

Florida

From 2002 to 2008, Florida's spending increased the most in the hospitals (361%), administration (54%), debt service (53%), and welfare (52%) categories. The increase in hospitals spending was the second-greatest in the nation in terms of percentage. The spending categories that saw the least growth were corrections (26%), police (7%), and parks and recreation (6%). The state's overall general spending increase of 46% ranked 11th-highest, and its total spending growth of 48% was the sixth-largest.

Florida's total overall revenue growth of 43% ranked 29th for the period, and its total tax revenue growth of 41% ranked 30th. Corporate income taxes were the fastest growing tax revenue category, increasing 81%, although that still placed it in the bottom third of states (ranking 35th-highest). General sales tax revenue grew 49%, eighth-highest in the nation. Florida did not have a personal income tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	2,199,630	20	2,770,179	26	-6	26%	27
Education	15,643,056	50	23,192,406	50	0	48%	16
Government Administration	1,932,140	35	2,982,756	32	+3	54%	12
Health	2,667,466	25	3,600,529	22	+3	35%	23
Highways	4,825,770	35	7,163,763	23	+12	48%	9
Hospitals	180,226	50	831,028	43	+7	361%	2
Interest on Debt	1,051,981	42	1,604,312	40	+2	53%	18
Natural Resources	1,397,333	19	1,833,040	17	+2	31%	18
Parks and Recreation	184,632	38	195,516	44	-6	6%	30
Police Protection	425,266	41	453,620	47	-6	7%	40
Public Welfare	11,878,904	44	18,063,299	43	+1	52%	18
Salaries and Wages	6,490,375	48	8,637,026	50	-2	33%	22
Direct Expenditures	33,237,774	48	49,452,759	45	+3	49%	7
General Expenditures	47,291,632	49	69,155,854	47	+2	46%	11
Total Expenditures	51,838,351	50	76,972,938	48	+2	48%	6

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	14,408,709	6	21,518,100	5	+1	49%	8
Corporate Income Tax ³	1,218,864	20	2,208,600	34	-14	81%	35
Total Taxes	25,352,237	43	35,849,998	40	+3	41%	30
Total Revenue	48,489,136	48	69,229,431	49	-1	43%	29

¹ Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

² General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

³ Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Florida’s population increased by 10%. This yields a “baseline” growth of 30% for the period. The figure below compares the difference in Florida’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

