

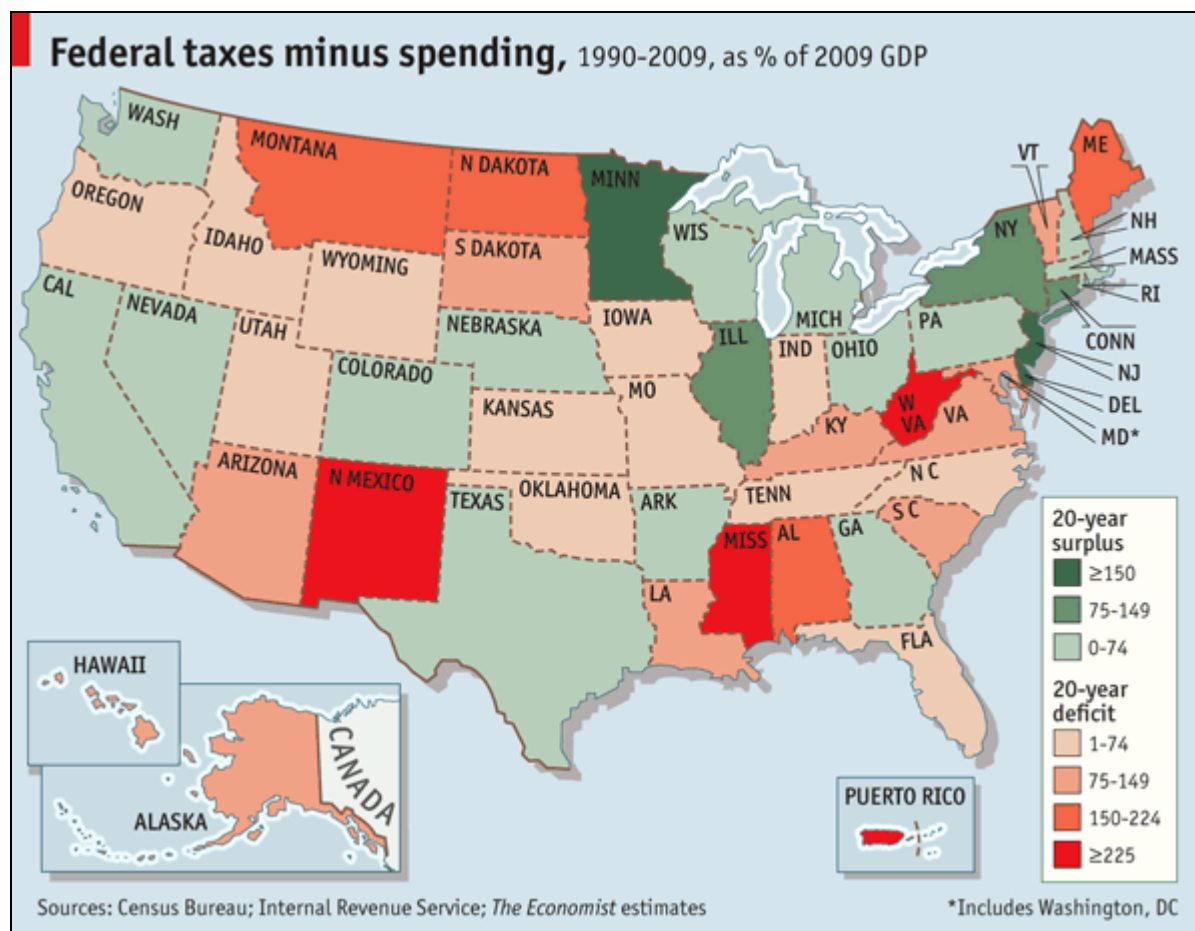
America's fiscal union

The red and the black

Aug 1st 2011, 16:16 by [The Economist online](#)

Where federal taxes are raised and spent

SOME American states receive more in federal spending than they pay in federal taxes; others receive less. Over twenty years these fiscal transfers can add up to a sizeable sum. From 1990 to 2009, the federal government spent \$1.44 trillion in Virginia but collected less than \$850 billion in taxes, a gap of over \$590 billion. But relative to the size of its economy, Virginia derived a smaller benefit from America's fiscal union than states like New Mexico, Mississippi and West Virginia, where the 20-year transfer exceeded 200% of their annual GDP. Transfers to Puerto Rico, which is a US territory not a fully incorporated state, exceeded 290%. Where did these transfers come from? New York transferred over \$950 billion to the rest of America's fiscal union from 1990 to 2009. But relative to the size of its economy, Delaware made the biggest contribution, equivalent to more than twice its 2009 GDP. These calculations are based on tax figures provided by the Internal Revenue Service (which used to bracket Washington, DC, with Maryland) and federal spending numbers provided by the Census Bureau, which ignores spending on international programmes and interest payments.



US fiscal transfers

	Federal taxes, 1990-2009, \$bn	Federal spending, 1990-2009, \$bn	Taxes minus spending, \$bn	GDP, 2009, \$bn	Federal taxes minus spending, 1990-2009, as % of 2009 GDP
Delaware	211.1	86.4	124.8	60.7	206
Minnesota	1,016.9	503.8	513.2	258.5	199
New Jersey	1,656.2	950.5	705.7	471.9	150
Illinois	2,000.0	1,299.1	700.9	632.0	111
Connecticut	715.2	474.5	240.7	227.6	106
New York	3,320.8	2,364.6	956.2	1,094.1	87
Ohio	1,569.3	1,265.8	303.5	462.0	66
Michigan	1,228.0	1,031.2	196.8	369.7	53
Nebraska	246.5	202.2	44.2	86.4	51
Massachusetts	1,065.5	917.9	147.6	360.5	41
Colorado	606.9	506.2	100.7	250.7	40
Wisconsin	630.1	543.3	86.8	239.6	36
Texas	2,738.6	2,348.8	389.8	1,146.6	34
Georgia	1,018.3	918.8	99.5	394.1	25
Nevada	219.9	197.0	22.9	125.0	18
California	4,249.5	3,913.3	336.2	1,847.0	18
Arkansas	333.3	316.3	17.0	98.8	17
Washington	785.8	739.6	46.2	331.6	14
Rhode Island	145.6	139.7	6.0	47.5	13
New Hampshire	134.2	129.7	4.5	59.1	8
Pennsylvania	1,602.3	1,602.5	-0.3	546.5	0
Indiana	632.0	642.2	-10.2	259.9	-4
North Carolina	863.5	881.3	-17.8	407.0	-4
Oregon	350.0	361.8	-11.8	167.5	-7
Kansas	307.1	331.7	-24.6	122.5	-20
Missouri	723.5	794.3	-70.8	238.0	-30
Tennessee	649.9	731.2	-81.3	243.8	-33
Utah	187.6	225.3	-37.7	111.3	-34
Oklahoma	385.0	434.3	-49.3	142.4	-35
Florida	1,704.0	2,002.7	-298.7	732.8	-41
Idaho	124.3	148.4	-24.1	53.7	-45
Iowa	268.9	332.2	-63.3	136.1	-47
Wyoming	51.3	70.4	-19.1	36.8	-52
Vermont	54.7	73.9	-19.2	24.6	-78
Arizona	424.9	631.7	-206.8	249.7	-83
Louisiana	397.8	601.2	-203.5	205.1	-99
South Dakota	64.7	109.9	-45.3	38.3	-118
South Carolina	302.1	494.5	-192.4	158.8	-121
Kentucky	329.3	536.8	-207.5	155.8	-133
Hawaii	118.9	206.6	-87.7	65.4	-134
Virginia	848.1	1,441.0	-592.9	409.7	-145
Alaska	63.2	131.4	-68.2	45.9	-149
Maryland*	1,030.8	1,604.1	-573.3	384.0	-149
Maine	96.9	172.5	-75.6	50.0	-151
North Dakota	53.9	102.6	-48.7	31.6	-154
Alabama	340.1	630.8	-290.6	166.8	-174
Montana	60.8	125.2	-64.5	35.0	-184
West Virginia	98.6	247.6	-149.0	61.0	-244
Mississippi	164.7	404.6	-239.9	94.4	-254
New Mexico	115.7	316.6	-201.0	76.9	-261
Puerto Rico†	73.7	256.1	-182.4	62.8	-291

Sources: Census Bureau; Internal Revenue Service; *The Economist* estimates

*Includes Washington, DC †US territory