

## Mississippi

From 2002 to 2008, Mississippi's spending increased the most in the police (73%), administration (61%), natural resources (44%), and hospitals (43%) categories. The increase in police spending was the fifth-highest in the nation in terms of percentage. The spending categories that saw the least growth were welfare (29%), debt service (13%), and parks and recreation (7%). The state's overall general spending increase of 46% was among the upper one-third of states, ranking 10<sup>th</sup>-highest.

Mississippi's total overall revenue growth of 47% ranked 24<sup>th</sup> for the period, and its total tax revenue growth of 43% ranked 27<sup>th</sup>. Corporate income taxes were the fastest growing tax revenue category, increasing 96%, although that still placed it in the bottom half of states (ranking 30<sup>th</sup> highest). By contrast, the 57% increase in personal income tax revenue and 34% increase in general sales tax revenue each ranked in the upper half (15<sup>th</sup> and 23<sup>rd</sup>, respectively).

<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	272,024	43	369,248	37	+6	36%	20
Education	3,922,172	28	5,471,275	25	+3	39%	27
Government Administration	203,766	49	327,410	44	+5	61%	10
Health	267,921	43	368,652	36	+7	38%	22
Highways	968,774	21	1,284,377	17	+4	33%	17
Hospitals	665,019	7	953,339	9	-2	43%	23
Interest on Debt	210,862	35	238,668	41	-6	13%	38
Natural Resources	198,375	27	285,285	20	+7	44%	14
Parks and Recreation	37,484	34	39,960	37	-3	7%	29
Police Protection	67,902	42	117,202	29	+13	73%	5
Public Welfare	3,412,798	10	4,405,435	13	-3	29%	37
Salaries and Wages	1,708,423	33	2,252,581	31	+2	32%	26
Direct Expenditures	8,005,175	23	11,665,118	17	+6	46%	11
General Expenditures	11,461,763	23	16,776,821	14	+9	46%	10
Total Expenditures	12,742,438	26	18,642,916	17	+9	46%	9

<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>	985,117	40	1,551,079	39	+1	57%	15
General Sales Tax <sup>2</sup>	2,340,474	7	3,135,390	7	0	34%	23
Corporate Income Tax <sup>3</sup>	195,814	22	384,643	26	-4	96%	30
Total Taxes	4,728,905	36	6,770,880	35	+1	43%	27
Total Revenue	11,052,453	23	16,278,166	23	0	47%	24

<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 Mississippi’s population increased by 2%. This yields a “baseline” growth of 22% for the period. The figure below compares the difference in Mississippi’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

