



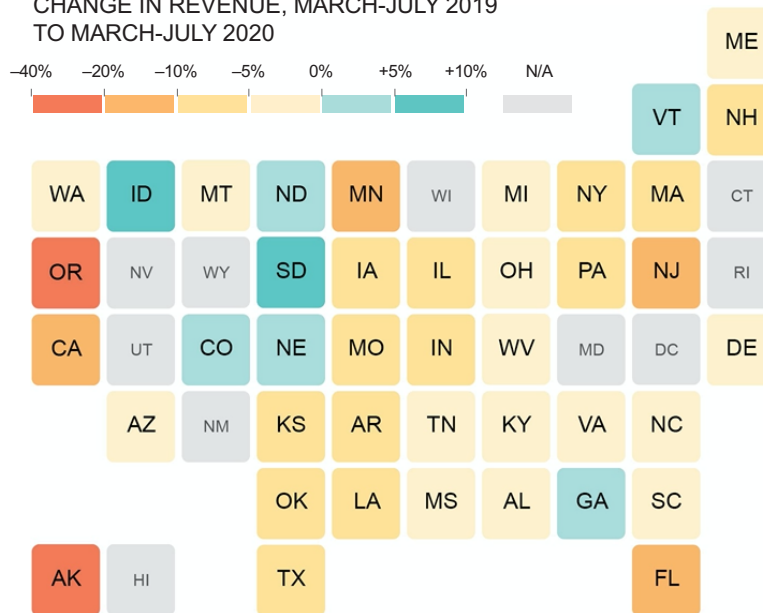
September 22, 2020

State tax revenues fall during pandemic

An Urban Institute analysis shows state tax revenue from several sources has fallen during the Covid-19 pandemic. Overall tax revenues are down 7.6 percent across the country since the pandemic began (March to July), compared to the same period in 2019. Corporate income tax collections have fallen 11.8 percent, the largest decline compared to either personal income or sales tax collections. A separate analysis by the Pew Research Center showed that in the fourth quarter of 2019, prior to the pandemic, state tax collections had reached their highest levels since the Great Recession.

Change in state tax revenue during Covid-19 pandemic

CHANGE IN REVENUE, MARCH-JULY 2019
TO MARCH-JULY 2020



Idaho, South Dakota lead small number of states in modest revenue increases

Just seven out of 42 states for which data is available have seen an increase in tax revenue in the Covid-19 pandemic, led by Idaho, which has seen a 9.5 percent increase from the same period in 2019. States that have seen revenue increases have seen fairly modest increases — a 3.3 percent average. States that have seen revenue losses have seen larger losses — a 7.4 percent average, led by Alaska, which has seen a 29 percent decrease.

Sources: Urban Institute, Pew Research Center

Notes: Complete information not available for Connecticut, Hawaii, Maryland, Nevada, New Mexico, Rhode Island, Utah and Wisconsin. Some partial information unavailable for other states. There is no personal income tax in Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming.



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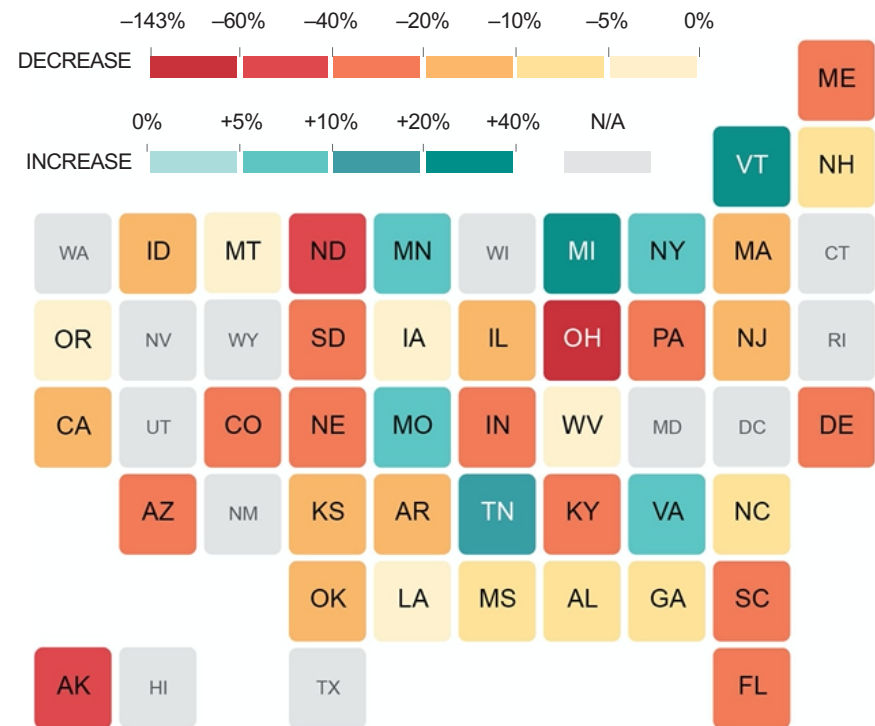
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Corporate tax collections saw greatest variability across states

The Urban Institute broke out collections for several sources of revenue: Corporate, personal income and sales taxes by state. Overall collections of each of these taxes fell — corporate by 11.8 percent, sales taxes by 6.9 percent and personal income taxes by 6.7 percent.

Corporate income tax collections saw the widest range of change, from a 143 percent decrease (Ohio) to a 38 percent increase (Vermont). Sales taxes have seen the least variance among states. Some changes in tax revenue can be attributed to changes in tax laws. A December 2019 Tax Foundation overview of tax changes showed 35 states were set to see tax law changes in 2020. This included a decrease in individual income taxes in Arkansas, Tennessee and Massachusetts (all of which have seen reductions in personal income tax revenue during the pandemic).

Change in state corporate income tax revenue MARCH-JULY 2019 TO MARCH-JULY 2020



Sources: Urban Institute, Pew Research Center

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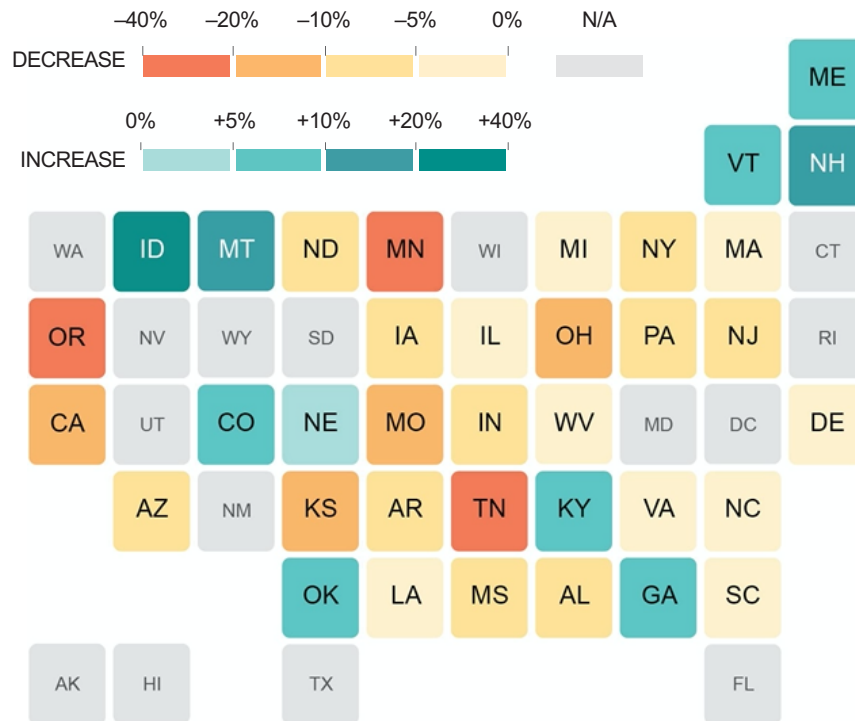


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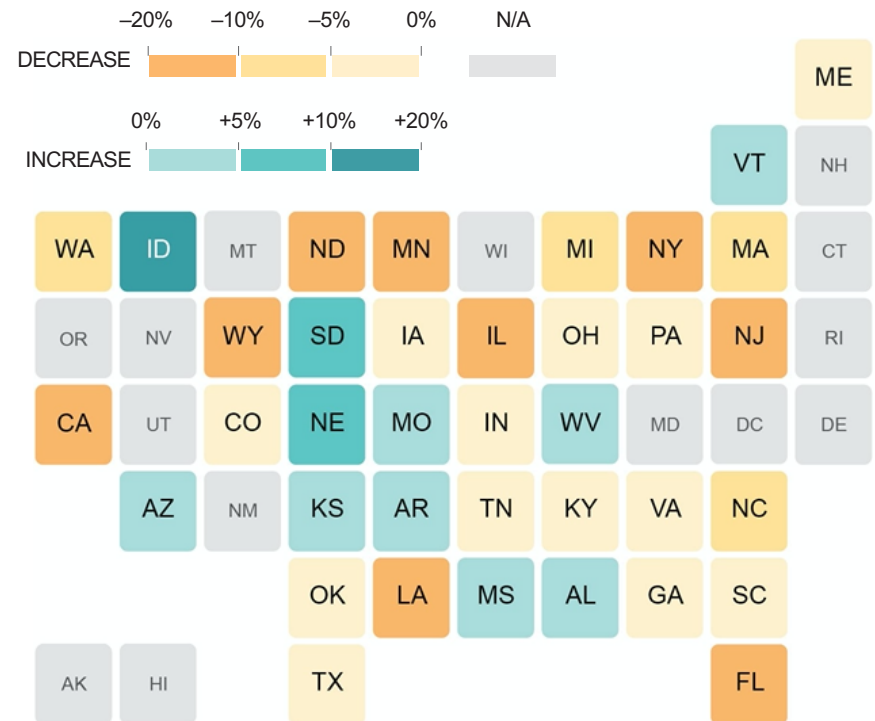
Change in state personal income tax revenue

MARCH-JULY 2019 TO MARCH-JULY 2020



Change in state sales tax revenue

MARCH-JULY 2019 TO MARCH-JULY 2020



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