



Quarterly Summary of State and Local Tax Revenue

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Tax collections of State and local governments totaled \$247.4 billion during the 12 months ended with September 1981, an increase of 10.0 percent over the amount collected during the 12 months ended September 1980. State tax collections totaled \$154.1 billion, up 10.1 percent, during this period and local government taxes amounted to \$93.3 billion, an increase of 9.8 percent. Table A provides a summary by type of tax.

During the third quarter of calendar 1981, collections of State and local taxes amounted to \$57.4 billion. Compared to the

corresponding quarter of 1980, this is a rise of \$5.4 billion, or 10.5 percent. Table 1 shows amounts for the current quarter and prior quarters since 1976.

Table 3 reports local collections of property taxes for selected local areas. It should be noted that the amounts shown in table 3 are not limited to locally imposed property taxes, but are intended to include any amounts of State-imposed property taxes collected on behalf of the State by local government offices. Such an arrangement applies in at least 22 States.

Table A. Twelve-Month State and Local Tax Collections: September 1981 and 1980

Type of tax	Amount (in millions of dollars) 12 months ended with September		Percent change
	1981	1980	
Total.....	247,425	224,954	10.0
Property.....	73,597	67,765	8.6
Other than property.....	173,828	157,189	10.6
General sales and gross receipts.....	57,191	52,330	9.3
Motor fuel.....	10,067	9,809	2.6
Tobacco product sales.....	4,053	3,896	4.0
Alcoholic beverage sales.....	2,791	2,635	5.9
Individual income.....	47,461	42,722	11.1
Corporation net income.....	14,407	13,718	5.0
Motor vehicle and operators' licenses.....	6,151	5,820	5.7
All other.....	31,705	26,258	20.7

Note: Because of rounding, detail may not add to totals.

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INTRODUCTION

TAX COLLECTIONS ADJUSTED FOR SEASONAL VARIATION

State and local government taxes are subject to numerous influences which affect the level of collections from quarter to quarter. Included among these are factors which affect the long-term pattern of tax revenue, such as tax rate changes, adjustments by legislation or legal rulings in the coverage of particular taxes, the imposition of a specific tax by additional governments, or general economic growth.

Over shorter time spans, tax collections are influenced by the method of tax administration and collection, as well as by institutional factors. For example, the traditional payment of property taxes late in the calendar year is reflected in the significant jump of actual property tax revenue during the fourth quarter annually. Likewise, the existence of filing dates early in the calendar year is a factor in the collection pattern of individual income taxes.

Factors such as these result in the existence of repetitive intrayear fluctua-

tions in the collection pattern of particular taxes. Such seasonal fluctuations often make quarter-to-quarter comparisons of tax collection amounts difficult.

The process of seasonal adjustment is used to identify and remove such short-term systematic fluctuations from the quarterly figures. Long-term trend and cyclical movements, as well as irregular fluctuations, are left intact by the adjustment process. The comparison of tax collections in successive quarters is more meaningful, as the underlying long-term movement of the data is more easily observed. Similarly, any erratic or unusual short-term behavior in the tax collection pattern is more clearly revealed in the seasonally adjusted series, providing a basis for study of the causes of such behavior.

On a seasonally adjusted basis, State and local government tax collections amounted to \$63.3 billion during the third quarter of calendar 1981. This is a .7 percent increase over the \$62.9 billion collected during the previous quarter. Table B provides a summary of State and local tax collections adjusted to remove seasonal variation.

Table B. Seasonally Adjusted Tax Collections, Third Quarter 1981 and Prior Periods

Type of tax	Seasonally adjusted collections (millions of dollars)			Percentage change, tax collections in 3d quarter 1981 from--	
	1981		1980	2d quarter 1981	3d quarter 1980
	3d quarter	2d quarter	3d quarter		
Total.....	\$63,308	\$62,858	\$57,478	.7	10.1
Property.....	17,836	18,409	17,232	-3.1	3.5
Other than property.....	45,472	44,449	40,246	2.3	13.0
General sales and gross receipts.....	14,987	14,752	13,246	1.6	13.1
Individual income.....	12,220	12,292	10,985	-.6	11.2
Corporation net income.....	3,813	3,562	3,524	7.0	8.2
Motor fuel.....	2,598	2,492	2,374	4.3	9.4
Motor vehicle and operators' licenses	1,708	1,553	1,566	10.0	9.1
Other.....	10,146	9,798	8,551	3.6	18.7
BY LEVEL OF GOVERNMENT					
State.....	40,201	39,226	35,588	2.5	13.0
Local.....	23,150	23,825	21,853	-2.8	5.9

Table 2 presents seasonally adjusted collections for selected taxes and groups of taxes on a quarterly basis since 1976, and also shows the quarter-to-quarter percentage change for each series over the same time period.

The method used to adjust data on tax collections for seasonal variation is the X-11Q variant of the Census Method II seasonal adjustment program. A complete description of this program can be found in The X-11 Variant of the Census Method II Seasonal Adjustment Program (U.S. Bureau of the Census, Technical Paper No. 15, revised 1967). Seasonal adjustment factors were developed from unadjusted data (actual tax collections) compiled in this survey from 1970 through third quarter 1981. These factors are presented in Appendix B for the period 1976 through third quarter 1981.

Seasonal factors are calculated for individual taxes and groups of taxes as well as for aggregates of State and local tax collections separately. Total adjusted tax collections are defined to equal the sum of the adjusted individual taxes and tax groups shown in Appendix B. State and local government totals are shown separately, but do not sum to National totals shown because of the method of adjustment used.

CONCEPTS AND TERMINOLOGY

In this report the concept of "taxes" is comprised of all compulsory contributions exacted by a government for public purposes, except employer and employee assessments for retirement and social insurance purposes, which are classed as insurance trust revenue. Outside the scope of this report, accordingly, are collections for the unemployment compensation "taxes" imposed by each of the State governments and the District of Columbia. Included, however, are all receipts from licenses and compulsory fees, including those which are imposed for regulatory purposes as well as those designed to provide revenue.

Tax revenue is defined to include related penalty and interest receipts, but to exclude protested amounts and refunds. The deduction from gross collections of amounts

refunded is particularly significant with respect to motor fuel sales taxes ("gasoline" taxes).

The general nature of the several major kinds of taxes shown separately in this report is suggested by their headings; explicit definitions appear in annual reports on government finances.¹ A major portion of the residual heading "All other taxes" includes selective sales taxes, such as those on public utilities, with the balance involving various kinds of imposts, including death and gift taxes, severance taxes, general corporation licenses, and miscellaneous other licenses.

SOURCES OF DATA AND LIMITATIONS

The statistics in this report are based mainly upon three mail surveys, dealing respectively with State-administered taxes, locally collected property taxes, and certain locally collected nonproperty taxes. These surveys provided a basis for 96 percent of the collection amounts summarized in table 1. The remaining 4 percent (making up 11 percent of the local government total, and representing about one-third of sums shown for "All other taxes" but only very small percentages of other tax classes) was imputed by reference to findings of recent annual Bureau of the Census surveys of local government finances.

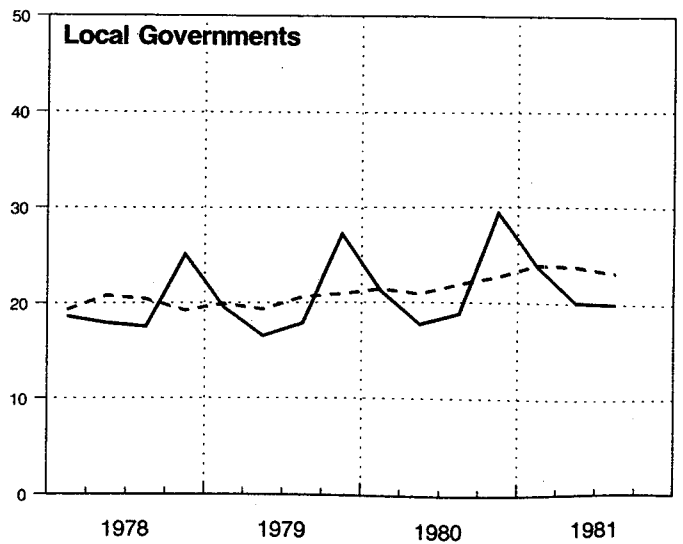
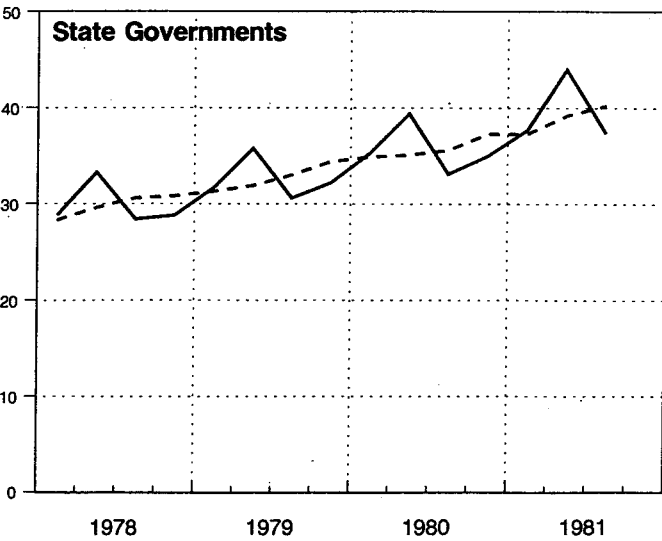
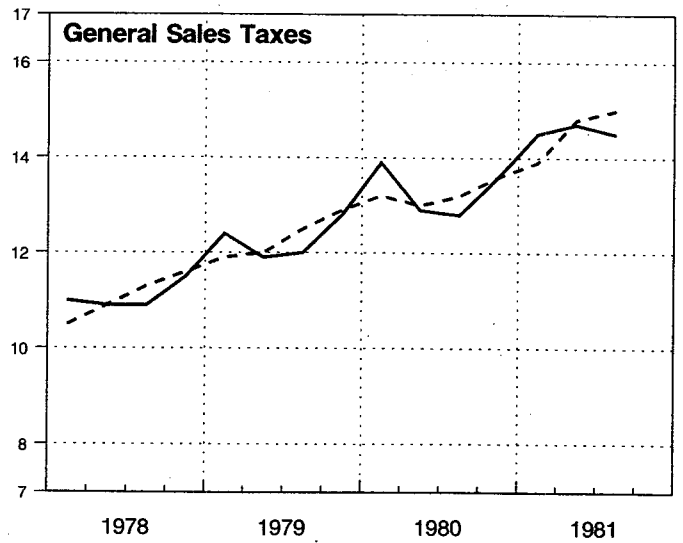
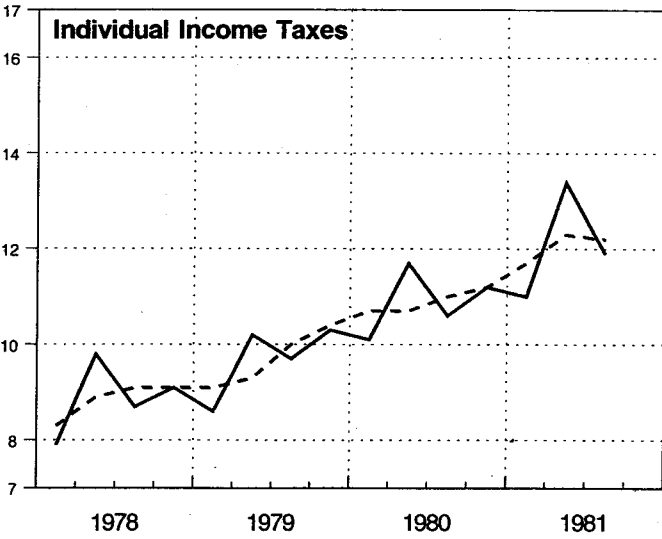
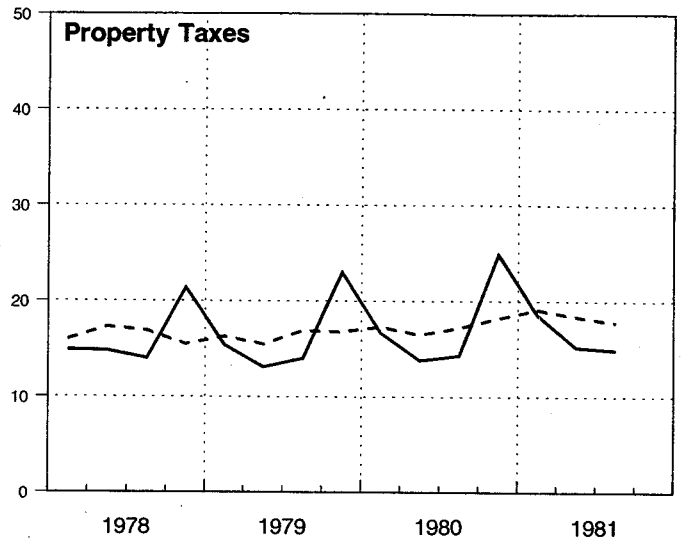
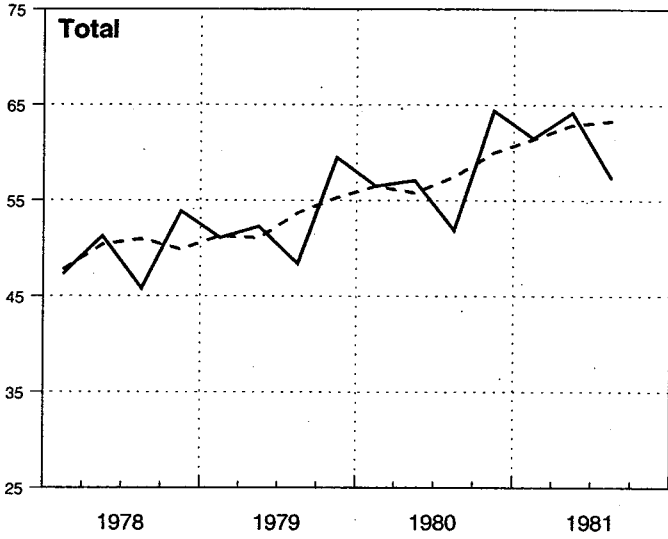
Most of the data in this report were gathered by mail canvass of appropriate State offices. In some instances data were compiled by trained representatives of the Bureau of the Census from official State records.

Data are subject to possible inaccuracies in classification, response and processing. Every effort is made to keep such errors to a minimum through care in examining, editing, and tabulating the data.

¹More detailed figures on State tax revenue, with definitions of particular types of taxes, appear in the annual reports State Government Tax Collections in 1980 and State Government Finances in 1980. State and local tax data on a fiscal year basis are reported nationally and by States in the annual report, Governmental Finances in 1979-80.

**Quarterly Tax Collections
of State and Local Governments,
by Level of Government
and for Selected Types of Taxes:
1978 to 1981 (in Billions of Dollars)**

— Actual tax collections
- - - Seasonally-adjusted tax collections



Concurrent adjustment of seasonal factors is utilized in this survey. With each additional quarter of data, seasonal factors are calculated for the current quarter, and prior quarterly seasonal factors are revised as needed. Concurrent adjustment generally reduces the overall magnitude of the revisions to seasonal factors, in comparison to the once-a-year adjustment of seasonal factors utilized in other surveys.

In this survey, concurrent adjustment is particularly important because of the changing nature of the underlying data base. Seven of the nine component series of tax collections are comprised essentially of State government taxes. Changes in the reported amounts of tax collections by these respondents can occur. In addition, reporting discrepancies in the quarterly surveys often become evident when the amounts are compared to the Census Bureau's survey of fiscal year State government tax collections. Concurrent adjustment of the seasonal factors thus incorporates all changes in the underlying data base into the computation of seasonally adjusted statistics each quarter.

It should be emphasized that the method used to compute seasonal factors does not change from quarter-to quarter. Revisions result entirely from changes to the underlying data base or the addition of new data.

The seasonally adjusted statistics are considered final (subject to no further revision) after four years.

Property tax collections since the first quarter 1976, as shown in table 1, are estimated based upon information from a re-

vised stratified sample panel, effective in January 1975, containing 568 counties or county-type areas which are served altogether by approximately 6,300 local tax collecting agencies. The sample represents an expansion in the number of units canvassed as well as a change in the frequency distribution of these units by size resulting in more complete coverage. Figures concerning quarterly collections were requested by mail from all these agencies, and reports were obtained from 77 percent of them. Sampling variation was calculated for the property tax data thus developed from a sample survey covering 1972. The sampling variation of the 12-month aggregate was determined to be less than 1 percent. That is, the chances are about 2 out of 3 that the estimated yearly total differs by less than 1 percent (\pm) from the results that would have been obtained from a complete enumeration. The quarterly estimates were found subject to a sampling variability of less than 2 percent.

ACKNOWLEDGMENT

Appreciation is extended to the numerous State and local officials who supplied basic data needed for the preparation of this report.

For further information concerning seasonal adjustment of these data, contact David Kellerman, Governments Division, Bureau of the Census, Washington, D.C. 20233 (Area code 301/763-5121). Inquiries regarding other aspects of this report may be directed to Henry Wulf, Governments Division, Bureau of the Census, Washington, D.C. 20233 (Area code 301/763-7664).

QUARTERLY TAX REPORT

Table 1. National Totals of State and Local Tax Revenue, by Level of Government and by Type of Tax:
Third Quarter of 1981 and Prior Periods

(Millions of dollars. Data not adjusted for seasonal variations)

Period	Total	Level of tax-imposing government		Type of tax								
		State	Local	Property	General sales and gross receipts	Motor fuel sales	Tobacco product sales	Alcoholic beverage sales	Individual income	Corporation net income ¹	Motor vehicle and operators' licenses	All other
QUARTERS												
1981:												
3D QUARTER . . .	57 364	37 392	19 971	14 900	14 451	2 652	1 038	678	11 864	2 968	1 375	7 436
2D QUARTER . . .	64 153	44 024	20 129	15 226	14 662	2 460	1 068	740	13 419	4 989	1 708	9 881
1ST QUARTER . . .	61 522	37 718	23 804	18 613	14 518	2 422	933	696	10 965	3 705	1 867	7 803
1980:												
4TH QUARTER . . .	64 386	34 959	29 427	24 858	13 560	2 533	1 014	677	11 213	2 745	1 201	6 585
3D QUARTER . . .	51 915	33 084	18 831	14 345	12 775	2 424	1 015	654	10 645	2 744	1 253	6 060
2D QUARTER . . .	57 099	39 385	17 715	13 754	12 936	2 397	998	668	11 687	4 897	1 527	8 235
1ST QUARTER . . .	56 479	35 253	21 226	16 658	13 863	2 405	928	671	10 059	3 404	1 906	6 585
1979:												
4TH QUARTER . . .	59 461	32 241	27 220	23 008	12 756	2 583	955	642	10 331	2 673	1 134	5 378
3D QUARTER . . .	48 357	30 602	17 755	14 028	12 022	2 443	983	619	9 696	2 507	1 065	4 994
2D QUARTER . . .	52 327	35 831	16 496	13 088	11 935	2 475	989	676	10 175	4 488	1 539	6 962
1ST QUARTER . . .	51 143	31 670	19 473	15 422	12 438	2 449	892	624	8 621	3 293	1 840	5 564
1978:												
4TH QUARTER . . .	53 858	28 780	25 078	21 374	11 526	2 511	942	634	9 089	2 141	1 026	4 615
3D QUARTER . . .	45 843	28 361	17 482	13 975	10 893	2 574	948	614	8 748	2 172	1 066	4 853
2D QUARTER . . .	51 257	33 313	17 944	14 776	10 896	2 418	991	630	9 798	3 837	1 513	6 398
1ST QUARTER . . .	47 347	28 767	18 580	14 869	10 984	2 277	899	586	7 870	2 987	1 754	5 121
1977:												
4TH QUARTER . . .	52 512	25 640	26 872	23 674	9 925	2 404	925	601	7 893	1 923	930	4 237
3D QUARTER . . .	41 169	25 246	15 923	12 687	9 653	2 445	955	577	7 650	1 964	952	4 286
2D QUARTER . . .	45 907	29 190	16 717	13 955	9 657	2 341	945	595	8 022	3 272	1 404	5 716
1ST QUARTER . . .	43 184	26 035	17 149	13 848	9 505	2 175	859	536	7 287	2 550	1 675	4 749
1976:												
4TH QUARTER . . .	47 674	22 962	24 712	21 762	8 803	2 276	883	576	7 161	1 602	838	3 773
3D QUARTER . . .	37 212	22 046	15 166	12 263	8 426	2 373	928	541	6 319	1 597	946	3 819
2D QUARTER . . .	41 587	26 498	15 089	12 672	8 547	2 265	926	576	7 309	2 769	1 246	5 277
1ST QUARTER . . .	38 671	22 968	15 703	12 887	8 517	2 052	860	542	5 962	2 057	1 722	4 072
12 MONTHS ENDING												
SEPTEMBER 1981 . .	247 425	154 094	93 331	73 597	57 191	10 067	4 053	2 791	47 461	14 407	6 151	31 705
JUNE 1981	241 976	149 785	92 191	73 042	55 515	9 839	4 030	2 767	46 242	14 183	6 029	30 329
MARCH 1981	234 922	145 146	89 777	71 570	53 789	9 776	3 960	2 695	44 510	14 091	5 848	28 683
DECEMBER 1980 . .	229 879	142 681	87 199	69 615	53 134	9 759	3 955	2 670	43 604	13 790	5 887	27 465
SEPTEMBER 1980 . .	224 954	139 963	84 992	67 765	52 330	9 809	3 896	2 635	42 722	13 718	5 820	26 258
JUNE 1980	221 396	137 481	83 916	67 448	51 577	9 828	3 864	2 600	41 773	13 481	5 632	25 192
MARCH 1980	216 624	133 927	82 697	66 782	50 576	9 906	3 855	2 608	40 261	13 072	5 644	23 920
DECEMBER 1979 . .	211 288	130 344	80 944	65 546	49 151	9 950	3 819	2 561	38 823	12 961	5 578	22 899
SEPTEMBER 1979 . .	205 685	126 883	78 802	63 912	47 921	9 878	3 806	2 553	37 581	12 429	5 470	22 135
JUNE 1979	203 171	124 642	78 529	63 859	46 792	10 009	3 771	2 548	36 635	12 094	5 471	21 994
MARCH 1979	202 101	122 124	79 977	65 547	45 753	9 952	3 773	2 502	36 256	11 443	5 445	21 430
DECEMBER 1978 . .	198 305	119 221	79 084	64 994	44 299	9 780	3 780	2 464	35 505	11 137	5 359	20 987
SEPTEMBER 1978 . .	196 959	116 081	80 878	67 294	42 698	9 673	3 763	2 431	34 309	10 919	5 263	20 609
JUNE 1978	192 285	112 966	79 319	66 006	41 458	9 544	3 770	2 394	33 211	10 711	5 149	20 042
MARCH 1978	186 935	108 843	78 092	65 185	40 219	9 467	3 724	2 359	21 435	10 146	5 040	19 360
DECEMBER 1977 . .	182 772	106 111	76 661	64 164	38 740	9 365	3 684	2 309	30 852	9 709	4 961	18 988
SEPTEMBER 1977 . .	177 934	103 433	74 501	62 252	37 618	9 237	3 642	2 284	30 120	9 388	4 869	18 524
JUNE 1977	173 977	100 233	73 744	61 828	36 391	9 165	3 615	2 248	28 789	9 021	4 863	18 057
MARCH 1977	169 657	97 541	72 116	60 545	35 281	9 089	3 596	2 229	28 076	8 518	4 705	17 618
DECEMBER 1976 . .	165 144	94 474	70 670	59 584	34 293	8 966	3 597	2 236	26 751	8 025	4 752	16 941
SEPTEMBER 1976 . .	159 558	91 658	67 900	57 257	33 298	8 857	3 600	2 207	25 505	7 716	4 668	16 450
JUNE 1976	155 477	88 900	66 577	56 332	32 144	8 710	3 585	2 187	24 715	7 293	4 596	15 916
MARCH 1976	150 940	85 498	65 442	55 164	31 126	8 546	3 549	2 176	23 593	7 031	4 412	15 243

Note: Because of rounding, detail may not add to total. Property tax amounts are estimated subject to sampling variation. Of the nonproperty tax revenue shown, about 95 percent pertains to governments directly subject to survey for this report, with the remainder imputed mainly from findings of annual surveys for fiscal 1979-80. Verification of 12-month totals with government officials has resulted in minor revisions for prior periods. Prior quarterly data changes of less than 1 percent have been made without specific notation. See text discussion of "Sources of Data and Limitations."

¹Local government collections are included with "Individual income."

QUARTERLY TAX REPORT

Table 2. National Totals of State and Local Tax Revenue, by Level of Government and by Type of Tax:
 Third Quarter of 1981 and Prior Periods
 (Data adjusted for seasonal variations)

Period	Total	Level of tax-imposing government		Type of tax						
		State ¹	Local ¹	Property	General sales and gross receipts	Motor fuel sales	Individual income	Corporation net income	Motor vehicle and operators' licenses	All other
AMOUNT (MILLIONS OF DOLLARS)										
QUARTERS										
1981:										
3D QUARTER	63 308	40 201	23 150	17 836	14 987	2 598	12 220	3 813	1 708	10 146
2D QUARTER	62 858	39 226	23 825	18 409	14 752	2 492	12 292	3 562	1 553	9 798
1ST QUARTER	61 396	37 326	23 867	19 146	13 856	2 489	11 651	3 457	1 416	9 381
1980:										
4TH QUARTER	59 995	37 303	22 721	18 197	13 647	2 486	11 245	3 665	1 543	9 212
3D QUARTER	57 478	35 588	21 853	17 232	13 246	2 374	10 985	3 524	1 566	8 551
2D QUARTER	55 801	35 079	20 868	16 492	12 998	2 423	10 698	3 503	1 386	8 301
1ST QUARTER	56 450	34 863	21 437	17 315	13 245	2 479	10 671	3 162	1 438	8 140
1979:										
4TH QUARTER	55 341	34 432	20 942	16 760	12 850	2 540	10 363	3 578	1 467	7 783
3D QUARTER	53 659	32 960	20 635	16 924	12 456	2 388	10 046	3 226	1 340	7 279
2D QUARTER	51 111	31 874	19 299	15 511	11 970	2 493	9 293	3 216	1 399	7 229
1ST QUARTER	51 299	31 277	19 909	16 298	11 900	2 538	9 118	3 037	1 366	7 042
1978:										
4TH QUARTER	49 873	30 789	19 179	15 463	11 631	2 478	9 130	2 880	1 353	6 938
3D QUARTER	51 036	30 606	20 353	16 926	11 278	2 499	9 109	2 808	1 352	7 064
2D QUARTER	50 367	29 578	20 822	17 308	10 886	2 424	8 920	2 748	1 382	6 699
1ST QUARTER	47 785	28 362	19 284	15 977	10 545	2 377	8 295	2 741	1 273	6 577
1977:										
4TH QUARTER	47 746	27 491	20 424	17 047	10 026	2 381	7 944	2 594	1 261	6 493
3D QUARTER	45 890	27 312	18 536	15 350	9 990	2 359	8 016	2 558	1 212	6 405
2D QUARTER	45 031	25 860	18 592	16 179	9 597	2 335	7 267	2 333	1 294	6 026
1ST QUARTER	43 960	25 609	18 147	15 204	9 164	2 293	7 653	2 337	1 181	6 128
1976:										
4TH QUARTER	43 214	24 670	18 521	15 558	8 898	2 256	7 233	2 165	1 175	5 929
3D QUARTER	41 535	23 925	17 639	14 744	8 705	2 274	6 664	2 104	1 220	5 824
2D QUARTER	40 589	23 403	17 251	14 599	8 436	2 250	6 583	1 960	1 160	5 601
1ST QUARTER	39 614	22 538	17 055	14 408	8 276	2 181	6 220	1 891	1 181	5 457
PERCENT CHANGE FROM PREVIOUS QUARTER										
1981:										
3D QUARTER7	2.5	-2.8	-3.1	1.6	4.3	-.6	7.0	10.0	3.6
2D QUARTER	2.4	5.1	-.2	-3.9	6.5	.1	5.5	3.0	9.7	4.4
1ST QUARTER	2.3	.1	5.0	5.2	1.5	-.1	3.6	-5.7	-8.2	1.8
1980:										
4TH QUARTER	4.4	4.8	4.0	5.6	3.0	4.7	2.4	4.0	-1.5	7.7
3D QUARTER	3.0	1.5	4.7	4.5	1.9	-2.0	2.7	.6	12.9	3.0
2D QUARTER	-1.1	.6	-2.7	-4.8	-1.9	-2.2	.3	10.8	-3.6	2.0
1ST QUARTER	2.0	1.3	2.4	3.3	3.1	-2.4	3.0	-11.6	-2.0	4.6
1979:										
4TH QUARTER	3.1	4.5	1.5	-1.0	3.2	-6.4	3.2	10.9	9.5	6.9
3D QUARTER	5.0	3.4	6.9	9.1	4.1	-4.2	8.1	.3	-4.2	.7
2D QUARTER	-.4	1.9	-3.1	-4.8	.6	-1.8	1.9	5.9	2.4	2.7
1ST QUARTER	2.9	1.6	3.8	5.4	2.3	2.4	-.1	5.5	1.0	1.5
1978:										
4TH QUARTER	-2.3	.6	-5.8	-8.6	3.1	-.9	.2	2.6	-	-1.8
3D QUARTER	1.3	3.5	-2.3	-2.2	3.6	3.1	2.1	2.2	-2.2	5.4
2D QUARTER	5.4	4.3	8.0	8.3	3.2	2.0	7.5	.3	8.6	1.9
1ST QUARTER1	3.2	-5.6	-6.3	5.2	-.1	4.4	5.6	.9	1.3
1977:										
4TH QUARTER	4.0	.7	10.2	11.1	.4	.9	-.9	1.4	4.1	1.4
3D QUARTER	1.9	5.6	-.4	-5.1	4.1	1.0	10.3	9.6	-6.6	6.3
2D QUARTER	2.4	1.0	2.3	6.4	4.7	1.9	-5.0	-.2	9.6	-1.6
1ST QUARTER	1.7	3.8	-2.6	-2.3	3.0	1.6	5.8	8.1	.5	3.4
1976:										
4TH QUARTER	4.0	3.0	5.0	5.4	2.2	-.8	8.5	2.9	-3.7	1.8
3D QUARTER	2.3	2.2	2.2	1.0	3.2	1.1	1.2	7.4	5.1	4.0
2D QUARTER	2.5	3.8	1.1	1.3	1.9	3.1	5.8	3.6	-1.8	2.6
1ST QUARTER	4.0	3.8	4.5	4.2	4.9	1.4	3.2	8.5	8.5	1.7

- Represents zero or rounds to zero.

¹Total tax collections are obtained by summing the seasonally adjusted collections by type of tax. State and local government adjusted tax collections, when summed, differ slightly from the totals shown. This results from differences in the level of precision used during computation as well as from the seasonal adjustment method applied.

