

## New York

From 2002 to 2008, New York's spending increased the most in the education (56%), natural resources (56%) and police (54%) categories. The spending categories that saw the least growth were welfare (29%), salaries and wages (29%), corrections (26%) and debt service (4%). The state's overall general spending increase of 33% was a little lower than the state average, ranking 33<sup>rd</sup>-highest.

New York's total overall revenue growth of 41% ranked 32<sup>nd</sup> for the period, and its total tax revenue growth of 51% ranked 13<sup>th</sup>. Corporate income taxes were the fastest growing tax revenue category, increasing 123% and ranking 22<sup>nd</sup>-highest. Personal income taxes grew 43% (26<sup>th</sup>) and remained among the highest per capita (third) 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	2,492,277	22	3,135,187	23	-1	26%	28
Education	25,562,251	32	39,764,174	17	+15	56%	8
Government Administration	4,080,248	10	5,875,815	8	+2	44%	20
Health	5,444,260	5	7,088,181	6	-1	30%	29
Highways	3,295,118	50	4,380,808	49	+1	33%	16
Hospitals	3,393,257	12	4,896,242	15	-3	44%	22
Interest on Debt	3,647,059	9	3,789,714	16	-7	4%	46
Natural Resources	351,875	50	547,896	48	+2	56%	8
Parks and Recreation	460,646	21	583,040	14	+7	27%	25
Police Protection	623,391	28	958,637	16	+12	54%	13
Public Welfare	34,598,240	1	44,763,366	1	0	29%	35
Salaries and Wages	12,635,975	23	16,348,779	23	0	29%	30
Direct Expenditures	57,546,715	20	75,400,805	19	+1	31%	39
General Expenditures	96,528,968	7	128,221,439	8	-1	33%	33
Total Expenditures	119,198,996	2	157,397,509	6	-4	32%	32

  

<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>	25,573,667	1	36,563,948	3	-2	43%	26
General Sales Tax <sup>2</sup>	8,607,718	40	11,294,737	38	+2	31%	24
Corporate Income Tax <sup>3</sup>	2,257,935	9	5,037,830	8	+1	123%	22
Total Taxes	43,262,137	7	65,370,654	11	-4	51%	13
Total Revenue	104,533,614	4	147,340,334	7	-3	41%	32

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

