

Georgia

From 2002 to 2008, Georgia's spending increased the most in the health (56%), debt service (38%), and education (33%) categories. The increase in health spending was the 11th-greatest in the nation in terms of percentage. The spending categories that saw the least growth were police (+17%), highways (+14%) and natural resources (-4%). The state's overall general spending increase of 27% was the sixth-lowest in the nation for the period.

Georgia's total overall revenue growth of 66% ranked in the top third of states, at 10th-highest, for the period, although its total tax revenue growth ranked toward the bottom, at 32% (43rd). Corporate income taxes were the fastest growing tax revenue category, increasing 66%, although that was less than the growth of the vast majority of states (ranking 39th-highest).

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	1,271,639	14	1,571,961	22	-8	24%	34
Education	12,154,631	22	16,179,676	35	-13	33%	39
Government Administration	680,850	47	815,307	49	-2	20%	35
Health	808,960	42	1,258,721	35	+7	56%	11
Highways	2,004,684	45	2,287,471	46	-1	14%	29
Hospitals	634,079	30	805,443	31	-1	27%	30
Interest on Debt	433,247	45	598,122	47	-2	38%	25
Natural Resources	539,051	29	516,792	37	-8	-4%	44
Parks and Recreation	163,060	26	209,191	24	+2	28%	24
Police Protection	272,130	30	317,358	40	-10	17%	34
Public Welfare	7,825,282	28	9,644,769	42	-14	23%	45
Salaries and Wages	3,951,121	46	5,008,399	48	-2	27%	34
Direct Expenditures	19,821,110	45	25,749,530	47	-2	30%	40
General Expenditures	28,465,937	42	36,164,925	48	-6	27%	45
Total Expenditures	31,352,991	42	41,165,128	46	-4	31%	35
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	6,487,638	17	8,845,476	23	-6	36%	34
General Sales Tax ²	4,833,521	30	5,796,653	37	-7	20%	37
Corporate Income Tax ³	568,080	25	943,042	41	-16	66%	39
Total Taxes	13,772,147	38	18,183,117	45	-7	32%	43
Total Revenue	24,846,501	47	41,266,892	44	+3	66%	10

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 Georgia’s population increased by 13%. This yields a “baseline” growth of 33% for the period. The figure below compares the difference in Georgia’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

