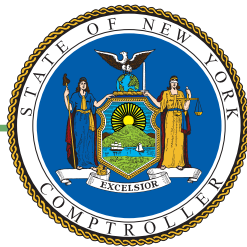
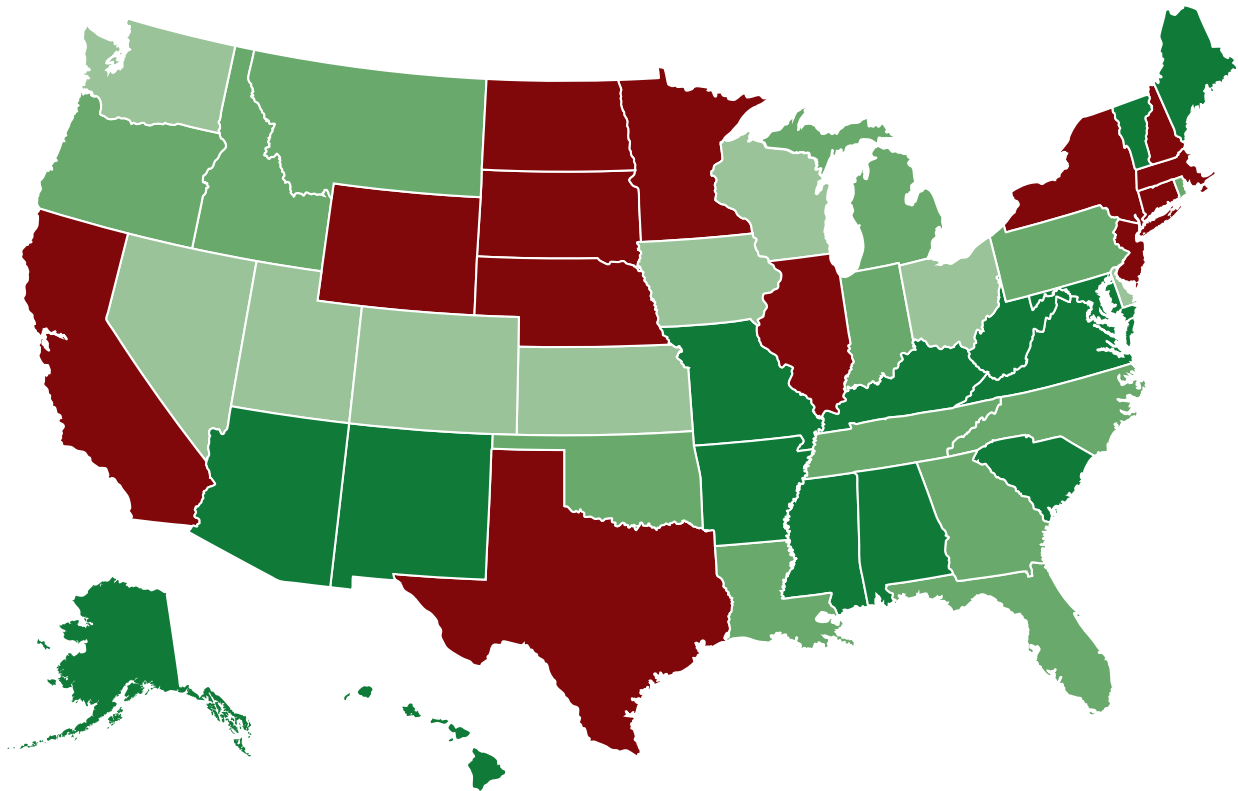


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# New York's Balance of Payments in the Federal Budget

## Federal Fiscal Year 2016



**OFFICE OF THE NEW YORK STATE COMPTROLLER**  
**Thomas P. DiNapoli, State Comptroller**

**OCTOBER 2017**

# Message from the Comptroller

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October 2017

As the President and Congress push for changes on both the spending and revenue sides of the federal budget, the stakes for New York State are high. This report makes that observation clear by detailing how much New Yorkers generate in federal taxes, how much we receive in spending from Washington, and how the balance here compares to other states.

Federal spending in New York State during Federal Fiscal Year 2016 included \$55 billion in Social Security payments, \$47 billion for Medicare, and \$46 billion for Medicaid and other safety net grants. Billions of dollars in other expenditures supported key programs in areas such as transportation, education and veterans benefits. Meanwhile, individuals and businesses in the State generated almost \$255 billion in federal taxes.

The bottom line: New York sent an estimated \$40.9 billion more in tax payments to Washington than it received in federal spending. In other words, for every federal tax dollar generated in New York, the federal government returned 84 cents to the State. That was significantly less than the \$1.18 average return for every tax dollar nationwide. On a per capita basis, only three states—New Jersey, North Dakota and Connecticut—experienced a more negative balance of payments than New York.

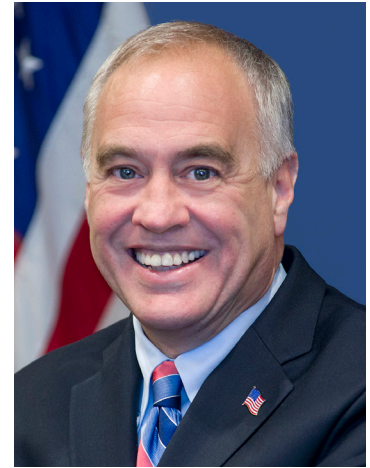
In some areas of the federal budget, the State fared comparatively well. New York, with 6.1 percent of the nation's population, received higher percentages of federal spending for Medicaid, Supplemental Nutrition Assistance and certain other safety net programs, for example.

On the other hand, the State generated 8.3 percent of the federal government's tax receipts, including 9.4 percent of income tax payments. Those percentages were higher than our shares of nationwide population and personal income.

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

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

Thomas P. DiNapoli  
State Comptroller



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# Executive Summary

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The budget of the United States government plays a considerable role in the finances of New York State and its local governments, as well as in the daily lives of New Yorkers. Federal spending provides Social Security income, Medicare and Medicaid health coverage and other benefits for millions of State residents. In recent years, federal aid has represented roughly one in three dollars of All Funds receipts in the State Budget. Spending from Washington also supports tens of thousands of New York jobs. Meanwhile, the Empire State generated almost \$255 billion in federal tax revenues in Federal Fiscal Year (FFY) 2016.

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 those states for the Federal Fiscal Year ending September 30, 2016, 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 2016, New York State generated nearly \$40.9 billion more in taxes paid to the federal government than it received in return through federal spending. New York contributed \$12,914 per capita in tax revenue to the federal budget, over a third more than the national average. The State received an estimated \$10,844 in per capita federal spending, slightly below the nationwide average.

In other words, for every dollar New York generated in federal tax receipts, it received 84 cents back in federal spending—compared to a national average of \$1.18. In its overall balance of payments—the difference between taxes paid and federal spending received—New York ranked 47th among the states, with a per capita deficit of \$2,070. The gap between taxes paid and spending received in New York has doubled over the course of three years, largely because federal income tax collections from the State increased. In FFY 2013, New York generated \$19.9 billion more in federal taxes than it received back in federal spending, according to a 2015 analysis by the

Office of the State Comptroller; in FFY 2016, the negative balance had grown to an estimated \$40.9 billion.

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 for retired federal employees, and food assistance. Spending for such direct payments totaled \$2.26 trillion nationwide in FFY 2016. New York received an estimated \$136 billion in this category, with a per capita average that was close to the national figure. Major programs for which the State received higher-than-average per capita expenditures include Medicare, Social Security (including Social Security disability), food assistance and Supplemental Security Income. Payments from Washington for federal employee retirement benefits and veterans benefits in 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 nearly \$61.3 billion and fared better than 46 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 third 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, \$16.7 billion, was 2.4 percent of the nationwide total.

Overall, New York State received 5.9 percent of total federal spending examined for this analysis. The State generated 8.3 percent of total federal tax revenue examined for this report, which was higher than its shares of the U.S. population (6.1 percent) and of the nation's personal income (7.5 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 relatively higher incomes in the State.

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The federal budget deficit in FFY 2016, \$585 billion, represented current spending that was funded by borrowing. As a result, federal spending in the states was greater than federal revenue raised—the states, in the aggregate, received more than they paid for.

Federal budget deficits (or surpluses) change over time, depending on many factors including shifts in the economy and policy actions that affect levels of spending and revenues. How such changes may affect New York and other states going forward is difficult to predict.

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

The President has recommended broad changes to federal spending, including major reductions in coming years to Medicaid and other domestic programs as well as significant increases in Defense Department funding. At the same time, the Administration and Congress are considering sweeping revisions to the federal tax code.

Such changes 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

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This report examines the flow of funds between the federal government and the 50 states for the Federal Fiscal Year ending September 30, 2016.<sup>1</sup> 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 2016, the federal government spent more than \$3.8 trillion, and brought in approximately \$3.3 trillion in revenue, with a budget deficit of \$585 billion. For the purposes of this analysis, certain revenue and spending amounts were excluded, resulting in an allocation of \$3.6 trillion in expenditures and \$3.1 trillion in tax revenues that are relevant and practical to allocate to the states. Almost 94 percent of federal receipts and outlays are allocated by state in this report.<sup>2</sup> 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 United States 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.

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<sup>1</sup> 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.

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

# The Balance of Payments Between the Federal Government and the States

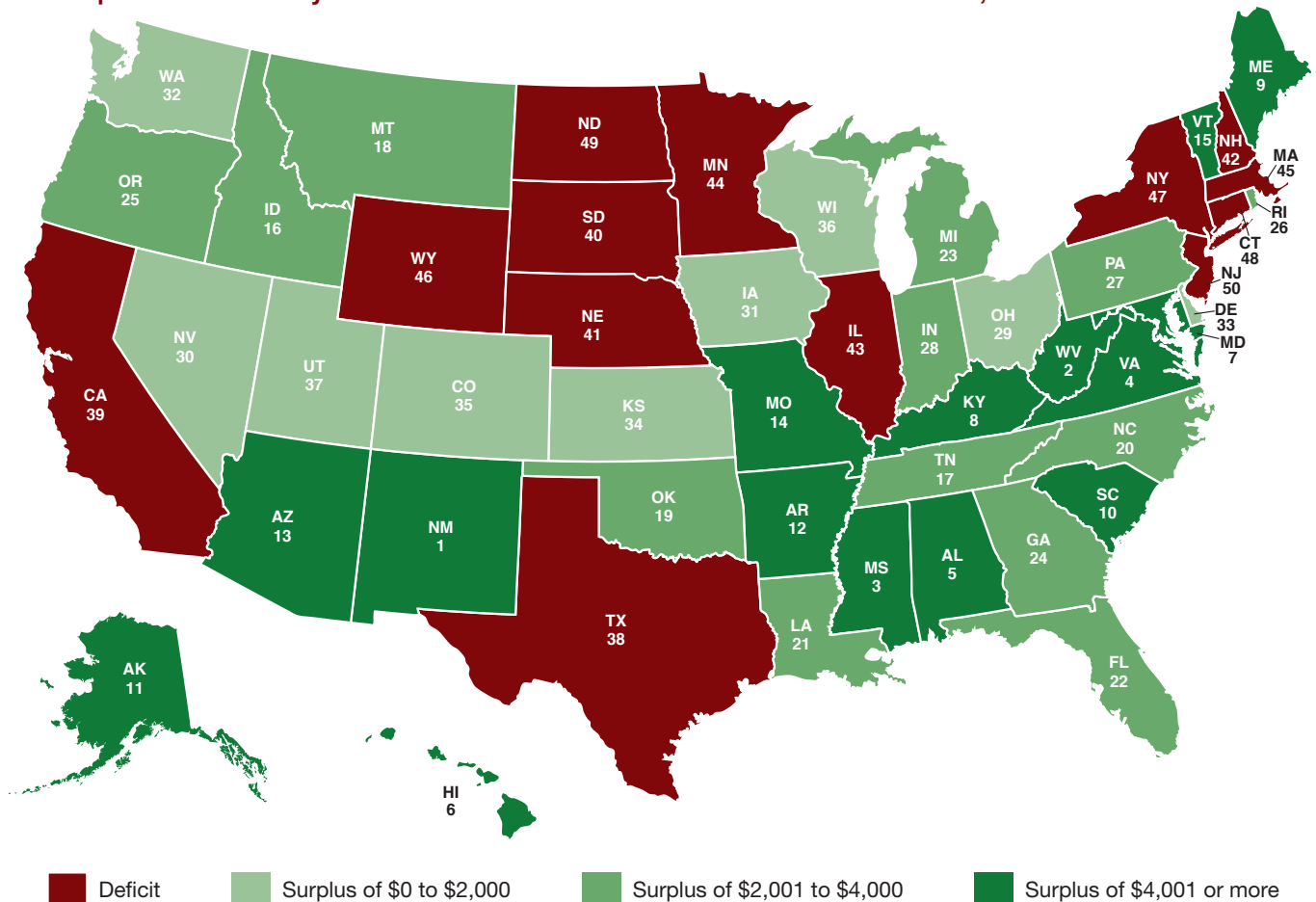
Most states received substantially more in federal expenditures than they generated in federal revenues in FFY 2016. Nationwide, on a per capita basis, the average gain was \$1,708. In other words, the average individual “received” that much more in federal expenditures than she or he “paid” in federal 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 \$12,914, some 36 percent more than

the national figure of \$9,476. New York received \$10,844 in per capita federal spending, slightly below the national average of \$11,183. In other words, for every dollar New York generated in federal tax receipts, it received 84 cents back in federal spending—compared to a national average of \$1.18. The combination of federal tax payments and federal expenditures resulted in a \$2,070 per capita deficit for the Empire State, for a ranking of 47th in the nation. Overall, 37 states had a positive balance of payments with the federal government, and 13—including New York—had a negative balance, as shown in Figures 1 and 2.

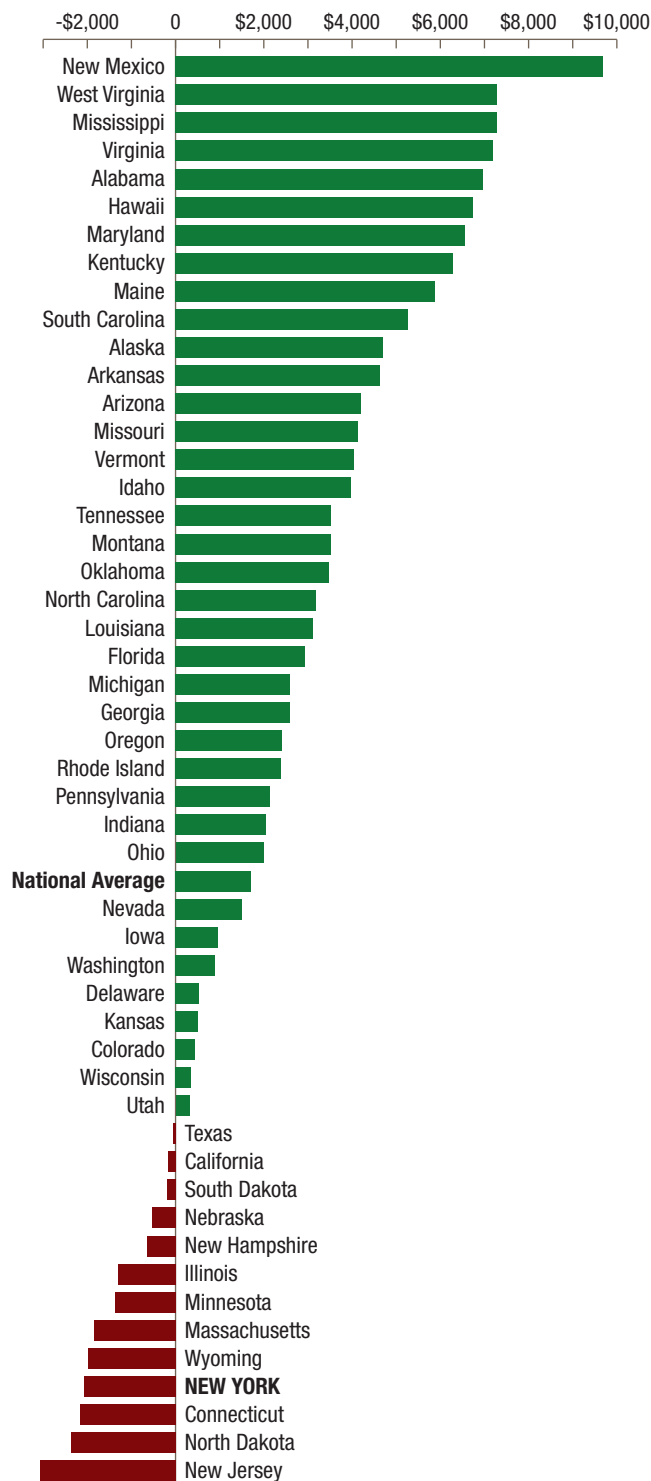
**FIGURE 1**  
Per Capita Balance of Payments Between the Federal Government and the States, FFY 2016



Note: The numbers shown in the map reflect each state’s ranking in per capita balance of payments for FFY 2016, from most favorable (1) to least favorable (50).



**FIGURE 2**  
**Per Capita Balance of Payments Between the Federal Government and the States, FFY 2016**



Three of New York’s neighboring states—New Jersey, Connecticut and Massachusetts—also had a negative balance of payments. On a per capita basis, New Jersey, North Dakota, Connecticut, and New York experienced the largest deficits. Eight 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 almost \$9,700.

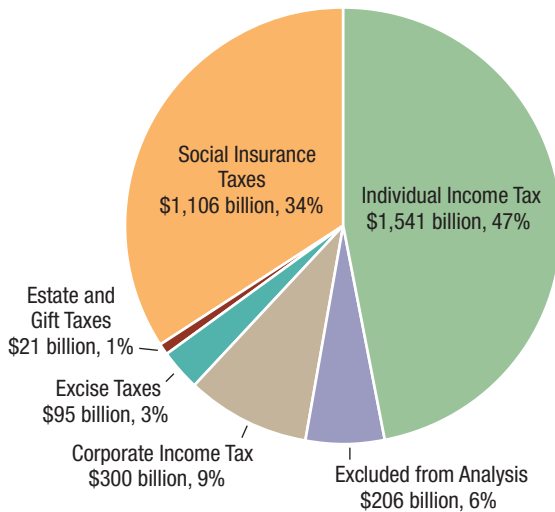
On the basis of total dollars (rather than dollars per capita), New York’s ranking drops from 47th to 50th, with a total deficit of nearly \$40.9 billion; New Jersey experienced the next largest such deficit at \$27.5 billion. Florida experienced the largest surplus in total dollars, followed by Virginia. (Figures for all states appear in Appendix A.)

In October 2015, the Office of the State Comptroller released an analysis of New York State’s balance of payments in the federal budget, based on FFY 2013 data. That study found New York’s balance of payments was a deficit of \$19.9 billion, or \$1,011 per capita. Among other factors, the growth in New York’s balance of payments deficit from FFY 2013 to FFY 2016 reflects an increase of more than \$25 billion in federal income taxes generated within the State for the same period. Federal income tax receipts nationwide increased by more than \$232 billion for the same period, with New York State generating more than 10 percent of the increase, as the overall federal deficit declined by nearly \$85 billion.

# Revenues Paid to the Federal Government

In 2016, all revenues paid to the federal government totaled \$3.3 trillion. This total includes approximately \$3.1 trillion 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. Nationwide, collections from these taxes generated \$9,476 per capita in FFY 2016. A breakdown of all revenues in FFY 2016 is shown in Figure 3.

**FIGURE 3**  
Federal Revenues in FFY 2016: \$3.3 trillion

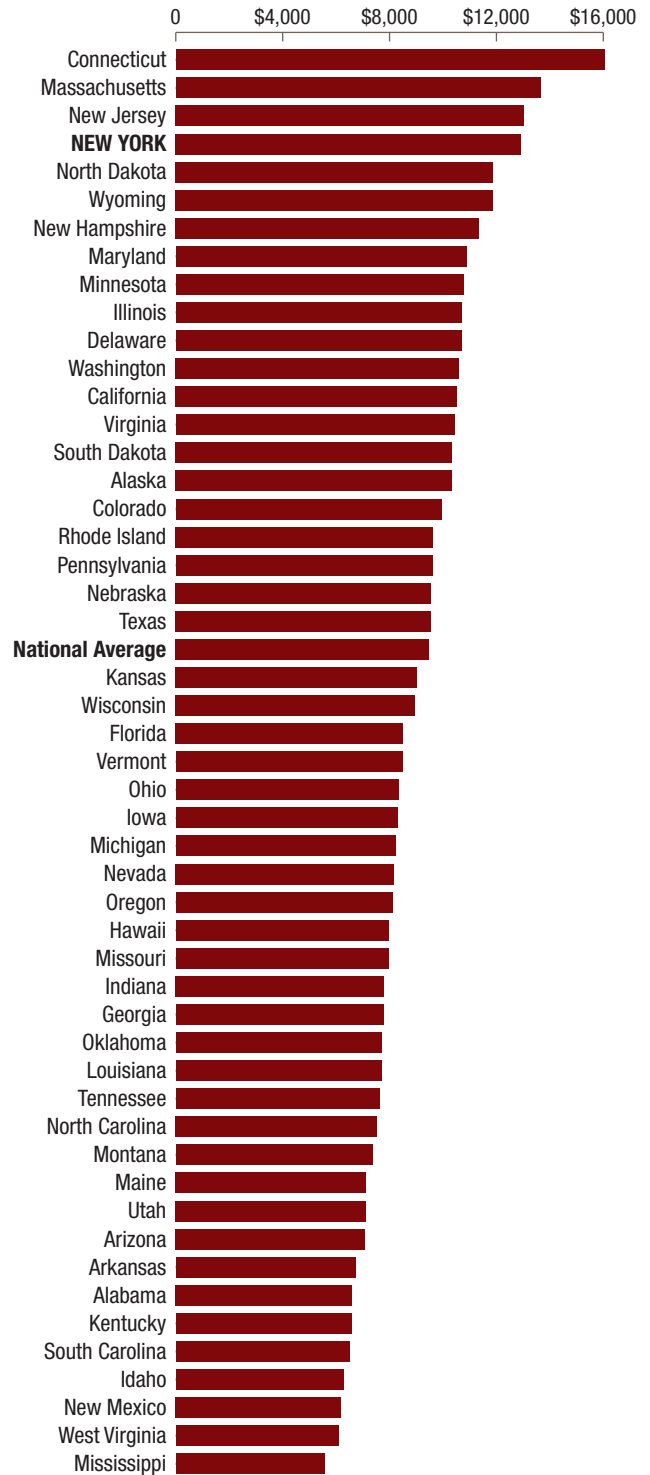


Note: See next page for revenues included in Social Insurance Taxes. Excise taxes are primarily imposed on production, sale or consumption of fuel, tobacco and alcohol products, among others. "Excluded from Analysis" represents miscellaneous receipts and customs duties and fees, along with revenues from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

New York generated 8.3 percent of the \$3.1 trillion in federal tax payments, while the State represented 6.1 percent of the nation's population in 2016. At \$12,914, New York's per capita contribution to the federal treasury was 36 percent more than the national average, as illustrated in Figure 4.

Connecticut had the highest per capita contribution to the federal treasury at \$16,052, followed by Massachusetts with \$13,642 and New Jersey with \$13,024. Mississippi generated the lowest per capita total tax payments at \$5,557. New York's total payments of \$255 billion ranked third among the states, behind California and Texas. A breakdown of

**FIGURE 4**  
Per Capita Taxes Paid to the Federal Government, FFY 2016



**FIGURE 5**  
**Federal Taxes Paid: New York and Nation, FFY 2016**

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
<b>Total (Taxes Paid)</b>	<b>\$3,061,920</b>	<b>\$9,476</b>	<b>\$254,995</b>	<b>8.3%</b>	<b>\$12,914</b>	<b>4</b>
Individual Income	\$1,540,541	\$4,768	\$145,338	9.4%	\$7,361	3
Social Insurance	\$1,106,333	\$3,424	\$78,386	7.1%	\$3,970	10
Corporate Income	\$299,559	\$927	\$24,963	8.3%	\$1,264	3
Excise	\$94,754	\$293	\$3,839	4.1%	\$194	50
Estate and Gift	\$20,734	\$64	\$2,469	11.9%	\$125	4

New York’s per capita tax payments relative to those made by other states, and to the national average, is shown in Figure 5.

### Individual Income Taxes

Individual income taxes made up \$1.541 trillion, or 50.3 percent, of all taxes paid to the federal government in FFY 2016. New York’s payments of more than \$145 billion represented 9.4 percent of total federal receipts from individual income taxes.

New York’s per capita individual income tax payments of \$7,361 were 54 percent higher than the national average of \$4,768. New York ranked third among the states in this category, with Connecticut first at \$9,515.

### Social Insurance Taxes and Contributions

The second largest component of total taxes is payments for social insurance taxes and contributions.<sup>3</sup> These totaled \$1.106 trillion and accounted for 36 percent of total federal tax revenues. New Yorkers’ payments of more than \$78 billion were 7.1 percent of the total.

New York’s per capita contribution for such payments, \$3,970, was 15.9 percent above the national average of \$3,424, ranking it 10th among all states in this category. Connecticut made the highest per capita social insurance payments at \$4,831, while Mississippi made the lowest at \$2,554.

<sup>3</sup> 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.

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## Corporate Income Tax and Other Taxes

Corporate income taxes made up 9.8 percent of total federal tax receipts in FFY 2016. An estimated 8.3 percent of this total came from New York. Per capita corporate income taxes for New York were \$1,264, \$337 higher than the national per capita level of \$927, placing New York third highest among the states.

Delaware paid the most per capita in corporate income taxes, at \$1,432, followed by Connecticut. New Mexico's per capita corporate tax payments were the lowest among all states.

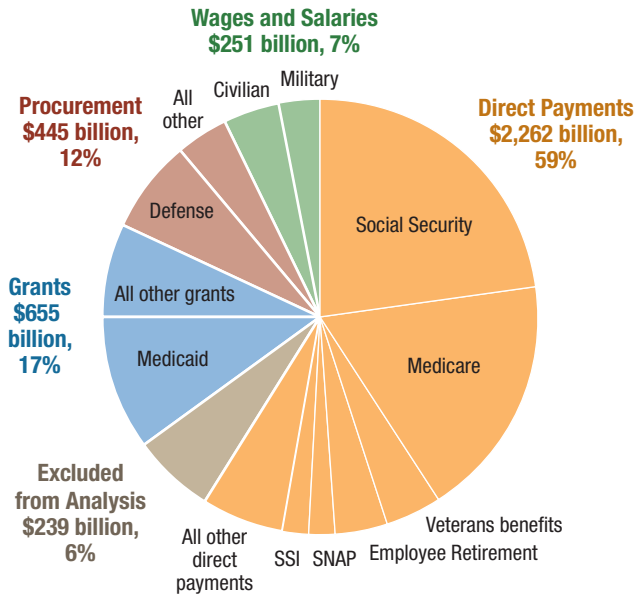
Other federal taxes include excise taxes on fuel, tobacco and alcohol, and estate and gift taxes. Approximately 4.1 percent of federal excise taxes, and 11.9 percent of federal estate and gift tax receipts, were from New York State. At \$194 per capita, New York's overall contribution for federal excise taxes was the lowest of all the states on a per capita basis. North Dakota and Wyoming were the two states that paid the most in per capita excise taxes, more than twice New York's amount.

By contrast, New York's per capita estate and gift tax payment of \$125 was almost twice the national average of \$64. It ranked fourth in this measure behind Rhode Island, Wyoming and Connecticut. Utah ranked the lowest in per capita estate and gift tax payments, at under \$9 per person, just over one-eighth of the national level.

# Federal Spending in the States

In 2016, the federal government spent more than \$3.8 trillion, including \$3.6 trillion in expenditures that could be allocated among the states.<sup>4</sup> A breakdown of overall FFY 2016 federal spending is shown in Figure 6.

**FIGURE 6**  
**Federal Spending in FFY 2016: \$3.6 trillion**

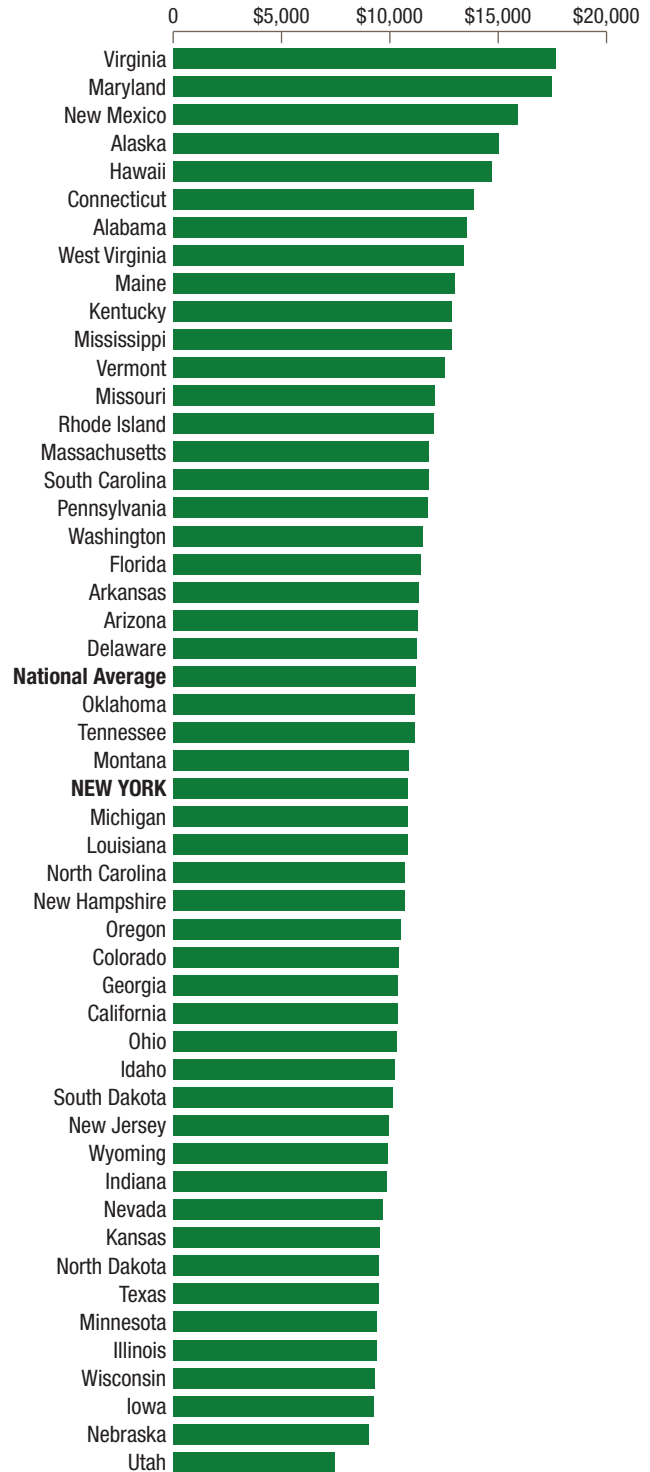


Note: The Food Stamp program was renamed the Supplemental Nutrition Assistance Program (SNAP) in 2008. “Excluded from Analysis” consists primarily of undistributed offsetting receipts, net interest on the federal government debt, and overseas procurement, along with expenditures in Puerto Rico and other outlying areas.

By far the largest category of federal expenditures is direct payments to or on behalf of individuals, which totaled nearly \$2.3 trillion or approximately 63 percent of federal spending allocated to the states in FFY 2016. Social Security and Medicare represented more than 70 percent of these direct payments in FFY 2016. The second-largest federal spending category was grants to state and local governments. Medicaid made up 56 percent of the \$655 billion in such expenditures. Procurement was the third largest category, at \$445 billion, while the fourth largest category, federal employee wages and salaries, totaled \$251 billion.

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

**FIGURE 7**  
**Per Capita Federal Expenditures, FFY 2016**



**FIGURE 8**  
**Federal Spending by Major Category: New York and Nation, FFY 2016**

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
<b>Total</b>	<b>\$3,613,666</b>	<b>\$11,183</b>	<b>\$214,124</b>	<b>5.9%</b>	<b>\$10,844</b>	<b>26</b>
Direct Payments	\$2,261,862	\$7,000	\$136,140	6.0%	\$6,895	33
Grants	\$655,228	\$2,028	\$61,273	9.4%	\$3,103	4
Procurement	\$445,140	\$1,378	\$9,299	2.1%	\$471	45
Wages and Salaries	\$251,437	\$778	\$7,412	2.9%	\$375	42

As the recipient of \$10,844 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 \$339 per capita, or 3 percent, less than the national level of \$11,183 per capita. Federal spending on a per capita basis was generally higher in low population states than in more populated states such as New York.

New York's 5.9 percent share of total federal spending was slightly below its share of the national population (6.1 percent).

Virginia and Maryland ranked first and second among the states as the recipients of per capita federal expenditures of \$17,641 and \$17,447, or 58 and 56 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 \$7,437 in Utah was the lowest in the country, 33.5 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 2016**

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
<b>Total</b>	<b>\$2,261,862</b>	<b>\$7,000</b>	<b>\$136,140</b>	<b>6.0%</b>	<b>\$6,895</b>	<b>33</b>
Social Security	\$901,210	\$2,789	\$55,482	6.2%	\$2,810	34
Medicare	\$691,211	\$2,139	\$47,049	6.8%	\$2,383	12
Veterans Benefits Programs	\$164,350	\$509	\$6,234	3.8%	\$316	49
Federal Employee Retirement	\$142,523	\$441	\$3,654	2.6%	\$185	50
Supplemental Nutrition Assistance Program	\$66,505	\$206	\$4,928	7.4%	\$250	12
Refundable Earned Income Tax Credit	\$60,580	\$187	\$3,809	6.3%	\$193	15
Supplemental Security Income	\$59,216	\$183	\$4,711	8.0%	\$239	7
All Other	\$176,268	\$546	\$10,274	5.8%	\$520	31

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## Direct Payments

As noted earlier, direct payments to or for individuals accounted for the largest component of federal government expenditures in the states—62.6 percent in 2016. The total spent in New York was \$136 billion, or 6 percent of the nationwide total, placing New York fourth highest for direct payments behind California, Florida, and Texas.

Overall, in this category, per capita federal expenditures were similar in New York and nationwide, with New York's figure of \$6,895 per capita 1.5 percent below the national average. A breakdown of federal direct payment expenditures by major category in New York and nationally is shown in Figure 9. West Virginia, Florida and Alabama received the highest per capita direct payments, while Utah received the lowest, followed by North Dakota with the second lowest.

### Social Security

Social Security payments represented the largest component—40 percent—of direct payments to or for individuals. The three major Social Security programs providing benefits to the aged, the disabled and their survivors totaled \$901 billion in 2016, almost as much as the combined federal spending for grants and wages and salaries.

Per capita Social Security payments to New York were \$2,810, less than 1 percent above the national average. As with other per capita figures, this 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 represent 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 experienced the highest per capita Social Security payments at \$3,768, which was 35 percent more than the national level of \$2,789. Alaska received the lowest per capita payments in the country at \$1,813, which was 35 percent below the national average.

### Medicare

Nationwide expenditures for all Medicare programs totaled over \$691 billion in FFY 2016.

With \$2,383 in per capita Medicare payments, New York received 11.4 percent more than the national average and ranked 12th among the states for such federal spending.

Florida received the highest per capita Medicare payments at \$2,818, which was almost 32 percent higher than the national level of \$2,139. Alaska and Utah ranked lowest in this category at 44.4 and 43.8 percent below the national average, respectively.

### Retirement Payments and Veterans Benefits

In FFY 2016, 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.<sup>5</sup>

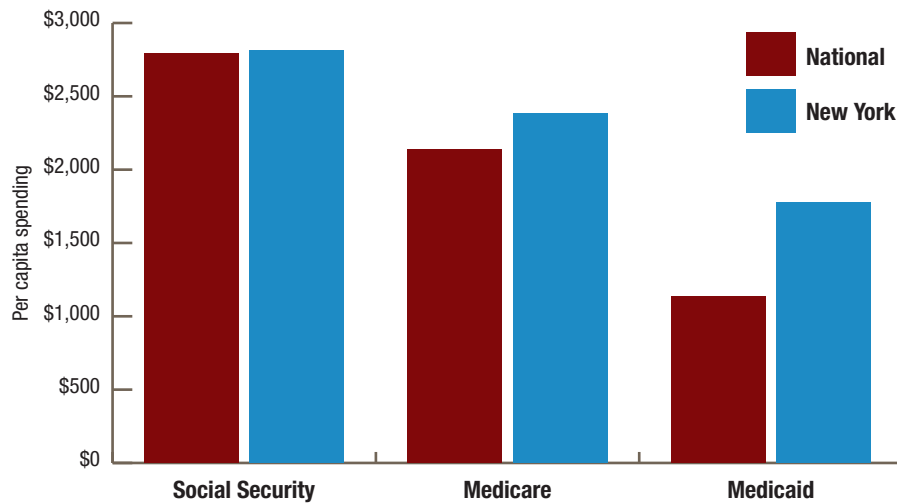
Nationwide, retirement payments to former federal workers made up 6.3 percent of direct payments, more than \$142.5 billion, in FFY 2016. (Wages and salaries for current employees are reported in a separate category, as detailed below in this report.)

In this category, per capita payments to New York were \$185, some 58 percent below the national average. Such per capita spending was highest in Maryland and Virginia, each of which received well over three times the national per capita figure.

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<sup>5</sup> 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 2016**



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 more than \$55 billion to New Yorkers in FFY 2016, more than any other individual federal program, with per capita payments slightly higher than the national average. Medicare payments received in the State totaled more than \$47 billion, and expenditures per capita in this category were 11.4 percent above the national average. The Medicaid program delivered more than \$35 billion to New York in FFY 2016. (Medicaid is discussed in more detail below, in the section titled Grants.)

At \$164 billion, veterans benefits represented 7.3 percent of direct payments nationwide. For New York, per capita benefits were \$316, which is 38 percent less than the national average of \$509 per capita. New Jersey, at \$247, was the only state that received less per capita than New York in this category. By contrast, West Virginia and Alaska received per capita spending in this category that was at least 70 percent more than the national average.

## Grants

The federal government spent more than \$655 billion in grants to state and local governments in FFY 2016. Medicaid was by far the largest grant program, representing 56 percent of this total. Spending on transportation was second largest, at 8.3 percent of the total. Dozens of other grant programs that provide funding for services such as nutrition, housing, education, and family and children’s services make up the remainder of this category. New York ranked fourth among the states in per capita federal grants, at \$3,103, or 53 percent above the national average, largely because of Medicaid and other safety net grants, which are discussed below. Figure 11 provides a breakdown of federal grant payments in New York and nationally.



**FIGURE 11**

**Federal Grants to State and Local Governments: New York and Nation, FFY 2016**

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
<b>Total</b>	<b>\$655,228</b>	<b>\$2,028</b>	<b>\$61,273</b>	<b>9.4%</b>	<b>\$3,103</b>	<b>4</b>
Medicaid	\$366,484	\$1,134	\$35,093	9.6%	\$1,777	3
Transportation	\$54,426	\$168	\$3,252	6.0%	\$165	32
Education	\$31,400	\$97	\$2,307	7.3%	\$117	9
Other Safety Net	\$116,177	\$360	\$11,625	10.0%	\$589	1
All Other	\$86,741	\$268	\$8,997	10.4%	\$456	2

Three states with much smaller populations than New York’s ranked above it for per capita grant expenditures. These were Alaska, New Mexico and Vermont. Virginia, Utah and Florida received the lowest such expenditures among the 50 states.

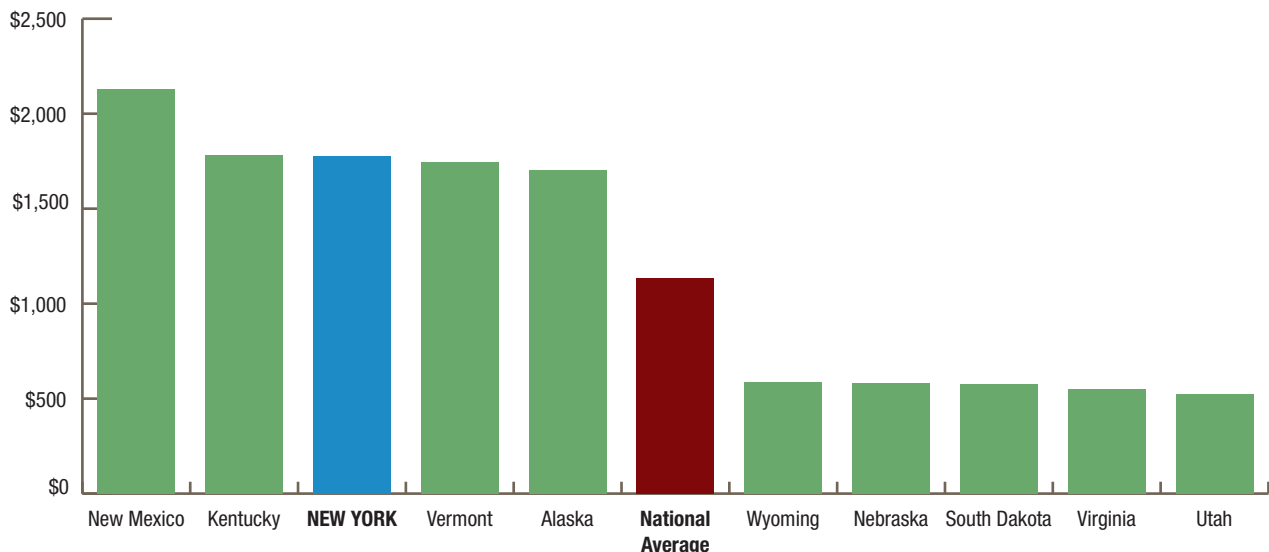
**Medicaid**

In FFY 2016, federal government spending on Medicaid in the 50 states was almost \$366.5 billion. New York received more than \$35 billion or \$1,777

per capita, 57 percent more than the national average of \$1,134. New Mexico received the most per capita at \$2,131, or 88 percent above the average. Such funding is based partly on the Federal Medical Assistance Percentage (FMAP), the level at which the federal government reimburses certain state Medicaid expenditures. FMAP is higher in states with relatively low per capita personal incomes and lower in states with higher personal incomes; New York has a higher per capita income than most states and its FMAP is at the lowest level, 50 percent.

**FIGURE 12**

**Per Capita Federal Medicaid Spending, Highest and Lowest Five States, FFY 2016**



**FIGURE 13**  
**Federal Transportation Grants: New York and Nation, FFY 2016**

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
<b>Total</b>	<b>\$54,426</b>	<b>\$168</b>	<b>\$3,252</b>	<b>6.0%</b>	<b>\$165</b>	<b>32</b>
Highways	\$42,093	\$130	\$1,916	4.6%	\$97	46
Transit	\$9,406	\$29	\$1,237	13.1%	\$63	3
Airports	\$2,926	\$9	\$99	3.4%	\$5	47

However, the overall level of Medicaid funding received by states from the federal government also reflects other factors. Among others, these include the number of beneficiaries (New York has a higher proportion of its population enrolled in the program than most states); the breadth of benefits the state makes available (New York offers a wider range of benefits than most states); the costs of providing care (wages and certain other costs are generally higher in New York than in many other states); and special agreements called waivers in which the federal government may provide additional aid. Figure 12 shows the states with the highest and the lowest federal Medicaid spending per capita in FFY 2016.

Utah received the lowest per capita Medicaid spending at \$524, which was 54 percent less than the national average.

### Aid for Transportation

Federal aid for transportation—highways, mass transit and airports—was the second largest grant category with \$54.4 billion spent in FFY 2016.<sup>6</sup> Federal spending on highways and mass transit is largely funded by the Highway Trust Fund, which raised \$48.9 billion primarily from the motor fuel tax in FFY 2015.

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

As shown in Figure 13, New York’s combined transportation grants were \$165 per capita, slightly lower than the national average of \$168. The State ranked 46th in the nation for per capita federal highway funding (\$97) but third for transit funding (\$63). The federal government also provided more modest aid for airports; New York received \$5 per capita in such funding.

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

**FIGURE 14**  
**Federal Education Grants: New York and Nation, FFY 2016**

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
<b>Total</b>	<b>\$31,400</b>	<b>\$97</b>	<b>\$2,307</b>	<b>7.3%</b>	<b>\$117</b>	<b>9</b>
ESEA Title I*	\$15,109	\$47	\$1,178	7.8%	\$60	5
Special Education	\$12,196	\$38	\$817	6.7%	\$41	19
Education Improvement	\$4,095	\$13	\$312	7.6%	\$16	15

\* Elementary and Secondary Education Act, Title I.

### Aid for Education

The federal government spent \$31.4 billion in FFY 2016 for elementary and secondary education for disadvantaged students (ESEA, Title 1), special education and education improvement programs. As shown in Figure 14, New York received 7.3 percent of the total expenditures for these programs and ranked ninth as a recipient of per capita education spending.

Federal per capita spending for ESEA Title 1 in New York, at \$60 per person, was 28 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 (\$41 compared to \$38).

### Other Safety Net Spending

New York received significant levels of grant funding for a range of safety net programs apart from the federal government’s spending for Medicaid.<sup>7</sup> Overall, the federal government spent \$116 billion in FFY 2016 for child nutrition, housing and heating, cash assistance and work supports, children’s health, and child and family services such as Head Start.

For these programs collectively, New York received 10 percent of national expenditures, as shown in Figure 15. Per capita spending for the State in this category, \$589, was 64 percent higher than the national average and ranked New York first for such spending. New York was followed by Massachusetts, Rhode Island and California, while per capita spending was the lowest in Idaho and Nevada.

Within this category, federal expenditures for housing and the Temporary Assistance for Needy Families (TANF) block grant program represented 35 percent of total spending. New York received about 15 percent of national spending for each of these program areas and experienced the highest per capita expenditures

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

**FIGURE 15**

**Federal Safety Net Grant Spending Other Than Medicaid: New York and Nation, FFY 2016**

	50 States		New York			
	Total (millions)	Per Capita	Total (millions)	Share of 50 States	Per Capita	Rank (per capita)
<b>Total</b>	<b>\$116,177</b>	<b>\$360</b>	<b>\$11,625</b>	<b>10.0%</b>	<b>\$589</b>	<b>1</b>
Housing	\$25,254	\$78	\$3,876	15.3%	\$196	1
Child Nutrition	\$21,726	\$67	\$1,355	6.2%	\$69	17
TANF*	\$15,549	\$48	\$2,332	15.0%	\$118	1
Children's Health Insurance	\$14,113	\$44	\$1,102	7.8%	\$56	9
Child and Family Services	\$9,694	\$30	\$701	7.2%	\$35	14
All Other	\$29,841	\$92	\$2,259	7.6%	\$114	5

\* Temporary Assistance for Needy Families

among states for housing and TANF, at \$196 and \$118, respectively. These amounts were more than double the national averages.

For the \$21.7 billion child nutrition category that includes programs such as School Breakfast and School Lunch, New York received per capita payments almost the same as the national average at \$69 per person.

## Procurement

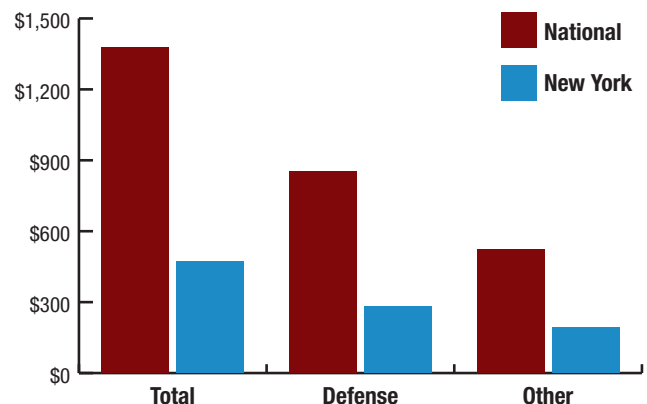
The federal government spent just over \$445 billion in FFY 2016 to purchase services and goods in the 50 states and Washington, D.C.<sup>8</sup> The Department of Defense was the source of 62 percent of such procurement spending. The departments of Energy, Health and Human Services, and Veterans Affairs were the next largest sources of such federal procurement spending.

<sup>8</sup> This amount differs from the 2016 total for spending on contracts provided by USASpending.gov because it does not include \$28.3 billion in such spending in other countries. (As elsewhere in this analysis, it also does not include \$1.4 billion in expenditures in Puerto Rico and other outlying areas.)

With \$471 in per capita procurement spending, little more than one-third of the national average, New York ranked 45th among the states. For the Department of Defense, such spending was \$280 per person in New York, compared to a national average of \$854.

California received the highest total procurement spending from the federal government at \$53.3 billion, and Virginia received the highest per capita amount for procurement at \$6,158. Maryland followed, receiving the second highest per capita spending in the nation.

**FIGURE 16**  
**Procurement, Per Capita Spending, FFY 2016**



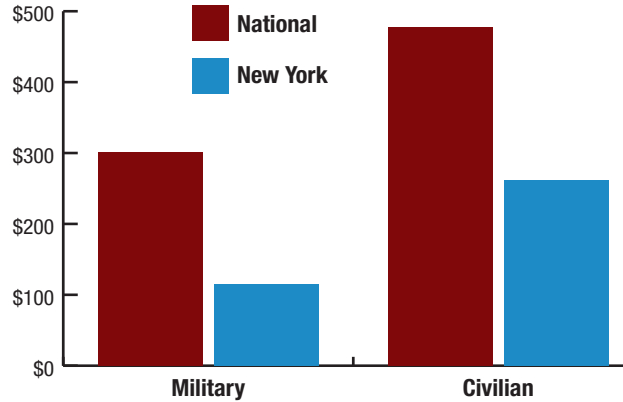
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## Wages and Salaries

Spending on federal employee wages and salaries throughout the nation totaled \$251.4 billion, for a per capita national average of \$778 in FFY 2016.<sup>9</sup> Federal government spending on civilian pay was \$154 billion, or 61 percent of the total, and spending on military salaries was \$97 billion, or 39 percent.

In New York, \$7.4 billion was spent on federal employee wages and salaries, slightly less than 3 percent of the national total. This included \$5.1 billion for civilian pay (\$261 per capita, as shown in Figure 17) and \$2.3 billion for military pay (\$115 per capita). Overall, per capita expenditures in New York for wages and salaries, \$375, were almost 52 percent below the national level and ranked New York 42nd among all states.

**FIGURE 17**  
Wages and Salaries, Per Capita Spending, FFY 2016



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## 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 of the federal budget deficit, which was \$585 billion in FFY 2016.

The federal deficit results from expenditures (more than \$3.8 trillion in FFY 2016) exceeding revenues received the same year (approximately \$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. How such changes may affect New York and other states going forward is difficult to predict.

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<sup>9</sup> This figure represents direct obligations for wages and salaries. While such payments are also made with reimbursable obligations, this analysis did not include these amounts in its figures for wages and salaries since reimbursable obligations represent spending accounted for elsewhere in the federal budget.

# Assessing New York State's Balance of Payments

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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 2016, New York was home to 6.1 percent of the U.S. population, and received a slightly lower proportion of the federal spending that was allocated among the states, 5.9 percent. As a result, its per capita share of federal spending was slightly below the national average. As shown earlier in this report, in some categories such as Medicaid grants and funding for mass transit, New York received comparatively high levels of federal spending; in others, such as the military budget and highway aid, the State's share was proportionally less than in most states. On the revenue side of the federal budget, taxes generated within New York were significantly higher than the national per capita average—largely because of individual income taxes, where New York's per capita payment was higher than 46 other states. The bottom line: New York gives more than it gets.

While a state's population obviously influences the level of its payments to and from Washington, other economic and demographic factors come into play as well. The collective impact of such factors is 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 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 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 such funding flows based on state activities.

While New York's per capita share of federal spending in FFY 2016 was slightly below average, its per capita contribution to federal revenues was among the highest in the nation. Nearly half of federal revenues came from the individual income tax, where New York's share was 9.4 percent. The latter reflects the interplay of comparatively higher incomes in New York and a progressive federal income tax, with marginal rates ranging from 10 percent on lower levels of income up to 39.6 percent on higher levels. New York's comparatively high share of the nation's high-income residents drives comparatively high levels of federal income tax payments from New York.

Overall, New York's share of federal tax revenues, 8.3 percent, appears high if compared to the State's 6.1 percent of the nation's population. Total federal tax payments averaged \$9,476 for every U.S. resident in FFY 2016, but were 36 percent higher, at \$12,914 per capita, in New York. However, comparing tax revenues in the context of states' personal income offers a different perspective. New York generated 7.5 percent of U.S. personal income in 2016. 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 taxable income of \$50,000 may pay a similar level of federal taxes regardless of where she or he lives, but could have less purchasing power if living in the metropolitan New York area compared to many other regions of the country.<sup>10</sup>

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<sup>10</sup> Depending on taxpayers' individual circumstances, the federal income tax system may reflect certain regional differences, including the level of state and local taxes which can be deducted on federal taxes.

# Conclusion

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

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

In one major area—health care—federal policy changes in recent years have sent billions of new dollars to New York. Federal support for the State’s Medicaid program is anticipated to rise 53 percent, from \$23.9 billion in SFY 2012-13 to a projected \$36.6 billion in SFY 2017-18, largely because of the Affordable Care Act and a federal waiver amendment.<sup>11</sup> New York’s receipt of the full measure of that increase will depend partly on the continuation of current federal policies.

The outlook for federal funding of health care and a wide range of other services currently is clouded by budgetary and programmatic changes proposed by the President and/or members of Congress. In addition, both the President and key Congressional leaders have proposed wide-ranging revisions to the federal tax code. As debate over potential changes continues, the outcome of these proposals and their impact on the balance of payments between the states and the federal government remains uncertain.

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

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<sup>11</sup> The waiver amendment, approved in April 2014 by the federal Centers for Medicare and Medicaid Services (CMS), is intended to drive a broad restructuring of New York’s system of health care for Medicaid beneficiaries and low income, uninsured individuals. For more information on the Medicaid program in New York State, see the Office of the State Comptroller’s March 2015 report, *Medicaid in New York: The Continuing Challenge to Improve Care and Control Costs*, available at [http://osc.state.ny.us/reports/health/medicaid\\_2015.pdf](http://osc.state.ny.us/reports/health/medicaid_2015.pdf).

# Appendix A: Federal Revenues and Expenditures by State

## Balance of Payments (Expenditures Minus Revenues), FFY 2016

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
<b>National: 50 States &amp; D.C.</b>	<b>\$551,746</b>	<b>\$1,708</b>			
Alabama	\$33,881	\$6,967	\$5,259	308.0%	5
Alaska	\$3,489	\$4,703	\$2,995	175.4%	11
Arizona	\$29,125	\$4,202	\$2,495	146.1%	13
Arkansas	\$13,852	\$4,636	\$2,928	171.5%	12
California	(\$6,360)	(\$162)	(\$1,870)	(109.5%)	39
Colorado	\$2,404	\$434	(\$1,274)	(74.6%)	35
Connecticut	(\$7,739)	(\$2,164)	(\$3,872)	(226.7%)	48
Delaware	\$500	\$525	(\$1,183)	(69.3%)	33
Florida	\$60,660	\$2,943	\$1,235	72.3%	22
Georgia	\$26,712	\$2,591	\$883	51.7%	24
Hawaii	\$9,619	\$6,734	\$5,026	294.4%	6
Idaho	\$6,678	\$3,967	\$2,260	132.3%	16
Illinois	(\$16,761)	(\$1,309)	(\$3,017)	(176.7%)	43
Indiana	\$13,610	\$2,052	\$344	20.2%	28
Iowa	\$3,027	\$966	(\$742)	(43.5%)	31
Kansas	\$1,451	\$499	(\$1,208)	(70.8%)	34
Kentucky	\$27,900	\$6,288	\$4,581	268.3%	8
Louisiana	\$14,572	\$3,113	\$1,405	82.3%	21
Maine	\$7,816	\$5,870	\$4,163	243.8%	9
Maryland	\$39,515	\$6,568	\$4,860	284.6%	7
Massachusetts	(\$12,563)	(\$1,844)	(\$3,552)	(208.0%)	45
Michigan	\$25,848	\$2,603	\$896	52.5%	23
Minnesota	(\$7,600)	(\$1,377)	(\$3,084)	(180.6%)	44
Mississippi	\$21,767	\$7,283	\$5,576	326.5%	3
Missouri	\$25,183	\$4,133	\$2,426	142.1%	14
Montana	\$3,669	\$3,519	\$1,812	106.1%	18
Nebraska	(\$996)	(\$522)	(\$2,230)	(130.6%)	41
Nevada	\$4,454	\$1,515	(\$192)	(11.3%)	30
New Hampshire	(\$855)	(\$641)	(\$2,348)	(137.5%)	42
New Jersey	(\$27,509)	(\$3,076)	(\$4,783)	(280.1%)	50
New Mexico	\$20,172	\$9,693	\$7,986	467.7%	1
<b>NEW YORK</b>	<b>(\$40,871)</b>	<b>(\$2,070)</b>	<b>(\$3,777)</b>	<b>(221.2%)</b>	<b>47</b>
North Carolina	\$32,293	\$3,183	\$1,475	86.4%	20
North Dakota	(\$1,795)	(\$2,369)	(\$4,076)	(238.7%)	49
Ohio	\$23,144	\$1,993	\$285	16.7%	29
Oklahoma	\$13,639	\$3,476	\$1,769	103.6%	19
Oregon	\$9,851	\$2,407	\$699	40.9%	25
Pennsylvania	\$27,319	\$2,137	\$429	25.2%	27
Rhode Island	\$2,532	\$2,397	\$689	40.4%	26
South Carolina	\$26,150	\$5,271	\$3,563	208.7%	10
South Dakota	(\$170)	(\$197)	(\$1,904)	(111.5%)	40
Tennessee	\$23,464	\$3,528	\$1,820	106.6%	17
Texas	(\$1,771)	(\$64)	(\$1,771)	(103.7%)	38
Utah	\$965	\$316	(\$1,391)	(81.5%)	37
Vermont	\$2,522	\$4,038	\$2,331	136.5%	15
Virginia	\$60,587	\$7,203	\$5,495	321.8%	4
Washington	\$6,552	\$899	(\$809)	(47.4%)	32
West Virginia	\$13,348	\$7,290	\$5,582	326.9%	2
Wisconsin	\$2,069	\$358	(\$1,349)	(79.0%)	36
Wyoming	(\$1,155)	(\$1,973)	(\$3,680)	(215.5%)	46
District of Columbia	\$37,553	\$55,130	\$53,423	3,128.7%	

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



## Appendix A (continued)

### Taxes Paid to the Federal Government, FFY 2016

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
<b>National: 50 States &amp; D.C.</b>	<b>\$3,061,920</b>	<b>\$9,476</b>			
Alabama	\$32,102	\$6,601	(\$2,875)	(30.3%)	44
Alaska	\$7,669	\$10,337	\$861	9.1%	16
Arizona	\$49,105	\$7,085	(\$2,391)	(25.2%)	42
Arkansas	\$20,073	\$6,717	(\$2,759)	(29.1%)	43
California	\$413,366	\$10,532	\$1,056	11.1%	13
Colorado	\$55,147	\$9,953	\$477	5.0%	17
Connecticut	\$57,409	\$16,052	\$6,576	69.4%	1
Delaware	\$10,180	\$10,693	\$1,217	12.8%	11
Florida	\$175,254	\$8,502	(\$974)	(10.3%)	24
Georgia	\$80,248	\$7,783	(\$1,693)	(17.9%)	34
Hawaii	\$11,381	\$7,967	(\$1,509)	(15.9%)	31
Idaho	\$10,557	\$6,272	(\$3,204)	(33.8%)	47
Illinois	\$137,001	\$10,702	\$1,226	12.9%	10
Indiana	\$51,696	\$7,794	(\$1,682)	(17.8%)	33
Iowa	\$26,037	\$8,306	(\$1,170)	(12.3%)	27
Kansas	\$26,254	\$9,030	(\$445)	(4.7%)	22
Kentucky	\$29,188	\$6,578	(\$2,897)	(30.6%)	45
Louisiana	\$35,997	\$7,689	(\$1,787)	(18.9%)	36
Maine	\$9,482	\$7,121	(\$2,355)	(24.8%)	40
Maryland	\$65,451	\$10,879	\$1,403	14.8%	8
Massachusetts	\$92,929	\$13,642	\$4,167	44.0%	2
Michigan	\$81,637	\$8,223	(\$1,253)	(13.2%)	28
Minnesota	\$59,447	\$10,769	\$1,294	13.7%	9
Mississippi	\$16,607	\$5,557	(\$3,919)	(41.4%)	50
Missouri	\$48,458	\$7,953	(\$1,523)	(16.1%)	32
Montana	\$7,683	\$7,369	(\$2,107)	(22.2%)	39
Nebraska	\$18,215	\$9,551	\$75	0.8%	20
Nevada	\$24,028	\$8,173	(\$1,303)	(13.8%)	29
New Hampshire	\$15,139	\$11,342	\$1,866	19.7%	7
New Jersey	\$116,496	\$13,024	\$3,549	37.4%	3
New Mexico	\$12,866	\$6,182	(\$3,293)	(34.8%)	48
<b>NEW YORK</b>	<b>\$254,995</b>	<b>\$12,914</b>	<b>\$3,438</b>	<b>36.3%</b>	<b>4</b>
North Carolina	\$76,327	\$7,522	(\$1,954)	(20.6%)	38
North Dakota	\$8,995	\$11,867	\$2,391	25.2%	5
Ohio	\$96,811	\$8,335	(\$1,140)	(12.0%)	26
Oklahoma	\$30,175	\$7,691	(\$1,785)	(18.8%)	35
Oregon	\$33,186	\$8,107	(\$1,369)	(14.4%)	30
Pennsylvania	\$122,822	\$9,607	\$131	1.4%	19
Rhode Island	\$10,175	\$9,632	\$156	1.6%	18
South Carolina	\$32,287	\$6,508	(\$2,968)	(31.3%)	46
South Dakota	\$8,952	\$10,344	\$868	9.2%	15
Tennessee	\$50,681	\$7,620	(\$1,856)	(19.6%)	37
Texas	\$266,038	\$9,548	\$72	0.8%	21
Utah	\$21,727	\$7,121	(\$2,355)	(24.9%)	41
Vermont	\$5,298	\$8,482	(\$994)	(10.5%)	25
Virginia	\$87,809	\$10,439	\$963	10.2%	14
Washington	\$77,234	\$10,597	\$1,122	11.8%	12
West Virginia	\$11,161	\$6,095	(\$3,380)	(35.7%)	49
Wisconsin	\$51,760	\$8,957	(\$519)	(5.5%)	23
Wyoming	\$6,947	\$11,865	\$2,389	25.2%	6
District of Columbia	\$11,437	\$16,790	\$7,314	77.2%	

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

## Appendix A (continued)

### Federal Taxes by Category, FFY 2016 (millions)

	Income Tax Less Refunds	Social Insurance	Corporate	Excise	Estate and Gift
<b>National: 50 States &amp; D.C.</b>	<b>\$1,540,541</b>	<b>\$1,106,333</b>	<b>\$299,559</b>	<b>\$94,754</b>	<b>\$20,734</b>
Alabama	\$13,357	\$13,836	\$3,366	\$1,368	\$175
Alaska	\$3,862	\$2,912	\$586	\$283	\$26
Arizona	\$22,875	\$19,825	\$4,304	\$1,942	\$158
Arkansas	\$8,377	\$8,494	\$2,201	\$951	\$50
California	\$222,568	\$138,717	\$39,487	\$8,781	\$3,813
Colorado	\$29,372	\$19,107	\$4,655	\$1,713	\$300
Connecticut	\$34,031	\$17,277	\$4,743	\$905	\$453
Delaware	\$4,932	\$3,598	\$1,363	\$273	\$15
Florida	\$96,907	\$58,205	\$12,308	\$5,411	\$2,423
Georgia	\$35,955	\$31,099	\$8,959	\$3,787	\$449
Hawaii	\$4,955	\$4,969	\$791	\$537	\$129
Idaho	\$4,522	\$4,628	\$976	\$407	\$24
Illinois	\$71,313	\$47,228	\$13,689	\$3,944	\$827
Indiana	\$20,909	\$21,442	\$7,082	\$2,157	\$106
Iowa	\$10,916	\$10,701	\$3,417	\$926	\$77
Kansas	\$12,296	\$10,159	\$2,655	\$969	\$174
Kentucky	\$11,604	\$12,405	\$3,457	\$1,604	\$119
Louisiana	\$16,676	\$13,584	\$4,230	\$1,383	\$124
Maine	\$4,061	\$4,140	\$830	\$390	\$60
Maryland	\$32,916	\$26,538	\$4,264	\$1,358	\$375
Massachusetts	\$54,222	\$28,701	\$7,894	\$1,649	\$463
Michigan	\$37,608	\$32,251	\$8,814	\$2,441	\$524
Minnesota	\$28,116	\$22,919	\$6,153	\$2,014	\$245
Mississippi	\$6,270	\$7,634	\$1,707	\$892	\$104
Missouri	\$21,825	\$18,733	\$5,251	\$2,197	\$451
Montana	\$3,627	\$3,119	\$577	\$336	\$23
Nebraska	\$7,631	\$7,921	\$2,005	\$568	\$89
Nevada	\$13,014	\$7,777	\$1,951	\$1,026	\$261
New Hampshire	\$7,604	\$5,752	\$1,258	\$437	\$89
New Jersey	\$64,266	\$40,346	\$8,983	\$2,359	\$543
New Mexico	\$5,722	\$5,506	\$1,005	\$582	\$50
<b>New York</b>	<b>\$145,338</b>	<b>\$78,386</b>	<b>\$24,963</b>	<b>\$3,839</b>	<b>\$2,469</b>
North Carolina	\$33,051	\$30,409	\$9,751	\$2,706	\$410
North Dakota	\$4,690	\$3,114	\$765	\$382	\$44
Ohio	\$42,526	\$38,211	\$12,027	\$3,638	\$409
Oklahoma	\$13,804	\$11,644	\$2,675	\$1,893	\$160
Oregon	\$14,688	\$12,865	\$4,265	\$1,164	\$204
Pennsylvania	\$58,992	\$46,699	\$12,325	\$3,750	\$1,056
Rhode Island	\$4,809	\$4,091	\$909	\$224	\$141
South Carolina	\$13,805	\$13,612	\$3,294	\$1,373	\$203
South Dakota	\$4,900	\$2,906	\$847	\$273	\$25
Tennessee	\$22,341	\$20,434	\$5,647	\$2,055	\$203
Texas	\$136,486	\$88,170	\$27,713	\$12,275	\$1,394
Utah	\$9,295	\$8,991	\$2,586	\$829	\$26
Vermont	\$2,409	\$2,294	\$414	\$155	\$26
Virginia	\$43,455	\$34,726	\$6,616	\$2,506	\$506
Washington	\$39,982	\$27,625	\$7,574	\$1,734	\$319
West Virginia	\$4,445	\$5,120	\$1,042	\$533	\$21
Wisconsin	\$23,361	\$20,789	\$5,868	\$1,476	\$266
Wyoming	\$3,861	\$2,214	\$505	\$290	\$76
District of Columbia	\$5,993	\$4,507	\$811	\$72	\$53

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

## Appendix A (continued)

### Expenditures by the Federal Government, FFY 2016

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
<b>National: 50 States &amp; D.C.</b>	<b>\$3,613,666</b>	<b>\$11,183</b>			
Alabama	\$65,983	\$13,568	\$2,384	21.3%	7
Alaska	\$11,158	\$15,040	\$3,856	34.5%	4
Arizona	\$78,230	\$11,287	\$103	0.9%	21
Arkansas	\$33,925	\$11,353	\$169	1.5%	20
California	\$407,007	\$10,370	(\$814)	(7.3%)	34
Colorado	\$57,551	\$10,387	(\$796)	(7.1%)	32
Connecticut	\$49,669	\$13,888	\$2,705	24.2%	6
Delaware	\$10,680	\$11,218	\$34	0.3%	22
Florida	\$235,914	\$11,445	\$262	2.3%	19
Georgia	\$106,961	\$10,374	(\$809)	(7.2%)	33
Hawaii	\$21,000	\$14,700	\$3,517	31.4%	5
Idaho	\$17,234	\$10,239	(\$944)	(8.4%)	36
Illinois	\$120,239	\$9,393	(\$1,791)	(16.0%)	46
Indiana	\$65,307	\$9,846	(\$1,338)	(12.0%)	40
Iowa	\$29,064	\$9,272	(\$1,912)	(17.1%)	48
Kansas	\$27,705	\$9,530	(\$1,654)	(14.8%)	42
Kentucky	\$57,088	\$12,867	\$1,683	15.0%	10
Louisiana	\$50,570	\$10,802	(\$382)	(3.4%)	28
Maine	\$17,298	\$12,991	\$1,808	16.2%	9
Maryland	\$104,966	\$17,447	\$6,263	56.0%	2
Massachusetts	\$80,366	\$11,798	\$615	5.5%	15
Michigan	\$107,485	\$10,826	(\$357)	(3.2%)	27
Minnesota	\$51,847	\$9,393	(\$1,791)	(16.0%)	45
Mississippi	\$38,374	\$12,840	\$1,656	14.8%	11
Missouri	\$73,641	\$12,086	\$903	8.1%	13
Montana	\$11,352	\$10,889	(\$295)	(2.6%)	25
Nebraska	\$17,220	\$9,029	(\$2,154)	(19.3%)	49
Nevada	\$28,483	\$9,688	(\$1,496)	(13.4%)	41
New Hampshire	\$14,284	\$10,701	(\$482)	(4.3%)	30
New Jersey	\$88,987	\$9,949	(\$1,235)	(11.0%)	38
New Mexico	\$33,038	\$15,876	\$4,692	42.0%	3
<b>NEW YORK</b>	<b>\$214,124</b>	<b>\$10,844</b>	<b>(\$339)</b>	<b>(3.0%)</b>	<b>26</b>
North Carolina	\$108,620	\$10,705	(\$479)	(4.3%)	29
North Dakota	\$7,199	\$9,499	(\$1,685)	(15.1%)	43
Ohio	\$119,956	\$10,328	(\$855)	(7.6%)	35
Oklahoma	\$43,815	\$11,167	(\$16)	(.1%)	23
Oregon	\$43,037	\$10,514	(\$670)	(6.0%)	31
Pennsylvania	\$150,142	\$11,744	\$561	5.0%	17
Rhode Island	\$12,707	\$12,028	\$845	7.6%	14
South Carolina	\$58,437	\$11,779	\$596	5.3%	16
South Dakota	\$8,782	\$10,147	(\$1,037)	(9.3%)	37
Tennessee	\$74,145	\$11,148	(\$36)	(0.3%)	24
Texas	\$264,267	\$9,485	(\$1,699)	(15.2%)	44
Utah	\$22,692	\$7,437	(\$3,746)	(33.5%)	50
Vermont	\$7,820	\$12,520	\$1,337	12.0%	12
Virginia	\$148,396	\$17,641	\$6,458	57.7%	1
Washington	\$83,786	\$11,496	\$313	2.8%	18
West Virginia	\$24,510	\$13,385	\$2,202	19.7%	8
Wisconsin	\$53,829	\$9,315	(\$1,868)	(16.7%)	47
Wyoming	\$5,792	\$9,892	(\$1,292)	(11.6%)	39
District of Columbia	\$48,990	\$71,921	\$60,737	543.1%	

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

## Appendix A (continued)

### Federal Expenditures: Direct Payments, FFY 2016

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
<b>National: 50 States &amp; D.C.</b>	<b>\$2,261,862</b>	<b>\$7,000</b>			
Alabama	\$41,964	\$8,629	\$1,629	23.3%	3
Alaska	\$4,131	\$5,569	(\$1,431)	(20.4%)	48
Arizona	\$47,997	\$6,925	(\$75)	(1.1%)	30
Arkansas	\$23,574	\$7,889	\$889	12.7%	8
California	\$233,634	\$5,952	(\$1,047)	(15.0%)	45
Colorado	\$32,505	\$5,867	(\$1,133)	(16.2%)	47
Connecticut	\$25,273	\$7,067	\$67	1.0%	27
Delaware	\$7,635	\$8,020	\$1,020	14.6%	7
Florida	\$178,530	\$8,661	\$1,661	23.7%	2
Georgia	\$69,421	\$6,733	(\$267)	(3.8%)	35
Hawaii	\$10,253	\$7,177	\$177	2.5%	26
Idaho	\$11,112	\$6,602	(\$398)	(5.7%)	39
Illinois	\$82,030	\$6,408	(\$592)	(8.5%)	43
Indiana	\$45,886	\$6,918	(\$82)	(1.2%)	31
Iowa	\$20,821	\$6,642	(\$358)	(5.1%)	38
Kansas	\$19,400	\$6,673	(\$327)	(4.7%)	36
Kentucky	\$33,746	\$7,606	\$606	8.7%	14
Louisiana	\$34,261	\$7,318	\$318	4.5%	22
Maine	\$11,446	\$8,597	\$1,597	22.8%	4
Maryland	\$45,579	\$7,576	\$576	8.2%	16
Massachusetts	\$47,282	\$6,941	(\$59)	(.8%)	29
Michigan	\$77,344	\$7,790	\$790	11.3%	10
Minnesota	\$34,128	\$6,183	(\$817)	(11.7%)	44
Mississippi	\$24,139	\$8,077	\$1,077	15.4%	6
Missouri	\$45,408	\$7,452	\$453	6.5%	21
Montana	\$7,594	\$7,285	\$285	4.1%	23
Nebraska	\$12,245	\$6,421	(\$579)	(8.3%)	42
Nevada	\$19,538	\$6,646	(\$354)	(5.1%)	37
New Hampshire	\$10,139	\$7,596	\$596	8.5%	15
New Jersey	\$61,117	\$6,833	(\$167)	(2.4%)	34
New Mexico	\$15,514	\$7,455	\$455	6.5%	20
<b>NEW YORK</b>	<b>\$136,140</b>	<b>\$6,895</b>	<b>(\$105)</b>	<b>(1.5%)</b>	<b>33</b>
North Carolina	\$76,802	\$7,569	\$569	8.1%	17
North Dakota	\$4,216	\$5,562	(\$1,437)	(20.5%)	49
Ohio	\$83,419	\$7,182	\$182	2.6%	25
Oklahoma	\$29,458	\$7,508	\$508	7.3%	19
Oregon	\$29,452	\$7,195	\$195	2.8%	24
Pennsylvania	\$99,740	\$7,802	\$802	11.5%	9
Rhode Island	\$8,189	\$7,751	\$751	10.7%	13
South Carolina	\$40,703	\$8,204	\$1,205	17.2%	5
South Dakota	\$6,022	\$6,958	(\$42)	(0.6%)	28
Tennessee	\$51,733	\$7,778	\$778	11.1%	11
Texas	\$165,612	\$5,944	(\$1,056)	(15.1%)	46
Utah	\$14,764	\$4,839	(\$2,161)	(30.9%)	50
Vermont	\$4,856	\$7,774	\$774	11.1%	12
Virginia	\$63,338	\$7,530	\$530	7.6%	18
Washington	\$48,006	\$6,587	(\$413)	(5.9%)	40
West Virginia	\$16,514	\$9,019	\$2,019	28.8%	1
Wisconsin	\$39,880	\$6,901	(\$99)	(1.4%)	32
Wyoming	\$3,825	\$6,532	(\$468)	(6.7%)	41
District of Columbia	\$5,544	\$8,139	\$1,139	16.3%	

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

## Appendix A (continued)

### Federal Expenditures: Grants, FFY 2016

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
<b>National: 50 States &amp; D.C.</b>	<b>\$655,228</b>	<b>\$2,028</b>			
Alabama	\$8,509	\$1,750	(\$278)	(13.7%)	34
Alaska	\$2,904	\$3,914	\$1,886	93.0%	1
Arizona	\$13,785	\$1,989	(\$39)	(1.9%)	24
Arkansas	\$8,001	\$2,678	\$650	32.0%	8
California	\$96,042	\$2,447	\$419	20.7%	12
Colorado	\$9,380	\$1,693	(\$335)	(16.5%)	36
Connecticut	\$8,286	\$2,317	\$289	14.2%	14
Delaware	\$2,238	\$2,350	\$322	15.9%	13
Florida	\$27,241	\$1,322	(\$706)	(34.8%)	48
Georgia	\$15,105	\$1,465	(\$563)	(27.8%)	45
Hawaii	\$2,945	\$2,061	\$34	1.7%	21
Idaho	\$2,573	\$1,529	(\$499)	(24.6%)	44
Illinois	\$23,888	\$1,866	(\$162)	(8.0%)	29
Indiana	\$13,251	\$1,998	(\$30)	(1.5%)	22
Iowa	\$5,680	\$1,812	(\$216)	(10.6%)	30
Kansas	\$4,112	\$1,414	(\$613)	(30.3%)	46
Kentucky	\$12,393	\$2,793	\$765	37.7%	5
Louisiana	\$10,472	\$2,237	\$209	10.3%	17
Maine	\$2,973	\$2,233	\$205	10.1%	18
Maryland	\$11,876	\$1,974	(\$54)	(2.7%)	25
Massachusetts	\$17,059	\$2,504	\$477	23.5%	11
Michigan	\$22,047	\$2,221	\$193	9.5%	20
Minnesota	\$11,026	\$1,998	(\$30)	(1.5%)	23
Mississippi	\$7,492	\$2,507	\$479	23.6%	10
Missouri	\$11,643	\$1,911	(\$117)	(5.8%)	26
Montana	\$2,323	\$2,228	\$200	9.9%	19
Nebraska	\$2,686	\$1,408	(\$619)	(30.5%)	47
Nevada	\$4,737	\$1,611	(\$417)	(20.5%)	41
New Hampshire	\$2,273	\$1,703	(\$325)	(16.0%)	35
New Jersey	\$17,078	\$1,909	(\$118)	(5.8%)	27
New Mexico	\$6,796	\$3,266	\$1,238	61.0%	2
<b>NEW YORK</b>	<b>\$61,273</b>	<b>\$3,103</b>	<b>\$1,075</b>	<b>53.0%</b>	<b>4</b>
North Carolina	\$16,207	\$1,597	(\$431)	(21.2%)	42
North Dakota	\$1,426	\$1,881	(\$147)	(7.2%)	28
Ohio	\$26,090	\$2,246	\$219	10.8%	16
Oklahoma	\$6,437	\$1,641	(\$387)	(19.1%)	38
Oregon	\$10,609	\$2,592	\$564	27.8%	9
Pennsylvania	\$29,086	\$2,275	\$247	12.2%	15
Rhode Island	\$2,839	\$2,687	\$659	32.5%	7
South Carolina	\$8,251	\$1,663	(\$365)	(18.0%)	37
South Dakota	\$1,416	\$1,636	(\$391)	(19.3%)	39
Tennessee	\$11,801	\$1,774	(\$254)	(12.5%)	32
Texas	\$45,293	\$1,626	(\$402)	(19.8%)	40
Utah	\$3,699	\$1,212	(\$815)	(40.2%)	49
Vermont	\$1,989	\$3,184	\$1,157	57.0%	3
Virginia	\$10,108	\$1,202	(\$826)	(40.7%)	50
Washington	\$12,856	\$1,764	(\$264)	(13.0%)	33
West Virginia	\$5,109	\$2,790	\$762	37.6%	6
Wisconsin	\$9,143	\$1,582	(\$446)	(22.0%)	43
Wyoming	\$1,056	\$1,803	(\$224)	(11.1%)	31
District of Columbia	\$3,728	\$5,472	\$3,444	169.9%	

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

## Appendix A (continued)

### Federal Expenditures: Procurement, FFY 2016

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
<b>National: 50 States &amp; D.C.</b>	<b>\$445,140</b>	<b>\$1,378</b>			
Alabama	\$11,118	\$2,286	\$908	65.9%	6
Alaska	\$1,711	\$2,306	\$929	67.4%	5
Arizona	\$12,080	\$1,743	\$365	26.5%	11
Arkansas	\$925	\$309	(\$1,068)	(77.5%)	49
California	\$53,338	\$1,359	(\$19)	(1.4%)	17
Colorado	\$9,879	\$1,783	\$405	29.4%	10
Connecticut	\$14,843	\$4,150	\$2,773	201.3%	3
Delaware	\$256	\$269	(\$1,109)	(80.5%)	50
Florida	\$18,392	\$892	(\$485)	(35.2%)	26
Georgia	\$12,236	\$1,187	(\$191)	(13.9%)	20
Hawaii	\$2,220	\$1,554	\$177	12.8%	13
Idaho	\$2,660	\$1,580	\$203	14.7%	12
Illinois	\$8,952	\$699	(\$678)	(49.2%)	33
Indiana	\$4,045	\$610	(\$768)	(55.7%)	37
Iowa	\$1,705	\$544	(\$834)	(60.5%)	40
Kansas	\$1,180	\$406	(\$972)	(70.5%)	47
Kentucky	\$6,730	\$1,517	\$139	10.1%	14
Louisiana	\$2,925	\$625	(\$753)	(54.7%)	36
Maine	\$1,857	\$1,395	\$17	1.3%	16
Maryland	\$31,105	\$5,170	\$3,792	275.3%	2
Massachusetts	\$13,211	\$1,939	\$562	40.8%	9
Michigan	\$5,357	\$540	(\$838)	(60.8%)	41
Minnesota	\$4,962	\$899	(\$479)	(34.8%)	25
Mississippi	\$4,506	\$1,508	\$130	9.4%	15
Missouri	\$12,622	\$2,071	\$694	50.4%	7
Montana	\$529	\$507	(\$870)	(63.2%)	43
Nebraska	\$978	\$513	(\$865)	(62.8%)	42
Nevada	\$2,469	\$840	(\$538)	(39.0%)	29
New Hampshire	\$1,428	\$1,070	(\$308)	(22.4%)	23
New Jersey	\$7,722	\$863	(\$514)	(37.3%)	27
New Mexico	\$8,203	\$3,942	\$2,564	186.1%	4
<b>NEW YORK</b>	<b>\$9,299</b>	<b>\$471</b>	<b>(\$907)</b>	<b>(65.8%)</b>	<b>45</b>
North Carolina	\$4,755	\$469	(\$909)	(66.0%)	46
North Dakota	\$624	\$823	(\$555)	(40.3%)	30
Ohio	\$5,555	\$478	(\$899)	(65.3%)	44
Oklahoma	\$3,949	\$1,007	(\$371)	(26.9%)	24
Oregon	\$1,349	\$329	(\$1,048)	(76.1%)	48
Pennsylvania	\$15,874	\$1,242	(\$136)	(9.9%)	18
Rhode Island	\$772	\$730	(\$647)	(47.0%)	32
South Carolina	\$5,408	\$1,090	(\$287)	(20.9%)	22
South Dakota	\$549	\$635	(\$743)	(53.9%)	35
Tennessee	\$7,509	\$1,129	(\$249)	(18.0%)	21
Texas	\$33,790	\$1,213	(\$165)	(12.0%)	19
Utah	\$1,959	\$642	(\$736)	(53.4%)	34
Vermont	\$535	\$857	(\$520)	(37.8%)	28
Virginia	\$51,803	\$6,158	\$4,781	347.0%	1
Washington	\$14,541	\$1,995	\$618	44.8%	8
West Virginia	\$1,431	\$782	(\$596)	(43.3%)	31
Wisconsin	\$3,394	\$587	(\$790)	(57.4%)	38
Wyoming	\$324	\$554	(\$824)	(59.8%)	39
District of Columbia	\$48,990	\$71,921	\$70,543	5,120.7%	

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

## Appendix A (continued)

### Federal Expenditures: Wages and Salaries, FFY 2016

	Total (millions)	Per Capita	Variation from National Per Capita	Percentage Variation from National Per Capita	Rank (per capita)
<b>National: 50 States &amp; D.C.</b>	<b>\$251,437</b>	<b>\$778</b>			
Alabama	\$4,392	\$903	\$125	16.1%	16
Alaska	\$2,411	\$3,250	\$2,472	317.7%	2
Arizona	\$4,368	\$630	(\$148)	(19.0%)	28
Arkansas	\$1,425	\$477	(\$301)	(38.7%)	35
California	\$23,993	\$611	(\$167)	(21.4%)	30
Colorado	\$5,787	\$1,044	\$266	34.2%	9
Connecticut	\$1,267	\$354	(\$424)	(54.5%)	43
Delaware	\$551	\$579	(\$199)	(25.6%)	32
Florida	\$11,750	\$570	(\$208)	(26.7%)	33
Georgia	\$10,199	\$989	\$211	27.1%	13
Hawaii	\$5,582	\$3,907	\$3,129	402.1%	1
Idaho	\$890	\$529	(\$250)	(32.1%)	34
Illinois	\$5,370	\$419	(\$359)	(46.1%)	39
Indiana	\$2,125	\$320	(\$458)	(58.8%)	46
Iowa	\$857	\$273	(\$505)	(64.9%)	49
Kansas	\$3,013	\$1,036	\$258	33.2%	10
Kentucky	\$4,220	\$951	\$173	22.2%	14
Louisiana	\$2,912	\$622	(\$156)	(20.1%)	29
Maine	\$1,021	\$767	(\$11)	(1.4%)	21
Maryland	\$16,406	\$2,727	\$1,949	250.4%	4
Massachusetts	\$2,813	\$413	(\$365)	(46.9%)	40
Michigan	\$2,737	\$276	(\$502)	(64.6%)	48
Minnesota	\$1,730	\$313	(\$465)	(59.7%)	47
Mississippi	\$2,238	\$749	(\$29)	(3.7%)	22
Missouri	\$3,968	\$651	(\$127)	(16.3%)	27
Montana	\$906	\$869	\$91	11.6%	17
Nebraska	\$1,310	\$687	(\$91)	(11.7%)	26
Nevada	\$1,739	\$591	(\$187)	(24.0%)	31
New Hampshire	\$444	\$333	(\$445)	(57.2%)	45
New Jersey	\$3,070	\$343	(\$435)	(55.9%)	44
New Mexico	\$2,525	\$1,213	\$435	55.9%	6
<b>NEW YORK</b>	<b>\$7,412</b>	<b>\$375</b>	<b>(\$403)</b>	<b>(51.8%)</b>	<b>42</b>
North Carolina	\$10,856	\$1,070	\$292	37.5%	8
North Dakota	\$934	\$1,232	\$454	58.3%	5
Ohio	\$4,892	\$421	(\$357)	(45.9%)	38
Oklahoma	\$3,970	\$1,012	\$234	30.0%	11
Oregon	\$1,627	\$398	(\$381)	(48.9%)	41
Pennsylvania	\$5,441	\$426	(\$353)	(45.3%)	37
Rhode Island	\$908	\$860	\$81	10.5%	18
South Carolina	\$4,075	\$821	\$43	5.5%	19
South Dakota	\$794	\$917	\$139	17.9%	15
Tennessee	\$3,102	\$466	(\$312)	(40.1%)	36
Texas	\$19,571	\$702	(\$76)	(9.7%)	25
Utah	\$2,271	\$744	(\$34)	(4.4%)	23
Vermont	\$440	\$704	(\$74)	(9.5%)	24
Virginia	\$23,147	\$2,752	\$1,974	253.6%	3
Washington	\$8,383	\$1,150	\$372	47.8%	7
West Virginia	\$1,456	\$795	\$17	2.2%	20
Wisconsin	\$1,413	\$244	(\$534)	(68.6%)	50
Wyoming	\$587	\$1,003	\$224	28.8%	12
District of Columbia	\$18,140	\$26,631	\$25,853	3,322.4%	

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) 2016. 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 and spending for international procurement.

### Federal Government Receipts and Outlays, FFY 2016 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	\$3,267,961	\$190,870	\$15,171	\$3,061,920
Outlays	\$3,852,612	\$214,084	\$24,862	\$3,613,666
Deficit	(\$584,651)			

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 94 percent of federal receipts and expenditures are allocated by state in this report.

### Revenues

Data from the Internal Revenue Service (IRS) and other federal agencies on taxes and fees collected in FFY 2016 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; and 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.

### Expenditures

Federal budget outlays in FFY 2016 were grouped into four broad categories: direct payments for individuals (for example, Social Security and Medicare); grants (for example, Medicaid and highway grants); procurements; and wages. Such groupings were developed using data from the federal budget and from USASpending.gov, the federal government website that tracks federal expenditures. Spending in these four categories and their major subcategories was then allocated by state using several major sources. These included USASpending.gov; Federal Procurement Data System – Next Generation; BEA; the U.S. Census Bureau; the IRS; and the federal departments of Agriculture, Defense, Housing and Urban Development, and Veterans Affairs.

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



# Appendix C: Sources

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