

Joe Havlicek

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GOVERNMENTAL FINANCES 1987

A Comparison of Ohio and Neighboring States

The Ohio State University
Department of Agricultural Economics and Rural Sociology

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INTRODUCTION

This report contains selected state-by-state comparisons of state and local government revenue and expenditure for FY 1987. Sixteen categories of revenue and seventeen categories of expenditure are included. For each category, Ohio, Michigan, Indiana, and Kentucky are compared to the United States average as well as the highest and lowest revenue and expenditure producing states for that category. Per capita amounts were calculated using population estimates for July 1, 1987.

The data shown in the following tables were derived from Arley D. Waldo's **STATE AND LOCAL GOVERNMENT FINANCES IN 1986-87: How the States Compare.**¹ Waldo's tables were derived from the annual survey of governmental finances conducted by the Governments Division of the U.S. Bureau of the Census.²

The Appendix of this report contains a glossary of selected terms for those who are not familiar with definitions used by the Census Bureau.

¹ STATE AND LOCAL GOVERNMENT FINANCES IN 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics, Staff Paper P90-4, January 1990.

² U.S. Bureau of the Census, Government Finances in 1986-87, GF-87-5, November 1988, and other reports in this series.

**Table 1. ALL STATE AND LOCAL GENERAL REVENUE:
Amount per Capita, FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$2,819.08	100.0
Ohio	34	2,517.37	89.3
Michigan	13	2,994.68	106.2
Indiana	40	2,282.30	81.0
Kentucky	47	2,138.95	75.9
Highest state	AK	10,480.62	371.8
Lowest state	AR	1,924.66	68.3

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 2. ALL STATE AND LOCAL REVENUE FROM FEDERAL
GOVERNMENT: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$472.45	100.0
Ohio	39	421.06	89.1
Michigan	19	513.15	108.6
Indiana	40	399.59	84.6
Kentucky	35	425.96	90.2
Highest state	DC	2,240.03	474.1
Lowest state	FL	305.10	64.6

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 3. ALL STATE AND LOCAL REVENUE FROM FEDERAL
GOVERNMENT FOR PUBLIC WELFARE:
Amount per Capita, FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$186.69	100.0
Ohio	16	185.05	99.1
Michigan	6	244.03	130.7
Indiana	27	162.86	87.2
Kentucky	19	180.64	96.8
Highest state	DC	446.52	239.2
Lowest state	AZ	65.32	35.0

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 4. ALL STATE AND LOCAL REVENUE FROM FEDERAL
GOVERNMENT FOR EDUCATION:
Amount per Capita, FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$75.81	100.0
Ohio	47	58.72	77.5
Michigan	19	84.79	111.8
Indiana	44	62.34	82.2
Kentucky	46	59.02	77.8
Highest state	AK	246.55	325.2
Lowest state	NJ	48.72	64.3

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

Table 5. ALL STATE AND LOCAL REVENUE FROM FEDERAL GOVERNMENT FOR HIGHWAYS: Amount per Capita, FY 1987

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$54.41	100.0
Ohio	48	36.38	66.9
Michigan	43	48.03	88.3
Indiana	35	54.64	100.4
Kentucky	29	60.75	111.6
Highest state	AK	222.89	409.7
Lowest state	MA	22.42	41.2

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

Table 6. ALL STATE AND LOCAL GENERAL REVENUE FROM OWN SOURCES: Amount per Capita, FY 1987

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$2,346.62	100.0
Ohio	30	2,096.31	89.3
Michigan	13	2,481.53	105.7
Indiana	39	1,882.71	80.2
Kentucky	47	1,712.99	73.0
Highest state	AK	9,413.61	401.2
Lowest state	AR	1,498.84	63.9

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 7. ALL STATE AND LOCAL TAX REVENUE:
Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$1,664.54	100.0
Ohio	27	1,509.44	90.7
Michigan	13	1,775.60	106.7
Indiana	38	1,304.21	78.4
Kentucky	45	1,210.38	72.7
Highest state	AK	3,161.73	189.9
Lowest state	MS	990.03	59.5

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 8. ALL STATE AND LOCAL PROPERTY TAX REVENUE:
Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$498.06	100.0
Ohio	31	413.62	83.0
Michigan	9	669.18	134.4
Indiana	30	416.60	83.6
Kentucky	47	204.66	41.1
Highest state	AK	1,187.46	238.4
Lowest state	AL	123.73	24.8

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 9. ALL STATE AND LOCAL SALES AND GROSS
RECEIPTS TAX REVENUE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$592.82	100.0
Ohio	31	517.65	87.3
Michigan	43	450.38	76.0
Indiana	29	519.75	87.7
Kentucky	44	450.31	76.0
Highest state	WA	1,067.15	180.0
Lowest state	OR	142.78	24.1

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 10. ALL STATE AND LOCAL GENERAL SALES AND GROSS
RECEIPT TAX REVENUE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$397.59	100.0
Ohio	27	352.60	88.7
Michigan	37	307.45	77.3
Indiana	16	407.17	102.4
Kentucky	45	239.35	60.2
Highest state	WA	815.61	205.1
Lowest state	*	--	--

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

* New Hampshire, Montana, Oregon, and Delaware information was not available and reported as zero

**Table 11. ALL STATE AND LOCAL SELECTIVE SALES AND GROSS
RECEIPT TAX REVENUE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$195.23	100.0
Ohio	38	165.04	84.5
Michigan	46	142.93	73.2
Indiana	51	112.57	57.7
Kentucky	18	210.97	108.1
Highest state	NV	486.69	249.3
Lowest state	IN	112.57	57.7

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 12. ALL STATE AND LOCAL LICENSE TAX
REVENUE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$68.36	100.0
Ohio	18	78.90	115.4
Michigan	33	61.31	89.7
Indiana	51	24.04	35.2
Kentucky	25	72.07	105.4
Highest state	DE	458.53	670.8
Lowest state	IN	24.04	35.2

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 13. ALL STATE AND LOCAL INDIVIDUAL INCOME TAX
REVENUE: Amount per Capita, FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$343.80	100.0
Ohio	11	434.84	126.5
Michigan	14	388.30	112.9
Indiana	26	286.55	83.3
Kentucky	23	313.19	91.1
Highest state	NY	823.03	239.4
Lowest state	*	--	--

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

* South Dakota, Wyoming, Washington, Nevada, Florida, and Texas reported this information as zero

**Table 14. ALL STATE AND LOCAL CORPORATE INCOME TAX
REVENUE: Amount per Capita, FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$93.15	100.0
Ohio	37	44.01	47.2
Michigan	6	178.77	191.9
Indiana	40	42.62	45.8
Kentucky	18	71.74	77.0
Highest state	DC	272.16	292.2
Lowest state	*	--	--

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

* Wyoming, Washington, Nevada, and Texas reported this information as zero

**Table 15. ALL STATE AND LOCAL USER CHARGES
REVENUE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$354.15	100.0
Ohio	30	322.82	91.2
Michigan	14	409.49	115.6
Indiana	19	387.00	109.3
Kentucky	45	258.87	73.1
Highest state	AK	970.38	274.0
Lowest state	CT	214.33	60.5

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 16. ALL STATE AND LOCAL MISCELLANEOUS GENERAL
REVENUE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$327.94	100.0
Ohio	33	264.05	80.5
Michigan	28	296.44	90.4
Indiana	48	191.50	58.4
Kentucky	39	243.73	74.3
Highest state	AK	5,281.50	1610.5
Lowest state	TN	164.34	50.1

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 17. ALL STATE AND LOCAL GENERAL EXPENDITURES:
Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$2,695.41	100.0
Ohio	33	2,434.66	90.3
Michigan	11	2,905.51	107.8
Indiana	42	2,164.45	80.3
Kentucky	44	2,086.28	77.4
Highest state	AK	9,973.43	370.0
Lowest state	AR	1,906.68	70.7

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 18. ALL STATE AND LOCAL EXPENDITURES FOR
EDUCATION SERVICES: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$931.22	100.0
Ohio	28	892.04	95.8
Michigan	7	1,087.04	116.7
Indiana	26	905.41	97.2
Kentucky	50	718.82	77.2
Highest state	AK	2,372.90	254.8
Lowest state	TN	700.48	75.2

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 19. ALL STATE AND LOCAL EXPENDITURES FOR
ELEMENTARY AND SECONDARY EDUCATION:
Amount per Capita, FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$644.13	100.0
Ohio	28	629.23	97.7
Michigan	8	733.69	113.9
Indiana	38	574.62	89.2
Kentucky	49	442.79	68.7
Highest state	AK	1,828.23	283.8
Lowest state	AL	420.92	65.3

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 20. ALL STATE AND LOCAL EXPENDITURES FOR
HIGHER EDUCATION: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$247.50	100.0
Ohio	28	243.66	98.5
Michigan	11	322.38	130.3
Indiana	20	286.08	115.6
Kentucky	35	222.52	89.9
Highest state	AK	430.84	174.1
Lowest state	PA	130.40	52.7

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 21. ALL STATE AND LOCAL EXPENDITURES FOR
PUBLIC WELFARE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$339.03	100.0
Ohio	11	391.28	115.4
Michigan	8	469.06	138.4
Indiana	28	257.72	76.0
Kentucky	24	269.98	79.6
Highest state	DC	897.31	264.7
Lowest state	AL	157.19	46.4

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 22. ALL STATE AND LOCAL EXPENDITURES FOR
HEALTH: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$69.28	100.0
Ohio	15	77.52	111.9
Michigan	4	121.13	174.8
Indiana	44	46.40	67.0
Kentucky	42	46.92	67.7
Highest state	DC	189.57	273.6
Lowest state	NE	27.14	39.2

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 23. ALL STATE AND LOCAL EXPENDITURES FOR
HOSPITALS: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$164.78	100.0
Ohio	30	127.91	77.6
Michigan	18	165.99	100.7
Indiana	17	166.18	100.9
Kentucky	41	83.03	50.4
Highest state	GA	379.69	230.4
Lowest state	VT	40.03	24.3

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 24. ALL STATE AND LOCAL EXPENDITURES FOR
HIGHWAYS: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$214.46	100.0
Ohio	43	176.20	82.2
Michigan	41	176.97	82.5
Indiana	42	176.28	82.2
Kentucky	24	248.60	115.9
Highest state	AK	1,111.54	518.3
Lowest state	SC	133.68	62.3

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 25. ALL STATE AND LOCAL EXPENDITURES FOR
POLICE PROTECTION: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$101.42	100.0
Ohio	24	87.04	85.8
Michigan	13	106.25	104.8
Indiana	47	57.69	56.9
Kentucky	46	59.15	58.3
Highest state	DC	372.56	367.4
Lowest state	WV	43.12	42.5

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 26. ALL STATE AND LOCAL EXPENDITURES FOR
FIRE PROTECTION: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$44.82	100.0
Ohio	17	43.85	97.8
Michigan	23	36.88	82.3
Indiana	38	27.96	62.4
Kentucky	42	23.44	52.3
Highest state	DC	140.89	314.3
Lowest state	DE	15.61	34.8

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 27. ALL STATE AND LOCAL EXPENDITURES FOR
CORRECTIONS: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$68.35	100.0
Ohio	19	63.38	92.7
Michigan	9	77.34	113.1
Indiana	40	39.19	57.3
Kentucky	39	40.07	58.6
Highest state	DC	383.10	560.5
Lowest state	WV	21.20	31.0

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 28. ALL STATE AND LOCAL EXPENDITURES FOR
NATURAL RESOURCES: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$40.01	100.0
Ohio	48	15.66	39.1
Michigan	38	29.39	73.5
Indiana	40	27.18	67.9
Kentucky	21	48.52	121.3
Highest state	AK	272.54	681.2
Lowest state	DC	0.00	0.0

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 29. ALL STATE AND LOCAL EXPENDITURES FOR
PARKS AND RECREATION: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$45.10	100.0
Ohio	38	30.48	67.6
Michigan	23	40.69	90.2
Indiana	42	23.95	53.1
Kentucky	41	24.13	53.5
Highest state	NV	98.21	217.8
Lowest state	MS	15.35	34.0

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 30. ALL STATE AND LOCAL EXPENDITURES FOR
SEWERAGE: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$61.06	100.0
Ohio	11	75.38	123.5
Michigan	20	59.32	97.2
Indiana	23	55.98	91.7
Kentucky	38	39.51	64.7
Highest state	AK	176.37	288.8
Lowest state	NC	6.58	10.8

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 31. ALL STATE AND LOCAL EXPENDITURES FOR HOUSING
AND COMMUNITY DEVELOPMENT: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$48.34	100.0
Ohio	19	44.09	91.2
Michigan	40	24.91	51.5
Indiana	29	34.34	71.0
Kentucky	23	41.61	86.1
Highest state	DC	314.96	651.5
Lowest state	NM	15.97	33.0

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 32. ALL STATE AND LOCAL EXPENDITURES FOR
GOVERNMENTAL ADMINISTRATION: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$143.37	100.0
Ohio	30	124.06	86.5
Michigan	26	140.50	98.0
Indiana	46	101.58	70.9
Kentucky	42	108.81	75.9
Highest state	AK	720.38	502.5
Lowest state	AR	86.23	60.1

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

**Table 33. All STATE AND LOCAL EXPENDITURES FOR
INTEREST ON GENERAL DEBT: Amount per Capita,
FY 1987**

	Rank	Amount Per Capita	Percent of U.S. Average
United States		\$171.80	100.0
Ohio	40	122.61	71.4
Michigan	39	124.44	72.4
Indiana	49	91.54	53.3
Kentucky	26	177.39	103.3
Highest state	AK	1,801.71	1048.7
Lowest state	NC	77.00	44.8

Source: State and Local Government Finances in 1986-87: How the States Compare, Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

Table 34. POPULATION AND PERSONAL INCOME*

	Population (thousands)	Personal Income (million \$)	Personal Income (per person)
United States	243,400	3,529,522	14,501
Ohio	10,784	149,807	13,892
Michigan	9,200	135,113	14,686
Indiana	5,531	72,294	13,071
Kentucky	3,727	41,902	11,243
Highest state - CA	27,663	456,099	16,488
Lowest state - WY	490	6,485	13,235

Source: State and Local Government Finances in 1986-87: How the States Compare. Arley D. Waldo, University of Minnesota Department of Agricultural and Applied Economics.

* Note that Population is as of July 1, 1987 and Personal Income is for the 1986 calendar year.

DEFINITIONS OF SELECTED TERMS

The following definitions are taken directly from U.S. Bureau of the Census reports on government finances. For additional information concerning definitions or data, see U.S. Bureau of the Census, Government Finances in 1986-87, GF-87-5, November 1988.

Capital Outlay. Direct expenditure for contract or force account construction of buildings, roads, and other improvements, and for purchases of equipment, land, and existing structures. Includes amounts for additions, replacements, and major alterations to fixed works and structures. However, expenditure for repairs to such works and structures is classified as current operation expenditure. See Construction and Equipment.

Cash Assistance. See Public Welfare.

Corporate Net Income Taxes. Taxes on net income of corporations and unincorporated businesses (when taxed separately from individual income). Includes distinctively imposed net income taxes on special kinds of corporations (e.g., financial institutions).

Correction. Confinement and correction of adults and minors convicted of offenses against the law, and pardon, probation, and parole activities.

Current Charges. Amounts received from the public for performance of specific services benefiting the person charged, and from sales of commodities and services except by government utilities and liquor stores. Includes fees, assessments, and other reimbursements for current services, rents and sales derived from commodities or services furnished incident to the performance of particular functions, gross income of commercial activities, and the like. Excludes amounts received from other governments (see Intergovernmental Revenue) and interdepartmental charges and transfers. Current charges are distinguished from license taxes, which relate to privileges granted by the government or regulatory measures for the protection of the public.

Current Expenditure. All expenditures with the exception of capital outlay. Includes--current operations, assistance and subsidies, interest on debt, and insurance benefits and repayments.

Current Operation. Direct expenditure for compensation of own officers and employees and for supplies, materials, and contractual services except amounts for capital outlay.

Death and Gift Taxes. Taxes imposed on the transfer of property at death, in contemplation of death, or as a gift.

Direct Expenditure. Payments to employees, suppliers, contractors, beneficiaries, and other final recipients of government payments--i.e., all expenditure other than Intergovernmental Expenditure.

Education. Provision or support of schools and facilities for elementary and secondary, higher, and other education. Elementary and Secondary Education includes the provision of public kindergarten through high school education by State and local governments. It encompasses instructional, support, and auxiliary services (school lunch, student activities, and community services) offered by public school systems. Revenues and expenditures for enterprise activities are included on a gross basis. Higher Education consists of all State and local institutions of higher education. Excluded are agricultural experiment stations and agricultural extension services (included under Natural Resources), university-operated hospitals (included under *Hospitals*), and scholarship and fellowship payments (included under *Other Education*). Other Education includes all Federal Government educational activities with the exception of service academies (which are classified as part of National Defense and International Relations), State Government administrative supervision of elementary and secondary and higher education, scholarship and fellowship payments, aid to private schools, and support of special schools for deaf, blind, and other handicapped persons.

Elementary and Secondary Education. See under Education.

Expenditure. All amounts of money paid out by a government--net of recoveries and other correcting transactions--other than for retirement of debt, investment in securities, extension of credit, or as agency transactions. Note that expenditure includes only external transactions of a government and excludes noncash transactions such as the provision of perquisites or other payments in kind.

Financial Administration. Officials and agencies concerned with tax assessment, and collection, accounting, auditing, budgeting, purchasing, custody of funds, and other central finance activities.

Fire Protection. Fire fighting organization and auxiliary services; fire inspection and investigation; support of volunteer fire forces; and other fire prevention activities. Includes cost of fire fighting facilities, such as fire hydrants and water, furnished by other agencies of the government.

Fiscal Year. The 12-month period at the end of which the government or any governmental agency determines its financial condition and the results of its operations and closes its books.

General Expenditure. All government expenditure other than the specifically enumerated kinds of expenditure classified as utility expenditure, liquor stores expenditure, and employee-retirement or other insurance trust expenditure.

General Revenue. All government revenue except utility revenue, liquor store revenue, and employee-retirement and other insurance trust revenue. The basis for distinction is not the fund or administrative unit receiving particular amounts, but rather the nature of the revenue sources concerned.

Includes all tax collections and intergovernmental revenue, even if designated for employee-retirement or local utility purposes.

General Sales or Gross Receipts Taxes. See under *Sales and Gross Receipts Taxes*.

Government Administration. Comprises the functions of Financial Administration, Judicial and Legal, and General Public Buildings; and activities of the governing body, office of the chief executive, and central staff services and agencies concerned with personnel administration, recording, planning, zoning, and the like.

Health. Out-patient health services, other than hospital care, including: public health administration; research and education; categorical health programs; treatment and immunization clinics; nursing; environmental health activities such as air and water pollution control; ambulance service if provided separately from fire protection services; and other general public health activities such as mosquito abatement. Also includes financing, construction, and operation of nursing homes. School health services provided by health agencies (rather than school agencies) are included here. Sewage treatment operations are classified under *Sewerage*.

Highways. Construction, maintenance, and operation of highways, streets and related structures, including toll highways, bridges, tunnels, ferries, street control are classed under *Police Protection*.

Hospitals. Financing, construction, acquisition, maintenance or operation of hospital facilities, provision of hospital care, and support of public or private hospitals. However, see *Public Welfare* concerning vendor payments under welfare programs.

Housing and Community Development. Construction and operation of housing and redevelopment projects, and other activities to promote or aid housing and community development.

Individual Income Taxes. Taxes on individuals measured by net income and taxes distinctively imposed on special types of income (e.g., interest, dividends, income from intangibles, etc.).

Interest Earnings. Interest earned on deposits and securities, including amounts for accrued interest on investment securities sold. However, receipts for accrued interest on bonds issued are classified as offsets to interest expenditure. Note that interest earnings shown under general revenue do not include earnings on assets of employee-retirement systems.

Intergovernmental Expenditure. Amounts paid to other governments as fiscal aid in the form of shared revenues and grants-in-aid, as reimbursements for performance of general government activities and for specific services for the paying government, or in lieu of taxes. Excludes amounts paid to other governments for purchase of commodities, property, or utility services, any tax imposed and paid as such, and employer contributions for social

insurance--e.g., contributions to the Federal Government for Old Age, Survivors', Disability, and Health Insurance for government employees.

Intergovernmental Revenue. Amounts received from other governments as fiscal in the form of shared revenues and grants-in-aid, as reimbursements for performance of general government functions and specific services for the paying government (e.g., care of prisoners or contractual research), or in lieu of taxes. Excludes amounts received from other governments for the sale of property, commodities, and utility services. All intergovernmental revenue is classified as general revenue.

Intergovernmental Revenue for General Local Government Support. Fiscal aid revenue that allows the receiving government unrestricted use as to function or purpose.

Intergovernmental Revenue from Federal Government. Intergovernmental revenue received by a local government directly from the Federal Government. Excludes Federal aid channeled through State governments.

Judicial and Legal. Courts and activities associated with courts including law libraries, prosecutorial and defendant programs, probate functions, and juries.

Libraries. Establishment and operation of public libraries and support of privately operated libraries (excludes those operated as part of a school system, primarily for the benefit of students and teachers, and law libraries).

License Taxes. Taxes enacted (either for revenue raising or for regulation) as a condition to the exercise of a business or nonbusiness privilege, at a flat rate or measured by such bases as capital stock, capital surplus, number of business units, or capacity. Excludes taxes measured directly by transactions, gross or net income, or value of property except those to which only nominal rates apply. "Licenses" based on these latter measures, other than those at nominal rates, are classified according to the measure concerned. Includes "fees" related to licensing activities--automobile inspection, professional examination, and licenses, etc.--as well as license taxes producing substantial revenues.

Natural Resources. Conservation, promotion, and development of natural resources, such as soil, water, forests, minerals, and wildlife. Includes irrigation, drainage, flood control, forestry and forest fire protection, soil reclamation, soil and water conservation, fish and game programs, and agricultural fairs. For the Federal Government, includes agricultural experiment stations and extension services, farm price stabilization programs, farm insurance and credit activities, and multipurpose power and reclamation projects.

Parks and Recreation. Provision and support of recreational and cultural-scientific, scientific facilities and activities including golf courses, playfields, playgrounds, public beaches, swimming pools, tennis courts, parks, auditoriums, stadiums, auto camps, recreation piers, marinas,

botanical gardens, galleries, museums and zoos. Also includes building and operation of convention centers and exhibition halls.

Police Protection. Preservation of law and order and traffic safety. Includes police patrols and communications, crime prevention activities, detention and custody of persons awaiting trial, traffic safety, and vehicular inspection.

Property Taxes. Taxes conditioned on ownership of property and measured by its value. Includes general property taxes related to property as a whole, real and personal, tangible or intangible, whether taxed at a single rate or at classified rates, and taxes on selected types of property, such as motor vehicles or certain or all intangibles.

Property Tax Relief. Amounts received distinctly as reimbursement for State-mandated tax relief programs, which have resulted in foregone tax revenue. Includes payments under property tax relief, renters relief, and similar programs.

Public Welfare. Support of and assistance to needy persons contingent upon their need. Excludes pensions to former employees and other benefits not contingent on needs. Expenditures under this heading include: *Cash Assistance* paid directly to needy persons under the categorical programs (Old Age Assistance, Aid to Families With Dependent Children, Aid to the Blind, and Aid to the Disabled) and under any other welfare programs; *Vendor Payments* made directly to private purveyors for medical care, burials, and other commodities and services provided under welfare programs; and provision and operation by the government of *Welfare Institutions*. Other *Public Welfare* includes payments to other governments for welfare purposes, amounts for administration, support of private welfare agencies, and other public welfare services. Health and Hospital services provided directly by the government through its own hospitals and health agencies, and any payments to other governments for such purposes are classes under those functional headings rather than here.

Revenue. All amounts of money received by a government from external sources--net of refunds and other correcting transactions--other than from issuance of debt, liquidation of investments, and as agency and private trust transactions. Note that revenue excludes noncash transactions such as receipt of services, commodities, or other "receipts in kind".

Sales and Gross Receipts Taxes. Taxes, including: "Licenses" at more than nominal rates, based on volume or value of transfers of goods or services; upon gross receipts, or upon gross income; and related taxes based upon use, storage, production (other than severance of natural resources), importation, or consumption of goods. Dealer discounts of "commissions" allowed to merchants for collection of taxes from consumers are excluded. Comprises:

General Sales or Gross Receipts Taxes. Sales or gross receipts taxes which are applicable with only specified exceptions to all types of goods and services, or all gross income, whether at a single rate or at classified

rates. Taxes imposed distinctively upon sales or gross receipts from selected commodities, services, or businesses are reported separately under category listed below.

Selective Sales and Gross Receipts Taxes. Sales and Gross receipts taxes imposed on sales or particular commodities or services or gross receipts of particular businesses, separately and apart from the application of general sales and gross receipts taxes. Specific taxes on items such as alcoholic beverages or tobacco products are examples.

Sanitation. Comprises *Sewerage and Sanitation Other Than Sewerage* (see below). Sanitary engineering, smoke regulation, and other health activities are classified under Health.

Sanitation Other Than Sewerage. Street cleaning, solid waste collection and disposal, and provision of sanitary landfills.

Selective Sales and Gross Receipts Taxes. See under *Sales and Gross Receipts Taxes*.

Severance Taxes. Taxes imposed distinctively on removal of natural products (e.g., oil, gas, other minerals, timber, fish, etc.) from land or water and measured by value or quality of products removed or sold.

Sewerage. Provision of sanitary and storm sewers and sewage disposal facilities and services, and payments to other governments for such purposes.

Special Assessments. Compulsory contributions collected from owners of property benefited by special public improvements (street paving, sidewalks, sewer lines, etc.) to defray the cost of such improvements (either directly or through payment of debt service on indebtedness incurred to finance the improvements) and apportioned according to the assumed benefits to the property affected by the improvements.

Taxes. Compulsory contributions exacted by a government for public purposes, except employee and employer assessments for retirement and social insurance purposes, which are classified as insurance trust revenue. All tax revenue is classified as general revenue and comprises amounts received (including interest imposed by a government. Note that local government tax revenue excludes any amounts from shares of State-imposed and collected taxes, which are classified as intergovernmental revenue.

Vendor Payments. See under Public Welfare.