

Idaho

From 2002 to 2008, Idaho's spending increased the most in the administration (62%), welfare (61%), and education (52%) categories. The spending categories that saw the least growth were debt service (15%), police (12%), hospitals (4%), and parks and recreation (1%). Idaho's spending growth ranked among the top 20 states in six of the 12 spending categories. The state's overall general spending increase of 47% placed among the greatest of the states, ranking eighth highest.

Idaho's total overall revenue growth of 58% ranked 15th-highest for the period, and its total tax revenue growth of 61% ranked eighth. Corporate income taxes were the fastest growing tax revenue category, increasing 148% and ranking 13th-highest, although its personal income tax and general sales tax revenues grew even faster relative to other states. The state's personal income tax revenue rose 71% (fifth), and its general sales tax revenue increased 69%, the highest rate in the nation.

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	171,684	24	244,504	24	0	42%	13
Education	1,829,520	29	2,774,669	27	+2	52%	10
Government Administration	221,628	21	360,140	16	+5	62%	8
Health	112,840	47	150,626	45	+2	33%	25
Highways	499,916	16	696,062	13	+3	39%	13
Hospitals	45,326	47	47,310	47	0	4%	38
Interest on Debt	141,541	25	162,233	37	-12	15%	36
Natural Resources	164,520	6	213,597	6	0	30%	19
Parks and Recreation	40,872	14	41,137	18	-4	1%	33
Police Protection	45,973	26	51,314	39	-13	12%	37
Public Welfare	1,003,118	40	1,614,703	39	+1	61%	11
Salaries and Wages	850,004	29	1,040,874	37	-8	22%	36
Direct Expenditures	3,217,628	38	4,769,082	39	-1	48%	8
General Expenditures	4,624,686	38	6,806,589	38	0	47%	8
Total Expenditures	5,234,047	37	7,675,083	37	0	47%	7

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	842,375	26	1,438,518	22	+4	71%	5
General Sales Tax ²	795,384	27	1,347,327	16	+11	69%	1
Corporate Income Tax ³	76,769	33	190,194	32	+1	148%	13
Total Taxes	2,271,075	34	3,651,917	28	+6	61%	8
Total Revenue	4,487,672	38	7,107,284	37	+1	58%	15

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 Idaho’s population increased by 14%. This yields a “baseline” growth of 34% for the period. The figure below compares the difference in Idaho’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

