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Modernization of the Annual Survey of State Government Tax Collections

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Abstract

In 2008 total state tax collection accounted for 46.6 percent of the total state government revenue. The U.S. Census Bureau's Annual Survey of State Government Tax Collections (STC) is one of the most current and nationally consistent tax data series, providing a summary of taxes collected by each state for up to 25 tax categories. Additionally, the STC is the first component of the annual government finance data series, providing an important indicator of the fiscal condition of state governments.

The STC and the Quarterly Summary of State and Local Government Tax Revenue (QTax) are two Census Bureau surveys that measure tax collection revenue. This paper will address the differences between the two surveys, and provide a discussion of the Census Bureau's approach to modernizing the STC. The discussion will focus on areas of content, improvement in data collection and statistical quality, as well as future plans for data products, dissemination, and specialized reports.

Keywords: state government, tax collections

1. Introduction

The Census Bureau's Governments Division provides information on the revenues, expenditures, cash and securities holdings, indebtedness, employment, payrolls and other key economic activities of the Nation's federal, state, and local governments. The Division conducts the quinquennial Census of Governments (CoG) as well as numerous related surveys on an annual, and in some cases, a quarterly basis. The data serve two major user groups. One set of users consists of other federal agencies, such as the Bureau of Economic Analysis, the Federal Reserve Board, the Congressional Research Service, and the Government Accountability Office. The Bureau of Economic Analysis uses these data as inputs to produce important economic time series such as the Gross Domestic Product (GDP). The second set of users consists of a variety of public and private sector decision and policy makers. This community includes public interest groups, the media, state and local governments, academic institutions, and researchers engaged in the fields of public finance, economics, public policy, fiscal federalism, tax policy, research and analysis related to government functions, and comparative analysis.

The Governments Division conducts two surveys that specialize in statistics on tax revenues, the Annual Survey of State Government Tax Collections (STC) and the Quarterly Summary of State and Local Government Tax Revenues (QTax). The STC survey covers the fifty state governments, and provides a summary of annual taxes collected for up to 25 tax categories. The QTax is a combination of three separate surveys: the survey of local government property tax revenue, the survey of state government tax revenue, and the survey of local government non-property taxes.

¹ This report is released to inform parties of research and to encourage discussion of work in progress. The views expressed are those of the authors and not necessarily those of the U.S. Census Bureau.

This paper discusses the differences between the two tax surveys conducted by Governments Division, and describes an initiative to modernize the STC. This paper further discusses the current processing and research plan for the STC, and the proposed expansion of data products.

2. Differences Between the QTax and STC

Both STC and QTax began as special studies by the Governments Division in order to provide additional value beyond the statistics developed in the Annual Finance Survey. The STC was originally introduced in 1939, and was designed to show details on the largest revenue sources for states. Up until 1992 an annual STC summary report provided a national overview of state tax collections, as well as detailed notes and appendixes detailing each state's particular revenue line items. The QTax was introduced in 1962 and was designed as a type of "indicator" to provide earlier estimates of state and local revenues.

The STC is a census of state fiscal year tax revenue for state governments. Where STC reflects state government fiscal years that end on June 30, the QTax represents revenue on the four quarters of the calendar year². The STC includes statistics on tax measurement on categories including, sales and gross receipts taxes, individual and corporate income taxes, license taxes, and other sub-category taxes such as motor fuels, alcoholic beverages, tobacco, and severance. Similar statistics are collected on the QTax, however QTax also includes a sample survey of local tax revenue.

Despite using the same classification schema and methodology the STC and QTax surveys operate autonomously from one another and are intended to serve unique purposes. Although Census Bureau staff often work cooperatively to reconcile any gaps in tax collection, the surveys, by their independent nature, may still vary. Some of these differences lie in classification, the point in time that the data are intended to reflect, and the published data, depending on where the revision cycle of the two surveys fall.

2.1 Classification

Classification differences may exist depending on how a state (or state's entities) classifies and reports a 'tax'. The Census Bureau defines taxes for statistical purposes as "compulsory contributions exacted by a government for public purposes, other than from special assessments to pay capital improvements and from employee and employer assessments and contributions to finance and retirement and social insurance trust systems. Tax revenue comprises gross amounts collected (including interest and penalties) minus amounts paid under protest and amounts refunded during the same periods. It consists of all taxes imposed by a government whether the government collects the tax itself, or relies on another government to act as its collection agent"³. This definition means that along with property, income, and sales and gross receipts, taxes exacted as a condition of the exercise of a business or nonbusiness privilege are also included within Census Bureau statistics. In many cases, individual state agencies collect these license taxes, as opposed to a centralized Department of Revenue. These organizational differences in the collection of taxes may contribute to classification differences between the two surveys, as each survey may, in theory, be gathering data from different governmental agencies that collect these license taxes. In addition, given the timeliness of the QTax survey's data collection cycle, some data may not be available from these decentralized state collection offices in a timeframe that meets QTax's needs.

² The following four states' fiscal years do not end on June 30th: New York, March 31; Texas, August 31; and Michigan and Alabama, September 30.

³ 2006 Government Finance and Employment Classification Manual, Section 4-9.

Additionally, a discrepancy in reporting between QTax and STC may exist when there are different data providers for each survey, and the interpretation of a Census Bureau classified tax differs between the two data providers. Here, classification differences may exist based on the extent that the survey has been able to correctly interpret the Governments Division two-out-of-three rule. The two-out-of-three rule of tax assignment assumes that the jurisdiction that conducts two-out-of-the-three functions of imposition, collection, retention is the government that is credited with the revenue within Census Bureau statistics. This often differs from how state and local jurisdictions view their own revenue, and can lead to coverage differences between QTax and STC collection depending on respondents' interpretation of tax. For instance, when applying the two-out-of-three rule to the Maricopa Transportation Excise Tax, Maricopa County imposes the tax, the Arizona Department of Revenue collects the tax, and the state Regional Public Transportation Authority (RPTA) retains two-thirds of the collections. Therefore, under Census Bureau classification, 66.6 percent of the Maricopa Transportation Excise Tax revenue should be reported as state government collection. However, a discrepancy in this reporting may arise if one of the survey's data providers views this as a county tax, and the other survey's data provider interprets the Census Bureau's two-out-of-three rule correctly and proportions the revenue between state and county.

While QTax provides indications of trends in revenues, STC allows for more comprehensive coverage of state tax activities. The annual cycle of STC has extended processing cycles compared to the QTax. This extended processing cycle enables STC analysts the opportunity to further define where taxes exist, and identify additional tax collecting authorities, within a given jurisdiction.

2.2 Timing

Other factors that make the STC distinct from QTax relate to timing. QTax reflects a particular quarter, whereas the STC survey is intended to reflect a state's fiscal year. This difference in periodicity affects the type of accounting method used in each survey. Due to QTax's more frequent reporting, data are commonly reported in an unaudited format, and on a cash basis of accounting. This leads to one difference between the surveys, where a cash basis of accounting and unaudited revenues may lead to large fluctuations that are intended to represent a fiscal year's revenue but are reported largely in one quarter. One example of this may be the income tax, where an income tax represents the fiscal year's revenue, but is often collected largely in one quarter, leading to large quarterly fluctuations. Furthermore, as STC's reporting follows the close of a state's fiscal year, the survey tracks closely with an audited, modified accrual basis of accounting, representing all financial activities within the full fiscal year. For example the system of modified accrual accounting in STC may provide finalized numbers that aren't prone to revision, whereas the cash basis provided to QTax may require later revisions to the unaudited data originally submitted. This difference in accounting can affect how data are reported, and create differences in data reported at any particular point in time.

2.3 Revision Practices

Differences in revision practices also exist between the QTax and STC. As discussed earlier, data reported for the QTax tend to be on an unaudited, cash accrual accounting system. Therefore, the data may lend itself to more revisions, more frequently. As a result of this potential for frequent revisions QTax data are revised on a quarterly basis as far back as seven quarters prior to the current quarter. However, the annual nature of STC tends toward less frequent revisions, where identified corrections are updated bi-annually, in the spring and then again in the fall, ahead of the state finance data release. Both surveys may revise back two years from the current fiscal year and both surveys' revisions may occur as a result of the data provider submitting corrections to past data. However, the revisions are not limited to corrections from the data provider. Revisions may come from new information discovered through research or survey reconciliation, or from coverage issues brought to the Census Bureau's attention from

outside sources. Understanding the differences between STC and QTax helps to better understand the role of STC, and how that role influences STC's modernization plan.

3. Current Processing and Operations

Over the past three years the Governments Division has developed a new focus of modernizing the process and collection of the STC. This initiative comes from structural changes within the Division, as well as the opportunity to learn from QTax's experience in revision and re-engineering of operations, now that the survey nears the end of its initial restructuring plan. This new attention has allowed for more attention to be paid to coverage and data product issues for the STC. Such attention includes the expansion of tax research, upgrading of internal processing tools, and a focus on dissemination opportunities.

3.1 Tax Research

In regard to classification and coverage improvements, the Census Bureau has initiated a research focus in between survey cycles to ensure complete and accurate coverage of taxes for the states. This includes research for specific taxes that may be in need of clarification in order to determine how they are to be correctly classified. For example, such research lead to Cap and Trade permit auction revenues, casino and gaming licenses, blue sky filing fees, and medical provider taxes being included, or corrected, in the Fiscal Year 2009 data. In continuing on with this tax research, STC analysts recognize the challenge in not only identifying changes in tax policy, but also working to identify if such changes are included in cases when reported data are highly aggregated.

3.2 Processing System

In coordination with the process modernization and re-engineering of the Census of Governments and its related surveys, Governments Division documented STC's current processing system in order to understand the operational flow and existing pain points that could be improved through the re-engineering effort. A workflow was produced that narrated the entire flow from form design through to post-release revisions. This evaluation of the current process presented opportunities for operational efficiency improvement in areas of data collection and processing, editing methodology, imputation, and coverage analysis. This has provided a clear path for the improvements that have been made, such as a more automated processing system, and will be made throughout the duration of the re-engineering process.

3.3 Edit Flags and Parameters

Improvements for the STC began in the 2009 survey cycle with the introduction of new edit flags and parameter settings. This was important because it allowed STC analysts a more structured setting to evaluate edit failures before the data were released. Prior to the introduction of these parameters for the 2009 survey cycle, a statistically valid editing procedure did not exist. This new method consists of using a ten-year historical average deviation of annual percent changes. This measure of variability estimates the average absolute deviations of data points from their mean. These parameters are dynamic in nature and will change with each survey cycle based upon the reported data. For example, a Fiscal Year 2009 sales tax in Florida's parameter will be derived from a mean of 1999 through 2008 data to help provide a relative baseline for the 2009 bounds.

Additionally, edit flags were also introduced in Fiscal Year 2009. Using the average deviation parameters each tax code was programmed with conditional formatting that highlights the percentage change from prior year. If data for a particular tax code, within a state, goes beyond the set parameters a flag prompts the analyst to reexamine the change in data trend. This has made editing much more efficient, and has allowed STC analysts to invest more time into the research efforts discussed above.

3.4 Response Rates

In addition to the enhancements to the internal processes, the 2009 survey cycle also included the development of additional measures for the calculation of response rates. In cases where the Census Bureau obtained tax information from financial statements or cash reports, these sources were verified by contacts within that state to ensure that this was the best method of obtaining the tax data necessary for the survey. The overall unit response rate for the 2009 STC was 82.0 percent, compared with 64.0 percent in 2008. This unit response rate was calculated for the total U.S., and shows the percentages of the units in the eligible universe that responded to the survey. The formula for calculating the unit response rate (URR) is:

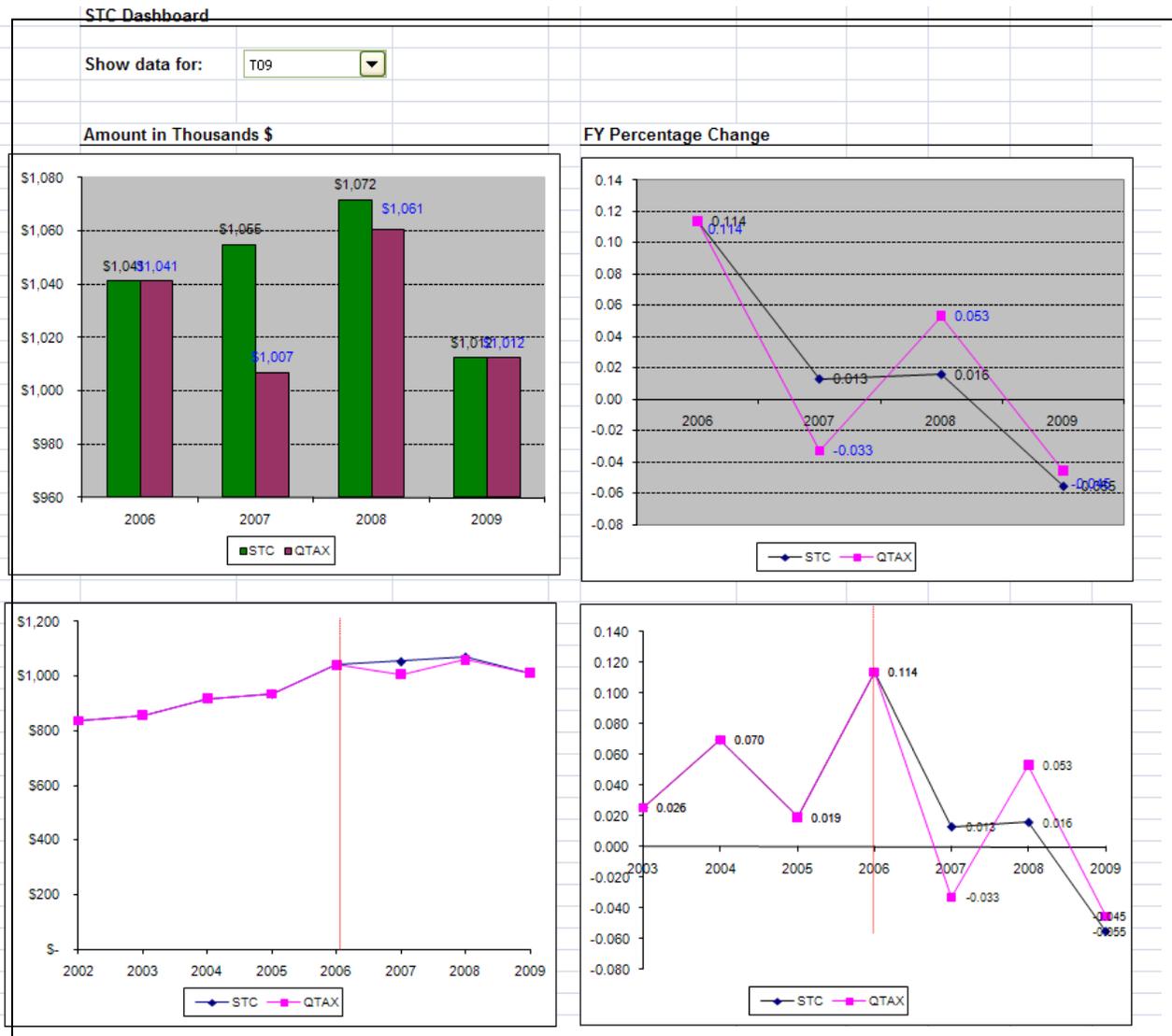
For the first time, the Total Quantity Response Rate (TQRR) was calculated for the tax categories for each state in the Fiscal Year 2009 survey. This response rate is the proportion of the total of each category reported by units in the survey or from sources determined to be equivalent-quality-to-reported data expressed as a percentage. The equation used to calculate TQRR for each tax category is:

TQRRs were calculated for the 25 tax categories for each state. The Census Bureau's quality standard on releasing data products requires a 70.0 percent TQRR for key items. The 2009 STC had a TQRR of 100.0 percent for all but one tax category⁴.

Additional improvement for the Fiscal Year 2009 processing year includes the introduction of a data dashboard (Figure 1). This dashboard provides an interactive tool that allows analysts to visually compare historic figures for each state. Highlights of this dashboard include the ability to focus on trends of a specific tax code and to reconcile that STC tax code trend to the historical trend of QTax. In Fiscal Year 2010 this dashboard will be extended in order to link data for prior years in order to show any revised figures. The introduction of the dashboard allows for a higher quality statistical data product.

⁴ Occupational and Business Licenses, Not Elsewhere Classified (T28) had a TQRR of 99.4 percent.

Figure 1. Data Dashboard⁵



3.5 Revisions

Despite the annual cycle of the STC revisions remain necessary to prior year data in order to account for any changes to preliminary data that were received or corrections in classification. Prior to the 2009 survey, revisions occurred either annually or bi-annually, however no detail was provided to users on the state or specific tax categories that had been altered in the revised release. This created a problem in tracking changes, where data users were unable to identify where revisions had occurred. In Fiscal Year 2009 an update to the internal revision procedure occurred that allowed for better tracking of revised data.

⁵ U.S. Census Bureau, Governments Division, State Government Tax Collections, 2009. Note: This is a pre-final representation of the data dashboard developed for STC. The actual dashboard utilizes real-time, pre-release data and as such is for internal use only.

This update displayed an “R” by data, when figures are revised. All publication materials (i.e., HTML pages, summary tables, and flat data files) have been changed to display these revision flags (Figure 2). This update in the revision procedure allows users to see any, and all, revisions, by tax category, at the national and state level.

Figure 2. Publication Revision Flags⁶

Item	Amount
Total taxes	117,361,976R
Property taxes	2,279,103
Sales and gross receipts	39,807,724R
General sales and gross receipts	31,972,874
Selective sales taxes	7,834,850R
Alcoholic beverages	327,260
Amusements	X
Insurance premiums	2,172,936
Motor fuels	3,421,457
Pari-mutuels	34,949
Public utilities	754,799
Tobacco products	1,037,457
Other selective sales	85,992R

4. Data Products and Dissemination

An additional piece of the STC modernization lies in the opportunity for improving data products and dissemination methods. In the data release for the Fiscal Year 2008 survey cycle, a press release was added to increase the visibility of the data (see Appendix A). The press release included a national aggregate summary of the data, as well information on the tax categories that showed the most significant changes for that year. Following the trend of improvements to data dissemination, the press release for Fiscal Year 2009 was expanded from the 2008 version. While providing similar information as the previous year’s press release, the 2009 version included some state and regional analysis as well as a detailed table showing a summary of the state tax collections by selected types of taxes (see Appendix B).

In Fiscal Year 2009, an iteration of STC’s previously released detailed summary reports, which focused on a summary of national trends in tax collection, was released. Although the Fiscal Year 2009 report did not provide the state level detail of its predecessor, it was an initial step toward improvements to the data products for STC and a building block to provide reports with the detail provided in the previously released reports.

The combination of the improved press release and the new summary report added value to the STC product and increased the visibility of STC, as the survey saw its largest amount of press coverage in

⁶ U.S. Bureau of the Census, State of California Government Tax Collections, 2008. <http://www.census.gov/govs/statetax/0805castax.html>.

many years. The press coverage included articles written in the Boston Globe, Philadelphia Enquirer, BizJournals.com, and the Houston Business Journal, among others.

In addition to data summary reports and press releases, STC has also improved its data accessibility. Beginning in Fiscal Year 2008 mid-cycle revisions for STC were released, to reflect any changes made following the initial release. To alert users of revisions that have been posted, the redesign of the survey's web page allows for announcements that provides the dates when data were last revised and when future releases are scheduled.

With the release of the 2009 STC data, revisions released for Fiscal Years 2007 and 2008 also came with a detailed revisions sheet. For any states that had revisions to their previous year tax statistics, a detailed revision table with three columns was provided in the STC release, the current amount that is available on the website, the original amount reported at the time of the data release, and the magnitude of the revision made (Figure 3). This provided users with improved documentation of the data available for STC and the changes that were made to them.

Figure 3. Detailed Revision Sheet⁷

		United States		
		Current	Original	Revision
Total taxes		781,643,542	780,675,722	967,820
T01	Property taxes	12,687,154	12,719,220	-32,066
Sales and gross receipts		358,522,421	357,467,135	1,055,286
T09	General sales and gross receipts	241,007,659	240,415,097	592,562
Selective sales taxes		117,514,762	117,052,038	462,724
T10	Alcoholic beverages	5,292,681	5,291,245	1,436
T11	Amusements	6,376,564	6,377,239	-675
T12	Insurance premiums	15,717,832	15,710,811	7,021
T13	Motor fuels	36,476,852	36,437,108	39,744
T14	Pari-mutuels	225,511	225,511	0
T15	Public utilities	14,794,364	14,525,595	268,769
T16	Tobacco products	16,068,075	16,050,425	17,650
T19	Other selective sales	22,562,883	22,434,104	128,779

In Fiscal Year 2009, a comprehensive downloadable Excel file for the detailed STC data was developed, covering data beginning with the 1951 statistics through to the most recently released data. The .zip file that is available for download on the STC Website (http://www.census.gov/govs/statetax/historical_data.html) includes:

- Microsoft Excel File of the historical STC data
- Tax revenue classifications
- Data user notes explaining the time series
- Glossary of selected terms used in the survey
- Current year's survey methodology (for each year beginning with the 1992 survey cycle)

⁷ U.S. Bureau of the Census, State Government Tax Collections, 2008.
<http://www2.census.gov/govs/statetax/2008detailedrevisions.pdf>

On August 30, 2010, the historical data webpage was updated to include these files for data users. Previously, in order to obtain these data, the user was required to either call the STC staff, or send an email requesting these data. Prior to the development of this new historical data product the extent of the data time series available to users on the Internet only went back as far as 1992.

5. Plans for the Future

As STC analysts identify future modernization opportunities, two main paths help formulate this plan. One is reflecting back on what has been produced throughout the historic iterations of STC in order to identify what products of value may have been lost over the years. The second is to recognize where STC is now, in regard to what distinguished value it can offer, and how that value can be met and best disseminated. Both of these paths for modernization place a great deal of focus on data classification, in regard to expanding data detail and updating classification scheme to reflect changes in the tax environment.

5.1 Classification Detail

The advantage of the Census Bureau's current classification schema is that it presents the disparate ways that governments conduct business into a single, uniform, comparative basis, allowing for cross-state comparison that would not otherwise be possible using original state-specific data. Although the STC provides details for the 25 standard tax categories described in the *Government Finance and Employment Classification*, often these categories are aggregates of further specific state taxes⁸. Therefore, the detail within aggregates are not readily available for the Census Bureau's statistics on governments.⁹

Figure 4: Classification of "Occupation and Business License, NEC" (T28)

Code T28 Occupation and Businesses License, NEC

Definition: Licenses (including examination and inspection fees) required of persons engaged in particular professions, trades, or occupations; taxes on insurance companies based on value of their policies; such taxes on businesses not elsewhere classified; and charges or fees relating to the inspection and marketing of commodities (e.g., seed, feed, fertilizer, gasoline, oil, citrus fruit, etc.).

One potential area to expand the information provided through the STC data is to promote the usage of footnotes. Footnotes, as used in the historical STC summary reports, have the opportunity to help explain trend changes within a tax category, including changes resulting from rate changes in an existing line item, or the addition of a line item to the tax category (Figure 5). Such information enables data users to better understand what type of detail is being included within the 25 tax categories, and helps data users identify where data is coming from, in the situation where data users are trying to recreate the pieces of the STC data. This opportunity for footnoting may serve as one of the first steps towards a more detailed STC product.

⁸ 2006 Government Finance and Employment Classification Manual, Section 4-9.

⁹ For example, Business Licenses (Figure 4) are published as a single total, despite it being a combination of many different types of license taxes.

Figure 5: Historical State Level Footnotes¹⁰

<p>Minnesota</p> <p>¹Tax rate increased from 38 to 43 cents per pack effective June 1, 1991. ²Telephone gross receipts tax repealed effective January 1, 1990. ³Royalty tax eliminated January 1, 1990. ⁴Mortgage registry and documents tax reclassified from a county tax to a state tax effective January 1, 1991.</p> <p>Mississippi</p> <p>¹Tax rate increased from 6 to 7 percent effective June 1, 1992. ²Admissions tax was reenacted in 1990. ³Detail does not add to total. ⁴Temporary tax rate increase effective January 1, 1991, to July 1, 1992. ⁵Fee increase, effective 1991.</p> <p>Missouri</p> <p>¹Tax rate increased from 11 to 13 cent per gallon effective April 2, 1992. ²Certificate of the fees increased effective July 1, 1991.</p> <p>Montana</p> <p>¹Every ten years a \$50 brand is required. This will affect 1991 and 1992 figures. ²The increase is due to the introduction of a new state equalization levy effective July 1, 1990.</p>

Expanding beyond the footnoting opportunity, another potential area to expand the information provided through the STC data products is to reconfigure the presentation of the data to provide all users with each state’s specific sub-categories that contribute to the published line aggregates. For example, in the case of Business Licenses, instead of merely presenting a total line value for each state for this category, some degree of specific license detail may also be provided (Figure 6).

Figure 6: T28 State Detail

Occupation and business, NEC	\$88,486
Butchers	6,309
Feed and Fertilizer	13,736
Candlestick Maker	3,983
Bank Department Fees	6,137
State Ports License	181
Bakers	4,831

¹⁰ U.S. Bureau of the Census, State Government Tax Collections in 1992; Series GF92, No. 1, Page 42.

In fact, in the historical STC reports this level of detail for states was reported, where it was available (Figure 7).

Figure 7 – Historical State Level Classification Detail¹¹

Occupations and businesses, n.e.c.....	24,488	22,770
Installment loans.....	4,287	4,250
Insurance department fees.....	2,317	^a 1,283
Drilling.....	2,068	1,850
Bank department fees.....	1,708	1,787
State ports license.....	1,442	129
Insurance privilege.....	1,412	1,379
Board of medical licensure.....	675	614
Rice promotion.....	671	576
Board of nursing.....	580	830
Insurance commission assets.....	524	797
Hazardous waste management tax....	506	516
Slot vending machine.....	457	468
Public contractors.....	419	413
Feed and fertilizer.....	339	530
Department of public safety.....	51	390
Other.....	7,032	^b 6,958
Hunting and fishing.....	8,889	8,653
Other—aircraft registration.....	107	87

The difficulty with providing this level of detail is that it may not be consistently available for all states. As a result, although these details would be valuable to users, it may not be consistent for all states or all tax categories within the existing classification schema. This is something that we will continue to evaluate as we progress through modernization.

5.2 Classification Modernization

A further goal for the Census Bureau’s Governments Division programs, one of which STC is directly related to, is to update and refine the existing classification schema for taxes as public finance and tax policy continue to evolve in practice. Classification of taxes for STC has remained relatively unchanged since the existing classification scheme was implemented in the early 1950s. However, in that time, the taxing methods of states has become more complicated. For example, a number of states have shifted away from the traditional corporate income tax based upon a corporation’s net income. Currently, the Census Bureau classification system only allows for taxes on corporations and unincorporated businesses measured by *net income* (Figure 8).

¹¹ U.S. Bureau of the Census, State Government Tax Collections in 1982; Series GF82, No. 1, Page 23.

Figure 8. Classification of “Corporate Net Income Taxes” (T41)

Code T41 Corporation Net Income Taxes

Definitions: Taxes on corporations and unincorporated businesses (when taxed separately from individual income), measured by net income, whether on corporations in general or on specific kinds of corporations, such as financial institutions.

Excludes: Income taxes on gross income or receipts of corporations (report at *Sales and Gross Receipts Taxes*, codes T09 – T19) and combined corporation and individual income taxes not separable by type in older, historical data (report at *Individual Income Taxes*, code T40).

The recent introduction of a variety of different taxes on corporations, including Business Activity Taxes, that will often tax a corporation on their *gross receipts* rather than their net income, introduces a complication with the current definition of the “Corporate Net Income Taxes”. According to the existing definition of T41, taxes on a corporation’s gross receipts are not to be included in T41, and should be coded in the area of sales and gross receipts taxes (T09 – T19). If this is the case, these tax revenues will be grouped in with the other types of gross receipts taxes (including general sales). Therefore, data users looking to compare taxes on corporations across states may not be able to accurately do so under the current classification scheme.

6. Conclusions

As the Census Bureau looks toward the future of the STC, one of the primary strengths identified for STC is the ability to provide detailed information on state specific taxes. Because the STC survey is conducted on an annual basis, the Census Bureau can utilize the STC as the principal data product to release more thorough examination of tax classification and research, expanding its data dissemination products and in return reaching the demands of a larger group of data user types.

On looking for additional means of adding value to the STC survey, and its data products, an opportunity exists to look back at Census Bureau history to see what had been done. In particular, what made the survey valuable for users beyond what was similarly presented in other related data series such as the state finance or state and local finance data. Apart from the annual press release, the development of an annual summary report highlights data trends at the national, regional, and state level.

This focus on product expansion is anticipated to better develop STC, and to distinguish it from QTax. In turn it broadens the current data user community, where although the missions of both surveys are intended to provide data that caters to a variety of user types, the nature of the recent products tend to lend themselves to members of the academic and tax policy communities. The reintroduction of the press release and the annual summary report provide a product that is more accessible to the media and casual data users. In addition, interactive data tools hold the potential of reaching out to the more general public, allowing this data group to easily access STC data in a way that provides general trends and metadata. In order to ensure that each user type is employing the data properly, STC analysts plan to be among the first surveys conducted by the Governments Division to offer a webinar that instructs data users on best practices for using data from the STC survey.

This paper has addressed the differences between the STC and the QTax surveys, and has offered a discussion of the Census Bureau’s approach to modernizing the STC. In particular this paper has provided

discussion on the STC modernization plans for areas of content, improvement in data collection and statistical quality, data products and dissemination.

Appendix A. 2008 Press Release¹²

The screenshot shows the U.S. Census Bureau Newsroom page. At the top, the U.S. Census Bureau logo is on the left, and navigation links for People, Business, Geography, Newsroom, Subjects A to Z, and Search@census.gov are on the right. Below the logo is a large blue banner with the word "Newsroom" in white. Underneath the banner is a breadcrumb trail: "You are here: Census.gov > Newsroom > Releases > Governments > State Tax Collections Reach Nearly \$782 Billion in 2008". A secondary navigation bar contains links for Newsroom, Releases, Multimedia Gallery, Tip Sheets, Facts for Features, Minority Links, and Contact Us. The main content area features a purple header for "FOR IMMEDIATE RELEASE: MONDAY, MARCH 30, 2009" and a "SHARE" button. The title "State Tax Collections Reach Nearly \$782 Billion in 2008" is prominently displayed. The text of the release follows, detailing the \$781.8 billion in state tax collections for fiscal year 2008, an increase from 2007. It also provides contact information for Tom Edwards in the Public Information Office. A "Subscribe for Updates" section offers RSS and XML feeds. A disclaimer at the bottom states that the data are not subject to sampling error but are subject to possible inaccuracies in classification, response, and processing. The footer includes the U.S. Census Bureau logo, the tagline "Helping You Make Informed Decisions", and various utility links like Privacy Policy, 2010 Census, Data Tools, Information Quality, Product Catalog, Contact Us, and Home. A source note at the bottom of the page reads: "Source: U.S. Census Bureau | Public Information Office | PIO@census.gov | Last Revised: July 02, 2010".

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FOR IMMEDIATE RELEASE: MONDAY, MARCH 30, 2009

State Tax Collections Reach Nearly \$782 Billion in 2008

State government tax collections totaled \$781.8 billion in fiscal year 2008, a \$24.5 billion (3.2 percent) increase from 2007, the U.S. Census Bureau reported today.

According to data from the *2008 Annual Survey of State Government Tax Collections*, taxes on individual income were \$280.7 billion, up 5.1 percent; general sales taxes were \$240.6 billion, up 0.9 percent; and corporation net income taxes were \$51.8 billion, down 2.5 percent. These taxes made up 73.3 percent of all state tax collections nationally.

Severance taxes -- imposed for removal of natural resources (e.g., oil, gas, coal, timber, fish, etc.) -- were up \$7.2 billion, or 65.3 percent, with the largest increases in the West and South. Documentary and stock transfer taxes -- incurred when recording, registering or transferring documents, such as mortgages, deeds or securities -- were down \$2.5 billion, or 24.5 percent, with the largest decrease in the South.

These files and tables contain annual statistics on the fiscal year tax collections of all 50 state governments, including receipts from licenses and compulsory fees. Tax revenues also include related penalty and interest receipts of the governments.

These data do not include employer and employee assessments for retirement and social insurance purposes. Also not included are collections for the unemployment compensation taxes imposed by each of the state governments. In addition, these data include tax collections for state governments only; they do not include tax collections from local governments.

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Although the data are not subject to sampling error, the statistics are subject to possible inaccuracies in classification, response and processing. Every effort is made to keep such errors to a minimum through care in examining, editing and tabulating the data.

The tax revenue data pertain to state fiscal years that ended June 30, 2008, in all but four states. Amounts shown for these four states reflect the different timing of their respective fiscal years, which were the 12-month periods ending on March 31, 2008, for New York; Aug. 31, 2008, for Texas; and Sept. 30, 2008, for Alabama and Michigan.

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CB09-50
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¹² <http://www.census.gov/newsroom/releases/archives/governments/cb09-50.html>

Appendix B. 2009 Press Release¹³

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FOR IMMEDIATE RELEASE: TUESDAY, MARCH 23, 2010 SHARE

Census Bureau Reports State Government Tax Collections Decrease \$67 Billion in 2009

Income Taxes Down 12 Percent, Corporate Taxes Down 21 Percent

State government tax collections totaled \$715.2 billion in fiscal year 2009, a \$66.9 billion (8.6 percent) decrease from 2008, the U.S. Census Bureau reported today.

According to data from the *2009 Annual Survey of State Government Tax Collections*, taxes on individual income were \$245.9 billion, down 11.8 percent, while general sales taxes were \$228.1 billion, down 5.4 percent. Corporate net income taxes were \$40.3 billion, down 20.7 percent. These taxes made up 71.9 percent of all state government tax collections nationally.

"The 2009 state tax collection data is the first component of government finance data released each fiscal year and provides an important indicator of the fiscal condition of state governments," said Lisa Blumberman, chief of the Census Bureau's Governments Division.

Severance taxes - imposed for removal of natural resources (e.g., oil, gas, coal, timber, fish, etc.) - were down \$4.8 billion in 2009, a 26.5 percent decrease. This followed a 65.2 percent increase in fiscal year 2008. The largest decreases in severance taxes were seen in the South and the West.

The decline of revenue from mortgages, deeds or securities (documentary and stock transfer taxes) resulted in a \$2.8 billion loss, a 36.0 percent decrease, with the largest decrease in the South.

States with the largest percent decrease in revenue from individual income taxes were Arizona (42.5 percent), South Carolina (29.6 percent), Tennessee (23.8 percent) and New Mexico (23.2 percent).

States with the largest percent decrease in revenue from corporate net income tax were Michigan (63.5 percent), Oregon (45.8 percent), New Mexico (42.6 percent) and Utah (37.7 percent).

These files and tables contain annual statistics on the fiscal year tax collections of all 50 state governments, including receipts from licenses and compulsory fees. Tax revenues also include related penalty and interest receipts of the governments.

These data do not include employer and employee assessments for retirement and social insurance purposes. Also not included are collections for the unemployment compensation taxes imposed by each of the state governments. In addition, these data include tax collections for state governments only; they do not include tax collections from local governments.

New in 09: Summary Table & link to detailed table on site

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