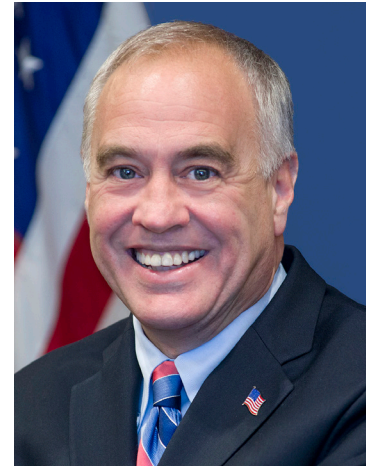


Message from the Comptroller



October 2018

What a difference a few years can make. In 2009 and 2010, President Obama and Congress enacted two major laws—the American Recovery and Reinvestment Act, and the Affordable Care Act—that provided significant new funding to help New York and other states provide essential services to the people. Now, we face recurring threats from Washington to cut vital assistance for health care and other programs. Further, it is still uncertain how New York will fare from the impact of last year’s major federal tax changes.

The ongoing debates over federal spending and tax policies hold broad ramifications for New York State. This report helps us assess their consequences by detailing how much New Yorkers generate in federal taxes, how much we receive in spending from Washington, and how the balance between the two compares to other states.

Federal spending in New York State during Federal Fiscal Year 2017 included approximately \$57 billion in Social Security payments, \$48 billion for Medicare, and \$54 billion for Medicaid and other safety net grants. Billions of dollars in other expenditures supported key programs in areas such as transportation, education and veterans benefits. Meanwhile, individuals and businesses in the State generated almost \$250 billion in federal taxes.

The bottom line: New York sent an estimated \$24.1 billion more in tax payments to Washington than it received in federal spending. For every federal tax dollar generated in New York, the federal government returned 90 cents to the State. That was significantly less than the \$1.19 average return nationwide. On a per capita basis, only three states—New Jersey, Massachusetts and Connecticut—experienced a more negative balance of payments than New York.

In some areas of the federal budget, the State fared comparatively well. New York, with 6.1 percent of the nation’s population, received higher percentages of federal spending for Medicaid, Supplemental Nutrition Assistance and certain other safety net programs, for example.

On the other hand, the State generated 8.0 percent of the federal government’s tax receipts, including 8.8 percent of income tax payments. Those percentages were higher than our shares of nationwide population and personal income.

Federal budget policies play a major role in the fiscal affairs of our State and local governments—representing, for example, more than one in every three dollars of receipts in this year’s State budget. Beyond the numbers, those policies have broad quality-of-life implications for millions of New Yorkers.

It’s difficult to predict the outcome of current debates over federal financing for health care, federal tax policy and other critically important budget issues. This analysis is intended to inform those discussions and help New York’s representatives advocate effectively on behalf of the State as major changes are considered in Washington.

Thomas P. DiNapoli
State Comptroller

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Executive Summary

The budget of the United States government plays a considerable role in the finances of New York State and its local governments, as well as in the daily lives of New Yorkers. Federal spending provides Social Security income, Medicare and Medicaid health coverage and other benefits for millions of State residents. In recent years, federal aid has represented roughly one in three dollars of All Funds receipts in the State Budget. Spending from Washington also supports tens of thousands of New York jobs. Meanwhile, the Empire State generated almost \$250 billion in federal tax revenues in Federal Fiscal Year (FFY) 2017.

The fiscal relationships between Washington and the 50 states vary widely, both overall and within particular budgetary areas. This report examines the flow of funds between the federal government and the states for the Federal Fiscal Year ending September 30, 2017, with special attention to its impact on New York State. The analysis is based on data from federal budget documents, the Internal Revenue Service and other sources.

Based on federal receipts and outlays analyzed for this report, in FFY 2017, New York State generated nearly \$24.1 billion more in taxes paid to the federal government than it received in return through federal spending. Because New York's share of federal revenues was among the highest of any state's while its federal spending received was roughly average, its net balance of payments was more negative than most. New York contributed \$12,588 per capita in tax revenue to the federal budget, over 30 percent more than the national average. The State received an estimated \$11,372 in per capita federal spending, slightly below the nationwide average.

In other words, for every dollar New York generated in federal tax receipts, it received 90 cents back in federal spending—compared to a national average of \$1.19. In its overall balance of payments—the difference between taxes paid and federal spending received—New York ranked 47th among the states, with a per capita deficit of \$1,216.

The gap between taxes paid and spending received in New York varies from year to year, but has

remained consistently negative in recent analyses of three federal fiscal years by the Office of the State Comptroller. In FFY 2013, New York generated an estimated \$19.9 billion more in federal taxes than it received back in federal spending. In FFY 2016, the negative balance rose to an estimated \$40.9 billion. For FFY 2017, the Office of the State Comptroller estimates the imbalance was \$24.1 billion.

The year-to-year changes result from a variety of factors. In FFY 2017, overall federal spending rose more rapidly than federal receipts, contributing to the improvement in the balance of payments for most states. In New York, federal spending rose more than for the nation overall, 5.4 percent compared to 3.7 percent, due in part to increased funding for Medicaid and other health care programs. While federal tax payments from most states rose, receipts from New York fell by 2 percent. This decline may have been partially due to some taxpayers' delaying the receipt of certain income until after 2016 in anticipation of federal tax reductions being enacted in 2017.

The largest of the broad spending categories in the federal budget represents direct payments to or for individuals for a variety of programs such as Social Security, Medicare, benefits for veterans and retired federal employees, and food assistance. Spending for such direct payments totaled \$2.3 trillion nationwide in FFY 2017. New York received an estimated \$140.5 billion in this category, with a per capita average that was close to the national figure. Major programs for which the State received higher-than-average per capita expenditures include Medicare, food assistance and Supplemental Security Income. Payments from Washington for federal employee retirement benefits and veterans' benefits to New York were lower than average on a per capita basis.

In the second largest spending category in the federal budget, grants to state and local governments, New York received \$66.5 billion and fared better than 48 states on a per capita basis. Medicaid makes up more than half of all federal spending for such grants, and New York's per capita Medicaid funding from Washington ranked 2nd among the states, behind Alaska.

In two other major categories—procurement and federal employee compensation—federal spending in New York was less than half of the national average on a per capita basis. The State’s combined total in these two areas, \$18.8 billion, was 2.6 percent of the nationwide total.

Overall, New York State received 6.0 percent of total federal spending examined for this analysis. The State generated 8.0 percent of total federal tax revenue examined for this report, which was higher than its shares of the U.S. population (6.1 percent) and of the nation’s personal income (7.4 percent). On a per capita basis, federal tax revenues from New York State were more than 30 percent higher than the national average, partly because of relatively higher incomes in the State.

The federal budget deficit in FFY 2017, \$665 billion, represented current spending that was funded by borrowing. As a result, federal spending in the states was greater than federal revenue raised—the states, in the aggregate, received more than they paid for.

Federal budget deficits (or surpluses) change over time, depending on many factors including shifts in the economy as well as policy actions that affect levels of spending and revenues. The federal deficit is expected to increase in coming years, in part because of the Tax Cuts and Jobs Act (TCJA) enacted in December 2017 and spending changes enacted separately by Congress. Precisely how these and other potential changes may affect New York and other states going forward is difficult to predict.

Federal spending and the burden of federal taxes are not apportioned to the states by any single formula. Rather, dozens of statutory provisions as well as a wide range of economic, demographic and political factors drive the state-by-state distribution of such costs and benefits. Examples of such factors include: each state’s population; its numbers of residents in poverty or eligible for Social Security, Medicare and Medicaid; income levels; and the states’ own policy choices.

Continuing discussions in Washington regarding potential changes to Medicaid and other spending programs as well as to federal tax law could have significant impacts on federal expenditures that benefit New Yorkers, on the taxes generated in the State, and on the balance of federal budgetary impacts among the 50 states. This report is intended to help New Yorkers better understand how federal budget policies affect the State, and to inform and promote their participation in the national fiscal debate going forward.

Introduction

This report examines the flow of funds between the federal government and the 50 states for the Federal Fiscal Year ending September 30, 2017.¹ The study includes three major parts:

- Identification of tax revenues paid to the federal government from each of the states and of dollars spent by the federal government in each state, also referred to as expenditures received by each state. Federal spending includes: direct payments to or for individuals (for example, Social Security and Medicare); grants to state and local governments (for Medicaid and other programs); military and other procurement; and wages and salaries for federal government employees.
- Analysis of these revenue and expenditure flows to determine the balance of payments—that is, the difference between revenues and expenditures—on the national level and in each of the 50 states.
- Review of specific elements of federal revenues and expenditures to identify how the composition of New York’s balance of payments differs from other states.

In FFY 2017, the federal government spent almost \$4.0 trillion, and brought in more than \$3.3 trillion in revenue, with a budget deficit of \$665 billion. For the purposes of this analysis, certain revenue and spending amounts were excluded, resulting in an allocation of \$3.7 trillion in expenditures and \$3.1 trillion in tax revenues that are relevant and practical to allocate to the states. Over 94 percent of federal receipts and outlays are allocated by state in this report.² A summary of the methodology used for this report can be found in Appendix B.

All figures in this report derive from compilation and analysis by the Office of the State Comptroller of data from the U.S. Office of Management and Budget, the U.S. Census Bureau, the U.S. Internal Revenue Service, other federal agencies, the Federal Procurement Data System, USAspending.gov and Federal Funds Information for States, unless otherwise noted.

1 For data consistency, national totals and averages in this report include expenditures in and revenues from the District of Columbia in addition to the states. However, because it is an outlier in many categories, the District of Columbia is not included in the rankings of the states. References to the states as a group in this report include the District of Columbia, unless otherwise noted.

2 Customs duties and fees and miscellaneous receipts, such as deposits of earnings by the Federal Reserve, are excluded from revenues. Undistributed offsetting receipts, net interest on the federal government debt and spending for international affairs and overseas procurement (military- and non-military-related) represent most of the outlays excluded from this analysis. Receipts from and outlays to Puerto Rico and other outlying areas are also excluded. See Appendix B: Methodology.

The Balance of Payments Between the Federal Government and the States

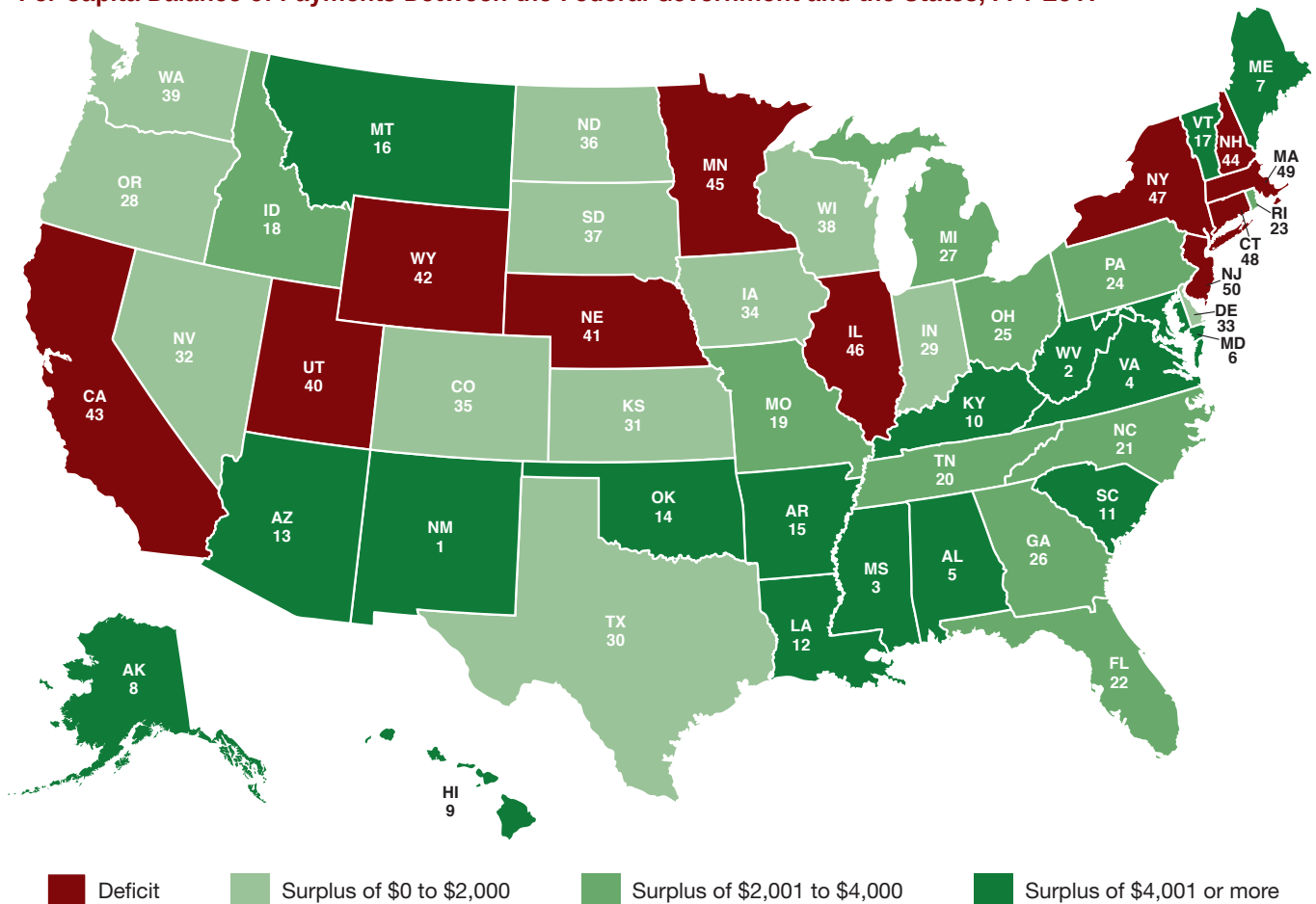
Most states received substantially more in federal expenditures than they generated in federal revenues in FFY 2017. Nationwide, on a per capita basis, the average gain was \$1,873. In other words, the average individual “received” that much more in federal expenditures than she or he “paid” in federal taxes.

This was not the case for New York. Unlike most states, New York’s balance of payments with Washington was negative.

New York’s per capita contribution to the federal treasury was \$12,588, exceeding the national average

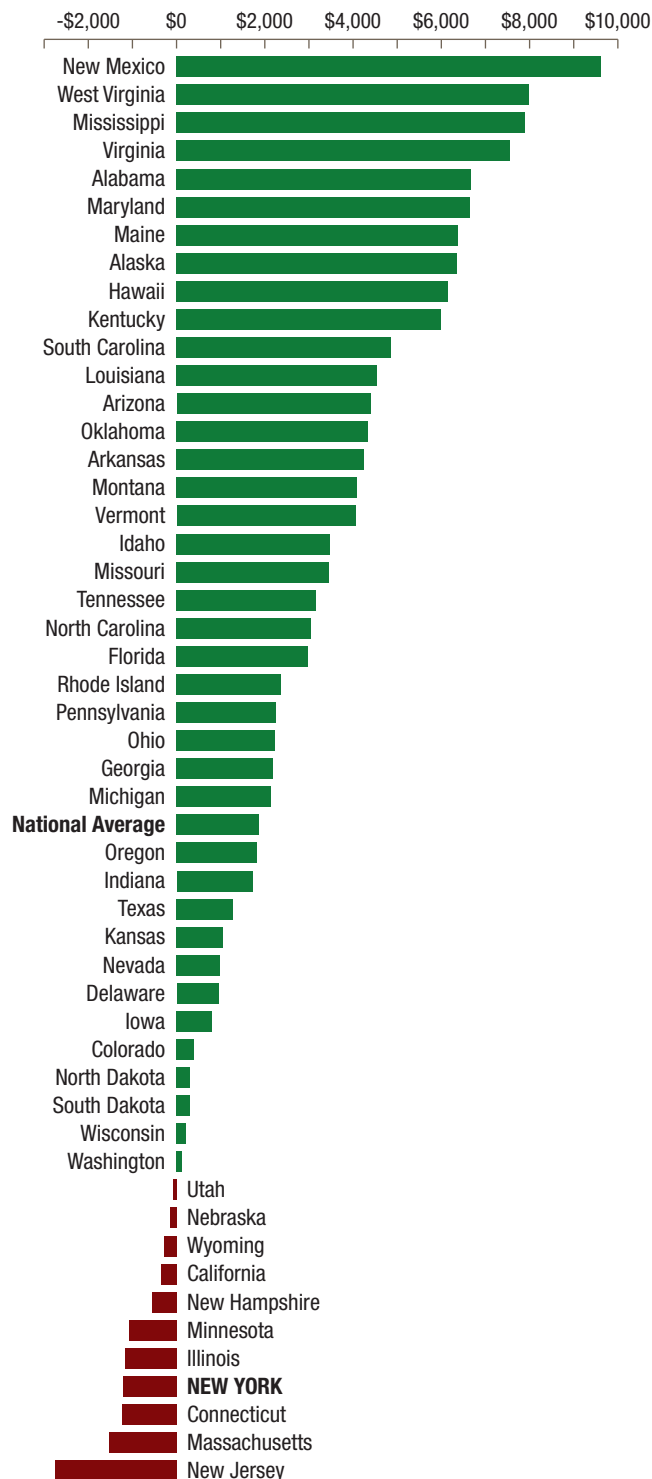
of \$9,628 by 30.7 percent. New York received \$11,372 in per capita federal spending, slightly below the national average of \$11,501. Thus, for every dollar New York generated in federal tax receipts, it received 90 cents back in federal spending—compared to a national average of \$1.19. The combination of federal tax payments and federal expenditures resulted in a \$1,216 per capita deficit for the Empire State, a ranking of 47th in the nation. Overall, 39 states had a positive balance of payments with the federal government, and 11—including New York—had a negative balance, as shown in Figures 1 and 2.

FIGURE 1
Per Capita Balance of Payments Between the Federal Government and the States, FFY 2017



Note: The numbers shown in the map reflect each state’s ranking in per capita balance of payments for FFY 2017, from most favorable (1) to least favorable (50).

FIGURE 2
Per Capita Balance of Payments Between the Federal Government and the States, FFY 2017



Note: Specific figures appear in Appendix A.

Three of New York’s neighboring states—New Jersey, Massachusetts and Connecticut—also had a negative balance of payments and, on a per capita basis, experienced the largest deficits. Seven of the ten states with the largest positive balances of payments were in the southern or southwestern regions. New Mexico fared the best, with a per capita surplus of over \$9,600.

On the basis of total dollars (rather than dollars per capita), New York’s ranking drops from 47th to 49th, with a total deficit of over \$24.1 billion; New Jersey experienced the largest such deficit at \$24.7 billion. Virginia experienced the largest surplus in total dollars, followed by Florida. (Figures for all states appear in Appendix A.)

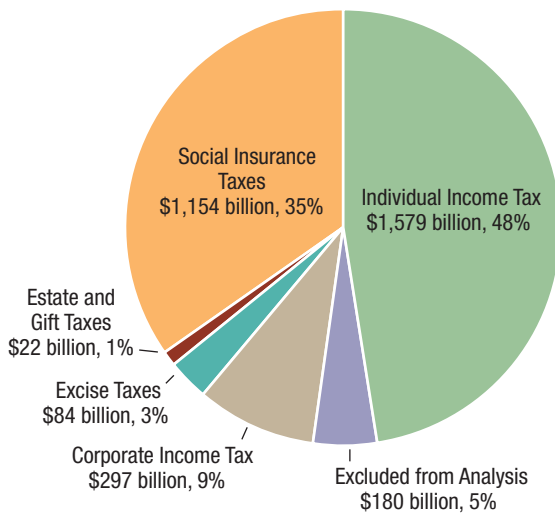
The Office of the State Comptroller has released two previous analyses of New York State’s balance of payments in the federal budget, based on FFY 2013 and 2016 data. These reports estimated balance of payments deficits of \$19.9 billion in FFY 2013 and \$40.9 billion in FFY 2016. The growth in the balance of payments deficit over that period reflected an increase of more than \$25 billion in federal income taxes generated within the State, among other factors.

New York’s FFY 2017 balance of payments deficit of \$24.1 billion resulted from a decrease of more than \$5 billion in taxes paid by New Yorkers, and an \$11.6 billion increase in federal spending in the State, compared to 2016. The overall federal deficit increased by over \$80 billion compared to FFY 2016. The following sections describe these changes in more detail.

Revenues Paid to the Federal Government

In 2017, all revenues paid to the federal government totaled more than \$3.3 trillion. This total primarily represents revenue from the following taxes, as classified by the federal Office of Management and Budget: personal or individual income tax; social insurance taxes and contributions; corporate income tax; excise taxes; and estate and gift taxes. For the 50 states and Washington, D.C., collections from these taxes generated a total of \$3.1 trillion or \$9,628 per capita in FFY 2017. A breakdown of all revenues in FFY 2017 is shown in Figure 3.

FIGURE 3
Federal Revenues in FFY 2017: \$3.3 trillion

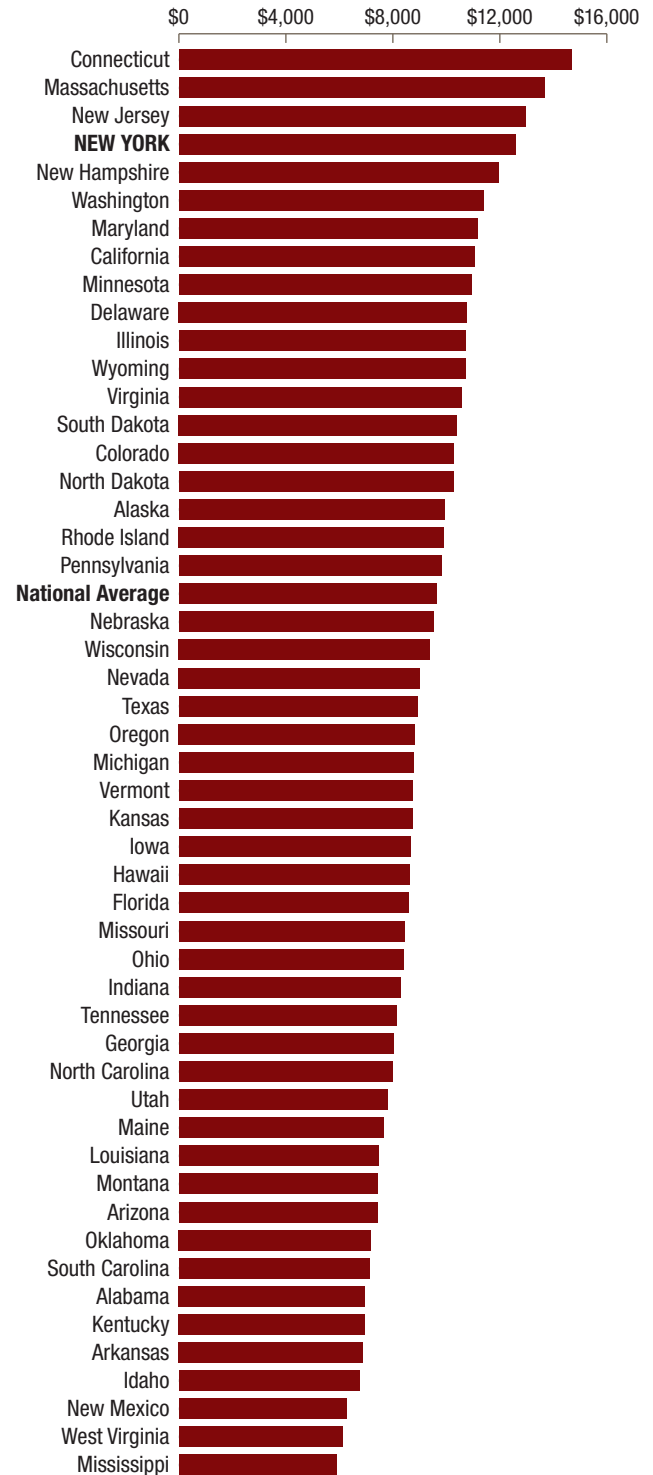


Note: See next page for revenues included in Social Insurance Taxes. Excise taxes are primarily imposed on production, sale or consumption of fuel, tobacco and alcohol products, among others. "Excluded from Analysis" represents miscellaneous receipts and customs duties and fees, along with revenues from Puerto Rico and other outlying areas.

New York generated 8.0 percent of the \$3.1 trillion in federal tax payments, while the State represented 6.1 percent of the nation's population in 2017. At \$12,588, New York's per capita contribution to the federal treasury was fourth highest among the states and 30.7 percent more than the national average, as illustrated in Figure 4.

Connecticut had the highest per capita contribution to the federal treasury at \$14,671, followed by Massachusetts with \$13,675 and New Jersey with \$12,970. Mississippi generated the lowest per capita total tax payments at \$5,884. New York's total payments of nearly \$250 billion ranked third among the states behind California and Texas.

FIGURE 4
Per Capita Taxes Paid to the Federal Government, FFY 2017



Note: Specific figures appear in Appendix A.

FIGURE 5
Federal Taxes Paid: New York and Nation, FFY 2017

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total (Taxes Paid)	\$3,136,023	\$9,628	\$249,874	8.0%	\$12,588	4
Individual Income	\$1,578,682	\$4,847	\$138,675	8.8%	\$6,986	4
Social Insurance	\$1,154,179	\$3,543	\$81,257	7.0%	\$4,094	10
Corporate Income	\$297,048	\$912	\$24,084	8.1%	\$1,213	3
Excise	\$83,677	\$257	\$3,623	4.3%	\$183	50
Estate and Gift	\$22,437	\$69	\$2,235	10.0%	\$113	7

Individual Income Taxes

Individual income taxes made up \$1.579 trillion, or slightly over 50 percent, of all taxes paid by the 50 states to the federal government in FFY 2017. New York's payments of almost \$139 billion represented 8.8 percent of total federal receipts from individual income taxes.

Both the amount of federal income taxes paid by New Yorkers and the State's percentage of the nationwide total declined from FFY 2016, when those figures were \$145.3 billion and 9.4 percent, respectively. The drop in payments was concentrated in taxpayers with incomes of \$1 million or more, where total tax liability fell by nearly \$6 billion or 11.2 percent from tax year 2015 to 2016. Reported capital gains income in this group declined by 20.3 percent in New York, and 10.1 percent nationwide, despite growth in the overall economy and gains in the stock markets during 2016. It appears that these declines were driven in part by taxpayer expectations of federal tax reductions that were under discussion in Washington during 2016. To the extent that some taxpayers deferred income and related tax payments, some of the improvement in New York's balance of payments in the federal budget described earlier in this report may be temporary.

New York's per capita individual income tax payments of \$6,986 were 44 percent higher than the national average of \$4,847. New York ranked fourth among the states in this category, with Connecticut first at

\$8,473. A breakdown of New York's per capita tax payments relative to those made by other states, and to the national average, is shown in Figure 5.

Social Insurance Taxes and Contributions

The second largest component of total taxes is payments for social insurance taxes and contributions.³ These totaled \$1.154 trillion and accounted for 36.8 percent of total federal tax revenues. New Yorkers' payments of more than \$81 billion were 7.0 percent of the total.

New York's per capita contribution for such payments, \$4,094, was 15.5 percent above the national average of \$3,543, ranking it 10th among all states in this category. Connecticut made the highest per capita social insurance payments at \$4,631, while Mississippi made the lowest at \$2,618.

³ Social insurance taxes and contributions include: (1) FICA (the Federal Insurance Contributions Act tax), withheld for Social Security and Medicare; (2) SECA (the Self-Employment Contributions Act tax), paid by self-employed small business owners on their net earnings to pay for their Social Security, Medicare, and Old Age Survivors and Disability Insurance (OASDI) costs; (3) FUTA (the Federal Unemployment Tax Act tax), withheld for unemployment compensation; (4) RRA and the RUIA (the Railroad Retirement Act and the Railroad Unemployment Insurance Act taxes), used in place of FICA, SECA and FUTA for railroad employees; and (5) other receipts, primarily pension contributions from federal employees.

Corporate Income Tax and Other Taxes

Corporate income taxes made up 9.5 percent of total federal tax receipts in FFY 2017. An estimated 8.1 percent of this total came from New York. Per capita corporate income taxes for New York were \$1,213, \$301 higher than the national per capita level of \$912, placing New York third highest among the states.

Delaware paid the most per capita in corporate income taxes, at \$1,469, followed by Connecticut. New Mexico's per capita corporate tax payments were the lowest among all states.

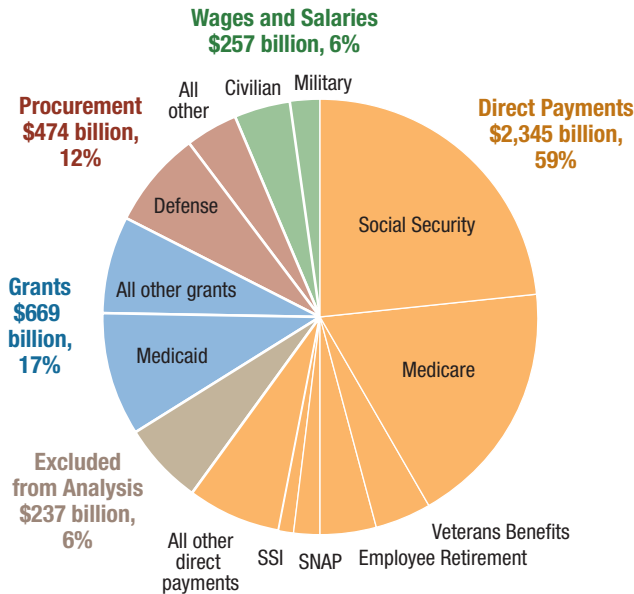
Other federal taxes include excise taxes on fuel, tobacco and alcohol, and estate and gift taxes. Approximately 4.3 percent of federal excise taxes, and 10.0 percent of federal estate and gift tax receipts, were from New York State. At \$183 per capita, New York's overall contribution for federal excise taxes was the lowest of all the states on a per capita basis. Wyoming and North Dakota were the two states that paid the most in per capita excise taxes, more than twice New York's amount.

By contrast, New York's per capita estate and gift tax payment of \$113 was more than one and a half times the national average of \$69. It ranked seventh in this measure; Wyoming and Missouri ranked first and second. Delaware ranked the lowest in per capita estate and gift tax payments, at \$13 per person, about one-fifth of the national level.

Federal Spending in the States

In 2017, the federal government spent almost \$4.0 trillion, including \$3.7 trillion in expenditures that could be allocated among the states.⁴ A breakdown of overall FFY 2017 federal spending is shown in Figure 6.

FIGURE 6
Federal Spending in FFY 2017: \$4.0 trillion

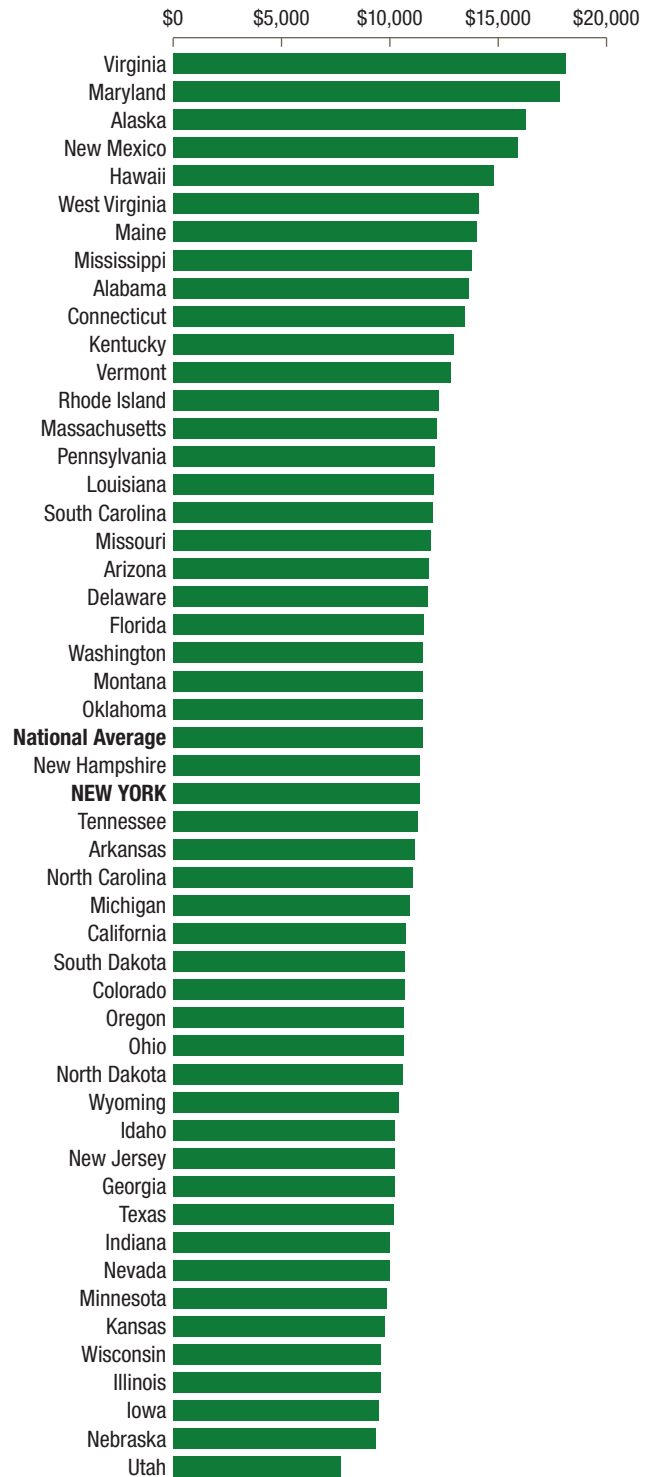


Note: Veterans' service-connected compensation is included with Veterans Benefits, not Employee Retirement. The Food Stamp program was renamed the Supplemental Nutrition Assistance Program (SNAP) in 2008. "Excluded from Analysis" consists primarily of undistributed offsetting receipts, net interest on the federal government debt, and overseas procurement, along with expenditures in Puerto Rico and other outlying areas.

By far the largest category of federal expenditures is direct payments to or on behalf of individuals, which totaled \$2.3 trillion or approximately 63 percent of federal spending allocated to the states in FFY 2017. Social Security and Medicare represented almost 70 percent of these direct payments in FFY 2017. The second largest federal spending category was grants to state and local governments. Medicaid made up 56 percent of the \$669 billion in such expenditures. Procurement was the third largest category, at \$474 billion, while the fourth largest category, federal employee wages and salaries, totaled \$257 billion.

⁴ See footnote 2 and Appendix B for a description of outlays which are excluded from this analysis.

FIGURE 7
Per Capita Federal Expenditures, FFY 2017



Note: Specific figures appear in Appendix A.

FIGURE 8
Federal Spending by Major Category: New York and Nation, FFY 2017

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$3,746,183	\$11,501	\$225,736	6.0%	\$11,372	26
Direct Payments	\$2,346,509	\$7,204	\$140,480	6.0%	\$7,077	33
Grants	\$669,284	\$2,055	\$66,499	9.9%	\$3,350	2
Procurement	\$473,701	\$1,454	\$11,394	2.4%	\$574	41
Wages and Salaries	\$256,689	\$788	\$7,363	2.9%	\$371	42

As the recipient of \$11,372 in per capita federal spending, New York ranked in the mid-range (26th) among the states, as illustrated in Figures 7 and 8. This amount was \$129 per capita, or 1 percent, less than the national level of \$11,501 per capita.

New York's 6.0 percent share of total federal spending was slightly below its share of the national population (6.1 percent).

Virginia and Maryland ranked first and second among the states as the recipients of per capita federal expenditures of \$18,118 and \$17,822, or 58 and 55 percent higher than the nationwide average, respectively, primarily because of significantly higher-than-average procurement spending and wages and salaries.

Per capita federal spending of \$7,731 in Utah was the lowest in the country, 33 percent below the national average. Utah ranked last among the states in direct payments, and 49th in grants, on a per capita basis.

FIGURE 9
Federal Direct Payment Expenditures: New York and Nation, FFY 2017

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$2,346,509	\$7,204	\$140,480	6.0%	\$7,077	33
Social Security	\$930,003	\$2,855	\$56,720	6.1%	\$2,858	36
Medicare	\$701,197	\$2,153	\$47,981	6.8%	\$2,417	12
Veterans Benefits Programs	\$163,209	\$501	\$5,957	3.6%	\$300	49
Federal Employee Retirement	\$140,868	\$432	\$3,500	2.5%	\$176	50
Supplemental Nutrition Assistance Program	\$63,028	\$194	\$4,699	7.5%	\$237	10
Refundable Earned Income Tax Credit	\$59,700	\$183	\$3,607	6.0%	\$182	20
Supplemental Security Income	\$54,653	\$168	\$4,314	7.9%	\$217	7
All Other	\$233,852	\$718	\$13,703	5.9%	\$690	30

Direct Payments

As noted earlier, direct payments to or for individuals accounted for the largest component of federal government expenditures in the states—62.6 percent in 2017. The total spent in New York was \$140.5 billion, or 6 percent of the nationwide total, placing New York fourth highest for direct payments behind California, Florida, and Texas.

Overall, in this category, per capita federal expenditures were similar in New York and nationwide, with New York's figure of \$7,077 per capita 1.8 percent below the national average. A breakdown of federal direct payment expenditures by major category in New York and nationally is shown in Figure 9. West Virginia, Maine and Alabama received the highest per capita direct payments, while Utah received the lowest, followed by North Dakota.

Social Security

Social Security payments represented the largest component—40 percent—of direct payments to or for individuals. The three major Social Security programs providing benefits to the aged, the disabled and their survivors totaled \$930 billion in 2017, more than the combined federal spending for grants and wages and salaries.

Per capita Social Security payments to New York were \$2,858, about the same as the national average. As with other per capita figures, this amount represents total Social Security payments divided by the state population, not average Social Security benefits per recipient. Differences among the states in per capita payments received for Social Security and other benefit programs reflect a mix of factors, including the proportion of the population eligible for benefits and the amount of benefits received by individual recipients, which may vary based on numerous criteria.

West Virginia received the highest per capita Social Security payments at \$3,883, which was 36 percent more than the national level of \$2,855. Alaska received the lowest per capita payments in the country at \$1,914, which was 33 percent below the national average.

Medicare

Nationwide expenditures for all Medicare programs totaled over \$701 billion in FFY 2017.

With \$2,417 in per capita Medicare payments, New York received 12.3 percent more than the national average and ranked 12th among the states for such federal spending.

Florida received the highest per capita Medicare payments at \$2,802, which was 30.2 percent higher than the national level of \$2,153. Utah and Alaska ranked lowest in this category at 44.8 and 44.2 percent below the national average, respectively.

Retirement Payments and Veterans' Benefits

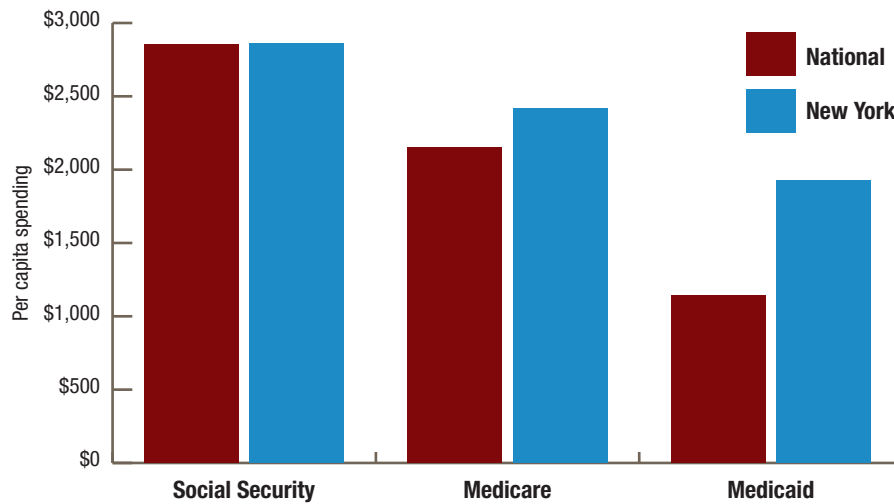
In FFY 2017, New York ranked the lowest of any state in receiving retirement payments to former federal civilian and military employees, and 49th for a range of veterans' benefits.⁵

Nationwide, retirement payments to former federal workers made up 6.0 percent of direct payments, almost \$141 billion, in FFY 2017. (Wages and salaries for current employees are reported in a separate category, as detailed below in this report.)

In this category, per capita payments to New York were \$176, less than half the national average. Such per capita spending was highest in Maryland and Virginia, each of which received well over three times the national per capita figure.

⁵ Veterans' benefits include: (1) payments for service-connected disability; (2) payments for non-service-connected disability; (3) educational and training services; and (4) hospital and medical care.

FIGURE 10
Major Safety Net Spending, New York and National Average, FFY 2017



Social Security, Medicare and Medicaid are, by far, the three largest elements of the federal government’s “safety net” expenditures. Figure 10 shows per capita spending on these programs in New York and nationally. Social Security paid \$56.7 billion to New Yorkers in FFY 2017, more than any other individual federal program, with per capita payments almost the same as the national average. Medicare payments received in the State totaled almost \$48 billion, and expenditures per capita in this category were 12.3 percent above the national average. The Medicaid program delivered more than \$38 billion to New York in FFY 2017. (Medicaid is discussed in more detail below, in the section titled Grants.)

At \$163.2 billion, veterans’ benefits represented 7.0 percent of direct payments nationwide. For New York, per capita benefits were \$300, which is 40 percent less than the national average of \$501 per capita. New Jersey, at \$238, was the only state that received less per capita than New York in this category. By contrast, Alaska and West Virginia received per capita spending in this category that was significantly more than the national average, at 80 percent and 69 percent respectively.

Grants

The federal government spent more than \$669 billion in grants to state and local governments in FFY 2017. Medicaid was by far the largest grant program, representing 55.7 percent of this total. Spending on transportation was second largest, at 8.2 percent of the total. Dozens of other grant programs that provide funding for services such as nutrition, housing, education, and family and children’s services make up the remainder of this category. New York ranked second among the states in per capita federal grants, at \$3,350, or 63 percent above the national average, largely because of Medicaid and other safety net grants, which are discussed below. Figure 11 provides a breakdown of federal grant payments in New York and nationally.

FIGURE 11

Federal Grants to State and Local Governments: New York and Nation, FFY 2017

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$669,284	\$2,055	\$66,499	9.9%	\$3,350	2
Medicaid	\$372,927	\$1,145	\$38,231	10.3%	\$1,926	2
Transportation	\$54,882	\$170	\$3,253	5.9%	\$165	31
Education	\$32,191	\$99	\$2,393	7.4%	\$121	9
Other Safety Net	\$123,211	\$378	\$15,337	12.4%	\$773	1
All Other	\$86,071	\$264	\$7,286	8.5%	\$367	5

The other four states in the top five for per capita federal grants all had much smaller populations than New York. These were Alaska, Louisiana, Vermont and West Virginia, with Alaska ranked above New York. Virginia, Utah and Florida received the lowest per capita grant expenditures among the 50 states.

Medicaid

In FFY 2017, federal government spending on Medicaid in the 50 states was almost \$373 billion. New York received more than \$38 billion or \$1,926

per capita, 68.2 percent more than the national average of \$1,145. Alaska received the most per capita at \$1,928, 68.4 percent above the average. Such funding is based partly on the Federal Medical Assistance Percentage (FMAP), the level at which the federal government reimburses certain state Medicaid expenditures. FMAP is higher in states with relatively low per capita personal incomes and lower in states with higher personal incomes; both Alaska and New York have higher per capita incomes than most states and their FMAPs are at the lowest level, 50 percent.

FIGURE 12

Per Capita Federal Medicaid Spending, Highest and Lowest Five States, FFY 2017

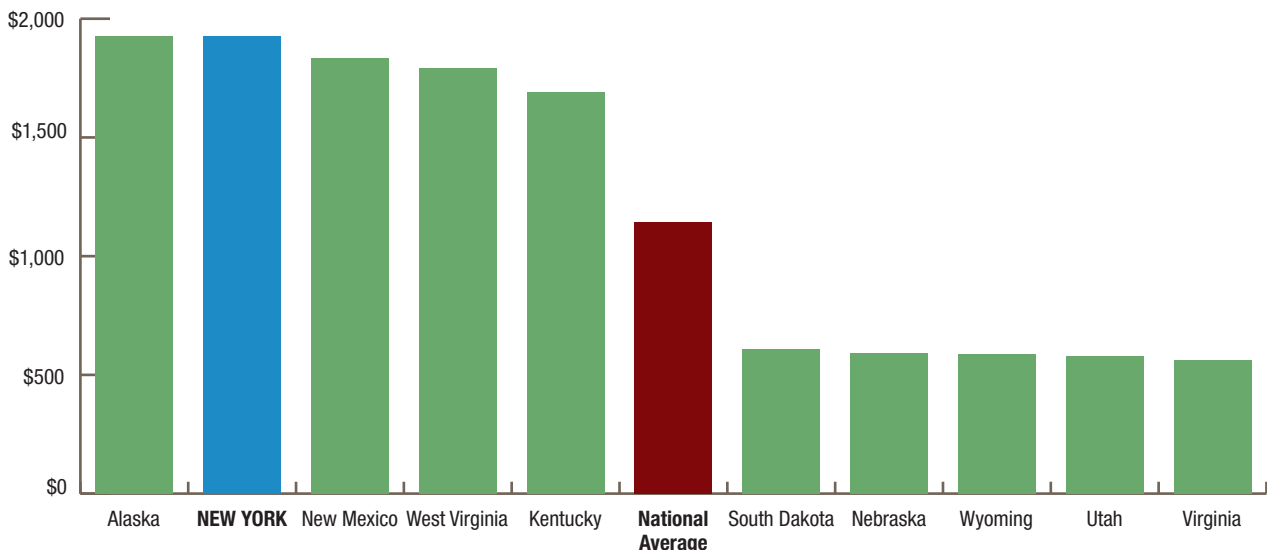


FIGURE 13
Federal Transportation Grants: New York and Nation, FFY 2017

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$54,882	\$170	\$3,253	5.9%	\$165	31
Highways	\$42,407	\$130	\$1,610	3.8%	\$81	50
Transit	\$9,383	\$29	\$1,542	16.4%	\$78	1
Airports	\$3,092	\$9	\$100	3.2%	\$5	47

However, the overall level of Medicaid funding received by states from the federal government also reflects other factors. Among others, these include: the number of beneficiaries (New York has a higher proportion of its population enrolled in the program than most states); the breadth of benefits the state makes available (New York offers a wider range of benefits than most states); the costs of providing care (wages and certain other costs are generally higher in New York than in many other states); and special agreements called waivers in which the federal government may provide additional aid. Figure 12 shows the states with the highest and the lowest federal Medicaid spending per capita in FFY 2017.

Aid for Transportation

Federal aid for transportation—highways, mass transit and airports—was the second largest grant category with \$54.9 billion spent in FFY 2017.⁶ Federal spending on highways and mass transit is largely funded by the Highway Trust Fund, which raised \$42.3 billion, primarily from the motor fuel tax, in FFY 2016, and which also received a \$70 billion transfer from the federal General Fund that year.

Highway Trust Fund moneys are used both for highway and transit projects. Fund expenditures are distributed to states based on factors including lane miles and vehicles miles traveled, estimated fuel tax payments by highway users, and mass transit usage.

As shown in Figure 13, New York’s combined transportation grants were \$165 per capita, slightly lower than the national average of \$170. The State ranked last in the nation for per capita federal highway funding (\$81) but first for transit funding (\$78). The federal government also provided more modest aid for airports; New York received \$5 per capita in such funding.

⁶ This category does not include smaller grants for the following safety programs: National Priority Safety; State and Community Highway Safety; and National Motor Carrier Safety Assistance.

FIGURE 14
Federal Education Grants: New York and Nation, FFY 2017

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$32,191	\$99	\$2,393	7.4%	\$121	9
ESEA Title I*	\$15,709	\$48	\$1,253	8.0%	\$63	5
Special Education	\$12,316	\$38	\$825	6.7%	\$42	19
Education Improvement	\$4,167	\$13	\$314	7.5%	\$16	15

* Elementary and Secondary Education Act, Title I.

Aid for Education

The federal government spent \$32.2 billion in FFY 2017 for elementary and secondary education for disadvantaged students (ESEA, Title 1), special education and education improvement programs. As shown in Figure 14, New York received 7.4 percent of the total expenditures for these programs and ranked ninth as a recipient of per capita education spending.

Federal per capita spending for ESEA Title 1 in New York, at \$63 per person, was 31 percent higher than the national average, placing New York fifth among all states.

Federal aid to New York for special education was modestly above the national average on a per capita basis (\$42 compared to \$38).

Other Safety Net Spending

New York received significant levels of grant funding for a range of safety net programs apart from the federal government’s spending for Medicaid.⁷

Overall, the federal government spent \$123 billion

in FFY 2017 for child nutrition, housing and heating, cash assistance and work supports, children’s and others’ health, and child and family services such as Head Start.

For these programs collectively, New York received over 12 percent of national expenditures, as shown in Figure 15. Per capita spending for the State in this category, \$773, was more than twice the national average of \$378 and ranked New York first for such spending. New York was followed by Massachusetts, Vermont and Mississippi, while per capita spending was the lowest in New Hampshire and Utah.

Within this category, federal expenditures for housing and the Temporary Assistance for Needy Families (TANF) block grant program represented 34 percent of total spending. New York received 15 percent of national spending for each of these program areas and experienced the highest per capita expenditures among states for housing and TANF, at \$197 and \$120, respectively. These amounts were more than double the national averages.

The Affordable Care Act authorizes states to establish a Basic Health Program (known in New York as the Essential Plan), a low-cost health insurance option for individuals who meet certain income and other requirements. In 2015, New York joined Minnesota as one of only two states in the nation to establish such a program. This program has provided an important new source of federal aid to New York. New York’s share of nationwide funding in this area for FFY 2017

⁷ Programs included in the categories represented in Figure 15 are: Housing: Section 8 Rental Assistance, Public Housing Capital and Operating Funds; Child Nutrition: School Lunch, School Breakfast, Summer Food and other programs; Child and Family Services: Head Start, Community Services Block Grant and other programs; All Other: Adoption and Foster Care Payments, Special Supplemental Nutrition Program for Women, Infants and Children, Low-Income Home Energy Assistance, Child Care and Development Block Grant and other programs.

FIGURE 15

Federal Safety Net Grant Spending Other Than Medicaid: New York and Nation, FFY 2017

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$123,211	\$378	\$15,337	12.4%	\$773	1
Housing	\$26,073	\$80	\$3,907	15.0%	\$197	1
Child Nutrition	\$22,243	\$68	\$1,346	6.1%	\$68	20
Children's Health Insurance	\$16,018	\$49	\$1,257	7.8%	\$63	12
TANF*	\$15,900	\$49	\$2,384	15.0%	\$120	1
Child and Family Services	\$9,879	\$30	\$716	7.2%	\$36	14
Basic Health Plan	\$4,330	\$13	\$3,566	82.4%	\$180	1
All Other	\$28,769	\$88	\$2,161	7.5%	\$109	5

* Temporary Assistance for Needy Families

was more than 82 percent of the total, or \$3.6 billion. Minnesota received the remainder of the funding under this program.

For the \$22.2 billion Child Nutrition category that includes programs such as School Breakfast and School Lunch, New York received per capita payments the same as the national average at \$68 per person.

Procurement

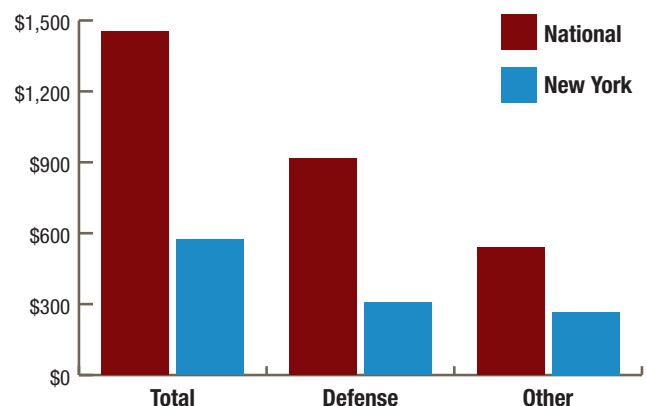
The federal government spent \$473.7 billion in FFY 2017 to purchase services and goods in the 50 states and Washington, D.C.⁸ The Department of Defense was the source of 63 percent of such procurement spending. The departments of Energy, Veterans Affairs, and Health and Human Services were the next largest sources of such federal procurement spending.

⁸ This amount does not include \$32.8 billion in such spending in other countries. (As elsewhere in this analysis, it also does not include \$2.3 billion in expenditures in Puerto Rico and other outlying areas.)

With \$574 in per capita procurement spending, about 40 percent of the national average, New York ranked 41st among the states. For the Department of Defense, such spending was \$307 per person in New York, compared to a national average of \$916.

California received the highest total procurement spending from the federal government at \$54.9 billion, and Virginia received the highest per capita amount for procurement at \$6,357, followed by Maryland at \$5,156.

FIGURE 16
Per Capita Federal Procurement Spending, FFY 2017

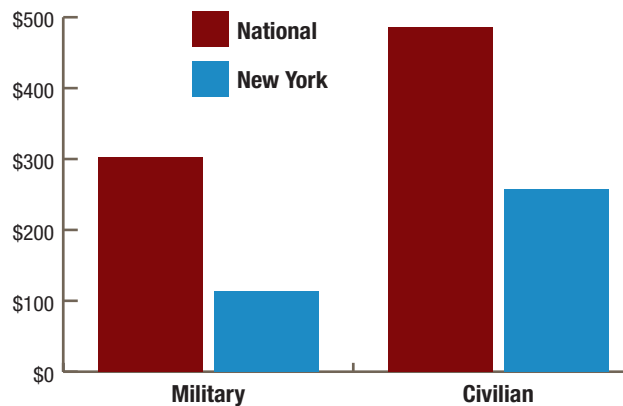


Wages and Salaries

Spending on federal employee wages and salaries throughout the nation totaled \$256.7 billion, for a per capita national average of \$788 in FFY 2017.⁹ Federal government spending on civilian pay was \$158 billion, or 62 percent of the total, and spending on military salaries was \$98 billion, or 38 percent.

In New York, less than \$7.4 billion was spent on federal employee wages and salaries, slightly less than 3 percent of the national total. This included \$5.1 billion for civilian pay (\$258 per capita, as shown in Figure 17) and \$2.2 billion for military pay (\$113 per capita). Overall, per capita expenditures in New York for wages and salaries, \$371, were almost 53 percent below the national level and ranked New York 42nd among all states.

FIGURE 17
Per Capita Federal Wages and Salaries Spending, FFY 2017



The Federal Budget Deficit

The figures presented in this report are based on actual expenditures and revenues as reported by the federal government, with certain estimates and adjustments by the Office of the State Comptroller. Such figures reflect the budgetary imbalance associated with the federal budget deficit, which was \$665 billion in FFY 2017.

The federal deficit results from expenditures (almost \$4.0 trillion in FFY 2017) exceeding revenues received the same year (over \$3.3 trillion), with the difference generally financed by borrowing that will be repaid

in future years. Federal budget deficits (or surpluses) shift over time depending on many factors, including changes in the economy and policy actions that affect levels of spending and revenues. The Congressional Budget Office has forecast annual deficits in coming years rising to more than \$1 trillion starting in 2020, due to enactment of the Tax Cut and Jobs Act and certain spending changes. How such changes in federal revenue and expenditure policies may affect New York and other states going forward is difficult to predict.

⁹ This figure represents direct obligations for wages and salaries. While such payments may also be made through reimbursable obligations, this analysis does not include these amounts in its figures for wages and salaries since reimbursable obligations represent spending accounted for elsewhere in the federal budget.

Assessing New York State's Balance of Payments

Consideration of the balance of payments between New York (or any state) and the federal government often leads to questions regarding whether the State is receiving and paying its “fair share.” While the distribution of federal tax liability and spending is clearly unequal among the states, whether it is inequitable is open to interpretation.

In 2017, New York was home to 6.1 percent of the U.S. population, and received a marginally lower proportion of the federal spending that was allocated among the states, 6.0 percent. As a result, its per capita share of federal spending was slightly below the national average. As shown earlier in this report, in some categories such as Medicaid grants and funding for mass transit, New York received comparatively high levels of federal spending; in others, such as the military budget and highway aid, the State's share was proportionally less than in most states. On the revenue side of the federal budget, taxes generated within New York were significantly higher than the national per capita average—largely because of individual income taxes, where New York's per capita payment was higher than 46 other states. The bottom line: New York gives more than it gets.

While a state's population obviously influences the level of its payments to and from Washington, other factors come into play in ways that are often complex. As a result, it is difficult to construct an overall formula for the many streams contributing to the overall flow of federal funds. A variety of economic, demographic and other factors affect the levels of funding analyzed in this report. These include:

- Numbers of individuals in certain age groups, such as those eligible for Medicare because they are age 65 or older.
- Numbers of state residents living in poverty or within a certain multiple of the federal poverty level.

- Personal income levels, which affect the distribution of funding for a variety of programs.
- State policy choices. Numerous federal programs provide resources to support initiatives that are partly state-financed, so that state activities affect the flow of federal funds.

While New York's per capita share of federal spending in FFY 2017 was slightly below average, its per capita contribution to federal revenues was among the highest in the nation. Half of federal revenues came from the individual income tax, where New York's share was 8.8 percent. The latter reflects the interplay of comparatively higher incomes in New York and a progressive federal income tax, with marginal rates in 2016 ranging from 10 percent on lower levels of income up to 39.6 percent on higher levels. New York's comparatively high share of the nation's high-income residents drives comparatively high levels of federal income tax payments from New York.

Overall, New York's share of federal tax revenues, 8.0 percent, appears high if compared to the State's 6.1 percent of the nation's population. Total federal tax payments averaged \$9,628 for every U.S. resident in FFY 2017, but were more than 30 percent higher, at \$12,588 per capita, in New York. However, comparing tax revenues in the context of states' personal income offers a different perspective. New York generated 7.4 percent of U.S. personal income in 2017. That proportion was closer to New York's share of federal tax revenues, although still lower.

Differences in the cost of living among states may affect the bottom-line impact of both federal expenditures and taxes. For example, an individual with income of \$50,000 may pay a similar level of federal taxes regardless of where she or he lives, but could have more or less purchasing power depending on residence within a particular region of the country or part of a state.¹⁰

¹⁰ Depending on taxpayers' individual circumstances, the federal income tax system may reflect certain regional differences, including the level of state and local taxes and other expenses which may be deducted on federal tax returns.

Conclusion

In the spirit of reports on “The Federal Budget and the States” published over many years by the late Senator Daniel Patrick Moynihan, this report seeks to inform debate over the federal government’s relationship with New York, and with the states in general, by analyzing available data to estimate federal spending, federal taxes paid, and the resulting balance of payments in New York and the other states. The imbalance between taxes paid by New Yorkers to the federal government and moneys received in return through federal spending may raise questions about fiscal equity. To say the least, it is clear that the federal budget plays an important role in New York’s economy and fiscal condition.

In the New York State Budget, federal receipts represent approximately one-third of all revenue received by the State. Millions of New Yorkers rely on Social Security as a staple of household income, on Medicare and/or Medicaid for essential health care, and on the Supplemental Nutrition Assistance Program for basic food needs. In education alone, federal grants provide important support for services to children with disabilities or limited English proficiency, breakfast and lunch programs, and college loans, as well as other programs. Other federal funds pay for essential capital projects and services such as highway reconstruction and maintenance, housing, job training, environmental protection, public safety initiatives and far more.

In one major area—health care—federal policy changes in recent years have sent billions of new dollars to New York. Federal support for the State’s Medicaid program is anticipated to rise 62 percent, from \$23.9 billion in SFY 2012-13 to a projected \$38.8 billion in SFY 2018-19.

The outlook for federal funding of health care and a wide range of other services has been clouded by budgetary and programmatic changes proposed by the President and some members of Congress. In addition, some members of Congress have proposed further revisions to the federal tax code, building on those enacted in December 2017. As debate over potential changes continues, the outcome of these proposals and their impact on the balance of payments between the states and the federal government remains uncertain.

In the context of such uncertainty, as this report has shown, New Yorkers are directly and sometimes profoundly affected by many aspects of the federal budget. The debate in Washington must be informed by a careful consideration of the fiscal and human impacts of current federal policies, as well as any changes to be made going forward.

Appendix A: Federal Revenues and Expenditures by State

Balance of Payments (Expenditures Minus Revenues), FFY 2017

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$610,160	\$1,873			
Alabama	\$32,498	\$6,667	\$4,793	255.9%	5
Alaska	\$4,702	\$6,355	\$4,482	239.3%	8
Arizona	\$30,827	\$4,394	\$2,520	134.5%	13
Arkansas	\$12,784	\$4,255	\$2,382	127.2%	15
California	(\$13,762)	(\$348)	(\$2,221)	(118.6%)	43
Colorado	\$2,173	\$387	(\$1,486)	(79.3%)	35
Connecticut	(\$4,455)	(\$1,242)	(\$3,115)	(166.3%)	48
Delaware	\$915	\$951	(\$922)	(49.2%)	33
Florida	\$62,481	\$2,977	\$1,104	58.9%	22
Georgia	\$22,841	\$2,190	\$317	16.9%	26
Hawaii	\$8,788	\$6,156	\$4,283	228.6%	9
Idaho	\$5,960	\$3,472	\$1,598	85.3%	18
Illinois	(\$14,824)	(\$1,158)	(\$3,031)	(161.8%)	46
Indiana	\$11,482	\$1,722	(\$151)	(8.1%)	29
Iowa	\$2,507	\$797	(\$1,076)	(57.5%)	34
Kansas	\$3,060	\$1,051	(\$823)	(43.9%)	31
Kentucky	\$26,652	\$5,984	\$4,110	219.4%	10
Louisiana	\$21,259	\$4,538	\$2,665	142.3%	12
Maine	\$8,524	\$6,381	\$4,508	240.6%	7
Maryland	\$40,291	\$6,657	\$4,784	255.4%	6
Massachusetts	(\$10,511)	(\$1,532)	(\$3,406)	(181.8%)	49
Michigan	\$21,300	\$2,138	\$265	14.1%	27
Minnesota	(\$6,011)	(\$1,078)	(\$2,951)	(157.5%)	45
Mississippi	\$23,580	\$7,902	\$6,029	321.8%	3
Missouri	\$21,141	\$3,458	\$1,585	84.6%	19
Montana	\$4,299	\$4,093	\$2,219	118.5%	16
Nebraska	(\$267)	(\$139)	(\$2,012)	(107.4%)	41
Nevada	\$2,935	\$979	(\$894)	(47.7%)	32
New Hampshire	(\$749)	(\$558)	(\$2,431)	(129.8%)	44
New Jersey	(\$24,750)	(\$2,748)	(\$4,622)	(246.7%)	50
New Mexico	\$20,096	\$9,624	\$7,751	413.8%	1
NEW YORK	(\$24,138)	(\$1,216)	(\$3,089)	(164.9%)	47
North Carolina	\$31,299	\$3,047	\$1,173	62.6%	21
North Dakota	\$234	\$310	(\$1,563)	(83.4%)	36
Ohio	\$26,039	\$2,233	\$360	19.2%	25
Oklahoma	\$17,030	\$4,332	\$2,459	131.3%	14
Oregon	\$7,571	\$1,827	(\$46)	(2.4%)	28
Pennsylvania	\$28,953	\$2,261	\$388	20.7%	24
Rhode Island	\$2,502	\$2,362	\$488	26.1%	23
South Carolina	\$24,419	\$4,860	\$2,987	159.4%	11
South Dakota	\$256	\$295	(\$1,579)	(84.3%)	37
Tennessee	\$21,224	\$3,160	\$1,287	68.7%	20
Texas	\$36,240	\$1,280	(\$593)	(31.7%)	30
Utah	(\$236)	(\$76)	(\$1,949)	(104.1%)	40
Vermont	\$2,530	\$4,056	\$2,183	116.5%	17
Virginia	\$64,059	\$7,563	\$5,690	303.7%	4
Washington	\$976	\$132	(\$1,741)	(93.0%)	39
West Virginia	\$14,510	\$7,991	\$6,117	326.6%	2
Wisconsin	\$1,226	\$212	(\$1,662)	(88.7%)	38
Wyoming	(\$169)	(\$291)	(\$2,164)	(115.5%)	42
District of Columbia	\$39,866	\$57,447	\$55,573	2,966.7%	

Note: Does not include spending in or taxes from Puerto Rico and other outlying areas.

Appendix A (continued)

Taxes Paid to the Federal Government, FFY 2017

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$3,136,023	\$9,628			
Alabama	\$33,921	\$6,958	(\$2,670)	(27.7%)	44
Alaska	\$7,340	\$9,922	\$294	3.1%	17
Arizona	\$52,036	\$7,416	(\$2,212)	(23.0%)	41
Arkansas	\$20,670	\$6,880	(\$2,748)	(28.5%)	46
California	\$437,222	\$11,059	\$1,431	14.9%	8
Colorado	\$57,683	\$10,287	\$659	6.8%	15
Connecticut	\$52,643	\$14,671	\$5,043	52.4%	1
Delaware	\$10,363	\$10,773	\$1,145	11.9%	10
Florida	\$180,256	\$8,590	(\$1,038)	(10.8%)	30
Georgia	\$83,686	\$8,024	(\$1,604)	(16.7%)	35
Hawaii	\$12,319	\$8,630	(\$998)	(10.4%)	29
Idaho	\$11,596	\$6,754	(\$2,874)	(29.8%)	47
Illinois	\$137,171	\$10,715	\$1,087	11.3%	11
Indiana	\$55,182	\$8,277	(\$1,351)	(14.0%)	33
Iowa	\$27,282	\$8,673	(\$955)	(9.9%)	28
Kansas	\$25,421	\$8,726	(\$902)	(9.4%)	27
Kentucky	\$30,982	\$6,956	(\$2,672)	(27.8%)	45
Louisiana	\$35,019	\$7,476	(\$2,152)	(22.4%)	39
Maine	\$10,202	\$7,637	(\$1,991)	(20.7%)	38
Maryland	\$67,573	\$11,165	\$1,537	16.0%	7
Massachusetts	\$93,805	\$13,675	\$4,047	42.0%	2
Michigan	\$87,416	\$8,775	(\$853)	(8.9%)	25
Minnesota	\$60,942	\$10,928	\$1,300	13.5%	9
Mississippi	\$17,558	\$5,884	(\$3,744)	(38.9%)	50
Missouri	\$51,493	\$8,423	(\$1,205)	(12.5%)	31
Montana	\$7,812	\$7,437	(\$2,191)	(22.8%)	40
Nebraska	\$18,251	\$9,506	(\$122)	(1.3%)	20
Nevada	\$27,014	\$9,011	(\$617)	(6.4%)	22
New Hampshire	\$16,043	\$11,947	\$2,319	24.1%	5
New Jersey	\$116,806	\$12,970	\$3,342	34.7%	3
New Mexico	\$13,065	\$6,257	(\$3,371)	(35.0%)	48
NEW YORK	\$249,874	\$12,588	\$2,960	30.7%	4
North Carolina	\$82,149	\$7,996	(\$1,632)	(16.9%)	36
North Dakota	\$7,760	\$10,273	\$645	6.7%	16
Ohio	\$97,801	\$8,389	(\$1,239)	(12.9%)	32
Oklahoma	\$28,220	\$7,179	(\$2,449)	(25.4%)	42
Oregon	\$36,562	\$8,825	(\$803)	(8.3%)	24
Pennsylvania	\$125,752	\$9,820	\$192	2.0%	19
Rhode Island	\$10,506	\$9,915	\$287	3.0%	18
South Carolina	\$35,768	\$7,119	(\$2,509)	(26.1%)	43
South Dakota	\$9,040	\$10,395	\$767	8.0%	14
Tennessee	\$54,573	\$8,126	(\$1,502)	(15.6%)	34
Texas	\$252,281	\$8,913	(\$715)	(7.4%)	23
Utah	\$24,216	\$7,807	(\$1,821)	(18.9%)	37
Vermont	\$5,444	\$8,729	(\$899)	(9.3%)	26
Virginia	\$89,399	\$10,555	\$927	9.6%	13
Washington	\$84,439	\$11,402	\$1,774	18.4%	6
West Virginia	\$11,116	\$6,121	(\$3,507)	(36.4%)	49
Wisconsin	\$54,388	\$9,385	(\$243)	(2.5%)	21
Wyoming	\$6,201	\$10,703	\$1,075	11.2%	12
District of Columbia	\$11,761	\$16,948	\$7,320	76.0%	

Note: Does not include taxes paid from Puerto Rico and other outlying areas.

Appendix A (continued)

Federal Taxes by Category, FFY 2017 (millions)

	Income Tax Less Refunds	Social Insurance	Corporate	Excise	Estate and Gift
National: 50 States & D.C.	\$1,578,682	\$1,154,179	\$297,048	\$83,677	\$22,437
Alabama	\$14,931	\$14,109	\$3,282	\$1,408	\$190
Alaska	\$3,601	\$2,923	\$555	\$247	\$13
Arizona	\$25,212	\$20,844	\$4,372	\$1,334	\$274
Arkansas	\$8,931	\$8,615	\$2,212	\$824	\$88
California	\$234,178	\$150,157	\$39,100	\$8,485	\$5,301
Colorado	\$30,361	\$20,599	\$4,708	\$1,680	\$335
Connecticut	\$30,404	\$16,616	\$4,446	\$686	\$491
Delaware	\$5,003	\$3,703	\$1,413	\$231	\$13
Florida	\$97,072	\$62,668	\$12,394	\$5,552	\$2,571
Georgia	\$38,002	\$33,057	\$8,972	\$3,263	\$393
Hawaii	\$5,718	\$5,234	\$781	\$527	\$60
Idaho	\$5,290	\$4,841	\$1,003	\$432	\$30
Illinois	\$71,644	\$47,898	\$13,720	\$3,391	\$517
Indiana	\$23,902	\$22,082	\$7,097	\$1,847	\$254
Iowa	\$11,567	\$11,008	\$3,698	\$910	\$99
Kansas	\$11,749	\$10,241	\$2,669	\$660	\$101
Kentucky	\$13,248	\$12,774	\$3,383	\$1,387	\$190
Louisiana	\$15,911	\$13,769	\$3,874	\$1,288	\$176
Maine	\$4,769	\$4,167	\$846	\$361	\$59
Maryland	\$34,333	\$27,354	\$4,272	\$1,358	\$256
Massachusetts	\$54,208	\$29,938	\$7,814	\$1,506	\$338
Michigan	\$41,835	\$33,651	\$8,906	\$2,463	\$560
Minnesota	\$29,255	\$23,656	\$6,264	\$1,534	\$233
Mississippi	\$7,063	\$7,813	\$1,707	\$916	\$60
Missouri	\$23,350	\$19,373	\$5,059	\$2,030	\$1,681
Montana	\$3,643	\$3,233	\$538	\$333	\$65
Nebraska	\$7,497	\$8,037	\$2,049	\$560	\$109
Nevada	\$15,429	\$8,271	\$1,958	\$1,050	\$305
New Hampshire	\$8,281	\$5,991	\$1,296	\$409	\$65
New Jersey	\$64,210	\$41,310	\$8,764	\$2,118	\$404
New Mexico	\$5,869	\$5,610	\$981	\$564	\$41
New York	\$138,675	\$81,257	\$24,084	\$3,623	\$2,235
North Carolina	\$37,505	\$32,011	\$9,442	\$2,832	\$359
North Dakota	\$3,537	\$3,165	\$742	\$301	\$15
Ohio	\$45,223	\$37,390	\$11,902	\$2,836	\$451
Oklahoma	\$12,506	\$11,835	\$2,597	\$1,147	\$135
Oregon	\$17,069	\$13,863	\$4,392	\$1,057	\$180
Pennsylvania	\$61,574	\$47,911	\$12,481	\$3,104	\$682
Rhode Island	\$5,026	\$4,200	\$925	\$208	\$147
South Carolina	\$16,391	\$14,541	\$3,331	\$1,411	\$95
South Dakota	\$4,801	\$3,126	\$809	\$271	\$33
Tennessee	\$25,486	\$21,330	\$5,731	\$1,874	\$151
Texas	\$122,225	\$93,333	\$27,052	\$8,294	\$1,377
Utah	\$11,110	\$9,748	\$2,525	\$758	\$75
Vermont	\$2,533	\$2,334	\$412	\$156	\$10
Virginia	\$44,679	\$35,385	\$6,444	\$2,544	\$347
Washington	\$44,892	\$29,820	\$7,728	\$1,659	\$340
West Virginia	\$4,526	\$5,010	\$1,012	\$525	\$43
Wisconsin	\$25,242	\$21,508	\$6,042	\$1,394	\$200
Wyoming	\$3,079	\$2,176	\$471	\$255	\$220
District of Columbia	\$6,135	\$4,690	\$793	\$75	\$69

Note: Does not include taxes paid from Puerto Rico and other outlying areas.

Appendix A (continued)

Expenditures by the Federal Government, FFY 2017

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$3,746,183	\$11,501			
Alabama	\$66,419	\$13,625	\$2,124	18.5%	9
Alaska	\$12,042	\$16,277	\$4,776	41.5%	3
Arizona	\$82,863	\$11,810	\$309	2.7%	19
Arkansas	\$33,455	\$11,136	(\$366)	(3.2%)	28
California	\$423,460	\$10,711	(\$791)	(6.9%)	31
Colorado	\$59,855	\$10,675	(\$826)	(7.2%)	33
Connecticut	\$48,188	\$13,430	\$1,928	16.8%	10
Delaware	\$11,278	\$11,724	\$223	1.9%	20
Florida	\$242,737	\$11,567	\$66	.6%	21
Georgia	\$106,527	\$10,214	(\$1,287)	(11.2%)	40
Hawaii	\$21,107	\$14,786	\$3,284	28.6%	5
Idaho	\$17,557	\$10,226	(\$1,276)	(11.1%)	38
Illinois	\$122,347	\$9,557	(\$1,944)	(16.9%)	47
Indiana	\$66,664	\$9,999	(\$1,502)	(13.1%)	42
Iowa	\$29,790	\$9,470	(\$2,031)	(17.7%)	48
Kansas	\$28,481	\$9,777	(\$1,724)	(15.0%)	45
Kentucky	\$57,634	\$12,939	\$1,438	12.5%	11
Louisiana	\$56,277	\$12,014	\$513	4.5%	16
Maine	\$18,727	\$14,018	\$2,517	21.9%	7
Maryland	\$107,864	\$17,822	\$6,321	55.0%	2
Massachusetts	\$83,294	\$12,142	\$641	5.6%	14
Michigan	\$108,716	\$10,913	(\$589)	(5.1%)	30
Minnesota	\$54,932	\$9,850	(\$1,651)	(14.4%)	44
Mississippi	\$41,138	\$13,786	\$2,285	19.9%	8
Missouri	\$72,634	\$11,881	\$380	3.3%	18
Montana	\$12,111	\$11,529	\$28	.2%	23
Nebraska	\$17,985	\$9,367	(\$2,135)	(18.6%)	49
Nevada	\$29,949	\$9,989	(\$1,512)	(13.1%)	43
New Hampshire	\$15,293	\$11,389	(\$112)	(1.0%)	25
New Jersey	\$92,057	\$10,222	(\$1,279)	(11.1%)	39
New Mexico	\$33,161	\$15,881	\$4,380	38.1%	4
NEW YORK	\$225,736	\$11,372	(\$129)	(1.1%)	26
North Carolina	\$113,448	\$11,043	(\$458)	(4.0%)	29
North Dakota	\$7,995	\$10,583	(\$918)	(8.0%)	36
Ohio	\$123,841	\$10,622	(\$879)	(7.6%)	35
Oklahoma	\$45,250	\$11,511	\$10	.1%	24
Oregon	\$44,133	\$10,653	(\$848)	(7.4%)	34
Pennsylvania	\$154,705	\$12,081	\$580	5.0%	15
Rhode Island	\$13,008	\$12,276	\$775	6.7%	13
South Carolina	\$60,188	\$11,979	\$478	4.2%	17
South Dakota	\$9,297	\$10,690	(\$811)	(7.1%)	32
Tennessee	\$75,797	\$11,286	(\$215)	(1.9%)	27
Texas	\$288,521	\$10,193	(\$1,308)	(11.4%)	41
Utah	\$23,980	\$7,731	(\$3,770)	(32.8%)	50
Vermont	\$7,974	\$12,785	\$1,284	11.2%	12
Virginia	\$153,459	\$18,118	\$6,617	57.5%	1
Washington	\$85,415	\$11,534	\$32	.3%	22
West Virginia	\$25,626	\$14,112	\$2,611	22.7%	6
Wisconsin	\$55,614	\$9,596	(\$1,905)	(16.6%)	46
Wyoming	\$6,032	\$10,412	(\$1,089)	(9.5%)	37
District of Columbia	\$51,628	\$74,394	\$62,893	546.8%	

Note: Does not include spending in Puerto Rico and other outlying areas.

Appendix A (continued)

Federal Expenditures: Direct Payments, FFY 2017

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$2,346,509	\$7,204			
Alabama	\$42,891	\$8,799	\$1,595	22.1%	3
Alaska	\$4,518	\$6,107	(\$1,097)	(15.2%)	47
Arizona	\$49,813	\$7,100	(\$104)	(1.4%)	32
Arkansas	\$24,283	\$8,083	\$879	12.2%	9
California	\$243,207	\$6,151	(\$1,053)	(14.6%)	45
Colorado	\$34,090	\$6,080	(\$1,124)	(15.6%)	48
Connecticut	\$26,498	\$7,385	\$181	2.5%	25
Delaware	\$8,017	\$8,334	\$1,130	15.7%	6
Florida	\$183,282	\$8,734	\$1,530	21.2%	4
Georgia	\$71,698	\$6,875	(\$329)	(4.6%)	38
Hawaii	\$10,734	\$7,519	\$315	4.4%	22
Idaho	\$11,649	\$6,785	(\$419)	(5.8%)	41
Illinois	\$85,885	\$6,709	(\$495)	(6.9%)	42
Indiana	\$46,740	\$7,011	(\$193)	(2.7%)	34
Iowa	\$21,815	\$6,935	(\$269)	(3.7%)	36
Kansas	\$20,194	\$6,932	(\$272)	(3.8%)	37
Kentucky	\$34,558	\$7,759	\$554	7.7%	19
Louisiana	\$34,926	\$7,456	\$252	3.5%	23
Maine	\$11,795	\$8,829	\$1,625	22.6%	2
Maryland	\$47,670	\$7,877	\$672	9.3%	14
Massachusetts	\$50,065	\$7,298	\$94	1.3%	28
Michigan	\$79,500	\$7,980	\$776	10.8%	12
Minnesota	\$35,928	\$6,443	(\$761)	(10.6%)	44
Mississippi	\$24,742	\$8,291	\$1,087	15.1%	7
Missouri	\$46,268	\$7,568	\$364	5.1%	21
Montana	\$7,818	\$7,442	\$238	3.3%	24
Nebraska	\$12,796	\$6,664	(\$540)	(7.5%)	43
Nevada	\$20,464	\$6,826	(\$378)	(5.2%)	39
New Hampshire	\$10,490	\$7,812	\$608	8.4%	15
New Jersey	\$64,115	\$7,119	(\$85)	(1.2%)	30
New Mexico	\$16,029	\$7,676	\$472	6.6%	20
NEW YORK	\$140,480	\$7,077	(\$127)	(1.8%)	33
North Carolina	\$79,708	\$7,759	\$555	7.7%	18
North Dakota	\$4,559	\$6,036	(\$1,168)	(16.2%)	49
Ohio	\$85,649	\$7,346	\$142	2.0%	27
Oklahoma	\$30,588	\$7,781	\$577	8.0%	16
Oregon	\$30,577	\$7,381	\$177	2.5%	26
Pennsylvania	\$103,940	\$8,117	\$913	12.7%	8
Rhode Island	\$8,537	\$8,057	\$853	11.8%	10
South Carolina	\$41,923	\$8,344	\$1,140	15.8%	5
South Dakota	\$6,257	\$7,195	(\$9)	(.1%)	29
Tennessee	\$53,183	\$7,919	\$715	9.9%	13
Texas	\$174,012	\$6,148	(\$1,056)	(14.7%)	46
Utah	\$15,546	\$5,012	(\$2,192)	(30.4%)	50
Vermont	\$5,007	\$8,029	\$825	11.5%	11
Virginia	\$65,766	\$7,765	\$560	7.8%	17
Washington	\$50,283	\$6,790	(\$414)	(5.8%)	40
West Virginia	\$16,857	\$9,283	\$2,079	28.9%	1
Wisconsin	\$41,243	\$7,116	(\$88)	(1.2%)	31
Wyoming	\$4,056	\$7,001	(\$203)	(2.8%)	35
District of Columbia	\$5,859	\$8,442	\$1,238	17.2%	

Note: Does not include spending for direct payments in Puerto Rico and other outlying areas

Appendix A (continued)

Federal Expenditures: Grants, FFY 2017

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$669,284	\$2,055			
Alabama	\$8,448	\$1,733	(\$322)	(15.7%)	32
Alaska	\$3,113	\$4,208	\$2,153	104.8%	1
Arizona	\$14,448	\$2,059	\$4	.2%	23
Arkansas	\$6,838	\$2,276	\$221	10.8%	19
California	\$100,400	\$2,539	\$485	23.6%	11
Colorado	\$9,083	\$1,620	(\$435)	(21.2%)	42
Connecticut	\$8,165	\$2,276	\$221	10.7%	20
Delaware	\$2,342	\$2,434	\$379	18.5%	15
Florida	\$28,324	\$1,350	(\$705)	(34.3%)	48
Georgia	\$15,279	\$1,465	(\$590)	(28.7%)	45
Hawaii	\$2,803	\$1,964	(\$91)	(4.4%)	26
Idaho	\$2,681	\$1,561	(\$493)	(24.0%)	43
Illinois	\$21,280	\$1,662	(\$393)	(19.1%)	37
Indiana	\$13,543	\$2,031	(\$23)	(1.1%)	24
Iowa	\$5,135	\$1,632	(\$422)	(20.6%)	40
Kansas	\$4,047	\$1,389	(\$666)	(32.4%)	47
Kentucky	\$11,977	\$2,689	\$634	30.9%	9
Louisiana	\$15,469	\$3,302	\$1,248	60.7%	3
Maine	\$3,049	\$2,282	\$227	11.1%	17
Maryland	\$11,975	\$1,979	(\$76)	(3.7%)	25
Massachusetts	\$17,130	\$2,497	\$442	21.5%	12
Michigan	\$20,912	\$2,099	\$44	2.2%	22
Minnesota	\$12,012	\$2,154	\$99	4.8%	21
Mississippi	\$7,579	\$2,540	\$485	23.6%	10
Missouri	\$11,673	\$1,909	(\$145)	(7.1%)	28
Montana	\$2,841	\$2,705	\$650	31.6%	8
Nebraska	\$2,689	\$1,401	(\$654)	(31.8%)	46
Nevada	\$4,942	\$1,648	(\$406)	(19.8%)	39
New Hampshire	\$2,241	\$1,669	(\$386)	(18.8%)	36
New Jersey	\$17,246	\$1,915	(\$140)	(6.8%)	27
New Mexico	\$6,137	\$2,939	\$884	43.0%	6
NEW YORK	\$66,499	\$3,350	\$1,295	63.0%	2
North Carolina	\$17,255	\$1,680	(\$375)	(18.3%)	35
North Dakota	\$1,882	\$2,491	\$437	21.2%	13
Ohio	\$26,870	\$2,305	\$250	12.2%	16
Oklahoma	\$6,483	\$1,649	(\$405)	(19.7%)	38
Oregon	\$10,210	\$2,464	\$410	19.9%	14
Pennsylvania	\$29,182	\$2,279	\$224	10.9%	18
Rhode Island	\$2,918	\$2,753	\$699	34.0%	7
South Carolina	\$8,570	\$1,706	(\$349)	(17.0%)	33
South Dakota	\$1,466	\$1,685	(\$370)	(18.0%)	34
Tennessee	\$11,693	\$1,741	(\$314)	(15.3%)	31
Texas	\$42,596	\$1,505	(\$550)	(26.8%)	44
Utah	\$3,829	\$1,235	(\$820)	(39.9%)	49
Vermont	\$1,938	\$3,107	\$1,053	51.2%	4
Virginia	\$10,298	\$1,216	(\$839)	(40.8%)	50
Washington	\$13,820	\$1,866	(\$189)	(9.2%)	29
West Virginia	\$5,592	\$3,079	\$1,025	49.9%	5
Wisconsin	\$9,444	\$1,630	(\$425)	(20.7%)	41
Wyoming	\$1,060	\$1,829	(\$226)	(11.0%)	30
District of Columbia	\$3,878	\$5,588	\$3,533	172.0%	

Note: Does not include spending for grants in Puerto Rico and other outlying areas.

Appendix A (continued)

Federal Expenditures: Procurement, FFY 2017

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$473,701	\$1,454			
Alabama	\$10,621	\$2,179	\$724	49.8%	7
Alaska	\$2,012	\$2,720	\$1,265	87.0%	5
Arizona	\$14,111	\$2,011	\$557	38.3%	9
Arkansas	\$914	\$304	(\$1,150)	(79.1%)	50
California	\$54,901	\$1,389	(\$66)	(4.5%)	18
Colorado	\$10,780	\$1,923	\$468	32.2%	11
Connecticut	\$12,250	\$3,414	\$1,960	134.8%	4
Delaware	\$350	\$364	(\$1,091)	(75.0%)	49
Florida	\$19,506	\$930	(\$525)	(36.1%)	24
Georgia	\$9,267	\$889	(\$566)	(38.9%)	29
Hawaii	\$2,063	\$1,445	(\$9)	(.6%)	17
Idaho	\$2,263	\$1,318	(\$136)	(9.4%)	19
Illinois	\$9,712	\$759	(\$696)	(47.8%)	33
Indiana	\$4,240	\$636	(\$818)	(56.3%)	35
Iowa	\$1,980	\$629	(\$825)	(56.7%)	36
Kansas	\$1,308	\$449	(\$1,005)	(69.1%)	47
Kentucky	\$6,967	\$1,564	\$110	7.5%	16
Louisiana	\$2,847	\$608	(\$847)	(58.2%)	38
Maine	\$2,832	\$2,120	\$665	45.8%	8
Maryland	\$31,202	\$5,156	\$3,701	254.5%	2
Massachusetts	\$13,219	\$1,927	\$473	32.5%	10
Michigan	\$5,541	\$556	(\$898)	(61.8%)	42
Minnesota	\$5,180	\$929	(\$526)	(36.1%)	25
Mississippi	\$6,529	\$2,188	\$734	50.4%	6
Missouri	\$10,682	\$1,747	\$293	20.1%	13
Montana	\$482	\$459	(\$996)	(68.5%)	46
Nebraska	\$1,132	\$590	(\$865)	(59.4%)	40
Nevada	\$2,719	\$907	(\$547)	(37.6%)	28
New Hampshire	\$2,113	\$1,574	\$119	8.2%	15
New Jersey	\$7,628	\$847	(\$607)	(41.8%)	30
New Mexico	\$8,358	\$4,003	\$2,548	175.2%	3
NEW YORK	\$11,394	\$574	(\$880)	(60.5%)	41
North Carolina	\$5,216	\$508	(\$947)	(65.1%)	44
North Dakota	\$576	\$762	(\$692)	(47.6%)	32
Ohio	\$6,308	\$541	(\$913)	(62.8%)	43
Oklahoma	\$4,104	\$1,044	(\$410)	(28.2%)	23
Oregon	\$1,631	\$394	(\$1,061)	(72.9%)	48
Pennsylvania	\$16,031	\$1,252	(\$202)	(13.9%)	20
Rhode Island	\$647	\$611	(\$843)	(58.0%)	37
South Carolina	\$5,549	\$1,104	(\$350)	(24.1%)	22
South Dakota	\$723	\$832	(\$622)	(42.8%)	31
Tennessee	\$7,778	\$1,158	(\$296)	(20.4%)	21
Texas	\$52,042	\$1,839	\$384	26.4%	12
Utah	\$2,255	\$727	(\$727)	(50.0%)	34
Vermont	\$572	\$918	(\$537)	(36.9%)	27
Virginia	\$53,845	\$6,357	\$4,903	337.1%	1
Washington	\$12,848	\$1,735	\$281	19.3%	14
West Virginia	\$1,668	\$918	(\$536)	(36.9%)	26
Wisconsin	\$3,479	\$600	(\$854)	(58.7%)	39
Wyoming	\$292	\$504	(\$951)	(65.4%)	45
District of Columbia	\$23,033	\$33,190	\$31,736	2,182.2%	

Note: Does not include spending for procurement in Puerto Rico and other outlying areas.

Appendix A (continued)

Federal Expenditures: Wages and Salaries, FFY 2017

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$256,689	\$788			
Alabama	\$4,459	\$915	\$127	16.1%	17
Alaska	\$2,399	\$3,242	\$2,454	311.4%	2
Arizona	\$4,490	\$640	(\$148)	(18.8%)	29
Arkansas	\$1,419	\$472	(\$316)	(40.1%)	35
California	\$24,951	\$631	(\$157)	(19.9%)	30
Colorado	\$5,902	\$1,053	\$264	33.6%	10
Connecticut	\$1,274	\$355	(\$433)	(54.9%)	43
Delaware	\$570	\$593	(\$195)	(24.8%)	32
Florida	\$11,625	\$554	(\$234)	(29.7%)	34
Georgia	\$10,282	\$986	\$198	25.1%	13
Hawaii	\$5,506	\$3,857	\$3,069	389.4%	1
Idaho	\$964	\$562	(\$227)	(28.7%)	33
Illinois	\$5,469	\$427	(\$361)	(45.8%)	39
Indiana	\$2,141	\$321	(\$467)	(59.3%)	47
Iowa	\$860	\$273	(\$515)	(65.3%)	49
Kansas	\$2,932	\$1,007	\$219	27.7%	12
Kentucky	\$4,133	\$928	\$140	17.7%	15
Louisiana	\$3,035	\$648	(\$140)	(17.8%)	28
Maine	\$1,051	\$787	(\$1)	(.2%)	21
Maryland	\$17,017	\$2,812	\$2,024	256.8%	3
Massachusetts	\$2,880	\$420	(\$368)	(46.7%)	40
Michigan	\$2,762	\$277	(\$511)	(64.8%)	48
Minnesota	\$1,812	\$325	(\$463)	(58.8%)	46
Mississippi	\$2,288	\$767	(\$21)	(2.7%)	22
Missouri	\$4,010	\$656	(\$132)	(16.8%)	27
Montana	\$970	\$923	\$135	17.2%	16
Nebraska	\$1,368	\$712	(\$76)	(9.6%)	25
Nevada	\$1,824	\$608	(\$180)	(22.8%)	31
New Hampshire	\$450	\$335	(\$453)	(57.5%)	45
New Jersey	\$3,069	\$341	(\$447)	(56.8%)	44
New Mexico	\$2,638	\$1,264	\$475	60.3%	6
NEW YORK	\$7,363	\$371	(\$417)	(52.9%)	42
North Carolina	\$11,269	\$1,097	\$309	39.2%	8
North Dakota	\$978	\$1,294	\$506	64.2%	5
Ohio	\$5,013	\$430	(\$358)	(45.4%)	38
Oklahoma	\$4,075	\$1,037	\$249	31.5%	11
Oregon	\$1,714	\$414	(\$374)	(47.5%)	41
Pennsylvania	\$5,552	\$434	(\$354)	(45.0%)	37
Rhode Island	\$906	\$855	\$67	8.5%	18
South Carolina	\$4,145	\$825	\$37	4.7%	20
South Dakota	\$851	\$978	\$190	24.1%	14
Tennessee	\$3,144	\$468	(\$320)	(40.6%)	36
Texas	\$19,871	\$702	(\$86)	(10.9%)	26
Utah	\$2,350	\$758	(\$30)	(3.9%)	23
Vermont	\$456	\$731	(\$57)	(7.2%)	24
Virginia	\$23,549	\$2,780	\$1,992	252.8%	4
Washington	\$8,464	\$1,143	\$355	45.0%	7
West Virginia	\$1,509	\$831	\$43	5.4%	19
Wisconsin	\$1,448	\$250	(\$538)	(68.3%)	50
Wyoming	\$625	\$1,078	\$290	36.8%	9
District of Columbia	\$18,858	\$27,174	\$26,386	3,348.2%	

Note: Does not include spending for wages and salaries in Puerto Rico and other outlying areas.

Appendix B: Methodology

The starting point for this analysis is the federal budget and its figures on total receipts and outlays in Federal Fiscal Year (FFY) 2017. Excluded are receipts and outlays for which allocations cannot be made based on readily identifiable data, or for which allocation by state is not relevant. Such receipts include the deposit of earnings from the Federal Reserve and customs duties. Spending which has not been allocated by state is primarily interest paid on federal debt, spending for international procurement and offsets from undistributed receipts.

Federal Government Receipts and Outlays, FFY 2017 Amounts Not Allocated and Allocated in this Report (figures in millions)

	Total	Not Allocable	Allocated	
			Outside the 50 States and D.C.	50 States and D.C.
Receipts	\$3,316,182	\$163,526	\$16,633	\$3,136,023
Outlays	\$3,981,554	\$211,259	\$24,112	\$3,746,183
Deficit	(\$665,372)			

This analysis is confined to federal spending in and revenues from the 50 states and the District of Columbia. Because per capita figures for the District of Columbia are disproportionately large in many cases, such amounts are excluded from state rankings. The analysis does not include receipts from and expenditures in Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa and other outlying areas. Over 94 percent of federal receipts and expenditures are allocated by state in this report.

Revenues

Data from the Internal Revenue Service (IRS) and other federal agencies on taxes and fees collected in FFY 2017 provided figures for national revenues, and were used as the basis for the estimates of revenues generated by each state. Sources that were used to supplement IRS data include: the Social Security Administration, for allocation of Federal Insurance Contributions Act and Self Employed Contributions Act payroll taxes; the Bureau of Economic Analysis (BEA), for data used to allocate corporate taxes based on the location of business activity; the U.S. Department of Transportation, the Federation of Tax Administrators, and the National Institute of Alcoholism and Alcohol Abuse, for allocation of excise taxes; and the U.S. Bureau of Labor Statistics for allocation of federal employee retirement contributions.

Expenditures

Federal budget outlays in FFY 2017 were grouped into four broad categories: direct payments to or for individuals (for example, Social Security and Medicare); grants (for example, Medicaid and highway grants); procurements; and wages. Such groupings were developed using the federal budget and other federal government information on federal expenditures. Spending in these four categories and their major subcategories was then allocated by state using several major sources. These included USAspending.gov; Federal Procurement Data System – Next Generation; BEA; the U.S. Census Bureau; the IRS; the federal Office of Management and Budget and the Office of Personnel Management; and the federal departments of Agriculture, Defense, Labor, and Veterans Affairs.

The Federal Funds Information for States (FFIS) master grant data base was used as a comprehensive source for determining allocations to states from federal grant programs.

Appendix C: Sources

United States Government

Department of Commerce

Bureau of Economic Analysis:

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Department of the Treasury, Internal Revenue Service

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Executive Office of the President, Office of Management and Budget: President’s Budget

Analytical Perspectives, Supplemental Materials as Spreadsheets, Tables 14.3 through 14.39. 2019 Budget State-by-State Tables at <https://www.whitehouse.gov/omb/historical-tables> or see <https://www.whitehouse.gov/omb/analytical-perspectives/>.

Historical Tables, see: Table 1.1 – Summary of Receipts, Outlays, and Surpluses or Deficits (-): 1789-2023; Table 2.1 – Receipts by Source: 1934-2023; Table 2.4 – Composition of Social Insurance and Retirement Receipts and of Excise Taxes: 1940-2023; Table 2.5 – Composition of “Other Receipts”: 1940-2023; Table 5.1 – Budget Authority by Function and Subfunction: 1976-2023; Table 6.1 – Composition of Outlays: 1940-2023; Table 11.3 – Outlays for Payments for Individuals by Category and Major Program: 1940-2023 at <https://www.whitehouse.gov/omb/historical-tables/>.

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