



MONTHLY STATE REVENUE HIGHLIGHTS

State Tax Revenues Up 5.5 Percent in December 2019

Preliminary data from 46 states for December 2019 show continued growth in overall state tax collections for the nation. States also reported growth in all three major sources of taxes: personal income tax, corporate income tax, and sales tax. After fluctuating wildly following the enactment of the Tax Cuts and Jobs Act (TCJA) in December 2017, state revenue growth has normalized over the last six months.

State Tax Revenue Trends

Tax source	December 2018 (\$ millions)	December 2019 (\$ millions)	YOY percent change	YOY median percent change	Fiscal YTD 2019 (\$ millions)	Fiscal YTD 2020 (\$ millions)	YOY percent change	YOY median percent change
Total state taxes	\$75,386	\$82,826	9.9%	5.5%	\$404,538	\$429,682	6.2%	4.6%
Personal income	31,408	34,202	8.9	5.4	169,398	178,363	5.3	5.4
Corporate income	8,754	9,901	13.1	8.9	22,916	26,389	15.2	10.8
Sales	23,023	25,768	11.9	4.1	144,504	153,784	6.4	5.2

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

December State Tax Revenue Summary

- State **total tax** revenues were \$82.8 billion in December 2019, which was \$7.4 billion or 9.9 percent higher than a year earlier. Growth in the median state was substantially weaker, at 5.5 percent.
- December state **personal income tax** revenues totaled \$34.2 billion, which was \$2.8 billion or 8.9 percent higher than the previous year. Growth in the median state was weaker, at 5.4 percent.
- December state **corporate income tax** revenues totaled \$9.9 billion, which was \$1.1 billion or 13.1 percent higher than the previous year. Growth in the median state was weaker, at 8.9 percent.
- December state **sales tax** revenues totaled \$25.8 billion, which was \$2.7 billion or 11.9 percent higher than a year earlier. Growth in the median state was substantially weaker, at 4.1 percent.

Fiscal Year-to-Date State Tax Revenue Summary

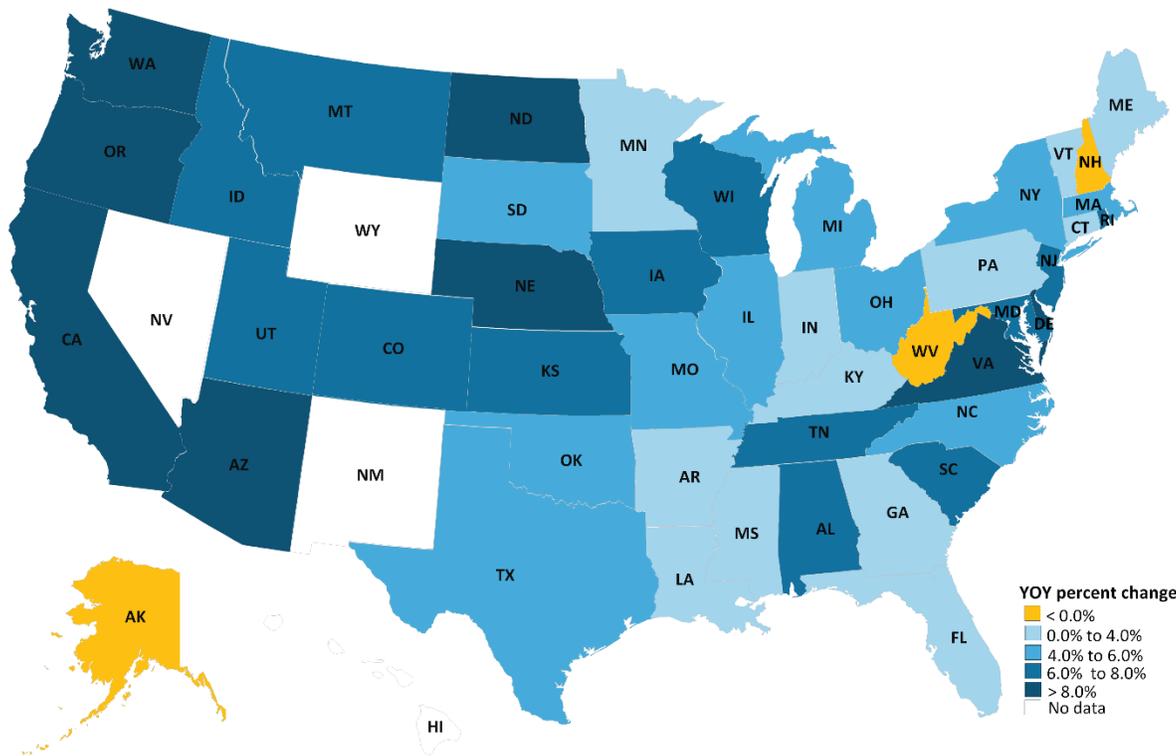
- State **total tax** revenues totaled \$429.7 billion from July 2019 through December 2019 (which corresponds to the first six months of fiscal year 2020 for 46 states), which was \$25.1 billion or 6.2 percent higher than the previous year. Growth in the median state was weaker, at 4.6 percent.
- Fiscal year-to-date state **personal income tax** revenues totaled \$178.4 billion, which was \$9.0 billion or 5.3 percent higher than the previous year. Growth in the median state was 5.4 percent.
- Fiscal year-to-date state **corporate income tax** revenues totaled \$26.4 billion, which was \$3.5 billion or 15.2 percent higher than a year earlier. Growth in the median state was weaker, at 10.8 percent.
- Fiscal year-to-date state **sales tax** revenues totaled \$153.8 billion, which was \$9.3 billion or 6.4 percent higher than a year earlier. Growth in the median state was weaker, at 5.2 percent.

State Variations

- 43 states reported growth while 3 states reported declines in state **total tax** revenue collections in the July– December 2019 period, compared with the same period a year earlier. (Four states did not yet report data.)
- 38 states reported growth in **personal income tax** collections, while 3 states reported declines.
- 30 states reported growth in **corporate income tax** collections, while 12 states reported declines.
- 39 states reported growth in **sales tax** collections, while 2 states reported declines.

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

July through December 2019 versus 2020, percent change



Growth in state tax revenues has softened substantially in the first six months of state fiscal year 2020, mostly because of the waning impact of the TCJA. Still, the TCJA could continue to have lingering effects on state personal and corporate income tax collections in the next few years. Moreover, because several provisions are temporary and scheduled to expire at the end of 2025; we expect there could be substantial impacts again on state income taxes if they are not extended. Rising policy and political uncertainties as well as the economic damage triggered by trade tensions will continue to weigh on the broader economy as well as on state tax revenues. We will continue monitoring and reporting state tax revenues and associated economic indicators on a timely basis and will report any warning signs of an economic slowdown or downturn.

ABOUT THE PROJECT

The [State and Local Finance Initiative](#) at the Urban Institute launched 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. You can gain access to the full datasets through our subscription service available [here](#).