

The Fiscal Impact

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State Tax Collection by Source: Georgia versus the Southeast and the Nation

Georgia experienced absolute gains in state tax revenue collections between 2002 and 2005, particularly for selective sales, individual income, and corporate income taxes. The relative growth of various revenue sources was not even during this period—some sources grew faster than others and these shares are shown in Table 1. As a share of total tax revenue, property and sales taxes were largely unchanged. Individual income tax collections in Georgia surpassed regional and national averages in both 2002 and 2005. However, as a share of total tax revenue, the individual income tax fell slightly between 2002 and 2005. Sales tax revenue shares were 1.2 percentage points higher than the national averages in 2005, but 2.4 percentage points lower than the regional average in the same year.

Georgia's corporate income tax revenues accounted for 4.5 percent of state tax revenues in 2005, 0.4 percentage points higher than in 2002. Table 1 shows that the U.S. and Southeast average state corporate income tax shares increased by 1.3 and 1.5 percentage points, respectively between 2002 and 2005. In spite of the gains in Georgia's corporate income tax revenue collections between 2002 and 2005, the state's gains in corporate income tax revenue were not quite as strong as those witnessed by the comparison group nor of the nation. Overall, there was an increase in state corporate income tax collections between 2002 and 2005 for all states in the Southeast, though only three states had corporate income tax shares in excess of the U.S. and Southeast averages in 2005 compared to five states in 2002.

TABLE 1. STATE TAX COLLECTION BY SOURCE (PERCENTAGE OF TOTAL)

	Property		Sales		Selective Sales*		Individual Income		Corporate Income		Other	
	2002	2005	2002	2005	2002	2005	2002	2005	2002	2005	2002	2005
Alabama	3.0	3.0	26.9	26.1	25.1	25.1	31.2	32.5	5.0	5.1	8.8	8.3
Arkansas	9.4	8.5	37.6	39.3	13.6	13.5	29.2	28.6	3.4	4.2	6.8	5.9
Florida	1.7	0.9	56.8	56.2	19.9	19	--	--	4.8	5.3	16.8	18.7
Georgia	0.4	0.4	35.1	33.9	8.6	10.6	47.1	46.7	4.1	4.5	4.7	3.8
Kentucky	5.5	5.2	30.0	28.5	17.9	18.2	33.6	33.4	3.8	5.3	9.2	9.3
Louisiana	0.5	0.5	31.6	33.1	25.3	20.0	24.3	27.7	3.6	4.1	14.7	14.6
Mississippi	0.1	0.8	49.5	47.6	17.8	17.2	20.8	21.6	4.1	5.2	7.7	7.5
North Carolina	--	--	24.1	24.7	18.2	16.2	46.8	45.2	4.3	6.8	6.6	7.1
South Carolina	0.2	0.1	38.4	39.7	13.5	13.4	38.6	36.8	2.6	3.4	6.7	6.7
Tennessee	--	--	60.0	61.1	17.6	15.3	1.9	1.6	6.5	8.1	14.0	14.0
Virginia	0.2	0.1	21.9	19.4	15.5	15.0	52.2	52.5	2.4	3.8	7.5	19.2
West Virginia	0.1	0.1	27.1	25.5	27.0	24.6	29.1	27.2	6.2	10.8	10.5	11.8
Southeast Average	2.1	2.0	36.6	36.3	18.3	17.3	32.3	32.2	4.2	5.7	6.5	10.6
U.S. Total	1.8	1.7	33.6	32.7	15.5	15.2	34.7	34.1	4.7	6	9.8	10.2

Source: U.S. Bureau of Census and author's calculations.

-- Tax not levied at state level.

* Selective sales taxes are state Excise taxes (i.e., motor fuel, alcoholic beverages, etc.)

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