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States Target Surpluses to Rainy Day Funds, Other Priorities after Fiscal 2018 Revenues Exceed Estimates.

Most states saw stronger revenue growth in fiscal 2018 led by unusually high income tax payments from non-withholding income sources along with continued growth in the national economy. Specifically, states saw a significant uptick in their personal income tax collections in the last eight months. Information from NASBO's Spring Fiscal Survey of States shows that 39 states were seeing fiscal 2018 revenues above projections at the time of data collection, with that figure expected to rise when updated data is collected in the fall. As a result of revenues coming in above forecast, many states ended fiscal 2018 with a budget surplus. NASBO's 2015 Budget Processes in the States report details states' use of general fund budget surpluses in Table 16. Common uses of general fund budget surpluses include: transfers to budget stabilization or rainy day fund (32 states), remaining in general fund (39 states), refunded to taxpayers (7 states), earmarked (6 states), paying down outstanding debt (10 states), and one-time expenditures (14 states).

Below is a listing of state revenue totals and examples of how some states are using fiscal 2018 budget surpluses, after 46 states ended the fiscal year on June 30th:

Continue reading.

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