

**Table 1: Average Economic Growth in States Three Years After Tax Change, 1990s**

States That Cut Personal Income Taxes	Year of Tax Change	Average Growth in:				
		Real Personal Income	Real Per-Capita Personal Income	Real Gross State Product	Employment	Population
<b>Arizona</b>	<b>1994</b>	17.8%	4.4%	21.6%	16.4%	12.8%
<b>California</b>	<b>1997</b>	15.3%	10.2%	18.4%	9.1%	4.6%
<b>Colorado</b>	<b>1999</b>	14.9%	7.1%	14.4%	5.1%	7.3%
<b>Delaware</b>	<b>1996</b>	12.2%	7.2%	10.9%	3.7%	4.6%
<b>Hawaii</b>	<b>1999</b>	2.7%	1.9%	2.2%	0.6%	0.8%
<b>Iowa</b>	<b>1998</b>	6.7%	5.4%	2.2%	2.0%	1.3%
<b>Kansas</b>	<b>1992</b>	7.3%	3.9%	6.7%	3.4%	3.2%
<b>Michigan</b>	<b>1995</b>	5.4%	3.2%	4.6%	5.1%	2.2%
<b>New Jersey</b>	<b>1995</b>	9.0%	6.3%	7.3%	5.3%	2.6%
<b>New Mexico</b>	<b>1998</b>	6.3%	3.6%	5.9%	5.7%	2.6%
<b>New York</b>	<b>1995</b>	6.8%	5.7%	6.4%	5.1%	1.3%
<b>North Dakota</b>	<b>1991</b>	1.5%	1.0%	1.3%	5.8%	0.6%
<b>Utah</b>	<b>1996</b>	17.3%	9.1%	19.3%	7.8%	7.5%
<b>Vermont</b>	<b>1994</b>	6.0%	3.2%	2.7%	4.3%	2.8%
<b>Wisconsin</b>	<b>1998</b>	10.6%	8.4%	9.1%	1.2%	2.0%
<b>Average</b>		<b>9.3%</b>	<b>5.4%</b>	<b>8.9%</b>	<b>5.4%</b>	<b>3.7%</b>
States That Raised Personal Income Taxes						
<b>California</b>	<b>1991</b>	-1.5%	-5.6%	-4.0%	-0.6%	4.4%
<b>Connecticut</b>	<b>1992</b>	3.8%	3.4%	2.9%	-4.5%	0.4%
<b>Illinois</b>	<b>1993</b>	4.5%	2.0%	1.7%	-1.1%	2.5%
<b>Nebraska</b>	<b>1991</b>	2.9%	0.1%	4.3%	4.5%	2.8%
<b>New Jersey</b>	<b>1991</b>	0.5%	-1.9%	2.9%	-3.1%	2.4%
<b>North Carolina</b>	<b>1991</b>	8.9%	3.1%	8.2%	2.8%	5.7%
<b>Oklahoma</b>	<b>1990</b>	3.2%	1.0%	20.0%	-0.3%	2.2%
<b>Rhode Island</b>	<b>1991</b>	-1.5%	-2.4%	-1.2%	-1.6%	0.9%
<b>Average</b>		<b>2.6%</b>	<b>0.0%</b>	<b>4.4%</b>	<b>-0.5%</b>	<b>2.7%</b>

<b>Table 1: Average Economic Growth in States Three Years After Tax Change, 1990s (Continued)</b>						
States That Cut Corporate Income Taxes	Year of Tax Change	Average Growth in:				
		Real Personal Income	Real Per-Capita Personal Income	Real Gross State Product	Employment	Population
<b>Arizona</b>	<b>1994</b>	17.8%	4.4%	21.6%	16.4%	12.8%
<b>California</b>	<b>1997</b>	15.3%	10.2%	18.4%	9.2%	4.6%
<b>Colorado</b>	<b>1993</b>	15.3%	5.3%	16.9%	15.4%	9.5%
<b>Connecticut</b>	<b>1995</b>	7.7%	6.7%	10.9%	2.6%	1.0%
<b>Connecticut</b>	<b>1999</b>	7.1%	5.3%	7.2%	-0.4%	1.8%
<b>Kansas</b>	<b>1992</b>	7.3%	3.9%	6.7%	3.4%	3.2%
<b>Michigan</b>	<b>1995</b>	5.4%	3.2%	4.6%	5.1%	2.2%
<b>Missouri</b>	<b>1992</b>	7.8%	4.7%	8.2%	5.3%	3.0%
<b>New Hampshire</b>	<b>1995</b>	10.8%	6.5%	17.6%	4.7%	4.1%
<b>Pennsylvania</b>	<b>1999</b>	5.0%	4.7%	3.0%	4.3%	0.3%
<b>West Virginia</b>	<b>1992</b>	6.3%	5.1%	9.0%	3.6%	1.2%
<b>Average</b>		<b>9.6%</b>	<b>5.5%</b>	<b>11.3%</b>	<b>6.3%</b>	<b>4.0%</b>
States That Raised Corporate Income Taxes						
<b>Arkansas</b>	<b>1991</b>	9.1%	4.6%	11.3%	7.2%	4.5%
<b>Kentucky</b>	<b>1990</b>	7.1%	4.5%	4.2%	0.2%	2.4%
<b>Minnesota</b>	<b>1990</b>	4.2%	0.6%	2.8%	2.5%	3.6%
<b>Nebraska</b>	<b>1991</b>	2.9%	0.1%	4.3%	4.5%	2.8%
<b>North Carolina</b>	<b>1991</b>	8.9%	3.1%	8.2%	2.8%	5.7%
<b>Oklahoma</b>	<b>1990</b>	3.2%	1.0%	0.2%	-0.3%	2.2%
<b>Pennsylvania</b>	<b>1991</b>	2.4%	0.6%	4.3%	0.6%	1.8%
<b>Texas</b>	<b>1992</b>	10.3%	3.3%	10.0%	7.9%	6.7%
<b>Vermont</b>	<b>1998</b>	5.6%	4.0%	5.3%	2.7%	2.1%
<b>Average</b>		<b>6.0%</b>	<b>2.4%</b>	<b>5.6%</b>	<b>3.1%</b>	<b>3.5%</b>

Notes: In most states the tax changes occurred in January of the year listed in the table. To measure the change in the economic measures, we used the number for the measure at the end of the previous year as the starting point and then examined the change three years hence. In some instances the tax change occurred later in the year than January. In such cases, we use the number for the measure at the end of the year the tax change took effect. For example, if a tax change took effect in October 1994, then the starting point for measuring the tax effect is December 1994.