



MONTHLY STATE REVENUE HIGHLIGHTS

State Tax Revenues Up 4.5 Percent in September 2019

Preliminary data from 47 states for September 2019 show growth in overall state tax collections for the nation. States also reported growth in personal income, corporate income, and sales tax collections. State tax revenues fluctuated wildly following enactment of the TCJA. But growth in state tax revenues returned to normal levels in July, August, and September, the first three months of state fiscal year 2020 in 46 states.

September State Tax Revenue Summary

- State **total tax** revenues totaled \$90.6 billion in September 2019, which was \$4.7 billion or 5.5 percent higher than a year earlier. Growth in the median state was 6.2 percent.
- September state **personal income tax** revenues totaled \$40.4 billion, which was \$1.6 billion or 4.0 percent higher than the previous year. Growth in the median state was higher, at 7.1 percent.
- September state **corporate income tax** revenues totaled \$10.2 billion, which was \$1.0 billion or 10.3 percent above the previous year. Growth in the median state was slightly weaker, at 10.1 percent.
- September state **sales tax** revenues totaled \$26.8 billion, which was \$1.3 billion or 5.3 percent higher than a year earlier. Growth in the median state was slightly weaker, at 5.1 percent.

Fiscal Year-to-Date State Tax Revenue Summary

- State **total tax** revenues totaled \$215.2 billion in the first three months of state fiscal year 2020, which was \$11.5 billion or 5.7 percent higher than the previous year. Growth in the median state was 4.5 percent.
- Fiscal year-to-date state **personal income tax** revenues totaled \$90.1 billion, which was \$3.8 billion or 4.4 percent higher than the previous year. Growth in the median state was 5.1 percent.
- Fiscal year-to-date state **corporate income tax** revenues totaled \$13.1 billion, which was \$1.3 billion or 11.0 percent higher than a year earlier. Growth in the median state was weaker, at 3.5 percent.
- Fiscal year-to-date state **sales tax** revenues totaled \$77.5 billion, which was \$5.3 billion or 7.4 percent higher than a year earlier. Growth in the median state was weaker, at 5.6 percent.

State Tax Revenue Trends

Tax source	September 2018 (\$ millions)	September 2019 (\$ millions)	YOY percentage change	Fiscal YTD 2019 (\$ millions)	Fiscal YTD 2020 (\$ millions)	YOY percentage change
Total state tax revenues	\$85,940	\$90,626	5.5%	\$203,698	\$215,228	5.7%
Personal income tax	38,874	40,441	4.0	86,316	90,077	4.4
Corporate income tax	9,266	10,216	10.3	11,843	13,141	11.0
Sales tax	25,493	26,842	5.3	72,163	77,498	7.4

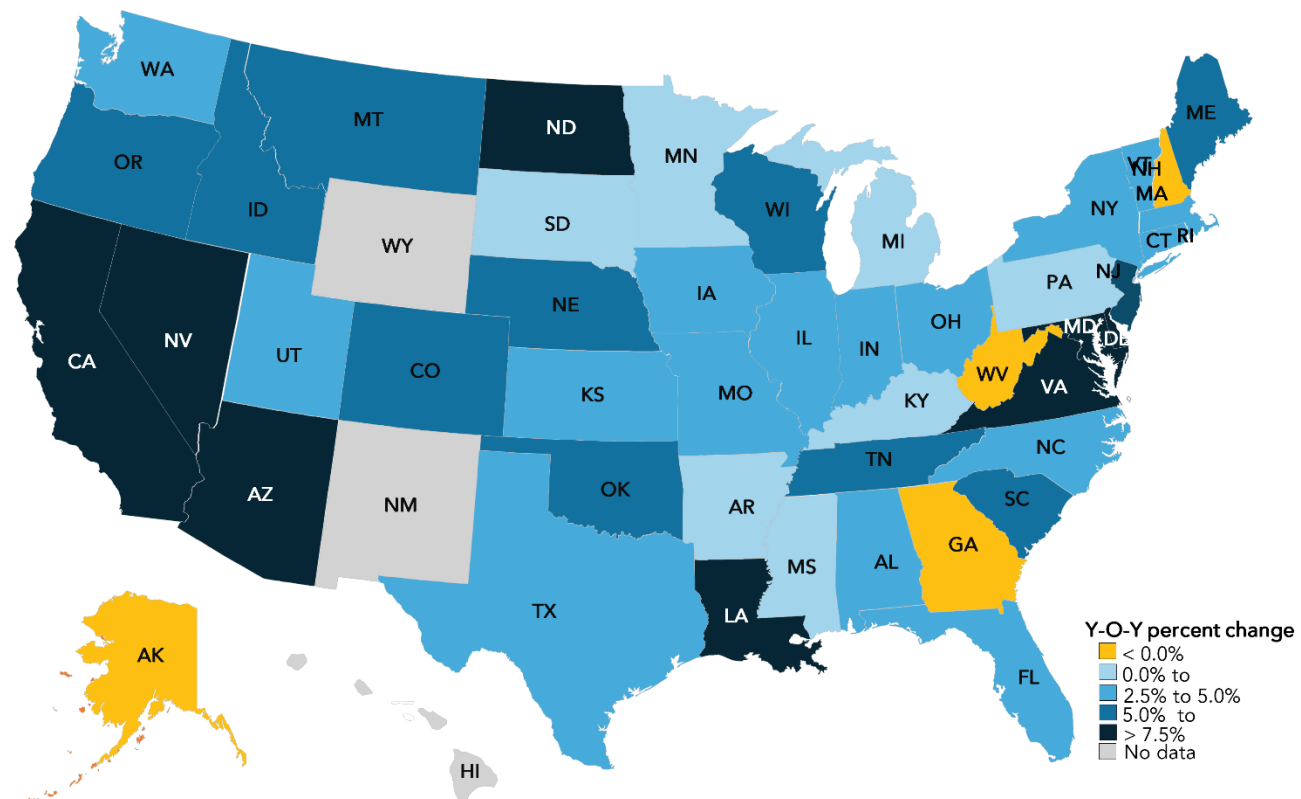
Note: YOY = year-over-year; YTD = year-to-date.

State Variations

- 43 states reported growth while 4 states reported declines in state **total tax** revenue collections in the July–September 2019 period, compared with the same period a year earlier. (Three states did not report data.)
- 37 states reported growth in **personal income tax** collections, while 4 states reported declines.
- 29 states reported growth in **corporate income tax** collections, while 15 states reported declines.
- 41 states reported growth in **sales tax** collections, while 1 state reported declines.

Percent Change in State Fiscal Year-to-Date Tax Revenues

July through September 2019 versus 2020, percent change



Growth in state tax revenues has softened substantially in the first three months of state fiscal year 2020, mostly because of the disappearing impact of the TCJA. This follows two years of high volatility in state income tax revenue growth due not to underlying economic factors, but because of federal policy changes and state responses. While the TCJA could continue to have lingering effects on state personal and corporate income tax collections in the next few years, we believe the largest swings are behind us.

ABOUT THE PROJECT

The [State and Local Finance Initiative](#) at the Urban Institute is launching a new series of *Monthly State Revenue Highlights*, which provide overviews of state tax revenue trends for major sources of taxes and trends across the states, based on analysis by Lucy Dadayan. For more comprehensive analysis of trends in state tax revenues and the underlying economic indicators, please read our *State Tax and Economic Review* quarterly reports, available [here](#). You can gain access to the *Monthly State Revenue Highlights*, as well as to the full datasets, through our subscription service, available [here](#).