

Technical Note

Personal Income by State, 4th Quarter 2022

March 31, 2023

This technical note provides background information on the estimates of state refundable tax credits included in the third and fourth quarter of 2022 state personal income. The [complete set of estimates](#) are available on the Bureau of Economic Analysis (BEA) website; a brief summary of highlights is also posted on the website.

State refundable tax credits impact on third- and fourth-quarter 2022 state personal income

In the latter half of 2022, several state governments provided relief to the residents of their states by way of one-time refundable tax credits. Refundable tax credits typically allow taxpayers who meet certain eligibility criteria to reduce the amount they are required to pay in income taxes, and if the credits exceed the taxpayer's total tax liability, the excess is paid to them as a refund. Some states chose to distribute the full amount of these credits directly to individuals during the last half of 2022.

Data typically are not available to estimate separately the value of refundable tax credits that are regularly offered by state governments. The value of these tax credits is therefore recorded only implicitly as a reduction in tax receipts and not in personal income. However, a combination of media reports and state-level administrative data were available to estimate the value of these one-time 2022 tax credits. As a result, BEA recorded them as an increase in government expenditures (specifically as government social benefits to persons or personal current transfer receipts), rather than as a reduction in government receipts. The total value of these credits is reflected in increases in the personal current transfer receipts component of personal income in the states affected.

For more information on refundable tax credits and their relation to the National Income and Product Accounts, see the [FAQ "How are state refundable tax credits recorded in the National Income and Product Accounts \(NIPAs\)?"](#).

The scope and dollar value of the refundable tax credit programs varied across states. Nationally, these programs accounted for less than 2.0 percent of total personal current transfer receipts in the fourth quarter. However, they were particularly important in Massachusetts, California, Hawaii, Indiana, Idaho, New York, Maine, and South Carolina, accounting for between 12.1 and 3.0 percentage points of total of personal current transfer receipts in these states (table 1).

Table 1. Impact of Selected State Refundable Tax Credits on Personal Current Transfer Receipts, 2022

	Personal current transfer receipts			Refundable tax credits			Share of personal current transfer receipts from refundable tax credits			Program name of refundable tax credits
	(millions of dollars)			(millions of dollars)			(percentage points)			
	2022 ^p	Annual rates		2022 ^p	Annual rates		2022 ^p	2022		
		2022			2022			Q3 ^r	Q4 ^p	
	Q3 ^r	Q4 ^p		Q3 ^r	Q4 ^p		Q3 ^r	Q4 ^p		
United States	3,910,746	3,892,836	3,998,230	23,802	20,292	74,916	0.6	0.5	1.9	
California	473,792	461,444	501,507	9,025	0	36,100	1.9	0.0	7.2	Middle Class Tax Refund
Colorado	60,484	67,005	59,325	2,700	9,720	1,080	4.5	14.5	1.8	Colorado Cash Back
Connecticut	43,377	43,308	43,355	125	500	0	0.3	1.2	0.0	2022 Child Tax Rebate
Delaware	13,857	13,918	14,286	154	228	388	1.1	1.6	2.7	Relief Rebate Program
Florida	272,215	274,097	276,558	36	144	0	0.0	0.1	0.0	Pandemic Temporary Assistance for Needy Families
Georgia	110,108	111,448	110,852	605	1,980	440	0.5	1.8	0.4	2022 surplus tax refund
Hawaii	16,487	16,137	17,530	294	0	1,176	1.8	0.0	6.7	Act 115 refund
Idaho	19,724	19,691	20,733	333	332	1,000	1.7	1.7	4.8	2022 tax rebate and 2022 special session rebate
Illinois	139,875	138,161	141,205	841	1,236	2,128	0.6	0.9	1.5	Individual income tax rebate
Indiana	81,703	79,698	86,403	1,400	0	5,600	1.7	0.0	6.5	Automatic Taxpayer Refund 1 and 2
Maine	19,080	20,183	19,257	584	1,756	580	3.1	8.7	3.0	Pandemic relief payments
Massachusetts	88,012	84,516	97,360	2,941	0	11,764	3.3	0.0	12.1	Taxpayer refund (Chapter 62F)
New Mexico	29,010	30,759	28,809	578	2,312	0	2.0	7.5	0.0	Multiple rebate and relief programs
New York	270,941	268,186	281,678	2,675	0	10,700	1.0	0.0	3.8	Supplemental child credit and supplemental earned income tax credit
Oregon	54,834	54,503	55,103	71	284	0	0.1	0.5	0.0	One-time assistance payments
Rhode Island	14,201	14,157	14,272	40	0	160	0.3	0.0	1.1	2022 child tax rebates
South Carolina	63,654	63,039	65,934	500	0	2,000	0.8	0.0	3.0	2022 tax rebate
Virginia	94,434	95,303	96,545	900	1,800	1,800	1.0	1.9	1.9	2022 one-time tax rebate

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