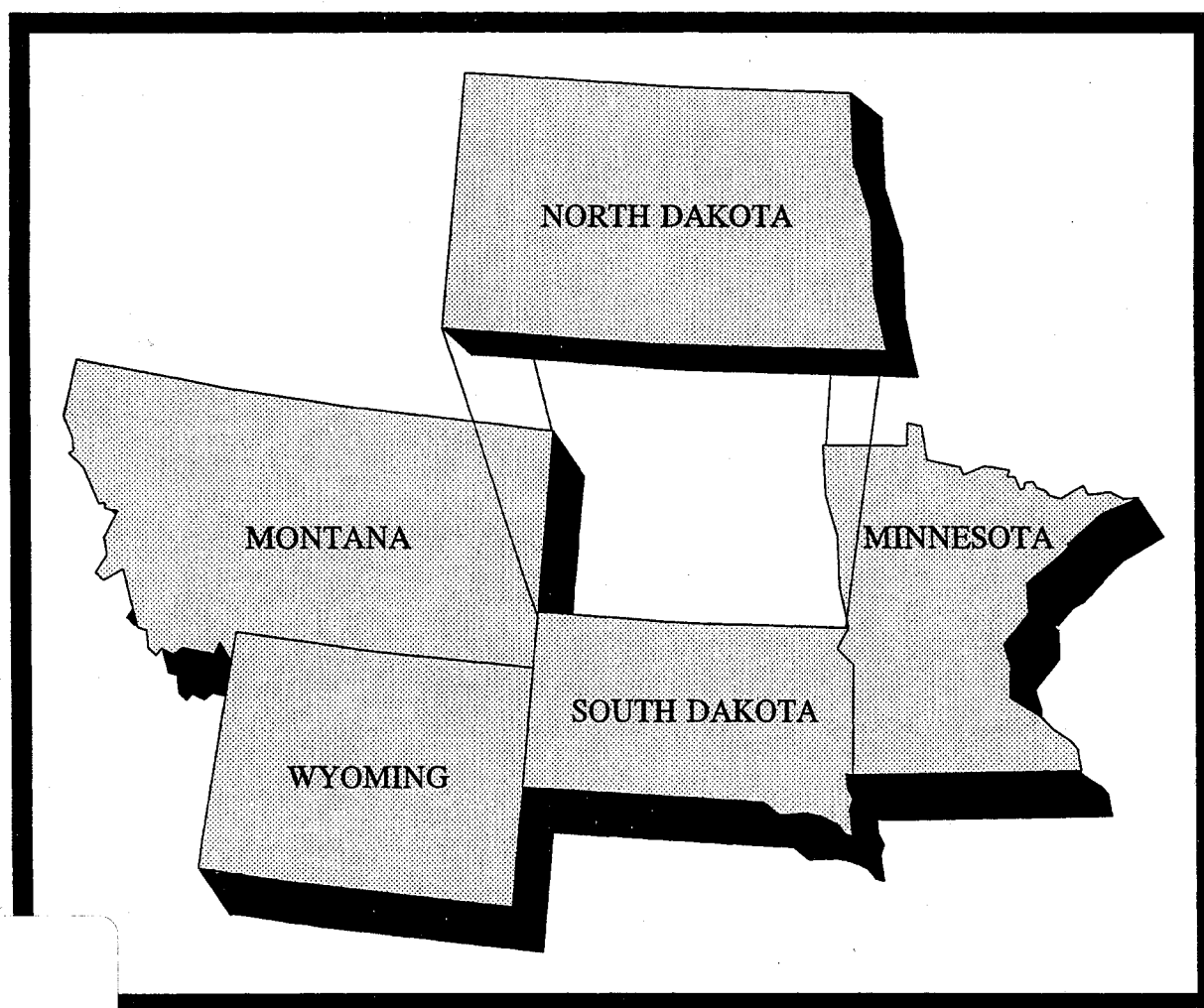


Assessment of NORTH DAKOTA'S STATE AND LOCAL TAX BURDEN with Statistical Appendix

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Highlights

Compared to their neighbors (Minnesota, Montana, Wyoming, South Dakota, Nebraska) North Dakota's taxpayers' burden is about average. In real terms, state and local tax collections in North Dakota increased by 66.5 percent (1.6 percent per year) from 1960 to 1992. However, personal income increased by 200 percent (2.2 percent per year) over the same time period. The percent of personal income paid in state and local taxes decreased by 17 percent (0.5 percent per year) during this period.

Tax collections per capita rose by 66.5 percent (1.6 percent per year) from \$1100 in 1960 to \$1800 in 1992. Both personal income and overall tax collections increased but population did not change appreciably over this time period.

Taxable values of real property decreased 62.5 percent while property taxes collected decreased only 1 percent (1960 to 1992). Taxable values of agricultural real property decreased 67.7 percent and residential real property decreased 26.5 percent (1960 to 1992).

North Dakota relies heavily on the sales tax (37 percent). Historically, property tax was the largest source of tax collections. By 1973, it fell into second place and remains there today (34 percent). North Dakota relies heavily (71 percent) on inelastic tax sources (property and sales taxes). During a stable or declining economy, this benefits the state, but does not aid state revenues during a period with a growing economy.

North Dakota's heavy reliance on sales (37 percent) and property (34 percent) tax no doubt distorts private sector economic decisions and resource allocation, but the effects are difficult to estimate. A broad mix of taxes permits raising revenue without undue dependence on any one tax.

Energy (9.3 percent) and corporate (3.4 percent) taxes are generally hidden taxes. Sales tax is not hidden at the time of purchase, but the annual total is unknown to taxpayers. Property (34 percent) is somewhat hidden if it is escrowed into the monthly mortgage payment.

State collected taxes amount to 64 percent of total tax collected compared to 36 percent for local collections during 1992. In 1960 state collection was 45 percent compared to 55 percent for local.

Energy taxes have varied from a low of 1.43 percent in 1973 to a high of 25.6 percent during 1982. Today energy tax amounts to 9.3 percent of total collections. Some of the burden is borne by North Dakota residents in the form of resource owner costs, shareholder costs, or higher energy prices. The rapid increase during the late 1970s and early 1980s provided a revenue increase for state government. Since 1983, the percentage share of energy taxes has fallen causing the state government to shift the tax burden to other sources.

Assessment of NORTH DAKOTA'S STATE AND LOCAL TAX BURDEN

Jay A. Leitch, Brett Hovde, and Richard Taylor¹

Taxpayers often contend they pay more taxes than their neighbors or more than they did in the past. The impact of the actual burden often is difficult to assess due to the effects of inflation and the complexities of the overall tax system. The purpose of this study is to objectively assess the state and local tax burden in North Dakota.

The burden of a tax system can be measured using at least three concepts: (1) the types of tax collected, (2) tax collections as a percentage of personal income, and (3) per capita tax collections. The type of tax collected can be used to identify shifting of the tax burden among jurisdictions and among groups of taxpayers. The type of tax collected relates to the reliance on four primary tax bases--income, sales, property, and energy--over time. Tax collections expressed as a percentage of *personal income* illustrates how the overall tax burden may have changed relative to personal income. Changes in tax collections per capita show if the tax liability of each citizen has changed.

Personal income is the money value of the net increase to an individual's power to consume during a period, which includes the amount actually consumed during the period plus net additions to wealth (Rosen 1988). Personal income is estimated annually and reported by United States Department of Commerce.

This study does not address the issue of whether taxpayers are getting more or less for their money now than in the past. It is difficult to assess the benefits received from government over time and among states. Nor does this study attempt to describe changes in tax laws over time, other than to highlight those that resulted in substantial shifts in the burden. The biennial *North Dakota Tax Guide* (Hanson 1994) and Dorow et al. (1988) are helpful sources for that type of tax information.

PROCEDURE

Tax revenue data were assembled for a 33-year period, from 1960 to 1992. North Dakota's tax situation was compared over time and to those of neighboring states: Minnesota, Nebraska, South Dakota, Montana, and Wyoming.

¹Professor, former research assistant, and research associate, respectively, Department of Agricultural Economics.

Comparing trends in tax collections over time may be misleading because of changes in the value of the dollar. For example, \$10 in 1979 would buy 13.4 percent more goods or services than would \$10 in 1980 (Appendix Table G1). A \$300 tax per capita in 1960 reduced a person's wealth more than a \$1400 tax did in 1992. Comparisons using nominal values are misleading because of a lack of a common denominator--a 1960 dollar is not worth the same (in terms of purchasing power) as a 1992 dollar. Expressing tax collections in real dollars facilitates comparisons by expressing the worth of all dollars in a common dollar's worth. Tax collections measured in *nominal dollars* were converted to *real 1994 dollars* using the consumer price index (CPI) (United States Department of Commerce).

Nominal dollars are dollars that are received during a specific period of time.

Real dollars are nominal dollars adjusted for changes in the price level and expressed in terms of a base year.

Tax revenue data were assembled into tables, graphs, and charts, depicting the three comparative concepts. Observations were made relative to trends or patterns of these data. Tax revenue trends and tax burden shifts were assessed using selected tax evaluation standards. Assessment was accomplished by comparisons across time and among states.

Data

Most of the tax data came from the *Statistical Abstract of the United States (1961-1992)*. North Dakota's tax information was supplemented with information from *Report of 1992 Property Valuations and Property Taxes Levied in North Dakota* (State Tax Department 1992) and from *State and Local Taxes in North Dakota* (State Tax Department 1994). Robert Cordingly, appraiser, Ad Valorem Tax Division, provided supplemental information on Wyoming's taxes. The gaps in Montana's data were filled by Brad Simshaw, Office of Research and Information, Montana Department of Revenue. Wyoming's energy tax collections were provided by Richard Marble, Director of Mineral Tax Division, Wyoming Department of Revenue and Taxation.

A STATISTICAL APPENDIX (Appendices A through F) contains most of the time series nominal figures used to develop the graphs and charts, as well as selected graphs and charts not included in the main text.

Tax Evaluation Criteria

There are many standards for evaluating taxes, some are from taxpayers' perspectives, some from a public finance theory perspective, and some from the perspective of elected decision makers. A specific tax is not likely to rate well in more than a few criteria, and may rate very high in one standard and very low in another. However, the tax system overall should

reflect the combination of tax instruments that achieves the highest overall rating when judged against the set of standards, given the norms of the community.

Taxpayers. Those who pay taxes judge taxes and tax systems on (1) fairness or equity, (2) the ability to understand their obligations, (3) the compliance costs, and (4) the stability of the tax system over time.

Fairness or equity.² Equity is based on either benefits received or ability to pay. A tax usually complies with only one or the other of these concepts, not both. One concept of fairness is if the tax is levied proportional to the benefits the taxpayer receives from government expenditure of the tax revenue collected. The tax on gasoline is a good example of a tax based on benefits received. The other fairness concept, ability to pay, uses some measure of a person's wealth or income as an indicator of their fair share of the tax burden. Income taxes are a good example of a tax based on ability to pay, especially where "income" is adjusted to account for things that may reduce someone's ability to pay, such as excessive health care costs or taxes paid to other jurisdictions. Progressive taxes--those where the percentage paid in taxes increases with greater ability to pay--are thought to be most fair (based on ability to pay), while regressive taxes--those where the percentage paid in taxes decreases with greater ability to pay--are thought to be most unfair.

Understandable. Taxpayers should be able to understand the tax they are expected to pay. They should know why they are taxed and what the tax is based on. Also, the use of the tax revenue should be understandable.

Compliance costs. The amount taxpayers pay to comply with tax laws, in addition to the amount of tax paid, should be kept to a minimum.

Stability. Tax system stability facilitates incorporation of tax burden expectations into future business and personal planning. Tax systems that fluctuate make personal or business financial planning more difficult.

Public finance theory. From a public finance perspective, a tax system should (5) have low administrative costs, (6) result in minimal shifting, (7) be reliable, (8) be adequate, (9) be neutral, and (10) be efficient.

²See James F. Baltezore, Jay A. Leitch, Norbert A. Dorow, and Cole R. Gustafson, 1988, *State-Level Tax Equity in North Dakota in 1986*, Agricultural Economics Report No. 242, Agricultural Experiment Station, North Dakota State University, Fargo.

Low administrative costs. The cost to collect/administer a tax should be low relative to the amount collected.

Minimal shifting. The statutory incidence (who pays according to law) should equal economic incidence (who pays in reality). Some taxes, such as personal income and residential property, are not shiftable; while others, such as sales tax and corporate income taxes, can be partly or entirely shifted to others.

Reliable. A tax system that can generate reliable revenue over a range of economic conditions is preferred to one where collections are erratic. The "elasticity" concept is used to assess reliability. Personal income taxes are elastic (collections vary with the state of the economy), while property taxes are relatively inelastic (collections do not change much, in the short run, with changes in the economy).

Adequate. The tax should generate sufficient revenue to meet government's needs. This is almost an accounting criterion, in that the rates and base should be designed to collect adequate revenue.

Neutral. Taxes should not affect decision making, unless that is the intention, such as with "sin" taxes. Sin taxes are, in part, designed to reduce the consumption of items; for example, tobacco and alcohol. Another example of non-neutral tax policy is exemptions and, especially, credits against income taxes that encourage desired behavior, such as energy credits or deductions for donations to charity.

Efficient. Tax efficiency occurs when the economic loss to taxpayers is no greater than the amount of taxes. There are certain taxes that cause economic losses beyond the tax revenue; these losses are called "deadweight" losses (Hyman 1990). Broad based and direct taxes are the most efficient, while taxes with many exemptions and exclusions are the least efficient. Poll taxes are efficient, while narrowly-based sales taxes are inefficient.

Elected decision makers. Politicians are influenced by a variety of forces, including looking out for the economic well-being of their constituents. With respect to taxes, they prefer taxes that are (11) exportable, (12) competitive, and (13) balanced. The first two of these can be described and quantified, the third is largely perception or relative to some personal standard.

Exportable. Taxes that are borne by those outside of the collecting jurisdiction reduce the burden within the jurisdiction, such as lodging tax, energy tax, or sales tax paid by nonresidents.

Competitive. Taxes that are low relative to taxes in neighboring jurisdictions are thought to attract and retain businesses and residents.

Balanced. Balance can mean proportional or equal collections across bases, across geographic areas, between rural and urban; to be balanced relative in some respect to the other 12 evaluation criteria; or to whatever is in the mind of the evaluator.

TAX COLLECTIONS BY SOURCE/TYPE

Revenues from specific tax types, related to tax bases, are expressed as a percentage of state and local taxes to illustrate how the overall tax burden is shared among tax types or sources. The five tax bases used in North Dakota are (1) property, (2) sales or consumption, (3) income, (4) sin (alcohol and tobacco), and (5) gambling (gullibility). Energy taxes based on production, extraction, or severance are a variation of income taxes; while energy taxes based on estimated resources still in the ground are a variation of property taxes.

Specific taxes addressed include property, sales, individual income, corporate income, and energy/mineral. Taxes also are grouped according to state-local source, including all local, all state, and all state and local. Comparisons are made between current and former levels in North Dakota, and between North Dakota and neighboring states.

Trend

In 1992, state sales and use taxes accounted for about 37 percent of state and local taxes in North Dakota, followed by property tax, which accounted for 34 percent (Figure 1).

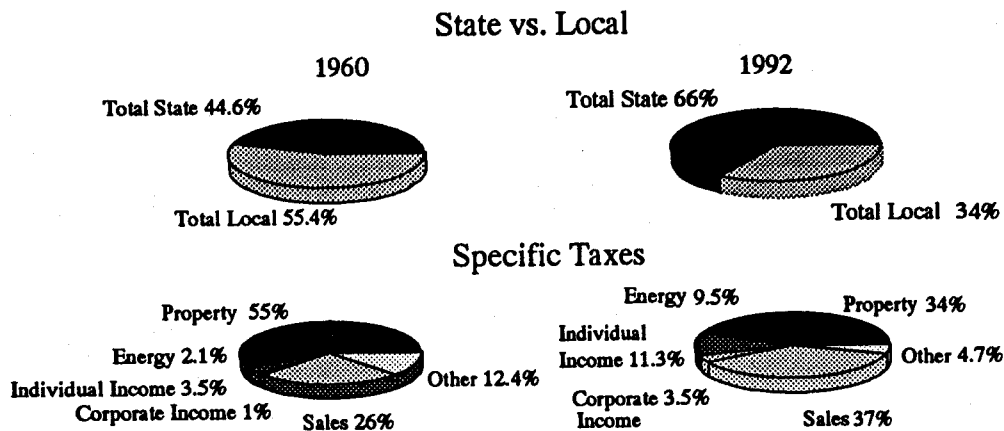


Figure 1. North Dakota's tax shares, 1960 and 1992.

All state-collected taxes are 66 percent of all state and local taxes, almost opposite of what they were in 1960, when local tax collections accounted for 55 percent of all state and local tax collections (Figure 2).

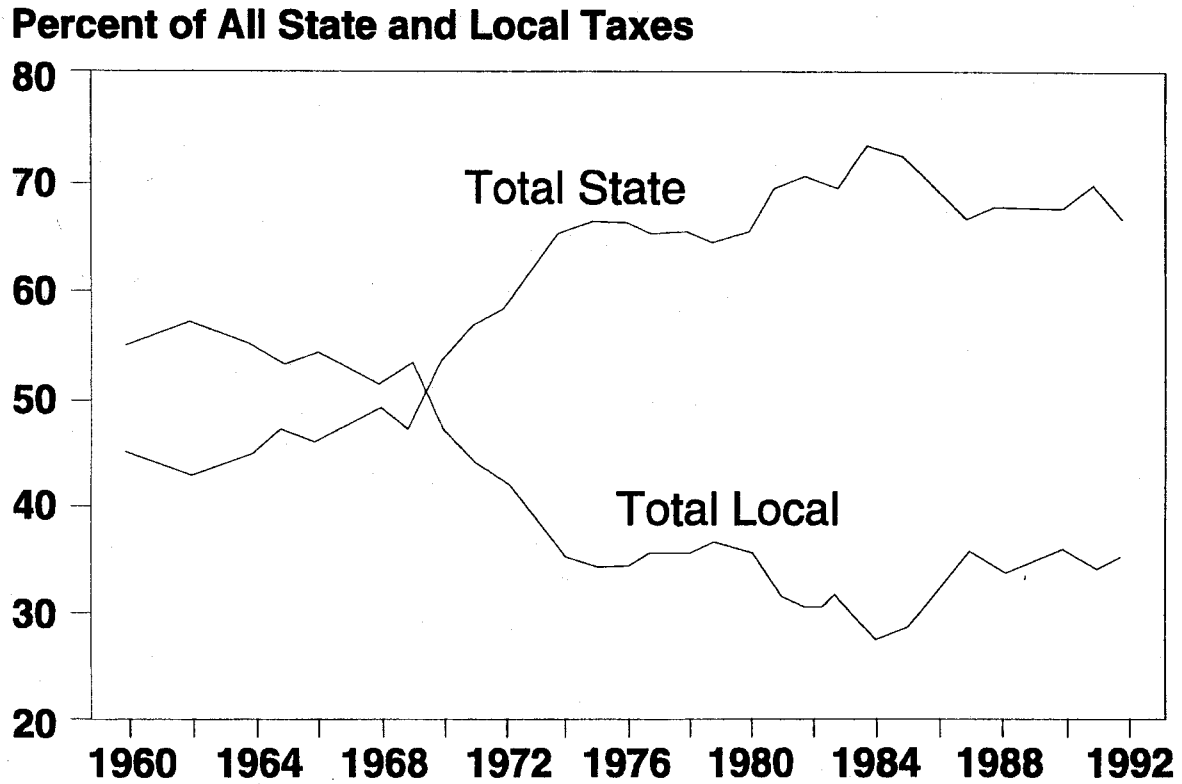


Figure 2. North Dakota's state vs. local tax share, 1960-1992.

During the period from 1960 to 1984, the local share of overall tax burden decreased steadily. In 1969, the state and local burdens of taxes were about equal. In 1984, the state share was at 73 percent, a maximum for the period from 1960 through 1992. Since 1984, the trend has reversed with the local portion of tax collections increasing and the state portion decreasing.

The relative share of tax collections among specific taxes also shifted over the past three decades (Figure 3). The most notable change is the decreasing share property tax from 1960 through 1984 is of the total tax collected. The steepest decline in property tax collections occurred after 1969 when personal property was exempted from the property tax base. Increases in the sales tax rate and in individual income tax collections offset the decline in local government revenue from the personal property exemption. Energy tax collections had a sharp peak in 1982 due to high energy prices. Decreasing energy tax revenues after 1982 were replaced by increasing sales tax and individual income tax revenues.

Percent of All State and Local Taxes

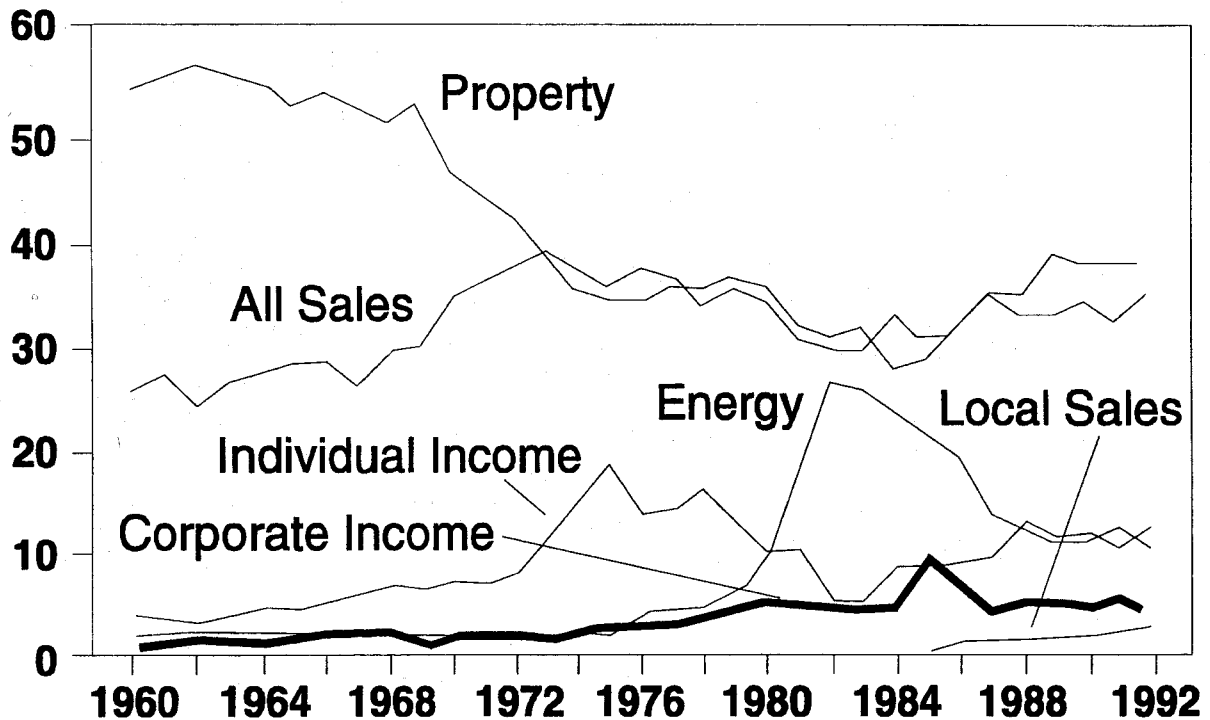


Figure 3. North Dakota's tax shares, 1960-1992.

Energy taxes levied within the state are not directly paid by citizen taxpayers. The tax is paid by the owners of energy resources, energy industry shareholders, and by consumers when taxed energy or other products where taxed energy was an input are used within the state. The share of any tax paid by ultimate consumers is a function of demand and supply elasticities in the industry. When energy prices are determined on a global scale, consumers bear little of the tax placed on energy by small producers like North Dakota. But to the extent North Dakotans are owners of energy resources or share in the returns of the industry, they bear the burden of energy taxes. The proportion of North Dakota energy tax paid by residents is difficult to estimate, but it may be in the range from 30 to 70 percent. When energy prices are regulated, such as electricity, taxes may be shifted entirely to consumers.

Compared to Neighboring States

The 1992 tax source shares in North Dakota were compared to the 1991 tax source shares of Minnesota, Montana, Nebraska, South Dakota, and Wyoming. Total state tax percentage shares for the study states ranged from 56 percent in South Dakota to 68 percent in Minnesota (Figure 4). North Dakota is above the six-state average, but since the dispersion is so narrow, the difference between the highest state-level-share-tax-sources state (Minnesota) and the lowest (South Dakota) is not great.

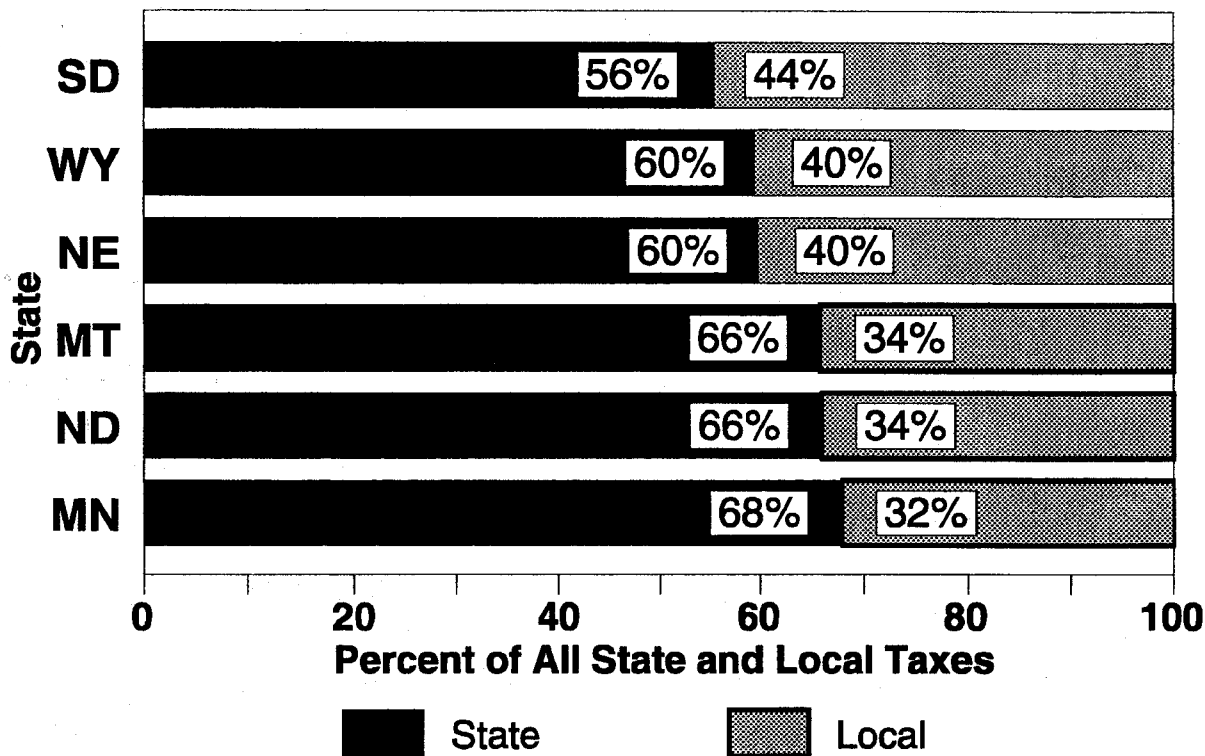


Figure 4. Recent year comparison of North Dakota's and neighboring states' total state and property tax balance, 1991.

Percentages for all sales, individual income, corporate income, and energy/mineral taxes for the six study states show some differences in the relative shares among tax bases (Figure 5). Naturally, the states with substantial energy resources tap those sources, allowing them to back off from the other bases. Evaluating state-collected taxes indicates differences among states. North Dakota and South Dakota rely most heavily on sales taxes, while Minnesota relies about evenly on sales and income taxes and Montana relies most heavily on income taxes. Wyoming and Nebraska rely on property taxes more than the other states.

Shifting of the burden away from local sources (primarily property taxes) affects the way tax revenues are collected more than how they are ultimately spent. This study does not address expenditures directly, however.

Percent of All State and Local Taxes

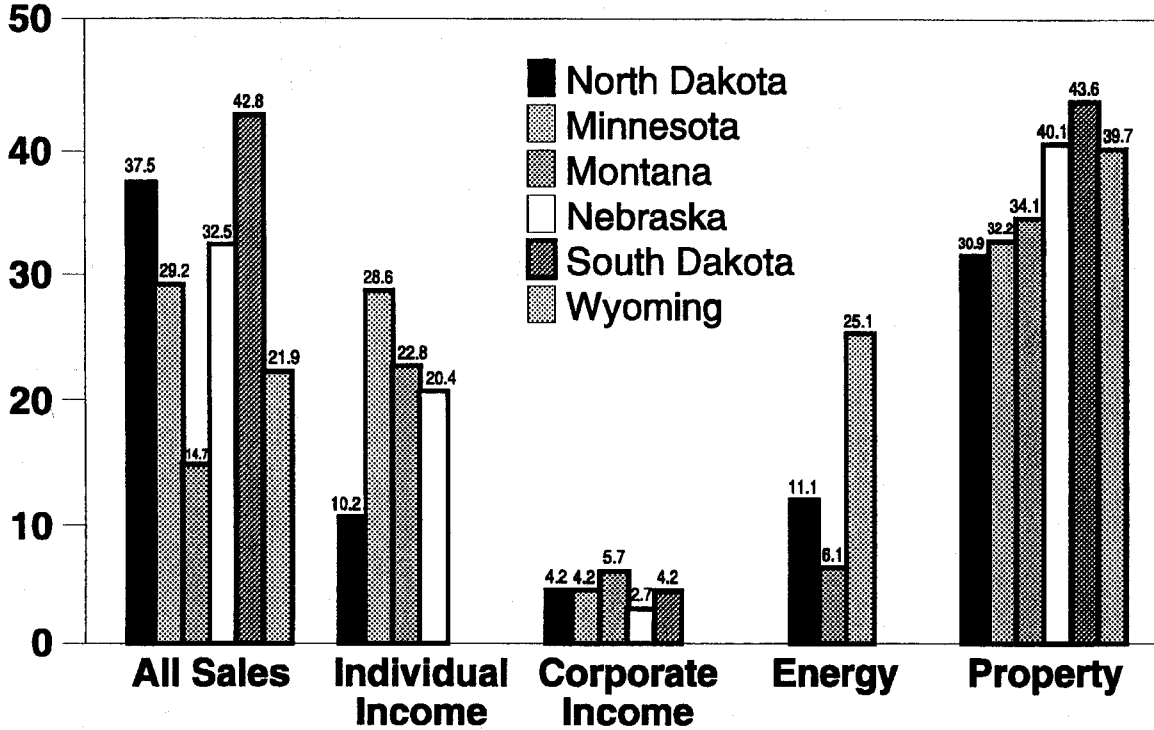


Figure 5. Share of specific taxes in North Dakota and in neighboring states, 1991.

Property Tax

Property taxes in North Dakota have been assessed against five types of property (1) agricultural, (2) residential, (3) commercial, (4) centrally assessed (railroads and public utilities), and (5) personal property. These taxes are collected by or for at least five government units (1) counties, (2) townships, (3) school districts, (4) cities, and (5) special districts.

Property tax base. The tax structure for residential, commercial, and centrally assessed properties has remained essentially unchanged since 1960. Changes that did occur were accounting changes that had little effect on the structure of each tax. After 1981 agricultural real estate was taxed according to its productivity value and not its market value. Personal property tax was discontinued in 1969 because of administrative and other assessment problems. The personal property tax was designed to tax a person's wealth. This was accomplished by having a tax assessor visit each property owner to value the worth of personal items (e.g., cars, boats, furniture, guns, jewelry).

Relative changes within the overall property tax base can be identified by comparing the assessed values of the individual groups. The assessed values of agricultural, residential, and commercial property have all been increasing, while the assessed value of centrally assessed property declined slightly over the period from 1960 to 1991 (Figure 6).

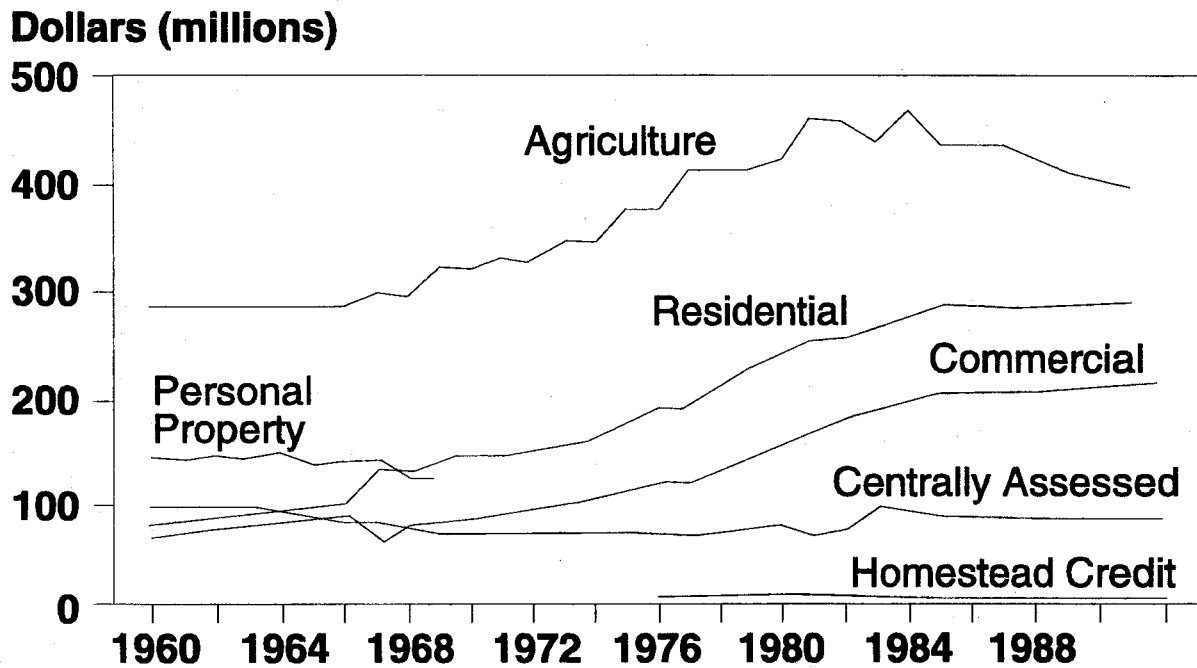


Figure 6. Taxable value (real) of specific property classes, 1960-1991.

Homestead Credit was enacted in 1977. It allowed an exception from property taxes on a person's home, if the home is owned and occupied by a person over 65 years of age, blind, or disabled. There are specified financial limits which entitle homeowners to property tax credits under the homestead property tax credit program.

Property tax burden. Tax base movements have little influence on the shifting of the burden of taxes. The change in tax base is a function of assessed value. The change in tax burden for any group is a function of the rate at which the assessed values change relative to each other. For example, agricultural property was assessed at \$600 million dollars in 1969 and about \$900 million in 1981 (50 percent increase), while residential property was assessed at \$300 million in 1969 and about \$500 million in 1981 (66 percent increase). Therefore, residential property had a larger percentage increase than agricultural property, indicating a shift in the tax burden to the residential group. However, the agricultural property base is relatively fixed. The amount of agricultural land has remained constant since 1960, whereas the residential and commercial property bases have grown.

The share of the total property tax burden borne by specific groups has changed over the past 33 years (Figure 7). Shares for agricultural and centrally assessed property have been steady or slightly declining, while shares for residential and commercial properties have increased. In 1960 residential and commercial properties represented a 10 and 11 percent share respectively; by 1992 that share had increased to 28 percent and 20 percent, respectively.

Percent of Taxable Value

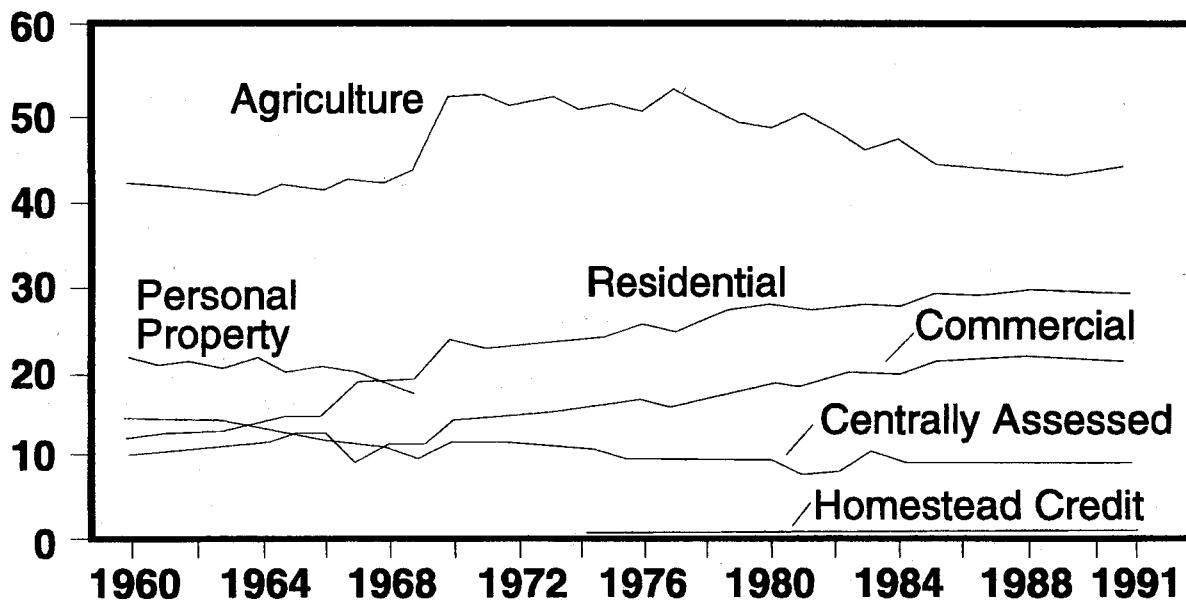


Figure 7. Specific property classes as a percentage of taxable value, 1960-1991.

Property tax collections. In an attempt to determine the local government unit responsible for property tax changes, county, township, school district, and city revenues were examined to see if any one group had changed relative to the others (Figure 8).

Taxes levied by school districts increased 37 percent between 1960 and 1969, but by 1981 school tax levies fell 39 percent. By 1991 the levies returned to about the same as 1960. Township taxes have declined by 60 percent between 1960 and 1991. County and city levies have increased 16 percent and 14 percent, respectively.

Special assessments have risen to about \$50 million per year. Special assessment are user fees imposed by local governments primarily for infrastructure (e.g., roads, sidewalks, public utilities) development.

1994 Dollars (millions)

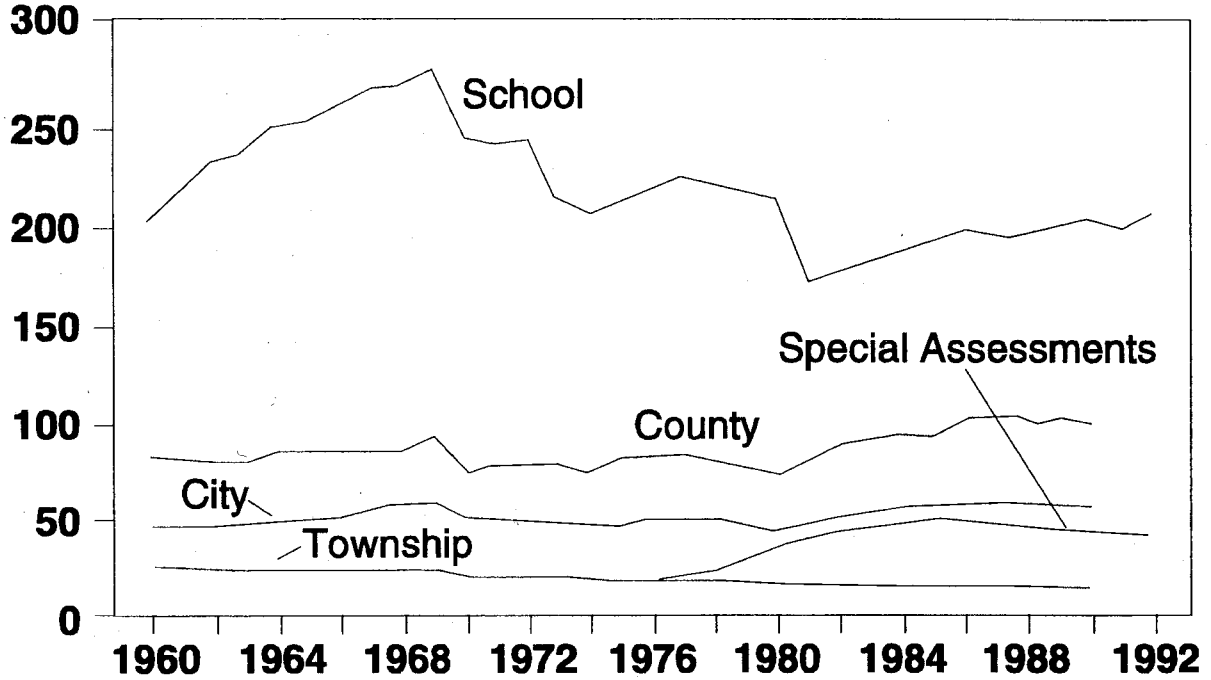


Figure 8. General property and special taxes levied by specific governments of North Dakota (real dollars), 1960-1992.

Sales and Use Tax

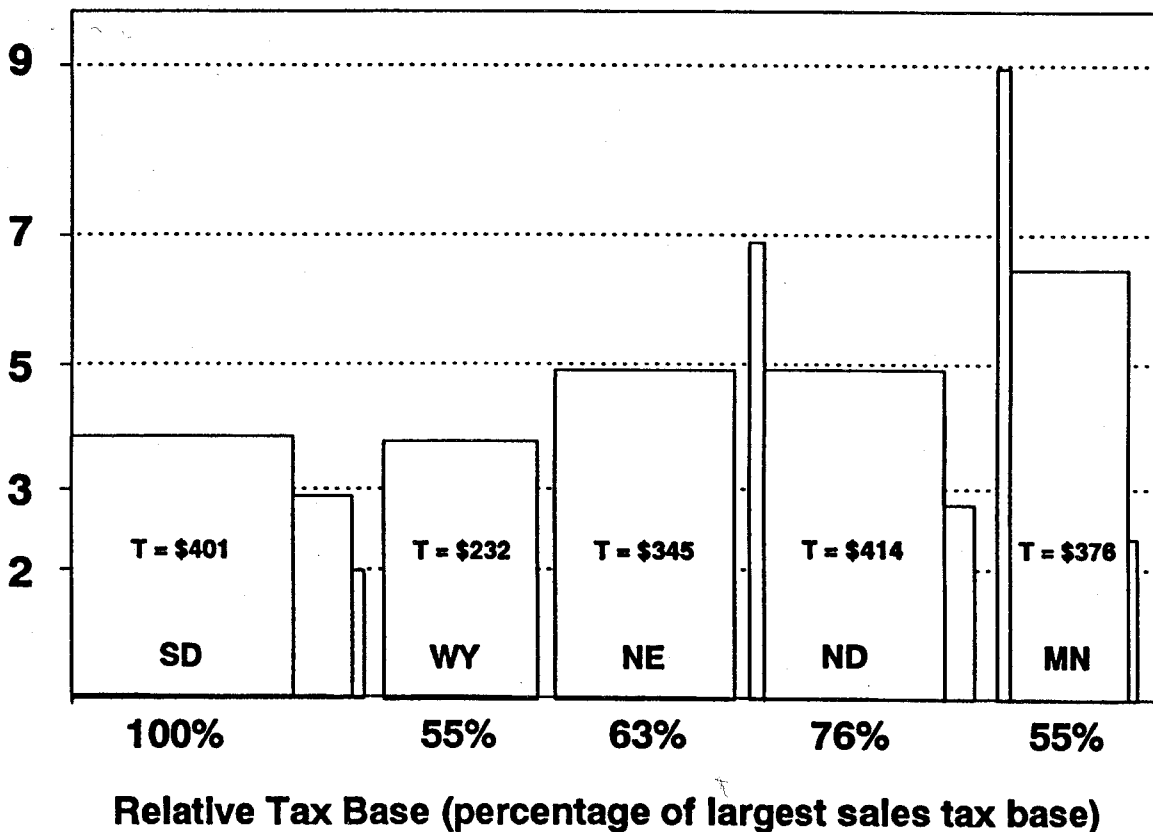
The amount of money collected from sales and use taxes depends on the tax rate and the tax base. Each of the six states levies taxes at a different rate and on a different product and service mix (Table 1), so direct comparisons are difficult.

Table 1. Sales Tax Rate Comparison of Selected Items for North Dakota and Neighboring States

<u>North Dakota</u>	<u>Minnesota</u>	<u>South Dakota</u>
7 Percent	9 or 6.5 Percent (7)	4 Percent
Alcoholic Beverages	Alcoholic Beverages	Alcoholic Beverages
5 Percent	6.5 Percent	Retail Sales
Retail Sales	Retail Sales (1)	Grocery Foods
Restaurant	Restaurant	Restaurant
Lodging	Lodging	Lodging
Motor Vehicles	Electricity (2)(3)	Electricity
Consumables	Natural Gas (2)(3)	Natural Gas (2)
3 Percent	Water/Utilities	Water/Utilities (4)
Natural Gas	Motor Vehicles	DMU of
DMU of Natural Gas	New Mobile Homes (8)	Consumables
Farm Machinery	DMU of Consumables	Natural Gas
Farm Machinery Parts	2.5 Percent	Electricity
New Mobile Homes	Farm Machinery	Machinery
		3 Percent
		Motor Vehicles
		Farm Machinery
		Mobile Homes (New and Used)
 <u>Nebraska</u>	 <u>Wyoming</u>	 <u>Montana</u>
5 Percent	4 Percent	4 Percent
Retail Sales	Alcoholic Beverages	Lodging
Restaurant	Retail Sales	
Lodging	Grocery Foods	
Electricity	Restaurant	
Natural Gas	Lodging	
Water/Utilities (5)	Electricity (2)	
DMU of	Natural Gas (2)	
Consumables	Motor Vehicles	
Natural Gas (6)	Farm Machinery	
Electricity (6)	Farm Machinery Parts	
Machinery (9)	Mobile Homes (New and Used)	
	DMU of	
	Consumables	
	Machinery	

The average sales and use tax base is 70 percent as broad as that of the state with the broadest base (South Dakota) (Figure 9). North Dakota's sales and use tax base is slightly broader than the average. Only South Dakota has a broader base. Montana's sales tax is only on lodging.

Percentage Tax Rates



T = Average general sales and use tax paid by a typical family of four in the state's largest city (Source: ND State Tax Commission 1994).

Figure 9. North Dakota's and neighboring states' sales tax rates and bases.

The five-state average sales and use tax rate is about 4.9 percent, ranging from 2.5 to 9 percent (Table 1). North Dakota's sales and use tax rate is slightly above average, which when combined with an above average base results in North Dakota's heavier reliance on this base.

Some local governments also collect general sales taxes. However, these have not yet become a substantial revenue source in the six study states. The highest local general sales tax rate in North Dakota is 1 percent (Appendix Table A5) (Office of State Tax Commissioner 1993).

Assessment

North Dakota's taxpayers pay more state and local taxes than they did 30 years ago, with sales and use tax the primary state source and property taxes the primary local source. Sales taxes are generally thought to be regressive. Since North Dakota's sales tax base is relatively broad, it is likely more regressive than similar taxes with narrower bases in neighboring states. It is difficult to judge the state's sales taxes on the benefits-received principle, but the larger the geographic unit that collects the tax, the less likely it will be based on benefits received. Thus, overall tax collections may (or may not) have become less equitable over time.

A substantial shift occurred in the state vs. local share of the overall tax burden. Where the state formerly collected about one-third of the total, it now collects two-thirds. However, without further work it is difficult to determine if the actual burden on individuals has changed. Since the state's new wealth is generated by so few industries, the ultimate taxpayer may not change much with shifts in tax types. The shift may be only to take the tax from the left pocket instead of the right.

The reliability of a tax system to provide revenue depends on the elasticity of the tax collections relative to the economy. North Dakota has relied heavily on inelastic tax sources, such as sales and property. This is good in times of a stable or declining economy, but does not capture as much of the benefits of a growing economy as would heavier reliance on an elastic tax, such as income tax. Reliance on energy taxes, which are subject to the state of the world economy and the vagaries of the international oil market, also decreases the degree of reliability of the system to generate a given flow of revenue.

Assessing North Dakota's tax system by how the burden is shared among tax bases and between state and local taxpayers indicates a stable, but somewhat regressive structure. North Dakota state and local taxes are inelastic with respect to the economy with the exception of energy taxes. Since nearly 70 percent of the total tax collected comes from sales or property taxes, the system is more regressive than one that relies more heavily on other types of taxes.

TAX COLLECTIONS AS A PERCENTAGE OF PERSONAL INCOME

The size of the state and local tax burden borne by North Dakotas can be estimated by expressing overall taxes as a percentage of personal income. As personal incomes rise, people generally pay more in taxes. However, while the absolute amount of taxes paid may rise, if the relative amount with respect to personal income is constant, the relative burden has not changed.

Trend

North Dakotans pay nearly 10 percent of personal income in state and local taxes, down from about 12 percent in the early 1960s (Figure 10). A straight line through the upper curve in Figure 10 (fitted by regression) has a slightly negative slope ($Y = -.0318(X) + 11.51$), indicating a downward trend. Total state taxes have been consuming an increasing share of personal income, while total local taxes have decreased as a share of personal income, reflective of the trends discussed above.

Percent of Personal Income

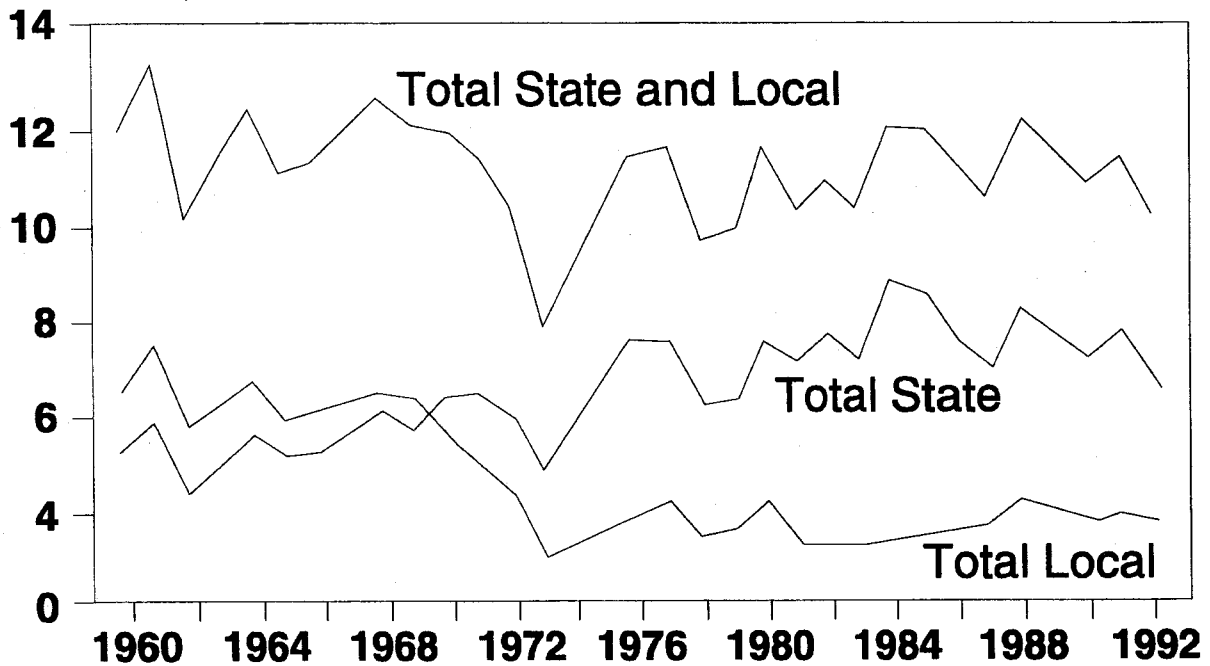


Figure 10. Percent of personal income North Dakotans paid in taxes, 1960-1992.

The percentage of personal income paid in taxes varies due to changes in either tax rules or in personal income. If personal income for the present year is lower than it was for the previous year and there were no changes in tax rules, tax collections will represent an increased share of personal income (when the tax system is inelastic). To remove the effects of some of the erratic shifts in year-to-year personal income, a ten-year moving average was used (Figure 11). Personal income levels are slightly lower for the averaged personal income data due to the ten-year lag and the continually increasing personal income levels. When adjusted for year-to-year variability in personal income, taxes collected in North Dakota as a percent of personal income show a smoother but similar downward trend (Figure 12).

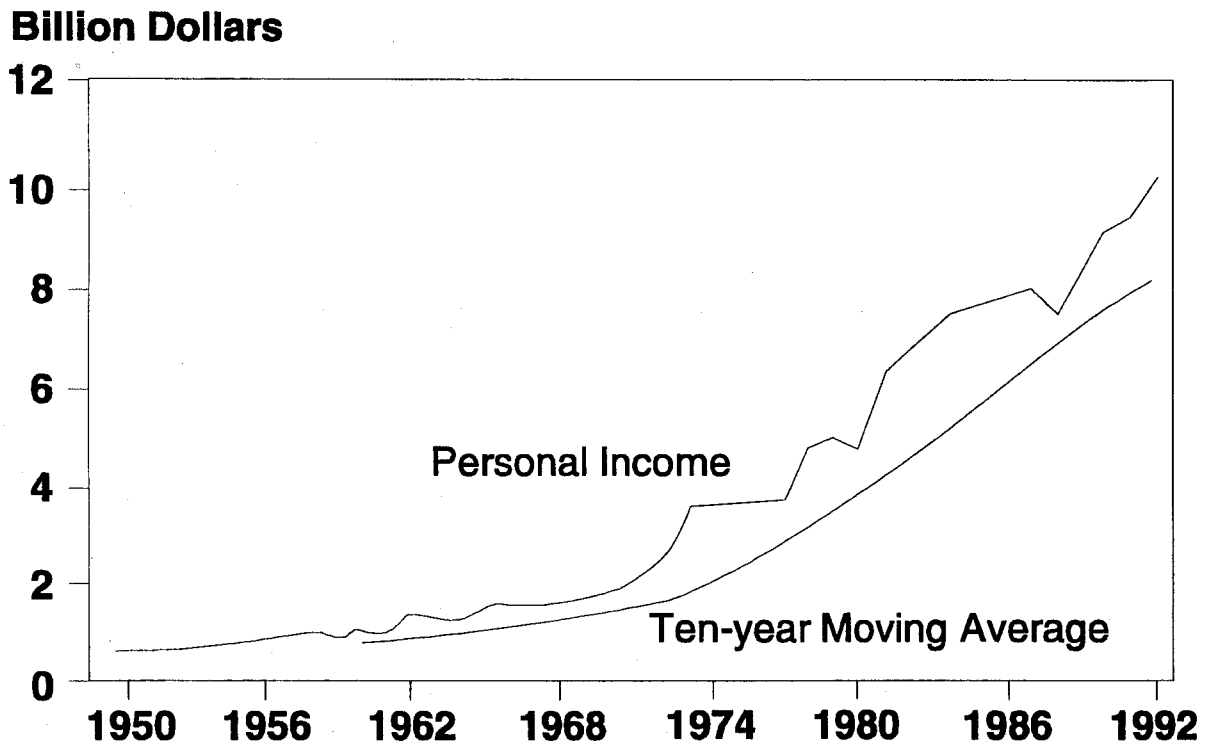


Figure 11. Personal income and a ten-year moving average of personal income for North Dakota, 1950-1992.

Percent of Ten-year Average of Personal Income

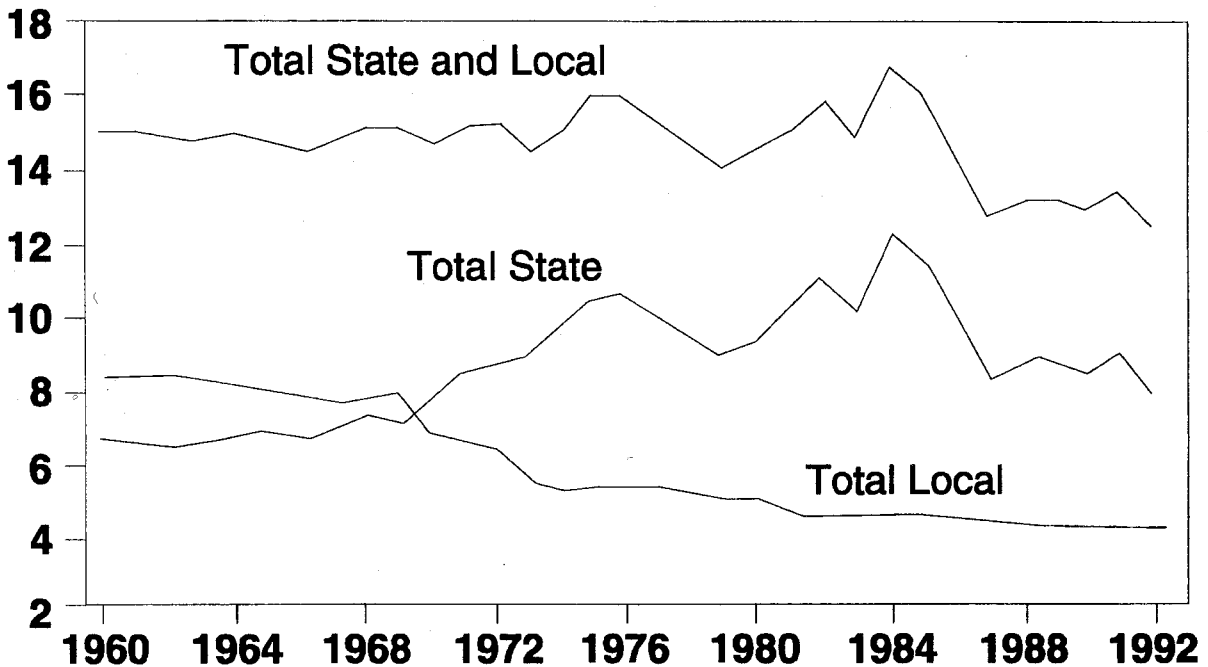


Figure 12. Percent of a ten-year moving average personal income that North Dakotans paid in taxes, 1960-1992.

Compared to Neighboring States

State and local collections as a percentage of personal income ranged from 8 percent in South Dakota to 13 percent in Wyoming (Figure 13). Property tax is the local tax that all of North Dakota's neighbors levy. Property tax collections ranged from North Dakota's 3.6 percent of personal income to Wyoming's 5.2 percent.

A difference not evident in these percentages is the amount of taxes exported. While Wyoming has the highest percentage of personal income paid in taxes, much of that is exported (the energy taxes) and not paid directly by citizen taxpayers. However, as noted above it is difficult to determine how much of the exported taxes finds its way back into the states in the form of higher prices.

Percent of Personal Income

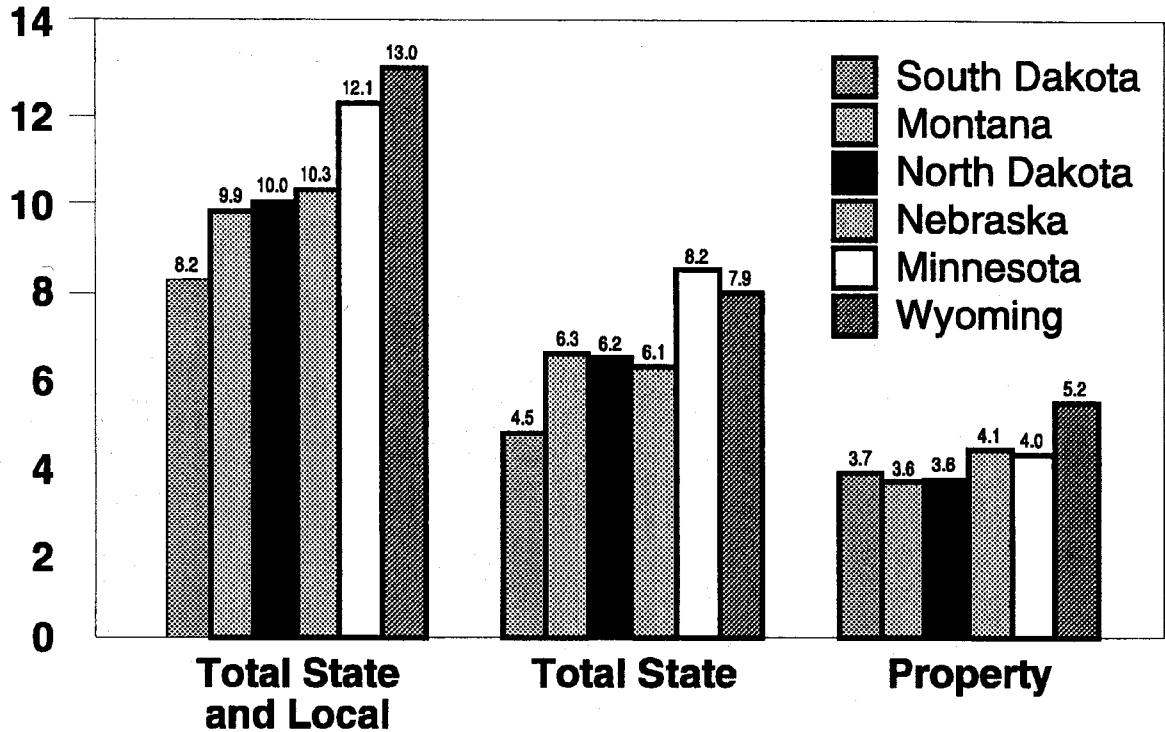


Figure 13. Recent year comparison of state and local tax collections in North Dakota and neighboring states.

Another subtle distinction that could be made is the effect of higher deductible state and local taxes on the amount of federal income taxes paid (Figure 14). For example, a Minnesota taxpayer equal in all ways to one in North Dakota would pay less federal income taxes than the North Dakota resident. This is because a greater share of Minnesota's state and local tax burden is deductible from federal income subject to taxation (68 percent compared to 46 percent in North Dakota). Minnesota relies heavily on a progressive state income tax, but a portion of that is exported to other federal taxpayers in the form of federal tax deductions.

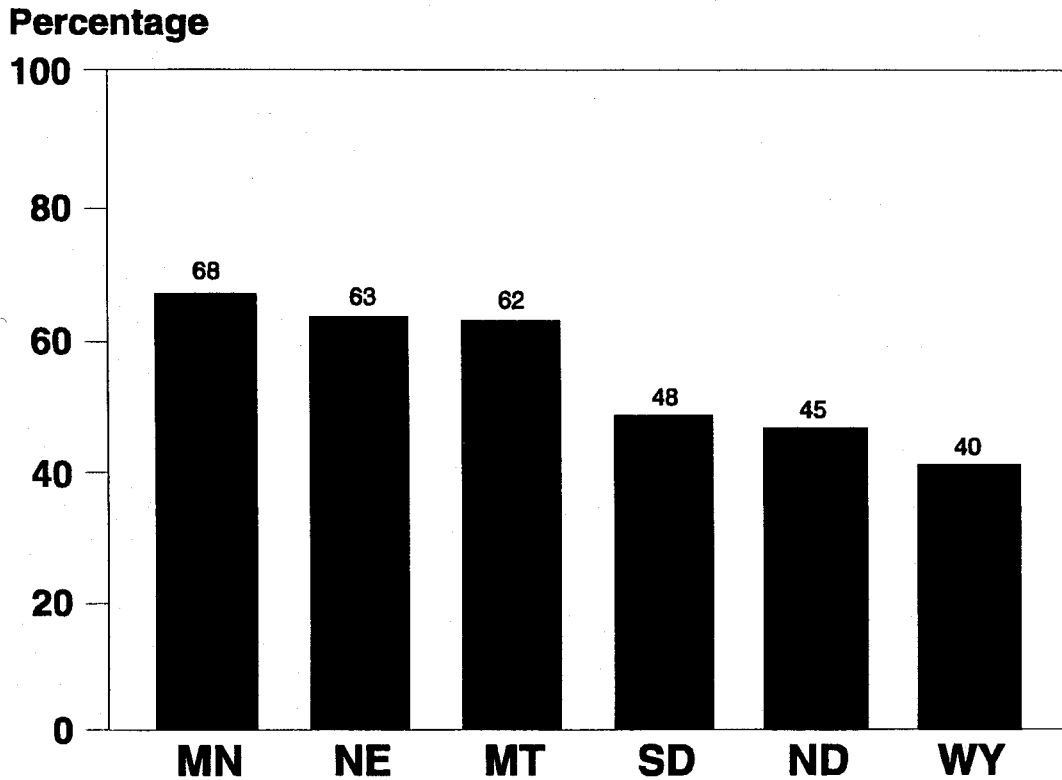


Figure 14. Percentage of state and local taxes that are deductible from federal income tax, 1991.

Assessment

Taxes as a percent of personal income do not differ much in absolute percentage terms among the six study states, especially when other factors are considered, such as federal tax liability and energy tax shifting. The difference is mainly the perception of the burden, based on the type of tax. For example, Minnesota's income taxes are highly visible with most taxpayers knowing exactly how much they pay each year. On the other hand, North Dakota's sales taxes, while visible, may not be perceived as onerous, especially when few taxpayers know precisely how much they pay each year. Even less visible are the energy and commercial property and income taxes, which may be hidden in the prices of products, many of which are subject to additional sales taxes or borne by citizen shareholders.

However, on a relative basis, while the differences are small in terms of percentage points, a 1 percentage point difference between 9 and 10 percent is actually an 11 percent difference. Thus, total state and local taxes are 50 percent higher in Nebraska than in South Dakota.

TAX COLLECTIONS PER CAPITA

Tax collections per capita over time may reflect changes in population as well as changes in tax collections and economic conditions. North Dakota's population changed very little over the past three decades, so the changes witnessed are due mainly to tax law changes and changes in economic activity in the state.

Trend

Real total state and local tax collections in North Dakota have risen from about \$1100 per capita in 1960 to \$1800 per capita in 1992 (Figure 15) which is 96 percent of the national average (Tax Foundation 1994). The rise in tax liability per capita is due to increases in state-level taxes, since property taxes are essentially the same as 32 years ago (Figure 15).

Of the specific North Dakota taxes, sales tax and energy tax have been the most dynamic. Sales tax collections per capita more than doubled since 1960, reflecting a change in the rate (from 2 percent to 5 percent) and in consumption. Energy taxes per capita ranged from nearly nothing in 1960 to more than \$400 in 1982 and back to approximately \$200 in 1992 (Figure 15).

1994 Real Dollars Per Capita

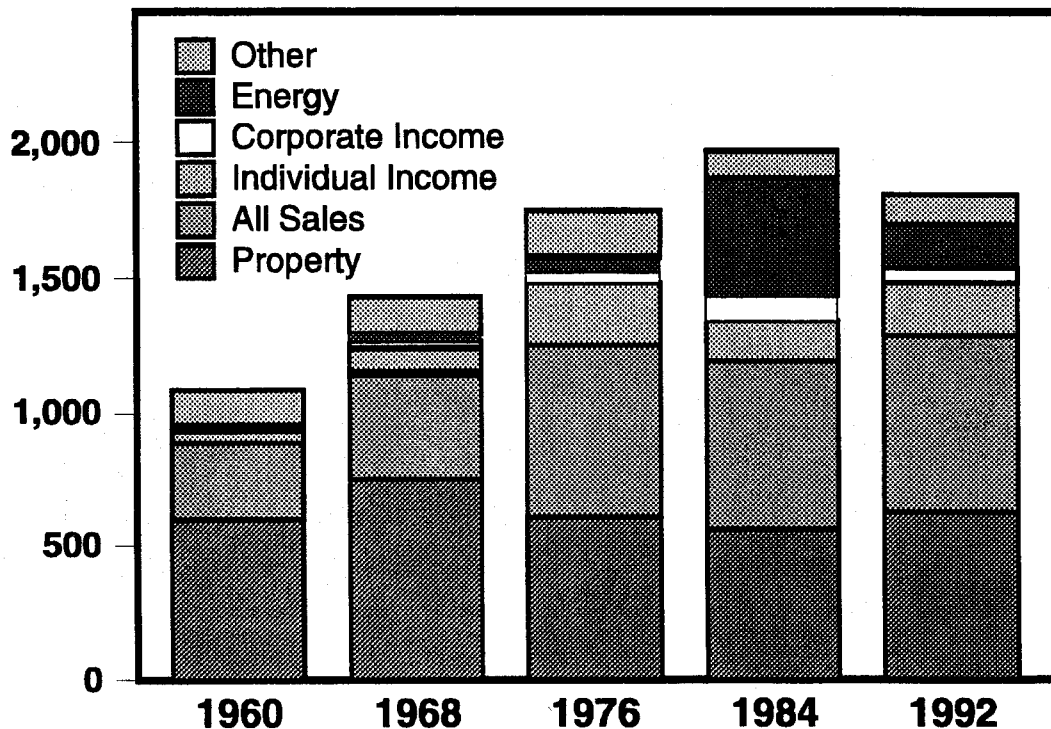


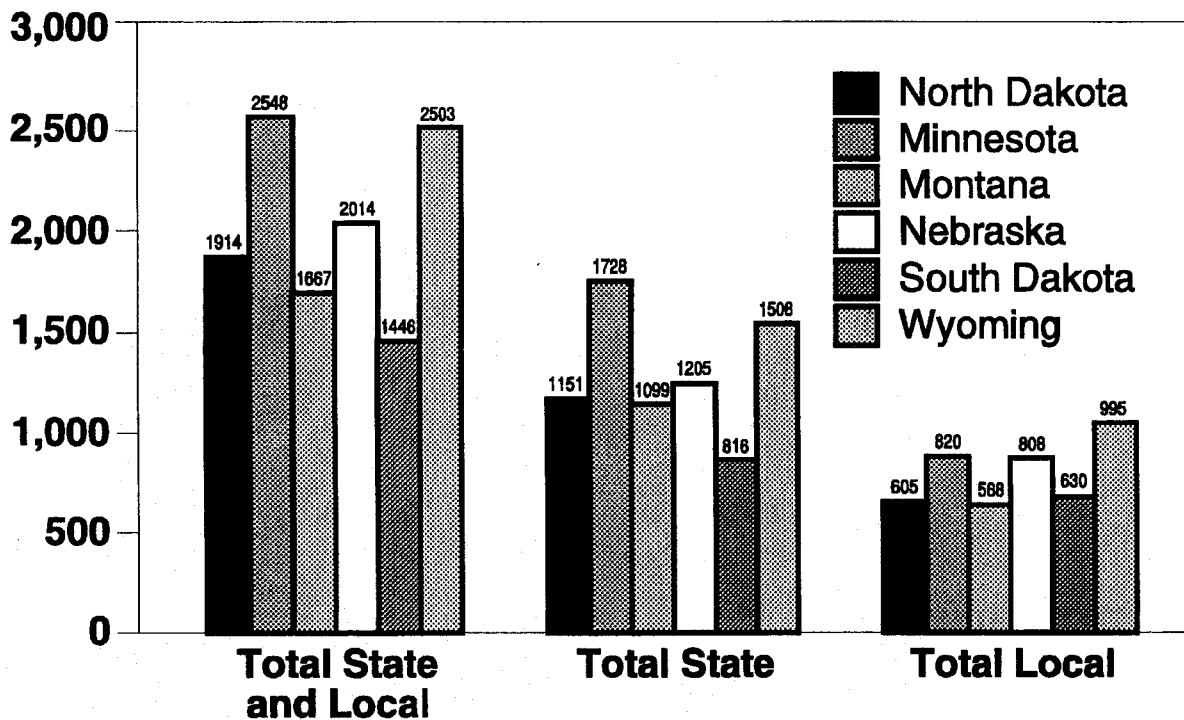
Figure 15. North Dakota tax collections per capita, 1960-1992.

Compared to Neighboring States

Comparison of North Dakota with its neighboring states shows that North Dakota collects an average amount of tax per capita. Minnesota, Wyoming, and Nebraska collect more taxes per capita, while Montana and South Dakota collect less (Figure 16). Minnesota collects the most per capita. Wyoming collects nearly as much per capita as Minnesota, with much of that, about 25 percent, in energy taxes.

North Dakotans paid the highest percentage of their income in state and local taxes during the 1960-63 period with Nebraska paying the lowest (Figure 17). During the 1974-77 period, Minnesota, Montana, and Wyoming residents paid more than North Dakotans. One possible reason is during the early to mid 1970s increases in crop prices raised personal income more than tax collections in North Dakota, South Dakota and Nebraska. By the 1988-91 period Wyoming was most heavily taxed. North Dakota and Montana fell to third.

1994 Real Dollars Per Capita



Note: North Dakota's figures are for 1992.

Figure 16. State and local per capita tax collections for North Dakota and neighboring states, 1991.

Percent of Personal Income

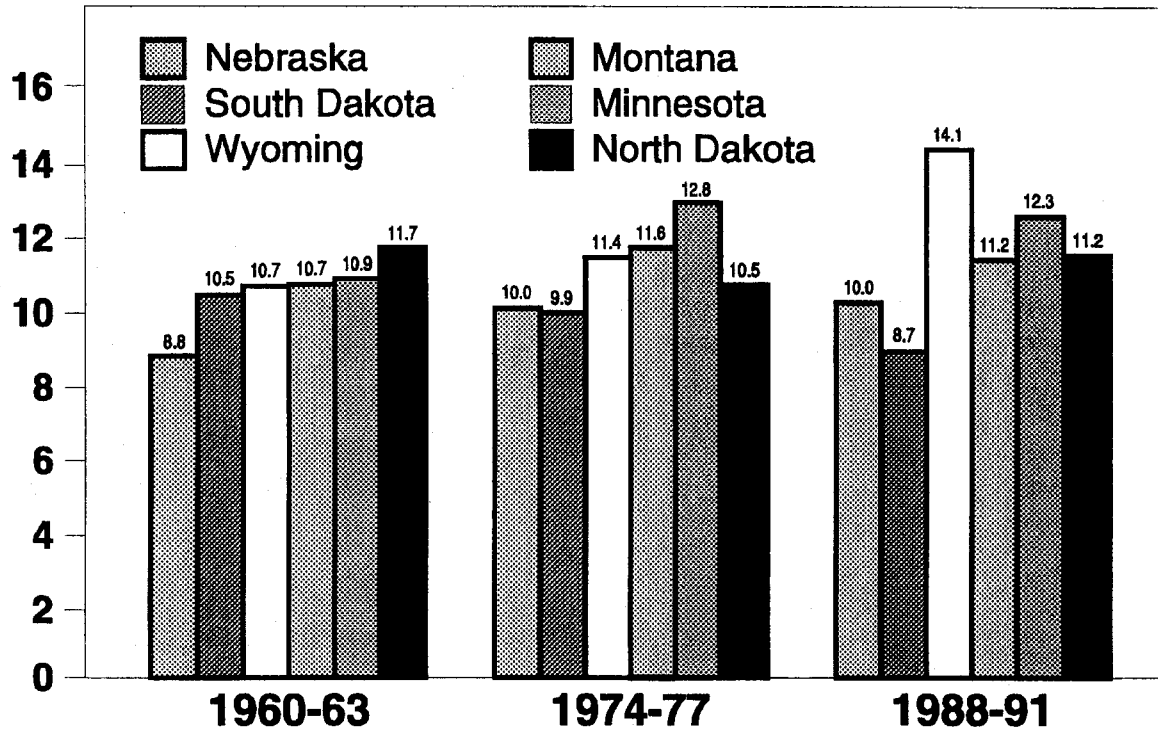


Figure 17. Total state and local tax collections by state, four-year average.

Assessment

As a percentage of personal income, taxes in North Dakota have fallen from 11.7 percent in 1960 to 11.2 percent in 1991. The only other state with a reduction is South Dakota. Wyoming's tax burden has increased the most of any of the six states. A major portion of the increase is due to energy taxes which are not directly paid by the residents.

SUMMARY, CONCLUSIONS, AND IMPLICATIONS

Results of this study provide a near-term history of relative state and local tax collections for North Dakota and five of its neighboring states. Some conclusions can be drawn about the changes in the system over time and compared to other states.

Summary and Conclusions

The source of North Dakota tax collections shifted between 1960 and 1992. In 1960, 55 percent were local collections, and in 1992, local collections fell to 34 percent of total state and local tax collections.

Energy taxes remained stable at about 3 percent of total state and local taxes, between 1960 and 1975. After 1975 they rose to 26 percent of total state and local taxes in 1982. By 1992 they fell to 10 percent of state and local taxes.

North Dakota relies on sales taxes more than the other states except for South Dakota. North Dakota's average sales and use taxes paid by a typical family of four is the highest of any state in the study.

North Dakota's reliance on property tax is the lowest of the six states in the study. The burden of property taxes has remained steady for agriculture and centrally assessed property and has increased for residential and commercial property.

Taxes levied by specific government units have changed during the last three decades. School taxes levied in 1960 were at the same real dollar level as 1992, although they varied considerably over time. In 1969, levies were 37 percent higher than 1960. By 1981, school tax levies fell to 70 percent of the 1960 level.

When compared to a ten-year moving average of personal income, in 1960 the total state and local tax required 15 percent of personal income and in 1992 it required 12 percent of personal income.

Assessment of the size of the tax dollar, its burden on taxpayers, and its adherence to the principles of public finance depend in large part on perspective. North Dakota's burden has shifted from local to state sources while increasing in real terms and, at the same time, decreasing in relative terms. Compared to their neighbors, North Dakota taxpayers face a tax structure that is about average in amount collected and in distribution of the burden (Figure 18).

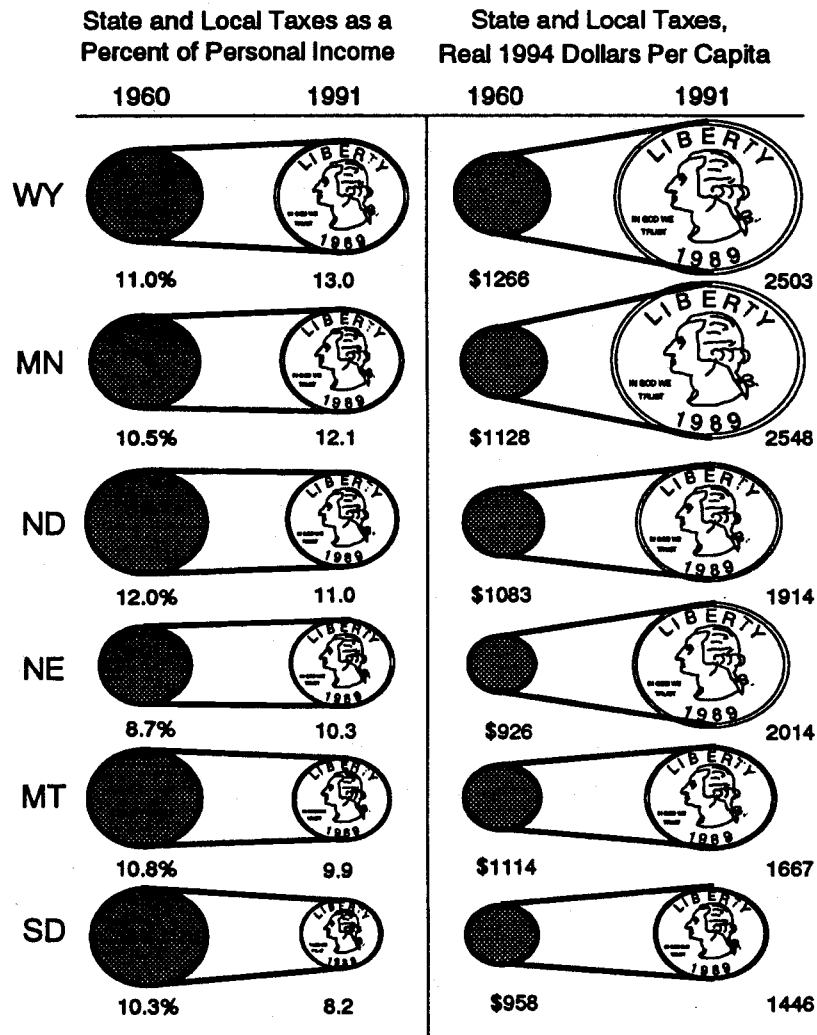


Figure 18. Comparison of percent of personal income and per capita tax burden for North Dakota and neighboring states.

Implications

Any change in a tax or a tax system's status quo is likely to affect some people favorably and others adversely. In addition, any change is likely to be an improvement with respect to one evaluation standard and a detriment with respect to another.

The tax burden is spread in different ways by our neighbors, for different reasons. If we want to be like them, we must also endorse their standards of tax fairness and adherence to other tax standards.

In a state with few basic sectors generating new wealth, many tax shifts are merely from one pocket to another pocket of the same taxpayer.

Changes to specific taxes would have implications across the 13 evaluation criteria. Improvements in the tax system relative to several of the criteria are obvious, such as changes that would improve understandability or reduce compliance costs.

Changes to enhance **fairness** include (1) narrowing the sales tax base to exclude "necessities," (2) reducing the sales tax rate, (3) having a uniform sales tax rate, (4) reducing or eliminating corporate income taxes, or (5) making the individual income tax more progressive.

Ways to reduce **tax shifting** include less reliance on shiftable or hidden taxes, such as (1) corporate income tax, (2) business property tax, and (3) to some extent, sales tax.

Changes to improve **reliability** from a revenue perspective include less reliance on tax sources that fluctuate widely with changes in economic conditions, such as (1) energy tax or (2) income taxes; or increased reliance on (1) property taxes, (2) sin taxes, and (3) to a lesser extent, sales taxes.

Tax system **adequacy** would be enhanced by (1) increasing rates, (2) broadening bases, (3) minimizing exemptions, or (4) identifying additional tax sources.

Ways to make taxes more **neutral** and **efficient** include (1) broadening tax bases, (2) minimizing exemptions, or (3) using fewer indirect taxes.

Means to increase tax **exportability** include (1) increased reliance on sales taxes, (2) introducing excise taxes on "tourist" items, (3) tourism-related gambling taxes, and (4) increasing reliance on taxes that are deductible from federal taxable income.

State or local **competitiveness** could be improved by reducing one, some, or all tax rates, which is a double-edged sword because competitiveness depends on the provision of adequate government/public goods and services as well.

These, or other, changes could be revenue neutral (no overall increase in taxes), revenue enhancing (an overall increase in tax revenues), or revenue reducing (an overall reduction in state and local tax revenues) depending on the relative extent of changes.

Epilogue

Most of the data series used in this analysis ended in 1991, with some going into 1992. In order to make the study current, each of the study states' tax departments were contacted to see if any tax changes had been made that would affect the trends through 1991/92. While some states were anticipating changes in the near future, none reported any substantial recent changes in tax law that would affect our conclusions.

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STATISTICAL APPENDIX

- Appendix A North Dakota Tax Data
- Appendix B Minnesota Tax Data
- Appendix C Montana Tax Data
- Appendix D Nebraska Tax Data
- Appendix E South Dakota Tax Data
- Appendix F Wyoming Tax Data
- Appendix G Consumer Price Index Conversion

Appendix A - North Dakota Tax Data

Appendix Table A1. Annual Nominal Tax Collections in North Dakota, 1960-1992

Year	Total State and Local	Total Local	Property	Total State	Total Sales	Local Share of Sales	Individual Income	Corporate Income	Energy
----- (million dollars) -----									
1960	137	76	76	61	36		5	1	3
1961	141	79	79	62	38		5	2	3
1962	148	84	84	64	36		4	2	4
1963	156	87	87	69	41		6	2	4
1964	167	91	91	76	45		7	2	4
1965	175	93	93	82	50		8	2	4
1966	182	98	98	84	51		9	3	4
1967	193	102	102	91	50		11	3	4
1968	210	108	108	102	61		13	4	4
1969	222	117	117	105	66		14	2	4
1970	228	106	106	122	77		15	3	4
1971	252	110	110	142	92		17	4	4
1972	272	114	114	158	102		21	4	4
1973	292	112	112	180	113		32	5	4
1974	339	120	120	219	126		50	7	6
1975	399	135	135	264	141		71	9	7
1976	434	147	147	287	162		57	10	15
1977	456	160	160	296	165		62	12	18
1978	480	170	170	310	158		75	14	22
1979	508	183	183	325	176		63	18	30
1980	572	200	200	372	192		53	26	49
1981	654	203	203	451	197		62	30	106
1982	756	223	223	533	219		35	32	193
1983	765	239	239	526	219		35	29	192
1984	941	257	257	684	305		74	42	214
1985	965	273	271	692	294	2	76	83	194
1986	905	289	283	616	280	6	73	54	163
1987	876	303	294	573	300	9	80	31	111
1988	948	315	305	633	326	10	114	39	109
1989	999	334	322	665	378	13	106	41	97
1990	1031	354	337	677	380	16	111	40	105
1991	1121	366	347	755	420	19	114	49	125
1992	1082	389	364	693	395	25	119	37	101

Appendix Table A2. Annual Real Tax Collections in North Dakota, 1960-1992, 1994-100

Year	Total State and Local	Total Local	Property	Total State	Total Sales	Local Share of Sales	Individual Income	Corporate Income	Energy
----- (million dollars) -----									
1960	684	380	380	305	178		24	7	14
1961	698	392	392	306	186		23	7	17
1962	721	409	409	313	176		22	10	17
1963	749	417	417	332	198		27	9	18
1964	798	436	436	362	215		35	10	18
1965	820	435	435	384	233		37	12	18
1966	828	446	446	382	230		42	14	18
1967	855	452	452	403	222		49	15	18
1968	891	457	457	434	260		56	16	17
1969	894	471	471	423	266		56	9	16
1970	869	405	405	464	293		58	11	15
1971	921	403	403	519	336		62	13	15
1972	962	404	404	558	360		73	15	15
1973	970	372	372	598	376		105	16	14
1974	1015	359	359	657	378		151	20	17
1975	1096	371	371	725	387		194	24	20
1976	1126	381	381	745	420		147	27	40
1977	1112	390	390	722	402		151	28	43
1978	1087	385	385	702	358		169	31	50
1979	1033	372	372	661	358		129	37	60
1980	1025	358	358	667	344		96	47	88
1981	1062	330	330	733	320		101	48	172
1982	1158	342	342	816	335		54	49	296
1983	1134	354	354	780	325		52	43	285
1984	1338	366	366	972	434		105	60	304
1985	1325	375	372	950	404	3	105	114	267
1986	1220	390	382	830	377	8	99	72	220
1987	1138	394	382	744	390	12	104	40	145
1988	1184	393	381	791	407	12	142	49	136
1989	1191	398	383	799	451	15	126	48	116
1990	1165	400	381	766	430	18	126	46	119
1991	1216	397	376	819	455	21	124	53	136
1992	1139	409	383	730	416	26	125	39	106

Appendix Table A3. Specific Tax as a Percentage of Personal Income in North Dakota, 1960-1992

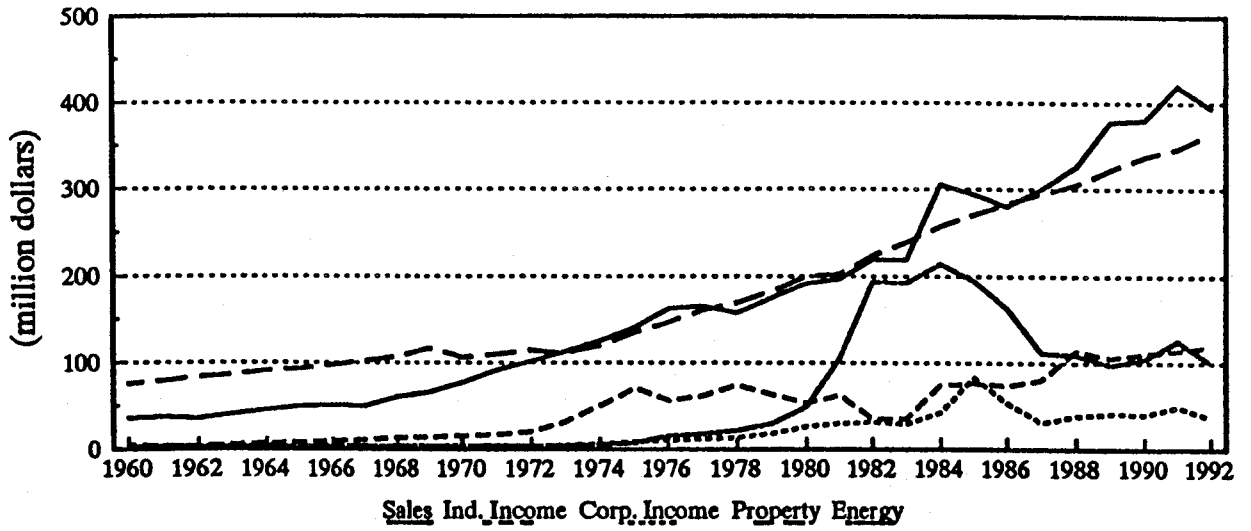
Year	Total State and Local	Total Local Property	Total State	Total Local Sales of Sales	Share of Sales	Ind Income	Corp Income	Energy
(percentage)								
1960	11.90	6.60	6.60	5.30	3.09	0.42	0.12	0.25
1961	13.38	7.51	7.51	5.87	3.57	0.45	0.14	0.32
1962	10.04	5.69	5.69	4.35	2.45	0.31	0.13	0.24
1963	11.35	6.31	6.31	5.03	2.99	0.41	0.13	0.28
1964	12.29	6.71	6.71	5.58	3.32	0.53	0.15	0.28
1965	11.00	5.84	5.84	5.16	3.13	0.50	0.16	0.24
1966	11.29	6.08	6.08	5.21	3.13	0.57	0.19	0.24
1967	11.95	6.32	6.32	5.63	3.11	0.69	0.21	0.25
1968	12.51	6.42	6.42	6.09	3.65	0.79	0.23	0.23
1969	11.99	6.32	6.32	5.67	3.57	0.75	0.12	0.21
1970	11.84	5.52	5.52	6.32	3.99	0.80	0.16	0.20
1971	11.33	4.95	4.95	6.38	4.13	0.76	0.16	0.18
1972	10.19	4.28	4.28	5.91	3.81	0.77	0.16	0.15
1973	7.69	2.95	2.95	4.74	2.98	0.83	0.12	0.11
1974	9.03	3.19	3.19	5.84	3.36	1.34	0.18	0.15
1975	10.26	3.47	3.47	6.79	3.63	1.82	0.22	0.19
1976	11.31	3.83	3.83	7.49	4.23	1.48	0.27	0.40
1977	11.46	4.02	4.02	7.44	4.15	1.56	0.29	0.45
1978	9.48	3.35	3.35	6.12	3.12	1.47	0.27	0.43
1979	9.70	3.49	3.49	6.21	3.36	1.21	0.35	0.56
1980	11.43	3.99	3.99	7.44	3.84	1.07	0.52	0.98
1981	10.07	3.13	3.13	6.95	3.03	0.96	0.46	1.63
1982	10.72	3.17	3.17	7.56	3.11	0.50	0.45	2.74
1983	10.10	3.15	3.15	6.94	2.89	0.46	0.38	2.54
1984	11.80	3.23	3.23	8.57	3.82	0.93	0.53	2.68
1985	11.74	3.32	3.29	8.42	3.58	0.03	0.93	1.01
1986	10.86	3.47	3.40	7.39	3.36	0.07	0.88	0.64
1987	10.31	3.57	3.46	6.74	3.53	0.11	0.94	0.36
1988	11.97	3.97	3.85	8.00	4.12	0.12	1.44	0.49
1989	11.26	3.77	3.62	7.49	4.26	0.14	1.20	0.46
1990	10.56	3.62	3.46	6.94	3.89	0.17	1.14	0.41
1991	11.18	3.65	3.46	7.53	4.19	0.19	1.14	0.49
1992	9.89	3.56	3.33	6.34	3.61	0.23	1.09	0.34

Appendix Table A4. Specific Tax as a Percentage of All Taxes in North Dakota, 1960-1992

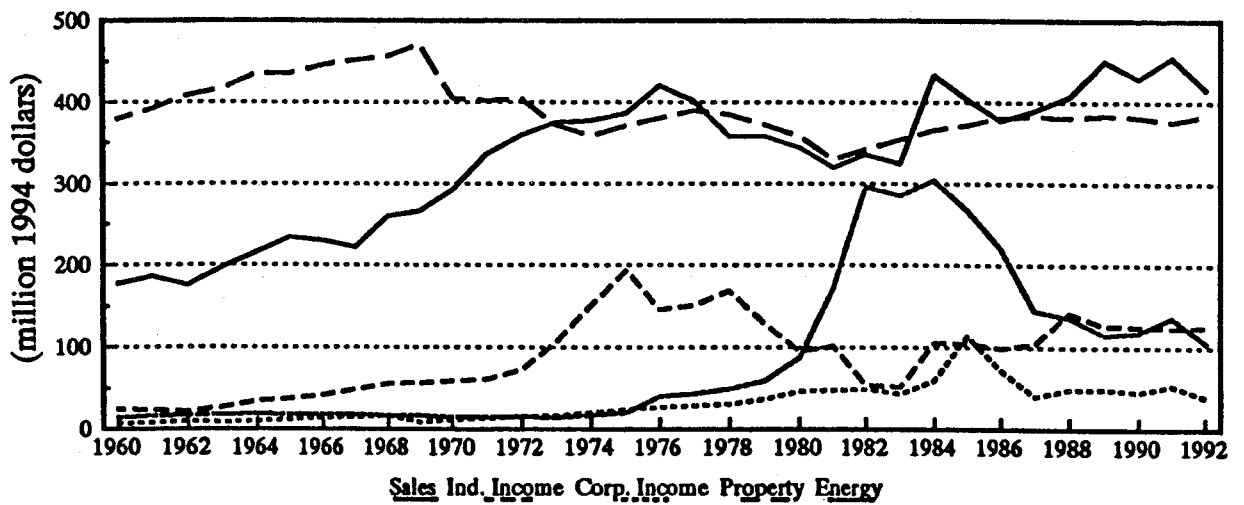
Year	Total State and Local	Total Local Property	Total State	Total Local Sales of Sales	Share of Sales	Ind Income	Corp Income	Energy
(percentage)								
1960	100.00	55.49	55.49	44.51	25.98	3.50	1.03	2.06
1961	100.00	56.16	56.16	43.84	26.66	3.34	1.07	2.38
1962	100.00	56.65	56.65	43.35	24.45	3.04	1.34	2.38
1963	100.00	55.64	55.64	44.36	26.36	3.59	1.17	2.43
1964	100.00	54.59	54.59	45.41	27.01	4.35	1.20	2.32
1965	100.00	53.12	53.12	46.88	28.47	4.55	1.41	2.19
1966	100.00	53.86	53.86	46.14	27.74	5.07	1.69	2.14
1967	100.00	52.87	52.87	47.13	26.00	5.74	1.73	2.07
1968	100.00	51.32	51.32	48.68	29.16	6.28	1.81	1.88
1969	100.00	52.68	52.68	47.32	29.79	6.29	0.99	1.77
1970	100.00	46.60	46.60	53.40	33.70	6.73	1.31	1.71
1971	100.00	43.71	43.71	56.29	36.47	6.69	1.40	1.61
1972	100.00	42.01	42.01	57.99	37.44	7.59	1.57	1.51
1973	100.00	38.33	38.33	61.67	38.72	10.83	1.63	1.43
1974	100.00	35.33	35.33	64.67	37.21	14.88	1.99	1.66
1975	100.00	33.84	33.84	66.16	35.33	17.73	2.16	1.87
1976	100.00	33.82	33.82	66.18	37.36	13.06	2.39	3.56
1977	100.00	35.07	35.07	64.93	36.19	13.60	2.55	3.89
1978	100.00	35.39	35.39	64.61	32.93	15.54	2.85	4.56
1979	100.00	36.01	36.01	63.99	34.65	12.47	3.57	5.81
1980	100.00	34.93	34.93	65.07	33.58	9.33	4.54	8.56
1981	100.00	31.02	31.02	68.98	30.13	9.55	4.55	16.19
1982	100.00	29.52	29.52	70.48	28.96	4.67	4.23	25.58
1983	100.00	31.22	31.22	68.78	28.64	4.59	3.80	25.17
1984	100.00	27.33	27.33	72.67	32.40	7.86	4.49	22.73
1985	100.00	28.29	28.07	71.71	30.47	7.89	8.62	20.14
1986	100.00	31.97	31.28	68.03	30.92	0.69	8.10	5.91
1987	100.00	34.61	33.56	65.39	34.24	1.05	9.15	3.52
1988	100.00	33.19	32.17	66.81	34.41	1.02	12.03	4.11
1989	100.00	33.46	32.18	66.54	37.82	1.27	10.62	4.07
1990	100.00	34.31	32.73	65.69	36.87	1.58	10.78	3.93
1991	100.00	32.64	30.94	67.36	37.47	1.70	10.19	4.40
1992	100.00	35.94	33.65	64.06	36.51	2.29	11.00	3.40

Appendix Table A5. Local Tax Collections, North Dakota 1993.

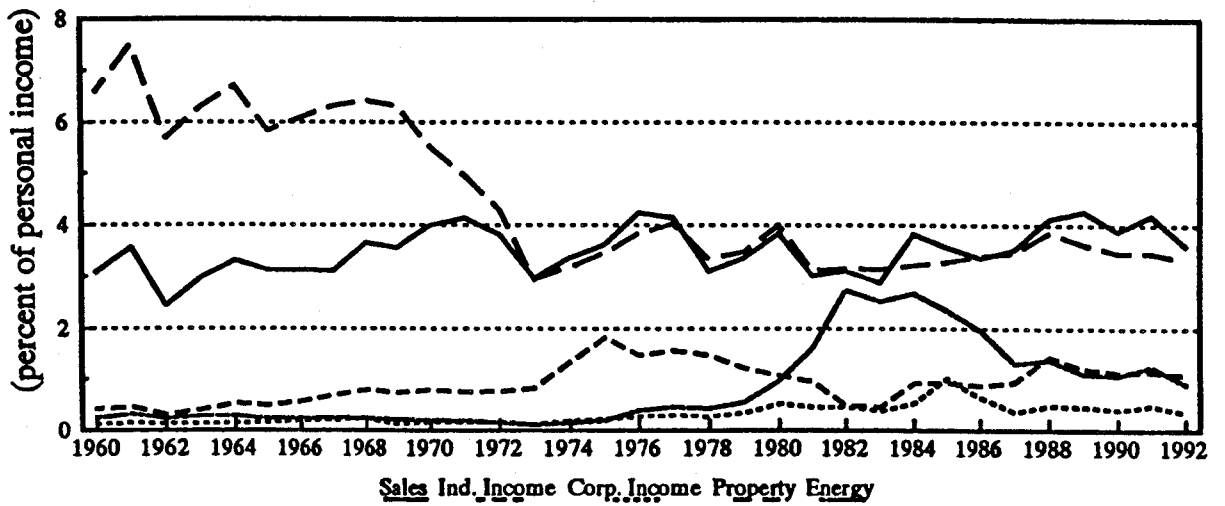
City	Tax Collections	Taxable Sales	Rate Rate
	----- (dollars) -----		(percent)
Fargo	9336352	993798483	1
Bismarck	5432369	585599093	1
Grand Forks	4782603	552666637	1
Minot	3418890	408399878	1
Dickinson	1328003	156460699	1
Jamestown	1146372	137515368	1
Williston	966479	133495494	0.75
Mandan	815212	100183310	1
Devils Lake	761847	98695489	0.75
Wahpeton	575784	54973910	1
Valley City	415880	51821976	0.75
Grafton	310527	46148106	0.75



Appendix Figure A1. Nominal North Dakota tax collections.



Appendix Figure A2. Real dollar North Dakota tax collections.



Appendix Figure A3. North Dakota tax collections as percentage of personal income.

Appendix B - Minnesota Tax Data

Appendix Table B1. Annual Nominal Tax Collections in Minnesota, 1960-1990

Year	Total State and Local	Property	Total State	Total Sales	Individual Income	Corporate Income
----- (million dollars) -----						
1960	771	419	352	124	89	40
1961	833	450	383	133	98	32
1962	888	485	403	137	127	33
1963	963	520	443	145	162	37
1964	1030	550	480	164	170	40
1965	1104	584	520	173	170	44
1966	1232	617	615	182	221	67
1967	1314	654	660	194	248	64
1968	1370	555	815	329	273	58
1969	1584	669	915	405	304	74
1970	1786	765	1021	463	346	70
1971	2012	913	1099	508	371	64
1972	2164	840	1324	581	483	97
1973	2498	860	1638	709	586	156
1974	2735	892	1843	754	701	175
1975	3242	1040	2202	797	807	180
1976	3296	1077	2219	905	850	176
1977	3694	1208	2486	983	957	238
1978	4019	1260	2759	1085	1094	269
1979	4467	1333	3134	1198	1256	324
1980	4538	1335	3203	1216	1272	345
1981	4747	1373	3374	1286	1406	296
1982	5504	1705	3799	1528	1559	295
1983	6223	1904	4319	1698	1979	229
1984	7241	2164	5077	2042	2316	276
1985	7455	2227	5228	2163	2233	353
1986	7267	2369	4898	2209	1949	326
1987	8096	2550	5546	2407	2312	404
1988	8933	2789	6144	2703	2625	411
1989	9436	3038	6398	2950	2496	486
1990	9969	3150	6819	2966	2875	479
1991	10397	3346	7051	3037	2975	458
1992		3552		3283	3145	423

Appendix Table B2. Annual Real Tax Collections in Minnesota, 1960-1992, 1994=100

Year	Total State and Local	Property	Total State	Total Sales	Individual Income	Corporate Income
----- (million dollars) -----						
1960	3852	2094	1757	619	446	199
1961	4115	2223	1892	655	484	160
1962	4340	2371	1969	671	621	163
1963	4641	2507	2134	696	783	180
1964	4908	2620	2288	781	809	191
1965	5173	2737	2437	811	796	207
1966	5602	2806	2796	826	1006	307
1967	5819	2896	2923	858	1098	284
1968	5824	2359	3464	1399	1159	247
1969	6377	2693	3684	1629	1225	299
1970	6794	2911	3883	1761	1315	267
1971	7347	3334	4013	1855	1354	232
1972	7639	2966	4673	2051	1706	343
1973	8304	2859	5445	2357	1949	518
1974	8199	2674	5525	2260	2103	524
1975	8902	2855	6047	2189	2216	496
1976	8555	2795	5759	2349	2205	457
1977	9010	2947	6063	2397	2333	579
1978	9105	2854	6251	2458	2478	609
1979	9085	2711	6375	2437	2555	659
1980	8135	2393	5741	2180	2280	619
1981	7712	2230	5482	2090	2284	481
1982	8425	2610	5815	2339	2387	452
1983	9227	2823	6404	2518	2934	339
1984	10292	3076	7216	2902	3292	392
1985	10235	3057	7178	2970	3067	485
1986	9792	3192	6600	2976	2626	439
1987	10517	3313	7204	3127	3003	524
1988	11161	3485	7676	3377	3280	513
1989	11246	3621	7625	3516	2974	579
1990	11275	3563	7712	3354	3252	542
1991	11276	3629	7647	3294	3226	497
1992		3740		3457	3311	445

Appendix Table B3. Specific Taxes as a Percentage of Personal Income in Minnesota, 1960-1992

Year	Total State and Local Property	Total State	Total Sales	Total Income	Ind Income	Corp Income
----- (percentage) -----						
1960	10.53	5.72	4.80	1.69	1.22	0.54
1961	10.82	5.85	4.98	1.72	1.27	0.42
1962	10.94	5.97	4.96	1.69	1.56	0.41
1963	11.18	6.04	5.14	1.68	1.88	0.43
1964	11.48	6.13	5.35	1.83	1.89	0.45
1965	11.11	5.88	5.24	1.74	1.71	0.44
1966	11.44	5.73	5.71	1.69	2.05	0.63
1967	11.34	5.64	5.70	1.67	2.14	0.55
1968	10.75	4.36	6.39	2.58	2.14	0.46
1969	11.30	4.77	6.52	2.89	2.17	0.53
1970	11.74	5.03	6.71	3.04	2.27	0.46
1971	12.43	5.64	6.79	3.14	2.29	0.39
1972	12.33	4.79	7.54	3.31	2.75	0.55
1973	12.10	4.17	7.93	3.43	2.84	0.75
1974	12.29	4.01	8.28	3.39	3.15	0.79
1975	13.61	4.37	9.25	3.35	3.39	0.76
1976	12.68	4.14	8.54	3.48	3.27	0.68
1977	12.61	4.12	8.48	3.35	3.26	0.81
1978	12.20	3.82	8.37	3.29	3.32	0.82
1979	12.12	3.62	8.51	3.25	3.41	0.88
1980	11.13	3.27	7.85	2.98	3.12	0.85
1981	10.56	3.05	7.51	2.86	3.13	0.66
1982	11.53	3.57	7.96	3.20	3.27	0.62
1983	12.20	3.73	8.47	3.33	3.88	0.45
1984	12.81	3.83	8.98	3.61	4.10	0.49
1985	12.43	3.71	8.72	3.61	3.72	0.59
1986	11.44	3.73	7.71	3.48	3.07	0.51
1987	11.98	3.77	8.21	3.56	3.42	0.60
1988	12.57	3.92	8.64	3.80	3.69	0.58
1989	12.20	3.93	8.27	3.81	3.23	0.63
1990	12.11	3.83	8.28	3.60	3.49	0.58
1991	12.19	3.92	8.27	3.56	3.49	0.54
1992		3.88		3.59	3.44	0.46

Appendix Table B4. Specific Taxes as a Percentage of All Taxes in Minnesota, 1960-1993

Year	Total State and Local Property	Total State	Total Sales	Total Income	Ind Income	Corp Income
----- (percentage) -----						
1960	100.00	54.37	45.63	16.06	11.58	5.16
1961	100.00	54.03	45.97	15.91	11.76	3.90
1962	100.00	54.63	45.37	15.46	14.30	3.75
1963	100.00	54.02	45.98	15.00	16.86	3.87
1964	100.00	53.38	46.62	15.92	16.47	3.90
1965	100.00	52.90	47.10	15.67	15.40	4.00
1966	100.00	50.09	49.91	14.75	17.96	5.47
1967	100.00	49.77	50.23	14.74	18.87	4.89
1968	100.00	40.51	59.49	24.01	19.90	4.23
1969	100.00	42.23	57.77	25.55	19.20	4.69
1970	100.00	42.85	57.15	25.92	19.35	3.92
1971	100.00	45.38	54.62	25.25	18.42	3.16
1972	100.00	38.83	61.17	26.84	22.33	4.49
1973	100.00	34.43	65.57	28.38	23.47	6.23
1974	100.00	32.62	67.38	27.57	25.64	6.39
1975	100.00	32.07	67.93	24.59	24.90	5.57
1976	100.00	32.68	67.32	27.46	25.77	5.35
1977	100.00	32.71	67.29	26.61	25.89	6.43
1978	100.00	31.34	68.66	27.00	27.21	6.69
1979	100.00	29.83	70.17	26.82	28.12	7.26
1980	100.00	29.42	70.58	26.79	28.02	7.61
1981	100.00	28.92	71.08	27.09	29.62	6.24
1982	100.00	30.98	69.02	27.76	28.33	5.37
1983	100.00	30.59	69.41	27.29	31.80	3.68
1984	100.00	29.89	70.11	28.20	31.99	3.81
1985	100.00	29.87	70.13	29.01	29.96	4.74
1986	100.00	32.60	67.40	30.40	26.81	4.49
1987	100.00	31.50	68.50	29.73	28.56	4.99
1988	100.00	31.22	68.78	30.26	29.39	4.60
1989	100.00	32.20	67.80	31.26	26.45	5.15
1990	100.00	31.60	68.40	29.75	28.84	4.80
1991	100.00	32.18	67.82	29.21	28.61	4.41

Appendix C - Montana Tax Data

Appendix Table C1. Annual Nominal Tax Collections in Montana, 1960-1991

Year	Total State and Local Property	Total State	Total State Sales	Total Individual Income	Total Corporate Income	Energy
----- (million dollars) -----						
1960	151	86	65	30	11	5
1961	162	93	69	31	17	5
1962	164	92	72	32	14	5
1963	171	97	74	34	14	5
1964	177	101	76	35	15	5
1965	187	107	80	36	17	6
1966	205	114	91	38	21	7
1967	212	119	93	38	24	8
1968	239	134	105	41	30	7
1969	247	135	112	43	31	8
1970	279	150	129	48	39	10
1971	302	166	136	50	42	10
1972	368	185	183	62	68	12
1973	379	192	187	63	77	12
1974	445	225	220	66	79	16
1975	460	227	233	70	89	22
1976	542	264	278	77	98	23
1977	587	275	312	83	112	25
1978	647	309	338	89	124	29
1979	735	334	401	102	142	36
1980	794	358	436	95	135	46
1981	881	414	467	95	146	53
1982	987	458	529	103	144	45
1983	971	457	514	107	152	36
1984	1068	485	583	135	170	35
1985	1162	521	641	140	181	63
1986	1150	533	617	141	172	59
1987	1125	534	591	149	195	35
1988	1254	539	715	182	244	46
1989	1275	547	728	179	266	56
1990	1343	485	858	183	280	80
1991	1241	423	818	183	283	71

Appendix Table C2. Annual Real Tax Collections in Montana, 1960-1991, 1994=100

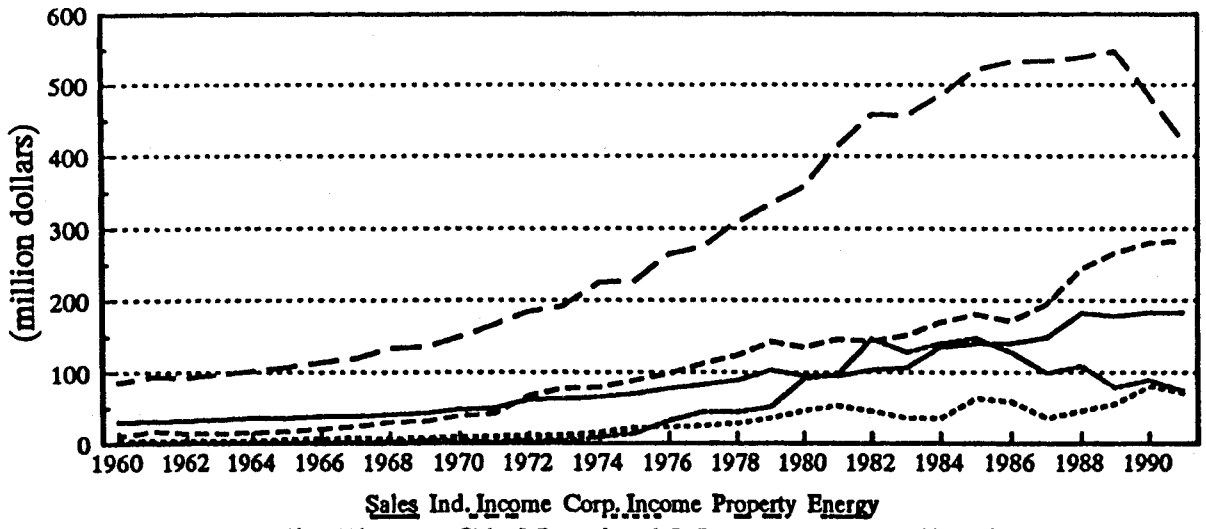
Year	Total State and Local Property	Total State	Total State Sales	Total Individual Income	Total Corporate Income	Energy
----- (million dollars) -----						
1960	752	428	325	150	53	23
1961	798	457	341	152	82	23
1962	799	447	352	156	69	22
1963	821	465	356	164	67	23
1964	844	482	362	165	70	24
1965	878	503	375	167	78	28
1966	932	518	414	174	96	32
1967	938	526	412	167	107	34
1968	1014	568	446	173	126	31
1969	993	542	451	172	126	33
1970	1061	570	491	183	148	37
1971	1103	606	497	183	153	37
1972	1299	653	646	219	240	42
1973	1260	638	622	209	256	40
1974	1334	675	660	198	237	48
1975	1263	623	640	192	244	60
1976	1407	685	722	200	254	60
1977	1432	671	761	202	273	61
1978	1466	700	766	202	281	66
1979	1495	679	816	207	289	73
1980	1423	642	781	170	242	82
1981	1431	673	759	154	237	86
1982	1511	701	810	158	220	69
1983	1440	678	762	159	225	53
1984	1518	689	829	192	242	50
1985	1595	715	880	192	249	86
1986	1550	718	831	190	232	79
1987	1461	694	768	194	253	45
1988	1567	673	893	227	305	57
1989	1520	652	868	213	317	67
1990	1519	549	970	207	317	90
1991	1346	459	887	198	307	77

Appendix Table C3. Specific Tax as a Percentage of Personal Income for Montana, 1960-1991

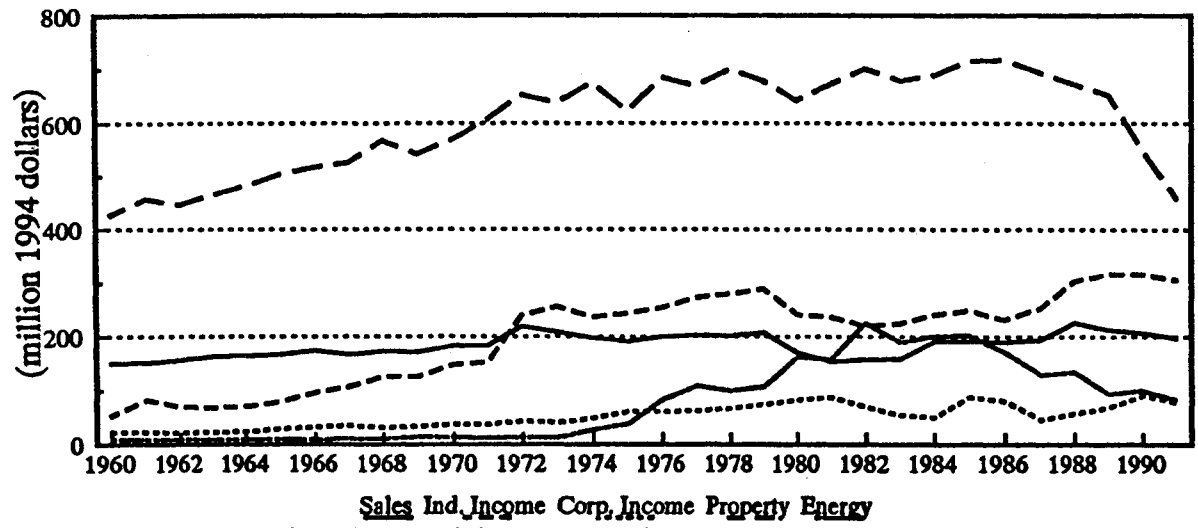
Year	Total State and Local Property	Total State Property	Total Sales	Total Ind Income	Corp Income	Energy
------(percentage)-----						
1960	10.77	6.13	4.65	2.14	0.76	0.34
1961	11.54	6.61	4.93	2.20	1.19	0.34
1962	10.00	5.60	4.40	1.95	0.87	0.28
1963	10.51	5.95	4.56	2.09	0.86	0.29
1964	10.71	6.11	4.60	2.09	0.89	0.31
1965	10.50	6.02	4.48	2.00	0.94	0.33
1966	10.70	5.95	4.75	2.00	1.10	0.37
1967	10.81	6.06	4.75	1.92	1.24	0.39
1968	11.61	6.50	5.11	1.97	1.44	0.36
1969	11.07	6.04	5.03	1.92	1.40	0.36
1970	11.27	6.06	5.21	1.95	1.57	0.39
1971	11.57	6.36	5.21	1.92	1.61	0.38
1972	12.11	6.09	6.02	2.04	2.24	0.39
1973	10.71	5.42	5.28	1.78	2.18	0.34
1974	11.59	5.86	5.73	1.72	2.06	0.42
1975	10.97	5.41	5.56	1.67	2.12	0.52
1976	12.00	5.85	6.16	1.71	2.17	0.51
1977	11.97	5.61	6.36	1.69	2.28	0.51
1978	11.13	5.32	5.81	1.53	2.13	0.50
1979	11.70	5.32	6.38	1.62	2.26	0.57
1980	11.53	5.20	6.33	1.38	1.96	0.67
1981	11.36	5.34	6.02	1.22	1.88	0.68
1982	12.02	5.58	6.44	1.25	1.75	0.55
1983	11.16	5.25	5.91	1.23	1.75	0.41
1984	11.73	5.33	6.40	1.48	1.87	0.38
1985	12.49	5.60	6.89	1.50	1.94	0.68
1986	11.65	5.40	6.25	1.43	1.74	0.60
1987	11.08	5.26	5.82	1.47	1.92	0.34
1988	12.16	5.23	6.94	1.77	2.37	0.45
1989	11.27	4.83	6.43	1.58	2.35	0.49
1990	11.38	4.11	7.27	1.55	2.37	0.68
1991	9.80	3.34	6.46	1.45	2.24	0.56

Appendix Table C4. Specific Taxes as a Percentage of All Taxes in Montana, 1960-1991

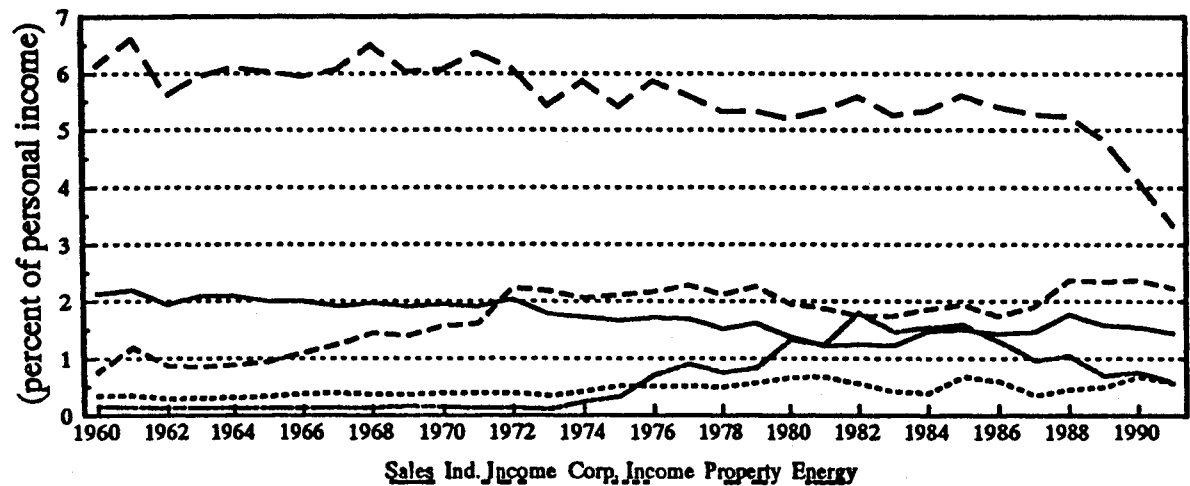
Year	Total State and Local Property	Total State Property	Total Sales	Total Ind Income	Corp Income	Energy
------(percentage)-----						
1960	100.00	56.87	43.13	19.91	7.10	3.12
1961	100.00	57.28	42.72	19.07	10.28	2.91
1962	100.00	55.96	44.04	19.51	8.69	2.75
1963	100.00	56.60	43.40	19.94	8.15	2.76
1964	100.00	57.06	42.94	19.55	8.31	2.88
1965	100.00	57.31	42.69	19.00	8.91	3.15
1966	100.00	55.61	44.39	18.68	10.29	3.41
1967	100.00	56.07	43.93	17.81	11.43	3.59
1968	100.00	55.99	44.01	17.02	12.41	3.06
1969	100.00	54.58	45.42	17.32	12.65	3.28
1970	100.00	53.75	46.25	17.28	13.95	3.48
1971	100.00	54.97	45.03	16.56	13.91	3.31
1972	100.00	50.27	49.73	16.85	18.48	3.26
1973	100.00	50.66	49.34	16.62	20.32	3.17
1974	100.00	50.56	49.44	14.83	17.75	3.60
1975	100.00	49.35	50.65	15.22	19.35	4.78
1976	100.00	48.71	51.29	14.21	18.08	4.24
1977	100.00	46.85	53.15	14.14	19.08	4.26
1978	100.00	47.76	52.24	13.76	19.17	4.48
1979	100.00	45.44	54.56	13.88	19.32	4.90
1980	100.00	45.09	54.91	11.96	17.00	5.79
1981	100.00	46.99	53.01	10.78	16.57	6.02
1982	100.00	46.40	53.60	10.44	14.59	4.56
1983	100.00	47.06	52.94	11.02	15.65	3.71
1984	100.00	45.41	54.59	12.64	15.92	3.28
1985	100.00	44.84	55.16	12.05	15.58	5.42
1986	100.00	46.35	53.65	12.26	14.96	5.13
1987	100.00	47.47	52.53	13.24	17.33	3.11
1988	100.00	42.98	57.02	14.51	19.46	3.67
1989	100.00	42.90	57.10	14.04	20.86	4.39
1990	100.00	36.11	63.89	13.63	20.85	5.96
1991	100.00	34.09	65.91	14.75	22.80	5.72



Appendix Figure C1. Nominal Montana tax collections.



Appendix Figure C2. Real 1994 Montana tax collections.



Appendix Figure C3. Montana tax collections as percentage of personal income.

Appendix D - Nebraska Tax Data

Appendix Table D1. Annual Nominal Tax Collections in Nebraska, 1960-1991

Year	Total State and Local Property	Total State Property	Total Sales	Individual Income	Corporate Income
----- (million dollars) -----					
1960	262	171	91	51	
1961	284	190	94	53	
1962	282	187	95	52	
1963	308	209	99	54	
1964	330	219	111	62	
1965	343	228	115	66	
1966	384	257	127	70	
1967	420	283	137	76	
1968	464	270	194	146	14
1969	508	291	217	153	37
1970	571	310	261	171	44
1971	628	334	294	191	54
1972	667	348	319	213	54
1973	741	366	375	231	85
1974	805	399	406	257	79
1975	859	434	425	272	78
1976	984	495	489	302	106
1977	1167	557	610	343	172
1978	1227	547	680	397	173
1979	1331	588	743	416	209
1980	1446	629	817	447	236
1981	1456	652	804	466	201
1982	1566	705	861	491	227
1983	1747	760	987	561	281
1984	1883	814	1069	597	304
1985	1909	869	1040	566	319
1986	2045	926	1119	605	352
1987	2217	1014	1203	664	360
1988	2375	1032	1343	727	432
1989	2574	1124	1450	781	474
1990	2678	1165	1513	827	496
1991	2952	1195	1767	959	603

Appendix Table D2. Annual Real Tax Collections in Nebraska, 1960-1991, 1994=100

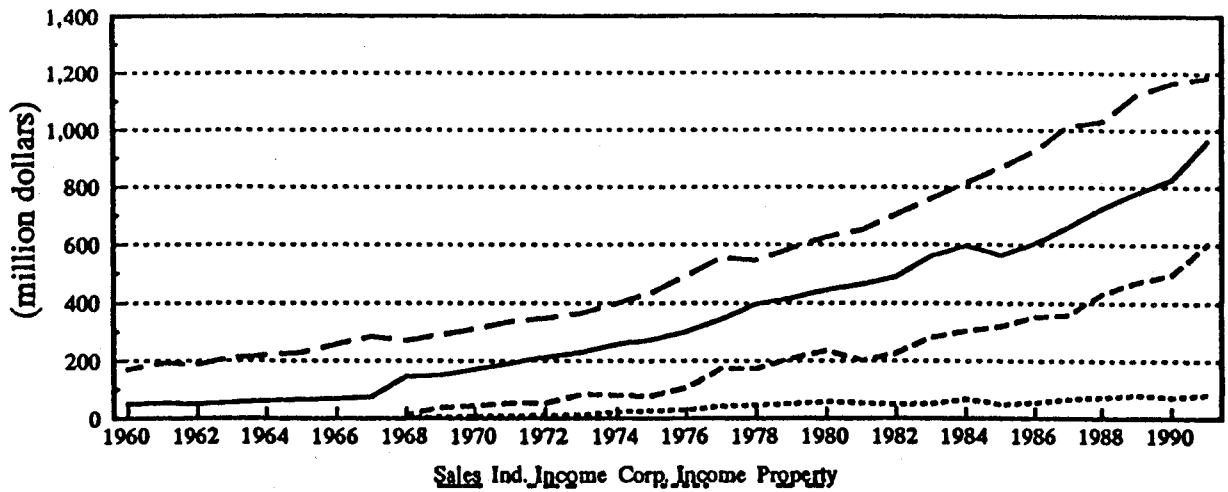
Year	Total State and Local Property	Total State Property	Total Sales	Individual Income	Corporate Income
----- (million dollars) -----					
1960	1306.6	852.3	454.3	253.1	
1961	1403.6	939.4	464.3	260.3	
1962	1379.4	915.2	464.2	254.1	
1963	1483.3	1006.4	476.9	262.1	
1964	1573.2	1044.1	529.2	294.6	
1965	1606.8	1067.9	538.9	307.9	
1966	1745.3	1168.0	577.4	317.8	
1967	1861.1	1254.3	606.8	338.4	
1968	1973.6	1149.0	824.7	618.5	57.4
1969	2046.2	1172.5	873.7	614.0	147.4
1970	2171.3	1178.7	992.7	650.4	168.9
1971	2293.2	1219.6	1073.6	697.5	197.2
1972	2354.2	1228.3	1125.9	751.8	190.6
1973	2463.4	1216.8	1246.7	767.9	282.6
1974	2413.2	1196.1	1217.1	770.4	236.8
1975	2358.8	1191.8	1167.1	746.9	214.2
1976	2553.9	1284.8	1269.2	783.8	275.1
1977	2846.0	1358.4	1487.6	836.5	419.5
1978	2780.0	1239.3	1540.7	899.5	392.0
1979	2707.4	1196.0	1511.3	846.2	425.1
1980	2591.9	1127.4	1464.4	801.2	423.0
1981	2365.8	1059.4	1306.4	757.2	326.6
1982	2397.0	1079.1	1317.9	751.6	347.5
1983	2590.3	1126.9	1463.4	831.8	416.6
1984	2676.4	1157.0	1519.4	848.5	432.1
1985	2621.1	1193.1	1427.9	777.1	438.0
1986	2755.4	1247.7	1507.7	815.2	474.3
1987	2879.8	1317.1	1562.6	862.5	467.6
1988	2967.1	1289.3	1677.8	908.3	539.7
1989	3067.8	1339.6	1728.2	930.8	564.9
1990	3028.7	1317.6	1711.2	935.3	561.0
1991	3201.5	1285.2	1916.3	1040.1	654.0

Appendix Table D3. Specific Taxes as a Percentage of Personal Income in Nebraska, 1960-1991

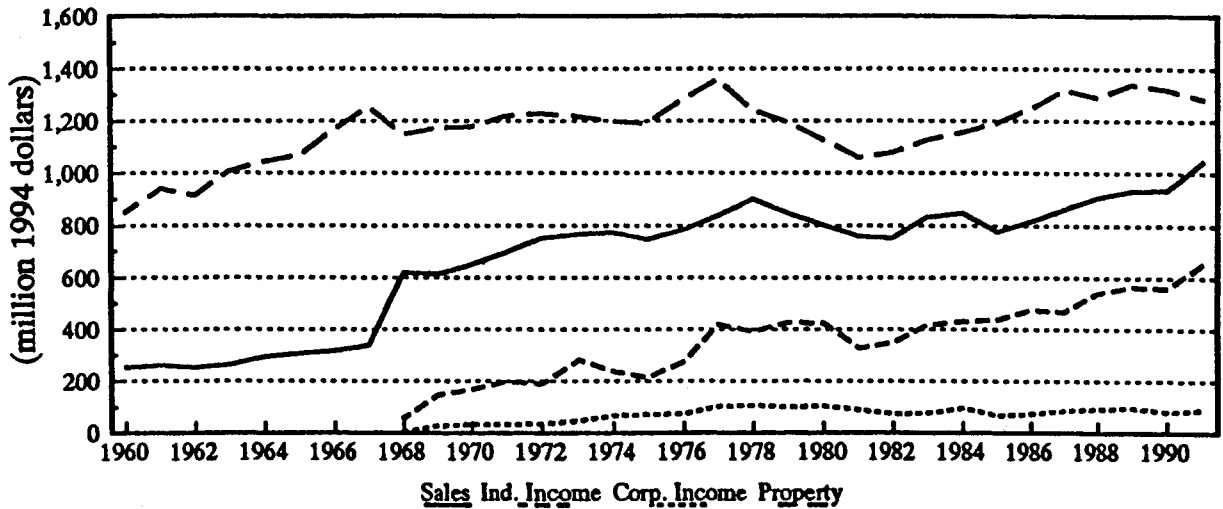
Year	Total State and Local Property	Total State Property	Total Sales	Individual Income	Corporate Income
----- (percentage) -----					
1960	8.69	5.67	3.02	1.68	
1961	9.22	6.17	3.05	1.71	
1962	8.43	5.59	2.84	1.55	
1963	8.93	6.06	2.87	1.58	
1964	9.33	6.19	3.14	1.75	
1965	8.78	5.84	2.94	1.68	
1966	9.12	6.11	3.02	1.66	
1967	9.60	6.47	3.13	1.75	
1968	9.97	5.80	4.17	3.12	0.29
1969	9.74	5.58	4.16	2.92	0.70
1970	10.23	5.55	4.68	3.07	0.80
1971	10.27	5.46	4.81	3.12	0.88
1972	9.86	5.15	4.72	3.15	0.80
1973	9.37	4.63	4.74	2.92	1.07
1974	9.77	4.84	4.93	3.12	0.96
1975	9.23	4.66	4.57	2.92	0.84
1976	10.04	5.05	4.99	3.08	1.08
1977	10.99	5.25	5.75	3.23	1.62
1978	9.89	4.41	5.48	3.20	1.39
1979	9.93	4.39	5.54	3.10	1.56
1980	10.23	4.45	5.78	3.16	1.67
1981	8.90	3.98	4.91	2.85	1.23
1982	9.13	4.11	5.02	2.86	1.32
1983	9.83	4.28	5.56	3.16	1.58
1984	9.60	4.15	5.45	3.04	1.55
1985	9.21	4.19	5.02	2.73	1.54
1986	9.56	4.33	5.23	2.83	1.64
1987	9.97	4.56	5.41	2.99	1.62
1988	10.01	4.35	5.66	3.06	1.82
1989	10.19	4.45	5.74	3.09	1.88
1990	9.76	4.25	5.51	3.01	1.81
1991	10.27	4.12	6.15	3.34	2.10

Appendix Table D4. Specific Taxes as a Percentage of All Taxes in Nebraska, 1960-1991

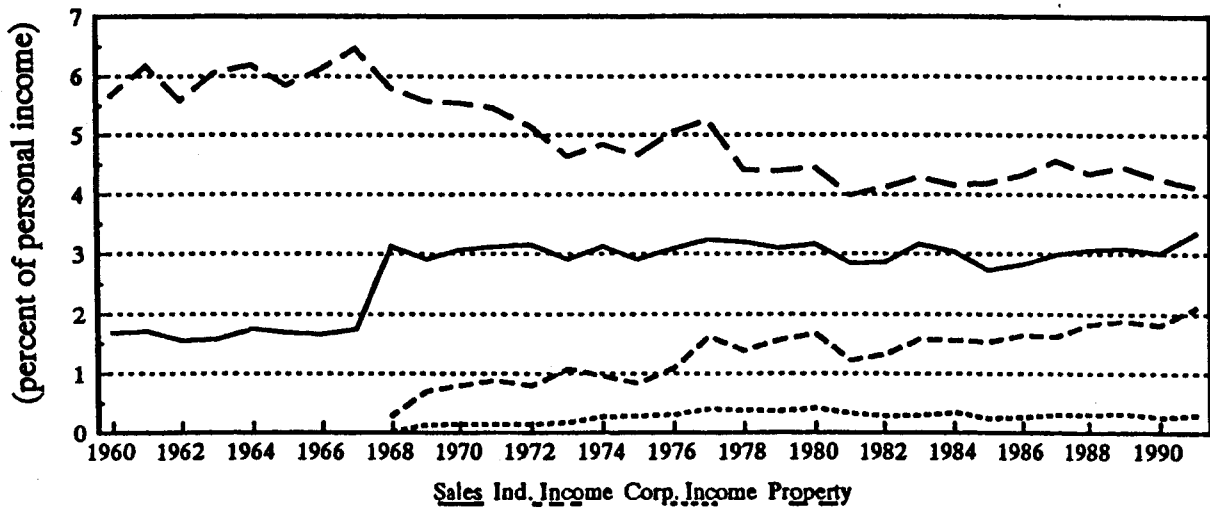
Year	Total State and Local Property	Total State Property	Total Sales	Individual Income	Corporate Income
----- (percentage) -----					
1960	100.00	65.23	34.77	19.37	
1961	100.00	66.92	33.08	18.54	
1962	100.00	66.35	33.65	18.42	
1963	100.00	67.85	32.15	17.67	
1964	100.00	66.36	33.64	18.73	
1965	100.00	66.46	33.54	19.16	
1966	100.00	66.92	33.08	18.21	
1967	100.00	67.40	32.60	18.18	
1968	100.00	58.22	41.78	31.34	2.91
1969	100.00	57.30	42.70	30.01	7.20
1970	100.00	54.28	45.72	29.95	7.78
1971	100.00	53.18	46.82	30.41	8.60
1972	100.00	52.17	47.83	31.93	8.10
1973	100.00	49.39	50.61	31.17	11.47
1974	100.00	49.57	50.43	31.93	9.81
1975	100.00	50.52	49.48	31.66	9.08
1976	100.00	50.30	49.70	30.69	10.77
1977	100.00	47.73	52.27	29.39	14.74
1978	100.00	44.58	55.42	32.36	14.10
1979	100.00	44.18	55.82	31.25	15.70
1980	100.00	43.50	56.50	30.91	16.32
1981	100.00	44.78	55.22	32.01	13.80
1982	100.00	45.02	54.98	31.35	14.50
1983	100.00	43.50	56.50	32.11	16.08
1984	100.00	43.23	56.77	31.70	16.14
1985	100.00	45.52	54.48	29.65	16.71
1986	100.00	45.28	54.72	29.58	17.21
1987	100.00	45.74	54.26	29.95	16.24
1988	100.00	43.45	56.55	30.61	18.19
1989	100.00	43.67	56.33	30.34	18.41
1990	100.00	44.00	56.00	54.66	32.78
1991	100.00	40.14	59.86	32.49	20.43



Appendix Figure D1. Nominal Nebraska tax collections.



Appendix Figure D2. Real 1994 Nebraska tax collections.



Appendix Figure D3. Nebraska tax collections as percentage of personal income.

Appendix E - South Dakota Tax Data

Appendix Table E1. Annual Nominal Tax Collections
in South Dakota, 1960-1991

Year	Total State and Local Property	Total State	Total State Sales	Individual Income	Corporate Income
----- (million dollars) -----					
1960	131	78	53	41	no 0.4
1961	143	88	55	43	ind. 0.5
1962	143	86	57	45	inc. 0.5
1963	152	87	65	48	tax 0.5
1964	156	92	64	49	0.5
1965	161	97	64	50	0.6
1966	182	104	78	62	0.6
1967	198	114	84	68	0.6
1968	209	121	88	71	0.6
1969	226	134	92	75	1
1970	259	146	113	95	0.8
1971	283	161	122	103	1
1972	301	168	133	112	1
1973	326	175	151	129	1
1974	338	172	166	143	1
1975	353	182	171	146	2
1976	370	198	172	163	2
1977	411	211	200	174	3
1978	446	222	224	192	3
1979	478	232	246	212	3
1980	513	242	271	233	3
1981	552	254	298	252	4
1982	595	266	329	283	1
1983	597	272	325	279	3
1984	646	287	359	291	18
1985	677	322	355	293	17
1986	742	338	404	319	24
1987	767	351	416	327	24
1988	860	384	476	393	26
1989	857	389	468	379	26
1990	899	399	500	403	31
1991	936	408	528	401	39

Appendix Table E2. Annual Real Tax Collections in
South Dakota, 1960-1991, 1994=100

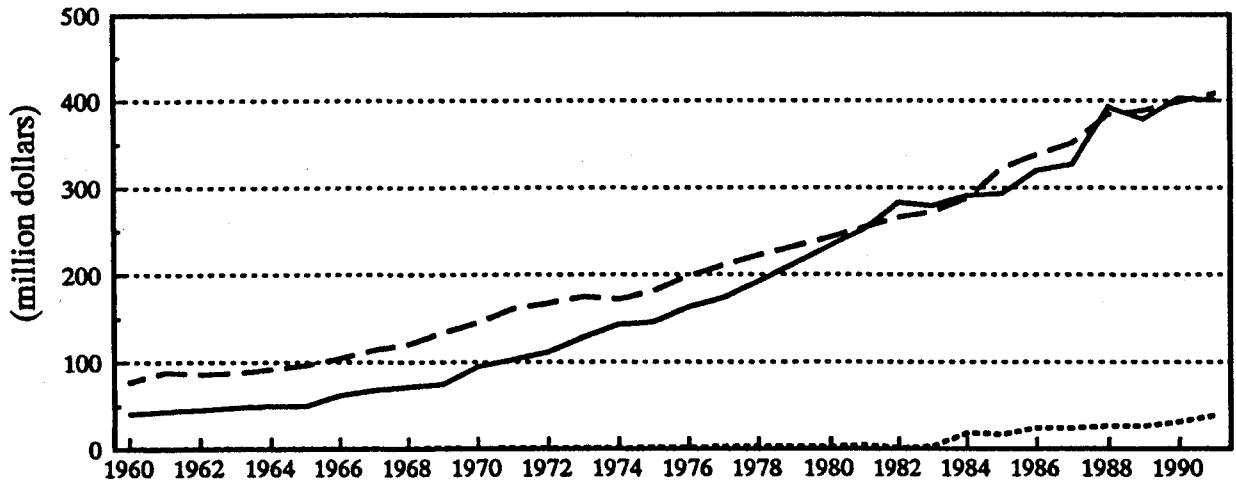
Year	Total State and Local Property	Total State	Total State Sales	Individual Income	Corporate Income
----- (million dollars) -----					
1960	652.5	387.9	264.6	204.7	no 2.0
1961	707.7	436.1	271.6	214.3	ind. 2.5
1962	700.2	421.7	278.5	221.3	inc. 2.4
1963	734.2	421.1	313.1	231.7	tax 2.4
1964	743.7	438.6	305.1	234.6	2.4
1965	752.6	452.7	299.9	233.8	2.8
1966	828.3	473.7	354.6	282.8	2.7
1967	876.1	504.0	372.0	300.3	2.7
1968	888.4	514.3	374.1	303.5	2.6
1969	911.6	541.1	370.4	301.6	4.0
1970	984.7	554.9	429.8	361.3	3.0
1971	1033.4	587.9	445.5	376.1	3.7
1972	1062.4	593.0	469.4	395.3	3.5
1973	1083.8	581.8	502.0	428.9	3.3
1974	1013.3	515.6	497.6	428.7	3.0
1975	969.3	499.8	469.6	400.9	5.5
1976	960.3	513.9	446.4	423.1	5.2
1977	1002.3	514.6	487.7	424.3	7.3
1978	1010.5	503.0	507.5	435.0	6.8
1979	972.3	471.9	500.4	431.2	6.1
1980	919.5	433.8	485.7	417.6	5.4
1981	896.9	412.7	484.2	409.5	6.5
1982	910.7	407.2	503.6	433.2	1.5
1983	885.2	403.3	481.9	413.7	4.4
1984	918.2	407.9	510.3	413.6	25.6
1985	929.5	442.1	487.4	402.3	23.3
1986	999.8	455.4	544.3	429.8	32.3
1987	996.3	455.9	540.4	424.8	31.2
1988	1074.4	479.7	594.7	491.0	32.5
1989	1021.4	463.6	557.8	451.7	31.0
1990	1016.7	451.3	565.5	455.8	35.1
1991	1015.1	442.5	572.6	434.9	42.3

Appendix Table E3. Specific Taxes as a Percentage of Personal Income in South Dakota, 1960-1991

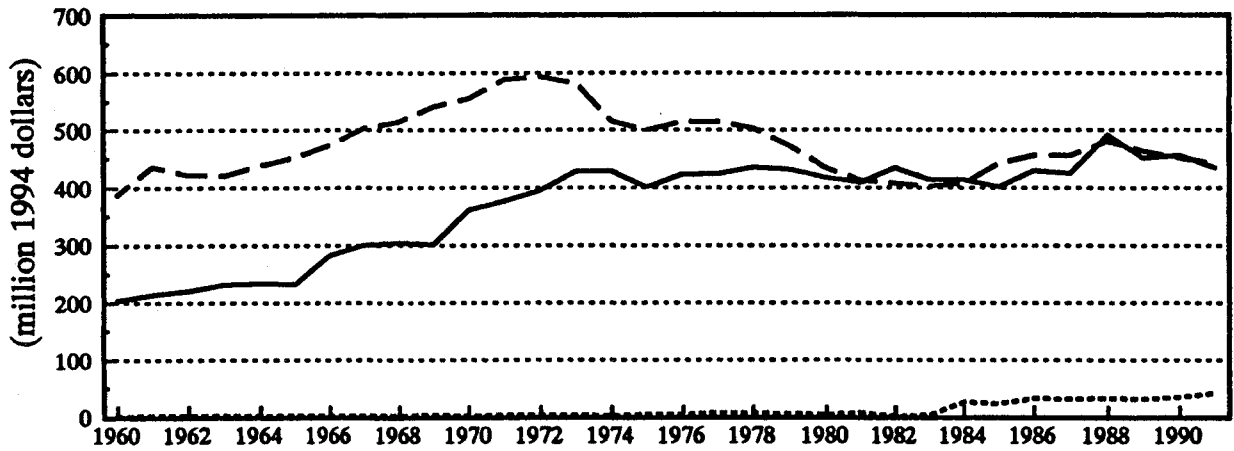
Year	Total State and Local Property	Total State	Total Sales	Individual Income	Corporate Income
----- (million dollars) -----					
1960	10.26	6.10	4.16	3.22	0.03
1961	11.14	6.07	4.20	3.37	0.04
1962	9.75	5.87	3.88	3.08	0.03
1963	10.71	6.14	4.57	3.38	0.04
1964	11.19	6.60	4.59	3.53	0.04
1965	10.23	6.15	4.00	3.18	0.04
1966	10.71	6.13	4.59	3.66	0.04
1967	11.46	6.59	4.87	3.93	0.03
1968	11.33	6.56	4.77	3.87	0.03
1969	11.53	6.84	4.68	3.81	0.05
1970	12.17	6.86	5.31	4.47	0.04
1971	12.15	6.91	5.24	4.42	0.04
1972	11.21	6.26	4.95	4.17	0.04
1973	9.54	5.12	4.42	3.78	0.03
1974	9.94	5.06	4.88	4.20	0.03
1975	9.53	4.91	4.62	3.94	0.05
1976	10.06	5.38	4.68	4.43	0.05
1977	9.91	5.09	4.82	4.19	0.07
1978	9.23	4.59	4.63	3.97	0.06
1979	8.93	4.33	4.59	3.96	0.06
1980	9.64	4.55	5.09	4.38	0.06
1981	8.96	4.12	4.84	4.09	0.06
1982	9.18	4.10	5.07	4.36	0.02
1983	8.85	4.03	4.82	4.14	0.04
1984	8.50	3.78	4.73	3.83	0.24
1985	8.62	4.10	4.52	3.73	0.22
1986	8.97	4.08	4.88	3.85	0.29
1987	8.77	4.01	4.76	3.74	0.27
1988	9.64	4.30	5.34	4.41	0.29
1989	8.74	3.97	4.77	3.86	0.27
1990	8.30	3.68	4.62	3.72	0.29
1991	8.22	3.58	4.64	3.52	0.34

Appendix Table E4. Specific Taxes as a Percentage of All Taxes in South Dakota, 1960-1991

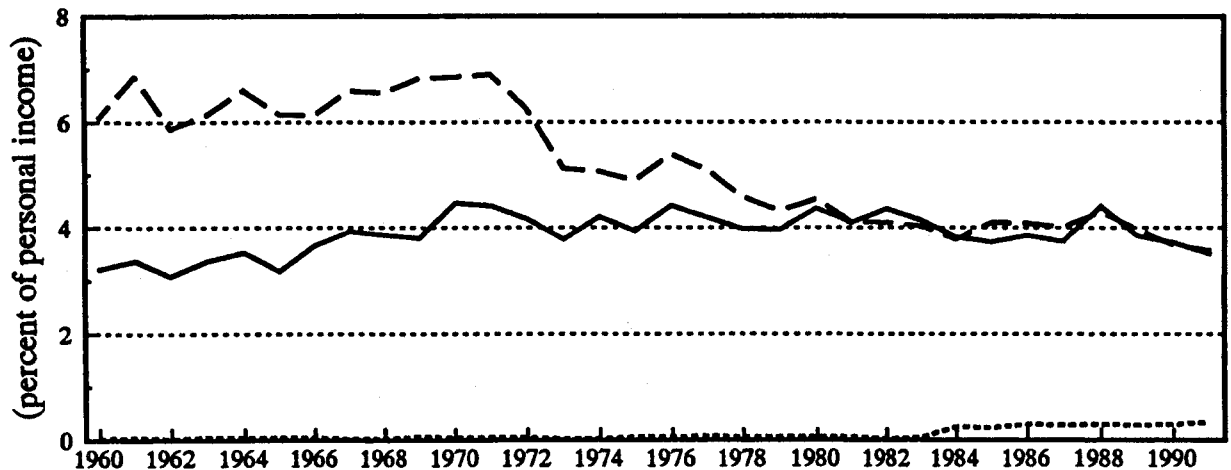
Year	Total State and Local Property	Total State	Total Sales	Individual Income	Corporate Income
----- (percentage) -----					
1960	100.00	59.45	40.55	31.37	0.31
1961	100.00	61.62	38.38	30.29	0.35
1962	100.00	60.22	39.78	31.61	0.35
1963	100.00	57.35	42.65	31.56	0.33
1964	100.00	58.97	41.03	31.54	0.32
1965	100.00	60.15	39.85	31.07	0.37
1966	100.00	57.19	42.81	34.14	0.33
1967	100.00	57.53	42.47	34.28	0.30
1968	100.00	57.89	42.11	34.16	0.29
1969	100.00	59.36	40.64	33.08	0.44
1970	100.00	56.35	43.65	36.69	0.31
1971	100.00	56.89	43.11	36.40	0.35
1972	100.00	55.81	44.19	37.21	0.33
1973	100.00	53.68	46.32	39.57	0.31
1974	100.00	50.89	49.11	42.31	0.30
1975	100.00	51.56	48.44	41.36	0.57
1976	100.00	53.51	46.49	44.05	0.54
1977	100.00	51.34	48.66	42.34	0.73
1978	100.00	49.78	50.22	43.05	0.67
1979	100.00	48.54	51.46	44.35	0.63
1980	100.00	47.17	52.83	45.42	0.58
1981	100.00	46.01	53.99	45.65	0.72
1982	100.00	44.71	55.29	47.56	0.17
1983	100.00	45.56	54.44	46.73	0.50
1984	100.00	44.43	55.57	45.05	2.79
1985	100.00	47.56	52.44	43.28	2.51
1986	100.00	45.55	54.45	42.99	3.23
1987	100.00	45.76	54.24	42.63	3.13
1988	100.00	44.65	55.35	45.70	3.02
1989	100.00	45.39	54.61	44.22	3.03
1990	100.00	44.38	55.62	44.83	3.45
1991	100.00	43.59	56.41	42.84	4.17



Sales Corp. Income Property
 Appendix Figure E1. Nominal South Dakota tax collections.



Sales Corp. Income Property
 Appendix Figure E2. Real 1994 South Dakota tax collections.



Sales Corp. Income Property
 Appendix Figure E3. South Dakota tax collections as percentage of personal income.

Appendix F - Wyoming Tax Data

Appendix Table F1. Annual Nominal Tax Collections in Wyoming, 1960-1991

Year	Total State and Local Property	Total State	Total Sales	Individual Income	Corporate Income	Energy
----- (million dollars) -----						
1960	84	42	42	24	no	
1961	83	42	41	25	ind.	
1962	88	44	44	24	inc.	
1963	92	47	45	25	tax	
1964	97	49	48	26		
1965	100	51	48	27		
1966	111	55	56	32		
1967	120	62	58	36		
1968	136	67	69	43		
1969	141	63	78	51		
1970	153	68	85	53		4
1971	171	78	93	61		5
1972	184	87	97	65		5
1973	192	87	105	75		5
1974	219	95	124	83		5
1975	260	106	154	102		18
1976	330	137	193	113		40
1977	396	163	233	133		46
1978	487	198	289	164		63
1979	572	229	343	193		82
1980	648	260	388	215		106
1981	782	313	469	250		139
1982	1181	418	763	280		380
1983	1254	518	736	242		397
1984	1364	562	802	228		387
1985	1367	561	806	230		403
1986	1390	595	795	238		387
1987	1166	543	623	211		259
1988	1011	438	573	203		229
1989	995	413	582	207		231
1990	1029	417	612	217		253
1991	1057	420	637	231		265

Appendix Table F2. Annual Real Tax Collections in Wyoming, 1960-1991, 1994=100

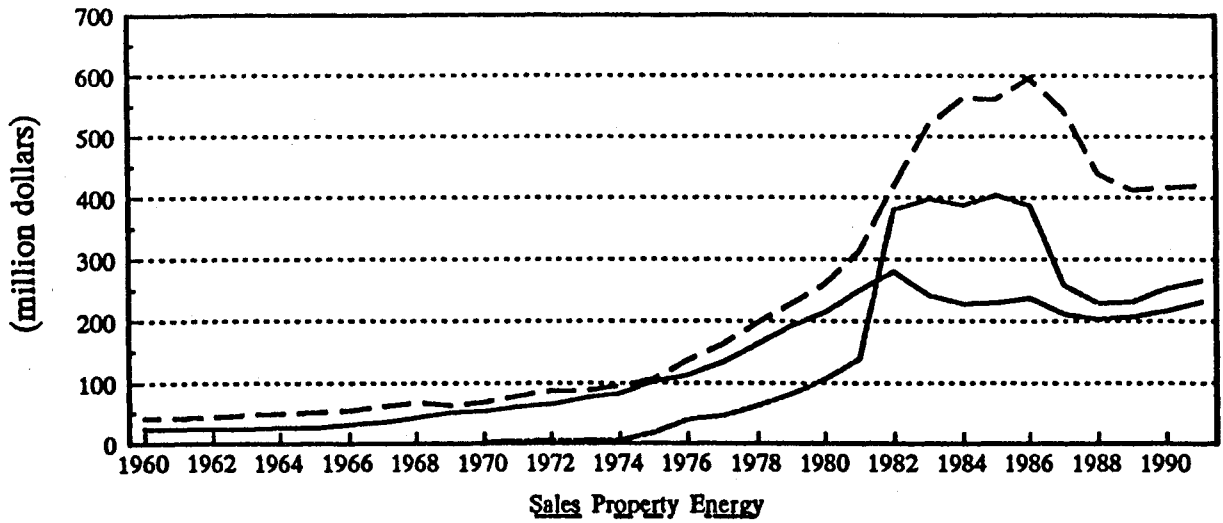
Year	Total State and Local Property	Total State	Total Sales	Individual Income	Corporate Income	Energy
----- (million dollars) -----						
1960	417.9	208.2	209.7	119.8	no	
1961	408.9	206.4	202.5	121.0	ind.	
1962	429.0	214.0	215.0	118.2	inc.	
1963	441.3	224.5	216.8	119.0	tax	
1964	462.4	233.6	228.8	123.5		
1965	465.8	240.9	224.9	124.6		
1966	503.3	248.7	254.6	145.5		
1967	529.3	272.4	256.9	158.1		
1968	578.1	284.8	293.3	184.5		
1969	566.5	252.5	314.1	206.2		
1970	583.4	260.1	323.3	201.6		15.6
1971	624.4	284.8	339.6	222.7		17.2
1972	649.4	307.1	342.4	229.4		18.0
1973	638.3	289.2	349.1	249.3		17.3
1974	656.5	284.8	371.7	248.8		15.3
1975	714.0	291.1	422.9	280.1		50.0
1976	856.5	355.6	500.9	293.3		104.6
1977	965.7	397.5	568.2	324.3		112.2
1978	1103.4	448.6	654.8	371.6		143.4
1979	1163.5	465.8	697.7	392.6		167.4
1980	1161.5	466.0	695.5	385.4		190.0
1981	1270.6	508.6	762.1	406.2		225.9
1982	1807.7	639.8	1167.9	428.6		581.6
1983	1859.3	768.0	1091.3	358.8		588.6
1984	1938.7	798.8	1139.9	324.1		550.1
1985	1876.9	770.3	1106.6	315.8		553.3
1986	1872.9	801.7	1071.2	320.7		521.4
1987	1514.6	705.3	809.3	274.1		336.4
1988	1263.1	547.2	715.9	253.6		286.1
1989	1185.9	492.2	693.7	246.7		275.3
1990	1163.8	471.6	692.2	245.4		286.1
1991	1146.3	455.5	690.8	250.5		287.4

Appendix Table F3. Specific Taxes as a Percentage of Personal Income in Wyoming, 1960-1991

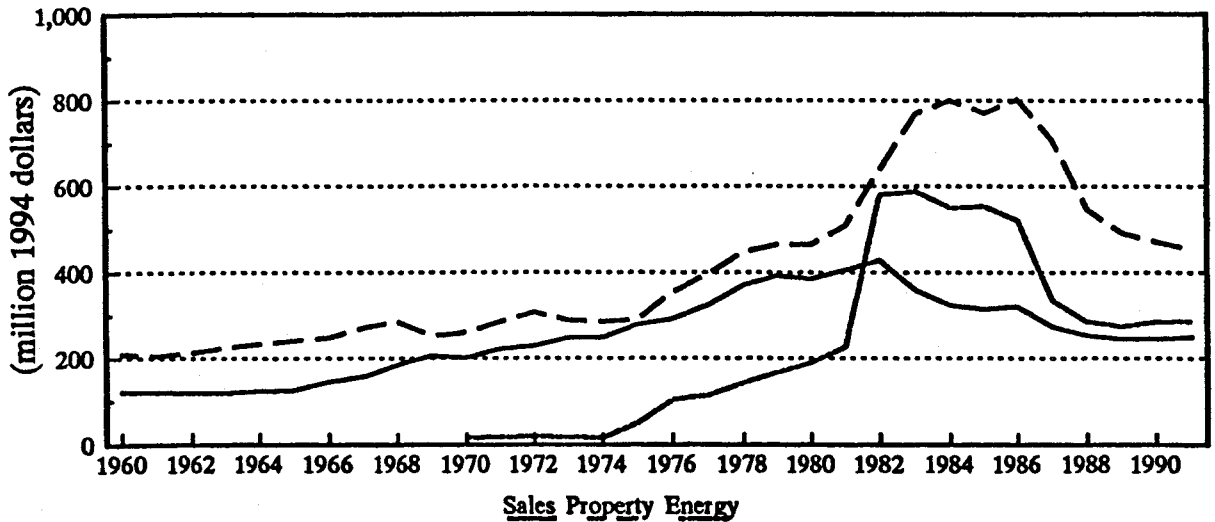
Year	Total State and Local Property	Total State Property	Total State Sales	Individual Income	Corporate Income	Energy
	----- (percentage) -----					
1960	10.98	5.47	5.51	3.15		
1961	10.34	5.22	5.12	3.06		
1962	10.63	5.30	5.33	2.93		
1963	10.83	5.51	5.32	2.92		
1964	11.16	5.64	5.52	2.98		
1965	10.98	5.68	5.30	2.94		
1966	11.86	5.86	6.00	3.43		
1967	11.95	6.15	5.80	3.57		
1968	12.76	6.29	6.47	4.07		
1969	12.13	5.41	6.72	4.41		
1970	12.14	5.41	6.72	4.19		0.32
1971	12.15	5.54	6.61	4.34		0.33
1972	11.68	5.52	6.15	4.12		0.32
1973	10.41	4.72	5.69	4.07		0.28
1974	10.18	4.42	5.76	3.86		0.24
1975	10.73	4.37	6.36	4.21		0.75
1976	12.11	5.03	7.08	4.15		1.48
1977	12.44	5.12	7.32	4.18		1.45
1978	12.53	5.09	7.43	4.22		1.63
1979	12.43	4.98	7.46	4.20		1.79
1980	12.02	4.82	7.20	3.99		1.97
1981	12.74	5.10	7.64	4.07		2.26
1982	18.64	6.60	12.04	4.42		6.00
1983	20.22	8.35	11.87	3.90		6.40
1984	21.29	8.77	12.52	3.56		6.04
1985	20.47	8.40	12.07	3.44		6.03
1986	21.01	8.99	12.01	3.60		5.85
1987	18.29	8.52	9.77	3.31		4.06
1988	15.39	6.67	8.72	3.09		3.49
1989	14.38	5.97	8.41	2.99		3.34
1990	13.69	5.55	8.14	2.89		3.36
1991	13.01	5.17	7.84	2.84		3.26

Appendix Table F4. Specific Taxes as a Percentage of All Taxes in Wyoming, 1960-1991

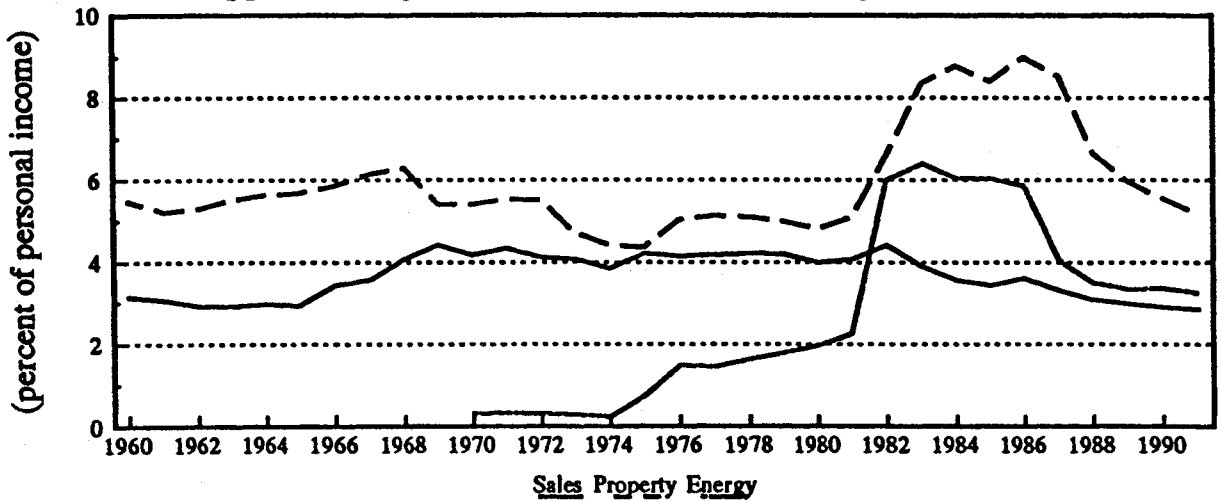
Year	Total State and Local Property	Total State Property	Total State Sales	Individual Income	Corporate Income	Energy
	----- (percentage) -----					
1960	100.00	49.82	50.18	28.67		
1961	100.00	50.48	49.52	29.59		
1962	100.00	49.89	50.11	27.56		
1963	100.00	50.87	49.13	26.97		
1964	100.00	50.52	49.48	26.70		
1965	100.00	51.71	48.29	26.76		
1966	100.00	49.41	50.59	28.91		
1967	100.00	51.46	48.54	29.87		
1968	100.00	49.26	50.74	31.91		
1969	100.00	44.56	55.44	36.39		
1970	100.00	44.59	55.41	34.55		2.67
1971	100.00	45.61	54.39	35.67		2.67
1972	100.00	47.28	52.72	35.33		2.75
1973	100.00	45.31	54.69	39.06		2.77
1974	100.00	43.38	56.62	37.90		2.71
1975	100.00	40.77	59.23	39.23		2.33
1976	100.00	41.52	58.48	34.24		7.00
1977	100.00	41.16	58.84	33.59		12.12
1978	100.00	40.66	59.34	33.68		11.62
1979	100.00	40.03	59.97	33.74		13.00
1980	100.00	40.12	59.88	33.18		14.39
1981	100.00	40.03	59.97	31.97		16.36
1982	100.00	35.39	64.61	23.71		17.77
1983	100.00	41.31	58.69	19.30		32.18
1984	100.00	41.20	58.80	16.72		31.66
1985	100.00	41.04	58.96	16.83		28.37
1986	100.00	42.81	57.19	17.12		29.48
1987	100.00	46.57	53.43	18.10		22.21
1988	100.00	43.32	56.68	20.08		22.65
1989	100.00	41.51	58.49	20.80		23.22
1990	100.00	40.52	59.48	21.09		24.59
1991	100.00	39.74	60.26	21.85		25.07



Appendix Figure F1. Nominal Wyoming tax collections.



Appendix Figure F2. Real 1994 Wyoming tax collections.



Appendix Figure F3. Wyoming tax collections as percentage of personal income.

Appendix G - Consumer Price Index Conversion

Appendix Table G1. Consumer Price Index, 1960-1994.

<u>Year</u>	<u>CPI</u>
1960	27.50
1961	27.80
1962	28.10
1963	28.50
1964	28.80
1965	29.30
1966	30.20
1967	31.00
1968	32.30
1969	34.10
1970	36.10
1971	37.60
1972	38.90
1973	41.30
1974	45.80
1975	50.00
1976	52.90
1977	56.30
1978	60.60
1979	67.50
1980	76.60
1981	84.50
1982	89.70
1983	92.60
1984	96.60
1985	100.00
1986	101.90
1987	105.70
1988	109.90
1989	115.20
1990	121.40
1991	126.60
1992	130.40
1993	134.3
<u>1994</u>	<u>137.3</u>