

Washington

From 2002 to 2008, Washington's spending increased the most in the hospitals (90%), corrections (64%) and highways (63%) categories. The increase in corrections spending was the second-largest in the nation in terms of percentage. The spending categories that saw the least growth were welfare (+23%), health (+15%), and parks and recreation (-41%). The decrease in parks and recreation spending was the sixth-biggest in the nation. The state's overall general spending increase of 35% was about the same as the state average, ranking 26th-highest.

Washington's total overall revenue growth of 54% ranked 18th for the period, and its total tax revenue growth of 42% ranked 28th. General sales tax revenue increased 44%, ranking 16th-highest. Washington did not have a personal income tax or a corporate income tax.

<i>Spending</i> (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	735,214	28	1,205,895	16	+12	64%	2
Education	10,298,100	10	14,109,473	12	-2	37%	34
Government Administration	541,929	46	785,458	39	+7	45%	18
Health	1,396,500	11	1,605,753	14	-3	15%	35
Highways	1,795,486	31	2,924,464	15	+16	63%	5
Hospitals	916,540	18	1,743,784	13	+5	90%	7
Interest on Debt	673,936	22	1,039,159	23	-1	54%	17
Natural Resources	650,231	10	738,520	12	-2	14%	33
Parks and Recreation	235,314	9	139,378	26	-17	-41%	45
Police Protection	241,022	22	319,335	18	+4	32%	23
Public Welfare	6,174,456	17	7,612,755	35	-18	23%	43
Salaries and Wages	4,946,594	14	6,254,115	16	-2	26%	35
Direct Expenditures	18,353,961	18	24,948,203	21	-3	36%	26
General Expenditures	25,160,311	21	34,091,969	22	-1	35%	26
Total Expenditures	30,378,008	15	39,689,815	20	-5	31%	36

<i>Taxes</i> (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	7,904,003	2	11,344,622	2	0	44%	16
Corporate Income Tax ³	0	N/A	0	N/A	N/A	N/A	N/A
Total Taxes	12,628,567	13	17,944,925	16	-3	42%	28
Total Revenue	23,813,123	22	36,644,997	20	+2	54%	18

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 Washington’s population increased by 8%. This yields a “baseline” growth of 28% for the period. The figure below compares the difference in Washington’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

