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Tax Revenues Are Starting to Slow in Most States: Rockefeller Report.

A new report details revenue projections for each state, showing that many will have sizable budget shortfalls to close.

The outlook for tax revenues in many states isn't particularly rosy. Tax collections are starting to slow, meaning lawmakers in many states will have sizable budget shortfalls to close.

A Rockefeller Institute report released this week depicts weaker tax revenue growth or slight declines for most states. State personal income tax receipts are expected to grow a median of 4.6 percent in fiscal year 2016 and 4.4 percent in fiscal 2017, compared with 7.8 percent last year. Sales taxes are similarly expected to rise by a median of just 3.5 percent this year and 3.9 percent in fiscal 2017, down from 4.5 percent growth last year.

"The bleak forecasts certainly mean tough decisions for the state officials, whether it's in the form of tax increases, spending cuts, or tapping the rainy day funds," said Lucy Dadayan, a Rockefeller Institute senior policy analyst who co-authored the report.

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