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## U.S. State Tax Revenue Exceeds Pre-Recession Level, Rockefeller Study Says

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U.S. state tax collections rose 6.1 percent from July to September, the seventh straight quarter of growth, and now exceed pre-recession levels, the Nelson A. Rockefeller Institute of Government said.

The increase was relative to the same period of 2010, the Albany, New York-based group said today. Preliminary figures from 44 states also show revenue growth of 5.2 percent in October and November compared with the year-earlier period, signaling the streak may extend into the fourth quarter, according to the study.

While state collections have caught up to levels from before the 18-month recession that started in December 2007, revenue is still below the peak, which came several months into

the recession, the institute said. For fiscal 2011, 36 states were still below the peak, the report said.

"In recent months, state tax revenue has risen significantly while the overall economy has been growing at a relatively slow pace," Lucy Dadayan, a senior policy analyst at the Rockefeller Institute, wrote in the report. "Such a disparity is not sustainable over time."

The U.S. unemployment rate fell to 8.5 percent in December, from a peak of 10 percent in October 2009. The rate was 5 percent in December 2007, according to the Bureau of Labor Statistics.

Tax-collection growth in the third quarter was the slowest since the same period of 2010, the report showed. At the end of fiscal 2011, collections were 3.5 percent below their peak, the report said.