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## **With the Virus Spreading, Red States Will Need Bailouts, Too.**

**It's not just Democratic states that are reeling from a sudden, dramatic loss of tax revenue.**

On April 27, President Trump took to Twitter to escalate the spat over the next coronavirus stimulus, questioning whether the federal government should rescue “poorly run” states led by Democrats. His tweet echoed the comments of Senate Majority Leader Mitch McConnell, who suggested during a radio interview that states with large pension obligations under union contracts could pursue bankruptcy instead of federal aid. The Kentucky Republican’s office gave his comments a twist in a press release with a section titled “On Stopping Blue State Bailouts.”

It’s true that many of the states that are ground zero for the Covid-19 pandemic—New York and New Jersey, as well as California and Illinois—are solidly Democratic. But the fiscal challenges that states now face aren’t limited to the blue ones and go well beyond pension obligations. States across the country are reeling from a brutal double whammy of lost revenue: With 30 million people thrown out of work in the past several weeks, income tax collections are tanking, and sales taxes have evaporated after stores and restaurants shuttered. Most states receive a majority of their revenue from those two sources.

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