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The Week in Public Finance: The 10 States That Give More to the Feds Than They Get Back.

Connecticut tops the list of states whose taxpayers receive the least bang for their buck from the feds.

SPEED READ:

- Ten so-called donor states pay more in taxes to the federal government than they receive back in funding for things like Medicaid or education.
- Connecticut tops the list of donor states. Residents there receive just 74 cents back for every \$1 they pay in federal taxes.
- Thanks to 2017's federal tax overhaul, the number of donor states could grow. That's because the amount residents owe in federal taxes will increase now that the state and local tax deduction is capped.

Residents in Connecticut, Massachusetts, New Jersey and New York have some of the highest tax bills in the nation. They also pay thousands more in federal taxes than their state receives back in federal funding.

In total, 10 states are so-called donor states, meaning they pay more in taxes to the federal government than they receive back in funding for, say, Medicaid or public education. North Dakota, Illinois, New Hampshire, Washington state, Nebraska and Colorado round out the list.

Among the top four, the negative balance ranges from \$1,792 per capita in New York to a whopping \$4,000 in Connecticut, according to a <u>new report</u> by the Rockefeller Institute of Government. Put another way, residents in Connecticut receive just 74 cents back for every \$1 they pay in federal taxes. "What the report shows is, when you divide up the receipts, certain states win and certain states lose," says Michelle Cummings, one of the report's authors.

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