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Sales Tax Revenue Forecast and Federal CARES Act in the Current Economic Downturn.

With a “shelter-in-place” directive, rising unemployment figures and Coronavirus fears, the biggest component of the US GDP - consumer spending - has taken an unexpected tumble. This is particularly worrisome for local and state governments that heavily rely on sales tax revenues.

For instance, in California the sales tax forecast is expected to decline by 36% in the second quarter of 2020 with only a moderate regrowth in the following quarters.

In this article, we will take a closer look at sales tax forecasts for local and state economies and how they're likely to affect local and state revenue and expenditure budgets.

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by Jayden Sangha

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