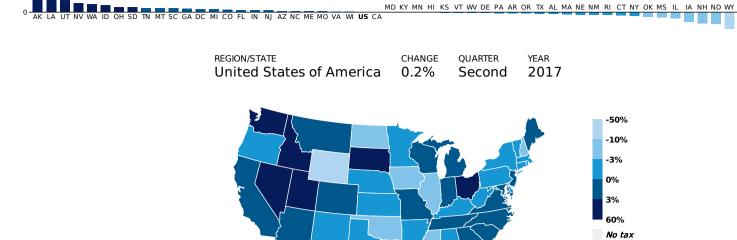
Examining inflation-adjusted total, sales, individual income, and corporate income tax revenue data for all 50 states and DC during the most recent four quarters compared with the previous four quarters.

Total Tax Revenue (inflation-adjusted, percent change year over year)

Real total state tax revenue increased 0.2 percent in the year ending in the second quarter of 2017 compared with one year earlier.



Source: US Census Bureau. (http://www.census.gov/govs/qtax/)
Note: Four quarters ending in the second quarter of 2017 are compared with four quarters ending in the the second quarter of 2016.

Total state tax revenue (http://www.urban.org/policy-centers/cross-center-initiatives/state-local-finance-initiative/state-and-local-backgrounders/state-and-local-revenues) increased 0.2 percent in real terms during the year ending in the second quarter of 2017 compared with the previous yearlong period.

Real tax revenues fell in 25 states. The largest decline was in Wyoming (-11.6 percent). Over the past few years (http://apps.urban.org/features/state-economic-monitor/historical.html), states experiencing the

deepest tax revenue losses (such as Wyoming and North Dakota, at -8.2 percent) have been especially reliant on natural resource extraction taxes, also known as severance taxes (https://www.urban.org/policy-centers/cross-center-initiatives/state-local-finance-initiative/state-and-local-backgrounders/severance-taxes).

However, revenues declined over the past year in several other states, such as Iowa, Mississippi, New

Hampshire, and New York, with little or no severance tax revenue. Of those states, only Mississippi (http://www.clarionledger.com/story/news/politics/2016/05/13/bryant-signs-bill-cut-415-million-business-

income-taxes/84353830/)passed a major tax cut, although most of its tax cuts did not go into effect until after the reported data.

Total tax revenues grew 51.6 percent in Alaska, the most of any state. Alaska depends on severance taxes (https://www.urban.org/policy-centers/cross-center-initiatives/state-local-finance-initiative/state-and-local-backgrounders/severance-taxes) more than any other state; as a result, its revenue rises and falls

dramatically with the price and production of oil. The recent increase reflects a rebound from a steep decline in the previous two years. The state also changed tax credit rules (https://gov.alaska.gov/newsroom/2016/06/governor-walker-vetoes-1-29-billion-to-preserve-state-savings/) in 2016, an action that helped raise revenues. However, Alaska's total tax revenues were still less than half the

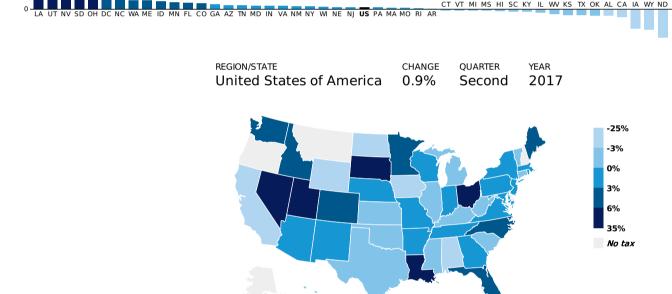
Tax revenue grew 14.9 percent in Louisiana, the second-highest growth among the states, mainly because of sales tax revenue increases described below. Only Idaho, Nevada, Utah, Washington also saw real total tax

revenue for the same period ending in 2015.

revenue growth of more than 5.0 percent.

Sales Tax Revenue (inflation-adjusted, percent change year over year)

Real total state tax revenue increased 0.9 percent in the year ending in the second quarter of 2017 compared with one year earlier.



Note: Four quarters ending in the second quarter of 2017 are compared with four quarters ending in the second quarter of 2016.

Total general sales tax revenue increased 0.9 percent in real terms for the year ending in the second quarter

of 2017 compared with the previous four quarters. Revenue declined in 17 of the 45 states that levy a general sales tax (http://www.urban.org/policy-centers/cross-center-initiatives/state-local-finance-initiative/projects/state-and-local-backgrounders/sales-taxes). The largest declines were in North Dakota (-13.9 percent), Wyoming (-9.8 percent), and Iowa (-9.3 percent).

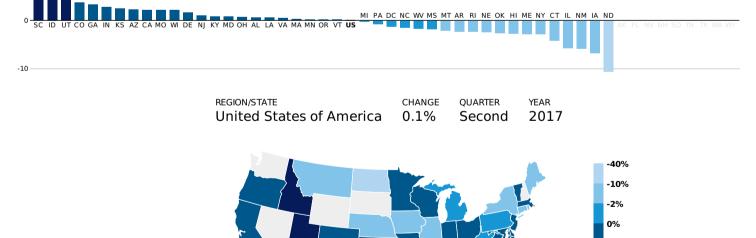
Sales tax revenue increased the most in Louisiana (32.2 percent), which raised its sales tax rate

(http://revenue.louisiana.gov/LawsPolicies/RIB16-013.pdf) from 4 to 5 percent and made more purchases taxable in April 2016. Sales tax revenue also increased more than 10.0 percent in Utah and Nevada. Neither state passed substantial sales tax changes during the period.

Personal Income Tax Revenue (inflation-adjusted, percent change year over year) Real total state tax revenue increased 0.1 percent in the year ending in the second quarter of the second quarter o

Source: US Census Bureau. (http://www.census.gov/govs/qtax/)

Real total state tax revenue increased 0.1 percent in the year ending in the second quarter of 2017 compared with one year earlier.



20% No tax

Total individual income tax (http://www.urban.org/policy-centers/cross-center-initiatives/state-local-finance-initiative/projects/state-and-local-backgrounders/individual-income-taxes) revenue increased 0.1 percent in

Source: US Census Bureau. (http://www.census.gov/govs/qtax/)
Note: Four quarters ending in the second quarter of 2017 are compared with four quarters ending in the the second quarter of 2016.

real terms during the year ending in the second quarter of 2017 compared with the previous four quarters. The nearly flat revenue may in part reflect taxpayers delaying capital gain realizations and other investment income from 2016 to 2017 in anticipation of lower federal tax rates (as advocated by President Trump and members of Congress).

Overall, the District of Columbia and 18 of the 41 states with broad-based income taxes experienced real

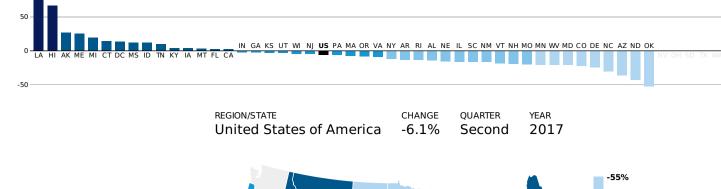
Overall, the District of Columbia and 18 of the 41 states with broad-based income taxes experienced real income tax revenue decreases over the year. The largest decline was in North Dakota (-10.6 percent), which is struggling economically as oil and natural gas production continue to fall. The state also recently cut its income tax (https://www.nd.gov/tax/data/upfiles/media/Income Tax Newsletter (January 2016).pdf? 20160920131512).

Income tax revenue fell more than 5.0 percent in Illinois, Iowa, and New Mexico. None of those states passed income tax cuts over the period, but Illinois (http://www.taxpolicycenter.org/taxvox/dont-laugh-illinois-your-state-could-be-next) did increase its tax rate in July 2017 (not reflected in this data) after a long struggle with budget problems.

The largest increases in individual income tax revenue were in South Carolina (8.5 percent), Idaho (7.1 percent), and Utah (5.4 percent). These were the only states that saw income tax collections increase more than 5.0 percent. None of them passed income tax increases over the period.

Corporate Income Tax Revenue (inflation-adjusted, percent change year over year)

Real total state tax revenue decreased 6.1 percent in the year ending in the second quarter of 2017 compared with one year earlier.



-20%
-10%
0%
40%
170%
No tax

Source: US Census Bureau. (http://www.census.gov/govs/qtax/)
Note: Four quarters ending in the second quarter of 2017 are compared with four quarters ending in the the second quarter of 2016.

Total corporate income taxes (http://www.urban.org/policy-centers/cross-center-initiatives/state-local-finance-

initiative/projects/state-and-local-backgrounders/corporate-income-taxes) declined 6.1 percent in real terms over the year ending in the second quarter of 2017 compared with the previous year. Real revenue declined in 30 of the 44 states with a broad-based corporate income tax. Nevada, Ohio, Texas, Washington, and Wyoming do not tax corporate income; South Dakota taxes only financial institutions.

State corporate income tax revenue is always volatile: profits fluctuate, the timing of tax payments change as

states offer amnesty programs, and prior losses can offset current profits. Uncertain but expected reforms

to federal tax law could also affect corporate actions and investments. Over the past year, real revenue changes ranged from a 52.7 percent decline in Oklahoma to an 86.5 percent increase in Louisiana.

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