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Significant Features of Fiscal Federalism

Volume 1

*Budget Processes
and Tax Systems*

1992



Advisory Commission
on Intergovernmental Relations
February 1992 M-180

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Acknowledgments

Brenda Kemper was responsible for the overall data collection and preparation of this volume. Elliott Dubin updated coverage on federal tax rates. Dan Stevens helped compile the information on state individual and corporate income taxes. John Behrens compiled the information on classification of property. Thanks go to Anita Reynolds for help in preparing the tax changes table. Other ACIR staff members were involved in the review and production processes, and the publication of this volume would not have been possible without their help.

Special thanks go to several individuals and organizations outside ACIR that provided information and comments: American Automobile Association; Distilled Spirits Council of the U.S.; Marcia Howard, National Associ-

ation of State Budget Officers; Corina L. Eckl, Anthony Hutchison, and Ronald Snell, National Conference of State Legislatures; Henry Wulf and the staff of the Governments Division, U.S. Bureau of the Census; and the staffs of the state and local government departments throughout the country for responding to our numerous requests and questions.

John Kincaid
Executive Director

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Director, Government Finance

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Section I

Budget Processes and Tax and Expenditure Limits

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Table 1
The Federal Budget Process

Executive Budget Process	Deadline	Congressional Budget Process
Agencies subject to executive branch review submit initial budget request materials.	September 1	
Fiscal year begins.	October 1	Fiscal year begins.
Agencies not subject to executive branch review submit budget request materials.	October 15	
OMB issues final sequestration report; ¹	10 days after adjournment	CBO issues final sequester report.
President issues sequestration order, if necessary.	15 days after adjournment	
	30 days later	Comptroller General issues compliance report.
Legislative branch and the judiciary submit budget request materials.	November-December	
	5 days before President's budget transmittal	CBO issues sequestration preview report.
President transmits budget to Congress, including OMB sequestration preview report.	1st Monday in February	
OMB sends allowance letters to agencies.	January-February	
	February 15	CBO reports to Budget Committees on the President's budget
	Within 6 weeks of President's budget transmittal	Committees submit views and estimates to Budget Committees
	April 1	Senate Budget Committee reports concurrent resolution on the budget.
	April 15	Congress completes action on concurrent resolution.
	May 15	House may consider appropriations bills in the absence of a concurrent resolution on the budget.
	June 10	House Appropriations committee reports last appropriations bill.
	June 15	Congress completes action on reconciliation legislation.
	June 30	House completes action on annual appropriations bills.
	After completion of action on discretionary, direct spending, or receipts legislation	CBO provides estimate of impact of legislation as soon as practicable.
President transmits Mid-Session Review, updating the budget estimates.	July 15	
OMB provides agencies with policy guidance for the upcoming budget.	July-August	
	August 15	CBO issues sequestration update report.
OMB issues sequestration update report.	August 20	

Note: OMB also reports to Congress on the impact of enacted legislation and provides an explanation of any differences between OMB and CBO estimates within 5 calendar days of enactment of legislation.

CBO—Congressional Budget Office

OMB—Office of Management and Budget

¹ A “within session” sequestration is triggered within 15 days after enactment of appropriations that are enacted after the end of a session for the budget year and before July 1, if they breach the category spending limit for that fiscal year. A “lookback” reduction to a category limit is applied for appropriations enacted after June 30 for the fiscal year in progress that breach a category limit for that fiscal year and is applied to the next fiscal year.

Source: Executive Office of the President, Office of Management and Budget, Preparation and Submission of Budget Estimates (Circular No. A-11), July 1991.

Table 2
State Budget Processes and Calendars

State	Budget Guidelines to Agencies	Agency Requests Submitted to Governor	Agency Hearings Held	Governor's Budget Sent to Legislature	Legislature Adopts Budget	Fiscal Year Begins	Frequency of Legislative/Budget Cycles
Alabama	July	October/November	December	February	February/May	October 1	Annual/Annual
Alaska	August	October	November	December	May	July 1	Annual/Annual
Arizona	June	September	October	January	April	July 1	Annual/Annual
Arkansas	March	July	August	September/December	January/April	July 1	Biennial/Biennial
California	July/November	August/September	August/October	January	June	July 1	Annual/Annual
Colorado*	June	August	September	November	April	July 1	Annual/Annual
Connecticut*	July	September	February	February	May/June	July 1	Annual/Annual
Delaware	August	October/November	October/November	January	June	July 1	Annual/Annual
Florida*	July/Aug	October/November	November	February	June	July 1	Annual/Biennial
Georgia	May	September	November/December	January	March	July 1	Annual/Annual
Hawaii*	June/July	August/September	November	January	April	July 1	Annual/Biennial
Idaho	May	September	November	January	March	July 1	Annual/Annual
Illinois	August	November/December	November/December	March	June	July 1	Annual/Annual
Indiana	June	September	October/November	January	April/May	July 1	Annual/Annual
Iowa	June	September	November/December	January	April/May	July 1	Annual/Annual
Kansas	June	September	October/November	January	April/May	July 1	Annual/Annual
Kentucky	July	October	October/December	January	March/April	July 1	Biennial/Biennial
Louisiana	September	December	January	April	July	July 1	Annual/Annual
Maine	July	September	October/December	January	June	July 1	Biennial/Biennial
Maryland	July	August/September	October/November	January	April	July 1	Annual/Annual
Massachusetts	August	October	October	January	June	July 1	Annual/Annual
Michigan	June	September/November	October/December	February	June	October 1	Annual/Annual
Minnesota	May	October	November	January	May	July 1	Annual/Biennial
Mississippi	June	August	September	December	March/April	July 1	Annual/Annual
Missouri	July	October	n.a.	January	April/May	July 1	Annual/Annual
Montana	June	August/September	n.a.	December	April	July 1	Biennial/Biennial
Nebraska	July	September	January	January	April	July 1	Annual/Biennial
Nevada	June	September	September/December	January	June	July 1	Biennial/Annual
New Hampshire	June	October	November	February	June	July 1	Annual/Biennial
New Jersey	May	October	n.a.	January	June	July 1	Annual/Annual
New Mexico	July	September	October/December	January	February/March	July 1	Annual/Annual
New York	July	September	October/November	January	March	April 1	Annual/Annual
North Carolina*	March	July	November	February	July	July 1	Biennial/Biennial
North Dakota	March	June/July	July/October	December	January/April	July 1	Biennial/Biennial
Ohio*	July	September/October	September/November	January/March	June	July 1	Biennial/Biennial

Table 2 (cont.)
State Budget Processes and Calendars

State	Budget Guidelines to Agencies	Agency Requests Submitted to Governor	Agency Hearings Held	Governor's Budget Sent to Legislature	Legislature Adopts Budget	Fiscal Year Begins	Frequency of Legislative/Budget Cycles
Oklahoma	July	September	September/November	February	May	July 1	Annual/Annual
Oregon	March	August/September	October/November	December	June/July	July 1	Biennial/Biennial
Pennsylvania*	August	October	December/January	February	June	July 1	Annual/Annual
Rhode Island	June/July	October	November	February	May/June	July 1	Annual/Annual
South Carolina	May	August	September	January	June	July 1	Annual/Annual
South Dakota	June/July	September	September	December	March	July 1	Annual/Annual
Tennessee	August	October	November	January	April/May	July 1	Annual/Annual
Texas*	March	June	July/September	January	May	September 1	Biennial/Biennial
Utah	July/August	September/October	November	December	February	July 1	Annual/Annual
Vermont	August	October	September/October	January	May	July 1	Annual/Annual
Virginia*	May	August	September/November	January	March	July 1	Annual/Biennial
Washington*	April	September	October	December	May	July 1	Annual/Biennial
West Virginia	July/August	September	October/December	January	March	July 1	Annual/Annual
Wisconsin	May	October	March	January	June	July 1	Annual/Biennial
Wyoming	July/August	October/November	November	December	March	July 1	Annual/Biennial

n.a. - not applicable

*State Notes

Colorado	Governor submits approved department budgets to legislature November 1. Final statewide budget is submitted in January.	Pennsylvania	Budget is submitted in March when governor has been elected for first full term.
Connecticut	Legislature adopts budget during June of odd years, May even years.	Virginia	These dates are for the operating expense budget. For the capital budget, guidelines are sent to agencies in December, with requests due by March 1.
Florida	Biennial budget submission but annual appropriation.	Washington	Virginia adopts a biennial budget in the even-numbered year.
Hawaii	Budget document due to legislature at end of December. Appropriations bill due in January.		There are annual updates of the budget.
North Carolina	With annual updates.		
Ohio	1) Budget is submitted in January except in year when governor is inaugurated. Then it is submitted in March. 2) Appropriations are annual.		

Source: National Association of State Budget Officers, *Budgetary Processes in the States, 1989* (Washington, DC, 1989).

Table 3
State Balanced Budgets and Deficit Limitations:
Constitutional and Statutory Provisions

State	Governor Must Present Balanced Budget		Legislature Must Pass Balanced Budget		Governor Must Sign Balanced Budget		May Carry over Deficit
	(Y,N)	(C,S)	(Y,N)	(C,S)	(Y,N)	(C,S)	
Alabama	Y	C,S	Y	C,S	Y	C,S	N
Alaska	Y	S	Y	S	N	-	Y
Arizona*	Y	C	Y	C	Y	C	Y
Arkansas	Y	S	Y	S	Y	S	N
California	Y	C	N	-	N	-	Y
Colorado	N	-	Y	C	Y	C	N
Connecticut	Y	S	Y	S	N	-	N
Delaware	Y	C	Y	C	Y	C	N
Florida	Y	S	Y	C	Y	S	N
Georgia	Y	C	Y	C	Y	C	N
Hawaii	Y	C,S	N	-	Y	C,S	N
Idaho	Y	C	Y	C	N	-	N
Illinois	Y	C	Y	C	N	-	N
Indiana	Y	C	Y	C	Y	C	N
Iowa	Y	C	Y	C	N	-	N
Kansas	Y	C	Y	C	Y	C	N
Kentucky	Y	C,S	Y	C	Y	C	N
Louisiana	Y	C,S	Y	S	Y	C,S	Y
Maine	Y	S	Y	C	Y	S	N
Maryland	Y	C	Y	C	N	-	N
Massachusetts	Y	C	Y	C	Y	C	Y
Michigan	Y	C	Y	C	Y	C	N
Minnesota	Y	S	Y	S	N	-	N
Mississippi	Y	S	Y	S	Y	S	N
Missouri	Y	C	N	-	Y	C	N
Montana	Y	C	Y	C	N	-	N
Nebraska	Y	C	N	-	N	-	N
Nevada	Y	S	Y	C	N	-	N
New Hampshire	Y	S	N	-	N	-	Y
New Jersey	Y	C	Y	C	Y	C	N
New Mexico	Y	C	N	-	N	-	N
New York*	Y	C	N	-	N	-	Y
North Carolina*	Y	C	Y	C	N	C	N
North Dakota	Y	S	Y	S	Y	S	N
Ohio*	N	-	N	-	N	-	N
Oklahoma	Y	C,S	Y	C	Y	C	N
Oregon	Y	C	Y	C	Y	C	N
Pennsylvania*	Y	C,S	N	-	Y	C	Y
Rhode Island	Y	C	Y	C	Y	S	N
South Carolina*	N	-	Y	C	Y	C	N
South Dakota	Y	C	Y	C	Y	C	N
Tennessee	Y	C	Y	C	Y	C	N
Texas	-	-	Y	C	Y	C	N
Utah	Y	S	Y	C	Y	S	N
Vermont	N	-	N	-	N	-	Y
Virginia*	Y	S	N	-	N	-	N
Washington	Y	S	N	-	N	-	N
West Virginia	N	-	Y	C	Y	C	N
Wisconsin	Y	C	Y	C	Y	C	N
Wyoming	Y	C	Y	C	Y	C	N

Table 3 (cont.)
**State Balanced Budgets and Deficit Limitations:
 Constitutional and Statutory Provisions**

Y—Yes	N—No	C—Constitutional provision	S—Statutory provision
*State Notes			
Arizona	May carry over "casual deficits," i.e., not anticipated.		sufficient revenues to meet state expenses. The governor is required by statute to examine monthly the relationship between appropriations and estimated revenues and to reduce expenditures to prevent imbalance.
New York	Technically, the governor is not required to sign a balanced budget. However, in order to consummate the spring borrowing, the governor must certify that the budget is in balance		
North Carolina	Governor must maintain a balanced budget; does not sign the legislation.		Pennsylvania May carry over deficit into following year only.
Ohio	There is no constitutional or statutory requirement that the governor submit or the legislature enact a balanced budget. There is a constitutional requirement that the legislature provide		South Carolina Formal budget submitted by budget and control board, not governor.
			Virginia The constitution specifies that expenditures shall not exceed revenues at the end of the biennial period.

Source: National Association of State Budget Officers, *Budgetary Processes in the States, 1989* (Washington, DC, 1989).

Table 4
State Budget Stabilization Funds

State	Methods for Deposit	Methods for Withdrawal
Alaska <i>Budget Reserve Account</i>	By appropriation	By appropriation for the governor to meet a disaster
California <i>Special Fund for Economic Uncertainties</i>	Year-end surplus or by appropriation	(1) Automatic expenditure to cover revenue shortfall or other deficiency in general fund (2) Executive order can allocate funds for additional fire fighting or disaster response needs
Colorado* <i>4% Required Reserve</i>	4% of total general fund appropriations plus supplementals are automatically set aside	Automatic expenditure when revenue estimates fall below targets; fund can be used only to cover appropriations already authorized
Connecticut <i>Budget Reserve Fund</i>	Year-end surplus; fund capped at 5% of net general fund appropriations for fiscal year	Automatic expenditure to cover budget deficit to the extent that funds are available
Delaware <i>Budget Reserve Account</i>	Automatic deposit from previous year's unencumbered funds; fund capped at 5% of estimated general fund revenues	By appropriation to cover budget deficit or to compensate for revenue reductions; requires 3/5 vote of each house
Florida <i>Working Capital Fund</i>	Year-end surplus; fund capped at 10% of previous year's general fund	By appropriation when revenue collections are insufficient to meet appropriations
Georgia <i>Revenue Shortfall Reserve</i>	Year-end surplus; fund capped at 3% of net revenue	Automatic expenditure to cover revenue shortfall collections
Idaho <i>Budget Reserve Account</i>	By appropriation	By appropriation
Indiana <i>Counter-Cyclical Revenue & Economic Stabilization Fund</i>	(Annual growth rate in personal income minus 2%) x (previous year's general fund revenues)	Funds transferred to general fund if percentage change in adjusted personal income is less than 2%
Iowa <i>Economic Emergency Fund</i>	Year-end surplus; fund capped at 10% of funds appropriated from the state's general fund during the preceding fiscal year	By appropriation only for a purpose for which the General Assembly previously appropriated funds for that fiscal year
Kentucky* <i>Budget Reserve Trust Fund</i>	By appropriation	Allotted by governor to meet a revenue shortfall; governor must notify legislature
Maryland* <i>Revenue Stabilization Account</i>	By appropriation	Transferred by governor to general fund revenues if state unemployment rate is both greater than 6.5% and greater than the rate 12 months earlier; amount of transfer is reduced by amount of general fund budget reductions made by legislature
Massachusetts <i>Commonwealth Stabilization Fund</i>	Year-end surplus; fund capped at 5% of current fiscal year revenues	By appropriation
Michigan* <i>Budget and Economic Stabilization Fund</i>	Statutes require appropriation of an amount equal to (annual growth rate in real personal income in excess of 2%) x (general fund revenues of prior fiscal year)	If annual growth rate in real personal income is negative, withdrawal equals (deficiency) x (general fund revenues), but no more than needed to balance budget; withdrawals are allowed in year that pay-in is made if actual revenue collections fall below level on which budget was based
Minnesota <i>Budget Reserve Account</i>	By direct appropriation \$550 million; by contingent appropriation an amount to bring the reserve up to 5% of general fund appropriations for the biennium	By appropriation or transfer by commissioner of finance with approval of governor; consultation with Legislative Advisory Commission required
Mississippi <i>General Fund Stabilization Reserve</i>	Automatic transfer of 25% of annual surplus, with fund not to exceed 5% of previous year's general fund revenue	Transfer by Fiscal Management Board to cover revenue shortfall
Missouri* <i>Budget Stabilization Fund</i>	By appropriation; fund is not to exceed 5% of the receipts into the general revenue fund for preceding fiscal year	By appropriation to the governor to meet budget shortfalls
New Hampshire <i>Revenue Stabilization Reserve Account</i>	Audited year-end surplus	Transfer by the comptroller with approval of the Advisory Budget Control Committee and the governor when: (1) general fund operating deficit occurred for most recently completed fiscal year, and (2) unrestricted general fund revenues in the most recently completed fiscal year were less than budget forecast
New Jersey <i>Surplus Revenue Fund</i>	50% of revenue collections in excess of governor's certification of revenues	(1) By appropriation or (2) by the governor in event of an emergency identified by the governor, on approval by the legislature's Joint Budget Oversight Committee.

Table 4 (cont.)
State Budget Stabilization Funds

State	Methods for Deposit	Methods for Withdrawal
New Mexico <i>Operating Reserve Fund</i>	Excess revenue with balance not to exceed 8% of aggregate recurring appropriations from the general fund for the previous fiscal year	By appropriation in the event revenues are insufficient to meet the level of appropriations authorized
New York* <i>Tax Stabilization Reserve Fund</i>	Year-end surplus up to 0.2% of aggregate general fund disbursements; reserve fund cannot exceed 2% of general fund disbursements for the fiscal year	By appropriation when state is in deficit
North Dakota <i>Budget Stabilization Fund</i>	Biennium end surplus in excess of \$40 million	Governor may transfer for revenue shortfall of at least 5% of the estimate made by the most recently adjourned Assembly
Ohio <i>Budget Stabilization Fund</i>	Transfer of general revenue in excess of certified revenues for biennium	Funds transferred to general fund if growth in general revenue fund is negative
Oklahoma <i>Constitutional Reserve Fund</i>	Automatic transfer of revenue in excess of official revenue projection; fund is capped at 10% of general revenue fund for the preceding fiscal year	Up to 1/2 of balance may be appropriated if: (1) forthcoming fiscal year general revenue fund is less than that of current fiscal year certification; or (2) emergency declaration by the governor with concurrence by legislature with a 2/3 vote of each house; or (3) joint emergency declaration by speaker and president pro tempore with concurrence by legislature with a 3/4 vote of each house
Pennsylvania <i>Tax Stabilization Reserve Fund</i>	By appropriation	By appropriation when governor declares an emergency or downturn in the economy; requires 2/3 vote of each house
Rhode Island <i>Budget Reserve and Cash Stabilization Account</i>	For FY87 and thereafter, 40% of lottery revenue	Automatic expenditure to cover revenue shortfall
South Carolina* <i>General Reserve Fund</i>	Revenues in excess of annual operating expenditures must be transferred to the fund; fund is capped at 3% of general fund revenue of the latest completed fiscal year	Budget and Control Board transfers to cover year-end operating deficit
Tennessee <i>Revenue Fluctuation Reserve</i>	By appropriation	By appropriation when state is in deficit
Texas* <i>Economic Stabilization Fund</i>	Transfer of 1/2 of any unencumbered general revenue fund balance at end of each biennium plus portions of oil and natural gas production tax collections	By appropriation with 2/3 vote of legislature
Utah <i>Budget Reserve Account</i>	General fund surplus up to 3%; account may not exceed 6% of the general fund appropriation for the fiscal year in which the surplus occurred	By appropriation to cover operating deficits
Vermont <i>Budget Stabilization Trust Fund</i>	Undesignated general fund surplus; fund is capped at 2% of general fund appropriations from most recently ended fiscal year	By the state treasurer to the extent necessary to offset a general fund deficit
Virginia <i>Revenue Reserve Fund</i>	By appropriation	Governor may transfer for revenue shortfall caused by economic conditions or by changes in federal tax legislation
Washington <i>Budget Stabilization Fund</i>	Pursuant to appropriation: (projected growth in real personal income minus 3%) x (previous fiscal year general state revenues)	By appropriation, with 60% vote required, when revenues fall below forecast, for labor force training, or for any purpose legislature determines would reduce unemployment caused by state's economic cycle
Wisconsin <i>Budget Stabilization Fund</i>	By appropriation	By appropriation
Wyoming <i>Budget Reserve Account</i>	Year-end surplus plus appropriations	By appropriation

***State Notes**

Colorado If economic conditions require expenditures from the fund, the governor must develop a plan that would maintain the reserve at no less than 2%. The plan is subject to legislative modification.

Kentucky Conditions governing the use of the fund are attached to its appropriation every two years. At

the end of the biennium, the fund lapses and has to be recreated. The state also has created in the general fund the Surplus Fund Account. No expenditures may be made from the account unless appropriated by the legislature, or unless required by the budget reduction provisions of a joint budget resolution.

Table 4 (cont.)
State Budget Stabilization Funds

State Notes (cont.)

Maryland	The Revenue Stabilization Account must be increased \$5 million each year whenever balance is less than \$100 million or 2% of general fund revenues.		less than 1% of the general fund revenue of the latest completed fiscal year. The state also has a Capital Reserve Fund that receives money by appropriation. It is capped at 2% of general fund revenue of latest completed fiscal year. The Budget and Control Board transfers money from this fund to avoid mid-year budget reductions. After May 1 of a fiscal year, money in Capital Reserve Fund can be appropriated for other specified purposes with 2/3 vote of legislature.
Michigan	If state unemployment rate is between 8% and 11.9%, legislature may appropriate 2.5% of the fund balance for programs that will provide for increases in state employment. If rate is 12% or more, up to 5% may be so used.		
Missouri	The General Assembly may appropriate to governor any portion of existing balance to cover budget shortfalls. Also, in any year in which governor finds it necessary to withhold appropriated funds, governor may order commissioner of administration to make transfers from fund to fulfill expenditures authorized by appropriation. However, such action must be approved by General Assembly, and hence can only occur if General Assembly is in session. Further, the General Assembly shall not appropriate moneys from the fund without authorization from the governor.	Texas	The constitutional amendment creating the fund mandates the following revenue transfers to it: (1) 50% of any unencumbered general revenue fund balance at the end of each fiscal biennium; (2) an amount of general revenue equal to 75% of the amount by which oil production tax collections in any future fiscal year exceed oil production tax collections in fiscal year 1987; (3) an amount of general revenue equal to 75% of the amount by which natural gas production tax collections in any future fiscal year exceed oil production tax collections in the fiscal year 1987. (For purposes of calculating the transfer, natural gas tax collections would be adjusted to reflect 12 months of collections in each fiscal year.)
New York	Once borrowed, fund must be paid back within six years in three equal installments.		
South Carolina	Funds withdrawn from the General Reserve Fund must be restored annually at a rate of not		

Source: National Conference of State Legislatures, *Fiscal Letter*, March/April 1990. Reprinted with permission.

Table 5
Gubernatorial Veto Authority for Major Budget Items

State	Funding for a Line Item	Funding for an Entire Program or Agency	Language Accompanying Appropriation	Language in Footnote or Following an Appropriation Explaining How Money is Spent	Proviso or Contingency Language on Expenditure of Appropriation	Only Entire Bill	Power to Reduce (R) Appropriation or Substitute (S) New Measure for Consideration	Other
Alabama							S	Y ¹
Alaska	Y						R	
Arizona	Y	Y						
Arkansas	Y	Y						
California	Y	Y	Y	Y	Y		R	
Colorado	Y	Y		Y ²	Y ²			
Connecticut	Y	Y						
Delaware	Y							
Florida	Y							
Georgia	Y	Y	Y	Y	Y			
Hawaii	Y							
Idaho	Y							
Illinois	Y	Y					R ³	
Indiana						Y		
Iowa	Y	Y	Y	Y	Y			Y ⁴
Kansas	Y							
Kentucky	Y	Y			Y			
Louisiana ⁵	Y	Y	Y	Y	Y			
Maine						Y		Y ⁶
Maryland								Y ⁷
Massachusetts	Y	Y	Y	Y	Y		R	
Michigan	Y	Y	Y ⁸					
Minnesota	Y	Y						
Mississippi	Y	Y	Y	Y	Y			
Missouri	Y	Y					R	
Montana	Y	Y ⁹					9	
Nebraska	Y	Y					R	
Nevada						Y ¹⁰		
New Hampshire						Y ¹⁰		Y ¹⁰
New Jersey	Y	Y	Y	Y	Y		R	
New Mexico				Y	Y			
New York	Y	Y	Y	Y	Y			Y ¹¹
North Carolina ¹²							No Veto	
North Dakota	Y	Y	Y	Y	Y			
Ohio	Y	Y	Y	Y	Y			
Oklahoma	Y	Y		Y				
Oregon	Y	Y					R	Y ¹³
Pennsylvania	Y	Y					R	
Rhode Island						Y		
South Carolina	Y	Y	Y	Y	Y			
South Dakota	Y							
Tennessee	Y	Y					R	
Texas	Y	Y						Y
Utah	Y							Y
Vermont								
Virginia	Y	Y	Y	Y	Y		R	
Washington	Y	Y	Y	Y	Y			
West Virginia	Y	Y	Y					
Wisconsin	Y	Y	Y		Y		¹⁴	Y ¹⁴
Wyoming	Y	Y		Y	Y			
Totals	40	32	16	17	18	5	S-1; R-11	10

Table 5 (cont.)
Gubernatorial Veto Authority for Major Budget Items

Y—governor has veto authority.

Language Accompanying Appropriation means descriptive language that is next to the appropriation. This may be a title or short description.

Footnote Language means language that describes how dollars are to be spent. Footnotes also may be called legislative intent language. Footnotes usually appear on the bottom of the page with the corresponding appropriation.

Proviso Language means language that explains what the executive, legislative, or judicial agency has to do to receive an appropriation. This is also known as contingency language.

¹ The governor may veto the bill entirely or offer executive amendments, which may delete or add figures and language.

² Only if language is unconstitutional.

³ Governor has reduction veto power on a particular line item. The amount the governor approves becomes law unless veto is overridden by legislature. The Constitution prohibits substantive language in an appropriations bill.

⁴ As a result of a Supreme Court suit, the governor, in item vetoing, must veto a complete section—that may be done only in an appropriations bill. Prior to this suit, the governor was item vetoing words.

⁵ The governor may veto anything that shows up as a line item.

⁶ The governor may veto only the entire bill.

⁷ The governor has no veto power. Maryland has strong executive budget.

⁸ Distinct item of appropriations. If line item vetoed, language also is vetoed as a rule.

⁹ If a bill originally passed by 2/3 vote and the legislature has adjourned, the secretary of state may poll the legislative membership by mail for a veto override vote. The governor also has an “amendatory veto” on nonappropriations bills, which provides for the legislature to consider his recommendations.

¹⁰ Constitution prohibits budget footnotes in appropriations bill that establish, amend, or repeal sections of state laws not related to operating expenses.

¹¹ The governor may veto any legislative “addition” to the budget only.

¹² The governor has no veto power.

¹³ The governor also may veto single-item appropriations bills.

¹⁴ The only way that a governor may reduce an appropriated amount is to line item part of the appropriation figure. For example, if \$100,000 was appropriated, a zero and a comma could be struck to make the figure \$10,000 or all but the last zero could be struck to provide a zero dollar appropriation.

Source: National Conference of State Legislatures, *Legislative Budget Procedures in the 50 States: A Guide to Appropriations and Budget Processes* (Denver, September 1988). Reprinted with permission.

Table
Description of State

State and Adoption Year Type of Limit, Methods of Approval	Limit Applies to—	Limit Is
Alaska ¹ 1982 Constitutional Expenditure Legislative Referendum	State appropriations	Appropriations shall not exceed \$2.5 billion by more than the cumulative percentage change in population and inflation since 7/1/81.
Arizona 1978 Constitutional Expenditure Legislative Referendum	Appropriations of state tax revenues	Appropriations of state tax revenues shall not exceed 7 percent of state personal income.
California 1979 Constitutional Expenditure Citizen Initiative	Appropriations of state revenues	Yearly growth in appropriations limit shall not exceed percentage increase in population and inflation.
Colorado 1977 Statutory Expenditure Legislative Vote	State general fund appropriations	Yearly growth of state general fund appropriations.
Delaware	State general fund appropriations	98 percent of estimated general fund revenue and prior year's unencumbered funds.
Hawaii 1978 Constitutional Revenue	State general fund appropriations	Growth of appropriations limited to rate of growth of state economy—defined as preceding 3 years average growth rate of personal income (Act 277).
Idaho 1980 Statutory Expenditure Legislative Vote	State general fund appropriations	Appropriations shall not exceed 5.33 percent of state personal income.
Louisiana 1979 Statutory Revenue Legislative Vote	State tax revenue	Tax revenue shall not exceed: $\frac{\text{FY78-79 tax revenue}}{1977 \text{ state personal income}}$
Massachusetts 1986 Statutory Revenue Initiative Petition	State revenue	The average growth of wages and salaries of the previous 3 years.
Michigan 1978 Constitutional Revenue Citizen Initiative	State revenue	Revenue shall not exceed: $\frac{\text{FY78-79 state revenue}}{1977 \text{ state personal income}} \times$ the greater of state personal income in prior calendar year or average state personal income over previous 3 calendar years.
Missouri 1980 Constitutional Revenue and Expenditure Citizen Initiative	State revenue and expenditure	Revenue shall not exceed: $\frac{\text{FY 80-81 state revenue}}{1979 \text{ state personal income}} \times$ the greater of state personal income in prior calendar year or average state personal income over previous 3 calendar years.

¹ Automatic vote for reconsideration of limit in 1986 continued the provision.

Tax and Expenditure Limits

Provisions for Waiver	Provisions in the Case of Transfer of Responsibility for Government Programs	Treatment of Surpluses
Limit may be exceeded for capital projects or appropriations to the permanent fund if the bill is (1) approved by the governor or 75 percent of the legislature and (2) approved by voters.	None	
Requires 2/3 approval of each house of the legislature on specific additional appropriations.	Legislature shall provide for adjustments to limit if court order or legislative enactment transfers responsibility between state and local governments or between federal and state governments.	No provision
In the event of an emergency, the appropriations limit may be exceeded provided increased expenditures are compensated for by reduced expenditures over 3 following years. Alternatively, the limit may be changed by voters but the change is operative for only 4 years.	<ol style="list-style-type: none"> (1) The appropriations limit shall be altered if program responsibility is transferred from one government entity to another, from government to private entity, or from funding through general revenues to funding through special revenues. (2) The state shall provide the funding when it requires local government to provide a program. (3) Appropriations required for purposes of complying with federal requirements are not under limit. 	Surplus revenues shall be returned by revision of tax rates or fee schedules within next 2 fiscal years.
Statute may be amended at any time by majority vote of legislature.	None	General fund revenues in excess of limit and after retention of unrestricted general fund year-end balance of 6 percent of revenues shall be used for tax relief, capital construction, highway expenditures, and water projects.
Declaration of an emergency and 3/5 vote of each chamber.	None	Available for appropriations in ensuing fiscal year.
Requires 2/3 approval of each house of the legislature on specific additional appropriations.	Adjustments to limit shall be made if court order or legislative enactment transfers responsibility between state and local governments or between federal and state governments.	No provision
Statute may be amended at any time by majority of legislature. Certain tax sources are excluded from computation.	None	State tax revenue in excess of limit shall be deposited in the Tax Surplus Fund; appropriations from that fund may be made for paying tax refunds.
Statute may be amended by vote of legislature.	Vote of legislature	Proportional personal income tax credit.
Government must first specify an emergency; then the legislature must concur by 2/3 vote in each house.	<ol style="list-style-type: none"> (1) Limit may be adjusted if program responsibility is transferred from one government to another. (2) State is prohibited from reducing current proportion of local services financed through state aid. (3) No new program shall be required of local governments unless cost is paid by state. (4) The proportion of total state spending paid to all units of local government as a group shall not be reduced below proportion for FY78-79. 	Revenues exceeding limit by 1 percent or more shall be used for tax refunds set in proportion to income tax liability. Excess less than 1 percent may be transferred to the State Budget Stabilization Fund.
Governor must first specify an emergency, then the legislature must concur by 2/3 vote in each house.	<ol style="list-style-type: none"> (1) Limit may be adjusted if program responsibility is transferred from one government to another. (2) State is prohibited from reducing current proportion of local services financed through state aid. (3) No new program shall be required of local governments unless cost is paid by state. 	Revenues exceeding limit by 1 percent or more shall be refunded pro rata based on income tax liability. Excess less than 1 percent shall be transferred to the general revenue fund.

State and Adoption Year Type of Limit, Methods of Approval	Limit Applies to—	Limit Is
Montana 1981 Statutory Expenditure Legislative Vote	State appropriations	State biennial appropriations shall not exceed state appropriations for the preceding biennium plus the product of preceding biennial appropriations and the growth percentage. The growth percentage is the percentage difference between average state personal income for 3 calendar years immediately preceding the next biennium and the average state personal income for the 3 calendar years immediately preceding the current biennium.
Nevada 1979 Statutory Expenditure NON-BINDING Legislative Vote	Governor's proposed general fund expenditures	Proposed biennial expenditures authorized for the 1975-76 biennium x [1 + percentage population change since 7/1/74] x [1 + percentage inflation]
New Jersey² 1976 Statutory Expenditure Legislative Vote	State appropriations	Fiscal year appropriations shall not exceed: FY state per capita income, prior state per capita income multiplied by appropriations in prior FY.
Oklahoma 1985 Constitutional Expenditure Board of Equalization	Appropriated revenues	(1) 12 percent yearly increase (adjusted for inflation) (2) 95 percent of certified revenue
Oregon 1979 Statutory Expenditure Legislative Vote	State general fund appropriations	The rate of growth of appropriations in each biennium shall not exceed rate of growth of state personal income in 2 preceding calendar years.
Rhode Island 1977	Governor's general fund appropriations request	Yearly growth in governor's general fund appropriations request shall not exceed 6 percent.
South Carolina 1980,1984 Constitutional Expenditure Legislative Referendum	State appropriations	Yearly growth in state appropriations shall not exceed average growth of personal income over 3 preceding years or 9.5 percent of total state personal income, whichever is greater. Also, the number of state employees is tied to state population.
Tennessee 1978 Constitutional Expenditure Constitutional Convention Referendum	Appropriations of state tax revenues	Growth in state appropriations shall not exceed growth in state personal income.
Texas 1978 Constitutional Expenditure Legislative Referendum	Appropriations of state tax revenues	Growth of biennial appropriations shall not exceed rate of growth of state personal income.
Utah 1979 Statutory Expenditure NEVER IMPLEMENTED Legislative Vote	State appropriations	Growth in appropriations may not exceed 85 percent of the increase in state personal income.
Washington 1979 Statutory Revenue Citizen Initiative	State tax revenue	Growth in tax revenues shall not exceed average rate of growth of state personal income over 3 years.

²Expired 1983.

6 (cont.)
Tax and Expenditure Limits

Provisions for Waiver	Provisions in the Case of Transfer of Responsibility for Government Programs	Treatment of Surpluses
Governor must declare an emergency. Legislature must then approve specific additional expenditures by 2/3 vote of each house.	None	No provision
Not applicable because nonbinding.	None	No provision
Must be approved by majority of voters in state referendum at a general election prior to fiscal year in which limit is to be exceeded.	Adjustment to limit shall be made if program responsibility is transferred between state and local governments.	No provision
None	None	Revenue to general fund in excess of estimate (up to 10 percent) shall be deposited in a Rainy Day Fund.
Statute may be amended at any time by majority of legislature.	Adjustment to limit shall be made if program funding is transferred from general fund to non-general fund sources or vice versa.	Revenue exceeding close of session revenue forecast by 2 percent or more shall be used for tax refunds proportional to income tax liability.
Not applicable because nonbinding.	None	No provision
Limit may be exceeded for one year by a 2/3 vote of the legislature if it first declares a financial emergency. Also, every 5 years the legislature may review the composition of the limit.	None	Excess revenues may be spent to match federal programs, for debt purposes, tax relief, or transferred to reserve fund.
Specific additional amount may be approved by majority vote of the legislature.	State must share in cost if it increases expenditure requirements of local governments.	No provision
Specific additional amount may be approved by majority vote of the legislature if it first adopts a resolution that an emergency exists.	None	No provision
Limit may be exceeded by 2/3 vote of legislature if fiscal emergency is declared by legislature and legislature follows required procedures for publicizing its intent and holding public hearing.	<p>(1) Limit shall be adjusted if program responsibility is transferred between state and local governments or from the federal government to the state.</p> <p>(2) Limit shall be decreased if funding source moved from sources covered under limit to sources exempt from limit. Revenue from exempt sources that is moved to nonexempt accounts shall come under the limit.</p>	Revenue in excess of limit up to 2 percent of appropriations may be kept in unappropriated state funds balances; other excess revenue shall be rebated to taxpayers.
Emergency must be declared by 2/3 vote of legislature; then legislature must approve specific additional appropriations by 2/3 vote.	<p>(1) Limit shall be adjusted if program responsibility is transferred between state and local governments or between state and federal government.</p> <p>(2) State must reimburse local governments for increased cost if legislature imposes program responsibility on local governments.</p>	Excess revenue becomes part of state tax revenue for next fiscal year.

Source: National Conference of State Legislatures, *Legislative Budget Procedures in the 50 States: A Guide to Appropriations and Budget Processes* (Denver, September 1988). Reprinted with permission.

Table 7
Restrictions on Local Government Tax and Expenditure Powers

Region	No Limits	Property Tax Rate Limits	Property Tax Revenue Limits	Revenue Rollbacks	General Revenue Limits	Expenditure Limits	Limits on Assessment	Full Disclosure
Alabama		X						
Alaska		X	X					
Arizona			X			X	X	
Arkansas		X		X				
California		X				X	X	
Colorado			X					X
Connecticut	X							
Delaware				X				C
Florida		X		X				X
Georgia	X							
Hawaii								X
Idaho		X	X					
Illinois		X	X					X
Indiana			X					
Iowa		X					X	X
Kansas				X				
Kentucky		X		X				X
Louisiana		X		X				
Maine	X							
Maryland							X	X
Massachusetts		X	X					
Michigan		X		X				X
Minnesota		X			X			X
Mississippi		X	X					
Missouri		X		X				
Montana		X		X				
Nebraska		X						M
Nevada			X		X			
New Hampshire		X						
New Jersey			C			M		
New Mexico		X	X				X	
New York		X					X*	
North Carolina		X						
North Dakota		X	X					
Ohio		X		X				
Oklahoma		X						
Oregon			X					
Pennsylvania		X						
Rhode Island			M					X
South Carolina	X							
South Dakota		X						
Tennessee								X
Texas		X			X			X
Utah		X						X
Vermont	X							
Virginia					X			X
Washington		X	X					
West Virginia		X						
Wisconsin	X							
Wyoming		X						
U.S. Total	7	30	15	12	2	3	6	16

C—designates counties only.

M—designates municipalities only.

*Selected cities only.

Source: Steven D. Gold and Martha Fabricius, *How States Limit City and County Property Taxes and Spending* (Denver: National Conference of State Legislatures, 1989), p. 9. Reprinted with permission.

Section II

Federal Taxes

Table 8
Federal Individual Income Tax (Average and Marginal Tax Rates)
Selected Income Groups and Years, 1954-1990

Adjusted Gross Income ^a	Average Rate (percent) ^b									Marginal Tax Rate (percent) ^c								
	1954-63	1965	1970 ^d	1975	1979-80 ^e	1985	1988	1989	1990	1954-63	1965	1970 ^d	1975	1979-80 ^e	1985	1988	1989	1990
Current Dollars																		
Single No Dependents																		
5,000	16.4	13.4	13.7	8.1	5.0	3.5	0.2	—	—	22.0	19.0	19.5	19.0	16.0	12.0	15.0	—	—
10,000	21.0	17.4	17.3	14.8	11.8	8.9	7.6	7.4	7.1	34.0	28.0	25.6	20.2	21.0	16.0	15.0	15.0	15.0
20,000	29.5	24.6	22.0	20.6	19.2	14.3	11.3	11.2	11.0	50.0	42.0	34.8	34.0	34.0	26.0	15.0	15.0	15.0
25,000	33.3	27.9	24.4	23.5	21.9	16.5	13.2	12.6	12.0	56.0	48.0	39.0	38.0	39.0	26.0	28.0	28.0	28.0
35,000	39.4	33.2	28.7	27.7	26.3	19.8	17.0	16.7	16.3	62.0	53.0	46.1	45.0	44.0	34.0	28.0	28.0	28.0
50,000	45.6	38.5	34.5	33.4	32.1	24.1	19.5	19.3	19.0	72.0	60.0	61.5	60.0	55.0	42.0	28.0	28.0	28.0
75,000	52.9	44.3	42.1	40.9	39.3	29.6	22.9	22.6	22.3	78.0	64.0	65.6	64.0	63.0	48.0	33.0	33.0	33.0
Married 2 Dependents^f																		
5,000	8.4	5.8	5.8	6.0	-10.0 ^g	-11.0 ^g	-14.0 ^g	-14.0 ^g	-14.0 ^g	20.0	15.0	15.0	10.0 ^g	—	—	—	—	—
10,000	13.7	11.1	11.2	7.1	3.7	1.3 ^g	-8.6 ^g	-9.1 ^g	-9.5 ^g	22.0	19.0	19.5	19.0	16.0	24.2	—	—	—
20,000	19.0	16.1	16.1	13.7	11.3	8.4	5.4	5.1	4.8	30.0	25.0	25.6	25.0	24.0	16.0	15.0	15.0	15.0
25,000	21.3	18.0	18.0	16.4	14.0	10.3	7.3	7.1	6.8	38.0	32.0	28.7	28.0	28.0	18.0	15.0	15.0	15.0
35,000	25.8	21.9	21.9	20.5	18.8	14.0	9.5	9.3	9.2	47.0	39.0	40.0	39.0	37.0	25.0	15.0	15.0	15.0
50,000	32.0	27.3	27.3	26.0	24.2	18.2	13.1	12.6	11.9	56.0	48.0	49.2	48.0	43.0	33.0	28.0	28.0	28.0
75,000	39.5	34.1	34.1	32.8	31.2	23.5	17.1	16.8	16.5	65.0	55.0	56.4	55.0	54.0	42.0	28.0	28.0	28.0
Constant (1980) Dollars^h																		
Single No Dependents																		
5,000	12.0	7.5	4.0	3.9	5.0	5.6	4.7	4.8	4.9	20.0	16.8	16.0	16.0	16.0	14.0	15.0	15.0	15.0
10,000	15.5	13.8	11.4	10.9	11.8	10.5	19.8	9.9	10.0	22.0	21.5	21.0	19.0	21.0	18.0	15.0	15.0	15.0
20,000	19.3	17.0	16.7	17.9	19.2	16.6	15.2	15.3	15.3	30.0	25.6	22.7	30.0	34.0	26.0	28.0	28.0	28.0
25,000	21.0	18.7	19.0	20.9	21.9	18.7	17.2	17.3	17.3	34.0	27.7	31.0	34.0	39.0	30.0	28.0	28.0	28.0
35,000	24.4	21.1	23.2	24.9	26.3	22.6	19.3	19.6	19.6	43.0	31.8	38.0	44.0	44.0	38.0	33.0	33.0	33.0
50,000	29.6	24.8	27.7	30.0	32.1	27.1	22.5	22.6	22.6	50.0	41.0	45.0	55.0	55.0	48.0	33.0	33.0	33.0
75,000	36.7	30.2	34.4	37.5	39.1	32.5	25.0	29.1	25.3	62.0	51.2	60.0	63.0	63.0	50.0	33.0	33.0	33.0
Married 2 Dependents^f																		
5,000	—	—	-10.0 ^g	-10.0 ^g	-10.0 ^g	-8.7 ^g	-12.2 ^g	-12.1 ^g	-12.1 ^g	—	—	-10.0 ^g	-10.0 ^g	—	—	—	—	—
10,000	6.1	5.8	1.4	1.4	3.7	4.7	-1.2 ^g	-1.1 ^g	-0.9 ^g	20.0	16.8	26.0 ^g	26.5 ^g	16.0	14.0	—	—	—
20,000	12.2	11.4	10.3	10.3	11.3	10.4	8.3	8.4	8.5	22.0	19.5	18.5	21.0	24.0	22.0	15.0	15.0	15.0
25,000	13.7	12.9	12.8	12.8	14.0	12.9	9.7	9.7	9.8	22.0	22.6	22.0	24.0	28.0	25.0	15.0	15.0	15.0
35,000	16.1	15.3	17.4	17.4	18.8	16.7	13.2	13.7	13.4	26.0	25.6	28.0	32.0	37.0	33.0	28.0	28.0	28.0
50,000	19.0	18.3	22.8	22.8	24.2	21.3	16.8	17.1	16.9	30.0	32.8	39.0	43.0	44.0	38.0	28.0	28.0	28.0
75,000	23.6	23.3	29.4	29.4	31.2	26.6	20.4	20.5	20.5	43.0	43.0	50.0	54.0	42.0	42.0	33.0	33.0	33.0

Table 8 (cont.)
Federal Individual Income Tax (Average and Marginal Tax Rates)
Selected Income Groups and Years, 1954-1990

— Represents zero.

^a Refers to income after exclusions.

^b Tax liability divided by stated adjusted gross income.

^c The highest rate at which last dollar of taxable income (adjusted gross income less deductions and personal exemptions) is taxed. For example, a married couple with taxable income of \$40,000 would have the first \$30,950 of taxable income taxed at 15%; the additional \$9,050 of taxable income would be taxed at 28%. The total tax liability would be \$7,332.50.

^d Includes tax surcharge.

^e 1981 tax liability and tax rates are 98.75% of the 1980 rates.

^f It is assumed only one spouse works outside the home.

^g Refundable earned income credit.

^h Amount of adjusted gross income equivalent to adjusted gross income in 1980 dollars was calculated by using NIPA personal consumption deflator (1982 = 100). The values of the deflator are: 1960, 32.9; 1970, 42.0; 1975, 68.3; 1980, 86.6; 1985, 128.9; 1988, 143.4; 1989, 150.0; 1990, 157.50.

Source: ACIR computations and U.S. Department of the Treasury, unpublished data.

Table 9
Federal Individual Income Tax Rates and Exemptions, 1913-1992

Years	Personal Exemptions			Rates (range in percent)	Taxable Income Brackets †	
	Single	Married- Joint Return	Dependents		Lowest: Amount Under	Highest: Amount Over
1913-15	\$3,000	\$4,000	None	1.0-7.0	\$20,000	\$500,000
1916	3,000	4,000	None	2.0-15.0	20,000	2,000,000
1917	1,000	2,000	\$200	2.0-67.0	2,000	2,000,000
1918	1,000	2,000	200	6.0-77.0	4,000	1,000,000
1919-20	1,000	2,000	200	4.0-73.0	4,000	1,000,000
1921	1,000	2,500 ^a	400	4.0-73.0	4,000	1,000,000
1922	1,000	2,500 ^a	400	4.0-56.0	4,000	200,000
1923	1,000	2,500 ^a	400	3.0-56.0	4,000	200,000
1924	1,000	2,500	400	1.5 ^b -46.0	4,000	500,000
1925-28	1,500	3,500	400	1.125 ^b -25.0	4,000	100,000
1929	1,500	3,500	400	0.375 ^b -24.0	4,000	100,000
1930-31	1,500	3,500	400	1.125 ^b -25.0	4,000	100,000
1932-33	1,000	2,500	400	4.0-63.0	4,000	1,000,000
1934-35	1,000	2,500	400	4.0 ^c -63.0	4,000	1,000,000
1936-39	1,000	2,500	400	4.0 ^c -79.0	4,000	5,000,000
1940	800	2,000	400	4.4 ^c -81.1	4,000	5,000,000
1941	750	1,500	400	10.0 ^c -81.0	2,000	5,000,000
1942-43 ^d	500	1,200	350	19.0 ^c -88.0	2,000	200,000
1944-45	500	1,000	500	23.0-94.0 ^e	2,000	200,000
1946-47	500	1,000	500	19.0-86.45 ^e	2,000	200,000
1948-49 ^f	600	1,200	600	16.6-82.13 ^e	2,000	200,000
1950	600	1,200	600	17.4-84.36 ^e	2,000	200,000
1952-53	600	1,200	600	20.4-91.0 ^e	2,000	200,000
1954-63	600	1,200	600	20.0-91.0 ^e	2,000	200,000
1964	600	1,200	600	16.0-77.0	500	100,000
1965-67	600	1,200	600	14.0-70.0	500	100,000
1968	600	1,200	600	14.0-75.25 ^g	500	100,000
1969	600	1,200	600	14.0-77.0 ^g	500	100,000
1970	625	1,250	625	14.0-71.75 ^g	500	100,000
1971	675	1,350	675	14.0-70.0	500	100,000
1972-76	750	1,500	750	14.0-70.0	500	100,000
1977-78	750	1,500	750	0.0-70.0	3,200	203,200
1979-81	1,000	2,000	1,000	0.0-70.0 ^h	3,400	215,400
1982	1,000	2,000	1,000	0.0-50.0	3,400	85,600
1983	1,000	2,000	1,000	0.0-50.0	3,400	109,400
1984	1,000	2,000	1,000	0.0-50.0	3,400 ⁱ	162,400 ⁱ
1985	1,040 ^j	2,080 ^j	1,040 ^j	0.0-50.0	3,540 ⁱ	169,020 ⁱ
1986	1,080 ^j	2,160 ^j	1,080 ^j	0.0-50.0	3,670 ⁱ	175,250 ⁱ
1987	1,900	3,800	1,900	11.0-38.5	3,000	90,000
1988	1,950 ^k	3,900 ^k	1,950 ^k	15.0-28.0 ^l	29,750	29,750
1989	2,000 ^j	4,000 ^j	2,000 ^j	15.0-28.0 ^l	30,950	30,950
1990	2,050 ^j	4,100 ^j	2,050 ^j	15.0-28.0 ^l	32,450	32,450
1991	2,150 ^j	4,300 ^j	2,150 ^j	15.0-31.0	34,000	82,150
1992	2,300 ^j	4,600 ^j	2,300 ^j	15.0-31.0	35,800	86,500

For tax year 1991, personal exemptions are phased out at threshold incomes of \$150,000 for joint returns, \$125,000 for heads of households, \$100,000 for single taxpayers, and \$75,000 for married persons filing separate returns. For 1992, the thresholds are \$157,900 for joint returns, \$131,550 for heads of household, \$105,250 for single taxpayers, and \$78,950 for married persons filing separately. The exemption amount is reduced by 2% for each \$2,500 or fraction (\$1,250 for married persons filing separately) in excess of the threshold income.

For tax years beginning after 1990 but before 1995, total allowable itemized deductions, except medical costs, casualty and theft losses, and investment interest, are reduced by 3% of the amount of adjusted gross income over \$100,000. The itemized deductions cannot be reduced by more than 80%; the \$100,000 threshold will be adjusted for inflation in years beginning after 1991.

†Married filing joint return.

Table 9 (cont.)
Federal Individual Income Tax Rates and Exemptions, 1913-1992

- ^a Married exemption is \$2,000 if net income exceeds \$5,000.
- ^b After earned income credit equal to 25% of tax on earned income, lowest bracket only.
- ^c Before earned income credit equal to 25% of tax on earned income.
- ^d Exclusive of Victory Tax.
- ^e Subject to maximum effective rate limitation: 90% for 1944-45, 85.5% for 1946-47, 80% for 1950, 87.2% for 1951, 88% for 1952-53, and 87% for 1954-59.
- ^f Beginning in 1948, blind taxpayers, or taxpayer and spouse 65 years old or older are allowed an additional exemption.
- ^g Includes surcharge of 7.5% in 1968, 10% in 1969, and 2.5% in 1970; lowest bracket unaffected. The maximum effective rate on earned income was 60% in 1970.
- ^h The tax liability was reduced by 1.25% for all taxable income brackets in 1981.

- ⁱ All brackets adjusted for changes in the Consumer Price Index.
- ^j Personal exemptions adjusted for changes in the Consumer Price Index for 1985, 1986, 1989, and thereafter.
- ^k The personal exemption is phased out for certain higher income taxpayers, beginning in 1981.
- ^l Beginning in 1988, the first calendar year of the two-bracket system, the benefits of rate graduation will be phased out so that high-income taxpayers will pay the 28% rate on all taxable income. This requires a rate adjustment that imposes an additional 5% tax on taxable income within the specified range. For example, a married couple filing a joint return in 1990, with taxable income over \$78,400 but less than \$162,700, would pay a marginal rate of 33%. For taxable income over \$162,700, the marginal rate is 28%. Beginning in 1991, the top marginal tax rate is 31%.

Sources: U.S. Department of Commerce, Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970, Part 2* (Washington, DC, 1976); Tax Foundation, *Facts and Figures on Government Finance, 1988-89 Edition* (Washington, DC, 1988); U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, Individual Income Tax Returns* (Washington, DC, various years); Commerce Clearing House, *1992 U.S. Master Tax Guide* (Chicago, 1991).

Table 10
**Federal Corporate Income Tax Rates and Exemptions,
Income Years 1909-1991**

Year	Income Brackets and Specific Dollar Exemptions	Rate (percent)	Year	Income Brackets and Specific Dollar Exemptions	Rate (percent)
1909-13	\$5,000 exemption	1	1951	First \$25,000	28.75 ^d
1913-15	No exemption after 3/1/13	1		Over \$25,000	50.75 ^d
1916	None	2	1952-53	First \$25,000	30 ^d
1917	None	6		Over \$25,000	52 ^d
1918	\$2,000 exemption	12 ^a	1964	First \$25,000	22
1919-21	\$2,000 exemption	10 ^a		Over \$25,000	50
1922-24	\$2,000 exemption	12.5	1965-67	First \$25,000	22
1925	\$2,000 exemption	13		Over \$25,000	48
1926-27	\$2,000 exemption	13.5	1968-69	First \$25,000	24.2 ^e
1928	\$3,000 exemption	12		Over \$25,000	52.8 ^e
1929	\$3,000 exemption	11	1970	First \$25,000	22.55 ^e
1930-31	\$3,000 exemption	12		Over \$25,000	49.2 ^e
1932-35	None	13.75 ^b	1971-74	First \$25,000	22
1936-37	Graduated normal tax ranging from—			Over \$25,000	48
	First \$2,000	8 ^b	1975-78	First \$25,000	20
	Over \$40,000	15 ^b		\$25,000 to \$50,000	22
	Graduated surtax on undistributed profits ranging from—	7-27 ^b		Over \$50,000	48
1938-39	First \$25,000	12.5-16 ^b	1979-81	First \$25,000	17
	Over \$25,000	19 ^c		\$25,000 to \$50,000	20
1940	First \$25,000	14.85-18.7 ^b		\$50,000 to \$75,000	30
	\$25,000 to \$31,964.30	38.3 ^b		\$75,000 to \$100,000	40
	\$31,964.30 to \$38,565.89	36.9 ^b		Over \$100,000	46
	Over \$38,565.89	24 ^b	1982	First \$25,000	16
1941	First \$25,000	21-25 ^b		\$25,000 to \$50,000	19
	\$25,000 to \$38,461.54	44 ^b		\$50,000 to \$75,000	30
	Over \$38,461.54	31 ^b		\$75,000 to \$100,000	40
1942-45	First \$5,000	25 ^b		Over \$100,000	46
	\$5,000 to \$20,000	27 ^b	1983-86	First \$25,000	15
	\$20,000 to \$25,000	29 ^b		\$25,000 to \$50,000	18
	\$25,000 to \$50,000	53 ^b		\$50,000 to \$75,000	30
	Over \$50,000	40 ^b		\$75,000 to \$100,000	40
1946-49	First \$5,000	21		Over \$100,000	46
	\$5,000 to \$20,000	23	1987-91 ^f	First \$50,000	15
	\$20,000 to \$25,000	25		\$50,000 to \$75,000	25
	\$25,000 to \$50,000	53		\$75,000 to \$100,000	34
	Over \$50,000	38		\$100,000 to \$335,000	39 ^g
1950	First \$25,000	23 ^d		Over \$335,000	34
	Over \$25,000	42 ^d			

^a In addition to the rates shown, in 1918, profits above \$3,000 plus 8% of invested capital were subjected to a graduated tax ranging from 30% to 65% and a "war profits" tax of 100% of the profits above \$3,000 plus the greater of (1) average prewar net income plus or minus 10% of the increase or decrease in invested capital, or (2) 10% of invested capital. The sum of the excess profits tax and the war profits tax could not exceed 30% of the net income above \$3,000 and not exceed \$20,000 plus 80% of the net income over \$25,000. In 1919 and 1920, the war profits tax was repealed and the excess profits tax was 20% to 40% of the profits over \$3,000 plus 8% of the invested capital

(not to exceed 20% of net income over \$3,000).

^b From 1933 to 1935, 5% of the profits above 12.5% of adjusted declared value of capital stock was imposed. From 1936 to 1939, the tax ranged from 6% to 12% on profits over 10% of adjusted declared value. From 1940 to 1945, these tax rates were 6.6% to 13.2%. In addition, profits exceeding 95% of the average net income 1936-39, plus adjustments, were taxed at graduated rates of 25-50% in 1941, 35-60% in 1942-43, 90% in 1944, and 95% in 1945.

^c Less adjustments: 14.025% of dividends received and 2.5% of dividends paid.

Table 10 (cont.)
**Federal Corporate Income Tax Rates and Exemptions,
Income Years 1909-1991**

^d Additional tax of 30% of profits exceeding 85% of net income (average of three highest years, 1946-49) adjusted by changes in capital stock (1946-49) was imposed in 1950 (83% of net income in 1951-53). Total tax limited to 62% of excess profits net income before deduction of excess profits credit (\$25,000). In 1951, the maximum excess profits tax limited to 17.25% of excess profits net income before deduction of excess profits credit of \$25,000. For 1952-53, the limit was 18%.

^e Includes surcharge of 10% in 1968 and 1969, and 2.5% in 1970.

^f Rates shown effective for tax years beginning on or after 7/1/87. Income in tax years that include 7/1/87 (other than the first date of such year) is subject to a blended rate.

^g This provision phases out the benefit of graduated rates for corporations with taxable income between \$100,000 and \$335,000. Corporations with taxable income above \$335,000, in effect, pay a flat rate of 34%.

Source: Tax Foundation, *Facts and Figures on Government Finance, 1988-89 Edition* (Washington, DC, 1988); and Commerce Clearing House, *U.S. Master Tax Guide, 1992* (Chicago, 1991).

Table 11
Federal Excise Tax Rates on Selected Items
Selected Years 1944-1991

Item Taxed (base)	Rates as of December 31				
	1944	1954	1964	1989	1991
Alcoholic beverages					
Distilled spirits (\$/proof gallon)	9.00	10.50	10.50	12.50	13.50
Still wines (\$/wine gallon)					
Not over 14% alcohol	0.15	0.17	0.17	0.17	1.07
14 to 21% alcohol	0.60	0.67	0.67	0.67	1.57
21 to 24% alcohol ^a	2.00	2.25	2.25	2.25 ^b	3.15 ^b
Beer (\$/31-gallon barrel)	8.00	9.00	9.00	9.00 ^c	18.00 ^c
Tobacco products					
Small cigars (\$ less than 3 lbs per 1,000)	0.75	0.75	0.75	0.75	0.9375 ^d
Large cigars (\$ more than 3 lbs per 1,000)	2.50- 20.00	2.50- 20.00	2.50- 20.00	8.3% of wholesale price	10.625% ^e of wholesale price
Cigarettes (\$/pack of 20)	0.07	0.08	0.08	0.16 ^f	0.20 ^f
Tobacco and snuff (\$/lb)	0.18	0.10	0.10	g	g
Manufacturers excise taxes					
Gasoline (\$/gallon)	0.015	0.02	0.02	0.09 ^h	0.14 ⁱ
Lubricating oils (\$/gallon)	0.06	0.06	0.06	j	j
Automobiles (% of sales price)	7.0%	10.0%	10.0%	k	k
Automotive accessories (% of sales price)	5.0%	8.0%	8.0%	l	l
Trucks and trailers (% of sales price)	7.0%	10.0%	10.0%	12.0%	12.0%
Highway tires (\$/lb)	0.05	0.05	0.10	.15-.50 ^m	.15-.50 ^m
"Gas Guzzler" (\$/auto)	—	—	—	n	n
Firearms, shells, and cartridges (% of price)	11.0%	11.0%	11.0%	11.0%	11.0%
Pistols and revolvers (% of sales price)	10.0%	10.0%	10.0%	10.0%	10.0%
Bows and arrows (% of sales price)	—	—	—	11.0%	11.0%
Sport fishing equipment (% of sales price)	—	10.0%	10.0%	10.0%	10.0%
Stamp and documentary taxes^j					
Retailers excise taxes					
Diesel fuel for highway vehicles (\$/gallon)	—	—	—	0.15	0.20
Gasohol (\$/10% or more alcohol-gasoline blend)	—	—	—	0.03	6.1
Gasoline used in noncommercial aviation (\$/gallon)	—	—	—	0.12	0.15
Fuels other than gasoline, noncommercial aviation (\$/gallon)	—	—	—	0.14	0.175
Inland waterways fuel (\$/gallon)	—	—	—	0.10 ^p	0.13
Airplanes	—	—	—	—	10.0% ^p
Automobiles	—	—	—	—	10.0% ^p
Boats	—	—	—	—	10.0% ^p
Furs and jewelry	—	—	—	—	10.0% ^p
Other excise taxes					
Air passenger ticket (% of price)	15.0%	10.0%	5.0%	8.0.0%	10.0%
International departures (\$/person)	—	—	—	3.00	6.00
Domestic air cargo (% of value)	—	—	—	—	6.25%
Local telephone service (% of amount)	15.0%	10.0%	10.0%	3.0%	3.0%
Long-distance and teletype service (% of amount)	25.0%	10.0%	10.0%	3.0%	3.0%
Certain vaccines (\$/dose)	—	—	—	q	q
Foreign insurance policies (% of premiums)					
Life insurance (% of premium)	1.0%	1.0%	1.0%	1.0%	1.0%
Other insurance (% of premium)	4.0%	4.0%	4.0%	4.0%	4.0%
Wagering (% of amount wagered except parimutuel)	10.0%	10.0%	10.0%	2.0% ^r	2.0% ^r
Leaking underground storage tanks (\$/gallon)	—	—	—	0.001	0.001 ^s
Environmental ("Superfund") excise taxes					
Domestic crude oil (\$/barrel)	—	—	—	0.082	0.147
Imported petroleum products (\$/barrel)	—	—	—	0.117	0.147
Feedstock chemicals and certain imported substances (\$/ton)	—	—	—	.22-4.87	.22-4.87
Use of harbors and ports (% of cargo)	—	—	—	0.04.0%	0.125%
Use tax on heavy highway vehicles (\$/ton)	—	—	6.00	t	t
Coal (\$/ton)					
Underground mines	—	—	—	1.10	1.10
Surface mines	—	—	—	0.55	0.55

Table 11 (cont.)
Federal Excise Tax Rates on Selected Items
Selected Years 1944-1991

^a Wines over 24% alcohol are taxed at rate for distilled spirits.

^b Artificially carbonated wines, \$2.40; champagnes and sparkling wines, \$3.40. As of 1/1/91, rates are \$3.30 and \$4.30.

^c Rate is \$7.00 per barrel for the first 600,000 barrels removed each year by small domestic producers (less than 2 million barrels per year).

^d Rate for 1991 and 1992. Rate for 1993 and thereafter is \$1.125 per 1,000.

^e Rate for 1991 and 1992. Maximum tax is \$25 per 1,000. Rate for 1993 and thereafter is 12% of wholesale price, or \$30 per 1,000, whichever is greater

^f Cigarettes weighing more than 3 lbs. per 1,000 are taxed at \$.336 per pack. For 1991 and 1992, the applicable rate is \$.42 per pack. For 1993 and thereafter, the rate is \$.504 per pack.

^g Rates are: snuff, \$.24; chewing tobacco, \$.08; and pipe tobacco, \$.45. For 1991 and 1992, applicable rates are \$.30, \$.10, and \$.5625. For 1993 and thereafter, the rates are \$.36, \$.12, and \$.675.

^h Rate for alcohol fuels (more than 85% methanol or ethanol), \$.03.

ⁱ Includes \$.025 per gallon tax for deficit reduction. This portion is scheduled to expire 10/1/95.

^j Repealed 8/16/71.

^k Repealed 1/7/83.

^l Repealed 1/1/66.

^m Tires under 40 lbs., no tax; over 40 but less than 70 lbs., \$.15 per lb. over 40 lbs.; over 70 but less than 90 lbs., \$.45 plus \$.30 per lb. over 70 lbs.; over 90 lbs., \$1.50 plus \$.50 per lb. over 90 lbs.

ⁿ Rates range from \$500 per vehicle if fuel economy rating is 22.5 mpg or less to \$3,850 per vehicle if fuel economy rating is less than 12.5 mpg. For 1992, the rates range from \$1,000 per vehicle to \$7,700 per vehicle for corresponding fuel economy ratings.

^o Rate is scheduled to rise to \$.20 per gallon in 1995 and thereafter.

^p Rate applies to difference between retail price and threshold price. Threshold prices for airplanes, \$250,000; automobiles (except taxicabs), \$30,000; boats, \$100,000; and furs and jewelry, \$10,000.

^q Vaccine Injury Compensation Trust Fund. Rates are: Diphtheria, Pertussis, and Tetanus (DPT) \$4.56; Measles, Mumps, Rubella (MMR) \$4.44; Polio, \$.29; DT only, \$.06.

^r Rate is 0.25% of wagers in states where wagering is authorized by state law.

^s \$.001 per gallon, not included in excises for fuels and chemicals.

^t Vehicles over 55,000 lbs. but less than 75,000 lbs., \$100 plus \$22 per 1,000 lbs. over 55,000; over 75,000 lbs., \$550.

Sources: Tax Foundation, *Facts and Figures on Government Finance, 1988-89 Edition* (Washington, DC, 1988); U.S. Congress, Joint Committee on Taxation, *Schedule of Present Federal Excise Taxes, as of January 1, 1989*; *Congressional Record*, Vol. 136, No. 149, Part II (October 26, 1990); Commerce Clearing House, *1991 U.S. Excise Tax Guide* (Chicago, 1991), and *1992 U.S. Master Tax Guide* (Chicago, 1991).

Table 12
Old Age Survivors', Disability, and Hospitalization Insurance (Social Security)
Rates and Maximum Contributions
Calendar Years 1937-2000

Years	Annual Maximum Taxable Earnings	Combined Employer and Employee	Contribution Rate (percent)								Maximum Tax	
			Employer and Employee, Each			Self-Employed Persons			Employee or Employer	Self- Employed		
			Total	Old Age Survivors'	Disability	Hospital	Total	Old Age Survivors'	Disability	Hospital		
1937-49	\$3,000	2.00%	1.00%	1.00%	—	—	—	—	—	—	\$30.00	—
1950	3,000	3.00	1.5	1.5	—	—	—	—	—	—	45.00	—
1951-53	3,600	3.00	1.5	1.5	—	—	2.25	2.25	—	—	54.00	81.00
1954	3,600	4.00	2.0	2.0	—	—	3.0	3.0	—	—	72.00	108.00
1955-56	4,200	4.00	2.0	2.0	—	—	3.0	3.0	—	—	84.00	126.00
1957-58	4,200	4.50	2.25	2.0	0.25	—	3.375	3.0	0.375	—	94.50	141.75
1959	4,800	5.00	2.5	2.25	0.25	—	3.75	3.375	0.375	—	120.00	180.00
1960-61	4,800	6.00	3.0	2.75	0.25	—	4.5	4.125	0.375	—	144.00	216.00
1962	4,800	6.25	3.125	2.875	0.25	—	4.7	4.325	0.375	—	150.00	225.60
1963-65	4,800	7.25	3.625	3.375	0.25	—	5.4	5.025	0.375	—	174.00	259.20
1966	6,600	8.40	4.2	3.5	0.35	0.35	6.15	5.275	0.525	0.35	277.20	405.90
1967	6,600	8.80	4.4	3.55	0.35	0.5	6.4	5.375	0.525	0.5	290.40	422.40
1968	7,800	8.80	4.4	3.325	0.475	0.6	6.4	5.0875	0.7125	0.6	343.20	499.20
1969	7,800	9.60	4.8	3.725	0.475	0.6	6.9	5.5875	0.7125	0.6	374.40	538.20
1970	7,800	9.60	4.8	3.65	0.55	0.6	6.9	5.475	0.825	0.6	374.40	538.20
1971	7,800	10.40	5.2	4.05	0.55	0.6	7.5	6.075	0.825	0.6	405.60	585.00
1972	9,000	10.40	5.2	4.05	0.55	0.6	7.5	6.075	0.825	0.6	468.00	675.00
1973	10,800	11.70	5.85	4.3	0.55	1.0	8.0	6.205	0.795	1.0	631.80	864.00
1974	13,200	11.70	5.85	4.375	0.575	0.9	7.9	6.185	0.815	0.9	772.20	1,042.80
1975	14,100	11.70	5.85	4.375	0.575	0.9	7.9	6.185	0.815	0.9	824.85	1,113.90
1976	15,300	11.70	5.85	4.375	0.575	0.9	7.9	6.185	0.815	0.9	895.05	1,208.70
1977	16,500	11.70	5.85	4.375	0.575	0.9	7.9	6.185	0.815	0.9	965.25	1,303.50
1978	17,700	12.10	6.05	4.275	0.775	1.0	8.1	6.01	1.09	1.0	1,070.85	1,433.70
1979	22,900	12.26	6.13	4.33	0.75	1.05	8.1	6.01	1.04	1.05	1,403.77	1,854.90
1980	25,900	12.26	6.13	4.52	0.56	1.05	8.1	6.2725	0.7775	1.05	1,587.67	2,097.90
1981	29,700	13.30	6.65	4.7	0.65	1.3	9.3	7.025	0.975	1.3	1,975.05	2,762.10
1982	32,400	13.40	6.7	4.575	0.825	1.3	9.35	6.8125	1.2375	1.3	2,170.80	3,029.40
1983	35,700	13.40	6.7	4.775	0.625	1.3	9.35	7.1125	0.9375	1.3	2,391.90	3,337.95
1984	37,800	14.00	7.0 ^a	5.2	0.5	1.3	14.0 ^b	10.4	1.0	2.6	2,646.00 ^a	5,292.00 ^b
1985	39,600	14.10	7.05	5.2	0.5	1.35	14.1 ^b	10.4	1.0	2.7	2,791.80	5,583.60 ^b
1986	42,000	14.30	7.15	5.2	0.5	1.45	14.3 ^b	10.4	1.0	2.9	3,003.00	6,006.00 ^b
1987	43,800	14.30	7.15	5.2	0.5	1.45	14.3 ^b	10.4	1.0	2.9	3,131.70	6,263.40 ^b
1988	45,000	15.02	7.51	5.53	0.53	1.45	15.02 ^b	11.06	1.06	2.9	3,379.50	6,759.00 ^b
1989	48,000	15.02	7.51	5.53	0.53	1.45	15.02 ^b	11.06	1.06	2.9	3,604.80	7,209.60 ^b

Table 12 (cont.)
Old Age Survivors', Disability, and Hospitalization Insurance (Social Security)
Rates and Maximum Contributions
Calendar Years 1937-2000

Years	Annual Maximum Taxable Earnings	Combined Employer and Employee	Contribution Rate (percent)								Maximum Tax		
			Employer and Employee, Each						Self-Employed Persons			Employee or Employer	Self- Employed
			Total	Old Age Survivors'	Disability	Hospital	Total	Old Age Survivors'	Disability	Hospital			
1990	51,300	15.30	7.65	5.6	0.6	1.45	15.30	11.2	1.2	2.9	3,924.45	7,848.90	
1991	53,400 ^c	15.30	7.65	5.6	0.6	1.45	15.30	11.2	1.2	2.9	5,123.30	10,246.60	
1992	55,000 ^c	15.30	7.65	5.6	0.6	1.45	15.30	11.2	1.2	2.9	5,297.90	10,595.80	
1993-99	^d	15.30	7.65	5.6	0.6	1.45	15.30	11.2	1.2	2.9	^d	^d	
2000 and after	^d	15.30	7.65	5.49	0.71	1.45	15.30	10.98	1.42	2.9	^d	^d	

^a Includes credit of 0.3% of remuneration in 1984.

^b Includes credits against self-employment income of 2.7% in 1984; 2.3% in 1985; and 2.0% in 1986 through 1989.

^c Maximum taxable wages for Old Age Survivors and Disability Insurance. Maximum taxable wage base for Hospitalization Insurance (Medicare) is \$125,000 in 1991 and \$130,200 in 1992.

^d Based on automatic adjustment in proportion to increases in average earnings whenever there has been cost-of-living benefit adjustment in the preceding year. The maximum tax will vary accordingly.

Source: U.S. Department of Labor, Social Security Administration, *Social Security Bulletin, Annual Statistical Supplement* (Washington, DC, various years); and Commerce Clearing House, *1992 U.S. Master Tax Guide* (Chicago, 1991).

Table 13
Federal Death Taxes and the State "Pick-Up" Credit
 (General Description)

Federal death taxes are made up of two components—gift taxes and estate taxes. Gift taxes are levied on the donor, *while the donor is alive*, on transfers above \$10,000 (\$20,000 for joint gifts), *per donee*, for a single year. Estate taxes are levied on the entire taxable estate (gross estate less administrative expenses, bequests to spouse, debts, charitable contributions, and funeral expenses) *after the death of the donor*. Gift taxes paid during the donor's lifetime are credited dollar for dollar against estate taxes due at time of death.

Although estate and gift tax rates begin at the first dollar of taxable estate, there is a unified credit of \$192,800 against transfer tax liability. This is equivalent to a \$600,000 exemption. In addition to the unified credit, a credit for state death taxes is also allowed; see the table below for maximum state death tax credit ("Pick-Up").

Unified Transfer Tax Rates ¹			Maximum State Death Tax Credit		
Taxable Estate	Tax on Lower Amount	Rate on Excess	Adjusted Taxable Estate ²	Federal Credit	Rate on Excess
\$10,000 or less	\$0	18%	\$40,000-89,999	\$0	0.8%
10,000-19,999	1,800	20	90,000-139,999	400	1.6
20,000-39,999	3,800	22	140,000-239,999	1,200	2.4
40,000-59,999	8,200	24	240,000-439,999	3,600	3.2
60,000-79,999	13,000	26	440,000-639,999	10,000	4.0
80,000-99,999	18,200	28	640,000-839,999	18,000	4.8
100,000-149,999	23,800	30	840,000-1,039,999	27,600	5.6
150,000-249,999	38,800	32	1,040,000-1,539,999	38,800	6.4
250,000-499,999	70,800	34	1,540,000-2,039,999	70,800	7.2
500,000-749,999	155,800	37	2,040,000-2,539,999	106,800	8.0
750,000-999,999	248,300	39	2,540,000-3,039,999	146,800	8.8
1,000,000-1,249,999	345,800	41	3,040,000-3,539,999	190,800	9.6
1,250,000-1,499,999	448,300	43	3,540,000-4,039,999	238,800	10.4
1,500,000-1,999,999	555,800	45	4,040,000-5,039,999	290,800	11.2
2,000,000-2,499,999	780,800	49	5,040,000-6,039,999	402,800	12.0
2,500,000-2,999,999	1,025,800	53	6,040,000-7,039,999	522,800	12.8
over 3,000,000 ³	1,290,800	55	7,040,000-8,039,999	650,800	13.6
			8,040,000-9,039,999	786,800	14.4
			9,040,000-10,039,999	930,800	15.2
			over 10,040,000	1,082,800	16.0

¹ For decedents from 1984 through 1992.

² Taxable estate less \$60,000.

³ On taxable estates between \$10,000,000 and \$21,040,000, an ad-

ditional tax of 5% of the transfer above \$10,000,000 is imposed for decedents in 1991 and 1992. For decedents in 1993 and thereafter, the additional tax rate on taxable estates between \$10,000,000 and \$18,340,000 is 5%.

Source: Commerce Clearing House, *1992 U.S. Master Tax Guide* (Chicago, 1991).

Section III

State and Local Taxes: An Overview

Table 14
Dates of Adoption of Major State Taxes

Before 1911	Individual Income*				
	1911-20	1921-30	1931-40	1941-60	Since 1961
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 ¹ Arkansas, 1929 Georgia, 1929 Oregon, 1930 Total, 6	Idaho, 1931 Tennessee, 1931 ¹ 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	District of Columbia, 1947 Alaska, 1949 Total, 2	West Virginia, 1961 Indiana, 1963 Michigan, 1967 Nebraska, 1967 Connecticut, ² 1969 Illinois, 1969 Maine, 1969 Ohio, 1971 Pennsylvania, 1971 Rhode Island, 1971 New Jersey, 1976 Total, 11 Repealed Alaska, 1979 Broad-based tax, 42 Narrow-based tax, 2 Grand Total, 44

* States without an individual income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, Wyoming.
States with limited tax: New Hampshire (interest and dividends); Tennessee (interest and dividends).

Before 1911	Corporation Income*				
	1911-20	1921-30	1931-40	1941-60	Since 1961
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	District of Columbia, 1947 Rhode Island, 1947 Alaska, 1949 Delaware, 1957 New Jersey, 1958 Total, 5	Indiana, ³ 1963 Michigan, 1967 Nebraska, 1967 West Virginia, 1967 Illinois, 1969 Maine, 1969 New Hampshire, 1970 Florida, 1971 Ohio, 1971 Total, 9 Repealed Michigan, 1976 Grand Total, 45

* States without a corporation income tax: Nevada, South Dakota, Texas, Washington, and Wyoming. Michigan repealed the corporate income tax in 1976 and replaced it with a single business tax, which is a modified value-added tax. The District of Columbia has a franchise tax.

General Sales*			
1930-40	1941-50	1951-60	Since 1961
Mississippi, 1930—Arizona, 1933 California, 1933—Illinois, 1933 Indiana, ³ 1933—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 District of Columbia, 1949 Florida, 1949 Total, 6	Georgia, 1951 Maine, 1951 South Carolina, 1951 Pennsylvania, 1953 Nevada, 1955 Kentucky, 1960 Total 6	Texas, 1961 Wisconsin, 1961 Idaho, 1965 New York, 1965 Massachusetts, 1966 New Jersey, 1966 Virginia, 1966 Minnesota, 1967 Nebraska, 1967 Vermont, 1969 Total, 10 Grand Total, 46

* States without a general sales tax: Alaska, Delaware, Montana, New Hampshire, and Oregon.

Table 14 (cont.)
Dates of Adoption of Major State Taxes

1911-20	Gasoline 1921-30	Since 1931
Colorado, 1919	Arizona, 1921—Arkansas, 1921—Connecticut, 1921	Hawaii, 1932
New Mexico, 1919	Florida, 1921—Georgia, 1921—Louisiana, 1921—Montana, 1921	Alaska, 1946
North Dakota, 1919	North Carolina, 1921—Pennsylvania, 1921—Washington, 1921	Total, 2
Oregon, 1919	Maryland, 1922—Mississippi, 1922—South Carolina, 1922	
Kentucky, 1920	South Dakota, 1922—Alabama, 1923—California, 1923	
Total, 5	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	
	District of Columbia, 1924—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, 44	Grand Total, 51

1921-30	1931-40	Cigarettes 1941-50	1951-60	Since 1961
Iowa, 1921	Ohio, 1931	Illinois, 1941	Wyoming, 1951	Colorado, 1964
South Carolina, 1923	Texas, 1931	Maine, 1941	Missouri, 1955	Oregon, 1965
South Dakota, 1923	Louisiana, 1932	Delaware, 1943	Maryland, 1958	North Carolina, 1969
Utah, 1923	Mississippi, 1932	Florida, 1943	California, 1959	Total, 3
Tennessee, 1925	Oklahoma, 1933	New Mexico, 1943	Virginia, 1960	
Kansas, 1927	Alabama, 1935	Idaho, 1945	Total, 5	
North Dakota, 1927	Arizona, 1935	Indiana, 1947		
Arkansas, 1929	Connecticut, 1935	Michigan, 1947		
Total, 8	Washington, 1935	Minnesota, 1947		
	Kentucky, 1936	Montana, 1947		
	Georgia, 1937	Nebraska, 1947		
	Pennsylvania, 1937	Nevada, 1947		
	Vermont, 1937	West Virginia, 1947		
	Hawaii, 1939	New Jersey, 1948		
	Massachusetts, 1939	Alaska, 1949		
	New Hampshire, 1939	District of Columbia, 1949		
	New York, 1939	Total, 16		
	Rhode Island, 1939			
	Wisconsin, 1939			
	Total, 19			Grand Total, 51

Distilled Spirits 1933-40	Since 1941
Arizona, 1933—Colorado, 1933—Delaware, 1933	Alaska, 1959
Indiana, 1933—Maryland, 1933—Massachusetts, 1933	Kansas, 1948
New Jersey, 1933—New York, 1933—Rhode Island, 1933	Oklahoma, 1959
District of Columbia, 1934—Illinois, 1934—Kentucky, 1934	Mississippi, 1966
—Louisiana, 1934—Minnesota, 1934—Missouri, 1934	Total, 4
New Mexico, 1934—Wisconsin, 1934	
Arkansas, 1935—California, 1935—Florida, 1935	
Nebraska 1935—Nevada, 1935	
South Carolina, 1935—South Dakota, 1935—Texas, 1935	
North Dakota, 1936	
Connecticut, 1937—Georgia, 1937	
Hawaii, 1939—Tennessee, 1939	
Total, ⁴ 30	Grand Total, ⁴ 34

¹ Interest and dividends only.

² Capital gains, interest, and dividends only from 1969-1990. In 1991, imposed tax on salaries and wages, also.

³ Gross income tax—in 1963 Indiana enacted a 2% retail sales and use tax.

⁴ 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.

Source: ACIR staff compilation based on Commerce Clearing House, *State Tax Reporter*.

Table 15
State Taxes by Major Source, 1991

State	Corporate Franchise ¹	Corporate Income ²⁶	Individual Income	Sales and Use	Severance	Property ³	Death ⁴	Transfer and Document Recording
Alabama	Y	Y	Y	Y	Y	Y	Y	Y ⁵
Alaska		Y			Y	Y	Y	
Arizona		Y	Y	Y	Y	Y	Y	Y
Arkansas	Y	Y	Y	Y	Y	Y	Y	Y
California		Y	Y	Y	Y	Y	Y	Y
Colorado		Y	Y	Y	Y	Y	Y	Y
Connecticut		Y	Y	Y		Y	Y	Y
Delaware	Y	Y	Y				Y	Y
District of Columbia		Y	Y	Y		Y	Y	Y
Florida		Y		Y	Y	Y	Y	Y
Georgia	Y	Y	Y	Y	Y	Y	Y	Y
Hawaii		Y	Y	Y		Y	Y	Y
Idaho		Y	Y	Y	Y	Y	Y	
Illinois	Y	Y	Y	Y	Y	Y	Y	Y
Indiana		Y	Y	Y	Y	Y	Y	
Iowa		Y	Y	Y			Y	Y
Kansas	Y	Y	Y	Y	Y	Y	Y	Y
Kentucky	Y	Y	Y	Y	Y	Y	Y	Y
Louisiana	Y	Y	Y	Y	Y	Y	Y	
Maine		Y	Y	Y	Y	Y	Y	Y
Maryland	Y ⁶	Y	Y	Y	Y	Y	Y	Y
Massachusetts		Y	Y	Y		Y	Y	Y
Michigan		Y ⁷	Y	Y	Y	Y ⁸	Y	Y
Minnesota		Y	Y	Y	Y	Y	Y	Y
Mississippi	Y	Y	Y	Y	Y	Y	Y	Y
Missouri	Y	Y	Y	Y	Y	Y	Y	
Montana		Y	Y		Y	Y	Y	
Nebraska	Y	Y	Y	Y	Y	Y	Y	Y
Nevada				Y	Y	Y	Y	Y
New Hampshire	Y	Y	Y ⁹			Y	Y	Y
New Jersey		Y	Y	Y		Y	Y	Y
New Mexico	Y	Y	Y	Y	Y	Y	Y	
New York	Y ⁶	Y	Y	Y			Y	Y
North Carolina	Y	Y	Y	Y	Y	Y	Y	Y
North Dakota		Y	Y	Y	Y	Y	Y	

Table 15 (cont.)
State Taxes by Major Source, 1991

State	Corporate Franchise ¹	Corporate Income ²	Individual Income	Sales and Use	Severance	Property ³	Death ⁴	Transfer and Document Recording
Ohio		Y	Y	Y	Y	Y	Y	
Oklahoma	Y	Y	Y	Y	Y		Y	Y
Oregon	Y	Y	Y		Y	Y	Y	
Pennsylvania	Y	Y	Y	Y		Y	Y	Y
Rhode Island	Y	Y	Y	Y			Y	Y
South Carolina	Y	Y	Y	Y		Y	Y	Y
South Dakota				Y	Y		Y	Y
Tennessee	Y	Y	Y ⁹	Y	Y		Y	Y
Texas	Y			Y	Y		Y	
Utah		Y	Y	Y	Y	Y	Y	
Vermont		Y	Y	Y		Y	Y	Y
Virginia	Y	Y	Y	Y	Y	Y	Y	Y
Washington				Y	Y	Y	Y	Y
West Virginia	Y	Y	Y	Y	Y	Y	Y	Y
Wisconsin		Y	Y	Y	Y	Y	Y	Y
Wyoming	Y			Y	Y	Y	Y	
Total	26	46	44	46	38	43	51	38

¹ Excludes franchise taxes imposed specifically on public utilities and franchise taxes measured by net income.

² Includes franchise taxes measured by net income and bank excise taxes measured by income.

³ Includes bank shares, capital stock, and special intangibles taxes.

⁴ Includes estate, gift, inheritance, or generation skipping transfers. All states have either an estate tax or generation skipping transfer tax to absorb the federal estate tax credit for state death taxes paid.

⁵ Document recording tax applies to shares of stock.

⁶ Maryland: applies to financial institutions only; New York: applies to cooperative agricultural corporations only.

⁷ Single business tax.

⁸ Intangibles tax does not apply if intangibles income is subject to single business tax.

⁹ New Hampshire and Tennessee: applies only to income from intangibles.

Source: Commerce Clearing House, *State Tax Guide* (Chicago, 1991).

Table 16
Number of Major State Taxes Earmarked, by Tax and Purpose
Fiscal Year 1988

	General Sales	Tobacco	Alcoholic Beverage	Insurance	Public Utilities	Pari- mutuel	Individual Income	Corporate Income	Motor Fuel	Motor Vehicle Registration	Operator's License	Property	Severance
Number of states levying tax ¹	40	45	45	45	39	29	39	42	45	45	45	39	35
Number of states earmarking tax ²	26	24	29	26	12	11	15	14	44	34	18	10	21
Purpose³													
Local government	13	10	22	8	4	5	9	9	18	13	5	4	14
Education	10	8	6	4	4	1	4	3	1	4	1	5	7
Highways/mass transit	10	-	2	-	-	-	-	1	44	31	16	-	1
Health/welfare/ human services	1	9	15	2	1	2	-	-	-	-	1	1	-
Pensions	1	2	2	10	-	-	-	-	1	-	1	1	1
Conservation	3	2	-	-	-	-	-	-	2	-	-	1	5
Debt service/ building funds	5	4	2	-	-	2	3	2	4	1	-	3	1
Regulation	-	1	3	6	3	2	-	1	2	-	-	-	2
Other	7	4	8	5	1	8	2	3	5	4	2	1	9

¹This table is based on survey results from 46 states.

²Includes states earmarking only a portion of the tax.

³A tax often is earmarked for several purposes.

Source: Martha A. Fabricius and Ronald K. Snell, *Earmarking State Taxes* (Denver: National Conference of State Legislatures, 1990), Table 2. Reprinted with permission.

Table 17
1991 Major Tax Changes, by Tax

State	Personal Income Tax (see also Tables 18-22)	Amount (millions)	Effective Date
Arizona	Eliminated exemption for various contributions to pension funds (mainly public service funds)	FY92 = \$1.6	1/91
	Conformed to federal code	FY92 = \$8.0	1/91
Arkansas	Reduced liability for low-income filers by increasing income level, depending on filing status, at which liability is incurred	FY92 = (\$14.2)	1/91
	Eliminated 60% capital gains exclusion and imposed 6% maximum tax rate	FY92 = (\$2.4)	1/91
California	Imposed temporary new top rate of 10% for taxable income in excess of \$100,000 (single), \$136,115 (head of household), and \$200,000 (joint), and 11% for taxable income in excess of \$200,000 (single), \$272,230 (head of household), and \$400,000 (joint). Increased alternative minimum tax rate from 7% to 8.5%	FY92 = \$1,181.0	1/91 12/31/95
	Extended the sunset date for carryforward of NOL attributable to taxable years beginning after 1/97. Disallowed deductions of NOL for taxable years beginning in 1991 and 1992 (affects personal income and bank and corporation income taxpayers)	FY92 = \$560.0	1/91-various
	Conformed to federal code and limited certain itemized deductions for high-income taxpayers	FY92 = \$272.0	1/91
	Phased out personal and dependent exemption credits for high-income taxpayers	FY92 = \$43.0	1/91
	Limited temporarily eligibility for renters' credit to low-income taxpayers (income test is repealed at end of 1995 tax year)	FY92 = \$137.0	1/91-12/31/95
	Eliminated deduction for cosmetic surgery	FY92 = \$3.0	1/91
	Allowed exclusion up to \$5,250 in employer-provided education assistance and repealed prohibition on exclusion for graduate courses	FY92 = (\$1.0)	1/91
	Extended provision allowing a deduction for 25% of the cost of health insurance purchased by self-employed individuals	FY92 = (\$2.0)	9/30/90-12/31/91
	Reduced deduction from \$35,000 to \$15,000 for providing access to the disabled (affects personal income and bank and corporation income taxpayers)	FY92 = \$2.0	1/91
	Required withholding for personal income tax purposes at a flat rate of 6% for supplemental wages	FY92 = \$80.0*	1/92
Required quarterly estimated payments on income derived from estates and trusts	FY92 = \$35.0*	1/92	
Connecticut	Enacted broad-based tax at rate of 4.5% on federal adjusted gross income (for 1991 tax year, the rate is 1.5%); lowered the capital gains, dividend, and interest tax from 7% to 4.62%, and repealed it effective 1/92	FY92 = \$1,359.0	1/91
Delaware	Took total personal income into account in determining marginal tax rates for nonresidents' taxable income in Delaware	FY92 = \$2.0	1/92
District of Columbia	Conformed to federal code (limited certain itemized deductions for high-income taxpayers)	FY92 = \$2.3	1/91
Georgia	Enacted tax credit for low-income persons	FY93 = (\$30.0)	1/92
Hawaii	Conformed to federal code	FY92 = \$3.6	1/91
	Extended temporarily the medical services tax credit, which equals 4% of qualified medical expenses paid by the taxpayer	FY92 = (\$25.0)	1/92-12/31/96
	Enacted special provisions for military personnel serving in the Persian Gulf	FY92 = (8.0)	1/91
Illinois	Increased rate temporarily from 2.5% to 3% and made portion of temporary increase permanent (effective 7/93 permanent rate will be 2.75%)	FY92 = \$626.0	7/91-6/30/93
	Revised the property tax relief mechanism by eliminating the double deduction for residential property taxes and providing a 5% credit	FY92 = \$27.0	1/91
Iowa	Conformed to federal code (first year will result in a small revenue loss due to the extension of the deductions for education assistance and self-employed health insurance)	FY91 = (\$0.4) FY92 = \$2.4	1/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Personal Income Tax (cont.) (see also Tables 18-22)	Amount (millions)	Effective Date
Maine	Imposed 5% temporary surcharge on incomes up to \$75,000 (married filing jointly) and temporary 10% surcharge for incomes over \$75,000 (married filing jointly); added new rate of 8.6% for incomes over \$75,000 (married filing jointly) (formerly 8.5% rate for incomes over \$32,000)	FY92 = \$55.5	1/91-12/31/92
	Postponed temporarily use of NOL carrybacks, which can affect both corporate and individual taxpayers such as subchapter S corporations (revenue effect is counted here is not counted again under corporation income tax section)	FY92 = \$5.1	1/91-12/31/92
	Accelerated collection of employee withholding from quarterly to federal schedule	FY91 = \$10.7*	5/91
Maryland	Phased out 40% capital gains exclusion (for CY 1991, the exclusion is 30% with income standards; the exclusion will be fully phased out by 1/92)	FY92 = \$32.0	1/91
Minnesota	Imposed new top marginal rate of 8.5% and conformed to federal code	FY92 = \$83.0 FY93 = \$89.8	1/91
	Created working family credit equal to 10% of federal earned income tax credit	FY92 = (\$9.4) FY93 = (\$10.0)	1/91
Missouri	Limited federal income tax deduction of \$7,500 per taxpayer and increased dependent exemption (subject to voter approval)	FY92 = \$60.0	1/92
Montana	Limited state and local retirees' exemption to \$3,600, which begins phasing out at \$30,000 and reaches zero at \$31,800 (formerly allowed a full exemption)	FY92 = \$13.3 FY93 = \$14.6	1/91
	Allowed 5% school foundation education surtax to expire	FY92 = (\$15.3) FY93 = (\$16.2)	1/91
Nebraska	Required payment of estimated income tax to receive automatic extension for filing	FY92 = \$11.0*	1/91
	Imposed temporary 2% surcharge on depreciation claimed for federal income tax purposes (surcharge is 4% for centrally assessed taxpayers); also affects corporation income taxpayers	FY92 = \$27.2 FY93 = \$16.3	1/91-12/31/91
New Mexico	Prorated earnings from mutual funds depending on whether securities are taxable or exempt	FY92 = (\$2.5)	1/91
	Repealed exemption for interest earned on out-of-state municipal bonds	FY92 = \$6.3	1/91
New York	Limited NOLs	FY92 = \$2.5	1/91
	Postponed previously enacted tax cut to 7.7% (rate remains 7.875%) and delayed scheduled increase in standard deduction	FY92 = \$400.0	1/91-1/92
	Applied highest marginal tax rate to total taxable income of high-income taxpayers	FY92 = \$100.0 FY93 = \$150.0	1/91
North Carolina	Eliminated deduction of franchise taxes for Subchapter S taxpayers (revenue effect not counted again under corporation income tax section)	FY92 = \$9.0 FY93 = \$15.0	1/91
	Accelerated withholding	FY92 = \$20.0*	1/92
Ohio	Increased rate from 7% to 7.75% for taxpayers with taxable income above \$100,000 (married filing jointly); \$80,000 (head of household); \$60,000 (single)	FY92 = \$51.0	1/91
Oregon	Modified certain provisions (e.g., reduced interest on NOL carrybacks)	FY92 = \$7.9	7/31/91
	Accelerated withholding	FY92 = \$10.0*	1/92
Oregon	Conformed to federal code	FY91 = \$1.0 FY92 = \$2.0	1/91
	Imposed tax on federal, state, and local pensions and established credit up to 9% of eligible pension income (with income ceilings) for all pensions of taxpayers age 58 or over	FY92 = \$49.0	1/91
	Indexed brackets	FY93 = no est.	1/93

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Personal Income Tax (cont.) (see also Tables 18-22)	Amount (millions)	Effective Date
Pennsylvania	Increased rate from 2.1% to 2.8%; imposed temporary 0.3% surcharge from 7/91 through 6/30/92; increased basic poverty exemption from \$6,300 to \$7,000; and increased dependent exemption to \$2,000 for each dependent	FY92 = \$1,359.0	7/91 7/92
Rhode Island	Increased rate from 22.96% to 27.5% of federal tax liability	FY91 = \$28.0 FY92 = \$101.2	3/91
South Carolina	Limited retirees to one \$3,000 deduction and removed age limitation on private retirees' eligibility for deduction (formerly age 65)	FY92 = \$2.1	1/91-1/93
	Allowed retirees to choose either one \$3,000 annual deduction at retirement (regardless of age) or \$10,000 annual deduction if defer claim until age 65	FY93 = (\$4.1)	1/93
	Conformed to federal code	FY92 = \$3.9	1/91
	Limited special tax treatment of capital gains earned between January and June 1987; disallowed the second installment of two-part refund	FY92 = \$5.6	1/91
Vermont	Extended temporary surcharge scheduled to expire 12/31/91; rate of 28% of federal tax liability will revert to 25% on expiration	FY92 = \$12.4	1/91-12/31/93
	Temporarily created a tiered income tax system with rates of 28% (on federal income tax liability up to \$3,399); 31% (on liability between \$3,400 and \$13,100); and 34% (on liability above \$13,100)	FY92 = \$25.2	1/91-12/31/93
	Repealed miscellaneous credits	FY92 = \$1.5	1/91
Virginia	Conformed to federal code regarding itemized deductions for upper income taxpayers	FY92 = \$16.2	1/91
Wisconsin	Conformed to federal code	FY92 = (\$5.1)	1/91

Corporation Income Tax and Other Major Business Taxes
(see also Tables 25-28)

Alaska	Changed from worldwide account to water's edge for non-oil and non-gas companies	FY92 = \$1.0	1/92
Arizona	Changed three-factor formula by putting double weight on sales factor	FY92 = \$0.0	1/91
Arkansas	Increased rate from 6% to 6.5% (the new rate applies to all income if net income exceeds \$100,000)	FY92 = \$13.0	1/91
California	Delayed temporarily the implementation of the small business (25 or fewer employees) health care tax credit	FY92 = \$100.0	1/92-1/93
	Extended the sunset date for NOL carryforward losses attributable to taxable years beginning after 1/97. Disallowed deductions of NOLs for taxable years beginning in 1991 and 1992 (revenue effect is counted under personal income tax)	FY92 = \$560.0	1/91-various
	Reduced deduction for access to the disabled from \$35,000 to \$15,000; affecting personal income and bank and corporation income taxpayers (revenue effect counted under personal income tax)	FY92 = \$2.0	1/91
	Required recognition of gains for certain corporate transactions involving spin-offs, split-ups, or split-offs of subsidiaries	FY92 = \$1.0	1/91
	Changed treatment of preferred stock with a redemption premium	FY92 = \$3.0	1/91
	Enacted modifications regarding asset acquisition, and allocation rules, debt exchange, and foreign trust grantors	FY92 = \$7.0	1/91
	Increased the capital base tax maximum from \$500,000 to \$1,000,000	FY92 = \$10.0*	1/92
Connecticut	Reduced corporation income tax surtax from 20% to 10% and eliminated the surtax effective 1/93	FY92 = (\$32.0)	1/92
	Increased capital base tax maximum from \$500,000 to \$1,000,000	FY92 = \$16.0	1/91
	Expanded base to include 30% of dividends from companies in which ownership is less than 20%	FY92 = \$31.0	1/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Corporation Income Tax and Other Major Business Taxes (cont.) (see also Tables 25-28)	Amount (millions)	Effective Date
Delaware	Repealed deduction for taxes paid to other states	FY92 = \$4.0	7/91
	Increased corporation franchise tax by 15%	FY92 = \$52.5	1/91
	Imposed temporary 10% gross receipts surcharge	FY92 = \$7.9	7/91-7/95
	Imposed new insurance privilege tax (tax varies according to annual gross receipts)	FY92 = \$10.0	1/91
	Accelerated collection of corporation franchise tax	FY92 = \$20.0*	1/92
Florida	Disallowed apportionment for companies without jurisdictional presence in another state	FY92 = \$0.5 FY93 = \$3.1	1/91
Georgia	Enacted tax credit for any employer who provides basic education skills to certain employees	FY93 = no est.	1/92
Illinois	Increased rate temporarily from 4% to 4.8% and made portion of temporary increase permanent (effective 7/93 permanent rate will be 4.4%)	FY92 = \$79.0	7/91-6/30/93
Iowa	Conformed to federal code	FY92 = \$0.3	1/91
Louisiana	Enacted franchise tax credit for ad valorem taxes paid on inventories (credit will be phased in at 20% each year for 5 years; annual loss by fifth year will be \$150 million)	FY93 = (\$24.0)	1/92
Maine	Imposed temporary 10% surcharge on total amount of Maine income tax liability	FY92 = \$4.5	1/91-12/31/92
	Delayed temporarily use of NOL carrybacks, which can affect corporate and individual taxpayers such as Subchapter S corporations (revenue effect is counted under personal income tax)	FY92 = \$5.1	1/91-12/31/92
	Redesigned investment tax credit	FY92 = \$12.0	1/91
	Changed alternative minimum tax to equal 27% of federal alternative minimum tax	FY92 = \$4.9	1/91
	Accelerated collection of insurance premium tax from 25% paid quarterly to 35% for two quarters and 15% for two quarters	FY92 = \$8.0*	1/92
Massachusetts	Enacted research and development tax credit	FY92 = (\$40.0)	1/91
Michigan	Changed the capital acquisition deduction, which is part of the single business tax, in response to a court ruling that the deduction is unconstitutional (maintained three-factor formula but raised filing threshold over multiyear period)	FY91 = \$29.0 FY92 = (\$10.0) FY93 = (\$30.0)	7/16/91
Minnesota	Conformed to federal code	FY92 = \$1.6 FY93 = \$1.2	1/91
Missouri	Increased rate from 5% flat tax to 5% for income up to \$100,000 and 6.5% for income over \$100,000 (subject to voter approval)	FY92 = \$11.1	1/92
Montana	Allowed the 5% surtax to expire	FY92 = (\$2.7) FY93 = (\$2.6)	1/91
Nebraska	Enacted temporary 15% surcharge on corporate taxable income over \$200,000 (brings highest marginal rate to 8.99%)	FY92 = \$3.6	1/91-12/31/91
	Imposed temporary 2% surcharge on depreciation claimed for federal income tax purposes. Surcharge is 4% for centrally assessed taxpayers (revenue effect is counted under personal income tax)	FY92 = \$27.2 FY93 = \$16.3	1/91-12/31/91
New Hampshire	Enacted various tax credits	FY92 = (\$4.8)	7/91
New Mexico	Limited NOLs	FY92 = \$7.5	1/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Corporation Income Tax and Other Major Business Taxes (cont.) (see also Tables 25-28)	Amount (millions)	Effective Date
New York	Extended temporary alternative minimum franchise tax (old rates range from 3.5 to 4.5%, extended at 5%)	FY92 = \$10.0 FY93 = \$30.0	1/91 1/93
	Eliminated deduction of franchise taxes for Subchapter S taxpayers (revenue effect is counted under personal income tax)	FY92 = \$9.0 FY93 = \$15.0	1/91
	Restricted eligibility for business facility credit	FY92 = \$15.0 FY93 = \$5.0	Various
	Eliminated automatic refunds of corporate tax overpayments (credit carries forward if refund not requested)	FY92 = \$5.0*	7/91
North Carolina	Increased rate from 7% to 7.75% and enacted temporary surcharge (4% in 1991; 3% in 1992; 2% in 1993; 1% in 1984; zero in 1995)	FY92 = \$85.0	1/91
	Increased insurance tax rate from 1.75% of gross premiums to 1.875%	FY92 = \$3.1	1/91
Ohio	Modified certain provisions of corporation franchise tax (e.g., adjusted treatment of passive investments, combined certain corporate returns)	FY92 = \$47.0	7/31/91
Oregon	Conformed to federal code	FY91 = \$3.0 FY92 = \$6.0	1/91
Pennsylvania	Increased rate from 8.5% to 10.5% and imposed 1.75% surcharge with no specified expiration date; conformed to federal treatment of intercorporate dividends; and eliminated NOL deduction	FY92 = \$601.0	1/91
	Increased capital stock and franchise tax from 9 mills to 13 mills, which includes temporary surcharge (for tax years 1992 and after the rate drops to 12.75 mills, including the surcharge); reduced certain exemption levels; increased minimum tax from \$75 to \$300	FY92 = \$307.0	1/91-12/31/91
	Extended insurance premium tax base to include certain annuities	FY92 = \$45.0	7/91
	Accelerated collection of bank shares tax from 80% of payment due on 4/15, with remainder due with next report, to full amount on 3/15	FY92 = \$20.0*	1/92
Rhode Island	Increased rate from 9% to 11%	FY91 = \$3.0 FY92 = \$5.0	3/91
Texas	Increased franchise tax from 0.00525/\$1,000 of taxable capital plus surplus to greater of 0.25%/\$1,000 of taxable capital or 4.5% of taxable earned surplus (federal taxable income plus excluded officer/director compensation)	FY92 = \$272.5	9/91
Vermont	Increased minimum tax from \$75 to \$150	FY92 = \$1.3	1/91
	Repealed state and local tax credit	FY92 = \$2.0	1/91
	Repealed NOL cash carryback	FY92 = \$0.7	4/30/91
	Increased bank franchise tax from 0.00002% to 0.00004%	FY92 = \$1.7	1/91
Virginia	Delayed conformity to federal depreciation amounts by one year (complete conformity will now occur in 1996 rather than 1995)	FY92 = \$14.8	1/91-1/96
West Virginia	Expanded base to include out-of-state financial institutions (revenue effect ranges from \$0 to \$10 million)	FY92 = \$5.0	3/8/91
	Created 10-year investment tax credit for management information services facilities (revenue loss capped at \$5 million; companies given credit on first come, first served basis)	FY92 = (\$5.0)	6/24/91
Wisconsin	Imposed tax on railroad corporations and sleeping car and carline companies	FY92 = \$2.2	1/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Sales and Use Tax (see also Tables 29-30)	Amount (millions)	Effective Date
Alabama	Accelerated use tax collections from quarterly to monthly	FY92 = \$17.2*	10/91
Arizona	Enacted exemption for medical equipment (retroactive effective date)	FY92 = (\$0.5)	1/80
Arkansas	Increased rate from 4% to 4.5% and expanded base to include used autos, used airplanes, and used mobile homes	FY91 = \$13.0 FY92 = \$159.0	5/91
California	Increased sales tax rate from 6% to 7.25% and 0.5% is temporary and will expire 6/30/93 Extended sales tax to candy and snack foods newspapers and periodicals, jet fuel sold to common carriers, bunker fuel bottled water	FY92 = \$3,290.0 FY92 = \$299.0 FY92 = \$124.0 FY92 = \$38.0 FY92 = \$82.0 FY92 = \$34.0	7/15/91 7/15/91 7/15/91 7/15/91 7/15/91
Connecticut	Reduced rate from 8% to 6%; modified various exemptions (e.g., reduced clothing exemption from \$75 to \$50; children's clothing previously exempt, is exempt up to \$50); and extended base to various services	FY92 = (\$373.7)	10/91
District of Columbia	Removed utility sales to residential customers from tax base	FY91 = (\$3.9) FY92 = (\$15.7)	7/91
Florida	Imposed 6% tax on all fees charged by recreational facilities Imposed 6% tax on coin-operated amusement devices Eliminated scheduled increase in vendor compensation (collection allowance was scheduled to increase from 0.83% to 1% for amounts collected in excess of \$1,200/month) Eliminated scheduled decrease in estimated sales tax for annual remittances in excess of \$200,000 (was scheduled to drop from 66% to 55%) Lowered threshold for paying estimated taxes for annual sales tax remittance to \$100,000	FY92 = \$3.5 FY93 = \$3.9 FY92 = \$5.5 FY93 = \$7.2 FY92 = \$5.9* FY93 = \$12.6 FY92 = \$42.8* FY93 = \$3.9 FY92 = \$33.3* FY93 = \$3.2	7/91 7/91 1/92 7/91 1/92
Georgia	Repealed partial exemption for food for off-premise consumption (exemption was never implemented)	FY92 = \$0.0	3/13/91
Idaho	Expanded production exemption (for properties used to produce other properties for resale; applies mainly to agricultural, manufacturing, and mining properties)	FY92 = (\$5.3)	12/11/90
Illinois	Accelerated collections by 10 days for annual, quarterly, and monthly filers	FY92 = \$111.0*	10/91
Louisiana	Continued suspension of exemption for food, utilities, and other items traditionally exempt	FY92 = \$315.0	7/91
Maine	Increased rate temporarily from 5% to 6% Extended sales tax to snack foods Extended temporary 1% rate on electricity used in manufacturing Required buyers of certain real estate to withhold 2.5% of the purchase price for the tax assessor Accelerated collection of sales tax by requiring estimated payment for current month by 21st (formerly required by 15th of month following collection)	FY92 = \$65.6 FY92 = \$7.5 FY92 = \$3.7 FY92 = \$3.0* FY91 = \$10.3*	8/1/91-6/30/93 8/91 7/91-6/30/93 1/92 5/91
Maryland	Extended to carryout food and food costing less than \$1 Extended to cigarettes	FY92 = \$10.2 FY92 = \$35.4	6/91 6/91
Massachusetts	Repealed tax on general business and professional services	FY92 = (\$175.0)	3/7/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Sales and Use Tax (cont.) (see also Tables 29-30)	Amount (millions)	Effective Date
Minnesota	Increased rate from 6% to 6.5% and extended base to kenneling, dedicated phone lines, pagers, and isolated and occasional sales of business personalty; enacted minor exemption (additional 0.5% is imposed by county option after 12/31/91) Changed amounts of estimated tax due	FY92 = \$191.3 FY93 = \$217.5 FY92 = (\$0.4)*	7/91 7/92
Missouri	Increased rate from 4.225% to 4.6% (subject to voter approval)	FY92 = \$67.0	1/92
Nebraska	Reduced temporarily exemption for fuel or energy consumed by manufacturers, generators, or hospitals Reduced temporarily sales tax collection fee from 3% on remittances under \$5,000 and 1% on remittances over \$5,000 to 1.5% on remittances under \$1,000 and 0.5% on remittances above \$1,000	FY92 = \$16.2 FY92 = \$6.5*	10/91-9/30/92 10/91-9/30/92
Nevada	Increased rate from 5.75% to 6.5% Reduced retailer collection allowance from 1.5% to 1.25%	FY92 = \$76.8 FY92 = \$1.1*	10/91 10/91
New Jersey	Repealed tax on heavy truck sales, leasing, and servicing Repealed tax on disposable household paper products	FY91 = \$(344.0) FY92 = (\$25.0)	7/90 9/91
New Mexico	Imposed governmental gross receipts tax and repealed exemptions for certain governmental activities Allowed 50% deduction for hospital receipts Imposed fee on nontaxable transaction certificates Increased administrative fee charged to local governments for state's collection of gross receipts taxes Reduced gross receipts tax distribution to municipal governments	FY92 = \$14.2 FY92 = (\$3.4) FY92 = \$5.1* FY92 = \$2.4* FY93 = \$18.0	7/91 7/91 7/91 7/91 7/92
New York	Extended to noncustomized computer software Extended to shipping charges Extended to telephone answering services Required insurance companies to withhold sales tax on motor vehicle damage awards prior to issuance of awards	FY92 = \$15.0 FY93 = \$30.0 FY92 = \$4.0 FY93 = \$8.0 FY92 = \$2.0 FY93 = \$4.0 FY92 = \$12.0* FY93 = \$25.0	9/91 9/91 9/91 9/91
North Carolina	Increased rate from 3% to 4%	FY92 = \$430.0	7/16/91
North Dakota	Reduced rate on natural gas from 5% to 4% for 1993; to 3% for 1994; and to 2% beginning 1/95 Exempted new manufacturing and equipment purchase	Per biennium = (\$4.0) when fully phased in FY92 = (\$1.1) FY93 = (\$1.1)	Various 7/91
Ohio	Extended to various services (detective and protection, lawn care/landscaping, extended warranties, and maintenance contracts) Eliminated various exemptions including exemptions for federal contractors, out-of-state building materials, 900 numbers, and cable TV purchases; exempted sales of investment bullion and coins	FY92 = \$26.0 FY92 = \$18.5	8/91 8/91
Pennsylvania	Extended to various business and professional services Eliminated various exemptions	FY92 = \$119.0 FY92 = \$170.0	10/91 10/91
South Carolina	Exempted filmmakers from sales tax on equipment used to produce films; exempted certain agricultural producers from sales tax on electricity, natural gas, and construction materials	FY92 = (\$3.2)	7/91
South Dakota	Accelerated collections from bimonthly to monthly	FY91 = \$2.0*	6/30/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Sales and Use Tax (cont.) (see also Tables 29-30)	Amount (millions)	Effective Date
Texas	Extended tax to property used for remodeling real property other than schools and nonprofit hospitals, telephone answering services, and packaging supplies and wrapping	FY91 = \$34.3 FY92 = \$3.0	10/91 10/91
	Modified scheduled phase-in of exemption for manufacturing machinery	FY92 = \$41.0 FY92 = \$116.9*	10/91 10/91
Vermont	Temporarily increased rate from 4% to 5%	FY92 = \$29.2	6/91-6/30/93
	Repealed exemption for wine	FY92 = \$1.0	6/91
	Repealed exemption for tobacco products	FY92 = \$0.1	6/91
	Enhanced sales tax rebate program	FY92 = (\$1.4)	6/91
Virginia	Extended to out-of-state mail order sales and telemarketing businesses that solicit sales in the state on a regular basis	FY92 = \$2.2	7/91

Motor Fuel and Motor Vehicle Excise Taxes
(see also Tables 35 and 38)

Arkansas	Increased gasoline tax from 13.5¢ to 18.5¢ per gallon	FY91 = \$9.9 FY92 = \$59.9	4/91
	Increased diesel tax from 12.5¢ to 16.5¢ per gallon on 3/91 and to 18.5¢ per gallon on 4/91	FY91 = \$5.8 FY92 = \$26.7	3/91, 4/91
Connecticut	Increased from 23¢ to 25¢ per gallon on 9/91 and to 26¢ per gallon on 1/92	FY92 = \$32.8	9/91, 1/92
	Temporarily decreased diesel fuel tax from 23¢ to 18¢ per gallon	FY92 = (\$6.6)	9/91-6/30/92
Hawaii	Increased the motor fuel tax from 11¢ to 16¢ per gallon and diesel oil tax from 10¢ to 15¢ per gallon	FY92 = \$19.2	7/91
	Increased motor vehicle weight tax	FY92 = \$5.9	10/91
Idaho	Increased from 18¢ to 21¢ per gallon	FY91 = \$3.0 FY92 = \$18.0	4/91
Indiana	Increased temporarily auto excise taxes (tax cut enacted last year was only in effect for CY 1991)	FY92 = \$42.7 FY93 = \$82.1	1/92-12/31/93
Iowa	Extended temporary 1¢ per gallon decrease in ethanol taxes (was scheduled to increase to 20¢ per gallon, which is now scheduled to occur 6/30/92)	FY92 = (\$4.0)	7/91
Maine	Increased temporarily from 17¢ to 19¢ per gallon	FY92 = \$10.8	7/91-6/30/93
Nevada	Increased gasoline tax from 12.65¢ to 15.15¢ per gallon (state portion only)	FY92 = \$12.5	10/91
	Increased special fuel tax (including diesel) from 22¢ to 24.5¢ per gallon	FY92 = \$2.6	10/91
New Hampshire	Increased from 16¢ to 18¢ per gallon	FY91 = \$0.5 FY92 = \$11.4	6/15/91
	Increased from 20¢ to 22¢ per gallon (effective 1/93, increased from 22¢ to 24¢ per gallon)	FY92 = \$14.0	1/92
Oregon	Replaced 12.6% weight-mile tax on trucks with 10% rate (although the 12.6% rate was never put into effect, the reduction to 10% will reduce the estimated revenue generated by the weight-mile tax)	FY92 = (\$1.0)	1/92
	Increased from 21¢ to 26¢ per gallon	FY91 = \$5.1 FY92 = \$20.4	4/91
Texas	Increased motor fuel, diesel, and liquified petroleum tax from 15¢ to 20¢ per gallon	FY92 = \$406.0	10/91
Washington	Increased from 22¢ to 23¢ per gallon	FY91 = \$4.4	4/91
		FY92 = \$26.1	

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Motor Fuel and Motor Vehicle Excise Taxes (cont.) (see also Tables 35 and 38)	Amount (millions)	Effective Date
Wisconsin	Due to previously enacted legislation, increased motor fuel tax from 21.5¢ to 22.2¢ per gallon on 4/92	FY91 = \$17.2 FY92 = \$19.0	4/91, 4/92

Cigarette and Tobacco Taxes
(see also Table 34)

Arkansas	Increased from 21¢ to 22¢ per pack	FY92 = \$2.7	7/91
Connecticut	Increased from 40¢ to 45¢ per pack	FY92 = \$12.0	10/91
District of Columbia	Increased from 17¢ to 30¢ per pack	FY91 = 1.4 FY92 = \$5.2	7/91
Iowa	Increased from 31¢ to 36¢ per pack	FY91 = \$1.7 FY92 = \$12.8	6/91
Maryland	Increased from 13¢ to 16¢ per pack (extended sales tax to cigarettes—see Sales Tax section)	FY92 = \$12.5	6/91
Minnesota	Increased from 38¢ to 43¢ per pack	FY92 = \$17.7 FY93 = \$17.9	6/91
Missouri	Increased from 13¢ to 18¢ per pack (subject to voter approval) Imposed 10% tax on other tobacco products (subject to voter approval)	FY92 = \$13.0 FY92 = \$3.0	1/92 1/92
Nevada	Extended increase in cigarette tax Reduced wholesaler stamping allowance (stays at 35¢ per pack from 20¢ per pack)	FY92 = \$21.3 FY92 = \$0.3*	7/91 7/91
New Hampshire	Extended cigarette tax to smokeless tobacco	FY92 = \$30.5	7/91
North Carolina	Increased from 2¢ to 5¢ per pack	FY92 = \$20.0	8/1/91
North Dakota	Made permanent 2¢ of a 3¢ per pack temporary increase (new rate is 29¢ per pack)	FY92 = \$1.0 FY93 = \$1.0	7/91
Ohio	Eliminated provisions related to cigarette tax stamps and distribution of tax	FY92 = \$16.1*	1/92
Pennsylvania	Increased from 18¢ to 31¢ per pack (with portions earmarked in future years)	FY92 = \$108.0	8/19/91
Utah	Increased from 23¢ to 26.5¢ per pack	FY92 = \$2.9	7/91

Alcoholic Beverage Taxes
(see also Tables 36-37)

California	Imposed a surtax on beer (16¢ per gallon), on dry wine (19¢ per gallon), on sweet wine (18¢ per gallon), and distilled spirits (\$1.30 per gallon), and imposed equivalent compensatory floor stock tax on beer, wine, and distilled spirits	FY92 = \$220.0	7/15/91
Maine	Reduced tax on liquor sold in licensed establishments from 10% to 7%	FY92 = (\$3.0)	8/91
North Carolina	Increased from \$15 to \$20 per gallon liquor purchased for mixed beverage sales	FY92 = \$2.9	9/91

Miscellaneous Taxes, Revenues, and Fees

Alabama	Imposed tax on prescriptions (10¢ per prescription over \$3), nursing homes (\$999.96 per bed), and hospitals (based on a formula) for Medicaid	FY92 = \$172.0	10/91
Arizona	Changed environmental surtax to annual license fee Changed basis of jet fuel tax from sales tax to jet fuel tax (now taxed at 3.05¢ per gallon) Reduced assessment ratio for Class 6 property (mainly rental property) from 12% to 11% for CY 1993 and 10% for CY 1994	FY92 = \$0.0* FY92 = \$0.0 FY94 = (\$1.2)	9/91 10/91 1/93

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Miscellaneous Taxes, Revenues, and Fees (cont.)	Amount (millions)	Effective Date
Arkansas	Imposed \$1.50 fee on each tire sold at retail	FY92 = \$3.4*	7/91
	\$10 fee on each battery sold at retail if there is no exchange battery	FY92 = \$20.0	7/91-6/30/93
	Imposed temporary 15% gross receipts tax on the state's share of Medicaid payments to health care providers	No estimate	7/91-6/30/93
	Imposed temporary 50% gross receipts tax on the delivery of personal care services to residents of residential care facilities	FY91 = \$1.5*	3/91
	Increased registration fee to \$1,350 for trucks between 73,281 and 80,000 lbs (formerly \$14.50 per 1,000 lbs plus weight-distance tax)	FY92 = \$4.5*	3/91
California	Increased vehicle license fees and imposed a temporary surcharge of 2.2% of the vehicle license fee (surcharge expires 7/31/92)	FY92 = \$769.0*	8/91
Colorado	Authorized corporation tax incentive for airlines	FY92 = \$28.0	10/91
Connecticut	Increased petroleum gross earnings tax from 3% to 5%		
District of Columbia	Imposed emergency ambulance fee on selected services	FY92 = \$2.0*	7/91
	Increased gross receipts tax from 6.7% to 9.7% on utilities and toll telecommunications	FY91 = \$12.2 FY92 = \$44.1	7/91
	Increased motor vehicle registration fees from \$45 to \$55 for vehicles under 3,500 pounds and from \$78 to \$88 for vehicles weighing 3,500 pounds or more	FY92 = \$2.3*	7/91
Florida	Imposed 1.5% tax on ambulatory diagnostic centers	FY92 = \$14.1 FY93 = \$15.2	7/91
	Increased documentary tax stamp from 55¢ to 60¢ per \$100	FY92 = \$27.5 FY93 = \$30.7	6/91
	Increased motor vehicle license fees by an additional \$2 (previous rates varied)	FY92 = \$23.4* FY93 = \$25.1	7/91
	Accelerated collection of motor vehicle license plate replacements from \$10 every five to \$2 every year	FY92 = \$25.6*	7/91
Georgia	Modified standing timber tax so that taxation will occur when timber is harvested or severed (any revenue gain will accrue to local governments)	FY93 = \$0.0	1/92
Hawaii	Extends temporarily exemption from the public service company tax for contract carriers by water (primarily affects businesses transporting persons inter-island)	FY92 = (\$5.1)	6/30/91-6/30/96
	Imposed rental motor vehicle tax at \$2 per day	FY92 = \$8.3	1/92
	Increased motor vehicle registration fees from \$10 to \$20	FY92 = \$5.8*	10/91
Indiana	Increased fees for water, air, and hazardous waste permits (various amounts)	FY92 = \$8.0* FY93 = \$8.0	Various
Iowa	Increased real property transfer tax from 55¢ to 80¢ per \$500 of amount paid	FY92 = \$2.1	7/91
	Increased various fees (including hunting and fishing licenses, assessments against utility companies to fund hearing/speaking impaired services, and criminal penalty surcharges)	FY92 = \$15.8*	Various
Kentucky	Authorized corporation tax incentive for airline		
Maine	Increased rate from 5% to 7% on meals sold in establishments that are licensed for on-premises consumption of liquor	FY92 = \$12.6	8/91
	Imposed hospital assessment at 6% of gross patient service revenue (for Medicaid match)	FY92 = \$86.8	10/5/91
Michigan	Froze property assessments for 1992 at 1991 levels (the state budget will not be affected, but local governments lose \$388 million)	FY92 = \$0.0	1/92

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Miscellaneous Taxes, Revenues, and Fees (cont.)	Amount (millions)	Effective Date
Minnesota	Imposed nursing home license surcharge of \$500 per bed and hospital surcharge of 10% of Medical Assistance inpatient reimbursement and 5% of outpatient reimbursement	FY92 = \$51.5* FY93 = \$53.9	7/91
	Extended base of telephone gross earnings tax to cellular phones	FY92 = \$2.1	1/91
	Imposed tax of 7.5% on 900 number telephone calls	FY92 = \$1.4 FY93 = \$1.5	9/91
	Imposed criminal surcharges (\$25 for felony convictions; \$15 for gross misdemeanors; \$10 for misdemeanors other than traffic or local ordinance; and \$5 for local ordinance misdemeanors)	FY92 = \$6.4*	7/91
	Required taxpayers with annual withholding, sales, cigarette, alcoholic beverage, lawful gambling, or metro solid waste landfill fee liability of \$240,000 or annual corporate income or hazardous waste generator tax liability of \$80,000 to remit periodic payments via electronic fund transfer	FY92 = \$0.9* FY93 = \$1.8	1/92
	Imposed rental car contract fee at \$7.50 per contract	FY92 = \$5.0* FY93 = \$5.1	7/91
Montana	Imposed nursing home utilization fee of \$1 per bed for FY92 and \$2 per bed for FY93 (bed days reimbursed by third-party payor)	FY92 = \$1.6* FY93 = \$3.2	7/91
	Increased hunting and fishing license fees (various rates)	FY92 = \$0.8* FY93 = \$2.4	3/92
Nebraska	Increased corporate filing fees temporarily by adding \$150 to each rate	FY92 = \$6.1*	1/92-12/31/92
Nevada	Imposed hospital provider tax (rates to be established by regulation)	FY92 = \$26.0	7/91
	Increased business license fee based on number of employees (amount varies but averages about \$25 per employee per quarter)	FY92 = \$55.6*	7/91
	Returned jet fuel tax collections to county where originally collected	FY92 = (\$2.2)*	7/91
	Increased motor vehicle registration fees (by \$10; \$6 or \$12 for trailers)	FY92 = \$7.5*	1/92
	Increased drivers license fees by \$10	FY92 = \$2.0*	1/92
	Increased insurance company annual filing fees from \$500 to \$2,450 for most insurers	FY92 = \$2.4*	7/91
Accelerated collection of net proceeds minerals tax from the 3rd Monday in July to June 30	FY92 = \$4.1*	6/7/91	
New Hampshire	Extended temporary increase (rate continues at 8% from 7%)	FY92 = \$11.6	7/91-6/30/93
	Increased legacy and succession tax from 15% to 18%	FY92 = \$5.0	7/91
	Extended temporary increase in real estate transfer tax (continues at \$0.525 per \$100 from \$0.475 per \$100)	FY92 = \$11.0	7/91-6/30/93
	Imposed additional 1% temporary telecommunications tax and extended 2% temporary increase imposed last year (rate is now 6%)	FY92 = \$13.8	7/91-6/30/93
Imposed nuclear plant property tax at 0.64%	FY92 = \$13.2	7/91	
New Jersey	Changed public utilities tax from gross receipts to unit-bases tax on energy consumption	FY92 = \$0.0	1/92
	Changed petroleum products tax from 2.75% of gross receipts to 4¢ per gallon floor on motor fuels (exempted certain former taxpayers)	FY92 = \$5.0	7/91
	Accelerated collection of public utilities tax (payments previously due in May, August, and November are now due in April)	FY92 = \$620.0*	1/92
	Required prepayment of 50% of current year public utilities tax liability on 4/1/93 and 4/1/94	FY93 = \$528.0 FY94 = \$423.0	4/93, 4/94
	Increased various court fees (various amounts)	FY92 = \$25.0*	7/91
	Increased various housing inspection fees (various amounts)	FY92 = \$4.0*	6/28/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Miscellaneous Taxes, Revenues, and Fees (cont.)	Amount (millions)	Effective Date
New Mexico	Redirected revenue raised from motor vehicle excise tax to state general fund	FY92 = \$21.1*	7/91
	Accelerated collection of severance taxes by requiring one advance payment	FY92 = \$10.1*	8/91
New York	Increased utility gross receipts tax from 3.75% to 4.25%	FY92 = \$200.0 FY93 = \$160.0	1/91
	Increased petroleum business tax from 0.0759¢ to 0.1279¢ per gallon	FY92 = \$397.0 FY93 = \$535.0	7/91
	Imposed temporary business tax on natural gas on 0.512¢ per Mcf	FY92 = \$38.0	7/91-9/91
	Expanded natural gas business tax of 4.25% to natural gas purchased out-of-state	FY92 = \$10.0 FY93 = \$15.0	8/91
	Increased broad range of fees (e.g., criminal justice service fees, health fees, motor vehicle fees, and various corporate filing fees)	FY92 = \$119.0* FY93 = \$140.0*	Various
	Accelerated collection of estate tax (from 80% to 90% of estimated payments) and gift tax (from no estimated payments to 90% estimated payments)	FY92 = \$50.0*	1/91
North Carolina	Increased real estate conveyance tax from \$1 per \$1,000 to \$2 per \$1,000 and removed loan assumption exemption	FY92 = \$13.7	8/91
	Increased beer and wine permit fees (various amounts)	FY93 = \$2.9	5/92
Ohio	Delayed unlimited marital deduction for estate tax	FY92 = \$2.1	7/91
	Increased various fees	FY92 = \$4.8*	Various
Oregon	Imposed tax (ranging from 1.1¢ to 1.2¢ per gallon) on gas deposited in underground tanks	FY92 = \$11.0	10/91
	Imposed vehicle emissions fee (ranging from \$1 to \$2 per car)	FY93 = no est.	7/93
	Extended temporarily 15¢ per line telephone line surcharge	FY92 = \$1.3	1/92-1/98
	Increased temporarily from 3% to 5% telephone access tax for 911 numbers	FY92 = \$2.6	1/92-1/00
	Increased temporarily forest taxes and assessments (various amounts)	FY92 = \$13.1	7/91-various
	Reduced temporarily timber severance taxes (various amounts)	FY = (\$5.4)	7/91-12/93
Pennsylvania	Increased oil franchise tax from 6% to 11.5% (additional 5.5% is earmarked for highways and bridges)	FY92 = \$185.0	9/91
	Increased utility gross receipts tax from 44 mills to 45 mills and imposed 5 mill surcharge	FY92 = \$73.0	7/91
	Increased various taxes with proceeds earmarked for mass transit (taxes include additional 3% sales tax on the lease price of motor vehicles, \$1 per new tire, \$2 per day charge on motor vehicle rentals, 6% tax on periodicals, and 12 mill increase, from 30 mills to 42 mills, in the public utility realty tax)	FY92 = \$200.0	7/91
	Accelerated collection of public utility realty tax from quarterly payments to annual payment (due 4/15)	FY92 = \$63.0*	1/92
Rhode Island	Delayed public utilities (telephone) rate reduction for one year (rate remains at 6% instead of dropping to 5%)	FY92 = \$4.2	7/91-6/30/92
South Carolina	Increased nursing home patient day fee from \$2 per day to \$5 per day	FY92 = \$19.1*	7/91
	Increased admissions tax from 4% to 5%	FY92 = \$2.2	2/92
Tennessee	Imposed tax of 85¢ per ton on all waste received at Class I facilities; imposed tax of \$1 per tire on sale of all new tires	FY93 = \$5.5	7/91
	Imposed hospital licensure fee, an amount directly proportional to the hospital's (1) Medicaid utilization rate, (2) low-income utilization rate, or (3) large volume of Medicaid days per year	FY92 = \$309.0*	7/91
	Imposed nursing home licensure fee (\$1,100 per bed for homes participating in the Medicaid program; \$10,000 for each 50 beds or increment thereof for homes not participating in Medicaid)	FY92 = \$37.0*	7/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Miscellaneous Taxes, Revenues, and Fees (cont.)	Amount (millions)	Effective Date
Texas	Imposed 2¢ per barrel coastal protection fee on crude oil at time of transfer to or from a marine terminal (fee earmarked to a special fund that is capped at \$25 million)	FY91 = \$2.6* FY92 = \$10.0*	3/28/91
	Imposed \$2 per tire recycling fee	FY92 = \$17.0*	1/92
	Increased motor vehicle sales tax from 6% to 6.25%	FY92 = \$42.4	9/91
	Increased motor vehicle rental tax from 6% to 10% for vehicles rented fewer than 30 days and 6.25% for vehicles rented longer than 30 days	FY92 = \$21.2	9/91
	Imposed motor boat sales and use tax and extended to certain sales of boats not previously taxed (tax was previously collected as part of the general sales and use tax)	FY92 = \$25.7	9/91
	Increased coin-operated amusement machine tax from \$30 to \$60	FY92 = \$3.5	10/91
	Imposed \$200 fee on professionals	FY92 = \$2.6	1/91
	Increased motor vehicle title certificate fees from \$10 to \$13	FY92 = \$74.8*	9/91
	Increased drivers license record fees (various amounts)	FY92 = \$19.9*	12/91
	Increased fees for misdemeanor convictions (various amounts)	FY92 = \$18.7*	
	Increased business filing fees by 50% (from \$10-\$500 to \$15-\$750)	FY92 = \$10.1*	9/91
	Imposed 3% bingo tax on premises rental and prizes; increased bingo gross receipts tax from 2% to 5%	FY92 = \$9.0*	9/91
	Increased radioactive material fee	FY92 = \$7.5*	9/91
	Increased oil and gas well drilling permit fees from \$100 to \$300	FY92 = \$4.5*	1/92
	Imposed automotive oil fee at 2¢ per quart	FY92 = \$2.2*	1/92
Eliminated sales tax permit fee (\$25)	FY92 = (\$12.6)	9/91	
Reduced state share of parimutuel pool	FY92 = (\$2.5)*	12/91	
Increased interest on delinquent taxes from 10% to 12% (compounded monthly)	FY92 = \$2.5*	9/91	
Created state lottery (contingent on passage of constitutional amendment to be voted on 11/5/91)	FY92 = \$61.8	Pending	
Utah	Postponed temporarily reduced rate structure for oil and gas severance taxes	FY92 = \$2.0	7/91-12/31/91
	Allowed 1% county option tax on food for immediate consumption (the tax could raise \$6.7 million if all counties enact it)	Potential = \$6.7	7/91
	Allowed 0.5% increase in transient room tax in Salt Lake City	Potential = \$0.6	7/91
	Increased various motor vehicle fees (e.g., drivers license, vehicle title)	FY92 = \$2.0*	10/91
Vermont	Increased temporarily from 6% to 8%	FY92 = \$6.9	6/91-6/30/93
	Enacted Medicaid trust fund fee on health care providers (hospitals are charged 1.8% of Medicaid receipts; nursing homes 4.5%; and home health care providers 2.5%)	FY92 = \$4.3*	7/91
	Increased electrical energy property tax from 1.9% to 3.5%	FY92 = \$5.0	1/91
Continued temporarily telephone gross receipts tax	FY92 = \$4.5	7/91-6/30/92	
Virginia	Increased interest rate by 2% for delinquent state taxes administered by the Department of Taxation	FY92 = \$3.3*	7/91
Washington	Imposed 5¢ per barrel tax on oil off-loaded at marine terminals	FY92 = \$4.2 FY93 = \$6.7	10/91
	Imposed clean air motor vehicle excise tax of \$2.25; on 7/93 rate will fall to \$2	FY92 = \$7.3 FY93 = \$10.0	10/91, 7/93
	Imposed fees for industrial/commercial air pollution at \$10 per ton of emission	FY92 = \$2.0* FY93 = \$2.0	5/15/91
	Modified parimutuel tax rates and disbursement of revenues	FY92 = (\$5.0) FY93 = (\$5.0)	5/20/91

Table 17 (cont.)
1991 Major Tax Changes, by Tax

State	Miscellaneous Taxes, Revenues, and Fees (cont.)	Amount (millions)	Effective Date
Wisconsin	Eliminated telecommunications company relay service tax credit	FY = \$3.8	1/92
	Phased out gross receipts tax on telecommunications companies and converted interexchange carriers and resellers to ad valorem tax (when fully phased in annual loss will be \$62.7 million)	FY92 = \$2.6	1/97
	Increased various agricultural fees	FY92 = \$3.4*	Various
	various natural resource fees (some increases expire after 4/99)	FY92 = \$32.1*	Various
	petroleum inspection fees temporarily	FY92 = 26.7*	9/91-11/92
	hunting and fishing license fees (various amounts)	FY92 = \$8.1*	Various
	auto registration fees from \$25 to \$40	FY92 = \$36.0*	9/91
	truck registration fees (various amounts)	FY92 = \$11.8*	9/91
	various drivers permit fees (various amounts)	FY92 = \$2.2*	9/91
tuition	FY92 = 9.8	8/15/91	

Note: Amounts indicate collections projected for the period shown, which are not necessarily equal to annualized projections.

*Actions that will affect revenue but are not new tax changes enacted in 1991.

Source: Corina L. Eckl, Anthony M. Hutchison, and Ronald K. Snell, *State Budget and Tax Actions, 1991* (Denver: National Conference of State Legislatures, 1991). Reprinted with permission.

Section IV

State and Local Tax Rates and Bases by Type of Tax

Table 18

State Individual Income Taxes: Summary of Personal Exemptions, Standard Deductions, and Deductibility of Federal Income Taxes, 1991

As of October 1991. Only basic rates, brackets, and exemptions are shown. Local income tax rates, even those mandated by the state, are not included. Taxable income rates and brackets listed below apply to single taxpayers and married taxpayers filing "combined separate" returns in states where this is permitted.

State	Tax Rates (range in percent)	Taxable Income Brackets		Personal Exemptions			Standard Deduction ^a		Federal Income Tax Deductible ^b	
		Lowest: Amount Under	Highest: Amount Over	Single	Married- Joint Return	Dependents	Percent	Single		Married- Joint Return
Alabama ^{**}	2.0-5.0%	\$500	\$3,000	\$1,500	\$ 3,000	\$300	20%	\$2,000	\$4,000	yes
Alaska	No state income tax									
Arizona ^c	3.8-7.0	10,000	150,000	2,000	4,000	2,000	n.a.	3,500	7,000	no
Arkansas*	1.0-7.0	3,000	25,000	20	40	20	10	1,000	1,000	no
California ^{**}	1.0-11.0	4,394	200,000	60	120	60	n.a.	2,262	4,524	no
Colorado	5% of federal taxable income									
Connecticut*	1.5	Flat Rate		12,000	24,000	0	n.a.	n.a.	n.a.	n.a.
Delaware ^{**}	3.2-7.7	2,000	40,000	1,250	2,500	1,250	n.a.	1,300	1,600	no
District of Columbia*	6.0-9.5	10,000	20,000	1,370	2,740	1,370	n.a.	2,000	2,000	no
Florida	No state income tax									
Georgia	1.0-6.0	750	7,000	1,500	3,000	1,500	n.a.	2,300	3,000	no
Hawaii*	2.0-10.0	1,500	20,500	1,040	2,080	1,040	n.a.	1,500	1,900	no
Idaho*	2.0-8.2	1,000	20,000	Same as federal ^e						no
Illinois	3.0	Flat rate		1,000	2,000	1,000	n.a.	n.a.	n.a.	no
Indiana ⁺	3.4	Flat rate		1,000	2,000	1,000	n.a.	n.a.	n.a.	no
Iowa ^{c*}	0.4-9.98	1,060	47,700	20	40	15	n.a.	1,280	3,160	yes
Kansas*	4.5-5.95	27,500	27,500	2,000	4,000	2,000	n.a.	3,000	5,000	yes
Kentucky ^{**}	2.0-6.0	3,000	8,000	20	40	20	n.a.	650	650	no
Louisiana	2.0-6.0	10,000	50,000	4,500	9,000	1,000	Combined with exemptions			yes
Maine*	2.1-9.89	4,150	37,500	2,100	4,200	2,100	n.a.	3,400	5,700	no
Maryland ^{**}	2.0-5.0	1,000	3,000	1,200	2,400	1,200	15	2,000	4,000	no
Massachusetts*	6.25-12.0	Flat rate		2,200	4,400	1,000	n.a.	n.a.	n.a.	no
Michigan ^{**}	4.6	Flat rate		2,100	4,200	2,100	n.a.	n.a.	n.a.	no
Minnesota	6.0-8.5	13,620	44,750	Same as federal ^e						no
Mississippi	3.0-5.0	5,000	10,000	6,000	9,500	1,500	n.a.	2,300	3,400	no

Table 18 (cont.)
State Individual Income Taxes: Summary of Personal Exemptions, Standard Deductions, and Deductibility of Federal Income Taxes, 1991

State	Tax Rates (range in percent)	Taxable Income Brackets		Personal Exemptions			Standard Deduction ^a		Federal Income Tax Deductible ^b	
		Lowest: Amount Under	Highest: Amount Over	Single	Married- Joint Return	Dependents	Percent	Single		Married- Joint Return
Missouri ⁺ *	1.5-6.0	1,000	9,000	1,200	2,400	400	n.a.	Same as federal ^c		yes
Montana ^c *	2.0-11.0	1,600	57,600	1,320	2,640	1,320	20	2,470	4,940	yes
Nebraska [*]	2.37-6.92	1,800	27,000	1,290	2,580	1,290	n.a.	Same as federal ^c		no
Nevada	No state income tax									
New Hampshire [*]	Limited income tax									
New Jersey [*]	2.0-7.0	20,000	75,000	1,000	2,000	1,500	n.a.	n.a.	n.a.	no
New Mexico [*]	1.8-8.5	5,200	41,600	Same as federal			n.a.	Same as federal		no
New York ⁺⁺	4.0-7.875	5,500	13,000	0	0	1,000	n.a.	6,000	9,500	no
North Carolina [*]	6.0-7.75	12,750	60,000	2,150	4,300	2,150	n.a.	3,000	5,000	no
North Dakota [*]	2.67-12.0	3,000	50,000	Same as federal ^c						yes
Ohio ⁺⁺	0.743-6.9	5,000	100,000	650	1,300	650	n.a.	n.a.	n.a.	no
Oklahoma [*]	0.5-7.0	1,000	9,950	1,000	2,000	1,000	15	2,000	2,000	yes
Oregon ^{* c}	5.0-9.0	2,000	5,000	104	208	104	n.a.	1,800	3,000	yes
Pennsylvania ⁺⁺	2.1	Flat rate		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	no
Rhode Island	27.5% of federal income tax liability									no
South Carolina ^c	2.5-7.0	2,070	10,350	2,150	4,300	2,150	Same as federal ^c		no	
South Dakota	No state income tax									
Tennessee [*]	Limited income tax									
Texas	No state income tax									
Utah [*]	2.55-7.2	750	3,750	1,613	3,226	1,613	Same as federal ^c		yes	
Vermont [*]	28.0-34% of federal income tax liability									no
Virginia	2.0-5.75	3,000	17,000	800	1,600	800	n.a.	3,000	5,000	no
Washington	No state income tax									
West Virginia	3.0-6.5	10,000	60,000	2,000	4,000	2,000	n.a.	n.a.	n.a.	no
Wisconsin [*]	4.9-6.93	7,500	15,000	0	0	50 ^d	n.a.	5,200	8,900	no
Wyoming	No state income tax									

Table 18 (cont.)

State Individual Income Taxes: Summary of Personal Exemptions, Standard Deductions, and Deductibility of Federal Income Taxes, 1991

n.a. —not applicable

⁺States in which one or more local governments levy a local income tax.

^aThe lesser of (1) the percentage indicated, multiplied by adjusted gross income, or (2) the dollar value listed. In some states, when a standard deduction computed using a percentage of AGI is less than the fixed amount shown above, a minimum dollar deduction is allowed. Maryland and Utah have a minimum deduction as well.

^bA state provision that allows the taxpayer to deduct fully the federal income tax reduces the effective marginal tax rate for persons in the highest state and federal tax brackets by approximately 30% of the nominal tax rate—the deduction is of a lesser benefit to other taxpayers with lower federal and state top tax brackets.

^cIndexed by an inflation factor.

^dTax credit per dependent. Taxpayers 65 or older receive a \$25 credit.

^eSee Table 9 for federal income tax regulations.

***State Notes**

Alabama	Social Security taxes are included in itemized deductions. Taxable income brackets for married filing joint over \$6,000, taxed at highest rate.		
Arkansas	Tax credit per dependent. Taxpayers 65 or older, or blind or deaf receive an additional \$20 credit.		
California	Taxpayers 65 and older receive additional \$60 credit.		
Colorado	Modifications for federal interest income, non-Colorado state and local interest income, and Colorado pension exclusion.		
Connecticut	Personal exemptions phase out incrementally for single or married filing separately from \$12,000 to \$24,000 Connecticut AGI to zero at \$35,001; for head of household, from \$19,000 to \$38,000 AGI to zero at \$56,001; for married filing jointly from \$24,000 to \$48,000 AGI to zero at \$71,001. For tax years beginning in 1991, 1.5% of federal AGI with modifications; 4.5%, thereafter. A tax on dividend and interest income if federal AGI exceeds \$54,000 is imposed. Rates range from 0.75% to 9.5%. Net gains from the sale or exchange of capital assets are at 4.75% but total tax payable cannot exceed 3.4% of AGI.		
Delaware	Lowest personal income tax rate (3.2%) applies to income in the \$2,000-\$5,000 bracket. Taxable income under \$2,000 is not subject to tax and is referred to as the "zero bracket" amount.		
District of Columbia	Exemption will increase to \$1,370 by 1991.		
Hawaii	A refundable food/excise tax credit of at least \$55 per exemption is granted; credit of \$60 per exemption is granted for 1990; a refundable medical services excise tax credit of 4% of qualified medical expenses, subject to limitation, is granted.		
Idaho	Idaho allows a refundable \$15/exemption credit.		
Illinois	Effective 1/1/90, an additional \$1,000 exemption for taxpayer or spouse 65 years of age or older. An additional \$1,000 exemption for taxpayer or spouse who is blind.		
Indiana	Additional \$1,000 exemption if taxpayer or spouse is over 65 or blind.		
Iowa	Tax may not reduce after-tax income of taxpayer below \$5,000 (single) or \$7,500 (married filing joint, head-of-household, surviving spouse). Only limitation for the standard deduction is that the deduction otherwise allowable of \$1,280 or \$3,160 may not exceed the amount of income remaining after the federal tax deduction. Additional \$20 personal exemption is allowed for each blind taxpayer and for each taxpayer age 65 years and older. Voters within a school district may approve a school district income surtax, which is computed as a percentage of regular state tax liability before refundable credits.	Kansas	A child care credit equal to 25% of the federal child care credit is allowed to taxpayers claiming the federal credit. These rates and brackets apply to single persons not deducting federal income tax. For individuals deducting the tax, rates range from 4.75% of the first \$2,000 to 8.5% on income over \$30,000.
		Kentucky	Tax credit per dependent. Taxpayers 65 or older receive a \$60 credit.
		Maine	A variable surcharge will be imposed for taxable years beginning in 1991 and 1992. A 5% surcharge will be imposed on tax liabilities arising from the first \$75,000 of taxable income for married taxpayers filing a joint return (\$37,500 for single filers or married filing separately and \$56,250 for head of households filers). Any taxpayer with taxable income in excess of these amounts will pay a top marginal rate of 8.6% and a 15% surcharge.
		Maryland	All counties have a local income tax surcharge of at least 20% of the state tax liability; most counties have a surcharge of 50%. Single taxpayers have a minimum standard deduction of \$1,500, and married taxpayers a minimum standard deduction of \$3,000. Blind and elderly get an additional exemption of \$1,000. An additional \$1,200 exemption is allowed for elderly dependents.
		Massachusetts	12% (flat rate) imposed on net capital gains, interest, and dividends of residents, and Massachusetts business income of nonresidents. All other net income taxed at 6.25%. No tax is imposed on a single person whose gross income is \$8,000 or less (\$12,000 married). Social Security taxes are deducted from taxable income up to \$2,000 per taxpayer.
		Michigan	Persons who can be claimed as a dependent on someone else's return get an exemption of \$1,000. If their AGI is \$1,500 or less, they owe no tax.
		Missouri	For taxpayers itemizing deductions, Social Security taxes are deductible.
		Montana	Taxable income brackets, personal exemption level, and standard deduction levels are indexed annually for inflation.
		Nebraska	Taxable income brackets will vary by filing status.

Table 18 (cont.)

State Individual Income Taxes: Summary of Personal Exemptions, Standard Deductions, and Deductibility of Federal Income Taxes, 1991

State Notes (cont.)

New Hampshire	There is a 5% tax on taxable interest and dividends in excess of \$1,200 (\$2,400 married). There is no filing requirement for an individual whose total interest and dividend income, after deducting all interest from U.S. obligations, New Hampshire and Vermont banks or credit unions, and dividends from New Hampshire non-holding company banks is less than \$1,200 (\$2,400 for joint filers) for a taxable period.	Ohio	Taxpayers take a \$20 tax credit per exemption.
New Jersey	No taxpayer is subject to tax if gross income is \$3,000 or less (\$1,500 married, filing separately).	Oklahoma	These rates and brackets apply to single persons not deducting federal income tax. For individuals deducting the tax, rates range from 0.5% of the first \$1,000 to 10% on income over \$16,000 (single rate).
New Mexico	Several rebates are available for lower income taxpayers. An exemption of \$2,500 (\$1,250 for married filing separate) is allowed for each "special needs" child adopted on or after 1/1/88.	Oregon	Federal tax deduction limited to \$3,000 (\$1,500 if married filing separately).
New York	Rates are scheduled to be reduced further in 1992, when the top rate will be 7.6%. Beginning in 1991, a supplemental tax is imposed on taxpayers with New York adjusted gross income in excess of \$100,000. Taxpayers must add back the benefit of the lower tax brackets (i.e., 4%, 5%, 6% and 7%). Taxpayers with New York AGI in excess of \$150,000 are taxed at a flat rate of 7.875% in 1991.	Pennsylvania	There are eight classes of income: (1) compensation; (2) net profits; (3) interest; (4) dividends; (5) sale or exchange of property; (6) rents, royalties, patents, and copyrights; (7) income derived through estates or trusts; and (8) gambling and lottery winnings in excess of \$1,250 (\$2,500 married). An additional 0.3% tax for second half of 1991 tax year and first half of 1992 tax year.
North Carolina	Breaking points for higher marginal tax rates vary according to filing status. Taxable income brackets shown are for single taxpayers. North Carolina taxable income reflects federal reductions of personal exemptions and itemized deductions for higher income brackets.	Tennessee	Interest and dividends taxed at 6%. Persons over 65 having total annual gross income derived from any and all sources of \$9,000 or less are exempt. Blindness is a basis for total exemption
North Dakota	Information in table applies to the long-form method. As an alternative, taxpayers may use the short-form method where the tax is 14% of the adjusted federal income tax liability.	Utah	One-half of federal tax liability is deductible. In determining Utah taxable income, 25% of federal personal exemptions are added back. Exemptions reflect this add-back.
		Vermont	Refundable state earned income tax credit (28% of federal credit, maximum \$566). Three percent surtax of liability between \$3,400 and \$13,100 and 6% of liability over \$13,100.
		Wisconsin	The standard deduction is gradually phased out as income increases; deduction is completely phased out at \$50,830 of AGI for single filers and \$55,000 of AGI for joint filers.

Source: ACIR staff compilations based on information from state departments of revenue (Fall 1991) and Commerce Clearing House, *State Tax Guide* (Chicago, 1991). See also Tables 19-22.

Table 19
State Individual Income Taxes: Exclusions and Adjustments to Income, 1991

State	Degree of Conformity to Federal	Exclusions ¹					Adjustments		Exhibit: Combined Separate Returns Allowed
		Capital Gains	Pensions	Social Security Benefits	Unemployment Benefits	Lottery Winnings	Moving Expenses	Individual Retirement Account Contributions	
Federal Income Tax	—	No	Maximum \$6k	\$25k/\$32k (50%)	No	No	Deduction	See note	No
Alabama*	No	No	Limited	Exempt	Exempt	No	Limited	Federal amount	No
Alaska	No state income tax								
Arizona*	AGI	No	Limited	Exempt	No	Limited	Federal amount		JS
Arkansas*	No	No	Limited	Exempt	Exempt	No	Deduction	Federal amount	Yes
California*	AGI	No	No	Exempt	Exempt	CA exempt	In state	Federal amount	JS
Colorado*	FTI	No	\$20k each	Federal amount	No	No	Federal amount		n.a.
Connecticut*	AGI	Yes	Limited	Federal amount	No	No	Limited	Federal amount	Yes
Delaware*	AGI	No	\$2k/\$3k each	Exempt	No	DE exempt	Deduction	Limited	Yes
District of Columbia*	AGI	No	Limited	Exempt	No	No	Deduction	Federal amount	Yes
Florida	No state income tax								
Georgia*	AGI	No	\$10k each	Exempt	No	No	Deduction	Federal amount	No
Hawaii*	FTI	No	Exempt	Exempt	No	No	Deduction	Federal amount	JS
Idaho*	FTI	Limited	Limited	Exempt	No	ID exempt	Deduction	Federal amount	No
Illinois*	AGI	No	Exempt	Exempt	No	No	No	Federal amount	n.a.
Indiana*	AGI	No	Limited	Exempt	\$12k/\$18k (50%)	IN Exempt	No	Federal amount	n.a.
Iowa*	AGI	No	No	Federal amount	No	No	Deduction	Federal amount	Yes
Kansas*	AGI	No	Limited	Federal amount	No	No	Deduction	Federal amount	No
Kentucky*	AGI	No	Limited	Exempt	No	No	Limited	Limited	Yes
Louisiana*	AGI	No	Limited	Exempt	No	No	Deduction	Federal amount	No
Maine*	AGI	No	No	Exempt	No	No	Deduction	Federal amount	JS
Maryland*	AGI	30%	\$11.8k each	Exempt	No	No	Deduction	Federal amount	Yes
Massachusetts*	AGI	50%	No	Exempt	No	No	No	No	n.a.
Michigan*	AGI	No	\$7.5k/\$10k	Exempt	No	No	No	Federal amount	n.a.
Minnesota*	FTI	No	No	Federal amount	No	No	Deduction	Federal amount	JS
Mississippi*	No	No	Limited	Exempt	No	No	Deduction	Federal amount	Yes

Table 19 (cont.)
State Individual Income Taxes: Exclusions and Adjustments to Income, 1991

State	Degree of Conformity to Federal	Exclusions ¹					Adjustments		Exhibit: Combined Separate Returns Allowed
		Capital Gains	Pensions	Social Security Benefits	Unemployment Benefits	Lottery Winnings	Moving Expenses	Individual Retirement Account Contributions	
Missouri*	AGI	No	No	Federal amount	No	No	Deduction	Federal amount	Yes
Montana*	AGI	Limited	Limited	Federal amount	Exempt	No	Deduction	Federal amount	Yes
Nebraska	AGI	No	No	Federal amount	No	No	Deduction	Federal amount	JS
Nevada	No state income tax								
New Hampshire*	Only interest and dividends are taxed								
New Jersey*	No	No	\$5k/\$10k	Exempt	Exempt	NJ exempt	No	No	No
New Mexico*	AGI	No	Limited	Federal amount	No	No	Deduction	Federal amount	No
New York*	AGI	No	Limited	Exempt	Limited	No	Deduction	Federal amount	JS
North Carolina*	FTI	No	Limited	Exempt	No	No	Federal amount		JS
North Dakota*	FTI	No	Limited	Federal amount	No	No	Deduction	Federal amount	No
Ohio*	AGI	No	No	Exempt	No	No	No	Federal amount	No
Oklahoma*	AGI	No	Limited	Exempt	No	No	Deduction	Federal amount	No
Oregon*	FTI	No	No	Exempt	No	OR exempt	Deduction	Federal amount	No
Pennsylvania*	No	No	Exempt	Exempt	Exempt	PA exempt	Special	No	n.a.
Rhode Island*	State tax calculated as a percentage of federal liability								
South Carolina*	Based on federal taxable income								
South Dakota	No state income tax								
Tennessee*	Only certain interest and dividends are taxed							No	Yes
Texas	No state income tax								
Utah*	FTI	No	\$7.5k	Federal amount	No	No	Deduction	Federal amount	JS
Vermont*	State tax calculated as a percentage of federal liability								
Virginia*	AGI	No	No	Exempt	No	\$600	Deduction	Federal amount	Yes
Washington	No state income tax								
West Virginia*	AGI	No	Limited	Federal amount	No	WV Exempt	No	Federal amount	No
Wisconsin*	AGI	60%	Limited	Federal amount	\$12k/\$18k (50%)	No	Limited	Federal amount	JS
Wyoming	No state income tax								

Table 19 (cont.)
State Individual Income Taxes: Exclusions and Adjustments to Income, 1991

¹ For interest and dividend income, see notes for exclusions to income.

Exclusions to Income

Interest Income

See state notes for Massachusetts, North Dakota, and Tennessee. Other interest income is subject to state taxation (except income from U.S. debt obligations and qualifying "tax exempt" bonds from in-state political entities). Taxpayers receiving interest from U.S. debt obligations must pay federal income tax on such interest.

Dividend Income

See state notes for Kentucky, North Dakota, Oklahoma, and Tennessee. Unless otherwise indicated, all dividend income is subject to taxation.

Degree of Conformity to Federal

The "starting point" for the state income tax will be federal adjusted gross income (AGI), or in some cases, federal taxable income (FTI) or federal tax liability, with certain modifications to deal with areas where the state may wish to differ from federal rules.

Capital Gains

Unless otherwise indicated, capital gains are taxed as ordinary income; no exclusion is permitted.

Pensions

Unless otherwise indicated, all pension benefits (in excess of employee lifetime contributions) are taxed as ordinary income; no exclusion applies (aside from the employee's lifetime contributions).

Limited

Limited exclusion is permitted. See state notes for details.

[Dollar Amount]

The amount of pension benefits permitted to be excluded from income are indicated.

Social Security

Exempt

All Social Security benefits are exempt. This means that the taxpayer is permitted to subtract "excess" or "federally taxable" Social Security benefits listed on the federal 1040 form from state adjusted gross (or taxable) income.

Federal Amount

50% of gross Social Security benefits are taxable for taxpayers with income greater than \$25,000 (single) or \$32,000 (married)—conforms to federal law.

Unemployment Compensation

Exempt

All unemployment compensation is exempt.

\$12k/\$18k (50%)

At least 50% of unemployment benefits are taxable for taxpayers with income greater than \$12,000 (single) or \$18,000 (married)—same tax status as federal law provided in 1986. If income is high enough, all unemployment benefits are taxable.

Unless otherwise indicated, all unemployment compensation is taxable.

Lottery Winnings

All lottery winnings are taxable.

[State] Exempt

Indicates only in-state lottery winnings are exempt.

Adjustments to Income

Moving Expenses

Deduction

Taxpayers are allowed to subtract—as an itemized deduction only—the amount of moving expenses claimed on federal tax returns. This does not necessarily indicate that this state tax provision ties directly to the federal code.

No

Adjustment for moving expenses not allowed.

Individual Retirement Accounts

Federal Amount

Taxpayers are allowed to deduct the same amount as on the federal form 1040. Maximum individual contribution is \$2,000, \$2,250 for married couple with one earner. No deductions are permitted for single persons with AGI above \$35,000, or married filing joint returns with AGI above \$50,000. This does not necessarily indicate that this state tax provision ties automatically to the federal code. If a state permits taxpayers to deduct other amounts, these amounts are listed.

No

Deductions for IRAs not permitted.

Exhibit: Combined Separate Returns Allowed

Yes

For states that have graduated rate structures, a "marriage penalty" may occur if the income of the lower income spouse is less than the top income tax bracket; in effect, the lower income spouse is taxed at a marginal rate equal to or greater than the higher income spouse. To avoid this potential marriage penalty, numerous states permit two-income couples to file "combined separate returns"—where each spouse lists income, deductions, etc., separately on the same tax form. These states are designated "Yes."

JS

States designated "JS" have special "joint rate schedules" for couples, substantially eliminating any marriage penalty.

n.a.

A marriage penalty does not occur in states that have flat tax rates, hence there is no need for combined separate returns or special tax rates for joint returns.

No

A "no" indicates that two-earner couples may pay a higher tax amount than if they were filing as two unmarried individuals.

Table 19 (cont.)

State Individual Income Taxes: Exclusions and Adjustments to Income, 1991

***State Notes**

Alabama	May exclude all benefits received from military retirement system (including U.S. Public Health Service). All retirement pay received by a qualified Alabama peace officer and an eligible fire fighter may also be excluded. The following pensions are exempt: Alabama teachers, state employees, judicial system, federal civil service, and federal railroad system. Moving expenses allowed as deduction if new job location is in the state.		
Arizona	Maximum exclusion on Arizona lottery winnings is \$5,000.	Louisiana	Civil service retirement system and military retirement income are allowed an exclusion of \$4,000 per year. Moving expenses, employee business expenses, and individual retirement accounts are based on federal rules prior to the 1986 Tax Reform Act.
Arkansas	All retirement benefits are subject to \$6,000 per year exemption, including all retired state employees. Moving expense deduction is per federal code. Legislation in 1989 phasing in a 60% exclusion for capital gains over a three-year period if the federal tax on gains is reduced.	Maryland	Federal retirement benefits are exempt for 1988 and subsequent taxable years. Up to \$6,000 exclusion for each person 65 or over with pension income taxable on federal form. Teacher retirement benefits not under the jurisdiction of the state Board of Education are excluded.
California	Does not conform specifically to federal AGI, but adopted virtually all provisions as of 1/1/87.	Massachusetts	Must reduce any pension exclusion amount by any Social Security that is received, and taxpayer or spouse must be 65 or over or totally disabled to take the exclusion. The maximum capital gains subtraction is \$7,500 (\$15,000 for joint return). The subtraction is phased out and is zero at federal AGI of \$65,000 or more (\$130,000 for joint returns).
Colorado	Colorado adopted a flat tax of 5% based on federal taxable income with a very limited number of exclusions and adjustments. There is a \$20,000 pension exclusion allowed to each pension recipient.	Michigan	A \$100 (single)/\$200 (joint) exclusion on interest income is allowed for interest earned on savings deposits in the state. Allowable business expense is tied to federal law with some deviations.
Connecticut	The separate tax on capital gains, dividends, and interest income applies through December 31, 1991, after which income arising from such sources will be included in Connecticut AGI.	Minnesota	Benefits received from federal and Michigan state or local government retirement systems are excluded. The first \$7,500 (single)/\$10,000 (joint) of other benefits are excluded.
Delaware	The state pension exclusion is \$2,000 for persons under age 60 and \$3,000 for persons age 60 and over. A married taxpayer with adjusted gross income over \$10,000 filing a joint federal return and separate Delaware return must add back the IRA deduction amount.	Mississippi	An income exclusion is allowed to the elderly and the disabled based on income and filing status. The exclusion is \$10,000 for a married joint return (if both qualify) reduced by nontaxable retirement and social security benefits and 1/2 of federal AGI over \$15,000. The dollar amounts in the formula are lower for others.
District of Columbia	District and federal government retirees 62 years of age or older may exclude up to \$3,000 of pension, annuity, or survivor benefits.	Missouri	The first \$6,000 in retirement benefits per person may be excluded. The first \$5,000 in National Guard or Reserve Forces compensation may be excluded, subject to certain limitations.
Georgia	Taxpayers with regular taxable pensions are not subject to the limitation of earned income.	Montana	Lottery winnings of \$600 or more are subject to state and local earnings tax. All pension benefits are subject to tax, with an exemption of \$6,000 per person allowed for those whose Missouri AGI falls within certain maximum income limitations.
Hawaii	Hawaii public employee retirement systems are exempt, as is any compensation received in the form of a pension for past services.	New Hampshire	Capital gains from installment sales prior to 1/1/87 are allowed a 40% exclusion. Persons 65 or over may exclude up to \$800 of interest, may deduct up to \$3,600 of private pension plan benefits, and, beginning in 1989, will allow full exclusion of federal government retirement benefits. Montana public employee retirement system benefits are exempt. Moving expenses are allowed as an itemized deduction.
Idaho	Persons 65 years of age or over receiving benefits from civil service, fire fighters, police (Idaho) and military retirement systems may deduct \$12,264/\$18,396. A capital gain exclusion of 60% is limited to certain kinds of property.	New Jersey	Interest excluded for savings on deposits in credit unions and banks in New Hampshire and Vermont. Dividends received from banks, credit unions, national banks, and building and loan associations in New Hampshire excluded. Exclusion for taxable dividends and interest is \$1,200 (\$2,400 joint) times the number of exemptions. Additional exemption for age 65 and over, and blind and handicapped.
Illinois	Conforms prospectively to federal AGI, but has an additional modification for any capital gains income excluded from AGI.		Over 55 years of age, once-in-a-lifetime exclusion of \$125,000 on sale of principal residence.
Indiana	Civil service retirees may deduct up to \$2,000 (less Social Security benefits received). Military retirees may deduct up to \$2,000; military pay deduction up to \$2,000, and U.S. government obligations reported on federal returns.		
Iowa	Although an exclusion is not provided and capital gains are taxed as ordinary income, a deduction is provided for net long-term capital gains from specific categories of assets.		
Kansas	Benefits received from federal civil service annuities and Kansas state retirements systems are excluded.		
Kentucky	A \$100 (single)/\$200 (joint) exclusion on dividend income is allowed. Benefits received from Kentucky state retirement systems are excluded.		

Table 19 (cont.)
 State Individual Income Taxes: Exclusions and Adjustments to Income, 1990

*State Notes (cont.)

New Mexico	Persons 65 or over or blind may exclude up to \$8,000 of income; amount depends on AGI and equals \$8,000 for federal AGI of \$18,000 or less, \$30,000 for married filing joint, \$15,000 for married filing separate. Deduction decreases by \$1,000 for each \$1,500 income increment (\$3,000 increment for married filing joint) and is \$0 above \$28,500. (\$51,000 for married filing joint, \$25,500 for married filing separate).	Rhode Island	\$100,000 per transaction. Moving adjustment limited to direct moving expenses. Allows modification for interest from special "family education accounts"; and interest from the state of Rhode Island and its city and town obligations. Also excludes interest from special issues of Rhode Island college and university savings bonds.
New York	New York state, local, and federal pensions are exempt. For other retirement systems, persons over 59½ may exclude up to \$20,000. New York adjusted gross income excludes the amount of <i>Railroad Unemployment Insurance Act</i> benefits included in federal AGI but exempt from state income taxes.	South Carolina	South Carolina retirement benefits taxable, with \$3,000 exclusion. \$3,000 may be excluded on benefits received from U.S. civil service retirement system, uniformed services of the U.S., with 20 or more years of active service. Persons age 65 or over may exclude \$3,000 of any retirement income. For tax years 1991 and 1992, the taxpayer who receives income from a retirement plan would be limited to one \$3,000 exclusion.
North Carolina	Up to \$4,000 in state, local, or federal (including military) and \$2,000 in private retirement benefits excludable. No more than \$4,000 in total retirement benefits may be excluded for each taxpayer. A tax credit equal to 6% (up to a maximum \$300 per taxpayer) of dividends received while a North Carolina resident from corporations, other than S corporations, allocating 50% or more of their income or loss for the year to North Carolina may be deducted.	Tennessee	Interest income is excluded on bonds from the state and U.S. government, certificates of deposit, and passbook savings accounts. Dividends received from national banks, state banks of Tennessee, savings and loan associations in Tennessee, and company credit unions are excluded. Each individual may exclude \$1,250 that may be applied against taxable dividend and interest income before computing the tax. Married couples filing jointly may exclude \$2,500 of taxable income before computing the tax.
North Dakota	Information applies to the long-form method. Taxpayers may use the short-form method where the tax is 14% of the adjusted federal income tax liability. Taxpayers must use the same filing status as for federal purposes. Graduated rate structure on the long form may cause a "marriage penalty"; this does not occur with flat rate on short form. Dividend exclusion allowed if derived from a corporation that conducts part or all of its business in North Dakota, and prorated for part of business in North Dakota. Pension exclusion allowed to all civilian federal retirees, state highway patrol retirees, and city police and fire fighter retirees, subject to the following limitations: (1) lesser of \$5,000 allowed or the actual amount received; (2) reduced by Social Security benefits received. Military retirees must be 50 years of age or older.	Utah	Pension deduction amounts are limited by age and federal adjusted gross income. Persons age 65 or over may include any income received to reach exclusion amount.
Ohio	Federal bond interest, disability and survivor's benefits, and railroad retirement benefits included in federal AGI are exempt.	Vermont	Vermont state lottery winnings are exempt, including winnings in the Tri-State Megabucks (Vermont, New Hampshire, Maine).
Oklahoma	A \$100 (single)/\$200 (joint) exclusion on dividend income is allowed. First \$5,500 of state and local, military, and U.S. civil service retirement systems exempt.	Virginia	For part-year residents, moving expenses from federal form 1040 will be allocated to Virginia only when the move is being made into the state. Moving expenses for part-year residents will not be allowed when the move is made outside of Virginia. Prizes of less than \$600 awarded by the Virginia State Lottery Department are excludable. Each taxpayer age 62 and over is eligible for a \$6,000 deduction (65 and over \$12,000), less any Social Security or Tier 1 railroad benefits.
Oregon	All retirement income is taxed, but taxpayers age 58 and over whose income is less than \$45,000 (joint return) or \$22,500 (all other filing statuses) may qualify for a tax credit.	West Virginia	Public safety retirement benefits are exempt. The first \$2,000 of either West Virginia state retirement system benefits or federal retirement benefits are exempt. Individuals over age 65 and/or permanently disabled are allowed an income exclusion of up to \$8,000. Lump sum distributions that are separately taxed for federal income tax purposes must be added to federal adjusted gross income subject to West Virginia tax.
Pennsylvania	Capital gains are fully taxable, except for the sale of an individual residence, if the owner is 55 years of age or older and used it as principal residence for three years during preceding five years. Maximum exclusion is	Wisconsin	Benefits received by persons who retired from or were members of the state teacher retirement system and certain Milwaukee city/county retirement systems, the federal civil service, or the military prior to 1/1/64 are excludable. Moving expenses related to a move within or into the state of Wisconsin are eligible for Wisconsin itemized credit.

Source: ACIR staff compilation based on information from state departments of revenue (Fall 1991), and Commerce Clearing House, *State Tax Guide* (Chicago, 1991). See also Tables 18, 20, and 22.

Table 20
State Individual Income Taxes: Exclusion of Pension Income, 1991

State	State or Local Government	Federal Civil Service	U.S. Military	Private Employer	Railroad Retirement
Alabama*	Full if state pension participant	Full	Full	All defined benefit plans under 26 USC 414J	Full
Alaska	No state income tax				
Arizona	2,500	2,500	2,500	None	Full
Arkansas	6,000	6,000	6,000	6,000	Full
California	None	None	None	None	Full
Colorado	20,000	20,000	20,000	20,000	Full
Connecticut*	Income tax base excludes pensions and retirement income				
Delaware	3,000 age 60 and over, 2,000 under age 60	3,000 age 60 and over, 2,000 under age 60	3,000 age 60 and over, 2,000 under age 60	3,000 age 60 and over, 2,000 under age 60	Tier 1 benefits excluded
District of Columbia	3,000	3,000	3,000	None	Tier 1 benefits excluded
Florida	No state income tax				
Georgia	10,000	10,000	10,000	10,000	Full
Hawaii	Full	Full	Full	Full	Full
Idaho	None	12,264 Single 18,396 Joint	12,264 Single 18,396 Joint	None	Full
Illinois	Full	Full	Full	Income under IRC Sections 402(a), 402(c), 403(b), 406(a), 407(a), 408; certain other distributions	Full
Indiana*	None	2,000	2,000	None	Full
Iowa	None	None	None	None	Full
Kansas*	Full	Full	\$120 tax credit	None	Full
Kentucky*	Full	Full	Full	None	Full
Louisiana	Full	Full	Full	6,000	Full
Maine	None	None	None	None	Full
Maryland*	11,800	11,800	11,800 and up to an additional 2,500	11,800	Full
Massachusetts	Full, if pension contributory	Full, if pension contributory	None	None (except for amounts relating to previously taxed contributions)	Full
Michigan	Full	Full	Full	7,500 Single 10,000 Joint	Full Tier 1 and Tier 2 benefits
Minnesota*	None	None	None	None	Full
Mississippi*	6,000	6,000	6,000	5,000	Full
Missouri	6,000	6,000	6,000	6,000	Full Tier 1 and Tier 2 benefits
Montana*	3,600	3,600	3,600	3,600	3,600 of Tier 2
Nebraska	None	None	None	None	Full
Nevada	No state income tax				
New Hampshire	Only dividends and interest subject to state income tax				
New Jersey	7,500	7,500	7,500	7,500	Full
New Mexico*	None	None	None	None	Full

Table 20 (cont.)
State Individual Income Taxes: Exclusion of Pension Income, 1991

State	State or Local Government	Federal Civil Service	U.S. Military	Private Employer	Railroad Retirement
New York	Full	Full	Full	20,000	Tier 1, Tier 2, and supplemental annuity benefits
North Carolina	4,000	4,000	4,000	2,000	Full
North Dakota	None, except city fire fighters, police, and highway patrol exclude up to 5,000 less SS benefits	5,000 less SS benefits	5,000 less SS benefits	None	Full Only that amount paid by U.S. Railroad Retirement Board
Ohio*	None	None	None	None	Full
Oklahoma	5,500	5,500	5,500	None	Full
Oregon	None	None	None	None	Full
Pennsylvania	Full	Full	Full	Full	Full
Rhode Island	None	None	None	None	Same as Federal
South Carolina*	3,000	3,000	3,000	3,000	Full
South Dakota	No state income tax				
Tennessee*	Income tax base excludes pensions and retirement income				
Texas	No state income tax				
Utah*	None	None	None	None	Full
Vermont	None	None	None	None	Tier 1 and supplemental annuity benefits
Virginia	Each taxpayer age 62 and over is eligible for a \$6,000 deduction (65 and over \$12,000) less any SS or Tier 1 railroad benefits.				Tier 1 exempt
Washington	No state income tax				
West Virginia*	2,000	2,000	2,000	None	Full
Wisconsin	Full for persons retired from or members prior to 1/1/64	Full for persons retired from or members prior to 1/1/64	Full for persons retired from or members prior to 1/1/64	None	Full
Wyoming	No state income tax				

*State Notes

Alabama	In January 1990, the Alabama Circuit Court enjoined the state from collecting income tax on federal military pensions on the ground of unconstitutional discrimination.	Mississippi	The first \$6,000 in retirement benefits per person may be excluded. The first \$5,000 in National Guard or Reserve Forces compensation may be excluded subject to certain limitations.
Connecticut	Income tax applies to interest and dividends only.	Montana	The exclusion is reduced by \$2 for every \$1 of federal AGI received by the taxpayer in excess of \$30,000 (the exclusion becomes zero at \$31,800).
Indiana	Limited tax credit available to persons over age 65.	New Mexico	Persons age 65 and over may exclude up to \$8,000 from any source, depending on income.
Kansas	For persons retired from or members of the civil service or military prior to 1/1/64.	Ohio	Limited tax credits available to persons over age 65.
Kentucky	The Kentucky Supreme Court has barred the state from collecting income tax from federal retirees' pensions because state law is not in accord with the decision in Davis v. Michigan.	South Carolina	Limited to one \$3,000 exclusion regardless of number of retirement plans.
Maryland	Pension exclusion amount is reduced by any social security that is received and taxpayer or spouse must be 65 or over or totally disabled to take the exclusion. Military retirees must be 65 or over.	Tennessee	Lump sum distributions from qualified pension plans taxable to extent that they consist of taxable dividends and interest.
Minnesota	A single taxpayer age 65 or over or disabled may exclude \$8,000 of income from any source less any nontaxable retirement or disability income and one-half of federal AGI over \$12,000. Tax court has ruled that the state may not tax railroad retirement income (case not appealed).	Utah	Persons under age 65 may claim up to \$4,800 if it is a pension. Eligible amounts phase out above certain income level.
		West Virginia	Each taxpayer age 65 or over may exclude \$8,000 of income from any source. Pension exclusions count toward the \$8,000 ceiling.

Source: Information from state departments of revenue, Fall 1991. See also Table 19.

Table 21
State Individual Income Taxes: Itemized Deductions, 1991
 (Y = Deductible, N = Nondeductible)

State	Federal Income Tax	Federal Social Security Tax	Real Property Tax	State Personal Property Tax	State General Sales Tax	Local General Sales Tax	State Income Tax	Local Income Tax	Medical Expenses ¹	Mortgage Interest	Other Interest ²	Charitable Contributions	Casualty Losses ³
<i>Exhibit:</i> Federal Government*	N	N	Y	Y	N	N	Y	Y	Y ¹	Y	Y ²	Y	Y ³
Alabama*	Y ⁴	Y	Y	Y	N	N	N	Y	Y	Y	Y ²	Y	Y ³
Alaska	No income tax												
Arizona*	N	N	Y	Y	N	N	Y	n.a.	Y	Y	Y	Y	Y
Arkansas*	N	N	Y	Y	N	N	N	n.a.	Y	Y	Y	Y	Y
California*	N	N	Y	Y	N	N	N	n.a.	Y	Y	Y	Y	Y
Colorado*	State income tax based on federal taxable income												
Connecticut	N	N	N	N	N	N	N	N	N	N	N	N	N
Delaware*	N	N	Y	n.a.	n.a.	n.a.	N	Y	Y	Y	Y	Y	Y
District of Columbia*	N	N	Y	Y	N	N	N	n.a.	Y	Y	Y	Y	Y
Florida	No income tax												
Georgia*	N	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y
Hawaii*	N	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y
Idaho*	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Illinois*	N	N	N	No itemized deductions permitted									
Indiana*	Very limited												
Iowa*	Y ⁴	N	Y	Y	N	N	N	n.a.	Y	Y	N	Y	Y
Kansas*	Y ⁴	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Kentucky*	N	N	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y
Louisiana*	Y ⁴	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y
Maine	N	N	Y	Y	N	N	N	N	Y	Y	N	Y	Y
Maryland*	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Massachusetts*	N	Y ⁴	N	N	N	N	N	N	Y ⁴	N	N	N	N
Michigan*	No itemized deductions permitted												
Minnesota*	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y

Table 21 (cont.)
State Individual Income Taxes: Itemized Deductions, 1991
(Y = Deductible, N = Nondeductible)

State	Federal Income Tax	Federal Social Security Tax	Real Property Tax	State Personal Property Tax	State General Sales Tax	Local General Sales Tax	State Income Tax	Local Income Tax	Medical Expenses ¹	Mortgage Interest	Other Interest ²	Charitable Contributions	Casualty Losses ³
Mississippi	N	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y
Missouri*	Y ⁴	Y	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y
Montana*	Y	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Nebraska*	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Nevada	No income tax												
New Hampshire	Only interest and dividends are taxed; no itemized deductions permitted												
New Jersey*	N	N	N	N	N	N	N	N	Y	N	N	N	N
New Mexico*	N	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y
New York*	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
North Carolina	N	N	Y	Y	N	N	N	N	Y	Y	N	Y	Y
North Dakota*	Y ⁴	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Ohio*	No itemized deductions permitted												
Oklahoma*	Y ⁴	N	Y	Y	N	N	Y	Y	Y	Y	N	Y	Y
Oregon*	Limited ⁴	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Pennsylvania*	No itemized deductions permitted												
Rhode Island*	Tax calculated as a percentage of federal liability												
South Carolina*	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
South Dakota	No income tax												
Tennessee	Only interest and dividends are taxed; no itemized deductions permitted												
Texas	No income tax												
Utah*	Y* ⁴	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Vermont	Tax calculated as a percentage of federal liability												
Virginia*	N	N	Y	Y	N	N	N	N	Y	Y	Y	Y	Y
Washington	No income tax												
West Virginia	N	N	N	N	N	N	N	N	N	N	N	N	N
Wisconsin*	N	N	Y	N	N	N	N	N	Special credit applies				N
Wyoming	No income tax												

Table 21 (cont.)
State Individual Income Taxes: Itemized Deductions, 1991

n.a.—not applicable

¹ For federal tax purposes, unreimbursed medical expenses are deductible only to the extent such expenses exceed 7.5% of adjusted gross income. Most states that permit taxpayers to deduct unreimbursed medical expenses follow the federal 7.5% floor.

² “Other Interest” includes interest paid on all loans except mortgage and home equity loans (e.g., consumer installment debt, auto/boat loans, student loans). The deductibility of these types of interest expenses will be phased out by 1993. In tax year 1987, 65% of such interest was deductible; 1988, 40%; 1989, 20%; 1990, 10%; none in 1991 and thereafter.

Most states that permit taxpayers to deduct “other interest” are following the phase-out provisions of the federal tax code.

³ For federal tax purposes, casualty losses must exceed \$100 per loss. Furthermore, only total annual losses in excess of 10% of adjusted gross income are deductible (i.e., a 10% “floor” exists for casualty loss deductions). Most states that permit taxpayers to deduct casualty losses apply the same restrictions as those imposed under the federal tax code.

⁴ Not an itemized deduction; all taxpayers, including those filing nonitemized returns, may subtract this from state taxable income.

***State Notes**

Federal Government	In general, an individual is allowed itemized deductions for nonbusiness expenses only to the extent that the aggregate of such deductions exceeds 2% of AGI. Items not subject to this floor, but which are subject to other limitations, include: interest, certain state and local taxes, casualty, theft, and wagering losses, expenses for medical and dental, and moving purposes.	Indiana	Allows a renter’s deduction of \$1,500 maximum and a \$1,000 maximum on insulation (material and labor). No other itemized deductions and no zero-bracket.
Alabama	Medical deductions limited to expenses greater than 4% of adjusted gross income. A casualty loss deduction is permitted for losses in excess of \$100 (10% floor).	Iowa	Deductions are the same as on federal schedules except for Iowa income tax, which is not deductible. Other state income taxes are deductible. There are additional deductions allowable for mileage for charitable purposes, care of a disabled relative, and adoption expenses. A deduction is allowed for amounts incurred for tuition and textbooks for dependents attending grades K-12. Deduction per dependent may not exceed \$1,000.
Arizona	Deductions same as federal.	Kansas	Deductions are the same as on federal schedules except for state income tax, which is not deductible. Federal tax liability may be deducted for taxpayers using appropriate rate schedule.
Arkansas	Medical deduction limited to expenses greater than 7.5% of adjusted income. Charitable contributions such as art and literary contributions are deductible.	Kentucky	Allows all taxpayers charitable contribution deductions. Benefits from federal and several state pension systems are exempt from state taxation even though such benefits may be taxable under federal tax law.
California	Deductions are generally the same as federal except for state, foreign, and local taxes, which are not deductible.	Louisiana	Same deductions as allowed on federal schedules, limited to the amount in excess of the federal standard deduction. Full deduction allowed for federal income tax paid. Allows a \$100 credit for deafness, loss of limb, mental incapacity, and blindness. Also allows credit of 10% of federal credits for child care, elderly, energy, political contributions, and other credits, up to a maximum of \$25.
Colorado	Deductions are the same as allowed for federal income tax purposes. (Previously, state and local taxes were not deductible and federal tax liability was deductible.)	Maryland	Same as for federal schedules except for state and local income tax, which is not deductible. All itemized deductions are after federal limitations.
Delaware	All deductions are the same as on federal schedules except for state income tax, which is not deductible. Charitable mileage deduction (\$.08/mile more than allowable federal deduction) and self-employed health insurance costs (up to 1/2 cost to the extent that payment for insurance exceeds federal medical expenses deduction).	Massachusetts	Allows deduction (limited to \$2,000 per taxpayer) for Social Security tax or contribution to Massachusetts retirement system; \$600 for child or children under 12 years of age or federal child care expenses; 50% on rent paid up to \$2,500; and adoption fees in excess of 3% of AGI taxable at 5.95%. Medical deduction is same as on federal schedule (i.e., medical in excess of the 7.5% floor).
District of Columbia	Same as for federal schedules except for state income tax, which is not deductible. For tax purposes, District of Columbia is considered to be a state.	Michigan	No federal itemized deductions; credits are provided as follows: property tax; heating; solar; farmland preservation; city income tax; community foundations; senior citizen prescription drugs; tax paid to other states; and contributions to Michigan colleges or universities, municipalities, libraries, art institutions, or public broadcasting stations. A deduction also allowed for military pay, payments to Michigan’s prepaid tuition program, and amount for federal credit for elderly and disabled.
Georgia	All deductions are the same as federal schedules except for state income tax, which is limited to Georgia tax.		
Hawaii	Deductions are the same as on federal schedules.		
Idaho	Deductions are the same as on federal schedules except for state income tax, which is not deductible.		
Illinois	When federal standard deductions exceed withholdings, the amount is considered income for the following tax year. For Illinois state income tax purposes, there is no standard deduction, but individuals receive a \$1,000 exemption. An additional \$1,000 exemption if 65 or over, or blind, is effective 1/1/90.		

Table 21 (cont.)
State Individual Income Taxes: Itemized Deductions, 1991

***State Notes (cont.)**

Minnesota	Only those taxpayers taking itemized deductions may deduct school expenses: tuition, transportation, and nonreligious textbooks, and rental fees for musical instruments for children in public or private schools (non-profit), grades K through 12. Deductions are also allowed for children attending schools in surrounding states. Exclusion available on income for taxpayers age 65 and over and the disabled based on income and filing status (not an itemized deduction).	Ohio	No itemized deductions allowed, only adjustments to income.
Missouri	May deduct Social Security tax, railroad retirement tax, and self-employment tax paid only if taxpayer itemizes deductions. All taxpayers may deduct their federal tax liability. Local income tax may be deducted only if taxpayers itemize.	Oklahoma	Deductions are the same as on federal schedules. Two tax rate schedules are available, one allowing federal tax deductions and one not. Taxpayers may choose the one that results in the least amount of tax to be paid. Federal tax liability may be deducted for taxpayers using appropriate rate schedule.
Montana	Itemized deductions are the same as federal, except for income tax paid to Montana, another state, or another country. Taxpayers not itemizing may deduct the larger of the federal liability or the standard deduction.	Oregon	Taxpayers use federal deductions (less state income tax). Deduction of federal tax liability is available to all taxpayers, but the deduction is limited to \$3,000 (\$1,500 on separate return). Taxpayers age 58 and over who itemize are allowed an additional deduction equal to medical expenses disallowed on their federal return due to the AGI limitation. The limit is the lower of actual medical expenses or 7.5% of AGI.
Nebraska	Every individual who itemized on the federal return is allowed to subtract from federal adjusted gross income the greater of either the standard deduction or all of federal itemized deductions, except for the amount deducted on the federal return for state or local income taxes paid.	Pennsylvania	Does not allow itemized deductions. Several expense exclusions are allowed for eligible taxpayers: allowable business, moving, education, office-at-home, union dues, work clothes and uniforms, small tools, and license fees. Tax-giveness allowed for low-income taxpayers under special provisions.
New Jersey	May deduct medical expenses in excess of 2% of adjusted gross income. No itemized deductions per se in that all taxpayers may take these deductions; no zero-bracket amount.	Rhode Island	Tax based on federal tax liability, excluding self-employment tax and medicare surcharge. Adjustments available for taxpayers in a small number of special cases (e.g., out-of-state bonds and notes). All deductions are implicit because the state tax paid is a percentage of federal tax liability (which permits most of the listed deductions.)
New Mexico	There are special credits and rebates for low-income comprehensive tax, low-income food and medical tax, day care, property tax for taxpayers 65 and older. The federal standard deduction and itemized deductions in excess of the standard deduction are allowed.	South Carolina	No state or local income tax deductions allowed. Other deductions same as on federal schedules.
New York	Individual taxpayers with NY AGI in excess of \$100,000 must reduce their itemized deductions. Reduction applies to joint filers with NY AGI in excess of \$200,000. The reduction amount is based on filing status, and the percentage disallowed ranges up to 50% for taxpayers with NY AGI in excess of \$525,000.	Utah	Same deductions as on federal schedules except for state income tax, which is not deductible. Adoption expenses up to \$1,000 per year are allowed for all taxpayers. Only one-half of net federal income tax paid or payable, after all allowable credits, may be deducted.
North Dakota	Deductions are the same as on the federal return. Information applies to the long-form method. Taxpayers may use the short-form method in which the tax is 14% of the adjusted federal income tax liability. For medical expenses, the floor imposed by federal law does not apply.	Virginia	Deductions are the same as on federal schedule A, less state and local income taxes.
		Wisconsin	Individuals are allowed a 5% credit for the excess over the standard deduction of certain interest expenses, medical expenses, charitable contributions, moving expenses for moves in or into Wisconsin, and miscellaneous expenses. A school property tax credit of 10% of the first \$2,000 of property taxes or rent constituting property taxes paid on a principal dwelling is allowed.

Source: ACIR staff compilation based on information from state departments of revenue (Fall 1991), and Commerce Clearing House, *State Tax Reporter* (Chicago, 1991). See also Tables 18, 20, and 22.

Table 22
State Individual Income Taxes: Rates, 1991
 Compiled October 1991
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
Alabama	First \$500	2.0%	Married persons filing jointly are taxed at 2% of the first \$1,000 of taxable income, 4% on the next \$5,000, and 5% on any excess over \$6,000. Local income taxes are additional.
	501-3,000	4.0	
	Over 3,000	5.0	
Alaska	No tax		
Arizona	First 10,000	3.8	Income brackets for married filing jointly, are doubled.
	10,001-25,000	4.4	
	25,001-50,000	5.25	
	50,001-150,000	6.5	
	Over 150,000	7.0	
Arkansas	First 2,999	1.0	Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize income tax liability.
	3,000-5,999	2.5	
	6,000-8,999	3.5	
	9,000-14,999	4.5	
	15,000-24,999	6.0	
	Over 25,000	7.0	
California	0-4,394	1.0%	Tax brackets indexed annually by California consumer price index. Income brackets for married filing jointly are doubled.
	4,395-10,414	2.0	
	10,415-16,435	4.0	
	16,436-22,816	6.0	
	22,817-28,835	8.0	
	28,836-100,000	9.3	
	100,001-200,000	10.0	
	Over 200,000	11.0	
Colorado	Modified federal taxable income	5.0	
Connecticut	12,000 and over	1.5	
Delaware	0-2,000	0.0	
	2,001-5,000	3.2	
	5,001-10,000	5.0	
	10,001-20,000	6.0	
	20,001-25,000	6.6	
	25,001-30,000	7.0	
	30,001-40,000	7.6	
Over 40,000	7.7		
District of Columbia	First 10,000	6.0	The tax on unincorporated businesses is 10% plus a 2.5% surtax before 9/30/89 and a 10% tax rate plus a 5% surtax after 10/1/89. Minimum tax is \$100. Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize tax liability.
	Second 10,000	8.0	
	Over 20,000	9.5	
Florida	No tax		
Georgia	First 750	1.0	If married taxpayers file joint federal returns, they must file joint state returns. The rates for these taxpayers range from 1% of the first \$1,000 of taxable income to 6% of taxable income over \$10,000.
	751-2,250	2.0	
	2,251-3,750	3.0	
	3,751-5,250	4.0	
	5,251-7,000	5.0	
	Over 7,000	6.0	
Hawaii	First 1,500	2.0	Married taxpayers filing jointly pay at rates of 2% of the first \$3,000 of taxable income to 10% of taxable income over \$41,000.
	1,501-2,500	4.0	
	2,501-3,500	6.0	
	3,501-5,500	7.25	
	5,501-10,500	8.0	
	10,501-15,500	8.75	
	15,501-20,500	9.5	
	Over 20,500	10.0	

Table 22 (cont.)
State Individual Income Taxes: Rates, 1991
 Compiled October 1991
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
Idaho	First 1,000	2.0	If joint federal return is filed, joint state return is required. Income brackets for married filing jointly are doubled. Community property state in which, generally, one-half of the community income is taxable to each spouse. Each person (joint return deemed one person) filing a return pays an additional \$10.
	1,001-2,000	4.0	
	2,001-3,000	4.5	
	3,001-4,000	5.5	
	4,001-5,000	6.5	
	5,001-7,500	7.5	
	7,501-20,000	7.8	
	Over 20,000	8.2	
Illinois	Taxable net income	3.0	Additional personal property replacement tax of 2.5% of net income is imposed on all corporations except partnership entities, trusts, and subchapter S corporations, for which the tax is 1.5%.
Indiana	Adjusted gross income	3.4	County income taxes may add up to an additional 1.25%.
Iowa	0-1,060	0.4	State tax may not reduce income below \$5,000 (single), or \$7,500 (married filing joint, head-of-household, surviving spouse). Federal income tax liability is deductible from net income before the standard or itemized deduction is subtracted. All taxpayers except individuals filing single may multiply income in excess of \$7,500 by maximum Iowa rate of 9.98%, compare this amount against the tax computed under the normal method, and pay the lesser of the two amounts.
	1,061-2,120	0.8	
	2,121-4,240	2.7	
	4,241-9,540	5.0	
	9,541-15,900	6.8	
	15,901-21,200	7.2	
	21,201-31,800	7.55	
	31,801-47,700	8.8	
	Over 47,700	9.98	
Kansas	First 27,500	4.5	If married taxpayers file joint federal returns, they must file joint state returns. Taxpayers may deduct their federal income tax and use a different set of rate brackets.
	over 27,500	5.95	
Kentucky	First 3,000	2.0	Local income taxes are additional. Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize tax liability.
	3,001-4,000	3.0	
	4,001-5,000	4.0	
	5,001-8,000	5.0	
	Over 8,000	6.0	
Louisiana	First 10,000	2.0	Community property state in which, generally, one-half of the community income is taxable to each spouse.
	10,001-50,000	4.0	
	Over 50,000	6.0	
Maine	First 4,149	2.1	For tax years beginning in 1991, the inflation factor is 1.019. On or about September 15 of each taxable year, the tax brackets and personal exemptions for that tax year will be adjusted for inflation. Alternative minimum tax is 27% of the adjusted federal tentative minimum tax.
	4,150-8,249	4.725	
	8,250-16,499	7.35	
	16,500-37,499	8.925	
	Over 37,499	9.89	
Maryland	First 1,000	2.0	Local income taxes are additional. Most taxpayers have a local tax surcharge of 50% of the state tax which, in effect, results in a 7.5% combined rate for taxpayers in the top tax bracket.
	1,001-2,000	3.0	
	2,001-3,000	4.0	
	Over 3,000	5.0	
Massachusetts	Interest, dividends, net capital gains	12.0	50% deduction for net capital gains.
	All other income	6.25	
Michigan	Taxable income	4.6	Twenty cities levy local income taxes, with maximum rates of 1% on residents, 0.5% on nonresidents, with three exceptions: 2%/1%, 3%/1.5%, and 1.5%/0.75%
Minnesota	First 13,620	6.0	Rates apply to other filing statuses with these brackets: married filing jointly, \$19,910 and \$79,120; married filing separately, \$9,960 and \$39,560; head of household, \$16,770 and \$67,390.
	13,621-44,750	8.0	
	Over 44,750	8.5	
Mississippi	First 5,000	3.0	Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize tax liability.
	5,001-10,000	4.0	
	Over 10,000	5.0	

Table 22 (cont.)
State Individual Income Taxes: Rates, 1991
 Compiled October 1991
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
Missouri	First 1,000	1.5	Local income taxes are additional. Married taxpayers are not allowed to split income deductions, exemptions, etc., equally between spouses; they must be split according to amount of income earned. If the taxable income of each spouse is greater than \$9,000, the tax liability will not be affected. (The percentage listed may vary at times by 0.5%.)
	1,001-2,000	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	
	8,001-9,000	5.5	
Over 9,000	6.0		
Montana	0-1,600	2.0	Tax brackets reflect 1991 inflation adjustments. Since 1980, the tax brackets, personal exemptions, and standard deduction are adjusted annually for inflation. Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize tax liability.
	1,601-5,300	3.0	
	3,301-6,600	4.0	
	6,601-9,900	5.0	
	9,901-13,200	6.0	
	13,301-16,400	7.0	
	16,401-23,000	8.0	
	23,001-32,900	9.0	
	32,901-57,600	10.0	
Over 57,600	11.0		
Nebraska	0-1,800	2.37	
	1,801-16,800	3.63	
	16,801-27,000	5.62	
	Over 27,000	6.92	
Nevada	No tax		
New Hampshire	Interest and dividends only	5.0	\$1,200 of each taxpayer's interest and dividend income is exempt.
New Jersey	First 20,000	2.0	Rates are for single taxpayers, married taxpayers filing separately, and estates and trusts. Taxpayers filing jointly pay at rates ranging from 2% on net income not over \$20,000 to 7% on net income over \$150,000.
	20,001-35,000	2.5	
	35,001-40,000	5.0	
	40,001-75,000	6.5	
	Over 75,000	7.0	
New Mexico	First 5,200	1.8	Taxpayers filing jointly pay at rates ranging from 2.4% on net income not over \$8,000 to 8.5% on net income over \$64,000. Heads of household pay at rates ranging from 1.8% on net income not over \$5,200 to 8.5% on net income over \$52,000. Special rates are provided for married persons filing separately. Community property state in which, generally, one-half of the community income is taxable to each spouse.
	5,201-10,400	3.0	
	10,401-15,600	4.5	
	15,601-23,400	5.8	
	23,401-31,200	6.9	
	31,201-41,600	7.7	
	Over 41,600	8.5	
New York	First 5,500	4.0	Lower tax rates are scheduled to be phased in through 1994. In 1994, there will be two tax rates: 5.5% of taxable income up to \$12,500 and 7% of taxable income over \$12,500. Local income taxes for New York City and Yonkers are additional. See note on Table 18.
	5,501-8,000	5.0	
	8,001-11,000	6.0	
	11,001-13,000	7.0	
	Over 13,000	7.875	
North Carolina	First \$12,750	6.0	Rates shown are for single taxpayers. Taxpayers filing jointly pay 6% on the first \$21,250 of net taxable income, 7% on the next \$78,780, and 7.75% on the amount over \$100,000. Heads of household pay 6% on first \$17,000, 7% on the next \$63,000, and 7.75% on the amount over \$80,000. Married filing separately pay 6% on the first \$10,625, 7% on the next \$39,375, and 7.75% on the amount over \$50,000. Heads of household pay 6% on the first \$17,000 and 7% on the excess. Married taxpayers filing separately pay 6% on the first \$10,625 and 7% on the excess.
	12,751-60,000	7.0	
	Over 60,000	7.75	

Table 22 (cont.)
State Individual Income Taxes: Rates, 1991
 Compiled October 1991
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
North Dakota	First 3,000	2.67	These rates apply only if the long form is used. Taxpayers have the option to use the short form, on which the tax is computed by multiplying their federal income tax liability (before credits) by 14%.
	3,001-5,000	4.0	
	5,001-8,000	5.33	
	8,001-15,000	6.67	
	15,001-25,000	8.0	
	25,001-35,000	9.33	
	35,001-50,000	10.67	
	Over 50,000	12.0	
Ohio	First 5,000	0.743	Two-income couples filing joint federal returns must file joint state returns; however, alternate rates are not available. Instead, a joint filing credit of between 5-20% of state liability, up to \$650, is granted, depending on total income. The rates will range from 0.743% of taxable income \$5,000 or less to 6.9% of taxable income over \$100,000.
	5,001-10,000	1.486	
	10,001-15,000	2.972	
	15,001-20,000	3.715	
	20,001-40,000	4.457	
	40,001-80,000	5.201	
	80,001-100,000	5.943	
	Over 100,000	6.9	
Oklahoma	First 1,000	0.5	Tax rates are based on the lesser of taxes computed before or after federal income taxes. All statuses calculating on the pre-federal rate charts pay at marginal rates from 0.5% to 7%; all statuses calculating on the post-federal rate charts pay at marginal rates from 0.5% to 10%.
	1,001-2,500	1.0	
	2,501-3,750	2.0	
	3,751-4,900	3.0	
	4,901-6,200	4.0	
	6,201-7,700	5.0	
	7,701-9,950	6.0	
	Over 9,950	7.0	
Oregon	First 2,000	5.0	Rates shown are for single individuals. Income brackets for married filing jointly are doubled.
	2,001-5,000	7.0	
	Over 5,000	9.0	
Pennsylvania	Specified classes of taxable income	2.8	For nearly all taxpayers, the tax base is broader than federal taxable income.
Rhode Island	Federal income tax liability	27.5	For nearly all taxpayers, the tax base requires no modifications.
South Carolina	First 2,070	2.5	
	2,071-4,140	3.0 less \$10	
	4,041-6,210	4.0 less \$51	
	6,210-8,280	5.0 less \$113	
	8,281-10,350	6.0 less \$196	
	Over 10,350	7.0 less \$299	
South Dakota	No tax		
Tennessee	Certain interest and dividends only	6.0	Individuals are taxed only on dividends from stocks and certain interest on bonds, notes, and mortgages.
Texas	No tax		
Utah	First 750	2.55	Income brackets for married filing jointly are doubled.
	751-1,500	3.5	
	1,501-2,250	4.4	
	2,251-3,000	5.35	
	3,001-3,750	6.25	
	Over 3,750	7.2	
Vermont	Federal income tax liability		Surtax of 3% on federal tax of \$3,400 to \$13,100; surtax of 6% on federal tax over \$13,100.
	0-3,999	28.0	
	3,400-13,100	31.0	
	Over 13,100	34.0	
Virginia	First 3,000	2.0	Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize tax liability.
	3,001-5,000	3.0	
	5,001-17,000	5.0	
	Over 17,000	5.75	

Table 22 (cont.)
State Individual Income Taxes: Rates, 1991
 Compiled October 1991
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
Washington	No tax		
West Virginia	First \$10,000	3.0	Rates shown are for all taxpayers except married couples filing separate returns. A minimum tax also is imposed equal to the excess by which an amount equal to 25% of any federal minimum tax or alternative minimum tax exceeds the total tax due for that tax year.
	\$10,001-\$25,000	4.0	
	\$25,001-\$40,000	4.5	
	\$40,001-\$60,000	6.0	
	Over \$60,000	6.5	
Wisconsin	0-7,500	4.9	Married couples filing joint returns pay at rates ranging from 4.9% of the first \$10,000 of taxable income to 6.93% of income over \$20,000. For married taxpayers filing separately, income bracket amounts are half those for married joint filers.
	7,501-15,000	6.55	
	Over 15,000	6.93	
Wyoming	No tax		

Source: ACIR staff compilations based on information from state departments of revenue (Fall 1991) and Commerce Clearing House, *State Tax Guide* (Chicago, November 1991). See also Tables 18-21.

Table 23
**Local Income Taxes: Number and Type of Jurisdiction,
 Selected Years 1976-1991**

State ¹	1991	1990	1989	1988	1987	1986	1985	1984	1981	1979	1976
Alabama											
Cities	11 ²	11 ²	11 ²	10 ²	10	10	10	8	5	5	6
Arkansas											
Cities	No cities levy income taxes										
Delaware											
Cities (Wilmington)	1	1	1	1	1	1	1	1	1	1	1
Georgia											
Cities and Counties	No cities or counties levy income taxes										
Indiana											
Counties	76	79	79	68	51	45	44	43	38	37	38
Iowa											
School Districts	59	59	52	60	57	61	57	57	26	21	3
Kentucky											
Cities	87	83	84	81	85	78	67	61	59	59	59
Counties	27	27	26	27	25	14	11	9	8	8	—
Maryland											
Counties (and Baltimore City)	24	24	24	24	24	24	24	24	24	24	24
Michigan											
Cities	20	19	19	18	17	17	16	16	16	16	16
Missouri											
Cities (Kansas City and St. Louis)	2	2	2	2	2	2	2	2	2	2	2
New York											
Cities (New York City and Yonkers)	2	2	2	2	2	2	2	2	1	1	1
Ohio											
Cities	512	506	492	481	482	480	467	460	n.a.	417	385
School Districts	52	22	5	5	6	6	6	6	n.a.	0	0
Pennsylvania											
Cities, Boroughs, Towns, Townships, and School Districts	2,824	2,809	2,795	2,788	2,782 ^e	2,777 ^e	2,758 ^e	2,644 ^e	n.a.	2,585 ^e	2,553 ^e
Total (excluding Pennsylvania)	873	837	797	779	763	740	707	688	n.a.	597	535
Total (including Pennsylvania)	3,697	3,646	3,592	3,567	3,545 ^e	3,517 ^e	3,465 ^e	3,332 ^e	n.a.	3,182 ^e	3,088 ^e

n.a.—not available

^e estimate

¹ Employer payroll taxes are levied in California, New Jersey, and Oregon. See Table 24 for a description of the tax base.

² Based on figures provided by the Alabama League of Municipalities.

Source: ACIR staff compilations based on Commerce Clearing House, *State Tax Guide* (Chicago, November 1991). See also Advisory Commission on Intergovernmental Relations, *Local Revenue Diversification: Local Income Taxes* (Washington, DC, 1988).

Table 24
Local Income Taxes: Rates, Selected Cities and Counties, November 1991
 (percent)

State	City (county)	City Tax Rate		County Tax Rate		Income Tax Based on
		Resi- dent	Non- resi- dent	Resi- dent	Non- resi- dent	
Alabama	Auburn (Lee)	1.0	1.0			Salaries, wages, commissions, and other earned compensation.
	Birmingham (Jefferson)	1.0	1.0			
Arkansas	No cities currently levy income taxes					
Delaware	Wilmington (New Castle)	1.25	1.25			Salaries, wages, commissions, and other earned compensation.
Georgia	No cities or counties currently levy income taxes					
Indiana	Elkhart (Elkhart)			1.25	0.5	County adjusted gross income.
	Ft. Wayne (Wayne)			1.0	0.25	
	Indianapolis-Marion County			0.7	0.15	
Iowa	School Districts—As of 1989, 59 school districts levied income surtaxes at rates ranging from 2.25% to 19.5%.					School district income surtaxes are based on state income tax liability.
Kentucky	Frankfort (Franklin)	1.0	1.0	1.0	1.0	Salaries, wages, commissions, and other earned compensation. City and county taxes do not overlap.
	Lexington (Fayette)	2.0	2.0	2.0	2.0	
	Louisville (Jefferson)	2.2	1.45	2.2	1.45	
Maryland	All counties and Baltimore City			50.0	0	Fifty percent of state income tax liability. The one exception is Worcester County, 20%. In effect, the local rate translates into 2.5% of adjusted gross income greater than \$3,000.
Michigan	Detroit (Wayne)	3.0	1.5			All earned income.
	Flint (Genessee)	1.0	0.5			
	Grand Rapids (Kent)	1.0	0.5			
	Lansing (Ingham)	1.0	0.5			
Missouri	Kansas City (Jackson)	1.0	1.0			Salaries, wages, commissions and other earned compensation.
	St. Louis City	1.0	1.0			
New York	New York City	2.2-3.4	0.45			New York City income tax for unmarried residents ranges from 2.2% of the first \$8,000 of city taxable income to 3.4% over \$60,000. In addition to other taxes, city residents are subject to a temporary surcharge on taxable income for taxable years beginning after 1989 and before 1997. Surcharges for unmarried residents range from .51% to .55%. The tax on nonresidents equals 0.25% of earned income. Yonkers residents pay 19.25% of net state tax (after property tax credit); nonresidents pay 0.5% of wages earned and net earnings from self-employment within the city.
	Yonkers (Westchester)		0.5			
Ohio	Akron (Summit)	2.0	2.0			Salaries, wages, commissions, and other earned compensation.
	Cincinnati (Hamilton)	2.1	2.1			
	Cleveland (Cuyahoga)	2.0	2.0			
	Columbus (Franklin)	2.0	2.0			
	Dayton (Montgomery)	2.25	2.25			
	Toledo (Lucas)	2.25	2.25			
	Youngstown (Mahoning)	2.0	2.0			
School Districts	Anna (Shelby)	0.5				School district taxes are in addition to other local government income taxes.
	Arlington (Hancock)	0.75				
	Bradford (Miami)	1.0				
	McComb (Hancock)	1.0				
	West-Liberty Salem (Champaign)	0.5				

Table 24 (cont.)
Local Income Taxes: Rates, Selected Cities and Counties, November 1991
 (percent)

State	City (county)	City Tax Rate		County Tax Rate		Income Tax Based on	
		Resi- dent	Non- resi- dent	Resi- dent	Non- resi- dent		
Pennsylvania	Allentown (Lehigh)	1.0	1.0			Salaries, wages, commissions, and other earned income. Only those school districts listed may impose income taxes.	
	Erie (Erie)	1.0	1.0				
	Philadelphia	4.96	4.3125				
	Pittsburgh (Allegheny)	1.0	1.0				
	Reading (Berks)	1.0	1.0				
	Scranton (Lackawanna)	2.2	1.0				
	School Districts	Allentown	1.0				
		Erie	1.0				
		Philadelphia	4.96 ¹				
		Pittsburgh (Allegheny)	1.875 ²				
		Reading	1.0				
	Scranton	1.0					
Taxes are imposed on the total payroll of employers in the following cities:							
California	Los Angeles	0.825					
	San Francisco	1.50					
New Jersey	Newark	1.0					
Oregon	Clackamas, Multnomah, and Washington counties (Portland area)	0.6179					
	Lane County Mass Transit District	0.0049				Includes financial institutions and corporations that perform services in the transit district service area.	

¹ Unearned income (interest, dividends, rents, royalties, and capital gains).

² Is included on the same form as city tax. Nonresidents are not taxed.

Source: Commerce Clearing House, *State Tax Reporter* (Chicago, November 1991). See also Table 23 and Advisory Commission on Intergovernmental Relations, *Local Revenue Diversification: Local Income Taxes* (Washington, DC, 1988).

Table 25
State Corporate Income Taxes: Rates, October 1991

State	Net Income Brackets	Marginal Rate (percent)	Special Rates or Features
Alabama	—	5.0%	Corporations with net incomes exceeding \$100,000 are taxed at 6.5% of the entire net income.
Alaska	First \$10,000	1.0	
	\$10,001-\$20,000	2.0	
	\$20,001-\$30,000	3.0	
	\$30,001-\$40,000	4.0	
	\$40,001-\$50,000	5.0	
	\$50,001-\$60,000	6.0	
	\$60,001-\$70,000	7.0	
	\$70,001-\$80,000	8.0	
	\$80,001-\$90,000	9.0	
	Over \$90,000	9.4	
Arizona	Flat rate	9.3	Minimum tax \$50. Apportioned federal income taxes are no longer deductible. Conforms with federal definition of an 80/20 corporation.
Arkansas	First \$3,000	1.0	Federal income allows federal ACRS for realty. Corporations with net incomes exceeding \$100,000 are taxed at 6.5% of the entire net income.
	\$3,001-\$6,000	2.0	
	\$6,001-\$11,000	3.0	
	\$11,001-\$25,000	5.0	
	\$25,001-\$100,000	6.0	
	Over \$100,000	6.5	
California	—	9.3	California minimum tax \$800). In 1991, an 8.5% alternative minimum tax is imposed. Beginning in 1988, banks and corporations electing a water's-edge method of apportioning income must pay an annual amount equal to 0.3% of 1% of the sum of taxpayer's property, payroll, and sales in California.
Colorado	First \$50,000	5.0	Beginning on 7/1/89, the tax rates are reduced until, for income tax years beginning on or after 7/1/93, the tax is imposed at the rate of 5%. Qualified taxpayers may pay an alternative tax of 0.5% of 1% of gross receipts from sales in or into Colorado.
	Over \$50,000	5.5	
Connecticut	—	11.5	To the extent they exceed the net income tax, the greater of the following taxes are imposed on capital stock: 3.1 mills/dollar (minimum \$100; maximum \$500,000) on capital stock and surplus. There is a 20% surcharge on net income and capital bases through December 31, 1991; it will be lowered to 10% on January 1, 1992, and eliminated on January 1, 1993. The maximum corporate capital base tax is increased from \$500,000 to \$1,000,000.
Delaware	—	8.7	
District of Columbia	—	10.0	A 5.0% surtax is imposed.
Florida	—	5.5	A 3.3% alternative minimum tax also is imposed.
Georgia	—	6.0	
Hawaii	First \$25,000	4.4	
	\$25,001-\$100,000	5.4	
	Over \$100,000	6.4	
	Capital gains	4.0	
	Financial institutions	11.7	
Idaho	—	8.0	Minimum tax \$20. Additional \$10 tax on each corporation filing a return and having gross income during the tax year.
Illinois	—	4.8	Additional 2.5% personal property replacement tax imposed.
Indiana	Corporate income tax	3.4	Domestic and interstate corporations pay a tax of 3.4% of AGI from sources within Indiana. A supplemental net income tax is imposed on corporations, banks, trust companies, savings associations, and domestic insurers at 4.5%.
	Supplemental net income	4.5	
Iowa	First \$25,000	6.0	The financial institutions franchise tax is 5% of taxable net income. A deduction for 50% of federal income taxes paid or accrued is allowed. A 7.2% alternative minimum tax is imposed. A minimum tax carry forward credit equal to net minimum tax paid on deferral preference items is also provided and may be used to the extent that minimum tax exceeds regular tax.
	\$25,001-\$100,000	8.0	
	\$100,001-\$250,000	10.0	
	Over \$250,000	12.0	
Kansas	—	4.5	A 2.25% surtax is imposed on taxable income in excess of \$25,000. Banks, 4.25% of net income plus 2.125% surtax on net income over \$25,000.

Table 25 (cont.)
State Corporate Income Taxes: Rates, October 1991

State	Net Income Brackets	Marginal Rate (percent)	Special Rates or Features
Kentucky	First \$25,000	4.0	
	\$25,001-\$50,000	5.0	
	\$50,001-\$100,000	6.0	
	\$100,001-\$250,000	7.0	
	Over \$250,000	8.0	
Louisiana	First \$25,000	4.0	Except for insurance companies
	\$25,001-\$50,000	5.0	
	\$50,001-\$100,000	6.0	
	\$100,001-\$200,000	7.0	
	Over \$200,000	8.0	
Maine	First \$25,000	3.5	Amount is 27% of the adjusted federal tentative minimum tax. A 10% surcharge will be imposed on all corporate income tax liabilities for tax years beginning in 1991 and 1992.
	\$25,001-\$75,000	7.93	
	\$75,001-\$250,000	8.33	
	Over \$250,000	8.93	
Maryland	—	7.0	
Massachusetts	—	—	Corporations pay an excise tax equal to the greater of the following: (1) \$2.60 (includes 14% surtax) per \$1,000 of value of Massachusetts tangible property not taxed locally, or net worth allocated to Massachusetts, plus 9.5% (includes surtax) of net income, or (2) \$400, whichever is greater (a surtax of 14% is imposed). Minimum tax \$456.
Michigan	—	—	State uses a single business tax (which is a modified value-added tax) rather than a corporate income tax. The 2.35% rate is applied to an adjusted tax base. Other nonfederal components also are used in the tax base. The first \$42,000 of the tax base is exempt.
Minnesota		9.8	For taxable years beginning after 1989, an alternative minimum tax is imposed equal to 5.8% of Minnesota alternative taxable income. Federal income allows federal ACRS for realty. In addition to the regular or minimum tax, a franchise fee is imposed, from \$0 to \$5,000 based on Minnesota property, payroll, and sales.
Mississippi	First \$5,000	3.0	
	\$5,001-\$10,000	4.0	
	Over \$10,000	5.0	
Missouri	First \$100,000	5.0	Financial institutions are taxed at a rate equal to the sum of (1) the greater of \$25 or 0.05% of the par value of the institution's outstanding shares and surplus employed in Missouri and (2) 7% of the institution's net income for the income period minus tax computed on their shares and surplus under (1) and credits allowable for other state and local taxes.
	\$100,001-\$335,000	6.0	
	Over \$335,000	6.5	
Montana	—	6.75	Minimum license tax \$50, except \$10 for small business corporations. Beginning in 1988, corporations electing to use water's-edge apportionment are taxed at 7%. A 5% surtax applies to all corporate taxpayers, effective for tax year 1990 and terminating 1/1/91.
Nebraska	First \$50,000	5.58	15% income surcharge is imposed for the 1991 tax year. Also for tax year 1991, a 2% surcharge is imposed on all depreciation plus an additional 2% surcharge on depreciation of property.
	Over \$50,000	7.81	
Nevada	No tax		
New Hampshire	—	8.0	The tax is 8% on taxable business profits of business organizations.
New Jersey	—	9.0	A 7.25% corporation income tax is imposed on entire net income as allocated to New Jersey, of foreign corporations with income from New Jersey sources not subject to the corporation business tax. The corporation business tax is a franchise measured by net income and imposed at 9%. For accounting or privilege periods ending before 7/1/93, a surtax is imposed at a rate determined by the Division of Taxation based on the amount of franchise tax paid that is attributable to changes made to federal income tax laws by the <i>Tax Reform Act of 1986</i> . (A 0.375% surtax is imposed for accounting periods ending on or after 7/31/91 but not later than 6/30/92.)
New Mexico	First \$500,000	4.8	
	Second \$500,000	6.4	
	Over \$1,000,000	7.6	

Table 25 (cont.)
State Corporate Income Taxes: Rates, October 1991

State	Net Income Brackets	Marginal Rate (percent)	Special Rates or Features
New York	—	9.0	Corporations are subject to a 9% tax on net income or a tax on three alternative bases, whichever produces the greatest tax. A 9% tax is imposed on unrelated business income, with modifications, of taxpayers subject to the federal tax on unrelated business income. Minimum tax \$250. Surcharge imposed in Metropolitan Commuter Transportation District. New York City corporation income tax is 17% of tax imposed for tax years ending on or after 12/31/83 but before 12/31/91. Small business taxpayers are subject to a lower tax rate. An additional tax of 0.9 mills/\$1 of subsidiary capital is levied. A 15% tax surcharge applies to years ending after 6/30/90 and before 7/1/92.
North Carolina	—	7.75	For taxable years beginning on or after 1/1/91, a temporary surtax of 4% of the corporate income tax is imposed. The surtax rate drops to 3% for tax year 1992, 2% for 1993, 1% for 1994, and expires 1/1/95.
North Dakota	First \$3,000	3.0	Financial institutions, 5% of net income plus 2% additional tax; minimum tax \$50. Alternative minimum tax repealed by 1991 legislature.
	\$3,001-\$8,000	4.5	
	\$8,001-\$20,000	6.0	
	\$20,001-\$30,000	7.5	
	\$30,001-\$50,000	9.0	
	Over \$50,000	10.5	
Ohio	First \$50,000	5.1	Minimum tax \$50. Financial institutions are taxed at 15 mills times the value of stock. For ACRS, taxpayer must add 10% of the amount by which the corporation's federal taxable income was reduced by ACRS depreciation, but a deduction of 50% of such addition is allowed in each of the next two tax years.
	Over \$50,000	8.9	
	or 5.82 mills multiplied by value of stock, whichever is greater		
Oklahoma	—	6.0	
Oregon	—	6.6	Minimum tax \$10. Qualified taxpayers may elect to pay alternative tax of 0.25% or 0.125% of gross sales in Oregon.
Pennsylvania	—	12.25	
Rhode Island	Greater of 9 percent or franchise tax; minimum tax \$100	9.0	An additional surtax of 11% of the tax is imposed for tax years ending on or after 3/31/91 and before 1/1/93.
South Carolina	—	5.0	Banks pay 4.5% on South Carolina net income; savings and loan associations pay 6% on South Carolina net income.
South Dakota	No tax		Banks and financial institutions pay 6% of net income with modifications; minimum \$200 per authorized business location.
Tennessee	—	6.0	
Texas	No tax		
Utah	—	5.0	Minimum tax \$100
Vermont	First \$10,000	5.5	Minimum tax \$150
	\$10,001-\$25,000	6.6	
	\$25,001-\$250,000	7.7	
	Over \$250,000	8.25	
Virginia	—	6.0	
Washington	No tax		
West Virginia	—	9.375	Beginning 7/1/88, the rate is reduced by 0.15% per year for five successive years, to 9% on and after 7/1/92.
Wisconsin	—	7.9	ACRS allowed for most property placed in service before 1987; not allowed for property outside Wisconsin and placed in service after 1982 but before 1987, or for residential realty and certain farm property acquired in the 1986 taxable year. For tax years ending after 4/1/91, a temporary recycling surcharge is imposed on all corporations. The surcharge is 5.5% of the gross tax liability of corporations with \$25 minimum and a \$9,800 maximum. Tax option (S) corporations will pay the greater of \$25 or .4345% of their Wisconsin net income but not more than \$9,800.
Wyoming	No tax		

Source: ACIR staff compilations based on state updates (Fall 1991) and Commerce Clearing House, *State Tax Guide* and *State Tax Reporter* (Chicago, October 1991). See also Tables 26-28.

Table 26
State Corporate Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1991)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Alabama	State, foreign, and local income taxes; federal exempt interest except own state; partial depletion and amortization allowance and federal operating/capital loss and charitable carryovers	Oil/gas depreciation allowance in excess of federal; interest on U.S. obligations and federal securities; state income tax refund; jobs credit	Out-of-state income taxes paid; enterprise zone	Not allowed	3-factor, simple average (UDITPA)
Alaska	State, foreign, and local income taxes; federal exempt interest from own state/foreign obligations	Interest on U.S. obligations and federal securities	18% of federal credits; alternative energy system; contributions to Alaskan colleges and universities; gas/mineral; investment	Worldwide—required	3-factor, simple average (UDITPA)
Arizona	Other state, foreign, and local income taxes; partial depletion	Jobs credit; interest on U.S. obligations and federal securities; state income tax refunds; foreign dividend gross-up	Enterprise zone jobs; investment on grounds of correctional facility; employer operated dependent day care facility	Domestic—required	Property (25%) Payroll (25%) Sales (50%) (UDITPA)
Arkansas	Interest from other states; DISC income taxes; unitary dividends from less than 95% ownership; business income	Targeted jobs credit; interest on U.S. obligations; state income tax refunds; 95% owned dividends; non-business income	Enterprise zones; water and conservation control structures; 1/3 contributions to colleges (equipment donations not to exceed 50% tax); county industrial development corporation, 1/3 not to exceed 50% tax	Not allowed	3-factor (UDITPA)
California	State, foreign, and local income taxes; partial ACRS/other depreciation, depletion, and amortization; federal exempt interest; federal capital loss carryovers	Dividends; jobs credit; state income tax refunds; foreign dividend gross-up	Jobs; orphan drug; low-income housing; donating food to charities; ride-sharing; waste recycling equipment; research; computer contributions; employer child care program/contribution; enterprise zone/program area; low emissions devices for motor vehicles; small business health care; prison inmate labor	Worldwide—subject to water's-edge option	3-factor, simple average (UDITPA)
Colorado	State and foreign income taxes; federal exempt interest; federal NOL; interest on state and local debt other than Colorado	Jobs tax credit; interest and dividends on U.S. obligations and federal securities; own-state income tax refund; Colorado NOL; oil shale depletion allowance; foreign source income	Investment, mining/milling impact studies; energy devices; energy efficient loans; new business facility; enterprise zone investment; employee; rehabilitation; research and experimental activities	Water's-edge—required	3-factor, simple average, or average of sales and property only, corporate option (UDITPA)
Connecticut (1989)	State's own income taxes; federal exempt interest; partial federal depreciation	Dividends, capital loss carryover, plus 10% recovery of depreciation surcharge (surcharge to be eliminated 1/1/93)	Pollution control; manufacturing investment including R&D; student and machine tool jobs; neighborhood assistance; employers daycare; rental housing	Not allowed	Property (25%) Payroll (25%) Sales (50%) For non-manufacturers, single-factor gross sales
Delaware	State's own income taxes; federal exempt interest. Loss from sale of U.S or Delaware securities; interest income from other states' obligations; depletion allowance—oil and gas; interest paid to affiliated companies	Amount of wages in federal jobs credit; interest on U.S obligations and federal securities; state income tax refunds; handicap building renovation; neighborhood assistance deduction; foreign dividends	New business facility (sunsets in 1991); neighborhood assistance	Not allowed	3-factor, simple average

Table 26 (cont.)
State Corporate Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1991)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
District of Columbia ^f	Foreign and local income taxes; other taxes; federal exempt foreign interest	Jobs tax credit; interest and dividends on federal securities; state income tax refunds		Not allowed	3-factor, simple average (UDITPA)
Florida ^f (1989)	State income taxes; federally exempt interest; wages deducted as credit	Federal carryover and operating loss deduction; foreign dividends	Enterprise zone jobs and property tax; gasohol; community contributions; hazardous waste facility; AMT; emergency excise tax	Not allowed	Property (25%) Payroll (25%) Sales (50%) (UDITPA)
Georgia ^f	State, foreign, and local income taxes (other than Georgia and its subdivisions); partial ACRS; federal operating loss deduction; interest on state and local debt other than Georgia	Foreign dividends; jobs tax credit; interest on U.S. obligations and federal securities; Georgia NOL	Banks; S&Ls' credit for certain taxes and fees; less developed area jobs tax credit	Not allowed	3-factor, simple average
Hawaii ^f	Interest from other states; obligations	Jobs tax credit; interest on U.S. obligations and federal securities; foreign dividend gross-up	Enterprise zone; energy conservation income tax credit, credit for employment of certain new employees; capital goods excise tax; low-income housing; fuel tax for commercial fishers	Allowed for Hawaii combination	3-factor, simple average (UDITPA)
Idaho ^f	State income taxes; federal exempt interest; federal capital loss; carryovers; federal NOL	Interest on U.S. obligations; state income tax refunds; alcohol fuel credits; foreign dividend gross-up; Idaho NOL	Charity; gasohol; jobs expansion and capital investment	Water's-edge—election	3-factor, simple average (UDITPA)
Illinois ^f	State income taxes; federal exempt interest; federal NOL	Interest on U.S. obligations and federal securities; state income tax refunds; enterprise zone contributions (double); foreign dividend gross-up; subtraction for amount used to compute federal tax credit for restoration of substantial amounts pursuant to IRC 1341 (Claim of Right)	Investment; jobs tax; personal property replacement; enterprise zone; coal credits; training expense and research and development	Required—domestic	UDITPA with double-weighted sales
Indiana ^f	State income taxes; local property taxes; charitable contributions	Interest on U.S. obligations and federal securities; state income tax refunds; foreign dividend gross-up	Gross income paid; gross tax = 1.2% or 3% of Indiana gross receipts depending on type of transaction; commercial motor fuel tax; contributions; energy; prison investment; enterprise zone; research	Optional—worldwide or domestic	3-factor, simple average
Iowa ^f	State income taxes; federal exempt interest; 50% federal refunds; windfall profits tax; percentage depletion in excess of cost depletions	Interest on U.S. obligations and federal securities; state income tax refunds; JAT; federal alcohol fuel credit; 50% federal income taxes	Iowa motor fuel; new jobs; research activities minimum tax carry forward; and seed capital credits	Not allowed	100% sales
Kansas ^f	State, foreign, and local income taxes; federal exempt interest; federal NOL; certain depreciation deductions	Jobs tax credit; interest on U.S. obligations and federal securities; state income tax refunds; solar energy amortization	Job expansion; handicap renovations; enterprise zone; agricultural loan; venture capital; R&D	Required—domestic	3-factor, simple average (UDITPA)
Kentucky ^f	State and foreign income taxes; federal exempt interest	Interest on U.S. obligations and federal securities; 50% gross from coal disposal; dividend income	New jobs; coal heating; qualified energy; economic development project; Kentucky venture capital; recycling and composting equipment	Domestic	UDITPA with variations, double-weighted sales

Table 26 (cont.)
State Corporate Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1991)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Louisiana ^f	State income taxes; federal exempt interest; partial federal amortization; federal carryovers; federal NOL	Jobs tax credit; interest on U.S. obligations; state income tax refunds; Louisiana NOL; foreign operating losses (foreign corps only); federal taxes.	Manufacturing gas; new business facility; neighborhood assistance; educational property donations; Louisiana capital company investment; enterprise zone; new jobs; qualified recycling equipment-fuel use	Not allowed	3-factor, for manufacture, merchandising; 2-factor for services
Maine ^f	State and local income taxes; federal exempt state interest; partial ACRS; federal NOL; interest or dividends from states or their political subdivisions, except Maine	Interest on U.S. obligations; state income tax refunds; jobs tax credit; foreign dividend gross-up; dividends from certain affiliated corporations	Maine seed capital; jobs and investment; daycare; losses of financial institutions; employer-provided long-term care benefits (tax years ending on or after 9/30/89); investment tax (tax years beginning on or after 1/1/91); solid waste reduction investment (equipment purchased after 1/1/93)	Domestic—required	Property (25%) Payroll (25%) Sales (25%) (UDITPA)
Maryland ^f	State and local income taxes; federal exempt non-Maryland state and municipal interest; net capital loss carryback	Jobs tax credit; interest on U.S. obligations; state income tax refunds; foreign dividend gross-up; reforestation expenses	Enterprise zone	Not allowed	3-factor, simple average
Massachusetts ^f	Federal exempt interest; federal NOL; state, foreign, and local income taxes; other taxes	Jobs tax credit; dividends received limited; Massachusetts NOL	Enterprise zone for certain corporations; ITC for manufacturing, R&D, agriculture; fishing; shuttle vans; universal health care; research credit	Not allowed	Property (25%) Payroll (25%) Sales (50%) (UDITPA) with changes)
Michigan	Compensation to employees and officers; depreciation; interest and dividends paid; loss carryovers and carrybacks; income taxes paid	Capital expenditures made; dividend and interest income; carryover of prior year negative SBT tax base; statutory exemption; and greater of excess compensation reduction (up to 37% of tax base) or gross receipts reduction (tax base limited to 50% of gross receipts)	Small business (up to 100% of tax); higher education and public library and broadcasting station; unincorporated business/S corporation; community foundation; minority venture capital; enterprise zone; and central city high technology	Not allowed	Property (30%) Payroll (30%) Sales (40%)
Minnesota ^f	State, local, and foreign income taxes; federal exempt interest; NOL deduction; capital losses; federal charitable contributions deduction; exempt interest dividends paid by regulated investment companies; windfall profits tax deducted federally; losses from mining subject to the occupation tax; percentage depletion; amortization deduction for specified pollution control facilities; deemed dividends from foreign operating corporations; exempt foreign trade income of a foreign sales corporation; federal dividend received deduction	Salary expenses not deducted due to federal jobs credit; foreign dividend gross-up; cost depletion; enterprise zone credits; Minnesota NOL; Minnesota charitable contributions; capital loss with no carrybacks; for banks, any dividend paid on its preferred stock to the federal government; depreciation and depletion deductions for intangible drilling costs; depreciation deduction for specified pollution control facilities previously disallowed; hand-capped access expenditures disallowed due to the federal credit; research expenses disallowed due to the federal credit in excess of state research credit; 80% of foreign royalties, fees, etc., received from within unitary group; Minnesota dividend received deduction	AMT; research and development; enterprise zone; gross premiums tax credit for insurance companies; expenses relating to federally exempt income taxed by Minnesota; state income tax refunds; income from mining subject to the occupation tax	Domestic—required	3-factor, weighted: percent total property in Minnesota (15%); percent total payroll in Minnesota (15%); percent total sales in Minnesota (70%)

Table 26 (cont.)
State Corporate Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1991)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Mississippi (1989)	State, foreign, and local income taxes; federal exempt state interest; partial depletion allowance; federal capital loss; carryover; dividends	Interest on U.S. obligations; state income tax refunds	Enterprise zone; finance company privilege tax; jobs; research and development; childcare facilities; headquarters; training and retraining	Optional—domestic	3-factor, simple average or separate accounting
Missouri ^f	Federal income tax refund; if prior to 1973, state and local bond interest (less expenses greater than \$500)	Interest on U.S. obligations and federal securities; state income tax refunds; federal income tax; foreign tax credit; Missouri sourced dividends; capital gains from sale of low-income housing project	Neighborhood assistance; new business facility; enterprise zone; seed capital; development reserve; wood energy; agricultural unemployed; 30% of contribution to a "qualified fund"; affordable housing credit; low-income housing credit; homeless assistance; infrastructure development; export finance credit	Not allowed	3-factor, simple average; or sales only (UDITPA, with 100 sales option, 50% origin, 50% destination)
Montana ^f	State, foreign, and local income taxes; federal exempt interest; federal capital loss carryovers; federal NOL	Federal jobs tax credit; state income tax refunds; capital gains for new farmer; computer donations; purchases of Montana fertilizer; energy conservation investments; capital gains and dividends received from an SBIC; small business contributions to its independent liability fund	Public contractors; new or expanding manufacturing; utility conservation loan subsidy; wind energy; investment in the Montana Small Business Company; employee dependent care; employee health insurance; contributions to Montana higher education endowment funds	Water's-edge; worldwide-water's-edge election available	3-factor, simple average (UDITPA)
Nebraska ^f	Interest or dividends from states or their political subdivisions, except Nebraska.	Interest on U.S. obligations and federal securities, foreign dividends, foreign dividend gross-up or special foreign tax credit.	Non-highway gasoline tax; community betterment, employment expansion and investment, and in lieu of intangible tax paid.	Required—domestic	3-factor sliding, simple average (100% sales by 1992)
New Hampshire ^f	"Safe Harbor" or other similar leases; income taxes or franchise taxes measured by income	Interest on U.S. obligations; job tax credit; deductible dividends and other non-unitary income net of related expenses; distribution from joint venture or partnerships subject to New Hampshire taxation; foreign dividend gross-up; research contribution	Utility franchise tax; bank tax; insurance premiums tax	Domestic—required	3-factor, simple average (UDITPA)
New Jersey ^f	Federal and state income taxes; state and local franchise taxes; federal exempt interest; partial ACRS; federal NOL; dividends; foreign income	Jobs tax credit; foreign dividend gross-up; subsidiary dividends; 7 year NOL carry forward; safe harbor lease income	Urban enterprise zone; urban development; recycling equipment	Not allowed	3-factor, simple average
New Mexico ^f		Foreign dividend gross-up; gains from interest expenses on U.S. obligations	Investment; geothermal; child care; cultural property	Optional—domestic	3-factor, simple average (UDITPA)

Table 26 (cont.)
State Corporate Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1991)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
New York^f	Federal exemptions or credits; state and foreign income taxes; franchise taxes; federal exempt government interest; federal contribution carryover; partial ACRS depreciation; expenses and interest attributable to subsidiary capital; taxes paid to other states; federal NOL	Foreign dividend gross-up; gains from subsidiary capital; 50% of non-subsidiary dividends; gifts; New York NOL (federal NOL plus or minus New York modifications)	Business facility; investment; employment expansion; R&D; sales tax on anti-pollution equipment; economic development zones; minimum tax	Domestic—permitted/required	Property (25%) Payroll (25%) Sales (50%)
North Carolina^f	State and local income taxes; other taxes based on net income; federal exempt interest from non-North Carolina jurisdictions; capital loss carryover; federal NOL; expenses related to untaxed income	Jobs tax credit; interest on U.S. obligations and federal securities; state income tax refunds; some additional depreciation; economic losses; foreign dividend gross-up	Handicap dwellings; solar energy; conservation investment; cogeneration and wood conversion; photovoltaic; North Carolina enterprise; wind energy; methanol gas plant; hydroelectricity; new jobs in severely distressed counties	Domestic at state option	Property (25%) Payroll (25%) Sales (50%) otherwise (UDITPA)
North Dakota	All taxes measured by income; federal exempt interest; partial ACRS; special deductions; federal NOL	Interest on U.S. obligations; state income tax refunds; federal income taxes; North Dakota dividends; partial ACRS	New industries; charitable contributions to private school; solar energy; venture capital corporation investments (25%); research and experimental expenditures within North Dakota; employment of developmentally disabled or chronically mentally ill; prior year minimum tax	Required—worldwide, unless water's-edge	3-factor, simple average (UDITPA)
Ohio^f	Partial ACRS depreciation; federal NOL deduction	Handings conversion expenses; jobs tax; interest on U.S. obligations; foreign-source income; NOL; income from coal conversion facility	Litter control; manufacturing refiners property tax; energy systems; urban jobs and enterprise zones	Not allowed	Property (25%) Payroll (25%) Sales (50%)
Oklahoma^f	State income taxes; other income based taxes; federal exempt state interest	Interest on U.S. obligations and federal securities; state income tax refunds	Manufacturing gas consumption; investment; enterprise zone; energy conservation loan fund; waste recycling; qualified venture capital investments; alternative fuels conversion	Domestic	3-factor, simple average (UDITPA)
Oregon^f	State and foreign income taxes; other income-based taxes; federal exempt interest; pre-1985 asset ACRS depreciations exceeding Oregon allowance; federal NOL deduction	Pre-1985 asset depreciation exceeding federal allowance; Oregon capital loss carryovers; income of non-unitary corporations; 70% or 80% of federal taxable dividends	Pollution control; youth apprenticeship; research; child development; energy conservation; reforestation projects; alternative energy loans; fish habitat improvement; dependent care; reclaimed plastics; low-income and farm worker housing loans; farm worker housing project investment; fish screening device; health care insurance; bone marrow donation program; computer, scientific equipment, or research donation; Oregon seafood; crop cleaning; alternative transportation; domestic insurance company	Required—domestic consolidated	3-factor, simple average (UDITPA) (simple average before 1991) (double-weighted sales after 1990)

Table 26 (cont.)
State Corporate Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1991)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Pennsylvania ^f	State and local income tax; other income-based taxes; tax preference items; wages for which an employment incentive credit was claimed; federal NOL	Dividends; jobs tax; interest on U.S. obligations and federal securities; certain depreciation; foreign dividend gross up	Neighborhood assistance; employment incentives; contribution to homeowners mortgage assistance fund	Not allowed	3-factor, simple average (UDITPA, with changes)
Rhode Island ^f	Interest on other state obligations; Rhode Island tax deductions; Rhode Island corporate and franchise taxes deducted and federal depreciation deducted if Rhode Island rapid writeoffs are elected	Interest on federal obligations; Rhode Island NOL; special Rhode Island dividend and interest deduction; special Rhode Island rapid writeoffs for pollution control facilities and new research and development facilities; special deduction or capital gain exclusion for investment in Rhode Island certified venture capital partnership or Rhode Island qualified business entity; and foreign dividend gross-up	Investment; energy; juvenile restitution; adult education; daycare; higher education assistance; hydroelectric power	Not allowed	3-factor, simple average
South Carolina ^f	State, foreign, local income taxes; franchise or other income based taxes; federal exempt interest; federal carryovers; federal operating loss deduction; DISC net income; multistate depletion	Interest on U.S. obligations and federal securities; South Carolina loss carryover	Minority subcontractor; conservation tillage equipment; renewable energy source; water resources; new jobs; corporate headquarters; infrastructure; employer child care program	Not allowed	3-factor, simple average, for manufacturers or dealers in tangible personal property; others, 100% sales
Tennessee ^f	State excise tax; interest income from obligations less allowable amortization; S corporations, pass-through income; contribution carryovers; percentage depletion; IRC Section 337 gains; excess FMV over book value of property donated; safe harbor lease transactions	Portion of the gain or loss of the sale or other disposition of property having a higher basis for Tennessee excise tax purposes than federal income tax purposes; S corporations pass-through expenses; financial institution bad debts not allowed for federal; contributions in excess of federal limitation; dividends from 80% owned subsidiaries; IRC Section 337 losses; capital losses not deducted for federal; nonbusiness earnings; safe harbor lease transactions	Industrial machinery	Allowed only for financial institutions	3-factor, simple average (UDITPA)
Utah	State and DISC income taxes; franchise and other income-based taxes; federal exempt state interest; federal carryovers; federal operating loss deduction; contributions excess of 5% limit	Jobs tax; current year capital losses; foreign dividend gross-up; contributions carryover	Energy systems; contributions to handicap facilities; high technology contributions to educational institutions; municipal and federal bond interest; enterprise zone; steam coal	Water's edge—required or option for worldwide	3-factor, simple average (UDITPA)
Vermont ^f	Non-Vermont state and local obligations; state income and franchise taxes	Interest from federal obligations; foreign dividend gross-up; salary and wages add-back related to federal jobs tax credit	Vermont venture capital corporation (10%); job development zone; investment in affordable housing	Not allowed	3-factor, simple average (UDITPA)

Table 26 (cont.)
State Corporate Income Taxes: Bases, Credits, and Formulas (Generally Laws in Effect for 1991)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Virginia ^J	State, foreign, and local income or other income based taxes; federally exempt interest on obligations of other states; federal deduction for bad debt of S&Ls	Dividends (50% owned); nondeductible jobs credit wages; interest on U.S. obligations; foreign dividend gross-up; subpart F income; "foreign source income" (limited to certain types of net income from within the U.S.); recomputed S&L bad debt; federally taxable interest on Virginia state and local programs	Neighborhood assistance; enterprise zone; conservation tillage; cogenerators and small power producers; telecommunications; pesticide and fertilizer application equipment; machinery and equipment for processing recyclable materials (effective 7/1/91)	Not allowed	3-factor, simple average
West Virginia ^J	State, foreign, and local income taxes; interest or dividends from any federal, state, or local obligation exempt from federal tax but not from state tax; federal NOL; unrelated business income of tax exempt corporations; depreciation and amortization for certain water and air pollution control facilities; 10% of qualified investment utilized for the research and development credit	State income tax refunds; a bad debt reserve deduction adjustment; interest expense incurred to carry obligations which are exempt from federal tax but not from state tax; dividends associated with the federal foreign tax credit; salary expenses associated with the federal jobs credit; foreign source income; subpart F income; the cost of West Virginia air/water pollution control facilities; a percentage adjustment to income equal to assets represented by tax exempt obligations and West Virginia mortgage obligations divided by total assets; West Virginia NOL deduction, occurring after income apportionment and allocation	Veterans' incentive; headquarters relocation; capital company; business investment; jobs expansion; R&D; utilities rate reduction.	Not allowed	3-factor, double weighted sales; Property (25%) Payroll (25%) Sales (50%) otherwise (UDITPA); motor carriers, single-factor (carrier miles); foreign financial institutions, single-factor (gross receipts)
Wisconsin	State and local bond interest; state income taxes; percentage depletion; interest on loan to acquire employer securities; windfall profits tax; amount deductible related to wholly exempt income or losses from disposition of assets the gain from which would be exempt, minus deductions from federal gross income as modified; foreign income; gain on involuntary conversion of property in Wisconsin; amount by which federal deduction from depreciation or amortization exceeds Wisconsin deduction; difference between federal basis and Wisconsin basis of assets disposed of; amounts added for failure to pay estimated taxes or for employer's coercion of employees to pay estimated taxes	Subpart F income; dividend received deduction; foreign dividend gross-up; foreign income taxes; cost depletion; discharged indebtedness of insolvent or bankrupt taxpayers; compensation to employees and officers; rental payments; foreign taxes paid; Wisconsin gross receipts taxes in lieu of property taxes; net proceeds occupation tax on mining of metallic minerals; losses on sales or exchanges between related taxpayers; NOL carryovers, unrealized losses, and credits in certain corporation acquisitions; payments to Nuclear Decommission Reserve Fund; income received from controlled foreign corporations; dividends received by parent corporation from DISC; repayment or credit under federal defense contract renegotiation or price redetermination; recapture of development zones investment credit; difference between federal basis and Wisconsin basis of assets disposed of	Sales tax on fuel and electricity used in manufacturing; farmland preservation; research expense; research facility; community development finance; development zone (for investment, jobs, location, sales tax, and additional research); supplement to federal historic rehabilitation; state historic rehabilitation; farmland tax relief; community development finance; development zones investment, location, and sales tax; manufacturing sales tax; research and research facilities	Not allowed	Property (25%) Payroll (25%) Sales (50%) (UDITPA)

^J Taxable federal income used as state taxable income base.

Sources: ACIR staff compilation based on information from state departments of revenue (Fall 1991) and Commerce Clearing House, *State Tax Guide* (Chicago, November 1991).

Table 27
State Corporate Income Taxes: Characteristics of Apportionment Factors, 1991

State	Three Equally Weighted Factors	Three Factors with Double Weighted Sales	Two Factors	Sales Only	Option between Formulas	Separate Accounting Permitted	Adoption of UDITPA ¹
Alabama	Yes					Yes	Yes ²
Alaska	Yes					Yes	Yes
Arizona		Yes				Yes	Yes
Arkansas	Yes					Yes ³	Yes
California	Yes					Yes	Yes
Colorado	Yes ⁴		Yes ⁴		Yes	Yes ⁵	Yes ⁴
Connecticut†		Yes		Yes ⁶		Yes	7
Delaware	Yes					Yes	7
District of Columbia	Yes		Yes ⁸			Yes ³	Yes ²
Florida†		Yes				Yes	Yes
Georgia	Yes					Yes	7
Hawaii	Yes		Yes		Yes	Yes	Yes ⁴
Idaho	Yes					Yes	Yes
Illinois		Yes				Yes	2
Indiana	Yes					Yes	
Iowa				Yes		Yes	7
Kansas†	Yes					Yes	Yes
Kentucky		Yes				Yes	Yes
Louisiana	Yes ⁶		Yes ⁶			Yes	7
Maine		Yes				Yes	9
Maryland	Yes		Yes ⁶	Yes ⁶		Yes ¹⁰	
Massachusetts		Yes				Yes	Yes ⁷
Michigan		Yes ²²				Yes	Yes
Minnesota		Yes ¹¹		Yes ⁶		Yes ³	
Mississippi†	Yes ¹²					Yes	
Missouri	Yes			Yes	Yes	Yes	Yes ³
Montana	Yes					Yes	Yes
Nebraska		Yes ¹³		Yes ¹³		Yes	13
New Hampshire	Yes						
New Jersey	Yes					Yes	
New Mexico	Yes					Yes	Yes
New York	Yes ¹⁴	Yes			Yes	Yes	
North Carolina		Yes		Yes ¹⁵		Yes ¹⁶	7
North Dakota	Yes					Yes ¹⁷	Yes
Ohio		Yes				Yes	7
Oklahoma	Yes					Yes	
Oregon		Yes				Yes	Yes
Pennsylvania	Yes					Yes	Yes ²
Rhode Island	Yes						7
South Carolina	Yes ⁶			Yes ⁶		Yes	7
Tennessee	Yes						Yes ^{18, 19}
Utah	Yes					Yes	Yes
Vermont	Yes					Yes ²³	Yes
Virginia	Yes ²⁰						
West Virginia		Yes ²¹				Yes	
Wisconsin		Yes ²⁴				Yes ²⁴	Yes ²
Totals	30	16	5	8	4	42	24

State Corporate Income Taxes: Characteristics of Apportionment Factors, 1991

Note: Nevada, South Dakota, Texas, Washington, and Wyoming do not have corporate income taxes.

- ¹ UDITPA is the *Uniform Division of Income for Tax Purposes Act*. Originally drafted in 1957 by the National Conference of Commissioners on Uniform State Laws, it is intended to provide a common framework for allocation and apportionment of interstate income.
- ² UDITPA with modifications.
- ³ Prior written approval required.
- ⁴ Option between UDITPA (three-factor, equal weights) and two-factor formula of property and sales.
- ⁵ Very rarely permitted; separate accounting.
- ⁶ Applies only to certain types of firms.
- ⁷ UDITPA has not been adopted, but many provisions in law are similar.
- ⁸ DC financial institutions only.
- ⁹ No distinction between business and nonbusiness income.
- ¹⁰ Only if the business is non-unitary.
- ¹¹ Formula weights are 70% sales, 15% property, and 15% payroll.
- ¹² Primary method is separate accounting. If separate accounting is not accurate, three-factor is permitted.
- ¹³ By 1992, Nebraska will phase out an equal three-factor approach and go to a sales-only allocation formula. For tax year 1990, apportionment factors are 60% sales, 20% property, and 20% payroll.
- ¹⁴ Special formulas for some types of firms; equal allocation formula under the Alternative Minimum Tax.
- ¹⁵ Excluded corporations only.
- ¹⁶ On authorization of Tax Review Board.
- ¹⁷ The taxpayer may petition for separate accounting or the tax commissioner may require it.
- ¹⁸ No throwback rule.
- ¹⁹ Common carriers, air carriers, air express carriers, and financial institutions have special formulas.
- ²⁰ Unique formulas for some industries.
- ²¹ Motor carriers must use a special one-factor carrier mile formula. Foreign financial institutions must use a special one-factor gross receipts formula.
- ²² Beginning in 1993. In 1991 and 1992, formula weights are 40% sales, 30% property, and 30% payroll.
- ²³ Contributions greater than 5% add back subtraction contribution carryover.
- ²⁴ Air carriers, motor carriers of property, pipeline companies, financial institutions, and railroads have special apportionment formulas. A unitary business may use separate accounting only with approval of the Department of Revenue.

Source: Information from state departments of revenue, Fall 1991. See also Tables 25, 26, and 28.

Table 28
State Corporate Taxes: Primary Bases, 1991

State	Gross Receipts	Net Income ¹	Capital Stock or Net Worth	State	Gross Receipts	Net Income ¹	Capital Stock or Net Worth
Alabama		X	X ²	Missouri		X	X
Alaska		X		Montana		X	
Arizona		X		Nebraska		X	X
Arkansas		X	X	Nevada			
California		X		New Hampshire		X	
Colorado		X		New Jersey		X	
Connecticut		X		New Mexico		X	
Delaware		X	³	New York		X	X
District of Columbia		X		North Carolina		X	X
Florida		X		North Dakota		X	
Georgia		X	X	Ohio		X	X
Hawaii	X	X		Oklahoma		X	X
Idaho		X		Oregon		X	
Illinois		X	X	Pennsylvania		X	X
Indiana	X	X		Rhode Island		X	X
Iowa		X	⁴	South Carolina		X	X
Kansas		X	X	South Dakota		⁷	
Kentucky		X	X	Tennessee		X	X
Louisiana		X	X	Texas			X
Maine		X		Utah		X	
Maryland		X		Vermont		X	
Massachusetts		X ⁵	X	Virginia		X	
Michigan ⁶				Washington	X		
Minnesota		X		West Virginia		X	X
Mississippi ²		X	X	Wisconsin		X	
				Wyoming			X
				Totals	3	45	24

¹ Some corporate income tax bases, such as Connecticut's, have a capital stock component.

² Alabama has a separate corporate franchise tax based on capital stock for the privilege of doing business or being incorporated in the state.

³ Delaware has two separate corporate taxes: income and franchise, which is based on capital stock outstanding. The corporate franchise tax is for the privilege of being incorporated in the state.

⁴ Iowa annual filing fee with the secretary of state is no longer based on value of capital stock; \$30 fee for all corporations.

⁵ Massachusetts also has a non-income measure of the tax based on tangible personal property or net worth allocable to the state.

⁶ Michigan levies a single business tax, which is a modified value-added tax.

⁷ South Dakota employs a limited income tax on certain banks and financial institutions.

Source: Information from state departments of revenue, Fall 1991. See also Tables 25-27.

Table 29
State Sales Taxes: Rates and Exemptions, November 1991

State	Tax Rate	States Exempting										Exhibit: States Granting Related Tax Credit ⁶
		Food ¹	Prescription Drugs	Consumer Electric and Gas Utilities	Clothing	Tele- commu- nication Services	Custom Computer Programs	Repair Charges	Install- ation Service ²	Sale of Materials to—		
									Contractors ^{3,4}	Manufacturers, Producers, Processors ⁵	Repairers ³	
Alabama ^{+,*}	4		X	7		7	X	X ^{8,9}	X ⁸		X ¹⁰	
Alaska ⁺	No state sales tax											
Arizona ⁺	5	X	X				X	X ⁸	X ⁸	X	X ¹⁰	
Arkansas ^{+,*}	4.5		X	X					X		X ¹¹	
California ^{+,*}	6	X	X	X		X	X	X ^{8,9}	X ^{8,9}		X ¹⁰	
Colorado ⁺	3	X	X				X	X ^{8,9}	X ^{8,9}		X ¹⁰	
Connecticut [*]	6	X	X	X	X				X ⁸		X	
Delaware	No state sales tax											
District of Columbia	6	X	X	X		X			X ⁸		X ¹⁰	X
Florida ⁺	6	X	X	X			X				X ¹⁰	X
Georgia ⁺	4		X					X ⁸	X ⁸		X ¹⁰	
Hawaii [*]	4		X	X								X
Idaho ⁺	5		X	X		X	X	X ⁸	X ⁹		X ¹⁰	X
Illinois ^{+,*}	6.25	limited	limited				X	X ⁸	X ⁸	X ¹¹	X ^{10,11}	X
Indiana	5	X	X				X	X	X		X ¹⁰	
Iowa ⁺	4	X	X				X		X		X ¹⁰	X
Kansas ^{+,*}	4.25		X	X			X				X ¹⁰	X
Kentucky ⁺	6	X	X				X	X ⁸	X ⁸		X ^{10,11}	
Louisiana ^{+,*}	4	limited	X			3	X		X ⁸		X	
Maine [*]	6	X	X	X				X ⁸	X ⁸		X	
Maryland	5	X	X				X	X ⁸	X ⁸		X ¹⁰	
Massachusetts [*]	5	X	X	X	X		X	X	X		X	
Michigan	4	X	X				X	X ^{8,9}	X ^{8,9}		X ^{10,11}	
Minnesota ^{+,*}	6.5	X	X		X		X	X	X ⁸		X	
Mississippi	6		X			12					X ¹¹	
Missouri ^{+,*}	4.225		X	X			X	X ^{8,9}	X ^{8,9}		X ¹⁰	

Table 29 (cont.)
State Sales Taxes: Rates and Exemptions, November 1991

State	Tax Rate	States Exempting										Exhibit: States Granting Related Tax Credit ⁶	
		Food ¹	Prescription Drugs	Consumer Electric and Gas Utilities	Clothing	Tele- commu- nication Services	Custom Computer Programs	Repair Charges	Install- ation Service ²	Sale of Materials to— Contractors ^{3,4} Manufacturers, Producers, ⁵ Processors ⁵ Repairers ³			
Montana		No state sales tax											
Nebraska ⁺	5	X	X					X	X ⁸		X ¹⁰		
Nevada ⁺⁺	6.5	X	X	X		X		X ^{8,9}	X ^{8,9}		X ¹⁰		
New Hampshire		No state sales tax											
New Jersey	7	X	X	X	X	X	X				X ¹¹		
New Mexico ⁺⁺	5					13					X ¹⁰		X
New York	4	X	X	X			X				X	X	
North Carolina ⁺⁺	4		X	3		3 and 6.5	X	X ^{8,9}	X ^{8,9}		X ¹⁰	X	
North Dakota ⁺⁺	5	X	X	X			X	X ⁸	X ⁸		X ¹⁰		
Ohio ⁺	5	X	X	X		X					X	X	
Oklahoma ⁺⁺	4.5		X	X			X	X	X ⁸		X ¹¹		X
Oregon		No state sales tax											
Pennsylvania	6	X	X		X		X				X	X	
Rhode Island [*]	7	X	X	X	X		X	X ^{8,9}	X ⁸		X ¹⁰		
South Carolina	5		X	X				X ^{8,9}	X ⁸		X ¹⁰		
South Dakota ⁺⁺	4		X								X ¹⁰	X	X
Tennessee ⁺	5.5		X	X							X	X	
Texas ⁺⁺	6.25	X	X	X		5					X ¹⁰		
Utah ⁺⁺	5		X	2			X				X ¹⁰	X	
Vermont	5	X	X	X		X	X	X ⁸	X ⁸		X ¹⁰		X
Virginia ⁺	3.5		X	X		X	X	X ⁸	X ⁸		X ^{10,11}	X	
Washington ⁺⁺	6.5	X	X			14	X			X	X ¹⁰		
West Virginia	6		X	X							X	X	
Wisconsin ⁺⁺	5	X	X	X		15	X				X ¹⁰		
Wyoming ⁺⁺	3		X								X ¹⁰		X
Total Exempting		26	44	26	6	10	29	24	29	3	45	13	n.a.
Total Taxing		20	2	20	40	36	7	22	17	43	1	33	n.a.

Table 29 (cont.)
State Sales Taxes: Rates and Exemptions, November 1991

n.a.—not applicable

X—Exempt

+—Local sales taxes are additional; see Table 33.

¹ State sales tax exemption usually applies for food for home consumption only, not for on-premise consumption.

² Charges that are merely incident to sale are usually taxable.

³ If sale to contractor or repairer is exempt, resale is taxable, and vice versa.

⁴ Exempt if contract makes contractor a government agent and title passes directly from seller to U.S. This rule apparently applies in every jurisdiction.

⁵ Producing tangible personalty for sale.

⁶ The sales tax credit may be administered either in conjunction with a personal income tax (Hawaii, Idaho, New Mexico, and Vermont) or as a separate refund program (Kansas, South Dakota, Wyoming).

⁷ Alabama telephone service is not taxed under the sales tax statute; however, a 4% privilege tax, limited to utilities, is considered equivalent to a sales tax.

⁸ Exempt when billed separately from materials.

⁹ Books must show receipts separately for sales and services.

¹⁰ If becoming an ingredient or component part of property manufactured.

¹¹ Exempt if sales to businesses in enterprise zone (Arkansas, Colorado, Kansas, Kentucky, Louisiana, Michigan, New Jersey, Oklahoma, Texas). In Virginia, all items for businesses in the zone are exempt for 5 years. In Illinois, exemption applies to building materials and operating high-impact service facilities. In Oklahoma, exemption applies to materials for new or expanded manufacturing facility costing over \$5 million and adding at least 100 new full-time jobs.

¹² Mississippi has interpreted its statutes to include end user (customer) access charges, which are interstate services established by FCC.

¹³ Generally taxes business activities under the gross receipts tax.

¹⁴ Basic local exchange service is exempt.

¹⁵ Wisconsin is the only state to include intrastate and interstate carrier access charges in the tax base. Similar provisions to apply the sales tax to access charges were repealed in South Carolina effective 7/1/87, and in Maine effective 1/1/88.

***State Notes**

Alabama	Prescription drugs for persons over age 65 are exempt.
Arkansas	Exempts the first 500 kilowatt hours of electricity per month for residential customers whose income is not more than \$12,000 per year.
Connecticut	Clothing costing less than \$50 and all children's (under age 10) clothing is exempt.
Hawaii	Although Hawaii does not exempt food from the general sales tax, a credit is granted on the state income tax to help offset the sales and other excise taxes.
Illinois	One percent tax on food and drugs.
Kansas	Related income tax credit allowed for senior citizens depending on income level. Local tax is imposed on sales of natural gas, electricity, heat, and water delivered through mains, lines, or pipes.
Louisiana	Food is taxed at 3%. Exemptions do not apply to local sales taxes.
Maine	The first 750 KWH per month are exempt.
Massachusetts	Sales tax applies if an item of clothing or footwear costs more than \$175. Exemption does not apply to sports and specialty clothing.
Minnesota	Residential use of natural gas or electricity for heating purposes is exempt from November through April.
New Mexico	Although New Mexico does not exempt food and prescription drugs from the general sales tax, a tax credit (refundable if no tax is due) is available to taxpayers with modified gross income less than \$10,000 to offset the tax.
Nevada	The state has a mandatory 3.75% local sales tax, which in practice gives the state a statewide tax rate of 5.75%.

North Carolina	Toll telecommunication services or private telecommunication services that originate and terminate in the state and are not subject to the local telecommunication utility privilege tax are taxed at 6%. Local telecommunication services are taxed at 3%.
North Dakota	Gross receipts from sales of electricity are exempt.
Oklahoma	Cities and counties are not prohibited from levying and collecting taxes on the sale of natural gas and electricity.
Rhode Island	Sales tax applies for sports clothing.
South Dakota	Persons aged 65 or older and disabled persons receiving Social Security payments who are residents may apply for a refund of sales and service taxes paid. Persons who receive this refund are not eligible for a refund of realty taxes on their dwelling.
Texas	Cities may impose their local tax on the residential use of gas, electricity, and telecommunications.
Utah	Utility sales tax rate on gas, electricity, heat, coal, fuel oil, or other fuels for residential use is 2%.
Washington	Sales of natural or manufactured gas are exempt.
Wisconsin	Residential use of natural gas or electricity for heating purposes is exempt from November through April.
Wyoming	Residents 65 or older or totally disabled are eligible for a tax refund depending on income.

Sources: ACIR staff compilations as of November 1991 based on Commerce Clearing House, *State Tax Guide* (Chicago, 1991).

Table 30
State Use Tax Laws on Mail Order Sales

In *National Bellas Hess, Inc. v. Illinois Department of Revenue*, 386 US 753 (1967), the U.S. Supreme Court held that Illinois cannot require a foreign mail order company to collect and remit use tax on sales made to an Illinois resident when the company's only activity in the state is solicitation of sales by catalogs and flyers followed by delivery of the goods by mail or common carrier. The court held that the due process clause of the U.S. Constitution was violated in that the company received no benefit from the state in return for the burden of collecting and remitting the tax. Also, the mail order transactions involved were exclusively interstate in character and the Illinois use tax collection requirements would impede the free flow of interstate business in violation of the commerce clause of the U.S. Constitution.

While use tax liability is on the consumer, many states require a seller with nexus to collect the use tax from the consumer and are liable if they fail to collect the tax. The following is a chart of a seller's state-by-state responsibility to collect a state's use tax.

Alabama

Liable if out-of-state dealer maintains retail establishment or office in the state, qualifies to do business, employs or retains under contract any representative or agent, solicits orders via advertising disseminated primarily to Alabama consumers, solicits orders by mail if the solicitations are substantial and recurring, and if the retailer benefits from any banking, financing, debt collection, telecommunications, or marketing activities, had a franchisee or licensee operating under its trade name, solicits orders via a contract with a cable television operator by means of telecommunication or television advertising, solicits orders by means of a telecommunication or television shopping system broadcast to Alabama consumers, maintains any other contract that would require the seller to collect and remit the tax due, or distributes catalogs or other advertising to residents.

Arizona

Liable if solicitations are substantial and recurring and if retailer benefits from in-state banking, financing, debt collection, communication system, or marketing activities, or authorized installation, servicing or repair facilities.

Arkansas

Liable if retailer engages in continuous, regular, or systematic solicitation by advertisement or through mail order or catalog publications. Use tax imposed on distribution of tangible personal property.

California

Liable if retailer engages in business in the state.

Colorado

Not liable if only connection is by U.S. mail or common carrier.

Connecticut

Liable if retailer solicits sales in the state and makes 100 or more retail sales to destinations within the state during the 12-month period ended on the preceding September 30; no tax if only using mail or common carrier.

District of Columbia

Liable.

Florida

Liable if out-of-state dealer is a corporation doing business under the laws of Florida or a person domiciled in Florida, maintains retail establishments or offices in the state, has agents in the state, creates nexus with the state or consents to imposition of the tax; if the property was delivered in this state in fulfillment of a sales contract that was entered into in this state; if another jurisdiction uses its taxing powers and its jurisdiction over the retailer in support of this state's taxing powers, the dealer is subject to service of process, the dealer's mail order sales are subject to the power of this state to tax sales or to require the dealer to collect use taxes under a statute or statutes of the United States; the dealer, while not having nexus with this state on any of the basis described above or below, is a corporation that is a member of an affiliated group of corporations (as defined in Internal Revenue Code Sec. 1504(a) whose members are includible under IRC Sec. 1504(b) and whose members are eligible to file a consolidated federal corporation income tax return and any parent or subsidiary corporation in the affiliated group has nexus with Florida on

one or more of the bases described above or below; or the dealer or his activities have sufficient connection with or relationship to this state or its residents of some type other than those described above to create nexus empowering this state to tax its mail order sales or to require the dealer to collect sales tax or accrue use tax

Georgia

Liable.

Hawaii

Liable.

Idaho

Liable if retailer engages in business in the state.

Illinois

Liable if retailer engages in business in the state.

Indiana

Liable if retailer engages in business in the state, which does not include delivery by common carrier or parcel post.

Iowa

Liable if retailer benefits from any in-state banking, financing, debt collection, telecommunications, or market activities; or benefits from authorized installation, servicing, or repair facilities.

Kansas

Liable if retailer maintains place of business or agent in the state or solicits orders through catalog or other advertising media.

Kentucky

Liable if retailer utilizes services of any in-state financial institution, telecommunication system, radio or TV station, cable TV service, print media, or other facility or service.

Louisiana

Liable if retailers make sales of tangible personal property for distribution, storage, use, or other consumption in the state. Use tax due on mail order shipments by concerns having a place of business or qualified to do business in the state.

Maine

Liable if retailer has employee or agent in the state.

Maryland

Liable if retailer engages in business in the state.

Massachusetts

Liable. The Massachusetts Department of Revenue will not enforce the law until federal statutory or case law specifically authorizes each state to require foreign mail order vendors to collect sales and use taxes on goods delivered to that state.

Michigan

No tax on the storage, use, or consumption of property that the state is prohibited from taxing under U.S. law.

Minnesota

Liable if retailer has agent or place of business in the state or engages in the regular or systematic soliciting of sales from potential customers.

Table 30 (cont.)
State Use Tax Laws on Mail Order Sales

Mississippi

Liable if retailer does business in the state.

Missouri

Not liable unless retailer has agent or representative in the state or maintains place of business and a stock of goods, or engages in business activities, and total gross receipts exceed \$500,000 in Missouri or \$12.5 million in the U.S. in the preceding calendar year.

Nebraska

Not liable if only connection is by mail, advertisements, etc.

Nevada

Liable if retailer maintains place of business in the state.

New Jersey

Not liable if only connection is by mail or common carrier.

New Mexico

Liable if attempting to exploit in-state markets, including delivering or distributing products as a consequence of an advertising or other sales program.

New York

Liable if retailer has more than \$300,000 in gross receipts from deliveries in New York and more than 100 deliveries into New York in December-November, and solicitation satisfies nexus requirement.

North Carolina

Liable if retailer engages in business in the state.

North Dakota

Liable if retailer has place of business or agent in the state; not liable if all business in state is conducted by U.S. mail, telephone, or common carrier.

Ohio

Liable if sufficient nexus exists, which includes conducting a continuing pattern of advertising for mail order retailers who benefit from in-state banking, financing, debt collection, telecommunication, or marketing activities, or from installation, servicing, or repair facilities, and telecommunication shopping systems utilizing a toll-free number intended to be broadcast or transmitted to consumers in the state.

Oklahoma

Liable if retailer engages in business through continuous, regular, or systematic solicitation of retail sales by advertisement through mail order or catalog publications.

Pennsylvania

Liable if retailer creates nexus with the state.

Rhode Island

Liable if retailer maintains place of business or agent in the state.

South Carolina

Not liable if orders are received by mail or telephone at place of busi-

ness outside the state and delivered by mail or common carrier.

South Dakota

Liable if retailer engages in business in the state.

Tennessee

Liable if retailer engages in regular or systematic solicitation of a consumer market by advertising or by means of a communication system.

Texas

Liable if retailer solicits orders by means of advertising originating in the state, solicits orders by mail and benefits from any banking, financing, debt collection, telecommunication, or marketing activities, or from installation, servicing, or repair facilities; or solicits orders by mail or through other media and under federal law is subject to or permitted to be made subject to the jurisdiction of the state.

Utah

Liable if retailer engages in regular or systematic solicitation of in-state consumer market by advertising by print, radio or television, or communication system.

Vermont

Liable if retailer solicits sales through a representative, owns or controls a person engaged in the same manner or similar line of business, or maintains or has a franchisee or licensee operating under such person's name in the state if the franchisee or licensee is required to collect the sales tax, makes sales from outside the state to a destination within the state who engages in regular, systematic, or seasonal solicitation of sales in the state through the display or distribution of advertising in the state or by communication systems if such person has made sales from outside the state to destinations within the state of at least \$50,000 during any 12-month period preceding the monthly or quarterly period for determining state sales tax liability.

Virginia

Not liable if retailer advertises only through U.S. mail and makes delivery by common carrier.

Washington

Liable if gross proceeds of sales of tangible personal property delivered from outside the state to in-state destinations exceed \$500,000 during any 12-month period.

West Virginia

Liable if retailer has physical presence in the state or any other presence constituting nexus.

Wisconsin

Not liable if only connection is sending catalogs if subsequent orders are shipped by mail or common carrier, or receiving mail or telephone orders outside the state if such orders are shipped by mail or common carrier.

Wyoming

Liable if retailer has agents in the state.

Source: Commerce Clearing House, *State Tax Guide* (Chicago, November 1991), Volume 2.

Table 31
State General Sales Taxes: Rates, Selected Years, 1978-1991

State	10/1/91	10/1/90	10/1/89	10/1/88	7/1/87	7/1/86	7/1/85	7/1/84	7/1/82	7/1/80	7/1/78
U.S. Median			5.0%	5.0%	5.0%	5.0%	4.75%	4.75%	4.0%	4.0%	4.0%
Alabama ⁺	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Alaska	No tax										
Arizona ⁺	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
Arkansas ⁺	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
California ⁺	6.0 ¹	5.0	5.0	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Colorado ⁺	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Connecticut	6.0	8.0	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.0
Delaware	No tax										
District of Columbia	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Florida ⁺	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Georgia ⁺	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Hawaii ²	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Idaho	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	3.0	3.0	3.0
Illinois ⁺	6.25	6.25	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
Indiana	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
Iowa ⁺	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Kansas ⁺	4.25	4.25	4.25	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Kentucky ⁺	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Louisiana ⁺	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Maine	6.0 ³	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Maryland	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Massachusetts	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Michigan	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Minnesota ⁺	6.5 ⁴	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	4.0	4.0
Mississippi	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0
Missouri ⁺	4.225	4.225	4.425	4.225	4.225	4.225	4.225	4.125	3.125	3.125	3.125
Montana	No tax										
Nebraska ⁺	5.0	5.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.0	3.0
Nevada ⁺	6.5 ⁵	5.75 ⁶	5.75 ⁶	5.75 ⁶	5.75 ⁶	5.75 ⁶	5.75 ⁶	5.75 ⁶	5.75 ⁶	3.0	3.0
New Hampshire	No tax										
New Jersey	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0
New Mexico	5.0	5.0	4.75	4.75	4.75	4.75	3.75	3.75	3.5	3.75	3.75
New York ⁺	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
North Carolina ⁺	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
North Dakota	5.0	5.0	5.0	5.5	5.5	4.0	4.0	4.0	3.0	3.0	3.0
Ohio ⁺	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Oklahoma ⁺	4.5	4.5	4.0	4.0	4.0	3.25	3.25	3.0	2.0	2.0	2.0
Oregon	No tax										
Pennsylvania ⁺	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Rhode Island	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
South Carolina ⁺	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	3.0
South Dakota ⁺	4.0	4.0	4.0	4.0	5.0	4.0	4.0	4.0	4.0	5.0	4.0
Tennessee ⁺	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5
Texas ⁺	6.25	6.25	6.0	6.0	6.0	4.125	4.125	4.0	4.0	4.0	4.0
Utah ⁺	5.0	5.0	5.0938	5.0938	5.0938	4.5938	4.625	4.625	4.0	4.0	4.0
Vermont	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Virginia ⁺	3.5	3.5	3.5	3.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0
Washington ⁺	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	5.4	4.5	4.6
West Virginia	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	3.0	3.0
Wisconsin ⁺	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Wyoming ⁺	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0

⁺ Local sales taxes are additional.

¹ California's rate drops to 5.5% no later than 7/1/93.

² Hawaii levies its retail sales tax as part of a multirate general excise (gross receipts) tax.

³ Maine's rate reduces to 5% on 7/1/93.

⁴ Minnesota's rate decreases to 6% on 1/1/92.

⁵ Nevada's rate includes a 2% state rate plus 4.5% state mandated county rate.

⁶ Includes statewide state-levied local tax of 3.75% and a 2% state rate.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Guide* (Chicago, November 1991). See also Tables 32 and 33.

Table 32
Local Sales Taxes: Number and Type of Jurisdiction, Selected Years, 1976-1991

State	1991	1990	1989	1988	1987	1986	1984	1981	1979	1976
Alabama (Total)	405	403	398	389	382	374	353	321	301	265
Municipalities	345	344	343	334	326	323	310	281	270	
Counties	60	59	55	55	56	51	43	40	31	
Alaska (Total)	101	101	101	101	93	97	99	92	93	86
Municipalities	95	95	95	95	87	91	92	85	86	
Boroughs	6	6	6	6	6	6	7	7	7	
Arizona (Total)	92	85	83	81	77	75	70	59	39	—
Municipalities	81	82	81	79	75	74	70	59	39	38
Counties	11	3	2	2	2	1	—	—	—	—
Arkansas (Total)	192	185	175	142	111	78	60	2	1	1
Municipalities	136	131	120	100	76	59	44	2	1	
Counties	56	54	55	42	35	19	16	—	—	
California (Total)*	460	460	450	446	445	444	443	441	441	438
Municipalities	380	380	380	380	380	380	380	380	380	
Counties	58	58	58	58	58	58	58	58	58	
Special Districts	22	22	12	8	7	6	5	3	3	
Colorado (Total)	238	236	235	235	225	222	205	183	165	121
Municipalities	198	198	200	200	193	191	175	159	144	
Counties	39	37	34	34	31	30	29	23	20	
Transit District	1	1	1	1	1	1	1	1	1	
Florida (Total)*	26	23	11							
Counties	25	21	10	10	0	0	—	—	—	—
Transit District	1	2	1							
Georgia (Total)*	158	165	154	155	144	143	133	104	84	16
Municipalities	0	0	0	0	0	0	0	0	3	
Counties	157	164	153	154	143	142	132	103	80	
Transit District	1	1	1	1	1	1	1	1	1	
Illinois (Total)	53	34	1,348	1,383	1,375	1,376	1,353	1,359	1,359	1,342
Municipalities	42	31	1,278	1,279	1,271	1,272	1,249	1,256	1,256	
Counties	8	0	68	102	102	102	102	102	102	
Transit Districts	2	2	2	2	2	2	2	1	1	
Water District	1	1								
Iowa										
Counties	15	12	9	5						
Kansas (Total)	185	180	178	175	168	168	139	40	20	7
Municipalities	124	119	116	112	108	108	87	35	15	
Counties	61	61	62	62	60	60	52	5	5	
Louisiana (Total)	327	325	325	302	302	287	253	251	217	183
Municipalities	195	193	189	193	192	177	158	152	136	
Parishes	63	63	64	63	63	63	30	30	21	
School Districts	48	48	47	46	47	47	65	66	60	
Special Districts	21	21	25	23	23	23	18	12	7	
Minnesota										
Municipalities	3	3	3	3	3	1	2	1	1	1
Missouri (Total)	780	725	698	674	657	556	487	333	215	152
Municipalities	563	508	490	479	474	458	406	332	214	
Counties	126	126	126	120	114	98	81		1	1
Transit Districts	91	91	82	75	69					
Nebraska										
Municipalities	44	41	30	25	22	16	12	7	4	—
Nevada (Total)	7	7	7	7	7	5	1	1	13	12
Municipalities	—	—	—	—	—	—	—	—	—	1
Counties	7	7	7	7	7	5	1	1	12	
New Mexico (Total)	134	135	134	132	128	134	120	84	99	32
Municipalities	101	102	101	101	100	101	98	76	93	
Counties	33	33	33	31	28	33	22	8	6	
New York (Total)	89	87	85	83	85	81	87	74	70	68
Municipalities	27	25	30	28	26	27	29	29	25	
Counties	61	61	54	54	58	53	57	45	45	
Transit District	1	1	1	1	1	1	1	—	—	

Table 32 (cont.)
Local Sales Taxes: Number and Type of Jurisdiction, Selected Years, 1976-1991

State	1991	1990	1989	1988	1987	1986	1984	1981	1979	1976
North Carolina										
Counties	100	100	100	100	100	100	100	99	99	96
North Dakota										
Municipalities	10	5	5	4	3	3	—	—	—	—
Ohio (Total)	95	89	90	88	81	76	65	55	51	33
Counties	86	83	85	83	79	74	62	52	50	
Transit Districts	7	4	3	3	2	2	3	3	1	
Islands	2	2	2	2						
Oklahoma (Total)	495	494	492	479	473	466	447	398	398	356
Municipalities	470	470	468	458	457	452	441	398	398	356
Counties	25	24	24	21	16	14	6	—	—	—
South Carolina										
Counties	6									
South Dakota (Total)	144	139	135	120	111	107	82	61	46	18
Municipalities	141	136	132	117	111	107	82	61	46	18
Indian Reservations	3	3	3	3	—	—	—	—	—	—
Tennessee (Total)	103	104	106	106	105	105	102	105	104	115
Municipalities	8	9	11	11	10	10	8	11	12	
Counties	95	95	95	95	95	95	94	94	92	
Texas (Total)	1,291	1,276	2,610	1,107	1,029	1,032	1,120	949	946	854
Municipalities	1,176	1,164	2,521	1,023	1,023	1,026	1,117	921	921	
Counties	105	105	82	78						
Transit Districts	7	7	7	6	6	6	3	28	25	
Special Districts	3									
Utah (Total)	255	251	260	258	248	248	248	n.a.	230	204
Municipalities	226	222	225	222	219	219	219	n.a.	201	
Counties	29	29	29	29	29	29	29	29	29	
Transit Districts	n.a.	n.a.	6	7						
Virginia (Total)	136	136	136	136	136	136	136	136	136	133
Municipalities	41	41	41	41	41	41	41	41	41	
Counties	95	95	95	95	95	95	95	95	95	
Washington (Total)	307	307	305	307	307	305	306	302	302	300
Municipalities	268	268	266	267	268	266	267	264	264	
Counties	39	39	39	40	39	39	39	38	38	
Wisconsin										
Counties	40	28	24	18	12	2	—	—	—	—
Wyoming										
Counties	23	19	19	16	15	14	15	15	13	5
U.S. Total	6,438	6,155	8,814	6,955	6,892	6,705	6,492	5,702 ^e	5,448	4,893
Percentage Change from Previous Year	5%	30%	26%	1%	1%	1%	14%	5%	11%	
n.a. not available										
— not authorized										

^e estimate

***State Notes**

California Los Angeles and San Francisco impose a special gross receipts tax. The 22 Special Districts include 19 Transit Districts.

Florida There are 21 local governments that impose the sales tax as a local infrastructure surtax and two

Georgia impose it as a charter county transit system surtax. Local School Tax—specified counties are authorized to impose a local sales and use tax for educational purposes. To date, no counties levy the tax.

Source: ACIR staff compilations based on Commerce Clearing House, *State Tax Reporter* (Chicago, November 1991). See Table 33 for local rates.

Table 33
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1991

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
Alabama*	Birmingham (Jefferson)	4.0	1.0	2.0	1.0	8.0
	Mobile (Mobile)	4.0	1.0	3.0	1.5	9.5
Alaska*	Juneau (Juneau)	—		4.0		4.0
Arizona*	Phoenix (Maricopa)	5.0	0.5	1.2	0.5	7.2
	Tucson (Pima)	5.0		2.0		7.0
Arkansas*	Little Rock (Pulaski)	4.5	1.0			5.5
	Pine Bluff (Jefferson)	4.0		1.0		5.0
California*	Los Angeles (Los Angeles)	6.0	1.25		1.0	8.25
	Sacramento (Sacramento)	6.0	1.25		0.5	7.75
	San Diego (San Diego)	6.0	1.25		1.0	8.25
	San Francisco (San Francisco)	6.0	1.25		1.0	8.25
Colorado*	Colorado Springs (El Paso)	3.0	1.0	2.5	0.6	6.5
	Denver (Denver)	3.0		3.5	0.6	7.1
Connecticut	No local general sales taxes	6.0				6.0
Delaware	No state or local general sales taxes					
District of Columbia				6.0		6.0
Florida*	Jackson County	6.0	1.0			7.0
	Jefferson County	6.0	1.0			7.0
Georgia*	Atlanta (Fulton)	4.0	1.0		1.0	6.0
	Columbus (Muscogee)	4.0	1.0			5.0
	Savannah (Chatham)	4.0	1.0			5.0
Hawaii	No local general sales taxes	4.0				4.0
Idaho*	No local general sales taxes	5.0				5.0
Illinois*	Chicago (Cook)	6.25		1.0	0.75	8.0
	Peoria (Peoria)	6.25		1.0		7.25
Indiana	No local general sales taxes	5.0				5.0
Iowa*	(see Iowa note)	4.0	1.0			5.0
Kansas*	Kansas City (Wyandotte)	4.25	1.0	1.0		6.25
	Topeka (Shawnee)	4.25		1.0		5.25
	Wichita (Sedgwick)	4.25	1.0			5.25
Kentucky	No local general sales taxes	6.0				6.0
Louisiana*	Baton Rouge (E. Baton Rouge)	4.0	4.0			8.0
	New Orleans (Orleans)	4.0	5.0			9.0
	Shreveport (Caddo)	4.0	2.5	2.5		9.0
Maine	No local general sales taxes	6.0				6.0
Maryland	No local general sales taxes	5.0				5.0
Massachusetts	No local general sales taxes	5.0				5.0
Michigan	No local general sales taxes	4.0				4.0
Minnesota*	Duluth (St. Louis)	6.5		1.0		7.5
	Minneapolis (Hennepin)	6.5		0.5		7.0
Mississippi	No local general sales taxes	6.0				6.0
Missouri*	Kansas City (Jackson)	4.225	0.75	1.0	0.5	6.475
	St. Louis City	4.225		1.0		5.725
Montana	No state or local general sales taxes	—				—
Nebraska*	Lincoln (Lancaster)	5.0		1.5		6.5
	Omaha (Douglas)	5.0		1.5		6.5
Nevada*	Las Vegas (Clark)	6.5	0.5			7.0
	Reno (Washoe)	6.5	0.25			6.75
New Hampshire	No state or local general sales taxes	—				—
New Jersey	No local general sales taxes	7.0				7.0
New Mexico*	Albuquerque (Bernalillo)	5.0		0.75		5.75
	Santa Fe (Santa Fe)	5.0		0.875		5.875

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1991

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
New York*	Buffalo (Erie)	4.0	4.0			8.0
	New York City	4.0		4.25		8.25
	Rochester (Monroe)	4.0	3.0			7.0
	Yonkers (Westchester)	4.0	1.5	2.5	0.25	8.25
North Carolina*	Charlotte (Mecklenburg)	4.0				4.0
	Greensboro (Guilford)	4.0				4.0
	Raleigh (Wake)	4.0				4.0
North Dakota	Bismarck (Burleigh)	5.0		1.0		6.0
Ohio*	Cincinnati (Hamilton)	5.0	0.5			5.5
	Cleveland (Cuyahoga)	5.0	1.0		1.0	7.0
	Columbus (Franklin)	5.0	0.5		0.25	5.75
	Dayton (Montgomery)	5.0	1.0		0.5	6.5
	Toledo (Lucas)	5.0	1.0			6.0
Oklahoma*	Oklahoma City (Canadian)	4.5		2.875		7.375
	Tulsa (Tulsa)	4.5		3.0		7.5
Oregon	No local general sales taxes	—				—
Pennsylvania	No local general sales taxes	6.0				6.0
Rhode Island	No local general sales taxes	7.0				7.0
South Carolina*	No local general sales taxes imposed	5.0				5.0
South Dakota*	Sioux Falls (Minnehaha)	4.0		2.0		6.0
	Pierre (Hughes)	4.0		1.0		5.0
Tennessee*	Memphis (Shelby)	5.5	2.25			7.75
	Nashville (Davidson)	5.5	2.25			7.75
Texas*	Austin (Travis)	6.25		1.0	.75	8.0
	Dallas (Dallas)	6.25		1.0	1.0	8.25
	Fort Worth (Tarrant)	6.25		1.0	0.5	7.75
	Houston (Harris)	6.25		1.0	1.0	8.25
Utah*	Salt Lake City (Salt Lake)	5.0	1.0		0.25	6.25
Vermont	No local general sales taxes	5.0				5.0
Virginia*	Alexandria	3.5		1.0		4.5
	Richmond	3.5		1.0		4.5
	Arlington County	3.5	1.0			4.5
	Fairfax County	3.5	1.0			4.5
	Prince William County	3.5	1.0			4.5
	Virginia Beach	3.5		1.0		4.5
Washington*	Seattle (King)	6.5		1.7		8.2
	Spokane (Spokane)	6.5		1.4		7.9
West Virginia	No local general sales taxes	6.0				6.0
Wisconsin*	Madison (Dane)	5.0	0.5			5.5
	Milwaukee (Milwaukee)	5.0	0.5			5.5
Wyoming*	Cheyenne (Laramie)	3.0	1.0		1.0	5.0

***State Notes**

Alabama	Counties and cities are authorized to levy sales taxes. City sales taxes are in addition to county taxes. Rate in police jurisdiction is half the rate applicable within the corporate limits.	Arkansas	Cities are allowed to impose an extra 1.0% for 24 months to finance capital improvements, with voter approval. Counties may levy a sales tax not to exceed 1.0%. City sales taxes are in addition to any county sales taxes. The City of Texarkana levies a sales tax of 1.0% plus an additional 1.0% sales tax in lieu of the state income tax.
Alaska	Boroughs may levy a sales and use tax not to exceed 6.0%. Cities outside boroughs may levy a tax not to exceed 3.0%. Cities within boroughs may levy a sales or use tax on all sources taxed by the borough in the manner provided for boroughs, but may not exceed 6.0%. City sales taxes are in addition to borough sales taxes.	California	All counties have adopted a 1.25% sales tax. Cities may levy a conforming 1.0% tax (80% of the total local tax) and counties must allow a credit of 1.0% against the county rate.
Arizona	Subject to voter approval, various counties are authorized to levy a transportation excise tax at a rate of not more than 10% of the state transaction		

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1991

State Notes (cont.)

Colorado	The regional transportation district, consisting of the City and County of Denver and portions of Adams, Arapahoe, Jefferson, Boulder, and Douglas counties, levies a 0.6% sales tax. City sales taxes are in addition to county taxes. Denver levies a 4% tax on food for immediate consumption and liquor by the drink. Other authorized taxes include the following: Incorporated cities and towns may levy sales and/or use taxes, with voter approval. Public highway authorities may levy sales and use taxes not to exceed 0.4%. Local improvement district tax—board of county having a population greater than 100,000 may fund all or a portion of the cost of specified local improvements by levying a sales tax not to exceed 0.5% through the local improvement district, with voter approval. Denver metropolitan baseball stadium district tax—if approved by the voters, to fund construction of a major league baseball stadium.		
Florida	Governing body in each county may levy a local government infrastructure (sales) surtax for up to 15 years, with voter approval. Governing body in each county may levy a local government infrastructure (sales) surtax of 0.5% or 1% for up to 15 years, with voter approval. Any county with a population of at least 800,000 may levy a discretionary sales surtax at a rate not to exceed 0.5% by extraordinary vote of the governing body or majority vote of the residents.	Louisiana	and Missouri culture district must impose a countywide sales tax not to exceed 0.25%, subject to voter approval. City sales taxes are in addition to any parish sales taxes. Any school board taxes are included in parish sales taxes. Any local government subdivision or school board is authorized to levy a sales tax not exceed 3.0%, unless specifically approved in a special election.
Georgia	The general assembly has authorized the imposition of joint county and municipal sales and use taxes. It created special districts, based on county lines, which may impose a 1.0% tax. Specified counties are authorized to impose a local sales and use tax for educational purposes.	Minnesota	Minneapolis and two other cities are authorized to levy a tax on sales of admissions, amusements, food, and nonalcoholic beverages in restaurants. Three other cities levy special taxes on the sales of food and beverage, liquor, and lodging.
Hawaii	Hawaii counties (except Kalawao County) may impose a 0.5% general excise (sales) and use tax surcharge to provide funds for public mass transit projects from January 1, 1993, through December 31, 2002.	Missouri	Cities may impose a 0.5-1% sales tax, except St. Louis, which may impose a 1.375% tax. Counties may impose a 0.25%-1.5% sales tax. City sales taxes are in addition to any county or transit sales taxes.
Idaho	Cities that derive a major portion of their economic well-being from tourism may impose a sales tax on all sales subject to taxation under state Sales and Use Tax Act if approved by 60% of the cities' voters.	Nebraska	Municipalities may impose a 0.5%-1.5% sales tax, with voter approval.
Illinois	Home rule cities are able to impose sales taxes at 0.25% increments, which will be collected by the state department of revenue. Counties and municipalities may impose a sales tax not to exceed 1.0%. City sales taxes are in addition to any county and transit sales taxes. Two transit districts levy an additional sales tax of 0.25% or 0.75%. Chicago imposes its own sales and use tax of 1%. Beginning 9/1/91, local taxes may not be imposed on sales of food to be consumed off premises.	Nevada	The state sales tax of 6.5% includes 4.5% for local school support and city-county relief. These taxes are mandatory in all 17 counties. Counties may levy an additional tax for public transportation, road construction, or tourism.
Iowa	The cities of Bertram and Polk City have a tax rate of 1.0%. Counties are authorized to levy a local sales and service tax at a rate not to exceed 1%, with voter approval. Based on state sales tax laws.	New Mexico	Incorporated municipalities may impose a sales tax. This tax may not exceed 1.0%. Cities and counties may impose an additional sales tax not to exceed 0.50% for repair and replacement of infrastructure improvements. Counties have three kinds of sales taxes: (1) 0.25% to support indigent hospital patients, (2) 0.125% or 0.25% for county fire protection for areas not included in a municipality, and (3) 0.125% countywide sales tax. Cities with sales taxes are not subject to additional county sales taxes.
Kansas	Cities and counties may impose a 0.5% or 1.0% sales tax. Any county that is part of the Kansas	New York	Cities and counties may levy a sales tax not to exceed 3.0%, except in New York City, Mt. Vernon, Yonkers, Erie County, and Nassau County, which may impose a 4.0% sales tax, and Suffolk County, which may impose a 3.25% tax. An additional 0.25% sales tax for the Metropolitan Commuter Transit District is imposed in New York City and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. Yonkers preempts a portion of the county tax.
		North Carolina	Counties may impose a 1%-2% sales tax, with voter approval.
		Ohio	Counties may impose a sales tax not to exceed 1.5%. An additional transit tax is imposed in several counties, but may not exceed 1.5%.
		Oklahoma	Counties may impose a sales tax not to exceed 2.0%. City sales taxes are in addition to any county sales taxes.
		South Carolina	Counties may impose 1% sales and use taxes on the gross proceeds of sales subject to the state sales and use taxes, with voter approval.
		South Dakota	Municipalities may impose a sales tax not to exceed a local rate of 2%. Indian reservations impose their own tax, independent of the state.

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1991

State Notes (cont.)

Tennessee	Counties may levy a local sales tax not to exceed one-half of the state sales tax rate. City sales taxes are in addition to county taxes, but the county levy takes priority. If a county levies a tax less than one-half of the state rate, a city may levy only the difference. If a city or county adopts a local option base, then the sales tax may not exceed \$5 on the sale of any single item of personal property if the local tax rate does not exceed 1% and may not exceed \$7.50 whenever the tax rate exceeds 1%.	Virginia	Cities are independent of counties in Virginia. Every city and county imposes a 1.0% sales tax; total combined statewide sales tax is 4.5%.
Texas	A county that is not located in a rapid transit authority or a regional transportation authority may adopt a county sales or use tax, subject to voter approval, to reduce property taxes. Qualified cities may levy an additional 0.5% local sales tax to reduce city property taxes or if no property tax is imposed may impose this additional tax, with voter approval. Cities located in a county with a population over 750,000 are authorized to levy an additional 0.5% tax, if approved by voters, not to exceed a combined state-local rate of 7.25%.	Washington	Cities and counties may levy a local sales and use tax of 0.5%. They also are authorized to levy an additional sales tax not to exceed 0.6% for transportation. Counties must allow a credit for the full amount of any city sales and use taxes. If the county in which the city is located imposes a sales and use tax, the city tax rate may not exceed .425%. Counties and cities may levy an additional 0.5% if approved by voters.
Utah	Cities and counties may impose a sales tax of 0.75%. Presently, all 29 counties levy the tax. Ci-	Wisconsin	Counties may impose a sales tax at a rate of 0.5%.
		Wyoming	Counties are authorized to levy a sales tax not to exceed 1.0%. Counties may levy an additional capital improvement tax not to exceed 1%, subject to voter approval.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1991). See also Table 32.

Table 34
State Gasoline Taxes: Rates per Gallon, Selected Years, 1978-1991

Region and State	1991	1990	1989	1988	1987	1986	1985	1984	1982	1980	1978
<i>Exhibit: Federal Tax</i>	\$.14	\$.09	\$.09	\$.09	\$.09	\$.09	\$.09	\$.09	\$.04	\$.04	\$.04
Median	0.18	.16	.16	.145	.145	.13	.12	.12	.10	.09	.08
Alabama + *	0.11	.11	.11	.11	.11	.11	.11	.11	.11	.07	.07
Alaska + *	0.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08
Arizona	0.18	.18	.17	.16	.16	.16	.13	.13	.10	.08	.08
Arkansas	0.185	.135	.135	.135	.135	.135	.135	.095	.095	.095	.085
California + o*	0.15	.14	.09	.09	.09	.09	.09	.09	.07	.07	.07
Colorado	0.22	.20	.20	.18	.18	.18	.12	.13	.09	.07	.07
Connecticut*	0.25	.22	.20	.20	.19	.17	.16	.15	.11	.11	.11
Delaware*	0.19	.16	.16	.16	.16	.11	.11	.11	.11	.09	.11
District of Columbia	0.18	.18	.18	.155	.155	.155	.155	.155	.14	.10	.10
Florida + *	0.04	.04	.04	.04	.04	.04	.04	.04	.08	.08	.08
Georgia o*	0.075	.075	.075	.075	.075	.075	.075	.075	.075	.075	.075 ^b
Hawaii + o*	0.16	.11	.11	.11	.11	.11	.11	.085	.085	.085	.085
Idaho*	0.22	.19	.18	.18	.145	.145	.145	.145	.125	.095	.095
Illinois + o*	0.19	.13	.13	.13	.13	.13	.13	.12	.075	.075	.075
Indiana o	0.15	.15	.15	.15	.14	.14	.14	.111	.111	.085	.08
Iowa	0.20	.20	.20	.18	.16	.16	.15	.13	.13	.10	.085
Kansas*	0.17	.16	.15	.11	.11	.11	.11	.11	.08	.08	.08
Kentucky*	0.15	.15	.15	.15	.15	.15	.10	.10	.098	.09	.09
Louisiana o	0.20	.20	.20	.16	.16	.16	.16	.16	.08	.08	.08
Maine*	0.19	.17	.17	.16	.14	.14	.14	.14	.09	.09	.09
Maryland	0.185	.185	.185	.185	.185	.135	.135	.135	.11	.09	.09
Massachusetts*	0.21	.17	.11	.11	.11	.11	.11	.11	.104	.085	.085
Michigan	0.15	.15	.15	.15	.15	.15	.15	.15	.11	.11	.09
Minnesota	0.20	.20	.20	.20	.17	.17	.17	.17	.13	.11	.09
Mississippi + *	0.18	.18	.18	.17	.15	.09	.09	.09	.09	.09	.09
Missouri	0.11	.11	.11	.11	.11	.07	.07	.07	.07	.07	.07
Montana +	0.205	.20	.20	.20	.20	.15	.15	.15	.09	.09	.08
Nebraska*	0.234	.214	.22	.182	.176	.19	.164	.149	.137	.105	.095
Nevada + *	0.18	.1625	.1625	.1625	.1425	.1125	.1125	.1025	.1025	.06	.06
New Hampshire	0.18	.16	.14	.14	.14	.14	.14	.14	.14	.11	.10
New Jersey*	0.105	.105	.105	.105	.08	.08	.08	.08	.08	.08	.08
New Mexico +	0.162	.162	.162	.142	.14	.11	.11	.11	.10	.08	.07
New York + o*	0.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08
North Carolina*	0.226	.215	.209	.14	.155	.12	.12	.12	.12	.09	.09
North Dakota	0.17	.17	.17	.17	.17	.13	.13	.13	.08	.08	.08
Ohio*	0.21	.20	.18	.148	.147	.12	.12	.12	.117	.07	.07
Oklahoma*	0.16	.16	.17	.16	.16	.10	.10	.09	.0658	.0658	.0658
Oregon + *	0.20	.18	.16	.14	.12	.11	.10	.09	.08	.07	.07
Pennsylvania	0.12	.12	.12	.12	.12	.12	.12	.12	.11	.11	.09
Rhode Island*	0.26	.20	.20	.15	.13	.13	.13	.13	.10	.10	.10
South Carolina	0.16	.16	.16	.15	.15	.13	.13	.13	.13	.10	.09
South Dakota +	0.18	.18	.18	.18	.13	.13	.13	.13	.13	.12	.08
Tennessee + *	0.20	.21	.21	.17	.17	.17	.12	.09	.09	.07	.07
Texas	0.20	.15	.15	.15	.15	.10	.10	.05	.05	.05	.05
Utah*	0.19	.19	.19	.19	.19	.14	.14	.14	.11	.09	.09
Vermont o	0.15	.15	.15	.13	.13	.13	.13	.13	.11	.09	.09
Virginia + o*	0.175	.175	.175	.175	.175	.15	.11	.11	.11	.11	.09
Washington + o*	0.23	.22	.18	.18	.18	.18	.18	.18	.12	.12	.11
West Virginia	0.155	.155	.155	.105	.105	.105	.105	.105	.105	.105	.105
Wisconsin*	0.222	.215	.208	.209	.20	.175	.165	.16	.13	.09	.07
Wyoming	0.09	.09	.09	.08	.08	.08	.08	.08	.08	.08	.08

Note: For 1978-1987, rates are as of July 1; for 1988, October 1; for 1989-1991, December 1.

+ Local taxes may be additional.

o State sales taxes are additional.

Table 34 (cont.)
State Gasoline Taxes: Rates per Gallon, Selected Years, 1978-1991

***State Notes**

Alabama	Local tax rates range from 1-13¢.		
Alaska	Bettles and Cold Bay have a 2¢ per gallon fuel transfer tax.		
California	The tax rates are increased to 16¢ on 1/1/92, to 17¢ on 1/1/93, and to 18¢ on 1/1/94, and thereafter. The rates would further increase if the federal fuel tax rate is reduced or eliminated correspondingly. Local taxes range from 1¢ to 4¢.	New Jersey	tax is increased to 17.65¢ on 10/1/92. Counties required to levy an additional 1¢ per gallon motor fuel tax as of 10/1/91.
Connecticut	The tax is increased to 26¢ per gallon on 1/1/92, 28¢ on 1/1/93, 29¢ on 7/1/93, 30¢ on 1/1/94, 31¢ on 7/1/94, 32¢ on 1/1/95, 33¢ on 7/1/95, and 34¢ on 1/1/96.	New York	Plus a tax of 2.75% of gross receipts derived from the first sale of petroleum products on each company refining and/or distributing petroleum products in this state or importing petroleum products for use or consumption in this state.
Delaware	Rate may be adjusted annually by the Secretary of Public Safety and the Secretary of Finance.	North Carolina	New York City levies a tax of 1¢ per gallon on distributors of fuels containing 1/2 gram or more of tetraethyl lead, tetramethyl lead or other lead alkyls.
Florida	In addition to state gasoline and special fuel taxes, a state comprehensive enhanced transportation system tax is levied in counties imposing county transportation local option taxes at the following rates: motor fuel—2/3 of the lesser of the sum of the county transportation system taxes levied or 6¢ per gallon for 1991.	Ohio	Includes an additional tax based on average wholesale price of motor fuel. The basic tax is 17.5¢ per gallon, effective 1/1/92, 17.25¢ per gallon, effective 1/1/95, and 17¢ per gallon, effective 1/1/99.
Georgia	Additional tax levied at 3% of retail sales price.	Oklahoma	Tax is 17¢ per gallon plus an additional tax based on highway maintenance costs and fuel consumption.
Hawaii	Local tax rates range from 8.8-16.5¢.	Oregon	Additional 1¢ per gallon assessment imposed on fuel sold by a distributor.
Idaho	Figure includes a 1¢ per gallon transfer fee imposed to fund the Petroleum Clean Water Trust Fund. The transfer fee may be suspended depending on the balance in the fund.	Rhode Island	Effective 1/1/92, the rate is 22¢ per gallon, and effective 1/1/93, the rate is 24¢ per gallon. The following counties levy a local gas tax: Multnomah County, 3¢ per gallon; Washington County, 1¢ per gallon.
Illinois	Chicago levies a 5¢ per gallon tax on vehicle fuel purchased within the city. A 6¢ per gallon tax is imposed in Cook County.	Tennessee	Tax imposed at 11% of wholesale price, plus an additional excise of 2% on distributors.
Kansas	The gasoline tax rate is increased to 18¢ per gallon on July 1, 1992.	Utah	Plus an additional 1¢ per gallon special petroleum products tax.
Kentucky	The tax is imposed at 9% of average wholesale price plus a supplemental highway user motor fuel tax computed to reflect decrease in the average wholesale price of gasoline.	Virginia	An environmental surcharge of one-half cent per gallon is imposed on all petroleum sold in Utah.
Maine	Rate reduces to 17¢ per gallon on July 1, 1993.	Washington	A 2% sales tax is imposed on retail sales of fuels sold within a county or city that is a member of any transportation district in which a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass transportation system are owned, operated, or controlled by a transportation agency or commission, or in any transportation district that is contiguous to the Northern Virginia Transportation District.
Massachusetts	The tax is imposed at 19.1% of weighted average selling price.	Wisconsin	Depending on revenues in the pollution liability reinsurance program trust account, an additional tax is imposed on the privilege of the first possession of petroleum products in the state at the rate of 0.5%.
Mississippi	On 9/1/01, the rate is reduced to 14.4¢ per gallon for gasoline. Local taxes range from 2¢ to 3¢ per gallon.		The rate is computed annually based on highway maintenance costs and amount of fuel sold in the state plus an additional 2¢ per gallon.
Nebraska	The figure includes an additional tax based on the statewide average cost of fuel plus a second additional tax of 2¢ per gallon. The rate may be increased to pay principal and interest on highway improvement bonds.		
Nevada	An additional tax will be levied if the federal tax on fuel is reduced or discontinued. The amount of the additional tax will be equal to federal tax reduction, but not to exceed 4¢ per gallon. The		

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Guide* (Chicago, 1991).

Table 35
State Cigarette Taxes: Rates per Pack, Selected Years, 1978-1991

Region and State	1991	1990	1989	1988	1987	1986	1985	1984	1982	1980	1978
<i>Exhibit: Federal Tax</i>	\$0.42	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.08	\$0.08	\$0.08
Median	0.24	0.21	0.20	0.18	0.18	0.17	0.17	0.16	0.13	0.125	0.12
Alabama	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.16	0.12	0.12
Alaska	0.29	0.29	0.29	0.16	0.16	0.16	0.08	0.08	0.08	0.08	0.08
Arizona	0.18	0.18	0.15	0.15	0.15	0.15	0.15	0.15	0.13	0.13	0.13
Arkansas	0.22	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.1775	0.1775	0.1775
California	0.35	0.35	0.35	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Colorado	0.20	0.20	0.20	0.20	0.20	0.20	0.15	0.15	0.10	0.10	0.10
Connecticut	0.45	0.40	0.40	0.26	0.26	0.26	0.26	0.26	0.21	0.21	0.21
Delaware	0.24	0.19	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
District of Columbia	0.30	0.17	0.17	0.17	0.17	0.13	0.13	0.13	0.13	0.13	0.13
Florida	0.339	0.339	0.24	0.24	0.24	0.24	0.21	0.21	0.21	0.21	0.21
Georgia	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
Hawaii*	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Idaho	0.18	0.18	0.18	0.18	0.18	0.091	0.091	0.18	0.091	0.091	0.091
Illinois +	0.30	0.30	0.30	0.20	0.20	0.20	0.12	0.12	0.12	0.12	0.12
Indiana	0.155	0.155	0.155	0.155	0.155	0.105	0.105	0.105	0.105	0.105	0.105
Iowa	0.36	0.31	0.31	0.34	0.26	0.26	0.18	0.18	0.18	0.13	0.13
Kansas	0.24	0.24	0.24	0.24	0.24	0.24	0.16	0.16	0.11	0.11	0.11
Kentucky*	0.03	0.031	0.031	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Louisiana	0.20	0.20	0.16	0.16	0.16	0.16	0.16	0.16	0.11	0.11	0.11
Maine	0.37	0.31	0.31	0.28	0.28	0.28	0.20	0.20	0.16	0.16	0.16
Maryland	0.16	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.10
Massachusetts*	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.21	0.21	0.21
Michigan	0.25	0.25	0.25	0.25	0.21	0.21	0.21	0.21	0.21	0.11	0.11
Minnesota	0.43	0.38	0.38	0.38	0.38	0.39 ^e	0.23	0.18	0.18	0.18	0.18
Mississippi*	0.18	0.18	0.18	0.18	0.18	0.18	0.11	0.11	0.11	0.11	0.11
Missouri	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.09	0.09	0.09
Montana	0.18	0.18	0.16	0.16	0.16	0.16	0.16	0.16	0.12	0.12	0.12
Nebraska	0.27	0.27	0.27	0.27	0.27	0.23	0.18	0.18	0.18	0.13	0.13
Nevada	0.35	0.35	0.35	0.20	0.20	0.15	0.15	0.15	0.10	0.10	0.10
New Hampshire	0.25	0.25	0.21	0.17	0.17	0.17	0.17	0.17	0.12	0.12	0.12
New Jersey +	0.40	0.40	0.27	0.27	0.27	0.25	0.25	0.25	0.24	0.19	0.19
New Mexico	0.15	0.15	0.15	0.15	0.15	0.15	0.12	0.12	0.12	0.12	0.12
New York	0.39	0.39	0.33	0.21	0.21	0.21	0.21	0.21	0.15	0.15	0.15
North Carolina	0.05	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
North Dakota	0.29	0.30	0.30	0.27	0.27	0.18	0.18	0.18	0.12	0.12	0.11
Ohio	0.18	0.18	0.18	0.18	0.18	0.14	0.14	0.14	0.14	0.15	0.15
Oklahoma	0.23	0.23	0.23	0.23	0.25	0.18	0.18	0.18	0.18	0.18	0.13
Oregon	0.28	0.28	0.27	0.27	0.27	0.27	0.19	0.19	0.19	0.09	0.09
Pennsylvania	0.31	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Rhode Island	0.37	0.37	0.37	0.27	0.25	0.25	0.234	0.23	0.23	0.18	0.18
South Carolina	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
South Dakota	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.15	0.15	0.14	0.12
Tennessee*	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Texas	0.41	0.41	0.26	0.26	0.205	0.205	0.195	0.185	0.185	0.185	0.185
Utah*	0.23	0.23	0.23	0.23	0.23	0.12	0.12	0.12	0.12	0.10	0.08
Vermont*	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.12	0.12	0.12
Virginia +	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
Washington*	0.34	0.34	0.34	0.31	0.31	0.31	0.23	0.23	0.208	0.16	0.16
West Virginia	0.17	0.17	0.17	0.17	0.18	0.17	0.17	0.17	0.17	0.17	0.17
Wisconsin*	0.30	0.30	0.30	0.30	0.25	0.25	0.25	0.25	0.25	0.16	0.16
Wyoming	0.12	0.12	0.12	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Note: For 1978-1987, rates are as of July 1; for 1988-1991, October 1.

+ Local taxes may be additional.

***State Notes**

Hawaii	Tax is 40% of wholesale price. On a per unit basis, Hawaii's tax is 30¢ per pack.	Tennessee	An additional 5¢ per pack is imposed on dealers and distributors.
Kentucky	Plus an additional .1¢ tax on each pack.	Utah	If the federal cigarette tax is reduced, the state rate will be increased by the amount of the federal tax burden.
Massachusetts	The tax rate is increased by any amount by which the federal excise tax on cigarettes is less than 8 mills.	Vermont	Effective January 1, 1992, the tax is 19¢ per pack, and effective July 1, 1992, the tax is 20¢ per pack.
Mississippi	If the federal cigarette tax is reduced, the state rate will be increased by the amount of the federal tax burden.	Washington	Tax reduced to 31¢ per pack on July 1, 1995.
		Wisconsin	An additional tax of 16¢ per pack of 20 cigarettes is imposed minus the federal cigarette tax.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Guide* (Chicago, 1991).

Table 36
State Alcoholic Beverage Excise Taxes: Rates, License States, November 1991

State	Beer over 3.2%	Wine	Distilled Spirits ¹	Other Taxes ²
Alaska	\$.35/gal	\$.85/gal	\$5.60/gal	0%-8% local sales
Arizona	\$.16/gal	\$.84/gal 24% or less \$.25/8 oz over 24%	\$3.00/gal	5% state sales tax 0%-4% local sales tax
Arkansas	\$.16/gal 3.2% or less \$.23/gal over 3.2% \$.20/gal malt liquor	\$.75/gal over 5% \$.25/gal coolers	\$2.50/gal over 21% \$1.00/gal over 5% but less than 21% \$.50/gal less than 5%	4% state sales tax 0%-2% local sales tax
California	\$.20/gal	\$.20/gal still wines, hard cider \$.30/gal champagne, sparkling wine	\$3.30/gal proof strength or less \$6.60/gal excess of proof strength	4.75% state sales tax 1.25%-2.25% local sales tax
Colorado	\$.08/gal	\$.27/gal	\$2.19/gal	3% state sales tax 1%-4% local sales tax \$.036/gal surcharge on all wines \$.11/gal additional surcharge on native wines
Connecticut	\$.19/gal	\$.60/gal 21% or less \$1.50/gal over 21% and sparkling	\$4.50/gal \$2.05/gal coolers not over 7%	8% sales tax
Delaware	\$.16/gal	\$.97/gal	\$3.64/gal 25% or less \$5.46/gal over 25%	
District of Columbia	\$.09/gal	\$.30/gal 14% or less \$.40/gal over 14% \$.45/gal sparkling	\$1.50/gal	6% sales tax for off-premise consumption
Florida	\$.48/gal	\$2.25/gal under 17.259% and coolers \$3.00/gal 17.259% and over \$3.50/gal natural sparkling	\$2.25/gal over 0.5% but less than 17.259% \$6.50/gal 17.259-55.78% \$9.53/gal over 55.78%	6% state sales tax 0%-1% local sales tax
Georgia	\$.032/gal bulk \$.48/gal 12 oz. contain- ers	\$.40/gal native table wines \$1.05/gal non-native table wines \$.98/gal native dessert wines \$1.45/gal non-native dessert wines	\$1.82/gal native \$2.55/gal non-native	4% state sales tax 0%-3% local sales tax
Hawaii	\$.50/gal draft \$.89/gal other than draft	\$.81/gal cooler \$1.30/gal still \$2.00/gal sparkling	\$5.75/gal	0.5% wholesalers' tax 4% retailers' tax
Illinois	\$.07/gal	\$.23/gal 14% or less \$.60/gal over 14%	\$.23/gal not over 14% \$2.00/gal over 14%	6.25% state sales tax 0%-1% local sales tax
Indiana	\$.115/gal	\$.47/gal less than 21% \$2.68/gal 21% or more	\$.47/gal less than 21% \$2.68/gal 21% or more	3% gross income tax (assessed on wholesale and retail sales)

Table 36 (cont.)
 State Alcoholic Beverage Excise Taxes: Rates, License States, November 1991

State	Beer over 3.2%	Wine	Distilled Spirits ¹	Other Taxes ²
Kansas	\$.18/gal	\$.30/gal 14% or less \$.75/gal over 14% \$.15/gal native wine	\$2.50/gal	Beer under 3.2% subject to sales tax rather than enforcement tax 4.25% state sales tax 0%-2% local sales tax
Kentucky	\$.08/gal	\$.50/gal	\$1.92/gal over 6% \$.25/gal 6% or less	6% state sales tax .5% local sales tax
Louisiana	\$.32/gal	\$.11/gal 14% or less \$.23 over 14% to 24% \$1.59/gal over 24% and sparkling \$.32/gal coolers under 6%	\$2.50/gal	4% state sales tax 0%-5% local sales tax
Maryland	\$.09/gal	\$.40/gal	\$1.50/gal	5% sales tax
Massachusetts	\$.11/gal	\$.03/gal 3% to 6% cider \$.55/gal 3% to 6% still \$.70/gal sparkling	\$1.10/gal 15% or less \$4.05/gal over 15%	Additional gross receipts tax on sales of packaged and on-premise liquor of 0.57% 5% sales tax (on-premise only)
Minnesota	\$.08/gal not over 3.2% \$.15/gal over 3.2%	\$.30/gal under 14% \$.95/gal over 14% to 21% \$1.82/gal over 21% to 24% \$3.59/gal over 24% \$1.82/gal sparkling	\$5.03/gal	8.5% special alcohol sales tax in lieu of general sales tax 0%-1% local sales tax
Missouri	\$.06/gal	\$.30/gal	\$2.00/gal	4.225% state sales tax 0%-2% local sales tax \$.06/gal additional tax on wines (effective through 9/30/2001)
Nebraska	\$.23/gal	\$.75/gal 14% or less \$1.35/gal over 14% \$.05/gal produced in farm wineries	\$3.00/gal	0%-1.5% local sales tax
Nevada	\$.09/gal	\$.40/gal 14% or less \$.75/gal over 14% to 22% \$2.05/gal over 22%	\$.40/gal 14% or less \$.75/gal 14% to 22% \$2.05/gal over 22%	5.75% state sales tax 2.25%-2.5% local sales tax
New Jersey	\$.10/gal	\$.50/gal	\$4.20/gal	7% state sales tax 2.9% wholesale tax (eliminated 7/1/92) (9% Atlantic City sales tax)
New Mexico	\$.18/gal	\$.95/gal	\$3.94/gal	5% state sales tax 0%-1.75% local sales tax
New York	\$.21/gal	\$.18/gal still \$.94/gal sparkling \$.56/gal artificially carbonated \$.04/gal cider over 3.2%	\$.04/gal not over 2%	4% state sales tax 0%-4.25% local sales tax (\$.12/gal on beer in New York City)
North Dakota	\$.08/gal bulk \$.16/gal bottles/cans	\$.50/gal less than 17% \$.60/gal 17% to 24% \$1.00/gal sparkling	\$2.50/gal distilled \$4.05/gal alcohol	7% state alcohol tax in lieu of general sales 0%-1% local sales tax

Table 36 (cont.)
State Alcoholic Beverage Excise Taxes: Rates, License States, November 1991

State	Beer over 3.2%	Wine	Distilled Spirits ¹	Other Taxes ²
Oklahoma	\$.40/gal \$.36/gal under 3.2%	\$.72/gal 14% or less \$1.40/gal over 14% \$2.08/gal sparkling	\$5.56/gal	4.5% state sales tax 0%-6% local sales tax
Rhode Island				7% state sales tax
South Carolina	\$.77/gal	\$.90/gal non-native \$.05/gal 14% or less native \$.45/gal 14% to 21% native	\$2.72/gal \$.25/bottle on miniatures \$1.81/case wholesale tax \$.18/gal additional \$2.99/case retail tax \$.56/case additional tax	5% state sales tax 9% surtax
South Dakota	\$.27/gal	\$.93/gal 14% or less \$1.45/gal over 14% to 20% \$2.07/gal over 20% and sparkling	\$.93/gal 14% or less \$1.45/gal 14% to 20% \$2.07/gal 21% to 24% \$3.93/gal over 24%	4% state sales tax 0%-3% local sales tax
Tennessee	\$.125/gal	\$1.10/gal	\$1.10/gal less than 7% \$4.00/gal over 7%	Additional taxes include: Enforcement tax of \$.15/case on spirits and wine 15% (on-premise) on spirits and wine Beer wholesalers' tax of 17%
Texas	\$.19/gal 4% and less \$.20/gal over 4%	\$.20/gal	\$2.40/gal	6.25% off-premise or 14% on-premise state sales tax 1%-2% local sales tax
Wisconsin	\$.06/gal	\$.25/gal 14% or less \$.45/gal over 14% to 21%	\$3.25/gal	5% state sales tax 0.5% local sales tax Additional tax of \$.03/gal on liquor containing 21% or more alcohol

Notes: In *license* states, the wholesale and retail distribution and sale of distilled spirits are private sector activities. In *control* states, in general, the state has a monopoly on the wholesale distribution of distilled spirits. In some control jurisdictions, the state also monopolizes retail sales. In bailment control states, the retail sales are left to the private sector and/or a combination of private and public sellers.

Special tax rates for native alcoholic beverages are not always included. Does not include state and local license fees. Many states levy tax rates based on barrels or liters. These have been converted to rates per gallon.

+ Local taxes additional.

¹ All taxes on spirits are levied for a "proof gallon," defined as a gallon of liquor containing 50% ethyl alcohol. Taxes on liquor containing more or less than 50% alcohol are prorated accordingly.

² Sales of liquor, wine, and beer are generally subject to the sales tax. Only Vermont ex-

empts all liquor. Special taxes in lieu of sales tax are used in Kansas and North Carolina. Virginia exempts liquor sales through state stores. New Jersey places a 7.3% rate on liquor at the wholesale level only. Kentucky exempts off-premise sales, but applies an extra wholesale tax.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, November 1991); and Distilled Spirits Council of the United States, Inc., *Tax Briefs, 1991* (Washington, DC, 1991).

Table 37
**State Alcoholic Beverage Excise Taxes:
 Rates and/or Markup, and Method of Control¹, Control States, November 1991**

State	Beer	Wine	Distilled Spirits	Other Taxes	Methods of Control
Alabama	\$1.05/gal (includes \$.52/gal local tax)	State stores: 30% off-premise markup or 35.27% on-premise markup 56% liquor tax Private outlets: \$1.64/gal non-native table \$.18/gal native	30% off-premise markup or 21.75% on-premise markup 56% liquor tax	4% state sales tax 2% special sales tax on state store sales 0%-4% local sales tax	Monopoly on spirits at wholesale State also owns 152 retail stores Wine less than 14% is sold both by the state, wholesale and retail, and private wholesalers and retailers Beer sold by private retailers and wholesalers
Idaho	\$.15/gal 4% or less \$.45/gal over 4%	State stores: 45% markup Private outlets: \$.45/gal table	45% markup 15% surtax	5% state sales tax bottle tax—\$.20/50ml, \$.35/500ml, \$.40/750ml, \$.60/liter, \$.75/1.75 liter on wine and spirits	State-owned retail stores sell spirits and wine 14% and over Licensed retailers may sell wine and beer under 14%
Iowa	\$.19/gal	\$.175/gal \$.19/gal coolers under 5%	50% markup \$.19/gal coolers under 5%	4% state sales tax 0%-1% local sales tax \$.50/case withdrawal charge on spirits \$.20/bottle split case charge on spirits (applies to liquor sold in quantities of less than one case)	Licensed retailers may sell beer, wine, and liquor No state-owned stores as of June 1987 State warehouse sells at wholesale only
Maine	\$.35/gal	State stores: 2% ad valorem excise 75% markup \$.75/gal \$1.25/proof gal premium tax Private outlets: \$.60/gal table \$1.24/gal sparkling	2% ad valorem excise 75% markup 10% ad valorem excise \$1.25/proof gal premium tax	6% sales tax off-premise 10% sales tax on-premise	State-owned retail stores and privately owned agency stores sell all spirits and spiritous wine over 15.5%
Michigan	\$.20/gal	State stores: 51% markup 12% excise tax 1.85% alcoholism tax (off-premise only) Private outlets: \$.51/gal 16% or less non-native \$.04/gal 16% or less native \$.76/gal over 16%	State stores: 51% markup 12% excise tax 1.85% alcoholism tax (off-premise only) Private outlets: \$1.75/gal mixed beverages not over 10%	4% state sales tax	State-owned stores serve as wholesale outlets to licensed retailers Licensed retailers sell wine and beer, or beer, wine, spirits, and mixed spirit beverages Licensees may have combinations of different types of licenses

Table 37 (cont.)
**State Alcoholic Beverage Excise Taxes:
 Rates and/or Markup, and Method of Control¹, Control States, November 1991**

State	Beer	Wine	Distilled Spirits	Other Taxes	Methods of Control
Mississippi	\$.43/gal	State warehouse (sells wholesale only): 24.5% markup \$.35/gal except sparkling \$1.00/gal sparkling Private: \$.35/gal table \$.43/gal under 4% \$.05/gal native	24.5% markup \$2.50/gal	6% state sales tax \$1.50/case freight on wine and spirits at state stores 3% alcoholism tax on wine and spirits	State monopoly of wholesale sales of alcoholic beverages over 4% by weight
Montana	\$.14/gal	State stores: 40% markup on wine under \$18/case 60% markup on wine over \$18/case \$1.02/gal (except fortified) 26% excise (fortified) Private outlets: \$1.02/gal table	40% markup 26% excise tax (22.4% for distillers of less than 200,000 proof gallons)	\$1.20/case	State-operated retail stores and agencies sell spirits and wine Licensed retailers may sell table wine and beer
New Hampshire	\$.35/gal	State stores: 66% table 63% dessert and vermouth 61% sparkling (10% on-premise discount from retail price at central warehouse. 15% discount for off-premise table wine from liquor stores) Private outlets: \$.35/gal not over 6%	State stores: 47% cordials and cocktails 46.5% whiskey 46% rum, tequila, brandy, gin, vodka (10% on-premise discount from retail price at central warehouse) Private outlets: \$.35/gal not over 6%	8% on-premise meals and rooms tax 10% on-premise discount from retail price at central warehouse on rum, tequila, brandy, gin, vodka, and sparkling wines 15% discount for off-premise table wine from liquor stores	State-owned retail stores sell alcoholic beverages Licensed retailers may sell wine under 14% and beer
North Carolina	\$.53/gal containers of 7.75 gal or less \$.48/gal containers of 7.75 gal or more	State stores: No specific markup formula used Private outlets: \$.80/gal 17% or less non-native \$.91/gal over 17% non-native \$.07/gal 17% or less native \$.18/gal over 17% native	75.3684% markup \$13.64/gal on-premise tax	4% state sales tax 0%-2% local sales tax \$.85/case bailment on spirits \$.60 bailment surcharge on spirits \$.10/bottle on spirits	County and city-operated liquor stores in counties allowing sale Licensed retailers may sell wine and beer

Table 37 (cont.)
**State Alcoholic Beverage Excise Taxes:
 Rates and/or Markup, and Method of Control¹, Control States, November 1991**

State	Beer	Wine	Distilled Spirits	Other Taxes	Methods of Control
Ohio	\$.11/gal \$16.00/gal for bottles or cans 12 ozs or less \$2.56/gal on each 6 ozs or fractional part for bottles or cans having in excess of 12 ozs	\$.26/gal 14% or less \$.62/gal over 14% to 21% \$1.27/gal sparkling, carbonated, champagne \$.77/gal vermouth \$.80/gal mixed (between 7% to 21% alcohol)	State stores: 47.86% markup \$2.25/gal over 21% Private outlets: \$.80/gal 5% to 21% (mixed beverages)	5% state sales tax 0%-1.5% local sales tax 0%-1% local transit tax rate Additional local taxes in Cuyahoga County \$1.49/case handling charge on spirits 12.35% operating cost charge on spirits	State-owned retail or agency stores sell alcoholic beverages over 21% Licensed retailers sell wine under 21% and beer
Oregon	\$.08/gal	State stores: 99% markup Private outlets: \$.67/gal not over 14% \$.77/gal 14% to 21%	99% markup (only \$10.50 of FET subject to markup)	\$1.10/case upcharge on wine and spirits	Retail liquor stores operated by agents contracted with Oregon Liquor Control Commission Stores sell distilled spirits
Pennsylvania	\$.08/gal	35% markup 18% excise tax	35% markup 18% excise tax	6% state sales tax 0-3.25 mils local sales tax \$.54/bottle handling charge on wine and spirits \$1.92/gal handling charge on wine and spirits	State-owned retail stores sell spirits and wine Licensed retailers sell beer
Utah	\$.35/gal	61% markup	61% markup	5% state sales tax 0%-2.25% local sales tax 13% school lunch tax on wine and spirits	State monopoly of sales of alcoholic beverages Licensed retailers may sell beer under 4%
Vermont	\$.27/gal	State stores: 40% markup over 16% 25% excise tax Private outlets: \$.55/gal not over 16%	State stores: 39% markup 25% excise tax	10% sales tax on-premise only \$.05/bottle handling charge on wine and spirits	State-owned retail stores sell spirits, wine over 16%, and beer over 6% Licensed retailers may sell wine 16% or less and beer 6% or less
Virginia	\$.26/gal	State stores: 50% markup \$1.45/gal 4% excise tax Private outlets: \$1.45/gal not over 14% \$.26/gal 4% or less (coolers)	20% excise tax 46.5% markup	4.5% sales tax on-premise only \$1.00/case warehouse handling charge on spirits \$.02/bottle not over 7 ozs on beer \$.0265/bottle 7 to 12 ozs on beer \$.00222/bottle over 12 ozs on beer	State-owned retail stores sell spirits, vermouth, and Virginia-made wines Licensed retailers may sell wine and beer

Table 37 (cont.)
**State Alcoholic Beverage Excise Taxes:
 Rates and/or Markup, and Method of Control¹, Control States, November 1991**

State	Beer	Wine	Distilled Spirits	Other Taxes	Methods of Control
Washington	State stores: 70% markup Private outlets: \$.15/gal 8% or less	State stores: 50% markup \$.75/gal \$.85/gal 14% or more until 1/1/95 \$.04/gal until 1/1/95 Private outlets: \$.75/gal \$.85/gal 14% or more until 1/1/95 \$.04/gal until 1/1/95	\$11.51/gal \$.25/gal additional tax until 1/1/95 17.1% liquor tax off-premise 11.4% liquor tax on-premise 39.2% markup (15% discount to on-premise licenses)	6.5% state sales tax 0%-1.812% local sales tax	Private retailers may sell only wine and beer State may sell all beverages
West Virginia	\$.18/gal	State stores: 75% markup (25% markup if sold to retailer) Private outlets: \$1.00/gal	81% markup (supplier price and \$10.50 FET only) 25% if sold to private retailer 30% markup on decanters 65% markup on cordials	6% state sales tax 5% local sales tax \$.75/90/case on wine and spirits Bottle tax \$.15/275ml to 1 liter, \$.25/1.5 liter, \$.40/3 to 4 liters on wine and spirits	West Virginia is in the process of privatizing state retail stores
Wyoming	\$.02/gal	17.6% markup \$.28/gal	17.6% markup (only \$6 of FET subject) \$.91/gal	3% state sales tax 0%-2% local sales tax \$.17/case handling charge on wine and spirits \$2.75/case freight on wine and spirits	State monopoly at wholesale level

Note: In *control* states, in general, the state has a monopoly on the wholesale distribution of distilled spirits. In some control jurisdictions, the state also monopolizes retail sales. In bailment control states, the retail sales are left to the private sector and/or a combination of private and public sellers. In *license* states, the wholesale and retail distribution and sale of distilled spirits are private sector activities.

¹ In 18 control states, retail or wholesale sales of spirits are made mainly by state-owned outlets. In 12 of these states, off-premise retail sales are made by state-owned stores or agencies. In four states—Iowa, Mississippi, West Virginia, and Wyoming—wholesale

sales are a state monopoly, with retail sales conducted by private outlets. Revenues in control states are derived from markups that yield profits for state governments. In addition to state profits, excise, sales, and other taxes also contribute revenues.

Source: Distilled Spirits Council of the United States, *Tax Briefs 1991* (Washington, DC, 1991); Commerce Clearing House, *State Tax Guide* (Chicago, November 1991).

Table 38
Automobile Taxes and Fees, September 1991

State	Registration Fee	Other Fees	Certificate of Title	Operator's License	Property Tax	Sales Tax on Purchase		Inspection	
						State	Local		
Alabama*	Auto Motorcycle	\$23 \$15	\$1.25 issuance fee	\$16.50	\$15 (4 years) \$20 original	State and local at various rates	2.0%	—	Cities may have inspection stations
Alaska*	Auto Motorcycle	\$35 \$20	Local annual fees range from \$2 to \$60	\$5	\$10 (5 years)	Local	No tax	Range 1-6%	State troopers may inspect on need
Arizona*	Auto Motorcycle	\$8 \$9	Annual license tax	\$4	\$7 (4 years)	Exempt	5%	Range 1-2%	\$5.40, annual
Arkansas*	Auto by weight Motorcycle	\$17-\$30 \$3-\$7		\$5	\$14.25 (4 years)	State	4%	County 1%	Annual
California*	Auto and motorcycle	\$22-\$27	Annual license fee 2%	No fee	\$10 (4 years)	License fee in lieu of property tax	6%	1.25-2.25%	Biennial
Colorado*	Auto by weight	\$9-\$16.10	Annual specific ownership tax	\$5.50	\$15 (5 years)	Specific ownership tax in lieu of personal property	3%	0.6%-4%	Emissions \$8.50 or less, annual
Connecticut*	Auto (biennial) Motorcycle	\$62 \$30		\$16 Transfer \$10	\$31 renewal (4 years) \$24.75-\$38 original	Local	6%	No tax	Emissions, annual
Delaware*	Auto Motorcycle	\$20 \$10	Motor vehicle document fee	\$4	\$12.50 (5 years)	Exempt	No sales tax		Annual, no fee
District of Columbia*	Auto by weight Motorcycle	\$45-\$78 \$21	Title issuance excise tax	\$10	\$15 (4 years)	Exempt	Titling issuance excise tax is in lieu of sales tax		\$5, annual
Florida	Auto Motorcycle	\$20.60-\$38.60 \$17.60		\$7.25	\$19 original (4 years) \$15 renewal (4 years)	Exempt	6%	1-2%	Emissions, local
Georgia*	Auto and motorcycle	\$8		\$5 Transfer \$6	\$4.50 (4 years)	State and local	4%	0-1%	Emissions, local
Hawaii ¹	Auto and motorcycle	\$10	Annual vehicle weight tax	\$2-\$3	\$8.50-\$12 (4 years)	Exempt	4%	No tax	\$10.75, annual
Idaho ¹	Auto Motorcycle	\$16.08-\$36.48 \$9.00	Additional fees	\$3	\$19.50 (3 years)	State	5%	No tax	None
Illinois	Auto Motorcycle	\$48 \$30		\$5	\$10 (4 years)	Exempt	6.25%	0.25%-1%	Chicago area, no fee
Indiana*	Auto Motorcycle	\$12.75 \$12.75	Annual vehicle excise tax Annual county surtax	\$5	\$6 (4 years)	Excise tax is in lieu of property tax	5%	No tax	Emissions, certain counties

Table 38 (cont.)
Automobile Taxes and Fees, September 1991

State	Registration Fee		Other Fees	Certificate of Title	Operator's License	Property Tax	Sales Tax on Purchase		Inspection
							State	Local	
Iowa*	Auto by weight and age and Motorcycle	\$20		\$10	\$16 (4 years)	Motor vehicle fee is in lieu of property tax	4%	—	None
Kansas*	Auto Motorcycle	\$25-\$35 \$11		\$3.50	\$8-12 (4 years)	Based on local ad valorem rates and collected by counties	4.25%	0.5% or 1%	None
Kentucky*	Auto Motorcycle	\$12 \$5	\$2 clerks fee for registration	\$6	\$8 (4 years)	State and local	6%	—	—
Louisiana	Auto Motorcycle	\$1 per \$1,000 of purchase price \$3		\$19	\$18 (4 years)		4%	Parish and city 0.5-5%	Annual
Maine*	Auto Motorcycle	\$22 \$17	Annual excise tax	\$10	\$18 (4 years)	Municipal excise tax in lieu of property tax	5%	No tax	\$6, annual
Maryland	Auto Motorcycle	\$27-\$40.50 \$8.50	5% excise tax at time of purchase	\$1	\$6 (4 years) \$20 original	Exempt	Excise tax is in lieu of sales tax		Emissions in metro areas
Massachusetts*	Auto Motorcycle	\$20 \$25	Annual motor vehicle excise tax	\$50	\$35 (4 years)	Motor vehicle excise tax is in lieu of property tax	5%	No tax	Emissions and safety, \$15, annual
Michigan*	Auto (price based) Motorcycle	\$23		\$11	\$12 (4 years) \$12 original	Exempt	4%	No tax	—
Minnesota*	Auto: regular tax = \$10 + 1.25% of a base value equaling a percentage of manufacturer's suggested retail price Motorcycle	\$10	Excise tax 6% (at time of purchase)	\$2	\$15 (4 years)	Exempt	Excise tax is in lieu of sales tax	—	Municipalities may inspect
Mississippi*	Auto Motorcycle	\$15 \$8		\$2.50	\$13 (4 years)	State	3%	No tax	\$5, annual
Missouri*	Auto by horsepower Motorcycle	\$18-\$51 \$8.50	Transportation sales tax	\$7.50	\$7.50 (3 years)	Local	4.225%	Combined city and county 0.375%-3%	Safety, \$4.50, annual; emissions in certain counties, \$4.50, annual
Montana*	Auto Motorcycle	\$10.25-\$15.25 \$5.50		\$5	\$16-\$24 (4 years)	State and local	1.5%	—	None
Nebraska*	Auto Motorcycle	\$17.50 \$5.50	Additional fees \$2.50 (each year)	\$6	\$10 (4 years)	Local	5%	City	None
Nevada*	Auto Motorcycle	\$23 \$23	Annual privilege tax	\$10	\$9	Privilege tax is in lieu of property tax	2%	3.75-4%	Emissions, annual in Clarke and Washoe, fees vary
New Hampshire*	Auto by weight Motorcycle	\$19.20-\$43.20 \$12	Annual municipal fee by weight and age	\$10	\$30 (4 years)	Municipal fee is in lieu of property tax	No sales tax		Safety, annual; emissions in certain counties, \$10, annual

Table 38 (cont.)
Automobile Taxes and Fees, September 1991

State	Registration Fee	Other Fees	Certificate of Title	Operator's License	Property Tax	Sales Tax on Purchase		Inspection
						State	Local	
New Jersey* ¹	Auto by weight and age \$16.50-\$52.50	Temporary additional registration fee	\$5	\$17.50 (4 years)	Exempt	7%	No tax	Annual
	Motorcycle \$11							
New Mexico	Auto by weight and age \$18-\$44	Excise tax 3% (at time of purchase)	\$3	\$10 (4 years)	Exempt	Excise tax is in lieu of sales tax		None
	Motorcycle \$11							
New York ¹	Auto by weight \$.75/100 lbs- \$26.25 + \$1.125/100 lbs	\$15 additional for New York City residents	\$15	\$17.50 (4 years)	Exempt	4%	Cities and counties 0-4.25%	Safety, \$10, annual; emissions, \$17, annual (in 9 downstate counties)
	Motorcycle \$10							
North Carolina	Auto \$20 Motorcycle \$9	Annual highway use tax	\$35	\$15 (4 years)	Local	3%	--	Annual
North Dakota*	Auto by weight and age \$25-250	Excise tax 5%	\$5	\$10 (4 years)	No tax	Excise tax is in lieu of sales tax		Random, no fee
	Motorcycle \$21							
Ohio ¹	Auto \$20 Motorcycle \$14	Counties and cities may levy registration fee up to \$20	\$3	\$6.50 (4 years)	No tax	5%	County 0.5% or 2.0%	Emissions in certain counties, \$8, annual
Oklahoma*	Auto \$17.75 Motorcycle \$17.75	Excise tax	\$11	\$14 (4 years) \$18 original	Exempt	Excise tax is in lieu of sales tax		\$5, annual
Oregon	Auto (biennial) \$30 Motorcycle (biennial) \$9		\$9	\$15 (4 years) \$32 original	Exempt	No sales tax		Emissions in Portland metro area and Jackson County, biennial
Pennsylvania*	Auto \$24 Motorcycle \$12		\$15	\$22 (4 years)	Exempt	6%	No tax	Emissions in certain cities, annual
Rhode Island*	Auto \$30 Motorcycle \$13	Annual excise tax	\$10	\$30 (5 years) \$12 original	Local	7%	No tax	\$12, annual
South Carolina	Auto \$12 Motorcycle \$5	Excise tax 3% (at time of purchase)	\$5	\$10 (4 years)	Local	5%	No tax	Annual
South Dakota*	Auto by weight \$20-\$100 Motorcycle \$7.50-\$10	Excise tax 3%	\$5	\$6 (4 years)	Exempt	Excise tax is in lieu of sales tax		None
Tennessee*	Auto \$26.25 Motorcycle \$13	Wheel tax	\$6	\$14 (4 years)	Local	7.75%	County 1-2.75%	Certain cities
Texas* ¹	Auto by weight and age \$40.50-\$58.50	\$.30 reflectorized fee	\$10	\$16 (4 years)	Local	4.125%	6%	Safety and emissions, \$8.50, annual
	Motorcycle \$30.75							

Table 38 (cont.)
Automobile Taxes and Fees, September 1991

State	Registration Fee	Other Fees	Certificate of Title	Operator's License	Property Tax	Sales Tax on Purchase		Inspection
						State	Local	
Utah* ¹	Auto \$12 Motorcycle \$7.50		\$2 Transfer \$2	\$10 (4 years)	Local	5.875%-7.25%	County 0-2.25%	Emissions in certain counties, \$10 maximum, annual
Vermont	Auto \$42 Motorcycle \$20		\$10	\$20 (4 years)	Exempt	4%	No tax	Annual
Virginia*	Auto \$26-\$31 Motorcycle \$24		\$10	\$12 (5 years)	Local	3%	No tax	Annual
Washington* ¹	Auto original \$27.95 renewal \$25.85 Motorcycle \$27.85	Annual excise tax plus \$5 filing fee	\$4.25	\$14 (4 years)	Annual excise tax is in lieu of property tax	7%-8.2%	County	Emissions for new models in certain areas, biennial
West Virginia* ¹	Auto by weight and age \$27.50-\$38.50 Motorcycle \$12	Titling tax 5% (at time of purchase)	\$5	\$10 (4 years)	Local	Titling tax is in lieu of sales tax		\$7, annual
Wisconsin	Auto \$25 Motorcycle \$7		\$5	\$9 (4 years)	Exempt	5%	—	None
Wyoming*	Auto \$15 Motorcycle \$5	Annual county tax	\$5	\$10 (4 years) \$5 renewal	Exempt	3%	County 0-2%	None

— tax may apply

¹ The following states have additional fees when license plates are issued: Hawaii, \$3.50-\$5.00; Idaho, \$2.50 per plate; New Jersey, 40; New York, \$5.00; Ohio, \$2.00; Texas, 30 Utah, \$4.50-\$8.50; Washington, 50; and West Virginia, \$1.50.

*State Notes

Alaska	Other Fees Property Tax	Municipalities may impose sales or registration taxes. Incorporated cities and boroughs may impose vehicle registration taxes in lieu of use or property taxes on vehicles subject to state license fees.
Alabama	Sales Tax	All new title licenses on passenger vehicles may also be subject to county and city taxes.
Arizona	Inspection Fee Other Fees	Applicable only to the Phoenix and Tucson metropolitan areas. License tax is 4% of the assessed value of car. During the first 12 months of the car life, the assessed value is 60% of the manufacturer's base retail price; each year thereafter, the assessed value is 15% less than the preceding year. \$1.50 air quality fee.
Arkansas	Property Tax Sales Tax	State has personal property tax, assessed by counties at varying rates. Counties may impose a 1% sales tax. City sales taxes range from 0.5% to 1%.
California	Registration Fees	Additional fee of \$1 to \$4 imposed on vehicles in certain air quality management districts; additional fee of \$1 for law enforcement paid on vehicles registered between 1986 and 1992.
Colorado	Other Fees	Annual specific ownership tax based on first year of service at 2.1% to tenth year at \$3.
Connecticut	Property Tax Inspection Fee	Local property taxes levied at 70% of assessed valuation; valuation is based on the State Valuation Book. Mill rates vary among communities. Inspections are required on automobiles ten years or older that are changing ownership, or on out-of-state vehicles registered in Connecticut for the first time.
Delaware	Other Fees	Motor vehicle document fee is imposed on the sale, 2% of net cost of vehicle.

Table 38 (cont.)
Automobile Taxes and Fees, September 1991

State Notes (cont.)

District of Columbia	Other Fees	Title issuance excise tax is based on the fair market value of vehicle; for automobiles less than 3,500 lbs, the rate is 6%; for automobiles 3,500 lbs or more, the rate is 7%.
Georgia	Property Tax Sales Tax Inspection Fee	State millage 1/4 mill, county rates vary. Additional 1% rapid transit tax in Fulton and DeKalb counties, or 1% local option tax in certain jurisdictions. Vehicles registered in Fulton, DeKalb, Cobb, and Gwinett counties require annual emissions inspection.
Indiana	Other Fees	Vehicle excise tax \$12-\$1,063; after 1991, \$18-\$1,063. County surtax of 2%-10% of state excise tax collected. Minimum tax of \$7.50.
Iowa	Registration Fee	Motor vehicle fee 1% of value as fixed by the department, plus \$.40 for each 100 lbs or fraction thereof of weight of vehicle as fixed by the department. Minimum fee \$5. After motor vehicle is more than five model years old, that part of the fee based on the value shall be 75% of the rate as fixed when new; 50% after six model years; 10% after eight model years.
Kansas	Registration Fee	\$25 for vehicles 4,500 lbs. or less and \$35 for vehicles over 4,500 lbs.
Kentucky	Sales Tax Property Tax	There is a 6% use tax imposed on 90% of the retail price of new vehicles registered for the first time: 6% on 100% of retail price of used vehicle registered for first time or on transfer of ownership of vehicle previously registered. Personal property taxes levied at time of registration by state and local taxing districts at varying rates.
Maine	Other Fees	Annual municipal excise taxes: 2.4% for the first year, 1.75% in second year, 1.35% in third year, 1% in fourth year, .65% in fifth year, .4% in sixth and succeeding years.
Massachusetts	Other Fees	Annual statewide excise tax of \$25 per \$1,000 valuation based on a percentage of the vehicle's factory list price. Percentage ranges from 90% in the year of manufacture to 10% in the fifth and succeeding years.
Michigan	Registration Fee	For 1983 or earlier models, fee based on weight plus an additional \$5 processing fee. For 1984 and later model years, fee based on manufacturer's list price plus an additional \$5 processing fee. Fee decreases 10% each of the next 3 years.
Minnesota	Registration Fee	Tax reduced annually based on depreciated scale, with a \$35 minimum.
Mississippi	Property Tax	Rates fixed annually, must be paid when tag is issued.
Missouri	Property Tax Sales Tax Inspection Fee Other Fees	State personal property tax, paid to local county or township. County and city combined rates range from 0.375% to 3%. Vehicles registered in St. Louis City and in the counties of St. Charles, St. Louis, and Jefferson are subject to an emissions inspection fee of \$4.50. Cities of over 400,000 population may impose transportation sales tax of .5% on sales of personal property or taxable services.
Montana	Registration Fee Sales Tax Property Tax	Includes 50 fee per registration for weed control. Sales tax on new passenger cars based on F.O.B. factory or F.O.B. port of entry list price and date of purchase. 2% of market value (blue book value). Counties may impose an additional .5% personal property tax.
Nebraska	Property Tax Sales Tax Registration Fee	Valuation is by the state, and assessment and taxation are local. City sales taxes range from 0.5% to 1.5%. Includes \$2.50 collected by the county treasurer.
Nevada	Other Fees Sales Tax	The privilege tax is figured by multiplying the manufacturer's suggested retail price (less additions) by 35%, multiplied by a depreciation figure, multiplied by \$4 per \$100 valuation. 2% state, 1.5% school support tax, and 2.25% city and county relief tax. 0.25% transportation tax applicable in Washoe, Storey, Nye, Churchill, White Pine, and Carson City.
New Hampshire	Other Fees Inspection Fee	Local municipal permit fee based on year of manufacture and valuation. The fees are set by each inspection station. Emissions testing in selected towns only.
New Jersey	Other Fees	An additional registration fee of \$15 is imposed on motor vehicles manufactured prior to the 1989 model year, and an additional fee is imposed on motor vehicles manufactured in the 1989 model year or later, equal to \$40 for the first 2 years and \$15 for each year thereafter. These additional fees apply to registrations issued or renewed on or after 7/1/90 through 12/31/96.

Table 38 (cont.)
Automobile Taxes and Fees, September 1991

State Notes (cont.)

North Dakota	Registration Fee	\$2 abandoned vehicle fee on all automobiles and trucks, payable on first registration.
Oklahoma	Registration Fee	There is an additional fee of 1.25% of the factory delivered price for the first year, and then 90% of previous fee each year up to the 12th year; the 13-20th years' fees are equal to the 12th year's.
	Other Fees	3.25% excise tax of the value is imposed on the transfer of each vehicle. A new vehicle is valued at factory list price. A used vehicle is valued at 65% of such list price for the second year and 65% of the previous year's value until it reaches a minimum value of \$250.
Pennsylvania	Inspection Fee	The state does not set a fee; the average fee is \$14. Emissions inspection required in the metropolitan areas of Philadelphia, Pittsburgh, and Allentown/Bethlehem/Easton.
Rhode Island	Other Fees	A state excise tax is imposed on the value of each motor vehicle, which may be lieu of the property tax, and is collected and administered by cities and towns.
South Dakota	Registration Fee	Fee is reduced 30% when auto is five years or older.
Tennessee	Other Fees	A wheel tax is imposed by some counties annually. The range is from \$5.50 to \$35.50.
Texas	Registration Fee	The fees are based on age for vehicles 6,000 lbs. or less. Counties have the option of imposing an additional fee not to exceed \$10 that is to be deposited into the county's road and bridge fund.
	Other Fee	Some counties charge an additional \$5 road and bridge fee.
Utah	Registration Fee	Includes \$2 for the driver education fund.
	Inspection Fee	Emissions inspection for Salt Lake, Davis, and Utah counties.
Virginia	Property Tax	City and county personal property taxes range from 1% to 7.2%.
Washington	Other Fees	Any city that operates a transit system and any county transportation authority may impose, if voters approve, an additional excise tax not to exceed 0.81% to provide high capacity transportation service.
West Virginia	Registration Fee	Includes \$1 for highway litter control and 50¢ for insurance enforcement.
Wyoming	Other Fees	The county tax is 3% of 60% of factory price in the first year to 15% after five years.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1991); and American Automobile Association, *1991 Digest of Motor Laws* (Heathrow, Florida, 1991).

Table 39
State Severance Taxes: Rates and Bases, November 1991

State	Product	Rate
Alabama**	Iron ore	\$.03 per ton
	Pine lumber	\$.50 per 1,000 ft., \$.75 per 1,000 ft. if sold as logs
	Hardwoods, cypress	\$.30 per 1,000 ft., \$.50 per 1,000 ft. if sold as logs
	Pulpwood, chemical wood, bolts	\$.25 per cord (128 cubic feet)
	Pine ore mine props	\$.75 per 1,000 ft.
	Hardwood ore mine props	\$.50 per 1,000 ft.
	Piling and poles	\$1.875 per 1,000 ft.
	Pulpwood chips	\$.25 per cord (5,000 lbs.)
	Gum turpentine	\$.15 per barrel (400 lbs.)
	Tarwood	\$.125 per ton
	Cross ties	\$.015 each
	Switch ties	\$.025 each
	Other ties	\$.125 each
	Oil and gas	10% of gross value of point of production
	Coal	\$.335 per ton
Lignite	\$.20 per ton	
Alaska*	Salmon, canned at shore-based site	4.5% of value
	All other fish	3% of value
	Fish processed off shore	5% of value
	Oil	Greater of \$.64 per barrel for old crude oil (\$.80 for all other) or 15% of modified gross value
	Gas	Greater of \$.64 per 1,000 cubic ft. (MCF) or 10% of modified gross value
Arizona*	Minerals	2.5% of net severance base
	Timber	1.5% of value
Arkansas*	Bauxite, barite, titanium ore, zinc, etc.	\$.15 per ton
	Coal	\$.10 per ton
	Iron ore, lignite	\$.02 per ton
	Crushed stone, granite, sand, gravel, etc.	\$.04 per ton
	Gypsum	\$.015 per ton
	Timber products	\$.178 per ton (pine); \$.125 per ton (all other wood)
	Saltwater (used for production of bromine)	\$.00245 per barrel
	Diamonds	5% of value
	Oil	5% of market value from wells producing 10 barrels per day or more; 4% if 10 barrels per day or less
Gas	\$.003 per MCF	
California	Oil and gas	\$.026136 per barrel of oil and \$.0026136 per MCF of gas
Colorado*	Metallic minerals	2.25% of gross income over \$11 million
	Molybdenum ore	\$.05 per ton
	Coal	\$.36 per ton
	Oil shale	4% of market value
		2.13% of market value, gross income less than \$25,000 3.13% more than \$25,000 but less than \$100,000 4.13% more than \$100,000 but less than \$300,000 5.13% greater than \$300,000
Florida*	Oil	8%
	Gas	\$.128 per MCF
	Sulfur	\$2.39 per ton
	Solid minerals	5% of market value, except phosphate rock (\$1.43 per ton) and heavy minerals (\$1.47 per ton)

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1991

State	Product	Rate
Georgia	Phosphates	\$1.00 per ton
Idaho*	Ores	2% of net value
	Oil and gas	2% of market value
Illinois	Timber	4% of market value
Indiana	Oil and gas	1% of market value
Kansas*	Oil and gas	8% of market value plus \$.0135 per barrel of oil and \$.004 per MCF of gas
	Coal	\$1.00 per ton
Kentucky	Oil, coal	4.5% of market value
	Other than coal or oil	4.5% of gross value less transportation expenses
Louisiana*	Coal, other ores	\$.10 per ton
	Lignite	\$.12 per ton
	Gravel	\$.06 per ton
	Marble	\$.20 per ton
	Salt	\$.06 per ton
	Sand, shells	\$.06 per ton
	Stone	\$.03 per ton
	Sulfur	\$.92 per ton
	Timber grown on lands under reforestation contracts	6% of average stumpage market value
	Timber, other than virgin timber	5% of average stumpage market value (pulpwood); 2.25% (all other timber)
Gas and natural gas liquids	\$.07 per MCF	
Oil	12.5% of market value	
Maine	Minerals	Greater of the value of facilities and equipment multiplied by .005, the gross proceeds multiplied by .009
Maryland ⁺	Coal (open pit or strip mined)	\$.09 per ton to state and \$.06 per ton to county
Michigan*	Gas	5% of market value
	Oil	6.6% of market value
Minnesota ⁺⁺	Net proceeds from mining	2% of market value
	Taconite (iron sulphide and agglomerates)	\$1.975 per ton (\$.05 per ton for agglomerates)
	Semi-taconite and agglomerates	\$.10 per ton (\$.05 per ton for agglomerates)
Mississippi ⁺⁺	Oil and gas	6% of market value plus \$.035 per barrel of oil and \$.004 per MCF of gas
	Saw logs; pine and soft wood	\$1.00 per 1,000 ft.
	Saw logs; hardwood	\$.75 per 1,000 ft.
	Lumber, including cross ties	\$.75 per 1,000 ft.
	Poles, pilings, posts	\$.036 per cubic ft.
	Pulpwood, except pine	\$.225 per cord
	Pulpwood, pine	\$.30 per cord
	Stumpwood or other distillates	\$.25 per ton
	Crude gum turpentine	\$.30 per barrel
	Salt	3% of market value
	All other timber products	\$.75 per 1,000 feet or \$.375 per cord

Table 39 (cont.)
 State Severance Taxes: Rates and Bases, November 1991

State	Product	Rate
Missouri	Coal (surface mined)	\$.45 per ton for the first 50,000 tons; \$.30 per ton for next 50,000 tons
Montana*	Coal—under 7,000 BTU/lb.	10% of market value (surface mined); 3% of market value (underground mined)
	Coal—over 7,000 BTU/lb.	15% of market value (surface mined); 4% of market value (underground mined)
	Metalliferous minerals	1.81% of market value over \$250,000
	Gold and silver	1.6% of market value over \$250,000
	Oil	5.2% of market value
	Gas	2.85% of market value
	Micaceous minerals	\$.05 per ton
	Cement	\$.22 per ton; \$.05 per ton for cement products, plaster, gypsum, or gypsum products
Nebraska	Oil and gas	3.35% of market value (2.35% from wells producing less than 10 barrels per day)
	Uranium	2% of market value over \$5,000,000
Nevada*	Minerals (excluding sand, gravel, and water)	2% if less than 10% of gross proceeds 2.5% more than 10% but less than 18% 3% more than 18% but less than 26% 3.5% more than 26% but less than 34% 4% more than 34% but less than 42% 4.5% more than 42% but less than 50% 5% if greater than 50%
	Royalties	5%
	Oil	\$.05 per barrel
	Gas	\$.25 per MCF
New Hampshire*	Refined petroleum product	0.1%
New Mexico	Potash	3% of market value
	Copper	1.25% of market value
	Molybdenum	0.25% of market value
	All other minerals	0.875% of market value
	Uranium ore	3.68% of market value
	Coal	\$1.17 per ton (surface mined); \$1.13 per ton (underground mined)
	Timber	5% of market value
	Oil	7.08% of market value
	Gas	7.08% of the market value
North Carolina	Softwood saw timber, veneer logs, and bolts	\$.50 per 1,000 ft.
	Hardwood saw timber, veneer logs, and bolts	\$.40 per 1,000 ft.
	Softwood pulpwood, and other products	\$.20 per cord
	Hardwood pulpwood, and other products	\$.12 per cord
North Dakota*	Oil	11.5% of market value
	Gas	\$.04 per MCF
	Coal	\$.77 per ton
Ohio	Coal	\$.08 per ton
	Salt	\$.04 per ton
	Limestone, dolomite, sand, and gravel	\$.02 per ton
	Clay, sandstone, shale, gypsum, and quartzite	\$.01 per ton
	Oil	\$.10 per barrel
	Gas	\$.025 per MCF

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1991

State	Product	Rate
Oklahoma*	Asphalt, ores of lead, zinc, gold, silver, or copper	0.75% of market value
	Uranium	5% of market value
	Oil and gas	7.085% of market value
Oregon*	Oil and gas	6% of market value
	Forest products	\$1.64 per 1,000 ft. (more than 25,000 ft.)
South Dakota	Energy minerals	4.74% of market value
	Gold and silver	2% of market value plus 8% of net profits from sale or royalties from sale of these metals
Tennessee ⁺	Oil and gas	3% of market value
	Coal	\$.20 per ton
Texas	Cement	\$.55 per ton
	Sulfur	\$.92 per ton
	Gas	7.5% of market value plus \$.00077 per barrel
	Oil	The greater of 4.6% of market value or 4.6 per barrel plus \$.005 per barrel
Utah*	Oil and gas	4.2% of market value
	Metalliferous minerals	2.6% of market value above \$50,000
Virginia ⁺⁺	Coal	\$.055 per ton (surface mined); \$.045 per ton (deep mined)
	Pine lumber	\$1.15 per 1,000 ft.
	Hardwood, cypress, and all other	\$.225 per 1,000 ft.
	Pulpwood, chemical wood, etc.	\$.475 per cord (pine); \$.1125 per cord (all other)
	Chips manufactured from round wood	\$.00986 per 100 lbs. (pine); \$.00234 per 100 lb. (all other)
	Railroad ties	\$.038 each (pine); \$.01 each (all other)
	Lumber used in mines	\$1.045 per 1,000 ft. (pine); \$.2475 per 1,000 ft. (all other)
	Keg staves (pine)	\$.038 per 400 inch bundle
	Keg staves (all other)	\$.015 per 400 inch bundle
	Keg heads (pine)	\$.115 per 100 keg heads
	Keg heads (all other)	\$.045 per 100 keg heads
	Tight cooperage	\$.045 per stave; \$.09 per 100 keg heads
	Pilings and poles	2.31% of invoice value
Bright flue cured tobacco	\$.20 per 100 lbs.	
Washington	Uranium and thorium	\$.05 per pound
	Chinook, coho, chum salmon and anadromous game fish	5% of market value
	Pink and sockeye salmon	3% of market value
	Oysters	0.07% of market value
	Other food fish and shell fish	2% of market value
West Virginia*	Coal	5% of market value
	Limestone or sandstone	3.64% of market value
	Timber	3.22% of market value
	Sand, gravel, other minerals	5% of market value
	Oil	5% of market value
	Natural gas	5% of market value
All other	3.772% of market value	

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1991

State	Product	Rate
Wisconsin	Metalliferous minerals	3% of net proceeds greater than \$250,000 but less than \$5,000,000
		7% greater than \$5,000,000 but less than \$10,000,000
		10% greater than \$10,000,000 but less than \$15,000,000
		13% greater than \$15,000,000 but less than \$20,000,000
		14% greater than \$20,000,000 but less than \$25,000,000
Wyoming	Oil and gas Uranium Underground coal Surface coal	3.5% of market value
		5.5% of market value
		7.25% of market value
		9.5% of market value

+ Local tax may be additional.

***State Notes**

Alabama	Forest products Oil and gas	A privilege tax equal to 50% of the severance tax is imposed on processors of forest products and manufacturers using forest products. Includes 2% conservation and regulation tax; tax rate is reduced by 2 percentage points if drilling permit was issued after July 1, 1988. Tax is 6% for wells producing less than 25 barrels of oil per day or less than 200,000 cubic feet of gas per day; and 8% for certain off-shore and on-shore wells; occluded gas from coal seams is taxed at 4% of value for the first 5 years.
Alaska	Oil and Gas	Old crude oil is from wells in production prior to June 30, 1981. Modified gross value is gross value multiplied by economic adjustments factor. Oil producers are subject to a surcharge of 5¢ per barrel produced. Additional tax of \$.004 per barrel of oil and \$.00008 per MCF of gas is imposed.
Arizona	Minerals	Net revenue base is the greater of (1) the gross value of the product multiplied by the ratio of mining costs to production costs; or (2) 50% of the difference between the gross value of production and out-of-state production costs.
Arkansas	Gypsum Oil and Gas	If not used for or sold for manufacturing in Arkansas into ultimate consumer goods, chemical grade limestone, or silica sand. Plus an additional 25 mills per barrel and an additional 2¢ per barrel. Plus an additional tax of 30¢ per 1,000 barrels.
Colorado	All products Coal	A credit is allowed against severance taxes for which first severance was after 6/30/79, or for increased production after 6/30/80. The first 25,000 tons per quarter (8,000 tons after 6/30/2000) are exempt from tax. The tax rate will change by 1% for each 1.5% change in the U.S. Bureau of Labor Statistics Producer Price Index.
	Oil shale	The tax rate is 1% for the first year; 2% for the second year, 3% for the third year, and the full rate for the fourth and subsequent years. The first 15,000 tons per day of oil shale and 10,000 barrels per day are exempt.
Florida	Oil and Gas	Includes a conservation tax of .11% and additional surcharge of .02%.
	Oil Solid minerals	Tax rate is 5% for small wells and wells using tertiary methods of recovery. Tax on escaped oil is 20.5%. Clay, gravel, phosphate rock lime, shells, stone, sand, heavy minerals, and rare earths.
Idaho	Ores	Net value is determined by (1) gross value less all mining and processing costs and federal depletion allowance; or (2) gross value for federal royalty purposes less all costs of mining attributable to Idaho, less applicable portions of federal depletion allowance.
	Oil and gas	Additional taxes not to exceed \$.005 per barrel of oil and \$.0001 per MCF of gas may be imposed.
Kansas	Coal	Additional tax of \$50 plus tax of not less than 3¢ per ton but not more than 10¢ per ton is imposed.
Louisiana	Salt Gas	The rate is \$.005 per ton if used to manufacture other products. At 15.025 lbs. per sq. inch of pressure at 60 degrees F; from oil wells at less than 50 lbs. per sq. inch pressure, 3¢ per MCF; from wells incapable of producing an average of 250 MCF per day, \$.013 per MCF. Natural gas, casinghead gas, and other natural gas liquids, 7¢ per MCF.
	Oil	Includes distillate, condensate, or similar resources. The tax rate is 6.25% of market value from wells incapable of producing a minimum of 25 barrels per day on average.

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1991

State Notes (cont.)

Michigan	Oil and gas	An additional tax of 1% of cash value of all oil and gas produced in Michigan in the previous year is imposed. Rate is 4% on stripper wells producing less than 10 barrels per day on average and from marginal properties (production varies with depth of well).
Minnesota	Mining	Excludes sand, silica, gravel, crushed rock, building stone, limestone, granite, dimension granite, horticultural peat, clay, soil, iron ore, and taconite deposits.
Mississippi	Oil and gas	For wells drilled after March 15, 1987, but before July 1, 1990, if the value of oil is less than \$25 per barrel, the first 50 barrels of oil produced per day are exempt if the well is less than 12,000 feet deep. If the well is more than 12,000 feet deep, the first 100 barrels produced per day are exempt.
Montana	Coal	The first 20,000 tons produced in a calendar year are exempt if total annual production exceeds 50,000 tons. If annual production is less than 50,000 tons, all coal is exempt.
	Metalliferous minerals	Metals, precious and semi-precious stones.
	Oil	Rate is 2.5% from wells using tertiary recovery methods; 3% from stripper wells (first 5 barrels per day are exempt).
	Gas	Rate is 1.79% from wells producing less than 60 MCF per day in previous calendar year; rate on first 30 MCF is .2%.
	Coal, micaceous minerals, and cement	Additional tax of \$25 plus .5% of gross value (4% for talc) over \$5,000 is imposed.
Nevada	Oil and Gas	Additional tax of \$.05 per barrel of oil or per 50,000 cubic feet of natural gas plus \$50 drilling fee for each well.
	Minerals	Gross sales less costs for extraction, transportation to site of refining or sale, refining, marketing, maintenance, depreciation, insurance, development, and royalties.
New Hampshire	Refined petroleum products	Refined petroleum products include motor oil, kerosene, residual oil, fuel oil, gasoline, petroleum asphalts, road oils, and other distillates and petrochemicals produced from crude petroleum.
North Dakota	Oil and gas	The rate is 9% of market value for wells completed after April 27, 1987, or from wells using secondary and tertiary recovery methods.
Oklahoma	Oil and gas	Additional tax of 7¢ per MCF of natural gas or casinghead gas, less 7% of gross value of gas is imposed. Maximum tax is 33% of market value.
Oregon	Oil and gas	The first \$3,000 of gross sales from each well, per quarter, is exempt.
	Forest products	Includes additional taxes imposed during the period of 7/1/91 through 6/30/93 of 25¢ per 1,000 ft. additional privilege tax and 53¢ per 1,000 ft. additional harvest tax on forest products. An additional privilege tax of 31¢ is imposed to fund the Oregon Forest Resources Institute. Additional tax of 9% of market value of timber harvested from Eastern and Western Oregon.
Utah	Oil and gas	Beginning 1/1/92, the tax on oil will decrease to 3.2% on the first \$13 per barrel and 5.2% of market value from \$13.01 and above per barrel, the tax on natural gas is 3.2% of market value on first \$1.50 per MCF and 5.2% from \$1.51 and above per MCF, and the tax on natural gas liquids is 4.2% of market value.
Virginia	Pine lumber	Includes timber sold as logs and veneer logs.
West Virginia	Limestone and sandstone	The rate on limestone or sandstone and other natural resources increases to 4% on 7/1/92, 4.5% on 7/1/93, and 5% after 7/1/94.

Source: Commerce Clearing House, *State Tax Reporter* (Chicago, November 1991).

Table 40
State Property Tax Relief Programs: Summary
 (Generally, Laws in Effect for 1991)

State	State-Financed Circuit Breakers				Homestead Exemptions		
	Eligible Taxpayers	Number of Beneficiaries	Income Ceiling ^a	Average Benefit	Eligible Taxpayers	Number of Beneficiaries	Maximum Value of Exemption
Alabama					AH,B,D,EH	n.a.	4,000 AV (AH)
Alaska					DV,EHR,W	10,215	150,000 AV (AH)
Arizona	AR,EH	190,068	3,750/5,500 ^{b,c} EH 25,000 AR	80.97	D,W		See state notes, Table 42
Arkansas	EH	30,747	15,000	124.53	EH,V,W		See state notes, Table 42
California	B,DHR,EHR	216,628	13,200	92.18	AH,DV	4,708,612 (AH)	7,000 (AH), 100,000 AV (DV)
Colorado	DHR,EHR	41,294	7,500/11,200 ^b	272.00			
Connecticut	DHR,EHR	60,401	18,400/22,600 ^b	381.00	D,DV	262,402	\$1,000 AV (D), \$1,500-\$30,000 AV (DV)
Delaware			Locally financed		D,LIE	n.a.	Varies by county
District of Columbia	AHR,EHR, DHR,	26,902	20,000	329.00	AH	91,500	22,000 AV
Florida					AH	3,250,497	25,000 AV
Georgia					AH,LIE,V	n.a.	2,000 AV
Hawaii	AR	104,188	30,000	55.06	AH,B,D,DV,EH	170,000	40,000-120,000 AV
Idaho	B,D,DV,EH, O,W,	21,026	15,100	218.46	AH	n.a.	Lesser of 50% AV or \$50,000
Illinois	DHR,EHR	384,000	14,000	272.00	AH,DV,EH	3,142,832	3,500 AV (AH)
Indiana	EHR	n.a.	10,000	n.a.	AH,B,D,LIE,V	n.a.	4% of tax (AH) credit, not exemption
Iowa	DHR,EHR	42,755	14,000	279.97	AH,DV	690,575	4,850 AH, total (DV)
Kansas	D,EHR	46,625	15,000	158.12			
Kentucky					D,EH	n.a.	20,300 AV
Louisiana					AH	1,006,562	7,500 AV
Maine ^c	AHR/EHR	61,096	8,000-60,000	317.63	B,DV	43,308	5,000-47,500 AV, 4,000 (B)
Maryland	AH,ER	88,896	(Net worth 200,000)	550.07	B,DV	n.a.	6,000 AV (B), total (DV)
Massachusetts					AH,B,DV,EH,V	n.a.	20% AV (AH)
Michigan	AHR	1,535,800	82,650	503.68	DV	n.a.	Total
Minnesota	AHR	448,100	35,000 renters 60,000 homeowners	274.00	AH	1,045,394	n.a.
Mississippi					AH,D,EH	753,000	6,000 AV
Missouri	EHR	64,300	13,000/15,000 ^b	257.00			
Montana	EHR	16,490	None	217.51	DV,LI	9,369	80,000 (LI), total (DV)
Nebraska					D,DV,EH	51,934	35,000
Nevada	EHR	11,500	19,100	230.00	B,DV,O,V,W	n.a.	1,000 AV (W,O,V), 3,000 AV (B), 10,000 AV (DV)
New Hampshire					B,DV,EH	n.a.	5,000 AV (EH)
New Jersey	HR	2,000,000	100,000	n.a.	D,DV,EH,V,W	553,610	\$50 (V), \$250 (other eligible)

Table 40 (cont.)
State Property Tax Relief Programs: Summary
 (Generally, Laws in Effect for 1991)

State	State-Financed Circuit Breakers				Homestead Exemptions		
	Eligible Taxpayers	Number of Beneficiaries	Income Ceiling ^a	Average Benefit	Eligible Taxpayers	Number of Beneficiaries	Maximum Value of Exemption
New Mexico	EHR	27,535	16,000	141.74	AH,V	275,555	1,400 AV
New York	AHR	509,771	18,000	95.00	DV,EH,V	See state notes, Table 42	
North Carolina					D,DV,EH	154,175	12,000 AV (D,EH), 38,000 AV (DV)
North Dakota	DHR,EHR	8,800	13,000	283.00	B,D,DV	n.a.	5,000-10,000 AV
Ohio	D,EH	281,645	16,500	199.17			
Oklahoma	D,EH	3,625	10,000	118.06	AH,V	721,580	1,000 AV
Oregon	AHR	99,728	10,000	104.00	DV	n.a.	7,500 AV or 10,000 AV
Pennsylvania	DHR,EHR,W	450,000 ^d	15,000	318.97 ^e	B,D,DV	n.a.	Total
Rhode Island	DHR,EHR	3,015	12,500	179.83			
South Carolina					B,D,DV,EH	285,187	20,000 AV (B,D,EH), total (DV)
South Dakota	DHR,EHR	6,869	9,000/12,000	145.58			
Tennessee	D,DV,EH	78,342	9,200	88.17			
Texas					AH,D,DV,EH	n.a.	20% AV
Utah	EHR	17,788	16,450	106.85	B,DV	1,203	11,500 AV-Blind, 30,000-Disabled Veteran
Vermont	AHR	42,785	60,000	487.33	V	3,640	20,000 AV
Virginia					D,EH	n.a.	Local option
Washington	Locally financed; see state notes, Table 41				D,EH	91,505	34,000 AV or 50% of AV
West Virginia	EHR	n.a.	5,000	n.a.	D,EH	208,000	20,000 AV
Wisconsin	AHR	255,487	19,154	439.44	AH	1,200,000	8,200 AV
Wyoming	DHR,EHR	9,181	10,000/14,000 ^b	521.00	AH	n.a.	

^a For single persons.

^b Amounts are for single/married, except South Dakota, which are for single/multimember households.

^c A nonelderly credit was added in 1988.

^d Represents households, not individuals.

^e Includes property tax/rent rebate and inflation dividend per household.

^f Income ceiling applies only to elderly homeowners.

Key:

AHR—all homeowners and renters
 AH—all homeowners
 AR—all renters
 B—blind
 D—disabled homeowners
 DV—disabled veterans
 DHR—disabled homeowners and renters

EH—elderly homeowners
 EHR—elderly homeowners and renters
 ER—elderly renters
 LI—low-income
 LID—low-income disabled
 LIE—low-income elderly
 LIED—low-income elderly disabled

O—orphans
 V—veteran homesteaders
 W—widows or widowers
 AV—assessed value
 n.a.—not available

Source: ACIR staff compilations based on survey responses from state departments of revenue and on Tables 41 and 42.

Table 41
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1991)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (per capita) [total in 000s]
Arizona* 1990	1973 Revised: 1977, 1981, 1984, 1990	Homeowners 65 and over (27,378)	\$3,750/single \$5,500/married (excludes Social Security income)	Maximum tax credit is \$502 (indexed annually) for single taxpayers earning less than \$1,750 and married taxpayers earning less than \$2,500. Minimum tax credit is \$56 with an income ceiling of \$3,750 for single and \$5,500 for married taxpayers. Social Security payments are exempted from income limits.	State income tax credit or rebate	Homeowners \$258.09 (\$1.72) [\$6,292]
		Renters (170,690)	\$25,000	Tax credit allowed on 5% of rent. Maximum credit \$55.		Renters \$53.30 (\$2.48) [\$9,098]
Arkansas 1991	1973 Revised: 1975, 1983, 1987, 1989, 1991	Homeowners 62 and over, widows 62 and over (30,747)	\$15,000 (WWI veterans and widows exclude all Social Security and retirement income)	Relief based on amount that property taxes exceed various percentages of household income, based on income size. Maximum relief ranges from \$250 if income is \$7,000 or less to \$50 if income is between \$11,000 and \$15,000.	State rebate	\$124.53 (\$1.58) [\$3,800]
California 1990	1967 Revised: 1971, 1973, 1977, 1978, 1979, 1984, 1989	Homeowners and renters 62 and over, totally disabled, or blind Homeowners (34,661) Renters (181,967)	\$13,200 total household income; \$24,000 gross household income	Homeowner relief ranges from 96% of tax payment on first \$34,000 of full value if net household income is not over \$3,300 to 4% of tax payment if net household income is not over \$13,200. Renter relief is based on household income and a statutory property tax equivalent of \$250. Relief also ranges from 96% of the property tax equivalent to 4% of property tax equivalent for same income brackets as homeowners.	State rebate	Homeowners \$92.17 (\$1.11) [\$3,195] Renters \$92.19 (\$1.58) [\$16,775]
Colorado FY 1989-90	1971 Revised: 1972, 1973, 1974, 1975, 1977, 1978, 1980, 1991	Homeowners and renters 65 and over, disabled or surviving spouse 58 and over (41,294)	\$7,500/single \$11,200/married	Relief cannot exceed \$500 and is equal to \$500 reduced by 20% of income over \$5,000 for individuals and 20% of income over \$8,700 for married couples. Heating assistance relief cannot exceed \$160 and is based on the same income and percentage levels stated above. (20% of rent equals tax equivalent)	State rebate	\$272 (\$10.82) [\$36,543]
Connecticut* 1991	1974 Revised: 1980, 1981, 1984, 1985	Homeowners and renters 65 and over, surviving spouse 50 and over, and totally disabled Homeowners (26,257) Renters (34,144)	\$18,400/single \$22,600/married	Homeowners: Provides for a property tax reduction based on a graduated percentage of the real property tax, with a maximum benefit of \$1,250 for a married couple, \$1,000 for an unmarried individual. Renters: Expenses exceeding 5% of income. Maximum benefit ranges up to \$900 for a married couple and \$700 for an unmarried individual. (35% of rent and utilities equals tax equivalent)	Reduction in tax bill or state rebate	Homeowners \$383 n.a. [\$10,056] Renters \$379 n.a. [\$10,024]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1991)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (per capita) [total in 000s]
District of Columbia 1989	1974 Revised: 1977	Nonelderly homeowners and renters (15,043)	\$20,000	Relief takes the form of a variable credit ranging from 95% of tax in excess of 1.5% of income for incomes less than \$3,000 to 75% of tax in excess of 4% of income for incomes between \$15,000 and \$20,000. Maximum credit \$750. (15% of rent equals tax equivalent)	Income tax credit	\$292 n.a. [\$34,386]
		Elderly, blind, or disabled homeowners and renters (11,859)	\$20,000	Credit is based on amount of property tax paid in excess of various percentages of household gross income. Credit ranges from taxes paid in excess of 1% of gross household income if income is under \$5,000 to taxes paid in excess of 2.5% of income for incomes between \$15,000 and \$20,000. Maximum credit is \$750. (15% of rent equals tax equivalent)	Income tax credit	\$377 n.a. [\$4,468]
Hawaii* 1989	1977 Revised: 1981, 1984, 1989, 1990	All renters (104,188)	\$30,000	Taxpayers with AGI under \$30,000 who have paid more than \$1,000 in rent qualify for a tax credit or refund of \$50 per qualified exemption. Taxpayers 65 and over may claim double tax credits.	Income tax credit	\$55.06 (\$5.16) [\$5,737]
Idaho 1991	1974 Revised: 1976, 1978, 1980, 1982, 1991	Homeowners age 65 and over, widows, widowers, former POWs, blind, disabled, fatherless children under 18 (21,026)	\$15,100 (exclude capital gains income)	Relief ranges from lesser of \$400 or actual taxes for those with incomes \$6,060 or less, to the lesser of \$50 or taxes for those with incomes less than \$15,100. Brackets adjusted annually with COLA based on Social Security increase.	Reduction of tax bill	\$218.46 (\$4.56) [\$4,593]
Illinois* FY 1990	1972 Revised: 1974, 1975, 1977, 1981, 1982, 1984, 1985, 1987, 1988, 1989, 1990	Homeowners and renters 65 and over or disabled (384,000)	\$14,000	Relief based on amount by which property tax (or rent equivalent) exceeds 3.5% of household income. Relief limit is \$700 less 4.5% of household income. An additional grant is provided regardless of the amount of property tax or rent payments. The additional grant is \$80. (30% of rent equals tax equivalent)	State rebate	\$272 (\$9.13) [\$104,354]
Indiana* 1991	1985	Elderly homeowners and renters	\$10,000	If only one spouse qualifies, credit ranges from \$40 for federal AGI between \$3,000 and \$10,000, to \$100 for AGI less than \$1,000. If both qualify, credit ranges from \$80 to \$140.	Income tax credit	
Iowa 1990	1973 Revised: 1975, 1977-81, 1983, 1988	Homeowners and renters 65 and over, surviving spouse 56 or older, and totally disabled (45,370)	\$12,000	Relief ranges from 100% of property tax or rent equivalent for incomes below \$6,000 to 25% for incomes \$12,000 to \$14,000. Property taxes or rent equivalent are limited to \$1,000 for calculating relief. In addition, all homeowners receive a state-financed homestead tax exemption of \$4,850. However, homestead assistance must be deducted from elderly credit program. (27.5% of rent equals tax equivalent)	State-funded credit against taxes at the local level; renters receive reimbursement from state	\$251.14 n.a. [\$10,737]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1991)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (per capita) [total in 000s]
Kansas* 1990	1970 Revised: 1972, 1973, 1975, 1978, 1983, 1989, 1990	Homeowners and renters 55 and over, disabled, blind having a dependent or child under 18 (50,397)	Effective ceiling is \$15,000. No refunds of less than \$5.	Relief is dependent on income level with various percent- ages of income plus a statutory dollar amount subtracted from property tax to determine refund. Deductions range from 0% for incomes below \$3,000 to 4.5% plus \$130 for incomes above \$7,000. Property taxes are limited to \$500 for calculating relief. (15% of rent equals tax equivalent)	State rebate	\$176.77 (\$3.55) [\$8,909]
Maine FY 1991	1971 Revised: 1973, 1974, 1977, 1981, 1985, 1988	Homeowners and renters 62 and over, disabled surviving spouse 55 and over (21,225) Other homeowners and renters (39,871)	\$7,400/single \$9,200/married (gift, inheritance, and life insurance, exempt) \$28,000 other	<i>Elderly:</i> Relief equal to amount of tax up to \$400. (25% of rent equals tax equivalent) <i>General:</i> Relief equal to amount of tax up to \$250. (15% of rent equals tax equivalent)	State rebate	<i>Elderly</i> \$263.60 (\$5.54) [\$6,582] <i>General</i> \$116.85 (\$2.31) [\$2,742]
Maryland* FY 1991	1975 Revised: 1977, 1981, 1983, 1985, 1986, 1989	All homeowners (76,670) Renters age 60 and over or disabled (12,226)	None (net worth \$200,000)	<i>Homeowners</i> relief equals property tax exceeding sum of graduated percentage of income ranging from 0% of first \$4,000 of household income to 9% of income over \$16,000. <i>Renters'</i> relief, not to exceed \$600, equals amount by which 15% of individual rent exceeds the same graduated per- centage of income as homeowners relief.	<i>Homeowners:</i> Credit against property tax bill <i>Renters:</i> direct payment	<i>Homeowners</i> \$593.45 (\$9.69) [\$45,000] <i>Renters</i> \$278 (\$.73) [\$3,397]
Michigan 1990	1973 Revised: 1975, 1982	All homeowners and renters (1,535,800)	\$82,650	Credit equals 60% of property taxes in excess of 3.5% of income (100% of a lower percentage of income for elder- ly). Maximum relief is \$1,200.	State income tax credit or rebate	\$503.68 (\$83.42) [\$773,555]
Minnesota* FY 1991	1967 Revised Periodically: 1973-89	All homeowners and renters (448,100)	\$60,000 homeowners \$35,000 renters	Tax exceeding various percentages of income is refunded up to a \$1,000 maximum for renters and \$400 maximum for homeowners. Seniors and filers with dependents are allowed a deduction from income in computing the refund.	State refund	\$274.00 (\$28.07) [\$122,800]
Missouri 1992	1973 Revised: 1975, 1977, 1979, 1983, 1985, 1988	Homeowners and renters 65 and over (64,300)	\$13,000/single \$15,000/married	For incomes not over \$5,000 the credit is equal to actual property tax or rent equivalent paid up to \$750. The \$5,000 minimum base will be increased by the same percentage increase in the general price level as measured by the CPI.	State income tax credit or rebate	\$257 n.a. [\$16,500]
Montana 1990	1981 Revised: 1983, 1987, 1989	Homeowners and renters 62 and over (16,490)	None	Credit is based on a percentage ranging from 0.006-0.05 mul- tiplied by household income and then subtracted from prop- erty tax liability or rent equivalent. Household income means \$0 or amount obtained by subtracting the greater of \$4,000 or 50% of total retirement benefits from gross household in- come. Maximum credit is \$400. (15% of rent equals tax equivalent)	Income tax credit	\$217.51 (\$4.49) [\$3,587]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1991)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (per capita) [total in 000s]
Nevada* 1991	1973 Revised: 1975, 1977, 1979, 1981, 1983, 1985, 1987, 1989, 1991	Homeowners and renters 62 and over (11,500)	\$19,100* (excludes income of certain gifts of \$300 or less and up to \$5,000 of life insurance)	Relief ranges from 90% of property tax for incomes less than \$8,000 to 10% for incomes between \$17,001 and \$19,100. Maximum relief is \$500. (8.5% of rent equals tax equivalent)	State rebate	\$230 (\$1.62) [\$1,800]
New Jersey ^{2*} 1990	1990	Homeowners and renters (n.a.)	\$100,000	For married, joint filers with incomes under \$70,000 and single filers with incomes under \$35,000, property taxes limited to 5% of personal income up to \$500. Regardless of the 5% measurement criteria, homeowners with incomes between \$70,000 and \$100,000 are entitled to a minimum benefit in the form of a flat rebate of \$100. (18% of rent equals tax equivalent)	State rebate of local property taxes paid	n.a. n.a. n.a.
New Mexico 1991	1977 Revised: 1981, 1988	Homeowners and renters 65 and over (27,535)	\$16,000	The amount of credit allowed is based on a schedule for various modified gross income classes. The credit is the difference between actual property tax liability and this maximum amount, not to exceed \$250. The maximum liability ranges from \$20 for MGI of \$1,000 or less to \$180 for MGI of \$15,000 to \$16,000.	State income tax rebate	\$141.74 (\$2.55) [\$3,903]
New York* 1989	1978 Revised: 1981, 1982, 1985	All homeowners and renters (509,771)	\$18,000	Relief is equal to 50% of the difference between real property tax and a certain percentage of income. The percentage of income ranges from 3.5% for taxpayers 65 and over with \$3,000 or less to 6.5% for taxpayers (all ages) with income over \$14,000 but not over \$18,000. The maximum credit ranges from \$375 for taxpayers 65 and over with income of \$1,000 or less to \$41 for taxpayers under 65 with income over \$17,000 but not over \$18,000. (25% of rent equals tax equivalent)	State income tax credit or rebate	\$95 n.a. [48,000]
North Dakota* FY 1991	1969 Revised: 1973, 1975, 1977, 1979, 1981, 1983, 1985, 1989, 1991	Homeowners age 65 and over or disabled (7,202) Renters 65 and over or disabled (1,603)	\$13,000 \$13,000	<i>Homeowners:</i> For persons with income under \$7,000, the taxable value of the homestead is reduced 100% (maximum reduction, \$2,000). For persons with incomes between \$7,000 and \$13,000 the reduction in taxable value varies. Relief ranges from an 80% reduction for income between \$7,000 and \$8,500, with a maximum reduction of \$1,600 to a 20% reduction for incomes between \$11,500 and \$13,000, with a maximum reduction of \$400. <i>Renters:</i> Property tax in excess of 4% of income is refunded. Maximum relief is \$230. (20% of rent equals tax equivalent)	Reduction of tax bill State rebate	<i>Homeowners</i> \$325.17 (\$3.67) [\$2,342] <i>Renters</i> \$93.55 (\$0.23) [\$150]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1991)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (per capita) [total in 000s]
Ohio* 1991	1971 Revised: 1972, 1973, 1975, 1977, 1979, 1988, 1991	Homeowners 65 and over or disabled, widows and widowers (281,645)	\$16,500 (excludes income from military disability and some Social Security)	Benefits range from reduction of 75% or \$5,000 assessed value (whichever is less) for incomes below \$6,500 to 25% or \$1,000 for incomes between \$11,500 and \$16,500.	Reduction of tax bill	\$199.17 (\$5.17) [\$6,094]
Oklahoma 1990	1974 Revised: 1979, 1980, 1984, 1988	Homeowners 65 and over or disabled (3,625)	\$10,000	Relief equal to property taxes due in excess of 1% of household income, not to exceed \$200. In addition, homeowners with household incomes of \$10,000 or less receive a double homestead exemption (\$2,000).	State income tax credit or rebate	\$118.06 (\$0.13) [\$428]
Oregon* 1990	1971 Revised: 1973, 1977, 1979, 1985, 1986, 1991	All homeowners and renters; HARRP (99,728)	\$10,000 (allows adjustments listed on lines 25-29 on Form 1040 and excludes home medical care benefits)	Homeowners and Renters Relief Program (HARRP) Refund of all property taxes up to various maximums that depend on income. <i>Homeowners</i> : maximums range from \$500 if household income is under \$500 to \$36 if household income is \$9,500 to \$9,999. <i>Renters</i> : maximums range from \$250 if household income is under \$500 to \$18 if household income is \$9,500 to \$9,999. (17% of rent equals tax equivalent)	State rebate	\$104 (\$3.64) [\$10,366]
Pennsylvania 1989	1971 Revised: 1973, 1979, 1981, 1985	Homeowners and renters 65 and over or disabled 18 and over, widows and widowers 50 and over (450,000) households	\$15,000 (excludes income from some gifts and life insurance death benefits under \$5,000)	Relief ranges from 100% of tax for incomes less than \$5,500 (maximum relief, \$500) to 10% of tax for incomes greater than \$13,000. (20% of rent equals tax equivalent) Eligible recipients also receive an inflation dividend ranging from \$125 for claimants with household income less than \$5,000 to \$20 for claimants with household income between \$13,000 and \$15,000.	State rebate	<i>Homeowners and Renters</i> \$255.40/ household [\$114,029] Inflation Dividend \$63.57 [\$28,362]
Rhode Island 1991	1977 Revised: 1988	Homeowners and renters, 65 and over, or disabled (3,015)	\$12,500	The credit equals the amount by which property taxes paid exceed various percentages of household income. A table is provided based on income and household size. The credit ranges from taxes paid in excess of 3% of household income for taxpayers with income of less than \$4,000 to taxes paid in excess of 6% of household income for two or more person households with income between \$11,001 and \$12,500. The maximum credit or rebate is \$200. (20% of rent equals tax equivalent.)	State income tax credit or direct rebate	\$179.83 (\$55) [\$542]
South Dakota* FY 1991	1976 Revised: 1978, 1982, 1988	Homeowners and renters 65 and over, disabled homeowners and renters (6,869) (417 received property tax refund; 6,452 a sales tax refund)	\$9,000 (single-member household) \$12,000 (multimember household)	Refund is based on a percentage of real estate tax according to income. For single-member households the percentage refunded ranges from 35% of tax if household income is less than \$2,750 to 11% if income is between \$2,750 and \$9,000. For multimember households, refunds range from 55% of tax if income is less than \$5,500 to 19% if income is between \$5,500 and \$12,000.	State rebate	\$145.58 (\$0.71) [\$1,000]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1991)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (per capita) (total in 000s)
Tennessee* FY 1991	1973 Revised: 1974, 1976, 1978-81, 1983, 1984, 1985, 1988	Elderly and disabled homeowners, certain disabled veteran homeowners and their surviving spouses (78,342)	Elderly and disabled \$9,200; disabled veterans and their surviving spouses n.a.	Eligible elderly and disabled homeowners are reimbursed for taxes paid on the first \$15,000 of full market value. Eligible disabled veterans and their surviving spouses are reimbursed for taxes paid on the first \$120,000 of full market value.	State rebate	\$88.17 n.a. [\$9,447]
Utah* 1991	1977 Revised; 1987, 1988, 1989, 1991	Homeowners and renters 65 and over, widowed persons (17,788)	\$16,450	Homeowner rebates range from \$425 for incomes under \$5,600 to \$50 for incomes between \$14,801 to \$16,450. Renters receive between 2.5%-9.5% of rent as credit for the previous year within the same income limits. Not to exceed \$425.	State rebate	\$218.92 (\$2.23) [\$3,894]
Vermont 1991	1969 Revised: 1971, 1973, 1983, 1985, 1991	All homeowners and renters (full-year residents) (42,785)	\$60,000	Refund of taxes exceeding variable percentage of income ranging from 3.5% for incomes less than \$4,000 to 5% for incomes of \$12,000 or more. (24% of rent equals tax equivalent)	State rebate (or income tax credit for elderly)	\$487.33 (\$36.90) [\$20,800]
Washington*	See notes					
West Virginia 1991	1972	Homeowners and renters age 65 and over (26)	\$5,000	Relief ranges from 30-75% of taxes exceeding a given percentage of income. These percentages range from 0.5% to 4.5%, with graduated income brackets ranging from \$0-\$500 to \$4,501-\$5,000, including any public assistance or private disability benefits. (12% of rent equals tax equivalent; not more than \$125 considered for relief)	State rebate	n.a. n.a. n.a.
Wisconsin* FY 1991	1964 Revised: 1971, 1973, 1977, 1979, 1981, 1983, 1984, 1986, 1989	All homeowners and renters (255,487)	\$19,154	If household income was more than \$8,000, excess taxes are taxes above 13% of income exceeding \$8,000. Tax credit equals 80% of excess tax. If household income was \$8,000 or less, credit equals 80% of total tax. In all cases, aidable property taxes cannot exceed \$1,450. (In computing household income, a claimant may deduct \$250 for each dependent who lives with the claimant.) (25% of rent equals tax equivalent; 20% if landlord pays heat bill)	State income tax credit or rebate	\$439.44 (\$22.96) [\$112,273]
Wyoming FY 1992	1975 Revised: 1977-82, 1984	All taxpayers over 65 and totally disabled (9,181)	\$10,000/single \$14,000/married	Refund based on income level with \$630 maximum for singles and \$723 maximum for married.	State refund	\$521.00 n.a. n.a.

Note: Circuit breaker property tax relief programs for homeowners and renters are generally defined as state-funded programs that target property tax relief to selected income groups or senior citizens and take the form of a state income tax credit, a direct payment to qualified individuals, or a state payment to the local government that lost tax revenue. Homestead exemptions may be state or locally financed and operate by subtracting a given dollar amount from assessed valuation before computing the tax liability and are often available to all homeowners (or just senior citizen homeowners) regardless of income.

n.a.—not available

¹ For each state, the number of beneficiaries and cost data are for the time period indicated.

² Not surveyed.

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1991)

***State Notes**

Arizona	The renters' credit was phased out in 1991.	New Jersey	The Homestead Property Tax Rebate Program replaces former property tax relief programs.
Connecticut	Numerical data (e.g., number of beneficiaries) refers to FY 1991; however, the description of the program and income ceilings refer to current law. Municipalities may grant totally disabled and elderly additional tax relief if total (state and municipal) tax relief does not exceed 100% of the tax otherwise due.	New York	The low-income renters' credit does not apply to renters in public subsidized housing.
Hawaii	The low-income renters' credit does not apply to renters in public subsidized housing. The description of the program and income ceiling refer to current law.	North Dakota	State has separate program that lowers the taxable value for low-income elderly homeowners by as much as \$2,000. In determining a person's income for eligibility, the amount of medical expenses incurred and not compensated shall be deducted.
Illinois	Claimants who turn 65 in the year in which the claim is filed are eligible for a prorated grant. A widow or widower who turned 63 before the deceased claimant's death is eligible for benefits.	Ohio	Numerical data (e.g., number of beneficiaries) refers to 1989; however, the description of the program and income ceilings refer to current law.
Indiana	The state also offers a program for all renters, which provides for a maximum \$1,500 deduction on state income taxes.	Oregon	Low-income senior citizens (age 58 and over with income under \$10,000) are provided optional rental and utility assistance.
Kansas	An alternative refund is available for property tax years 1989 and 1990 (only) for taxpayers who have experienced an increase in property taxes between 1988 and 1989 because of statewide mass reappraisal. The criteria for this refund are household income not over \$35,000 for appropriate calendar year, and property taxes in 1989 exceed those in 1988 by at least 50%. For 1989, the refund amount is the lesser of 50% of the difference in the taxes or \$500. For 1990, the amount of refund is the lesser of 25% of the difference in the taxes or \$250.	South Dakota	The number of beneficiaries, average benefits, and cost data are for property or sales tax refunds to the elderly or disabled. Age and income requirements are the same for both programs. Applicants may receive either a property or a sales tax refund. The Department of Revenue processes the claims for both programs and refunds whichever is to the applicant's advantage.
Minnesota	A separate credit is allowed to homeowners with a tax increase of more than 10% over the previous year. For taxes payable in 1992, the credit is 75% of the first \$275 increase over 10% plus 90% of the increase over \$275. The minimum increase is \$60.	Tennessee	Certain individuals receive relief from two sources, producing 107,090 claims.
Nevada	Claimants may not own Nevada realty, other than their own home, assessed at over \$30,000. Claimants must be residents of the state when application is filed. Homeowners must own their home and maintain it as their primary residence for at least six months preceding the filing of their claim. Renters must rent and maintain their primary residence in Nevada for at least six months of the preceding calendar year.	Utah	Starting 1/1/90, the household income and credit shall be adjusted for COLA. Cost and benefit figures are for 1991. Other county-financed programs exist for veterans, blind, and indigent persons.
		Washington	Uses a cross between a circuit breaker and a homestead exemption, which allows senior citizens and disabled homeowners with incomes less than \$15,000 to receive a valuation exemption of \$34,000 or 50%, whichever is more. Taxpayers with incomes between \$15,000 and \$18,000 receive an exemption of \$30,000, or 30% of total value of residence up to a maximum of \$50,000 exempted. All special excess property tax levies also are exempted for households with less than \$26,000 income.
		Wisconsin	Numerical data (e.g., number of beneficiaries, average benefit) refer to FY 1991. However, the description of the program and income ceilings refer to claims for 1990 and after, that are filed in 1991 and thereafter.

Source: ACIR staff compilation based on information from state departments of revenue (Winter 1992), and Commerce Clearing House, *State Tax Guide* (Chicago, 1991). See also Tables 40 and 42.

Table 42
State Property Tax Homestead Exemptions and Credits, 1991

State ¹	Eligible Homesteaders (number receiving exemption)	Maximum Value of Exemption (average benefit)	Total Revenue Loss (000s)	State Reimbursement of Local Government (cost, 000s)
Alabama* 1991	All Elderly, blind, and disabled with AGI under \$12,000 Elderly with AGI under \$7,500 (n.a.)	\$4,000 AV on state taxes, \$2,000 AV on county taxes Total exemption from state taxes, \$5,000 AV on county and school district taxes Total exemption of homestead on all taxes	n.a.	None
Alaska 1991	Homeowners 65 and over, widows or widowers 60 and over or disabled veterans (9,247) Renters with identical characteristics as homeowners (969)	\$150,000 AV (1,037) See note (767)	\$9,585 n.a.	(\$2,558) (\$743) Reimbursement directly to applicant
Arizona* 1990	Veterans, widows, widowers, disabled	\$2,340 (1,852)	\$162,744	None
Arkansas* 1991	Disabled veterans, unremarried surviving spouses, and minor dependent children	Entire homestead and personal property	n.a.	n.a.
California* PTY 1991-92	All (4,700,000) Disabled veterans and dependents (8,612)	\$7,000 of full cash value if owner-occupied principal residence \$100,000 AV	\$3,290,000 \$4,625	Full (\$3,290,000) None
Connecticut* 1991	Disabled (11,107) Disabled veterans and dependents (251,295)	\$1,000 AV \$1,500—\$30,000 depending on disability	\$500 \$18,022	\$500 Partial (\$8,670)
Delaware 1989	Elderly or totally disabled homeowners Kent County—income \$7,000 or less; \$13,350 joint New Castle County—income \$11,000 or less; \$19,000 joint Sussex County—income \$6,000 or less, \$7,500 joint (n.a.)	Kent County—\$18,000 AV New Castle County—\$32,000 AV Sussex County—\$12,500 AV	n.a.	n.a.
District of Columbia 1989	All owner-occupants with not more than 5 dwelling units (91,500)	\$30,000 AV (268.40)	\$21,758	n.a.
Florida* 1991	All (3,250,497)	\$25,000 AV Up to value of \$500; total exemption for some disabled	\$1,700,000	None
Georgia 1990	All Elderly 62 and over with income less than \$10,000 Disabled veterans and dependents (n.a.)	\$2,000 AV \$4,000 AV, \$10,000 AV on local education assessment \$38,000 AV	n.a.	None

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits, 1991

State ¹	Eligible Homesteaders (number receiving exemption)	Maximum Value of Exemption (average benefit)	Total Revenue Loss (000s)	State Reimbursement of Local Government (cost, 000s)
Hawaii 1989	All Elderly Blind, disabled, and Hansen's disease sufferers Disabled veterans and dependents (n.a.)	\$40,000 AV on owner-occupied principal home Aged 55-70: \$40,000 AV, Aged 70+ \$120,000 AV \$25,000 Total exemption if owner-occupied	n.a.	None (local option)
Idaho* 1991	All owner-occupied structures (n.a.)	\$50,000 AV or 50% AV, whichever is less	None	None
Illinois* FY 1989	All owner-occupied residences Elderly owner-occupants Disabled veterans with specially adapted housing Total (3,142,832)	\$3,500 AV \$2,000 AV \$50,000 AV \$30,000 AV Homestead improvement—up to \$30,000 increase in AV caused by new improvement for 4-year period	\$451,498	None
Indiana 1991	All (principal residence and 1 acre surrounding) Mortgage or contract buyers Elderly with AGI less than \$15,000 and real property AV less than \$19,000 Blind or disabled with taxable gross income less than \$13,000 Veterans WWI veterans with income less than \$16,000 and real property AV \$3,000	Credit of 4% of property tax liability (\$26 million) Least of (1) balance of mortgage or contract indebtedness, (2) 1/2 total AV, or (3) \$1,000 Lesser of \$1,000 AV or 1/2 AV \$2,000 AV \$2,000-4,000 AV	\$274,501	None
Iowa FY 1991	All Disabled veterans with income less than \$25,000 (690,575)	\$4,850 of actual value; minimum credit of \$62.50 Full exemption Average benefit \$153.36	\$99,613	Full (\$99,613)
Kentucky* 1989	Elderly and disabled (n.a.)	\$20,300 AV	\$9,711	None
Louisiana* 1991	All homesteads not exceeding 160 acres (1,006,562)	\$7,500 AV	\$438,494	Parish formula based 80% on population, 20% on number of homesteads. (\$90 million)
Maine 1991	Estates of veterans age 62 or 100% disabled and their de- pendents (41,851) Blind (1,457)	WWI veterans \$7,000 AV, paraplegics \$47,500 AV, other vet- erans \$5,000 AV Blind \$4,000 AV	\$3,737 \$87	Partial (\$487,500)
Maryland 1989	Blind 100% permanently disabled veterans (n.a.)	\$6,000 AV Total exemption	n.a.	Partial state reimburse- ment of 75%

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits, 1991

State ¹	Eligible Homesteaders (number receiving exemption)	Maximum Value of Exemption (average benefit)	Total Revenue Loss (000s)	State Reimbursement of Local Government (cost, 000s)
Massachusetts* 1989	All Elderly (over age 70) owner-occupants with home value less than \$20,000 (\$40,000 for local exemptions by cities and towns) and surviving spouses and minors (15,465) Certain veterans, disabled veterans, and dependents (50,510) Blind (4,089) Surviving spouses and minors of a police officer or fire fighter killed in the line of duty (208) Additional for certain elderly (29,811) Paraplegics (666) Hardship (1,868)	With city or town approval, 20% of average AV deducted on principal residence \$2,000 in value or \$175 in taxes, whichever is greater \$2,000-10,000 or \$175-875 in taxes, whichever is greater (depending on disability), paraplegic veterans or surviving spouses receive a total exemption \$5,000 in value or \$437.50 (\$500 if locally approved) in taxes, whichever is greater Total exemption Maximum \$500 Full Based on assessor's judgment	n.a.	Partial: The state reimbursement for elderly exemptions (\$500) is \$15 million The state reimbursement for veterans, paraplegics, the blind, surviving spouses, and the elderly (\$175) is \$5.2 million
Michigan 1989	Disabled veterans with specially adapted housing	Total exemption	n.a.	None
Minnesota* 1991	All (1,045,394)	Homestead aid to local governments (n.a.)	n.a.	Full (\$497,000)
Mississippi 1990	All (753,000) Disabled and elderly homeowners	\$5,850 AV — Exemption based on sliding scale amount equal to approximately 40 mills times total AV not to exceed \$240 \$6,000 AV	\$110,387	Partial (\$67,700)
Montana* 1990	Low-income persons with AGI of not more than \$11,921 single or \$14,305 joint, and residences of totally disabled or deceased veterans with AGI not more than \$15,000 single or \$18,000 joint (9,369)	\$80,000 AV for low-income individuals Total exemption for certain disabled veterans	\$1,400	None
Nebraska* 1991	Elderly homeowners Disabled Veteran disabled by a nonservice connected accident or illness Totally disabled veteran and unremarried surviving spouse (51,934)	100% of actual value up to \$35,000 for household incomes of \$10,400 or less Same as above Same as above 100% of actual value up to \$35,000 for household incomes of \$15,000 or less (5564)	\$29,300	Full (\$29,300)
Nevada 1989	Widows, orphans, veterans Blind Disabled veterans	\$1,000 AV \$3,000 AV \$10,000 AV	n.a.	n.a.

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits, 1991

State ¹	Eligible Homesteaders (number receiving exemption)	Maximum Value of Exemption (average benefit)	Total Revenue Loss (000s)	State Reimbursement of Local Government (cost, 000s)
New Hampshire* 1991	Elderly (68 or over) with net assets less than \$35,000 and net income less than \$5,000 (\$6,000 if married)* Blind Disabled veterans and dependents	\$5,000 AV (ages 65-75) \$10,000 AV (ages 75-80) \$20,000 AV (ages 80 or older) \$15,000 in value \$100-1,400 in taxes; total exemption for specially adapted homesteads	n.a.	n.a.
New Jersey* 1991	Elderly, disabled, and surviving spouse Veterans (553,610) 100% permanently disabled veteran	\$250 property tax deduction or rebate \$50 property tax deduction or rebate Total exemption	\$59,583	Full ((\$59,583)) None
New Mexico* 1986	All heads of household (209,580) Veterans and unmarried surviving spouse (65,975)	\$1,400 AV ((\$6.71)) \$2,000 AV ((\$67.17))	\$5,200 est. \$3,200	None
New York*	Elderly, veterans, disabled veterans			
North Carolina* FY 1990-91	Elderly and/or disabled owner-occupants with disposable income not exceeding \$11,000 (154,175) Disabled veterans and dependents	\$12,000 AV \$124 average benefit for homestead exemption does not include \$38,000 exclusion \$38,000 AV	\$19,072	50% of revenue loss ((\$9,536))
North Dakota* 1990	Blind, disabled, disabled veterans	\$5,000-10,000 taxable value	n.a.	None
Oklahoma 1991	All (686,314) Heads of household with gross income \$10,000 or less (35,266)	\$1,000 AV ((\$79.02)) Additional \$1,000 AV ((\$68.05))	\$54,239 \$2,400	None Full ((\$2,400))
Oregon 1990	Disabled veterans or widows of veterans Service-connected disabled veterans or widows	\$7,500 AV \$10,000 AV	n.a.	None
Pennsylvania* 1989	Paraplegic, blind, amputee, or disabled veterans	Total exemption	n.a.	None
Rhode Island*	Veterans Totally disabled veterans Prisoner of war Gold Star Parents	\$1,000 AV \$2,000 AV \$15,000 AV \$3,000 AV		
South Carolina 1991	Elderly, blind, and disabled Paraplegics and disabled veterans (285,187)	\$20,000 fair market value Total exemption of dwelling house and lot (not to exceed 1 acre) ((\$160))	\$37,650	Full ((\$37,650))

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits, 1991

State ¹	Eligible Homesteaders (number receiving exemption)	Maximum Value of Exemption (average benefit)	Total Revenue Loss (000s)	State Reimbursement of Local Government (cost, 000s)
Texas* 1990	All, elderly, disabled veterans, and disabled	School districts have a mandatory \$5,000 homestead exemption. Local option 20% of appraised value (minimum \$5,000) may be offered by any taxing unit. School districts have an additional mandatory \$10,000 exemption to those 65 and over or disabled. Local option at least \$3,000 to 65 and over or disabled may be offered by any local taxing unit.	School districts lost \$1,169,665	None
Utah 1990	Disabled veterans, blind or their unremarried surviving spouse or minor orphans (1,468)	\$11,500 AV real and personal property Veterans personal, real; business \$30,000 maximum, based on percentage of disability	\$1,847	None
Vermont 1991	Veterans of American Wars and their widows Veterans with at least 50% disability and their dependents Veterans receiving war-time dependent and indemnity compensation, wartime death compensation or a pension for disability (3,640)	\$10,000 exemption value of owner-occupied real and personal property	\$1,000	None
Virginia* 1990	Elderly or disabled owner-occupants with total combined income not exceeding \$30,000 and combined net worth (excluding the value of the dwelling and 1 acre of land) not exceeding \$75,000 (n.a.)	Counties, cities, and towns are authorized to provide deferrals or exemptions of realty taxes	n.a.	None (local option)
Washington 1991	Elderly (61 and over) and disabled with income restrictions (91,505)	Special levies: 100% exemption for households with income of \$26,000 or less Regular levies: income up to \$15,000—1st \$34,000 AV or 50% of total AV is exempt, whichever is more Income \$15,001-18,000—1st \$30,000 AV or 30% of total AV up to maximum of \$50,000 is exempt (\$428)	\$39,200	None
West Virginia 1991	Elderly and disabled owner-occupants	First \$20,000 AV	\$25,829	None
Wisconsin* FY 1992	All homeowners (1,200,000)	School tax rate times the 1st \$8,200 of value of owner-occupied residential property (142)	\$177,600	Full (177,600)
Wyoming* 1992	All homesteads with AV less than \$5,850 but more than \$3,900 AV under \$13,900	Credit up to \$590 Credit up to \$1,400	\$ 0 in FY 1992 because of funding statute	None

Note: This table records the exemptions from property tax provided to homesteaders, homeowners, and owners of residential property. Although variations exist, homestead exemptions generally reduce by a certain amount (sometimes all) the assessed valuation of a homestead to which the property tax is applied. The exemption may be restricted, e.g., to certain classes of beneficiaries, owner-occupants, or those with income below specified limits. Tax deferral programs and exemptions for new construction or rehabilitation have not been included in the table.

¹The number of beneficiaries and cost data are for the time period indicated.

AV—assessed value

AGI—adjusted gross income

Disabled—permanently and totally disabled unless otherwise noted

Elderly—65 and over unless otherwise noted

n.a.—not available

Table 42 (cont.)

State Property Tax Homestead Exemptions and Credits, 1991

***State Notes**

Alabama	Exemptions allowed only on homesteads 160 acres or less. If AGI is less than \$7,500, total exemption from all ad valorem tax for elderly or totally disabled. Other exemptions: for property of deaf mutes or insane persons, \$3,000 of assessed value, of blind persons, \$12,000 of assessed value. Effective 7/29/91, a municipality may, on request of board of education, grant an exemption in whole or in part from the increased portion of any ad valorem tax increase for public school purposes, in homesteads of residents over 65, retired for disability, or blind.
Alaska	Exemption of up to \$150,000 AV for elderly homeowners or disabled veterans or widows or widowers. Exemption beyond \$150,000 if hardship is shown. Elderly or disabled veteran tenant qualifies via property tax equivalency program (annual rent multiplied by equivalency rate of 1% per mill).
Arizona	Exemptions up to \$2,340 for widows, widowers, and disabled are allowed if household income is less than \$8,400 (\$12,000 with dependents).
Arkansas	Disabled veterans, compensated monthly by VA for loss of one or more limbs (or use thereof), total blindness in one or both eyes, or for service connected total disability is exempt from taxes on homestead and personal property.
California	1991 estimated figures.
Connecticut	Municipalities may also allow veterans an additional exemption if income meets prescribed limits. A tax freeze statute remains applicable only to relationships based on 1979 assessments.
Florida	Additional exemptions apply to residential property, such as a \$500 exemption for widows, widowers, and the blind, and a total exemption for certain totally and permanently disabled homeowners.
Georgia	Any individual 62 or older who is entitled to claim a homestead exemption may elect to defer payment of all or part of taxes. Deferral applies only to taxes on \$50,000 AV or less. Individual may have no more than \$15,000 in gross household income and total deferred taxes and interest, plus any other liens, may not exceed 85% of homestead's value.
Idaho	All owner-occupied principal residents qualify.
Indiana	There is a credit of 20% of tax liability for each taxpayer for property tax replacement. All homeowners receive a standard deduction of \$2,000 AV.
Kentucky	Amount is adjusted every two years for inflation. State law allows local taxing units to raise property tax rates to make up for lost revenue.
Louisiana	Homestead exemption does not apply to municipal taxes, except in Orleans Parish, or to municipal taxes levied for school purposes. Exemption also applies to residential renters. For residential lessee amount is the lesser of \$7,500 or the actual net AV of the residence.
Massachusetts	The value of each exemption (except hardship) is set by state statute. With the exception of hardship cases (aged, infirm, and poverty stricken), persons are generally not eligible for multiple exemptions.
Minnesota	The new "homestead and agricultural credit aid" paid to local governments replaces the former homestead credit and agricultural credits.
Missouri	Circuit breaker is available to residents 65 and older within a specified income range.

Montana Low-income individuals receive a percentage reduction for real property taxes. The first \$80,000 or less of the market value of real property is taxed at 3.86% multiplied by a percentage figure based on income (income boundaries in the table are adjusted annually for inflation) as follows:

	Income Single	Income Married	Percentage Multiplier
	\$0-\$1,192	\$0-1,430	0%
	\$1,193-\$2,384	\$1,431-\$2,861	10%
	\$2,385-\$3,576	\$2,861-\$4,291	20%
	\$3,577-\$4,768	\$4,292-\$5,722	30%
	\$4,769-\$5,960	\$5,723-\$7,152	40%
	\$5,961-\$7,152	\$7,153-\$8,583	50%
	\$7,153-\$8,344	\$8,584-\$10,013	60%
	\$8,345-\$9,537	\$10,014-\$11,444	70%
	\$9,538-\$10,729	\$11,445-\$12,874	80%
	\$10,730-\$11,921	\$12,875-\$14,305	90%

A second form of property relief is available to disabled veterans and their families. If deceased, the veteran must have been killed in active duty or died as a result of service disability. If living, the veteran must be rated 100% disabled and have an adjusted gross income of not more than \$15,000 for a single person or \$18,000 for a married couple. Real property in this case is exempt from taxation (0% tax rate).

Nebraska 100% to 20% of AV up to \$35,000 for veterans or unremarried widow/widowers drawing compensation from the Department of Veterans Affairs for 100% disability, or unremarried widow/widowers of veterans who died on active duty, depending on date and income.

New Hampshire Municipalities may adopt elderly homestead exemptions as follows:

Age	Plan I	Plan II
65-75	\$5,000*	\$10,000*
75-80	10,000	15,000
80+	20,000	20,000
Income Limit:	7,000	10,000
	(\$9,000 if married)	(\$12,000 if married)
Assets Limit:	\$50,000	\$30,000
		(excluding homestead and land)

* Any town or city may adopt optional adjusted elderly exemptions by vote. Plan I exemptions are the minimum amounts.

New Jersey Elderly, disabled, and surviving spouses with income less than \$10,000 also receive \$250 deduction from all real property taxes. Veterans, spouses of veterans, and spouses of servicemen receive \$50 deduction on real or personal property. Both of these programs are funded by the state at a total cost of \$59,583,109.

New Mexico Maximum value of exemption in 1990 was \$400; in 1991 \$1,400; and thereafter, \$2,000.

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits, 1991

***State Notes (cont.)**

New York	Municipalities may grant exemptions to elderly with income less than \$15,000 up to 50% of AV on residential realty. Local government may increase the maximum annual income eligibility ceiling by up to an additional \$4,800; however, each progressive \$600 of income must be matched by a 5% decrease in the percentage of assessed property value exempted. Veterans may exempt the lesser of 15% of AV or \$12,000, if they served during wartime. In addition, those serving in combat zones may exempt the lesser of 25% or \$8,000, and disabled veterans may exempt the lesser of 50% or \$40,000. The nondisabled exemption applies for only 10 years.	Rhode Island	keeps information on the amount of property qualifying for the disabled veterans exemption. Homestead exemption is financed and administered entirely at the local level. Programs vary widely between and among Rhode Island's 39 cities and towns.
North Carolina	\$38,000 exemption for residences of disabled veterans is a separate statutory provision. The state does not reimburse local governments for any portion of loss from this exemption.	Texas	All homesteaders also receive a \$3,000 exemption from market value for county farm-to-market roads/flood control tax purposes and \$5,000 for school district purposes. Disabled veterans are allowed exemptions of from \$1,500-3,000 in market value which may be applied to the homestead. School districts must freeze taxes on residential homesteads of those 65 and over. Towns may increase amount of exemption to \$20,000, effective 7/1/91.
North Dakota	Disabled in wheelchair, blind owner-occupants, and owner-occupant disabled veterans with 50% disability or more and income \$13,000 (1990 and thereafter) or less: \$5,000 taxable value. Owner-occupant paraplegics with income \$13,000 or less or those awarded specially adapted housing: \$10,000 taxable value.	Vermont	For any locality having a 1980 population of more than 500,000, and any county adjacent thereto, the income and financial worth limitations may be increased to \$40,000 in combined income and \$150,000 in combined net financial worth.
Pennsylvania	Information not maintained at state level; each county assessment office	Virginia	The state provides a tax credit equal to the school tax on the first \$8,200 of the estimated fair market value.
		Wisconsin	Homestead exemption remains in Wyoming state law, but clause restricts funding to years when revenue is available.
		Wyoming	

Source: ACIR staff compilation based on information from state departments of revenue (Fall 1991) and Commerce Clearing House, *State Tax Guide* (Chicago, 1991). See also Tables 40 and 41.

Table 43
 Classification of Real Property and Tangible Personal Property, 1991

State	Number of Classes		Selected Assessment Levels by Classification					
			Residential		Commercial/ Industrial		Telecommuni- cations Utility	
	Real	Personal	Real	Personal	Real	Personal	Real	Personal
Alabama	3	3	10%	10%	20%	20%	30%	30%
Alaska	1	1	100	X	100	100	100	100
Arizona	9	9	10	10	25	25	30	30
Arkansas	1	1	20	20	20	20	20	20
California	2	1	100	X	100	100	100	100
Colorado	6	1	14.34	X	29	29	29	29
Connecticut	1	1	70	70	70	70	X	X
Delaware	1	X	100	X	100	X	100	X
District of Columbia	5	1	100	X	100	100	100	X
Florida	1	1	100	X	100	100	Local	Local
Georgia	2	1	40	X	40	40	40	40
Hawaii	1	X	100	X	100	X	100	X
Idaho	1	1	50	X	100	100	100	100
Illinois	1	X	33.33	33.33	33.33	X	33.33	X
Indiana	1	1	33.33	X	33.33	33.33	33.33	33.33
Iowa	4	X	79	X	100	X	100	X
Kansas	4	5	12	X	30	20	30	30
Kentucky	1	1	100	X	100	100	100	100
Louisiana	5	5	10	X	15	15	10/25	25
Maine	1	1	100	X	100	100	100	X
Maryland	1	1	100	X	100	100	100	100
Massachusetts	4	1	100	X	100	100	100	100
Michigan	6	5	50	X	50	50	50	50
Minnesota	12	1	1/2/3	X	3.2/4.95	X	4.95	X
Mississippi	3	2	10	X	15	15	30	30
Missouri	3	9	19	X	32	33.33	32	33.33
Montana	11	13	3.86	X	3.86	3.86	12	12
Nebraska	1	1	100	X	100	100	100	100
Nevada	1	1	35	X	35	35	35	35
New Hampshire	1	X	100	X	100	X	X	X
New Jersey	1	1	100	X	100	50	100	50
New Mexico	1	1	33.33	X	33.33	33.33	33.33	33.33
New York	2	X	100	X	100	X	100	X
North Carolina	1	1	100	100	100	100	100	100
North Dakota	4	X	9	X	10	X	10	10
Ohio	2	3	35	X	35	27	35	100
Oklahoma	1	1	Max 35	Max 35	Max 35	Max 35	Max 35	Max 35
Oregon	1	1	100	X	100	100	100	100
Pennsylvania	1	X	Max 100	X	Max 100	X	Max 100	X
Rhode Island	1	1	100	100	100	100	100	100
South Carolina	6	4	4	X	6	10.5	10.5	10.5
South Dakota	2	X	100	X	100	X	100	100
Tennessee	4	3	25	5	40	30	55	55
Texas	1	1	100	X	100	100	100	100
Utah	5	1	66.9	X	95	100	100	100
Vermont	1	2	100	X	100	50	100	50
Virginia	1	1	100	100	100	100	100	100
Washington	1	1	100	X	100	100	100	100
West Virginia	3	3	60	60	60	60	60	60
Wisconsin	1	1	100	X	100	100	X	X
Wyoming	3	1	9.5	X	11.5	11.5	11.5	11.5

MV—market value

X—exempt

Table 43 (cont.)
Classification of Real Property and Tangible Personal Property, 1991

***State Notes**

Alabama	Tangible personalty consists of passenger autos and noncommercial pick-up trucks weighing 8,000 lbs. or less. Owner-occupied, single family property is assessed at 10%. Other residential property is assessed at 20%.	Louisiana	exceed 2 times the level of its lowest class. Cook County has 11 assessment levels. Telecommunications property is assessed at 10% for land and 25% for improvements.
Arizona	Basis is "limited property value" for primary taxes (i.e., taxes imposed for maintenance and operations of counties, cities, school districts, community college districts, and the state) and the "full cash value" for secondary taxes (i.e., taxes imposed for debt retirement, voter-approved budget overrides, and the maintenance and operation of special service districts, such as sanitation, fire, and road improvement). "Limited property value" is defined as the limited property value in the prior year plus 10% of such value, or 25% of the difference between the full cash value of the property in the current tax year and the limited property value of the parcel in the prior tax year.	Maine	Personal property of telecommunications is subject to a state tax of 27 mills, and is exempt from ordinary property taxes.
California	The 1975-76 assessed value of property is the base value. Property may be reassessed only after new construction on, transfer of, or sale of property after the 1975 assessment. The fair market value base may reflect the inflationary rate, not to exceed or decrease by 2% for any year.	Maryland	Real property is assessed at its full cash value except that, for tax years beginning after June 30, 1991, the assessment of real property is 40% of its phased-in value.
Colorado	Residential real property must be valued for assessment at 15% of actual value, but the legislature must determine the percentage of aggregate statewide valuation for assessment attributable to residential realty. If there is a change in the level of value used to determine actual value, the legislature must adjust the ratio of valuation for assessing residential realty to insure that the percentage of the aggregate statewide value for assessment attributable to residential realty remains the same as the preceding year.	Michigan	The state equalizes totals separately for the 6 classes.
Connecticut	Regulated telecommunications companies are exempt. Nonregulated telecommunications companies providing long-distance services are subject to local assessment.	Minnesota	Actually 12 classes of property, but Class 5 property includes both real and personal property. The property tax is based on a tax capacity system for all classes and subclasses of property. Each county auditor must compute the net tax capacity for each parcel according to the rates specified in the classification provisions. The net tax capacity is the appropriate rate multiplied by the parcel's market value. Residential homesteads are assessed at 1% of market value on the first \$68,000 of market, 2% on the amount over \$68,000 but not exceeding \$110,000, and 3% on the amount over \$110,000. Lower assessment rates apply for residential homesteads by blind persons, permanently and totally disabled veterans, any person permanently and totally disabled and receiving public aid constituting at least 90% of the total income, and any person whose household income is 150% or less of the federal poverty level. Commercial, industrial, and public utility real property has a class rate of 3.3% on the first \$100,000 of market value and 5.06% of the market value over \$100,000.
District of Columbia	A telecommunications company is given a credit, for at least the property tax due, against toll telecommunication taxes paid for the year in question.	New Hampshire	Assessment ratios are determined by towns and cities and varied from 17% to 123% in 1990. Effective March 1, 1990, telephone and telegraph companies pay a communication source tax to the state.
Delaware	The following are the base years selected by the three counties: Kent, 1987; New Castle, 1983; and Sussex, 1974.	New Jersey	Property is assessed at "taxable value," which each county board establishes for its county. The percentage may not be less than 20% or greater than 100%. Personal property is assessed in each taxing jurisdiction. The following are exempt from the personal property tax: inventories, motor vehicles, personal property held for use in the business of farming, and personal property of life insurance companies.
Florida	Telecommunications companies are subject to real and personal property assessment by their respective county property appraisers.	Ohio	Real property is assessed at a level not to exceed 35% of market value. The taxable value of a telephone or telegraph company with over 15,000 access lines and an interexchange telecommunications company is assessed at 88%, and a telephone and telegraph company is assessed at 100%.
Hawaii	Counties may classify by differential rates both on the basis of use (three counties) and land v. improvements (one county).	Pennsylvania	In fourth to eighth class counties, real property is assessed at a predetermined ratio not to exceed 75%. County commissioners in second to eighth class counties, and city councils have the power to levy a personal property tax on certain intangibles.
Idaho	The first \$50,000 of the market value for assessment purposes of residential improvements, or 50% of the market value for assessment purposes of residential improvements, whichever is less, is exempt.		
Illinois	Any county with a population of 200,000 or more may classify. Only Cook County does. The assessment level of its highest class cannot		

Table 43 (cont.)
Classification of Real Property and Tangible Personal Property, 1991

***State Notes (cont.)**

South Dakota	Real and personal property of telephone companies subject to the gross receipts tax are exempt from the property tax. Personal property not centrally assessed is tax exempt.	Wisconsin	ty are apportioned on the basis of miles traveled in Virginia. For tax years 1989 through 1992, the assessed value of property may not be adjusted by more than 25% of the previous year's value, unless property did not exist in the same form as at present, or was not taxed during the preceding year.
Tennessee	Household goods, furnishings, wearing apparel, and other tangible personal property to \$7,500 (\$15,000 if jointly owned by a husband and wife) is exempt.	Wyoming	Industrial property is assessed at 11.5%. Commercial property is assessed at 9.5%. Telecommunications companies are subject to a state levied tax based on gross revenues, in lieu of a property tax. Manufacturing machinery and equipment and merchants and manufacturers stocks are exempt.
Utah	Land over one acre per residential unit is assessed at 100%.		
Virginia	Machinery and tools used in specified businesses, manufacturing or mining activities are valued on the basis of depreciated cost or percentages of original total capitalized cost. Assessments of transportation personal proper-		

Source: ACIR staff compilation based on information from state departments of revenue (Fall 1991) and Commerce Clearing House, *State Tax Guide* (Chicago, 1991).

Table 44
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Alabama*		State +	San Francisco (San Francisco)	10.9	
Anniston	48.50		San Jose (Santa Clara)	11.4990	
Athens	67.00		San Leandro (Alameda)	10.368	
Birmingham	69.50		San Mateo (San Mateo)	10.202	
Dothan	31.00		San Rafael (Marin)	10.75	
Enterprise	33.50		Santa Ana (Orange)	10.3269	
Florence	91.00		Santa Clara (Santa Clara)	10.4940	
Fort Payne	45.00		Santa Cruz (Santa Cruz)	10.09	
Gadsden	49.00		Santa Rosa (Sonoma)	10.285	
Mobile	51.50		Stockton (San Joaquin)	10.476	
Montgomery	56.00		Sunnyvale (Santa Clara)	10.5560	
Opelika	48.00		Vallejo (Solano)	10.64500	
Phenix City	59.00		Ventura (Ventura)	11.21801	
Selma	57.50		Ventura (Ventura)	10.44891	
Tuscaloosa	64.00				
Alaska*		State, 100%	Colorado		State +
Anchorage	18.47		Arvada (Jefferson)	83.311	
Fairbanks	16.588		Aurora (Arapahoe)	73.781	
Juneau	13.58		Boulder (Boulder)	76.431	
Arizona*		State +	Colorado Springs (El Paso)	58.026	
Tucson (Pima)	148.845		Commerce City (Adams)	78.943	
Phoenix (Maricopa)	130.80		Denver (Denver)	67.375	
Arkansas		State, 20%	Englewood (Arapahoe)	67.994	
Fayetteville (Washington)	45.60		Fort Collins (Fort Collins)	78.176	
Fort Smith (Sebastian)	58.25		Grand Junction (Mesa)	97.703	
Hot Springs (Garland)	37.60		Greeley (Weld)	87.019	
Jonesboro (Craighead)	39.30		Lakewood (Jefferson)	92.035	
Little Rock (Pulaski)	61.88		Littleton (Arapahoe)	76.679	
Pine Bluff (Jefferson)	50.80		Longmont (Boulder)	82.657	
California*		State, 100%	Loveland (Larimar)	93.089	
Alameda (Alameda)	12.680		Pueblo (Pueblo)	88.776	
Anaheim (Orange)	10.2304		Thornton (Adams)	94.091	
Bakersfield (Kern)	11.21153		Westminster (Adams)	85.192	
Berkeley (Alameda)	10.900		Wheat Ridge (Jefferson)	83.162	
Buena Park (Orange)	10.2196		Connecticut		State, 70%
Chula Vista (San Diego)	10.2284		Branford	32.75	
Concord (Contra Costa)	10.683		Bridgeport	60.30	
Costa Mesa (Orange)	10.2555		Bristol	22.89	
Daly City (San Mateo)	10.739		Cheshire	22.40	
El Cajon (San Diego)	10.2254		East Hartford	41.09	
Fremont (Alameda)	10.713		East Haven	54.75	
Fresno (Fresno)	10.8399		Enfield	39.60	
Fullerton (Orange)	10.1376		Fairfield	34.50	
Garden Grove (Orange)	11.7783		Greenwich	29.97	
Hayward (Alameda)	10.405		Hamden	57.60	
Huntington Beach (Orange)	11.3860		Hartford (1991)	34.40	
Los Angeles (Los Angeles)	10.30		Middletown City	28.60	
Livermore (Alameda)	12.020		Fire District	4.70	
Monterey (Monterey)	10.1377		Milford	45.62	
Novato (Marin)	10.18		Naugatuck	55.89	
Oakland (Alameda)	12.397		New Britain	45.76	
Ontario (San Bernardino)	10.214		New Haven (1991)	87.25	
Orange (Orange)	10.3269		New London	26.50	
Redwood City (San Mateo)	10.247		New Milford	34.73	
Richmond (Contra Costa)	11.886		Newington	41.87	
Riverside (Riverside)	10.5642		Norwalk		
Sacramento (Sacramento)	10.321		District 1-3	42.03	
San Bernardino (San Bernardino)	11.311		District 4	42.22	
San Diego (San Diego)	10.3659		District 5	38.76	
			District 6	38.24	
			District 7	40.95	
			District 8-9	39.32	

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Norwich			College Park (Fulton)	81.92	
City	19.03		Columbus-Muscogee	74.94	
Plainville	37.75		East Point (Fulton)	80.92	
Ridgefield	17.74		Gainesville (Hall)	21.14	
Shelton	26.25		La Grange (Troup)	20.02	
Southington	35.60		Marietta (Cobb)	65.34	
Stratford	67.90		Savannah (Chatham)	28.60	
Torrington	21.88		Hawaii* (1992)		State, 100%
Trumbull	37.50		Hawaii-Class A1	8.50/8.50	
Vernon	43.47		Hawaii-Class B8	8.50/10.00	
Wallingford	42.30		Hawaii-Class C2	8.50/10.00	
Waterbury (1991)	71.57		Hawaii-Class D7	8.50/10.00	
West Hartford	50.07		Hawaii-Class E3	8.50/10.00	
West Haven Town	59.02		Hawaii-Class F4	8.50/10.00	
Wethersfield	33.49		Hawaii-Class G5	8.50/10.00	
Windham			Hawaii-Class H6	8.50/10.00	
District 1	45.97		Honolulu-Class A1	4.09/3.25	
District 2	65.94		Honolulu-Class B8	4.09/4.09	
Windsor Town	31.00		Honolulu-Class C2	3.67/3.67	
Delaware*		Local	Honolulu-Class D7	9.64/9.64	
Dover (Kent)	6.30	60%	Honolulu-Class E3	8.51/8.51	
Newark	3.60	100	Honolulu-Class F4	9.45/9.45	
District of Columbia		Local	Honolulu-Class G5	9.00/9.00	
Class 1	9.60		Honolulu-Class H6	9.00/9.00	
Class 2	15.40		Kauai-Class A1	3.94/4.93	
Class 3	18.50		Kauai-Class B8	7.59/7.99	
Class 4	21.50		Kauai-Class C2	7.59/7.99	
Class 5	32.90		Kauai-Class D7	7.59/7.99	
Florida*		State, 100%	Kauai-Class E3	7.59/7.99	
Clearwater (Pinellas)	19.2037		Kauai-Class F4	7.49/7.89	
Coral Gables (Dade)	20.3460		Kauai-Class G5	7.49/7.89	
Daytona Beach (Volusia)	20.3040		Kauai-Class H6	3.18/4.04	
Fort Lauderdale (Broward)	21.5470		Maui-Class A1	3.50/3.50	
Fort Pierce (St. Lucie)	21.5309		Maui-Class B8	4.75/4.75	
Gainesville (Alachua)	26.1020		Maui-Class C2	4.75/4.75	
Hialeah (Dade)	23.4280		Maui-Class D7	8.00/8.00	
Hollywood (Broward)	22.2957		Maui-Class E3	6.50/6.50	
Key West (Monroe)	16.2841		Maui-Class F4	6.50/6.50	
Lake Worth (Palm Beach)	23.0528		Maui-Class G5	4.75/4.75	
Lakeland (Polk)	18.4320		Maui-Class H6	4.75/4.75	
Miami (Dade)	25.6335		Idaho*		State +
Miami Beach (Dade)	26.0000		Boise (Ada)	17.935	
North Miami (Dade)	22.7250		Idaho Falls (Bonneville)	24.499	
North Miami Beach (Dade)	24.1540		Lewiston (Nez Perce)	18.084	
Orlando (Orange)	19.6265		Illinois*		State, 33.3%
Panama City (Bay)	17.4584		Alton (Madison)	80.90	
Pensacola (Escambia)	21.1490		Aurora-East, (Kane)	86.80	
Plant City (Hillsborough)	22.7867		Aurora-West, (Kane)	89.71	
Pompano Beach (Broward)	21.9820		Bloomington (McClellan)	43.35	
St. Petersburg (Pinellas)	23.2456		Carbondale (Jackson)	104.19	
Sanford (Seminole)	21.24445		Champaign (Champaign)	72.22	
Sarasota (Sarasota)	10.8850		Collinsville (Madison)	59.74	
Tallahassee (Leon)	20.1460		Danville (Vermilion)	77.27	
Tampa (Hillsborough)	24.6257		Decatur (Macon)	31.49	
West Palm Beach (Palm Beach)	22.6619		DeKalb (DeKalb)	78.46	
Winter Haven (Polk)	20.8320		Downers Grove (DuPage)	62.55	
Winter Park (Orange)	17.1679		East Peoria (Tazewell)	102.70	
Georgia*		State, 40%	Elmhurst (DuPage)	66.76	
Athens (Clarke)	80.48		Freeport (Stephenson)	84.38	
Atlanta (Fulton)	74.58		Galesburg (Knox)	76.17	
Augusta (Richmond)	23.00		Glen Ellyn (DuPage)	74.80	
			Granite City (Madison)	81.14	
			Highland Park (Lake)	70.01	
			Joliet (Will)	92.17	

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Kankakee (Kankakee)	44.15		Mishawaka (St. Joseph)	139.49	
Moline (Rock Island) (1988)	43.93		Muncie (Delaware)	137.70	
Normal (McLean)	37.49		Munster (Lake)	157.02	
North Chicago (Lake)	114.21		Portage (Porter)	72.48	
Pekin (Tazewell)	95.27		Richmond (Wayne)	111.53	
Peoria (Peoria)	43.37		South Bend-Centre Corp. (St. Joseph)	131.54	
Quincy (Adams)	73.08		Speedway (Marion)	79.21	
Rantoul (Champaign)	61.53		Terre Haute-Harrison Twp. (Vigo)	149.44	
Springfield (Sangamon)	70.03		Valparaiso (Porter)	98.51	
Urbana (Champaign)	84.34		West Lafayette (Tippecanoe)	76.58	
Villa Park (DuPage)	73.50				
Waukegan (Lake)	89.55		Iowa*		State +
Wheaton (DuPage)	74.71		Ames	27.126	
Cook County			Burlington	35.493	
Arlington Heights	87.97		Cedar Falls	40.118	
Berwyn	103.05		Cedar Rapids	32.574	
Calumet City	105.03		Clinton	32.197	
Chicago (General rate)	99.64		Council Bluffs	37.631	
Cicero	109.24		Des Moines	40.394	
DesPlaines	87.23		Fort Dodge	36.728	
Elgin	92.30		Iowa City	29.926	
Evanston	118.80		Marion	35.660	
Evergreen Park	87.62		Marshalltown	37.236	
Glenview	112.39		Mason City	29.540	
Harvey	155.83		Muscatine	34.581	
Lansing	97.76		Ottumwa	44.982	
Maywood	127.54		Sioux City	38.377	
Morton Grove	81.12		Waterloo	43.376	
Mount Prospect	91.19		West Des Moines	33.843	
Niles	69.64				
Northbrook	77.74		Kansas*		State +
Oak Forest	94.34		Emporia (Lyon)	163.24	
Oak Lawn	87.80		Garden City (Finney)	137.30	
Oak Park	98.06		Great Bend (Barton)	148.69	
Park Forest	105.46		Hutchinson (Reno)	168.68	
Park Ridge	89.15		Junction City (Geary)	117.22	
Rolling Meadows	86.78		Kansas City (Wyandotte)	155.32	
Schaumburg	84.92		Lawrence (Douglas) (041)	124.72	
Skokie	87.33		Lawrence (Douglas) (051)	127.35	
South Holland	112.52		Lawrence (Douglas) (054)	124.97	
Tinley Park	92.85		Lawrence (Douglas) (048)	126.08	
Wilmette	94.14		Leavenworth (Leavenworth)	133.66	
Winnetka	92.29		Lenexa (Johnson)	121.11	
Indiana*		State, 33.3%	Manhattan (Riley)	139.12	
Anderson (Madison)	119.23		Olathe (Johnson)	145.80	
Bloomington (Monroe)	94.32		Overland Park (Johnson) (Dist. 47T)	88.44	
Columbus (Bartholomew)	91.16		Overland Park (Johnson) (Dist. 3363)	127.01	
East Chicago (Lake)	171.71		Prairie Village (Johnson)	101.82	
Elkhart-Concord Twp. (Elkhart)	84.90		Salina (Saline)	135.44	
Evansville (Vanderburgh)			Shawnee (Johnson)	99.99	
Center	114.21		Topeka (Shawnee)	167.03	
Knight	114.22		Wichita (Sedgwick)	130.36	
Perry	114.79				
Pigeon	116.16		Kentucky*		State, 100%
Fort Wayne-Washington Twp. (Allen)	74.75		Ashland (Boyd)	12.41	
Goshen (Johnson)	77.88		Bowling Green (Warren)	9.94	
Greenwood-Pleasant Twp. (Lake)	59.50		Covington (Kenton)	13.96	
Hammond (Lake)	247.08		Frankfort (Franklin)	8.42	
Highland (Lake)	150.34		Henderson (Henderson)	9.74	
Hobart (Lake)	130.41		Hopkinsville (Christian)	6.19	
Indianapolis, Center (Marion)	116.51		Lexington-Fayette	5.30	
Kokomo (Howard)	89.62		Louisville (Jefferson)	11.51	
Lafayette-Fairfield (Tippecanoe)	95.83		Owensboro (Davies)	11.39	
La Porte-Center (La Porte)	106.77		Paducah (McCracken)	13.52	
Lawrence (Marion)	100.11		Richmond (Madison)	9.58	
Michigan City-Michigan Twp. (La Porte)	145.05		Winchester (Clark)	7.88	

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Louisiana*		State +	Chelsea	8.49	
Alexandria (Rapides)	127.10		Chicopee	10.87	
Houma (Terrebonne)	87.75		Danvers	10.34	
Lafayette (Lafayette)	112.35		Dartmouth	8.21	
Monroe (Ouachita)	58.18		Dedham	9.80	
New Iberia (Iberia)	98.25		Dracut	11.44	
New Orleans (Orleans)	143.68		Easton	12.63	
Shreveport (Bossier)	150.74		Everett	7.72	
			Fall River	8.11	
			Falmouth	8.83	
Maine*		Local	Fitchburg	9.80	
Augusta	19.65	100%	Framingham	10.78	
Bangor	18.90	100	Gloucester	10.25	
Lewiston	22.25	90	Haverhill	10.97	
Portland	37.50	46.4	Lawrence	9.55	
South Portland (1991)	26.80	60	Leominster	12.00	
			Lexington	11.16	
Maryland*		State, 100%	Lowell	10.53	
Allegany County	24.50		Lynn	11.64	
Annapolis (Anne Arundel)	33.20		Malden	10.46	
Anne Arundel County	24.60		Marlborough	10.19	
Baltimore City	90.55		Marshfield	10.72	
Baltimore County	28.65		Medford	9.90	
Bowie (Prince George's)	31.90		Melrose	10.45	
Calvert County	22.30		Methuen	12.14	
Caroline County	24.90		Milford	9.43	
Carroll County	23.50		Milton	12.33	
Cecil County	25.00		Natick	11.29	
Charles County	22.80		Needham	10.37	
College Park (Prince George's)	29.00		New Bedford	9.77	
Cumberland (Allegany)	49.90		Newton	10.79	
Dorchester County	22.40		North Andover	9.15	
Frederick City (Frederick)	39.50		North Attleborough	10.70	
Frederick County	22.70		Northampton	10.72	
Gaithersburg (Montgomery)	26.76		Norwood	9.30	
Garrett County	22.40		Peabody	8.71	
Hagerstown (Washington)	40.50		Pittsfield	11.21	
Harford County	27.30		Plymouth	14.98	
Howard County	25.90		Quincy	10.72	
Montgomery County	20.13		Randolph	10.89	
Prince George's County	24.80		Reading	12.88	
Queen Anne's County	21.70		Revere	11.25	
Rockville (Montgomery)	29.76		Salem	9.21	
St. Mary's County	23.20		Saugus	8.36	
Talbot County	6.90		Shrewsbury	10.40	
Washington County	22.10		Somerville	8.84	
Wicomico County	21.50		Springfield	11.89	
Worcester County	15.90		Stoneham	11.92	
			Stoughton	11.71	
			Taunton	7.68	
Massachusetts* (1991)		State +	Tewksbury	10.96	
Amesbury	12.24		Wakefield	10.95	
Amherst	12.22		Waltham	8.22	
Andover	11.42		Wareham	8.85	
Arlington	12.47		Watertown	11.40	
Attleboro	8.96		Wellesley	9.57	
Barnstable	7.69		West Springfield	10.84	
Belmont	11.70		Westfield	11.77	
Beverly	11.65		Weymouth	10.73	
Billerica	10.55		Winchester	11.39	
Boston	8.93		Woburn	7.15	
Braintree	10.11		Worcester	9.68	
Brockton	11.37				
Brookline	14.63		Michigan*		State, 50%
Burlington	8.80		Adrian (Lenawee)	66.2339	
Cambridge	10.13		Battle Creek (Calhoun)	70.8413	
Chelmsford	12.16		Birmingham (Oakland)	47.7000	

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Dearborn (Wayne)	52.2828		Kirkwood (St. Louis)	50.20	
Detroit (Wayne)	88.2780		St Charles (St. Charles)	57.90	
East Detroit (Macomb)	66.4391		St. Joseph (Buchanan)	42.00	
East Lansing (Ingham)	77.4359		St. Louis	60.28	
Ferndale (Oakland)	78.7725		University City (St. Louis)	69.99	
Flint (Genesee)	65.7500		Webster Groves (St. Louis)	66.47	
Garden City (Wayne)	76.6900				
Grand Rapids (Kent)	62.0305		Montana*		State +
Hazel Park (Oakland)	75.0544		Billings (Yellowstone)	372.65	
Highland Park (Wayne)	73.7900		Bozeman (Gallatin)	410.70	
Holland (Ottawa)	59.9812		Butte (Silver Bow) (1989)	469.89	
Inkster (Wayne)	85.3800		Helena (Lewis and Clark)	411.64	
Jackson (Jackson)	71.1361		Missoula (Missoula) (1989)	469.26	
Kalamazoo (Kalamazoo)	72.6000				
Lansing (Ingham)	76.9400		Nebraska*		State, 100%
Lincoln Park (Wayne)	77.4000		Fremont (Dodge)	27.94	
Madison Heights (Oakland)	58.5671		Grand Island (Hall)	27.49	
Marquette (Marquette)	59.2250		Hastings (Adams)	25.89	
Midland (Midland)	47.7550		Kearney (Buffalo)	17.78	
Monroe (Monroe)	17.6969		Lincoln (Lincoln)	27.36	
Oak Park (Oakland)	84.9435		Norfolk (Madison)	21.63	
Port Huron (St. Clair)	62.0217		North Platte (Lincoln)	27.39	
Roseville (Macomb)	65.1600		Omaha (Douglas)	26.25	
Royal Oak (Oakland)	60.7500				
Saginaw (Saginaw)	63.8800		Nevada*		State, 35%
St. Clair Shores (Macomb)	60.4462		Carson City-Ormsby	20.459	
Southfield (Oakland)	61.1576		Henderson	24.758	
Warren (Macomb)	62.6919		Las Vegas	29.227	
Wyandotte (Wayne)	58.3400		North Las Vegas	28.198	
Wyoming (Kent)	54.4585		Reno	26.944	
			Sparks	27.094	
Minnesota		State +			
Bloomington (Hennepin)	95.10		New Hampshire		Local
Duluth (St. Louis)	141.10		Concord		
Mankato (Blue Earth)	102.42		Concord	25.42	100
Minneapolis (Hennepin)	101.68		Penacook	20.99	100
Moorhead (Clay)	107.72		Derry		
Richfield (Hennepin)	102.84		Derry	24.09	98
Rochester (Olmstead)	109.59		East Derry	23.77	98
St. Cloud (Stearns)	100.32		Dover	49.50	43
St. Paul (Ramsey)	109.00		Keene	26.90	95
South St. Paul (Dakota)	99.90		Nashua	35.30	43
Winona (Winona)	112.12		Portsmouth	36.70	47
			Rochester	46.40	43
Mississippi* (1989)		State +			
Biloxi (Harrison)	103.49		New Jersey*		Local
Columbus (Lowndes)	84.50		Atlantic City	22.00	88.92
Greenville (1988) (Washington)	44.09		Bergenfield	24.70	95.56
Greenwood (Leflore)	110.90		Camden	189.69	24.93
Gulfport (Harrison)	87.17		Cherry Hill	77.45	30.05
Hattiesburg (Forrest)	141.10		Cliffside Park	16.30	100.00
Jackson (Hinds)	78.66		Clifton	75.00	23.28
Meridian (Lauderdale)	32.17		East Orange	153.60	30.18
Natchez (Adams)	117.97		Edison	16.30	100.61
Pascagoula (1987) (Jackson)	91.08		Elizabeth	82.30	29.63
Tupelo (Lee)	33.32		Englewood	20.90	90.00
Vicksburg (Warren)	53.41		Fair Lawn	19.00	94.00
			Fort Lee	15.00	86.40
Missouri*		State +	Freehold	19.42	100.00
Cape Girardeau (Cape Girardeau)	39.40		Gloucester City	66.64	46.58
Columbia (Boone)	52.70		Hackensack	23.90	86.43
Ferguson (St. Louis)	61.61		Hamilton	70.70	32.00
Florissant (St. Louis)	61.78		Irvington	138.00	23.01
Independence (Clay/Jackson)	49.32		Linden	19.00	92.30
Jefferson City (Callaway/Cole)	42.90		Livingston (1991)	74.40	27.12
Joplin (Jasper/Newton)	37.10				
Kansas City (Clay/Jackson/Platte)	13.80				

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Middletown	37.41	47.94	Cary (Wake)	6.80	
Millville	34.70	93.32	Chapel Hill (Durham)	16.8825	
Montclair (1991)	24.10	101.00	Chapel Hill (Orange)	13.7625	
Neptune	21.60	100.00	Charlotte (Mecklenburg)	6.275	
Newark	15.37	22.16	Concord (Cabarrus)	11.00	
Nutley (1991)	89.70	26.44	Durham (Durham)	17.815	
Paramus	17.20	78.06	Fayetteville (Cumberland)	13.02	
Parsippany-Troy Hills (1991)	32.90	52.38	Gastonia (Gaston)	11.99	
Ridgewood	20.90	92.64	Goldensboro (Wayne)	13.00	
Sayreville	49.10	33.06	Greensboro (Guilford)	11.955	
Scotch Plains	39.40	50.28	Greenville (Pitt)	12.836	
Teaneck	20.70	99.14	Havelock (Craven)	3.90	
Wayne	64.50	28.00	Hickory (Burke)	11.50	
Woodbridge	38.20	54.84	Hickory (Catawba)	10.90	
New Mexico*		State, 33.33%	High Point (Davidson)	10.30	
Alamagordo (Otero)	25.830		High Point (Guilford)	11.955	
Albuquerque (Bernalillo)	29.165		High Point (Randolph)	11.22	
Carlsbad (Eddy)	14.151		Jacksonville (Onslow)	12.15	
Clovis (Curry)	18.549		Kinston (Lenoir)	13.80	
Farmington (San Juan)	24.128		Raleigh (Wake)	16.55	
Gallup (McKinley)	26.286		Rocky Mount (Edgecombe)	9.90	
Hobbs (Lea)	21.322		Salisbury (Rowan)	5.05	
Las Cruces (Dona Ana)	20.728		Wilmington (New Hanover)	14.70	
Roswell (Chaves)	20.754		Wilson (Wilson)	12.45	
Santa Fe (Santa Fe) (C)	15.398		Winston-Salem (Forsyth)	12.45	
New York*		State, 100%	North Dakota* (1989)		State +
Albany (Albany)	110.35		Bismarck (Burleigh)	424.94	
Amsterdam (Montgomery)	112.9499		Fargo (Cass)	377.31	
Auburn (Cayuga)	48.361		Grand Forks (Grand Forks)	467.53	
Binghamton (Broome)	164.96		Minot (Ward)	402.46	
Buffalo (Erie)	9.100204		Ohio		Local +
Elmira (Chemung)	267.87835		Akron	68.04	
Glen Cove (Nassau)	294.189		Alliance (1989)	57.40	
Ithaca (Tompkins)	28.12		Ashland	57.80	
Jamestown (Chautauqua)	57.435		Ashtabula (1988)	55.74	
Kingston (Ulster)	36.694		Athens	81.35	
Lackawanna (Erie)	20.383667		Barberton	60.65	
Lockport (Niagara)	17.492937		Barbling Green	66.50	
Long Beach (Nassau)	178.30		Brook Park	76.10	
Middletown (Orange)	39.6379		Brunswick	83.59	
Mount Vernon (Westchester)	134.54		Canton	60.25	
New Rochelle (Westchester)	235.656		Chillicothe	56.00	
New York City (Class 1)	94.52		Cincinnati	68.78	
New York City (Class 2)	92.29		Cleveland	80.20	
New York City (Class 3)	129.03		Cleveland (Berea SD)	83.00	
New York City (Class 4)	95.39		Cleveland (Shaker Heights SD)	153.90	
Newburgh (Orange)	68.9035		Cleveland Heights	129.50	
Niagara Falls (Niagara)	25.420455		Cleveland Heights (E. Cleveland SD)	117.50	
North Tonawanda (Niagara)	16.628896		Columbus	59.73	
Plattsburgh (Clinton)	29.660112		Cuyahoga Falls	72.93	
Poughkeepsie (Dutchess)	84.9325		Dayton	75.90	
Rochester (Monroe)	22.26		East Cleveland (1989)	113.10	
Rome (Oneida)	159.14		Euclid	89.40	
Saratoga Springs (Saratoga)	251.14		Fairfield (1988)	48.25	
Schenectady (Schenectady)	272.06		Findlay	57.73	
Syracuse (Onondaga)	231.24		Garfield Heights	82.60	
Troy (Rensselaer)	106.098579		Garfield Heights (Cleveland SD)	84.90	
Utica (Oneida)	107.12		Hamilton	49.47	
Watertown (Jefferson)	36.03		Kent	94.16	
White Plains (Westchester)	113.53		Kettering	69.96	
North Carolina*		State, 100%	Lakewood	119.50	
Asheville (Buncombe)	6.85		Lancaster	68.65	
Burlington (Alamance)	11.10		Lyndhurst	91.30	
			Mansfield	62.95	
			Maple Heights	79.90	
			Marion	56.70	

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Mayfield Heights	78.20		New Castle (Lawrence)	20.00	60
Middletown	47.54		Norristown (Montgomery)	31.25	5.8
Newark (Newark Twp.)	49.60		Philadelphia	78.65	32
Niles (Weatherfield SD)	58.60		Pottstown (Montgomery)	85.65	5.8/17
North Olmstead	88.30		Reading (Berks)	69.55	7.6/2.8
Parma	75.50		Scranton (Lackawanna)	205.74	100
Parma Heights	82.50		State College (Centre)	52.50	20
Piqua	56.80		Upper Darby Twp. (Delaware)	90.73	3.7
Portsmouth	57.93		Whitehall Township (Lehigh)	43.00	50/n.a.
Rocky River	84.90		Wilkes Barre (Luzerne)	55.63	16
Sandusky	68.80		Williamsport (Lycoming)	33.00	75
Shaker Heights	154.50		Rhode Island		Local +
South Euclid	95.70		Bristol	25.09	80
South Euclid (Cleve. Hts. SD)	129.00		Coventry	14.32	100
Springfield	60.35		Cranston	34.25	60
Steubenville	44.40		Cumberland	24.16	100
Stow	67.10		East Greenwich	24.06	58
Toledo (Toledo CSD)	73.70		East Providence (1991)	32.16	48
Upper Arlington	85.07		Esmond	36.75	80
Warren (Warren)	51.95		Johnston	30.50	40
Westlake	86.30		Newport	31.05	45-50
Xenia	55.68		North Kingstown (1989)	26.16	n.a.
Youngstown	65.82		North Providence	36.76	80
Zanesville	57.95		Pawtucket	40.60	100
Oklahoma*		Local +	Providence	33.80	n.a.
Altus (Jackson) (1989)	69.10	n.a.	South Kingstown	24.54	100
Ardmore (Carter) (1988)	80.18	12	Warwick	29.00	55
Bartlesville (Washington) (1988)	96.03	12	West Warwick (1989)	31.50	100
Broken Arrow (Tulsa)	120.82	11	Woonsocket	21.02	95
Duncan (Stephens) (1989)	63.92	11	South Carolina		State +
Enid (Garfield)	72.02	n.a.	Anderson (Anderson) (1989)	59.10	
Lawton (Comanche)	70.33	11.25	Columbia (Richland)	103.00	
Moore (Cleveland)	94.32	12	Florence (Florence)	93.00	
Muskogee (Muskogee)	95.79	11	Greenville (Greenville)	133.70	
Norman (Cleveland)	94.115	12	Greenwood (Greenwood)	104.00	
Oklahoma City (Oklahoma)	94.50	10	Mount Pleasant (Charleston)	67.20	
Ponca City (Kay)	83.96	11	Spartanburg (Spartanburg)	164.50	
Shawnee (Pottawatomie)	87.549	12	South Dakota*		State, 60%
Stillwater (Payne)	90.35	11.15	Aberdeen (Brown)	38.70	
Tulsa (Tulsa)	86.66	11	Rapid City (Pennington)	37.05	
Oregon*		State, 100%	Sioux Falls (Minnehaha)	25.24	
Albany (Linn)	31.5703		Tennessee* (1988)		State +
Beaverton (Washington)	26.7107		Bristol (Sullivan)	72.00	
Corvallis (Benton)	33.7820		Chattanooga (Hamilton)	67.70	
Eugene (Lane)	31.5627		Clarksville (Montgomery)	71.50	
Gresham (Multnomah)	28.9411		Cleveland (Bradley)	38.60	
Hillsboro (Washington)	28.9972		Columbia (Maury)	34.40	
Lake Oswego (Clackamas)	24.3838		Cookeville (Putnam)	26.00	
Medford (Jackson)	25.0016		East Ridge (Hamilton)	72.20	
Portland (Multnomah)	33.5048		Gallatin (Sumner)	41.00	
Salem (Marion)	34.2274		Jackson (Madison)	52.60	
Springfield (Lane)	31.6767		Johnson City (Carter)	55.20	
West Salem (Polk)	31.8972		Johnson City (Washington)	52.50	
Pennsylvania*		Local	Kingsport (Sullivan)	65.60	
Allentown (Lehigh)	70.90	50	Knoxville (Knox)	61.50	
Bethlehem (Northampton)	67.10	50	Memphis (Shelby)	70.80	
Chester (Delaware)	204.73	3.7/20	Murfreesboro (Rutherford)	49.00	
Erie (Erie)	75.50	12.2/100	Oak Ridge (Anderson)	44.10	
Harrisburg (Dauphin)	5.946	100	Texas*		State, 100%
Hazleton (Luzerne)	32.50	33	Abilene (Taylor)	21.234	
Lancaster (Lancaster)	33.50	100	Alice (Jim Wells)	21.784	
Lebanon (Lebanon)	31.00	50			
Lower Merion Twp. (Montgomery)	31.25	5.8			

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Amarillo (Potter)	17.5465		Buchanan County	5.90	100
Arlington (Tarrant)	21.38886		Campbell County	5.10	100
Austin (1989) (Travis)	21.547		Charlottesville (Albemarle)	11.10	100
Baytown (1988) (Harris)	15.6293		Chesapeake (Northampton)	12.30	100
Beaumont (Jefferson)	18.37		Danville (Pittsylvania)	7.70	100
Big Spring (Howard)	19.922		Dinwiddie County	8.00	100
Brownsville (Cameron)	20.862		Falls Church (Fairfax)	8.40	100
Bryan (Brazos)	9.786		Fauquier County	8.30	100
College Station (Brazos)	22.505		Frederick County	7.80	100
Corpus Christi (Nueces)	21.533		Hampton (Elizabeth City)	11.70	100
Dallas (Dallas)	21.199		Harrisonburg (Rockingham)	6.80	100
Denison (Grayson)	18.725		Henry County	6.20	100
Denton (Denton)	9.198		Hopewell (Prince George)	12.80	100
El Paso (El Paso)	21.30112		James City County	7.10	100
Forth Worth (Tarrant)	24.14986		Lexington (Rockbridge)	9.00	100
Galveston (Galveston) (1988)	23.125		Louisa County	5.40	100
Garland (Dallas)	21.0629		Lunenburg County	6.60	100
Grand Prairie (Dallas)	21.8965		Manassas	11.80	100
Haltom City (Tarrant)	4.08286		Marion (Smyth)	2.90	100
Houston (Harris)	20.09		Nelson County	7.10	100
Irving (Dallas)	19.739		Norfolk (Norfolk)	13.50	100
Killeen (Bell)	16.90		Page County	5.30	100
Kingsville (Kleburg)	20.18		Petersburg (Dinwiddie)	14.90	100
Laredo (Webb)	16.787		Prince George County	8.00	100
Lubbock (Lubbock)	21.258		Prince William County	13.60	100
Marshall (Harrison)	18.594		Richmond (Henrico)	14.60	100
Mesquite (Dallas)	17.10		Roanoke (Roanoke)	23.80	100
Midland (Midland)	23.771		Rockingham County	6.80	100
Odessa (Ector)	18.34		Shenandoah County	7.00	100
Orange (Orange)	11.699		Stafford County	9.90	100
Paris (Lamar)	17.207		Staunton (Augusta)	11.10	100
Pasadena (Harris)	11.30		Suffolk	12.10	100
Port Arthur (Jefferson) (1988)	10.05		Virginia Beach (Princess Anne)	10.32	100
San Angelo (Tom Green)	20.9966		Washington County	7.00	100
San Antonio (Bexar)	5.2835		Winchester (Frederick)	8.00	100
Sherman (Grayson)	18.4952		Wise County	3.90	100
Texarkana (Bowie)	17.144		Wythe County	6.60	100
Tyler (Smith)	16.339		York County	6.30	100
University Park (Dallas)	15.326				
Victoria (Victoria)	16.846		Washington*		State, 100%
Waco (McLennan)	19.854		Auburn (King)	15.541	
Wichita Falls (Wichita)	19.375		Bellevue (King)	12.304	
Utah (1990)		State +	Bellingham (Whatcom)	12.756	
Bountiful (Davis)	15.830		Bremerton (Kitsap)	13.893	
Clearfield (Davis)	17.486		Edmonds (Snohomish)	11.911	
Layton (Davis)	16.752		Everett (Snohomish)	14.921	
Logan (Cache)	14.694		Kennewick (Benton)	15.065	
Murray (Salt Lake)	15.181		Kent (King)	15.007	
Orem (Utah)	13.975		Longview (Cowlitz)	12.037	
Provo (Utah)	15.407		Lynnwood (Snohomish)	12.494	
Salt Lake City (Salt Lake)	19.003		Olympia (Thurston)	15.171	
Sandy City (Salt Lake)	17.492		Olympia (Thurston)	17.509	
West Jordan (Salt Lake-Granite SD)	17.877		Olympia (Thurston)	17.573	
West Jordan (Salt Lake-Jordan SD)	17.983		Pullman (Whitman)	16.314	
West Valley (Salt Lake)	16.759		Renton (King)	13.568	
Vermont		Local	Richland (Benton)	15.550	
Burlington (1991)	22.90	72	Seattle (King)	13.586	
Virginia*		Local	Spokane (Spokane)	14.899	
Albemarle County	7.20	100	Vancouver (Clark)	12.975	
Amherst County	5.10	95	Walla Walla (Walla Walla)	14.986	
Arlington County	7.65	95	Yakima (Yakima) (305)	14.205	
Augusta County	5.80	100	Yakima (Yakima) (333)	15.782	
Blacksburg (Montgomery)	2.00	100	Yakima (Yakima) (346)	14.743	
Botetourt County	7.50	100	West Virginia*		Local
			Charleston	8.635	62
			Clarksburg	7.727	60

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level	State City (county) ²	Rate ³ in Dollars Per \$1,000	Assess- ment Level
Fairmont (1991)	8.841	53	Kenosha	23.38	
Huntington	8.160	60	La Crosse	35.52	
Morgantown	9.458	60	Menomonee Falls	31.92	
Parkersburg (1991)	3.2392	80	Milwaukee (Milwaukee)	38.35	
Weirton (Hancock)	8.482	n.a.	Milwaukee (Waukesha)	39.59	
Wheeling	8.557	n.a.	Neenah	33.09	
Wisconsin*		State, 100%	Oshkosh	31.43	
Appleton			Racine	35.19	
(Calumet County, Appleton SD)	31.53		South Milwaukee	34.97	
(Calumet County, Kimberly SD)	34.11		Stevens Point	34.16	
(Outagamie County, Appleton SD)	34.46		Superior	31.52	
(Winnebago County, Appleton SD)	30.97		Waukesha	31.62	
(Winnebago County, Menasha SD)	31.08		Wausau	33.85	
Beloit	34.14		Wauwatosa	36.38	
Brookfield	25.23		West Allis	42.17	
Eau Claire (Chippewa)	30.70		Wyoming*		State +
Eau Claire (Eau Claire)	31.33		Casper (Natrona)	74.91	
Fond du Lac	31.05		Cheyenne (Laramie)	80.09	
Green Bay	31.99		Laramie (Albany)	81.45	
Greenfield	41.99		Riverton (Fremont)	78.52	
			Rock Springs (Sweetwater)	79.420	

n.a. - not available

+ - see table 43 for property classification

¹ The tax and assessment rates shown are meant only as general guidelines. See also Tables 41-43.

² Jurisdictions included have populations of 20,000 and above.

³ Rates are for 1990 unless otherwise indicated by (year).

***State Notes**

Alabama Rates are combined state, county, city, and school tax rates.

Alaska Rates are the total property tax levies for municipal and school purposes.

Arizona Rates are based on state, county, city, junior college, and primary and secondary school levies, but do not include special or improvement district levies.

California The following cities have additional rates for land only: Concord (.112), Fremont (.026), Hayward (.004), Ventura Code 03001 (.02322).

Delaware The following cities and counties give discounts on property taxes if the taxes are paid by certain deadlines: Harrington, Laurel, Lewes, and Milford.

Florida Rates are combined city, county, and school tax levies except Sarasota, which includes only the city and county rate.

Georgia Rates are combined state, county, and city tax rates. The city of Gainesville has a different ratio to assessed value of 100%.

Hawaii The first rate in the column is the tax rate per \$1,000 net taxable building and the second rate is the tax rate per \$1,000 net taxable land.

Idaho The rate is the composite of state, county, city, and school district levies.

Illinois The rates are a composite of the county, city, school, sanitary district, and park district levies.

Indiana The rates are the composite of state, county, city, school, and other district levies.

Iowa The rates are the composite of state, county, city, school, agricultural extension, hospital, and others. Where more than one rate prevails in a city, the highest rate is used in the composite.

Kansas Rates include state, county, city, and school taxes.

Kentucky Rates include state (\$1.89 per \$1,000), county, city, and school districts for cities with populations of 7,000 and more.

Louisiana The rate is the aggregate of all levies for parish, municipal, and district purposes. Special districts, such as road, school, and levee districts, are organized to cover parts of a parish and in some cases, parts of more than one parish.

Maine Rates include state, county, and city or town taxes.

Maryland Rates are the combined state (\$2.10), county, and city tax rates. For tax years beginning after June 30, 1991, assessment is 40% of phased-in value.

Massachusetts Rates are the residential property tax rates for fiscal year 1991. Rates for open spaces, commercial, industrial, and personal property are not reflected.

Michigan Rates reflect the total county, city, and school levies for each city. Certain other assessments (e.g., local transportation facilities, drainage systems, jails) are not reflected.

Mississippi Rates are the combined rates for cities and counties for fiscal year 1989.

Table 44 (cont.)
Property Tax Rates, Selected Cities, 1990¹

State Notes (cont.)

Missouri	Rates are the composite of several levies, including state, county, city, school, and other districts. The rates for Kansas City and Rolla are city only.	Oklahoma	Rates include county, city, and school district levies.
Montana	Rates include the state, county, city, school district, and where applicable the university millage fund, vo-tech, accredited high school fund, and special district tax rates.	Oregon	Rates include county, city, school district, and other levies.
Nebraska	The rates listed are the aggregate rates (rounded to the nearest hundredth) for county, city, school district, and miscellaneous levies.	Pennsylvania	Rates are a composite of county, city, and school taxes. County rates include levies for institution districts where applicable.
Nevada	Rates include state, county, city, and school district levies.	South Dakota	Rates include county, city, and school taxes.
New Jersey	Cherry Hill rate excludes the fire districts. Edison rate is in the non-trash district.	Tennessee	Rates include county, city, and special districts for 1988. The city of Nashville is served by an Urban Services District with taxing authority, and no other city or county taxes apply.
New Mexico	Rates are for New Mexico residents. Rates for nonresidents range from 15.359% to 40.780%.	Texas	Rates contain county, city, and school levies. Port Arthur rate does not include the school district levy.
New York	The following cities have higher nonhomestead tax rates: Johnstown, Newburgh, Niagara Falls, North Tonawanda, Kingston, Lackawanna, and Rochester.	Virginia	Rates are the county and city tax rates combined where applicable.
North Carolina	Listed are the aggregate rates of tax payable to the county collector and the rate of tax payable to the city collector.	Washington	Rates include state, county, city, and school levies.
North Dakota	The rates are the total property tax rates for state, county, city, and school district purposes for 1989.	West Virginia	Rates include state, county, and municipal levies.
		Wisconsin	Rates contain state, county, local, and school tax levies.
		Wyoming	Rates include state, county, city, and school levies. The state rate of \$12 per \$1,000 is for the state school foundation.

Source: Commerce Clearing House, *State Tax Reporter* (Chicago, 1991).

Table 45
State Programs Compensating Local Governments for State-Owned Property, 1989
 Type and Number of Programs

State	Taxation	Pilot		Annual Cost	State	Taxation	Pilot		Annual Cost
		Full	Part				Full	Part	
Alabama*				—	Montana		1	1	465,000
Alaska*				—	Nebraska*				—
Arizona*				—	Nevada			1	26,260
Arkansas*				—	New Hampshire			3	741,040
California*				—	New Jersey			4	14,092,960
Colorado			2	107,500	New Mexico*				—
Connecticut			2	20,001,400	New York	5	2	7	59,000,000
Delaware*				—	North Carolina*				—
Florida*				—	North Dakota		3		281,810
Georgia*				—	Ohio			2	51,050+
Hawaii*				—	Oklahoma			1	n.a.
Idaho*				—	Oregon			1	80,000
Illinois			1	n.a.	Pennsylvania			3	1,980,000+
Indiana*				—	Rhode Island			1	500,000
Iowa		1	1	35,500+	South Carolina			3	1,501,220
Kansas	1			n.a.	South Dakota	1	1		408,900
Kentucky*				—	Tennessee*				—
Louisiana*				—	Texas*				—
Maine*				—	Utah			2	122,000+
Maryland			1	200,000	Vermont	1		1	98,000+
Massachusetts			3	17,000,000+	Virginia	1			n.a.
Michigan			4	18,405,360	Washington*				—
Minnesota		1	3	5,248,800+	West Virginia*				—
Mississippi*				—	Wisconsin			3	13,776,530
Missouri			2	365,800	Wyoming	1			130,000
					Total	10	9	52	93,619,770+

*—no programs

Taxation—The state has consented to be taxed on some of its property.

Full Pilot—Payment in lieu of taxes equal to total taxes payable if property were not exempt.

Part Pilot—Payment in lieu of taxes less than total taxes payable if property were not exempt.

Annual Cost—Amounts are rounded to the nearest \$10. The symbol + indicates that multiple programs exist but costs are not available for all of them.

New York's estimated total cost is based on 1989 assessments.

Source: Sylvia Adams, *State Programs Compensating Local Governments for State-Owned Property* (Albany: New York State Board of Equalization and Assessment, 1990).

Table 46
Selected Features of Intangibles Taxation by State

State	Tax Levied	Part of General Property	Taxable Unless Exempt	Special Intangibles Tax	Tax Imposed on	
					Individuals	Corporations
Alabama	Y	Y	Y		Y	Y
Alaska			Y			
Arizona			Y			
Arkansas			Y			
California			Y			
Colorado			Y			
Connecticut	Y			Y	Y	
Delaware						
District of Columbia			Y			
Florida	Y		Y	Y	Y	Y
Georgia	Y		Y	Y	Y	Y
Hawaii						
Idaho						
Illinois ¹						
Indiana			Y			
Iowa	Y			Y		Y
Kansas	Y			Y	Y	Y
Kentucky	Y	Y	Y		Y	Y
Louisiana	Y	Y	Y	Y	Y	Y
Maine						
Maryland						
Massachusetts			Y			
Michigan	Y		Y	Y	Y	
Minnesota			Y			
Mississippi	Y	Y	Y			Y
Missouri	Y		Y	Y	Y	
Montana			Y			
Nebraska			Y			
Nevada ¹						
New Hampshire	Y			Y	Y	
New Jersey						
New Mexico						
New York ¹						
North Carolina	Y		Y	Y	Y	Y
North Dakota	Y			Y	Y	Y
Ohio	Y			Y		Y
Oklahoma			Y			
Oregon			Y			
Pennsylvania	Y	Y	Y	Y	Y	Y
Rhode Island	Y			Y		Y
South Carolina ¹						
South Dakota						
Tennessee	Y	Y	Y	Y	Y	Y
Texas	Y			Y	Y	Y
Utah			Y			
Vermont						
Virginia						
Washington	Y ²	Y ²	Y		Y ²	Y ²
West Virginia	Y	Y	Y		Y	Y
Wisconsin			Y			
Wyoming	Y	Y	Y		Y	Y
Totals	22	9	29	16	18	18

¹ Taxation of intangibles prohibited by state constitution.

² In 1989, a state Board of Tax Appeals ruling made Washington the only state to tax software as an intangible. A state legislative committee may recategorize it as tangible property.

Source: John H. Bowman, George E. Hoffer, and Michael D. Pratt, "Current Patterns and Trends in State and Local Intangibles Taxation," *National Tax Journal*, December 1990. See also Table 46.

Table 47
Details of Intangibles Tax Base by State

State	Base Items (see key at end of table)	Number
Alabama	A, B	2
Connecticut	O	1
Florida	A, B, E, F, H, O	5
Georgia	A, ¹ B, C, D, E, I, J, K, L, M, O	11
Iowa	O	1
Kansas	A, B, C, D, E, ² F, H, I, O	9
Kentucky	A, ¹ B, C, D, E, F, G, H, I, J, K, L, M, O	14
Louisiana	A, ¹ B, ¹ E, ¹ O	4
Michigan	A, B, C, D, E, F, H, I	8
Mississippi	O	1
Missouri	O	1
New Hampshire	A, B, C, E, G, I, O	7
North Carolina	A, ¹ B, E, F, H	5
North Dakota	O	1
Ohio	O	1
Pennsylvania	A, ³ B, E, I, O	5
Rhode Island	C	1
Tennessee	A, ³ B, ⁴ C, ⁴ E, ⁴ H, I, ⁴ O	7
Texas	O	1
Washington	N	1
West Virginia	A, B, F, G, I, J, K, M, O	9
Wyoming	O	1

Key to Intangible Base Categories [number of states]

A—Equities [12]	I—Other financial instruments [8]
B—Bonds [12]	J—Patents [3]
C—Deposits [7]	K—Copyrights and trademarks [3]
D—Cash [4]	L—Licenses [2]
E—Mortgages [10]	M—Franchises [3]
F—Accounts receivable [6]	N—Computer software [1]
G—Cash value of insurance policies [3]	O—Other [17]
H—Interest in trusts [6]	

¹ Equities of firms paying selected other state taxes may be exempt from this tax.

² Mortgages and notes secured by in-state real property are exempt.

³ Types of firms whose equities are subject to tax is very limited.

⁴ Income subject to intangible personal property tax if duration of instrument contract is six months or greater.

Source: John H. Bowman, George E. Hoffer, and Michael D. Pratt, "Current Patterns and Trends in State and Local Intangibles Taxation," *National Tax Journal*, December 1990. See also Table 45.

Table 48
State Transfer and Real Estate Taxes, November 1991

State	Basis of Tax				State	Basis of Tax			
	Total Sales Price	Sales Price Exclusive of Mortgage or Other Liens	Rates ¹			Total Sales Price	Sales Price Exclusive of Mortgage or Other Liens	Rates ¹	
			Deed Transfer Tax	Mortgage Tax			Deed Transfer Tax	Mortgage Tax	
Alabama*	Yes		0.10%	0.15%	Minnesota				
Arizona		flat fee	\$2.00		Nebraska	Yes		0.33	0.23
Arkansas	Yes ²		0.22		Nevada		Yes ²	0.15	
California* ³		Yes ²		0.11	New Hampshire*	Yes		0.11	0.12
Colorado	Yes ⁴		0.01		New Jersey*	Yes ²		0.525	
Connecticut*	Yes		0.61		New York**		Yes	0.35	
Delaware**	Yes ²		2.00		North Carolina*		Yes	0.40	1.00
District of Columbia*	Yes		2.20		Ohio* ³			0.10	0.20
Florida**	Yes		0.55	0.60	Oklahoma*		Yes	0.30	
Georgia**		Yes ²	0.10		Pennsylvania**	Yes		0.15	0.10
Hawaii	Yes ²		0.05		Rhode Island	Yes ²		1.00	
Illinois**	Yes ²		0.10		South Carolina**		Yes ²	0.28	
Iowa	Yes ⁴		0.11	0.16	South Dakota	Yes		0.22	0.11
Kansas			0.26		Tennessee*		Yes	0.10	0.37
Kentucky	Yes		0.10		Vermont*	Yes		1.25	
Maine	Yes		0.22		Virginia**	Yes	Yes	0.10	0.15
Maryland**	Yes		0.11		Washington**	Yes		1.28	
Massachusetts*		Yes ²	0.40		West Virginia**	Yes		0.22	
Michigan*	Yes ²		0.11		Wisconsin	Yes ²		0.30	

⁺Local taxes are additional.

¹Taxes are listed as a percentage of the tax base even though statutory rates are sometimes listed as cents/\$100 or cents/mills.

²Transfers under \$100 are exempt.

³Local taxes only.

⁴Transfers under \$500 are exempt.

***State Notes**

General Information: Deed transfer taxes are generally paid by the seller; however, if the seller fails to pay, the buyer is liable for the tax. Mortgage taxes are paid by the buyer on the amount borrowed. Most states grant a variety of exemptions to these taxes.

Alabama Alabama does not have a stock transfer fee; however, there is a recordation tax and a privilege or license tax on the registration of securities. The rate of the tax is \$.25 per \$100 of par value or principal amount for the recording of the securities. This rate also applies to the filing and recording of lists of securities.

California Any city within a county may levy the tax at one-half the county rate per \$500. A credit is allowed against the county tax for any city tax due.

Connecticut The rate shown is a combination of 0.5% of the consideration paid plus an additional tax at the rate of 0.11% of the consideration paid. Farm and Forest Land Conveyance Tax is an additional tax levied on the sale of land classified for property tax purposes as open space land that is sold within ten years of classification. Also, if land classified as farm or forest land is sold within ten years from acquisition or classification, whichever is earlier, it, too, is subject to the conveyance tax. The tax rates are applied to the sales price or, if the classification

of the land is changed but there is no sale, to the fair market value on a scale from 10% within the first year to 1% within the tenth year. The tax on nonresidential property is 1%. For residential properties over \$800,000, the tax is 0.5% on the first \$800,000 and 1% on the remainder.

Delaware There is a realty transfer tax imposed by the City of Wilmington at the rate of 1%. Counties are authorized to impose and collect a tax.

District of Columbia The recordation tax on deeds is 1.1% and is paid by the transferee. The transfer tax is 1.1%, and is paid by the transferor.

Florida Until October 1, 2011, counties are authorized to levy a surtax on documents at a rate not to exceed \$.45/\$100. The county tax is levied on the same items as the state tax, except any document which involves a single family residence.

Georgia \$1 for the first \$1,000 and \$.10 for each additional \$100.

Illinois Counties are authorized to impose a real estate transfer tax at the rate of .05% of the full consideration. Chicago imposes a real estate transfer tax at the rate of 0.5% of the value. There are 29 home rule cities that levy a real estate transfer tax.

Table 48 (cont.)
State Transfer and Real Estate Taxes, November 1991

State Notes (cont.)

Maryland A realty transfer tax is imposed by the state at 0.5% of actual consideration paid. The first \$30,000 of the sales price of a home is excluded from the tax base. Counties may impose an additional transfer tax not to exceed 0.5%. Counties and municipalities may impose an additional recordation tax. The rate varies between the counties; the range is from \$1.10 to \$3.50 per \$500. There also is an agricultural land transfer tax of 5% of actual consideration paid (less full cash value of any improvements) when the land being transferred is a parcel of 20 acres or more; 4% when the land is a parcel of less than 20 acres and is assessed on the basis of its agricultural use or on the basis of unimproved land; and 3% when land being transferred is a parcel of less than 20 acres and is assessed as improved land or land with site improvements. The rate is reduced further by 25% for each consecutive full tax year in which real property taxes were paid on the basis of a nonagricultural use assessment. Counties also impose additional deed transfer taxes.

Massachusetts If the sale price is greater than \$100 and less than \$500, the fee is \$2, and for each additional \$500 or fractional part, \$2. In addition, a 14% surtax per \$500 is imposed.

Michigan The \$.55 per \$500 rate increases to \$.75 per \$500 for counties with a population of 2 million or more.

New Hampshire The buyer and the seller each pay \$.525 per \$100 of the full consideration, the total tax being \$1.05 per \$100 (minimum tax, \$21). Rates are in effect from 4/1/90 through 6/30/93.

New Jersey The rate is .35% on the first \$150,000; the rate on the excess over \$150,000 of the consideration is an additional \$.75/\$500. There is a reduction in the tax rate to \$.50/\$500 when the transfer involves the sale of low- or moderate-income housing. The sale of any one- or two-family residence owned and occupied by a senior citizen, blind, or disabled person who is the seller also qualifies for the reduction.

New York New York City imposes a mortgage recording tax of 1%, in addition to the state tax, with respect to real property securing a principal debt or obligation of less than \$500,000. The tax on mortgages secured on one-, two-, or three-family houses, individual cooperative apartments, and individual residential condominium units, securing a principal debt or obligation of \$500,000 or more is \$1.125/\$100. The tax on mortgages secured on all other real property is 1.75%. The mortgage recording tax is a state tax that is administered by localities. New York City imposes a realty transfer tax on each deed when the consideration exceeds \$25,000. The tax is imposed at the following rates: 1% for a one-, two-, or three-family house, individual cooperative apartment, individual residential condominium unit, or individual dwelling unit in a four-unit dwelling, or where the consideration for the transfer is less than \$500,000, and 1.425% if the consideration is more than \$500,000. With respect to all other transfers, the rate is 1.425% if the consideration is under \$500,000 and 2.625% where the consideration is more than \$500,000. The real property gains tax is imposed at a rate of 10% on the gain from the transfer of real property if the consideration is \$1 million or more.

Vermont The capital gains tax on land is based on the gain and the years held; the rates are as follows:

Ohio

Counties may levy a realty transfer tax on each deed, with a rate not to exceed \$.30 per \$100 of value. There is an additional tax of \$1 or \$.10 per \$100, whichever is greater, imposed by counties; there are 22 exemptions to this second tax. **Oklahoma**

The real estate mortgage tax rates, for each \$100 and remaining fraction thereof, increase with the time of the mortgage as follows: \$.10—5 years or more, \$.08—4 to 5 years, \$.06—3 to 4 years, \$.04—2 to 3 years, and \$.02—2 years or less. If mortgage is less than \$100, a tax of \$.10 is levied. County treasurers impose a \$5 fee on each mortgage presented for certification.

South Carolina

Counties may impose an additional \$1.10 per \$1,000 deed transfer tax.

Tennessee

Mortgage Tax—county registrar receives \$.50 recording fee at time of payment. Also entitled to a commission of 5% of tax collected. Not liable for the first \$2,000 of indebtedness. The rate is scheduled to be reduced to 0.1% on 7/1/91. **Real Estate Transfer Tax**—county registrar receives \$.50 recording fee at time of payment. Also entitled to a commission of 5% of tax collected. Maximum tax \$100,000.

Virginia

The deed transfer tax is actually a two-part recordation tax: the grantor's tax of \$.50 per \$500 of the consideration less any amount of any lien or debt remaining, and the recordation tax of \$.15 per \$100, or fraction thereof, of consideration or actual value, which is imposed on the recordation of a deed, deed of trust, lease, or other contract. The recordation tax per \$100 value decreases as follows: 1st \$10 million, \$.15; 2nd \$10 million, \$.12; 3rd \$10 million, \$.09; 4th \$10 million, \$.06; and 5th \$10 million, \$.03.

Gain as a Percentage of Basis
(rounded to the next highest percent)

Land Held by Transferor	0-99	100-199	200 & over
less than four months	60	70.0	80
four to eight months	35	52.5	70
one year	30	45.0	60
two years	25	37.5	50
three years	20	30.0	40
four years	15	22.5	30
five years	10	15.0	20
six years	5	7.5	10

Table 48 (cont.)
State Transfer and Real Estate Taxes, November 1991

State Notes (cont.)

Washington	There is an excise tax of 1.28% of the total selling price, to be paid by the seller; a local county and city tax not to exceed .25% of the selling price excluding the value of any liens and encumbrances, also paid by the seller. In lieu of imposing an additional 0.5% local sales and use tax, a city or county may impose an additional	West Virginia	tax on the sale of property not to exceed 0.5% of the selling price. Counties may impose an additional excise tax on each sale of real property in the county at a rate not to exceed 1% of the selling price. There is an additional county excise tax on transfers of property at a rate of 0.11%.
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Source: ACIR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1991).

Table 49
State Death and Transfer Taxes: Number and Type, November 1991

Type of Tax	Number	States
"Pick-Up" Tax Only	27	Alabama, Alaska, Arizona, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Maine, Minnesota, Missouri, Nevada, New Mexico, North Dakota, Oregon, South Carolina, Texas, Utah, Vermont, Virginia, ¹ Washington, West Virginia, Wyoming
Estate and "Pick-Up" Tax	8	Massachusetts, Michigan, ² Mississippi, New York, Ohio, Oklahoma, Rhode Island (estate tax being phased out by 1/1/92), Virginia
Inheritance and "Pick-Up" Tax	18	Connecticut, Delaware, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, ² Montana, Nebraska, New Hampshire, New Jersey, North Carolina, Pennsylvania, South Dakota, Tennessee, Wisconsin (inheritance tax being phased out by 1/1/92)
States with Added Gift Tax	7	Connecticut, Delaware, Louisiana, New York, North Carolina, Tennessee, Wisconsin (repealed effective 1/1/92)

Notes

¹Local estate taxes are additional.

²Counties collect an additional 0.5%. See also Table 42.

General Description of Death, Gift, and Inheritance Taxes

State inheritance taxes are paid by the recipient of a bequest and are based on (1) the amount of the bequest and (2) the recipient's relationship to the decedent (generally, the closer the familial relationship, the lower the tax rate). The federal government does not have an inheritance tax.

Interaction of Federal and State Taxes

The federal tax code permits the decedent's estate to take a credit against state estate taxes paid, up to certain amounts, based

on the total size of the estate. All states have at least imposed a tax equal to the allowable credit. This tax is known as the "pick-up" tax.

Eight states have estate taxes that exceed the amount of the pick-up tax (see above).

Eighteen states tax the amount of the *bequest* (i.e., the inheritance) received by beneficiaries of the decedent rather than taxing the estate as a whole (see above).

In seven states, gift taxes apply to transfers occurring while the donor is alive. Like the federal gift tax, this tax could be viewed generally as an advanced payment of either the state estate tax or the inheritance tax (less any annual exemption amounts and less the lifetime exemption amounts of the state estate tax). The state estate tax credit is found in Table 13.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1991). See also Tables 49-51.

Table 50
State Estate Taxes: Rates and Exemptions, November 1991

State	Taxable Estate		Rate Percent	Considerations
	Over	But Not Over		
Massachusetts				
	\$0	\$50,000	5.0	If estate: < or = \$200,000 there is no tax liability > \$200,000 there is a credit of either the lesser of: Massachusetts estate tax liability or \$1,500 Charitable exemptions are allowed.
	50,000	100,000	7.0	
	100,000	200,000	9.0	
	200,000	400,000	10.0	
	400,000	600,000	11.0	
	600,000	800,000	12.0	
	800,000	1,000,000	13.0	
	1,000,000	2,000,000	14.0	
	2,000,000	4,000,000	15.0	
	4,000,000		16.0	
Michigan		Federal pick-up tax		Counties collect an additional 0.5% of the federal estate tax paid.
Mississippi				Exemption: property up to the value of \$600,000.
	0	60,000	1.0	
	60,000	100,000	1.6	
	100,000	200,000	2.4	
	200,000	400,000	3.2	
	400,000	600,000	4.0	
	600,000	800,000	4.8	
	800,000	1,000,000	5.6	
	1,000,000	1,500,000	6.4	
	1,500,000	2,000,000	7.2	
	2,000,000	2,500,000	8.0	
	2,500,000	3,000,000	8.8	
	3,000,000	3,500,000	9.6	
	3,500,000	4,000,000	10.4	
	4,000,000	5,000,000	11.2	
	5,000,000	6,000,000	12.0	
	6,000,000	7,000,000	12.8	
	7,000,000	8,000,000	13.6	
	8,000,000	9,000,000	14.4	
	9,000,000	10,000,000	15.2	
	10,000,000		16.0	
New York				
	0	50,000	2.0	New York follows federal guidelines for deductions, including unlimited marital deductions as of 1/1/84 Unified credit: if tax < or = \$2,750, credit equals full amount of tax \$2,750 < tax < \$5,000, credit = an amount by which \$5,500 exceeds the tax if tax = or > \$5,000, credit = \$500 The effect of the unified credit is to eliminate tax liability for estates with total taxable assets of \$108,333.33 or less. Charitable exemptions are allowed. Surviving spouse is exempt.
	50,000	150,000	3.0	
	150,000	300,000	4.0	
	300,000	500,000	5.0	
	500,000	700,000	6.0	
	700,000	900,000	7.0	
	900,000	1,100,000	8.0	
	1,100,000	1,600,000	9.0	
	1,600,000	2,100,000	10.0	
	2,100,000	2,600,000	11.0	
	2,600,000	3,100,000	12.0	
	3,100,000	3,600,000	13.0	
	3,600,000	4,100,000	14.0	
	4,100,000	5,100,000	15.0	
	5,100,000	6,100,000	16.0	
	6,100,000	7,100,000	17.0	
	7,100,000	8,100,000	18.0	
	8,100,000	9,100,000	19.0	
	9,100,000	10,100,000	20.0	
	10,100,000		21.0	
Ohio				
	0	40,000	2.0	Tax credit of the lesser of \$500 or the amount of the tax, thus no tax liability for estates < \$25,000 Gross estate includes gifts made within three years of death. Marital deduction is the lesser of: (a) greater of 1/2 difference between value of gross estate and deductions or \$500,000, if decedent dies between 7/1/89-7/1/93 (after 7/1/93, \$1,000,000); or (b) the federal marital deduction increased by the amount of any Ohio estate taxes by which the federal marital deduction is reduced and further increased by the value in excess of \$10,000 of any interest in property transferred within 3 years of death. After 7/1/93, spouse is exempt. Charitable exemptions are allowed.
	40,000	100,000	3.0	
	100,000	200,000	4.0	
	200,000	300,000	5.0	
	300,000	500,000	6.0	
	500,000		7.0	

Table 50 (cont.)
State Estate Taxes: Rates and Exemptions, November 1991

State	Taxable Estate		Rate		Considerations
	Over	But Not Over	Percent		
Oklahoma			A	B	
	0	10,000	0.5	1.0	Class A = parent, child (step, adopted), and other lineal descendants Class B = all others
	10,000	20,000	1.0	2.0	
	20,000	40,000	1.5	3.0	Property passing to spouse is exempt.
	40,000	60,000	2.0	4.0	A total exemption of \$175,000 may be divided among lineal heirs.
	60,000	100,000	2.5	5.0	Estate is exempt if it does not exceed \$100.
	100,000	250,000	3.0	6.0	Charitable exemptions are allowed.
	250,000	500,000	6.5	13.0	
	500,000	750,000	7.0	14.0	
	750,000	1,000,000	7.5	14.0	
	1,000,000	3,000,000	8.0	15.0	
	3,000,000	5,000,000	8.5	15.0	
	5,000,000	10,000,000	9.0	15.0	
	10,000,000		10.0	15.0	
Rhode Island					
	0	25,000	2.0		Marital deduction: \$175,000
	25,000	50,000	3.0		Orphan child exemption: \$5,000 x number of years (age of child from 21)
	50,000	100,000	4.0		Exemption: \$25,000
	100,000	250,000	5.0		Phase-out of estate tax, federal credit or Rhode Island tax, whichever is greater,
	250,000	500,000	6.0		for deaths occurring during: 1987 pay 80% of tax; 1988, 60%; 1989, 40%; and
	500,000	750,000	7.0		1990, 20%. After 6/1/90, and until 1/1/92, 40%.
	750,000	1,000,000	8.0		After 1992, estates are subject to a pick-up tax only.
	1,000,000		9.0		
	additional estate tax				The intention of the additional tax is to pick up the federal credit levied on net
	250,000	300,000	1.4		estates in excess of \$250,000.
	300,000	500,000	2.2		
	500,000	700,000	3.0		
	700,000	900,000	3.8		
	900,000	1,000,000	4.6		
	1,000,000	1,500,000	5.24		
	1,500,000	2,000,000	6.04		
	2,000,000	2,500,000	6.84		
	2,500,000	3,000,000	7.64		
	3,000,000	3,500,000	8.44		
	3,500,000	4,000,000	9.24		
	4,000,000	5,000,000	10.12		
	5,000,000	6,000,000	10.92		
	6,000,000	7,000,000	11.72		
	7,000,000	8,000,000	12.52		
	8,000,000	9,000,000	13.32		
	9,000,000	10,000,000	14.12		
	10,000,000		14.92		
Virginia					
	Federal pick-up tax				In addition to the estate tax, the probate of every will or grant of administration, not
					exempt by law, is subject to tax. This tax amounts to \$.10 on every \$100 of value or
					fraction thereof, except that estates of \$5,000 or less are not subject to the tax. The
					governing bodies of cities and counties may also impose a tax on the probate of wills
					or grants of administration in an amount equal to one-third the amount of the state
					tax levied on such probate or administration.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1991). See also Tables 48, 50, and 51.

Table 51
State Inheritance Taxes: Rates and Exemptions, November 1991

State	Value of Share before Exemption Applied		Rates According to Class (in percent)					Conditions
	Over	But Not Over	A	B	C	D	E	
Connecticut								
	\$0	\$1,000						
	1,000	6,000			8			
	6,000	25,000		4	8			
	25,000	50,000		5	9			
	50,000	150,000	3	5	9			
	150,000	250,000	4	6	10			
	250,000	400,000	5	7	11			
	400,000	600,000	6	8	12			
	600,000	1,000,000	7	9	13			
	1,000,000		8	10	14			
								Class A = (grand)parent, descendant (natural or adoptive) Class B = spouse or widow(er) of child who has not remarried, stepchild, sibling, descendant of sibling Class C = any others
								Exemptions: surviving spouse Class A \$50,000 Class B \$6,000 Class C \$1,000
								Additional tax: Estates of decedents dying on or after 6/8/61, additional amount equal to 30% of the basic tax is imposed; on or after 7/1/83, second tax equal to 10% of the basic tax and the first additional tax. The second additional tax is not applicable to real property classified as farmland at time of death. Charitable exemptions are allowed.
Delaware								
	1,000	3,000						10
	3,000	10,000			5			10
	10,000	25,000			5			10
	25,000	50,000		2	6			12
	50,000	70,000		3	7			14
	70,000	75,000	2	3	7			14
	75,000	100,000	2	4	7			14
	100,000	150,000	3	5	8			16
	150,000	200,000	3	5	9			16
	200,000		4	6	10			16
								Class A = spouse Class B = lineal descendant and (grand)parents, children, stepchild, spouse, or widow(er) of child Class C = any other relative within 5 degrees consanguinity Class D = all others
								Exemptions: Class A \$70,000 Class B \$25,000 Class C \$5,000 Class D \$1,000
								Charitable exemptions are allowed.
Indiana								
	0	25,000	1	7	10			
	25,000	50,000	2	7	10			
	50,000	100,000	3	7	10			
	100,000	200,000	3	10	15			
	200,000	300,000	4	10	15			
	300,000	500,000	5	10	15			
	500,000	700,000	6	12	15			
	700,000	1,000,000	7	12	15			
	1,000,000	1,500,000	8	15	20			
	1,500,000		10	15	20			
								Class A = spouse, lineal ancestor, lineal descendant Class B = siblings, their descendants, spouse or widow(er) of child Class C = all others
								Exemptions: transfers to spouse proceeds from insurance policies minor (under 21 years) \$10,000 child 21 and older \$5,000 parent \$5,000 other Class A \$2,000 Class B \$500 Class C \$100
								Charitable exemptions are allowed.
Iowa								
	0	5,000	1	5	10	10	15	
	5,000	12,500	2	5	10	10	15	
	12,500	25,000	3	6	10	10	15	
	25,000	50,000	4	7	10	10	15	
	50,000	75,000	5	7	12	10	15	
	75,000	100,000	6	8	12	10	15	
	100,000	150,000	7	9	15	10	15	
	150,000		8	10	15	10	15	
								Class A = spouse, parent, child, lineal descendant Class B = sibling, spouse of child, step child Class C = all others Class D = certain institutions organized in other states for charitable, educational, or religious purposes, or resident trustees, for use outside the state. Charitable exemptions may apply if reciprocal exemptions exist. Class E = firms, corporations, or societies organized for profit. Estates that do not exceed \$10,000 after deducting debts are exempt.
								Exemptions for Class A only: spouse exempt each child \$50,000 parent \$15,000 other lineal descendants \$15,000
								Transfers to alien, nonresident of US, within Class A are taxable at 10%

Table 51 (cont.)
State Inheritance Taxes: Rates and Exemptions, November 1991

State	Value of Share before Exemption Applied		Rates According to Class (in percent)					Conditions
	Over	But Not Over	A	B	C	D	E	
Kansas								
	0	25,000	1	3	10			Class A = lineal ancestor, descendant, step parent or child, adopted child, spouse of child Class B = siblings Class C = all others Deductions: Class A \$30,000 Class B \$5,000 (if share of estate after deductions is less than \$200, no tax is due) Surviving spouse is exempt.
	25,000	50,000	2	5	10			
	50,000	100,000	3	7.5	10			
	100,000	200,000	4	10	12			
	200,000	500,000	4	10	15			
	500,000		5	12.5	15			
Kentucky								
	0	10,000	2	4	6			Class A = parent, spouse, (grand)child, child adopted during infancy Class B = sibling, their descendants, spouse of child, aunt, uncle Class C = all others Exemptions: surviving spouse minor (< 18 years) or incompetent child \$20,000 parent \$5,000 child \$5,000 grandchild \$5,000 Class B \$1,000 Class C \$500
	10,000	20,000	2	5	8			
	20,000	30,000	3	6	10			
	30,000	45,000	4	8	12			
	45,000	60,000	5	10	14			
	60,000	100,000	6	12	16			
	100,000	200,000	7	14	16			
	200,000	500,000	10	16	16			
	500,000		10	16	16			
Louisiana								
	0	5,000	2	5	5			Class A = spouse, direct descendant Class B = collateral relation (includes sibling by marriage) Class C = all others Exemptions: Class A \$25,000 Class B \$1,000 Class C \$500 transfers to a surviving spouse, after 1991 Charitable exemptions are allowed.
	5,000	20,000	2	5	10			
	20,000		3	7	10			
Maryland								
			1	10				Class A = spouse, child, stepchild, or stepparent of child, (grand)parent, lineal descendant, and any joint savings accounts of less than \$2,000 of any person who is a spouse of a lineal descendant Class B = all others Exemptions: spouse, all real property, first \$100,000 of other property transfers < \$150
Michigan								
	0	50,000	2	12				Class A = spouse, child, adopted child, spouse or widow(er) of child, (grand)parent, sibling, lineal descendant, mutually acknowledged child Exemptions: spouse, \$65,000; if transfer qualifies for the marital deduction under the federal estate tax, the transfer is exempt from the top applicable bracket. The spouse gets another \$10,000 exemption taken from the lowest bracket and an additional \$5,000 for every minor to whom no property is transferred all others in Class A, \$10,000 Counties collect an additional 0.5% of the tax paid. Charitable exemptions are allowed.
	50,000	250,000	4	14				
	250,000	500,000	7	14				
	500,000	750,000	8	17				
	750,000		10	17				

Table 51 (cont.)
State Inheritance Taxes: Rates and Exemptions, November 1991

State	Value of Share before Exemption Applied		Rates According to Class (in percent)					Conditions
	Over	But Not Over	A	B	C	D	E	
Montana								
	0	25,000	2	4	6	8		Class A = spouse, child, lineal descendants, ancestor Class B = siblings, descendants of sibling, spouse of child Class C = uncle, aunt, 1st cousin Class D = all others Exemptions: Class A property passing to spouse and lineal descendant exempt. Lineal ancestor, \$7,000 Class B \$1,000 Charitable exemptions are allowed. Armed forces exemption during active service if 1) killed in action in combat zone 2) died from wounds, disease, or injury suffered in combat zone
	25,000	50,000	4	8	12	16		
	50,000	100,000	6	12	18	24		
	100,000		8	16	24	32		
Nebraska								
	0	2,000			6			Class A = spouse, (grand)parent, child, sibling, lineal descendant born in wedlock or legally adopted, or a mutually acknowledged child where relationship has continued for a specified time, or the surviving spouse of any such persons Class B = uncle, aunt, their descendants, spouses of descendants Class C = all others Exemptions: surviving spouse Class A \$10,000 Class B \$2,000 Class C \$500 Tax is paid to and administered by county where decedent resided or had property.
	2,000	5,000		6	6			
	5,000	10,000		6	9			
	10,000	20,000	1	6	12			
	20,000	50,000	1	6	15			
	50,000	60,000	1	6	18			
	60,000		1	9	18			
New Hampshire								15% tax rate. Exempt: spouse, lineal ascendants, lineal descendants, their spouses, legal guardians, step children, their spouses and lineal descendants. Credit for taxes paid on prior transfers between siblings. If sibling died within two years, credit is 100%; credit decreases by 20% every two years up to 10 years. Real property for nonresidents is taxed at same rate. Personal property is taxed at a flat 2%; no deductions or exemptions allowed.
New Jersey								
	0	25,000				15		Class A = spouse, (grand)parent, child, adopted child, mutually acknowledged child, stepchild or issue of any child or adopted child of a decedent Class B = sibling, spouse or widow(er) of child Class C = all others Exemptions: Class A Class B \$25,000 Charitable exemptions are allowed. If share is < \$500, there is no tax. Surviving spouse is exempt.
	25,000	700,000			11	15		
	700,000	1,100,000			11	16		
	1,100,000	1,400,000			13	16		
	1,400,000	1,700,000			14	16		
	1,700,000				16	16		
North Carolina								
	0	5,000	1	4	8			Class A = lineal ancestor, lineal issue, adopted child, stepchild, spouse of child Class B = sibling, descendant of sibling, uncle or aunt by blood Class C = all others Credits: Class A \$26,150 Surviving spouse is exempt.
	5,000	10,000	1	5	8			
	10,000	25,000	2	6	9			
	25,000	50,000	3	7	10			
	50,000	100,000	4	8	11			
	100,000	200,000	5	10	12			
	200,000	250,000	6	10	12			
	250,000	500,000	6	11	13			
	500,000	1,000,000	7	12	14			
	1,000,000	1,500,000	8	13	15			
	1,500,000	2,000,000	9	14	16			
	2,000,000	2,500,000	10	15	16			
	2,500,000	3,000,000	11	15	17			
	3,000,000		12	16	17			

Table 51 (cont.)
State Inheritance Taxes: Rates and Exemptions, November 1991

State	Value of Share before Exemption Applied		Rates According to Class (in percent)						Conditions	
	Over	But Not Over	A	B	C	D	E	F		
Pennsylvania	0		6	15						Class A = (grand)parent, spouse, lineal descendant, spouse or widow(er) of child Class B = all others Exemptions: \$2,000 family deduction Spouse is exempt if the net value of the estate transferred is < \$200,000 and the average joint exemption income for the 3 tax years preceding the date of death is < \$40,000. For decedents dying in 1992, the exemption is applied as a credit against the tax in the amount of the lesser of 2% of the taxable value of the decedent's property transferred to or for the use of the transferee or 2% of \$100,000 of the taxable value of the decedent's property transferred to or for the use of the transferee. Charitable exemptions are allowed.
South Dakota	0	3,000			4	5	6	3		Class A = lineal issue, adopted child, in loco parentis Class B = lineal ancestor and (sibling who for at least 10 of 15 years operated business or farm with decedent) Class C = siblings, their descendants, spouse or widow(er) of child Class D = uncle, aunt, their descendants Class E = all others Class F = persons other than those specified in Class A or B who continuously engaged in business or farming with decedent for at least 10 of the 15 years immediately preceding the decedent's death. Property transferred must be real or tangible personal property utilized in the joint business or farming enterprise or shares of stock representing such property. Exemptions deducted from first bracket: surviving spouse Class A spouse, child, lineal issue, adopted child: \$30,000 Class B lineal ancestor \$3,000 Class C \$500 Class D \$200 Class E \$100 Class F \$500 Charitable exemptions are allowed.
	3,000	15,000		3	4	5	6	3		
	15,000	30,000		7.5	10	12.5	15	7.5		
	30,000	50,000	3.75	7.5	10	12.5	15	7.5		
	50,000	100,000	6	12	16	20	24	12		
	100,000		7.5	15	20	25	30	15		
Tennessee	0	40,000	5.5							Class A = everyone Marital deduction: 1/2 of the value Exemptions: \$600,000 Charitable exemptions are allowed.
	40,000	240,000	6.5							
	240,000	440,000	7.5							
	440,000		9.5 of taxable transfer							
Wisconsin	0	25,000	2.5	5	7.5	10				Class A = lineal ancestor, issue, spouse of child, adopted child Class B = siblings, their descendants Class C = uncle, aunt, their descendants Class D = all others Exemptions: surviving spouse Class A \$50,000 Class B \$1,000 Class C \$1,000 Class D \$500 first \$10,000 of tangible personal property, household furniture, appliances, except money Charitable exemptions are allowed. Credit: gift tax paid is a credit against estate or inheritance tax.
	25,000	50,000	5	10	15	20				
	50,000	100,000	7.5	15	22.5	20				
	100,000	500,000	10	20	20	20				
	Inheritance/gift tax being phased out according to the following schedule: for deaths in 1988 tax reduced 20%									
		1989	40%							
		1990	60%							
		1991	80%							
		1992	100%							

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1991). See also Tables, 48, 49, and 51.

Table 52
State Gift Tax Rates and Exemptions, November 1990

State	Taxable Gift		Rate According to Class (in percent)			Considerations	
	Over	But Not Over	A	B	C		
Connecticut							
	0	25,000	1			The tax is effective for the 1991 calendar year and each year thereafter except that the tax is imposed only on gifts that are transferred on or after 9/1/91. Federal exemptions apply.	
	25,000	50,000	2				
	50,000	75,000	3				
	75,000	100,000	4				
	100,000	200,000	5				
	200,000		6				
Delaware							
	\$0	\$25,000	1			Gifts to spouse are exempt.	
	25,000	50,000	2				
	50,000	75,000	3				
	75,000	100,000	4				
	100,000	200,000	5				
	200,000		6				
Louisiana							
	0	15,000	2			Gifts to spouse after 1991 are fully exempt. \$10,000 per donee per year is excluded from taxation. In addition, a \$30,000 lifetime exclusion is allowed for the donor. Gifts made by either spouse to a third party may be considered as being made one-half by each spouse.	
	15,000						
New York							
	see estate tax rates					\$10,000 per donee per year is excluded from taxation. Unlimited marital deduction. Unified credit (same as estate tax): if tentative tax 1) < or = \$2,750, credit = full amount of tax 2) \$2,750 < tax < \$5,000, credit = \$5,500 - tax 3) > \$5,000, credit = \$500	
North Carolina							
	0	5,000	A	B	C		Class A = lineal issue, lineal ancestor, adopted child, or stepchild Class B = siblings, their descendants, uncle, aunt Class C = all others \$10,000 per donee per year is excluded from taxation. In addition, a \$100,000 lifetime exemption is allowed to the donor for gifts made to donees of Class A. Gifts to spouse are exempt. When a gift is made by either spouse to a third party, the donor may claim both the donor's annual exclusion and the spouse's annual exclusion provided both spouses consent and are residents of North Carolina when the gift is made. Charitable exemptions are allowed.
	5,000	10,000	1	4	8		
	10,000	25,000	1	5	8		
	25,000	50,000	2	6	9		
	50,000	100,000	3	7	10		
	100,000	200,000	4	8	11		
	200,000	250,000	5	10	12		
	250,000	500,000	6	10	12		
	500,000	1,000,000	6	11	13		
	1,000,000	1,500,000	7	12	14		
	1,500,000	2,000,000	8	13	15		
	2,000,000	2,500,000	9	14	16		
	2,500,000	3,000,000	10	15	16		
	3,000,000		11	15	17		
			12	16	17		
Tennessee							
	0	40,000	A	B		Class A = spouse, child, stepchild, lineal ancestor or descendant, descendant siblings, spouse of child, stepchild, adopted child Class B = all others Gifts made by either spouse to a third party may be considered as being made one-half by each spouse. Marital Exemption: One-half of gift Exemptions: Class A = \$10,000 Class B = \$5,000	
	40,000	50,000	5.5	6.5			
	50,000	100,000	6.5	6.5			
	100,000	150,000	6.5	9.5			
	150,000	200,000	6.5	12.0			
	200,000	240,000	6.5	13.5			
	240,000	440,000	6.5	16.0			
	440,000		7.5	16.0			
			9.5	16.0			
Wisconsin*							
	see inheritance tax rates					\$10,000 per donee per year is excluded from taxation. Gifts to spouse are exempt. One-time exemption of \$50,000 is allowed to gifts to Class A. All others, no exemptions. Gift tax reduced by 40% in 1989; 60% in 1990; 80% in 1991; and 100% thereafter.	

*This law has been repealed, effective 1/1/92.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Guide* (Chicago, 1991). See also Tables 48-50.

Section V

Special Study:

**Taxation of Telecommunications and Banks,
by State, 1990**

Table 53
State Gross Receipts Taxation of Telecommunications Companies, 1990

State	Tax	Rate (in percent)	Tax Base	Access Charges Deductible	Tax in Lieu of
Alabama	Yes	2.5	Intrastate Service	Yes, by IXC and LEC	Nothing
Alaska	No	—	—	—	—
Arizona	No	—	—	—	—
Arkansas	No	—	—	—	—
California	No	—	—	—	—
Colorado	No	—	—	—	—
Connecticut	No	—	—	—	—
Delaware	Yes ¹	4.25	Intrastate Service ¹	n.a.	Nothing
District of Columbia	Yes	6.7	Intra and Interstate Service	Yes, by LEC	Personal Property Tax
Florida	Yes	1.5	Intra and Interstate Service	Yes, by LEC	Nothing
Georgia	No	—	—	—	—
Hawaii	No	—	—	—	—
Idaho	No	—	—	—	—
Illinois	No	—	—	—	—
Indiana	Yes ²	1.20	Intrastate Service	No	May be in lieu of Income Tax
Iowa	No	—	—	—	—
Kansas	No	—	—	—	—
Kentucky	No ³	—	—	—	—
Louisiana	No	—	—	—	—
Maine	No	—	—	—	—
Maryland	Yes	2.0	Intra and Interstate Service	Yes, by LEC	Corporation Income Tax ⁴
Massachusetts	No	—	—	—	—
Michigan	No	—	—	—	—
Minnesota	Yes	3.0-5.5	Intra and Interstate Service ⁵	Yes, by IXC	Real Property Tax ⁵
Mississippi	No	—	—	—	—
Missouri	No	—	—	—	—
Montana	Yes	1.725	Intrastate Service	No	Nothing
Nebraska	No	—	—	—	—
Nevada	No	—	—	—	—
New Hampshire	No	—	—	—	—
New Jersey	Yes	5.0 ⁶	Intrastate Service	Yes, by LEC	Corporation Business Tax ⁶
New Mexico	Yes	5.0	Intra and Interstate Service ⁷	†	†
New York	Yes	3.3	Intra and Interstate Service	Yes, by LEC	Corporation Income Tax
North Carolina	Yes	3.22	Local Exchange Service	n.a.	Nothing
North Dakota	No	—	—	—	—
Ohio	No	—	—	—	—
Oklahoma	No	—	—	—	—
Oregon	No	—	—	—	—
Pennsylvania	Yes	4.4	Intrastate Service	Yes, by IXC	Nothing
Rhode Island ⁸	Yes	6.0	Intra and Interstate Service	Yes, by IXC	Corporation Income Tax
South Carolina	Yes	0.3	Intrastate Service	No	Nothing
South Dakota	Yes	5.0	Intra and Interstate Service	Yes, by IXC	Property Tax
Tennessee	No	—	—	—	—
Texas	No	—	—	—	—
Utah	No	—	—	—	—
Vermont ⁹	Yes	2.25-5.25	Intra and Interstate Service	No	—
Virginia ¹⁰	Yes	1.2	Intra and Interstate Service	Yes, by LEC	Corporation Income Tax
Washington	No ¹¹	—	—	—	—
West Virginia	Yes	4.0	Intra and Interstate Service	Yes, by IXC	Nothing
Wisconsin ¹²	Yes	6.333-8.073	Intra and Interstate Service	Yes, by IXC	Property Tax
Wyoming	No	—	—	—	—
Total	Yes = 20	Range = .0.3-8.073%	Intrastate = 7 Intra and Interstate = 12 Local Exchange = 1	Yes = 14	—

Table 53 (cont.)
State Gross Receipts Taxation of Telecommunications Companies, 1990

IXC—interexchange carrier

LEC—local exchange carrier

† not available

n.a.—not applicable

¹ Residential consumers are exempt from this tax. Also, there is a tax based on miles of wire and number of telephone transmitters within the state.

² Other corporations as well as utilities are subject to Indiana's gross earnings tax.

³ In Kentucky there is a 3.0% gross earnings license tax on LECs, which is administered at the county level.

⁴ Receipts subject to gross earnings tax are allowed as a deduction in computing corporation net income tax liability in Maryland.

⁵ IXCs have been exempt from gross receipts (earnings) tax since 1986. The gross receipts tax on the LEC will phase out from 4% (on rural LECs) and 7% (other LECs) from calendar year 1989-91. The Minnesota tax will sunset on 12/31/91.

⁶ Effective 1/1/90, IXCs exempt from gross receipts tax and subject to corporate business tax. Plus 0.625% surtax.

⁷ The 30% exemption on interstate sales is intended to adjust for the intrastate portion of interstate service.

⁸ The Rhode Island special tax on telecommunications is being phased down according to the following schedule: 7% cur-

rently; 6% on 7/1/88; 5% on 7/1/90. An access charge deduction for IXCs will be phased in according to the following schedule: 50% deduction effective 7/1/87; 100% deduction effective 7/1/88.

⁹ Effective 6/30/91, the Vermont gross receipts tax will be repealed for IXCs and LECs. Effective 1/1/88, subject to income tax; effective 7/1/88, subject to personal property tax. Income and property taxes are allowed as a credit against gross receipts tax liability. Telephone companies with annual gross receipts of \$50 million or less may elect to pay the gross receipts tax and not the income and personal property tax.

¹⁰ The Virginia tax is the greater of a 6% income tax or a minimum tax on gross receipts at the following rates: 1.2% (1989 and 1990); 1.0% (1991); and decreasing 0.1% per year thereafter until the rate reaches 0.5% in 1996.

¹¹ Since Washington levies a multistage, multirate gross earnings tax on all businesses (the business and occupations tax), that tax, as it applies to retail telephone service, is not considered a form of special gross receipts taxation for the purposes of this table.

¹² Wisconsin's special tax rates are 8.073% on toll revenues and 6.333% on exchange revenues.

Sources: Compiled from Commerce Clearing House, *State Tax Guide* (Chicago, 1990), and with the assistance of AT&T, MCI, BellSouth, Southwestern Bell, and US West. See also Tables 53-55.

Table 54
State Sales Taxation of Telecommunications Services, 1990

State	Tax	Rate (in percent)	Tax Base
Alabama	Yes	4.0	Intrastate Service ¹
Alaska	No	—	—
Arizona	Yes	5.0	Intrastate Service
Arkansas	Yes	4.0	Intrastate and Interstate MTS
California	Yes	0.75 ²	Intrastate MTS and WATS/800 Service
Colorado	Yes	3.0	Intrastate Service and Interstate Access ³
Connecticut	Yes	8.0	Local, Intrastate, and Interstate Service
Delaware	No	—	—
District of Columbia	Yes	6.0	Local Service
Florida	Yes	6.0	Intrastate and Interstate Business Service
Georgia	Yes	4.0	Local Service
Hawaii	Yes	4.0	Interstate Service
Idaho	NA	—	—
Illinois	Yes	5.0	Intrastate and Interstate Service
Indiana	Yes	5.0	Intrastate Service
Iowa	Yes	4.0	Intrastate Service
Kansas	Yes	4.25	Intrastate Service
Kentucky	Yes	6.0	Intrastate Service
Louisiana	Yes	3.0	Intrastate Service
Maine	Yes	5.0	Intrastate Service
Maryland	Yes	5.0	Local Service
Massachusetts	NA	—	—
Michigan	Yes	4.0	Intrastate Service
Minnesota	Yes	6.0	Intrastate Service and Interstate MTS and Outgoing WATS
Mississippi	Yes	6.0	Intrastate Service ⁴
Missouri	Yes	4.225	Intrastate Service
Montana	No	—	—
Nebraska	Yes	5.0	Intrastate Service
Nevada	NA	—	—
New Hampshire	Yes	5.0 ⁵	Intrastate and Interstate Service
New Jersey	NA	—	—
New Mexico ⁺	No ⁶	—	—
New York	Yes	4.0	Intrastate Service
North Carolina	Yes	3.0 and 6.5	Intrastate Service ⁷
North Dakota	Yes	5.0	Intrastate Service
Ohio	Yes	5.0	Intrastate and Interstate MTS
Oklahoma	Yes	5.0	Intrastate and Interstate Service
Oregon	No	—	—
Pennsylvania	Yes	6.0	Intrastate Service for Nonresidential Use
Rhode Island	Yes	7.0	Intrastate, Interstate, and International Service
South Carolina	Yes	5.0	Local Service
South Dakota	Yes	4.0	Intrastate Service
Tennessee	Yes	5.5	Intrastate Service and Interstate MTS
Texas	Yes	6.0	Intrastate and Interstate Service
Utah	Yes	5.0	Intrastate Service
Vermont	NA	—	—
Virginia	NA	—	—
Washington	Yes	6.5	Intrastate and Interstate Service ⁸
West Virginia	NA	—	—
Wisconsin	Yes	5.0	Intrastate and Interstate Service ⁹
Wyoming	Yes	3.0	Intrastate Service
Total	Yes = 39	Range = 0.5-8.0%	Interstate and Intrastate Service = 10 Intrastate = 17 Interstate = 17 Local Only = 4 None = 12

Table 54 (cont.)
State Sales Taxation of Telecommunications Services, 1990

NA—is used when there is a statewide general retail sales tax, but it is not levied on telecommunications services.

- ¹ Alabama telephone service is not taxed under the sales tax statute; however, a 4% privilege tax, limited to utilities, is considered equivalent to a sales tax.
- ² In California, tax is a 911 surcharge, and rate varies depending on 911 revenue requirements.
- ³ Some cities will begin taxing interstate services in 1990.
- ⁴ Mississippi has interpreted its statutes to include end user (customer) access charges, which are interstate services established by FCC.
- ⁵ Tax at rate of 3% on local service and toll, plus a $66\frac{2}{3}\%$ surcharge, for an effective rate of 5%.
- ⁶ Generally taxes business activities under its gross receipts tax levy.
- ⁷ The 3% rate applies to local exchange service. The 6.5% rate applies to intrastate toll and local and toll private line service.
- ⁸ Basic local exchange service is exempt.
- ⁹ Wisconsin is the only state to include intrastate and interstate carrier access charges in the tax base. Similar provisions to apply the sales tax to access charges were repealed in South Carolina effective July 1, 1987, and in Maine effective January 1, 1988.

Sources: Compiled from Commerce Clearing House, *State Tax Guide* (Chicago, 1990), and with the assistance of AT&T, MCI, BellSouth, Southwestern Bell, and US West. See also Tables, 52, 54, and 55.

Table 55
State Corporation Income Taxation of Telecommunications Companies, 1990

State	Tax	Rate (in percent)	Comments	State	Tax	Rate (in percent)	Comments
Alabama	Yes	5.0	—	Missouri	Yes	5.0	—
Alaska	Yes	1.0-9.4	—	Montana	Yes	6.75	—
Arizona	Yes	2.5-10.5	—	Nebraska	Yes	4.75-6.65	—
Arkansas	Yes	1.0-6.0	—	Nevada	No	—	—
California	Yes	9.3	—	New Hampshire	Yes	8.0	—
Colorado	Yes	5.47	Effective July 1, 1989	New Jersey	NA	—	Gross receipts tax is in lieu ⁴
Connecticut	Yes	11.5	Effective rate 13.8% (20% surcharge)	New Mexico	Yes	4.8-7.6	—
Delaware	Yes	8.7	—	New York	NA	—	Gross receipts tax is in lieu
District of Columbia	Yes	10.25 ¹	—	North Carolina	Yes	7.0	—
Florida	Yes	5.5	—	North Dakota	Yes	3.0-10.5	—
Georgia	Yes	6.0	—	Ohio	Yes	5.1-9.2	On IXC in lieu of gross receipts
Hawaii	Yes	4.4-6.4	—	Oklahoma	Yes	5.0	—
Idaho	Yes	8.0	—	Oregon	Yes	6.6	—
Illinois	Yes	4.0 ⁶	—	Pennsylvania	Yes	8.5	—
Indiana	Yes	7.9 ²	Tax due is greater of gross receipts tax or adjusted gross income plus supplemental income tax	Rhode Island	No	—	—
Iowa	Yes	6.0-12.0	—	South Carolina	Yes	5.5 (1988), 5.0 (1989)	—
Kansas	Yes	4.5-6.75	—	South Dakota	No	—	—
Kentucky	Yes	3.0-7.25	—	Tennessee	Yes	6.0	—
Louisiana	Yes	4.0-8.0	—	Texas	No	—	—
Maine	Yes	3.5-8.93	—	Utah	Yes	5.0	—
Maryland	Yes	7.0	Gross receipts subject to gross receipts tax are deductible	Vermont	Yes	5.5-8.25	—
Massachusetts	Yes	6.5	—	Virginia	Yes	6.0	Greater of minimum gross receipts tax or net income tax
Michigan	Yes ³	2.35	—	Washington	No	—	—
Minnesota	Yes	6.0-9.5	—	West Virginia	Yes	9.6 ⁵	—
Mississippi	Yes	3.0-5.0	—	Wisconsin	Yes	7.9	—
				Wyoming	No	—	—
				Total	Yes =	Range =	
					43	1.0-12.0%	

NA—is used when there is a corporate income tax, but it is not levied on telecommunications firms. When the state does not levy a corporate income tax, the response in column 2 is “No.”

IXC—interexchange carrier

¹ Includes surtax at 2.5%.

² This is a combination of a 3.4% adjusted gross income tax, plus a 4.5% supplemental net income tax on all corporations.

³ Michigan levies a “single business” (value added) tax.

⁴ Effective 1/1/90. IXCs are subject to the income tax but are exempt from the gross receipts tax.

⁵ Rate is 9.6% as of 7/1/88, and decreases 0.15% per year to 9.0% by 7/1/92.

⁶ Temporary rate increase to 4.8% for period 7/1/89 to 6/30/91.

⁷ 5–5.3% effective 7/1/90.

Sources: Compiled from Commerce Clearing House, *State Tax Guide*; and with the assistance of AT&T, MCI, BellSouth, Southwestern Bell, and US West. See also Tables 52, 53, and 55.

Table 56
State and Local Taxation of Telecommunications Property, 1990

State	Tax	Base	Assessment Practice
Alabama	Yes	Real and Personal	Centrally Assessed
Alaska	Yes	Real and Personal	Locally Assessed
Arizona	Yes	Real and Personal	Centrally Assessed
Arkansas	Yes	Real and Personal	Centrally Assessed
California	Yes	Real and Personal	Centrally Assessed
Colorado	Yes	Real and Personal	Centrally Assessed
Connecticut	Yes	Real and Personal	Centrally Assessed
Delaware	Yes	Real and Personal	Locally Assessed
District of Columbia	Yes	Real and Personal	Locally Assessed
Florida	Yes	Real and Personal	Locally Assessed
Georgia	Yes	Real and Personal	Centrally Assessed
Hawaii	Yes	Real	Locally Assessed
Idaho	Yes	Real and Personal	Centrally Assessed
Illinois	Yes	Real	Locally Assessed
Indiana	Yes	Real and Personal	Centrally Assessed
Iowa	Yes	Real and Personal	Centrally Assessed
Kansas	Yes	Real and Personal	Centrally Assessed
Kentucky	Yes	Real and Personal	Centrally Assessed
Louisiana	Yes	Real and Personal	Centrally Assessed
Maine	Yes	Real and Personal ¹	Centrally Assessed
Maryland	Yes	Real and Personal	Centrally Assessed
Massachusetts	Yes	Real and Personal	Locally Assessed
Michigan	Yes	Real and Personal	Centrally Assessed
Minnesota	Yes	Real ²	Locally Assessed
Mississippi	Yes	Real and Personal	Centrally Assessed
Missouri	Yes	Real and Personal	Centrally Assessed
Montana	Yes	Real and Personal	Centrally Assessed
Nebraska	Yes	Real and Personal	Centrally Assessed
Nevada	Yes	Real and Personal	Centrally Assessed
New Hampshire	Yes	Real	Locally Assessed
New Jersey	Yes	Real and Personal ³	Locally Assessed
New Mexico	Yes	Real and Personal	Centrally Assessed
New York	Yes	Real	Locally Assessed
North Carolina	Yes	Real and Personal	Centrally Assessed
North Dakota	Yes	Real and Personal	Centrally Assessed
Ohio	Yes	Real and Personal ¹	Centrally or Locally Assessed
Oklahoma	Yes	Real and Personal	Centrally Assessed
Oregon	Yes	Real and Personal ⁴	Centrally Assessed
Pennsylvania	Yes	Real	Centrally Assessed
Rhode Island	Yes	Real and Personal ¹	Centrally Assessed
South Carolina	Yes	Real and Personal	Centrally Assessed
South Dakota	Yes	Real and Personal ⁵	Centrally Assessed
Tennessee	Yes	Real and Personal	Centrally Assessed
Texas	Yes	Real and Personal	Locally Assessed
Utah	Yes	Real and Personal	Centrally Assessed
Vermont	Yes	Real and Personal	Locally Assessed
Virginia	Yes	Real and Personal	Centrally Assessed
Washington	Yes	Real and Personal	Centrally Assessed
West Virginia	Yes	Real and Personal	Centrally Assessed
Wisconsin ⁶	No		
Wyoming	Yes	Real and Personal	Centrally Assessed
Total	Yes = 50	Real Only = 6 Real and Personal = 44	Locally Assessed = 13 Centrally Assessed = 36 Centrally or Locally Assessed = 1

¹ Personal is centrally assessed; realty is locally assessed. All proceeds to localities.

² In 1987, Minnesota imposed a real property tax; the gross receipts tax will be gradually phased out by 1992.

³ Effective 1/1/90, interexchange carriers are subject to the state business personal property tax. Local exchange carriers continue to be subject to the local personal property tax.

⁴ In Oregon, rural telephone exchanges pay a gross earnings tax

Sources: Compiled from Commerce Clearing House, *State Tax Guide*, and with the assistance of AT&T, MCI, BellSouth, Southwestern Bell, and US West. See also Tables 52-54.

in lieu of a property tax. However, other telephone companies pay a property tax but no gross earnings tax.

⁵ In South Dakota, rural telephone companies with gross receipts less than \$25 million are subject to a gross receipts tax in lieu of a property tax. Other telephone companies pay a property tax but no gross receipts tax.

⁶ In Wisconsin, gross receipts tax is in lieu of real and personal property tax.

Table 57
State Taxation of Banks

State	Corporate Income Tax Rate	Franchise Tax Rate	Share Tax Rate	Apportion Franchise Interest from Government				Exhibit: Interstate Banking Law
				Bank Tax Liability	Tax Based on Income	Securities Taxable		
						Federal	State and Local	
Alabama	-	6.0	-	Y	Y	Y	Y	R
Alaska ¹	9.4	-	-	Y	n.a.	N	Y	C
Arizona ^{1,2}	10.5	-	-	Y	n.a.	N	Y	C(6/92)
Arkansas ¹	6.0	.27	-	Y	N	N	N	R(1/89)
California ³	-	10.644	-	Y	Y	Y	Y	R
Colorado ¹	6.0	-	-	N	n.a.	N	N	R(7/93)
Connecticut ⁴	-	11.5	-	Y	Y	Y		R
Delaware ¹	-	8.7	-	N	Y	Y	Y	R
District of Columbia ²	-	10.5	-	Y	Y	N	Y	R
Florida ⁵	-	5.5	.2	Y	Y	Y	Y	R
Georgia ^{2,6}	6.0	-	-	Y	N	N	Y	R
Hawaii	-	11.7	-	N	Y	Y	Y	
Idaho ²	7.7	-	-	Y	n.a.	N	Y	C
Illinois	6.5	-	-	Y	n.a.	N	Y	R
Indiana ⁶	3.4	-	.25	Y	n.a.	N	N	R
Iowa	-	5.0	-	N	Y	Y	Y	
Kansas	-	6.375	-	Y	Y	Y	Y	
Kentucky	-	-	.95	N	n.a.	N	Y	C
Louisiana	-	-	-	N	n.a.	N	N	R
Maine ⁷	-	1.0	.015	Y	Y	Y	Y	C
Maryland	-	7.0	-	Y	Y	Y	Y	R
Massachusetts	-	12.54	-	N	Y	Y	Y	R
Michigan ⁸	-	-	-	Y	n.a.	N	Y	R
Minnesota	-	9.5	-	Y	Y	Y	Y	R
Mississippi ^{1,9}	5.0	.25	-	N	N	N	N	R
Missouri	-	7.0	-	N	Y	Y	Y	R
Montana	-	6.75	-	Y	Y	Y	Y	
Nebraska	-	-	.0004	N	n.a.	N	N	R(1/90)
Nevada	-	-	-	N	n.a.	N	N	R(7/90)
New Hampshire	8.0	1.0	-	N	N	N	N	R
New Jersey ⁷	-	9.0	.2	Y	Y	Y	Y	C
New Mexico ^{1,6,10}	7.6	-	-	Y	n.a.	N	N	C(7/92)
New York	-	9.0	-	Y	Y	Y	Y	C
North Carolina	7.0	.15	-	Y	N	Y	Y	C
North Dakota	-	10.5	-	Y	Y	Y	Y	

Table 57 (cont.)
State Taxation of Banks

State	Corporate Income Tax Rate	Franchise Tax Rate	Share Tax Rate	Apportion Franchise Interest from Government				Exhibit: Interstate Banking Law
				Bank Tax Liability	Tax Based on Income	Securities Taxable		
						Federal	State and Local	
Ohio	-	1.5	-	Y	N	Y	Y	R
Oklahoma	5.0	.125	-	Y	N	Y	Y	C
Oregon	7.75	-	-	Y	n.a.	N	N	R
Pennsylvania	-	-	1.075	N	n.a.	N	Y	R
Rhode Island	8.0	.00025	.000695	N	N	N	N	C
South Carolina	-	4.5	-	N	Y	Y	Y	R
South Dakota	-	6.0	-	Y	Y	Y	Y	C
Tennessee	6.0	.25	-	Y	N	Y	Y	R
Texas	-	.525	-	N	N	N	N	C(9/2001)
Utah ¹¹	-	5.0	-	Y	Y	Y	Y	C
Vermont	-	.00024	-	N	N	N	N	R
Virginia	-	1.0	-	N	N	Y	Y	R
Washington ^{2,6,12}	-	1.5	-	Y	n.a.	N	Y	C
West Virginia	9.45	.75	-	Y	N	N	N	C
Wisconsin	-	7.9	-	Y	Y	Y	Y	R
Wyoming	-	-	-	N	n.a.	N	N	C

C—Nationwide R—Regional

n.a.—not applicable

¹This is the highest marginal tax rate levied on income.

²Not all state and local government interest is taxable.

³Varies from year to year. Usually between 10% and 11%.

⁴Minimum tax is levied in the event no income is earned.

⁵Levies an intangible property tax.

⁶Levies a gross receipts tax.

⁷The share tax is a franchise tax levied on assets.

⁸Levies a single business tax.

⁹Levies a share tax, but it is a credit against the personal property tax

¹⁰Levies a \$50 franchise tax.

¹¹Has a supplemental income tax.

¹²The franchise tax is the business and occupation tax.

Source: William F. Fox and Harold A. Black, "The Economic Impact of State Taxation and Regulation of Banking," presented at a Conference on State Taxation and Regulation of Banking, U.S. Advisory Commission on Intergovernmental Relations and National Conference of State Legislatures, 1989 (revised 1990).

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Definitions

The definitions of terms used in *Significant Features of Fiscal Federalism* are taken from U.S. Bureau of the Census, *State Government Finances in [year]* or *Government Finances in [year]*, and Tax Analysts, *The Tax Lexicon, 1989*.

Accelerated Cost Recovery System (ACRS)—A system of accelerated depreciation applicable to tangible property, referred to as cost recovery, which was introduced in the *Economic Recovery Tax Act of 1981*. The system must be used to compute the depreciation deduction for federal tax purposes for most tangible property placed in service after 1980 and before 1987. In general, a modified accelerated cost recovery program (MACRS) is now mandatory for property placed in service after 12/31/86.

Accelerated Depreciation—A method of depreciation resulting in larger deductions in the earlier years of the life of an asset than would result from application of the straight-line (i.e., equal annual depreciation expense) method, but which stops when a reasonable salvage value is attained.

Adjusted Gross Income—A tax computation unique to individuals, determined by subtracting a limited group of expenses from gross income.

Alcoholic Beverages—See *License Taxes and Sales and Gross Receipts Taxes*.

Amusements—See *License Taxes and Sales and Gross Receipts Taxes*.

Capital Gain—Gain from the actual or constructive sale or exchange of a capital asset.

Capital Gain Net Income—The excess of gains from the sale or exchange of a capital asset.

Capital Loss—A loss from the actual or constructive sale or exchange of a capital asset.

Casualty Loss—Physical damage to the taxpayer's property resulting from a casualty.

Charitable Contribution—Generally, gifts to charities. Only a limited class is deductible for federal income tax purposes.

Circuit Breaker—A type of residential property tax relief in which benefits depend on both income and/or wealth, and property tax payments. A circuit breaker usually takes one of two forms. Under the *threshold approach*, an "acceptable" tax burden is defined as some fixed percentage of household income (different percentages may be set for different income levels), and any tax above this portion of income is "excessive" and qualifies for relief. The portion of

income that is deemed an acceptable tax burden is the threshold level. Under the *sliding scale* approach, no threshold is defined. Rather, a fixed percentage of the property tax is rebated for each eligible taxpayer within an income class. The rebate percentage declines as income increases.

Corporation Net Income Taxes—Taxes on net income of corporations and unincorporated businesses (when taxed separately from individual income). Includes distinctively imposed net income taxes on special kinds of corporations (e.g., financial institutions).

Credit—An amount that offsets tax liabilities directly, as opposed to a deduction that offsets only income.

Current Charges—Amounts received from the public for performance of specific services benefiting the person charged, and from sales of commodities and services, except liquor store sales. Includes fees, assessments, and other reimbursements for current services, rents and sales derived from commodities or services furnished incident to the performance of particular functions, and gross income of commercial activities. Excludes amounts received from other governments and interdepartmental charges and transfers. Current charges are distinguished from license taxes, which relate to privileges granted by the government or regulatory measures for the protection of the public.

Death and Gift Taxes—Taxes imposed on transfer of property at death, in contemplation of death, or as a gift.

Deduction—An expense, whether paid in cash, in kind, or merely claimed on paper (e.g., depletion or depreciation), which is used as an offset in determining taxable income or a taxable estate.

Dividend—A distribution of money or property to stockholders of the distributing company in the ordinary course of business.

Document and Stock Transfer Taxes—Taxes on the recording, registering, and transfer of documents such as mortgages, deeds, and securities, except taxes on recording or transfer of motor vehicle titles, which are classified elsewhere.

Domestic International Sales Corporation—A domestic corporation, often a shell, that exports goods produced in the United States, meets various statutory tests, and makes a revocable election to be treated as a domestic international sales corporation (DISC). The DISC is exempt from federal income, personal holding company, and accumulated earnings taxes, but its shareholders are taxed on a portion of the DISC's income whether or not distributed to them.

Earned Income—Wages, salaries, tips, and other employee compensation, plus net earnings from self-employment (or such net losses), excluding amounts received as a pension or an annuity, or not effectively connected with a United States trade or business received by nonresident aliens.

Effective Tax Rate—Tax rate based on economic income or wealth rather than taxable income or wealth usually expressed as a percentage of tax base.

Excise Tax—A tax imposed on manufacturing, selling, or using goods or on an occupation or activity. Taxes on property transfers are also viewed as excise taxes. Census classifies these taxes as selective sales taxes. For a list of related definitions, see *Sales and Gross Receipts Taxes, Selective Sales and Gross Receipts Taxes*.

Exemption—A deduction (after 1989, subject to indexing for inflation) granted to individuals under various circumstances. One class is the so-called personal exemption, available to individual taxpayers. The second type is the dependency exemption, which generally entitles individual taxpayers to a like deduction for each dependent.

Fiscal Year—The 12-month period at the end of which the government or any governmental agency determines its financial condition and the results of its operation and closes its books.

General Sales or Gross Receipts Taxes—See *Sales and Gross Receipts Taxes*.

Gift Tax—A cumulative, progressive excise tax imposed on the donor of a gift, measured by its fair market value, applicable only to individuals.

Gross-Up—Generally, to add the amount of the associated tax imposed on the transfer to the value of the property or income received.

Homestead Exemption—A specific dollar amount subtracted from the assessed value of a home. The assessed value minus the exemption equals the amount of taxable assessed value for property tax purposes. A closely related device is the *homestead credit*, which is an amount that is subtracted from the gross property tax rather than from the assessed value.

Individual Income Taxes—Taxes of individuals measured by net income and taxes distinctively imposed on special types of income (e.g., interest, dividends, income from intangibles, etc.).

Inheritance Tax—A tax imposed on the recipient of an inheritance, bequest, or devise from a decedent.

Insurance Sales and Gross Receipts Taxes—See *Sales and Gross Receipts Taxes*.

Insurance Trust System—A government-administered program for employee retirement and social insurance protection relating to unemployment compensation, workmen's compensation, and old age, survivors', disability, and health insurance. Insurance trust revenue comprises amounts from contributions required of employers and employees for financing these social insurance programs, and earnings on assets of such systems. Insurance trust expenditure comprises only cash payments to beneficiaries (including withdrawals of contributions). The costs of administering insurance trust systems are classed as

general expenditure. Insurance trust revenue and expenditure do not include any contributions of a government to a system it administers. Any amounts paid by a government as employer contributions to an insurance trust system administered by another government are classed as general expenditure for current operation, and as insurance trust revenue of the particular system and receiving government.

Interest Earnings—Interest earned on deposits and securities, including amounts for accrued interest on investment securities sold. However, receipts for accrued interest on bonds issued are treated as offsets to interest expenditure.

Interest Expense—Generally, the implicit or express price charged per unit of time for the use of a creditor's money, or for the creditor's forbearance in demanding repayment.

Interest Expense Deduction—A deduction allowed for interest paid or accrued in the taxable year.

Jobs Credit, Targeted—An elective credit for hiring unrelated individuals who are members of targeted groups. The credit applies to individuals who started work before 1988, and is somewhat lower for summer youth and cooperative educational students. The definitions have been changing rapidly in recent times, and the credit is subject to a "sunset" provision.

License Taxes—Taxes exacted (either for revenue raising or for regulation) as a condition to the exercise of a business or nonbusiness privilege, at a flat rate or measured by such bases as capital stock, capital surplus, number of business units, or capacity. Excludes taxes measured directly by transactions, gross or net income, or value of property except those to which only nominal rates apply. "Licenses" based on these latter measures, other than those at nominal rates, are classified according to the measure concerned. Includes "fees" related to licensing activities—automobile inspection, gasoline and oil inspection, professional examinations and licenses, etc.—as well as license taxes producing substantial revenues.

Alcoholic Beverages—Licenses for manufacturing, importing, wholesaling, and retailing alcoholic beverages other than those based on volume or value of transactions or assessed value of property.

Amusements—License taxes imposed on amusement businesses generally or on specific amusement enterprises (race tracks, theaters, athletic events, etc.) Does not include "licenses" based on value or number of admissions, amount of wagers, or gross or net income, which are classified elsewhere.

Corporations in General—Franchise license taxes, organization, filing and entrance fees, and other license taxes that are applicable, with specific exceptions, to all corporations. Does not include corporation taxes based on value of property, net income, or gross receipts from sales, or taxes imposed distinctively on particular types of corporations (public utilities, insurance companies, etc.).

Hunting and Fishing—Commercial and noncommercial hunting and fishing license and shipping permits.

Motor Vehicles—License taxes imposed on owners or operators of motor vehicles, commercial and non-commercial, for the right to use public highways, in-

cluding charges for title registration and inspection of vehicles. Does not include personal property taxes or sales and gross receipts taxes relating to motor vehicles, taxes on motor carriers based on assessed value of property, gross receipts, or net income, or other taxes on the business of motor transport.

Motor Vehicle Operators—Licenses for privilege of driving motor vehicles, including private and commercial licenses.

Occupations and Businesses, not elsewhere classified—License taxes (including examination and inspection fees) required of persons engaging in particular professions, trades, or occupations, and such taxes on businesses not elsewhere classified. Includes charges relating to inspection and marketing of seed, feed, fertilizer, gasoline, oil, citrus fruit, and other commodities, and chain store licenses, as well as licenses relating to operation of particular business enterprises.

Public Utilities—License taxes imposed distinctively on public passenger and freight transportation companies, telephone, telegraph, and light and power companies, and other public utility companies, including government-owned utilities. Does not include taxes measured by gross or net income, units of service sold, or value of property.

Other License Taxes—License taxes not listed separately (e.g., animal licenses, marriage licenses, registration fees on pleasure boats and aircraft, individual permits to purchase liquor, and other non-business privileges).

Marginal Rate—The rate of tax applied to the last dollar of the tax base. For example, if between \$16,000 and \$20,000 of taxable income were taxed at 20 percent and the taxpayer had \$16,500 of taxable income, the marginal rate on the last \$500 of income would be 20 percent.

Marital Deduction—An unlimited deduction used in determining taxable gifts or the taxable estate for interspousal transfers. After 12/31/81, generally all qualifying gifts and bequests between a husband and wife will pass without gift or estate tax liability because of the 100 percent marital deduction.

Medical Expense Deduction—An itemized deduction allowable to individuals for unreimbursed payments on their own behalf, and on behalf of their dependents for medical care and for certain drugs.

Motor Fuels Sales Taxes—See *Sales and Gross Receipts Taxes*.

Motor Vehicle License Taxes—See *License Taxes*.

Natural Resources—Government activities to conserve, promote, and develop agriculture, fish and game, forestry, and other soil and water resources, including geological research, flood control, irrigation, drainage, and other conservation activities.

Net Operating Loss (NOL)—Generally, the excess of allowable deductions over gross income from a trade or business, with adjustments.

Net Operating Loss Carrybacks—Net operating losses applied to a taxable year earlier than the taxable year in

which the loss arose. Generally, net operating losses are first carried back to the third year preceding the year of loss, and then to the second year preceding the year of loss, etc., until the loss is fully absorbed.

Net Operating Loss Carryforward—Net operating losses utilized in a taxable year after the year in which the loss was incurred. Generally, a net operating loss must be carried back three years before it is carried forward.

Parimutuel Taxes—See *Sales and Gross Receipts Taxes*.

Pick-Up Tax, Estates—A reference to the federal provision that a credit is given for federal estate tax purposes equal to the greater of actual state estate, inheritance, legacy, or succession taxes up to a dollar limit, to which some states react by imposing a tax equal to the allowable credit, or an addition sufficient to absorb the credit.

Property Taxes—Taxes conditioned on ownership of property and measured by its value. Includes general property taxes relating to property as a whole, real and personal, tangible or intangible, whether taxed at a single rate or at classified rates; and taxes on selected types of property, such as motor vehicles or certain or all intangibles.

Public Utility Taxes—See *License Taxes* and *Sales and Gross Receipts Taxes*.

Safe Harbor Leases—A colloquial term for a former system designed to allow transfers of the tax benefits associated with machinery and equipment.

Sales and Gross Receipts Taxes—Taxes, including “licenses” at more than nominal rates, based on volume or value of transfers of goods or services, on gross receipts therefrom, or on gross income, and related taxes based on use, storage, production (other than severance of natural resources), importation, or consumption of goods. Dealer discounts or “commissions” allowed to merchants for collection of taxes from consumers are excluded.

General Sales or Gross Receipts Taxes—Applicable with only specified exceptions to all types of goods, all types of goods and services, or all gross income, whether at a single rate or at classified rates. Taxes imposed distinctively on sales of or gross receipts from selected commodities, services, or businesses are reported separately under categories listed below.

Selective Sales and Gross Receipts Taxes—Imposed on sales of particular commodities or services or gross receipts of particular businesses, separately and apart from the application of general sales and gross receipts taxes.

Alcoholic Beverages—Taxes on alcoholic beverages, retail and/or wholesale.

Amusements—Taxes on admission tickets or admission charges and on gross receipts of all or specified types of amusement businesses.

Insurance—Taxes imposed distinctively on insurance companies and measured by gross premiums or adjusted gross premiums.

Motor Fuels—Taxes on gasoline, diesel oil, and other fuels used in motor vehicles, including aircraft fuel. Any amounts refunded are deducted from gross collections.

Parimutuel—Taxes measured by amounts wagered at race tracks, including “breakage” collected by the government.

Public Utilities—Taxes imposed distinctively on public passenger and freight transportation companies, telephone, telegraph, and light and power companies, and other public utility companies and measured by gross receipts, gross earnings, or units of service sold. Taxes levied on such companies on other bases are classified elsewhere in accordance with the nature of papers.

Tobacco Products—Taxes on tobacco products, including cigarette tubes and papers.

Severance Taxes—Imposed distinctively on removal of natural product—e.g., oil, gas, other minerals, timber, fish, etc., from land or water and measured by value of quantity of products removed or sold.

Social Security Tax (Federal Insurance Contributions Act—FICA)—A term often used for the tax imposed on both employers and employees to provide funds for old age, disability, and medical benefits.

State or Local Tax—A tax imposed by a state or possession of the United States or any of their political subdivisions, or the District of Columbia. Such taxes are deductible from federal individual income taxes if they are (1) real property taxes, (2) personal property taxes, or (3) income, war profit, and excess profit taxes.

Taxes—Compulsory contributions exacted by a government for public purposes, except employee and employer assessments for retirement and social insurance purposes, which are classified as insurance trust revenue. All tax revenue is classified as general revenue and comprises amounts received (including interest and penalties but excluding protested amounts and refunds) from all taxes imposed by a government.

Tobacco Products Taxes—See *Excise Taxes*.

Unearned Income—Generally, income from investments.

Unified Gift and Estate Tax Credit—A reference to a feature of the present unified transfer tax system under which a limited amount of combined transfers may be made free of estate and gift taxes.

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