

1971 EDITION

STATE-LOCAL FINANCES  
AND  
SUGGESTED LEGISLATION



ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

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DECEMBER 1970

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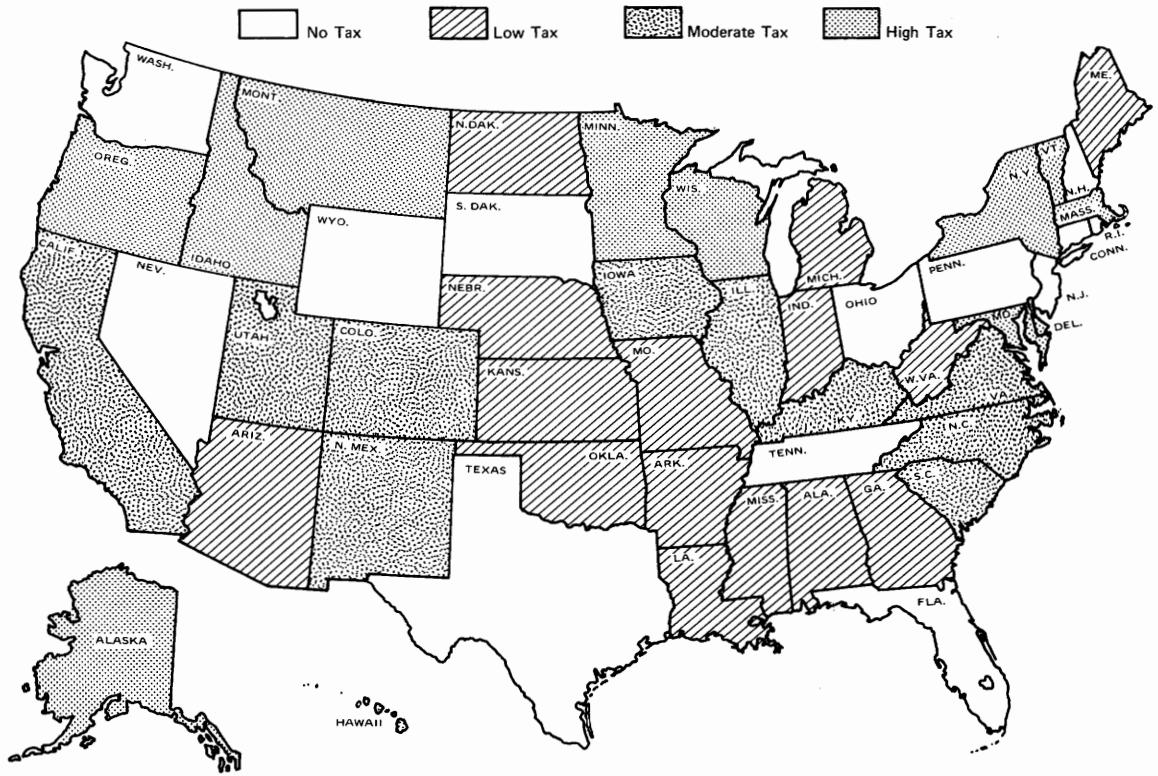
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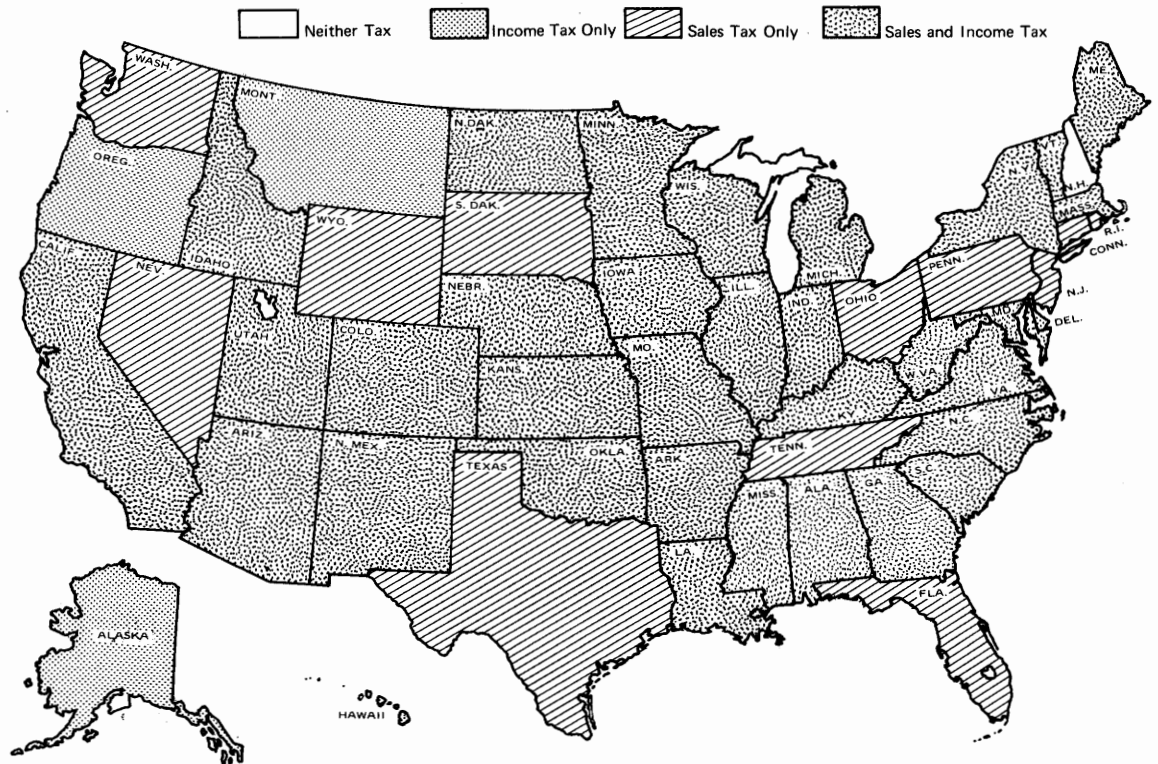
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**ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS  
WASHINGTON, D. C. 20575  
DECEMBER 1970  
M-57**

FIGURE 1 – STATES WITH BROAD-BASED PERSONAL INCOME TAXES  
(December 31, 1970)



USE OF PERSONAL INCOME AND GENERAL SALES TAXES BY STATES  
(December 31, 1970)



## **PREFACE**

In the course of its studies, the Commission has assembled a substantial body of statistical information about State and local fiscal relations. This volume presents up-to-date information (through December 1, 1970) on State tax rates and latest available data on revenues and on expenditure outlays.

Because of the growing demand that States as well as the Federal Government share revenue with local governments, this compendium includes a number of new tables on State aid to local government, including one on major State programs for general local government support (unconditional revenue sharing).

The intent of this reference document is to facilitate both the qualitative and quantitative analysis of the rapidly changing 50 State-local fiscal systems. Thus, the factual information contained in 110 tables is introduced by reference to the characteristics of a "high-quality" State and local tax system. These qualitative standards have emerged from policy recommendations enunciated previously by the Commission in its studies of specific aspects of our federal system.

To further assist those who are engaged in developing new or revised fiscal legislation at the State level, "model" legislation to implement previous tax and fiscal policy recommendations of the Commission is appended.

Robert E. Merriam  
Chairman

## ACKNOWLEDGMENTS

Credit for this report is due Frank Tippett, the Advisory Commission's Statistician, who assembled the bulk of the data for the tabulations and figures.

Data on the provisions of State and local tax laws were drawn largely from the Commerce Clearing House *State Tax Reporter*.

The Governments Division of the Bureau of the Census is, of course, a silent but indispensable partner in every undertaking in the field of governmental finances. The cooperation of the Bureau is gratefully acknowledged.

John Shannon  
Assistant Director  
Taxation and Finance

Wm. R. MacDougall  
Executive Director

## TABLE OF CONTENTS

	Page
Preface . . . . .	iii
Acknowledgments . . . . .	iv
List of State-Local Finance Tables . . . . .	vi
List of Illustrations . . . . .	xii
Characteristics of a High Quality State-Local Tax System . . . . .	1
New Feature—State Aid to Local Government . . . . .	3
Suggested State Tax and Finance Legislation . . . . .	217
<b>Bills</b>	<b>Subject Code</b>
Uniform Personal Income Tax Statute . . . . .	15-62-21 . . . . . 218
State Broad Based Sales Tax . . . . .	15-62-30 . . . . . 265
Property Tax Survey Commission . . . . .	15-62-411 . . . . . 290
Property Tax Organization and Administration . . . . .	15-62-412 . . . . . 293
Property Tax Assessment Standards and Equalization . . . . .	15-62-413 . . . . . 300
Property Tax Review and Appeal Procedure . . . . .	15-62-414 . . . . . 303
Real Estate Transfer Tax . . . . .	15-62-42 . . . . . 308
Property Tax Relief for Low Income Families . . . . .	15-62-48 . . . . . 311
State Financing of Public Elementary and Secondary Schools . . . . .	16-12-00 . . . . . 318
An Equalizing State Foundation Program for Health and Hospitals . . . . .	16-14-00 . . . . . 321
Distribution of State Highway-User Revenues to Local Governments . . . . .	16-15-00 . . . . . 324
State Aid Administration . . . . .	16-19-00 . . . . . 327

## TABLES

Page

### Major Revenue Producers—Federal, State and Local

1. The Public Sector in the National Economy . . . . .	5
2. Governmental Revenue, by Source, by Level of Government, 1968-69 . . . . .	6
3. General Revenue of State and Local Governments, by Source, by Level of Government, 1968-69 . . . . .	7
4. National Totals of State and Local Tax Revenue, by Level of Government and by Type of Tax, Second Quarter of 1970 and Prior Periods . . . . .	10
5. State Tax Collections, by Source, Selected Years, 1902-69 . . . . .	13
6. State Tax Revenue, by Source, by State, 1969 . . . . .	15

### Sources of State Government Revenue Growth

7. Sources of State Government Revenue Growth, Selected Taxes, by State, Fiscal Years 1966 to 1969 . . . . .	17
8. Sources of Revenue Growth for State Individual Income Taxes, by State, Fiscal Years 1966 to 1969 . . . . .	19
9. Sources of Revenue Growth for State Corporate Income Taxes, by State, Fiscal Years 1966 to 1969 . . . . .	21
10. Sources of Revenue Growth for State General Sales Taxes, by State, Fiscal Years 1966 to 1969 . . . . .	23
11. Sources of Revenue Growth for State Selective Sales Taxes, by State, Fiscal Years 1966 to 1969 . . . . .	25
12. Economic Growth and Legislative Actions Affecting the Revenue Increase in State Individual Income Taxes, by State, 1968 to 1969 . . . . .	27
13. Economic Growth and Legislative Actions Affecting the Revenue Increase in State Corporate Income Taxes, by State, 1968 to 1969 . . . . .	28
14. Economic Growth and Legislative Actions Affecting the Revenue Increase in State General Sales Taxes, by State, 1968 to 1969 . . . . .	29
15. Economic Growth and Legislative Actions Affecting the Revenue Increase in State Selective Sales Taxes, by State, 1968 to 1969 . . . . .	30

### State and Local Revenue Capacity and Effort

16. Measures of State-Local Revenue Effort, by State, 1964 and 1969 . . . . .	32
---	----



	Page
17. Relation of Taxes and Other Selected Items of State and Local Government Finances to Personal Income, 1968-69 . . . . .	33
18. Per Capita Amounts of Taxes and Other Selected Items of State and Local Government Finances, by State, 1968-69 . . . . .	34
19. Estimated Revenue Capacity and Actual Revenue of State and Local Governments, and Personal Income, by State, 1966-67 . . . . .	36
20. Percentage Distribution, by Source, of Estimated Revenue Capacity of State and Local Governments, by State, 1966-67 . . . . .	38
21. Measures of Relative State-Local Tax Effort in Individual States, by Type of Tax, 1966-67 . . . . .	40
22. Summary Measures of Relative Revenue Effort in Individual States, by Level of Government, 1966-67 . . . . .	42

**Major State and Local Taxes—Adoptions, Rates and Bases**

**Adoptions and Rate Increases**

23. Dates of Adoption of Major State Taxes . . . . .	43
24. Dates of Adoption of Major State Taxes, Frequency Distribution . . . . .	46
25. States Increasing Tax Rates and Enacting New Taxes, Selected Taxes, 1970 . . . . .	48
26. States Increasing Tax Rates and Enacting New Taxes, Selected Taxes (January 1, 1959 through January 1, 1971) . . . . .	49

**State General Sales Taxes**

27. State and Local Sales Taxes, January 1, 1971—Summary Table . . . . .	50
28. State General Sales Tax Rates, January 1, 1971 . . . . .	51
29. State General Sales Tax Rates as of January 1, 1954 through 1971 . . . . .	52
30. State Sales Taxes: Types and Rates, January 1, 1971 . . . . .	54
31. Exemption of Food and Medicine in State General Sales Taxes, January 1, 1971 . . . . .	64

**Local Sales Taxes**

32. Local Sales Tax Rates, January 1, 1971 . . . . .	65
33. Statutory Provisions Governing Imposition of General Sales Taxes by Local Government, January 1, 1971 . . . . .	68

**State Income Taxes**

34. Effective Rates of State Personal Income Taxes for Selected Adjusted Gross Income Levels, Married Couple with Two Dependents, by State, 1969 . . . . .	71
35. Effective Rates of State Personal Income Taxes for Selected Adjusted Gross Income Levels, Married Couple with Two Dependents, by State, 1953, 1963 and 1969 . . .	73
36. State Individual Income Taxes: Rates, December 31, 1970 . . . . .	75
37. State Individual Income Taxes: Personal Exemptions, December 31, 1970 . . . . .	83
38. State Individual Income Taxes: Use of Standard Deduction and Optional Tax Table, December 31, 1970 . . . . .	85
39. State Individual Income Taxes: Administrative Features, December 31, 1970 . . . . .	86
40. State Use of Personal Income Tax Credits and Cash Rebates to Minimize or Offset the Regressivity of Sales and Property Taxes . . . . .	88
41. Selected Personal Income Tax Base Data, by State, 1968-69 . . . . .	91
42. State Corporation Income Tax Rates, December 31, 1970 . . . . .	96

**Local Income Taxes**

43. Local Income Taxes, Rates and Collections . . . . .	100
44. Local Income Tax Bases, 1967 . . . . .	103

**Property and Real Estate Transfer Taxes**

45. Selected Features of Property Taxation, by State . . . . .	104
46. State Financed and Administered Residential Property Tax Relief for Protecting Low Income Households from Property Tax Overloads (The "Circuit Breaker"). . . . .	107
47. The "Circuit Breaker" System for Protecting Low Income Households from Property Tax Overloads Situations—How it Worked in Wisconsin and Minnesota in 1968 . . . . .	108
48. Scope of Property Assessment Ratio Studies Conducted by State Governments . . . . .	109
49. Use of Property Assessment Ratio Studies Conducted by State Governments . . . . .	110
50. Two Measures of Intra-Area Assessment Uniformity . . . . .	112
51. Coefficients of Intra-Area Dispersion of Median Area, for Assessment of Nonfarm Houses, by States, 1956, 1961 and 1966 . . . . .	113

	Page
52. Statewide Average Assessment Ratios for All Types of Property and for Nonfarm Houses: 1956, 1961 and 1966 .....	114
53. State Legislation Exempting Business Personalty from Taxation or Reducing the Business Personal Property Tax, January 1, 1971 .....	115
54. State and Local Real Estate Transfer Taxes, January 1, 1971 .....	120
<b>Death and Gift Taxes</b>	
55. Types of State Death Taxes, January 1, 1971. ....	123
56. State Estate Tax Rates and Exemptions, January 1, 1971. ....	123
57. State Inheritance Tax Rates and Exemptions, for Selected Categories of Heirs, January 1, 1971 .....	124
58. State Gift Tax Rates and Exemptions, for Selected Categories of Donees, January 1, 1971 .....	126
59. Deductibility of Federal Estate Tax for Pruposes of State Inheritance and Estate Taxes, January 1, 1971 .....	128
<b>Tobacco Taxes</b>	
60. State Cigarette Tax Rates, January 1, 1971 .....	129
61. State Cigarette Tax Rates as of January 1, 1953 through 1971 .....	130
62. State Cigarette Tax Rate and Base Data, by State, 1969 .....	132
63. State Collections by Source, for States Which Tax Both Cigarettes and other Tobacco Products, 1969 .....	133
64. State Cigar Tax Rates, January 1, 1971. ....	134
65. State Tax Rates on Smoking and Chewing Tobacco and Snuff, January 1, 1971 .....	135
66. Gross County and City Tobacco Taxes, by Level of Government, 1969 .....	136
<b>Automotive Taxes</b>	
67. State and Local Automotive Taxes, by Type and by State, January 1, 1971 .....	137
68. State Gasoline Tax Rates, January 1, 1971 .....	140
69. State Gasoline Tax Rates as of January 1, 1953 through 1971 .....	141
70. Motor Fuel Consumption and Tax Collections, by State, 1969 .....	143

**Alcoholic Beverage Taxes**

71. State Tax Rates on Distilled Spirits, January 1, 1971 . . . . .	144
72. Tax Rates on Distilled Spirits for States with Licensing Systems, as of January 1, 1953 through 1971 . . . . .	145
73. State Tax Rates on Beer, January 1, 1971 . . . . .	146
74. State Tax Rates on Wines, January 1, 1971 . . . . .	147

**State and Local Business Taxes**

75. State and Local Property Tax Collections, by Source, 1967 . . . . .	149
76. Relationship of State and Local Property Taxes with an Initial Impact on Business to Total State and Local Property Taxes, by State, 1957, 1962 and 1967 . . . . .	150
77. State and Local Taxes with an Initial Impact on Business, by Type of Tax, by State, 1967 (Excluding Sales Taxes) . . . . .	151
78. Relationship of State and Local Taxes with an Initial Impact on Business to Total State and Local Taxes, by State, 1957, 1962 and 1967 (Excluding Sales Taxes) . . . . .	152
79. Relationship of State and Local Taxes with an Initial Impact on Business to Total State and Local Taxes, by State, 1957, 1962 and 1967 (Including Estimated General Sales Taxes) . . . . .	153

**Federal Aid to State and Local Governments**

80. Federal Aid Outlays in Relation to Total Federal Outlays and to State-Local Revenue, 1959-1971 . . . . .	154
81. Federal Aid to State and Local Governments, by Function, 1969-1971 . . . . .	154
82. Summary of Federal Intergovernmental Expenditure by Major Function, 1960-1969 . . . . .	155
83. Federal Outlays for Public Facility Grants and Loans to State and Local Government, Fiscal Years 1969-1971 . . . . .	156

**State Aid to Local Governments**

84. State Aid to Local Governments by Major Purpose, 1969 . . . . .	158
85. Per Capita State Aid to Local Governments by Major Purpose, 1969 . . . . .	160
86. Major State Programs for General Local Government Support (Revenue Sharing-Type Grants), 1970 . . . . .	161

	Page
87. Local "Piggyback" Taxes, January 1, 1970 . . . . .	170
<b>Major Expenditure Programs—Federal, State, and Local</b>	
88. Summary of General Expenditure (Direct and Intergovernmental), by Function, by Level of Government, 1968-69 . . . . .	178
89. Direct General Expenditure of State and Local Governments for Selected Functions, by Level of Government, by State, 1968-69 . . . . .	180
90. Capital Outlay of State and Local Governments in Total and for Selected Functions, 1968-69 . . . . .	184
<b>Federal, State and Local Shares of Major Expenditure Programs</b>	
91. Estimated Revenue Receipts for Elementary and Secondary Schools, by Governmental Source, by State, 1969-70 . . . . .	186
92. State and Local Expenditure for Highways, by Governmental Source of Financing, by State, 1968-69 . . . . .	189
93. State and Local Expenditure for Public Welfare, by Governmental Source of Financing, by State, 1968-69 . . . . .	191
94. State and Local Expenditure for Health and Hospitals, by Governmental Source of Financing, by State, 1968-69 . . . . .	193
95. State and Local Expenditure for Criminal Justice (Police, Courts, Prosecution, Corrections) by Governmental Source of Financing, by State, 1968-69 . . . . .	194
96. Percentage of State and Local General Expenditure, from Own Revenue Sources, Financed by State Governments, by State, 1968-69 . . . . .	195
<b>State and Local Government Debt</b>	
97. Indebtedness and Cash and Security Holdings of State and Local Governments, by Level of Government, 1968-69 . . . . .	197
98. State and Local Government Securities Outstanding as of June 30, 1946-1970 . . . . .	200
99. Ownership of State and Municipal Securities—U.S. Treasury Department Estimates as of June 30, 1959 through 1969 . . . . .	201
100. State-Local and Corporate Bond Yield Indices, by Month, 1965-1970 . . . . .	202
101. Statutory Interest Rate Ceilings on State and Local Bonds, 1970 . . . . .	203
102. Volume of State and Municipal Borrowing, 1896-1969 . . . . .	205

	Page
103. State and Municipal Bonds Sold, by State, 1962-1969 . . . . .	206
104. State and Municipal Bond Financing Purposes, 1961-1969 . . . . .	207
105. State and Municipal Bond Election Results, 1926-1969 . . . . .	208
106. Investment of Major State Pension Funds, by State, 1969 . . . . .	209

**General Background Information**

107. Population and Personal Income, by State, 1960 and 1969-70 . . . . .	210
108. Gross National Product Elasticities of the Major Categories of State General Revenue . . . . .	212
109. Uniformity in State Taxation of Interstate Business . . . . .	213
110. Agencies Administering Major State Taxes, January 1, 1971 . . . . .	214

**ILLUSTRATIONS**

Figure	Page
1. States With Broad-Based Personal Income Taxes; Use of Personal Income and General Sales Taxes by States (December 31, 1970) . . . . .	ii
2. Government Receipts as a Percentage of Gross National Product, 1946, 1956, and 1969 . .	5
3. Major Sources of State and Local General Revenue, 1948 to 1969 . . . . .	12
4. State and Local Taxes as a Percentage of Gross National Product and Number of States with General Sales and Broad-Based Personal Income Taxes (1950-1970) . . . . .	31
5. Federal Aid in Relation to State-Local Revenue, 1961 through 1970 . . . . .	155
6. State and Local General Expenditure for Selected Functions, 1948 to 1969 . . . . .	177
7. Government Employment and Payroll, 1948 to 1969 . . . . .	179
8. State and Local General and Utility Expenditure for Current Operations and Capital Outlay, 1950-1968 . . . . .	185
9. Federal and State-Local Debt, 1948-to 1969 . . . . .	196

## CHARACTERISTICS OF A HIGH QUALITY STATE-LOCAL TAX SYSTEM

The ever-growing demands for additional revenue to provide the new and expanding public services at the State and local government levels make it abundantly clear that they need soundly conceived, productive, and effective tax systems.

In a comprehensive study of intergovernmental fiscal problems, the Advisory Commission found a "definite State move in the direction of a more balanced reliance on both forms of taxation" (general sales and personal income taxes.)<sup>1</sup> Fourteen States have joined this movement since 1960. One new sales tax enactment (Vermont's) during 1969 and two new State personal income tax enactments (Illinois' and Maine's) brought to 33 the number of States now imposing both levies.

The Advisory Commission has made numerous policy recommendations concerning State-local tax and fiscal relationships in its published studies. The areas of emphasis that emerge from Commission recommendations are summarized here along with references to specific tables in this report that deal with the "high quality" characteristic.

### State Personal Income Tax

A State can make effective and equitable use of the personal income tax if it meets at least three critical tests:

- To insure fairness, provides for personal exemptions at least as generous as those under the Federal income tax (Cf Table 37);
- To promote taxpayer convenience and administrative simplicity, employs withholding at the source and conforms the technical provisions of its law to Federal provisions (Cf Table 39); and
- To insure productivity, makes effective use of the income tax as evidenced by State tax collections equal either to at least 20 percent of the Federal personal income tax collections in that State or to at least 2 percent of adjusted gross income as reported by State residents for Federal income tax purposes (Cf Tables 34, 35 and 41).

Income tax "musts," it should be noted, do not include graduated rates because a broad-based flat rate tax can pack both a heavy revenue punch and provide a substantial degree of progression when combined with personal exemptions. Personal exemptions protect the very poor from the exactions of the tax collector and they automatically adjust tax liability for size of family. The policy on graduated tax rates is best resolved by each State legislature in light of locally prevailing circumstances. It should be noted, however, that graduated rates produce increased responsiveness of income tax collections to economic growth.

For information on State income taxes see Tables 34 through 42. For draft legislation see Subject Code 15-62-21, beginning on page 218.

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<sup>1</sup> *Fiscal Balance in the American Federal System*, Vol. 1, Chapter 4.

## State Sales and Use Tax

States can make effective and fairly equitable use of a sales tax if three prime conditions are met:

- To insure productivity, the tax base employed covers most personal services as well as retail sale of tangible items (Cf Table 30);
- To insure fairness, some provision is made for “pulling the regressive stinger”—either an outright exemption of food and drug purchases or a system of income tax credits and cash refunds to shield subsistence income from the sales tax collector’s reach (Cf Tables 31 and 40); and
- To promote taxpayer convenience and administrative simplicity, States need to credit their taxpayers for sales and use taxes paid to other States; eliminate charges for audit of multi-state firms; exchange audit and other information with one another; and permit local governments to “piggy-back” their levy on the State sales tax (Cf Table 33).

For information on State general sales taxes see Tables 27 through 31. For draft legislation see Subject Code 15-62-30, beginning on page 265.

## Local Nonproperty Taxes

General sales taxes are authorized for local use in 26 States and in most of these there has been widespread adoption by the localities (Cf Tables 32 and 33). Unless a State is willing to allow its localities to “piggy-back” a local supplement onto the State tax, it should be wary of extending this type of non-property taxing power to localities. States would be well advised to:

- Limit local nonproperty taxing powers to as large taxing areas as possible, ideally coinciding with the boundaries of trading and economic areas;
- Prescribe rules governing taxpayers, tax base, and rates, etc., uniformly applicable to all local taxing jurisdictions (Cf Tables 33 and 44); and
- Provide technical assistance in administering and enforcing nonproperty taxes.

For information on local nonproperty taxes see Tables 27, 32, 33, 43, 44, 66, 67. Draft legislation to provide a local supplement to a State tax is included under both Subject Codes 15-62-21 and 15-62-30, (see pages 263 and 285).

## Local Property Tax

To facilitate more uniform assessment of property, the Advisory Commission in a report on *The Role of the States in Strengthening the Property Tax* offered a detailed prescription for reducing the inequities caused by faulty assessment practices. Underpinning the 29 policy recommendations are the following major assumptions:

1. That the prevailing joint State-local system for administering the property tax can work with a reasonable degree of effectiveness only if the State tax department is given sufficient executive support, legal authority, and professional stature to insure local compliance with State law calling for uniformity of tax treatment (Cf Table 45).



2. That professionalization of the assessment function can be achieved only if the assessor is removed from the elective process and selected on the basis of demonstrated ability to appraise property (Cf Table 45).
3. That the perennial conflict between State law calling for full value assessment and the local practice of fractional assessment can be resolved most expeditiously by permitting local assessment officials to assess at any uniform percentage of current market value above a specified minimum level provided this policy is reinforced with two important safeguards:
  - a. *A full disclosure policy*, requiring the State tax department to make annual county assessment ratio studies and to give property owners a full report on the fractional valuation policy adopted by county assessors (Cf Tables 45 and 48), and,
  - b. *An appeal provision* to specifically authorize the introduction of State assessment ratio data by the taxpayer as evidence in appeals to review agencies on the issue of whether his assessment is inequitable.

For information on property taxes see Tables 45 through 54. For draft legislation see Subject Codes 15-62-411 and following, beginning on page 290.

## **NEW FEATURE—STATE AID TO LOCAL GOVERNMENT**

Because of the growing demand that States as well as the Federal Government share revenue with local governments, this compendium includes a number of new tables on State aid to local government, including one on major State programs for general local government support (unconditional revenue sharing).

States disbursed \$24.8 billion to their local governments in fiscal 1969, over 90 percent in the form of categorical aids for specific functions. Almost \$15 billion was for local schools, \$4.4 billion for public welfare, and \$2.1 billion for highways (table 84). In per capita terms, total State aid amounted to \$123 for all States and ranged from a low of \$21 in Hawaii to a high of \$189 in California (table 85).

Included in the total State aid was about \$5.3 billion in Federal funds that the States transmitted to their localities. The bulk of the Federal funds so channeled was for local schools (an estimated \$2.3 billion of the \$14.9 billion total education aid) and for public welfare (an estimated \$2.2 billion of the \$4.4 billion disbursed for that function).

### **State General Support Aid (Unconditional Revenue Sharing)**

In fiscal year 1969, all but four of the States distributed \$2.1 billion to their local governments without expenditure strings. Much of this was in the form of local shares of State taxes—mainly shared sales, income, cigarette and liquor taxes. Also included in this total were State payments to reimburse local governments for tax losses resulting from State-imposed property tax relief programs. About 90 percent of the total general support aid was distributed by the sixteen States that individually paid out \$25 million or more in such grants during fiscal 1969.

Table 86 describes in some detail each of 29 selected major general support grants that were distributed in fiscal 1969 by twenty States. Those 29 programs, which accounted for \$1.4 billion or over two thirds of the total general support aid, consisted largely of shared sales and income taxes and property tax relief reimbursements, as follows (in thousands):

Sales taxes (shared).....	\$ 327,044
Income taxes (shared)...	282,585
Property tax relief reimbursements.....	220,265
Other.....	605,931 <sup>1</sup>
Total.....	\$1,435,825

Excluding the eight property tax relief reimbursement programs, the great bulk of the funds were distributed either on a per capita basis or according to the origin of tax collections.

Only three of the grants appear to have built in explicit equalization factors—those administered by Hawaii, Ohio and Rhode Island. The Wisconsin property tax relief program is unique in that it is aimed specifically at adding those communities with above average property tax burdens.

The enactment of a new revenue sharing plan in New York stands out as the most dramatic State aid development of 1970. The New York plan, to begin in that State's fiscal year that ends March 31, 1972, will distribute 21 percent of the State personal income tax to counties and municipalities. As a result of this enactment, New York's per capita aid will triple from the present \$200 million to \$600 million by fiscal 1972. The lion's share of the new allocation will go to cities.

#### **Indirect Forms of "No Strings" State Aid**

In addition to disbursing general support aid, a number of States provide indirect aid by (1) authorizing their local governments to impose "piggyback" nonproperty taxes and (2) providing low income households with property tax relief by means of income tax credits or cash rebates ("circuit-breaker").

**Local "piggyback" taxes**—Half of the States allow some or all of their localities to impose local supplements to State taxes (table 87). Most of these are general sales tax supplements ranging in rate from ¼ to 2 percent. Two States authorize piggyback personal income taxes and several others collect gasoline and cigarette taxes on behalf of their local governments. A Michigan provision that would have authorized Michigan cities to enter into income tax collection agreements with the State was repealed in 1970.

**Property tax circuit-breaker**—Five States—California, Kansas, Minnesota, Vermont and Wisconsin—now provide "circuit-breaker" property tax relief designed to protect homeowners and renters from tax overloads. The details of those programs are set forth in tables 46 and 47.

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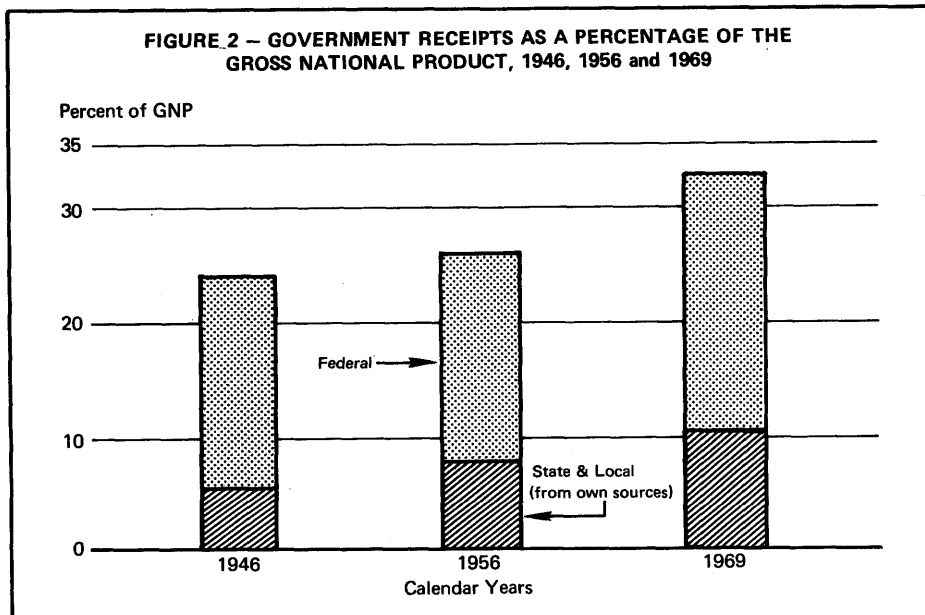
<sup>1</sup>Includes \$201 million, motor vehicle in lieu tax, and \$70 million, cigarette tax distributed by California; and \$191 million per capita aid distributed by New York.

**TABLE 1 — THE PUBLIC SECTOR IN THE NATIONAL ECONOMY**  
**[Government Receipts, National Income and Products**  
**Accounts Basis, 1946, 1956 and 1969]**

Item	Amount (billions)			% of Increase		% of GNP		
	1969	1956	1946	1946-1969	1956-1969	1969	1956	1946
All Governments, total <sup>1</sup>	\$298.7	\$109.0	\$50.9	487%	174%	32.1%	26.0%	24.4%
Taxes	234.3	93.7	43.9	434	150	25.2	22.4	21.0
Contributions for social insurance	53.6	12.6	6.0	793	325	5.8	3.0	2.9
Other	10.8	2.7	1.0	980	300	1.2	0.6	0.5
Federal Government, total	200.6	77.6	39.1	413	159	21.5	18.5	18.7
Taxes	153.0	66.7	33.4	358	129	16.4	15.9	16.0
Contributions for social insurance	46.5	10.6	5.5	745	339	5.0	2.5	2.6
Other	1.1	0.3	0.2	450	267	0.1	0.1	0.1
State and local governments, total	118.3	34.7	12.9	817	241	12.7	8.3	6.2
Federal grants-in-aid	20.2	3.3	1.1	1,736	512	2.2	0.8	0.5
Receipts from own sources	98.1	31.4	11.8	731	212	10.5	7.5	5.7
Taxes	81.3	27.0	10.5	674	201	8.7	6.4	5.0
Contributions for social insurance	7.1	2.0	0.5	1,320	255	0.8	0.5	0.2
Other	9.7	2.4	0.8	1,113	304	1.0	0.6	0.4
Exhibit: Gross National Product	931.4	419.2	208.5	347	122	—	—	—

<sup>1</sup> Excludes intergovernmental transactions.

Source: U.S. Department of Commerce, Office of Business Economics, *The National Income and Product Accounts of the United States, 1929-1965* (Washington, D.C., U.S. Government Printing Office: August 1966); and *Survey of Current Business, July 1970*.



**TABLE 2 — GOVERNMENTAL REVENUE, BY SOURCE, BY LEVEL OF GOVERNMENT:  
1968-69**

Source	Amount (millions of dollars)					Per capita		
	All governments	Federal Government	State and local governments			Total	Federal Government	State and local governments
			Total	State	Local			
TOTAL REVENUE . . . . .	1 312 638	199 637	1 132 153	77 584	1 79 274	1 548.32	988.69	1 654.48
TOTAL GENERAL REVENUE . . . . .	1 258 242	162 845	1 114 550	67 312	1 71 943	1 278.93	806.48	1 567.35
INTERGOVERNMENTAL REVENUE . . . . .	( <sup>1</sup> )	-	19 153	17 775	26 082	( <sup>1</sup> )	-	94.86
FROM FEDERAL GOVERNMENT . . . . .	( <sup>1</sup> )	-	19 153	16 907	2 245	( <sup>1</sup> )	-	94.85
FROM STATES . . . . .	( <sup>1</sup> )	-	( <sup>1</sup> )	-	23 837	( <sup>1</sup> )	-	( <sup>1</sup> )
FROM LOCAL GOVERNMENTS . . . . .	( <sup>1</sup> )	-	( <sup>1</sup> )	868	( <sup>1</sup> )	( <sup>1</sup> )	-	( <sup>1</sup> )
REVENUE FROM OWN SOURCES . . . . .	312 638	199 637	113 001	59 809	53 192	1 548.32	988.69	559.62
GENERAL REVENUE FROM OWN SOURCES . . . . .	258 242	162 845	95 397	49 537	45 861	1 278.93	806.48	472.49
TAXES . . . . .	222 708	145 996	76 712	41 931	34 781	1 102.95	723.04	379.94
PROPERTY . . . . .	30 673	-	30 673	981	29 692	151.92	-	151.92
INDIVIDUAL INCOME . . . . .	96 157	87 249	8 908	7 527	1 381	476.21	432.09	44.11
CORPORATION INCOME . . . . .	39 858	36 678	3 180	3 180	( <sup>2</sup> )	197.39	181.65	15.74
SALES AND GROSS RECEIPTS . . . . .	44 345	17 826	26 519	24 050	2 470	219.62	88.28	131.33
CUSTOMS DUTIES . . . . .	2 319	2 319	-	-	-	11.48	11.48	-
GENERAL SALES AND GROSS RECEIPTS . . . . .	14 038	-	14 038	12 443	1 595	69.52	-	69.52
SELECTIVE SALES AND GROSS RECEIPTS . . . . .	27 987	15 506	12 481	11 606	875	138.60	76.79	61.81
MOTOR FUEL . . . . .	9 189	3 508	5 681	5 644	37	45.51	17.37	28.13
ALCOHOLIC BEVERAGES . . . . .	5 831	4 534	1 297	1 246	51	28.88	22.45	6.42
TOBACCO PRODUCTS . . . . .	4 291	2 138	2 153	2 056	97	21.25	10.59	10.66
PUBLIC UTILITIES . . . . .	2 771	1 540	1 231	763	468	13.72	7.63	6.09
OTHER . . . . .	5 905	3 786	2 119	1 897	222	29.24	18.75	10.49
MOTOR VEHICLE AND OPERATORS LICENSES . . . . .	2 841	-	2 841	2 685	157	14.07	-	14.07
DEATH AND GIFT . . . . .	4 487	3 491	996	996	( <sup>3</sup> )	22.22	17.29	4.93
ALL OTHER . . . . .	4 347	753	3 594	2 512	1 082	21.53	3.73	17.80
CHARGES AND MISCELLANEOUS GENERAL REVENUE . . . . .	35 534	16 848	18 686	7 606	11 080	175.98	83.44	92.54
CURRENT CHARGES . . . . .	24 784	11 479	13 305	5 460	7 845	122.74	56.85	65.89
NATIONAL DEFENSE AND INTERNATIONAL RELATIONS . . . . .	867	867	-	-	-	4.29	4.29	-
POSTAL SERVICE . . . . .	5 986	5 986	-	-	-	29.65	29.65	-
EDUCATION . . . . .	5 209	25	5 184	3 091	2 093	25.80	0.12	25.67
SCHOOL LUNCH SALES . . . . .	1 284	-	1 284	-	1 284	6.35	-	6.35
INSTITUTIONS OF HIGHER EDUCATION . . . . .	3 306	-	3 306	3 041	264	16.37	-	16.37
OTHER . . . . .	620	25	595	50	545	3.07	0.12	2.95
HOSPITALS . . . . .	2 705	40	2 665	786	1 879	13.40	0.20	13.19
SEWERAGE . . . . .	684	-	684	-	684	3.38	-	3.38
SANITATION OTHER THAN SEWERAGE . . . . .	220	-	220	-	220	1.08	-	1.08
LOCAL PARKS AND RECREATION . . . . .	236	-	236	-	236	1.16	-	1.16
NATURAL RESOURCES . . . . .	2 119	1 846	273	189	84	10.49	9.14	1.35
HOUSING AND URBAN RENEWAL . . . . .	2 066	1 520	546	8	538	10.23	7.53	2.70
AIR TRANSPORTATION . . . . .	439	6	433	33	400	2.17	0.03	2.14
WATER TRANSPORT AND TERMINALS . . . . .	585	333	252	71	181	2.90	1.65	1.24
PARKING FACILITIES . . . . .	151	-	151	-	151	0.74	-	0.74
OTHER . . . . .	3 519	856	2 663	1 282	1 380	17.43	4.24	13.19
MISCELLANEOUS GENERAL REVENUE . . . . .	10 750	5 369	5 381	2 146	3 235	53.24	26.59	26.64
SPECIAL ASSESSMENTS . . . . .	491	-	491	19	472	2.43	-	2.43
SALE OF PROPERTY . . . . .	517	203	314	56	258	2.56	1.01	1.55
INTEREST EARNINGS . . . . .	3 830	1 575	2 255	1 083	1 172	18.97	7.80	11.16
OTHER . . . . .	5 912	3 591	2 321	988	1 333	29.28	17.78	11.49
UTILITY REVENUE . . . . .	5 931	-	5 931	-	5 931	29.37	-	29.37
LIQUOR STORES REVENUE . . . . .	1 909	-	1 909	1 663	245	9.45	-	9.45
INSURANCE TRUST REVENUE . . . . .	46 557	36 793	9 764	8 609	1 155	230.57	182.21	48.35

- Represents zero or rounds to zero.

<sup>1</sup> Duplicative transactions between levels of government are excluded.

<sup>2</sup> Minor amount included in individual income tax figures.

<sup>3</sup> Minor amount included in "All other" taxes.

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

**TABLE 3 — GENERAL REVENUE OF STATE AND LOCAL GOVERNMENTS BY SOURCE, BY LEVEL OF GOVERNMENT: 1968-69**

(Millions of dollars)

State and level of government	Total general revenue	Intergovernmental revenue		All general revenue from own sources	Taxes			Charges and miscellaneous general revenue
		From Federal Government	Other (local-State and State-local)		Total	Property	Other	
UNITED STATES, TOTAL	114 550.1	19 152.6	(1)	95 397.5	76 711.9	30 673.3	46 038.6	18 685.6
STATE GOVERNMENTS . . .	67 311.9	16 907.4	867.8	49 536.7	41 930.7	981.3	40 949.4	7 606.0
LOCAL GOVERNMENTS . . .	71 943.1	2 245.2	23 837.2	45 860.8	34 781.2	29 691.9	5 089.2	11 079.6
ALABAMA . . . . .	1 484.7	362.9	(1)	1 121.8	792.6	127.9	664.8	329.2
STATE GOVERNMENT . . .	1 030.4	330.5	8.8	691.1	575.2	21.5	553.6	115.9
LOCAL GOVERNMENTS . . .	771.5	32.4	308.4	430.8	217.5	106.3	111.2	213.3
ALASKA . . . . .	293.6	110.8	(1)	182.7	110.1	29.3	80.9	72.6
STATE GOVERNMENT . . .	228.6	105.6	-	123.0	71.8	-	71.8	51.1
LOCAL GOVERNMENTS . . .	97.4	5.2	32.3	59.8	38.3	29.3	9.0	21.5
ARIZONA . . . . .	1 013.5	187.3	(1)	826.2	654.5	262.3	392.2	171.8
STATE GOVERNMENT . . .	655.7	157.1	3.6	495.0	410.7	60.1	350.6	84.3
LOCAL GOVERNMENTS . . .	590.3	30.1	228.9	331.2	243.8	202.2	41.6	87.5
ARKANSAS . . . . .	789.1	205.2	(1)	584.0	440.5	116.5	324.1	143.4
STATE GOVERNMENT . . .	562.7	194.0	0.3	368.3	317.6	0.7	316.9	50.7
LOCAL GOVERNMENTS . . .	371.0	11.1	144.2	215.6	122.9	115.7	7.2	92.7
CALIFORNIA . . . . .	15 448.8	2 626.8	(1)	12 822.1	10 499.1	4 849.3	5 649.8	2 322.9
STATE GOVERNMENT . . .	8 502.4	2 347.8	216.3	5 938.4	5 243.5	220.8	5 022.7	694.8
LOCAL GOVERNMENTS . . .	10 703.1	279.0	3 540.4	6 883.7	5 255.6	4 628.5	627.1	1 628.1
COLORADO . . . . .	1 293.9	241.9	(1)	1 052.0	810.2	358.5	451.7	241.8
STATE GOVERNMENT . . .	749.5	222.8	2.7	524.1	408.1	1.5	406.6	116.0
LOCAL GOVERNMENTS . . .	791.0	19.1	244.0	527.9	402.1	357.0	45.1	125.8
CONNECTICUT . . . . .	1 632.0	237.6	(1)	1 394.4	1 176.5	630.0	546.5	218.0
STATE GOVERNMENT . . .	861.4	194.4	2.5	664.5	541.6	-	541.6	122.9
LOCAL GOVERNMENTS . . .	936.4	43.1	163.3	730.0	634.9	630.0	5.0	95.0
DELAWARE . . . . .	321.2	40.5	(1)	280.7	201.0	41.4	159.5	79.7
STATE GOVERNMENT . . .	241.7	36.9	2.2	202.5	157.0	0.3	156.7	45.5
LOCAL GOVERNMENTS . . .	159.9	3.6	78.2	78.1	44.0	41.2	2.8	34.1
DISTRICT OF COLUMBIA . .	613.8	227.2	(1)	386.6	341.3	120.3	221.0	45.3
FLORIDA . . . . .	3 157.0	417.4	(1)	2 739.6	2 096.0	722.7	1 373.2	643.6
STATE GOVERNMENT . . .	1 784.6	345.6	15.2	1 423.8	1 269.4	27.2	1 242.2	154.3
LOCAL GOVERNMENTS . . .	2 056.0	71.8	668.4	1 315.8	826.5	695.5	131.0	489.3
GEORGIA . . . . .	2 107.5	422.8	(1)	1 684.7	1 251.5	379.9	871.7	433.2
STATE GOVERNMENT . . .	1 340.6	380.1	10.2	950.3	828.1	3.1	825.0	122.2
LOCAL GOVERNMENTS . . .	1 207.8	42.6	430.8	734.4	423.4	376.7	46.7	311.0
HAWAII . . . . .	592.6	126.2	(1)	466.4	381.3	69.4	311.9	85.1
STATE GOVERNMENT . . .	473.2	123.7	5.0	344.6	289.0	-	289.0	55.6
LOCAL GOVERNMENTS . . .	150.1	2.5	25.8	121.8	92.3	69.4	22.9	29.6
IDAHO . . . . .	371.8	72.8	(1)	299.0	235.5	83.7	151.8	63.5
STATE GOVERNMENT . . .	248.6	69.7	2.0	176.9	150.5	0.4	150.1	26.3
LOCAL GOVERNMENTS . . .	182.1	3.1	56.9	122.1	84.9	83.2	1.7	37.2
ILLINOIS . . . . .	5 880.5	982.8	(1)	4 897.6	4 118.4	1 908.6	2 209.8	779.3
STATE GOVERNMENT . . .	3 004.7	808.4	13.1	2 183.2	1 927.4	2.1	1 925.4	255.8
LOCAL GOVERNMENTS . . .	3 687.6	174.4	798.7	2 714.5	2 190.9	1 906.5	284.4	523.5
INDIANA . . . . .	2 530.1	351.2	(1)	2 178.9	1 710.4	845.7	864.7	468.5
STATE GOVERNMENT . . .	1 448.6	319.0	6.8	1 122.9	881.7	20.6	861.1	241.1
LOCAL GOVERNMENTS . . .	1 560.1	32.2	471.9	1 056.1	828.7	825.1	3.6	227.4
IOWA . . . . .	1 573.2	221.5	(1)	1 351.7	1 080.7	493.2	587.5	271.0
STATE GOVERNMENT . . .	937.7	206.5	35.0	698.1	588.6	7.3	581.3	109.5
LOCAL GOVERNMENTS . . .	958.6	15.0	290.1	653.6	492.1	485.9	6.2	161.5
KANSAS . . . . .	1 219.7	186.0	(1)	1 033.7	804.0	416.4	387.6	229.6
STATE GOVERNMENT . . .	662.6	170.2	8.7	483.7	385.1	9.5	375.6	98.6
LOCAL GOVERNMENTS . . .	769.4	15.8	203.6	550.0	418.9	407.0	12.0	131.0

See footnotes at end of table.

**TABLE 3 – GENERAL REVENUE OF STATE AND LOCAL GOVERNMENTS BY SOURCE, BY LEVEL OF GOVERNMENT: 1968-69 (Cont'd)**

(Millions of dollars)

State and level of government	Total general revenue	Intergovernmental revenue		All general revenue from own sources	Taxes			Charges and miscellaneous general revenue
		From Federal Government	Other (local-State and State-local)		Total	Property	Other	
KENTUCKY . . . . .	1 576.7	405.9	(1)	1 170.8	897.0	207.6	689.4	273.8
STATE GOVERNMENT . . . .	1 151.0	369.8	2.6	778.6	654.9	24.8	630.1	123.7
LOCAL GOVERNMENTS . . . .	662.4	36.1	234.1	392.2	242.1	182.8	59.3	150.1
LOUISIANA . . . . .	1 970.5	423.4	(1)	1 547.1	1 115.6	225.9	889.7	431.6
STATE GOVERNMENT . . . .	1 457.9	397.4	15.5	1 044.9	776.7	27.1	749.6	268.2
LOCAL GOVERNMENTS . . . .	949.4	25.9	421.2	502.2	338.9	198.8	140.0	163.4
MAINE . . . . .	441.0	81.6	(1)	359.4	301.3	145.8	155.6	58.0
STATE GOVERNMENT . . . .	272.5	72.5	4.0	196.0	158.2	3.7	154.6	37.8
LOCAL GOVERNMENTS . . . .	217.5	9.1	45.0	163.4	143.1	142.1	1.0	20.3
MARYLAND . . . . .	2 160.9	282.4	(1)	1 878.5	1 545.9	547.7	998.1	332.6
STATE GOVERNMENT . . . .	1 251.7	233.9	16.0	1 001.7	862.8	27.1	835.7	138.9
LOCAL GOVERNMENTS . . . .	1 478.0	48.5	552.7	876.8	683.1	520.7	162.4	193.7
MASSACHUSETTS . . . . .	3 361.9	520.5	(1)	2 841.4	2 474.3	1 229.3	1 245.0	367.0
STATE GOVERNMENT . . . .	1 905.0	445.3	69.1	1 390.6	1 233.5	0.4	1 233.1	157.1
LOCAL GOVERNMENTS . . . .	2 086.2	75.2	560.3	1 450.7	1 240.8	1 228.9	11.9	209.9
MICHIGAN . . . . .	5 405.0	711.0	(1)	4 694.0	3 754.1	1 450.6	2 303.6	939.8
STATE GOVERNMENT . . . .	3 324.1	644.7	39.3	2 640.1	2 248.8	76.2	2 172.6	391.3
LOCAL GOVERNMENTS . . . .	3 284.0	66.3	1 163.8	2 053.9	1 505.4	1 374.4	131.0	548.5
MINNESOTA . . . . .	2 309.3	355.5	(1)	1 953.8	1 502.8	577.3	925.5	451.0
STATE GOVERNMENT . . . .	1 465.9	336.1	17.1	1 112.6	914.6	4.6	910.0	198.0
LOCAL GOVERNMENTS . . . .	1 539.6	19.4	678.9	841.2	588.2	572.7	15.5	253.0
MISSISSIPPI . . . . .	983.2	219.8	(1)	763.4	571.0	141.2	429.8	192.4
STATE GOVERNMENT . . . .	696.9	210.5	3.7	482.6	400.4	3.9	396.5	82.3
LOCAL GOVERNMENTS . . . .	531.0	9.2	241.0	280.8	170.6	137.4	33.2	110.1
MISSOURI . . . . .	2 144.7	386.7	(1)	1 758.0	1 400.1	566.8	833.3	357.9
STATE GOVERNMENT . . . .	1 175.3	349.0	5.6	820.7	711.1	3.0	708.1	109.6
LOCAL GOVERNMENTS . . . .	1 269.4	37.7	294.3	937.3	689.0	563.7	125.2	248.4
MONTANA . . . . .	405.1	93.2	(1)	311.9	243.8	134.8	109.1	68.1
STATE GOVERNMENT . . . .	238.6	88.1	3.1	147.3	111.8	7.6	104.2	35.5
LOCAL GOVERNMENTS . . . .	209.6	5.1	39.9	164.6	132.0	127.2	4.8	32.6
NEBRASKA . . . . .	808.0	114.7	(1)	693.3	524.7	291.6	233.2	168.6
STATE GOVERNMENT . . . .	406.9	100.2	17.3	291.4	217.3	1.7	215.7	74.0
LOCAL GOVERNMENTS . . . .	522.2	14.5	105.8	401.9	307.4	289.9	17.5	94.5
NEVADA . . . . .	356.0	70.6	(1)	285.4	213.1	75.3	137.8	72.2
STATE GOVERNMENT . . . .	210.1	63.0	2.5	144.6	125.6	3.9	121.7	19.0
LOCAL GOVERNMENTS . . . .	206.7	7.5	58.4	140.8	87.6	71.4	16.2	53.2
NEW HAMPSHIRE . . . . .	319.3	56.7	(1)	262.6	214.7	133.0	81.7	48.0
STATE GOVERNMENT . . . .	171.5	51.0	8.5	112.0	83.2	3.0	80.2	28.8
LOCAL GOVERNMENTS . . . .	174.6	5.7	18.4	150.6	131.4	129.9	1.5	19.2
NEW JERSEY . . . . .	3 845.6	440.0	(1)	3 405.6	2 902.6	1 620.3	1 282.2	503.0
STATE GOVERNMENT . . . .	1 844.0	379.7	45.8	1 418.5	1 181.3	41.9	1 139.4	237.2
LOCAL GOVERNMENTS . . . .	2 595.3	60.3	547.8	1 987.1	1 721.3	1 578.4	142.8	265.8
NEW MEXICO . . . . .	655.0	182.3	(1)	472.7	321.6	76.1	245.5	151.1
STATE GOVERNMENT . . . .	506.3	163.4	2.8	340.1	237.4	12.1	225.4	102.7
LOCAL GOVERNMENTS . . . .	297.1	18.9	145.6	132.6	84.2	64.0	20.2	48.4
NEW YORK . . . . .	14 439.6	1 967.5	(1)	12 472.0	10 544.1	3 873.2	6 670.9	1 928.0
STATE GOVERNMENT . . . .	7 934.7	1 787.5	89.8	6 057.4	5 329.9	10.0	5 319.9	727.4
LOCAL GOVERNMENTS . . . .	11 620.8	180.0	5 026.1	6 414.7	5 214.1	3 863.2	1 350.9	1 200.5
NORTH CAROLINA . . . . .	2 073.4	352.0	(1)	1 721.4	1 347.2	352.2	995.0	374.2
STATE GOVERNMENT . . . .	1 517.2	320.8	9.1	1 187.2	1 009.6	24.3	985.3	177.7
LOCAL GOVERNMENTS . . . .	1 128.1	31.2	562.8	534.1	337.6	327.9	9.7	196.5

See footnotes at end of table.

**TABLE 3 — GENERAL REVENUE OF STATE AND LOCAL GOVERNMENTS BY SOURCE, BY LEVEL OF GOVERNMENT: 1968-69 (Cont'd)**  
(Millions of dollars)

State and level of government	Total general revenue	Intergovernmental revenue		All general revenue from own sources	Taxes			Charges and miscellaneous general revenue
		From Federal Government	Other (local-State and State-local)		Total	Property	Other	
NORTH DAKOTA . . . . .	394.1	72.4	(1)	321.7	207.9	100.2	107.7	113.8
STATE GOVERNMENT . . . . .	254.9	67.4	4.0	183.5	105.4	1.3	104.1	78.1
LOCAL GOVERNMENTS . . . . .	188.9	5.1	45.7	138.1	102.5	98.9	3.6	35.6
OHIO . . . . .	4 944.1	748.4	(1)	4 195.7	3 284.0	1 572.8	1 711.2	911.7
STATE GOVERNMENT . . . . .	2 547.8	650.7	22.8	1 874.2	1 540.5	59.0	1 481.5	333.7
LOCAL GOVERNMENTS . . . . .	3 158.6	97.7	739.4	2 321.5	1 743.5	1 513.8	229.7	578.0
OKLAHOMA . . . . .	1 365.0	342.5	(1)	1 022.4	737.1	228.6	508.6	285.3
STATE GOVERNMENT . . . . .	966.3	321.0	6.9	638.4	472.6	-	472.6	165.9
LOCAL GOVERNMENTS . . . . .	609.5	21.5	204.0	384.0	264.6	228.6	36.0	119.4
OREGON . . . . .	1 269.0	244.1	(1)	1 024.9	786.4	368.3	418.1	238.5
STATE GOVERNMENT . . . . .	737.4	207.8	11.5	518.2	405.8	0.4	405.4	112.4
LOCAL GOVERNMENTS . . . . .	733.4	36.3	190.4	506.7	380.6	367.9	12.7	126.1
PENNSYLVANIA . . . . .	5 642.9	904.2	(1)	4 738.6	4 007.4	1 251.4	2 755.9	731.2
STATE GOVERNMENT . . . . .	3 350.4	769.6	53.0	2 527.8	2 265.8	2.4	2 263.4	262.0
LOCAL GOVERNMENTS . . . . .	3 304.8	134.7	959.3	2 210.8	1 741.6	1 249.0	492.5	469.2
RHODE ISLAND . . . . .	494.9	92.2	(1)	402.7	345.0	142.8	202.1	57.7
STATE GOVERNMENT . . . . .	323.8	82.7	1.4	239.7	200.1	-	200.1	39.6
LOCAL GOVERNMENTS . . . . .	226.1	9.5	53.7	162.9	144.9	142.8	2.0	18.1
SOUTH CAROLINA . . . . .	966.9	181.3	(1)	785.6	605.3	132.8	472.5	180.4
STATE GOVERNMENT . . . . .	726.6	166.5	8.6	551.6	465.1	1.5	463.6	86.5
LOCAL GOVERNMENTS . . . . .	469.2	14.8	220.3	234.0	140.1	131.2	8.9	93.9
SOUTH DAKOTA . . . . .	390.6	88.8	(1)	301.8	232.5	134.2	98.3	69.3
STATE GOVERNMENT . . . . .	219.0	83.0	1.3	134.6	91.9	-	91.9	42.8
LOCAL GOVERNMENTS . . . . .	203.7	5.8	30.7	167.2	140.6	134.2	6.5	26.6
TENNESSEE . . . . .	1 627.5	343.8	(1)	1 283.7	1 005.5	272.5	732.9	278.2
STATE GOVERNMENT . . . . .	1 044.0	300.2	12.1	731.7	645.8	-	645.8	85.9
LOCAL GOVERNMENTS . . . . .	938.7	43.5	343.2	552.0	359.7	272.5	87.2	192.3
TEXAS . . . . .	4 960.4	874.8	(1)	4 085.6	3 083.9	1 324.2	1 759.7	1 001.7
STATE GOVERNMENT . . . . .	2 938.8	800.2	10.0	2 128.6	1 710.7	64.0	1 646.7	417.9
LOCAL GOVERNMENTS . . . . .	2 790.0	74.6	758.5	1 957.0	1 373.2	1 260.2	113.0	583.7
UTAH . . . . .	592.1	149.6	(1)	442.5	341.9	136.2	205.8	100.6
STATE GOVERNMENT . . . . .	401.4	137.2	2.0	262.2	203.3	12.3	191.0	58.9
LOCAL GOVERNMENTS . . . . .	301.6	12.5	108.9	180.3	138.6	123.8	14.8	41.6
VERMONT . . . . .	271.6	73.2	(1)	198.4	168.7	66.3	102.3	29.8
STATE GOVERNMENT . . . . .	196.4	71.8	0.7	124.0	100.9	0.3	100.6	23.1
LOCAL GOVERNMENTS . . . . .	102.3	1.4	26.4	74.5	67.8	66.1	1.7	6.7
VIRGINIA . . . . .	2 154.8	358.9	(1)	1 796.0	1 464.7	385.4	1 079.3	331.3
STATE GOVERNMENT . . . . .	1 420.6	296.8	16.9	1 106.9	924.2	11.9	912.3	182.7
LOCAL GOVERNMENTS . . . . .	1 143.3	62.1	392.2	689.1	540.4	373.5	167.0	148.6
WASHINGTON . . . . .	2 196.7	352.1	(1)	1 844.5	1 395.3	458.7	936.5	449.3
STATE GOVERNMENT . . . . .	1 471.3	313.4	6.9	1 150.9	980.7	104.9	875.8	170.2
LOCAL GOVERNMENTS . . . . .	1 186.5	38.7	454.2	693.6	414.5	353.8	60.7	279.1
WEST VIRGINIA . . . . .	834.3	232.2	(1)	602.1	478.1	115.7	362.4	124.0
STATE GOVERNMENT . . . . .	636.7	224.0	0.8	411.9	346.6	0.4	346.2	65.3
LOCAL GOVERNMENTS . . . . .	333.8	8.2	135.4	190.2	131.5	115.3	16.2	58.7
WISCONSIN . . . . .	2 587.8	325.7	(1)	2 262.2	1 858.5	816.7	1 041.8	403.7
STATE GOVERNMENT . . . . .	1 621.0	308.1	26.0	1 286.9	1 090.8	61.3	1 029.5	196.1
LOCAL GOVERNMENTS . . . . .	1 746.0	17.6	753.1	975.3	767.7	755.3	12.3	207.6
WYOMING . . . . .	279.2	83.5	(1)	195.7	132.4	62.8	69.6	63.3
STATE GOVERNMENT . . . . .	190.9	81.4	0.7	108.8	77.9	11.0	66.9	30.9
LOCAL GOVERNMENTS . . . . .	128.7	2.1	39.7	86.9	54.5	51.8	2.8	32.4

— Represents zero or rounds to zero.

<sup>1</sup> Duplicative transactions between levels of government are excluded.

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

**TABLE 4 – NATIONAL TOTALS OF STATE AND LOCAL TAX REVENUE, BY LEVEL OF GOVERNMENT AND BY TYPE OF TAX:  
SECOND QUARTER OF 1970 AND PRIOR PERIODS  
(Millions of dollars)**

Period	Total	Level of tax-imposing government		Type of tax						
		State	Local	Property	General sales and gross receipts	Motor fuel sales	Individual income	Corporation net income	Motor vehicle and operators' licenses	All other
<b>QUARTERS</b>										
<b>1970:</b>										
2d quarter .....	24,282	14,436	9,846	8,560	4,394	1,590	3,443	1,416	927	3,952
1st quarter .....	21,238	12,627	8,611	7,544	4,185	1,479	2,714	955	1,175	3,186
<b>1969:</b>										
4th quarter .....	23,610	10,610	13,000	11,889	3,900	1,551	2,425	678	460	2,707
3d quarter .....	18,990	10,130	8,860	7,722	3,794	1,630	2,109	604	467	2,664
2d quarter .....	21,246	12,967	8,279	7,153	3,797	1,459	3,181	1,258	818	3,580
1st quarter .....	18,980	11,352	7,628	6,792	3,643	1,334	2,278	959	1,161	2,813
<b>1968:</b>										
4th quarter .....	21,254	9,035	12,219	11,310	3,496	1,424	1,728	519	413	2,364
3d quarter .....	15,971	8,716	7,255	6,253	3,305	1,480	1,720	455	369	2,389
2d quarter .....	19,217	11,206	8,011	7,093	3,265	1,331	2,725	958	753	3,092
1st quarter .....	16,752	9,983	6,769	6,001	3,164	1,255	1,888	707	1,112	2,625
<b>1967:</b>										
4th quarter .....	18,726	7,868	10,858	10,023	2,924	1,308	1,468	412	383	2,208
3d quarter .....	14,193	7,356	6,837	5,984	2,573	1,332	1,385	402	302	2,215
2d quarter .....	16,496	9,450	7,046	6,249	2,606	1,249	1,985	852	706	2,849
1st quarter .....	14,827	8,679	6,148	5,430	2,638	1,133	1,454	740	1,055	2,377
<b>1966:</b>										
4th quarter .....	16,775	6,895	9,880	9,121	2,505	1,225	1,218	314	351	2,041
3d quarter .....	12,624	6,808	5,816	5,093	2,396	1,278	1,203	324	288	2,042
2d quarter .....	15,784	8,992	6,792	6,012	2,524	1,178	1,840	778	661	2,791
1st quarter .....	13,754	8,186	5,568	4,997	2,454	1,094	1,161	708	1,051	2,289

See footnotes at the end of table.



**TABLE 4 – NATIONAL TOTALS OF STATE AND LOCAL TAX REVENUE, BY LEVEL OF GOVERNMENT AND BY TYPE OF TAX:  
SECOND QUARTER OF 1970 AND PRIOR PERIODS (Cont'd)  
(Millions of dollars)**

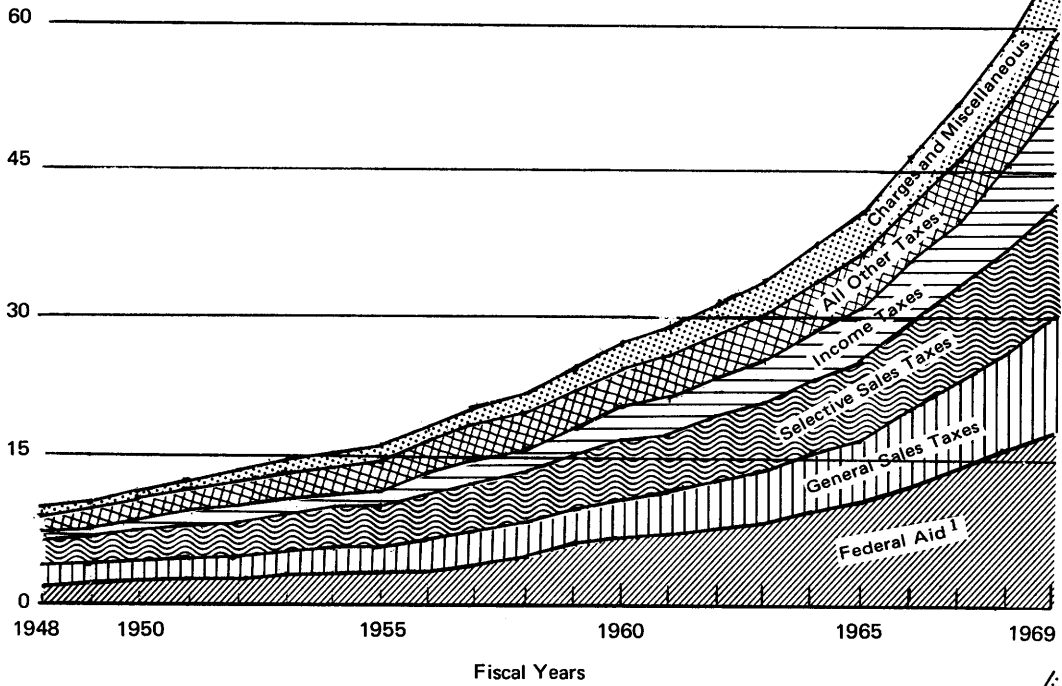
Period	Total	Level of tax-imposing government		Type of tax						
		State	Local	Property	General sales and gross receipts	Motor fuel sales	Individual income	Corporation net income	Motor vehicle and operators' licenses	All other
<b>12 MONTHS ENDING</b>										
June 1970 . . . . .	88,120	47,803	40,317	35,715	16,273	6,250	10,691	3,653	3,029	12,509
March 1970 . . . . .	85,084	46,334	38,750	34,308	15,676	6,119	10,429	3,495	2,920	12,137
December 1969 . . . . .	82,826	45,059	37,767	33,556	15,134	5,974	9,993	3,499	2,906	11,764
September 1969 . . . . .	80,470	43,484	36,986	32,977	14,730	5,847	9,296	3,340	2,859	11,421
June 1969 . . . . .	77,451	42,070	35,381	31,508	14,241	5,697	8,907	3,191	2,761	11,146
March 1969 . . . . .	75,422	40,309	35,113	31,448	13,709	5,569	8,451	2,891	2,696	10,658
December 1968 . . . . .	73,194	38,940	34,254	30,657	13,230	5,490	8,061	2,639	2,647	10,470
September 1968 . . . . .	70,666	37,773	32,893	29,370	12,658	5,374	7,801	2,532	2,617	10,314
June 1968 . . . . .	68,888	36,413	32,475	29,101	11,926	5,226	7,466	2,479	2,550	10,140
March 1968 . . . . .	66,167	34,657	31,510	28,257	11,267	5,144	6,726	2,373	2,503	9,897
December 1967 . . . . .	64,242	33,353	30,889	27,686	10,741	5,022	6,292	2,406	2,446	9,649
September 1967 . . . . .	62,291	32,380	29,911	26,784	10,322	4,939	6,042	2,308	2,414	9,482

Note: Because of rounding, detail may not add to totals. Property tax amounts are estimates subject to sampling variation. Of the nonproperty tax revenue shown, about 92 percent pertains to governments directly subject to survey for this report, with the remainder imputed mainly from findings of annual surveys for fiscal 1968-69 and earlier years.

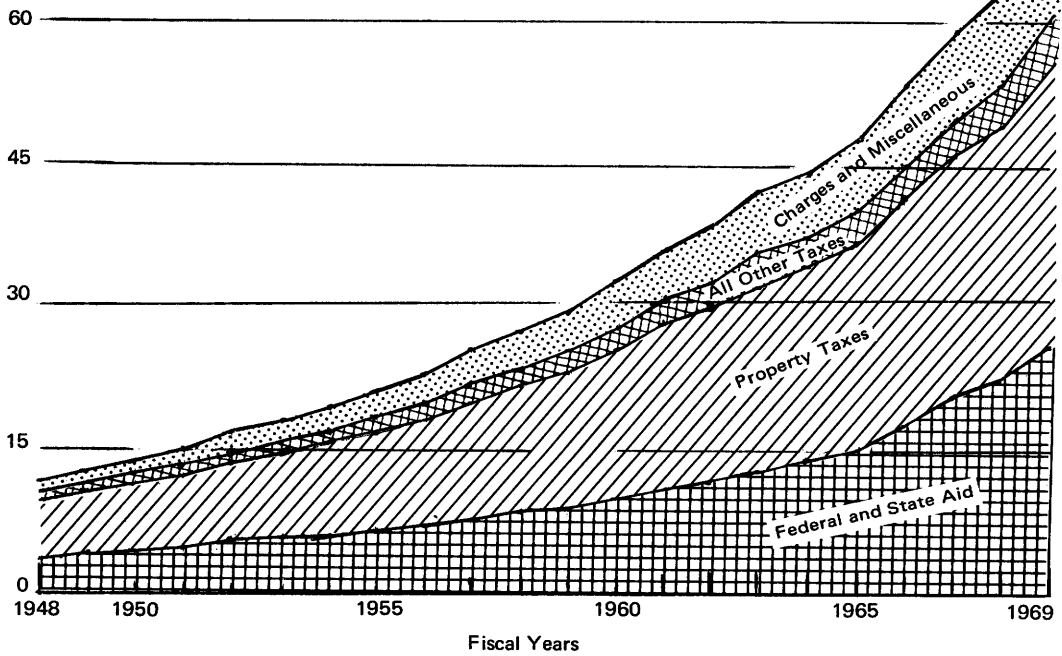
Source: U.S. Bureau of the Census, *Quarterly Summary of State and Local Tax Revenue, April-June 1970*.

**FIGURE 3 – MAJOR SOURCES OF STATE AND LOCAL GENERAL REVENUE,  
1948 TO 1969**

**STATE GOVERNMENTS**  
Billions of Dollars



**LOCAL GOVERNMENTS**  
Billions of Dollars



<sup>1</sup> Includes minor amounts of Local transfers.

TABLE 5 – STATE TAX COLLECTIONS, BY SOURCE, SELECTED YEARS, 1902-69  
(Dollar amounts in millions)

Year	Total exclud- ing employ- ment taxes	Indi- vidual income taxes	Corpora- tion income taxes	Death and gift taxes	General sales taxes <sup>1</sup>	Selective sales and gross receipts						Motor vehicle and oper- ators' licenses	All other	
						Motor fuel taxes	Alco- holic bever- age taxes	Tobacco taxes	Amuse- ment taxes	Public utility taxes	Prop- erty taxes			
1. AMOUNT														
1902	\$156	—	—	\$7	—	—	—	—	—	—	—	\$82	—	\$67
1913	301	—	—	26	—	—	\$2	—	—	—	—	140	\$5	128
1922	947	\$43	\$58	66	—	\$13	—	—	—	—	—	348	152	267
1927	1,608	70	92	106	—	259	—	—	—	—	—	370	301	410
1932	1,890	74	79	148	\$7	527	—	\$19	—	—	—	328	335	373
1934	1,979	80	49	93	173	565	62	25	—	—	—	273	305	354
1936	2,618	153	113	117	364	687	126	44	—	—	—	228	360	426
1938	3,132	218	165	142	447	777	176	55	—	—	—	244	359	549
1940	3,313	206	155	113	499	839	193	97	—	—	—	260	387	564
1941	3,606	225	197	118	575	913	216	106	—	—	—	268	434	554
1942	3,903	249	269	110	632	940	257	130	\$29	\$100	—	264	431	492
1944	4,071	316	446	110	720	684	267	159	53	125	—	243	394	554
1946	4,937	389	442	141	899	886	402	198	116	132	—	249	439	644
1948	6,743	499	585	179	1,478	1,259	425	337	129	155	—	276	593	828
1949	7,376	593	641	176	1,609	1,361	426	388	121	168	—	276	665	952
1950	7,930	724	586	168	1,670	1,544	420	414	118	185	—	307	755	1,039
1952	9,857	913	838	211	2,229	1,870	442	449	153	228	—	370	924	1,230
1953	10,552	969	810	222	2,433	2,019	465	469	172	249	—	365	1,012	1,367
1954	11,089	1,004	772	247	2,540	2,218	463	464	189	263	—	391	1,098	1,440
1955	11,597	1,094	737	249	2,637	2,353	471	459	205	283	—	412	1,184	1,513
1956	13,375	1,374	890	310	3,036	2,687	546	515	219	300	—	467	1,295	1,736
1957	14,531	1,563	984	338	3,373	2,828	569	556	240	343	—	479	1,368	1,891
1958	14,919	1,544	1,018	351	3,507	2,919	566	616	244	345	—	533	1,415	1,860
1959	15,848	1,764	1,001	347	3,697	3,058	599	675	257	352	—	566	1,492	2,040
1960	18,036	2,209	1,180	420	4,302	3,335	650	923	283	365	—	607	1,573	2,189
1961	19,057	2,355	1,266	501	4,510	3,431	688	1,001	296	401	—	631	1,641	2,337
1962	20,561	2,728	1,308	516	5,111	3,665	740	1,075	306	420	—	640	1,667	2,385
1963	22,117	2,956	1,505	595	5,539	3,851	793	1,124	342	437	—	688	1,780	2,501
1964	24,243	3,415	1,695	658	6,084	4,059	864	1,196	379	498	—	722	1,917	2,756
1965	26,126	3,657	1,929	731	6,711	4,300	917	1,284	409	498	—	766	2,021	2,924
1966	29,380	4,288	2,038	808	7,873	4,627	985	1,541	439	552	—	834	2,236	3,160
1967	31,926	4,909	2,227	795	8,923	4,837	1,041	1,615	456	600	—	862	2,311	3,350
1968	36,400	6,231	2,518	872	10,441	5,178	1,138	1,886	477	664	—	912	2,485	3,597
1969	41,931	7,527	3,180	996	12,443	5,644	1,246	2,056	526	763	—	981	2,685	3,884

See footnotes at the end of table.

TABLE 5 – STATE TAX COLLECTIONS, BY SOURCE, SELECTED YEARS, 1902-69 (Cont'd)  
(Dollar amounts in millions)

Year	Total excluding employment taxes	Individual income taxes	Corporation income taxes	Death and gift taxes	General sales taxes <sup>1</sup>	Selective sales and gross receipts						Motor vehicle and operators' licenses	All other
						Motor fuel taxes	Alcoholic beverage taxes	Tobacco taxes	Amusement taxes	Public utility taxes	Property taxes		
2. PERCENTAGE DISTRIBUTION													
1902	100.0	—	—	4.5	—	—	—	—	—	—	52.6	—	42.9
1913	100.0	—	—	8.6	—	—	.6	—	—	—	46.5	1.7	42.5
1922	100.0	4.5	6.1	7.0	—	1.4	—	—	—	—	36.7	16.1	28.3
1927	100.0	4.4	5.7	6.6	—	16.1	—	—	—	—	23.0	18.7	25.5
1932	100.0	3.9	4.2	7.8	.4	27.9	—	1.0	—	—	17.3	17.7	19.7
1934	100.0	4.0	2.5	4.7	8.7	28.5	3.1	1.3	—	—	13.8	15.4	17.9
1936	100.0	5.9	4.3	4.5	13.9	26.2	4.8	1.7	—	—	8.7	13.8	16.3
1938	100.0	6.9	5.3	4.5	14.3	24.8	5.6	1.8	—	—	7.8	11.5	17.5
1940	100.0	6.2	4.7	3.4	15.1	25.3	5.8	2.9	—	—	7.8	11.7	17.0
1941	100.0	6.2	5.5	3.3	16.0	25.3	6.0	2.9	—	—	7.4	12.0	15.4
1942	100.0	6.4	6.9	2.8	16.2	24.1	6.6	3.3	.7	2.6	6.8	11.0	12.6
1944	100.0	7.8	10.9	2.8	17.7	16.8	6.6	3.9	1.3	3.1	6.0	9.7	13.6
1946	100.0	7.9	8.9	2.9	18.2	18.0	8.1	4.0	2.3	2.7	5.0	8.9	13.0
1948	100.0	7.4	8.7	2.7	21.9	18.7	6.3	5.0	1.9	2.3	4.1	8.8	12.3
1949	100.0	8.0	8.7	2.4	21.8	18.5	5.8	5.3	1.6	2.3	3.7	9.0	12.9
1950	100.0	9.1	7.4	2.1	21.0	19.5	5.3	5.2	1.5	2.3	3.9	9.5	13.1
1952	100.0	9.3	8.5	2.1	22.6	19.0	4.5	4.5	1.6	2.3	3.7	9.4	12.5
1953	100.0	9.2	7.7	2.1	23.1	19.1	4.4	4.4	1.6	2.4	3.5	9.6	13.0
1954	100.0	9.1	7.0	2.2	22.9	20.0	4.2	4.2	1.7	2.4	3.5	9.6	13.0
1955	100.0	9.4	6.4	2.1	22.7	20.3	4.1	4.0	1.8	2.4	3.6	10.2	13.0
1956	100.0	10.3	6.7	2.3	22.7	20.1	4.1	3.9	1.6	2.2	3.5	9.7	13.0
1957	100.0	10.8	6.8	2.3	23.2	19.5	3.9	3.8	1.7	2.4	3.3	9.4	13.0
1958	100.0	10.3	6.8	2.4	23.5	19.6	3.8	4.1	1.6	2.3	3.6	9.5	12.5
1959	100.0	11.1	6.3	2.2	23.3	19.3	3.8	4.3	1.6	2.2	3.6	9.4	12.9
1960	100.0	12.2	6.5	2.3	23.9	18.5	3.6	5.1	1.6	2.0	3.4	8.7	12.1
1961	100.0	12.4	6.6	2.6	23.7	18.0	3.6	5.3	1.6	2.1	3.3	8.6	12.3
1962	100.0	13.3	6.4	2.5	24.9	17.8	3.6	5.2	1.5	2.0	3.1	8.1	11.6
1963	100.0	13.4	6.8	2.7	25.0	17.4	3.6	5.1	1.5	2.0	3.1	8.0	11.3
1964	100.0	14.1	7.0	2.7	25.1	16.7	3.6	4.9	1.6	2.1	3.0	7.9	11.4
1965	100.0	14.0	7.4	2.8	25.7	16.5	3.5	4.9	1.6	1.9	2.9	7.7	11.2
1966	100.0	14.6	6.9	2.8	26.8	15.7	3.4	5.2	1.5	1.9	2.8	7.6	10.8
1967	100.0	15.4	7.0	2.5	27.9	15.2	3.3	5.1	1.4	1.9	2.7	7.2	10.5
1968	100.0	17.1	6.9	2.4	28.7	14.2	3.1	5.2	1.3	1.8	2.5	6.8	9.9
1969	100.0	18.0	7.6	2.4	29.7	13.5	3.0	4.9	1.3	1.8	2.3	6.4	9.3

<sup>1</sup>Includes the collections from the business and occupation taxes levied by Washington and West Virginia. The amount for these taxes in fiscal 1969 were \$107 million and \$90 million respectively.

TABLE 6 — STATE TAX REVENUE, BY SOURCE, BY STATE, 1969  
(Millions of dollars)

State	Total	General sales or gross receipts	Individual income	Corporation net income	Selective sales and gross receipts				
					Total	Motor fuels	Alcoholic beverages	Tobacco products	Other
<b>UNITED STATES</b>	41,930.7	12,443.2	7,527.5	3,179.8	11,606.3	5,644.5	1,246.0	2,056.3	2,659.5
Alabama	575.2	197.4	74.9	29.0	198.0	108.9	33.7	31.1	24.3
Alaska	71.8	—	25.2	4.3	18.2	9.1	3.9	2.6	2.5
Arizona	410.7	147.5	52.8	18.1	102.6	59.3	8.3	18.9	16.1
Arkansas	317.6	103.7	37.7	22.4	110.3	70.9	9.4	16.7	13.4
California	5,243.5	1,684.3	1,086.9	592.5	1,169.6	611.1	99.3	237.8	221.4
Colorado	408.1	122.8	103.5	32.0	94.4	57.4	10.0	11.9	15.0
Connecticut	541.6	174.1	—	86.2	193.8	82.9	19.0	34.1	57.8
Delaware	157.0	—	61.4	15.1	36.7	17.5	2.8	6.3	10.1
Florida	1,269.4	573.8	—	—	456.7	207.5	108.3	48.9	92.0
Georgia	828.1	308.0	139.2	73.2	253.0	142.1	52.1	39.4	19.4
Hawaii	289.0	137.1	86.5	13.7	44.6	16.1	7.0	5.4	16.1
Idaho	150.5	38.4	38.5	10.0	38.1	25.1	3.5	4.7	4.8
Illinois	1,927.4	989.6	—	—	662.4	257.1	53.9	127.6	223.7
Indiana	881.7	349.4	181.5	8.8	233.9	153.7	19.6	38.9 <sup>1</sup>	21.7
Iowa	588.6	207.5	106.9	24.1	143.9	90.9	8.2	29.6	15.2
Kansas	385.1	137.4	72.4	20.1	95.5	57.3	9.3	18.1	10.8
Kentucky	654.9	247.7	107.6	39.4	181.4	98.7	15.8	11.1	55.8
Louisiana	776.7	159.8	44.5	34.6	202.9	95.2	30.1	33.1	44.5
Maine	158.2	70.4	—	—	57.3	30.5	4.3	13.2	9.3
Maryland	862.8	162.4	313.4	54.7	230.4	104.3	15.0	26.2	85.0
Massachusetts	1,233.5	158.3	452.6	185.1 <sup>2</sup>	318.3	127.4	45.7	70.1	75.1
Michigan	2,248.8	794.8	390.2	216.8	450.7	250.3	60.8	80.8	58.8
Minnesota	914.6	174.0	304.2	82.6	230.8	115.7	28.0	34.1	52.9
Mississippi	400.4	173.5	20.4	33.3	125.1	76.7	10.1	19.1	19.2
Missouri	711.1	295.7	118.2	18.5	167.9	108.4	11.8	24.9	22.8
Montana	111.8	—	31.2	8.1	42.7	25.5	5.2	6.2	5.9
Nebraska	217.3	70.4	36.6	6.9	82.2	54.7	5.9	11.9	9.6
Nevada	125.6	44.2	—	—	63.5	18.2	4.1	6.0	35.2
New Hampshire	83.2	—	2.9	—	53.8	21.8	2.0	12.2	17.7
New Jersey	1,181.3	264.9	14.5	156.6	432.8	190.5	36.0	117.5	88.9
New Mexico	237.4	82.7	19.6	5.1	59.0	34.4	4.0	9.9	10.7
New York	5,329.9	698.8	2,151.6	610.3	1,085.7	335.2	93.4	257.8	399.4
North Carolina	1,009.6	239.6	239.6 <sup>1</sup>	112.5	274.7	158.4	38.4	—	77.9
North Dakota	105.4	35.6	14.0	2.2	30.4	18.0	4.1	4.8	3.6
Ohio	1,540.5	620.7	—	—	571.1	306.1	43.6	92.0	129.3
Oklahoma	472.6	87.0	47.8	22.1	177.1	86.2	17.5	37.3	36.0
Oregon	405.8	—	204.3	37.5	91.8	64.6	2.1	12.2	12.8
Pennsylvania	2,265.8	891.2	—	284.0	672.2	304.8	81.6	169.6	116.3
Rhode Island	200.1	72.5	—	28.1	74.6	25.9	4.8	14.3	29.7
South Carolina	465.1	137.8	84.4	40.5	164.2	81.2	39.5	13.9	29.6
South Dakota	91.9	34.7	—	.6	40.2	20.2	4.3	5.2	10.5
Tennessee	645.8	228.9	11.4	61.6	205.1	123.4	21.9	36.6	23.2
Texas	1,710.7	440.6	—	—	670.0	294.0	49.9	139.4	186.7
Utah	203.3	65.2	50.9	10.7	44.4	31.2	2.1	5.4	5.7
Vermont	100.9	—	34.0	5.6	43.7	15.8	8.1	5.8	13.9
Virginia	924.2	185.3	273.4	67.5	288.1	141.7	30.3	13.5	102.7
Washington	980.7	532.3	—	—	254.8	132.6	34.8	37.5	49.9
West Virginia	346.6	157.1	31.0	4.1	113.7	48.0	17.8	13.5	34.4
Wisconsin	1,090.8	116.8	461.9	101.0	232.4	122.1	24.0	45.9	40.3
Wyoming	77.9	29.5	—	—	21.7	15.9	.7	3.2	1.9

See footnotes at end of table.

TABLE 6 — STATE TAX REVENUE, BY SOURCE, BY STATE: 1969 (Cont'd)  
(Millions of dollars)

State	License taxes				Property	Death and gift	Document and stock transfers	All other taxes
	Total	Motor vehicle and operators	Alcoholic beverages	Other				
<b>UNITED STATES</b> . . . . .	4,137.9	2,684.8	132.7	1,320.4	981.3	995.8	410.6	648.2
Alabama . . . . .	48.7	25.1	1.5	22.1	21.5	1.7	1.7	2.2
Alaska . . . . .	12.7	5.1	.7	6.9	—	.1	—	11.2
Arizona . . . . .	27.2	19.3	.7	7.3	60.1	2.5	—	—
Arkansas . . . . .	35.1	25.6	.7	8.9	.7	1.6	—	6.0
California . . . . .	335.3	257.4	19.1	58.8	220.8	152.6	—	1.6
Colorado . . . . .	38.5	22.4	1.3	14.8	1.5	14.5	—	.9
Connecticut . . . . .	43.6	31.8	4.1	7.7	—	43.8	—	—
Delaware . . . . .	35.1	10.1	.3	24.7	.3	6.4	2.1	—
Florida . . . . .	153.4	96.9	2.2	54.3	27.2	14.6	43.5	.2
Georgia . . . . .	45.3	33.7	.4	11.3	3.1	5.5	—	.7
Hawaii . . . . .	3.3	.1	—	3.2	—	3.4	.4	—
Idaho . . . . .	23.8	15.1	.4	8.3	.4	.9	—	.3
Illinois . . . . .	218.6	172.1	1.2	45.3	2.1	52.3	2.4	—
Indiana . . . . .	71.6	56.0	4.5	11.1	20.6	15.6	—	.3
Iowa . . . . .	82.8	73.5	3.0	6.3	7.3	15.2	1.0	—
Kansas . . . . .	42.8	33.5	.4	8.8	9.5	6.7	—	.7
Kentucky . . . . .	43.0	29.3	.8	12.9	24.8	9.7	1.0	.2
Louisiana . . . . .	59.7	19.6	1.6	38.5	27.1	6.6	—	241.5
Maine . . . . .	21.8	14.2	.6	7.1	3.7	5.1	—	—
Maryland . . . . .	64.4	53.6	.2	10.7	27.1	8.5	.1	1.7
Massachusetts . . . . .	74.6	43.5	.4	30.7	.4	40.3	4.0	—
Michigan . . . . .	287.7	144.3	5.6	137.8	76.2	27.2	—	5.2
Minnesota . . . . .	77.7	63.0	.3	14.4	4.6	21.4	3.1	16.2
Mississippi . . . . .	30.1	13.5	.1	16.5	3.9	1.8	—	12.3
Missouri . . . . .	95.3	70.9	1.0	23.4	3.0	12.5	—	—
Montana . . . . .	14.0	7.3	.9	5.8	7.6	4.1	—	4.1
Nebraska . . . . .	17.2	10.1	.1	7.0	1.7	1.1	.6	.7
Nevada . . . . .	13.1	7.7	*	5.5	3.9	—	.5	.3
New Hampshire . . . . .	17.1	12.6	.3	4.2	3.0	4.4	.3	1.7
New Jersey . . . . .	207.1	124.8	1.0	81.3	41.9	63.4	—	—
New Mexico . . . . .	21.8	15.4	.2	6.2	12.1	2.9	—	34.3
New York . . . . .	326.0	231.1	50.2	44.7	10.0	149.4	298.1	—
North Carolina . . . . .	94.5	52.2	.3	42.0	24.3	24.2	—	.1
North Dakota . . . . .	17.9	13.9	.2	3.9	1.3	.6	—	3.3
Ohio . . . . .	271.9	154.9	9.9	107.1	59.0	17.8	—	—
Oklahoma . . . . .	74.7	61.7	.8	12.2	—	14.6	.9	48.2
Oregon . . . . .	60.7	44.3	.7	15.7	.4	10.1	—	1.0
Pennsylvania . . . . .	285.7	125.7	8.0	151.9	2.4	99.1	31.3	—
Rhode Island . . . . .	16.9	12.8	.1	4.1	—	7.6	.3	—
South Carolina . . . . .	31.6	18.4	1.3	11.8	1.5	2.5	2.7	—
South Dakota . . . . .	14.8	10.5	.7	3.6	—	1.6	—	.1
Tennessee . . . . .	112.1	61.0	.3	50.8	—	19.6	5.3	1.8
Texas . . . . .	264.1	163.1	2.7	98.3	64.0	27.3	*	244.7
Utah . . . . .	14.7	10.0	*	4.7	12.3	2.1	—	3.0
Vermont . . . . .	14.3	11.6	.2	2.5	.3	2.0	.2	.9
Virginia . . . . .	76.2	61.0	.6	14.6	11.9	12.0	8.5	1.3
Washington . . . . .	64.9	42.0	2.2	20.7	104.9	22.3	1.6	—
West Virginia . . . . .	32.7	26.1	1.0	5.6	.4	6.0	.8	.7
Wisconsin . . . . .	86.7	67.1	.1	19.5	61.3	29.9	—	.8
Wyoming . . . . .	14.9	9.8	*	5.1	11.0	.7	—	.1

\*Less than \$500 thousand.

<sup>1</sup>Includes related license taxes.

<sup>2</sup>Corporation income taxes includes a portion of the corporation excise taxes and surtaxes measured by corporate excess.

Source: U.S. Bureau of the Census, *State Government Finances in 1969*.

**TABLE 7 – SOURCES OF STATE GOVERNMENT REVENUE GROWTH, SELECTED TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969<sup>1</sup>**

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
UNITED STATES . . . . .	13,439.2	8,070.5	5,359.3	60.1	39.8
New England & Mideast . . . . .	4,284.6	2,649.6	1,625.7	61.8	37.9
Maine . . . . .	34.0	20.8	13.2	61.2	38.9
New Hampshire . . . . .	7.3	6.9	0.4	94.5	5.5
Vermont . . . . .	31.7	25.8	5.9	81.4	18.6
Massachusetts . . . . .	448.5	138.6	309.9	30.9	69.1
Rhode Island . . . . .	52.0	17.0	25.7	32.7	49.4
Connecticut . . . . .	129.6	108.1	21.5	83.4	16.6
New York . . . . .	2,098.2	1,566.4	531.8	74.7	25.3
New Jersey . . . . .	469.7	141.2	328.5	30.1	69.9
Pennsylvania . . . . .	620.4	348.0	272.4	56.1	43.9
Delaware . . . . .	36.8	36.8	—	100.0	0.0
Maryland . . . . .	291.9	210.2	81.7	72.0	28.0
Dist. of Col. . . . .	64.5	29.8	34.7	46.2	53.8
Midwest . . . . .	3,401.4	1,817.8	1,583.5	53.4	46.6
Michigan . . . . .	924.4	317.8	606.6	34.4	65.6
Ohio . . . . .	420.6	190.0	230.6	45.2	54.8
Indiana . . . . .	170.9	161.2	9.7	94.3	5.7
Illinois . . . . .	607.5	329.7	277.7	54.3	45.7
Wisconsin . . . . .	307.1	248.1	59.0	80.8	19.2
Minnesota . . . . .	399.4	211.1	188.3	52.9	47.1
Iowa . . . . .	140.6	59.9	80.7	42.6	57.4
Missouri . . . . .	165.0	165.0	—	100.0	0.0
North Dakota . . . . .	15.8	8.1	7.7	51.3	48.7
South Dakota . . . . .	25.0	18.3	6.7	73.2	26.8
Nebraska . . . . .	104.3	36.9	67.4	35.4	64.6
Kansas . . . . .	120.8	71.7	49.1	59.4	40.6
South . . . . .	2,980.1	2,084.8	895.3	70.0	30.0
Virginia . . . . .	439.3	228.3	211.1	52.0	48.1
West Virginia . . . . .	51.9	36.8	15.1	70.9	29.1
Kentucky . . . . .	242.7	138.4	104.3	57.0	43.0
Tennessee . . . . .	138.6	101.8	36.8	73.4	26.6
North Carolina . . . . .	273.1	284.9	—11.8	104.3	—4.3
South Carolina . . . . .	145.8	145.6	0.2	99.9	0.1
Georgia . . . . .	261.3	253.5	7.8	97.0	3.0
Florida . . . . .	483.0	228.8	254.2	47.4	52.6
Alabama . . . . .	137.8	136.8	1.0	99.3	0.7
Mississippi . . . . .	127.5	75.2	52.3	59.9	41.0
Louisiana . . . . .	104.8	86.9	17.9	82.9	17.1
Arkansas . . . . .	85.2	70.1	15.1	82.3	17.7
Oklahoma . . . . .	84.5	84.5	—	100.0	0.0
Texas . . . . .	366.2	184.6	181.6	50.4	49.6
New Mexico . . . . .	27.7	20.1	7.6	72.6	27.4
Arizona . . . . .	10.6	8.5	2.1	80.2	19.8
West . . . . .	2,773.1	1,518.3	1,254.8	54.8	45.2
Montana . . . . .	11.0	9.9	1.1	90.0	10.0
Idaho . . . . .	58.2	61.5	—3.3	105.6	—5.6
Wyoming . . . . .	20.7	9.0	11.7	43.5	56.5
Colorado . . . . .	132.2	104.6	27.6	79.1	20.9
Utah . . . . .	51.9	41.5	10.4	80.0	20.0
Washington . . . . .	288.7	207.2	81.5	71.8	28.2
Oregon . . . . .	115.1	94.7	20.4	82.2	17.7

See footnotes at end of table.

**TABLE 7 – SOURCES OF STATE GOVERNMENT REVENUE GROWTH, SELECTED TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969<sup>1</sup> (Cont'd)**

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
Nevada . . . . .	95.9	95.9	—	100.0	0.0
California . . . . .	1,848.5	772.8	1,075.7	41.8	58.2
Alaska . . . . .	17.9	17.5	0.4	97.8	2.2
Hawaii . . . . .	133.0	103.7	29.3	78.0	22.0

<sup>1</sup> Includes individual and corporate income, and general and selective sales taxes. For detail by type of tax see tables 8 through 11.



TABLE 8 — SOURCES OF REVENUE GROWTH FOR STATE INDIVIDUAL INCOME TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
UNITED STATES . . . . .	3,811.9	2,583.9	1,228.0	67.8	32.2
New England & Mideast . . . . .	1,463.5	1,101.7	361.8	75.3	24.7
Maine . . . . .	—	—	—	—	—
New Hampshire <sup>1</sup> . . . . .	0.6	0.6	—	100.0	0.0
Vermont . . . . .	15.3	13.4	1.9	87.9	12.4
Massachusetts <sup>2</sup> . . . . .	191.9	66.4	125.5	34.6	65.4
Rhode Island . . . . .	—	—	—	—	—
Connecticut . . . . .	—	—	—	—	—
New York . . . . .	1,020.2	866.2	154.0	84.9	15.1
New Jersey . . . . .	6.8	6.0	0.8	88.2	11.8
Pennsylvania . . . . .	—	—	—	—	—
Delaware . . . . .	23.5	23.5	—	100.0	0.0
Maryland . . . . .	173.6	107.2	66.4	61.8	38.2
Dist. of Col. . . . .	31.6	18.4	13.2	58.2	41.8
Midwest . . . . .	903.4	448.0	455.4	49.6	50.4
Michigan <sup>3</sup> . . . . .	392.2	28.8	363.4	7.3	92.7
Ohio . . . . .	—	—	—	—	—
Indiana . . . . .	56.7	56.7	—	100.0	0.0
Illinois . . . . .	—	—	—	—	—
Wisconsin . . . . .	189.4	159.2	30.2	84.1	15.9
Minnesota . . . . .	130.3	120.6	9.7	92.6	7.4
Iowa <sup>4</sup> . . . . .	27.0	19.6	7.4	72.6	27.4
Missouri . . . . .	43.5	43.5	—	100.0	0.0
North Dakota <sup>5</sup> . . . . .	2.9	1.8	1.1	62.1	37.9
South Dakota . . . . .	—	—	—	—	—
Nebraska <sup>6</sup> . . . . .	13.5	13.5	—	100.0	0.0
Kansas . . . . .	47.9	4.3	43.6	9.0	91.0
South . . . . .	540.6	482.4	58.2	89.2	10.8
Virginia . . . . .	131.4	101.6	29.8	77.3	22.7
West Virginia <sup>7</sup> . . . . .	7.5	7.5	—	100.0	0.0
Kentucky . . . . .	50.8	49.8	1.0	98.0	2.0
Tennessee . . . . .	4.6	4.6	—	100.0	0.0
North Carolina . . . . .	103.3	108.5	-5.2	105.0	-5.0
South Carolina . . . . .	41.0	41.0	—	100.0	0.0
Georgia . . . . .	72.5	72.5	—	100.0	0.0
Florida . . . . .	—	—	—	—	—
Alabama . . . . .	29.0	29.4	-0.4	101.4	-1.4
Mississippi . . . . .	22.7	2.9	19.8	12.8	87.2
Louisiana . . . . .	21.0	21.0	—	100.0	0.0
Arkansas . . . . .	20.0	10.5	9.5	52.5	47.5
Oklahoma . . . . .	30.5	30.5	—	100.0	0.0
Texas . . . . .	—	—	—	—	—
New Mexico <sup>8</sup> . . . . .	6.3	2.6	3.7	41.3	58.7
Arizona . . . . .	N.R.	—	—	—	—
West . . . . .	904.4	551.8	352.6	61.0	39.0
Montana <sup>5</sup> . . . . .	7.0	6.5	0.5	92.9	7.1
Idaho . . . . .	9.0	19.0	-10.0	211.1	-111.1
Wyoming . . . . .	—	—	—	—	—
Colorado . . . . .	44.6	44.6	—	100.0	0.0
Utah . . . . .	28.1	13.6	14.5	48.4	51.6

See footnotes at end of table.

**TABLE 8 – SOURCES OF REVENUE GROWTH FOR STATE INDIVIDUAL INCOME TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969 (Cont'd)**

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
Washington . . . . .	—	—	—	—	—
Oregon . . . . .	68.3	71.8	-3.5	105.1	-5.1
Nevada . . . . .	—	—	—	—	—
California . . . . .	690.3	352.2	338.1	51.0	49.0
Alaska . . . . .	9.1	9.2	-0.1	101.1	-1.1
Hawaii . . . . .	48.0	34.9	13.1	72.7	27.3

—, tax not used by State.

N.R., no report.

<sup>1</sup> Excludes fiscal years 1968 and 1969.

<sup>2</sup> Excludes fiscal year 1968.

<sup>3</sup> Tax applicable in fiscal years 1968 and 1969.

<sup>4</sup> Excludes fiscal year 1969.

<sup>5</sup> Excludes fiscal years 1966 and 1967.

<sup>6</sup> Includes only fiscal 1968.

<sup>7</sup> Excludes fiscal year 1969.

<sup>8</sup> Fiscal years 1966 and 1967 include corporate income tax; fiscal 1968 excluded.

TABLE 9 — SOURCES OF REVENUE GROWTH FOR STATE CORPORATE INCOME TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
UNITED STATES .....	1,015.7	605.3	405.4	59.6	39.9
New England & Mideast .....	324.4	288.2	31.2	88.8	9.6
Maine .....	—	—	—	—	—
New Hampshire .....	—	—	—	—	—
Vermont .....	2.3	2.7	-0.4	117.4	-17.4
Massachusetts <sup>1</sup> .....	38.9	15.5	23.4	39.8	60.2
Rhode Island <sup>2 3</sup> .....	9.8	-0.3	5.1	-3.1	52.0
Connecticut .....	28.9	26.2	2.7	90.7	9.3
New York .....	36.5	145.5	-109.0	398.6	-298.6
New Jersey .....	78.2	18.3	59.9	23.4	76.6
Pennsylvania .....	99.2	65.4	33.8	65.9	34.1
Delaware .....	4.9	4.9	—	100.0	0.0
Maryland .....	21.4	8.2	13.2	38.3	61.7
Dist. of Col. ....	4.3	1.8	2.5	41.9	58.1
Midwest .....	308.1	85.1	223.0	27.6	72.4
Michigan <sup>4</sup> .....	211.9	—	211.9	0.0	100.0
Ohio .....	—	—	—	—	—
Indiana .....	21.4	21.4	—	100.0	0.0
Illinois .....	—	—	—	—	—
Wisconsin .....	19.2	19.2	—	100.0	0.0
Minnesota .....	37.3	34.2	3.1	91.7	8.3
Iowa <sup>5</sup> .....	13.2	5.2	8.0	39.4	60.6
Missouri <sup>6</sup> .....	-3.5	-3.5	—	100.0	0.0
North Dakota <sup>2</sup> .....	-1.1	-1.1	—	100.0	0.0
South Dakota <sup>7</sup> .....	0.0	0.0	—	0.0	0.0
Nebraska <sup>8</sup> .....	1.4	1.4	—	100.0	0.0
Kansas .....	8.3	8.3	—	100.0	0.0
South .....	176.3	131.9	44.4	74.8	25.2
Virginia .....	27.7	14.7	13.0	53.1	46.9
West Virginia <sup>8</sup> .....	3.2	—	13.0	53.1	46.9
Kentucky .....	10.1	9.1	1.0	90.1	9.9
Tennessee .....	7.2	-2.2	9.4	-30.6	130.6
North Carolina .....	33.3	33.3	—	100.0	0.0
South Carolina .....	15.8	15.8	—	100.0	0.0
Georgia .....	25.2	23.4	1.8	92.9	7.1
Florida .....	—	—	—	—	—
Alabama .....	9.8	9.8	—	100.0	0.0
Mississippi .....	7.0	3.9	3.1	55.7	44.3
Louisiana .....	7.3	9.9	-2.6	135.6	-35.6
Arkansas .....	7.7	7.7	—	100.0	0.0
Oklahoma .....	5.1	5.1	—	100.0	0.0
Texas <sup>9</sup> .....	15.1	1.2	13.9	7.9	92.1
New Mexico <sup>9</sup> .....	1.8	0.2	1.6	11.1	88.9
Arizona .....	N.R.	—	—	—	—
West .....	206.9	100.1	106.8	48.4	51.6
Montana <sup>10</sup> .....	0.4	—	0.4	0	100.0
Idaho .....	2.6	1.9	0.7	73.1	26.9
Wyoming .....	—	—	—	—	—
Colorado .....	7.6	7.6	—	100.0	0.0
Utah .....	-0.3	3.9	-4.2	1,300.0	-1,400.0

See footnotes at end of table.

**TABLE 9 — SOURCES OF REVENUE GROWTH FOR STATE CORPORATE INCOME TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969 (Cont'd)**

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
Washington . . . . .	—	—	—	—	—
Oregon . . . . .	10.3	10.6	-0.3	102.9	-2.9
Nevada . . . . .	—	—	—	—	—
California . . . . .	177.7	68.8	108.9	38.7	61.3
Alaska . . . . .	2.3	2.3	—	100.0	0.0
Hawaii . . . . .	6.3	5.0	1.3	79.4	20.6

N.R., no report.

—, tax not used by State.

<sup>1</sup> Excludes fiscal year 1968.

<sup>2</sup> Excludes fiscal years 1966 and 1967.

<sup>3</sup> Partial response in fiscal year 1969.

<sup>4</sup> Tax applicable in fiscal years 1968 and 1969.

<sup>5</sup> Excludes fiscal year 1969.

<sup>6</sup> Excludes fiscal year 1968.

<sup>7</sup> Includes only fiscal year 1968, increase of less than \$100,000.

<sup>8</sup> Includes only fiscal year 1968.

<sup>9</sup> Includes only fiscal year 1969.

<sup>10</sup> Excludes fiscal years 1966 and 1967.

TABLE 10 — SOURCES OF REVENUE GROWTH FOR STATE GENERAL SALES TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
UNITED STATES .....	5,449.7	2,865.8	2,583.9	52.6	47.4
New England & Mideast .....	1,611.2	817.6	793.6	50.7	49.3
Maine .....	23.8	15.3	8.5	64.3	35.7
New Hampshire .....	—	—	—	—	—
Vermont .....	—	—	—	—	—
Massachusetts <sup>1</sup> .....	141.3	12.4	128.9	8.8	91.2
Rhode Island <sup>2</sup> .....	22.7	10.5	12.2	46.3	53.7
Connecticut .....	51.2	51.2	—	100.0	0.0
New York .....	698.9	432.4	266.5	61.9	38.1
New Jersey <sup>3</sup> .....	264.9	56.6	208.3	21.4	78.6
Pennsylvania .....	341.9	185.9	156.0	54.4	45.6
Delaware .....	—	—	—	—	—
Maryland .....	48.5	48.5	—	100.0	0.0
Dist. of Col. ....	18.0	4.8	13.2	26.7	73.3
Midwest .....	1,426.1	788.4	637.7	55.3	44.7
Michigan .....	190.0	190.0	—	100.0	0.0
Ohio .....	297.6	96.8	200.8	32.5	67.5
Indiana <sup>4</sup> .....	57.0	57.0	—	100.0	0.0
Illinois .....	375.7	227.7	148.0	60.6	39.4
Wisconsin .....	33.4	33.4	—	100.0	0.0
Minnesota <sup>5</sup> .....	174.0	15.9	158.1	9.1	90.9
Iowa <sup>4</sup> .....	59.5	6.8	52.7	11.4	88.6
Missouri .....	91.8	91.8	—	100.0	0.0
North Dakota <sup>6</sup> .....	11.0	4.4	6.6	40.0	60.0
South Dakota .....	16.5	10.7	5.8	64.8	35.2
Nebraska <sup>5</sup> .....	72.7	8.5	64.2	11.7	88.3
Kansas .....	46.9	45.4	1.5	96.8	3.2
South .....	1,370.0	712.7	657.3	52.0	48.0
Virginia <sup>3</sup> .....	185.2	35.1	150.1	19.0	81.0
West Virginia <sup>4</sup> .....	32.3	20.4	11.9	63.2	36.8
Kentucky .....	133.8	39.7	94.1	29.7	70.3
Tennessee .....	66.6	63.1	3.5	94.7	5.3
North Carolina .....	71.1	71.1	—	100.0	0.0
South Carolina .....	45.1	45.1	—	100.0	0.0
Georgia .....	100.4	95.1	5.3	94.7	5.3
Florida .....	313.3	107.2	206.1	34.2	65.8
Alabama .....	41.2	42.8	-1.6	103.9	-3.9
Mississippi .....	64.7	35.3	29.4	54.6	45.4
Louisiana .....	40.5	27.5	13.0	67.9	32.1
Arkansas .....	27.3	23.0	4.3	84.2	15.8
Oklahoma .....	17.4	17.4	—	100.0	0.0
Texas .....	216.5	77.7	138.8	35.9	64.1
New Mexico <sup>1</sup> .....	11.4	11.2	0.2	98.2	1.8
Arizona <sup>7</sup> .....	3.1	1.0	2.1	32.3	67.7
West .....	1,042.4	547.2	495.3	52.5	47.5
Montana .....	—	—	—	—	—
Idaho .....	38.5	35.4	3.1	91.9	8.1
Wyoming .....	13.2	4.9	8.3	37.1	62.9
Colorado .....	56.5	35.5	21.0	62.8	37.2
Utah .....	14.7	14.7	—	100.0	0.0

See footnotes at end of table.

**TABLE 10 – SOURCES OF REVENUE GROWTH FOR STATE GENERAL SALES TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969 (Cont'd)**

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
Washington .....	198.8	157.3	41.5	79.1	20.9
Oregon .....	—	—	—	—	—
Nevada .....	25.2	25.2	—	100.0	0.0
California .....	635.3	223.7	411.6	35.2	64.8
Alaska .....	—	—	—	—	—
Hawaii .....	60.2	50.4	9.8	83.7	16.3

—, tax not used by State.

<sup>1</sup> Excludes fiscal year 1968.

<sup>2</sup> Excludes fiscal years 1966 and 1967.

<sup>3</sup> Tax not applicable in fiscal 1966.

<sup>4</sup> Excludes fiscal year 1969.

<sup>5</sup> Tax not applicable in fiscal years 1966 and 1967.

<sup>6</sup> Excludes fiscal years 1966 and 1967.

<sup>7</sup> Includes only fiscal 1968.

TABLE 11 – SOURCES OF REVENUE GROWTH FOR STATE SELECTIVE SALES TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
UNITED STATES .....	3,161.9	2,015.5	1,142.0	63.7	36.1
New England & Mideast .....	885.5	442.1	439.1	49.9	49.6
Maine .....	10.2	5.5	4.7	53.9	46.1
New Hampshire <sup>1</sup> .....	6.7	6.3	0.4	94.0	6.0
Vermont .....	14.1	9.7	4.4	68.8	31.2
Massachusetts <sup>2</sup> .....	76.4	44.3	32.1	58.0	42.0
Rhode Island .....	19.5	6.8	8.4	34.9	43.1
Connecticut .....	49.5	30.7	18.8	62.0	38.0
New York .....	342.6	122.3	220.3	35.7	64.3
New Jersey .....	119.8	60.3	59.5	50.3	49.7
Pennsylvania .....	179.3	96.7	82.6	53.9	46.1
Delaware .....	8.4	8.4	—	100.0	0.0
Maryland .....	48.4	46.3	2.1	95.7	4.3
Dist. of Col. ....	10.6	4.8	5.8	45.3	54.7
Midwest .....	763.8	496.3	267.4	65.0	35.0
Michigan .....	130.3	99.0	31.3	76.0	24.0
Ohio .....	123.0	93.2	29.8	75.8	24.2
Indiana .....	35.8	26.1	9.7	72.9	27.1
Illinois .....	231.8	102.0	129.7	44.0	56.0
Wisconsin .....	65.1	36.3	28.8	55.8	44.2
Minnesota .....	57.8	40.4	17.4	69.9	30.1
Iowa <sup>4</sup> .....	40.9	28.3	12.6	69.2	30.8
Missouri .....	33.2	33.2	—	100.0	0.0
North Dakota <sup>3</sup> .....	3.0	3.0	—	100.0	0.0
South Dakota .....	8.5	7.6	0.9	89.4	10.6
Nebraska .....	16.7	13.5	3.2	80.8	19.2
Kansas .....	17.7	13.7	4.0	77.4	22.6
South .....	893.2	757.8	135.4	84.8	15.2
Virginia .....	95.0	76.9	18.1	80.9	19.1
West Virginia <sup>5</sup> .....	8.9	8.9	—	100.0	0.0
Kentucky .....	48.0	39.8	8.2	82.9	17.1
Tennessee .....	60.2	36.3	23.9	60.3	39.7
North Carolina .....	65.4	72.0	-6.6	110.1	-10.1
South Carolina .....	43.9	43.7	0.2	99.5	0.5
Georgia .....	63.2	62.5	0.7	98.9	1.1
Florida .....	169.7	121.6	48.1	71.7	28.3
Alabama .....	57.8	54.8	3.0	94.8	5.2
Mississippi .....	33.1	33.1	—	100.0	0.0
Louisiana .....	36.0	28.5	7.5	79.2	20.8
Arkansas .....	30.2	28.9	1.3	95.7	4.3
Oklahoma .....	31.5	31.5	—	100.0	0.0
Texas .....	134.6	105.7	28.9	78.5	21.5
New Mexico <sup>2</sup> .....	8.2	6.1	2.1	74.4	25.6
Arizona <sup>4</sup> .....	7.5	7.5	—	100.0	0.0
West .....	619.4	319.3	300.1	51.5	48.5
Montana <sup>3</sup> .....	3.6	3.4	0.2	94.4	5.6
Idaho .....	8.1	5.2	2.9	64.2	35.8
Wyoming .....	7.5	4.1	3.4	54.7	45.3
Colorado .....	23.5	16.9	6.6	71.9	28.1
Utah .....	9.4	9.3	0.1	98.9	28.1

See footnotes at end of table.

**TABLE 11 – SOURCES OF REVENUE GROWTH FOR STATE SELECTIVE SALES TAXES,  
BY STATE, FISCAL YEARS 1966 to 1969 (Cont'd)**

State and Region	Amount (millions of dollars)			Percent	
	Total increase	Economic growth	All legislative	Economic growth	All legislative
Washington . . . . .	89.9	49.9	40.0	55.5	44.5
Oregon . . . . .	36.5	12.3	24.2	33.7	66.3
Nevada . . . . .	70.7	70.7	—	100.0	0.0
California . . . . .	345.2	128.1	217.1	37.1	62.9
Alaska . . . . .	6.5	6.0	0.5	92.3	7.7
Hawaii . . . . .	18.5	13.4	5.1	72.4	27.6

<sup>1</sup>Excludes fiscal years 1968 and 1969.

<sup>2</sup>Excludes fiscal year 1968.

<sup>3</sup>Excludes fiscal years 1966 and 1967.

<sup>4</sup>Excludes fiscal year 1969.

<sup>5</sup>Includes fiscal year 1966 only.



**TABLE 12 – ECONOMIC GROWTH AND LEGISLATIVE ACTIONS AFFECTING THE REVENUE INCREASE IN STATE INDIVIDUAL INCOME TAXES, BY STATE, 1968 to 1969**

State and Region	Total increase	Economic growth	Rate change	Base extension	New adoption	Base exemption	Tax credit	Other
UNITED STATES	1,237.1	884.2	243.6	41.1	107.2	-12.0	-49.0	22.0
New England & Mideast	574.0	336.7	235.5	39.0	—	-11.0	-0.2	-26.0
Maine	—	—	—	—	—	—	—	—
New Hampshire	—	—	—	—	—	—	—	—
Vermont	3.9	2.9	1.0	—	—	—	—	—
Massachusetts	143.6	30.1	75.7	39.0	—	-11.0	-0.2	10.0
Rhode Island	—	—	—	—	—	—	—	—
Connecticut	—	—	—	—	—	—	—	—
New York	364.0	250.0	150.0	—	—	—	—	-36.0
New Jersey	2.2	1.6	0.6	—	—	—	—	—
Pennsylvania	—	—	—	—	—	—	—	—
Delaware	7.1	7.1	—	—	—	—	—	—
Maryland	42.2	42.2	—	—	—	—	—	—
Dist. of Col.	11.0	2.8	8.2	—	—	—	—	—
Midwest	250.3	142.1	—	—	100.0	—	-3.8	12.0
Michigan	128.8	28.8	—	—	100.0	—	—	—
Ohio	—	—	—	—	—	—	—	—
Indiana	19.1	19.1	—	—	—	—	—	—
Illinois	—	—	—	—	—	—	—	—
Wisconsin	53.9	53.9	—	—	—	—	—	—
Minnesota	31.5	23.3	—	—	—	—	-3.8	12.0
Iowa	—	—	—	—	—	—	—	—
Missouri	11.9	11.9	—	—	—	—	—	—
North Dakota	0.8	0.8	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—	—	—
Nebraska	—	—	—	—	—	—	—	—
Kansas	4.3	4.3	—	—	—	—	—	—
South	189.1	135.7	8.1	2.1	7.2	—	—	36.0
Virginia	50.8	21.0	—	—	—	—	—	29.8
West Virginia	—	—	—	—	—	—	—	—
Kentucky	18.2	17.2	—	—	—	—	—	1.0
Tennessee	1.2	1.2	—	—	—	—	—	—
North Carolina	23.1	23.1	—	—	—	—	—	—
South Carolina	13.1	13.1	—	—	—	—	—	—
Georgia	23.2	23.2	—	—	—	—	—	—
Florida	—	—	—	—	—	—	—	—
Alabama	7.8	7.8	—	—	—	—	—	—
Mississippi	20.8	1.0	5.3	2.1	7.2	—	—	5.2
Louisiana	5.0	5.0	—	—	—	—	—	—
Arkansas	6.4	6.4	—	—	—	—	—	—
Oklahoma	15.6	15.6	—	—	—	—	—	—
Texas	—	—	—	—	—	—	—	—
New Mexico	3.9	1.1	2.8	—	—	—	—	—
Arizona	—	—	—	—	—	—	—	—
West	223.7	269.7	—	—	—	-1.0	-45.0	—
Montana	1.6	1.6	—	—	—	—	—	—
Idaho	3.3	3.3	—	—	—	—	—	—
Wyoming	—	—	—	—	—	—	—	—
Colorado	12.4	12.4	—	—	—	—	—	—
Utah	7.3	8.3	—	—	—	-1.0	—	—
Washington	—	—	—	—	—	—	—	—
Oregon	31.1	31.1	—	—	—	—	—	—
Nevada	—	—	—	—	—	—	—	—
California	149.2	194.2	—	—	—	—	-45.0	—
Alaska	2.6	2.6	—	—	—	—	—	—
Hawaii	16.2	16.2	—	—	—	—	—	—

**TABLE 13 — ECONOMIC GROWTH AND LEGISLATIVE ACTIONS AFFECTING THE REVENUE  
INCREASE IN STATE CORPORATE INCOME TAXES, BY STATE, 1968 to 1969**

State and Region	Total increase	Economic growth	Rate change	Base extension	New adoption	Base exemption	Tax credit	Other
<b>UNITED STATES</b> .....	<b>546.8</b>	<b>220.1</b>	<b>165.9</b>	<b>—</b>	<b>171.9</b>	<b>-0.4</b>	<b>-2.3</b>	<b>-13.4</b>
<b>New England &amp; Mideast</b> .....	<b>255.9</b>	<b>72.5</b>	<b>175.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-2.3</b>	<b>5.2</b>
Maine .....	—	—	—	—	—	—	—	—
New Hampshire .....	—	—	—	—	—	—	—	—
Vermont .....	0.4	0.4	—	—	—	—	—	—
Massachusetts .....	17.1	1.0	16.0	—	—	—	—	0.1
Rhode Island .....	10.1	(N.A.)	(N.A.)	—	—	—	—	5.1
Connecticut .....	6.4	6.4	—	—	—	—	—	—
New York .....	152.0	50.0	102.0	—	—	—	—	—
New Jersey .....	38.4	5.7	32.7	—	—	—	—	—
Pennsylvania .....	13.0	5.6	7.7	—	—	—	-0.3	—
Delaware .....	3.2	—	—	—	—	—	—	—
Maryland .....	12.6	—	14.6	—	—	—	-2.0	—
Dist. of Col. ....	2.7	0.2	2.5	—	—	—	—	—
<b>Midwest</b> .....	<b>197.0</b>	<b>41.5</b>	<b>—</b>	<b>—</b>	<b>171.9</b>	<b>—</b>	<b>—</b>	<b>-16.4</b>
Michigan .....	171.9	—	—	—	171.9	—	—	—
Ohio .....	—	—	—	—	—	—	—	—
Indiana .....	10.8	10.8	—	—	—	—	—	—
Illinois .....	—	—	—	—	—	—	—	—
Wisconsin .....	4.9	4.9	—	—	—	—	—	—
Minnesota .....	16.2	25.7	—	—	—	—	—	-9.5
Iowa .....	—	—	—	—	—	—	—	—
Missouri .....	-5.3	—	—	—	—	—	—	-5.3
North Dakota .....	-1.6	—	—	—	—	—	—	-1.6
South Dakota .....	—	—	—	—	—	—	—	—
Nebraska .....	—	—	—	—	—	—	—	—
Kansas .....	0.1	0.1	—	—	—	—	—	—
<b>South</b> .....	<b>64.7</b>	<b>31.3</b>	<b>20.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13.0</b>
Virginia .....	18.6	5.6	—	—	—	—	—	13.0
West Virginia .....	—	—	—	—	—	—	—	—
Kentucky .....	3.0	3.0	—	—	—	—	—	—
Tennessee .....	-11.7	-11.7	—	—	—	—	—	—
North Carolina .....	15.9	15.9	—	—	—	—	—	—
South Carolina .....	6.7	6.7	—	—	—	—	—	—
Georgia .....	9.8	8.0	1.8	—	—	—	—	—
Florida .....	—	—	—	—	—	—	—	—
Alabama .....	1.4	1.4	—	—	—	—	—	—
Mississippi .....	3.9	0.8	3.1	—	—	—	—	—
Louisiana .....	0.3	0.3	—	—	—	—	—	—
Arkansas .....	1.9	1.9	—	—	—	—	—	—
Oklahoma .....	-2.0	-2.0	—	—	—	—	—	—
Texas .....	15.1	1.2	13.9	—	—	—	—	—
New Mexico .....	1.8	0.2	1.6	—	—	—	—	—
Arizona .....	—	—	—	—	—	—	—	—
<b>West</b> .....	<b>29.2</b>	<b>74.8</b>	<b>-30.0</b>	<b>—</b>	<b>—</b>	<b>-0.4</b>	<b>—</b>	<b>-15.2</b>
Montana .....	0.7	0.7	—	—	—	—	—	—
Idaho .....	2.8	2.8	—	—	—	—	—	—
Wyoming .....	—	—	—	—	—	—	—	—
Colorado .....	5.3	5.3	—	—	—	—	—	—
Utah .....	-4.2	1.4	—	—	—	-0.4	—	-5.2
Washington .....	—	—	—	—	—	—	—	—
Oregon .....	6.2	6.2	—	—	—	—	—	—
Nevada .....	—	—	—	—	—	—	—	—
California .....	15.4	55.4	-30.0	—	—	—	—	-10.0
Alaska .....	0.4	0.4	—	—	—	—	—	—
Hawaii .....	2.6	2.6	—	—	—	—	—	—

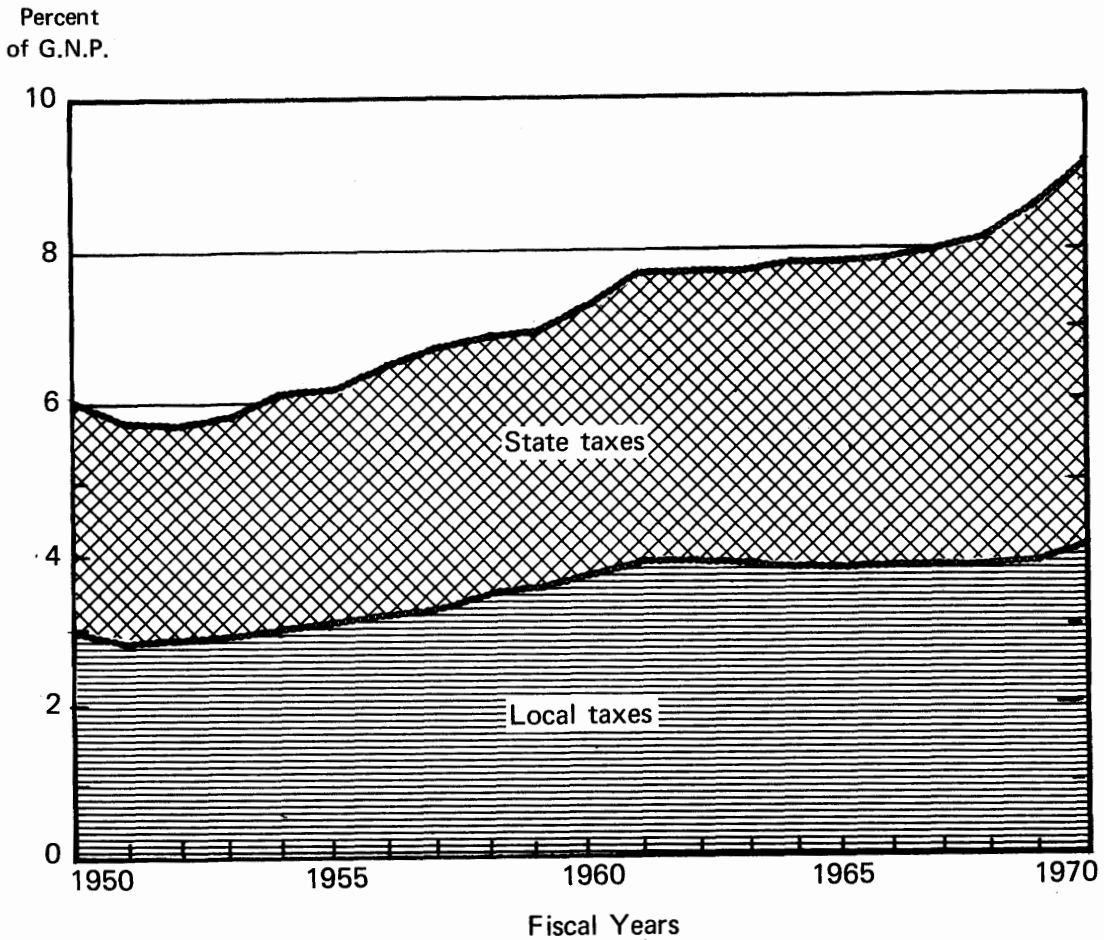
**TABLE 14 – ECONOMIC GROWTH AND LEGISLATIVE ACTIONS AFFECTING THE REVENUE  
INCREASE IN STATE GENERAL SALES TAXES, BY STATE, 1968 to 1969**

State and Region	Total increase	Economic growth	Rate change	Base extension	New adoption	Base exemption	Tax credit	Other
UNITED STATES . . . . .	1,714.3	952.8	599.0	108.8	—	-0.4	-2.7	56.6
New England & Mideast . . . . .	319.9	207.4	99.1	11.1	—	—	—	2.3
Maine . . . . .	8.0	4.7	3.3	—	—	—	—	—
New Hampshire . . . . .	—	—	—	—	—	—	—	—
Vermont . . . . .	—	—	—	—	—	—	—	—
Massachusetts . . . . .	13.2	11.2	—	—	—	—	—	2.0
Rhode Island . . . . .	4.4	4.4	—	—	—	—	—	—
Connecticut . . . . .	15.3	15.3	—	—	—	—	—	—
New York . . . . .	68.0	68.0	—	—	—	—	—	—
New Jersey . . . . .	26.7	26.7	—	—	—	—	—	—
Pennsylvania . . . . .	155.5	60.2	84.2	11.1	—	—	—	—
Delaware . . . . .	—	—	—	—	—	—	—	—
Maryland . . . . .	16.6	16.6	—	—	—	—	—	—
Dist. of Col. . . . .	12.2	0.3	11.6	—	—	—	—	0.3
Midwest . . . . .	377.0	256.7	33.6	35.0	—	—	—	51.7
Michigan . . . . .	61.4	61.4	—	—	—	—	—	—
Ohio . . . . .	112.8	38.8	39.0	35.0	—	—	—	—
Indiana . . . . .	—	—	—	—	—	—	—	—
Illinois . . . . .	82.3	82.3	—	—	—	—	—	—
Wisconsin . . . . .	10.0	10.0	—	—	—	—	—	—
Minnesota . . . . .	60.9	15.9	—	—	—	—	—	45.0
Iowa . . . . .	—	—	—	—	—	—	—	—
Missouri . . . . .	25.8	25.8	—	—	—	—	—	—
North Dakota . . . . .	2.4	—	—	—	—	—	—	2.4
South Dakota . . . . .	2.0	2.0	—	—	—	—	—	—
Nebraska . . . . .	7.4	8.5	-5.4	—	—	—	—	4.3
Kansas . . . . .	12.0	12.0	—	—	—	—	—	—
South . . . . .	717.9	225.9	428.8	62.7	—	-0.3	-2.0	2.6
Virginia . . . . .	69.3	11.0	58.3	—	—	—	—	—
West Virginia . . . . .	—	—	—	—	—	—	—	—
Kentucky . . . . .	92.1	12.0	82.1	—	—	—	-2.0	—
Tennessee . . . . .	22.8	23.1	—	—	—	-0.3	—	—
North Carolina . . . . .	23.4	23.4	—	—	—	—	—	—
South Carolina . . . . .	14.8	14.8	—	—	—	—	—	—
Georgia . . . . .	36.8	36.8	—	—	—	—	—	—
Florida . . . . .	216.3	35.1	122.8	58.4	—	—	—	—
Alabama . . . . .	14.8	14.8	—	—	—	—	—	—
Mississippi . . . . .	37.6	8.2	26.8	—	—	—	—	2.6
Louisiana . . . . .	7.6	7.6	—	—	—	—	—	—
Arkansas . . . . .	10.9	6.5	—	4.3	—	—	—	—
Oklahoma . . . . .	7.1	7.1	—	—	—	—	—	—
Texas . . . . .	158.9	20.1	138.8	—	—	—	—	—
New Mexico . . . . .	5.5	5.5	—	—	—	—	—	—
Arizona . . . . .	—	—	—	—	—	—	—	—
West . . . . .	299.5	262.8	37.5	—	—	-0.1	-0.7	—
Montana . . . . .	—	—	—	—	—	—	—	—
Idaho . . . . .	3.3	3.3	—	—	—	—	—	—
Wyoming . . . . .	4.2	4.2	—	—	—	—	—	—
Colorado . . . . .	15.4	15.4	—	—	—	—	—	—
Utah . . . . .	7.6	7.6	—	—	—	—	—	—
Washington . . . . .	50.4	51.1	—	—	—	—	-0.7	—
Oregon . . . . .	—	—	—	—	—	—	—	—
Nevada . . . . .	7.7	7.7	—	—	—	—	—	—
California . . . . .	188.1	150.7	37.5	—	—	-0.1	—	—
Alaska . . . . .	—	—	—	—	—	—	—	—
Hawaii . . . . .	22.8	22.8	—	—	—	—	—	—

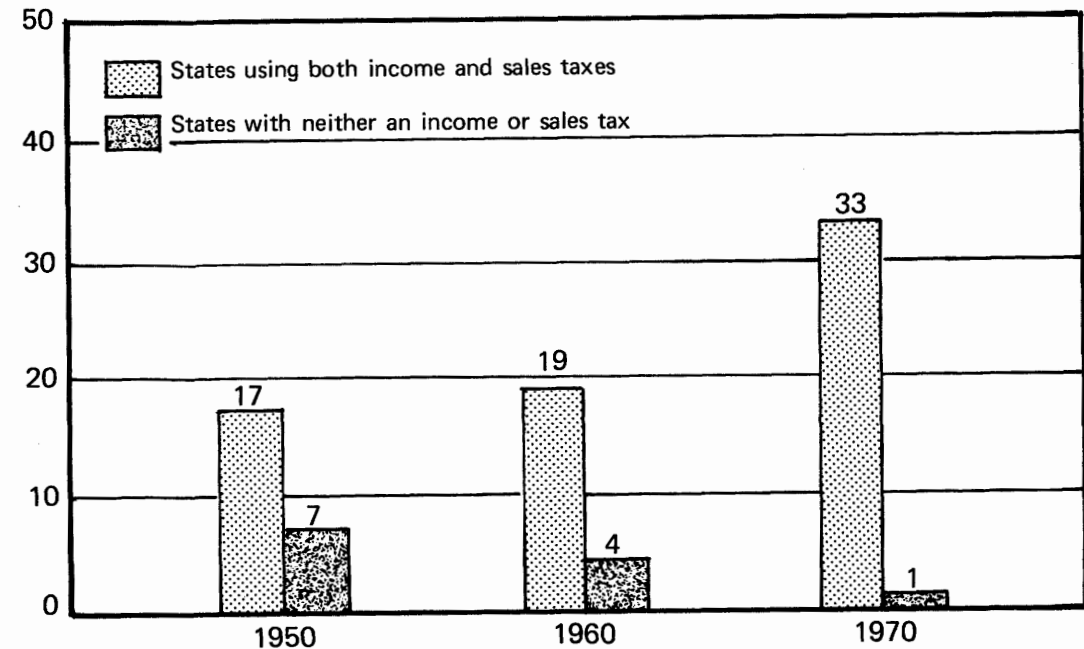
**TABLE 15 — ECONOMIC GROWTH AND LEGISLATIVE ACTIONS AFFECTING THE REVENUE  
INCREASE IN STATE SELECTED SALES TAXES, BY STATE, 1968 to 1969**

State and Region	Total increase	Economic growth	Rate change	Base extension	New adoption	Base exemption	Tax credit	Other
UNITED STATES . . . . .	956.5	595.4	304.1	2.5	1.2	-3.1	-	51.9
New England & Mideast . . . . .	320.1	110.7	182.3	-	1.2	-1.1	-	22.7
Maine . . . . .	2.3	1.8	0.5	-	-	-	-	-
New Hampshire . . . . .	-	-	-	-	-	-	-	-
Vermont . . . . .	5.7	2.4	3.3	-	-	-	-	-
Massachusetts . . . . .	12.8	11.7	-	-	-	-	-	1.1
Rhode Island . . . . .	16.4	3.7	3.0	-	0.5	-	-	4.9
Connecticut . . . . .	11.3	11.3	-	-	-	-	-	-
New York . . . . .	157.0	31.0	109.0	-	-	-	-	+17.0
New Jersey . . . . .	55.5	13.0	42.5	-	-	-	-	-
Pennsylvania . . . . .	45.8	22.2	24.0	-	0.7	-(1.1)	-	-
Delaware . . . . .	0.9	0.9	-	-	-	-	-	-
Maryland . . . . .	11.3	11.7	-	-	-	-	-	-0.4
Dist. of Col. . . . .	1.1	1.0	-	-	-	-	-	0.1
Midwest . . . . .	164.3	135.9	27.5	-	-	-	-	0.9
Michigan . . . . .	52.1	34.3	17.8	-	-	-	-	-
Ohio . . . . .	33.9	25.5	8.4	-	-	-	-	-
Indiana . . . . .	0.4	0.4	-	-	-	-	-	-
Illinois . . . . .	33.5	33.5	-	-	-	-	-	-
Wisconsin . . . . .	11.9	11.9	-	-	-	-	-	-
Minnesota . . . . .	14.9	12.7	1.3	-	-	-	-	0.9
Iowa . . . . .	-	-	-	-	-	-	-	-
Missouri . . . . .	7.3	7.3	-	-	-	-	-	-
North Dakota . . . . .	2.2	2.2	-	-	-	-	-	-
South Dakota . . . . .	1.6	1.6	-	-	-	-	-	-
Nebraska . . . . .	2.0	2.0	-	-	-	-	-	-
Kansas . . . . .	4.5	4.5	-	-	-	-	-	-
South . . . . .	326.3	238.9	59.4	2.8	0.2	-	-	24.9
Virginia . . . . .	43.5	20.2	-	-	-	-	-	23.3
West Virginia . . . . .	-	-	-	-	-	-	-	-
Kentucky . . . . .	22.3	11.9	9.0	1.0	-	-	-	0.4
Tennessee . . . . .	12.7	7.9	4.3	-	-	-	-	0.5
North Carolina . . . . .	21.7	21.7	-	-	-	-	-	-
South Carolina . . . . .	13.9	12.7	0.2	1.0	-	-	-	-
Georgia . . . . .	22.0	21.3	-	-	-	-	-	0.7
Florida . . . . .	86.3	48.9	37.4	-	-	-	-	-
Alabama . . . . .	18.9	18.9	-	-	-	-	-	-
Mississippi . . . . .	10.7	10.7	-	-	-	-	-	-
Louisiana . . . . .	12.8	7.4	5.4	-	-	-	-	-
Arkansas . . . . .	6.5	5.2	0.9	0.3	0.2	-	-	-
Oklahoma . . . . .	16.4	16.4	-	-	-	-	-	-
Texas . . . . .	25.8	25.1	-	0.5	-	-	-	-
New Mexico . . . . .	5.3	3.1	2.2	-	-	-	-	-
Arizona . . . . .	7.5	7.5	-	-	-	-	-	-
West . . . . .	149.4	112.2	35.8	-	-	-2.0	-	3.4
Montana . . . . .	0.7	0.7	-	-	-	-	-	-
Idaho . . . . .	3.6	1.4	2.4	-	-	-0.2	-	-
Wyoming . . . . .	1.0	1.0	-	-	-	-	-	-
Colorado . . . . .	6.5	6.5	-	-	-	-	-	-
Utah . . . . .	2.6	2.5	-	-	-	0.1	-	-
Washington . . . . .	15.1	11.7	-	-	-	-	-	3.4
Oregon . . . . .	5.5	2.9	2.6	-	-	-	-	-
Nevada . . . . .	22.6	22.6	-	-	-	-	-	-
California . . . . .	85.1	56.7	30.3	-	-	-1.9	-	-
Alaska . . . . .	1.9	1.4	0.5	-	-	-	-	-
Hawaii . . . . .	4.8	4.8	-	-	-	-	-	-

Figure 4  
 State and Local Taxes As A Percentage of Gross National Product,  
 1950 through 1970



Number of States With General Sales and Broad-Based Personal Income Taxes,  
 As of January 1, 1950, 1960 and 1970



**TABLE 16 — MEASURES OF STATE-LOCAL REVENUE EFFORT, BY STATE, 1964 AND 1969**  
**[State and Local Taxes and charges related to total State Personal Income]**

State	Taxes and charges as a percent of State personal income <sup>1</sup>				Taxes as a percent of State personal income			
	Percent of income		State percent related to U.S. average		Percent of income		State percent related to U.S. average	
	1969	1964	1969	1964	1969	1964	1969	1964
United States . . . . .	14.0	12.7	100	100	11.2	10.4	100	100
Alabama . . . . .	13.5	12.5	96	98	9.5	9.6	85	92
Alaska . . . . .	16.1	12.6	115	99	9.7	8.1	87	78
Arizona . . . . .	16.4	14.9	117	117	13.0	12.0	116	115
Arkansas . . . . .	12.7	12.2	91	96	9.6	9.8	86	94
California . . . . .	16.7	14.7	119	116	13.7	12.1	122	116
Colorado . . . . .	15.4	13.8	110	109	11.9	11.1	106	107
Connecticut . . . . .	11.1	10.4	79	82	9.3	8.9	83	86
Delaware . . . . .	13.9	11.1	99	87	9.9	8.2	88	79
Dist. of Columbia . . . . .	10.8	9.7	77	76	9.5	8.2	85	79
Florida . . . . .	14.0	13.6	100	107	10.7	10.5	96	101
Georgia . . . . .	13.3	12.4	95	98	9.9	9.7	88	93
Hawaii . . . . .	17.2	15.0	123	118	14.1	11.4	126	110
Idaho . . . . .	15.9	14.2	114	112	12.6	11.3	113	109
Illinois . . . . .	11.2	10.5	80	83	9.4	9.0	84	87
Indiana . . . . .	12.6	12.3	90	97	9.9	9.9	88	95
Iowa . . . . .	14.9	13.6	106	107	11.9	11.2	106	108
Kansas . . . . .	13.6	14.1	97	111	10.6	11.6	95	112
Kentucky . . . . .	13.7	11.8	98	93	10.5	9.3	94	89
Louisiana . . . . .	15.8	16.0	113	126	11.4	11.9	102	114
Maine . . . . .	13.0	12.6	93	99	10.9	10.8	97	104
Maryland . . . . .	13.4	11.0	96	87	11.0	9.0	98	87
Massachusetts . . . . .	13.5	11.5	96	91	11.8	10.2	105	98
Michigan . . . . .	14.6	13.2	104	104	11.7	10.8	104	104
Minnesota . . . . .	16.0	15.1	114	119	12.3	12.2	110	117
Mississippi . . . . .	15.6	14.5	111	114	11.7	11.2	104	108
Missouri . . . . .	11.7	10.2	84	80	9.3	8.5	83	82
Montana . . . . .	15.3	14.7	109	116	12.0	11.7	107	113
Nebraska . . . . .	14.9	12.1	106	95	11.3	9.4	101	90
Nevada . . . . .	16.1	13.3	115	105	12.0	10.3	107	99
New Hampshire . . . . .	11.5	11.1	82	87	9.4	9.3	84	89
New Jersey . . . . .	12.1	10.6	86	83	10.3	9.0	92	87
New Mexico . . . . .	17.7	16.7	126	131	12.1	11.6	108	112
New York . . . . .	16.6	14.0	119	110	14.0	11.8	125	113
North Carolina . . . . .	12.6	12.2	90	96	9.9	9.9	88	95
North Dakota . . . . .	18.8	16.7	134	131	12.1	11.8	108	113
Ohio . . . . .	11.3	10.9	81	86	8.8	8.8	79	85
Oklahoma . . . . .	14.1	13.5	101	106	10.2	10.3	91	99
Oregon . . . . .	15.4	13.8	110	109	11.8	10.7	105	103
Pennsylvania . . . . .	11.8	11.0	84	87	10.0	9.2	89	88
Rhode Island . . . . .	12.4	11.2	89	88	10.6	9.9	95	95
South Carolina . . . . .	12.4	12.0	89	94	9.5	9.4	85	90
South Dakota . . . . .	16.0	14.8	114	117	12.3	11.7	110	113
Tennessee . . . . .	12.5	12.1	89	95	9.8	9.7	88	93
Texas . . . . .	12.3	12.4	88	98	9.3	9.7	83	93
Utah . . . . .	15.3	13.7	109	108	11.9	11.3	106	109
Vermont . . . . .	15.2	13.8	109	109	12.9	12.0	115	115
Virginia . . . . .	12.7	10.9	91	86	10.4	8.6	93	83
Washington . . . . .	15.3	14.3	109	113	11.5	10.9	103	105
West Virginia . . . . .	13.5	12.3	96	97	10.7	10.0	96	96
Wisconsin . . . . .	15.9	14.8	114	117	13.1	12.6	117	121
Wyoming . . . . .	19.5	15.3	139	120	13.2	10.9	118	105

Note: Revenue effort presents only one side of the fiscal equation — the variations in the quality of public services while not directly measurable are at least partially responsible for the range in effort. It should also be noted that while certain communities make a heavier use of fees and charges others place greater emphasis on taxes to finance local public services.

<sup>1</sup> Total State and local tax collections plus all charges and miscellaneous general revenue, which conforms to the U.S. Bureau of the Census definition of "General Revenue From Own Sources."

Source: U. S. Bureau of the Census, *Governmental Finances in 1963-64 and 1968-69*.

**TABLE 17 – RELATION OF TAXES AND OTHER SELECTED ITEMS OF STATE AND LOCAL GOVERNMENT FINANCES TO PERSONAL INCOME: 1968-69**

State	General revenue per \$1,000 of personal income						General expenditure per \$1,000 of personal income					
	Total	From Federal Government	All State and local general revenue sources	Taxes		Charges and miscellaneous general revenue	All general expenditure	Education		Highways	Public welfare	Health and hospitals
				Total	Property only			Total	Local schools only			
UNITED STATES AVERAGE.	167.54	28.01	139.53	112.20	44.86	27.33	170.66	69.03	49.30	22.54	17.71	12.46
MEDIAN STATE . . . . .	173.69	29.60	139.58	109.29	43.61	30.33	185.42	74.54	50.80	27.60	13.98	11.10
ALABAMA . . . . .	178.53	43.63	134.90	95.31	15.37	39.58	188.81	75.87	47.96	29.11	18.89	15.31
ALASKA . . . . .	258.42	97.56	160.86	96.93	25.75	63.92	301.85	96.83	63.49	61.35	9.96	10.33
ARIZONA . . . . .	201.32	37.19	164.13	130.01	52.11	34.12	193.82	96.07	61.43	27.85	8.49	9.01
ARKANSAS . . . . .	171.13	44.49	126.64	95.54	25.25	31.10	191.76	68.01	47.83	31.92	19.18	12.35
CALIFORNIA . . . . .	201.73	34.30	167.43	137.09	63.32	30.33	197.16	70.06	50.40	19.07	29.81	12.60
COLORADO . . . . .	189.59	35.44	154.15	118.72	52.53	35.43	186.34	87.13	52.88	22.89	18.81	13.59
CONNECTICUT . . . . .	129.40	18.83	110.57	93.28	49.95	17.28	139.91	52.63	40.34	16.62	13.76	9.15
DELAWARE . . . . .	158.53	20.01	138.52	99.19	20.45	39.32	188.18	79.33	53.61	32.66	12.03	10.50
DISTRICT OF COLUMBIA . . . . .	171.44	63.45	107.99	95.33	33.61	12.66	185.42	49.84	43.31	18.33	15.96	26.33
FLORIDA . . . . .	160.84	21.26	139.58	106.79	36.82	32.79	156.92	69.47	51.82	17.04	8.73	14.41
GEORGIA . . . . .	165.87	33.27	132.60	98.50	29.89	34.09	173.60	73.22	51.79	18.63	16.61	19.95
HAWAII . . . . .	219.07	46.64	172.43	140.96	25.64	31.47	233.88	77.71	48.63	29.00	13.30	13.42
IDAHO . . . . .	198.19	38.81	159.38	125.52	44.59	33.86	189.72	74.54	51.30	37.38	13.73	12.69
ILLINOIS . . . . .	134.37	22.45	111.92	94.11	43.61	17.80	140.62	56.36	40.44	18.77	11.52	9.37
INDIANA . . . . .	146.49	20.33	126.16	99.03	48.97	27.12	143.40	73.19	47.53	20.26	5.91	11.10
IOWA . . . . .	173.69	24.45	149.24	119.32	54.45	29.92	182.63	83.71	58.91	31.82	14.78	10.72
KANSAS . . . . .	161.02	24.55	136.47	106.15	54.98	30.31	155.27	70.96	47.38	26.16	11.42	11.01
KENTUCKY . . . . .	185.13	47.66	137.47	105.32	24.37	32.15	190.09	76.15	47.49	39.97	19.62	10.87
LOUISIANA . . . . .	200.77	43.13	157.64	113.67	23.01	43.97	201.65	75.63	54.24	32.12	25.61	15.33
MAINE . . . . .	159.94	29.60	130.34	109.29	52.87	21.04	169.79	67.43	46.76	31.88	16.54	8.46
MARYLAND . . . . .	153.81	20.10	133.71	110.04	38.98	23.67	164.39	68.58	53.71	16.81	13.75	13.15
MASSACHUSETTS . . . . .	160.28	24.81	135.47	117.97	58.61	17.49	165.90	49.39	39.40	16.09	36.77	12.81
MICHIGAN . . . . .	168.27	22.13	146.14	116.88	45.16	29.26	167.74	79.75	53.65	16.36	15.43	12.98
MINNESOTA . . . . .	189.51	29.17	160.34	123.33	47.37	37.01	194.32	87.40	63.78	31.14	17.01	14.02
MISSISSIPPI . . . . .	201.54	45.05	156.49	117.05	28.95	39.44	210.87	83.76	54.19	35.48	17.33	15.20
MISSOURI . . . . .	142.35	25.66	116.69	92.93	37.62	23.75	150.52	64.30	46.63	20.89	15.87	12.28
MONTANA . . . . .	198.66	45.71	152.95	119.58	66.08	33.37	197.55	80.82	55.64	47.12	13.74	8.94
NEBRASKA . . . . .	173.35	24.61	148.74	112.57	62.55	36.16	164.85	75.71	50.80	27.25	9.67	12.19
NEVADA . . . . .	200.30	39.72	160.58	119.94	42.37	40.64	197.70	65.61	47.92	31.99	12.46	17.49
NEW HAMPSHIRE . . . . .	139.55	24.78	114.77	93.81	58.12	20.95	152.09	62.88	39.80	31.49	11.04	8.98
NEW JERSEY . . . . .	137.10	15.68	121.42	103.49	57.77	17.93	134.83	53.87	43.85	20.29	7.94	8.34
NEW MEXICO . . . . .	245.61	68.36	177.25	120.58	28.53	56.66	226.68	109.93	70.97	35.08	21.45	12.14
NEW YORK . . . . .	192.39	26.21	166.18	140.49	51.60	25.68	199.25	67.56	53.35	17.45	29.40	20.53
NORTH CAROLINA . . . . .	151.98	25.80	126.18	98.75	25.81	27.43	148.78	69.55	46.25	22.50	9.68	11.01
NORTH DAKOTA . . . . .	230.19	42.30	187.89	121.44	58.55	66.45	224.54	94.08	59.48	40.94	16.55	7.64
OHIO . . . . .	133.07	20.14	112.93	88.39	42.33	24.54	137.06	57.87	42.20	21.87	11.23	8.40
OKLAHOMA . . . . .	188.03	47.18	140.85	101.54	31.48	39.30	181.31	72.23	45.53	27.78	31.19	10.51
OREGON . . . . .	190.53	36.65	153.88	118.07	55.30	35.80	190.78	89.91	59.79	25.88	11.92	9.41
PENNSYLVANIA . . . . .	140.70	22.54	118.16	99.92	31.20	18.23	150.42	62.52	47.61	24.75	13.98	8.11
RHODE ISLAND . . . . .	152.54	28.42	124.12	106.33	44.02	17.79	167.30	59.28	36.93	24.24	22.70	10.11
SOUTH CAROLINA . . . . .	152.47	28.58	123.89	95.45	20.93	28.44	161.35	75.83	51.95	18.70	8.69	15.40
SOUTH DAKOTA . . . . .	207.01	47.07	159.94	123.21	71.09	36.73	209.73	97.48	66.04	49.40	13.78	6.78
TENNESSEE . . . . .	158.74	33.53	125.21	98.07	26.58	27.13	168.21	67.98	45.23	27.60	12.32	15.08
TEXAS . . . . .	149.15	26.30	122.85	92.73	39.82	30.12	148.55	68.19	49.06	23.95	11.65	9.65
UTAH . . . . .	205.24	51.86	153.38	118.52	47.20	34.85	212.15	112.92	70.24	33.71	14.29	9.99
VERMONT . . . . .	207.98	56.05	151.93	129.13	50.80	22.79	214.03	84.28	48.34	52.52	23.12	8.12
VIRGINIA . . . . .	152.82	25.45	127.37	103.87	27.33	23.49	150.81	67.22	48.32	26.01	7.16	10.40
WASHINGTON . . . . .	181.81	29.14	152.67	115.49	37.96	37.18	182.78	83.12	56.00	25.61	15.43	10.27
WEST VIRGINIA . . . . .	187.43	52.16	135.27	107.40	25.99	27.86	189.88	79.81	51.79	42.46	16.78	11.16
WISCONSIN . . . . .	182.27	22.93	159.34	130.90	57.52	28.43	194.00	86.69	52.03	29.31	17.76	11.75
WYOMING . . . . .	277.81	83.11	194.70	131.73	62.43	62.97	302.00	106.92	65.59	71.55	10.23	21.51

Note: Because of rounding, detail may not add to totals. These data are estimates subject to sampling variation.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

TABLE 18 — PER CAPITA AMOUNTS OF TAXES AND OTHER SELECTED ITEMS OF STATE AND LOCAL GOVERNMENT FINANCES, BY STATE, 1968-69

State	General revenue				General expenditure					
	Total	From Federal government	Taxes	Charges and miscellaneous	Total <sup>1</sup>	Education		Highways	Public welfare	Health and hospitals
						Total	Local schools			
United States Average . . . . .	\$ 567	\$ 95	\$380	\$ 93	\$578	\$234	\$167	\$ 76	\$ 60	\$42
Median State . . . . .	544	96	351	93	576	224	162	84	45	36
Alabama . . . . .	420	103	224	93	445	179	113	69	44	36
Alaska . . . . .	1,041	393	390	258	1,216	390	256	247	40	42
Arizona . . . . .	599	111	387	101	576	286	183	83	25	27
Arkansas . . . . .	396	103	221	72	443	157	111	74	44	29
California . . . . .	795	135	540	119	777	276	199	75	117	50
Colorado . . . . .	616	115	386	115	606	283	172	74	61	44
Connecticut . . . . .	544	79	392	73	588	221	170	70	58	38
Delaware . . . . .	595	75	372	148	706	298	201	123	45	39
Dist. of Columbia . . . . .	769	285	428	57	832	224	194	82	72	118
Florida . . . . .	497	66	330	101	485	215	160	53	27	45
Georgia . . . . .	454	91	270	93	475	200	142	51	45	55
Hawaii . . . . .	746	159	480	107	797	265	166	99	45	46
Idaho . . . . .	518	101	328	88	496	195	134	98	36	33
Illinois . . . . .	532	89	373	71	557	223	160	74	46	37
Indiana . . . . .	494	69	334	92	484	247	160	68	20	37
Iowa . . . . .	566	80	389	97	595	273	192	104	48	35
Kansas . . . . .	525	80	346	99	507	232	155	85	37	36
Kentucky . . . . .	488	126	278	85	501	201	125	105	52	29
Louisiana . . . . .	526	113	298	115	528	198	142	84	67	40
Maine . . . . .	451	83	308	59	479	190	132	90	47	24
Maryland . . . . .	574	75	411	88	613	256	200	63	51	49
Massachusetts . . . . .	615	95	453	67	636	190	151	62	141	49
Michigan . . . . .	617	81	428	107	615	292	197	60	57	48
Minnesota . . . . .	624	96	406	122	640	288	210	103	56	46
Mississippi . . . . .	417	93	242	82	436	173	112	73	36	31

See footnotes at the end of table.



TABLE 18 — PER CAPITA AMOUNTS OF TAXES AND OTHER SELECTED ITEMS OF STATE AND LOCAL GOVERNMENT FINANCES, BY STATE, 1968-69 (Cont'd)

State	General revenue				General expenditure					
	Total	From Federal government	Taxes	Charges and miscellaneous	Total <sup>1</sup>	Education		Highways	Public welfare	Health and hospitals
						Total	Local schools			
Missouri . . . . .	461	83	301	77	488	208	151	68	51	40
Montana . . . . .	584	134	351	98	580	237	163	138	40	26
Nebraska . . . . .	558	79	362	116	531	244	163	88	31	39
Nevada . . . . .	779	154	466	158	769	255	186	124	48	68
New Hampshire . . . . .	445	79	299	67	485	201	127	101	35	29
New Jersey . . . . .	538	62	406	70	529	211	172	80	31	33
New Mexico . . . . .	659	183	324	152	608	295	190	94	58	33
New York . . . . .	788	107	576	105	816	277	219	72	120	84
North Carolina . . . . .	398	68	259	72	390	182	121	59	25	29
North Dakota . . . . .	641	118	338	185	625	262	166	114	46	21
Ohio . . . . .	460	70	306	85	474	200	146	76	39	29
Oklahoma . . . . .	532	133	287	111	513	204	129	79	88	30
Oregon . . . . .	624	120	387	117	625	295	196	85	39	31
Pennsylvania . . . . .	478	77	340	62	511	212	162	84	48	28
Rhode Island . . . . .	543	101	379	63	596	211	132	86	81	36
South Carolina . . . . .	359	67	225	67	380	179	122	44	20	36
South Dakota . . . . .	593	135	353	105	601	279	189	141	39	19
Tennessee . . . . .	408	86	252	70	433	175	116	71	32	39
Texas . . . . .	443	78	276	90	442	203	146	71	35	29
Utah . . . . .	567	143	327	96	586	312	194	93	39	28
Vermont . . . . .	619	167	384	68	637	251	144	156	69	24
Virginia . . . . .	462	77	314	71	455	203	146	79	22	31
Washington . . . . .	646	104	410	132	649	295	199	91	55	36
West Virginia . . . . .	459	128	263	68	465	195	127	104	41	27
Wisconsin . . . . .	611	77	439	95	651	291	175	98	60	39
Wyoming . . . . .	873	261	414	198	948	336	206	225	32	68

<sup>1</sup> Includes amounts for categories not shown separately.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

**TABLE 19 – ESTIMATED REVENUE CAPACITY AND ACTUAL REVENUE OF STATE AND LOCAL GOVERNMENTS, AND PERSONAL INCOME, BY STATES: 1966-67**

States	Per capita amounts					Index measures (per capita amounts as percent of U.S. averages)					Percent departure of income index from revenue capacity index
	All revenue sources		Taxes only		Residents' personal income (1966)	All revenue sources		Taxes only		Residents' personal income (1966)	
	Estimated capacity	Actual revenue	Estimated capacity	Actual revenue		Estimated capacity	Actual revenue	Estimated capacity	Actual revenue		
United States, Total	396	396	313	313	2,980	100	100	100	100	100	XXX
Alabama	286	277	219	194	2,055	72	70	70	62	69	-4
Alaska	511	541	311	324	3,473	129	137	99	104	117	-10
Arizona	399	431	298	325	2,561	101	109	95	104	86	-14
Arkansas	293	260	241	200	2,037	74	66	77	64	68	-7
California	496	521	387	417	3,490	125	131	124	133	117	-6
Colorado	424	455	326	345	2,901	107	115	104	110	97	-9
Connecticut	433	402	366	340	3,710	109	101	117	109	125	+14
Delaware	476	485	384	345	3,451	120	123	123	110	116	-4
Dist. of Columbia	457	390	378	341	3,856	115	98	121	109	129	+12
Florida	407	376	325	274	2,654	103	95	104	88	89	-13
Georgia	318	311	249	230	2,371	80	79	80	73	80	-1
Hawaii	410	511	310	417	3,090	104	129	99	133	104	-
Idaho	361	391	286	299	2,408	91	99	91	96	81	-12
Illinois	432	366	357	301	3,555	109	92	114	96	119	+9
Indiana	387	379	311	296	3,056	98	96	99	95	103	+5
Iowa	409	426	325	337	3,013	103	108	104	108	101	-2
Kansas	420	408	328	315	2,895	106	103	105	101	97	-8
Kentucky	307	285	249	212	2,256	78	72	80	68	76	-2
Louisiana	398	364	295	265	2,273	101	92	94	85	76	-24
Maine	313	318	254	267	2,482	79	80	81	85	83	+5
Maryland	389	397	317	326	3,235	98	100	101	104	109	+11
Massachusetts	385	432	305	371	3,291	97	109	98	119	110	+14
Michigan	415	419	326	325	3,258	105	106	104	104	109	+4
Minnesota	395	457	297	354	2,898	100	115	95	113	97	-3
Mississippi	263	269	201	197	1,765	66	68	64	63	59	-11
Missouri	367	330	304	263	2,816	93	83	97	84	95	+2
Montana	417	395	330	308	2,668	105	100	105	98	90	-15
Nebraska	466	394	344	270	2,943	118	100	110	86	99	-16
Nevada	670	517	536	382	3,478	169	131	171	122	117	-31
New Hampshire	400	338	343	278	2,834	101	85	110	89	95	-6

TABLE 19 — ESTIMATED REVENUE CAPACITY AND ACTUAL REVENUE OF STATE AND LOCAL GOVERNMENTS, AND PERSONAL INCOME, BY STATES: 1966-67 (Cont'd)

States	Per capita amounts					Index measures (per capita amounts as percent of U.S. averages)					Percent departure of income index from revenue capacity index
	All revenue sources		Taxes only		Residents' personal income (1966)	All revenue sources		Taxes only		Residents' personal income (1966)	
	Estimated capacity	Actual revenue	Estimated capacity	Actual revenue		Estimated capacity	Actual revenue	Estimated capacity	Actual revenue		
New Jersey . . . . .	412	387	335	324	3,460	104	98	107	104	116	+12
New Mexico . . . . .	416	397	293	269	2,360	105	100	94	86	79	-25
New York . . . . .	447	562	339	469	3,558	113	142	108	150	119	+6
North Carolina . . . . .	301	293	245	230	2,284	76	74	78	74	77	+1
North Dakota . . . . .	449	444	287	278	2,441	113	112	92	89	82	-28
Ohio . . . . .	384	333	314	257	3,089	97	84	100	82	104	+7
Oklahoma . . . . .	406	357	319	254	2,480	102	90	102	81	83	-19
Oregon . . . . .	440	445	331	334	2,947	111	112	106	107	99	-11
Pennsylvania . . . . .	342	339	285	282	2,983	86	85	91	90	100	+16
Rhode Island . . . . .	353	351	284	297	3,062	89	89	91	95	103	+15
South Carolina . . . . .	259	259	202	196	2,046	65	65	64	63	69	+5
South Dakota . . . . .	377	396	284	303	2,471	95	100	91	97	83	-13
Tennessee . . . . .	320	287	243	212	2,235	81	72	78	68	75	-7
Texas . . . . .	381	318	307	231	2,577	96	80	98	74	87	-10
Utah . . . . .	353	389	271	302	2,490	89	98	87	97	84	-6
Vermont . . . . .	337	392	275	328	2,664	85	99	88	105	89	+5
Virginia . . . . .	335	307	270	243	2,608	85	77	86	78	88	+4
Washington . . . . .	486	495	351	370	3,227	123	125	112	118	108	-12
West Virginia . . . . .	285	283	234	226	2,176	72	72	75	72	73	+2
Wisconsin . . . . .	380	441	294	363	2,976	96	111	94	116	100	+4
Wyoming . . . . .	587	500	441	347	2,781	148	126	141	111	93	-37

Source: Advisory Commission on Intergovernmental Relations, *Measuring the Fiscal Capacity and Effort of State and Local Areas*. An Information Report.

**TABLE 20 — PERCENTAGE DISTRIBUTION, BY SOURCE, OF ESTIMATED REVENUE CAPACITY OF STATE AND LOCAL GOVERNMENTS, BY STATES: 1966-67**

States	Percent of estimated total revenue capacity							Ratio of individual-state percentage of capacity to U.S. average percentage for the same revenue source					
	State and local tax sources							State and local tax sources					
	Total	Sales and gross receipts	Property	Individual income and earnings	Corporation	Other taxes	Nontax sources	Sales and gross receipts	Property	Individual income and earnings	Corporation	Other taxes	Nontax sources
United States, Total . . . . .	100.0	27.1	32.0	7.5	4.4	8.0	21.0	100	100	100	100	100	100
Alabama . . . . .	100.0	28.6	28.7	6.3	4.2	8.6	23.6	106	90	84	94	108	112
Alaska . . . . .	100.0	20.2	23.8	7.0	3.0	6.8	39.2	74	74	94	68	85	187
Arizona . . . . .	100.0	27.1	30.1	5.7	3.7	8.0	25.4	100	94	76	83	100	121
Arkansas . . . . .	100.0	30.8	32.2	5.2	3.8	10.1	17.9	114	101	69	86	126	85
California . . . . .	100.0	25.6	33.7	7.3	4.0	7.4	22.0	94	105	97	90	93	105
Colorado . . . . .	100.0	27.5	30.4	6.4	3.8	8.8	23.1	101	95	86	85	110	110
Connecticut . . . . .	100.0	26.5	34.4	10.1	5.3	8.2	15.5	98	108	135	121	103	74
Delaware . . . . .	100.0	26.7	33.7	8.2	4.4	7.6	19.4	98	105	109	99	95	92
Dist. of Columbia . . . . .	100.0	34.4	34.0	6.9	3.0	4.3	17.4	127	106	91	69	54	83
Florida . . . . .	100.0	29.5	33.4	6.0	3.7	7.3	20.1	109	104	79	83	91	96
Georgia . . . . .	100.0	30.3	28.6	6.8	4.5	7.9	21.9	112	89	90	101	99	104
Hawaii . . . . .	100.0	23.6	34.6	7.7	3.5	6.1	24.5	87	108	102	80	76	117
Idaho . . . . .	100.0	29.5	30.3	5.7	3.8	9.8	20.9	109	94	76	87	123	100
Illinois . . . . .	100.0	27.4	34.5	8.9	5.1	6.8	17.3	101	108	119	116	85	82
Indiana . . . . .	100.0	28.4	31.8	7.8	5.2	7.0	19.8	105	99	104	117	88	94
Iowa . . . . .	100.0	26.8	34.2	6.4	3.9	8.1	20.6	99	107	85	88	101	98
Kansas . . . . .	100.0	24.5	33.5	5.8	3.6	10.7	21.9	90	104	78	82	134	104
Kentucky . . . . .	100.0	29.5	31.9	6.2	4.1	9.4	18.9	109	100	83	94	118	90
Louisiana . . . . .	100.0	23.1	26.9	5.1	3.4	15.5	26.0	85	84	68	76	194	124
Maine . . . . .	100.0	31.6	29.6	6.4	4.6	9.0	18.8	117	92	86	104	113	90
Maryland . . . . .	100.0	27.5	32.6	10.2	4.5	6.8	18.4	101	102	136	102	85	88
Massachusetts . . . . .	100.0	28.1	30.7	8.7	5.1	6.7	20.7	104	96	115	116	84	99
Michigan . . . . .	100.0	26.8	31.4	8.6	5.1	6.6	21.5	99	98	115	114	83	102
Minnesota . . . . .	100.0	28.1	28.4	6.5	4.4	7.8	24.8	104	89	86	98	98	118
Mississippi . . . . .	100.0	28.9	29.2	4.9	3.7	9.8	23.5	107	91	66	83	123	112

**TABLE 20 – PERCENTAGE DISTRIBUTION, BY SOURCE, OF ESTIMATED REVENUE CAPACITY OF STATE AND LOCAL GOVERNMENTS, BY STATES: 1966-67 (Cont'd)**

States	Percent of estimated total revenue capacity							Ratio of individual-state percentage of capacity to U.S. average percentage for the same revenue source					
	State and local tax sources							State and local tax sources					
	Total	Sales and gross receipts	Property	Individual income and earnings	Corporation	Other taxes	Nontax sources	Sales and gross receipts	Property	Individual income and earnings	Corporation	Other taxes	Nontax sources
Missouri . . . . .	100.0	30.2	32.7	7.3	4.6	7.9	17.3	111	102	98	104	99	83
Montana . . . . .	100.0	27.1	33.1	5.3	3.3	10.3	20.9	100	103	70	74	129	100
Nebraska . . . . .	100.0	24.8	32.5	5.5	3.1	8.1	26.0	91	101	74	71	101	124
Nevada . . . . .	100.0	35.5	29.7	5.4	3.4	6.0	20.0	131	93	73	78	75	95
New Hampshire . . . . .	100.0	32.9	33.8	7.2	4.5	7.3	14.3	122	105	96	102	91	68
New Jersey . . . . .	100.0	27.2	32.8	9.1	5.3	7.0	18.6	100	103	121	120	88	89
New Mexico . . . . .	100.0	24.3	25.5	4.8	2.9	12.8	29.7	90	79	64	66	160	142
New York . . . . .	100.0	23.8	33.2	8.5	4.5	5.9	24.1	88	104	113	102	74	115
North Carolina . . . . .	100.0	30.6	31.4	6.4	4.6	8.3	18.7	113	98	85	104	104	89
North Dakota . . . . .	100.0	22.8	25.6	4.0	2.4	9.0	36.2	84	80	53	55	113	172
Ohio . . . . .	100.0	27.6	33.5	8.3	5.1	7.3	18.2	102	105	111	116	91	87
Oklahoma . . . . .	100.0	25.6	32.2	5.2	3.2	12.3	21.5	94	101	69	73	154	102
Oregon . . . . .	100.0	26.9	30.8	6.5	4.0	7.1	24.7	99	96	87	90	89	118
Pennsylvania . . . . .	100.0	28.3	32.9	8.7	5.4	7.9	16.8	105	103	117	121	99	80
Rhode Island . . . . .	100.0	28.6	29.6	8.7	5.1	8.3	19.7	106	92	115	114	104	94
South Carolina . . . . .	100.0	33.2	24.5	6.5	4.8	8.7	22.3	122	76	87	108	109	106
South Dakota . . . . .	100.0	26.9	32.3	4.6	2.8	8.8	24.6	99	101	62	63	110	117
Tennessee . . . . .	100.0	28.5	28.9	6.5	4.3	7.8	24.0	105	90	87	98	98	114
Texas . . . . .	100.0	28.0	29.5	6.5	3.9	12.6	19.5	103	92	86	88	158	93
Utah . . . . .	100.0	26.4	31.3	5.9	3.9	9.3	23.2	97	98	79	89	116	111
Vermont . . . . .	100.0	34.2	27.8	6.5	4.8	8.2	18.5	126	87	87	108	103	88
Virginia . . . . .	100.0	29.9	33.8	8.0	4.3	7.4	16.6	110	106	107	96	93	79
Washington . . . . .	100.0	23.0	31.3	6.9	3.8	7.1	27.9	85	98	93	87	89	133
West Virginia . . . . .	100.0	29.0	32.4	6.8	4.7	9.4	17.7	107	101	91	107	118	85
Wisconsin . . . . .	100.0	27.0	31.2	7.4	4.7	7.0	22.7	100	97	98	106	88	108
Wyoming . . . . .	100.0	22.6	29.9	4.2	2.5	16.0	24.8	83	93	56	55	200	118

Source: Advisory Commission on Intergovernmental Relations, *Measuring the Fiscal Capacity and Effort of State and Local Areas*. An Information Report.

**TABLE 21 — MEASURES OF RELATIVE STATE-LOCAL TAX EFFORT IN INDIVIDUAL STATES, BY TYPE OF TAX: 1966-67**  
**(PERCENT RELATION OF ACTUAL TAX REVENUE TO TAX CAPACITY ESTIMATED AT NATIONAL AVERAGE RATES)**

States	Sales and gross receipts taxes			Property taxes				Individual income taxes <sup>2</sup>	Motor vehicle taxes <sup>3</sup>	Corporation taxes <sup>4</sup>	Severance taxes <sup>4</sup>	Death and gift taxes <sup>4</sup>	All other taxes
				All property taxes <sup>1</sup>	Local taxes on —								
	All	General	Selective		Nonfarm residential property	Commercial and industrial property	Farm property						
Alabama	140	156	127	37	28	35	23	96	39**	117	66	42	186
Alaska	81	39	120	63	93	46	20	238	119*	178	195	108	159
Arizona	122	152	95	114	107	120	37	73	113**	78	—	33	61
Arkansas	106	106	107	48	39	58	55	104	101**	131	110	26	90
California	99	126	76	122	106	151	137	74	110**	131	2	106	73
Colorado	93	106	80	122	126	134	95	147	53*	99	18	152	73
Connecticut	95	93	97	110	119	100	144	—	147**	126	—	146	15
Delaware	52	—	98	42	62	24	41	271	99	338	—	124	64
Dist. of Columbia	76	80	73	74	72	78	—	194	111	136	—	102	253
Florida	104	87	120	79	72	89	94	—	99	79	12	42	162
Georgia	111	121	101	68	60	81	55	105	82**	114	—	33	121
Hawaii	215	277	141	60	62	54	63	280	89	128	—	88	36
Idaho	93	87	100	99	44	154	89	216	71	142	37	138	102
Illinois	106	124	88	94	101	82	131	—	158*	8	—	87	73
Indiana	93	112	75	107	104	109	119	106	117**	20	14	102	53
Iowa	85	74	97	116	105	125	125	147	112	35	—	127	94
Kansas	90	106	75	104	77	130	109	128	105**	85	3	70	47
Kentucky	99	105	94	50	51	44	50	196	52**	120	4	124	131
Louisiana	119	129	110	48	17	68	23	48	29	140	158	60	160
Maine	119	123	116	129	112	141	214	—	109*	24	—	96	61
Maryland	91	74	108	105	101	104	80	151	72	66	—	128	105
Massachusetts	73	44	101	141	166	114	230	149	267**	166	—	140	29
Michigan	118	148	89	103	97	104	145	20	81	67	20	76	273
Minnesota	53	—	106	155	169	132	141	270	81	128	807	138	53
Mississippi	143	177	115	59	27	114	33	34	98**	126	140	52	103
Missouri	87	105	70	82	85	79	85	110	131**	37	1	54	89
Montana	53	—	105	113	87	165	79	158	89**	104	75	158	134
Nebraska	47	—	95	118	94	88	112	—	87**	16	39	59	181
Nevada	70	54	81	74	60	98	61	—	108*	24	9	—	407
New Hampshire	59	—	104	122	139	131	179	14	98*	15	—	116	87

See footnotes at the end of table.

**TABLE 21 – MEASURES OF RELATIVE STATE-LOCAL TAX EFFORT IN INDIVIDUAL STATES, BY TYPE OF TAX: 1966-67  
(PERCENT RELATION OF ACTUAL TAX REVENUE TO TAX CAPACITY ESTIMATED AT NATIONAL AVERAGE RATES) (Cont'd)**

States	Sales and gross receipts taxes			Property taxes				Individual income taxes <sup>2</sup>	Motor vehicle taxes <sup>3</sup>	Corporation taxes <sup>4</sup>	Severance taxes <sup>4</sup>	Death and gift taxes <sup>4</sup>	All other taxes
	All	General	Selective	All property taxes <sup>1</sup>	Local taxes on –								
					Nonfarm residential property	Commercial and indus- trial property	Farm property						
New Jersey . . . . .	86	56	113	137	176	91	176	4	100	67	–	150	58
New Mexico . . . . .	131	171	98	54	35	60	23	57	81	80	132	60	145
New York . . . . .	117	114	120	125	127	125	160	274	115	169	–	92	43
North Carolina . . . . .	100	95	104	55	52	60	59	196	81*	191	–	128	92
North Dakota . . . . .	78	69	87	123	132	138	110	96	67	82	100	52	84
Ohio . . . . .	85	69	101	94	85	107	106	36	78	36	–	44	157
Oklahoma . . . . .	94	74	111	63	52	77	62	62	87	91	117	190	65
Oregon . . . . .	47	–	90	113	99	121	158	273	88	114	–	166	79
Pennsylvania . . . . .	111	114	108	82	121	47	109	66	69	174	–	130	196
Rhode Island . . . . .	115	114	115	116	130	102	154	–	173**	133	–	98	52
South Carolina . . . . .	115	115	116	57	30	79	52	142	71**	168	–	62	69
South Dakota . . . . .	102	93	111	138	181	157	111	–	88	27	73	134	73
Tennessee . . . . .	118	132	105	67	75	65	50	11	75	146	–	146	71
Texas . . . . .	74	47	99	89	89	94	55	–	88*	44	116	72	58
Utah . . . . .	116	137	95	104	75	124	72	189	86**	89	68	142	82
Vermont . . . . .	71	–	135	140	142	130	177	279	156	85	–	124	135
Virginia . . . . .	90	66	112	59	57	59	72	165	143*	109	–	70	158
Washington . . . . .	203	247	160	66	52	67	95	–	111**	21	–	200	85
West Virginia . . . . .	154	183	129	55	53	58	57	77	113*	15	–	118	214
Wisconsin . . . . .	71	47	93	128	121	109	175	315	92	148	–	164	58
Wyoming . . . . .	85	103	71	104	42	147	56	–	106*	9	1	46	221

Note: For a composite measure of relative over-all tax effort, see table 22.

<sup>1</sup> Including property tax components not shown separately.

<sup>2</sup> Including local payroll and earnings taxes.

<sup>3</sup> In States where motor vehicles are subject to property taxation, estimated amounts of such revenue have been included in calculating "motor vehicle taxes" effort. A double asterisk denotes States where at least one-third of all motor vehicle tax revenue is of this nature, and a single asterisk denotes some lesser proportion of such revenue.

<sup>4</sup> These categories pertain to State-imposed taxes only.

**TABLE 22 – SUMMARY MEASURES OF RELATIVE REVENUE EFFORT IN INDIVIDUAL STATES, BY LEVEL OF GOVERNMENT: 1966-67 (PERCENT RELATION OF ACTUAL REVENUE TO REVENUE CAPACITY ESTIMATED AT NATIONAL AVERAGE RATES)**

States	All revenue sources			Taxes			Nontax sources		
	Total	State government	Local governments	Total	State government	Local governments	Total	State government	Local governments
Alabama	97	114	80	89	115	56	124	110	131
Alaska	106	118	88	104	132	72	108	101	127
Arizona	108	118	99	109	118	100	104	118	96
Arkansas	89	109	68	83	112	49	114	87	132
California	105	96	113	108	96	120	95	95	95
Colorado	107	101	114	106	98	115	113	115	111
Connecticut	93	87	99	93	84	103	92	105	81
Delaware	102	139	62	90	136	40	152	153	151
Dist. of Columbia	85	101 <sup>1</sup>	70 <sup>1</sup>	90	101 <sup>1</sup>	74 <sup>1</sup>	62	XXX	62
Florida	92	88	96	84	88	81	124	88	137
Georgia	98	106	90	92	107	73	117	94	127
Hawaii	124	181	70	135	208	68	93	109	74
Idaho	108	121	94	105	123	84	121	115	124
Illinois	85	73	96	84	73	97	86	76	91
Indiana	98	96	100	95	92	99	109	117	103
Iowa	104	104	104	104	104	103	106	106	106
Kansas	97	94	100	96	94	98	101	95	105
Kentucky	93	113	72	85	110	57	126	130	123
Louisiana	91	107	70	90	111	60	96	93	102
Maine	102	101	103	105	101	110	88	102	68
Maryland	102	106	99	103	105	100	99	107	95
Massachusetts	112	104	121	121	106	139	77	87	72
Michigan	101	108	94	100	107	92	106	115	101
Minnesota	116	114	118	119	113	127	104	116	98
Mississippi	102	120	84	98	120	71	116	121	114
Missouri	90	84	96	86	82	91	106	97	111
Montana	95	86	103	93	81	106	100	109	92
Nebraska	85	64	100	78	56	101	102	117	98
Nevada	77	67	88	71	65	80	101	85	107
New Hampshire	84	69	103	81	61	104	104	115	92
New Jersey	94	71	117	97	68	129	82	88	78
New Mexico	95	114	68	92	122	52	103	97	115
New York	126	127	124	138	133	143	86	99	80
North Carolina	97	122	70	94	127	55	110	93	124
North Dakota	99	98	100	97	90	104	102	109	89
Ohio	87	76	97	82	71	94	108	113	107
Oklahoma	88	98	76	80	96	61	118	103	137
Oregon	101	104	98	101	102	100	102	114	95
Pennsylvania	99	100	98	99	102	96	98	86	105
Rhode Island	99	97	103	105	101	110	77	79	75
South Carolina	100	118	75	97	124	55	109	91	127
South Dakota	105	92	118	107	87	126	100	108	92
Tennessee	90	99	81	87	99	72	98	97	98
Texas	84	75	93	75	71	80	118	99	131
Utah	110	124	95	111	127	95	106	116	96
Vermont	116	123	108	119	120	118	103	136	68
Virginia	95	105	84	90	103	76	119	121	118
Washington	102	135	74	106	150	62	92	81	98
West Virginia	100	123	73	96	127	61	114	104	124
Wisconsin	116	139	95	124	142	103	90	119	76
Wyoming	85	78	94	79	72	87	105	97	115

<sup>1</sup> Treating all nonproperty taxes as "State" and all property taxes as "local".

Source: Advisory Commission on Intergovernmental Relations, *Measuring the Fiscal Capacity and Effort of State and Local Areas*. An Information Report.



TABLE 23 – DATES OF ADOPTION OF MAJOR STATE TAXES<sup>1</sup>

INDIVIDUAL INCOME

Before 1911	1911-20	1921-30	1931-40	Since 1941
Hawaii, 1901; total, 1.	Wisconsin, 1911; Mississippi, 1912; Oklahoma, 1915; Massachusetts, 1916; Virginia, 1916; Delaware, 1917; Missouri, 1917; New York, 1919; North Dakota, 1919; total 9.	North Carolina, 1921; South Carolina, 1922; New Hampshire, 1923 <sup>2</sup> ; Arkansas, 1929; Georgia, 1929; Oregon, 1930; total, 6.	Idaho, 1931; Tennessee, 1931 <sup>2</sup> ; Utah, 1931; Vermont, 1931; Alabama, 1933; Arizona, 1933; Kansas, 1933; Minnesota, 1933; Montana, 1933; New Mexico, 1933; Iowa, 1934; Louisiana, 1934; California, 1935; Kentucky, 1936; Colorado, 1937; Maryland, 1937; total 16.	Alaska, 1949; New Jersey, 1961 <sup>3</sup> ; West Virginia, 1961; Indiana, 1963; Michigan, 1967; Nebraska, 1967; Illinois, 1969; Maine, 1969; Rhode Island, 1969 <sup>4</sup> ; total, 9.  Grand total, 41.

CORPORATION INCOME<sup>5</sup>

Before 1911	1911-20	1921-30	1931-40	Since 1941
Hawaii, 1901; total, 1.	Wisconsin, 1911; Connecticut, 1915; Virginia, 1915; Missouri, 1917; Montana, 1917; New York, 1917; Massachusetts, 1919; North Dakota, 1919; total, 8.	Mississippi, 1921; North Carolina, 1921; South Carolina, 1922; Tennessee, 1923; Arkansas, 1929; California, 1929; Georgia, 1929; Oregon, 1929; total, 8.	Idaho, 1931; Oklahoma, 1931; Utah, 1931; Vermont, 1931; Alabama, 1933; Arizona, 1933; Kansas, 1933; Minnesota, 1933; New Mexico, 1933; Iowa, 1934; Louisiana, 1934; Pennsylvania, 1935; Kentucky, 1936; Colorado, 1937; Maryland, 1937; total, 15.	Rhode Island, 1947; Alaska, 1949; Delaware, 1957; New Jersey, 1958; Indiana, 1963; Michigan, 1967; West Virginia, 1967; Illinois, 1969; Maine, 1969; New Hampshire, 1970; total, 11.  Grand total, 43.

See footnotes at the end of table.

TABLE 23 – DATES OF ADOPTION OF MAJOR STATE TAXES<sup>1</sup> (Cont'd)

DEATH

Before 1900	1901-10	1911-20	1921-30	Since 1931
California, Connecticut, Delaware, Hawaii, Illinois, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Vermont, Virginia, West Virginia; total, 23.	Arkansas, 1901; Colorado, 1901; Utah, 1901; Washington, 1901; N. Dakota, 1903; Oregon, 1903; Wisconsin, 1903; Wyoming, 1903; New Hampshire, 1905; S. Dakota, 1905; Kentucky, 1906; Idaho, 1907; Oklahoma, 1907; Texas, 1907; Kansas, 1909; total, 15.	Arizona, 1912; Georgia, 1913; Indiana, 1913; Rhode Island, 1916; Mississippi, 1918; Alaska, 1919; New Mexico, 1919; total, 7.	Nebraska, 1921; South Carolina, 1922; total, 2.	Alabama, 1931; Florida, 1931; total, 2.  Grand total, 49.

GIFT

1931-40	Since 1941
Oregon, 1933; Wisconsin, 1933; Virginia, 1934; Minnesota, 1937; North Carolina, 1937; California, 1939; Colorado, 1939; Tennessee, 1939; Louisiana, 1940; total, 9.	Oklahoma, 1941; Washington, 1941; Rhode Island, 1942; South Carolina, 1968; total, 4. Grand total, 13.

GENERAL SALES

1931-40	1941-50	Since 1951
Mississippi, 1932; Arizona, 1933; California, 1933; Illinois, 1933; Indiana, 1933 <sup>6</sup> ; Iowa, 1933; Michigan, 1933; New Mexico, 1933; North Carolina, 1933; Oklahoma, 1933; South Dakota, 1933; Utah, 1933; Washington, 1933; West Virginia, 1933; Missouri, 1934; Ohio, 1934; Arkansas, 1935; Colorado, 1935; Hawaii, 1935; North Dakota, 1935; Wyoming, 1935; Alabama, 1936; Kansas, 1937; Louisiana, 1938; total, 24.	Connecticut, 1947; Maryland, 1947; Rhode Island, 1947; Tennessee, 1947; Florida, 1949; total, 5.	Georgia, 1951; Maine, 1951; S. Carolina, 1951; Pennsylvania, 1953; Nevada, 1955; Kentucky, 1960; Texas, 1961; Wisconsin, 1961; Idaho, 1965; New York, 1965; Massachusetts, 1966; New Jersey, 1966; Virginia, 1966; Minnesota, 1967; Nebraska, 1967; Vermont, 1969; total, 16. Grand total, 45. <sup>7</sup>

DISTILLED SPIRITS<sup>8</sup>

1931-40	Since 1941
Arizona, 1933; Colorado, 1933; Delaware, 1933; Indiana, 1933; Maryland, 1933; Massachusetts, 1933; New Jersey, 1933; New York, 1933; Rhode Island, 1933; Illinois, 1934; Kentucky, 1934; Louisiana, 1934; Minnesota, 1934; Missouri, 1934; New Mexico, 1934; Wisconsin, 1934; Arkansas, 1935; California, 1935; Florida, 1935; Nebraska, 1935; Nevada, 1935; S. Carolina, 1935; S. Dakota, 1935; Texas, 1935; N. Dakota, 1936; Connecticut, 1937; Georgia, 1937; Hawaii, 1939; Tennessee, 1939; total, 29.	Alaska, 1945; Kansas, 1948; Oklahoma, 1959; Mississippi, 1966; total, 4.  Grand total, 33.

See footnotes at the end of table.

TABLE 23 – DATES OF ADOPTION OF MAJOR STATE TAXES<sup>1</sup> (Cont'd)

CIGARETTES

1921-30	1931-40	1941-50	Since 1951
Iowa, 1921; S. Carolina, 1923; S. Dakota, 1923; Utah, 1923; Tennessee, 1925; Kansas, 1927; N. Dakota, 1927; Arkansas, 1929; total, 8.	Ohio, 1931; Texas, 1931; Louisiana, 1932; Mississippi, 1932; Oklahoma, 1933; Alabama, 1935; Arizona, 1935; Connecticut, 1935; Washington, 1935; Kentucky, 1936; Georgia, 1937; Pennsylvania, 1937; Vermont, 1937; Hawaii, 1939; Massachusetts, 1939; New Hampshire, 1939; New York, 1939; Rhode Island, 1939; Wisconsin, 1939; total, 19.	Illinois, 1941; Maine, 1941; Delaware, 1943; Florida, 1943; New Mexico, 1943; Idaho, 1945; Indiana, 1947; Michigan, 1947; Minnesota, 1947; Montana, 1947; Nebraska, 1947; Nevada, 1947; West Virginia, 1947; New Jersey, 1948; Alaska, 1949; total, 15.	Wyoming, 1951; Missouri, 1955; Maryland, 1958; California, 1959; Virginia, 1960; Colorado, 1964; Oregon, 1965; N. Carolina, 1969; total, 8.  Grand total, 50.

GASOLINE

1911-20	1921-30	Since 1931
Colorado, 1919; New Mexico, 1919; North Dakota, 1919; Oregon, 1919; Kentucky, 1920; total, 5.	Arizona, 1921; Arkansas, 1921; Connecticut, 1921; Florida, 1921; Georgia, 1921; Louisiana, 1921; Montana, 1921; North Carolina, 1921; Pennsylvania, 1921; Washington, 1921; Maryland, 1922; Mississippi, 1922; S. Carolina, 1922; S. Dakota, 1922; Alabama, 1923; California, 1923; Delaware, 1923; Idaho, 1923; Indiana, 1923; Maine, 1923; Nevada, 1923; New Hampshire, 1923; Oklahoma, 1923; Tennessee, 1923; Texas, 1923; Utah, 1923; Vermont, 1923; Virginia, 1923; West Virginia, 1923; Wyoming, 1923; Iowa, 1925; Kansas, 1925; Michigan, 1925; Minnesota, 1925; Missouri, 1925; Nebraska, 1925; Ohio, 1925; Rhode Island, 1925; Wisconsin, 1925; Illinois, 1927; New Jersey, 1927; Massachusetts, 1929; New York, 1929; total, 43.	Hawaii, 1932; Alaska, 1946; total, 2.  Grand total, 50.

AUTOMOBILE REGISTRATION

1901-10	1911-20
New York, 1901; Connecticut, 1903; Massachusetts, 1903; Minnesota, 1903; Missouri, 1903; New Jersey, 1903; Pennsylvania, 1903; Iowa, 1904; Maryland, 1904; Rhode Island, 1904; Vermont, 1904; California, 1905; Delaware, 1905; Maine, 1905; Michigan, 1905; New Hampshire, 1905; Oregon, 1905; South Dakota, 1905; Tennessee, 1905; Washington, 1905; W. Virginia, 1905; Wisconsin, 1905; Ohio, 1906; South Carolina, 1906; Illinois, 1907; Nebraska, 1907; Texas, 1907; North Carolina, 1909; Utah, 1909; Georgia, 1910; Kentucky, 1910; Virginia, 1910; total, 33.	Alabama, 1911; Arkansas, 1911; Florida, 1911; N. Dakota, 1911; Oklahoma, 1911; Arizona, 1912; Mississippi, 1912; New Mexico, 1912; Colorado, 1913; Idaho, 1913; Kansas, 1913; Montana, 1913; Nevada, 1913; Wyoming, 1913; Louisiana, 1914; Alaska, 1915; total, 16. Grand total, 49.

<sup>1</sup> Includes only States that used the tax as of January 1, 1970. Excludes the District of Columbia, where the dates of adoption were: Individual income, 1939; corporation income, 1939; death, 1937; general sales, 1947; distilled spirits, 1934; cigarettes, 1949; gasoline, 1924; and automobile registration, 1909.

<sup>2</sup> Income from stocks and bonds only. A commuters' income tax is also imposed in New Hampshire, effective 7/1/70.

<sup>3</sup> In effect applies only to New York residents who derive income from New Jersey sources.

<sup>4</sup> Investment income only.

<sup>5</sup> Exclusive of South Dakota's tax applicable to financial institutions only.

<sup>6</sup> Gross income tax; in 1963 Indiana enacted a 2 percent retail sales and use tax.

<sup>7</sup> Excludes the Delaware use tax on lessees of tangible personal property other than household furniture, fixtures or furnishings.

<sup>8</sup> Exclusive of the excises by the 16 States that own and operate liquor stores, and exclusive of North Carolina where county stores operate under State supervision.

TABLE 24 – DATES OF ADOPTION OF MAJOR STATE TAXES, FREQUENCY DISTRIBUTION<sup>1</sup>

Year	Individual income	Corporation income	Death	Gift	General sales	Distilled spirits	Cigarettes	Gasoline	Auto-mobile registration
Pre-1901			23						
1901	1	1	4						1
1902									
1903			4						6
1904									4
1905			2						12
1906			1						2
1907			3						3
1908									
1909			1						2
1910									3
1911	1	1							5
1912	1		1						3
1913			2						6
1914									1
1915	1	2							1
1916	2		1						
1917	2	3							
1918			1						
1919	2	2	2					4	
1920								1	
1921	1	2	1				1	10	
1922	1	1	1					4	
1923		1					3	16	
1924									
1925							1	9	
1926									
1927							2	2	
1928									
1929	2	4					1	2	
1930									
1931	4	4	2				2		
1932					1		2	1	
1933	6	5		2	13	9	1		
1934	2	2		1	2	7			
1935	1	1			5	8	4		
1936	1	1			1	1	1		
1937	2	2		2	1	2	3		
1938					1				
1939				3		2	6		
1940				1					
1941				2			2		
1942				1					
1943							3		
1944									
1945						1	1		
1946								1	
1947		1			4		7		
1948						1	1		
1949	1	1			1		1		
1950									
1951					3		1		
1952									
1953					1				

See footnotes on following page.

TABLE 24 – DATES OF ADOPTION OF MAJOR STATE TAXES, FREQUENCY DISTRIBUTION<sup>1</sup> (Cont'd)

Year	Individual income	Corporation income	Death	Gift	General sales	Distilled spirits	Cigarettes	Gasoline	Auto-mobile registration
1954									
1955					1		1		
1956									
1957		1							
1958		1					1		
1959						1	1		
1960					1		1		
1961	1				2				
1962									
1963	1	1							
1964							1		
1965					2		1		
1966					3	1			
1967	2	3			2				
1968				1					
1969	2	2			1		1		
1970		1							
Total ..	<sup>2</sup> 37	<sup>3</sup> 43	49	13	45	<sup>4</sup> 33	50	50	49

<sup>1</sup> Includes only States that used the tax as of January 1, 1970.

<sup>2</sup> Exclusive of New Jersey "Commuters' " tax, the New Hampshire and Tennessee taxes on interest and dividends, and the Rhode Island tax on investment income.

<sup>3</sup> Exclusive of South Dakota's tax applicable to financial institutions.

<sup>4</sup> Exclusive of the excises levied by the 16 States that own and operate liquor stores, and the North Carolina county stores system operated under State supervision.

TABLE 25 — STATES INCREASING TAX RATES AND ENACTING NEW TAXES, SELECTED TAXES, 1970

State	Total	General sales	Personal income	Corporation income	Gasoline	Cigarette	Alcoholic beverages
Arizona . . . . .	1			X <sup>1</sup>			
Dist. of Columbia . . . . .	1		X				
Florida . . . . .	1						X
Iowa . . . . .	1			X <sup>1</sup>			
Kansas . . . . .	3			X		X	X
Kentucky . . . . .	2					X	X
Louisiana . . . . .	5	X	X <sup>2</sup>	X <sup>2</sup>		X	X
Michigan . . . . .	1					X	
New Hampshire . . . . .	3		N <sup>3</sup>	N		X	
New Jersey . . . . .	2	X		X <sup>1</sup>			
Pennsylvania . . . . .	2				X	X	
Rhode Island . . . . .	1			X			
Virginia . . . . .	1						X
West Virginia . . . . .	3		X		X	X	
Total No. of increases . . . . .	27	2	4	7	2	7	5

Note: Each X indicates a tax rate increase enactment, and each N indicates a new tax.

<sup>1</sup> Financial institutions.

<sup>2</sup> Repealed the deduction allowed for federal income tax.

<sup>3</sup> "Commuter's Income" tax.

Source: Commerce Clearing House, *State Tax Reporter*.

Table 26 — STATES INCREASING TAX RATES AND ENACTING NEW TAXES, SELECTED TAXES  
(January 1, 1959 through January 1, 1971)

State	No. of legislative actions			Sales	Personal income	Corporation income	Motor fuel	Cigarette	Alcoholic beverage
	Total	Increasing rates	Enacting new taxes						
Alabama	7	7	—	x	....	x	....	xxxx	x
Alaska	5	5	—	....	x	....	xx	x	x
Arizona	13	13	—	xx	xx	xxx <sup>1</sup>	xx	xx	xx
Arkansas	5	5	—	....	....	x	x	xx	x
California	11	10	1	x	xx	xx	xx	Nx <sup>2</sup>	xx
Colorado	8	7	1	x	x	x	xx	Nx	x
Connecticut	12	11	1	xx	N <sup>3</sup>	xx	x	xxxx	xx
Delaware	9	9	—	....	x	x	xx	xxx	xx
Florida	7	7	—	x	....	....	....	xx	xxxx
Georgia	5	5	—	....	....	xx	....	x	xx
Hawaii	5	5	—	x	x	x	....	x	x
Idaho	12	11	1	N	xx	xx	x	xxx	xxx
Illinois	13	11	2	xxx	N	N	xx	xxxx	xx
Indiana	6	3	3	N <sup>4</sup>	N <sup>4</sup>	N <sup>4</sup>	x	xx	....
Iowa	13	13	—	x	xx	xxx <sup>1</sup>	x	xxxx	xx
Kansas	11	11	—	x	x	xx	x	xxx	xxx
Kentucky	5	4	1	Nx	....	....	x	x	x
Louisiana	5	5	—	x	x <sup>5</sup>	x <sup>5</sup>	....	x	x
Maine	13	11	2	xxx	N	N	x	xxxxx	xx
Maryland	6	6	—	x	x	xx	x	x	....
Massachusetts	10	9	1	N	xx <sup>5</sup>	xx	x	xx	xx
Michigan	7	5	2	x	N	N	x	xx	x
Minnesota	15	14	1	N	xxx	xxx	xx	xxxx	xx
Mississippi	9	8	1	xx	x	x	x <sup>6</sup>	xx	N
Missouri	7	7	—	x	x	x	x	xx	x
Montana	11	11	—	....	xxxx	xxx	xx	....	xx
Nebraska	11	8	3	Nx	Nx	Nx	xx	xx	x
Nevada	5	5	—	x	....	....	....	xx	xx
N. Hampshire	6	4	2	....	N <sup>7</sup>	N	x	xxx	....
New Jersey	14	12	2	Nx	N <sup>7</sup>	xxx <sup>1</sup>	xx	xxxx	xx
N. Mexico	12	12	—	xx	xx	xx	xx	xx	xx
New York	12	11	1	Nx	xx	x	xx	xxx	xx
N. Carolina	4	3	1	....	....	....	x	N	xx
N. Dakota	9	9	—	xxx	x	x	x	xx	x
Ohio	7	7	—	x	....	....	x	xxx	xx
Oklahoma	4	3	1	....	....	....	....	xxx	N
Oregon	3	2	1	....	x	....	x	N	....
Pennsylvania	11	11	—	xxx	....	x	xx	xxxx	x
Rhode Island	13	12	1	xxx	N <sup>8</sup>	xxx	xx	xxx	x
S. Carolina	8	8	—	x	x	x	....	xx	xxx
S. Dakota	8	8	—	xx	....	....	x	xxxx	x
Tennessee	9	9	—	....	....	xx	x <sup>6</sup>	xxx	xxx
Texas	7	6	1	Nxx	....	....	....	xxx	x
Utah	6	6	—	xxx	x	x	....	x	....
Vermont	10	9	1	N	x	x	xx	xxxx	x
Virginia	6	4	2	N	....	....	x	N	xxx
Washington	10	10	—	xxx	....	....	xxx	xxx	x
W. Virginia	9	7	2	x	Nx	N	xx	xxx	....
Wisconsin	13	12	1	Nx	xxxx	....	x	xxxx	xx
Wyoming	6	6	—	xx	....	....	xx	xx	x <sup>9</sup>
Dist. of Col.	13	13	—	xxx	xxx	x	x	xx	xxx
Rate increases	410	410	—	58	44	52	61	120	75
New tax enactments	36	—	36	12	10	7	—	5	2
Total	446	410	36	70	54	59	61	125	77

Note: Each x indicates a tax rate increase enactment, and each N indicates a new tax; 1970 enactments are underlined.

<sup>1</sup> Financial institutions.

<sup>2</sup> California enacted a two-step cigarette tax increase, from 3¢ to 7¢ a package eff. 8/1/67 and a further increase from 7¢ to 10¢ eff. 10/1/67.

<sup>3</sup> New tax on capital gains only.

<sup>4</sup> Partly replaces the gross income tax.

<sup>5</sup> Repealed the deduction allowed for federal income tax.

<sup>6</sup> Increase in diesel fuel tax rate only.

<sup>7</sup> "Commuter Income" tax.

<sup>8</sup> New tax on investment income only.

<sup>9</sup> Beer tax increase declared unconstitutional (1963).

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 27 - STATE AND LOCAL SALES TAXES, JANUARY 1, 1971 - SUMMARY TABLE  
(Percentage Rate)

State	State rate	Local rate (max.)	Food exempt	Income tax credit	State	State rate	Local rate (max.)	Food exempt	Income tax credit
Alabama	4	2a			Nebraska	2½	½		
Alaska		5bc			Nevada	2	1½*f		X
Arizona	3	1c			New Jersey	5		X	
Arkansas	3	1			New Mexico	4	½*		
California	4	1*d	X		New York	3	3*	X	
Colorado	3	2a		X	North Carolina	3	1*g		
Connecticut	5		X		North Dakota	4	0.5h	Xj	
Florida	4		X		Ohio	4	1*	X	
Georgia	3			X	Oklahoma	2	e		
Hawaii	4				Oregon	6	0.6	X	
Idaho	3				Pennsylvania	5		X	
Illinois	4	1		X	Rhode Island	4			
Indiana	2				South Carolina	4			
Iowa	3				South Dakota	4	0.5		
Kansas	3				Tennessee	3	1.5*		
Kentucky	5				Texas	3¼	1*	X	
Louisiana	3	2c			Utah	4	0.5*		
Maine	5		X		Vermont	3		X	
Maryland	4		X		Virginia	3	1*		X
Massachusetts	3		X		Washington	4.5			
Michigan	4		X	X	West Virginia	3			
Minnesota	3	1			Wisconsin	4	0.5e	X	
Mississippi	5		X		Wyoming	3			
Missouri	3	1e			District of Columbia	4		Xi	X

\* Uniform State-collection of local sales taxes.  
a - Locally-collected in some jurisdictions, State-collected in others.  
b - In Fairbanks, the combined city-borough rate is five percent.  
c - All local taxes self-administered.  
d - Local governments impose State-collected one percent taxes.  
e - Local tax authorized, but none presently imposed.  
f - A one percent county tax is mandatory.  
g - Imposed in Mecklenburg County only.  
h - State-collected county sales taxes authorized in 1967; none imposed yet.  
i - Food is taxed at two percent.  
j - Limited.

Source: Federation of Tax Administrators, *Tax Administrators News*, Vol. 32, No. 10 (updated).



TABLE 28 - STATE GENERAL SALES TAX RATES, JANUARY 1, 1971  
(Percent)

2	2.5	3	3.25	4	4.5	5	6
Indiana Nevada <sup>1</sup> Oklahoma	Nebraska	Arizona Arkansas Colorado Georgia Idaho Iowa Kansas Louisiana Massachusetts Minnesota Missouri New York North Carolina Tennessee Vermont Virginia West Virginia Wyoming	Texas	Alabama California Florida Hawaii Illinois Maryland Michigan New Mexico North Dakota Ohio South Carolina South Dakota Utah Wisconsin Dist. of Col.	Washington	Connecticut Kentucky Maine Mississippi New Jersey Rhode Island	Pennsylvania
Total . . . . . 3	. . . . . 1	. . . . . 18	. . . . . 1	. . . . . 15	. . . . . 1	. . . . . 6	. . . . . 1

<sup>1</sup>Excludes the one percent mandatory county tax.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 29 - STATE GENERAL SALES TAX RATES AS OF JANUARY 1-1954 THROUGH 1971

State	Rate on tangible personal property at retail (percent)																	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Alabama	3	...	...	...	...	...	...	...	...	...	4	...	...	...	...	...	...	4
Alaska	-	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-
Arizona	2	...	...	...	3	...	3	...	...	...	...	...	...	...	...	...	...	3
Arkansas	2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3
California	3	...	...	...	...	...	...	...	...	...	...	...	...	...	4	...	...	4
Colorado	2	...	...	...	...	...	...	...	...	...	...	...	3	...	...	...	...	3
Connecticut	3	...	3½	3	...	...	...	...	3½	...	...	...	...	...	...	3½	5	5¹
Delaware	2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-
Dist. of Col.	2	...	...	...	...	...	...	...	...	3	...	...	...	...	...	4	...	4
Florida	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	4	...	4
Georgia	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3
Hawaii	2½	...	...	...	3½	...	...	...	...	...	...	...	4	...	...	...	...	4
Idaho	2	...	...	...	...	...	...	...	...	...	...	...	3	...	...	...	...	3
Illinois	2	...	2½	...	...	...	3	...	3½	...	...	...	...	...	4¼	...	4	4
Indiana³	½	...	...	...	3/8	...	...	...	...	...	2	...	...	...	...	...	...	2
Iowa	2	...	2½	...	.2	...	...	...	...	...	...	...	...	...	3	...	...	3
Kansas	2	...	...	...	...	2½	...	...	...	...	...	...	3	...	...	...	...	3
Kentucky	2	...	...	...	...	...	...	3	...	...	...	...	...	...	...	5	...	5
Louisiana	2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2	3
Maine	2	...	...	...	3	...	...	...	...	...	4	...	...	...	4½	...	5	5
Maryland	2	...	...	...	...	3	...	...	...	...	...	...	...	...	...	...	4	4
Massachusetts	-	...	...	...	...	...	...	...	...	...	...	...	...	3	...	...	...	3
Michigan	3	...	...	...	...	...	...	4	...	...	...	...	...	...	...	...	...	4
Minnesota	-	...	...	...	...	...	...	...	...	...	...	...	...	...	3	...	...	3
Mississippi	2	...	3	...	...	...	...	...	...	...	...	3½	...	...	...	5	...	5
Missouri	2	...	...	...	...	...	...	...	...	...	3	...	...	...	...	...	...	3
Montana	-	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-
Nebraska	-	...	...	...	...	...	...	...	...	...	...	...	...	...	2½	2	2½	2½
Nevada	-	...	...	...	...	...	...	...	...	...	...	...	...	...	3	...	...	3
New Hampshire	-	...	2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-

See footnotes at the end of table.

TABLE 29 — STATE GENERAL SALES TAX RATES AS OF JANUARY 1-1954 THROUGH 1971 (Cont'd)

State	Rate on tangible personal property at retail (percent)																	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
New Jersey . . . . .	-	-	-	-	-	-	-	-	-	-	-	-	-	3	...	...	...	5
New Mexico . . . . .	2	...	...	...	...	...	...	...	...	...	3	...	...	...	...	...	4	4
New York . . . . .	-	-	-	-	-	-	-	-	-	-	-	-	2	...	...	...	3	3
North Carolina . . . . .	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3
North Dakota . . . . .	2	...	...	...	...	...	...	...	...	...	2½	...	...	...	3	...	4	4
Ohio . . . . .	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	4
Oklahoma . . . . .	2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2
Oregon . . . . .	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennsylvania . . . . .	1	...	4	3	...	...	4	...	...	...	5	...	...	...	6	...	...	6
Rhode Island . . . . .	2	...	...	...	3	...	...	...	...	...	...	3½	4	...	5	...	...	5
South Carolina . . . . .	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	4
South Dakota . . . . .	2	...	...	...	...	...	...	...	...	...	...	...	3	...	...	...	4	4
Tennessee . . . . .	2	...	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3
Texas . . . . .	-	-	-	-	-	-	-	-	2	...	...	...	...	...	...	3	...	3½
Utah . . . . .	2	...	...	...	...	...	...	2½	...	...	3	...	...	...	...	...	4	4
Vermont . . . . .	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Virginia . . . . .	-	-	-	-	-	-	-	-	-	-	-	-	-	2	...	3	...	3
Washington . . . . .	3	...	3 1/3	...	...	...	4	...	...	...	...	...	4 1/5	...	4½	...	...	4½
W. Virginia . . . . .	2	...	...	...	...	...	...	3	...	...	...	...	...	...	...	...	...	3
Wisconsin . . . . .	-	-	-	-	-	-	-	3 <sup>5</sup>	...	...	...	...	...	...	...	...	4	4
Wyoming . . . . .	2	...	...	...	...	...	...	...	...	...	...	...	2½	...	3	...	...	3
Number of States with tax <sup>6</sup>	34	34	34	35	35	35	35	36	38	38	38	38	40	43	45	45	46	46

Note: Dots (. . .) indicate no rate change since previous rate shown. A dash (-) indicates no sales tax in effect as of January 1.

<sup>1</sup>Includes a temporary 1½% additional tax through June 30, 1971. Sales under 10¢ taxed at ½ the regular rate.

<sup>2</sup>Delaware enacted a 2% use tax on leases of tangible personal property other than household furniture, fixtures or furnishings, effective July 1, 1969.

<sup>3</sup>Prior to 1964 the rates shown are for the "gross income" tax, included because of its many sales tax features. On April 20, 1963, the Governor approved Indiana's new 2% sales and use tax bill which, after being declared unconstitutional by a lower court, was upheld by the State Supreme Court and went into effect October 23, 1963.

<sup>4</sup>Previous tax expired in 1955 and was reinstated in revised form by the Act of March 6, 1956, effective March 7, 1956, at the rate of 3%.

<sup>5</sup>Effective December 31, 1961. However, the tax was operative only on sales made on and after February 1, 1962.

<sup>6</sup>Includes District of Columbia; also includes Hawaii for the period prior to attaining statehood.

**TABLE 30 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971**  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Alabama . . . . .	Retail sales	4 <sup>2</sup>	4	4	4	3	3	3	....	Agricultural machinery and equipment, and mining and manufacturing machinery, 1½%; gross receipts of amusement operators, 4%.
Arizona . . . . .	do	3	3	3	3	3	3	3	3 <sup>4</sup>	Lease or rental of real and tangible personal property, advertising, printing, publishing, contracting, storage, and amusement operators, 3%; extracting and processing minerals, 2%; timbering, 1½%; meat-packing and wholesale sales of feed to poultrymen and stockmen, 3/8%.
Arkansas . . . . .	do	3	3	3	3	3	3	3	....	Printing, photography, and receipts from coin-operated devices, 3%.
California . . . . .	do	4	....	4	....	....	....	....	....	Renting, leasing, producing, fabrication, processing, printing or imprinting of tangible personal property, 4%.
Colorado . . . . .	do	3	....	3	3	3	3	....	....	Selling, leasing or delivering in Colorado of tangible personal property by a retail sale for use, storage, distribution or consumption within the State, 3%.
Connecticut <sup>5</sup> . . . . .	do	5	....	5 <sup>6</sup>	5	....	....	....	....	Storing for use or consumption of any article or item of tangible personal property, 5%.
Florida . . . . .	do	4 <sup>2</sup>	4	4	4	4	4 <sup>7</sup>	....	....	Fishing, hunting, camping, swimming and diving equipment, 5% of wholesale price or

See footnotes at the end of table.

TABLE 30 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Florida (cont'd)										cost. Rental, storage or furnishing of taxable things or services, altering, remodeling or repairing tangible personal property, lease or rental of commercial offices or buildings, the rental of privately owned parking and docking facilities, and rental income of amusement machines, 4%; specified industrial machinery, ships and equipment designed for use exclusively by commercial fisheries, 3%.
Georgia .....	Retail sales	3	3	3	3	3	3	....	3 <sup>4</sup>	Lease or rental of tangible personal property, and charges on amusements and amusement devices, 3%.
Hawaii .....	Multiple stage sales	4	4	4	4	....	....	....	....	Manufacturers, producers, wholesalers, and selected service businesses, 1/2%; sugar processors and pineapple canners, 1/2%; insurance solicitors, 2%; contractors, sales representatives, professions, radio broadcasting stations, service businesses and other businesses (not otherwise specified), including amusement business, 4%.
Idaho .....	Retail sales	3	3	3	3	....	....	....	....	Renting, leasing, producing, fabricating, processing, printing or imprinting of tangible personal property, and gross receipts of amusement operators, 3%. (5% of the gross receipts from sales of tickets to closed circuit telecasts of boxing, sparring and wrestling matches).

See footnotes at the end of table.

TABLE 30 - STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax						Rates on other services and businesses subject to tax (including retail sales subject to special rates)	
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water		Transportation of persons and property
Illinois .....	Retail Sales	4	.....	4	.....	.....	.....	.....	.....	Property sold in connection with a sale of service, 4%; remodeling, repairing and reconditioning of tangible personal property, 4%. Hotel operators are subject to a hotel occupancy tax of 5% of 95% of the gross receipts from the rental of rooms to transients.
Indiana .....	do	2	.....	2	2	2 <sup>7</sup>	2 <sup>7</sup>	2 <sup>7</sup>	.....	Lease or rental of tangible personal property, 2%.
Iowa .....	do	3	3	3	3	3	3	3	.....	Laundry, drycleaning, automobile and cold storage, printing, repair service to tangible personal property, and gross receipts derived from operation of amusement devices and commercial amusement enterprises, 3%.
Kansas .....	do	3	3	3	3	3	3 <sup>7</sup>	3 <sup>7</sup>	.....	Drycleaning, pressing, dyeing and laundry service; washing and waxing vehicles; sales to contractors, subcontractors or repairmen of materials and supplies for use in building, improving, altering or repairing property for others; service or maintenance agreements; gross receipts from the operation of any coin-operated device; and lease or rental of tangible personal property, 3%.
Kentucky .....	do	5	5 <sup>8</sup>	5	5	5	5	5	.....	Storage, use or other consumption of tangible personal property, sewer services, photography and photo finishing, 5%.
Louisiana .....	do	3	3	3	.....	.....	.....	.....	.....	Laundry, drycleaning, automobile and cold storage, printing, repairing, renting, or leasing of tangible personal property, 3%.

See footnotes at the end of table.

TABLE 30 - STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Maine .....	do	5	....	5	5	5	5	5	....	Renting, storing, fabricating or printing of tangible personal property, 5%.
Maryland .....	Retail Sales	4 <sup>2</sup>	....	4 <sup>6</sup>	4	....	4 <sup>7</sup>	....	....	Lease or rental of tangible personal property, production, fabrication, or printing on special order, 4%; farm equipment, manufacturing machinery and equipment, 2%; watercraft, 3%.
Massachusetts .....	do	3	....	6	....	....	....	....	....	Renting, leasing, producing, fabricating, processing, printing or imprinting of tangible personal property, 3%. Transient lodging is subject to a 5.7% (5% plus 14% surtax) room occupancy excise tax.
Michigan .....	do	4	....	4	4	4	4	....	....	Sales of property to persons engaged in constructing, altering, repairing or improving realty for others; and lease or rental of tangible personal property, 4%.
Minnesota .....	do	3	3	3	3	3	3	3	....	Renting, leasing, processing, producing, fabricating or printing tangible personal property, 3%.
Mississippi <sup>9</sup> .....	Multiple stage sales	5 <sup>2</sup>	....	5	5	5	5 <sup>7</sup>	5	5 <sup>4</sup>	Wholesaling, 1/8% (with following exceptions: sales of meat for human consumption, 1/4%; alcoholic beverages, motor fuel, soft drinks and syrups, 5%); extracting or mining of minerals, 5%; specified miscellaneous businesses (including bowling alleys, pool parlors, laundry and dry cleaning, photo finishing, storage, certain repair services), 5%, except cotton ginning, 15 ¢ per bale; sales of railroad track material (to a railroad whose rates are fixed) 3%; contracting (contracts exceeding \$10,000), 2 1/2%; farm tractors,

See footnotes at the end of table.

TABLE 30 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Mississippi <sup>9</sup> (cont'd) . . . . .										1%; electric power associations; renting or leasing manufacturing or processing machinery, and sales of manufacturing machinery and manufacturing machine parts over \$500, 1%.
Missouri . . . . .	Retail sales	3	3	3	3	3	3 <sup>7</sup>	3	3 <sup>4</sup>	Trailer camp rentals, and lease or rental of tangible personal property, 3%.
Nebraska . . . . .	do	2½	2½	2½	2½	2½	2½	2½	....	Renting, leasing, producing, fabricating, processing, printing or imprinting of tangible personal property, 2½%.
Nevada . . . . .	do	3	....	3	....	....	....	....	....	Renting, leasing, producing, fabricating, processing, and printing, or imprinting of tangible personal property, 3%.
New Jersey . . . . .	do	5	5 <sup>10</sup>	5	5	....	....	....	....	Advertising, renting, leasing, producing, fabricating, processing, printing, or imprinting, and installation or maintenance of tangible personal property, 5%.
New Mexico . . . . .	do	4 <sup>2</sup>	4	4	4	4	4	4	4	Leasing or storing tangible personal property, and sales of services, 4%. Sales of farm implements, 2%.
New York . . . . .	do	3	3 <sup>10</sup>	3 <sup>6</sup>	3	3	3	....	....	Renting, leasing, producing, fabricating, processing, printing or imprinting, and installation or maintenance of tangible personal property, 3%.

See footnotes at the end of table.



**TABLE 30 – STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)**  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
North Carolina . . . . .	Retail Sales	3 <sup>2</sup>	....	3	3	....	....	....	....	Leasing or renting of tangible personal property, laundry and drycleaning, 3%; airplanes, boats, railway locomotives and cars, 2% (with a maximum tax of \$120 per item); sales of horses or mules, sales of fuel to farmers, manufacturing industries and plants other than for residential heating purposes, and to commercial laundries or to pressing and drycleaning establishments, sales of machinery to farmers, manufacturing industries, laundry and drycleaning establishments, and other selected items, 1% (maximum tax is \$80 per article for several items).
North Dakota . . . . .	do	4 <sup>2</sup>	4	4	4	4	4	4	....	Leasing, renting, fabricating, and storing of tangible personal property, proceeds from coin-operated amusement or entertainment machinery, and the severance of sand or gravel from the soil, 4%.
Ohio . . . . .	do	4	....	4	4	....	....	....	....	Printing, processing, and reproducing, 4%.
Oklahoma . . . . .	do	2 <sup>2</sup>	2	2	2	2	2	....	2 <sup>4</sup>	Advertising (limited), gross proceeds from amusement devices, printing, automobile storage, 2%.
Pennsylvania . . . . .	do	6	....	6	6	6	6	....	....	Repairing, altering, cleaning and lease or rental of tangible personal property, cleaning, polishing, lubricating, and inspecting of motor vehicles, and rental income of coin-operated amusement machines, 6%.

See footnotes at the end of table.



TABLE 30 - STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Texas . . . . .	Retail sales	3¼ <sup>2</sup>	....	3%	....	....	3¼ <sup>7</sup>	....	....	Producing, processing, and lease or rental of tangible personal property, 3¼%.
Utah . . . . .	do	4	4	4	4	4	4	....	4 <sup>4</sup>	Laundry, and drycleaning, repairing, renovating, installing, fabricating, and lease or rental of tangible personal property, 4%.
Vermont . . . . .	do	3	3	11	11	....	3	....	....	Renting, leasing, producing, fabricating, processing, printing or imprinting of tangible personal property, 3%.
Virginia . . . . .	do	3 <sup>2</sup>	....	3	3	....	....	....	....	Fabricating, storage, lease or rental of tangible personal property, 3%.
Washington . . . . .	do	4½	4½	4½	4½	....	....	....	....	Charges for certain specified services, 4½%; selected amusement and recreation activities, 4½% (unless subject to county or city admission taxes, in which case they remain taxable under the State and business and occupation tax, 1%).
West Virginia . . . . .	do	3 <sup>2</sup>	3	3	3	....	....	....	....	All services (including services rendered in amusement places), except public utilities and personal and professional services; and renting or leasing tangible personal property, 3%.
Wisconsin . . . . .	do	4	4 <sup>10</sup>	4	4	4	4 <sup>7</sup>	....	....	Laundry, drycleaning, photographic services, the repair, service, maintenance, lease or rental of all items of taxable tangible personal property, 4%.

See footnotes on the following page.

TABLE 30 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)  
(Percent)

State	Type of tax <sup>1</sup>	Rate on tangible personal property at retail	Rates on selected services subject to tax						Rates on other services and businesses subject to tax (including retail sales subject special rates)	
			Admis- sions	Restau- rant meals	Tran- sient lodging	Tele- phone and tele- graph	Gas and elec- tricity	Water		Trans- portation of persons and prop- erty
Wyoming . . . . .	do	3	3	3	3	3	3 <sup>7</sup>	. . . .	3	Laundry, drycleaning, producing, fabricating, repairing, altering, printing, lease or rental (with exceptions) of tangible personal prop- erty, plus numerous other service businesses, 3%.
District of Columbia . . . . .	do	4 <sup>2</sup>	4	5	5	4	4 <sup>7</sup>	4	. . . .	Laundry, drycleaning and pressing services (except self-service coin operated services) and nonprescription medicines, 2%. Pro- ducing, fabricating, printing, lease or rental (with exceptions), and repair of tangible personal property, 4%.

<sup>1</sup>All but a few States levy sales taxes of the single-stage retail type. Hawaii and Mississippi levy multiple-stage sales taxes (although the Arizona and New Mexico taxes are applicable to some nonretail businesses, they are essentially retail sales taxes). Washington and West Virginia levy a gross receipts tax on all businesses, distinct from their sales taxes. Alaska also levies a gross receipts tax on businesses, and New Jersey levies a retail gross receipts tax plus an unincorporated business tax (which includes, unincorporated retail stores). The rates applicable to retailers (with exceptions) under these gross receipts taxes are as follows: Alaska ½% on gross receipts of \$20,000 — \$100,000, and ¼% on gross receipts in excess of \$100,000; New Jersey, retail gross receipts — 1/20 of 1% on gross receipts in excess of \$150,000, unincorporated business tax — ¼ of 1% if gross receipts exceed \$5,000; Washington, 44/100% and West Virginia, ½%.

<sup>2</sup>Motor vehicles are taxable at the general rates with certain exceptions. The following States apply different rates to motor vehicles under their general sales and use tax laws: Alabama, 1½%; Florida, 3%; Mississippi, 3%; and North Carolina, 2% (maximum \$120). The following exempt motor vehicles from their general sales and use taxes but impose special sales or gross receipts taxes on them under their motor vehicle laws: District of Columbia, 4% titling tax; Maryland, 4% titling tax; New Mexico, 2% excise tax; North Dakota, 4% excise tax; Oklahoma, 2% excise tax; South Dakota, 3% excise tax; Texas 3% sales and use tax; Virginia, 2% sales and use tax; and West Virginia, 3% titling tax. See also table 67 for sales tax treatment of motor vehicles.

<sup>3</sup>Gross sales or gross receipts taxable under separate "Utility Tax Act."

<sup>4</sup>Arizona and Mississippi also tax the transportation of oil and gas by pipeline. Georgia exempts transportation of property, and charges by municipalities, counties, and public transit authorities for transporting passengers upon their conveyances. Missouri, Oklahoma, and Utah do not tax transportation of property. Mississippi taxes bus and taxicab transportation at the rate of 2%. Oklahoma does not tax local trans- portation, school transportation, and fares of 15 cents or less. Utah does not tax street railway fares.

<sup>5</sup>Sales under 10¢ taxed at ½ the regular rate.

<sup>6</sup>Restaurant meals below a certain price are exempt: Connecticut, less than \$1; Maryland, \$1 or less; New York, less than \$1 (when alcoholic beverages are sold, meals are taxable regardless of price). The Massachusetts retail sales tax exempts restaurant meals, which (\$1 or more) are taxed at 5.7% (5% plus 14% surtax) under the meals excise tax.

TABLE 30 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1971 (Cont'd)  
(Percent)

<sup>7</sup>Florida exempts fuels used by a public or private utility in the generation of electric power or energy for sale. Indiana exempts gas, electricity, and water used in manufacturing, mining, refining, oil or mineral extraction, and irrigation; also exempts sale of utility services to other utilities. Kansas exempts gas, electricity, and water used in farming, processing, manufacturing, mining, drilling, refining, irrigation, telephone and telegraph and other taxable services or for use in movement in interstate commerce by railroads or public utilities. Kentucky exempts energy or energy producing fuels used in manufacturing, processing, mining, or refining to the extent that costs exceed 3% of the cost of production. Maryland exempts sales of gas and electricity when made for purposes of resale or use in manufacturing, assembling, processing, refining, or the generation of electricity. Mississippi exempts wholesale sales of electricity between power companies and taxes industrial sales of gas and electricity at the rate of 1%. Missouri exempts electrical energy used in manufacturing, processing, etc., of a product, if the total cost of electrical energy used exceeds 10% of the total cost of production, excluding the cost of electrical energy so used. South Carolina's tax is not applicable to sales of gas used in manufacturing or in furnishing laundry service; also exempt are sales of electricity for use in manufacturing tangible personalty and electricity sold to radio and television stations used in producing programs. Tennessee taxes gas, electricity and water sold to or used by manufacturers at the rate of 1% (if used directly in the manufacturing process they are exempt). Texas exempts gas and electricity used in manufacturing, mining, or agriculture. Wisconsin's tax is not applicable to gas or to electricity for space heating charged at a specific rate. Wyoming exempts gas and electricity consumed in manufacturing, processing, and the transportation business. The District of Columbia exempts gas and electricity used in manufacturing, assembling, processing and refining.

<sup>8</sup>The tax on sale of tickets to prize fights or wrestling matches on closed circuit television is 5% of the gross receipts. The 5% tax also applies to payments received from broadcasting companies for the right to televise or broadcast any match.

<sup>9</sup>In Mississippi, effective August 1, 1968, the State sales tax on tangible personal property was increased from 3½% to 5%; however, authority for local sales tax was repealed.

<sup>10</sup>In New Jersey, admissions to a place of amusement are taxable if the charge is in excess of 75 cents. New York taxes admissions when the charge is over 10 cents: exempt are participating sports (such as bowling and swimming), motion picture theatres, race tracks, boxing, wrestling, and live dramatic or musical performances. Sales of admissions to motion picture theatres costing 75 cents or less are exempt in Wisconsin.

<sup>11</sup>Taxed at 5% under separate "Meals and Rooms Tax."

Source: Commerce Clearing House, *State Tax Reporter*.

**TABLE 31 – EXEMPTION OF FOOD AND MEDICINE IN  
STATE GENERAL SALES TAXES, JANUARY 1, 1971**

State	Tax rate (percent)	Food <sup>1</sup>	Medicine <sup>2</sup>
Arizona	3	....	x
California	4	x	x
Colorado*	3	....	x
Connecticut	5	x	x
Dist. of Columbia	4	x <sup>3</sup>	x
Florida	4	x	x
Idaho	3	....	x
Indiana*	2	....	x
Kentucky	5	....	x
Maine	5	x	x
Maryland	4	x	x
Massachusetts	3	x	x
Michigan	4	....	x <sup>4</sup>
Minnesota	3	x	x
Nebraska*	2	....	x
Nevada	2	....	x
New Jersey	3	x	x
New York	3	x	x
North Carolina	3	....	x
North Dakota	4	x <sup>5</sup>	x
Ohio	4	x	x
Pennsylvania	6	x	x
Rhode Island	5	x	x
Texas	3	x	x
Vermont	3	x	x
Virginia	3	....	x
West Virginia	3	....	x
Wisconsin	4	x	x

Note: In South Carolina effective March 31, 1970 persons aged 65 or older may apply to the Tax Commission for reimbursement of sales tax paid for prescription medicines.

\*Also allows personal income tax credit or cash rebate. See table 40.

<sup>1</sup> Food exemptions usually apply to "food for human consumption off the premises where sold." Restaurant meals are taxable in all States, although meals costing less than a specified amount are exempt in some States.

<sup>2</sup> The exemption is usually applicable to medicine sold on prescription or compounded by druggists, and often to medical and dental aids or devices such as artificial limbs, eye-glasses, and dentures. Some States exempt patent medicines and household remedies.

<sup>3</sup> Rate on food is 2 percent.

<sup>4</sup> The exemption is applicable only to 50 percent of the amount charged for recorded drug prescriptions. Full exemption applies to artificial limbs and eyes.

<sup>5</sup> Limited to milk and milk products and fresh and cured meats, including poultry and fish and other fresh and saltwater animal products, when purchased by consumers for consumption off the premises. The exemption does not apply, however, to such products if preserved by enclosure in an airtight container.

TABLE 32 – LOCAL SALES TAX RATES, JANUARY 1, 1971

State and type of local government	State tax rate (percent) <sup>2</sup>	Local government tax rates <sup>2</sup>				
		1/2 percent	3/4 percent	1 percent	2 percent	3 percent
Alabama	4					
183 municipalities <sup>3</sup>	....	8	....	150	19	....
21 counties	....	2	....	17	2	....
Alaska	....					
45 municipalities <sup>4</sup>	....	....	....	4	25	12
5 boroughs <sup>5</sup>	....	....	....	1	2	1
Arizona	3					
32 municipalities	....	....	....	30	2	....
Arkansas	3					
1 municipality	....	....	....	1	....	....
California	4					
380 municipalities	....	....	....	380 <sup>6</sup>	....	....
58 counties <sup>7</sup>	....	....	....	58	....	....
SFO Bay Area Rapid transit District <sup>8</sup>	....	1	....	....	....	....
Colorado	3					
53 municipalities	....	....	....	36	16	1
6 counties	....	....	....	5	1	....
Illinois	4					
1,240 municipalities (approx.)	....	30	85	1,125	....	....
97 counties	....	1	5	91	....	....
Louisiana	3					
76 municipalities <sup>9</sup>	....	4	....	68	3	....
11 parishes <sup>9</sup>	....	....	....	9	1	....
47 school districts <sup>9</sup>	....	2	1	44	....	....
Minnesota	3					
1 municipality	....	....	....	1	....	....
Missouri	3					
21 municipalities	....	6	....	15	....	....
Nebraska	2½					
2 municipalities	....	1	....	1	....	....
Nevada	3					
2 counties	....	2	....	....	....	....
New Mexico	4					
3 counties <sup>10</sup>	....	1	....	....	....	....
New York	3					
19 municipalities <sup>11</sup>	....	....	....	4	5	2
41 counties	....	....	....	1	14	26
North Carolina	3					
26 counties	....	....	....	26	....	....
Ohio	4					
5 counties	....	5	....	....	....	....

See footnotes on the next page.

TABLE 32 – LOCAL SALES TAX RATES, JANUARY 1, 1971 (Cont'd)

State and type of local government	State tax rate (percent) <sup>2</sup>	Local government tax rates <sup>2</sup>				
		1/2 percent	3/4 percent	1 percent	2 percent	3 percent
Oklahoma	2					
239 municipalities	....	....	....	237	2	....
South Dakota	4					
4 municipalities	....	....	....	4	....	....
Tennessee	3					
13 municipalities <sup>1,2</sup>	....	....	....	9 <sup>1,3</sup>	....	....
81 counties <sup>1,4</sup>	....	....	....	64 <sup>1,3</sup>	....	....
Texas	3¼					
574 municipalities	....	....	....	574	....	....
Utah	4					
150 municipalities (approx.)	....	150	....	....	....	....
27 counties	....	27	....	....	....	....
Virginia	3					
38 municipalities	....	....	....	38	....	....
96 counties	....	....	....	96	....	....
Washington	4½					
196 municipalities	....	196 <sup>1,5</sup>	....	....	....	....
25 counties	....	25 <sup>1,5</sup>	....	....	....	....

<sup>1</sup> This tabulation includes only these local sales taxes about which authoritative information is available: The following cities with 1960 populations of 50,000 or more impose a sales tax: Buffalo, Duluth, Lincoln, New York, Niagara Falls, Omaha, St. Louis, Sioux Falls, Troy, University City, Yonkers, and all cities of 50,000 or over in Alabama (except Gadsden), Arizona, California, Colorado, Illinois, Louisiana, Oklahoma, Texas (except Midland, Odessa, and Tyler), Utah Virginia and Washington. The District of Columbia, not included in this tabulation, levies a 4 percent sales tax. The 1 percent mandatory Nevada "local school support tax" is included with the State sales tax.

<sup>2</sup> The rates shown are applicable to sales of tangible personal property at retail.

<sup>3</sup> Includes 6 cities with a 1 1/2 percent rate. In some cases the legislation authorizing county sales taxes takes account of any city sales taxes in the county. Numerous cities specify that the rate outside the city but within its police jurisdiction is 1/2 of the rate applicable within the city. The rate within the police jurisdiction of the city of Hamilton is 1/8 of the 1 percent city rate. The rate within the police jurisdiction of the city of Littleville is 1/6 of the 1 1/2 percent city rate.

<sup>4</sup> Includes one city with a 2 1/2 percent rate, two with a 4 percent rate, and one with a 5 percent rate. Seven of these cities are located in the five boroughs that also impose a sales tax. Sales in these cities are subject to both taxes.

<sup>5</sup> Includes one borough with a 1 1/2 percent rate.

<sup>6</sup> A county and its cities must agree on the amount of tax that is to be received by each of the cities from the State administered local tax collections. Usually the agreed city rate is between 0.85 percent and 1 percent, and the city tax must be credited against the countywide 1 percent tax.

<sup>7</sup> Includes the city-county of San Francisco.

<sup>8</sup> The Board of Directors of the San Francisco Bay Area Rapid Transit District must impose, by ordinance, a one-half of 1% retail transactions and use tax in the counties of San Francisco, Alameda, and Contra Costa in order to finance the completion of the rapid transit system. The tax is in addition to the present combined State and local sales and use tax rate of 5%. An advisory election may be called jointly by the boards of supervisors of the three counties to allow voters to vote upon alternate methods of financing the completion of the system. The tax is to be collected by the State Board of Equalization.

<sup>9</sup> Includes 1 city with a 1 1/4 percent rate, and one school district with a 1 1/2 percent rate. Because of overlapping, a 2 percent or 3 percent local rate is in effect in several municipalities and parishes: municipal rate plus parish or school district rate in municipalities, and parish rate plus school district rate in several parishes.

<sup>10</sup> Includes two counties with a 1/4 percent rate.

<sup>11</sup> Includes eight cities with a 1 1/2 percent rate. The statutory maximum combined city and county local rate is 3 percent.

Footnotes are continued on next page.



TABLE 32 – LOCAL SALES TAX RATES, JANUARY 1, 1971 (Cont'd)

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<sup>12</sup>Includes 4 municipalities with a 1/2 percent rate.

<sup>13</sup>The maximum tax on a single transaction is \$5.

<sup>14</sup>Includes 17 counties with a 1 1/2 percent rate and a maximum of \$7.50 on a single transaction.

<sup>15</sup>County rates must be 1/2 of 1%, city rates may not exceed 1/2 of 1%. If the county in which the city is located imposes a tax, the rate of the city tax may not exceed 0.425%. County tax must allow credit for full amount of any city tax.

Source: Commerce Clearing House, *State Tax Reporter*.

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**TABLE 33 – STATUTORY PROVISIONS GOVERNING IMPOSITION OF GENERAL SALES TAXES  
BY LOCAL GOVERNMENTS, JANUARY 1, 1971**

State and type of local government	Statutory authority	Number using	Scope	Rate limits	Voter approval	Administration
Alabama						
Municipalities	Business and occupational license	183	Sales & use	None	No	Local option <sup>1</sup>
Counties	Specific <sup>2</sup>	21	Do	2%	Yes <sup>2</sup>	State <sup>1</sup>
Alaska						
Municipalities	Specific	45	Sales	3% <sup>3</sup>	Yes	Local
Boroughs	Do	5	Do	3% <sup>3</sup>	Do	Do
Arizona						
Municipalities	Business and occupational license	32	Do	None	No	Do
Arkansas						
Municipalities	Specific	1	Sales	1%	Yes	State
California						
Municipalities	Specific	380	Sales & use	1% <sup>4</sup>	No	State
Counties	Do	58 <sup>5</sup>	Do	1% <sup>4</sup>	Do	Do
Special districts	Do	1	Do	½%	Do	Do
Colorado						
Municipalities <sup>6</sup>	Home rule <sup>6</sup>	53	Both <sup>6</sup>	None <sup>6</sup>	Do <sup>6</sup>	21 Local; 32 State <sup>6,7</sup>
Counties	Specific	6	Sales	6	Yes	State
Illinois						
Municipalities	Do	1,240	Do	1%	Do	State
Counties	Do	97	Do	1%	Do	Do
Kansas <sup>8</sup>						
Municipalities	Do	....	Sales & use	0.5% or 1%	Do	Do
Counties	Do	....	Do	0.5% or 1%	Do	Do
School Districts	Do	....	Do	0.5% or 1%	Do	Do
Louisiana						
Municipalities	Do	76	Do	1% <sup>9</sup>	Yes	Local
Parishes	Do	11	Do	1% <sup>10</sup>	Do	Do
School districts	Do	47	Do	1% <sup>11</sup>	Do	Do
Minnesota						
Municipality	Do	1	Do	None	Yes	Do
Missouri						
Municipalities	Do	21	Sales	0.5% or 1%	Yes	State
Nebraska						
Municipalities	Do	2	Sales & use	0.5% or 1%	No	Do
Nevada						
Counties	Do	2	Do	0.5%	Do	Do
New Mexico						
Counties	Do	3	Sales	0.25% or 0.5% <sup>12</sup>	No	Do

See footnotes at the end of table.

**TABLE 33 – STATUTORY PROVISIONS GOVERNING IMPOSITION OF GENERAL SALES TAXES  
BY LOCAL GOVERNMENTS, JANUARY 1, 1971 (Cont'd)**

State and type of local government	Statutory authority	Number using	Scope	Rate limits	Voter approval	Administration
<b>New York</b>						
Municipalities	Do	19	Sales & use	3%	No	State
Counties	Do	41	Do	3%	Do	Do
<b>North Carolina</b>						
Counties	Do	26	Do	1%	Yes	Do
<b>Ohio</b>						
Counties	Do	5	Do	0.5%	13	Do
<b>Oklahoma</b>						
Municipalities	Do	239	Sales	14	Yes	Local <sup>15</sup>
<b>Oregon</b>						
Municipalities <sup>16</sup>	Do	...	Do	None	No	Local
<b>South Dakota</b>						
Municipalities	Do	4	Sales & use	None	Do	State
<b>Tennessee</b>						
Municipalities	Do <sup>17</sup>	13	Sales & use	1½% <sup>18</sup>	Yes	State <sup>19</sup>
Counties	Do <sup>17</sup>	81	Do	1½% <sup>18</sup>	Do	Do <sup>19</sup>
<b>Texas</b>						
Municipalities	Do	574	Do	1%	Do	State
<b>Utah</b>						
Municipalities	Do	150	Sales	0.5%	No	State
Counties	Do	27	Do	0.5%	Do	Do
<b>Virginia</b>						
Municipalities	Specific	38	Sales & use	1%	No	State
Counties	Do	96	Do <sup>20</sup>	1%	Do	Do
<b>Washington</b>						
Municipalities	Do	196	Sales & use	0.5% <sup>21</sup>	Do	Do
Counties	Do	25	Do	0.5% <sup>21</sup>	Do	Do
<b>Wisconsin</b>						
Counties	Do <sup>22</sup>	...	Sales	0.5%	No	Do

<sup>1</sup> The State Department of Revenue is authorized, on request by a municipality, to collect local sales and use taxes. The municipal tax must parallel the State tax except for the rate. The Department of Revenue presently administers 140 of the 183 municipal sales taxes. The statutes applicable to individual counties usually (in 17 counties) require State administration.

<sup>2</sup> Specific statutory authority is given to individual counties. Voter approval is required in most cases.

<sup>3</sup> First class cities, incorporated villages, and first and second class boroughs; otherwise 2 percent.

<sup>4</sup> A city tax may be at any rate up to 1% (usually between 0.85% and 1%) and must be credited against the countywide 1% tax.

<sup>5</sup> Includes the city-county of San Francisco.

<sup>6</sup> Home rule cities only. H.B. 1141, Laws 1967 provides that counties, second class cities and incorporated towns, with voter approval, may also levy sales taxes but the total State and county, city or town rate cannot exceed 7%. Such taxes must begin either January 1 or July 1 of any year and are administered by the Director of Revenue. The director must be notified at least 120 days prior to the effective date. This law does not affect or limit the power of home rule cities to levy local sales and use taxes.

<sup>7</sup> Home rule cities may contract with the State for administration and collection, without charge, if local tax conforms to certain specifications (one requirement is that home rule cities do not impose a use tax).

<sup>8</sup> New authorization effective 4/1/70. No local tax may be imposed prior to Nov. 1, 1970. To date no local tax has been imposed.

<sup>9</sup> Baker, Baton Rouge, and Zachary 1½%; New Orleans, 2%.

Footnotes are continued on the next page.

**TABLE 33 – STATUTORY PROVISIONS GOVERNING IMPOSITION OF GENERAL SALES TAXES  
BY LOCAL GOVERNMENTS, JANUARY 1, 1971 (Cont'd)**

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- <sup>10</sup> East Baton Rouge 1¼%; Jefferson 1½ percent.
- <sup>11</sup> St. Bernards and Jefferson ½ percent.
- <sup>12</sup> The general limit is ¼%; certain specific counties are authorized to levy a ½% rate.
- <sup>13</sup> Not required unless a specified percentage of voters petition.
- <sup>14</sup> Incorporated cities and towns are authorized to levy and collect taxes (except property taxes) to the same extent as the State legislature. The State sales tax rate is currently 2 percent.
- <sup>15</sup> Municipalities and the State Tax Commission are authorized to enter into contractual agreement for State collection (all municipal sales taxes are presently State collected). Municipalities are required to enforce their own sales tax laws, even if the Commission collects the tax.
- <sup>16</sup> Cities with population of 9,000 – 10,500 only, but none is presently using this authority.
- <sup>17</sup> Where the county elects to levy such tax, half the proceeds originating in a city or town are shared with such city or town, and any city or town is pre-empted from enacting such tax unless it does not reach the maximum rate in which case the city or town may levy the difference between the rate established by a county and the maximum rate allowed.
- <sup>18</sup> The rate is limited to ½ of the State sales tax rate and the maximum tax on a single transaction is limited to \$7.50.
- <sup>19</sup> Optional.
- <sup>20</sup> One county (Lee) does not levy a use tax.
- <sup>21</sup> County rates must be ½ of 1%, city rates may not exceed ½ of 1%. If the county in which the city is located imposes a tax, the rate of the city tax may not exceed 0.425%. County tax must allow credit for full amount of any city tax.
- <sup>22</sup> S-B. 95 approved August 27, 1969 authorized counties to levy ¼ of 1% sales taxes on same items subject to the State sales tax. If enacted, taxes will become operative on January 1 of the year following enactment.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 34 – EFFECTIVE RATES OF STATE PERSONAL INCOME TAXES  
FOR SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE  
WITH TWO DEPENDENTS, BY STATE, 1969<sup>1</sup>

State	Adjusted gross income class							
	\$2,500	\$3,500	\$5,000	\$7,500	\$10,000	\$17,500	\$25,000	\$50,000
Alabama . . . . .	—	—	0.2	0.8	1.3	2.0	2.4	2.5
Alaska . . . . .	—	.5	1.3	1.7	2.0	2.6	3.2	4.9
Arizona . . . . .	—	—	.5	1.0	1.4	1.9	2.6	3.3
Arkansas . . . . .	—	—	.3	.9	1.3	2.0	2.5	3.4
California . . . . .	—	—	—	.1	.6	1.7	2.7	5.2
Colorado <sup>2</sup> . . . . .	– 1.1	– .7	.1	.9	1.4	2.3	3.2	3.7
Delaware . . . . .	—	.3	.6	1.3	2.2	3.8	4.8	6.2
District of Columbia . . . . .	—	.1	.7	1.5	2.1	3.0	3.7	4.5
Georgia . . . . .	—	—	.1	.5	1.0	2.2	3.1	4.2
Hawaii <sup>2</sup> . . . . .	– 5.7	– 2.7	.2	2.1	3.3	4.2	5.0	6.4
Idaho <sup>3</sup> . . . . .	.4	.3	.4	1.4	2.1	3.1	3.9	4.3
Illinois . . . . .	—	—	.2	.5	.6	.8	.9	1.0
Indiana <sup>2</sup> . . . . .	– 1.3	– .3	.4	.9	1.2	1.5	1.7	1.8
Iowa . . . . .	—	.1	.9	1.6	2.1	2.3	2.7	2.7
Kansas . . . . .	—	.2	.7	1.0	1.3	1.8	2.3	2.8
Kentucky . . . . .	—	—	.4	1.6	2.3	2.7	3.1	3.4
Louisiana . . . . .	—	—	—	.1	.4	.8	.9	1.2
Maine . . . . .	—	—	.1	.2	.3	.5	.8	1.3
Maryland <sup>4</sup> . . . . .	—	—	.6	1.7	2.6	3.0	3.5	3.9
Massachusetts <sup>2</sup> . . . . .	– 1.0	– .7	.2	1.7	2.2	2.4	2.7	3.1
Michigan <sup>5</sup> . . . . .	—	—	—	.3	.7	1.3	1.6	1.9
Minnesota <sup>6</sup> . . . . .	—	.8	2.0	3.2	4.0	4.7	5.5	5.8
Mississippi . . . . .	—	—	—	.4	1.1	1.7	2.3	2.9
Missouri . . . . .	—	*	.3	.7	1.0	1.3	1.7	1.9
Montana . . . . .	—	.4	1.0	1.7	2.3	3.1	3.9	4.7
Nebraska <sup>2</sup> . . . . .	– 1.1	– .6	– *	.4	.7	1.2	1.5	2.4
New Mexico . . . . .	—	.1	.4	.6	.9	1.5	2.1	3.5
New York . . . . .	—	—	.6	1.5	2.2	3.5	5.1	8.7
North Carolina . . . . .	—	—	.8	1.8	2.6	3.4	4.3	5.2
North Dakota . . . . .	—	*	.2	.4	.7	2.6	3.8	5.0
Oklahoma . . . . .	—	*	.2	.4	.7	1.1	1.6	2.2
Oregon . . . . .	—	.5	1.4	2.4	3.0	4.1	5.5	6.0
South Carolina . . . . .	—	—	.4	1.0	1.5	2.8	3.8	5.0
Utah . . . . .	—	.4	.9	1.7	2.4	3.0	3.4	3.4
Vermont <sup>2</sup> . . . . .	– 1.4	– .2	1.1	2.3	2.9	3.7	4.5	6.5
Virginia . . . . .	—	.4	.9	1.4	2.2	2.8	3.3	3.9
West Virginia . . . . .	—	.3	.5	.7	.8	1.0	1.2	1.8
Wisconsin <sup>7</sup> . . . . .	.9	1.6	2.3	3.1	3.9	4.7	5.8	6.9
Median rate . . . . .	—	—	.4	1.2	1.5	2.4	3.1	3.6
Federal tax . . . . .	—	2.1	5.2	8.8	11.0	14.4	17.4	26.7

See footnotes at end of table.

**TABLE 34 – EFFECTIVE RATES OF STATE PERSONAL INCOME TAXES  
FOR SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE  
WITH TWO DEPENDENTS, BY STATE, 1969<sup>1</sup> (Cont'd)**

Note: In computing income taxes, it was assumed that all income was from wages and salaries and earned by one spouse. For State tax computations the optional standard deduction was used except for the \$17,500, \$25,000 and \$50,000 income classes where it was assumed that deductions are itemized. For Federal tax computations (other than the \$17,500, \$25,000 and \$50,000 A.G.I. classes) deductions were estimated at 16% of A.G.I. In computing the State tax at the \$17,500 income level, itemized deductions were assumed to be \$2,600, excluding the State personal income tax. For those States that allow deduction of the Federal income tax, the itemized deductions were assumed to be \$2,960 in computing the Federal tax liability, (addition of estimated State income tax less certain deductions not allowed for the Federal tax); except that where the State individual income tax is itself deductible for State income tax purposes, the actual State tax liability was added to the \$2,600 for both Federal and State tax computations. The comparable State and Federal estimated itemized deductions used in computing the tax at the \$25,000 level are \$3,350 and \$4,100, respectively; and for the \$50,000 level, \$6,200 and \$7,650. New Hampshire and Tennessee are excluded since their personal income taxes apply only to interest and dividend income; also excluded is the New Jersey "commuters' income tax." "Effective rates" are computed as the ratio of tax liability to adjusted gross income (i.e., income after business deductions but before personal exemptions and other allowable deductions).

\*Less than .05 percent.

<sup>1</sup> Based upon tax liability on income earned during the calendar year 1969.

<sup>2</sup> Negative rates result from credits allowed for sales taxes paid on food (Hawaii also allows a credit for each dependent who is a student). If the credit exceeds the tax liability, the taxpayer can apply for a refund.

<sup>3</sup> Includes the \$10 per return permanent building fund tax.

<sup>4</sup> Does not reflect the credit for the State tax on personal property.

<sup>5</sup> Includes credits for estimated city income and property tax payments.

<sup>6</sup> Does not reflect credits for senior citizen homestead relief and tax relief for renters.

<sup>7</sup> Does not reflect the credit for senior citizen homestead relief.

TABLE 35 – EFFECTIVE RATES OF STATE PERSONAL INCOME TAXES FOR  
SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE WITH  
TWO DEPENDENTS, BY STATE, 1953, 1963 and 1969

State	Adjusted gross income class											
	\$5,000			\$7,500			\$10,000			\$25,000		
	1953	1963	1969	1953	1963	1969	1953	1963	1969	1953	1963	1969
Alabama*	0.2	0.2	0.2	0.8	0.8	0.8	1.5	1.5	1.3	2.4	2.4	2.4
Alaska	.8	1.2	1.3	1.1	1.7	1.7	1.3	2.1	2.0	2.0	3.1	3.2
Arizona* <sup>1</sup>	.3	.2	.5	.5	.4	1.0	.6	.6	1.4	1.3	1.3	2.6
Arkansas	—	.3	.3	.3	.9	.9	.6	1.3	1.3	2.0	2.5	2.5
California	.1	.1	—	.4	.3	.1	.5	.5	.6	1.1	1.7	2.7
Colorado*	.3	.6	.1	.6	1.2	.9	.9	1.6	1.4	2.8	3.3	3.2
Delaware* <sup>1</sup>	.3	.6	.6	.6	1.3	1.3	1.1	2.2	2.2	3.1	5.0	4.8
District of Columbia	—	.8	.7	.3	1.3	1.5	.6	1.6	2.1	1.4	2.5	3.7
Georgia	.2	.1	.1	.8	.5	.5	1.3	1.0	1.0	3.5	3.3	3.1
Hawaii	n.a.	1.4	.2	n.a.	2.2	2.3	n.a.	2.8	3.3	n.a.	3.9	5.1
Idaho*	.5	1.4	.3	.9	2.2	1.4	1.3	2.8	2.1	2.8	4.7	3.9
Illinois	<sup>2</sup>	<sup>2</sup>	.2	<sup>2</sup>	<sup>2</sup>	.5	<sup>2</sup>	<sup>2</sup>	.6	<sup>2</sup>	<sup>2</sup>	.9
Indiana	<sup>2</sup>	.5	.4	<sup>2</sup>	1.0	.9	<sup>2</sup>	1.3	1.2	<sup>2</sup>	1.7	1.7
Iowa*	.9	.9	.9	1.6	1.6	1.6	2.0	2.0	2.1	2.1	2.1	2.7
Kansas*	.4	.6	.7	.5	.8	1.0	.8	1.1	1.3	1.4	1.7	2.3
Kentucky*	.7	.3	.4	1.7	.15	1.6	2.3	2.1	2.3	3.1	3.0	3.1
Louisiana*	—	—	—	.04	.04	.1	.4	.4	.4	.9	.9	.9
Maine	<sup>2</sup>	<sup>2</sup>	.1	<sup>2</sup>	<sup>2</sup>	.2	<sup>2</sup>	<sup>2</sup>	.3	<sup>2</sup>	<sup>2</sup>	.8
Maryland	.5	.8	.6	1.0	1.5	1.7	1.3	1.9	2.6	1.5	2.3	3.5
Massachusetts* <sup>1</sup>	.7	.7	.2	1.3	1.3	1.7	1.6	1.6	2.2	1.7	1.6	2.7
Michigan	<sup>2</sup>	<sup>2</sup>	—	<sup>2</sup>	<sup>2</sup>	.3	<sup>2</sup>	<sup>2</sup>	.7	<sup>2</sup>	<sup>2</sup>	1.8
Minnesota*	1.4	1.5	2.0	2.4	2.8	3.2	3.0	3.5	4.0	4.6	5.4	5.5
Mississippi	—	—	—	.3	—	.4	.7	.5	1.1	2.1	1.8	2.3
Missouri*	.3	.3	.3	.6	.6	.7	1.0	1.0	1.0	1.7	1.7	1.7
Montana* <sup>1</sup>	.3	.5	1.0	.6	1.1	1.7	.9	1.6	2.3	1.9	3.1	3.9
Nebraska <sup>3</sup>	<sup>2</sup>	<sup>2</sup>	— .04	<sup>2</sup>	<sup>2</sup>	.4	<sup>2</sup>	<sup>2</sup>	.7	<sup>2</sup>	<sup>2</sup>	1.5
New Mexico* <sup>1, 4</sup>	.2	.5	.4	.4	.7	.6	.5	.8	.9	.6	.9	2.1
New York	.5	.6	.6	1.4	1.5	1.5	2.2	2.2	2.2	4.4	5.2	5.1
North Carolina	1.1	1.1	.8	2.1	2.1	1.8	2.9	2.9	2.6	4.7	4.6	4.3

See footnotes at the end of table.

**TABLE 35 – EFFECTIVE RATES OF STATE PERSONAL INCOME TAXES FOR  
SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE WITH  
TWO DEPENDENTS, BY STATE, 1953, 1963 and 1969 (Cont'd)**

State	Adjusted gross income class											
	\$5,000			\$7,500			\$10,000			\$25,000		
	1953	1963	1969	1953	1963	1969	1953	1963	1969	1953	1963	1969
North Dakota* <sup>1</sup>	.3	.3	.2	.6	.6	.4	1.1	1.1	.7	3.8	3.7	3.8
Oklahoma*	.2	.2	.2	.4	.4	.4	.6	.6	.7	1.6	1.5	1.6
Oregon*	1.0	1.4	1.4	1.7	2.4	2.4	2.2	3.1	3.0	3.4	4.3	5.5
South Carolina*	.5	.4	.4	1.1	1.0	1.0	1.7	1.5	1.5	3.4	3.9	3.8
Utah*	.5	.5	.9	1.1	1.1	1.7	1.6	1.7	2.4	2.5	2.6	3.4
Vermont	1.2	1.6	1.1	2.1	2.7	2.3	2.8	3.7	2.9	3.9	5.0	4.5
Virginia	.9	.9	.9	1.5	1.5	1.4	2.3	2.3	2.2	3.5	3.4	3.3
West Virginia	<sup>2</sup>	.5	.5	<sup>2</sup>	.7	.7	<sup>2</sup>	.8	.8	<sup>2</sup>	1.2	1.2
Wisconsin	1.0	1.9	2.3	1.9	2.7	3.1	2.9	3.5	3.9	4.8	5.7	5.8
Median rate	.4	.6	.4	.8	1.2	1.2	1.3	1.6	1.5	2.5	2.8	3.1
Federal tax	7.6	7.2	5.2	10.8	10.4	8.8	13.3	12.8	11.0	20.4	19.6	17.4

Note: In computing income taxes, it was assumed that all income was from wages and salaries and earned by one spouse. For State tax computations the optional standard deduction was used except for the \$25,000 income class where it was assumed that deductions are itemized. For Federal tax computations (other than the \$25,000 A.G.I. class) the following percentages of A.G.I. were used for estimated deductions: \$5,000 and \$7,500 A.G.I. classes – 1963 and 1969 – 16%, 1953 – 14%; \$10,000 A.G.I. class – 1969 – 16%, 1963 – 14% and, 1953 – 12%. In computing the State tax at the \$25,000 level, itemized deductions were assumed to be \$3,350 in 1969, \$2,925 in 1963, and \$2,525 in 1953 (excluding the State personal income tax liability). For those States that allow deduction of the Federal income tax, the itemized deductions were assumed to be \$4,100 in 1969, \$3,700 in 1963, and \$3,150 in 1953 in computing the Federal tax liability (addition of estimate State income tax less certain deductions not allowed for the Federal tax); except that when the State income tax is itself deductible for State income tax purposes, the actual State tax liability was added for both Federal and State tax computations. New Hampshire and Tennessee are excluded since their personal income taxes apply only to interest and dividend income; also excluded is the New Jersey "commuters' income tax." Adjusted gross income is income after business deductions but before personal exemptions and other allowable deductions. "Effective rates" are computed as the ratio of tax liability to adjusted gross income.

\*Federal income tax deductible.

n.a. – Data not available.

<sup>1</sup> As there was no standard deduction in 1953, the standard deduction authorized under present law was used in computing the 1953 tax liability.

<sup>2</sup> No personal income tax for year indicated.

<sup>3</sup> Negative rate results from credit allowed for sales taxes paid on food. If the credit exceeds the tax liability, the taxpayer can apply for a refund.

<sup>4</sup> Deduction for Federal income tax eliminated effective January 1, 1968.

Source: ACIR staff computations.



TABLE 36 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Alabama . . . . .	First \$1,000 . . . . . \$1,001-\$3,000 . . . . . \$3,001-\$5,000 . . . . . Over \$5,000 . . . . .	1.5 3 4.5 5	x	.....
Alaska . . . . .	16 percent of the total Federal income tax that would be payable for the same taxable year at the Federal tax rates in effect on December 31, 1963.			.....
Arizona <sup>1, 2</sup> . . . . .	First \$1,000 . . . . . \$1,001-\$2,000 . . . . . \$2,001-\$3,000 . . . . . \$3,001-\$4,000 . . . . . \$4,001-\$5,000 . . . . . \$5,001-\$6,000 . . . . . Over \$6,000 . . . . .	2 3 4 5 6 7 8	x	.....
Arkansas . . . . .	First \$3,000 . . . . . \$3,001-\$6,000 . . . . . \$6,001-\$11,000 . . . . . \$11,001-\$25,000 . . . . . Over \$25,000 . . . . .	1 2 3 4 5	....	.....
California <sup>1</sup> . . . . .	First \$2,000 . . . . . \$2,001-\$3,500 . . . . . \$3,501-\$5,000 . . . . . \$5,001-\$6,500 . . . . . \$6,501-\$8,000 . . . . . \$8,001-\$9,500 . . . . . \$9,501-\$11,000 . . . . . \$11,001-\$12,500 . . . . . \$12,501-\$14,000 . . . . . Over \$14,000 . . . . .	1 2 3 4 5 6 7 8 9 10	....	The following rates apply to heads of households: First \$3,000 . . . . . 1% \$3,001-\$4,500 . . . . . 2 \$4,501-\$6,000 . . . . . 3 \$6,001-\$7,500 . . . . . 4 \$7,501-\$9,000 . . . . . 5 \$9,001-\$10,500 . . . . . 6 \$10,501-\$12,000 . . . . . 7 \$12,001-\$13,500 . . . . . 8 \$13,501-\$15,000 . . . . . 9 Over \$15,000 . . . . . 10
Colorado . . . . .	First \$1,000 . . . . . \$1,001-\$2,000 . . . . . \$2,001-\$3,000 . . . . . \$3,001-\$4,000 . . . . . \$4,001-\$5,000 . . . . . \$5,001-\$6,000 . . . . . \$6,001-\$7,000 . . . . . \$7,001-\$8,000 . . . . . \$8,001-\$9,000 . . . . . \$9,001-\$10,000 . . . . . Over \$10,000 . . . . .	3 3.5 4 4.5 5 5.5 6 6.5 7 7.5 8	x	Surtax on income from intangibles in excess of \$5,000, 2 percent. Taxpayers are allowed a credit equal to 1/2 of 1 percent of net taxable income on the first \$9,000 of taxable income. <sup>3</sup> A \$7 tax credit is allowed each taxpayer and each dependent for sales tax paid on food. If there is no income tax liability the taxpayer can apply for a refund. See table 40.
Delaware . . . . .	First \$1,000 . . . . . \$1,001-\$2,000 . . . . . \$2,001-\$3,000 . . . . . \$3,001-\$4,000 . . . . . \$4,001-\$5,000 . . . . . \$5,001-\$6,000 . . . . . \$6,001-\$8,000 . . . . . \$8,001-\$30,000 . . . . .	1.5 2 3 4 5 6 7 8	x <sup>4</sup>	.....

See footnotes at the end of table.

TABLE 36 - STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Delaware (cont'd) . . . . .	\$30,000-\$50,000 . . . . .	9		
	\$50,001-\$100,000 . . . . .	10		
	Over \$100,000 . . . . .	11		
Georgia . . . . .	First \$1,000 . . . . .	1	....	.....
	\$1,001-\$3,000 . . . . .	2		
	\$3,001-\$5,000 . . . . .	3		
	\$5,001-\$7,000 . . . . .	4		
	\$7,001-\$10,000 . . . . .	5		
	Over \$10,000 . . . . .	6		
Hawaii <sup>2</sup> . . . . .	First \$500 . . . . .	2.25	....	Alternative tax on capital gains: Deduct 50 percent of capital gains and pay an additional 4 percent on such gains. The income classes reported are for individuals. For joint returns the rates shown apply to income classes twice as large. Special tax rates are provided for heads of households ranging from 2.25% on taxable income not over \$500 to 11% on taxable income in excess of \$60,000. A sales tax credit based on modified adjusted gross income brackets is provided, ranging from \$1 to \$21 per qualified exemption. Taxpayers are also provided credits for students attending institutions of higher learning (\$5 to \$50) and dependent children attending school in grades kindergarten to twelve (\$2 to \$20). The amount of credit is based on size of A.G.I. If a taxpayer's credits exceed his tax, a refund will be made. See table 40.
	\$501-\$1,000 . . . . .	3.25		
	\$1,001-\$1,500 . . . . .	4.50		
	\$1,501-\$2,000 . . . . .	5.00		
	\$2,001-\$3,000 . . . . .	6.50		
	\$3,001-\$5,000 . . . . .	7.50		
	\$5,001-\$10,000 . . . . .	8.50		
	\$10,001-\$14,000 . . . . .	9.50		
	\$14,001-\$20,000 . . . . .	10.00		
	\$20,001-\$30,000 . . . . .	10.50		
Over \$30,000 . . . . .	11.00			
Idaho <sup>1</sup> . . . . .	First \$1,000 . . . . .	2.5	x	For a surviving spouse and a head of a household the rates shown apply to income classes twice as large. A \$10 filing fee is imposed on each return. A \$10 tax credit is allowed for each personal exemption for sales tax paid. For taxpayers 65 or over, a refund will be made if credits exceed tax. See table 40.
	\$1,001-\$2,000 . . . . .	5.0		
	\$2,001-\$3,000 . . . . .	6.0		
	\$3,001-\$4,000 . . . . .	7.0		
	\$4,001-\$5,000 . . . . .	8.0		
	Over \$5,000 . . . . .	9.0		
Illinois . . . . .	Total net income . . . . .	2.5	....	.....
Indiana . . . . .	Adjusted gross income . . . . .	2	....	A \$8 tax credit is allowed each taxpayer and each dependent for sales tax paid on food. If there is no income tax liability, the taxpayer can apply for a refund. See table 40.
Iowa . . . . .	First \$1,000 . . . . .	0.75	x	Residents or nonresidents with net income of \$3,000 or less are nontaxable. If payment of the tax reduces net income to less than \$3,000 the tax is reduced to that amount that would result in allowing the taxpayer to retain a net income of \$3,000.
	\$1,001-\$2,000 . . . . .	1.5		
	\$2,001-\$3,000 . . . . .	2.25		
	\$3,001-\$4,000 . . . . .	3		
	\$4,001-\$7,000 . . . . .	3.75		
	\$7,001-\$9,000 . . . . .	4.5		
	Over \$9,000 . . . . .	5.25		

See footnotes at the end of table.

TABLE 36 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Kansas	First \$2,000	2	x	The income classes reported are for individuals and heads of households. For joint returns the rates shown apply to income classes twice as large. A credit for property taxes is allowed for senior citizen homestead relief. Cash refunds granted if tax credit exceeds income tax due. See Table 40.
	\$2,001-\$3,000	3.5		
	\$3,001-\$5,000	4		
	\$5,001-\$7,000	5		
	Over \$7,000	6.5		
Kentucky	First \$3,000	2	x <sup>5</sup>	.....
	\$3,001-\$4,000	3		
	\$4,001-\$5,000	4		
	\$5,001-\$8,000	5		
	Over \$8,000	6		
Louisiana <sup>1</sup>	First \$10,000	2	.....	.....
	\$10,000-\$50,000	4		
	Over \$50,000	6		
Maine	First \$2,000	1	.....	The income classes reported are for individuals and heads of households. For joint returns the rates shown apply to income classes twice as large.
	\$2,001-\$5,000	2		
	\$5,001-\$10,000	3		
	\$10,001-\$25,000	4		
	\$25,001-\$50,000	5		
	Over \$50,000	6		
Maryland	First \$1,000	2	.....	A credit is allowed for State personal property taxes payable.
	\$1,001-\$2,000	3		
	\$2,001-\$3,000	4		
	Over \$3,000	5		
Massachusetts <sup>2</sup>	Earned income and business income	4	.....	A consumer tax credit is allowed of \$4 each for the taxpayer and his spouse and \$8 for each qualified dependent. If there is no income tax liability the taxpayer can apply for a refund. See table 40.
	Interest and dividends, capital gains on intangibles	8		
	Annuities	2		
Michigan	All taxable income	2.6	.....	The following credits are allowed (not to exceed the taxpayer's State income tax liability):

<u>City income tax</u>	<u>Credit*</u>
Not over \$100 . . . .	20% of city tax
\$101-\$150 . . . . .	\$20 + 15% of excess over \$100
\$151-\$200 . . . . .	\$27.50 + 10% of excess over \$150
Over \$200 . . . . .	\$32.50 + 5% of excess over \$200
	Maximum credit \$10,000
<u>Property tax</u>	<u>Credit*</u>
Not over \$100 . . . .	20% of property tax
\$101-\$150 . . . . .	\$20 + 10% of excess over \$100
\$151-\$10,000 . . . .	\$25 + 5% of excess over \$150
Over \$10,000 . . . .	4% of property tax

A lessee of a homestead is allowed a similar credit. In such a case 17% of the gross rent paid by the lessee is deemed to be property tax.

\*Credit for c.y. 1970 and any f.y. ending after May 31, 1970, and before June 30, 1971, is 12% of the taxes paid, but not more than \$15.

See footnotes at the end of table.

TABLE 36 — STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Minnesota . . . . .	First \$500 . . . . .	1.5	x	A credit for property taxes is allowed for senior citizen homestead relief and for renters. Cash refund granted if tax credit exceeds income tax due. See table 40.
	\$501-\$1,000 . . . . .	2.0		
	\$1,001-\$2,000 . . . . .	3.0		
	\$2,001-\$3,000 . . . . .	5.0		
	\$3,001-\$4,000 . . . . .	6.0		
	\$4,001-\$5,000 . . . . .	7.0		
	\$5,001-\$7,000 . . . . .	8.0		
	\$7,001-\$9,000 . . . . .	9.0		
	\$9,001-\$12,500 . . . . .	10.0		
	\$12,501-\$20,000 . . . . .	11.0		
Over \$20,000 . . . . .	12.0			
Mississippi . . . . .	First \$5,000 . . . . .	3	. . . . .	. . . . .
	Over \$5,000 . . . . .	4		
Missouri . . . . .	First \$1,000 . . . . .	1	x	The rates apply to total income, not merely to the proportion of income falling within a given bracket, but as a result of the following tax credits, the schedule in effect is a bracket rate schedule: \$1,001-\$2,000 . . . . \$ 5 \$2,001-\$3,000 . . . . \$ 15 \$3,001-\$5,000 . . . . \$ 30 \$5,001-\$7,000 . . . . \$ 55 \$7,001-\$9,000 . . . . \$ 90 Over \$9,000 . . . . . \$135
	\$1,001-\$2,000 . . . . .	1.5		
	\$2,001-\$3,000 . . . . .	2		
	\$3,001-\$5,000 . . . . .	2.5		
	\$5,001-\$7,000 . . . . .	3		
	\$7,001-\$9,000 . . . . .	3.5		
	Over \$9,000 . . . . .	4		
Montana . . . . .	First \$1,000 . . . . .	2	x	After computing the tax liability pursuant to these rates, there shall be added as a surcharge, 10% of the tax liability. The minimum tax is \$1 on all individuals having taxable income.
	\$1,001-\$2,000 . . . . .	3		
	\$2,001-\$4,000 . . . . .	4		
	\$4,001-\$6,000 . . . . .	5		
	\$6,001-\$8,000 . . . . .	6		
	\$8,001-\$10,000 . . . . .	7		
	\$10,001-\$14,000 . . . . .	8		
	\$14,001-\$20,000 . . . . .	9		
\$20,001-\$35,000 . . . . .	10			
Over \$35,000 . . . . .	11			
Nebraska <sup>2</sup> . . . . .	The tax is imposed on the taxpayer's Federal income tax liability before credits, with limited adjustments. The rate is set as a flat percentage by the State Board of Equalization and Assessment on or before November 15 annually for the taxable year beginning during the subsequent calendar year. The rate for 1970 was 13%. (1971—10%)			A \$7 tax credit is allowed each taxpayer and each dependent for sales tax paid on food. If there is no income tax liability the taxpayer can apply for a refund. See table 40.
New Hampshire . . . . .	Interest and dividends (excluding interest on savings deposits) . . . . .	4.25	. . . . .	. . . . .
	Commuter's income tax	4		
New Jersey . . . . .	First \$1,000 . . . . .	2	. . . . .	Tax applies to commuters only, New Jersey-New York area.
	\$1,001-\$3,000 . . . . .	3		
	\$3,001-\$5,000 . . . . .	4		
	\$5,001-\$7,000 . . . . .	5		
	\$7,001-\$9,000 . . . . .	6		

See footnotes at the end of table.

TABLE 36 — STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
New Jersey (cont'd)	\$9,001-\$11,000 . . . . .	7		
	\$11,001-\$13,000 . . . . .	8		
	\$13,001-\$15,000 . . . . .	9		
	\$15,001-\$17,000 . . . . .	10		
	\$17,001-\$19,000 . . . . .	11		
	\$19,001-\$21,000 . . . . .	12		
	\$21,001-\$23,000 . . . . .	13		
	Over \$23,000 . . . . .	14		
New Mexico <sup>1 2</sup> . . . . .	First \$500 . . . . .	1	....	The income classes reported are for single individuals and married individuals filing separate returns. For heads of households and married individuals filing joint returns the rates shown apply to income classes twice as large.
	\$501-\$1,000 . . . . .	1.5		
	\$1,001-\$1,500 . . . . .	1.5		
	\$1,501-\$2,000 . . . . .	2.0		
	\$2,001-\$3,000 . . . . .	2.5		
	\$3,001-\$4,000 . . . . .	3.0		
	\$4,001-\$5,000 . . . . .	3.5		
	\$5,001-\$6,000 . . . . .	4.0		
	\$6,001-\$7,000 . . . . .	4.5		
	\$7,001-\$8,000 . . . . .	5.0		
	\$8,001-\$10,000 . . . . .	6.0		
	\$10,001-\$12,000 . . . . .	7.0		
	\$12,001-\$20,000 . . . . .	7.5		
	\$20,001-\$50,000 . . . . .	8.0		
\$50,001-\$100,000 . . . . .	8.5			
Over \$100,000 . . . . .	9			
New York . . . . .	First \$1,000 . . . . .	2	....	No tax is due from individuals with a N.Y. A.G.I. of less than \$2,000 who are not married, not the head of a household nor a surviving spouse. Capital gains treatment is similar to that provided under Federal law. Income from unincorporated business is taxed at 5½ percent. The following credit is allowed:  If tax is— credit is— \$100 or less . . . full amount of tax. \$100-\$200 . . . difference between \$200 and amount of tax. \$200 or more . . . no credit.  In addition to the personal income tax, a 3% tax is imposed on the N.Y. minimum taxable income of individuals, estates, or trusts.
	\$1,000-\$3,000 . . . . .	3		
	\$3,001-\$5,000 . . . . .	4		
	\$5,001-\$7,000 . . . . .	5		
	\$7,001-\$9,000 . . . . .	6		
	\$9,001-\$11,000 . . . . .	7		
	\$11,001-\$13,000 . . . . .	8		
	\$13,001-\$15,000 . . . . .	9		
	\$15,001-\$17,000 . . . . .	10		
	\$17,001-\$19,000 . . . . .	11		
	\$19,001-\$21,000 . . . . .	12		
	\$21,001-\$23,000 . . . . .	13		
	Over \$23,000 . . . . .	14		
	North Carolina . . . . .	First \$2,000 . . . . .	3	
\$2,001-\$4,000 . . . . .		4		
\$4,001-\$6,000 . . . . .		5		
\$6,001-\$10,000 . . . . .		6		
Over \$10,000 . . . . .		7		
North Dakota . . . . .	First \$3,000 . . . . .	1	x	An additional 1% tax is imposed on net incomes derived from a business, trade, or profession, other than as an employee.
	\$3,001-\$4,000 . . . . .	2		
	\$4,001-\$5,000 . . . . .	3		
	\$5,001-\$6,000 . . . . .	5		
	\$6,001-\$8,000 . . . . .	7.5		
	\$8,001-\$15,000 . . . . .	10		
Over \$15,000 . . . . .	11			
Oklahoma <sup>2</sup> . . . . .	First \$1,500 . . . . .	1	x	The income classes reported are for individuals and heads of households. For joint returns the rates shown apply to
	\$1,501-\$3,000 . . . . .	2		
	\$3,001-\$4,500 . . . . .	3		

See footnotes at the end of table.

TABLE 36 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Oklahoma <sup>2</sup> (cont'd)	\$4,501-\$6,000 . . . . .	4		income classes twice as large.
	\$6,001-\$7,500 . . . . .	5		
	Over \$7,500 . . . . .	6		
Oregon . . . . .	First \$500 . . . . .	4	x <sup>6</sup>	The income classes reported are for individuals. For joint returns and heads of households the rates shown apply to income classes twice as large. A credit is provided in an amount and equal to 25 percent of the Federal retirement income tax credit to the extent that such credit is based on Oregon taxable income.
	\$501-\$1,000 . . . . .	5		
	\$1,001-\$2,000 . . . . .	6		
	\$2,001-\$3,000 . . . . .	7		
	\$3,001-\$4,000 . . . . .	8		
	Over \$5,000 . . . . .	10		
Rhode Island . . . . .	Investment income (Dividends, Interest, and net gains from the sale or exchange of stocks, bonds, real estate and other capital assets . . . . .	10		.....
South Carolina . . . . .	First \$2,000 . . . . .	2	x <sup>7</sup>	The tax does not apply to persons aged 65 or older who, during the taxable year, receive gross income from all sources of not more than \$2,800 if there are no dependents, or \$4,000 if there is a dependent spouse or other dependent.
	\$2,001-\$4,000 . . . . .	3		
	\$4,001-\$6,000 . . . . .	4		
	\$6,001-\$8,000 . . . . .	5		
	Over \$10,000 . . . . .	7		
Tennessee . . . . .	Interest and dividends . . . . .	6	....	Dividends from corporations having at least 75 percent of their property subject to the Tennessee ad valorem tax are taxed at 4 percent.
Utah . . . . .	First \$1,000 . . . . .	2	x	.....
	\$1,001-\$2,000 . . . . .	3		
	\$2,001-\$3,000 . . . . .	4		
	\$3,001-\$4,000 . . . . .	5		
	Over \$5,000 . . . . .	6.5		
Vermont <sup>2</sup> . . . . .	The tax is imposed at a rate of 25% of the Federal income tax liability of the taxpayer for the taxable year (after the allowance of retirement income credit, investment credit, foreign tax credit and tax-free covenant bonds credit, but before the allowance of any other credit against that liability or the addition of any surtax upon that liability granted or imposed under Federal law), reduced by a percentage equal to the percentage of the taxpayer's adjusted gross income for the taxable year which is not Vermont income. For taxable years beginning after December 31, 1968 a 15% surcharge is imposed. <sup>8</sup>			If a taxpayers liability exceeds, by any amount, what that liability would have been had it been determined in accordance with the Federal Internal Revenue Code in effect on January 1, 1967, instead of the federal statute in effect for the year for which the return is filed a credit is allowed equal to 106% of the amount of the excess, applicable to the taxpayer's tax liability for the succeeding year. Resident taxpayers who are full-time students for at least five months in the year are allowed a \$10 credit. Effective June 1, 1969 a sales tax credit based on modified adjusted gross income brackets and number of exemptions is provided, ranging from \$0 to \$81. If a taxpayer's credits exceed his tax, a re-

See footnotes at the end of table.

TABLE 36 - STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Vermont <sup>2</sup> (cont'd)				fund will be made. See table 40. Effective January 1, 1970 individuals 65 or older are provided a credit for property taxes or rent constituting property taxes. If income tax liability is less than the credit the difference between the liability and the credit will be refunded. See table 40.
Virginia	First \$3,000	2	....	.....
	\$3,001-\$5,000	3		
	Over \$5,000	5		
West Virginia	First \$2,000	1.65	....	The income classes reported are for individuals and heads of households. For taxable years beginning on or after January 1, 1971, rates for such taxpayers range from 2.1% on taxable income not over \$2,000 to 9.6% on all income in excess of \$200,000. For joint returns the rates shown apply to income classes twice as large.
	\$2,001-\$4,000	1.8		
	\$4,001-\$6,000	2.2		
	\$6,001-\$8,000	2.5		
	\$8,001-\$10,000	2.8		
	\$10,001-\$12,000	3.2		
	\$12,001-\$14,000	3.6		
	\$14,001-\$16,000	3.9		
	\$16,001-\$18,000	4.1		
	\$18,001-\$20,000	4.3		
	\$20,001-\$22,000	4.7		
	\$22,001-\$26,000	4.8		
	\$26,001-\$32,000	5.1		
	\$32,001-\$38,000	5.4		
	\$38,001-\$44,000	5.6		
	\$44,001-\$50,000	5.9		
	\$50,001-\$60,000	6.2		
	\$60,001-\$70,000	6.5		
	\$70,001-\$80,000	6.7		
	\$80,001-\$90,000	6.9		
	\$90,001-\$100,000	7.2		
	\$100,001-\$150,000	7.3		
	\$150,001-\$200,000	7.4		
	Over \$200,000	7.6		
Wisconsin <sup>2</sup>	First \$1,000	2.7	....	A property tax credit is allowed for senior citizen homestead relief. Cash refund granted if property tax credit exceeds income tax due. See table 40.
	\$1,001-\$2,000	2.95		
	\$2,001-\$3,000	3.2		
	\$3,001-\$4,000	4.2		
	\$4,001-\$5,000	4.7		
	\$5,001-\$6,000	5.2		
	\$6,001-\$7,000	5.7		
	\$7,001-\$8,000	6.7		
	\$8,001-\$9,000	7.2		
	\$9,001-\$10,000	7.7		
	\$10,001-\$11,000	8.2		
	\$11,001-\$12,000	8.7		
	\$12,001-\$13,000	9.2		
	\$13,001-\$14,000	9.7		
	Over \$14,000	10.0		
Washington, D.C.	First \$1,000	2	....	Income from unincorporated business is taxed at 6 percent, minimum tax, \$25.
	\$1,001-\$2,000	3		

See footnotes at the end of table.

TABLE 36 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1970 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Washington, D.C. (cont'd)	\$2,001-\$3,000 . . . . .	4		A tax credit is provided for low income taxpayers (AGI not over \$6,000) for increased sales tax on food (\$2 to \$6 credit per exemption). A refund is allowed if the credit exceeds tax liability. See table 40.
	\$3,001-\$5,000 . . . . .	5		
	\$5,001-\$8,000 . . . . .	6		
	\$8,001-\$12,000 . . . . .	7		
	\$12,001-\$17,000 . . . . .	8		
	\$17,001-\$25,000 . . . . .	9		
	Over \$25,000 . . . . .	10		

<sup>1</sup> Community property State in which, in general, 1/2 the community income is taxable to each spouse.

<sup>2</sup> Allows deduction of State individual income tax itself in computing State tax liability.

<sup>3</sup> Effective for taxable years beginning on or after July 1, 1969, taxpayers whose only activities in the State consist of making sales, who do not own or rent real estate in the State and whose annual gross sales in or into Colorado amount to not more than \$100,000, may elect to pay a tax of 1/2 of 1% of annual gross receipts derived from sales in or into Colorado in lieu of paying an income tax.

<sup>4</sup> Limited to \$300 for single persons and \$600 for married persons filing joint returns.

<sup>5</sup> Limited to the lesser of (a) the Federal income tax actually paid or accrued for the taxable year, or (b) the Federal tax that would result from applying the Federal rates in effect on December 31, 1967 to Federal taxable income for the taxable year.

<sup>6</sup> Any Federal tax paid due to an increase in rates effective after November 1, 1967, will not be deductible for Oregon personal income tax purposes. The limitation is effective for tax years beginning on and after 1/1/68, and ending not later than 11/30/70.

<sup>7</sup> Limited to \$500 per taxpayer.

<sup>8</sup> The tax liability for any taxable year shall not in any case equal an amount such that the combined Vermont and Federal income tax liability of the taxpayer for the taxable year, less the Federal income tax liability (without consideration of the deduction for Vermont income taxes paid or accrued) exceeds 4 1/2 percent of the total income of the taxpayer for that taxable year. The surtax is scheduled to terminate the first day of January of the calendar year following the fiscal year in which the remaining balance of the fiscal 1969 deficit is retired.

Source: Commerce Clearing House, *State Tax Reporter*.



**TABLE 37 — STATE INDIVIDUAL INCOME TAXES: PERSONAL  
EXEMPTIONS, DECEMBER 31, 1970**

State	Personal exemption		Additional exemption on account of --		
	Single	Married (joint return)	Dependents	Age <sup>1</sup>	Blindness <sup>1</sup>
Alabama . . . . .	\$1,500	\$3,000	\$300	....	....
Alaska . . . . .	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>
Arizona . . . . .	1,000	2,000	600	\$1,000	\$500
Arkansas <sup>3</sup> . . . . .	17.50(1,750)	35(3,250)	6(333)	....	17.50 <sup>4</sup>
California <sup>3</sup> . . . . .	25(2,250)	50(4,500)	8(400)	....	8(400)
Colorado <sup>5</sup> . . . . .	750	1,500	750	750	750
Delaware . . . . .	600 <sup>6</sup>	1,200	600	600	600
Georgia . . . . .	1,500	3,000	600 <sup>7</sup>	600	600
Hawaii <sup>5</sup> . . . . .	625	1,250	625	625 <sup>8</sup>	5,000
Idaho <sup>5,9</sup> . . . . .	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>
Illinois . . . . .	1,000	2,000	1,000	1,000	1,000
Indiana <sup>5</sup> . . . . .	1,000	2,000 <sup>10</sup>	500	500	500
Iowa <sup>3</sup> . . . . .	15(1,500)	30(2,333)	10(467)	15 <sup>11</sup>	15 <sup>11</sup>
Kansas <sup>5</sup> . . . . .	600	1,200	600	600	600
Kentucky <sup>3</sup> . . . . .	20(1,000)	40(2,000)	20(1,111)	20(1,000)	20(1,000)
Louisiana <sup>1,2</sup> . . . . .	2,500(50)	5,000(100)	400(8)	....	1,000(20)
Maine . . . . .	1,000	2,000	1,000	1,000	1,000
Maryland . . . . .	800	1,600	800 <sup>13</sup>	800 <sup>13</sup>	800
Massachusetts <sup>5,14</sup> . . . . .	2,000	2,600-4,000	600	600	2,000
Michigan . . . . .	1,200	2,400	1,200	1,200	1,200
Minnesota <sup>3,5</sup> . . . . .	19(1,050)	38(1,683)	19(541)	<sup>15</sup>	<sup>15</sup>
Mississippi . . . . .	4,000	6,000	....	....	....
Missouri . . . . .	1,200	2,400	400	....	....
Montana . . . . .	600	1,200	600	600	600
Nebraska <sup>5</sup> . . . . .	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>
New Hampshire <sup>16</sup> . . . . .	600	600 <sup>17</sup>	....	....	....
New Jersey <sup>18</sup> . . . . .	600	1,200	600	600	600
New Mexico . . . . .	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>
New York <sup>19</sup> . . . . .	625	1,250	625	625	625
North Carolina . . . . .	1,000	2,000 <sup>20</sup>	600 <sup>21</sup>	1,000	1,000
North Dakota . . . . .	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>
Oklahoma . . . . .	1,000	2,000	500	....	.... <sup>2</sup>
Oregon . . . . .	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>
Rhode Island <sup>2,2</sup> . . . . .	2,000	2,000	....	2,000	2,000
South Carolina . . . . .	800	1,600	800 <sup>23</sup>	800	800
Tennessee <sup>16</sup> . . . . .	....	....	....	....	....
Utah . . . . .	600	1,200	600	600	600
Vermont <sup>5</sup> . . . . .	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>	<sup>2</sup>
Virginia . . . . .	1,000	2,000	300 <sup>24</sup>	600	600
West Virginia . . . . .	600	1,200	600	600	600
Wisconsin <sup>3,5</sup> . . . . .	10(370)	20(740)	10(361)	5 <sup>25</sup>	....
Dist. of Columbia . . . . .	1,000	2,000	500	500	500

See footnotes at the end of table.

**TABLE 37 — STATE INDIVIDUAL INCOME TAXES: PERSONAL  
EXEMPTIONS, DECEMBER 31, 1970 (Cont'd)**

- <sup>1</sup>In most States an identical exemption is allowed for a spouse if she meets the age and blindness condition. In Massachusetts the deduction for blindness is allowed against business income only. In Hawaii the \$5,000 blindness deduction is allowed in lieu of the personal exemption.
- <sup>2</sup>Since the State tax is based on either federal taxable income or federal tax liability, in effect, federal personal exemptions are adopted.
- <sup>3</sup>Personal exemptions and credits for dependents are allowed in the form of tax credits which are deductible from an amount of tax. With respect to personal exemptions, the sum in parentheses is the exemption equivalent of the tax credit assuming that the exemption is deducted from the lowest brackets. With respect to the dependency exemptions; the sum in parentheses is the amount by which the first dependent raises the level at which a married person or head of family becomes taxable.
- <sup>4</sup>Single persons \$1,000; married couple, \$1,125.
- <sup>5</sup>In addition to the personal exemption deductions, a sales tax credit or cash rebate (in the case of Kansas, Minnesota and Wisconsin a property tax credit or cash rebate) is provided. See table 40.
- <sup>6</sup>An additional \$300 exemption is allowed if the taxpayer is the head of a household.
- <sup>7</sup>The exemption is allowed for students regardless of age or income. For students beyond the high school level, \$1,200 per dependent and \$600 if the taxpayer is a student. A taxpayer who has used a student dependent to qualify as the head of a household is allowed only a \$600 (formerly \$1,200) exemption for that student dependent.
- <sup>8</sup>Individuals establishing residence in Hawaii after the age of 65 are subject to tax on income from Hawaii sources only (the tax is imposed on the entire taxable income of resident individuals, estates, and trusts).
- <sup>9</sup>In addition to the personal exemption deductions, a \$10 tax credit is allowed for each personal exemption.
- <sup>10</sup>Each spouse is entitled to the lesser of \$1,000 or adjusted gross income (minimum of \$500 each).
- <sup>11</sup>Single person, \$833; married couple, \$1,167.
- <sup>12</sup>The exemptions and credits for dependents are deductible from the lowest income bracket and equivalent to the tax credits shown in parentheses.
- <sup>13</sup>An additional exemption of \$800 is allowed for each dependent 65 years of age or over.
- <sup>14</sup>The exemptions shown are those allowed against business income, including salaries and wages: a specific exemption of \$2,000 for each taxpayer. In addition, a dependency exemption of \$600 is allowed for a dependent spouse who has income from all sources of less than \$2,000. In the case of a joint return, the exemption is the smaller of (1) \$4,000 or (2) \$2,000, plus the income of the spouse having the smaller income. For annuity income the exemption is the unused portion of the exemption applicable to business income. Married persons must file a joint return in order to obtain any nonbusiness income exemption. Any excess of the exemption against annuity income may be claimed against income from intangibles.
- <sup>15</sup>An additional tax credit of \$20 is allowed for each taxpayer or spouse who has reached the age of 65. Additional tax credits for the blind: unmarried, \$20; married, \$25 for each spouse.
- <sup>16</sup>The tax applies only to interest and dividends. New Hampshire also imposes a 4% commuter's income tax.
- <sup>17</sup>An additional exemption of \$600 is allowed a married woman with separate income; joint returns are not permitted.
- <sup>18</sup>In addition to the personal exemptions, the following tax credits are granted: Single persons, \$10; married taxpayers and heads of households, \$25.
- <sup>19</sup>In addition to the personal exemptions, the following tax credits are granted: Single persons, \$12.50; married taxpayers and heads of households, \$25.
- <sup>20</sup>An additional exemption of \$1,000 is allowed a married woman with separate income; joint returns are not permitted.
- <sup>21</sup>Plus an additional \$600 for each dependent who is a full-time student at an accredited university or college.
- <sup>22</sup>Personal exemptions are computed on a family basis, the basic exemption is \$2,000 (married persons filing separately \$1,000). Double exemptions are allowed for persons 65 years of age or older, widows, and blind persons. However, only one double exemption may be taken per family.
- <sup>23</sup>The exemption is extended to dependents over the age of 21 if they are students in an accredited school or college.
- <sup>24</sup>Exemption for one dependent of unmarried person is \$1,000, if dependent is father, mother, son, daughter, sister or brother.
- <sup>25</sup>Single person, \$185; married couple \$361.

Source: Commerce Clearing House, *State Tax Reporter*.

**TABLE 38 – STATE INDIVIDUAL INCOME TAXES: USE OF STANDARD DEDUCTION AND OPTIONAL TAX TABLE, DECEMBER 31, 1970**

State	Percent <sup>1</sup>	Size of standard deduction			Optional tax table
		Single	Maximum		
			Separate return	Married Joint return	
Alabama	*10	\$1,000	\$1,000	\$1,000	x
Alaska <sup>2</sup>	10	1,000	500	1,000	x
Arizona	*10	500	500	1,000	x
Arkansas	10	1,000	500	1,000	....
California	....	1,000	1,000	2,000	x
Colorado <sup>2</sup>	*10	1,000	500	1,000	x
Delaware <sup>3</sup>	*10	500	500	1,000	....
Georgia	10	1,000	500	1,000	....
Hawaii	10	1,000	500	1,000	x
Idaho <sup>2</sup>	*10	1,000	500	1,000	x
Illinois	....	....	....	....	....
Indiana	....	....	....	....	....
Iowa	*5	250	250	250	x
Kansas <sup>2</sup>	*10	1,000	500	1,000	x
Kentucky <sup>4</sup>	*	500	500	500	x
Louisiana	10	1,000	500	1,000	....
Maine	10	1,000	500	1,000	....
Maryland	10	500	500	1,000	x
Massachusetts	....	....	....	....	x
Michigan	....	....	....	....	....
Minnesota	*10	1,000	1,000	1,000	x
Mississippi	10	500	500	1,000	....
Missouri	*5	500	500	500	x
Montana	*10	500	500	1,000	....
Nebraska <sup>2</sup>	10	1,000	500	1,000	x
New Jersey	10	1,000	1,000	1,000	....
New Mexico <sup>2</sup>	10	1,000	500	1,000	....
New York	10	1,000	500 <sup>5</sup>	1,000 <sup>6</sup>	x
North Carolina	10	500	500	1,000	....
North Dakota <sup>2</sup>	*10	1,000	500	1,000	....
Oklahoma	*10	1,000	500	1,000	x
Oregon <sup>2</sup>	*5	250	250	500	x
South Carolina	*10	500	500	1,000	x
Utah	*10	1,000	500	1,000	....
Vermont <sup>2</sup>	10	1,000	500	1,000	x
Virginia	5	500	250 <sup>5</sup>	500	....
West Virginia	10	1,000	500	1,000	x
Wisconsin <sup>2</sup>	10	1,000	500	1,000	x
Dist. of Columbia	10	1,000	500	1,000	x

Note: Excludes New Hampshire and Tennessee where the tax applies to interest and dividends only, and Rhode Island where tax applies to investment income only.

\* The standard deduction is allowed in addition to deduction of Federal income taxes.

<sup>1</sup> Amount of standard deduction is generally based on gross income after business expenses. The detailed provisions vary.

<sup>2</sup> Standard minimum deduction of \$300.

<sup>3</sup> In lieu of all other deductions except Federal income taxes up to \$300 for individuals and \$600 for married couples filing joint return.

<sup>4</sup> In lieu of other deductions except Federal income taxes, a standard deduction of \$500 may be taken if adjusted gross income is at least \$8,000. If adjusted gross income is less than \$8,000, taxpayers may use optional tax table.

<sup>5</sup> The \$1,000 standard deduction allowed a married couple may be taken by either or divided between them in such proportion as they may elect.

<sup>6</sup> An additional \$500 is allowed a married woman with separate income; joint returns are not permitted.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 39 - STATE INDIVIDUAL INCOME TAXES: ADMINISTRATIVE FEATURES, DECEMBER 31, 1970

State	Filing date (calendar year returns)	Use of Federal tax base	Agreements for Federal- State cooper- ative use of returns	Withholding			Credit allowed for income taxes paid other States		
				Required	Year adopted	Periodicity of employer returns	Resident (a)	Non- residents (b)	Reciprocity required
Alabama	April 15	-	-	X	1956	Quarterly	X	-	-
Alaska	April 15	X	X	X	1949	do	-	-	-
Arizona	April 15	-	X	X	1954	do	X	X	(a) -, (b) X <sup>1</sup>
Arkansas	May 15	-	X	X	1966	do	X	X	-
California	April 15	-	X	X <sup>2</sup>	-	Annually <sup>2</sup>	X	X	X <sup>1</sup>
Colorado	April 15	X	X	X	1954	Quarterly <sup>3</sup>	X	-	-
Delaware	April 30	X(eff. 1/1/71)	X	X	1949	do	X	-	-
Dist. of Col.	April 15	-	X	X	1956	do	X <sup>4</sup>	-	-
Georgia	April 15	-	X	X	1960	Monthly	X	-	-
Hawaii	April 20	X	X	X	1957	Monthly <sup>5</sup>	X	-	X <sup>1</sup>
Idaho	April 15	X	X	X	1955	Quarterly	X	X	X <sup>1</sup>
Illinois	April 15	X	X	X	1969	do <sup>6</sup>	X	-	-
Indiana	April 15	X	X	X	1963	do	X	X	(a) -, (b) X
Iowa	April 30	X	X	X	1966	do	X	-	-
Kansas	April 15	X	X	X	1966	do	X <sup>7</sup>	-	-
Kentucky	April 15	X	X	X	1954	do <sup>3</sup>	X	X	X <sup>1</sup>
Louisiana	May 15	-	-	X	1961	do <sup>8</sup>	X	-	-
Maine	April 15	X	X	X	1969	do <sup>9</sup>	X	-	-
Maryland	April 15	X	X	X	1955	do <sup>10</sup>	X	X	X <sup>1</sup>
Massachusetts	April 15	-	X	X	1959	do <sup>11</sup>	X <sup>12</sup>	-	-
Michigan	April 15	X	X	X	1967	do <sup>7</sup>	X	X	(a) -, (b) X
Minnesota	April 15	X	X	X	1961	do	X	X	X <sup>1</sup>
Mississippi	April 15	-	X	X	1968	do	X	-	-
Missouri	April 15	-	X	X	1961	do	X	-	-
Montana	April 15	X	X	X	1955	do <sup>13</sup>	X	-	-
Nebraska	April 15	X	X	X	1967	do	X	-	-
New Hampshire	May 1	-	X	-	-	-	-	-	-
New Jersey	April 15	X	X	X <sup>2</sup>	1961	do	X	- <sup>14</sup>	X
New Mexico	April 15	X	X	X	1961	Monthly	X	X	(a) -, (b) X
New York	April 15	X	X	X	1959	do <sup>15</sup>	X	-	-
North Carolina	April 15	-	X	X <sup>2</sup>	1959	Quarterly	X	-	-
North Dakota	April 15	X	X	-	-	do	X	-	-
Oklahoma	April 15	-	X	X	1961	do <sup>10</sup>	X <sup>16</sup>	-	-
Oregon	April 15	X	X	X	1948	do <sup>7</sup>	X	-	X <sup>1</sup>
Rhode Island	April 15	X	X	-	-	-	X	-	-
South Carolina	April 15	-	X	X	1959	Quarterly	X	-	-
Tennessee	April 15	-	X	-	-	-	-	-	-
Utah	April 15	-	X	X	1959	do	X	-	-
Vermont	April 15	X	X	X	1951	do <sup>17</sup>	X	X	(a) -, (b) X
Virginia	May 1	-	X	X	1963	do	X	X	X <sup>1</sup>
W. Virginia	April 15	X	X	X	1961	do <sup>18</sup>	X	X	X <sup>1</sup>
Wisconsin	April 15	X	X	X	1962	do	X	-	-

See footnotes on the following page.

TABLE 39 - STATE INDIVIDUAL INCOME TAXES: ADMINISTRATIVE FEATURES, DECEMBER 31, 1970 (Cont'd)

X Denotes "yes"; - denotes "no" or "not applicable."

<sup>1</sup>Some reciprocity provisions are negative in effect - credit is given if the other State does not give credit.

<sup>2</sup>Withholding applies to nonresidents only.

<sup>3</sup>Except that employers withholding income taxes amounting to \$100 or more per month are required to remit withheld income taxes monthly.

<sup>4</sup>For income and intangibles taxes required to be paid a State as a domiciliary.

<sup>5</sup>The Director of Taxation may permit employers withholding not more than \$200 annually to make returns and payments on a quarterly basis.

<sup>6</sup>If the aggregate amount withheld is less than \$100, the Department may, by regulation, permit an employer to file only an annual return.

<sup>7</sup>Deductions limited.

<sup>8</sup>At the request of the employer, the Collector of Revenue may permit a withholding tax return to be submitted and the tax to be paid on a monthly basis.

<sup>9</sup>Monthly for employers withholding over \$500.

<sup>10</sup>Monthly for employers withholding \$300 or more.

<sup>11</sup>Except that returns and payment of taxes withheld by any employer who can reasonably expect that taxes withheld will exceed \$600 for the calendar year are due monthly.

<sup>12</sup>Limited to taxes paid on professional or business income.

<sup>13</sup>For nonresidents, monthly returns are required if withheld tax can reasonably be expected to be \$50 or more per quarter.

<sup>14</sup>N. Y. residents are allowed a credit against the tax by New York.

<sup>15</sup>If the aggregate amount of State income tax required to be withheld in a semi-annual period (periods ending June 30 and December 31) can reasonably be expected to be \$3,000 or more semi-monthly withholding returns and tax remittances are required.

<sup>16</sup>Limited to taxes paid on compensation for personal services.

<sup>17</sup>Except that where the amount withheld is at least \$200 per calendar month or exceeds \$600 per calendar quarter, employers are required to report monthly.

<sup>18</sup>The Tax Commission may by regulation provide for returns and payment on the 15th day of each month for employers withholding taxes of \$100 or more for the preceding calendar month.

Source: Commerce Clearing House, *State Tax Reporter*.

**TABLE 40 – STATE USE OF PERSONAL INCOME TAX CREDITS AND CASH REBATES TO MINIMIZE OR OFFSET  
THE REGRESSIVITY OF SALES AND PROPERTY TAXES<sup>1</sup>**

State	Type of credit	Year adopted	Amount of credit	Law	Administrative Procedure
Colorado . . . . .	For sales tax paid on food	1965	\$7 per personal exemption (exclusive of age and blindness)	Chap. 138, Art. 1, (secs. 138-1-18 & 138-1-19 added by H.B. 1119, laws 1965, effective 6/1/65)	Credit to be claimed on income tax returns. For resident individuals without taxable income a refund will be granted on such forms or returns for refund as prescribed by the Director of Revenue.
Hawaii . . . . .	For consumer-type taxes	1965	Varies based on income <sup>2</sup>	Chap. 121 (Secs. 121-12-1 & 121-12-2 added by Act 155 laws 1965)	The Director of Taxation shall prepare and prescribe the appropriate form or forms to be used by taxpayers in filing claims for tax credits. The form shall be made an integral part of the individual net income tax return. In the event the tax credits exceed the amount of the the income tax payments due, the excess of credits over payments due shall be refunded to the taxpayer.
	For drug or medical expenses	1970	do	Act 180, Laws 1970; sec. 235-56	
	For household rent	1970	do	Act 180, Laws 1970	
Idaho . . . . .	For sales taxes paid	1965 and 1969	\$10 credit per personal exemption (rebate applicable to taxpayers 65 and over only)	Chap. 195, laws 1965. Chap. 456, laws 1969; Sec. 63-3024 (d)	Credit (or rebate if credit exceeds tax liability) to be claimed on income tax returns. For resident individuals (65 and over) without taxable income a refund will be granted on such forms or returns for refund as prescribed by the State Tax Commission.
Indiana . . . . .	For sales tax paid on food	1963	\$8 per personal exemption (exclusive of age and blindness)	Chap. 50 (Chap. 30, Sec. 6d added by H.B. 1226, laws 1963, 1st sp. sess., effective 4/20/63)	Credit to be claimed on income tax returns. If an individual is not otherwise required to file a return, he may obtain a refund by filing a return, completing such return insofar as may be applicable, and claiming such refund.
Kansas . . . . .	For senior citizen homestead relief	1970	Varies, based on income and amount of property tax	Chap. 403 (H. B. 1253, Laws 1970)	Tax credit (or rebate if credit exceeds tax liability). The department of revenue shall make available suitable forms with instructions for claimants, including a form which may be included with or a part of the individual income tax blank.
Massachusetts . . . . .	For consumer-type taxes	1966	\$4 for taxpayer, \$4 for spouse, if any, and \$8 for each qualified dependent <sup>4</sup>	Chap. 62 (Sec. 6b added by ch. 14, Acts 1966)	Same as Indiana.

See footnotes at the end of table.

TABLE 40 – STATE USE OF PERSONAL INCOME TAX CREDITS AND CASH REBATES TO MINIMIZE OR OFFSET THE REGRESSIVITY OF SALES AND PROPERTY TAXES<sup>1</sup> (Cont'd)

State	Type of credit	Year adopted	Amount of credit	Law	Administrative Procedure
Minnesota . . . . .	For senior citizen homestead relief <sup>5</sup>	1967	Varies with income from 75% to 10% of net property tax or equivalent rent not to exceed \$600 (Max. credit \$450)	Chap. 32 (H.B. 27) Article VI	Tax credit or refund to be claimed on income tax return. Department of Taxation shall make available a separate schedule for information necessary to administration of this section and the schedule shall be attached and filed with the income tax return. Cash refund granted if property tax credit exceeds State personal income tax liability.
	Tax relief for renters.	1967	3.75% of the total amount paid by claimant as rent, not to exceed \$45 <sup>6</sup>	Chap. 32 (H.B. 27) Article XVII	Same as above.
Nebraska . . . . .	For sales tax paid on food	1967	\$7 per personal exemption (exclusive of age and blindness)	H.B. 377, laws 1967	Credit to be claimed on income tax returns. Refund will be allowed to the extent that credit exceeds income tax payable but no refund will be made for less than \$2.
Vermont . . . . .	For sales tax paid	1969	Varies, based on income and number of personal exemptions (other than age and blindness) <sup>7</sup>	H.B. 125, laws 1969; Chap. 152, Sec. 5829	Credit to be claimed on income tax returns. Credits properly claimed by resident individuals who have no income or no income subject to Vermont tax will be allowed the full amount of the credit as a refund.
	For senior citizen property tax relief	1969	Equal to the amount by which property taxes or rent constituting property taxes on their households exceeds 7% of the individuals total household income multiplied by the local rate factor <sup>8</sup>	H.B. 222, laws 1969; Chap. 139, Sec. 5901	The credit may not exceed the property tax, but if income tax liability is less than the credit the difference between the liability and the credit will be refunded.

See footnotes at the end of table.

**TABLE 40 – STATE USE OF PERSONAL INCOME TAX CREDITS AND CASH REBATES TO MINIMIZE OR OFFSET THE REGRESSIVITY OF SALES AND PROPERTY TAXES<sup>1</sup> (Cont'd)**

State	Type of credit	Year adopted	Amount of credit	Law	Administrative Procedure
Wisconsin . . . . .	For senior citizen homestead tax relief	1963	Varies, based on income and amount of property tax or rental payment	Chap. 71 (Sec. 7109 (7) added by ch. 566 (A.B. 301) eff. 6/10/64. Ch. 580 (A.B. 907) repealed & recreated Sec. 71.09(7) effective Dec. 19, 1964.	Tax credit or refunded to be claimed on income tax return. The Department of Taxation shall make available a separate schedule which shall call for the information necessary to administering this section and such schedule shall be attached to and filed with the Wisconsin income tax form. Cash refund granted if property tax credit exceeds State personal income tax due.
Washington, D.C. . . . .	For sales tax paid on food	1969	Varies, based on income <sup>9</sup> (credit applicable to low income taxpayers only)	P.L. 91-106 (H.R. 12982)	Tax credit or refund to be claimed on income tax return.

Note: See table 31 for exemption of food and medicine in State general sales taxes. See table 36 for the Michigan property tax credit (no cash rebate).

- <sup>1</sup> If a taxpayer has no State personal income tax liability or a tax liability insufficient to absorb the entire credit (a negative tax credit situation) he is entitled to the appropriate cash refund. If the taxpayer's State personal liability is equal to or greater than the tax credit, his personal income tax liability is reduced by the amount of the credit (a positive tax credit situation).
- <sup>2</sup> The credits for consumer-type taxes are based on "modified adjusted gross income" (regular taxable income plus exempt income such as social security benefits, life insurance proceeds, etc.) and range from \$21 per qualified exemption for taxpayers having a modified adjusted gross income of less than \$1,000 to \$1 per exemption where such income is between \$8,000 and \$9,999.
- <sup>3</sup> Ranges from \$12 per qualified exemption for taxpayers having taxable income under \$1,000 to \$0 where such income is over \$7,000.
- <sup>4</sup> Credits are only allowed if total taxable income of taxpayer and spouse, if any, does not exceed \$5,000 for the taxable year.
- <sup>5</sup> All homeowners residing in their own homes are allowed a direct reduction of their property taxes due by means of the Homestead Property Tax Credit. This credit amounts to 35 percent of the tax levy, excluding the amount levied for bonded indebtedness, to a maximum credit of \$250. Senior citizen homeowners also receive this credit. Local governments are reimbursed for their tax loss from the state property tax relief fund.
- <sup>6</sup> Elderly may choose this relief or senior citizen relief but not both.
- <sup>7</sup> Ranges from \$12 to \$81 for taxpayers having less than \$1,000 total household income to \$0 to \$36 for those having between \$6,000 and \$6,999 income, based on number of personal exemptions.
- <sup>8</sup> The commissioner shall annually prepare and make available the local rate factors by arraying all municipalities according to their effective tax rate and dividing the population of the State into quintiles from such array with those having the lowest effective tax rates being in the first quintile. The local rate factors shall be as follows: first quintile, 0.6; second quintile, 0.8; third quintile, 1.0; fourth quintile, 1.2; fifth quintile, 1.4. The amount of property taxes or rent constituting property taxes used in computing the credit are limited to \$300 per taxable year.
- <sup>9</sup> Low income taxpayers (AGI not over \$6,000) are allowed a credit ranging from \$2 to \$6 per personal exemption, depending upon the taxpayer's income bracket.

Source: Commerce Clearing House, *State Tax Reporter*.



**TABLE 41 — SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1968-69**  
(Population data in thousands, dollar amounts in millions)

State	Population, as of July 1 (excluding armed forces overseas)		Total State personal income		State personal income tax collections in 1969 <sup>1</sup> related to — —		Selected data from Federal Statistics of Income, 1968, Individual income tax returns					
	1969	1968	1969	1968	Federal adj. gross income in 1968	Federal income tax in 1968 (after credits)	Number of returns (000)		Adjusted gross income			
							Total	With itemized deductions	Total		Excluding personal exemptions	
	Amount	% of 1968 per. income	Amount	% of 1968 per. income								
UNITED STATES <sup>2</sup> . . . . .	201,924	199,842	\$744,479	\$684,442	2.2 <sup>3</sup>	16.1 <sup>3</sup>	73,526	31,986	\$552,944	80.8	\$432,489	63.2
Alabama . . . . .	3,531	3,522	9,116	8,328	1.2	9.8	1,021	466	6,459	77.6	4,704	56.5
Alaska . . . . .	282	276	1,258	1,119	3.4	24.3	83	35	733	65.5	591	52.8
Arizona . . . . .	1,693	1,667	5,709	5,044	1.3	10.6	568	267	3,957	78.4	2,986	59.2
Arkansas . . . . .	1,995	1,983	4,963	4,590	1.1	9.9	576	202	3,367	73.4	2,372	51.7
California . . . . .	19,443	19,179	83,408	76,900	1.7	13.0	7,538	4,137	62,358	81.1	50,240	65.3
Colorado . . . . .	2,100	2,067	7,569	6,853	1.9	14.6	767	386	5,506	80.3	4,241	61.9
Connecticut . . . . .	3,000	2,961	13,784	12,741	—	—	1,277	539	11,116	87.2	9,120	71.6
Delaware . . . . .	540	533	2,218	2,048	3.7	23.0	202	77	1,676	81.8	1,350	65.9
Dist. of Columbia . . . . .	798	802	3,768	3,524	3.1	19.4	323	106	2,176	61.7	1,759	49.9
Florida . . . . .	6,354	6,210	22,396	19,820	—	—	2,327	1,070	16,013	80.8	12,179	61.4
Georgia . . . . .	4,641	4,579	14,253	12,781	1.4	11.2	1,446	537	9,679	75.7	7,290	57.0
Hawaii . . . . .	794	775	3,060	2,710	4.1	29.8	274	113	2,114	78.0	1,695	62.5
Idaho . . . . .	718	709	2,120	1,886	2.6	22.6	240	88	1,480	78.5	1,079	57.2
Illinois . . . . .	11,047	10,958	47,340	43,712	—	—	4,486	1,760	36,602	83.7	29,336	67.1
Indiana . . . . .	5,118	5,065	18,868	17,297	1.3	9.6	1,837	681	13,992	80.9	10,831	62.6
Iowa . . . . .	2,781	2,775	9,870	9,123	1.5	12.5	1,054	429	7,001	76.7	5,227	57.3
Kansas . . . . .	2,321	2,291	8,096	7,520	1.3	10.2	811	364	5,583	74.2	4,211	56.0
Kentucky . . . . .	3,232	3,224	9,202	8,478	1.7	14.0	1,016	353	6,338	74.8	4,584	54.1
Louisiana . . . . .	3,745	3,710	10,413	9,809	0.6	4.7	1,068	426	7,349	74.9	5,477	55.8
Maine . . . . .	978	978	2,987	2,768	—	—	373	122	2,261	81.7	1,633	59.0
Maryland . . . . .	3,765	3,716	15,336	14,048	2.4	17.0	1,603	652	12,978	92.4	10,411	74.1
Massachusetts . . . . .	5,467	5,438	22,722	21,141	2.6	18.0	2,261	982	17,474	82.7	14,037	66.4
Michigan . . . . .	8,766	8,673	35,010	32,222	1.5	10.3	3,169	1,564	26,372	81.8	21,064	65.4
Minnesota . . . . .	3,700	3,663	13,448	12,258	3.2	25.4	1,377	653	9,588	78.2	7,268	59.3
Mississippi . . . . .	2,360	2,349	5,234	4,871	0.6	5.5	578	268	3,396	69.7	2,317	47.6

See footnotes at end of the table.

TABLE 41 — SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1968-69 (Cont'd)  
(Population data in thousands, dollar amounts in millions)

State	Population, as of July 1 (excluding armed forces overseas)		Total State personal income		State personal income tax collections in 1969 <sup>1</sup> related to — —		Selected data from Federal Statistics of Income, 1968, Individual income tax returns					
	1969	1968	1969	1968	Federal adj. gross income in 1968	Federal income tax in 1968 (after credits)	Number of returns (000)		Adjusted gross income			
							Total	With itemized deductions	Total		Excluding personal exemptions	
									Amount	% of 1968 per. income	Amount	% of 1968 per. income
Missouri . . . . .	4,651	4,610	\$16,085	\$15,048	1.0	7.3	1,669	746	\$11,814	78.5	\$9,089	60.4
Montana . . . . .	694	696	2,172	2,022	2.2	18.8	244	87	1,415	70.0	1,021	50.5
Nebraska . . . . .	1,449	1,453	5,230	4,649	1.1	8.6	557	181	3,426	73.7	2,519	54.2
Nevada . . . . .	457	449	2,037	1,783	—	—	184	76	1,536	86.1	1,247	69.9
New Hampshire . . . . .	717	703	2,489	2,300	—	—	279	77	1,914	83.2	1,480	64.3
New Jersey . . . . .	7,148	7,070	30,312	28,057	—	—	2,769	1,301	23,213	82.7	18,796	67.0
New Mexico . . . . .	994	994	2,879	2,650	1.0	8.3	314	126	2,004	75.6	1,432	54.0
New York . . . . .	18,321	18,186	81,384	75,302	3.5	23.0	7,124	3,670	61,526	81.7	50,253	66.7
North Carolina . . . . .	5,205	5,131	15,030	13,636	2.3	18.9	1,687	639	10,463	76.7	7,696	56.4
North Dakota . . . . .	615	624	1,852	1,658	1.2	11.5	219	80	1,211	73.0	819	49.4
Ohio . . . . .	10,740	10,610	40,145	36,928	—	—	3,955	1,560	30,910	83.7	24,318	65.9
Oklahoma . . . . .	2,568	2,542	7,825	7,200	0.9	7.1	846	370	5,436	75.5	4,010	55.7
Oregon . . . . .	2,032	2,004	7,261	6,663	3.8	29.2	755	343	5,401	81.1	4,163	62.5
Pennsylvania . . . . .	11,803	11,750	43,182	39,874	—	—	4,457	1,859	32,699	82.0	25,605	64.2
Rhode Island . . . . .	911	908	3,515	3,279	—	—	382	155	2,712	82.7	2,107	64.3
South Carolina . . . . .	2,692	2,669	7,018	6,381	1.7	14.8	812	305	4,874	76.4	3,527	55.3
South Dakota . . . . .	659	665	1,995	1,875	—	—	238	72	1,325	70.7	892	47.6
Tennessee . . . . .	3,985	3,952	11,189	10,213	—	—	1,294	468	8,309	81.4	6,183	60.5
Texas . . . . .	11,187	11,013	36,458	33,247	—	—	3,805	1,305	26,406	79.4	19,880	59.8
Utah . . . . .	1,045	1,031	3,132	2,880	2.2	19.3	344	190	2,361	82.0	1,733	60.2
Vermont . . . . .	439	429	1,426	1,310	3.3	26.1	160	61	1,034	78.9	780	59.5
Virginia . . . . .	4,669	4,604	15,441	14,154	2.4	18.0	1,593	648	11,489	81.2	8,896	62.9
Washington . . . . .	3,402	3,296	13,093	12,108	—	—	1,246	536	9,914	81.9	7,906	65.3
West Virginia . . . . .	1,819	1,819	4,735	4,426	0.9	6.9	566	133	3,532	79.8	2,603	58.8
Wisconsin . . . . .	4,233	4,211	15,376	14,207	4.0	31.0	1,632	677	11,683	82.2	8,948	63.0
Wyoming . . . . .	320	322	1,073	998	—	—	120	42	771	77.3	586	58.7

See footnotes at end of the table.

TABLE 41 – SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1968-69 (Cont'd)  
(Population data in thousands, dollar amounts in millions)

Selected data from federal statistics of income, 1968, individual income tax returns (Cont'd)

State	Federal taxable income		Federal income tax liability (after credits)	Personal exemptions					
	Amount	% of 1968 Personal income		Total		Other than age and blindness			
				Number (000)	No. as a % of 1968 population	Amount	Number (000)	No. as a % of 1968 population	Amount
UNITED STATES . . . . .	\$351,772	51.4	\$76,428	200,759	100.5	\$120,455	191,800	96.0	\$115,080
Alabama . . . . .	3,758	45.1	765	2,925	83.0	1,755	2,837	80.6	1,702
Alaska . . . . .	491	43.9	104	236	85.5	142	231	83.7	139
Arizona . . . . .	2,383	47.2	500	1,618	97.1	971	1,557	93.4	934
Arkansas . . . . .	1,943	42.3	382	1,659	83.7	995	1,587	80.0	952
California . . . . .	38,666	50.3	8,392	20,196	105.3	12,118	19,380	101.0	11,628
Colorado . . . . .	3,387	49.4	707	2,108	102.0	1,265	2,025	98.0	1,215
Connecticut . . . . .	7,588	59.6	1,821	3,326	112.3	1,996	3,133	105.8	1,880
Delaware . . . . .	1,116	54.5	267	544	102.1	326	524	98.3	314
District of Columbia . . . . .	1,459	41.4	346	695	86.7	417	648	80.8	389
Florida . . . . .	9,962	50.3	2,232	6,390	102.9	3,834	5,931	95.5	3,559
Georgia . . . . .	5,933	46.4	1,239	3,982	87.0	2,389	3,878	84.7	2,327
Hawaii . . . . .	1,353	49.9	290	699	90.2	41.9	680	87.7	408
Idaho . . . . .	879	46.6	170	669	94.4	401	634	81.8	380
Illinois . . . . .	24,571	56.2	5,485	12,110	110.5	7,266	11,499	104.9	6,899
Indiana . . . . .	9,075	52.5	1,894	5,268	104.0	3,161	5,031	99.3	3,019
Iowa . . . . .	4,331	47.5	858	2,957	106.6	1,774	2,785	100.4	1,671
Kansas . . . . .	3,456	46.0	711	2,286	99.8	1,372	2,150	93.8	1,290
Kentucky . . . . .	3,754	44.3	766	2,924	90.7	1,754	2,818	87.4	1,691
Louisiana . . . . .	4,476	45.6	948	3,120	84.1	1,872	3,040	81.9	1,824
Maine . . . . .	1,354	48.9	274	1,046	107.0	628	993	101.5	596
Maryland . . . . .	8,520	60.6	1,843	4,278	115.1	2,567	4,141	111.4	2,485
Massachusetts . . . . .	11,380	53.8	2,514	5,729	105.4	3,437	5,435	99.9	3,261
Michigan . . . . .	17,322	53.8	3,776	8,847	102.0	5,308	8,527	98.3	5,116
Minnesota . . . . .	5,787	47.2	1,196	3,867	105.6	2,320	3,683	100.5	2,210
Mississippi . . . . .	1,854	38.1	374	1,799	75.3	1,079	1,747	73.1	1,048

See footnotes at end of the table.

TABLE 41 – SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1968-69 (Cont'd)  
(Population data in thousands, dollar amounts in millions)

Selected data from federal statistics of income, 1968, individual income tax returns (Cont'd)

State	Federal taxable income		Federal income tax liability (after credits)	Personal exemptions					
	Amount	% of 1968 Personal income		Total		Other than age and blindness			
				Number (000)	No. as a % of 1968 population	Amount	Number (000)	No. as a % of 1968 population	Amount
Missouri . . . . .	\$ 7,471	49.6	\$1,618	4,541	98.5	\$2,725	4,324	93.8	\$2,594
Montana . . . . .	861	42.6	166	656	94.3	394	631	90.7	379
Nebraska . . . . .	2,111	45.4	428	1,512	104.1	907	1,404	96.6	842
Nevada . . . . .	1,044	58.6	241	482	107.3	289	465	103.6	279
New Hampshire . . . . .	1,256	54.6	262	724	103.0	434	691	98.3	415
New Jersey . . . . .	15,413	54.9	3,450	7,361	104.1	4,417	6,988	98.8	4,193
New Mexico . . . . .	1,174	44.3	237	953	95.9	572	930	93.6	558
New York . . . . .	39,632	52.6	9,358	18,788	103.3	11,273	17,791	97.8	10,675
North Carolina . . . . .	6,226	45.7	1,270	4,612	89.9	2,767	4,459	86.9	2,675
North Dakota . . . . .	668	40.3	121	654	104.8	392	606	97.1	364
Ohio . . . . .	20,301	55.0	4,353	10,987	103.6	6,592	10,556	99.5	6,334
Oklahoma . . . . .	3,239	45.0	669	2,376	93.5	1,426	2,266	89.1	1,360
Oregon . . . . .	3,389	50.9	699	2,064	103.0	1,238	1,962	97.9	1,177
Pennsylvania . . . . .	21,204	53.2	4,568	11,823	100.6	7,094	11,292	96.1	6,775
Rhode Island . . . . .	1,743	64.7	378	1,009	111.1	605	950	104.6	570
South Carolina . . . . .	2,865	44.9	571	2,245	84.1	1,347	2,180	81.7	1,308
South Dakota . . . . .	747	39.8	141	721	108.4	433	669	100.6	401
Tennessee . . . . .	5,109	50.0	1,072	3,543	89.7	2,126	3,438	87.0	2,063
Texas . . . . .	16,736	50.3	3,636	10,877	98.8	6,526	10,458	95.0	6,275
Utah . . . . .	1,328	46.1	263	1,047	101.6	628	1,008	97.8	605
Vermont . . . . .	639	48.8	130	423	98.6	254	395	92.1	237
Virginia . . . . .	7,250	51.2	1,518	4,321	93.9	2,593	4,166	90.5	2,500
Washington . . . . .	6,574	54.3	1,381	3,347	101.5	2,008	3,200	97.1	1,920
West Virginia . . . . .	2,230	50.4	451	1,548	85.1	929	1,486	81.7	892
Wisconsin . . . . .	7,275	51.2	1,492	4,559	108.3	2,735	4,298	102.1	2,579
Wyoming . . . . .	494	49.5	100	309	96.0	185	291	90.4	175

See footnotes at end of table.

**TABLE 41 – SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1968-69 (Cont'd)**  
**(Population data in thousands, dollar amounts in millions)**

<sup>1</sup>States with broad-based personal income-taxes only. Excludes the New Hampshire and Tennessee flat rate taxes on interest and dividends, and the New Jersey "commuters tax," which applies only to income earned in New Jersey by residents of New York.

<sup>2</sup>Excludes minor amounts of Statistics of income data for "other areas."

<sup>3</sup>Weighted mean of the 35 States, and the District of Columbia imposing a broad-based personal income tax for the entire fiscal year. Maine and Illinois became personal income tax states during 1969.

Source: U.S. Bureau of the Census, *State Government Finances in 1969*; U.S. Department of Commerce, Office of Business Economics, *Survey of Current Business*, August 1970; and Internal Revenue Service, *Statistics of Income, Individual Income Tax Returns*, 1968.

TABLE 42 – STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1970

State	Rate (percent)	Federal tax deductible <sup>1</sup>	Related provisions
Alabama . . . . .	5	X	
Alaska . . . . .	First \$25,000 . . . 5.4 Over \$25,000 . . . 9.36	—	
Arizona <sup>2</sup> . . . . .	First \$1,000 . . . . 2 \$1,001-\$2,000 . . . 3 \$2,001-\$3,000 . . . 4 \$3,001-\$4,000 . . . 5 \$4,001-\$5,000 . . . 6 \$5,001-\$6,000 . . . 7 Over \$6,000 . . . . 8	X	
Arkansas . . . . .	First \$3,000 . . . . 1 \$3,001-\$6,000 . . . 2 \$6,001-\$11,000 . . 3 \$11,001-\$25,000 . 5 Over \$25,000 . . . 6	—	
California . . . . .	7	—	Minimum tax: \$100.
Colorado . . . . .	5	—	Alternative tax: Any person required to file a Colorado income tax return (1) whose only activities in Colorado consist of making sales, (2) who does not own or rent real estate within the State, and (3) whose annual gross sales in or into the State amount to not more than \$100,000 may elect to pay a tax of ½ of 1% of his annual gross receipts derived from sales in or into Colorado in lieu of paying an income tax.
Connecticut <sup>2</sup> . . . . .	8	—	If tax yield is greater, 4 mills per dollar of capital employed in Connecticut. Minimum tax: \$45. Banks and financial institutions, 8% of net income or 4 mills per dollar of average par or face value of indebtedness plus average value of issued and outstanding stock plus average value of surplus reserves and undivided profits less average value of deficits on private stock holdings.
Delaware . . . . .	6	—	
Georgia . . . . .	6	—	
Hawaii <sup>2</sup> . . . . .	First \$25,000 . . . 5.85 Over \$25,000 . . . 6.435	—	Capital gains entitled to alternative tax treatment are taxed at 3.08%. Financial institutions, 11.7%. A \$10 filing fee is imposed.
Idaho . . . . .	6	—	A standard exemption of \$1,000 is allowed every taxpayer.
Illinois . . . . .	4	—	
Indiana . . . . .	2	—	
Iowa . . . . .	First \$25,000 . . . 4 \$25,001-\$100,000 . 6 Over \$100,000 . . . 8	X <sup>3</sup>	Financial institutions: 1st \$25,000 of net income, 5%; net \$15,000, 6%; next \$25,000, 7%; over \$100,000, 8%.
Kansas . . . . .	4.5 Plus a 2¼% surtax on taxable income in excess of \$25,000.	X	Banks, trust companies and building and loan associations, 5%.
Kentucky . . . . .	First \$25,000 . . . 5 Over \$25,000 . . . 7	X	
Louisiana . . . . .	4	—	
Maine . . . . .	4	—	Alternative tax: A corporation, in lieu of paying the 4% tax on allocated and apportioned net income, may pay a tax of 1% of gross sales in Maine if, during the taxable year, the corporation neither owns nor rents tangible property in Maine, the corporation's activities in Maine are limited to sales, and the gross sales of the corporation in Maine do not exceed \$100,000

See footnotes at the end of table.

TABLE 42 – STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1970 (Cont'd)

State	Rate (percent)	Federal tax deductible <sup>1</sup>	Related provisions
Maryland . . . . .	7	—	Domestic corporations are allowed credit for franchise taxes in excess of \$40.
Massachusetts <sup>2</sup> . . . . .	7.5 <sup>4</sup>	—	Plus \$7 per \$1,000 upon the value of its tangible property not subject to local taxation and situated in Massachusetts on the last day of the taxable year if a tangible property corporation (or its net worth allocable to Massachusetts if an intangible property corporation). Minimum tax \$100. Domestic corporations pay a tax of 1/3 of 1% of the value of their interest in ships in interstate or foreign commerce, which value is deducted from the corporate excess. Taxes computed under any of the bases subject to a 14% surtax.
Michigan . . . . .	5.6	—	Financial institutions, 7%.
Minnesota . . . . .	11.33	X	A credit of \$500, deductible from net income, is allowed each corporation. Minimum tax: \$10. Banks, 13.64%.
Mississippi . . . . .	First \$5,000 . . . 3 Over \$5,000 . . . 4	—	
Missouri . . . . .	2	X	Banks and financial institutions, 7%.
Montana . . . . .	6.25	—	Minimum tax, \$50, except \$10 for small business corporations.
Nebraska <sup>2</sup> . . . . .	2.6 (2.0 eff. 1/1/71)	—	The tax rate is 20% of the rate applicable to individuals. The rate for individuals for 1970 is 13% and is set as a flat percentage by the State Board of Equalization and Assessment on or before November 15 annually for the taxable year beginning during the subsequent calendar year.
New Hampshire . . . . .	6	—	
New Jersey . . . . .	4.25	—	All corporations pay additional tax on net worth.
New Mexico <sup>2</sup> . . . . .	5	—	Banks and financial institutions, 6%.
New York . . . . .	7 percent plus tax of 5/8 mill per \$1 of allocated subsidiary capital. (There is an additional tax of 5% of business income on omnibus corporations which have gross receipts of \$500,000 or more for the taxable year within New York from omnibuses having a seating capacity of more than 7 persons).	—	Corporations are subject to the 7 percent tax on net income or a tax on 3 alternative bases, whichever is greatest. The alternative taxes are: (1) 1 1/4 mill on each dollar of business and investment capital; or (2) 7 percent of 30 percent of net income plus compensation paid to officers and holders of more than 5 percent of capital stock, less \$15,000 and any net loss; or (3) \$100, whichever is greatest; plus the tax on allocated subsidiary capital. Banks and financial institutions, 6%.
North Carolina . . . . .	6	—	Banks and financial institutions, 6%.
North Dakota . . . . .	First \$3,000 . . . 3 \$3,001-\$8,000 . . 4 \$8,001-\$15,000 . . 5 Over \$15,000 . . . 6	X	For taxable years beginning on and after January 1, 1970 foreign and domestic corporations will be subject to an additional 1% tax for the privilege of doing business in the State if (1) their personal prop-

See footnotes at the end of table.

TABLE 42 – STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1970 (Cont'd)

State	Rate (percent)	Federal tax deductible <sup>1</sup>	Related provisions
North Dakota (cont'd)			erty is not assessed by the State Board of Equalization, (2) they are not subject to a special tax in lieu of personal property taxes, and (3) they are required to file a North Dakota income tax return. The additional tax will apply to taxable income computed as provided under the income tax law except that federal income tax will not be deductible. Minimum tax, \$20. Banks and trust companies, 5%. Effective January 1, 1970 an additional 2% tax is levied on State and national banks and trust companies for the privilege of transacting business in the State. Minimum tax, \$50.
Oklahoma <sup>2</sup>	4	X	Banks 4%.
Oregon	6	—	Manufacturers may claim an offset of up to one-third of the tax for Oregon personal property taxes paid on raw materials, goods in process, and finished products. Minimum tax: \$10. Banks, national banking associations, financial institutions, and production credit associations, 8%.
Pennsylvania <sup>2</sup>	12	—	Alternative tax: 40 cents per \$100 on corporate excess, if tax yield is greater. Banks and financial institutions, 8% or \$2.50 per \$10,000, if tax yield is greater.
Rhode Island	8	—	
South Carolina	6	—	Banks, 4.5%, savings and loan associations, 8%.
South Dakota	5	—	
Tennessee <sup>2</sup>	5	—	
Utah	6	X	Minimum tax: \$25. Banks and financial institutions, 6%.
Vermont <sup>2</sup>	6	—	Subject to reduction if there is sufficient surplus in general fund. Minimum tax: \$25. Banks and financial institutions, 6%.
Virginia	5	—	
West Virginia	6	—	
Wisconsin <sup>2</sup>	First \$1,000 . . . 2 \$1,001-\$2,000 . . . 2.5 \$2,001-\$3,000 . . . 3 \$3,001-\$4,000 . . . 4 \$4,001-\$5,000 . . . 5 \$5,001-\$6,000 . . . 6 Over \$6,000 . . . 7	X <sup>6</sup>	
District of Columbia . . .	6	—	Banks and trust companies, 4%; building and loan associations, 2%.

X Denotes "yes";  
— Denotes "no."

<sup>1</sup>In general, each State which permits the deduction of Federal income taxes limits such deduction to taxes paid on that part of income subject to its own income tax.

<sup>2</sup>Allows deduction of State corporation income tax itself in computing State tax liability.

<sup>3</sup>Limited to 50% of Federal income taxes paid or accrued during the taxable year.



TABLE 42 – STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1970 (Cont'd)

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<sup>4</sup>The rate shown is for business or manufacturing corporations (utility corporations, 5%). Domestic and foreign security corporations (other than regulated investment or bank holding companies, which are taxed at the rate of  $\frac{1}{4}$  of 1% of gross income or \$100, whichever is greater) 1% of gross income or \$100, whichever is greater. Domestic and foreign corporations engaged in interstate commerce and not subject to the corporation excise (income) tax, 4% on that portion of their net income derived from business carried on in the State. Plus a 14% surtax applicable to the taxes computed under any of the bases.

<sup>5</sup>Tax at 5.5% (\$24 minimum) applicable to banks and financial institutions only.

<sup>6</sup>Limited to 10% of net income before Federal tax.

Source: Commerce Clearing House, *State Tax Reporter*.

**TABLE 43 – LOCAL INCOME TAXES, RATES AND COLLECTIONS**  
(Dollar amounts in thousands)

State and local government	Rate December 31, 1970 (percent)	Municipal tax collections, 1968-69 (Cities with over 50,000 population in 1960)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
<b>Alabama:</b>				
Gadsden .....	2.0	\$4,614	\$2,677	58.0
<b>Delaware:</b>				
Wilmington .....	¼ of 1% or 1% <sup>1</sup>	13,064	1,058	8.1
<b>Kentucky:</b>				
Ashland .....	1.0	XXX	XXX	XXX
Benton .....	0.5	XXX	XXX	XXX
Berea .....	1.5	XXX	XXX	XXX
Bowling Green .....	1.0	XXX	XXX	XXX
Catlettsburg .....	1.0	XXX	XXX	XXX
Covington .....	2.0	3,590	1,616	45.0
Cynthiana .....	1.5	XXX	XXX	XXX
Danville .....	1.0	XXX	XXX	XXX
Dawson Springs .....	1.0	XXX	XXX	XXX
Flemingsburg .....	0.5	XXX	XXX	XXX
Frankfort .....	1.0	XXX	XXX	XXX
Fulton .....	1.0	XXX	XXX	XXX
Glasgow .....	1.0	XXX	XXX	XXX
Hopkinsville .....	1.0	XXX	XXX	XXX
Leitchfield .....	1.0	XXX	XXX	XXX
Lexington .....	1.5	9,431	5,037	53.4
Louisville .....	1.25	32,624	17,353	53.2
Jefferson County <sup>2</sup> .....	1.75	XXX	XXX	XXX
Ludlow .....	1.0	XXX	XXX	XXX
Marshall County .....	0.5	XXX	XXX	XXX
Mayfield .....	0.67	XXX	XXX	XXX
Maysville .....	1.5	XXX	XXX	XXX
Middlesboro .....	1.0	XXX	XXX	XXX
Newport .....	2.0	XXX	XXX	XXX
Owensboro .....	1.0	XXX	XXX	XXX
Paducah .....	1.25	XXX	XXX	XXX
Pikeville .....	1.0	XXX	XXX	XXX
Princeton .....	1.0	XXX	XXX	XXX
Richmond .....	1.0	XXX	XXX	XXX
<b>Maryland:</b>				
	% of State tax			
Baltimore City .....	50%	186,346	26,300	14.1
1 County .....	20%	XXX	XXX	XXX
1 County .....	30%	XXX	XXX	XXX
2 Counties .....	35%	XXX	XXX	XXX
19 Counties .....	50%	XXX	XXX	XXX
<b>Michigan:</b>				
Battle Creek .....	<sup>4</sup>	XXX	XXX	XXX
Big Rapids .....	<sup>4</sup>	XXX	XXX	XXX
Detroit .....	<sup>4,5</sup>	202,306	78,729	38.9
Flint .....	<sup>4</sup>	17,955	9,452	52.6
Grand Rapids .....	<sup>4</sup>	14,959	6,701	44.8
Hamtramck .....	<sup>4</sup>	XXX	XXX	XXX

See footnotes at the end of the table.

**TABLE 43 – LOCAL INCOME TAXES, RATES AND COLLECTIONS (Cont'd)**  
(Dollar amounts in thousands)

State and local government	Rate December 31, 1970 (percent)	Municipal tax collections, 1968-69 (Cities with over 50,000 population in 1960)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Highland Park . . . . .	4	XXX	XXX	XXX <sub>3</sub>
Jackson . . . . .	4	2,858		
Lansing . . . . .	4	10,123	4,197	41.5
Lapeer . . . . .	4	XXX	XXX	XXX
Pontiac . . . . .	4	7,150	2,826	39.5
Port Huron . . . . .	4	XXX	XXX	XXX
Saginaw . . . . .	4	7,120	3,691	51.8
<b>Missouri:</b>				
Kansas City . . . . .	0.5	50,373	12,469	24.8
St. Louis . . . . .	1.0	98,605	35,728	36.2
<b>New York:</b>				
New York City . . . . .	0.4-2.0 <sup>6</sup>	2,861,063	495,766	17.3
<b>Ohio:</b>				
Cities 50,000 population and over –				
Akron . . . . .	1.3 (1.4 eff. 1/1/71)	22,958	12,095	52.7
Canton . . . . .	1.5	5,944	4,459	75.0
Cincinnati . . . . .	1.7	49,654	21,192	42.7
Cleveland . . . . .	1.0	80,749	21,637	26.8
Cleveland Heights . . . . .	1.0	3,901	662	17.0
Columbus . . . . .	1.5	27,317	20,014	73.3
Dayton . . . . .	1.0	26,007	15,073	58.0
Euclid . . . . .	1.0	6,425	2,052	31.9
Hamilton . . . . .	1.0	3,434	2,140	62.3
Kettering . . . . .	1.0	3,300	1,182	35.8
Lakewood . . . . .	1.0	3,358	89	2.7
Lima . . . . .	1.0	2,635	1,886	71.6
Lorain . . . . .	1.0	3,497	950	27.2
Parma . . . . .	1.0	4,208	778	18.5
Springfield . . . . .	1.5	4,101	2,987	72.8
Toledo . . . . .	1.5	26,404	19,923	75.5
Warren . . . . .	1.0	3,300	2,382	72.2
Youngstown . . . . .	1.5	12,175	7,236	59.4
269 cities and villages (with less than 50,000 population)	0.25 – 1.7	XXX	XXX	XXX
<b>Pennsylvania:<sup>7</sup></b>				
Cities, 50,000 population and over –				
Abington Township . . . . .	1.0 <sup>8</sup>	2,611		
Allentown . . . . .	1.0 <sup>8</sup>	6,820	1,588	23.3
Altoona . . . . .	1.0 <sup>9</sup>	2,783	573	20.6
Bethlehem . . . . .	1.0 <sup>8</sup>	4,683	1,109	23.7
Chester . . . . .	1.0 <sup>10</sup>	3,706	1,822	49.2
Erie . . . . .	1.0 <sup>8</sup>	8,458	1,582	18.7
Harrisburg . . . . .	1.0 <sup>8</sup>	4,680	912	19.5
Johnstown . . . . .	1.0 <sup>9</sup>	2,259	417	18.5
Lancaster . . . . .	0.5 <sup>11</sup>	2,436	655	26.9
Penn Hills Township . . . . .	1.0 <sup>9</sup>	2,180	836	38.3
Philadelphia . . . . .	3.0 <sup>12</sup>	287,491	141,303	49.2
Pittsburgh . . . . .	1.0 <sup>8</sup>	58,695	11,958	20.4
Reading . . . . .	1.0 <sup>10</sup>	4,784		
Scranton . . . . .	1.0 <sup>8,13</sup>	5,898	1,643	27.9
Wilkes Barre . . . . .	0.5 <sup>8</sup>	3,015	589	19.5
York . . . . .	1.0 <sup>8</sup>	2,634	411	15.6
Approx. 3,300 other local jurisdictions (including over 1,000 school districts)	0.20 – 1.0	XXX	XXX	XXX

See footnotes at the end of the table.

**TABLE 43 – LOCAL INCOME TAXES, RATES AND COLLECTIONS (Cont'd)**  
**(Dollar amounts in thousands)**

Note: Excludes Washington, D.C. which has a graduated net income tax that is more closely akin to a State tax than to the municipal income taxes (see table 36. Also excludes the Denver Employee Occupational Privilege Tax of \$2 per employee per month, which applies only to employees earning at least \$250 per month; the San Francisco 1% payroll expense tax (eff. 10/1/70); and the 1/2 of 1% quarterly payroll tax on employers imposed in the Tri-county Metropolitan Transit District (encompassing all of Washington, Clackamas and Multnomah counties, Oregon).

“XXX” Signifies a county, or a city under 50,000 population.

- <sup>1</sup> If total annual wages or net profits are \$4,000 or less there is no tax liability. On income between \$4,000.01 and \$6,000.00 the rate is 1/4 of 1%; on income of \$6,000.01 or more 1%. The tax rates apply to total income not merely to the proportion of income falling within a given bracket. In this sense the tax is not a typical graduated levy.
- <sup>2</sup> A taxpayer subject to the 1.25 percent tax imposed by the City of Louisville may credit this tax against the 1.75 percent levied by Jefferson County.
- <sup>3</sup> Tax went into effect after reporting period.
- <sup>4</sup> Under the Michigan “Uniform City Income Tax Act,” the prescribed rates are 1.0 percent for residents and 0.5 percent for nonresidents. A resident is allowed credit for taxes paid to another city as a nonresident.
- <sup>5</sup> The rate for residents in Detroit was increased from 1 percent to 2 percent effective October 1, 1968.
- <sup>6</sup> New York City residents’ rate ranges from 0.4 percent on taxable income of less than \$1,000 to 2.0 percent on taxable income in excess of \$30,000. An earnings tax of 0.25 percent of wages or 3/8 of 1 percent on net earnings from self-employment, not to exceed that which would be due if taxpayer were a resident, is levied against nonresidents.
- <sup>7</sup> Except for Philadelphia, Pittsburgh, and Scranton, the total rate payable by any taxpayer is limited to 1 percent. For coterminous jurisdictions, such as borough and borough school district, the maximum is usually divided equally between the jurisdictions unless otherwise agreed. However, school districts may tax only residents. Thus, if a borough and a coterminous school district each have a stated rate of 1 percent, the total effective rate for residents is 1 percent (½ of 1 percent each to the borough and school district) and the tax on nonresidents is 1 percent, the stated rate imposed by the borough.
- <sup>8</sup> The school district rate is the same as the municipal rate.
- <sup>9</sup> The school district rate is 0.5 percent.
- <sup>10</sup> There is no school district income tax.
- <sup>11</sup> The school district rate is 1.0 percent.
- <sup>12</sup> The Philadelphia school district imposes a 2% tax on investment income.
- <sup>13</sup> Combined city and school district rate may not exceed 2.0 percent.

Source: Commerce Clearing House, *State Tax Reporter*, and U.S. Bureau of the Census, Governments Division.

TABLE 44 – LOCAL INCOME TAX BASES, 1967

City	Non-resident rate relative to resident rate	Business taxed <sup>a</sup>		Resident income base includes –				Reciprocal city tax credit allowed	Personal exemptions allowed	Personal deductions allowed	Tax withheld on wages and salaries
		Incorporated	Unincorporated	Wages, salaries, similar income only	Income earned out of jurisdiction	Capital gains	Dividends				
New York, N. Y. . . . .	(b)	Yes	Yes	No	Yes	Yes	Yes	No	\$600 ea. (b)	Yes	Yes
Philadelphia, Pa. . . . .	Same	No	Yes	Yes	Yes	No	No	No	No	No	Yes
Detroit, Mich. . . . .	Half	Yes	Yes	No	Yes	Yes	Yes	Yes	\$600 ea.	No	Yes
Baltimore, Md. . . . .	Zero	Yes	Yes	No	Yes	Yes	Yes	No	\$800 ea.	Yes	Yes
Cleveland, Ohio . . . . .	Same	Yes	Yes		Yes		No	Yes	No	No	Yes
St. Louis, Mo. . . . .	Same	Yes	Yes	Yes	Yes	No	No(c)	No	No	No	Yes
Cincinnati, Ohio . . . . .	Same	No	Yes	Yes	Yes	No	No	Yes	No	No	Yes
Pittsburgh, Pa. . . . .	Same	Yes	Yes	No	No	No	No	Yes	No	No	Yes
Kansas City, Mo. . . . .	Same	Yes	Yes	Yes	Yes	No	No(c)	Yes	No	No	Yes
Columbus, Ohio . . . . .	Same	Yes	Yes	No	Yes	No	No	Yes	No	No	Yes
Louisville, Ky. . . . .	Same	Yes	Yes	Yes	No	No(c)	No	No	No	No	Yes
Toledo, Ohio . . . . .	Same	Yes	Yes	No	Yes	No	No	Yes	No	No	Yes
Akron, Ohio . . . . .	Same	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes
Dayton, Ohio . . . . .	Same	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes
Flint, Mich. . . . .	Half	Yes	Yes	No	Yes	Yes	Yes	Yes	\$600 ea.	No	Yes
Youngstown, Ohio . . . . .	Same	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes
Erie, Pa. . . . .	Same	No	Yes	No	Yes	No	No	Yes	No	No	Yes
Canton, Ohio . . . . .	Same	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes
Scranton, Pa. . . . .	Same	No	Yes	Yes	Yes	No	No	No	No	No	Yes
Allentown, Pa. . . . .	Same	No	Yes	Yes	Yes	No	No	Yes	No	No	Yes
Grand Rapids, Mich. . . . .	Half	Yes	Yes	No	Yes	Yes	Yes	Yes	\$600 ea.	No	Yes

a. Charitable, religious, educational, and other nonprofit organizations exempt in most cases. Tax generally confined to income stemming from activities in city.

b. Non residents taxed on an entirely different basis from residents. The rate is markedly lower. Instead of deductions, an exclusion related to income level is allowed. The exclusion of \$3,000 on income up to \$10,000 drops to \$2,000 for income over \$10,000, to \$1,000 for \$20,000–\$30,000 income, to none for income over \$30,000.

c. Except where derived in connection with the conduct of a business.

Source: Tax Foundation, Inc., *City Income Taxes*, Research Publication No. 12 (New Series).

TABLE 45 – SELECTED FEATURES OF PROPERTY TAXATION, BY STATE

State	No. of primary assessing areas 1966 <sup>1</sup>	Elected assessors <sup>2</sup>	Constitutional and statutory assessment standards <sup>3</sup>		Conducts periodic ratio studies <sup>4</sup>	Percentage ratio of assessed value to sales price of sold properties, 1966 <sup>5</sup> (simple sales-based, average)	
			Legal standard (rate)	Valuation concept		Statewide	SMSA portion of state
Alabama	67	X	30%	Fair and reasonable market value	....	19.7	22.3
Alaska	29	....	100	Full and true value in money	X	81.0	....
Arizona	14	X	18–60 <sup>6</sup>	Full cash value	....	16.1	17.6
Arkansas	75	X	20	True market value in money	X	12.2	16.4
California	58	X	20–25 <sup>7</sup>	Full cash value	X	18.9	18.9
Colorado	63	X	30	Actual value	X	25.3	26.6
Connecticut	169	X <sup>8</sup>	Up to 100	Uniform % of market value within local district	....	51.2	52.0
Delaware	3	....	100	True value in money	....	48.4	45.7
District of Columbia	1	....	100	Full and true value in lawful money	X	42.8	42.8
Florida	67	X	100	Full cash value	X	68.9	71.5
Georgia	159	....	40	Fair market value	X	34.9	38.2
Hawaii	1	....	70	Fair market value or a percentage thereof	X	55.2	57.1
Idaho	44	X	20	Market value	X	11.0	12.3
Illinois	1,424	X <sup>9</sup>	100	Fair cash value	X	41.2	41.5
Indiana	1,009	X	33 1/3	True cash value	X	24.5	24.7
Iowa	120	....	27	Actual value	X	24.1	24.2
Kansas	105	<sup>10</sup>	30	Fair market value	X	18.8	17.9
Kentucky	120	X <sup>11</sup>	100	Fair cash value	X	84.0	89.0
Louisiana	64	X	Not below 25	Actual cash value	....	17.1	17.8
Maine	492	<sup>12</sup>	“Just value”	Land at not less than \$1 per acre At just value in compliance with the laws of the State	X	50.8	74.1
Maryland	24	....	100	Full cash value less an allowance for inflation	X	43.6	44.9
Massachusetts	351	<sup>12</sup>	100	Fair cash valuation	X	46.3	47.4
Michigan	1,475	<sup>12</sup>	50	Full cash value	X	28.0	28.5
Minnesota	721	....	Varies by class	Market value	X	11.2	9.5
Mississippi	82	X	100	Assessed proportion to its value	....	13.5	18.8
Missouri	435	<sup>12</sup>	100	True value in money	X	25.4	28.0

See footnotes at the end of table.

TABLE 45 – SELECTED FEATURES OF PROPERTY TAXATION, BY STATE (Cont'd)

State	No. of primary assessing areas 1966 <sup>1</sup>	Elected assessors <sup>2</sup>	Constitutional and statutory assessment standards <sup>3</sup>		Conducts periodic ratio studies <sup>4</sup>	Percentage ratio of assessed value to sales price of sold properties, 1966 <sup>5</sup> (simple sales-based, average)	
			Legal standard (rate)	Valuation concept		Statewide	SMSA portion of state
Montana . . . . .	56	X	7–100%	True and full value	X	11.7	8.8
Nebraska . . . . .	93	X <sup>13</sup>	35	Required to be valued at its actual value and assessed at 35%	X	28.5	31.2
Nevada . . . . .	17	X	35	Full cash value	X	25.3	26.7
New Hampshire . . . . .	234	<sup>12</sup>	100	Full and true value in money	X	53.8	48.1
New Jersey . . . . .	567	<sup>12</sup>	20–100 <sup>14</sup>	Uniform percentage at true value	X	62.0	62.1
New Mexico . . . . .	32	X	100	Assessed in proportion to its value	X	19.2	14.5
New York . . . . .	990	<sup>12</sup>	100	Full value	X	35.1	35.5
North Carolina . . . . .	100	....	<sup>15</sup>	True value in money	....	42.9	46.0
North Dakota . . . . .	1,772	<sup>12</sup>	50	Full and true value in money	X	11.6	12.4
Ohio . . . . .	88	X	50	True value	X	35.3	35.6
Oklahoma . . . . .	77	X	35	Fair cash value	X	17.8	19.9
Oregon . . . . .	36	X	100	True cash value	X	20.2	20.4
Pennsylvania . . . . .	67	<sup>12</sup>	100 <sup>16</sup>	Actual value (the price for which the property would sell)	X	31.4	32.0
Rhode Island . . . . .	39	<sup>12</sup>	<sup>15</sup>	Full and fair cash value	X	54.8	58.8
South Carolina . . . . .	46	....	100	True value in money	X	5.0	5.3
South Dakota . . . . .	404	<sup>12</sup>	60	True and full value in money	X	37.3	36.3
Tennessee . . . . .	95	<sup>12</sup>	50 <sup>17</sup>	Actual cash value	X	26.2	35.2
Texas . . . . .	254	<sup>12</sup>	100	Full and true value in money	....	19.1	20.4
Utah . . . . .	29	X	30	Reasonable fair cash value	X	15.4	15.5
Vermont . . . . .	246	<sup>12</sup>	Up to 100 <sup>15</sup>	Fair market value	X	31.7	....
Virginia . . . . .	131	<sup>12</sup>	100	Fair market value	X	29.9	32.9
Washington . . . . .	39	X	50	True and fair value	X	15.3	15.8
West Virginia . . . . .	55	X	100	True and actual value	X	38.0	41.1
Wisconsin . . . . .	1,834	<sup>12</sup>	100	Full value at private sale	X	52.9	49.9
Wyoming . . . . .	23	<sup>12</sup>	<sup>18</sup>	Fair value	X	19.0	....
Total . . . . .	14,496	....	....	.....	....	32.8	33.7

See footnotes on following page.

TABLE 45 – SELECTED FEATURES OF PROPERTY TAXATION, BY STATE (Cont'd)

X—Signifies “elected” in col. (2), and States conducting periodic ratio studies in col. (5).

<sup>1</sup>U.S. Bureau of the Census, *Primary Assessing Areas for Local Property Taxation*, State and Local Government Special Studies, No. 50, April 1966.

<sup>2</sup>U.S. Bureau of the Census, *Census of Governments, 1967*, Vol. 6, No. 1, *Popularly Elected Officials of State and Local Governments*; and Commerce Clearing House, *State Tax Reporter*.

<sup>3</sup>Commerce Clearing House, *State Tax Reporter*.

<sup>4</sup>U.S. Bureau of the Census, Governments Division

<sup>5</sup>U.S. Bureau of the Census, *Census of Governments, 1967*, Vol. 2, *Taxable Property Values*, (GPO, Wash., D.C.: 1968), Table 9.

<sup>6</sup>Depending on the class of property.

<sup>7</sup>Between 20 and 25 percent of full cash value from 1968 through 1970, thereafter 25 percent.

<sup>8</sup>Town selectmen may provide for appointment and fix length of term and compensation.

<sup>9</sup>In counties with 150,000 to 500,000 population an assessing officer may be appointed in lieu of an elected board.

<sup>10</sup>Optional office: currently elected in 6 counties, appointed in 3; in other counties, county clerk is ex officio assessor.

<sup>11</sup>Elected county assessors, cities vary according to class, may be appointed, elective, or they may adopt county assessment.

<sup>12</sup>Appointed and elected assessors.

<sup>13</sup>Election required in counties of 3,500 population or more; may be appointive in other counties.

<sup>14</sup>In a multiple of 10 as is established by each county board of taxation. If a county fails to establish a uniform percentage, a 50 percent level of assessment is employed until action is taken.

<sup>15</sup>Uniform percentage, determined locally.

<sup>16</sup>In 4th to 8th class counties, real property must be assessed at a predetermined ratio not to exceed 75 percent.

<sup>17</sup>To be attained by 1/1/73, with increasing percentages on the following schedule: 1968, 15 percent; 1969, 25 percent; 1970, 30 percent; 1971, 35 percent; 1972, 40 percent; 1973 and thereafter, 50 percent.

<sup>18</sup>At a fair value in conformity with values and procedures prescribed by the State Tax Commission.



**TABLE 46 — STATE FINANCED AND ADMINISTERED RESIDENTIAL PROPERTY TAX RELIEF FOR  
PROTECTING LOW INCOME HOUSEHOLDS FROM PROPERTY TAX OVERLOADS  
(The "Circuit-Breaker")**

State	Beneficiaries Description	Income Ceiling	Tax Relief Formula	Form of Abatement and Estimated Per Capita Cost	Date of Adoption	Statutory Citation
Wisconsin . . . . .	Homeowners & renters 65 & older	\$ 3,700	See footnote <sup>1</sup>	State income tax credit or rebate Cost — \$1.50 (1968)	1963	Chap. 71, Sec. 71.09(7)
Minnesota . . . . .	Homeowners & renters age 65 & older	\$ 3,500	Relief ranges from 75% of tax pay- ment if household income is under \$500 to 10% if family income is be- tween \$3,000 and \$3,499	State income tax credit or rebate Cost — \$0.50 (1968) (This aid is in addition to a general State- financed property tax relief that approximates 35% of the home- owner's tax bill)	1967	Chap. 290, Sec. 290.0601 et seq
California . . . . .	Homeowners age 65 & older; no relief for renters	\$ 3,350	Relief ranges from 95% of tax pay- ment if household income is less than \$1,000 to 1% of tax payment if household income is \$3,350	State rebate only Cost — \$0.40 (1969)	1967	Revenue & taxation code Div. E., Sec. 19501 et seq
Vermont . . . . .	Homeowners & renters age 65 & older	Not ex- plicit	Relief limited to that part of tax payment in excess of 7% of house- hold income times a local rate factor that varies by tax rate of local community <sup>2</sup>	State income tax credit or rebate Cost — \$1.25 (1969)	1969	H.B. 222
Kansas . . . . .	Homeowners age 65 & older; no relief for renters	\$ 3,700	Same as Wisconsin tax relief formula	State income tax credit or rebate	1970	H.B. 1253

<sup>1</sup>Household income — \$1,000 or less — relief ranges from 75% of amount by which property tax exceeds 3% of household income between \$500 and \$1,000; household income — over \$1,000 — 60% of amount by which property tax exceeds 3% of household income between \$500 and \$1,000, 6% of income between \$1,000 and \$1,500, 9% of income between \$1,500 and \$2,000, 12% of income between \$2,000, and \$2,500, and 15% of all household income over \$2,500. The maximum property tax to be used for this credit is limited to \$330.

<sup>2</sup>The Commissioner shall annually prepare and make available the local rate factors by arraying all municipalities according to their effective tax rate and dividing the population of the State into quintiles from such array with those having the lowest effective tax rates being in the first quintile. The local rate factors shall be as follows: first quintile, 0.6; second quintile, 0.8; third quintile, 1.0; fourth quintile, 1.2; fifth quintile, 1.4. The amount of property taxes or rent constituting property taxes used in computing the credit are limited to \$300 per taxable year.

TABLE 47 – THE "CIRCUIT BREAKER" SYSTEM FOR PROTECTING LOW INCOME HOUSEHOLDS  
FROM PROPERTY TAX OVERLOAD SITUATIONS  
HOW IT WORKED IN WISCONSIN AND MINNESOTA IN 1968

WISCONSIN							
Household income group	Number of claims	Average household income	Average Property Tax*		Percent of tax burden relieved	Ratio of Property Tax* to Household Income	
			Before credit	After credit		Before credit	After credit
\$ 0	102	\$ 0	\$333	\$151	55%	—%	—%
1 - 499	539	381	254	98	61	66	26
500 - 999	6,508	801	211	78	63	26	10
1,000 - 1,499	14,903	1,269	249	140	44	20	11
1,500 - 1,999	16,809	1,750	288	188	35	16	11
2,000 - 2,499	14,287	2,236	323	241	25	14	11
2,500 - 2,999	9,857	2,734	363	307	15	13	11
3,000 - 3,500	5,576	3,207	415	392	5	13	12
MINNESOTA							
Less than \$250	192	\$-495	\$164	\$ 51	69%	—%	—%
250 - 499	198	434	145	38	74	33.4	8.8
500 - 749	994	652	128	39	70	19.6	6.0
750 - 999	2,108	891	136	42	69	15.3	4.7
1,000 - 1,249	2,779	1,132	143	72	50	12.6	6.4
1,250 - 1,499	3,666	1,380	151	76	50	10.9	5.5
1,500 - 1,749	3,453	1,624	160	95	41	9.9	5.8
1,750 - 1,999	3,828	1,880	167	100	40	8.9	5.3
2,000 - 2,249	3,115	2,122	179	125	30	8.4	5.9
2,250 - 2,499	2,879	2,375	182	127	30	7.7	5.3
2,500 - 2,749	2,403	2,717	190	151	21	7.0	5.6
2,750 - 2,999	2,189	2,875	194	155	20	6.7	5.4
3,000 - 3,249	1,488	3,124	200	179	10	6.4	5.7
3,250 - 3,499	1,270	3,368	215	193	6	6.4	5.7

\*Includes property tax portion of rent payments.

Sources: Wisconsin Department of Revenue Research Division July 28, 1970.

Minnesota Department of Taxation, Property Tax Relief for Minnesota's Senior Citizens (Special Report) August 1970.

TABLE 48 — SCOPE OF PROPERTY ASSESSMENT RATIO STUDIES CONDUCTED BY STATE GOVERNMENTS

State	Year studies began	Interval of study <sup>1</sup>	Period covered	Report published	Annual cost of program <sup>2</sup> (\$1,000)	Exhibit: Local government studies
Alaska	1962	A	3 years	Yes	25	Yes
Arkansas	1957	A	1 year	Yes	200	No
California	1955	A	( <sup>3</sup> )	Yes	1,250	Yes
Colorado	1967	A	4 1 year	Yes	20	Yes
District of Columbia	1959	D	6 months	No	(NA)	Yes
Georgia	1964	A	2 years	Yes	200	Yes
Hawaii	1963	A	1 year	Yes	20	No
Idaho	1958	A	1 year	No	12	Yes
Illinois	1945	A	1 year	Yes	(NA)	Yes
Indiana	1967	A	1 year	Yes	30	No
Iowa	1962	A	1 year	Yes	12	No
Kansas	1933	A	1 year	Yes	18	No
Kentucky	1938	A	1 year	Not always	50	NA
Maine	1955	B	2 years	Yes	(NA)	NA
Maryland	1959	B	10 months	Yes	75	No
Massachusetts	1959	B	2 years	No	125-150	Yes
Michigan	1942	A	3-8 months	Yes	150	Yes
Minnesota	1952	A	3 years	No	125	No
Missouri	1956	A	1 year	No	60	No
Montana	1967	( <sup>5</sup> )	1-3 years	No	25	No
Nebraska	(NA)	A	1 year	Yes	10	Yes
Nevada	1956	A	1 year	Yes	37	No
New Hampshire	1948	B	18 months	Yes	18	Yes
New Jersey	1953	A	2 years	Yes	<sup>6</sup> 300	No
New York	1949	B	2 years	Yes	<sup>7</sup> 3,000	Yes
North Dakota	1964	A	5 years	Yes	25	No
Ohio	1946	<sup>8</sup> A	1 year	Yes	125	Yes
Oklahoma	1959	A	1 year	Yes	6	No
Oregon	1913	A	1 year	Yes	30	Yes
Pennsylvania	1948	A	1 year	Yes	412	Yes
Rhode Island	1960	A	1 year	Yes	(NA)	Yes
South Carolina	1963	A	1-3 years	No	(NA)	Yes
South Dakota	1957	A	3 years	Yes	(NA)	No
Tennessee	1962	<sup>9</sup> Irregular	1-2 years	Yes	(NA)	No
Utah	1960	A	1 year	Yes	(NA)	No
Vermont	1963	B	18 months	Yes	150	Yes
Virginia	(NA)	B	1 year	Yes	(NA)	(NA)
Washington	1951	A	1 year	Yes	100	Yes
West Virginia	1964	As needed	2 years	No	2	No
Wisconsin	1932	A	1 year	No	55	No
Wyoming	1968	( <sup>10</sup> )	(NA)	No	(NA)	No

NA Not available.

<sup>1</sup>The letters in this column represent the following intervals:

- A — Annual
- B — Biennial
- C — Quadrennial
- D — Semiannual

<sup>2</sup>In most cases, this is annual cost; in several instances the cost is a 1-time figure since the study is infrequent (as in Indiana and West Virginia).

<sup>3</sup>Triennial appraisal surveys are updated annually by statistical projections.

<sup>4</sup>To cover 2 years, effective 1969.

<sup>5</sup>Ratios are derived on a county-by-county basis.

<sup>6</sup>State cost only.

<sup>7</sup>Includes systems work on modifications of machine operations and programing of new operations.

<sup>8</sup>No study was conducted from 1964 to 1967.

<sup>9</sup>To be conducted annually, effective 1969.

<sup>10</sup>Not yet determined.

Source: U.S. Bureau of the Census, *Property Assessment Ratio Studies, State and Local Government Special Studies, No. 52.*

TABLE 49 -- USES OF PROPERTY ASSESSMENT RATIO STUDIES CONDUCTED BY STATE GOVERNMENTS

State	Equalize assessments			Apportion funds		Allocate county taxes among smaller taxing districts	Evaluate methods used in making appraisal	Determine areas for general reappraisal	Check reappraisal programs	Other uses
	Among counties	Within counties	Between properties assessed locally and by State	School aid	Other					
U.S. total						9	21	30	29	
Alaska								X		
Arkansas	X	X		X	X	X	X	X		
California	X	X		X	X		X	X		
Colorado	X						X		X	Check compliance with 20% assessment requirement.
Dist. of Columbia	X	X <sup>1</sup>		X	X		X	X	X	Equalize tax rates of inter-county districts; adjust school district debt limits.
Georgia										
Hawaii	X			X			X	X		
Idaho	X			X			X	X		
Illinois	X		X	X			X	X		
Indiana										
Iowa	X	X		X			X	X	X	Determine maximum tax rate for school corporations.
Kansas	X	X	X	X	X		X	X	X	
Kentucky	X	X	X	X	X		X	X	X	
Maine	X	X		X	X		X	X	X	
Maryland	X	X	X	X	X		X	X	X	
Massachusetts	X	X	X	X	X		X	X	X	
Michigan	X	X	X	X	X		X	X	X	
Minnesota	X	X	X	X	X		X	X	X	
Missouri	X			X			X	X	X	
Montana	X		X	X			X	X	X	
Nebraska	X	X	X	X	X		X	X	X	
Nevada	X	X	X	X	X		X	X	X	
New Hampshire	X	X		X	X	X		X	X	Borrowing capacity.

See footnotes at the end of table.

TABLE 49 - USES OF PROPERTY ASSESSMENT RATIO STUDIES CONDUCTED BY STATE GOVERNMENTS (Cont'd)

State	Equalize assessments			Apportion funds		Allocate county taxes among smaller taxing districts	Evaluate methods used in making appraisal	Determine areas for general reappraisal	Check reappraisal programs	Other uses
	Among counties	Within counties	Between properties assessed locally and by State	School aid	Other					
New Jersey				X	X	X	X	X	X	Establish local debt limits based on equalized valuations.
New York	X		X	X	X	X			X	Various. <sup>2</sup>
North Dakota	X	X	X	X	X	X			X	
Ohio	X	X							X	Guide in application of adjustment factors to maintain assessment level of 100%.
Oklahoma	X	X	X	X	X	X			X	
Oregon	X	X	X	X	X	X			X	To illustrate need for statewide uniform assessments.
Pennsylvania				X	X					
Rhode Island										
South Carolina									X	To illustrate need for statewide uniform assessments.
South Dakota	X	X	X	X	X	X			X	
Tennessee	X	X	X						X	
Utah	X	X	X						X	
Vermont				X	X		X	X	X	
Virginia				X	X				X	
Washington	X	X	X	X	X	X			X	
West Virginia	X	X	X	X	X	X			X	
Wisconsin				X	X		X	X	X	
Wyoming	X	X	X	X	X	X			X	

<sup>1</sup>Neighborhood areas within the District.

<sup>2</sup>To apportion costs of certain programs among districts and municipalities, and joint indebtedness among municipalities; tax and debt limits; fire district spending limits; assessment of special franchises; exemptions for railroads; local government organization; rent control; ball bond valuation of real estate; taxpayer assistance; and as a research tool.

Source: U.S. Bureau of the Census, *Property Assessment Ratio Studies*, State and Local Government Special Studies No. 52.

TABLE 50 – TWO MEASURES OF INTRA-AREA ASSESSMENT UNIFORMITY  
(Coefficient of Dispersion of Assessment Ratios  
for Nonfarm Houses, by State, 1966)

State	Median Measure of Dispersion <sup>1</sup>	Adjusted Measure of Dispersion		
		Weighted Mean <sup>2</sup>	No. of Jurisdictions	Extent of Coverage <sup>3</sup>
United States . . . . .	19.2	18.8	572	76%
Alabama . . . . .	27.4	17.2	13	79
Alaska . . . . .	17.3	14.6	1	56
Arizona . . . . .	26.0	19.0	4	88
Arkansas . . . . .	19.8	18.8	5	44
California . . . . .	15.1	15.5	33	100
Colorado . . . . .	19.0	14.9	10	86
Connecticut . . . . .	12.3	12.6	9	28
Delaware . . . . .	19.8	15.6	3	100
Florida . . . . .	14.2	13.9	21	89
Georgia . . . . .	16.9	15.0	9	71
Hawaii . . . . .	25.7	17.3	2	93
Idaho . . . . .	25.7	26.1	2	28
Illinois . . . . .	20.3	18.5	23	89
Indiana . . . . .	22.7	19.4	18	69
Iowa . . . . .	18.9	14.2	9	49
Kansas . . . . .	28.5	19.3	6	52
Kentucky . . . . .	15.8	14.3	11	60
Louisiana . . . . .	22.5	22.0	14	74
Maine . . . . .	15.6	11.2	1	5
Maryland . . . . .	16.9	14.8	10	86
Massachusetts . . . . .	14.6	18.6	14	24
Michigan . . . . .	20.7	15.1	20	30
Minnesota . . . . .	22.8	22.0	8	83
Mississippi . . . . .	27.8	24.7	8	50
Missouri . . . . .	25.3	18.9	10	86
Montana . . . . .	22.5	15.9	2	39
Nebraska . . . . .	23.7	17.3	2	94
Nevada . . . . .	19.4	12.9	2	91
New Hampshire . . . . .	14.8	14.8	1	10
New Jersey . . . . .	18.1	16.1	19	99
New Mexico . . . . .	22.7	20.4	6	83
New York . . . . .	34.3	31.5	36	99
North Carolina . . . . .	18.2	14.8	30	68
North Dakota . . . . .	26.8	16.4	1	18
Ohio . . . . .	16.2	15.7	41	92
Oklahoma . . . . .	23.2	18.1	6	61
Oregon . . . . .	18.9	17.8	9	77
Pennsylvania . . . . .	25.5	22.7	42	98
Rhode Island . . . . .	14.2	13.5	4	36
South Carolina . . . . .	33.7	31.0	13	75
South Dakota . . . . .	22.0	20.0	2	36
Tennessee . . . . .	19.5	17.9	11	73
Texas . . . . .	29.0	27.0	27	86
Utah . . . . .	21.0	18.8	4	87
Vermont . . . . .	18.8	na	—	—
Virginia . . . . .	15.8	10.5	17	65
Washington . . . . .	21.7	20.5	13	85
West Virginia . . . . .	22.9	17.8	12	62
Wisconsin . . . . .	16.2	13.7	7	32
Wyoming . . . . .	23.0	17.6	1	18

Note: The general rule of thumb holds that an intra-area coefficient of dispersion of less than 20 indicates a tolerable degree of nonuniformity. N.A. Data not available.

<sup>1</sup> This measure of uniformity appears in Vol. 2 of the 1967 Census of Governments, *Taxable Property Values*, Table 16.

<sup>2</sup> In order to assign the proper weight to each jurisdiction, the adjusted measure of dispersion was computed by averaging each jurisdiction's coefficient of dispersion on the basis of the estimated market value of nonfarm houses in each jurisdiction. This weighting adjustment produces, in the estimation of the ACIR Staff, a more realistic measure of nonuniformity than that obtained by selecting the median jurisdiction.

<sup>3</sup> Percentage of market value of all nonfarm houses accounted for by included jurisdictions.

TABLE 51 – COEFFICIENTS OF INTRA-AREA DISPERSION OF MEDIAN AREA, FOR  
ASSESSMENTS OF NONFARM HOUSES, BY STATES: 1956, 1961, AND 1966  
(In percents)

Area	1956	1961	1966	Area	1956	1961	1966
United States . . . . .	29.9	25.8	19.2	Missouri . . . . .	35.6	30.1	25.3
Alabama . . . . .	45.3	28.9	27.4	Montana . . . . .	32.8	25.2	22.5
Alaska . . . . .	(NA)	(NA)	17.3	Nebraska . . . . .	21.6	27.5	23.7
Arizona . . . . .	(NA)	35.4	26.0	Nevada . . . . .	(NA)	18.5	19.4
Arkansas . . . . .	46.0	35.6	19.8	New Hampshire . . . . .	25.6	20.8	14.8
California . . . . .	23.2	22.5	15.1	New Jersey . . . . .	32.8	31.8	18.1
Colorado . . . . .	26.7	23.3	19.0	New Mexico . . . . .	32.8	26.5	22.7
Connecticut . . . . .	17.4	14.9	12.3	New York . . . . .	38.3	33.2	34.3
Delaware . . . . .	(NA)	15.3	19.8	North Carolina . . . . .	36.6	24.9	18.2
District of Columbia . . . . .	21.4	19.2	16.9	North Dakota . . . . .	34.2	33.9	26.8
Florida . . . . .	25.5	22.3	14.2	Ohio . . . . .	25.6	23.5	16.2
Georgia . . . . .	36.2	30.5	16.9	Oklahoma . . . . .	46.2	36.0	23.2
Hawaii . . . . .	(NA)	27.5	25.7	Oregon . . . . .	32.8	24.7	18.9
Idaho . . . . .	35.3	30.1	25.7	Pennsylvania . . . . .	33.4	28.7	25.5
Illinois . . . . .	35.4	29.9	20.3	Rhode Island . . . . .	21.6	16.6	14.2
Indiana . . . . .	33.4	34.0	22.7	South Carolina . . . . .	31.6	31.4	33.7
Iowa . . . . .	36.6	24.4	18.9	South Dakota . . . . .	32.2	23.2	22.0
Kansas . . . . .	37.0	34.6	28.5	Tennessee . . . . .	34.9	28.0	19.5
Kentucky . . . . .	28.2	27.3	15.8	Texas . . . . .	36.0	28.7	29.0
Louisiana . . . . .	42.8	36.8	22.5	Utah . . . . .	29.0	21.7	21.0
Maine . . . . .	29.0	19.9	15.6	Vermont . . . . .	25.0	25.4	18.8
Maryland . . . . .	19.0	21.3	16.9	Virginia . . . . .	24.2	22.5	15.8
Massachusetts . . . . .	21.0	19.2	14.6	Washington . . . . .	30.8	25.0	21.7
Michigan . . . . .	26.2	25.5	20.7	West Virginia . . . . .	43.8	27.1	22.9
Minnesota . . . . .	36.1	34.4	22.8	Wisconsin . . . . .	14.5	15.9	16.2
Mississippi . . . . .	37.7	33.8	27.8	Wyoming . . . . .	27.4	29.2	23.0

N.A.—Not available.  
r — Revised.

Source: U.S. Bureau of the Census, Trends in Assessed Valuations and Sales Ratios, 1956-1966, State and Local Government Special Studies No. 54.

**TABLE 52 – STATEWIDE AVERAGE ASSESSMENT RATIOS FOR ALL TYPES OF PROPERTY  
AND FOR NONFARM HOUSES: 1956, 1961, AND 1966**  
(Based on a sample of measurable sales taking place in a 6-month period of each year)

State	All types of property			Nonfarm houses		
	1956	1961	1966	1956	1961	1966
United States.....	30.0	29.5	32.8	29.8	30.6	34.5
Alabama.....	19.1	19.4	19.7	20.6	20.1	22.3
Alaska.....	(NA)	(NA)	81.0	(NA)	(NA)	86.0
Arizona.....	15.8	14.2	16.1	20.7	18.6	18.9
Arkansas.....	10.0	13.4	12.2	11.2	15.6	16.0
California.....	18.8	17.6	18.9	19.8	20.2	19.7
Colorado.....	26.4	24.6	25.3	28.3	27.0	27.2
Connecticut.....	43.9	53.2	51.2	43.7	54.9	54.6
Delaware.....	48.6	54.1	48.4	52.5	56.9	53.4
District of Columbia.....	48.6	46.7	42.8	45.9	47.2	43.2
Florida.....	29.8	40.3	68.9	40.8	47.4	78.3
Georgia.....	22.3	21.3	34.9	25.6	25.2	39.7
Hawaii.....	(NA)	46.2	57.3	(NA)	51.3	62.4
Idaho.....	11.2	10.8	11.0	11.0	10.3	11.4
Illinois.....	41.8	43.8	41.2	41.6	42.4	41.7
Indiana.....	21.9	22.3	24.5	22.9	23.5	25.6
Iowa.....	23.2	23.4	24.1	22.9	23.1	24.6
Kansas.....	21.0	18.8	18.8	19.2	19.1	19.4
Kentucky.....	29.3	27.0	84.0	29.0	29.0	91.4
Louisiana.....	19.6	18.9	17.1	21.4	21.1	17.8
Maine.....	35.1	44.3	50.8	32.8	46.0	58.6
Maryland.....	50.7	44.7	43.6	54.2	51.4	50.1
Massachusetts.....	42.8	37.6	46.3	39.5	37.2	49.1
Michigan.....	29.7	32.3	28.0	29.9	32.6	28.2
Minnesota.....	11.7	9.7	11.2	10.4	8.7	10.8
Mississippi.....	17.1	14.0	13.5	17.9	15.9	16.5
Missouri.....	27.5	25.8	25.4	26.7	27.6	27.6
Montana.....	8.5	7.4	11.7	9.5	8.4	13.3
Nebraska.....	28.9	25.9	28.5	29.5	27.2	31.8
Nevada.....	23.2	23.2	25.3	24.6	24.5	29.4
New Hampshire.....	40.4	41.2	53.8	39.0	41.7	54.6
New Jersey.....	26.0	27.7	62.0	23.6	27.0	66.1
New Mexico.....	18.3	15.7	19.2	21.2	17.8	23.2
New York.....	52.8	44.0	35.1	37.6	35.3	31.9
North Carolina.....	35.1	30.2	42.9	35.7	35.7	46.6
North Dakota.....	14.8	16.5	11.6	13.3	16.1	11.5
Ohio.....	36.0	33.9	35.3	35.6	37.4	37.0
Oklahoma.....	19.7	19.3	17.8	20.9	20.6	20.8
Oregon.....	18.9	23.9	20.2	19.5	25.9	21.8
Pennsylvania.....	32.3	32.4	31.4	31.3	33.0	32.8
Rhode Island.....	64.2	65.5	54.8	59.8	65.0	56.2
South Carolina.....	6.5	5.6	5.0	5.9	5.8	5.4
South Dakota.....	40.2	41.6	37.3	38.6	41.2	37.9
Tennessee.....	28.4	28.4	26.2	31.1	32.0	28.9
Texas.....	16.4	17.5	19.1	18.2	19.5	21.7
Utah.....	14.7	14.1	15.4	15.5	14.7	16.2
Vermont.....	29.2	25.9	31.7	28.1	25.1	32.8
Virginia.....	27.4	28.9	29.9	31.7	31.2	33.4
Washington.....	15.7	14.5	15.3	15.6	15.7	16.6
West Virginia.....	29.5	32.8	38.0	26.6	32.0	39.1
Wisconsin.....	45.6	48.1	52.9	45.4	49.6	55.0
Wyoming.....	19.3	19.3	19.0	20.8	19.6	20.2

n.a. Not available.

Note: Ratios presented are simple sales-based averages. Those for 1956 and 1961 were computed from all measurable sales in the sample. Ratios for 1966 were computed from measurable sales in the sample falling within the definition of "ordinary real estate" which was as follows: All locally assessed real property except separately assessed mineral rights, realty assessments not subject to use-classification, and other properties assessed at more than an amount which (in light of the respective areas' average level of assessment for less valuable properties) may be presumed to have a current market value of more than \$250,000.

Source: U.S. Bureau of the Census, *Trends in Assessed Valuations and Sales Ratios, 1956-1966*, State and local Government Special Studies No. 54.



TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1971

State	Type of Legislation	Legal Citation
Arizona	<ol style="list-style-type: none"> <li>1. Exempts wholesalers' and retailers' inventories.</li> <li>2. Freeport Law.</li> </ol>	Amendment of <i>Constitution</i> , Art. 9, Sec. 2, adopted 11/3/64. <i>Arizona Revised Statutes</i> , Sec. 42-631.
California	Exempts 30% of the assessed value of business inventories for the fiscal years 1970-71 and 1971-72.	S.C.A. 1, 1st. Spec. Sess., Laws of 1968. (chap. 1526, Laws of 1969).
Colorado	<ol style="list-style-type: none"> <li>1. Reduces the assessment of freeport merchandise to 5% (assessment ratio for all other taxable property standardized at 30%)</li> <li>2. Reduces the assessment of the stocks of merchandise of a manufacturer or merchant by 5% a year (from 30% in 1968) to 5% for 1973 and each year thereafter.</li> </ol>	Chap. 290, Laws of 1965 ( <i>Colorado Revised Statutes</i> , Sec. 137-1-4). Chap. 370, Laws of 1967 ( <i>Colorado Revised Statutes</i> , Sec. 137-5-9).
Connecticut	<ol style="list-style-type: none"> <li>1. Gradually exempts manufacturers' inventories (assessments reduced by 10% a year, from 40% in 1970 until fully exempt by 1976).</li> <li>2. Exempts the monthly average quantity of goods of any wholesale and retail business to the extent of 1/12 of the value of the goods for the purposes of assessment in the year 1971, increasing by 1/12 each year until fully exempt in 1982 and each year thereafter.</li> <li>3. Freeport Law.</li> </ol>	Chap. 461, Laws of 1965 ( <i>General Statutes of Connecticut, Revision of 1958</i> , Sec. 12-81); chap. 630, Laws of 1969. Chap. 657, Laws of 1969.  Chap. 603, Laws of 1965 ( <i>General Statutes of Connecticut</i> , Sec. 12-19.1-12-91.3).
Delaware	All tangible and intangible personal property is exempt. <sup>1</sup>	<i>Delaware Code of 1953</i> , Sec. 8102, Title 9 and Sec. 102 (a), Title 30.
Dist. of Col.	Freeport Law.	<i>District of Columbia Code of 1951</i> , Sec. 47-1204.
Florida	Inventories are assessed at 25% of just valuation.	Chap. 367, Laws of 1967 ( <i>Florida Statutes</i> , Sec. 192.05).
Georgia	<ol style="list-style-type: none"> <li>1. Motor vehicles in dealers' inventories are assessed at 75% of the assessed value of other motor vehicles.</li> <li>2. Freeport Law.</li> </ol>	Act 52, Laws of 1967 ( <i>Georgia Code of 1933</i> , Sec. 92-111A). Act 693, Laws of 1969 ( <i>Georgia Code of 1933</i> , Secs. 92-107.1 and 92-107.2).
Hawaii	<ol style="list-style-type: none"> <li>1. Personal property tax repealed in 1947.</li> <li>2. Exempts machinery and allied equipment used primarily to manufacture or produce tangible personal products (assessed as real property).</li> </ol>	Act 120, Laws of 1967 ( <i>Revised Laws of Hawaii, 1955</i> , Sec. 128-21.6).
Idaho	<ol style="list-style-type: none"> <li>1. Freeport law broadened to include goods manufactured in Idaho and destined for out-of-State shipment.</li> <li>2. Gradually exempts business inventories (assessments reduced by 25% a year, beginning in 1968, until fully exempt by 1971.</li> </ol>	Chap. 173, Laws of 1963 ( <i>Idaho Code, 1947</i> , Sec. 63-105V). H.B. 243, <i>Laws of 1967</i> .

See footnote at the end of table.

TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1971 (Cont'd)

State	Type of Legislation	Legal Citation
Illinois	Freeport Law.	H.B. 1319, Laws of 1963 ( <i>Illinois Statutes</i> , Revenue Act of 1939, Sec. 19.21).
Indiana	Freeport law broadened to include goods shipped into State with a within-State destination, when held in a public or private warehouse.	Chap. 29, Laws of 1963, 1st. Spec. Session, and Chap. 398, Laws of 1965 ( <i>Indiana Statutes</i> , Property Assessment Act of 1961, Sec. 503).
Iowa	<ol style="list-style-type: none"> <li>1. Taxpayers liable for Iowa property taxes are allowed a credit of \$2,700 on the assessed value of their personal property.</li> <li>2. Goods stored in a public warehouse and held for sale or resale.</li> <li>3. Freeport Law.</li> </ol>	<p>Chap. 356, Laws of 1967; H.F. 400 Laws of 1969.</p> <p><i>Code of Iowa</i>, Sec. 427.1 (29).</p> <p>Chap. 269, Laws of 1963 (<i>Code of Iowa</i>, Sec. 427.1 (30)).</p>
Kansas	Freeport Law.	Chap. 456, Laws of 1963; Chap. 512, Laws of 1965 ( <i>General Statutes of Kansas</i> , 1949, Sec. 79-304).
Kentucky	Personal property held in a public warehouse for trans-shipment is exempt from general property taxation but subject to a Statewide special property tax of 1½¢ per \$100 of fair cash value.	Chap. 172, Laws of 1964; H.B. 320, Laws 1966 ( <i>K.R.S.</i> , 132.095).
Louisiana	Freeport Law.	Act 152, Laws 1960 ( <i>Louisiana Revised Statutes</i> , Title 47, Subtitle III, Chap. 3, Sec. 1951.3).
Maine	Freeport Law.	<i>Maine Revised Statutes Annotated</i> , 1964, Title 36, Chap. 105, Sec. 655.
Maryland	<ol style="list-style-type: none"> <li>1. Gradual phase-out of county property tax on manufacturer's personal property in Frederick County.</li> <li>2. Gradual phase-out of county property tax on business inventories in Carroll County, Harford County, and Prince George's County.</li> <li>3. General authorization for counties to eliminate or phase-out tax on business personal property.</li> </ol>	<p>Chap. 475, Laws of 1963 (<i>Annotated Code of Maryland</i>, 1957, Art. 81, Sec. 9 (23)).</p> <p>1st Spec. Session; Chap. 4 and Chap. 113, Laws of 1965; Chap. 612, Laws of 1966, (<i>Code Art. 81 Sec. 15(b-2, b-3, b-4)</i>).</p> <p>H.B. 378, <i>Laws of 1967</i>.</p>
Massachusetts	<ol style="list-style-type: none"> <li>1. Freeport Law.</li> <li>2. Individuals and partnerships operating as merchants are taxable, but business corporations operating as merchants are exempt from taxation on most all types of tangible personal property including merchandise except machinery used in the conduct of the business.</li> </ol>	<p><i>Massachusetts General Laws of 1932</i>, Chap. 59, Sec. 2.</p> <p><i>Massachusetts General Laws of 1932</i>, Chap. 59, Sec. 5(16).</p>
Michigan	<ol style="list-style-type: none"> <li>1. Exempts special tools used in manufacturing (dies, fixtures, molds, patterns, gauges, etc.).</li> <li>2. Exempts mechanic tools up to \$500 and personal property of a householder used in business up to \$500.</li> <li>3. Freeport Law.</li> </ol>	<p>Act 197, Laws of 1964 (<i>Compiled Laws, State of Michigan</i>, 1948, Sec. 211.9b).</p> <p><i>Compiled Laws, State of Michigan</i>, 1948, Sec. 211.9(8) and (11).</p> <p><i>Compiled Laws, State of Michigan</i>, 1948, Sec. 211.9(12).</p>

See footnote at the end of table.

TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1971 (Cont'd)

State	Type of Legislation	Legal Citation
Minnesota	<ol style="list-style-type: none"> <li>1. Taxpayers may elect to have exempt either inventories or tools and machinery which by law are considered personal property.</li> <li>2. Freeport Law.</li> </ol>	<p>Ch. 32, Art. IV, Laws 1967, 1st Sp. Sess. (<i>M.S.A.</i>, Sec. 272.02 (11)).</p> <p><i>Minnesota Statutes Annotated</i>, Sec. 272.022 and 272.023.</p>
Mississippi	<ol style="list-style-type: none"> <li>1. Exempts manufactured products owned by or remaining in the hands of a manufacturer, if ultimately to be shipped or sold to other than the final consumer and not at retail.</li> <li>2. Freeport Law.</li> </ol>	<p><i>Mississippi Code of 1942</i>, Sec. 9697.7(1), (3), and (4).</p> <p><i>Mississippi Code of 1942</i>, Sec. 9699-02.</p>
Missouri	<ol style="list-style-type: none"> <li>1. Freeport Law.</li> <li>2. Exempts Commission merchants with respect to unmanufactured articles, consigned for sale, in which they have no interest other than their commission.</li> </ol>	<p><i>Missouri Revised Statutes of 1949</i>, Sec. 137.093.</p> <p><i>Missouri Revised Statutes of 1949</i>, Sec. 150.040.</p>
Montana	<ol style="list-style-type: none"> <li>1. The taxable property in the State is classified into nine classes and assessed at various percentages ranging from 7% to 100% of true and full value. Freeport property is assessed at 7%.</li> <li>2. Stocks of merchandise of all sorts together with furniture and fixtures used therewith, except mobile homes, and all office or hotel furniture and fixtures are assessed at 33 1/3%.</li> </ol>	<p>Chap. 294, Laws of 1967 (<i>Revised Codes of Montana, 1947</i>, Sec. 84-301 and 84-302).</p> <p><i>Revised Codes of Montana, 1947</i>, Secs. 84-301 and 84-302.</p>
Nebraska	Freeport Law.	<i>Revised Statutes of Nebraska, 1943</i> , Sec. 77-1226.01.
Nevada	<ol style="list-style-type: none"> <li>1. Exempts inventories of farm machinery and equipment dealers.</li> <li>2. Freeport Law.</li> </ol>	<p>Chap. 162, Laws of 1969.</p> <p><i>Revised Statutes of Nevada, 1957</i>, Sec. 361.160.</p>
New Hampshire	<ol style="list-style-type: none"> <li>1. Exempts goods held for out-of-State delivery by a manufacturer when title has-passed to the purchaser.</li> <li>2. Personal property taxes on stock in trade repealed effective March 31, 1970.</li> </ol>	<p>Chap. 239, Laws of 1963 (<i>Revised Statutes Annotated of New Hampshire, 1955</i>, Sec. 72:15).</p> <p>Chap. 5, Laws of 1970, 1st Sp. Sess.</p>
New Jersey	<ol style="list-style-type: none"> <li>1. Exempts business inventories and all other business personal property, except that used in telephone and telegraph systems, from local property taxation. Subjects certain kinds of business personalty, but not business inventories, to a Statewide tax of \$1.30 per \$100 of taxable value.</li> <li>2. Exempts personal property stored in a public warehouse.</li> </ol>	<p>Chap. 136 and Chap. 138, Laws of 1966 (<i>Revised Statutes of New Jersey, 1937</i>, Secs. 54:4-1 and 54:11 A-2).</p> <p><i>Revised Statutes of New Jersey, 1937</i>, Sec. 54:4-3.20.</p>
New York	All tangible and intangible personal property is exempt. <sup>1</sup>	<i>New York Consolidated Laws</i> , Chap. 50-a, Sec. 300.
New Mexico	Freeport Law.	Chap. 60, Laws of 1963 ( <i>New Mexico Statutes, 1953</i> , Sec. 72-2-1.1)

See footnote at the end of table.

**TABLE 53 — STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING  
THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1971 (Cont'd)**

State	Type of Legislation	Legal Citation
North Carolina	Freeport Law (beginning July 1, 1969, until then a freeport exemption is provided only for property held at seaports awaiting shipment to foreign countries).	Chap. 1185, Laws of 1967 ( <i>North Carolina Statutes</i> , Sec. 105-281).
North Dakota	<ol style="list-style-type: none"> <li>1. Exempts all personal property not required to be assessed by the state board of equalization, beginning in 1970, except property taxed in lieu of property taxes, property subject to taxation under any other provision of law and property of North Dakota non-profit corporations.</li> <li>2. Freeport Law broadened to include goods acquired or manufactured in North Dakota and destined for out-of-State shipment.</li> </ol>	<p>S.B. 137, Laws of 1969 (<i>North Dakota Century Code</i>, Sec. 57-02-08).</p> <p>S. B. 302, Laws of 1967 (<i>North Dakota Century Code</i>, Sec. 57-02-42).</p>
Ohio	<ol style="list-style-type: none"> <li>1. Tangible personalty is assessed at 70% of its true value in money, with several exceptions. Personal property used in business is assessed at 50%. Merchants' inventories are to be assessed at the following ratios: 52% in 1970, and 50% for the year 1971 and thereafter.</li> <li>2. Freeport Law.</li> </ol>	<p><i>Ohio Revised Code</i>, Sec. 5711.22.</p> <p><i>Ohio Revised Code</i>, Sec. 5701.08.</p>
Oklahoma	Freeport Law.	Chap. 501, Laws of 1965 ( <i>Oklahoma Statutes Annotated</i> , Title 68, Sec. 2425).
Oregon	<ol style="list-style-type: none"> <li>1. An exemption is provided for a percentage of the true cash value of inventories for each tax year beginning July 1 as follows: for 1969, 5%; 1970, 10%; 1971, 15%; 1972, 20%; exemption increased by 10% for 1973 and each year thereafter until inventories become fully exempt for tax years beginning on July 1, 1970 and thereafter.</li> <li>2. Freeport Law.</li> </ol>	<p>Chap. 604, Laws of 1965 (<i>Oregon Revised Statutes</i>, Sec. 310-610); Chap. 612, Laws of 1969.</p> <p><i>Oregon Revised Statutes</i>, Sec. 307.810.</p>
Pennsylvania	All tangible personal property is exempt.	Act of May 18, 1937, P.L. 633; and Act of June 19, 1939, P.L. 413.
Rhode Island	Exempts manufacturers' inventories.	Chap. 245, Laws of 1966 ( <i>General Laws of Rhode Island, 1956</i> , Sec. 44-3-3(20)).
South Carolina	<ol style="list-style-type: none"> <li>1. Reduces assessment for merchants' personal property to 10%.</li> <li>2. Exempts manufacturers' inventories (except manufactured articles offered or available for sale at retail).</li> <li>3. Freeport Law.</li> <li>4. Exempts new, unused agricultural machinery or equipment if: (1) exempt from sales tax, (2) wholesale cost to the retail dealer is \$500 or more, and (3) such machinery or equipment has been separately listed and included in the dealer's inventory for ad valorem tax purposes for some previous tax year.</li> </ol>	<p><i>Code of South Carolina, 1962</i>, Sec. 65-1647.4.</p> <p><i>Code of South Carolina, 1962</i> Sec. 65-1663.</p> <p><i>Code of South Carolina, 1962</i>, Sec. 65-1655.</p> <p>H.B. 2303, Laws of 1970.</p>

See footnote at the end of table.

TABLE 53 — STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1971 (Cont'd)

State	Type of Legislation	Legal Citation
South Dakota	Freeport Law.	S.B. 26, Laws of 1966 ( <i>South Dakota Code of 1939</i> , Sec. 57.0311).
Tennessee	1. Exempts articles manufactured from the produce of this State in the hands of the manufacturer. 2. Freeport Law.	<i>Tennessee Code Annotated</i> , Sec. 67-502. <i>Tennessee Code Annotated</i> , Sec. 67-502.
Texas	Freeport Law.	Chap. 208, Laws of 1963 ( <i>Revised Civil Statutes, 1925</i> , Art. 7150.9).
Utah	1. Freeport Law. 2. The assessment and taxation of the inventory of retailers, wholesalers, manufacturers, farmers or livestock owners is reduced as follows: on January 1, 1970, such property is assessed at 20%; on January 1, 1971, 14%; on January 1, 1972, 8%; on January 1, 1973 and thereafter such property is wholly exempt.	SJR5, Laws of 1963, Amends <i>Constitution</i> , Art. XIII, Sec. 2; Chap. 120, Laws of 1965, ( <i>Utah Code Annotated, 1953</i> , Sec. 59.2-18). S.B. 8, Laws of 1969, ( <i>Utah Code Annotated, 1953</i> , Sec. 59-2-24).
Vermont	1. Exempts tools and implements of a mechanic or farmer, and motorized high-way-building equipment and road-making appliances. 2. Exempts real and personal property of industrial facilities used principally for the processing of whey or other cheese by-products.	<i>Vermont Statutes Annotated, 1959</i> , Title 32, Sec. 3802. Chap. 220, Laws of 1970.
Washington	Freeport Law.	<i>Revised Code of Washington</i> , Sec. 84.36.170.
Wisconsin	1. Increases credit for property taxes on merchants' inventories and manufacturers' materials and finished products from 50% to 60% (50% credit first enacted in 1961). 2. Exempts mechanics tools, farm, orchard and garden machinery and tools, and new farm machinery stocked and owned by a retailer. 3. Freeport exemption repealed and replaced with a partial exemption for each separately assessed stock of merchandise.	Chap. 163, Laws of 1965 ( <i>Wisconsin Statutes</i> , Sec. 77.64). <i>Wisconsin Statutes</i> , Sec. 70.111 (9). Chap. 124, Laws of 1969.
Wyoming	1. Exempts certain manufacturers' and merchants' inventories after 1/1/72. 2. Freeport Law.	Chap. 199, Laws of 1967. <i>Wyoming Statutes of 1957</i> , Sec. 39-106.

<sup>1</sup> However, the law defines property of utilities to include as "real," much equipment which under standard concepts of property tax law would be personal.

TABLE 54 – STATE AND LOCAL REAL ESTATE TRANSFER TAXES, JANUARY 1, 1971

State and government imposing	Year enacted	Base f.v. - full value; x. m. - exclusive of assumed mortgages	Rate 1/1/71	Distribution of receipts	State collections 1969 <sup>1</sup> (\$000)	Administrative features		
						Use of stamps <sup>2</sup>	Provision for recording full sales price <sup>2</sup>	Provision for automatically transmitting sales price information <sup>3</sup>
Alabama (State) . . . . .	1935	x.m.	50¢/\$500	State 2/3	1,703 <sup>4</sup>	---	---	---
Arizona (State) . . . . .	1968	---	\$2/document	local	---	---	X	S, L
Arkansas (State) . . . . .	1969	f.v.	\$1.50/\$500 <sup>5</sup>	n.a.	---	X	---	---
California (local) <sup>6</sup> . . . . .	1967	x.m.	55¢/\$500 <sup>5</sup>	local	---	---	---	---
Colorado (State) . . . . .	1967	f.v.	1¢/\$100 <sup>7</sup>	local	---	X	X	L
Connecticut (State) . . . . .	1967	f.v.	55¢/\$500 <sup>5</sup>	local	---	X	---	---
Delaware (State and local) <sup>8</sup> . . . . .	1965	f.v.	1%	State <sup>8</sup>	2,077	X	X	S
District of Columbia (local) . . . . .	1962	f.v.	0.5%	local	1,488	---	X	L
Florida (State) . . . . .	1931	x.m.	30¢/\$100	State	43,512 <sup>4</sup>	X	---	---
Surtax on transfer of real estate. . . . .	1967	x.m.	55¢/\$500	State	---	X	---	---
Georgia (State) . . . . .	1967	x.m.	10¢/\$100 <sup>9</sup>	10	---	---	---	---
Hawaii (State) . . . . .	1966	f.v.	5¢/\$100 <sup>5</sup>	State	408	X	X	S
Illinois (State) . . . . .	1967	f.v.	50¢/\$500 <sup>5</sup>	State 1/2	2,437	X	X	S, L
Indiana (State) <sup>11</sup> . . . . .	1961	x.m.	2%	State	n.a.	X	---	---
Iowa (State) . . . . .	1965	x.m.	55¢/\$500	State	977	X	---	---
Kentucky (State) . . . . .	1968	f.v.	50¢/\$500	local	---	---	X	L
Maine (State) . . . . .	1967	x.m.	55¢/\$500	State 9/10	---	X	---	---
Maryland (State and local) <sup>12</sup> . . . . .	1937	f.v.	55¢/\$500	local <sup>13</sup>	71 <sup>4</sup>	X	---	---
Additional State tax . . . . .	1969	f.v.	0.5%	State	---	---	---	---
Massachusetts (State) . . . . .	1951	x.m.	\$1/\$500 <sup>5, 14</sup>	State	4,044	X	---	---
Michigan (State) . . . . .	1966	f.v.	55¢/\$500	local	---	X	X	S, L
Minnesota (State) . . . . .	1961	x.m.	\$1.10/\$500 <sup>15</sup>	State	3,131 <sup>4</sup>	X	---	---
Nebraska (State) . . . . .	1965	f.v.	55¢/\$500	State	598	X	---	---
Nevada (State) . . . . .	1967	x.m.	55¢/\$500 <sup>5</sup>	State 95%	544	X	---	---
New Hampshire (State) . . . . .	1967	f.v.	10¢/\$100 <sup>5</sup>	State	330	X	---	---
New Jersey (State) . . . . .	1968	f.v.	50¢/\$500 <sup>5</sup>	local	---	---	X	L
New York (State and local):								
State . . . . .	1968	x.m.	55¢/\$500 <sup>5</sup>	State	3,485	X	---	---
Local . . . . .	1959	x.m.	16	local	---	---	X	---
North Carolina (State) . . . . .	1967	x.m.	50¢/\$500	local	---	X	---	---

See footnotes at end of table.

TABLE 54 - STATE AND LOCAL REAL ESTATE TRANSFER TAXES, JANUARY 1, 1971 (Cont'd)

State and government imposing	Year enacted	Base f.v. - full value; x. m. - exclusive of assumed mortgages	Rate 1/1/71	Distribution of receipts	State collections 1969 <sup>1</sup> (\$000)	Administrative features		
						Use of stamps <sup>2</sup>	Provision for recording full sales price <sup>2</sup>	Provision for automatically transmitting sales price information <sup>3</sup>
Ohio (local) . . . . .	1967	f.v.	10¢/\$100 <sup>17</sup>	local	---	---	---	---
Oklahoma (State) . . . . .	1967	x.m.	55¢/\$500 <sup>5</sup>	State 95%	937	X	---	---
Pennsylvania (State and local) <sup>18</sup> . . . . .	1951	f.v.	1%	State <sup>18</sup>	30,702	X	X	---
Rhode Island (State) . . . . .	1967 <sup>19</sup>	f.v.	55¢/\$500	State	291	X	X	---
South Carolina (State and local):								
State . . . . .	1923	f.v.	\$1/\$500 <sup>5</sup>	State	2,708 <sup>4</sup>	X	X	---
County . . . . .	1967	f.v.	55¢/\$500 <sup>5</sup>	local	---	X	---	---
South Dakota (State) . . . . .	1968	x.m.	50¢/\$500	local	---	X	---	---
Tennessee (State) . . . . .	1937	f.v.	26¢/\$100	State	5,300 <sup>4</sup>	---	---	---
Vermont (State) . . . . .	1967	f.v.	1/2 of 1%	State	231	---	X	S, L
Virginia (State and local)								
State and local <sup>20</sup> . . . . .	1922	f.v.	15¢/\$100	State <sup>20</sup>	8,546 <sup>4</sup>	---	---	---
State . . . . .	1968	x.m.	50¢/\$500 <sup>5</sup>	State 1/2	---	---	---	---
Washington (State and local) <sup>21</sup> . . . . .	1935	f.v.	50¢/\$500	State <sup>21</sup>	1,580	X	X	L
West Virginia (State and local)								
State . . . . .	1959	f.v.	\$1.10/\$500	State	821	X	X	---
County . . . . .	1967	f.v.	55¢/\$500	local	---	---	X	---
Wisconsin (State) . . . . .	1969	f.v.	10¢/\$100 <sup>5</sup>	State 1/2	---	---	X	S

n.a. - Data not available.

<sup>1</sup>Excludes amounts collected and retained by local governments.

<sup>2</sup>X denotes "Yes"; --- denotes "No."

<sup>3</sup>S - "State agency"; L - "local assessor or similar local official."

<sup>4</sup>Includes documentary taxes other than real estate transfer taxes.

<sup>5</sup>Transfers under \$100 are exempt.

<sup>6</sup>Counties, or a city and a county are authorized to impose a tax on real estate transfers. Cities within a county which has already imposed the tax may levy a tax of 1/2 the rate with a credit being given against the county tax for the city tax.

<sup>7</sup>Transfers of \$500 or less are exempt.

<sup>8</sup>The city of Wilmington also levies a 1% realty transfer tax.

TABLE 54 – STATE AND LOCAL REAL ESTATE TRANSFER TAXES, JANUARY 1, 1971 (Cont'd)

<sup>9</sup> Rate is 50¢ for the first \$500. Transfers of \$100 or less are exempt.

<sup>10</sup> Distributed in the same proportion that revenues derived from the tax imposed by the Act providing for the levy of taxes on certain classes of intangible personal property, approved December 27, 1937 (Ga. L. 1937-38, P. 156) as now or may hereafter be amended, are divided.

<sup>11</sup> The tax is applicable only to corporations subject to gross income tax.

<sup>12</sup> The city of Baltimore and specified counties are authorized to supplement the State tax, at rates ranging from \$1.10/\$500 to 1½ percent of the actual consideration paid.

<sup>13</sup> Except that tax on recordation of instruments granting encumbrances on property situated in two or more counties as security for corporate bonds of public utilities, are paid to the State.

<sup>14</sup> Plus an additional 14% surtax.

<sup>15</sup> Rate is \$2.20 on first \$1,000.

<sup>16</sup> New York City imposes a tax of 0.5% on transfers of real property where the consideration exceeds \$25,000.

<sup>17</sup> The rate shown is the statewide county rate. The minimum tax is \$1, with transfers under \$100 exempt. An additional tax, not to exceed 30¢ on each \$100 of value of real property, may also be levied by any county.

<sup>18</sup> Local governments are authorized to impose a real estate transfer tax up to 1% and about 1,850, including more than 1,000 school districts, have done so.

<sup>19</sup> Repealed and reenacted in 1968.

<sup>20</sup> Counties and cities levy a tax of 1/3 the State recordation tax (5¢/\$100).

<sup>21</sup> Counties are authorized to levy a 1% real estate sales tax; all 39 counties have done so.

Source: Commerce Clearing House *State Tax Reporter*; and U.S. Bureau of the Census, Governments Division.



TABLE 55 – TYPES OF STATE DEATH TAXES, JANUARY 1, 1971

Type of tax	State
"Pickup" tax only . . . . . (5)	Alabama, Alaska, Arkansas, Florida, Georgia.
Estate tax only . . . . . (3)	Mississippi, North Dakota, Utah.
Estate tax and "pickup" tax . . . . . (6)	Arizona, New York, Ohio, Oklahoma, <sup>1</sup> S. Carolina, <sup>1</sup> Vermont <sup>1</sup> .
Inheritance tax only . . . . . (2)	South Dakota, West Virginia.
Inheritance tax and "pickup" tax . . . . . (32)	California, <sup>1</sup> Colorado, <sup>1</sup> Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, <sup>1</sup> Maine, Maryland, Massachusetts, Michigan, Minnesota, <sup>1</sup> Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, <sup>1</sup> Pennsylvania, Tennessee, <sup>1</sup> Texas, Virginia, <sup>1</sup> Washington, <sup>1</sup> Wisconsin, <sup>1</sup> Wyoming.
Estate tax and inheritance tax . . . . . (1)	Oregon. <sup>1</sup>
Inheritance, estate and "pickup" taxes . . . . . (1)	Rhode Island. <sup>1</sup>
No tax . . . . . (1)	Nevada.

<sup>1</sup>Also has gift tax (14 States).

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 56 – STATE ESTATE TAX RATES AND EXEMPTIONS, JANUARY 1, 1971<sup>1</sup>

State	Rates	Maximum rate applies above	Exemption
Alabama . . . . .	80 percent of 1926 Federal rates	\$10,000,000	\$100,000
Alaska . . . . .	80 percent of 1926 Federal rates	10,000,000	100,000
Arizona <sup>2</sup> . . . . .	4/5 of 1-16 percent . . . . .	10,000,000	100,000
Arkansas . . . . .	80 percent of 1926 Federal rates	10,000,000	100,000
Florida . . . . .	80 percent of 1926 Federal rates	10,000,000	100,000
Georgia . . . . .	80 percent of 1926 Federal rates	10,000,000	100,000
Mississippi . . . . .	80 percent of 1926 Federal rates	10,000,000	60,000
New York <sup>2</sup> . . . . .	2-21 percent . . . . .	10,100,000	<sup>3</sup>
North Dakota . . . . .	2-23 percent . . . . .	1,500,000	<sup>4</sup>
Ohio <sup>5</sup> . . . . .	2-7 percent . . . . .	500,000	5,000 <sup>6</sup>
Oklahoma <sup>2</sup> . . . . .	1-10 percent . . . . .	10,000,000	15,000
Oregon . . . . .	1-10 percent . . . . .	500,000	15,000
Rhode Island <sup>2</sup> . . . . .	1 percent . . . . .	<sup>7</sup>	10,000
South Carolina . . . . .	4-6 percent . . . . .	100,000	60,000
Utah . . . . .	3-10 percent . . . . .	125,000	10,000 <sup>8</sup>
Vermont <sup>2</sup> . . . . .	The tax rate is 30% of the federal estate tax liability due to Vermont gross estate.		

<sup>1</sup>Excludes States shown in table 57 which, in addition to their inheritance taxes levy an estate tax to assure full absorption of the 80-percent Federal credit.

<sup>2</sup>An additional estate tax is imposed to assure full absorption of the 80-percent Federal credit.

<sup>3</sup>\$20,000 of transfers to spouse and \$5,000 to each lineal ascendant and descendant and to other specified relatives are exempt and deductible from first bracket.

<sup>4</sup>Exemption for spouse is \$20,000 or 50 percent of adjusted gross estate, for minor child, \$5,000, for lineal ancestor or descendants, \$2,000.

<sup>5</sup>Replaced inheritance tax, effective July 1, 1968.

<sup>6</sup>An additional \$20,000 for spouse, \$7,000 for minor child, and \$3,000 for adult child.

<sup>7</sup>Entire estate above exemption.

<sup>8</sup>Transfers, not to exceed \$40,000, if made to the husband, wife and/or children of the decedent are exempt from tax.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 57 — STATE INHERITANCE TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF HEIRS, JANUARY 1, 1971

State <sup>1</sup>	Exemptions					Rates (percent)				In case of spouse	
	Widow	Minor child	Adult child	Brother or sister	Other than relative	Spouse or minor child	Adult child	Brother or sister	Other than relative	Size of first bracket	Level at which top rate applies
Alabama <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Alaska <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Arizona <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Arkansas <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
California <sup>3,4</sup>	\$ 5,000	\$12,000	\$ 5,000	\$ 2,000	\$ 300	3 - 14	3 - 14	6 - 20	10 - 24	\$ 25,000	\$ 400,000
Colorado	35,000	15,000	10,000	2,000	500 <sup>5</sup>	2 - 8	2 - 8	3 - 10	10 - 19	50,000	500,000
Connecticut <sup>3,6,7</sup>	50,000	10,000 <sup>8</sup>	10,000 <sup>8</sup>	3,000	500	3 - 8 <sup>9</sup>	2 - 8	4 - 10	8 - 14	150,000	1,000,000
Delaware <sup>3</sup>	20,000	3,000	3,000	1,000	None	1 - 4	1 - 4	2 - 5	5 - 8	30,000	200,000
District of Col. <sup>3</sup>	5,000	5,000	5,000	2,000	1,000	1 - 5	1 - 5	3 - 10	5 - 15	50,000	1,000,000
Florida <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Georgia <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hawaii	20,000	5,000	5,000	500	500	2 - 6 <sup>9</sup>	1.5 - 7.5	3.5 - 9	3.5 - 9	15,000	250,000
Idaho <sup>4</sup>	10,000	10,000	4,000	1,000	None	2 - 15	2 - 15	4 - 20	8 - 30	25,000	500,000
Illinois	20,000	20,000	20,000	10,000	100	2 - 14 <sup>10</sup>	2 - 14	2 - 14	10 - 30	20,000	500,000
Indiana <sup>3</sup>	15,000	5,000	2,000	500	100	1 - 10	1 - 10	5 - 15	7 - 20	25,000	1,500,000
Iowa	40,000	15,000	15,000	None <sup>11</sup>	None <sup>11</sup>	1 - 8	1 - 8	5 - 10	10 - 15	5,000	150,000
Kansas	75,000	15,000	15,000	5,000	200 <sup>5</sup>	0.5 - 2.5 <sup>9</sup>	1 - 5	3 - 12.5	10 - 15	25,000	500,000
Kentucky	10,000	10,000	5,000	1,000	500	2 - 10	2 - 10	4 - 16	6 - 16	20,000	500,000
Louisiana <sup>3,4</sup>	5,000	5,000	5,000	1,000	500	2 - 3	2 - 3	5 - 7	5 - 10	25,000	25,000
Maine	15,000	10,000	10,000	500	500	2 - 6	2 - 6	8 - 12	12 - 18	50,000	250,000
Maryland <sup>5</sup>	150	150	150	150	150	1	1	7½	7½	12	12
Massachusetts <sup>5,13</sup>	30,000 <sup>14</sup>	15,000	15,000	5,000	5,000	1.8 - 11.8	1.8 - 11.8	5.5 - 19.3	8 - 19.3	10,000	1,000,000
Michigan <sup>3,15</sup>	30,000 <sup>16</sup>	5,000	5,000	5,000	None	2 - 8	2 - 8	2 - 8	10 - 15	50,000	750,000
Minnesota <sup>3,17</sup>	30,000	15,000	6,000	1,500	500	1.5 - 10	2 - 10	6 - 25	8 - 30	25,000	1,000,000
Mississippi <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Missouri	20,000 <sup>18</sup>	5,000 <sup>19</sup>	5,000 <sup>19</sup>	500	100 <sup>5</sup>	1 - 6	1 - 6	3 - 18	5 - 30	20,000	400,000
Montana <sup>3</sup>	20,000	5,000	2,000	500	None	2 - 8	2 - 8	4 - 16	8 - 32	25,000	100,000
Nebraska <sup>3</sup>	10,000	10,000 <sup>20</sup>	10,000 <sup>20</sup>	10,000 <sup>20</sup>	500 <sup>20</sup>	1 <sup>20</sup>	1 <sup>20</sup>	1 <sup>20</sup>	6 - 18 <sup>20</sup>	12 <sup>20</sup>	12 <sup>20</sup>
Nevada	20	20	20	20	20	20	20	20	20	20	20
New Hampshire	20	20	20	None	None	20	20	15	15	20	20
New Jersey	5,000	5,000	5,000	500 <sup>5</sup>	500 <sup>5</sup>	1 - 16	1 - 16	11 - 16	15 - 16	10,000	3,200,000
New Mexico <sup>4</sup>	10,000 <sup>21</sup>	10,000 <sup>21</sup>	10,000 <sup>21</sup>	10,000 <sup>21</sup>	500 <sup>6</sup>	1	1	5	5	12	12
New York <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
North Carolina <sup>2,2</sup>	10,000	5,000	2,000	None	None	1 - 12	1 - 12	4 - 16	8 - 17	10,000	3,000,000
North Dakota <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ohio <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Oklahoma <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

See footnotes at the end of table.

TABLE 57 – STATE INHERITANCE TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF HEIRS, JANUARY 1, 1971 (Cont'd)

State <sup>1</sup>	Exemptions					Rates (percent)				In case of spouse	
	Widow	Minor child	Adult child	Brother or sister	Other than relative	Spouse or minor child	Adult child	Brother or sister	Other than relative	Size of first bracket	Level at which top rate applies
Oregon <sup>2,3,24*</sup>	None	None	None	\$1,000	\$ 500	1 – 10	1 – 10	1 – 15	1 – 20	\$10,000 <sup>1,2</sup>	\$ 500,000 <sup>1,2</sup>
Pennsylvania	\$ 1,000	None <sup>2,5</sup>	None <sup>2,5</sup>	None	None	6	6	15	15		
Rhode Island <sup>3,23</sup>	10,000	\$10,000	\$10,000	5,000	1,000	2 – 9	2 – 9	3 – 10	8 – 15	25,000	1,000,000
South Carolina <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
South Dakota <sup>3*</sup>	15,000	10,000	10,000	500	100	1½ – 4	1½ – 4	4 – 12	6 – 20	15,000	100,000
Tennessee <sup>3</sup>	10,000 <sup>2,6</sup>	10,000 <sup>2,6</sup>	10,000 <sup>2,6</sup>	1,000 <sup>2,6</sup>	1,000 <sup>2,6</sup>	1.4 – 9.5	1.4 – 9.5	6.5 – 20	6.5 – 20	25,000	500,000
Texas <sup>3,4</sup>	25,000	25,000	25,000	10,000	500	1 – 6	1 – 6	3 – 10	5 – 20	50,000	1,000,000
Utah <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Virginia <sup>3</sup>	5,000	5,000	5,000	2,000	1,000	1 – 5	1 – 5	2 – 10	5 – 15	50,000	1,000,000
Washington <sup>3,4</sup>	5,000 <sup>2,7</sup>	5,000 <sup>2,7</sup>	5,000 <sup>2,7</sup>	1,000 <sup>6</sup>	None	1 – 10	1 – 10	3 – 20	10 – 25	25,000	500,000
West Virginia <sup>3*</sup>	15,000	5,000	5,000	None	None	3 – 13	3 – 13	4 – 18	10 – 30	50,000	1,000,000
Wisconsin <sup>3,28</sup>	15,000	2,000	2,000	500	100	2 – 10	2 – 10	2 – 10	8 – 40	25,000	500,000 <sup>1,2</sup>
Wyoming	10,000	10,000	10,000	10,000	None	2	2	2	6		

<sup>1</sup> All States, except those designated by asterisk (\*), impose also an estate tax to assure full absorption of the 80 percent Federal credit.

<sup>2</sup> Imposes only estate tax. See table 56.

<sup>3</sup> Exemptions are deductible from the first bracket.

<sup>4</sup> Community property passing to the surviving spouse is exempt, or only one-half is taxable.

<sup>5</sup> No exemption is allowed if beneficiary's share exceeds the amount shown in the exemption column, but no tax shall reduce the value of the amounts shown in the exemption column. In Maryland, it is the practice to allow a family allowance of \$450 to a widow if there are infant children, and \$225 if there are no infant children, although there is no provision for such deductions in the statute.

<sup>6</sup> The exemption shown is the total exemption for all beneficiaries falling into the particular class and is shared by them proportionately.

<sup>7</sup> An additional 30 percent surtax is imposed.

<sup>8</sup> Only one \$10,000 exemption is allowed for beneficiaries in Class A, which includes minor and adult children.

<sup>9</sup> Rate shown is for spouse only. A minor child is taxed at the rates applying to an adult child.

<sup>10</sup> With respect to taxable transfers passing to a husband or wife of a decedent dying on or after July 5, 1969, if taxable transfer exceeds \$5,000,000, the tax on the excess thereof is computed at 6%. Tax rates on the taxable amount up to and including \$5,000,000 are the same rates as provided for in excess of the exemption.

<sup>11</sup> Estates of less than \$1,000 after deduction of debts are not taxable.

<sup>12</sup> Entire share (in excess of allowable exemption).

<sup>13</sup> Applicable to property or interests passing or accruing upon the death of persons who die on or after July 18, 1969, a 14% surtax is imposed in addition to the inheritance tax.

<sup>14</sup> In addition, an exemption to the extent of the value of single family residential property and to the extent of \$25,000 of the value, in the case

of multiple family residential property, used by a husband and wife as a domicile, is allowed where the property was held by them as joint tenants or tenants by the entirety.

<sup>15</sup> Transfers of real property to Class I beneficiaries (all but non-relatives) are taxed at 3/4 of the indicated tax rates. There is no tax on the share of any beneficiary if the value of the share is less than \$100

<sup>16</sup> Plus an additional \$5,000 for every minor child to whom no property is transferred.

<sup>17</sup> For a widow, an additional exemption is allowed equal to the difference between the maximum deduction for family maintenance (\$5,000) and the amount of family maintenance actually allowed by the Probate Court. The total possible exemption therefore would be \$35,000. If there is no surviving widow entitled to the exemption, the aggregate exemption is allowable to the children.

<sup>18</sup> In addition, an exemption is allowed for the clear market value of one-half of the decedent's estate, or one-third if decedent is survived by lineal descendants.

<sup>19</sup> Or the value of the homestead allowance, whichever is greater.

<sup>20</sup> No tax imposed.

<sup>21</sup> The beneficiaries in Class I (spouse, parents, lineal descendants, and adopted children) are allowed one \$10,000 exemption for the entire class.

<sup>22</sup> A widow with a child or children under 21 and receiving all or substantially all of her husband's property, shall be allowed, at her option, an additional exemption of \$5,000 for each such child. The children shall not be allowed the regular \$5,000 exemption provided for such children.

<sup>23</sup> Imposes also an estate tax. See table 56.

<sup>24</sup> Oregon imposes a basic tax, measured by the entire estate in excess of a single exemption (\$15,000 prorated among all beneficiaries and deductible from the first bracket); and an additional tax, measured by the size of an individual's share for which each beneficiary has a specific exemption. All members of Class I (spouse, children, parents, grandparents, stepchildren or lineal descendants) are exempted from the additional tax.

<sup>25</sup> In the absence of a spouse, the children may claim the \$1,000 exemption.

<sup>26</sup> Widows and children are included in Class A, with one \$10,000 exemption for the entire class. Beneficiaries not in Class A are allowed one \$1,000 exemption for the entire class.

<sup>27</sup> An additional \$5,000 exemption is allowed to the class as a whole.

<sup>28</sup> These rates are subject to the limitation that the total tax may not exceed 15 percent of the beneficiary's share. An additional tax equal to 30 percent of the inheritance tax is also imposed.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 58 — STATE GIFT TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF DONEES JANUARY 1, 1971

State	Donor's lifetime exemption					Rates (percent)				Annual exclusion to each donee
	Wife	Minor child	Adult child	Brother or sister	Other than relative	Spouse or minor child	Adult child	Brother or sister	Other than relative	
California* <sup>1,2</sup>	\$ 5,000	\$12,000	\$ 5,000	\$ 2,000	\$ 300	3 — 14	3 — 14	6 — 20	10 — 24	\$3,000.
Colorado* . . .	20,000	10,000	10,000	2,000	500	2 — 8	2 — 8	3 — 10	7 — 16	{ \$3,000 spouse, child. \$1,500 brother, sister. \$1,000 other than relative.
Louisiana* <sup>1</sup> . . .	30,000 <sup>4</sup>	30,000 <sup>4</sup>	30,000 <sup>4</sup>	30,000 <sup>4</sup>	30,000 <sup>4</sup>	2 — 3	2 — 3	5 — 7	5 — 10	{ \$5,000 spouse, child. \$1,000 brother, sister. \$ 500 other than relative.
Minnesota* <sup>2,3</sup>	10,000	10,000	5,000	1,000	250	1.5 — 10	2 — 10	6 — 25	8 — 30	\$3,000.
North Carolina*	25,000 <sup>4</sup>	25,000 <sup>4</sup>	25,000 <sup>4</sup>	None	None	1 — 12	1 — 12	4 — 16	8 — 17	\$3,000.
Oklahoma . . .	None	None	None	None	None	1 — 10	1 — 10	1 — 10	1 — 10	\$3,000.
Oregon . . . . .	15,000 <sup>4</sup>	15,000 <sup>4</sup>	15,000 <sup>4</sup>	15,000 <sup>4</sup>	15,000 <sup>4</sup>	1 — 10	1 — 10	2 — 25	5 — 30	{ \$5,000 spouse, child. \$3,000 brother, sister. \$1,000 other than relative.
Rhode Island. . .	25,000 <sup>4</sup>	25,000 <sup>4</sup>	25,000 <sup>4</sup>	25,000 <sup>4</sup>	25,000 <sup>4</sup>	2 — 9	2 — 9	2 — 9	2 — 9	\$3,000.
South Carolina	None	None	None	None	None	3 — 4.5	3 — 4.5	3 — 4.5	3 — 4.5	— — —
Tennessee* . . .	None	None	None	None	None	1.4 — 9.5	1.4 — 9.5	6.5 — 20	6.5 — 20	{ \$10,000 spouse, child <sup>6</sup> \$ 5,000 brothers and sisters, others <sup>6</sup>
Vermont <sup>5</sup> . . .	The tax rate is 30% of the federal gift tax liability due to Vermont gifts.									
Virginia* <sup>2</sup> . . .	None	None	None	None	None	1 — 5	1 — 5	2 — 10	5 — 15	{ \$5,000 spouse, child. \$2,000 brother, sister. \$1,000 other than relative.
Washington* <sup>1,2</sup>	10,000 <sup>7</sup>	10,000 <sup>7</sup>	10,000 <sup>7</sup>	1,000 <sup>7</sup>	None	0.9 — 9	0.9 — 9	2.7 — 18	9 — 22.5	\$3,000.
Wisconsin <sup>2,8</sup> . . .	15,000	2,000	2,000	None	None	2 — 10	2 — 10	4 — 20	8 — 40	\$1,000.

\*Gift tax rates are the same as inheritance tax rates except in Washington where they are 90 percent of inheritance tax rates.

TABLE 58 – STATE GIFT TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF DONEES JANUARY 1, 1971 (Cont'd)

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<sup>1</sup> Half of community property transferred to surviving spouse is not taxable.

<sup>2</sup> Exemptions or exclusions are deductible from the first bracket.

<sup>3</sup> The following tax credits are allowed: wife, \$300; minor child, \$75; adult child, \$20; brother or sister, \$30; other than relative, \$20. The tax may not exceed 35 percent of the full value of the gift.

<sup>4</sup> Only one lifetime exemption for all classes of donees combined.

<sup>5</sup> New tax effective January 1, 1971.

<sup>6</sup> Only 1 annual exclusion is allowed each class of donee. One class includes spouse, lineal ancestor or descendant; all others are in the other class. Exemptions are deductible from the first bracket.

<sup>7</sup> Only 1 exemption allowed each class of donees. Spouse and lineal ancestors and descendants comprise 1 class; brothers and sisters another; all others, the 3rd class.

<sup>8</sup> In addition, an emergency tax is imposed equal to 30 percent of the tax computed at the rates shown. The total tax may not exceed 15 percent of the value of the gift.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 59 – DEDUCTIBILITY OF FEDERAL ESTATE TAX FOR PURPOSES OF STATE INHERITANCE AND ESTATE TAXES, JANUARY 1, 1971

State	Federal estate tax deductible	State	Federal estate tax deductible
Alabama	—	Missouri	X
Alaska	—	Montana	X
Arizona	—	Nebraska	X
Arkansas	—	Nevada	(1)
California	—	New Hampshire	X
Colorado	—	New Jersey	—
Connecticut	—	New Mexico	—
Delaware	—	New York	—
District of Columbia	X	North Carolina	—
Florida	—	North Dakota	X
Georgia	—	Ohio	X
Hawaii	—	Oklahoma	—
Idaho	X	Oregon	—
Illinois	X	Pennsylvania	—
Indiana	—	Rhode Island	—
Iowa	X	South Carolina	X
Kansas	X	South Dakota	—
Kentucky	X	Tennessee	—
Louisiana	—	Texas	—
Maine	X	Utah	—
Maryland	X	Vermont	—
Massachusetts	X	Virginia	X
Michigan	—	Washington	—
Minnesota	X	West Virginia	X
Mississippi	—	Wisconsin	X
		Wyoming	X

X denotes "yes"; — denotes "no."

<sup>1</sup> No tax imposed.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 60 – STATE CIGARETTE TAX RATES, JANUARY 1, 1971  
(Cents per standard pack of 20)

7¢ or less	8¢	9¢	10¢	11¢	12¢	13¢	14¢ or more
Colorado (5¢) Dist. of Col. (4¢) Idaho (7¢) Indiana (6¢) Kentucky (3¢) Maryland (6¢) North Carolina (2¢) Oregon (4¢) South Carolina (6¢) Virginia (2.5¢)	Alaska Georgia Hawaii <sup>1</sup> Montana Nebraska New Hampshire <sup>2</sup> Utah Wyoming	Mississippi Missouri	Arizona California Iowa Nevada Ohio	Delaware Kansas Louisiana Michigan North Dakota Washington	Alabama Illinois Maine Massachusetts New Mexico New York South Dakota Vermont West Virginia	Arkansas (12%) Minnesota Oklahoma Rhode Island Tennessee	Connecticut (16¢) Florida (15¢) New Jersey (14¢) Pennsylvania (18¢) Texas (15.5¢) Wisconsin (14¢)
Total . . . . . 10	. . . . . 8	. . . . . 2	. . . . . 5	. . . . . 6	. . . . . 9	. . . . . 5	. . . . . 6

<sup>1</sup>Hawaii with a rate of 40% of wholesale price is estimated at 8¢.  
<sup>2</sup>New Hampshire with a rate of 34% of retail price is estimated at 8¢.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 61 — STATE CIGARETTE TAX RATES AS OF JANUARY 1 — 1953 THROUGH 1971  
(cents per standard package of 20)

State	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Alabama*	3	.....	.....	4	.....	.....	.....	6	.....	.....	.....	.....	.....	7	.....	10	.....	12	12
Alaska	3	.....	.....	5	.....	.....	.....	.....	.....	8	.....	.....	.....	.....	.....	.....	.....	.....	8
Arizona*	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6.5	.....	.....	10	.....	10
Arkansas	6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8	.....	.....	.....	12½	12½
California*	—	—	—	—	—	—	—	3	.....	.....	.....	.....	.....	.....	.....	10	.....	.....	10
Colorado	—	—	—	—	—	—	—	—	—	—	—	—	3	5	.....	.....	.....	.....	5
Connecticut	3	.....	.....	.....	.....	.....	.....	.....	.....	5	.....	6	.....	8	.....	.....	.....	16	16
Delaware	2	3	.....	.....	.....	.....	.....	.....	.....	5	.....	.....	.....	7	.....	.....	.....	11	11
Dist. of Col.*	1	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	.....	.....	4	4
Florida*	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8	.....	.....	.....	.....	15	.....	15
Georgia*	3	.....	.....	5	.....	.....	.....	.....	.....	.....	.....	.....	8	.....	.....	.....	.....	.....	8
Hawaii*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	40%	.....	.....	.....	.....	40%
Idaho*	3	.....	.....	4	.....	.....	.....	5	.....	6	.....	7	.....	.....	.....	.....	.....	.....	7
Illinois*	3	.....	.....	.....	.....	.....	.....	4	3	4	.....	.....	.....	7	.....	9	.....	12	12
Indiana*	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4	.....	6	.....	.....	.....	.....	6
Iowa*	2	3	.....	.....	.....	.....	.....	4	.....	.....	.....	5	.....	8	.....	10	.....	.....	10
Kansas*	3	.....	.....	.....	.....	4	.....	.....	.....	.....	.....	.....	6	8	.....	.....	.....	.....	11
Kentucky*	1	.....	3	.....	.....	.....	.....	.....	.....	2.5	.....	.....	.....	.....	.....	.....	.....	.....	3
Louisiana*	8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	11
Maine	4	.....	.....	5	.....	.....	.....	.....	.....	6	.....	.....	.....	8	.....	10	.....	12	12
Maryland*	—	—	—	—	—	—	3	.....	.....	6	.....	.....	.....	.....	.....	.....	.....	.....	6
Massachusetts	5	.....	.....	.....	.....	.....	6	.....	.....	.....	.....	.....	8	.....	10	.....	.....	12	12
Michigan*	3	.....	.....	.....	.....	5	.....	.....	6	5	7	.....	.....	.....	.....	.....	.....	.....	11
Minnesota	4	.....	.....	.....	.....	.....	.....	5.5	.....	7	.....	8	.....	.....	.....	.....	.....	13	13
Mississippi*	4	.....	.....	5	.....	.....	6	.....	.....	.....	8	.....	9	.....	.....	.....	.....	.....	9
Missouri*	—	—	—	2	.....	.....	.....	.....	.....	4	.....	.....	.....	.....	.....	.....	.....	9	9
Montana	4	.....	.....	.....	.....	8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8
Nebraska*	3	.....	.....	.....	.....	4	.....	.....	.....	.....	.....	6	.....	8	.....	.....	.....	.....	8
Nevada*	3	.....	.....	.....	.....	.....	.....	.....	.....	7	.....	.....	.....	.....	.....	.....	.....	10	10
New Hampshire	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	21%	.....	30%	.....	.....	34%
New Jersey	3	.....	.....	.....	5	.....	.....	.....	.....	7	.....	8	.....	.....	11	.....	14	.....	14
New Mexico*	4	.....	.....	5	.....	.....	.....	.....	.....	8	.....	.....	.....	.....	.....	.....	12	.....	12
New York*	3	.....	.....	.....	.....	.....	.....	5	.....	.....	.....	.....	10	.....	.....	.....	12	.....	12
North Carolina*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	2
North Dakota*	6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7	.....	8	.....	.....	.....	11	11

See footnotes at the end of table.



TABLE 61 — STATE CIGARETTE TAX RATES AS OF JANUARY 1 — 1953 THROUGH 1971 (Cont'd)  
(cents per standard package of 20)

State	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Ohio*	2	.....	.....	.....	3	.....	.....	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	10	10
Oklahoma	5	.....	.....	.....	.....	.....	.....	.....	.....	7	.....	.....	.....	8	.....	.....	13	.....	13
Oregon	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4	.....	.....	.....	4
Pennsylvania	4	.....	.....	5	.....	.....	.....	6	.....	.....	.....	8	.....	.....	.....	13	.....	.....	18
Rhode Island	3	.....	.....	.....	.....	.....	5	.....	6	.....	.....	.....	8	.....	.....	.....	13	.....	13
South Carolina*	3	.....	.....	.....	.....	.....	.....	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	6	6
South Dakota	3	.....	.....	3¼	.....	.....	.....	5	.....	.....	.....	6	.....	8	.....	.....	.....	12	12
Tennessee*	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7	.....	.....	.....	8	.....	13	13
Texas	4	.....	.....	5	.....	.....	.....	8	.....	.....	.....	.....	.....	11	.....	.....	.....	15.5	15.5
Utah*	2	.....	4	.....	.....	.....	.....	.....	.....	.....	.....	8	.....	.....	.....	.....	.....	.....	8
Vermont	4	.....	.....	.....	.....	5	.....	7	.....	.....	.....	8	.....	10	.....	.....	.....	12	12
Virginia*	—	—	—	—	—	—	—	—	3	.....	.....	.....	.....	.....	2.5	.....	.....	.....	2.5
Washington*	2	.....	.....	3	.....	.....	.....	6	.....	7	.....	.....	.....	11	.....	.....	.....	.....	11
West Virginia*	4	.....	.....	.....	5	.....	.....	.....	.....	6	.....	.....	.....	.....	.....	.....	7	.....	12
Wisconsin	3	.....	.....	4	.....	5	.....	.....	.....	6	.....	8	.....	10	.....	.....	.....	14	14
Wyoming	2	.....	.....	.....	.....	3	.....	4	.....	.....	.....	.....	.....	.....	.....	8	.....	.....	8
No. of States with tax <sup>4</sup>	44	44	44	45	45	45	46	47	48	48	48	48	49	49	50	50	50	51	51

Note: A blank space ( . . . ) indicates no rate change since previous rate shown.  
A dash ( — ) indicates no cigarette tax was in effect as of January 1.

\*Indicates states that also tax cigarettes under the State General sales or gross receipts tax.

<sup>1</sup>Prior to July 1, 1954 the statutory rate was 1¢ for each 10¢ or fraction of the retail price.

<sup>2</sup>The statutory rate was 2¢ for each 10¢ or fraction of the retail price.

<sup>3</sup>The statutory rate was 2 1/2¢ for each 10¢ or fraction of the retail price.

<sup>4</sup>Includes District of Columbia; also includes Alaska and Hawaii for the period prior to attaining statehood.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 62 — STATE CIGARETTE TAX RATE AND BASE DATA, BY STATE, 1969  
(Sales and collection data for fiscal year)

State	Rate Nov. 1, 1969 (cents per pk.)	Net State cigarette tax collections (\$000)	State tax-paid cigarette sales		Effective rates on basis of actual collections (cents)	Cigarette taxes as a % of retail price (As of November 1, 1969)	
			Total (millions of pks.)	Per capita (No. of pks.)		Weighted average price per pack	State tax as a % of average re- tail price.
United States . . . . .	10 <sup>1</sup>	2,101,827	23,591.5	130.2	8.91	37.1 <sup>1</sup>	27.0 <sup>1</sup>
Alabama . . . . .	12	29,661	320.7	90.1	9.25	39.6 <sup>2</sup>	30.3
Alaska . . . . .	8	2,629	33.2	121.2	7.92	40.0	20.0
Arizona . . . . .	10	18,638	189.2	113.8	9.85	37.1	27.0
Arkansas . . . . .	12.25	16,740	204.4	102.9	8.19	36.7	33.4
California . . . . .	10	237,089	2,391.2	123.9	9.92	38.8	25.8
Colorado . . . . .	5	11,965	254.6	124.6	4.70	29.4 <sup>2</sup>	17.0
Connecticut . . . . .	16	34,571	428.8	144.7	8.06	42.2	37.9
Delaware . . . . .	11	6,330	93.7	175.5	6.76	39.0	28.2
Dist. of Columbia . . . . .	3	4,841	171.7	212.2	2.82	28.5	10.5
Florida . . . . .	15	109,348	745.5	121.2	14.67	43.5	34.5
Georgia . . . . .	8	38,492	496.0	108.6	7.76	34.3	23.3
Hawaii . . . . .	8	4,856	60.7	77.8	8.00	36.7	21.8
Idaho . . . . .	7	4,702	70.7	100.6	6.65	33.8	20.7
Illinois . . . . .	12	126,850	1,433.1	130.4	8.85	41.4	29.0
Indiana . . . . .	6	38,737	672.4	132.9	5.76	30.6	19.6
Iowa . . . . .	10	28,882	299.3	107.9	9.65	37.7	26.5
Kansas . . . . .	8	18,115	235.3	102.6	7.70	34.2	23.4
Kentucky . . . . .	2.5	11,110	471.1	146.3	2.36	28.3	8.8
Louisiana . . . . .	8	31,520	431.7	115.9	7.30	34.3	23.3
Maine . . . . .	12	13,150	132.0	135.2	9.96	38.0	31.6
Maryland . . . . .	6	26,179	459.3	122.3	5.70	32.6	18.4
Massachusetts . . . . .	12	70,309	709.1	129.7	9.92	39.6	30.3
Michigan . . . . .	7	80,776	1,165.6	133.4	6.93	33.7	20.8
Minnesota . . . . .	13	32,901	409.6	112.3	8.03	39.1	33.2
Mississippi . . . . .	9	17,665	213.3	91.0	8.28	36.2	24.9
Missouri . . . . .	9	24,470	634.6	137.2	3.86	36.0 <sup>2</sup>	25.0
Montana . . . . .	8	6,186	81.4	117.4	7.60	34.0	23.5
Nebraska . . . . .	8	11,858	156.0	108.4	7.60	33.9	23.6
Nevada . . . . .	10	5,985	89.2	198.6	6.71	38.9	25.7
New Hampshire . . . . .	7	11,782	174.4	248.5	6.76	31.4	22.3
New Jersey . . . . .	14	118,014	859.9	121.2	13.72	41.0 <sup>2</sup>	34.1
New Mexico . . . . .	12	9,933	87.5	87.0	11.35	39.7 <sup>2</sup>	30.2
New York . . . . .	12	263,639	2,212.1	122.4	11.92	40.7 <sup>2</sup>	29.5
North Carolina . . . . .	2	—	—	—	—	27.3	7.3
North Dakota . . . . .	11	4,634	60.7	96.9	7.63	37.3	29.5
Ohio . . . . .	10	92,715	1,363.4	128.8	6.80	36.6	27.3
Oklahoma . . . . .	13	34,200	274.0	108.7	12.48	38.4	33.9
Oregon . . . . .	4	12,325	321.5	160.1	3.83	28.4	14.1
Pennsylvania . . . . .	13	169,598	1,345.7	114.7	12.60	38.4	33.9
Rhode Island . . . . .	13	14,003	107.7	117.8	13.00	39.3	33.1
South Carolina . . . . .	6	13,183	277.5	104.2	4.75	32.5	18.5
South Dakota . . . . .	12	5,162	67.2	102.5	7.68	38.4	31.3
Tennessee . . . . .	13	34,114	426.5	107.3	8.00	39.9 <sup>2</sup>	32.6
Texas . . . . .	15.5	131,401	1,222.0	111.3	10.75	40.4	38.4
Utah . . . . .	8	5,208	67.8	65.6	7.68	34.6	23.1
Vermont . . . . .	12	5,595	57.2	134.6	9.78	37.7	31.8
Virginia . . . . .	2.5	13,495	569.5	123.9	2.37	28.8 <sup>2</sup>	8.7
Washington . . . . .	11	35,550	328.1	100.2	10.84	3.87	28.4
West Virginia . . . . .	7	13,573	202.0	112.1	6.72	33.7	20.8
Wisconsin . . . . .	14	45,934	470.7	111.5	9.76	38.5	36.4
Wyoming . . . . .	8	3,214	42.7	135.7	7.53	34.1	23.5

<sup>1</sup> Median average.

<sup>2</sup> Excluding cigarette taxes imposed by one or more municipalities.

Source: Tobacco Tax Council, Inc. *The Tax Burden On Tobacco*, Volume Four, 1969.

TABLE 63 — STATE COLLECTIONS BY SOURCE FOR STATES WHICH TAX BOTH CIGARETTES AND OTHER TOBACCO PRODUCTS, 1969  
(Dollar amounts in thousands)

State	Total cigarette and other tobacco taxes		Cigarette taxes		Other tobacco taxes Products taxed <sup>1</sup>	Collections		Percentage of total tobacco taxes from — —	
	Gross amount	Net collections	Gross amount	Net collections		Gross	Net	Cigarettes	Other tobacco products
Alabama .....	\$33,693	\$31,244	\$31,983	\$29,661	C S Ch Sn	\$1,711	\$1,582	94.9	5.1
Arizona .....	19,212	18,922	18,923	18,638	C S Ch Sn	288	284	98.5	1.5
Arkansas .....	17,657	16,820	17,577	16,740	C S Ch	80	80	99.5	0.5
Georgia .....	40,529	39,339	39,683	38,492	C	846	846	97.9	2.1
Hawaii .....	5,396	5,396	4,856	4,856	C S Ch Sn	540	540	90.0	10.0
Iowa .....	30,634	29,562	29,929	28,882	C S Ch Sn	705	680	97.7	2.3
Louisiana .....	36,384	33,205	34,534	31,520	C S	1,850	1,685	94.9	5.1
Minnesota .....	34,797	33,851	33,822	32,901	C S Ch Sn	975	950	97.2	2.8
Mississippi .....	20,792	19,128	19,201	17,665	C S Ch Sn	1,591	1,463	92.3	7.7
New Hampshire .....	12,852	12,402	12,210	11,782	C S Ch Sn	643	620	95.0	5.0
North Dakota .....	5,004	4,779	4,859	4,634	C S Ch Sn	145	145	97.1	2.9
Oklahoma .....	38,848	37,293	35,625	34,200	C S Ch	3,222	3,093	91.7	8.3
Rhode Island .....	14,834	14,553	14,284	14,003	C S Ch Sn	550	550	96.3	3.7
South Carolina .....	14,777	14,067	13,875	13,183	C S Ch Sn	902	884	93.9	6.1
Tennessee .....	36,484	35,039	35,537	34,114	C S Ch Sn	947	924	97.4	2.6
Texas .....	142,478	139,453	134,425	131,401	C S Ch	8,052	8,052	94.3	5.7
Utah .....	5,607	5,390	5,425	5,208	C S Ch Sn	182	182	96.8	3.2
Vermont .....	6,022	5,833	5,780	5,595	C S Ch Sn	242	237	96.0	4.0
Washington .....	37,987	37,380	36,157	33,550	C S Ch Sn	1,830	1,830	95.2	4.8
Total .....	553,985	533,655	528,685	509,027		25,300	24,628	95.4	4.6

<sup>1</sup>C - Cigars; S - Smoking tobacco; Ch - chewing tobacco; Sn - Snuff.

Source: Tobacco Tax Council, Inc., *The Tax Burden On Tobacco*, Volume Four, 1969.

TABLE 64 — STATE CIGAR TAX RATES, JANUARY 1, 1971

State	Weighing not more than 3 pounds per 1,000 (tax per 1,000)	Weighing more than 3 pounds per 1,000		
		Intended retail price (cents)		Tax per 1,000
		Over	Not over	
Alabama	\$2.00	3 1/3	5	\$ 1.50
		5	8	3.00
		8	10	4.50
		10	20	7.50
		20	....	15.00
Arizona	\$1.00	....	5	20.25
		5	....	3.33 1/3
Arkansas	15 percent of wholesale price	15 percent of wholesale price		10.00
Delaware	30 percent of wholesale price	30 percent of wholesale price		
Georgia	\$2.00	....	3 1/3	1.50
		3 1/3	5	3.00
		5	8	4.00
		8	10	7.50
		10	20	15.00
		20	....	20.00
Hawaii	40 percent of wholesale price	40 percent of wholesale price		
Illinois	20 percent of wholesale price	20 percent of wholesale price		
Iowa	10 percent of wholesale price	10 percent of wholesale price		
Louisiana	\$1.20	....	5	3.20
		5	8	4.80
		8	15	8.00
		15	20	32.00
		20	....	40.00
Minnesota	20 percent of wholesale price	20 percent of wholesale price		
Mississippi	<sup>1</sup>	....	3 1/3	1.80
		3 1/3	5	3.60
		5	8	5.40
		8	10	9.00
		10	20	18.00
		20	....	25.20
Montana	12½ percent of wholesale price	12½ percent of wholesale price		
New Hampshire	34 percent of retail price	34 percent of retail price		
North Dakota	11 percent of wholesale price	11 percent of wholesale price		
Oklahoma	\$6.50	....	3 1/3	30.00
		3 1/3	....	30.00
Rhode Island	25 percent of wholesale price	25 percent of wholesale price		
South Carolina	\$2.50	....	5	11.00
		5	....	20.00
Tennessee	\$1.00	....	3 1/3	1.00
		3 1/3	5	2.00
		5	9	3.00
		9	10	5.00
		10	20	10.50
		20	....	13.50
Texas	\$1.00	....	3 1/3	7.50
		3 1/3	....	12.00 <sup>2</sup>
Utah	25 percent of mfr's price	25 percent of manufacturer's price		
Vermont	20 percent of wholesale price	20 percent of wholesale price		
Washington	30 percent of wholesale price	30 percent of wholesale price		

<sup>1</sup>The rates are the same as those shown for large cigars.

<sup>2</sup>Cigars with substantially no non-tobacco ingredients and with a factory list price of less than \$170 per thousand; otherwise, \$15.00 per thousand.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 65 — STATE TAX RATES ON SMOKING AND CHEWING TOBACCO AND SNUFF, JANUARY 1, 1971

State	Smoking tobacco	Chewing tobacco	Snuff
Alabama . . . . .	Ranges from 2¢ for 1 1/8 oz. or less to 11¢ for 3 to 4 oz., plus 3¢ per oz. or fraction above 4 oz.	3/4¢ oz. or fraction	Ranges from: 1/2¢ for 5/8 oz. or less to 4¢ for 5 to 6 oz. plus 1¢ per ounce or fraction above 6 oz.
Arizona . . . . .	1¢ per oz. or major fraction	1/4¢ per oz. or major fraction	1¢ per ounce or major fraction
Arkansas . . . . .	15 percent of wholesale price	15 percent of wholesale price	. . . . .
Delaware . . . . .	30 percent of wholesale price	30 percent of wholesale price	30 percent of wholesale price
Hawaii . . . . .	40 percent of wholesale price	40 percent of wholesale price	40 percent of wholesale price
Illinois . . . . .	20 percent of wholesale price	20 percent of wholesale price	20 percent of wholesale price
Iowa . . . . .	10 percent of wholesale price	10 percent of wholesale price	10 percent of wholesale price
Louisiana . . . . .	Ranges from: 1¢ per package retailing for 5¢ or less to 4¢ per package retailing at 13¢ through 15¢, plus 1 1/3¢ for each 5¢ or fraction of retail price over 15¢	. . . . .	. . . . .
Minnesota . . . . .	10 percent of wholesale price	10 percent of wholesale price	10 percent of wholesale price
Mississippi . . . . .	1 1/8¢ per 5¢ or fraction of retail price	9/16¢ for each 5¢ or fraction of retail price	9/16¢ for each 5¢ or fraction of retail price
Montana . . . . .	12 1/2 percent of wholesale price	12 1/2 percent of wholesale price	12 1/2 percent of wholesale price
New Hampshire . . . . .	34 percent of retail price	34 percent of retail price	34 percent of retail price
North Dakota . . . . .	11 percent of wholesale price	11 percent of wholesale price	11 percent of wholesale price
Oklahoma . . . . .	40 percent of factory list price	30 percent of factory list price	. . . . .
Rhode Island . . . . .	25 percent of wholesale price	25 percent of wholesale price	25 percent of wholesale price
South Carolina . . . . .	36 percent of manufacturer's price	5 percent of manufacturer's price	5 percent of manufacturer's price
Tennessee . . . . .	6 percent of wholesale cost price	6 percent of wholesale cost price	6 percent of wholesale cost price
Texas . . . . .	25 percent of factory list price	25 percent of factory list price	. . . . .
Utah . . . . .	25 percent of manufacturer's price	25 percent of manufacturer's price	25 percent of manufacturer's price
Vermont . . . . .	20 percent of wholesale price	20 percent of wholesale price	20 percent of wholesale price
Washington . . . . .	30 percent of wholesale price	30 percent of wholesale price	30 percent of wholesale price

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 66 — GROSS COUNTY AND CITY TOBACCO TAXES,  
BY LEVEL OF GOVERNMENT, 1969

State and level of local government	Number of places taxing		Gross tax collections (\$000)		
	Cigarettes	Other tobacco products	Total	Cigarettes	Other tobacco products
Alabama					
Cities .....	99	9	2,180	2,157	23
Counties .....	9	5	3,975	3,884	91
Colorado					
Cities .....	63	4	2,545	2,538	7
Florida					
Cities .....	<sup>1</sup>	1	16	*	16
Maryland					
Cities .....	—	1	113	0	113
Missouri					
Cities .....	75	—	8,714	8,714	0
Counties .....	1	—	3,892	3,892	0
New Jersey					
Cities .....	1	1	235	227	8
New Mexico					
Cities .....	1	—	44	44	0
New York					
Cities .....	1	—	33,420	33,420	0
Tennessee					
Cities .....	1	—	680	680	0
Counties .....	1	—	108	108	0
Virginia					
Cities .....	10	1	2,943	2,939	4
Total					
Cities .....	251	17	50,890	50,720	170
Counties .....	11	5	7,975	7,884	91

<sup>1</sup>Florida municipal cigarette taxes are in effect in lieu of the State imposed tax and are therefore covered in the tables dealing with State taxes.

Source: Tobacco Tax Council, Inc. *The Tax Burden on Tobacco*, Volume Four, 1969.

TABLE 67 – STATE AND LOCAL AUTOMOTIVE TAXES, BY TYPE AND BY STATE, JANUARY 1, 1971

State	Highway-user taxes					Property and sales taxes applicable to motor vehicles			
	Motor fuels		Motor vehicle registration & operators licenses		State special taxes on motor carriers <sup>1</sup>	Property taxes		Sales taxes	
	State	Local	State	Local		General	Special <sup>2</sup>	General	Selective
Alabama	x	x <sup>3</sup>	x	—	x	x	—	x <sup>4</sup>	—
Alaska	x <sup>5</sup>	—	x	x	—	x	—	x <sup>6</sup>	—
Arizona	x	—	x	—	x	—	x	x <sup>4</sup>	—
Arkansas	x	—	x	x	x	x	—	x <sup>4</sup>	—
California	x	—	x	—	x	—	x <sup>2</sup>	x <sup>4</sup>	—
Colorado	x	—	x	—	x	—	x	x <sup>4</sup>	—
Connecticut	x	—	x	—	—	x	—	x	—
Delaware	x	—	x	—	—	—	—	—	—
District of Columbia	x	—	x	—	—	—	—	—	x
Florida	x	x	x	—	—	—	—	x	—
Georgia	x <sup>5</sup>	—	x	—	—	x	—	x	—
Hawaii	x <sup>5</sup>	x	—	x	—	—	—	x	—
Idaho	x	—	x	—	x	—	—	x <sup>4</sup>	—
Illinois	x <sup>5</sup>	—	x	x	x	x	—	x <sup>4</sup>	—
Indiana	x <sup>5</sup>	—	x	x	—	—	—	x	—
Iowa	x	—	x	—	—	—	—	x	—
Kansas	x	—	x	— <sup>7</sup>	—	x	—	x	—
Kentucky	x	—	x	—	x	x	x <sup>2</sup>	x	—
Louisiana	x	—	x	—	x	— <sup>8</sup>	—	x <sup>4</sup>	—
Maine	x	—	x	—	—	—	x	x	—
Maryland	x	—	x	—	—	—	—	—	x
Massachusetts	x	—	x	—	—	—	x	x	—
Michigan	x <sup>5</sup>	—	x	—	x	—	—	x	—
Minnesota	x	—	x	—	—	—	—	x	—
Mississippi	x <sup>5</sup>	x	x	x	x	x	—	x	—
Missouri	x	x <sup>9</sup>	x	x	—	x	—	x	—
Montana	x	—	x	x	x	x	—	—	x
Nebraska	x	—	x	x	—	x	—	x	—
Nevada	x	x	x	—	—	—	x <sup>2</sup>	x	—
New Hampshire	x	—	x	—	—	—	x	—	—

See footnotes at end of table.

TABLE 67 – STATE AND LOCAL AUTOMOTIVE TAXES, BY TYPE AND BY STATE, JANUARY 1, 1971 (Cont'd)

State	Highway-user taxes					Property and sales taxes applicable to motor vehicles			
	Motor fuels		Motor vehicle registration & operators licenses		State special taxes on motor carriers <sup>1</sup>	Property taxes		Sales taxes	
	State	Local	State	Local		General	Special <sup>2</sup>	General	Selective
New Jersey . . . . .	x	—	x	—	x	—	—	x	—
New Mexico . . . . .	x	—	x	—	x	—	—	—	x
New York . . . . .	x <sup>5</sup>	—	x	x	x	—	—	x <sup>4</sup>	—
North Carolina . . . . .	x	—	x	—	x	x	—	x <sup>4</sup>	—
North Dakota . . . . .	x	—	x	—	x	—	—	—	x
Ohio . . . . .	x	—	x	<sup>10</sup>	x	—	—	x	—
Oklahoma . . . . .	x	—	x	x	x	—	—	—	x
Oregon . . . . .	x	—	x	—	x	—	—	—	—
Pennsylvania . . . . .	x	—	x	—	x	—	—	x	—
Rhode Island . . . . .	x	—	x	—	—	x	—	x	—
South Carolina . . . . .	x	—	x	x	x	x	—	x	—
South Dakota . . . . .	x	—	x	x	x	—	—	—	x
Tennessee . . . . .	x	—	x	—	—	x	—	x <sup>4</sup>	—
Texas . . . . .	x	—	x	—	—	x	—	—	x
Utah . . . . .	x	—	x	—	—	x	—	x <sup>4</sup>	—
Vermont . . . . .	x	—	x	—	—	—	—	—	x
Virginia . . . . .	x	—	x	x	x	x	—	—	x
Washington . . . . .	x	—	x	—	x	—	x <sup>2</sup>	x	—
West Virginia . . . . .	x	—	x	—	x	x	—	—	x
Wisconsin . . . . .	x	—	x	<sup>11</sup>	—	—	—	x	—
Wyoming . . . . .	x	—	x	x	x	—	x	x	—

A dash (—) signifies "none."

<sup>1</sup>Weight-distance, passenger-mile, and gross receipts taxes on motor carriers. Flat-rate registration fees on vehicles owned by motor carriers (based on weight or horsepower) and fees for certificates of convenience and necessity or permits to operate are imposed by all States.

<sup>2</sup>Ad valorem taxes imposed at a uniform statewide rate. Except in California, Kentucky, Nevada, and Washington, these taxes are locally administered; and, except in Kentucky, the proceeds are shared with local governments.

<sup>3</sup>In a few counties there are overlapping county and municipal gasoline taxes.



TABLE 67 – STATE AND LOCAL AUTOMOTIVE TAXES, BY TYPE AND BY STATE, JANUARY 1, 1971 (Cont'd)

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<sup>4</sup>Imposed by both State and local governments.

<sup>5</sup>Taxable also under State or local general sales taxes.

<sup>6</sup>Local general sales tax only.

<sup>7</sup>City motor vehicle levies of either \$5 or \$10 per vehicle are authorized, subject to voter approval.

<sup>8</sup>Municipalities (but no other local governments) can subject motor vehicles to general property taxation.

<sup>9</sup>Local gasoline taxes require two-thirds voter approval. To date, no city has submitted a proposed tax for voter approval.

<sup>10</sup>Counties are authorized to levy annual license taxes at the rate of \$5 on each motor vehicle registered in the county. Municipal corporations may levy such a tax if the county has not done so.

<sup>11</sup>Annual flat rate municipal motor vehicle registration fee (not in excess of 50% of State registration fee) authorized.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 68 - STATE GASOLINE TAX RATES, JANUARY 1, 1971<sup>1</sup>  
(per gallon)

5¢	6¢	6½¢	7¢	7½¢	8¢ or more
Hawaii Missouri Texas <sup>1</sup>	Nevada	Georgia Massachusetts Oklahoma - (6.58¢) <sup>1</sup>	Alabama Arizona California Colorado Delaware Florida Idaho Iowa <sup>1</sup> Kansas <sup>1</sup> Kentucky Maryland Michigan Minnesota Montana <sup>1</sup> N. Hampshire N. Jersey N. Mexico N. York <sup>1</sup> N. Dakota Ohio Oregon S. Carolina S. Dakota Tennessee <sup>1</sup> Utah Virginia Wisconsin Wyoming Dist. of Col.	Arkansas <sup>1</sup> Illinois	Alaska (8¢) Connecticut (8¢) Indiana (8¢) Louisiana (8¢) Maine (8¢) Mississippi (8¢) <sup>1</sup> Nebraska (8.5¢) North Carolina (9¢) Pennsylvania (8¢) Rhode Island (8¢) Vermont (8¢) Washington (9¢) West Virginia (8.5¢)
Total . . . . . 3	. . . . . 1	. . . . . 3	. . . . . 29	. . . . . 2	. . . . . 13

<sup>1</sup>In most states diesel fuel is taxed at the same rate as gasoline. The States which tax diesel fuel at a different rate are: Arkansas, 8.5¢; Iowa, 8¢; Kansas, 8¢; Mississippi, 10¢; Montana, 9¢; New York, 9¢; Oklahoma, 6.5¢; Tennessee, 8¢; Texas, 6.5¢. In all but a few States liquified petroleum is taxed at the same rate as gasoline. Vermont does not tax diesel fuel or liquified petroleum.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 69 — STATE GASOLINE TAX RATES AS OF JANUARY 1 — 1963 THROUGH 1971  
(cents)

State	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Alabama	6			7															7.
Alaska	2		5						7	8									8.
Arizona	5											6		7					7.
Arkansas	6.5													7.5					7.5
California	4.5	6										7	1						7.
Colorado	6													7	6				7.
Connecticut	4			6												7			8.
Delaware	5									6				7					7.
Dist. of Col.	5		6												7				7.
Florida	7																		7.
Georgia	6			6.5															6.5
Hawaii	4			5															5.
Idaho	6															7			7.
Illinois	5															6			7.5
Indiana	4					6													8.
Iowa	4			6															7.
Kansas	5													7					7.
Kentucky	7																		7.
Louisiana	7																		8.
Maine	6			7															8.
Maryland	5												7						7.
Massachusetts	5					5.5								6.5					6.5
Michigan	4.5			6											7				7.
Minnesota	5											6			7				7.
Mississippi	7																		8.
Missouri	3									5									5.
Montana	6			7												6.5			7.
Nebraska	5					7								7.5					8.5
Nevada	5.5			6															6.
New Hampshire	5					6													7.

See footnotes at end of table.

TABLE 69 - STATE GASOLINE TAX RATES AS OF JANUARY 1 - 1953 THROUGH 1971 (Cont'd)

(cents)

State	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
New Jersey	3		4				5			6							7		7
New Mexico	6															7			7
New York	4							6									7		7
North Carolina	7																	9	9
North Dakota	5		6															7	7
Ohio	4	5						7											7
Oklahoma	6.58				3														6.58
Oregon	6															7			7
Pennsylvania	5		6			5				7									8
Rhode Island	4						6			7							8		8
South Carolina	7																		7
South Dakota	5					6												7	7
Tennessee	7																		7
Texas	4		5																5
Utah	5					6													7
Vermont	5			5.5		6.5													8
Virginia	6								7										7
Washington	6.5									7.5								9	9
West Virginia	5			6				7											8.5
Wisconsin	4			6															7
Wyoming	5																6		7

Note: A blank space (. . .) indicates no rate change since previous rate shown.

<sup>1</sup>Temporary 8¢ rate, April 1, 1965 - August 31, 1965 and June 1, 1969 - August 31, 1969.

<sup>2</sup>Temporary 7.5¢ rate, June 1, 1957 - December 24, 1957 only.

Source: Commerce Clearing House, State Tax Reporter.

TABLE 70 — MOTOR FUEL CONSUMPTION AND TAX COLLECTIONS,  
BY STATE, 1969

State	Gasoline tax rate on Dec. 31 in cents per gallon	Net taxable consumption calendar year 1969 (thousands of gallons)	State motor fuel tax collections, fiscal year 1969 (\$000)	Effective rate on basis of collections (cents)
United States	6.86 <sup>1</sup>	88,938,656	5,660,623	6.4
Alabama	7	1,597,292	108,896	6.8
Alaska	8	105,366	9,132	8.7
Arizona	7	927,875	59,250	6.4
Arkansas	7.5	996,776	70,879	7.1
California	7 <sup>2</sup>	9,137,043	611,125	6.7
Colorado	7 <sup>2</sup>	1,006,514	57,412	5.7
Connecticut	8 <sup>2</sup>	1,210,638	82,944	6.9
Delaware	7	256,057	17,458	6.8
Dist. of Columbia	7	234,765	16,158	6.9
Florida	7	3,147,504	207,483	6.6
Georgia	6.5	2,370,489	142,141	6.0
Hawaii	5 <sup>3</sup>	228,544	16,101	7.0
Idaho	7	380,909	25,121	6.6
Illinois	7.5 <sup>2</sup>	4,333,831	257,149	5.9
Indiana	8 <sup>2</sup>	2,494,438	153,727	6.2
Iowa	7	1,385,276	90,855	6.6
Kansas	7 <sup>2</sup>	1,174,485	57,273	4.9
Kentucky	7 <sup>4</sup>	1,455,911	98,743	6.8
Louisiana	8 <sup>2</sup>	1,499,867	95,200	6.3
Maine	8 <sup>2</sup>	466,182	30,520	6.5
Maryland	7	1,534,617	104,274	6.8
Massachusetts	6.5	2,050,326	127,444	6.2
Michigan	7	4,059,554	250,281	6.2
Minnesota	7	1,738,200	115,748	6.7
Mississippi	7	1,099,433	76,657	7.0
Missouri	5	2,313,868	108,392	4.7
Montana	7 <sup>2</sup>	392,956	25,482	6.5
Nebraska	7.5	832,629	54,748	6.6
Nevada	6	311,446	18,196	5.8
New Hampshire	7	323,740	21,780	6.7
New Jersey	7	2,774,759	190,450	6.9
New Mexico	7	590,841	34,433	5.8
New York	7	5,371,346	355,169	6.6
North Carolina	9 <sup>2</sup>	2,417,331	158,379	6.6
North Dakota	7 <sup>2</sup>	298,226	17,979	6.0
Ohio	7	4,587,975	306,149	6.7
Oklahoma	6.5	1,401,431	86,212	6.2
Oregon	7	1,060,497	64,603	6.1
Pennsylvania	7	4,522,851	304,753	6.7
Rhode Island	8	335,541	25,867	7.7
South Carolina	7	1,215,727	81,169	6.7
South Dakota	7 <sup>2</sup>	342,416	20,190	5.9
Tennessee	7	1,831,123	123,393	6.7
Texas	5	6,000,546	293,999	4.9
Utah	7 <sup>2</sup>	517,005	31,181	6.0
Vermont	8	200,090	15,838	7.9
Virginia	7 <sup>4</sup>	2,076,385	141,686	6.8
Washington	9	1,530,266	132,573	8.7
West Virginia	7	680,574	47,969	7.0
Wisconsin	7	1,840,325	122,142	6.6
Wyoming	7 <sup>2</sup>	276,870	15,920	5.7

<sup>1</sup>Weighted average tax rate.

<sup>2</sup>Tax rate changes in 1969 were as follows: California, 7 to 8 cents, June 1, and 8 to 7 cents, Sept. 1; Colorado, 6 to 7 cents, June 1; Connecticut and Maine, 7 to 8 cents, July 1; Illinois, 6 to 7.5 cents, August 1; Indiana, 6 to 8 cents, April 1; Kansas, 5 to 7 cents, July 1; Louisiana, 7 to 8 cents, Jan. 6; Montana, 6.5 to 7 cents, July 1; North Carolina, 7 to 9 cents, July 1; North Dakota, South Dakota, Utah and Wyoming, 6 to 7 cents, July 1.

<sup>3</sup>The State rate is 8 cents per gallon in Hawaii county and 5 cents per gallon in the other counties.

<sup>4</sup>Trucks or combinations of more than two axles pay motor-fuel tax at rate of 9 cents per gallon in Kentucky and Virginia.

Source: U.S. Department of Transportation, Bureau of Public Roads, *Highway Statistics, 1969*; and U.S. Bureau of the Census, *State Government Finances in 1969*.

**TABLE 71 — STATE TAX RATES ON DISTILLED SPIRITS, JANUARY 1, 1971<sup>1</sup>**  
(per gallon)

\$1 to \$1.50	\$1.50 to \$2	\$2 to \$2.50	\$2.50 to \$3	\$3 and over	20 percent of wholesale price
Missouri . . . . .	Colorado . . . . .	Arizona . . . . .	Arkansas <sup>3</sup> . . . . .	Alaska . . . . .	Hawaii . . . . .
South Dakota <sup>5</sup> . . . . .	Delaware . . . . .	California . . . . .	Connecticut . . . . .	Florida <sup>4</sup> . . . . .	
	Kansas <sup>6</sup> . . . . .	Illinois . . . . .	Louisiana . . . . .	Georgia <sup>7</sup> . . . . .	
	Kentucky <sup>2</sup> . . . . .	Indiana <sup>8</sup> . . . . .	Mississippi . . . . .	Massachusetts <sup>9</sup> . . . . .	
	Maryland . . . . .	New Jersey . . . . .	North Dakota . . . . .	Minnesota <sup>11</sup> . . . . .	
	Nevada . . . . .	New York . . . . .	Rhode Island <sup>10</sup> . . . . .	Tennessee <sup>13</sup> . . . . .	
	Nebraska . . . . .	Oklahoma . . . . .	South Carolina <sup>12</sup> . . . . .		
	New Mexico . . . . .	Wisconsin . . . . .			
	Texas . . . . .	District of Columbia . . . . .			
Total . . . . . 2	. . . . . 9	. . . . . 9	. . . . . 7	. . . . . 6	. . . . . 1

<sup>1</sup>This tabulation includes only the taxes imposed by the District of Columbia and the 33 States which use the license system for the distribution of distilled spirits. Of the remaining 17 States, 16 have State-operated stores (Alabama, Idaho, Iowa, Maine, Michigan, Montana, New Hampshire, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming), and North Carolina has county- and municipally-operated stores supervised by the State. The rates used in this table are those applicable to distilled spirits of standard alcoholic content.

<sup>2</sup>The major revenue-producing tax on distilled spirits, however, is the tax on manufacturers, transporters, rectifiers, and blenders at the rate of 8¢ per gallon. The tax will be reduced by 2¢ per year beginning 7/1/68. After 6/30/71 there will be no tax. Also, there is a tax on wholesalers at the rate of 5¢ per case.

<sup>3</sup>There is a 5¢ per gallon additional tax on the blending, rectifying, or mixing and transportation of distilled spirits, and also a wholesaler's tax of 20¢ per case. Arkansas also levies a 3-percent tax on retail receipts from sales of liquor, cordials, liqueurs, specialties, and wines.

<sup>4</sup>Includes a tax of \$2.76; and two additional taxes of 72¢ and 27¢. The tax on distilled spirits containing more than 48 percent alcohol by weight is \$7.50; consisting of a basic tax of \$5.52, and 2 additional taxes of \$1.44 and 54¢.

<sup>5</sup>In addition, there is a 10-percent tax on the gross receipts from sales of intoxicating liquors excluding beer.

<sup>6</sup>In addition, an enforcement tax of 4 percent of gross receipts from retail sales is levied.

<sup>7</sup>The tax on distilled spirits manufactured in the State is \$1.875 per gallon.

<sup>8</sup>Includes an enforcement tax of 8¢ per gallon.

<sup>9</sup>In addition, every corporation, association or organization which is licensed by any city or town to sell alcoholic beverages, except certain corporations and chartered veterans' organizations maintaining quarters for the exclusive use of members, is taxed on the gross receipts from the sale of alcoholic beverages at the rate of 1/2 of 1 percent, plus a 14% surtax.

<sup>10</sup>Distilled spirits imported into the State are taxed on the basis of reciprocity. The current rate, as fixed by the Liquor Control Commission, is \$2.00 per gallon.

<sup>11</sup>Includes a 15-percent surtax effective through June 30, 1971 on the basic tax, plus a 75¢ additional tax.

<sup>12</sup>Also, wholesalers of alcoholic beverages are taxed at the rate of \$4.35 per case.

<sup>13</sup>In addition, a tax of 15¢ per case is imposed upon sales at wholesale.

Source: Commerce Clearing House, *State Tax Reporter*.

TABLE 72 — TAX RATES ON DISTILLED SPIRITS FOR STATES WITH LICENSING SYSTEMS, AS OF JANUARY 1 — 1953 THROUGH 1971  
(dollars per gallon)

State	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	
Alaska	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.50	4.00	1.44	2.00	2.50	3.75	3.75	2.00	2.00	2.00	2.00	4.00	
Arizona	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.00
Arkansas	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
California	.80	.80	.80	.80	.80	.80	.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Colorado	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.80
Connecticut	1.00	1.00	1.00	1.20	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50
Delaware	1.00	1.15	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.65
Dist. of Col.	.75	.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	2.00
Florida	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.75
Georgia	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.75
Hawaii	<sup>1</sup>																			<sup>3</sup>
Illinois	1.00	1.00	1.00	1.00	1.00	1.02	1.02	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	2.00
Indiana	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08
Kansas	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Kentucky	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.92
Louisiana	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	2.50
Maryland	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50
Massachusetts	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	3.363
Minnesota	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.875	2.875	2.875	2.875	2.875	2.875	2.875	2.875	2.875	2.875	2.875	2.875	3.625
Mississippi	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.50	2.50	2.50	2.50	2.50	2.50
Missouri	.80	.80	.80	.80	.80	.80	.80	.80	.80	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Nebraska	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Nevada	.80	.80	.80	.80	.80	.80	.80	.80	.80	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.90
New Jersey	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	2.30
New Mexico	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
New York	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.25
North Dakota	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Oklahoma	—	—	—	—	—	—	—	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Rhode Island	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.50
South Carolina	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72
South Dakota	.75	.75	.75	.75	.75	.75	.75	.75	.75	.75	.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Tennessee	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	4.00
Texas	1.408	1.408	1.408	1.408	1.408	1.408	1.408	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68	1.68
Wisconsin	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25

Note: A blank space (. . .) indicates no rate change since previous rate shown. A dash (—) indicates no tax was in effect as of January 1. n.a. Data not available.

<sup>1</sup>12% of wholesale price.

<sup>2</sup>16% of wholesale price.

<sup>3</sup>20% of wholesale price.

See table 71 footnotes for special situations in particular States.

Source: Commerce Clearing House State Tax Reporter.

TABLE 73 – STATE TAX RATES ON BEER, JANUARY 1, 1971<sup>1</sup>  
(per barrel)

Less than \$1	\$1 to \$2	\$2 to \$3	\$3 to \$4	\$4 to \$6
Maryland . . . . .	California . . . . .	Arizona . . . . .	Iowa . . . . .	Idaho . . . . .
Missouri . . . . .	Colorado . . . . .	Connecticut . . . . .	Minnesota . . . . .	Kansas <sup>2</sup> . . . . .
Wyoming . . . . .	Nevada . . . . .	Delaware . . . . .	Montana . . . . .	Texas . . . . .
	New Jersey . . . . .	Illinois . . . . .	New Hampshire . . . . .	Utah . . . . .
	New York . . . . .	Indiana <sup>3</sup> . . . . .	Tennessee <sup>4</sup> . . . . .	West Virginia . . . . .
	Oregon . . . . .	Kentucky . . . . .		
	Washington . . . . .	Massachusetts <sup>5</sup> . . . . .		
	Wisconsin . . . . .	Nebraska . . . . .		
		New Mexico . . . . .		
		North Dakota . . . . .		
		Ohio . . . . .		
		Pennsylvania . . . . .		
		Rhode Island <sup>6</sup> . . . . .		
		District of Columbia . . . . .		
Total . . . . . 3	. . . . . 8	. . . . . 14	. . . . . 5	. . . . . 5

\$6 to \$8	\$8 to \$10	\$10 to \$12	\$12 and over	20 percent of wholesale price
Alaska . . . . .	Florida . . . . .	Georgia . . . . .	Alabama . . . . .	Hawaii . . . . .
Arkansas . . . . .	South Dakota . . . . .	Louisiana . . . . .	Mississippi . . . . .	
Maine <sup>7</sup> . . . . .		Oklahoma . . . . .	North Carolina . . . . .	
Michigan . . . . .			South Carolina . . . . .	
Vermont . . . . .				
Virginia . . . . .				
Total . . . . . 6	. . . . . 2	. . . . . 3	. . . . . 4	. . . . . 1

<sup>1</sup> Montana, Virginia, Washington, and West Virginia tax light beer only, and Kansas and Oklahoma tax strong beer only. The rates for Arkansas, Minnesota, North Dakota, South Dakota, and Utah included in the table are those applicable to strong beer.

<sup>2</sup> In addition, an enforcement tax of 4 percent of gross receipts from retail sales is levied.

<sup>3</sup> Includes, in addition to excise taxes of 8¢ per gallon, an enforcement tax of 3/4 of 1¢ per gallon.

<sup>4</sup> The tax on sales of beer at wholesale is 17 percent of the wholesale price.

<sup>5</sup> In addition, every corporation, association, or organization which is licensed by any city or town to sell alcoholic beverages, except certain corporations and certain veterans' organizations, are taxed on the gross receipts from the sale of alcoholic beverages at the rate of 1/2 of 1 percent.

<sup>6</sup> Malt beverages imported into the State are taxed on the basis of reciprocity. The current rate, as fixed by the Liquor Control Commission, is \$1.50 per barrel.

<sup>7</sup> The tax on malt liquors manufactured in the State is 5 1/3¢ per gallon.

Source: Commerce Clearing House, *State Tax Reporter*.



TABLE 74 - STATE TAX RATES ON WINES, JANUARY 1, 1971<sup>1</sup>  
(per gallon)

LIGHT WINES

1¢	10¢ to 30¢	30¢ to 50¢	50¢ to 80¢	80¢ and over	20 percent of whole-sale price
California . . . . .	Colorado . . . . . Connecticut <sup>2</sup> . . . . . Illinois <sup>6</sup> . . . . . Kansas <sup>9</sup> . . . . . Louisiana . . . . . Maryland . . . . . Minnesota <sup>14</sup> . . . . . Missouri . . . . . Nebraska . . . . . New Jersey . . . . . New York . . . . . Ohio . . . . . Oregon . . . . . South Dakota <sup>16</sup> . . . . . Texas . . . . . Washington . . . . . Wisconsin . . . . . District of Columbia . . . . .	Arizona . . . . . Indiana <sup>3</sup> . . . . . Maine <sup>7</sup> . . . . . Mississippi . . . . . Nevada . . . . . New Mexico <sup>12</sup> . . . . . Oklahoma . . . . . Rhode Island <sup>15</sup> . . . . .	Alaska . . . . . Arkansas <sup>4</sup> . . . . . Kentucky . . . . . North Carolina . . . . . North Dakota . . . . .	Delaware . . . . . Florida <sup>5</sup> . . . . . Georgia <sup>8</sup> . . . . . Massachusetts <sup>10</sup> . . . . . South Carolina <sup>11</sup> . . . . . Tennessee <sup>13</sup> . . . . .	Hawaii . . . . .
Total . . . . . 1	. . . . . 18	. . . . . 8	. . . . . 5	. . . . . 6	. . . . . 1

FORTIFIED WINES

2¢	10¢ to 30¢	30¢ to 50¢	50¢ to 80¢	80¢ and over	20 percent of whole-sale price
California . . . . .	Connecticut <sup>2</sup> . . . . . Louisiana . . . . . Maryland . . . . . Missouri . . . . . New Jersey . . . . . New York . . . . . Texas . . . . . Washington . . . . .	Arizona . . . . . Colorado . . . . . Indiana <sup>3</sup> . . . . . Mississippi . . . . . New Mexico <sup>12</sup> . . . . . Rhode Island <sup>15</sup> . . . . . Wisconsin . . . . . District of Columbia . . . . .	Alaska . . . . . Arkansas <sup>4</sup> . . . . . Illinois <sup>6</sup> . . . . . Kansas <sup>9</sup> . . . . . Kentucky . . . . . Minnesota <sup>14</sup> . . . . . Nebraska . . . . . Nevada . . . . . North Carolina . . . . . North Dakota . . . . . Ohio . . . . . Oklahoma . . . . . South Dakota <sup>16</sup> . . . . .	Delaware . . . . . Florida <sup>5</sup> . . . . . Georgia <sup>8</sup> . . . . . Massachusetts <sup>10</sup> . . . . . South Carolina <sup>11</sup> . . . . . Tennessee <sup>13</sup> . . . . .	Hawaii . . . . .
Total . . . . . 1	. . . . . 8	. . . . . 8	. . . . . 13	. . . . . 6	. . . . . 1

<sup>1</sup>For purposes of this table, wines containing 14 percent or less alcohol are classified as light wines and those containing 14-21 percent alcohol are fortified wines. Some States specify wines exceeding 21 percent alcohol content and tax such wines at different rates. This tabulation does not include the taxes of those States where wines are sold through a State or county store system under State supervision. These States are: Alabama, Idaho, Iowa, Maine (fortified wines only), Michigan, Montana, New Hampshire, Oregon (fortified wines only), Pennsylvania, Utah, Vermont, Virginia, Washington (nondomestic wines only), West Virginia, and Wyoming.

<sup>2</sup>Sparkling wine is taxed at 62.5¢ per gallon.

<sup>3</sup>Includes an enforcement tax of 2¢ per gallon.

<sup>4</sup>In addition, there is a 5¢ per case additional tax. Arkansas also levies a 3-percent tax on retail receipts from sales of liquors, cordials, liqueurs, specialties, and wines. An additional tax of 5¢ per case is imposed on each case of native wine produced and sold in Arkansas to be paid by the manufacturer. Wines produced and consumed in the home from grapes grown in Arkansas are exempt from tax.

TABLE 74 – STATE TAX RATES ON WINES, JANUARY 1, 1971<sup>1</sup> (Cont'd)  
(per gallon)

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- <sup>5</sup> Light and fortified wines manufactured in Florida from local products are taxed at 23¢ and 35¢ per gallon, respectively.
- <sup>6</sup> Light and fortified wines produced from grapes grown in Illinois are taxed at 8¢ and 23¢ per gallon, respectively.
- <sup>7</sup> Still wine containing 14% or less alcohol by volume manufactured or bottled in Maine, 20¢ per gallon.
- <sup>8</sup> Domestic light and fortified wines are taxed at 20¢ and 50¢ per gallon, respectively.
- <sup>9</sup> In addition, an enforcement tax of 4 percent of gross receipts from retail sales is levied.
- <sup>10</sup> The tax rate on wines containing 3 – 6 percent alcohol is 40¢ per gallon. Massachusetts also imposes a tax on the gross receipts of every corporation, association or organization which is licensed by any city or town to sell alcoholic beverages, except certain corporations and certain chartered veterans' organizations, at the rate of 1/2 of 1 percent.
- <sup>11</sup> Light and fortified wines manufactured in South Carolina from local products are taxed at 45¢ per gallon.
- <sup>12</sup> An 8¢ per gallon tax is levied on the growers of grapes who sell wine.
- <sup>13</sup> In addition, a tax of 15¢ per case is imposed upon sales at wholesale.
- <sup>14</sup> Includes a 15-percent surtax effective through June 30, 1971.
- <sup>15</sup> Wines imported into the State are taxed on the basis of reciprocity. The current rate, as fixed by the Liquor Control Commission, is 20¢ per gallon.
- <sup>16</sup> In addition, there is a 10-percent tax on the gross receipts from sales of intoxicating liquors, except beer in excess of 3.2 percent.

Source: Commerce Clearing House, *State Tax Reporter*.

**TABLE 75 — STATE AND LOCAL PROPERTY TAX COLLECTIONS, BY SOURCE, 1967**  
(In millions of dollars)

States	Grand total	Direct business property				All other property				
		Total		Public utilities	All other	Total	Residential	Agricultural	Motor vehicles and intangibles	Vacant lots
		Amount	% of grand total							
United States	26,047.2	10,298.4	39.5	1,944.9	8,353.5	15,748.8	11,957.2	2,081.9	1,193.0	516.7
Alabama.....	120.2	50.6	42.1	21.5	29.1	69.5	47.3	6.9	14.1	1.2
Alaska.....	21.1	7.9	37.4	--	7.9	13.1	11.0	.2	.9	1.0
Arizona.....	238.4	103.7	43.5	23.2	80.5	134.7	100.7	11.0	18.0	5.0
Arkansas.....	102.4	34.5	33.7	19.1	15.4	68.0	30.8	21.1	14.2	1.9
California.....	4,005.3	1,626.1	40.6	415.2	1,210.9	2,379.3	1,803.5	274.2	190.5	111.1
Colorado.....	310.6	130.2	41.9	33.8	96.4	180.5	141.0	33.9	1.8	3.8
Connecticut.....	511.2	163.7	32.0	2.5	161.2	347.5	293.4	6.5	40.4	7.2
Delaware.....	35.2	8.9	25.3	.4	8.5	26.4	24.4	1.1	.3	.6
Dist. of Columbia..	93.0	41.3	44.4	1.5	39.8	51.7	47.5	--	--	4.2
Florida.....	654.1	220.7	33.7	7.4	213.3	433.4	321.4	47.2	23.6	41.2
Georgia.....	321.5	140.6	43.7	34.1	106.5	181.0	112.9	17.8	44.9	5.4
Hawaii.....	61.0	18.0	29.5	--	18.0	42.9	33.0	3.7	--	6.2
Idaho <sup>1</sup> /.....	75.4	41.6	55.2	19.5	22.1	33.8	9.5	23.7	--	.6
Illinois.....	1,588.3	555.2	35.0	42.8	512.4	1,033.1	745.5	185.0	76.1	26.5
Indiana.....	712.4	297.7	41.8	80.7	217.0	414.7	244.7	87.4	72.5	10.1
Iowa.....	463.2	134.1	29.0	51.1	83.0	329.2	143.4	170.5	12.4	2.9
Kansas.....	360.5	134.9	37.4	64.8	70.1	225.6	104.8	89.8	28.7	2.3
Kentucky.....	182.2	58.5	32.1	17.7	40.8	123.7	77.4	19.1	25.7	1.5
Louisiana.....	196.5	150.4	76.5	47.4	103.0	46.2	26.3	8.4	8.2	3.3
Maine.....	122.8	52.1	42.4	6.3	45.8	70.7	55.8	7.6	5.7	1.6
Maryland.....	483.0	180.4	37.3	64.2	116.2	302.6	278.8	13.4	4.7	5.7
Massachusetts.....	1,038.9	302.1	29.1	20.5	281.6	736.8	567.3	9.4	140.9	19.2
Michigan.....	1,190.4	522.7	43.9	47.6	475.1	667.7	536.2	56.4	47.0	28.1
Minnesota.....	623.4	250.6	40.2	43.7	206.9	372.8	262.4	104.5	--	5.9
Mississippi.....	127.7	69.2	55.0	36.4	32.8	58.5	22.3	12.2	21.9	2.1
Missouri.....	490.0	183.0	37.3	54.5	128.1	307.0	203.5	58.8	39.2	5.5
Montana.....	119.2	54.5	45.7	18.1	36.4	64.9	23.8	30.9	9.4	.8
Nebraska.....	281.8	59.2	21.0	6.7	52.5	222.6	93.2	101.5	25.7	2.2
Nevada.....	66.4	33.2	50.0	11.5	21.7	33.2	24.9	3.3	2.4	2.6
New Hampshire.....	112.1	37.6	33.5	5.3	32.3	74.5	69.8	2.7	.3	1.7
New Jersey.....	1,275.6	443.2	34.7	9.9	433.3	832.4	774.8	17.3	--	40.3
New Mexico.....	61.2	31.9	52.1	14.8	17.1	29.3	17.1	6.0	3.8	2.4
New York.....	3,318.5	1,408.3	42.4	206.2	1,202.1	1,910.2	1,799.7	48.6	--	61.9
North Carolina.....	298.4	113.8	38.1	20.8	93.0	184.8	115.1	26.0	38.6	5.1
North Dakota.....	91.0	25.2	27.7	10.9	14.3	65.8	22.0	43.0	--	.8
Ohio.....	1,351.0	625.7	46.3	162.7	463.0	725.2	546.3	67.9	90.8	20.2
Oklahoma.....	206.7	98.3	47.6	45.8	52.5	108.4	67.9	34.2	3.9	2.4
Oregon.....	299.7	123.0	41.0	34.7	88.3	176.6	127.9	44.7	--	4.0
Pennsylvania.....	1,089.2	303.3	27.8	--	303.3	785.9	719.0	35.4	15.9	15.6
Rhode Island.....	121.6	40.2	33.1	4.4	35.8	81.5	64.9	.9	13.2	2.5
South Carolina.....	108.3	65.8	60.8	17.5	48.3	42.5	18.6	9.0	14.2	.7
South Dakota.....	114.6	27.2	23.7	7.6	19.6	87.3	38.4	47.6	.4	.9
Tennessee.....	240.5	95.1	39.5	32.5	62.6	145.3	123.8	17.1	--	4.4
Texas.....	1,121.8	573.1	51.1	29.3	543.8	548.7	372.5	107.8	51.1	17.3
Utah.....	123.9	63.3	51.1	18.4	44.9	60.7	41.9	9.3	7.9	1.6
Vermont.....	53.7	21.1	39.3	3.4	17.7	32.6	23.9	7.3	--	1.4
Virginia.....	321.6	107.6	33.5	36.7	70.9	213.9	155.1	19.8	33.0	6.0
Washington.....	341.3	127.3	37.3	20.9	106.4	214.1	136.5	36.2	33.5	7.9
West Virginia.....	106.7	50.6	47.4	18.9	31.7	56.1	36.5	3.1	15.4	1.1
Wisconsin.....	632.9	251.5	39.7	41.0	210.5	381.2	289.7	83.1	--	8.4
Wyoming.....	60.4	39.7	65.7	10.5	29.2	20.8	8.8	9.7	2.0	.3

<sup>1</sup> Data supplied by the Idaho State Tax Commission for 1967 property tax charges (fiscal year 1968 collections) indicates the following somewhat different distribution: Total property taxes \$87.7 million; direct business property taxes at \$44.0 million, 50.2 percent of total; residential property, \$21.7 million; agricultural property, \$22.0 million.

Source: Estimates prepared by ACIR staff from data published by the Governments Division, U.S. Bureau of the Census, and U.S. Department of Agriculture; and supplementary data supplied by several States.

**TABLE 76 – RELATIONSHIP OF STATE AND LOCAL PROPERTY TAXES WITH AN INITIAL IMPACT ON BUSINESS TO TOTAL STATE AND LOCAL PROPERTY TAXES, BY STATE, 1957, 1962, AND 1967**  
(Dollar amounts in millions)

States	1967			1962			1957		
	Total property taxes	Est. business property taxes		Total property taxes	Est. business property taxes		Total property taxes	Est. business property taxes	
		Amount	As % of total property taxes		Amount	As % of total property taxes		Amount	As % of total property taxes
United States...	\$26,047.2	\$10,298.4	39.5	\$19,054.3	\$8,156.2	42.8	\$12,864.1	\$5,807.8	45.1
Alabama.....	120.2	50.6	42.1	88.6	42.1	47.5	64.7	31.9	49.3
Alaska.....	21.1	7.9	37.4	12.0	6.3	52.5	(29.8) <sup>1/</sup>	n.a.	n.a.
Arizona.....	238.4	103.7	43.5	156.6	78.9	50.4	84.9	44.9	52.9
Arkansas.....	102.4	34.5	33.7	72.0	28.9	40.1	47.3	21.7	45.9
California.....	4,005.3	1,626.1	40.6	2,579.6	1,117.6	43.3	1,563.8	759.1	48.5
Colorado.....	310.6	130.2	41.9	226.9	97.1	42.8	159.6	71.3	44.7
Connecticut.....	511.2	163.7	32.0	366.5	136.6	37.3	231.1	91.4	39.5
Delaware.....	35.2	8.9	25.3	23.0	7.7	33.5	14.1	4.3	30.5
Dist. of Columbia.	93.0	41.3	44.4	67.8	31.3	46.2	52.8	25.2	47.7
Florida.....	654.1	220.7	33.7	436.8	200.0	45.8	236.2	128.6	54.4
Georgia.....	321.5	140.6	43.7	199.7	102.3	51.2	136.2	68.5	50.3
Hawaii.....	61.0	18.0	29.5	27.8	9.5	34.2	(16.0) <sup>1/</sup>	n.a.	n.a.
Idaho <sup>2/</sup> .....	75.4	41.6	55.2	66.2	32.0	48.3	50.4	24.1	47.8
Illinois.....	1,588.3	555.2	35.0	1,315.6	504.2	38.3	895.7	378.7	42.3
Indiana.....	712.4	297.7	41.8	534.8	252.0	47.1	350.7	163.4	46.6
Iowa.....	463.2	134.1	29.0	360.9	119.7	33.2	239.2	80.2	33.5
Kansas.....	360.5	134.9	37.4	290.8	118.2	40.6	213.8	88.7	41.5
Kentucky.....	182.2	58.5	32.1	141.4	63.1	44.6	118.0	49.0	41.5
Louisiana.....	196.5	150.4	76.5	148.1	114.9	77.6	108.5	82.0	75.6
Maine.....	122.8	52.1	42.4	104.2	39.8	38.2	70.3	30.4	43.2
Maryland.....	483.0	180.4	37.3	297.5	117.2	39.4	196.1	77.6	39.6
Massachusetts.....	1,038.9	302.1	29.1	861.7	281.3	32.6	590.3	206.5	35.0
Michigan.....	1,190.4	522.7	43.9	935.1	478.1	51.1	644.1	338.5	52.6
Minnesota.....	623.4	250.6	40.2	476.7	205.6	43.1	310.6	140.2	45.1
Mississippi.....	127.7	69.2	55.0	94.6	60.5	64.0	64.4	39.0	60.6
Missouri.....	490.0	183.0	37.3	348.9	135.4	38.8	245.7	102.1	41.6
Montana.....	119.2	54.5	45.7	92.0	45.9	49.9	73.5	37.1	50.5
Nebraska.....	281.8	59.2	21.0	190.9	45.5	23.8	140.8	35.9	25.5
Nevada.....	66.4	33.2	50.0	31.1	16.3	52.4	21.7	13.3	61.3
New Hampshire.....	112.1	37.6	33.5	79.8	29.6	37.1	54.7	24.0	43.9
New Jersey.....	1,275.6	443.2	34.7	975.6	370.3	38.0	634.3	278.5	43.9
New Mexico.....	61.2	31.9	52.1	47.1	29.6	62.8	30.0	18.2	60.7
New York.....	3,318.5	1,408.3	42.4	2,418.1	1,048.5	43.4	1,775.4	766.9	43.2
North Carolina....	298.4	113.8	38.1	206.0	85.9	41.7	134.8	63.5	47.1
North Dakota.....	91.0	25.2	27.7	71.3	20.6	28.9	56.9	17.4	30.6
Ohio.....	1,351.0	625.7	46.3	1,023.7	515.5	50.4	673.9	333.2	49.4
Oklahoma.....	206.7	98.3	47.6	142.9	70.1	49.1	105.2	55.8	53.0
Oregon.....	299.7	123.0	41.0	198.2	85.8	43.3	148.3	73.9	49.8
Pennsylvania.....	1,089.2	303.3	27.8	810.4	249.0	30.7	592.9	192.3	32.4
Rhode Island.....	121.6	40.2	33.1	90.3	30.8	34.1	65.6	24.7	37.7
South Carolina....	108.3	65.8	60.8	80.4	44.8	55.7	56.6	32.4	57.2
South Dakota.....	114.6	27.2	23.7	88.8	20.1	22.6	65.6	14.2	21.6
Tennessee.....	240.5	95.1	39.5	175.8	71.9	40.9	116.8	48.4	41.4
Texas.....	1,121.8	573.1	51.1	838.8	492.5	58.7	581.0	349.2	60.1
Utah.....	123.9	63.3	51.1	90.5	50.8	56.1	59.9	36.2	60.4
Vermont.....	53.7	21.1	39.3	41.6	17.0	40.9	29.2	11.5	39.4
Virginia.....	321.6	107.6	33.5	223.9	82.8	37.0	152.7	56.6	37.1
Washington.....	341.3	127.3	37.3	234.4	92.5	39.5	152.2	63.9	42.0
West Virginia.....	106.7	50.6	47.4	83.4	34.7	41.6	55.9	28.1	50.3
Wisconsin.....	632.9	251.5	39.7	541.9	200.4	37.0	367.0	166.8	45.4
Wyoming.....	60.4	39.7	65.7	43.8	25.2	57.5	31.2	18.5	59.3

n.a. Data not available.

<sup>1</sup>Data for period prior to Statehood, and not included in national total.

<sup>2</sup>See table 75, footnote 1.

Source: Estimates prepared by ACIR staff from data published by the Governments Division, U.S. Bureau of the Census, and U.S. Department of Agriculture; and supplementary data supplied by several States.

TABLE 77 - STATE AND LOCAL TAXES WITH AN INITIAL IMPACT ON BUSINESS,  
BY TYPE OF TAX, BY STATE, 1967<sup>1</sup>

[Excluding Sales Taxes]  
(In millions of dollars)

States	Total	Property	Corporation net income	Gross receipts <sup>2/</sup>	Licenses <sup>3/</sup>	Severance	Document and stock transfer	Other
United States...	17,934.0	10,298.4	2,478.6	2,110.6	2,085.0	577.1	234.9	149.3
Alabama.....	154.6	50.6	29.9	20.5	49.6	1.8	1.6	0.6
Alaska.....	23.5	7.9	3.5	2.1	5.9	4.1	--	--
Arizona.....	139.4	103.7	14.4	12.2	9.1	--	--	--
Arkansas.....	82.1	34.5	25.1	8.8	9.2	4.5	--	--
California.....	2,391.0	1,626.1	452.6	146.3	148.8	1.5	--	15.7
Colorado.....	190.8	130.2	25.8	13.5	20.2	1.1	--	--
Connecticut.....	308.2	163.7	80.1	47.9	12.9	--	--	3.6
Delaware.....	51.2	8.9	12.7	3.2	24.6	--	1.8	--
Dist. of Columbia..	78.7	41.3	14.9	12.7	8.3	--	1.5	--
Florida.....	416.0	220.7	--	80.2	87.1	.2	27.8	--
Georgia.....	256.3	140.6	64.6	20.3	30.8	--	--	--
Hawaii.....	48.0	18.0	10.5	14.3	5.1	--	.1	--
Idaho <sup>4/</sup> .....	62.2	41.6	9.6	4.4	6.4	.2	--	--
Illinois.....	804.2	555.2	--	177.9	71.1	--	--	--
Indiana.....	399.2	297.7	14.5	72.2	14.5	.3	--	--
Iowa.....	170.0	134.1	12.0	12.4	11.5	--	--	--
Kansas.....	185.7	134.9	23.9	13.3	12.8	.5	--	0.3
Kentucky.....	136.4	58.5	46.3	12.3	18.2	.2	.9	--
Louisiana.....	488.8	150.4	34.4	29.7	59.0	215.3	--	--
Maine.....	63.4	52.1	--	7.3	4.0	--	--	--
Maryland.....	291.9	180.4	40.8	40.8	29.8	--	.1	--
Massachusetts.....	530.5	302.1	56.0	28.3	142.3	--	1.8	--
Michigan.....	838.1	522.7	9.1	35.0	142.1	1.0	--	128.2 <sup>5/</sup>
Minnesota.....	409.3	250.6	69.6	49.0	17.8	21.0	1.3	--
Mississippi.....	128.3	69.2	17.0	10.7	20.2	11.2	--	--
Missouri.....	285.9	183.0	21.0	41.5	40.4	6/	--	--
Montana.....	76.4	54.5	7.6	5.2	5.6	3.5	--	--
Nebraska.....	77.1	59.2	--	7.2	10.0	.7	--	--
Nevada.....	57.3	33.2	--	2.9	21.2	6/	--	--
New Hampshire.....	45.1	37.6	--	3.9	3.5	.1	--	--
New Jersey.....	724.4	443.2	48.5	142.7	90.0	--	--	--
New Mexico.....	86.7	31.9	6.5	6.9	10.1	31.3	--	--
New York.....	2,617.2	1,408.3	637.1	241.6	168.7	--	161.5	--
North Carolina.....	316.5	113.8	98.5	63.4	40.8	--	--	--
North Dakota.....	40.7	25.2	3.3	2.9	5.8	3.5	--	--
Ohio.....	872.1	625.7	17.8	106.6	122.0	--	--	--
Oklahoma.....	200.3	98.3	21.5	21.8	13.2	45.5	--	--
Oregon.....	201.8	123.0	32.2	14.6	31.2	.8	--	--
Pennsylvania.....	915.6	303.3	244.5	73.8	269.7	--	24.3	--
Rhode Island.....	75.5	40.2	17.5	10.9	6.0	--	--	0.9
South Carolina.....	147.3	65.8	43.4	17.8	18.1	--	2.2	--
South Dakota.....	38.6	27.2	.6	3.1	7.5	.2	--	--
Tennessee.....	210.4	95.1	43.3	23.3	46.2	--	2.5	--
Texas.....	982.5	573.1	--	96.8	87.8	224.7	.1	--
Utah.....	86.9	63.3	11.0	4.8	4.5	3.3	--	--
Vermont.....	32.2	21.1	4.9	3.5	2.7	--	--	--
Virginia.....	285.0	107.6	49.3	73.4	48.8	.3	5.6	--
Washington.....	313.9	127.3	--	154.0	31.5	--	1.1	--
West Virginia.....	145.1	50.6	--	79.1	14.6	--	.8	--
Wisconsin.....	407.6	251.5	102.8	31.8	21.4	.1	--	--
Wyoming.....	44.2	39.7	--	1.8	2.6	.1	--	--

<sup>1</sup> Excluding unemployment compensation.

<sup>2</sup> Insurance premium, utility, and general gross receipts taxes on business firms.

<sup>3</sup> Corporation franchise and miscellaneous business and occupational licenses.

<sup>4</sup> See table 75, footnote 1.

<sup>5</sup> Business activities tax.

<sup>6</sup> Less than \$50,000.

Source: Estimates prepared by ACIR staff from data published by the Governments Division, U.S. Bureau of the Census, and U.S. Department of Agriculture; and supplementary data supplied by several States.

**TABLE 78 – RELATIONSHIP OF STATE AND LOCAL TAXES WITH AN INITIAL IMPACT ON BUSINESS TO TOTAL STATE AND LOCAL TAXES, BY STATE, 1957, 1962, AND 1967<sup>1</sup>**

**[Excluding Sales Taxes]  
(Dollar amounts in millions)**

STATES	Total State and local taxes			State and local taxes on business			Taxes on business as % of total taxes			
	1967	1962	1957	1967	1962	1957	1967	1962	1957	% change 1957-1967
United States	\$61,000.3	\$41,554.2	\$28,645.1	\$17,934.0	\$13,329.9	\$9,791.7	29.4	32.1	34.2	-14.0
Alabama	677.4	436.7	318.4	154.6	106.7	82.8	22.8	24.4	26.0	-12.3
Alaska	85.8	52.4	n.a.	23.5	16.1	n.a.	27.4	30.7	n.a.	n.a.
Arizona	523.7	328.0	182.6	139.4	98.5	59.7	26.6	30.0	32.7	-18.7
Arkansas	392.5	254.8	177.5	82.1	58.6	47.3	20.9	23.0	26.6	-21.4
California	7,785.2	5,142.9	3,304.0	2,391.0	1,637.5	1,082.7	30.7	31.8	32.8	- 6.4
Colorado	677.7	475.7	313.2	190.8	148.1	98.2	28.2	31.1	31.4	-10.2
Connecticut	982.6	684.0	460.8	308.2	234.3	150.4	31.4	34.3	32.6	- 3.7
Delaware	177.6	112.3	58.6	51.2	34.3	16.3	28.8	30.5	27.8	+ 3.6
Dist. of Col.	274.9	183.0	142.7	78.7	55.0	44.3	28.6	30.1	31.0	- 7.7
Florida	1,623.1	1,061.3	663.3	416.0	330.3	214.9	25.6	31.1	32.4	-21.0
Georgia	1,025.0	627.4	467.9	256.3	167.4	118.7	25.0	26.7	25.4	1.6
Hawaii	300.5	173.8	n.a.	48.0	30.1	n.a.	16.0	17.3	n.a.	n.a.
Idaho <sup>2</sup> /	205.2	136.4	99.8	62.2	46.0	34.4	30.3	33.7	34.5	-12.2
Illinois	3,249.6	2,461.9	1,723.7	804.2	683.4	516.4	24.7	27.8	30.0	-17.7
Indiana	1,471.3	951.1	635.3	399.2	363.5	236.5	27.1	38.2	37.2	-27.2
Iowa	918.9	638.3	487.6	170.0	139.9	96.8	18.5	21.9	19.9	- 7.0
Kansas	717.1	518.6	367.4	185.7	149.3	109.3	25.9	28.8	29.7	-12.8
Kentucky	674.2	466.8	323.1	136.4	111.7	93.9	20.2	23.8	28.9	-30.1
Louisiana	958.8	655.1	497.2	488.8	348.9	238.8	51.0	53.3	48.0	+ 6.3
Maine	253.2	197.3	140.0	63.4	51.6	40.5	25.0	26.2	28.9	-13.5
Maryland	1,172.4	713.8	460.2	291.9	189.3	132.3	24.9	26.5	28.7	-13.2
Massachusetts	2,004.2	1,422.7	1,014.9	530.5	440.6	341.2	26.5	31.0	33.6	-21.1
Michigan	2,715.2	1,896.2	1,319.9	838.1	655.5	490.9	30.9	34.6	35.3	-12.5
Minnesota	1,256.4	868.6	597.9	409.3	311.4	237.6	32.6	35.9	39.7	-17.9
Mississippi	461.3	316.8	233.5	128.3	104.7	75.9	27.8	33.0	32.5	-14.5
Missouri	1,198.9	818.6	551.2	285.9	219.7	158.0	23.8	26.8	28.7	-17.1
Montana	212.8	162.1	125.4	76.4	60.7	48.6	35.9	37.4	38.8	- 7.5
Nebraska	389.6	270.7	200.1	77.1	58.2	46.5	19.8	21.5	23.2	-14.7
Nevada	166.2	95.2	59.9	57.3	32.0	22.1	34.5	33.6	36.9	- 6.5
New Hampshire	176.9	125.5	86.6	45.1	35.1	27.5	25.5	28.0	31.8	-19.8
New Jersey	2,239.8	1,507.9	987.1	724.4	561.4	402.7	32.3	37.2	40.8	-20.8
New Mexico	271.8	187.2	127.6	86.7	68.3	35.7	31.9	36.5	28.0	+13.9
New York	8,423.6	5,451.5	3,711.6	2,617.2	1,755.1	1,305.0	31.1	32.2	35.2	-11.6
North Carolina	1,129.3	738.8	501.5	316.5	217.3	162.8	28.0	29.4	32.5	-13.8
North Dakota	178.4	134.9	107.8	40.7	31.7	25.0	22.8	23.5	23.2	- 1.7
Ohio	2,612.1	1,980.2	1,398.2	872.1	687.4	439.2	33.4	34.7	31.4	+ 6.4
Oklahoma	629.0	458.1	344.7	200.3	141.9	117.5	31.8	31.0	34.0	- 6.5
Oregon	631.3	417.9	347.9	201.8	144.0	123.2	32.0	34.5	35.4	- 9.6
Pennsylvania	3,241.8	2,335.6	1,769.8	915.6	689.3	676.3	28.2	29.5	38.2	-26.2
Rhode Island	266.9	188.7	129.7	75.5	53.8	43.1	28.3	28.5	33.2	-14.8
South Carolina	510.8	330.6	244.8	147.3	89.2	69.6	28.8	27.0	28.4	+ 1.4
South Dakota	204.5	152.2	112.2	38.6	29.4	20.8	18.9	19.3	18.5	+ 2.2
Tennessee	820.7	528.3	402.8	210.4	143.8	106.8	25.6	27.2	26.5	- 3.4
Texas	2,471.2	1,850.8	1,253.3	982.5	836.7	652.6	39.8	45.2	52.1	-23.6
Utah	299.6	205.1	136.3	86.9	69.1	52.1	29.0	33.7	38.2	-24.1
Vermont	133.9	92.1	64.5	32.2	24.1	17.3	24.0	26.2	26.8	-10.4
Virginia	1,070.7	623.5	423.0	285.0	213.5	157.5	26.6	34.2	37.2	-28.5
Washington	1,108.6	759.6	511.8	313.9	225.0	156.4	28.3	29.6	30.6	- 7.5
West Virginia	400.4	306.4	218.9	145.1	110.6	90.8	36.2	36.1	41.5	-12.8
Wisconsin	1,517.6	974.6	706.6	407.6	291.1	250.5	26.9	29.9	35.5	-24.2
Wyoming	110.3	82.0	60.3	44.2	29.0	24.3	40.1	35.4	40.3	- 0.5

n.a. Data not available.

<sup>1</sup>Excluding unemployment compensation.

<sup>2</sup>See table 75, footnote 1.

Source: Estimates prepared by ACIR staff from data published by the Governments Division, U.S. Bureau of the Census, and U.S. Department of Agriculture; and supplementary data supplied by several States.

**TABLE 79 – RELATIONSHIP OF STATE AND LOCAL TAXES WITH AN INITIAL IMPACT ON BUSINESS TO TOTAL STATE AND LOCAL TAXES, BY STATE, 1967, 1962, AND 1967<sup>1,2</sup>**

**[Including Estimated General Sales Taxes]**

**(Dollar amounts in millions)**

States	Total State and local taxes			State and local taxes on business 2/			Taxes on business as % of total taxes			
	1967	1962	1957	1967	1962	1957	1967	1962	1957	% change 1957-1967
United States	\$61,000.3	\$41,554.2	\$28,645.1	\$19,900.1	\$14,478.2	\$10,553.2	32.6	34.8	36.8	-11.4
Alabama	677.4	436.7	318.4	195.5	128.9	98.3	28.9	29.5	30.9	-6.5
Alaska	85.8	52.4	n.a.	24.5	16.8	n.a.	28.6	32.1	n.a.	n.a.
Arizona	523.7	328.0	182.6	164.9	115.4	67.4	31.5	35.2	36.9	-14.6
Arkansas	392.5	254.8	177.5	99.8	70.7	54.5	25.4	27.7	30.7	-17.3
California	7,785.2	5,142.9	3,304.0	2,670.0	1,835.6	1,234.0	34.3	35.7	37.3	-8.0
Colorado	677.7	475.7	313.2	214.8	161.4	107.7	31.7	33.9	34.4	-7.8
Connecticut	982.6	684.0	460.8	337.3	253.9	166.2	34.3	37.1	36.1	-5.0
Delaware	177.6	112.3	58.6	51.2	34.3	16.3	28.8	30.5	27.8	+3.6
Dist. of Columbia	274.9	183.0	142.7	87.4	60.1	48.4	31.8	32.8	33.9	-6.2
Florida	1,623.1	1,061.3	663.3	476.2	366.6	235.1	29.3	34.5	35.4	-17.2
Georgia	1,025.0	627.4	467.9	304.7	198.9	143.6	29.7	31.7	30.7	-3.3
Hawaii	300.5	173.8	n.a.	68.9	43.3	n.a.	22.9	24.9	n.a.	n.a.
Idaho 3/	205.2	136.4	99.8	68.8	46.0	34.4	33.5	33.7	34.5	-2.9
Illinois	3,249.6	2,461.9	1,723.7	962.6	787.6	584.8	29.6	32.0	33.9	-12.7
Indiana	1,471.3	951.1	635.3	433.7	363.5	236.5	29.5	38.2	37.2	-20.7
Iowa	918.9	638.3	487.6	192.7	156.6	114.1	21.0	24.5	23.4	-10.3
Kansas	717.1	518.6	367.4	209.3	165.2	119.6	29.2	31.9	32.6	-10.4
Kentucky	674.2	466.8	323.1	163.5	131.1	93.9	24.3	28.1	29.1	-16.5
Louisiana	958.8	655.1	497.2	529.8	370.6	257.8	55.3	56.6	51.9	+6.6
Maine	253.2	197.3	140.0	74.3	57.5	43.9	29.3	29.1	31.4	-6.7
Maryland	1,172.4	713.8	460.2	319.1	207.5	141.5	27.2	29.1	30.7	-11.4
Massachusetts	2,004.2	1,422.7	1,014.9	556.1	440.6	341.2	27.7	31.0	33.6	-17.6
Michigan	2,715.2	1,896.2	1,391.9	974.2	747.6	556.7	35.9	39.4	40.0	-10.3
Minnesota	1,256.4	868.6	597.9	409.3	311.4	237.6	32.6	35.9	39.7	-17.9
Mississippi	461.3	316.8	233.5	156.8	121.9	87.8	34.0	38.5	37.6	-9.6
Missouri	1,198.9	818.6	551.2	337.1	245.4	178.1	28.1	30.0	32.3	-13.0
Montana	212.8	162.1	125.4	76.4	60.7	48.6	35.9	37.4	38.8	-7.5
Nebraska	389.6	270.7	200.1	77.1	58.2	46.5	19.8	21.5	23.2	-14.7
Nevada	166.2	95.2	59.9	62.0	35.0	24.1	37.3	36.8	40.2	-7.2
New Hampshire	176.9	125.5	86.6	45.1	35.1	27.5	25.5	28.0	31.8	-19.8
New Jersey	2,239.8	1,507.9	987.1	766.1	561.4	402.7	34.2	37.2	40.8	-16.2
New Mexico	271.8	187.2	127.6	102.3	77.1	43.2	37.6	41.2	33.9	+10.9
New York	8,423.6	5,451.5	3,711.6	2,833.2	1,868.0	1,385.6	33.6	34.3	37.3	-9.9
North Carolina	1,129.3	738.8	501.5	356.8	243.5	177.5	31.6	33.0	35.4	-10.7
North Dakota	178.4	134.9	107.8	45.4	34.7	27.8	25.4	25.7	25.8	-1.6
Ohio	2,612.1	1,980.2	1,398.2	945.6	740.0	486.1	36.2	37.4	34.8	+4.0
Oklahoma	629.0	458.1	344.7	217.9	154.0	127.5	34.6	33.6	37.0	-6.5
Oregon	631.3	417.9	347.9	201.8	144.0	123.2	32.0	34.5	35.4	-9.6
Pennsylvania	3,241.8	2,335.6	1,769.8	1,043.1	771.2	714.3	32.2	33.0	40.4	-20.3
Rhode Island	266.9	188.7	129.7	85.3	59.1	46.1	32.0	31.3	35.5	-9.9
South Carolina	510.8	330.6	244.8	170.1	104.0	80.3	33.3	31.5	32.8	+1.5
South Dakota	204.5	152.2	112.2	44.8	32.9	23.4	21.9	21.6	20.9	+4.8
Tennessee	820.7	528.3	402.8	255.1	166.3	125.3	31.1	31.5	31.1	0
Texas	2,471.2	1,850.8	1,253.3	1,034.4	866.4	652.6	41.9	46.8	52.1	-19.6
Utah	299.6	205.1	136.3	99.6	77.5	56.8	33.2	37.8	41.7	-20.4
Vermont	133.9	92.1	64.5	32.2	24.1	17.3	24.0	26.2	26.8	-10.4
Virginia	1,070.7	623.5	423.0	311.5	213.6	157.6	29.1	34.3	37.3	-22.0
Washington	1,108.6	759.6	511.8	380.0	268.6	186.2	34.3	35.4	36.4	-5.8
West Virginia	400.4	306.4	218.9	156.7	119.4	97.0	39.1	39.0	44.3	-11.7
Wisconsin	1,517.6	974.6	706.6	427.1	293.9	250.5	28.1	30.2	35.5	-20.8
Wyoming	110.3	82.0	60.3	48.1	31.5	26.2	43.6	38.4	43.4	+0.5

n.a. Data not available.

<sup>1</sup> Excluding unemployment compensation.

<sup>2</sup> Business taxes include an estimate of the portion of general sales taxes initially paid by business (20 percent).

<sup>3</sup> See table 75, footnote 1.

Source: Estimates prepared by ACIR staff from data published by the Governments Division, U.S. Bureau of the Census, and U.S. Department of Agriculture; and supplementary data supplied by several States.

**TABLE 80 – FEDERAL AID OUTLAYS IN RELATION TO TOTAL FEDERAL  
OUTLAYS AND TO STATE-LOCAL REVENUE, 1959-1971**

Fiscal year	Federal aid			
	Amount (millions)	As a percent of—		
		Total Federal outlays	Domestic Federal outlays <sup>1</sup>	State-local revenue <sup>2</sup>
1959	6,669	7.2	15.9	13.5
1960	7,040	7.6	16.4	12.7
1961	7,112	7.3	15.4	12.0
1962	7,893	7.4	15.8	12.3
1963	8,634	7.8	16.5	12.5
1964	10,141	8.6	17.9	13.4
1965	10,904	9.2	18.4	13.4
1966	12,960	9.7	19.2	14.2
1967	15,240	9.6	19.5	15.3
1968	18,599	10.4	20.9	16.9
1969	20,255	11.0	21.3	17.4
1970 estimate	24,119	12.2	21.8	18.2
1971 estimate	27,624	13.8	23.0	( <sup>3</sup> )

<sup>1</sup> Excluding outlays for defense, space, and international programs.

<sup>2</sup> Excludes State-local revenue from publicly-operated utilities, and liquor stores.

<sup>3</sup> Not available.

Source: Budget of the United States, Fiscal Year 1971, Special Analyses 0.

**TABLE 81 – FEDERAL AID TO STATE AND LOCAL GOVERNMENTS BY FUNCTION,  
1969-1971  
(Millions of dollars)**

Function	1969	1970 est.	1971 est.
National defense	40.1	42.0	41.8
International affairs and finance	6.1	5.5	5.9
Agriculture and rural development	807.2	803.8	995.3
Natural resources	517.9	647.0	889.4
Commerce and transportation	4,710.1	5,109.4	5,248.0
Community development and housing	1,669.8	2,587.6	3,042.2
Education and manpower	4,063.5	4,342.5	4,730.4
Health	3,192.7	3,649.6	3,951.6
Income security	4,937.7	6,408.5	7,601.0
Veterans benefits and services	14.5	20.2	22.8
General government	295.0	503.1	820.5
(Allowance for revenue sharing)	—	—	275.0
<b>Total</b>	<b>20,254.9</b>	<b>24,119.2</b>	<b>27,623.9</b>

Source: Budget of the United States, Fiscal year 1971, Special Analyses 0.

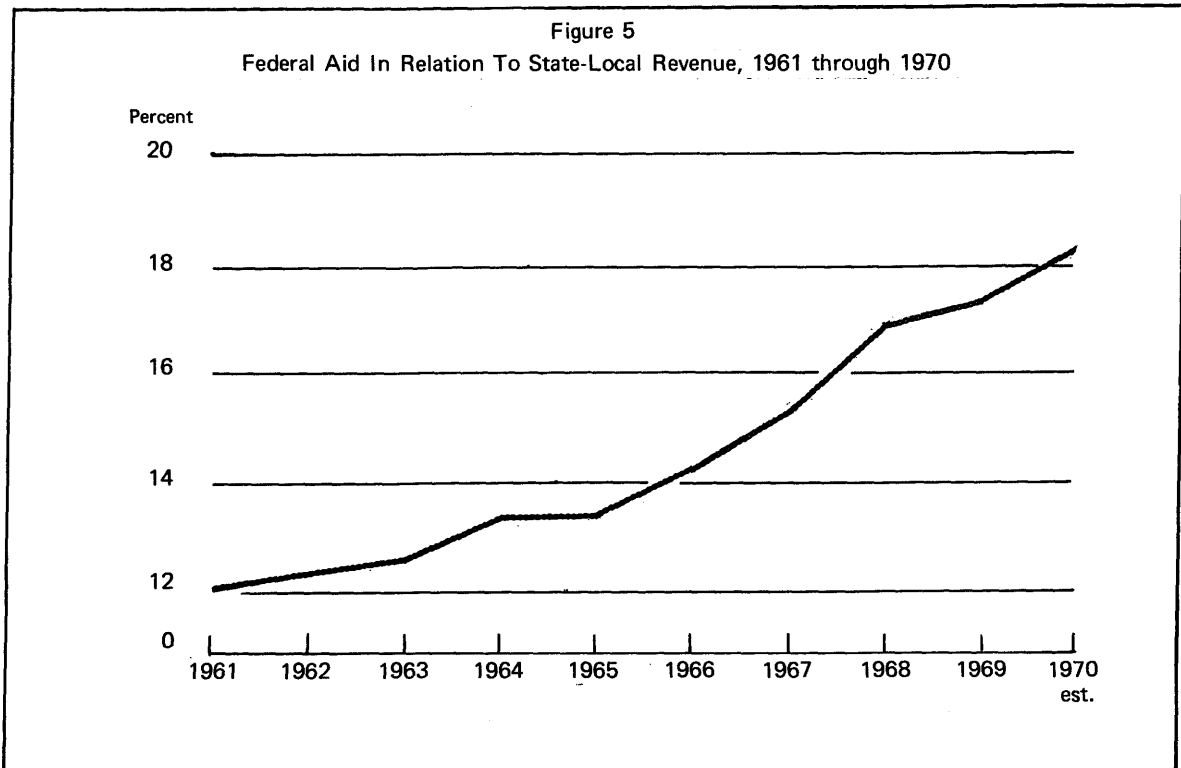


**TABLE 82 – SUMMARY OF FEDERAL INTERGOVERNMENTAL EXPENDITURE  
BY MAJOR FUNCTION, 1960-1969<sup>1</sup>**  
(Millions of dollars)

Fiscal year	Total	Education	Highways	Public welfare	Social insurance administration	Other and unallocable
1960 .....	6,994	950	2,905	2,070	325	745
1961 .....	7,011	1,030	2,586	2,178	370	847
1962 .....	7,735	1,169	2,748	2,448	461	909
1963 .....	8,507	1,115	2,981	2,752	342	1,317
1964 .....	10,097	1,371	3,628	2,973	415	1,710
1965 .....	11,062	1,677	3,997	3,098	413	1,877
1966 .....	13,115	3,014	3,953	3,579	486	2,083
1967 .....	15,027	3,920	4,059	4,234	564	2,250
1968 .....	18,053	4,727	4,291	5,407	592	3,036
1969 .....	19,421	4,775	4,352	6,358	616	3,320

<sup>1</sup> For Federal aid by major function, by State, see tables 91 through 95.

Source: U. S. Bureau of the Census; 1967 Census of Governments, Vol. 6, No. 5, *Historical Statistics on Governmental Finances and Employment, and Governmental Finances in 1968-69.*



**TABLE 83 – FEDERAL OUTLAYS FOR PUBLIC FACILITY GRANTS AND LOANS  
TO STATE AND LOCAL GOVERNMENTS, FISCAL YEARS 1969-1971  
(in millions of dollars)**

Program and Agency	1969 Actual	1970 Estimate	1971 Estimate
<u>Lump-sum Grants</u>			
Funds Appropriated to the President:			
Appalachian regional development programs . . . . .	138	204	222
Public works acceleration . . . . .	2	4	....
Department of Agriculture:			
Flood prevention and watershed protection . . . . .	64	76	80
Rural water and sewer systems . . . . .	24	34	31
Resource conservation and development . . . . .	3	4	4
Farm labor housing . . . . .	3	6	6
Department of Commerce:			
Development facilities grants . . . . .	126	136	156
Department of the Army: (Corps of Engineers)			
Flood control, etc. . . . .	15	20	8
Department of Health, Education & Welfare:			
Mental health centers . . . . .	14	16	16
Medical facilities . . . . .	104	115	114
Health, educational research, etc. (NIH) . . . . .	53	127	130
Schools in federally affected areas . . . . .	20	33	27
Higher educational facilities . . . . .	247	244	237
Community education facilities . . . . .	22	23	12
Department of Housing and Urban Development:			
Neighborhood facilities . . . . .	11	26	38
Water and sewer facilities . . . . .	80	119	146
New community development . . . . .	....	1	2
Department of the Interior:			
Outdoor recreational facilities . . . . .	27	40	38
Waste treatment works (FWPCA) . . . . .	139	166	367
Department of Transportation:			
Airport construction . . . . .	104	92	139
Federal aid highways <sup>1</sup> . . . . .	4,068	4,336	4,252
Urban mass transportation facilities . . . . .	136	127	254
Department of Justice, Law Enforcement			
Assistance Administration . . . . .	....	2	11
Other civil public works . . . . .	12	28	137
Department of Defense . . . . .	13	12	14
Total lump-sum grants . . . . .	5,425	5,991	6,441

*(Continued on next page)*

**TABLE 83 – FEDERAL OUTLAYS FOR PUBLIC FACILITY GRANTS AND LOANS  
TO STATE AND LOCAL GOVERNMENTS, FISCAL YEARS 1969-1971 (Cont'd)**  
(in millions of dollars)

Program and Agency	1969 Actual	1970 Estimate	1971 Estimate
<u>Debt Service Grants</u>			
Urban renewal . . . . .	512 <sup>2</sup>	1,004 <sup>2</sup>	972 <sup>2</sup>
Low rent public housing . . . . .	343	461	638
Higher education academic facilities . . . . .	....	12	25
College housing . . . . .	....	3	3
<b>Total debt service grants . . . . .</b>	<b>855</b>	<b>1,480</b>	<b>1,638</b>
<u>Loans (gross disbursements)</u>			
Agriculture and agricultural assistance . . . . .	65	72	54
Natural resources . . . . .	7	7	6
Commerce and transportation . . . . .	19	83	58
Renewal and housing assistance . . . . .	513	993	885
Metropolitan development . . . . .	53	49	44
Education and manpower . . . . .	146	126	113
General government . . . . .	118	168	214
<b>Total loans . . . . .</b>	<b>921</b>	<b>1,498</b>	<b>1,374</b>

<sup>1</sup> Excludes forest and public land highways.

<sup>2</sup> Excludes grants for code enforcement. See footnote on page 30 for an explanation of the classification of urban renewal aid as a "debt service" grant.

Source: *Budget of the United States, Fiscal Year 1971*, Special Analyses O and P and Appendix.

TABLE 84 – STATE AID TO LOCAL GOVERNMENTS BY MAJOR PURPOSE, 1969  
(Dollar amounts in millions)

States	Total state aid						
	Amount	As a % of local general revenue from own sources	General local government support	Education	Highways	Public welfare	All other
UNITED STATES, Total . . . . .	\$24,779.3	54.0	\$2,135.4	\$14,858.3	\$2,108.7	\$4,402.5	\$1,274.5
Alabama . . . . .	336.5	78.1	9.1	254.5	60.4	—	12.5
Alaska . . . . .	36.3	60.7	4.2	30.8	—	—	1.3
Arizona . . . . .	259.5	78.4	50.1	183.5	22.3	—	3.6
Arkansas . . . . .	171.2	79.4	10.1	129.5	26.5	.1	4.9
California . . . . .	3,676.2	53.4	188.6	1,575.1	279.7	1,365.9	266.7
Colorado . . . . .	222.0	42.1	.3	107.0	24.3	81.8	8.6
Connecticut . . . . .	195.2	26.7	12.0	155.3	9.4	7.4	11.0
Delaware . . . . .	78.7	100.8	—	75.5	2.1	—	1.2
Florida . . . . .	756.9	57.5	1.2	690.2	21.8	.2	43.6
Georgia . . . . .	454.8	61.9	16.7	370.3	32.4	14.7	20.6
Hawaii . . . . .	16.8	13.8	12.4	1.0	—	—	3.3
Idaho . . . . .	60.7	49.7	5.5	42.4	12.5	—	.4
Illinois . . . . .	824.7	30.4	—	544.7	157.3	104.4	18.3
Indiana . . . . .	518.2	49.1	52.2	300.2	86.8	63.1	15.9
Iowa . . . . .	375.6	57.5	47.8	246.5	75.3	2.2	3.8
Kansas . . . . .	234.4	42.6	11.1	126.3	15.7	77.2	4.2
Kentucky . . . . .	254.1	64.8	1.8	235.0	3.3	—	14.1
Louisiana . . . . .	453.6	90.3	70.8	335.7	24.8	—	22.3
Maine . . . . .	53.8	32.9	.6	46.5	3.7	.5	2.4
Maryland . . . . .	514.3	58.7	37.6	254.3	71.1	102.7	48.6
Massachusetts . . . . .	444.8	30.7	99.6	221.5	14.8	52.8	56.1
Michigan . . . . .	1,229.9	59.9	180.5	774.3	215.8	30.2	29.0
Minnesota . . . . .	655.6	77.9	136.8	303.3	61.5	140.8	13.3
Mississippi . . . . .	252.7	90.0	16.3	200.8	27.1	—	8.6
Missouri . . . . .	307.2	32.8	5.6	274.1	19.6	.9	6.9
Montana . . . . .	46.7	28.4	—	42.5	—	.2	3.9
Nebraska . . . . .	111.6	27.8	1.3	38.2	23.2	45.0	4.0
Nevada . . . . .	58.6	41.6	7.0	45.3	3.8	—	2.7
New Hampshire . . . . .	17.2	11.4	3.7	11.1	.5	.06	1.7
New Jersey . . . . .	577.8	29.1	10.2	312.3	21.0	191.3	43.0
New Mexico . . . . .	149.3	112.6	4.7	133.9	5.8	—	5.0
New York . . . . .	4,970.2	77.5	506.5	2,259.5	138.5	1,772.4	293.3
North Carolina . . . . .	627.1	117.4	30.9	470.5	10.4	101.2	14.1
North Dakota . . . . .	52.4	37.9	1.4	36.0	11.7	1.3	1.9
Ohio . . . . .	811.5	35.0	84.9	465.6	191.0	52.3	17.7
Oklahoma . . . . .	223.9	58.3	2.7	157.7	50.5	.4	12.7
Oregon . . . . .	191.5	37.8	38.6	97.2	48.6	1.5	5.5
Pennsylvania . . . . .	1,070.0	48.4	6.1	864.1	65.1	42.0	92.8
Rhode Island . . . . .	67.5	41.4	8.1	50.6	.4	6.8	1.5
South Carolina . . . . .	240.1	102.6	24.5	192.1	11.4	—	12.2
South Dakota . . . . .	28.8	17.2	2.1	21.9	2.7	.1	2.0
Tennessee . . . . .	329.5	59.7	26.3	234.8	57.8	.2	10.4
Texas . . . . .	790.7	40.4	.1	763.8	7.5	—	19.3
Utah . . . . .	113.5	63.0	1.0	103.3	4.6	—	4.7

See footnote at end of table.

**TABLE 84 – STATE AID TO LOCAL GOVERNMENTS BY MAJOR PURPOSE, 1969 (Cont'd)**  
(Dollar amounts in millions)

States	Total state aid						
	Amount	As a % of local general revenue from own sources	General local government support	Education	Highways	Public welfare	All other
Vermont . . . . .	39.1	52.5	.013	29.9	7.0	.4	1.8
Virginia . . . . .	450.6	65.4	14.0	339.5	18.5	50.0	28.9
Washington . . . . .	475.3	68.5	35.9	336.8	62.0	9.3	31.3
West Virginia . . . . .	150.8	79.3	—	141.6	—	3.1	6.1
Wisconsin . . . . .	760.2	77.9	348.2	207.0	95.5	75.2	34.3
Wyoming . . . . .	41.4	47.6	6.4	24.9	3.1	4.5	2.4

Source: U.S. Bureau of the Census, *State Government Finances in 1969*, and *Governmental Finances in 1968-69*.

TABLE 85 — PER CAPITA STATE AID TO LOCAL GOVERNMENTS BY MAJOR PURPOSE, 1969

States	Total	General local government support	Education	Highways	Public welfare	All other
UNITED STATES, Total . . . . .	\$123.20	\$10.62	\$73.88	\$10.48	\$21.89	\$6.34
Alabama . . . . .	95.30	2.57	72.07	17.12	—	3.54
Alaska . . . . .	128.73	14.78	109.38	—	—	4.58
Arizona . . . . .	153.26	29.60	108.40	13.15	—	2.10
Arkansas . . . . .	85.81	5.08	64.90	13.29	.07	2.47
California . . . . .	189.07	9.70	81.01	14.39	70.25	13.72
Colorado . . . . .	105.72	.14	50.94	11.55	38.97	4.11
Connecticut . . . . .	65.07	4.02	51.78	3.12	2.48	3.67
Delaware . . . . .	145.75	—	139.76	3.80	—	2.19
Florida . . . . .	119.12	.18	108.62	3.43	.03	6.86
Georgia . . . . .	97.99	3.60	79.79	6.98	3.17	4.45
Hawaii . . . . .	21.10	15.67	1.32	—	—	4.12
Idaho . . . . .	84.51	7.61	58.99	17.39	—	.53
Illinois . . . . .	74.66	—	49.31	14.24	9.45	1.66
Indiana . . . . .	101.25	10.19	58.66	16.95	12.32	3.12
Iowa . . . . .	135.06	17.20	88.62	27.07	.81	1.36
Kansas . . . . .	101.01	4.77	54.40	6.78	33.27	1.79
Kentucky . . . . .	78.63	.55	72.71	1.01	—	4.35
Louisiana . . . . .	121.12	18.91	89.63	6.63	—	5.95
Maine . . . . .	55.04	.64	47.57	3.80	.56	2.47
Maryland . . . . .	136.59	9.99	67.54	18.88	27.28	12.90
Massachusetts . . . . .	81.36	18.22	40.51	2.70	9.66	10.27
Michigan . . . . .	140.30	20.59	88.33	24.62	3.45	3.31
Minnesota . . . . .	177.20	36.96	81.97	16.61	38.07	3.59
Mississippi . . . . .	107.09	6.91	85.06	11.47	—	3.65
Missouri . . . . .	66.05	1.21	58.94	4.22	.20	1.49
Montana . . . . .	67.25	—	61.27	—	.30	5.68
Nebraska . . . . .	77.03	.91	26.36	16.02	31.05	2.69
Nevada . . . . .	128.70	15.21	99.23	8.31	—	5.95
New Hampshire . . . . .	23.92	5.18	15.49	.75	.08	2.42
New Jersey . . . . .	80.83	1.42	43.69	2.94	26.76	6.02
New Mexico . . . . .	150.17	4.70	134.75	5.80	—	4.92
New York . . . . .	271.28	27.64	123.33	7.56	96.74	16.01
North Carolina . . . . .	120.47	5.94	90.39	2.00	19.43	2.71
North Dakota . . . . .	85.24	2.26	58.58	19.07	2.17	3.16
Ohio . . . . .	75.56	7.91	43.35	17.79	4.87	1.65
Oklahoma . . . . .	87.20	1.05	61.40	19.65	.15	4.96
Oregon . . . . .	94.24	18.98	47.85	23.93	.76	2.72
Pennsylvania . . . . .	90.65	.52	73.21	5.51	3.56	7.86
Rhode Island . . . . .	74.06	8.88	55.60	.42	7.47	1.69
South Carolina . . . . .	89.20	9.09	71.35	4.24	—	4.52
South Dakota . . . . .	43.73	3.24	33.24	4.04	.18	3.03
Tennessee . . . . .	82.69	6.60	58.92	14.51	.05	2.60
Texas . . . . .	70.68	.01	68.28	.67	—	1.72
Utah . . . . .	108.63	.96	98.81	4.36	—	4.51
Vermont . . . . .	89.17	.03	68.15	15.89	1.01	4.10
Virginia . . . . .	96.52	2.98	72.71	3.95	10.68	6.19
Washington . . . . .	139.72	10.56	99.00	18.23	2.73	9.21
West Virginia . . . . .	82.92	—	77.84	—	1.73	3.35
Wisconsin . . . . .	179.59	82.25	48.89	22.57	17.77	8.11
Wyoming . . . . .	129.28	20.14	77.79	9.67	14.07	7.60

Source: U.S. Bureau of the Census, *State Government Finances in 1969*.

TABLE 86 — MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING — TYPE GRANTS), 1970

**ALASKA**

**Business License Tax Distribution**

**Administering Agency**

State Department of Revenue

**Source of Funds**

60% of business license tax revenue

**Amount Distributed, FY 1969**

\$2,656,000

**Allocation Formula**

Distributed to borough, city, school district or public utility district in which collections originate.

**Legal Citation**

*Alaska Stat.* 43.70-080

**ARIZONA**

**Sales Tax Distribution**

**Administering Agency**

State Treasurer

**Source of Funds**

25% of general sales tax collections to municipalities; 60% of remainder, after the 25% municipal allocation and certain other deductions, to counties.

**Amount Distributed, FY 1969**

\$49,588,000

**Allocation Formula**

Municipal allocation in proportion to population. County allocation on the basis of the average of each county's share of the total taxable assessed value in the State and each county's share of the total sales tax collections in the State.

**Legal Citation**

*Ariz. Rev. Stat.* 42-1341,1342

**CALIFORNIA**

**Motor Vehicle in Lieu of Tax Distribution**

**Administering Agency**

State Controller

**Source of Funds**

Vehicle license fee (statewide special property tax based on market value in lieu of local ad valorem taxes); net collections after payment of debt service on State highway bonds and certain other deductions.

**Amount Distributed, FY 1969**

\$201,414,000

**Allocation Formula**

One-half to cities in proportion that each city's population bears to the total city population; 1/2 to counties in proportion that each county's population bears to the total State population. San Francisco receives a share under both the city and the county allocations.

**Special Conditions Governing Use of Funds**

Funds may be used for rapid transit purposes.

**Legal Citation**

*Cal. Revenue and Taxation Code*, Secs. 11005, 11005.1.

**Cigarette Tax Distribution**

**Administering Agency**

State Controller

**Source of Funds**

30 percent of the net proceeds from cigarette taxes, less 30 percent of the cost of administering the distribution.

**Amount Distributed, FY 1969**

\$70,298,000

**Allocation Formula**

One-half to counties in proportion to collections from local sales taxes; 1/4 to cities in proportion to collections from local sales taxes and 1/4 to cities in proportion that each city's population bears to the total population of all cities. San Francisco's share is based on the county allocation. No county or city is to receive a cigarette tax distribution if it imposes a selective cigarette or tobacco sales tax.

**Legal Citation**

*Cal. Revenue and Taxation Code*, Sec. 30462.

**TABLE 86 – MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING – TYPE GRANTS), 1970 (Cont'd)**

**GEORGIA**

**General Purpose Grants to Municipalities**

**Administering Agency**  
State Treasurer

**Source of Funds**  
General fund appropriations

**Amount Distributed, FY 1969**  
\$14,017,000

**Allocation Formula**  
Amount available for distribution divided by population of incorporated municipalities to arrive at an "average per capita amount." The first distribution is to municipalities with population of 10,000 or less by multiplying each such municipality's population by the per capita amount (subsection (a) grant). Municipalities with population under 5,000 receive an additional 50% of their subsection (a) grants and municipalities with populations between 5,000 and 10,000 receive an additional 25% of their subsection (a) grants. The remainder is divided among incorporated municipalities over 10,000 population on a per capita basis. No municipality is to receive less than \$500 per annum.

**Legal Citation**  
*Ga. Code, 69-1603*

**HAWAII**

**Grants-in-Aid to Counties<sup>1</sup>**

**Administering Agency**  
State Director of Taxation

**Source of Funds**  
General fund appropriation equal to .505 percent of the "tax base"; tax base comprises collections of general sales and use tax and public service company tax levied at the rate of 3½% or more.

**Amount Distributed, FY 1969**  
\$12,442,000

<sup>1</sup>Including city-county of Honolulu.

**Allocation Formula**

\$4 million divided equally among the counties. The remainder distributed on basis of a formula that measures "relative fiscal capacity" and "relative fiscal need." A county's relative fiscal capacity is its per capita net taxable real property value subtracted from the State per capita net taxable real property value multiplied by the county's population and the resulting value multiplied by the statewide average effective rate. Fiscal need is measured as the county's share of the total State population.

**Special Conditions Governing Use of Funds**

25% of the funds allocated on a fiscal capacity and need basis shall be distributed only upon approval by the Governor of a county plan which, in the Governor's discretion, raises, improves, or maintains a justifiable level of services performed by the county; the Governor may require the county to provide additional county funds to implement such plan or program, but not more than twice the amount of State funds allotted by the Governor.

**Legal Citation**  
*Haw. Rev. Stat., 248-6.*

**ILLINOIS**

**Income Tax Distribution**

**Administering Agency**  
Department of Local Government Affairs

**Source of Funds**  
1/12 of net personal and corporation income tax collections

**Amount Distributed, FY 1969**  
None<sup>2</sup>

**Allocation Formula**  
Allocated among counties and municipalities (cities, villages and incorporated towns) in proportion to population. The amount distributed to each municipality is based on its proportion of the total State population. Each

<sup>2</sup>Effective after FY 1969; \$62,360,000 distributed in FY 1970.



**TABLE 86 — MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING — TYPE GRANTS), 1970 (Cont'd)**

county government's share is based on the proportion that its population residing outside municipalities bears to the total State population.

**Special Conditions Governing Use of Funds**

Includes financial assistance to school districts, any part of which lie within the municipality or county, through unrestricted block grants for school purposes carried out within the municipality or county making the grant. The magnitude of such school aid is not specified in the statute.

**Legal Citation**

*Ill. Stat.*, Ch. 85, Secs. 611-614, effective 8/1/69.

**IOWA**

**Homestead Tax Credit Reimbursement**

**Administering Agency**

State Director of Revenue

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$33,051,000

**Allocation Formula**

Allocated among all taxing units as reimbursement for loss of property tax revenue resulting from the allowance of homestead tax credits required by State law.

**Special Conditions Governing Use of Funds**

Amount of reimbursement to be credited to each jurisdiction's tax levy, as though the tax had been paid by the taxpayer.

**Legal Citation**

*Iowa Code*, 425:1

**LOUISIANA**

**Homestead Tax Exemption Reimbursement**

**Administering Agency**

State Treasurer

**Source of Funds**

Property tax relief fund, to which are credited

the bulk of the proceeds from personal and corporation income taxes. Amounts in excess of requirements for homestead tax exemption reimbursement are transferred to the general fund.

**Amount Distributed, FY 1969**

\$48,872,000

**Allocation Formula**

Allocated among parishes, school districts and certain special districts as reimbursement for loss of property tax revenue resulting from the allowance of homestead tax exemptions required by State law.

**Legal Citation**

*La. Rev. Stat.*, 39-253

**MARYLAND**

**State Grants to Subdivisions**

**Administering Agency**

State Treasurer

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$14,911,000

**Allocation Formula**

Amount allocated to each county and Baltimore City equal to that proportion of the State property tax collected therein that the amount that would be produced by a rate of 11 cents per \$100 assessed value of real estate, taxable at full rate for State purposes, bears to the State property tax due in each jurisdiction, plus certain additional amounts.

**Legal Citation**

*Code of Maryland*, Art. 81, par. 12H

**MASSACHUSETTS**

**Machinery and Valuation Basis Distribution**

**Administering Agency**

State Tax Commission

**Source of Funds**

General fund appropriations; in amounts specified by law.

**TABLE 86 – MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING – TYPE GRANTS), 1970 (Cont'd)**

**Amount Distributed, FY 1969**  
\$94,586,000

**Allocation Formula**

*Machinery distribution*—\$9,006,000 allocated to cities and towns in proportion to 1935 collections of the tax on industrial machinery and to the value of industrial machinery in each city or town.

*Valuation basis distribution*—Amount remaining after the “machinery distribution” and after appropriations for various specific educational programs, allocated to each city and town in proportion that each municipality’s equalized assessed valuation bears to the Statewide equalized assessed valuation.

**Legal Citation**

*Mass. Laws, Ch. 58, Sec. 18A*

**MICHIGAN**

**Sales Tax Distribution**

**Administering Agency**

State Department of the Treasury

**Source of Funds**

1/8 of proceeds from the general sales tax.

**Amount Distributed, FY 1969**

\$89,159,000

**Allocation Formula**

Allocated among counties in proportion to population. County treasurer distributes to each township, city and village an amount in the proportion that its population bears to the total county population; county retains the remainder.

**Legal Citation**

*Mich. Stat., 7.546.*

**Personal Income Tax Distribution**

**Administering Agency**

State Department of the Treasury

**Source of Funds**

17% of net collections from the personal income tax.

**Amount Distributed, FY 1969**  
\$50,970,000

**Allocation Formula**

Allocated among counties in proportion to population. Each county retains half of the amount for county purposes and distributes the other half among cities, villages and townships in the proportion that each unit’s population bears to the total population of all cities, villages and townships in the county.

**Legal Citation**

*Mich. Stat., 7.557 (1481) eff. 10/1/67.*

**Senior Citizens’ Homestead Exemption Reimbursement**

**Administering Agency**

State Department of Administration

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$21,246,000

**Allocation Formula**

Allocated among cities, villages and townships as reimbursement for loss of property tax revenue resulting from the allowance of senior citizens’ homestead exemptions required by State law.

**Legal Citation**

*Mich. Stat., 7.7(4).*

**MINNESOTA**

**Sales Tax Distribution**

**Administering Agency**

State Auditor

**Source of Funds**

Proceeds from the general sales tax, but not less than \$37 million annually.

**Amount Distributed, FY 1969**

\$38,000,000 (est.)

**Allocation Formula**

Allocated on a per capita basis to townships, cities, villages, boroughs, counties and school districts by dividing the total amount available for distribution by the total State population.

**TABLE 86 – MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING – TYPE GRANTS), 1970 (Cont'd)**

The per capita share so allocated to Minneapolis and St. Paul (cities of the 1st class) is distributed 2/3 to the city and 1/3 to its school district. Half of the remainder is distributed on a per capita share basis to each township, city (except Minneapolis and St. Paul), village and borough (amounts so allocated to unorganized townships paid to counties in which they are located). The remainder distributed to school districts (except Minneapolis and St. Paul) in proportion to the number of children between the ages of six and sixteen residing in each district (but no less than \$20 per child).

**Special Conditions Governing Use of Funds**

School district property tax levies must be reduced by the amount received from the sales tax distribution.

**Legal Citation**

*Minn. Laws*, Ch. 32 (H.F. 27), Ex. Sess. 1967, Art. V.

**Property Tax Relief Reimbursement**

**Administering Agency**

State Treasurer

**Source of Funds**

General fund appropriations.

**Amount Distributed, FY 1969**

\$72,000,000 (est.)

**Allocation Formula**

Distributed to each local taxing jurisdiction in an amount sufficient to replace reduced property tax revenue resulting from the State property tax relief program.

**Special Conditions Governing Use of Funds**

County treasurer distributes property tax relief replacement funds to local taxing jurisdictions as if they were part of the local property tax collections.

**Legal Citation**

*Minn. Laws*, Ch. 32 (H.F. 27), Ex. Sess., 1967, Art. I, Sec. 4-8.

**MISSISSIPPI**

**Sales Tax Distribution<sup>3</sup>**

**Administering Agency**

State Tax Commission

**Source of Funds**

19% of general sales taxes collected within each municipal corporation (defined as an incorporated city, town or village) less 3% to cover cost of administration.

**Amount Distributed, FY 1969**

\$26,818,000<sup>4</sup>

**Allocation Formula**

To incorporated cities, towns and villages in which collections originate.

**Legal Citation**

*Miss. Code*, Sec. 10127 (2).

**Homestead Exemption Reimbursement**

**Administering Agency**

State Tax Commission

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$11,240,000

**Allocation Formula**

Allocated among counties and municipal separate school districts as reimbursements for loss of property tax revenue resulting from the allowance of homestead exemptions required by State law.

**Legal Citation**

*Miss. Code*, 9734.

<sup>3</sup>Replaces previous ½% or 1% piggyback municipal sales tax, effective 8/1/68.

<sup>4</sup>Includes approximately \$5 million that was distributed under the "piggyback" tax rates; the full FY 1970 distribution was \$29,006,000.

TABLE 86 — MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING — TYPE GRANTS), 1970 (Cont'd)

NEW HAMPSHIRE

**Interest and Dividends Tax Distribution**

**Administering Agency**

State Tax Commission

**Source of Funds**

Proceeds from tax on interest and dividends,  
less cost of administration.

**Amount Distributed, FY 1969**

\$2,875,000

**Allocation Formula**

Allocated to cities and towns in which taxes  
originate (to county if taxpayer lives in an  
unorganized place).

**Legal Citation**

*N.H. Rev. Stat. 77:34.*

**Meals and Rooms Tax Distribution**

**Administering Agency**

State Tax Commission

**Source of Funds**

40% of the proceeds, less cost of  
administration, from the tax on meals and  
rooms.

**Amount Distributed, FY 1969**

\$1,195,000<sup>5</sup>

**Allocation Formula**

Allocated to each city, town, and  
unincorporated place in the proportion that its  
population bears to the total State population.

**Legal Citation**

*N.H. Rev. Stat., 78A:23*

**Business Personal Property Tax Exemption  
Reimbursement**

**Administering Agency**

State Tax Commission

<sup>5</sup>Increased to \$1,982,000 for FY 1970 and  
approximately \$3,000,000 for FY 1971 as a result of  
1969 legislation, which broadened the base of the meals  
tax.

**Source of Funds**

General fund appropriations<sup>6</sup>

**Amount Distributed, FY 1969**

None<sup>7</sup>

**Allocation Formula**

Allocated among cities and towns on basis of  
1969 revenue from repealed business personal  
property taxes, plus an additional 10% each  
year after 1970.

**Legal Citation**

*N.H. Rev. Stat. 77A:15.*

NEW YORK

**Per Capita Aid<sup>8</sup>**

**Administering Agency**

State Office of Local Government, Division of  
Equalization and Assessment.

**Source of Funds**

Appropriations (Local Assistance Fund);  
beginning in fiscal year ending March 31, 1972,  
per capita aid will be paid from 21% of the net  
proceeds from personal income taxes (see  
below).

**Amount Distributed, FY 1969**

\$191,412,000<sup>9</sup>

**Allocation Formula**

*Basic per capita allocation:* Towns, \$3.55 plus  
\$2.05 for town population outside villages;  
counties 65 cents; cities \$8.60; villages, \$3.60;

<sup>6</sup>A new 6% business profits tax was enacted, effective  
4/22/70, as a replacement for certain business personal  
property taxes which were repealed.

<sup>7</sup>Effective after FY 1969; first payment made  
12/15/70.

<sup>8</sup>In addition, the proceeds of the State Stock  
Transfer Tax, less the cost of administration, distributed  
to New York City only; \$296.5 million in FY 1969.

<sup>9</sup>It is estimated that for FY 1972 the 21% income tax  
distribution will produce some \$600 million of  
unconditional aid for local governments.

**TABLE 86 — MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT SUPPORT (REVENUE SHARING — TYPE GRANTS), 1970 (Cont'd)**

plus, for counties, cities, villages and towns outside villages an additional 5 cents for each \$100 or part thereof by which the per capita full value of real property falls below \$8,000 (for counties the factor for this purpose is the average of per capita full value and per capita personal income). Beginning with fiscal 1972, the amount allocated to each local unit under the above formula will be increased proportionately to bring the total allocated to 10½% of the previous year's State personal income tax collections.

*Additional per capita allocation for cities: FY 1969, \$3.70; FY 1970, \$9.26; FY 1971, \$13.89. Beginning with fiscal 1972, cities will receive 10½% of State personal income tax collections, each city's share in the proportion that its population bears to the total population of all cities (in addition to the basic per capita allocation).*

**Legal Citation**

*State Finance Law, Sec.54, Subdiv. 2, pars. a-g (personal income tax sharing provisions-pars. f and g-added by Chap. 142, Laws of 1970).*

**OHIO**

**Local Government Fund Distribution**

**Administering Agency**

State Auditor and State Treasurer

**Source of Funds**

\$36 million annually out of the proceeds of the general sales tax (\$3 million per month), plus proceeds from intangibles taxes on financial institutions and dealers in intangibles.

**Amount Distributed, FY 1969**

\$75,025,000

**Allocation Formula**

Sales tax portion allocated among counties, 75% in proportion to assessed valuation and 25% in proportion to population. Intangibles taxes returned to counties in which collections originate. Amount received by each county from both sources distributed among the various local government units, including the

county government, on the basis of budget needs as determined by the county budget commission in accordance with detailed procedures set forth in the State law. In counties with population of less than 100,000 at least 10% of the funds must be distributed to townships. The county budget commission may devise its own allocation formula, provided it is approved by the board of county commissioners, the legislative body of the largest city in the county, and the majority of the boards of township trustees and of the legislative bodies of the remaining municipalities.

**Legal Citation**

*Ohio Rev. Code, 5725.24; 5739.22; 5739.23.*

**OREGON**

**Local Property Tax Relief Reimbursement**

**Administering Agency**

Executive Department, assisted by the State Department of Revenue

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$16,700,000

**Allocation Formula**

Allocated among counties in proportion that the equalized assessed value of taxable property in each county bears to the statewide equalized assessed value. Each county distributes funds to all taxing units in proportion to property tax levies.

**Special Conditions Governing Use of Funds**

Each tax bill must indicate the reduction in the tax rate resulting from the State distribution for property tax relief.

**Legal Citation**

*Ore. Rev. Stat., 310-715, 310-740.*

**Senior Citizens' Property Tax Relief Reimbursement**

**Administering Agency**

State Department of Revenue

TABLE 86 – MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING – TYPE GRANTS), 1970 (Cont'd)

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$2,258,000

**Allocation Formula**

Allocated to counties as reimbursement for property tax losses resulting from the extension of senior citizens' property tax relief required by State law. Each county distributes funds to all taxing units in proportion to property tax levies.

**Legal Citation**

*Ore. Rev. Stat.*, 310-655.

**RHODE ISLAND**

**State Aid for Cities and Towns**

**Administering Agency**

Division of Local and Metropolitan Government

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$3,000,000

**Allocation Formula**

Distributed to cities and towns in proportion that each municipality's property tax levy bears to the total of all municipal levies.

**Legal Citation**

*R.I. General Laws*, 45-13-1.

**WISCONSIN**

**Income Tax Distribution**

**Administering Agency**

State Department of Taxation

**Source of Funds**

46.20% of the proceeds from corporation income taxes and 26.38% of the proceeds from personal income taxes.

**Amount Distributed, FY 1969**

\$166,420,000

**Allocation Formula**

1/6 allocated to counties and 5/6 to cities, towns and villages in which collections originate.

**Legal Citation**

*Wis. Stat.*, 71.14.

**Property Tax Relief**

**Administering Agency**

State Department of Administration

**Source of Funds**

General fund appropriations

**Amount Distributed, FY 1969**

\$121,677,000

**Allocation Formula**

*Personal property tax relief*—To each taxing unit, 60% of the personal property tax levied on livestock, merchants' inventories and manufacturers' materials and finished products (taxpayers pay 40% of the tax).

*Real property tax relief*—To each taxing unit with a full-value tax rate in excess of 14 mills, allocated on the basis of a formula that takes into account local tax rates in excess of 14 mills and the full-value assessment.

**Legal Citation**

*Wis. Stat.*, 77.63 and 77.64.

**WYOMING**

**Sales Tax Distribution<sup>10</sup>**

**Administering Agency**

State Board of Equalization

**Source of Funds**

1/6 of general sales tax collections, less amount necessary for administration

**Amount Distributed, FY 1969**

\$3,995,000

<sup>10</sup>Replaces previous 1/2% piggyback sales tax, effective 7/1/67.

**TABLE 86 – MAJOR STATE PROGRAMS FOR GENERAL LOCAL GOVERNMENT  
SUPPORT (REVENUE SHARING – TYPE GRANTS), 1970 (Cont'd)**

**Allocation Formula**

Allocated among counties in proportion to origin of collections. Within each county the amount distributed to each incorporated city and town is based on its share of the total county population. The county government

share is based on the proportion of the county population that resides outside the incorporated cities and towns.

**Legal Citation**

*Wyo. Laws of 1967, Ch. 210.*

TABLE 87 — LOCAL "PIGGYBACK" TAXES, JANUARY 1, 1970

State	Type of "piggyback"	Rate	Number of local governments using tax Jan. 1, 1970	Local share of receipts, 1967		Distribution of receipts	Remarks
				Amount (\$000)	As % of total local tax collections in State		
Alabama . . . .	General sales	½% to 2%	187	33,711	17.3	To area levying tax less cost of collection.	The State Department of Revenue is authorized on request by a municipality, to collect local sales and use taxes. The municipal tax must parallel the State tax except for the rate. The statutes applicable to individual counties usually require State administration. The Department of Revenue presently administers 137 of the 187 local sales taxes.
Arkansas . . . .	General sales	1%	1	1	—	do	First and second class cities with a population of not more than 40,000 and designated model cities under the demonstration Cities and Metropolitan Development Act of 1966 are authorized, with voter approval, to levy a 1% sales tax to be collected by the Commissioner of Revenue.
California . . . .	General sales	1%	438	333,496	7.8	After deducting cost of administration tax distributed monthly, in most instances based on taxpayer's place of business.	A county and its cities must agree on the amount of tax that is to be received by each of the cities from the State administered local tax collections. Usually the agreed city rate is between 0.85 percent and 1 percent, and the city tax must be credited against the county wide, 1 percent tax.
Colorado . . . .	General sales	1% or 2%	9	1	—	Monthly distribution of tax collected to the various taxing entities.	H.B. 1141, Laws of 1967 authorizes counties, cities of the second class and incorporated towns to impose a sales tax subject to voter approval. Total State, county, and city or town rate cannot exceed 7%; the Director of Revenue Administration collects and enforces such tax without charge. This law does not affect or limit the power of home rule cities to levy sales taxes. Home rule cities may contract with the State for administration and collection without charge, if local tax conforms to certain specifications (one requirement is that home rule cities do not impose a use tax).

See Footnotes at end of table.



TABLE 87 — LOCAL "PIGGYBACK" TAXES: JANUARY 1, 1970 (Cont'd.)

State	Type of "piggyback"	Rate	Number of local governments using tax Jan. 1, 1970	Local share of receipts, 1967		Distribution of receipts	Remarks
				Amount (\$000)	As % of total local tax collections in State		
Florida . . . . .	Cigarette	Not to exceed basic State rate (11¢ per pack)	n.a.	33,161 <sup>2</sup>	4.6	Collections less service charge distributed to municipalities monthly.	Any municipality may, at the discretion of its governing body, impose a cigarette tax not to exceed the basic State rate (11¢). The imposition of a city cigarette tax has no effect on the taxpayer, since adjustments are made in the State tax to keep the tax rate uniform throughout Florida, and collection procedures are unchanged. The imposition of a city cigarette tax merely affects the distribution of the tax collected between city and State.
Hawaii . . . . .	Gasoline	3¢ to 5¢	4	6,802	8.5	To island or county in which fuel is used.	A separate county tax is levied, as determined by the county in which the fuel is used.
Illinois . . . . .	General sales	½% to 1%	1,340 (approx)	78,869	4.4	Collections (less 4% for administration) distributed monthly to various taxing entities.	
Louisiana . . . . .	General sales tax on motor vehicles	½% to 2%	123	n.a.	n.a.	To area levying tax less 1% to cover cost of collection.	The local general sales tax is administered by the respective cities and parishes, but the Department of Revenue, by agreement, collects the local sales tax on motor vehicles along with the State tax.
Maryland . . . . .	Personal income	20% to 50% of State tax	24	34,161	6.4	As often as practicable but not less frequently than quarterly (after deducting cost of refunds and pro-rated share of cost of operating the Income Tax Division).	Each county and Baltimore City must levy a local income tax on residents at not less than 20% nor more than 50% of the State income tax liability. Any increase or decrease shall be in increments of five percent.

See Footnotes at end of table.

TABLE 87 - LOCAL "PIGGYBACK" TAXES, JANUARY 1, 1970 (Cont'd.)

State	Type of "piggyback"	Rate	Number of local governments using tax Jan. 1, 1970	Local share of receipts, 1967		Distribution of receipts	Remarks
				Amount (\$000)	As % of total local tax collections in State		
Michigan . . . .	Personal income	½% to 2%	12	60,557	5.1	To city levying less 2% for cost of collection and administration	On and after December 31, 1971, any city in which the uniform city income tax ordinance has been adopted may enter into an agreement with the State to administer, enforce and collect the tax. <sup>3</sup>
Minnesota . . . .	Admissions, amusements, and transient lodging	3%	1	1	-	To city levying	Specific authority to the city of Minneapolis. The tax is collected along with the State sales tax.
Mississippi . . . .	Gasoline	2¢ or 3¢	3	18	0.01	To county levying	County sea wall tax. Collections to be made at the time and in the manner provided for the collection of the gasoline tax generally and shall be remitted by the auditor of the county at the same time as is remitted the amount due to the county out of the regular gasoline tax.
Missouri . . . . .	General sales	½% or 1%	3 (5 additional cities eff. 7/1/70, 6 eff. 10/1/70)	1	-	To city levying less 2% for cost of collection.	Incorporated cities, towns, and villages with a population of 500 or more are authorized to impose a city sales tax at ½ of 1% on retail sales of property and services subject to the State sales tax.
	Cigarette	5¢ per pack	1	1	-	Distributed monthly to county levying tax and the cities, towns, and villages located in the county, less 1% to defray costs.	Effective October 1967, 1st. class counties having a charter form of government were authorized to levy a cigarette tax. No municipality located within such county may levy a cigarette tax.

See Footnotes at end of table.

TABLE 87 — LOCAL "PIGGYBACK" TAXES, JANUARY 1, 1970 (Cont'd.)

State	Type of "piggyback"	Rate	Number of local governments using tax Jan. 1, 1970	Local share of receipts, 1967		Distribution of receipts	Remarks
				Amount (\$000)	As % of total local tax collections in State		
Nebraska . . . . .	General sales	½%	2	1	—	Distributed monthly to municipality levying tax, less 3% to cover cost.	Incorporated municipalities are authorized to levy a sales tax at ½ of 1% or 1% on the same transactions subject to the State sales and use tax. Any municipal tax will be administered and collected by the State tax Commissioner concurrently with the State tax.
Nevada . . . . .	General sales	½%	2	1	—	Distributed quarterly to county levying less 1% to cover cost. If there is one incorporated city in the county amount apportioned between city and the county in proportion to the population of the city and the unincorporated area of the county. If there are two or more cities in the county, total amount apportioned among the cities relative to population.	Counties shall enact a city-county relief tax if petitioned by the majority of the governing body of each city within a county. The board of supervisors of Carson City may on its own motion enact an ordinance imposing a city-county relief tax.
	Gasoline	1¢ or 2¢	5	n.a.	na..	Distributed monthly to county of origin. Collections originating in Carson City allocated monthly to that city.	In any county for all or part of which a streets and highways plan has been adopted by the county or regional planning commission, the board may by ordinance impose a 1¢ or 2¢ tax on motor fuel to be administered by the Nevada tax commission.

See Footnotes at end of table.

TABLE 87 – LOCAL "PIGGYBACK" TAXES, JANUARY 1, 1970 (Cont'd.)

State	Type of "piggyback"	Rate	Number of local governments using tax Jan. 1, 1970	Local share of receipts, 1967		Distribution of receipts	Remarks
				Amount (\$000)	As % of total local tax collections in State		
New Mexico . . .	General sales	¼% or ½%	3	10,212	15.5	Distributed monthly to county levying tax. The commissioner may deduct up to 3% to cover cost of administration.	Any board of county commissioners may adopt, subject to voter approval, a county sales tax of not to exceed ¼ of 1%. Certain specified counties are authorized to levy a ½ of 1% rate.
New York . . . .	Personal income	0.4% to 2.0% (residents)	1	329,327	7.5	New York City	For taxable years beginning on or after January 1, 1970, the New York State Tax Commission assumes the responsibility for the collection and administration of the New York City personal income tax on residents, and the earnings tax on nonresidents. The city continues its administration of the declaration and payment of estimated tax and the withholding tax requirements until January 1, 1971, when the State will also acquire this responsibility.
	General sales	Maximum of 3%	56	475,888	10.9	Distributed to local government levying tax after deducting cost of administration.	
North Carolina . . . . .	General sales	1%	1 (25 additional counties eff. 3/1/70)	1	—	Distributed quarterly to the taxing county and the municipalities therein after deducting cost of administration; ½ on basis of ad valorem taxes levied and ½ on basis of population.	Mecklenberg county enacted a 1% sales tax on March 1, 1968 after voter approval, under specific legislation. 1969 legislation authorized a 1% local option county sales tax subject to voter approval, effective March 1, 1970.
Ohio . . . . .	General sales	½%	3	1	—	Distributed monthly to county levying tax.	The boards of county commissioners may levy ½ of 1% sales taxes subject to referendum petitions suspending operation of the tax pending voter approval.

See Footnotes at end of table.

TABLE 87 — LOCAL "PIGGYBACK" TAXES, JANUARY 1, 1970 (Cont'd.)

State	Type of "piggyback"	Rate	Number of local governments using tax Jan. 1, 1970	Local share of receipts, 1967		Distribution of receipts	Remarks
				Amount (\$000)	As % of total local tax collections in State		
Oklahoma . . .	General sales	1%	199	12,263	5.4	Collections returned to municipality levying tax less agreed amount to be retained by Tax Commission to cover cost of collection.	In 1965 cities and towns were authorized to levy voter approved taxes for local purposes to the same extent as the State legislature, with the exception of ad valorem property taxes. Cities and towns may contract with the State Tax Commission for the collection of their taxes. Cities must enforce their own sales tax laws.
South Dakota	General sales	½% and 1% 1%	2 1 (eff. 4/1/70)	1	—	Distributed monthly to municipality levying tax after deducting cost of collection and administration.	In 1969 incorporated cities and towns were authorized to impose any nonproperty tax other than a tax on motor vehicle fuel. The local taxes will be administered by the State if a similar tax is levied by the State.
Tennessee . . . .	General sales	1% or 1½%	88	35,016	11.4	Distributed to levying jurisdictions less a reasonable charge to cover administrative costs. Where county levies total allowable tax, cities and towns precluded from levying tax but half proceeds originating in city or town shared with such jurisdictions. If county levies less than maximum, cities and towns may levy the difference.	Counties, incorporated cities and towns are authorized to levy general sales taxes up to ½ of the State sales tax rate. The maximum tax on a single transaction is limited to \$7.50. The tax is subject to voter approval and State collection is optional.

See Footnotes at end of table.

TABLE 87 – LOCAL "PIGGYBACK" TAXES, JANUARY 1, 1970 (Cont'd.)

State	Type of "piggyback"	Rate	Number of local governments using tax Jan. 1, 1970	Local share of receipts, 1967		Distribution of receipts	Remarks
				Amount (\$000)	As % of total local tax collections in State		
Texas . . . . .	General sales	1%	419	<sup>1</sup>	—	Collections, less 2% to cover administration, transmitted to municipality levying tax periodically as promptly as possible.	Cities, towns and villages are authorized, upon approval of the voters, to levy a 1% sales tax to be collected by the State.
Utah . . . . .	General sales	½%	169	7,645	6.2	Receipts distributed quarterly to local government imposing tax less cost of administration, but in no event shall such charge exceed 2½%.	Any county, city or town may levy a ½% sales tax, provided, however, that a city or town may not initiate such a tax levy until the county within which it is located has levied a sales tax. Municipal tax to be credited against county tax.
Virginia . . . . .	General sales	1%	133 (all cities and counties in the State)	45,573	10.5	Distributed monthly to the city or county on the basis of the location of business of the dealer who paid the tax.	

Note: This tabulation includes only those piggyback taxes about which authoritative information is readily available.

n.a. — Data not available.

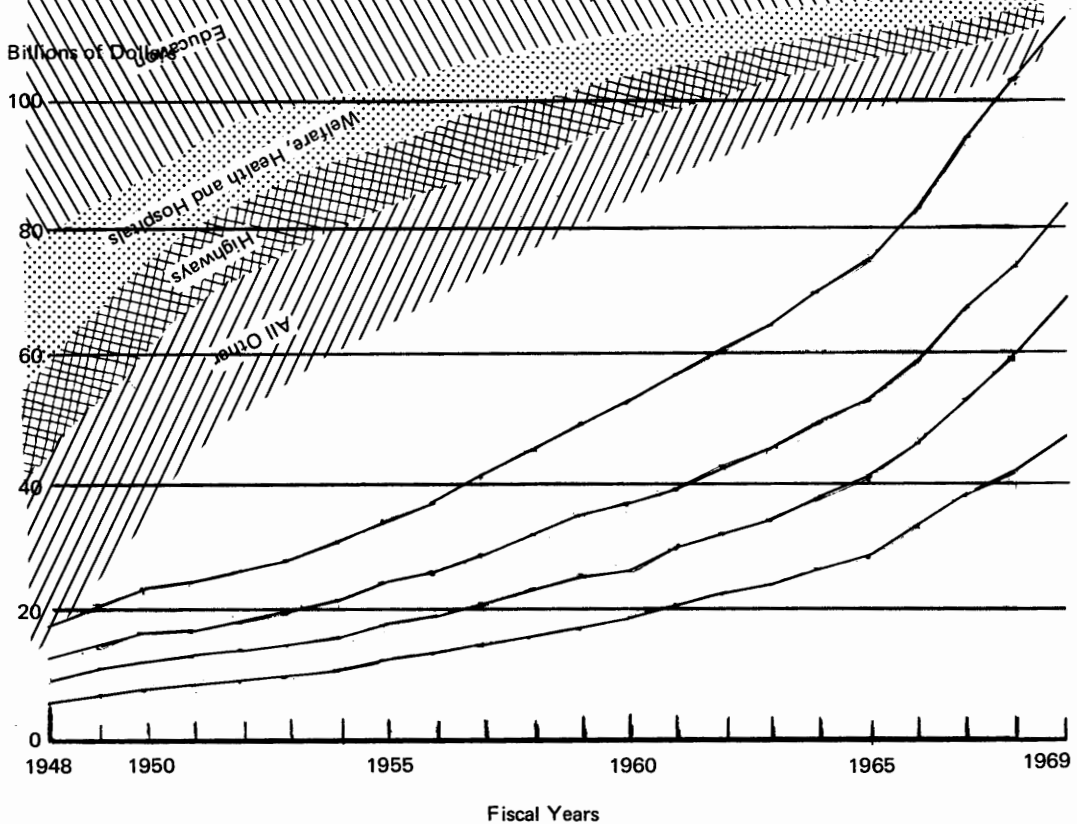
<sup>1</sup>Tax went into effect after reporting period.

<sup>2</sup>Includes local tobacco products tax collections for 1 city.

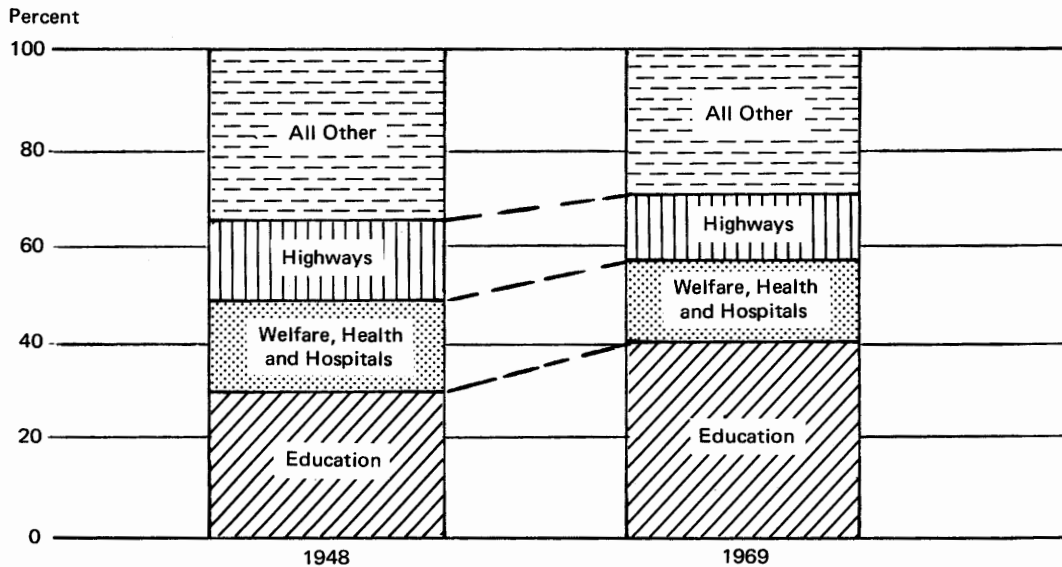
<sup>3</sup>Repealed by 1970 legislation.

Source: Commerce Clearing House, *State Tax Reporter*.

**FIGURE 6 - STATE AND LOCAL GENERAL EXPENDITURE FOR SELECTED FUNCTIONS, 1948 TO 1969**



**PERCENTAGE DISTRIBUTION OF EXPENDITURE, 1948 AND 1969**



**TABLE 88 – SUMMARY OF GENERAL EXPENDITURE (DIRECT AND INTERGOVERNMENTAL),  
BY FUNCTION, BY LEVEL OF GOVERNMENT: 1968-69**

Function	Amount (millions of dollars)				Percent			
	All govern-ments	Federal Govern-ment	State govern-ments	Local govern-ments	All govern-ments	Federal Govern-ment	State govern-ments	Local govern-ments
ALL FUNCTIONS. . . . .	255 924	158 618	68 023	74 029	100.0	100.0	100.0	100.0
DIRECT . . . . .	255 924	139 197	43 244	73 483	100.0	87.8	63.6	99.2
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	<sup>2</sup> 19 421	24 779	546	( <sup>1</sup> )	12.2	36.4	0.7
NATIONAL DEFENSE AND INTERNATIONAL RELATIONS <sup>3</sup> .	84 496	84 496	-	-	33.0	53.3	-	-
POSTAL SERVICE <sup>3</sup> . . . . .	6 993	6 993	-	-	2.7	4.4	-	-
SPACE RESEARCH AND TECHNOLOGY <sup>3</sup> . . . . .	4 189	4 189	-	-	1.6	2.6	-	-
EDUCATION. . . . .	50 377	7 915	27 162	34 967	19.7	5.0	39.9	47.2
DIRECT . . . . .	50 377	3 139	12 304	34 934	19.7	2.0	18.1	47.1
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	4 775	14 858	33	( <sup>1</sup> )	3.0	21.8	-
HIGHWAYS . . . . .	15 738	4 673	12 522	5 045	6.1	2.9	18.4	6.8
DIRECT . . . . .	15 738	321	10 414	5 003	6.1	0.2	15.3	6.7
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	4 352	2 109	41	( <sup>1</sup> )	2.7	3.1	-
PUBLIC WELFARE . . . . .	14 730	8 979	10 866	5 841	5.8	5.7	16.0	7.8
DIRECT . . . . .	14 730	2 620	6 464	5 646	5.8	1.7	9.5	7.6
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	6 358	4 402	195	( <sup>1</sup> )	4.0	6.5	0.2
HEALTH AND HOSPITALS . . . . .	11 929	4 064	4 703	4 375	4.7	2.6	6.9	5.9
DIRECT . . . . .	11 929	3 410	4 257	4 262	4.7	2.1	6.3	5.7
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	654	446	113	( <sup>1</sup> )	0.4	0.7	0.1
NATURAL RESOURCES. . . . .	10 024	7 777	2 096	524	3.9	4.9	3.1	0.7
DIRECT . . . . .	10 024	7 472	2 035	517	3.9	4.7	3.0	0.6
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	305	61	6	( <sup>1</sup> )	0.2	0.1	-
HOUSING AND URBAN RENEWAL. . . . .	2 505	1 524	107	1 889	1.0	1.0	0.2	2.5
DIRECT . . . . .	2 505	603	15	1 887	1.0	0.4	-	2.5
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	921	92	1	( <sup>1</sup> )	0.6	0.1	-
AIR TRANSPORTATION . . . . .	1 630	1 009	129	634	0.6	0.6	0.2	0.8
DIRECT . . . . .	1 630	907	89	634	0.6	0.6	0.1	0.8
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	102	40	-	( <sup>1</sup> )	0.1	0.1	-
SOCIAL INSURANCE ADMINISTRATION. . . . .	1 572	1 521	665	2	0.6	1.0	1.0	-
DIRECT . . . . .	1 572	905	665	2	0.6	0.6	1.0	-
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	616	-	-	( <sup>1</sup> )	0.4	-	-
INTEREST ON GENERAL DEBT <sup>3</sup> . . . . .	16 992	13 260	1 275	2 457	6.6	8.4	1.9	3.3
OTHER AND COMBINED . . . . .	34 743	12 219	8 497	18 297	13.6	7.7	12.5	24.7
DIRECT . . . . .	34 743	10 881	5 726	18 140	13.6	6.9	8.4	24.4
INTERGOVERNMENTAL. . . . .	( <sup>1</sup> )	1 338	2 771	157	( <sup>1</sup> )	0.8	4.1	0.2

- Represents zero or rounds to zero.

<sup>1</sup> Duplicative transactions between levels of government are excluded.

<sup>2</sup> Entirely to States except for \$2,365 million paid direct to local governments, including \$573 million for education, \$919 million for housing and urban renewal, \$61 million for airports, \$135 million for waste treatment facilities, and \$85 million Federal lump-sum contribution to the District of Columbia.

<sup>3</sup> Entirely direct expenditure.

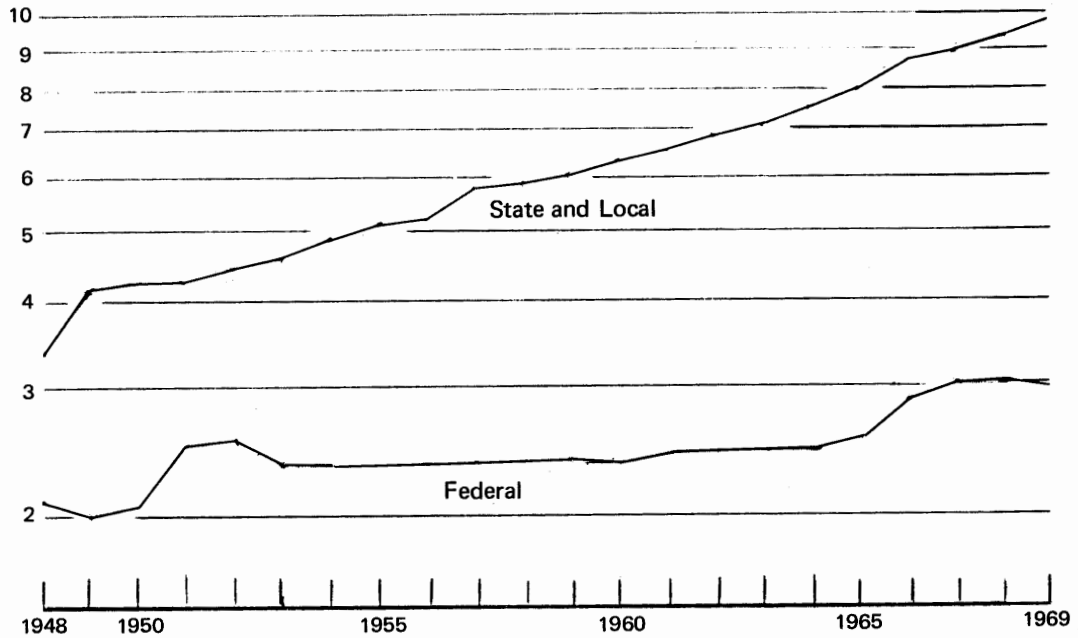
Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

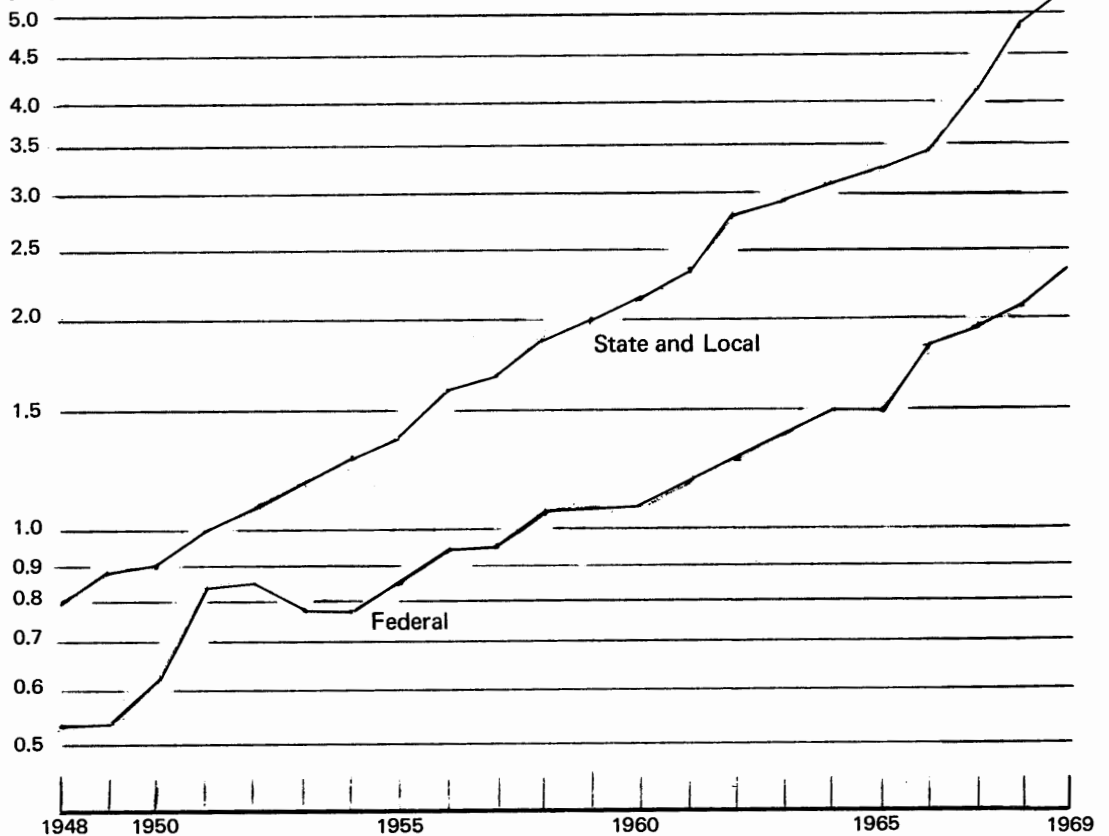


**FIGURE 7 – GOVERNMENT EMPLOYMENT AND PAYROLL, 1948 TO 1969**  
**Logarithmic Scale**

NUMBER OF EMPLOYEES  
 Millions



MONTHLY PAYROLLS  
 Billions of Dollars



Note: Data are for month of October; 1957 data were reported for April and have been adjusted for comparability to October.

**TABLE 89 — DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR  
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1968-69**  
(Millions of dollars)

State and level of government	Total direct general expenditure <sup>1</sup>	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
UNITED STATES, Total . . . . .	116,726.7	47,238.1	33,751.7	15,417.0	2,109.7	8,519.6
State . . . . .	43,243.5	12,303.8	364.6	10,413.6	6,463.6	4,257.5
Local . . . . .	73,483.2	34,934.3	33,387.1	5,003.4	5,646.1	4,262.1
Alabama . . . . .	1,570.2	631.0	398.8	242.1	157.1	127.4
State . . . . .	729.2	241.2	9.1	158.8	154.2	51.1
Local . . . . .	841.0	389.8	389.8	83.3	2.9	76.2
Alaska . . . . .	342.9	110.0	72.1	69.7	11.3	11.7
State . . . . .	239.4	55.4	17.5	63.2	11.3	7.8
Local . . . . .	103.5	54.6	54.6	6.5	—	4.0
Arizona . . . . .	979.8	483.6	313.3	140.2	42.8	45.4
State . . . . .	390.3	149.6	—	105.9	40.2	16.1
Local . . . . .	589.5	338.1	313.3	34.3	2.6	29.3
Arkansas . . . . .	884.2	313.6	220.6	147.2	88.4	57.0
State . . . . .	381.1	93.0	—	112.1	87.7	33.0
Local . . . . .	503.2	220.6	220.6	35.1	0.8	23.9
California . . . . .	15,102.5	5,365.4	3,863.4	1,460.9	2,283.1	965.3
State . . . . .	4,884.8	1,084.9	19.7	932.1	766.8	313.4
Local . . . . .	10,217.7	4,283.9	3,843.7	528.8	1,516.3	651.9
Colorado . . . . .	1,272.0	594.6	361.2	156.3	128.4	92.7
State . . . . .	497.9	219.8	—	101.8	33.6	53.4
Local . . . . .	774.2	375.1	361.2	54.4	94.8	39.4
Connecticut . . . . .	1,764.5	663.8	508.8	209.6	173.6	115.5
State . . . . .	795.0	155.0	—	160.1	158.5	101.9
Local . . . . .	969.4	508.8	508.8	49.5	15.2	13.5
Delaware . . . . .	381.3	160.7	108.6	66.2	24.4	21.3
State . . . . .	197.4	55.6	3.5	32.8	24.4	20.6
Local . . . . .	183.8	105.2	105.2	33.3	—	0.6
District of Columbia . . . . .	664.9	179.5	156.1	65.6	57.2	94.3
Local . . . . .	664.9	179.5	156.1	65.6	57.2	94.3
Florida . . . . .	3,079.9	1,363.5	1,017.1	334.5	171.4	283.0
State . . . . .	1,016.5	269.2	8.9	240.8	152.3	111.7
Local . . . . .	2,063.4	1,094.3	1,008.2	93.6	19.1	171.3
Georgia . . . . .	2,205.7	930.4	658.0	236.8	211.1	253.5
State . . . . .	9,052.2	303.6	33.7	141.8	191.7	86.5
Local . . . . .	1,300.5	626.8	624.3	95.0	19.4	167.0
Hawaii . . . . .	632.7	210.2	131.6	78.5	36.0	36.3
State . . . . .	488.1	208.7	130.0	56.0	35.9	26.1
Local . . . . .	144.5	1.5	1.6	22.5	0.1	10.2
Idaho . . . . .	355.9	139.8	96.3	70.1	25.8	23.8
State . . . . .	170.6	40.2	—	48.8	22.8	11.3
Local . . . . .	185.3	99.6	96.3	21.3	3.0	12.5

See footnotes at end of table.

**TABLE 89 – DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR  
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1968-69 (Cont'd)**  
(Millions of dollars)

State and level of government	Total direct general expenditure <sup>1</sup>	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
UNITED STATES, Total . . . . .	116,726.7	47,238.1	33,751.7	15,417.0	2,109.7	8,519.6
State . . . . .	43,243.5	12,303.8	364.6	10,413.6	6,463.6	4,257.5
Local . . . . .	73,483.2	34,934.3	33,387.1	5,003.4	5,646.1	4,262.1
Illinois . . . . .	6,153.6	2,466.6	1,769.7	821.8	504.4	410.4
State . . . . .	2,183.4	621.5	4.4	536.4	400.1	255.9
Local . . . . .	3,970.3	1,845.1	1,765.3	285.4	104.3	154.5
Indiana . . . . .	2,476.6	1,264.1	821.0	349.9	102.1	191.7
State . . . . .	933.5	440.7	—	246.7	8.3	92.6
Local . . . . .	1,543.1	823.4	821.0	103.2	93.8	99.2
Iowa . . . . .	1,654.1	758.2	533.6	288.2	133.9	97.2
State . . . . .	633.0	215.8	—	147.4	113.7	50.9
Local . . . . .	1,021.1	542.4	533.6	140.8	20.2	46.3
Kansas . . . . .	1,176.1	537.5	358.9	198.2	86.5	83.4
State . . . . .	409.5	153.1	—	116.0	12.4	49.3
Local . . . . .	766.6	384.4	358.9	82.2	74.1	34.1
Kentucky . . . . .	1,620.1	648.5	405.7	340.4	167.2	92.7
State . . . . .	908.2	209.2	2.6	318.3	164.0	50.9
Local . . . . .	711.8	440.5	403.1	22.1	3.1	41.7
Louisiana . . . . .	1,979.0	742.2	532.3	315.3	251.4	150.5
State . . . . .	963.7	215.0	7.5	213.8	250.2	105.7
Local . . . . .	1,015.4	327.2	524.8	101.5	1.2	44.7
Maine . . . . .	468.1	185.9	128.9	87.9	45.6	23.3
State . . . . .	236.5	57.8	0.8	62.4	42.7	19.5
Local . . . . .	231.6	128.2	128.2	25.5	2.9	3.9
Maryland . . . . .	2,312.5	963.5	757.7	236.2	193.2	184.8
State . . . . .	719.9	181.8	—	141.5	80.6	115.6
Local . . . . .	1,592.5	784.9	757.7	94.7	112.6	69.2
Massachusetts . . . . .	3,481.4	1,036.0	828.1	337.5	771.4	268.8
State . . . . .	1,425.0	208.6	—	213.4	513.5	164.6
Local . . . . .	2,056.4	829.1	828.1	124.1	257.8	104.1
Michigan . . . . .	5,387.9	2,561.6	1,723.4	525.6	495.7	417.2
State . . . . .	1,928.6	739.8	—	250.6	418.5	205.2
Local . . . . .	3,459.3	1,821.8	1,723.4	275.0	77.2	212.0
Minnesota . . . . .	2,367.8	1,065.1	777.2	379.5	207.3	170.9
State . . . . .	743.7	287.5	—	216.9	9.0	95.0
Local . . . . .	1,624.1	777.6	777.2	162.6	198.3	75.9
Mississippi . . . . .	1,028.6	408.6	264.3	173.1	84.6	74.2
State . . . . .	470.4	112.6	2.1	103.7	82.3	30.2
Local . . . . .	558.2	296.0	262.3	69.4	2.3	43.9
Missouri . . . . .	2,267.6	968.8	702.6	314.8	239.1	185.1
State . . . . .	934.1	226.0	—	233.6	232.6	102.1
Local . . . . .	1,333.5	742.7	702.6	81.2	6.6	82.9

See footnotes at end of table.

**TABLE 89 – DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR  
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1968-69(Cont'd)**  
(Millions of dollars)

State and level of government	Total direct general expenditure <sup>1</sup>	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
UNITED STATES, Total . . . . .	116,726.7	47,238.1	33,751.7	15,417.0	2,109.7	8,519.6
State . . . . .	43,243.5	12,303.8	364.6	10,413.6	6,463.6	4,257.5
Local . . . . .	73,483.2	34,934.3	33,387.1	5,003.4	5,646.1	4,262.1
Montana . . . . .	402.8	164.8	113.5	96.1	28.0	18.2
State . . . . .	203.2	50.0	—	78.1	23.1	11.9
Local . . . . .	199.6	114.8	113.5	17.9	4.9	6.4
Nebraska . . . . .	768.4	352.9	236.8	127.0	45.1	56.9
State . . . . .	274.8	113.8	—	67.7	4.5	32.5
Local . . . . .	493.6	239.1	236.8	59.3	40.6	24.4
Nevada . . . . .	351.3	116.6	85.2	56.9	22.2	31.1
State . . . . .	142.1	31.4	—	45.5	18.4	5.3
Local . . . . .	209.3	85.2	85.2	11.3	3.8	25.8
New Hampshire . . . . .	348.0	143.9	91.1	72.1	25.3	20.6
State . . . . .	172.8	52.8	—	53.5	18.6	15.3
Local . . . . .	175.2	91.1	91.1	18.6	6.7	5.2
New Jersey . . . . .	3,782.0	1,511.1	1,230.2	569.3	222.9	234.1
State . . . . .	1,114.4	262.2	—	424.3	28.1	116.4
Local . . . . .	2,667.7	1,249.1	1,230.2	145.0	194.8	117.7
New Mexico . . . . .	604.6	293.2	189.3	93.6	57.2	32.4
State . . . . .	310.2	106.8	2.9	74.7	57.0	15.7
Local . . . . .	294.4	186.4	186.4	18.8	0.2	16.6
New York . . . . .	14,972.0	5,070.6	4,022.3	1,310.1	2,206.9	1,541.4
State . . . . .	3,474.5	785.6	—	750.0	105.6	652.8
Local . . . . .	11,497.6	4,303.0	4,022.3	560.0	2,101.3	888.6
North Carolina . . . . .	2,029.7	948.9	631.0	307.0	132.1	150.3
State . . . . .	873.0	298.3	14.2	267.5	18.4	96.0
Local . . . . .	1,156.8	650.6	616.8	39.5	113.8	54.2
North Dakota . . . . .	384.4	161.1	101.8	70.1	28.3	13.1
State . . . . .	197.0	57.3	—	40.7	25.2	12.0
Local . . . . .	187.4	103.8	101.8	29.3	3.1	1.1
Ohio . . . . .	5,095.0	2,150.0	1,570.9	812.8	417.4	312.3
State . . . . .	1,747.2	497.5	—	538.6	285.2	140.2
Local . . . . .	3,347.8	1,655.4	1,570.9	274.3	132.2	172.2
Oklahoma . . . . .	1,316.1	524.4	330.5	201.7	226.4	76.4
State . . . . .	728.0	195.8	2.4	140.4	224.2	50.7
Local . . . . .	588.1	328.6	328.1	61.3	2.2	25.6
Oregon . . . . .	1,270.6	598.8	398.2	172.4	79.4	62.7
State . . . . .	525.9	183.8	—	103.7	75.9	37.4
Local . . . . .	744.7	415.1	398.2	68.7	3.5	25.3
Pennsylvania . . . . .	6,034.8	2,507.4	1,911.7	992.6	560.8	325.5
State . . . . .	2,635.9	631.2	443	817.4	468.4	262.2
Local . . . . .	3,398.8	1,878.6	1,867.4	175.2	92.4	63.3

See footnotes at end of table.

**TABLE 89 – DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR  
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1968-69 (Cont'd)**  
(Millions of dollars)

State and level of government	Total direct general expenditure <sup>1</sup>	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
<b>UNITED STATES, Total</b> . . . . .	116,726.7	47,238.1	33,751.7	15,417.0	2,109.7	8,519.6
State . . . . .	43,243.5	12,303.8	364.6	10,413.6	6,463.6	4,257.5
Local . . . . .	73,483.2	34,934.3	33,387.1	5,003.4	5,646.1	4,262.1
<b>Rhode Island</b> . . . . .	542.8	192.3	119.8	78.7	73.7	32.8
State . . . . .	299.5	72.5	—	64.7	66.7	32.2
Local . . . . .	243.3	119.8	119.8	13.9	7.0	0.6
<b>South Carolina</b> . . . . .	1,023.2	480.9	329.5	118.6	55.1	97.7
State . . . . .	510.6	168.9	17.5	100.9	52.7	50.6
Local . . . . .	512.6	312.0	312.0	17.7	2.5	47.1
<b>South Dakota</b> . . . . .	395.8	183.9	124.6	93.2	26.0	12.8
State . . . . .	192.4	59.3	—	65.1	24.3	9.1
Local . . . . .	203.4	124.6	124.6	28.1	1.7	3.7
<b>Tennessee</b> . . . . .	1,725.9	697.0	465.1	283.0	126.3	154.6
State . . . . .	739.8	232.9	—	195.9	117.7	64.0
Local . . . . .	986.1	465.4	465.1	87.1	8.6	90.6
<b>Texas</b> . . . . .	4,940.0	2,267.7	1,631.7	796.5	387.5	321.0
State . . . . .	1,960.8	592.6	17.0	564.1	376.6	158.3
Local . . . . .	2,979.2	1,675.1	1,614.8	232.3	10.9	162.7
<b>Utah</b> . . . . .	612.1	325.8	202.6	97.3	41.3	28.8
State . . . . .	305.0	123.1	—	80.9	40.6	17.0
Local . . . . .	307.1	202.6	202.6	16.4	0.7	11.8
<b>Vermont</b> . . . . .	279.5	110.1	63.1	68.6	30.2	10.6
State . . . . .	178.1	46.9	—	54.8	28.0	10.1
Local . . . . .	101.4	63.1	63.1	13.8	2.2	0.5
<b>Virginia</b> . . . . .	2,126.5	947.8	681.4	366.9	101.0	146.7
State . . . . .	879.5	266.5	—	312.5	14.7	12.0
Local . . . . .	1,247.0	681.3	681.4	54.4	86.3	26.7
<b>Washington</b> . . . . .	2,208.3	1,004.2	676.7	309.5	186.5	124.1
State . . . . .	1,004.9	354.3	26.7	213.3	186.0	64.3
Local . . . . .	1,203.4	649.9	650.0	96.2	0.5	59.9
<b>West Virginia</b> . . . . .	845.2	355.3	230.5	189.0	74.7	49.7
State . . . . .	505.1	124.7	—	181.7	71.0	33.3
Local . . . . .	340.1	230.5	230.5	7.3	3.7	16.4
<b>Wisconsin</b> . . . . .	2,754.3	1,230.8	738.7	416.1	252.2	166.8
State . . . . .	948.9	414.1	—	157.6	122.5	73.2
Local . . . . .	1,805.4	816.7	738.7	258.6	129.7	93.6
<b>Wyoming</b> . . . . .	303.5	107.5	65.9	71.9	10.3	21.6
State . . . . .	134.9	36.0	—	64.8	2.7	6.5
Local . . . . .	168.6	71.4	65.9	7.1	7.6	15.2

<sup>1</sup> Includes amounts for categories not shown separately.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

**TABLE 90 – CAPITAL OUTLAY OF STATE AND LOCAL GOVERNMENTS IN TOTAL  
AND FOR SELECTED FUNCTIONS: 1968-69  
(Millions of dollars)**

State	Total	General expenditure for capital outlay							Local utilities	
		All general government functions <sup>1</sup>	Education			Highways	Health and hospitals	Sewerage	Water supply systems	Other (electric, gas supply, transit systems)
			Total <sup>1</sup>	Local schools	Institutions of higher education					
UNITED STATES . . . . .	28 239.6	25 685.9	7 329.4	4 478.6	2 645.6	10 272.6	760.8	1 207.5	1 224.5	1 326.4
ALABAMA . . . . .	398.9	370.7	95.4	47.3	45.6	153.3	9.6	14.1	18.1	10.0
ALASKA . . . . .	132.1	124.7	23.5	10.7	12.7	53.5	2.3	0.8	1.9	5.5
ARIZONA . . . . .	270.7	224.9	74.2	36.2	37.5	106.2	6.1	8.6	19.7	26.1
ARKANSAS . . . . .	289.4	281.3	47.4	33.6	12.0	83.8	6.4	2.8	7.2	0.9
CALIFORNIA . . . . .	3 312.1	2 673.3	588.0	366.0	221.5	1 055.4	67.1	92.1	230.5	408.3
COLORADO . . . . .	281.6	243.8	74.7	34.0	39.4	96.8	6.8	8.7	30.6	7.2
CONNECTICUT . . . . .	403.6	397.1	111.9	72.4	31.3	119.7	21.7	39.5	5.6	0.9
DELAWARE . . . . .	117.2	115.5	38.6	30.0	8.4	49.2	3.5	0.9	0.6	1.1
DISTRICT OF COLUMBIA . . . . .	140.9	125.7	32.7	27.6	5.1	50.0	3.3	12.8	2.7	12.5
FLORIDA . . . . .	720.7	650.8	217.3	137.7	78.2	220.7	19.8	30.3	38.9	31.0
GEORGIA . . . . .	555.5	528.0	184.9	112.3	70.6	145.5	35.4	20.8	21.2	6.3
HAWAII . . . . .	191.0	180.6	28.1	16.7	9.9	59.9	2.0	10.8	10.4	-
IDAHO . . . . .	81.6	80.0	20.6	13.3	7.0	45.2	2.0	1.6	0.9	0.7
ILLINOIS . . . . .	1 685.3	1 610.9	388.6	214.7	172.7	588.1	36.9	95.5	56.2	18.2
INDIANA . . . . .	624.6	595.6	191.1	98.2	92.1	237.1	21.1	45.8	17.7	11.3
IOWA . . . . .	410.7	380.1	93.5	54.7	38.3	166.9	5.8	11.8	11.6	18.9
KANSAS . . . . .	277.9	244.4	62.0	34.9	26.8	116.7	5.8	8.9	15.4	18.1
KENTUCKY . . . . .	514.4	493.3	153.3	63.8	83.6	250.4	3.0	10.6	16.0	5.1
LOUISIANA . . . . .	477.4	433.1	109.4	76.7	32.3	203.1	12.8	30.6	28.0	16.3
MAINE . . . . .	94.1	90.0	27.4	17.5	8.9	41.5	0.5	4.7	4.0	0.1
MARYLAND . . . . .	606.2	563.5	185.3	145.5	38.3	167.0	19.2	82.7	42.1	0.6
MASSACHUSETTS . . . . .	602.3	545.3	170.1	115.7	54.1	172.9	22.0	25.4	13.1	43.9
MICHIGAN . . . . .	1 091.7	1 033.7	429.1	269.4	158.5	345.4	21.4	38.0	44.2	13.7
MINNESOTA . . . . .	604.3	564.4	165.9	121.0	44.3	258.9	11.8	33.2	20.8	19.1
MISSISSIPPI . . . . .	289.9	273.5	52.0	31.6	16.9	94.9	7.8	3.8	13.4	3.0
MISSOURI . . . . .	533.8	495.5	161.6	90.1	71.2	207.7	14.2	33.3	14.6	23.7
MONTANA . . . . .	111.1	109.6	20.8	11.8	8.6	73.4	1.4	4.1	1.5	-
NEBRASKA . . . . .	259.9	161.9	45.8	25.9	17.8	73.6	6.3	8.0	7.0	91.0
NEVADA . . . . .	86.0	79.1	16.9	10.2	6.6	41.2	3.4	1.3	6.6	0.3
NEW HAMPSHIRE . . . . .	88.0	86.7	28.9	15.9	12.9	39.8	2.4	2.7	1.2	-
NEW JERSEY . . . . .	896.0	831.5	192.4	139.7	51.4	404.6	11.0	70.6	32.4	32.1
NEW MEXICO . . . . .	125.9	117.6	31.3	18.9	12.0	63.3	3.6	4.5	7.6	0.7
NEW YORK . . . . .	2 964.5	2 696.9	761.0	500.9	175.8	816.9	173.6	100.4	77.5	190.1
NORTH CAROLINA . . . . .	499.6	478.0	158.2	84.5	65.6	213.0	20.2	19.1	13.9	7.7
NORTH DAKOTA . . . . .	86.1	84.7	26.7	16.5	9.9	43.5	1.2	1.9	1.4	-
OHIO . . . . .	1 335.4	1 264.7	335.3	181.6	153.7	558.1	34.7	71.4	53.8	16.7
OKLAHOMA . . . . .	243.6	234.1	60.2	30.5	28.8	125.1	7.4	6.2	8.2	1.3
OREGON . . . . .	259.6	238.7	66.4	41.3	25.1	98.3	4.0	14.3	14.0	6.9
PENNSYLVANIA . . . . .	1 641.1	1 539.6	422.2	288.8	93.2	701.6	20.9	47.8	49.0	51.3
RHODE ISLAND . . . . .	141.4	132.1	33.2	14.6	7.3	58.6	0.9	4.3	9.3	-
SOUTH CAROLINA . . . . .	253.6	242.5	82.4	45.4	32.3	72.5	12.2	8.9	6.9	4.2
SOUTH DAKOTA . . . . .	100.4	98.0	28.0	19.8	8.2	57.3	1.5	3.9	1.3	1.1
TENNESSEE . . . . .	568.4	484.5	149.0	68.0	74.6	200.2	11.3	26.5	35.1	48.8
TEXAS . . . . .	1 409.0	1 216.8	417.9	268.7	148.4	569.5	26.7	30.1	116.1	76.1
UTAH . . . . .	162.3	155.5	59.6	36.5	22.3	71.6	3.1	3.6	4.4	2.4
VERMONT . . . . .	79.9	77.9	26.7	10.3	15.1	41.3	0.7	4.5	0.8	1.2
VIRGINIA . . . . .	603.8	577.9	169.6	119.4	48.0	255.8	17.1	35.5	20.5	4.5
WASHINGTON . . . . .	666.4	532.0	178.3	113.8	64.3	209.4	10.5	31.9	50.7	83.7
WEST VIRGINIA . . . . .	209.7	208.9	51.6	22.2	28.6	117.9	3.1	3.8	0.7	0.1
WISCONSIN . . . . .	623.2	603.0	226.7	116.7	109.7	222.5	13.4	33.6	17.0	3.2
WYOMING . . . . .	116.1	113.6	13.4	5.2	8.2	53.8	1.6	1.0	2.2	0.3

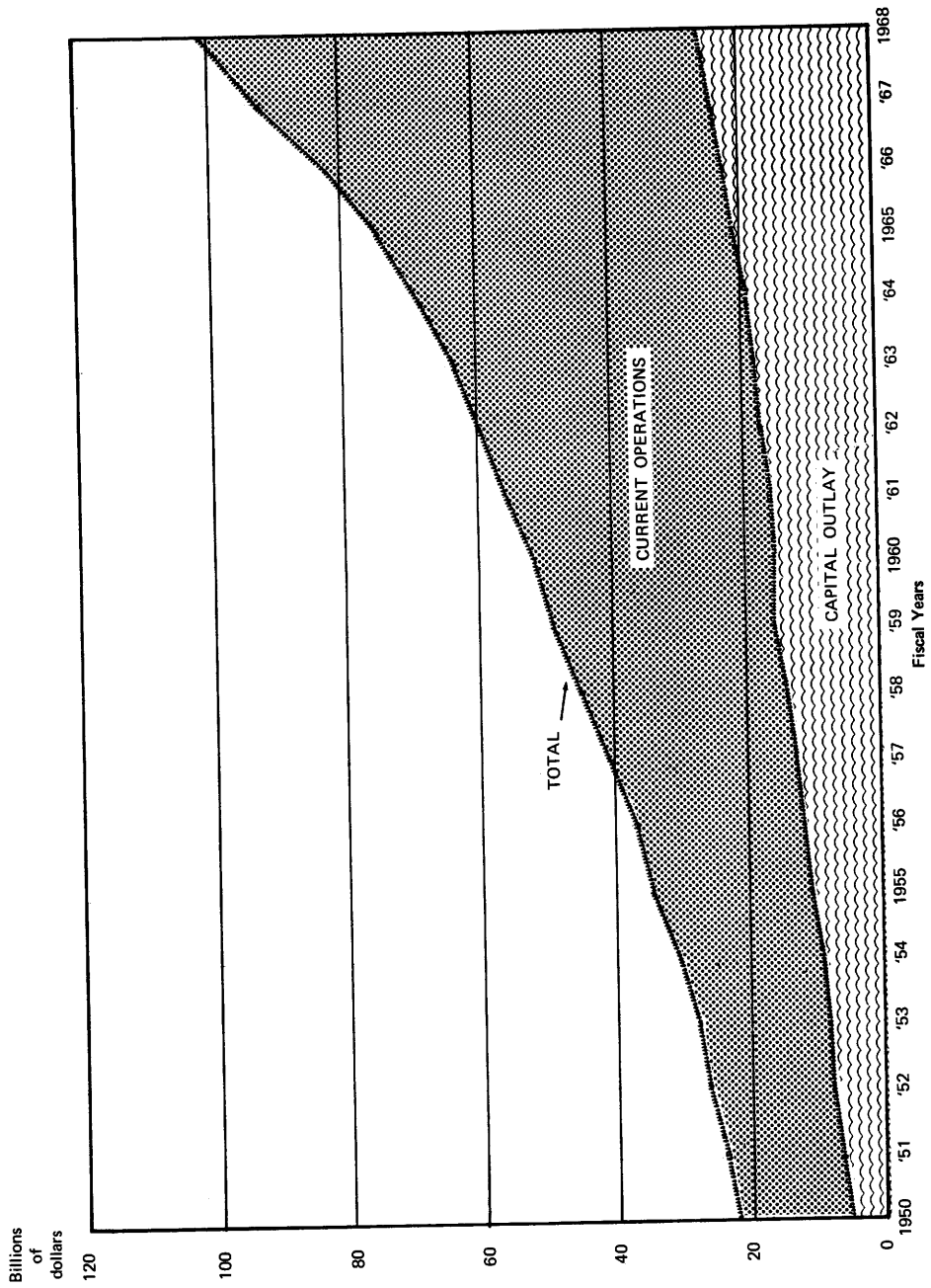
- Represents zero or rounds to zero.

<sup>1</sup> Including amounts for categories not shown separately.

Note: Because of rounding, detail may not add to totals. These amounts are based on estimates subject to sampling variation.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

**FIGURE 8**  
**STATE AND LOCAL GENERAL AND UTILITY EXPENDITURE**  
**FOR CURRENT OPERATIONS AND CAPITAL OUTLAY, 1950-1968**  
 (Interest on Debt Excluded)



Source: U.S. Dept. of Commerce, Bureau of the Census, *Census of Governments*.

TABLE 91 — ESTIMATED REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY SCHOOLS, BY GOVERNMENTAL SOURCE,  
BY STATE, 1969-1970

State and region	Revenue Receipts by source (in thousands)				Percent of revenue receipts by source <sup>1</sup>				
	Federal <sup>2</sup>	State	Local and other <sup>3</sup>	Total	Total			Excluding Federal	
					Federal <sup>2</sup>	State	Local	State	Local
50 States and D.C. . . . .	\$2,556,167	\$15,617,379	\$20,078,292	\$38,251,838	6.7	40.8	52.5	43.7	56.3
New England . . . . .	112,171	570,199	1,458,707	2,141,077	5.2	26.6	68.1	28.1	71.9
Maine <sup>4</sup> . . . . .	9,400	78,500	87,100	175,000	5.4	44.9	49.8	47.4	52.6
New Hampshire <sup>5</sup> . . . . .	4,670	9,400	96,068	110,138	4.2	8.5	87.2	8.9	91.1
Vermont . . . . .	2,432	21,040	50,193	73,665	3.3	28.6	68.1	29.5	70.5
Massachusetts . . . . .	60,000	200,000	738,400	998,400	6.0	20.0	74.0	21.3	78.7
Rhode Island . . . . .	11,969	51,259	85,446	148,674	8.1	34.5	57.5	37.5	62.5
Connecticut . . . . .	23,700	210,000	401,500	635,200	3.7	33.1	63.2	34.4	65.6
Mideast . . . . .	478,034	3,928,170	5,057,350	9,463,554	5.1	41.5	53.4	43.7	56.3
New York . . . . .	160,000	2,071,000	2,329,000	4,560,000	3.5	45.4	51.1	47.1	52.9
New Jersey . . . . .	64,000	429,000	1,010,000	1,503,000	4.3	28.5	67.2	29.8	70.2
Pennsylvania . . . . .	127,631	1,039,369	1,047,268	2,214,268	5.8	46.9	47.3	49.8	50.2
Delaware . . . . .	9,405	87,900	27,200	124,505	7.6	70.6	21.8	76.4	23.6
Maryland <sup>6</sup> . . . . .	54,698	300,901	500,182	855,781	6.4	35.2	58.4	37.6	62.4
Dist. of Columbia* <sup>7</sup> . . . . .	62,300	...	143,700	206,000	30.2	...	69.8	...	100.0
Great Lakes . . . . .	336,936	2,744,581	4,620,394	7,701,911	4.4	35.6	60.0	37.3	62.7
Michigan . . . . .	67,000	770,000	870,708	1,707,708	3.9	45.1	51.0	46.9	53.1
Ohio . . . . .	83,000	560,000	1,130,100	1,773,100	4.7	31.6	63.7	33.1	66.9
Indiana . . . . .	41,800	360,000	628,300	1,030,100	4.1	34.9	61.0	36.4	63.6
Illinois . . . . .	116,852	797,649	1,401,217	2,315,718	5.0	34.4	60.5	36.3	63.7
Wisconsin . . . . .	28,284	256,932	590,069	875,285	3.2	29.4	67.4	30.3	69.7
Plains . . . . .	180,113	997,767	1,840,508	3,018,388	6.0	33.1	61.0	35.2	64.8
Minnesota . . . . .	45,000	365,000	431,000	841,000	5.4	43.4	51.2	45.9	54.1
Iowa <sup>8</sup> . . . . .	22,100	167,000	365,158	554,258	4.0	30.1	65.9	31.4	68.6
Missouri . . . . .	46,351	255,972	439,000	741,323	6.3	34.5	59.2	36.8	63.2
North Dakota . . . . .	7,400	28,500	69,000	104,900	7.1	27.2	65.8	29.2	70.8
South Dakota . . . . .	12,000	14,500	80,000	106,500	11.3	13.6	75.1	15.3	84.7
Nebraska . . . . .	13,550	42,378	156,000	211,928	6.4	20.0	73.6	21.4	78.6
Kansas . . . . .	33,712	124,417	300,350	458,479	7.4	27.1	65.5	29.3	70.7
Southeast . . . . .	763,700	3,593,323	2,173,370	6,530,393	11.7	55.0	33.3	62.3	37.7
Virginia . . . . .	75,000	300,000	445,000	820,000	9.1	36.6	54.3	40.3	59.7

See footnotes at end of table.



**TABLE 91 – ESTIMATED REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY SCHOOLS, BY GOVERNMENTAL SOURCE,  
BY STATE, 1969-1970 (Cont'd)**

State and region	Revenue Receipts by source (in thousands)				Percent of revenue receipts by sources <sup>1</sup>				
	Federal <sup>2</sup>	State	Local and other <sup>3</sup>	Total	Total			Excluding Federal	
					Federal <sup>2</sup>	State	Local	State	Local
50 States and D.C. . . . .	\$2,556,167	\$15,617,379	\$20,078,292	\$38,251,838	6.7	40.8	52.5	43.7	56.3
West Virginia . . . . .	34,500	134,500	110,000	279,000	12.4	48.2	39.4	55.0	45.0
Kentucky . . . . .	61,700	235,000	150,000	446,700	13.8	52.6	33.6	61.0	39.0
Tennessee . . . . .	54,000	257,000	210,400	521,400	10.4	49.3	40.4	55.0	45.0
North Carolina . . . . .	87,146	571,559	147,000	805,705	10.8	70.9	18.2	79.5	20.5
South Carolina . . . . .	52,774	245,000	100,000	397,774	13.3	61.6	25.1	71.0	29.0
Georgia . . . . .	68,157	377,546	197,086	642,789	10.6	58.7	30.7	65.7	34.3
Florida . . . . .	98,435	608,727	370,185	1,077,347	9.1	56.5	34.4	62.2	37.8
Alabama <sup>9</sup> . . . . .	59,144	257,717	92,000	408,861	14.5	63.0	22.5	73.7	26.3
Mississippi . . . . .	69,000	162,000	83,000	314,000	22.0	51.6	26.4	66.1	33.9
Louisiana . . . . .	61,680	331,890	176,000	569,570	10.8	58.3	30.9	65.3	34.7
Arkansas . . . . .	42,164	112,384	92,699	247,247	17.1	45.5	37.5	54.8	45.2
Southwest . . . . .	270,334	1,176,235	1,034,441	2,481,010	10.9	47.4	41.7	53.2	46.8
Oklahoma . . . . .	35,000	142,934	172,000	349,934	10.0	40.8	49.2	45.4	54.6
Texas <sup>10</sup> . . . . .	176,449	740,000	663,000	1,579,449	11.2	46.9	42.0	52.7	47.3
New Mexico . . . . .	28,659	128,174	47,511	204,344	14.0	62.7	23.3	73.0	27.0
Arizona . . . . .	30,226	165,127	151,930	347,283	8.7	47.5	43.7	52.1	47.9
Rocky Mountain . . . . .	72,750	332,115	567,258	972,123	7.5	34.2	58.4	36.9	63.1
Montana . . . . .	8,500	45,000	92,000	145,500	5.8	30.9	63.2	32.8	67.2
Idaho . . . . .	9,100	51,000	58,000	118,100	7.7	43.2	49.1	46.8	53.2
Wyoming <sup>11</sup> . . . . .	16,200	18,500	38,000	72,700	22.3	25.4	52.3	32.7	67.3
Colorado . . . . .	26,900	106,000	285,800	418,700	6.4	25.3	68.3	27.1	72.9
Utah . . . . .	12,050	111,615	93,458	217,123	5.5	51.4	43.0	54.4	45.6
Far West . . . . .	303,970	2,087,500	3,292,600	5,684,070	5.3	36.7	57.9	38.8	61.2
Washington . . . . .	40,270	400,000	240,000	680,270	5.9	58.8	35.3	62.5	37.5
Oregon . . . . .	27,500	97,000	346,000	470,500	5.8	20.6	73.5	21.9	78.1
Nevada . . . . .	6,200	40,500	56,600	103,300	6.0	39.2	54.8	41.7	58.3
California . . . . .	230,000	1,550,000	2,650,000	4,430,000	5.2	35.0	59.8	36.9	63.1
Alaska . . . . .	22,659	38,489	26,964	88,112	25.7	43.7	30.6	58.8	41.2
Hawaii . . . . .	15,500	149,000	6,700	171,200	9.1	87.0	3.9	95.7	4.3

See footnote at end of table.

**TABLE 91 — ESTIMATED REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY SCHOOLS, BY GOVERNMENTAL SOURCE,  
BY STATE, 1969-1970 (Cont'd)**

\*Estimated by NEA Research Division.

<sup>1</sup> Percents may not add up to 100.0 because of rounding.

<sup>2</sup> Includes Federal grant programs to state and local school systems, including funds under the Elementary and Secondary Education Act, Economic Opportunity Act, aid to federally impacted areas, National Defense Education Act, Manpower Development and Training, vocational education, etc. Funds received from the School Lunch and Milk Program are included, but reporting on the money value of commodities received is incomplete. ESEA revenues have generally been estimated on a cash expenditure basis.

<sup>3</sup> Includes revenue receipts from local and intermediate sources, gifts, and tuition and fees from patrons.

<sup>4</sup> Includes special state appropriation of \$21,500,000 to change fiscal year of school districts.

<sup>5</sup> Excludes state's share of teacher retirement and social security.

<sup>6</sup> Excludes revenues for public junior colleges as this responsibility was transferred from State department to education.

<sup>7</sup> Federal revenue receipts include federal appropriations for capital outlay, civil defense, Capital Page School, and other federally funded programs listed in footnote 2 above.

<sup>8</sup> Includes State appropriation for area vocational schools and junior colleges not the responsibility of local school districts.

<sup>9</sup> State revenue receipts include social security and teacher retirement for all educational agencies and institutions.

<sup>10</sup> Excludes revenues for kindergartens.

<sup>11</sup> Federal revenue includes \$9,000,000 oil royalties which are appropriated by the State Legislature for schools and could thereby be considered State funds.

Source: National Education Association, *Estimates of School Statistics, 1969-70*, Research Report 1969 R-15. (Copyright 1969 by the National Education Association; all rights reserved).

TABLE 92 — STATE AND LOCAL EXPENDITURE FOR HIGHWAYS, BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1968-69  
(Dollar amounts in millions)

State	Total expenditure								Exp. fr. own sources		
	Amount	% Financed from			State expenditure		Local direct exp.		Amount	% Financed from	
		Fed. aid	State funds	Local funds	Direct <sup>1</sup>	Intergovernmental	Amount	% Financed fr. State aid		State funds	Local funds
UNITED STATES . . . . .	\$15,417.0	27.5	52.8	19.7	\$10,413.6	\$2,108.7	\$5,003.4	42.1	11,183.8	72.8	27.2
Alabama . . . . .	242.1	30.8	58.1	11.1	158.8	60.4	83.3	72.5	167.5	84.0	16.0
Alaska . . . . .	69.7	57.5	33.1	9.3	63.2	—	6.5	—	29.6	78.0	22.0
Arizona . . . . .	140.2	39.2	50.4	10.5	105.9	22.3	34.3	65.0	85.3	82.8	17.2
Arkansas . . . . .	147.2	33.4	60.6	6.0	112.1	26.5	35.1	75.5	98.0	91.0	9.0
California . . . . .	1,460.9	20.5	61.5	18.1	932.1	279.7	528.8	52.9	1,161.6	77.3	22.7
Colorado . . . . .	156.3	41.6	37.8	20.5	101.8	24.3	54.4	44.7	91.2	64.8	35.2
Connecticut . . . . .	209.6	29.0	51.5	19.5	160.1	9.4	49.5	19.0	148.9	72.5	27.5
Delaware . . . . .	66.2	14.7	38.1	47.1	32.8	2.1	33.3	6.3	56.4	44.7	55.3
Dist. of Columbia . . . . .	65.6	48.6	—	51.4	—	—	65.6	—	33.7	—	100.0
Florida . . . . .	334.5	21.6	56.9	21.5	240.8	21.8	93.6	23.3	262.2	72.6	27.4
Georgia . . . . .	236.8	32.1	41.1	26.8	141.8	32.4	95.0	34.1	160.9	60.5	39.5
Hawaii . . . . .	78.5	37.1	34.3	28.7	56.0	—	22.5	—	49.4	54.5	45.5
Idaho . . . . .	70.1	40.4	46.5	13.1	48.8	12.5	21.3	58.7	41.8	78.0	22.0
Illinois . . . . .	821.8	27.9	55.6	16.5	536.4	157.3	285.4	55.1	592.5	77.1	22.9
Indiana . . . . .	349.9	40.5	53.9	5.5	246.7	86.8	103.2	84.1	208.1	90.7	9.3
Iowa . . . . .	288.2	16.9	58.9	24.1	147.4	75.3	140.8	53.5	239.4	70.9	29.1
Kansas . . . . .	198.2	24.1	38.3	37.6	116.0	15.7	82.2	19.1	150.5	50.5	49.5
Kentucky . . . . .	340.4	40.0	54.5	5.5	318.3	3.3	22.1	14.9	204.3	90.8	9.2
Louisiana . . . . .	315.3	32.0	39.2	28.8	213.8	24.8	101.5	24.4	214.3	57.7	42.3
Maine . . . . .	87.9	23.0	49.8	27.2	62.4	3.7	25.5	14.5	67.7	64.7	35.3
Maryland . . . . .	236.2	21.8	65.7	12.6	141.5	71.1	94.7	75.1	184.8	83.9	16.1
Massachusetts . . . . .	337.5	31.7	35.9	32.4	213.4	14.8	124.1	11.9	230.5	52.5	47.5
Michigan . . . . .	525.6	28.1	58.1	13.8	250.6	215.8	275.0	78.5	377.8	80.9	19.1
Minnesota . . . . .	379.5	25.1	46.6	28.4	216.9	61.5	162.6	37.8	284.3	62.2	37.8
Mississippi . . . . .	173.1	26.9	47.8	25.3	103.7	27.1	69.4	39.0	126.5	65.4	34.6

See footnotes at end of table.

TABLE 92 – STATE AND LOCAL EXPENDITURE FOR HIGHWAYS, BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1968-69 (Cont'd)  
(Dollar amounts in millions)

State	Total expenditure								Exp. fr. own sources		
	Amount	% Financed from			State expenditure		Local direct exp.		Amount	% Financed from	
		Fed. aid	State funds	Local funds	Direct <sup>1</sup>	Intergovernmental	Amount	% Financed fr. State aid		State funds	Local funds
Missouri .....	314.8	24.2	55.1	20.6	233.6	19.6	81.2	24.1	238.6	72.8	27.2
Montana .....	96.1	49.4	31.7	18.7	78.1	—	17.9	—	48.5	62.9	37.1
Nebraska .....	127.0	24.0	45.6	30.4	67.7	23.2	59.3	39.1	96.5	60.0	40.0
Nevada .....	56.9	52.4	33.7	13.7	45.5	3.8	11.3	33.6	27.0	71.1	28.9
New Hampshire .....	72.1	27.6	41.9	30.5	53.5	.5	18.6	2.7	52.2	57.9	42.1
New Jersey .....	569.3	20.6	57.3	22.1	424.3	21.0	145.0	14.5	451.9	72.1	27.9
New Mexico .....	93.6	50.6	35.3	14.0	74.7	5.8	18.8	30.9	46.1	71.6	28.4
New York .....	1,310.1	20.1	47.7	32.2	750.0	138.5	560.0	24.7	1,047.0	59.7	40.3
North Carolina .....	307.0	17.2	72.0	10.8	267.5	10.4	39.5	26.3	254.2	86.9	13.1
North Dakota .....	70.1	32.1	38.9	28.8	40.7	11.7	29.3	39.9	47.5	57.5	42.5
Ohio .....	812.8	32.6	55.5	11.9	538.6	191.0	274.3	69.6	548.1	82.3	17.7
Oklahoma .....	201.7	27.4	65.5	7.1	140.4	50.5	61.3	82.4	146.5	90.2	9.8
Oregon .....	172.4	29.1	58.4	12.6	103.7	48.6	68.7	70.7	122.3	82.3	17.7
Pennsylvania .....	992.6	24.5	63.5	12.0	817.4	65.1	175.2	37.2	749.5	84.1	15.9
Rhode Island .....	78.7	26.2	56.5	17.2	64.7	.4	13.9	2.9	58.0	76.7	23.3
South Carolina .....	118.6	27.0	67.6	5.4	100.9	11.4	17.7	64.4	86.6	92.6	7.4
South Dakota .....	93.2	38.8	33.9	27.3	65.1	2.7	28.1	9.6	57.0	55.4	44.6
Tennessee .....	283.0	32.1	57.2	10.7	195.9	57.8	87.1	66.4	192.2	84.2	15.8
Texas .....	796.5	23.9	46.9	29.1	564.1	7.5	232.3	3.2	605.8	61.7	38.3
Utah .....	97.3	57.5	29.9	12.6	80.9	4.6	16.4	28.0	41.4	70.3	29.7
Vermont .....	68.6	51.3	38.8	9.9	54.8	7.0	13.8	50.7	33.4	79.6	20.4
Virginia .....	366.9	35.8	52.5	11.7	312.5	18.5	54.4	34.0	235.6	81.7	18.3
Washington .....	309.5	26.6	60.6	12.8	213.3	62.0	96.2	64.4	227.3	82.5	17.5
West Virginia .....	189.0	49.6	46.5	3.9	181.7	—	7.3	—	95.2	92.3	7.7
Wisconsin .....	416.1	9.4	48.4	42.2	157.6	95.5	258.6	36.9	377.0	53.4	46.6
Wyoming .....	71.9	57.4	36.3	6.3	64.8	3.1	7.1	43.7	30.6	85.3	14.7

<sup>1</sup> All Federal aid highway funds assumed to be spent directly by the State government (except in the District of Columbia).

Source: Compiled by ACIR staff from various reports of the Governments Division, U.S. Bureau of the Census.

TABLE 93 – STATE AND LOCAL EXPENDITURE FOR PUBLIC WELFARE, BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1968-69

State	Total (millions)	Per capita	Percent financed from –			Average monthly benefit payments, July 1969	
			Federal aid	State funds	Local funds	A.F.D.C. <sup>1</sup>	O.A.A. <sup>2</sup>
UNITED STATES . . . . .	\$12,109.7	\$59.97	53.7	34.3	12.0	\$45.43	\$71.57
Alabama . . . . .	157.1	44.49	73.0	25.1	1.8	15.15	61.85
Alaska . . . . .	11.3	40.15	39.8	60.2	–	48.05	90.70
Arizona . . . . .	42.8	25.27	64.3	29.4	6.3	34.70	66.45
Arkansas . . . . .	88.4	44.33	74.4	24.8	0.8	19.75	53.45
California . . . . .	2,283.1	117.42	49.7	36.2	14.1	50.20	105.65
Colorado . . . . .	128.4	61.12	51.6	38.3	10.2	40.60	77.85
Connecticut . . . . .	173.6	57.86	44.5	51.0	4.5	59.25	90.35
Delaware . . . . .	24.4	45.15	42.2	49.6	8.2	33.00	57.60
Dist. of Columbia . . . . .	57.2	71.63	43.7	–	56.3	42.40	74.95
Florida . . . . .	171.4	26.96	69.3	19.7	11.0	24.40	48.65
Georgia . . . . .	211.1	45.48	73.9	21.6	4.5	27.85	50.65
Hawaii . . . . .	36.0	45.32	40.3	59.4	0.3	54.20	96.65
Idaho . . . . .	25.8	35.87	58.1	30.2	11.6	48.00	64.90
Illinois . . . . .	504.4	45.65	68.1	31.9	*	50.35	68.00
Indiana . . . . .	102.1	19.95	41.7	28.2	30.1	32.45	46.90
Iowa . . . . .	133.9	48.14	43.6	34.9	21.5	50.85	108.60
Kansas . . . . .	86.5	37.26	60.6	39.4	–	47.70	78.80
Kentucky . . . . .	167.2	51.71	75.7	22.4	1.9	29.30	53.70
Louisiana . . . . .	251.4	67.12	72.4	27.1	0.5	21.70	69.40
Maine . . . . .	45.6	46.63	59.2	33.3	7.5	31.45	56.60
Maryland . . . . .	193.2	51.31	44.7	48.2	7.1	41.15	64.95
Massachusetts . . . . .	771.4	141.09	29.9	43.5	26.6	62.95	88.95
Michigan . . . . .	495.7	56.54	44.1	45.1	10.8	51.20	72.55
Minnesota . . . . .	207.3	56.03	51.5	20.2	28.3	58.65	66.45
Mississippi . . . . .	84.6	35.83	68.9	28.0	3.1	10.55	39.80
Missouri . . . . .	239.1	51.41	63.0	34.7	2.4	27.65	74.40
Montana . . . . .	28.0	40.38	47.5	25.4	27.1	37.45	63.45
Nebraska . . . . .	45.1	31.10	72.1	27.9	–	37.90	57.80
Nevada . . . . .	22.2	48.48	55.9	18.5	25.7	32.20	68.50
New Hampshire . . . . .	25.3	35.23	40.7	22.5	36.8	43.80	116.95
New Jersey . . . . .	222.9	31.18	46.0	50.2	3.8	64.65	79.60
New Mexico . . . . .	57.2	57.56	71.3	28.3	0.3	31.55	55.55
New York . . . . .	2,206.9	120.45	51.9	33.2	14.9	63.70	93.90
North Carolina . . . . .	132.1	25.38	73.6	16.2	10.3	29.55	71.20
North Dakota . . . . .	28.3	46.09	65.0	25.1	9.9	50.80	79.25
Ohio . . . . .	417.4	38.86	44.6	36.3	19.1	39.80	59.60
Oklahoma . . . . .	226.4	88.16	75.4	23.8	0.8	34.35	69.80
Oregon . . . . .	79.4	39.07	47.9	39.2	13.0	47.35	64.15
Pennsylvania . . . . .	560.8	47.51	51.7	39.3	9.0	52.70	83.45
Rhode Island . . . . .	73.7	80.84	45.9	53.9	0.3	48.40	49.35
South Carolina . . . . .	55.1	20.47	73.0	22.3	4.9	18.45	45.10
South Dakota . . . . .	26.0	39.45	71.9	21.9	6.2	45.50	57.85
Tennessee . . . . .	126.3	31.69	68.1	21.2	10.7	26.70	50.90
Texas . . . . .	387.5	34.63	76.3	20.6	3.0	18.75	59.40
Utah . . . . .	41.3	39.47	64.9	32.0	3.1	39.55	46.00

See footnotes at end of table.

**TABLE 93 – STATE AND LOCAL EXPENDITURE FOR PUBLIC WELFARE, BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1968-69 (Cont'd)**

State	Total (millions)	Per capita	Percent financed from –			Average monthly benefit payments, July 1969	
			Federal aid	State funds	Local funds	A.F.D.C. <sup>1</sup>	O.A.A. <sup>2</sup>
Vermont . . . . .	30.2	68.79	57.9	34.4	7.6	52.45	71.85
Virginia . . . . .	101.0	21.63	37.8	26.1	36.0	41.00	61.00
Washington . . . . .	186.5	54.82	49.2	50.8	—	56.50	67.55
West Virginia . . . . .	74.7	41.08	67.1	32.1	0.8	27.15	76.80
Wisconsin . . . . .	252.2	59.58	49.7	28.4	21.8	56.15	90.55
Wyoming . . . . .	10.3	32.13	47.6	21.4	30.1	38.00	60.25

<sup>1</sup> Aid to Families with Dependent Children — average payment per recipient (excluding vendor payments for medical care).

<sup>2</sup> Old-Age Assistance — average payment per recipient (excluding vendor payments for medical care).

Source: Compiled by ACIR staff from various reports of the Governments Division, U.S. Bureau of the Census; and from Department of Health, Education, and Welfare, Social Security Administration, *Social Security Bulletin*, November 1969.

TABLE 94 — STATE AND LOCAL EXPENDITURE FOR HEALTH AND HOSPITALS,  
BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1968-69

State	Total (millions)	Per capita	Percent financed from —		
			Federal aid	State funds	Local funds
UNITED STATES .....	\$8,519.6	\$42.19	5.1	48.5	46.4
Alabama .....	127.4	36.07	8.5	39.3	52.1
Alaska .....	11.7	41.65	16.2	56.4	28.2
Arizona .....	45.4	26.81	7.9	30.6	61.5
Arkansas .....	57.0	28.54	17.2	45.4	37.2
California .....	965.3	49.64	2.5	36.1	61.3
Colorado .....	92.7	44.16	5.4	55.7	39.1
Connecticut .....	115.5	38.48	3.5	87.0	9.4
Delaware .....	21.3	39.40	11.3	85.4	2.8
Dist. of Columbia .....	94.3	118.14	3.7	—	96.3
Florida .....	283.0	44.53	7.3	29.9	62.8
Georgia .....	253.5	54.62	6.5	33.8	59.6
Hawaii .....	36.3	45.74	11.0	67.8	21.2
Idaho .....	23.8	33.16	20.6	28.6	50.8
Illinois .....	410.4	37.14	3.8	59.6	36.6
Indiana .....	191.7	37.46	6.3	47.6	46.1
Iowa .....	97.2	34.94	4.5	33.2	62.2
Kansas .....	83.4	35.94	6.0	55.6	38.4
Kentucky .....	92.7	28.66	6.1	52.1	41.6
Louisiana .....	150.5	40.18	5.8	68.1	26.0
Maine .....	23.3	23.87	6.9	76.0	17.6
Maryland .....	184.8	49.07	3.2	57.1	39.7
Massachusetts .....	268.8	49.16	3.8	58.1	38.1
Michigan .....	417.2	47.58	4.8	46.9	48.3
Minnesota .....	170.9	46.18	3.8	47.8	48.4
Mississippi .....	74.2	31.42	13.9	35.4	50.5
Missouri .....	185.1	39.78	4.5	52.2	43.2
Montana .....	18.2	26.28	12.1	54.4	34.1
Nebraska .....	56.9	39.23	9.0	24.4	66.6
Nevada .....	31.1	68.03	7.4	14.1	78.5
New Hampshire .....	20.6	28.68	7.8	73.3	18.4
New Jersey .....	234.1	32.75	3.4	37.0	59.6
New Mexico .....	32.4	32.57	10.5	40.7	48.5
New York .....	1,541.4	84.13	1.5	49.7	48.8
North Carolina .....	150.3	28.86	10.4	60.5	28.9
North Dakota .....	13.1	21.26	11.5	81.7	6.9
Ohio .....	312.3	29.08	5.1	41.4	53.5
Oklahoma .....	76.4	29.73	19.8	48.0	32.1
Oregon .....	62.7	30.85	7.0	54.4	38.6
Pennsylvania .....	325.5	27.58	4.1	81.4	14.6
Rhode Island .....	32.8	36.02	11.6	86.9	1.5
South Carolina .....	97.7	36.28	10.3	47.5	42.2
South Dakota .....	12.8	19.41	10.2	53.1	36.7
Tennessee .....	154.6	38.80	6.5	35.5	58.0
Texas .....	321.0	28.69	9.7	42.2	48.0
Utah .....	28.8	27.59	12.5	52.8	34.7
Vermont .....	10.6	24.18	14.2	81.1	4.7
Virginia .....	146.7	31.41	6.1	75.4	18.5
Washington .....	124.1	36.49	5.3	52.0	42.8
West Virginia .....	49.7	27.33	13.9	60.0	26.2
Wisconsin .....	166.8	39.41	3.9	53.2	42.9
Wyoming .....	21.6	67.58	7.4	23.6	69.4

Source: Compiled by ACIR staff from various reports at the Governments Division, U.S. Bureau of the Census.

TABLE 95 — STATE AND LOCAL EXPENDITURE FOR CRIMINAL JUSTICE (POLICE, COURTS, PROSECUTION, CORRECTIONS), BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE 1968-1969

States	Total (millions)	Per Capita	Percent financed from —		
			Federal Aid	State Funds	Local Funds
United States . . . . .	\$6,449.7	\$31.95	.9 <sup>1</sup>	27.9 <sup>1</sup>	71.2 <sup>1</sup>
Alabama . . . . .	59.8	16.94	1.5	31.4	67.1
Alaska . . . . .	15.7	55.67	1.9	73.2	24.9
Arizona . . . . .	56.8	33.55	.7	28.2	71.1
Arkansas . . . . .	24.1	12.08	2.1	36.1	61.8
California . . . . .	984.1	50.61	.4	23.4	76.2
Colorado . . . . .	63.7	30.33	.9	34.9	64.2
Connecticut . . . . .	97.1	32.37	.7	48.8	50.5
Delaware . . . . .	20.3	37.59	1.0	70.0	29.0
Dist. of Columbia . . . . .	88.3	118.27	n.a.	n.a.	n.a.
Florida . . . . .	189.6	29.84	.8	25.9	73.3
Georgia . . . . .	99.5	21.43	1.2	31.4	67.4
Hawaii . . . . .	28.1	35.39	2.5	32.7	64.8
Idaho . . . . .	16.5	22.98	1.2	41.2	57.6
Illinois . . . . .	365.5	33.09	2.0	22.7	75.3
Indiana . . . . .	101.2	19.77	1.0	34.7	64.3
Iowa . . . . .	61.2	22.00	1.0	43.1	55.9
Kansas . . . . .	47.3	20.38	1.3	35.9	62.8
Kentucky . . . . .	62.7	19.40	1.1	46.9	52.0
Louisiana . . . . .	92.1	24.59	.8	29.8	69.4
Maine . . . . .	20.9	21.37	1.9	53.1	45.0
Maryland . . . . .	159.7	42.42	.6	47.3	52.1
Massachusetts . . . . .	198.9	36.38	.8	19.8	79.4
Michigan . . . . .	283.2	32.31	.9	23.8	75.3
Minnesota . . . . .	89.6	24.22	.8	28.2	71.0
Mississippi . . . . .	35.4	15.00	1.7	41.8	56.5
Missouri . . . . .	127.1	27.33	.9	25.1	74.0
Montana . . . . .	15.7	22.62	1.3	42.7	56.0
Nebraska . . . . .	33.8	23.32	1.2	32.2	66.6
Nevada . . . . .	27.0	59.08	1.1	27.4	71.5
New Hampshire . . . . .	13.8	19.25	1.4	39.9	58.7
New Jersey . . . . .	271.6	38.00	.5	23.2	76.3
New Mexico . . . . .	26.8	26.96	1.1	47.4	51.5
New York . . . . .	999.7	54.57	.8	18.5	80.7
North Carolina . . . . .	106.5	20.46	.9	52.8	46.3
North Dakota . . . . .	11.1	18.05	1.8	29.7	68.5
Ohio . . . . .	296.0	27.56	.9	26.4	72.7
Oklahoma . . . . .	50.4	19.63	1.4	40.9	57.7
Oregon . . . . .	61.8	30.41	1.0	34.0	65.0
Pennsylvania . . . . .	334.5	28.34	.7	20.6	78.7
Rhode Island . . . . .	26.6	29.20	1.5	47.0	51.5
South Carolina . . . . .	44.6	16.57	1.3	38.6	60.1
South Dakota . . . . .	13.0	19.73	1.5	34.6	63.9
Tennessee . . . . .	76.8	19.28	1.3	34.9	63.8
Texas . . . . .	249.0	22.27	1.0	27.1	71.9
Utah . . . . .	20.9	20.00	1.4	40.7	57.9
Vermont . . . . .	11.4	25.97	2.6	78.9	18.5
Virginia . . . . .	94.3	20.20	1.1	47.2	51.7
Washington . . . . .	103.8	30.51	1.0	39.5	59.5
West Virginia . . . . .	25.2	13.85	1.6	40.9	57.5
Wisconsin . . . . .	138.2	32.65	.7	29.7	69.6
Wyoming . . . . .	8.8	27.50	3.4	38.6	58.0

n.a. — Data not available.  
<sup>1</sup>Excluding the Dist. of Columbia.

Source: U.S. Bureau of the Census. *Criminal Justice Expenditure and Employment for Selected Large Governmental Units 1968-1969*. (forthcoming, 1970), Table 4.; unpublished material from Governments Division, U.S. Bureau of the Census and from Advisory Commission on Intergovernmental Relations; U.S. Department of Justice. *1st Annual Report of the Law Enforcement Assistance Administration*. Washington, D.C., 1969.



**TABLE 96 – PERCENTAGE OF STATE AND LOCAL GENERAL EXPENDITURE,  
FROM OWN REVENUE SOURCES, FINANCED BY STATE GOVERNMENTS, BY STATE, 1968-69**  
[Total and for Selected Functions]

State	Total general expenditure	Education	Highways	Public welfare	Health and hospitals
UNITED STATES <sup>1</sup>	50.8	43.2	73.1	74.5	51.7
Alabama	57.8	70.7	84.0	93.2	43.0
Alaska	71.6	55.4	78.0	100.0	66.7
Arizona	57.9	51.5	82.8	82.4	33.3
Arkansas	48.7	55.0	91.0	96.9	55.0
California	47.0	35.9	77.3	71.9	37.1
Colorado	50.1	25.9	64.8	79.1	58.8
Connecticut	49.9	32.7	72.5	91.9	90.2
Delaware	69.4	78.0	44.7	85.8	96.8
Florida	49.7	62.5	72.6	64.1	32.3
Georgia	53.0	67.3	60.5	82.8	36.2
Hawaii	76.1	95.2	54.5	99.5	76.2
Idaho	55.0	43.8	78.0	72.2	36.0
Illinois	41.8	28.1	77.1	99.9	61.9
Indiana	50.8	35.8	90.7	48.4	50.8
Iowa	47.7	34.5	70.9	61.9	34.8
Kansas	43.9	29.3	50.5	100.0	59.2
Kentucky	63.4	62.0	90.8	92.3	55.6
Louisiana	62.5	66.0	57.7	98.3	72.3
Maine	53.0	37.4	64.7	81.7	81.2
Maryland	50.4	40.0	83.9	87.2	59.0
Massachusetts	49.7	20.3	52.5	62.1	60.4
Michigan	51.5	46.3	80.9	80.7	49.3
Minnesota	53.1	48.8	62.2	41.7	49.7
Mississippi	61.5	66.2	65.4	90.1	41.2
Missouri	46.5	35.8	72.8	93.6	54.7
Montana	49.1	30.1	62.9	48.3	61.5
Nebraska	40.2	17.1	60.0	100.0	26.8
Nevada	48.1	38.2	71.1	41.8	15.3
New Hampshire	45.2	9.8	57.9	38.0	79.9
New Jersey	37.0	28.7	72.1	92.9	38.3
New Mexico	68.6	70.3	71.6	98.8	45.7
New York	50.9	50.2	59.7	69.0	50.5
North Carolina	65.9	75.2	86.9	61.1	67.7
North Dakota	54.9	28.4	57.5	71.7	92.2
Ohio	41.7	31.2	82.3	65.5	43.6
Oklahoma	62.0	43.1	90.2	96.8	60.0
Oregon	48.4	19.0	82.3	75.1	58.5
Pennsylvania	54.0	46.6	84.1	81.4	84.8
Rhode Island	59.7	35.1	76.7	99.5	98.3
South Carolina	66.0	70.0	92.6	82.0	53.0
South Dakota	45.2	13.4	55.4	78.1	59.1
Tennessee	55.8	54.2	84.2	66.5	38.0
Texas	47.0	53.3	61.7	87.2	46.8
Utah	59.4	54.8	70.3	91.0	60.3
Vermont	64.0	29.6	79.6	81.9	94.5
Virginia	54.2	41.6	81.7	42.0	80.3
Washington	61.4	63.5	82.5	100.0	54.8
West Virginia	67.8	51.4	92.3	97.6	69.6
Wisconsin	56.3	26.2	53.4	56.5	55.4
Wyoming	42.0	27.1	85.3	41.5	25.4

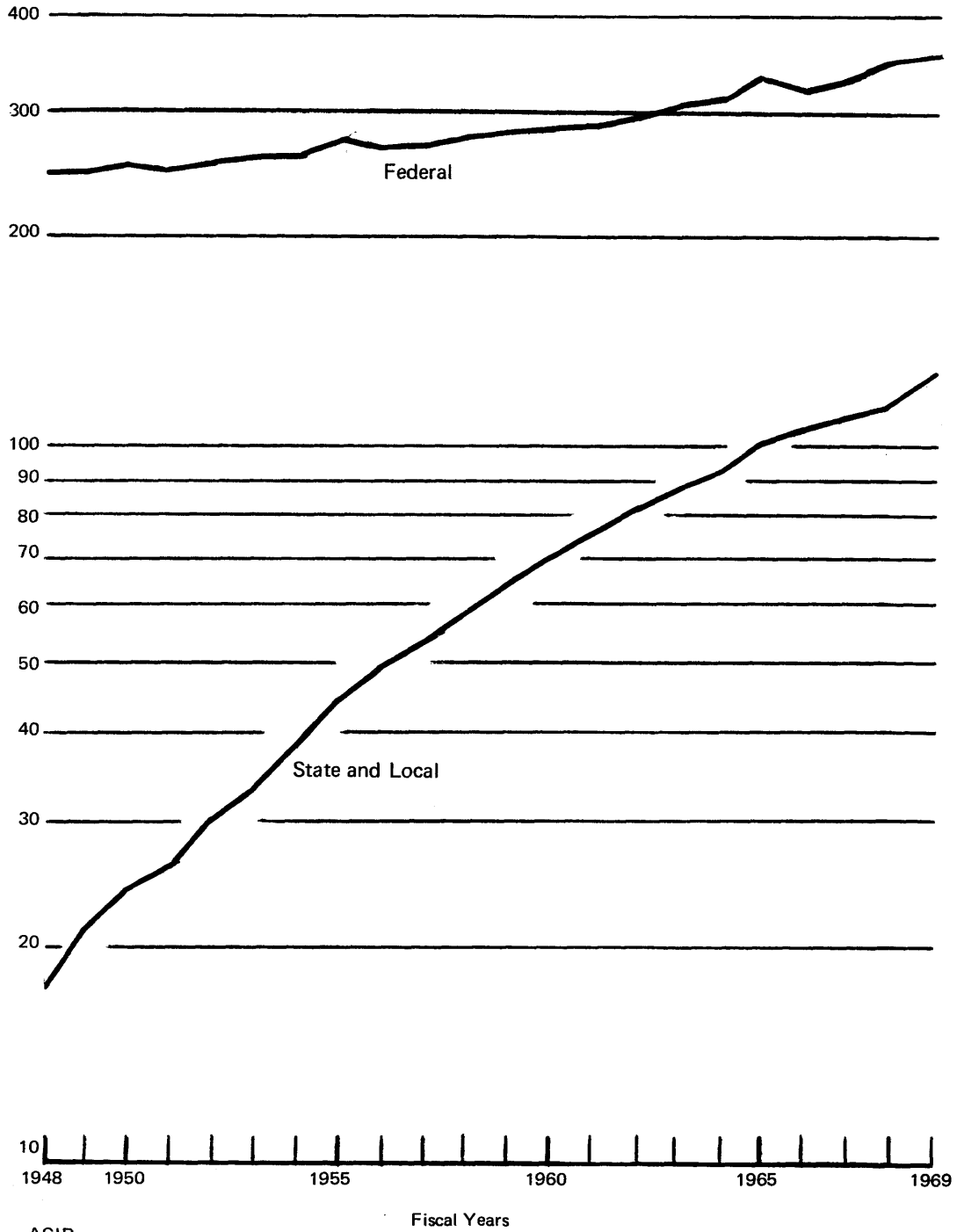
Note. — Percentages for total general expenditure, highways, public welfare, and health and hospitals were derived from U.S. Bureau of the Census data on expenditures adjusted to exclude federal intergovernmental transfers, state transfers to local governments are included with state expenditures and deducted from local expenditures. The education percentages were derived from estimated receipts available for expenditure for current expenses, capital outlay, and debt service for public elementary and secondary schools as reported by the National Education Association. Census data for education expenditures were not readily available. For additional detail on Education, Highways, Public Welfare, and Health and Hospitals, see tables 91 through 94.

<sup>1</sup> Excluding the District of Columbia. The totals including D.C. are: Total general expenditure, 50.5; Education, 43.1; Highways, 72.8; Public welfare, 74.1; and Health and hospitals, 51.1.

Source: Compiled by ACIR staff from various reports of the Governments Division, U.S. Bureau of the Census; and National Education Association, *Estimates of School Statistics, 1969-70*, Research Report 1969-R 15. (Copyright 1969 by the National Education Association, all rights reserved).

FIGURE 9 – FEDERAL AND STATE-LOCAL DEBT, 1948 TO 1969

Logarithmic Scale



**TABLE 97 — INDEBTEDNESS AND CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY LEVEL OF GOVERNMENT: 1968-69**  
(Millions of dollars)

State and level of government	Debt outstanding at end of fiscal year				Long-term debt issued	Long-term debt retired	Cash and security holdings at end of fiscal year	
	Total	Short-term	Long-term				Insurance trust systems	Other than insurance trust systems
			Total <sup>1</sup>	General only				
UNITED STATES: TOTAL	133 548.3	10 082.4	123 465.9	104 792.3	15 452.5	6 537.8	63 340.3	59 836.7
STATE GOVERNMENTS . . .	39 553.3	2 646.9	36 906.5	36 906.5	4 858.7	1 604.4	49 622.1	27 651.7
LOCAL GOVERNMENTS . . .	93 995.0	7 435.5	86 559.5	67 885.8	10 593.8	4 933.5	13 718.2	32 185.0
ALABAMA . . . . .	2 187.8	131.6	2 056.1	1 749.2	176.0	96.3	540.9	646.9
STATE GOVERNMENT . . .	634.8	2.3	632.4	632.4	60.8	34.6	499.5	273.9
LOCAL GOVERNMENTS . . .	1 553.0	129.3	1 423.7	1 116.8	115.2	61.7	41.3	373.1
ALASKA . . . . .	374.6	29.8	344.8	301.1	59.2	14.4	72.5	126.7
STATE GOVERNMENT . . .	190.2	21.5	168.6	168.6	34.3	5.1	71.2	83.7
LOCAL GOVERNMENTS . . .	184.5	8.3	176.2	132.5	24.9	9.3	1.3	43.0
ARIZONA . . . . .	910.8	4.7	906.1	631.8	123.2	49.4	578.2	474.7
STATE GOVERNMENT . . .	90.2	-	90.2	90.2	8.5	1.2	531.9	204.9
LOCAL GOVERNMENTS . . .	820.5	4.7	815.8	541.6	114.8	48.2	46.3	269.9
ARKANSAS . . . . .	956.3	33.0	923.3	829.2	107.0	33.3	211.0	405.9
STATE GOVERNMENT . . .	111.3	2.6	108.7	108.7	2.7	8.8	204.4	133.9
LOCAL GOVERNMENTS . . .	844.9	30.4	814.6	720.4	104.2	24.5	6.6	272.1
CALIFORNIA . . . . .	15 637.5	407.6	15 229.9	12 031.9	1 636.4	783.2	9 571.8	7 982.0
STATE GOVERNMENT . . .	5 506.4	12.3	5 494.1	5 494.1	445.5	190.0	6 896.2	3 249.0
LOCAL GOVERNMENTS . . .	10 131.1	395.3	9 735.8	6 537.8	1 191.0	593.2	2 675.6	4 732.9
COLORADO . . . . .	1 112.3	32.2	1 080.2	708.5	60.2	58.7	559.9	625.7
STATE GOVERNMENT . . .	126.4	1.7	124.7	124.7	1.0	17.3	451.5	263.1
LOCAL GOVERNMENTS . . .	985.9	30.5	955.4	583.8	59.2	41.4	108.4	362.7
CONNECTICUT . . . . .	3 020.3	664.7	2 355.7	2 295.9	283.0	146.4	845.4	830.1
STATE GOVERNMENT . . .	1 640.2	329.2	1 311.0	1 311.0	151.8	70.5	748.5	477.0
LOCAL GOVERNMENTS . . .	1 380.1	335.5	1 044.6	984.9	131.2	76.0	96.9	353.1
DELAWARE . . . . .	732.1	13.9	718.2	695.4	103.2	34.5	25.2	329.5
STATE GOVERNMENT . . .	429.2	2.8	426.4	426.4	86.5	26.1	24.3	224.4
LOCAL GOVERNMENTS . . .	302.9	11.1	291.8	269.0	16.8	8.4	1.0	105.0
DISTRICT OF COLUMBIA . .	490.3	117.2	373.1	351.8	74.7	5.5	137.2	80.0
FLORIDA . . . . .	3 567.1	62.7	3 504.4	2 747.6	553.3	190.4	1 191.1	1 922.1
STATE GOVERNMENT . . .	941.2	-	941.2	941.2	159.3	42.0	1 006.6	756.7
LOCAL GOVERNMENTS . . .	2 625.9	62.7	2 563.2	1 806.4	394.0	148.4	184.5	1 165.4
GEORGIA . . . . .	2 358.4	103.1	2 255.3	1 981.5	208.3	88.2	971.9	1 134.6
STATE GOVERNMENT . . .	877.0	-	877.0	877.0	79.5	39.6	925.6	681.2
LOCAL GOVERNMENTS . . .	1 481.4	103.1	1 378.3	1 104.5	128.8	48.6	46.2	453.5
HAWAII . . . . .	693.3	31.5	661.8	625.1	134.4	29.6	376.3	310.7
STATE GOVERNMENT . . .	448.8	3.6	445.2	445.2	122.4	16.9	376.3	229.3
LOCAL GOVERNMENTS . . .	244.5	27.9	216.5	179.9	12.0	12.7	-	81.4
IDAHO . . . . .	185.6	1.9	183.8	170.3	30.3	9.7	97.9	240.4
STATE GOVERNMENT . . .	30.5	-	30.5	30.5	10.4	0.8	97.0	166.4
LOCAL GOVERNMENTS . . .	155.1	1.9	153.3	139.8	20.0	9.0	0.9	74.0
ILLINOIS . . . . .	6 281.1	618.4	5 662.7	4 952.4	568.9	345.3	2 695.2	2 514.5
STATE GOVERNMENT . . .	1 305.5	25.7	1 279.8	1 279.8	120.8	79.4	1 703.1	816.7
LOCAL GOVERNMENTS . . .	4 975.6	592.7	4 382.9	3 672.6	448.1	265.8	992.1	1 697.9
INDIANA . . . . .	1 893.7	110.2	1 783.5	1 632.2	135.1	85.0	657.7	1 123.4
STATE GOVERNMENT . . .	570.7	43.3	527.4	527.4	26.7	15.8	653.5	503.8
LOCAL GOVERNMENTS . . .	1 323.0	66.9	1 256.1	1 104.8	108.3	69.1	4.1	619.6
IOWA . . . . .	874.6	39.0	835.6	749.3	152.5	52.4	508.6	689.7
STATE GOVERNMENT . . .	100.2	-	100.2	100.2	14.4	3.8	445.0	315.1
LOCAL GOVERNMENTS . . .	774.3	39.0	735.4	649.1	138.1	48.6	63.6	374.6
KANSAS . . . . .	1 095.8	44.4	1 051.5	793.8	124.6	69.1	252.1	724.1
STATE GOVERNMENT . . .	236.5	0.1	236.4	236.4	7.6	7.6	229.8	301.7
LOCAL GOVERNMENTS . . .	859.3	44.3	815.0	557.3	117.1	61.6	22.3	422.4

See footnotes at end of table.

**TABLE 97 — INDEBTEDNESS AND CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY LEVEL OF GOVERNMENT: 1968-69 (Cont'd)**  
(Millions of dollars)

State and level of government	Debt outstanding at end of fiscal year				Long-term debt issued	Long-term debt retired	Cash and security holdings at end of fiscal year	
	Total	Short-term	Long-term				Insurance trust systems	Other than insurance trust systems
			Total <sup>1</sup>	General only				
KENTUCKY . . . . .	2 489.4	132.5	2 356.9	2 122.5	308.5	75.5	541.0	894.4
STATE GOVERNMENT . . .	1 247.9	61.5	1 186.4	1 186.4	115.7	26.3	514.8	546.9
LOCAL GOVERNMENTS . . .	1 241.4	71.0	1 170.4	936.0	192.8	49.2	26.2	347.5
LOUISIANA . . . . .	2 744.9	25.9	2 718.9	2 419.6	314.0	113.1	1 059.9	945.8
STATE GOVERNMENT . . .	783.7	3.2	780.4	780.4	52.2	25.7	980.0	263.4
LOCAL GOVERNMENTS . . .	1 961.2	22.7	1 938.5	1 639.1	261.8	87.4	79.9	682.5
MAINE . . . . .	410.4	46.6	363.8	325.2	59.4	22.5	194.5	167.8
STATE GOVERNMENT . . .	200.9	-	200.9	200.9	35.7	10.7	194.4	103.8
LOCAL GOVERNMENTS . . .	209.5	46.6	162.9	124.3	23.7	11.8	-	64.0
MARYLAND . . . . .	3 160.0	35.8	3 124.2	2 888.0	552.3	168.0	1 203.3	864.4
STATE GOVERNMENT . . .	1 186.3	-	1 186.3	1 186.3	338.1	79.8	863.1	545.4
LOCAL GOVERNMENTS . . .	1 973.7	35.8	1 937.8	1 701.6	214.2	88.2	340.2	319.0
MASSACHUSETTS . . . . .	4 012.7	463.0	3 549.7	3 430.3	402.7	227.4	1 281.8	1 143.4
STATE GOVERNMENT . . .	1 864.6	63.6	1 801.0	1 801.0	150.1	93.8	828.6	460.3
LOCAL GOVERNMENTS . . .	2 148.1	399.4	1 748.7	1 629.3	252.5	133.6	453.1	683.1
MICHIGAN . . . . .	4 749.4	194.8	4 554.5	4 182.5	436.3	213.2	2 559.0	2 373.1
STATE GOVERNMENT . . .	930.3	41.3	889.0	889.0	11.0	59.0	1 723.5	808.0
LOCAL GOVERNMENTS . . .	3 819.1	153.5	3 665.6	3 293.5	425.2	154.2	835.5	1 565.1
MINNESOTA . . . . .	2 320.5	81.3	2 239.2	2 123.0	363.9	134.0	799.3	1 718.9
STATE GOVERNMENT . . .	361.0	-	361.0	361.0	33.8	29.7	639.0	958.3
LOCAL GOVERNMENTS . . .	1 959.6	81.3	1 878.2	1 762.1	330.2	104.3	160.4	760.6
MISSISSIPPI . . . . .	1 165.9	25.1	1 140.7	1 014.7	156.6	85.4	229.3	454.4
STATE GOVERNMENT . . .	447.0	3.6	443.4	443.4	42.6	17.8	227.5	239.4
LOCAL GOVERNMENTS . . .	718.8	21.6	697.3	571.2	114.1	67.6	1.8	215.1
MISSOURI . . . . .	1 981.6	47.1	1 934.4	1 662.1	194.1	87.3	866.2	1 236.0
STATE GOVERNMENT . . .	148.8	0.5	148.4	148.4	10.1	7.2	677.7	379.4
LOCAL GOVERNMENTS . . .	1 832.7	46.7	1 786.1	1 513.7	184.0	80.1	188.4	856.6
MONTANA . . . . .	239.8	3.3	236.5	223.1	16.2	17.8	150.2	196.4
STATE GOVERNMENT . . .	82.0	0.1	81.9	81.9	-	4.6	147.1	108.4
LOCAL GOVERNMENTS . . .	157.8	3.1	154.7	141.2	16.2	13.2	3.1	88.0
NEBRASKA . . . . .	1 200.8	14.3	1 186.4	496.3	383.2	78.0	140.7	767.5
STATE GOVERNMENT . . .	54.7	-	54.7	54.7	-	1.1	89.7	201.1
LOCAL GOVERNMENTS . . .	1 146.1	14.3	1 131.8	441.7	383.2	77.0	50.9	566.4
NEVADA . . . . .	343.8	7.7	336.1	300.7	15.4	16.1	171.6	149.3
STATE GOVERNMENT . . .	29.2	0.2	29.0	29.0	-	1.2	171.6	70.4
LOCAL GOVERNMENTS . . .	314.6	7.5	307.1	271.7	15.4	14.9	-	78.9
NEW HAMPSHIRE . . . . .	326.5	42.9	283.6	275.7	26.7	28.5	161.2	75.1
STATE GOVERNMENT . . .	150.7	36.0	114.7	114.7	0.1	11.3	161.0	25.2
LOCAL GOVERNMENTS . . .	175.9	6.9	169.0	161.0	26.6	17.2	0.1	49.9
NEW JERSEY . . . . .	4 452.3	592.1	3 860.2	3 721.4	536.8	197.5	2 269.4	2 106.0
STATE GOVERNMENT . . .	1 408.4	50.1	1 358.4	1 358.4	278.0	58.2	2 263.5	1 097.8
LOCAL GOVERNMENTS . . .	3 043.9	542.0	2 501.9	2 363.0	258.9	139.3	5.9	1 008.2
NEW MEXICO . . . . .	417.2	1.2	416.1	316.6	56.5	55.9	201.6	601.3
STATE GOVERNMENT . . .	130.6	-	130.6	130.6	16.6	22.2	200.8	486.7
LOCAL GOVERNMENTS . . .	286.6	1.2	285.4	186.0	40.0	33.7	0.8	114.7
NEW YORK . . . . .	22 129.6	3 499.5	18 630.1	15 505.5	2 418.7	1 037.0	13 635.0	7 079.5
STATE GOVERNMENT . . .	6 744.8	1 198.1	5 546.7	5 546.7	797.0	158.4	7 872.0	2 819.5
LOCAL GOVERNMENTS . . .	15 384.8	2 301.4	13 083.5	9 958.8	1 621.7	878.5	5 762.9	4 260.1
NORTH CAROLINA . . . . .	1 772.3	192.2	1 580.1	1 334.7	174.0	95.3	1 275.3	1 167.6
STATE GOVERNMENT . . .	582.5	120.1	462.4	462.4	70.9	39.9	1 262.1	820.6
LOCAL GOVERNMENTS . . .	1 189.8	72.1	1 117.7	872.3	103.1	55.4	13.2	347.0

See footnotes at end of table.

**TABLE 97 — INDEBTEDNESS AND CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY LEVEL OF GOVERNMENT: 1968-69 (Cont'd)**  
(Millions of dollars)

State and level of government	Debt outstanding at end of fiscal year				Long-term debt issued	Long-term debt retired	Cash and security holdings at end of fiscal year	
	Total	Short-term	Long-term				Insurance trust systems	Other than insurance trust systems
			Total <sup>1</sup>	General only				
NORTH DAKOTA . . . . .	217.1	3.4	213.7	193.3	23.2	16.3	55.0	252.6
STATE GOVERNMENT . . . . .	34.6	-	34.6	34.6	3.5	0.7	51.9	153.7
LOCAL GOVERNMENTS . . . . .	182.5	3.4	179.1	158.7	19.7	15.7	3.1	98.9
OHIO . . . . .	5 415.5	948.6	4 466.9	4 105.3	807.8	343.6	4 637.8	2 576.3
STATE GOVERNMENT . . . . .	1 403.4	333.8	1 069.6	1 069.6	285.9	98.3	4 540.0	932.9
LOCAL GOVERNMENTS . . . . .	4 012.1	614.9	3 397.3	3 035.7	521.9	245.3	97.8	1 643.5
OKLAHOMA . . . . .	1 552.8	14.9	1 537.9	1 346.1	185.9	64.9	266.1	1 005.0
STATE GOVERNMENT . . . . .	685.9	0.5	685.4	685.4	29.1	9.4	227.7	576.8
LOCAL GOVERNMENTS . . . . .	866.9	14.4	852.5	660.7	156.8	55.5	38.4	428.2
OREGON . . . . .	1 252.7	29.2	1 223.5	1 095.7	255.9	65.8	542.9	1 035.8
STATE GOVERNMENT . . . . .	596.5	-	596.5	596.5	127.4	25.5	522.5	714.5
LOCAL GOVERNMENTS . . . . .	656.3	29.2	627.1	499.3	128.5	40.2	20.4	321.3
PENNSYLVANIA . . . . .	8 188.5	462.0	7 726.6	7 185.6	1 095.2	359.7	3 576.9	2 579.1
STATE GOVERNMENT . . . . .	2 903.6	13.7	2 889.9	2 889.9	557.0	82.5	3 329.2	1 249.2
LOCAL GOVERNMENTS . . . . .	5 284.9	448.3	4 836.6	4 295.7	538.3	277.1	247.7	1 329.9
RHODE ISLAND . . . . .	726.0	145.8	580.2	562.6	99.9	30.7	270.2	167.2
STATE GOVERNMENT . . . . .	351.9	63.1	288.8	288.8	54.8	12.3	226.7	73.8
LOCAL GOVERNMENTS . . . . .	374.1	82.7	291.5	273.9	45.1	18.4	43.5	93.4
SOUTH CAROLINA . . . . .	788.9	22.2	766.7	626.4	88.1	40.9	570.9	372.1
STATE GOVERNMENT . . . . .	326.9	-	326.9	326.9	34.7	19.1	567.8	211.6
LOCAL GOVERNMENTS . . . . .	462.0	22.2	439.8	299.5	53.5	21.9	3.1	160.5
SOUTH DAKOTA . . . . .	136.1	0.9	135.2	120.5	17.3	7.5	40.8	242.3
STATE GOVERNMENT . . . . .	28.8	-	28.8	28.8	1.3	0.4	37.7	120.3
LOCAL GOVERNMENTS . . . . .	107.3	0.9	106.4	91.7	16.0	7.1	3.1	122.0
TENNESSEE . . . . .	2 241.9	177.0	2 064.9	1 531.1	162.7	107.1	663.3	724.0
STATE GOVERNMENT . . . . .	370.2	71.8	298.4	298.4	0.3	19.6	539.4	270.4
LOCAL GOVERNMENTS . . . . .	1 871.7	105.3	1 766.5	1 232.6	162.4	87.5	123.9	453.6
TEXAS . . . . .	6 625.5	88.8	6 536.7	5 225.0	664.9	283.4	2 161.8	4 083.7
STATE GOVERNMENT . . . . .	938.6	-	938.6	938.6	105.6	30.4	1 958.6	2 516.4
LOCAL GOVERNMENTS . . . . .	5 686.9	88.8	5 598.1	4 286.4	559.3	253.0	203.2	1 567.3
UTAH . . . . .	589.0	1.1	587.9	542.1	26.9	29.8	177.4	221.1
STATE GOVERNMENT . . . . .	103.1	-	103.1	103.1	0.1	6.8	176.5	119.7
LOCAL GOVERNMENTS . . . . .	485.9	1.1	484.8	439.0	26.8	22.9	0.9	101.4
VERMONT . . . . .	249.3	10.8	238.5	230.1	46.9	12.2	96.4	101.5
STATE GOVERNMENT . . . . .	170.0	0.5	169.4	169.4	36.5	6.3	93.8	81.4
LOCAL GOVERNMENTS . . . . .	79.3	10.3	69.1	60.7	10.4	5.9	2.6	20.1
VIRGINIA . . . . .	2 043.7	105.6	1 938.1	1 829.5	238.2	89.5	773.9	934.7
STATE GOVERNMENT . . . . .	344.1	-	344.1	344.1	103.1	18.1	660.2	568.7
LOCAL GOVERNMENTS . . . . .	1 699.6	105.6	1 594.0	1 485.4	135.1	71.4	113.7	366.0
WASHINGTON . . . . .	4 081.9	30.5	4 051.4	1 858.1	364.1	166.3	1 373.7	1 882.3
STATE GOVERNMENT . . . . .	676.0	3.7	672.3	672.3	97.0	47.0	1 232.8	727.4
LOCAL GOVERNMENTS . . . . .	3 405.9	26.8	3 379.1	1 185.8	267.1	119.3	140.8	1 154.9
WEST VIRGINIA . . . . .	740.5	22.8	717.7	674.1	60.4	25.5	425.1	299.5
STATE GOVERNMENT . . . . .	460.6	15.5	445.2	445.2	40.4	12.2	420.3	163.2
LOCAL GOVERNMENTS . . . . .	279.9	7.3	272.5	228.9	20.0	13.3	4.8	136.3
WISCONSIN . . . . .	2 173.4	167.7	2 005.7	1 865.4	309.3	136.7	1 605.0	1 002.8
STATE GOVERNMENT . . . . .	513.6	120.9	392.7	392.7	98.0	8.5	1 285.3	345.8
LOCAL GOVERNMENTS . . . . .	1 659.8	46.8	1 613.0	1 472.7	211.3	128.2	319.7	657.0
WYOMING . . . . .	236.9	0.2	236.8	212.7	60.0	13.9	71.1	254.6
STATE GOVERNMENT . . . . .	53.0	-	53.0	53.0	0.2	0.7	70.6	210.6
LOCAL GOVERNMENTS . . . . .	183.9	0.2	183.8	159.7	59.8	13.2	0.5	44.0

- Represents zero or rounds to zero.

<sup>1</sup> Including debt for local utilities, not shown separately.

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation.

Source: U.S. Bureau of the Census, *Governmental Finances in 1968-69*.

**TABLE 98 – STATE AND LOCAL GOVERNMENT SECURITIES OUTSTANDING  
AS OF JUNE 30, 1946-1970  
(in millions of dollars)**

Year	Amount	Year	Amount
1970 .....	\$ 141,200	1957 .....	\$ 51,840
1969 .....	132,500	1956 .....	47,400
1968 .....	121,400	1955 .....	42,600
1967 .....	113,300	1954 .....	37,300
1966 .....	104,800	1953 .....	32,200
1965 .....	99,200	1952 .....	29,111
1964 .....	91,300	1951 .....	26,592
1963 .....	85,900	1950 .....	23,722
1962 .....	80,131	1949 .....	20,481
1961 .....	71,730	1948 .....	18,354
1960 .....	66,425	1947 .....	16,529
1959 .....	61,675	1946 .....	15,626
1958 .....	56,500		

Source: The Bond Buyer's "Municipal Finance Statistics," Vol. 8, May 1970; and U.S. Bureau of the Census Governments Division.

**TABLE 99 – OWNERSHIP OF STATE AND MUNICIPAL SECURITIES**  
**U.S. TREASURY DEPARTMENT ESTIMATES AS OF JUNE 30, 1959 THROUGH 1969**  
(In millions of dollars)

Item	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959
Total Amount											
Outstanding . . . . .	\$132,500	\$121,400	\$113,300	\$104,800	\$99,200	\$91,300	\$85,900	\$80,131	\$71,730	\$66,425	\$61,985
Held by –											
Individuals (includes partnerships and per- sonal trust accounts) . . . . .	41,800	39,200	39,800	38,200	36,000	33,700	31,700	30,700	28,300	27,200	24,600
Commercial Banks . . . . .	58,500	52,800	45,600	40,300	36,600	31,500	27,900	23,200	18,800	16,800	17,000
Insurance Companies . . . . .	17,300	16,500	15,500	14,400	15,200	15,000	14,500	13,700	12,600	11,100	9,500
State and Local Funds <sup>1</sup> . . . . .	4,600	4,500	4,200	4,600	5,000	5,600	6,400	7,200	7,400	7,100	6,800
Corporation <sup>2</sup> . . . . .	6,200	5,000	4,800	4,100	3,300	2,700	2,600	2,400	1,900	1,700	1,700
Miscellaneous Investors <sup>3</sup> . . . . .	2,500	2,000	2,100	2,000	1,900	1,800	1,800	1,800	1,600	1,500	1,300
Mutual Savings Banks . . . . .	200	200	300	300	400	400	500	600	700	700	700
U.S. Government Invest- ment Accounts . . . . .	1,400	1,200	1,000	900	800	600	600	500	400	300	300

Note: Figures are rounded and do not necessarily add up to the totals.

\* Less than \$500,000.

<sup>1</sup> Comprises trust, sinking and investment funds of State and local governments, Territories and possessions.

<sup>2</sup> Exclusive of banks and insurance companies.

<sup>3</sup> Includes savings and loan associations, non-profit associations, corporate pension trust funds, dealers and brokers, and investments of foreign balances and international accounts in this country.

Source: The Bond Buyer's "Municipal Finance Statistics," Vol. 8, May 1970.

TABLE 100 — STATE-LOCAL AND CORPORATE BOND YIELD INDICES, BY MONTH, 1965-1970

	Municipal Bond Yields (Bond Buyer "20 Bonds" Index)	Corporates (Moody's Aa Series)	Ratio		Municipal Bond Yields (Bond Buyer "20 Bonds" Index)	Corporates (Moody's Aa Series)	Ratio
1965 J	3.07	4.48	68.5	1968 J	4.38	6.29	69.6
F	3.04	4.46	68.2	F	4.16	6.27	66.3
M	3.20	4.48	71.4	M	4.49	6.28	71.5
A	3.16	4.48	70.5	A	4.31	6.38	67.6
M	3.15	4.49	70.2	M	4.44	6.48	68.5
J	3.20	4.52	70.8	J	4.51	6.50	69.4
J	3.30	4.56	72.4	J	4.48	6.45	69.5
A	3.25	4.59	70.8	A	4.11	6.25	65.8
S	3.29	4.63	71.1	S	4.44	6.23	71.3
O	3.41	4.66	73.2	O	4.36	6.32	69.0
N	3.44	4.69	73.3	N	4.56	6.45	70.7
D	3.50	4.80	72.9	D	4.76	6.66	71.5
1966 J	3.53	4.83	73.1	1969 J	4.85	6.73	72.1
F	3.54	4.90	72.2	F	4.96	6.77	73.3
M	3.83	5.05	75.8	M	5.19	6.95	74.7
A	3.55	5.10	69.6	A	5.25	7.02	74.8
M	3.63	5.10	71.2	M	5.10	6.96	73.3
J	3.78	5.16	73.3	J	5.73	7.12	80.5
J	3.92	5.25	74.7	J	5.68	7.24	78.5
A	3.99	5.38	74.2	A	5.80	7.23	80.2
S	4.24	5.58	76.0	S	6.37	7.36	86.5
O	4.00	5.50	72.7	O	6.19	7.53	82.2
N	3.74	5.46	68.5	N	6.11	7.58	80.6
D	4.02	5.48	73.4	D	6.72	7.93	84.7
1967 J	3.76	5.30	70.9	1970 J	6.61	8.15	81.1
F	3.40	5.18	65.6	F	6.54	8.13	80.4
M	3.60	5.23	68.8	M	6.00	8.06	74.4
A	3.54	5.26	67.3	A	6.11	8.03	76.1
M	3.79	5.42	69.9	M	6.89	8.24	83.6
J	3.96	5.63	70.3	J	6.92	8.58	80.7
J	4.07	5.72	71.2	J	6.79	8.64	78.6
A	3.91	5.76	67.9	A	6.25	8.49	73.6
S	4.07	5.87	69.3	S	6.16	8.47	72.7
O	4.25	6.01	70.7	O	6.39	n.a.	n.a.
N	4.27	6.23	68.5				
D	4.45	6.35	70.1				

n.a. — Data "not available."

Sources: The Weekly Bond Buyer and Department of Commerce, Office of Business Economics, *Survey of Current Business*.



TABLE 101 – STATUTORY INTEREST RATE CEILINGS ON STATE AND LOCAL BONDS, 1970

	State GO (%)	State Revenue (%)	State Agency (%)	State Notes (%)	Local GO (%)	Local Revenue (%)	Local Agency (%)	Local Notes (%)	Urban Renewal Notes (%)	Low-Rent Housing Notes (%)
Alabama	8	8	8	8	V	V	V	V	0	0
Alaska	7	8	7	7	0	0	0	0	6	7
Arizona <sup>14</sup>	0	0	0	0	0	0	0	0	0	0
Arkansas <sup>1</sup>	V	U	V	0	V	V	V	0	8	8
California <sup>8</sup>	7	V	7	7	7	V	7	0	7	7
Colorado <sup>2</sup>	0	0	0	0	0	0	V	0	0	0
Connecticut	0	0	0	0	0	0	U	0	0	0
Delaware <sup>3</sup>	0	6	6	6	6	6	6	6	6	6
Florida	7½	7½	7½	7½	7½	7½	7½	7½	7½	7½
Georgia	0	0	0	0	0	9	9	0	8	8
Hawaii <sup>18</sup>	8	0	N	8	8	8	N	8	6	8
Idaho	7	U	U	U	0	0	U	U	0	0
Illinois <sup>13</sup>	0	N	V	N	7	7	V	V	6	7
Indiana	0	0	0	U	0	0	V	U	0	0
Iowa	7	7	U	U	7	7	7	7	7	7
Kansas <sup>4</sup>	5½	6	5½	U	5½	6	5½	U	8	8
Kentucky	0	0	0	0	0	0	0	N	0	0
Louisiana	0	0	0	0	8	8	8	0	8	8
Maine	0	0	V	0	0	0	V	0	6	6
Maryland	0	V	0	0	V	V	V	V	6	6
Massachusetts	0	0	0	0	0	0	0	0	0	0
Michigan <sup>15</sup>	6	8	8	8	8	8	8	8	8	8
Minnesota <sup>5</sup>	0	U	U	0	7	0	0	0	7	7
Mississippi	6	6	6	U	6	6	6	U	6	8
Missouri <sup>17</sup>	8	8	8	U	8	8	8	U	6	6
Montana	5½	5½	6	U	6	6	6	U	6	6
Nebraska <sup>6</sup>	0	0	0	0	0	0	0	0	7	0
Nevada	7	U	7	7	7	7	7	7	6	6
New Hampshire	0	0	0	0	0	0	0	0	6	6
New Jersey <sup>7</sup>	6	6	0	N	0	0	U	0	6	6
New Mexico	8	8	8	U	8	8	8	U	8	8
New York <sup>9</sup>	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	8	0	0	0	0	0	6	6
North Dakota <sup>10</sup>	U	6½	U	6½	6	6	N	6	6	6
Ohio	0	0	0	N	8	U	8	8	8	8
Oklahoma <sup>11</sup>	6	5	V	6	0	0	N	U	0	7½
Oregon	7	U	U	N	7	U	U	N	7	7
Pennsylvania	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	0	6	U	6	6	6	6
South Carolina	7	7	7	7	7	7	7	7	7	7
South Dakota	0	U	6	U	8	U	6	U	6	6
Tennessee	10	10	10	10	10	10	10	10	8	8
Texas	10	10	10	U	10	10	10	U	0	0
Utah	7	7	7	7	8	8	8	8	8	8
Vermont	0	U	0	0	0	0	U	0	0	0
Virginia <sup>16</sup>	0	0	0	0	0	0	0	0	6	6
Washington	0	0	0	U	8	8	8	U	0	0
West Virginia	0	7	7	0	8	7	7	0	6	6
Wisconsin <sup>12</sup>	0	U	0	U	8	8	8	7	6	6
Wyoming	0	0	0	0	0	0	0	0	6	N

See footnotes on following page.

**TABLE 101 – STATUTORY INTEREST RATE CEILINGS ON STATE AND LOCAL BONDS, 1970 (Cont'd)**

0 = none; U = none issued; N = none authorized; V = various.

- <sup>1</sup> Arkansas: School district bonds, about 20 types of bonds for street and parking facilities, public building corporations formed to construct municipal facilities, municipally sponsored bonds for waterworks, sewer, drainage, parks, recreation agencies, convention centers, and construction and refunding bonds for eight State-sponsored colleges and universities, and county and municipal bonds for hospitals, nursing homes and rest homes may be issued at 8 per cent. County and municipal industrial development bonds, airport bonds for larger cities, countywide river port bonds and municipal port authority bonds may be issued at 10 per cent.
- <sup>2</sup> Colorado: Maximum interest rate must be part of proposal submitted to voters along with amount of authorization.
- <sup>3</sup> Delaware: State agency bond anticipation notes for school districts are limited to 6 per cent.
- <sup>4</sup> Kansas: The ceiling on revenue bonds is 6 per cent.
- <sup>5</sup> Minnesota: Highway bonds have constitutionally fixed ceiling of 5 per cent.
- <sup>6</sup> Nebraska: No State public debt.
- <sup>7</sup> New Jersey: 6 per cent ceilings suspended through June 30, 1971, for counties, municipalities, school districts, State agencies and other public authorities and agencies.
- <sup>8</sup> California: Any rate permitted on specific issue approved by two-thirds vote of each house of Legislature and by the Governor.
- <sup>9</sup> New York: 5 per cent ceilings suspended until June 30, 1971 except for issues by public authorities on which the ceiling is 8 per cent.
- <sup>10</sup> North Dakota: Municipal refunding improvement bonds have 7 per cent ceiling.
- <sup>11</sup> Oklahoma: Some State agencies such as Boards of Regents for Colleges have no interest rate ceiling.
- <sup>12</sup> Wisconsin: Local notes can run for 10 years.
- <sup>13</sup> Illinois: Chicago GO bond limit of 6 per cent suspended until July 1, 1971. Park District (city corporation) GOs are limited to 7 per cent. Sanitary districts in State and City of Chicago and Chicago Board of Education authorized to issue GO notes of two-year duration not to exceed 7 per cent.
- <sup>14</sup> Arizona: Maximum interest rate must be specified on ballot.
- <sup>15</sup> Michigan: The 8 per cent ceiling is effective through Jan. 1, 1971, then drops to 7.5 per cent until July 1, 1971, and then returns to 6 per cent.
- <sup>16</sup> Virginia: Ceiling reverts to 6 per cent after June 30, 1972.
- <sup>17</sup> Missouri: Bonds must be sold not less than 95 per cent of par. Negotiated sales cannot exceed 6 per cent except industrial aid bonds which have 8 per cent ceiling.
- <sup>18</sup> Hawaii: 8 percent limitation for State effective until April, 1971, when it reverts to 6 per cent; 8 per cent limitation for counties effective until July, 1971, when it reverts to 6 per cent.

Source: Weekly Bond Buyer, July 13, 1970 updated.

**TABLE 102 — VOLUME OF STATE AND MUNICIPAL BORROWING 1896-1969**

The following table, compiled by THE DAILY BOND BUYER of New York, presents a 74-year record of long-term and short-term State and municipal financing:

Year	Par Amount			No. of All Issues
	Long-Term Issues	Short-Term Issues (1 year or less)	All Issues	
1969	\$11,460,251,103	\$11,927,846,124	\$23,388,097,227	6,396
1968	16,374,332,960	8,658,556,650	25,032,889,610	7,887
1967	14,287,949,346	8,025,331,071	22,313,280,417	7,964
1966	11,088,938,349	6,523,534,545	17,612,472,894	7,430
1965	11,084,188,715	6,537,396,751	17,621,585,466	7,977
1964	10,544,127,114	5,423,258,660	15,967,385,774	8,133
1963	10,106,665,364	5,480,807,517	15,587,472,881	8,574
1962	8,558,200,662	4,763,474,695	13,321,675,357	8,689
1961	8,359,512,134	4,514,171,800	12,873,683,934	8,490
1960	7,229,500,359	4,006,135,985	11,235,636,344	8,397
1959	7,681,053,623	4,178,641,998	11,859,695,621	8,568
1958	7,448,803,189	3,910,463,987	11,359,267,176	8,523
1957	6,958,152,145	3,273,508,182	10,231,660,327	8,242
1956	5,446,419,571	2,706,324,575	8,152,744,146	7,689
1955	5,976,503,820	2,592,945,267	8,569,449,087	7,732
1954	6,968,641,396	3,350,234,995	10,318,876,391	7,747
1953	5,557,887,369	2,756,631,122	8,314,518,491	7,263
1952	4,401,317,467	2,049,150,972	6,450,468,439	6,410
1951	3,278,153,053	1,636,758,897	4,914,911,950	5,885
1950	3,693,604,165	1,611,133,561	5,304,737,726	6,533
1949	2,995,425,049	1,332,336,205	4,328,261,254	5,794
1948	2,939,731,949	1,004,728,795	3,944,460,744	5,173
1947	2,353,771,562	957,537,229	3,311,308,791	4,333
1946	1,203,557,909	740,844,100	1,944,402,009	3,336
1945	818,371,728	665,118,894	1,483,490,622	2,397
1944	712,306,515	568,897,659	1,281,203,174	1,793
1943	507,566,466	711,162,906	1,218,729,372	1,637
1942	575,588,229	1,118,241,228	1,693,829,457	3,341
1941	1,229,493,072	1,407,782,154	2,637,275,226	6,433
1940	1,497,683,294	1,626,271,523	3,123,954,817	6,055
1939	1,098,604,265	1,208,386,966	2,306,991,231	6,436
1938	1,229,105,539	1,167,926,331	2,397,032,370	7,165
1937	984,094,835	712,255,997	1,696,350,832	5,574
1936	1,156,254,317	733,137,912	1,889,392,229	6,032
1935	1,195,717,486	987,568,002	2,183,285,488	5,203
1934	1,175,333,698	933,072,371	2,108,406,069	5,432
1933	1,127,576,331	988,014,011	2,115,590,392	3,250
1932	936,855,060	1,092,068,907	2,028,921,967	4,108
1931	1,251,771,394	1,086,765,138	2,338,536,532	5,346
1930	1,382,870,539	952,121,721	2,334,992,260	6,661
1929	1,442,331,438	920,932,191	2,363,363,629	6,781
1928	1,389,818,717	716,792,625	2,106,611,342	7,356
1927	1,477,769,324	624,872,483	2,102,642,307	8,312
1926	1,362,037,301	661,210,370	2,023,248,671	7,625
1925	1,404,702,240	866,061,013	2,270,763,253	8,356
1924	1,446,686,993	979,030,752	2,425,717,745	7,736
1923	1,135,167,124	514,156,200	1,649,323,334	8,000
1922	1,279,553,134	395,578,427	1,675,131,561	9,434
1921	1,333,368,900	762,037,232	2,145,406,132	7,227
1920	773,663,986	664,037,293	1,437,701,279	5,499
1919	770,195,248	450,033,607	1,220,228,855	6,752
1918	262,818,344	473,134,727	735,953,071	3,371
1917	444,932,343	392,443,858	837,376,201	5,712
1916	497,403,751	292,407,269	789,811,020	6,561
1915	492,590,441	154,723,247	647,313,688	5,231
1914	445,906,510	236,054,624	681,961,134	4,605
1913	408,477,402	483,217,696	891,695,098	4,172
1912	399,046,083	192,450,139	591,496,222	4,605
1911	452,113,716	190,683,131	642,796,847	4,391
1910	324,360,955	197,166,473	521,527,428	4,512
1909	363,630,786	118,340,309	481,971,095	4,702
1908	355,384,466	174,647,263	530,031,729	4,330
1907	301,043,503	167,841,555	468,885,058	3,641
1906	301,168,061	125,232,239	426,400,300	3,772
1905	197,719,077	150,401,683	348,120,760	3,712
1904	236,703,239	130,797,555	417,500,844	3,531
1903	.....	.....	224,728,526	3,085
1902	.....	.....	210,473,052	3,064
1901	.....	.....	168,163,773	2,594
1900	.....	.....	174,578,040	2,312
1899	.....	.....	144,403,454	2,634
1898	.....	.....	123,015,728	2,199
1897	.....	.....	163,352,254	2,024
1896	.....	.....	119,533,424	1,294

Source: The Bond Buyer's "Municipal Finance Statistics," Vol. 8, May 1970.

**TABLE 103 – STATE AND MUNICIPAL BONDS SOLD, BY STATE, 1962-1969**  
**[Breakdown of New Bond Financing by Each of 50 States and Possessions]**  
(In thousands)

State	1969	1968	1967	1966	1965	1964	1963	1962
Alabama	\$ 108,071	\$ 300,813	\$ 394,958	\$ 307,750	\$ 353,006	\$ 231,659	\$ 142,365	\$ 100,623
Alaska	73,240	68,923	88,512	15,782	13,272	21,485	36,801	30,549
Arizona	129,488	89,413	49,246	97,773	106,562	86,364	50,470	102,350
Arkansas	10,820	39,733	154,579	90,638	55,528	107,334	55,578	23,052
California	779,935	2,078,672	1,696,032	1,535,964	1,625,641	1,340,702	1,093,100	872,574
Colorado	73,830	68,051	88,107	95,965	128,907	142,244	136,953	64,904
Connecticut	300,465	265,857	314,326	117,903	188,563	190,448	116,587	204,852
Delaware	65,454	61,427	60,517	95,947	59,265	167,015	21,640	71,499
Florida	184,037	598,714	210,080	271,484	348,896	497,306	289,749	262,161
Georgia	185,154	217,891	348,614	254,259	201,844	167,746	139,745	215,486
Hawaii	139,230	88,545	88,560	21,935	57,598	50,270	77,921	28,525
Idaho	17,510	14,635	10,847	13,940	12,433	8,225	14,056	11,376
Illinois	377,001	540,049	587,247	416,332	355,351	302,956	575,782	412,078
Indiana	238,157	222,275	192,996	235,292	184,861	136,358	100,641	136,127
Iowa	106,613	152,181	187,651	138,207	52,257	50,418	50,987	60,307
Kansas	74,188	110,257	106,027	72,777	104,177	62,025	63,058	65,565
Kentucky	268,721	400,530	380,769	438,147	183,248	161,746	240,106	143,440
Louisiana	150,733	530,281	452,908	248,149	288,656	187,358	304,785	274,373
Maine	55,865	62,340	40,396	22,341	16,626	19,844	27,508	18,598
Maryland	266,825	509,930	379,400	268,310	226,650	223,305	262,652	247,132
Massachusetts	320,515	362,684	445,932	266,545	248,432	445,548	220,074	381,524
Michigan	392,314	673,973	605,496	469,578	383,400	393,745	290,439	349,501
Minnesota	335,608	302,371	293,670	202,748	282,110	228,517	294,640	132,070
Mississippi	32,737	135,005	264,218	97,075	115,937	106,632	77,905	78,604
Missouri	134,905	458,940	204,765	159,311	143,062	118,061	128,518	117,791
Montana	8,401	12,586	25,210	26,152	26,568	14,584	19,491	21,487
Nebraska	58,565	367,110	49,006	94,609	56,736	57,086	49,630	56,797
Nevada	28,873	19,385	50,205	44,558	47,520	50,110	42,341	16,984
New Hampshire	24,889	33,793	52,203	21,204	55,161	19,204	39,530	19,119
New Jersey	684,192	465,796	348,437	342,472	259,812	200,317	290,267	326,675
New Mexico	36,413	45,840	37,739	68,605	81,211	118,206	58,968	35,691
New York	1,608,759	2,189,682	1,541,494	1,424,780	1,351,818	1,556,585	1,448,899	1,277,577
North Carolina	153,667	266,230	298,902	146,429	154,298	90,253	98,765	63,432
North Dakota	21,854	9,430	8,008	21,098	18,402	10,170	7,450	16,986
Ohio	436,530	697,429	575,061	333,332	404,305	368,781	297,738	258,909
Oklahoma	135,358	220,865	91,212	313,862	149,411	76,636	151,171	83,597
Oregon	225,191	240,916	131,615	127,493	54,596	121,647	97,226	71,497
Pennsylvania	1,066,655	1,073,853	940,959	602,321	614,881	545,072	693,893	524,385
Rhode Island	32,525	109,105	106,735	45,390	126,413	62,657	46,545	50,460
South Carolina	54,642	142,026	166,961	43,937	72,871	26,151	46,044	33,336
South Dakota	7,642	12,933	14,567	16,376	15,199	15,176	8,141	5,136
Tennessee	160,396	219,924	335,139	202,840	143,275	148,672	289,518	151,101
Texas	535,060	810,942	688,058	563,058	663,493	480,403	457,642	446,245
Utah	10,538	23,900	26,880	13,639	102,925	38,293	24,841	51,959
Vermont	69,457	53,874	11,066	39,434	21,561	21,611	16,076	11,672
Virginia	212,144	196,630	240,780	102,930	168,515	118,510	117,038	125,365
Washington	382,559	307,569	306,121	129,995	268,722	519,146	731,351	196,561
West Virginia	154,250	57,449	78,052	84,215	84,950	80,696	15,801	16,639
Wisconsin	237,341	238,609	230,025	188,036	218,254	164,119	129,845	167,920
Wyoming	6,175	35,650	86,205	9,253	15,223	9,938	15,757	4,332
District of Columbia	49,815	12,090	17,590	5,015	7,740	14,005	.....	.....
Puerto Rico	230,837	146,310	176,945	123,750	155,205	168,775	100,625	111,770
Virgin Islands	6,106	10,906	6,915	.....	8,830	.....	.....	7,495
<b>TOTALS</b>	<b>\$11,460,251</b>	<b>\$16,874,822</b>	<b>\$14,287,949</b>	<b>\$11,088,938</b>	<b>\$11,084,188</b>	<b>\$10,544,127</b>	<b>\$10,106,665</b>	<b>\$8,558,200</b>

Source: The Bond Buyer's "Municipal Finance Statistics," Vol. 8, May 1970.

**TABLE 104 – STATE AND MUNICIPAL BOND FINANCING PURPOSES  
1961-1969  
(In thousands)**

Purpose	1969	1968	1967	1966	1965	1964	1963	1962	1961
School . . . . .	\$ 3,174,829	\$ 4,717,957	\$ 4,454,022	\$ 3,719,296	\$ 3,616,745	\$ 3,377,700	\$ 3,100,241	\$ 3,001,785	\$ 2,713,707
Water and Sewer . . . . .	1,357,049	1,887,228	1,947,162	1,637,418	1,904,759	1,702,848	1,793,406	1,319,628	1,354,650
Highway, Bridge and Tunnel . . . . .	1,571,846	1,564,259	1,140,352	1,493,202	966,254	854,293	1,000,348	1,146,000	1,204,062
Veteran's Aid . . . . .	147,000	155,000	165,000	90,000	50,000	120,000	25,000	125,000	477,676
Local Housing . . . . .	397,885	524,810	477,510	439,705	464,045	635,745	254,015	381,800	188,810
Industrial Aid . . . . .	24,020	1,585,270	1,325,147	504,460	211,631	191,351	119,120	84,317	71,711
Other . . . . .	4,787,622	5,939,808	4,778,754	3,204,857	3,870,754	3,662,188	3,814,535	2,499,669	2,348,895
<b>Totals . . . . .</b>	<b>\$11,460,251</b>	<b>\$16,374,332</b>	<b>\$14,287,949</b>	<b>\$11,088,938</b>	<b>\$11,084,188</b>	<b>\$10,544,127</b>	<b>\$10,106,665</b>	<b>\$8,558,200</b>	<b>\$8,359,512</b>

(These statistics compiled by "The Daily Bond Buyer." Yearly totals of Industrial Aid financing furnished by the Investment Bankers Association for the years 1961-66.)

Source: The Bond Buyer's "Municipal Finance Statistics," Vol. 8, May 1970.

TABLE 105 – STATE AND MUNICIPAL BOND ELECTION RESULTS, 1926-1969<sup>1</sup>

Year	Approved		Defeated	
	Amount	Percent	Amount	Percent
1969	\$ 4,286,542,050	40	\$ 6,534,047,453	60
1968	8,686,075,169	54	7,459,875,274	46
1967	7,365,194,080	74	2,549,704,766	26
1966	6,515,833,687	77	1,944,831,423	23
1965	5,611,653,628	73	2,095,491,659	27
1964	5,715,400,806	78	1,582,926,248	22
1963	3,626,886,529	63	2,156,807,833	37
1962	4,263,609,903	70	1,850,443,358	30
1961	2,544,327,858	67	1,263,606,943	33
1960	5,916,951,404	85	1,007,889,410	15
1959	2,752,942,464	72	1,087,633,605	28
1958	3,728,455,966	75	1,263,754,101	25
1957	2,733,435,486	77	806,795,602	23
1956	4,642,488,809	87	665,689,492	13
1955	2,885,666,121	65	1,524,453,871	35
1954	2,781,901,503	84	544,154,550	16
1953	1,851,594,537	83	388,769,450	17
1952	2,383,970,390	84	458,278,500	16
1951	2,249,602,957	88	301,174,640	12
1950	1,537,517,326	76	497,983,399	24
1949	2,217,294,115	84	413,331,290	16
1948	1,449,725,477	69	657,517,250	31
1947	1,870,028,900	92	165,013,750	8
1946	1,923,932,726	87	277,742,348	13
1945	562,406,734	87	87,046,650	13
1944	369,399,622	63	216,254,500	37
1943	48,929,526	49	49,559,000	51
1942	94,638,325	57	71,830,194	43
1941	171,532,546	43	223,640,393	57
1940	155,630,558	62	93,670,643	38
1939	102,855,119	39	163,943,176	61
1938	282,251,298	51	268,258,925	49
1937	165,580,954	40	244,583,610	60
1936	186,603,362	64	106,646,004	36
1935	282,703,638	69	128,503,326	31
1934	268,962,755	60	176,692,931	40
1933	507,121,176	83	105,600,483	17
1932	137,206,642	67	68,679,459	33
1931	474,479,811	78	133,474,369	22
1930	626,059,337	69	280,093,532	31
1929	440,995,944	60	295,386,040	40
1928	783,412,085	59	536,889,610	41
1927	560,714,514	73	211,229,080	27
1926	606,933,170	76	193,184,289	24

<sup>1</sup>Since the year 1926, THE BOND BUYER has been keeping a statistical record of the results of State and municipal bond elections based upon current day to day reports. Summaries of the detailed reports on individual elections are published once each month. The yearly totals presented above were compiled from these data. Approximate percentages of amounts approved and defeated indicate the changing attitude of taxpayers toward the creation of new indebtedness.

Source: The Bond Buyer's "Municipal Finance Statistics," Vol. 8, May 1970.

TABLE 106 – INVESTMENT OF MAJOR STATE PENSION FUNDS, BY STATE, 1969<sup>1</sup>  
(Percentage distribution)

State	Total	Cash and Deposits	U. S. Obligations	Municipal Bonds	Corporate Bonds	Mortgages	Stock	Other
Alabama	\$367,554,312	.1%	14.2%	.7%	57.6%	21.3%	6.0	—
Alaska	53,868,969	20.7	26.0	—	6.0	26.6	20.7	—
Arizona	304,808,942	—	8.7	—	51.8	23.0	16.3	.2
Arkansas	147,005,180	1.1	8.3	.7	65.4	16.7	4.7	3.1
California	4,873,883,976	—	9.6	.3	70.1	15.4	4.7	—
Colorado	342,251,768	.4	28.7	—	31.4	33.3	5.5	.8
Connecticut	501,194,079	.3	28.4	—	63.7	1.0	6.5	—
Delaware	8,885,155	3.9	96.1	—	—	—	—	—
Florida	819,970,500	—	49.4	4.0	46.6	—	—	—
Georgia	662,261,500	—	9.3	—	52.7	6.8	30.4	.8
Hawaii	336,693,786	5.7	1.0	.8	35.2	22.9	34.4	—
Idaho	47,351,924	3.5	—	—	48.3	1.2	47.0	—
Illinois	949,288,378	—	15.9	—	61.6	7.7	14.8	—
Indiana	352,067,019	1.5	16.4	2.2	62.9	7.8	9.2	—
Iowa	324,327,873	—	17.5	—	79.0	—	2.9	.6
Kansas	143,827,036	1.4	25.5	—	56.4	—	16.6	—
Kentucky	361,382,372	—	3.6	1.4	54.7	22.2	18.0	—
Louisiana	770,313,126	2.7	27.1	1.3	56.0	—	12.7	.1
Maine	150,501,420	—	4.3	—	55.9	12.9	31.2	.1
Maryland	594,124,889	—	4.6	.2	62.1	13.0	18.4	1.8
Massachusetts	439,011,902	2.4	23.5	.2	71.6	—	2.2	—
Michigan	954,442,467	—	10.3	.5	52.2	27.4	9.6	—
Minnesota	910,569,073	3.5	15.0	6.4	46.5	—	28.6	—
Mississippi	149,498,004	—	24.9	18.3	13.6	43.1	—	—
Missouri	368,015,493	3.0	.4	—	49.4	30.4	16.7	—
Montana	113,596,822	.3	5.3	—	51.9	42.4	—	—
Nebraska	36,628,856	—	.8	—	43.3	2.9	52.9	—
Nevada	116,848,029	—	11.6	3.0	56.2	9.6	19.5	—
New Hampshire	110,387,428	.7	3.9	—	50.0	3.6	41.7	—
New Jersey	2,276,814,021*	—	9.6	4.4	71.4	9.1	5.5	—
New Mexico	174,256,960	—	25.2	—	25.6	22.3	26.8	—
New York	5,987,945,403	2.0	15.6	.7	46.7	24.3	10.7	—
North Carolina	983,594,269	—	22.0	2.0	67.2	—	8.8	—
North Dakota	34,810,075	.7	19.1	3.9	41.6	22.7	11.8	.2
Ohio	3,317,233,527	—	4.5	1.0	59.5	15.8	19.2	—
Oklahoma	138,943,398	—	18.0	—	81.5	—	.5	—
Oregon	339,200,215	.6	12.6	—	61.6	20.4	4.7	—
Pennsylvania	2,506,116,778	—	2.1	.5	78.0	19.4	—	—
Rhode Island	124,655,131	—	24.5	1.3	50.4	—	23.7	—
South Carolina	425,206,390	—	13.9	13.4	72.5	.3	—	—
South Dakota	19,605,094	—	19.9	—	64.2	5.2	10.6	—
Tennessee	340,854,112	—	6.9	—	77.5	4.8	10.8	—
Texas	1,698,412,778	1.2	22.8	1.1	55.0	—	19.9	—
Utah	126,127,031	.7	7.2	—	60.1	19.9	12.2	—
Vermont	79,239,804	1.3	1.9	1.2	59.3	28.4	6.8	1.1
Virginia	513,458,070	—	11.8	1.9	74.8	2.2	9.3	—
Washington	714,572,308	.3	7.6	5.9	61.6	24.2	.3	.1
West Virginia	209,708,991	—	49.1	.3	49.0	1.5	—	—
Wisconsin	1,130,551,107	1.7	.3	.1	57.2	9.6	31.1	—
Wyoming	41,317,157	—	65.2	—	32.0	2.8	—	—
<b>Totals</b>	<b>\$36.493</b>	<b>\$.284</b>	<b>\$4.661</b>	<b>\$.487</b>	<b>\$21.365</b>	<b>\$5.049</b>	<b>\$4.103</b>	<b>\$.029</b>
(in billions)								
Percentages		.8%	13.0%	1.3%	59.4%	14.0%	11.4%	.1%

In the above table \$.284 represents \$284 million.

\*The New Jersey investment percentages are figured on only the \$1,761,764,402 held by the major New Jersey funds, rather than the \$2,276,814,021 held by all New Jersey funds. The totals of the separate investment columns are also based on the lower New Jersey figure.

<sup>1</sup>These figures for 1969 are from "State and Local Pension Funds 1970" published by Investment Bankers Association of America.

Source: The Bond Buyer's "Municipal Finance Statistics," Vol. 8, May 1970.

TABLE 107 - POPULATION AND PERSONAL INCOME, BY STATE, 1960 AND 1969-70

State	Population (000) <sup>1</sup>			Personal income (calendar years)					
	April 1, 1970	April 1, 1960	Percent increase or decrease (-)	Total (\$000,000)			Per capita <sup>2</sup>		
				1969	1960	Percent increase	1969	1960	Percent increase
United States . . . . .	200,352	179,323	11.7	744,479	398,725	86.7	3,687	2,215	66.5
Alabama . . . . .	3,373	3,267	3.2	9,116	4,876	87.0	2,582	1,488	73.5
Alaska . . . . .	295	226	30.5	1,258	649	93.8	4,460	2,835	57.3
Arizona . . . . .	1,752	1,302	34.6	5,709	2,684	112.7	3,372	2,032	65.9
Arkansas . . . . .	1,886	1,786	5.6	4,963	2,459	101.8	2,488	1,372	81.3
California . . . . .	19,715	15,717	25.4	83,408	42,980	94.1	4,290	2,709	58.4
Colorado . . . . .	2,178	1,754	24.2	7,569	4,022	88.2	3,604	2,275	58.4
Connecticut . . . . .	2,988	2,535	17.9	13,784	7,138	93.1	4,595	2,806	63.8
Delaware . . . . .	543	446	21.7	2,218	1,238	79.2	4,107	2,758	48.9
Dist. of Columbia . . . . .	746	764	-2.4	3,768	2,311	63.0	4,722	3,017	56.5
Florida . . . . .	6,671	4,952	34.7	22,396	9,746	129.8	3,525	1,950	80.8
Georgia . . . . .	4,492	3,943	13.9	14,253	6,489	119.6	3,071	1,639	87.4
Hawaii . . . . .	769	633	21.5	3,060	1,478	107.0	3,928	2,380	65.0
Idaho . . . . .	713	667	6.9	2,120	1,241	70.8	2,953	1,850	59.6
Illinois . . . . .	10,978	10,081	8.9	47,340	26,718	77.2	4,285	2,649	61.8
Indiana . . . . .	5,143	4,662	10.3	18,868	10,225	84.5	3,687	2,188	68.5
Iowa . . . . .	2,790	2,758	1.2	9,870	5,475	80.3	3,549	1,986	78.7
Kansas . . . . .	2,222	2,179	2.0	8,096	4,712	71.8	3,488	2,162	61.3
Kentucky . . . . .	3,161	3,038	4.0	9,202	4,792	92.0	2,847	1,575	80.8
Louisiana . . . . .	3,564	3,257	9.4	10,413	5,399	92.9	2,781	1,654	68.1
Maine . . . . .	992	969	2.4	2,987	1,796	66.3	3,054	1,844	65.6
Maryland . . . . .	3,875	3,101	25.0	15,336	7,289	110.4	4,073	2,344	73.8
Massachusetts . . . . .	5,630	5,149	9.3	22,722	12,680	79.2	4,156	2,461	68.9
Michigan . . . . .	8,778	7,823	12.2	35,010	18,203	92.3	3,994	2,324	71.9
Minnesota . . . . .	3,768	3,414	10.4	13,448	7,241	85.7	3,635	2,115	71.9
Mississippi . . . . .	2,159	2,178	-0.9	5,234	2,632	98.9	2,218	1,204	64.2
Missouri . . . . .	4,636	4,320	7.3	16,085	9,149	75.8	3,458	2,114	63.6
Montana . . . . .	694	675	2.8	2,172	1,383	57.0	3,130	2,037	53.7
Nebraska . . . . .	1,468	1,411	4.0	5,230	2,990	74.9	3,609	2,110	71.0

See footnotes at the end of table.



TABLE 107—POPULATION AND PERSONAL INCOME, BY STATE, 1960 AND 1969-70 (Cont'd)

State	Population (000) <sup>1</sup>			Personal income (calendar years)					
	April 1, 1970	April 1, 1960	Percent increase or decrease (—)	Total (\$000,000)			Per capita <sup>2</sup>		
				1969	1960	Percent increase	1969	1960	Percent increase
Nevada . . . . .	482	285	69.1	2,037	831	145.1	4,458	2,856	56.1
New Hampshire . . . . .	723	607	19.1	2,489	1,305	90.7	3,471	2,144	61.9
New Jersey . . . . .	7,090	6,067	16.9	30,312	16,528	83.4	4,241	2,707	56.7
New Mexico . . . . .	1,015	951	6.7	2,879	1,801	59.9	2,897	1,888	53.4
New York . . . . .	17,980	16,782	7.1	81,384	46,281	75.8	4,442	2,748	61.6
North Carolina . . . . .	4,962	4,556	8.9	15,030	7,142	110.4	2,888	1,560	85.1
North Dakota . . . . .	618	632	-2.2	1,852	1,087	70.4	3,012	1,714	75.7
Ohio . . . . .	10,542	9,706	8.9	40,145	22,729	76.6	3,738	2,334	60.2
Oklahoma . . . . .	2,498	2,328	7.3	7,825	4,350	79.9	3,047	1,861	63.7
Oregon . . . . .	2,056	1,769	16.2	7,261	3,960	83.4	3,573	2,235	59.9
Pennsylvania . . . . .	11,670	11,319	3.1	43,182	25,395	70.0	3,659	2,241	63.3
Rhode Island . . . . .	922	859	7.3	3,515	1,897	85.3	3,858	2,219	73.9
South Carolina . . . . .	2,523	2,383	5.9	7,018	3,298	112.8	2,607	1,377	89.3
South Dakota . . . . .	661	681	-2.9	1,995	1,217	63.9	3,027	1,782	69.9
Tennessee . . . . .	3,839	3,567	7.6	11,189	5,521	102.7	2,808	1,543	82.0
Texas . . . . .	10,989	9,580	14.7	36,458	18,535	96.7	3,259	1,924	69.4
Utah . . . . .	1,061	891	19.1	3,132	1,771	76.8	2,997	1,968	52.3
Vermont . . . . .	444	390	13.8	1,426	716	99.2	3,247	1,842	76.3
Virginia . . . . .	4,543	3,967	14.5	15,441	7,339	110.4	3,307	1,841	79.6
Washington . . . . .	3,353	2,853	17.5	13,093	6,706	95.2	3,848	2,348	63.9
West Virginia . . . . .	1,702	1,860	-8.5	4,735	2,957	60.1	2,603	1,594	63.3
Wisconsin . . . . .	4,367	3,952	10.5	15,376	8,615	78.5	3,632	2,176	66.9
Wyoming . . . . .	332	330	0.6	1,073	749	43.3	3,353	2,261	48.3

<sup>1</sup> Excluding armed forces overseas. The 1970 figures are preliminary except for the States of Hawaii, Idaho, Maine, Montana, New Mexico, North Dakota, Vermont, and Wyoming.

<sup>2</sup> Per capita amounts are based on estimates of population as of July 1, 1969 and 1960.

Source: U. S. Department of Commerce: Bureau of the Census, advance 1970 Census of Population data and *U. S. Census of Population: 1960, Vol. 1*; and Office of Business Economics, *Survey of Current Business, August 1970*.

TABLE 108 — GROSS NATIONAL PRODUCT ELASTICITIES OF THE  
MAJOR CATEGORIES OF STATE GENERAL REVENUE

Revenue Source	Elasticity Estimates		
	Low	Medium	High
Property taxes . . . . .	0.7	0.9	1.1
Income taxes			
Individual . . . . .	1.5	1.65	1.8
Corporate . . . . .	1.1	1.2	1.3
Sales taxes			
General . . . . .	0.9	0.97	1.05
Motor fuel . . . . .	0.4	0.5	0.6
Alcoholic beverages . . . . .	0.4	0.5	0.6
Tobacco . . . . .	0.3	0.35	0.4
Public utilities . . . . .	0.9	0.95	1.0
Other . . . . .	0.9	1.0	1.1
Auto license and registration . . . . .	0.2	0.3	0.4
Death and gift taxes . . . . .	1.0	1.1	1.2
All other taxes . . . . .	0.6	0.65	0.7
Higher education fees . . . . .	1.6	1.7	1.8
Hospital fees . . . . .	1.3	1.4	1.5
Natural resources fees . . . . .	0.9	1.0	1.1
Interest earnings . . . . .	0.6	0.7	0.8
Miscellaneous fees and charges . . . . .	0.6	0.7	0.8

Source: Advisory Commission on Intergovernmental Relations, *Federal-State Coordination of Personal Income Taxes* (ACIR, Washington, 1965), p. 42.

TABLE 109 – UNIFORMITY IN STATE TAXATION OF INTERSTATE BUSINESS

Selected Provisions

Corporation Income, Sales and Use Taxes

State	Corporation income		Sales & use	Elim. of audit reimb.	State	Corporation income		Sales & use	Elim. of audit reimb.
	IRS starting point	NCCUSL formula	Use tax credit			IRS starting point	NCCUSL formula	Use tax credit	
Ala. ....	x <sup>1</sup>	x <sup>2</sup>	x	x	Mont. ....	x	x	*	x
Alaska ....	x	x	*	x	Neb. ....	x	x	x	x
Ariz. ....			x	x	Nev. ....	*	*	<sup>4</sup>	x
Ark. ....		x	x <sup>3,4</sup>	x	N. H. ....	*	*	*	*
Calif. ....	x <sup>1</sup>	x	x	x	N. J. ....	x		x	x
Colo. ....	x	x <sup>4</sup>	x	x	N. M. ....	x	x	x	x
Conn. ....	x		x	x	N. Y. ....	x		x	x
Del. ....	x		*	x	N. C. ....	x	x	x	x
Fla. ....	*	*	x	x	N. D. ....	x	x	x	x
Ga. ....			x	x	Ohio ....	*	*		x
Hawaii ...	x	x	x	x	Okla. ....	x <sup>1</sup>	x	x	x
Ida. ....	x	x	x	x	Ore. ....	x <sup>1</sup>	x	*	x
Ill. ....	*	*	x	x	Pa. ....	x		x	x
Ind. ....	x	x	x <sup>3</sup>	x	R. I. ....	x		x	x
Iowa ....	x		x	x	S. C. ....	x <sup>1</sup>	x		x
Kans. ....	x	x	x	x	S. D. ....	*	*	x <sup>3</sup>	x
Ky. ....	x	x	x	x	Tenn. ....	x <sup>1</sup>		x	x
La. ....	x <sup>1</sup>		x	x	Texas ....	*	*	x	x
Maine ....	*	*	x	x	Utah ....		x	x	x
Md. ....	x		x	x	Vt. ....	x		*	x
Mass. ....	x		x	x	Va. ....		x	x	x
Mich. ....	x	x	x	x	Wash. ....	*	*	x	x
Minn. ....			x	x	W. Va. ....	x			x
Miss. ....	x <sup>1</sup>		x <sup>3</sup>	x	Wis. ....			x	x
Mo. ....		<sup>4</sup>	x	x	Wyo. ....	*	*	x	x
					D. C. ....		x	x	x

<sup>1</sup>By administrative practice.

<sup>2</sup>For foreign corporations.

<sup>3</sup>Statutory credit limited.

<sup>4</sup>Multistate Tax Compact State: compact includes provision but legal effect varies.

\* No tax.

Source: Federation of Tax Administrators, *Tax Administrators News*, Vol. 32, No. 4, April 1968.

TABLE 110 — AGENCIES ADMINISTERING MAJOR STATE TAXES, JANUARY 1, 1971

State	Income	Sales	Gasoline	Motor Vehicle	Tobacco	Death	Alcoholic Beverage
Alabama . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Alcoholic Beverage Control Board
Alaska . . . . .	Dept. of Revenue	. . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Arizona . . . . .	Tax Commission	Tax Commission	Div. of Mot. Veh.	Div. of Mot. Veh.	Tax Commission	Estate Tax Commissioner	Dept. of Liquor Licenses & Control
Arkansas . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
California . . . . .	Franchise Tax Bd.	Bd. of Equal.	Bd. of Equal.	Dept. of Mot. Veh.	Bd. of Equal.	Controller	Bd. of Equal.
Colorado . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Connecticut . . . . .	Tax Commissioner	Tax Commissioner	Tax Commissioner	Comm. of Mot. Veh.	Tax Commissioner	Tax Commissioner	Tax Commissioner
Delaware . . . . .	Div. of Revenue	. . . . .	Div. of Revenue	Comm. of Mot. Veh.	Div. of Revenue	Div. of Revenue	Alcoholic Beverage Control Comm.
Florida . . . . .	. . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Bus. Reg.	Dept. of Revenue	Dept. of Bus. Reg.
Georgia . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Hawaii . . . . .	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation	County Treasurer	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation
Idaho . . . . .	Tax Commission	Tax Commission	Tax Commission	Dept. of Law Enforcement	Tax Commission	Tax Commission	Tax Commission
Illinois . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Sec. of State	Dept. of Revenue	Atty. General	Dept. of Revenue
Indiana . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Bureau of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Alcoholic Beverage Commission
Iowa . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Public Safety	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Kansas . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Highway Comm.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue Dir. Alco. Bev. Comm.
Kentucky . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Louisiana . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Local	Dept. of Revenue <sup>1</sup>
Maine . . . . .	Bur. of Taxation	Bur. of Taxation	Bur. of Taxation	Sec. of State	Bur. of Taxation	Bur. of Taxation	Liquor Comm.
Maryland . . . . .	Comptroller	Comptroller	Comptroller	Dept. of Mot. Veh.	Comptroller	Local	Comptroller
Massachusetts . . . . .	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation	Registrar of Motor Veh.	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation
Michigan . . . . .	Dept. of Treasury	Dept. of Treasury	Dept. of Treasury	Sec. of State	Dept. of Treasury	Dept. of Treasury	Liquor Control Commission
Minnesota . . . . .	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation	Sec. of State	Dept. of Taxation	Dept. of Taxation	Liquor Control Commission
Mississippi . . . . .	Tax Commission	Tax Commission	Motor Vehicles Comptroller	Motor Vehicles Comptroller	Tax Commission	Tax Commission	Tax Commission
Missouri . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue

See footnotes at the end of table.

TABLE 110 – AGENCIES ADMINISTERING MAJOR STATE TAXES, JANUARY 1, 1971 (Cont'd)

State	Income	Sales	Gasoline	Motor Vehicle	Tobacco	Death	Alcoholic Beverage
Montana . . . . .	Board of Equal.	. . . . .	Board of Equal.	Registrar of Motor Veh.	Board of Equal.	Board of Equal.	Liquor Control Bd.
Nebraska . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Liquor Control Commission
Nevada . . . . .	. . . . .	Tax Commission	Tax Commission	Dept. of Mot. Veh.	Tax Commission	. . . . .	Tax Commission
New Hampshire . . . . .	. . . . .	. . . . .	Dept. of Safety	Dept. of Safety	Tax Commission	Tax Commission	Liquor Commission
New Jersey . . . . .	Dept. of Treas.	Dept. of Treas.	Dept. of Treas.	Dept. of Law & Public Safety	Dept. of Treas.	Dept. of Treas.	Dept. of Treas.
New Mexico . . . . .	Bur. of Revenue	Bur. of Revenue	Bur. of Revenue	Dept. of Mot. Veh.	Bur. of Revenue	State Treasurer	Dept. of Alco. Bev. Control <sup>2</sup>
New York . . . . .	Dept. of Taxation and Finance	Dept. of Taxation and Finance	Dept. of Taxation and Finance	Dept. of Mot. Veh.	Dept. of Taxation and Finance	Dept. of Taxation and Finance	Dept. of Taxation and Finance
N. Carolina . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
N. Dakota . . . . .	Tax Commissioner	Tax Commissioner	Tax Commissioner	Dept. of Mot. Veh.	Tax Commissioner	Tax Commissioner	Treasurer
Ohio . . . . .	. . . . .	Dept. of Taxation	Dept. of Taxation	Bur. of Mot. Veh.	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation
Oklahoma . . . . .	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission
Oregon . . . . .	Dept. of Revenue	. . . . .	Dept. of Mot. Veh.	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Liquor Control Commission
Pennsylvania . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Rhode Island . . . . .	Dept. of Adm.	Dept. of Adm.	Dept. of Adm.	Dept. of Trans.	Dept. of Adm.	Dept. of Adm.	Dept. of Adm.
S. Carolina . . . . .	Tax Commission	Tax Commission	Tax Commission	Highway Dept.	Tax Commission	Tax Commission	Tax Commission
S. Dakota . . . . .	. . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Tennessee . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Texas . . . . .	. . . . .	Comptroller	Comptroller	Highway Dept.	Comptroller	Comptroller	Alco. Bev. Comm.
Utah . . . . .	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Commission
Vermont . . . . .	Comm. of Taxes	Comm. of Taxes	Motor Vehicles Department	Motor Vehicles Department	Comm. of Taxes	Comm. of Taxes	Comm. of Taxes
Virginia . . . . .	Dept. of Taxation	Dept. of Taxation	Division of Motor Veh.	Division of Motor Veh.	Dept. of Taxation	Dept. of Taxation	Alcoholic Bev. Control Board
Washington . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Liquor Control Bd.
W. Virginia . . . . .	Tax Department	Tax Department	Tax Department	Dept. of Mot. Veh.	Tax Department	Tax Department	Alcoholic Bev. Control Comm.
Wisconsin . . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Mot. Veh. Dept.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Wyoming . . . . .	. . . . .	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Liquor Comm.
Dist. of Col. . . . .	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.

<sup>1</sup>Beverages of low alcoholic content only. Board of alcoholic beverage control for beverages containing more than 6% of alcohol by volume.

<sup>2</sup>Liquor excise tax administered by the Liquor Control Division of the Bureau of Revenue.

Source: Commerce Clearing House, *State Tax Reporter*.



## SUGGESTED STATE TAX AND FINANCE LEGISLATION

In the course of its studies, the Commission has made numerous recommendations for improving the State-local fiscal system. Each recommendation has been converted to legislative language introduced by policy statement for the consideration of State tax policymakers. These are published in the annual *State Legislative Program* of the Advisory Commission on Intergovernmental Relations.

A selected number of State legislative proposals relating to State and local finances follows. Copies of these and other bills and policy statements appearing in the *State Legislative Program* may be obtained in "slip bill" form on request from the Commission.

## UNIFORM PERSONAL INCOME TAX STATUTE

The personal income tax represents the last under-utilized major revenue source for many states. Over one-fourth of the states, including some in the most industrialized high-income sections of the country, do not tax personal incomes at all and one-third tax them at relatively low effective rates. The tax produces about \$9 billion for the 37 states with income taxes. In contrast, state and local sales taxes produce about \$16 billion and property taxes about \$36 billion. In the aggregate the personal income tax provides only about 19 percent of all state and 10 percent of all state and local taxes. Therefore, most states now derive little benefit from the unique growth potential of this tax.

The personal income tax is the brightest prospective revenue source available to states for closing the gap between rising expenditure needs and the revenue productivity of their tax systems. Since World War II, state and local expenditures have been growing at the rate of 8 to 9 percent per year while the principal state and local revenue producers — general retail sales and property taxes — increase at only about half this rate and roughly in proportion to the gross national product. Greater reliance on personal income taxes will strengthen the revenue position of the states as the national economy continues to grow.

The personal income tax has other important attributes. It permits a larger share of the tax burden to be adjusted to the size of the family through an exemption system. It typically results in equal treatment of individuals and households with equal income, a characteristic that grows in importance as the margin between people's incomes and their consumer expenditures widens and as family homesteads become less and less indicative of tax-paying ability. The personal income tax also provides the most effective way for exempting the disadvantaged members in American society — the poor — from some of the growing burden of state and local taxes. This attribute takes on increasing importance as national policy objectives encompassed in the anti-poverty program gain dominance, as the significance of the state and local sector in total government operations increases, and as the weight of national payroll taxes to finance social security programs grows heavier.

The national government now obtains over \$90 billion, more than half of its tax revenue, from the personal income tax. Of the American people's annual tax payments on their personal incomes, 91 percent is to the federal government, only 9 percent to state and local governments. The universality and dominance of the federal income tax has already prompted most income tax states to conform their income tax laws to the federal code in the interest of minimizing taxpayer inconvenience, and administrative costs. The prospect of increased state use of income taxation further underscores the case for conforming state personal income tax laws to the Federal Internal Revenue Code.

The definition of net income derived from business and professional activity lends itself uniquely to federal-state income tax conformity. The basic questions in this area are best resolved in accord with the rules of good business practice. The definition of net income from business operations is in fact, largely an exercise in articulating the rules of accountancy. Because federal law in this regard is already quite explicit, state independence with respect to the definition of net income can result in taxpayer inconvenience and administrative complexity. For this reason, the Advisory Commission on Intergovernmental Relations has recommended that the states endeavor to bring their income tax laws into harmony with the federal definition of adjusted gross income.

Aside from the special treatment of income from government obligations required by the doctrine of intergovernmental tax immunities, the income portion of most taxpayers' state returns could be completed by copying a single figure from the federal return (line 18 of the 1970 Federal Form 1040), under the approach taken in this suggested legislation. States would, at the same time, retain the requisite flexibility with respect to determining personal deductions and exemptions as well as adjusted gross income modifications designed to promote tax equity, maximize the tax base, and minimize the likelihood of adverse effects on state tax revenues resulting from unforeseen changes in federal tax policy.



To facilitate the adoption of a state income tax law conforming in all essential respects to appropriate Federal Internal Revenue Code provisions, this suggested legislation incorporates in one comprehensive act the provisions necessary to deal consistently with partnerships, estates, trusts, beneficiaries, and decedents, as well as individuals. The legislation includes the definition of residence (section 1 (b)) recommended by the Advisory Commission for adoption by all income tax states in order to preclude multiple taxation and to eliminate tax avoidance. It also contains a provision (title II, part I, section 11) for crediting residents of the state for income tax paid another state, a practice now followed by two-thirds of the income tax states in the interest of consistency with tax collection at the source and the avoidance of double taxation of the same income.

The ultimate objective of federal-state income tax comity is a condition that would enable the taxpayer to satisfy both state and federal filing requirements with a single tax return. The realization of such a goal, however, is unlikely without state and federal authority to experiment on a limited geographical basis. The Advisory Commission has recommended that in order to encourage experimentation with federal collection of state income taxes, the Congress authorize the Internal Revenue Service and that the legislatures of states using personal income taxes authorize their governors, to enter into mutually acceptable agreements for federal collection of state income taxes. At least one State, Nebraska, has provided authority for its tax officials to negotiate with federal authorities for the collection of the State's income tax. Congress has not yet provided similar authority at the Federal level.

Continuing revenue pressures, against the background of the recent substantial increases in property tax rates, are enhancing local government interest in other tax sources, including the individual income tax. Local governments in nine states (Alabama, Delaware, Kentucky, Maryland, Michigan, Missouri, New York, Ohio, and Pennsylvania) may impose income taxes. The first seven mentioned states also levy state personal income taxes but the number of their localities using income taxes is quite limited (except in Maryland, where all 23 counties and the City of Baltimore levy a supplement to the state personal income tax). Ohio, and Pennsylvania, neither of which levies a state personal income tax, have permitted local income taxation to proliferate. The states have a useful and significant coordinating role to play in the administration of local income taxes as well as in other nonproperty taxes, as noted elsewhere in these state legislative proposals. (See *State Broad Based Sales Tax, 15-62-30.*)

While income taxes are preferable to sales and many other types of taxes because they can be structured to distribute their burden in conformity with ability to pay and with necessary regard for the taxpayer's family obligations, they have important limitations for use at the local level. These limitations grow more compelling as the economies of the different sections of the country become more and more interdependent. Increasingly, out people live in one jurisdiction and work in another. Increasingly, our people supplement their wages and salaries from local sources with investment and earned income from other parts of the state and from other states. In deference to these considerations local jurisdictions that now use these taxes generally limit them to income from wages and salaries. In doing so, they forego some of the advantages of the income tax in terms of ability to pay.

These kinds of considerations explain the Advisory Commission's preference for state rather than locally imposed personal income taxes. Local jurisdictions' need for revenue to supplement those from property, sales, and other local tax sources are best met by state financial aid allocated with appropriate regards for variations in local needs and fiscal resources.

Where it is desired to supplement local resources with revenues from a tax on personal incomes and this cannot be effectuated through a state levy, income taxes imposed below the state level are a possible alternative. Such taxes, however, are preferably levied over as large an area as possible, ideally coinciding with the boundaries of the economic or metropolitan area and as a supplement ("piggy-back") to the state's tax and collected with it. The county meets this area requirement where its boundaries coincide with the boundaries of a metropolitan area.

In multi-county economic or metropolitan areas, the preferred method is a uniform income tax applicable to the entire area. In these cases, as in the case of a countywide tax shared with incorporated and unincorporated jurisdictions, the division of collections is likely to pose difficulties. Such difficulties could be avoided by reserving the proceeds of the income tax for financing a significant areawide program or function in which the constituent jurisdictions have a common interest, as for example, in higher education, recreation, or water supply. Where the direct use of income tax collections for a common program or function is not practicable, a sharing between the jurisdiction of employment and the jurisdiction of residence, as in Michigan, is a reasonable second choice. It is incontrovertible, however, that the smaller the income tax jurisdiction the more difficult it becomes to satisfy the dictates of tax fairness. While the state can protect its taxpayers with multi-state income tax sources against double taxation through tax credits and other arrangements, this is impracticable with respect to double taxation by local jurisdictions without jeopardy to the administrative ease and efficiency objectives of the local supplement device. The suggested legislation provides for a multi-county personal income tax supplement to the state income tax (title IX). States desiring to reserve their revenue yield for an areawide program or function could do so by an appropriate modification of section 123. In single county taxing areas, the certification provisions of section 120 can be appropriately modified.

**Suggested Legislation**

*[Title should conform to state requirements.]*

*(Be it enacted, etc.)*

1            *Section 1. (a) Imposition and Rate of Tax.* A tax is hereby imposed for each taxable year on the  
 2            entire taxable income of every resident of this state and on the taxable income of every nonresident  
 3            which is derived from sources within this state. The amount of the tax shall be determined in accordance  
 4            with the following table:

5            If the taxable income is:	The tax is:
6            Not over \$[    ]	[    ]% of the taxable income
7            Over \$[    ] but not over \$[    ]	\$[    ] plus [    ]% of the excess over \$[    ]
8            Over \$[    ] but not over \$[    ]	\$[    ] plus [    ]% of the excess over \$[    ]

9            *(b) Resident and Nonresident Defined.* For purposes of this act:

10            (1) A resident of this state means an individual who is domiciled in this state unless he main-  
 11            tains no permanent place of abode in this state and does maintain a permanent place of abode elsewhere  
 12            and spends in the aggregate not more than thirty days of the taxable year in this state; or who is not  
 13            domiciled in this state but maintains a permanent place of abode in this state and spends in the aggre-  
 14            gate more than 183 days of the taxable year in this state.

15            (2) A nonresident means an individual who is not a resident of this state.

16            *(c) Cross References:* For application of the tax to estates and trusts, see title V; for application  
 17            to partnerships, title VI.

18            *Section 2. Joint Return or Return of Surviving Spouse.* In the case of a joint return of a hus-  
 19            ban and wife, the tax imposed by section 1 shall be twice the tax which would be imposed if the

1 taxable income were cut in half. For purposes of this section, section 3 (optional tax) and section 8  
2 (standard deduction), a return of a surviving spouse shall be treated as a joint return of husband and wife.

3 *Section 3. Optional Tax. (a) Option to Elect in Lieu Tax.* In lieu of the tax imposed by section  
4 1, there is hereby imposed for each taxable year on the taxable income of every individual whose adjusted  
5 gross income for such year is less than \$5,000, or in the case of a married couple filing a joint return for  
6 such year whose adjusted gross income is less than \$10,000, and who has elected for such a year to pay  
7 the tax imposed by this section, a tax as follows:

8 (Insert appropriate tables)

9 (b) *Manner of Election.* The election referred to in subsection (a) shall be made in the manner  
10 provided in regulations prescribed by the [tax commissioner].

11 (c) *Separate Returns.* A husband or wife may not elect to pay the optional tax imposed by this  
12 section if the tax of the other spouse is determined under section 1 on the basis of taxable income com-  
13 puted without regard to the standard deduction.

14 (d) *Optional Tax Does Not Apply.* The optional tax imposed by this section does not apply to  
15 any individual who is ineligible to elect the optional tax provided in the Internal Revenue Code of the  
16 United States, nor to estates or trusts.

17 (e) *Determination of Taxable Income.* In the case of a taxpayer who makes the election referred  
18 to in this section, taxable income means adjusted gross income as modified by section 6 less the stand-  
19 ard deduction provided in section 8 and the deduction for personal exemptions provided in section 10.

20 *Section 4. Meaning of Terms.* Any term used in this act shall have the same meaning as when  
21 used in a comparable context in the laws of the United States relating to federal income taxes, unless a  
22 different meaning is clearly required. Any reference in this act to the laws of the United States shall  
23 mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, and other pro-  
24 visions of the laws of the United States relating to federal income taxes, as the same may be or become  
25 effective, at any time or from time to time, for the taxable year.

(Alternate form – to avoid invalidity on the ground  
of illegal delegation)

1 *Section 4. Meaning of Terms.* Any term used in this act shall have the same meaning as when  
2 used in a comparable context in the laws of the United States relating to federal income taxes, unless  
3 a different meaning is clearly required. Any reference in this act to the laws of the United States shall  
4 mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, in effect on  
5 [December 31, 19 ] and other provisions of the laws of the United States relating to federal income  
6 taxes in effect on [December 31, 19 ], or at the option of the taxpayer it shall mean the provisions  
7 of the Internal Revenue Code of 1954 and amendments thereto and other provisions of the laws of

1 the United States relating to federal income taxes as they may be in effect for the taxable  
2 year.

## TITLE II

### COMPUTATION OF TAXABLE INCOME

#### Part I - Resident Individuals

1 *Section 5. Taxable Income.* The entire taxable income of a resident of this state shall be his  
2 federal adjusted gross income as defined in the laws of the United States with the modifications and  
3 less the deductions and personal exemptions provided in this part.

4 *Section 6. Modifications.* (a) *Additions.* There shall be added to federal adjusted gross income:  
5 (1) interest or dividends on obligations or securities of any state or of a political subdivision or authority  
6 thereof (other than this state and its political subdivisions and authorities); and (2) interest or dividends  
7 on obligations of any authority, commission, instrumentality, territory or possession of the United States  
8 which by the laws of the United States are exempt from federal income tax but not from state income taxes.

9 (b) *Subtractions.* There shall be subtracted from federal adjusted gross income interest or dividends  
10 on obligations of the United States and its territories and possessions or of any authority, commission or  
11 instrumentality of the United States to the extent includible in gross income for federal income tax pur-  
12 poses but exempt from state income taxes under the laws of the United States, provided that the amount  
13 subtracted under this subsection shall be reduced by any interest on indebtedness incurred to carry the  
14 obligations or securities described in this subsection, and by any expenses incurred in the production of  
15 interest or dividend income described in this subsection to the extent that such expenses including amorti-  
16 zable bond premiums are deductible in determining federal adjusted gross income.

17 (c) *Fiduciary Adjustment.* There shall be added to or subtracted from federal adjusted gross income,  
18 as the case may be, the taxpayer's share of the fiduciary adjustment determined under section 34.

19 (d) *Cross Reference.* For modifications required to be made by a partner relating to items of in-  
20 come, gain, loss or deduction of a partnership, see title VI.

21 *Section 7. Deduction.* The deduction of a resident individual shall be his standard deduction unless  
22 he elects to itemize his deductions as provided in section 9.

23 *Section 8. Standard Deduction.* The standard deduction of a resident individual or of a resident  
24 husband and wife who file a joint return shall be 10 percent of his or their adjusted gross income as  
25 modified by this part, or \$1,000, whichever is less. The standard deduction of a married person who  
26 files a separate return shall not exceed \$500.

27 *Section 9. Itemized Deductions.* (a) *General.* If a resident individual has itemized his deductions

1 from adjusted gross income in determining his federal taxable income, he may elect in determining his  
 2 taxable income under this act to deduct the sum of such itemized deductions (other than deductions  
 3 for personal exemptions):

4 (1) Reduced by any amount thereof representing (i) income taxes imposed by this state  
 5 or any other taxing jurisdiction and (ii) interest or expenses incurred in the production of income  
 6 exempt from tax under this act and

7 (2) Increased by the amount of interest or expense incurred in the production of income  
 8 taxable under this act but exempt from federal income tax (and which has not been deducted in de-  
 9 termining federal adjusted gross income).

10 (b) *Husband and Wife.* A husband and wife, both of whom are required to file returns under this  
 11 act shall be allowed to itemize their deductions only if both elect to do so. The total of itemized de-  
 12 ductions of a husband and wife whose federal taxable income is determined on a joint return but whose  
 13 taxable incomes are determined separately for purposes of this act, may be taken by either or divided  
 14 between them as they may elect.

15 *Section 10. Personal Exemptions and Credits. (a) Personal Exemptions.* A resident shall be al-  
 16 lowed an exemption of \$[600] for each exemption to which he is entitled for the taxable year for fed-  
 17 eral income tax purposes.

18 (b) *A Credit for Sales Tax Paid on Food [and Drugs]. (1) General.* There shall also be allowed  
 19 to resident individuals as a credit against the tax imposed by this act, a food [and drug] sales tax credit  
 20 equal to \$[ ]<sup>1</sup> multiplied by the number of allowable personal exemptions claimed for individuals  
 21 who are residents, exclusive of the extra exemptions allowable for age or blindness. A refund shall be  
 22 allowed to the extent that the food [and drug] sales tax credit exceeds the income tax payable by the  
 23 resident individual for the taxable year.

24 (2) *Limitation on Claim.* No individual who may be claimed as a personal exemption on  
 25 another individual's return shall be entitled to a food [and drug] sales tax credit or refund for himself.  
 26 If a food [and drug] sales tax credit or refund is claimed on more than one return for the same individual,  
 27 the [tax commissioner] is authorized to determine the individual entitled to claim the credit or refund  
 28 provided herein.

29 (3) *Exemptions Prorated.* If personal exemptions are prorated under other provisions of  
 30 this act, then the food [and drug] sales tax credit or refund shall be proportionately prorated.

31 (4) *Sales Tax Presumed Paid.* Any individual, other than a person who for more than six  
 32 months of the taxable year is a resident patient or inmate of a public institution or an organization ex-  
 33 empt from tax as a charitable institution, who maintains a permanent place of abode within this state,

<sup>1</sup>E.g., \$6 where sales tax is 2%; \$9 where sales tax is 3%; \$12 where sales tax is 4%.

1 spending in the aggregate more than 6 months of the taxable year within this state, shall be conclusively  
2 presumed to have paid or paid with respect to such personal exemptions retail sales and use taxes imposed  
3 by this state equal to the maximum food [and drug] sales tax credit allowable.

4 (5) *Procedure for Credit of Refund of Tax.* The credits or refunds for sales taxes allowed by  
5 this section shall be claimed on the income tax returns provided for in this act, or in the case of an indi-  
6 vidual not having taxable income in this state on such forms or claims for refunds as the [tax commis-  
7 sioner] shall prescribe.

8 *Section 11. Credit for Income Tax Paid to Another State.* (a) *Resident Individual.* A resident  
9 individual shall be allowed a credit against the tax otherwise due under this act for the amount of any  
10 income tax imposed on him for the taxable year by another state of the United States or a political sub-  
11 division thereof or the District of Columbia on income derived from sources therein and which is also  
12 subject to tax under this act.

13 (b) *Limitation on Credit.* The credit provided under this section shall not exceed the proportion  
14 of the tax otherwise due under this act that the amount of the taxpayer's adjusted gross income derived  
15 from sources in the other taxing jurisdiction bears to his entire adjusted gross income as modified by  
16 this part.

17 *Section 12. Dual Residence; Reduction of Tax.* If the taxpayer is regarded as a resident both of  
18 this state and another jurisdiction for purposes of personal income taxation, the [tax commissioner]  
19 shall reduce the tax on that portion of the taxpayer's income which is subjected to tax in both jurisdic-  
20 tions solely by virtue of dual residence, provided that the other taxing jurisdiction allows a similar reduc-  
21 tion. The reduction shall be in an amount equal to that portion of the lower of the two taxes applicable  
22 to the income taxed twice which the tax imposed by this state bears to the combined taxes of the two  
23 jurisdictions on the income taxed twice.

## Part II - Nonresident Individuals

1 *Section 13. Nonresident Individuals-Taxable Income.* The taxable income of a nonresident in-  
2 dividual shall be that part of his federal adjusted gross income derived from sources within this state  
3 determined by reference to section 15 less the deductions and personal exemptions provided in this  
4 part.

5 *Section 14. Husband and Wife.* (a) *Separate Federal Return.* If the federal taxable income of  
6 husband or wife (both nonresidents of this state) is determined on a separate federal return, their tax-  
7 able incomes in this state shall be separately determined.

8 (b) *Joint Federal Return.* If the federal taxable income of husband and wife (both nonresidents)  
9 is determined on a joint federal return, their tax shall be determined in this state on their joint taxable  
10 income.

1           (c) *One Spouse a Nonresident.* If either husband or wife is a nonresident and the other a resi-  
 2 dent, separate taxes shall be determined on their separate taxable incomes in this state on such forms  
 3 as the [tax commissioner] shall prescribe unless both elect to determine their joint taxable income  
 4 in this state as if both were residents. If a husband and wife file a joint federal income tax return but  
 5 determine their taxable income in this state separately, they shall compute their taxable incomes in  
 6 this state as if their federal adjusted gross incomes had been determined separately.

7           *Section 15. Adjusted Gross Income From Sources In This State.* (a) *General.* The adjusted  
 8 gross income of a nonresident derived from sources within this state shall be the sum of the following:  
 9 (1) the net amount of items of income, gain, loss, and deduction entering into his federal adjusted  
 10 gross income which are derived from or connected with sources in this state including (i) his distribu-  
 11 tive share of partnership income and deductions determined under section 43 and (ii) his share of  
 12 of estate or trust income and deductions determined under section 39, and (2) the portion of the  
 13 modifications described in section 6 (a) and (b) which relate to income derived from sources in  
 14 this state, including any modifications attributable to him as a partner.

15           (b) *Attribution.* Items of income, gain, loss, and deduction derived from or connected with  
 16 sources within this state are those items attributable to: (1) the ownership or disposition of any  
 17 interest in real or tangible personal property in this state; and (2) a business, trade, profession, or  
 18 occupation carried on in this state.

19           (c) *Intangibles.* Income from intangible personal property including annuities, dividends,  
 20 interest, and gains from the disposition of intangible personal property, shall constitute income  
 21 derived from sources within this state only to the extent that such income is from property  
 22 employed in a business, trade, profession, or occupation carried on in this state.

23           (d) *Deductions for Losses.* Deductions with respect to capital losses, net long-term capital  
 24 gains, and net operating losses shall be based solely on income, gains, losses and deductions derived  
 25 from or connected with sources in this state, under regulations to be prescribed by the [tax com-  
 26 missioner] but otherwise shall be determined in the same manner as the corresponding federal  
 27 deductions.

28           (e) *Small Business Corporation.* For a nonresident individual who is a shareholder of a corpo-  
 29 ration which is an electing small business corporation for federal income tax purposes, the undistrib-  
 30 uted taxable income of such corporation shall not constitute income derived from sources within  
 31 this state and a net operating loss of such corporation shall not constitute a loss or deduction con-  
 32 nected with sources in this state.

33           (f) *Apportionment and Allocation.* If a business, trade, profession, or occupation is carried  
 34 on partly within and partly without this state, the items of income and deduction derived from or

1 connected with sources within this state shall be determined by apportionment and allocation under  
2 regulations to be prescribed by the [tax commissioner].

3 (g) *Service in Armed Forces.* Compensation paid by the United States for service in the armed  
4 forces of the United States performed by a nonresident shall not constitute income derived from  
5 sources within this state.

6 *Section 16. Standard Deduction.* The standard deduction of a nonresident individual or hus-  
7 band and wife who file a joint return shall be 10 percent of his or their adjusted gross income from  
8 sources within this state or \$1,000, whichever is less. The standard deduction of a nonresident mar-  
9 ried person who files a separate return shall not exceed \$500.

10 *Section 17. Itemized Deductions.* (a) *General.* If the federal taxable income of a nonresident  
11 individual is determined by itemizing deductions from his federal adjusted gross income, he may  
12 elect to deduct his itemized deductions connected with income derived from sources within this  
13 state in lieu of taking the standard deduction. Subject to the limitation in subsection (b), the  
14 itemized deductions of a nonresident individual shall be the same as for a resident individual deter-  
15 mined under section 9. A husband and wife both of whom are required to file returns under this  
16 act shall be allowed to itemize deductions connected with income derived from sources within this  
17 state only if both elect to itemize their deductions.

18 (b) *Limitation.* If the amount of adjusted gross income a nonresident individual would be re-  
19 quired to report under section 5 if he were a resident, exceeds by more than \$100 the amount of  
20 adjusted gross income he receives from sources within this state, his itemized deductions shall be  
21 limited by the percentage which his adjusted gross income from sources within this state is to the  
22 adjusted gross income he would be required to report if he were a resident. For purposes of this  
23 apportionment, a nonresident individual may elect to treat his federal adjusted gross income as  
24 adjusted gross income from sources within this state unless the amount of the modifications increas-  
25 ing federal adjusted gross income under section 6 would exceed \$100.

26 *Section 18. Personal Exemptions.* A nonresident individual shall be allowed the same personal  
27 exemptions allowed to resident individuals under section 10 (i).

### TITLE III

#### WITHHOLDING OF TAX

1 *Section 19. Employer to Withhold Tax from Wages.* (a) *General.* Every employer maintaining  
2 an office or transacting business within this state and making payment of any wages taxable under  
3 this act to a resident or nonresident individual shall deduct and withhold from such wages for each  
4 payroll period a tax computed in such manner as to result, so far as practicable, in withholding from



1 the employee's wages during each calendar year an amount substantially equivalent to the tax reason-  
 2 ably estimated to be due from the employee under this act with respect to the amount of such wages  
 3 included in his adjusted gross income during the calendar year. The method of determining the amount  
 4 to be withheld shall be prescribed by regulations of the [tax commissioner]. This section shall not apply  
 5 to payments by the United States for service in the armed forces of the United States.

6 (b) *Withholding Exemptions.* For purposes of this section:

7 (1) An employee shall be entitled to the same number of withholding exemptions as the  
 8 number of withholding exemptions to which he is entitled for federal income tax withholding purposes.  
 9 An employer may rely upon the number of federal withholding exemptions claimed by the employee,  
 10 except where the employee claims a different number of withholding exemptions in this state;

11 (2) The amount of each exemption in this state shall be \$[600] whether the individual  
 12 is a resident or a nonresident.

13 (c) *Withholding Agreements.* The [tax commissioner] may enter into agreements with the tax  
 14 departments of other states (which require income tax to be withheld from the payment of wages  
 15 and salaries) so as to govern the amounts to be withheld from the wages and salaries of residents of  
 16 such states under provisions of this chapter. Such agreements may provide for recognition of antici-  
 17 pated tax credits in determining the amounts to be withheld and, under regulations prescribed by  
 18 the [tax commissioner], may relieve employers in this state from withholding income tax on wages  
 19 and salaries paid to nonresident employees. The agreements authorized by this subsection are sub-  
 20 ject to the condition that the tax department of such other states grant similar treatment to residents  
 21 of this state.

22 *Section 20. Information Statement for Employee.* Every employer required to deduct and  
 23 withhold tax under this act from the wages of an employee, or who would have been required so to  
 24 deduct and withhold tax if the employee had claimed no more than one withholding exemption,  
 25 shall furnish to each such employee in respect to the wages paid by such employer to such employee  
 26 during the calendar year on or before February 15 of the succeeding year, or, if his employment is  
 27 terminated before the close of such calendar year, within thirty days from the date on which the  
 28 last payment of wages is made, a written statement as prescribed by the [tax commissioner] showing  
 29 the amount of wages paid by the employer to the employee, the amount deducted and withheld as  
 30 tax, and such other information as the [tax commissioner] shall prescribe.

31 *Section 21. Credit for Tax Withheld.* Wages upon which tax is required to be withheld shall  
 32 be taxable under this chapter as if no withholding were required, but any amount of tax actually  
 33 deducted and withheld under this chapter in any calendar year shall be deemed to have been paid  
 34 to the [tax commissioner] on behalf of the person from whom withheld, and such person shall be  
 35 credited with having paid that amount of tax for the taxable year beginning in such calendar year.

1 For a taxable year of less than 12 months, the credit shall be made under regulations of the [tax  
2 commissioner].

3 *Section 22. Employer's Return and Payment of Tax Withheld. (a) General.* Every employer  
4 required to deduct and withhold tax under this act shall, for each calendar quarter, on or before the  
5 fifteenth day of the month following the close of such calendar quarter, file a withholding return  
6 as prescribed by the [tax commissioner] and pay over to the [tax commissioner] or to a depository  
7 designated by the [tax commissioner], the taxes so required to be deducted and withheld, except  
8 that for the fourth quarter of the calendar year, the return shall be filed and the taxes paid on or  
9 before January 31 of the succeeding year. Where the aggregate amount required to be deducted  
10 and withheld by any employer for a calendar month exceeds \$[500], the employer shall by the  
11 fifteenth day of the succeeding month pay over such aggregate amount to the [tax commissioner].  
12 The amount so paid shall be allowed as a credit against the liability shown on the employer's  
13 quarterly withholding return required by this section. Where the aggregate amount required to be  
14 deducted and withheld by any employer is less than \$[100] in a calendar quarter, the [tax com-  
15 missioner] may by regulation permit an employer to file a withholding return on or before July 31  
16 for the semi-annual period ending on June 30 and on or before January 31 of the succeeding year  
17 for the semi-annual period ending on December 31. The [tax commissioner] may, if he believes  
18 such action necessary for the protection of the revenue, require any employer to make such return  
19 and pay him the tax deducted and withheld at any time, or from time to time. Where the amount  
20 of wages paid by an employer is not sufficient under this chapter to require the withholding of tax  
21 from the wages of any of his employees, the [tax commissioner] may by regulation permit such  
22 employer to file an annual return on or before January 31 of the succeeding calendar year.

23 *(b) Deposit in Trust for [Tax Commissioner].* Whenever any employer fails to collect, truth-  
24 fully account for, pay over the tax, or make returns of the tax as required by this section, the [tax  
25 commissioner] may serve a notice requiring such employer to collect the taxes which became col-  
26 lectible after service of such notice, to deposit such taxes in a bank approved by the [tax commis-  
27 sioner], in a separate account, in trust for and payable to the [tax commissioner], and to keep the  
28 amount of such tax in such account until paid over to the [tax commissioner]. Such notice shall  
29 remain in effect until a notice of cancellation is served by the [tax commissioner].

30 *Section 23. Employer's Liability for Withheld Taxes.* Every employer required to deduct  
31 and withhold tax under this act is hereby made liable for such tax. For purposes of assessment and  
32 collection, any amount required to be withheld and paid over to the [tax commissioner], and any  
33 additions to tax, penalties and interest with respect thereto, shall be considered the tax of the em-  
34 ployer. Any amount of tax actually deducted and withheld under this act shall be held to be a

1 special fund in trust for the [tax commissioner]. No employee shall have any right of action against  
2 his employer in respect to any money deducted and withheld from his wages and paid over to the  
3 [tax commissioner] in compliance or in intended compliance with this act.

4 *Section 24. Employer's Failure to Withhold.* If an employer fails to deduct and withhold tax  
5 as required, and thereafter the tax against which such tax may be credited is paid, the tax so required  
6 to be deducted and withheld shall not be collected from the employer, but the employer shall not be  
7 relieved from liability for any additions to tax penalties or interest otherwise applicable in respect to  
8 such failure to deduct and withhold.

#### TITLE IV

##### ACCOUNTING PERIODS AND METHODS OF ACCOUNTING

1 *Section 25. Period for Computation of Taxable Income. (a) General.* For purposes of the  
2 tax imposed by this act, a taxpayer's taxable year shall be the same as his taxable year for federal in-  
3 come tax purposes.

4 (b) *Change of Taxable Year.* If a taxpayer's taxable year is changed for federal income tax pur-  
5 poses, his taxable year for purposes of the tax imposed by this act shall be similarly changed. If a  
6 change in taxable year results in a taxable period of less than 12 months, the standard deduction and  
7 the duction for personal exemption allowed by this act shall be prorated under regulations pre-  
8 scribed by the [tax commissioner].

9 (c) *Termination of Taxable Year for Jeopardy.* Notwithstanding the provisions of subsections  
10 (a) and (b), if the [tax commissioner] terminates the taxpayer's taxable year under section 103  
11 (relating to tax in jeopardy), the tax shall be computed for the period determined by such action.

12 *Section 26. Methods of Accounting. (a) Same as Federal.* For purposes of the tax imposed  
13 by this act, a taxpayer's method of accounting shall be the same as his method of accounting for  
14 federal income tax purposes. If no method of accounting has been regularly used by the taxpayer,  
15 taxable income for purposes of this act shall be computed under such method that in the opinion  
16 of the [tax commissioner] fairly reflects income.

17 (b) *Change of Accounting Methods.* If a taxpayer's method of accounting is changed for fed-  
18 eral income tax purposes, his method of accounting for purposes of this act shall similarly be changed.

19 *Section 27. Adjustments.* In computing a taxpayer's taxable income for any taxable year under  
20 a method of accounting different from the method under which the taxpayer's taxable income for the  
21 previous year was computed, there shall be taken into account those adjustments which are determined,  
22 under regulations prescribed by the [tax commissioner], to be necessary solely by reason of the  
23 change in order to prevent amounts from being duplicated or omitted.

1        *Section 28. Limitation on Additional Tax. (a) Change Other Than to Installment Method.* If a  
 2 taxpayer's method of accounting is changed, other than from an accrual to an installment method, any  
 3 additional tax which results from adjustments determined to be necessary solely by reason of the change  
 4 shall not be greater than if such adjustments were ratably allocated and included for the taxable year of  
 5 the change and the preceding taxable years, not in excess of two, during which the taxpayer used the method  
 6 of accounting from which the change is made.

7        *(b) Change from Accrual to Installment Method.* If a taxpayer's method of accounting is changed  
 8 from an accrual to an installment method, any additional tax for the year of such change of method and  
 9 for any subsequent year which is attributable to the receipt of installment payments properly accrued in a  
 10 prior year, shall be reduced by the portion of tax for any prior taxable year attributable to the accrual of  
 11 such installment payments, under regulations prescribed by the [tax commissioner].

## TITLE V

### ESTATES, TRUSTS, BENEFICIARIES, AND DECEDENTS

#### Part I - General

1        *Section 29. Imposition of Tax.* The tax imposed by this act on individuals shall apply to taxable  
 2 income of estates and trusts.

3        *Section 30. Computation and Payment.* The taxable income of an estate or trust shall be computed  
 4 in the same manner as in the case of an individual except as otherwise provided by this subchapter. The  
 5 tax shall be computed on such taxable income and shall be paid by the fiduciary.

6        *Section 31. Tax Not Applicable. (a) Associations Taxable as Corporations.* An association, trust or  
 7 other unincorporated organization which is taxable as a corporation for federal income tax purposes shall  
 8 not be subject to tax under this act.

9        *(b) Exempt Associations, Trusts, and Organizations.* An association, trust, or other unincorporated  
 10 organization which by reason of its purposes or activities is exempt from federal income tax shall be exempt  
 11 from the tax imposed by this act except with respect to its unrelated business taxable income.

#### Part II - Resident Estates and Trusts

1        *Section 32. Resident Estate or Trust Defined.* A resident estate or trust means: (1) the estate of a  
 2 decedent who at his death was domiciled in this state; (2) a trust created by will of a decedent who at his  
 3 death was domiciled in this state; or (3) a trust created by, or consisting of property of, a person domi-  
 4 ciled in this state.

5        *Section 33. Taxable Income of Resident Estate or Trust.* The taxable income of a resident estate

1 or trust means its federal taxable income modified by the addition or subtraction, as the case may be, of  
2 its share of the fiduciary adjustment determined under section 34.

3 *Section 34. Fiduciary Adjustment. (a) Fiduciary Adjustment Defined.* The fiduciary adjustment  
4 shall be the net amount of the modifications described in section 6 (including subsection (c) if the  
5 estate or trust is a beneficiary of another estate or trust) which relates to items of income or deduction  
6 of an estate or trust.

7 (b) *Shares of Fiduciary Adjustment.* The respective shares of an estate or trust and its beneficiaries  
8 (including solely for the purpose of this allocation, nonresident beneficiaries) in the fiduciary adjustment  
9 shall be in proportion to their respective shares of federal distributable net income of the estate or trust.  
10 If the estate or trust has no federal distributable net income for the taxable year, the share of each bene-  
11 ficiary in the fiduciary adjustment shall be in proportion to his share of the estate or trust income for  
12 such year, under local law or the terms of the instrument, which is required to be distributed currently  
13 and any other amounts of such income distributed in such year. Any balance of the fiduciary adjust-  
14 ment shall be allocated to the estate or trust.

15 (c) *Alternate Attribution of Adjustment.* The [tax commissioner] may by regulation authorize  
16 the use of such other methods of determining to whom the items comprising the fiduciary adjustment  
17 shall be attributed, as may be appropriate and equitable, on such terms and conditions as the [tax com-  
18 missioner] may require.

19 *Section 35. Credit for Income Tax of Another State.* A resident estate or trust shall be allowed  
20 the credit provided in section 11 (relating to an income tax imposed by another state) except that the  
21 limitation shall be computed by reference to the taxable income of the estate or trust.

22 *Section 36. Credit to Beneficiary for Accumulation Distribution. (a) General.* A resident bene-  
23 ficiary of a trust whose adjusted gross income includes all or part of an accumulation distribution by  
24 such trust, as defined in section 665 of the Internal Revenue Code, shall be allowed a credit against the  
25 tax otherwise due under this act for all or a proportionate part of any tax paid by the trust under this  
26 act for any preceding taxable year which would not have been payable if the trust had in fact made  
27 distribution to its beneficiaries at the times and in the amounts specified in section 666 of the Internal  
28 Revenue Code.

29 (b) *Limitation on Credit.* The credit under this section shall not reduce the tax otherwise due  
30 from the beneficiary under this act to an amount less than would have been due if the accumulation  
31 distribution or his part thereof were excluded from his adjusted gross income.

### Part III - Nonresident Trusts and Estates

1 *Section 37. Nonresident Estate or Trust Defined.* A nonresident estate or trust means an estate  
2 or trust which is not a resident.

1            *Section 38. Taxable Income of a Nonresident Estate or Trust. (a) General Rules.* For purposes  
2 of this part:

3            (1) Items of income, gain, loss, and deduction mean those derived from or connected with  
4 sources in this state.

5            (2) Items of income, gain, loss, and deduction entering into the definition of federal distrib-  
6 utable net income includes such items from another estate or trust of which the first estate or trust is  
7 a beneficiary.

8            (3) The source of items of income, gain, loss, or deduction shall be determined under regula-  
9 tions prescribed by the [tax commissioner] in accordance with the general rules in section 15 as if the  
10 estate or trust were a nonresident individual.

11           (b) *Determination of Taxable Income.* The taxable income of a nonresident estate or trust con-  
12 sists of (i) its share of items of income, gain, loss, and deduction which enter into the federal definition  
13 of distributable net income; (ii) increased or reduced by the amount of any items of income, gain, loss,  
14 or deduction which are recognized for federal income tax purposes but excluded from the federal defini-  
15 tion of distributable net income of the estate or trust; (iii) less the amount of the deduction for its  
16 federal exemption.

17           *Section 39. Share of a Nonresident Estate, Trust or Its Beneficiaries in Income From Sources in*  
18 *in This State. (a) General Rule.* The share of a nonresident estate or trust of items of income, gain, loss,  
19 and deduction entering into the definition of distributable net income and the share for purpose of  
20 section 15 of a nonresident beneficiary of any estate or trust in estate or trust income, gain, loss, and  
21 deduction shall be determined as follows:

22           (i) To the amount of items of income, gain, loss, and deduction which enter into the defi-  
23 nition of distributable net income there shall be added or subtracted, as the case may be, the modifica-  
24 tions described in section 6 to the extent they relate to items of income, gain, loss, and deduction  
25 which also enter into the definition of distributable net income. No modification shall be made under  
26 this section which has the effect of duplicating an item already reflected in the definition of distributable  
27 net income.

28           (ii) The amount determined under the preceding paragraph shall be allocated among the  
29 estate or trust and its beneficiaries (including, solely for the purpose of this allocation, resident bene-  
30 ficiaries) in proportion to their respective shares of federal distributable net income. The amounts so  
31 allocated shall have the same character as for federal income tax purposes. Where an item entering into  
32 the computation of such amounts is not characterized for federal income tax purposes, it shall have the  
33 same character as if realized directly from the source from which realized by the estate or trust, or in-  
34 curred in the same manner as incurred by the estate or trust.

35           (iii) If the estate or trust has no federal distributable net income for the taxable year, the

1 share of each beneficiary in the net amount determined under paragraph (a) (i) of this section shall be  
 2 in proportion to his share of the estate or trust income for such year, under local law or the terms of the  
 3 instrument, which is required to be distributed currently and any other amounts of such incomes, distrib-  
 4 uted in such year. Any balance of such net amount shall be allocated to the estate or trust.

5 (b) *Alternate Methods.* The [tax commissioner] may by regulation establish such other method  
 6 or methods of determining the respective shares of the beneficiaries and of the estate or trust in its in-  
 7 come derived from sources in this state, and in the modifications related thereto, as may be appropriate  
 8 and equitable.

9 *Section 40. Credit to Beneficiary for Accumulation Distribution.* A nonresident beneficiary of a  
 10 trust whose adjusted gross income derived from sources in this state includes all or part of an accumula-  
 11 tion distribution by such trust, as defined in section 665 of the Internal Revenue Code, shall be allowed  
 12 a credit against the tax otherwise due under this act, computed in the same manner and subject to the  
 13 same limitation as provided by section 36 with respect to a resident beneficiary.

## TITLE VI

### PARTNERS AND PARTNERSHIPS

1 *Section 41. Entity not Taxable.* A partnership as such shall not be subject to the tax imposed by  
 2 this act. Persons carrying on business as partners shall be liable for the tax imposed by this act only in  
 3 their separate or individual capacities.

4 *Section 42. Resident Partner - Adjusted Gross Income. (a) Modification in Determining the*  
 5 *Adjusted Gross Income of a Resident Partner.* Any modification described in section 9 which relates to  
 6 an item of partnership income, gain, loss, or deduction shall be made in accordance with the partner's  
 7 distributive share, for federal income tax purposes, of the item to which the modification relates.  
 8 Where a partner's distributive share of any such item is not required to be taken into account separately  
 9 for federal income tax purposes, the partner's distributive share of such item shall be determined in  
 10 accordance with his distributive share, for federal income tax purposes, of partnership taxable income  
 11 or loss generally.

12 (b) *Character of Items.* Each item of partnership income, gain, loss, or deduction shall have the  
 13 same character for a partner under this act as it has for federal income tax purposes. Where an item is  
 14 not characterized for federal income tax purposes, it shall have the same character for a partner as if  
 15 realized directly for the source from which realized by the partnership or incurred in the same manner  
 16 as incurred by the partnership.

17 (c) *Tax Avoidance or Evasion.* Where a partner's distributive share of an item of partnership in-  
 18 come, gain, loss, or deduction is determined for federal income tax purposes by a special provision in

1 the partnership agreement with respect to such item, and the principal purpose of such provision is the  
 2 avoidance or evasion of tax under this act, the partner's distributive share of such item and any modifi-  
 3 cation required with respect thereto shall be determined in accordance with his distributive share of the  
 4 taxable income or loss of the partnership generally (that is, exclusive of those items requiring separate  
 5 computation under the provisions of section 702 of the Internal Revenue Code.)

6 *Section 43. Nonresident Partner - Adjusted Gross Income From Sources in This State. (a) General.*  
 7 In determining the adjusted gross income of a nonresident partner of any partnership, there shall be in-  
 8 cluded only that part derived from or connected with sources in this state of the partner's distributive  
 9 share of items of partnership income, gain, loss, and deduction entering into his federal adjusted gross  
 10 income, as such part is determined under regulations prescribed by the [tax commissioner] in accordance  
 11 with the general rules in section 15.

12 (b) *Itemized Deductions.* If a nonresident partner of any partnership elects to itemize his deduc-  
 13 tions in determining his taxable income in this state, there shall be attributed to him his distributive  
 14 share of partnership items of deduction from federal adjusted gross income which are deductible by him  
 15 under section 17.

16 (c) *Special Rules as to Sources in This State.* In determining the sources of a nonresident partner's  
 17 income, no effect shall be given to a provision in the partnership agreement which:

18 (i) characterizes payments to the partner as being for services or for the use of capital, or  
 19 allocated to the partner, as income or gain from sources outside this state, a greater proportion of his  
 20 distributive share of partnership income or gain than the ratio of partnership income or gain from sources  
 21 outside this state to partnership income or gain from all sources, except as authorized in subsection (e);  
 22 or

23 (ii) allocates to the partner a greater proportion of a partnership item of loss or deduction  
 24 connected with sources in this state than his proportionate share, for federal income tax purposes, of  
 25 partnership loss or deduction generally, except as authorized in subsection (e).

26 (d) *Partner's Modifications.* Any modification described in subsections (a) and (b) of section 6,  
 27 which relates to an item of partnership income, gain, loss, or deduction, shall be made in accordance with  
 28 the partner's distributive share, for federal income tax purposes of the item to which the modification  
 29 relates, but limited to the portion of such item derived from or connected with sources in this state.

30 (e) *Alternate Methods.* The [tax commissioner] may, on application, authorize the use of such  
 31 other methods of determining a nonresident partner's portion of partnership items derived from or con-  
 32 nected with sources in this state, and the modifications related thereto, as may be appropriate and equit-  
 33 able, on such terms and conditions as he may require.

34 (f) *Application of Rules for Resident Partners to Nonresident Partners.* A nonresident partner's  
 35 distributive share of items of income, gain, loss, or deduction shall be determined under subsection (a)



1 of section 42. The character of partnership items for a nonresident partner shall be determined under  
2 subsection (b) of section 42. The effect of a special provision in a partnership agreement, other than  
3 a provision referred to in subsection (c) of this section, having as a principal purpose the avoidance  
4 or evasion of tax under this act shall be determined under subsection (c) of section 42.

TITLE VII

RETURNS, DECLARATIONS AND PAYMENTS

Part I - Income Tax Returns

1 *Section 44. Persons Required to Make Returns of Income.* An income tax return with respect to  
2 the tax imposed by this act shall be made by the following:

3 (a) Every resident individual,

4 (1) who is required to file a federal income tax return for the taxable year, or

5 (2) who has adjusted gross income of more than \$[600] if single or more than \$[1,200] if  
6 married, or

7 (3) who having attained the age of 65 before the close of his taxable year has adjusted gross  
8 income of more than \$[1,200] if single and more than \$[1,800] if married and his spouse has not at-  
9 tained the age of 65 and more than \$[2,400] if both have attained the age of 65 before the close of the  
10 taxable year.

11 (b) Every nonresident individual,

12 (1) who has adjusted gross income from sources in this state of more than \$[600] if single  
13 and \$[1,200] if married, or

14 (2) who having attained the age of 65 before the close of his taxable year has adjusted gross  
15 income from sources within this state of more than \$[1,200] if single and more than \$[1,800] if married  
16 and his spouse has not yet attained the age of 65 and more than \$[2,400] if both have attained the age  
17 of 65 before the close of the taxable year.

18 (c) Every resident estate or trust which is required to file a federal income tax return.

19 (d) Every nonresident estate which has gross income of \$[600] or more for the taxable year from  
20 sources within this state.

21 (e) Every nonresident trust which for the taxable year has from sources within this state,

22 (1) any taxable income,

23 (2) gross income of \$[600] or more regardless of the amount of taxable income.

24 *Section 45. Joint Returns by Husband and Wife.* (a) *General.* A husband and wife may make

1 a joint return with respect to the tax imposed by this act even though one of the spouses has neither  
2 gross income nor deductions except that:

3 (1) no joint return shall be made under this act if the spouses are not permitted to file a  
4 joint federal income tax return.

5 (2) if the federal income tax liability of either spouse is determined on a separate federal  
6 return their income tax liabilities under this act shall be determined on separate returns.

7 (3) if the federal income tax liabilities of husband and wife, other than a husband and wife  
8 described in subsection (b) of this section, are determined on a joint federal return, they shall file a  
9 joint return under this act and their tax liabilities shall be joint and several.

10 (4) if neither spouse is required to file a federal income tax return and either or both are  
11 required to file an income tax return under this act, they may elect to file separate or joint returns  
12 and pursuant to such election their liabilities shall be separate or joint and several.

13 (b) *One spouse a Nonresident.* If either husband or wife is a resident and the other is a nonresi-  
14 dent, they shall file separate income tax returns in this state on such forms as may be required by the  
15 [tax commissioner] in which event their tax liabilities shall be separate; but they may elect to deter-  
16 mine their joint taxable income as if both were residents and in such case, their liabilities shall be joint  
17 and several.

18 *Section 46. Returns by Fiduciaries. (a) Decedents.* An income tax return for any deceased indi-  
19 vidual shall be made and filed by his executor, administrator, or other person charged with the care of  
20 his property. A final return of a decedent shall be due when it would have been due if the decedent  
21 had not died.

22 (b) *Individuals Under a Disability.* An income tax return for an individual who is unable to make  
23 a return by reason of minority or other disability shall be made and filed by his duly authorized agent,  
24 his committee, guardian, conservator, fiduciary or other person charged with the care of his person or  
25 property other than a receiver in possession of only a part of the individual's property.

26 (c) *Estates and Trusts.* The income tax return of an estate or trust shall be made and filed by the  
27 fiduciary thereof.

28 (d) *Joint Fiduciaries.* If two or more fiduciaries are acting jointly, the return may be made by any  
29 one of them.

30 (e) *Cross Reference:* For provisions relating to information returns by partnerships, see section 59.

31 *Section 47. Notice of Qualification as Receiver.* Every receiver, trustee in bankruptcy, assignee for  
32 benefit of creditors, or other like fiduciary, shall give notice of his qualification as such to the [tax com-  
33 missioner], as may be required by regulation.

34 *Section 48. Change of Status as Resident or Nonresident During Year.* If an individual changes his  
35 status during his taxable year from resident to nonresident or from nonresident to resident, the [tax

1 commissioner] may by regulation require him to file one return for the portion of the year during which  
2 he is a resident and one for the portion of the year during which he is a nonresident.

3 *Section 49. Taxable Income as Resident and Nonresident.* (a) Except as provided in subsection  
4 (b) of this section, the taxable income of the individual shall be determined as provided in section 5  
5 for residents and section 13 for nonresidents as if the individual's taxable year for federal income tax  
6 purposes were limited to the period of his resident and nonresident status respectively.

7 (b) There shall be included in determining taxable income from sources within or without this  
8 state, as the case may be, income, gain, loss, or deduction accrued prior to the change of status even  
9 though not otherwise includible or allowable in respect of the period prior to such change, but the tax-  
10 ation or deduction of items accrued prior to the change of status shall not be affected by the change.

11 *Section 50. Minimum Tax and Prorating of Exemptions.* Where two returns are required to be  
12 filed as provided in section 48:

13 (1) personal exemptions and the standard deduction shall be prorated between the two returns,  
14 under regulations prescribed by the [tax commissioner], to reflect the proportions of the taxable year  
15 during which the individual was a resident and a nonresident, and

16 (2) the total of the taxes due thereon shall not be less than would be due if the total of the taxable  
17 incomes reported on the two returns were includible in one return.

18 *Section 51. Time and Place for Filing Returns and Paying Tax.* The income tax return required by  
19 this act shall be filed on or before the fifteenth day of the fourth month following the close of the tax-  
20 payer's taxable year. A person required to make and file a return under this act shall, without assessment,  
21 notice or demand, pay any tax due thereon to the [tax commissioner] on or before the date fixed for filing  
22 such return (determined without regard to any extension of time for filing the return). The [tax commis-  
23 sioner] shall prescribe by regulation the place for filing any return, declaration, statement or other docu-  
24 ment required pursuant to this chapter and for the payment of any tax.

25 *Section 52. Declarations of Estimated Tax.* (a) *Requirement of Declaration.* Every resident and  
26 nonresident individual shall make a declaration of his estimated tax for the taxable year, in such form as  
27 the [tax commissioner] may prescribe if his adjusted gross income (in the case of a nonresident from  
28 sources within this state), other than from wages on which tax is withheld under this act, can reasonably  
29 be expected to exceed \$[500] plus the sum of the personal exemptions to which he is entitled.

30 (b) *Estimated Tax Defined.* The term "estimated tax" means the amount which the individual  
31 estimates to be his income tax under this act for the taxable year less the amount which he estimates to  
32 be the sum of any credits allowable for tax withheld.

33 (c) *Joint Declaration of Husband and Wife.* If they are eligible to do so for federal tax purposes,  
34 a husband and wife may make a joint declaration of estimated tax as if they were one taxpayer, in  
35 which case the liability with respect to the estimated tax shall be joint and several. If a joint declaration

1 is made but husband and wife elect to determine their taxes under this chapter separately, the estimated  
2 tax for such year may be treated as the estimated tax of either husband or wife, or may be divided between  
3 them, as they may elect.

4 (d) *Amendment of Declaration.* An individual may amend a declaration under regulations prescribed  
5 by the [tax commissioner].

6 (e) *Return or Declaration as Amendment.* If on or before January 31 (or February 15 in the case  
7 of an individual referred to in subsection (b) of section 53) of the succeeding taxable year an individual  
8 files his return for the taxable year for which the declaration is required, and pays in full the amount  
9 shown on the return as payable, such return (1) shall be considered as his declaration if no declaration  
10 was required to be filed during the taxable year, but is otherwise required to be filed on or before January  
11 15, or (2) shall be considered as the amendment permitted by subsection (d) to be filed on or before  
12 January 15 if the tax shown on the return is greater than the estimated tax shown in a declaration pre-  
13 viously made.

14 (f) *Short Taxable Year.* An individual having a taxable year of less than twelve months shall make  
15 a declaration in accordance with regulations of the [tax commissioner].

16 (g) *Declaration for Individual Under a Disability.* The declaration of estimated tax for an individual  
17 under a disability shall be made and filed in the manner provided in subsection (b) of section 46 for an  
18 income tax return.

19 *Section 53. Time for Filing Declaration of Estimated Tax.* (a) *Time for Filing.* A declaration of  
20 estimated tax of an individual other than a farmer shall be filed on or before April 15 of the taxable  
21 year, except that if the requirements of section 52 are first met:

22 (1) after April 1 and before June 2 of the taxable year, the declaration shall be filed on or  
23 before June 15, or

24 (2) after June 1 and before September 2 of the taxable year, the declaration shall be filed  
25 on or before September 15, or

26 (3) after September 1 of the taxable year, the declaration shall be filed on or before January  
27 15 of the succeeding year.

28 (b) *Declaration by Farmer.* A declaration of estimated tax required by section 52 from an individual  
29 having an estimated adjusted gross income from farming in this state for the taxable year which is at least  
30 two-thirds of his total estimated adjusted gross income taxable in this state for the taxable year, may be  
31 filed at any time on or before January 15 of the succeeding taxable year, in lieu of the time otherwise  
32 prescribed.

33 (c) *Declaration of Estimated Tax of \$[50] or Less.* A declaration of estimated tax of an individual  
34 having a total estimated tax for the taxable year of \$[50] or less may be filed at any time on or before  
35 January 15 of the succeeding taxable year under regulations prescribed by the [tax commissioner].

1 (d) *Fiscal Year.* In the application of this section and the preceding section to the case of a taxable  
 2 year beginning on any date other than January 1, there shall be substituted, for the months specified in  
 3 this section and the preceding section, the months which correspond thereto.

4 *Section 54. Payments of Estimated Tax.* (a) *General.* The estimated tax with respect to which  
 5 a declaration is required under this act shall be paid as follows:

6 (1) If the declaration is filed on or before April 15 of the taxable year, the estimated tax  
 7 shall be paid in four equal installments. The first installment shall be paid at the time of the filing of  
 8 the declaration, the second and third on June 15 and September 15, respectively, of the taxable year,  
 9 and the fourth on January 15 of the succeeding taxable year.

10 (2) If the declaration is filed after April 15 and not after June 15 of the taxable year, and  
 11 is not required to be filed on or before April 15 of the taxable year, the estimated tax shall be paid in  
 12 three equal installments. The first installment shall be paid at the time of the filing of the declaration,  
 13 the second on September 15, of the taxable year, and the third on January 15 of the succeeding taxable  
 14 year.

15 (3) If the declaration is filed after June 15 and not after September 15 of the taxable year,  
 16 and is not required to be filed on or before June 15 of the taxable year, the estimated tax shall be paid  
 17 in two equal installments. The first installment shall be paid at the time of the filing of the declaration,  
 18 and the second on January 15 of the succeeding taxable year.

19 (4) If the declaration is filed after September 15 of the taxable year and is not required to  
 20 be filed on or before September 15 of the taxable year, the estimated tax shall be paid in full at the time  
 21 of the filing of the declaration.

22 (5) If the declaration is filed after the time prescribed in section 53 (including cases in  
 23 which an extension of time for filing the declaration has been granted), paragraphs (2), (3), and (4)  
 24 of this subsection shall not apply, and there shall be paid at the time of such filing all installments of  
 25 estimated tax which would have been payable on or before such time if the declaration had been filed  
 26 within the time prescribed in section 53, and the remaining installments shall be paid at the time at  
 27 which, and in the amounts in which they would have been payable if the declaration had been so filed.

28 (b) *Farmers.* If an individual referred to in subsection (b) of section 53 (relating to income  
 29 from farming) makes a declaration of estimated tax after September 15 of the taxable year and on or  
 30 before January 15 of the succeeding taxable year, the estimated tax shall be paid in full at the time of  
 31 the filing of the declaration.

32 (c) *Amendments of Declaration.* If any amendment of a declaration is filed, the remaining in-  
 33 stallments, if any, shall be ratably increased or decreased, as the case may be, to reflect the increase or  
 34 decrease in the estimated tax by reason of such amendment, and if any amendment is made after

1 September 15 of the taxable year, any increase in the estimated tax by reason thereof shall be paid at  
2 the time of making such amendment.

3 (d) *Application to Short Taxable Years.* The application of this section to taxable years of less  
4 than 12 months shall be in accordance with regulations prescribed by the [tax commissioner].

5 (e) *Fiscal Years.* In the application of this section to the case of a taxable year beginning on any  
6 date other than January 1, there shall be substituted, for the months specified in this section, the months  
7 which correspond thereto.

8 (f) *Installments Paid in Advance.* At the election of the individual, any installment of the estimated  
9 tax may be paid prior to the date prescribed for its payment.

10 (g) *Payment of Account.* Payment of the estimated income tax or any installment thereof, shall  
11 be considered payment on account of the income tax imposed under this act for the taxable year.

12 *Section 55. Extension of Time for Filing and Payment.* (a) *General.* The [tax commissioner] may  
13 grant a reasonable extension of time for payment of tax or estimated tax or any installment thereof, or  
14 for filing any return, declaration, statement, or other document required pursuant to this chapter, on  
15 such terms and conditions as he may require. Except for a taxpayer who is outside the United States,  
16 no such extension for filing any return, declaration, statement, or document, shall exceed six months.

17 (b) *Security.* If any extension of time is granted for payment of any amount of tax, the [tax  
18 commissioner] may require the taxpayer to furnish a bond or other security in an amount not exceeding  
19 twice the amount for which the extension of time for payment is granted, on such terms and conditions  
20 as the [tax commissioner] may require.

21 *Section 56. Change of Election.* Any election expressly authorized by this act may be changed on  
22 such terms and conditions as the [tax commissioner] may prescribe by regulation.

23 *Section 57. Signing of Returns and Other Documents.* (a) *General.* Any return, declaration, state-  
24 ment or other document required to be made pursuant to this act shall be signed in accordance with regu-  
25 lations or instructions prescribed by the [tax commissioner]. The fact that an individual's name is signed  
26 to a return, declaration, statement or other document, shall be prima facie evidence for all purposes that  
27 the return, declaration, statement or other document was actually signed by him.

28 (b) *Partnerships.* Any return, statement or other document required of a partnership shall be  
29 signed by one or more partners. The fact that a partner's name is signed to a return, statement or other  
30 document, shall be prima facie evidence for all purposes that such partner is authorized to sign on behalf  
31 of the partnership.

32 (c) *Certifications.* The making or filing of any return, declaration, statement or other document  
33 or copy thereof required to be made or filed pursuant to this act, including a copy of a federal return,  
34 shall constitute a certification by the person making or filing such return, declaration, statement or other  
35 document or copy thereof that the statements contained therein are true and that any copy filed is a true copy.

## Part II - Information Returns

1        *Section 58. General Requirements Concerning Returns, Notices, Records and Statements.* The  
2 [tax commissioner] may prescribe regulations as to the keeping of records, the content and form of re-  
3 turns and statements and the filing of copies of federal income returns and determinations. The [tax  
4 commissioner] may require any person, by regulation or notice served on such person, to make such re-  
5 turns, render such statements, or keep such records, as the [tax commissioner] may deem sufficient to  
6 show whether or not such person is liable under this act for tax or for the collection of tax.

7        *Section 59. Partnership Return.* Every partnership having a resident partner or having any in-  
8 come derived from sources in this state, determined in accordance with the applicable rules of section  
9 15 as in the case of a nonresident individual, shall make a return for the taxable year setting forth all  
10 items of income, gain, loss, and deduction, and the names and addresses of the individuals whether resi-  
11 dents or nonresidents who would be entitled to share in the net income if distributed and the amount  
12 of the distributive share of each individual and such other pertinent information as the [tax commissioner]  
13 may prescribe by regulations and instructions. Such return shall be filed on or before the fifteenth day  
14 of the fourth month following the close of each taxable year. For purposes of this section, "taxable year"  
15 means a year or period which would be a taxable year of the partnership if it were subject to tax under  
16 this act.

17        *Section 60. Information Returns.* The [tax commissioner] may prescribe regulations and instruc-  
18 tions requiring returns of information to be made and filed on or before February 28 of each year by  
19 any person making payment or crediting in any calendar year the amounts of \$[600] or more (\$[10]  
20 or more in the case of interest or dividends) to any person who may be subject to the tax imposed  
21 under this act. Such returns may be required of any person, including lessees or mortgagors of real or  
22 personal property, fiduciaries, employers, and all officers and employees of this state, or of any munici-  
23 pal corporation or political subdivision of this state, having the control, receipt, custody, disposal or  
24 payment of dividends, interest, rents, salaries, wages, premiums, annuities, compensations, remunera-  
25 tions, emoluments or other fixed or determinable gains, profits, or income, except interest coupons  
26 payable to bearer. A duplicate of the statement as to tax withheld on wages, required to be furnished  
27 by an employer to an employee, shall constitute the return of information required to be made under  
28 this section with respect to such wages.

29        *Section 61. Report of Change in Federal Taxable Income.* If the amount of a taxpayer's federal  
30 taxable income reported on his federal income tax return for any taxable year is changed or corrected  
31 by the United States Internal Revenue Service or other competent authority, or as the result of a re-  
32 negotiation of a contract or subcontract with the United States, the taxpayer shall report such change  
33 or correction in Federal taxable income within ninety days after the final determination of such change,  
34 correction, or renegotiation, or as otherwise required by the [tax commissioner], and shall concede the

1 accuracy of such determination or state wherein it is erroneous. Any taxpayer filing an amended federal  
 2 income tax return shall also file within ninety days thereafter an amended return under this act, and  
 3 shall give such information as the [tax commissioner] may require. The [tax commissioner] may by  
 4 regulation prescribe such exceptions to the requirements of this section as he deems appropriate.

## TITLE VIII

### PROCEDURE AND ADMINISTRATION

#### Part I - Deficiencies

1        *Section 62. Examination of Return. (a) Deficiency or Overpayment.* As soon as practical after  
 2 the return is filed, the [tax commissioner] shall examine it to determine the correct amount of tax. If  
 3 the [tax commissioner] finds that the amount of tax shown on the return is less than the correct amount,  
 4 he shall notify the taxpayer of the amount of the deficiency proposed to be assessed. If the [tax commis-  
 5 sioner] finds that the tax paid is more than the correct amount, he shall credit the overpayment against  
 6 any taxes due under this act by the taxpayer and refund the difference.

7        (b) *No Return Filed.* If the taxpayer fails to file an income tax return, the [tax commissioner]  
 8 shall estimate the taxpayer's taxable income and the tax thereon on from any available information and  
 9 notify the taxpayer of the amount proposed to be assessed as in the case of a deficiency.

10        (c) *Notice of Deficiency.* A notice of deficiency shall set forth the reason for the proposed assess-  
 11 ment. The notice may be mailed by certified or registered mail to the taxpayer at his last known address.  
 12 In the case of a joint return, the notice of deficiency may be a single joint notice except that if the [tax  
 13 commissioner] is notified by either spouse that separate residences have been established he shall mail  
 14 joint notices to each spouse. If the taxpayer is deceased or under a legal disability, a notice of deficiency  
 15 may be mailed to his last known address unless the [tax commissioner] has received notice of the exist-  
 16 tence of a fiduciary relationship with respect to such taxpayer.

17        *Section 63. Assessment Final if no Protest.* Ninety days after the date on which it was mailed  
 18 (150 days if the taxpayer is outside the United States), a notice of proposed assessment of a deficiency  
 19 shall constitute a final assessment of the amount of tax specified together with interest, additions to  
 20 tax and penalties except only for such amounts as to which the taxpayer has filed a protest with the  
 21 [tax commissioner].

22        *Section 64. Protest by Taxpayer.* Within 90 days (150 days if the taxpayer is outside the United  
 23 States) after the mailing of a deficiency notice, the taxpayer may file with the [tax commissioner] a writ-  
 24 ten protest against the proposed assessment in which he shall set forth the grounds on which the protest is  
 25 based. If a protest is filed, the [tax commissioner] shall reconsider the assessment of the deficiency and,  
 26 if the taxpayer has so requested, shall grant the taxpayer or his authorized representatives an oral hearing.



1        *Section 65. Notice of Determination After Protest.* Notice of the [tax commissioner's] determina-  
2        tion shall be mailed to the taxpayer by certified or registered mail and such notice shall set forth briefly  
3        the [tax commissioner's] findings of fact and the basis of decision in each case decided in whole or in  
4        part adversely to the taxpayer.

5        *Section 66. Action of [Tax Commissioner] Final.* The action of the [tax commissioner] on the  
6        taxpayer's protest is final upon the expiration of 90 days from the date when he mails notice of his  
7        action to the taxpayer unless within this period the taxpayer seeks judicial review of the [tax commis-  
8        sioner's] determination.

9        *Section 67. Burden of Proof in Proceedings Before the [Tax Commissioner].* In any proceeding  
10       before the [tax commissioner] under this act the burden of proof shall be on the taxpayer except for  
11       the following issues, as to which the burden of proof shall be on the [tax commissioner]:

12       (1) whether the taxpayer has been guilty of fraud with attempt to evade tax,

13       (2) whether the petitioner is liable as the transferee of property of a taxpayer (but not to show  
14       that the taxpayer was liable for the tax).

15       (3) whether the taxpayer is liable for any increase in a deficiency where such increase is asserted  
16       initially after the notice of deficiency was mailed and a protest under section 64 filed, unless such in-  
17       crease in deficiency is the result of a change or correction of federal taxable income required to be re-  
18       ported under section 61, and of which change or correction the [tax commissioner] had no notice at  
19       the time he mailed the notice of deficiency.

20       *Section 68. Evidence of Related Federal Determination.* Evidence of a federal determination re-  
21       lating to issues raised in a proceeding under section 64 shall be admissible, under rules established by  
22       the [tax commissioner].

23       *Section 69. Mathematical Error.* In the event that the amount of tax is understated on the tax-  
24       payer's return due to a mathematical error, the [tax commissioner] shall notify the taxpayer that an  
25       amount of tax in excess of that shown on the return is due and has been asserted. Such a notice of  
26       additional tax due shall not be considered a notice of a deficiency assessment nor shall the taxpayer  
27       have any right of protest of appeal as in the case of a deficiency assessment based on such notice, and  
28       the assessment and collection of the amount of tax erroneously omitted in the return is not prohibited  
29       by any provision of this act.

30       *Section 70. Waiver of Restriction.* The taxpayer at any time, whether or not a notice of def-  
31       iciency has been issued, shall have the right to waive the restrictions on assessment and collection of  
32       the whole or any part of the deficiency by a signed notice in writing filed with the [tax commissioner].

33       *Section 71. Assessment of Tax. (a) Date of Assessment.* The amount of tax which is shown to  
34       be due on the return (including revisions for mathematical errors) shall be deemed to be assessed on  
35       the date of filing of the return including any amended returns showing an increase of tax. In the case

1 of a return properly filed without the computation of the tax, the tax computed by the [tax commis-  
2 sioner] shall be deemed to be assessed on the date when payment is due. If a notice of deficiency has  
3 been mailed, the amount of the deficiency shall be deemed to be assessed on the date provided in sec-  
4 tion 63 if no protest is filed; or, if a protest is filed then upon the date when the determination of the  
5 [tax commissioner] becomes final. If an amended return or report filed pursuant to section 61 con-  
6 cedes the accuracy of a federal change or correction, any deficiency in tax under this act resulting  
7 therefrom shall be deemed to be assessed on the date of filing such report or amended return and  
8 such assessment shall be timely notwithstanding any other provisions of this act. Any amount paid as  
9 a tax or in respect of a tax, other than amounts withheld at the source or paid as estimated income tax,  
10 shall be deemed to be assessed upon the date of receipt of payment, notwithstanding any other pro-  
11 vision of this act.

12 (b) *Other Assessment Powers.* If the mode or time for the assessment of any tax under this act,  
13 including interest, additions to tax and penalties is not otherwise provided for, the [tax commissioner]  
14 may establish the same by regulation.

15 (c) *Supplemental Assessment.* The [tax commissioner] may, at any time within the period pre-  
16 scribed for assessment, make a supplemental assessment, subject to the provisions of section 62 where  
17 applicable, whenever it is found that any assessment is imperfect or incomplete in any material aspect.

18 (d) *Cross Reference.* For assessment in case of jeopardy, see section 103.

19 *Section 72. Limitations on Assessment.* (a) *General.* Except as otherwise provided in this act,  
20 a notice of a proposed deficiency assessment shall be mailed to the taxpayer within three years after the  
21 return was filed. No deficiency shall be assessed or collected with respect to the year for which the re-  
22 turn was filed unless the notice is mailed within the three year period or the period otherwise fixed.

23 (b) *Omission of More Than 25 Percent of Income.* If the taxpayer omits from gross income an  
24 amount properly includible therein which is in excess of 25 percent of the amount of gross income stated  
25 in the return, a notice of a proposed deficiency assessment may be mailed to the taxpayer within six  
26 years after the return was filed. For purposes of this subsection, there shall not be taken into account  
27 any amount which is omitted in the return if such amount is disclosed in the return, or in a state-  
28 ment attached to the return, in a manner adequate to apprise the [tax commissioner] of the nature and  
29 the amount of such item.

30 (c) *No Return Filed or Fraudulent Return.* If no return is filed or a false and fraudulent return  
31 is filed with intent to evade the tax imposed by this act, a notice of deficiency may be mailed to the  
32 taxpayer at any time.

33 (d) *Failure to Report Federal Change.* If a taxpayer fails to comply with the requirement of  
34 section 61 by not reporting a change or correction increasing his federal taxable income, or in not re-  
35 porting a change or correction which is treated in the same manner as if it were a deficiency for federal

1 income tax purposes, or in not filing an amended return, a notice of deficiency may be mailed to the  
2 taxpayer at any time.

3 (e) *Report of Federal Change or Correction.* If the taxpayer shall pursuant to section 61 report  
4 a change or correction or file an amended return increasing his federal taxable income or report a  
5 change or correction which is treated in the same manner as if it were a deficiency for federal income  
6 tax purposes, the assessment (if not deemed to have been made upon the filing of the report or amended  
7 return) may be made at any time within two years after such report or amended return was filed.

8 (f) *Extension by Agreement.* Where, before the expiration of the time prescribed in this section  
9 for the assessment of a deficiency, both the [tax commissioner] and the taxpayer shall have consented  
10 in writing to its assessment after such time, the deficiency may be assessed at any time prior to the ex-  
11 piration of period agreed upon. The period so agreed may be extended by subsequent agreement in  
12 writing made before the expiration of the period previously agreed upon.

13 (g) *Time Return Deemed Filed.* For purposes of this section an income tax return filed before  
14 the last day prescribed by law or by regulation promulgated pursuant to law for the filing thereof, shall  
15 be deemed to be filed on such last day. If a return or withholding tax for any period ending with or  
16 within a calendar year is filed before April 15 of the succeeding calendar year, such return shall be  
17 deemed to be filed on April 15 of such succeeding calendar year.

18 *Section 73. Recovery of Erroneous Refund.* An erroneous refund shall be considered an under-  
19 payment of tax on the date made, and an assessment of a deficiency arising out of an erroneous refund  
20 may be made at any time within two years from the making of the refund, except that the assessment  
21 may be made within five years from the making of the refund if it appears that any part of the refund  
22 was induced by fraud or the misrepresentation of a material fact.

23 *Section 74. Interest on Underpayments.* (a) *General.* If any amount of tax imposed by this  
24 act, including tax withheld by an employer, is not paid on or before the last date prescribed for pay-  
25 ment, interest on such amount at the rate of 6 percent per annum shall be paid for the period from  
26 such last date to date paid. No interest shall be imposed if the amount due is less than one dollar nor  
27 shall this section apply to any failure to pay estimated income tax under section 54.

28 (b) *Last Date Prescribed for Payment.* For purposes of this section, the last date prescribed for  
29 the payment of tax shall be determined without regard to any extension of time.

30 (c) *Suspension of Waiver of Restrictions.* If the taxpayer has filed a waiver of restrictions on the  
31 assessment of a deficiency and if notice and demand by the [tax commissioner] for payment of such  
32 deficiency is not made within 30 days after the filing of such waiver, interest shall not be imposed on  
33 such deficiency for the period beginning immediately after such 30th day and ending with the date of  
34 notice and demand.

35 (d) *Interest Treated as Tax.* Interest prescribed under this section on any tax including tax

1 withheld by an employer shall be paid on notice and demand and shall be assessed, collected and paid  
 2 in the same manner as taxes. Any reference in this act to the tax imposed by this act shall be deemed  
 3 also to refer to interest imposed by this section on such tax.

4 (e) *Interest on Penalties, or Additions to Tax.* Interest shall be imposed under this section in  
 5 respect to any penalty, or addition to tax only if such penalty or addition to tax is not paid within 10  
 6 days of the notice and demand therefor, and in such case interest shall be imposed only for the period  
 7 from the date of the notice and demand to the date of payment.

8 (f) *Payments Made Within 10 Days After Notice and Demand.* If notice and demand is made for  
 9 the payment of any amount due under this act and if such amount is paid within 10 days after the date  
 10 of such notice and demand, interest under this section on the amount so paid shall not be imposed for  
 11 the period after the date of such notice and demand.

12 (g) *Satisfaction by Credits.* If any portion of a tax is satisfied by credit of an overpayment, then  
 13 no interest shall be imposed under this section on the portion of the tax so satisfied for any period during  
 14 which if the credit had not been made, interest would have been allowable with respect to such overpay-  
 15 ment.

16 (h) *Interest on Erroneous Refund.* Any portion of the tax imposed by this act or any interest,  
 17 penalty, or addition to tax which has been erroneously refunded and which is recoverable by the [tax  
 18 commissioner] shall bear interest at the rate of 6 percent per annum from the date of payment of the  
 19 refund.

20 (i) *Limitation on Assessment and Collection.* Interest prescribed under this section may be as-  
 21 sessed and collected at any time during the period within which the tax, penalty, or addition to tax to  
 22 which such interest relates may be assessed and collected respectively.

## Part II - Additions to Tax and Penalties

1 *Section 75. Failure to File Tax Returns.* (a) *Failure to File Tax Return.* In case of failure to  
 2 file any return required under this act on the date prescribed therefor (determined with regard to any  
 3 extension of time for filing), unless it is shown that such failure is due to reasonable cause and not due  
 4 to willful neglect, there shall be added to the amount required to be shown as tax on such return 5 per-  
 5 cent of the amount of such tax if the failure is not for more than one month, with an additional 5 per-  
 6 cent for each additional month or fraction thereof during which such failure continues, not exceeding  
 7 25 percent in the aggregate. For purposes of this section, the amount of tax required to be shown on  
 8 the return shall be reduced by the amount of any part of the tax which is paid on or before the date  
 9 prescribed for payment of the tax and by the amount of any credit against the tax which may be  
 10 claimed upon the return.

1           (b) *Failure to File Certain Information Returns.* In case of each failure to file a statement of pay-  
2 ment to another person required under the authority of this act including the duplicate statement of tax  
3 withheld on wages on the date prescribed therefor (determined with regard to any extension of time  
4 for filing), unless it is shown that such failure is due to a reasonable cause and not to willful neglect,  
5 there shall be paid upon notice and demand by the [tax commissioner] and in the same manner as by  
6 the person so failing to file the statement, a penalty of \$2.00 for each statement not so filed, but the  
7 total amount imposed on the delinquent person for all such failures during any calendar year shall not  
8 exceed \$2,000.

9           *Section 76. Failure to Pay Tax. (a) Deficiency Due to Negligence.* If any part of a deficiency  
10 is due to negligence or intentional disregard of rules and regulations (but without intent to defraud)  
11 there shall be added to the tax an amount equal to 5 percent of the deficiency.

12           (b) *Fraud.* If any part of a deficiency is due to fraud, there shall be added to the tax an amount  
13 equal to 50 percent of the deficiency. This amount shall be in lieu of any amount determined under  
14 subsection (a).

15           (c) *Failure by Individual to File Declaration or Underpayment of Estimated Tax.* If any taxpayer  
16 fails to file a declaration of estimated tax or fails to pay all or any part of an installment of any tax, he  
17 shall be deemed to have made an underpayment of estimated tax. The [tax commissioner] may pre-  
18 scribe by regulation the method for determining the amount of the underpayment and the period of  
19 the underpayment.

20           (d) *Nonwillful Failure to Pay Withholding Tax.* If any employer, without intent to evade or  
21 defeat any tax imposed by this act or the payment thereof, shall fail to make a return and pay a tax  
22 withheld by him at the time required by or under the provisions of this act, such employer shall be  
23 liable for such taxes and shall pay the same together with interest thereon and the addition to tax pro-  
24 vided in subsection (a), and such interest and addition to tax shall not be charged to or collected  
25 from the employee by the employer. The [tax commissioner] shall have the same rights and powers  
26 for the collection of such tax, interest, and addition to tax against such employer as are now prescribed  
27 by this act for the collection of tax against an individual taxpayer.

28           (e) *Willful Failure to Collect and Pay Over Tax.* Any person required to collect, truthfully account  
29 for, and pay over the tax imposed by this act who willfully fails to collect such tax or truthfully account  
30 for and pay over such tax or willfully attempts in any manner to evade or defeat the tax or the pay-  
31 ment thereof, shall, in addition to other penalties provided by law be liable to a penalty equal to the  
32 total amount of the tax evaded, or not collected, or not accounted for and paid over. No addition to  
33 tax under subsections (a) or (b) of this section shall be imposed for any offense to which this sub-  
34 section applies.

35           (f) *Additional Penalty.* Any person who with fraudulent intent shall fail to pay, or to deduct

1 or withhold and pay, any tax, or to make, render, sign, or certify any return or declaration of estimated  
2 tax, or to supply any information within the time required by or under this act, shall be liable to a penalty  
3 of not more than \$1,000, in addition to any other amounts required under this act, to be imposed, assessed  
4 and collected by the [tax commissioner].

5 (g) *Additions Treated as Tax.* The additions to tax and penalties provided by this act shall be paid  
6 upon notice and demand and shall be assessed, collected, and paid in the same manner as taxes and any  
7 reference in this act to income tax or the tax imposed by this act shall be deemed also to refer to additions  
8 to the tax, and penalties provided by this section. For purposes of the deficiency procedures provided in  
9 section 62, this subsection shall not apply to:

10 (1) any addition to tax under subsection (a) of section 75 except as to that portion attrib-  
11 utable to a deficiency;

12 (2) any addition to tax for failure to file a declaration or underpayment of estimated tax  
13 as provided in subsection (c) of this section;

14 (3) any additional penalty under subsection (f) of this section.

15 (h) *Determination of Deficiency.* For purposes of subsections (a) and (b) related to deficiencies  
16 due to negligence or fraud, the amount shown as the tax by the taxpayer upon his return shall be taken  
17 into account in determining the amount of the deficiency only if such return was filed on or before the  
18 last day prescribed for the filing of such return, determined with regard to any extension of time for such  
19 filing.

20 (i) *Person Defined.* For purposes of subsections (e) and (f) the term person includes an indi-  
21 vidual, corporation or partnership, or an officer or employee of any corporation (including a dissolved  
22 corporation), or a member or employee of any partnership, who as such officer, employee or member  
23 is under a duty to perform the act in respect of which the violation occurs.

24 *Section 77. False Information with Respect to Withholding Allowance.* In addition to any other  
25 penalty provided by law, if any individual in claiming a withholding allowance states (1) as the amount  
26 of the wages shown on his return for any taxable year an amount less than such wages actually shown,  
27 or (2) as the amount of the itemized deductions referred to in section 9 shown on the return for any  
28 taxable year an amount greater than such deductions actually shown, he will pay a penalty of \$50 for  
29 such statement, unless:

30 (1) such statement did not result in a decrease in the amounts deducted and withheld, or

31 (2) the taxes imposed with respect to the individual under this act for the succeeding taxable  
32 year do not exceed the sum of: (i) the credits against such taxes, and (ii) the payments of estimated  
33 tax which are considered payments on account of such taxes.

34 Section 62 relating to deficiency procedure shall not apply in respect to the assessment or collection  
35 of any penalty imposed by this section.

## Part III - Credits and Refunds

1           *Section 78. Authority to Make Credits or Refunds. (a) General Rule.* The [tax commissioner]  
2 within the applicable period of limitations may credit an overpayment of income tax and interest on  
3 such overpayment against any liability in respect of any tax imposed by the tax laws of this state on  
4 the person who made the overpayment, and the balance shall be refunded by the treasurer out of the  
5 proceeds of the tax retained by him for such general purposes.

6           **(b) Excessive Withholding.** If the amount allowable as a credit for tax withheld from the tax-  
7 payer exceeds his tax to which the credit relates, the excess shall be considered an overpayment.

8           **(c) Overpayment by Employer.** If there has been an overpayment of tax required to be deducted  
9 and withheld under section 19, refund shall be made to the employer only to the extent that the amount  
10 of the overpayment was not deducted and withheld by the employer.

11           **(d) Credits Against Estimated Tax.** The [tax commissioner] may prescribe regulations providing  
12 for the crediting against the estimated income tax for any taxable year of the amount determined to  
13 be an overpayment of the income tax for a preceding taxable year.

14           **(e) Assessment and Collection After Limitation Period.** If any amount of income tax is assessed  
15 or collected after the expiration of the period of limitations properly applicable thereto, such amount  
16 shall be considered an overpayment.

17           *Section 79. Abatements. (a) General Rule.* The [tax commissioner] is authorized to abate the  
18 unpaid portion of the assessment of any tax or any liability in respect thereof, which (1) is excessive  
19 in amount, or (2) is assessed after the expiration of the period of limitations properly applicable  
20 thereto, or (3) is erroneously or illegally assessed.

21           **(b) No Claim by Taxpayer.** No claim for abatement shall be filed by a taxpayer in respect of  
22 an assessment of any tax imposed under this act.

23           **(c) Small Tax Balance.** The [tax commissioner] is authorized to abate the unpaid portion of  
24 assessment of any tax, or any liability in respect thereof, if he determines under uniform rules pre-  
25 scribed by him that the administration and collection costs involved would not warrant collection of  
26 the amount due.

27           *Section 80. Limitations on Credit or Refund. (a) General.* A claim for credit or refund of an  
28 overpayment of any tax imposed by this act shall be filed by the taxpayer within three years from the  
29 time the return was filed or two years from the time the tax was paid whichever of such periods ex-  
30 pires the later; or if no return was filed by the taxpayer, within two years from the time the tax was  
31 paid. No credit or refund shall be allowed or made after the expiration of the period of limitation  
32 prescribed in this subsection for the filing of a claim for credit or refund, unless a claim for credit or  
33 refund is filed by the taxpayer within such period.

34           **(b) Limit on Amount of Claim or Refund.** If the claim is filed by the taxpayer during the

1 three-year period prescribed in subsection (a), the amount of the credit or refund shall not exceed  
2 the portion of the tax paid within the three years immediately preceding the filing of the claim plus  
3 the period of any extension of time for filing the return. If the claim is not filed within such three-  
4 year period, but is filed within the two-year period, the amount of the credit or refund shall not ex-  
5 ceed the portion of the tax paid during the two years immediately preceding the filing of the claim.  
6 If no claim is filed, the credit or refund shall not exceed the amount which would be allowable under  
7 either of the preceding sentences, as the case may be, if a claim was filed on the date the credit or re-  
8 fund is allowed.

9 (c) *Extension of Time by Agreement.* If an agreement for an extension of the period for assess-  
10 ment of income taxes is made within the period prescribed in subsection (a) for the filing of a claim  
11 for credit or refund, the period for filing claim for credit or for making credit or refund if no claim is  
12 filed, shall not expire prior to six months after the expiration of the period within which an assessment  
13 may be made pursuant to the agreement or any extension thereof. The amount of such credit or refund  
14 shall not exceed the portion of the tax paid after the execution of the agreement and before the filing  
15 of the claim or the making of the credit or refund, as the case may be, plus the portion of the tax paid  
16 within the period which would be applicable under subsection (a) if a claim had been filed on the  
17 date the agreement was executed.

18 (d) *Notice of Change or Correction of Federal Income.* If a taxpayer is required by section 61  
19 to report a change or correction in federal taxable income reported on his federal income tax return,  
20 or to report a change or correction which is treated in the same manner as if it were an overpayment  
21 for federal income tax purposes, or to file an amended return with the [tax commissioner], claim for  
22 credit or refund of any resulting overpayment of tax shall be filed by the taxpayer within two years  
23 from the time the notice of such change or correction or such amended retrun was required to be  
24 filed with the [tax commissioner]. If the report or amended return required by section 61 is not filed  
25 within the 90-day period therein specified, interest on any resulting refund or credit shall cease to  
26 accrue after such 90th day. The amount of such credit or refund shall not exceed the amount of the  
27 reduction in tax attributable to such federal change, correction, or items amended on the taxpayer's  
28 amended federal income tax return. This subsection shall not affect the time within which or the  
29 amount for which a claim for credit or refund may be filed apart from this subsection.

30 (e) *Special Rules. The following rules shall apply:*

31 (1) If the claim for credit or refund relates to an overpayment of tax on account of the  
32 deductibility by the taxpayer of a debt as a debt which became worthless or a loss from worthlessness  
33 of a security or the effect that the deductibility of a debt or of a loss has on the application to the  
34 taxpayer of a carry-over, the claim may be made, under regulations prescribed by the [tax commissioner]



1 within seven years from the date prescribed by law for filing the return for the year with respect to  
2 which the claim is made.

3 (2) If the claim for credit or refund relates to an overpayment attributable to a net operating  
4 loss carry-back, the claim may be made, under regulations prescribed by the [tax commissioner] within  
5 the period which ends with the expiration of the 15th day of the 40th month following the end of the  
6 taxable year of the net operating loss which resulted in such carry-back or the period prescribed in sub-  
7 section (c) in respect of such taxable year, whichever expires later.

8 *Section 81. Interest on Overpayment.* (a) *General.* Under regulations prescribed by the [tax  
9 commissioner] interest shall be allowed and paid at the rate of 6 percent per annum upon any overpay-  
10 ment in respect of the tax imposed by this act. No interest shall be allowed or paid if the amount thereof  
11 is less than \$1.00.

12 (b) *Date of Return or Payment.* For purposes of this section:

13 (1) Any return filed before the last day prescribed for the filing thereof shall be considered  
14 as filed on such last day determined without regard to any extension of time granted the taxpayer;

15 (2) Any tax paid by the taxpayer before the last day prescribed for its payment, any in-  
16 come tax withheld from the taxpayer during any calendar year and any amount paid by the taxpayer  
17 as estimated income tax for a taxable year shall be deemed to have been paid by him on the fifteenth  
18 day of the fourth month following the close of his taxable year to which such amount constitutes a  
19 credit or payment.

20 (c) *Return and Payment of Withholding Tax.* For purposes of this section with respect to any  
21 withholding tax;

22 (1) If a return for any period ending with or within a calendar year is filed before April  
23 15 of the succeeding calendar year, such return shall be considered filed on April 15 of such succeeding  
24 calendar year; and

25 (2) If a tax with respect to remuneration paid during any period ending with or within a  
26 calendar year is paid before April 15 of the succeeding calendar year, such tax shall be considered paid  
27 on April 15 of such succeeding calendar year.

28 (d) *Refund Within Three Months.* If any overpayment of tax imposed by this act is refunded  
29 within three months after the last date prescribed (or permitted by extension of time) for filing the  
30 return of such tax or within three months after the return was filed, whichever is later, no interest  
31 shall be allowed under this section on overpayment.

32 *Section 82. Refund Claim.* Every claim for refund shall be filed with the [tax commissioner]  
33 in writing and shall state the specific grounds upon which it is founded. The [tax commissioner] may  
34 grant the taxpayer or his authorized representatives an opportunity for an oral hearing if the taxpayer  
35 so requests.

1        *Section 83. Notice of Denial.* If the [tax commissioner] disallows a claim for refund, he shall  
 2 notify the taxpayer accordingly. The action of the [tax commissioner] denying a claim for refund is  
 3 final upon the expiration of 90 days from the date when he mails notice of his action to the taxpayer  
 4 unless within this period the taxpayer seeks judicial review of the [tax commissioner's] determination.

5        *Section 84. Refund Claim Deemed Disallowed.* If the [tax commissioner] fails to mail a notice  
 6 of action on any refund claim within six months after the claim is filed, the taxpayer may, prior to  
 7 notice of action on the refund claim, consider the claim disallowed.

#### Part IV – Judicial Review – Suits for Refunds

1        *Section 85. Review of Determination of [Tax Commissioner].* A determination by the [tax  
 2 commissioner] on a taxpayer's protest against the proposed assessment of a deficiency shall be subject  
 3 to judicial review at the instance of any taxpayer affected thereby [either in the manner provided by  
 4 law for the review of final decisions or determinations of administrative agencies of this state or by a de  
 5 novo review in a court of appropriate jurisdiction].<sup>1</sup>

6        *Section 86. Judicial Review Exclusive Remedy in Deficiency Proceedings.* The review of a determina-  
 7 tion of the [tax commissioner] provided by section 85 shall be the exclusive remedy available to any taxpayer  
 8 for the judicial review of the action of the [tax commissioner] in respect to the assessment of a proposed  
 9 deficiency. No injunction or other legal or equitable process shall issue in any suit, action or proceeding  
 10 in any court against this state or against any office of this state to prevent or enjoin the assessment or  
 11 collection of any tax imposed under this act.

12        *Section 87. Assessment Pending Review - Review Bond.* The [tax commissioner] may assess a de-  
 13 ficiency after the expiration of the period specified in section 66 notwithstanding that an application for  
 14 judicial review in respect of such deficiency has been made by the taxpayer, unless the taxpayer at or  
 15 before the time his application for review is made, has paid the deficiency, or has deposited with the  
 16 [tax commissioner] the amount of the deficiency or has filed with the [tax commissioner] a bond, in  
 17 the amount of the deficiency being contested including interest and other amounts as well as all costs  
 18 and charges which may accrue against him in the prosecution of the proceeding and issued by a person  
 19 authorized under the laws of this state to act as surety, conditioned upon the payment of the deficiency  
 20 including interest and other amounts as finally determined and such costs and charges.

21        *Section 88. Proceedings After Review.* (a) *Credit, Refund of Abatement.* If the amount of a  
 22 deficiency determined by the [tax commissioner] is disallowed in whole or in part by the court of re-  
 23 view, the amount so disallowed shall be credited or refunded to the taxpayer without the making of a  
 24 claim therefor, or, if payment has not been made, shall be abated.

25        (b) *Deficiency Disallowed - Costs.* If the deficiency determined by the [tax commissioner] is

<sup>1</sup>These provisions will have to be drafted to be consistent with judicial remedies available in comparable proceedings.

1 disallowed, the taxpayer shall have his costs. If the deficiency is disallowed in part, the court in its discretion may award the taxpayer a proportion of his costs.

3 (c) *Assessment Final.* An assessment of a proposed deficiency by the [tax commissioner] shall  
4 become final upon the expiration of the period specified in section 63 for filing a written protest against  
5 the proposed assessment if no such protest has been filed within the time provided; or if the protest  
6 provided in section 64 has been filed, upon the expiration of time provided for filing an application for  
7 judicial review, or upon the final judgment of the reviewing court or upon the rendering by the [tax  
8 commissioner] of a decision pursuant to the mandate of the reviewing court. Notwithstanding the  
9 foregoing, for the purpose of making an application for the review of a determination of the [tax commissioner], the determination shall be deemed final on the date the notice of decision is sent by certified mail or registered mail to the taxpayer as provided in section 65.

12 *Section 89. Suit for Refund.* Except in cases involving the proposed assessment of a deficiency,  
13 any taxpayer who claims that the tax he has paid under this act is void in whole or in part, may bring  
14 an action, upon the grounds set forth in his claim for refund, against the [tax commissioner] for the  
15 recovery or the whole or any part of the amount paid. Such suit against the [tax commissioner] may  
16 be instituted in the [district, county, circuit court of appropriate jurisdiction where the taxpayer resides  
17 or in the capital city]. [If necessary, insert appropriate provision for defense of action either by the  
18 attorney general or counsel for the tax commissioner.]

19 *Section 90. No Suit Prior to Filing Claim.* No suit shall be maintained for the recovery of any  
20 tax imposed by this act alleged to have been erroneously paid until a claim for refund has been filed  
21 with the [tax commissioner] as provided in section 82 and the [tax commissioner] has denied the refund or has filed to mail a notice of action on the claim within six months after the claim was filed.

23 *Section 91. Limitation on Suit for Refund.* The action authorized in section 90 shall be filed  
24 within three years from the last date prescribed for filing the return or within one year from the date  
25 the tax was paid, or within 90 days after the denial of a claim for refund by the [tax commissioner]  
26 or within 90 days after the refund claim has been deemed to be disallowed because of the failure of  
27 the [tax commissioner] to mail a notice of action within six months after the claim was filed whichever period expires the later.

29 *Section 92. Judgment for Taxpayer.* In any action for a refund, the court may render judgment  
30 for the taxpayer for any part of the tax, interest penalties or other amounts found to be erroneously  
31 paid, together with interest on the amount of the overpayment. The amount of any judgment against  
32 the [tax commissioner] shall first be credited against any taxes, interest, penalties or other amounts  
33 due from the taxpayer under the tax laws of this state and the remainder refunded by the [state  
34 treasurer].

## Part V - Miscellaneous Enforcement Provisions

1        *Section 93. Timely Mailing.* If any claim, statement, notice, petition, or other document in-  
2 cluding, to the extent authorized by the [tax commissioner] a return or declaration of estimated tax,  
3 required to be filed within a prescribed period or on or before a prescribed date under the authority  
4 of any provision of this act is, after such period of such date, delivered by United States mail to the  
5 [tax commissioner], or the officer or person therein with which or with whom such document is re-  
6 quired to be filed, the date of the United States postmark stamped on the envelope shall be deemed  
7 to be the date of delivery. This section shall apply only if the postmark date falls within the pre-  
8 scribed period or on or before the prescribed date for the filing of such document, determined with  
9 regard to any extension granted for such filing, and only if such document was deposited in the mail,  
10 postage prepaid, properly addressed to the [tax commissioner], office, officer or person therein with  
11 which or with whom the document is required to be filed. If any document is sent by United States  
12 registered mail, such registration shall be prima facie evidence that such document was delivered to  
13 the [tax commissioner], or the office, officer or person to which or to whom it is addressed. To the  
14 extent that the [tax commissioner] shall prescribe by regulation, certified mail may be used in lieu of  
15 registered mail under this section. This section shall apply in the case of postmarks not made by the  
16 United States Post Office only if and to the extent provided by regulations of the [tax commissioner].  
17 When the last day prescribed under the authority of this act, including any extension of time, for per-  
18 forming any act falls on Saturday, Sunday, or a legal holiday in this state, the performance of such  
19 act shall be considered timely if it is performed on the next succeeding day which is not a Saturday,  
20 Sunday or a legal holiday.

21        *Section 94. Collection Procedures.* (a) *General.* The tax imposed by this act shall be collected  
22 by the [tax commissioner], and he may establish the mode or time for the collection of any amount  
23 due under this act if not otherwise specified. The [tax commissioner] shall, on request, give a receipt  
24 for any amount collected under this act. The [tax commissioner] may authorize incorporated banks  
25 or trust companies which are depositaries or fiscal agents of this state to receive and give a receipt for  
26 any tax imposed under this act, in such manner, at such times, and under such conditions as he may  
27 prescribe; and the [tax commissioner] shall prescribe the manner, times and conditions under which  
28 the receipt of tax by such banks and trust companies is to be treated as payment of tax to the [tax  
29 commissioner].

30        (b) *Notice and Demand.* The [tax commissioner] shall as soon as practicable give notice to  
31 each person liable for any amount of tax, addition to tax, additional amount, penalty or interest, which  
32 has been assessed but remains unpaid, stating the amount and demanding within 10 days of the date  
33 of the notice and demand payment thereof. Such notice shall be left at the dwelling place or usual  
34 place of business of such person or shall be sent by mail to such person's last know address. Except

1 where the [tax commissioner] determines that collection would be jeopardized by delay, if any tax is  
2 assessed prior to the last date, including any date fixed by extension, prescribed for payment of such  
3 tax, payment of such tax shall not be demanded until after such date.

4 (c) *Cross-Reference:* For requirements of payment without assessment, notice or demand of  
5 amount shown to be due on return, see section 51.

6 *Section 95. Issuance of Warrant.* If any person liable to pay any tax, addition to tax, penalty,  
7 or interest imposed under this act neglects or refuses to pay the same within ten days after notice and  
8 and demand, the [tax commissioner] may issue a warrant directed to the [sheriff] of any county of  
9 this state or to his own representative commanding him to levy upon and sell such person's real and  
10 personal property for the payment of the amount assessed, with the cost of executing the warrant,  
11 and to return such warrant to the [tax commissioner] and to pay him the money collected by virtue  
12 thereof within 60 days after receipt of the warrant. If the [tax commissioner] finds that collection  
13 of the tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the  
14 [tax commissioner] and upon failure or refusal to pay such tax the [tax commissioner] may issue a  
15 warrant without regard to the ten-day waiting period provided in this section.

16 *Section 96. Lien of Tax.* If any tax imposed by this act is not paid when due, the [tax commis-  
17 sioner] may file in the office of any [county recorder] a certificate specifying the amount of the tax,  
18 addition to tax, penalty and interest due, the name and last known address of the taxpayer liable for  
19 the amount and the fact that the [tax commissioner] has complied with all the provisions of this act  
20 in the assessment of the tax. From the time of the filing, the amount set forth in the certificate con-  
21 stitutes a lien upon all property of the taxpayer in the county then owned by him or thereafter ac-  
22 quired by him in the period before the expiration of the lien. The lien provided therein has the same  
23 force, effect and priority as a judgment lien and continues for ten years from the date of recording  
24 unless sooner released or otherwise discharged.

25 *Section 97. Extension; Release of Lien.* Within ten years from the date of the recording or  
26 within ten years from the date of the last extension of the lien in the manner provided herein, the  
27 lien may be extended by recording in the office of the [county recorder] of any county, a new  
28 certificate. The [tax commissioner] may, at any time, release all or any portion of the property  
29 subject to any lien provided for in this act or subordinate the lien to other liens if he determines  
30 that the taxes are sufficiently secured by a lien on other property of the taxpayer or that the release  
31 or subordination of the lien will not endanger or jeopardize the collection of the taxes.

32 *Section 98. Taxpayer Not a Resident.* When notice and demand for the payment of a tax is  
33 given to a nonresident and it appears to the [tax commissioner] that it is not practicable to locate  
34 property of the taxpayer sufficient in amount to cover the amount of tax due, he shall send a copy  
35 of the certificate provided for in section 96 to the taxpayer at his last known address together with

1 a notice that such certificate has been filed with the [county recorder]. Thereafter, the [tax commis-  
2 sioner] may authorize the institution of any action or proceeding to collect or enforce such claim in  
3 any place and by any procedure that a civil judgment of a court of record of this state could be col-  
4 lected or enforced. The [tax commissioner] may also in his discretion, designate agents or retain  
5 counsel outside this state for the purpose of collecting outside this state any taxes due under this act  
6 from taxpayers who are not residents of this state; and he may fix the compensation of such agents  
7 and counsel to be paid out of money appropriated or otherwise lawfully available for payment thereof  
8 and he may require of them bonds or other security for the faithful performance of their duties. The  
9 [tax commissioner] is authorized to enter into agreements with the tax departments of other states  
10 and the District of Columbia for the collection of taxes from persons found in this state who are  
11 delinquent in the payment of income taxes imposed by those states or the District of Columbia on  
12 condition that the agreeing states and the District of Columbia afford similar assistance in the collec-  
13 tion of taxes from persons found in those jurisdictions who are delinquent in the payment of taxes  
14 imposed under this act.

15 *Section 99. Action for Recovery of Taxes.* The [tax commissioner] within six years after the  
16 assessment of any tax may bring an action in any court of competent jurisdiction within or without  
17 this state in the name of the people of this state to recover the amount of any taxes, additions to tax,  
18 penalties and interest due and unpaid under this act. In such action, the certificate of the [tax com-  
19 missioner] showing the amount of the delinquency shall be prima facie evidence of the levy of the  
20 tax, of the delinquency, and of the compliance by the [tax commissioner] with all the provisions of  
21 this act in relation to the assessment of the tax.

22 *Section 100. Income Tax Claims of Other States.* The courts of this state shall recognize and  
23 enforce liabilities for personal income taxes lawfully imposed by any other state which extends a like  
24 comity to this state, and the duly authorized officer of any such state may sue for the collection of  
25 such a tax in the courts of this state. A certificate by the secretary of state of such other state that  
26 an officer suing for the collection of such a tax is duly authorized to collect the tax shall be con-  
27 clusive proof of such authority. For the purposes of this section, the word "taxes" shall include  
28 additions to tax (interest and penalties, and liability for such taxes, additions to tax), interest and  
29 penalties shall be recognized and enforced by the courts of this state to the same extent that the laws  
30 of such other state permit the enforcement in its courts of liability for such taxes, additions to tax,  
31 interest and penalties due this state under this act.

32 *Section 101. Order to Compel Compliance.* (a) *Failure to File Tax Return.* If any person will-  
33 fully refuses to file an income tax return required by this act, the [tax commissioner] may apply to a  
34 judge of the [court of appropriate jurisdiction] for the county in which the taxpayer (or other person  
35 required to file an income tax return) resides, for an order directing such person to file the required

1 return. If a person fails or refuses to obey such order, he shall be guilty of contempt of  
2 court.

3 (b) *Failure to Furnish Records or Testimony.* If any person willfully refuses to make available  
4 any books, papers, records or memoranda for examination by the [tax commissioner] or his representa-  
5 tive or willfully refuses to attend and testify, pursuant to the powers conferred on the [tax commissioner]  
6 by section 110 (c) of this act, the [tax commissioner] may apply to a judge in the [court of appropriate  
7 jurisdiction] for the county where such person resides, for an order directing that person to comply with  
8 the [tax commissioner's] request for books, papers, records or memoranda or for his attendance and  
9 testimony. If the books, papers, records or memoranda required by the [tax commissioner] are in the  
10 custody of a corporation, the order of the court may be directed to any principal officer of such corpora-  
11 tion. If a person fails or refuses to obey such order, he shall be guilty of contempt of court.

12 *Section 102. Transferees.* (a) *General.* The liability, at law or in equity, of a transferee of property  
13 of a taxpayer for any tax, addition to tax, penalty or interest due the [tax commissioner] under this act,  
14 shall be assessed, paid and collected in the same manner and subject to the same provisions and limitations  
15 as in the case of the tax to which the liability relates except as hereinafter provided in this section. The  
16 term transferee includes donee, heir, legatee, devisee, and distributee.

17 (b) *Period of Limitation.* In the case of the liability of an initial transferee, the period of limita-  
18 tion for assessment of any liability is within one year after the expiration of period of limitation against  
19 the transferor; in the case of the liability of a transferee of a transferee, within one year after the ex-  
20 piration of the period of limitation against the preceding transferee, but not more than three years after  
21 the expiration of the period of limitation for assessment against the original transferor; except that if  
22 before the expiration of the period of limitation for the assessment of the liability of the transferee,  
23 a proceeding for the collection of the liability has been begun against the initial transferor of  
24 the last preceding transferee, respectively, then the period of limitation for assessment of the  
25 liability of the transferee shall expire one year after the proceeding is terminated.

26 (c) *Extension by Agreement.* If before the expiration of the time provided in this section for  
27 the assessment of the liability the [tax commissioner] and the transferee have both consented in writing  
28 to its assessment after such time, the liability may be assessed at any time prior to the expiration of the  
29 period agreed upon or an extension thereof. For the purpose of determining the period of limitation on  
30 credit or refund to the transferee of overpayments of tax made by such transferee of overpayments of  
31 tax made by the transferor of which the transferee is legally entitled to credit or refund, such agreement  
32 and any extension thereof shall be deemed an agreement or extension referred to in subsection (c) of  
33 section 80. If the agreement is executed after the expiration of the period of limitation for assessment  
34 against the taxpayer with reference to whom the liability of such transferee arises, then in applying the

1 limitations under subsection (b) of section 80 on the amount of the credit or refund, the periods  
2 specified in subsection (a) of section 80 shall be increased by the period from the date of such expira-  
3 tion to the date of the agreement.

4 (d) *Transferor Deceased.* If any person is deceased, the period of limitation for assessment against  
5 such person shall be the period that would be in effect had death not occurred.

6 *Section 103. Jeopardy Assessments. (a) Filing and Notice.* If the [tax commissioner] finds that  
7 the assessment or the collection of a tax or a deficiency for any year, current or past, will be jeopardized  
8 in whole or in part by delay, he may mail or issue notice of his finding to the taxpayer, together with a  
9 demand for immediate payment of the tax or the deficiency declared to be in jeopardy, including addi-  
10 tions to tax, interest and penalties.

11 (b) *Termination of Taxable Year.* In the case of a tax for a current period, the [tax commissioner]  
12 shall declare the taxable period of the taxpayer immediately terminated and his notice and demand for a  
13 return and immediate payment of the tax shall relate to the period declared terminated, including therein  
14 income accrued and deductions incurred up to the date of termination if not otherwise properly includible  
15 or deductible in respect of the period.

16 (c) *Collection.* A jeopardy assessment is immediately due and payable, and proceedings for collec-  
17 tion may be commenced at once. The taxpayer, however, may stay collection and prevent the jeopardy  
18 assessment from becoming final by filing, within ten days after the date of mailing or issuing the notice  
19 of jeopardy assessment, a request for reassessment, accompanied by a bond or other security in the  
20 amount of the assessment including additions to tax, penalties, and interest as to which the stay of col-  
21 lection is sought. If a request for reassessment, accompanied by a bond or other security on the ap-  
22 propriate amount, is not filed within the ten-day period, the assessment becomes final.

23 (d) *Proceeding on Reassessment.* If a request for reassessment accompanied by a bond or other  
24 security, is filed within the ten-day period, the [tax commissioner] shall reconsider the assessment and,  
25 if the taxpayer has so requested in his petition, the [tax commissioner] shall grant him or his authorized  
26 representatives an oral hearing. The [tax commissioner's] action on the request for reassessment becomes  
27 final upon the expiration of thirty days from the date when he mails notice of his action to the taxpayer,  
28 unless within that thirty-day period, the taxpayer files an application to seek judicial review of the [tax  
29 commissioner's] determination.

30 (e) *Presumptive Evidence of Jeopardy.* In any proceeding brought to enforce payment of taxes  
31 made due and payable by this section, the finding of the [tax commissioner] under subsection (a) of  
32 this section is for all purposes presumptive evidence that the assessment or collection of the tax or de-  
33 ficiency was in jeopardy.

34 (f) *Abatement if Jeopardy Does Not Exist.* The [tax commissioner] may abate the jeopardy as-  
35 sessment if he finds that jeopardy does not exist.



1        *Section 104. Bankruptcy or Receivership. (a) Immediate Assessment.* Upon the adjudication of  
 2 bankruptcy of any taxpayer in any bankruptcy proceeding or the appointment of a receiver for any tax-  
 3 payer in any receivership proceeding before any court of the United States or any state or territory or of  
 4 the District of Columbia, any deficiency (together with additions to tax and interest provided by law)  
 5 determined by the [tax commissioner] may be immediately assessed.

6        *(b) Adjudication of Claims.* Claims for the deficiency and such additions to tax and interest may  
 7 be presented, for adjudication in accordance with law, to the court before which the bankruptcy or re-  
 8 ceivership proceeding is pending, despite the pendency of a protest before the [tax commissioner] under  
 9 section 64. No protest against a proposed assessment shall be filed with the [tax commissioner] after  
 10 the adjudication of bankruptcy or appointment of the receiver.

11        *(c) Cross Reference:* For the requirement of notice to the [tax commissioner] of the qualifica-  
 12 tion of a trustee in bankruptcy, receiver, assignee for the benefit of creditors, or other like judiciary,  
 13 see section 47.

#### Part VI - Criminal Offenses

1        *Section 105. Attempt to Evade or Defeat Tax.* Any person who willfully attempts in any manner  
 2 to evade or defeat any tax imposed by this act or the payment thereof shall, in addition to other penal-  
 3 ties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than  
 4 \$[5,000], or imprisoned not more than [5] years, or both, together with the costs of prosecution.

5        *Section 106. Failure to Collect or Pay Over.* Any person required under this act to collect,  
 6 truthfully account for, and pay over any tax imposed by this act who willfully fails to collect or truth-  
 7 fully account for an pay over such tax shall, in addition to other penalties provided by law, be guilty  
 8 of a felony and, upon conviction thereof, shall be fined not more than \$[5,000], or imprisoned not  
 9 more than [5] years, or both, together with the costs of prosecution.

10        *Section 107. Failure to File Return, Supply Information, Pay Tax.* Any person required under  
 11 this act to pay any tax or estimated tax, or required by this act or regulation prescribed thereunder to  
 12 make a return (other than a return of estimated tax), keep any records, or supply any information,  
 13 who willfully fails to pay such tax or estimated tax, make such return, keep such records, or supply  
 14 such information, at the time or times required by law or regulations, shall, in addition to other penal-  
 15 ties provided by law, be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more  
 16 than \$[5,000], or imprisoned not more than [one] year, or both, together with the costs of prosecu-  
 17 tion.

18        *Section 108. False Statements.* Any person who willfully makes and subscribes any return,  
 19 statement or other document, which contains or is verified by a written declaration that it is made  
 20 under the penalties of perjury, and which he does not believe to be true and correct as to every

1 material matter; or willfully aids or procures the preparation or presentation in a matter arising under  
 2 the provisions of this act of a return, affidavit, claim or other document which is fraudulent or is false  
 3 as to any material matter shall be guilty of a felony and, upon conviction thereof, shall be fined not  
 4 more than \$[5,000], or imprisoned not more than [3] years, or both, together with the costs of prose-  
 5 cution.

6 *Section 109. Limitations.* Any prosecution under this act shall be instituted within three years  
 7 after the commission of the offense, provided that if such offense is the failure to do an act required  
 8 by or under the provisions of this act to be done before a certain date, a prosecution for such offense  
 9 may be commenced not later than [3] years after such date. The failure to do any act required by or  
 10 under the provisions of this act shall be deemed an act committed in part at the principal office of  
 11 the [tax commissioner]. Any prosecution under this act may be conducted in any county where the  
 12 person or corporation to whose liability the proceeding relates resides, or has a place of business or  
 13 in any county in which such crime is committed. The attorney general shall have concurrent jurisdic-  
 14 tion with the [district] attorney in the prosecution of any offenses under this act.

#### Part VII - Powers of [Tax Commissioner]

1 *Section 110. (a) General.* The [tax commissioner] shall administer and enforce the tax imposed  
 2 by this act and he is authorized to make such rules and regulations and to require such facts and infor-  
 3 mation to be reported, as he may deem necessary to enforce the provisions of this act. The [tax com-  
 4 missioner] may for enforcement and administrative purposes divide the state into a reasonable number  
 5 of districts in which branch offices may be maintained.

6 (b) *Returns and Forms.* The [tax commissioner] may prescribe the form and contents of any  
 7 return or other document required to be filed under the provisions of this act.

8 (c) *Examination of Books and Witnesses.* The [tax commissioner] for the purpose of ascertaining  
 9 the correctness of any return, or for the purpose of making an estimate of taxable income of any person,  
 10 shall have power to examine or to cause to have examined, by any agent or representative designated by  
 11 him for that purpose, any books, papers, records or memoranda bearing upon the matters required to be  
 12 included in the return, and may require the attendance of the person rendering the return or any officer  
 13 or employee of such person, or the attendance of any other person having knowledge in the premises,  
 14 and may take testimony and require proof material for his information, with power to administer oaths  
 15 to such person or persons.

16 (d) *Secrecy of Returns and Information.* Except in accordance with proper judicial order or as  
 17 otherwise provided by law, it shall be unlawful for the [tax commissioner] or any officer or employee  
 18 of the [tax department], any person engaged or retained by such [department] on an independent  
 19 contract basis, or any person who, pursuant to this section, is permitted to inspect any report or return

1 or to whom a copy, an abstract or a portion of any report or return is furnished, to divulge or make  
 2 known in any manner the amount of income or any particulars set forth or disclosed in any report  
 3 or return required under this act. The officers charged with the custody of such reports and returns  
 4 shall not be required to produce any of them or evidence of anything contained in them in any action  
 5 or proceeding in any court, except on behalf of the [tax commissioner] in an action or proceeding  
 6 under the provisions of the tax law to which he is a party, or on behalf of any party to any action or  
 7 proceeding under the provisions of this act when the reports or facts shown thereby are directly in-  
 8 volved in such action or proceeding, in either of which events the court may require the production  
 9 of, and may admit in evidence, so much of said reports or of the facts shown thereby, as are pertinent  
 10 to the action or proceeding and no more. Nothing herein shall be construed to prohibit the delivery  
 11 to a taxpayer or his duly authorized representative of a certified copy of any return or report filed  
 12 in connection with his tax or to prohibit the publication of statistics so classified as to prevent the  
 13 identification of particular reports or returns and the items thereof, or the inspection by the attorney  
 14 general or other legal representatives of the state of the report or return of any taxpayer who shall  
 15 bring an action to review the tax based thereon, or against whom an action or proceeding for collec-  
 16 tion of tax has been instituted. Any person who violates the provisions of this subsection shall be  
 17 guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$[1,000] or im-  
 18 prisoned not more than [one] year, or both, in the discretion of the court, together with costs of  
 19 prosecution. If the offender is an officer or employee of the state, he shall be dismissed from office  
 20 and be ineligible to hold any public office in this state for a period of [5] years thereafter.

21 (e) *Reports and Returns Preserved.* Reports and returns required to be filed under this act  
 22 shall be preserved for [3] years and thereafter until the [tax commissioner] orders them to be de-  
 23 stroyed.

24 (f) *Cooperation with the United States and Other States.* Notwithstanding the provisions of  
 25 subsection (d), the [tax commissioner] may permit the secretary of the treasury of the United States  
 26 or his delegates, or the proper officer of any state imposing an income tax upon the incomes of indi-  
 27 viduals, or the authorized representative of either such officer, to inspect the income tax returns of  
 28 any individuals, or may furnish to such officer or his authorized representative an abstract of the re-  
 29 turn of income of any individual or supply him with information concerning an item of income con-  
 30 tained in any return, or disclosed by the report of any investigation of the income or return of in-  
 31 come of any individual, but such permission shall be granted only if the statutes of the United States  
 32 or of such other state, as the case may be, grant substantially similar privileges to the [tax commis-  
 33 sioner] of this state as the officer charged with the administration of the tax imposed by this act.

34 (g) *Cooperation With Other Tax Officials of This State.* The [tax commissioner] may permit  
 35 other tax officials of this state to inspect the tax returns and reports filed under this act but such

1 inspection shall be permitted only for purposes of enforcing a tax law and only to the extent and under  
2 the conditions prescribed by the regulations of the [tax commissioner].

3 *Section 111. Closing Agreements. (a) [Tax Commissioner] Authorized.* The [tax commissioner],  
4 or any person authorized in writing by him, is authorized to enter into an agreement with any person re-  
5 lating to the liability of such person (or of the person or estate for whom he acts) in respect to the tax  
6 imposed by this act for any taxable period.

7 (b) *Finality.* If such agreement is approved by the [state auditor] within such time as may be  
8 stated in such agreement or later agreed to, such agreement shall be final and conclusive and, except upon  
9 a showing of fraud or malfeasance, or misrepresentation of a material fact:

10 (1) the case shall not be reopened as to matters agreed upon or the agreement modified by  
11 any officer, employee or agent of this state, and

12 (2) in any suit, action or proceeding under such agreement, or any determination, assessment,  
13 collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled,  
14 modified, set aside or disregarded.

15 *Section 112. Governor May Contract with Secretary of the Treasury for Collection of Tax.* The  
16 governor or his delegate is authorized in his discretion to enter into an agreement with the secretary of  
17 of the treasury of the United States or his delegate, under which, to the extent provided by the terms  
18 of the agreement, the secretary or his delegate will administer, enforce and collect such income tax on  
19 behalf of the state. The cost of the services performed by the secretary or his delegate in administering,  
20 enforcing or collecting an income tax under the terms of such an agreement may be paid from the appro-  
21 priations for the general operations of the [tax department].

22 *Section 113. Governor May Contract With Secretary of Treasury for Administration of Federal*  
23 *Tax.* The governor or his delegate is authorized in his discretion to enter into an agreement with the  
24 secretary of the treasury of the United States or his delegate under which, to the extent provided by the  
25 terms of the agreement, the governor or his delegate will undertake to conduct on behalf of the United  
26 States any administrative, enforcement or collection function in respect to the federal income tax on in-  
27 dividuals. Such agreement shall make provision for the payment by the United States of cost of the  
28 services performed on its behalf.

29 *Section 114. Armed Forces Relief Provisions. (a) Time of Performance.* The period of service  
30 in the armed forces of the United States in combat zones plus any period of continuous hospitalization  
31 outside this state attributable to such service plus the next 180 days shall be disregarded in determining,  
32 under regulations to be promulgated by the [tax commissioner], whether any act required by this act  
33 was performed by a taxpayer or his representative within the time prescribed therefor.

34 (b) *Death Attributable to Service in Combat Zone.* In the case of any individual who dies during  
35 an induction period while in active service as a member of the armed forces of the United States, if such

1 death occurred while the individual was serving in a combat zone or as a result of wounds, disease, or  
 2 injury incurred while so serving, the tax imposed by this act shall not apply with respect to the taxable  
 3 year in which falls the date of his death, or with respect to any prior taxable year ending on or after  
 4 the first day he so served in a combat zone.

5 *Section 115. Effective Date.* This act shall take effect immediately and shall be applicable with  
 6 respect to items of income, deduction, loss or gain accruing in taxable years ending on or after  
 7 [January 1, 19 ] but only to the extent such items have been earned, received, incurred or accrued  
 8 on or after [January 1, 19 ]. For the purpose of facilitating the administration of the tax imposed  
 9 by this act during the transitional period, the [tax commissioner] shall provide by regulation for the  
 10 filing of returns in respect to taxable periods of less than 12 calendar months ending after [January 1,  
 11 19 ] and prior to [December 31, 19 ].

12 *Section 116. Separability.* [Insert separability clause.]

13 *Section 117. Disposition of Revenues.* [Insert appropriate language for disposition of revenues.]

## TITLE IX

### AUTHORIZATION FOR A COUNTY SUPPLEMENT

#### TO THE STATE INCOME TAX

1 *Section 118. Title.* This part may be cited as the “Uniform County Income Tax Law.”

2 *Section 119. Authorization.* Any county, by action of its local governing board, may adopt by  
 3 reference the provisions of the state income tax imposed by titles I through VIII, except that a county  
 4 located in a Standard Metropolitan Statistical Area, designated as such by the U. S. Bureau of the Census  
 5 in most recent census of population, may adopt an income tax only if the governing board of each county  
 6 in that Standard Metropolitan Statistical Area within this state by mutual and unanimous agreement adopts  
 7 the identical tax authorized by this act.

8 *Section 120. Certification and Withdrawal of the County Income Tax.* Any county enacting an in-  
 9 come tax in accordance with this act shall certify to the [tax commissioner] the date of adoption of the  
 10 ordinance imposing an income tax, the rate of the tax, and the date when the enactment becomes effec-  
 11 tive.

12 A county imposing an income tax in accordance with the provisions of this act may repeal its in-  
 13 come tax only after first giving at least [120] days notice of the contemplated repeal of its income tax  
 14 to the [state tax department] and, in the case of counties within a Standard Metropolitan Statistical  
 15 Area, to the governing boards of other participating counties. The withdrawal shall be effective from  
 16 and after the first day of the next calendar year and in the absence of a mutual and unanimous agree-  
 17 ment among all counties in the Standard Metropolitan Statistical Area the income tax imposed by each

1 county shall be discontinued and repealed in all counties. Nothing in this section shall be construed  
 2 or applied to prevent or interfere with the collection of tax monies which were lawfully due and payable  
 3 when the tax was effective and any money collected after the tax has been repealed and discontinued  
 4 shall be accounted for and distributed as required in this act.

5 *Section 121. Rate of County Income Tax.* In lieu of the rates applicable to taxable incomes  
 6 set forth in section 1 of this act the income tax imposed by any county adopting by reference the state  
 7 income tax shall not exceed [20] percent of the liability determined for state income tax purposes.<sup>1</sup>

8 *Section 122. State Administration of the County Income Tax.* The income tax imposed under  
 9 the provisions of this act in any county shall be administered by the [state tax commissioner]. Revenues  
 10 collected under county income taxes shall be accounted for separately and shall be paid into a separate  
 11 fund to be distributed to the counties imposing such taxes after deducting an amount to cover the neces-  
 12 sary and legitimate additional expenditures incurred by the [tax commissioner] in administering the  
 13 county income taxes. The rules and regulations promulgated in accordance with the state income tax  
 14 shall apply to the county income taxes except when, in the judgment of the [tax commissioner],  
 15 such rules would be inconsistent or not feasible or proper administration.

16 *Section 123. Distribution of Collections Among Local Governments.* All sums received and  
 17 collected on behalf of a particular political subdivision pursuant to this act shall be credited to a special  
 18 Local Income Tax Fund which is hereby established in the State Treasury, and after deducting the  
 19 amount of refunds made, the amounts necessary to defray the cost of collecting tax, and the administra-  
 20 tive expenses incident thereto, shall be paid within [10] days after collection to the political subdivi-  
 21 sion entitled thereto.

22 *Section 124. Separability.* [Insert separability clause.]

23 *Section 125. Effective Date.* [Insert effective date.]

<sup>1</sup>In order to prevent counties from experiencing revenue windfalls or losses as a result of changes in state income tax rates, legislatures may wish to consider authorizing the [tax commissioner] to proportionately increase or reduce the county income tax limitation.

## STATE BROAD-BASED SALES TAX

The retail sales tax ranks behind the property tax as the most widely used of the major tax sources in the State-local tax system. Less than 2 percent of the Nation's population resides in the handful of states that do not levy a sales tax. But, interstate variations in sales tax rates and coverage still loom large, indicating considerable untapped sales tax potential. Both a higher rate and a more inclusive tax base will increase the yield of the sales tax.

The rationale for the retail sales tax rests on the belief that consumption is an appropriate basis on which to distribute a substantial part of the state tax load. Most state sales taxes, however, fall far short of carrying this philosophy into practice. While the vast bulk of sales of tangible personal property are taxed, many states tax a limited number of services. Utility services and the rental of rooms to transients represent the services most frequently taxed. Only a few state sales taxes include other consumer services such as laundering and dry cleaning and automotive repairing despite evidence that expenditures of this kind bulk larger each year in aggregate consumer spending.

In general, this legislation attempts to achieve the closest possible relationship between the tax base and consumer spending — consistent with administrative feasibility. A broader base will require a lower nominal rate to obtain a desired yield. It will provide maximum responsiveness of sales tax receipts to economic growth. It will also simplify administration by avoiding the necessity for vendors and the state to distinguish between taxable and nontaxable goods and services.

The percentage of income expended on services tends to rise as incomes rise; taxation of services therefore tends to make the sales tax less regressive. The inclusion of services in the base also makes the tax yield more responsive to growth in economic activity. In addition, the sale of taxable commodities often involves services which are difficult to account for separately. Sales tax compliance and administration are therefore far simpler where the entire price is taxable than where the service and commodity elements must be segregated. The draft legislation which follows extends the sales tax base to many services rendered to individuals by firms that would frequently be sales tax collectors in any case. State sales tax statutes that include a wider variety of services thus contribute to equity, revenue productivity, and administrative ease.

The tax base encompassed in this legislation differs from many state sales tax statutes in another important respect — sales of items subject to specific excises, e.g., cigarettes, motor fuel, and alcoholic beverages, are taxed. This treatment accords more closely to the underlying rationale for the sales tax as a general levy applicable broadly to all items of consumer spending which may be supplemented by special excise taxes. States that now subject certain items to special taxation and exempt them from the general sales tax should reverse the pattern on grounds of both sales tax logic and administrative ease.

From the very beginning of the sales tax movement, this levy encountered criticism because, in concept at least, it applied to such necessities as food, clothing, shoes, and drugs. This indictment proved strong enough in many states to secure exemptions for food, drug, and other commodities as the political price for enactment. Sixteen of the forty-five sales tax states now exempt purchases of food for home consumption, and the District of Columbia taxes food at a preferential low two percent rate whereas other sales are taxed at four percent. Twenty-seven states provide complete or partial sales tax exemption for purchases of prescription drugs.

Studies have shown that a food exemption may cut sales tax collections by as much as 25 percent. Part of this loss stems from a "leakage" problem now that supermarkets sell toasters as well as loaves of bread. While the exemption mitigates the regressive impact of the sales tax, several states achieve a similar result without sacrificing as much revenue. The technique, a tax credit against the state's personal income tax, almost squares the revenue circle — that of maximizing consumer tax yields while minimizing the burden

which these levies impose on low income families. Because of the merit of the tax credit-tax rebate alternative to commodity exemptions (e.g., food and drugs), this legislation assumes the states will increasingly use this approach.<sup>1</sup>

Exemptions and exclusions from tax in this legislation are thus less numerous than in most state sales tax statutes. Sales for resale and sales for commodities that are intended to become ingredients or component parts of other commodities must, of course, be exempted to avoid sales tax pyramiding. When the tax applies to producers goods, the result may be multiple burden on the final product. It is argued that this can both retard economic growth and force certain entrepreneurs to absorb a tax not intended to rest on them. Because it is not easy to distinguish between goods intended for producer or consumer use — fuel and electricity, rugs and furnishings, typewriters and many other office supply and equipment items — the exclusion of producers' goods must be confined to clearly identifiable products. The guidelines provided in this legislation exclude from taxable sales (a) the sale of tangible personal property that is consumed, destroyed, or loses its identity in the manufacture of other property for later sale, and (b) the sale of specific machinery and processing equipment designed exclusively and made for and specifically used in the manufacture of a product or the rendering of a taxable service.

The form of the following legislation is a tax on the vendor for the privilege of selling at retail. This approach has several advantages over the other forms (a tax on the sale, the receipts from sales, or on the consumer, with the vendor being made responsible for collection and payment of the tax to the state). While clearly defining the liability, it facilitates the taxation of national banks, certain types of contracts and vending machine operators. It also avoids the necessity of exempting small sales and the useless and time consuming requirement of accounting for every penny collected under a tax imposed on the consumer. The statute expresses a legislative intent that the burden be passed on to the consumer as an item separate from the price of the product, and by appropriate provision seeks to achieve this result in a manner that has been found generally acceptable to retailers.

Several of the recent state sales tax enactments provide for a small percentage-of-tax allowance to vendors for collecting the tax from consumers. While this increases retailer acceptance of the tax, it is criticized on the grounds that a flat percentage allowance fails to account for differences in retailer compliance costs. A number of states allow retailers the right to retain "breakage," that is, the amount collected under the bracket system in excess of the amount due the state, as a means of helping them meet their compliance burden. Proponents of this method contend that under it, retailers in the same line are similarly benefitted and therefore no competitive disturbance results. They argue that breakage is usually greatest in those businesses with large numbers of small sales where highest compliance costs occur. Percentage allowances, in contrast, constitute arbitrary payments that may or may not bear a reasonable relationship to actual ratios of compliance cost to taxes paid. The "breakage" method of compensating retailers has been provided in this legislation.

The Virginia sales tax law enacted in 1966 has been used as the framework for this suggested legislation.

<sup>1</sup> *State Legislative Program of the Advisory Commission on Intergovernmental Relations*, (Washington, D.C.). State personal income tax legislation developed by the Advisory Commission on Intergovernmental Relations provides for a food tax credit and authorizes per capita tax rebates to low income families who would not benefit from an income tax credit.



**Suggested Legislation**

*[Title should conform to state requirements.]*

*(Be it enacted, etc.)*

TITLE I

RETAIL SALES AND USE TAX

1        *Section 1. Citation.* – This act shall be known and may be cited as the “Retail Sales and Use  
2 Tax Act.”

3        *Section 2. Definitions.* The following words, terms, and phrases shall have the meanings  
4 ascribed to them in this section, except when the context clearly indicates a different meaning:

5        (1) “Person” means any individual, firm, co-partnership, cooperative, nonprofit membership  
6 corporation, joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy,  
7 receiver, auctioneer, syndicate, assignee, club, society, or other group or combination acting as a unit,  
8 body politic or political subdivision, whether public or private, or quasi-public, and the plural as well  
9 as the singular number.

10        (2) “Sale” means any transfer of title or possession, or both, exchange, barter, lease or rental,  
11 conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property  
12 and any rendition of a taxable service for a consideration, and includes the fabrication of tangible  
13 personal property for consumers who furnish, either directly or indirectly, the materials used in fabrica-  
14 tion; and the furnishing, preparing, or serving for a consideration of any tangible personal property con-  
15 sumed on the premises of the person furnishing, preparing, or serving such tangible personal property.  
16 A transaction whereby the possession of property is transferred but the seller retains title as security  
17 for the payment of the price shall be deemed a sale.

18        (3) “Retail sale” or a “sale at retail” means a sale to a consumer or to any person for any pur-  
19 pose other than for resale in the form of tangible personal property or services taxable under this act,  
20 and includes any such transaction as the commissioner upon investigation finds to be in lieu of a sale;  
21 but sales for resale must be made in strict compliance with rules and regulations made under this act.  
22 Any person making a sale for resale which is not in strict compliance with such rules and regulations  
23 shall himself be liable for and pay the tax. “Retail sale” and a “sale at retail” include:

24        (i) the sale or charges for any room or rooms, lodging, or accommodations furnished to  
25 transients by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other  
26 place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a  
27 consideration. A transient is a person who occupies rooms, lodgings, or accommodations for less than  
28 a period of [ninety] continuous days.

1           (ii) sales of tangible personal property to persons for resale if, because of the operation of the  
2 business, or its very nature, or the lack of a place of business in which to display a certificate of registration,  
3 or the lack of a place of business in which to keep records, or the lack of adequate records, or because the  
4 persons are minors or transients, or because the persons are engaged in essentially service businesses, or for  
5 any other reason, there is likelihood that the state will lose tax funds due to the difficulty of policing the  
6 business operations. The commissioner may promulgate rules and regulations requiring vendors of or  
7 sellers to such persons to collect the tax imposed by this act on the cost price of the tangible personal  
8 property to such persons and may refuse to issue certificates of registration to such persons.<sup>1</sup>

9           (iii) the sale or charge of admissions.

10           (iv) the charge or consideration for the service of repairing, altering, mending, pressing,  
11 fitting, dyeing, laundering, dry cleaning, or cleaning tangible personal property, or applying or installing  
12 tangible personal property as a repair or replacement part of other personal property for a considera-  
13 tion, whether or not the services are performed directly or by means of coin-operated equipment or by  
14 any other means, and whether or not any tangible personal property is transferred in conjunction with  
15 the service, except such services as are rendered in the construction, remodeling, repair, or maintenance  
16 of real estate and such services as are rendered directly in conjunction with the processing, manufactur-  
17 ing, refining, or conversion of products for sale or resale.

18           (v) the charge for the service of printing or imprinting, photographing, or copying by any  
19 means whatsoever for a consideration for persons who furnish either directly or indirectly the mate-  
20 rials used in conjunction with the rendition of the service.

21           (vi) the charge for barber and beauty services to persons and animals for a consideration wheth-  
22 er or not any tangible personal property is transferred in conjunction with the performance of the service.

23           (vii) the charge for motor vehicle parking service or parking space in privately owned parking  
24 lots or garages and the charge for docking or storage space for boats in privately owned boat docks or  
24 marinas.

25           (viii) all charges for work relating to motor vehicles and boats of another whether or not  
26 any tangible personal property is transferred in conjunction with services performed.

27           (ix) the furnishing of intrastate telephonic and telegraphic communications and services.

28           (4) "Gross sales" means the sum total of all retail sales of tangible personal property or services  
29 as defined in this act, without any deduction whatsoever of any kind or character, except as provided  
30 in this act. "Gross sales" do not include the Federal retailers' excise tax if this excise tax is billed to  
31 the purchaser separately from the selling price of the article, or the retail sales or use tax, or any sales  
32 tax imposed by any county or city.

<sup>1</sup>Louisiana requires wholesalers to collect and prepay a portion of the sales tax liability of certain vendors who then merely remit the difference between the total liability and the amount they prepaid through wholesalers.

1           (5) "Sales price" means the total amount for which tangible personal property or services are  
2 sold, including any services that are a part of the sale, valued in money, whether paid in money or  
3 otherwise, and includes any amount for which credit is given to purchaser, consumer, or lessee by the  
4 dealer, without any deduction therefrom on account of the cost of the property sold, the cost of  
5 materials used, labor or service costs, losses or any other expenses whatsoever; but cash discounts al-  
6 lowed and taken on sales are not included in the sales price; nor shall the sales price include finance  
7 charges, carrying charges, service charges or interest from credit extended on sales of tangible per-  
8 sonal property under conditional sales contracts or other conditional contracts providing for deferred  
9 payments of the purchase price or transportation charges separately stated. If used articles are taken  
10 in trade, or in a series of trades as a credit or part payment on the sale of new or used articles, the tax  
11 levied by this act shall be paid on the net difference between the sales price of the new or used articles  
12 and the credit for the used articles.

13           (6) "Cost price" means the actual cost of an item or article of tangible personal property com-  
14 puted in the same manner as the sales price in subparagraph (5) of this section without any deductions  
15 therefrom on account of the cost of materials used, labor, or service costs, transportation charges, or  
16 any expenses whatsoever.

17           (7) "Lease or rental" means the leasing or renting of tangible personal property and the pos-  
18 session of use thereof by the lessee or rentee for a consideration, without transfer of the title to the  
19 property.

20           (8) "Distribution" includes the transfer or delivery of tangible personal property for use, con-  
21 sumption, or storage by the distributee, and the use, consumption, or storage of tangible personal  
22 property by a person who has processed, manufactured, refined, or converted the property, but does  
23 not include the transfer or delivery of tangible personal property for resale or any use, consumption,  
24 or storage otherwise exempt under this act.

25           (9) "Gross proceeds" means the charges made or voluntary contributions received for the lease  
26 or rental of tangible personal property or for furnishing services, computed with the same deductions,  
27 where applicable, as for sales price in subsection (b) of this section over the term of the lease, rental,  
28 service, or use, but not less frequently than monthly.

29           (10) "Storage" means any keeping or retention of tangible personal property for use, consump-  
30 tion or distribution in this State, or for any purpose other than the sale at retail in the regular course  
31 of business.

32           (11) "Use" means the exercise of any right or power over tangible personal property incident to  
33 the ownership thereof, except that it does not include the sale at retail of that property in the regular  
34 course of business.

1 (12) "Business" means any activity engaged in by any person, or caused to be engaged in by  
2 him, with the object of gain, benefit or advantage, either direct or indirect.

3 (13) "Retailer" means every person engaged in the business of making sales of tangible per-  
4 sonal property and taxable services as defined in this act.

5 (14) "Commissioner" means the [State Tax Commissioner].

6 (15) "Tangible personal property" means personal property, which may be seen, weighed,  
7 measured, felt, or touched, or is in any other manner perceptible to the senses. The term "tangible  
8 personal property" does not include stocks, bonds, notes, insurance or other obligations or securities.

9 (16) "Use tax" means the tax imposed upon the use, consumption, distribution, and storage  
10 of tangible personal property as herein defined.

11 (17) "In this state" or "in the state" means within the exterior limits of the state of [ ]  
12 and includes all territory within these limits owned by or ceded to the United States of America.

13 (18) The words "import" and "imported" apply to tangible personal property imported into  
14 this state from other states as well as from foreign countries, and the words "export" and "exported"  
15 apply to tangible personal property exported from this state to other states as well as to foreign  
16 countries.

17 *Section 3. Imposition of Sales Tax.* – There is hereby levied and imposed, in addition to all other  
18 taxes and fees of every kind now imposed by law, a license or privilege tax upon every person who en-  
19 gages in the business of selling at retail or distributing tangible personal property in this state, or who  
20 rents or furnishes any of the things or services taxable under this act, or who stores for use or consump-  
21 tion in this state any item or article of tangible personal property as defined in this act, or who leases  
22 or rents such property within this state, the same to be collected in the amount to be determined by  
23 applying the rate of [ ] percent to:

24 (1) the sales price of each item or article of tangible personal property when sold at retail or  
25 distributed in this state, the tax to be computed on gross sales.

26 (2) the gross proceeds derived from the lease or rental of tangible personal property, as de-  
27 fined in this act, where the lease or rental of such property is an established business, or part of an  
28 established business, or is incidental or germane to the business.

29 (3) the cost price of each item or article of tangible personal property stored in this state for  
30 use or consumption in this state.

31 (4) the gross proceeds derived from the sale or charges for rooms, lodgings or accommodations  
32 furnished to transients as set out in sub-paragraph (3)(i), section 2 of this act.

33 (5) the gross sales of all services taxable under this act. No services are taxable under this act  
34 except those expressly enumerated and made taxable.

1           *Section 4. Imposition of Use Tax.* – There is levied and imposed, in addition to all other taxes  
 2 and fees of every kind except the tax imposed under section 3 of this act, a tax upon the use or con-  
 3 sumption of tangible personal property in this state, to be collected in the amount determined by ap-  
 4 plying the rate of [    ] percent to the cost price of each item or article of tangible personal property  
 5 used or consumed in this state: Provided, that tangible personal property which has been acquired af-  
 6 ter the effective date of this act for use outside this state and subsequently becomes subject to the tax  
 7 imposed hereunder shall be taxed on the basis of its cost price if such property is brought within this  
 8 state for use within six months of its acquisition; but if so brought within this state six months or more  
 9 after its acquisition, the property shall be taxed on the basis of the current market value (but not in  
 10 excess of its cost price) of the property at the time of its first use within this state: Provided, further,  
 11 that the tax shall be based on such proportion of the cost price or current market value as the duration  
 12 of time of use within this state bears to the total useful life of the property (but it shall be presumed in  
 13 all cases that the property will remain within this state for the remainder of its useful life unless con-  
 14 vincing evidence is provided to the contrary).

15           *Section 5. Exclusions and Exemptions.*<sup>1</sup> “Retail sale” or “sale at retail,” do not include the sale of:

16           (1) tangible personal property which becomes an ingredient or component part or, or is con-  
 17 sumed or destroyed or loses its identity in the manufacture of tangible personal property for later sale  
 18 but does include fuel and electricity;

19           (2) specific machinery and processing equipment and repair parts or replacements thereof, ex-  
 20 clusively designed and made for and specifically used in the manufacture of a product or the rendering  
 21 of a taxable service;

22           (3) materials, containers, labels, sacks, cans, boxes, drums or bags and other packing, packaging,  
 23 or shipping materials for use in packing, packaging or shipping tangible personal property;

24           (4) tangible personal property delivered pursuant to bona fide written contracts entered into be-  
 25 fore the date of the enactment of this act, provided delivery is made within ninety days after the ef-  
 26 fective date of this act; and building supplies, fixtures or equipment that enter into or become a part  
 27 of a building or other kind of structure in this state, where plans, specifications, and the construction  
 28 contract for a specific project has been entered into prior to the date of the enactment of this act,  
 29 provided delivery is made within the time specified in such contract for the completion of such specific  
 30 project;

<sup>1</sup>This legislation takes the approach that exclusions and exemptions should be held to the minimum consistent with the need to avoid tax pyramiding. As the introductory statement notes, there is ample justification for reducing the regressivity of the sales tax either by providing exemptions for food and drugs or by adopting the income tax credit-tax rebate approach. There is no similar compelling justification for exempting sales to State and local governments or to nonprofit educational, religious and charitable organizations. Accordingly, this section makes no provision for any of the foregoing exemptions.

1 (5) commercial feeds, seed, plants, fertilizers, liming materials, breeding and other livestock,  
 2 semen, breeding fees, baby chicks, turkey poults, agricultural chemicals, fuel for drying or curing  
 3 crops, containers for fruits and vegetables, or farm machinery, and all other agricultural supplies pro-  
 4 vided they are sold to and purchased by farmers for use in agricultural production for market;

5 (6) tangible personal property sold or leased to a public utility for use or consumption by the  
 6 utility directly in the rendition of its public service;

7 (7) school lunches sold and served to pupils and employees of schools and subsidized by govern-  
 8 ment, and school textbooks sold by a local school board or authorized agency thereof; and school  
 9 textbooks sold by a college or other institution of learning, not conducted for profit, for use of stu-  
 10 dents attending the institution of learning;

11 (8) tangible personal property not held or used by a seller in the course of an activity for which  
 12 he is required to hold a certificate of registration, sometimes referred to as "casual sales" "

13 (9) tangible personal property for future use by a person for taxable lease or rental as an estab-  
 14 lished business or part of an established business, or incidental or germane to the business, including a  
 15 simultaneous purchase and taxable leaseback.

16 (10) Tangible personal property and taxable services for use or consumption by the United States;  
 17 but this exclusion shall not apply to sales and leases to privately owned financial and other privately  
 18 owned corporations chartered by the United States.

19 (11) Delivery of tangible personal property outside this state for use or consumption outside this  
 20 state.

21 *Section 6. Credit for Taxes Paid in Another State.* – A credit shall be granted against the taxes  
 22 imposed by this act with respect to a person's use in this state of tangible personal property purchased  
 23 by him in another state. The amount of the credit shall be equal to the tax paid by him to another  
 24 state or political subdivision thereof by reason of the imposition of a similar tax on his purchase or use  
 25 of the property. The amount of the credit shall not exceed the tax imposed by this act.

26 *Section 7. Applicability or Inapplicability of Use Tax in Certain Cases.* – The use tax does not  
 27 apply to tangible personal property owned or acquired in this state or imported into this state, or held  
 28 or stored in this state, prior to the effective date of this act. The use tax does apply to all tangible per-  
 29 sonal property imported or caused to be imported into this state on or after the effective date of this  
 30 act except as provided in this act, unless the property has previously been subject to a sales or use tax  
 31 in another state or political subdivision equal to or greater than the tax imposed by this act for which  
 32 credit is given under section 9, or unless proof is furnished that the tangible personal property imported  
 33 or caused to be imported into this state was owned or acquired prior to the effective date of this act, or  
 34 otherwise is exempt under this act, but the use tax does not apply to the use of any article or tangible

1 personal property brought into the state by a non-resident individual for his personal use while visiting  
2 within the state.

3 *Section 8. Moving Residence or Business into State; Use Tax.* – The use tax does not apply to  
4 tangible personal property purchased outside this state for use outside this state by a then non-resident  
5 natural person or a business entity not actually doing business within this state who or which later  
6 brings the tangible personal property into this state in connection with his establishment of a per-  
7 manent residence or business in this state, provided that the property was purchased more than six  
8 months prior to the date it was first brought into this state or prior to the establishment of the residence  
9 or business, whichever first occurs. This section does not apply to tangible personal property temporar-  
10 ily brought into this state for the performance of contracts for the construction, reconstruction, installa-  
11 tion, repair, or for any other service with respect to real estate or fixtures thereon.

12 *Section 9. Diversion of Tangible Personal Property to Personal Use* – The use tax applies to  
13 tangible personal property and taxable services of persons holding themselves out as sellers of goods  
14 and services when tangible personal property or taxable services are diverted to the personal use of the  
15 person, his family, or his employees.

16 *Section 10. Dealers.* The tax levied in section 3 and section 4 shall be collected from “dealers.”  
17 For the purpose of this act, “dealer” means:

18 (1) any person physically located in this state who:

19 (i) manufactures or produces tangible personal property for sale at retail, for use, con-  
20 sumption, or distribution, or for storage to be used or consumed in this state;

21 (ii) imports or causes to be imported into this state tangible personal property from any  
22 state or foreign country, for sale at retail for use, consumption, or distribution, or for storage to be  
23 used or consumed in this state;

24 (iii) sells at retail, or offers for sale at retail, or has in possession for sale at retail, or for  
25 use, consumption, or distribution, or for storage to be used or consumed in this state, tangible personal  
26 property and taxable services as defined in this act;

27 (iv) has sold at retail, or used, consumed, or distributed, or stored for use or consumption  
28 in this state, tangible personal property or who has performed taxable services, and who cannot prove  
29 that the tax levied by this act has been paid on the sale at retail, the use, consumption, distribution, or  
30 storage of such tangible personal property or the charge for the rendition of taxable services;

31 (v) leases or rents tangible personal property, as defined in this act, for a consideration,  
32 permitting the use or possession of the property without transferring title thereto; and

33 (2) every other person who:

34 (i) maintains or has within this state, directly, or by an agent or a subsidiary, an office,  
35 distributing house, sales room, or house, warehouse, or other place of business;

1           (ii) solicits business in this state either by employees, independent contractors, agents or  
2 other representatives, and by reason thereof makes sales to persons within this state of tangible per-  
3 sonal property, the use of which is taxed by this act; and any other person making sales to persons  
4 within this state of tangible personal property, the use of which is taxed by this act, who may be  
5 authorized by the commissioner to collect such tax;

6           (iii) as a representative, agent, or solicitor, for an out-of-state principal, solicits, receives  
7 and accepts orders from persons in this state for future delivery and whose principal refuses to register  
8 under this act;

9           (iv) shall become liable to and shall owe this state any amount of tax imposed by this act,  
10 whether or not he holds, or is required to hold, a certificate of registration under this act.

11           *Section 11. Contractors.* – (a) Any person who contracts orally in writing, or by purchase  
12 order, to perform construction, reconstruction, installation, repair, or any other service with respect to  
13 real estate or fixtures thereon and in connection therewith to furnish tangible personal property or tax-  
14 able services, shall be deemed to have purchased the tangible personal property for use or consumption.  
15 Any sale, distribution, or lease to or storage for such person shall be deemed a sale, distribution, or lease  
16 to or storage for the ultimate consumer and not for resale, and the dealer making the sale, distribution,  
17 or lease to or storage for the person shall collect the tax to the extent required by this act.

18           (b) Any person who contracts to perform services in this state and is furnished tangible personal  
19 property for use under the contract by the person, or his agent or representative, for whom the contract  
20 is performed, and if a sale or use tax has not been paid to this state by the person supplying the tangible  
21 personal property, shall be deemed to be the consumer of the tangible personal property so used, and  
22 shall pay a use tax based on the fair market value of the tangible personal property so used, irrespective  
23 of whether or not any right, title or interest in the tangible personal property becomes vested in the  
24 contractor; but this subsection does not apply to the sale of tangible personal property which becomes  
25 an ingredient or component part of, or is consumed or destroyed or loses its identity in the manu-  
26 facture of tangible personal property for later sale or governmental exclusion set out in section 5 of  
27 this act.

28           (c) Any person who contracts orally, in writing, or by purchase order to perform any service in  
29 the nature of equipment rental, and the principal part of that service is the furnishing of equipment or  
30 machinery which will not be under the exclusive control of the contractor, shall be liable for the sales  
31 or use tax on the gross proceeds from such contract to the same extent as the lessor of tangible per-  
32 sonal property.

33           (d) Tangible personal property incorporated in real property construction which loses its identity  
34 as tangible personal property shall be deemed to be tangible personal property used or consumed with-  
35 in the meaning of this section.



1 (e) Nothing in this section shall be construed to affect or limit the resale exclusion provided for  
2 in this act, nor shall anything contained herein be construed to impose any sales or use tax with respect  
3 to the use in the performance of contracts with the United States or this State and its political sub-  
4 divisions, of tangible personal property owned by a governmental body which actually is not used or  
5 consumed in the performance thereof.

6 *Section 12. Certificates of Registration.* – (a) Every person desiring to engage in or conduct  
7 business as a dealer in this State shall file with the Commissioner an application for a certificate of  
8 registration for each place of business in this state.

9 (b) Every application for a certificate of registration shall be made upon a form prescribed by  
10 the Commissioner and shall set forth the name under which the applicant transacts or intends to trans-  
11 act business, the location of his place or places of business, and such other information as the Commis-  
12 sioner requires. The application shall be signed by the owner if a natural person; in the case of an as-  
13 sociation or partnership, by a member of partner; in the case of a corporation, by an executive officer  
14 or some person specifically authorized by the corporation to sign the application.

15 (c) When the required application has been made the Commissioner shall issue to each applicant  
16 a separate certificate of registration for each place of business within this State. A certificate of regis-  
17 tration is not assignable and is valid only for the person in whose name it is issued and for the trans-  
18 action of business at the place designated therein. It shall be at all times conspicuously displayed at  
19 the place for which issued.

20 (d) Whenever any person fails to comply with any provision of this act or any rule or regulation  
21 of the Commissioner relating thereto, the Commissioner, upon hearing after giving such person ten  
22 days' notice in writing, specifying the time and place of hearing and requiring him to show cause why  
23 his certificate of registration should not be revoked or suspended, may revoke or suspend any one or  
24 more of the certificates of registration held by such person. The notice may be personally served or  
25 served by certified mail directed to the last known address of the person. A dealer whose certificate of  
26 registration has been previously suspended or revoked shall pay the Commissioner a fee of [ ] dollars  
27 for the renewal or re-issuance of a certificate of registration.

28 (e) Any person who engages in business as a dealer in this State without obtaining a certificate  
29 of registration or after a certificate of registration has been suspended or revoked, and each officer of  
30 any corporation which so engages in business is guilty of a misdemeanor; each day's continuance in  
31 business in violation of this section is a separate offense.

32 (f) If the holder of a certificate of registration ceases to conduct his business at the place speci-  
33 fied in his certificate, the certificate expires; and the holder shall inform the Commissioner in writing  
34 within thirty days after he has ceased to conduct the business at that place; but, if the holder of a

1 certificate of registration desires to change his place of business to another place in this State, he shall  
2 so inform the Commissioner in writing, and his certificate shall be revised accordingly.

3 (g) This section also applies to any person who engages in the business of furnishing any of the  
4 things or services taxable under this act. Also, it applies to any person who is liable only for the col-  
5 lection of the use tax, but that person may be issued a certificate of registration in relevant form.

6 *Section 13. Exemption Certificates.* – (a) All sales or leases are subject to the tax until the  
7 contrary is established. The burden of proving that a sale, distribution, lease, or storage of tangible  
8 personal property is not taxable is upon the person who makes the sale, distribution, lease, or storage,  
9 unless he takes from the purchaser or lessee a certificate to the effect that the property is exempt under  
10 this act.

11 (b) The certificate mentioned in this section relieves the person who takes the certificate from  
12 any liability for the payment or collection of the tax, except upon notice from the commissioner that  
13 the certificate is no longer acceptable. The certificate shall be signed by and bear the name and ad-  
14 dress of the purchaser or lessee, indicate the number of the certificate of registration (if any) issued  
15 to the purchaser, or lessee, indicate the general character of the taxable service rendered or tangible  
16 personal property sold, distributed, leased, or stored (or to be sold, distributed, leased, or stored under  
17 a blanket exemption certificate) and be substantially in such form as the commissioner prescribes.

18 (c) If a purchaser or lessee who gives a certificate under this section makes any use of the proper-  
19 ty other than an exempt use or retention, demonstration, or display while holding property for resale,  
20 distribution, or lease in the regular course of business, the use shall be deemed a taxable sale by the  
21 purchaser or lessee as of the time the property or service is first used by him, and the cost of the  
22 property to him shall be deemed the sales price of the retail sale. If the sole use of the property other  
23 than retention, demonstration, or display in the regular course of business is the rental of the property  
24 while holding it for sale distribution, or lease, the purchaser shall pay the tax on the cost of the proper-  
25 ty to him and when the property is sold shall collect and pay the tax on the difference between the  
26 cost of the property to him and the retail sales price.

27 (d) If a purchaser gives a certificate under this section with respect to the purchase of fungible  
28 goods and thereafter commingles these goods with other fungible goods not so purchased, but of such  
29 similarity that the identity of the constituent goods in the commingled mass cannot be determined,  
30 sales or distribution from the mass of commingled goods shall be deemed to be sales or distributions  
31 of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased  
32 goods so commingled has been sold or distributed.

1        *Section 14. Collection.* – The tax levied by this act shall be paid by the dealer, but the dealer  
 2 shall separately state the amount of the tax and add the tax to the sales price or charge; and thereafter,  
 3 the tax shall be a debt from the purchaser, consumer, or lessee to the dealer until paid and shall be re-  
 4 coverable at law in the same manner as other debts, but no action at law or suit in equity under this act  
 5 may be maintained in this state by any dealer who is not registered under this act, or is delinquent in  
 6 the payment of the taxes imposed under this act.

7        To eliminate separate statement of the amount of tax in fractions of one cent, dealers shall add  
 8 to the sales price or charge and collect from the purchaser, consumer, or lessee such amounts as may  
 9 be prescribed by the commissioner to carry out the purposes of this section.

10        Notwithstanding any exemption from taxes which any dealer enjoys under the Constitution or  
 11 laws of this or any other state, or of the United States, the dealer shall collect the tax from the pur-  
 12 chaser, consumer, or lessee and shall pay it over to the Commissioner as herein provided.

13        Any dealer who neglects, fails, or refuses to collect the tax upon each and every taxable sale,  
 14 distribution, lease or storage of tangible personal property made by him, his agents, or employees  
 15 shall be liable for and pay the tax himself, and the dealer shall not thereafter be entitled to sue for or  
 16 recover in this state any part of the purchase price or rental from the purchaser until the tax is paid.  
 17 Also, any dealer who neglects, fails or refuses to pay or collect the tax herein provided, either by him-  
 18 self or through his agents or employees, is guilty of a misdemeanor.

19        *Section 15. Absorption of Tax Prohibited.* – No person shall advertise or hold out to the pub-  
 20 lic, in any manner, directly or indirectly, that he will absorb all or any part of the sales or use tax, or  
 21 that he will relieve the purchaser, consumer, or lessee of the payment of all or any part of the tax, ex-  
 22 cept as authorized under section 31. Any person who violates this section is guilty of a misdemeanor.

23        *Section 16. Returns by Dealers.* – Every dealer required to collect or pay the sales or use tax,  
 24 on or before the [twenty-eighth] day of the month following the month in which the tax shall become  
 25 effective, shall transmit to the Commissioner, upon a form prescribed, prepared and furnished by him,  
 26 a return showing the gross sales, gross proceeds, or cost price, as the case may be, arising from all trans-  
 27 actions taxable under this act during the preceding calendar month; and thereafter a like return shall  
 28 be prepared and transmitted to the Commissioner by every dealer on or before the [twenty-eighth]  
 29 day of each month, for the preceding calendar month. The return also shall contain a statement show-  
 30 ing the amount in each class of exclusions and exemptions which are not subject to the tax imposed by  
 31 this act, or if the form so provides, the total amount thereof without specifying each class. In the  
 32 case of dealers regularly keeping books and accounts on the basis of an annual period which varies  
 33 fifty-two to fifty-three weeks, the Commissioner may make rules and regulations for reporting con-  
 34 sistent with the accounting period. When the tax for which any dealer is liable under this act does not  
 35 exceed [    ] dollars in any month, or [    ] dollars in any annual reporting period, the Commissioner

1 may permit a dealer upon written application to file an annual return and pay the amount of tax due  
2 on the last day of the month following the end of the annual period. When the tax for which any deal-  
3 er is liable under this act does not exceed [ ] dollars in any month, or [ ] dollars in any annual  
4 reporting period, the Commissioner may permit a dealer upon written application to file a quarterly  
5 return and pay the amount of tax due on the last day of the month following end of the quarterly  
6 period.

7 *Section 17. Payment to Accompany Dealer's Return.* – At the time of transmitting to the  
8 Commissioner the return required under section 16, the dealer shall remit to the Commissioner therewith  
9 the amount of tax due under the applicable provisions of this act after making appropriate adjustments  
10 for purchases returned, repossessions, and accounts uncollectible and charged off as provided in sections  
11 18, 19, and 20. The tax imposed by this act for each month becomes delinquent on the day following  
12 the [twenty-eighth] day of the succeeding month if not theretofore paid.

13 *Section 18. Returned Goods.* – If purchases are returned to the dealer by the purchaser or con-  
14 sumer after the tax imposed by this act has been collected or charged to the account of the purchaser,  
15 the dealer is entitled to reimbursement of the amount of tax collected or charged by him, in the man-  
16 ner prescribed by the commissioner, but the amount of tax so reimbursed to the dealer shall not in-  
17 clude the tax paid upon any cash retained by the dealer after the return of merchandise; and if the tax  
18 has not been remitted by the dealer, the dealer may deduct it in submitting his return. The dealer shall  
19 be issued a refund by the commissioner equal to the net amount remitted by the dealer for the tax  
20 collected if the dealer can establish that the tax was not due.

21 *Section 19. Repossessions.* – A dealer who has paid the tax on tangible personal property sold  
22 under a retained title, conditional sale, or similar contract, may take credit for the tax paid by him  
23 upon the unpaid balance due him when he repossesses the property, the credit to be administered by  
24 the commissioner in the same manner as provided for returned purchases under section 18. When re-  
25 possessed property is resold, the sale is subject in all respects to this act.

26 *Section 20. Bad Debts.* In any return filed under the provisions of this act, the dealer, under  
27 rules and regulations prescribed by the commissioner, may credit against the tax shown to be due on  
28 the return the amount of sales or use tax previously returned and paid on accounts which during the  
29 period covered by the current return have been found to be worthless and actually charged off for in-  
30 come tax purposes; except that if any accounts so charged off are thereafter in whole or in part paid to  
31 the dealer, the amount paid shall be included in the first return filed after the collection and the tax  
32 paid accordingly.

33 *Section 21. Extensions.* – The commissioner may grant an extension upon written application  
34 therefor to the end of the calendar month in which any tax return is due hereunder or for a period not  
35 exceeding thirty days, and no interest or penalty shall be charged, assessed or collected by reason of

1 the granting of the extension, except that when an extension is granted beyond the end of the calendar  
 2 month in which any tax return is due, interest on the tax at the rate of one-half of one percent per  
 3 month, or fraction thereof, shall be charged.

4 *Section 22. Civil Penalties.* – When any dealer fails to make any return and pay the full amount  
 5 of the tax required by this act, there shall be imposed, in addition to other penalties provided herein,  
 6 a specific penalty to be added to the tax in the amount of [\$10] and ten percent of the tax due if the  
 7 failure is for not more than thirty days, with an additional five percent for each additional thirty days,  
 8 or fraction thereof, during which the failure continues, not to exceed twenty-five percent in the ag-  
 9 gregate; but, if the failure is due to providential cause shown to the satisfaction of the Commissioner,  
 10 the return with remittance may be accepted exclusive of penalties. In the case of a false or fraudulent  
 11 return, where willful intent exists to defraud the state of any tax due under this act, a specific penalty  
 12 of fifty percent of the amount of the proper tax shall be assessed. All penalties and interest imposed by  
 13 this act shall be payable by the dealer and collectible by the commissioner as if they were a part of the  
 14 tax imposed.

15 *Section 23. Assessment Based on Estimate.* – (a) If any dealer fails to make a return as pro-  
 16 vided by this act, or makes a grossly incorrect return, or a return that is false or fraudulent, the com-  
 17 missioner shall make an estimate for the taxable period of the retail sales or distributions of the deal-  
 18 er, or of the gross proceeds from leases of tangible personal property, or taxable services by the dealer,  
 19 or the cost price of all articles of tangible personal property imported by the dealer for use or con-  
 20 sumption in the state or storage by the dealer of tangible personal property to be used or consumed in  
 21 the state, and assess the tax, plus penalties. The commissioner shall give the dealer ten days' notice in  
 22 writing requiring the dealer to appear before him or an assistant with such books, records, and papers  
 23 as he requires relating to the business of the dealer for the taxable period; and the commissioner may  
 24 require the dealer or the agents and employees of the dealer to give testimony or to answer interroga-  
 25 tories under oath administered by the commissioner or his assistants respecting the sale, distribution,  
 26 lease, use, consumption, or storage of tangible personal property, or taxable services or the failure to  
 27 make a return thereof as provided in this act. If any dealer fails to make any return or refuses to permit  
 28 an examination of his books, records, or papers, or to appear and answer questions within the scope  
 29 of an investigation relating to the sale, distribution, lease, use consumption, or storage of tangible per-  
 30 sonal property, or taxable services, the commissioner may make the assessment based upon informa-  
 31 tion available to him and issue a warrant for the collection of the taxes and penalties found to be due.  
 32 The assessment shall be deemed prima facie correct.

33 (b) If the dealer has imported the tangible personal property and fails to produce an invoice  
 34 showing the sales price of the articles, or the invoice does not reflect the true or actual sales price as  
 35 defined in this act, the Commissioner shall ascertain, in any manner feasible, the true sales price and

1 assess and collect the tax, with penalties, to the extent they have accrued, on the true sales price as  
2 ascertained by him. The assessment shall be deemed prima facie correct.

3 (c) In the case of the lease of tangible personal property, if the consideration given or reported  
4 by the dealer, in the judgment of the commissioner, does not represent the true or actual consideration,  
5 the commissioner may fix it and assess and collect the tax thereon as above provided, with penalties as  
6 have accrued. The assessment shall be deemed prima facie correct.

7 *Section 24. Records.* – (a) Every dealer required to make a return and pay or collect any tax  
8 under this act shall keep and preserve suitable records of the sales, leases, or purchases, as the case may  
9 be, taxable under this act, and other books of account as necessary to determine the amount of tax  
10 due hereunder, and other pertinent information as required by the commissioner; and every dealer shall  
11 keep and preserve for a period of four years all invoices and other records of goods, wares, and mer-  
12 chandise, or other subjects of taxation under this act, and all the books, invoices, and other records  
13 shall be open to examination at all reasonable hours by the commissioner or any of his duly authorized  
14 agents.

15 (b) In order to aid in the administration and enforcement of the provisions of this act, all whole-  
16 salers and jobbers in this state shall keep a record of all sales of tangible personal property, whether the  
17 sales be for cash or on terms of credit. The records required to be kept by all wholesalers and jobbers  
18 shall include the name and address of the purchaser, the number of the certificate of registration issued  
19 to the purchaser, the date of the purchase, the article purchased, and the price at which the article is  
20 sold to the purchaser. These records shall be kept for a period of four years and shall be open to the  
21 inspection of the commissioner or his authorized agents at all reasonable hours during the day. The  
22 failure of any wholesaler or jobber in this state to keep the records, or the failure of any wholesaler or  
23 jobber in this state to permit an inspection of the records by the commissioner as aforesaid, is a mis-  
24 demeanor. Moreover, if any person who is both a retailer and a wholesaler or jobber fails to keep proper  
25 records showing wholesale sales and retail sales separately, he shall pay the tax as a retailer on both  
26 classes of his business.

27 (c) For the purpose of enforcing the collection of the tax levied by this act, the commissioner  
28 through his authorized agents may examine at all reasonable hours during the day the books, records,  
29 and other documents of all transportation companies, agencies, firms, or persons that conduct their  
30 business by truck, rail, water, airplane, or otherwise, in order to determine what dealers are importing  
31 or otherwise are shipping articles of tangible personal property which are liable for the tax. If the  
32 transportation company, agency, firm or person refuses to permit an examination of its or his books,  
33 records, and other documents by the commissioner, it or he shall be deemed guilty of a misdemeanor.  
34 Moreover, the Commissioner may proceed by citing the transportation company, agency, firm, or  
35 person to show cause before any court of record why the books, records, and other documents should

1 not be examined pursuant to the injunction of the court, and why a bond should not be required with  
2 proper security in the penalty of not more than \$2,000 conditioned upon compliance with the pro-  
3 visions hereof for a period of not more than one year.

4 *Section 25. Sale of Business.* – If any dealer liable for any tax, penalty, or interest levied here-  
5 under sells out his business or stock of goods or quits the business, he shall make a final return and  
6 payment within fifteen days after the date of selling or quitting the business. The return shall include  
7 any sales made at retail during liquidation. His successors or assigns, if any, shall withhold sufficient of  
8 the purchase money to cover the amount of taxes, penalties, and interest due and unpaid until the  
9 former owner produces a receipt from the commissioner showing that they have been paid or a certifi-  
10 cate stating that no taxes, penalties, or interest are due. If the purchaser of a business or stock of goods  
11 fails to withhold the purchase money as above provided, he shall be personally liable for the payment  
12 of the taxes, penalties and interest due and unpaid on account of the operation of the business by any  
13 former owner. Nothing herein shall be deemed to qualify or limit the exemption as to such a sale as is  
14 covered by section 5.

15 *Section 26. Bond.* – The commissioner, if necessary and advisable in order to secure the col-  
16 lection of the tax levied by this act, may require any person subject to the tax to file with him a bond  
17 of a surety company authorized to do business in this state as surety, in such reasonable amount as the  
18 commissioner fixes, to secure the payment of any tax, penalty or interest due or which may become  
19 due from the person. In lieu of a bond, securities approved by the commissioner may be deposited  
20 with the [state treasurer] which securities shall be kept in the custody of the [state treasurer], and  
21 shall be sold by him, at the request of the commissioner, at public or private sale, without notice to  
22 the depositor thereof, if necessary in order to recover any tax, penalty or interest due the state under  
23 this act. Upon the sale, the surplus, if any, above the amounts due under this act, shall be returned  
24 to the person who deposited the securities.

25 *Section 27. Jeopardy Assessment.* – If the Commissioner deems that the collection of any tax  
26 or any amount of tax, required to be collected and paid under this act, may be jeopardized by delay,  
27 he shall make an assessment of the tax or amount of tax required to be collected and shall mail or is-  
28 sue a notice of the assessment to the taxpayer together with a demand for immediate payment of the  
29 tax or of the deficiency in tax declared to be in jeopardy including penalties. In the case of a tax for  
30 a current period, the commissioner may declare the taxable period of the taxpayer immediately  
31 terminated and shall cause notice of the finding and declaration to be mailed or issued to the taxpayer  
32 together with a demand for immediate payment of the tax based on the period declared terminated  
33 and the tax shall be immediately due and payable, whether or not the time otherwise allowed by law  
34 for filing a return and paying the tax has expired. Assessments provided for in this section shall become  
35 immediately due and payable, and if any tax, penalty or interest is not paid upon demand of the

1 Commissioner, he shall proceed to collect it by legal process, or, in his discretion, he may require the  
2 taxpayer to file a bond sufficient to protect the interest of the state.

3 *Section 28. Direct Payment Permits.* – (a) Notwithstanding any other provision of this act,  
4 the commissioner may authorize (1) a manufacturer, mine operator, or public service corporation that  
5 is a user, consumer, distributor, or lessee to which sales, distributions, leases, or storage of tangible  
6 personal property are made under circumstances which normally make it impossible at the time there-  
7 of to determine the manner in which the property will be used by the person, or (2) any person who  
8 stores tangible personal property in this state for use both within and outside this state, to pay any tax  
9 levied by this act directly to this state and waive the collection of the tax by the dealer; but no such  
10 authority shall be granted or exercised except upon application to the Commissioner and the issuance  
11 by the Commissioner of a direct payment permit. If a direct payment permit is granted, payment of  
12 the tax on all sales, distributions, and leases, including sales, distributions, leases, and storage of tangible  
13 personal property and sales of taxable services for use known at the time thereof, shall be made directly  
14 to the commissioner by the permit holder.

15 (b) On or before the [twenty-eighth] day of each month every permit holder shall make and  
16 file with the commissioner a return for the preceding month in the form prescribed by the Commis-  
17 sioner showing the total value of the tangible personal property used, the amount of tax due from the  
18 permit holder (which amount shall be paid to the commissioner with such return) and such other in-  
19 formation as the commissioner deems necessary. The commissioner, upon written request by the  
20 permit holder, may grant a reasonable extension of time for making and filing returns and paying the  
21 tax. Interest on the tax at the rate of one-half of one percent per month, or fraction thereof, shall be  
22 charged on every extended payment.

23 (c) It is the duty of every permit holder required to make a return and pay tax under this sec-  
24 tion to keep and preserve suitable records of purchases, together with invoices of purchases, bills of  
25 lading, and other pertinent records and documents in the form the commissioner requires by regula-  
26 tion. All records and other documents shall be open during business hours to the inspection of the  
27 commissioner or his duly authorized agents and shall be preserved for a period of four years, unless  
28 the commissioner, in writing, authorizes their destruction or disposal at an earlier date.

29 (d) A permit granted pursuant to this section shall continue to be valid until surrendered by the  
30 holder or cancelled for cause by the commissioner.

31 (e) Persons who hold a direct payment permit which has not been cancelled shall not be re-  
32 quired to pay the tax to the dealer as otherwise herein provided. Such persons shall notify each dealer  
33 from whom purchases or leases of tangible personal property are made of their direct payment permit  
34 number and that the tax is being paid directly to the commissioner. Upon receipt of the notice, the  
35 dealer shall be absolved from all duties and liabilities imposed by this act for the collection and



1 remittance of the tax with respect to sales, distributions, leases, or storage of tangible personal proper-  
 2 ty to the permit holder. Dealers who make sales upon which the tax is not collected by reason of the  
 3 provisions of this section shall maintain records in such manner that the amount involved and identity  
 4 of each purchaser may be ascertained.

5 (f) Upon the cancellation or surrender of a direct payment permit, the provisions of this act,  
 6 shall thereafter apply to the person who previously held the permit, and the person shall promptly  
 7 notify in writing dealers from whom purchasers, leases, and storage of tangible personal property are  
 8 made of the cancellation or surrender. Upon receipt of the notice, the dealer shall be subject to the  
 9 provisions of this act, with respect to all sales, distributions, leases, or storage of tangible personal  
 10 property thereafter made to the person.

11 *Section 29. Vending Machine Sales.* – Whenever a dealer makes sales of tangible personal  
 12 property through vending machines, or in any other manner making collection of the tax impractical,  
 13 the commissioner may authorize the dealer to prepay the tax and waive collection from the purchaser  
 14 and may require the dealer to furnish bond sufficient to secure prepayment of the tax. The dealer  
 15 shall be required to print upon the property sold or post on the vending machine a statement to the  
 16 effect that the tax has been paid in advance. The terms and conditions of this section are inapplicable  
 17 unless the dealer makes application to the commissioner for the authority herein contained, and un-  
 18 less the commissioner finds that the collection of the tax in the manner otherwise provided in this act  
 19 is impractical.

20 *Section 30. Tax Warrants.* – The commissioner, when any tax becomes delinquent under this  
 21 act, may issue a warrant for the collection of the tax, penalty, and interest from each delinquent tax-  
 22 payer.

23 *Section 31. Erroneous Assessments.* – Upon any claim of an erroneous or illegal assessment  
 24 or collection, the taxpayer shall have his remedy under the [cite applicable statutes]. The sections  
 25 cited are applicable to all sales and use taxes imposed under this act.

26 *Section 32. Period of Limitations.* – The taxes imposed by this act shall be assessed within  
 27 three years from December 31 of the year in which the taxes became due and payable; but in the case  
 28 of a false or fraudulent return with intent to evade payment of the taxes imposed by this act, or a  
 29 failure to file a return, the taxes may be assessed, or a proceeding in court for the collection of such  
 30 taxes may be begun without assessment at any time within six years from December 31 of the year in  
 31 which the taxes became due and payable.

32 *Section 33. Violation of Act by Dealer a Misdemeanor.* – Any dealer subject to the provisions  
 33 of this act who fails or refuses to furnish any return herein required to be made, or fails or refuses to  
 34 furnish a supplemental return or other data required by the commissioner, or who makes a false or  
 35 fraudulent return with intent to evade the tax hereby levied, or who makes a false or fraudulent claim

1 for refund, or who gives or knowingly receives a false or fraudulent exemption certificate, or who  
2 violates any other provision of this act, punishment for which is not otherwise herein provided, is  
3 guilty of a misdemeanor.

4 *Section 34. Administration.* – The commissioner shall administer and enforce the assessment  
5 and collection of the taxes and penalties imposed by this act. He shall design, prepare, print, and  
6 furnish to all dealers, or make available to them, all necessary forms for filing returns together with  
7 instructions to assure a full collection from dealers and an accounting for the taxes due, but failure of  
8 any dealer to receive or procure forms or instructions, or both, shall not relieve him from the payment  
9 of the tax at the time and in the manner herein provided.

10 *Section 35. Rules and Regulations.* – The commissioner may make and publish reasonable  
11 rules and regulations not inconsistent with this act, other applicable laws, or the Constitution of this  
12 state, or of the United States, for the enforcement of the provisions of this act and the collection of  
13 the revenue hereunder.<sup>1</sup>

14 *Section 36. Administration of Oaths.* – The commissioner and such other officers or employ-  
15 ees of the [department of taxation] as the commissioner authorizes in writing, may administer oaths  
16 for the purpose of enforcing and administering the provisions of this act.

17 *Section 37. Secrecy of Information.* – Except in accordance with proper judicial order, or as  
18 provided by law, it is unlawful for the commissioner or any agent, auditor, or other officer or em-  
19 ployee to divulge or make known in any manner the amount of sales, the amount of tax paid, or any  
20 other particulars set forth or disclosed in any return required by this act. Nothing in this act shall be  
21 construed to prohibit the publication of statistics so classified as to prevent the identity of particular  
22 reports or returns and the items thereof, or the inspection by the legal representative of this state of  
23 the report or return of any taxpayer who applies for a review or appeal from any determination or  
24 against whom an action or proceeding is about to be instituted or has been instituted to recover any  
25 tax or penalty imposed by this act.

26 *Section 38. Exchange of Information with Other Tax Officials.* – The commissioner may  
27 furnish to the tax officials of any other state and its political subdivision, the political subdivisions of  
28 this state, the District of Columbia, and the United States and its territories, any information contained  
29 in tax returns and reports and related schedules and documents filed pursuant to the tax laws of this

<sup>1</sup> States with personal income tax statutes may wish to add a provision as follows: The commissioner shall promulgate and publish sales tax deduction guides for the purpose of aiding the taxpayer in calculating allowable deductions, relevant to income taxes, which guides shall be based on the following factors: size of income, size of family, and rate of tax. The guides so promulgated shall not preclude any taxpayer from claiming as a deduction the amount of taxes, levied under the provisions of this act, actually paid by him.

1 state, or in the report of an audit or investigation made with respect thereto: Provided, that said juris-  
 2 dictions grant similar privileges to this state and that the information is to be used only for tax pur-  
 3 poses.

4 *Section 39. Personnel, Supplies, Equipment, Other Expenses.* — The commissioner may em-  
 5 ploy all necessary personnel and purchase supplies and purchase or rent equipment and incur other  
 6 expenses necessary for the administration of this act. All the costs and expenses shall be paid out of  
 7 appropriations made to the [department of taxation].

8 *Section 40. Separability.* — If any provision of this act be held unconstitutional or invalid by  
 9 a court of competent jurisdiction the same shall not affect the remaining provisions of this act but all  
 10 such provisions not held unconstitutional or invalid shall remain in full force and effect. If, however,  
 11 a court of competent jurisdiction holds that the sales tax or the use tax levied by this act is for any  
 12 reason invalid in its relationship to national banks, it is hereby provided that state banks shall thence-  
 13 forth enjoy immunity from such tax or taxes to the same extent as national banks.

14 *Section 41. Effective date of tax.* — The taxes imposed by this act shall be in full force and  
 15 effect on and after [insert date].

## LOCAL SALES TAX SUPPLEMENT

Where sales are taxed at both the state and local level, a logical administrative device is the tax supplement. The local rate is added to the state rate, both are collected by the state government, and the allocated share of collections is credited to the account of the local taxing jurisdiction.

The tax supplement has important advantages. It uses identical tax definitions (taxpayers, tax base, etc., preferably by reference) for both state and local purposes. Even where state definitions are imperfect, uniformity has important advantages for ease of compliance and economy of tax collection. The local supplement is collected together with the state tax, eliminating the need for duplicate administration, with corresponding alleviation of compliance burdens. Where the state charges the local jurisdiction a fee for collecting the local supplement, these charges supplement state resources appropriated for tax enforcement.

The tax supplement preserves the principle of leaving with local governing boards responsibility for the decision to impose the tax and, within limits prescribed by state law, to set the tax rate. Thus, each jurisdiction retains its freedom to balance the need for the additional local services against the added tax burden.

Because the proceeds of local sales tax supplements accrue by definition to the imposing jurisdiction, problems of allocating among jurisdictions present in grants-in-aid and shared revenues are generally avoided. By the same token, however, variations in need relative to local resources are disregarded except to the extent that latitude is provided in the sharing of countywide collections among incorporated cities and towns as is done in Tennessee.<sup>1</sup>

<sup>1</sup>*Tennessee Laws of 1963*, chapter 329, 1963 Local Option Revenue Act, section 4.

The local sales tax supplement was first used by Mississippi in 1950 and has since spread to fourteen other States: California, Colorado (home rule cities optional), Illinois, Missouri, Nebraska, Nevada, New Mexico, New York, Ohio, South Dakota, Texas, Utah, Virginia, and Washington.<sup>2</sup> In three more States (Alabama, Oklahoma, and Tennessee), State administration is optional.

The suggested legislation preempts the local sales tax supplement for the unit of government having the largest jurisdiction – the county – on the theory that the larger the geographic area the less the impact of the tax on business competition between trading centers. Where counties do not exercise this authority, cities are authorized to do so.

The following suggested statutory language provides only for a local sales tax supplement to a state sales tax; it is not a complete sales tax statute. It would be used as an amendment in states that already have a state sales tax and wish to grant sales tax authority to their local governments. Alternatively, it could be incorporated into new legislation authorizing a state sales tax by states considering the adoption of such a tax coupled with the grant of additional authority to local governments to impose nonproperty taxes.

### Suggested Legislation

*[Title should conform to state requirements. The following is a suggestion: "An act to authorize uniform local sales and use taxes, and to provide for administration by the state."]*

*(Be it enacted, etc.)*

1        *Section 1. Short Title.* This act may be cited as the "Uniform Local Sales and Use Tax Law."

2        *Section 2.<sup>3</sup> Authorization for Political Subdivisions.* Any county may adopt a sales and use  
3 tax in accordance with the provisions of this act by action of its local governing board; and any  
4 incorporated [city or town] situated within a county which has not imposed a sales and use tax may  
5 adopt a sales and use tax in accordance with the provisions of this act by action of its local governing  
6 board, but the tax imposed by any city or town shall terminate upon the effective date of any sales  
7 and use tax imposed by the county in which the city or town is situated.

8        *Section 3. Contents of Local Law or Ordinance.* The sales and use tax law or ordinance adopted  
9 under this act shall impose a sales tax for the privilege of selling tangible personal property at retail  
10 and a use tax upon the storage, use or other consumption of tangible personal property purchased  
11 outside the political subdivision for storage, use, or consumption in the political subdivision, and  
12 shall, in addition to any other provisions include provisions in substance as follows:

<sup>2</sup>*California Revenue and Taxation Code; section 7200, Colorado Revised Statutes, Chapter 328; Illinois Revised Statutes, section 8-11; Mississippi Code Annotated, section 10111.5; (the Mississippi local sales tax law was repealed effective August 1, 1968; however, on the same date the State sales tax rate was increased from 3½ to 5 percent with 19 percent of the State sales tax collections returned to the cities in which they were collected); Missouri Laws of 1969, H.B. 243; Nebraska Laws of 1969, L.B. 578; Nevada Laws of 1969, chapter 599; New Mexico Statutes Annotated, section 14-39; New York Tax Law, chapter 60, act 29, subpart B, section 1210; Ohio Laws of 1967, H.B. 919; South Dakota Laws of 1969, chapter 190; Texas Laws of 1967, H.B. 207; Utah Code Annotated, Title II, chapter 9; Virginia Code Annotated, section 58-441.49; Washington Laws of 1970, 2nd. Spec. Sess. chapter 94.*

<sup>3</sup>For a local supplement in two or more counties comprising a trading area, see alternative section 2 at the end of this proposal.

1 (1) A provision for imposing a tax for collection by every retailer in the political subdivision at  
2 the rate of [ ] percent of the gross receipts of the retailer from the sale of all tangible personal prop-  
3 erty sold by him at retail in the political subdivision, and a provision imposing a complementary tax  
4 upon the storage, use, or other consumption in the political subdivision of tangible personal property  
5 purchased outside the political subdivision for storage, use, or other consumption in the political  
6 subdivision at rate of [ ] percent of the sales price of the property, but nothing herein shall be  
7 construed to make inapplicable any exemptions of particular classes of articles, commodities, or  
8 services, in accordance with law.

9 (2) A provision that the storage, use, or other consumption of tangible personal property, the  
10 gross receipts from the sale of which have been subject to sales tax under a sales and use tax law or  
11 ordinance enacted in accordance with this act by any other county, or incorporated city or town in  
12 this state, shall be a credit against the tax due under this act.

13 (3) Provisions incorporating by reference [statutory citation of the state sales and use tax law]  
14 except that an additional [seller's permit] shall not be required if one has been or is issued to the  
15 seller by the state.

16 (4) A provision that all relevant provisions of [statutory citation of the state sales and use tax  
17 law], as they may be from time to time, and not inconsistent with this act shall govern transactions,  
18 proceedings, and activities pursuant to the local law or ordinances.

19 (5) A provision designating the [state tax department] to perform all functions incident to the  
20 administration of the sales and use tax law or ordinance of the political subdivision.

21 (6) A provision that the amount subject to tax shall not include the amounts of any sales tax or  
22 use tax imposed by [statutory citation of the state sales and use tax law].

23 *Section 4. State Administration.* The administration of local sales and use taxes adopted under  
24 this act shall be by the [state tax department] which may prescribe forms and reasonable rules and  
25 regulations in conformity with this act for the making of returns and for the ascertainment, assess-  
26 ment, and collection of the tax imposed pursuant hereto. The [state tax department] shall keep  
27 full and accurate records of all monies received and distributed under this act.

28 *Section 5. Distribution of Collections.* All sums received and collected on behalf of a  
29 particular political subdivision pursuant to this act shall be credited to a special local sales and use  
30 tax fund which is hereby established in the state treasury and, after deducting the amount of refunds  
31 made, the amounts necessary to defray the cost of collecting the tax, and the administrative expenses  
32 incident thereto, shall be paid within [10] days after collection to the political subdivision entitled  
33 thereto.

1            *[Section 6. Distribution of Collections Among Local Governments.* The state legislature may  
2 wish to provide that when the county preempts the sales tax field the proceeds be divided among the  
3 county and local units of general governments within the county.<sup>4</sup> ]

4            *Section 7. Separability.* [Insert separability clause.]

5            *Section 8. Effective Date.* [Insert effective date.]

### **Local Supplement to a State Sales Tax by Two or More Counties Comprising a Trading Area**

In some states the pressure for additional revenue to finance more and costlier government services is felt most acutely by governments making up an economic or trading area. Yet, the shadow of intercommunity competition can effectively restrain local governments, in such areas from using a local supplement to the state sales tax. States may wish to consider authorizing counties located within retail trading areas to impose by mutual and unanimous agreement a uniform, areawide supplement to the state sales tax without at the same time extending such authority to all counties or other units of local government throughout the state.

The Maryland legislature adopted this approach in 1965 when it authorized each of the units of local general government in the Baltimore Metropolitan Area, City of Baltimore, and Baltimore and Anne Arundel counties, to impose a supplementary rate to the state sales tax as long as all three jurisdictions did so.<sup>5</sup> The Maryland jurisdictions have not implemented the enabling legislation. Similar authority was enacted by the Colorado legislature in 1961 for jurisdictions in the Denver Metropolitan Area.<sup>6</sup> The Colorado experiment foundered on legal grounds involving municipal home rule powers.

The suggested legislature below presents alternative language for section 2 which would authorize two or more counties making up a trading area to impose concurrently a local supplement to a state sales tax.

1            *Section 2. Authorization for Counties Within a Trading Area.* (a) County Authorization. A  
2 county located in a standard metropolitan statistical area designated as such by the United States  
3 Bureau of the Census in the most recent census of population may adopt a sales and use tax in ac-  
4 cordance with the provision of this act by action of its local governing board if the governing boards  
5 of each county in its standard metropolitan statistical area within this state by mutual and unanimous  
6 agreement adopt the identical tax authorized by this act.

7            (b) Limitation on Withdrawal. A county participating under the authority granted in this act  
8 may withdraw from such mutual and unanimous agreement by action of its local governing board  
9 after first giving at least 120 days notice of the contemplated withdrawal to the [state tax department]  
10 and to the governing boards of the other participating counties. The withdrawal shall be effective

<sup>4</sup>Tennessee (Laws of 1963, chapter 329, 1963 Local Option Revenue Act, section 4) provides that one-half of the proceeds shall be expended and distributed in the same manner as the county property tax for school purposes is expended and distributed. It further provides that the other half shall be distributed as follows: (a) collections in unincorporated areas, to the county general fund; (b) collections in incorporated cities and towns, to the city or town in which the privilege is exercised; (c) provided, however, that a county and city or town may by contract provide for other distribution of the half not allocated for school purposes.

<sup>5</sup>*Annotated Code of Maryland 1957*, article 81, section 411A.

<sup>6</sup>Colorado Laws of 1961, chapter 179.

15-62-30

1 from and after the [first day of the next succeeding fiscal year], and the local laws and ordinances  
2 imposing the tax in the other counties of the trading area shall no longer be of any force or effect.  
3 Nothing in this subsection shall be construed or applied to prevent or interfere with the collection  
4 of tax monies which were lawfully due and payable while the tax was effective, and any money  
5 collected by the [state tax department] after the tax has been repealed and discontinued shall be  
6 accounted for and distributed as required in this act.

## PROPERTY TAX SURVEY COMMISSION

This bill authorizes the creation of a Property Tax Survey Commission to examine certain basic property tax policy issues which must be resolved by each state. These policy issues include: (a) the adequacy of the legal structure underpinning property tax administration, (b) exemptions from taxation, (c) changes in tax rate and debt limits which would be required if market value determinations based on assessment-sales ratio studies replace assessed valuations as the measurement base, and (d) the extent to which the state should become involved in the actual administration of the property tax.

Each state should take a hard, critical look at its property tax laws and rid it of all features that are impossible to administer as written, which force administrators to condone evasion, and which encourage taxpayer dishonesty. Ad valorem taxes on most classes of property, real and personal, can be administered with reasonable competence if a state is willing to provide suitable means; but the extent to which some personal property tax laws have become legal fictions is notorious. Evasion and condoning of evasion are so widespread as to make such laws a tax on integrity.

The use of exemptions from property taxes without regard for their secondary effects has drastically changed the distribution of the property tax burden and a re-examination of exemptions is urgently needed. States have long had a propensity, which is continuing, to fritter away the local property tax base by concealed subsidies in the form of special tax exemptions to promote private causes of questionable public importance, provide welfare aid, advance undertakings for social and economic reform, and reward public service. Typically these special tax exemptions are mandatory upon local taxing jurisdictions; they have to be honored by them, regardless of their revenue cost or the preference of the local community.

### Suggested Legislation

*[Title should conform to state requirements. The following is a suggestion:  
"An act creating a property tax survey commission, and for related purposes."]*

*(Be it enacted, etc.)*

1            *Section 1. Property Tax Survey Commission.* There is hereby created a property tax survey com-  
2 mission of [    ] members for the purpose of making a thorough examination of the property tax and  
3 its administration. The commission shall make a report of its study and examination together with  
4 such specific recommendations as it may adopt to the governors and to the legislature not later than  
5 [    ] of each [    ] numbered years.

6            *Section 2. Commission Duties.* The commission shall:

- 7            (1) ascertain whether the [state tax agency] is making adequate provision for continuing  
8 study and analysis of the property tax so as to insure that this revenue source is given attention com-  
9 mensurate with its major importance in the overall state and local revenue structure;
- 10           (2) determine (i) whether provision of the constitution or any statute, ordinance or charter  
11 unduly restricts legislative or administrative flexibility and responsibility for producing and maintaining



1 a productive and administrable property tax system and, (ii) whether the property tax laws need re-  
2 vision or recodification;

3 (3) examine the state's property tax exemption policies and make recommendations im-  
4 plementing the principle that exemptions be provided only on clear demonstration of public interest  
5 and be limited to those cases in which the tax exemption method is preferable to outright grants sup-  
6 ported by appropriations;

7 (4) examine the question of reimbursing local communities for the amounts of tax loss  
8 sustained in the instance of mandatory tax exemptions;

9 (5) Make a thorough review of all classes of partial and total exemptions from tax liability  
10 based on assessed valuations made by assessment officials, study the desirability of their continuance  
11 from the point of view of sound policy, and with respect to those exemptions that may be continued,  
12 recommend adjustments as would be called for by the adoption of the market value determinations  
13 made or to be made by the [state tax agency] as the uniform measure for all exemptions from proper-  
14 ty tax liability;<sup>1</sup>

15 (6) study all limits on the taxing and borrowing powers of local governments imposed by  
16 state law or municipal charter that are related to assessed valuation set by local assessment officials;  
17 consider the desirability of their continuance or modification, and for any that may be continued  
18 recommend adjustments as would be made necessary by the adoption of the market value determina-  
19 tions made or to be made by the [state tax agency] as the uniform base for restricting the taxing and  
20 borrowing powers of local government;

21 (7) study all state financial grants to school districts and local governments that are meas-  
22 ured by assessed valuations set by local assessment officials and recommend adjustments as may be  
23 necessitated by the adoption of the market value determinations of the [state tax agency] as an  
24 equalized measure of local fiscal capacity and tax effort;

25 (8) evaluate the structure, powers, facilities, and competence of the [state tax agency]  
26 and local property tax offices and on the basis of the evaluation recommend an organizational policy  
27 from among the following alternatives:

28 (i) centralized property tax administration, with each local government determining  
29 the amount of its own tax levies, within any applicable limitations, and with the state providing all  
30 professional services for the assessment, collection and enforcement of the property tax liability;

31 (ii) centralized property assessment administration, with the valuations certified to  
32 local officials as the basis for their billing and collection of taxes;

<sup>1</sup>To the extent that exemptions can be justified, the tax credit method employed by some states has considerable merit because it completely removes the assessor from dollar determinations of the privilege.

1 (iii) coordinated joint state-local administration with the [state tax agency] granted  
 2 all appropriate supervisory powers and facilities but whose assessment responsibilities would be con-  
 3 fined to property of types that customarily lie in more than one district and do not lend themselves to  
 4 piecemeal local assessment, that require appraisal specialists beyond the specialized skills of most local  
 5 district staffs, and that can be more readily discovered and valued by a central agency than by a local  
 6 assessment office; or

7 (iv) some other uniform method of property assessment administration.

8 (9) evaluate the present administrative-judicial appeal procedure for assessment review in  
 9 order to determine whether taxpayers have ready and inexpensive access to effective legal remedies,  
 10 and make recommendations with respect thereto.

11 *Section 3. Commission Membership.* The governor shall appoint the members of the commis-  
 12 sion and shall designate the chairman thereof. The term of each commissioner authorized shall be  
 13 [four] years. Any vacancy on the commission shall be filled in the same manner as original appoint-  
 14 ments thereto and shall be for the unexpired term.

15 *Section 4. Staff.* The commission may employ such research or administrative staff as it deems  
 16 necessary within or without the [state merit system].

17 *Section 5. Hearings.* The commission may hold public hearings in various parts of the state and  
 18 prescribe any necessary rules for the conduct thereof.

19 *Section 6. Per Diem and Expenses.* Members of the commission shall receive per diem of \$[ ]  
 20 for each full day of attendance at a meeting of the commission plus their actual and necessary expenses  
 21 incurred in the discharge of their official duties. Members of the commission who are salaried members  
 22 of the legislature or full-time public officers or employees shall not receive per diem but shall be en-  
 23 titled to reimbursement for their actual and necessary expenses.

24 *Section 7. Duration.* Sections 1-6 of this act shall cease to be of any force or effect on and after  
 25 [four years after effective date of this act] and the commission established hereby shall terminate as  
 26 of [same date].

27 *Section 8. Appropriation.* [Use this section to make initial appropriation to the commission.]

28 *Section 9. Separability.* [Insert separability clause.]

29 *Section 10. Effective Date.* [Insert effective date.]

## PROPERTY TAX ORGANIZATION AND ADMINISTRATION

In 49 of the 50 states (all except Hawaii), property assessment administration is a joint state and local responsibility. Most recent efforts to improve the quality of property assessment have concentrated on making the joint system work better. To knit this two-level system into a well-coordinated, smoothly-functioning organization is difficult but possible of accomplishment.

The prevailing pattern for state-local property tax administration, subject to innumerable variations, is: (1) local assessment districts responsible for the bulk of the primary assessing; (2) local or county boards of review; (3) county boards of equalization; and (4) a state agency or agencies responsible variously for supervision of local assessing, provision of technical aid to local assessors, hearing taxpayer appeals, interarea equalization of assessment, central assessment of some classes of property, and valuation research.

The proposal would provide for well-coordinated state-local administrative organization with a central directing authority. At the state level, administrative responsibilities would be vested in a single agency professionally organized and equipped for the job, with adequate powers of supervision and regulation clearly defined by law. At the local level, county assessment units would be organized and staffed so as to make competent assessing feasible. The overall goal is to produce a workable apportionment of two-level responsibilities, with careful coordination of assessment standards and procedures.

The suggested legislation vests in the single state agency responsibility for assessment supervision and equalization, assessment of all state assessed property, and valuation research, with adequate powers clearly defined by law. It provides that no assessment district shall be less than countywide, and when, as in many instances, counties are too small to comprise efficient assessment districts, the bill authorizes the creation of multi-county assessment districts. In order to eliminate wasteful duplication of assessment effort, all overlapping assessment districts (township and municipal) are eliminated. It also provides that county assessors be appointed on the basis of demonstrated merit and be subject to removal for good cause by the appointing official.

It should be noted that the suggested act in setting forth the qualifications for assessors and appraisers makes no mention of residence requirement. Since it is desirable to encourage the employment of assessors and appraisers on a professional basis, the Advisory Commission on Intergovernmental Relations recommends that states omit a residence requirement. If this is to be done, it may be necessary to make an appropriate exception by amending the relevant general personnel statutes or by writing an affirmative exemption into this statute.

This draft legislation draws on Oregon, Maryland, and Kentucky experience, particularly as it relates to the provision of state technical assistance to local assessment jurisdictions.

## Suggested Legislation

*[Title should conform to state requirements. The following is a suggestion: "An act establishing a division of property taxation within the [state tax agency]; providing for the qualifications, duties, and responsibilities of county assessors and related personnel; providing for state-county relations in respect of assessment and appraisal of property, and for related purposes."]*

*(Be it enacted, etc.)*

1            *Section 1. Division of Property Taxation.*<sup>1</sup> (a) There shall be in the [state tax agency] a division  
2 of property taxation, hereinafter called the "division." The head of the division shall be the director,  
3 appointed by the [head of the state tax agency] in accordance with the provisions of the [state merit  
4 system law]. The director shall serve in accordance with the provisions of such law. He shall have ex-  
5 perience and training in the fields of taxation and property appraisal.

6            (b) The employees of the division shall be in the [state merit service]. The director may con-  
7 tract for the services of expert consultants to the division.

8            (c) In addition to any duties, power, or responsibilities otherwise conferred upon the division,  
9 it shall administer and enforce all laws related to the state supervision of local property tax administra-  
10 tion and the central assessment of property subject to ad valorem taxation. Whenever the division as-  
11 sesses or appraises property, or provides services therefor, it shall prescribe the methods and specifica-  
12 tions for such assessment or appraisal.

13           *Section 2. Assessors and Appraisers, Qualifications and Certification.* (a) Except as expressly  
14 permitted by statute, no person shall perform the duties or exercise the authority of an assessor or ap-  
15 praiser of property in or on behalf of any county unless he is the holder of an assessor's or appraiser's  
16 certificate, as the case may be, issued by the division.

17           (b) The division shall provide for the examination of applicants for such certificates. No  
18 certificate shall be issued to any person who has not demonstrated to the satisfaction of the division  
19 that he is competent to perform the work of an assessor or appraiser, as the case may be; but any ap-  
20 plicant for a certificate who is denied the same shall have a right to review of such denial [in accordance  
21 with the state administrative procedure act] [by a court of appropriate jurisdiction].

22           *Section 3. Collection and Publication of Property Tax Data.*<sup>2</sup> (a) The division annually shall  
23 make and issue comprehensive assessment ratio studies of the average level of assessment, the degree of

<sup>1</sup> As an alternative for states in which organization for tax administration is diffused, the agency should be given prominence as a separate department or bureau. It may be desirable to have the career administrator serve under a multi-member commission appointed for overlapping terms.

<sup>2</sup> Subsection (a) of this section is similar to section 3, and subsection (c) of this section is similar to section 5 of the act entitled "An act establishing assessment standards and performance measurements; establishing interdistrict and intradistrict tax equalization procedures, and for related purposes," which appears below. This duplication is necessary because the provisions are desirable in each act standing alone.

1 assessment uniformity, and overall compliance with assessment requirements for each major class of  
 2 property in each county in the state. In order to determine the degree of assessment uniformity and  
 3 compliance in the assessment of major classes of property within each county, the division shall com-  
 4 pute the average dispersion. As used in this section, "average dispersion" means the percentage which  
 5 the average of the deviations of the assessment ratio of individual sold [or appraised] properties bears  
 6 to their median ratio.

7 (b) The division may require assessors and other local officers to report to it data on assessed  
 8 valuations and other features of the property tax for such periods and in such form and content as the  
 9 division shall require. The division shall so construct and maintain its system for the collection and  
 10 analysis of property tax facts as to enable it to make intrastate comparisons as well as interstate com-  
 11 parisons based on property tax and assessment ratio data compiled for other states by the United States  
 12 Bureau of the Census, or any agency successor thereto.

13 (c) The [state tax agency] shall publish annually the findings of the division's assessment ratio  
 14 studies together with digests of property tax data.

15 *Section 4. Tax Exemption Information.* The county assessor regularly shall assess all tax exempt  
 16 property within the county, calculate the total assessed valuation for each type of exemption, and  
 17 compute the percentages of total assessed valuations thus exempt. The totals and computations thus  
 18 made and obtained, together with summary information on the function, scope and nature of exempted  
 19 activities, shall be published annually by the county.

20 *Section 5. Forms.* The division shall devise, prescribe, [supply,] and require the use of all forms  
 21 deemed necessary for effective administration of the property tax laws. So far as practicable the forms  
 22 shall be uniform, but nothing herein shall be deemed to prevent the prescribing of substitute or addi-  
 23 tional forms where special circumstances require.

24 *Section 6. Tax Maps.* The division shall require each county assessor to maintain tax maps in  
 25 accordance with standards specified by the division. Whenever necessary to correct mapping deficiencies,  
 26 the division shall install standard maps or approve mapping plans and supervise map production. The  
 27 [state tax agency] [shall] [may] require the county to reimburse the state for tax maps installed by the  
 28 division. The amount or amounts of such reimbursement shall be deposited in the [state treasury] to  
 29 the account of the [state tax agency].<sup>1</sup>

30 *Section 7. Provision of Tax Manuals and Guides.* The division shall prepare, issue, and periodical-  
 31 ly revise guides for local assessors in the form of handbooks of rules and regulations, appraisal manuals,  
 32 special manuals and studies, cost and price schedules, news and reference bulletins and digests of proper-  
 33 ty tax laws suitably annotated.

<sup>1</sup>In place of the last two sentences of section 6, a state may prefer the following: Costs of map production and installation incurred pursuant to this section shall be county charges.

1        *Section 8. Data Processing.* To expedite the preparation of assessment rolls, tax rolls, and  
2 tax bills, the division is authorized to take action as may be appropriate to enable counties to receive  
3 the benefits of modern data processing methods.

4        *Section 9. Provision of Engineering, Professional and Technical Services.* Whenever a county  
5 by or pursuant to action of its [governing board] requests the [state tax agency] to provide engineering,  
6 professional or technical services for the appraisal or reappraisal of properties, the [state tax agency]  
7 may, within its available resources, and in accord with its determination of the need therefor, provide  
8 these services. The county shall pay to the [state tax agency] the actual cost of the services in accordance  
9 with a schedule of standard fees and charges furnished, and from time to time, revised by the [state tax  
10 agency]. All payments received by the [state tax agency] pursuant to this section shall be deposited in  
11 the [state treasury] to the account of the [state tax agency].

12        *Section 10. Appraisal of Major Industrial and Commercial Properties.* The division shall provide  
13 to each county or multi-county assessment district the services of certified appraisers for the appraisal  
14 of major industrial and commercial properties. The properties to be appraised shall be determined by  
15 the division after consultation with county assessors. In making such determinations, the division shall  
16 take into account the ability of the county assessor to perform such appraisals with the resources at his  
17 disposal. [Provide for such reimbursement or county charge as may be appropriate.]

18        *Section 11. Inspections, Investigations and Studies.* The division may make such inspections, in-  
19 vestigations and studies as may be necessary for the adequate administration of its responsibilities  
20 pursuant to this act. Such inspections, investigations and studies may be made in cooperation with other  
21 state agencies, and, in connection therewith, the division may utilize reports and data of other state  
22 agencies.

23        *Section 12. Training Programs.* The division shall conduct or sponsor in-service, pre-entry, and  
24 intern training programs on the technical, legal, and administrative aspects of the assessment process.  
25 For this purpose it may cooperate with educational institutions, local, regional, state, or national as-  
26 sessors' organizations, and with any other appropriate professional organizations. The division may re-  
27 imburse the participation expenses incurred by assessors and other employees of the state and its sub-  
28 divisions whose attendance at in-service training programs is approved by the division.

29        *Section 13. Enforcement of Assessment and Appraisal Standards.* (a) In order to promote com-  
30 pliance with the requirements of law, the division shall issue and, from time to time, may amend or re-  
31 vise rules and regulations containing minimum standards of assessment and appraisal performance.  
32 Such standards shall relate to: (1) adequacy of tax maps and records; (2) types and qualifications of  
33 personnel; (3) methods and specifications for the appraisal or reappraisal of property; and (4) admin-  
34 istration. For failure to meet the standards contained in the rules and regulations the division may  
35 suspend, in whole or in part, performance of the assessment or appraisal function by a county.

1 (b) If the division finds that a county has failed or is failing to meet the standards contained in  
 2 the rules or regulations in force pursuant to subsection (a) of this section, it shall notify the county as-  
 3 sessor of the fact and nature of the failure. The notice shall be in writing and shall be served upon the  
 4 county assessor and the [county governing board].

5 (c) If within one year from the service of the notice the failure has not been remedied, the divi-  
 6 sion may, at any time during the continuance of such failure, issue an order requiring the county as-  
 7 sessor and [county governing board] to show cause why the authority of the county with respect to  
 8 assessments or any matter related thereto should not be suspended, shall set a time and place at which  
 9 the director of the division shall hear the county assessor and [county governing board] on the order,  
 10 and after the hearing shall determine whether and to what extent the assessment function of the county  
 11 shall be so suspended.

12 (d) During the continuance of a suspension pursuant to subsection (c) of this section, the divi-  
 13 sion shall succeed to the authority and duties from which the county has been suspended and shall ex-  
 14 ercise and perform the same. Such exercise and performance shall be a charge on the suspended county.  
 15 The suspension shall continue until the division finds that the conditions responsible for the failure to  
 16 meet the minimum standards contained in the rules and regulations of the division have been corrected.

17 (e) Any county aggrieved by a determination of the division made pursuant to this section or  
 18 alleging that its suspension is no longer justified may have review of such determination or continued  
 19 suspension [as provided in the state administrative procedure act] [by a court of appropriate jurisdic-  
 20 tion].

21 *Section 14. County Assessor.* (a) On and after [January 1, 19[ ] ] the county assessor shall  
 22 be appointed by the [chief executive officer of the county] and shall hold office [for an indefinite  
 23 term] [for a term of five years]. No person shall be eligible for appointment as county assessor who  
 24 does not hold an assessor's certificate issued by the division pursuant to section 2 of this act.

25 (b) A county assessor may be removed from office by the [chief executive officer of the coun-  
 26 ty] or by the commissioner of the [state tax agency]. The [chief executive officer] may not remove  
 27 such assessor, except for cause and the commissioner may remove such assessor only for failure to com-  
 28 ply with the orders of the division. [Add provision making appropriate statute relating to hearings and  
 29 appeals applicable, or supply procedural detail.]

30 (c) Notwithstanding any provision of this section, any county assessor holding office on the ef-  
 31 fective date of this act by virtue of election by the people shall be entitled to complete the term for  
 32 which he was elected.

33 [(d) If other statutes or provisions of local law do not affirmatively empower county assessors  
 34 to assess, appraise and classify property, use this subsection to confer such power.]

1        *Section 15. Governing Valuations.* [Each local taxing unit] shall be bound by the assessed valua-  
2 tions established by the county assessor for all property subject to its taxing power.

3        *Section 16. Multi-County Assessment Districts.*<sup>1</sup> (a) Any two or more contiguous counties may  
4 enter into an agreement for joint or cooperative performance of the assessment function.

5        (b) Such agreement shall provide for:

6            (1) the division, merger, or consolidation of administrative functions between or among  
7 the parties, or the performance thereof by one county on behalf of all the parties;

8            (2) the financing of the joint or cooperative undertaking;

9            (3) the rights and responsibilities of the parties with respect to the direction and super-  
10 vision of work to be performed under the agreement;

11           (4) the duration of the agreement and procedures for amendment or termination thereof;  
12 and

13           (5) any other necessary or appropriate matters.

14        (c) The agreement may provide for the suspension of the powers and duties of the office of  
15 county assessor in any one or more of the parties.

16        (d) Unless the agreement provides for the performance of the assessment function by the assessor  
17 of one county for and on behalf of all other counties party thereto, the agreement shall prescribe the  
18 manner of appointing the assessor, and the employees of his office, who shall serve pursuant to the  
19 agreement. Each county party to the agreement shall be represented in the procedure for choosing  
20 such assessor. No person shall be appointed assessor pursuant to an agreement who could not be so  
21 appointed for a single county. Except to the extent made necessary by the multi-county character of  
22 the assessment agency, qualifications for employment as assessor or in the assessment agency, and terms  
23 and conditions of work shall be similar to those for the personnel of a single county assessment agency.  
24 Any county may include in any one or more of its employee benefit programs an assessor serving  
25 pursuant to an agreement made under this section and the employees of his assessment agency. As  
26 nearly as practicable, such inclusion shall be on the same basis as for similar employees of a single coun-  
27 ty only. An agreement providing for the joint or cooperative performance of the assessment function  
28 may provide for such assessor and employee coverage in county employee benefit programs.

29        (e) No agreement made pursuant to this section shall take effect until it has been approved in  
30 writing by the commission of the [state tax agency] and the [attorney general].

31        (f) Copies of any agreement made pursuant to this section, and of any amendment thereto, shall  
32 be filed in the office of the [secretary of state] and the [state office of local government].

<sup>1</sup>The possibility of including this paragraph may depend in a particular state on constitutional or statutory con- siderations.



1            *Section 17. State Performance of County Assessment Function.* The [governing board] of a  
2 county may, [by resolution], request the [state tax agency] to assume the county assessment function  
3 and to perform the same in and for the county. If the commissioner of the [state tax agency] finds  
4 that direct state performance of the function is necessary or desirable to the economic and efficient  
5 performance thereof, he may direct the division to undertake such performance pursuant to the re-  
6 quest. Unless otherwise authorized by law, the division shall undertake and perform the function only  
7 after the execution of a suitable agreement between the county and the [state tax agency] providing  
8 for responsibility for costs. During the continuance of performance of the county assessment function  
9 by the division, the office and functions of the county assessor shall be suspended, and the performance  
10 thereof by the division shall be deemed performance by the county assessor.

11            *Section 18. Discontinuance of Certain Assessors' Office.* On and after [date] assessment of  
12 property for purposes of taxation, unless pursuant to agreement as authorized in section 16 of this  
13 act, shall be only by the county and state in accordance with law. However, any assessor in office on  
14 [date] who is serving a fixed term as provided by statute or local law may continue in office until the  
15 expiration of such term, and the jurisdiction of which he is the assessor shall continue to have the as-  
16 sessment function previously conferred upon it until the expiration of such term. Any vacancy in an  
17 elective or appointive office permitted to continue by reason of this section shall be filled only for the  
18 unexpired portion of the term.

19            *Section 19. Separability.* [Insert separability clause.]

20            *Section 20. Effective Date.* [Insert effective date.]

## PROPERTY TAX ASSESSMENT STANDARDS AND EQUALIZATION

The laws of most states provide for the assessment of property at market value. Nevertheless, fractional assessment is a pervasive practice. Recent assessment ratio findings indicate that on a nationwide basis, residential real estate is being assessed at less than 35 percent of market value. Moreover, most states have not equalized local assessment levels at any uniform percentage of market value.

One possible course of action is for state tax authorities to order local tax officials to raise depressed assessment levels to the legal valuation standard.

For states not wanting to take this approach, the conflict between law and practice can be resolved by amending state assessment laws to bring them into harmony with fractional valuation practice. Either of two courses of action appears to be possible. One, a state can repeal the full value assessment laws, select a percentage figure which conforms most nearly to prevailing local assessment practices, and direct that assessment levels be brought into line with this fractional valuation standard. Two, a state can give assessors discretion to assess property within their respective jurisdictions at any uniform percentage of current market value (subject to the enforcement of a specific minimum level of assessment). In this case the state supervisory agency should determine annually by assessment ratio studies the average level of assessment in each county and make this information available to taxpayers.

The draft legislation incorporates the second approach — the flexible local assessment standard — reinforced by state assessment ratio findings. The requirement of a minimum level guards against the danger that the quality of assessing will deteriorate if the assessment level is too low.

To secure intracounty tax equalization, the draft legislation requires all classes of property within a county to be assessed at a uniform percentage of current market value. The legislation directs the state tax agency to make county assessment ratio studies and, following the example set by Oregon, to give their findings the widest possible circulation. The features of this legislation which provide for maximum publicity to be given assessment ratio and related information are of special importance because they would furnish knowledge on the basis of which administration and compliance could be improved.

To secure intercounty equalization, the draft legislation directs a taxing unit such as a sewer district lying in more than one county to apportion its levy among the counties in which it is situated in accordance with the market value determinations derived from assessment ratio studies made by the state tax agency. This approach, pioneered by Wisconsin, permits an equitable distribution of the tax load without state-ordered adjustments in local assessment levels.

### Suggested Legislation

*[Title should conform to state requirements. The following is a suggestion: "An act establishing assessment standards and performance measurements; establishing interdistrict and intradistrict tax equalization procedures, and for related purposes."]*

*(Be it enacted, etc.)*

1        **Section 1. Definitions.** As used in this act:

2        (1) "Current market value" means the estimated price a property would bring in an open mar-  
3        ket and under the then prevailing market conditions in a sale between a willing seller and a willing

1 buyer, both conversant with the property and with prevailing general price levels.

2 (2) "Assessment level" means the percentage relationship which the assessed value of taxable  
3 property bears to its current market value.

4 (3) "Assessment ratio study" means the comparison, on a sampling basis, of the current mar-  
5 ket value determined from the best information available which may include, but is not limited to  
6 appraisals, deed recordings, documentary or tax stamps and statements of parties to the transaction  
7 with their assessed valuations, and the application of statistical procedures to determine assessment  
8 levels and to measure nonuniformity of assessments.

9 (4) "Average dispersion" means the percentage which the average of the deviations of the assess-  
10 ment ratios of individual sold [or appraised] properties bears to their median ratio.

11 *Section 2. Tax Base Determination.* All classes of taxable property shall be assessed at the same  
12 percentage of current market value within each county. No assessment level shall be lower than  
13 [ ] percent of current market value as found by the assessment ratio studies made by the division  
14 of property taxation [of the state tax agency], hereinafter called the "division." Whenever the pre-  
15 vailing general assessment level within a county, as shown in an assessment ratio study, is below the  
16 minimum assessment level in force pursuant to this section and the division deems it necessary to the  
17 proper administration of the tax laws to order such uniform percentage adjustments in the assess-  
18 ment base, it may issue such order. Whenever such prevailing general assessment level is 10 percent or  
19 more below the minimum assessment level in force pursuant to this section, the county assessor shall  
20 make such uniform percentage adjustment in the assessment base as is necessary to secure compliance  
21 with law. The failure of the division to issue an order pursuant to this paragraph shall be of no evi-  
22 dentiary significance in any proceeding for the abatement or modification of an assessment.

23 *Section 3. Preparation of Assessment Ratio Studies.* The division annually shall make and  
24 issue comprehensive assessment ratio studies of the average level of assessment, the degree of assess-  
25 ment uniformity and overall compliance with assessment requirements for each major class of prop-  
26 erty in each county in the state. In order to determine the degree of assessment uniformity and  
27 compliance in the assessment of major classes of property within each county, the division shall  
28 compute the average dispersion.

29 *Section 4. Notice to Assessor and [Chief County Fiscal Officer]; Hearing.* (a) At least [sixty]  
30 days prior to the issuance of an assessment ratio study, the division shall furnish each county assessor  
31 and each [chief county fiscal officer] a copy of the tentative assessment ratio study for his county.  
32 The copy shall be accompanied by a notice stating that, unless the assessor or [chief county fiscal  
33 officer] files a written demand for a hearing thereon, the tentative assessment ratio study, together  
34 with all findings, shall be final.

35 (b) Upon demand for hearing filed pursuant to subsection (a) of this section, the division shall

1 fix a hearing. The hearing shall be not less than [ten] days nor more than [twenty] days from the  
 2 date when the demand therefor is received, but in no event shall such hearing be less than [five] days  
 3 from the date notice is served upon the county assessor and [chief county fiscal officer] of the  
 4 county from which a demand has been filed.

5 (c) As promptly as may be after such hearing, the division shall inform the county assessor and  
 6 [chief county fiscal officer] whether it has determined to make any changes in the tentative assess-  
 7 ment ratio study, and if so, of their precise content. If the county assessor or [chief county fiscal  
 8 officer] is not satisfied with the study as then proposed to be issued, he may have review of any finding  
 ing or findings, contained therein which formed the basis of the demand for hearing, [as provided in  
 the state administrative procedure act] [by a court of appropriate jurisdiction].

12 [(d) For the purposes of this section, the assessor for a multi-county assessment district shall  
 be deemed the assessor in and for every county for which he is in fact the assessor by virtue of the  
 13 agreement made pursuant to [cite appropriate section of statute authorizing multi-county assessment  
 14 districts].]

15 *Section 5. Publication of Assessment Ratio Information.* Immediately on the issuance thereof,  
 16 the division shall publish each of its assessment ratio studies and shall publish a summary of each such  
 17 study in convenient form. The division shall take such additional steps as may be appropriate to dis-  
 18 seminate to the general public the information contained in its studies.

19 *Section 6. Property Tax Equalization.* (a) Whenever, in the view of the division, an assessment  
 20 ratio for a particular class of property within a county deviates to the degree that a uniform adjust-  
 21 ment in the assessment base is necessary for the proper administration of the tax laws, the division  
 22 shall order the county assessor to make uniform adjustments in the assessment base as are necessary to  
 23 remove such deviation. A deviation of 10 percent or more shall require the division to issue such  
 24 order. The failure of the division to issue an order pursuant to this subsection shall be of no eviden-  
 25 tiary significance in any proceeding for the abatement or modification of an assessment.

26 (b) In any case where a [tax levying unit of government] is situated in more than one county,  
 27 the state and the [tax levying unit of government] shall apportion their tax levies among the various  
 28 counties in the same proportion that the current market value of the property subject to the tax of  
 29 the [tax levying unit of government] in each county bears to the current market value of all property  
 30 subject to the tax of the [tax levying unit of government]. Such apportionment shall be based upon  
 31 the current market value determinations derived from the annual assessment ratio studies made by  
 32 the division. Thereafter the tax rates of the [tax levying unit of government] shall be fixed in the  
 33 respective counties in such manner as is calculated to raise the amounts so apportioned when applied  
 34 to the assessed values therein.

35 *Section 7. Separability.* [Insert separability clause.]

36 *Section 8. Effective Date.* [Insert effective date.]

## PROPERTY TAX REVIEW AND APPEAL PROCEDURE

In many states the hierarchy of administrative and judicial review and appeal agencies for the protection of the property taxpayers is elaborate; but actual protection under the various systems is illusory because, first, the tribunals to which the taxpayer must appeal are not well constituted and staffed for the purpose and second, the burden of proving his case is too onerous and costly. The small taxpayer, in particular, is helpless if he has no simple, inexpensive, and dependable recourse. While numerous states have been undertaking to improve assessment administration by such means as better state supervision, better training for assessors, statewide revaluations, experimentation with fractional assessment, and the use of assessment ratio studies for equalization purposes, they have tended to ignore the need to improve the procedure for assessment review and appeal.

This legislation provides procedures for the hearing and determination of taxpayer protests of assessments. Such protests would be heard by county assessors or local boards of property tax review or, in the case of state assessed property, by the commissioner of the state tax agency. Appeals could be taken from these initial review agencies to a state tax court, established by the suggested act. At each level of review, emphasis is placed on informality of procedure. At the state tax court level a small claims procedure is established.

The legislation specifically provides that the parties to an assessment protest proceeding may make use of data contained in assessment ratio studies. In any proceeding relating to a protested assessment the court or other review agency is directed to accept as conclusive evidence of inequitable assessment a proven deviation of 10 percent or more from the relevant county assessment ratio and grant appropriate relief.

Since other provisions of the suggested legislation here presented make such assessment ratio studies freely available, the result should be a simplification of evidence gathering and presentation in litigation relating to assessments. The appeals procedure above is patterned along the general lines of the Maryland and Massachusetts review systems.

### Suggested Legislation

*[Title should conform to state requirements. The following is a suggestion: "An act providing for protests of assessments, establishing a state tax court, and for related purposes."]*

*(Be it enacted, etc.)*

1        *Section 1. Jurisdiction to Hear Protest.* A taxpayer who desires to protest an assessment of his  
2 property may make such protest as provided in this act. Jurisdiction to hear and determine protest of  
3 assessments shall be only in the courts and agencies upon whom such jurisdiction is conferred by this  
4 act.

5        *Section 2. Assessors and Boards of Review.* (a) In all counties of less than [        ] popula-  
6 tion there shall be a [local board of property tax review] to consist of [specify membership, method  
7 of appointment, and term]. Such board shall hear and determine assessment protests, and shall have  
8 power to alter or modify any protested assessment in order that it may conform with law. In con-  
9 nection therewith, the board may make such review of assessments and order such equalization

1 thereof as may be necessary. At any time when the county assessor has in his regular employ [three]  
 2 or more appraisers holding appraiser's certificates issued by the division of property taxation [of the  
 3 state tax agency], hereinafter called "division," one of such appraisers shall sit with and advise the  
 4 board, but no appraiser shall sit with the board on its hearing of, or advise the board concerning any  
 5 protest of an assessment of property previously appraised by him.

6 (b) In any county [ ] or more population, the county assessor shall have in his regular  
 7 employ at least [three] appraisers holding appraiser's certificates issued by the division. In any such  
 8 county, the county assessor shall have the functions and jurisdiction of a [local board of property tax  
 9 review] and there shall be no such board. In hearing and determining a protest of an assessment the  
 10 assessor shall be assisted by an appraiser regularly employed in his office who has not previously ap-  
 11 praised the property in question.

12 (c) If the assessment function is performed by an assessor acting for and on behalf of more than  
 13 one county as provided in an agreement made pursuant to [cite appropriate section of state statute  
 14 authorizing multi-county assessment districts], a protest of assessment shall be heard and determined  
 15 by the assessor's office functioning under such agreement, if the office has in its regular employ at  
 16 least [three] appraisers holding appraiser's certificates from the division or a [local board of property  
 17 tax review] established by the agreement.

18 (d) In the case of property assessed by the state, neither a [local board of property tax review]  
 19 nor a county assessor shall have jurisdiction to hear or determine a protest. Any such protest shall be  
 20 heard and determined by the [head of the state tax agency].

21 (e) Review of determinations of a [local board of property tax review], a county assessor when  
 22 acting on a protest of assessment, and of determinations of the [head of the state tax agency] when  
 23 acting on a protest of assessment, may be had only in the state tax court as established in section 4 of  
 24 this act.

25 *Section 3. Initiation of Protests.* (a) Within [thirty] days of his receipt of a notice of assess-  
 26 ment or reassessment of property, the owner thereof may protest such assessment or reassessment.  
 27 The protest shall be in writing on a form provided by the [county assessor] [division]. The protest  
 28 may include or be accompanied by a written statement of the grounds for the protest, and may include  
 29 a request for a hearing. The protest, together with the accompanying statement, if any, shall be filed  
 30 with the county assessor having jurisdiction to hear the protest or the [local board of property tax  
 31 review], as the case may be. Thereupon, such county assessor or [local board of property tax review],  
 32 if a hearing has been requested, shall fix the time and place where the protest shall be heard and shall  
 33 serve a notice thereof on the protesting taxpayer.

34 (b) If the taxpayer has requested a hearing, but does not appear in person, he may appear by  
 35 an agent. Such agent shall have power to appear for and act on behalf of the protesting taxpayer

1 only if the protest states the taxpayer's intention so to appear and clearly identifies the agent.

2 (c) Any agent who appears for or with a taxpayer at a hearing held pursuant to this section  
3 shall not be deemed to be engaged in the practice of any licensed trade or profession by reason of  
4 such appearance.

5 (d) At, or in connection with any hearing held pursuant to this section, the protesting taxpayer  
6 shall be entitled to the assistance of an agent and such other persons as he may wish.

7 *Section 4. Tax Court.* (a) There is hereby established the state tax court which, for adminis-  
8 trative purposes only, shall be in the [state tax agency], but which shall be an independent ad-  
9 ministrative tribunal. The court shall consist of a chief judge and [four] associate judges, appointed  
10 by the governor [with the consent of the state senate] [with the consent of the state legislature].  
11 The term of each judge of the court shall be [six] years. The initial appointments shall be as follows:  
12 the chief judge for a term of [six] years; one associate judge for a term of [two] years; one associate  
13 judge for a term of [three] years; one associate judge for a term of [four] years; and one associate  
14 judge for a term of [five] years. Vacancies on the court shall be filled for the unexpired term in the  
15 same manner as appointments to full terms. During his continuance in office neither the chief judge  
16 nor an associate judge shall have any other employment, but shall devote full time to his duties as  
17 such judge.

18 (b) Subject only to review by the [state supreme court], the state tax court shall have jurisdic-  
19 tion to determine all appeals from determinations of the [local board of property tax review], the  
20 county assessor, and the [head of the state tax agency] relative to protested assessments. The state  
21 tax court may affirm, reverse, or modify any determination of the [local board of property tax re-  
22 view], county assessor when acting on a protested assessment, or the [head of the state tax agency]  
23 when acting on a protested assessment.

24 (c) Any taxpayer dissatisfied with the disposition of his protested assessment by the [local  
25 board of property tax review], county assessor, or [head of the state tax agency] may appeal there-  
26 from to the state tax court by filing with the court a written notice of appeal and serving on the  
27 appropriate county assessor or the [head of the state tax agency], as the case may be, a certified copy  
28 of such notice. In order to be valid and effective, any such notice shall be filed and served within  
29 [thirty] days of the disposition from which the appeal is to be taken.

30 (d) Consistent with this act and [cite statutes applicable to proceedings of administrative  
31 tribunals], the state tax court shall provide by rule for practice before it and the conduct of its  
32 proceedings.

33 (e) The state tax court may hear and determine all issues of fact and of law de novo, but a  
34 determination of a [local board of property tax review], county assessor, or the [head of the state  
35 tax agency] shall be affirmed unless contrary to a preponderance of the evidence.

1 (f) If a protested assessment cannot otherwise be brought into conformity with law, the state  
2 tax court may order such adjustments with respect to other assessments of property as are necessary  
3 to produce full conformity with law.

4 (g) Appeals from determinations of the state tax court may be taken to the [state supreme  
5 court] only on questions of law. [Provide procedures for appeals to the state supreme court.]

6 *Section 5. Taking of Testimony.* (a) Any judge of the state tax court, or any employee of  
7 such court, designated in writing for the purpose by the chief judge, may administer oaths, and the  
8 court may summon and examine witnesses and require by subpoena the production of any returns,  
9 books, papers, documents, correspondence, and other evidence pertinent to the matter under inquiry,  
10 at any designated place of hearing, and may authorize the taking of a deposition before any person  
11 competent to administer oaths. In the case of a deposition, the testimony shall be reduced to writing  
12 by the person taking the deposition or under his direction and the deposition shall then be subscribed  
13 by the deponent.

14 (b) The protesting taxpayer whose assessment is in question and the county assessor or [head  
15 of the state tax agency] may obtain an order of the state tax court summoning witnesses or requiring  
16 the production of any returns, books, papers, documents, correspondence and other evidence perti-  
17 nent to the matter under inquiry in the same manner in which witnesses may be summoned and evi-  
18 dence may be required to be produced for the purpose of trials in the [court of appropriate jurisdic-  
19 tion]. Any witness summoned or whose deposition is taken shall receive the same fees and mileage  
20 as witnesses in the [court of appropriate jurisdiction].

21 *Section 6. Small Claims.* (a) The state tax court shall establish by rule a small claims procedure  
22 which, to the greatest extent practicable, shall be informal. The court shall take special care to pro-  
23 vide all protesting taxpayers, wherever located within the state, reasonable and convenient access to  
24 the court, and shall sit at such times and places as may be appropriate to promote such accessibility.

25 (b) Any protesting taxpayer who, pursuant to the disposition of his protest by the county  
26 assessor, [local board of property tax review], or [head of the state tax agency], would incur a tax  
27 liability of less than \$ [1,000.00] by reason of the protested assessment in the first year to which such  
28 assessment applies may elect to employ such procedure to appeal from such disposition, upon pay-  
29 ment of a \$ [2.00] filing fee.

30 (c) The appellant shall file with the state tax court a written statement of the facts in the case,  
31 together with a waiver of the right to appeal to the [state supreme court]. The state tax court shall  
32 cause a notice of the appeal and a copy of such statement to be served on the county assessor or  
33 [head of the state tax agency] whose assessment is in question. If the sole defense offered is that the  
34 property was not overassessed, no further pleadings shall be required.



1            *Section 7. Appeal to [State Supreme Court].* [Use this section to provide procedure for ap-  
2      peal of tax court determinations to state supreme court.]

3            *Section 8. Effect of Assessment Ratio Evidence.* (a) Reports of assessment ratios contained in  
4      assessment ratio studies of the division shall be conclusive evidence of what the reported ratio is in  
5      fact, unless a party to such proceedings establishes that such ratio is not supported by substantial  
6      evidence or was derived or established in a manner contrary to law.

7            (b) In any proceeding relating to a protested assessment it shall be a sufficient defense of such  
8      assessment that it is accurate within reasonable limits of practicality; but a proven deviation of ten  
9      percent or more from the relevant county assessment ratio shall establish conclusively the invalidity  
10     of such defense.

11           *Section 9. Separability.* [Insert separability clause.]

12           *Section 10. Effective Date.* [Insert effective date.]

## REAL ESTATE TRANSFER TAX

More than thirty States, the District of Columbia, and a number of local governments impose a tax on the transfer of real estate. In addition to the revenue produced this tax yields information on real estate prices that can be used in conjunction with assessed values to determine the level and uniformity achieved in assessment administration.

The accompanying suggested legislation is based in part on the West Virginia "Realty Transfer Tax" statute (W. Va. Code, Ch. 11, Art. 22). The suggested draft language includes, in addition to the usual provisions for imposition and collection of the tax, with definitions and exemptions, a provision (Section 4) requiring that a sworn statement of the actual selling price or current market value of the transferred property be attached to each deed presented for recordation. A provision of this kind would strengthen administration of the tax and facilitate the ready availability of sales price data for sales-assessment ratio studies in connection with property tax administration.

### Suggested Legislation

*[Title should conform to state requirements. The following is a suggestion: "An act imposing a real estate transfer tax."]*

*(Be it enacted, etc.)*

1        *Section 1. Definitions.* As used in this act:

2        (1) "Deed" means [insert the definition applied in the state's law pertaining to real estate].

3        (2) "Registrar" means [insert title of local official responsible for recording deeds].

4        (3) "Value" means: (i) in the case of any deed not a gift, the amount of the full actual consid-  
5        eration therefor, paid or to be paid, including the amount of any lien or liens thereon; and (ii) in the  
6        case of a gift, or any deed with nominal consideration or without state consideration, the estimated  
7        price the property would bring in an open market and under the then prevailing market conditions in  
8        a sale between a willing seller and a willing buyer, both conversant with the property and with pre-  
9        vailing general price levels.

10       *Section 2. Imposition of Tax.* A tax is imposed at the rate of [\$     for each \$     of value or  
11       fraction thereof] [     per centum of the value], which value is declared in the affidavit required by  
12       Section 4, upon the privilege of transferring title to real property.

13       *Section 3. Collection of Tax.*

14       (a) If any deed evidencing a transfer of title subject to the tax herein imposed is offered for  
15       recordation, the [Registrar] shall ascertain and compute the amount of the tax due thereon and shall  
16       collect such amount as prerequisite to acceptance of the deed for recordation.

17       (b) The amount of tax shall be computed on the basis of the value of the transferred property  
18       as set forth in the affidavit required by Section 4 of this act.

1           *Section 4. Declaration of Value.*

2           (a) Each deed evidencing a transfer of title subject to the tax as herein provided shall have ap-  
3           pended thereto an affidavit of the parties to the transaction or their legal representatives declaring the  
4           value of the property transferred. If the transfer is not subject to the tax as herein provided, the af-  
5           fidavit shall specify the reasons for the exemption.

6           (b) The form of affidavit shall be prescribed by the [state tax agency] which shall provide an  
7           adequate supply of such forms to each [Registrar] in the state.

8           (c) The [Registrar] shall transmit two true copies of the affidavit to the [Assessor] who shall  
9           insert the most recent assessed value of each parcel of the transferred property on both copies and shall  
10          transmit one copy to the [state tax agency].

11          *Section 5. Disposition of Proceeds.* [Insert appropriate language as to disposition of proceeds.]<sup>1</sup>

12          *Section 6. Powers and Duties of [state tax agency].*

13          (a) The [state tax agency] may prescribe such rules and regulations as reasonably necessary to  
14          facilitate and expedite the imposition, collection, and administration of the tax imposed pursuant to  
15          this act.

16          (b) [If not already provided by applicable statutes insert additional subsections conferring such  
17          powers and imposing such duties as the [state tax agency] may need to compel the production of tax-  
18          payer records, to extend the time for the filing of the declaration of value, and to provide for refund-  
19          ing erroneous payments.]

20          *Section 7. Penalty for Recording Without Tax.* Any [Registrar] who willfully shall record any  
21          deed upon which a tax is imposed by this act without collecting the proper amount of tax required  
22          by this act based on the declared value indicated in the affidavit appended to such deed shall, upon  
23          conviction, be fined [fifty dollars (\$50)] for each offense.

24          *Section 8. Penalty for Falsifying Value.* Any person who shall willfully falsify the value of  
25          transferred real estate on the affidavit required by Section 4 of this act shall, upon conviction, be  
26          subject to a fine of not more than [\$1,000 or to imprisonment of not more than one year, or to both  
27          such fine and imprisonment] for each offense.

28          *Section 9. Exemptions.* The tax imposed by this act shall not apply to a transfer of title:

- 29           (1) recorded prior to the effective date of this act;  
30           (2) to the United States of America, this state, or any instrumentality, agency, or subdivision  
31          thereof;  
32           (3) solely in order to provide or release security for a debt or obligation;

<sup>1</sup>Disposition of the proceeds is a matter for state policy determination. Some states will wish to use the entire proceeds for state purposes. Others will wish to share the real estate transfer tax with their local governments; still others will make the entire proceeds available to their local governments.

- 1           (4) which confirms or corrects a deed previously recorded;
- 2           (5) between husband and wife, or parent and child with only nominal actual consideration
- 3 therefor;
- 4           (6) on sale for delinquent taxes or assessments;
- 5           (7) on partition;
- 6           (8) pursuant to mergers of corporations;
- 7           (9) by a subsidiary corporation to its parent corporation for no consideration, nominal consid-
- 8 eration, or in sole consideration of the cancellation or surrender of the subsidiary's stock.
- 9           *Section 10. Effective Date.* [Insert effective date.]

## PROPERTY TAX RELIEF FOR LOW-INCOME FAMILIES

The property tax can quickly create a disproportionate claim on a family's financial resources once retirement, the death or physical disability of the bread-winner, or unemployment reduces sharply the flow of income. Local governments as a rule have neither the legal authority nor the fiscal capacity to alleviate these potential property tax over-burden situations, but States have both. California, Kansas, Minnesota, Vermont and Wisconsin have developed an efficient tax relief mechanism designed to avoid the special hardships frequently experienced by low-income property-owners. Low-income, elderly homeowners and renters in these states either claim a credit against their State income tax liability or, if the credit exceeds their income tax liability, receive a rebate from the State for that portion of their property tax liability deemed by the legislature to be excessive in relation to their household income.<sup>1</sup>

In a number of States, homestead exemption, a durable by-product of the 1930's depression, offers some protection from undue property tax burdens on low-income occupants of dwellings and farms. This method, however, bestows property tax relief to all homeowners, not just those with low incomes, and misses completely the low-income families in rented properties. The policy of granting homestead exemptions involves a substantial amount of injustice among individual taxpayers and taxing jurisdictions at a large and usually unwarranted sacrifice of local property tax revenue.<sup>2</sup> If the exemption privilege is restricted to low income households and the State reimburses local governments for the cost of this program, the more obvious defects of the exemption approach could be minimized. It is not, however, flexible enough to alleviate extraordinary property tax burdens that may be experienced indirectly by low income households in rented quarters.

To the extent that landlords can shift the property tax to tenants, low income households in rented quarters also feel the pinch of extraordinary property tax burdens in relation to current income. Minnesota, Vermont and Wisconsin have recognized this by establishing a percentage of gross rent as rent constituting property taxes accrued. This percentage serves as the property tax equivalent which renters may use in claiming income tax credit or rebate.

As a means of preventing fiscal overburdens, the tax credit-tax rebate technique has unique advantages. Because this tax relief program is financed from State funds and administered by a State agency, it neither erodes the local tax base nor interferes in any way with the local assessment or rate-setting processes. It can be designed to maximize the amount of aid extended to low-income homeowners and renters while minimizing loss of revenue. It operates in the "right" direction from both inter-jurisdictional and inter-personal standpoints; because the poor tend to be clustered together, the major portion of the relief will redound to the benefit of low-income households and low-income communities.

The suggested legislation contains three alternative methods of determining an extraordinary property tax burden. One alternative uses the Vermont method of defining the extraordinary burden as the amount in excess of a specified percentage of household income. A second alternative uses the Minnesota method where the extraordinary burden is defined as a specified percentage (depending upon income size) times the property tax paid. A third alternative is designed to reflect differences in extraordinary burdens that stem from variations in size of family. Under this alternative, the claimant's extraordinary burden is the amount that exceeds a specified number times the liability the claimant would have if he calculated his State personal income tax liability using total household income as defined in this bill less personal and dependents allowances provided in the State income tax law. Two States specify \$300 as the maximum amount of the property taxes or rent constituting property taxes that can be used in claiming the credit.

<sup>1</sup>Except that in the State of California, State rebate only applies.

<sup>2</sup>Advisory Commission on Intergovernmental Relations, *The Role of the States in Strengthening the Property Tax* (Washington, D.C., 1963).

For purposes of this legislation, income means not only income as defined for income tax purposes but also social security, pension and annuity payments, nontaxable interest, workman's compensation, and the gross payment of "loss of time" insurance. To protect the State against "doubling-up" on the charge against public funds, any person who is a recipient of public funds for the payment of taxes or rent during the period for which the claim is filed may not claim tax relief under the act.

The following suggested legislation is patterned after the Wisconsin, Minnesota, and Vermont statutes. Language has been included (alternative Section 5) that would provide an outright rebate to those who qualify in States without a personal income tax that desire to grant this type of relief.

### **Suggested Legislation**

*[Title should conform to state requirements. The following is a suggestion: "An Act to Reimburse Low-Income Homeholders for Extraordinary Property Tax Burdens.]*

*(Be it enacted, etc.)*

1           **Section 1. Short Title.** This act may be cited as the "Extraordinary Tax Relief Act."

2           **Section 2. Purpose.** The purpose of this act is to provide relief, through a system of income tax  
3 credits and refunds and appropriations from the general fund, to certain persons who own or rent their  
4 homestead.

5           **Section 3. Definitions.** As used in this act:

6           (1) "Income" means the sum of federal adjusted gross income as defined in the Internal Revenue  
7 Code of the United States, the amount of capital gains excluded from adjusted gross income, alimony,  
8 support money, nontaxable strike benefits, cash public assistance and relief (not including relief granted  
9 under this act), the gross amount of any pension or annuity (including railroad retirement benefits, all  
10 payments received under the federal social security act, State unemployment insurance laws, and  
11 veterans disability pensions), nontaxable interest received from the Federal Government or any of its  
12 instrumentalities, workman's compensation, and the gross amount of "loss of time" insurance. It does  
13 not include gifts from nongovernmental sources, or surplus foods or other relief in kind supplied by a  
14 governmental agency.

15           (2) "Household" means a claimant and spouse.

16           (3) "Household income" means all income received by all persons of a household in a calendar  
17 year while members of the household.

18           (4) "Homestead" means the dwelling, whether owned or rented, and so much of the land sur-  
19 rounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home, and  
20 may consist of a part of a multi-dwelling or multi-purpose building and a part of the land upon which  
21 it is built. ("Owned" includes a vendee in possession under a land contract and of one or more joint

1 tenants or tenants in common.) It does not include personal property such as furniture, furnishings or  
 2 appliances, but a mobile home may be a homestead.

3 (5) "Claimant" means a person who has filed a claim under this act and was domiciled in this  
 4 state during the entire calendar year preceding the year in which he files claim for relief under this  
 5 act. In the case of claim for rent constituting property taxes accrued, the claimant shall have rented  
 6 property during the entire preceding calendar year in which he files for relief under this act and shall  
 7 have occupied the same residence quarters for at least six months of the preceding calendar year.  
 8 When two individuals of a household are able to meet the qualifications for a claimant, they may de-  
 9 termine between them as to who the claimant shall be. If they are unable to agree, the matter shall  
 10 be referred to the [tax commissioner] and his decision shall be final. If a homestead is occupied by  
 11 two or more individuals, and more than one individual is able to qualify as a claimant, and some or all  
 12 the qualified individuals are not related, the individuals may determine among them as to who the  
 13 claimant shall be. If they are unable to agree, the matter shall be referred to the [tax commissioner],  
 14 and his decision shall be final. If a homestead is occupied by two or more individuals, and more than  
 15 one individual is able to qualify as a claimant, and some or all the qualified individuals are not related,  
 16 the individuals may determine among them as to who the claimant shall be. If they are unable to  
 17 agree, the matter shall be referred to the [tax commissioner], and his decision shall be final.

18 (6) "Rent constituting property taxes accrued" means [20 or 25]<sup>1</sup> percent of the gross rent  
 19 actually paid in cash or its equivalent in any calendar year by a claimant and his household solely for  
 20 the right of occupancy of their (name of state) homestead in the calendar year, and which rent con-  
 21 stitutes the basis, in the succeeding calendar year, of a claim for relief under this act by the claimant.

22 (7) "Gross rent" means rental paid solely for the right of occupancy (at arms-length) of a home-  
 23 stead, exclusive of charges for any utilities, services, furniture, furnishings or personal property ap-  
 24 pliances furnished by the landlord as a part of the rental agreement, whether or not expressly set out  
 25 in the rental agreement. If the landlord and tenant have not dealt with each other at arms-length, and  
 26 the [tax commissioner] is satisfied that the gross rent charged was excessive, he may adjust the gross  
 27 rent to a reasonable amount for purposes of this act.

28 (8) "Property taxes accrued" means property taxes (exclusive of special assessments, delinquent  
 29 interest, and charges for service) levied on a claimant's homestead in this State in [calendar year] or  
 30 any calendar year thereafter. If a homestead is owned by two or more persons or entities as joint  
 31 tenants or tenants in common, and one or more persons or entities are not a member of claimant's  
 32 household, "property taxes accrued" is that part of property taxes levied on the homestead which  
 33 reflects the ownership percentage of the claimant and his household. For purposes of this paragraph

<sup>1</sup> Twenty percent used in Minnesota and Vermont; 25 percent in Wisconsin.

1 property taxes are “levied” when the tax roll is delivered to the local [treasurer] for collection. If a  
 2 claimant and spouse own their homestead part of the preceding calendar year and rent it or a different  
 3 homestead for part of the same year, “property taxes accrued” means only taxes levied on the home-  
 4 stead when both owned and occupied by the claimant at the time of the levy, multiplied by the per-  
 5 centage of 12 months that such property was owned and occupied by the household as its homestead  
 6 during the preceding year. When a household owns and occupies two or more different homesteads in  
 7 this State in the same calendar year, property taxes accrued shall relate only to that property occupied  
 8 by the household as a homestead on the levy date. If a homestead is an integral part of a larger unit  
 9 such as a farm, or a multi-purpose or multi-dwelling building, property taxes accrued shall be that per-  
 10 centage of the total property taxes accrued as the value of the homestead is of the total value. For pur-  
 11 poses of this paragraph “unit” refers to the parcel of property covered by a single tax statement of which  
 12 the homestead is a part.

13 *Section 4. Claim is Personal.* The right to file claim under this act shall be personal to the  
 14 claimant and shall not survive his death, but such right may be exercised on behalf of a claimant by his  
 15 legal guardian or attorney-in-fact. If a claimant dies after having filed a timely claim, the amount  
 16 thereof shall be disbursed to another member of the household as determined by the [tax commis-  
 17 sioner]. If the claimant was the only member of his household, the claim may be paid to his executor  
 18 or administrator, but if neither is appointed and qualified within 2 years of the filing of the claim, the  
 19 amount of the claim shall escheat to the state.

20 *Section 5. Claim as Income Tax Credit or Rebate.* Subject to the limitations provided in this  
 21 act, a claimant may claim in any year as a credit against [name of State] income taxes otherwise due  
 22 on his income, property taxes accrued, or rent constituting property taxes accrued, or both in the  
 23 preceding calendar year. If the allowable amount of such claim exceeds the income taxes otherwise  
 24 due on claimant’s income, or if there are no [state] income taxes due on claimant’s income, the amount  
 25 of the claim not used as an offset against income taxes, after audit [or certification] by the [tax commis-  
 26 sioner], shall be paid to claimant from balances retained by the [treasurer] for general purposes. No  
 27 interest shall be allowed on any payment made to a claimant pursuant to this act.<sup>1</sup>

28 [Alternative Section 5 for States not imposing a personal income tax. *Claim as Rebate From*  
 29 *State Funds.* Subject to the limitations provided in this act, a claimant may claim in any year a rebate  
 30 for property taxes accrued or rent constituting property taxes accrued or both in the preceding year.  
 31 The amount of the rebate, after audit or certification by the [tax commissioner] shall be paid to  
 32 claimant from balances retained by the [treasurer] for general purposes.]



1            *Section 6. Filing Date.* No claim with respect to property taxes accrued or with respect to rent  
2 constituting property taxes accrued shall be paid or allowed, unless the claim is actually filed with and  
3 in the possession of the [tax department] on or before [date for filing initial claim]. Subject to the  
4 same conditions and limitations, claims may be filed on or before (income tax filing date or other  
5 specified date) with respect to property taxes accrued of the next preceding calendar year.

6            *Section 7. Satisfaction of Outstanding Tax Liabilities.* The amount of any claim otherwise pay-  
7 able under this act may be applied by the [tax department] against any liability outstanding on the  
8 books of the department against the claimant, or against his or her spouse who was a member of the  
9 claimant’s household in the year to which the claim relates.

10           *Section 8. One Claim Per Household.* Only one claimant per household per year shall be en-  
11 titled to relief under this act.

12           *Section 9. Computation of Credit.* The amount of any claim made pursuant to this act shall  
13 be determined as follows:

14           (1) (based on Vermont statute) For any taxable year, a claimant shall be entitled to a credit  
15 against his tax liability equal to the amount by which the property taxes or rent constituting prop-  
16 erty taxes upon the claimant’s homestead for the taxable year exceeds [7] percent of the claimant’s  
17 total household income for that taxable year.

OR

18           (1) (based on Minnesota statute) For any taxable year, a claimant shall be entitled to credit  
19 in accordance with the following schedule:

<i>Income Range</i>	<i>Percent of Property Taxes</i>
0 – 499 . . . . .	(75) percent
500 – 999 . . . . .	(70) percent
1,000 – 1,499 . . . . .	(50) percent
1,500 – 1,999 . . . . .	(40) percent
2,000 – 2,499 . . . . .	(30) percent
2,500 – 2,999 . . . . .	(20) percent
3,000 – 3,499 . . . . .	(10) percent

OR

20           (1) (To reflect family size) For any taxable year, a claimant shall be entitled to a credit against  
21 his State personal income tax liability equal to the amount by which property taxes or rent constituting  
22 property taxes upon the claimant’s homestead for the taxable year is in excess of [2] times the amount  
23 of the claimant’s “recomputed State personal income tax liability.” “Recomputed State personal in-  
24 come tax liability” for purposes of this act means the amount obtained by applying the appropriate

1 State income tax rates to the result obtained by subtracting the claimant's personal exemption and de-  
2 pendent allowances as set forth in the State personal income tax statute from the claimant's total house-  
3 hold income as defined in Section 3.

4 (2) In any case in which property taxes accrued, or rent constituting property taxes accrued, or  
5 both, in any one year in respect of any household exceeds [\$300<sup>1</sup> ], the amount thereof shall, for pur-  
6 poses of this act, be deemed to have been [\$300<sup>1</sup> ].

7 (3) The [tax commissioner] shall prepare a table under which claims under this act shall be de-  
8 termined. The table shall be published in the department's official rules and shall be placed on the ap-  
9 propriate tax blanks. The amount of claim as shown in the table for each bracket shall be computed  
10 only to the nearest 10 cents.

11 (4) The claimant, at his election, shall not be required to record on his claim the amount claimed  
12 by him. The claim allowable to persons making this election shall be computed by the department,  
13 which shall notify the claimant by mail of the amount of his allowable claim.]

14 *Section 10. Administration.* The [tax commissioner] shall make available suitable forms with  
15 instructions for claimants, including a form which may be included with or as part of the individual  
16 income tax blank. The claim shall be in such form as the [tax commissioner] may prescribe.

17 *Section 11. Proof of Claim.* Every claimant under this act shall supply to the [department of  
18 taxation], in support of his claim, reasonable proof of rent paid, name and address of owner or man-  
19 aging agent of property rented, property taxes accrued, changes of homestead, household member-  
20 ship, household income, size and nature of property claimed as the homestead and a statement that the  
21 property taxes accrued and used for purposes of this act have been or will be paid by him and that  
22 there are no delinquent property taxes on the homestead.

23 *Section 12. Audit of Claim.* If on the audit of any claim filed under this act the [tax commis-  
24 sioner determines the amount to have been incorrectly determined, he shall redetermine the claim  
25 and notify the claimant of the redetermination and his reasons for it. The redetermination shall be  
26 final unless appealed within 30 days of notice.

27 *Section 13. Denial of Claim.* If it is determined that a claim is excessive and was filed with  
28 fraudulent intent, the claim shall be disallowed in full, and, if the claim has been paid or a credit has  
29 been allowed against income taxes otherwise payable, the credit shall be canceled and the amount  
30 paid may be recovered by assessment (as income taxes are assessed), and the assessment shall bear in-  
31 terest from the date of payment or credit of the claim, until refunded or paid, at the rate of one per-

<sup>1</sup> \$600 in Minnesota.

1 cent per month. The claimant in such case, and any person who assisted in the preparation or filing  
2 of such excessive claim or supplied information upon which such excessive claim was prepared, with  
3 fraudulent intent, is guilty of a misdemeanor. If it is determined that a claim is excessive and was  
4 negligently prepared, 10 percent of the corrected claim shall be disallowed, and if the claim has been  
5 paid or credited against income taxes otherwise payable, the credit shall be reduced or canceled, and  
6 the proper portion of any amount paid shall be similarly recovered by assessment (as income taxes  
7 are assessed), and the assessment shall bear interest at one percent per month from the date of pay-  
8 ment until refunded or paid.

9 *Section 14. Rental Determination.* If a homestead is rented by a person from another person  
10 under circumstances deemed by the [tax commission] to be not at arms-length, he may determine  
11 rent constituting property taxes accrued as at arms-length, and, for purposes of this act, such deter-  
12 mination shall be final.

13 *Section 15. Appeals.* Any person aggrieved by the denial in whole or in part of relief claimed  
14 under this act, except when the denial is based upon late filing of claim for relief [or is based upon a  
15 redetermination of rent constituting property taxes accrued as at arms-length] may appeal the denial  
16 to the [appropriate state agency] by filing a petition within 30 days after such denial.

17 *Section 16. Public Welfare Recipients Excluded.* No claim for relief under this act shall be al-  
18 lowed to any person who is a recipient of public funds for the payment of the taxes or rent during  
19 the period for which the claim is filed.

20 *Section 17. Disallowance of Certain Claims.* A claim shall be disallowed, if the department  
21 finds that the claimant received title to his homestead primarily for the purpose of receiving benefits  
22 under this act.

23 *Section 18. Extension of Time for Filing Claims.* In case of sickness, absence, or other disabil-  
24 ity, or if, in his judgement, good cause exists, the [tax commissioner] may extend for a period not to  
25 exceed six months the time for filing a claim.

26 *Section 19. Separability* [Insert separability clause].

27 *Section 20. Effective date.* [Insert effective date].

## STATE FINANCING OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

State assumption of primary responsibility for public elementary and secondary school financing stands out as one practical way to achieve substantial parity of resources behind each pupil. As long as local school districts have wide latitude in setting their own tax levels, great variations in both wealth and willingness to tax will produce significant differences in the amount of resources behind each student and consequent differences in the quality of education itself.

Increasingly, the cost and economic consequences of high quality and low quality education are felt well beyond the boundaries of the local school district. No student should be denied an adequate educational opportunity because of the accidents of local property tax geography.

Equality of educational opportunity is of critical importance in a democratic society dedicated to the proposition that all persons should have an equal chance to develop their potentialities to the fullest. This objective takes on a particular urgency as technological advancement causes employment opportunities to become increasingly restricted to persons with professional and technical skills.

Heavy reliance on the property tax for local school support can contribute to severe fiscal tensions in the intergovernmental financing system. Since 1942, local schools have increased their share of receipts from local property taxes from less than one-third to slightly more than one-half of all local property tax revenue. Local non-educational functions have become inferior claimants in the competition for the local property tax base. Counties and cities have been constrained from adequate use of the local property tax through heavy use of the tax by school boards. An increasingly skewed system of financing has developed, one in which costs for a major function of widespread benefit are largely localized.

This suggested legislation would relieve local property taxpayers of substantially all of the burden of underwriting the cost of education. Several States, including North Carolina and Delaware, have approached the goal of complete State assumption of financial responsibility. Hawaii has assumed complete financial and administrative responsibility for local public schools.

Budgetary considerations may dictate a somewhat gradual rather than an immediate substitution of State tax dollars for local property tax receipts. However, there is evidence to suggest that perhaps as many as 20 or more States could assume responsibility for substantially all public school financing if they made as intensive use of personal income and sales taxes as the "heavy-user States" now make on the average. When viewed alongside the potential decrease in the local property tax, State assumption of financial responsibility loses its idealistic cast and takes on the appearance of a realistic and equitable readjustment of the total tax burden.

This legislation restricts the amount of local supplementation to not more than 10% of the State outlay for local schools. Failure to do this would undermine the objectives of creating a fiscal environment more conducive to equal educational opportunity and of making more of the property tax base available to finance the general functions of local government.

**Suggested State Legislation**

*[Title should conform to state requirements. The following is a suggestion: "An Act to Provide for the Financial Support of Public Elementary and Secondary Schools."]*

*(Be it enacted, etc.)*

1           **Section 1. Purpose.** The purposes of this act are: to achieve high quality elementary and  
2 secondary educational programs for all children in this state; to assure substantial parity in the  
3 financial support of public elementary and secondary schools, while taking due account of the  
4 differences among pupils in their educational needs; and to relieve the local property tax base of  
5 substantially all of the financial burden of elementary and secondary education, thereby releasing  
6 local property tax resources for the support of other local public services. To accomplish these  
7 purposes the legislature declares it to be a responsibility of the state to provide substantially all the  
8 financial support for public elementary and secondary schools, with appropriate educational policy-  
9 making authority to be exercised by local school [districts] as provided by law.

10           **Section 2. State School Support Plan.** (a) The [chief state school officer] shall prepare a  
11 State School Support Plan for inclusion in the [annual] budget submitted by the Governor to the  
12 Legislature. The State School Support Plan shall include:

13           (1) Information required to determine an adequate level of State financial support for public  
14 elementary and secondary education for each local school [district]; and

15           (2) Amounts of State funds recommended to be allocated to each public school [district] to  
16 implement an elementary and secondary educational program that meets all requirements of State  
17 law.

18           (b) In developing the State School Support Plan, the [chief state school officer] shall identify  
19 and estimate for each public school [district] (1) the cost of providing elementary and secondary  
20 educational services and facilities, including special educational services and facilities and the number  
21 and kinds of instructional and other personnel; and (2) the cost of acquiring and maintaining land,  
22 buildings and equipment, including transportation equipment. In determining the cost of special  
23 educational services, the [chief state school officer] shall take into consideration such factors as:

24           (1) The number of pupils falling below minimum educational competence as established by  
25 standardized tests;

26           (2) The number of children under [19] not attending school who have not completed  
27 twelve grades; and

1           (3) The number of children<sup>1</sup> counted in determining a grant from the Federal government  
2 under Title I of Public Law 89-10, 20 U.S.C.A. 241c, as amended.

3           *Section 3. School [Districts] to Provide Information.* Upon request of the [chief state school  
4 officer], the [superintendent] of each public elementary and secondary school [district] shall provide  
5 any information, including financial records, which the [chief state school officer] requires for the  
6 development of the State School Support Plan.

7           *Section 4. Payments to School [Districts].* The funds provided by the state for the support of  
8 public elementary and secondary education shall be allocated by the [chief state school officer] to the  
9 several public elementary and secondary school [districts] of the state in a manner that will carry out  
10 as nearly as may be the State School Support Plan. The [chief state school officer] shall notify the  
11 [state disbursing officer] of the amounts allocated to each local [district] and shall notify the [super-  
12 intendent] of each local district of the amount allocated to it. The [state disbursing officer] shall  
13 make [quarterly] payments to the [districts] of the amounts so allocated.

14           *Section 5. Local Levies for School Purposes.* In addition to the amount allocated pursuant to  
15 section 4, any public elementary and secondary school [district] may spend for school purposes, from  
16 the levy and collection of taxes and charges authorized by law to be imposed in the jurisdiction, an  
17 amount not to exceed [10] percent of the amount so allocated.

18           *Section 6. Repeal of Conflicting Acts or Sections of Acts.* [Insert repealing clause.]

19           *Section 7. Separability.* [Insert separability provision.]

20           *Section 8. Effective date.* [Insert effective date.]

<sup>1</sup>From low income families and from families receiving payments under the state program of aid to families with dependent children.

## AN EQUALIZING STATE FOUNDATION PROGRAM FOR HEALTH AND HOSPITALS

The financial practices of State governments in providing public health and hospital services reveal that – with few exceptions – those States using intergovernmental transfers take no cognizance of the variations in local fiscal capacity. Equalization provisions would help to aim this State financial assistance predominantly at those jurisdictions where needs are greatest in relation to resources. At the same time, differences in local tax rates to finance comparable programs would be minimized.

Greater equalization would help the poorest areas of a State to provide more adequate personnel and facilities. Where public health and hospital facilities currently are financed from State as well as local resources, explicit recognition of variations in local fiscal capacity would provide more comparable facilities throughout the State without requiring disproportionate tax efforts in poorer jurisdictions.

The following suggested State legislation takes a minimum foundation approach to the support of public health and hospital facilities. It requires a minimum local contribution beyond which the State will “fill in” the sums necessary to maintain an adequate public health and hospital program. The bill bases the local contribution on a specified percentage of the property tax base, but leaves to the option of the local government whether to impose such a property tax levy or to obtain the funds from such other local revenue sources as may be legally available.

The draft bill (section 4) lists a number of services that may be included in a comprehensive local health program. Some states may wish to exclude services relating to mental illness, narcotic addiction and drug abuse, or alcoholism, where these are separate programs administered independently of the general health program.

### Suggested State Legislation

*[Title should conform to state requirements. The following is a suggestion: “An Act Providing for an Equalizing State Minimum Foundation Support Program for Comprehensive Community Health Services and Facilities.”]*

*(Be it enacted, etc.)*

- 1        **Section 1. Purpose.** It is the purpose of this act to provide state financial support for a joint
- 2 state-local comprehensive community health program on an equalizing basis that takes into account
- 3 both the relative need and the fiscal capacity of each [appropriate local government]. The legislature
- 4 finds that equalized assessed valuation of property is a suitable basis for determining local fiscal capacity
- 5 and that needs for health services and facilities can best be determined by the state [health department]
- 6 on the basis of a continuing statewide survey and analysis of state and local health programs.
- 7        **Section 2. Local Public Health Support Plan.** On the basis of surveys and analyses of local
- 8 general public health and hospital needs, the state [health department] shall prepare a Local Public

1 Health Support Plan for inclusion in the budget submitted by the Governor to the legislature. The  
 2 plan shall set forth the requirements of an adequate public health and hospital program for each  
 3 [appropriate local government] and shall recommend the amount of state funds to be allocated to  
 4 each [appropriate local government] which, when added to [ ] percent of the equalized assessed  
 5 valuation of property subject to taxation in the local jurisdiction, will provide the amount required  
 6 for an adequate local public health program. The Local Public Health Support Plan shall include, but  
 7 shall not be limited to, the following services:

8 (1) Public health administration and research laboratories, education, statistics, nursing and  
 9 other general health activities;

10 (2) Categorical health programs such as control of cancer, tuberculosis, mental illness and  
 11 maternal and child health;

12 (3) Environmental health programs such as inspections of water supply, food handling estab-  
 13 lishments, health examinations of individuals, sanitary engineering, water pollution control, and  
 14 other activities for eliminating or abating health hazards;

15 (4) Immunization, treatment clinics, crippled children's services, and school health services;

16 (5) Medical vendor payments not identified with public assistance programs;

17 (6) Establishment and operation of hospital facilities and institutions for care and treatment  
 18 of the handicapped, provision of hospital care, and support of other public or private hospitals;

19 (7) Narcotic addict clinics and rehabilitation facilities;

20 (8) Alcoholism prevention, treatment and control; and

21 (9) [Other specified public health services].

22 *Section 3. Local Units to Provide Information.* Upon request of the [commissioner] of the  
 23 state [health department], the [chief executive officer] of each [appropriate local government]  
 24 shall provide any information, including financial records, which the [commissioner] requires for  
 25 the development of the Local Public Health Support Plan.

26 *Section 4. Local Budget to be Submitted.* [Sixty] days prior to the time budgets are finally  
 27 adopted, the [local governing body] in each local government shall submit a proposed public health  
 28 and hospital program budget to the state [health department]. The [commissioner] shall consider  
 29 the proposed budget and return it with his recommendations to the [local governing body] within  
 30 [thirty] days. If the [local governing body] fails to change its proposed budget to incorporate the  
 31 recommendations in the budget as finally adopted, the [commissioner], after affording the [local  
 32 governing body] an opportunity to be heard, may withhold from that local government all or any  
 33 part of the funds appropriated by the legislature to carry out the provisions of this act.



1           *Section 5. Local Appropriations.* Each [appropriate local government] shall budget and ap-  
 2     propriate sufficient money to provide a comprehensive program of community health services as  
 3     specified in the Local Public Health Support Plan; provided, however, that no [appropriate local  
 4     government] shall be required by the provisions of this act to appropriate for this purpose more  
 5     than the sum of the payments allocated from funds appropriated by the legislature for the purposes  
 6     of this act plus [     ] percent of the equalized assessed valuation of taxable property.

7           *Section 6. Basis for Payments.* From funds provided by the legislature, the [commissioner]  
 8     of the state [health department] shall authorize payments to be made to each [appropriate local  
 9     government] to carry out as nearly as may be the Local Public Health Support Plan. The [com-  
 10    missioner] shall notify the [state disbursing officer] of the amounts allocated to each [appropriate  
 11    local government] and shall notify the [appropriate officer] of each local government of the amount  
 12    allocated to it. The [state disbursing officer] shall make [quarterly] payments to the local govern-  
 13    ments of the amounts so allocated.

14          *Section 7. Annual Evaluation of Costs; Reduction of State Aid.*

15          The [commissioner] of the state [health department] shall review annually each local health  
 16    and hospital program in the state to determine if the costs are in excess of what is reasonably neces-  
 17    sary to maintain in an efficient manner an adequate general public health program. If the [commis-  
 18    sioner] finds that costs are excessive in any [appropriate local government] receiving funds pursuant  
 19    to section 5 of this act, he shall notify the [local governing body] of his findings and recommenda-  
 20    tions for reducing costs and, after [thirty] days' notice, shall conduct a public hearing in the locality  
 21    on his findings and recommendations. Upon completion of the hearing, the [commissioner] may  
 22    set a reasonable period of time, not to exceed [one year], for the [local governing body] to comply  
 23    with his recommendations for reducing costs. If at the end of the designated period of time the  
 24    [local governing body] has failed to comply, the [commissioner] from that time on shall allow to  
 25    that local government only the amount of money from state funds that would have been the amount  
 26    allowed if the recommendations had been effected. The [Commissioner] shall report to the Governor  
 27    and the legislature his findings and recommendations, the results of public hearings, and the amount  
 28    of state funds withheld from any [appropriate local government] pursuant to this section.

29          *Section 8. Local Supplements.* Any [appropriate local government], with the use of its own  
 30    funds, may provide other local health services in addition to those supported by state funds, and  
 31    may supplement the health services supported by state funds.

32          *Section 9. Separability.* [Insert separability clause].

33          *Section 10. Effective Date.* [Insert effective date].

## DISTRIBUTION OF STATE HIGHWAY-USER REVENUES TO LOCAL GOVERNMENTS

Although transportation needs have changed drastically as population has concentrated in the urban areas, most state formulas for distributing highway-user revenues to local governments date from an earlier era and many of them favor the rural areas.

Urban communities are faced with an ever-growing traffic volume and with increasing construction and maintenance costs in order to keep this traffic flowing—costs which generally have not been taken into account in formulas under which state highway-user funds are now allocated. To correct the imbalance between rural and urban highway aid, the following draft legislation includes an allocation formula that reflects fiscal capacity and actual needs as measured by such factors as population, commuter patterns and expenditure requirements.

The draft legislation also recognizes the need to allow more flexibility in the use of highway-user funds—particularly in urban areas. To this end it authorizes localities to use such funds for mass transportation facilities, in addition to their traditional use for roads and streets.

Because of the interstate variation in the allocation of street and road responsibility between counties and municipalities (and in some states, townships), no attempt is made here to spell out the coverage of the terms “county roads” and “municipal streets.” Each state will, of course, need to tailor such specification to its own situation.

The allocation formula uses population as a general indicator of each county area’s need for transportation facilities. Where special needs exist in sparsely populated counties (for example, particularly rough terrain requiring tunnels and bridges, blasting, etc.), such needs should be met through specific highway aid programs rather than through a general formula.

The draft bill provides that the funds allocated to each county area will be distributed between the county government and municipal governments within the county by giving equal weight to road and street usage and to a need-index which combines fiscal capacity and expenditure requirements. The need-index formula (section 3(2)) uses equalized assessed value of real property per linear mile of roads and streets as a measure of relative local fiscal capacity. Extra weight is given in the formula to those municipalities (or the county government) with below-average fiscal capacity.

### Suggested State Legislation

*[Title should conform to state requirements. The following is a suggestion: “An Act Providing for Distribution of a Share of Highway-User Revenues to Counties and Municipalities and Specifying the Purposes for Which the Funds May be Used.”]*

*(Be it enacted, etc.)*

1            *Section 1. Distribution to Counties and Municipalities.* [ ]<sup>1</sup> percent of the proceeds from  
 2 taxes and fees imposed by sections [cite sections of the statutes imposing motor fuel taxes, motor  
 3 vehicle registration license fees and other highway-user revenues] shall be distributed to counties and  
 4 municipalities to be used exclusively for the construction, maintenance and repair of county and  
 5 municipal roads and streets and for the construction, maintenance, and operation of mass transpor-  
 6 tation facilities.<sup>2</sup>

7            *Section 2. Allocation Among Counties.* The funds authorized by section 1 shall be allocated  
 8 for distribution within the counties by the [director of finance] in the ratio that the population of  
 9 each county bears to the total population of the state, based on the last preceding Federal census or  
 10 on a population census authorized by state law.<sup>3</sup> The allocation shall be determined annually for the  
 11 ensuing fiscal year.

12            *Section 3. Distribution to County and Municipal Governments.* The amount allocated for  
 13 distribution within each county under the provisions of section 2 shall be apportioned [quarterly] by  
 14 the state [director of finance] and paid to the county government and to the municipal governments  
 15 within the county in accordance with the following formula:

16            (1) One-half in the ratio of the number of vehicle miles driven on county roads and municipal  
 17 streets as determined from time to time by the state [highway commissioner];<sup>4</sup>

18            (2) One-half in the ratio of the need index of each government. The need index of the county  
 19 government and of each municipal government shall be computed by: (i) dividing the countywide  
 20 average [equalized assessed] value of real property per mile of all county roads and municipal streets  
 21 in the county by the average [equalized assessed] value of real property per mile of roads or streets  
 22 for which each government is responsible; (ii) multiplying the quotient for each government by its  
 23 average actual [and estimated] expenditure for all roads and street construction, maintenance and  
 24 repairs during the last preceding [12 quarterly] periods; and (iii) summing up the results of these  
 25 multiplications and computing the percentage of that sum for each government. The [equalized  
 26 assessed] value of real property shall be determined by the state [tax commissioner].

<sup>1</sup>The percentage distributed should be related to the State-local allocation of responsibility for the construction, maintenance and repair of streets and roads.

<sup>2</sup>In some states, a constitutional amendment is necessary to allow the use of motor vehicle "user charges" and gasoline taxes for providing mass transportation services.

<sup>3</sup>States with large sparsely populated areas may wish to give consideration to factors other than population in determining an equitable formula.

<sup>4</sup>Some States may wish to channel a larger proportion to local units served by mass transportation facilities by weighting the formula with a mass transit passenger-mile factor. An accident rate factor might also be considered in order to give recognition to the need for improved safety design.

1            *Section 4. Annual Reports.* As the [appropriate state official] shall prescribe, each county and  
2 each municipality shall report actual and estimated expenditures for road and street construction,  
3 maintenance and repairs. The state [highway commissioner] shall conduct a continuing highway  
4 survey to ascertain the linear mileage and vehicle miles driven in each county and in each municipality.

5            *Section 5. Repeal of Conflicting Acts or Sections of Acts.* [Insert repealing clause].

6            *Section 6. Separability.* [Insert separability clause].

7            *Section 7. Effective Date.* [Insert effective date].

## STATE AID ADMINISTRATION

As States increasingly are involved in the financing of local government functions, the need for each State to systemize its State-local fiscal relations becomes more urgent. State aid to local governments doubled in the five year period 1962-1967 and it is now (fiscal 1969) approaching the \$25 billion mark.

An effective State-local fiscal partnership requires a State organizational framework within which all State aid programs can be codified, reviewed and evaluated periodically. To this end, the States should place responsibility in either an executive agency or a joint committee of the legislature for continuing oversight of State aid programs, and establish an information system to provide data on local fiscal needs and resources.

The suggested legislation provides for the establishment of both fiscal standards (accounting, auditing, reporting) and performance standards. Performance standards are needed by local program administrators as a basis for carrying out the programs in accordance with the intent of the State policymakers. By the same token, those charged at the State level with reviewing and evaluating grant programs need standards in order to measure results against intended goals.

When enacting new State aid programs or reviewing those already on the statute books, States should require that the aided functions and projects conform to State and areawide planning objectives as well as to local plans. Such a requirement will help assure that State financial assistance contributes to statewide and regional goals, produces programs that complement one another, furthers the State's urban development policies, and avoids overlap and duplication of programs.

The organization and structure of local government, its authority to provide public services and its power to levy and collect taxes to pay for those services in full or in part all are derived from the State. The State has a concurrent responsibility to make sure that the benefits and costs of local governmental services are distributed equitably throughout the State. Too often, State aid and shared revenue formulas are constructed in such a way that State aid serves to prop up and keep alive incorporated areas that are not economically, geographically, and politically viable. One way for States to halt the chaotic spread of special districts and nonviable units of local government is to establish a State boundary adjustment agency to determine whether proposed new incorporations or annexations would result in viable communities and to compel the consolidation or dissolution of nonviable local government units.<sup>1</sup>

An equally objectionable side effect of many State aid formulas is that they perpetuate or even increase disparities in fiscal capacity among units of local government by subsidizing wealthy incorporated communities that do not need State aid to provide an adequate level of public services for their residents.

The draft legislation provides for the Governor annually to submit proposals to the legislature for improvement of State-local fiscal relations, including revisions of state-aid formulas in the light of data on local fiscal needs and resources and on the political and economic viability of local units of government. States should consider amending State-aid formulas so as to eliminate or reduce aid allotments to non-viable local units.

<sup>1</sup> See previous ACIR suggested legislation on "State Authority Over Municipal and Special District Boundary Adjustments."

**Suggested State Legislation**

*[Title should conform to State requirements.]*

(Be it enacted, etc.)

1        *Section 1. Short Title.* (This act may be cited as the “State-Local Relations Act of (year)”.)

2        *Section 2. Findings and Declaration of Policy.* The [legislature] finds and declares that the  
3 present system of State aid to local governments has developed piecemeal, and that a unified system  
4 of state aid is urgently needed for the orderly development of a state-local partnership to assure that  
5 essential public services are provided in the most effective manner. It is the purpose of this act to  
6 establish an organizational and procedural framework governing the formulation, evaluation, and  
7 continuing review of all state aid programs; and to establish general policy governing the adminis-  
8 tration of state aid.

9        *Section 3. State-Local Fiscal System.* (a) In order to provide an effective system of state aid  
10 to local governments, the [appropriate state agency]<sup>2</sup> shall:

11        (1) Compile and maintain in a unified, concise, and orderly form information about all state  
12 programs which involve the distribution of funds to local government (hereinafter referred to as  
13 “state aid”);

14        (2) Continuously review and evaluate all state aid programs to determine the extent to which  
15 they meet fiscal, administrative, and program objectives;

16        (3) Develop, in conjunction with other state agencies, an information system to provide data on  
17 comparative local fiscal needs and resources; and

18        (4) Evaluate federal aid programs, including direct federal-local aid programs, in terms of their  
19 compatibility with state objectives and their fiscal and administrative impact on state and local  
20 programs.

21        (b) In reviewing and evaluating state aid programs, the [agency] shall take account of ap-  
22 propriate fiscal and performance standards and, where adequate standards are lacking, shall recom-  
23 mend standards to the appropriate agencies of the state government. The standards shall include,  
24 but shall not be limited to:

25        (1) Accounting, auditing, and reporting procedures;

26        (2) Minimum service levels;

27        (3) Eligibility of recipient governments and program beneficiaries; and

<sup>2</sup>Budget or Planning Agency or Department of Community Affairs or similar agency if such has been established. However, some State legislatures may wish to retain the responsibility by delegating it to a joint standing committee.

1 (4) Where appropriate, citizen participation and public hearings.

2 *Section 4. Conformance of State Aid Programs to Comprehensive and Functional Planning*

3 *Objectives.* (a) Every agency administering state aid to local governments shall require that the  
4 aided activities conform to local, regional, and statewide comprehensive and functional plans in  
5 accordance with [cite the appropriate statutes relating to state, regional and local planning].<sup>3</sup>

6 As a condition to receiving financial assistance a local government may be required to submit a  
7 functional plan for approval of the agency head administering the program.

8 (b) The head of each grant-administering agency shall issue criteria and guidelines for the  
9 preparation of local functional plans, which shall include, but shall not be limited to, provisions  
10 for:

11 (1) Conformance to local, regional, and statewide comprehensive plans;

12 (2) Survey of needs in the functional area being aided;

13 (3) Economic, social, and demographic data to be incorporated in the functional plan and  
14 in any applications for state aid, provided that such data requirements shall conform to the common  
15 data base to be prepared under the provisions of paragraph (c).

16 (c) The [agency] shall compile economic, social and demographic data, applicable elements of  
17 which shall be incorporated in the data requirements of all state aid programs subject to the pro-  
18 visions of this section.

19 *Section 5. Governor's Report to the [Legislature].* The Governor shall annually submit pro-  
20 posals to the [legislature] for improvement of state-local fiscal relations. The proposals shall include,  
21 but shall not be limited to:

22 (1) Grant consolidation plans;

23 (2) Simplification and standardization of grant requirements;

24 (3) Revisions of equalization formulas in the light of data on local fiscal needs and resources  
25 and the political and economic viability of local units of government;

26 (4) New state aid programs; and

27 (5) Improvements in the flow of information concerning state and federal grants-in-aid.

28 *Section 6. Separability Clause.* [Insert separability clause].

29 *Section 7. Effective Date.* [Insert effective date].

<sup>3</sup>See previous ACIR suggested legislation on "State and Regional Planning."









**PUBLISHED REPORTS OF THE ADVISORY COMMISSION  
ON INTERGOVERNMENTAL RELATIONS<sup>1</sup>**

- Coordination of State and Federal Inheritance, Estate and Gift Taxes.* Report A-1, January 1961. 134 pages, printed.
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- Federal-State Coordination of Personal Income Taxes.* Report A-27, October 1965. 203 pages, offset.
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- \**Intergovernmental Problems in Medicaid.* Report A-33. September 1968. 122 pages, offset. \$1.25.
- \**State Aid to Local Government.* Report A-34, April 1969. 105 pages, offset.
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- State Technical Assistance to Local Debt Management.* Report M-26, January 1965, 80 pages offset.
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- \**A State Response to Urban Problems: Recent Experience Under the "Buying In" Approach.* A Staff Analysis. Report M-56, December 1970.

<sup>1</sup>Publications marked with an asterisk may be purchased directly from the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402. Single copies of other publications may be obtained without charge from the Advisory Commission on Intergovernmental Relations, Washington, D. C. 20575.

