

*Significant Features
of Fiscal Federalism*

Volume 1

*Budget Processes
and Tax Systems*

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John Kincaid
Executive Director

IV U.S. Advisory Commission on Intergovernmental Relations

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Section I

Budget Processes and Tax and Expenditure Limits

**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 President issues sequestration order, if necessary.	10 days after adjournment 15 days after adjournment	CBO issues final sequester report.
Legislative branch and the judiciary submit budget request materials.	30 days later November-December 5 days before President's budget transmittal	Comptroller General issues compliance report. CBO issues sequestration preview report.
President transmits budget to Congress, including OMB sequestration preview report.	Not later than 1st Monday in February	
OMB sends allowance letters to agencies.	February-March February 15 Within 6 weeks of President's budget transmittal	CBO reports to Budget Committees on the President's budget 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	
OMB issues sequestration update report.	August 15 August 20	CBO issues sequestration update report.

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	September	November/December	January	February	February/May	October 1	Annual/Annual
Alaska	August	October	November	December	May	July 1	Annual/Annual
Arizona	May	September	November/December	January	June	July 1	Annual/Annual
Arkansas	March	July	August	September/December	January/April	July 1	Biennial/Biennial
California	July/November	August/September	August/November	January 10	June	July 1	Annual/Annual
Colorado	June	August 1-15	August/September	January 15	May	July 1	Annual/Annual
Connecticut	July	September	February	February	May/June	July 1	Annual/Biennial
Delaware	August	October/November	October/November	January	June	July 1	Annual/Annual
Florida	June	September	November	December	March	July 1	Annual/Annual
Georgia	May	September	November/December	January	March	July 1	Annual/Annual
Hawaii	July/August	September	November	December/January	April	July 1	Annual/Biennial
Idaho	June	September	-	January	March	July 1	Annual/Annual
Illinois	September	November/December	November/December	March	June	July 1	Annual/Annual
Indiana	-	-	-	-	-	July 1	Annual/Biennial
Iowa	June	September	November/December	January	April/May	July 1	Annual/Annual
Kansas	June	September	November	January	May	July 1	Annual/Annual
Kentucky	July	October	-	January	April	July 1	Biennial/Biennial
Louisiana	September 10	December 16	February	February 28	July	July 1	Annual/Annual
Maine	July	September	October/December	January	June	July 1	Biennial/Biennial
Maryland	June	August 31	October/November	January	April	July 1	Annual/Annual
Massachusetts	August	October	October	January	June	July 1	Annual/Annual
Michigan	September	October/November	December/January	February	July	October 1	Annual/Annual
Minnesota	May/June	October	November/December	January	May	July 1	Annual/Biennial
Mississippi	June	August	-	November 11	-	July 1	Annual/Annual
Missouri	July	October	-	January	April/May	July 1	Annual/Annual
Montana	December/August	May/October	May/October	January	April	July 1	Biennial/Biennial
Nebraska	July	September	January/February	January	April	July 1	Annual/Biennial
Nevada	July	September	September/December	January	June	July 1	Biennial/Biennial
New Hampshire	August	October	November	February	May	July 1	Annual/Biennial
New Jersey	May	October	-	January	June	July 1	Annual/Annual
New Mexico	July	September	September/December	January	February/March	July 1	Annual/Annual
New York	July	September	October/November	January	March	April 1	Annual/Annual
North Carolina*	January	August	September/November	February	June	July 1	Biennial/Biennial
North Dakota	March	June/July	July/October	December	January/April	July 1	Biennial/Biennial
Ohio	July	September	October	February	June	July 1	Annual/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/December	February (First Monday)	May (last Friday)	July 1	Annual/Annual
Oregon	January/July	September	September/November	December	January/June	July 1	Biennial/Biennial
Pennsylvania	August	October	December/January	February	June	July 1	Annual/Annual
Rhode Island	July	October	November/December	February	June	July 1	Annual/Annual
South Carolina	June	September	October	January	June	July 1	Annual/Annual
South Dakota	June/July	September	September/October	December	March	July 1	Annual/Annual
Tennessee	August	October	November	January	April/May	July 1	Annual/Annual
Texas	March	July/November	July/September	January	May	September 1	Biennial/Biennial
Utah	July	September	October/November	December	February	July 1	Annual/Annual
Vermont	September	October	November/December	January	May	July 1	Biennial/Annual
Virginia	April/August	June/September	September/October	January	March	July 1	Annual/Biennial
Washington	April	September	October	December	May	July 1	Annual/Biennial
West Virginia	July	September	October/November	January	March	July 1	Annual/Annual
Wisconsin	June	October	-	January	June/July	July 1	Biennial/Biennial
Wyoming	May 15	September 9	By November 20	December	January/March	July 1	Annual/Biennial

- no provision

Source: National Association of State Budget Officers, *Budget Processes in the States, 1992* (Washington, DC, 1992).

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	S	Y	S	Y	S	
Alabama	Y	S	Y	S	Y	S	N
Alaska	Y	S	Y	S	Y	S	N
Arizona	Y	C,S	Y	C,S	Y	C,S	Y
Arkansas	Y	S	Y	S	Y	S	N
California	Y	C	N		N		Y
Colorado	Y	C	Y	C	Y	C	Y
Connecticut	Y	S	N		N		N
Delaware	Y	C,S	Y	C,S	Y	C,S	N
Florida	Y	C,S	Y	C,S	Y	C,S	N
Georgia	Y	C	Y	C	Y	C	N
Hawaii	Y	C,S	N		Y	C,S	N
Idaho*	N		Y	C	N		N
Illinois	Y	C,S	Y	C	N		Y
Indiana	Y	C	Y	C	Y	C	N
Iowa	Y	C,S	N		N		N
Kansas	Y	S	Y	C,S	N		N
Kentucky	Y	C,S	Y	C,S	Y	C,S	N
Louisiana	Y	C,S	Y	C	Y	C,S	N
Maine	Y	C,S	Y	C	Y	C,S	N
Maryland*	Y	C	Y	C	N		Y
Massachusetts	Y	C	Y	C	Y	C	Y
Michigan	Y	C,S	Y	C	Y	C,S	Y
Minnesota	Y	S	Y	S	N	C,S	N
Mississippi	Y	S	Y	S	N		N
Missouri	Y	C	N		Y	C	N
Montana	Y	S	Y	C	N		N
Nebraska	Y	C	N		N		N
Nevada	Y	S	Y	C	Y		N
New Hampshire	Y	S	N		N		Y
New Jersey	Y	C	Y	C	Y	C	N
New Mexico	Y	C	Y	C	Y	C	N
New York*	Y	C	N		N		N
North Carolina	Y	C,S	Y	S	N		Y
North Dakota	Y	C	Y	C	Y	C	N
Ohio	Y	C	Y	C	Y	C	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	Y	C	Y	C	Y	C	N
South Dakota	Y	C	Y	C	Y	C	N
Tennessee	Y	C	Y	C	Y	C	N
Texas	N		Y	C,S	N		Y
Utah	Y	C,S	Y	C,S	Y	S	N
Vermont	N		N		N		Y
Virginia*	N		N		N		N
Washington	Y	S	N		N		N
West Virginia	N		Y	C	Y	C	N
Wisconsin	Y	C	Y	C	N		Y
Wyoming	N		N		N		N

Y—Yes

N—No

C—Constitutional provision

S—Statutory provision

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

***State Notes**

Idaho	Although the Constitution requires the legislature to pass a balanced budget, there are no sanctions, and in recent years the legislature has over-appropriated its general account revenue estimate for the coming year.	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.
Maryland	Budget becomes law immediately on enactment by the legislature.	Virginia	Requirement applies only to budget execution. The governor is required to ensure that actual expenditures do not exceed actual revenues.

Source: National Association of State Budget Officers, *Budget Processes in the States, 1992* (Washington, DC, 1992).

Table 4
State Budget Stabilization Funds

State	Methods for Deposit	Methods for Withdrawal
Alabama <i>Proration Prevention Fund-Education</i>	First year, \$21 million; Second year, \$8 million; thereafter, up to \$75 million maximum	(1) Declaration of proration by governor; or (2) Declaration of emergency by legislature
Alaska <i>Budget Reserve Account</i>	By appropriation	By appropriation for the governor to meet a disaster
Arizona <i>Budget Stabilization Fund</i>	Capped at 15% of general fund revenue; funded by formula comparing real net personal income growth to 7-year trend	(1) By formula with majority legislative appropriation; or (2) Nonformula with 2/3 legislative approval
California <i>Special Fund for Economic Uncertainties</i>	Year-end surplus or by appropriation	(1) By appropriation in the budget act, special statutes, or continuous appropriations provided by constitution or statute (2) Executive order can allocate funds for additional fire fighting or disaster response needs
Colorado* <i>4% Required Reserve</i>	3% 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 unanticipated 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); fund capped at 7% of prior year's general fund revenues	Funds transferred to general fund if adjusted personal income declines by more than 2%; legislature may also authorize specific withdrawals
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
Kansas* <i>State Budget Stabilization Fund</i>	By appropriation	State Finance Council approval
Kentucky* <i>Budget Reserve Trust Fund</i>	By appropriation	Allotted by governor to meet a revenue shortfall; governor must notify legislature
Louisiana <i>Revenue Stabilization/Mineral Trust Fund</i>	Revenues exceeding \$750 million from production and exploration of minerals	1/3 of fund with legislative approval
Maine <i>Rainy Day Fund</i>	4% of general fund revenue received in previous fiscal year	Legislation
Maryland* <i>Revenue Stabilization Account</i>	By appropriation, for fiscal years 1994 and 1995, amount should be equal to at least the estimate of revenues made by the Board of Revenue Estimates, for the fiscal year attributable to the increase in the top state income tax rate	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>Countercyclical 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 the fiscal year) ending in the current calendar 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

Table 4 (cont.)
State Budget Stabilization Funds

State	Methods for Deposit	Methods for Withdrawal
Minnesota <i>Budget and Cash Flow Reserve Account</i>	By direct appropriation \$240 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
Nebraska <i>Cash Reserve Account</i>	By statute	Transfer made to general fund when obligations exceed balance
Nevada <i>Budget Stabilization Designation</i>	By comptroller for accounting purposes when reporting financial portion of year's fund balance	
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 when revenues are less than certified; or (2) By the governor in event of an emergency identified by the governor, on approval by the legislature's Joint Budget Oversight Committee.
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 Carolina <i>Savings Reserve Account</i>	25% of year-end general fund credit balance; to accumulate to 5% of general fund operating budget	Approval of the General Assembly
North Dakota <i>Budget Stabilization Fund</i>	Biennium end surplus in excess of \$40 million	Governor may transfer to avoid negative general fund balance
Ohio <i>Budget Stabilization Fund</i>	Permanent law states that the legislature intends to maintain 4% of GRF revenue from preceding fiscal year in the fund and that the fund retain its own interest earnings; a repayment plan in temporary law gives the director of budget and management discretion to use GRF to repay BSF; temporary law also designates that the BSF's interest earnings are to be credited to the GRF	Legislative action necessary
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 the forthcoming fiscal year general revenue fund is less than that of current fiscal year certification; the other 1/2 of balance may be appropriated by (1) emergency declaration by the governor with concurrence by legislature with a 2/3 vote of each house or (2) 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 after certification by the budget secretary, 10 percent of the surplus of the General Fund shall be deposited into the Tax Stabilization Reserve by the end of the next succeeding quarter	By appropriation when governor declares an emergency or downturn in the economy; requires 2/3 vote of each house

Table 4 (cont.)
State Budget Stabilization Funds

State	Methods for Deposit	Methods for Withdrawal
Rhode Island <i>Budget Reserve and Cash Stabilization Account</i>	1% General Revenue, FY1993; 1.5%, FY 1994; 2% thereafter whenever account reaches 3.0%, excess goes to capital fund	By appropriation to meet 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
South Dakota <i>Budget Reserve Fund</i>	Year-end surplus; fund capped at 5% of general fund appropriations in general appropriations act	Act of the legislature
Tennessee* <i>Revenue Fluctuation Reserve</i>	By appropriation	By appropriation in the event revenues are insufficient to meet the authorized level of expenditures
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 5% of general fund appropriations from most recently ended fiscal year	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.	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.
Kansas	The State Finance Council (governor and legislative leaders) may authorize expenditures from the fund due to natural disasters, payment of expenditures required by order of judgment of a court or reductions in anticipated state general fund revenue by more than 1%. The fund is established for FY 1993 only (through an appropriation bill) and is not prescribed permanently by statute.	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.
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.	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.

Table 4 (cont.)
State Budget Stabilization Funds

State Notes (cont.)

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 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.

Tennessee To the extent practical, revenue shortfalls are to be offset by reductions in expenditures before

Texas

using funds appropriated by the Revenue Fluctuation Reserve.

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.)

Source: State surveys and National Association of State Budget Officers, *Budget Processes in the States 1992* (Washington, DC, 1992).

Table 5
Gubernatorial Veto Authority

State	No Veto Power	No Item Veto	Line Item Veto	Item Veto of Amount	Item Veto of Paragraph	Item Veto of Syntax	Item Veto Other
Alabama*			X	X			
Alaska			X	X			
Arizona			X	X			
Arkansas			X				
California			X	X	X		
Colorado			X				
Connecticut							
Delaware			X				
Florida			X	X	X		
Georgia			X	X	X	X	
Hawaii*				X			
Idaho			X				
Illinois			X	X	X	X	
Indiana		X					
Iowa			X	X	X		
Kansas			X	X	X		
Kentucky			X	X	X		
Louisiana			X				
Maine		X					
Maryland*							
Massachusetts							
Michigan			X	X	X		
Minnesota			X	X	X		
Mississippi			X	X			
Missouri			X	X	X		
Montana			X				
Nebraska			X	X			
Nevada		X					
New Hampshire		X					
New Jersey			X	X	X	X	
New Mexico			X	X	X	X	
New York*			X	X	X	X	
North Carolina	X						
North Dakota			X		X		
Ohio*			X	X	X		
Oklahoma			X	X			
Oregon			X	X			X
Pennsylvania*			X	X	X		
Rhode Island		X					
South Carolina			X				
South Dakota			X				
Tennessee			X	X			
Texas			X				
Utah*			X				
Vermont		X					
Virginia*			X	X			
Washington				X	X		
West Virginia			X	X	X	X	X
Wisconsin			X	X	X	X	X
Wyoming			X	X	X	X	X
U.S. Total	1	6	38	29	20	8	4

Table 5 (cont.)
Gubernatorial Veto Authority

State	No Veto Power	No Item Veto	Line Item Veto	Item Veto of Amount	Item Veto of Paragraph	Item Veto of Syntax	Item Veto Other
*State Notes							
Alabama			For line item veto and item veto of amount, the governor may return a bill without limit for recommended amendments for amount and language.		Pennsylvania		The governor may veto paragraphs within appropriations bill only.
Hawaii			For item veto of amount, judicial and legislative appropriation bills may be vetoed by governor only in their entirety.		Utah		Item veto of paragraphs and item veto of amounts unresolved at this time.
Maryland			Supplementary budget bills may be vetoed by governor.		Virginia		Governor may return bill without limit for recommended amendments for amount and language. For purposes of a veto, a line item is defined as an indivisible sum of money that may or may not coincide with the way in which items are displayed in an appropriation act. If a language paragraph designates a sum of money for a distinct purpose, it is subject to the item veto.
New York			Any appropriation added to governor's budget by the legislature is subject to line item veto.				
Ohio			In appropriation act only in line item veto.				

Source: National Association of State Budget Officers, *Budget Processes in the States 1992* (Washington, DC, 1992)

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 tax revenues	Yearly growth in appropriations limit shall not exceed percentage increase in population and inflation.
Colorado 1991 Statutory Expenditure Legislative Vote	State general fund appropriations	Yearly growth of state general fund appropriations.
Connecticut 1991 Statutory Expenditure	Expenditures from appropriated funds excluding: (1) debt service; (2) transfers into the budget reserve fund; (3) statutory grants to distressed municipalities in effect as of 7/1/91; and (4) federal mandates or court orders in their fiscal year	Expenditure growth shall not exceed the greater of: (1) 5-year average of the percentage increase in state personal income or (2) increase in the consumer price index for the preceding 12-month period.
Delaware	State general fund appropriations	98 percent of estimated general fund revenue and prior year's unencumbered funds.
Hawaii 1978 Constitutional Expenditure	State general fund appropriations	Growth of appropriations limited to rate of growth of state economy—defined as preceding 3 years average growth rate of state personal income.
Idaho 1980 Statutory Expenditure Legislative Vote	State general fund appropriations	Appropriations shall not exceed 5.33 percent of state personal income.
Louisiana 1991 Constitutional/ Statutory Expenditure Legislative Committee Vote/ Commissioner of Administration	State appropriations	Growth in appropriations shall not exceed average rate of growth of state personal income over prior 3 years.

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

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.	<p>(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.</p> <p>(2) The state shall provide the funding when it requires local government to provide a program.</p> <p>(3) Appropriations required for purposes of complying with federal requirements are not under limit.</p>	Surplus revenues may be carried forward to the next fiscal year for expenditures to the extent that the limit is not exceeded. If the revenues carried forward from the prior year are still in excess of the limit, then 50% of those revenues would be distributed to K-12 and the remaining 50% would be returned by revision of tax rates or fee schedules with the next 2 fiscal years.
Statute may be amended at any time by majority vote of legislature.	None	Excess retained in the General Fund for future appropriation.
(1) Governor declares an emergency or the existence of extraordinary circumstances AND (2) At least 3/5 of the members of each house of the general assembly vote to exceed the limit for the purposes of the emergency or extraordinary circumstances.	None	Any surplus funds are allocated based on the following priorities: (1) Retire 1991 deficit notes (2) Transfer to the Budget Reserve Fund (3) Payments to state employees' pension fund (4) Retire other outstanding indebtedness
Declaration of an emergency and 3/5 vote of each chamber.	None	Available for appropriations in ensuing fiscal year.
Limit may be exceeded by 2/3 approval of each house of the legislature on specific additional appropriations; the dollar amount and rate of excess and reasons for exceeding the limit must be reported.		
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
The limit may be changed by a 2/3 vote of the legislature.	None	No provision

State and Adoption Year Type of Limit, Methods of Approval	Limit Applies to	Limit Is
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: $\frac{\text{FY78-79 total state revenue}}{\text{Calendar year 1977 state personal income}}$ x 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: $\frac{\text{FY 80-81 state revenue}}{1979 \text{ state personal income}}$ x the greater of state personal income in prior calendar year or average state personal income over previous 3 calendar years.
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 NONBINDING 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 Jersey ² 1976 Statutory Expenditure Legislative Vote	State appropriations	Fiscal year direct state services appropriations shall not exceed the current year's (base year) appropriation, adjusted by the average annual percentage increase in state per capita personal income over the 4 fiscal years preceding the base year.
North Carolina 1991 Statutory Expenditure Legislative Vote	State appropriations	Increases each fiscal year shall not exceed 7% of the projected total state personal income for the fiscal year. The general fund operating budget for this purpose shall exclude increases in capital or other one-time operating appropriations and dollar increases for Medicaid, operation of prisons, and health insurance for state employees above the 7% limit.
Oklahoma 1985 Constitutional Expenditure Board of Equalization	State appropriations	(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.

²Expired 1983.

Tax and Expenditure Limits

Provisions for Waiver	Provisions in the Case of Transfer of Responsibility for Government Programs	Treatment of Surpluses
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.	<p>(1) Limit may be adjusted if program responsibility is transferred from one government to another.</p> <p>(2) State is prohibited from reducing current proportion of local services financed through state aid.</p> <p>(3) No new program shall be required of local governments unless cost is paid by state.</p> <p>(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.</p>	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.	<p>(1) Limit may be adjusted if program responsibility is transferred from one government to another.</p> <p>(2) State is prohibited from reducing current proportion of local services financed through state aid.</p> <p>(3) No new program shall be required of local governments unless cost is paid by state.</p>	<p>Revenues exceeding limit by 1 percent or more shall be refunded pro rata based on income tax liability.</p> <p>Excess less than 1 percent shall be transferred to the general revenue fund.</p>
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	25% of credit balance goes into a reserve to accumulate to 5% of the general fund operating budget.
None	The limit can be adjusted for funds not previously appropriated.	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

State and Adoption Year Type of Limit, Methods of Approval	Limit Applies to	Limit Is
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 Growth of biennial appropriations shall not exceed rate of growth of Constitutional Expenditure Legislative Referendum	Appropriations of state tax revenues	state personal income.
Utah 1979 Statutory Expenditure 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.

6 (cont.)
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 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.	(1) Limit shall be adjusted if program responsibility is transferred between state and local governments or from the federal government to the state. (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.	No provision
Emergency must be declared by 2/3 vote of legislature; then legislature must approve specific additional appropriations by 2/3 vote.	(1) Limit shall be adjusted if program responsibility is transferred between state and local governments or between state and federal government. (2) State must reimburse local governments for increased cost if legislature imposes program responsibility on local governments.	Excess revenue becomes part of state tax revenue for next fiscal year.

Source: ACIR state update, 1992, based on National Conference of State Legislatures, *Legislative Budget Procedures in the 50 States: A Guide to Appropriations and Budget Processes* (Denver, September 1988).

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	S						
Hawaii								X
Idaho		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						M
Nebraska		X						
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	6	33	16	7	3	3	6	16

C—counties only.

M—municipalities only.

S—school districts only.

*Selected cities only.

Source: ACIR update, 1992, based on Steven D. Gold and Martha Fabricius, *How States Limit City and County Property Taxes and Spending* (Denver: National Conference of State Legislatures, 1989).

Section II

Federal Taxes

Table 8
Federal Individual Income Tax (Average and Marginal Tax Rates)
Selected Income Groups and Years, 1954-1992

Adjusted Gross Income ^a	Average Rate (percent) ^b											Marginal Tax Rate (percent) ^c										
	1954-1963	1965	1970 ^d	1975	1979-1980 ^e	1985	1988	1989	1990	1991	1992	1954-1963	1965	1970 ^d	1975	1979-1980 ^e	1985	1988	1989	1990	1991	1992
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	6.7	6.2	34.0	28.0	25.6	20.2	21.0	16.0	15.0	15.0	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	10.8	10.6	50.0	42.0	34.8	34.0	34.0	26.0	15.0	15.0	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	11.2	11.5	56.0	48.0	39.0	38.0	39.0	26.0	28.0	28.0	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	15.9	15.3	62.0	53.0	46.1	45.0	44.0	34.0	28.0	28.0	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	18.7	18.3	72.0	60.0	61.5	60.0	55.0	42.0	28.0	28.0	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	21.5	21.2	78.0	64.0	65.6	64.0	63.0	48.0	33.0	33.0	33.0	31.0	31.0
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	-17.4 ^g	-18.5 ^g	20.0	15.0	15.0	10.0 ^g	—	—	—	—	—	—	—
10,000	13.7	11.1	11.2	7.1	3.7	1.3 ^h	-8.6 ^g	-9.1 ^g	-9.5 ^g	-12.4 ^g	-13.8 ^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	-1.9 ^g	2.1	30.0	25.0	25.6	25.0	24.0	16.0	15.0	15.0	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	6.4	5.9	38.0	32.0	28.7	28.0	28.0	18.0	15.0	15.0	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	8.9	8.5	47.0	39.0	40.0	39.0	37.0	25.0	15.0	15.0	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	11.2	10.4	56.0	48.0	49.2	48.0	43.0	33.0	28.0	28.0	28.0	28.0	15.0
75,000	39.5	34.1	34.1	32.8	31.2	23.5	17.1	16.8	16.5	16.1	15.6	65.0	55.0	56.4	55.0	54.0	42.0	28.0	28.0	28.0	28.0	28.0
Constant (1980) Dollars^b																						
Single No Dependents																						
5,000	12.0	7.5	4.0	3.9	5.0	5.6	4.7	4.8	4.9	5.0	4.6	20.0	16.8	16.0	16.0	16.0	14.0	15.0	15.0	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	10.0	9.8	22.0	21.5	21.0	19.0	21.0	18.0	15.0	15.0	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	15.3	15.0	30.0	25.6	22.7	30.0	34.0	26.0	28.0	28.0	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	17.4	17.1	34.0	27.7	31.0	34.0	39.0	30.0	28.0	28.0	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	19.6	19.4	43.0	31.8	38.0	44.0	44.0	38.0	33.0	33.0	33.0	31.0	28.0
50,000	29.6	24.8	27.7	30.0	32.1	27.1	22.5	22.6	22.6	22.1	22.0	50.0	41.0	45.0	55.0	55.0	48.0	33.0	33.0	33.0	31.0	31.0
75,000	36.7	30.2	34.4	37.5	39.1	32.5	25.0	29.1	25.3	24.0	23.9	62.0	51.2	60.0	63.0	63.0	50.0	33.0	33.0	33.0	31.0	31.0
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	-14.9 ^g	-16.2 ^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	-1.2 ^g	-2.5 ^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	8.5	8.3	22.0	19.5	18.5	21.0	24.0	22.0	15.0	15.0	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	9.8	9.7	22.0	22.6	22.0	24.0	28.0	25.0	15.0	15.0	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	13.4	13.1	26.0	25.6	28.0	32.0	37.0	33.0	28.0	28.0	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	17.0	16.7	30.0	32.8	39.0	43.0	44.0	38.0	28.0	28.0	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	20.2	20.0	43.0	43.0	50.0	54.0	42.0	42.0	33.0	33.0	33.0	31.0	31.0

Table 8 (cont.)
Federal Individual Income Tax (Average and Marginal Tax Rates)
Selected Income Groups and Years, 1954-1992

— 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 \$35,800 of taxable income taxed at 15%; the additional \$4,200 of taxable income would be taxed at 28%. The total tax liability would be \$6,546.

^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 (1987 = 100). The values of the deflator are: 1960, 30.8; 1965, 32.2; 1970, 37.9; 1975, 50.5; 1980, 72.6; 1985, 93.3; 1988, 104.3; 1989, 109.5; 1990, 115.3; 1991, 120.4; 1992, 123.8.

Source: ACIR computations and Commerce Clearinghouse, *1993 U.S. Master Tax Guide* (Chicago, 1992).

Table 9
Federal Individual Income Tax Rates and Exemptions, 1913-1993

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,k}	4,000 ^{j,k}	2,000 ^{j,k}	15.0-28.0 ^l	30,950	30,950
1990	2,050 ^{j,k}	4,100 ^{j,k}	2,050 ^{j,k}	15.0-28.0 ^l	32,450	32,450
1991	2,150 ^{j,k}	4,300 ^{j,k}	2,150 ^{j,k}	15.0-31.0 ^l	34,000	82,150
1992	2,300 ^{j,k}	4,600 ^{j,k}	2,300 ^{j,k}	15.0-31.0 ^l	35,800	86,500
1993	2,350 ^{j,k}	4,700 ^{j,k}	2,350 ^{j,k}	15.0-31.0 ^l	36,900	89,150

For tax year 1992, personal exemptions are phased out at threshold incomes of \$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. Phaseout thresholds for 1993, as determined by the Commerce Clearing House, are increased to \$162,700 for joint returns or surviving spouses, \$135,600 for heads of households, \$108,450 for single taxpayers, and \$81,350 for married filing separately.

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. The 1992 threshold amount is \$105,250, and the 1993 amount, as determined by the Commerce Clearing House, is \$108,450.

†Married filing joint return.

Table 9 (cont.)
Federal Individual Income Tax Rates and Exemptions, 1913-1993

- ^aMarried exemption is \$2,000 if net income exceeds \$5,000.
- ^bAfter earned income credit equal to 25% of tax on earned income, lowest bracket only.
- ^cBefore earned income credit equal to 25% of tax on earned income.
- ^dExclusive of Victory Tax.
- ^eSubject 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.
- ^fBeginning in 1948, blind taxpayers, or taxpayer and spouse 65 years old or older are allowed an additional exemption.
- ^gIncludes 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.
- ^hThe tax liability was reduced by 1.25% for all taxable income brackets in 1981.
- ⁱAll brackets adjusted for changes in the Consumer Price Index.
- ^jPersonal exemptions adjusted for changes in the Consumer Price Index for 1985, 1986, 1989, and thereafter.
- ^kThe personal exemption is phased out for certain higher income taxpayers, beginning in 1988.
- ^lBeginning 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* and *1993 U.S. Master Tax Guide* (Chicago, 1991 and 1992).

Table 10
**Federal Corporation Income Tax Rates and Exemptions,
 Income Years 1909-1992**

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 Over \$25,000	28.75 ^d 50.75 ^d
1913-15	No exemption after 3/1/13	1	1952-53	First \$25,000 Over \$25,000	30 ^d 52 ^d
1916	None	2	1964	First \$25,000 Over \$25,000	22 50
1917	None	6	1965-67	First \$25,000 Over \$25,000	22 48
1918	\$2,000 exemption	12 ^a	1968-69	First \$25,000 Over \$25,000	24.2 ^e 52.8 ^e
1919-21	\$2,000 exemption	10 ^a	1970	First \$25,000 Over \$25,000	22.55 ^e 49.2 ^e
1922-24	\$2,000 exemption	12.5	1971-74	First \$25,000 Over \$25,000	22 48
1925	\$2,000 exemption	13	1975-78	First \$25,000 \$25,000 to \$50,000 Over \$50,000	20 22 48
1926-27	\$2,000 exemption	13.5	1979-81	First \$25,000 \$25,000 to \$50,000 \$50,000 to \$75,000 \$75,000 to \$100,000 Over \$100,000	17 20 30 40 46
1928	\$3,000 exemption	12	1982	First \$25,000 \$25,000 to \$50,000 \$50,000 to \$75,000 \$75,000 to \$100,000 Over \$100,000	16 19 30 40 46
1929	\$3,000 exemption	11	1983-86	First \$25,000 \$25,000 to \$50,000 \$50,000 to \$75,000 \$75,000 to \$100,000 Over \$100,000	15 18 30 40 46
1930-31	\$3,000 exemption	12	1987-92 ^f	First \$50,000 \$50,000 to \$75,000 \$75,000 to \$100,000 \$100,000 to \$335,000 Over \$335,000	15 25 34 39 ^g 34
1932-35	None	13.75 ^b			
1936-37	Graduated normal tax ranging from— First \$2,000 Over \$40,000	8 ^b 15 ^b			
	Graduated surtax on undistributed profits ranging from—	7-27 ^b			
1938-39	First \$25,000 Over \$25,000	12.5-16 ^b 19 ^c			
1940	First \$25,000 \$25,000 to \$31,964.30 \$31,964.30 to \$38,565.89 Over \$38,565.89	14.85-18.7 ^b 38.3 ^b 36.9 ^b 24 ^b			
1941	First \$25,000 \$25,000 to \$38,461.54 Over \$38,461.54	21-25 ^b 44 ^b 31 ^b			
1942-45	First \$5,000 \$5,000 to \$20,000 \$20,000 to \$25,000 \$25,000 to \$50,000 Over \$50,000	25 ^b 27 ^b 29 ^b 53 ^b 40 ^b			
1946-49	First \$5,000 \$5,000 to \$20,000 \$20,000 to \$25,000 \$25,000 to \$50,000 Over \$50,000	21 23 25 53 38			
1950	First \$25,000 Over \$25,000	23 ^d 42 ^d			

^aIn 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).

^bFrom 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.

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

Table 10 (cont.)
**Federal Corporate Income Tax Rates and Exemptions,
Income Years 1909-1992**

*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%.

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

*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.

*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, *1993 U.S. Master Tax Guide* (Chicago, 1992).

Table 11
Federal Excise Tax Rates on Selected Items
Selected Years 1944-1992

Item Taxed (base)	Rates as of December 31					
	1944	1954	1964	1989	1991	1992
Alcoholic beverages						
Distilled spirits (\$/proof gallon)	9.00	10.50	10.50	12.50	13.50	13.50
Still wines (\$/wine gallon)						
Not over 14% alcohol	0.15	0.17	0.17	0.17	1.07	1.07
14 to 21% alcohol	0.60	0.67	0.67	0.67	1.57	1.57
21 to 24% alcohol ^a	2.00	2.25	2.25	2.25 ^b	3.15 ^b	3.15 ^b
Beer (\$/31-gallon barrel)	8.00	9.00	9.00	9.00 ^c	18.00 ^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	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	10.625% ^e of wholesale price
Cigarettes (\$/pack of 20)	0.07	0.08	0.08	0.16 ^f	0.20 ^f	0.20 ^f
Tobacco and snuff (\$/lb)	0.18	0.10	0.10	—	—	—
Manufacturers excise taxes						
Gasoline (\$/gallon)	0.015	0.02	0.02	0.09 ^b	0.14 ⁱ	0.14 ⁱ
Lubricating oils (\$/gallon)	0.06	0.06	0.06	—	—	—
Automobiles (% of sales price)	7.0%	10.0%	10.0%	—	—	—
Automotive accessories (% of sales price)	5.0%	8.0%	8.0%	—	—	—
Trucks and trailers (% of sales price)	7.0%	10.0%	10.0%	12.0%	12.0%	12.0%
Highway tires (\$/lb)	0.05	0.05	0.10	.15-.50 ^m	.15-.50 ^m	.15-.50 ^m
"Gas Guzzler" (\$/auto)	—	—	—	—	—	—
Firearms, shells, and cartridges (% of price)	11.0%	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%	10.0%
Bows and arrows (% of sales price)	—	—	—	11.0%	11.0%	11.0%
Sport fishing equipment (% of sales price)	—	10.0%	10.0%	10.0%	10.0%	10.0%
Retailers excise taxes						
Diesel fuel for highway vehicles (\$/gallon)	—	—	—	0.15	0.20	0.20
Gasohol (\$/10% or more alcohol-gasoline blend)	—	—	—	0.03	0.966	0.966
Gasoline used in noncommercial aviation (\$/gallon)	—	—	—	0.12	0.15	0.15
Fuels other than gasoline, noncommercial aviation (\$/gallon)	—	—	—	0.14	0.176	0.176
Inland waterways fuel (\$/gallon)	—	—	—	0.10 ^p	0.11	0.15
Airplanes	—	—	—	—	10.0% ^p	10.0% ^p
Automobiles	—	—	—	—	10.0% ^p	10.0% ^p
Boats	—	—	—	—	10.0% ^p	10.0% ^p
Furs and jewelry	—	—	—	—	10.0% ^p	10.0% ^p
Other excise taxes						
Air passenger ticket (% of price)	15.0%	10.0%	5.0%	8.0.0%	10.0%	10.0%
International departures (\$/person)	—	—	—	3.00	6.00	6.00
Domestic air cargo (% of value)	—	—	—	—	6.25%	6.25%
Local telephone service (% of amount)	15.0%	10.0%	10.0%	3.0%	3.0%	3.0%
Long-distance and teletype service (% of amount)	25.0%	10.0%	10.0%	3.0%	3.0%	3.0%
Certain vaccines (\$/dose)	—	—	—	q	q	q
Foreign insurance policies (% of premiums)	—	—	—	—	—	—
Life insurance (% of premium)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Other insurance (% of premium)	4.0%	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	2.0% ^r
Leaking underground storage tanks (\$/gallon)	—	—	—	0.001	0.001 ^s	0.001 ^s
Environmental ("Superfund") excise taxes						
Domestic crude oil (\$/barrel)	—	—	—	0.082	0.147	0.097
Imported petroleum products (\$/barrel)	—	—	—	0.117	0.147	0.097
Feedstock chemicals and certain imported substances (\$/ton)	—	—	—	22-4.87	22-4.87	22-4.87
Use of harbors and ports (% of cargo)	—	—	—	0.04.0%	0.125%	0.125%
Use tax on heavy highway vehicles (\$/ton)	—	—	6.00	—	—	—
Coal (\$/ton)	—	—	—	—	—	—
Underground mines	—	—	—	1.10	1.10	1.10
Surface mines	—	—	—	0.55	0.55	0.55

Table 11 (cont.)
Federal Excise Tax Rates on Selected Items
Selected Years 1944-1992

- ^a Wines over 24% alcohol are taxed at rate for distilled spirits.
- ^b Artificially carbonated wines, \$3.30; champagnes and sparkling wines, \$3.40.
- ^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., \$4.50 plus \$.30 per lb. over 70 lbs.; over 90 lbs., \$10.50 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, \$.029; 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* and *1992 U.S. Excise Tax Guide* (Chicago, 1990 and 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	Contribution Rate (percent)									Maximum Tax	
		Combined Employer and Employee	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	1.50	1.50	—	—	—	—	—	—	45.00	—
1951-53	3,600	3.00	1.50	1.50	—	—	2.25	2.25	—	—	54.00	81.00
1954	3,600	4.00	2.00	2.00	—	—	3.00	3.00	—	—	72.00	108.00
1955-56	4,200	4.00	2.00	2.00	—	—	3.00	3.00	—	—	84.00	126.00
1957-58	4,200	4.50	2.25	2.00	0.25	—	3.375	3.00	0.375	—	94.50	141.75
1959	4,800	5.00	2.50	2.25	0.25	—	3.75	3.375	0.375	—	120.00	180.00
1960-61	4,800	6.00	3.00	2.75	0.25	—	4.50	4.125	0.375	—	144.00	216.00
1962	4,800	6.25	3.125	2.875	0.25	—	4.70	4.325	0.375	—	150.00	225.60
1963-65	4,800	7.25	3.625	3.375	0.25	—	5.40	5.025	0.375	—	174.00	259.20
1966	6,600	8.40	4.20	3.50	0.35	0.35	6.15	5.275	0.525	0.35	277.20	405.90
1967	6,600	8.80	4.40	3.55	0.35	0.50	6.40	5.375	0.525	0.50	290.40	422.40
1968	7,800	8.80	4.40	3.325	0.475	0.60	6.40	5.0875	0.7125	0.60	343.20	499.20
1969	7,800	9.60	4.80	3.725	0.475	0.60	6.90	5.5875	0.7125	0.60	374.40	538.20
1970	7,800	9.60	4.80	3.65	0.55	0.60	6.90	5.475	0.825	0.60	374.40	538.20
1971	7,800	10.40	5.20	4.05	0.55	0.60	7.50	6.075	0.825	0.60	405.60	585.00
1972	9,000	10.40	5.20	4.05	0.55	0.60	7.50	6.075	0.825	0.60	468.00	675.00
1973	10,800	11.70	5.85	4.30	0.55	1.00	8.00	6.205	0.795	1.00	631.80	864.00
1974	13,200	11.70	5.85	4.375	0.575	0.90	7.90	6.185	0.815	0.90	772.20	1,042.80
1975	14,100	11.70	5.85	4.375	0.575	0.90	7.90	6.185	0.815	0.90	824.85	1,113.90
1976	15,300	11.70	5.85	4.375	0.575	0.90	7.90	6.185	0.815	0.90	895.05	1,208.70
1977	16,500	11.70	5.85	4.375	0.575	0.90	7.90	6.185	0.815	0.90	965.25	1,303.50
1978	17,700	12.10	6.05	4.275	0.775	1.00	8.10	6.01	1.09	1.00	1,070.85	1,433.70
1979	22,900	12.26	6.13	4.33	0.75	1.05	8.10	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	8.10	6.2725	0.7775	1.05	1,587.67	2,097.90
1981	29,700	13.30	6.65	4.70	0.65	1.30	9.30	7.025	0.975	1.30	1,975.05	2,762.10
1982	32,400	13.40	6.70	4.575	0.825	1.30	9.35	6.8125	1.2375	1.30	2,170.80	3,029.40
1983	35,700	13.40	6.70	4.775	0.625	1.30	9.35	7.1125	0.9375	1.30	2,391.90	3,337.95
1984	37,800	14.00	7.00 ^a	5.20	0.50	1.30	14.00 ^b	10.40	1.00	2.60	2,646.00 ^a	5,292.00 ^b
1985	39,600	14.10	7.05	5.20	0.50	1.35	14.10 ^b	10.40	1.00	2.70	2,791.80	5,583.60 ^b
1986	42,000	14.30	7.15	5.20	0.50	1.45	14.30 ^b	10.40	1.00	2.90	3,003.00	6,006.00 ^b
1987	43,800	14.30	7.15	5.20	0.50	1.45	14.30 ^b	10.40	1.00	2.90	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	2.90	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	2.90	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	
			Total	Employer and Employee, Each			Self-Employed Persons			Employee or Employer	Self-Employed	
				Old Age Survivors'	Disability	Hospital	Total	Old Age Survivors'	Disability	Hospital		
1990	51,300	15.30	7.65	5.60	0.60	1.45	15.30	11.20	1.20	2.90	3,924.45	7,848.90
1991	53,400 ^b	15.30	7.65	5.60	0.60	1.45	15.30	11.20	1.20	2.90	5,123.30	10,246.60
1992	55,000 ^b	15.30	7.65	5.60	0.60	1.45	15.30	11.20	1.20	2.90	5,368.90	10,657.80
1993	57,600 ^c	15.30	7.65	5.60	0.60	1.45	15.30	11.20	1.20	2.90	5,528.70	11,057.40
1994-99	^d	15.30	7.65	5.60	0.60	1.45	15.30	11.20	1.20	2.90	^d	^d
2000 and after	^d	15.30	7.65	5.49	0.71	1.45	15.30	10.98	1.42	2.90	^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, and \$135,000 for 1993.

^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, *1993 U.S. Master Tax Guide* (Chicago, 1992).

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 Rate	Adjusted Taxable Estate ²	Federal Credit	Rate on Excess Amount Over Lower Bracket ³
\$0-9,999	18%	\$40,000-89,999	\$0	0.8%
10,000-19,999	20	90,000-139,999	400	1.6
20,000-39,999	22	140,000-239,999	1,200	2.4
40,000-59,999	24	240,000-439,999	3,600	3.2
60,000-79,999	26	440,000-639,999	10,000	4.0
80,000-99,999	28	640,000-839,999	18,000	4.8
100,000-149,999	30	840,000-1,039,999	27,600	5.6
150,000-249,999	32	1,040,000-1,539,999	38,800	6.4
250,000-499,999	34	1,540,000-2,039,999	70,800	7.2
500,000-749,999	37	2,040,000-2,539,999	106,800	8.0
750,000-999,999	39	2,540,000-3,039,999	146,800	8.8
1,000,000-1,249,999	41	3,040,000-3,539,999	190,800	9.6
1,250,000-1,499,999	43	3,540,000-4,039,999	238,800	10.4
1,500,000-1,999,999	45	4,040,000-5,039,999	290,800	11.2
2,000,000-2,499,999	49	5,040,000-6,039,999	402,800	12.0
2,500,000-2,999,999	53	6,040,000-7,039,999	522,800	12.8
Over 3,000,000 ⁴	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. In 1993 and thereafter, estates over \$2,500,000 will be taxed at 50%.

² Adjusted taxable estate is the amount of the estate minus \$60,000. For example, the adjusted taxable estate of a \$660,000 estate would be \$600,000.

³ For example, the state death credit on an adjusted taxable estate of \$600,000 would be \$16,400 (\$10,000 + (\$160,000 x .04)).

⁴ The benefits of the graduated rates and the unified credit under

the unified transfer tax system are phased out beginning with cumulative transfers rising above \$10,000,000. For estates of decedents dying, and gifts made, after 1987 and before 1993, the tax is levied on amounts transferred in excess of \$10,000,000 but not exceeding \$21,040,000 at 60% in order to recapture the benefit of any transfer tax rate below 55% as well as the unified credit. After 1992, the additional tax is levied on amount transferred in excess of \$10,000,000 but not exceeding \$18,340,000, at 55%.

Source: Commerce Clearing House, 1993 U.S. Master Tax Guide (Chicago, 1992).

Section III

State and Local Taxes: 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) and 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 New Mexico, 1919 North Dakota, 1919 Oregon, 1919 Kentucky, 1920 Total, 5	Arizona, 1921—Arkansas, 1921—Connecticut, 1921 Florida, 1921—Georgia, 1921—Louisiana, 1921—Montana, 1921 North Carolina, 1921—Pennsylvania, 1921—Washington, 1921 Maryland, 1922—Mississippi, 1922—South Carolina, 1922 South Dakota, 1922—Alabama, 1923—California, 1923 Delaware, 1923—Idaho, 1923—Indiana, 1923—Maine, 1923 Nevada, 1923—New Hampshire, 1923—Oklahoma, 1923 Tennessee, 1923—Texas, 1923—Utah, 1923—Vermont, 1923 Virginia, 1923—West Virginia, 1923—Wyoming, 1923 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			Hawaii, 1932 Alaska, 1946 Total, 2	
Grand Total, 51					
1921-30	1931-40	Cigarettes 1941-50		1951-60	Since 1961
Iowa, 1921 South Carolina, 1923 South Dakota, 1923 Utah, 1923 Tennessee, 1925 Kansas, 1927 North Dakota, 1927 Arkansas, 1929 Total, 8	Ohio, 1931 Texas, 1931 Louisiana, 1932 Mississippi, 1932 Oklahoma, 1933 Alabama, 1935 Arizona, 1935 Connecticut, 1935 Washington, 1935 Kentucky, 1936 Georgia, 1937 Pennsylvania, 1937 Vermont, 1937 Hawaii, 1939 Massachusetts, 1939 New Hampshire, 1939 New York, 1939 Rhode Island, 1939 Wisconsin, 1939 Total, 19	Illinois, 1941 Maine, 1941 Delaware, 1943 Florida, 1943 New Mexico, 1943 Idaho, 1945 Indiana, 1947 Michigan, 1947 Minnesota, 1947 Montana, 1947 Nebraska, 1947 Nevada, 1947 West Virginia, 1947 New Jersey, 1948 Alaska, 1949 District of Columbia, 1949 Total, 16		Wyoming, 1951 Missouri, 1955 Maryland, 1958 California, 1959 Virginia, 1960 Total, 5	Colorado, 1964 Oregon, 1965 North Carolina, 1969 Total, 3
Grand Total, 51					
Distilled Spirits 1933-40				Since 1941	
Arizona, 1933—Colorado, 1933—Delaware, 1933 Indiana, 1933—Maryland, 1933—Massachusetts, 1933 New Jersey, 1933—New York, 1933—Rhode Island, 1933 District of Columbia, 1934—Illinois, 1934—Kentucky, 1934 —Louisiana, 1934—Minnesota, 1934—Missouri, 1934 New Mexico, 1934—Wisconsin, 1934 Arkansas, 1935—California, 1935—Florida, 1935 Nebraska 1935—Nevada, 1935 South Carolina, 1935—South Dakota, 1935—Texas, 1935 North Dakota, 1936 Connecticut, 1937—Georgia, 1937 Hawaii, 1939—Tennessee, 1939 Total, ⁴ 30				Alaska, 1959 Kansas, 1948 Oklahoma, 1959 Total, 3	
Grand Total,⁴ 33					

¹ Interest and dividends only.

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

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, 1992

State	Corporation Franchise ¹	Corporation Income ²	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	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, 1992

State	Corporation Franchise ¹	Corporation 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	45	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, which is a modified value-added tax.

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

⁹ New Hampshire and Tennessee apply only to income from intangibles.

Source: Commerce Clearing House, *State Tax Guide* (Chicago, 1992).

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	Corporation 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

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

² Includes states earmarking only a portion of the tax.

³ A 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
1992 Major Tax Changes, by Tax

State	PERSONAL INCOME TAX (see also Tables 18-22)	Amount (millions)	Effective Date
Arizona	Increased personal exemption from \$2,000 to \$2,100	FY93 = (\$10.1)	1/92
	Increased elderly exemption from \$1,500 to \$1,750	FY93 = (\$1.9)	1/92
	Reduced medical expenses deduction floor from 7.5% to 6.5%	FY93 = (\$2.0)	1/92
	Lowered estimated payment threshold from \$100,000 to \$70,000	FY93 = \$7.8*	9/30/92
Colorado	Disallowed itemized deductions for income taxes for certain taxpayers	FY92 = \$27.0 FY93 = \$49.9	1/92
Georgia	Modified treatment of capital gains on sale of personal residence	FY93 = (\$28.0)	1/92
Illinois	Modified treatment of dependents	FY93 = \$12.0	1/92
Iowa	Increased threshold for personal income tax liability	FY92 = (\$12.5) FY93 = (\$25.0)	1/92
Kansas	For married taxpayers, increased rates from 3.65% for taxable income up to \$35,000 and 5.15% for taxable income over \$35,000 to 3.5% for taxable income up to \$30,000; 6.25% for taxable income between \$30,000 and \$60,000; and 6.45% for taxable income over \$60,000. For single taxpayers, increased rates from 4.5% for taxable income up to \$23,500 and 5.95% for income over \$23,500 to 4.4% for taxable income up to \$20,000; 7.5% for taxable income between \$20,000 and \$30,000; and 7.75% for taxable income over \$30,000	FY93 = \$120.4	1/92
	Exempted military retirement benefits (pursuant to <i>Barker v. Kansas</i>)	FY93 = (\$8.5)	1/92
	Accelerated collection of withholding for taxpayers who withhold more than \$100,000 annually (previous schedule was 10th and 25th of each month; new schedule is 7th, 15th, 21st, and last day of each month)	FY92 = \$8.4*	5/92
Kentucky	Conformed to federal tax treatment of high-income taxpayers	FY93 = \$5.2	1/92
Louisiana	Continued temporary suspension of \$25 credit per child for educational expenses	FY93 = \$15.2	7/92
	Provided credit (under personal and corporation income taxes) for losses for video productions made in-state (effect on revenue is expected to begin in 1994)	n.a.	7/92
Maryland	Increased rate from 5% to 6% on income above \$100,000 (individual) and \$150,000 (joint) and eliminated combined/separate filing option permanently, allowing a new subtraction modification instead	FY93 = \$61.8	1/92
	Required prorating of exemptions, deductions, and modifications of part-year residents and required nonresidents and part-year residents to pay Maryland and claim credit on home state return	FY93 = \$6.0	1/92
	Eliminated exemption for income earned by estates	FY93 = \$1.9	1/92
	Accelerated payments made by fiduciaries from annual to quarterly payments	FY93 = \$3.8*	7/92
Massachusetts	Allowed temporary rate increase on earned income to expire	FY92 = (\$87.0) FY93 = (\$210.0)	1/92
Minnesota	Allowed full medical expense deduction for those self-employed	FY93 = (\$3.2)	1/93
	Implemented technical change increasing credit for prior year's AMT from 6% to 7%	FY93 = (\$0.2)	1/91
	Updated extension of various tax preferences per federal IRC	FY93 = (\$3.3)	1/92
	Required estates and partnerships to make quarterly estimated payments	FY93 = \$4.8*	6/92
	Accelerated payments for high-income taxpayers per federal IRC	FY93 = \$15.0*	1/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	PERSONAL INCOME TAX (cont.)	Amount (millions)	Effective Date
Mississippi	Eliminated deductibility of prior year's state income tax from state income tax liability	FY93 = \$10.0	1/92
Montana	Imposed temporary 2.3% surtax for 1992 tax year and 4.7% surtax for 1993 tax year Accelerated collections by requiring taxpayers with annual liability greater than \$500 to file quarterly estimated tax payments (exempts taxpayers if more than 2/3 of their income is net farm income)	FY93 = \$14.6 FY93 = \$32.5*	1/92 and 1/93 1/93
New York	Postponed scheduled cut so current rate of 7.875% will not drop to 7.5% until April 1993 Adopted federal changes requiring certain taxpayers to make estimated tax payments	FY93 = \$730.0 FY93 = \$45.0*	4/92-4/93 1/92
Pennsylvania	Eliminated 0.3% surtax because of previously enacted legislation; rate drops from 3.1% to 2.8% Restored special poverty exemption to previous status	FY93 = (\$450.0) FY92 = \$29.0 FY93 = \$28.0	1/92 1/91
Rhode Island	Temporarily increased rate from 27.5% of federal tax liability to 29.75% for FY1992 and to 32% of federal tax liability for FY1993; these increases affect taxpayers whose federal tax liability is over \$15,000	FY93 = \$16.8	7/92-6/30/93
South Carolina	Delayed capital gains rate reduction Adopted federal withholding statutes on nonresident shareholders of subchapter S corporations	FY93 = \$10.8 FY93 = \$5.0*	1/92 7/92
West Virginia	Modified withholding for distributions to nonresidents by partnerships, S corporations, estates, trusts, etc.	FY93 = \$3.0*	6/5/92

CORPORATION INCOME TAX AND OTHER MAJOR BUSINESS TAXES
(see also Tables 25-28)

Arizona	Temporarily revised the tax credit schedule for property and casualty insurers to a 13% offset in 1992, 11% in 1993, 13% in 1994, and 20% in 1995 and beyond	FY93 = \$4.0	1/92-1/95
Connecticut	Imposed tax on unrelated business income for nonprofit firms Enacted research and development credit of 10% for the 1993 income year and 20% thereafter Enacted employee training tax credit of 5% in 1995, 10% in 1996, 15% in 1997, 20% in 1998, 25% in 1999 and thereafter Enacted tax credit of 25% for higher education grants in 1994	FY93 = \$3.0 FY94 = (\$3.5) No estimate No estimate	1/92 1/93 1/95 1/94
Delaware	Temporarily extended and expanded tax credits on corporation income and gross receipts for new hires	FY92 = (\$2.0) FY93 = (\$2.0)	1/92-12/31/96
District of Columbia	Increased business personal property tax from \$3.10 to \$3.40 per \$100 Increased professional license fee from \$100 to \$250 and expanded base to include not only partners but other employees doing business	FY92 = \$1.6 FY93 = \$6.4 FY92 = \$2.0* FY93 = \$4.5*	7/92 1/92
Florida	Increased corporate filing fees	FY93 = \$54.9*	7/92
Kansas	Lowered the base rate from 4.5% to 4% and increased the surtax from 2.25% to 3.35% and increased the level at which the surtax becomes effective from \$25,000 of taxable income to \$50,000 Required for the first time estimated payments on the financial institution privilege tax	FY93 = \$7.0 FY93 = \$13.6*	1/92 1/93

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	CORPORATION INCOME TAX AND OTHER MAJOR BUSINESS TAXES (cont.)	Amount (millions)	Effective Date
Kentucky	Changed date that interest is paid on refunds for NOL carrybacks to date that claim was filed	FY93 = \$3.0*	7/15/92
Maryland	Changed to double-weighted sales factor for apportionment of corporation income	FY93 = \$1.5	1/92
	Eliminated subtraction modification for long-distance telecommunications	FY93 = \$3.8	1/92
	Increased annual corporate filing fee, including filings for banks, from \$40 per year to \$100 per year	FY93 = \$6.5*	7/92
	Accelerated collection of financial institution franchise tax from semiannual to quarterly	No estimate	7/92
	Accelerated collection of gross receipts tax on the public service company from semiannual to quarterly	FY93 = \$3.2*	7/92
Michigan	Increased filing threshold for single business tax from \$60,000 to \$100,000 of gross receipts	FY92 = (\$10.0) FY93 = (\$10.0)	1/92
	Expanded small-business tax credit	FY93 = (\$15.0)	1/92
Minnesota	Exempted from AMT certain cooperatives providing senior housing	FY93 = (\$0.1)	1/93
	Adopted federal changes requiring certain corporate taxpayers to make estimated payments	FY92 = \$2.9* FY93 = \$2.0*	1/92
Montana	Imposed temporary corporate license (net income) surtax of 2.3% of tax liability for 1992 tax year and 4.7% of tax liability for 1993 tax year	FY93 = \$1.7	1/92 and 1/93
Nebraska	Temporarily increased corporation filing fees, with increases ranging from \$30 and \$120	FY93 = \$2.2*	1/93-12/31/94
New York	Temporarily extended corporation surcharge; current rate of 15% will drop to 10% on 6/30/93, instead of in June 1992. Applies to corporate franchise, insurance, bank, corporate and utilities, and petroleum taxes	FY93 = \$270.0	6/92-6/93
	Froze current rates for petroleum business tax	FY93 = \$19.0	1/92
	Eliminated certain bank tax exclusions	FY93 = \$5.0	1/92
	Adopted federal changes requiring certain corporate taxpayers to make estimated payments	FY93 = \$10.0*	1/92
	Required electronic filing for taxpayers with at least \$5 million in annual remittance for petroleum business tax	FY93 = \$28.0*	12/92
Rhode Island	Temporarily extended business surtax of 11%	FY93 = \$4.0	7/92-6/30/97
	Accelerated bank tax collections by requiring an extra payment in FY 1992	FY92 = \$10.0*	5/92
West Virginia	Reduced corporate net income tax from 9.15% to 9%	FY93 = (\$2.0)	7/92

SALES AND USE TAX

Arizona	Allowed exemption for feed and seed and eliminated individual utility motor tax requirements for lessors	FY93 = (\$3.5)	9/30/92
	Required electronic payments	FY93 = \$3.0*	1/93
Connecticut	Exempted sales of computer and data processing services	FY93 = (\$3.0) FY94 = (\$8.0)	1/93
	Modified certain other exemptions	FY93 = (\$3.0)	Various

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	SALES AND USE TAX (cont.)	Amount (millions)	Effective Date
District of Columbia	Broadened base to include dry cleaning and laundry	FY92 = \$0.7 FY93 = \$3.0	7/92
	Increased sales tax rate on alcoholic beverages from 6% to 8%	FY92 = \$1.0 FY93 = \$2.9	6/92
Florida	Imposed 1% additional tax on communication, phone, and electric service	FY93 = \$68.2	8/92
	Broadened base to include burglar protection and detection services and nonresidential cleaning and pest control	FY93 = \$39.0	9/92
	Capped dealer collection allowance at \$30 per month	FY93 = \$50.0*	
Georgia	Required, through rules and regulations, the collection of sales and use taxes on casual sales of used automobiles, airplanes, and boats (executive directive)	FY93 = \$28.0*	7/92
	Reduced compensation fee for sales tax vendors from a flat 3% of collections to 3% on the first \$3,000 and 0.5% on collections over \$3,000	FY93 = \$48.0*	4/92
Iowa	Increased rate from 4% to 5%	FY93 = \$274.0	7/92
	Broadened base to include nonresidential commercial sewage service, sign construction and installation, household goods storage, mini-storage, swimming pool cleaning and maintenance, taxidermy, short-term aircraft rental, dating services, and limousine services	FY92 = \$2.0 FY93 = \$8.5	4/92
Kansas	Increased rate from 4.25% to 4.9%	FY93 = \$151.6	6/92
	Repealed exemption for certain interstate telephone services	FY93 = \$5.3	6/92
	Repealed exemption for residential intrastate telephone services	FY93 = \$6.0	6/92
	Repealed exemption for trade fixtures	FY93 = \$0.9	6/92
	Repealed exemption for hotel/motel rooms rented more than 28 consecutive days	FY93 = \$1.3	6/92
	Repealed exemption for original construction services and imposed lower rate of 2.5%	FY93 = \$39.9	6/92
	Repealed exemption for utilities consumed in the production process and imposed lower rate of 2.5%	FY93 = \$16.7	6/92
Louisiana	Temporarily suspended most exemptions subject to 3% state sales tax	FY93 = \$298.8	7/92-6/30/94
Maryland	Eliminated exemption for certain snack foods	FY92 = \$0.8	6/92
	Eliminated exemption for ready-to-eat food from grocery stores	FY92 = \$1.1 FY93 = \$12.6	6/92
	Eliminated exemption for sales by college and hospital cafeterias	FY92 = \$0.7 FY93 = \$4.3	5/92
	Eliminated manufacturing exemption for restaurants	FY92 = \$0.7 FY93 = \$6.1	5/92
	Eliminated exemption for newspapers	FY92 = \$1.4 FY93 = \$10.4	5/92
	Eliminated exemption for fuel rate adjustment for apartments	FY92 = \$0.5 FY93 = \$3.1	5/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	SALES AND USE TAX (cont.)	Amount (millions)	Effective Date
Maryland (cont.)	Broadened base to include cellular and beeper services, custom-calling features, 900-number phone calls, telephone answering services, and pay-per-view television	FY92 = \$2.1 FY93 = \$12.3	5/92
	Broadened base to include security services and credit reporting	FY92 = \$2.0 FY93 = \$24.2	6/92
	Broadened base to include building cleaning	FY93 = \$17.6	7/92
	Limited credit allowed to car rental agencies	FY92 = \$1.2 FY93 = \$7.4	5/92
	Limited interstate commerce exemption to vehicles crossing state lines	FY92 = \$0.3 FY93 = \$2.0	5/92
	Reduced vendor discount from 1.2% to 0.6% after first \$1 million in sales per year	FY93 = \$6.0*	7/92
	Accelerated collections from 21st of month to 15th of month	FY93 = \$1.3*	7/92
Minnesota	Extended to include local government purchases	FY93 = \$67.2	6/92
	Exempted certain isolated sales	FY92 = (\$1.1) FY93 = (\$1.1)	7/92
	Temporarily allowed miscellaneous exemptions	FY93 = (\$0.2)	6/92-6/30/96
	Increased sales tax revenue via increase in cigarette excise taxes	FY93 = \$0.7*	7/92
	Accelerated collections from 20th of month to 14th of month	FY93 = \$0.0	10/92
Mississippi	Increased rate from 6% to 7%	FY93 = \$166.0	6/92
Nebraska	Changed vendor collection fee	FY93 = \$2.6*	10/92
	Refunded sales taxes paid on farm equipment	FY92 = (\$4.9)* FY93 = (\$14.7)*	1/92
New Jersey	Reduced rate from 7% to 6%	FY93 = (\$608.0)	7/92
New Mexico	Added exclusions for hospitals and certain agricultural receipts	FY93 = (\$2.2)	7/92
New York	Required electronic filing for taxpayers with at least \$5 million in annual remittance	FY93 = \$67.0*	12/92
Ohio	Accelerated collections from quarterly to monthly for businesses that hold "consumer use" or "direct payment" permits (those that pay the tax directly to the state and not the vendor)	FY92 = \$22.0*	4/92
Pennsylvania	Reinstated portions of exemptions previously eliminated	FY93 = (\$37.6)	Various
South Carolina	Expanded to include gross proceeds from bingo	FY93 = \$3.8	7/92
	Imposed 5% surcharge on rental cars	FY93 = \$1.2	7/92
	Lowered discount to retailers for timely filed returns from \$10,000 to \$3,000	FY93 = \$4.5*	7/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	SALES AND USE TAX (cont.)	Amount (millions)	Effective Date
Tennessee	Temporarily increased rate from 5.5% to 6%	FY92 = \$56.7 FY93 = \$226.6	4/92-6/30/93
	Repealed sales tax on certain services and amusements	FY93 = (\$301.2)	7/92
	Decreased vendor compensation from percentage of collections to \$50 maximum per report	FY92 = \$6.9* FY93 = \$27.5*	4/92
Utah	Accelerated collections from quarterly to monthly	FY93 = \$3.3*	7/92
Virginia	Expanded base to include sales of alcoholic beverages at ABC stores (biennial revenue impact is \$21.4 million)	FY93 = \$10.7	7/92
West Virginia	Exempted certain groups such as YMCA, Nautilus, and some baby sitters	FY93 = (\$1.0)	6/5/92
Wisconsin	Modified vendor compensation fee (retailer's discount) to a flat 0.5% of sales (formerly it ranged between 2% and 0.5%)	FY93 = \$4.5*	1/93

HEALTH CARE RELATED TAXES AND FEES

Alabama	Replaced Medicaid hospital assessment with a \$25 tax per patient day on private hospitals	FY93 = \$0.0	5/92
	Replaced Medicaid patient bed tax with a \$999.96 per bed nursing home tax on all nursing homes	FY93 = \$0.0	1/93
Colorado	Imposed temporary assessment of 10% of prior year inpatient revenues	FY92 = \$19.7 FY93 = \$6.6	10/91-9/92
Connecticut	Imposed temporary 1.75% tax on net revenue of nursing homes	FY93 = \$23.0	4/92-3/93
Illinois	Replaced Medicaid provider assessments with a tax on hospitals of 2.5% of gross patient revenue, a \$6.30 per day bed tax on nursing, and a 13% gross patient revenue tax on ICF/MR facilities	FY93 = \$288.0	7/92
	Imposed an additional \$1 per day bed tax on nursing homes	FY93 = \$32.0	7/92
Louisiana	Imposed taxes of \$10 per patient day for nursing homes; \$30 per patient day for ICF/MR facilities; \$7.50 per trip for medical service transportation; and 10¢ per prescription	FY93 = \$166.7	7/92
Minnesota	Imposed 2% gross receipts tax on inpatient and outpatient hospital revenues (excluding Medicaid and Medicare)	FY93 = \$14.5	1/93
	Replaced Medicaid surcharge with a broad-based assessment on health care providers	FY93 = \$50.6	10/92
Missouri	Temporarily replaced Medicaid provider donation program with new provider tax at a rate and on a base determined by the social services department	FY93 = \$73.0	10/92-9/94
New York	Increased temporary hospital assessment from 0.6% to 1.0% of gross revenues and increased nursing home assessment from 1.2% to 1.8% gross revenues	FY93 = \$238.0	4/92-3/93
	Imposed temporary HMO differential	FY93 = \$30.0	4/92-3/93
	Imposed temporary Blue Cross differential	FY93 = \$135.0	4/92-3/93
Oklahoma	Imposed the following taxes: hospitals—1.83% of net patient revenue, nursing facilities—\$3 per patient day, ICF/MR's—10% of gross patient revenue, and pharmacies/prescription drugs—1.8% of total prescription drug sales; revenue estimate ranges from \$46.0 to \$53.0 million (contingent on voter approval in November)	FY93 = \$49.5	12/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	HEALTH CARE RELATED TAXES AND FEES (cont.)	Amount (millions)	Effective Date
Rhode Island	Imposed 2.75% gross revenues tax on nursing homes	FY93 = \$9.1	7/92
	Imposed 2.25% gross revenues tax on outpatient health care facilities	FY93 = \$0.3	7/92
	Imposed 27.5% of gross receipts tax on ICF/MR facilities (retroactive to January 1991)	FY92 = \$30.0 FY93 = \$20.0	1/91
South Carolina	Repealed \$5 per day nursing home bed tax on Medicaid patient beds	FY93 (\$9.8)	10/92
Tennessee	Imposed temporary 6.75% gross receipts tax on a broad range of services, primarily medical services	FY93 = \$748.2	7/92-3/31/94
	Repealed nursing home tax of \$1,100 per Medicaid bed and \$410,000 per increment of 50 non-Medicaid beds	FY93 = (\$39.7)	6/30/92
	Imposed temporary nursing home tax of \$2,600 per licensed bed	FY93 = \$94.0	7/92-6/30/93
	Repealed hospital tax	FY93 = (\$224.0)	9/30/92
Vermont	Extended 1.8% gross receipts tax on hospital Medicaid receipts to all hospital receipts; replaced 4.5% gross receipts tax on Medicaid nursing homes with a bed tax of \$675 on the first 50 beds, \$775 per bed on the next 50 beds, and \$875 per bed on all additional beds; repealed the 2.5% tax on the Medicaid gross receipts of home health care providers	FY93 = \$6.0	7/92
Washington	Imposed 15% gross receipts tax on homes for the mentally retarded (ICF/MR)	FY92 = \$7.8 FY93 = \$30.1	4/92
	Repealed the 20% tax on hospital Medicaid receipts	FY93 = (\$32.4)	10/92
West Virginia	Imposed temporary provider tax on physician and dental services, other medical services, outpatient hospital services, ambulance services at rates determined by the state Medicaid agency (passed in 1991 special session)	FY92 = \$30.0 FY93 = \$107.8	1/92-6/30/93
Wisconsin	Changed nursing home assessment from a percentage of Medicaid revenue to a flat \$32 per month per occupied bed and \$68 per month per occupied ICF/MR bed; state centers, Veterans Home, and Medicare beds are exempt	FY93 = \$16.0	7/92

MOTOR FUEL AND MOTOR VEHICLE EXCISE TAXES

Alabama	Increased gasoline tax from 11¢ to 16¢ per gallon	FY93 = \$97.4	6/92
	Increased diesel tax from 12¢ to 17¢ per gallon	FY93 = \$24.5	6/92
Connecticut	Increased motor fuel excise tax from 26¢ to 28¢ per gallon because of previously enacted legislation	FY93 = \$15.2	1/93
District of Columbia	Increased motor fuel tax from 18¢ to 20¢ per gallon	FY93 = \$3.3	10/92
Idaho	Allowed reduced rate of 17¢ per gallon for ethanol to sunset (new rate is 21¢ per gallon)	FY92 = \$0.5 FY93 = \$2.9	5/92
Indiana	Temporarily suspended reduction of auto excise tax rate (revenue is earmarked for K-12 education)	FY93 = \$80.0	1/92-12/31/93
Kansas	Increased gasoline tax from 17¢ to 18¢ per gallon and increased diesel tax from 19¢ to 20¢ per gallon, both because of previously enacted legislation	FY93 = \$12.0	7/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	MOTOR FUEL AND MOTOR VEHICLE EXCISE TAXES (cont.)	Amount (millions)	Effective Date
Maryland	Increased gasoline tax from 18.5¢ to 23.5¢ per gallon	FY93 = \$110.4	5/92
	Added 0.75¢ per gallon diesel charge	FY93 = \$2.3	5/92
	Imposed vehicle registration surcharge of \$8 per vehicle	FY93 = \$26.2*	1/93
Missouri	Increased gasoline tax from 11¢ to 13¢ per gallon (rate will increase an additional 2¢ per gallon April 1994 and April 1996)	FY93 = \$64.0	4/92
Montana	Imposed temporary 7% surtax on distributors subject to the gasoline license tax and special fuel dealers subject to the tax on diesel fuel and volatile liquids	FY93 = \$8.0	9/92-8/93
	Imposed temporary 7% surtax on special fuel users (no collections are expected)	FY93 = \$0.0	7/92-6/30/93
New York	Required electronic filing for taxpayers with at least \$5 million in annual remittance for motor fuel excise taxes	FY93 = \$15.0*	12/92
Ohio	Increased motor fuel tax from 20¢ to 21¢ per gallon because of previously enacted legislation that took effect July 1991	FY92 = \$53.8 FY93 = \$55.8	7/92
Tennessee	Increased motor vehicle title fee from \$3.50 to \$5	FY93 = \$2.3*	7/92
Washington	Increased motor vehicle license fee from \$23.75 to \$24.25 per year	FY93 = \$2.8*	6/92
	Replaced excise tax on car rental fleets with a state and county sales tax (revenue-neutral for state; will boost county revenues by \$2 million in FY 1993)	FY93 = \$0.0	1/93; county tax 6/92
Wisconsin	Temporarily suspended indexing of motor fuel tax; without suspension, rate would have increased from 22.2¢ to 23.1¢ per gallon (in April 1993, the rate will be "double indexed" to offset this suspension)	FY92 = (\$5.7) FY93 = (\$16.9)	4/92-4/93
Wyoming	Temporarily reduced tax on gasoline from 8¢ to 4¢ per gallon	FY93 = (\$0.4)	3/92-7/2000

CIGARETTE AND TOBACCO TAXES

District of Columbia	Increased cigarette tax from 30¢ to 50¢ per pack	FY92 = \$1.5 FY93 = \$4.5	6/92
Maryland	Increased cigarette tax from 16¢ to 36¢ per pack	FY92 = \$23.3 FY93 = \$89.0	5/92
Minnesota	Increased cigarette tax from 43¢ to 48¢ per pack and increased floor tax	FY93 = \$16.9	7/92
Montana	Temporarily increased cigarette tax from 18¢ to 19.26¢ per pack and taxes on tobacco other than cigarettes from 12.5% to 13.38% of the wholesale price	FY93 = \$0.7	9/92-8/93
Oklahoma	Authorized compacts with Indian tribes to require payments in lieu of taxes for cigarettes sold to non-Indians on reservations	FY93 = \$1.5*	2/93
Vermont	Increased cigarette tax from 18¢ to 19¢ per pack because of previously enacted legislation. Rate will increase from 19¢ to 20¢ per pack in January 1993	FY92 = \$0.1 FY93 = \$0.1	1/92-1/93
Wisconsin	Increased rate from 30¢ to 38¢ per pack	FY92 = \$8.9 FY93 = \$30.4	5/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	ALCOHOLIC BEVERAGE TAX	Amount (millions)	Effective Date
District of Columbia	Increased sales tax rate on alcoholic beverages from 6% to 8% (revenue amount included in sales tax figures)	FY92 = \$1.0 FY93 = \$2.9	6/92
Kansas	Accelerated liquor excise tax collections from last day of month to 25th day of month following collection	FY92 = \$1.0*	5/92
Montana	Imposed temporary 7% surtax on liquor, beer, and table wine excise taxes	FY93 = \$5.6	7/92-6/93
New Jersey	Continued phaseout of wholesale taxes because of previously enacted legislation	FY93 = (\$10.0)	7/92
	Increased excise tax rates on liquor (from \$4.20 to \$4.40 per gallon), wine (from 50¢ to 70¢ per gallon), and beer (from 10¢ to 12¢ per gallon) because of previously enacted legislation	FY93 = \$9.0	7/92

WASTE AND ENVIRONMENTAL TAXES AND FEES

Alaska	Imposed Clean Air Act permit fee	FY93 = \$1.1*	7/92
Arizona	Repealed license fee for environmentally hazardous products and instead annually will deposit \$2.9 million of sales tax collections into the Water Quality Assurance Revolving Fund	FY93 = (\$2.9)*	9/92
Connecticut	Temporarily extended hazardous waste tax that was due to expire	FY93 = \$1.8	7/92-6/94
Florida	Imposed pollutants tax of 50¢ per barrel for leaking storage tanks	FY93 = \$104.4	5/92
Georgia	Imposed tire disposal fee of \$1 per tire	FY93 = \$4.5*	7/92
Illinois	Imposed tire disposal fee of \$1 per tire	FY93 = \$11.0*	7/92
Kansas	Imposed \$1.50 per ton solid waste disposal fee	FY93 = \$1.9*	1/93
	Expanded base of petroleum tank storage fees to above ground storage tanks (revenue estimate ranges from \$7 million to \$12 million)	FY93 = \$9.5*	7/92
Kentucky	Imposed air quality emission fee at \$8 per ton of emission	FY93 = \$2.1*	7/92
Louisiana	Reduced off-site hazardous waste disposal tax from \$60 to \$40 per dry weight ton and repealed hazardous waste transportation tax of \$25 per gross weight ton	FY93 = (\$36.7)	7/92
	Accessed funds held in escrow because of litigation over hazardous waste tax	FY93 = \$20.7*	7/92
Minnesota	Imposed pesticide registration fee	FY93 = \$1.3*	1/92
	Imposed toxic chemical release or transfer fee, ranging from \$200 to \$800 per year	FY93 = \$1.2*	7/92
Missouri	Imposed Clean Air Act emissions fee of \$25 per ton	FY93 = \$5.8*	4/93
	Imposed water supply customer fee of 67¢ to \$2 per customer	FY93 = \$2.0*	4/93
Nebraska	Imposed solid waste "tipping fee" of \$1.25 per ton or \$1.25 per cubic yard (compacted) or 21¢ per cubic yard (uncompacted)	FY93 = \$1.1*	7/92
South Carolina	Increased hazardous waste disposal fee	FY93 = \$3.5*	7/92
South Dakota	Imposed solid waste disposal fee of \$1 per ton and 25¢ per tire	FY93 = \$1.2*	7/92
	Imposed air quality fee (\$25 per ton), surface water discharge fees (\$2.50 per connection and \$50 to \$30,000 per permit), chemical storage and use fees (up to \$3,000 per facility), and Safe Drinking Water Act regulatory fee (\$1 per connection)	FY93 = \$1.5*	7/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	WASTE AND ENVIRONMENTAL TAXES AND FEES (cont.)	Amount (millions)	Effective Date
Utah	Increased solid waste fees from \$8 to \$10 per ton; increased out-of-state solid waste fees from \$20 to \$35 per ton; increased radioactive and hazardous waste fees to \$2.50 per ton	FY93 = \$1.5*	7/92
Virginia	Imposed air program permit fee	FY93 = \$3.7*	7/92
	Imposed water program permit fee	FY93 = \$3.1*	7/92
West Virginia	Increased solid waste fees from \$2.25 to \$6 per ton for in-district waste and from \$3.25 to \$8 per ton for out-of-district waste; legislation also authorized new county option levies of up to \$2 per ton for in-district waste and up to \$5 per ton for out-of-district waste	No estimate	1/92 and 1/93

MISCELLANEOUS TAXES, REVENUES, AND FEES

Alaska	Imposed regulatory cost charge on public utilities	FY93 = \$3.7*	7/92
Arizona	Imposed 3-year phaseout of tax rate on jet fuel for amounts over 10 million gallons	FY93 = (\$1.0)	7/92
	Imposed management fee of up to 12 basis points on earnings of investment pools managed by the state treasurer	FY93 = \$2.8*	7/92
Colorado	Expanded Unclaimed Property Act	FY93 = \$6.0*	7/92
Connecticut	Increased various fees	FY93 = \$16.5*	Various
District of Columbia	Imposed public utility and toll telecommunications tax of 9.7% on gross receipts from cable television	FY92 = \$1.1 FY93 = \$4.2	7/92
	Increased insurance premiums tax from 2% to 2.25%	FY93 = \$4.0	10/92
	Increased public space rents: from 5% to 7% of assessed value for surface rents; from 8% of assessed value to \$10 per square foot for enclosed sidewalk cafes and from 4% of assessed value to \$5 per square foot for unenclosed sidewalk cafes; and from 1% to 1.5% of assessed value for first level subsurface space and from 0.25% to 0.375% of assessed value for other subsurface levels	FY92 = \$4.4* FY93 = \$4.4*	7/92
Florida	Increased intangibles tax by 0.5 mills	FY93 = \$134.7	1/93
	Increased documentary tax stamp from 60¢ to 70¢ per \$100 for deeds (with some exclusions) and from 32¢ to 35¢ per \$100 for stocks and real estate notes (the increases are earmarked for housing programs and land-buying programs, respectively); the state general fund will receive \$10.4 million	FY93 = \$59.0	8/92
	Authorized tax amnesty program	FY93 = \$11.5*	10/92-12/31/92
Georgia	Enacted or increased numerous motor vehicle fees	FY93 = \$105.5*	7/92
	Authorized 2-month tax amnesty program	FY93 = \$30.0	10/92-10/30/92
Iowa	Changed motor vehicle registration fee structure	FY92 = \$3.0* FY93 = \$11.5*	4/92
Kentucky	Temporarily extended weight-distance surtax of 1.15¢ per mile (base tax is 2.85¢ per mile) for vehicles weighing 60,000 pounds or more (revenue is directed to road fund)	FY93 = \$18.4 FY94 = \$19.3	7/92-6/30/94
	Increased residential fishing license from \$8.50 to \$12.50	FY93 = \$1.2*	1/93

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	MISCELLANEOUS TAXES, REVENUES, AND FEES (cont.)	Amount (millions)	Effective Date
Maryland	Changed base of 2% gross receipts tax on telecommunications to "billed revenue"	FY93 = \$6.8	7/92
	Increased securities filing fees from \$100-\$500 to \$500-\$1,500	FY93 = \$3.0*	10/92
	Imposed other fees	FY93 = \$6.8*	10/92
	Accelerated collection of insurance premium tax from semiannual to quarterly	No estimate	7/92
Massachusetts	Increased estate tax exemption from \$200,000 to \$300,000 (exemption will increase by \$100,000 annually until January 1997, when the estate tax will be replaced with a "sponge tax")	FY93 = (\$1.5)	1/93
Michigan	Exempted family businesses and farms from inheritance tax; increased inheritance tax exemptions for close relatives	FY93 = (\$5.0)	1/93
	Accelerated inheritance tax collections schedule from payments due 9 months after death to 3.5 months after death	FY92 = \$50.0*	1/92
Minnesota	Imposed tax of 50¢ per call on 900-, 976-, and 960-number toll telephone calls	FY93 = \$1.4	1/93
	Increased court fines and other miscellaneous fees	FY93 = \$10.4*	Various
Mississippi	Repealed 3% wholesale tax on soft drinks	FY93 = (\$10.0)	6/92
Montana	Imposed temporary 7% severance surtax on certain minerals, coal, and oil and gas production, and on various severance license taxes	FY93 = \$4.8	Various
	Imposed temporary 7% surtax on persons required to pay electric energy producers' or telephone company license taxes	FY93 = \$0.2	7/92-6/30/93
	Imposed temporary 7% surtax on certain insurance premiums	FY93 = \$2.2	1/92-12/31/92
	Imposed temporary 7% surtax on the license tax paid by owners or operators of vehicles propelled by liquefied petroleum gas	FY93 = \$0.0	1/93-12/31/93
	Imposed temporary 7% surtax on purchases of new vehicles that are subject to the sales tax on new motor vehicles	FY93 = \$0.4	9/92-8/93
	Imposed temporary 7% surtax on gross vehicle weight fees for certain vehicles	FY93 = \$1.0	9/92-8/93
	Imposed temporary 7% surtax on gross income from video gambling machines	FY93 = \$1.7	7/92-6/30/93
Imposed a 0.28% surtax on temporary lodging facilities	FY93 = \$0.4	10/92-9/30/93	
Nebraska	Imposed \$4 per ton tax on fertilizer	FY92 = \$0.5 FY93 = \$7.5	4/92
New Jersey	Required (because of previously enacted legislation) 50% prepayment for state share of public utility excise taxes and required 50% prepayment to the state for the local government share of public utility excise taxes	FY93 = \$424.0*	1/92
	Increased various fish and game license fees by 10%	FY93 = \$1.2*	10/92
New Mexico	Accelerated public utility inspection fee	FY93 = \$3.3*	1/93
New York	Repealed energy business tax on natural gas	FY92 = (\$288.0)	8/92
	Changed method of calculation of insurance fund tax to 2.6% of premiums	FY93 = \$27.0*	9/92
	Increased or enacted numerous motor vehicle, criminal justice, and other fees	FY92 = \$80.1* FY93 = \$65.3*	Various
North Carolina	Increased state court fees by an average of 12%	FY93 = \$5.6*	7/92

Table 17 (cont.)
1992 Major Tax Changes, by Tax

State	MISCELLANEOUS TAXES, REVENUES, AND FEES (cont.)	Amount (millions)	Effective Date
North Dakota	Reduced sales tax rate on natural gas from 5% to 4% because of previously enacted legislation (rate drops to 3% in January 1994 and to 2% in January 1995)	FY93 = (\$0.4)	1/93
Ohio	Increased miscellaneous court fees	FY93 = \$8.1*	8/92
Oklahoma	Imposed new taxes on various types of charity gambling (subject to voter approval)	FY93 = \$11.5	12/92
South Carolina	Imposed 10% excise tax on 900-number toll telephone calls	FY93 = \$1.0	7/92
	Imposed additional fee of \$5 per traffic violation	FY93 = \$4.5*	7/92
Tennessee	Imposed \$200 privilege tax on certain professions	FY92 = \$20.0 FY93 = \$21.0	4/92
	Increased litigation taxes: civil (from \$11.25 to \$13.75) and criminal (from \$37.25 to \$39.75)	FY92 = \$0.6 FY93 = \$2.4	4/92
	Imposed a privilege tax on filing documents with the secretary of state	FY92 = \$0.5 FY93 = \$2.0	4/92
Utah	Imposed child support collection fees for non-AFDC collections	FY93 = \$1.0*	7/92
Vermont	Imposed insurance regulatory fee	FY93 = \$1.0*	7/92
Washington	Increased superior court filing fees from \$78 to \$100	FY92 = \$0.7* FY93 = \$2.9*	4/92
West Virginia	Increased fire and casualty insurance tax from 1% to 2%	FY93 = \$10.5	7/92
Wyoming	Allowed 1.5% severance tax on coal and trona to expire because of previously enacted legislation	FY93 = \$0.0 FY94 = (\$20.0)	1/93

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 1992.

Source: Corina L. Eckl, Anthony M. Hutchison, and Ronald K. Snell, *State Tax Actions, 1992* (Denver: National Conference of State Legislatures, 1992). 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, 1992

As of November 1992. 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	2,100	4,200	2,100	n.a.	3,500	7,000	no
Arkansas ^e	1.0-7.0	3,000	25,000	20 ^d	40 ^d	20 ^d	10	1,000	1,000	no
California ^{co}	1.0-11.0	4,552	207,200	62 ^d	124 ^d	62 ^d	n.a.	2,343	4,686	no
Colorado	5% of federal taxable income									
Connecticut ^e	4.5	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 ^e	2.0-10.0	1,500	20,500	1,040	2,080	1,040	n.a.	1,000	1,700	no
Idaho ^e	2.0-8.2	1,000	20,000	Same as federal ^f						no
Illinois ^e	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 ^{co}	0.4-9.98	1,000	47,700	20 ^d	40 ^d	15 ^d	n.a.	1,310	3,220	yes
Kansas ^e	4.4-7.75	20,000	30,000	2,000	4,000	2,000	n.a.	3,000	5,000	no
Kentucky ^{†*}	2.0-6.0	3,000	8,000	20 ^d	40 ^d	20 ^d	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 ^{c*}	2.1-9.89	4,150	37,500	2,100	4,200	2,100	n.a.	3,600	6,000	no
Maryland ^{†*}	2.0-6.0	1,000	100,000	1,200	2,400	1,200	15	2,000	4,000	no
Massachusetts ^e	5.95-12.0	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	14,340	47,110	Same as federal ^f						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, 1992

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	1,700	59,400	1,360	2,720	1,360	20	2,540	5,080	yes
Nebraska ^{c*}	2.37-6.92	1,800	27,000	1,360	2,720	1,360	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	2,000	4,000	2,000	n.a.	3,000	5,000	no
North Dakota [*]	14% of federal income tax liability									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	109	218	109	n.a.	1,800	3,000	yes
Pennsylvania ⁺⁺	2.95	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	2,120	10,600	2,300	4,600	2,300	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	1,725	3,450	1,725	Same as federal ^c			partial
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, 1992

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. Iowa indexes the standard deduction and income brackets. California, Maine, and South Carolina index personal exemptions and income brackets. Arizona, Nebraska, and Oregon index personal exemptions only. Montana indexes personal exemptions, income brackets, and standard deductions.

^dExemption is a tax 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.	Kansas	A child care credit equal to 25% of the federal child care credit is allowed to taxpayers claiming the federal credit.
Arkansas	Tax credit per dependent. Taxpayers 65 or older, or blind or deaf receive an additional \$20 credit. No tax is imposed on (1) single taxpayer whose gross income is less than \$5,500; (2) married couple with gross income less than \$10,000; and (3) head of household with gross income less than \$7,150.	Kentucky	Tax credit per dependent. Taxpayers 65 or older receive a \$60 credit.
California	Taxpayers age 65 and older receive additional \$62 credit.	Maine	Rates include a variable surcharge that is imposed for tax years 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.
Connecticut	Personal exemption amount is reduced by \$1,000 for each \$1,000, or fraction thereof, by which the taxpayer's Connecticut AGI exceeds \$24,000 (single, married filing separately), \$38,000 (head of household), \$48,000 (married filing jointly).	Maryland	For tax years 1992-1994 only, the state income tax rate is 6% for taxable income \$100,000 or over for single, married filing separate and dependent taxpayers, \$150,000 for all others. All counties have a local income tax surcharge of at least 20% of the state tax liability; most counties have a surcharge of 50%. The maximum local income tax rate is 60% (50% for income taxed at the 6% state rate). Single taxpayers have a minimum standard deduction of \$1,500; married taxpayers a minimum of \$3,000. Blind and elderly get an additional exemption of \$1,000. An additional \$1,200 exemption is allowed for elderly dependents.
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.	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 5.95%. 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.
Hawaii	A refundable food/excise tax credit of at least \$55 per exemption is granted; a refundable medical services excise tax credit of 4% of qualified medical expenses, subject to limitation, is granted.	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.
Idaho	Idaho allows a refundable \$15/exemption credit.	Missouri	For taxpayers itemizing deductions, Social Security taxes are deductible.
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.	Montana	Standard deductions are 20% of the taxpayer's AGI. Maximum amounts are given.
Indiana	Additional \$1,000 exemption if taxpayer or spouse is over 65 or blind.	Nebraska	Taxable income brackets will vary by filing status. Married individuals filing separate returns: lowest amount under \$1,500; highest amount over \$22,500.
Iowa	Tax may not reduce after-tax income of taxpayer below \$7,500 (single) or \$11,500 (married filing joint, head of household, surviving spouse). Only limitation for the standard deduction is that the deduction otherwise allowable of \$1,310 or \$3,220 may not exceed the amount of income remaining after federal tax deduction. Additional \$20 personal exemption is allowed for each blind 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.		

Table 18 (cont.)
State Individual Income Taxes: Summary of Personal Exemptions, Standard Deductions, and Deductibility of Federal Income Taxes, 1992

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.	Oregon	Federal tax deduction limited to \$3,000 (\$1,500 if married filing separately). Income brackets are double for married filing jointly.
New Jersey	No taxpayer is subject to tax if gross income is \$3,000 or less (\$1,500 married, filing separately).	Pennsylvania	There are eight classes of income: (1) compensation; (2) net profits; (3) interest; (4) dividends; (5) net gain from 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).
New York	Rates are scheduled to be reduced further in 1993, when the top rate is scheduled to be 7.59375. 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%.	Rhode Island	For 1992, if a taxpayer's federal income tax liability is greater than \$15,000, the effective tax rate is 29.75% of federal income tax liability in excess of \$15,000. For 1993, the effective tax rate on federal income tax liability in excess of \$15,000 is 32%. For the period 1/1/94 and thereafter, the tax rate is equal to 27.5% of the taxpayer's federal income tax liability.
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 short-form method, which is used by 95% of taxpayers. As an alternative, taxpayers may use the long-form method with tax rates ranging from 2.67% to 12.0% applied to income brackets ranging from \$3,000 to over \$50,000.	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.
Ohio	Taxpayers take a \$20 tax credit per exemption.	Vermont	Refundable state earned income tax credit (28% of federal credit, maximum \$619). Three percent surtax of liability between \$3,400 and \$13,100 and 6% of liability over \$13,100 are reflected in rates.
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).	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. Taxpayers age 65 and older receive an additional \$25 exemption.

Source: ACIR staff compilations based on information from state departments of revenue (Fall 1992) and Commerce Clearing House, *State Tax Guide* (Chicago, 1992). See also Tables 19-22.

Table 19
State Individual Income Taxes: Exclusions and Adjustments to Income, 1992

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	No	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	No	\$12.3k each	Exempt	No	No	Deduction	Federal amount	No
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, 1992

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	Maximum \$3.6k	Modified federal amount	Exempt	No	Deduction	Modified 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/\$7.5k/\$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*	State tax calculated as a percentage of federal liability								
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, 1992

		Unless otherwise indicated, all unemployment compensation is taxable.	
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.	Lottery Winnings	All lottery winnings are taxable.
Dividend Income	See state notes for Kentucky, North Dakota, Oklahoma, and Tennessee. Unless otherwise indicated, all dividend income is subject to taxation.	<i>[State] Exempt</i>	Indicates only in-state lottery winnings are exempt.
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.	Adjustments to Income	
Capital Gains	Unless otherwise indicated, capital gains are taxed as ordinary income; no exclusion is permitted.	Moving Expenses	
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).	<i>Deduction</i>	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.
<i>Limited</i>	Limited exclusion is permitted. See state notes for details.	<i>No</i>	Adjustment for moving expenses not allowed.
<i>[Dollar Amount]</i>	The amount of pension benefits permitted to be excluded from income are indicated.	Individual Retirement Accounts	
Social Security		<i>Federal Amount</i>	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.
<i>Exempt</i>	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.	<i>No</i>	Deductions for IRAs not permitted.
<i>Federal Amount</i>	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.	Exhibit: Combined Separate Returns Allowed	
Unemployment Compensation		<i>Yes</i>	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."
<i>Exempt</i>	All unemployment compensation is exempt.	<i>JS</i>	States designated "JS" have special "joint rate schedules" for couples, substantially eliminating any marriage penalty.
<i>\$12k/\$18k (50%)</i>	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.	<i>n.a.</i>	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.
		<i>No</i>	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, 1992

***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.	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.
Arizona	Maximum exclusion on Arizona lottery winnings is \$5,000.	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.
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 1991 made the top rate on capital gains income 6%, down from 7%. Also repealed law allowing phased-in exclusion.	Kansas	Benefits received from federal civil service annuities, military retirement, and Kansas state retirements systems are excluded.
California	Does not conform specifically to federal AGI, but adopted virtually all provisions as of 1/1/87.	Kentucky	A \$100 (single)/\$200 (joint) exclusion on dividend income is allowed. Benefits received from Kentucky state retirement systems are excluded.
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.	Louisiana	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.
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.	Maryland	Must reduce pension exclusion amount by any Social Security received, and taxpayer or spouse must be age 65 or over or totally disabled to take the exclusion. A subtraction of up to \$1,200 (up to \$1,000 for FAGI of \$150,000 or more) is allowed for two-earner couples.
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.	Massachusetts	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.
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.	Michigan	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.
Georgia	Taxpayers with regular taxable pensions are not subject to the limitation of earned income.	Minnesota	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.
Hawaii	Hawaii public employee retirement systems are exempt, as is any compensation received in the form of a pension for past services.	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.
Idaho	Persons 65 years of age or over receiving benefits from civil service, fire fighters, police (Idaho) and military retirement systems may deduct \$13,056/\$19,584. A capital gain exclusion of 60% is limited to certain kinds of property.	Missouri	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.
Illinois	Conforms prospectively to federal AGI, but has an additional modification for any capital gains income excluded from AGI.		

Table 19 (cont.)
State Individual Income Taxes: Exclusions and Adjustments to Income, 1992

***State Notes (cont.)**

Montana	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. All persons may deduct up to \$3,600 of pension plan benefits, excluding railroad retirement benefits, which are fully exempt.	Ohio	This exclusion is equal to the lesser of the taxable amount of the pension or \$5,000, reduced by Social Security benefits received. Also, military retirees must be age 50 or older. Federal bond interest, disability and survivor's benefits, and railroad retirement benefits included in federal AGI are exempt.
New Hampshire	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.	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.
New Jersey	Over 55 years of age, once-in-a-lifetime exclusion of \$125,000 on sale of principal residence.	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.
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).	Pennsylvania	Capital gains are fully taxable, except for the one-time 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 \$100,000 per transaction. Moving adjustment limited to direct moving expenses.
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.	Rhode Island	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.
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.	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 Dakota	Information applies to the short-form method. As an alternative, taxpayers may use a long-form method. Under either method, taxpayers must use the same filing status as for federal purposes, except if one spouse is a resident and the other is a nonresident. Under the long-form method, computation of North Dakota taxable income starts with federal taxable income. Federal treatment of capital gains, social security benefits, unemployment benefits, lottery winnings, moving expenses, and IRAs is recognized. A limited pension exclusion is allowed to federal retirees (civilian and military), and state highway patrol, city police and fire fighter retirees.	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, unless a holding company, 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.
		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.

Table 19 (cont.)
State Individual Income Taxes: Exclusions and Adjustments to Income, 1992

***State Notes (cont.)**

Vermont	Vermont state lottery winnings, including winnings in the Tri-State Megabucks (Vermont, New Hampshire, Maine), military pay for active duty outside Vermont, and Railroad Retirement income are exempt. Targeted jobs credit adjustment.	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.
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.	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: ACTR staff compilation based on information from state departments of revenue (Fall 1992), and Commerce Clearing House, *State Tax Guide* (Chicago, 1992). See also Tables 18, 20, and 22.

Table 20
State Income Tax Treatment of Social Security and Pension Income Exemptions, 1991

State	Social Security Tax Exempt	Amount of Exemptions				Age Minimums for Pension Exclusions	Income Qualifying Restrictions for Pension Exclusions
		Private	Military	Federal	State/Municipal		
Alabama*	Yes	None/Full	Full	Full	Full	No	No
Alaska	No state income tax						
Arizona	Yes	None	\$2,500	\$2,500	\$2,500	No	No
Arkansas*	Yes	\$6,000	\$6,000	\$6,000	\$6,000	No	No
California*	Yes	None	\$40 TC	None	None	n.a.	n.a.
Colorado*	No	\$20,000	\$20,000	\$20,000	\$20,000	Yes	No
Connecticut	No	None	None	None	None	n.a.	n.a.
Delaware*	Yes	\$2,000 \$3,000	\$2,000 \$3,000	\$2,000 \$3,000	\$2,000 \$3,000	No	Yes
District of Columbia*	Yes	None	\$3,000	\$3,000	\$3,000	Yes	No
Florida	No state income tax						
Georgia*	Yes	See state note					
Hawaii*	Yes	Full	Full	Full	Full	No	No
Idaho*	Yes	None	\$12,264	\$12,264	\$12,264	Yes	No
Illinois*	Yes	Full	Full	Full	Full	No	No
Indiana*	Yes	None	\$2,000	\$2,000	None	Yes	No
Iowa*	No	None	None	None	None	n.a.	n.a.
Kansas*	No	None	\$120 TC	Full	Full	No	No
Kentucky	Yes	None	Full	Full	Full	No	No
Louisiana*	Yes	\$6,000	Full	Full	Full	Yes	No
Maine*	Yes	None	None	None	None	n.a.	n.a.
Maryland*	Yes	See state note				Yes	Yes
Massachusetts*	Yes	None	None	Full	Full	No	No
Michigan*	Yes	\$7,500	Full	Full	Full	No	No
Minnesota*	No	See state note					
Mississippi	Yes	\$6,000	\$6,000	\$6,000	\$6,000	No	No
Missouri*	No	None	\$6,000	\$6,000	\$6,000	No	Yes
Montana*	No	\$3,600	\$3,600	\$3,600	\$3,600	No	Yes
Nebraska	No	None	None	None	None	n.a.	n.a.
Nevada	No state income tax						
New Hampshire	Only dividends and interest subject to state income tax						
New Jersey*	Yes	\$7,500	\$7,500	\$7,500	\$7,500	Yes	No
New Mexico*	No	See state note					
New York*	Yes	\$20,000	Full	Full	Full	Yes	No
North Carolina*	Yes	\$2,000	\$4,000	\$4,000	\$4,000	No	No
North Dakota*	No	None	\$5,000	\$5,000	\$5,000	Yes	No
Ohio*	Yes	None	None	None	None	n.a.	n.a.
Oklahoma	Yes	None	\$5,500	\$5,500	\$5,500	No	No
Oregon*	Yes	See state note					

Table 20 (cont.)
State Income Tax Treatment of Social Security and Pension Income Exemptions, 1991

State	Social Security Tax Exempt	Amount of Exemptions				Age Minimums for Pension Exclusions	Income Qualifying Restrictions for Pension Exclusions
		Private	Military	Federal	State/Municipal		
Pennsylvania	Yes	Full	Full	Full	Full	No	No
Rhode Island*	No	None	None	None	None	n.a.	n.a.
South Carolina*	Yes	\$3,000	\$3,000	\$3,000	\$3,000	No	No
South Dakota	No state income tax						
Tennessee	Income tax base excludes pensions and retirement income						
Texas	No state income tax						
Utah*	No	See state note					
Vermont*	No	None	None	None	None	n.a.	n.a.
Virginia*	Yes	See state note					
West Virginia*	No	None	\$2,000	\$2,000	\$2,000	No	No
Wisconsin*	No	None	None/Full	None/Full	None/Full	No	No
Wyoming	No state income tax						

TC—tax credit
n.a.—not applicable

***State Notes**

Alabama	Only private pensions under a defined benefit plan are tax exempt.						than \$5,000 and a Delaware AGI of \$20,000 or less are eligible to receive an additional \$4,000 exemption.
Arkansas	The total exemption from all retirement plans may not exceed \$6,000 per pensioner. Persons age 65 and over who do not claim the \$6,000 deduction qualify for a \$20 tax credit.						
California	Military pensioners may claim a tax credit equal to 4% of the first \$1,000 of military pension income. To qualify, their California adjusted gross income must be less than \$27,000 (single filers) or \$54,000 (married, joint return, with both spouses receiving military pensions) or \$13,500 (married, a separate return, with one spouse receiving a military pension). California also offers an elderly (age 65 or older) tax credit equal to 50% of the federal elderly tax credit, also available to taxpayers under age 65 and disabled.						
Colorado	Pensioners must be age 55 to claim an exemption. The \$20,000 pension exclusion also includes Social Security benefits (i.e., a taxpayer whose Social Security benefits and pension income exceed \$20,000 is taxed on the excess income).						
Delaware	Persons under age 60 receive a \$2,000 pension exclusion; persons age 60 and over receive a \$3,000 pension exclusion. The total exemption from all retirement plans cannot exceed the \$2,000 or \$3,000 exclusions. Single taxpayers or married taxpayers filing separately who are 60 or older with an earned income of less than \$2,500 and a Delaware adjusted gross income (AGI) of \$10,000 or less are eligible to receive an additional \$2,000 exemption. Joint filers who are age 60 or over with an earned income of less						
		District of Columbia					Pensioners must be age 62 to qualify for the \$3,000 exemption. Taxpayers age 62 and over are eligible to receive a property tax credit.
		Georgia					Taxpayers must be age 62 or older or totally disabled to claim this retirement income exemption, which includes all unearned income, such as pension income, interest, and dividends, and the first \$4,000 of earned income for a maximum exclusion of \$10,000 per taxpayer. With married couples, each can exclude up to \$10,000.
		Hawaii					Noncontributory private pension plans are tax exempt. With contributory private pension plans, earnings are taxed and employee contributions are tax exempt.
		Idaho					Pensioners must be age 65 and over or from 62-64 and disabled to qualify for the pension exclusion. Pension exemption amounts are \$12,264 (single filers) and \$18,396 (married couples); these amounts are adjusted annually according to the maximum benefit under Social Security and railroad pension amounts received. Allowable state/municipal pension exclusions include pensions from a city police retirement fund or from the state retirement fund for fire fighters.
		Illinois					Private pension income is fully exempt if income is under Internal Revenue Code sections 402(a), 402(c), 403(b), 406(a), 407, and certain other distributions.

Table 20 (cont.)
State Income Tax Treatment of Social Security and Pension Income Exemptions, 1991

State Notes (cont.)

Indiana	Federal pensioners must be age 62 or older to claim the pension exemption. The amount federal retirees may exclude is offset by Social Security and railroad retirement benefits. Military pensioners must be age 60 or older to claim the exemption. Limited tax credits are available to persons over age 65.	
Iowa	All pension income is fully taxed, effective tax year 1991.	
Kansas	Military pensions are fully taxed, but military pensioners age 62 and over may claim a \$120 credit against income tax liability. The April 1992 U.S. Supreme Court ruling in <i>Barker v Kansas</i> resulted in the state exempting military pensions effective tax year 1992 and repealing the \$120 tax credit for military pensions.	
Louisiana	Private pensioners must be age 65 or over to qualify. Pension exclusions will be reduced for pensioners receiving \$15,000 or over in exempt income including pension income; interest income from U.S. government obligations and federal taxable Social Security benefits based on reported exempt income over \$15,000.	
Maine	Retirement contributions under Maine's retirement system, which were previously taxed by Maine, are not taxed as retirement income for pensioners retiring in 1989, 1990, and 1991. Taxpayers qualifying for the federal elderly tax credit may claim 20% of the federal credit as a Maine tax credit.	
Maryland	All pensions are fully taxed except for persons age 65 or over and/or disabled. Pensioners who are age 65 or over and/or disabled must exclude the lesser amount of new taxable pension and retirement annuity included as income on the federal return, or \$11,800 minus Social Security and federal Railroad Retirement benefits received. The exemption amount changes annually according to the maximum Social Security benefit received. Military pensioners are eligible for an additional pension exclusion of up to \$2,500. To qualify, a pensioner must be age 55 or older and be an enlisted member of the military at retirement. The exclusion amount depends on federal adjusted gross income, which must be under \$22,500 to qualify.	Minnesota Although Minnesota does not specifically exclude pension income, persons age 65 or older who qualify may exclude from any income source \$8,000 (single filers) or \$10,000 (married filing jointly) or \$5,000 (married filing separately) less nontaxable Social Security benefits, railroad retirement benefits, and one-half of federal adjusted gross income (AGI) over \$12,000 (single filers) or \$15,000 (married filing jointly) or \$7,500 (married filing separately). Since nontaxable Social Security benefits are subtracted, those who benefit from this exclusion are usually not receiving Social Security benefits, such as federal retirees. To qualify for the above exclusions, one must meet the following income requirements: (1) AGI must be less than \$35,000 and railroad retirement benefits and nontaxable Social Security are less than \$10,000 (married filing jointly); (2) AGI must be less than \$17,500 and railroad retirement benefits and nontaxable Social Security are less than \$5,000 (married filing separately); (3) AGI must be less than \$32,000 and railroad retirement benefits and nontaxable Social Security are less than \$10,000 (married, one spouse under 65, filing jointly); (4) AGI must be less than \$28,000 and railroad retirement benefits and nontaxable Social Security are less than \$8,000 (single filers).
Massachusetts	Most federal and state-municipal pensions are contributory and, therefore, are fully tax exempt, while military and most private pensions are noncontributory and, therefore, fully taxed. Massachusetts does not tax income of Massachusetts residents from contributory public pensions from other states that do not tax former pensions of Massachusetts state employees. In February 1990, the Massachusetts Commissioner of Revenue determined these states to be Alaska, Connecticut, Florida, Hawaii, Illinois, Nevada, New Hampshire, Pennsylvania, South Dakota, Tennessee, Texas, Washington, and Wyoming.	Missouri The \$6,000 exemption for state, federal, and military pensioners is available if the single pensioner earns less than \$25,000 per year (Missouri AGI less federal taxable Social Security) or if the pensioner who is married and files separately earns less than \$16,000 (Missouri AGI less federal taxable Social Security). Tax credits with income restrictions are available for taxpayers age 65 or older.
Michigan	Private pensioners may exclude up to \$7,500 (single filers), \$10,000 (married filing jointly), and \$10,000 (married filing separately for a combined total). To qualify for the exemptions, pension plans or private pensioners must define eligibility for retirement and set contribution and benefit amounts in advance.	Montana The exemption is reduced by \$2 for every \$1 that federal AGI exceeds \$30,000. The exemption is entirely phased out when income equals \$31,800 (assuming a retirement income of \$3,600 or greater).
		New Jersey Pensioners must be age 62 or older or disabled under Social Security to qualify for the exclusion. Exclusion amounts are \$7,500 (single filers), \$10,000 (married filing jointly), and \$5,000 (married filing separately).
		New Mexico Taxpayers age 65 or older might be eligible to exclude up to \$8,000 from any source depending on their income level and marital status.
		New York Private pensioners have to be at least 59 1/2 years old to qualify for the \$20,000 exemption.
		North Carolina The total pension exemption from all pension income sources may not exceed \$4,000 per pensioner. A tax credit is available for pensioners who did not receive a tax refund for taxes paid on public pensions in 1988.

Table 20 (cont.)
State Income Tax Treatment of Social Security and Pension Income Exemptions, 1991

State Notes (cont.)

North Dakota	For military pension exclusions, pensioners must be age 50 or older to qualify. Pensioners must file the long form to qualify for pension exclusions. All pension exclusions are reduced by Social Security benefits received. Only highway patrol, city police, and city fire fighters qualify to receive the \$5,000 exemptions under state-municipal retirement pension plans.	Vermont	age 65 or over may exclude up to \$7,500 on all income sources. Since 1988, exclusions have been subject to \$1 reduction for every \$2 of AGI in excess of \$25,000 (single filers), \$32,000 (married filing jointly), and \$16,000 (married filing separately).
Ohio	Limited tax credits are available to pensioners. Some of these tax credits are restricted to taxpayers age 65 or older.	Virginia	Taxpayers age 65 or older are eligible for an elderly tax credit equal to the federal elderly tax credit.
Oregon	Starting in 1991, taxpayers over age 58 whose household income is less than \$45,000 (married filing jointly) or \$22,500 (other filing statuses), are eligible for a retirement tax credit that can be as much as 9% of pension income depending on the level of total income and Social Security benefits. The minimum eligibility age will gradually increase each year until age 62 for tax year 1999. Oregon also offers an elderly tax credit equal to 40% of the federal elderly tax credit; however, taxpayers may apply for either this credit or the retirement income tax credit, but not both.	West Virginia	Taxpayers age 62 to 64 receive a \$6,000 exclusion from any income source while those age 65 or older receive a \$12,000 exclusion from any income source. Both exclusions are, however, decreased by Social Security and railroad retirement benefits. Joint filers qualify for twice the exclusion amounts even if one spouse earns less than the exclusion amount of \$6,000 or \$12,000 minus Social Security and railroad retirement benefits. Starting in 1992, exclusions will be indexed by FICA wage base percentage increases.
Rhode Island	Taxpayers age 65 and over are eligible to receive a property tax credit.	Wisconsin	Pensioners receive up to a \$2,000 pension exclusion (except for private pensioners and some small municipalities that do not participate in the state retirement system). Some public safety officials get a full exemption (i.e., any state or local police or fire fighters' retirement system). Taxpayers age 65 or over and/or taxpayers of any age who are permanently disabled may exclude a total of up to \$8,000 of income from any source. However, any of the pension exclusions count toward the \$8,000 ceiling.
South Carolina	Only one retirement exclusion is allowed per pensioner. Effective tax year 1993, pension exclusions will increase from \$3,000 to \$10,000 per retiree for pensioners age 65 or older. Pensioners under age 65 who are just starting to receive retirement income in tax year 1993 or beyond can elect to take either the pre-1993 deduction of \$3,000 or defer any deduction until the pensioner reaches age 65 (66 for people born between 1943 and 1959; 67 for people born after 1959). The pensioner is then allowed a \$10,000 annual deduction for the years after he or she reaches the applicable age.		
Utah	Pensioners under age 65 may exclude up to \$4,800 on pension income and Social Security benefits (taxable on federal form). Pensioners		

Source: David Baer, *State Taxation of Social Security and Pensions*, Public Policy Institute Issue Brief (Washington, DC: American Association of Retired Persons, 1992).

Table 21
State Individual Income Taxes: Itemized Deductions, 1992
 (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	Y	Y ³
Alabama*	Y ⁴	Y	Y	Y	N	N	N	Y	Y	Y	N	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.a.	N	Y	Y	Y	Y	Y
Florida	No income tax												
Georgia*	N	N	Y	Y	N	N	Y	N	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	N	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*	N	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	N	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, 1992
 (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	N	N	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	n.a.	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*	Tax calculated as a percentage of federal liability												
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.a.	n.a.	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, 1992

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" generally includes interest paid or accrued on investment, indebtedness interest, and prepaid interest. All personal interest (e.g., consumer installment debt, auto/boat loans, student loans) has been phased out.

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.

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.

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 states' 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 except medical deductions are limited to expenses greater than 6% of adjusted income.

Kansas

Deductions are the same as on federal schedules except for state income tax, which is not deductible.

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 Kentucky 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

For tax years beginning on or after 1/1/92, state income tax deduction must be added back in determining Colorado taxable income. Addback is smaller of (1) state income tax deducted or (2) the difference between total itemized deductions and allowable standard deduction.

Maryland

Same as for federal schedules except for state and local income tax, which is not deductible. All itemized deductions are after federal limitations. If AGI is greater than \$100,000, itemized deductions are reduced by the lesser of 3% of the excess AGI over \$100,000 or 80% of the amount of the itemized deductions allowed for the taxable year.

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).

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.

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,

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).

Table 21 (cont.)
State Individual Income Taxes: Itemized Deductions, 1992

***State Notes (cont.)**

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.	Ohio	the tax is 14% of the adjusted federal income tax liability. For medical expenses, the floor imposed by federal law does not apply. Information applies to short-form method. Under the long-form method, federal income tax is deductible. Also, under the long-form method, federal itemized deductions are recognized except as follows: 7.5% limitation on medical expenses not recognized and state-local income taxes are not deductible.
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). Only investment interest is deductible.	Oklahoma	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.	Oregon	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 and long-term care insurance. Taxpayers not itemizing may deduct the larger of the federal liability or the standard deduction.	Pennsylvania	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.	Rhode Island	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 forgiveness 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.	South Carolina	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.	Utah	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 \$25,000.	Virginia	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	Wisconsin	Deductions are the same as on federal schedule A, less state and local income taxes.

Source: ACIR staff compilation based on information from state departments of revenue (Fall 1992), and Commerce Clearing House, *State Tax Reporter* (Chicago, 1992). See also Tables 18, 20, and 22.

Table 22
State Individual Income Taxes: Rates, 1992
 Compiled October 1992
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
Alabama	First \$500 501-3,000 Over 3,000	2.0% 4.0 5.0	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.
Alaska	No tax		
Arizona	First 10,000 10,001-25,000 25,001-50,000 50,001-150,000 Over 150,000	3.8 4.4 5.25 6.5 7.0	Income brackets for married filing jointly are doubled.
Arkansas	First 2,999 3,000-5,999 6,000-8,999 9,000-14,999 15,000-24,999 Over 25,000	1.0 2.5 3.5 4.5 6.0 7.0	Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize income tax liability. Act 95 (1991) eliminated the income tax liability (and filing requirements) of low-income individuals. Exempt from tax are (1) single individuals whose gross income does not exceed \$5,550, (2) married couples whose gross income does not exceed \$10,000, and (3) unmarried head of household whose gross income does not exceed \$7,150.
California	First 4,552 4,553-10,879 10,790-17,027 17,028-23,637 23,638-29,873 29,874-103,600 103,601-207,200 Over 207,200	1.0% 2.0 4.0 6.0 8.0 9.3 10.0 11.0	Tax brackets indexed annually by California consumer price index. Income brackets for married filing jointly are doubled.
Colorado	Modified federal taxable income	5.0	Modifications for federal interest income, non-Colorado state and local interest income, and Colorado pension exclusion. An additional tax of 3.75% of modified federal alternative minimum taxable income in excess of Colorado income tax is imposed. Plus, if federal AGI exceeds \$15,000, an additional \$2 for a single or separate return and \$4 for a joint return is due.
Connecticut	Modified federal adjusted gross income	4.5	Modifications include the addition of interest on obligations of other states, exempt-interest dividends, lump sum distributions, etc., and the subtraction of reimbursed moving expenses, Tier 1 railroad benefits, and income from Connecticut bonds.
Delaware	0-2,000 2,001-5,000 5,001-10,000 10,001-20,000 20,001-25,000 25,001-30,000 30,001-40,000 Over 40,000	0.0 3.2 5.0 6.0 6.6 7.0 7.6 7.7	
District of Columbia	First 10,000 Second 10,000 Over 20,000	6.0 8.0 9.5	The tax on unincorporated businesses is 10% tax rate plus a 5% surtax. Minimum tax is \$100. Two-earner married taxpayers may file separately on the same return (rather than jointly) in order to minimize tax liability.
Florida	No tax		
Georgia	First 750 751-2,250 2,251-3,750 3,751-5,250 5,251-7,000 Over 7,000	1.0 2.0 3.0 4.0 5.0 6.0	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.

Table 22 (cont.)
State Individual Income Taxes: Rates, 1992
 Compiled October 1992
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
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	
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	Modified 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 \$7,500 (single), or \$11,500 (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 \$11,500 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 20,000	4.4	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.
	20,000-30,000	7.5	
	over 30,000	7.75	
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 1992, the tax brackets and personal exemptions will not be adjusted for inflation. Alternative minimum tax is 27% of the adjusted federal tentative minimum tax. Rates include the variable surcharge (see Table 18, Maine note).
	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	Married individuals filing a joint federal return must file a joint state return. The rates for joint, head of household and qualified widow(er) range from 2% on the first \$1,000 to 6% on taxable income over \$150,000. Local income taxes are additional.
	1,001-2,000	3.0	
	2,001-3,000	4.0	
	3,001-100,000	5.0	
	Over 100,000	6.0	
Massachusetts	Interest, dividends, net capital gains	12.0	50% deduction for net capital gains.
	All other income	5.95	
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%

Table 22 (cont.)
State Individual Income Taxes: Rates, 1992
 Compiled October 1992
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
Minnesota	First 14,340	6.0	Rates apply to other filing statuses with these brackets: married filing jointly, \$20,960 and \$83,300, married filing separately, \$10,480 and \$41,650; head of household, \$17,660 and \$70,950.
	14,341-47,110	8.0	
	Over 47,110	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	
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.
	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	First 1,700	2.0	Tax brackets reflect 1992 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. A 2.3% surtax applies to 1992, effectively changing the range of marginal tax rates to 2.05%-11.25%.
	1,701-3,400	3.0	
	3,401-6,800	4.0	
	6,801-10,200	5.0	
	10,201-13,600	6.0	
	13,601-17,000	7.0	
	17,001-23,700	8.0	
	23,701-33,900	9.0	
	33,901-59,400	10.0	
	Over 59,400	11.0	
Nebraska	0-1,800	2.37	Rates for married filing jointly range from 2.37% on income not over \$3,000 to 6.92% on income over \$45,000.
	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	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 1995, 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	

Table 22 (cont.)
State Individual Income Taxes: Rates, 1992
 Compiled October 1992
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
North Carolina	First \$12,750	6.0	Taxpayers filing jointly pay 6% on the first \$21,250 of net taxable income, 7% on the next \$78,750, 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.
	12,751-60,000	7.0	
	Over 60,000	7.75	
North Dakota	Federal income tax liability	14.0	This rate applies if the short form is used. Taxpayers have the option to use the long form, on which income brackets and marginal rates range from 2.67% on the first \$3,000 to 12% over \$50,000.
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. Tax brackets apply to those not deducting federal income tax. 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	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	2.95	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. For taxpayers with a federal income tax liability greater than \$15,000, the effective tax rate is 29.75% of the amount in excess of \$15,000. For 1993, the effective tax rate on federal income tax liability in excess of \$15,000 is 32%.
South Carolina	First 2,120	2.5	Applies to all filing statuses. An income tax credit is allowed for married filing jointly.
	2,120-4,240	3.0	
	4,241-6,360	4.0	
	6,361-8,480	5.0	
	8,481-10,600	6.0	
	Over 10,600	7.0	
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	

Table 22 (cont.)
State Individual Income Taxes: Rates, 1992
 Compiled October 1992
 Rates for Single Individuals or Married Filing Separately

State	Income Subject to Tax	Marginal Rate (percent)	Special Rates or Features
Vermont	Federal income tax liability		Rates include surtax which applies to the 1991, 1992, and 1993 tax years.
	Under 3,400	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	
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. A surcharge is imposed on individuals with gross receipts greater than \$1,000 of net business income at 0.4345% (minimum \$25, maximum \$9,800) of net business income. For individuals with a net farm profit of \$1,000, the surcharge is \$25.
	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 1992) and Commerce Clearing House, *State Tax Guide* (Chicago, 1992). 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 ^c	2,777 ^c	2,758 ^c	2,644 ^c	n.a.	2,585 ^c	2,553 ^c
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 ^c	3,517 ^c	3,465 ^c	3,332 ^c	n.a.	3,182 ^c	3,088 ^c

n.a.—not available

^c 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, 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 1992
 (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	0.5	0.5	
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	Bloomington (Monroe)			0.0085	0.002125	County adjusted gross income.
	Evansville (Vanderburgh)			0.0085	0.002125	
	Fort Wayne (Allen)			0.003	0.00075	
	Indianapolis (Marion)			0.007	0.00175	
	Muncie (Delaware)			0.0055	0.002125	
Iowa	School Districts—As of 1989, 59 school districts levied income surtaxes at rates ranging from 2% to 20%.					School district income surtaxes are based on state income tax liability.
Kentucky	Lexington (Fayette)	2.0	2.0	2.5	2.5	Salaries, wages, commissions, and other earned compensation. City and county taxes do not overlap. Local school boards levy a county tax on wages and net profits.
	Louisville (Jefferson)	2.2	1.45	2.95	2.2	
Maryland	All counties			50.0		Fifty percent of state income tax liability. The one exception is Worcester County, 20%.
	Baltimore City			50.0		
Michigan	Battle Creek (Calhoun)	1.4	0.7			All earned and unearned income.
	Detroit (Wayne)	3.0	1.5			
	Flint (Genessee)	1.0	0.5			
	Grand Rapids (Kent)	1.0	0.5			
	Lansing (Ingham)	1.0	0.5			
	Pontiac (Oakland)	1.0	0.5			
	Saginaw (Saginaw)	1.5	0.075			
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	2.25-3.4	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%. Yonkers residents pay 15% of net state tax (after property tax credit); nonresidents pay 0.5% of wages earned and net earnings from self-employment within the city. In addition, residents are subject to a 2.85% tax on minimum taxable income.
	Yonkers (Westchester)	15.0	0.5			

**Table 24 (cont.)
Local Income Taxes: Rates, Selected Cities and Counties, November 1992
(percent)**

State	City (County)	City Tax Rate		County Tax Rate		Income Tax Based on
		Resi- dent	Non- resi- dent	Resi- dent	Non- resi- dent	
Ohio	Akron (Summit)	2.0	2.0			Salaries, wages, commissions, and other earned compensation. Residents are also subject to an additional city income tax for each tax year beginning after 1990 but before 1994 of 14% of the sum of the basic city income tax and surcharge.
	Canton (Stark)	2.0	2.0			
	Cincinnati (Hamilton)	2.1	2.1			
	Cleveland (Cuyahoga)	2.0	2.0			
	Cleveland Heights (Cuyahoga)	2.0	2.0			
	Columbus (Franklin)	2.0	2.0			
	Dayton (Montgomery)	2.25	2.25			
	Elyria (Lorain)	1.5	1.5			
	Euclid (Cuyahoga)	2.0	2.0			
	Hamilton (Butler)	2.0	2.0			
	Kettering (Montgomery)	1.8	1.8			
	Lakewood (Cuyahoga)	1.5	1.5			
	Lorain (Lorain)	1.8	1.8			
	Mansfield (Richland)	1.8	1.8			
	Parma (Cuyahoga)	2.0	2.0			
	Springfield (Clark)	2.0	2.0			
	Toledo (Lucas)	2.25	2.25			
Warren (Trumbull)	1.5	1.5				
Youngstown (Mahoning)	2.0	2.0				
Pennsylvania	Allentown (Lehigh)	1.0	1.0			Salaries, wages, commissions, and other earned income. Philadelphia resident income tax based on salaries, wages, commissions, other earned income, and investment income (unearned income). Pittsburgh rate includes school district income tax rate of 1.875%. Authorized political subdivisions may impose earned income taxes. If overlapping jurisdictions concurrently impose a tax, the rate in each jurisdiction is limited to 1/2 of the maximum permissible rate. Municipalities that have adopted a home rule charter may increase its tax above the 1% limit to residents only.
	Altoona (Blair)	1.0	1.0			
	Bethlehem (Northampton)	1.0	1.0			
	Eric (Eric)	1.0	1.0			
	Harrisburg (Dauphin)	1.0	1.0			
	Lancaster (Lancaster)	1.5	0.5			
	Penn Hills (Allegheny)	1.75	1.0			
	Philadelphia	4.96	4.3125			
	Pittsburgh (Allegheny)	2.875	1.0			
	Reading (Berks)	1.0	1.0			
Scranton (Lackawanna)	2.2	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, 1992). See also Table 23 and Advisory Commission on Intergovernmental Relations, *Local Revenue Diversification: Local Income Taxes* (Washington, DC, 1988).

Table 25
State Corporation Income Taxes: Rates, October 1992

State	Net Income Brackets	Marginal Rate (percent)	Special Rates or Features
Alabama	—	5.0%	Financial institutions, 6% of 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	—	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 is \$800. In 1992, an 7% 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	5.1	
Connecticut	—	11.5	Plus, to the extent it exceeds the tax on net income, 3.1 mills per dollar on capital holdings (maximum \$1,000,000) or a minimum tax of \$250 is additional. A 10% surtax is imposed on the amount of the corporation business tax or additional corporation business tax as calculated without regard to any credits.
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	Qualified taxpayers may pay an alternative tax of 0.5% of Hawaii gross annual sales.
	\$25,001-\$100,000	5.4	
	Over \$100,000	6.4	
	Capital gains	4.0	
	Financial institutions	7.92	
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	Rate is adjusted gross income tax rate. Corporations pay the greater of either the gross income tax, determined by gross receipts, or the adjusted gross income tax, determined by net income. In addition, a supplemental net income tax is imposed at 4.5% and is computed by subtracting from adjusted gross income the greater of the gross income tax or the adjusted gross income tax. The remainder is subject to the supplemental net income tax. Two rates of tax are provided in the gross income tax law. The lower rate of 0.3% is generally applied to receipts generated from general business transactions—wholesaling, retailing, and designated specific businesses. The higher rate of 1.2% is applied to receipts derived from services, investments, utility operations, and activities, the taxability of which is limited to gross earnings.
	Supplemental net income	4.5	

Table 25 (cont.)
State Corporate Income Taxes: Rates, October 1992

State	Net Income Brackets	Marginal Rate (percent)	Special Rates or Features
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	—	4.0	A 3.35% surtax is imposed on taxable income in excess of \$50,000. Banks, 4.5% of net income plus 2.125% surtax on net income over \$25,000.
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	8.25	
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	Alternative minimum tax 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) \$456, 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 \$44,000 of the tax base is exempt.
Minnesota	—	9.8	An alternative minimum tax is imposed equal to 5.8% of Minnesota alternative taxable income. In addition to the regular or minimum tax, a minimum 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 2.3% surtax applies to all corporate taxpayers for tax year 1992, effectively changing the tax rate for that year to 6.9%.
Nebraska	First \$50,000	5.58	15% income surcharge is imposed for the 1992 tax year on all corporations with regard to taxable income in excess of \$200,000. Also for tax year 1992, a 2% surcharge is imposed on all depreciation.
	Over \$50,000	7.81	
Nevada	No tax		
New Hampshire	—	8.0	The tax is 8% on taxable business profits of business organizations having business income over \$12,000.

Table 25 (cont.)
State Corporate Income Taxes: Rates, October 1992

State	Net Income Brackets	Marginal Rate (percent)	Special Rates or Features
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 tax measured by net income. 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 7/31/92 but not later than 6/30/93.)
New Mexico	First \$500,000 Second \$500,000 Over \$1,000,000	4.8 6.4 7.6	
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. An additional tax of 0.09% of subsidiary capital is levied. Small-business taxpayers are subject to a lower tax rate of between 8% and 9%. A 15% surcharge applies for tax years ending after 6/30/90 and before 7/1/93. In addition, a surcharge of 17% is imposed in the Metropolitan Commuter Transportation District for tax years beginning on or after 1/1/82 and ending before 12/31/93.
North Carolina	—	7.75	A temporary surtax on corporation income is imposed at 3% for tax year 1992, 2% for 1993, 1% for 1994, and expires 1/1/95.
North Dakota	First \$3,000 \$3,001-\$8,000 \$8,001-\$20,000 \$20,001-\$30,000 \$30,001-\$50,000 Over \$50,000	3.0 4.5 6.0 7.5 9.0 10.5	Financial institutions, 5% of net income plus 2% additional tax; minimum tax \$50. Alternative minimum tax repealed by 1991 legislature. Federal income tax is deductible.
Ohio	First \$50,000 Over \$50,000 or 5.82 mills multiplied by value of stock, whichever is greater	5.1 8.9	Minimum tax \$50. Financial institutions are taxed at 15 mills times the value of stock. For ACRS, taxpayer must add 5% of the amount by which the corporation's federal taxable income was reduced by ACRS depreciation, but a deduction of all of such addition is allowed on the 1993 return. No ACRS addback for 1993 and following.
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	Rate includes 1.75% surtax.
Rhode Island	—	9.0	An additional surtax of 11% of the tax is imposed for tax years ending on or after 3/31/91 and before 1/1/97. An annual franchise tax is imposed on corporations subject to the business corporation tax only to the extent, if any, that it exceeds the business corporation tax. The annual franchise tax is the greater of \$2.50 for each \$10,000 or fractional part thereof on authorized capital stock or \$250.
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

Table 25 (cont.)
State Corporate Income Taxes: Rates, October 1992

State	Net Income Brackets	Marginal Rate (percent)	Special Rates or Features
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	—	9.075	As of July 1, 1992, rate fell from 9.15% to 9%.
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 1992) and Commerce Clearing House, *State Tax Guide and State Tax Reporter* (Chicago, 1992). See also Tables 26-28.

Table 26
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

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 ¹	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	Water's edge—required; oil and gas producers and pipelines worldwide—required	3-factor, simple average (UDITPA) Special factors for oil and gas companies
Arizona ¹	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, simple average (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; donating food to charities; ridesharing; waste recycling equipment; research; employer child care program/contributions; enterprise zone/program area; low-emissions devices for motor vehicles; small-business health care; prison inmate labor; commercial solar electric systems <i>Carryover Credits Allowed:</i> Energy conservation; commercial solar energy and solar energy; solar pump; computer contributions; technological property contributions; low-income housing	Worldwide—subject to water's-edge option	3-factor, simple average (UDITPA)
Colorado ¹	Colorado 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 NOI; oil shale depletion allowance; foreign source income	Alternative fuels tax credit; child care facility investment credit; 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)

Table 26 (cont.)
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Connecticut ¹ (1989)	Connecticut franchise tax; all states' income taxes; federal exempt interest	Dividends, capital loss carryover	Alternative fuels; new facilities; enterprise zones; pollution control; student and machine tool jobs; neighborhood assistance; employer daycare; rental housing	Not allowed	Property (25%) Payroll (25%) Sales (50%) For non-manufacturers, single-factor gross sales
Delaware ¹	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 facilities; additional employment; employee health care; targeted area; traffic mitigation; pollution control and recycling	Not allowed	3-factor, simple average
District of Columbia ¹	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 ¹ (1989)	State income taxes; federally exempt interest; wages deducted as credit; federal carryover and operating loss deductibles	Florida 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 ¹	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; interest on U.S. obligations and federal securities; Georgia NOL; federal jobs tax credit; adjustments for payments to qualified minority subcontractors	Banks; S&Ls' for certain taxes and fees; less developed area jobs tax; basic skills education for approved programs	Not allowed	3-factor, simple average
Hawaii ¹	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 ¹	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 ¹	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

Table 26 (cont.)
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Indiana ¹	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 0.3% of Indiana gross receipts depending on type of transaction; commercial motor fuel tax; contributions; energy; prison investment; enterprise zone; research	Required—domestic	3-factor, simple average
Iowa ¹	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 ¹	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 ¹	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
Louisiana ¹	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 ¹	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 (50%) (UDITPA)
Maryland ¹	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	Property (25%) Payroll (25%) Sales (50%)
Massachusetts ¹	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%)

Table 26 (cont.)
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Minnesota ¹	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 carry-backs; for banks, any dividend paid on its preferred stock to the federal government; depreciation deduction for specified pollution control facilities previously disallowed; handicapped 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; depreciation and depletion deductions for previously disallowed intangible drilling costs; expenses relating to federally exempt income taxed by Minnesota state income tax refunds; income from mining subject to the corporation tax	AMT; research and development; enterprise zone; gross premiums tax credit for insurance companies	Domestic—required	3-factor, weighted: percent total property in Minnesota (15%); percent total payroll in Minnesota (15%); percent total sales in Minnesota (70%)
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 for manufacturers; several special formulas, such as a mileage formula for trucking companies
Missouri ¹	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 ¹	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 SHIC; small business contributions to its independent liability fund	Public contractors; new or expanding manufacturing; utility conservation loan subsidy; wind energy; employee dependent care; employee health insurance; contributions to Montana higher education endowment funds; investment in the Montana Small Business Investment Capital Company (SHIC)	Water's-edge; worldwide-water's-edge election available	3-factor, simple average (UDITPA)

Table 26 (cont.)
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Nebraska ¹	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 ¹	"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 ¹	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 ¹		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)
New York ¹	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; alternative minimum tax	Domestic—permitted/required	Property (25%) Payroll (25%) Sales (50%)
North Carolina ¹	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; other	Domestic at state option	Property (25%) Payroll (25%) Sales (50%) otherwise (UDITPA)
North Dakota	All taxes measured by income; federal exempt interest; special deductions; federal NOL	Interest on U.S. obligations; state income tax refunds; federal income taxes; North Dakota dividends; nonbusiness income	New industries; charitable contributions to private school; research and experimental expenditures within North Dakota; employment of developmentally disabled or chronically mentally ill; prior year minimum tax; solar wind and geothermal energy; investments in nonprofit development corporations and venture capital corporations	Required—worldwide, unless water's-edge	3-factor, simple average (UDITPA)

Table 26 (cont.)
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Ohio ¹	Partial ACRS depreciation	Jobs tax; interest on U.S. obligations; foreign-source income; income from coal conversion facility; Ohio NOL; Section 243 dividend	Litter control; manufacturing refiners property tax; energy systems; urban jobs and enterprise zones	Not allowed	Property (25%) Payroll (25%) Sales (50%)
Oklahoma ¹	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 ¹	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)
Pennsylvania ¹	State and local income tax; other income-based taxes; tax preference items; wages for which an employment incentive credit was claimed	Certain 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; economic revitalization, job creation	Not allowed	3-factor, simple average (UDITPA, with changes)
Rhode Island ¹	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 ¹	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

Table 26 (cont.)
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Tennessee ¹	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 ¹	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; research and development; new job	Not allowed	3-factor, simple average (UDITPA)
Virginia ¹	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 ¹	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; overpayment of consumer sales and service use taxes; rehabilitated buildings investment; management information services; coal-based synthetic fuels	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)

Table 26 (cont.)
State Corporation Income Taxes: Bases, Credits, and Formulas
 (Generally Laws in Effect for 1992)

State	Tax Base: Federal Compliance		Credits	Unitary	Apportionment Formula
	Additions	Subtractions			
Wisconsin	State and local bond interest; state income taxes; percentage depletion	Subpart F income; dividend received deduction; foreign dividend gross-up; foreign income taxes; cost depletion	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; farmland tax relief	Not allowed	Property (25%) Payroll (25%) Sales (50%) (UDITPA)

¹ Taxable federal income used as state taxable income base.

Sources: ACIR staff compilation based on information from state departments of revenue (Fall 1992) and Commerce Clearing House, *State Tax Guide* (Chicago, 1992).

Table 27
State Corporation Income Taxes: Characteristics of Apportionment Formulas, 1992

State	Three Factors Equally Weighted	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			
Delaware	Yes					Yes	?
District of Columbia	Yes		Yes ⁸			Yes ³	Yes ²
Florida		Yes				Yes	Yes
Georgia	Yes					Yes	?
Hawaii	Yes		Yes		Yes	Yes	Yes ⁴
Idaho	Yes					Yes	Yes
Illinois		Yes				Yes	?
Indiana	Yes						?
Iowa				Yes		Yes	?
Kansas	Yes					Yes	Yes
Kentucky		Yes				Yes	Yes
Louisiana	Yes ⁶		Yes ⁶			Yes	?
Maine		Yes				Yes	9
Maryland		Yes	Yes ⁶	Yes ⁶		Yes ¹⁰	
Massachusetts		Yes				Yes	?
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
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	?
North Dakota	Yes					Yes ¹⁷	Yes
Ohio		Yes				Yes ³	?
Oklahoma	Yes					Yes	
Oregon		Yes				Yes	Yes
Pennsylvania	Yes					Yes	Yes ²
Rhode Island	Yes						?
South Carolina	Yes ⁶			Yes ⁶		Yes	?
Tennessee	Yes						Yes ^{18, 19}
Utah	Yes					Yes	Yes
Vermont	Yes					Yes ^{5, 17}	?
Virginia	Yes ²⁰						
West Virginia		Yes ²¹				Yes	
Wisconsin		Yes ²⁴				Yes ²⁴	Yes ²
Totals	29	16	5	8	4	40	22

Table 27 (cont.)
State Corporation Income Taxes: Characteristics of Apportionment Formulas, 1992

Note: Nevada, South Dakota, Texas, Washington, and Wyoming do not have corporation 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 Rarely permitted.
- 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 nonunitary.
- 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.
- 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 1992. See also Tables 25, 26, and 28.

Table 28
State Corporation Taxes: Primary Bases, 1992

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 ³		New Mexico		X	
Delaware		X	⁴	New York ⁵		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	⁵	South Carolina		X	X
Kansas		X	X	South Dakota		⁹	
Kentucky		X	X	Tennessee		X	X
Louisiana		X	X	Texas			X
Maine		X		Utah		X	
Maryland		X		Vermont		X	
Massachusetts		X ⁶	X	Virginia		X	
Michigan ⁷				Washington	X		
Minnesota		X		West Virginia		X	X
Mississippi ²		X	X	Wisconsin		X	
				Wyoming			X
				Totals	3	45	24

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

² Separate corporate franchise tax is based on capital stock for the privilege of doing business or being incorporated in the state.

³ Tax is on the highest of the two bases, or minimum tax. The income and capital bases are not combined.

⁴ Delaware has two separate corporation 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.

⁵ Iowa annual filing fee with the secretary of state is no longer based on value of capital stock; \$30 fee for all corporations.

⁶ Massachusetts also has a non-income measure of the tax based on tangible personal property or net worth allocable to the state.

⁷ Michigan levies a single business tax, which is a modified value-added tax.

⁸ New York's net income base pertains primarily to the taxation of general business corporations. Transportation and transmission companies (i.e., utilities), except airlines, pay tax on a gross receipts base.

⁹ South Dakota levies a limited income tax on certain banks and financial institutions.

Source: Information from state departments of revenue, Fall 1992. See also Tables 25-27.

Table 29
State Sales Taxes: Rates and Exemptions, November 1992

State	Tax Rate	States Exempting										Exhibit: States Granting Related Tax Credit ⁶	
		Food ¹	Prescription Drugs	Electric and Gas Utilities—Residential Use	Clothing	Tele-communication Services	Custom Computer Programs	Repair Charges	Installation Service ²	Sale of Materials to— Contractors ^{3,4} Manufacturers, Producers, Processors ⁵ Repairers ³			
Alabama ⁺⁺	4		X	X ⁷		X 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 ¹¹		
California ⁺⁺	6	X	X	X		X	X	X ^{8,9}	X ^{8,9}		X ¹⁰		
Colorado ⁺	3	X	X	X ⁷				X ^{8,9}	X ^{8,9}		X ¹⁰		
Connecticut ^o	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 ^o	4		X	X							limited		X
Idaho ⁺	5		X	X		X	X	X ⁸	X ⁸		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 ⁸		X ¹⁰		
Iowa ⁺	5	X	X				X		X		X ¹⁰	X	
Kansas ⁺⁺	4.9		X	X			X				X ¹⁰		X
Kentucky ⁺	6	X	X	X			X	X ⁸	X ⁸		X ^{10,11}		
Louisiana ⁺⁺	4	limited	X			limited	X		X ⁸		X		
Maine ^o	6	X	X	X ⁷				X ⁸	X ⁸		X		
Maryland ^o	5	X	X	X			X	X ⁸	X ⁸		X ¹⁰		
Massachusetts ^o	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	X	X		X		X	X	X ⁸		X		
Mississippi ^o	7		X	X ⁷							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 1992

State	Tax Rate	States Exempting										Exhibit: States Granting Related Tax Credit ⁶		
		Food ¹	Prescription Drugs	Electric and Gas Utilities—Residential Use	Clothing	Tele-communication Services	Custom Computer Programs	Repair Charges	Installation Service ²	Sale of Materials to— Contractors ^{3,4} Manufacturers, Processors ³ Repairers ³				
Montana		No state sales tax												
Nebraska ⁺	5	X	X					X	X ⁸			X ¹⁰		
Nevada ^{+•}	6.5	X	X	X		X	X	X ^{8,9}	X ^{8,9}			X ¹⁰		
New Hampshire		No state sales tax												
New Jersey	6	X	X	X	X		X					X ¹¹		
New Mexico ^{+•}	5					¹³						X ¹⁰		X
New York ^{+•}	4	X	X	X		¹⁴	X					X	X ^{8,9}	
North Carolina ^{+•}	4		X				X	X ^{8,9}	X ^{8,9}			X ¹⁰	X	
North Dakota ^{+•}	5	X	X	limited ⁷			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	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 ⁺	6		X	X								X	X	
Texas ^{+•}	6.25	X	X	X			X					X ¹⁰		
Utah ^{+•}	5		X	limited		¹⁴	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	X		¹⁵	X					X ¹⁰		
West Virginia	6		X	X								X	X	
Wisconsin ^{+•}	5	X	X				X					X ¹⁰		
Wyoming ^{+•}	3		X				X					X ¹⁰		X
Total Exempting		26	44	29	6	8	31	24	29	2		45	13	n.a.
Total Taxing		20	2	17	40	38	7	22	17	43		1	33	n.a.

Table 29 (cont.)
State Sales Taxes: Rates and Exemptions, November 1992

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 utility service is not taxed under the sales tax statute; however, a 6.7% privilege tax, limited to utilities, is considered equivalent to a sales tax (effective 2/1/92). Colorado and Mississippi consumer electric and gas utilities are exempt for residential use and taxable for commercial use. Maine exempts the first 750 kilowatt hours of residential electricity per month. North Dakota exempts 4% of gross receipts from sales of electricity and taxes natural gas.

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 or equivalent (Arkansas, Colorado, Kansas, Kentucky, Louisiana, Michigan, Mississippi, New Jersey, Oklahoma, Texas). Virginia exempts all items for businesses in the zone for 5 years. Illinois exemption applies to building materials and operating high-impact service facilities. 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 Interstate and international services are exempt for New York. Interstate calls are exempt in Utah.

¹⁵ Local residential service is exempt.

*State Notes

Alabama	Prescription drugs 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 clothing (under age 10) 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. Manufacturers and producers are subject to a 1/2% tax on the value of articles, substances, or commodities manufactured, etc. The tax applies to products manufactured in Hawaii and sold outside the state.
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 and telecommunications service is taxed at 3%. Exemptions do not apply to local sales taxes.
Maine	The first 750 KWH per month are exempt.
Maryland	Specific snack foods and prepared foods are taxable. Cash sales of food at colleges and hospital snack bars, cafeterias, and vending machines are taxable. Sales of food for consumption at home and prescription drugs are not taxed.
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. All counties impose a 10.5% local option tax in addition to the state rate.
Mississippi	Commercial use of potable water, electricity, natural gas, or other fuel is taxable at 7%. Industrial and agricultural use of fuels such as electricity and natural gas are taxable at 1.5%.
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.
New York	Many cities and counties impose an additional rate of 3%, for a combined state and local rate of 7%. New York City and several other localities have authority to impose a local rate in excess of 3%. The state also collects the metropolitan commuter transportation district tax of 0.25% in 12 counties.
Nevada	The state has a mandatory 2.25% local school support tax and a mandatory 2.25% city-county relief tax in addition to the 2% that the state imposes, making the effective state rate 6.5%. In addition, there are two county option taxes of 0.25% each and a supplemental county option tax of 0.25%. The sales/use tax is collected as a single tax by the state.
North Carolina	Toll telecommunication services or private telecommunication services that originate and terminate in the state and are not subject to franchise tax are taxed at 6%. Local telecommunication services are taxed at 3%.

Table 29 (cont.)
State Sales Taxes: Rates and Exemptions, November 1992

State Notes (cont.)

North Dakota	Gross receipts from sales of electricity are exempt. Rate for natural gas reduced from 5% to 4% January 1, 1993; to 3% January 1, 1994; and to 2% January 1, 1995.		
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. Installation of tangible personal property is taxable if performed by seller. Third-party installation of tangible personal property is exempt. The following telecommunication services are covered by state and local sales tax: basic local exchange service; installation and		service connection; intrastate long-distance calls; call waiting; call forwarding; other enhanced services; intrastate telegraph services; paging services; coin-operated telephone service; mobile telephone service; facsimile service; equipment that is sold or rented to the customer. Interstate long-distance telephone calls and interstate telegraph service are subject to state tax only. Cities and counties have an option to assess a local sales tax on some telecommunications services.
		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: ACTR staff compilations as of November 1992 based on Commerce Clearing House, *State Tax Guide* (Chicago, 1992).

Table 30
State Use Tax Laws on Mail Order Sales

In *National Bellas Hess, Inc. v. Illinois Department of Revenue* (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.

In *Quill Corporation v. North Dakota*, the U.S. Supreme Court held that North Dakota's attempt to impose use tax on goods purchased by North Dakota residents from an out-of-state mail order seller that did not have outlets or sales representatives in the state violated the commerce clause of the U.S. Constitution. However, the Court held that the due process clause did not bar North Dakota's enforcement of the use tax against the mail order seller because the taxpayer had purposefully directed its activities at North Dakota residents, its sales were of sufficient magnitude, and the tax was related to the benefits it had received from the state. Nevertheless, the tax was invalid because the seller lacked the substantial nexus with the state required by the commerce clause.

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

Not liable if only connection with Alabama is sending catalogs into the state.

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 deal-

er'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 out-of-state retailer regularly solicits sales in Indiana—makes at least 100 retail transactions from outside Indiana to destinations in Indiana during any 12-month period or makes at least 10 retail transactions totaling more than \$100,000 from outside Indiana to destinations in Indiana during a 12-month period.

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.

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

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 a place of business in the state or any representative, agent, salesperson, canvasser, or solicitor operating in the state under the authority of the retailer or its subsidiary. A retailer making retail sales from outside the state to a destination within the state and not maintaining a place of business in the state must collect the use tax if the retailer engages in the regular or systematic soliciting of sales from potential customers in the state.

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

The Tax Commission has announced a moratorium on the collection of the use tax for companies that merely have an economic presence in the state.

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

A retailer is engaged in business in the state who engages in regular or systematic solicitation of sales of taxable items in Texas by the distribution of catalogs, periodicals, advertising flyers, or other advertising; by means of prints, radio, or television media, or by mail, telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system for the purpose of effecting sales of taxable items; 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 this state for purposes of collecting the tax.

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

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.

Source: Commerce Clearing House, *State Tax Guide* (Chicago, 1992), Volume 2.

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.

Table 31
State General Sales Taxes: Rates, Selected Years, 1978-1992

State	10/1/92	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%	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	4.0
Alaska	No tax											
Arizona ⁺	5.0	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	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
California ⁺	6.0	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	3.0
Connecticut	6.0	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	6.0	5.0	5.0
Florida ⁺	6.0	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	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Hawaii ^{2,3}	4.0	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	5.0	4.0	4.0	3.0	3.0	3.0
Illinois ⁺	6.25	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	5.0	4.0	4.0	4.0
Iowa ⁺	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Kansas ⁺	4.9	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	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	4.0	3.0	3.0	3.0
Maine	6.0	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	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	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	4.0
Minnesota ⁺	6.0	6.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	4.0	4.0
Mississippi	7.0	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	4.225	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	5.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.0	3.0
Nevada ⁴	6.5 ⁴	6.5 ⁴	5.75 ⁵	5.75 ⁵	5.75 ⁵	5.75 ⁵	5.75 ⁵	5.75 ⁵	5.75 ⁵	5.75 ⁵	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	6.0	5.0	5.0	5.0
New Mexico	5.0	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	4.0
North Carolina ⁺	4.0	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	5.0	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	5.0	4.0	4.0
Oklahoma ⁺	4.5	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	6.0
Rhode Island	7.0	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	5.0	4.0	4.0	3.0
South Dakota ⁺	4.0	4.0	4.0	4.0	4.0	5.0	4.0	4.0	4.0	4.0	5.0	4.0
Tennessee ⁺	6.0 ⁶	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	6.25	6.0	6.0	6.0	4.125	4.125	4.0	4.0	4.0	4.0
Utah ⁺	5.0	5.0	5.0	5.0938	5.0938	5.0938	4.5938	4.625	4.625	4.0	4.0	4.0
Vermont	5.0 ⁷	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	3.5	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	6.5	5.4	4.5	4.6
West Virginia	6.0	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	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	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 Nevada's rate includes a 2% state rate plus 4.5% state mandated county rate.

⁵ Includes statewide state-levied local tax of 3.75% and a 2% state rate.

⁶ Tennessee's rate reduces to 5.5% on 7/1/93.

⁷ Vermont's rate reduces to 4% on 7/1/93.

Source: Commerce Clearing House, *State Tax Guide* (Chicago, 1992). See also Tables 29, 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*	5,448	4,893
Percentage Change from Previous Year	5%	30%	26%	1%	1%	1%	14%	5%	11%	

n.a. not available

— not authorized

* 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, 1991). See Table 33 for local rates.

Table 33
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
Alabama*	Birmingham (Jefferson)	4.00	1.00	3.00		8.00
	Dothan (Houston)	4.00	1.00	3.00		8.00
	Huntsville (Madison)	4.00		2.00		6.00
	Mobile (Mobile)	4.00	1.00	4.00		9.00
	Montgomery (Montgomery)	4.00	1.50	2.50		8.00
	Tuscaloosa (Tuscaloosa)	4.00	2.00	1.00		7.00
Alaska*	Anchorage (Anchorage)	—				—
Arizona*	Chandler (Maricopa)	5.00	0.50	1.00		6.50
	Glendale (Maricopa)	5.00	0.50	1.00		6.50
	Mesa (Maricopa)	5.00	0.50	1.00		6.50
	Peoria (Maricopa)	5.00	0.50	1.50		7.00
	Phoenix (Maricopa)	5.00	0.50	1.20		6.70
	Scottsdale (Maricopa)	5.00	0.50	1.20		6.70
	Tempe (Maricopa)	5.00	0.50	1.00		6.50
	Tucson (Pima)	5.00		2.00		7.00
	Yuma (Yuma)	5.00	0.50	1.00		6.50
Arkansas*	Fort Smith (Sebastian)	4.50		2.00		6.50
	Little Rock (Pulaski)	4.50	1.00			5.50
	North Little Rock (Pulaski)	4.50	1.00			5.50
	Pine Bluff (Jefferson)	4.50		1.00		5.50
California*	Alameda (Alameda)	6.00	1.25		1.00	8.25
	Alhambra (Los Angeles)	6.00	1.25		1.00	8.25
	Anaheim (Orange)	6.00	1.25		0.50	7.75
	Antioch (Contra Costa)	6.00	1.25		1.00	8.25
	Arden-Arcade (Sacramento)	6.00	1.25		0.50	7.75
	Bakersfield (Kern)	6.00	1.25			7.25
	Baldwin Park (Los Angeles)	6.00	1.25		1.00	8.25
	Bellflower (Los Angeles)	6.00	1.25		1.00	8.25
	Berkeley (Alameda)	6.00	1.25		1.00	8.25
	Buena Park (Orange)	6.00	1.25		0.50	7.75
	Burbank (Los Angeles)	6.00	1.25		1.00	8.25
	Camarillo (Ventura)	6.00	1.25			7.25
	Carlsbad (San Diego)	6.00	1.25		0.50	7.75
	Carson (Los Angeles)	6.00	1.25		1.00	8.25
	Cerritos (Los Angeles)	6.00	1.25		1.00	8.25
	Chino (San Bernardino)	6.00	1.25		0.50	7.75
	Chula Vista (San Diego)	6.00	1.25		0.50	7.75
	Clovis (Fresno)	6.00	1.25		0.50	7.75
	Compton (Los Angeles)	6.00	1.25		1.00	8.25
	Concord (Contra Costa)	6.00	1.25		1.00	8.25
	Corona (Riverside)	6.00	1.25		0.50	7.75
	Costa Mesa (Orange)	6.00	1.25		0.50	7.75
	Dale City (San Mateo)	6.00	1.25		1.00	8.25
	Downey (Los Angeles)	6.00	1.25		1.00	8.25
	El Cajon (San Diego)	6.00	1.25		0.50	7.75
	El Monte (Los Angeles)	6.00	1.25		1.00	8.25
	Escondido (San Diego)	6.00	1.25		0.50	7.75
	Fairfield (Solano)	6.00	1.25			7.25
	Fontana (San Bernardino)	6.00	1.25		0.50	7.75
	Fountain Valley (Orange)	6.00	1.25		0.50	7.75
	Fremont (Alameda)	6.00	1.25		1.00	8.25
	Fresno (Fresno)	6.00	1.25		0.50	7.75
	Fullerton (Orange)	6.00	1.25		0.50	7.75
	Garden Grove (Orange)	6.00	1.25		0.50	7.75
	Glendale (Los Angeles)	6.00	1.25		1.00	8.25
	Hawthorne (Los Angeles)	6.00	1.25		1.00	8.25
	Hayward (Alameda)	6.00	1.25		1.00	8.25
	Huntington Beach (Orange)	6.00	1.25		0.50	7.75
	Huntington Park (Los Angeles)	6.00	1.25		1.00	8.25
	Inglewood (Los Angeles)	6.00	1.25		1.00	8.25
Irvine (Orange)	6.00	1.25		0.50	7.75	

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
California* (cont.)	LaHabra (Orange)	6.00	1.25		0.50	7.75
	Lakewood (Los Angeles)	6.00	1.25		1.00	8.25
	LaMesa (San Diego)	6.00	1.25		0.50	7.75
	Lancaster (Los Angeles)	6.00	1.25		1.00	8.25
	Livermore (Alameda)	6.00	1.25		1.00	8.25
	Lodi (San Joaquin)	6.00	1.25		0.50	7.75
	Long Beach (Los Angeles)	6.00	1.25		1.00	8.25
	Los Angeles (Los Angeles)	6.00	1.25		1.00	8.25
	Merced (Merced)	6.00	1.25			7.25
	Milpitas (Santa Clara)	6.00	1.25		1.00	8.25
	Modesto (Stanislaus)	6.00	1.25			7.25
	Montebello (Los Angeles)	6.00	1.25		1.00	8.25
	Monterey Park (Los Angeles)	6.00	1.25		1.00	8.25
	Mountain View (Santa Clara)	6.00	1.25		1.00	8.25
	Napa (Napa)	6.00	1.25			7.25
	National City (San Diego)	6.00	1.25		0.50	7.75
	Newport Beach (Orange)	6.00	1.25		0.50	7.75
	Norwalk (Los Angeles)	6.00	1.25		1.00	8.25
	Oceanside (San Diego)	6.00	1.25		0.50	7.75
	Ontario (San Bernardino)	6.00	1.25		0.50	7.75
	Orange (Orange)	6.00	1.25		0.50	7.75
	Oxnard (Ventura)	6.00	1.25			7.25
	Palmdale (Los Angeles)	6.00	1.25			7.25
	Palo Alto (Santa Clara)	6.00	1.25		1.00	8.25
	Pasadena (Los Angeles)	6.00	1.25		1.00	8.25
	Pico Rivera (Los Angeles)	6.00	1.25		1.00	8.25
	Pleasanton (Alameda)	6.00	1.25		1.00	8.25
	Pomona (Los Angeles)	6.00	1.25		1.00	8.25
	Rancho Cucamonga (San Bernardino)	6.00	1.25		0.50	7.75
	Redding (Shasta)	6.00	1.25			7.25
	Redlands (San Bernardino)	6.00	1.25		0.50	7.75
	Redondo Beach (Los Angeles)	6.00	1.25		1.00	8.25
	Redwood City (San Mateo)	6.00	1.25		1.00	8.25
	Rialto (San Bernardino)	6.00	1.25		0.50	7.75
	Richmond (Contra Costa)	6.00	1.25		1.00	8.25
	Riverside (Riverside)	6.00	1.25		0.50	7.75
	Rosemead (Los Angeles)	6.00	1.25		1.00	8.25
	Sacramento (Sacramento)	6.00	1.25		0.50	7.75
	Salinas (Monterey)	6.00	1.25			7.25
	San Bernardino (San Bernardino)	6.00	1.25		0.50	7.75
	San Buenaventura (Ventura)	6.00	1.25			7.25
	San Diego (San Diego)	6.00	1.25		0.50	7.75
	San Francisco (San Francisco)	6.00	1.25		1.25	8.50
	San Jose (Santa Clara)	6.00	1.25		1.00	8.25
	San Leandro (Alameda)	6.00	1.25		1.00	8.25
	San Mateo (San Mateo)	6.00	1.25		1.00	8.25
	Santa Ana (Orange)	6.00	1.25		0.50	7.75
	Santa Barbara (Santa Barbara)	6.00	1.25		0.50	7.75
	Santa Clara (Santa Clara)	6.00	1.25		1.00	8.25
	Santa Maria (Santa Barbara)	6.00	1.25		0.50	7.75
Santa Monica (Los Angeles)	6.00	1.25		1.00	8.25	
Santa Rosa (Sonoma)	6.00	1.25		0.25	7.50	
Simi Valley (Ventura)	6.00	1.25			7.25	
South Gate (Los Angeles)	6.00	1.25		1.00	8.25	
South San Francisco (San Mateo)	6.00	1.25		1.00	8.25	
Stockton (San Joaquin)	6.00	1.25		0.50	7.75	
Sunnyvale (Santa Clara)	6.00	1.25		1.00	8.25	
Thousand Oaks (Ventura)	6.00	1.25			7.25	
Torrance (Los Angeles)	6.00	1.25		1.00	8.25	
Tustin (Orange)	6.00	1.25		0.50	7.75	
Union City (Alameda)	6.00	1.25		1.00	8.25	
Upland (San Bernardino)	6.00	1.25		0.50	7.75	
Vacaville (Solano)	6.00	1.25			7.25	
Vallejo (Solano)	6.00	1.25			7.25	

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
California* (cont.)	Visalia (Tulare)	6.00	1.25			7.25
	Vista (San Diego)	6.00	1.25		0.50	7.75
	Walnut Creek (Contra Costa)	6.00	1.25		1.00	8.25
	West Covina (Los Angeles)	6.00	1.25		1.00	8.25
	Whittier (Los Angeles)	6.00	1.25		1.00	8.25
	Yorba Linda (Orange)	6.00	1.25		0.50	7.75
Colorado*	Arvada (Jefferson)	3.00	0.50	3.00	0.80	7.30
	Aurora (Arapahoe)	3.00		3.50	0.80	7.30
	Boulder (Boulder)	3.00		2.86	0.80	6.66
	Colorado Springs (El Paso)	3.00	1.00	2.50		6.50
	Denver (Denver)	3.00		3.50	0.80	7.30
	Fort Collins (Larimer)	3.00		2.75		5.75
	Greeley (Weld)	3.00		3.00		6.00
	Lakewood (Jefferson)	3.00	0.50	2.00	0.80	6.30
	Longmont (Boulder)	3.00		2.75	0.80	6.55
	Pueblo (Pueblo)	3.00	1.00	3.50		7.50
	Thornton (Adams)	3.00		3.50	0.80	7.30
Westminster (Adams)	3.00		3.25	0.80	7.05	
Connecticut	No local general sales taxes	6.00				6.00
Delaware	No state or local general sales taxes					
District of Columbia				6.00		6.00
Florida*	Boca Raton (Palm Beach)	6.00				6.00
	Cape Coral (Lee)	6.00				6.00
	Clearwater (Pinellas)	6.00	1.00			7.00
	Coral Springs (Broward)	6.00				6.00
	Daytona Beach (Volusia)	6.00				6.00
	Fort Lauderdale (Broward)	6.00				6.00
	Gainesville (Alachua)	6.00				6.00
	Hialeah (Dade)	6.00	0.50			6.50
	Hollywood (Broward)	6.00				6.00
	Jacksonville (Duval)	6.00	0.50			6.50
	Lakeland (Polk)	6.00				6.00
	Largo (Pinellas)	6.00	1.00			7.00
	Melbourne (Brevard)	6.00				6.00
	Miami (Dade)	6.00	0.50			6.50
	Miami Beach (Dade)	6.00	0.50			6.50
	Orlando (Orange)	6.00				6.00
	Palm Bay (Brevard)	6.00				6.00
	Pembroke Pines (Broward)	6.00				6.00
	Pensacola (Escambia)	6.00				6.00
	Plantation (Broward)	6.00				6.00
	Pompano Beach (Broward)	6.00				6.00
	Port St. Lucie (St. Lucie)	6.00				6.00
	Sarasota (Sarasota)	6.00	1.00			7.00
St. Petersburg (Pinellas)	6.00	1.00			7.00	
Sunrise (Broward)	6.00				6.00	
Tallahassee (Leon)	6.00	1.00			7.00	
Tampa (Hillsborough)	6.00	0.50			6.50	
West Palm Beach (Palm Beach)	6.00				6.00	
Georgia*	Albany (Dougherty)	4.00	1.00			5.00
	Atlanta (Fulton)	4.00	1.00		1.00	6.00
	Columbus (Muscogee)	4.00	1.00			5.00
	Macon (Bibb)	4.00	1.00			5.00
	Savannah (Chatham)	4.00	1.00			5.00
	South Augusta (Richmond)	4.00	1.00			5.00
Hawaii*	No local general sales taxes	4.00				4.00
Idaho*	No local general sales taxes	5.00				5.00

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
Illinois*	Arlington Heights (Cook)	6.25	0.75	0.25	0.75	8.00
	Aurora (Kane)	6.25		0.50	0.25	7.00
	Bloomington (McLean)	6.25		0.50		6.75
	Champaign (Champaign)	6.25		1.00		7.25
	Chicago (Cook)	6.25	0.75	1.00	0.75	8.75
	Cicero (Cook)	6.25	0.75	1.00	0.75	8.75
	Decatur (Macon)	6.25		1.00		7.25
	Des Plaines (Cook)	6.25			0.75	7.00
	Elgin (Kane/Cook)	6.25			0.75	7.00
	Evanston (Cook)	6.25				6.25
	Joliet (Will)	6.25		1.25	0.25	7.75
	Mount Prospect (Cook)	6.25	0.75	0.25	0.75	8.00
	Naperville (Du Page)	6.25			0.25	6.50
	Oak Lawn (Cook)	6.25			0.75	7.00
	Peoria (Peoria)	6.25		1.00		7.25
	Rockford (Winnebago)	6.25				6.25
	Schaumburg (Cook)	6.25	0.75	0.50	0.75	8.25
	Skokie (Cook)	6.25	0.75	0.75	0.75	8.50
	Springfield (Sangamon)	6.25		1.00		7.25
	Waukegan (Lake)	6.25				6.50
Wheaton (Du Page)	6.25				6.50	
Indiana	No local general sales taxes	5.00				5.00
Iowa*	Cedar Rapids (Linn)	5.00				5.00
	Council Bluffs (Pottawattomie)	5.00		1.00		6.00
	Davenport (Scott)	5.00		1.00		6.00
	Des Moines (Polk)	5.00				5.00
	Dubuque (Dubuque)	5.00		1.00		6.00
	Iowa City (Johnson)	5.00				5.00
	Sioux City (Woodbury)	5.00		1.00		6.00
	Waterloo (Black Hawk)	5.00		1.00		6.00
Kansas*	Kansas City (Wyandotte)	4.90	1.00	1.00		6.90
	Lawrence (Douglas)	4.90		1.00		5.90
	Olathe (Johnson)	4.90	0.60	1.00		6.50
	Overland Park (Johnson)	4.90	0.60	1.00		6.50
	Topeka (Shawnee)	4.90		1.00		5.90
	Wichita (Sedgwick)	4.90	1.00			5.90
Kentucky	No local general sales taxes	6.00				6.00
Louisiana*	Baton Rouge (East Baton Rouge)	4.00	4.00	2.00		10.00
	Bossier City (Bossier)	4.00	1.50	2.50		8.00
	Houma (Terrebonne)	4.00	2.25			6.25
	Kenner (Jefferson)	4.00	4.00			8.00
	Lafayette (Lafayette)	4.00	1.50	2.00		7.50
	Lake Charles (Calcasieu)	4.00	2.50	2.00		8.50
	Monroe (Ouachita)	4.00	2.00	2.50		8.50
	New Orleans (Orleans)	4.00	5.00			9.00
	Shreveport (Caddo)	4.00	3.00	2.50		9.50
Maine	No local general sales taxes	6.00				6.00
Maryland	No local general sales taxes	5.00				5.00
Massachusetts	No local general sales taxes	5.00				5.00
Michigan	No local general sales taxes	4.00				4.00
Minnesota*	Bloomington (Hennepin)	6.00	0.50			6.50
	Brooklyn Park (Hennepin)	6.00	0.50			6.50
	Burnsville (Dakota)	6.00	0.50			6.50
	Coon Rapids (Anoka)	6.00	0.50			6.50
	Duluth (St. Louis)	6.00	0.50	1.00		7.50
	Minneapolis (Hennepin)	6.00	0.50	0.50		7.00
	Plymouth (Hennepin)	6.00	0.50			6.50
	Rochester (Olmsted)	6.00	0.50	1.00		7.50
	St. Paul (Ramsey)	6.00	0.50			6.50
Mississippi	No local general sales taxes	7.00				7.00

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate	
Missouri*	Columbia (Boone)	4.225	1.25	0.50	0.50	6.475	
	Florissant (St. Louis)	4.225		1.00	0.50	5.725	
	Independence (Jackson)	4.225	1.00	0.75		5.975	
	Jackson (Cape Girardeau)	4.225	1.00	0.50	0.50	6.225	
	Kansas City (Jackson)	4.225	1.00	0.75	0.50	6.475	
	St. Charles (St. Charles)	4.225	1.50	1.50		7.225	
	St. Joseph (Buchanan)	4.225	1.00	1.00		6.225	
	St. Louis	4.225		1.00	0.50	5.725	
	Springfield (Greene)	4.225	1.25	0.50		5.975	
Montana	No state or local general sales taxes						
Nebraska*	Lincoln (Lancaster)	5.00		1.50		6.50	
	Omaha (Douglas)	5.00		1.50		6.50	
Nevada*	Henderson (Clark)	6.50	0.50			7.00	
	Las Vegas (Clark)	6.50	0.50			7.00	
	Reno (Washoe)	6.50	0.50			7.00	
	Sparks (Washoe)	6.50	0.50			7.00	
New Hampshire	No state or local general sales taxes						
New Jersey	No local general sales taxes		6.00			6.00	
New Mexico*	Albuquerque (Bernalillo)	5.00	0.375	0.4375		5.8125	
	Las Cruces (Dona Ana)	5.00	0.75	0.50		6.25	
	Santa Fe (Santa Fe)	5.00	0.75	0.375		6.125	
New York*	Albany (Albany)	4.00	4.00			8.00	
	Amherst (Erie)	4.00	4.00			8.00	
	Binghamton (Broome)	4.00	3.00			7.00	
	Buffalo (Erie)	4.00	4.00			8.00	
	Middletown (Orange)	4.00	3.00			7.25	
	Mount Vernon (Westchester)	4.00	1.75	2.50		8.25	
	New Rochelle (Westchester)	4.00	1.75	1.50		7.25	
	New York	4.00		4.25		8.25	
	Niagara Falls (Niagara)	4.00	3.00			7.00	
	Rochester (Monroe)	4.00	3.50			7.50	
	Schenectady (Schenectady)	4.00	3.00			7.00	
	Syracuse (Onondaga)	4.00	3.00			7.00	
	Town of Babylon (Suffolk)	4.00	4.25			8.50	
	Town of Cheektowaga (Erie)	4.00	4.00			8.00	
	Town of Clarkstown (Rockland)	4.00	3.00			7.25	
	Town of Clay (Onondaga)	4.00	3.00			7.00	
	Town of Colonie (Albany)	4.00	4.00			8.00	
	Town of Greenburgh (Westchester)	4.00	2.50			6.75	
	Town of Hamburg (Erie)	4.00	4.00			8.00	
	Town of Hempstead (Nassau)	4.00	4.25			8.50	
	Town of Huntington (Suffolk)	4.00	4.25			8.50	
	Town of Irondequoit (Monroe)	4.00	3.50			7.50	
	Town of Islip (Suffolk)	4.00	4.25			8.50	
	Town of North Hempstead (Nassau)	4.00	4.25			8.50	
	Town of Oyster Bay (Nassau)	4.00	4.25			8.50	
	Town of Ramapo (Rockland)	4.00	3.00			7.25	
	Town of Smithtown (Suffolk)	4.00	4.25			8.50	
	Town of Union (Broome)	4.00	3.00			7.00	
	Troy (Rensselaer)	4.00	3.00			7.00	
	Yonkers (Westchester)	4.00	1.75	2.50		8.25	
	North Carolina	Asheville (Buncombe)	4.00	2.00			6.00
		Charlotte (Mecklenburg)	4.00	2.00			6.00
Durham (Durham)		4.00	2.00			6.00	
Fayetteville (Cumberland)		4.00	2.00			6.00	
Gastonia (Gaston)		4.00	2.00			6.00	
Greensboro (Guilford)		4.00	2.00			6.00	
High Point (Guilford)		4.00	2.00			6.00	
Raleigh (Wake)		4.00	2.00			6.00	
Wilmington (New Hanover)		4.00	2.00			6.00	
Winston-Salem (Forsyth)		4.00	2.00			6.00	

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
North Dakota	Fargo (Cass)	5.00		0.50		5.50
Ohio*	Akron (Summit)	5.00	0.50		0.25	5.75
	Canton (Stark)	5.00	0.50			5.50
	Cincinnati (Hamilton)	5.00	0.50			5.50
	Cleveland (Cuyahoga)	5.00	1.00		1.00	7.00
	Cleveland Heights (Cuyahoga)	5.00	1.00		1.00	7.00
	Columbus (Franklin)	5.00	0.50		0.25	5.75
	Dayton (Montgomery)	5.00	1.00		0.50	6.50
	Elyria (Lorain)	5.00	0.50			5.50
	Euclid (Cuyahoga)	5.00	1.00		1.00	7.00
	Hamilton (Butler)	5.00				5.00
	Kettering (Montgomery)	5.00	1.00		0.50	6.50
	Lakewood (Cuyahoga)	5.00	1.00		1.00	7.00
	Lorain (Lorain)	5.00	0.50			5.50
	Mansfield (Richland)	5.00	0.75			5.75
	Parma (Cuyahoga)	5.00	1.00		1.00	7.00
	Springfield (Clark)	5.00	1.00			6.00
Toledo (Lucas)	5.00	1.00			6.00	
Warren (Trumbull)	5.00				5.00	
Youngstown (Mahoning)	5.00	1.00			6.00	
Oklahoma	Broken Arrow (Tulsa and Wagner)	4.50	1.00	3.00		8.50
	Edmond (Oklahoma)	4.50		3.00		7.50
	Lawton (Comanche)	4.50		3.00		7.50
	Midwest City (Oklahoma)	4.50		2.00		6.50
	Norman (Cleveland)	4.50				4.50
	Oklahoma City (Oklahoma)	4.50		2.875		7.375
Tulsa (Tulsa)	4.50		3.0		7.50	
Oregon	No local general sales taxes	4.50				4.50
Pennsylvania	Abington (Montgomery)	6.00				6.00
	Allentown (Lehigh)	6.00				6.00
	Altoona (Blair)	6.00				6.00
	Bensalem (Bucks)	6.00				6.00
	Bethlehem (Northampton)	6.00				6.00
	Bristol (Bucks)	6.00				6.00
	Erie (Erie)	6.00				6.00
	Harrisburg (Dauphin)	6.00				6.00
	Lancaster (Lancaster)	6.00				6.00
	Lower Merion (Montgomery)	6.00				6.00
	Penn Hills (Allegheny)	6.00				6.00
	Philadelphia (Philadelphia)	6.00		1.00		7.00
	Pittsburgh (Allegheny)	6.00				6.00
	Reading (Berks)	6.00				6.00
	Scranton (Lackawanna)	6.00				6.00
Upper Darby (Delaware)	6.00				6.00	
Rhode Island	No local general sales taxes	7.00				7.00
South Carolina	Charleston (Charleston)	5.00	1.00			6.00
	Columbia (Richland)	5.00				5.00
	Greenville (Greenville)	5.00				5.00
	North Charleston (Charleston)	5.00	1.00			6.00
South Dakota	Rapid City (Pennington)	4.00		2.00		6.00
	Sioux Falls (Minnehaha)	4.00		2.00		6.00
Tennessee*	Chattanooga (Hamilton)	6.00	1.75			7.75
	Clarksville (Montgomery)	6.00	2.50			8.50
	Knoxville (Knox)	6.00	2.25			8.25
	Memphis (Shelby)	6.00	2.25			8.25
	Nashville (Davidson)	6.00	2.25			8.25

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
Texas*	Abilene (Taylor)	6.25		2.00		8.25
	Amarillo (Potter)	6.25		2.00		8.25
	Austin (Travis)	6.25		1.00	0.75	8.00
	Baytown (Harris)	6.25		1.00		7.25
	Beaumont (Jefferson)	6.25	0.50	1.50		8.25
	Brownsville (Cameron)	6.25		2.00		8.25
	Bryan (Brazos)	6.25	0.50	1.50		8.25
	Carrollton (Dallas)	6.25		1.00	1.00	8.25
	College Station (Brazos)	6.25	0.50	1.50		8.25
	Corpus Christi (Nueces)	6.25		1.00	0.50	7.75
	Dallas (Dallas)	6.25		1.00	1.00	8.25
	Denton (Denton)	6.25		1.00		7.25
	El Paso (El Paso)	6.25	0.50	1.00	0.50	8.25
	Fort Worth (Tarrant)	6.25		1.00	0.50	7.75
	Galveston (Galveston)	6.25		1.50		7.75
	Garland (Dallas)	6.25		1.00	1.00	8.25
	Grand Prairie (Dallas)	6.25		1.00		7.25
	Houston (Harris)	6.25		1.00	1.00	8.25
	Irving (Dallas)	6.25		1.00	1.00	8.25
	Killeen (Bell)	6.25	0.50	1.50		8.25
	Laredo (Webb)	6.25	0.50	1.00	0.25	8.00
	Longview (Gregg)	6.25	0.50	1.50		8.25
	Lubbock (Lubbock)	6.25	0.50	1.00		7.75
	McAllen (Hidalgo)	6.25		1.50		7.75
	Mesquite (Dallas)	6.25		1.50		7.75
	Midland (Midland)	6.25	0.50	1.00		7.75
	Odessa (Ector)	6.25	1.00	1.00		8.25
	Pasadena (Harris)	6.25		1.00		7.25
	Plano (Collin)	6.25		1.00	1.00	8.25
	Port Arthur (Jefferson)	6.25	0.50	1.00		7.75
	Richardson (Dallas)	6.25		1.00	1.00	8.25
	San Angelo (Tom Green)	6.25	0.50	1.00		7.75
	San Antonio (Bexar)	6.25		1.00	1.00	8.25
Tyler (Smith)	6.25	0.50	1.00		7.75	
Victoria (Victoria)	6.25	0.50	1.00		7.75	
Waco (McLennan)	6.25	0.50	1.50		8.25	
Wichita Falls (Wichita)	6.25		1.00		7.25	
Utah*	Ogden (Weber)	5.00	1.00		0.25	6.25
	Orem (Utah)	5.00	1.00		0.25	6.25
	Provo (Utah)	5.00	1.00		0.25	6.25
	Salt Lake City (Salt Lake)	5.00	1.00		0.25	6.25
	Sandy City (Salt Lake)	5.00	1.00		0.25	6.25
	West Valley City (Salt Lake)	5.00	1.00		0.25	6.25
Vermont	No local general sales taxes	5.00				5.00
Virginia*	Alexandria	3.50		1.00		4.50
	Arlington County	3.50	1.00			4.50
	Chesapeake	3.50		1.00		4.50
	Chesterfield County	3.50	1.00			4.50
	Danville	3.50		1.00		4.50
	Fairfax County	3.50	1.00			4.50
	Hampton	3.50		1.00		4.50
	Henrico County	3.50	1.00			4.50
	Lynchburg	3.50		1.00		4.50
	Newport News	3.50		1.00		4.50
	Norfolk	3.50		1.00		4.50
	Portsmouth	3.50		1.00		4.50
	Prince William County	3.50	1.00			4.50
	Richmond	3.50		1.00		4.50
	Roanoke	3.50		1.00		4.50
Suffolk	3.50		1.00		4.50	
Virginia Beach	3.50		1.00		4.50	

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

State	City (County)	State Tax	County Tax	City Tax	Other Tax	Combined State-Local Tax Rate
Washington*	Bellevue (King)	6.50		1.70		8.20
	Bellingham (Whatcom)	6.50		1.30		7.80
	Everett (Snohomish)	6.50		1.40		7.90
	Seattle (King)	6.50		1.70		8.20
	Spokane (Spokane)	6.50		1.50		8.00
	Tacoma (Pierce)	6.50		1.30		7.80
	Yakima (Yakima)	6.50		1.30		7.80
West Virginia	No local general sales taxes	6.00				6.00
Wisconsin*	Appleton (Outagamie)	5.00				5.00
	Eau Claire (Eau Claire)	5.00				5.00
	Green Bay (Brown)	5.00				5.00
	Janesville (Rock)	5.00				5.00
	Kenosha (Kenosha)	5.00	0.50			5.50
	LaCrosse (LaCrosse)	5.00	0.50			5.50
	Madison (Dane)	5.00	0.50			5.50
	Milwaukee (Milwaukee)	5.00	0.50			5.50
	Oshkosh (Winnebago)	5.00				5.00
	Racine (Racine)	5.00				5.00
	Waukesha (Waukesha)	5.00				5.00
	Wausau (Marathon)	5.00	0.50			0.50
West Allis (Milwaukee)	5.00	0.50			5.50	
Wyoming*	Cheyenne (Laramie)	3.00	2.00			5.00

***State Notes**

Alabama

Other tax is rate imposed in police jurisdictions.

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.

Arizona

Subject to voter approval, various counties are authorized to impose the following taxes: a public transportation excise tax at a rate not to exceed 10% of the state tax; a general excise tax not to exceed 10% of the state tax to support countywide services; a stadium district transaction privilege tax if a major league baseball franchise is awarded within the district at a rate not to exceed 5% of the state tax; a tax not more than 2% of the state rate to finance major league baseball spring training operations; a transaction tax not to exceed 10% of the state sales tax rate to finance a county jail district. The board of directors of any recreation center is authorized to levy a transaction privilege tax on the gross proceeds of retail sales, based on the amount or volume of business transacted by persons on account of their business activities in the district. The tax rate cannot exceed 1% in the first year and 0.5% for the remaining life of the district. Until June 30, 1994, any county having a county hospital that has an occupancy rate for licensed hospital beds, except psychiatric beds, of less than 20% is authorized to levy a tax equal to 10% of the sales tax applicable to each person engaging in or continuing in the county in a taxable business for the purposes of retiring county hospital warrants. Once approved by the board of supervisors, the tax is imposed for 48 months, unless the warrants are retired before 48 months.

Arkansas

Subject to voter approval, counties are authorized to levy local sales and use taxes for the following purposes: repay capital improvement bonds at 0.25%-2%, in 0.25% increments; public mass transportation systems at 0.25%; financing capital improvements at 0.25%-1%; financing an airport or riverport jointly owned and operated by a county and by one or more other counties or by a metropolitan port authority, a regional airport commission or other instrumentality, for up to 48 months, at 1%. Specified municipalities may impose a sales and use tax, subject to voter approval, for the following purposes: to finance capital improvements at 0.25%-1%; to finance park and recreation facilities at 0.5%-1%; to fund public mass transportation not to exceed 0.25%. Any city with 3,000 or fewer inhabitants that is located in a county that borders on the state line, that contains an historic district included in the National Registry of Historic Places, and that is certified by the State Parks, Recreation, and Travel Commission as having tourism as the major industry, may impose, with voter approval, a tax from 0.25% to 1% to finance capital improvements.

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. The board of any county may levy a transactions and use tax at a rate of 0.25% or 0.5%, or establish an authority for specific purposes, which may levy a 0.25% or 0.5% sales and use tax, subject to voter approval. The Local Transportation Authority and Improvement Act authorizes the imposition of a voter-approved retail transactions and use tax applicable both in the incorporated and unincorporated territory of a county by any local

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

***State Notes (cont.)**

California <i>(cont.)</i>	transportation authority created or designated by the county board of supervisors to carry out the provisions of the act. The tax rate may be 0.25%, 0.5%, 0.75%, or 1.00% and must not remain in effect for more than 20 years. Several districts are authorized to impose a transactions and use tax to fund public mass transit, transportation and traffic, public education, libraries, justice facilities, drug abuse prevention, crime prevention, health care services, etc.	Illinois	the state Sales and Use Tax Act if approved by 60% of the cities' voters. 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.
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. 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. A 0.1% tax applies to all sales that are subject to the transportation tax for the Denver Metropolitan Scientific and Cultural Facilities District and an additional 0.1% tax applies for the Denver Metropolitan Baseball Stadium District tax.	Iowa	Counties are authorized to levy a local sales and service tax at a rate not to exceed 1%, with voter approval.
Florida	The governing body in each county may levy a local government (sales) surtax that may be in the form of (1) a charter county transit system surtax at a rate not to exceed 1%, (2) a local government infrastructure surtax for up to 15 years at the rate of 0.5% or 1%, (3) a small-county surtax of 0.5% or 1%, (4) an indigent care surtax not to exceed 0.5% (may not be imposed after 10/1/98 or if (5) or (6) below are imposed), (5) a county public hospital surtax of 0.5%, or (6) a small-county indigent care surtax of 0.5%. County taxes imposed under (2), (3), (4), (5), and (6) may not exceed 1%.	Kansas	If approved by the voters, Class A and Class C cities may levy 0.25%, 0.5%, 0.75%, or 1% retailers' sales taxes, Class B cities may levy retailers' sales taxes at rates ranging from 0.25% to 2% in 0.25% increments, and Class D cities may levy retailers' sales taxes at rates ranging from 0.25% to 1.75% in 0.25% increments. In addition, Class D cities, with voter approval, may impose an additional 0.5% or 0.75% sales tax. A board of county commissioners may levy the tax at 0.5% or 1%, except certain counties may levy the tax at 0.25%, 1.5%, or 2%. The rate of a county-imposed tax may be equal to the sum of the rate allowed to be imposed by a board of county commissioners on 7/1/92 plus 0.25%, 0.5%, 0.75%, or 1%. After voter approval, a city or county may impose an additional 0.25%, 0.5%, 0.75%, or 1% retailers' sales tax to fund health care services. Any county that is part of the Kansas and Missouri culture district must impose a countywide sales tax not to exceed 0.25%, subject to voter approval.
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. Governing bodies (Fulton, DeKalb, Cobb, Clayton, or Gwinnett counties or the City of Atlanta) that enter into rapid transit contracts with the Metropolitan Atlanta Rapid Transit Authority may levy sales and use taxes at the rate of 1% until 6/30/2032 and 0.5% thereafter. No tax may be levied unless the tax is imposed in Fulton and DeKalb counties.	Louisiana	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.
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.	Minnesota	Counties are authorized to impose a 0.5% local option general sales and use tax. Specified cities are authorized to impose a general sales tax.
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	Missouri	Cities may impose a 0.5%, 0.875%, or 1% sales tax, except St. Louis, which may impose a 1.375% tax. Municipalities, except for that part of the municipality located in whole or in part within any first class county having a charter form of government and not containing any part of a city with a population of 400,000 or more and adjacent to a city not within a county, are authorized to impose an additional sales (capital improvements) tax of 0.125%, 0.25%, 0.0375%, or 0.5%, subject to voter approval. Up to a 0.5% sales tax may be imposed for transportation purposes by specified local governments. Transportation development districts may impose a sales tax at an unspecified rate if approved by local voters. Counties are authorized to impose local sales taxes under several statutes, all subject to voter approval.

Table 33 (cont.)
State-Local General Sales Taxes: Combined Rates, Selected Cities, November 1992

***State Notes (cont.)**

Nebraska	Metropolitan class, primary class, and first and second class cities may increase an existing tax by an amount not to exceed 0.5%, subject to voter approval.			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%.
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.	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%.
New Mexico	Municipalities may impose an excise tax at the rate of up to 1.25% and until 7/1/96, a special municipal gross receipts tax may be imposed at a rate not to exceed 0.25%. Municipalities are authorized to levy an excise tax (infrastructure gross receipts tax) on any person engaging in business at a rate not to exceed 0.125%. A county fire protection excise tax may be imposed at 0.125% or 0.25% of gross receipts. Counties which meet certain property tax rate requirements are authorized to impose a 0.375% gross receipts tax. Subject to voter approval, counties that meet certain population, property tax, and severance tax requirements are authorized to impose a 0.5% local hospital gross receipts tax and a 0.125% special county hospital gross receipts tax for up to 10 years. The majority of the members of the governing body of any county may enact an ordinance imposing a county health care gross receipts tax at a rate of 1/16 of 1%. The governing bodies of municipalities and counties may impose an environmental services gross receipts tax at a municipal rate of 0.0625% and a county rate of 0.125%.	Utah		Cities and counties may impose a sales tax of 0.75% or 1%. Presently, all 29 counties levy the tax. Cities within the counties that impose the tax receive a portion of the revenues. Cities and counties are also authorized to levy a 0.25% transit tax. Resort communities may include an additional sales tax of up to 1.0%. City and county taxes do not overlap.
New York	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.	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%.
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%.	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.
Tennessee	If a county levies a tax less than one-half of the state rate, a city may levy only the difference. If	Wisconsin		The county sales and use taxes may be imposed only for the purpose of directly reducing the property tax levy.
		Wyoming		Counties may levy an additional capital improvement tax not to exceed 1%, subject to voter approval.

Source: ACTR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1992). See also Table 32.

Table 34
State Gasoline Taxes: Rates per Gallon, Selected Years, 1978-1992

Region and State	1992	1991	1990	1989	1988	1987	1986	1985	1984	1982	1980	1978
<i>Exhibit: Federal Tax</i>	\$.14	\$.14	\$.09	\$.09	\$.09	\$.09	\$.09	\$.09	\$.09	\$.04	\$.04	\$.04
Median	0.18	0.18	.16	.16	.145	.145	.13	.12	.12	.10	.09	.08
Alabama + *	0.16	0.11	.11	.11	.11	.11	.11	.11	.11	.11	.07	.07
Alaska + *	0.08	0.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08
Arizona	0.18	0.18	.18	.17	.16	.16	.16	.13	.13	.10	.08	.08
Arkansas	0.185	0.185	.135	.135	.135	.135	.135	.135	.095	.095	.095	.085
California + o*	0.16	0.15	.14	.09	.09	.09	.09	.09	.09	.07	.07	.07
Colorado	0.22	0.22	.20	.20	.18	.18	.18	.12	.13	.09	.07	.07
Connecticut*	0.26	0.25	.22	.20	.20	.19	.17	.16	.15	.11	.11	.11
Delaware*	0.19	0.19	.16	.16	.16	.16	.11	.11	.11	.11	.09	.11
District of Columbia	0.20	0.18	.18	.18	.155	.155	.155	.155	.155	.14	.10	.10
Florida + *	0.04	0.04	.04	.04	.04	.04	.04	.04	.04	.08	.08	.08
Georgia o*	0.075	0.075	.075	.075	.075	.075	.075	.075	.075	.075	.075	.075 ^b
Hawaii + o*	0.16	0.16	.11	.11	.11	.11	.11	.11	.085	.085	.085	.085
Idaho*	0.22	0.22	.19	.18	.18	.145	.145	.145	.145	.125	.095	.095
Illinois + o*	0.19	0.19	.13	.13	.13	.13	.13	.13	.12	.075	.075	.075
Indiana o	0.15	0.15	.15	.15	.15	.14	.14	.14	.111	.111	.085	.08
Iowa	0.20	0.20	.20	.20	.18	.16	.16	.15	.13	.13	.10	.085
Kansas	0.18	0.17	.16	.15	.11	.11	.11	.11	.11	.08	.08	.08
Kentucky*	0.15	0.15	.15	.15	.15	.15	.15	.10	.10	.098	.09	.09
Louisiana o	0.20	0.20	.20	.20	.16	.16	.16	.16	.16	.08	.08	.08
Maine*	0.19	0.19	.17	.17	.16	.14	.14	.14	.14	.09	.09	.09
Maryland	0.235	0.185	.185	.185	.185	.185	.135	.135	.135	.11	.09	.09
Massachusetts*	0.21	0.21	.17	.11	.11	.11	.11	.11	.11	.104	.085	.085
Michigan	0.15	0.15	.15	.15	.15	.15	.15	.15	.15	.11	.11	.09
Minnesota	0.20	0.20	.20	.20	.20	.17	.17	.17	.17	.13	.11	.09
Mississippi + *	0.18	0.18	.18	.18	.17	.15	.09	.09	.09	.09	.09	.09
Missouri*	0.13	0.11	.11	.11	.11	.11	.07	.07	.07	.07	.07	.07
Montana + *	0.20	0.205	.20	.20	.20	.20	.15	.15	.15	.09	.09	.08
Nebraska*	0.234	0.234	.214	.22	.182	.176	.19	.164	.149	.137	.105	.095
Nevada + *	0.225	0.18	.1625	.1625	.1625	.1425	.1125	.1125	.1025	.1025	.06	.06
New Hampshire	0.18	0.18	.16	.14	.14	.14	.14	.14	.14	.14	.11	.10
New Jersey*	0.105	0.105	.105	.105	.105	.08	.08	.08	.08	.08	.08	.08
New Mexico +	0.16	0.162	.162	.162	.142	.14	.11	.11	.11	.10	.08	.07
New York + o*	0.08	0.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08
North Carolina*	0.223	0.226	.215	.209	.14	.155	.12	.12	.12	.12	.09	.09
North Dakota	0.17	0.17	.17	.17	.17	.17	.13	.13	.13	.08	.08	.08
Ohio*	0.21	0.21	.20	.18	.148	.147	.12	.12	.12	.117	.07	.07
Oklahoma*	0.16	0.16	.16	.17	.16	.16	.10	.10	.09	.0658	.0658	.0658
Oregon + *	0.22	0.20	.18	.16	.14	.12	.11	.10	.09	.08	.07	.07
Pennsylvania	0.12	0.12	.12	.12	.12	.12	.12	.12	.12	.11	.11	.09
Rhode Island*	0.26	0.26	.20	.20	.15	.13	.13	.13	.13	.10	.10	.10
South Carolina	0.16	0.16	.16	.16	.15	.15	.13	.13	.13	.13	.10	.09
South Dakota +	0.18	0.18	.18	.18	.18	.13	.13	.13	.13	.13	.12	.08
Tennessee + *	0.20	0.20	.21	.21	.17	.17	.17	.12	.09	.09	.07	.07
Texas	0.20	0.20	.15	.15	.15	.15	.10	.10	.05	.05	.05	.05
Utah*	0.19	0.19	.19	.19	.19	.19	.14	.14	.14	.11	.09	.09
Vermont o*	0.15	0.15	.15	.15	.13	.13	.13	.13	.13	.11	.09	.09
Virginia + o*	0.175	0.175	.175	.175	.175	.175	.15	.11	.11	.11	.11	.09
Washington + o*	0.23	0.23	.22	.18	.18	.18	.18	.18	.18	.12	.12	.11
West Virginia	0.155	0.155	.155	.155	.105	.105	.105	.105	.105	.105	.105	.105
Wisconsin*	0.222	0.222	.215	.208	.209	.20	.175	.165	.16	.13	.09	.07
Wyoming*	0.09	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 1989-1992, December 1.

+ Local taxes may be additional.

o State sales taxes are additional.

Table 34 (cont.)
State Gasoline Taxes: Rates per Gallon, Selected Years, 1978-1992

***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 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¢.		
Connecticut	The tax is increased to 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.		
Delaware	Rate may be adjusted annually by the Secretary of Public Safety and the Secretary of Finance.		
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 1992.		
Georgia	Additional tax levied at 3% of retail sales price.		
Hawaii	Local tax rates range from 8.8-16.5¢.		
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.		
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. An additional tax is imposed on special fuel used by commercial motor vehicles, based on the average selling price of special fuel sold in the state.		
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.		
Maine	Rate reduces to 17¢ per gallon on July 1, 1993.		
Massachusetts	The tax is imposed at 19.1% of weighted average selling price.		
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.		
Missouri	Rate increases to 15¢ on 4/1/94 and to 17¢ on 4/1/96. Rate decreases to 11¢ on 4/1/2008.		
Montana	A 7% surtax is imposed, applicable for one calendar year, on tax or fee liabilities for months beginning after 8/13/92.		
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. Counties required to levy an additional 1¢ per gallon motor fuel tax as of 10/1/91.		
New Jersey	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 prod-		
		New York	acts in this state or importing petroleum products for use or consumption in this state. 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.
		North Carolina	Includes an additional tax based on average wholesale price of motor fuel. The basic tax rate will be reduced 25¢ per gallon on 1/1/95 and again on 1/1/99.
		Ohio	Tax is 7¢ per gallon plus an additional tax based on highway maintenance costs and fuel consumption.
		Oklahoma	Additional 1¢ per gallon assessment imposed on fuel sold by a distributor.
		Oregon	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.
		Rhode Island	Tax imposed at 11% of wholesale price, plus an additional excise of 2% on distributors.
		Tennessee	Plus an additional 1¢ per gallon special petroleum products tax.
		Utah	An environmental surcharge of one-half cent per gallon is imposed on all petroleum sold in Utah.
		Vermont	Licensed users pay diesel fuel tax rate for vehicles of less than 10,000 lbs. and 25¢ per gallon on diesel fuel for vehicles weighing 10,000 lbs. or more.
		Virginia	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.
		Washington	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%.
		Wisconsin	The rate is computed annually based on highway maintenance costs and amount of fuel sold in the state plus an additional 2¢ per gallon.
		Wyoming	The rate is reduced to 8¢ per gallon the first day of the third month following the date the Department of Environmental Quality notifies the Department of Revenue and Taxation that the balance in the underground tank corrective action account and the environmental pollution financial responsibility account exceeds \$10 million in each account. The additional tax will again be imposed beginning on the first day of the third month following the date the Department of Environmental Quality notifies the Department of Revenue and Taxation that the balance has fallen below \$4 million.

Source: ACIR staff compilation from Commerce Clearing House, *State Tax Guide* (Chicago, 1992).

Table 35
State Cigarette Taxes: Rates per Pack, Selected Years, 1978-1992

Region and State	1992	1991	1990	1989	1988	1987	1986	1985	1984	1982	1980	1978
<i>Exhibit: Federal Tax</i>	\$0.20	\$0.20	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.08	\$0.08	\$0.08
Median	0.24	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	0.165	0.16	0.12	0.12
Alaska	0.29	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	0.18	0.15	0.15	0.15	0.15	0.15	0.15	0.13	0.13	0.13
Arkansas	0.22	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	0.35	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	0.20	0.15	0.15	0.10	0.10	0.10
Connecticut	0.45	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	0.24	0.19	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
District of Columbia	0.50	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	0.339	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	0.12
Hawaii*	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Idaho	0.18	0.18	0.18	0.18	0.18	0.18	0.091	0.091	0.091	0.091	0.091	0.091
Illinois+	0.30	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	0.155	0.105	0.105	0.105	0.105	0.105	0.105
Iowa	0.36	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	0.24	0.16	0.16	0.11	0.11	0.11
Kentucky*	0.03	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	0.20	0.16	0.16	0.16	0.16	0.16	0.16	0.11	0.11	0.11
Maine	0.37	0.37	0.31	0.31	0.28	0.28	0.28	0.20	0.20	0.16	0.16	0.16
Maryland	0.36	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	0.26	0.21	0.21	0.21
Michigan	0.25	0.25	0.25	0.25	0.25	0.21	0.21	0.21	0.21	0.21	0.11	0.11
Minnesota	0.48	0.43	0.38	0.38	0.38	0.38	0.39*	0.23	0.18	0.18	0.18	0.18
Mississippi*	0.18	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	0.13	0.09	0.09	0.09
Montana	0.18	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	0.27	0.23	0.18	0.18	0.18	0.13	0.13
Nevada	0.35	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	0.25	0.21	0.17	0.17	0.17	0.17	0.17	0.12	0.12	0.12
New Jersey+	0.40	0.40	0.40	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	0.15	0.12	0.12	0.12	0.12	0.12
New York	0.39	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	0.05	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
North Dakota	0.29	0.29	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	0.18	0.14	0.14	0.14	0.14	0.15	0.15
Oklahoma	0.23	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	0.28	0.27	0.27	0.27	0.27	0.19	0.19	0.19	0.09	0.09
Pennsylvania	0.31	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	0.37	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	0.07
South Dakota	0.23	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	0.13
Texas	0.41	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	0.23	0.12	0.12	0.12	0.12	0.10	0.08
Vermont	0.20	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	0.025
Washington*	0.34	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	0.17	0.18	0.17	0.17	0.17	0.17	0.17	0.17
Wisconsin*	0.38	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	0.12	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 1988-1992, October 1.
 + Local taxes may be additional.

Table 35 (cont.)
State Cigarette Taxes: Rates per Pack, Selected Years, 1978-1992

***State Notes**

Hawaii	Tax is 40% of wholesale price. On a per unit basis, Hawaii's tax is 30¢ per pack.	Montana	Tax increases to 19.26¢ per pack through 8/13/93.
Kentucky	Plus an additional .1¢ tax on each pack.	Tennessee	An additional 5¢ per pack is imposed on dealers and distributors.
Massachusetts	The tax rate is increased by any amount by which the federal excise tax on cigarettes is less than 8 mills.	Utah	If the federal cigarette tax is reduced, the state rate will be increased by the amount of the federal tax burden.
Mississippi	If the federal cigarette tax is reduced, the state rate will be increased by the amount of the federal tax burden.	Washington	Tax will reduce 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: ACTR staff compilation from Commerce Clearing House, *State Tax Guide* (Chicago, 1992).

Table 36
State Alcoholic Beverage Excise Taxes: Rates, License States, November 1992

State	Beer	Wine	Distilled Spirits ¹	Other Taxes ²
Alaska	\$.35/gal	\$.85/gal	\$5.60/gal \$.85/gal under 21%	0%-7% local sales
Arizona	\$.16/gal	\$.84/gal 24% or less \$.25/8 oz over 24%	\$3.00/gal	5% state sales tax 0%-4.26% local sales tax
Arkansas	\$.16/gal 3.2% or less \$.23/gal over 3.2% \$.20/gal malt liquor \$.25/32 gal enforcement tax	\$.75/gal over 5% \$.25/gal coolers \$.05/case enforcement tax	\$2.50/gal over 21% \$1.00/gal over 5% but less than 21% \$.50/gal less than 5% \$.20/case over 21% \$.05/case less than 21%	4.5% state sales tax 0%-3% local sales tax 10% gross receipts tax (on-premise) 3% retail tax (off-premise wine and spirits) 4% additional gross receipts tax on-premise spirits
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	6% state sales tax 1.25%-2.25% local sales tax
Colorado	\$.08/gal	\$.27/gal non-native \$.47/gal native \$.04/gal surcharge	\$2.28/gal	3% state sales tax 1%-5% local sales tax
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%	6% sales tax
Delaware	\$.15/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 9% sales tax on-premise
Florida	\$.48/gal \$.04/12 oz on-premise	\$2.25/gal under 17.259% and coolers \$3.00/gal 17.259% and over \$3.50/gal natural sparkling \$.10/4 oz on-premise	\$2.25/gal over 0.5% but less than 17.259% \$6.50/gal 17.259-55.78% \$9.53/gal over 55.78% \$.10/oz on-premise	6% state sales tax 0%-1% local sales tax
Georgia	\$.69/gal including local taxes \$.095/12 oz including local taxes	\$2.35/gal 14% or less \$3.37/gal over 14% but less than 21%	\$4.62/gal proof or less \$6.14/gal over proof	4% state sales tax 0%-3% local sales tax 3% local optional excise tax on-premise
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

Table 36 (cont.)
State Alcoholic Beverage Excise Taxes: Rates, License States, November 1992

State	Beer	Wine	Distilled Spirits ¹	Other Taxes ²
Illinois	\$.07/gal \$.13/gal Cook County \$.19/gal Chicago	\$.23/gal 14% or less \$.60/gal over 14% \$.39/gal Cook County not over 14% \$.90/gal Cook County over 14% \$.38/gal Chicago not over 14% \$.75/gal Chicago over 14%	\$.23/gal not over 14% \$2.00/gal over 14% \$2.23/gal Cook County not over 14% \$4.00/gal Cook County over 14% \$.73/gal Chicago not over 14% \$2.50/gal Chicago over 14%	6.25% state sales tax 0%-1.75% 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) 5% state sales tax
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 8% enforcement tax 10% on-premise gross receipts tax
Kentucky	\$.08/gal	\$.50/gal not over 24% and wine coolers not over 15% \$.25/gal not over 6%	\$1.92/gal over 6% \$.25/gal 6% or less \$.12/container of 1/2 pint \$.05/case	6% state sales tax .5% local sales tax 9% wholesale tax 6% sales tax on-premise In-state production up to 300,000 barrels of spirits receives 50% tax credit
Louisiana	\$.32/gal \$.05/gal local tax	\$.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 \$.32/gal under 6%	4% state sales tax 0%-5.5% local sales tax
Maryland	\$.09/gal \$.21/gal Garrett County containers up to 40 oz. \$.07/gal Garrett County bulk containers over 40 oz.	\$.40/gal	\$1.50/gal less than proof \$.015/gal for each 1 proof over 100	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
Minnesota	\$.08/gal not over 3.2% \$.15/gal over 3.2%	\$.30/gal under 14% \$.95/gal 14% to 21% \$1.82/gal over 21% to 24% \$3.53/gal over 24% \$1.82/gal sparkling \$.01/bottle tax	\$5.03/gal \$.30/gal coolers \$.14/bottle miniatures	8.5% special alcohol sales tax in lieu of general sales tax 0.5%-1.5% local sales tax

Table 36 (cont.)
State Alcoholic Beverage Excise Taxes: Rates, License States, November 1992

State	Beer	Wine	Distilled Spirits ¹	Other Taxes ²
Missouri	\$.06/gal	\$.42/gal	\$2.00/gal	4.225% state sales tax 0%-3.25% local sales tax
Nebraska	\$.23/gal	\$.75/gal 14% or less \$1.35/gal over 14% \$.05/gal produced in farm wineries	\$3.00/gal	5% state sales tax 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%	6.5% state sales tax 0%-0.5% local sales tax
New Jersey	\$.12/gal	\$.70/gal	\$4.40/gal	6% state sales tax 9% Atlantic City sales tax
New Mexico	\$.18/gal	\$.95/gal \$.38/gal first 80,000 liters small domestic wineries \$.76/gal over 80,000 liters small domestic wineries	\$3.94/gal	5% state sales tax 0%-1.8125% local sales tax
New York	\$.21/gal \$.39/gal New York City	\$.19/gal still \$.95/gal sparkling \$.57/gal artificially carbonated \$.04/gal cider over 3.2% \$.09/gal additional New York City	\$.04/gal not over 2% \$2.54/gal over 2% but not over 24% \$6.44/gal over 24% \$1.50/gal additional New York City	4% state sales tax 0%-4.5% local sales tax
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
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 \$1.00/bottle enforcement tax on-premise wine and spirits \$1.00/case enforcement tax on-premise beer 12% gross receipts tax on-premise
Rhode Island	\$.09/gal \$.04/case wholesale tax	\$.60/gal still \$.75/gal sparkling \$.30/gal native	\$3.75/gal \$7.50/gal ethyl alcohol	7% state sales tax
South Carolina	\$.77/gal	\$.90/gal non-native and over 21% \$.05/gal 14% or less native \$.45/gal 14% to 21% native \$.18/gal additional	\$2.72/gal \$.25/bottle on miniatures \$1.81/case wholesale tax \$2.99/case retail tax \$.56/case additional tax	5% state sales tax 0%-1% local 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 \$3.93/gal over 14%	4% state sales tax 0%-3% local sales tax 2% wholesale tax spirits and wine

Table 36 (cont.)
State Alcoholic Beverage Excise Taxes: Rates, License States, November 1992

State	Beer	Wine	Distilled Spirits ¹	Other Taxes ²
Tennessee	\$.125/gal	\$1.10/gal	\$1.10/gal less than 7% \$4.00/gal over 7%	6% state sales tax 0%-2.75% local sales tax \$.15/case enforcement tax on spirits and wine 15% on-premise on spirits and wine 17% beer wholesalers' tax
Texas	\$.19/gal 4% and less \$.20/gal over 4%	\$.20/gal not over 14% \$.41/gal over 14% \$.52/gal sparkling	\$2.40/gal	6.25% off-premise or 14% on-premise state sales tax 1%-2% local sales tax \$.05/drink airline and train sales
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

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.

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 Delaware, Montana, and Oregon, exempt all liquor from sales taxes. Special taxes in lieu of sales tax are

used in Kansas, Minnesota, and North Dakota. Virginia exempts liquor sales through state stores. The following exempt off-premise sales: Florida, Kansas, Kentucky, Massachusetts, North Carolina, Oklahoma, Tennessee, Vermont, and Virginia. The following have different rates for on-premise and off-premise sales: Arkansas, District of Columbia, Maine, New Hampshire, and Texas.

Source: ACTR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1992); and Distilled Spirits Council of the United States, Inc., *Tax Briefs, 1992* (Washington, DC, 1992).

Table 37
State Alcoholic Beverage Excise Taxes:
Rates and/or Markup, and Method of Control¹, Control States, November 1992

State	Beer	Wine	Distilled Spirits	Other Taxes	Methods of Control
Alabama	\$1.05/gal (includes \$.52/gal local tax)	State stores: 62% retail markup or 17.9% markup to licensees \$.46/case freight 56% liquor tax Private outlets: \$1.64/gal non-native table \$.18/gal native	30% retail markup or 16.99% markup to licensees \$.46/case freight 56% liquor tax	4% state sales tax 2% special sales tax on state store sales additional 0%-5.5% 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: \$1.84/case freight 71.3% markup 14% or higher 43% markup less than 14% \$.35-\$1.70 bottle tax depending on bottle size Private outlets (less than 14%): \$.45/gal not over 4%	\$1.84/case freight \$.35-\$1.70 bottle tax depending on bottle size 71.3% 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	\$1.75/gal \$.19/gal coolers under 5%	State warehouse (wholesale only): 50% markup \$.50/case withdrawal charge \$.20/bottle split case charge Private outlets: \$.19/gal coolers under 5%	4% state sales tax 0%-1% local sales tax	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 7% 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) \$.25/case delivery charge 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 1992

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 3% alcoholism tax \$1.65/case freight Private outlets: \$.35/gal table \$.43/gal under 4%	24.5% markup \$2.50/gal 3% alcoholism tax \$1.65/case freight	6% state sales tax 6% wholesale tax	State monopoly of wholesale sales of alcoholic beverages over 4% by weight
Montana	\$.14/gal	State stores: \$.96/case freight 51% markup 750ml bottle 59% markup 375ml bottle 42% markup 1.5 liter bottle \$.12/bottle 750ml bottle \$.02/bottle 375ml bottle \$.27/bottle 1.5 liter bottle 26% excise (fortified) Private outlets: \$1.06/gal table	40% markup 26% excise tax (22.4% for distillers of less than 200,000 proof gallons) \$.96/case freight		State-operated retail stores and agencies sell spirits and wine Licensed retailers may sell table wine and beer
New Hampshire	\$.30/gal	State stores: 66% table 63% dessert and vermouth 61% sparkling 60% imported dessert and apertif Private outlets: \$.30/gal not over 6%	State stores: 47% cordials and cocktails 46.5% whiskey 46% rum, tequila, brandy, gin, vodka Private outlets: \$.30/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 \$.85/case bailment on spirits \$.60 bailment surcharge on spirits \$.10/bottle on spirits	4% state sales tax 0%-2% local sales tax	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 1992**

State	Beer	Wine	Distilled Spirits	Other Taxes	Methods of Control
Ohio	\$.11/gal \$.16/gal for bottles or cans 12 ozs or less	\$.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: \$.48/case handling charge 12.35% operating cost charge 42.86% markup 5% additional markup 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	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 \$1.10/case upcharge 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		Retail liquor stores operated by agents contracted with Oregon Liquor Control Commission Stores sell distilled spirits
Pennsylvania	\$.08/gal	27% markup 18% excise tax \$.54/bottle handling charge \$1.92/gal handling charge	27% markup 18% excise tax \$.54/bottle handling charge \$1.92/gal handling charge	6% state sales tax 0-3.25 mils local sales tax	State-owned retail stores sell spirits and wine Licensed retailers sell beer
Utah	\$.35/gal	61% markup \$.42/case warehouse out freight 13% school lunch tax	61% markup \$.42/case warehouse out freight 13% school lunch tax	5% state sales tax 0%-2.25% local sales tax	State monopoly of sales of alcoholic beverages Licensed retailers may sell beer under 4%
Vermont	\$.27/gal	State stores: 38% markup and excise combined imported 44% markup and excise combined American \$.05/bottle handling charge Private outlets: \$.55/gal not over 16%	State stores: 43% markup and excise combined vodka and tequila 16% markup alcohol \$.05/bottle handling charge	10% sales tax on-premise only	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 \$.02/bottle not over 7 ozs \$.0265/bottle 7-12 ozs \$.00222/bottle over 12 ozs	State stores: 50% markup \$1.52/gal 4% excise tax \$1.00/case handling charge Private outlets: \$1.52/gal not over 14% 4% alcohol or less taxed as beer	20% excise tax 46.5% markup \$1.00/case handling charge	4.5% sales tax on-premise only	State-owned retail stores sell spirits, ver- mouth, 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 1992**

State	Beer	Wine	Distilled Spirits	Other Taxes	Methods of Control
Washington	State stores (over 8%): 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	\$12.54/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%-1.7% local sales tax	Private retailers may sell only wine and beer State may sell all beverages
West Virginia	\$.18/gal	State warehouse: 25% markup \$1.05/case distribution Private outlets: \$1.00/gal	25% markup \$1.05/case distribution fee	6% state sales tax 5% local sales tax	West Virginia is in the process of privatizing state retail stores
Wyoming	\$.02/gal	17.6% markup \$.28/gal \$2.75/case freight	17.6% markup (only \$6 of FET subject) \$.91/gal \$2.75/case freight	3% state sales tax 0%-2% local sales tax	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 1992* (Washington, DC, 1992); Commerce Clearing House, *State Tax Guide* (Chicago, November 1992).

Table 38
Automobile Taxes and Fees, November 1992

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	\$15	\$15 (4 years) \$20 original	State and local at various rates	2.0%	—	Cities may have inspection stations
Alaska*	Auto Motorcycle	\$35 \$20	Additional local fees	\$5	\$10 (5 years)	Local	No tax	Range 1-7%	State troopers may inspect on need
Arizona*	Auto Motorcycle	\$8 \$9	Annual license tax maximum fee \$4 per \$100 of taxable value	\$4	\$7 (4 years)	Exempt	5%	Range 1-2%	Emissions, \$5.40, annual
Arkansas*	Auto by weight Motorcycle	\$17-\$30 \$3-\$7		\$5	\$14.25 (4 years)	State	4.5%	County 1%	Safety, annual
California*	Auto and motorcycle	\$27	Annual license fee, 2% of market value	\$9	\$12 (4 years)	License fee in lieu of property tax	6%	1.25-2.25%	Emissions, 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	\$31 renewal (4 years) \$24.75-\$38 original	Local	6%	No tax	Emissions, annual
Delaware*	Auto Motorcycle	\$20 \$10	2% of net cost motor vehicle document fee	\$4	\$12.50 (5 years)	Exempt	No sales tax		Annual, no fee
District of Columbia*	Auto by weight Motorcycle	\$55-80 \$30	Title issuance excise tax	\$20	\$20 (4 years)	Exempt	Titling issuance excise tax is in lieu of sales tax		Safety, \$10, annual Emissions, annual, no fee
Florida	Auto Motorcycle	\$22.60-\$38.60 \$17.60		\$7.25	\$20 (4 years)	Exempt	6%	1-2%	Emissions, annual, local
Georgia*	Auto and motorcycle	\$8		\$5 Transfer \$6	\$4.50 (4 years)	State and local	4%	0-1%	Emissions, annual, certain counties
Hawaii* ¹	Auto and motorcycle	\$20	Annual vehicle weight tax	\$2-\$3	\$8.50-\$12 (4 years)	Exempt	4%	No tax	Safety, \$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%	Emissions, Chicago area, no fee

Table 38 (cont.)
Automobile Taxes and Fees, November 1992

State	Registration Fee	Other Fees	Certificate of Title	Operator's License	Property Tax	Sales Tax on Purchase		Inspection	
						State	Local		
Indiana*	Auto Motorcycle	\$12.75 \$12.75	Annual vehicle excise tax Annual county surtax	\$5	\$6 (4 years)	Excise tax in lieu of property tax	5%	No tax	Emissions, certain counties
Iowa*	Auto by weight and age and motorcycle	\$20		\$10	\$16 (4 years)	Motor vehicle fee 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%	—	None
Louisiana	Auto and motorcycle	\$1 per \$1,000 of purchase price		\$19	\$18 (4 years)		4%	Parish and city 0.5-5%	Safety, \$10, annual
Maine*	Auto Motorcycle	\$22 \$18	Annual excise tax	\$10	\$20 (4 years)	Municipal excise tax in lieu of property tax	6%	No tax	Safety, \$6, annual
Maryland	Auto by weight Motorcycle	\$27-\$40.50 \$18.50	5% excise tax at time of purchase	\$1	\$6 (4 years) \$20 original	Exempt	Excise tax in lieu of sales tax		Emissions in metro areas
Massachusetts*	Auto (biennial) Motorcycle	\$40 \$25	Annual motor vehicle excise tax	\$50	\$35 (5 years)	Motor vehicle excise tax 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	Individual inspection on reasonable grounds
Minnesota*	Auto: regular tax = \$10 + 1.25% of a base value equaling a percentage of manufacturer's suggested retail price Motorcycle	\$10	Excise tax 6.5% (at time of purchase)	\$2	\$12 (4 years)	Exempt	Excise tax in lieu of sales tax	—	Municipalities may inspect
Mississippi*	Auto Motorcycle	\$15 \$8		\$2.50	\$13 (4 years)	State	3%	No tax	Safety, \$5, annual
Missouri*	Auto by horsepower Motorcycle	\$18-\$51 \$8.50	Transportation sales tax	\$8.50	\$8.50 (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 2-3% of trade-in value	1.5%	—	None
Nebraska*	Auto Motorcycle	\$17.50 \$7.00	Additional fees \$2.50 (each year)	\$6	\$10 (4 years)	Local	5%	0.5%-1.5%	None

Table 38 (cont.)
Automobile Taxes and Fees, November 1992

State	Registration Fee		Other Fees	Certificate of Title	Operator's License	Property Tax	Sales Tax on Purchase		Inspection
							State	Local	
Nevada*	Auto and motorcycle	\$33	Annual privilege tax	\$20	\$20.50 (4 years)	Privilege tax 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	\$32 (4 years)	Municipal fee in lieu of property tax	No sales tax		Safety, annual; emissions in certain counties, \$10, annual
New Jersey ¹	Auto by weight and age Motorcycle	\$16.50-\$52.50 \$12.50	Temporary additional registration fee	\$5	\$17.50 (4 years)	Exempt	7%	No tax	Safety, annual
New Mexico	Auto by weight and age Motorcycle	\$18-\$44 \$11	Excise tax 3% (at time of purchase)	\$5.30	\$10 (4 years)	Exempt	Excise tax in lieu of sales tax		Emissions, Bernalillo County, biennial
New York ¹	Auto by weight Motorcycle	\$.75/100 lbs. up to 3,500; \$1.125 per each additional 100 lbs. \$10	\$15 additional for New York City residents	\$5	\$17.50 (4 years)	Exempt	4%	Cities and counties 0-4.25%	Safety, \$10, annual; emissions, \$17, annual (in 9 downstate counties)
North Carolina	Auto Motorcycle	\$20 \$9	Annual highway use tax	\$35	\$10 (4 years)	Local	Highway use tax in lieu of sales tax		Safety, annual
North Dakota*	Auto by weight and age Motorcycle	\$25-250 \$21	Excise tax 5%	\$5	\$10 (4 years)	No tax	Excise tax in lieu of sales tax		Random, no fee
Ohio ¹	Auto Motorcycle	\$20 \$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 Motorcycle	\$17.75 \$17.75	Excise tax	\$11	\$14 (4 years) \$18 original	Exempt	Excise tax in lieu of sales tax		\$5, annual
Oregon	Auto (biennial) Motorcycle (biennial)	\$30 \$9		\$26.25	\$15 (4 years) \$32 original	Exempt	No sales tax		Emissions in Portland metro area, Jackson County, and Multnomah County, biennial
Pennsylvania*	Auto Motorcycle	\$24 \$12		\$15	\$22 (4 years)	Exempt	6%	No tax	Emissions in certain cities, annual
Rhode Island*	Auto Motorcycle	\$30 \$13	Annual excise tax	\$10	\$30 (5 years) \$12 original	Local	7%	No tax	Safety and emissions, \$12, annual

**Table 38 (cont.)
Automobile Taxes and Fees, November 1992**

State	Registration Fee	Other Fees	Certificate of Title	Operator's License	Property Tax	Sales Tax on Purchase		Inspection
						State	Local	
South Carolina	Auto Motorcycle	\$12 \$5		\$5	\$10 (4 years)	Local	5% No tax	Safety, \$3, annual
South Dakota*	Auto by weight Motorcycle	\$20-\$100 \$7.50-\$10	Excise tax 3%	\$5	\$6 (4 years)	Exempt	Excise tax in lieu of sales tax	None
Tennessee*	Auto Motorcycle	\$26.25 \$15	Wheel tax	\$6.50	\$14 (4 years)	Local	7.75% County 1-2.75%	Safety and emissions, certain cities
Texas ¹	Auto by weight and age Motorcycle	\$40.50-\$58.50 \$30.75	\$.30 reflectorized fee	\$13	\$16 (4 years)	Local	6.25% 6%	Safety and emissions, \$8.50, annual
Utah ¹	Auto Motorcycle	\$12 \$7.50		\$6	\$15 (5 years)	Local	5% County 0-2.25%	Safety, \$10, annual; emissions, Davis, Salt Lake, and Utah counties
Vermont	Auto Motorcycle	\$42 \$20		\$10	\$20 (4 years)	Exempt	5% No tax	Safety, annual
Virginia*	Auto Motorcycle	\$26-\$31 \$24		\$10	\$12 (5 years)	Local	3% No tax	Safety, up to \$10, annual; emissions, up to \$13.50, annual
Washington ¹	Auto original renewal Motorcycle	\$27.95 \$25.85 \$27.85	2.2% annual excise tax plus \$5 filing fee	\$4.25	\$14 (4 years)	Annual excise tax 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 Motorcycle	\$27.50-\$38.50 \$13.50	Titling tax 5% (at time of purchase)	\$5	\$10.50 (4 years)	Local	Titling tax in lieu of sales tax	Safety, \$7, annual
Wisconsin	Auto Motorcycle	\$40 \$20		\$5	\$15 (4 years)	Exempt	5% —	Emissions in certain counties, annual
Wyoming*	Auto Motorcycle	\$15 \$5	Annual county tax	\$6	\$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; New Jersey, \$2.40; New York, \$5.00; Ohio, \$2.00; Texas, \$.60; Utah, \$4.00; Washington, \$3.00; and West Virginia, \$1.50.

Table 38 (cont.)
Automobile Taxes and Fees, November 1992

*State Notes

Alabama	Sales Tax	All new title licenses on passenger vehicles may also be subject to county and city taxes.
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.
Arizona	Inspection 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. Sales tax applies to new or used vehicles with a selling price of \$2,000 or more; additional 1% local tax due in some areas. Tax on used cars only if car was not previously registered in the state.
California	Registration Fee	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, additional \$1 fee for auto theft deterrence for specified counties.
Colorado	Registration Fee Other Fees	Additional fees depending on age of vehicle: \$12, 0-6 years; \$10, 7-9 years; \$7, 10+ years. Annual specific ownership tax based on first year of service at 2.1% to tenth year at \$3.
Connecticut	Property Tax Inspection	Local property taxes levied at 70% of assessed valuation, based on the State Valuation Book. Mill rates vary among communities. Inspections are required on automobiles 10 years or older that are changing ownership, or on out-of-state vehicles registered in Connecticut for the first time.
District of Columbia	Other Fees	Title insurance 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, Clayton, and Gwinnett counties require annual emissions inspection.
Hawaii	Other Fees	Vehicles under 4,001 lbs subject to \$.075 per pound weight tax; 4,001-7,000 lbs., \$1.00/lb.; 7,001-10,000 lbs., \$1.25/lb.; over 10,000 lbs., \$1.50 plus county weight taxes. County weight taxes are additional, ranging from \$.005/lb to \$.0125/lb.
Indiana	Other Fees	Vehicle excise tax \$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 5 model years old, that part of the fee based on the value shall be 75% of the rate as fixed when new; 50% after 6 model years; 10% after 7 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, and 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 of \$.90 per 100 lbs. 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	\$10 tax plus tax equal to 1.25% of the base value. Tax reduced every 2 years based on depreciated scale, \$35 minimum.

Table 38 (cont.)
Automobile Taxes and Fees, November 1992

***State Notes (cont.)**

Missouri	Property Tax	State personal property tax, paid to local county or township.
	Inspection	Vehicles registered in St. Louis City and St. Charles, St. Louis, and Jefferson counties are subject to an emissions inspection fee of \$4.50.
	Other Fees	Cities of over 400,000 population may impose transportation sales tax of .5% on sales of personal property or taxable services.
Montana	Registration Fee	Includes \$.50 fee per registration for weed control. Cars weighing 2,850 lbs. or under, \$10.25; over 2,850 lbs., \$15.25. Additional \$1 imposed for implementation of a statewide motor vehicle computer system.
	Sales Tax	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.
	Property Tax	2% of market value (blue book value). Counties may impose an additional .5% personal property tax.
Nebraska	Registration Fee	Includes \$2.50 collected by the county treasurer.
	Property Tax	Valuation is by the state, and assessment and taxation are local.
Nevada	Other Fees	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. Supplemental privilege tax of additional \$.01 authorized in Clark County and by local ordinance.
	Sales Tax	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	Local municipal permit fee based on year of manufacture and valuation. Rates: 18 mills, current year vehicles; 1 year old, 15 mills; 2 years, 12 mills; 3 years, 9 mills; 4 years or older, 6 mills. \$5 minimum.
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.
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	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 5 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	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 \$0e 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, 1992); and American Automobile Association, *1992 Digest of Motor Laws* (Heathrow, Florida, 1992).

Table 39
State Severance Taxes: Rates and Bases, November 1992

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)	\$2.45 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	\$0.025028 per barrel of oil and \$0.025028 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

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1992

State	Product	Rate
Florida*	Oil	8% of gross value; 5% of gross value for small well oil and tertiary oil; 12.5% additional for escaped oil
	Gas	\$.126 per MCF
	Sulfur	\$2.37 per ton
	Solid minerals	5% of market value, except phosphate rock (\$1.57 per ton) and heavy minerals (\$1.66 per ton)
Georgia	Phosphates	\$1.00 per ton
Idaho*	Ores	2% of net value
	Oil and gas	\$.005 per barrel of oil or per 50,000 cubic feet of gas; additional 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 \$.0043 per MCF of gas
	Coal	\$1.00 per ton
Kentucky	Oil and coal	4.5% of market value (minimum tax for coal is \$.50 per ton severed)
	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; \$.005 per ton (for use in manufacturing)
	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	\$.10 per MCF
Oil	12.5% of the higher of (1) gross receipts less transportation expenses or (2) the posted field price	
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	6% of market value
	Oil	7.6% of market value; 5% of market value for stripper well crude oil and crude oil from marginal properties
Minnesota**	Net proceeds from mining	2% of market value
	Taconite (iron sulphide and agglomerates)	\$2.054 per ton (\$.05 per ton for agglomerates)
	Semi-taconite and agglomerates	\$.10 per ton (\$.05 per ton for agglomerates)

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1992

State	Product	Rate
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	
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, silver, and platinum	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%	
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 and gas	7.08% of market value
Gold and silver	0.2% of market value	

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1992

State	Product	Rate
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	\$.0407 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
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 gross receipts for the first \$50 million and 1% over \$50 million 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	\$1.03 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*	Gas	3.2% of value up to and including the first \$1.50 per MCF and 5.2% over \$1.50 per MCF
	Oil	3.2% of value up to and including the first \$13 per barrel and 5.2% over \$13 per barrel
	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	\$.00786 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

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1992

State	Product	Rate
Virginia (cont.)	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	4% 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	4% of market value
Wisconsin	Metalliciferous 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
		15% greater than \$25,000,000
Wyoming	Oil and gas	7% of market value
	Oil and gas	0.4% of market value
	Uranium	5.5% of market value
	Underground coal	7.25% of market value
	Surface coal	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.

Table 39 (cont.)
State Severance Taxes: Rates and Bases, November 1992

***State Notes (cont.)**

Colorado	All products	A credit is allowed against severance taxes for which first severance was after 6/30/79, or for increased production after 6/30/80.
	Coal	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.
	Oil and Gas	Includes a conservation tax of .11% and additional surcharge of .02%.
Florida	Solid minerals	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.
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	Gas	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.
Minnesota	Mining	Excludes sand, silica, gravel, crushed rock, building stone, limestone, granite, dimension granite, horticultural peat, clay, soil, iron ore, and taconite deposits.
	Taconite	Additional tax of 10¢ per ton on tailings produced by mining and quarrying not in accordance with the Pollution Control Agency and Department of Natural Resources
Mississippi	Oil and gas	For wells drilled after January 1, 1969, 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 from wells less than 12 feet deep.
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.
	All products	Additional 7% surtax required.
	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 0.5% of gross value (4% for talc; 0.4% for coal; 2% for vermiculite) over \$5,000 is imposed under the resource indemnity trust tax. Taxpayers paying the metal mines tax are exempt.
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, 1967, 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 1992).

Table 40
State Property Tax Relief Programs: Summary
 (Generally, Laws in Effect for 1992)

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), 5,000 AV (B,D,EH)
Alaska					DV,EHR,W	10,215	150,000 AV (AH)
Arizona	AR,EH	181,661	3,750/5,500 ^a EH 25,000 AR	70.15	D,W		See state notes, Table 42
Arkansas	EH	33,381	15,000	118.34	EH,V,W		See state notes, Table 42
California	B,DHR,EHR	196,994	13,200	92.18	AH,DV	4,794,810 (AH)	7,000 (AH), 100,000 AV (DV)
Colorado	DHR,EHR	43,041	7,500/11,200 ^a	336.00			
Connecticut	DHR,EHR	63,000	19,400/23,800 ^a	420.00	D,DV	259,200	1,000 AV (D), 1,500-\$30,000 AV (DV)
Delaware			Locally financed		D,LIE	n.a.	Varies by county (Kent, 18,000 maximum)
District of Columbia	AHR,EHR, DHR,	26,902	20,000	329.00	AH	91,500	30,000 AV
Florida					DV	3,143,459	25,000 AV (AH), Total (DV)
Georgia					AH,LIE,V	n.a.	2,000 AV
Hawaii	AR	118,123	30,000	49.27	AH,B,D,DV,EH	n.a.	40,000-120,000 AV, varies by county
Idaho	B,D,DV,EH, O,W	21,222	15,920	284.18	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), 5,500 AV (EH), 50,000 AV (DV)
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	AHR,D, EHR,LI	45,260	17,200	192.00			
Kentucky					D,EH	n.a.	20,300 AV
Louisiana					AH	1,006,562	7,500 AV
Maine ^a	AHR/EHR	59,071	8,400-62,800	358.51	B,DV	44,973	5,000-47,500 AV (DV), 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	460,000	35,000 renters 60,000 homeowners	290.00	AH	1,175,211	n.a.
Mississippi					AH,D,EH	753,000	6,000 AV
Missouri	EHR	68,600	15,000 ^a	262.00			
Montana	EHR	17,289	None	236.56	DV,LI	9,369	80,000 (LI), total (DV)
Nebraska					D,DV,EH	51,535	35,000
Nevada	EHR	12,550	19,000	210.00	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), 15,000 AV (B)

Table 40 (cont.)
State Property Tax Relief Programs: Summary
 (Generally, Laws in Effect for 1992)

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 Jersey	AHR	2,000,000	100,000	n.a.	D,DV,EH,V,W	553,610	\$50 (V), \$250 (other eligible)
New Mexico	EHR	27,535	16,000	141.74	AH,V	275,555	1,400 AV
New York	AHR	543,673	18,000	93.00	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	8,611	13,000	290.00	B,D,DV	n.a.	5,000-10,000 Taxable value
Ohio	D,EH	281,645	16,500	199.17			
Oklahoma	D,EH	3,387	10,000	117.45	AH,V	722,969	1,000 AV
Oregon	ER	11,372	10,000	560.00	DV	n.a.	7,500 AV or 10,000 AV
Pennsylvania	DHR,EHR,W	422,355 ^b	15,000	257.32 ^c	B,D,DV	n.a.	Total
Rhode Island	DHR,EHR	3,836	12,500	170.28			
South Carolina					B,D,DV,EH	285,187	20,000 FMV (B,D,EH), total (DV)
South Dakota	DHR,EHR	7,007	9,000/12,000	142.71			
Tennessee	DV,LID,LIE	65,630	8,200	89.78			
Texas					AH,D,DV,EH	n.a.	20% AV
Utah	EHR	n.a.	17,325	n.a.	B,DV	n.a.	11,500 (B), 30,000 Taxable value (DV), up to 50% of tax (EH)
Vermont	AHR	42,461	45,000	518.33	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	200,000	20,000 AV
Wisconsin	AHR	248,249	19,154	425.00	AH	1,220,000	9,150 Full value
Wyoming	DHR,EHR	9,181	10,000/14,000 ^d	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
 AV—assessed value
 B—blind
 D—disabled homeowners
 DV—disabled veterans

DHR—disabled homeowners and renters
 EH—elderly homeowners
 EHR—elderly homeowners and renters
 ER—elderly renters
 FMV—fair market value
 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
 n.a.—not available

Source: ACTR staff compilations based on information from state departments of revenue (Fall 1992) and on Tables 41 and 42.

Table 41
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1992)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (total in 000s)
Arizona* 1991	1973 Revised: 1977, 1981, 1984, 1990	Homeowners 65 and over (25,024) Renters (156,637)	\$3,750/single \$5,500/married (excludes Social Security income) \$25,000	Maximum tax credit is \$502 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. Tax credit allowed on 5% of rent. Maximum credit \$48.	State income tax credit or rebate	Homeowners \$265.94 [\$6,655] Renters \$38.87 [\$6,088]
Arkansas 1992	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	\$118.34 [\$3,950]
California 1992	1967 Revised: 1971, 1973, 1977, 1978, 1979, 1984, 1989	Homeowners and renters 62 and over, totally disabled, or blind Homeowners (33,718) Renters (163,276)	\$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 \$79.88 [\$2,693] Renters \$85.78 [\$14,006]
Colorado* FY 1991-92	1971 Revised: 1972, 1973, 1974, 1975, 1977, 1978, 1980, 1987, 1990, 1991	Homeowners and renters 65 and over, disabled or surviving spouse 58 and over (43,041)	\$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 and 10% of rent equals heat expense)	State rebate	\$336.00 [\$14,462]
Connecticut* 1991	1974 Revised: 1980, 1981, 1984, 1985	Homeowners and renters 65 and over, surviving spouse 50 and over, and totally disabled Homeowners (36,236) Renters (26,772)	\$19,400/single \$23,800/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 \$449.52 [\$16,516] Renters \$385 [\$11,400]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
(Generally, Laws in Effect for 1992)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (total in 000s)
District of Columbia 1992	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	\$292.00 [\$4,386]
		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 [\$4,468]
Hawaii* 1991	1977 Revised: 1981, 1984, 1989, 1990	All renters (118,123)	\$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	\$49.27 [\$5,819]
Idaho 1992	1974 Revised: 1976, 1978, 1980, 1982, 1991, 1992	Homeowners age 65 and over, widows, widowers, former POWs, blind, disabled, fatherless children under 18 (21,222)	\$15,920 (exclude capital gains income)	Relief ranges from lesser of \$600 or actual taxes for those with incomes \$6,390 or less, to the lesser of \$75 or taxes for those with incomes less than \$15,920. Brackets adjusted annually with COLA based on Social Security increase.	Reduction of tax bill	\$284.18 [\$6,031]
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	\$272.00 [\$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 [\$10,737]

Table 41 (cont.)
 State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1992)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (total in 000s)
Kansas 1992	1970 Revised: 1972, 1973, 1975, 1978, 1983, 1989, 1990, 1992	Homeowners and renters 55 and over, disabled, blind having a dependent or child under 18 (50,397)	Effective ceiling is \$17,200. 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. Maximum refund is \$600. (15% of rent equals tax equivalent)	State rebate	\$196.00 [\$8,700]
Maine* FY 1992	1971 Revised: 1973, 1974, 1977, 1981, 1985, 1987 1989, 1991	Homeowners and renters 62 and over, disabled surviving spouse 55 and over (20,289) Other homeowners and renters (38,782)	\$8,400/single \$10,500/married (gift and life insurance proceeds of \$5,000 or less, food stamps, fuel assistance, exempt) \$62,800 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 \$3,000. (15% of rent equals tax equivalent)	State rebate	<i>Elderly</i> \$369.37 [\$7,494] <i>General</i> \$352.83 [\$13,683]
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 relief</i> 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' relief</i> , 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 [\$45,000] <i>Renters</i> \$278 [\$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 [\$773,555]
Minnesota* FY 1991	1967 Revised Periodically: 1973-90	All homeowners and renters (460,000)	\$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	\$290.00 [\$133,500]
Missouri* 1992	1973 Revised: 1975, 1977, 1979, 1983, 1985, 1988	Homeowners and renters 65 and over (68,600)	\$15,000	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	\$262.00 [\$17,973]
Montana 1990	1981 Revised: 1983, 1987, 1989	Homeowners and renters 62 and over (17,289)	None	Credit is based on a percentage ranging from 0.006-0.05 multiplied 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	\$236.56 [\$4,090]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1992)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit [total in 000s]
Nevada* 1991	1973 Revised: 1975, 1977, 1979, 1981, 1983, 1985, 1987, 1989, 1991	Homeowners and renters 62 and over (12,550)	\$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	\$210.00 [\$2,636]
New Jersey* 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.
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 [\$3,903]
New York* 1989	1978 Revised: 1981, 1982, 1985	All homeowners and renters (543,673)	\$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	\$93.00 [\$50,800]
North Dakota* FY 1992	1969 Revised: 1973, 1975, 1977, 1979, 1981, 1983, 1985, 1989, 1991	Homeowners age 65 and over or disabled (7,029)	\$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.	Reduction of tax bill	<i>Homeowners</i> \$317.25 [\$2,230]
		Renters 65 and over or disabled (1,582)	\$13,000	<i>Renters:</i> Property tax in excess of 4% of income is refunded. Maximum relief is \$230. (20% of rent equals tax equivalent)	State rebate	<i>Renters</i> \$95.83 [\$151]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1992)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (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 [\$6,094]
Oklahoma 1991	1974 Revised: 1979, 1980, 1984, 1988	Homeowners 65 and over or disabled (3,387)	\$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	\$117.45 [\$398]
Oregon* 1990	1971 Revised: 1973, 1977, 1979, 1985, 1986, 1991	Renters age 58 and over (11,372)	\$10,000 (allows adjustments listed on lines 25-29 on Form 1040 and excludes home medical care benefits)	Elderly Rental Assistance (ERA) program refunds the portion of rent and utilities costs, limited to \$2,100, that exceed 20% of house hold income. Renters age 58 and over with household income \$10,000 or less are eligible.	State rebate	\$560.00 [\$6,365]
Pennsylvania 1991	1971 Revised: 1973, 1979, 1981, 1985, 1991	Homeowners and renters 65 and over or disabled 18 and over, widows and widowers 50 and over (422,355) 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)	State rebate	<i>Homeowners and Renters</i> \$257.32/ household [\$108,681]
Rhode Island 1991	1977 Revised: 1988	Homeowners and renters, 65 and over, or disabled (3,836)	\$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	\$170.28 [\$653]
South Dakota* FY 1991	1976 Revised: 1978, 1982, 1988	Homeowners and renters 65 and over, disabled homeowners and renters (7,007) (425 received property tax refund; 6,532 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 [\$1,000]

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1992)

State ¹	Date of Adoption	Beneficiaries (number of beneficiaries)	Income Ceiling	Description of Program	Form of Relief	Average Benefit (total in 000s)
Tennessee* FY 1992	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 \$8,200; 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	\$89.68 [\$7,026]
Utah* 1991	1977 Revised; 1987, 1988, 1989, 1991	Homeowners and renters 65 and over, widowed persons (n.a.)	\$17,325	Homeowner rebates range from \$450 for incomes under \$5,875 to \$50 for incomes between \$15,601 to \$17,325. Renters receive between 2.5%-9.5% of rent as credit for the previous year within the same income limits. Not to exceed \$450.	State rebate	n.a. n.a.
Vermont 1992	1969 Revised: 1971, 1973, 1983, 1985, 1991	All homeowners and renters (full-year residents) (42,461)	\$45,000	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)	\$518.33 [\$22,010]
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.
Wisconsin* FY 1992	1964 Revised: 1971, 1973, 1977, 1979, 1981, 1983, 1984, 1986, 1989	All homeowners and renters (248,249)	\$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	\$425.00 [\$105,505]
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.

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.

Table 41 (cont.)
State Property Tax Relief Circuit Breaker Programs
 (Generally, Laws in Effect for 1992)

*State Notes

Arizona	The renters' credit is phased out for 1992.	New York	The low-income renters' credit does not apply to renters in public subsidized housing.
Colorado	A 1991 law (effective April 11, 1991) authorizes any entity that levies and collects property taxes on real property to create tax work-off programs for taxpayers age 65 and older, if the taxes are levied and owed on owner-occupied property not used for income purposes. Hours of work must be based on a calculation of amount of taxes due divided by the federal minimum hourly wage.	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.
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.	Ohio	Numerical data (e.g., number of beneficiaries) refers to 1989; however, the description of the program and income ceilings refer to current law.
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.	Oregon	Low-income senior citizens (age 58 and over with income under \$10,000) are provided optional rental and utility assistance. Homeowners and Renters Relief Program (HARRP) was discontinued for tax year 1991. It was replaced with the Elderly Rental Assistance (ERA) program.
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.	Pennsylvania	As a result of legislation enacted in August 1991, the "inflation dividend" was eliminated beginning with claim year 1990.
Indiana	The state also offers a program for all renters, which provides for a maximum \$1,500 deduction on state income taxes.	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.
Maine	If an elderly person qualifies for a larger refund under the general program, the larger amount is refunded.	Tennessee	Certain individuals receive relief from two sources, producing 90,210 claims.
Minnesota	A separate credit is allowed to homeowners with a tax increase of more than 10% over the previous year. For taxes payable in 1993, the credit is 75% of the first \$300 increase over 10% plus 90% of the increase over \$275. The minimum increase is \$80. Maximum refund in 1993 is \$1,500.	Utah	Starting 1/1/90, the household income and credit shall be adjusted for COLA. Cost and benefit figures are for 1992. Other county-financed programs exist for veterans, blind, and indigent persons.
Missouri	In 1993, disabled veterans will be added to the program.	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.
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.	Wisconsin	Numerical data (e.g., number of beneficiaries, average benefit) refer to FY 1992. However, the description of the program and income ceilings refer to claims for 1990 and after, that are filed in 1991 and thereafter.
New Jersey	The Homestead Property Tax Rebate Program replaces former property tax relief programs.		

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

Table 42
State Property Tax Homestead Exemptions and Credits
 (Generally, Laws in Effect for 1992)

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* 1992	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 (9,246) Renters with identical characteristics as homeowners (970)	\$150,000 AV (1,037) See note (769)	\$9,585 n.a.	(\$2,558) (\$745) Reimbursement directly to applicant
Arizona* 1992	Widows, widowers, disabled	\$2,340 (1,749)	\$161.3	None
Arkansas* 1992	Disabled veterans, unmarried surviving spouses, and minor dependent children	Entire homestead up to 80 rural acres and 1/4 acre in city	n.a.	n.a.
California* PTY 1992-93	All (4,794,810) Disabled veterans and dependents (8,720)	\$7,000 of full cash value if owner-occupied principal residence \$100,000 AV	\$361,800 \$6,070	Full (\$361,800) None
Connecticut* 1992-93	Disabled (11,200) Disabled veterans and dependents (248,000)	\$1,000 AV \$1,500-\$30,000 depending on disability	\$418 \$18,500	\$500 Partial (\$8,373)
Delaware 1992	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* 1992	All owner-occupants with not more than 5 dwelling units (81,500)	\$30,000 AV (276.04)	\$22,497	n.a.
Florida* 1991	All (3,143,459)	\$25,000 AV Up to value of \$500; total exemption for some disabled	\$1,600,000	None
Georgia* 1991	All Elderly 62 and over with income less than \$10,000 Disabled veterans and dependents (n.a.)	\$2,000 AV \$4,000 AV, \$1,000 AV on local education assessment \$47,500 AV	n.a.	None

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits
 (Generally, Laws in Effect for 1992)

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* 1991	All Elderly Blind, disabled, and Hansen's disease sufferers Disabled veterans and dependents (n.a.)	\$40,000 AV on owner-occupied principal home \$60,000-\$120,00 AV depending on county \$25,000 AV to full exemption depending on county Total exemption if owner-occupied	n.a.	None (county 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 real property AV \$24,000	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 \$1,000 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 (43,516) Blind (1,457)	WWI veterans \$7,000 AV, paraplegics \$47,500 AV, other vet- erans \$5,000 AV Blind \$4,000 AV	\$3,665 \$76	Partial (\$508,923)
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
 (Generally, Laws in Effect for 1992)

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* FY 1992	<p>All</p> <p>Elderly (over age 70) owner-occupants with total estate less than \$20,000 (\$40,000 for communities which have adopted local option statutes) and surviving spouses and minors (19,873)</p> <p>Certain veterans, disabled veterans, and dependents (54,445)</p> <p>Blind (5,033)</p> <p>Surviving spouses and minors of a police officer or fire fighter killed in the line of duty (166)</p> <p>Elderly with low income or low total estate (33,075)</p> <p>Paraplegics (352)</p> <p>Hardship (1,080)</p>	<p>With city or town approval, 20% of average AV deducted on principal residence \$2,000 in value or \$175 in taxes, whichever is greater</p> <p>\$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</p> <p>Maximum \$500</p> <p>Full Based on assessor's judgment</p>	n.a.	<p>Partial:</p> <p>The state reimbursement for elderly exemptions (\$500) is \$15 million</p> <p>The state reimbursement for veterans, paraplegics, the blind, surviving spouses, and the elderly (\$175) is \$5.2 million</p>
Michigan 1989	Disabled veterans with specially adapted housing	Total exemption	n.a.	None
Minnesota* 1991	All (1,175,211)	Homestead aid to local governments (n.a.)	n.a.	Full (\$545,000)
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 \$12,974 single or \$15,569 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	\$1,500	None
Nebraska* 1992	Elderly homeowners Disabled Veteran disabled by a nonservice connected accident or illness Totally disabled veteran and unmarried surviving spouse (51,535)	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 (\$591)	\$30,440	Full (\$30,440)

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits
 (Generally, Laws in Effect for 1992)

State ¹	Eligible Homesteaders (number receiving exemption)	Maximum Value of Exemption (average benefit)	Total Revenue Loss (000s)	State Reimbursement of Local Government (cost, 000s)
Nevada 1989	Widows, orphans, veterans Blind Disabled veterans	\$1,000 AV \$3,000 AV \$10,000 AV	n.a.	n.a.
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 \$50-1,400 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 (209,500) Veterans and unmarried surviving spouse (65,975)	\$1,400 AV (36.71) \$2,000 AV (367.17)	\$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* 1991	Blind, disabled, disabled veterans	\$5,000-10,000 taxable value	n.a.	None
Oklahoma 1992	All (688,526) Heads of household with gross income \$10,000 or less (34,443)	\$1,000 AV (79.02) Additional \$1,000 AV (368.05)	\$54,239 \$2,400	None Full (\$2,400)
Oregon* 1991-92	Disabled veterans or widows of veterans Service-connected disabled veterans or widows (29,196)	\$7,500 AV \$10,000 AV	5,730	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		

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits
 (Generally, Laws in Effect for 1992)

State ¹	Eligible Homesteaders (number receiving exemption)	Maximum Value of Exemption (average benefit)	Total Revenue Lost (000s)	State Reimbursement of Local Government (cost, 000s)
South Carolina 1992	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)	\$42,704	Full (\$42,704)
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 1992	Disabled veterans, blind or their unmarried surviving spouse or minor orphans (n.a.)	\$11,500 taxable value real and personal property Veterans real and personal property, including business property, maximum \$30,000 taxable value, based on percentage of disability	n.a.	None
Vermont* 1992	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 Towns may increase amount of exemption to \$20,000 under local option	\$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 1993	All homeowners (1,220,000)	School tax rate times the 1st \$9,150 of value of owner-occupied residential property (\$167)	\$203,700	Full (\$203,700)
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

**Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits
(Generally, Laws in Effect for 1992)**

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.

[†]The 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

***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 mentally ill 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.	Hawaii	gross household income and total deferred taxes and interest, plus any other liens, may not exceed 85% of homestead's value.																																	
		Idaho	Each county is authorized to enact its own homestead exemption.																																	
		Indiana	All owner-occupied principal residents qualify.																																	
		Kentucky	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. 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.																																	
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).	Louisiana	Homestead exemption does not apply to municipal taxes, except in Orleans Parish, or to municipal taxes levied for school purposes.																																	
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).	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.																																	
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 not used for commercial purposes.	Minnesota	The new "homestead and agricultural credit aid" paid to local governments replaces the former homestead credit and agricultural credits.																																	
California	1992 estimated figures.	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:																																	
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.		<table border="1"> <thead> <tr> <th data-bbox="1378 1073 1534 1097">Income Single</th> <th data-bbox="1634 1073 1810 1097">Income Married</th> <th data-bbox="1896 1049 2013 1097">Percentage Multiplier</th> </tr> </thead> <tbody> <tr> <td data-bbox="1400 1097 1513 1122">\$0-\$1,297</td> <td data-bbox="1655 1097 1789 1122">\$0-\$1,557</td> <td data-bbox="1927 1097 1981 1122">0%</td> </tr> <tr> <td data-bbox="1400 1122 1534 1146">\$1,298-\$2,595</td> <td data-bbox="1655 1122 1810 1146">\$1,558-\$3,114</td> <td data-bbox="1927 1122 1981 1146">10%</td> </tr> <tr> <td data-bbox="1400 1146 1534 1170">\$2,596-\$3,892</td> <td data-bbox="1655 1146 1810 1170">\$3,115-\$4,671</td> <td data-bbox="1927 1146 1981 1170">20%</td> </tr> <tr> <td data-bbox="1400 1170 1534 1195">\$3,893-\$5,190</td> <td data-bbox="1655 1170 1810 1195">\$4,672-\$6,227</td> <td data-bbox="1927 1170 1981 1195">30%</td> </tr> <tr> <td data-bbox="1400 1195 1534 1219">\$5,191-\$6,487</td> <td data-bbox="1655 1195 1810 1219">\$6,228-\$7,784</td> <td data-bbox="1927 1195 1981 1219">40%</td> </tr> <tr> <td data-bbox="1400 1219 1534 1243">\$6,488-\$7,784</td> <td data-bbox="1655 1219 1810 1243">\$7,785-\$9,341</td> <td data-bbox="1927 1219 1981 1243">50%</td> </tr> <tr> <td data-bbox="1400 1243 1534 1268">\$7,785-\$9,082</td> <td data-bbox="1655 1243 1810 1268">\$9,342-\$10,898</td> <td data-bbox="1927 1243 1981 1268">60%</td> </tr> <tr> <td data-bbox="1400 1268 1534 1292">\$9,083-\$10,379</td> <td data-bbox="1655 1268 1810 1292">\$10,899-\$12,455</td> <td data-bbox="1927 1268 1981 1292">70%</td> </tr> <tr> <td data-bbox="1400 1292 1534 1317">\$10,380-\$11,676</td> <td data-bbox="1655 1292 1810 1317">\$12,456-\$14,012</td> <td data-bbox="1927 1292 1981 1317">80%</td> </tr> <tr> <td data-bbox="1400 1317 1534 1341">\$11,678-\$12,974</td> <td data-bbox="1655 1317 1810 1341">\$14,013-\$15,569</td> <td data-bbox="1927 1317 1981 1341">90%</td> </tr> </tbody> </table>	Income Single	Income Married	Percentage Multiplier	\$0-\$1,297	\$0-\$1,557	0%	\$1,298-\$2,595	\$1,558-\$3,114	10%	\$2,596-\$3,892	\$3,115-\$4,671	20%	\$3,893-\$5,190	\$4,672-\$6,227	30%	\$5,191-\$6,487	\$6,228-\$7,784	40%	\$6,488-\$7,784	\$7,785-\$9,341	50%	\$7,785-\$9,082	\$9,342-\$10,898	60%	\$9,083-\$10,379	\$10,899-\$12,455	70%	\$10,380-\$11,676	\$12,456-\$14,012	80%	\$11,678-\$12,974	\$14,013-\$15,569	90%
Income Single	Income Married	Percentage Multiplier																																		
\$0-\$1,297	\$0-\$1,557	0%																																		
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District of Columbia	Homestead deduction for a cooperative housing association occupied by its shareholders: 60% of estimated market value, to a maximum deduction of \$30,000 per unit. Also, a Lower Income Property Tax Abatement Act exempts from property tax a homeowner whose income does not exceed 120% of the guidelines established by the federal government. Homeowner must occupy the property, must own it in fee simple or have at least a 5% qualified ownership interest with option to purchase and right to occupy. Property must have been purchased after 10/8/83.		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 (1% tax rate).																																	
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																																			

Table 42 (cont.)
State Property Tax Homestead Exemptions and Credits
 (Generally, Laws in Effect for 1992)

***State Notes (cont.)**

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

New Hampshire Municipalities may adopt elderly homestead exemptions for 5 years or more 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.

Credits against property tax for veterans and unmarried surviving spouses range from \$50-\$1,400.

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.

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.

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.

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.

Oregon Total revenue loss based on average statewide tax rate.

Pennsylvania Information not maintained at state level; each county assessment office keeps information on the amount of property qualifying for the disabled veterans exemption.

Rhode Island Homestead exemption is financed and administered entirely at the local level. Programs vary widely between and among Rhode Island's 39 cities and towns.

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.

Vermont Towns may increase amount of exemption to \$20,000, effective 7/1/91.

Virginia 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.

Wisconsin The state provides a tax credit equal to the school tax on the first \$9,150 of the estimated fair market value.

Wyoming Homestead exemption remains in Wyoming state law, but clause restricts funding to years when revenue is available.

Source: ACTR staff compilation based on information from state departments of revenue (Fall 1992) and Commerce Clearing House, *State Tax Guide* (Chicago, 1992). See also Tables 40 and 41.

Table 43
Classification of Real Property and Tangible Personal Property, 1992

State	Number of Classes ¹		Selected Assessment Levels as a Percentage of Market Value					
	Real	Personal	Residential		Commercial/Industrial		Telecommunications Utility	
			Real	Personal	Real	Personal	Real	Personal
Alabama*	3	4	10%	10%	20%	20%	30%	30%
Alaska	1	1	100	X	100	100	100	100
Arizona*	10	10	10	10	25	25	30	30
Arkansas*	1	1	20	20	20	20	20	20
California*	1	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	60	X	60	X	60	X
District of Columbia*	5	1	100	X	100	100	100	X
Florida*	1	1	100	X	100	100	Local	Local
Georgia	1	1	40	X	40	40	40	40
Hawaii*	1	X	100	X	100	X	100	X
Idaho*	1	1	100	X	100	100	100	100
Illinois*	1	X	33 ¹ / ₃	33 ¹ / ₃	33 ¹ / ₃	X	33 ¹ / ₃	X
Indiana*	1	1	33 ¹ / ₃	X	33 ¹ / ₃	33 ¹ / ₃	33 ¹ / ₃	33 ¹ / ₃
Iowa	4	X	79	X	100	X	100	X
Kansas*	7	6	11.5	11.5	25	25	33	33
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*	1	1	100	X	100	100	100	100
Michigan*	6	5	50	X	50	50	50	50
Minnesota*	15	1	1/2/2.5	X	3.1/4.75	X	4.75	X
Mississippi	3	2	10	X	15	15	30	30
Missouri*	3	9	19	X	32	33.33	32	33.33
Montana*	8	8	3.86	X	3.86	Max 9	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 ¹ / ₃	X	33 ¹ / ₃	33 ¹ / ₃	33 ¹ / ₃	33 ¹ / ₃
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	11-14	10-20	11-14	10-20	24	24
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	1	X	1	1	1	1
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

¹ By assessment level unless otherwise noted.

Table 43 (cont.)
Classification of Real Property and Tangible Personal Property, 1992

***State Notes**

Alabama	Taxable property is assessed at the following percentages of "fair and reasonable market value." Class I—30%: public utility property (other than railroads and airlines) assessed by the state. Class II—20%: real or personal property not otherwise classified, including commercial property, railroads, and airlines. Class III—10%: agricultural property, forests, historic property, and owner-occupied single-family residential, all of which may be assessed at "amount use" value on application. Class IV—15%: passenger autos and noncommercial pick-up trucks weighing 8,000 lbs. or less.	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. For 1992, residential property is assessed at 14.34%. All other property is assessed at 29%.
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. Class One—30%: producing mines and mining claim property and standing timber. Class Two—30%: property used to provide local telecommunications service, gas, water, and electricity, and pipeline company property. Class Three—25%: commercial and industrial property not included in other classes. Class Four—16%: agricultural properties and vacant land. Class Five—10%: owner-occupied residential property not used for profit. Class Six—12%: leased or rented residential property. Class Seven—24%: railroad operating property, private car company property and airline flight property. Class Eight—5%: historic property. Class Nine—8%: livestock. Class C—100%: producing oil and gas company property. Public utility operating property is valued centrally and non-operating property is valued locally.	Connecticut Regulated telecommunications companies are exempt. Nonregulated telecommunications companies providing long-distance services are subject to local assessment.
Arkansas	Public utilities operating property assessed by state at 20% level de jure. Non-operating property is assessed locally.	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. There are 5 classes with 3 separate rates for real property.
California	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 (possible decrease not limited). Base year is 1975 or market value (at change of ownership).	Delaware The following are the base years selected by the three counties: Kent, 1987; New Castle, 1983; and Sussex, 1974.
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	Florida Telecommunications companies are subject to real and personal property assessment by their respective county property appraisers.
		Hawaii Counties may classify by differential rates both on the basis of use (four counties) and land v. improvements (three counties). Hawaii County has nine rate classes, eight of them numerically identical. Each of the other counties has eight rate classes, some in each numerically identical.
		Idaho The first \$50,000 of the market value for assessment purposes of owner-occupied 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 exceed 2 times the level of its lowest class. Cook County has 11 assessment levels.
		Indiana Basis is "true tax value," not market value.
		Kansas Other real property assessed at: 30%, agricultural land; 12%, property owned and operated by nonprofits and vacant lots; and 30%, all other. Other personal property assessed at: 11.5%, mobile homes; 30%, mineral leasehold interests; 20%, motor vehicles; and 30%, all other.
		Louisiana Telecommunications property is assessed at 10% for land and 25% for improvements.
		Maine Personal property of telecommunications is subject to a state tax of 27 mills, and is exempt from ordinary property taxes.
		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.

Table 43 (cont.)
Classification of Real Property and Tangible Personal Property, 1992

***State Notes (cont.)**

Massachusetts	Under number of classes for real property, there are 4 separate rates determined annually.		held for use in the business of farming, and personal property of life insurance companies.
Michigan	The state equalizes totals separately for the 6 classes.	North Dakota	Assessment calculated by "true and full value" x 50% equaling assessed value. Assessed value x 10% (9% residential) equals taxable value. Taxable value x mill rate equals tax due.
Minnesota	Actually 15 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 \$72,000 of market, 2% on the amount over \$72,000 but not exceeding \$115,000, and 2.5% on the amount over \$115,000. 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 3.1% on the first \$100,000 of market value and 4.75% of the market value over \$100,000.	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%.
Missouri	Household items are exempt; motor vehicles are assessed at 33 1/3%; farm cattle and equipment, 12%.	Oklahoma	All taxable property must be taxed at a constitutional rate not to exceed 35%. The state Board of Equalization has the duty to set the actual rate of assessment for each of the three property classes: real property, personal property, and public service. Currently, the board has set the assessment range for real property at between 11% and 14%, personal property between 10% and 20%, and public service at 24% with railroads and airlines at 11.99%.
Montana	The percentages listed are taxable value percents used to calculate the taxable value of the property. Most property is assessed at 100% of market value (agricultural land is assessed at productive capacity). Taxable value rates for personal property range from 3% to 9%.	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.
Nebraska	In 1992, voters passed an amendment separating tangible personal property from real property under the Nebraska Constitution's uniformity clause. Personal property must be uniform within the class of personal property, but does not have to be uniform with real property. Depreciable, tangible personal property is required to be assessed at depreciated net book value beginning in 1992.	South Carolina	Industrial real and personal property is assessed at 10.5%.
New Hampshire	Assessment ratios are determined by towns and cities and varied from 31.1% to 135.1% in 1991. Effective May 1, 1991, telephone and telegraph companies pay a communication source tax to the state.	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.
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	Tennessee	Household goods, furnishings, wearing apparel, and other tangible personal property to \$7,500 (\$15,000 if jointly owned by a husband and wife) are exempt, except that anything above listed amounts is deemed to have no value. So, actually, there is no personal property tax assessed to individuals.
		Utah	Land over one acre per residential unit is assessed at 100%.
		Vermont	Basis is listed value, which is 100% of appraisal value (fair market value). One percent of the listed value is entered in the grand list. That grand list value (1% of listed value) is the value against which the tax rate is applied.
		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 property are apportioned on the basis of miles traveled in Virginia.

Table 43 (cont.)
Classification of Real Property and Tangible Personal Property, 1992

***State Notes (cont.)**

West Virginia There are 4 different rate applications for each real and personal property classes.

Wisconsin State-levied gross receipts tax on telecommunication utilities is in lieu of property tax.

Wyoming Industrial property is assessed at 11.5%. Com-

mercial 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.

Source: ACIR staff compilation based on information from state departments of revenue (Fall 1992) and Commerce Clearing House, *State Tax Guide* (Chicago, 1992).

Table 44
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			
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
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	²					
Washington	Y ³	Y ³	Y		Y ³	Y ³
West Virginia	Y	Y	Y		Y	Y
Wisconsin			Y			
Wyoming	Y	Y	Y		Y	Y
Totals	21	9	30	15	17	18

¹ Taxation of intangibles prohibited by state constitution.

² Tax was repealed effective 1/1/85.

³ 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. Applicable to taxes levied for collection in 1993 and thereafter, all custom computer software is exempt from property tax, as are retained rights in computer software, modifications to canned software (but not the underlying software), and master or golden copies of computer software. Computer software other than embedded software is subject to property tax for two years. In the first year of taxation, it is valued at 10% of acquisition cost and in the second year, it is valued at 50% of acquisition cost.

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; and Commerce Clearing House, *State Tax Reporter* (Chicago, 1992).

Table 45
Details of Intangibles Tax Base by State

State	Base Items (see key at end of table)	Number
Alabama	A, B	2
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]	

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

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

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

⁴Income 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.

Table 46
State Transfer and Real Estate Taxes, November 1992

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		Yes	0.33	0.23
Arizona*		flat fee	\$2.00		Nebraska*	Yes		0.15	
Arkansas	Yes ²		0.22		Nevada+		Yes ²	0.13	
California ³		Yes ²		0.11	New Hampshire*	Yes		0.525	
Colorado	Yes ⁴		0.01		New Jersey*	Yes ²		0.35	
Connecticut*	Yes		0.61		New York**		Yes	0.40	1.00
Delaware**	Yes ²		2.00		North Carolina		Yes	0.20	
District of Columbia*	Yes		2.20		Ohio ³			0.30	
Florida**	Yes		0.70	0.35	Oklahoma		Yes	0.15	0.10
Georgia**		Yes ²	0.10		Pennsylvania*	Yes		1.00	
Hawaii	Yes ²		0.05		Rhode Island	Yes ²		0.28	
Illinois**		Yes ²	0.10		South Carolina**		Yes ²	0.26	
Iowa	Yes ⁴		0.16		South Dakota	Yes		0.10	
Kansas*				0.26	Tennessee*		Yes	0.37	0.115
Kentucky	Yes		0.10		Vermont*	Yes		1.25	
Maine	Yes		0.22		Virginia**		Yes ²	0.10	0.15
Maryland**	Yes		0.50		Washington**	Yes		1.28	
Massachusetts*		Yes ²	0.20		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. Transfers under \$2,000 are exempt.

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. First-time homebuyers are exempt from the county 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.

Table 46 (cont.)
State Transfer and Real Estate Taxes, November 1992

State Notes (cont.)

Georgia	\$1 for the first \$1,000 and \$.10 for each additional \$100.		volves 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.
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.	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.
Kansas	Mortgage registration fee based on the principal debt or obligation secured by the mortgage and on which no prior registration fee has been paid.		
Maryland	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.	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.
Massachusetts	If the sale price is greater than \$100 and less than \$500, the fee is \$1, and for each additional \$500 or fractional part, \$1. In addition, a 14% surtax is imposed.	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.
Michigan	The \$.55 per \$500 rate increases to \$.75 per \$500 for counties with a population of 2 million or more.		
Nebraska	Rate increases to \$1.75 per \$1,000 of value on 1/1/93.	South Carolina	Counties may impose an additional \$1.10 per \$1,000 deed transfer tax.
Nevada	With voter approval, counties with a population greater than 100,000 but less than 400,000 are authorized to impose a real property transfer tax at the rate not to exceed 0.1% of the value of the transferred property.	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. 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.
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 in-		

Table 46 (cont.)
State Transfer and Real Estate Taxes, November 1992

State Notes (cont.)

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

Land Held by Transferor	Gain as a Percentage of Basis (rounded to the next highest percent)		
	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

For transfers of property to be used as a principal residence, the tax is 0.5% of the first \$100,000 of value and 1.25% of value over \$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.

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 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.

West Virginia

There is an additional county excise tax on transfers of property at a rate of 0.11%.

Source: ACTR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1992).

Table 47
State Death and Transfer Taxes: Number and Type, November 1992

Type of Tax	Number	States
"Pick-Up" Tax Only	28	Alabama, Alaska, Arizona, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Maine, Minnesota, Missouri, Nevada, New Mexico, North Dakota, Oregon, Rhode Island, South Carolina, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming
Estate and "Pick-Up" Tax	6	Massachusetts, Mississippi, New York, Ohio, Oklahoma, Virginia, ¹
Inheritance and "Pick-Up" Tax	17	Connecticut, Delaware, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, ¹ Montana, Nebraska, New Hampshire, New Jersey, North Carolina, Pennsylvania, South Dakota, Tennessee
States with Added Gift Tax	6	Connecticut, Delaware, Louisiana, New York, North Carolina, Tennessee

Notes

¹Local estate taxes are additional. See also Table 47.

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 advance 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, 1992). See also Tables 48-50.

Table 48
State Estate Taxes: Rates and Exemptions, November 1992

State	Taxable Estate		Rate Percent	Conditions
	Over	But Not Over		
Massachusetts	\$0	\$50,000	5.0	<p>If estate:</p> <ul style="list-style-type: none"> < 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 <p>The tax imposed on estates of decedents who died before 1/1/97 is phased out through increases in the amount of the state's net estate that is exempt from estate tax in the following amounts: CY 1993, \$300,000; CY 1994, \$400,000; CY 1995, \$500,000; CY 1996, \$600,000. An additional estate tax is imposed to absorb the maximum credit allowed under federal estate tax.</p> <p>Charitable exemptions are allowed.</p>
	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	
Mississippi	0	60,000	1.0	<p>Exemption: property up to the value of \$600,000.</p>
	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	<p>New York follows federal guidelines for deductions, including unlimited marital deductions as of 1/1/84</p> <p>Unified credit:</p> <ul style="list-style-type: none"> 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 <p>The effect of the unified credit is to eliminate tax liability for estates with total taxable assets of \$108,333.33 or less.</p> <p>Charitable exemptions are allowed.</p> <p>Surviving spouse is exempt.</p>
	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	<p>Tax credit of the lesser of \$500 or the amount of the tax, thus no tax liability for estates < \$25,000</p> <p>Gross estate includes gifts made within three years of death.</p> <p>Marital deduction is the lesser of:</p> <ul style="list-style-type: none"> (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. <p>After 7/1/93, spouse is exempt.</p> <p>Charitable exemptions are allowed.</p>
	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 48 (cont.)
State Estate Taxes: Rates and Exemptions, November 1992

State	Taxable Estate		Rate		Considerations
	Over	But Not Over	Percent		
Oklahoma			A	B	Class A = parent, child (step, adopted), and other lineal descendants Class B = all others
	0	10,000	0.5	1.0	
	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	
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, 1992). See also Tables 46 and 49.

Table 49
State Inheritance Taxes: Rates and Exemptions, November 1992

State	Value of Share before Exemption Applied		Rates According to Class (percent)					Conditions
	Over	But Not Over	A	B	C	D	E	
Connecticut								
	\$0	\$1,000						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.
	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			
Delaware								
	1,000	3,000					10	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.
	3,000	10,000			5		10	
	10,000	25,000		1	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	
Indiana								
	0	25,000	1	7	10			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.
	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			
Iowa								
	0	5,000	1	5	10	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%
	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	

Table 49 (cont.)
State Inheritance Taxes: Rates and Exemptions, November 1992

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 No tax on beneficiaries if value of share is less than \$100. 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 49 (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	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								18% tax rate. Exempt: spouse, lineal ascendants, lineal descendants, their spouses, legal guardians, step children, their spouses and lineal descendants. 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. Charitable exemptions are allowed.	
	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 49 (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						<p>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. Transfers of property are exempt. Charitable exemptions are allowed.</p>
South Dakota	0	3,000			4	5	6	3		<p>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.</p>
	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							<p>Class A = everyone Marital deduction: 1/2 of the value Exemptions: \$600,000 Charitable exemptions are allowed.</p>
	40,000	240,000	6.5							
	240,000	440,000	7.5							
	440,000		9.5 of taxable transfer							

Source: ACTR staff compilation from Commerce Clearing House, *State Tax Reporter* (Chicago, 1992). See also Tables, 46, 47, and 48.

Table 50
State Gift Tax Rates and Exemptions, November 1992

State	Taxable Gift		Rate According to Class (in percent)			Conditions
	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	
	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	
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 Charitable exemptions are allowed.
	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		

Source: ACTR staff compilation from Commerce Clearing House, *State Tax Guide* (Chicago, 1992). See also Tables 46-48.

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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.

Ad Valorem Taxation—Taxation of property based on the property's value.

Adjusted Gross Income—A tax computation for individuals, determined by subtracting a limited group of expenses from gross income. The expenses generally fall into one of two categories: (1) those that are gain-seeking in nature (e.g., trade or business deductions, a limited group of expenses incurred by employees, losses on transactions entered into for the production of income) and (2) those that are granted for some other policy reason (e.g., alimony). The computation is especially significant for the limitations on allowable medical expenses and charitable deductions.

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

Alternative Minimum Tax—The tax base is the excess of the tentative minimum taxable income for the taxable year over the regular tax for the taxable year. The tentative minimum tax is basically 20% (21% for corporations) of the taxpayer's alternative minimum taxable income minus an exemption amount ranging from \$20,000 to \$40,000 depending on the taxpayer. The exemption amounts gradually phase out for high-income taxpayers.

Alternative Minimum Tax Foreign Credit—A modified form of the foreign tax credit, applicable to the alternative minimum tax (AMT), the practical effect of which is that the foreign tax credit, including pre-1987 carryforwards, is available to offset the AMT. It is allowable only to the ex-

tent of the foreign tax on alternative minimum taxable income from foreign sources.

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

Appraisal—An opinion, usually in writing and from a specialist, of the amount of money constituting the value of property (market, assessed, or other, depending on the purpose of the appraisal). The appraisal incorporates all factors and approaches held to be relevant in the circumstances, including what the property cost, what loss in value (depreciation) it has sustained, if any, what income it will earn, and what sales prices similar properties have commanded.

Apportionment of Taxes—The matter of ascribing federal, state, and local taxes to a particular beneficiary of a decedent's estate.

Assessed Value—The dollar amount officially set as the valuation of a specific property against which the tax rate for the levying jurisdiction is applied. Amount may or may not be the same as the gross or net assessed value.

Assessment Roll—The listing of taxable property located within a governmental jurisdiction (often the county), together with the assessed value officially determined for each parcel as of the legally prescribed valuation date by the official charged with this function, often called the assessor.

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—Though its specifics depend on particular state statutory provisions, a "circuit breaker" generally is a law that activates, for qualifying property owners (or renters), a state-financed credit or rebate of specified amounts of property taxes incurred (or rent equivalents) whenever such taxes (or rent equivalents) exceed specified percentages of amounts of household income.

Condominium—A condominium is a unit of real property within a property consisting of other such units which is owned in fee simple by the same party or parties holding an undivided interest in the common elements of the

property. These common elements usually include things like the lobby, swimming pool, and grounds.

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.

Defined Benefit Plan—Any qualified plan that systematically provides for the payment of definitely determinable benefits over a period of years after retirement. The benefits and contributions are characteristically measured by, and based on, years of service and compensation received by the employees.

Dependent—The term refers to (1) any individual living with taxpayer (providing the relationship is not illegal under local law) and for whom the taxpayer provides at least 50% support and (2) certain relatives (parents, children, siblings, stepchildren, stepsiblings, stepparents, nephews, nieces, aunts, uncles, children-in-law, parents-in-law, grandparents, and grandchildren) regardless of where they live for whom the taxpayer provides at least 50% of support. Adopted children qualify as children and siblings, as do most foster children.

Depreciation—Loss in value from any cause. Major causes include physical deterioration (ordinary wear and tear, negligent care, or "deferred maintenance," and damage); functional obsolescence (poor design, inadequate facilities); and economic obsolescence (influences external to elements of the property itself, for example, supply and demand factors). Loss in value already sustained is often called accrued depreciation, either curable (correctable at reasonable cost) or incurable (correctable, if at all, only at excessive cost). Loss in value expected in the future is estimated by incorporating a percentage component for depreciation in a capitalization rate.

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.

Effective Property Tax Rate—This rate is the amount of all net property taxes billed against a sold property expressed as a percentage of the sales price.

Estate Tax—A tax that is imposed on the privilege of a decedent to transfer property. It is not levied on an heir receiving property, but rather falls on property owned at death. The federal estate tax is now bound into the federal gift tax through a unified transfer tax system. The estate is determined by (1) combining the taxable estate and adjusted taxable gifts and multiplying them by the uniform transfer tax rate, (2) subtracting gift taxes actually or constructively paid during the decedent's life, and (3) subtracting the unified credit and various other minor credits.

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*.

Exclusion from Gross Income—A receipt of accrual that would, but for a specific exclusion provided by the code or administrative action, be included in a taxpayer's gross income. Particularly common exclusions are those for gifts and inheritances, and death proceeds paid under a life insurance contract.

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.

Fair Market Value (FMV)—The price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell, and both having reasonable knowledge of the relevant facts.

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.

Franchise Tax—Taxes imposed on the privilege of carrying on a business in corporate form. Numerous states impose franchise taxes that are measured by the corporation's income (i.e., disguised income taxes).

"Gas Guzzler" Tax—An excise tax on the manufacturer of inefficient automobiles (i.e., automobiles that do not meet specified fuel economy ratings).

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

Generation-Skipping Transfer Tax—A tax designed to limit estate tax avoidance by the use of generation-skipping transfers. The tax falls on any taxable distribution, or direct skip. The tax primarily applies to property held in trust for the benefit of a person two or more generations below the transferor of property to that trust. The tax also falls on direct transfer of an interest in property to persons two or more generations beneath the transferor. Each transferor is entitled to exempt \$1 million of generation-skipping transfers from taxation.

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.

Highest and Best Use—Employment of property in the way and for the purposes that are most profitable, given probable legal, physical, and financial constraints. May or may not be existing use.

Homestead—Usually, a parcel of land that an individual or individuals own in fee simple and on which they reside. Specific state statutes should be consulted in each situation, especially with reference to entitlement to a homestead exemption from property taxes.

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.

Indexing for Inflation—Adjusting dollar amounts for the destructive effects of inflation.

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 pro-

grams, 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.

Intangible Property or Rights—Property such as goodwill, stock in a corporation, or a patent right.

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.

Itemized Deductions—A term commonly used to describe a limited group of expenditures by individuals electively allowed as deductions from adjusted gross income.

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.

Legal Description—A delineation of dimensions, boundaries, and relevant attributes of a real property parcel that are specific enough to identify with absolute certainty the particular parcel in question. For a subdivided lot, the legal description would probably include lot and block numbers and subdivision name.

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 num-

ber 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, including 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.

Market Value—The most probable price in cash, terms equivalent to cash, or in other precisely related terms, for

which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest and assuming that neither is under duress.

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—That which belongs to the owner and is thus subject to specific rights of the owner of use, possession, and alienation. Property may be described as the sum of all legal interests in a parcel or thing. Property can be real or in the case of personal property, tangible or intangible.

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.

Property Use Category, Realty—A Census Bureau classification based on actual utilization of the realty. Individual categories follow:

Residential (nonfarm) Single-Family—Includes each house, not on a farm, that is a residence for one family only. The residence may be detached or semidetached. It may be a one-family part of row or town houses, if separately assessed. It includes each one-family rural or suburban estate if not primarily used for farming. It includes each condominium unit in a

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