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State Tax Revenues Are Higher Than Ever, But Good Times May Not Last.

Federal tax reform and the economy are boosting state coffers — for now.

SPEED READ:

- In 41 states, income tax revenues surpassed pre-recession peaks last year.
- The rise is largely due to federal tax reform and the strong economy.
- But so far this year, income tax revenues are lower than expected in 19 states.

States' purchasing power has never been better, but there are signs that the upswing is waning.

A record 41 states collected more revenue last year than they did before the 2008 recession, even when inflation is taken into account. And in many cases, the recovery is significant. In 16 states, tax revenue was at least 15 percent higher in the third quarter of 2018 than their last peaks.

The findings come from the latest analysis of state revenues by the Pew Charitable Trusts. Collectively, states during the third quarter of last year had the equivalent of 13.4 cents more in purchasing power for every \$1 they collected at their recession-era peak.

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