State Budget and Tax Actions
National Conference of State Legislatures
General Fund Revenue Growth

Source: NCSL survey of legislative fiscal offices, summer 2018.
General Fund Expenditure Growth

Source: NCSL survey of legislative fiscal offices, summer 2018.

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 (estimated)</th>
<th>FY 2019 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>4.0%</td>
<td>3.2%</td>
</tr>
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</table>

Source: NCSL survey of legislative fiscal offices, summer 2018.
Year-End Balance as a Percentage of General Fund Expenditures

Source: NCSL survey of legislative fiscal offices, summer 2018.
FY 2019 Projected General Fund Expenditure Growth in Major Program Categories

Source: NCSL survey of legislative fiscal offices, summer 2018.
Overview

- State budgets are stable with steady growth.
- Rebound in oil & gas prices in energy dependent states.
- Built-up reserves for next economic downturn.
Overview

▪ Uncertainty about the impact of Federal policies.
▪ Rising Medicaid and healthcare costs.
▪ Pension costs.
▪ Is strong revenue growth one-time or ongoing?
Preliminary State Tax Trends: 2018 Sessions

- Responses to the 2017 federal tax reform changes
  - Conformity, decoupling
  - Rate reductions
  - State personal exemptions and standard deductions
- Expanding the sales and use tax base
- Some special sessions to handle federal changes
- Enactment and adjustments to various tax credits and exemptions
Net Tax Changes and All Changes

Total of All Changes

Total Taxes Changes

Fee Revenue

(in millions)

$200  $400  $600  $800  $1,000  $1,200  $1,400

NCSL LEGISLATIVE SUMMIT
State Tax Changes in Response or Anticipation of Federal Changes
Questions?

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Resources
Fiscal Affairs Homepage:
http://www.ncsl.org/fiscal