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## Virus Did Not Bring Financial Rout That Many States Feared.

**Grim forecasts held up for a few states, but many took in about as much tax revenue as before the pandemic — sometimes a lot more.**

Throughout the debate over stimulus, one question has produced repeated deadlock in Washington: Should the states get no-strings federal aid?

Republicans have mostly said no, casting it as a bailout for spendthrift blue states. Democrats have argued the opposite, saying that states face dire fiscal consequences without aid. State aid could well be a stumbling block for President Biden's \$1.9 trillion federal stimulus bill, which contains \$350 billion in relief for state and local governments and narrowly passed the House this past weekend. It faces a much tougher fight in the Senate.

As it turns out, new data shows that a year after the pandemic wrought economic devastation around the country, forcing states to revise their revenue forecasts and prepare for the worst, for many the worst didn't come. One big reason: \$600-a-week federal supplements that allowed people to keep spending — and states to keep collecting sales tax revenue — even when they were jobless, along with the usual state unemployment benefits.

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By Mary Williams Walsh

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