

Coronavirus Crisis Causing Devastating Revenue Shortfalls in States, Cities

There is more and more documentation with each passing week of the devastating impact of the coronavirus crisis on state and city revenues as well as increasing media attention to these major state and city revenue shortfalls nationwide.

The most recent news coverage of the worsening state and local fiscal crisis includes:

<https://www.wsj.com/articles/u-s-states-face-biggest-cash-crisis-since-the-great-depression-11603910750>

The Northeast-Midwest Institute released a concept paper on April 13 highlighting the urgent need for federal action to replace non-recoverable state and local revenue shortfalls resulting from COMID-19 mitigation initiatives, which is available at: <https://www.nemw.org/wp-content/uploads/2020/04/Report-on-Replacing-Non-Recoverable-State-and-Local-Revenue-Shortfalls-April-8-2020o.pdf>

A continually updated selection of news articles reporting these state and local revenue gaps and the need for major federal support follows:

https://www.washingtonpost.com/local/trumps-hostility-to-cities-threatens-to-worsen-the-recession/2020/09/13/43118a40-f45a-11ea-b796-2dd09962649c_story.html

<https://www.forbes.com/sites/lizfarmer/2020/08/16/no-foreclosure-crisis-but-property-tax-revenues-dive/amp/>

<https://www.nytimes.com/2020/08/14/business/economy/state-local-budget-pain.html>

<https://www.wsj.com/articles/state-aid-disagreement-proves-big-hurdle-for-coronavirus-talks-11597406398?mod=searchresults&page=1&pos=1>

<https://www.wsj.com/articles/coronavirus-hit-state-budgets-create-a-drag-on-u-s-recovery-11597224600?mod=searchresults&page=1&pos=11>

<https://www.cnn.com/2020/07/30/opinions/stimulus-state-local-government-spending-cares-heals-act-big-7/index.html>

<https://www.washingtonpost.com/business/2020/07/23/north-carolina-utility-bills-coronavirus/>

<https://www.washingtonpost.com/nation/2020/07/10/coronavirus-live-updates-us/>

https://www.governing.com/finance/State-and-Cities-Continue-Plunge-into-Financial-Black-Hole.html?utm_term=States%20and%20Cities%20Continue%20Plunge%20into%20Financial%20Black%20Hole&utm_campaign=Why%20We%20Should%20Be%20Reading%20Albert%20Camus%20During%20a%20Pandemic&utm_content=email&utm_source=Act-On+Software&utm_medium=email

<https://www.nytimes.com/2020/05/14/business/virus-state-budgets.html?searchResultPosition=1>

<https://www.piie.com/events/economic-update-fed-chair-jerome-h-powell>

https://www.washingtonpost.com/us-policy/2020/04/30/congress-coronavirus-economy/?itid=hp_hp-banner-main_bailout-unemploy-12pm%3Ahomepage%2Fstory-ans

<https://www.washingtonpost.com/business/2020/04/29/cities-states-layoffs-furloughs-coronavirus/>

https://www.washingtonpost.com/local/mcconnells-rejection-of-federal-aid-for-states-risks-causing-a-depression-analysts-say/2020/04/26/1fd4731c-8632-11ea-a3eb-e9fc93160703_story.html

<https://www.washingtonpost.com/business/2020/04/10/cities-states-coronavirus-budgets/>

<https://www.delmarvanow.com/story/news/local/maryland/2020/04/10/maryland-coronavirus-gov-larry-hogan-2-8-billion-revenue-drop-n-95-mask-cleaning-covid-19-testing/5130675002/>

<https://www.nytimes.com/2020/04/15/business/economy/state-tax-revenue-debt-coronavirus.html>

Governors, mayors, and local officials are sounding increasingly dire alarms that they are confronting major revenue gaps due to business closures and unemployment, and that these revenue shortfalls are projected to grow in the months ahead.

The Peter G. Peterson Foundation which monitors federal and state budgets and analyzes long-term impacts is tracking the unfolding fiscal crisis at:

<https://www.pgpf.org/blog/2020/07/pandemic-budget-crunch-could-force-states-to-slash-social-services-education-police-budgets-and-more>

State Budget Watch has released a report with data documenting state revenue short-falls state-by-state as a result of the ongoing coronavirus crisis at:

from: <https://www.cbpp.org/research/state-budget-and-tax/states-grappling-with-hit-to-tax-collections>

The Tax Policy Center has released the following report on the extent of state tax revenue losses in the month of April:

<https://www.taxpolicycenter.org/taxvox/covid-19-and-government-actions-caused-state-tax-revenues-plunge-april>

And the Rockefeller Institute at the State University of New York (SUNY) has released a report documenting the impact of COVID-19 economic relief on the state balance of payments with the federal government:

<https://rockinst.org/outsider/>