

Technical Note

Personal Income by State, 1st Quarter 2023

June 30, 2023

This technical note provides background information on the estimates of one-time state refundable tax credits included in state personal income for the third and fourth quarters of 2022 and the first quarter of 2023. The [complete set of estimates](#) is available on the U.S. 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 and first-quarter 2023 state personal income

In the last two quarters of 2022 and the first quarter of 2023, some 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. If these 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 two quarters of 2022 and the first quarter of 2023.

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 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, and all states, except California, Idaho, Maine, and South Carolina, ended the distributions in the fourth quarter of 2022. Nationally, these programs accounted for 0.2 percent of total personal current transfer receipts in the first quarter. The refundable tax credit was particularly significant in Maine, accounting for 7.6 percent of personal current transfer receipts (table 1).

Table 1. Impact of Selected State Refundable Tax Credits on Personal Current Transfer Receipts, 2022–2023

	Personal current transfer receipts (millions of dollars)				Refundable tax credits (millions of dollars)				Share of personal current transfer receipts from refundable tax credits (percentage points)				Program name of refundable tax credits	
	2022	Annual rates			2022	Annual rates			2022	2022		2023		
		2022		2023		2022		2023		Q3	Q4			Q1 ^p
		Q3	Q4	Q1 ^p		Q3	Q4	Q1 ^p						
United States	3,910,746	3,892,836	3,998,230	4,057,480	23,802	20,292	74,916	6,156	0.6	0.5	1.9	0.2		
California	473,792	461,704	501,669	481,296	9,025	0	36,100	1,900	1.9	0.0	7.2	0.4	Middle Class Tax Refund	
Colorado	60,484	66,967	59,261	60,538	2,700	9,720	1,080	0	4.5	14.5	1.8	0.0	Colorado Cash Back	
Connecticut	43,377	43,621	43,698	45,217	125	500	0	0	0.3	1.1	0.0	0.0	2022 Child Tax Rebate	
Delaware	13,857	14,159	14,591	14,830	154	228	388	0	1.1	1.6	2.7	0.0	Relief Rebate Program	
Florida	272,215	274,128	276,237	287,133	36	144	0	0	0.0	0.1	0.0	0.0	Pandemic Temporary Assistance for Needy Families	
Georgia	110,108	111,525	110,887	113,992	605	1,980	440	0	0.5	1.8	0.4	0.0	2022 surplus tax refund	
Hawaii	16,487	16,173	17,586	17,038	294	0	1,176	0	1.8	0.0	6.7	0.0	Act 115 refund	
Idaho	19,724	19,706	20,740	21,409	333	332	1,000	668	1.7	1.7	4.8	3.1	2022 tax rebate and 2022 special session rebate	
Illinois	139,875	138,238	141,211	142,453	841	1,236	2,128	0	0.6	0.9	1.5	0.0	Individual income tax rebate	
Indiana	81,703	79,749	86,406	81,902	1,400	0	5,600	0	1.7	0.0	6.5	0.0	Automatic Taxpayer Refund 1 and 2	
Maine	19,080	20,190	19,251	20,883	584	1,756	580	1,588	3.1	8.7	3.0	7.6	Pandemic relief payments	
Massachusetts	88,012	85,246	98,186	89,462	2,941	0	11,764	0	3.3	0.0	12.0	0.0	Taxpayer refund (Chapter 62F)	
New Mexico	29,010	30,987	29,031	29,882	578	2,312	0	0	2.0	7.5	0.0	0.0	Multiple rebate and relief programs	
New York	270,941	265,989	279,616	276,157	2,675	0	10,700	0	1.0	0.0	3.8	0.0	Supplemental child credit and supplemental earned income tax credit	
Oregon	54,834	54,607	55,177	57,289	71	284	0	0	0.1	0.5	0.0	0.0	One-time assistance payments	
Rhode Island	14,201	14,188	14,281	14,786	40	0	160	0	0.3	0.0	1.1	0.0	2022 child tax rebates	
South Carolina	63,654	63,070	65,950	68,351	500	0	2,000	2,000	0.8	0.0	3.0	2.9	2022 tax rebate	
Virginia	94,434	95,529	97,807	99,543	900	1,800	1,800	0	1.0	1.9	1.8	0.0	2022 one-time tax rebate	

^p Preliminary

U.S. Bureau of Economic Analysis

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