

LR 155

*Tax Modernization
Committee*

Legislative Fiscal Office

July 10, 2013

United States

State and Local Finance Data

Data Source: U.S. Census Bureau, Governments Division Annual Surveys of State and Local Government Finances. Population and Personal Income data from the U.S. Bureau of Economic Analysis (last update March 27, 2013)

Calculations: Legislative Fiscal Office using the latest population and personal income data.

State and Local Finance - Revenues

	FY2009-10 - % of PI				FY2009-10 Per Capita			
	U.S. Avg	Six State Avg	Nebr	Rank	U.S. Avg	Six State Avg	Nebr	Rank
Revenues								
Property Tax	3.7%	3.5%	3.9%	19	1,427.80	1,322.80	1,480.24	17
General sales taxes	2.4%	2.5%	2.3%	28	921.06	950.85	874.17	26
Individual income taxes	2.2%	2.0%	2.2%	27	841.62	771.33	827.71	23
Corporate income taxes	0.4%	0.2%	0.2%	34	138.56	65.62	84.33	34
Motor fuel taxes	0.3%	0.3%	0.4%	13	122.46	127.50	163.49	8
Alcoholic and Tobacco taxes	0.2%	0.1%	0.1%	48	75.31	52.85	43.43	44
Public utilities	0.2%	0.2%	0.2%	14	91.46	57.36	90.67	15
Motor vehicle license	0.2%	0.2%	0.2%	16	72.73	84.60	89.95	14
All Other	1.1%	0.9%	1.0%	29	413.52	324.82	372.51	26
Subtotal: Taxes	10.7%	9.9%	10.6%	22	4,104.51	3,757.73	4,026.51	20
Charges & misc general revenue	5.1%	5.6%	5.5%	22	1,967.71	2,119.25	2,109.26	19
Intergovernmental (from Fed Govt)	5.3%	5.2%	5.0%	36	2,016.40	1,948.69	1,902.48	34
Total General Revenue	21.1%	20.7%	21.1%	31	8,088.62	7,825.67	8,038.26	22
Utility revenues	1.2%	1.0%	5.2%	1	471.04	384.72	1,976.22	1
Liquor store revenues	0.1%	0.0%	0.0%	22	25.18	17.51	0.00	22
Insurance trust revenues	4.4%	3.8%	2.1%	48	1,667.57	1,417.19	815.22	49
Total Revenue	26.8%	25.5%	28.4%	18	10,252.41	9,645.09	10,829.69	14
Population (millions)	309.330	18.334	1.830	38	309.330	18.334	1.830	38
Personal Income (millions)	11,852,715	692,773	69,675	36	11,852,715	692,773	69,675	36
Per Capita Personal Income	\$38,317	\$37,786	\$38,071	22	\$38,317	\$37,786	\$38,071	22

State and Local Finance - Expenditures

	FY2009-10 - % of PI				FY2009-10 Per Capita			
	U.S. Avg	Six State Avg	Nebr	Rank	U.S. Avg	Six State Avg	Nebr	Rank
<u>Expenditures:</u>								
Higher education	2.0%	2.2%	2.7%	16	784.69	836.15	1,009.46	11
Elementary/Secondary education	4.8%	4.7%	5.2%	15	1,855.72	1,759.73	1,982.94	11
Highways and Transportation	1.6%	1.8%	2.0%	18	601.32	696.98	744.74	15
Health and Welfare	5.8%	5.3%	5.2%	37	2,220.96	2,013.55	1,979.59	33
Public Safety (Police, Fire, Corrections)	1.9%	1.8%	1.4%	42	728.49	685.35	546.88	38
Government Administration	1.1%	1.0%	0.9%	42	410.07	392.79	332.52	40
Interest on general debt	0.9%	0.9%	0.5%	49	341.77	330.12	177.36	46
Environment and housing:	1.7%	1.6%	1.7%	21	641.85	596.83	649.79	19
All Other	1.6%	1.5%	1.5%	29	620.31	560.46	565.77	26
<i>Direct General Expenditure</i>	21.4%	20.8%	21.0%	33	8,205.19	7,871.94	7,989.05	28
Utility expenditure	1.7%	1.4%	5.5%	2	666.55	517.81	2,096.13	2
Liquor store expenditure	0.1%	0.0%	0.0%	22	20.74	13.22	0.00	22
Insurance trust	3.0%	2.6%	1.4%	51	1,163.14	978.52	524.67	51
Intergovernmental expenditures	0.0%	0.0%	0.1%	5	14.03	6.49	21.50	5
<i>Total Expenditures</i>	26.3%	24.8%	27.9%	17	10,069.65	9,387.99	10,631.34	15

State and Local Finance - % of Total

	FY2009-10 - % of Total		
	U.S. Avg	Six State Avg	Nebr
<u>Expenditures:</u>			
Higher education	9.6%	10.6%	12.6%
Elementary/Secondary education	22.6%	22.4%	24.8%
Highways and Transportation	7.3%	8.9%	9.3%
Health and Welfare	27.1%	25.6%	24.8%
Public Safety (Police, Fire, Corrections)	8.9%	8.7%	6.8%
Govt Administration	5.0%	5.0%	4.2%
Interest on general debt	4.2%	4.2%	2.2%
Environment and housing:	7.8%	7.6%	8.1%
All Other	7.6%	7.1%	7.1%
Direct General Expenditure	100.0%	100.0%	100.0%
<u>Revenues</u>			
Property Tax	17.7%	16.9%	18.4%
General sales taxes	11.4%	12.2%	10.9%
Individual income taxes	10.4%	9.9%	10.3%
Corporate income taxes	1.7%	0.8%	1.0%
Motor fuel taxes	1.5%	1.6%	2.0%
Alcoholic and Tobacco taxes	0.9%	0.7%	0.5%
Public utilities	1.1%	0.7%	1.1%
Motor vehicle license	0.9%	1.1%	1.1%
All Other	5.1%	4.2%	4.6%
Subtotal: Taxes	50.7%	48.0%	50.1%
Charges & misc general revenue	24.3%	27.1%	26.2%
Intergovernmental (from Fed Govt)	24.9%	24.9%	23.7%
Total General Revenue	100.0%	100.0%	100.0%

State and Local Finance – Average Growth

	FY90 to FY2010 - Total			FY90 to FY2010 – Per Capita		
	U.S. Avg	Six State Avg	Nebr	U.S. Avg	Six State Avg	Nebr
<u>Expenditures:</u>						
Higher education	6.2%	5.8%	5.7%	5.0%	4.7%	4.9%
Elementary/Secondary education	5.4%	5.3%	5.4%	4.2%	4.2%	4.6%
Highways and Transportation	5.0%	5.0%	4.7%	3.9%	3.9%	3.9%
Health and Welfare	6.8%	7.4%	6.4%	5.6%	6.3%	5.7%
Public Safety (Police, Fire, Corrections)	6.1%	7.2%	6.8%	5.0%	6.1%	6.0%
Government Administration	5.3%	5.6%	5.4%	4.2%	4.4%	4.6%
Interest on general debt	3.8%	4.3%	2.3%	2.7%	3.2%	1.5%
Environment and housing:	5.3%	6.4%	6.2%	4.2%	5.3%	5.4%
All Other	5.4%	7.6%	6.7%	4.2%	6.5%	5.9%
<i>Direct General Expenditure</i>	5.7%	6.2%	5.7%	4.6%	5.1%	4.9%
<u>Revenues</u>						
Property Tax	5.4%	5.5%	4.1%	4.2%	4.4%	3.4%
General sales taxes	4.4%	4.8%	5.0%	3.2%	3.7%	4.3%
Individual income taxes	4.6%	4.9%	5.7%	3.5%	3.8%	5.0%
Corporate income taxes	3.0%	2.2%	3.9%	1.9%	1.1%	3.1%
Motor fuel taxes	3.2%	2.8%	1.8%	2.1%	1.7%	1.1%
Alcoholic and Tobacco taxes	4.8%	4.1%	1.9%	3.6%	3.0%	1.2%
Public utilities	4.6%	5.1%	11.1%	3.5%	4.0%	10.3%
Motor vehicle license	3.8%	3.8%	4.7%	2.7%	2.7%	4.0%
All Other	5.5%	6.0%	8.0%	4.3%	4.9%	7.2%
<i>Subtotal: Taxes</i>	4.8%	5.0%	4.8%	3.6%	3.9%	4.1%
Charges & misc general revenue	5.4%	6.0%	4.9%	4.3%	4.9%	4.1%
Intergovernmental (from Fed Govt)	7.9%	8.3%	7.8%	6.7%	7.2%	7.0%
<i>Total General Revenue</i>	5.5%	5.9%	5.4%	4.4%	4.8%	4.6%

Nebraska

Major State and Local Taxes

Data compiled by the Legislative Fiscal Office from DAS Accounting documents, Department of Roads data, and Certificates of Taxes Levied (CTL) from the Department of Revenue Property Tax Division.

Population and Personal Income data from the U.S. Bureau of Economic Analysis (last update March 27, 2013)

Source of Nebraska Major State and Local Taxes

The major state and local taxes in Nebraska included here are property taxes (net of homestead exemption and property tax credit), city and state sales tax (including motor vehicles), corporate and individual income taxes, state miscellaneous receipts (liquor, cigarette, etc...), and motor fuels taxes.

Revenue sources for cities and counties such as inheritance tax, wheel tax, occupation taxes and franchise taxes are not included as data at the statewide level is not available.

Use of Nebraska Major State and Local Taxes

Use of major state and local taxes reflects the ultimate user of the dollars not who levies and collects the tax. For example, use of funds for K-12 schools includes property taxes which are levied and collected at the local level plus state aid which is levied and collected at the state level and then distributed to local governments as state aid).

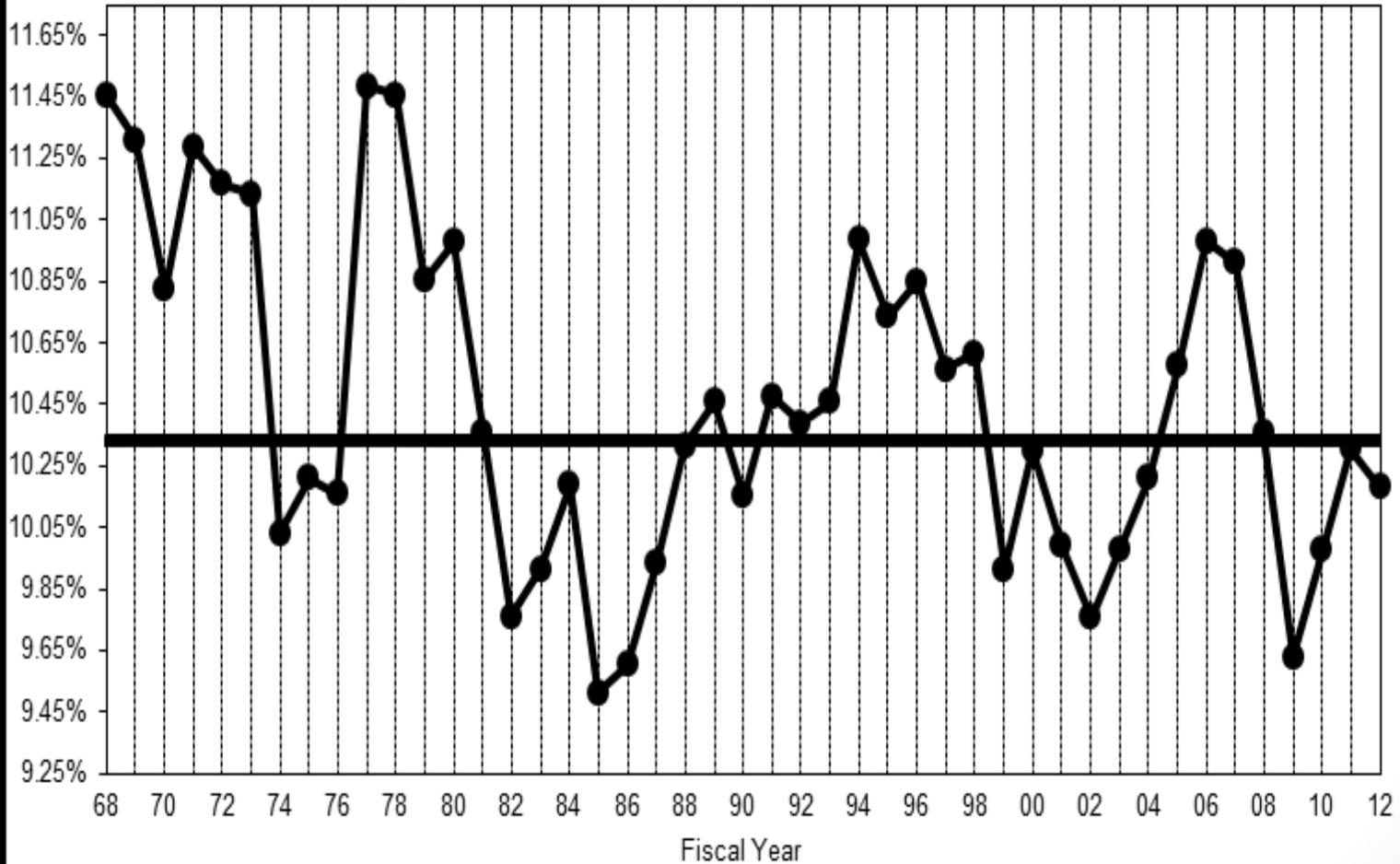
State Use of Major State and Local Taxes includes state General Fund expenditures less aid to local governments which is shown under the local use of major taxes. Also included is the Dept of Roads share of the highway funds which include gas taxes, sales tax on motor vehicles and registration fees; and the variable gas tax which is retained solely by the state.

Local Use of Major State and Local Taxes includes property taxes, city sales taxes, the city and county share of highway revenues, and state aid to local governments funded through the state General Fund.

Major State & Local Taxes as a % of Nebraska Personal Income

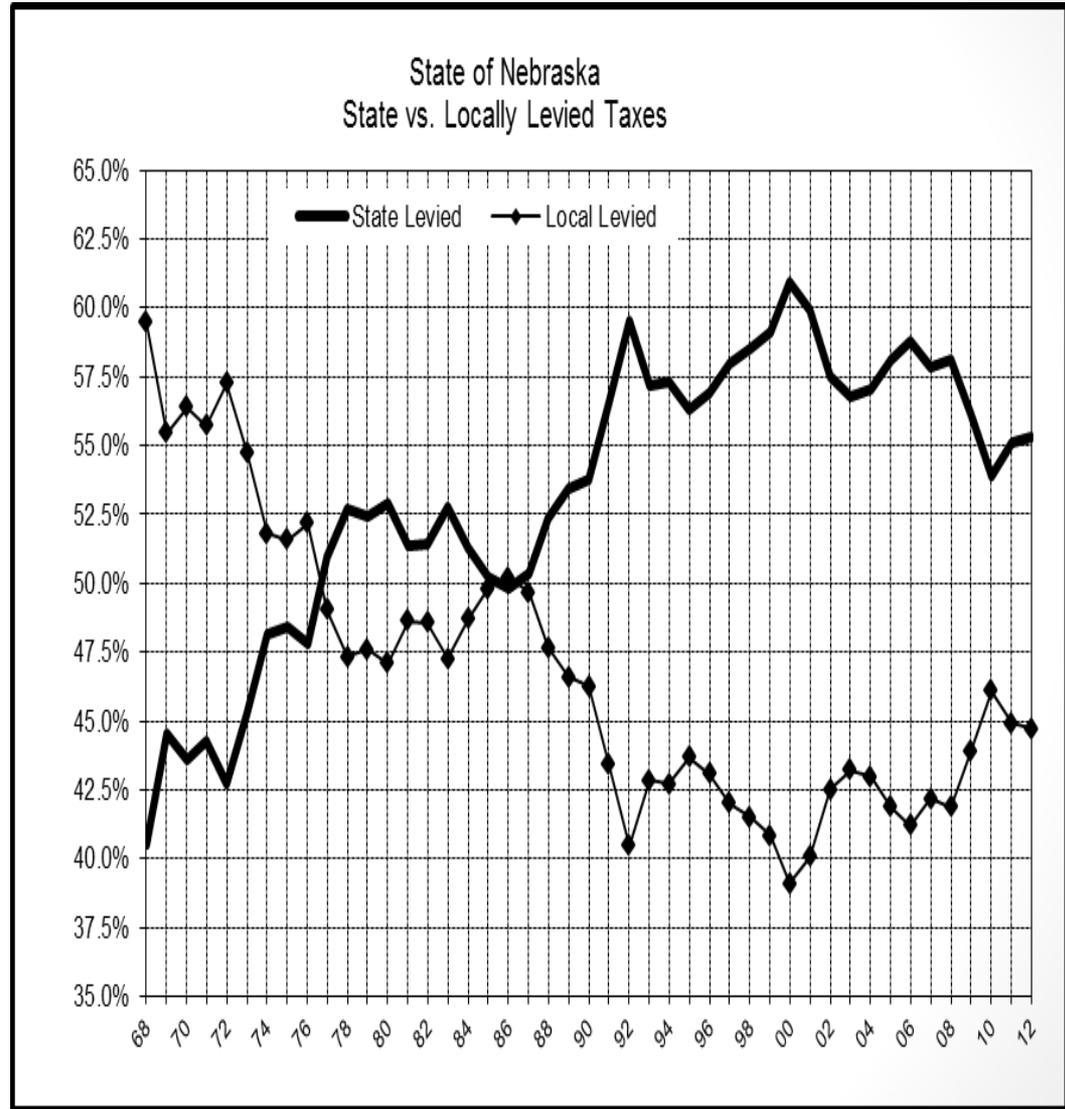
	Property Taxes	All Sales Taxes	All Income Taxes	Gas Tax & MV Fees	State Misc taxes/fees	Total
FY 1967-68	6.8%	1.5%	0.3%	1.5%	1.3%	11.5%
FY 1971-72	6.2%	1.6%	1.2%	1.5%	0.6%	11.2%
FY 1976-77	5.4%	1.9%	2.4%	1.2%	0.6%	11.5%
FY 1981-82	4.5%	1.8%	1.9%	1.0%	0.6%	9.8%
FY 1986-87	4.6%	2.1%	1.9%	0.9%	0.5%	9.9%
FY 1991-92	3.8%	2.6%	2.6%	0.9%	0.5%	10.4%
FY 1996-97	4.0%	2.6%	2.7%	0.8%	0.4%	10.6%
FY 2001-02	3.7%	2.5%	2.5%	0.7%	0.3%	9.8%
FY 2006-07	4.1%	2.8%	3.0%	0.7%	0.4%	10.9%
FY 2007-08	3.9%	2.6%	2.9%	0.6%	0.3%	10.4%
FY 2008-09	3.8%	2.5%	2.5%	0.5%	0.3%	9.6%
FY 2009-10	4.2%	2.5%	2.4%	0.6%	0.4%	10.0%
FY 2010-11	4.2%	2.6%	2.6%	0.6%	0.3%	10.3%
FY 2011-12	4.1%	2.6%	2.7%	0.5%	0.3%	10.2%

State of Nebraska Major State and Local Taxes as a % of Personal Income



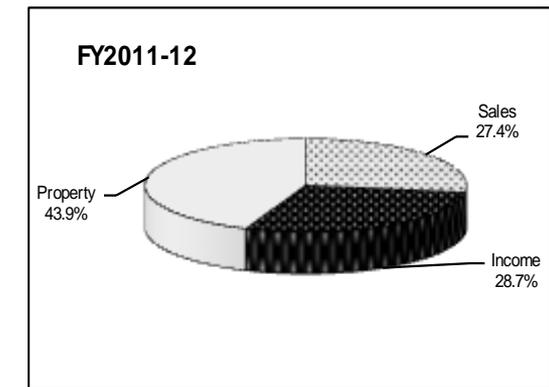
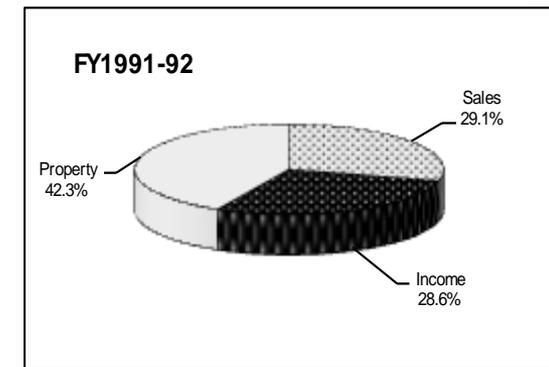
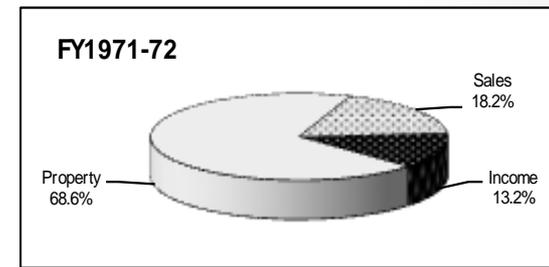
Major State & Local Taxes – State vs. Local Levied

	State Levied	Locally Levied	Total
FY 1967-68	40.5%	59.5%	100.0%
FY 1971-72	42.7%	57.3%	100.0%
FY 1976-77	51.0%	49.0%	100.0%
FY 1981-82	51.4%	48.6%	100.0%
FY 1986-87	50.3%	49.7%	100.0%
FY 1991-92	59.5%	40.5%	100.0%
FY 1996-97	58.0%	42.0%	100.0%
FY 2001-02	57.5%	42.5%	100.0%
FY 2006-07	57.8%	42.2%	100.0%
FY 2011-12	55.3%	44.7%	100.0%



Proportion of the Three Major Tax Sources

	FY1971-72		FY1991-92		FY2011-12	
	Millions of \$	% of Total	Millions of \$	% of Total	Millions of \$	% of Total
<u>Sales Tax</u>						
State	\$79.8	14.3%	\$592.4	22.2%	\$1,436.9	20.0%
City	13.0	2.3%	103.4	3.9%	305.6	4.3%
Motor Vehicles (State)	9.1	1.6%	71.4	2.7%	197.8	2.8%
Motor Vehicles (City)	0.0	0.0%	9.2	0.3%	27.4	0.4%
Total Sales Taxes	101.9	18.2%	776.4	29.1%	1,967.8	27.4%
<u>Income Tax</u>						
Individual	\$63.7	11.4%	\$658.6	24.7%	\$1,822.9	25.4%
Corporate	10.1	1.8%	103.6	3.9%	234.3	3.3%
Total Income Taxes	73.8	13.2%	762.3	28.6%	2,057.2	28.7%
<u>Property Tax</u>						
Property	\$383.1	68.6%	\$1,129.8	42.3%	\$2,926.2	40.8%
Motor Vehicle Tax/Fee	0.0	0.0%	0.0	0.0%	228.3	3.2%
Total Property Taxes	383.1	68.6%	1,129.8	42.3%	3,154.4	43.9%
Total (Big Three Only)	558.8	100.0%	2,668.5	100.0%	7,179.4	100.0%



Source of Major State and Local Taxes

	FY1971-72	FY1991-92	FY2011-12	Avg Growth 92 to12	% of Total		
					FY72	FY92	FY12
State Sales Tax	79,754,832	592,441,835	1,436,909,373	4.5%	11.5%	19.3%	18.4%
State Sales tax on motor vehicles	9,090,000	71,394,209	197,845,909	5.2%	1.3%	2.3%	2.5%
City Sales Tax	13,006,428	103,433,667	305,622,444	5.6%	1.9%	3.4%	3.9%
City Sales Tax on motor vehicles	0	9,172,397	27,429,549	5.6%	0.0%	0.3%	0.4%
Total Sales Taxes	101,851,260	776,442,108	1,967,807,275	4.8%	14.7%	25.3%	25.2%
Individual Income Tax	63,677,703	658,634,301	1,822,884,254	5.2%	9.2%	21.4%	23.4%
Corporate Income Tax	10,099,022	103,617,107	234,266,237	4.2%	1.5%	3.4%	3.0%
Total Income Taxes	73,776,725	762,251,408	2,057,150,491	5.1%	10.7%	24.8%	26.4%
Property Taxes *	383,131,988	1,129,848,218	2,926,173,520	4.9%	55.4%	36.8%	37.5%
Motor Vehicle fee / tax	(in prop tax)	(in prop tax)	228,259,410	Na	0.0%	0.0%	2.9%
Total Property Taxes (net)	383,131,988	1,129,848,218	3,154,432,930	5.3%	55.4%	36.8%	40.4%
Motor Fuels Taxes	69,977,880	214,522,709	327,171,604	2.1%	10.1%	7.0%	4.2%
MV registration fees	24,005,891	50,384,228	91,400,767	3.0%	3.5%	1.6%	1.2%
Total Gas Tax / MV Reg Fees	93,983,771	264,906,937	418,572,371	2.3%	13.6%	8.6%	5.4%
State Misc. Taxes/Fees	39,152,226	137,662,231	201,828,916	1.9%	5.7%	4.5%	2.6%
Grand Total	691,895,970	3,071,110,902	7,799,791,983	4.8%	100.0%	100.0%	100.0%

* Property taxes are net of homestead exemption and property tax credits

Use of Major State and Local Taxes

	FY1971-72	FY1991-92	FY2011-12	Avg Growth 92 to12	% of Total		
					FY72	FY92	FY12
University/State Colleges	51,131,012	303,616,962	532,544,229	2.8%	7.2%	9.6%	6.9%
Other State Gen Fund Operations	61,468,189	327,300,453	696,176,592	3.8%	8.6%	10.4%	9.1%
State Aid to Individuals/Other	25,782,240	266,989,953	1,030,461,328	7.0%	3.6%	8.5%	13.4%
State Capital Construction	8,962,417	22,181,146	14,589,384	-2.1%	1.3%	0.7%	0.2%
State Dept of Roads *	55,962,805	218,892,458	386,933,293	2.9%	7.9%	6.9%	5.0%
State Use of Major Taxes	203,306,663	1,138,980,972	2,660,704,826	4.3%	28.6%	36.1%	34.6%
K-12 Schools	285,137,934	1,207,138,085	2,946,937,839	4.6%	40.1%	38.2%	38.4%
Counties	102,076,967	277,342,799	720,236,083	4.9%	14.4%	8.8%	9.4%
Cities	94,933,622	352,848,557	828,901,590	4.4%	13.4%	11.2%	10.8%
Community Colleges+ESU's	13,689,754	90,651,628	265,528,516	5.5%	1.9%	2.9%	3.5%
Other Local Govt Entities	11,525,657	91,000,703	258,284,516	5.4%	1.6%	2.9%	3.4%
Local Use of Major Taxes	507,363,934	2,018,981,772	5,019,888,544	4.7%	71.4%	63.9%	65.4%
Grand Total – Use of Funds	710,670,597	3,157,962,744	7,680,593,370	4.5%	100.0%	100.0%	100.0%

* Not an actual expenditures but the state share of the allocation of gas taxes and fees and does not include federal fund allocations

20 Year Average Annual Growth – Revenues, Expenditures, Nebraska Economy

	10 Year 92 to 02	10 Year 02 to12	20 Year 92 to12
Total Sales Taxes	5.2%	4.3%	4.8%
Total Income Taxes	5.2%	5.0%	5.1%
Total Property Taxes (net)	5.4%	5.1%	5.3%
Total Gas Tax / MV Reg Fees	3.2%	1.4%	2.3%
State Misc. Taxes/Fees	2.7%	1.2%	1.9%
Grand Total – Source of Major Taxes	5.0%	4.5%	4.8%
State Use of Major Taxes	5.7%	3.0%	4.3%
Local Use of Major Taxes	4.9%	4.4%	4.7%
Grand Total – Use of Major Taxes	5.2%	3.9%	4.5%
Nebr Gross State Product	5.3%	4.7%	5.0%
Nebr Personal Income	5.7%	4.1%	4.9%
Nebr Population	0.8%	0.7%	0.7%
Consumer Price Index (CPI-U)	2.7%	2.4%	2.5%