Progress on the Redesign of the Quarterly Tax Survey

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Quarterly Survey of State & Local Tax Collections

• Purpose
• Coverage
• Background
• Redesign
Purpose

• Provide estimates of state and local government tax revenues
• National totals
• State government totals
• Trends in tax revenue

Coverage
Coverage

The universe for this survey includes:

- All state governments
- All local property tax collectors
- Selected local government non-property tax collectors

Content

- Property Taxes
- Sales and Gross Receipts Taxes
- License & Fees
- Income Taxes
- Other Taxes
Users

- BEA (NIPAs)
- Federal Reserve Board
- State and local governments
- Business and financial market analysts
- Macroeconomic analysts
Background

- Collection began in 1962
- Sample drawn from each Census of Governments year
- Last sample drawn 1997 (new sample drawn for property tax in 2008 based on 2002 data)
- Non-property tax portion currently a panel

Publication

- Table 1- National totals of state and local government tax revenue
- Table 2- National totals of state government revenue
- Table 3- Quarterly summary of state government tax collections by state and detailed tax item
Three Components of QTax

• F71 - sample collecting local government property tax data

• F72 - census of state governments collecting state tax data

• F73 - panel collecting local government non-property tax

Redesign
In 2007, the National Research Council (2007) issued a report entitled *State and Local Government Statistics at a Crossroads*

This report contained 21 recommendations for Governments Division

Recommendation 4-11

F71 - Local Property Tax

- Stratified sample of county-areas
  - Estimated number of tax collectors
  - Population
  - Annual collection of property tax
- 609 county-areas selected into the sample containing 5,407 tax collectors; not imposers
- National estimate of local property tax collections
F71 - Edit redesign

- Quarter to quarter edits
- Four quarter sum to four quarter sum prior year
- New edits reduced edit process from over a thousand edits to a couple hundred

F71 - Concurrent Samples

- Processing four quarters of old and new sample, concurrently
- Currently in third quarter of processing
- Imputation methodology
- Estimation
- Coefficient of variations
- Bridge study
F73 - Non-Property Tax

• Currently panel of 111 local governments with significant non-property tax collection yields

• Local general sales tax and individual income tax collectors

• Other local taxes

F73 - Non-Property Tax (cont.)

• Expanding form to meet statistical standards

• Forms design

• Cognitive interviews

• Imposers of taxes
F73 - Non-Property Tax (cont.)

• Current form asks for tax collections for two tax codes:
  • T09- General sales tax
  • T40- Individual income tax

• New form will be expanded to cover 11 categories of taxes and licenses imposed by local governments

F73 - Non-Property Tax (cont.)

• General Sales and Gross Receipts
• Motor Fuel Sales Tax
• Public Utilities Sales
• Alcoholic Beverage Sales
• Tobacco Product Sales
• Motor Vehicle and Operator’s Licenses
• Individual Income Tax
• Corporation Net Income Tax
• All Other
F73 - Non-Property Tax (cont.)

• Conducted two rounds of cognitive interviews

• 60 large and small governments across the nation

• Results:
  – Methodological issues
  – Questionnaire item issues

F73 - Non-Property Tax (cont.)

• Initially used the same methodology as the F71 design

• New methodology
  • Sample tax imposers
  • Frame being developed based on 2007 Census of Governments

• National estimate of local non-property tax collections
F73 - Non-Property Tax (cont.)

- New sample selection Fall 2009
- Begin dual processing Summer 2010
- Release new estimates with CVs Summer 2011

F72 Redesign

- Redesigned edits
- Imputation methodology
- Comparison to annual tax survey
- Benchmarking
Going Forward

• Estimates of property tax with CVs in Spring 2010
• Improved edit flags on state tax item imputes
• Regional estimates
• Classification Research for Hybrid Taxes
• Involvement from user community
• Comments, questions, suggestions?

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