

Oregon

From 2002 to 2008, Oregon's spending increased the most in the parks and recreation (98%), highways (87%) and debt service (80%) categories. The increase in highways spending was the third-largest in the nation in terms of percentage. Oregon saw spending decline in three categories, including administration (-1%), hospitals (-3%) and health (-30%). The 12% growth rate for welfare spending was the second-lowest of all the states. The state's overall general spending increase of 21% was among the smallest in the nation, ranking 47th-highest.

Oregon's total overall revenue growth of 16% ranked 49th for the period, and its total tax revenue growth of 41% ranked 32nd. Corporate income taxes were the fastest growing tax revenue category, increasing 143% and ranking 16th highest. Personal income tax revenue grew a relatively modest 35% (35th) but remained among the highest per capita in the nation in 2008 (7th), down slightly from fifth in 2002. Oregon did not have a general sales tax.

Spending (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	616,568	6	720,504	12	-6	17%	40
Education	5,207,933	18	6,768,386	30	-12	30%	42
Government Administration	901,671	6	888,704	17	-11	-1%	44
Health	580,917	22	407,430	42	-20	-30%	47
Highways	817,455	46	1,528,591	22	+24	87%	3
Hospitals	1,190,151	2	1,154,493	10	-8	-3%	41
Interest on Debt	250,533	36	450,490	33	+3	80%	10
Natural Resources	329,956	13	424,465	13	0	29%	21
Parks and Recreation	52,244	33	103,461	17	+16	98%	9
Police Protection	171,170	11	173,661	22	-11	1%	46
Public Welfare	3,856,484	13	4,311,257	37	-24	12%	49
Salaries and Wages	2,685,408	15	3,901,453	14	+1	45%	11
Direct Expenditures	10,671,448	16	12,435,083	32	-16	17%	49
General Expenditures	14,884,121	17	18,076,076	30	-13	21%	47
Total Expenditures	18,029,157	14	22,386,883	23	-9	24%	46

Taxes (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 ¹	3,674,962	5	4,968,791	7	-2	35%	35
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	196,257	34	477,113	30	+4	143%	16
Total Taxes	5,163,687	46	7,278,717	43	+3	41%	32
Total Revenue	14,815,282	16	17,138,166	41	-25	16%	49

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

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

³ 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 Oregon’s population increased by 8%. This yields a “baseline” growth of 28% for the period. The figure below compares the difference in Oregon’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

