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State Revenues Weakest in Nearly 5 Years, Report Says

By Sara Hebel

There's more bad news for colleges [already bracing for potential state-budget cuts in an economic report](#) being released today by the State University of New York's Nelson A. Rockefeller Institute of Government.

The report found that state tax revenues continued to weaken during the fourth quarter of 2007 while costs facing states and their local governments

rose sharply. When the effects of inflation and changes in tax policies are factored in, state tax revenues across the nation dropped by 4.3 percent during the quarter, which runs from October to December, according to the institute.

“Both by that measure and in nominal terms, state tax revenues were the weakest in almost five years,” according to a press release that accompanied the report's release.

The strongest growth among state revenues was reported in the Rocky Mountains region, while the weakest growth generally was found in Southeastern states, the report said.