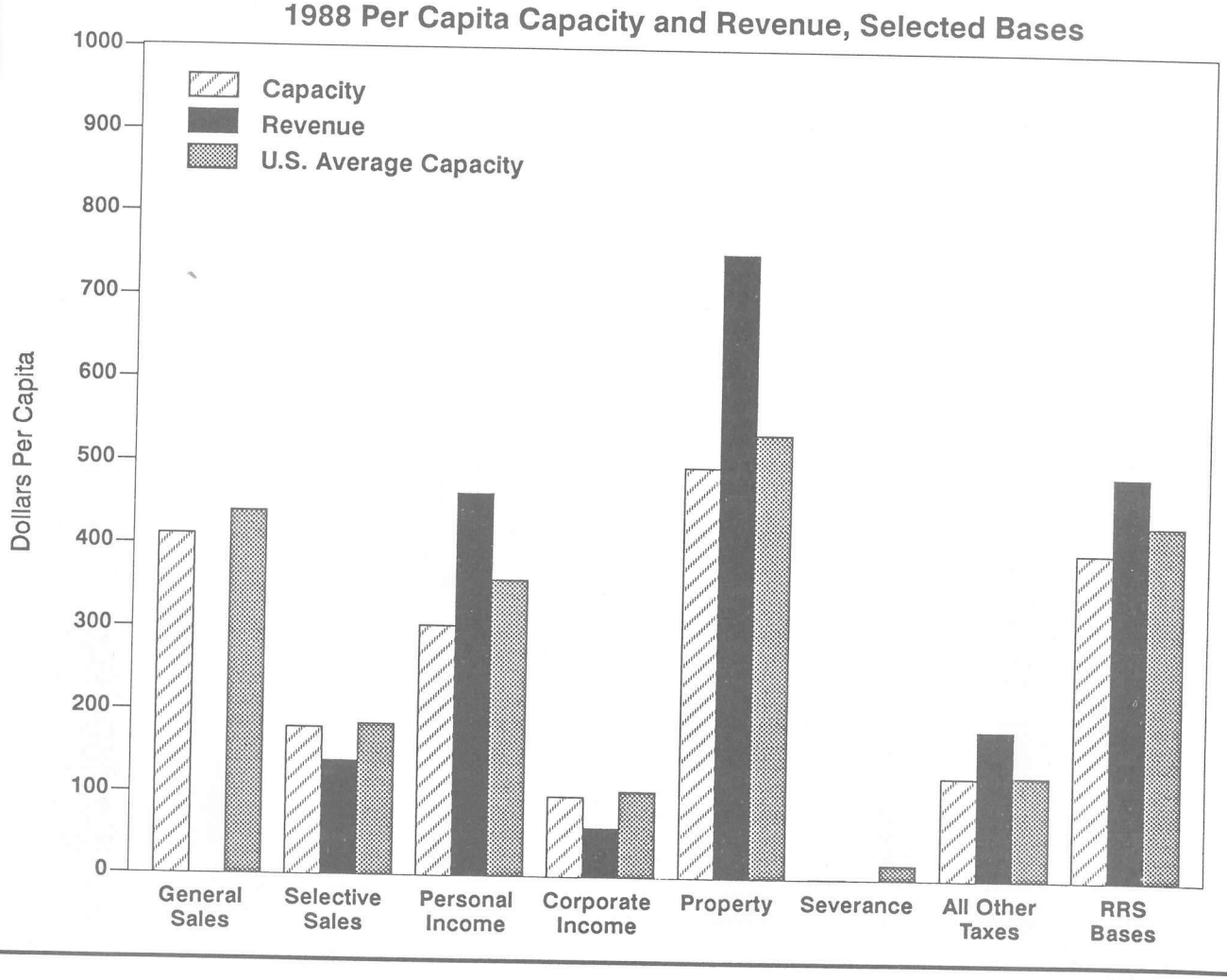
1988 Per Capita Capacity and Revenue, Selected Bases



Oregon

1988 RTS Tax Capacity = 91 **1988 RTS Tax Effort = 99**

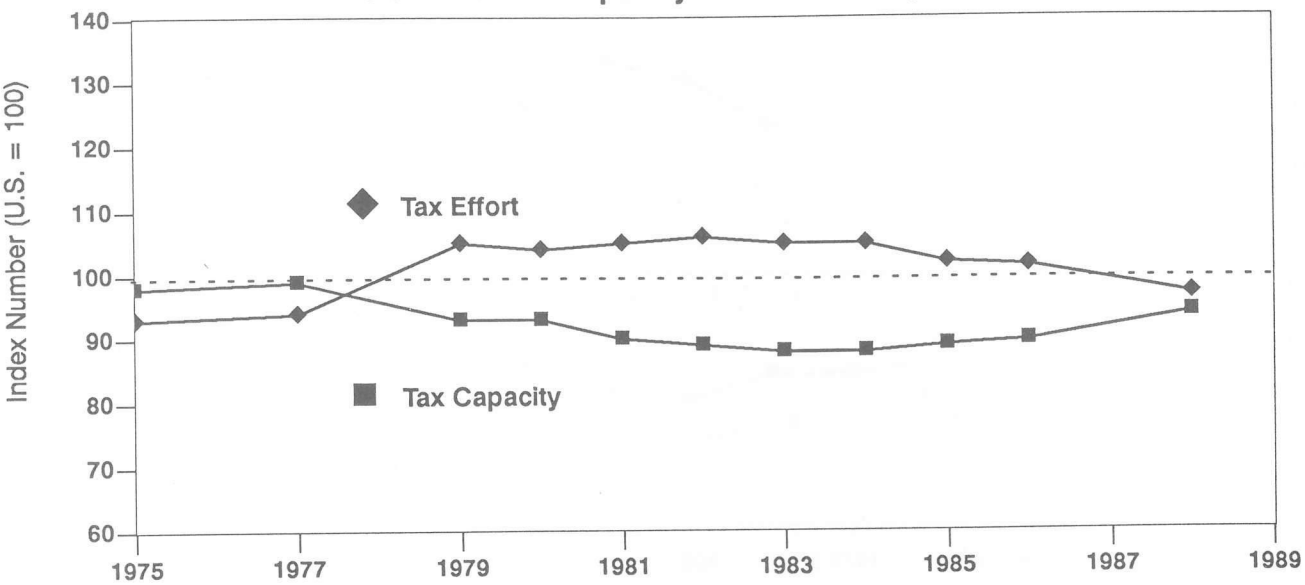




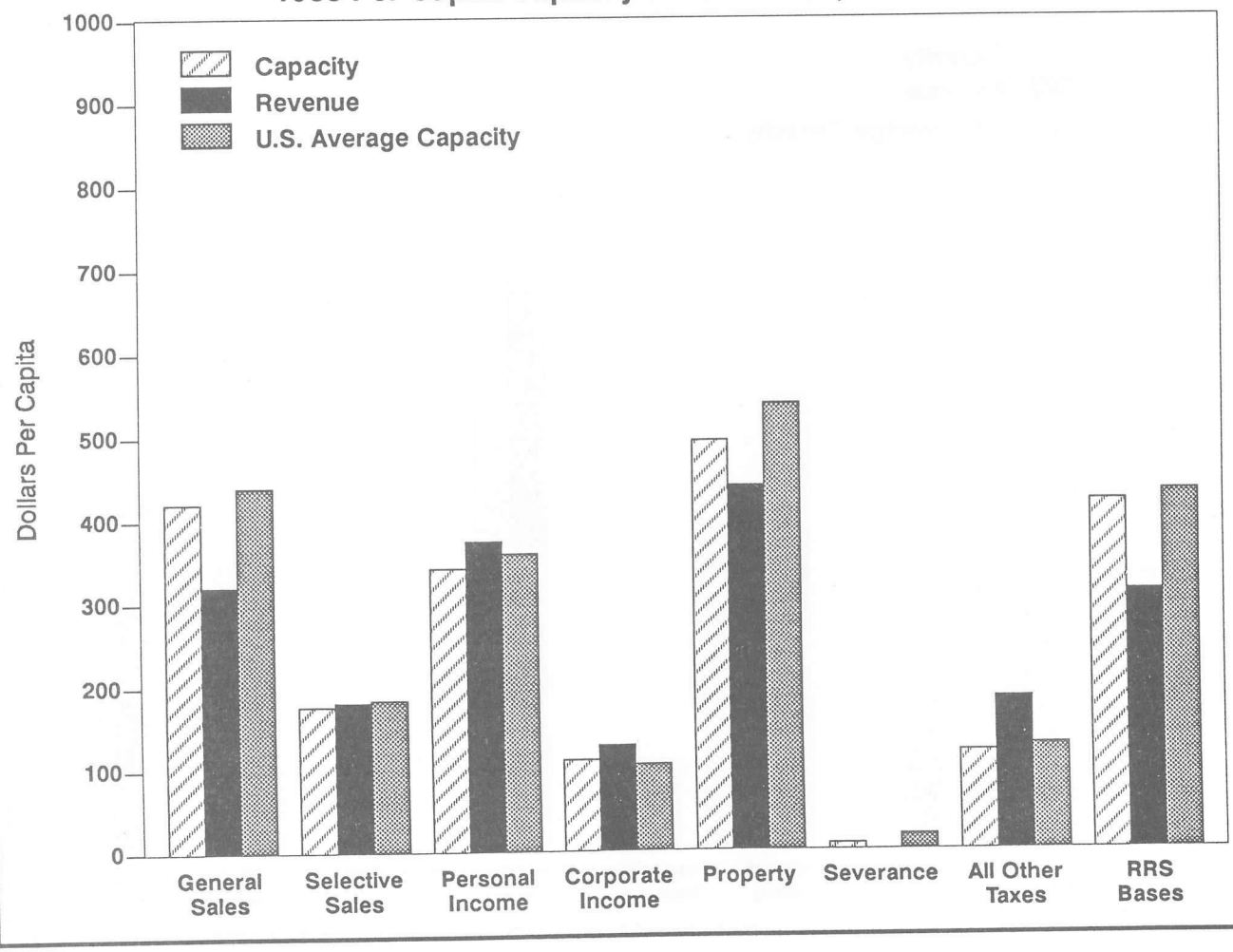
Pennsylvania

1988 RTS Tax Capacity = 94 **1988 RTS Tax Effort = 97**

Total RTS Tax Capacity and Tax Effort, 1975-88



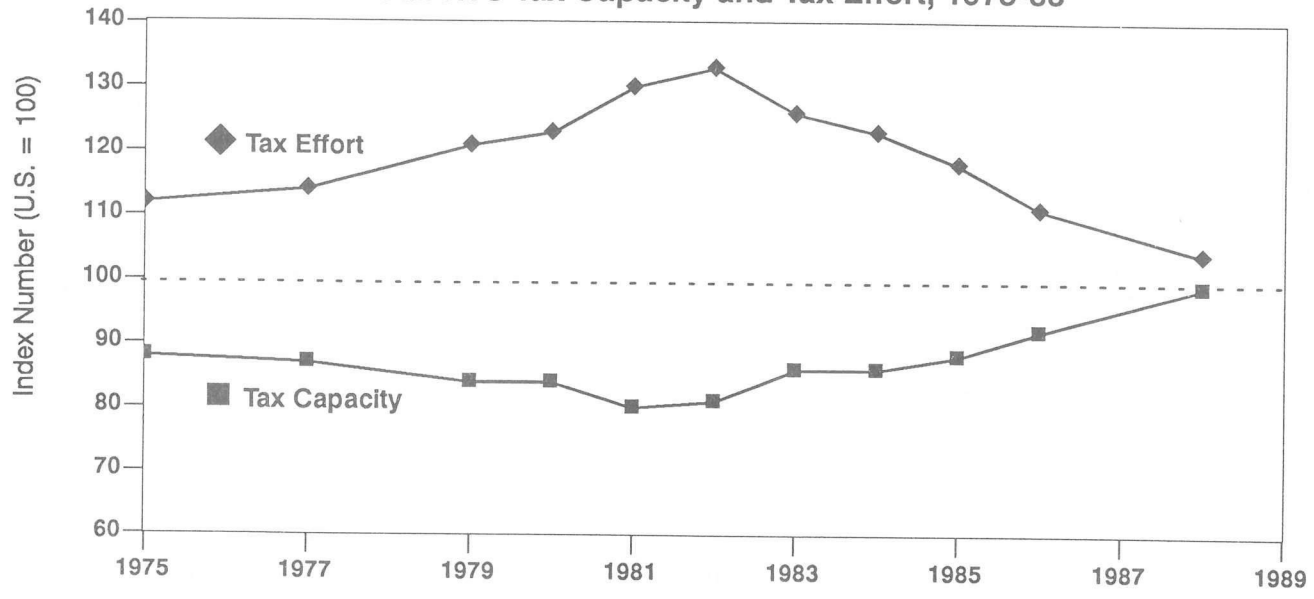
1988 Per Capita Capacity and Revenue, Selected Bases



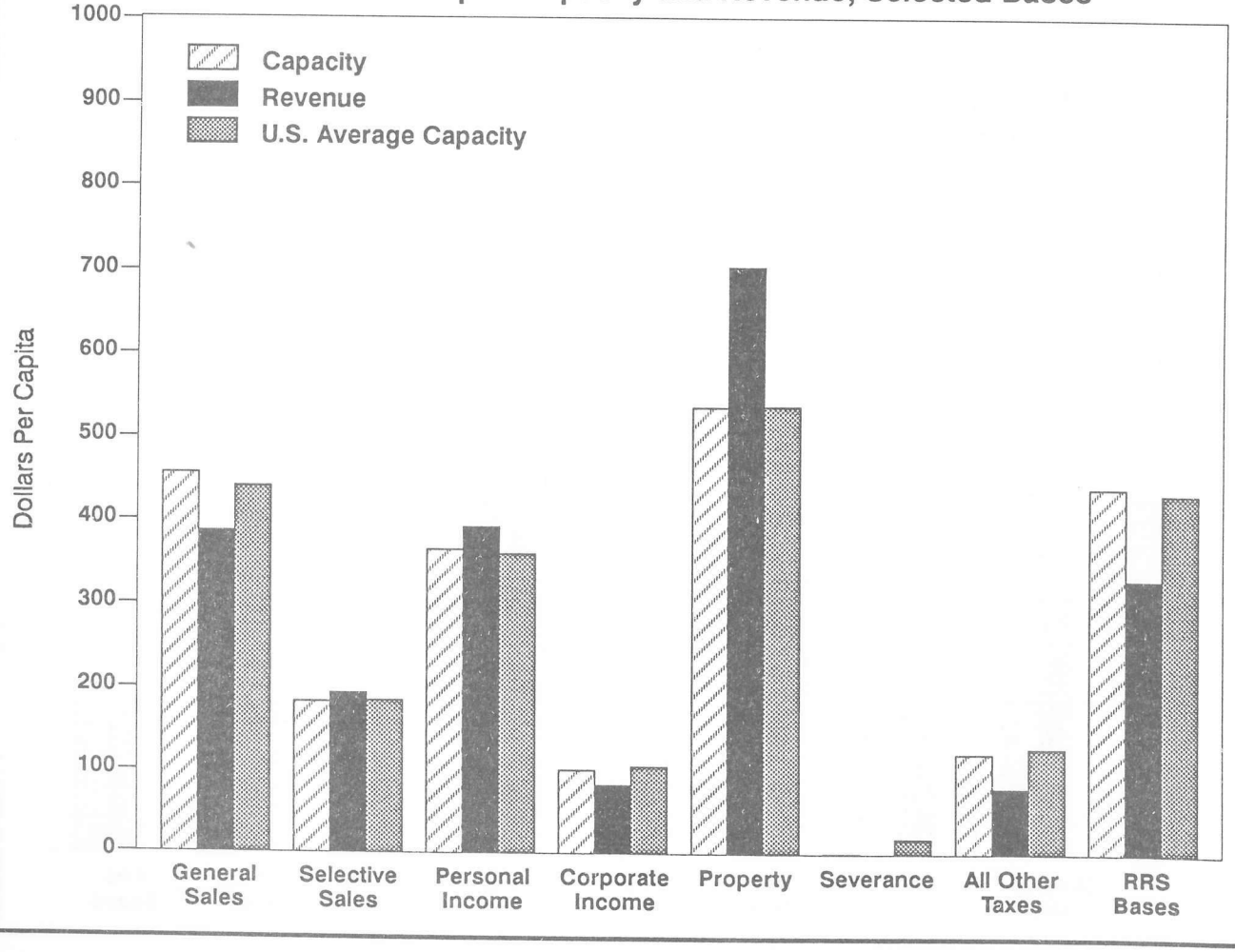
Rhode Island

1988 RTS Tax Capacity = 99 **1988 RTS Tax Effort = 104**

Total RTS Tax Capacity and Tax Effort, 1975-88



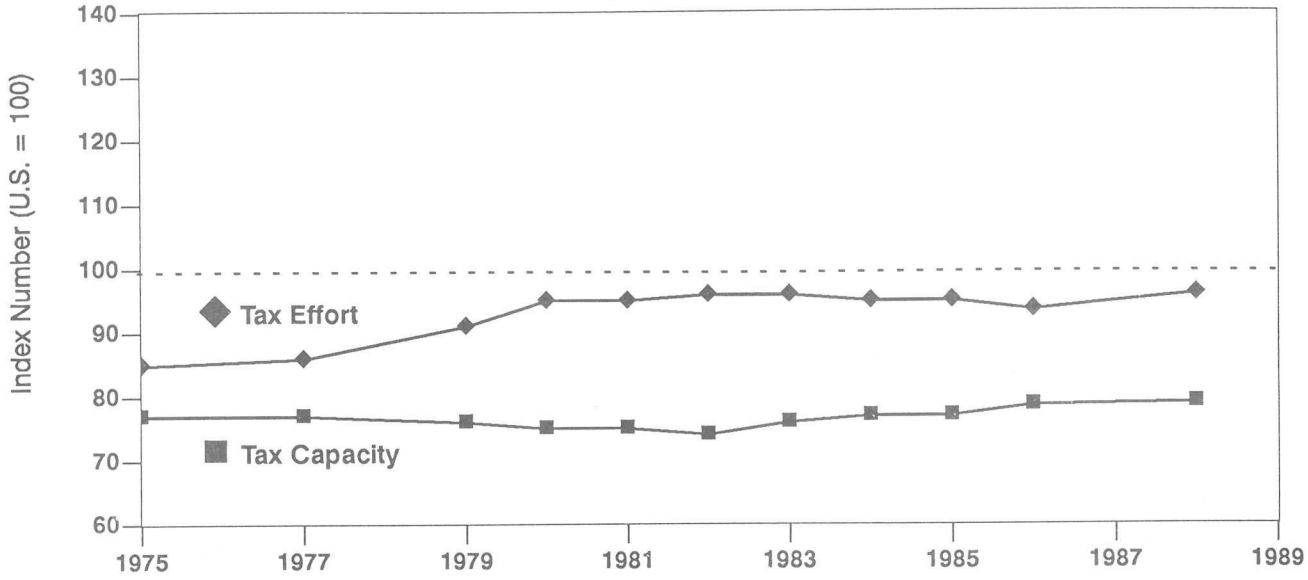
1988 Per Capita Capacity and Revenue, Selected Bases



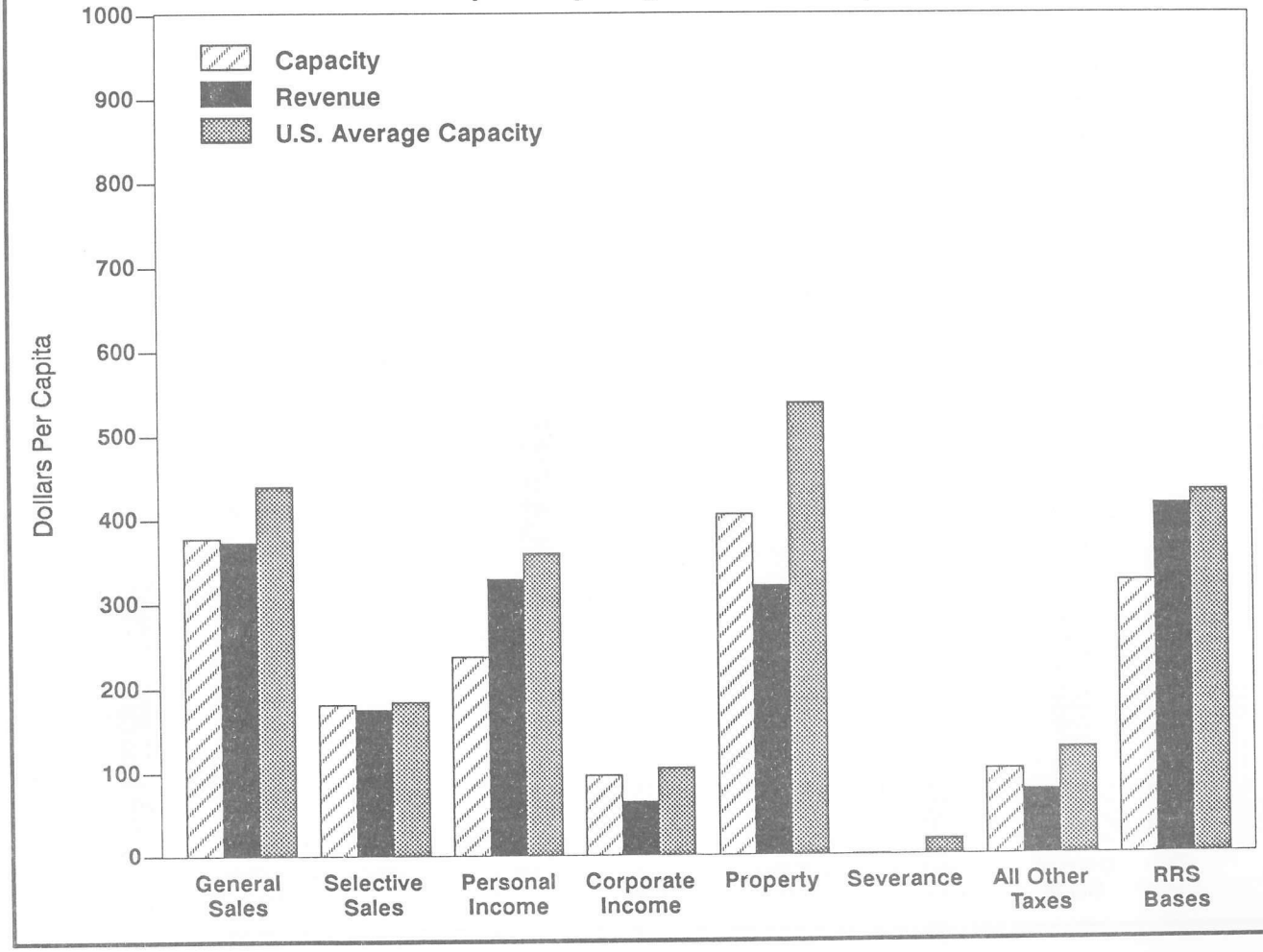
South Carolina

1988 RTS Tax Capacity = 79 **1988 RTS Tax Effort = 96**

Total RTS Tax Capacity and Tax Effort, 1975-88



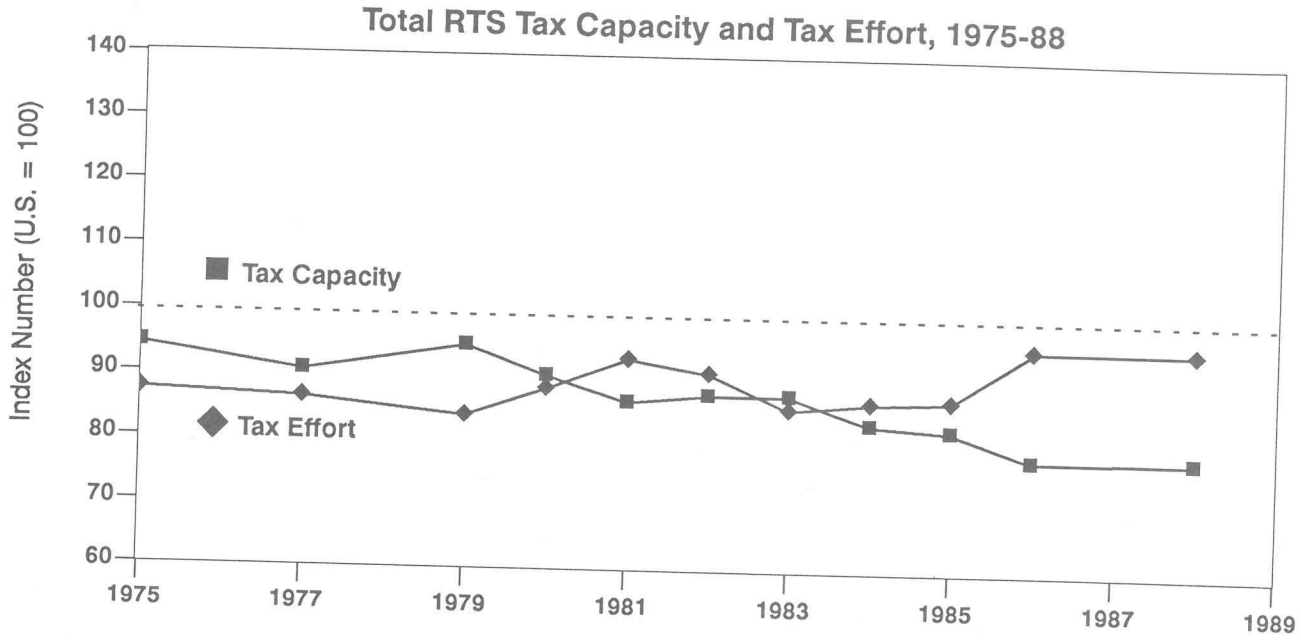
1988 Per Capita Capacity and Revenue, Selected Bases

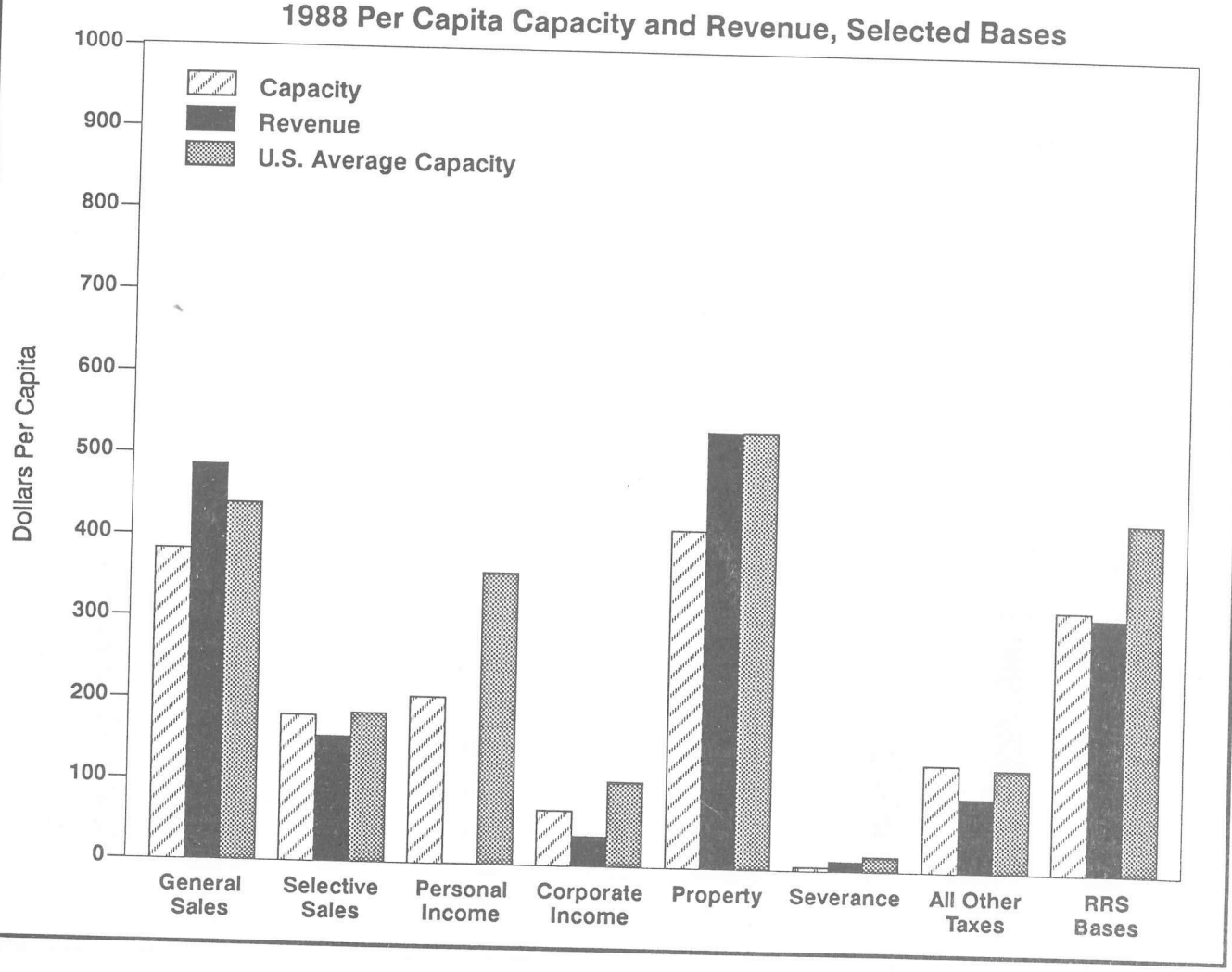


South Dakota

1988 RTS Tax Capacity = 78

1988 RTS Tax Effort = 95

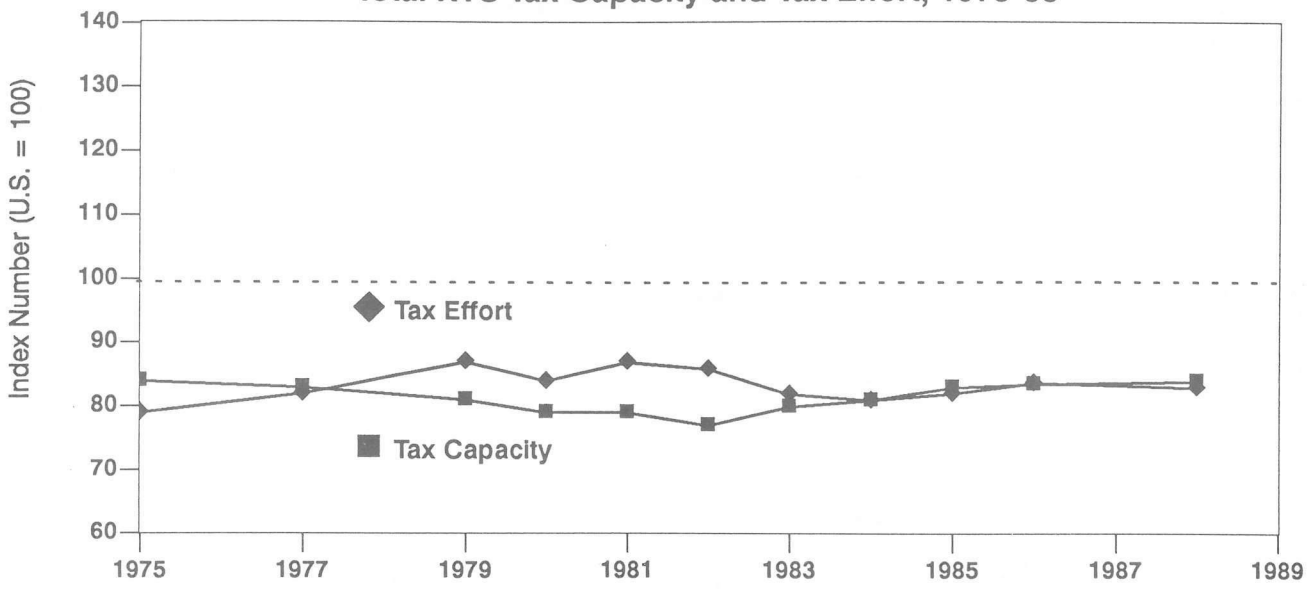




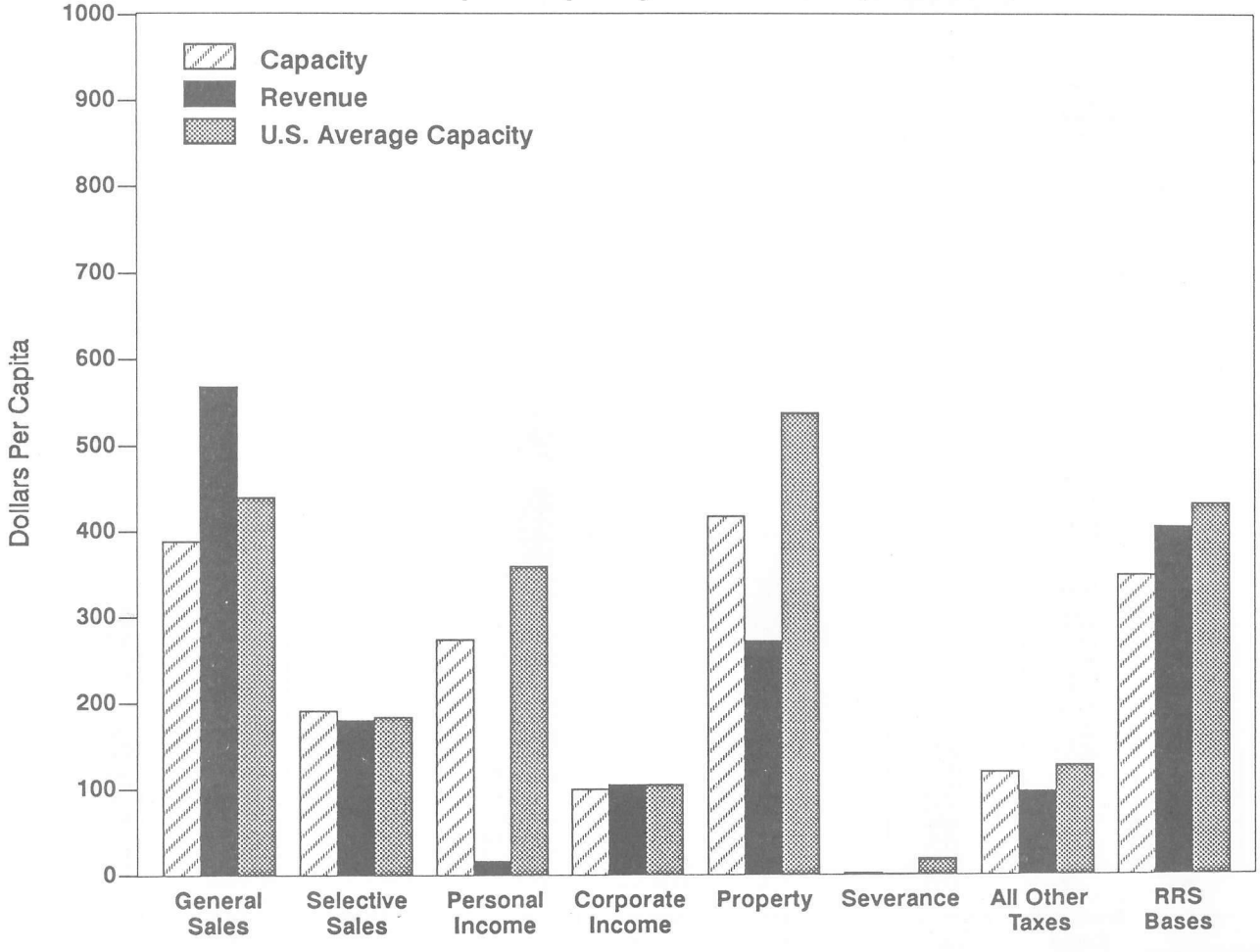
Tennessee

1988 RTS Tax Capacity = 84 **1988 RTS Tax Effort = 83**

Total RTS Tax Capacity and Tax Effort, 1975-88



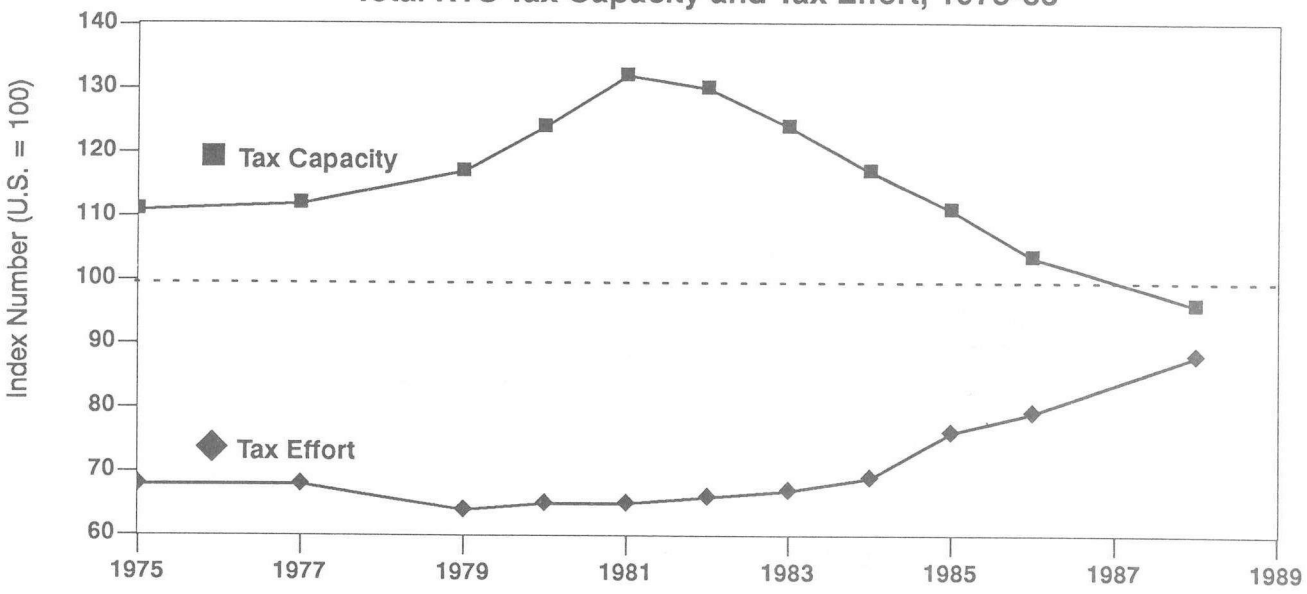
1988 Per Capita Capacity and Revenue, Selected Bases



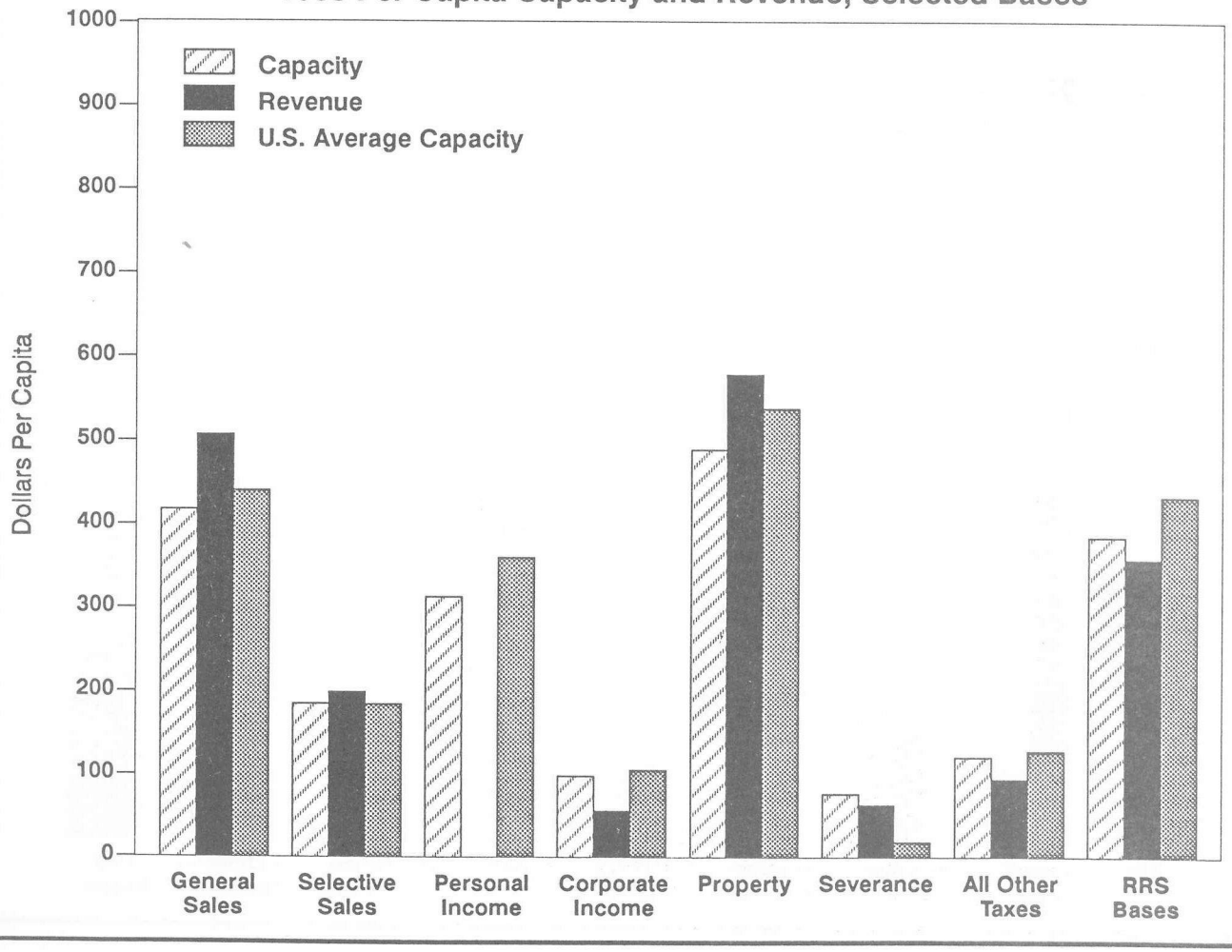
Texas

1988 RTS Tax Capacity = 96 **1988 RTS Tax Effort = 88**

Total RTS Tax Capacity and Tax Effort, 1975-88



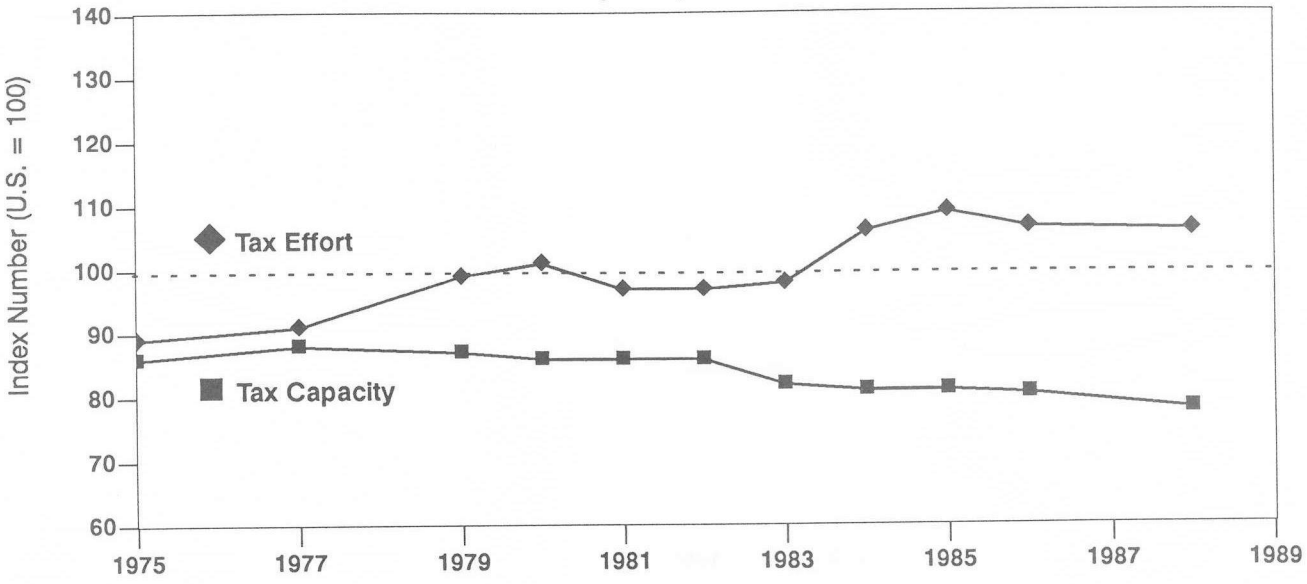
1988 Per Capita Capacity and Revenue, Selected Bases



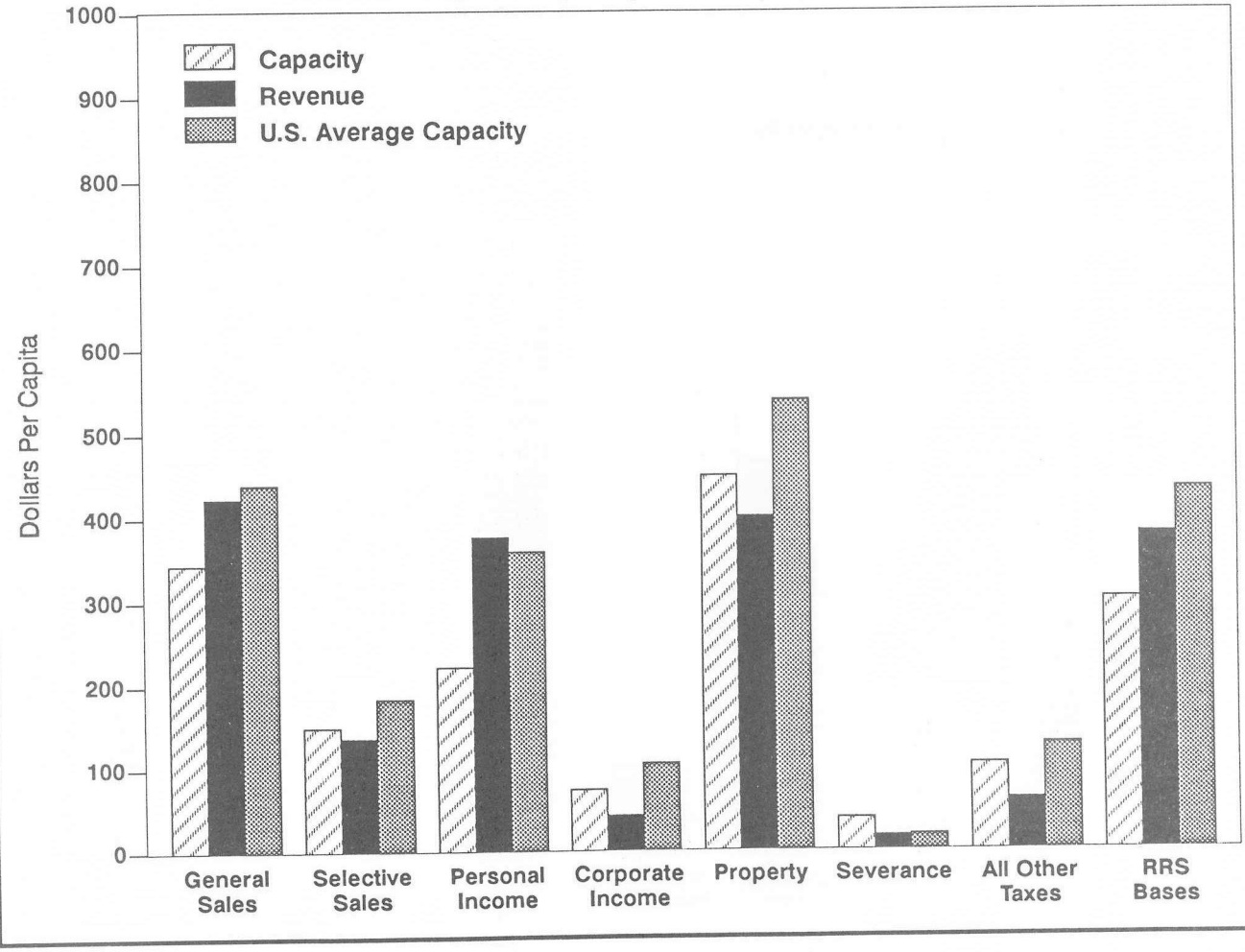
Utah

1988 RTS Tax Capacity = 78 **1988 RTS Tax Effort = 106**

Total RTS Tax Capacity and Tax Effort, 1975-88

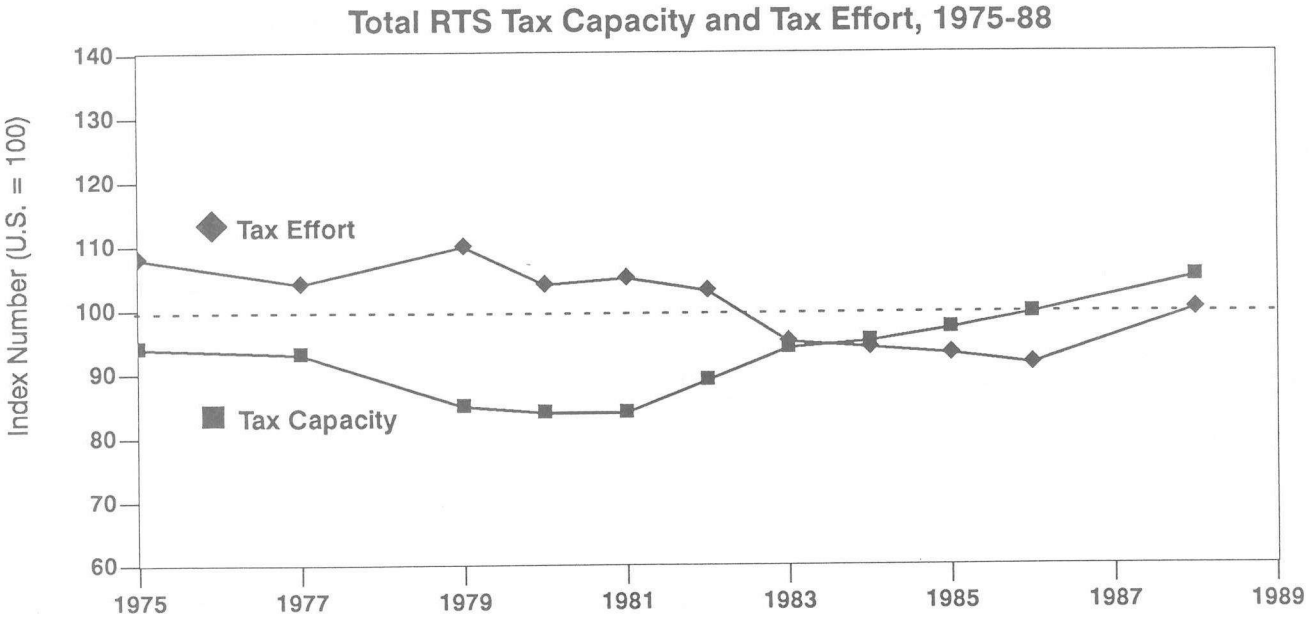


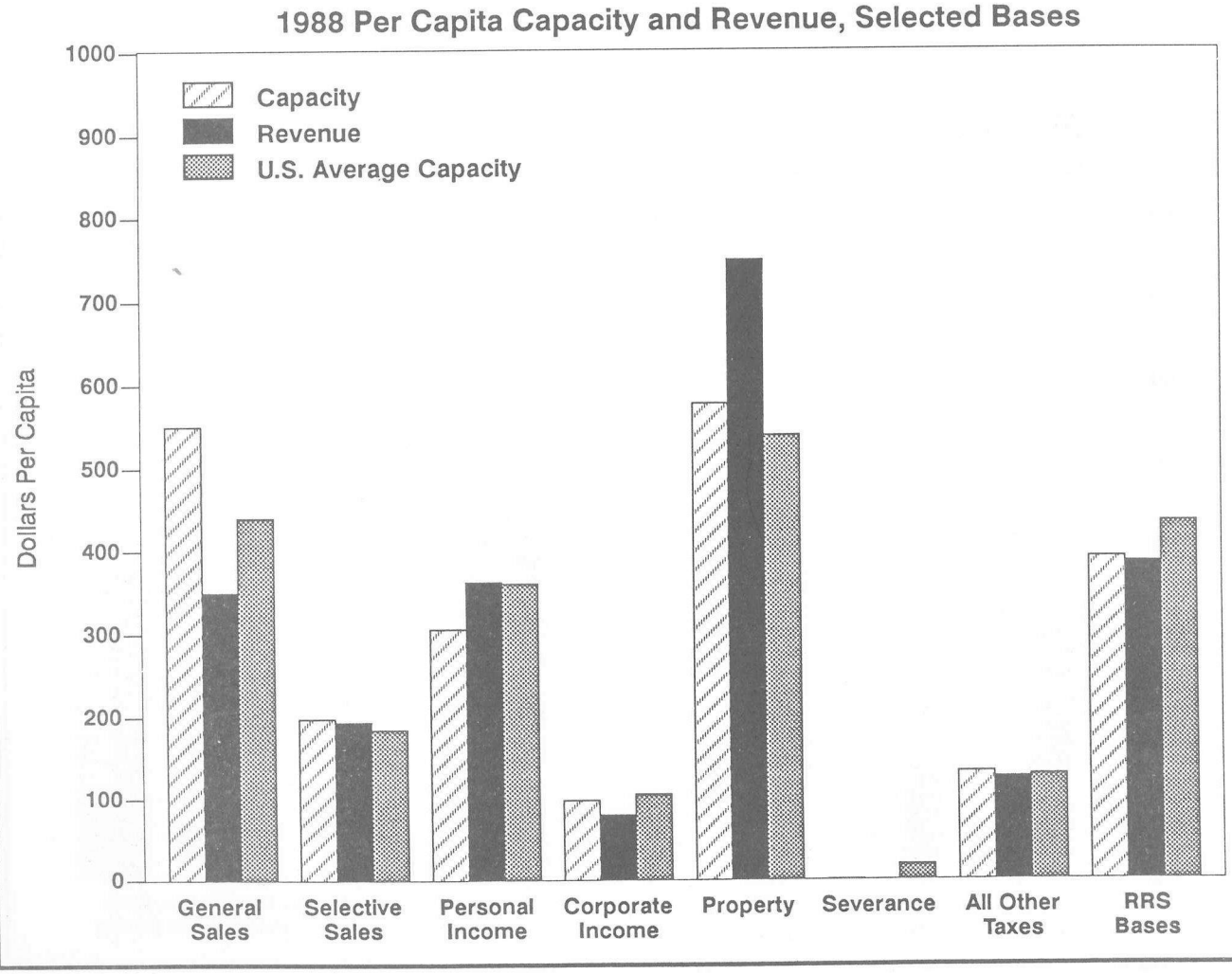
1988 Per Capita Capacity and Revenue, Selected Bases



Vermont

1988 RTS Tax Capacity = 105 **1988 RTS Tax Effort = 100**

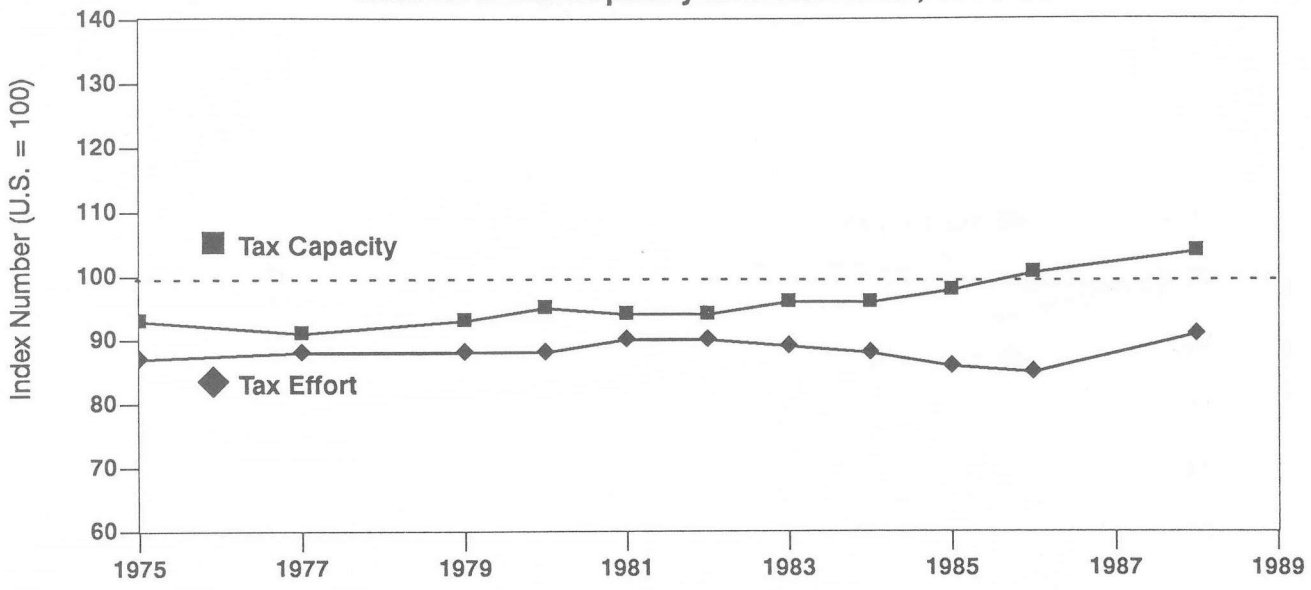




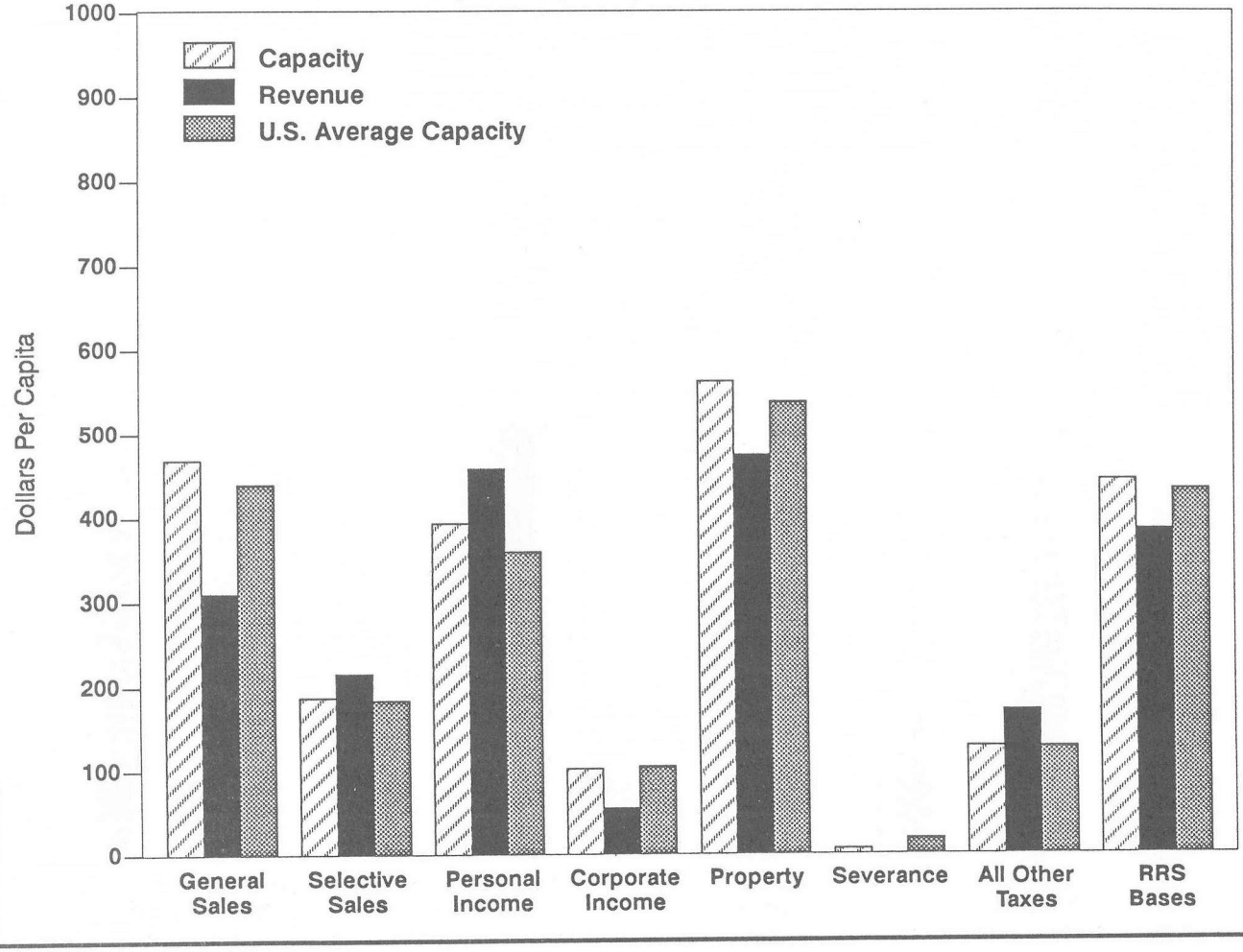
Virginia

1988 RTS Tax Capacity = 104 **1988 RTS Tax Effort = 91**

Total RTS Tax Capacity and Tax Effort, 1975-88

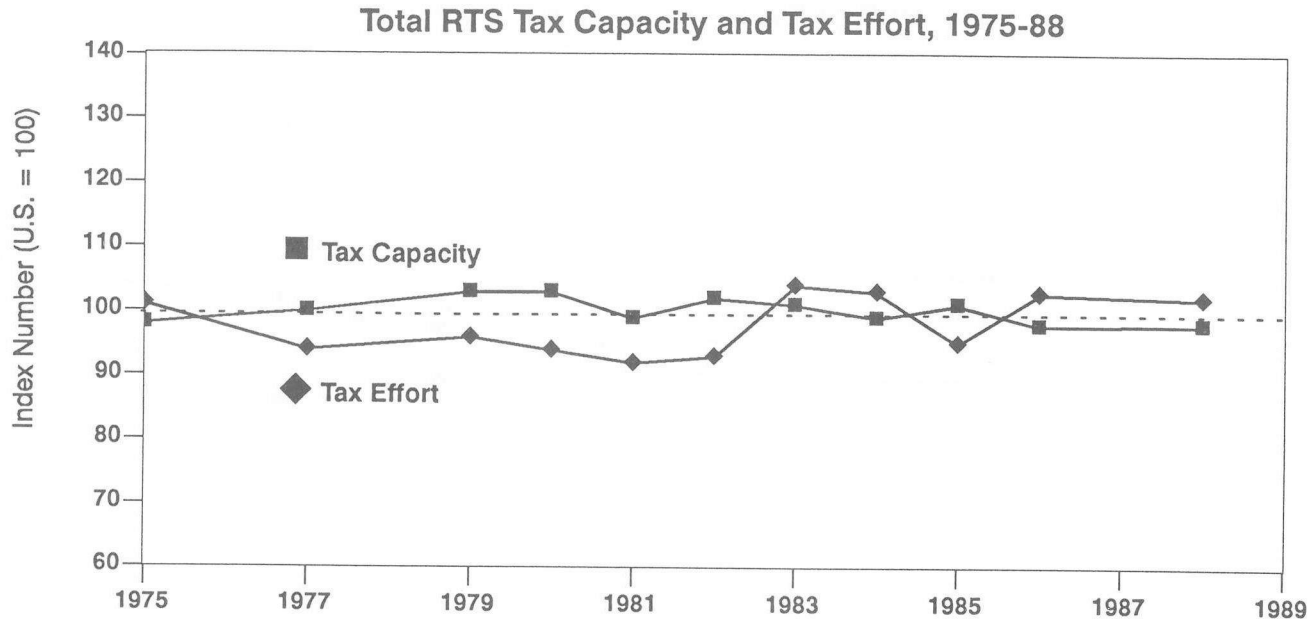


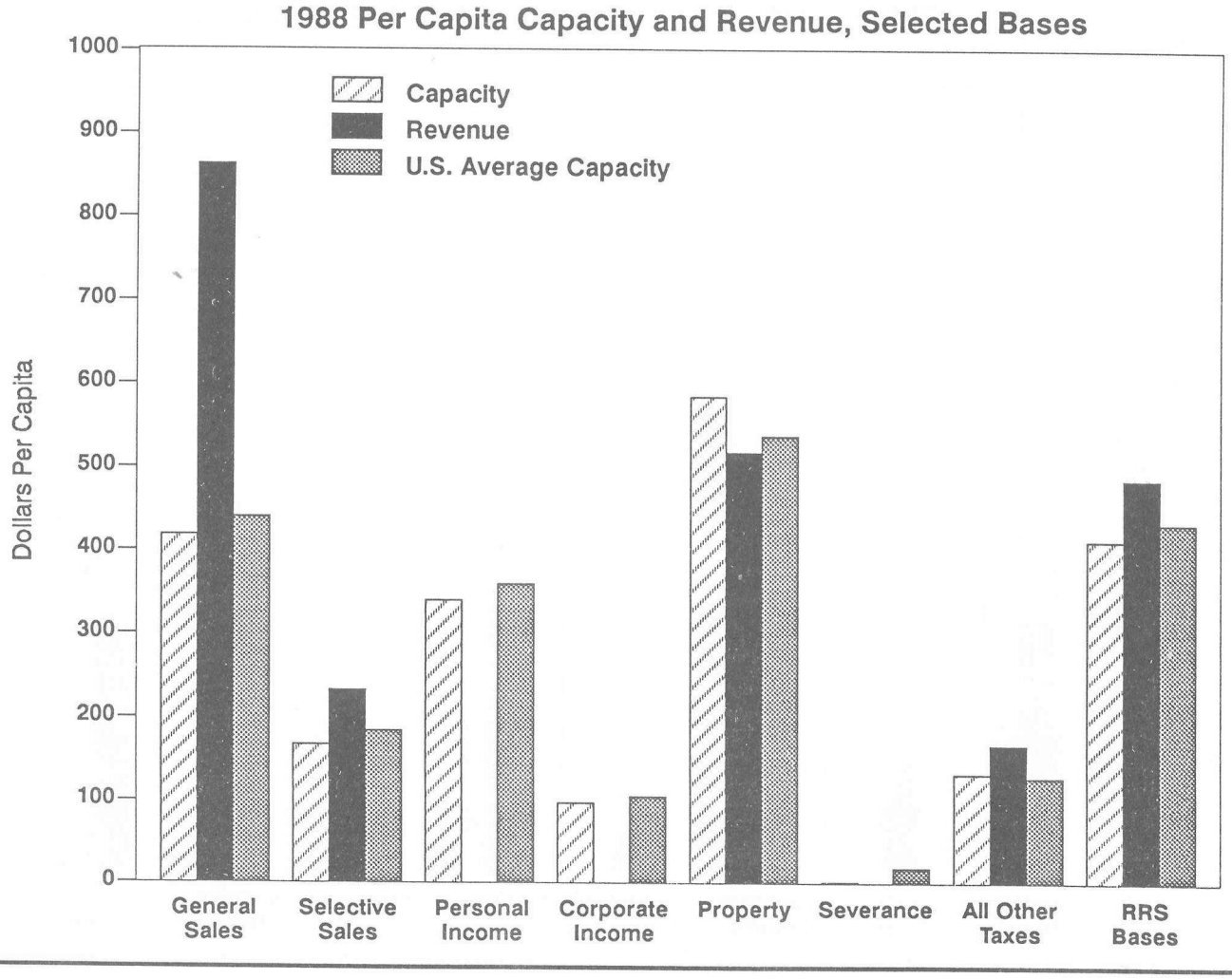
1988 Per Capita Capacity and Revenue, Selected Bases



Washington

1988 RTS Tax Capacity = 98 **1988 RTS Tax Effort = 102**



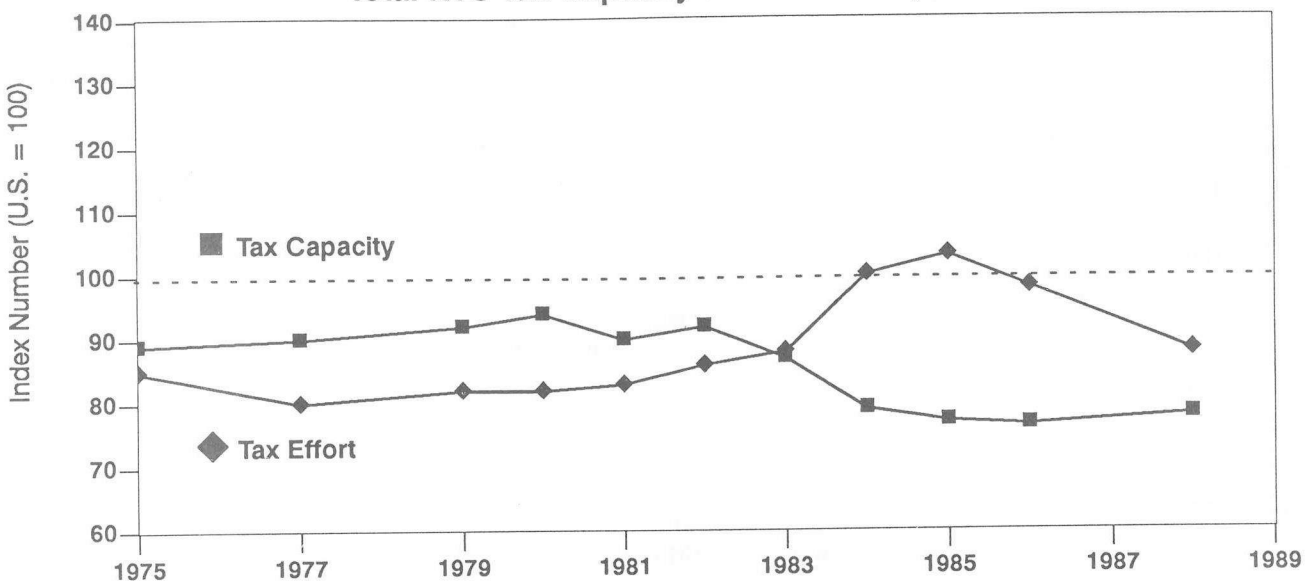


West Virginia

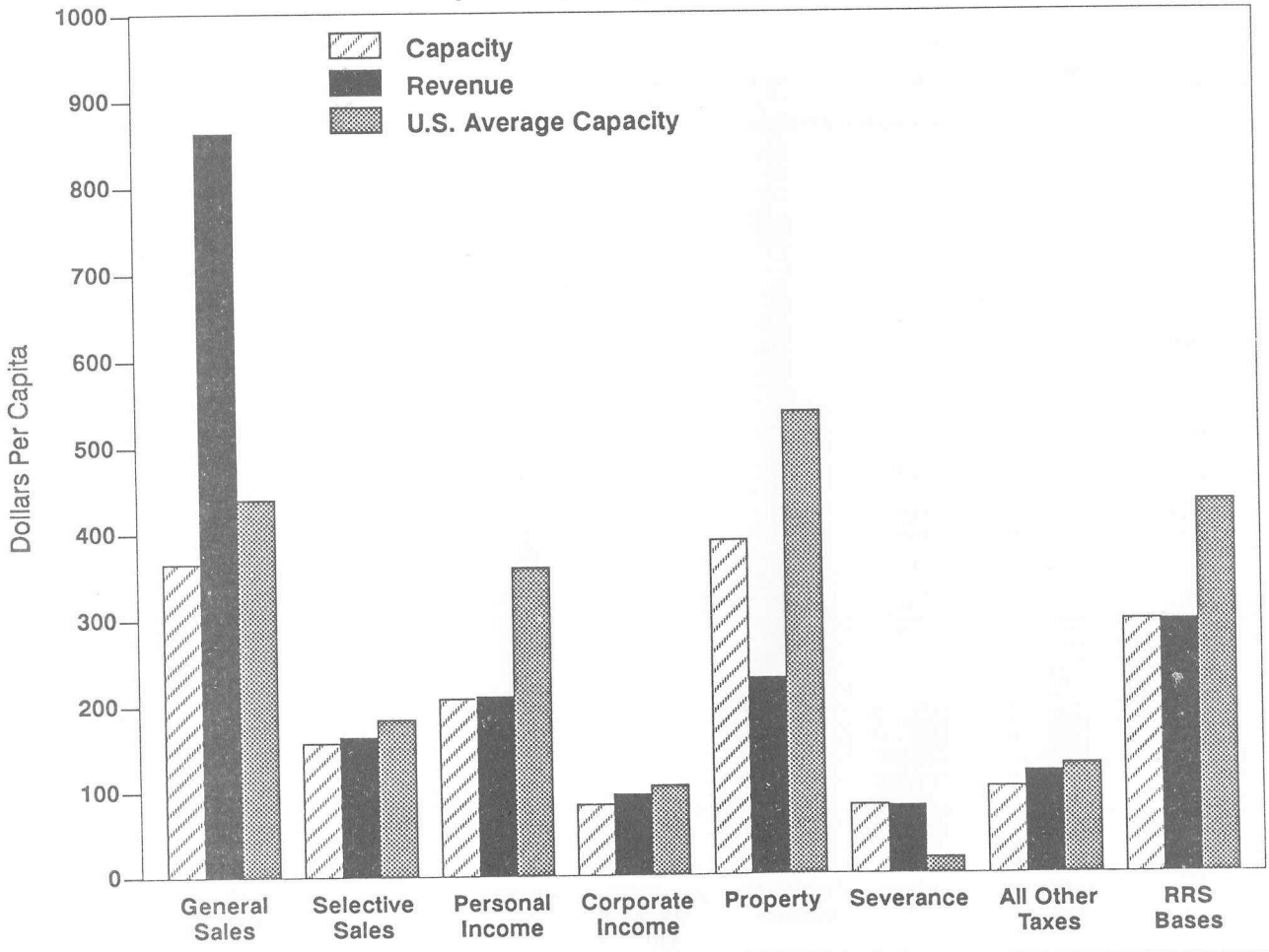
1988 RTS Tax Capacity = 78

1988 RTS Tax Effort = 88

Total RTS Tax Capacity and Tax Effort, 1975-88

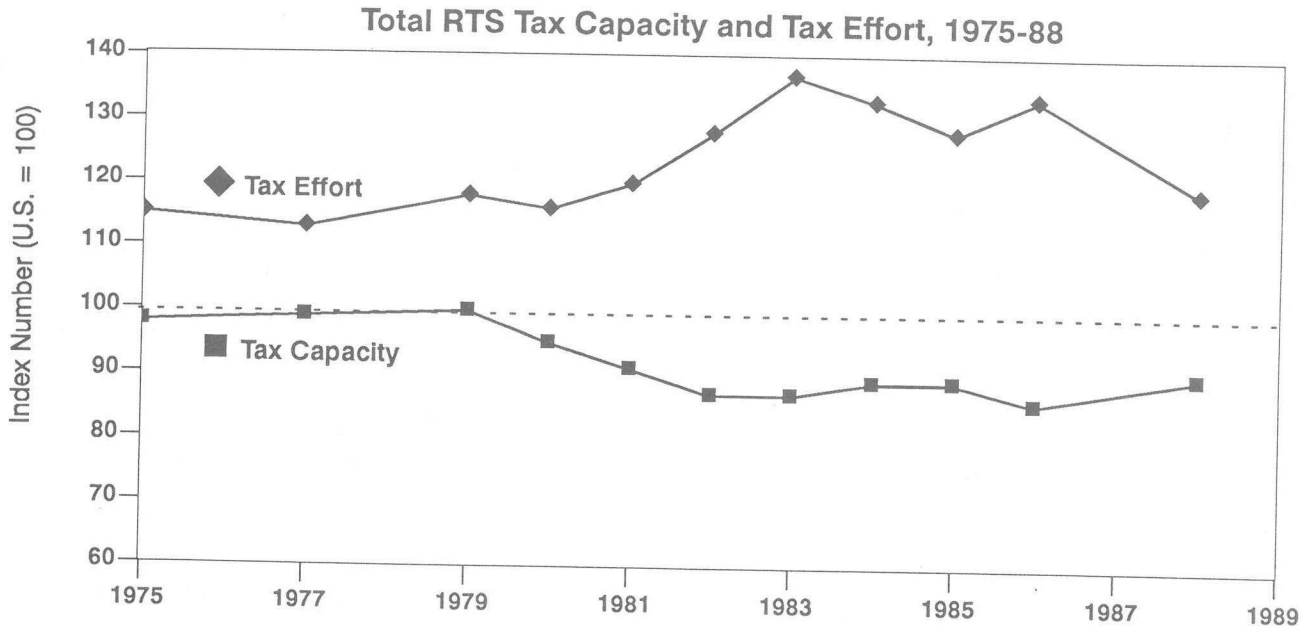


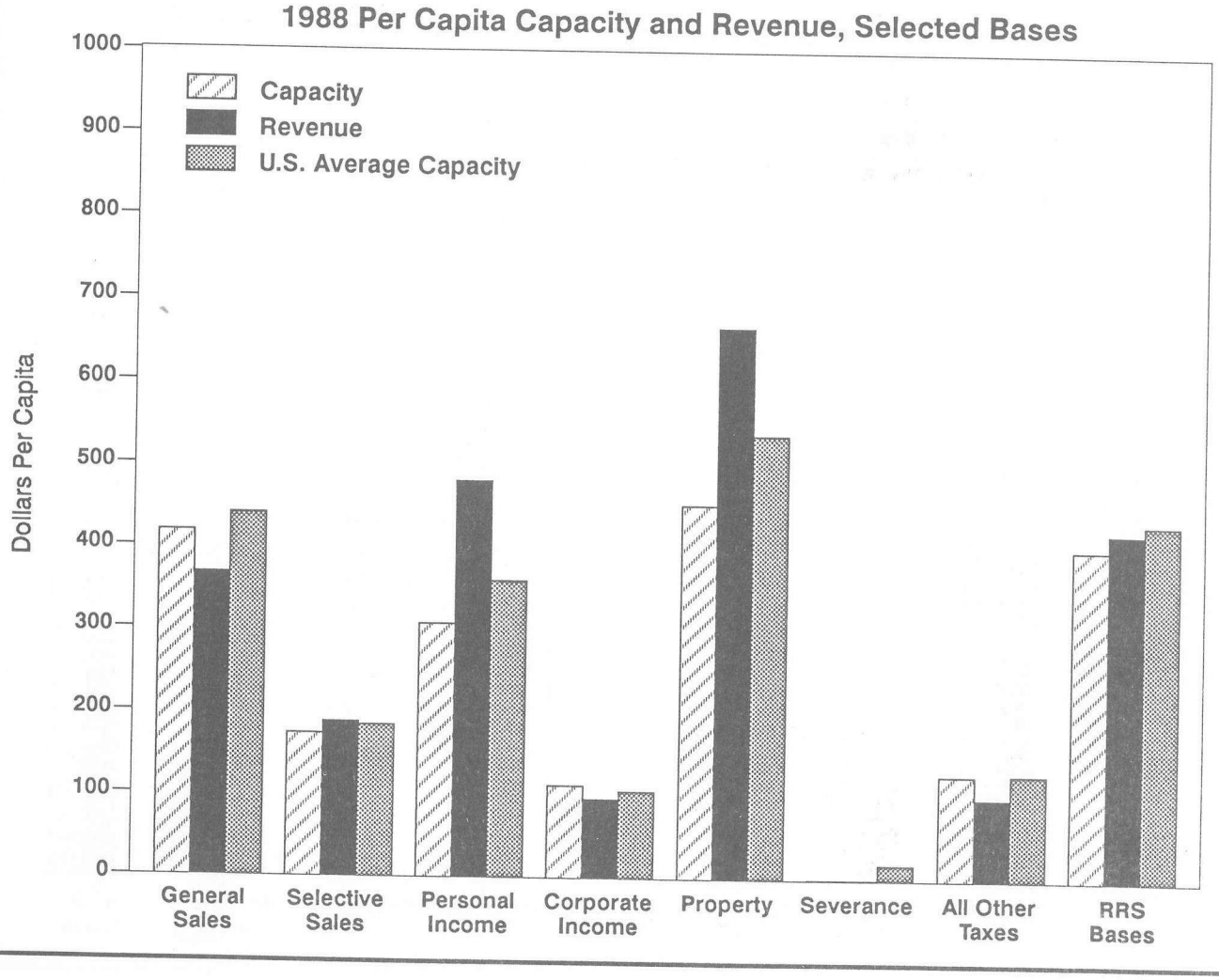
1988 Per Capita Capacity and Revenue, Selected Bases



Wisconsin

1988 RTS Tax Capacity = 90 **1988 RTS Tax Effort = 119**

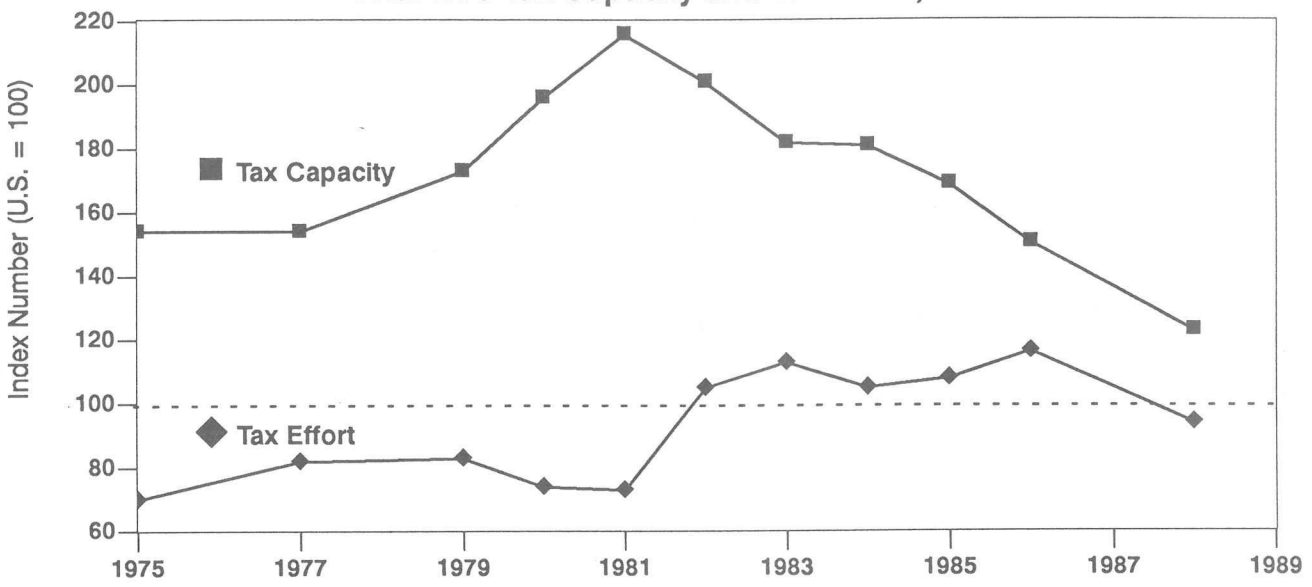




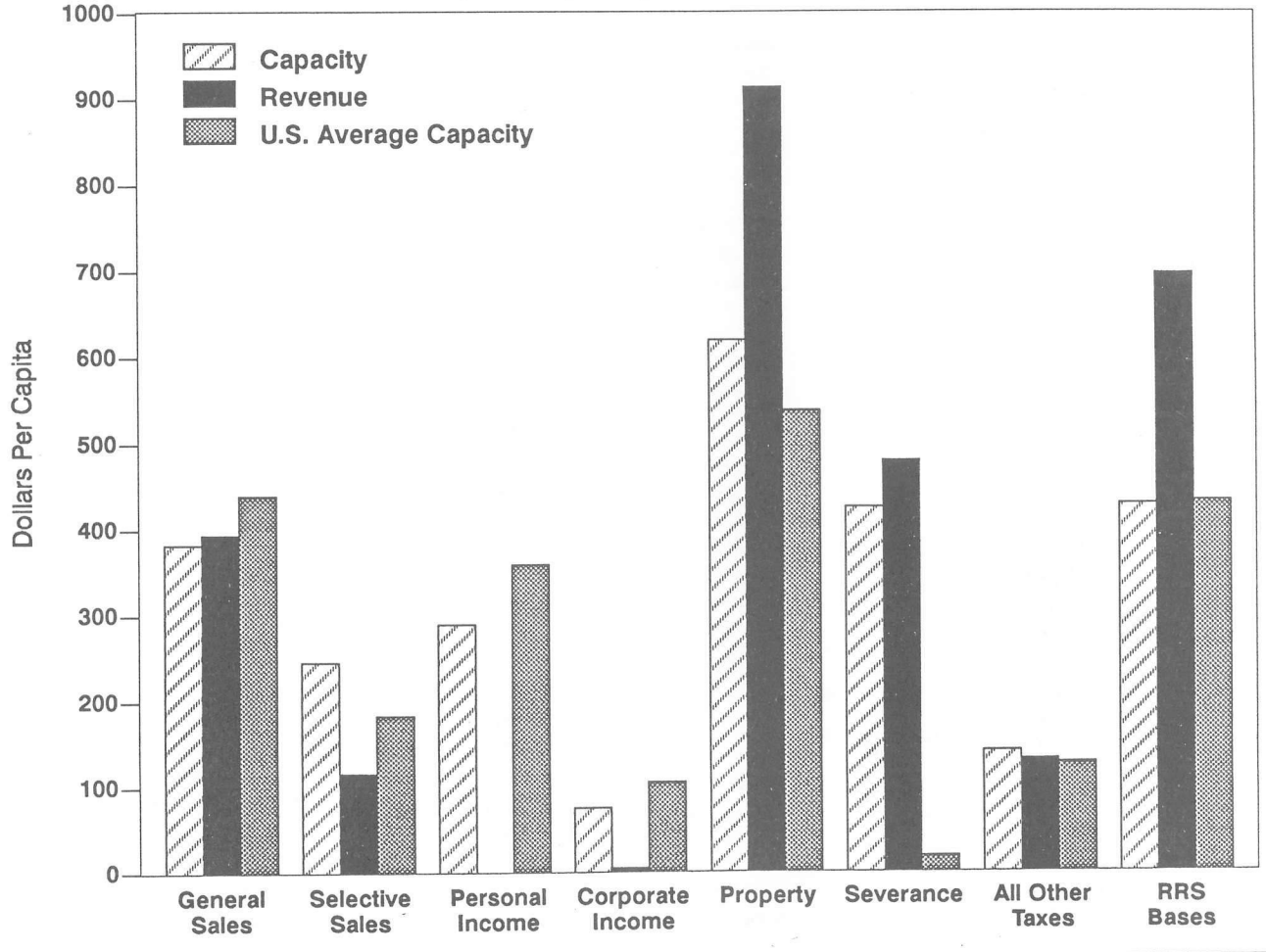
Wyoming

1988 RTS Tax Capacity = 123 **1988 RTS Tax Effort = 94**

Total RTS Tax Capacity and Tax Effort, 1975-88



1988 Per Capita Capacity and Revenue, Selected Bases



Appendix A

Definitions, Methods, and Sources for the 1988 RTS and RRS Estimates

In this appendix, each tax and revenue is defined, the estimation of the corresponding base or proxy is described, and the data sources are listed. The tax and revenue definitions generally follow those used by the U.S. Department of Commerce, Bureau of the Census. With few exceptions, all the data on the state and local tax and revenue collections were supplied by publications of the Census Bureau: *State Government Tax Collections in 1988, Government Finances in 1987-1988*, and *State Government Finances in 1988*. Some unpublished data on the components of various collections were provided by the Census Bureau and state revenue departments.

Population Figures

The state population numbers used in the estimation of 1988 RTS and RRS per capita capacity and revenues and their source are shown in Table A-1.

Table A–1
Resident Population of the States, July 1, 1988
(millions)

Alabama	4.103	Montana	0.805
Alaska	0.525	Nebraska	1.603
Arizona	3.483	Nevada	1.054
Arkansas	2.396	New Hampshire	1.085
California	28.323	New Jersey	7.718
Colorado	3.300	New Mexico	1.510
Connecticut	3.232	New York	17.909
Delaware	0.660	North Carolina	6.489
District of Columbia	0.613	North Dakota	0.667
Florida	12.338	Ohio	10.865
Georgia	6.339	Oklahoma	3.234
Hawaii	1.096	Oregon	2.768
Idaho	1.003	Pennsylvania	11.998
Illinois	11.613	Rhode Island	0.993
Indiana	5.559	South Carolina	3.465
Iowa	2.830	South Dakota	0.714
Kansas	2.496	Tennessee	4.898
Kentucky	3.726	Texas	16.834
Louisiana	4.407	Utah	1.691
Maine	1.206	Vermont	0.558
Maryland	4.626	Virginia	6.013
Massachusetts	5.890	Washington	4.652
Michigan	9.240	West Virginia	1.876
Minnesota	4.308	Wisconsin	4.832
Mississippi	2.620	Wyoming	0.480
Missouri	5.140	U.S. Total	245.783

Source: U.S. Department of Commerce, Bureau of the Census, *Current Population Reports—State Population and Household Estimates: July 1, 1989*, Series P-25, No. 1058, March 1990.

RTS Bases

1. General Sales and Gross Receipts Taxes

Definition: Sales or gross receipts taxes generally applicable to all types of goods and services. Taxes imposed distinctively on sales of selected commodities are reported separately under selective sales taxes.

Certain adjustments to general sales or gross receipts tax revenues reported by Census have been made to make revenues consistent with the RTS tax base. For example, Census reports revenues from "titling" taxes as "other selective sales taxes" for those states which impose separate taxes on purchases of vehicles in lieu of the general sales/use tax. Titling tax revenues for these states have been added to RTS general sales and gross receipts revenues to make these states comparable to states that tax such transactions under the general sales tax. Certain other revenues which Census categorizes under "other selective sales taxes" (e.g., revenues from hotel/motel occupancy, revenues from the sale of soft drinks) also have been added to the general sales tax revenues of selected states. Arizona's general sales tax receipts attributable to severance taxes (as reported by the state revenue agency) were deleted from general sales tax receipts and apportioned to the appropriate severance taxes. A portion of West Virginia's sales tax receipts (as reported by the Bureau of the Census) from a "business

and occupations" tax on the coal and oil and gas industries was deleted from the sales tax and apportioned to the appropriate severance taxes. (See Table 3 in text.)

Tax Base: General retail sales of retail trade and selected service businesses. All establishments engaged in selling merchandise for personal or household consumption are included. Service businesses included here are hotels and motels, amusement and recreation services including motion pictures, and personal services such as laundries and beauty and barber shops.

Sales of food for home consumption and prescription drugs, which had been excluded from the general sales tax base in previous years, are now included in the base. Because of data limitations, sales of gasoline have not been excluded, although they are usually taxed separately. Some states may have retail sales and gross receipts tax bases broader than the one defined here because they cover more transactions, such as public utility sales, wholesale trade, or construction contractors.

State-by-state sales of selected service industries for 1988 were estimated by allocating the 1988 national total according to the 1987 shares adjusted for the change in personal disposable income between 1987 and 1988.

Sources:
Retail Sales (1988): *Sales and Marketing Management Magazine, 1989 Survey of Buying Power*. New York: 1989.
Service Sales (1987): U.S. Department of Commerce, Bureau of the Census, *1987 Census of Service Industries, Geographic Area Series.* Washington, DC: 1989. *Service Sales* (1988): U.S. Department of Commerce, Bureau of the Census, *Current Business Reports, 1988 Service Annual Survey,* September 1989.
Disposable Income (1988): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business,* August 1988.

2. Selective Sales and Gross Receipts Taxes (tax levies selectively imposed on particular kinds of commodities or business)

2A. Motor Fuels

Definition: Selective sales and gross receipts taxes on gasoline, diesel fuel, and other fuels used in motor vehicles, including aircraft fuel. Sales tax revenues from Pennsylvania's oil company franchise tax have also been included.

Tax Base: Total quantity of motor fuel consumed in gallons, net of use by state and local governments, which is not subject to state-local taxation.

Source: U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics 1988, Motor Fuel Use—1988*. Table MF-21. Washington, DC: 1989.

2B. Alcoholic Beverages

Definition: Selective sales and gross receipts taxes on alcoholic beverages.

Tax Base: The overall tax base is based on three components of consumption (beer, wine, and distilled spirits), each of which is estimated separately. The tax burden on each of these categories of alcoholic beverages is estimated by using data supplied by the Distilled Spirits Council of the U.S. (DISCUS) in conjunction with Census data for all alcoholic beverages. When Census data for beer, wine, or liquor tax revenues were not available for a state, their levels were estimated by applying their percentage distributions from DISCUS data to Census data on total alcoholic beverage tax revenue.

Sources:
Tax Burden by Class of Beverage (1988): Distilled Spirits Council of the United States, *1988 Public Revenues from Alcohol Beverages*. Washington, DC: December 1989.
Beer Consumption (1988): United States Brewers Association, *Brewers Almanac 1989*. Washington, DC: 1989.
Wine Consumption (1988): United States Brewers Association, *Brewers Almanac 1989*. Washington, DC: 1989.
Distilled Spirits Consumption (1988): United State Brewers Association, *Brewers Almanac 1989*. Washington, DC: 1989.

2C. Tobacco Products

Definition: Selective sales and gross receipts taxes on tobacco products, including related taxes on cigarette tubes and paper and synthetic cigars and cigarettes.

Tax Base: Number of packages of cigarettes sold.

Source: Tobacco Institute, *The Tax Burden on Tobacco*, Volume 23. Table 9. Washington, DC: 1988.

2D. Insurance

Definition: Taxes imposed distinctively on insurance companies and measured by gross premiums or adjusted gross premiums.

Tax Base: Direct written premiums or premium receipts by state for life, health, property, and liability insurance.

Sources:
Life Insurance and Health Insurance: American Council of Life Insurance, *Life Insurance Fact Book Update 1989*. Washington, DC: 1989.
Blue Cross and Blue Shield Insurance: National Underwriter Company, *1988 Argus Health Chart*. 90th ed. Cincinnati: 1988.
Property and Liability Insurance: Insurance Information Institute, *1990 Property/Casualty Insurance Facts*. New York: 1989.

2E. Public Utilities

Definition: Taxes imposed distinctively on public telephone, telegraph, power and light companies, and other public utilities, including local government-owned utilities. These taxes are levied on gross receipts, gross earnings, or units of service sold. Public utility license taxes are also included in this category.

Tax Base: Gross revenues of all electric, gas, and telephone companies. Electric and gas revenues are for all publicly owned and private companies. Because telephone revenues for the Bell System and the independent telephone companies are not available on a state-by-state basis, the national total of telephone revenues was allocated to the states according to a weighted average of the number of access lines and the number of toll calls.

Sources:
Gas Utility Revenues: American Gas Association, *1989 Gas Facts*, Arlington, Virginia: 1989.

Electric Utility Revenues: Edison Electric Institute, *1988 Statistical Yearbook of the Electric Utility Industry*. Washington, DC: 1988. (Data on revenues are preliminary.)
Telephone Revenues and Number of Telephones: United States Telephone Association, *Phone Facts '89*. Washington, DC: 1989.
Number of Local Calls and Toll Calls: Federal Communications Commission, *Statistics of Communications Common Carriers—1988*. Washington, DC: 1989.

2F. Parimutuels

Definition: Taxes measured by amounts wagered at race tracks, including "breakage" collected by the government.

Tax Base: Total amount wagered on horse and dog racing and jai alai. The representative base was estimated using cross-sectional regression analysis. This analysis was based on wagering data and other key data from the states that had parimutuel taxes in 1988. Regressions were formulated for attendance at parimutuel events and total wagering per capita. Both equations were run in log form. (See Chapter 3.)

Attendance Regression

Dependent variable:
Total attendance at parimutuel events in 1988 (ATTENDM)

Independent variables:
- Total population (POP)
- Disposable income per capita (DIPERCP)
- Average annual temperature (TEMP)
- Percentage of population in metropolitan areas (POPMET)
- Number of parimutuel events (DAYS)
- Dummy for off-track betting (D2R)

Equation:

$$\underset{}{\text{ATTENDM}} = \underset{(-2.0)}{-26.0} + \underset{(4.0)}{0.58}\,\text{POP} + \underset{(1.4)}{1.5}\,\text{DIPERCP} + \underset{(2.5)}{2.45}\,\text{TEMP} - \underset{(-0.2)}{0.16}\,\text{POPMET} + \underset{(2.0)}{0.32}\,\text{DAYS} - \underset{(-1.1)}{0.26}\,\text{D2R}$$

R-squared = .8372

Wagering Regression

Dependent variable:
Total wagering per capita in 1988 (WAGERSPERCP)

Independent variables:
- Disposable income per capita (DIPERCP)
- Attendance per capita (ATPERCP)
- Parimutuel tax rate (TAXR)
- Dummy for states with a lottery (DUMLOT)
- Number of parimutuel events (DAYS)
- Percentage of wagering from off-track betting (OTB%)

Equation:

$$\underset{}{\text{WAGERSPERCP}} = \underset{(-1.1)}{-4.63} + \underset{(2.0)}{0.9}\,\text{DIPERCP} + \underset{(10.3)}{0.98}\,\text{ATPERCP} \underset{(0.002)}{-0.000009}\,\text{TAXR} \underset{(-1.3)}{-0.21}\,\text{DUMLOT} + \underset{(2.0)}{0.16}\,\text{DAYS} + \underset{(1.7)}{0.007}\,\text{OTB\%}$$

R-squared = .8689

Source: National Association of State Racing Commissioners, *Parimutuel Racing, 1988*. Lexington, Kentucky: 1990.

2G. Amusements

Definition: Selective sales and gross receipts taxes on admission tickets or admission charges and on gross receipts of all or specified types of amusement businesses (including gambling operations). License taxes on amusement business are also included.

Tax Base: Receipts of establishments that provide amusement and entertainment services. State-by-state 1988 data for amusement receipts were derived by allocating the 1988 national total according to the 1987 state shares adjusted for the change in disposable personal income between 1987 and 1988. Movie theater receipts and casino revenues are included. Normally, gambling receipts for hotels are classified in the general sales tax base. Special adjustments are made for Nevada and New Jersey to add casino revenue into the amusement tax base.

Sources:
Amusement Receipts (1987): U.S. Department of Commerce, Bureau of the Census, *1987 Census of Service Industries, Geographic Area Series*. Washington, DC: 1989.
Amusement Receipts (1988): U.S. Department of Commerce, Bureau of the Census, *Current Business Reports, 1988 Service Annual Survey*, September 1989.
Nevada Receipts from Casinos (1988): State Gaming Control Board, *Nevada Gaming Abstract*, Carson City: December 1989.
New Jersey Receipts from Casinos (1988): Laventhol & Horwath (Certified Public Accountants), *U.S. Gaming Industry, 1989 Edition*. Philadelphia: 1989.
Disposable Income (1987-1988): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1989.

3. License Taxes (taxes levied at a flat rate for either raising revenue or regulation)

3A. Motor Vehicles

Definition: License taxes imposed on owners or operators of motor vehicles for the right to use public highways, including charges for registration and inspection and vehicle mileage and weight taxes on motor carriers. Motor vehicle license tax revenue reported by the Census Bureau was apportioned between automobiles and trucks according to data on auto and truck registration fee receipts supplied by the Federal Highway Administration. Mileage and weight tax revenue was allocated directly to the appropriate states and included in the truck registration fees.

Tax Base: Number of registrations for private and commercial vehicles. The base for this tax was allocated to the

states according to (1) the number of automobiles and (2) the number of trucks registered.

Sources:
Tax Burden on Automobiles and Trucks, and Automobile and Truck Registrations: U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics 1988, State Motor Vehicle and Motor Carrier Tax Receipts, 1988,* Table MV-2; and *State Motor Vehicle Registrations, 1988,* Table MV-1. Washington, DC: September 1989.

3B. Motor Vehicle Operators

Definition: Licensing for the privilege of driving motor vehicles, including both private and commercial licenses.

Tax Base: Estimated number of licenses in force.

Source: U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics 1988, Licensed Drivers, by Sex, 1988.* Table DL-1A. Washington, DC: September 1989.

3C. Corporations

Definition: Franchise license taxes, organization, filing and entrance fees, and all other license taxes which are applicable, with only specified exceptions, to all corporations. Not included are franchise taxes assessed on a corporation's net worth or value of outstanding stock; these revenues are included in RTS corporate income tax revenues. (See Table 4 in text.)

Tax Base: Number of corporations within a state, including nonprofit corporations.

Sources:
U.S. Corporate Income Tax Returns by State (1987): U.S. Department of the Treasury, Commissioner and Chief Counsel, *Internal Revenue Service Annual Report, 1988.* Washington, DC: 1988.
Total U.S. Corporate Income Tax Returns (1988): U.S. Department of the Treasury, Internal Revenue Service, *Projections—Number of Returns to be Filed 1989-1996.* Document 6186. Washington, DC: September 1989.

3D. Alcoholic Beverages

Definition: License taxes for manufacturing, importing, wholesaling, and retailing alcoholic beverages other than those based on volume or value of transactions or assessed value of property.

Tax Base: Number of retail licenses issued for the sale of distilled spirits in 1987. The number does not include licenses for the exclusive sale of beer and wine. Actual data on retail liquor licenses has not been collected for several years. Therefore, the number of licenses issued in 1987, by state, was estimated by inflating the number of licenses issued in 1982 by the percentage increase in the number of restaurant, drinking, and liquor store establishments from 1982 to 1987.

Sources:
Number of Retail Licenses: Distilled Spirits Council of the United States, *Annual Statistical Review, 1982.* Washington, DC: 1983.
Number of Selected Retail Establishments: U.S. Department of Commerce, Bureau of the Census, *Census of Retail Trade, Geographic Area Series, 1982 and 1987.* Washington, DC: August 1984 and August 1989.

3E. Hunting and Fishing Licenses

Definition: Commercial and noncommercial hunting and fishing licenses and shipping permits.

Tax Base: Total number of fishing and hunting licenses, tags, permits, and stamps issued.

Source: U.S. Department of Interior, Fish and Wildlife Service, *1988 Hunting and Fishing License Statistics,* Washington, DC: 1989.

4. Individual Income Tax

Definition: Taxes on individuals measured by income and taxes distinctively imposed on special types of income (e.g., interest, dividends, intangibles, etc.).

Tax Base: Total federal income tax liability of state residents, adjusted for deductibility of state and local income and property taxes. The tax savings from deductibility are added back to tax liabilities to remove any bias due to a state's choice as to its mix and level of taxes. Federal income tax liability is essentially the total amount of federal income taxes paid by individuals after credits. Because it is prevailing state practice to allow income tax credits for taxes paid to states other than the state of residence, residency adjustments were made to account for both the income taxes collected from nonresidents and credits allowed to residents for taxes paid to other states. The federal income tax liability for each state was adjusted by the ratio of the BEA residency adjustment to earnings by place of work.

Because 1988 income tax liability data were not available in time for this publication, 1987 liability data adjusted by a state-by-state inflation factor obtained from the Price Waterhouse individual tax model were used instead. The model is based on the 1985 IRS Public Release *Statistics of Income* file.

Sources:
Income Tax: U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income Bulletin, 1987 Income Tax Returns, Preliminary Data.* Washington, DC: Winter 1989-90.
Residency Adjustment: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business,* August 1989.
Deductibility Adjustment: 1988 gross savings for deductibility are estimated by the Price Waterhouse individual tax model calculation. The model is based on the 1985 IRS Public Release *Statistics of Income* file.

5. Corporation Net Income and Net Worth Taxes

Definition: Taxes on corporations and unincorporated businesses measured by net income. Revenues from franchise taxes assessed on a corporation's net worth or value of outstanding stock are included for those states which levy such franchise taxes.

Tax Base: Total national net income for each of 35 Standard Industrial Classification (SIC) industries was allocated to the states according to the following procedure:

Nationwide net corporate income (1988) was estimated for each of the 35 SIC industries by using profit

data (BEA) for each industry. For each industry, the typical three-factor formula—one-third payroll, one-third property, one-third sales by destination—should be used to allocate each industry's national income to the states. Data for corporate property and sales by state are not available, however, and proxies had to be used to estimate these factors in the formula for each industry. Payroll data by industry, by state, and retail sales data formed the basis for the proxies that were utilized.

For the property factor of the formula, property was assumed to be distributed identically to payroll. Hence, the payroll factor was used as a proxy for property; thus, payroll was double-weighted in the formula. State data on the manufacturing industries indicate that there is a high correlation between the payroll and gross assets of industries across states.

Because corporate sales by destination are unlikely to mirror either payroll or retail sales, neither of these proxies was used to estimate the sales factor in the formula. Instead, through use of payroll breakdowns by industry by state and a national input-output table for 1985, a proxy for sales was derived according to the following procedure:

Let:

X(i,c) = The percentage of the dollar value of industry i's output that is commodity c.

Y(c,j) = The percentage of the total dollar value of commodity c used as an input in industry j. Where c is not used as an intermediate input, but is purchased by consumers, "personal consumption expenditures" constitute the 36th industry.

Then: $\sum_{c=1}^{36} [X(i,c) \times Y(c,j)] = A(i,j)$

Where A(i,j) = the percentage of industry i's output purchased by industry j. When j is personal consumption expenditures, A(i,j) is the amount of industry i's output that is sold as final goods.

Now let:

S(w,j) = the percentage of industry j's payroll located in state w. Where industry j is personal consumption expenditures, j equals state w's share of total national retail sales.

Then: $\sum_{j=1}^{36} [S(w,j) \times A(i,j)] = K(w,i)$

Where K(w,i) = the share of industry i's output sold in state w.

Thus, K(w,i) is used as a proxy for the sales-by-destination factor in the three-factor formula.

The three-factor formula is applied to the estimated total income for each industry to determine each state's income apportionment and these apportionments are summed over all industries to derive each state's total corporate income tax base.

Let I(i) = Total income for industry i.

Then:

$I(w,i) = I(i) \times \{[(1/3) \times K(w,i)] + [(2/3) \times S(w,i)]\}$

= The income of industry i apportioned to state w.

And: $I(w) = \sum_{i=1}^{35} I(w,i)$

= The total corporate income for all industries allocated to state w.

Sources:
Corporate Profits by Industry (1988): U.S. Department of Commerce, Bureau of Economic Analysis, unpublished data, 1989, July revision.
Payroll (1988): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1989.
Input-Output Tables (1985): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, May 1990, Tables 1 and 2.

6. Property Taxes

The property tax is separated into four different components—residential, commercial, farm, and public utility. Each is estimated individually. The allocation of total property taxes among the various classes of property are approximations based on assessed values for 1981, except for farm property taxes which are annually estimated by the Department of Agriculture. The Census Bureau does not provide a breakdown of property tax payments by class of property.

6A. Residential Property

Definition: Taxes conditioned on the ownership of single-family houses not on farms, and multifamily residences excluding motels and hotels. Residential property tax rates are applied to the combined value of buildings and land. The residential share of the property tax burden was estimated by the residential share of the assessed value of property in 1981. This share was applied to the total of 1988 property tax collections, after deduction of farm property taxes, to derive estimated residential property tax receipts.

Tax Base: Estimated residential property values for single-family and multifamily residences. 1988 property values were estimated by extrapolating the 1981 estimated market value of each state's residential property to 1988 based on the change in the average purchase price of single-family dwellings between 1981 and 1988 in that state.

To the estimated market value of existing residential property (1988), the value of newly constructed housing for 1982-1988 was added. In each year, the value of newly constructed housing was adjusted to reflect the value of the associated land.

Sources:
Property Values (1981): U.S. Department of Commerce, Bureau of the Census, *1982 Census of Governments, Taxable Property Values and Assessment-Sales Price Ratios*. Washington, DC: February 1984.

Single-Family Home Purchase Prices (1981-88): Federal Home Loan Bank Board, *Mortgage Interest Rate Survey, Characteristics of Conventional Fully Amortized First Mortgage Loans Closed on Single-Family Homes*. Unpublished data. Washington, DC: 1989.
Value of New Residential Construction Contracts (1982-1988): U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States*, Table No. 1325 (1984), Table No. 1297 (1985), Table No. 1294 (1986), Table No. 1267 (1987), Table No. 1205 (1988), Table No. 1257 (1990), Construction Contracts Value, by State, Washington, DC.
Value of Site Relative to Total Home Value: U.S. Department of Housing and Urban Development, Federal Housing Administration, *FHA Homes: 1988 Data for States and Selected Areas on Characteristics of FHA Operations Under Section 203*. Washington, DC: 1989.

6B. Commercial and Industrial Property

Definition: Taxes conditioned on the ownership of commercial and industrial property (excluding public utilities) based on the value of land, buildings, equipment, inventories, and depletable assets such as the value of mineral property, oil and gas wells, other natural deposits, etc. The tax burden on business property was derived by applying the percentage of 1981 gross assessed value of business property to the total of 1988 property tax collections.

Tax Base: Estimated net book value of assets including inventories, depreciable assets, depletable assets, and land of corporations. Property value for partnerships and other unincorporated businesses, farms, and public utilities is not included. Railroad property is included.

The national 1988 net book values for 35 SIC industry groupings were estimated by applying to the 1986 values the change between 1986 and 1988 in net book values of property assets. Because data are not available for transportation, finance, service, construction, or oil and gas extraction industries, their book values were inflated by the changes in their respective total payrolls between 1986 and 1988. The estimated corporate property values for each industry were allocated to the states according to each state's share of each industry's payroll. The sum of all the individual industry property values was used as an estimate of each state's commercial-industrial property tax base.

Sources:
Book Value of Assets (1986): U.S. Department of Treasury, Internal Revenue Service, *Corporation Source Book of Statistics of Income*, Washington, DC: 1989.
Book Value of Assets, Selected Industries (1986-1988): U.S. Department of Commerce, Bureau of the Census, *Quarterly Financial Report for Manufacturing, Mining and Trade Corporations*. Washington, DC: 1986, 4th quarter, and 1988, 4th quarter.
Payroll by Industry by State (1988): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1989.

6C. Farm Real Estate

Definition: Taxes conditioned on the ownership of farm realty and farm personal property, such as livestock, crop inventories, and farm equipment.

Tax Base: Estimated value of farm land and buildings.

Sources:
Farm Values: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1989*. Table No. 1088. Washington, DC: 1989.
Farm Property Taxes: U.S. Department of Agriculture, Economic Research Service. Unpublished data.

6D. Public Utilities

Definition: Taxes conditioned on investor ownership of public utilities such as gas, electric, and telephone companies. Public utility property tax rates are applied on the combined value of buildings, equipment, material, and land.

Tax Base: Because individual state data are not available, each state's public utility property tax base was determined by a proxy measure consisting of the sum of gas, electric, and telephone company nonfinancial assets, estimated as follows:

1. Gas company net assets were allocated to each state according to its share of the total number of miles of gas pipeline.
2. Electric company net assets were allocated to each state according to its share of the total investor-owned electrical generating capacity.
3. Telephone company net assets were allocated to each state according to its share of the total number of access lines.

Sources:
Gas Company Net Assets and Gas Pipeline Mileage: American Gas Association, *1989 Gas Facts*, Arlington, Virginia: 1989.
Electric Company Net Assets and Electrical Generating Capacity: Edison Electric Institute, *1988 Statistical Yearbook of the Electric Utility Industry*. Washington, DC: 1990.
Bell System Net Assets: American Telephone and Telegraph Company, *1988 Annual Report*. New York: 1989.
Independent Telephone Company Net Assets and Number of Telephones: United States Telephone Association, *Phone Facts '89*. Washington, DC: July 1989.

7. Estate and Gift Taxes

Definition: Taxes imposed on the transfer of property at death, in contemplation of death, or as a gift.

Tax Base: Federal estate and gift tax collections. Because the federal estate laws are applied uniformly over the states, collections from a given state should reflect the size of its base. This treatment can also be justified on the ground that many states limit their estate taxes to the amount of credit permitted by the federal government for the state taxes.

Source: Preliminary data from U.S. Department of the Treasury, Commissioner and Chief Counsel, *Internal Revenue Service Annual Report, 1989*. Washington, DC: 1990.

8. Severance Taxes

Definition: Taxes imposed distinctively on the removal of natural products, e.g., oil, gas, and other minerals. The Alaskan special tax on pipeline property and the state's unique oil and gas corporate income tax are included here, as well as New Mexico's property tax on oil and gas production equipment and West Virginia's business tax on coal companies. In addition, the portion of Arizona's gen-

eral sales and gross receipts revenue collected from the extraction of natural products has been apportioned to the oil and gas, coal, and nonfuel minerals severance taxes, as appropriate. Taxes imposed on resources other than minerals, such as water, timber, or fish, are excluded.

Because oil and gas, coal, and nonfuel minerals are taxed at substantially different rates, they are each estimated individually, i.e., a separate representative tax rate and base are measured for each of the three severance categories.

Tax Base: For each category—oil and gas, coal, and nonfuel minerals—the base was estimated by the value of production.

Sources:
Value of Mineral Production, Except Fuels: U.S. Department of the Interior, Bureau of Mines, *1988 Survey Methods and Statistical Summary of Nonfuel Minerals*. Washington, DC: 1988.
Oil Production: U.S. Department of Energy, Energy Information Administration, *Petroleum Supply Annual, 1988*. Washington, DC: May 1989.
Oil Wellhead Prices by State: U.S. Department of Energy, Energy Information Administration, *Petroleum Marketing Annual*. Washington, DC: October 1989.
Value of Gas Production: U.S. Department of Energy, Energy Information Administration, *Natural Gas Annual, Vol. 1, 1988*. Washington, DC: 1989.
Coal Production and Prices: U.S. Department of Energy, Energy Information Administration, *Coal Production 1988*. Washington, DC: 1989.
Value of Uranium Production: U.S. Department of Energy, Energy Information Administration, *Uranium Industry Annual, 1988*. Washington, DC: October 1989.

9. All Other Taxes

Definition: A variety of minor taxes remaining after all other RTS taxes are subtracted from total Census tax revenues.

Tax Base: Total personal income, 1988.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1989.

Additional Bases for the RRS

10. User Charges and Special Assessments

Definition: The Census categories of "current charges" and "special assessments." Current charges comprise amounts received for the performance of specific services benefiting those charged and for sales of goods and services. State insurance, liquor, and utility receipts are excluded. Current charges are distinguished from license taxes, which relate to the granting of privileges and regulatory activities. Special assessments are compulsory contributions collected from owners of property benefited by special public improvements to defray the cost of such improvements and apportioned according to the assumed benefits to the property affected by the improvements.

Base: Total personal income, 1988.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1989.

11. Rents and Royalties

Definition: Amounts received from the temporary possession of state buildings, land, or other property or for granting the privilege of sale or development of a state resource or product. This category primarily includes payments not included under severance taxes but received for the exploration and production of state-owned mineral resources. Because actual revenues are used as the base, the effort index is always 100.

Base: Actual state receipts from rents and royalties.

Source: U.S. Department of Commerce, Bureau of the Census, *State Government Finances in 1988*. Washington, DC: 1989.

12. Lottery Net Income

Definition: Net income from state-administered lotteries, including amounts used for administration but excluding prizes paid out.

Base: Gross revenue from the sale of lottery tickets. The representative base for each state was estimated using a regression. The regression was formulated using cross-sectional analysis based on gross lottery sales and other key variables for the 27 states with lotteries in 1988. The regression was run in log form.

Regression

Dependent Variable:
Gross lottery sales per household (GLSPERHH).

Independent Variables:
- Disposable income per household (DIPERHH)
- Percentage of population in metropolitan areas (POPMET)
- Percentage of population with at least one year of college (COLLEGE)
- Percentage of gross revenue used for prizes (PRIZES%)
- Expenditures per household for ticket agent commissions and lottery operations (TOTEXPPERHH)

Equation:

$$\begin{aligned} \text{GLSPERHH} = &-3.7 + 1.28\ \text{DIPERHH} + 0.27\ \text{POPMET} \\ &\quad (-3.0)\quad (3.0)\qquad\quad (1.1) \\ &- 0.02\ \text{COLLEGE} + 0.03\ \text{PRIZES\%} \\ &\quad (-2.2)\qquad\quad (2.6) \\ &+ 0.93\ \text{TOTEXPPERHH} \\ &\quad (7.9) \end{aligned}$$

R-squared = .9317

Source: Laventhol & Horwath, Leisure Time Industries Department, *U.S. Gaming Industry, 1989*. Philadelphia: 1989.

Appendix B

Historical Data on Fiscal Capacity and Effort Indexes

Tables B-1 and B-2 present historical data on the RTS fiscal capacity and fiscal effort indexes, respectively, for each state for selected years between 1975 and 1988 for which the data are available. Tables B-3 through B-12 provide additional detail on the RTS capacity and effort indexes for these years by showing the summary tables for the Representative Tax System in each of the past years. Table B-13 provides historical information on state indexes of fiscal capacity using per capita measures of Personal Income (PCI), Gross State Product (GSP), Total Taxable Resources (TTR), and the Representative Revenue System (RRS), as well as the Representative Tax System (RTS) for selected years between 1980 and 1988. Table B-13 organizes the states by region for easy comparison of regional trends using the various indexes.

Table B-1

RTS Tax Capacity Indexes, 1975-88

(100 = U.S. Average)

	1975	1977	1979	1980	1981	1982	1983	1984	1985	1986	1988
Alabama	77	77	76	76	75	74	75	73	75	74	76
Alaska	155	158	217	260	324	312	272	250	259	177	159
Arizona	92	89	91	89	89	96	97	99	99	99	99
Arkansas	78	78	77	79	82	79	78	75	74	73	74
California	110	114	116	117	115	116	119	119	120	118	116
Colorado	106	107	110	113	113	121	122	121	118	117	107
Connecticut	110	112	109	112	110	117	124	124	127	135	143
Delaware	125	120	110	111	111	115	118	123	123	121	124
District of Columbia	118	123	110	111	111	115	117	120	123	122	123
Florida	102	101	100	100	101	104	103	105	103	105	104
Georgia	86	84	81	82	81	84	87	89	90	94	94
Hawaii	109	107	103	107	105	117	114	118	117	113	114
Idaho	89	88	91	88	87	86	83	78	78	77	76
Illinois	112	112	112	108	104	99	98	97	96	96	99
Indiana	98	100	98	92	91	89	86	87	87	87	87
Iowa	106	105	108	105	102	96	91	87	84	84	83
Kansas	109	105	109	109	109	106	102	100	99	96	91
Kentucky	85	83	85	83	82	82	79	77	78	76	81
Louisiana	97	100	104	109	117	113	107	102	97	90	83
Maine	84	82	80	80	79	84	90	88	89	95	98
Maryland	101	101	99	99	98	100	99	105	105	108	109
Massachusetts	98	95	93	96	96	101	107	111	113	124	129
Michigan	101	103	104	97	96	93	90	93	94	96	95
Minnesota	97	100	105	102	100	99	97	101	101	102	104
Mississippi	70	70	70	69	72	71	68	70	69	65	65
Missouri	96	96	97	94	92	91	89	89	91	93	90
Montana	103	103	113	112	114	110	105	95	90	88	85
Nebraska	106	101	100	97	97	97	101	93	94	91	90
Nevada	145	148	154	154	148	151	147	146	146	147	135
New Hampshire	103	102	96	97	96	100	108	110	112	119	126
New Jersey	109	106	102	105	105	106	112	114	117	121	124
New Mexico	97	98	103	107	114	115	108	103	99	91	83
New York	98	94	89	90	89	92	95	98	101	107	109
North Carolina	85	83	82	80	80	82	87	87	86	88	91
North Dakota	101	99	109	108	124	115	111	106	102	94	86
Ohio	104	104	101	97	94	92	89	90	91	91	91
Oklahoma	98	101	108	117	127	126	115	113	105	98	89
Oregon	100	104	106	103	99	99	96	94	95	93	91
Pennsylvania	98	99	93	93	90	89	88	88	89	90	94
Rhode Island	88	87	84	84	80	81	86	86	88	92	99
South Carolina	77	77	76	75	75	74	76	77	77	79	79
South Dakota	95	91	95	90	86	87	87	83	82	78	78
Tennessee	84	83	81	79	79	77	80	81	83	84	84
Texas	111	112	117	124	132	130	124	117	111	104	96
Utah	86	88	87	86	87	86	82	81	81	80	78
Vermont	94	93	85	85	84	89	94	95	97	99	105
Virginia	94	91	93	95	94	94	96	96	98	101	104
Washington	98	100	103	103	99	102	101	99	101	98	98
West Virginia	89	90	92	94	90	92	87	79	77	76	78
Wisconsin	98	100	100	95	91	87	87	89	89	86	90
Wyoming	154	154	173	196	216	201	182	181	169	151	123

Source: ACIR compilation from previous ACIR volumes on measuring fiscal capacity.

Table B-2

RTS Tax Effort Indexes, 1975-88

(100 = U.S. Average)

	1975	1977	1979	1980	1981	1982	1983	1984	1985	1986	1988
Alabama	79	79	86	85	91	87	87	90	87	86	84
Alaska	77	130	129	166	185	180	166	141	128	168	127
Arizona	108	110	115	117	106	92	91	95	97	99	96
Arkansas	78	78	81	86	79	81	83	87	91	91	84
California	119	117	95	102	100	99	92	93	94	95	94
Colorado	90	95	96	90	84	81	79	82	85	83	89
Connecticut	99	103	102	100	103	99	96	99	99	94	90
Delaware	84	80	96	89	87	84	82	77	80	81	84
District of Columbia	94	118	132	131	146	145	146	139	138	143	154
Florida	74	73	78	74	73	72	75	74	76	77	82
Georgia	89	89	96	96	97	96	93	89	90	89	89
Hawaii	119	115	128	125	126	105	108	99	99	105	112
Idaho	90	89	91	88	87	85	87	91	90	90	93
Illinois	99	96	99	103	105	107	107	110	106	106	102
Indiana	92	83	84	84	89	88	89	95	96	94	93
Iowa	93	90	93	96	98	105	109	112	112	113	113
Kansas	85	89	87	88	87	88	92	95	96	96	104
Kentucky	84	84	87	89	88	89	91	89	87	89	88
Louisiana	87	79	82	78	77	81	81	81	93	91	90
Maine	104	100	110	111	113	107	100	105	104	99	105
Maryland	106	105	109	109	107	106	107	100	101	99	108
Massachusetts	129	133	144	135	134	119	112	105	106	103	94
Michigan	106	109	113	116	116	120	128	129	120	118	112
Minnesota	118	112	115	111	109	111	124	124	119	108	112
Mississippi	96	94	97	97	95	92	95	95	93	97	94
Missouri	84	80	82	84	81	82	87	85	84	82	86
Montana	92	94	88	92	92	97	94	101	107	103	102
Nebraska	85	98	98	102	95	94	94	99	93	96	98
Nevada	70	62	65	60	62	63	64	65	64	65	69
New Hampshire	75	73	78	75	74	75	69	69	65	62	66
New Jersey	103	113	118	112	112	113	109	109	105	103	101
New Mexico	85	77	85	83	89	83	79	85	86	88	99
New York	160	168	171	167	171	170	163	158	156	152	152
North Carolina	86	87	91	97	95	94	88	89	93	92	93
North Dakota	93	88	78	79	74	83	81	93	92	89	91
Ohio	80	78	86	87	89	94	103	105	103	103	97
Oklahoma	73	72	74	72	73	78	80	76	84	85	89
Oregon	96	92	93	93	101	95	104	103	101	98	99
Pennsylvania	93	94	105	104	105	106	105	105	102	101	97
Rhode Island	112	114	121	123	130	133	126	123	118	111	104
South Carolina	85	86	91	96	95	96	96	95	95	94	96
South Dakota	87	87	84	88	93	91	85	87	87	95	95
Tennessee	79	82	87	84	87	86	82	81	82	84	83
Texas	68	68	64	65	65	66	67	69	76	79	88
Utah	89	91	99	101	97	97	98	106	109	107	106
Vermont	108	104	110	104	105	103	95	94	93	91	100
Virginia	87	88	88	88	90	90	89	88	87	85	91
Washington	101	94	96	94	92	93	104	103	95	103	102
West Virginia	85	80	82	82	83	86	88	100	103	98	88
Wisconsin	115	114	118	116	120	128	137	133	128	134	119
Wyoming	70	82	83	74	73	105	113	105	108	117	94

Source: ACIR compilation from previous ACIR volumes on measuring fiscal capacity.

Table B-3
1975—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$490.08	77.1	$1,803,982	$1,424,116	$386.88	78.9
Alaska	981.95	154.6	363,323	277,936	751.18	76.5
Arizona	585.52	92.2	1,338,497	1,443,212	631.33	107.8
Arkansas	497.30	78.3	1,073,169	840,383	389.43	78.3
California	699.02	110.0	15,054,715	17,969,933	834.37	119.4
Colorado	671.48	105.7	1,736,440	1,564,065	604.82	90.1
Connecticut	700.92	110.3	2,162,327	2,134,842	692.01	98.7
Delaware	790.76	124.5	465,757	389,532	661.34	83.6
District of Columbia	747.40	117.6	530,657	496,991	699.99	93.7
Florida	650.27	102.4	5,554,613	4,107,125	480.82	73.9
Georgia	544.86	85.8	2,756,450	2,441,749	482.65	88.6
Hawaii	689.84	108.6	609,814	726,500	821.83	119.1
Idaho	564.82	88.9	469,931	421,477	506.58	89.7
Illinois	713.66	112.3	8,068,641	7,999,697	707.56	99.1
Indiana	622.39	98.0	3,330,402	3,064,328	572.66	92.0
Iowa	675.38	106.3	1,945,765	1,811,807	628.88	93.1
Kansas	690.28	108.7	1,573,152	1,335,591	586.04	84.9
Kentucky	540.05	85.0	1,873,428	1,581,159	455.80	84.4
Louisiana	617.71	97.2	2,401,041	2,080,583	535.27	86.7
Maine	536.30	84.4	575,454	596,499	555.92	103.7
Maryland	639.90	100.7	2,660,067	2,808,549	675.62	105.6
Massachusetts	623.06	98.1	3,590,086	4,616,687	801.23	128.6
Michigan	638.89	100.6	5,818,967	6,187,606	679.36	106.3
Minnesota	617.62	97.2	2,424,761	2,848,204	725.47	117.5
Mississippi	445.05	70.0	1,068,098	1,021,459	425.61	95.6
Missouri	608.52	95.8	2,917,841	2,440,224	508.91	83.6
Montana	652.69	102.7	488,863	449,477	600.10	91.9
Nebraska	670.52	105.5	1,033,272	876,035	568.48	84.8
Nevada	918.52	144.6	569,481	398,989	643.53	70.1
New Hampshire	651.19	102.5	540,491	406,020	489.18	75.1
New Jersey	690.15	108.6	5,066,366	5,206,910	709.29	102.8
New Mexico	613.19	96.5	713,143	605,877	520.96	85.0
New York	622.39	98.0	11,223,009	17,913,237	993.41	159.6
North Carolina	542.67	85.4	3,003,668	2,578,457	465.85	85.8
North Dakota	643.65	101.3	410,649	379,678	595.11	92.5
Ohio	659.55	103.8	7,103,356	5,647,583	524.38	79.5
Oklahoma	623.30	98.1	1,727,796	1,261,183	454.97	73.0
Oregon	634.59	99.9	1,475,413	1,415,956	609.01	96.0
Pennsylvania	625.29	98.4	7,439,723	6,918,119	581.45	93.0
Rhode Island	558.88	88.0	528,699	593,201	627.06	112.2
South Carolina	490.18	77.2	1,421,530	1,211,446	417.74	85.2
South Dakota	600.14	94.5	408,698	356,999	524.23	87.4
Tennessee	531.08	83.6	2,262,941	1,785,640	419.07	78.9
Texas	702.19	110.5	8,825,148	6,026,158	479.48	68.3
Utah	547.30	86.1	675,369	602,666	488.38	89.2
Vermont	598.21	94.2	287,139	310,179	646.21	108.0
Virginia	594.01	93.5	3,003,289	2,616,492	517.50	87.1
Washington	621.77	97.9	2,250,187	2,274,869	628.59	101.1
West Virginia	562.63	88.6	1,035,804	883,747	480.04	85.3
Wisconsin	625.01	98.4	2,856,311	3,281,113	717.97	114.9
Wyoming	976.33	153.7	371,004	258,467	680.18	69.7
U.S. Total	$635.32	100.0	$136,888,751	$136,888,752	635.3	100.00

Note: All per capita amounts are in dollars; total amounts are in thousands of dollars.
Source: ACIR staff estimates.

Table B-4
1977—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$593.58	77.1	$2,245,529	$1,769,938	$467.87	78.8
Alaska	1,219.08	158.3	482,757	627,876	1,585.55	130.1
Arizona	686.96	89.2	1,667,258	1,840,753	758.45	110.4
Arkansas	602.43	78.2	1,329,568	1,037,165	469.94	78.0
California	874.37	113.6	19,542,166	22,781,942	1,019.33	116.6
Colorado	825.29	107.2	2,224,991	2,113,575	783.97	95.0
Connecticut	859.16	111.6	2,653,929	2,725,909	882.46	102.7
Delaware	927.13	120.4	551,643	440,046	739.57	79.8
District of Columbia	943.73	122.6	643,625	758,483	1,112.15	117.8
Florida	775.16	100.7	6,890,430	5,023,208	565.10	72.9
Georgia	647.45	84.1	3,374,503	3,003,345	576.24	89.0
Hawaii	821.47	106.7	752,465	861,744	940.77	114.5
Idaho	676.80	87.9	597,611	533,846	604.58	89.3
Illinois	864.20	112.2	9,857,026	9,502,926	833.15	96.4
Indiana	772.72	100.4	4,176,534	3,457,834	639.75	82.8
Iowa	806.36	104.7	2,349,737	2,123,162	728.61	90.4
Kansas	810.35	105.3	1,878,395	1,665,636	718.57	88.7
Kentucky	637.90	82.9	2,280,502	1,917,163	536.27	84.1
Louisiana	765.99	99.5	3,076,226	2,415,321	601.42	78.5
Maine	634.52	82.4	701,139	703,361	636.53	100.3
Maryland	777.52	101.0	3,261,709	3,435,116	818.86	105.3
Massachusetts	734.19	95.4	4,217,186	5,588,114	972.86	132.5
Michigan	793.08	103.0	7,262,259	7l,929,331	865.93	109.2
Minnesota	772.76	100.4	3,075,568	3,448,180	866.38	112.1
Mississippi	538.48	69.9	1,324,661	1,239,532	503.87	93.6
Missouri	735.91	95.6	3,565,494	2,865,258	591.38	80.4
Montana	791.47	102.8	610,223	574,983	745.76	94.2
Nebraska	780.39	101.4	1,212,729	1,187,139	763.92	97.9
Nevada	1,137.08	147.7	770,941	475,982	702.04	61.7
New Hampshire	781.90	101.6	681,819	494,980	567.64	72.6
New Jersey	813.94	105.7	5,975,958	6,732,640	917.00	112.7
New Mexico	756.10	98.2	926,222	710,829	580.27	76.7
New York	721.72	93.7	12,884,164	21,655,653	1,213.07	168.1
North Carolina	638.39	82.9	3,618,395	3,162,884	558.02	87.4
North Dakota	758.62	98.5	492,346	432,129	665.84	87.8
Ohio	799.80	103.9	8,614,618	6,756,882	627.32	78.4
Oklahoma	779.33	101.2	2,233,548	1,617,975	564.54	72.4
Oregon	800.19	103.9	1,951,653	1,799,508	737.81	92.2
Pennsylvania	760.70	98.8	9,038,590	8,471,665	712.98	93.7
Rhode Island	672.19	87.3	641,936	728,774	763.11	113.5
South Carolina	589.70	76.6	1,762,600	1,519,733	508.44	86.2
South Dakota	697.84	90.6	480,812	415,949	603.70	86.5
Tennessee	637.57	82.8	2,806,595	2,311,205	525.04	82.3
Texas	860.02	111.7	11,345,393	7,747,713	587.30	68.3
Utah	680.01	88.3	894,889	815,133	619.40	91.1
Vermont	712.42	92.5	350,512	363,583	738.99	103.7
Virginia	703.88	91.4	3,664,401	3,211,306	616.85	87.6
Washington	773.24	100.4	2,916,647	2,737,202	725.66	93.8
West Virginia	690.64	89.7	1,316,354	1,054,923	553.47	80.1
Wisconsin	765.95	99.5	3,533,317	4,009,596	869.19	113.5
Wyoming	1,182.29	153.6	487,104	397,573	964.98	81.6
U.S. Total	$769.91	100.0	$169,194,702	$169,194,703	$769.91	100.0

Note: All per capita amounts are in dollars; total amounts are in thousands of dollars.
Source: ACIR staff estimates.

Table B-5

1979—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$659.55	76.1	$2,551,780	$2,186,816	$565.22	85.7
Alaska	1,884.16	217.4	757,431	976,989	2,430.32	129.0
Arizona	787.61	90.9	2,078,492	2,382,420	902.77	114.6
Arkansas	670.86	77.4	1,522,184	1,239,775	546.40	81.4
California	1,004.21	115.9	23,353,002	22,107,852	950.67	94.7
Colorado	954.54	110.1	2,719,478	2,615,850	918.16	96.2
Connecticut	940.09	108.5	2,914,284	2,980,583	961.48	102.3
Delaware	948.81	109.5	568,335	542,545	905.75	95.5
District of Columbia	952.06	109.9	624,550	826,071	1,259.25	132.3
Florida	865.82	99.9	8,200,157	6,414,356	677.26	78.2
Georgia	705.01	81.3	3,800,688	3,637,460	674.73	95.7
Hawaii	890.86	102.8	846,320	1,080,086	1,136.93	127.6
Idaho	791.09	91.3	738,084	671,013	719.20	90.9
Illinois	968.90	111.8	11,067,718	10,941,473	957.85	98.9
Indiana	848.82	97.9	4,647,289	3,913,805	714.85	84.2
Iowa	937.42	108.2	2,734,451	2,547,613	873.37	93.2
Kansas	947.68	109.4	2,224,209	1,937,041	825.33	87.1
Kentucky	735.80	84.9	2,681,237	2,324,210	637.82	86.7
Louisiana	896.79	103.5	3,711,826	3,050,210	736.94	82.2
Maine	694.49	80.1	781,295	856,575	761.40	109.6
Maryland	856.87	98.9	3,618,552	3,953,894	936.28	109.3
Massachusetts	809.86	93.4	4,653,452	6,720,404	1,169.58	144.4
Michigan	901.95	104.1	8,342,109	9,443,332	1,021.01	113.2
Minnesota	912.79	105.3	3,685,855	4,253,966	1,053.48	115.4
Mississippi	607.08	70.0	1,522,548	1,469,557	585.95	96.5
Missouri	842.49	97.2	4,118,941	3,380,172	691.38	82.1
Montana	982.07	113.3	774,856	678,141	859.49	87.5
Nebraska	863.25	99.6	1,350,124	1,317,718	842.53	97.6
Nevada	1,330.51	153.5	1,017,838	663,361	867.14	65.2
New Hampshire	834.63	96.3	761,178	596,428	653.98	78.4
New Jersey	885.96	102.2	6,532,180	7,691,389	1,043.18	117.7
New Mexico	894.22	103.2	1,145,494	974,144	760.46	85.0
New York	772.03	89.1	13,614,036	23,275,641	1,319.93	171.0
North Carolina	708.27	81.7	4,109,391	3,736,400	643.98	90.9
North Dakota	940.94	108.6	613,490	476,714	731.16	77.7
Ohio	872.8	100.7	9,425,331	8,125,205	752.40	86.2
Oklahoma	936.85	108.1	2,782,445	2,058,991	693.26	74.0
Oregon	922.22	106.4	2,377,471	2,202,689	854.42	92.6
Pennsylvania	806.49	93.1	9,576,256	10,096,094	850.27	105.4
Rhode Island	727.22	83.9	695,951	842,183	880.03	121.0
South Carolina	656.71	75.8	2,027,258	1,851,868	599.89	91.3
South Dakota	821.98	94.8	566,344	475,426	690.02	83.9
Tennessee	700.99	80.9	3,177,571	2,758,544	608.55	86.8
Texas	1,011.41	116.7	14,045,386	9,045,174	651.34	64.4
Utah	751.97	86.8	1,064,785	1,057,766	747.01	99.3
Vermont	740.13	85.4	374,505	410,027	810.33	109.5
Virginia	803.13	92.7	4,276,688	3,778,280	709.54	88.3
Washington	895.97	103.4	3,595,515	3,463,003	862.95	96.3
West Virginia	800.23	92.3	1,551,655	1,275,262	657.69	82.2
Wisconsin	862.24	99.5	4,023,208	4,755,064	1,019.09	118.2
Wyoming	1,500.69	173.2	678,309	562,055	1,243.49	82.9
U.S. Total	$866.65	100.0	$194,621,665	$194,621,667	$866.65	100.0

Note: All per capita amounts are in dollars; total amounts are in thousands of dollars.
Source: ACIR staff estimates.

Table B-6

1980—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$718.08	75.7	$2,799,780	$2,384,918	$611.67	85.2
Alaska	2,463.42	259.7	990,293	1,646,202	4,095.03	166.2
Arizona	841.52	88.7	2,291,663	2,690,584	987.73	117.4
Arkansas	749.52	79.0	1,717,155	1,468,459	640.97	85.5
California	1,109.69	117.0	26,331,802	26,800,496	1,129.44	101.8
Colorado	1,068.51	112.6	3,094,400	2,797,433	965.96	90.4
Connecticut	1,058.49	111.6	3,297,188	3,291,924	1,056.80	99.8
Delaware	1,057.35	111.4	631,239	561,445	940.45	88.9
District of Columbia	1,051.24	110.8	672,793	882,700	1,379.22	131.2
Florida	949.01	100.0	9,355,327	6,908,203	700.77	73.8
Georgia	778.09	82.0	4,262,375	4,100,241	748.49	96.2
Hawaii	1,010.60	106.5	978,257	1,217,877	1,258.14	124.5
Idaho	830.11	87.5	786,111	694,191	733.04	88.3
Illinois	1,021.05	107.6	11,687,956	11,977,864	1,046.38	102.5
Indiana	874.94	92.2	4,814,798	4,056,063	737.06	84.2
Iowa	997.94	105.2	2,913,978	2,789,467	955.30	95.7
Kansas	1,032.42	108.8	2,445,803	2,150,164	907.63	87.9
Kentucky	787.16	83.0	2,888,891	2,560,950	697.81	88.6
Louisiana	1,036.40	109.2	4,368,436	3,395,536	805.58	77.7
Maine	759.27	80.0	856,451	951,629	843.64	111.1
Maryland	941.01	99.2	3,977,646	4,320,412	1,022.10	108.6
Massachusetts	912.94	96.2	5,248,268	7,060,839	1,227.76	134.5
Michigan	919.94	97.0	8,537,076	9,867,747	1,063.33	115.6
Minnesota	969.33	102.2	3,961,646	4,402,580	1,077.22	111.1
Mississippi	657.81	69.3	1,662,290	1,603,620	634.59	96.5
Missouri	887.89	93.6	4,376,434	3,657,131	741.96	83.6
Montana	1,066.59	112.4	841,538	775,546	982.95	92.2
Nebraska	918.34	96.8	1,445,462	1,477,223	938.52	102.2
Nevada	1,465.23	154.4	1,173,647	698,404	871.92	59.5
New Hampshire	915.54	96.5	845,046	633,959	686.85	75.0
New Jersey	996.88	105.1	7,365,925	8,247,468	1,116.18	112.0
New Mexico	1,016.20	107.1	1,324,114	1,100,681	844.73	83.1
New York	855.25	90.1	15,057,553	25,201,545	1,431.42	167.4
North Carolina	754.34	79.5	4,441,553	4,303,975	730.97	96.9
North Dakota	1,027.74	108.3	672,138	529,354	809.41	78.8
Ohio	918.44	96.8	9,940,257	8,616,655	796.14	86.7
Oklahoma	1,107.97	116.8	3,360,458	2,404,433	792.76	71.6
Oregon	978.50	103.1	2,582,257	2,409,913	913.19	93.3
Pennsylvania	878.63	92.6	10,451,293	10,845,991	911.81	103.8
Rhode Island	794.81	83.8	755,072	929,754	978.69	123.1
South Carolina	713.86	75.2	2,232,948	2,131,822	681.53	95.5
South Dakota	855.62	90.2	592,945	523,256	755.06	88.2
Tennessee	749.36	79.0	3,448,535	2,902,564	630.72	84.2
Texas	1,172.51	123.6	16,723,511	10,858,746	761.32	64.9
Utah	815.73	86.0	1,195,045	1,208,944	825.22	101.2
Vermont	801.49	84.5	411,164	428,281	834.86	104.2
Virginia	899.06	94.8	4,818,051	4,256,031	794.18	88.3
Washington	976.17	102.9	4,041,326	3,788,027	914.98	93.7
West Virginia	888.77	93.7	1,736,662	1,426,263	729.92	82.1
Wisconsin	898.66	94.7	4,238,961	4,931,821	1,045.54	116.3
Wyoming	1,861.55	196.2	880,512	654,657	1,384.05	74.3
U.S. Totals	$948.73	100.0	$215,524,055	$215,524,055	$948.73	100.0

Note: All per capita amounts are in dollars; total amounts are in thousands of dollars.
Source: ACIR staff estimates.

Table B-7
1981—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$766.74	74.5	$3,003,307	$2,720,058	$694.42	90.6
Alaska	3,333.35	323.8	1,373,339	2,533,290	6,148.76	184.5
Arizona	913.45	88.7	2,552,170	2,702,681	967.32	105.9
Arkansas	839.75	81.6	1,928,064	1,522,070	662.92	78.9
California	1,186.14	115.2	28,699,946	28,795,873	1,190.11	100.3
Colorado	1,160.97	112.8	3,442,285	2,877,328	970.43	83.6
Connecticut	1,131.92	109.9	3,547,437	3,643,861	1,162.69	102.7
Delaware	1,143.38	111.1	683,739	593,579	992.61	86.8
District of Columbia	1,142.80	111.0	721,108	1,049,103	1,662.60	145.5
Florida	1,040.65	101.1	10,596,964	7,762,573	762.31	73.3
Georgia	838.18	81.4	4,672,010	4,545,647	815.51	97.3
Hawaii	1,076.52	104.6	1,056,069	1,327,453	1,353.16	125.7
Idaho	891.21	86.6	854,666	743,224	775.00	87.0
Illinois	1,070.10	103.9	12,265,499	12,883,547	1,124.02	105.0
Indiana	932.45	90.6	5,098,620	4,510,288	824.85	88.5
Iowa	1,053.56	102.3	3,054,275	2,999,988	1,034.84	98.2
Kansas	1,125.09	109.3	2,681,082	2,332,740	978.91	87.0
Kentucky	843.99	82.0	3,090,679	2,732,962	746.30	88.4
Louisiana	1,200.46	116.6	5,171,597	3,968,957	921.30	76.7
Maine	815.84	79.2	924,350	1,046,896	924.00	113.3
Maryland	1,009.37	98.0	4,302,930	4,621,140	1,084.01	107.4
Massachusetts	988.64	96.0	5,707,408	7,649,132	1,324.98	134.0
Michigan	990.53	96.2	9,116,811	10,584,723	1,150.01	116.1
Minnesota	1,030.88	100.1	4,220,423	4,591,076	1,121.42	108.8
Mississippi	737.47	71.6	1,866,537	1,766,352	697.89	94.6
Missouri	947.69	92.1	4,682,535	3,803,382	769.76	81.2
Montana	1,168.94	113.5	926,971	856,475	1,080.05	92.4
Nebraska	996.91	96.8	1,572,120	1,490,766	945.32	94.8
Nevada	1,523.84	148.0	1,287,640	793,614	939.19	61.6
New Hampshire	982.72	95.5	919,823	679,850	726.34	73.9
New Jersey	1,077.82	104.7	7,980,165	8,913,238	1,203.84	111.7
New Mexico	1,170.00	113.6	1,553,764	1,383,998	1,042.17	89.1
New York	916.42	89.0	16,130,756	27,586,527	1,567.24	171.0
North Carolina	818.77	79.5	4,874,160	4,644,360	780.17	95.3
North Dakota	1,271.12	123.5	836,394	619,109	940.90	74.0
Ohio	971.91	94.4	10,478,129	9,292,758	861.96	88.7
Oklahoma	1,310.98	127.3	4,064,042	2,950,586	951.80	72.6
Oregon	1,019.42	99.0	2,702,486	2,734,563	1,031.52	101.2
Pennsylvania	931.14	90.4	11,053,593	11,580,833	975.56	104.8
Rhode Island	827.46	80.4	788,572	1,024,150	1,074.66	129.9
South Carolina	774.19	75.2	2,451,857	2,335,778	737.54	95.3
South Dakota	888.98	86.3	609,842	566,624	825.98	92.9
Tennessee	812.85	79.0	3,748,859	3,262,599	707.42	87.0
Texas	1,359.95	132.1	20,081,016	12,969,436	878.33	64.6
Utah	890.37	86.5	1,351,578	1,310,878	863.56	97.0
Vermont	864.76	84.0	446,218	469,170	909.25	105.1
Virginia	969.08	94.1	5,262,084	4,709,596	867.33	89.5
Washington	1,020.67	99.1	4,304,161	3,962,131	939.56	92.1
West Virginia	926.36	90.0	1,808,250	1,503,005	769.98	83.1
Wisconsin	935.97	90.9	4,438,392	5,337,943	1,125.67	120.3
Wyoming	2,227.54	216.4	1,095,948	794,757	1,615.36	72.5
U.S. Totals	$1,029.52	100.0	$236,080,697	$236,080,697	$1,029.52	100.0

Note: All per capita amounts are in dollars; total amounts are in thousands of dollars.
Source: ACIR staff estimates.

Table B-8
1982—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$819.38	73.8	$3,229,191	$2,812,678	$713.70	87.1
Alaska	3,471.05	312.4	1,541,145	2,768,954	6,236.38	179.7
Arizona	1,062.80	95.7	3,073,607	2,821,799	975.73	91.8
Arkansas	871.79	78.5	2,011,224	1,633,901	708.24	81.2
California	1,287.97	115.9	31,808,920	31,422,611	1,272.33	98.8
Colorado	1,347.38	121.3	4,137,816	3,343,639	1,088.78	80.8
Connecticut	1,303.52	117.3	4,074,790	4,035,020	1,290.79	99.0
Delaware	1,276.96	114.9	766,178	643,354	1,072.26	84.0
District of Columbia	1,273.57	114.6	797,256	1,155,296	1,845.52	144.9
Florida	1,152.69	103.8	12,064,076	8,696,462	830.93	72.1
Georgia	929.71	83.7	5,252,011	5,031,029	890.76	95.8
Hawaii	1,301.73	117.2	1,297,825	1,366,673	1,370.79	105.3
Idaho	955.85	86.0	933,864	789,307	807.89	84.5
Illinois	1,094.41	98.5	12,548,523	13,432,790	1,171.53	107.0
Indiana	987.14	88.9	5,411,526	4,775,085	871.05	88.2
Iowa	1,065.98	96.0	3,097,751	3,264,237	1,123.27	105.4
Kansas	1,180.99	106.3	2,843,829	2,489,664	1,033.91	87.5
Kentucky	909.00	81.8	3,356,039	2,969,282	804.25	88.5
Louisiana	1,255.94	113.1	5,504,786	4,503,309	1,027.45	81.3
Maine	935.14	84.2	1,062,317	1,134,415	998.60	106.8
Maryland	1,106.11	99.6	4,723,100	5,017,092	1,174.96	106.2
Massachusetts	1,116.52	100.5	6,420,008	7,662,459	1,332.60	119.4
Michigan	1,031.25	92.8	9,400,836	11,313,150	1,241.02	120.3
Minnesota	1,100.08	99.0	4,546,619	5,059,809	1,224.25	111.3
Mississippi	785.53	70.7	2,018,030	1,864,137	725.63	92.4
Missouri	1,004.92	90.5	4,966,333	4,051,447	819.80	81.6
Montana	1,219.27	109.8	981,515	953,677	1,184.69	97.2
Nebraska	1,078.94	97.1	1,714,431	1,602,660	1,008.60	93.5
Nevada	1,674.31	150.7	1,466,691	920,801	1,051.14	62.8
New Hampshire	1,110.01	99.9	1,052,285	788,250	831.49	74.9
New Jersey	1,171.82	105.5	8,703,095	9,817,921	1,321.92	112.8
New Mexico	1,272.99	114.6	1,740,172	1,435,035	1,049.77	82.5
New York	1,019.29	91.8	17,905,923	30,421,002	1,731.71	169.9
North Carolina	905.50	81.5	5,450,199	5,104,468	848.06	93.7
North Dakota	1,278.22	115.1	858,962	709,800	1,056.25	82.6
Ohio	1,016.93	91.5	10,954,378	10,338,998	959.80	94.4
Oklahoma	1,399.38	126.0	4,514,415	3,534,924	1,095.76	78.3
Oregon	1,093.78	98.5	2,918,196	2,776,277	1,040.58	95.1
Pennsylvania	986.34	88.8	11,716,695	12,418,822	1,045.44	106.0
Rhode Island	903.65	81.3	861,181	1,143,165	1,199.54	132.7
South Carolina	822.05	74.0	2,652,751	2,541,409	787.55	95.8
South Dakota	970.50	87.4	673,524	611,371	880.94	90.8
Tennessee	859.31	77.4	4,000,956	3,421,304	734.82	85.5
Texas	1,447.54	130.3	22,189,306	14,560,652	949.88	65.6
Utah	957.14	86.2	1,503,675	1,456,748	927.27	96.9
Vermont	982.66	88.5	510,981	523,796	1,007.30	102.5
Virginia	1,039.23	93.5	5,700,169	5,117,989	933.09	89.8
Washington	1,128.04	101.5	5,823,492	4,475,083	1,046.56	92.8
West Virginia	1,020.79	91.9	2,001,772	1,720,750	877.49	86.0
Wisconsin	964.30	86.8	4,575,594	5,850,842	1,233.05	127.9
Wyoming	2,234.37	201.1	1,137,295	1,190,912	2,339.71	104.7
U.S. Totals	$1,110.91	100.0	$257,494,256	$257,494,256	$1,110.91	100.0

Note: All per capita amounts are in dollars; total amounts are in thousands of dollars.
Source: ACIR staff estimates.

Table B-9

1983—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$879.52	74.8	$3,482,021	$3,017,055	$762.08	86.6
Alaska	3,197.91	271.9	1,531,798	2,541,654	5,306.17	165.9
Arizona	1,140.97	97.0	3,380,689	3,084,752	1,041.09	91.2
Arkansas	913.16	77.7	2,125,825	1,757,452	754.92	82.7
California	1,395.97	118.7	35,142,023	32,470,874	1,289.86	92.4
Colorado	1,436.96	122.2	4,510,614	3,561,238	1,134.51	79.0
Connecticut	1,456.06	123.8	4,569,103	4,400,895	1,402.45	96.3
Delaware	1,388.72	118.1	841,566	686,973	1,133.62	81.6
District of Columbia	1,371.74	116.6	854,592	1,250,422	2,007.10	146.3
Florida	1,216.52	103.4	12,992,425	9,757,580	913.63	75.1
Georgia	1,022.21	86.9	5,859,329	5,425,387	946.51	92.6
Hawaii	1,336.93	113.7	1,367,684	1,476,751	1,443.55	108.0
Idaho	979.56	83.3	968,781	838,297	847.62	86.5
Illinois	1,153.28	98.1	13,246,549	14,165,434	1,233.28	106.9
Indiana	1,012.50	86.1	5,547,509	4,925,277	898.94	88.8
Iowa	1,068.27	90.8	3,103,327	3,369,598	1,159.93	108.6
Kansas	1,203.23	102.3	2,917,845	2,696,629	1,112.01	92.4
Kentucky	926.60	78.8	3,441,397	3,124,179	841.19	90.8
Louisiana	1,254.58	106.7	5,567,839	4,526,268	1,019.89	81.3
Maine	1,060.84	90.2	1,215,723	1,220,161	1,064.71	100.4
Maryland	1,164.45	99.0	5,011,778	5,373,517	1,248.49	107.2
Massachusetts	1,252.91	106.5	7,225,509	8,102,892	1,405.04	112.1
Michigan	1,060.65	90.2	9,618,997	12,327,940	1,359.35	128.2
Minnesota	1,141.14	97.0	4,728,880	5,877,765	1,418.38	124.3
Mississippi	801.88	68.2	2,074,460	1,963,166	758.86	94.6
Missouri	1,049.01	89.2	5,213,579	4,531,320	911.73	86.9
Montana	1,237.53	105.2	1,011,065	946,827	1,158.91	93.6
Nebraska	1,184.30	100.7	1,891,333	1,785,338	1,117.93	94.4
Nevada	1,731.12	147.2	1,542,425	982,086	1,102.23	63.7
New Hampshire	1,265.42	107.6	1,213,537	836,787	872.56	69.0
New Jersey	1,319.26	112.2	9,852,207	10,741,709	1,438.36	109.0
New Mexico	1,268.10	107.8	1,774,076	1,401,341	1,001.67	79.0
New York	1,122.22	95.4	19,826,188	32,366,659	1,823.04	163.3
North Carolina	1,020.22	86.8	6,205,000	5,447,843	895.73	87.8
North Dakota	1,302.78	110.8	885,890	719,685	1,058.36	81.2
Ohio	1,051.31	89.4	11,297,348	11,621,122	1,081.44	102.9
Oklahoma	1,350.65	114.9	4,454,446	3,578,197	1,084.96	80.3
Oregon	1,122.84	95.5	2,988,989	3,092,487	1,161.72	103.5
Pennsylvania	1,037.73	88.2	12,343,767	12,935,494	1,087.47	104.8
Rhode Island	1,009.34	85.8	963,919	1,218,572	1,275.99	126.4
South Carolina	888.27	75.5	2,899,298	2,769,045	848.36	95.5
South Dakota	1,028.03	87.4	719,619	614,295	877.56	85.4
Tennessee	943.95	80.3	4,422,427	3,625,078	773.76	82.0
Texas	1,453.84	123.6	22,860,140	15,335,713	975.31	67.1
Utah	965.02	82.1	1,562,367	1,533,100	946.94	98.1
Vermont	1,102.49	93.8	578,805	551,372	1,050.23	95.3
Virginia	1,123.96	95.6	6,237,986	5,566,579	1,002.99	89.2
Washington	1,184.55	100.7	5,093,560	5,305,601	1,233.86	104.2
West Virginia	1,024.13	87.1	2,012,423	1,765,134	898.29	87.7
Wisconsin	1,024.99	87.2	4,869,737	6,685,192	1,407.11	137.3
Wyoming	2,144.92	182.4	1,102,487	1,250,212	2,432.32	113.4
U.S. Totals	$1,175.95	100.0	$275,148,881	$275,148,881	$1,175.95	100.0

Note: All per capita amounts are in dollars; total amounts are in thousands of dollars.
Source: ACIR staff estimates.

Table B-10
1984—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$954.10	73.2	$3,807	$3,437	$861.50	90.3
Alaska	3,257.48	249.8	1,629	2,291	4,581.86	140.7
Arizona	1,287.58	98.7	3,931	3,713	1,216.16	94.5
Arkansas	978.00	75.0	2,297	1,992	847.91	86.7
California	1,556.24	119.3	39,874	37,045	1,445.82	92.9
Colorado	1,582.54	121.3	5,029	4,126	1,298.37	82.0
Connecticut	1,621.00	124.3	5,113	5,073	1,608.29	99.2
Delaware	1,598.03	122.5	980	758	1,236.13	77.4
District of Columbia	1,561.94	119.8	973	1,353	2,171.72	139.0
Florida	1,364.11	104.6	14,972	11,023	1,004.30	73.6
Georgia	1,164.71	89.3	6,798	6,036	1,034.06	88.8
Hawaii	1,536.49	117.8	1,596	1,585	1,525.16	99.2
Idaho	1,016.53	77.9	1,018	927	925.68	91.1
Illinois	1,259.55	96.6	14,499	15,878	1,379.35	109.5
Indiana	1,139.65	87.4	6,266	5,963	1,084.57	95.2
Iowa	1,128.66	86.5	3,284	3,668	1,260.49	111.7
Kansas	1,307.44	100.2	3,188	3,024	1,240.40	94.9
Kentucky	1,005.39	77.1	3,743	3,315	890.32	88.6
Louisiana	1,334.13	102.3	5,953	4,846	1,086.00	81.4
Maine	1,148.06	88.0	1,327	1,398	1,209.47	105.3
Maryland	1,375.22	105.4	5,981	5,961	1,370.71	99.7
Massachusetts	1,447.58	111.0	8,393	8,845	1,525.50	105.4
Michigan	1,209.11	92.7	10,973	14,176	1,562.05	129.2
Minnesota	1,319.77	101.2	5,493	6,797	1,633.06	123.7
Mississippi	907.28	69.6	2,357	2,229	857.96	94.6
Missouri	1,165.13	89.3	5,835	4,965	991.38	85.1
Montana	1,242.25	95.2	1,024	1,032	1,252.84	100.9
Nebraska	1,214.84	93.1	1,951	1,926	1,199.25	98.7
Nevada	1,898.66	145.6	1,730	1,118	1,226.74	64.6
New Hampshire	1,437.64	110.2	1,405	968	990.70	68.9
New Jersey	1,487.87	114.1	11,181	12,132	1,614.40	108.5
New Mexico	1,348.65	103.4	1,920	1,631	1,145.23	84.9
New York	1,283.65	98.4	22,766	36,045	2,032.40	158.3
North Carolina	1,129.24	86.6	6,962	6,223	1,009.39	89.4
North Dakota	1,380.19	105.8	947	883	1,287.41	93.3
Ohio	1,172.14	89.9	12,603	13,185	1,226.27	104.6
Oklahoma	1,473.73	113.0	4,860	3,687	1,117.90	75.9
Oregon	1,220.85	93.6	3,265	3,355	1,254.63	102.8
Pennsylvania	1,151.80	88.3	13,708	14,408	1,210.62	105.1
Rhode Island	1,125.68	86.3	1,083	1,331	1,383.25	122.9
South Carolina	998.22	76.5	3,294	3,112	943.05	94.5
South Dakota	1,083.78	83.1	765	662	937.51	86.5
Tennessee	1,049.82	80.5	4,952	3,989	845.70	80.6
Texas	1,531.74	117.4	24,491	16,827	1,052.38	68.7
Utah	1,050.16	80.5	1,735	1,841	1,114.20	106.1
Vermont	1,243.75	95.4	659	618	1,165.11	93.7
Virginia	1,249.71	95.8	7,043	6,214	1,102.60	88.2
Washington	1,292.79	99.1	5,622	5,808	1,335.47	103.3
West Virginia	1,034.75	79.3	2,020	2,013	1,031.32	99.7
Wisconsin	1,157.49	88.7	5,516	7,317	1,535.47	132.7
Wyoming	2,365.38	181.4	1,209	1,274	2,493.15	105.4
U.S. Total	$1,304.27	100.0	$308,018	$308,018	$1,304.27	100.0

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Source: ACIR staff estimates.

Table B-11

1985—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$1,056.85	75.1	$4,250	$3,713	$923.52	87.4
Alaska	3,648.29	259.1	1,901	2,440	4,682.65	128.4
Arizona	1,392.75	98.9	4,439	4,281	1,343.32	96.5
Arkansas	1,038.81	73.8	2,451	2,238	948.66	91.3
California	1,691.83	120.2	44,605	41,706	1,581.89	93.5
Colorado	1,662.90	118.1	5,373	4,544	1,406.38	84.6
Connecticut	1,782.92	126.6	5,659	5,598	1,763.61	98.9
Delaware	1,733.07	123.1	1,078	858	1,379.24	79.6
District of Columbia	1,725.23	122.5	1,080	1,487	2,375.95	137.7
Florida	1,452.46	103.2	16,509	12,535	1,102.88	75.9
Georgia	1,271.68	90.3	7,600	6,835	1,143.73	89.9
Hawaii	1,653.35	117.4	1,743	1,724	1,635.39	98.9
Idaho	1,099.75	78.1	1,105	998	992.78	90.3
Illinois	1,355.91	96.3	15,640	16,640	1,442.56	106.4
Indiana	1,224.26	86.9	6,732	6,434	1,170.10	95.6
Iowa	1,185.84	84.2	3,420	3,825	1,326.20	111.8
Kansas	1,388.57	98.6	3,402	3,264	1,332.37	96.0
Kentucky	1,101.28	78.2	4,103	3,552	953.34	86.6
Louisiana	1,361.67	96.7	6,102	5,650	1,260.82	92.6
Maine	1,256.31	89.2	1,462	1,521	1,306.47	104.0
Maryland	1,470.72	104.5	6,459	6,516	1,483.50	100.9
Massachusetts	1,587.38	112.7	9,242	9,821	1,686.96	106.3
Michigan	1,325.45	94.1	12,046	14,504	1,595.91	120.4
Minnesota	1,426.60	101.3	5,982	7,113	1,696.50	118.9
Mississippi	972.43	69.1	2,541	2,362	904.08	93.0
Missouri	1,273.89	90.5	6,406	5,372	1,068.16	83.9
Montana	1,272.56	90.4	1,051	1,120	1,356.29	106.6
Nebraska	1,317.64	93.6	2,116	1,966	1,224.14	92.9
Nevada	2,054.18	145.9	1,923	1,226	1,309.95	63.8
New Hampshire	1,577.73	112.0	1,575	1,018	1,020.42	64.7
New Jersey	1,646.30	116.9	12,449	13,024	1,722.24	104.6
New Mexico	1,392.14	98.9	2,019	1,739	1,199.46	86.2
New York	1,420.01	100.8	25,252	39,372	2,214.02	155.9
North Carolina	1,212.80	86.1	7,586	7,036	1,124.87	92.7
North Dakota	1,429.48	101.5	979	901	1,314.77	92.0
Ohio	1,277.34	90.7	13,724	14,075	1,310.02	102.6
Oklahoma	1,478.27	105.0	4,880	4,119	1,247.88	84.4
Oregon	1,331.73	94.6	3,578	3,629	1,350.47	101.4
Pennsylvania	1,258.02	89.3	14,911	15,276	1,288.79	102.4
Rhode Island	1,236.31	87.8	1,197	1,413	1,459.26	118.0
South Carolina	1,081.68	76.8	3,620	3,445	1,029.19	95.1
South Dakota	1,156.96	82.2	819	711	1,004.38	86.8
Tennessee	1,172.71	83.3	5,584	4,573	960.22	81.9
Texas	1,562.83	111.0	25,583	19,479	1,189.91	76.1
Utah	1,136.45	80.7	1,869	2,036	1,237.61	108.9
Vermont	1,368.08	97.2	732	679	1,270.08	92.8
Virginia	1,376.19	97.7	7,853	6,791	1,190.10	86.5
Washington	1,420.82	100.9	6,264	5,946	1,348.62	94.9
West Virginia	1,085.74	77.1	2,102	2,156	1,113.57	102.6
Wisconsin	1,246.40	88.5	5,952	7,591	1,589.69	127.5
Wyoming	2,380.33	169.1	1,212	1,308	2,569.71	108.0
U.S. Total	$1,408.06	100.0	$336,159	$336,159	$1,408.06	100.0

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Source: ACIR staff estimates.

Table B-12
1986—All RTS Taxes

State	Capacity Per Capita	Per Capita Capacity Index	Capacity	Revenue	Revenue Per Capita	Per Capita Effort Index
Alabama	$1,102.36	74.3	$4,467.8	$3,858.8	$952.09	86.4
Alaska	2,623.94	176.9	1,401.2	2,360.3	4,419.97	168.4
Arizona	1,463.90	98.7	4,855.7	4,782.6	1,441.85	98.5
Arkansas	1,087.91	73.3	2,580.5	2,339.4	986.28	90.7
California	1,747.42	117.8	47,147.0	44,913.7	1,664.64	95.3
Colorado	1,733.54	116.8	5,663.5	4,722.7	1,445.59	83.4
Connecticut	2,005.86	135.2	6,396.7	6,019.5	1,887.58	94.1
Delaware	1,801.01	121.4	1,140.0	923.6	1,459.12	81.0
District of Columbia	1,813.57	122.2	1,135.3	1,628.0	2,600.64	143.4
Florida	1,559.72	105.1	18,209.7	13,922.0	1,192.46	76.5
Georgia	1,394.48	94.0	8,511.9	7,543.5	1,235.84	88.6
Hawaii	1,680.38	113.3	,784.6	1,874.2	1,764.81	105.0
Idaho	1,141.60	76.9	1,145.0	1,027.5	1,024.38	89.7
Illinois	1,422.93	95.9	16,439.1	17,429.1	1,508.62	106.0
Indiana	1,288.84	86.9	7,093.8	6,692.2	1,215.88	94.3
Iowa	1,242.44	83.7	3,542.2	3,998.6	1,402.53	112.9
Kansas	1,420.52	95.7	3,495.9	3,369.5	1,369.16	96.4
Kentucky	1,133.17	76.4	4,224.4	3,772.5	1,011.94	89.3
Louisiana	1,337.44	90.1	6,019.8	5,466.9	1,214.60	90.8
Maine	1,402.27	94.5	1,646.3	1,626.2	1,385.16	98.8
Maryland	1,596.56	107.6	7,125.5	7,048.5	1,579.31	98.9
Massachusetts	1,832.83	123.5	10,689.1	11,051.9	1,895.04	103.4
Michigan	1,426.90	96.2	13,049.0	15,418.5	1,686.00	118.2
Minnesota	1,518.81	102.4	6,400.3	6,901.2	1,637.69	107.8
Mississippi	969.36	65.3	2,544.6	2,459.9	937.12	96.7
Missouri	1,375.78	92.7	6,969.7	5,688.6	1,122.90	81.6
Montana	1,305.52	88.0	1,069.2	1,103.6	1,347.54	103.2
Nebraska	1,352.92	91.2	2,162.0	2,079.5	1,301.31	96.2
Nevada	2,178.26	146.8	2,097.7	1,368.5	1,421.04	65.2
New Hampshire	1,771.23	119.4	1,819.1	1,121.0	1,091.49	61.6
New Jersey	1,788.46	120.5	13,628.0	14,000.4	1,837.32	102.7
New Mexico	1,354.99	91.3	2,004.0	1,760.2	1,190.16	87.8
New York	1,584.09	106.8	28,152.4	42,640.5	2,399.31	151.5
North Carolina	1,310.08	88.3	8,294.1	7,593.0	1,199.33	91.5
North Dakota	1,393.37	93.9	946.1	837.8	1,233.91	88.6
Ohio	1,347.21	90.8	14,485.3	14,920.4	1,387.69	103.0
Oklahoma	1,455.47	98.1	4,810.3	4,075.6	1,233.15	84.7
Oregon	1,383.78	93.3	3,733.4	3,669.6	1,360.12	98.3
Pennsylvania	1,331.14	89.7	15,825.9	16,046.6	1,349.71	101.4
Rhode Island	1,363.50	91.9	1,329.4	1,475.8	1,513.64	111.0
South Carolina	1,166.64	78.6	3,940.9	3,685.6	1,091.07	93.5
South Dakota	1,153.85	77.8	816.9	776.3	1,096.50	95.0
Tennessee	1,238.89	83.5	5,950.4	4,982.7	1,037.41	83.7
Texas	1,535.68	103.5	25,618.2	20,258.0	1,214.36	79.1
Utah	1,193.53	80.4	1,987.2	2,117.4	1,271.68	106.5
Vermont	1,474.17	99.4	797.5	728.9	1,347.37	91.4
Virginia	1,494.72	100.7	8,649.9	7,361.9	1,272.14	85.1
Washington	1,450.75	97.8	6,474.7	6,648.1	1,489.59	102.7
West Virginia	1,133.18	76.4	2,174.6	2,131.6	1,110.80	98.0
Wisconsin	1,272.94	85.8	6,091.0	8,129.2	1,698.89	133.5
Wyoming	2,236.43	150.7	1,133.9	1,320.8	2,605.11	116.5
U.S. Total	$1,483.64	100.0	$357,672.4	$357,672.4	$1,483.64	100.0

Note: All per capita amounts are in dollars; total amounts are in millions of dollars.
Source: Price Waterhouse

Table B–13

State Fiscal Capacity Indexes, by Region, 1980–1988

(100 = U.S. Average)

States by Region	PCI					GSP					TTR					RTS					RRS				
	80	82	84	86	88	80	82	84	86	88	80	82	84	86	88	80	82	84	86	88	80	82	84	86	88
New England																									
Connecticut	121	126	130	134	140	109	113	120	127	NA	NA	119	125	131	134	112	117	124	135	143	NA	NA	126	137	142
Maine	82	83	85	87	92	77	79	82	85	NA	NA	81	83	86	88	80	84	88	95	98	NA	NA	86	91	97
Massachusetts	106	111	117	121	126	96	100	107	114	NA	NA	106	112	117	121	96	101	111	124	129	NA	NA	110	121	131
New Hampshire	96	101	105	109	118	86	91	97	104	NA	NA	96	101	106	109	97	100	110	119	126	NA	NA	111	123	123
Rhode Island	97	97	99	100	102	82	83	86	90	NA	NA	90	92	95	96	84	81	86	92	99	NA	NA	91	100	100
Vermont	84	88	88	91	93	81	84	87	92	NA	NA	86	87	91	92	85	89	95	99	105	NA	NA	92	97	102
Mideast																									
Delaware	106	103	103	103	107	100	105	106	106	NA	NA	104	104	104	106	111	115	123	121	124	NA	NA	127	124	120
District of Columbia	129	128	130	132	130	254	255	257	266	NA	NA	192	193	198	202	111	115	120	122	123	NA	NA	121	122	126
Maryland	109	111	113	115	118	90	92	95	99	NA	NA	102	104	107	108	99	100	105	108	109	NA	NA	105	107	111
New Jersey	116	120	124	127	133	102	107	112	117	NA	NA	114	118	122	125	105	106	114	121	124	NA	NA	118	125	126
New York	107	111	114	117	117	104	109	112	117	NA	NA	110	113	117	118	90	92	98	107	109	NA	NA	100	108	110
Pennsylvania	99	100	97	97	98	90	89	88	89	NA	NA	94	92	93	94	93	89	88	90	94	NA	NA	89	91	95
Great Lakes																									
Illinois	110	108	107	106	107	106	104	104	104	NA	NA	106	105	105	106	108	99	97	96	99	NA	NA	98	97	100
Indiana	94	90	90	90	91	92	87	88	89	NA	NA	89	89	89	90	92	89	87	87	87	NA	NA	87	86	88
Michigan	103	97	99	101	100	95	89	93	96	NA	NA	93	96	99	99	97	93	93	96	95	NA	NA	93	96	96
Ohio	99	95	96	95	94	96	93	94	94	NA	NA	94	95	95	95	97	92	90	91	91	NA	NA	91	92	92
Wisconsin	99	96	96	95	94	95	94	93	92	NA	NA	95	95	94	94	95	87	89	86	90	NA	NA	89	86	90
Plains																									
Iowa	97	94	91	91	89	101	97	91	88	NA	NA	95	91	90	90	105	96	87	84	83	NA	NA	87	84	84
Kansas	104	103	100	100	96	101	103	101	99	NA	NA	103	100	100	98	109	106	100	96	91	NA	NA	99	95	91
Minnesota	102	101	102	102	101	102	101	103	103	NA	NA	101	103	103	102	102	99	101	102	104	NA	NA	100	101	103
Missouri	93	94	94	94	94	92	93	95	95	NA	NA	93	95	95	95	94	91	89	93	90	NA	NA	90	92	89
Nebraska	94	96	94	94	90	98	100	96	95	NA	NA	98	95	95	93	97	97	93	91	90	NA	NA	93	91	89
North Dakota	91	91	88	85	78	106	114	100	91	NA	NA	103	94	88	86	108	115	106	94	86	NA	NA	106	93	85
South Dakota	82	83	81	81	77	85	84	82	80	NA	NA	83	81	80	79	90	87	83	78	78	NA	NA	83	77	78
Southeast																									
Alabama	79	77	77	77	78	76	76	78	78	NA	NA	77	78	78	78	76	74	73	74	76	NA	NA	78	75	77
Arkansas	75	75	76	76	74	74	76	78	77	NA	NA	76	77	76	76	79	79	75	73	74	NA	NA	74	73	74
Florida	97	99	99	100	101	84	84	86	88	NA	NA	91	93	94	93	100	104	105	105	104	NA	NA	102	102	103
Georgia	84	86	90	92	93	86	88	94	97	NA	NA	87	92	94	94	82	84	89	94	94	NA	NA	88	92	93
Kentucky	81	80	79	77	78	86	86	85	82	NA	NA	83	82	79	81	83	82	77	76	81	NA	NA	77	76	80
Louisiana	89	89	83	76	75	125	129	113	95	NA	NA	109	98	86	87	109	113	102	90	83	NA	NA	107	95	84
Mississippi	69	70	68	66	67	72	74	73	70	NA	NA	72	70	68	69	69	71	70	65	65	NA	NA	69	65	65
North Carolina	82	81	84	85	87	85	86	91	92	NA	NA	83	87	88	89	80	82	87	88	91	NA	NA	85	87	89
South Carolina	78	76	78	77	78	74	74	77	76	NA	NA	75	77	77	77	75	74	77	79	79	NA	NA	76	77	78
Tennessee	81	80	81	82	84	83	83	85	88	NA	NA	82	83	84	85	79	77	81	84	84	NA	NA	79	82	84
Virginia	99	101	103	105	107	93	96	99	103	NA	NA	98	101	104	104	95	94	96	101	104	NA	NA	96	100	104
West Virginia	82	78	74	72	71	84	81	75	72	NA	NA	80	74	72	73	94	92	79	76	78	NA	NA	77	75	76

Table B–13 (cont.)

State Fiscal Capacity Indexes, by Region, 1980–1988

(100 = U.S. Average)

States by Region	PCI					GSP					TTR					RTS					RRS				
	80	82	84	86	88	80	82	84	86	88	80	82	84	86	88	80	82	84	86	88	80	82	84	86	88
Southwest																									
Arizona	93	89	91	92	91	93	87	91	92	NA	NA	88	91	92	90	89	96	99	99	99	NA	NA	96	96	97
New Mexico	84	83	80	78	76	107	109	101	92	NA	NA	96	91	85	84	107	115	103	91	83	NA	NA	121	100	88
Oklahoma	95	99	89	84	81	106	113	96	87	NA	NA	106	93	85	85	117	126	113	98	89	NA	NA	108	95	87
Texas	99	102	97	92	88	122	124	115	105	NA	NA	113	106	98	97	124	130	117	104	96	NA	NA	114	100	95
Rocky Mountain																									
Colorado	107	110	107	104	100	110	110	107	104	NA	NA	110	107	104	102	113	121	121	117	107	NA	NA	119	115	106
Idaho	85	81	79	77	77	87	80	79	75	NA	NA	80	79	76	77	88	86	78	77	76	NA	NA	77	76	76
Montana	88	88	83	81	78	103	102	91	85	NA	NA	95	87	83	83	112	110	95	88	85	NA	NA	96	88	84
Utah	81	78	77	75	74	87	86	85	83	NA	NA	82	81	79	79	86	86	81	80	78	NA	NA	81	79	76
Wyoming	116	107	93	87	83	195	191	155	132	NA	NA	149	124	110	113	196	201	181	151	123	NA	NA	202	160	118
Far West																									
California	116	115	115	115	114	116	112	113	114	NA	NA	114	114	115	112	117	116	119	118	116	NA	NA	118	118	115
Nevada	114	109	105	105	106	126	118	114	116	NA	NA	113	110	111	107	154	151	146	147	135	NA	NA	136	136	129
Oregon	98	92	92	91	90	97	87	88	88	NA	NA	90	90	90	89	103	99	94	93	91	NA	NA	92	92	91
Washington	108	105	102	103	100	105	99	99	100	NA	NA	102	101	101	99	103	102	99	98	98	NA	NA	98	97	98
Alaska	137	152	138	122	116	271	329	263	211	NA	NA	241	200	166	167	260	313	250	177	159	NA	NA	357	285	255
Hawaii	107	102	100	102	102	115	107	103	105	NA	NA	105	102	103	102	107	117	118	113	114	NA	NA	113	109	111

Source: Price Waterhouse Compilation.

PCI from U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1984 and 1989.

GSP from U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, May 1988.

TTR from U.S. Department of the Treasury, Office of the Assistant Secretary for Economic Policy.

RTS and RRS from ACIR reports on measuring fiscal capacity.

Recent Publications of the Advisory Commission on Intergovernmental Relations

State Constitutional Law: Cases and Materials, 1990-91 Supplement, M-172, 9/90, 56 pp.	$7.00
Intergovernmental Regulation of Telecommunications, A-115, 7/90, 48 pp.	$10.00
The Volume Cap for Tax-Exempt Private-Activity Bonds: State and Local Experience in 1989, M-171, 7/90, 36 pp.	$7.50
Significant Features of Fiscal Federalism, 1990 Edition, Volume I, M-169, 1/90, 152 pp.	$17.50
Volume II, M-169-II, 7/90, 220 pp.	$17.50
State and Local Initiatives on Productivity, Technology, and Innovation, A-114, 6/90, 180 pp.	$25.00
Local Revenue Diversification: Rural Economies, SR-13, 4/90, 60 pp.	$8.00
State Taxation of Banks: Issues and Options, M-168, 12/89, 48 pp.	$10.00
A Catalog of Federal Grant-in-Aid Programs to State and Local Governments: Grants Funded FY 1989, M-167, 10/89, 40 pp.	$10.00
Local Revenue Diversification: Local Sales Taxes, SR-12, 9/89, 56 pp.	$8.00
Changing Public Attitudes on Governments and Taxes: 1989, S-18, 9/89, 36 pp.	$10.00
State Constitutions in the Federal System: Selected Issues and Opportunities for State Initiatives, A–113, 7/89, 128 pp.	$15.00
Residential Community Associations: Questions and Answers for Public Officials, M-166, 7/89, 40 pp.	$5.00
Residential Community Associations: Private Governments in the Intergovernmental System? A-112, 5/89, 128 pp.	$10.00
Readings in Federalism—Perspectives on a Decade of Change, SR-11, 5/89, 128 pp.	$10.00
Disability Rights Mandates: Federal and State Compliance with Employment Protections and Architectural Barrier Removal, A-111, 4/89, 136 pp.	$10.00
Hearings on Constitutional Reform of Federalism: Statements by State and Local Government Association Representatives, M-164, 1/89, 60 pp.	$5.00
State and Federal Regulation of Banking: A Roundtable Discussion, M-162, 11/88, 36 pp.	$5.00
Assisting the Homeless: State and Local Responses in an Era of Limited Resources, M-161, 11/88, 160 pp.	$10.00
Devolution of Federal Aid Highway Programs: Cases in State-Local Relations and Issues in State Law, M-160, 10/88, 60 pp.	$5.00
State Regulations of Banks in an Era of Deregulation, A-110, 9/88, 36 pp.	$10.00
State Constitutional Law: Cases and Materials, M-159, 9/88, 480 pp.	$25.00
Local Revenue Diversification: Local Income Taxes, SR-10, 8/88, 52 pp.	$5.00
Metropolitan Organization: The St. Louis Case, M-158, 9/88, 176 pp.	$10.00
Interjurisdictional Competition in the Federal System: A Roundtable Discussion, M-157, 8/88, 32 pp.	$5.00
State-Local Highway Consultation and Cooperation: The Perspective of State Legislators, SR-9, 5/88, 54 pp.	5.00
Governments at Risk: Liability Insurance and Tort Reform, SR-7, 12/87, 42 pp.	$5.00
The Organization of Local Public Economies, A-109, 12/87, 64 pp.	$5.00
Is Constitutional Reform Necessary to Reinvigorate Federalism? A Roundtable Discussion, M-154, 11/87, 39 pp.	$5.00
Local Revenue Diversification: User Charges, SR-6, 10/87, 64 pp.	$5.00
The Transformation in American Politics: Implications for Federalism, B-9R, 10/87, 88 pp.	$5.00
Devolving Selected Federal-Aid Highway Programs and Revenue Bases: A Critical Appraisal, A-108, 9/87, 56 pp.	$10.00
Estimates of Revenue Potential from State Taxation of Out-of-State Mail Order Sales, SR–5, 9/87, 10 pp.	$3.00
Federalism and the Constitution: A Symposium on *Garcia*, M-152, 7/87, 88 pp.	$10.00

What is ACIR?

The Advisory Commission on Intergovernmental Relations (ACIR) was created by the Congress in 1959 to monitor the operation of the American federal system and to recommend improvements. ACIR is a permanent national bipartisan body representing the executive and legislative branches of Federal, state, and local government and the public.

The Commission is composed of 26 members—nine representing the federal government, 14 representing state and local government, and three representing the public. The President appoints 20—three private citizens and three federal executive officials directly, and four governors, three state legislators, four mayors, and three elected county officials from slates nominated by the National Governors' Association, the National Conference of State Legislatures, the National League of Cities, U.S. Conference of Mayors, and the National Association of Counties. The three U.S. Senators are chosen by the President of the Senate and the three U.S. Representatives by the Speaker of the House of Representatives.

Each Commission member serves a two-year term and may be reappointed.

As a continuing body, the Commission addresses specific issues and problems, the resolution of which would produce improved cooperation among governments and more effective functioning of the federal system. In addition to dealing with important functional and policy relationships among the various governments, the Commission extensively studies critical governmental finance issues. One of the long-range efforts of the Commission has been to seek ways to improve federal, state, and local governmental practices and policies to achieve equitable allocation of resources and increased efficiency and equity.

In selecting items for the research program, the Commission considers the relative importance and urgency of the problem, its manageability from the point of view of finances and staff available to ACIR, and the extent to which the Commission can make a fruitful contribution toward the solution of the problem.

After selecting specific intergovernmental issues for investigation, ACIR follows a multistep procedure that assures review and comment by representatives of all points of view, all affected levels of government, technical experts, and interested groups. The Commission then debates each issue and formulates its policy position. Commission findings and recommendations are published and draft bills and executive orders developed to assist in implementing ACIR policy recommendations.

ISSN 1042-6027