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***The Tuerck Foundation***

***A FairTax for Alabama:   
The Tax Base and Tax Rate***

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### Overview

The federal FairTax proposal would replace most existing federal taxes with a comprehensive consumption tax in the form of a national retail sales tax levied at a tax-inclusive rate of 23 percent. The act would repeal the federal income tax (including the capital gains tax and the alternative minimum tax), the corporate income tax, federal payroll taxes, the self-employment tax, and the estate and gift tax. The FairTax Act is intended to be revenue neutral in the sense that it would raise the same amount of tax revenue as the taxes it would replace.

Most of the analysis of a “FairTax” has examined its prospects at the national level.[[1]](#footnote-1) However, there is some interest in enacting “fair taxes” or consumption tax-based reform at the state level. One such state is Alabama.

In this study, The Tuerck Foundation for Economics, Law and the Humanities calculates the revenue-neutral Alabama FairTax rate that would replace existing taxes under three scenarios. Scenario 1 replaces state tax revenues listed in Table 1. Scenario 2 adds local sales tax to the state taxes to be replaced by the Alabama FairTax; and the Scenario 3 calculates the average local sales tax rate that would be needed to replace the current revenue, were the local sales taxes to adopt the Alabama FairTax base.

**Tax Revenues to be Replaced.**

The Alabama Department of Revenue’s “Monthly Abstract” for September 2016 reports that net state tax collections totaled $9.178 billion in Fiscal Year (FY) 2016.[[2]](#footnote-2)

However, we assume the Alabama FairTax would only replace state tax revenues raised by the individual income tax, the business income taxes, the sales tax and various industry specific excise taxes. This lowers the tax revenue to be replaced by the Alabama FairTax to $7.757 billion in 2016 and $8.027 billion in 2017.

We also include two additional calculations that incorporate the local sales taxes. Local governments levy local sales taxes on the same tax base as the state sales taxes. These taxes would be repealed along with the state sales taxes under a switch to the Alabama FairTax.[[3]](#footnote-3)

Under the second scenario, we assume the Alabama FairTax would replace all local sales tax revenues, which raised $2,587 billion in 2016 and we estimate will raise $2.680 billion in 2017. The third scenario estimates the average local sales tax rate (averaged across all local governments) that would replace the local sales tax revenue, if local governments adopted the Alabama FairTax base for their local sales taxes. Table 1 lists details of the individual tax revenues that would be replaced by the Alabama FairTax.

Table 1: State Tax Revenues to be Replaced (2016)

|  |  |
| --- | --- |
| **State Net Receipts** | **$** |
| Individual Income Tax | 3,539,100,000 |
| Corporate Income Tax | 332,500,000 |
| Financial Institutions Excise Tax | 56,800,000 |
| Business Privilege Tax | 122,226,000 |
| Sales Tax | 1,745,000,000 |
| Plus items paid from gross sales: |  |
| Revenue Admin | 61,446,000 |
| Counties | 378,000 |
| Human Resources | 65,600,000 |
| PSCA Debt Service | 202,850,000 |
| Auto Sales | 96,500,000 |
| Department of Conservation | 4,997,000 |
| Parks Bonds | 19,750,000 |
| PACT Appropriation | 34,000,000 |
| Simplified Sellers Use | 20,000,000 |
| Use Tax | 331,000,000 |
| Use Tax Discount | 4,440,000 |
| Use Tax Remote | 15,000,000 |
| Contractor's Gross Receipts | 43,000,000 |
| Vapor Products | 1,150,000 |
| **Total** | **6,695,737,000** |
| Other Taxes not repealed, but subject to double taxation |  |
| Deed Record Tax | 14,200,000 |
| Mortgage Record Tax | 42,500,000 |
| Leasing and Rental Tax | 76,700,000 |
| Utility Gross Receipts Tax | 391,300,000 |
| Public Utility License Tax | 161,305,000 |
| Lodgings Tax | $64,900,000 |
| Insurance Company Taxes | 310,518,300 |
| **Total** | **1,061,423,300** |
| **Total State Taxes** | **7,757,160,300** |
| Sales | 2,235,700,000 |
| Use | 331,000,000 |
| Simplified Sellers Use | 20,000,000 |
| **Total Local Taxes** | **2,586,700,000** |
| **Grand Total** | **10,343,860,300** |

These figures become the numerator in the calculations of the Alabama FairTax rate under the three scenarios. In other words, the Alabama FairTax must raise this amount of revenue in order to be considered a revenue neutral tax change (neither lowers nor raises tax revenue).

### Tax-inclusive versus Tax-exclusive Rates

It is worth noting the difference between a tax-inclusive and a tax-exclusive rate.   
Individual income and payroll tax rates (Social Security; Medicare; Medicaid) include the taxes to be paid in the tax base on which the tax rate is imposed ([tax-inclusive](https://en.m.wikipedia.org/wiki/Tax-inclusive)). If an individual's gross income is $100 and the sum of their income plus employment tax rate is 23%, taxes owed equals $23. Traditional state sales taxes are imposed on a tax base equal to the pre-tax portion of a good's price (tax-exclusive). A good priced at $77 with a 30% sales tax rate yields a $23 tax bill.

These differences makes the comparison between income and sales tax rates complicated, especially when a sales tax replaces an income tax. Each tax can just as easily be quoted as a tax-inclusive or tax-exclusive rate for easier comparison.

The federal FairTax rate first proposed in 2005 is a tax-inclusive rate, as is the current Alabama personal income tax, whereas most state-level sales taxes are quoted on a tax- exclusive basis. Since our data includes taxes in the tax base variables, we calculate the tax-inclusive rate.

### The Alabama FairTax Base

The next step to calculating an Alabama FairTax rate is to determine the tax base to which the rate applies. The FairTax attempts to create a very broad tax base that would allow for a low rate. The broadest FairTax base for Alabama would be the total State Gross Domestic Product (GDP). If we were to levy the Alabama FairTax on $209.382 billion of state GDP, the rate would be 3.1 percent ($6.457 / $209.382) on a tax-inclusive basis, since GDP includes tax revenues.[[4]](#footnote-4)

Although broad, a state FairTax excludes some components of GDP, such as investment and federal government spending. In addition, the FairTax calls for a “Prebate” that excludes from the tax base all consumption spending up to the national poverty line. We need to account for these changes in calculating the Alabama FairTax base.

We calculate the tax base using data from IMPLAN Group, LLC. IMPLAN provides detailed datasets for state and local economies. IMPLAN data show business-to-business, government-to business, business-to-household, and government-to-household transactions.[[5]](#footnote-5) The IMPLAN data allow us to calculate the FairTax base using a single comprehensive state dataset. Table 3 on page 9 displays the results of the calculation.

IMPLAN provides comprehensive private consumption data.[[6]](#footnote-6) However, we exclude spending on education and imputed rent from private consumption and add back in the sale of new homes and dwellings as called for in the federal FairTax Act.

We estimate the private consumption base of $148.328 billion in Alabama for Calendar Year (CY) 2014, the most recent data available. We grow the 2014 data to 2016 and 2017 using the deflators within IMPLAN data for each sector then take half from 2015 and half from 2016 to produce our estimate for FY 2016 of $154.766 billion and $158.131 billion, which are displayed in the first row of Table 3. Table 5 on page 11 displays the detailed products and services included in the household consumption base.

IMPLAN also provides the data for state and local government consumption spending.[[7]](#footnote-7) Alabama state and local government spending on goods and services was $7.310 billion in 2014. We grow the 2014 data to FY 2016 and FY 2017 using the same method as with private consumption spending, yielding $7.712 billion in 2016 and $7.921 billion in 2017, seen in the second row of Table 3. Table 6 on page 19 displays the detailed products and services included in the government consumption base.

Another component of the FairTax base is state and local government spending on non-education salaries and wages. IMPLAN estimates that Alabama state and local governments spent $8.538 billion in 2014 on non-education salary and wages. Using the same growth method as above, we estimate state and local spending on non-education salaries and wages at $8.868 billion in FY 2016 and $9.038 billion in 2017, listed in the third row of Table 3. Table 7 displays the breakdown between state and local government salaries.

Adding the three lines together yields a gross FairTax tax base of $171.346 billion in FY 2016 and $175.090 billion in 2017. See line 4 in Table 3.

A Beacon Hill Institute study showed the national FairTax gross tax base to be 80 percent of the national economy in 2007.[[8]](#footnote-8) We estimate Alabama State GDP to be $209.382 billion in 2015, which means our gross FairTax base is 78.2 percent of state GDP. While it is slightly lower than the national calculation, it gives us confidence that our gross FairTax is reasonable.

The FairTax Act includes an administrative fee of 0.25 percent of the tax base to be paid to vendors and states for collecting the FairTax. We calculate the administrative fee as a percentage of the net tax base.

### The Prebate

To make the tax more progressive across all income groups, the FairTax also calls for a Prebate that would be paid to all households. The Prebate is based on the federal poverty guidelines adjusted to remove any marriage penalty. The Prebate may be thought of as a rebate, except that it is paid at the beginning of each month in advance of that month’s consumption expenditures. The size of the monthly Prebate provided to a given household is set at the amount of FairTax that a given household would pay over the course of the month, were it consuming goods and services at the federal poverty line.

The U.S. Department of Health and Human Services publishes the poverty guidelines by household size for the 48 lower states.[[9]](#footnote-9) The U.S. Census Bureau provides estimates of the number of Alabama households by family size.[[10]](#footnote-10) Using these figures, we estimate the Prebate will reduce the tax base by $37.594 billion in 2016 and $38.077 billion in 2017. Table 2 displays the details of the Prebate calculation.

Table 2: Computing the FairTax Base Reduction Due to the Prebate for FY 2017

* 1. **Single Households**

**Household Size**

**Family Consumption Allowance**

**Number of Households**

**Prebate Base Reduction (thousands)**

1 11,880 525,668 6,339,556

2 16,020 62,422 1,013,733

3 20,160 9,291 189,722

4 24,300 3,491 85,879

5 28,440 621 17,872

6 32,580 196 6,460

7 or more 36,890 103 3,825

**Subtotal, Single Households 601,792** 7**,657,047**

* 1. **Married Households**

|  |  |  |  |
| --- | --- | --- | --- |
| 2 | 20,160 | 583,593 | 11,916,969235 |
| 3 | 24,300 | 296,915 | 7,304,109 |
| 4 | 28,440 | 222,001 | 6,389,189 |
| 5 | 32,580 | 91,097 | 3,002,557 |
| 6 | 36,720 | 30,187 | 1,121,145 |
| 7 or more | 40,050 | 16,589 | 685,458 |
| **Subtotal, Married Households** |  | **1,240,382** | **30,419,427** |
|  |  |  |  |
| **Total** |  | **1,842,174** | **38,076,475** |

### 

### The FairTax Rate

As stated above, we calculate the FairTax rate under two scenarios. Scenario 1 replaces state tax revenues listed in Table 1. Scenario 2 adds local sales tax to the state taxes to be replaced by the Alabama FairTax; and the Scenario 3 calculates the average local sales tax rate that would be needed to replace the current revenue, were the local sales taxes to adopt the Alabama FairTax base. We report the Alabama FairTax and local options sales tax rates for   
fiscal years 2016 and 2017.

#### Scenario 1

To calculate the FairTax rate, we first add the components of the household and government consumption bases, which yields a gross tax base of $171.346 billion in 2016. Next, we subtract the Prebate from the gross base, yielding $133.752 billion. We calculate the administrative fee by multiplying $133.752 by 0.25 percent, yielding $334 million. We subtract the $334 from the base to produce the net FairTax base of $133.418 billion.

We calculate the tax revenues to be replaced as $7.757 billion. To calculate the FairTax rate, we divide the $7.757 in revenue to be replaced by the FairTax by the net tax base of $133.418 billion which yields a rate of 5.81 percent for FY 2016. The same calculation would yield a FairTax rate of 5.88 percent in 2017.

Table 3: The Calculation of the Alabama FairTax Rate: Scenario 1 (millions $)

|  |  |  |
| --- | --- | --- |
| **Tax Base\*** | **2016** | **2017** |
| Private consumption (services) | 154,766 | 158,131 |
| State and local government consumption | 7,712 | 7,921 |
| State and local government salaries and wages | 8,868 | 9,038 |
| Gross tax base | 171,346 | 175,090 |
| Prebate | -37,594 | -38,077 |
| Tax base | 133,752 | 136,912 |
| Adjustment for administrative fee (0.25%) | -334 | -342 |
| **Net tax base** | **133,418** | **136,570** |
| Tax revenue (to be replaced) | 7,757 | 8,027\*\* |
| **Tax-inclusive rate (%)** | **5.81** | **5.88** |
| \*totals may not add due to rounding. \*\*increased by 3.4% over FY2016, per State of Alabama Executive Budget, Fiscal Year 2017 growth rate over FY 2016 figures for the corresponding taxes. | | |

#### Scenario 2 and 3

The tax bases under scenarios 2 and 3 are exactly the same as scenario 1, but the revenues to be replaced by the Alabama FairTax change. Table 4 displays the calculations under both scenarios.

Under scenario 2, we add all local property taxes, or $2.587 billion in 2016 and $2.680 billion in 2017 to the taxes to be replaced by the Alabama FairTax, which increases total revenues to be replaced to $10.344 billion in 2016 and $10,707 billion in 2017. Using the same calculation as in scenario 1, we estimate the FairTax rate of 7.75 percent in 2016 and 7.88 percent in 2017.

Table 4: The Calculation of the Alabama FairTax Rate (millions $)

|  |  |  |
| --- | --- | --- |
| **Scenario 2: Revenues include all local options sales taxes\*** | | |
| **Tax Base** | **2016** | **2017** |
| **Net tax base** | **133,418** | **136,570** |
| Tax revenue (to be replaced) | 10,344 | 10,707\*\* |
| **Tax-inclusive rate (%)** | **7.75** | **7.84** |
| **Scenario 3: Local Options Sales Tax rate under Alabama FairTax Base** | | |
| **Tax Base** | **2016** | **2017** |
| **Net tax base** | **133,418** | **136,570** |
| Tax revenue (to be replaced) | 2,587 | 2,680\*\* |
| **Tax-inclusive rate (%)** | **1.94** | **1.96** |
| \*totals may not add due to rounding. \*\*increased by 3.4% over FY2016, per State of Alabama Executive Budget, Fiscal Year 2017 growth rate over FY 2016 figures for the corresponding taxes. | | |

Under scenario 3, we calculate the average local sales tax rate (averaged across all local governments that levy a local sales tax) if local governments adopted the Alabama FairTax base. Local sales taxes raised $2.587 billion in 2016 and we estimate they would raise $2,680 billion in 2017. Using the same calculation as in scenario 1, we estimate an average local sales tax FairTax rate of 1.94 percent in 2016 and 1.96 percent in 2017 under the Alabama FairTax rate.

### Detailed Data Tables

Table 5: Household Consumption Tax Base (2014)

|  |  |  |
| --- | --- | --- |
| Commodity Code | Description | $ |
| 3002 | Grains | 14,150,828 |
| 3003 | Vegetables and melons | 277,318,119 |
| 3004 | Fruit | 202,277,631 |
| 3005 | Tree nuts | 68,609,435 |
| 3006 | Greenhouse, nursery, and floriculture products | 111,762,465 |
| 3010 | All other crops | 3,003,598 |
| 3011 | Beef cattle | 5,570,743 |
| 3013 | Poultry and egg products | 96,855,722 |
| 3014 | Animal products, except cattle and poultry and eggs | 91,581,553 |
| 3017 | Fish | 59,571,438 |
| 3018 | Wild game products, pelts, and furs | 20,712,326 |
| 3019 | Support activities for agriculture and forestry | 7,078,614 |
| 3022 | Coal | 194,673 |
| 3031 | Sand and gravel | 1,611,102 |
| 3032 | Other clay, ceramic, refractory minerals | 60,620 |
| 3033 | Potash, soda, and borate mineral | 700,131 |
| 3034 | Phosphate rock | 115,612 |
| 3035 | Other chemical and fertilizer mineral | 80,183 |
| 3036 | Other nonmetallic minerals | 72,163 |
| 3049 | Electricity transmission and distribution | 2,522,516,273 |
| 3050 | Natural gas distribution | 391,839,539 |
| 3051 | Water, sewage and other systems | 565,836,536 |
| 3059 | Newly constructed single-family residential structures | 2,478,261,719 |
| 3060 | Newly constructed multifamily residential structures | 572,899,719 |
| 3061 | Newly constructed residential structures | 5,154,141,113 |
| 3065 | Dog and cat food | 415,195,773 |
| 3066 | Other animal food | 82,451,748 |
| 3067 | Flour | 47,522,693 |
| 3068 | Rice | 18,710,953 |
| 3069 | Malt | 8,218,118 |
| 3070 | Wet corn | 12,513,002 |
| 3071 | Soybean and other oilseed processing | 19,963,457 |
| 3072 | Fats and oils refining and blending | 61,583,169 |
| 3073 | Breakfast cereal | 152,808,253 |
| 3074 | Beet sugar | 35,477,730 |
| 3075 | Sugar cane | 42,244,840 |
| 3076 | Non-chocolate confectioneries | 122,911,283 |
| 3077 | Chocolate and confectioneries from cacao beans | 32,951,028 |
| 3078 | Confectioneries from purchased chocolate | 180,688,183 |
| 3079 | Frozen fruits, juices and vegetables | 143,068,777 |
| 3080 | Frozen specialties | 253,492,212 |
| 3081 | Canned fruits and vegetables | 208,560,631 |
| 3082 | Canned specialties | 260,772,347 |
| 3083 | Dehydrated food products | 34,727,632 |
| 3084 | Fluid milk | 371,157,907 |
| 3085 | Creamery butter | 25,283,087 |
| 3086 | Cheese | 233,671,616 |
| 3087 | Dry, condensed, and evaporated dairy products | 149,746,741 |
| 3088 | Ice cream and frozen dessert | 42,821,908 |
| 3089 | Meat (except poultry) produced in slaughtering plant | 459,077,814 |
| 3090 | Meat processed from carcasses | 666,773,827 |
| 3091 | Processed animal rendered byproducts | 28,985,822 |
| 3092 | Processed poultry meat products | 572,676,645 |
| 3093 | Seafood products | 87,727,400 |
| 3094 | Bread and bakery products, except frozen | 611,663,624 |
| 3095 | Frozen cakes and other pastries | 54,639,629 |
| 3096 | Cookies and crackers | 157,836,596 |
| 3097 | Dry pasta, mixes, and dough | 156,775,534 |
| 3098 | Tortillas | 46,383,031 |
| 3099 | Roasted nuts and peanut butter | 110,418,355 |
| 3100 | Other snack foods | 374,515,861 |
| 3101 | Coffee and tea | 73,836,765 |
| 3102 | Flavoring syrup and concentrate | 3,640,707 |
| 3103 | Mayonnaise, dressings, and sauces | 87,866,867 |
| 3104 | Spices and extracts | 121,276,536 |
| 3105 | All other food products | 308,183,848 |
| 3106 | Bottled and canned soft drinks and water | 843,359,417 |
| 3107 | Manufactured ice | 12,530,314 |
| 3108 | Beer, ale, malt liquor and nonalcoholic beer | 426,253,647 |
| 3109 | Wine and brandies | 198,689,521 |
| 3110 | Distilled liquors except brandies | 123,665,796 |
| 3111 | Cigarettes, cigars, smoking and chewing tobacco | 687,805,399 |
| 3112 | Fiber filaments, yarn, and thread | 1,807,183 |
| 3113 | Broad woven fabrics and felts | 10,644,016 |
| 3114 | Narrow fabrics and schiffli machine embroidery | 1,360,772 |
| 3115 | Nonwoven fabrics | 6,709,845 |
| 3116 | Knitted fabrics | 942,096 |
| 3117 | Finished textiles and fabrics | 3,440,071 |
| 3118 | Coated fabric coating | 1,422,446 |
| 3119 | Carpets and rugs | 98,595,274 |
| 3120 | Curtains and linens | 198,005,655 |
| 3121 | Textile bags and canvas | 23,978,525 |
| 3122 | Rope, cordage, twine, tire cord and tire fabric | 16,378,299 |
| 3123 | Other textile products | 26,032,990 |
| 3124 | Hosiery and socks | 51,621,765 |
| 3127 | Mens and boys cut and sew apparel | 337,996,817 |
| 3128 | Womens and girls cut and sew apparel | 625,499,092 |
| 3129 | Other cut and sew apparel | 62,656,529 |
| 3130 | Apparel accessories and other apparel | 103,009,469 |
| 3132 | Footwear | 257,133,822 |
| 3133 | Other leather and allied products | 163,837,013 |
| 3142 | Wood containers and pallets | 20,926,129 |
| 3143 | Manufactured homes (mobile homes) | 38,627,735 |
| 3144 | Prefabricated wood buildings | 2,716,172 |
| 3145 | All other miscellaneous wood products | 15,975,271 |
| 3147 | Paper from pulp | 187,897,694 |
| 3149 | Paperboard containers | 6,543,862 |
| 3150 | Paper bags and coated and treated paper | 30,787,766 |
| 3151 | Stationery products | 11,209,435 |
| 3152 | Sanitary paper products | 130,552,376 |
| 3153 | All other converted paper products | 9,790,497 |
| 3154 | Printed materials | 34,256,565 |
| 3156 | Refined petroleum products | 3,188,402,466 |
| 3159 | Petroleum lubricating oil and grease | 69,332,311 |
| 3160 | All other petroleum and coal products | 21,559,853 |
| 3162 | Industrial gases | 1,818,154 |
| 3164 | Other basic inorganic chemicals | 473,017 |
| 3165 | Other basic organic chemicals | 16,370,539 |
| 3169 | Nitrogenous fertilizer | 2,001,907 |
| 3170 | Phosphatic fertilizer | 2,698,043 |
| 3172 | Pesticides and other agricultural chemicals | 93,388,478 |
| 3174 | Pharmaceuticals | 3,661,183,708 |
| 3177 | Paints and coatings | 1,871,205 |
| 3178 | Adhesives | 15,710,636 |
| 3179 | Soaps and other detergents | 212,560,261 |
| 3180 | Polish and other sanitation goods | 135,499,631 |
| 3181 | Surface active agents | 23,807,258 |
| 3182 | Toilet preparations | 545,688,648 |
| 3185 | Compounded resins | 3,802,567 |
| 3186 | Photographic films and chemicals | 7,557,262 |
| 3187 | Other miscellaneous chemical products | 22,802,881 |
| 3188 | Plastics packaging materials and unlaminated films and sheets | 34,637,315 |
| 3192 | Polystyrene foam products | 8,900,638 |
| 3193 | Urethane and other foam products (except polystyrene) | 9,870,907 |
| 3195 | Other plastics products | 123,684,632 |
| 3196 | Tires | 170,973,072 |
| 3197 | Rubber and plastics hoses and belts | 6,528,162 |
| 3198 | Other rubber products | 15,850,835 |
| 3199 | Pottery, ceramics, and plumbing fixtures | 12,330,586 |
| 3202 | Other pressed and blown glass and glassware | 6,869,559 |
| 3203 | Glass containers | 8,356,648 |
| 3204 | Glass products made of purchased glass | 15,098,145 |
| 3209 | Other concrete products | 213,177 |
| 3210 | Lime | 173,240 |
| 3211 | Gypsum products | 104,906 |
| 3212 | Abrasive products | 641,424 |
| 3213 | Cut stone and stone products | 46,188,232 |
| 3214 | Ground or treated mineral and earth products | 835,431 |
| 3217 | Iron and steel and ferroalloy products | 5,407,968 |
| 3220 | Steel wire | 469,694 |
| 3227 | Nonferrous metal, except copper and aluminum, shaping | 91,750 |
| 3228 | Secondary processing of other nonferrous metals | 281,714 |
| 3230 | Nonferrous metals | 1,918,424 |
| 3234 | Crowned and stamped metals | 5,005,388 |
| 3235 | Cutlery, utensils, pots, and pans | 29,425,508 |
| 3236 | Hand-tools | 38,624,942 |
| 3237 | Prefabricated metal buildings and components | 67,178 |
| 3238 | Fabricated structural metal products | 324,013 |
| 3239 | Plates | 284,142 |
| 3245 | Metal cans | 865,029 |
| 3246 | Metal barrels, drums and pails | 841,423 |
| 3247 | Hardware | 5,149,118 |
| 3248 | Spring and wire products | 1,208,474 |
| 3250 | Turned products and screws, nuts, and bolts | 853,936 |
| 3257 | Small arms ammunition | 24,568,218 |
| 3259 | Small arms, ordnance, and accessories | 42,200,469 |
| 3261 | Other fabricated metals | 23,820,697 |
| 3263 | Lawn and garden equipment | 7,310,704 |
| 3267 | Food product machinery | 1,067,043 |
| 3269 | Sawmill, woodworking, and paper machinery | 228,109 |
| 3270 | Printing machinery and equipment | 522,461 |
| 3271 | All other industrial machinery | 3,751,098 |
| 3272 | Optical instruments and lenses | 350,828 |
| 3273 | Photographic and photocopying equipment | 11,112,350 |
| 3274 | Other commercial service industry machinery | 5,648,511 |
| 3276 | Heating equipment (except warm air furnaces) | 20,239,429 |
| 3277 | Air conditioning, refrigeration, and warm air heating equipment | 20,677,856 |
| 3281 | Machine tool | 569,092 |
| 3286 | Other engine equipment | 6,311,953 |
| 3294 | Power-driven hand-tools | 17,879,285 |
| 3295 | Welding and soldering equipment | 944,906 |
| 3300 | Scales, balances, and miscellaneous general purpose machinery | 2,632,366 |
| 3301 | Electronic computers | 541,073,320 |
| 3302 | Computer storage devices | 42,526,901 |
| 3303 | Computer terminals and other computer peripheral equipment | 109,718,062 |
| 3304 | Telephone apparatus | 6,207,732 |
| 3305 | Broadcast and wireless communications equipment | 115,148,086 |
| 3306 | Other communications equipment | 554,329 |
| 3307 | Audio and video equipment | 410,315,466 |
| 3312 | Printed circuit assemblies (electronic assemblies) | 3,214,686 |
| 3313 | Other electronic components | 2,015,412 |
| 3314 | Electromedical and electrotherapeutic apparatus | 78,420,358 |
| 3315 | Search, detection, and navigation instruments | 742,642 |
| 3322 | Watches, clocks, and other measuring and controlling devices | 48,462,381 |
| 3323 | Blank magnetic and optical recording media | 4,321,432 |
| 3325 | Electric lamp bulbs and parts | 17,384,000 |
| 3326 | Lighting fixtures | 21,683,530 |
| 3327 | Small electrical appliances | 140,923,167 |
| 3328 | Household cooking appliances | 97,146,233 |
| 3329 | Household refrigerators and home freezers | 101,708,272 |
| 3330 | Household laundry equipment | 104,094,912 |
| 3331 | Other major household appliances | 22,684,760 |
| 3332 | Power, distribution, and specialty transformers | 169,314 |
| 3333 | Motors and generators | 666,511 |
| 3334 | Switchgear and switchboard apparatus | 2,042,649 |
| 3336 | Storage batteries | 29,895,446 |
| 3337 | Primary batteries | 59,824,723 |
| 3342 | All other miscellaneous electrical equipment and components | 4,623,098 |
| 3343 | Automobiles | 1,551,024,784 |
| 3344 | Light trucks and utility vehicles | 1,569,890,207 |
| 3346 | Motor vehicle bodies | 467,698 |
| 3348 | Motor homes | 80,839,134 |
| 3349 | Travel trailers and campers | 85,409,859 |
| 3350 | Motor vehicle gasoline engines and engine parts | 26,571,470 |
| 3351 | Motor vehicle electrical and electronic equipment | 49,992,494 |
| 3352 | Motor vehicle steering, suspension components, and brake systems | 18,634,656 |
| 3353 | Motor vehicle transmission and power train parts | 28,446,951 |
| 3354 | Motor vehicle seating and interior trim | 259,545 |
| 3356 | Other motor vehicle parts | 80,978,369 |
| 3357 | Aircrafts | 9,484,493 |
| 3364 | Boats | 92,180,320 |
| 3365 | Motorcycles, bicycles, and parts | 105,217,312 |
| 3367 | All other transportation equipment | 87,348,477 |
| 3369 | Upholstered household furniture | 168,802,005 |
| 3370 | Non-upholstered wood household furniture | 205,744,436 |
| 3371 | Other household non-upholstered furniture | 73,627,916 |
| 3372 | Institutional furniture | 487,954 |
| 3373 | Wood office furniture | 888,265 |
| 3374 | Custom architectural woodwork and millwork | 302,578 |
| 3375 | Office furniture, except wood | 1,838,225 |
| 3376 | Showcases, partitions, shelving, and lockers | 8,504,405 |
| 3377 | Mattresses | 109,947,650 |
| 3378 | Blinds and shades | 30,808,177 |
| 3379 | Surgical and medical instruments | 6,839,400 |
| 3380 | Surgical appliance and supplies | 222,855,005 |
| 3382 | Ophthalmic goods | 114,410,568 |
| 3384 | Jewelry and silverware | 245,462,968 |
| 3385 | Sporting and athletic goods | 223,031,494 |
| 3386 | Dolls, toys, and games | 301,093,960 |
| 3387 | Office supplies (except paper) | 33,085,506 |
| 3389 | Gaskets, packings, and sealing devices | 35,383,172 |
| 3390 | Musical instruments | 15,409,459 |
| 3391 | Fasteners, buttons, needles, and pins | 13,020,563 |
| 3392 | Brooms, brushes, and mops | 22,257,945 |
| 3393 | Burial caskets | 5,117,087 |
| 3394 | All other miscellaneous manufactured products | 121,661,951 |
| 3395 | Wholesale trade distribution services | 6,407,163,895 |
| 3396 | Retail services - Motor vehicle and parts dealers | 1,806,646,362 |
| 3397 | Retail services - Furniture and home furnishings stores | 700,822,590 |
| 3398 | Retail services - Electronics and appliance stores | 532,142,081 |
| 3399 | Retail services - Building material and garden supply stores | 1,521,655,941 |
| 3400 | Retail services - Food and beverage stores | 2,509,215,225 |
| 3401 | Retail services - Health and personal care stores | 1,041,982,515 |
| 3402 | Retail services - Gasoline stores | 687,056,173 |
| 3403 | Retail services- Clothing and clothing accessories stores | 750,972,864 |
| 3404 | Retail services - Sporting goods, hobby, musical instrument and book stores | 438,351,260 |
| 3405 | Retail services - General merchandise stores | 2,371,566,124 |
| 3406 | Retail services - Miscellaneous store retailers | 544,468,790 |
| 3407 | Retail services – Non-store retailers | 1,257,709,427 |
| 3408 | Air transportation services | 1,289,364,748 |
| 3409 | Rail transportation services | 87,378,640 |
| 3410 | Water transportation services | 195,771,833 |
| 3411 | Truck transportation services | 1,118,578,474 |
| 3412 | Transit and ground passenger transportation services | 429,243,910 |
| 3414 | Scenic and sightseeing transportation services and support activities for transportation | 137,234,840 |
| 3415 | Couriers and messengers services | 22,483,184 |
| 3416 | Warehousing and storage services | 2,527,883 |
| 3417 | Newspapers | 89,252,501 |
| 3418 | Periodicals | 164,547,706 |
| 3419 | Books | 322,321,013 |
| 3420 | Directories, mailing lists, and other published materials | 84,980,356 |
| 3421 | Greeting cards | 18,345,327 |
| 3422 | Software publishers | 693,257,311 |
| 3423 | Motion pictures and videos | 397,128,668 |
| 3424 | Sound recordings | 91,937,861 |
| 3425 | Radio and television broadcasts | 37,689,519 |
| 3427 | Wired telecommunications | 2,601,615,776 |
| 3428 | Wireless telecommunications (except satellite) | 2,648,919,785 |
| 3429 | Satellite, telecommunications resellers, and all other telecommunications | 106,573,081 |
| 3431 | News syndicates, libraries, archives and all other information services | 266,333,867 |
| 3432 | Internet publishing and broadcasting and web search portals | 100,615,780 |
| 3433 | Monetary authorities and depository credit intermediation | 2,661,842,751 |
| 3434 | Non-depository credit intermediation and related activities | 357,494,437 |
| 3435 | Securities and commodity contracts intermediation and brokerage | 438,778,386 |
| 3436 | Other financial investment services | 2,535,777,046 |
| 3437 | Insurance | 3,882,411,980 |
| 3439 | Funds, trusts, and other financial services | 1,950,376,324 |
| 3440 | Real estate buying and selling, leasing, managing, and related services | 7,144,508,362 |
| 3442 | Automotive equipment rental and leasing services | 731,733,326 |
| 3443 | General and consumer goods rental services | 205,840,397 |
| 3444 | Video tape and disc rental services | 46,923,370 |
| 3445 | Commercial and industrial machinery rental and leasing services | 4,709,728 |
| 3447 | Legal services | 1,232,910,496 |
| 3448 | Accounting, tax preparation, bookkeeping, and payroll services | 216,978,550 |
| 3450 | Specialized design services | 55,816,819 |
| 3457 | Advertising, public relations, and related services | 34,466,992 |
| 3458 | Photographic services | 111,821,653 |
| 3459 | Veterinary services | 416,332,398 |
| 3464 | Employment services | 23,350,584 |
| 3465 | Business support services | 50,585,477 |
| 3466 | Travel arrangement and reservation services | 235,005,417 |
| 3467 | Investigation and security services | 109,168,099 |
| 3468 | Services to buildings | 95,047,679 |
| 3469 | Landscape and horticultural services | 139,652,917 |
| 3470 | Other support services | 3,205,102 |
| 3471 | Waste management and remediation services | 306,977,811 |
| 3475 | Offices of physicians | 5,737,000,992 |
| 3476 | Offices of dentists | 1,787,909,824 |
| 3477 | Offices of other health practitioners | 1,542,826,981 |
| 3478 | Outpatient care centers | 2,001,166,466 |
| 3479 | Medical and diagnostic laboratories | 362,227,939 |
| 3480 | Home health care services | 1,366,659,897 |
| 3481 | Other ambulatory health care services | 386,978,920 |
| 3482 | Private hospital services | 13,759,015,900 |
| 3483 | Nursing and community care services | 2,405,119,766 |
| 3484 | Residential mental retardation, mental health, substance abuse | 496,544,731 |
| 3485 | Individual and family services | 1,134,359,287 |
| 3486 | Community food, housing, and other relief services | 635,033,741 |
| 3487 | Child day care services | 541,391,432 |
| 3488 | Performing arts | 410,642,340 |
| 3489 | Commercial sports except racing | 208,425,433 |
| 3490 | Racing and track operation services | 23,113,526 |
| 3491 | Promotional services for performing arts and sports and public figures | 140,614,968 |
| 3492 | Independent artists, writers, and performers | 2,134,883 |
| 3493 | Museum, heritage, zoo, and recreational services | 201,793,578 |
| 3494 | Amusement parks and arcades | 125,297,163 |
| 3495 | Gambling recreation | 1,510,741,631 |
| 3496 | Other amusement and recreation | 469,213,590 |
| 3497 | Fitness and recreational sports center services | 307,307,829 |
| 3498 | Bowling activities | 31,261,112 |
| 3499 | Hotels and motel services, including casino hotels | 1,245,741,695 |
| 3500 | Other accommodation services | 65,337,735 |
| 3501 | Full-service restaurant services | 2,611,847,580 |
| 3502 | Limited-service restaurant services | 4,548,911,171 |
| 3503 | All other food and drinking place services | 1,157,196,251 |
| 3504 | Automotive repair and maintenance, except car washes | 1,816,812,794 |
| 3505 | Car washes | 199,374,393 |
| 3506 | Electronic and precision equipment repair and maintenance | 44,787,737 |
| 3508 | Personal and household goods repair and maintenance | 247,363,209 |
| 3509 | Personal care services | 867,630,508 |
| 3510 | Death care services | 210,959,888 |
| 3511 | Dry-cleaning and laundry services | 145,274,290 |
| 3512 | Other personal services | 551,010,725 |
| 3513 | Services from religious organizations | 782,253,109 |
| 3514 | Grantmaking, giving, and social advocacy services | 880,852,894 |
| 3515 | Business and professional services | 295,499,360 |
| 3516 | Labor and civic services | 687,641,821 |
| 3517 | Cooking, housecleaning, gardening, and other services to private households | 263,351,460 |
| 3523 | Other products and services of State Govt. enterprises | 45,888,643 |
| 3526 | Other products and services of Local Govt. enterprises | 826,787,746 |
|  | **Total** | **148,328,513** |

Table 6: State and Local Government Consumption Tax Base (2014)

|  |  |  |
| --- | --- | --- |
| **Government Demand:** State/Local Government Non-Education | |  |
| Commodity  Code | Description | $ |
| 3002 | Grains | 720,842.54 |
| 3003 | Vegetables and melons | 2,886,035.44 |
| 3004 | Fruit | 209,627 |
| 3005 | Tree nuts | 69,717 |
| 3006 | Greenhouse, nursery, and floriculture products | 21,556,427 |
| 3007 | Tobacco | 38,094 |
| 3008 | Cotton | 254,857 |
| 3009 | Sugarcane and sugar beets | 76,341 |
| 3010 | All other crops | 746,808 |
| 3013 | Poultry and egg products | 1,659,992 |
| 3014 | Animal products, except cattle and poultry and eggs | 1,076,714 |
| 3016 | Logs and roundwood | 3,940 |
| 3018 | Wild game products, pelts, and furs | 526,369 |
| 3019 | Support activities for agriculture and forestry | 14,679,280 |
| 3022 | Coal | 2,881,771 |
| 3031 | Sand and gravel | 10,021,006 |
| 3032 | Other clay, ceramic, refractory minerals | 377,053 |
| 3033 | Potash, soda, and borate mineral | 4,310,024 |
| 3034 | Phosphate rock | 711,714 |
| 3035 | Other chemical and fertilizer mineral | 493,609 |
| 3036 | Other nonmetallic minerals | 444,235 |
| 3049 | Electricity transmission and distribution | 15,833,037 |
| 3050 | Natural gas distribution | 14,232,368 |
| 3051 | Water, sewage and other systems | 35,203,548 |
| 3062 | Maintained and repaired nonresidential structures | 296,221,252 |
| 3064 | Maintained and repaired highways, streets, bridges, and tunnels | 714,727,722 |
| 3065 | Dog and cat food | 470,352 |
| 3066 | Other animal food | 1,327,796 |
| 3067 | Flour | 410,952 |
| 3068 | Rice | 260,163 |
| 3069 | Malt | 80,495 |
| 3070 | Wet corn | 36,530 |
| 3072 | Fats and oils refining and blending | 551,957 |
| 3073 | Breakfast cereal | 2,302,541 |
| 3074 | Beet sugar | 387,994 |
| 3075 | Sugar cane | 471,470 |
| 3076 | Non-chocolate confectioneries | 1,363,457 |
| 3077 | Chocolate and confectioneries from cacao beans | 366,147 |
| 3078 | Confectioneries from purchased chocolate | 1,994,507 |
| 3079 | Frozen fruits, juices and vegetables | 1,492,863 |
| 3080 | Frozen specialties | 2,645,085 |
| 3081 | Canned fruits and vegetables | 22,980,761 |
| 3082 | Canned specialties | 28,733,835 |
| 3083 | Dehydrated food products | 3,826,549 |
| 3084 | Fluid milk | 49,965,168 |
| 3085 | Creamery butter | 3,403,602 |
| 3087 | Dry, condensed, and evaporated dairy products | 20,974,960 |
| 3088 | Ice cream and frozen dessert | 10,919,950 |
| 3089 | Meat (except poultry) produced in slaughtering plant | 26,412,006 |
| 3090 | Meat processed from carcasses | 58,059,971 |
| 3091 | Processed animal rendered byproducts | 2,523,968 |
| 3092 | Processed poultry meat products | 3,226,416 |
| 3093 | Seafood products | 12,443,298 |
| 3094 | Bread and bakery products, except frozen | 20,110,725 |
| 3095 | Frozen cakes and other pastries | 1,796,482 |
| 3096 | Cookies and crackers | 1,040,491 |
| 3097 | Dry pasta, mixes, and dough | 1,033,496 |
| 3098 | Tortillas | 303,014 |
| 3099 | Roasted nuts and peanut butter | 400,955 |
| 3100 | Other snack foods | 1,359,955 |
| 3101 | Coffee and tea | 15,300,668 |
| 3102 | Flavoring syrup and concentrate | 1,210,872 |
| 3103 | Mayonnaise, dressings, and sauces | 5,183,547 |
| 3104 | Spices and extracts | 7,154,490 |
| 3105 | All other food products | 1,449,240 |
| 3106 | Bottled and canned soft drinks and water | 4,366,888 |
| 3107 | Manufactured ice | 64,882 |
| 3109 | Wine and brandies | 52,761 |
| 3110 | Distilled liquors except brandies | 139,784 |
| 3111 | Cigarettes, cigars, smoking and chewing tobacco, and reconstituted tobacco | 10,345,105 |
| 3113 | Broadwoven fabrics and felts | 827,921 |
| 3114 | Narrow fabrics and schiffli machine embroidery | 105,996 |
| 3115 | Nonwoven fabrics | 508,872 |
| 3116 | Knitted fabrics | 73,461 |
| 3117 | Finished textiles and fabrics | 370,029 |
| 3118 | Coated fabric coating | 148,376 |
| 3120 | Curtains and linens | 5,943,450 |
| 3121 | Textile bags and canvas | 1,599,234 |
| 3122 | Rope, cordage, twine, tire cord and tire fabric | 1,092,341 |
| 3123 | Other textile products | 1,727,239 |
| 3124 | Hosiery and socks | 934,871 |
| 3126 | Cut and sewn apparel from contractors | 7,171,260 |
| 3127 | Mens and boys cut and sew apparel | 249,750 |
| 3128 | Womens and girls cut and sew apparel | 11,240,813 |
| 3130 | Apparel accessories and other apparel | 1,872,040 |
| 3131 | Tanned and finished leather and hides | 123,652 |
| 3132 | Footwear | 217,124 |
| 3133 | Other leather and allied products | 142,756 |
| 3134 | Dimension lumber | 517,310 |
| 3135 | Preserved wood products | 99,287 |
| 3136 | Veneer and plywood | 4,809,455 |
| 3137 | Engineered wood members and trusses | 3,408,349 |
| 3138 | Reconstituted wood products | 3,623,333 |
| 3139 | Wood windows and doors | 327,605 |
| 3140 | Cut stock, resawn and planed lumber | 110,620 |
| 3141 | Other millwork, including flooring | 321,698 |
| 3142 | Wood containers and pallets | 12,472,127 |
| 3143 | Manufactured homes (mobile homes) | 16,037,531 |
| 3144 | Prefabricated wood buildings | 1,127,705 |
| 3145 | All other miscellaneous wood products | 4,593,793 |
| 3147 | Paper from pulp | 52,378,292 |
| 3149 | Paperboard containers | 3,411,406 |
| 3150 | Paper bags and coated and treated paper | 13,197,358 |
| 3151 | Stationery products | 48,410,187 |
| 3152 | Sanitary paper products | 13,049,072 |
| 3153 | All other converted paper products | 7,912,592 |
| 3154 | Printed materials | 106,847,137 |
| 3155 | Printing support services | 6,160,642 |
| 3156 | Refined petroleum products | 912,237,793 |
| 3157 | Asphalt paving mixtures and blocks | 25,368,700 |
| 3159 | Petroleum lubricating oil and grease | 7,902,340 |
| 3160 | All other petroleum and coal products | 2,498,324 |
| 3161 | Petrochemicals | 18,375,395 |
| 3162 | Industrial gases | 20,460,949 |
| 3163 | Synthetic dyes and pigments | 12,139,032 |
| 3164 | Other basic inorganic chemicals | 13,905,338 |
| 3165 | Other basic organic chemicals | 54,821,629 |
| 3166 | Plastics materials and resins | 27,471 |
| 3169 | Nitrogenous fertilizer | 8,692,897 |
| 3170 | Phosphatic fertilizer | 11,715,733 |
| 3172 | Pesticides and other agricultural chemicals | 16,315,258 |
| 3174 | Pharmaceuticals | 70,428,703 |
| 3176 | Biological products (except diagnostic) | 1,305,484 |
| 3177 | Paints and coatings | 8,158,398 |
| 3178 | Adhesives | 2,168,633 |
| 3179 | Soaps and other detergents | 29,145,412 |
| 3180 | Polish and other sanitation goods | 19,374,588 |
| 3181 | Surface active agents | 3,691,081 |
| 3183 | Printing inks | 560,632 |
| 3184 | Explosives | 2,974,774 |
| 3185 | Compounded resins | 6,088,790 |
| 3186 | Photographic films and chemicals | 11,418,746 |
| 3187 | Other miscellaneous chemical products | 36,459,534 |
| 3188 | Plastics packaging materials and unlaminated films and sheets | 8,822,989 |
| 3189 | Unlaminated plastics profile shapes | 494,199 |
| 3190 | Plastics pipes and pipe fittings | 888,870 |
| 3192 | Polystyrene foam products | 2,707,454 |
| 3195 | Other plastics products | 31,942,308 |
| 3196 | Tires | 4,998,280 |
| 3197 | Rubber and plastics hoses and belts | 3,361,785 |
| 3198 | Other rubber products | 20,563,496 |
| 3199 | Pottery, ceramics, and plumbing fixtures | 140,187 |
| 3200 | Bricks, tiles, and other structural clay products | 424,397 |
| 3201 | Flat glass | 701,330 |
| 3203 | Glass containers | 935,226 |
| 3204 | Glass products made of purchased glass | 1,695,314 |
| 3209 | Other concrete products | 364,146 |
| 3210 | Lime | 106,310 |
| 3211 | Gypsum products | 58,074 |
| 3212 | Abrasive products | 2,569,797 |
| 3213 | Cut stone and stone products | 1,097,947 |
| 3217 | Iron and steel and ferroalloy products | 1,209,530 |
| 3220 | Steel wire | 229,146 |
| 3230 | Nonferrous metals | 343,571 |
| 3234 | Crowned and stamped metals | 774,311 |
| 3235 | Cutlery, utensils, pots, and pans | 5,326,426 |
| 3236 | Hand tools | 7,022,552 |
| 3237 | Prefabricated metal buildings and components | 136,354 |
| 3238 | Fabricated structural metal products | 604,293 |
| 3239 | Plates | 511,328 |
| 3240 | Metal windows and doors | 338,655 |
| 3241 | Sheet metal work (except stampings) | 1,168,388 |
| 3242 | Ornamental and architectural metal products | 270,896 |
| 3248 | Spring and wire products | 133,972 |
| 3249 | Machined products | 1,621,319 |
| 3250 | Turned products and screws, nuts, and bolts | 599,260 |
| 3254 | Valve and fittings, other than plumbing | 324,929 |
| 3257 | Small arms ammunition | 2,945,415 |
| 3258 | Ammunition, except for small arms | 4,041,545 |
| 3259 | Small arms, ordnance, and accessories | 4,726,538 |
| 3261 | Other fabricated metals | 239,981 |
| 3262 | Farm machinery and equipment | 6,092,029 |
| 3263 | Lawn and garden equipment | 237,933 |
| 3267 | Food product machinery | 348,561 |
| 3269 | Sawmill, woodworking, and paper machinery | 74,514 |
| 3270 | Printing machinery and equipment | 170,667 |
| 3276 | Heating equipment (except warm air furnaces) | 576,325 |
| 3277 | Air conditioning, refrigeration, and warm air heating equipment | 12,535,486 |
| 3279 | Special tool, die, jig, and fixture | 155,926 |
| 3280 | Cutting tool and machine tool accessory | 55,400 |
| 3281 | Machine tool | 356,774 |
| 3282 | Rolling mill and other metalworking machinery | 89,390 |
| 3286 | Other engine equipment | 2,210,022 |
| 3287 | Pump and pumping equipment | 1,556,795 |
| 3289 | Measuring and dispensing pumps | 134,079 |
| 3294 | Power-driven hand tools | 380,915 |
| 3295 | Welding and soldering equipment | 7,470 |
| 3300 | Scales, balances, and miscellaneous general purpose machinery | 20,809 |
| 3302 | Computer storage devices | 5,205,802 |
| 3303 | Computer terminals and other computer peripheral equipment | 7,714,716 |
| 3305 | Broadcast and wireless communications equipment | 1,583,917 |
| 3307 | Audio and video equipment | 4,503,877 |
| 3308 | Bare printed circuit boards | 103,619 |
| 3309 | Semiconductors and related devices | 729,040 |
| 3312 | Printed circuit assemblies (electronic assemblies) | 137,359 |
| 3313 | Other electronic components | 329,548 |
| 3317 | Industrial process variable instruments | 397,700 |
| 3322 | Watches, clocks, and other measuring and controlling devices | 1,353,348 |
| 3325 | Electric lamp bulbs and parts | 8,871,944 |
| 3326 | Lighting fixtures | 11,327,041 |
| 3333 | Motors and generators | 1,281,156 |
| 3335 | Relay and industrial controls | 672,429 |
| 3336 | Storage batteries | 644,623 |
| 3337 | Primary batteries | 472,652 |
| 3342 | All other miscellaneous electrical equipment and components | 15,571 |
| 3345 | Heavy duty trucks | 90,897 |
| 3346 | Motor vehicle bodies | 24,712 |
| 3349 | Travel trailers and campers | 5,896,031 |
| 3350 | Motor vehicle gasoline engines and engine parts | 4,047,179 |
| 3351 | Motor vehicle electrical and electronic equipment | 9,251,731 |
| 3352 | Motor vehicle steering, suspension components (except spring), and brake systems | 6,162,206 |
| 3353 | Motor vehicle transmission and power train parts | 28,551,340 |
| 3356 | Other motor vehicle parts | 16,978,127 |
| 3362 | Railroad rolling stock | 208,398 |
| 3379 | Surgical and medical instruments | 20,580,400 |
| 3380 | Surgical appliance and supplies | 58,272,697 |
| 3381 | Dental equipment and supplies | 665,789 |
| 3386 | Dolls, toys, and games | 10,147,367 |
| 3387 | Office supplies (except paper) | 7,815,583 |
| 3389 | Gaskets, packings, and sealing devices | 2,027,581 |
| 3391 | Fasteners, buttons, needles, and pins | 771,290 |
| 3394 | All other miscellaneous manufactured products | 7,206,806 |
| 3395 | Wholesale trade distribution services | 300,643,188 |
| 3397 | Retail services - Furniture and home furnishings stores | 57,951 |
| 3398 | Retail services - Electronics and appliance stores | 22,422 |
| 3399 | Retail services - Building material and garden equipment and supplies stores | 323,103 |
| 3400 | Retail services - Food and beverage stores | 24,584 |
| 3401 | Retail services - Health and personal care stores | 604,539 |
| 3402 | Retail services - Gasoline stores | 398,194 |
| 3403 | Retail services- Clothing and clothing accessories stores | 1,426,792 |
| 3404 | Retail services - Sporting goods, hobby, musical instrument and book stores | 164,880 |
| 3405 | Retail services - General merchandise stores | 1,319,504 |
| 3408 | Air transportation services | 44,046,032 |
| 3409 | Rail transportation services | 4,188,614 |
| 3411 | Truck transportation services | 61,707,554 |
| 3412 | Transit and ground passenger transportation services | 188,990,387 |
| 3413 | Pipeline transportation services | 3,502,650 |
| 3414 | Scenic and sightseeing transportation services and support activities for transportation | 902,567 |
| 3415 | Couriers and messengers services | 5,564,836 |
| 3416 | Warehousing and storage services | 33,037,449 |
| 3417 | Newspapers | 134,418 |
| 3418 | Periodicals | 823,153 |
| 3419 | Books | 55,357,704 |
| 3420 | Directories, mailing lists, and other published materials | 2,911,364 |
| 3421 | Greeting cards | 930,382 |
| 3423 | Motion pictures and videos | 1,635,582 |
| 3424 | Sound recordings | 2,627,104 |
| 3425 | Radio and television broadcasts | 1,888,928 |
| 3427 | Wired telecommunications | 232,259,995 |
| 3428 | Wireless telecommunications (except satellite) | 164,532,196 |
| 3429 | Satellite, telecommunications resellers, and all other telecommunications | 9,336,683 |
| 3430 | Data processing, hosting, and related services | 106,429,161 |
| 3431 | News syndicates, libraries, archives and all other information services | 37,842,983 |
| 3432 | Internet publishing and broadcasting and web search portals | 2,256,319 |
| 3433 | Monetary authorities and depository credit intermediation | 60,394,329 |
| 3434 | Non-depository credit intermediation and related activities | 1,844,404 |
| 3435 | Securities and commodity contracts intermediation and brokerage | 55,088,829 |
| 3436 | Other financial investment services | 1,912,760 |
| 3437 | Insurance | 241,219 |
| 3440 | Real estate buying and selling, leasing, managing, and related services | 379,400,116 |
| 3442 | Automotive equipment rental and leasing services | 6,053,227 |
| 3443 | General and consumer goods rental services except video tapes and discs | 16,803,423 |
| 3445 | Commercial and industrial machinery and equipment rental and leasing services | 48,460,880 |
| 3447 | Legal services | 96,148,026 |
| 3448 | Accounting, tax preparation, bookkeeping, and payroll services | 80,145,851 |
| 3449 | Architectural, engineering, and related services | 165,029,999 |
| 3450 | Specialized design services | 27,844,059 |
| 3452 | Computer systems design services | 112,120,850 |
| 3453 | Other computer related services, including facilities management services | 41,407,677 |
| 3454 | Management consulting services | 137,188,660 |
| 3455 | Environmental and other technical consulting services | 38,165,825 |
| 3456 | Scientific research and development services | 1,713,515 |
| 3457 | Advertising, public relations, and related services | 78,149,055 |
| 3459 | Veterinary services | 7,827,695 |
| 3460 | Marketing research and all other miscellaneous professional, scientific services | 32,724,854 |
| 3462 | Office administrative services | 35,393,101 |
| 3463 | Facilities support services | 22,507,792 |
| 3464 | Employment services | 56,903,465 |
| 3465 | Business support services | 12,688,293 |
| 3467 | Investigation and security services | 54,239,498 |
| 3468 | Services to buildings | 58,947,502 |
| 3469 | Landscape and horticultural services | 77,864,494 |
| 3470 | Other support services | 25,973,305 |
| 3471 | Waste management and remediation services | 228,725,586 |
| 3473 | Junior colleges, colleges, universities, and professional schools | 93,021,530 |
| 3474 | Other educational services | 27,103,525 |
| 3475 | Offices of physicians | 3,987,407 |
| 3476 | Offices of dentists | 1,040,531 |
| 3477 | Offices of other health practitioners | 10,060,237 |
| 3478 | Outpatient care centers | 10,991,225 |
| 3479 | Medical and diagnostic laboratories | 824,367 |
| 3483 | Nursing and community care services | 2,894,612 |
| 3484 | Residential mental retardation, mental health, substance abuse services | 1,567,813 |
| 3485 | Individual and family services | 15,236,094 |
| 3486 | Community food, housing, and other relief services, including rehabilitation services | 1,862,228 |
| 3487 | Child day care services | 11,207,992 |
| 3496 | Other amusement and recreation | 7,654,454 |
| 3497 | Fitness and recreational sports center services | 4,911,263 |
| 3498 | Bowling activities | 899,049 |
| 3499 | Hotels and motel services, including casino hotels | 26,343,294 |
| 3500 | Other accommodation services | 1,698,395 |
| 3501 | Full-service restaurant services | 10,815,732 |
| 3502 | Limited-service restaurant services | 165,979,599 |
| 3503 | All other food and drinking place services | 32,986,538 |
| 3504 | Automotive repair and maintenance, except car washes | 17,556,742 |
| 3505 | Car washes | 1,998,867 |
| 3506 | Electronic and precision equipment repair and maintenance | 53,982,346 |
| 3507 | Commercial and industrial machinery and equipment repair and maintenance | 21,637,951 |
| 3508 | Personal and household goods repair and maintenance | 6,518,945 |
| 3509 | Personal care services | 182,896 |
| 3511 | Dry-cleaning and laundry services | 22,029,846 |
| 3512 | Other personal services | 18,798,233 |
| 3523 | Other products and services of state government enterprises | 2,450,321 |
| 3526 | Other products and services of local government enterprises | 44,148,083 |
|  | **Total** | **7,309,984,564** |

Table 7: State and Local Government Salary and Wages (2014)

|  |  |  |
| --- | --- | --- |
| Commodity Code | Description | $ |
| 3531 | Employment and payroll of state govt, non-education | 3,779,072,265 |
| 3533 | Employment and payroll of local govt, non-education | 4,759,341,796 |
| **Total** |  | **8,538,414,062** |

### About the Authors

**Paul Bachman** is Director of Research at The Beacon Hill Institute. He manages the institute's research projects, including the development and deployment of the STAMP model. Mr. Bachman has authored research papers on state and national tax policy and on state labor policy. Each year, he produces the institute’s state revenue forecasts for the Massachusetts legislature. He holds a Master of Science in International Economics from Suffolk University.

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1. For a comprehensive review of the federal FairTax proposal see the series of research papers at <http://www.beaconhill.org/FairTaxPapers.htm>. These papers include discussions of the macroeconomic effects of a FairTax, its effects on charitable giving, methods for determining an optimal FairTax rate, administrative issues and the implications for fiscal federalism. [↑](#footnote-ref-1)
2. State of Alabama Revenue Abstract, September 2016, Department of Revenue, <http://revenue.alabama.gov/documents/abstract/abs_92016.pdf>. [↑](#footnote-ref-2)
3. According to a discussion with state legislators. [↑](#footnote-ref-3)
4. The University of Alabama, Center for Business and Economic Research, Alabama Gross Domestic Product

   <http://cber.cba.ua.edu/edata/gsprsp.html>. [↑](#footnote-ref-4)
5. IMPLAN Group LLC, State Data Package: Alabama, <http://www.implan.com/index.php?option=com_virtuemart&view=category&virtuemart_category_id=2501&Itemid=1808>. [↑](#footnote-ref-5)
6. IMPLAN Group LLC, State Data Package: Alabama, <http://www.implan.com/index.php?option=com_virtuemart&view=category&virtuemart_category_id=2501&Itemid=1808>. [↑](#footnote-ref-6)
7. IMPLAN Group LLC, State Data Package: Alabama, <http://www.implan.com/index.php?option=com_virtuemart&view=category&virtuemart_category_id=2501&Itemid=1808>. [↑](#footnote-ref-7)
8. See David G. Tuerck, Jonathan Haughton, Paul Bachman, Alfonso Sanchez-Penalver, *A Comparison of the FairTax Base and Rate with Other National Tax Reform Proposals*, (February 2007). <http://www.beaconhill.org/FairTax2007/FairTaxBaseandRate3-15-07FINAL.pdf>. [↑](#footnote-ref-8)
9. U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 2016 Poverty Guidelines, <https://aspe.hhs.gov/poverty-guidelines>. [↑](#footnote-ref-9)
10. U.S. Department of Commerce, U.S. Census Bureau, Table B11016: Household Type by Household Size, Alabama, <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_5YR_B11016&prodType=table>. [↑](#footnote-ref-10)