

## Louisiana

From 2002 to 2008, Louisiana's spending increased the most in the highways (103%), welfare (89%), debt service (79%), parks and recreation (76%), and natural resources (74%) categories. The increase in highways spending was the highest in the nation in terms of percentage. The spending categories that saw the least growth were corrections (+23%), salaries and wages (+15%), and hospitals (-31%). The decrease in hospitals spending was the third-greatest in the nation, although, on a per-capita basis, the state's spending was still in the upper half of all states (17<sup>th</sup>) in 2008. The state's overall general spending increase of 89% and direct spending increase of 105% were each the highest in the nation.

Louisiana's total revenue growth of 68% ranked eighth for the period, and its total tax revenue growth of 50% ranked 16<sup>th</sup>. Corporate income taxes were the fastest growing tax revenue category, increasing 166% and ranking 10<sup>th</sup>-highest. The state's 77% increase in personal income tax revenue was the fourth-largest in the nation.

<b>Spending</b> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	627,743	17	773,076	17	0	23%	35
Education	6,047,120	31	9,083,468	14	+17	50%	13
Government Administration	577,908	32	929,882	21	+11	61%	9
Health	444,648	39	640,753	33	+6	44%	20
Highways	1,052,837	44	2,132,077	11	+33	103%	1
Hospitals	1,489,729	3	1,021,434	17	-14	-31%	48
Interest on Debt	505,717	21	903,661	13	+8	79%	11
Natural Resources	332,754	26	579,131	8	+18	74%	3
Parks and Recreation	211,102	4	371,160	1	+3	76%	15
Police Protection	250,114	8	349,563	6	+2	40%	20
Public Welfare	3,080,895	47	5,828,886	22	+25	89%	4
Salaries and Wages	3,709,689	11	4,262,552	15	-4	15%	41
Direct Expenditures	11,668,103	30	23,960,421	4	+26	105%	1
General Expenditures	15,836,393	36	29,983,212	7	+29	89%	1
Total Expenditures	17,993,401	32	33,003,929	8	+24	83%	1

<b>Taxes</b> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax <sup>1</sup>	1,788,733	38	3,169,686	35	+3	77%	4
General Sales Tax <sup>2</sup>	2,326,873	36	3,459,383	25	+11	49%	10
Corporate Income Tax <sup>3</sup>	264,419	32	703,196	18	+14	166%	10
Total Taxes	7,356,936	37	11,003,870	24	+13	50%	16
Total Revenue	18,093,632	20	30,307,726	9	+11	68%	8

<sup>1</sup> Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

<sup>2</sup> General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

<sup>3</sup> Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

**Comparison to Baseline Growth**

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Louisiana’s population decreased by 2%. This yields a “baseline” growth of 18% for the period. The figure below compares the difference in Louisiana’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

