

The Regressivity of Individual State Taxes from 1980 to 2000: A Nationwide Comparison

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A comprehensive measure of individual state tax system burdens for all 50 states would be a useful tool to aid policymakers and scholars. Prior comprehensive state-level measures are dated or have not been replicated at regular intervals with the same methodology. Utilizing the representative-taxpayer model, this study develops a comprehensive measure of individual tax system burdens among all 50 states for 1980, 1990 and 2000. From these burdens, a regressivity index across individual state tax systems for each time period is created. This methodology, if replicated at regular intervals and expansion of the scope of the indices, will produce a set of indices which can aid policymakers in decision making and scholars conducting empirical research.

I. Introduction

An important challenge in all public policy decisions is the funding of government functions in a way that is fair, particularly at the state level where fiscal resources are often very scarce. Values beyond fairness, such as efficiency and simplicity, are important in evaluating a tax policy decisions, but notions of fairness play an integral role in any policy debate on taxation. An evaluation of the fairness of a state tax system requires a determination of the overall tax burden. State tax burden studies help answer the question of fairness of state tax systems. As Phares recognized, state tax burden studies can help answer the questions of “Who pays, how much, and is it fair?”¹

The fairness of a state tax system hinges in large part on who bears the tax burden and whether the allocation of the tax burden is regressive or progressive. The concepts of

¹Donald Phares, “The Role of Tax Burden Studies in State Tax Policy,” in *Reforming State Tax Systems*, ed. By Steven D. Gold, 1986, pp. 67-88, at 87.

regressivity and progressivity are relatively straight-forward. A regressive tax is one in which the tax burden, stated as a percentage of income, falls as income rises. A progressive tax is one in which the tax burden, stated as a percentage of income, increases as income rises.² The difficulty lies in developing a comprehensive measure of the regressivity of a state tax system among all states over various points in time. This study develops a comprehensive measure that is broader in scope than prior measures and employs a methodology that can be replicated in the future.

The remainder of this paper is organized as follows. Following a discussion of prior tax burden studies and the relevance of this study, is an overview of the methodology and data sources utilized. A detailed discussion of the development of the regressivity index by state income, real property and sales/excise taxes over three time periods is provided. The index results are reported along with a brief discussion of areas where the index can be used, and how the index can be modified and expanded for future research.

II. Prior State-Level Tax Burden Studies

There is no single accepted index of the regressivity or progressivity of a particular tax,³ much less a generally accepted index of the regressivity or progressivity of a tax system. When measuring the regressivity of a specific tax, economists generally use some type of a tax concentration index.⁴ Suits developed this approach to measure tax progressivity,⁵ and other scholars have employed variations of it in later research.⁶ Under this approach, the percent of total tax burden of a population paid by a taxpayer and percent of total income of a population

²Todd A. Wyett, "State Lotteries: Regressive Taxes in Disguise," 44 *Tax Lawyer* 867 (Spring 1991).

³Daniel B. Suits, "Measurement of Tax Progressivity," 67 *Am. Econ. Rev.* 747 (Sept. 1997).

⁴Wyett, *supra* note 2.

⁵Suits, *supra* note 3.

⁶See Charles T. Clotfelter and Philip J. Cook, *Selling Hope: State Lotteries in America*, Harvard University Press, Boston, 1989; Elizabeth Plummer, "Evidence on the Incidence of Residential Property Taxes Across Households," 56 *Nat. Tax J.* 739 (Dec. 2003).

earned by a taxpayer are compared. If the percent of total tax burden paid by each taxpayer is equal to the percent of total income earned by that taxpayer, then the tax is proportional. If, as income increases, the percent of total tax burden paid by taxpayers is greater than the percent of total income earned by those taxpayers, then the tax is progressive. If, as income increases, the percent of total tax burden paid by taxpayers is less than the percent of total income earned by those taxpayers, then the tax is regressive.⁷

There are an increasing number of studies that evaluate the burdens of particular taxes, such as property taxes,⁸ among the states. Evaluating the burden associated with individual taxes is useful, but evaluating the burden associated with a tax system provides a better picture of the relative burden of state tax systems. As Ladd recognized, an individual tax may be regressive or progressive, while the entire tax system may or may not be regressive or progressive.⁹ An evaluation of the entire state tax system provides a better framework to analyze proposed tax policy changes.

Over 30 years ago, Phares,¹⁰ the leading scholar on comprehensive state tax burden studies, recognized there was a gap in the literature on state and local taxation burdens among the states. To help fill the void in the literature, Phares¹¹ developed the first true comprehensive measure of tax burdens by tax and among all states employing 1962 data. In 1980, Phares produced another comprehensive index using 1976 data.¹² Phares work made a significant contribution to the field and helped fill the void in the state and local taxation field at that time. Nearly 30 years have passed since Phares last index and its practical usefulness to policymakers

⁷Phares, *supra* note 1, at 75.

⁸Plummer, *supra* note 6.

⁹Helen F. Ladd, "The Meaning of Balance for State-Local Tax Systems," in *The Unfinished Agenda for State Tax Reform*, ed. by Steven D. Gold, National Conference of State Legislatures, Denver, 1988.

¹⁰Donald Phares, *State-Local Tax Equity: An Empirical Analysis for the Fifty States*, Lexington Books, Lexington, Mass., 1973.

¹¹*Id.*

¹²Donald Phares, *Who Pays State and Local Taxes?*, Oelgeschlager, Gunn and Hain, Cambridge, Mass., 1980.

and scholars is very limited. Phares recognized this problem by observing that without regular replication of state tax burden estimates there is no ability to “track changes in a comparable fashion across time and across states.”¹³

Since the work of Phares in 1973 and 1980 there has been progress in the replication of state tax burden studies at various time intervals. The Citizens for Tax Justice (CTJ) and Institute on Taxation and Economic Policy (ITEP) created comprehensive measures of state tax burdens for 1985, 1991, 1995 and 2002.¹⁴ The ability to make comparisons among the time periods is greatly limited because the methodology in 1995 was significantly revised.¹⁵ This limits the usefulness of CTJ/ITEP tax burden studies to policymakers and to scholars conducting time related empirical research.

This study builds on the watershed work of Phares and the progress made in the field by CTJ/ITEP. It extends and improves upon prior research. First, the index is more comprehensive than any prior work, as it creates indices for 1980, 1990 and 2000. Second, it includes an index for 2000, whereas the most recent other comprehensive index by CJT is for 1995. And, finally, each index was created with the same methodology. This permits comparisons among the time periods, expands the usefulness of the index in other empirical research, and with replication of methodology in the future, the usefulness of the indices will be greatly enhanced.

III. Methodology and Data Sources

This study develops a measure of regressivity of state tax systems employing a representative-taxpayer distribution model. The representative-taxpayer distribution model

¹³Phares, *supra* note 1 at 86.

¹⁴Howard Chernick, “On the Determinants of Subnational Tax Progressivity in the U.S.,” 58 *Nat. Tax J.* 93 (March 2005). The most recent studies by CJT/ITEP are readily available online. The 1995 tax burden study, “Who Pays? A Distributional Analysis of the Tax Systems in All 50 States,” is available at <http://www.ctj.org/html/whopay.htm>. The 2002 tax burden study, “Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, 2d Ed.,” is available at <http://www.itepnet.org/wp2000/text.pdf>.

¹⁵*Id.*

calculates state tax burdens for hypothetical taxpayers and compares those liabilities among different income levels in a particular state.¹⁶ A comparison of the relative tax liabilities of the hypothetical taxpayers in each of the states produces an overall measure of the regressivity or progressivity of each state tax system. These relative measures can be compared among the states as an index of regressivity or progressivity of each state tax system. This approach has been used by at least one state (Colorado), and it has been used by the Government of the District of Columbia to compare the tax burdens among the largest cities in each of the states.¹⁷

State tax rate data is reported in the various editions of the following sources: *Book of States*, *The State Tax Guide*, *Statistical Abstract of the United States*, the Energy Information Administration's Monthly Energy Review, the *All States Tax Handbook*, the *State Tax Handbook*, Government of the District of Columbia's annual report on tax burdens and various state codes.

IV. Development of the Index¹⁸

Two hypothetical individual taxpayer profiles are created: one with \$20,000 of income and the other with \$150,000 of income for the year 2000.¹⁹ Similarly, as reported in Table 1, hypothetical individual taxpayer profiles were created for 1980 and 1990 using income amounts equivalent current dollars.²⁰ For each profile three major taxes are used in the comparison: individual income tax, real property tax on residential property and sales/excise taxes. For each

¹⁶Michael Mazerov, *Developing the Capacity to Analyze the Distributional Impact of State and Local Tax: Issues and Options for States*, Center on Budget and Policy Priorities, Washington, D.C., 2002.

¹⁷*Id.*

¹⁸The methodology employed relies heavily on the methods used by District of Columbia in the development of its index of tax burdens for cities. For a detailed explanation of the methodology employed by the District of Columbia, see *Government of the District of Columbia. Tax Rates and Tax Burdens in the District of Columbia-A Nationwide Comparison: 2001*. Washington D.C., 2002 [hereafter GDC Study].

¹⁹ These two income levels were used to represent a lower income and upper income level to calculate the relative tax burdens at these two extremes. Future tax burden studies should be expand the income levels to include intermediate income levels. This will expand usefulness of the study.

²⁰ Due to space considerations, throughout this paper and in the Appendix, the calculations for 2000 tax burdens are used to explain the creation of the index. These calculations were replicated with adjusted income levels and applicable tax laws in effect for 1980 and 1990. All supporting tables and data, along with detailed sources, for the 1980 and 1990 tax burdens are available upon request.

major tax an estimated tax liability in dollars is calculated for each income level over all three time periods for all states. The estimated tax liabilities for each tax in each state are summed. This provides the total tax burden in dollars for each state.

To arrive at a tax burden expressed as a percent of income for each state the total dollar tax burden for each income level is divided by that income level and multiplied by 100. For each state, the tax burden percentage for the lower income level is divided by the tax burden percentage for the upper level. The resulting number is a measure of the relative regressivity of the tax system. If the resulting coefficient is greater than one, the tax system is regressive. If the resulting coefficient is less than one, the tax system is progressive. If the resulting coefficient is equal to one, the tax system is proportional. These figures can be arranged from highest to lowest to show the relative regressivity of the state tax system, a “regressivity index”.²¹

A. Individual Income Tax Burden

The estimated individual state income tax burden is calculated as follows. First, for both income levels, the average federal tax is obtained from the IRS’s Statistics of Income Bulletin. Obtaining a federal tax liability estimate is necessary because several states, such as Alabama and Iowa, allow a deduction of federal tax liability on the state return. Other states, such as Rhode Island and Vermont, use the federal tax liability as the tax base for state income tax. The average federal tax for each income and time period is reported in Table 1. The average federal adjusted gross income for each income level is obtained from the Statistics of Income Bulletin. This information is necessary because several states, such as Colorado and New Mexico, use the federal adjusted gross income as its tax base for state income tax. The

²¹ Alternatively, these figures can be arranged from lowest to highest to show the relative progressivity of the state tax system, a “progressivity index.”

average federal adjusted gross income for each time period and income level is reported in Table 1.

[Insert Table 1 Here]

Income is broken down into wages and salaries, interest and capital gains for each income level.²² The assignment of these characteristics that impact tax liability of individuals at each income level is also derived from the IRS compilations of tax return data in its Statistics of Income Bulletin. Much of this data is also reported in various versions of the U.S. Census Bureau's Statistical Abstract of the United States. The major income sources for each income level over all three time periods are reported in Table 2.

[Insert Table 2 Here]

The applicable tax base, state gross income, the adjusted federal income, federal taxable income, or federal tax liability, of each hypothetical taxpayer is reduced by the state personal exemption and the standard deduction for the hypothetical taxpayer at the lower income level and an estimated itemized deduction for the hypothetical taxpayer at the upper income level²³ based on IRS data in the Statistics of Income Bulletin that characterizes the typical deductions as reported on federal tax returns.²⁴ The exemptions, standard deductions and itemized deductions vary from state to state, as well as over all three time periods and are adjusted accordingly. This

²² There are numerous categories of income, but they are limited for this model to these three. For each category the average percentage of income attributed to that category is calculated. The District of Columbia study limited its income sources to these three categories. GDC Study, *supra* note 18 at 3.

²³ Based on the IRS Statistics of Income data, less than 10% of people with income under \$20,000 itemize and over 90% of those with income between \$100,000 and \$200,000 itemized. As such, this model assumes those at the \$20,000 income level, or comparable income level for 1980 and 1990, did not itemize and those at the \$150,000 level, or comparable income level for 1980 and 1990, did itemize.

²⁴ For example, in 2002, the major categories of deductions are medical, deductible taxes, mortgage interest, charitable contributions, and miscellaneous deductions subject to 2% AGI limitation and unlimited miscellaneous deductions. The District of Columbia used similar categories of deductions. GDC Study, *supra* note 18 at 4. However they calculated the deductible taxes based on other data in their study. This study relies on the IRS's reporting of deductions in the *Statistics of Income Bulletin*. The typical upper income taxpayer had the following federal itemized deductions as a percentage of AGI: medical/dental of .05%; taxes of 7%; interest of 7.5%; charitable contributions of 3%; and miscellaneous of 1%.

process provides an estimated state taxable income. The applicable state marginal tax rate is applied to the estimated state taxable income. This provides an estimate of the individual income tax burden for each state in dollars. The calculations and estimated income tax liabilities for the lower income level upper income level for all states in 2000 are reported in Appendix Tables 1 and 2, respectively.

B. Real Property Tax Burden

Estimated real property tax burden on residential property is calculated by assigning certain characteristics to each hypothetical taxpayer. It is assumed that both the lower and upper income level hypothetical taxpayers own a home.²⁵ Relying on U.S. Census data on the median value of single-family housing and median household income, a housing to income ratio for each state is developed. The ratio for the hypothetical upper level taxpayer is reduced by 10% based on the GDC study and U.S. Census Bureau data that indicate the housing costs as a percent of income are approximately 10% less than the ratio at this income level. The reduced ratio for each state is multiplied by applicable upper level income for each year to arrive at the estimated home value for the upper income level for each year in each state. The ratio for the lower income level is increased by .05% because data from the GDC study and the U.S. Census Bureau indicate that the lower income level spends more than the ratio on housing costs. The increased ratio for each state is multiplied by the applicable lower income level to arrive at the estimated home value for the lower income level for each year in each state. The estimated home values

²⁵ According to data reported by the U.S. Department of Labor's Bureau of Labor Statistics in its Consumer Expenditure Survey approximately 88% of those in the upper income level own homes, while approximately 57% in the lower income level own homes. See U.S. Department of Labor. Bureau of Labor Statistics. *Consumer Expenditures in 2000*. Washington, D.C., 2002. Even though the lower income level taxpayer owns homes at a lower rate, it is assumed that the lower income level taxpayer in this model owns a home because even if they do not directly pay property taxes, they indirectly pay property taxes as part of their rent.

are multiplied by the applicable property tax effective rate²⁶ (the nominal rate multiplied by the assessment level) to arrive at the estimated state property tax burden in dollars for each income over all three time periods for each state. The resulting property tax burdens for the lower income level and upper income level for 2000 are reported in Appendix Table 3 and 4, respectively.

C. Sales and Excise Tax Burden

The estimated tax burden for sales and excise taxes are calculated as follows. The Bureau of Labor's Consumer Expenditure Survey, provides estimated expenditure amounts for taxpayers at certain incomes. The percentage of income spent on major categories of daily expenditures is calculated for both income levels. The major categories used in this study include food, food away from home, housing costs unrelated to rent or mortgage, clothing, entertainment, personal care products, gasoline²⁷ and miscellaneous. The percentage expended in each category is applied to the applicable income level. The applicable state tax rate is applied to the income spent on each category to arrive at an estimated tax liability in dollars for that expenditure. The individual sales and excise tax liabilities are summed to arrive at an estimated sales-and-excise tax liability in dollars for each state. The 2000 sales and excise tax burdens for the lower income and upper income levels are reported in Appendix Tables 7 and 8.

²⁶ Property tax rates within a state vary a great deal from city to city and county to county. Relying just on state property taxes provides too low of a tax rate because most state property tax rates are relatively low. This study used the average property tax rate for each major city in all states over all three time periods as its property tax rate. Some states required an additional calculation for applicable homestead exemptions.

²⁷ Estimating gasoline taxes is challenging because gasoline is taxed to the consumer by the state at a per gallon rate. The Consumer Expenditure Survey estimates the dollar amount expended on gasoline for each income level. For each income level, the dollar amount expended on gasoline is divided by the average retail price of gasoline for all grades for that year. Average retail price of gasoline is available from the Energy Information Administration. This calculation provides the average number of gallons of gas purchased by each hypothetical taxpayer. The number of gallons purchased is multiplied by the applicable state gasoline tax rate to arrive at an estimated gas tax liability for each income level in each state. The calculations for the lower and upper income levels for 2000, and detailed sources, are reported in Appendix Tables 5 and 6.

V. Results

For each income level the total tax burden in dollars is determined by summing the tax liabilities. The total tax burden divided by the applicable income level, multiplied by 100, provides the tax burden as a percentage. The estimated tax burdens in both dollars and percentages for the lower and upper income levels for 2000 are reported Tables 3 and 4, respectively.

[Insert Table 3 Here]

[Insert Table 4 Here]

As reflected in those tables, there is a wide variation of the tax burden by the type of tax. For example, some states do not tax income, while some states tax income, and some states have sales tax and others do not. Additionally, there is a wide variation of the aggregate tax burden within an income level among the states. For example, at the lower income level, the \$3,914.32 (19.57%) overall tax burden for Connecticut is over 4½ times the \$846.60 (4.23%) overall tax burden for Wyoming. Similarly, at the upper income level, the \$26,411.56 (17.61%) overall tax burden for Connecticut is over 6 and ½ times the \$3,986.44 (2.66%) overall tax burden for Wyoming.

The burdens among the states are useful, but a more complete measure of state taxation is who bears the burdens and the equity of that burden. The relative regressivity of the state tax system helps provide an indication of the relative equity of the tax burdens. To arrive at a measure of relative regressivity among the states, for each state the tax burden percentage for the lower income level is divided by the tax burden percentage for the upper level. If the resulting number is greater than one the tax system is regressive. If the resulting number is less than one

the tax system is progressive. If the resulting number is equal to one, then the tax system is proportional.

Table 5 shows the tax burdens for each income level for each state for each year, as well as the rank of the regressivity of each state's tax system over all three time periods. The overall rankings show that most state tax systems are regressive. Thirty states are regressive; twenty-one are progressive. There are no proportional state tax systems.

[Insert Table 5 Here]

The overall ranking show that the most regressive state tax system is Wyoming (1.56); followed by Tennessee, Washington, with South Dakota and Nevada tied for the fourth position. These five states have ranked among the most regressive states in all three time periods, with Wyoming ranking the most regressive state tax system in 1980, 1990 and 2000. The most progressive state tax system in the overall ranking is Idaho (.86); followed by California, New York, New Mexico, with Hawaii and Arkansas tied as the 45th most regressive state tax system. These states have consistently ranked near the bottom of the regressivity index in all three time periods, with California ranking as the most progressive in two of the three time periods. Although, there are no states that have a proportional tax system under the overall rankings, Vermont and Virginia are very close to proportionate with a regressively level of 1.01.

There are no clear-cut patterns among the states that lead a state to being regressive or progressive. Nevertheless, there are some attributes of a state tax system that tend to make it regressive or progressive. Examining the tax burdens in 2000, as reflected in Tables 3 and 4, the most regressive states do not have income tax or have very low income tax rates or limited progressivity in the income tax system. For example, Wyoming, South Dakota, Washington and Nevada all have no individual income tax, and all are among the most regressive state tax

systems. Similarly, Alabama has a highly regressive tax system, and although Alabama has an individual income tax, the rates and tax brackets make the individual income tax system essentially a flat tax which leads to the regressive effect of the individual income tax.²⁸

The most progressive states in 2000 tended to have a much higher individual income tax, particularly at the upper income level when compared to the lower income level. This leads to the individual income tax being progressive, which impacts the overall characterization of the state tax system as progressive. For example, as reflected in Table 3, California had a very low individual income tax burden for the lower income level (\$153.50; 1%), whereas the upper income level had a much higher individual income tax burden (\$7,347.35; 4.99%), which is nearly 5 times the lower income level individual income tax burden.

Sales and excise taxes generally are regressive among the states and add to the regressive nature of a state tax system. For example, in 2000 Wyoming's sales and gasoline tax burden for the lower income level (\$467.69; 2.3%) is over twice the burden for the upper income level (\$1,550.63; 1%). This tax burden coupled with the lack of an individual income in Wyoming lead to Wyoming being among the most regressive state tax systems. Similar to Wyoming, in 2000 California's sales and gasoline tax burden for the lower income level (\$511.16; 2.55%) is over twice the burden for the upper income level (\$1,900.09; 1.26%). California's overall tax system is progressive because the regressive nature of the sales/excise tax is offset by the progressive nature of the individual income tax.

Real property taxes are regressive (40 states); however, the regressive or progressive nature of the state tax system is not dictated by the regressive nature of the property taxes. For

²⁸ Alabama has recently passed legislation that increases the state income tax threshold which will be effective after Dec. 31, 2006. See Esther Oh, "California State Tax Exemption of HSAs: Sound Tax Policy?", *State Tax Notes*, May 29, 2006, p. 679, at 687. This likely will reduce some of the regressivity of the income tax in Alabama and the overall regressivity of the state tax system.

example, relying on the data in Tables 3 and 4, in 2000 Wyoming's upper income level real property tax burden was \$2,435.81 (1.6%) and the lower income real property tax burden was \$378.90 (1.8%). In 2000, California's upper income level real property tax burden was \$76,257.87 (4.24%) and the lower income real property tax burden was \$925.75 (4.63%). Both states' real property taxes are regressive. The impact of the regressive nature of the real property tax California is offset by the progressive income tax system. Wyoming's other taxes are regressive, and therefore, the regressivity of the real property tax further adds to the regressivity of the overall state tax system.

VI. Conclusions and Future Research

The measure developed includes a broad range of individual taxes, over three time periods and in all states. The measure is larger in scope than most previous regressivity measures, which were often limited to particular states, cities, taxes, timeframes, or not replicated over regular time intervals with the same methodology. Further tax burden studies can build upon this and the prior studies in several ways. First, the methodology employed herein should be replicated at regular time periods to create a set of tax burden indices. For example, the index could measure regressivity at five year time periods, rather than ten year periods. Replication will increase the size of the data set which will enhance its usefulness for both policymakers and scholars conducting empirical research.

Secondly, beyond replication, the model should be adjusted to make different assumptions about hypothetical taxpayers. For example, an index for a family of four could be developed using the data sources and methodology. Similarly, an index could be created for a retired person using the data sources and methodology. A set of indices could be created based on the characteristics of taxpayers.

Third, indices should be developed for intermediate income taxpayers. A set of indices based on various income levels can provide a more complete picture of the burden of taxation in a state.

Fourth, the model should be used to explore the impact on overall regressivity of a state tax system of a proposed change to a particular tax policy. For example, if a state was considering modifying the income tax rates or some other aspect of the income tax system, the model could be used to determine the impact of the change based on the past data.

And finally, with a set of indices, the relationship between the regressivity or progressivity of state tax systems and other variables, independent or dependent, can be empirically tested. A whole host of other policy areas that may have a causal relationship with the regressivity of a state tax system can be studied by using the indices as a variable. For example, social and welfare programs, economic development activities, education policy, bankruptcy reform, or state-level laws impacting consumer credit and lending could all be explored in a model that uses state-level tax regressivity as a variable.²⁹

As with the work of Phares,³⁰ many more specific findings from the indices developed herein can be explored. This study provides a starting point to further the research on state-level tax burdens. It provides a straightforward framework to conduct ongoing tax burden studies. The value of this study depends in large part on the work done in the future to enhance and expand the indices developed. Otherwise, the usefulness of the indices will be limited.

²⁹ For an example of empirical research on state-level consumer bankruptcy employing tax regressivity as a variable, see Robert J. Landry, III, "An Empirical Analysis of the Causes of Consumer Bankruptcy: Will Bankruptcy Reform Really Change Anything?" 3 *Rutgers Bus. Law J.* 1 (March 2006).

³⁰ Donald Phares, "State and Local Tax Burdens across the Fifty States," 16 *Growth and Change* 34 (April 1985).

Appendix

[Insert Appendix Table 1 Here]

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TABLES 1-5, TEXT OF MANUSCRIPT

TABLE 1: Estimated Federal Taxable Income, Deductions and Exemptions

Year	Gross Income(a)	Estimated AGI (b)	Standard Ded (c)	Est. Item. Ded (d)	Exemption (c)	Est. Fed. Tax Income (e)	Est. Fed Tax (f)
2000	\$20,000	\$19,956.82	\$4,400.00	-	\$2,800.00	\$12,756.82	1913.523
1990	\$15,180	\$15,147.25	\$3,250.00	-	\$2,050.00	\$9,847.25	\$1,477.09
1980	\$9,570	\$9,549.61	\$2,300.00	-	\$1,000.00	\$6,249.61	\$999.94
2000	\$150,000	\$131,916.71		\$25,064.17	\$2,800.00	\$104,052.54	\$37,458.91
1990	\$113,850	\$100,124.94		\$19,023.74	\$2,050.00	\$79,051.20	\$26,086.90
1980	\$71,777	\$63,123.91		\$11,993.54	\$1,000.00	\$50,130.37	\$21,556.06

Notes:

(a) Gross income levels for 1990 and 1980 are calculated by adjusting the 2000 level incomes by CPI-U-RS factor 1.317 for 1990 and 2.089 for 1980.

(b) Estimated AGI is derived from the IRS's *Statistics of Income Bulletin*.

(c) Standard deduction and exemptions are those in effect for the applicable year.

(d) Itemized deductions are derived from the IRS's *Statistics of Income Bulletin*.

(e) Calculated by reducing the estimated AGI by the applicable exemption and the standard deduction or itemized deduction.

(f) Derived by applying applicable rate to taxable income.

Sources:

Mertens Law of Federal Taxation, Vol. 1, Sections 2:46, 2:49 and 2:50.

Tax Facts from the Tax Policy Center available at

http://taxpolicycenter.org/TaxFacts/TFDB/Content/PDF/historical_standard_deduct.pdf

and http://taxpolicycenter.org/TaxFacts/TFDB/Content/PDF/historical_exemption_amount.pdf. August 21, 2004.

IRS, *Statistics of Income Bulletin: Individual Tax Returns, 2000*.

TABLE 2: Major Sources of Income

Year	Gross Income	Wages and Salaries**		Interest/Div.		Capital Gains	
		Percent	Dollars	Percent	Dollars	Percent	Dollars
2000	\$20,000	98%	\$19,600	2%	\$400	0	\$0
1990*	\$15,180	98%	\$14,876	2%	\$304	0	\$0
1980*	\$9,570	98%	\$9,379	2%	\$191	0	\$0
2000	\$150,000	89%	\$133,500	5%	\$7,500	5%	\$7,500
1990*	\$113,850	89%	\$101,327	5%	\$5,693	5%	\$5,693
1980*	\$71,777	89%	\$63,882	5%	\$3,589	5%	\$3,589

Notes:

*Adjusted to 2000 dollars. Used CPI-U-RS factor 1.317 for 1990 and 2.089 for 1980.

** Other categories of income such as alimony, rent, pension and annuities are not calculated separately. Other studies employing the hypothetical- taxpayer model have similarly limited the categories of income.

Source:

Derived from the Table 1 of the IRS SOI Bulletin: *Individual Tax Returns, 2000*

Table 3: Estimated Burden of Major Taxes for Lower Income Level, 2000

State	Taxes				Burden	
	Income	Property	Sales	Gasoline	Amount	Percent
AL	\$785.00	\$336.06	\$378.12	\$115.16	\$1,614.35	8.07%
AK	0.00	982.16	0.00	51.18	1,033.35	5.17%
AZ	408.82	628.06	330.00	115.16	1,482.04	7.41%
AR	622.59	598.56	437.21	126.04	1,784.39	8.92%
CA	153.50	925.75	396.00	115.16	1,590.41	7.95%
CO	590.64	522.67	198.00	140.75	1,452.07	7.26%
CT	356.83	2956.76	396.00	204.73	3,914.32	19.57%
DE	472.93	748.39	0.00	147.15	1,368.47	6.84%
DC	994.01	501.78	379.50	127.96	2,003.25	10.02%
FL	0.00	651.07	396.00	83.81	1,130.89	5.65%
GA	707.41	328.21	264.00	47.98	1,347.60	6.74%
HI	370.74	277.31	378.12	102.37	1,128.54	5.64%
ID	198.44	143.22	472.65	166.35	980.66	4.90%
IL	549.20	129.94	559.50	123.48	1,362.12	6.81%
IN	644.53	554.22	330.00	95.97	1,624.72	8.12%
IA	197.67	866.03	330.00	127.96	1,521.66	7.61%
KS	514.74	548.01	463.20	127.96	1,653.91	8.27%
KY	869.41	702.93	396.00	104.93	2,073.27	10.37%
LA	418.27	0.00	348.00	127.96	894.23	4.47%
ME	649.48	1335.79	363.00	140.75	2,489.02	12.45%
MD	719.13	1398.80	330.00	150.35	2,598.28	12.99%
MA	925.63	815.43	330.00	134.36	2,205.42	11.03%
MI	716.39	981.41	396.00	121.56	2,215.36	11.08%
MN	308.00	679.58	429.00	127.96	1,544.54	7.72%
MS	435.00	745.06	661.72	117.72	1,959.50	9.80%
MO	552.41	745.13	399.39	109.09	1,806.01	9.03%
MT	365.41	836.34	0.00	172.74	1,374.50	6.87%
NE	428.41	840.90	330.00	158.67	1,757.98	8.79%
NV	0.00	709.52	429.00	153.55	1,292.07	6.46%
NH	0.00	1725.97	0.00	119.64	1,845.61	9.23%
NJ	266.00	2168.44	396.00	67.18	2,897.62	14.49%
NM	352.07	766.29	472.65	115.16	1,706.17	8.53%
NY	491.42	492.14	264.00	51.18	1,298.74	6.49%
NC	435.41	656.80	472.65	142.35	1,707.22	8.54%
ND	157.04	936.41	330.00	134.36	1,557.81	7.79%
OH	358.14	764.34	330.00	140.75	1,593.23	7.97%
OK	814.09	409.59	425.39	108.77	1,757.83	8.79%
OR	697.51	1165.09	0.00	185.54	2,048.15	10.24%
PA	560.00	1342.49	396.00	165.71	2,464.20	12.32%
RI	497.52	1505.33	462.00	185.54	2,650.38	13.25%
SC	162.27	815.39	472.65	102.37	1,552.68	7.76%
SD	0.00	748.58	378.12	140.75	1,267.46	6.34%
TN	0.00	857.37	567.19	136.92	1,561.47	7.81%
TX	0.00	899.08	412.50	127.96	1,439.53	7.20%
UT	335.57	529.75	449.02	158.35	1,472.69	7.36%
VT	459.25	1181.41	330.00	127.96	2,098.61	10.49%
VA	700.27	633.23	315.00	111.96	1,760.46	8.80%
WA	0.00	865.82	429.00	147.15	1,441.98	7.21%
WV	618.27	469.51	564.00	162.19	1,813.97	9.07%
WI	616.23	1605.01	330.00	165.07	2,716.31	13.58%
WY	0.00	378.90	378.12	89.57	846.60	4.23%

TABLE 4: Estimated Burden of Major Taxes for Upper Income Level, 2000

State	Taxes				Burden	
	Income	Property	Sales	Gasoline	Amount	Percent
AL	\$4,519.38	2311.30	\$1,281.92	\$345.49	\$8,458.08	5.64%
AK	0.00	6313.91	0.00	153.55	6,467.46	4.31%
AZ	4283.21	4037.55	1602.39	345.49	10,268.64	6.85%
AR	8722.92	3847.89	1482.22	378.12	14,431.14	9.62%
CA	7347.35	6357.87	1554.60	345.49	15,605.31	10.40%
CO	4112.19	3360.05	777.30	422.26	8,671.80	5.78%
CT	5235.00	19007.75	1554.60	614.20	26,411.56	17.61%
DE	6160.14	4811.09	0.00	441.46	11,412.69	7.61%
DC	10304.48	4789.16	1489.82	383.88	16,967.34	11.31%
FL	0.00	6940.47	1554.60	251.44	8,746.51	5.83%
GA	6648.82	5920.79	1281.92	143.95	13,995.47	9.33%
HI	6584.41	2586.12	1281.92	307.10	10,759.55	7.17%
ID	6760.83	5860.69	1602.39	499.04	14,722.95	9.82%
IL	3908.00	3109.62	1908.75	370.44	9,296.81	6.20%
IN	4451.17	4732.09	1295.50	287.91	10,766.66	7.18%
IA	5682.70	6715.24	1295.50	383.88	14,077.32	9.38%
KS	6435.76	3522.93	1570.35	383.88	11,912.91	7.94%
KY	6760.82	4518.84	1554.60	314.78	13,149.04	8.77%
LA	3547.29	4715.14	1200.00	383.88	9,846.31	6.56%
ME	9090.08	8587.22	1425.05	422.26	19,524.61	13.02%
MD	5457.86	8992.31	1295.50	451.06	16,196.71	10.80%
MA	6877.08	5242.05	1295.50	403.07	13,817.70	9.21%
MI	5003.16	6309.06	1554.60	364.68	13,231.51	8.82%
MN	5786.77	4368.72	1684.15	383.88	12,223.51	8.15%
MS	6288.18	5003.22	2243.35	353.17	13,887.92	9.26%
MO	4372.29	4790.10	1354.02	327.26	10,843.66	7.23%
MT	7931.14	5251.46	0.00	518.23	13,700.83	9.13%
NE	7069.78	5405.78	1602.39	476.01	14,553.96	9.70%
NV	0.00	4561.21	1684.15	460.65	6,706.01	4.47%
NH	255.00	11095.53	0.00	358.93	11,709.46	7.81%
NJ	5052.74	13940.00	1554.60	201.54	20,748.88	13.83%
NM	8065.69	4926.12	1602.39	345.49	14,939.70	9.96%
NY	7595.60	3594.89	1036.40	153.55	12,380.45	8.25%
NC	6112.00	4222.27	1602.39	427.06	12,363.73	8.24%
ND	2947.35	6019.78	1295.50	403.07	10,665.70	7.11%
OH	6253.47	4913.61	1295.50	422.26	12,884.85	8.59%
OK	4949.45	3204.70	1442.16	326.30	9,922.60	6.62%
OR	7543.39	7489.89	0.00	556.62	15,589.91	10.39%
PA	4200.00	8630.31	1554.60	497.12	14,882.02	9.92%
RI	5777.86	9677.10	1813.70	556.62	17,825.28	11.88%
SC	5325.13	5241.79	1602.39	307.10	12,476.42	8.32%
SD	0.00	4812.28	1281.92	422.26	6,516.46	4.34%
TN	150.00	5511.67	1922.87	410.75	7,995.29	5.33%
TX	0.00	5779.77	1619.37	383.88	7,783.02	5.19%
UT	4656.66	3405.55	1522.27	475.05	10,059.53	6.71%
VT	5333.41	7594.78	1602.39	383.88	14,914.46	9.94%
VA	6405.62	4070.76	1072.50	335.89	11,884.78	7.92%
WA	0.00	5566.02	1684.15	441.46	7,691.62	5.13%
WV	6644.59	3018.30	1554.60	486.56	11,704.04	7.80%
WI	8121.94	10317.92	1295.50	495.20	20,230.56	13.49%
WY	0.00	2435.81	1281.92	268.71	3,986.44	2.66%

TABLE 5: Regressivity of State Individual Tax Systems for 1980, 1990 and 2000

State	1980			1990			2000			Mean Regressivity Level	Overall Rank
	Lower Inc. Level Tax Burden	Higher Inc. Level Tax Burden	Regressivity Level	Lower Inc. Level Tax Burden	Higher Inc. Level Tax Burden	Regressivity Level	Lower Inc. Level Tax Burden	Higher Inc. Level Tax Burden	Regressivity Level		
AL	6.50%	4.95%	1.31	7.59%	5.55%	1.37	8.07%	5.64%	1.43	1.37	6
AK	2.67%	2.14%	1.25	4.54%	3.74%	1.21	5.17%	4.31%	1.20	1.22	11
AZ	9.36%	8.98%	1.04	8.75%	8.28%	1.06	7.41%	6.85%	1.08	1.06	27
AR	6.10%	8.22%	0.74	7.42%	8.89%	0.83	8.92%	9.62%	0.93	0.83	45
CA	8.12%	11.73%	0.69	6.39%	8.82%	0.73	7.95%	10.40%	0.76	0.73	50
CO	6.65%	6.80%	0.98	8.29%	6.36%	1.30	7.26%	5.78%	1.26	1.18	16
CT	9.48%	7.55%	1.26	12.88%	9.78%	1.32	19.57%	17.61%	1.11	1.23	10
DE	11.64%	14.06%	0.83	7.92%	8.37%	0.95	6.84%	7.61%	0.90	0.89	40
DC	10.53%	12.07%	0.87	11.76%	11.65%	1.01	10.02%	11.31%	0.89	0.92	37
FL	7.02%	5.43%	1.29	8.57%	6.61%	1.30	5.65%	5.83%	0.97	1.19	15
GA	8.47%	9.37%	0.90	10.80%	10.00%	1.08	6.74%	9.33%	0.72	0.90	39
HI	8.53%	9.80%	0.87	7.30%	8.79%	0.83	5.64%	7.17%	0.79	0.83	45
ID	5.66%	7.76%	0.73	4.84%	6.43%	0.75	4.90%	9.82%	0.50	0.66	51
IL	11.19%	9.39%	1.19	9.85%	8.30%	1.19	6.81%	7.30%	0.93	1.10	25
IN	10.46%	8.56%	1.22	8.62%	6.80%	1.27	8.12%	7.18%	1.13	1.21	13
IA	8.66%	8.07%	1.07	12.08%	10.12%	1.19	7.61%	9.38%	0.81	1.03	28
KS	5.83%	5.67%	1.03	7.37%	5.44%	1.36	8.27%	7.94%	1.04	1.14	20
KY	7.99%	7.68%	1.04	9.36%	8.00%	1.17	10.37%	8.77%	1.18	1.13	21
LA	4.40%	4.08%	1.08	8.01%	7.37%	1.09	4.47%	7.26%	0.62	0.93	36
ME	9.32%	12.68%	0.74	10.71%	12.74%	0.84	12.45%	13.02%	0.96	0.84	44
MD	12.65%	11.17%	1.13	15.72%	13.33%	1.18	12.99%	10.80%	1.20	1.17	17
MA	17.88%	11.95%	1.50	12.46%	10.31%	1.21	11.03%	9.21%	1.20	1.30	8
MI	12.94%	10.78%	1.20	14.93%	12.33%	1.21	11.08%	8.82%	1.26	1.22	11
MN	8.96%	13.66%	0.66	6.72%	7.65%	0.88	7.72%	8.15%	0.95	0.83	45
MS	5.31%	6.11%	0.87	8.56%	8.68%	0.99	9.80%	9.26%	1.06	0.97	31
MO	7.47%	6.33%	1.18	7.73%	6.38%	1.21	9.03%	7.23%	1.25	1.21	13
MT	7.49%	6.55%	1.14	6.30%	8.62%	0.73	6.87%	9.13%	0.75	0.88	43
NE	7.70%	9.41%	0.82	9.98%	10.56%	0.95	8.79%	9.70%	0.91	0.89	40
NV	4.06%	3.04%	1.34	5.40%	3.69%	1.46	6.46%	4.47%	1.45	1.42	3
NH	7.58%	6.50%	1.17	9.39%	7.98%	1.18	9.23%	7.81%	1.18	1.17	17
NJ	19.13%	16.42%	1.17	16.59%	15.38%	1.08	14.49%	13.83%	1.05	1.10	25
NM	7.76%	11.61%	0.67	7.61%	9.34%	0.81	8.53%	9.96%	0.86	0.78	48
NY	7.86%	12.82%	0.61	7.67%	9.46%	0.81	6.49%	8.25%	0.79	0.74	49
NC	5.82%	6.48%	0.90	7.09%	7.51%	0.95	8.54%	8.24%	1.04	0.96	32
ND	35.61%	30.65%	1.16	7.40%	6.95%	1.06	7.79%	7.11%	1.10	1.11	23
OH	7.73%	7.83%	0.99	8.64%	9.15%	0.94	7.97%	8.59%	0.93	0.95	33
OK	4.29%	4.58%	0.94	7.90%	6.49%	1.22	8.79%	6.62%	1.33	1.16	19
OR	7.47%	9.52%	0.78	12.08%	12.66%	0.95	10.24%	10.39%	0.99	0.91	38
PA	9.63%	7.70%	1.25	11.23%	9.04%	1.24	12.32%	9.92%	1.24	1.24	9
RI	13.26%	12.60%	1.05	16.14%	13.81%	1.17	13.25%	11.88%	1.12	1.11	23
SC	4.15%	5.05%	0.82	6.95%	7.72%	0.90	7.76%	8.32%	0.93	0.89	40
SD	6.75%	4.85%	1.39	7.41%	5.25%	1.41	6.34%	4.34%	1.46	1.42	3
TN	6.47%	4.60%	1.41	7.84%	5.36%	1.46	7.81%	5.33%	1.46	1.44	2
TX	6.81%	5.30%	1.28	7.67%	5.63%	1.36	7.20%	5.19%	1.39	1.34	7
UT	3.90%	3.23%	1.21	7.52%	6.91%	1.09	7.36%	6.71%	1.10	1.13	21
VT	7.89%	8.90%	0.89	9.96%	9.06%	1.10	10.49%	9.94%	1.06	1.01	29
VA	7.01%	7.43%	0.94	8.82%	8.30%	1.06	8.80%	8.54%	1.03	1.01	29
WA	4.24%	2.92%	1.45	7.04%	4.98%	1.41	7.21%	5.13%	1.41	1.42	3
WV	5.75%	8.03%	0.72	6.89%	7.17%	0.96	9.07%	7.80%	1.16	0.95	33
WI	11.61%	14.41%	0.81	14.54%	14.14%	1.03	13.58%	13.49%	1.01	0.95	33
WY	3.52%	2.29%	1.54	3.49%	2.25%	1.55	4.23%	2.66%	1.59	1.56	1

TABLES 1-8, APPENDIX

TABLE 1: Estimated Tax for Lower Income Level (\$20,000): 2000

STATE	Definition	Tax Base Dollars	Exemption	Standard Deduction	Taxable Income	Estimated Tax (g)
AL	(a)	20,000.00	1500	2000	16500	\$785.00
AK	No Pers. Inc. Tax	-	-	-	-	\$0.00
AZ	(b)	19,956.82	2100	4050	13806.82	\$408.82
AR	(a)	20,000.00	20 - credit	2000	18000	\$622.59
CA	(b)	19,956.82	75 - credit	3070	16886.82	\$153.50
CO	(c)	\$12,756.82	0	0	12756.82	\$590.64
CT	(b)	19,956.82	12250 N		7,706.82	\$356.83
DE	(b)	19,956.82	110 - credit	3250	16,706.82	\$472.93
DC	(b)	19,956.82	1370	2000	16586.82	\$994.01
FL	No Pers. Inc. Tax	-	-	-	-	\$0.00
GA	(b)	19,956.82	2700	2300	14956.82	\$707.41
HI	(c)	\$12,756.82	1040	1500	10216.82	\$370.74
ID	(c)	\$12,756.82	2800	4750	5206.82	\$198.44
IL	(b)	19,956.82	1650 N		18,306.82	\$549.20
IN	(b)	19,956.82	1000 N		18,956.82	\$644.53
IA	(b)	19,956.82	40 - credit	1550	18406.82	\$197.67
KS	(b)	19,956.82	2250	3000	14706.82	\$514.74
KY	(b)	19,956.82	20 - credit	1800	18156.82	\$869.41
LA	(b)	19,956.82	4500 inc. w/ exe.		15,456.82	\$418.27
ME	(b)	19,956.82	2850	4400	12706.82	\$649.48
MD	(b)	19,956.82	1850	2000	16106.82	\$719.13
MA	(b)	19,956.82	4400 N		15,556.82	\$925.63
MI	(b)	19,956.82	2900 N		17,056.82	\$716.39
MN	(c)	\$12,800.00	2800	4400	5600	\$308.00
MS	(a)	20,000.00	6000	2300	11700	\$435.00
MO	(b)	19,956.82	2100	4400	13456.82	\$552.41
MT	(b)	19,956.82	1670	3330	14956.82	\$365.41
NE	(b)	19,956.82	91 - credit	4400	15,556.82	\$428.41
NV	No Pers. Inc. Tax	-	-	-	-	\$0.00
NH	(e)	400.00	2400 N		0	\$0.00
NJ	(a)	20,000.00	1000	0	19000	\$266.00
NM	(b)	19,956.82	2800	4400	12756.82	\$352.07
NY	(b)	19,956.82 N		7500	12,456.82	\$491.42
NC	(c)	\$12,756.82	2500	3000	7256.82	\$435.41
ND	(h)	\$12,756.82	2800	4400	5556.82	\$157.04
OH	(b)	19,956.82	1020+20 credit	0	18,936.82	\$358.14
OK	(b)	19,956.82	1000	2000	16956.82	\$814.09
OR	(c)	\$12,756.82	134	1640	11116.82	\$697.51
PA	(a)	20,000.00 N	N		20,000.00	\$560.00
RI	(d)	\$1,913.52 N	N		\$1,913.52	\$497.52
SC	(c)	\$12,756.82	2800	4400	5556.82	\$162.27
SD	No Pers. Inc. Tax	-	-	-	-	\$0.00
TN	(e)	400.00	1250 N		0	\$0.00
TX	No Pers. Inc. Tax	-	-	-	-	\$0.00
UT	(c)	\$12,756.82	2063	4400	6293.82	\$335.57
VT	(d)	\$1,913.52	0	0	1913.523	\$459.25
VA	(b)	19,956.82	800	2500	16656.82	\$700.27
WA	No Pers. Inc. Tax	-	-	-	-	\$0.00
WV	(b)	19,956.82	2000	0	17956.82	\$618.27
WI	(b),(f)	19,956.82	600	6741.58	12615.2384	\$616.23
WY	No Pers. Inc. Tax	-	-	-	-	\$0.00

Notes:

Code: N=No.

(a) GI base.

(b) Federal AGI base.

(c) Federal Taxable Income base. Col. by using this as the base in effect allows the federal exemption and standard deduction.

(d) Federal Liability base. RI and VT- fed exempt and std deduction are used, but already included by using fed tax as base.

(e) TN tax income stocks/bonds.

(f) Standard Deduction is 7790 less 12% of agi of 11220.

(g) Rates/Brackets applied to taxable income.

(h) Taxpayer can pay .14 of fed tax liability or tax rate percents from 2.67 to 12 with federal taxable income as base.

Calculation in chart is using federal taxable income as base. Under other method, the tax is 267.89 (1913.52*.14).

Sources:

The Council of State Governments. 2001. *The Book of States 2000-2001*. Lexington, KY: The Council of State Governments.

Mertens Law of Federal Income Taxation, Volume 1, Sections 2.46 and 2.49.

Klutkowski, Andrew, Peter Pupke and Adam Weinreb, eds. 2001. *All States Tax Handbook: 2001*. New York: RIA.

Various State codes.

TABLE 2: Estimated Tax for Upper Income Level (\$150,000): 2000

STATE	Definition	Tax Base Dollars	Exemption	Itemized Deductions (I)					Estimated Tax (g)
				Med/Dent.	Fed Taxes	Interest	Char./Misc Contr.	Taxable Income	
AL	(a), (l)	\$150,000.00	\$1,500.00	\$4,683.04	\$37,458.91	\$9,893.75	\$5,276.67	\$91,187.63	\$4,519.38
AK	No personal income tax	-	-	-	-	-	-	-	0.00
AZ	(b), (l)	131916.71	2100.00	9959.71	N	9893.75	5276.67	104686.58	4283.21
AR	(a)	150000.00	20 - credit	65.96	N	9893.75	5276.67	134763.62	8722.92
CA	(b)	131916.71	75 - credit	65.96	N	9893.75	5276.67	116680.33	7347.35
CO	(c)	104052.54	0.00	65.96	N	9893.75	5276.67	88816.16	4112.19
CT	(b)	131916.71	12250.00	N	N	N	N	119666.71	5235.00
DE	(b)	131916.71	110 - credit	65.96	N	9893.75	5276.67	116680.33	6160.14
DC	(b)	131916.71	1370.00	65.96	N	9893.75	5276.67	115310.33	10304.48
FL	No personal income tax	-	-	-	-	-	-	-	0.00
GA	(b)	131916.71	2700.00	65.96	N	9893.75	5276.67	113980.33	6648.82
HI	(c)	104052.54	1040.00	65.96	N	9893.75	5276.67	87776.16	6584.41
ID	(c)	104052.54	2800.00	65.96	N	9893.75	5276.67	86016.16	6760.83
IL	(b)	131916.71	1650.00	N	N	N	N	130266.71	3908.00
IN	(b)	131916.71	1000.00	N	N	N	N	130916.71	4451.17
IA	(b)	131916.71	40 - credit	65.96	37458.91	9893.75	5276.67	79221.42	5682.70
KS	(b)	131916.71	2250.00	65.96	N	9893.75	5276.67	114430.33	6435.76
KY	(b)	131916.71	20 - credit	65.96	N	9893.75	5276.67	116680.33	6760.82
LA	(b)	131916.71	4500.00	65.96	37458.91	9893.75	5276.67	79121.42	3547.29
ME	(b)	131916.71	2850.00	65.96	N	9893.75	5276.67	113830.33	9090.08
MD	(b), (m)	131916.71	1850.00	65.96	N	9893.75	5276.67	114830.33	5457.86
MA	(b)	131916.71	4400.00	65.96	N	9893.75	N	117557.00	6877.08
MI	(b)	131916.71	2900.00	N	N	9893.75	-	119122.96	5003.16
MN	(c)	104052.54	2800.00	65.96	N	9893.75	5276.67	86016.16	5786.77
MS	(a)	150000.00	6000.00	65.96	N	9893.75	5276.67	128763.62	6288.18
MO	(b)	131916.71	2100.00	65.96	37458.91	9893.75	5276.67	77121.42	4372.29
MT	(b),(j)	131916.71	1670.00	65.96	5000.00	9893.75	5276.67	110010.33	7931.14
NE	(b)	131916.71	91 - credit	65.96	N	9893.75	5276.67	116680.33	7069.78
NV	No personal income tax	-	-	-	-	-	-	-	0.00
NH	(e)	7500.00	2400.00	N	N	N	N	5100.00	255.00
NJ	(a), (l)	150000.00	1000.00	7321.38	N	N	N	141678.62	5052.74
NM	(b)	131916.71	2800.00	65.96	N	9893.75	5276.67	113880.33	8065.69
NY	(b)	131916.71	0.00	65.96	N	9893.75	5276.67	116680.33	7595.60
NC	(c)	104052.54	2500.00	65.96	N	9893.75	5276.67	86316.16	6112.00
ND	(h)	104052.54	2800.00	N	37458.91	9893.75	5276.67	44006.13	2947.35
OH	(b)	131916.71	1020+20 credit	65.96	N	N	N	130830.75	6253.47
OK	(b)	131916.71	1000.00	65.96	37458.91	9893.75	5276.67	78221.42	4949.45
OR	(c), (j)	104052.54	134.00	65.96	1500.00	9893.75	5276.67	87182.16	7543.39
PA	(a)	150000.00	0.00	N	N	N	N	150000.00	4200.00
RI	(d)	37458.91	0.00	65.96	N	9893.75	5276.67	22222.53	5777.86
SC	(c)	104052.54	2800.00	65.96	N	9893.75	5276.67	86016.16	5325.13
SD	No personal income tax	-	-	-	-	-	-	-	0.00
TN	(e)	3750.00	1250.00	N	N	N	N	2500.00	150.00
TX	No personal income tax	-	-	-	-	-	-	-	0.00
UT	(c), (j)	104052.54	2063.00	65.96	18729.46	9893.75	5276.67	68023.71	4656.66
VT	(d)	37458.91	0.00	65.96	N	9893.75	5276.67	22222.53	5333.41
VA	(b)	131916.71	800.00	65.96	N	9893.75	5276.67	115880.33	6405.62
WA	No personal income tax	-	-	-	-	-	-	-	0.00
WV	(b)	131916.71	2000.00	N	N	N	N	129916.71	6644.59
WI	(b),(f)	131916.71	600.00	3.30	N	N	263.83	131313.41	8121.94
WY	No personal income tax	-	-	-	-	-	-	-	0.00

Code: N=No.

Notes:

- (a) Gross income base.
- (b) Federal AGI base. LA itemized deduction is limited to the difference between the federal standard deduction and itemized deductions.
- (c) Federal Taxable Income base. Colorado allows federal exemption, but it is already taken into account by using federal taxable income as base.
- (d) Federal Liability. RI and VT- fed exempt and std deduction are used, but already included by using fed tax as base.
- (e) TN tax income stocks/bonds. NH taxes interest and dividends.
- (f) Wisconsin contributions and med/dental are a credits at a rate of .5% the total deduction amounts.
- (g) Rates/Brackets applied to taxable income.
- (h) Short form taxpayer can pay .14 of fed tax liability; otherwise pay tax rate percents from 2.67 to 12 with federal taxable income as base.
- (i) Most states pattern itemized deduction after the federal system; however, several states have modifications in areas such as deduction for federal tax, limits on medical expenses and the like. These major modification are reflected above. Deductions are based on estimates derived for taxpayer at this income level from the IRS' Statistics of Income. These deduction estimates are set forth in Chapter 3 at Table 3.3, Average Itemized Deductions for Upper Income Level.
- (j) MT. fed tax deduction is limited to \$5000. Ore fed tax deduction is limited to \$1500. Utah limited to 1/2 of fed tax paid.
- (l) NJ allowed med exp ded for expenses in excess of 2% of AGI. AL allowed med exp ded in excess of 4% of AGI. AZ allows full med expense deduction.

Sources:

The Council of State Governments. 2001. *The Book of States 2000-2001*. Lexington, KY: The Council of State Governments.
Mertens *Law of Federal Income Taxation*, Volume 1, Sections 2.46 and 2.49.
Klutkowski, Andrew, Peter Pupke and Adam Weinreb, eds. 2001. *All States Tax Handbook: 2001*. New York, NY: Research Institute of America.

TABLE 4. Estimated Upper Income State Real Property Tax Burden for 2000

State	2000				
	Estimated Home Value	Assess. Level	Assess. Value (a)	Assess Rate	Est. Tax Burden (\$)
AL	\$336,560.71	0.1	\$33,256.07	6.95	2311.30
AK	\$377,479.59	0.945	\$356,718.21	1.77	6313.91
AZ	\$403,755.12	0.1	\$40,375.51	10	4037.55
AR	\$305,388.11	0.2	\$61,077.62	6.3	3847.89
CA	\$601,193.86	1	\$594,193.86	1.07	6357.87
CO	\$476,473.95	0.097	\$46,217.97	7.27	3360.05
CT	\$417,752.85	0.7	\$292,427.00	6.5	19007.75
DE	\$371,541.34	0.563	\$209,177.77	2.3	4811.09
DC	\$528,870.84	1	\$498,870.84	0.96	4789.16
FL	\$366,895.08	1	\$341,895.08	2.03	6940.47
GA	\$353,781.26	0.4	\$126,512.50	4.68	5920.79
HI	\$738,950.22	1	\$698,950.22	0.37	2586.12
ID	\$381,946.66	0.974	\$322,016.05	1.82	5860.69
IL	\$379,008.37	0.1	\$33,400.84	9.31	3109.62
IN	\$306,264.58	0.15	\$43,939.69	12.67	4732.09
IA	\$282,183.49	0.563	\$154,019.30	4.36	6715.24
KS	\$277,483.75	0.115	\$31,910.63	11.04	3522.93
KY	\$347,603.35	1	\$347,603.35	1.3	4518.84
LA	\$352,361.36	0.1	\$27,736.14	17	4715.14
ME	\$357,800.75	1	\$357,800.75	2.4	8587.22
MD	\$372,815.31	0.4	\$149,126.13	6.03	8992.31
MA	\$496,406.08	1	\$397,124.87	1.32	5242.05
MI	\$349,385.45	0.304	\$106,213.18	5.94	6309.06
MN	\$350,746.11	0.859	\$301,290.91	1.45	4368.72
MS	\$307,660.39	0.1	\$30,526.04	16.39	5003.22
MO	\$319,937.26	0.19	\$60,788.08	7.88	4790.10
MT	\$341,669.69	0.725	\$247,710.52	2.12	5251.46
NE	\$302,675.16	0.95	\$287,541.40	1.88	5405.78
NV	\$430,100.29	0.35	\$150,535.10	3.03	4561.21
NH	\$363,787.98	1	\$363,787.98	3.05	11095.53
NJ	\$418,126.43	0.134	\$56,028.94	24.88	13940.00
NM	\$427,548.12	0.333	\$142,373.52	3.46	4926.12
NY	\$452,620.70	0.073	\$33,041.31	10.88	3594.89
NC	\$373,124.23	0.943	\$351,856.15	1.2	4222.27
ND	\$290,255.46	0.042	\$12,190.73	49.38	6019.78
OH	\$341,818.05	0.319	\$95,409.96	5.15	4913.61
OK	\$285,763.47	0.11	\$30,433.98	10.53	3204.70
OR	\$501,845.24	0.721	\$361,830.42	2.07	7489.89
PA	\$326,509.75	0.32	\$104,483.12	8.26	8630.31
RI	\$426,585.89	1	\$277,280.83	3.49	9677.10
SC	\$345,491.07	0.04	\$13,819.64	37.93	5241.79
SD	\$304,574.57	1	\$304,574.57	1.58	4812.28
TN	\$345,297.03	0.231	\$79,763.61	6.91	5511.67
TX	\$278,946.58	1	\$223,157.26	2.59	5779.77
UT	\$431,341.03	0.99	\$234,865.19	1.45	3405.55
VT	\$368,428.14	0.937	\$345,217.17	2.2	7594.78
VA	\$362,683.98	0.92	\$333,669.26	1.22	4070.76
WA	\$496,340.88	0.883	\$438,268.99	1.27	5566.02
WV	\$330,953.66	0.6	\$198,572.20	1.52	3018.30
WI	\$345,892.99	1.001	\$346,238.88	2.98	10317.92
WY	\$344,162.36	0.095	\$32,695.42	7.45	2435.81

Notes:

(a) Calculated as estimated homestead value multiplied by the assessment level with adjustments based on applicable exemptions.

States with an exemption usually apply it to the assessed value; however, there are several exceptions to this.

In 2000 Montana provided an exemption of 16% of market value. In 2000 New York provided an exemption of \$10000 of market value.

Sources:

Klutkowski, Andrew, Peter Pupke and Adam Weinreb, eds. 2001. *All States Tax Handbook: 2001*. New York, NY: Research Institute of America.

U.S. Department of Commerce. Bureau of the Census. 2002. *Statistical Abstract of the United States*. Washington: Department of Commerce.

Government of the District of Columbia. 2001. *Tax Rates and Tax Burdens in the District of Columbia- A Nationwide Comparison: 2000*.

Various state codes.

TABLE 3. Estimated Lower Income State Real Property Tax Burden for 2000

State	2000				
	Estimated Home Value	Assess. Level	Assess. Value (a)	Assess Rate	Est. Tax Burden (\$)
AL	\$52,353.89	0.1	\$4,835.39	6.95	\$336.06
AK	58,719.05	0.945	\$55,489.50	1.77	\$982.16
AZ	62,806.35	0.1	\$6,280.64	10	\$628.06
AR	47,504.82	0.2	\$9,500.96	6.3	\$598.56
CA	93,519.04	1	\$86,519.04	1.07	\$925.75
CO	74,118.17	0.097	\$7,189.46	7.27	\$522.67
CT	64,983.78	0.7	\$45,488.64	6.5	\$2,956.76
DE	57,795.32	0.563	\$32,538.76	2.3	\$748.39
DC	82,268.80	1	\$52,268.80	0.96	\$501.78
FL	57,072.57	1	\$32,072.57	2.03	\$651.07
GA	55,032.64	0.4	\$7,013.06	4.68	\$328.21
HI	114,947.81	1	\$74,947.81	0.37	\$277.31
ID	59,413.93	0.974	\$7,869.16	1.82	\$143.22
IL	58,956.86	0.1	\$1,395.69	9.31	\$129.94
IN	47,641.16	0.15	\$5,146.17	12.67	\$554.22
IA	43,895.21	0.563	\$19,863.00	4.36	\$866.03
KS	43,164.14	0.115	\$4,963.88	11.04	\$548.01
KY	54,071.63	1	\$54,071.63	1.3	\$702.93
LA	54,811.77	0.1	\$0.00	17	\$0.00
ME	55,657.89	1	\$55,657.89	2.4	\$1,335.79
MD	57,993.49	0.4	\$23,197.40	6.03	\$1,398.80
MA	77,218.72	1	\$61,774.98	1.32	\$815.43
MI	54,348.85	0.304	\$16,522.05	5.94	\$981.41
MN	54,560.51	0.859	\$46,867.47	1.45	\$679.58
MS	47,858.28	0.1	\$4,545.83	16.39	\$745.06
MO	49,768.02	0.19	\$9,455.92	7.88	\$745.13
MT	54,414.06	0.725	\$39,450.19	2.12	\$836.34
NE	47,082.80	0.95	\$44,728.66	1.88	\$840.90
NV	66,904.49	0.35	\$23,416.57	3.03	\$709.52
NH	56,589.24	1	\$56,589.24	3.05	\$1,725.97
NJ	65,041.89	0.134	\$8,715.61	24.88	\$2,168.44
NM	66,507.49	0.333	\$22,146.99	3.46	\$766.29
NY	61,963.21	0.073	\$4,523.31	10.88	\$492.14
NC	58,041.55	0.943	\$54,733.18	1.2	\$656.80
ND	45,150.85	0.042	\$1,896.34	49.38	\$936.41
OH	53,171.70	0.319	\$14,841.55	5.15	\$764.34
OK	44,452.10	0.11	\$3,889.73	10.53	\$409.59
OR	78,064.82	0.721	\$56,284.73	2.07	\$1,165.09
PA	50,790.41	0.32	\$16,252.93	8.26	\$1,342.49
RI	66,357.80	1	\$43,132.57	3.49	\$1,505.33
SC	53,743.06	0.04	\$2,149.72	37.93	\$815.39
SD	47,378.27	1	\$47,378.27	1.58	\$748.58
TN	53,712.87	0.231	\$12,407.67	6.91	\$857.37
TX	43,391.69	1	\$34,713.35	2.59	\$899.08
UT	67,097.49	0.99	\$36,534.59	1.45	\$529.75
VT	57,311.04	0.937	\$53,700.45	2.2	\$1,181.41
VA	56,417.51	0.92	\$51,904.11	1.22	\$633.23
WA	77,208.58	0.883	\$68,175.18	1.27	\$865.82
WV	51,481.68	0.6	\$30,889.01	1.52	\$469.51
WI	53,805.58	1.001	\$53,859.38	2.98	\$1,605.01
WY	53,536.37	0.095	\$5,085.95	7.45	\$378.90

Notes:

(a) Calculated as estimated homestead value multiplied by the the assessment level with adjustments to applicable exemptions.

States with an exemption usually apply it to the assessed value; however, there are several exceptions to this.

In 2000 Louisiana's exemption was \$7500, thereby making the assessed value negative.

In 2000 Indiana provided a 15% credit and 2000 exemption.

In 2000 Montana provided an exemption of 16% of market value. In 2000 New York provided an exemption of \$10000 of market value.

Sources:

Klutkowski, Andrew, Peter Pupke and Adam Weinreb, eds. 2001. *All States Tax Handbook: 2001*. New York, NY: Research Institute of America.

U.S. Department of Commerce. Bureau of the Census. 2002. *Statistical Abstract of the United States*. Washington: Department of Commerce.

Government of the District of Columbia. 2001. *Tax Rates and Tax Burdens in the District of Columbia- A Nationwide Comparison: 2000*.

Various state codes.

TABLE 5
Lower Income Gasoline Tax Estimate: 2000

STATE	Gross Income	Percent Exp. Gas	Estimate Spent Gas	Avg. Price Gas Gallon	Avg. Number Gallons Used	Tax Rate per Gallon	Estimated Tax Burden
AL	20000	0.05	1000	1.563	639.80	0.18	115.16
AK	20000	0.05	1000	1.563	639.80	0.08	51.18
AZ	20000	0.05	1000	1.563	639.80	0.18	115.16
AR	20000	0.05	1000	1.563	639.80	0.197	126.04
CA	20000	0.05	1000	1.563	639.80	0.18	115.16
CO	20000	0.05	1000	1.563	639.80	0.22	140.75
CT	20000	0.05	1000	1.563	639.80	0.32	204.73
DE	20000	0.05	1000	1.563	639.80	0.23	147.15
DC	20000	0.05	1000	1.563	639.80	0.2	127.96
FL	20000	0.05	1000	1.563	639.80	0.131	83.81
GA	20000	0.05	1000	1.563	639.80	0.075	47.98
HI	20000	0.05	1000	1.563	639.80	0.16	102.37
ID	20000	0.05	1000	1.563	639.80	0.26	166.35
IL	20000	0.05	1000	1.563	639.80	0.193	123.48
IN	20000	0.05	1000	1.563	639.80	0.15	95.97
IA	20000	0.05	1000	1.563	639.80	0.2	127.96
KS	20000	0.05	1000	1.563	639.80	0.2	127.96
KY	20000	0.05	1000	1.563	639.80	0.164	104.93
LA	20000	0.05	1000	1.563	639.80	0.2	127.96
ME	20000	0.05	1000	1.563	639.80	0.22	140.75
MD	20000	0.05	1000	1.563	639.80	0.235	150.35
MA	20000	0.05	1000	1.563	639.80	0.21	134.36
MI	20000	0.05	1000	1.563	639.80	0.19	121.56
MN	20000	0.05	1000	1.563	639.80	0.2	127.96
MS	20000	0.05	1000	1.563	639.80	0.184	117.72
MO	20000	0.05	1000	1.563	639.80	0.1705	109.09
MT	20000	0.05	1000	1.563	639.80	0.27	172.74
NE	20000	0.05	1000	1.563	639.80	0.248	158.67
NV	20000	0.05	1000	1.563	639.80	0.24	153.55
NH	20000	0.05	1000	1.563	639.80	0.187	119.64
NJ	20000	0.05	1000	1.563	639.80	0.105	67.18
NM	20000	0.05	1000	1.563	639.80	0.18	115.16
NY	20000	0.05	1000	1.563	639.80	0.08	51.18
NC	20000	0.05	1000	1.563	639.80	0.2225	142.35
ND	20000	0.05	1000	1.563	639.80	0.21	134.36
OH	20000	0.05	1000	1.563	639.80	0.22	140.75
OK	20000	0.05	1000	1.563	639.80	0.17	108.77
OR	20000	0.05	1000	1.563	639.80	0.29	185.54
PA	20000	0.05	1000	1.563	639.80	0.259	165.71
RI	20000	0.05	1000	1.563	639.80	0.29	185.54
SC	20000	0.05	1000	1.563	639.80	0.16	102.37
SD	20000	0.05	1000	1.563	639.80	0.22	140.75
TN	20000	0.05	1000	1.563	639.80	0.214	136.92
TX	20000	0.05	1000	1.563	639.80	0.2	127.96
UT	20000	0.05	1000	1.563	639.80	0.2475	158.35
VT	20000	0.05	1000	1.563	639.80	0.2	127.96
VA	20000	0.05	1000	1.563	639.80	0.175	111.96
WA	20000	0.05	1000	1.563	639.80	0.23	147.15
WV	20000	0.05	1000	1.563	639.80	0.2535	162.19
WI	20000	0.05	1000	1.563	639.80	0.258	165.07
WY	20000	0.05	1000	1.563	639.80	0.14	89.57

Sources:

Energy Information Administration. August 2004. "Table 9.4 Motor Gasoline Retail Prices, U.S. Average." Monthly Energy Review. http://www.eia.doe.gov/emeu/mer/pdf/pages/sec9_6.pdf (September 1, 2004)
The Council of State Governments. 2001. *The Book of States 2001-2001*. Lexington, KY: The Council of State Governments.

TABLE 6
Upper Income Gasoline Tax Estimate: 2000

STATE	Gross Income	Percent Exp. Gas	Estimate Spent Gas	Avg. Price Gas Gallon	Avg. Number Gallons Used	Tax Rate per Gallon	Estimated Tax Burden
AL	150000	0.02	3000	1.563	1919.39	0.18	345.49
AK	150000	0.02	3000	1.563	1919.39	0.08	153.55
AZ	150000	0.02	3000	1.563	1919.39	0.18	345.49
AR	150000	0.02	3000	1.563	1919.39	0.197	378.12
CA	150000	0.02	3000	1.563	1919.39	0.18	345.49
CO	150000	0.02	3000	1.563	1919.39	0.22	422.26
CT	150000	0.02	3000	1.563	1919.39	0.32	614.20
DE	150000	0.02	3000	1.563	1919.39	0.23	441.46
DC	150000	0.02	3000	1.563	1919.39	0.2	383.88
FL	150000	0.02	3000	1.563	1919.39	0.131	251.44
GA	150000	0.02	3000	1.563	1919.39	0.075	143.95
HI	150000	0.02	3000	1.563	1919.39	0.16	307.10
ID	150000	0.02	3000	1.563	1919.39	0.26	499.04
IL	150000	0.02	3000	1.563	1919.39	0.193	370.44
IN	150000	0.02	3000	1.563	1919.39	0.15	287.91
IA	150000	0.02	3000	1.563	1919.39	0.2	383.88
KS	150000	0.02	3000	1.563	1919.39	0.2	383.88
KY	150000	0.02	3000	1.563	1919.39	0.164	314.78
LA	150000	0.02	3000	1.563	1919.39	0.2	383.88
ME	150000	0.02	3000	1.563	1919.39	0.22	422.26
MD	150000	0.02	3000	1.563	1919.39	0.235	451.06
MA	150000	0.02	3000	1.563	1919.39	0.21	403.07
MI	150000	0.02	3000	1.563	1919.39	0.19	364.68
MN	150000	0.02	3000	1.563	1919.39	0.2	383.88
MS	150000	0.02	3000	1.563	1919.39	0.184	353.17
MO	150000	0.02	3000	1.563	1919.39	0.1705	327.26
MT	150000	0.02	3000	1.563	1919.39	0.27	518.23
NE	150000	0.02	3000	1.563	1919.39	0.248	476.01
NV	150000	0.02	3000	1.563	1919.39	0.24	460.65
NH	150000	0.02	3000	1.563	1919.39	0.187	358.93
NJ	150000	0.02	3000	1.563	1919.39	0.105	201.54
NM	150000	0.02	3000	1.563	1919.39	0.18	345.49
NY	150000	0.02	3000	1.563	1919.39	0.08	153.55
NC	150000	0.02	3000	1.563	1919.39	0.2225	427.06
ND	150000	0.02	3000	1.563	1919.39	0.21	403.07
OH	150000	0.02	3000	1.563	1919.39	0.22	422.26
OK	150000	0.02	3000	1.563	1919.39	0.17	326.30
OR	150000	0.02	3000	1.563	1919.39	0.29	556.62
PA	150000	0.02	3000	1.563	1919.39	0.259	497.12
RI	150000	0.02	3000	1.563	1919.39	0.29	556.62
SC	150000	0.02	3000	1.563	1919.39	0.16	307.10
SD	150000	0.02	3000	1.563	1919.39	0.22	422.26
TN	150000	0.02	3000	1.563	1919.39	0.214	410.75
TX	150000	0.02	3000	1.563	1919.39	0.2	383.88
UT	150000	0.02	3000	1.563	1919.39	0.2475	475.05
VT	150000	0.02	3000	1.563	1919.39	0.2	383.88
VA	150000	0.02	3000	1.563	1919.39	0.175	335.89
WA	150000	0.02	3000	1.563	1919.39	0.23	441.46
WV	150000	0.02	3000	1.563	1919.39	0.2535	486.56
WI	150000	0.02	3000	1.563	1919.39	0.258	495.20
WY	150000	0.02	3000	1.563	1919.39	0.14	268.71

Sources:

Energy Information Administration. August 2004. "Table 9.4 Motor Gasoline Retail Prices, U.S. Average." Monthly Energy Review. http://www.eia.doe.gov/emeu/mer/pdf/pages/sec9_6.pdf (September 1, 2004)
The Council of State Governments. 2001. *The Book of States 2000-2001*. Lexington, KY: The Council of State Governments.

TABLE 7: Lower Income Sales Tax Estimate for 2000

STATE	Gross Income	Exp. Subj. to Tax (%) (a)	Sales Tax Rate	Est. Sales Tax Burden
AL	20000	0.47	0.04	378.12
AK	20000	0.47	NONE	0.00
AZ	20000	0.33	0.05	330.00
AR	20000	0.47	0.04625	437.21
CA	20000	0.33	0.06	396.00
CO	20000	0.33	0.03	198.00
CT	20000	0.33	0.06	396.00
DE	20000	0.47	NONE	0.00
DC	20000	0.33	0.0575	379.50
FL	20000	0.33	0.06	396.00
GA	20000	0.33	0.04	264.00
HI	20000	0.47	0.04	378.12
ID	20000	0.47	0.05	472.65
IL (b)	20000	0.47	0.0625	559.50
IN	20000	0.33	0.05	330.00
IA	20000	0.33	0.05	330.00
KS	20000	0.47	0.049	463.20
KY	20000	0.33	0.06	396.00
LA (b)	20000	0.33	0.04	348.00
ME	20000	0.33	0.055	363.00
MD	20000	0.33	0.05	330.00
MA	20000	0.33	0.05	330.00
MI	20000	0.33	0.06	396.00
MN	20000	0.33	0.065	429.00
MS	20000	0.47	0.07	661.72
MO	20000	0.47	0.04225	399.39
MT	20000	0.47	NONE	0.00
NE	20000	0.33	0.05	330.00
NV	20000	0.33	0.065	429.00
NH	20000	0.47	NONE	0.00
NJ	20000	0.33	0.06	396.00
NM	20000	0.47	0.05	472.65
NY	20000	0.33	0.04	264.00
NC	20000	0.47	0.05	472.65
ND	20000	0.33	0.05	330.00
OH	20000	0.33	0.05	330.00
OK	20000	0.47	0.045	425.39
OR	20000	0.47	NONE	0.00
PA	20000	0.33	0.06	396.00
RI	20000	0.33	0.07	462.00
SC	20000	0.47	0.05	472.65
SD	20000	0.47	0.04	378.12
TN	20000	0.47	0.06	567.19
TX	20000	0.33	0.0625	412.50
UT	20000	0.47	0.0475	449.02
VT	20000	0.33	0.05	330.00
VA (b)	20000	0.47	0.035	315.00
WA	20000	0.33	0.065	429.00
WV	20000	0.47	0.06	564.00
WI	20000	0.33	0.05	330.00
WY	20000	0.47	0.04	378.12

Notes:

(a) Differences are based on states that do not tax food purchases.

(b) ILL reduces tax by 1% for food. LA and VA tax food at 3%.

Sources:

The Council of State Governments. 2001. *The Book of States 2000-01*. Lexington, KY: The Council of State Governments.

U.S. Department of Labor. Bureau of Labor Statistics. April 2002. *Consumer Expenditures in 2000*

TABLE 8: Upper Income Sales Tax Estimate for 2000

STATE	Gross Income	Exp. Subj. to Tax (%) (a)	Sales Tax Rate	Est. Sales Tax Burden
AL	150000	0.21	0.04	1281.92
AK	150000	0.21	NONE	0.00
AZ	150000	0.21	0.05	1602.39
AR	150000	0.21	0.04625	1482.22
CA	150000	0.17	0.06	1554.60
CO	150000	0.17	0.03	777.30
CT	150000	0.17	0.06	1554.60
DE	150000	0.21	NONE	0.00
DC	150000	0.17	0.0575	1489.82
FL	150000	0.17	0.06	1554.60
GA	150000	0.21	0.04	1281.92
HI	150000	0.21	0.04	1281.92
ID	150000	0.21	0.05	1602.39
IL (b)	150000	0.21	0.0625	3566.25
IN	150000	0.17	0.05	1295.50
IA	150000	0.17	0.05	1295.50
KS	150000	0.21	0.049	1570.35
KY	150000	0.17	0.06	1554.60
LA (b)	150000	0.17	0.04	2250.00
ME	150000	0.17	0.055	1425.05
MD	150000	0.17	0.05	1295.50
MA	150000	0.17	0.05	1295.50
MI	150000	0.17	0.06	1554.60
MN	150000	0.17	0.065	1684.15
MS	150000	0.21	0.07	2243.35
MO	150000	0.21	0.04225	1354.02
MT	150000	0.21	NONE	0.00
NE	150000	0.21	0.05	1602.39
NV	150000	0.17	0.065	1684.15
NH	150000	0.21	NONE	0.00
NJ	150000	0.17	0.06	1554.60
NM	150000	0.21	0.05	1602.39
NY	150000	0.17	0.04	1036.40
NC	150000	0.21	0.05	1602.39
ND	150000	0.17	0.05	1295.50
OH	150000	0.17	0.05	1295.50
OK	150000	0.21	0.045	1442.16
OR	150000	0.21	NONE	0.00
PA	150000	0.17	0.06	1554.60
RI	150000	0.17	0.07	1813.70
SC	150000	0.21	0.05	1602.39
SD	150000	0.21	0.04	1281.92
TN	150000	0.21	0.06	1922.87
TX	150000	0.17	0.0625	1619.37
UT	150000	0.21	0.0475	1522.27
VT	150000	0.21	0.05	1602.39
VA (b)	150000	0.21	0.035	2002.50
WA	150000	0.17	0.065	1684.15
WV	150000	0.17	0.06	1554.60
WI	150000	0.17	0.05	1295.50
WY	150000	0.21	0.04	1281.92

Notes:

(a) Differences are based on states that do not tax food purchases.

(b) ILL reduces tax by 1% for food. LA and VA tax food at 3%.

Sources:

The Council of State Governments. 2001. *The Book of States 2000-01*. Lexington, KY: The Council of State Governments.

U.S. Department of Labor. Bureau of Labor Statistics. April 2002. *Consumer Expenditures in 2000*