

Nevada

From 2002 to 2008, Nevada's spending increased the most in the parks and recreation (172%), hospitals (77%), and police (66%) categories. The increase in parks and recreation spending was the second-highest in the nation in terms of percentage, and the increases in corrections and education spending (62% and 61%, respectively) each ranked third-greatest. The spending categories that saw the least growth were salaries and wages (+39%), debt service (+36%) and highways (-3%). The state's overall general spending increase of 48% was among the largest in the nation, ranking sixth-highest.

Nevada's total overall revenue growth of 52% ranked 20th for the period, and its total tax revenue growth of 55% ranked 11th. General sales tax revenue increased 49% (12th), and the state did not have a personal income tax or a corporate 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	226,554	37	367,241	30	+7	62%	3
Education	2,523,220	42	4,069,362	41	+1	61%	3
Government Administration	198,158	45	300,560	42	+3	52%	14
Health	185,956	45	261,957	44	+1	41%	21
Highways	630,771	33	609,250	47	-14	-3%	43
Hospitals	131,858	34	234,044	28	+6	77%	11
Interest on Debt	149,556	39	203,422	42	-3	36%	26
Natural Resources	92,729	42	137,372	38	+4	48%	13
Parks and Recreation	17,053	44	46,373	31	+13	172%	2
Police Protection	63,671	35	105,594	28	+7	66%	8
Public Welfare	1,040,294	50	1,580,454	50	0	52%	19
Salaries and Wages	1,139,044	42	1,579,819	42	0	39%	15
Direct Expenditures	3,809,322	50	5,459,729	50	0	43%	14
General Expenditures	6,304,874	48	9,319,965	50	-2	48%	6
Total Expenditures	7,410,738	48	10,845,375	49	-1	46%	8

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	2,070,013	3	3,077,433	4	-1	49%	12
Corporate Income Tax ³	0	N/A	0	N/A	N/A	N/A	N/A
Total Taxes	3,945,329	22	6,115,584	32	-10	55%	11
Total Revenue	6,888,159	45	10,438,720	47	-2	52%	20

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 Nevada’s population increased by 20%. This yields a “baseline” growth of 40% for the period. The figure below compares the difference in Nevada’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

