

Message from the Comptroller



January 2020

New York's Alexander Hamilton played a central role among our nation's Founders, as the Broadway musical bearing his name reminds us. One of the questions Hamilton analyzed as he sought to build support for a stronger central government was the potential for "inequality among the States" in paying federal taxes. Well over two centuries later, that issue remains a national concern.

This report is the fourth my Office has produced to examine this issue. While the numbers vary from year to year, one conclusion does not: the Empire State's taxpayers consistently send billions of dollars more to Washington than we receive back from the federal government.

As detailed in the following pages, in Federal Fiscal Year (FFY) 2018, New York State generated an estimated \$26.6 billion more in federal taxes than it received in federal spending. In total dollars, New York's deficit was the highest among the 50 states. For every tax dollar paid to Washington, our State received 90 cents in return—well below the national average of \$1.21.

As in past years, the imbalance largely reflects New York's comparatively high federal tax payments. The State generated nearly \$254 billion, 8 percent of the \$3.2 trillion in federal tax receipts. By contrast, the \$227 billion in federal spending the State received represented 6 percent of the nationwide total, virtually the same as New York's share of the U.S. population.

Federal dollars spent in New York included billions in Social Security payments; funding for Medicare, Medicaid and other health care programs; and support for transportation, education and other essential services. As policies and funding levels change over time, close attention is needed to safeguard New York's interests. For example, while the State has seen significant increases in federal funding for health care in recent years, there is no guarantee that harmful cutbacks will not be imposed going forward, as the Trump Administration continues to advance initiatives that could cost New York billions of dollars.

One important factor in the distribution of federal funding is each state's population. In the coming year, New York faces the challenge of ensuring a complete, accurate count of its residents as part of the nation's 2020 Census. Any undercount could not only depress funding for a variety of the programs analyzed in this report, but also contribute to further shrinkage in New York's Congressional delegation. It is essential that every possible step be taken to count every New Yorker, for the benefit of individual residents and the State as a whole. Hamilton, who as Treasury Secretary had a keen interest in the first United States Census, would likely agree.

Thomas P. DiNapoli
State Comptroller

Table of Contents

- Executive Summary 1
- Introduction 3
- The Balance of Payments Between the Federal Government and the States 4
- Revenues Paid to the Federal Government 6
 - Individual Income Taxes 7
 - Social Insurance Taxes and Contributions 7
 - Corporate Income Tax and Other Taxes 8
- Federal Spending in the States 9
 - Direct Payments 11
 - Grants 12
 - Procurement 16
 - Wages and Salaries 16
- The Federal Budget Deficit 17
- Assessing New York State’s Balance of Payments 18
- The 2020 Census 19
- Conclusion 20
- Appendices 21
 - Appendix A: Federal Revenues and Expenditures by State 21
 - Appendix B: Methodology 29
 - Appendix C: Sources 30

Executive Summary

The budget of the United States government plays a major 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 in the State Budget. Spending from Washington also supports tens of thousands of New York jobs. Meanwhile, the Empire State generated almost \$254 billion in federal tax revenues in Federal Fiscal Year (FFY) 2018.

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, 2018, 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 2018, New York State generated \$26.6 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 the federal spending it received was close to the average, its net balance of payments was more negative than most. New York contributed \$12,989 per capita in tax revenue to the federal budget, over one-third more than the national average. The State received an estimated \$11,626 in per capita federal spending, close to 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 \$1.21. New York's per-capita deficit of \$1,363 in its balance of payments ranked 48th among the states.

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 four federal fiscal years by the Office of the State Comptroller, ranging from \$19.9 billion in FFY 2013 to \$40.9 billion in FFY 2016. The estimated imbalance of \$26.6 billion in FFY 2018 falls between these previous levels.

The year-to-year changes result from a variety of factors. In FFY 2018, 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 slowly than the rate for the nation overall, 0.7 percent compared to 1.8 percent. And while federal tax payments from most states rose, receipts from New York grew by more than twice the national rate, or 1.6 percent compared to 0.7 percent.

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 2018. New York received an estimated \$138.1 billion in this category, with a per capita average that was close to the national average. 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 \$69.8 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 1st among the states.

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, \$19.3 billion, was 2.5 percent of the nationwide total.

Overall, New York State received 6.0 percent of total federal spending examined for this analysis, unchanged from the prior year. 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 (6.0 percent) and of the nation's personal income (7.6 percent). On a per capita basis, federal tax revenues from New York State were more than a third higher than the national average, partly because of taxpayers' relatively higher incomes.

The federal budget deficit in FFY 2018, \$779 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.

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 number of residents in poverty or eligible for Social Security, Medicare and Medicaid; income levels; and the state's own policy choices. The 2020 Census may affect New York's and other states' balance of payments, in both the near and longer terms, as updated population counts influence the state-by-state allocation of funding in certain programs, as well as the size of each state's Congressional delegation.

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, 2018.¹ 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 2018, the federal government spent \$4.1 trillion, and brought in more than \$3.3 trillion in revenue, with a budget deficit of \$779 billion. For the purposes of this analysis, certain revenue and spending amounts were excluded, resulting in an allocation of \$3.8 trillion in expenditures and \$3.2 trillion in tax revenues that are relevant and practical to allocate to the states. Almost 95 percent of federal receipts and 93 percent of federal 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. Rankings in this report and related materials are based on unrounded amounts.

² Customs duties and fees (including tariffs) 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

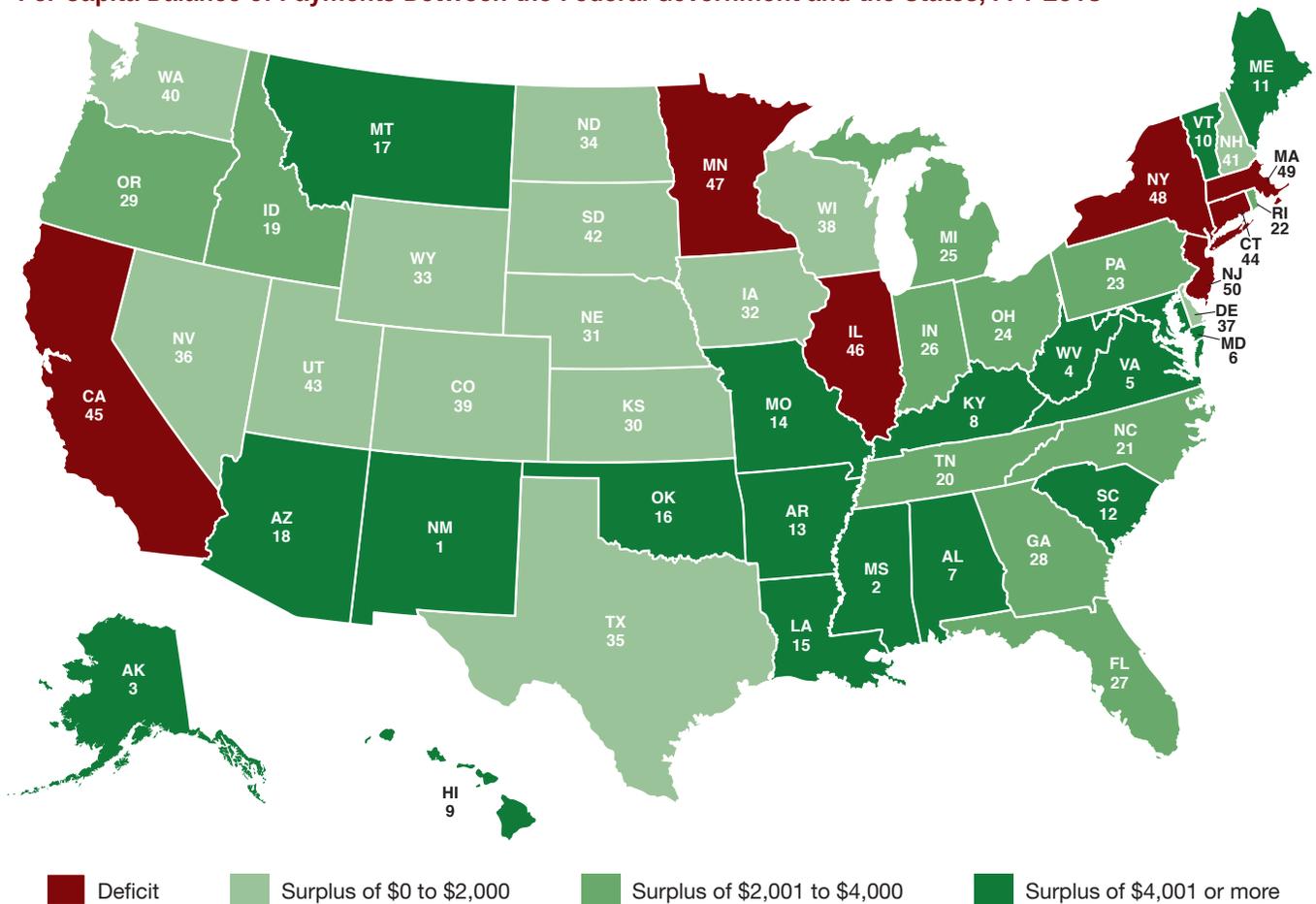
Most states received substantially more in federal expenditures than they generated in federal revenues in FFY 2018. Nationwide, on a per capita basis, the average gain was \$2,002. In other words, the average individual “received” that much more in federal expenditures than she or he “paid” in federal 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 \$12,989, exceeding the national average

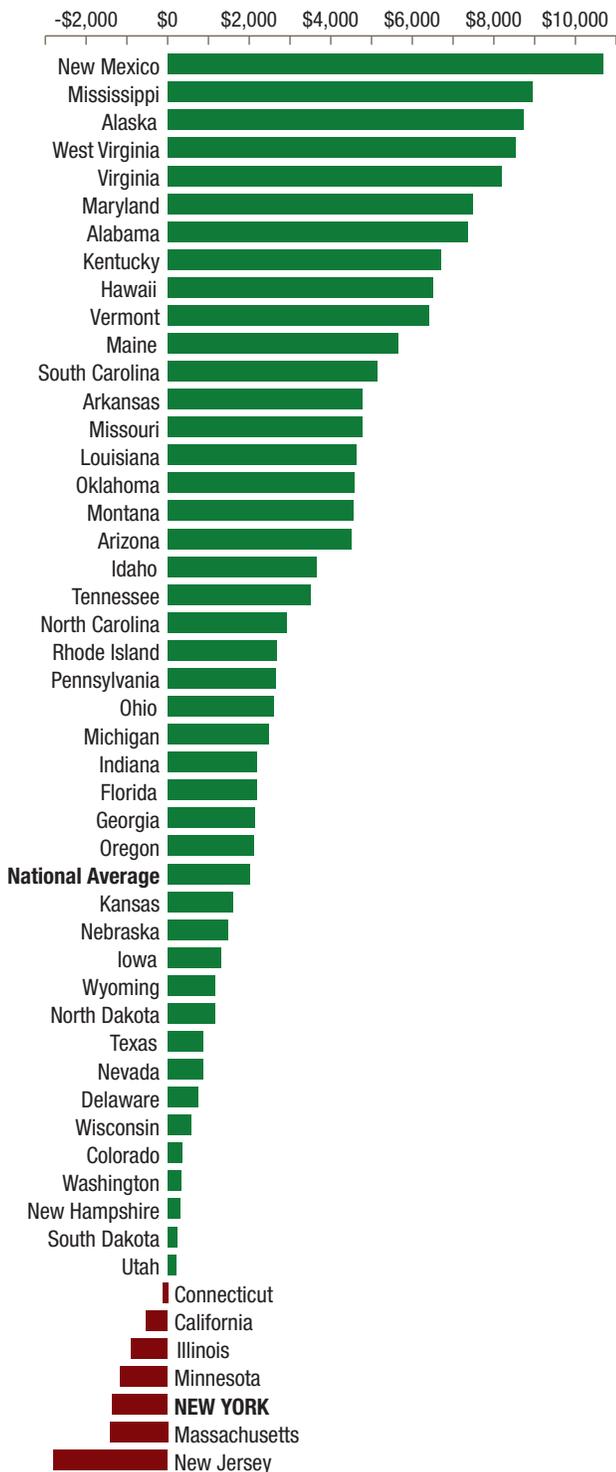
of \$9,656 by 34.5 percent. New York received \$11,626 in per capita federal spending, slightly below the national average of \$11,659. Thus, for every dollar New York generated in federal tax receipts, it received 90 cents back in federal spending—compared to a national average of \$1.21. The combination of federal tax payments and federal expenditures resulted in a \$1,363 per capita deficit for the Empire State, a ranking of 48th in the nation. Overall, 43 states had a positive balance of payments with the federal government, and seven—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 2018



Note: The numbers shown in the map reflect each state’s ranking in per capita balance of payments for FFY 2018, from most favorable (1) to least favorable (50).

FIGURE 2
Per Capita Balance of Payments Between the Federal Government and the States, FFY 2018



Note: Specific figures appear in Appendix A.

Two of New York’s neighboring states—New Jersey and Massachusetts—also had a negative balance of payments and, on a per capita basis, experienced the largest deficits. Seven of the 10 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 \$10,671.

On the basis of total dollars rather than dollars per capita, New York’s ranking drops from 48th to 50th (the largest imbalance in dollar terms), with a total deficit of over \$26.6 billion. Virginia experienced the largest surplus in total dollars, followed by Florida. (Figures for all states appear in Appendix A.)³

The Office of the State Comptroller has released three previous analyses of New York State’s balance of payments in the federal budget, based on data for FFYs 2013, 2016 and 2017. These reports estimated balance of payments deficits of \$19.9 billion in FFY 2013, \$40.9 billion in FFY 2016 and \$24.1 billion in FFY 2017.

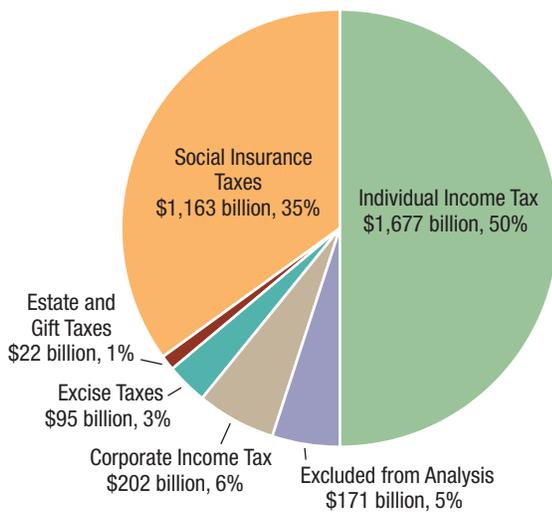
New York’s FFY 2018 balance of payments deficit of \$26.6 billion resulted from an increase of \$4 billion in taxes paid by New Yorkers, and a \$1.5 billion increase in federal spending in the State, compared to 2017. The overall federal deficit increased by over \$113 billion compared to FFY 2017. The following sections describe these changes in more detail.

³ Excel files providing detailed figures beyond those in this report can be accessed at <https://osc.state.ny.us/reports/budget/2020/federal-budget-fiscal-year-2018.xlsx>.

Revenues Paid to the Federal Government

In 2018, all revenues paid to the federal government totaled more than \$3.3 trillion. This figure 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 \$3.2 trillion or \$9,656 per capita in FFY 2018. A breakdown of all revenues in FFY 2018 is shown in Figure 3.

FIGURE 3
Federal Revenues in FFY 2018: \$3.3 trillion

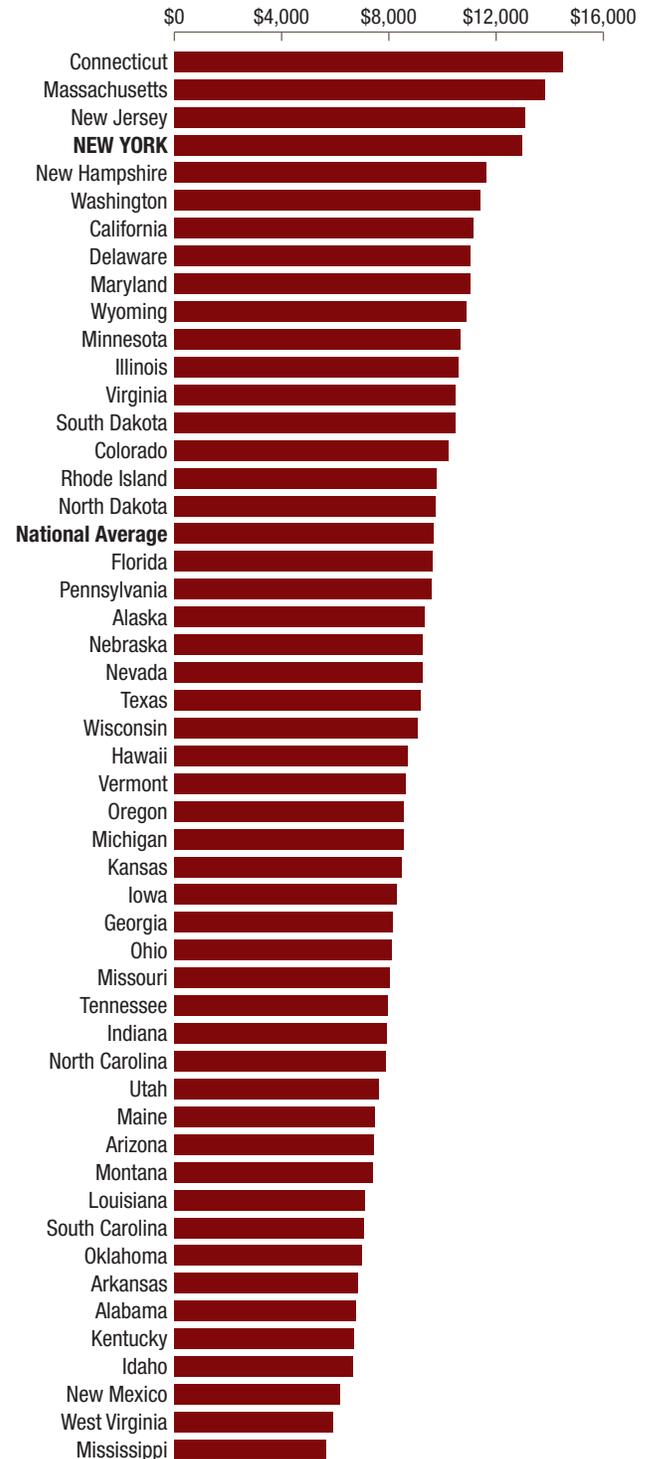


Note: See next page for revenues included in Social Insurance Taxes. Excise taxes are primarily imposed on production, sale or consumption of fuel, tobacco and alcohol products, among others. "Excluded from Analysis" represents miscellaneous receipts and customs duties and fees, along with revenues from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

New York generated 8.0 percent of the \$3.2 trillion in federal tax payments, while the State represented 6.0 percent of the nation's population in 2018. At \$12,989, New York's per capita contribution to the federal treasury was fourth highest among the states and 34.5 percent more than the national average, as illustrated in Figure 4.

Connecticut had the highest per capita contribution to the federal treasury at \$14,502, followed by Massachusetts with \$13,833 and New Jersey with \$13,095. Mississippi generated the lowest per capita total tax payments at \$5,642. New York's total payments of nearly \$254 billion ranked third among the states behind California and Texas.

FIGURE 4
Per Capita Taxes Paid to the Federal Government, FFY 2018



Note: Specific figures appear in Appendix A.

FIGURE 5
Federal Taxes Paid: New York and Nation, FFY 2018

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total (Taxes Paid)	\$3,159,222	\$9,656	\$253,840	8.0%	\$12,989	4
Individual Income	\$1,676,935	\$5,126	\$148,265	8.8%	\$7,587	3
Social Insurance	\$1,162,772	\$3,554	\$81,453	7.0%	\$4,168	9
Corporate Income	\$202,241	\$618	\$17,371	8.6%	\$889	2
Excise	\$94,865	\$290	\$4,224	4.5%	\$216	50
Estate and Gift	\$22,409	\$68	\$2,528	11.3%	\$129	2

Individual Income Taxes

Individual income taxes made up \$1.677 trillion, or 50 percent, of all taxes paid by the 50 states to the federal government in FFY 2018. New York's payments of more than \$148 billion represented 8.8 percent of total federal receipts from individual income taxes. Total payments from New York rose 6.9 percent compared to a national increase of 6.2 percent. Taxpayer responses to federal tax changes may have been factors in New York's higher than average increase in individual income tax payments.

New York's per capita individual income tax payments of \$7,587 were 48 percent higher than the national average of \$5,126. New York ranked third among the states in this category, with Connecticut first at \$8,709. 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.⁴ These totaled \$1.163 trillion and accounted for 35 percent of total federal tax revenues. New Yorkers' payments of more than \$81 billion were 7.0 percent of the total revenue from social insurance taxes.

New York's per capita contribution for such payments, \$4,168, was 17.3 percent above the national average of \$3,554, ranking it 9th among all states in this category. New Jersey made the highest per capita social insurance payments at \$4,657, while Mississippi made the lowest at \$2,602.

⁴ 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 6.1 percent of total federal tax receipts in FFY 2018. An estimated 8.6 percent of this \$202 billion total came from New York. Per capita corporate income taxes for New York were \$889, \$270 higher than the national per capita level of \$618, placing New York second highest among the states.

Delaware paid the most per capita in corporate income taxes, at \$1,001, followed by New York and Connecticut. Wyoming's per capita corporate tax payments were the lowest among all states.

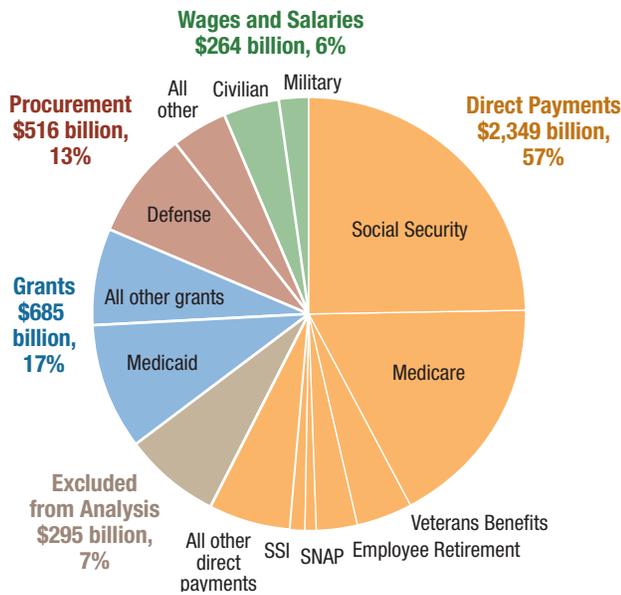
Other federal taxes include excise taxes on fuel, tobacco and alcohol, and estate and gift taxes. Approximately 4.5 percent of federal excise taxes, and 11.3 percent of federal estate and gift tax receipts, were from New York State. At \$216 per capita, New York's overall contribution for federal excise taxes was the lowest of all the states on a per capita basis. Wyoming 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 \$129 was more than one and a half times the national average of \$68. It ranked second in this measure, while Wyoming ranked first. West Virginia 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 2018, the federal government spent over \$4.1 trillion, including \$3.8 trillion in expenditures that could be allocated among the states.⁵ A breakdown of overall FFY 2018 federal spending is shown in Figure 6.

FIGURE 6
Federal Spending in FFY 2018: \$4.1 trillion

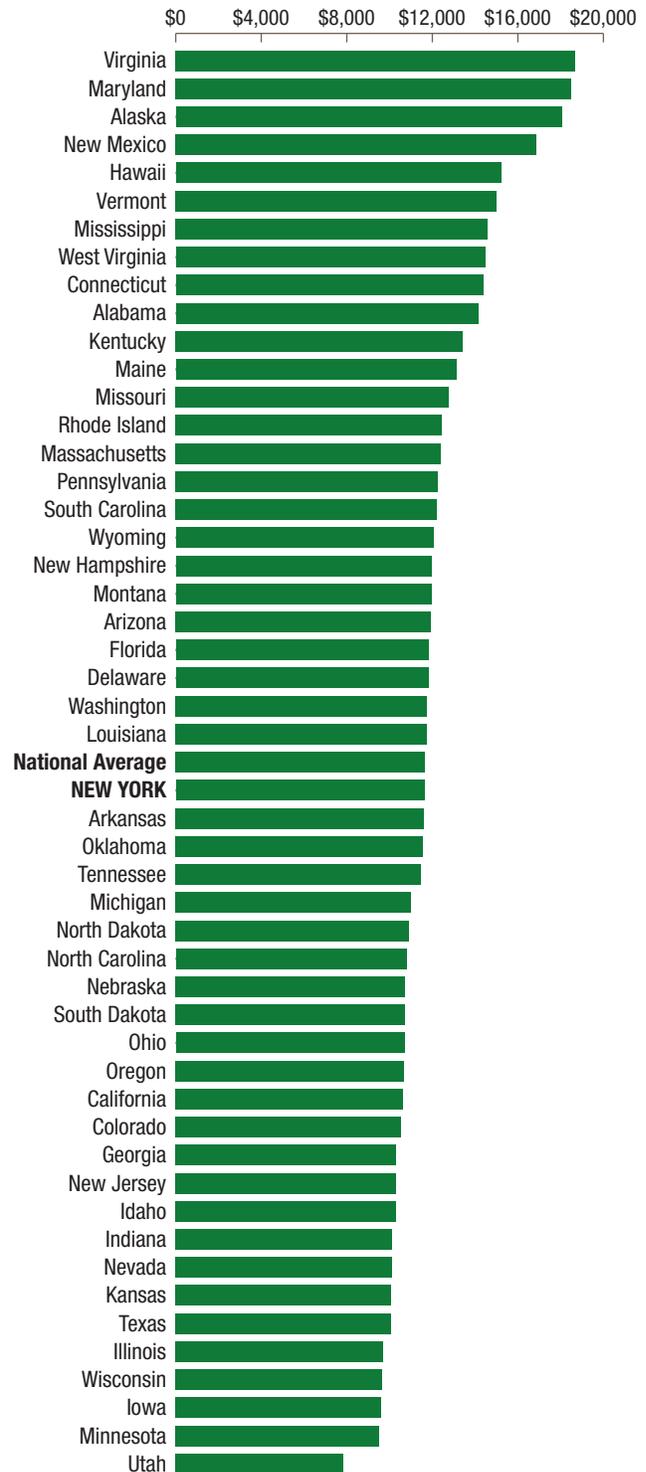


Note: Veterans' service-connected compensation is included with Veterans Benefits, not Employee Retirement. The Food Stamp program was renamed the Supplemental Nutrition Assistance Program (SNAP) in 2008. "Excluded from Analysis" consists primarily of undistributed offsetting receipts, net interest on 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 62 percent of federal spending allocated to the states in FFY 2018. Social Security and Medicare represented more than 71 percent of these direct payments in FFY 2018. The second largest federal spending category was grants to state and local governments. Medicaid made up 57 percent of the \$685 billion in such expenditures. Procurement was the third largest category, at \$516 billion, while the fourth largest category, federal employee wages and salaries, totaled \$264 billion.

⁵ See footnote 2 and Appendix B for a description of outlays which are excluded from this analysis.

FIGURE 7
Per Capita Federal Expenditures, FFY 2018



Note: Specific figures appear in Appendix A.

FIGURE 8

Federal Spending by Major Category: New York and Nation, FFY 2018

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$3,814,335	\$11,659	\$227,205	6.0%	\$11,626	26
Direct Payments	\$2,348,830	\$7,179	\$138,119	5.9%	\$7,068	34
Grants	\$685,033	\$2,094	\$69,812	10.2%	\$3,572	2
Procurement	\$516,231	\$1,578	\$11,697	2.3%	\$599	45
Wages and Salaries	\$264,240	\$808	\$7,577	2.9%	\$388	42

As the recipient of \$11,626 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 \$32 per capita, or 0.3 percent, less than the national level of \$11,659 per capita.

New York’s 6.0 percent share of total federal spending was the same as its share of the national population.

Virginia and Maryland ranked first and second among the states as the recipients of per capita federal expenditures of \$18,678 and \$18,505, or 60 and 59 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 \$7,831 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 2018

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$2,348,830	\$7,179	\$138,119	5.9%	\$7,068	34
Social Security	\$972,772	\$2,973	\$58,880	6.1%	\$3,013	34
Medicare	\$703,523	\$2,150	\$47,177	6.7%	\$2,414	10
Veterans Benefits Programs	\$166,726	\$510	\$6,022	3.6%	\$308	49
Federal Employee Retirement	\$138,641	\$424	\$3,477	2.5%	\$178	50
Supplemental Nutrition Assistance Program	\$60,813	\$186	\$4,537	7.5%	\$232	8
Refundable Earned Income Tax Credit	\$58,592	\$179	\$3,540	6.0%	\$181	18
Supplemental Security Income	\$54,650	\$167	\$4,298	7.9%	\$220	7
All Other	\$193,113	\$590	\$10,188	5.3%	\$521	37

Direct Payments

As noted earlier, direct payments to or for individuals accounted for the largest component of federal government expenditures in the states—61.6 percent in 2018. The total spent in New York was \$138.1 billion, or 5.9 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 \$7,068 per capita at 1.6 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. Vermont, West Virginia and Maine received the highest per capita direct payments, while Utah received the lowest, followed by Colorado.

Social Security

Social Security payments represented the largest component—41 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 \$973 billion in 2018, more than the combined federal spending for grants and wages and salaries.

Per capita Social Security payments to New York were \$3,013, about the same as the national average of \$2,973. 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 \$4,031, which was 36 percent more than the national average. Alaska received the lowest per capita payments in the country at \$2,034, which was 32 percent below the national average.

Medicare

Nationwide expenditures for all Medicare programs totaled over \$703 billion in FFY 2018.

With \$2,414 in per capita Medicare payments, New York received 12.3 percent more than the national average of \$2,150 and ranked 10th among the states for such federal spending.

Florida received the highest per capita Medicare payments at \$2,821, which was 31.2 percent higher than the national average. Utah and Alaska ranked lowest in this category at 44.3 and 41.1 percent below the national average, respectively.

Retirement Payments and Veterans' Benefits

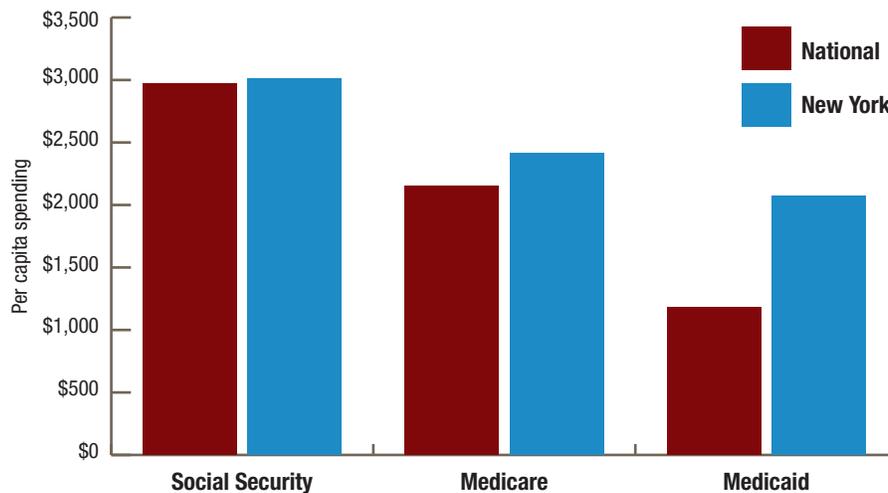
In FFY 2018, New York ranked the lowest of any state in receiving retirement payments to former federal civilian and military employees, and 49th for a range of veterans' benefits.⁶

Nationwide, retirement payments to former federal workers made up 5.9 percent of direct payments, almost \$139 billion, in FFY 2018. (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 \$178, less than half the national average of \$424. Such per capita spending was highest in Maryland and Virginia, each of which received over three times the national per capita figure.

At \$166.7 billion, veterans' benefits represented 7.1 percent of direct payments nationwide. For New York, per capita benefits were \$308, which is 40 percent less than the national average of \$510 per capita. New Jersey, at \$241, 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 89 percent and 69 percent respectively.

⁶ 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 2018



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 \$58.9 billion to New Yorkers in FFY 2018, 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 over \$47 billion, and expenditures per capita in this category were 12.3 percent above the national average. The Medicaid program delivered more than \$40.5 billion to New York in FFY 2018, with per capita expenditures 75 percent above the national average. (Medicaid is discussed in more detail below, in the section titled Grants.)

Grants

The federal government spent more than \$685 billion in grants to state and local governments in FFY 2018. Medicaid was by far the largest grant program, representing 56.5 percent of this total. Spending on transportation was second largest, at 9.4 percent. 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 \$3,572, or 70.6 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.

The other four states in the top five for per capita federal grants all had much smaller populations than New York. These were Alaska, New Mexico, 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 2018, federal government spending on Medicaid in the 50 states was over \$387 billion. New York received \$40.5 billion or \$2,073 per capita, 75 percent more than the national average of \$1,184. Alaska received the second most per capita at \$2,049, 73 percent above the average. Such funding is based partly on the Federal Medical Assistance Percentage (FMAP), the level at which the federal government

FIGURE 11
Federal Grants to State and Local Governments: New York and Nation, FFY 2018

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$685,033	\$2,094	\$69,812	10.2%	\$3,572	2
Medicaid	\$387,298	\$1,184	\$40,508	10.5%	\$2,073	1
Transportation	\$64,201	\$196	\$4,083	6.4%	\$209	25
Education	\$39,933	\$122	\$2,820	7.1%	\$144	12
Other Safety Net	\$128,868	\$394	\$16,503	12.8%	\$844	1
All Other	\$64,734	\$198	\$5,897	9.1%	\$302	4

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.

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 2018.

FIGURE 12
Per Capita Federal Medicaid Spending, Highest and Lowest Five States, FFY 2018

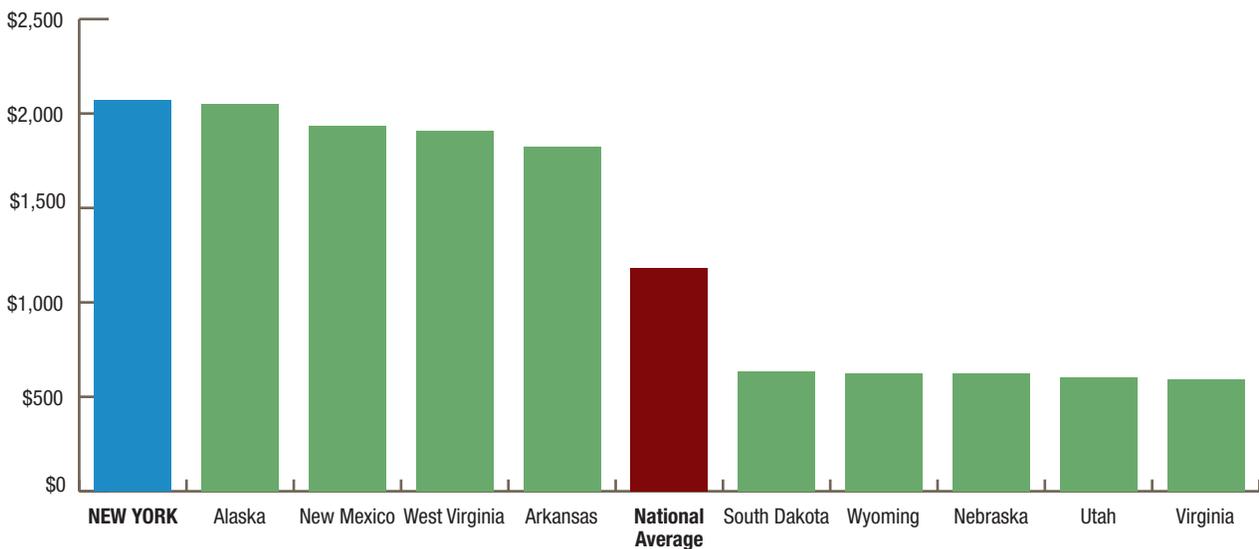


FIGURE 13
Federal Transportation Grants: New York and Nation, FFY 2018

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$64,201	\$196	\$4,083	6.4%	\$209	25
Highways	\$42,285	\$129	\$1,772	4.2%	\$91	48
Transit	\$10,001	\$31	\$1,659	16.6%	\$85	1
Airports	\$2,961	\$9	\$83	2.8%	\$4	47
All Other	\$8,953	\$27	\$569	6.4%	\$29	25

Aid for Transportation

Federal aid for transportation—highways, mass transit and airports—was the second largest grant category with \$64.2 billion spent in FFY 2018. Federal spending on highways and mass transit is largely funded by the Highway Trust Fund, which raised \$42.1 billion, primarily from the motor fuel tax, in FFY 2017.

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 \$209 per capita, above the national average of \$196. The State ranked 48th in the nation for per capita federal highway funding (\$91) but

first for transit funding (\$85). The federal government also provided more modest aid for airports; New York received \$4 per capita in such funding. New York received \$29 per capita in smaller grants administered by the Department of Transportation and ranked midway among the states for such spending.

Aid for Education

The federal government spent almost \$40 billion in FFY 2018 for elementary and secondary education for disadvantaged students (ESEA, Title 1), special education, education improvement programs and other purposes such as vocational rehabilitation and career education. As shown in Figure 14, New York received 7.1 percent of the total expenditures for these programs and ranked 12th as a recipient of overall per capita education spending.

FIGURE 14
Federal Education Grants: New York and Nation, FFY 2018

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$39,933	\$122	\$2,820	7.1%	\$144	12
ESEA Title I*	\$14,844	\$45	\$1,165	7.9%	\$60	5
Special Education	\$12,586	\$38	\$840	6.7%	\$43	16
Education Improvement	\$3,942	\$12	\$289	7.3%	\$15	17
All Other	\$8,561	\$26	\$526	6.1%	\$27	24

* Elementary and Secondary Education Act, Title I.

FIGURE 15

Federal Safety Net Grant Spending Other Than Medicaid: New York and Nation, FFY 2018

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
Total	\$128,868	\$394	\$16,503	12.8%	\$844	1
Housing	\$27,026	\$83	\$4,118	15.2%	\$211	1
Child Nutrition	\$22,615	\$69	\$1,430	6.3%	\$73	16
Children's Health Insurance	\$17,042	\$52	\$1,335	7.8%	\$68	12
TANF*	\$16,340	\$50	\$2,450	15.0%	\$125	1
Child and Family Services	\$10,303	\$31	\$717	7.0%	\$37	17
Basic Health Plan	\$4,793	\$15	\$4,346	90.7%	\$222	1
All Other	\$30,750	\$94	\$2,107	6.9%	\$108	10

* Temporary Assistance for Needy Families

Federal per capita spending for ESEA Title 1 in New York, at \$60 per person, was 31.4 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 (\$43 compared to \$38).

Other Safety Net Spending

New York receives 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 \$129 billion in FFY 2018 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 almost 13 percent of national expenditures, as shown

in Figure 15. Per capita spending for the State in this category, \$844, was more than twice the national average of \$394 and ranked New York first for such spending. New York was followed by Massachusetts, California and Mississippi, while per capita spending was the lowest in Idaho and Utah.

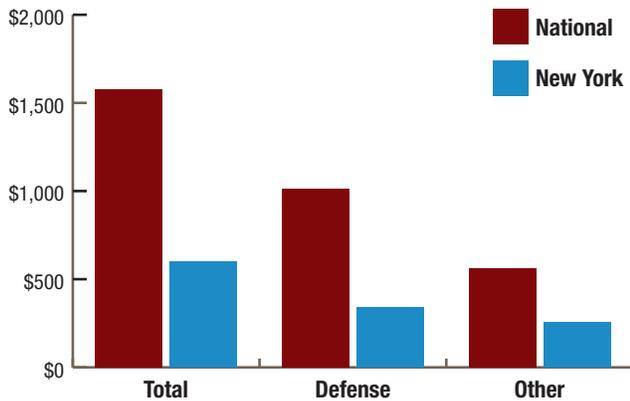
Within this category, federal expenditures for housing and the Temporary Assistance for Needy Families (TANF) block grant program represented 34 percent of total spending. New York received 15 percent of national spending for each of these program areas and experienced the highest per capita expenditures among the states for housing and TANF, at \$211 and \$125, 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 source of federal aid to New York. New York's share of nationwide funding in this area for FFY 2018 was almost 91 percent of the total, or \$4.3 billion. Minnesota received the remainder of the funding.

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.

For the \$22.6 billion Child Nutrition category that includes programs such as School Breakfast and School Lunch, New York received per capita payments slightly above the national average (\$73 compared to \$69).

FIGURE 16
Per Capita Federal Procurement Spending, FFY 2018



Procurement

The federal government spent an estimated \$516.2 billion in FFY 2018 to purchase services and goods in the 50 states and Washington, D.C.⁸ The Department of Defense was the source of 64 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.

With \$599 in per capita procurement spending, 38 percent of the national average, New York ranked 45th among the states. For the Department of Defense, such spending was \$341 per person in New York, compared to a national average of \$1,015. Virginia received the highest total procurement spending from the federal government at \$59.4 billion, and the highest per capita amount for procurement at \$6,975, followed by Maryland at \$5,682.

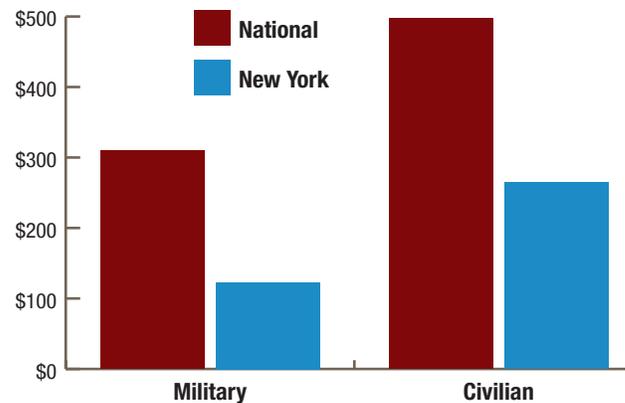
⁸ This amount does not include \$33.3 billion in such spending in other countries. (As elsewhere in this analysis, it also does not include \$6.1 billion in expenditures in Puerto Rico and other outlying areas.)

Wages and Salaries

Spending on federal employee wages and salaries throughout the nation totaled \$264.2 billion, for a per capita national average of \$808 in FFY 2018.⁹ Federal government spending on civilian pay was \$163 billion, or 62 percent of the total, and spending on military salaries was \$101.5 billion, or 38 percent.

In New York, less than \$7.6 billion was spent on federal employee wages and salaries, slightly less than 3 percent of the national total. This included \$5.2 billion for civilian pay (\$265 per capita, as shown in Figure 17) and \$2.4 billion for military pay (\$123 per capita). Overall, per capita expenditures in New York for wages and salaries, \$388, were 52 percent below the national level and ranked New York 42nd among all states.

FIGURE 17
Per Capita Federal Wages and Salaries Spending, FFY 2018



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.

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 \$779 billion in FFY 2018.

The federal deficit results from expenditures (\$4.1 trillion in FFY 2018) 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.

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 2018, New York was home to 6.0 percent of the U.S. population, and received the same proportion of the federal spending that was allocated among the states. As a result, its per capita share of federal spending was very close to 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 47 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 beyond federal policy choices 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 2018 was marginally 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 2018 ranging from 10 percent up to 37 percent. 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 6.0 percent of the nation's population. Total federal tax payments averaged \$9,656 for every U.S. resident in FFY 2018, but were more than a third higher, at \$12,989 per capita, in New York. However, comparing tax revenues in the context of states' personal income offers a different perspective. New York generated 7.6 percent of U.S. personal income in 2018. 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.

The 2020 Census

As discussed earlier in this report, states' population levels influence funding allocated through numerous federal aid programs. A complete, accurate count of New Yorkers in the 2020 Census is essential to ensure that the State receives its full allocation of resources through these programs, as well as its rightful share of representation in Congress.

While an accurate Census should be considered a matter of national interest, the challenges and barriers to achieving full participation may differ among the states. Research by the U.S. Census Bureau has found that in the 2010 national census, certain groups had higher undercount rates than others. For example, according to the Census Bureau, African-American and Hispanic individuals were more likely to be undercounted than those who are white; and renters experienced a net undercount while homeowners were slightly overcounted.¹⁰ New York State's population includes higher proportions of these undercounted groups than the nation as a whole, according to Census figures.¹¹

Foreign-born residents also make up a significantly higher proportion of New York residents—22.6 percent compared to 13.5 percent nationwide. Census Bureau researchers and some other analysts have warned that many immigrants may be reluctant to respond to the 2020 Census because of fears related to confidentiality and potential data-sharing with other federal agencies.¹²

Aside from harmful impacts on federal aid programs, an undercount of New York State's population could further diminish its representation in the U.S. House of Representatives. Currently, based on the 2010 Census, New York holds 27 seats in the House. Based on recent Census Bureau population estimates, the State is likely to lose at least one House seat after the 2020 Census, continuing a long-term trend since apportionment based on the 1950 Census reduced New York's representation from 45 to 43 seats. Depending on national population trends, an undercount in New York could make the difference between one and two lost Congressional seats after the 2020 Census. Such an outcome could have harmful implications for the State's interests in federal funding and policy decisions for years to come.

10 U.S. Census Bureau, DSSD (Decennial Statistical Studies Division) 2010 Census Coverage Measurement Memorandum Series #2010-G-01, May 2012, available at https://www.census.gov/coverage_measurement/pdfs/g01.pdf.

11 U.S. Census Bureau, QuickFacts: New York; United States, available at <https://www.census.gov/quickfacts/fact/table/NY,US/PST045218>.

12 U.S. Census Bureau Center for Survey Measurement, "Respondent Confidentiality Concerns," memorandum for the associate directorate for research and methodology, September 20, 2017, available at <https://www2.census.gov/cac/nac/meetings/2017-11/Memo-Regarding-Respondent-Confidentiality-Concerns.pdf>.

Conclusion

In the spirit of the 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 and mass transit construction and maintenance, housing, job training, environmental protection, public safety initiatives and far more.

The outlook for federal funding of health care and some other services has been clouded by budgetary and programmatic changes proposed by the President. In addition, further revisions to the federal tax code, beyond those enacted in December 2017, are being contemplated by policy makers and others. As debate over these potential changes continues, their outcomes and their impacts on the balance of payments between the states and the federal government remain 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 2018

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$655,113	\$2,002			
Alabama	\$36,020	\$7,369	\$5,367	268.0%	7
Alaska	\$6,436	\$8,727	\$6,725	335.9%	3
Arizona	\$32,251	\$4,497	\$2,495	124.6%	18
Arkansas	\$14,356	\$4,763	\$2,761	137.9%	13
California	(\$20,979)	(\$530)	(\$2,533)	(126.5%)	45
Colorado	\$1,949	\$342	(\$1,660)	(82.9%)	39
Connecticut	(\$451)	(\$126)	(\$2,129)	(106.3%)	44
Delaware	\$731	\$756	(\$1,246)	(62.2%)	37
Florida	\$46,419	\$2,179	\$177	8.8%	27
Georgia	\$22,539	\$2,143	\$140	7.0%	28
Hawaii	\$9,225	\$6,494	\$4,492	224.3%	9
Idaho	\$6,388	\$3,641	\$1,639	81.9%	19
Illinois	(\$11,357)	(\$891)	(\$2,894)	(144.5%)	46
Indiana	\$14,675	\$2,193	\$191	9.5%	26
Iowa	\$4,145	\$1,313	(\$689)	(34.4%)	32
Kansas	\$4,658	\$1,600	(\$402)	(20.1%)	30
Kentucky	\$29,910	\$6,694	\$4,691	234.3%	8
Louisiana	\$21,507	\$4,615	\$2,613	130.5%	15
Maine	\$7,558	\$5,647	\$3,645	182.0%	11
Maryland	\$45,166	\$7,474	\$5,472	273.3%	6
Massachusetts	(\$9,794)	(\$1,419)	(\$3,421)	(170.9%)	49
Michigan	\$24,691	\$2,470	\$468	23.4%	25
Minnesota	(\$6,525)	(\$1,163)	(\$3,165)	(158.1%)	47
Mississippi	\$26,695	\$8,939	\$6,936	346.4%	2
Missouri	\$29,163	\$4,760	\$2,758	137.7%	14
Montana	\$4,836	\$4,552	\$2,550	127.3%	17
Nebraska	\$2,829	\$1,466	(\$536)	(26.8%)	31
Nevada	\$2,610	\$860	(\$1,142)	(57.0%)	36
New Hampshire	\$412	\$304	(\$1,698)	(84.8%)	41
New Jersey	(\$24,869)	(\$2,792)	(\$4,794)	(239.4%)	50
New Mexico	\$22,360	\$10,671	\$8,668	432.9%	1
NEW YORK	(\$26,635)	(\$1,363)	(\$3,365)	(168.1%)	48
North Carolina	\$30,380	\$2,926	\$923	46.1%	21
North Dakota	\$879	\$1,157	(\$845)	(42.2%)	34
Ohio	\$30,464	\$2,606	\$604	30.2%	24
Oklahoma	\$18,058	\$4,580	\$2,577	128.7%	16
Oregon	\$8,885	\$2,120	\$118	5.9%	29
Pennsylvania	\$34,046	\$2,658	\$656	32.8%	23
Rhode Island	\$2,825	\$2,672	\$670	33.4%	22
South Carolina	\$26,125	\$5,139	\$3,136	156.6%	12
South Dakota	\$214	\$242	(\$1,760)	(87.9%)	42
Tennessee	\$23,790	\$3,514	\$1,512	75.5%	20
Texas	\$24,889	\$867	(\$1,135)	(56.7%)	35
Utah	\$628	\$199	(\$1,804)	(90.1%)	43
Vermont	\$4,010	\$6,402	\$4,400	219.7%	10
Virginia	\$69,750	\$8,189	\$6,186	309.0%	5
Washington	\$2,562	\$340	(\$1,662)	(83.0%)	40
West Virginia	\$15,415	\$8,536	\$6,534	326.3%	4
Wisconsin	\$3,379	\$581	(\$1,421)	(71.0%)	38
Wyoming	\$677	\$1,171	(\$831)	(41.5%)	33
District of Columbia	\$41,220	\$58,680	\$56,678	2,830.5%	

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 2018

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$3,159,222	\$9,656			
Alabama	\$33,107	\$6,773	(\$2,883)	(29.9%)	45
Alaska	\$6,872	\$9,319	(\$337)	(3.5%)	20
Arizona	\$53,402	\$7,446	(\$2,210)	(22.9%)	39
Arkansas	\$20,648	\$6,851	(\$2,805)	(29.0%)	44
California	\$441,425	\$11,159	\$1,503	15.6%	7
Colorado	\$58,140	\$10,208	\$552	5.7%	15
Connecticut	\$51,812	\$14,502	\$4,846	50.2%	1
Delaware	\$10,696	\$11,059	\$1,403	14.5%	8
Florida	\$205,276	\$9,638	(\$19)	(.2%)	18
Georgia	\$85,859	\$8,162	(\$1,494)	(15.5%)	31
Hawaii	\$12,385	\$8,719	(\$938)	(9.7%)	25
Idaho	\$11,684	\$6,660	(\$2,996)	(31.0%)	47
Illinois	\$134,772	\$10,578	\$921	9.5%	12
Indiana	\$53,108	\$7,936	(\$1,720)	(17.8%)	35
Iowa	\$26,210	\$8,304	(\$1,352)	(14.0%)	30
Kansas	\$24,648	\$8,466	(\$1,190)	(12.3%)	29
Kentucky	\$29,988	\$6,711	(\$2,945)	(30.5%)	46
Louisiana	\$33,173	\$7,119	(\$2,538)	(26.3%)	41
Maine	\$10,000	\$7,472	(\$2,185)	(22.6%)	38
Maryland	\$66,655	\$11,031	\$1,374	14.2%	9
Massachusetts	\$95,479	\$13,833	\$4,177	43.3%	2
Michigan	\$85,438	\$8,547	(\$1,109)	(11.5%)	28
Minnesota	\$59,840	\$10,664	\$1,008	10.4%	11
Mississippi	\$16,850	\$5,642	(\$4,014)	(41.6%)	50
Missouri	\$49,178	\$8,027	(\$1,629)	(16.9%)	33
Montana	\$7,860	\$7,399	(\$2,257)	(23.4%)	40
Nebraska	\$17,859	\$9,257	(\$400)	(4.1%)	21
Nevada	\$28,050	\$9,244	(\$412)	(4.3%)	22
New Hampshire	\$15,800	\$11,648	\$1,992	20.6%	5
New Jersey	\$116,659	\$13,095	\$3,439	35.6%	3
New Mexico	\$12,952	\$6,181	(\$3,475)	(36.0%)	48
NEW YORK	\$253,840	\$12,989	\$3,333	34.5%	4
North Carolina	\$81,721	\$7,870	(\$1,786)	(18.5%)	36
North Dakota	\$7,418	\$9,759	\$103	1.1%	17
Ohio	\$94,617	\$8,094	(\$1,562)	(16.2%)	32
Oklahoma	\$27,586	\$6,996	(\$2,660)	(27.5%)	43
Oregon	\$35,842	\$8,553	(\$1,104)	(11.4%)	27
Pennsylvania	\$123,091	\$9,611	(\$45)	(.5%)	19
Rhode Island	\$10,340	\$9,780	\$124	1.3%	16
South Carolina	\$35,891	\$7,059	(\$2,597)	(26.9%)	42
South Dakota	\$9,242	\$10,476	\$819	8.5%	14
Tennessee	\$53,877	\$7,958	(\$1,698)	(17.6%)	34
Texas	\$263,614	\$9,185	(\$472)	(4.9%)	23
Utah	\$24,128	\$7,633	(\$2,023)	(21.0%)	37
Vermont	\$5,393	\$8,610	(\$1,046)	(10.8%)	26
Virginia	\$89,345	\$10,489	\$833	8.6%	13
Washington	\$85,974	\$11,409	\$1,753	18.2%	6
West Virginia	\$10,712	\$5,932	(\$3,724)	(38.6%)	49
Wisconsin	\$52,764	\$9,076	(\$580)	(6.0%)	24
Wyoming	\$6,286	\$10,880	\$1,224	12.7%	10
District of Columbia	\$11,715	\$16,677	\$7,021	72.7%	

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

Appendix A (continued)

Federal Taxes by Category, FFY 2018 (millions)

	Income Tax Less Refunds	Social Insurance	Corporate	Excise	Estate and Gift
National: 50 States & D.C.	\$1,676,935	\$1,162,772	\$202,241	\$94,865	\$22,409
Alabama	\$15,119	\$14,101	\$2,232	\$1,563	\$92
Alaska	\$3,488	\$2,740	\$358	\$263	\$23
Arizona	\$26,839	\$21,259	\$2,974	\$1,985	\$345
Arkansas	\$9,497	\$8,615	\$1,474	\$925	\$138
California	\$245,831	\$153,581	\$27,556	\$9,700	\$4,758
Colorado	\$31,995	\$20,807	\$3,161	\$1,901	\$276
Connecticut	\$31,113	\$16,552	\$3,012	\$791	\$345
Delaware	\$5,753	\$3,666	\$968	\$263	\$46
Florida	\$123,915	\$64,015	\$8,331	\$6,349	\$2,666
Georgia	\$42,014	\$33,680	\$6,169	\$3,606	\$391
Hawaii	\$5,971	\$5,301	\$503	\$564	\$46
Idaho	\$5,540	\$4,909	\$689	\$500	\$46
Illinois	\$72,845	\$47,842	\$9,264	\$3,764	\$1,057
Indiana	\$24,073	\$22,088	\$4,690	\$2,074	\$184
Iowa	\$11,752	\$10,974	\$2,379	\$1,013	\$92
Kansas	\$11,625	\$10,338	\$1,814	\$756	\$115
Kentucky	\$13,244	\$12,770	\$2,246	\$1,544	\$184
Louisiana	\$15,569	\$13,304	\$2,685	\$1,454	\$161
Maine	\$4,814	\$4,177	\$567	\$420	\$23
Maryland	\$34,741	\$27,336	\$2,773	\$1,552	\$253
Massachusetts	\$57,517	\$30,350	\$5,336	\$1,747	\$529
Michigan	\$42,314	\$34,019	\$5,914	\$2,801	\$391
Minnesota	\$29,627	\$23,820	\$4,298	\$1,704	\$391
Mississippi	\$6,875	\$7,772	\$1,139	\$1,018	\$46
Missouri	\$23,652	\$19,457	\$3,415	\$2,217	\$437
Montana	\$3,829	\$3,275	\$361	\$371	\$23
Nebraska	\$7,578	\$8,229	\$1,333	\$628	\$92
Nevada	\$16,896	\$8,461	\$1,375	\$1,157	\$161
New Hampshire	\$8,409	\$6,011	\$819	\$446	\$115
New Jersey	\$66,082	\$41,491	\$5,898	\$2,430	\$758
New Mexico	\$6,027	\$5,556	\$619	\$636	\$115
NEW YORK	\$148,265	\$81,453	\$17,371	\$4,224	\$2,528
North Carolina	\$38,643	\$32,715	\$6,597	\$3,216	\$552
North Dakota	\$3,510	\$3,049	\$488	\$325	\$46
Ohio	\$45,680	\$37,249	\$8,067	\$3,208	\$414
Oklahoma	\$12,981	\$11,450	\$1,777	\$1,286	\$92
Oregon	\$17,705	\$14,253	\$2,420	\$1,211	\$253
Pennsylvania	\$63,084	\$47,656	\$8,249	\$3,413	\$690
Rhode Island	\$5,235	\$4,189	\$582	\$242	\$92
South Carolina	\$16,972	\$14,934	\$2,238	\$1,609	\$138
South Dakota	\$5,217	\$3,105	\$593	\$304	\$23
Tennessee	\$25,792	\$21,805	\$3,846	\$2,112	\$322
Texas	\$142,018	\$92,571	\$18,234	\$9,320	\$1,471
Utah	\$11,472	\$9,945	\$1,752	\$867	\$92
Vermont	\$2,601	\$2,325	\$268	\$175	\$23
Virginia	\$46,192	\$35,525	\$4,386	\$2,783	\$460
Washington	\$47,185	\$30,957	\$5,611	\$1,921	\$299
West Virginia	\$4,654	\$4,837	\$647	\$551	\$23
Wisconsin	\$25,348	\$21,502	\$4,076	\$1,585	\$253
Wyoming	\$3,495	\$2,058	\$158	\$276	\$299
District of Columbia	\$6,341	\$4,702	\$531	\$96	\$46

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

Appendix A (continued)

Expenditures by the Federal Government, FFY 2018

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$3,814,335	\$11,659			
Alabama	\$69,127	\$14,142	\$2,484	21.3%	10
Alaska	\$13,308	\$18,047	\$6,388	54.8%	3
Arizona	\$85,653	\$11,943	\$285	2.4%	21
Arkansas	\$35,004	\$11,615	(\$44)	(.4%)	27
California	\$420,446	\$10,629	(\$1,030)	(8.8%)	37
Colorado	\$60,089	\$10,550	(\$1,109)	(9.5%)	38
Connecticut	\$51,361	\$14,376	\$2,718	23.3%	9
Delaware	\$11,428	\$11,815	\$157	1.3%	23
Florida	\$251,695	\$11,817	\$158	1.4%	22
Georgia	\$108,397	\$10,304	(\$1,354)	(11.6%)	39
Hawaii	\$21,610	\$15,213	\$3,554	30.5%	5
Idaho	\$18,071	\$10,302	(\$1,357)	(11.6%)	41
Illinois	\$123,414	\$9,686	(\$1,972)	(16.9%)	46
Indiana	\$67,783	\$10,129	(\$1,530)	(13.1%)	42
Iowa	\$30,355	\$9,618	(\$2,041)	(17.5%)	48
Kansas	\$29,307	\$10,066	(\$1,593)	(13.7%)	44
Kentucky	\$59,898	\$13,405	\$1,746	15.0%	11
Louisiana	\$54,680	\$11,734	\$75	.6%	25
Maine	\$17,558	\$13,119	\$1,460	12.5%	12
Maryland	\$111,821	\$18,505	\$6,846	58.7%	2
Massachusetts	\$85,685	\$12,414	\$756	6.5%	15
Michigan	\$110,128	\$11,017	(\$641)	(5.5%)	30
Minnesota	\$53,315	\$9,502	(\$2,157)	(18.5%)	49
Mississippi	\$43,545	\$14,581	\$2,922	25.1%	7
Missouri	\$78,341	\$12,787	\$1,129	9.7%	13
Montana	\$12,696	\$11,951	\$293	2.5%	20
Nebraska	\$20,688	\$10,723	(\$935)	(8.0%)	33
Nevada	\$30,660	\$10,104	(\$1,554)	(13.3%)	43
New Hampshire	\$16,212	\$11,952	\$293	2.5%	19
New Jersey	\$91,790	\$10,304	(\$1,355)	(11.6%)	40
New Mexico	\$35,312	\$16,852	\$5,193	44.5%	4
NEW YORK	\$227,205	\$11,626	(\$32)	(.3%)	26
North Carolina	\$112,102	\$10,796	(\$863)	(7.4%)	32
North Dakota	\$8,297	\$10,916	(\$743)	(6.4%)	31
Ohio	\$125,081	\$10,700	(\$958)	(8.2%)	35
Oklahoma	\$45,644	\$11,576	(\$83)	(.7%)	28
Oregon	\$44,727	\$10,673	(\$986)	(8.5%)	36
Pennsylvania	\$157,137	\$12,270	\$611	5.2%	16
Rhode Island	\$13,166	\$12,452	\$793	6.8%	14
South Carolina	\$62,016	\$12,198	\$539	4.6%	17
South Dakota	\$9,456	\$10,718	(\$941)	(8.1%)	34
Tennessee	\$77,667	\$11,472	(\$186)	(1.6%)	29
Texas	\$288,503	\$10,052	(\$1,607)	(13.8%)	45
Utah	\$24,756	\$7,831	(\$3,827)	(32.8%)	50
Vermont	\$9,402	\$15,013	\$3,354	28.8%	6
Virginia	\$159,095	\$18,678	\$7,020	60.2%	1
Washington	\$88,536	\$11,749	\$90	.8%	24
West Virginia	\$26,127	\$14,468	\$2,809	24.1%	8
Wisconsin	\$56,143	\$9,657	(\$2,001)	(17.2%)	47
Wyoming	\$6,963	\$12,052	\$393	3.4%	18
District of Columbia	\$52,935	\$75,357	\$63,699	546.4%	

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

Appendix A (continued)

Federal Expenditures: Direct Payments, FFY 2018

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$2,348,830	\$7,179			
Alabama	\$41,976	\$8,588	\$1,409	19.6%	5
Alaska	\$5,239	\$7,104	(\$75)	(1.0%)	32
Arizona	\$49,896	\$6,957	(\$222)	(3.1%)	38
Arkansas	\$24,296	\$8,062	\$882	12.3%	11
California	\$241,179	\$6,097	(\$1,082)	(15.1%)	48
Colorado	\$34,500	\$6,057	(\$1,122)	(15.6%)	49
Connecticut	\$26,310	\$7,364	\$185	2.6%	27
Delaware	\$8,077	\$8,351	\$1,172	16.3%	7
Florida	\$187,477	\$8,802	\$1,623	22.6%	4
Georgia	\$72,034	\$6,848	(\$332)	(4.6%)	40
Hawaii	\$10,670	\$7,511	\$332	4.6%	22
Idaho	\$11,903	\$6,785	(\$394)	(5.5%)	42
Illinois	\$84,485	\$6,631	(\$548)	(7.6%)	44
Indiana	\$47,483	\$7,096	(\$84)	(1.2%)	33
Iowa	\$21,880	\$6,933	(\$247)	(3.4%)	39
Kansas	\$20,284	\$6,967	(\$212)	(3.0%)	37
Kentucky	\$34,310	\$7,678	\$499	7.0%	19
Louisiana	\$34,787	\$7,465	\$286	4.0%	23
Maine	\$11,961	\$8,937	\$1,757	24.5%	3
Maryland	\$47,665	\$7,888	\$709	9.9%	17
Massachusetts	\$49,634	\$7,191	\$12	.2%	30
Michigan	\$78,877	\$7,891	\$712	9.9%	15
Minnesota	\$36,176	\$6,447	(\$732)	(10.2%)	45
Mississippi	\$25,247	\$8,454	\$1,274	17.8%	6
Missouri	\$45,667	\$7,454	\$275	3.8%	24
Montana	\$8,106	\$7,631	\$451	6.3%	20
Nebraska	\$15,446	\$8,006	\$827	11.5%	12
Nevada	\$20,679	\$6,815	(\$365)	(5.1%)	41
New Hampshire	\$11,000	\$8,110	\$930	13.0%	9
New Jersey	\$62,848	\$7,055	(\$125)	(1.7%)	35
New Mexico	\$16,647	\$7,945	\$765	10.7%	14
NEW YORK	\$138,119	\$7,068	(\$112)	(1.6%)	34
North Carolina	\$77,362	\$7,450	\$271	3.8%	25
North Dakota	\$4,884	\$6,425	(\$754)	(10.5%)	46
Ohio	\$85,108	\$7,281	\$101	1.4%	28
Oklahoma	\$30,356	\$7,699	\$519	7.2%	18
Oregon	\$30,909	\$7,376	\$196	2.7%	26
Pennsylvania	\$103,666	\$8,094	\$915	12.7%	10
Rhode Island	\$8,444	\$7,987	\$807	11.2%	13
South Carolina	\$42,392	\$8,338	\$1,159	16.1%	8
South Dakota	\$6,304	\$7,146	(\$34)	(.5%)	31
Tennessee	\$53,407	\$7,889	\$709	9.9%	16
Texas	\$175,108	\$6,101	(\$1,078)	(15.0%)	47
Utah	\$15,848	\$5,013	(\$2,166)	(30.2%)	50
Vermont	\$6,395	\$10,211	\$3,032	42.2%	1
Virginia	\$64,421	\$7,563	\$384	5.3%	21
Washington	\$50,806	\$6,742	(\$437)	(6.1%)	43
West Virginia	\$17,597	\$9,745	\$2,566	35.7%	2
Wisconsin	\$40,782	\$7,015	(\$164)	(2.3%)	36
Wyoming	\$4,203	\$7,275	\$95	1.3%	29
District of Columbia	\$5,981	\$8,515	\$1,335	18.6%	

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

Appendix A (continued)

Federal Expenditures: Grants, FFY 2018

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$685,033	\$2,094			
Alabama	\$8,769	\$1,794	(\$300)	(14.3%)	32
Alaska	\$3,283	\$4,452	\$2,358	112.6%	1
Arizona	\$14,793	\$2,063	(\$31)	(1.5%)	26
Arkansas	\$8,371	\$2,777	\$684	32.7%	10
California	\$95,675	\$2,419	\$325	15.5%	17
Colorado	\$8,899	\$1,562	(\$531)	(25.4%)	44
Connecticut	\$8,320	\$2,329	\$235	11.2%	21
Delaware	\$2,437	\$2,520	\$426	20.3%	14
Florida	\$30,102	\$1,413	(\$681)	(32.5%)	48
Georgia	\$16,161	\$1,536	(\$558)	(26.6%)	45
Hawaii	\$2,893	\$2,037	(\$57)	(2.7%)	27
Idaho	\$2,766	\$1,577	(\$517)	(24.7%)	42
Illinois	\$21,998	\$1,727	(\$367)	(17.5%)	35
Indiana	\$13,920	\$2,080	(\$14)	(.7%)	24
Iowa	\$5,389	\$1,707	(\$386)	(18.5%)	37
Kansas	\$4,160	\$1,429	(\$665)	(31.8%)	47
Kentucky	\$12,317	\$2,756	\$663	31.6%	11
Louisiana	\$13,736	\$2,948	\$854	40.8%	6
Maine	\$3,121	\$2,332	\$238	11.4%	20
Maryland	\$12,493	\$2,067	(\$26)	(1.3%)	25
Massachusetts	\$17,613	\$2,552	\$458	21.9%	13
Michigan	\$21,453	\$2,146	\$52	2.5%	22
Minnesota	\$12,003	\$2,139	\$45	2.2%	23
Mississippi	\$7,685	\$2,573	\$479	22.9%	12
Missouri	\$12,057	\$1,968	(\$126)	(6.0%)	29
Montana	\$2,955	\$2,782	\$688	32.9%	9
Nebraska	\$2,801	\$1,452	(\$642)	(30.7%)	46
Nevada	\$5,014	\$1,652	(\$442)	(21.1%)	41
New Hampshire	\$2,356	\$1,737	(\$357)	(17.0%)	34
New Jersey	\$18,132	\$2,035	(\$58)	(2.8%)	28
New Mexico	\$6,891	\$3,289	\$1,195	57.1%	3
NEW YORK	\$69,812	\$3,572	\$1,479	70.6%	2
North Carolina	\$17,489	\$1,684	(\$410)	(19.6%)	39
North Dakota	\$1,864	\$2,452	\$358	17.1%	16
Ohio	\$27,284	\$2,334	\$240	11.5%	19
Oklahoma	\$6,927	\$1,757	(\$337)	(16.1%)	33
Oregon	\$10,482	\$2,501	\$408	19.5%	15
Pennsylvania	\$30,500	\$2,381	\$288	13.7%	18
Rhode Island	\$2,983	\$2,821	\$728	34.7%	7
South Carolina	\$8,623	\$1,696	(\$398)	(19.0%)	38
South Dakota	\$1,507	\$1,708	(\$386)	(18.4%)	36
Tennessee	\$12,183	\$1,800	(\$294)	(14.1%)	31
Texas	\$44,940	\$1,566	(\$528)	(25.2%)	43
Utah	\$4,013	\$1,270	(\$824)	(39.4%)	49
Vermont	\$1,956	\$3,123	\$1,029	49.1%	4
Virginia	\$10,796	\$1,268	(\$826)	(39.5%)	50
Washington	\$14,141	\$1,877	(\$217)	(10.4%)	30
West Virginia	\$5,566	\$3,082	\$988	47.2%	5
Wisconsin	\$9,781	\$1,682	(\$411)	(19.6%)	40
Wyoming	\$1,630	\$2,821	\$727	34.7%	8
District of Columbia	\$3,995	\$5,686	\$3,593	171.6%	

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

Appendix A (continued)

Federal Expenditures: Procurement, FFY 2018

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$516,231	\$1,578			
Alabama	\$13,786	\$2,820	\$1,243	78.8%	6
Alaska	\$2,274	\$3,083	\$1,506	95.4%	5
Arizona	\$16,347	\$2,279	\$702	44.5%	9
Arkansas	\$911	\$302	(\$1,276)	(80.8%)	50
California	\$58,663	\$1,483	(\$95)	(6.0%)	17
Colorado	\$10,618	\$1,864	\$286	18.1%	13
Connecticut	\$15,424	\$4,317	\$2,739	173.6%	4
Delaware	\$321	\$332	(\$1,246)	(79.0%)	49
Florida	\$21,608	\$1,014	(\$563)	(35.7%)	24
Georgia	\$9,455	\$899	(\$679)	(43.0%)	27
Hawaii	\$2,383	\$1,677	\$99	6.3%	15
Idaho	\$2,411	\$1,374	(\$204)	(12.9%)	18
Illinois	\$11,174	\$877	(\$701)	(44.4%)	29
Indiana	\$4,171	\$623	(\$955)	(60.5%)	42
Iowa	\$2,206	\$699	(\$879)	(55.7%)	36
Kansas	\$1,822	\$626	(\$952)	(60.4%)	41
Kentucky	\$8,943	\$2,001	\$424	26.8%	11
Louisiana	\$3,075	\$660	(\$918)	(58.2%)	39
Maine	\$1,367	\$1,022	(\$556)	(35.3%)	23
Maryland	\$34,337	\$5,682	\$4,105	260.1%	2
Massachusetts	\$15,513	\$2,248	\$670	42.4%	10
Michigan	\$6,972	\$697	(\$880)	(55.8%)	37
Minnesota	\$3,313	\$590	(\$987)	(62.6%)	46
Mississippi	\$8,227	\$2,755	\$1,177	74.6%	7
Missouri	\$16,468	\$2,688	\$1,110	70.4%	8
Montana	\$640	\$602	(\$976)	(61.8%)	44
Nebraska	\$1,035	\$537	(\$1,041)	(66.0%)	47
Nevada	\$3,060	\$1,008	(\$569)	(36.1%)	25
New Hampshire	\$2,388	\$1,760	\$182	11.6%	14
New Jersey	\$7,689	\$863	(\$715)	(45.3%)	30
New Mexico	\$9,076	\$4,331	\$2,753	174.5%	3
NEW YORK	\$11,697	\$599	(\$979)	(62.1%)	45
North Carolina	\$6,273	\$604	(\$974)	(61.7%)	43
North Dakota	\$539	\$709	(\$869)	(55.1%)	34
Ohio	\$7,508	\$642	(\$936)	(59.3%)	40
Oklahoma	\$4,070	\$1,032	(\$546)	(34.6%)	22
Oregon	\$1,548	\$369	(\$1,208)	(76.6%)	48
Pennsylvania	\$17,262	\$1,348	(\$230)	(14.6%)	19
Rhode Island	\$736	\$697	(\$881)	(55.9%)	38
South Carolina	\$6,778	\$1,333	(\$245)	(15.5%)	20
South Dakota	\$779	\$883	(\$695)	(44.1%)	28
Tennessee	\$8,858	\$1,308	(\$269)	(17.1%)	21
Texas	\$47,711	\$1,662	\$84	5.4%	16
Utah	\$2,429	\$768	(\$809)	(51.3%)	33
Vermont	\$579	\$924	(\$654)	(41.5%)	26
Virginia	\$59,410	\$6,975	\$5,397	342.0%	1
Washington	\$14,629	\$1,941	\$363	23.0%	12
West Virginia	\$1,416	\$784	(\$794)	(50.3%)	32
Wisconsin	\$4,087	\$703	(\$875)	(55.5%)	35
Wyoming	\$479	\$829	(\$748)	(47.4%)	31
District of Columbia	\$23,768	\$33,835	\$32,257	2,044.4%	

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

Appendix A (continued)

Federal Expenditures: Wages and Salaries, FFY 2018

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
National: 50 States & D.C.	\$264,240	\$808			
Alabama	\$4,595	\$940	\$132	16.4%	17
Alaska	\$2,512	\$3,407	\$2,599	321.8%	2
Arizona	\$4,616	\$644	(\$164)	(20.3%)	29
Arkansas	\$1,426	\$473	(\$335)	(41.4%)	36
California	\$24,929	\$630	(\$177)	(22.0%)	30
Colorado	\$6,072	\$1,066	\$259	32.0%	10
Connecticut	\$1,308	\$366	(\$442)	(54.7%)	43
Delaware	\$593	\$613	(\$195)	(24.1%)	32
Florida	\$12,508	\$587	(\$220)	(27.3%)	33
Georgia	\$10,748	\$1,022	\$214	26.5%	13
Hawaii	\$5,665	\$3,988	\$3,180	393.8%	1
Idaho	\$992	\$566	(\$242)	(30.0%)	34
Illinois	\$5,757	\$452	(\$356)	(44.1%)	37
Indiana	\$2,209	\$330	(\$478)	(59.1%)	46
Iowa	\$880	\$279	(\$529)	(65.5%)	49
Kansas	\$3,041	\$1,044	\$237	29.3%	12
Kentucky	\$4,328	\$969	\$161	19.9%	15
Louisiana	\$3,082	\$661	(\$146)	(18.1%)	28
Maine	\$1,109	\$829	\$21	2.6%	21
Maryland	\$17,326	\$2,867	\$2,060	255.0%	4
Massachusetts	\$2,924	\$424	(\$384)	(47.5%)	41
Michigan	\$2,826	\$283	(\$525)	(65.0%)	48
Minnesota	\$1,823	\$325	(\$483)	(59.8%)	47
Mississippi	\$2,386	\$799	(\$9)	(1.1%)	22
Missouri	\$4,149	\$677	(\$130)	(16.2%)	27
Montana	\$995	\$937	\$129	16.0%	18
Nebraska	\$1,406	\$729	(\$79)	(9.8%)	25
Nevada	\$1,908	\$629	(\$179)	(22.1%)	31
New Hampshire	\$468	\$345	(\$463)	(57.3%)	45
New Jersey	\$3,121	\$350	(\$457)	(56.6%)	44
New Mexico	\$2,698	\$1,288	\$480	59.4%	6
NEW YORK	\$7,577	\$388	(\$420)	(52.0%)	42
North Carolina	\$10,978	\$1,057	\$250	30.9%	11
North Dakota	\$1,011	\$1,330	\$522	64.6%	5
Ohio	\$5,181	\$443	(\$364)	(45.1%)	39
Oklahoma	\$4,292	\$1,088	\$281	34.8%	9
Oregon	\$1,787	\$427	(\$381)	(47.2%)	40
Pennsylvania	\$5,710	\$446	(\$362)	(44.8%)	38
Rhode Island	\$1,002	\$947	\$140	17.3%	16
South Carolina	\$4,223	\$831	\$23	2.8%	20
South Dakota	\$866	\$982	\$174	21.6%	14
Tennessee	\$3,219	\$476	(\$332)	(41.1%)	35
Texas	\$20,744	\$723	(\$85)	(10.5%)	26
Utah	\$2,465	\$780	(\$28)	(3.4%)	23
Vermont	\$473	\$755	(\$53)	(6.5%)	24
Virginia	\$24,468	\$2,873	\$2,065	255.7%	3
Washington	\$8,960	\$1,189	\$381	47.2%	7
West Virginia	\$1,548	\$857	\$49	6.1%	19
Wisconsin	\$1,493	\$257	(\$551)	(68.2%)	50
Wyoming	\$651	\$1,127	\$319	39.5%	8
District of Columbia	\$19,192	\$27,321	\$26,513	3,282.7%	

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) 2018. 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 2018 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	\$3,329,904	\$152,963	\$17,719	\$3,159,222
Outlays	\$4,109,042	\$261,149	\$33,558	\$3,814,335
Deficit	(\$779,138)			

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. Almost 95 percent of federal receipts and 93 percent of 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 2018 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 2018 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 various 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; the federal departments of Agriculture, Defense, Labor, and Veterans Affairs; the Centers for Medicare and Medicaid Services and the Railroad Retirement Board. The Federal Funds Information for States (FFIS) master grant data base was also used as a comprehensive source for determining certain allocations to states for a range of federal grant programs.

Appendix C: Sources

United States Government

Department of Commerce

Bureau of Economic Analysis:

Regional Data, GDP & Personal Income, Annual and Quarterly Gross Domestic Product (GDP) by State available at <https://apps.bea.gov/itable/iTable.cfm?ReqID=70&step=1#reqid=70&step=1&isuri=1>. See *Interactive Data* at <https://www.bea.gov/data/gdp/gdp-state>.

Regional Data, GDP & Personal Income, Quarterly State Personal Income: Personal Current Transfer Receipts (Medicare benefits); and Wages and Salaries by NAICS Industry at <https://apps.bea.gov/itable/iTable.cfm?ReqID=70&step=1#reqid=70&step=1&isuri=1>. See *Interactive Data/Interactive Tables* at <https://www.bea.gov/data/income-saving/personal-income-by-state>.

State Personal Income and Employment: Concepts, Data Sources, and Statistical Methods, September 2017 at <https://www.bea.gov/sites/default/files/methodologies/spi2017.pdf>.

Census Bureau:

Population Division, *Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2018, December 2018 Population Estimates* at https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2018_PEPANNRES&src=pt.

2017 American Community Survey 1-Year Estimates, *B14001: School Enrollment by Level of School for the Population 3 Years and Over*, at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?ft=table> or see <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

Department of Defense

Office of the Actuary, *Statistical Report on the Military Retirement System, Fiscal Year 2018, Number of Military Retirees by State as of September 30, 2018* (page 24) and *Number of Military Retirees by Country as of September 30, 2018* (pages 29-31) at https://media.defense.gov/2019/May/14/2002131753/-1/-1/0/MRS_STATRPT_2018 V5.PDF.

Defense Health Agency, *Evaluation of the TRICARE Program: Fiscal Year 2018 Report to Congress*, see MHS Population: Enrollees and Total Population by State, page 26 at <https://www.health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Health-Care-Program-Evaluation>, see *Annual Evaluation of the TRICARE Program* and see *Evaluation of the TRICARE Program Fiscal Year 2018 Report to Congress*.

Department of Health and Human Services, Centers for Medicare and Medicaid Services

Early 2019 Effectuated Enrollment Snapshot (includes 2018 Average Monthly Effectuated Enrollment), Aug. 12, 2019 at <https://www.cms.gov/newsroom/fact-sheets/early-2019-effectuated-enrollment-snapshot> (for premium tax credit data).

Expenditure Reports from MBES/CBES (Medicaid Budget and Expenditure System/State Children's Health Insurance Program Budget and Expenditure System), *Financial Management Report for FY 2017* at <https://www.medicare.gov/medicaid/finance/state-expenditure-reporting/expenditure-reports/index.html>.

Department of Labor

Bureau of Labor Statistics, *Quarterly Census of Employment and Wages for Ownership: Federal Government and Industry: NAICS 491 Postal Service* at www.bls.gov/cew/apps/data_views/data_views.htm#tab=Tables.

Employment Training Administration, *ETA 2112: UI Financial Transaction Summary* at <https://oui.doleta.gov/unemploy/csv/ar2112.csv> or see <https://workforcesecurity.doleta.gov/unemploy/DataDownloads.asp>.

Department of the Treasury, Internal Revenue Service

Statistics of Income (SOI) Tax Stats – Historic Table 2, Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2017 at <http://www.irs.gov/statistics/soi-tax-stats-historic-table-2>.

Statistics of Income (SOI) Tax Stats – IRS Data Book, Table 5: Gross Collections, by Type of Tax and State, Fiscal Year 2018 and Table 8: Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2018 at <https://www.irs.gov/pub/irs-pdf/p55b.pdf> (2018 Data Book, October 1, 2017 to September 30, 2018).

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

Analytical Perspectives, Supplemental Materials as Spreadsheets, Tables 17-3 through 17-39. 2020 Budget State-by-State Tables at <https://www.whitehouse.gov/omb/analytical-perspectives/>.

Appendix, Detailed Budget Estimates by Agency at <https://www.whitehouse.gov/omb/appendix/>.

Historical Tables, see: Table 1.1 – Summary of Receipts, Outlays, and Surpluses or Deficits (-): 1789-2024; Table 2.1 – Receipts by Source: 1934-2024; Table 2.4 – Composition of Social Insurance and Retirement Receipts and of Excise Taxes: 1940-2024; Table 2.5 – Composition of “Other Receipts”: 1940-2024; Table 6.1 – Composition of Outlays: 1940-2024; Table 11.3 – Outlays for Payments for Individuals by Category and Major Program: 1940-2024 at <https://www.whitehouse.gov/omb/historical-tables/>.

Supplemental Materials, Public Budget Database, Outlays XLS at <https://www.whitehouse.gov/omb/supplemental-materials/>.

Supplemental Materials, Supporting Documents, Object Class Analysis, Fiscal Year 2020 at <https://www.whitehouse.gov/wp-content/uploads/2019/03/objclass-fy2020.pdf>.

Other

Department of Agriculture, Supplemental Nutrition Assistance Program (SNAP), National and/or State Level Monthly and/or Annual Data: FY69 through FY18 at <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.

Department of Transportation, Federal Highway Administration, *Highway Statistics 2017, Federal Highway Trust Fund Receipts Attributable to Highway Users in Each State*, Table FE-9 at <https://www.fhwa.dot.gov/policyinformation/statistics/2017/fe9.cfm>; and *Status of the Federal Highway Trust Fund, October 1, 2016 - September 30, 2017*, Table FE-10 at <https://www.fhwa.dot.gov/policyinformation/statistics/2017/fe10.cfm>; both tables last modified on July 15, 2019. See also <https://www.fhwa.dot.gov/policyinformation/statistics/2017/>.

Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, *Geographic Distribution of VA Expenditures for Fiscal Year 2018, Summary of Expenditures by State*, May 2019 at <https://www.va.gov/vetdata/expenditures.asp>.

Federal Aviation Administration, *Passenger Boarding (Enplanement) and All-Cargo Data for U.S. Airports – Previous Calendar Year Data, CY 2018* at https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/.

Federal Procurement Data System – Next Generation at https://www.fpds.gov/fpdsng_cms/index.php/en/.

National Institute of Alcoholism and Alcohol Abuse, *Surveillance Report #113, Table 2. Apparent alcohol consumption for States, census regions, and the United States, April 2019* at https://pubs.niaaa.nih.gov/publications/surveillance113/tab2_17.htm.

Office of Personnel Management (OPM), Civil Service Retirement and Disability Program, *Exhibit R14: Fiscal Year 2018 Annuitants On The Retirement Roll – CSRS/FERS Employee and Survivor Annuitants: Geographic Distribution by Number on Roll and Monthly Annuities*, provided on August 16, 2019.

Railroad Retirement Board, Annual Railroad Retirement Act and Railroad Unemployment Insurance Act Data, Statistical Tables, *Section A – Financial Statistics, Table A6.– Retirement, survivor, unemployment, and sickness benefit payments, by class of benefit and state of residence of beneficiary, fiscal year 2018 (In thousands), cash basis* at <https://www.rrb.gov/FinancialReporting/FinancialActuarialStatistical/Annual>.

Social Security Administration, *Earnings and Employment Data for Workers Covered Under Social Security and Medicare, by State and County*, 2016 at http://www.socialsecurity.gov/policy/docs/statcomps/eedata_sc/2016/.

USAspending.gov, see *Award Search/Advanced Search* at <https://www.usaspending.gov/#/search> and *Download Center/Award Data Archive* at https://www.usaspending.gov/#/download_center/award_data_archive.

Non-Government

Federal Funds Information for States, *FFIS Grants Database* at www.ffis.org/database.

Orzechowski and Walker, *The Tax Burden on Tobacco, Volume 51, 1970-2018, Table 11, State Tax-Paid Cigarette Sales* at <https://data.cdc.gov/Policy/The-Tax-Burden-on-Tobacco-Volume-51-1970-2018/7nwe-3aj9>.

Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236
(518) 474-4044
www.osc.state.ny.us

Prepared by the Office of Budget and Policy Analysis



Like us on Facebook at facebook.com/nyscomptroller
Follow us on Twitter @nyscomptroller