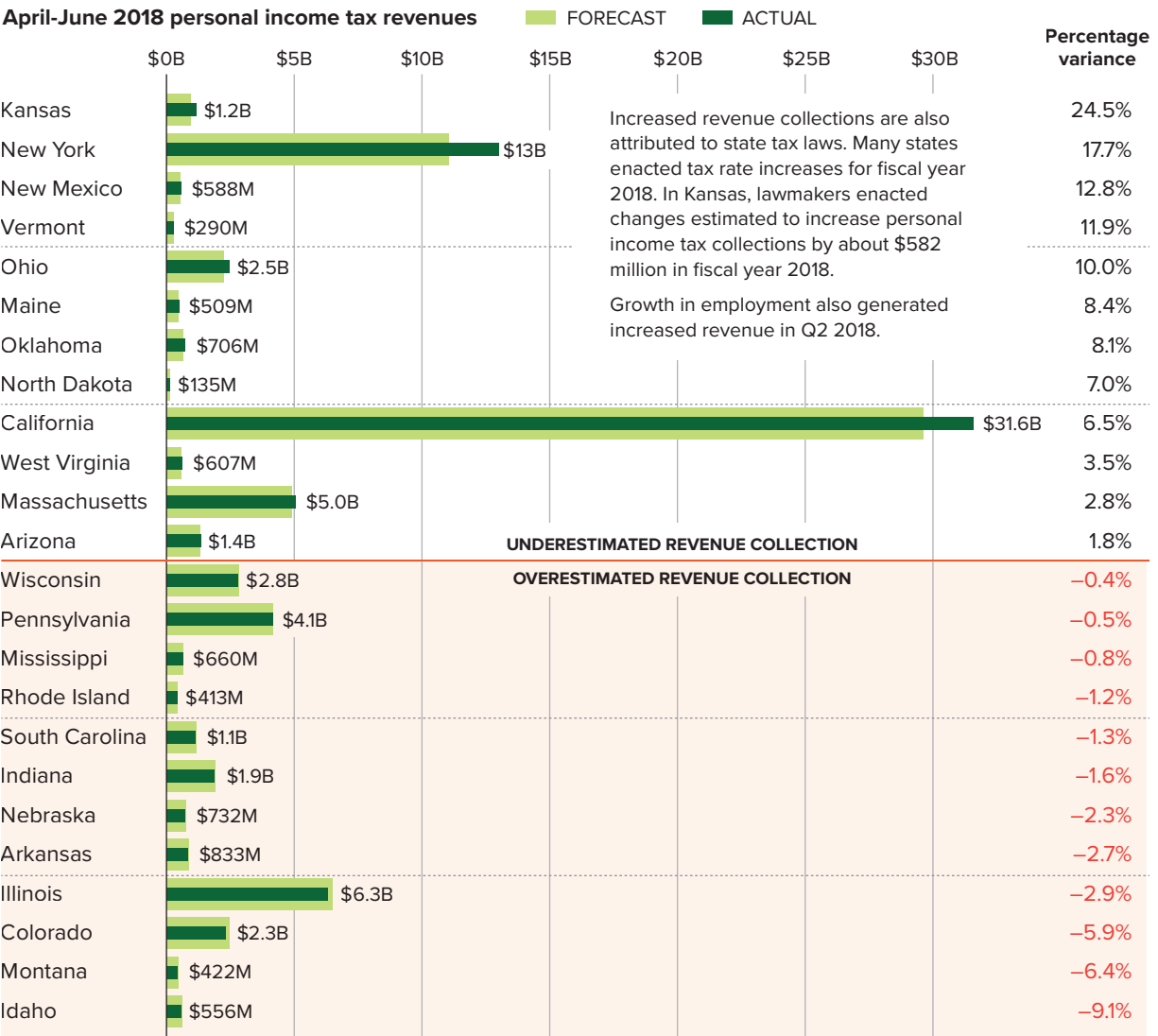


Jan. 3, 2019

## Some State Tax Revenues Were Above Forecasts

New analysis by the Tax Policy Center’s State and Local Finance Initiative found that 12 of 24 states, which provided actual and forecasted data of monthly personal income tax revenue for the second quarter of 2018, had underestimated growth in tax revenues — actual personal income tax collections in the second quarter of 2018 were higher than in second quarter of 2017, with a median growth of 8.1 percent.

The underestimation likely resulted from state revenue estimates that were prepared under a cloud of fiscal uncertainty leading up to the anticipated Tax Cuts and Jobs Act, which went into effect on Jan. 1, 2018. The increase in personal income tax collections was fueled by strong growth in nonwage income and other factors, such as extension payments related to tax year 2017 and increases to states’ income tax rates.



Source: Urban-Brookings Tax Policy Center at the Urban Institute

By Cristina Rivero, POLITICO Pro DataPoint

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