

AN INFORMATION REPORT

STATE AND LOCAL FINANCES
Significant Features
1967 to 1970



ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D. C. 20575
NOVEMBER 1969
M-50

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Washington, D. C. 20575

October 30, 1969

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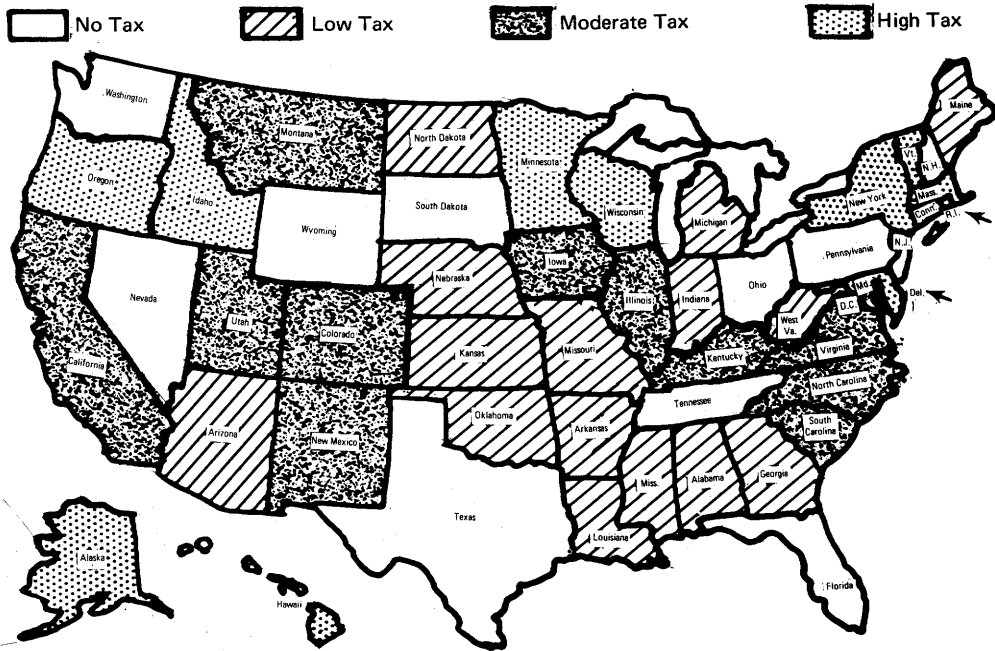
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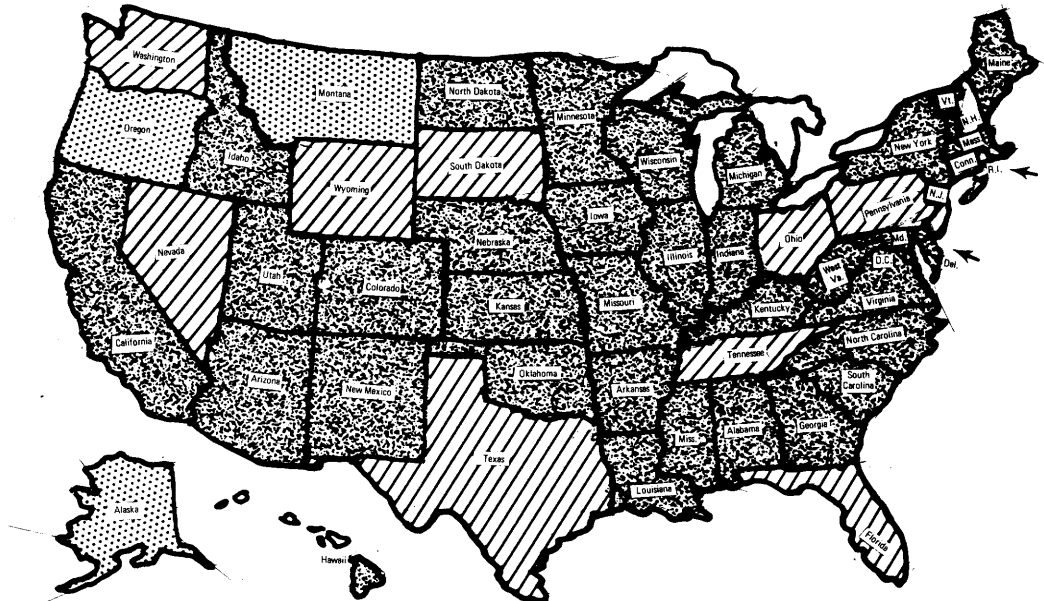
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**FIGURE 1 — STATES WITH BROAD-BASED PERSONAL INCOME TAXES
(December 31, 1969)**



**USE OF PERSONAL INCOME AND GENERAL SALES TAXES BY STATES
(December 31, 1969)**



PREFACE

During its first ten years of activity, the Advisory Commission assembled a substantial body of information about State and local tax systems in studies of fiscal federalism. As the Commission starts its second decade, it presents this volume of up-to-date information (through November 1, 1969) on State-local expenditures, taxation, debt, and revenue administration.

The intent of this reference document is to facilitate both the qualitative and quantitative analysis of the rapidly changing 50 State-local fiscal systems. Thus, the factual information contained in 78 tables is introduced by reference to the characteristics of a "high-quality" State and local tax system. These qualitative standards have emerged from policy recommendations enunciated previously by the Commission in its studies of specific aspects of our federal system.

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

Robert E. Merriam
Chairman

ACKNOWLEDGMENTS

Credit for this report is due Frank Tippet, the Advisory Commission's Statistician, who assembled the bulk of the data for the tabulations and figures. The tables relating to the metropolitan fiscal scene were prepared by John Callahan of the Commission staff working in association with Professor Seymour Sacks of Syracuse University.

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

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

John Shannon
Assistant Director
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Executive Director

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CHARACTERISTICS OF A HIGH QUALITY STATE-LOCAL TAX SYSTEM

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

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

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

State Personal Income Tax

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

- To insure fairness, provides for personal exemptions at least as generous as those under the Federal income tax (Cf Table 41);
- To promote taxpayer convenience and administrative simplicity, employs withholding at the source and conforms the technical provisions of its law to Federal provisions (Cf Table 43); and
- To insure productivity, makes effective use of the income tax as evidenced by State tax collections equal either to at least 20 percent of the Federal personal income tax collections in that State or to at least 2 percent of adjusted gross income as reported by State residents for Federal income tax purposes (Cf Tables 38, 39 and 45).

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

For information on State income taxes see Tables 38 through 46. For draft legislation see Subject Code 15-62-21.

¹ *Fiscal Balance in the American Federal System*, Vol. 1, Chapter 4.

State Sales and Use Tax

States turned more frequently to the sales tax than to the income tax as the source of additional revenue in the decade of the 1960's. Eleven new State sales taxes were enacted bringing to 45 the number of States using this tax. The decade was also marked by a trend to higher sales tax rates.

STATE SALES TAX RATES, JANUARY 1, 1950, 1960, and 1970

Rate (%)	1950	1960	1970
3/8	....	1 ¹	....
1/2	1 ¹	....	....
1	1	....	....
2	19	12	4
2-1/2	1 ²	1	1
3	7	17	18
3-1/4	....	....	1
3-1/2	....	1	....
4	....	2	14
4-1/2	....	....	1
5	....	....	5
6	....	....	1
Total	29	34	45

¹The Indiana "gross income" tax, included because of its many sales tax features.

²The territory of Hawaii.

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

- To insure productivity, the tax base employed covers most personal services as well as retail sale of tangible items (Cf Table 34);
- To insure fairness, some provision is made for "pulling the regressive stinger"—either an outright exemption of food and drug purchases or a system of income tax credits and cash refunds to shield subsistence income from the sales tax collector's reach (Cf Tables 35 and 44); and
- To promote taxpayer convenience and administrative simplicity, States need to credit their taxpayers for sales and use taxes paid to other States; eliminate charges for audit of multi-state firms; exchange audit and other information with one another; and permit local governments to "piggy-back" their levy on the State sales tax (Cf Table 37).

For information on State general sales taxes see Tables 31 through 35. For draft legislation see Subject Code 15-62-30.

Local Nonproperty Taxes

General sales taxes are authorized for local use in 17 States and in most of these there has been widespread adoption by the localities (Cf Table 36). Unless a State is willing to allow its localities to “piggy-back” a local supplement onto the State tax, it should be wary of extending this type of non-property taxing power to localities. States would be well advised to:

- Limit local nonproperty taxing powers to as large taxing areas as possible, ideally coinciding with the boundaries of trading and economic areas;
- Prescribe rules governing taxpayers, tax base, and rates, etc., uniformly applicable to all local taxing jurisdictions (Cf Tables 37 and 48); and
- Provide technical assistance in administering and enforcing nonproperty taxes.

For information on local nonproperty taxes see Tables 31, 36, 37, 47, 48, 66, 67. Draft legislation to provide a local supplement to a State tax is included under both Subject Codes 15-62-21 and 15-62-30.

Local Property Tax

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

1. That the prevailing joint State-local system for administering the property tax can work with a reasonable degree of effectiveness only if the State tax department is given sufficient executive support, legal authority, and professional stature to insure local compliance with State law calling for uniformity of tax treatment (Cf Table 49).
2. That professionalization of the assessment function can be achieved only if the assessor is removed from the elective process and selected on the basis of demonstrated ability to appraise property (Cf Table 49).
3. That the perennial conflict between State law calling for full value assessment and the local practice of fractional assessment can be resolved most expeditiously by permitting local assessment officials to assess at any uniform percentage of current market value above a specified minimum level provided this policy is reinforced with two important safeguards:
 - a. *A full disclosure policy*, requiring the State tax department to make annual county assessment ratio studies and to give property owners a full report on the fractional valuation policy adopted by county assessors (Cf Tables 49 and 50), and,
 - b. *An appeal provision* to specifically authorize the introduction of State assessment ratio data by the taxpayer as evidence in appeals to review agencies on the issue of whether his assessment is inequitable.

STATES INCREASING TAX RATES AND ENACTING NEW TAXES, SELECTED TAXES, 1969

State	General sales	Personal income	Corporation income	Gasoline	Cigarette	Alcoholic beverage
Alabama		X ¹	X ¹		X	
Arkansas			X		X	X
California				X		
Colorado				X		
Connecticut	X	N ²	X	X	X	X
Delaware			X		X	X
Georgia			X			X
Illinois		N	N	X	X	X
Indiana				X		
Kansas				X		
Maine	X	N	N	X	X	X
Maryland	X					
Massachusetts		X ³	X		X	X
Minnesota					X	X
Mississippi				X		
Missouri		X	X		X	
Montana		X	X	X		X
Nebraska	X	X	X	X		
Nevada					X	X
New Jersey						X
New Mexico	X	X	X			
New York	X					
North Carolina				X	N	X
North Dakota	X	X	X	X	X	
Ohio					X	X
Oregon		X				
Rhode Island		N ⁴				X
South Carolina	X		X		X	X
South Dakota	X			X	X	
Tennessee					X	
Texas	X				X	
Utah	X			X		
Vermont	N	X	X		X	X
Washington		N ⁵	N ⁵			
Wisconsin	X				X	
Wyoming				X		
Number of States	13	14	16	15	19	16

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

¹ Rate increase subject to voter approval at November 1970 general election.

² New tax on capital gains only.

³ Repealed the 50 percent deduction allowed for federal income tax.

⁴ New tax on investment income only.

⁵ New tax subject to voter approval at November 1970 general election.

For information on property taxes see Tables 49 through 54. For draft legislation see Subject Codes 15-62-411 and following.

Achieving greater property tax assessment uniformity is not enough, it is also necessary for the State to construct and finance a tax relief plan that can both shield low income families from property tax overload situations while minimizing the drawdown on scarce resources. Wisconsin's "circuit breaker" plan accomplishes both (Cf Tables 44 and 52). For draft legislation see Subject Code 15-62-48.

TABLE 1-A – MEASURES OF STATE-LOCAL REVENUE EFFORT AND TAXPAYER BURDENS
[SELECTED STATE AND LOCAL REVENUE ITEMS RELATED TO TOTAL STATE PERSONAL INCOME, BY STATE 1968]

State	Revenue and tax effort measures				Tax burden measures			
	All taxes and charges ¹		All taxes		All direct personal taxes ²		"Big three" direct personal taxes ³	
	As a percent of personal income	State % related to U.S. average	As a percent of personal income	State % related to U.S. average	As a percent of personal income	State % related to U.S. average	As a percent of personal income	State % related to U.S. average
UNITED STATES	13.5	100	10.8	100	8.0	100	5.7	100
Alabama	13.1	97	9.5	88	7.9	99	4.6	81
Alaska	17.0	126	9.1	84	6.4	80	4.0	70
Arizona	15.9	118	12.5	116	9.3	116	6.9	121
Arkansas	12.3	91	9.7	90	8.0	100	4.7	82
California	16.1	119	13.4	124	9.8	122	7.5	132
Colorado	15.0	111	11.7	108	8.7	109	6.6	116
Connecticut	10.7	79	9.1	84	6.4	80	4.6	81
Delaware	13.6	101	9.8	91	7.0	88	4.4	77
Dist. of Columbia	10.5	78	9.1	84	6.4	80	5.4	95
Florida	13.8	102	10.4	96	8.3	104	4.8	84
Georgia	13.3	99	9.8	91	7.7	96	5.1	89
Hawaii	16.6	123	13.6	126	11.5	144	9.5	167
Idaho	15.7	116	12.4	115	8.8	110	6.0	105
Illinois	10.5	78	8.9	82	7.0	88	4.9	86
Indiana	12.2	90	9.7	90	6.6	82	5.7	100
Iowa	14.4	107	11.4	106	9.4	118	6.8	119
Kansas	13.4	99	10.7	99	8.1	101	6.1	107
Kentucky	12.6	33	9.5	88	7.9	99	5.5	96
Louisiana	15.8	117	11.6	107	6.1	76	3.3	58
Maine	12.4	92	10.5	97	7.9	99	5.2	91
Maryland	13.0	96	10.7	99	8.5	106	6.2	109
Massachusetts	12.9	96	11.2	104	8.4	105	6.5	114
Michigan	13.8	102	11.0	102	8.3	104	6.2	109
Minnesota	16.3	121	12.8	119	9.3	116	6.8	119
Mississippi	14.4	107	10.8	100	8.0	100	4.9	86
Missouri	11.3	84	9.1	84	7.3	91	5.3	93
Montana	15.6	116	12.1	112	8.0	100	5.2	91
Nebraska	13.5	100	10.5	97	9.0	112	6.6	116

See footnotes at end of table.

TABLE 1-A – MEASURES OF STATE-LOCAL REVENUE EFFORT AND TAXPAYER BURDENS
[SELECTED STATE AND LOCAL REVENUE ITEMS RELATED TO TOTAL STATE PERSONAL INCOME, BY STATE 1968] Cont'd

State	Revenue and tax effort measures				Tax burden measures			
	All taxes and charges ¹		All taxes		All direct personal taxes ²		"Big three" direct personal taxes ³	
	As a percent of personal income	State % related to U.S. average	As a percent of personal income	State % related to U.S. average	As a percent of personal income	State % related to U.S. average	As a percent of personal income	State % related to U.S. average
Nevada	16.2	120	12.2	113	9.4	118	4.7	82
New Hampshire	11.2	83	9.1	84	6.9	86	3.8	67
New Jersey	11.4	84	9.6	89	7.3	91	4.9	86
New Mexico	17.1	127	11.5	106	8.4	105	5.1	89
New York	15.8	117	13.2	122	9.7	121	7.7	135
North Carolina	12.5	93	9.9	92	7.2	90	5.2	91
North Dakota	19.1	141	12.4	115	9.9	124	7.2	126
Ohio	11.2	83	8.7	81	6.1	76	4.2	74
Oklahoma	14.2	105	10.2	94	7.1	89	3.7	65
Oregon	14.1	104	10.5	97	7.6	95	5.3	93
Pennsylvania	11.3	84	9.4	87	7.2	90	4.9	86
Rhode Island	11.8	87	10.1	94	7.5	94	5.2	91
South Carolina	12.3	91	9.4	87	7.0	88	4.2	74
South Dakota	15.8	117	12.3	114	10.3	129	7.1	125
Tennessee	12.4	92	9.7	90	7.4	92	4.3	75
Texas	11.9	88	8.9	82	5.5	69	2.9	51
Utah	15.4	114	11.7	108	8.5	106	6.4	112
Vermont	15.1	112	12.5	116	9.7	121	5.6	98
Virginia	12.1	90	9.7	90	7.8	98	4.9	86
Washington	14.9	110	11.5	106	8.7	109	6.6	116
West Virginia	13.6	101	10.7	99	7.1	89	5.5	96
Wisconsin	14.9	110	12.3	114	9.2	115	7.0	123
Wyoming	18.6	138	13.5	125	8.7	109	4.9	86

Note: These burden "estimates" present only the tax side of the fiscal equation – the variations in the quality of public services while not directly measurable are at least partially responsible for the range in tax burdens. It should also be noted that while certain communities make a heavier use of fees and charges others place greater emphasis on taxes to finance local public services.

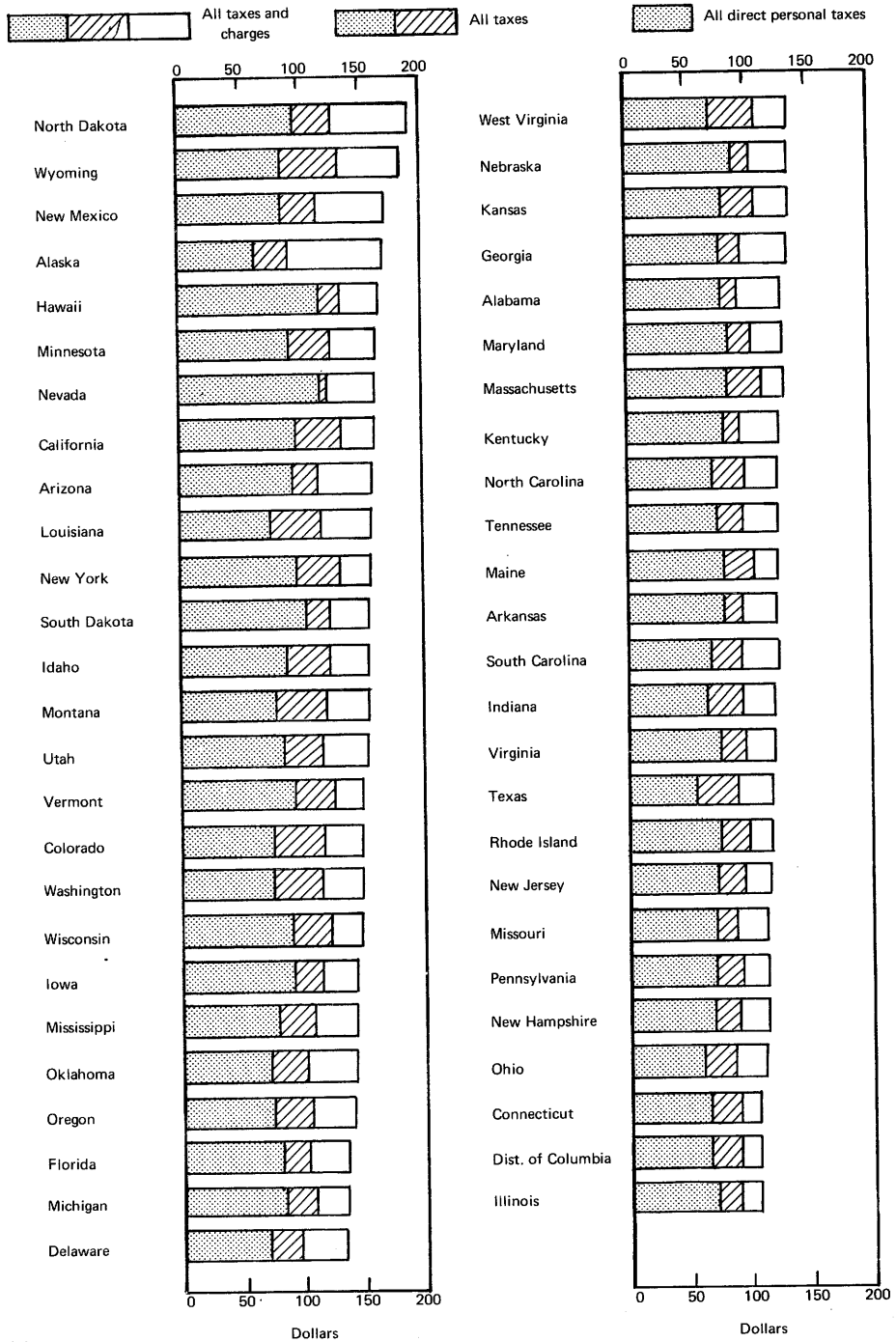
¹Total State and local tax collections plus all charges and miscellaneous general revenue, which conforms to the U.S. Bureau of the Census definition of "General Revenue From Own Sources."

²Includes all property, income, and transaction type taxes paid directly by individuals. Excluded are the following non-direct levies – est. business property taxes, corporate net income, severance, state insurance and public utility selective sales taxes, the Indiana, Washington, and West Virginia general gross receipts taxes on business firms, stock transfer taxes, and selected State business license taxes.

³Personal income, general retail sales, and estimated non-business property taxes.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68* and State Tax Collections in 1968; and ACIR staff.

FIGURE 2 – STATE AND LOCAL TAXES AND CHARGES PER \$1,000
 OF PERSONAL INCOME, BY STATE, 1968
 (Ranked from high to low—all taxes and charges)



Source: Table 1-A.

TABLE 1-B – STATE AND LOCAL TAX EFFORT – TAX BURDEN INDICES, 1968
 [Ranking, from high to low, of selected revenue items related to income]

State	Revenue and tax effort indices		Tax burden indices		Range in rankings of tax effort-tax burden indices
	All taxes and charges	All taxes	All direct personal taxes	"Big three" direct personal taxes	
Alabama	31	40	29	42	29-42
Alaska	4	45	47	47	4-47
Arizona	9	7	9	7	7- 9
Arkansas	39	35	25	40	25-40
California	8	3	4	3	3- 8
Colorado	17	15	14	11	11-17
Connecticut	49	47	46	41	41-49
Delaware	27	34	42	43	27-43
Dist. of Columbia	51	46	48	23	23-51
Florida	25	29	22	38	22-38
Georgia	30	33	31	31	30-33
Hawaii	5	1	1	1	1- 5
Idaho	13	9	13	18	9-18
Illinois	50	50	43	32	32-50
Indiana	40	38	45	19	19-45
Iowa	20	19	7	9	7-20
Kansas	29	25	23	17	17-29
Kentucky	34	41	28	22	22-41
Louisiana	11	16	50	50	11-50
Maine	36	27	27	28	27-36
Maryland	32	24	18	15	15-32
Massachusetts	33	20	20	13	13-33
Michigan	24	21	21	16	16-24
Minnesota	6	5	10	8	5-10
Mississippi	21	22	26	36	21-36
Missouri	46	44	35	24	24-46
Montana	14	13	24	26	13-26
Nebraska	28	28	12	12	12-28
Nevada	7	12	8	39	7-39
New Hampshire	48	48	44	48	44-48
New Jersey	44	39	36	35	35-44
New Mexico	3	17	19	30	3-30
New York	10	4	6	2	2-10
North Carolina	35	32	37	29	29-37
North Dakota	1	8	3	4	1- 8
Ohio	47	51	49	45	45-51
Oklahoma	22	30	39	49	22-49
Oregon	23	26	32	25	23-32
Pennsylvania	45	42	38	37	37-45
Rhode Island	43	31	33	27	27-43
South Carolina	38	43	41	46	38-46
South Dakota	12	10	2	5	2-12
Tennessee	37	37	34	44	34-44
Texas	42	49	51	51	42-51
Utah	15	14	17	14	14-17
Vermont	16	6	5	20	5-20
Virginia	41	36	30	34	30-41
Washington	18	18	16	10	10-18
West Virginia	26	23	40	21	21-40
Wisconsin	19	11	11	6	6-19
Wyoming	2	2	15	33	2-33

Source: Derived from table 1-A.

TABLE 1-C – ESTIMATED INCOME, SALES AND RESIDENTIAL PROPERTY TAX BURDEN – STATE AND LOCAL – FOR A FAMILY OF FOUR WITH \$10,000 GROSS INCOME RESIDING IN THE LARGEST CITY IN EACH STATE, 1968¹

City and Region	State	Local	State and Local		
			Amount	Percent of U.S. average	Rank (High to low)
United States (unweighted average)	\$230	\$446	\$676	100	–
New England	(144)	(603)	(747)	(111)	(3)
Portland, Maine	128	699	827	122	7
Manchester, N.H.	–	617	617	91	31
Burlington, Vt.	260	703	963	142	3
Boston, Massachusetts	238	575	813	120	12
Providence, Rhode Island	153	498	651	96	29
Hartford, Connecticut	85	525	610	90	33
Mideast	(171)	(640)	(810)	(120)	(1)
New York, New York	284	532	816	121	11
Newark, New Jersey	56	763	819	121	8
Philadelphia, Penn.	128	691	819	121	9
Wilmington, Delaware	215	530	745	110	19
Baltimore, Maryland	341	780	1121	166	1
Dist. of Columbia	–	542	542	80	40
Great Lakes	(239)	(497)	(736)	(109)	(4)
Detroit, Michigan	266	460	726	68	21
Cleveland, Ohio	103	404	507	75	43
Indianapolis, Indiana	214	603	817	121	10
Chicago, Illinois	177	396	573	85	35
Milwaukee, Wisconsin	435	622	1057	156	2
Plains	(270)	(486)	(756)	(112)	(2)
Minneapolis, Minn.	484	399	883	131	5
Des Moines, Iowa	354	575	929	137	4
St. Louis, Missouri	241	420	661	98	27
Fargo, North Dakota	207	470	677	100	26
Sioux Falls, S.D.	141	509	650	96	30
Omaha, Nebraska	191	543	734	109	20
Wichita, Kansas	270	485	755	112	17
Southeast	(260)	(328)	(588)	(87)	(7)
Norfolk, Virginia	312	261	573	85	36
Charleston, W. Va.	212	175	387	57	51
Louisville, Ky.	426	436	862	128	6
Memphis, Tenn.	139	428	567	84	37
Charlotte, North Carol.	381	314	695	103	23
Columbia, S.C.	290	212	502	74	44
Atlanta, Georgia	247	291	538	80	41
Miami, Florida	109	577	686	101	24
Birmingham, Alabama	299	234	533	79	42
Jackson, Mississippi	307	475	782	116	14
New Orleans, La.	131	311	442	65	47
Little Rock, Ark.	264	222	486	72	45
Southwest	(186)	(407)	(593)	(88)	(6)
Oklahoma City, Okla.	153	394	547	81	39
Houston, Texas	56	358	414	61	49
Albuquerque, N.M.	253	360	613	91	32
Phoenix, Arizona	283	514	797	118	13

See footnotes at end of table.

TABLE 1-C – ESTIMATED INCOME, SALES AND RESIDENTIAL PROPERTY TAX BURDEN – STATE AND LOCAL – FOR A FAMILY OF FOUR WITH \$10,000 GROSS INCOME RESIDING IN THE LARGEST CITY IN EACH STATE, 1968¹ (Cont'd)

City and Region	State	Local	State and Local		
			Amount	Percent of U.S. average	Rank (High to low)
United States (unweighted average)	\$230	\$446	\$676	100	–
Rocky Mountain	(268)	(378)	(646)	(96)	(5)
Great Falls, Montana	198	461	659	97	28
Boise, Idaho	341	338	679	100	25
Cheyenne, Wyoming	137	301	438	65	48
Denver, Colorado	276	469	745	110	18
Salt Lake City, Utah	386	321	707	105	22
Far West ²	(204)	(349)	(553)	(82)	(8)
Seattle, Washington	201	197	398	59	50
Portland, Oregon	328	446	774	114	15
Las Vegas, Nevada	82	370	452	67	46
Los Angeles, Calif.	204	382	586	87	34
Anchorage, Alaska	220	340	560	83	38
Honolulu, Hawaii	536	227	763	113	16

¹Estimated State personal income and general sales, and local personal income, general sales, and real property tax burden of a married wage earner with two dependent children based on income earned during the calendar year 1968 as reflected in State and local legislation enacted through November 1, 1968.

In computing personal income taxes, it was assumed that all income was from wages and salaries and earned by one spouse. In computing the federal income tax liability (for States allowing this deduction) deductions were estimated to be 14% of gross income.

Estimated State and local general sales tax liabilities are based on the amounts allowed by Internal Revenue Service as deductions in computing Federal personal income taxes as indicated in the "1967 State Sales Tax Tables" included in the I.R.S. 1967 Form 1040 instruction booklet, updated by Commission staff to reflect State legislation enacted through November 1, 1968.

Estimated local real property taxes are based on median effective tax rates for fully taxable houses in 1966 as reported by the U.S. Bureau of the Census in *Taxable Property Values*, Vol. 2 of the 1967 Census of Governments; supplemented by Commerce Clearing House data on effective rates for 13 States for which Census data were not available. These effective rates were applied to the \$19,000 est. average value (sales price) of housing at the \$10,000 income level to arrive at the est. local real property tax liability.

²Excluding Alaska and Hawaii.

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67

Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income ((c) & (d))	Relative Revenue Effort ((e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Effort Among 65 Largest SMSA's (i)
			Loc. Gov. Gen. Rev. from own Sources (c)	State Taxes (d)			Per Cap. Personal Income (per (b)) (g)	Relative Revenue Effort (per (f)) (h)	
Abilene, Texas	123,100	\$2,514	\$47.06	\$48.90	\$95.96	79.9	173	193	—
Akron, Ohio	652,400	3,111	67.66	36.56	104.22	86.8	70	155	51
Albany, Georgia	89,100	2,409	55.71	63.13	118.84	99.0	190	93	—
Albany—Schenectady—Troy, N.Y.	702,200	3,068	57.40	63.71	121.11	100.8	78	80	28
Albuquerque, New Mexico	288,700	2,820	50.67	86.09	136.76	113.9	129	28	—
Allentn.—Beth.—Easton, Pa.—N.J.	522,000	3,090	52.63	48.83	101.46	84.5	75	169	56
Altoona, Pennsylvania	138,000	2,465	47.04	51.38	98.42	82.0	184	186	—
Amarillo, Texas	172,500	2,982	62.85	48.90	111.75	93.1	95	117	—
Anaheim—S. Ana—Gard. Grove, Cal.	1,161,500	3,380	95.98	53.62	149.60	124.6	35	9	3
Anderson, Indiana	135,100	3,211	45.42	50.64	96.06	80.0	52	190	—
Ann Arbor, Michigan	204,500	3,562	47.17	55.29	102.46	85.3	23	162	—
Asheville, North Carolina	144,700	2,483	37.54	74.26	111.80	93.1	179	115	—
Atlanta, Georgia	1,255,200	3,247	57.40	63.13	120.53	100.4	48	83	31
Atlantic City, New Jersey	182,300	2,772	98.43	35.09	133.52	111.2	139	39	—
Augusta, Georgia—S.C.	259,500	2,604	43.03	66.65	109.68	91.3	161	126	—
Austin, Texas	254,000	2,407	60.54	48.90	109.44	91.1	191	128	—
Bakersfield, California	324,400	2,902	103.78	53.62	157.40	131.1	111	2	—
Baltimore, Maryland	1,962,800	3,180	61.20	55.42	116.62	97.1	61	101	33
Baton Rouge, Louisiana	267,900	2,671	56.57	83.84	140.41	116.9	152	22	—
Bay City, Michigan	112,700	2,890	66.31	55.29	121.60	101.3	113	77	—
Beaumont—Port Arthur, Tex.	311,500	2,758	73.18	48.90	122.08	101.7	140	74	—
Billings, Montana	81,000	2,742	76.03	50.39	126.42	105.3	141	60	—
Binghamton, N.Y.—Pa.	298,300	3,097	77.60	62.27	139.87	116.5	74	24	—
Birmingham, Alabama	737,300	2,636	49.09	66.59	115.68	96.3	156	105	34
Bloomington—Normal, Ill.	95,600	3,174	66.28	38.08	104.36	86.9	62	152	—
Boise City, Idaho	100,700	2,802	58.45	75.43	133.88	111.5	131	36	—
Boston, Massachusetts	3,226,500	3,423	65.55	53.96	119.51	99.5	34	89	32
Brownvl.—Harlg.—S. Benito, Tex.	150,900	1,725	65.53	48.90	114.43	95.3	214	107	—
Buffalo, New York	1,323,500	3,155	71.82	63.71	135.53	112.9	64	30	10
Canton, Ohio	356,500	3,017	51.24	36.56	87.80	73.1	87	213	—

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67 (Cont'd)

Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income ((c) & (d))	Relative Revenue Effort ((e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Revenue Effort Among 65 Largest SMSA's (i)
			Loc. Gov. Gen. Rev. from own Sources (c)	State Taxes (d)			Per Cap. Personal Income (per (b)) (g)	Relative Revenue Effort (per (f)) (h)	
Cedar Rapids, Iowa	152,300	\$3,875	\$55.30	\$54.83	\$110.13	91.7	7	122	—
Champaign—Urbana, Illinois	150,200	3,337	63.55	38.08	101.63	84.6	38	168	—
Charleston, South Carolina	313,300	1,941	34.81	74.54	109.35	91.1	211	130	—
Charleston, West Virginia	240,500	2,861	46.98	71.54	118.52	98.7	117	95	—
Charlotte, North Carolina	371,000	3,158	45.87	74.26	120.13	100.0	63	86	—
Chattanooga, Tenn.—Georgia	295,900	2,788	58.44	59.67	118.11	98.4	134	96	—
Chicago, Illinois	6,711,200	3,982	55.47	38.08	93.55	77.9	2	201	63
Cincinnati, Ohio—Ky.—Ind.	1,353,300	3,119	68.28	39.34	107.62	89.6	69	137	43
Cleveland, Ohio	2,049,500	3,559	62.91	36.56	99.47	82.8	24	178	59
Colorado Springs, Colorado	185,500	2,779	68.03	58.90	126.93	105.7	136	59	—
Columbia, South Carolina	309,400	2,565	35.20	74.54	109.74	91.4	165	125	—
Columbus, Georgia—Alabama	258,500	2,397	49.49	63.63	113.12	94.2	192	111	—
Columbus, Ohio	856,900	2,990	57.80	36.56	94.36	78.6	93	199	61
Corpus Christi, Texas	286,000	2,365	76.48	48.90	125.38	104.4	195	63	—
Dallas, Texas	1,362,600	3,201	53.52	48.90	102.42	85.3	54	163	55
Dvnt.—Rock Island—Mol, Iowa—Ill.	352,900	3,461	61.34	44.31	105.65	88.0	31	147	—
Dayton, Ohio	807,900	3,310	56.34	36.56	92.90	77.4	42	202	64
Decatur, Illinois	124,400	3,513	50.16	38.08	88.24	73.5	27	212	—
Denver, Colorado	1,074,000	3,233	71.26	58.90	130.16	108.4	50	45	16
Des Moines, Iowa	274,100	3,824	61.67	54.83	116.50	97.0	9	103	—
Detroit, Michigan	4,073,300	3,695	60.12	55.29	115.41	96.1	17	106	35
Dubuque, Iowa	87,600	2,838	44.33	54.83	99.16	82.6	125	180	—
Duluth—Superior, Minn.—Wis.	268,800	2,665	81.49	65.03	146.52	122.0	153	10	—
Durham, North Carolina	176,700	2,364	47.21	74.26	121.47	101.1	196	78	—
El Paso, Texas	347,200	2,288	49.53	48.90	98.43	82.0	203	185	—
Erie, Pennsylvania	256,000	3,005	50.82	51.38	102.20	85.1	89	166	—
Eugene, Oregon	199,600	2,733	78.74	56.25	134.99	112.4	144	32	—
Evansville, Indiana—Ky.	224,600	3,003	46.64	52.57	99.21	82.6	90	179	—
Fall River, Massachusetts	415,600	2,837	56.70	53.96	110.66	92.1	127	120	—
Fargo—Moorhead, N. Dak.—Minn.	110,900	2,797	84.43	58.08	142.51	118.7	132	19	—

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67 (Cont'd)

Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income ((c) & (d))	Relative Revenue Effort ((e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Revenue Effort Among 65 Largest SMSA's (i)
			Loc. Gov. Gen. Rev. from own Sources (c)	State Taxes (d)			Per Cap. Personal Income (per (b)) (g)	Relative Revenue Effort (per (f)) (h)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Fayetteville, North Carolina	195,000	\$2,148	\$30.72	\$74.26	\$104.98	87.4	207	150	—
Flint, Michigan	472,500	3,348	70.05	55.29	125.34	104.4	36	64	—
Ft. Lauderdale—Hollywd., Fla.	466,000	2,841	88.94	56.90	145.84	121.4	124	12	—
Fort Smith, Ark.—Oklahoma	155,200	1,955	45.43	70.32	115.75	96.4	210	104	—
Fort Wayne, Indiana	263,900	3,471	49.20	50.64	99.84	83.1	30	174	—
Fort Worth, Texas	636,500	2,887	55.38	48.90	104.28	86.8	114	153	49
Fresno, California	410,800	2,688	99.49	53.62	153.11	127.5	149	6	—
Gadsden, Alabama	95,600	2,305	46.57	66.59	113.16	94.2	201	110	—
Galveston—Texas City, Texas	159,700	2,596	92.27	48.90	141.17	117.6	163	21	—
Gary-Hamm.—E. Chicago, Ind.	602,800	3,182	73.02	50.64	123.66	103.0	60	70	26
Grand Rapids, Michigan	504,700	3,185	52.03	55.29	107.32	89.4	58	139	45
Great Falls, Montana	80,800	2,938	77.29	50.39	127.68	106.3	104	55	—
Green Bay, Wisconsin	138,100	2,720	55.04	74.34	129.38	107.7	146	49	—
Grnbro.—Win. Sal.—H. Pt, N.C.	579,500	2,975	48.90	74.26	123.16	102.6	97	71	27
Greenville, South Carolina	273,300	2,778	30.85	74.54	105.39	87.8	137	148	—
Hamilton—Middletown, Ohio	209,900	2,944	62.34	36.56	98.90	82.4	103	181	—
Harrisburg, Pennsylvania	393,300	2,872	52.69	51.38	104.07	86.7	116	156	—
Hartford, Connecticut	783,300	3,707	56.75	44.08	100.83	84.0	15	172	57
Honolulu, Hawaii	596,400	3,202	43.96	98.70	142.66	118.8	53	17	6
Houston, Texas	1,743,200	2,929	62.87	48.90	111.77	93.1	107	116	38
Hunting.—Ashland, W. Va—Ky—Ohio	259,800	2,561	43.73	64.40	108.13	90.0	166	134	—
Huntsville, Alabama	232,600	2,421	50.71	66.59	117.30	97.7	187	99	—
Indianapolis, Indiana	1,029,500	3,487	57.28	50.64	107.92	89.9	28	135	42
Jackson, Michigan	137,400	3,185	46.69	55.29	101.98	84.9	59	167	—
Jackson, Mississippi	252,200	2,497	67.13	74.14	141.27	117.6	176	20	—
Jacksonville, Florida	500,900	2,774	53.03	56.90	109.93	91.5	138	123	40
Jersey City, New Jersey	620,300	3,567	67.99	35.09	103.08	85.8	22	161	54
Johnstown, Pennsylvania	269,500	2,156	49.76	51.38	101.14	84.2	206	171	—
Kalamazoo, Michigan	189,000	3,191	54.13	55.29	109.42	91.1	57	129	—
Kansas City, Mo.—Kansas	1,201,100	3,275	60.74	49.43	110.17	91.7	46	121	39

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67 (Cont'd)

Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income ((c) & (d))	Relative Revenue Effort (e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Revenue Effort Among 65 Largest SMSA's
			Loc. Gov. Gen. Rev. from own Sources	State Taxes			Per Cap. Personal Income (per (b))	Relative Revenue Effort (per (f))	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Kenosha, Wisconsin	114,000	\$2,919	\$60.42	\$74.34	\$134.76	112.2	108	33	—
Knoxville, Tennessee	395,200	2,557	48.81	59.74	108.55	90.4	167	133	—
Lafayette, Louisiana	103,600	2,133	48.59	83.84	132.43	110.3	208	42	—
Lafayette—W. Lafayette, Ind.	102,900	3,201	46.34	50.64	96.98	80.8	55	189	—
Lake Charles, Louisiana	135,400	2,521	60.97	83.84	144.81	120.6	171	15	—
Lancaster, Pennsylvania	294,700	3,106	44.02	51.38	95.40	79.4	72	195	—
Lansing, Michigan	350,100	3,030	63.96	55.29	119.25	99.3	83	91	—
Laredo, Texas	75,600	1,379	60.25	48.90	109.15	90.9	215	131	—
Las Vegas, Nevada	235,600	3,816	88.42	57.89	146.31	121.8	10	11	—
Lawton, Oklahoma	105,000	2,600	33.12	65.75	98.87	82.3	162	182	—
Lewiston—Auburn, Maine	89,600	2,386	48.36	54.72	103.08	85.8	193	160	—
Lexington, Kentucky	163,700	2,992	47.70	65.20	112.90	94.0	92	112	—
Lima, Ohio	173,700	2,780	52.77	36.56	89.33	74.4	135	210	—
Lincoln, Nebraska	153,500	3,342	78.18	32.64	110.82	92.3	37	119	—
Little Rock—N. Little Rk. Ark.	314,000	2,740	44.66	72.22	116.88	97.3	143	100	—
Lorain—Elyria, Ohio	242,800	2,859	65.79	36.56	102.35	85.2	118	164	—
Los Angeles—Long Beach, Calif.	6,755,900	3,759	76.01	53.62	129.63	107.9	12	47	18
Louisville, Kentucky—Ind.	783,600	3,135	60.68	63.78	124.46	103.6	67	67	24
Lubbock, Texas	189,700	2,616	46.37	48.90	95.27	79.3	159	197	—
Lynchburg, Virginia	121,600	2,607	42.65	54.54	97.19	80.9	160	188	—
Macon, Georgia	205,400	2,485	58.26	63.13	121.39	101.1	178	79	—
Madison, Wisconsin	264,400	3,044	62.32	74.34	136.66	113.8	80	29	—
Manchester, New Hampshire	209,100	2,969	55.51	34.81	90.32	75.2	99	208	—
Mansfield, Ohio	128,100	3,222	52.40	36.56	88.96	74.1	51	211	—
McAllen—Pharr—Edinburg, Tex.	203,800	1,250	91.40	48.90	140.30	116.8	216	23	—
Memphis, Tennessee—Arkansas	749,000	2,554	68.70	59.87	128.57	107.1	168	52	21
Miami, Florida	1,084,300	3,023	76.69	56.90	133.59	111.2	85	38	13
Midland, Texas	66,400	3,698	52.29	48.90	101.19	84.3	16	170	—
Milwaukee, Wisconsin	1,334,700	3,591	65.05	74.34	139.39	116.1	20	25	8
Minneapolis—St. Paul, Minn.	1,619,800	2,621	66.16	63.64	129.80	108.1	158	46	17

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67 (Cont'd)

Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income (c) & (d)	Relative Revenue Effort (e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Revenue Effort Among 65 Largest SMSA's (i)
			Loc. Gov. Gen. Rev. from own Sources	State Taxes			Per Cap. Personal Income (per (b))	Relative Revenue Effort (per (f))	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Mobile, Alabama	386,300	\$2,340	\$53.27	\$66.59	\$119.86	99.8	197	87	—
Monroe, Louisiana	111,500	2,301	40.11	83.84	123.95	103.2	202	69	—
Montgomery, Alabama	209,900	2,310	39.17	66.59	105.76	88.1	200	145	—
Muncie, Indiana	121,700	3,110	44.99	50.64	95.63	79.6	71	194	—
Muskegon—Muskegon Hgts., Mich.	152,600	3,023	51.47	55.29	106.76	88.9	86	140	—
Nashville, Tennessee	524,900	2,807	54.59	59.74	114.33	95.2	130	108	36
New Haven, Connecticut	709,000	3,581	54.55	44.08	98.63	82.1	21	184	60
New London—Groton, Norw. Conn.	221,100	3,840	39.27	44.08	83.35	69.4	8	216	—
New Orleans, Louisiana	1,045,600	2,875	49.66	83.84	133.50	111.2	115	40	14
New York, New York	11,457,600	3,962	88.20	63.71	151.91	126.5	4	7	2
Newark, New Jersey	1,875,600	3,788	68.42	35.09	103.51	86.2	11	157	52
Newport News—Hampton, Va.	276,000	2,859	44.27	54.54	98.81	82.3	119	183	—
Norfolk—Portsmouth, Virginia	640,700	2,793	58.89	54.54	113.43	94.5	133	109	37
Odessa, Texas	93,100	2,856	84.83	48.90	133.73	111.4	120	37	—
Ogden, Utah	123,300	2,895	50.10	70.12	120.22	100.1	112	85	—
Oklahoma City, Oklahoma	587,000	2,837	60.12	65.75	125.87	104.8	128	62	23
Omaha, Nebraska—Iowa	510,000	3,028	69.68	34.86	104.54	87.1	84	151	48
Orlando, Florida	376,900	2,509	63.51	56.90	120.41	100.3	174	84	—
Oxnard—Ventura, California	336,100	2,960	111.03	53.62	164.65	137.1	102	1	—
Paterson—Clift.—Passaic, NJ	1,320,200	4,054	69.14	35.09	104.23	86.8	1	154	50
Pensacola, Florida	225,600	2,639	48.85	56.90	105.75	88.1	155	146	—
Peoria, Illinois	329,600	3,459	59.43	38.08	97.51	81.2	32	187	—
Philadelphia, Pa.—N.J.	4,736,200	3,423	60.92	48.55	109.47	91.2	49	127	41
Phoenix, Arizona	842,000	2,842	70.46	73.21	143.67	119.6	123	16	5
Pine Bluff, Arkansas	88,400	2,091	40.25	72.22	112.47	93.7	209	114	—
Pittsburgh, Pennsylvania	2,386,200	3,125	56.25	51.38	107.61	89.6	68	138	44
Portland, Maine	193,800	2,650	64.57	54.72	119.29	99.3	154	90	—
Portland, Oreg.—Washington	916,200	3,305	66.60	57.81	124.41	103.6	43	68	25
Providence—Paw.—Warw., R.I.	742,100	3,042	53.30	52.54	105.84	88.1	82	143	46
Provo-Orem, Utah	127,100	1,874	65.36	70.12	135.48	112.8	212	31	—

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67 (Cont'd)

Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income ((c) & (d))	Relative Revenue Effort (e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Revenue Effort Among 65 Largest SMSA's (i)
			Loc. Gov. Gen. Rev. from own Sources (c)	State Taxes (d)			Per Cap. Personal Income (per (b)) (g)	Relative Revenue Effort (per (f)) (h)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Pueblo, Colorado	119,000	\$2,521	\$67.47	\$58.90	\$126.37	105.2	172	61	—
Racine, Wisconsin	156,700	3,322	53.79	74.34	128.13	106.7	40	53	—
Raleigh, North Carolina	201,600	2,709	43.49	74.26	117.75	98.1	148	97	—
Reading, Pennsylvania	289,900	3,043	51.71	51.38	103.09	85.8	81	159	—
Reno, Nevada	108,200	3,892	87.44	57.89	145.33	121.0	6	13	—
Richmond, Virginia	496,700	3,294	45.08	54.54	99.62	83.0	44	176	—
Roanoke, Virginia	177,500	2,855	51.38	54.54	105.92	88.2	121	142	—
Rochester, New York	820,000	3,530	64.19	63.71	127.90	106.5	25	54	22
Rockford, Illinois	256,800	3,685	52.89	38.08	90.97	75.8	18	207	—
Sacramento, California	750,800	3,475	91.26	53.62	144.88	120.6	29	14	4
Saginaw, Michigan	210,900	3,105	52.54	55.29	107.83	89.8	73	136	—
Saint Joseph, Missouri	92,800	2,838	48.16	47.84	96.00	79.9	126	192	—
Saint Louis, Missouri—Ill.	2,272,400	3,276	59.66	46.13	105.79	88.1	45	144	47
Salem, Oregon	172,800	2,382	70.99	56.25	174.24	106.0	194	58	—
Salinas—Monterey, California	229,900	3,607	68.19	53.62	121.81	101.4	19	75	—
Salt Lake City, Utah	526,800	2,722	60.30	70.12	130.42	108.6	145	43	15
San Angelo, Texas	73,600	2,411	43.51	48.90	92.41	77.0	189	205	—
San Antonio, Texas	828,000	2,313	42.56	48.90	91.46	76.2	199	206	65
San Bern.—Riv.—Ontario, Calif.	1,035,700	2,688	102.96	53.62	156.31	130.2	150	5	1
San Diego, California	1,177,900	3,149	75.50	53.62	129.12	107.5	65	50	19
San Francisco—Oakland, Calif.	2,942,000	3,976	80.46	53.62	134.08	111.6	3	34	11
San Jose, California	929,800	3,248	88.96	53.62	142.58	118.7	47	18	7
Santa Barbara, California	251,300	2,912	79.15	53.62	132.77	110.6	110	41	—
Savannah, Georgia	188,000	2,481	64.42	63.13	127.55	106.2	180	56	—
Scranton, Pennsylvania	226,300	2,533	44.62	51.38	96.00	79.9	170	191	—
Seattle—Everett, Washington	1,231,600	3,723	54.89	79.17	134.06	111.6	14	35	12
Sherman—Denison, Texas	77,600	2,471	50.87	48.90	99.77	83.1	181	175	—
Shreveport, Louisiana	287,300	2,470	41.00	83.84	124.84	104.0	182	65	—
Sioux City, Iowa—Nebraska	114,900	3,327	58.77	52.52	111.29	92.7	39	118	—
Sioux Falls, South Dakota	92,400	2,497	76.45	50.91	127.36	106.1	177	57	—

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67 (Cont'd)

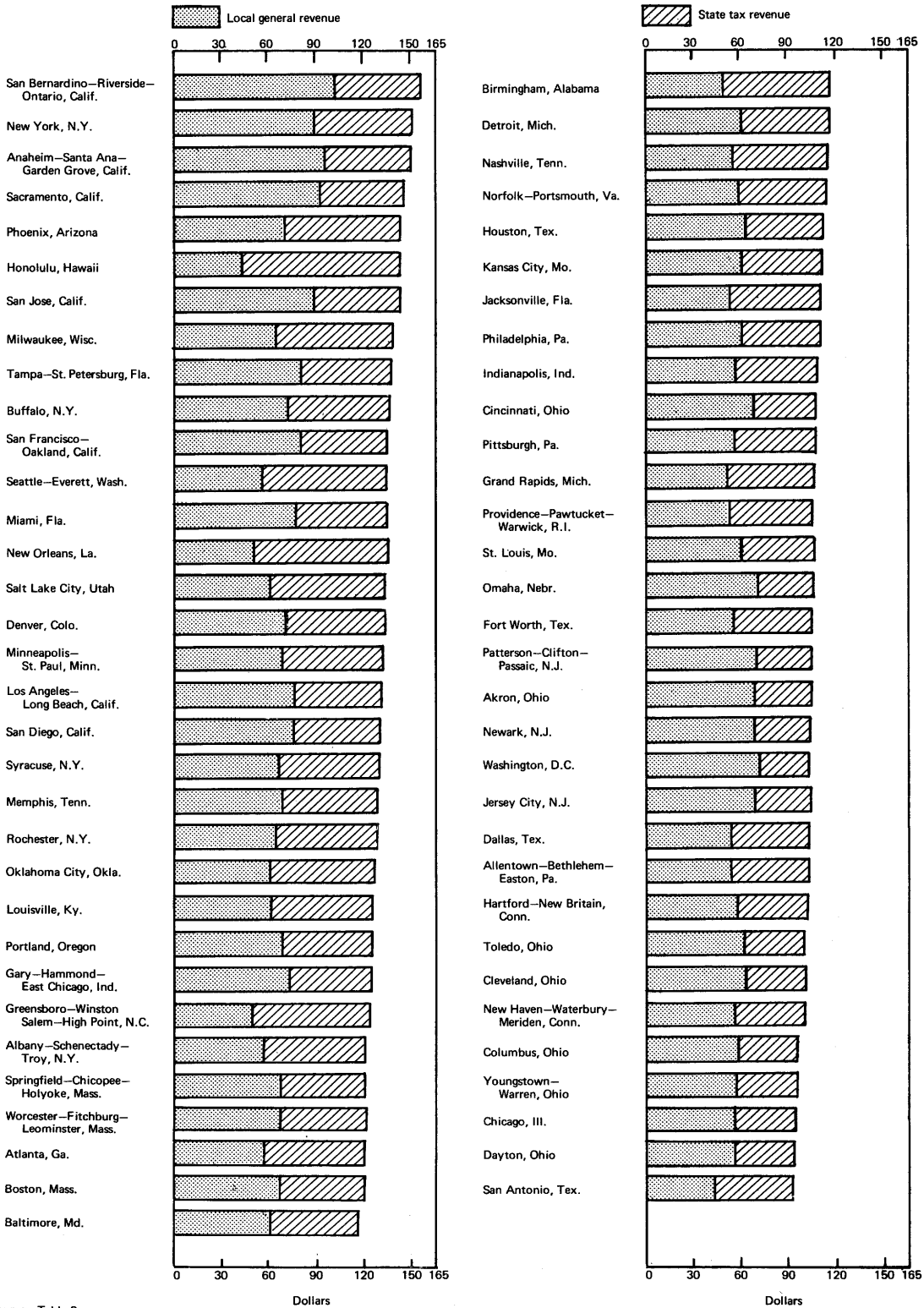
Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income (c) & (d)	Relative Revenue Effort (e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Revenue Effort Among 65 Largest SMSA's (i)
			Loc. Gov. Gen. Rev. from own Sources (c)	State Taxes (d)			Per Cap. Personal Income (per (b))	Relative Revenue Effort (per (f))	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
South Bend, Indiana	272,300	\$2,980	\$59.28	\$50.64	\$109.92	91.5	96	124	—
Spokane, Washington	265,500	3,070	45.41	79.17	124.58	103.7	77	66	—
Springfield, Illinois	159,300	3,320	47.58	38.08	85.66	71.3	41	214	—
Springfield, Missouri	140,600	2,451	58.42	47.84	106.26	88.5	185	141	—
Springfield, Ohio	149,700	2,932	53.62	36.56	90.18	75.1	106	209	—
Spfd.—Chicop.—Holyoke, Mass.	554,300	3,010	67.11	53.96	121.07	100.8	88	81	29
Steubvl.—Weirton, Ohio—W. Va.	167,100	2,854	40.50	52.35	92.85	77.3	122	203	—
Stockton, California	281,100	2,937	102.79	53.62	156.41	130.2	105	4	—
Syracuse, New York	613,500	2,973	65.22	63.71	128.93	107.4	98	51	20
Tacoma, Washington	367,000	2,718	58.57	79.17	137.74	114.7	147	26	—
Tallahassee, Florida	87,600	2,432	64.72	56.90	121.62	101.3	186	76	—
Tampa—St. Petersburg, Fla.	880,900	2,585	80.09	56.90	136.99	114.1	164	27	9
Terre-Haute, Indiana	169,400	2,677	66.72	50.64	117.36	97.7	151	98	—
Texarkana, Texas—Arkansas	101,200	2,235	35.64	54.49	84.54	70.4	205	215	—
Toledo, Ohio—Michigan	667,900	3,071	61.37	38.13	99.50	82.9	76	177	58
Topeka, Kansas	150,900	2,988	75.68	54.55	130.23	108.4	94	44	—
Trenton, New Jersey	301,200	3,446	65.26	35.09	100.35	83.6	33	173	—
Tucson, Arizona	316,200	2,468	78.44	73.21	151.65	126.3	183	8	—
Tulsa, Oklahoma	441,400	3,142	53.24	65.75	118.99	99.1	66	92	—
Tuscaloosa, Alabama	121,800	1,850	56.29	66.59	122.88	102.3	213	73	—
Tyler, Texas	93,800	2,502	53.32	48.90	102.22	85.1	175	165	—
Utica—Rome, New York	349,700	2,624	55.09	63.71	118.80	98.9	157	94	—
Vallejo—Napa, California	241,800	2,963	62.89	53.62	116.51	97.0	101	102	—
Waco, Texas	150,100	2,551	46.45	48.90	95.35	79.4	169	196	—
Washington, D.C.—Md.—Va.	2,612,000	3,524	72.35	31.15	103.50	86.2	26	158	53
Waterloo, Iowa	127,100	3,729	53.86	54.83	108.69	90.5	13	132	—
West Palm Beach, Florida	288,400	2,841	100.33	56.90	157.23	130.9	142	3	—
Wheeling, W. Va.—Ohio	185,300	2,413	77.04	52.50	129.54	107.9	188	48	—
Wichita, Kansas	393,100	3,197	65.08	54.55	119.63	99.6	56	88	—
Wichita Falls, Texas	132,300	2,968	56.14	48.90	105.04	87.5	100	149	—

TABLE 2 — REVENUE EFFORT OF INDIVIDUAL SMSA'S IN RELATION TO PERSONAL INCOME, 1966-67 (Cont'd)

Area	Population 1966	Per Capita Personal Income, 1966	Amount per \$1,000 Personal Income of		Total Revenue Effort Rel. to Income (c) & (d)	Relative Revenue Effort (e) as % of all SMSA Average)	Area Rank		Area Rank in Relative Revenue Effort Among 65 Largest SMSA's (i)
			Loc. Gov. Gen. Rev. from own Sources (c)	State Taxes (d)			Per Cap. Personal Income (per (b)) (g)	Relative Revenue Effort (per (f)) (h)	
Wilkes-Barre—Hazleton, Pa.	343,200	\$2,318	\$41.16	\$51.38	\$92.54	77.1	198	204	—
Wilmington, Del.—N.J.—Md.	473,300	3,911	41.41	71.21	112.62	93.8	5	113	—
Wilmington, North Carolina	96,900	2,251	48.87	74.26	123.13	102.5	204	72	—
Worcester, Massachusetts	610,100	3,062	67.05	53.96	121.01	100.8	79	82	30
York, Pennsylvania	309,900	2,916	43.21	51.38	94.59	78.8	109	198	—
Youngstown—Warren, Ohio	523,100	2,998	57.17	36.56	93.73	78.0	91	200	62

Source: Compiled by ACIR staff from various reports of the U.S. Department of Commerce.

FIGURE 3 - LOCAL GENERAL REVENUE AND STATE TAX REVENUE PER \$1,000 OF PERSONAL INCOME, FOR THE 65 LARGEST SMSA's, 1967
(Ranked from high to low—combined local and state revenue)



Source: Table 2.

TABLE 3 – ESTIMATED TAX BURDEN FOR SELECTED DIRECT PERSONAL TAXES, BY AGI CLASS, 1966

Adjusted gross income class	Number of returns (thousands)	Federal adjusted gross income		Grossed-up AGI less an allowance for dependents	
		Amount (millions)	Distribution (cumulative from lowest AGI class)	Amount ¹ (millions)	Distribution (cumulative from lowest AGI class)
Under \$2,000	15,093	\$ 15,147	3.2%	\$ 12,447	3.3%
\$ 2,000 – \$ 2,999	6,132	15,349	6.5	9,446	5.8
\$ 3,000 – \$ 3,999	5,850	20,422	10.9	14,007	9.5
\$ 4,000 – \$ 4,999	5,505	24,774	16.2	17,548	14.1
\$ 5,000 – \$ 5,999	5,276	29,047	22.4	20,781	19.6
\$ 6,000 – \$ 6,999	5,221	33,938	29.6	24,686	26.1
\$ 7,000 – \$ 7,999	4,992	37,407	37.6	27,339	33.3
\$ 8,000 – \$ 8,999	4,521	38,360	45.8	29,484	41.0
\$ 9,000 – \$ 9,999	3,787	35,919	53.4	28,107	48.5
\$10,000 – \$14,999	9,263	110,564	77.0	91,527	72.6
\$15,000 – \$19,999	2,230	37,850	85.1	33,522	81.4
\$20,000 – \$49,999	1,644	46,426	95.0	44,293	93.1
\$50,000 – \$99,999	218	14,380	98.1	14,878	97.0
\$100,000 or more	53	10,689	100.4	13,582	100.6
No adjusted gross income . . .	374	1,821 ³	100.0	2,257 ³	100.0
Total	70,160	\$468,451 ⁴	100.0	\$379,390 ⁴	100.0

State and local general sales taxes

Adjusted gross income class	Amount (millions)	Distribution (cumulative from lowest AGI class)	As a percent of	
			Federal AGI	Grossed-up AGI less dependents
Under \$2,000	\$ 422	5.6%	2.8%	3.4%
\$ 2,000 – \$ 2,999	312	9.8	2.0	3.3
\$ 3,000 – \$ 3,999	400	15.1	2.0	2.9
\$ 4,000 – \$ 4,999	482	21.5	1.9	2.7
\$ 5,000 – \$ 5,999	530	28.6	1.8	2.6
\$ 6,000 – \$ 6,999	618	36.8	1.8	2.5
\$ 7,000 – \$ 7,999	646	45.4	1.7	2.4
\$ 8,000 – \$ 8,999	639	53.9	1.7	2.2
\$ 9,000 – \$ 9,999	597	61.9	1.7	2.1
\$10,000 – \$14,999	1,733	85.0	1.6	1.9
\$15,000 – \$19,999	531	92.0	1.4	1.6
\$20,000 – \$49,999	466	98.2	1.0	1.1
\$50,000 – \$99,999	88	99.4	0.6	0.6
\$100,000 or more	45	100.0	0.4	0.3
No adjusted gross income. . . .	n.a.	.....	...	n.a.
Total	\$ 7,508	100.0	1.6	2.0

See footnotes on the next page.

TABLE 3 – ESTIMATED TAX BURDEN FOR SELECTED DIRECT PERSONAL TAXES, BY AGI CLASS, 1966 (Cont'd)

Adjusted gross income class	Amount (millions)	Distribution (cumulative from lowest AGI class)	State and local property taxes ²	
			As a percent of	
			Federal AGI	Grossed-up AGI less dependents
Under \$2,000	\$ 1,293	9.2%	8.5%	10.4%
\$ 2,000 – \$ 2,999	742	14.5	4.8	7.9
\$ 3,000 – \$ 3,999	806	20.2	3.9	5.8
\$ 4,000 – \$ 4,999	723	25.4	2.9	4.1
\$ 5,000 – \$ 5,999	804	31.1	2.8	3.9
\$ 6,000 – \$ 6,999	890	37.5	2.6	3.6
\$ 7,000 – \$ 7,999	1,090	45.2	2.9	4.0
\$ 8,000 – \$ 8,999	1,096	53.0	2.9	3.7
\$ 9,000 – \$ 9,999	1,049	60.5	2.9	3.7
\$10,000 – \$14,999	3,079	82.4	2.8	3.4
\$15,000 – \$19,999	1,019	89.7	2.7	3.0
\$20,000 – \$49,999	1,049	97.2	2.3	2.4
\$50,000 – \$99,999	248	98.9	1.7	1.7
\$100,000 or more	152	100.0	1.4	1.1
No adjusted gross income.	n.a.	.....	...	n.a.
Total	\$14,040	100.0	3.0	3.7

n.a. – Data not available.

¹Grossed-up AGI = Federal adjusted gross income *plus*: excludable capital gains, estimated OASDI benefits, and excludable dividends; *less* capital loss in excess of statutory limitations.

²Including an imputed residential property tax payment made by renters.

³Deficit.

⁴Adjusted gross income less deficit.

Source: Internal Revenue Service; *Statistics of Income, Individual Income Tax Returns, 1966*, and ACIR staff estimates based on individual income tax returns, 1966, unpublished IRS tables from 1963 returns, Subproject B, (special tabulation by Treasury Department) of BLS 1960-61 *Consumer Expenditure Survey*, U. S. Bureau of the Census, current population reports, series P-60, No. 53, *Income in 1966 of Families and Persons in the United States*, and U. S. Congress, Joint Economic Committee, *Old Age Income Assurance, Part II: The Aged Population and Retirement Income Programs*, 90th. Cong., 1st Sess., Joint Committee Print.

TABLE 4 -- PER CAPITA AMOUNTS OF SELECTED ITEMS OF STATE AND LOCAL GOVERNMENT FINANCES, BY STATE, 1967-68

State	General revenue				General expenditure					
	Total	From Federal government	Taxes	Charges and miscellaneous	Total ¹	Education		Highways	Public welfare	Health and hospitals
						Total	Local schools			
United States Average	\$ 507	\$ 86	\$338	\$ 83	\$ 512	\$206	\$147	\$ 72	\$49	\$38
Median State	502	91	322	84	510	200	143	81	39	32
Alabama	374	93	205	76	402	162	102	68	40	27
Alaska	1,086	462	335	288	1,203	319	226	345	35	36
Arizona	534	111	332	92	536	248	155	90	25	23
Arkansas	351	99	200	53	361	141	95	67	46	24
California	712	125	488	99	684	246	176	73	93	44
Colorado	558	105	352	101	555	260	157	73	55	38
Connecticut	502	81	357	64	531	198	156	73	46	34
Delaware	573	90	348	135	636	261	172	125	41	35
District of Columbia	670	236	376	58	666	154	147	78	55	97
Florida	448	64	289	95	444	183	134	56	25	43
Georgia	417	86	245	87	429	183	132	57	37	48
Hawaii	656	142	421	93	700	234	146	81	38	44
Idaho	500	101	315	84	469	188	130	92	34	33
Illinois	468	76	330	62	460	192	142	59	42	34
Indiana	445	59	305	82	436	221	142	67	19	34
Iowa	531	83	356	93	577	257	180	111	42	34
Kansas	479	73	322	84	459	215	149	77	34	31
Kentucky	412	110	227	75	451	167	103	99	45	28
Louisiana	481	100	280	100	503	195	136	81	63	32
Maine	400	74	276	50	467	206	150	89	39	21
Maryland	508	72	358	78	542	220	170	62	43	45
Massachusetts	534	78	396	60	510	163	132	58	65	48
Michigan	534	73	367	94	538	253	168	57	47	44
Minnesota	599	101	392	106	571	255	180	97	49	39
Mississippi	364	91	204	69	373	143	92	72	37	29

See footnotes at end of table.

TABLE 4 – PER CAPITA AMOUNTS OF SELECTED ITEMS OF STATE AND LOCAL GOVERNMENT FINANCES, BY STATE, 1967-68 (Cont'd)

State	General revenue				General expenditure					
	Total	From Federal government	Taxes	Charges and miscellaneous	Total ¹	Education		Highways	Public welfare	Health and hospitals
						Total	Local schools			
United States Average	\$ 507	\$ 86	\$338	\$ 83	\$ 512	\$206	\$147	\$ 72	\$49	\$38
Median State	502	91	322	84	510	200	143	81	39	32
Missouri	413	77	272	64	418	178	129	61	37	34
Montana	564	128	340	96	553	236	160	127	35	23
Nebraska	499	82	324	92	464	200	133	85	28	33
Nevada	700	130	429	141	736	248	190	130	41	63
New Hampshire	412	79	271	62	446	178	111	100	30	28
New Jersey	471	57	349	65	452	172	142	67	26	31
New Mexico	588	171	282	135	567	281	182	90	49	27
New York	680	78	503	98	704	238	181	62	95	75
North Carolina	363	64	237	62	366	165	113	58	25	28
North Dakota	602	116	316	169	606	248	155	128	42	19
Ohio	413	58	277	79	425	176	128	71	35	27
Oklahoma	506	133	266	107	506	192	121	83	92	29
Oregon	543	114	319	110	577	272	180	90	35	29
Pennsylvania	428	69	298	60	445	179	137	74	37	25
Rhode Island	492	103	331	57	555	187	131	110	70	35
South Carolina	326	63	201	62	340	161	112	48	16	31
South Dakota	546	127	327	92	561	259	177	141	35	18
Tennessee	372	83	227	62	395	161	112	62	29	35
Texas	401	78	243	80	409	181	130	69	34	24
Utah	532	136	301	96	538	289	179	88	36	23
Vermont	579	158	351	70	649	260	156	182	55	24
Virginia	405	70	269	65	423	188	138	77	18	30
Washington	595	100	381	115	577	263	175	93	45	25
West Virginia	430	113	249	68	457	194	127	104	39	25
Wisconsin	539	72	386	81	571	238	143	90	57	36
Wyoming	795	237	405	153	809	348	218	222	33	51

¹ Includes amounts for categories not shown separately.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68*.

TABLE 5 - RELATION OF SELECTED ITEMS OF STATE AND LOCAL GOVERNMENT FINANCES
TO PERSONAL INCOME: 1967-68

State	General revenue per \$1,000 of personal income						General expenditure per \$1,000 of personal income					
	Total	From Federal Government	All State and local general revenue sources	Taxes		Charges and miscellaneous general revenue	All general expenditure	Education		Highways	Public welfare	Health and hospitals
				Total	Property only			Total	Local schools only			
UNITED STATES AVERAGE.	161.99	27.48	134.51	108.10	44.39	26.41	163.84	65.84	46.88	23.16	15.77	12.07
MEDIAN STATE	171.13	33.10	136.14	105.42	44.65	29.37	178.28	73.25	48.24	28.72	13.08	10.94
ALABAMA	174.21	43.42	130.79	95.31	15.79	35.47	187.14	75.29	47.36	31.48	18.78	12.71
ALASKA	295.69	125.90	169.79	91.23	24.83	78.55	327.54	86.94	61.63	94.03	9.41	9.89
ARIZONA	200.81	41.55	159.26	124.79	56.70	34.46	201.57	93.22	58.36	33.92	9.25	8.76
ARKANSAS	171.13	48.20	122.93	97.23	25.54	25.69	175.79	68.64	46.25	32.71	22.34	11.91
CALIFORNIA	194.94	34.10	160.84	133.73	61.92	27.10	187.15	67.24	48.24	19.93	25.46	12.08
COLORADO	184.74	34.62	150.12	116.57	52.76	33.54	183.49	86.16	52.06	24.00	18.11	12.40
CONNECTICUT	127.99	20.68	107.31	90.89	47.52	16.42	135.41	50.57	39.81	18.71	11.70	8.61
DELAWARE	160.72	25.22	135.50	97.56	20.46	37.94	178.28	73.22	48.12	35.04	11.47	9.72
DISTRICT OF COLUMBIA	162.46	57.33	105.13	91.17	33.22	13.96	161.52	37.46	35.65	18.96	13.37	23.58
FLORIDA	161.33	23.20	138.13	103.97	41.39	34.15	159.99	65.89	48.09	20.32	8.95	15.61
GEORGIA	167.16	34.36	132.80	97.98	30.26	34.81	171.83	73.25	52.77	22.98	14.74	19.23
HAWAII	211.35	45.69	165.66	135.56	26.52	30.10	225.50	75.23	47.16	25.97	12.38	14.10
IDAHO	195.98	39.39	156.59	123.57	46.61	33.02	183.76	73.67	51.10	35.87	13.34	12.76
ILLINOIS	125.74	20.34	105.40	88.67	40.56	16.73	123.70	51.61	38.14	15.74	11.29	9.24
INDIANA	141.21	18.79	122.42	96.58	46.28	25.84	138.30	70.02	44.98	21.28	5.89	10.64
IOWA	170.59	26.60	143.99	114.24	55.28	29.74	185.30	82.47	57.84	35.63	13.63	10.93
KANSAS	158.61	24.26	134.35	106.53	54.99	27.82	151.71	71.25	49.40	25.46	11.25	10.34
KENTUCKY	172.01	45.76	126.25	94.74	25.16	31.50	188.05	69.77	43.17	41.51	18.75	11.48
LOUISIANA	199.39	41.51	157.88	116.32	23.00	41.56	208.50	80.97	56.57	33.45	26.14	13.42
MAINE	151.58	27.87	123.71	104.67	48.74	19.04	176.67	78.18	56.71	33.63	14.88	7.80
MARYLAND	151.56	21.60	129.96	106.65	40.86	23.30	161.61	65.54	50.73	18.39	12.87	13.27
MASSACHUSETTS	151.37	22.11	129.26	112.22	57.78	17.04	144.39	46.21	37.52	16.44	18.48	13.50
MICHIGAN	160.00	21.87	138.13	109.94	45.30	28.19	161.30	75.98	50.39	17.05	13.96	13.11
MINNESOTA	195.79	33.10	162.69	127.94	56.55	34.74	186.44	83.25	58.81	31.72	15.97	12.72
MISSISSIPPI	191.32	47.76	143.56	107.50	28.74	36.05	196.03	75.29	48.14	37.61	19.33	15.35
MISSOURI	138.64	25.92	112.72	91.25	36.12	21.47	140.43	59.64	43.35	20.61	12.55	11.42
MONTANA	201.62	45.73	155.89	121.42	68.48	34.46	197.74	84.40	57.28	45.38	12.66	8.21
NEBRASKA	162.10	26.72	135.38	105.42	60.60	29.95	150.70	65.01	43.29	27.57	9.16	10.64
NEVADA	199.22	37.03	162.19	122.16	51.14	40.03	209.46	70.59	54.21	37.14	11.63	17.95
NEW HAMPSHIRE	137.97	26.38	111.59	90.72	55.38	20.87	149.64	59.67	37.24	33.39	10.15	9.29
NEW JERSEY	129.90	15.77	114.13	96.10	55.03	18.03	124.68	47.53	39.11	18.37	7.22	8.42
NEW MEXICO	240.38	69.79	170.59	115.37	25.18	55.22	231.67	114.86	74.47	36.64	19.84	10.94
NEW YORK	178.77	20.56	158.21	132.33	50.53	25.88	185.00	62.55	47.64	16.25	25.08	19.63
NORTH CAROLINA	151.93	26.80	125.13	99.01	26.50	26.12	153.05	69.27	47.26	24.41	10.34	11.63
NORTH DAKOTA	236.59	45.63	190.96	124.31	59.66	66.64	238.31	97.57	60.80	50.32	16.64	7.60
OHIO	130.26	18.27	111.99	87.24	42.83	24.75	133.97	55.59	40.23	22.30	11.05	8.37
OKLAHOMA	193.11	50.66	142.45	101.67	32.35	40.77	193.23	73.39	46.05	31.61	35.14	11.25
OREGON	177.99	37.33	140.66	104.61	49.89	36.05	189.29	89.33	58.95	29.60	11.48	9.36
PENNSYLVANIA	135.10	21.72	113.38	94.31	29.68	19.07	140.55	56.44	43.35	23.37	11.83	7.83
RHODE ISLAND	149.94	31.46	118.48	100.97	44.65	17.50	169.26	57.06	39.81	33.52	21.21	10.59
SOUTH CAROLINA	152.62	29.45	123.17	94.23	21.06	28.94	159.11	75.15	52.62	22.65	7.70	14.64
SOUTH DAKOTA	205.47	47.85	157.62	123.02	68.44	34.60	211.09	97.62	66.76	52.94	13.08	6.64
TENNESSEE	158.88	35.31	123.57	97.01	27.22	26.56	168.72	68.51	47.80	26.65	12.49	15.06
TEXAS	147.56	28.82	118.74	89.37	40.76	29.37	150.59	66.66	47.82	25.40	12.33	8.98
UTAH	206.32	52.60	153.72	116.68	47.91	37.04	208.74	112.18	69.47	34.16	13.96	8.94
VERMONT	207.34	56.73	150.61	125.47	49.58	25.14	232.54	92.97	55.88	65.37	19.62	8.63
VIRGINIA	146.25	25.43	120.82	97.21	28.77	23.61	152.90	67.92	49.95	27.96	6.32	10.67
WASHINGTON	179.41	29.98	149.43	114.70	36.58	34.72	173.76	79.11	52.84	27.93	13.69	7.44
WEST VIRGINIA	184.91	48.77	136.14	107.09	27.29	29.05	196.38	83.33	54.53	44.62	16.72	10.73
WISCONSIN	171.77	22.95	148.82	122.95	50.99	25.87	181.89	75.72	45.62	28.72	18.27	11.41
WYOMING	264.67	78.78	185.89	135.00	69.21	50.88	269.46	115.75	72.73	74.07	10.93	16.89

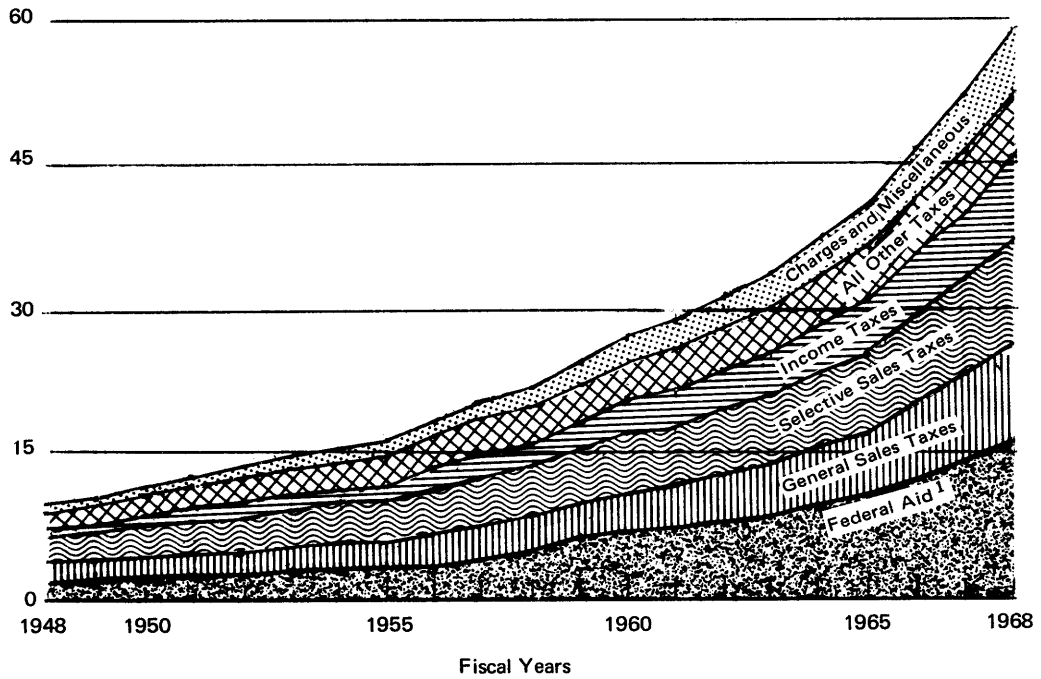
Note: Because of rounding, detail may not add to totals. These data are estimates subject to sampling variation; see text.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68*.

FIGURE 4 – MAJOR SOURCES OF STATE AND LOCAL GENERAL REVENUE, 1948 TO 1968

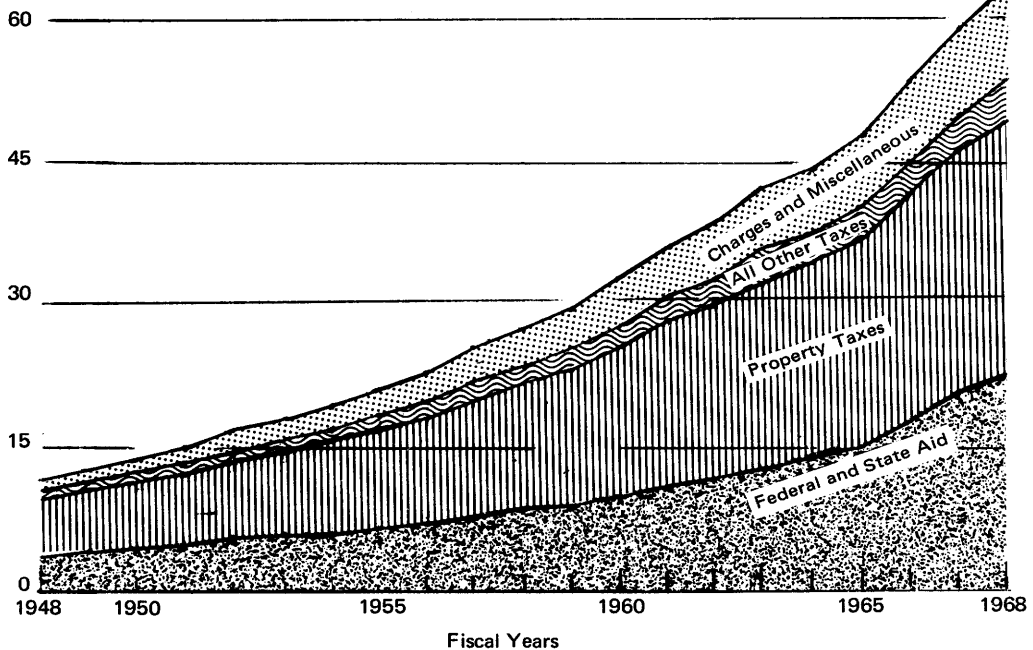
STATE GOVERNMENTS

Billions of Dollars



LOCAL GOVERNMENTS

Billions of Dollars



¹ Includes minor amounts of Local transfers.

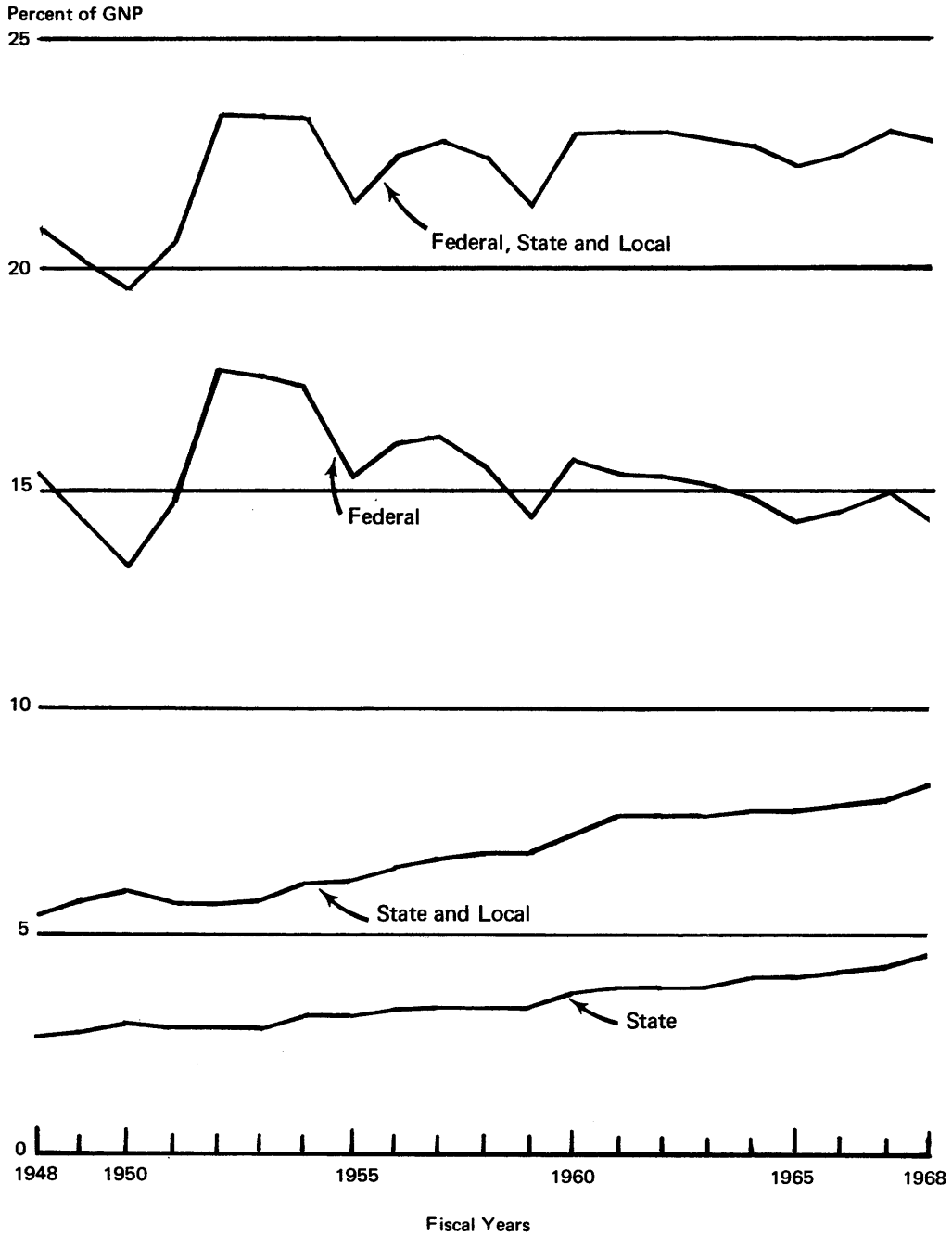
**TABLE 6 – GOVERNMENT RECEIPTS, NATIONAL INCOME AND PRODUCT ACCOUNTS BASIS,
1946, 1956 AND 1968**

Item	Amount			% Increase		% of GNP		
	1968	1956 (billions)	1946	1946- 1968	1956- 1968	1968	1956	1946
All governments, total ¹	\$264.2	\$109.0	\$ 50.9	419%	142%	30.5%	26.0%	24.4%
Taxes	207.6	93.7	43.9	373	122	24.0	22.4	21.0
Contributions for social insurance . .	47.0	12.6	6.0	683	273	5.4	3.0	2.9
Other	9.5	2.7	1.0	850	252	1.1	0.6	0.5
Federal Government, total	176.3	77.6	39.1	351	127	20.4	18.5	18.7
Taxes	134.9	66.7	33.4	304	102	15.6	15.9	16.0
Contributions for social insurance . .	40.5	10.6	5.5	636	282	4.7	2.5	2.6
Other	1.0	0.3	0.2	400	233	0.1	0.1	0.1
State and local governments, total . . .	106.2	34.7	12.9	723	206	12.3	8.3	6.2
Federal grants-in-aid	18.3	3.3	1.1	1564	455	2.1	0.8	0.5
Receipts from own sources	87.8	31.4	11.8	644	180	10.1	7.5	5.7
Taxes	72.8	27.0	10.5	593	170	8.4	6.4	5.0
Contributions for social insurance	6.5	2.0	0.5	1200	225	0.8	0.5	0.2
Other	8.6	2.4	0.8	975	258	1.0	0.6	0.4
Exhibit: Gross National Product	865.7	419.2	208.5	315	107	–	–	–

¹Excludes intergovernmental transactions.

Source: U. S. Department of Commerce, Office of Business Economics, *The National Income and Product Accounts of the United States, 1929-1965* (Washington, D. C., U. S. Government Printing Office: August 1966); and *Survey of Current Business*, July, 1969.

**FIGURE 5 – TAXES AS PERCENTAGE OF THE GROSS NATIONAL PRODUCT,
1948 TO 1968**



ACIR

Fiscal Years

TABLE 7 – GOVERNMENTAL REVENUE, BY SOURCE, BY LEVEL OF GOVERNMENT: 1967-68

Source	Amount (millions of dollars)					Per capita		
	All governments	Federal Government	State and local governments			Total	Federal Government	State and local governments
			Total	State	Local			
Total revenue.....	1,265,639	165,239	1,117,581	68,460	1,70,171	1,329.12	826.77	1588.31
Total general revenue.....	1,217,323	133,240	1,101,264	59,132	1,63,181	1,087.37	666.66	1506.67
Intergovernmental revenue.....	(¹)	-	17,181	15,935	22,295	(¹)	-	85.96
From Federal Government.....	(¹)	-	17,181	15,228	1,954	(¹)	-	85.96
From States.....	(¹)	-	(¹)	-	20,342	(¹)	-	(¹)
From local governments.....	(¹)	-	(¹)	707	(¹)	(¹)	-	(¹)
Revenue from own sources.....	265,639	165,239	100,400	52,525	47,875	1,329.12	826.77	502.35
General revenue from own sources.....	217,323	133,240	84,083	43,197	40,886	1,087.37	666.66	420.71
Taxes.....	185,126	117,554	67,572	36,400	31,171	926.27	588.18	338.09
Property.....	27,747	-	27,747	912	26,835	138.83	-	138.83
Individual income.....	76,034	68,726	7,308	6,231	1,077	380.43	343.87	36.57
Corporation income.....	31,183	28,665	2,518	2,518	(²)	156.02	143.42	12.60
Sales and gross receipts.....	39,186	16,275	22,911	20,979	1,932	196.07	81.43	114.63
Customs duties.....	2,038	2,038	-	-	-	10.20	0.20	-
General sales and gross receipts.....	11,645	-	11,645	10,441	1,204	58.27	-	58.27
Selective sales and gross receipts.....	25,502	14,236	11,266	10,538	728	127.60	71.23	56.37
Motor fuel.....	8,537	3,325	5,212	5,178	34	42.71	16.64	26.08
Alcoholic beverages.....	5,445	4,269	1,176	1,138	38	27.24	21.36	5.88
Tobacco products.....	4,108	2,122	1,986	1,886	100	20.55	10.62	9.94
Public utilities.....	2,340	1,305	1,035	664	371	11.71	6.53	5.18
Other.....	5,071	3,215	1,856	1,671	185	25.37	16.09	9.29
Motor vehicle and operators licenses.....	2,629	-	2,629	2,485	144	13.15	-	13.15
Death and gift.....	3,923	3,051	872	872	(³)	19.63	15.27	4.36
All other.....	4,424	838	3,586	2,403	1,183	22.14	4.19	17.94
Charges and miscellaneous general revenue.....	32,197	15,686	16,511	6,797	9,714	161.10	78.48	82.61
Current charges.....	22,182	10,397	11,785	4,891	6,894	110.99	52.02	58.97
National defense and international relations.....	582	582	-	-	-	2.91	2.91	-
Postal service.....	5,408	5,408	-	-	-	27.06	27.06	-
Education.....	4,592	21	4,571	2,742	1,829	22.98	0.11	22.87
School lunch sales.....	1,153	-	1,153	-	1,153	5.77	-	5.77
Institutions of higher education.....	2,919	-	2,919	2,690	229	14.61	-	14.61
Other.....	520	21	499	52	447	2.60	0.11	2.50
Hospitals.....	2,191	39	2,152	741	1,411	10.96	0.20	10.77
Sewerage.....	534	-	534	-	534	2.67	-	2.67
Sanitation other than sewerage.....	144	-	144	-	144	0.72	-	0.72
Local parks and recreation.....	178	-	178	-	178	0.89	-	0.89
Natural resources.....	2,495	2,260	235	170	65	12.48	11.31	1.18
Housing and urban renewal.....	1,375	854	521	7	514	6.88	4.27	2.61
Air transportation.....	361	3	358	27	331	1.81	0.02	1.79
Water transport and terminals.....	573	346	227	68	159	2.87	1.73	1.14
Parking facilities.....	122	-	122	-	122	0.61	-	0.61
Other.....	3,626	883	2,743	1,136	1,607	18.14	4.42	13.72
Miscellaneous general revenue.....	10,017	5,290	4,727	1,906	2,821	50.12	26.47	23.65
Special assessments.....	378	-	378	12	366	1.89	-	1.89
Sale of property.....	443	169	274	52	222	2.22	0.85	1.37
Interest earnings.....	3,345	1,527	1,818	926	892	16.74	7.64	9.10
Other.....	5,851	3,594	2,257	916	1,341	29.28	17.98	11.29
Utility revenue.....	5,683	-	5,683	-	5,683	28.43	-	28.43
Liquor stores revenue.....	1,819	-	1,819	1,557	262	9.10	-	9.10
Insurance trust revenue.....	40,814	31,999	8,815	7,771	1,044	204.21	160.11	44.11

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.
 - Represents zero or rounds to zero.
¹Duplicative transactions between levels of governments are excluded; see text.
²Minor amount included in individual income tax figure.
³Minor amount included in "All other" taxes.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68*.

**TABLE 8 — GENERAL REVENUE OF STATE AND LOCAL GOVERNMENTS BY SOURCE,
BY LEVEL OF GOVERNMENT: 1967-68
(Millions of dollars)**

State and level of government	Total general revenue	Intergovernmental revenue		All general revenue from own sources	Taxes			Charges and miscellaneous general revenue
		From Federal Government	Other (local-State and State-local)		Total	Property	Other	
UNITED STATES: TOTAL	101 264.3	17 181.3	(1)	84 083.0	67 571.6	27 747.3	39 824.3	16 511.4
STATE GOVERNMENTS.	59 132.4	15 227.7	707.2	43 197.4	36 400.2	912.0	35 488.2	6 797.3
LOCAL GOVERNMENTS.	63 180.9	1 953.6	20 341.8	40 885.6	31 171.4	26 835.3	4 336.1	9 714.2
ALABAMA	1 335.8	332.4	(1)	1 001.3	729.7	120.9	608.8	271.6
STATE GOVERNMENT . . .	954.5	308.3	7.9	638.4	530.7	20.8	509.8	107.7
LOCAL GOVERNMENTS . . .	676.8	24.1	289.7	363.0	199.1	100.1	99.0	163.9
ALASKA	300.7	128.0	(1)	172.7	92.8	25.3	67.5	79.9
STATE GOVERNMENT . . .	246.3	124.1	0.2	121.9	60.4	-	60.4	61.5
LOCAL GOVERNMENTS . . .	82.8	3.9	28.1	50.8	32.4	25.3	7.1	18.4
ARIZONA	892.4	184.7	(1)	707.8	554.6	252.0	302.6	153.2
STATE GOVERNMENT . . .	562.4	164.0	3.7	394.7	315.9	46.1	269.8	78.8
LOCAL GOVERNMENTS . . .	495.7	20.6	162.0	313.1	238.7	205.9	32.8	74.4
ARKANSAS	706.8	199.1	(1)	507.7	401.6	105.5	296.1	106.1
STATE GOVERNMENT . . .	518.9	188.3	0.2	330.4	289.6	0.7	289.0	40.7
LOCAL GOVERNMENTS . . .	320.1	10.7	132.0	177.4	112.0	104.9	7.1	65.4
CALIFORNIA	13 686.5	2 394.6	(1)	11 291.8	9 388.8	4 347.6	5 041.2	1 903.0
STATE GOVERNMENT . . .	7 524.6	2 172.7	110.1	5 241.7	4 664.3	202.3	4 461.9	577.4
LOCAL GOVERNMENTS . . .	9 367.6	221.9	3 095.6	6 050.1	4 724.5	4 145.3	579.3	1 325.6
COLORADO	1 143.8	214.4	(1)	929.4	721.7	326.7	395.1	207.7
STATE GOVERNMENT . . .	658.4	198.2	1.0	459.1	361.3	1.1	360.1	97.8
LOCAL GOVERNMENTS . . .	695.8	16.1	209.3	470.3	360.5	325.5	35.0	109.9
CONNECTICUT	1 485.9	240.1	(1)	1 245.8	1 055.2	551.8	503.4	190.6
STATE GOVERNMENT . . .	809.0	203.6	2.5	602.9	499.8	-	499.8	103.1
LOCAL GOVERNMENTS . . .	826.6	36.5	147.2	642.9	555.3	551.8	3.6	87.6
DELAWARE	306.2	48.1	(1)	258.1	185.9	39.0	146.9	72.3
STATE GOVERNMENT . . .	233.0	43.6	3.1	186.4	144.8	0.3	144.5	41.6
LOCAL GOVERNMENTS . . .	138.6	4.5	62.4	71.8	41.1	38.7	2.4	30.7
DISTRICT OF COLUMBIA (LOCAL)	542.0	191.3	(1)	350.7	304.2	110.8	193.3	46.6
FLORIDA	2 759.1	396.9	(1)	2 362.2	1 778.1	707.9	1 070.2	584.1
STATE GOVERNMENT . . .	1 442.7	327.7	13.8	1 101.2	973.1	23.1	950.1	128.1
LOCAL GOVERNMENTS . . .	1 788.0	69.2	457.9	1 261.0	805.0	684.8	120.2	456.0
GEORGIA	1 915.3	393.7	(1)	1 521.6	1 122.7	346.8	775.9	398.9
STATE GOVERNMENT . . .	1 217.3	360.9	9.1	847.4	737.2	3.2	734.0	110.2
LOCAL GOVERNMENTS . . .	1 102.9	32.9	395.8	674.3	385.5	343.6	41.9	288.7
HAWAII	510.4	110.4	(1)	400.1	327.4	64.1	263.3	72.7
STATE GOVERNMENT . . .	402.2	105.3	5.3	291.6	242.7	-	242.7	48.9
LOCAL GOVERNMENTS . . .	138.0	5.0	24.4	108.5	84.7	64.1	20.7	23.8
IDAHO	352.8	70.9	(1)	281.9	222.4	83.9	138.5	59.4
STATE GOVERNMENT . . .	229.9	66.5	2.2	161.2	136.8	0.6	136.2	24.4
LOCAL GOVERNMENTS . . .	174.1	4.4	49.1	120.7	85.6	83.3	2.3	35.0
ILLINOIS	5 137.1	831.1	(1)	4 306.0	3 622.5	1 657.2	1 965.3	683.5
STATE GOVERNMENT . . .	2 673.0	709.7	20.0	1 943.4	1 730.6	1.2	1 729.4	212.8
LOCAL GOVERNMENTS . . .	3 243.4	121.4	759.4	2 362.6	1 891.9	1 656.0	235.9	470.7
INDIANA	2 256.8	300.4	(1)	1 956.4	1 543.4	739.6	803.8	413.0
STATE GOVERNMENT . . .	1 328.1	281.9	6.3	1 040.0	819.2	18.8	800.3	220.8
LOCAL GOVERNMENTS . . .	1 345.0	18.5	410.0	916.4	724.3	720.6	3.5	192.2
IOWA	1 460.0	227.7	(1)	1 232.3	977.8	473.1	504.6	254.5
STATE GOVERNMENT . . .	849.9	214.1	28.2	607.6	502.5	3.8	498.7	105.1
LOCAL GOVERNMENTS . . .	877.9	13.5	239.7	624.7	475.3	469.3	6.0	149.4
KANSAS	1 104.2	168.9	(1)	935.2	741.6	382.8	358.8	193.7
STATE GOVERNMENT . . .	607.0	152.3	11.4	443.2	357.0	9.1	347.9	86.2
LOCAL GOVERNMENTS . . .	698.6	16.6	190.0	492.0	384.5	373.7	10.8	107.5

See footnotes at end of table.

**TABLE 8 – GENERAL REVENUE OF STATE AND LOCAL GOVERNMENTS BY SOURCE,
BY LEVEL OF GOVERNMENT: 1967-68 (Cont'd)
(Millions of dollars)**

State and level of government	Total general revenue	Intergovernmental revenue		All general revenue from own sources	Taxes			Charges and miscellaneous general revenue
		From Federal Government	Other (local-State and State-local)		Total	Property	Other	
KENTUCKY	1 330.9	354.1	(¹)	976.8	733.0	194.7	538.3	243.8
STATE GOVERNMENT	931.7	319.9	2.4	609.4	509.3	25.3	484.0	100.1
LOCAL GOVERNMENTS	606.3	34.2	204.6	367.4	223.7	169.4	54.3	143.7
LOUISIANA	1 793.6	373.5	(¹)	1 420.2	1 046.3	206.9	839.4	373.8
STATE GOVERNMENT	1 348.8	346.5	11.2	991.0	740.7	20.0	720.6	250.3
LOCAL GOVERNMENTS	862.5	26.9	406.4	429.2	305.7	186.9	118.8	123.5
MAINE	391.9	72.1	(¹)	319.8	270.6	126.0	144.6	49.2
STATE GOVERNMENT	249.9	64.9	3.9	181.1	146.1	3.0	143.2	34.9
LOCAL GOVERNMENTS	184.5	7.1	38.7	138.7	124.4	123.1	1.4	14.3
MARYLAND	1 909.0	272.1	(¹)	1 636.9	1 343.3	514.7	828.6	293.5
STATE GOVERNMENT	1 113.9	231.9	11.5	870.4	753.0	25.8	727.1	117.5
LOCAL GOVERNMENTS	1 320.9	40.2	514.2	766.4	590.4	488.9	101.5	176.1
MASSACHUSETTS	2 906.0	424.6	(¹)	2 481.4	2 154.3	1 109.3	1 045.0	327.1
STATE GOVERNMENT	1 608.5	367.0	64.7	1 176.7	1 034.9	0.4	1 034.5	141.9
LOCAL GOVERNMENTS	1 993.4	57.6	631.1	1 304.7	1 119.5	1 108.9	10.6	185.2
MICHIGAN	4 664.5	637.6	(¹)	4 026.9	3 205.0	1 320.7	1 884.3	821.9
STATE GOVERNMENT	2 842.5	579.7	36.1	2 226.6	1 885.6	84.6	1 801.1	341.0
LOCAL GOVERNMENTS	2 832.3	57.9	974.2	1 800.3	1 319.3	1 236.1	83.2	480.9
MINNESOTA	2 185.6	369.6	(¹)	1 816.0	1 428.2	631.2	796.9	387.8
STATE GOVERNMENT	1 357.5	349.5	19.3	988.7	815.1	33.2	781.9	173.6
LOCAL GOVERNMENTS	1 299.5	20.1	452.2	827.3	613.0	598.0	15.0	214.2
MISSISSIPPI	852.0	212.7	(¹)	639.3	478.7	128.0	350.8	160.6
STATE GOVERNMENT	599.3	203.2	3.9	392.2	322.5	3.6	318.9	69.7
LOCAL GOVERNMENTS	450.0	9.5	193.3	247.1	156.2	124.4	31.9	90.9
MISSOURI	1 910.0	357.1	(¹)	1 552.9	1 257.0	497.6	759.4	295.8
STATE GOVERNMENT	1 077.0	319.0	3.1	754.8	657.0	3.0	653.9	97.9
LOCAL GOVERNMENTS	1 108.8	38.1	272.7	798.0	600.1	494.6	105.5	198.0
MONTANA	390.9	88.7	(¹)	302.3	235.5	132.8	102.7	66.8
STATE GOVERNMENT	228.7	83.7	2.6	142.3	105.0	7.6	97.3	37.3
LOCAL GOVERNMENTS	203.2	4.9	38.3	160.0	130.5	125.1	5.3	29.5
NEBRASKA	716.8	118.2	(¹)	598.7	466.2	268.0	198.2	132.5
STATE GOVERNMENT	367.1	109.7	10.1	247.3	194.0	11.4	182.6	53.3
LOCAL GOVERNMENTS	438.4	8.5	78.5	351.3	272.2	256.6	15.6	79.1
NEVADA	317.0	58.9	(¹)	258.1	194.4	81.4	113.0	63.7
STATE GOVERNMENT	175.3	52.8	2.4	120.1	103.5	5.7	97.8	16.6
LOCAL GOVERNMENTS	193.2	6.1	49.2	137.9	90.8	75.7	15.2	47.1
NEW HAMPSHIRE	288.9	55.3	(¹)	233.7	190.0	116.0	74.0	43.7
STATE GOVERNMENT	154.8	49.4	5.0	100.4	75.3	2.8	72.4	25.2
LOCAL GOVERNMENTS	154.1	5.9	14.9	133.3	114.7	113.1	1.6	18.6
NEW JERSEY	3 336.8	405.1	(¹)	2 931.7	2 468.6	1 413.7	1 054.9	463.1
STATE GOVERNMENT	1 559.8	355.2	37.1	1 167.4	954.0	21.7	932.2	213.5
LOCAL GOVERNMENTS	2 235.7	49.9	421.5	1 764.3	1 514.6	1 392.0	122.7	249.7
NEW MEXICO	597.1	173.4	(¹)	423.8	286.6	62.6	224.0	137.2
STATE GOVERNMENT	457.9	148.9	2.7	306.3	217.1	12.5	204.7	89.2
LOCAL GOVERNMENTS	279.0	24.5	137.1	117.4	69.5	50.1	19.4	48.0
NEW YORK	12 321.0	1 417.3	(¹)	10 903.7	9 119.8	3 482.4	5 637.5	1 783.9
STATE GOVERNMENT	6 462.3	1 204.2	80.4	5 177.7	4 447.2	9.4	4 437.7	730.5
LOCAL GOVERNMENTS	9 774.0	213.2	3 834.8	5 726.0	4 672.7	3 473.0	1 199.7	1 053.3
NORTH CAROLINA	1 863.9	328.8	(¹)	1 535.1	1 214.6	325.2	889.4	320.5
STATE GOVERNMENT	1 351.2	297.8	5.4	1 048.1	901.5	21.1	880.4	146.5
LOCAL GOVERNMENTS	1 042.3	31.1	524.2	487.0	313.0	304.1	9.0	174.0

See footnotes at end of table.

TABLE 8 - GENERAL REVENUE OF STATE AND LOCAL GOVERNMENTS BY SOURCE,
BY LEVEL OF GOVERNMENT: 1967-68 (Cont'd)

(Millions of dollars)

State and level of government	Total general revenue	Intergovernmental revenue		All general revenue from own sources	Taxes			Charges and miscellaneous general revenue
		From Federal Government	Other (local-State and State-local)		Total	Property	Other	
NORTH DAKOTA	375.9	72.5	(¹)	303.4	197.5	94.8	102.7	105.9
STATE GOVERNMENT	249.8	68.2	5.5	176.0	101.5	1.4	100.1	74.6
LOCAL GOVERNMENTS	174.6	4.3	42.9	127.4	96.1	93.4	2.6	31.3
OHIO	4 378.0	614.3	(¹)	3 763.7	2 931.9	1 439.6	1 492.3	831.8
STATE GOVERNMENT	2 251.3	547.4	33.2	1 670.7	1 370.2	57.0	1 313.2	300.5
LOCAL GOVERNMENTS	2 868.2	66.9	708.4	2 093.0	1 561.6	1 382.6	179.1	531.3
OKLAHOMA	1 273.4	334.1	(¹)	939.3	670.4	213.4	457.1	268.9
STATE GOVERNMENT	897.0	312.3	3.6	581.2	427.5	-	427.5	153.7
LOCAL GOVERNMENTS	558.5	21.8	178.6	358.2	242.9	213.4	29.6	115.2
OREGON	1 089.7	228.6	(¹)	861.1	640.4	305.4	335.0	220.7
STATE GOVERNMENT	631.8	189.8	10.4	431.6	324.8	0.7	324.1	106.8
LOCAL GOVERNMENTS	638.8	38.8	170.4	429.5	315.6	304.7	10.9	113.9
PENNSYLVANIA	5 008.0	805.4	(¹)	4 202.6	3 495.6	1 100.2	2 395.4	707.0
STATE GOVERNMENT	2 970.2	678.3	47.0	2 244.8	2 003.8	2.1	2 001.8	241.0
LOCAL GOVERNMENTS	2 873.0	127.1	788.2	1 957.8	1 491.8	1 098.2	393.7	465.9
RHODE ISLAND	449.1	94.2	(¹)	354.8	302.4	133.8	168.7	52.4
STATE GOVERNMENT	288.6	85.0	1.4	202.2	166.7	-	166.7	35.5
LOCAL GOVERNMENTS	210.0	9.2	48.2	152.6	135.7	133.8	1.9	16.9
SOUTH CAROLINA	877.9	169.4	(¹)	708.5	542.0	121.2	420.9	166.5
STATE GOVERNMENT	653.1	154.3	8.0	490.8	413.4	1.0	412.4	77.4
LOCAL GOVERNMENTS	441.9	15.1	209.1	217.7	128.6	120.1	8.5	89.1
SOUTH DAKOTA	358.6	83.5	(¹)	275.1	214.7	119.4	95.2	60.4
STATE GOVERNMENT	206.1	79.7	1.4	125.1	88.0	-	88.0	37.1
LOCAL GOVERNMENTS	182.0	3.8	28.2	150.0	126.7	119.4	7.3	23.3
TENNESSEE	1 480.2	329.0	(¹)	1 151.3	903.8	253.6	650.1	247.5
STATE GOVERNMENT	958.8	289.0	15.8	654.0	577.3	-	577.3	76.7
LOCAL GOVERNMENTS	867.0	40.0	329.8	497.3	326.5	253.6	72.8	170.8
TEXAS	4 400.9	859.5	(¹)	3 541.4	2 665.4	1 215.8	1 449.7	876.0
STATE GOVERNMENT	2 590.1	788.1	7.5	1 794.5	1 438.0	59.7	1 378.2	356.6
LOCAL GOVERNMENTS	2 531.6	71.4	713.3	1 746.8	1 227.4	1 156.0	71.4	519.4
UTAH	550.3	140.3	(¹)	410.0	311.2	127.8	183.4	98.8
STATE GOVERNMENT	379.2	130.8	1.3	247.1	183.5	12.5	171.0	63.6
LOCAL GOVERNMENTS	273.7	9.5	101.3	162.9	127.7	115.3	12.4	35.2
VERMONT	244.3	66.8	(¹)	177.4	147.8	58.4	89.4	29.6
STATE GOVERNMENT	175.2	64.4	1.4	109.4	88.2	0.3	87.9	21.2
LOCAL GOVERNMENTS	92.4	2.5	21.9	68.0	59.6	58.1	1.5	8.4
VIRGINIA	1 860.3	323.5	(¹)	1 536.8	1 236.4	366.0	870.4	300.3
STATE GOVERNMENT	1 171.2	270.1	12.2	888.9	731.7	10.8	720.8	157.2
LOCAL GOVERNMENTS	1 050.3	53.4	349.0	647.9	504.8	355.2	149.6	143.1
WASHINGTON	1 950.5	326.0	(¹)	1 624.5	1 247.0	397.7	849.3	377.5
STATE GOVERNMENT	1 339.3	302.8	5.4	1 031.1	878.6	83.4	795.3	152.4
LOCAL GOVERNMENTS	1 007.1	23.2	390.5	593.4	368.3	314.4	54.0	225.1
WEST VIRGINIA	776.1	204.7	(¹)	571.4	449.5	114.5	334.9	121.9
STATE GOVERNMENT	581.6	197.7	0.6	383.3	320.2	0.3	319.9	63.1
LOCAL GOVERNMENTS	323.3	7.0	128.2	188.0	129.3	114.2	15.1	58.8
WISCONSIN	2 271.0	303.5	(¹)	1 967.5	1 625.4	674.2	951.2	342.1
STATE GOVERNMENT	1 477.2	292.7	24.8	1 159.7	990.5	49.9	940.7	169.1
LOCAL GOVERNMENTS	1 478.6	10.7	660.0	807.9	634.9	624.3	10.6	173.0
WYOMING	250.4	74.5	(¹)	175.9	127.7	65.5	62.2	48.1
STATE GOVERNMENT	168.6	72.5	0.8	95.3	68.7	10.5	58.2	26.6
LOCAL GOVERNMENTS	118.3	2.1	35.7	80.6	59.0	55.0	4.1	21.5

Note: Because of rounding, detail may not add to totals. Local government amounts are estimated subject to sampling variation; see text.
- Represents zero or rounds to zero.
¹Duplicative transactions between levels of government are excluded; see text.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68*.

**TABLE 9 – NATIONAL TOTALS OF STATE AND LOCAL TAX REVENUE, BY LEVEL OF GOVERNMENT AND BY TYPE OF TAX:
SECOND QUARTER OF 1969 AND PRIOR PERIODS
(Millions of dollars)**

Period	Total	Level of tax-imposing government		Type of tax						
		State	Local	Property	General sales and gross receipts	Motor fuel sales	Individual income	Corporation net income	Motor vehicle and operators' licenses	All other
QUARTERS										
1969:										
2d quarter	21,246	12,967	8,279	7,153	3,797	1,459	3,181	1,258	818	3,580
1st quarter	19,376	11,352	8,024	7,188	3,643	1,334	2,278	959	1,161	2,813
1968:										
4th quarter	21,254	9,035	12,219	11,310	3,496	1,424	1,728	519	413	2,364
3d quarter	15,971	8,716	7,255	6,253	3,305	1,480	1,720	455	369	2,389
2d quarter	19,217	11,206	8,011	7,093	3,265	1,331	2,725	958	753	3,092
1st quarter	16,752	9,983	6,769	6,001	3,164	1,255	1,888	707	1,112	2,625
1967:										
4th quarter	18,726	7,868	10,858	10,023	2,924	1,308	1,468	412	383	2,208
3d quarter	14,193	7,356	6,837	5,984	2,573	1,332	1,385	402	302	2,215
2d quarter	16,496	9,450	7,046	6,249	2,606	1,249	1,985	852	706	2,849
1st quarter	14,827	8,679	6,148	5,430	2,638	1,133	1,454	740	1,055	2,377
1966:										
4th quarter	16,775	6,895	9,880	9,121	2,505	1,225	1,218	314	351	2,041
3d quarter	12,624	6,808	5,816	5,093	2,396	1,278	1,203	324	288	2,042
2d quarter	15,784	8,992	6,792	6,012	2,524	1,178	1,840	778	661	2,791
1st quarter	13,754	8,186	5,568	4,997	2,454	1,094	1,161	708	1,051	2,289
1965:										
4th quarter	15,823	6,411	9,412	8,802	2,342	1,160	981	278	350	1,910
3d quarter	11,506	6,083	5,423	4,780	2,083	1,226	938	289	261	1,929
2d quarter	14,098	7,792	6,306	5,538	2,130	1,115	1,492	611	625	2,587
1st quarter	12,541	7,315	5,226	4,756	2,033	1,003	1,006	724	965	2,054

See note at end of table.

**TABLE 9 – NATIONAL TOTALS OF STATE AND LOCAL TAX REVENUE, BY LEVEL OF GOVERNMENT AND BY TYPE OF TAX:
SECOND QUARTER OF 1969 AND PRIOR PERIODS (Cont'd)**
(Millions of dollars)

Period	Total	Level of tax-imposing government		Type of tax							
		State	Local	Property	General sales and gross receipts	Motor fuel sales	Individual income	Corporation net income	Motor vehicle and operators' licenses	All other	
12 MONTHS ENDING											
June 1969	77,847	42,070	35,777	31,904	14,241	5,697	8,907	3,191	2,761	11,146	
March 1969	75,818	40,309	35,509	31,844	13,709	5,569	8,451	2,891	2,696	10,658	
December 1968	73,194	38,940	34,254	30,657	13,230	5,490	8,061	2,639	2,647	10,470	
September 1968	70,666	37,773	32,893	29,370	12,658	5,374	7,801	2,532	2,617	10,314	
June 1968	68,888	36,413	32,475	29,101	11,926	5,226	7,466	2,479	2,550	10,140	
March 1968	66,167	34,657	31,510	28,257	11,267	5,144	6,726	2,373	2,503	9,897	
December 1967	64,242	33,353	30,889	27,686	10,741	5,022	6,292	2,406	2,446	9,649	
September 1967	62,291	32,380	29,911	26,784	10,322	4,939	6,042	2,308	2,414	9,482	
June 1967	60,722	31,832	28,890	25,893	10,145	4,885	5,860	2,230	2,400	9,309	
March 1967	60,010	31,374	28,636	25,656	10,063	4,814	5,715	2,156	2,355	9,251	
December 1966	58,937	30,881	28,056	25,223	9,879	4,775	5,422	2,124	2,351	9,163	

Note: Because of rounding, detail may not add to totals. Property tax amounts are estimates subject to sampling variation. Of the nonproperty tax revenue shown, about 92 percent pertains to governments directly subject to survey for this report, with the remainder imputed mainly from findings of annual surveys for fiscal 1966-67 and earlier years.

Source: U.S. Bureau of the Census, *Quarterly Summary of State and Local Tax Revenue, April - June 1969*.

TABLE 10 – STATE TAX REVENUE, BY SOURCE, BY STATE, 1968
(Millions of dollars)

State	Total	General sales or gross receipts	Individual income	Corporation net income	Selective sales and gross receipts				
					Total	Motor fuels	Alcoholic beverages	Tobacco products	Other
UNITED STATES	36,400.2	10,441.2	6,231.0	2,517.6	10,537.7	5,178.2	1,138.0	1,886.0	2,335.5
Alabama	530.7	180.4	62.3	31.4	184.4	102.7	29.6	30.2	21.9
Alaska	60.4	—	22.6	3.9	16.3	7.8	3.7	2.5	2.3
Arizona	315.9	107.2	32.9	14.7	88.5	52.7	6.8	14.5	14.5
Arkansas	289.6	92.8	31.5	19.6	100.6	65.5	8.4	15.3	11.4
California	4,664.3	1,391.0	951.6	578.8	1,087.6	580.7	93.4	209.7	203.8
Colorado	361.3	107.5	91.0	26.7	87.9	53.1	9.5	11.7	13.6
Connecticut	499.8	158.8	—	79.8	181.8	76.9	18.3	32.5	54.1
Delaware	144.8	—	54.6	11.6	34.8	16.4	2.5	5.8	10.1
Florida	973.1	357.7	—	—	394.1	190.5	87.5	30.9	85.2
Georgia	737.2	271.2	116.0	66.4	231.0	131.3	44.7	37.6	17.4
Hawaii	242.7	114.4	70.3	11.2	41.7	14.7	6.3	5.0	15.7
Idaho	136.8	35.1	34.6	8.0	34.1	21.7	3.4	4.6	4.4
Illinois	1,730.6	861.7	—	—	606.4	226.4	52.1	124.8	203.1
Indiana	819.2	322.3	161.5	12.5	213.8	137.1	18.4	38.5 ¹	19.8
Iowa	502.5	159.9	84.6	19.1	142.1	90.1	8.5	29.4	14.1
Kansas	357.0	125.6	62.8	19.7	90.6	54.4	8.8	17.5	9.9
Kentucky	509.3	158.6	89.4	36.4	157.1	91.9	18.3	10.7	36.2
Louisiana	740.7	152.2	39.5	34.3	188.0	85.3	28.6	32.9	41.2
Maine	146.1	52.3	—	—	54.9	29.5	4.2	12.4	8.8
Maryland	753.0	145.8	271.7	36.7	215.5	97.2	14.1	25.6	78.6
Massachusetts	1,034.9	145.1	309.0	167.1 ²	304.9	121.8	44.8	68.3	70.0
Michigan	1,885.6	727.5	263.4	40.0	409.3	215.6	60.0	79.8	53.9
Minnesota	815.1	113.1	272.6	65.9	215.9	108.1	26.2	32.5	49.1
Mississippi	322.5	136.0	10.8	17.7	115.2	69.5	9.7	18.8	17.2
Missouri	657.0	268.7	107.6	23.8	156.4	101.1	11.1	23.2	21.0
Montana	105.0	—	29.6	7.3	40.6	24.8	4.7	6.2	4.9
Nebraska	194.0	65.3	13.5	1.4	80.2	53.3	5.9	11.9	9.1
Nevada	103.5	34.5	—	—	49.0	16.8	3.7	5.7	22.8
New Hampshire	75.3	—	2.7	—	48.2	19.7	1.9	12.4	14.2
New Jersey	954.0	238.3	13.0	75.6	371.2	156.1	33.6	99.6	81.9
New Mexico	217.1	71.6	15.1	4.3	51.0	29.3	3.9	7.7	10.1
New York	4,447.2	630.9	1,787.9	412.3	930.9	291.8	71.7	226.3	341.1
North Carolina	901.5	217.6	216.5	96.9	245.7	147.1	28.3	—	70.3
North Dakota	101.5	33.3	13.2	3.8	27.8	15.6	4.0	4.9	3.3
Ohio	1,370.2	508.6	—	—	537.3	285.2	42.3	88.7	121.1
Oklahoma	427.5	79.5	41.4	24.2	152.8	80.7	15.9	25.0	31.2
Oregon	324.8	—	144.2	31.3	82.5	59.3	2.0	9.5	11.7
Pennsylvania	2,003.8	735.8	—	270.9	625.8	291.1	73.7	152.6	108.4
Rhode Island	166.7	67.3	—	17.2	58.9	22.0	4.1	9.9	22.9
South Carolina	413.4	123.0	71.3	33.5	150.8	75.6	34.2	13.7	27.3
South Dakota	88.0	32.7	—	0.6	38.7	19.6	4.1	5.2	9.8
Tennessee	577.3	205.3	10.2	50.0	191.6	113.2	22.2	33.3	22.9
Texas	1,438.0	279.7	—	—	597.3	264.3	51.7	135.8	145.5
Utah	183.5	58.4	43.3	9.7	40.7	28.5	2.0	5.1	5.1
Vermont	88.2	—	30.1	5.2	35.9	12.1	7.5	5.2	11.1
Virginia	731.7	116.0	222.7	48.8	244.9	130.6	31.3	13.2	69.8
Washington	878.6	473.2	—	—	238.3	126.0	32.8	35.6	43.9
West Virginia	320.2	144.5	28.2	3.2	106.5	44.3	15.3	14.8	32.1
Wisconsin	990.5	106.8	408.1	96.1	219.1	115.4	22.2	45.5	36.0
Wyoming	68.7	24.2	—	—	19.2	14.2	0.4	3.1	1.5

See footnotes at end of table.

TABLE 10 — STATE TAX REVENUE, BY SOURCE, BY STATE, 1968 (Cont'd)
(Millions of dollars)

State	License taxes				Property	Death and gift	Document and stock transfers	All other taxes
	Total	Motor vehicle and operators	Alcoholic beverages	Other				
UNITED STATES	3,853.7	2,484.6	142.9	1,226.2	912.0	872.2	316.9	717.9
Alabama	46.3	23.9	1.6	20.8	20.8	1.4	1.6	2.0
Alaska	11.6	4.7	0.7	6.2	*	0.2	—	5.9
Arizona	24.3	17.5	0.6	6.2	46.1	2.3	—	—
Arkansas	38.1	29.8	0.4	7.9	0.7	0.7	—	5.7
California	308.8	240.6	15.0	53.2	202.3	142.7	—	1.5
Colorado	35.4	21.3	1.2	12.9	1.1	10.6	—	1.0
Connecticut	41.1	31.5	4.2	5.4	—	38.3	—	—
Delaware	35.6	9.1	0.3	26.2	0.3	6.0	1.9	—
Florida	149.5	97.0	2.2	50.3	23.1	13.4	35.3	0.2
Georgia	42.8	31.3	0.4	11.1	3.2	5.7	—	1.0
Hawaii	3.2	0.1	—	3.1	—	1.6	0.3	—
Idaho	22.9	14.2	0.5	8.2	0.6	1.3	—	0.1
Illinois	215.6	170.8	1.1	43.7	1.2	44.6	1.2	—
Indiana	68.9	53.6	4.4	10.9	18.8	21.2	—	0.3
Iowa	78.0	69.8	2.1	6.1	3.8	15.1	—	—
Kansas	41.0	32.2	0.4	8.4	9.1	7.5	—	0.7
Kentucky	31.7	18.9	0.8	12.0	25.3	9.7	1.0	0.2
Louisiana	60.6	22.9	1.4	36.3	20.0	6.6	—	239.4
Maine	21.3	13.9	0.6	6.8	3.0	4.7	—	*
Maryland	48.0	39.1	0.2	8.7	25.8	7.5	0.1	1.8
Massachusetts	67.5	38.0	0.4	29.1	0.4	38.3	2.6	—
Michigan	247.8	112.5	5.5	129.8	84.6	25.0	—	88.0
Minnesota	76.2	62.0	0.2	14.0	33.2	18.4	2.1	17.7
Mississippi	25.8	11.7	0.1	14.0	3.6	1.5	—	12.0
Missouri	85.7	62.5	1.5	21.7	3.0	11.7	—	*
Montana	13.9	7.2	1.3	5.4	7.6	2.9	—	3.1
Nebraska	19.9	12.4	0.1	7.4	11.4	1.3	0.2	0.8
Nevada	14.0	9.0	*	5.0	5.7	—	—	0.3
New Hampshire	16.1	11.9	0.3	3.9	2.8	3.7	0.1	1.7
New Jersey	178.9	100.5	1.0	77.4	21.7	55.4	—	—
New Mexico	28.8	22.6	0.2	6.0	12.5	1.3	—	32.5
New York	327.8	219.2	66.6	42.0	9.4	119.7	228.2	—
North Carolina	88.6	48.7	0.3	39.6	21.1	15.0	—	0.1
North Dakota	18.0	14.0	0.2	3.8	1.4	0.7	—	3.4
Ohio	249.5	141.9	9.8	97.8	57.0	17.7	—	—
Oklahoma	70.4	57.5	0.8	12.1	—	13.0	0.4	45.9
Oregon	55.1	40.3	0.7	14.1	0.7	10.1	—	0.9
Pennsylvania	265.3	112.5	8.1	144.7	2.1	76.0	28.0	—
Rhode Island	16.5	12.2	0.1	4.2	—	6.8	0.1	—
South Carolina	27.4	15.1	1.3	11.0	1.0	3.8	2.5	—
South Dakota	14.3	10.2	0.7	3.4	—	1.5	—	0.2
Tennessee	104.5	57.5	0.3	46.7	—	12.2	2.0	1.5
Texas	233.6	149.6	2.5	81.5	59.7	24.0	*	243.6
Utah	13.8	9.4	*	4.4	12.5	2.3	—	2.8
Vermont	13.6	11.1	0.2	2.3	0.3	2.3	—	0.8
Virginia	68.8	55.1	0.4	13.3	10.8	10.7	7.5	1.6
Washington	60.4	39.2	1.9	19.3	83.4	22.2	1.2	—
West Virginia	31.0	25.4	0.4	5.2	0.3	5.0	0.7	0.7
Wisconsin	81.9	64.5	0.1	17.3	49.9	28.3	—	0.5
Wyoming	14.1	9.0	*	5.1	10.5	0.6	—	0.1

*Less than \$500 thousand.

¹ Includes related license taxes.

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

Source: U.S. Bureau of the Census, *State Government Finances in 1968*.

**TABLE 11 – SUMMARY OF GENERAL EXPENDITURE (DIRECT AND INTERGOVERNMENTAL),
BY FUNCTION, BY LEVEL OF GOVERNMENT: 1967-68**

Function	Amount (millions of dollars)				Percent			
	All governments	Federal Government	State governments	Local governments	All governments	Federal Government	State governments	Local governments
All functions.....	236,348	151,990	60,395	64,393	100.0	100.0	100.0	100.0
Direct.....	236,348	133,937	38,446	63,966	100.0	88.1	63.7	99.3
Intergovernmental.....	(¹)	² 18,053	21,950	427	(¹)	11.9	36.3	0.7
National defense and international relations ³	83,874	83,874	-	-	35.5	55.2	-	-
Postal service ³	6,485	6,485	-	-	2.7	4.3	-	-
Space research and technology ³	4,645	4,645	-	-	2.0	3.1	-	-
Education.....	43,614	7,184	24,279	30,237	18.5	4.7	40.2	47.0
Direct.....	43,614	2,456	10,957	30,200	18.5	1.6	18.1	46.9
Intergovernmental.....	(¹)	4,727	13,321	37	(¹)	3.1	22.1	0.1
Highways.....	14,654	4,464	11,848	4,713	6.2	2.9	19.6	7.3
Direct.....	14,654	173	9,819	4,663	6.2	0.1	16.3	7.2
Intergovernmental.....	(¹)	4,291	2,029	50	(¹)	2.8	3.4	0.1
Public welfare.....	11,245	6,794	8,649	4,828	4.8	4.5	14.3	7.5
Direct.....	11,245	1,388	5,122	4,735	4.8	0.9	8.5	7.4
Intergovernmental.....	(¹)	5,407	3,527	93	(¹)	3.6	5.8	0.1
Health and hospitals.....	10,580	3,751	4,203	3,806	4.5	2.5	7.0	5.9
Direct.....	10,580	3,033	3,832	3,715	4.5	2.0	6.3	5.8
Intergovernmental.....	(¹)	718	371	91	(¹)	0.5	0.6	0.1
Natural resources.....	9,200	7,001	2,005	522	3.9	4.6	3.3	0.8
Direct.....	9,200	6,729	1,954	517	3.9	4.4	3.2	0.8
Intergovernmental.....	(¹)	273	51	5	(¹)	0.2	0.1	-
Housing and urban renewal.....	2,841	1,995	103	1,614	1.2	1.3	0.2	2.5
Direct.....	2,841	1,209	20	1,613	1.2	0.8	-	2.5
Intergovernmental.....	(¹)	787	83	1	(¹)	0.5	0.1	-
Air transportation.....	1,360	917	96	448	0.6	0.6	0.2	0.7
Direct.....	1,360	844	67	448	0.6	0.6	0.1	0.7
Intergovernmental.....	(¹)	74	29	-	(¹)	-	-	-
Social insurance administration.....	1,378	1,363	606	-	0.6	0.9	1.0	-
Direct.....	1,378	772	606	-	0.6	0.5	1.0	-
Intergovernmental.....	(¹)	592	-	-	(¹)	0.4	-	-
Interest on general debt ³	14,873	11,607	1,128	2,138	6.3	7.6	1.9	3.3
Other and combined.....	31,601	11,909	7,478	16,087	13.4	7.8	12.4	25.0
Direct.....	31,601	10,723	4,941	15,937	13.4	7.1	8.2	24.7
Intergovernmental.....	(¹)	1,185	2,539	150	(¹)	0.8	4.2	0.2

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.
- Represents zero or rounds to zero.

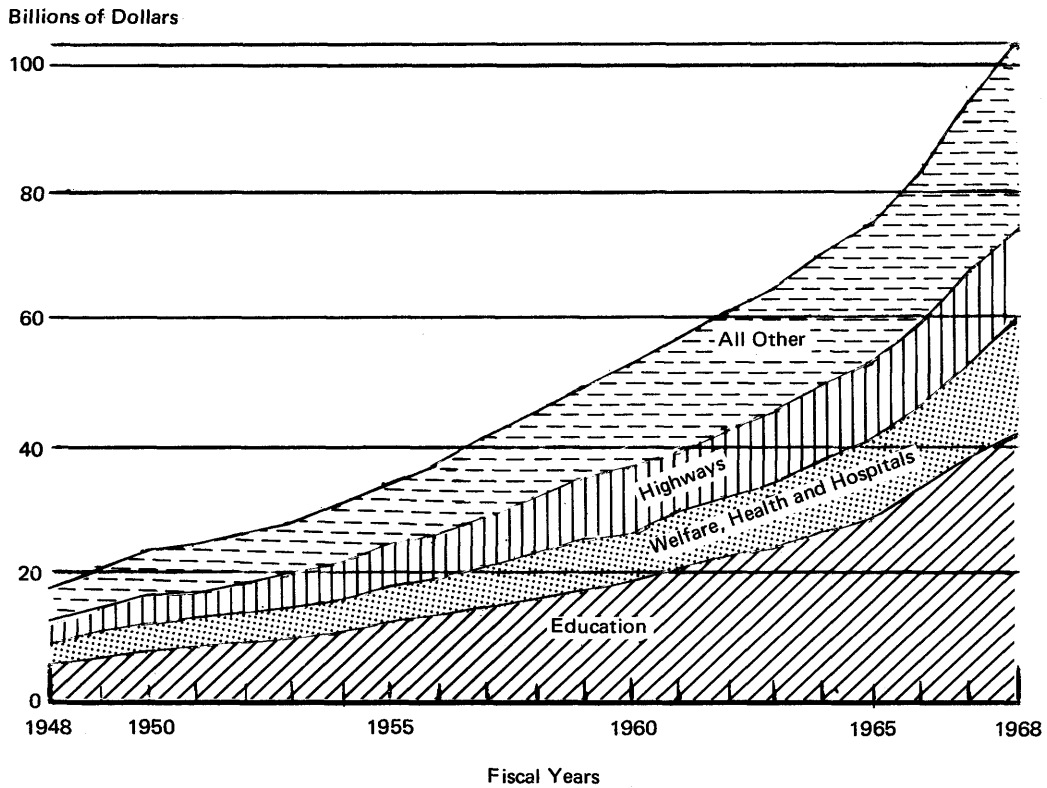
¹Duplicative transactions between levels of government are excluded; see text.

²Entirely to States except for \$2,272 million paid direct to local governments, including \$694 million for education, \$784 million for housing and urban renewal, \$57 million for airports, \$284 million for waste treatment facilities, and \$64 million Federal lump-sum contribution to the District of Columbia.

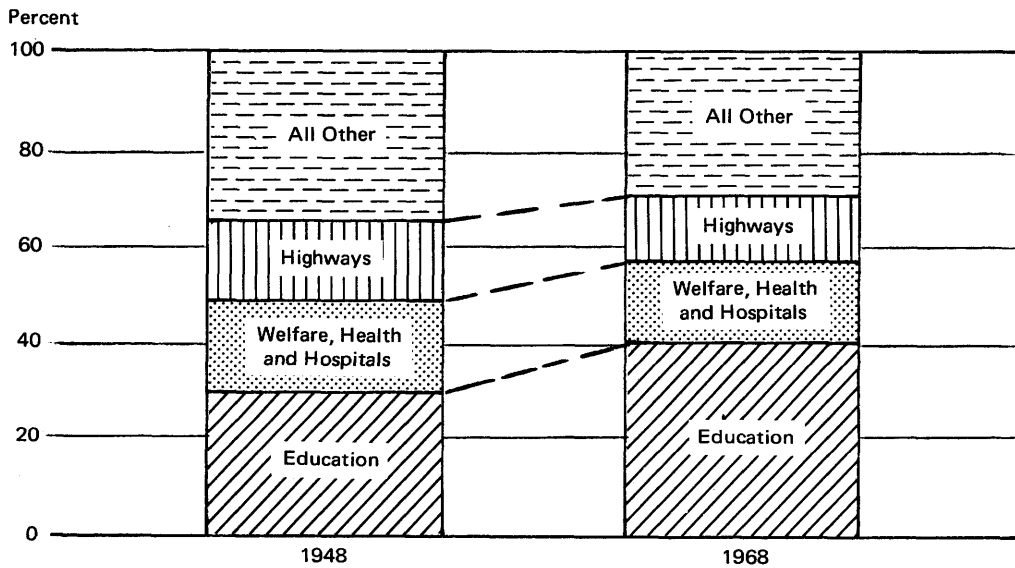
³Entirely direct expenditure.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68*.

**FIGURE 6 – STATE AND LOCAL GENERAL EXPENDITURE FOR
SELECTED FUNCTIONS, 1948 TO 1968**



PERCENTAGE DISTRIBUTION OF EXPENDITURE, 1948 AND 1968



**TABLE 12 – DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1967-68**
(Millions of dollars)

State and level of government	Total direct general expenditure ¹	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
UNITED STATES, Total . .	102,411.4	41,157.6	29,305.1	14,481.4	9,856.6	7,546.5
State Governments	38,445.7	10,957.3	339.1	9,818.8	5,121.9	3,831.6
Local Governments	63,965.7	30,200.3	28,966.0	4,662.6	4,734.7	3,714.9
Alabama	1,432.8	576.5	362.6	241.0	143.8	97.4
State Government	703.2	233.1	19.3	166.0	141.4	45.7
Local Governments	729.6	343.4	343.4	75.0	2.4	51.6
Alaska	333.1	88.4	62.7	95.6	9.6	10.1
State Government	244.5	41.7	15.9	90.0	9.6	8.3
Local Governments	88.6	46.8	46.8	5.7	-	1.7
Arizona	895.8	414.3	259.4	150.8	41.1	38.9
State Government	380.5	136.0	-	116.2	38.5	15.5
Local Governments	515.3	278.2	259.4	34.6	2.6	23.4
Arkansas	726.0	283.5	191.0	135.1	92.3	49.2
State Government	372.4	92.4	-	102.3	91.4	32.4
Local Governments	353.6	191.0	191.0	32.8	0.9	16.8
California	13,139.1	4,721.2	3,387.0	1,399.3	1,787.9	848.2
State Government	4,260.7	973.9	19.1	876.5	564.3	284.3
Local Governments	8,878.3	3,747.3	3,367.9	522.7	1,223.7	563.8
Colorado	1,136.0	533.4	322.3	148.6	112.2	76.8
State Government	448.8	200.9	-	97.4	23.4	49.9
Local Governments	687.2	332.5	322.3	51.2	88.8	26.9
Connecticut	1,572.0	587.2	462.2	217.3	135.9	100.0
State Government	692.3	125.0	-	168.7	123.6	88.1
Local Governments	879.7	462.2	462.2	48.6	12.3	11.9
Delaware	339.6	139.5	91.7	66.8	21.9	18.5
State Government	180.2	50.4	2.6	40.5	21.8	17.8
Local Governments	159.4	89.1	89.1	26.3	0.1	0.7
District of Columbia (Local)	538.9	125.0	119.0	63.3	44.6	78.7
Florida	2,736.1	1,127.0	822.4	347.5	153.1	267.1
State Government	936.4	229.0	4.6	251.8	134.3	105.4
Local Governments	1,799.7	897.9	817.8	95.7	18.8	161.7
Georgia	1,968.9	839.3	604.7	263.3	169.0	220.3
State Government	846.1	270.7	40.2	173.5	154.7	85.9
Local Governments	1,122.8	568.6	564.5	89.9	14.3	134.5
Hawaii	544.6	181.7	113.9	62.7	29.9	34.1
State Government	413.6	179.7	112.5	42.8	29.9	24.3
Local Governments	131.0	2.0	1.4	19.9	0.1	9.8
Idaho	330.8	132.6	92.0	64.6	24.0	23.0
State Government	154.8	33.8	-	46.8	21.7	10.3
Local Governments	176.0	98.8	92.0	17.8	2.3	12.6

See footnotes at end of table.

**TABLE 12 — DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1967-68 (Cont'd)**
(Millions of dollars)

State and level of government	Total direct general expenditure ¹	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
UNITED STATES, Total . . .	102,411.4	41,157.6	29,305.1	14,481.4	9,856.6	7,546.5
State Governments	38,445.7	10,957.3	339.1	9,818.8	5,121.9	3,831.6
Local Governments	63,965.7	30,200.3	28,966.0	4,662.6	4,734.7	3,714.9
Illinois	5,053.3	2,108.4	1,558.3	643.2	461.3	377.6
State Government	1,776.2	517.8	3.5	377.9	360.2	223.5
Local Governments	3,277.1	1,590.6	1,554.8	265.4	101.1	154.1
Indiana	2,210.2	1,119.0	718.9	340.1	94.2	170.0
State Government	882.8	397.7	-	238.5	7.5	87.8
Local Governments	1,327.4	721.3	718.9	101.7	86.7	82.3
Iowa	1,585.9	705.8	495.0	305.0	116.7	93.6
State Government	609.7	202.0	-	172.5	97.6	47.3
Local Governments	976.1	503.8	495.0	132.5	19.1	46.4
Kansas	1,056.1	496.0	343.9	177.3	78.4	72.0
State Government	367.2	136.5	-	104.3	9.2	44.8
Local Governments	688.8	359.5	343.9	73.0	69.2	27.3
Kentucky	1,455.0	539.8	334.1	321.2	145.1	88.9
State Government	818.8	181.6	2.2	300.2	141.7	44.9
Local Governments	636.2	358.3	331.9	21.0	3.4	43.9
Louisiana	1,875.5	728.3	508.9	300.9	235.1	120.7
State Government	948.0	224.7	7.2	219.5	233.8	99.7
Local Governments	927.5	503.6	501.7	81.4	1.3	21.0
Maine	456.7	202.1	146.6	86.9	38.5	20.2
State Government	219.6	56.3	0.8	61.9	35.9	17.2
Local Governments	237.1	145.8	145.8	25.0	2.6	3.0
Maryland	2,035.5	825.5	639.0	231.7	162.1	167.2
State Government	667.0	165.7	-	145.5	59.2	110.0
Local Governments	1,368.5	659.8	639.0	86.3	102.9	57.2
Massachusetts	2,771.9	887.3	720.4	315.7	354.8	259.3
State Government	862.2	165.9	-	202.4	34.5	164.4
Local Governments	1,909.7	721.3	720.4	113.3	320.3	94.9
Michigan	4,702.3	2,215.0	1,469.0	497.1	407.0	382.2
State Government	1,742.1	670.6	-	258.6	343.2	185.3
Local Governments	2,960.2	1,544.4	1,469.0	238.5	63.8	196.9
Minnesota	2,081.1	929.3	656.5	354.1	178.3	142.1
State Government	694.0	272.8	-	208.9	7.8	86.6
Local Governments	1,387.2	656.5	656.6	145.2	170.5	55.5
Mississippi	872.9	335.3	214.4	167.5	86.1	68.4
State Government	411.3	100.1	2.3	108.5	84.1	29.9
Local Governments	461.7	235.2	212.1	59.0	2.1	38.5
Missouri	1,934.6	821.6	597.2	283.9	172.9	157.3
State Government	777.4	189.4	-	207.8	166.5	87.2
Local Governments	1,157.2	632.2	597.2	76.2	6.5	70.2

See footnotes at end of table.

**TABLE 12 – DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1967-68 (Cont'd)**
(Millions of dollars)

State and level of government	Total direct general expenditure ¹	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
UNITED STATES, Total . . .	102,411.4	41,157.6	29,305.1	14,481.4	9,856.6	7,546.5
State Governments	38,445.7	10,957.3	339.1	9,818.8	5,121.9	3,831.6
Local Governments	63,965.7	30,200.3	28,966.0	4,662.6	4,734.7	3,714.9
Montana	383.4	163.7	111.1	88.0	24.6	15.9
State Government	189.0	52.3	-	71.2	19.4	10.3
Local Governments	194.4	111.4	111.1	16.8	5.2	5.6
Nebraska	666.4	287.5	191.5	122.0	40.5	47.1
State Government	237.4	88.0	-	69.4	4.8	26.4
Local Governments	429.0	199.5	191.5	52.5	35.7	20.6
Nevada	333.3	112.3	86.3	59.1	18.5	28.6
State Government	131.8	26.1	-	45.6	15.5	5.5
Local Governments	201.5	86.3	86.3	13.5	3.0	23.1
New Hampshire	313.4	125.0	78.0	69.9	21.3	19.5
State Government	159.5	47.0	-	52.2	15.0	14.6
Local Governments	153.9	78.0	78.0	17.7	6.3	4.8
New Jersey	3,202.7	1,220.9	1,004.7	472.0	185.6	216.5
State Government	908.1	203.5	-	317.9	26.5	102.3
Local Governments	2,294.6	1,017.4	1,004.7	154.1	159.1	114.2
New Mexico	575.5	285.3	185.0	91.0	49.3	27.2
State Government	294.1	103.6	3.2	76.8	48.8	13.8
Local Governments	281.4	181.8	181.8	14.3	0.5	13.4
New York	12,749.5	4,311.1	3,283.5	1,120.2	1,728.7	1,353.5
State Government	3,147.2	780.6	-	631.1	135.4	545.1
Local Governments	9,602.4	3,530.5	3,283.5	489.1	1,593.3	808.4
North Carolina	1,877.5	849.8	579.8	299.5	126.9	142.8
State Government	804.5	254.1	14.8	263.7	16.9	85.6
Local Governments	1,073.0	595.7	565.1	35.8	110.0	57.1
North Dakota	378.7	155.1	96.6	80.0	26.4	12.1
State Government	204.2	56.7	-	54.4	23.3	10.8
Local Governments	174.4	98.4	96.6	25.6	3.1	1.3
Ohio	4,502.3	1,868.3	1,352.1	749.6	371.5	281.3
State Government	1,561.3	440.7	-	481.1	243.4	129.5
Local Governments	2,941.0	1,427.6	1,352.1	268.5	128.0	151.8
Oklahoma	1,274.2	484.0	303.7	208.5	231.8	74.2
State Government	729.8	182.8	2.8	151.6	230.1	44.2
Local Governments	544.4	301.1	300.9	56.9	1.7	30.0
Oregon	1,158.9	546.9	360.9	181.2	70.3	57.3
State Government	505.2	172.0	-	112.9	66.2	37.6
Local Governments	653.7	374.9	360.9	68.3	4.1	19.7
Pennsylvania	5,209.6	2,092.0	1,607.1	866.3	438.7	290.4
State Government	2,233.9	507.2	37.9	706.7	359.0	236.7
Local Governments	2,975.7	1,584.8	1,569.1	159.6	79.7	53.7

See footnotes at end of table.

**TABLE 12 – DIRECT GENERAL EXPENDITURE OF STATE AND LOCAL GOVERNMENTS FOR
SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, BY STATE, 1967-68 (Cont'd)**
(Millions of dollars)

State and level of government	Total direct general expenditure ¹	Education		Highways	Public welfare	Health and hospitals
		Total	Local schools			
UNITED STATES, Total . . .	102,411.4	41,157.6	29,305.1	14,481.4	9,856.6	7,546.5
State Governments	38,445.7	10,957.3	339.1	9,818.8	5,121.9	3,831.6
Local Governments	63,965.7	30,200.3	28,966.0	4,662.6	4,734.7	3,714.9
Rhode Island	506.9	170.9	119.2	100.4	63.6	31.7
State Government	288.0	51.7	-	85.4	57.2	31.2
Local Governments	218.9	119.2	119.2	15.0	6.4	0.5
South Carolina	915.2	432.3	302.7	130.3	44.3	84.3
State Government	450.3	143.7	14.3	113.3	40.6	43.3
Local Governments	464.9	288.6	288.5	17.0	3.7	41.0
South Dakota	368.4	170.4	116.5	92.4	22.8	11.6
State Government	183.3	53.8	-	68.1	21.3	9.3
Local Governments	185.1	116.5	116.5	24.2	1.5	2.3
Tennessee	1,571.8	638.3	445.3	248.3	116.4	140.3
State Government	636.1	192.9	-	167.8	109.3	60.5
Local Governments	935.7	445.3	445.3	80.5	7.1	79.8
Texas	4,491.0	1,988.1	1,426.2	757.5	367.7	267.9
State Government	1,777.1	519.0	14.0	526.2	356.6	138.6
Local Governments	2,713.9	1,469.1	1,412.3	231.3	11.2	129.2
Utah	556.7	299.2	185.3	91.1	37.2	23.9
State Government	282.4	113.9	-	76.7	36.7	15.6
Local Governments	274.3	185.3	185.3	14.4	0.5	8.2
Vermont	273.9	109.5	65.8	77.0	23.1	10.2
State Government	173.3	43.7	-	65.8	20.7	9.7
Local Governments	100.7	65.8	65.8	11.2	2.4	0.4
Virginia	1,944.8	864.0	635.4	355.7	80.5	135.7
State Government	806.2	228.4	-	307.1	11.6	111.2
Local Governments	1,138.7	635.6	635.4	48.6	68.9	24.5
Washington	1,889.0	860.1	574.5	303.6	148.9	80.9
State Government	876.2	307.5	21.9	218.1	148.5	49.3
Local Governments	1,012.9	552.6	552.6	85.6	0.4	31.6
West Virginia	824.2	349.8	228.9	187.3	70.2	45.0
State Government	471.8	120.9	-	180.1	66.7	30.6
Local Governments	352.4	228.9	228.9	7.1	3.5	14.4
Wisconsin	2,404.6	1,001.1	603.1	379.8	241.6	150.9
State Government	855.5	384.5	-	133.4	110.1	67.4
Local Governments	1,549.1	616.6	603.1	246.4	131.5	83.5
Wyoming	254.9	109.5	68.8	70.1	10.3	16.0
State Government	129.9	34.8	-	63.3	2.5	5.8
Local Governments	125.0	74.7	68.8	6.8	7.8	10.2

¹Includes amounts for categories not shown separately.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68*.

TABLE 13 - CAPITAL OUTLAY OF STATE AND LOCAL GOVERNMENTS IN TOTAL AND FOR
SELECTED FUNCTIONS: 1967-68
(Millions of dollars)

State	Total	General expenditure for capital outlay							Local utilities	
		All general government functions ¹	Education			Highways	Health and hospitals	Sewerage	Water supply systems	Other (elec- tric, gas supply, transit systems)
			Total ¹	Local schools	Institu- tions of higher education					
UNITED STATES	25 731.3	23 484.8	6 754.9	3 966.8	2 574.4	9 715.5	736.1	1 107.2	1 096.7	149.8
ALABAMA	414.6	386.0	104.6	54.3	46.4	154.8	12.3	4.9	13.7	14.9
ALASKA	146.3	140.8	11.5	7.0	3.9	81.4	1.9	0.4	3.2	2.3
ARIZONA	161.3	229.9	64.1	26.5	37.2	118.4	4.7	8.8	13.5	17.9
ARKANSAS	189.0	182.8	43.0	23.7	17.6	76.4	9.8	5.4	5.4	0.8
CALIFORNIA	3 273.5	2 642.9	577.2	344.2	232.3	1 20.8	52.3	73.1	237.5	393.1
COLORADO	257.1	230.3	80.3	36.4	41.3	93.8	4.2	4.5	14.9	11.9
CONNECTICUT	383.9	375.1	97.9	69.7	21.8	133.7	15.3	29.5	7.8	1.0
DELAWARE	113.4	111.7	35.7	22.9	12.6	49.8	3.5	2.1	0.6	1.1
DISTRICT OF COLUMBIA	111.6	109.5	20.8	19.9	0.8	48.6	2.3	11.3	2.1	-
FLORIDA	673.3	606.6	176.0	107.2	67.7	234.2	28.1	22.8	36.9	29.8
GEORGIA	537.8	515.5	183.1	113.7	64.8	184.1	34.2	12.6	17.8	4.5
HAWAII	152.0	145.6	23.5	15.9	6.7	45.0	2.1	9.9	6.4	-
IDAHO	75.8	71.8	16.4	9.7	6.5	41.6	2.8	1.3	3.6	0.4
ILLINOIS	1 191.7	1 135.6	390.0	245.5	144.2	427.7	28.9	66.0	34.4	21.7
INDIANA	540.0	517.8	169.5	81.6	87.3	231.7	18.4	22.0	8.8	13.4
IOWA	451.3	423.2	96.1	55.5	40.1	193.7	7.6	9.5	11.3	16.8
KANSAS	231.4	207.7	59.3	37.6	20.9	100.8	4.7	9.8	13.5	10.2
KENTUCKY	476.0	455.3	110.4	45.0	58.2	238.6	7.4	6.3	14.7	6.0
LOUISIANA	492.6	460.1	127.0	74.1	52.3	202.3	16.3	29.4	16.1	16.4
MAINE	129.7	125.2	62.7	49.3	13.0	43.2	0.7	6.2	4.1	0.4
MARYLAND	554.9	510.6	168.3	127.0	40.9	167.4	15.7	47.8	44.1	0.2
MASSACHUSETTS	540.2	489.3	138.9	96.8	41.9	156.9	28.7	15.7	23.8	27.1
MICHIGAN	1 029.7	962.0	365.8	205.9	158.8	332.5	28.7	68.2	48.7	19.0
MINNESOTA	562.7	537.7	175.0	117.8	56.3	239.6	10.0	47.5	18.6	6.4
MISSISSIPPI	230.7	216.0	45.4	24.1	16.0	95.4	8.6	3.5	12.7	2.0
MISSOURI	467.1	446.5	139.0	76.3	61.7	183.0	11.3	33.7	8.1	12.5
MONTANA	107.9	107.0	24.3	11.7	12.5	65.2	0.6	4.5	0.9	-
NEBRASKA	230.9	157.4	38.2	15.8	20.8	73.8	6.6	7.4	9.0	64.5
NEVADA	92.0	85.9	21.1	16.3	4.8	44.3	2.4	3.0	6.0	0.1
NEW HAMPSHIRE	82.4	81.1	28.2	13.3	14.9	39.5	1.1	4.0	1.3	-
NEW JERSEY	700.2	683.5	139.6	90.0	49.3	320.0	22.2	45.6	14.8	1.9
NEW MEXICO	131.6	125.9	45.0	26.7	18.0	61.0	1.5	5.4	5.1	0.6
NEW YORK	2 421.9	2 278.8	707.9	368.3	235.9	682.0	151.3	116.9	52.1	91.0
NORTH CAROLINA	485.5	459.8	134.2	71.7	55.1	205.9	29.2	17.5	18.7	7.0
NORTH DAKOTA	103.5	102.0	31.9	17.7	13.8	58.4	0.7	2.9	1.5	-
OHIO	1 166.7	1 113.7	291.6	149.0	142.5	511.7	25.3	65.0	37.6	15.4
OKLAHOMA	283.3	273.9	60.8	25.7	34.3	144.4	5.7	4.8	7.9	1.5
OREGON	270.7	252.8	86.4	57.5	28.9	114.8	3.7	12.5	12.2	5.7
PENNSYLVANIA	1 385.0	1 302.7	363.6	242.2	84.6	576.3	22.8	35.2	34.2	48.1
RHODE ISLAND	138.3	129.2	27.3	21.5	4.8	79.7	0.9	3.1	9.1	-
SOUTH CAROLINA	233.6	219.6	72.4	42.6	25.7	86.6	11.2	12.3	10.3	3.7
SOUTH DAKOTA	97.5	94.0	21.1	13.4	7.7	60.9	2.1	4.1	2.4	1.1
TENNESSEE	553.1	460.1	144.8	83.6	53.5	169.5	14.6	49.3	37.0	56.0
TEXAS	1 368.4	1 191.3	364.2	215.4	148.1	547.9	32.9	47.4	107.6	69.5
UTAH	144.6	140.9	53.2	31.2	20.8	67.6	1.4	2.2	2.7	1.0
VERMONT	95.5	94.0	28.3	13.0	13.6	55.6	0.7	4.9	0.8	0.7
VIRGINIA	615.1	540.9	157.3	105.5	49.5	250.8	21.3	27.7	70.9	3.3
WASHINGTON	624.0	467.6	140.0	87.5	52.3	216.8	3.0	29.0	12.9	143.5
WEST VIRGINIA	218.1	216.9	61.0	30.6	29.9	113.0	1.4	4.0	1.2	-
WISCONSIN	616.7	594.1	215.0	121.3	93.5	220.6	12.0	45.9	17.1	5.5
WYOMING	78.5	77.1	16.1	7.8	8.3	53.6	1.1	0.1	1.4	-

Note: Because of rounding, detail may not add to totals. These amounts are based on estimates subject to sampling variation; see text.
-Represents zero or rounds to zero.
¹Including amounts for categories not shown separately.

Source: U.S. Bureau of the Census, *Governmental Finances in 1967-68*.

TABLE 14 — ESTIMATED REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY SCHOOLS, BY GOVERNMENTAL SOURCE, BY STATE, 1968 — 1969

State and region	Revenue receipts by source (in thousands)				Percent of revenue receipts by source ¹				
	Federal ²	State	Local and other ³	Total	Total			Excluding Federal	
					Federal ²	State	Local	State	Local
50 States and D.C.	\$2,453,211	\$13,727,557	\$17,544,685	\$33,725,453	7.3%	40.7%	52.0%	43.9%	56.1%
New England	111,391	498,576	1,272,825	1,882,792	5.9	26.5	67.6	28.1	71.9
Connecticut	25,000	178,000	365,000	568,000	4.4	31.3	64.3	32.8	67.2
Maine	9,944	47,930	80,057	137,931	7.2	34.7	58.0	37.5	62.5
Massachusetts	60,000	195,000	616,000	871,000	6.9	22.4	70.7	24.0	76.0
New Hampshire	4,770	8,780 ⁴	83,342	96,892	4.9	9.1 ⁴	86.0	9.8	90.2
Rhode Island	8,158	43,866	72,647	124,671	6.5	35.2	58.3	37.6	62.4
Vermont	3,519	25,000	55,779	84,298	4.2	29.7	66.2	30.9	69.1
Mideast	462,422	3,577,651	4,391,612	8,431,685	5.5	42.4	52.1	44.9	55.1
Delaware	8,000	78,500	21,500	108,000	7.4	72.7	19.9	78.2	21.8
Maryland	52,540	291,295	437,724	781,559	6.7	37.3	56.0	39.9	60.1
New Jersey	60,000	359,000	886,000	1,305,000	4.6	27.5	67.9	28.8	71.2
New York	176,000	1,993,000	1,997,000	4,166,000	4.2	47.8	47.9	49.9	50.1
Pennsylvania	103,563	855,856	933,264	1,892,683	5.5	45.2	49.3	47.8	52.2
Dist. of Columbia*	62,319 ⁵	...	116,124	178,443	34.9 ⁵	...	65.1	...	100.0
Southeast	718,690	3,272,790	1,855,114	5,846,594	12.3	56.0	31.7	63.4	36.6
Alabama	58,000	219,000 ⁶	88,000	365,000	15.9	60.0 ⁶	24.1	71.3	28.7
Arkansas	38,000	105,210	82,000	225,210	16.9	46.7	36.4	56.1	43.9
Florida ⁷	101,279	563,275	332,436	996,990	10.2	56.5	33.3	62.9	37.1
Georgia	64,931	372,307 ⁸	151,427	588,665	11.0	63.2 ⁸	25.7	71.1	28.9
Kentucky	65,000	211,000	135,000	411,000	15.8	51.3	32.8	61.0	39.0
Louisiana	61,000	373,275	160,000	594,275	10.3	62.8	26.9	70.0	30.0
Mississippi	58,980	156,923	79,651	295,554	20.0	53.1	26.9	66.2	33.8
North Carolina	83,000	434,000	128,000	645,000	12.9	67.3	19.8	77.2	22.8
South Carolina	41,000	215,000	82,000	338,000	12.1	63.6	24.3	72.4	27.6
Tennessee	55,000	224,800	182,000	461,800	11.9	48.7	39.4	55.3	44.7
Virginia	65,000	285,000	350,000	700,000	9.3	40.7	50.0	44.9	55.1
West Virginia	27,500	113,000	84,600	225,100	12.2	50.2	37.6	57.1	42.9

See footnotes at end of table.

TABLE 14 – ESTIMATED REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY SCHOOLS, BY GOVERNMENTAL SOURCE, BY STATE, 1968 – 1969 (Cont'd)

State and region	Revenue receipts by source (in thousands)				Percent of revenue receipts by source ¹				
	Federal ²	State	Local and other ³	Total	Total			Excluding Federal	
					Federal ²	State	Local	State	Local
50 States and D.C.	\$2,453,211	\$13,727,557	\$17,544,685	\$33,725,453	7.3%	40.7%	52.0%	43.9%	56.1%
Great Lakes	324,443	2,247,145	4,204,495	6,776,083	4.8	33.2	62.0	34.8	65.2
Illinois	95,406	486,329	1,241,093	1,822,828	5.2	26.7	68.1	28.1	71.9
Indiana	44,000	309,000	555,000	908,000	4.8	34.0	61.1	35.8	64.2
Michigan	67,000	752,464	877,913	1,697,377	3.9	44.3	51.7	46.1	53.9
Ohio	84,400	510,000	1,025,000	1,619,400	5.2	31.5	63.3	33.2	66.8
Wisconsin	33,637	189,352	505,489	728,478	4.6	26.0	69.4	27.2	72.8
Plains	174,503	860,501	1,559,616	2,594,620	6.7	33.2	60.1	35.6	64.4
Iowa ⁹	20,300	156,000	302,700	479,000	4.2	32.6	63.2	34.0	65.6
Kansas	31,928	118,758	256,295	406,981	7.8	29.2	63.0	31.7	68.3
Minnesota	45,000	294,000	340,000	679,000	6.6	43.3	50.1	46.4	53.6
Missouri	40,868	222,193	385,121	648,182	6.3	34.3	59.4	36.6	63.4
Nebraska	14,257	33,000	140,000	187,257	7.6	17.6	74.8	19.1	80.9
North Dakota	7,750	25,550	64,500	97,800	7.9	26.1	66.0	28.6	71.4
South Dakota	14,400	11,000	71,000	96,400	14.9	11.4	73.7	13.4	86.6
Southwest	268,476	1,095,797	964,009	2,328,282	11.5	47.1	41.4	53.2	46.8
Arizona	22,089	151,705	101,113	274,907	8.0	55.2	36.8	60.1	39.9
New Mexico	29,089	119,212 ¹⁰	44,546	192,847	15.1	61.8	23.1	72.6	27.4
Oklahoma	42,000	115,000	195,000	352,000	11.9	32.7	55.4	37.1	62.9
Texas ¹¹	175,298	709,880	623,350	1,508,528	11.6	47.1	41.3	53.3	46.7
Rocky Mountains	68,664	275,648	496,375	840,687	8.2	32.8	59.0	35.8	64.2
Colorado	26,000	88,000	252,000	366,000	7.1	24.0	68.9	25.9	74.1
Idaho*	9,575	42,000	51,000	102,575	9.3	40.9	49.7	45.2	54.8
Montana*	9,000	35,000	83,000	127,000	7.1	27.6	65.4	29.7	70.3
Utah	11,089	94,648	76,375	182,112	6.1	52.0	41.9	55.6	44.4
Wyoming	13,000	16,000	34,000	63,000	20.6	25.4	54.0	32.0	67.8
Far West	290,492	1,736,669	2,770,939	4,798,100	6.1	36.2	57.8	38.5	61.5
California	215,000	1,260,000	2,200,000	3,675,000	5.9	34.3	59.9	36.4	63.6
Nevada	6,500	35,300	49,100	90,900	7.2	38.8	54.0	41.7	58.3
Oregon	28,992	76,369	326,839	432,200	6.7	17.7	75.6	18.9	81.1
Washington	40,000	365,000	195,000	600,000	6.7	60.8	32.5	65.2	34.8
Alaska	18,830	32,780	21,700	73,310	25.7	44.7	29.6	59.3	40.7
Hawaii	15,300	130,000	8,000	153,300	10.0	84.8	5.2	94.2	5.8

TABLE 14 – ESTIMATED REVENUE RECEIPTS FOR ELEMENTARY AND SECONDARY SCHOOLS, BY GOVERNMENTAL SOURCE, BY STATE, 1968 – 1969 (Cont'd)

* Estimated by NEA Research Division.

¹ Percents may not add up to 100.0 because of rounding.

² Includes Federal grant programs to State and local school systems, including funds under the Elementary and Secondary Education Act, Economic Opportunity Act, Aid to Federally Impacted Areas, National Defense Education Act, Manpower Development and Training, Vocational Education, etc. Funds received from the School Lunch and Milk Program are included, but reporting on the money value of commodities received is incomplete. ESEA revenues have generally been estimated on an anticipated cash expenditure basis at a level similar to outlays in the previous year.

³ Includes revenue receipts from local and intermediate sources, gifts, and tuition and fees from patrons.

⁴ Excludes State's share of teacher retirement and social security.

⁵ Includes Federal appropriations for capital outlay, civil defense, Capitol Page School, and other Federally funded programs listed in footnote 2 above.

⁶ Includes Social Security and Teacher Retirement for all educational agencies and institutions.

⁷ Excludes revenues for public junior colleges which are operated by a junior college district board of trustees.

⁸ Includes State payments of \$20,681,820 for teacher retirement.

⁹ Includes State appropriation for area vocational schools and junior colleges.

¹⁰ Includes revenues for operation of the Public School Finance Division which is not a part of the State department of education.

¹¹ Excludes revenues for kindergartens.

Source: National Education Association, *Estimates of School Statistics 1968-69*, Research Report 1968-R16. (Copyright 1968 by the National Education Association; all rights reserved).

TABLE 15—STATE AND LOCAL EXPENDITURE FOR HIGHWAYS, BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1967
(Dollar Amounts in Millions)

State	Amount	Total expenditure							Exp. fr. own sources		
		% Financed from			State expenditure		Local direct exp.		Amount	% Financed from	
		Fed. aid	State funds	Local funds	Direct ¹	Intergovernmental	Amount	% Financed fr. State aid		State funds	Local funds
United States	\$13,955.6	29.1	50.2	20.7	\$9,422.6	\$1,861.5	\$4,533.0	41.1	\$9,898.8	70.8	29.2
Alabama	225.9	37.6	47.9	14.5	155.9	39.9	70.0	57.0	140.9	76.8	23.2
Alaska	119.2	82.3	15.1	2.6	116.1	—	3.1	—	21.1	85.3	14.7
Arizona	164.3	48.8	43.3	7.9	134.1	19.0	30.2	62.9	84.2	84.6	15.4
Arkansas	133.5	38.6	56.4	5.0	101.9	25.1	31.7	79.2	82.0	91.8	8.2
California	1,337.5	26.2	52.8	20.9	831.2	274.4	506.3	54.2	986.5	71.6	28.4
Colorado	147.8	32.6	48.3	19.1	96.6	23.8	51.3	46.4	99.7	71.7	28.3
Connecticut	201.8	25.2	50.3	24.5	149.2	6.0	52.6	11.4	150.9	67.3	32.7
Delaware	69.9	21.6	36.5	41.9	38.5	2.1	31.4	6.7	54.8	46.5	53.5
Dist. of Columbia	51.6	45.3	—	54.7	—	—	51.6	—	28.2	—	100.0
Florida	439.2	18.2	47.0	34.8	269.7	17.2	169.5	10.1	359.4	57.5	42.5
Georgia	260.0	39.8	48.1	12.1	179.4	49.6	80.7	61.5	156.5	79.9	20.1
Hawaii	56.7	41.3	31.4	27.3	41.2	—	15.5	—	33.3	53.5	46.5
Idaho	62.7	38.6	47.7	13.7	44.9	10.0	17.8	56.2	38.5	77.7	22.3
Illinois	587.0	24.9	54.8	20.3	329.6	146.7	257.4	57.0	440.7	73.0	27.0
Indiana	299.7	34.0	58.4	7.6	199.6	78.9	100.1	78.8	197.7	88.5	11.5
Iowa	297.5	20.1	55.8	24.1	169.7	63.9	127.8	50.0	237.6	69.8	30.2
Kansas	183.0	21.6	39.2	108.3	39.2	14.0	74.7	18.7	143.5	50.0	50.0
Kentucky	273.1	34.1	59.8	6.2	253.5	2.8	19.7	14.2	180.1	90.6	9.4
Louisiana	319.7	27.0	57.0	16.0	253.8	22.5	65.8	34.2	233.3	78.1	21.9
Maine	87.9	26.7	46.2	27.1	63.1	3.1	24.8	12.5	64.4	63.0	37.0
Maryland	211.5	19.1	64.3	16.5	133.6	46.6	77.9	59.8	171.1	79.5	20.5
Massachusetts	274.2	30.7	34.9	34.4	164.7	15.2	109.4	13.9	190.0	50.3	49.7
Michigan	506.5	31.3	54.5	14.2	285.6	164.9	220.9	74.6	347.8	79.4	20.6
Minnesota	343.5	28.8	42.7	28.4	202.3	51.5	141.1	36.5	244.4	60.1	39.9
Mississippi	162.4	40.6	42.2	17.2	106.9	31.7	55.5	57.1	96.4	71.1	28.9

See footnotes at end of table.

TABLE 15 – STATE AND LOCAL EXPENDITURE FOR HIGHWAYS, BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1967 (Cont'd)
(Dollar Amounts in Millions)

State	Amount	Total expenditure							Exp. fr. own sources		
		% Financed from			State expenditure		Local direct exp.		Amount	% Financed from	
		Fed. aid	State funds	Local funds	Direct ¹	Intergovernmental	Amount	% Financed fr. State aid		State funds	Local funds
United States	\$13,955.6	29.1	50.2	20.7	\$9,422.6	\$1,861.5	\$4,533.0	41.1	\$9,898.8	70.8	29.2
Missouri	278.9	36.4	45.6	18.0	210.7	19.8	68.2	29.0	177.5	71.7	28.3
Montana	95.9	53.1	27.9	19.0	77.5	0.2	18.4	1.1	45.0	59.6	40.4
Nebraska	137.3	35.0	41.9	23.2	88.1	21.1	49.2	42.9	89.3	64.4	35.6
Nevada	66.6	64.3	16.7	19.1	48.8	5.1	17.8	28.7	23.8	46.6	53.4
New Hampshire	57.1	27.1	51.0	21.9	45.0	0.4	12.1	3.3	41.6	70.0	30.0
New Jersey	398.0	26.1	36.5	37.4	243.7	15.9	154.3	10.3	294.1	49.4	50.6
New Mexico	94.9	58.3	34.4	7.4	82.3	5.9	12.6	46.8	39.6	82.3	17.7
New York	1,059.0	16.8	52.7	30.5	617.1	119.9	441.9	27.1	880.7	63.3	36.7
North Carolina	277.0	21.0	69.4	9.6	242.2	9.3	34.8	26.7	218.9	87.8	12.2
North Dakota	79.2	34.7	37.5	27.8	51.3	9.0	27.9	32.3	51.7	57.4	42.6
Ohio	706.7	28.9	56.6	14.5	457.4	161.1	249.3	64.6	502.4	79.6	20.4
Oklahoma	178.1	28.0	61.4	10.6	116.7	45.8	61.3	74.7	128.1	85.3	14.7
Oregon	183.7	29.2	58.1	12.7	122.5	38.6	61.2	63.1	130.1	82.0	18.0
Pennsylvania	718.3	27.1	60.1	12.8	570.4	64.4	147.9	43.5	523.8	82.4	17.6
Rhode Island	78.0	18.3	66.0	15.6	65.4	0.4	12.6	3.2	63.7	80.8	19.2
South Carolina	127.6	30.2	62.0	7.8	108.2	9.7	19.3	50.3	89.0	88.9	11.1
South Dakota	87.1	39.0	34.9	26.1	63.7	2.4	23.4	10.3	53.1	57.3	42.7
Tennessee	286.1	34.7	46.0	19.3	190.5	51.8	95.6	54.2	186.7	70.4	29.6
Texas	785.5	26.0	46.4	27.6	570.4	7.6	215.1	3.5	581.5	62.7	37.3
Utah	88.2	59.8	31.7	8.5	75.4	5.5	12.9	42.6	35.5	78.9	21.1
Vermont	66.9	38.0	52.0	10.0	55.6	5.0	11.3	44.2	41.5	83.9	16.1
Virginia	363.6	33.7	53.8	12.5	304.0	16.7	59.6	28.0	241.2	81.1	18.9
Washington	312.7	28.8	55.9	15.3	230.9	41.8	81.8	51.1	222.7	78.5	21.5
West Virginia	183.2	40.3	56.1	3.6	176.6	—	6.6	—	109.4	94.0	6.0
Wisconsin	360.9	13.7	35.7	50.6	116.9	92.4	244.0	37.9	311.5	41.3	58.7
Wyoming	68.9	51.8	41.4	6.8	62.0	2.8	6.9	40.6	33.2	85.8	14.2

¹ All Federal aid highway funds assumed to be spent directly by the State government (except in the District of Columbia).

Source: Compiled by ACIR staff from various reports of the Governments Division, U.S. Bureau of the Census.

**TABLE 16 – STATE AND LOCAL EXPENDITURE FOR PUBLIC WELFARE, BY
GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1967**

State and Region	Total (millions)	Per capita	Percent financed from –			Average monthly benefit payments, July 1967	
			Federal aid	State funds	Local funds	A.F.D.C. ¹	O.A.A. ²
United States	\$8,248.6	\$41.68	53.0	33.4	13.6	\$38.50	\$69.40
New England	531.4	46.94	47.8	42.0	10.2	48.29	75.04
Maine	34.4	35.37	54.7	36.3	9.0	29.80	54.20
New Hampshire	19.1	27.78	35.6	20.9	43.5	39.75	98.95
Vermont	17.2	41.33	52.0	32.9	15.0	41.80	65.80
Massachusetts	303.6	56.01	48.1	41.2	10.8	53.45	79.55
Rhode Island	47.4	52.70	48.7	51.1	0.2	42.00	57.70
Connecticut	109.7	37.49	46.1	47.2	6.7	48.55	76.15
Mideast	1,803.3	42.95	36.5	44.3	19.2	48.98	79.92
New York	1,087.1	59.28	43.7	35.9	20.5	54.30	86.50
New Jersey	176.0	25.13	39.5	31.3	29.3	56.05	75.20
Pennsylvania	363.5	31.26	47.7	41.3	11.0	37.15	75.50
Delaware	15.1	28.96	43.7	45.0	11.3	31.75	63.95
Maryland	121.8	33.09	46.8	46.5	6.7	38.50	60.90
Dist. of Columbia	39.8	49.23	42.7	–	57.3	37.65	69.70
Great Lakes	1,367.3	34.95	39.3	40.3	20.4	39.15	63.74
Michigan	325.5	37.91	43.6	39.7	16.7	42.55	68.25
Ohio	352.0	33.65	36.9	35.9	27.2	33.55	69.60
Indiana	96.1	19.21	36.6	21.6	41.7	30.70	46.60
Illinois	415.7	38.16	41.9	52.4	5.7	41.95	60.05
Wisconsin	178.0	42.50	39.3	24.0	36.7	43.65	57.85
Plains	586.2	36.73	28.4	54.2	17.4	39.03	72.94
Minnesota	166.1	46.36	46.8	21.4	31.8	49.50	60.80
Iowa	89.1	32.37	45.9	28.1	26.0	43.15	102.05
Missouri	174.8	37.97	63.2	33.8	3.0	24.90	68.35
North Dakota	24.0	37.63	57.1	28.3	14.6	45.95	79.00
South Dakota	21.4	31.67	59.3	32.7	7.9	42.00	62.35
Nebraska	37.2	25.93	67.7	31.5	0.8	36.35	55.60
Kansas	73.6	32.34	50.5	29.0	20.5	43.15	84.90
Southeast	1,332.0	30.93	22.8	69.7	7.5	21.47	56.53
Virginia	68.2	15.03	49.1	22.1	28.7	29.20	54.65
West Virginia	65.3	36.29	64.9	32.2	2.9	25.15	56.50
Kentucky	127.4	39.94	76.3	19.9	3.8	28.00	55.90
Tennessee	106.0	27.23	68.6	21.2	10.2	26.75	53.10
North Carolina	124.2	24.68	61.6	18.2	20.2	24.90	61.15
South Carolina	39.4	15.16	72.8	21.8	5.3	17.25	41.35
Georgia	138.4	30.70	73.0	20.7	6.2	25.45	51.60
Florida	149.1	24.87	67.3	19.0	13.7	15.25	49.60
Alabama	129.9	36.70	73.4	24.9	1.8	12.75	60.20
Mississippi	85.9	36.60	71.2	26.3	2.4	8.30	39.05
Louisiana	215.1	58.73	72.4	27.1	0.5	23.90	73.25
Arkansas	83.1	42.21	76.7	22.6	0.7	19.50	59.70
Southwest	577.0	36.06	28.2	69.1	2.7	27.93	64.68
Oklahoma	208.1	83.41	67.8	31.4	0.8	34.45	74.60
Texas	290.0	26.67	71.2	24.7	4.1	21.30	61.95
New Mexico	39.9	39.78	67.8	31.8	0.5	30.65	57.50
Arizona	39.0	23.85	62.3	33.3	4.4	28.70	56.80

See footnotes at end of table.

**TABLE 16 – STATE AND LOCAL EXPENDITURE FOR PUBLIC WELFARE, BY
GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1967 (Cont'd)**

State and Region	Total (millions)	Per capita	Percent financed from –			Average monthly benefit payments, July 1967	
			Federal aid	State funds	Local funds	A.F.D.C. ¹	O.A.A. ²
Rocky Mountain	\$ 191.2	\$40.56	35.4	53.4	11.2	\$38.81	\$76.15
Montana	20.0	28.53	45.3	23.4	31.3	37.90	64.85
Idaho	23.2	33.12	58.2	31.5	10.4	46.70	66.50
Wyoming	9.1	28.96	42.9	23.1	34.1	37.55	65.20
Colorado	107.0	54.16	51.7	39.7	8.6	37.45	80.55
Utah	31.9	31.15	63.6	34.8	1.6	38.70	59.20
Far West ³	1,826.6	74.00	33.6	55.0	11.4	43.97	97.45
Washington	134.8	43.65	48.7	51.3	–	47.30	68.65
Oregon	63.6	31.83	39.6	44.8	15.6	40.40	60.90
Nevada	13.5	30.42	54.1	27.4	18.5	31.55	72.15
California	1,614.7	84.30	56.2	31.7	12.1	44.00	101.45
Alaska	9.6	35.11	22.9	76.0	0.5	34.85	70.90
Hawaii	23.9	32.29	48.5	51.0	0.4	45.25	79.60

¹Aid to Families with Dependent Children – average payment per recipient (including vendor payments for medical care).

²Old-Age Assistance – average payment per recipient (including vendor payments for medical care).

³Excluding Alaska and Hawaii.

Source: Compiled by ACIR staff from various reports of the Governments Division, U.S. Bureau of the Census; and from Department of Health, Education, and Welfare, Social Security Administration, *Social Security Bulletin*, November 1967.

**TABLE 17—STATE AND LOCAL EXPENDITURE FOR HEALTH AND HOSPITALS,
BY GOVERNMENTAL SOURCE OF FINANCING, BY STATE, 1967**

State and region	Total (millions)	Per capita	Percent financed from —		
			Federal aid	State funds	Local funds
United States	\$6,646.6	\$33.58	4.8	48.7	46.5
New England	366.7	32.37	4.9	71.2	23.8
Maine	19.1	19.60	7.9	77.0	15.2
New Hampshire	15.3	22.34	6.5	84.3	9.2
Vermont	8.4	20.16	14.3	83.3	2.4
Massachusetts	215.2	39.70	2.6	65.5	31.8
Rhode Island	28.5	31.61	16.9	77.5	5.6
Connecticut	80.2	27.40	4.9	79.3	15.8
Mideast	1,827.8	43.54	2.0	50.5	47.4
New York	1,128.1	61.52	0.9	47.6	51.5
New Jersey	207.0	29.55	2.7	39.1	58.2
Pennsylvania	281.3	24.19	4.0	76.7	19.3
Delaware	14.9	28.42	10.1	85.2	4.7
Maryland	130.3	35.37	4.4	59.3	36.2
Dist. of Columbia	66.2	81.83	3.8	—	96.2
Great Lakes	1,262.4	32.27	3.7	49.6	46.7
Michigan	358.8	41.79	4.1	44.4	51.5
Ohio	239.1	22.85	4.9	43.3	51.8
Indiana	150.1	30.02	3.5	51.1	45.4
Illinois	376.4	34.55	2.7	57.5	39.8
Wisconsin	138.0	32.93	3.4	50.8	45.8
Plains	466.7	29.25	5.3	45.8	48.9
Minnesota	188.8	33.16	4.7	46.7	48.6
Iowa	76.1	27.63	3.4	37.7	58.9
Missouri	139.9	30.39	4.9	45.7	49.5
North Dakota	10.8	16.88	13.0	77.8	9.3
South Dakota	10.0	14.82	8.0	60.0	32.0
Nebraska	42.0	29.24	7.1	30.7	62.1
Kansas	69.1	30.38	6.4	55.7	38.1
Southeast	1,260.6	29.27	8.5	46.0	45.6
Virginia	112.7	24.84	5.5	79.1	15.4
West Virginia	37.9	21.09	9.2	62.3	28.5
Kentucky	75.5	23.66	10.5	52.7	36.8
Tennessee	131.1	33.68	6.2	36.0	57.8
North Carolina	114.5	22.76	10.7	56.0	33.4
South Carolina	66.2	25.48	14.8	43.1	42.1
Georgia	179.8	39.87	6.1	32.9	61.0
Florida	251.6	41.97	6.8	27.5	65.7
Alabama	76.7	21.65	11.2	47.2	41.5
Mississippi	63.2	26.91	9.3	33.1	57.6
Louisiana	107.0	29.21	9.5	75.0	15.5
Arkansas	44.4	22.55	14.0	47.5	38.5
Southwest	348.9	21.79	9.0	43.3	47.7
Oklahoma	65.2	26.12	8.0	48.6	43.3
Texas	223.1	20.52	9.5	43.0	47.5
New Mexico	26.3	26.20	8.4	41.1	50.6
Arizona	34.3	20.99	8.5	36.2	55.4
Rocky Mountain	140.4	29.80	9.1	53.2	37.7
Montana	14.6	20.79	11.0	47.9	41.1
Idaho	22.1	31.56	10.0	34.8	54.8
Wyoming	14.0	44.53	16.4	35.0	49.3
Colorado	68.1	34.48	6.0	62.7	31.3
Utah	21.6	21.14	12.0	57.4	31.0
Far West ¹	933.6	37.82	3.7	40.9	55.4
Washington	75.3	24.39	6.5	57.8	35.7
Oregon	51.7	25.84	6.8	59.8	33.3
Nevada	24.0	54.06	5.8	15.4	78.8
California	782.6	40.85	3.2	38.8	58.0
Alaska	8.9	32.76	11.2	75.3	13.5
Hawaii	30.8	41.63	11.4	68.5	19.8

¹ Excluding Alaska and Hawaii.

Source: Compiled by ACIR staff from various reports of the Governments Division, U.S. Bureau of the Census.

**TABLE 18 — PERCENTAGE OF STATE AND LOCAL GENERAL EXPENDITURE,
FROM OWN REVENUE SOURCES, FINANCED BY STATE GOVERNMENTS, BY STATE, 1967**
[Total and for Selected Functions]

State	Total general expenditure	Education	Highways	Public welfare	Health and hospitals
UNITED STATES ¹	49.4	42.6	71.1	71.5	51.7
Alabama	65.0	71.7	76.8	93.4	53.2
Alaska	65.2	59.3	85.3	99.4	84.8
Arizona	55.2	41.4	84.6	88.4	39.5
Arkansas	60.9	54.7	91.8	96.9	55.2
California	45.8	35.8	71.6	72.3	40.1
Colorado	49.0	25.3	71.7	82.2	66.7
Connecticut	45.7	36.5	67.3	87.6	83.3
Delaware	69.9	79.5	46.5	80.0	94.8
Florida	43.0	51.3	57.5	58.0	29.5
Georgia	54.6	69.8	79.9	54.6	35.1
Hawaii	42.6	94.0	53.5	99.2	77.6
Idaho	54.6	44.8	77.7	75.3	38.9
Illinois	44.0	21.7	73.0	90.3	59.1
Indiana	51.3	42.6	88.5	34.2	52.9
Iowa	44.6	15.9	69.8	51.9	39.0
Kansas	46.9	33.5	50.0	58.5	59.4
Kentucky	61.8	59.9	90.6	83.8	58.9
Louisiana	66.2	69.7	78.1	98.1	82.9
Maine	52.4	33.5	63.0	80.1	83.5
Maryland	49.0	33.2	79.5	87.3	62.1
Massachusetts	41.9	29.6	50.3	79.3	67.3
Michigan	52.1	50.5	79.4	70.4	46.3
Minnesota	42.6	40.5	60.1	40.2	49.0
Mississippi	55.7	61.7	71.1	91.5	36.5
Missouri	43.5	34.9	71.7	91.8	48.0
Montana	45.7	29.3	59.6	42.7	53.8
Nebraska	35.6	4.3	64.4	97.5	33.1
Nevada	43.4	51.2	46.6	59.7	16.4
New Hampshire	44.6	10.4	70.0	32.5	90.2
New Jersey	32.6	31.2	49.4	51.6	40.2
New Mexico	67.9	76.6	82.3	98.4	44.8
New York	49.9	48.0	63.3	63.7	48.0
North Carolina	64.9	74.9	87.8	47.4	62.7
North Dakota	54.8	25.8	57.4	66.0	89.4
Ohio	41.5	28.6	79.6	56.9	45.6
Oklahoma	60.7	30.2	85.3	97.5	52.9
Oregon	52.2	29.8	82.0	74.2	64.2
Pennsylvania	47.0	43.8	82.4	78.9	79.9
Rhode Island	60.8	35.1	80.8	99.6	93.2
South Carolina	68.0	76.3	88.9	80.4	50.5
South Dakota	46.1	15.6	57.3	80.5	65.2
Tennessee	50.5	56.4	70.4	67.6	38.4
Texas	45.9	54.4	62.7	85.6	47.5
Utah	60.7	53.7	78.9	95.7	64.9
Vermont	63.3	24.7	83.9	68.7	97.2
Virginia	54.7	44.5	81.1	43.5	83.8
Washington	59.5	62.5	78.5	100.0	61.8
West Virginia	67.5	55.8	94.0	91.7	68.6
Wisconsin	56.0	26.9	41.3	39.5	52.6
Wyoming	53.5	38.7	85.8	40.4	41.5

Note. — Percentages for total general expenditure, highways, public welfare, and health and hospitals were derived from U.S. Bureau of the Census data on expenditures adjusted to exclude federal aid and state-local transfers. The education percentages were derived from estimated receipts available for expenditure for current expenses, capital outlay, and debt service for public elementary and secondary schools as reported by the National Education Association. Census data for education expenditures were not readily available.

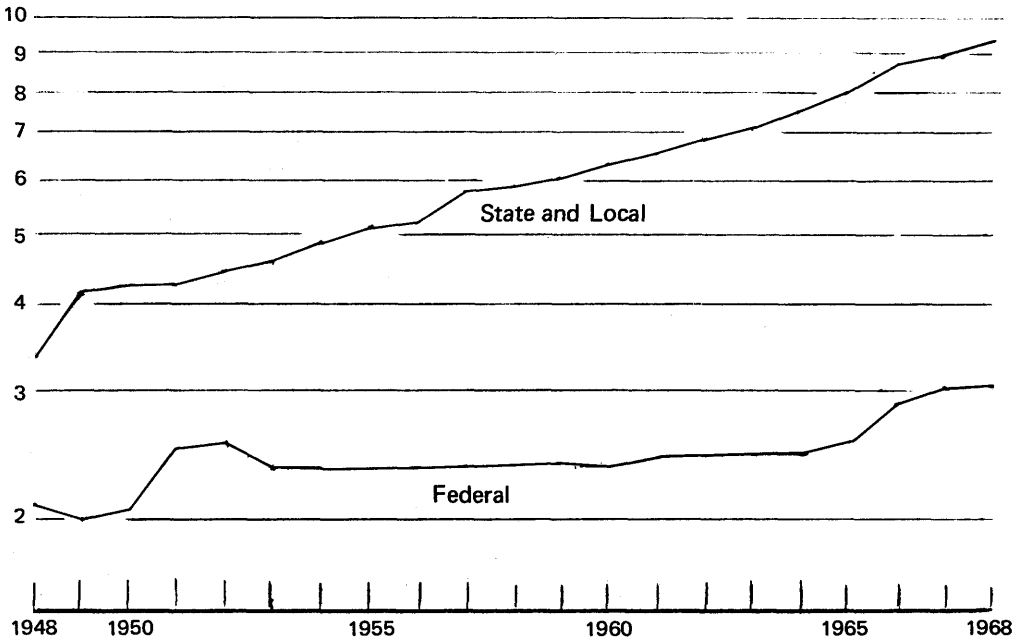
¹Excluding the District of Columbia. The totals including D.C. are: Total general expenditure, 49.1; Education, 42.5; Highways, 70.8; Public welfare, 71.1; and Health and hospitals, 51.2.

Source: Compiled by ACIR staff from various reports of the Governments Division, U.S. Bureau of the Census; and National Education Association, *Estimates of School Statistics, 1967-68*, Research Report 1967-R19. (Copyright 1967 by the National Education Association, all rights reserved).

FIGURE 7 – GOVERNMENT EMPLOYMENT AND PAYROLL, 1948 TO 1968
Logarithmic Scale

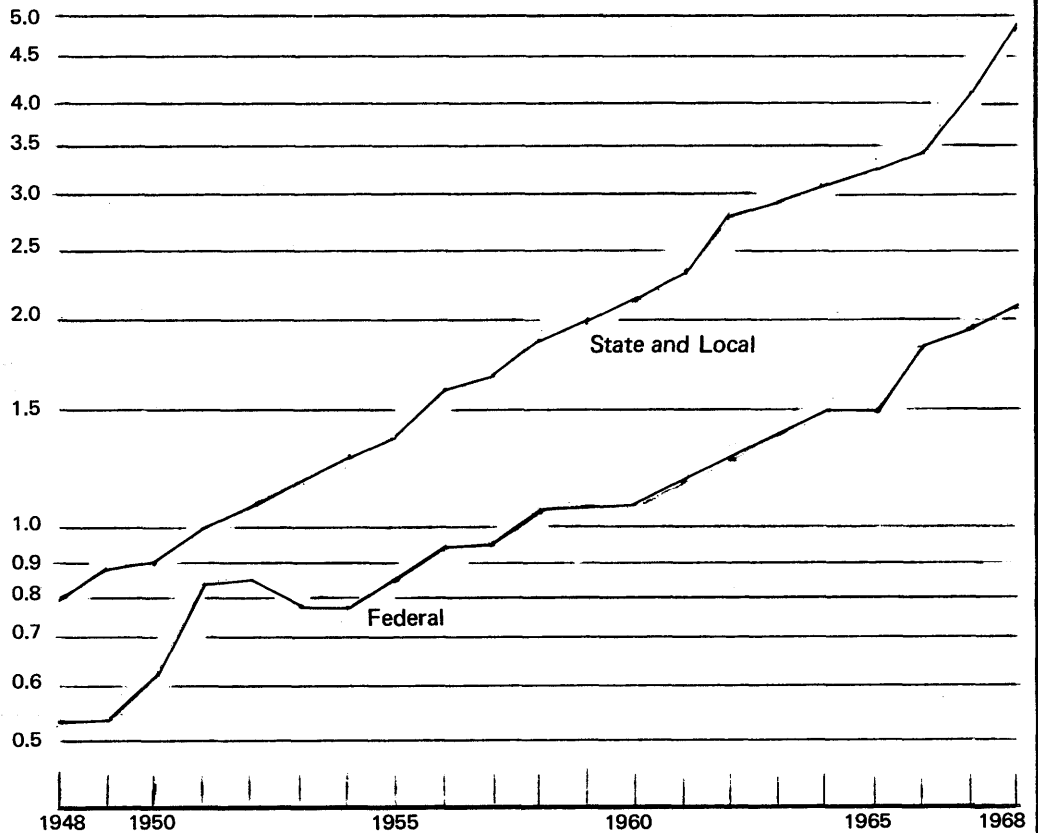
NUMBER OF EMPLOYEES

Millions



MONTHLY PAYROLLS

Billions of Dollars



Note: Data are for month of October; 1957 data were reported for April and have been adjusted for comparability to October.

TABLE 19 – POPULATION AND PERSONAL INCOME, BY STATE, 1960 AND 1968-69

State	Population (000) ¹			Personal income (calendar years)					
	July 1, 1969	April 1, 1960	Percent increase or decrease (—)	Total (\$000,000)			Per capita ²		
				1968	1960	Percent increase	1968	1960	Percent increase
UNITED STATES	201,921	179,323	12.6	683,702	398,725	71.5	\$3,421	\$2,215	54.4
Alabama	3,531	3,267	8.1	8,316	4,876	70.5	2,337	1,488	57.1
Alaska	282	226	24.9	1,136	649	75.0	4,146	2,846	45.7
Arizona	1,693	1,302	30.0	5,034	2,684	87.6	3,027	2,032	49.0
Arkansas	1,995	1,786	11.7	4,611	2,459	87.5	2,322	1,372	69.2
California	19,443	15,717	23.7	76,581	42,980	78.2	3,968	2,710	46.4
Colorado	2,100	1,754	19.7	6,824	4,022	69.7	3,340	2,275	46.8
Connecticut	3,000	2,535	18.3	12,611	7,138	76.7	4,256	2,807	51.6
Delaware	540	446	21.0	2,026	1,238	63.7	3,795	2,757	37.6
Dist. of Columbia	798	764	4.5	3,580	2,311	54.9	4,425	3,017	46.7
Florida	6,354	4,952	28.3	19,626	9,746	101.4	3,191	1,950	63.6
Georgia	4,641	3,943	17.7	12,705	6,489	95.8	2,781	1,639	69.7
Hawaii	794	633	25.4	2,705	1,478	83.0	3,513	2,369	48.3
Idaho	718	667	7.6	1,876	1,241	51.2	2,668	1,849	44.3
Illinois	11,047	10,081	9.6	43,760	26,718	63.8	3,981	2,650	50.2
Indiana	5,118	4,662	9.8	17,270	10,225	68.9	3,412	2,188	55.9
Iowa	2,781	2,758	0.8	9,057	5,475	65.4	3,265	1,986	64.4
Kansas	2,321	2,179	6.5	7,574	4,712	60.7	3,303	2,161	52.8
Kentucky	3,232	3,038	6.4	8,516	4,792	77.7	2,645	1,574	68.0
Louisiana	3,745	3,257	15.0	9,814	5,399	81.8	2,634	1,655	59.2
Maine	978	969	0.9	2,757	1,796	53.5	2,824	1,844	53.1
Maryland	3,765	3,101	21.4	14,048	7,289	92.7	3,742	2,343	59.7
Massachusetts	5,467	5,149	6.2	20,974	12,680	65.4	3,835	2,459	56.0
Michigan	8,766	7,823	12.1	32,119	18,203	76.4	3,765	2,324	58.1
Minnesota	3,700	3,414	8.4	12,185	7,241	68.3	3,341	2,116	57.9
Mississippi	2,360	2,178	8.4	4,878	2,632	85.3	2,081	1,205	72.7
Missouri	4,651	4,320	7.7	15,065	9,149	64.7	3,257	2,115	54.0
Montana	694	675	2.9	2,039	1,383	47.4	2,942	2,037	44.4
Nebraska	1,449	1,411	2.6	4,661	2,990	55.9	3,239	2,110	53.5
Nevada	457	285	60.2	1,777	831	113.8	3,957	2,856	38.6
New Hampshire	717	607	18.2	2,288	1,305	75.3	3,259	2,143	52.1
New Jersey	7,148	6,067	17.8	28,047	16,528	69.7	3,954	2,708	46.0
New Mexico	994	951	4.5	2,667	1,801	48.1	2,651	1,890	40.3

See footnotes at end of table.

TABLE 19 — POPULATION AND PERSONAL INCOME, BY STATE, 1960 AND 1968-69 (Cont'd)

State	Population (000) ¹			Personal income (calendar years)					
	July 1, 1969	April 1, 1960	Percent increase or decrease (-)	Total (\$000,000)			Per capita ²		
				1968	1960	Percent increase	1968	1960	Percent increase
New York	18,321	16,782	9.2	75,049	46,281	62.2	\$4,151	\$2,746	51.2
North Carolina	5,205	4,556	14.2	13,642	7,142	91.0	2,664	1,561	70.7
North Dakota	615	632	-2.8	1,712	1,087	57.5	2,730	1,715	59.2
Ohio	10,740	9,706	10.7	37,151	22,729	63.5	3,509	2,334	50.3
Oklahoma	2,568	2,328	10.3	7,259	4,350	66.9	2,880	1,861	54.8
Oregon	2,032	1,769	14.9	6,660	3,960	68.2	3,317	2,235	48.4
Pennsylvania	11,803	11,319	4.3	40,102	25,395	57.9	3,419	2,242	52.5
Rhode Island	911	859	5.9	3,244	1,897	71.0	3,549	2,211	60.5
South Carolina	2,692	2,383	13.0	6,341	3,298	92.3	2,380	1,377	72.8
South Dakota	659	681	-3.2	1,887	1,217	55.1	2,876	1,782	61.4
Tennessee	3,985	3,567	11.7	10,252	5,521	85.7	2,579	1,543	67.1
Texas	11,187	9,580	16.8	33,254	18,535	79.4	3,029	1,925	57.4
Utah	1,045	891	17.4	2,885	1,771	62.9	2,790	1,968	41.8
Vermont	439	390	12.5	1,306	716	82.4	3,072	1,841	66.9
Virginia	4,669	3,967	17.7	14,100	7,339	92.1	3,068	1,841	66.6
Washington	3,402	2,853	19.2	12,081	6,706	80.2	3,688	2,349	57.0
West Virginia	1,819	1,860	-2.2	4,451	2,957	50.5	2,470	1,594	55.0
Wisconsin	4,233	3,952	7.1	14,197	8,615	64.8	3,363	2,175	54.6
Wyoming	320	330	-2.9	1,005	749	34.2	3,190	2,263	41.0

¹Excluding Armed Forces overseas. July 1, 1969 data are provisional estimates.

²Per capita amounts are based on estimates of population as of July 1, 1968 and 1960.

Source: U.S. Department of Commerce: Bureau of the Census, *Current Population Reports*, Series P-25, No. 430 and *U.S. Census of Population: 1960, Vol. I*; and Office of Business Economics, *Survey of Current Business*, August 1969.

TABLE 20 – NUMBER OF LOCAL GOVERNMENTS, BY STATE 1957, 1962 AND 1967

State	1957	1962	1967					
			Total	Counties ¹	Municipalities	Townships	Special districts	School districts
United States	102,341	91,186	81,248	3,049	18,048	17,105	21,264	21,782
Alabama	616	732	796	67	359	—	251	119
Alaska	41	56	61	9	51	—	—	1
Arizona	366	378	394	14	62	—	76	242
Arkansas	1,126	1,208	1,252	75	423	—	352	402
California	3,878	4,022	3,864	57	400	—	2,168	1,239
Colorado	1,665	1,193	1,252	62	251	—	748	191
Connecticut	383	397	413	—	34	149	221	9
Delaware	131	207	170	3	52	—	65	50
Dist. of Columbia	2	2	2	—	1	—	1	—
Florida	671	764	827	67	383	—	310	67
Georgia	1,120	1,218	1,203	159	512	—	338	194
Hawaii	21	20	19	3	1	—	15	—
Idaho	842	834	871	44	194	—	513	120
Illinois	6,509	6,452	6,453	102	1,256	1,432	2,313	1,350
Indiana	2,988	3,091	2,669	92	550	1,009	619	399
Iowa	4,905	2,642	1,802	99	945	—	280	478
Kansas	6,213	5,410	3,668	105	623	1,543	1,037	360
Kentucky	821	872	952	120	359	—	273	200
Louisiana	583	628	733	62	270	—	334	67
Maine	644	658	698	16	21	469	127	65
Maryland	327	351	361	23	151	—	187	—
Massachusetts	572	586	654	12	39	312	247	44
Michigan	5,159	3,818	2,903	83	522	1,253	110	935
Minnesota	6,297	5,212	4,184	87	850	1,817	148	1,282
Mississippi	671	772	783	82	268	—	272	161
Missouri	5,306	3,727	2,917	114	856	343	734	870
Montana	1,502	1,387	1,103	56	125	—	209	713
Nebraska	6,657	5,123	4,391	93	538	486	952	2,322
Nevada	109	136	146	17	17	—	95	17
New Hampshire	544	550	515	10	13	222	89	181
New Jersey	1,216	1,395	1,421	21	335	232	311	522
New Mexico	316	305	307	32	88	—	97	90
New York	4,188	3,802	3,485	57	616	931	965	916
North Carolina	623	674	752	100	437	—	215	—
North Dakota	3,967	3,028	2,757	53	357	1,378	431	538
Ohio	3,666	3,359	3,283	88	933	1,324	228	710
Oklahoma	2,331	1,959	1,773	77	522	—	214	960
Oregon	1,525	1,469	1,456	36	222	—	800	398
Pennsylvania	5,072	6,201	4,998	66	1,005	1,554	1,624	749
Rhode Island	90	97	109	—	8	31	67	3
South Carolina	502	552	561	46	259	—	148	108
South Dakota	4,807	4,463	3,510	64	306	1,050	106	1,984
Tennessee	559	657	791	94	297	—	386	14
Texas	3,484	3,327	3,446	254	883	—	1,001	1,308
Utah	397	423	445	29	213	—	163	40
Vermont	408	424	656	14	65	238	72	267
Virginia	366	380	373	96	229	—	48	—
Washington	1,576	1,646	1,652	39	267	63	937	346
West Virginia	361	389	455	55	225	—	120	55
Wisconsin	5,730	3,726	2,490	72	568	1,269	62	519
Wyoming	488	464	472	23	87	—	185	177

¹ Excludes areas corresponding to counties but having no organized county governments.

Source: U.S. Bureau of the Census, 1967 Census of Governments, Vol. 1, *Governmental Organization*.

TABLE 21 — STATES INCREASING TAX RATES AND ENACTING NEW TAXES, SELECTED TAXES
(January 1, 1959 through January 1, 1970)

State	Sales	Personal income	Corporation income	Motor fuel	Cigarette	Alcoholic beverage
Alabama	x	<u>x</u> ¹	<u>xx</u> ¹	....	<u>xxx</u> <u>x</u>	x
Alaska	....	x	....	xx	x	x
Arizona	xx	xx	xx	xx	xx	xx
Arkansas	....	....	<u>x</u>	x	<u>x</u>	<u>x</u>
California	x	xx	xx	<u>xx</u>	<u>Nx</u> ²	xx
Colorado	x	x	x	<u>xx</u>	<u>Nx</u>	x
Connecticut	<u>xx</u>	<u>N</u> ³	<u>xx</u>	<u>x</u>	<u>xxx</u> <u>x</u>	<u>xx</u>
Delaware	....	x	<u>x</u>	xx	<u>xx</u> <u>x</u>	<u>xx</u>
Florida	x	....	....	....	xx	xxx
Georgia	....	....	<u>xx</u>	....	x	<u>xx</u>
Hawaii	x	x	x	....	x	x
Idaho	N	xx	xx	x	xxx	xxx
Illinois	xxx	<u>N</u>	<u>N</u>	<u>xx</u>	<u>xxx</u> <u>x</u>	<u>xx</u>
Indiana	<u>N</u> ⁴	<u>N</u> ⁴	<u>N</u> ⁴	<u>x</u>	xx	....
Iowa	x	xx	xx	x	xxx	xx
Kansas	x	x	x	<u>x</u>	xx	xx
Kentucky	<u>Nx</u>	....	....	x	....	....
Louisiana	....	....	....	....	....	....
Maine	<u>xxx</u>	<u>N</u>	<u>N</u>	<u>x</u>	<u>xxxx</u> <u>x</u>	<u>xx</u>
Maryland	<u>x</u>	x	xx	x	x	....
Massachusetts	N	<u>xx</u> ⁵	<u>xx</u>	x	<u>xx</u>	<u>xx</u>
Michigan	x	N	N	x	x	x
Minnesota	N	xxx	xxx	xx	<u>xxx</u> <u>x</u>	<u>xx</u>
Mississippi	xx	x	x	<u>x</u> ⁶ <u>x</u>	xx	N
Missouri	x	<u>x</u>	<u>x</u>	x	<u>xx</u>	x
Montana	....	<u>xxx</u> <u>x</u>	<u>xxx</u> <u>x</u>	<u>xx</u>	....	<u>xx</u>
Nebraska	<u>N</u> <u>x</u>	<u>N</u> <u>x</u>	<u>N</u> <u>x</u>	<u>xx</u>	xx	x
Nevada	x	....	....	....	<u>xx</u>	<u>xx</u>
N. Hampshire	....	....	....	x	xx	....
New Jersey	N	<u>N</u> ⁷	xx	xx	xxxx	<u>xx</u>
N. Mexico	<u>xx</u>	<u>xx</u>	<u>xx</u>	xx	xx	xx
New York	<u>N</u> <u>x</u>	xx	x	xx	xxx	xx
N. Carolina	....	....	....	<u>x</u>	<u>N</u>	<u>xx</u>
N. Dakota	<u>xxx</u>	<u>x</u>	<u>x</u>	<u>x</u>	<u>xx</u>	x
Ohio	x	....	....	x	<u>xx</u> <u>x</u>	<u>xx</u>
Oklahoma	....	....	....	....	xxx	N
Oregon	....	<u>x</u>	....	x	N	....
Pennsylvania	xxx	....	x	x	xxx	x
Rhode Island	xxx	<u>N</u> ⁸	xx	xx	xxx	<u>x</u>
S. Carolina	<u>x</u>	x	<u>x</u>	....	<u>xx</u>	<u>xxx</u> <u>x</u>
S. Dakota	<u>xx</u>	....	....	<u>x</u>	<u>xxx</u> <u>x</u>	x
Tennessee	....	....	xx	<u>x</u> ⁶	<u>xx</u> <u>x</u>	xxx
Texas	<u>N</u> <u>xx</u>	....	....	....	<u>xx</u> <u>x</u>	x
Utah	<u>xxx</u>	x	x	....	x	....
Vermont	<u>N</u>	<u>x</u>	<u>x</u>	<u>xx</u>	<u>xxx</u> <u>x</u>	<u>x</u>
Virginia	N	....	....	x	N	xx
Washington	xxx	<u>N</u> ⁹	<u>N</u> ⁹	xxx	xxx	x
W. Virginia	x	N	N	x	xx	....
Wisconsin	<u>N</u> <u>x</u>	xxxx	....	x	<u>xxx</u> <u>x</u>	xx
Wyoming	xx	....	....	<u>xx</u>	xx	<u>x</u> ¹⁰
Dist. of Col.	xxx	xx	x	x	xx	xxx

Note: Each x indicates a tax rate increase enactment, and each N indicates a new tax; 1969 enactments are underlined.

¹ Rate increase subject to voter approval at November 1970 general election.

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

³ New tax on capital gains only.

⁴ Partly replaces the gross income tax.

⁵ Repealed the 50 percent deduction allowed for federal income tax.

⁶ Increase in diesel fuel tax rate only.

⁷ "Commuter Income" tax.

⁸ New tax on investment income only.

⁹ New tax subject to voter approval at November 1970 general election.

¹⁰ Beer tax increase declared unconstitutional (1963).

TABLE 22 – DATES OF ADOPTION OF MAJOR STATE TAXES¹

INDIVIDUAL INCOME

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

CORPORATION INCOME⁵

Before 1911	1911-20	1921-30	1931-40	Since 1941
Hawaii, 1901; total, 1.	Wisconsin, 1911; Connecticut, 1915; Virginia, 1915; Missouri, 1917; Montana, 1917; New York, 1917; Massachusetts, 1919; North Dakota, 1919; total, 8.	Mississippi, 1921; North Carolina, 1921; South Carolina, 1922; Tennessee, 1923; Arkansas, 1929; California, 1929; Georgia, 1929; Oregon, 1929; total, 8.	Idaho, 1931; Oklahoma, 1931; Utah, 1931; Vermont, 1931; Alabama, 1933; Arizona, 1933; Kansas, 1933; Minnesota, 1933; New Mexico, 1933; Iowa, 1934; Louisiana, 1934; Pennsylvania, 1935; Kentucky, 1936; Colorado, 1937; Maryland, 1937; total, 15.	Rhode Island, 1947; Alaska, 1949; Delaware, 1957; New Jersey, 1958; Indiana, 1963; Michigan, 1967; Nebraska, 1967; West Virginia, 1967; Illinois, 1969; Maine, 1969; total, 10. Grand total, 42.

See footnotes at the end of table.

TABLE 22 – DATES OF ADOPTION OF MAJOR STATE TAXES¹ (Cont'd)

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

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

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

DISTILLED SPIRITS ⁸	
1931-40	Since 1941
Arizona, 1933; Colorado, 1933; Delaware, 1933; Indiana, 1933; Maryland, 1933; Massachusetts, 1933; New Jersey, 1933; New York, 1933; Rhode Island, 1933; Illinois, 1934; Kentucky, 1934; Louisiana, 1934; Minnesota, 1934; Missouri, 1934; New Mexico, 1934; Wisconsin, 1934; Arkansas, 1935; California, 1935; Florida, 1935; Nebraska, 1935; Nevada, 1935; S. Carolina, 1935; S. Dakota, 1935; Texas, 1935; N. Dakota, 1936; Connecticut, 1937; Georgia, 1937; Hawaii, 1939; Tennessee, 1939; total, 29.	Alaska, 1945; Kansas, 1948; Oklahoma, 1959; Mississippi, 1966; total, 4. Grand total, 33.

See footnotes at the end of table.

TABLE 22 – DATES OF ADOPTION OF MAJOR STATE TAXES¹ (Cont'd)

CIGARETTES

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

GASOLINE

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

AUTOMOBILE REGISTRATION

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

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

² Income from stocks and bonds only.

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

⁴ Investment income only.

⁵ Exclusive of South Dakota's tax applicable to financial institutions only.

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

⁷ Excludes the new (effective July 1, 1969) Delaware use tax on lessees of tangible personal property other than household furniture, fixtures or furnishings.

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

TABLE 23 — DATES OF ADOPTION OF MAJOR STATE TAXES, FREQUENCY DISTRIBUTION¹

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

See footnotes on following page.

TABLE 23 – DATES OF ADOPTION OF MAJOR STATE TAXES, FREQUENCY DISTRIBUTION¹ (Cont'd)

Year	Individual income	Corporation income	Death	Gift	General sales	Distilled spirits	Cigarettes	Gasoline	Auto-mobile registration
1954									
1955					1		1		
1956									
1957		1							
1958		1					1		
1959						1	1		
1960					1		1		
1961	1				2				
1962									
1963	1	1							
1964							1		
1965					2		1		
1966					3	1			
1967	2	3			2				
1968				1					
1969	2	2			1		1		
Total ...	² 37	³ 42	49	13	45	⁴ 33	50	50	49

¹ Includes only States that used the tax as of January 1, 1970.

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

³ Exclusive of South Dakota's tax applicable to financial institutions.

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

**TABLE 24 – GROSS NATIONAL PRODUCT ELASTICITIES OF THE
MAJOR CATEGORIES OF STATE GENERAL REVENUE**

Revenue Source	Elasticity Estimates		
	Low	Medium	High
Property taxes	0.7	0.9	1.1
Income taxes			
Individual	1.5	1.65	1.8
Corporate	1.1	1.2	1.3
Sales taxes			
General	0.9	0.97	1.05
Motor fuel	0.4	0.5	0.6
Alcoholic beverages	0.4	0.5	0.6
Tobacco	0.3	0.35	0.4
Public utilities	0.9	0.95	1.0
Other	0.9	1.0	1.1
Auto license and registration	0.2	0.3	0.4
Death and gift taxes	1.0	1.1	1.2
All other taxes	0.6	0.65	0.7
Higher education fees	1.6	1.7	1.8
Hospital fees	1.3	1.4	1.5
Natural resources fees	0.9	1.0	1.1
Interest earnings	0.6	0.7	0.8
Miscellaneous fees and charges	0.6	0.7	0.8

Source: Advisory Commission on Intergovernmental Relations, *Federal-State Coordination of Personal Income Taxes* (ACIR, Washington, 1965), p. 42.

**TABLE 25 – SOURCES OF STATE GOVERNMENT REVENUE GROWTH, SELECTED TAXES,
FISCAL YEARS 1966, 1967, 1968 ¹**

Item		Amount (millions of dollars)			Percent	
		Total increase	Economic growth	All legislative	Economic growth	All legislative
General Sales Tax	1966	1145.5	596.2	549.2	52.0	48.0
	1967	1039.7	360.3	679.4	34.7	65.3
	1968	1558.3	611.1	947.4	39.2	60.8
	Three Year Total	3743.5	1567.6	2176.0	41.9	58.1
Individual Income	1966	628.1	497.4	130.5	79.2	20.8
	1967	647.6	592.5	55.1	91.5	8.5
	1968	1382.2	582.7	799.4	42.2	57.8
	Three Year Total	2657.9	1672.6	985.0	62.9	37.1
Corporate Income	1966	111.3	233.1	-121.8	209.4	-109.4
	1967	182.8	184.7	-1.9	101.0	-1.0
	1968	176.6	-27.4	203.9	-15.5	115.5
	Three Year Total	470.7	390.4	80.2	82.9	17.0
Selected Sales	1966	801.7	504.1	297.5	62.9	37.1
	1967	470.5	403.6	67.1	85.8	14.2
	1968	931.0	511.6	419.4	55.0	45.0
	Three Year Total	2189.6	1405.7	784.0	64.2	35.8
Total Above Taxes	1966	2686.6	1830.8	855.4	68.1	31.8
	1967	2340.6	1541.1	799.7	65.8	34.2
	1968	4048.1	1678.0	2370.1	41.5	58.5
	Three Year Total - All Above Taxes	9075.3	5049.9	4025.2	55.6	44.4

¹ 1968 data exclude Massachusetts, New Mexico and New Hampshire.

**TABLE 26 – LEGISLATIVE ACTIONS AFFECTING STATE GOVERNMENT REVENUE GROWTH,
SELECTED TAXES, FISCAL YEARS 1966, 1967, 1968¹**

Item		All legislative	Rate increase	Rate decrease	New tax	Base extension	Base exemption	Other administrative
General Sales	1966	549.2	82.8	-0.4	351.0	24.2	-16.8	108.4
	1967	679.4	380.3	-1.3	300.1	7.7	-15.0	7.6
	1968	947.4	703.6	--	185.3	68.3	-10.3	0.5
	Three Year Total	2176.0	1166.7	-1.7	836.4	100.2	-42.1	116.5
Individual Income	1966	130.5	77.0	-5.0	--	--	-6.8	65.3
	1967	55.1	27.6	--	--	7.5	--	20.0
	1968	799.4	250.8	-10.0	359.0	6.4	-22.3	215.5
	Three Year Total	985.0	355.4	-15.0	359.0	13.9	-29.1	300.8
Corporate Income	1966	-121.8	16.1	--	--	2.4	-0.1	-110.3
	1967	-1.9	2.0	--	--	10.3	-0.3	-13.9
	1968	203.9	202.7	--	44.6	2.5	-6.4	-39.5
	Three Year Total	80.2	220.8	--	44.6	15.2	-6.8	-193.7
Selected Sales	1966	297.5	300.6	-0.2	--	0.8	-0.2	-3.4
	1967	67.1	66.8	-9.9	12.1	0.9	--	-2.7
	1968	419.4	422.6	--	1.9	5.1	-1.9	-8.3
	Three Year Total	784.0	790.0	-10.1	14.0	6.8	-2.1	-14.4
Total Above Taxes	1966	855.4	476.5	-5.6	351.0	27.4	-23.9	30.0
	1967	799.7	476.7	-11.2	312.2	26.4	-15.3	11.0
	1968	2370.1	1579.7	-10.0	590.8	82.3	-40.9	168.2
	Three Year Total - All Above Taxes	4025.2	2532.9	-26.8	1254.0	136.1	-80.1	209.2

¹1968 data exclude Massachusetts, New Mexico and New Hampshire.

TABLE 27 – RESPONSE OF STATE TAX STRUCTURES¹ TO ONE PERCENT CHANGE IN PERSONAL INCOME, 1968

State	Low to medium elasticity (0.70 to 0.89)		State	Medium to high elasticity (0.90 to 1.19)		State	High elasticity (1.20 and above)	
	Weighted elasticity	Percent of tax collections included		Weighted elasticity	Percent of tax collections included		Weighted elasticity	Percent of tax collections included
Ohio . . . . .	.79	76.3	New Hampshire . .	.90	64.1	Hawaii	1.21	93.3
Texas . . . . .	.80	61.0	Tennessee . . . . .	.90	68.8	Massachusetts . . .	1.21	73.3
Maine . . . . .	.81	80.2	Nebraska . . . . .	.91 ²	81.9	Wisconsin	1.21	74.1
New Jersey . . . . .	.82	63.9	Wyoming . . . . .	.91	63.2	Minnesota	1.22	73.8
Connecticut . . . . .	.84	68.1	Illinois . . . . .	.92	84.8	Utah	1.22	77.6
Florida . . . . .	.84	77.3	New Mexico . . . . .	.92	63.4	Arkansas	1.24	77.7
South Dakota . . . . .	.84	81.2	Mississippi . . . . .	.93	81.2	Virginia	1.26	79.7
Pennsylvania . . . . .	.86	67.9	Washington . . . . .	.93	81.0	Montana	1.29	66.9
West Virginia . . . . .	.88	87.2	Rhode Island . . . . .	.95	75.7	New York	1.32	75.3
			Kansas . . . . .	.98	78.1	Oregon	1.37	69.8
			Louisiana . . . . .	.99	51.3	Idaho	1.40	75.9
			Maryland . . . . .	.99	84.1	Alaska	1.45 ²	64.4
			Nevada	1.00	80.7			
			Arizona	1.01	72.3			
			Delaware	1.01	61.7			
			North Dakota	1.03	73.2			
			Michigan	1.04 ²	74.3			
			Alabama	1.05	80.5			
			Oklahoma	1.07	64.0			
			Georgia	1.08	83.9			
			South Carolina	1.08	83.5			
			Indiana	1.09	85.2			
			Colorado	1.10	79.3			
			Missouri	1.10	81.1			
			Iowa	1.12	76.9			
			California	1.13	73.5			
			Kentucky	1.14	79.5			
			North Carolina	1.15	75.4			
			Vermont	1.18	74.8	All States		1.08

¹Includes individual income, general sales and selected sales taxes.

²Assumes an elasticity of 1.7 for individual income tax.

³Elasticity may be slightly overstated since rate increases were not totally excluded from selected sales tax elasticity estimate.

**TABLE 28 — PER CAPITA TOTAL, EDUCATIONAL, & NON-EDUCATIONAL TAXES,
CENTRAL CITY & OUTSIDE CENTRAL CITY FOR THE 37 LARGEST SMSA'S, 1966-67**

		Per Capita Taxes					
		Total		Education		Non-Education	
		CC	OCC	CC	OCC	CC	OCC
Northeast							
Washington, D.C.	D.C.	340	147	NA	NA	NA	NA
Baltimore	Md.	193	127	NA	NA	NA	NA
Boston	Mass.	232	162	55	108	177	54
Newark ¹	N.J.	259	224	57	128	202	95
Paterson - C.P. ¹	N.J.	180	214	74	135	106	79
Buffalo	N.Y.	221	172	40	55	181	118
New York	N.Y.	305	255	90	139	215	115
Rochester	N.Y.	213	176	68	116	145	60
Philadelphia	Pa.	176	139	51	85	125	54
Pittsburgh	Pa.	176	126	52	71	124	55
Providence	R.I.	157	169	NA	NA	NA	NA
Midwest							
Chicago	Ill.	189	168	65	104	124	64
Indianapolis	Ind.	180	141	78	98	102	42
Detroit	Mich.	170	160	50	95	119	64
Minn. - St. Paul	Minn.	190	175	63	107	128	68
Kansas City	Mo.	206	113	86	66	120	47
St. Louis	Mo.	203	137	71	87	132	50
Cincinnati	Ohio	193	110	79	69	114	41
Cleveland	Ohio	181	172	81	112	100	59
Columbus	Ohio	129	146	67	108	62	39
Dayton	Ohio	217	113	107	78	111	35
Milwaukee	Wis.	203	163	73	55	130	107
South							
Miami	Fla.	197	152	62	62	135	90
Tampa - St. Pete.	Fla.	142	106	44	44	98	62
Atlanta	Ga.	159	105	56	55	103	51
Louisville	Ky.	135	110	39	76	96	34
New Orleans	La.	109	60	39	10	70	50
Dallas	Tex.	142	108	51	60	91	48
Houston	Tex.	122	154	41	99	81	55
San Antonio	Tex.	71	34	28	11	43	23
West							
Los Angeles - L.B.	Calif.	250	225	100	100	150	125
San Bernadino R & O	Calif.	234	202	115	99	119	103
San Diego	Calif.	169	177	73	87	96	91
San Francisco - Oak.	Calif.	322	222	85	127	237	95
Denver	Col.	220	154	114	89	107	65
Portland	Ore.	208	131	91	79	118	52
Seattle	Wash.	205	100	85	53	119	47
Weighted Average for 37 SMSA'S		219	170				
Weighted Average for 34 SMSA'S		217	172	73	96	144	76

NA — Detail not available.

¹Educational taxes are for 1967-1968.

**TABLE 29 – PER CAPITA INTERGOVERNMENTAL AID – EDUCATIONAL & NON-EDUCATIONAL,
CENTRAL CITY & OUTSIDE CENTRAL CITY FOR THE 37 LARGEST SMSA'S, 1966-67**

	Total		Education		Non-Education	
	CC	OCC	CC	OCC	CC	OCC
Northeast						
Washington, D.C. D.C.	182	81	21	56	161	25
Baltimore Md.	174	101	40	65	134	36
Boston Mass.	179	74	44	32	135	42
Newark ¹ N.J.	144	53	68	27	76	26
Paterson - C.P. ¹ N.J.	53	37	29	26	24	11
Buffalo N.Y.	137	165	72	112	65	53
New York N.Y.	220	163	66	119	154	44
Rochester N.Y.	145	195	71	133	74	62
Philadelphia Pa.	70	61	41	46	29	15
Pittsburgh Pa.	87	69	35	54	52	15
Providence ² R.I.	67	76	24	35	43	41
Midwest						
Chicago Ill.	88	55	37	34	51	21
Indianapolis Ind.	76	82	47	61	29	21
Detroit Mich.	126	115	63	83	63	32
Minn. - St. Paul Minn.	100	127	32	87	68	40
Kansas City Mo.	64	73	48	49	16	24
St. Louis Mo.	57	57	38	46	19	11
Cincinnati Ohio	108	60	26	40	82	20
Cleveland Ohio	85	59	22	24	63	35
Columbus Ohio	61	84	23	53	38	31
Dayton Ohio	73	72	27	46	46	26
Milwaukee Wis.	134	190	18	67	116	123
South						
Miami Fla.	74	70	64	64	10	6
Tampa - St. Pete. Fla.	68	60	56	56	12	4
Atlanta Ga.	68	110	39	95	29	15
Louisville Ky.	72	72	44	54	28	18
New Orleans La.	71	115	41	65	30	50
Dallas Tex.	34	75	30	72	4	3
Houston Tex.	45	85	40	83	5	2
San Antonio Tex.	90	107	62	104	28	3
West						
Los Angeles - L.B. Calif.	129	147	47	75	82	72
San Bernadino R & O Calif.	196	174	103	90	93	84
San Diego Calif.	140	176	65	91	75	85
San Francisco - Oak. Calif.	187	147	42	73	145	74
Denver Col.	94	78	31	53	63	25
Portland Ore.	76	86	46	63	30	23
Seattle Wash.	122	124	80	103	47	21
Weighted Average for 37 SMSA'S	128	100	48	64	80	36

¹ Educational aid figures are for 1967-68.

² Federal aid components are an average of 1965-66 and 1967-1968 figures.

TABLE 30 — PER CAPITA TOTAL, EDUCATIONAL, & NON-EDUCATIONAL CURRENT GENERAL EXPENDITURES,
CENTRAL CITY & OUTSIDE CENTRAL CITY FOR THE 37 LARGEST SMSA'S, 1966-67

		Total		Education		Non-Education	
		CC	OCC	CC	OCC	CC	OCC
Northeast							
Washington, D.C.	D.C.	475	224	125	136	350	88
Baltimore	Md.	324	210	105	124	218	77
Boston	Mass.	335	270	84	92	251	173
Newark	N.J.	441	271	151	128	290	144
Paterson - C.P.	N.J.	245	236	97	131	148	106
Buffalo	N.Y.	341	328	117	183	225	146
New York	N.Y.	434	395	129	227	305	168
Rochester	N.Y.	395	327	143	207	253	120
Philadelphia	Pa.	248	204	97	126	151	78
Pittsburgh	Pa.	256	188	87	118	168	70
Providence	R.I.	206	167	80	92	126	75
Midwest							
Chicago	Ill.	287	194	95	134	192	61
Indianapolis	Ind.	231	219	118	141	113	77
Detroit	Mich.	307	277	120	163	188	114
Minn. - St. Paul	Minn.	279	300	99	173	181	126
Kansas City	Mo.	251	194	135	110	116	84
St. Louis	Mo.	267	187	95	126	173	62
Cincinnati	Ohio	329	182	109	124	219	58
Cleveland	Ohio	255	234	108	120	147	114
Columbus	Ohio	194	240	89	136	106	104
Dayton	Ohio	261	193	126	116	135	76
Milwaukee	Wis.	286	313	95	152	191	160
South							
Miami	Fla.	296	226	119	119	176	107
Tampa - St. Pete.	Fla.	244	186	106	106	138	80
Atlanta	Ga.	241	204	120	110	121	94
Louisville	Ky.	203	195	62	161	140	34
New Orleans	La.	193	192	76	103	117	90
Dallas	Tex.	169	210	81	118	87	92
Houston	Tex.	167	266	87	162	80	104
San Antonio	Tex.	149	152	93	73	57	79
West							
Los Angeles - L.B.	Calif.	365	333	129	141	235	192
San Bernadino R & O	Calif.	439	355	198	144	241	211
San Diego	Calif.	304	332	131	179	173	153
San Francisco - Oak.	Calif.	504	344	120	189	384	155
Denver	Col.	308	220	126	141	183	79
Portland	Ore.	301	216	137	138	164	78
Seattle	Wash.	338	226	169	155	169	71
Weighted Average for 37 SMSA'S		325	260	111	143	214	117

TABLE 31 – STATE AND LOCAL SALES TAXES, JANUARY 1, 1970 – SUMMARY TABLE
(Percentage Rate)

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

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

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

**TABLE 32 – STATE GENERAL SALES TAX RATES, JANUARY 1, 1970
(Percent)**

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

¹Excludes the one percent mandatory county tax.

TABLE 33 — STATE GENERAL SALES TAX RATES AS OF JANUARY 1-1954 THROUGH 1970

State	Rate on tangible personal property at retail (percent)																	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	
Alabama	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	4
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Arizona	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
Arkansas	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
California	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	4
Colorado	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
Connecticut	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	5 ¹
Delaware	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2
Dist. of Col.	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	4
Florida	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	4
Georgia	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Hawaii	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	4
Idaho	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
Illinois	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	4
Indiana ³	½	½	½	½	½	½	½	½	½	½	½	½	½	½	½	½	½	2
Iowa	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
Kansas	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
Kentucky	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	5
Louisiana	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Maine	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	5
Maryland	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	4
Massachusetts	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3
Michigan	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	4
Minnesota	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3
Mississippi	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	5
Missouri	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
Montana	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nebraska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2
Nevada	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3
New Hampshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

See footnotes at the end of table.

TABLE 33 - STATE GENERAL SALES TAX RATES AS OF JANUARY 1-1954 THROUGH 1970 (Cont'd)

State	Rate on tangible personal property at retail (percent)																
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
New Jersey	-	-	-	-	-	-	-	-	-	-	-	-	-	3	.....	.....	3
New Mexico	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	.....	.....	.....	.....	.....	4
New York	-	-	-	-	-	-	-	-	-	-	-	-	2	.....	.....	.....	3
North Carolina	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3
North Dakota	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	2½	.....	.....	.....	3	.....	4
Ohio	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
Oklahoma	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
Oregon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennsylvania	1	.....	4	.....	.....	.....	4	.....	.....	.....	5	.....	.....	.....	6	.....	6
Rhode Island	2	.....	.....	.....	3	.....	.....	.....	.....	.....	.....	3½	.....	.....	5	.....	5
South Carolina	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
South Dakota	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	.....	.....	.....	4
Tennessee	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3
Texas	-	-	-	-	-	-	-	-	2	.....	.....	.....	.....	.....	.....	3	3¼
Utah	2	.....	.....	.....	.....	.....	.....	.....	2½	.....	.....	.....	.....	.....	.....	.....	4
Vermont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Virginia	-	-	-	-	-	-	-	-	-	-	-	-	-	2	.....	3	3
Washington	3	.....	3 1/3	.....	.....	.....	4	.....	.....	.....	.....	.....	4 1/5	.....	4½	.....	4½
W. Virginia	2	.....	.....	.....	.....	.....	.....	.....	3	.....	.....	.....	.....	.....	.....	.....	3
Wisconsin	-	-	-	-	-	-	-	-	3 ^s	.....	.....	.....	.....	.....	.....	.....	4
Wyoming	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	.....	3
Number of States with tax ⁶	34	34	34	35	35	35	35	36	38	38	38	38	40	43	45	45	46

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

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

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

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

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

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

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

TABLE 34 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970
(Percent)

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

See footnotes at the end of table.

TABLE 34 – STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

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

See footnotes at the end of table.

TABLE 34 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

State	Type of tax ¹	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)	
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property		
Illinois	Retail Sales	4	.....	4	.....	.....	.....	.....	.....	.....	Property sold in connection with a sale of service, 4%; remodeling, repairing and reconditioning of tangible personal property, 4%. Hotel operators are subject to a hotel occupancy tax of 5% of 95% of the gross receipts from the rental of rooms to transients.
Indiana	do	2	.....	2	2 ⁷	2	2 ⁷	2 ⁷	2 ⁷	.....	Lease or rental of tangible personal property, 2%.
Iowa	do	3	3	3	3	3	3	3	3	.....	Laundry, drycleaning, automobile and cold storage, printing, repair service to tangible personal property, and gross receipts derived from operation of amusement devices and commercial amusement enterprises, 3%.
Kansas	do	3	3	3	3	3	3	3 ⁷	3 ⁷	.....	Gross receipts from the operation of any coin-operated device, and lease or rental of tangible personal property, 3%.
Kentucky	do	5	5 ⁸	5	5	5	5	5 ⁷	5	.....	Storage, use or other consumption of tangible personal property, sewer services, photography and photo finishing, 5%.
Louisiana	do	2	2	2	.....	.....	.....	.....	.....	.....	Laundry, drycleaning, automobile and cold storage, printing, repairing, renting or leasing of tangible personal property, 2%.
Maine	do	5	.....	5	5	5	5	5	5	.....	Renting, storing, fabricating or printing of tangible personal property, 5%.

See footnotes at the end of table.

TABLE 34 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

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

See footnotes at the end of table.

TABLE 34 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

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

See footnotes at the end of table.

TABLE 34 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

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

See footnotes at the end of table.

TABLE 34 – STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

State	Type of tax ¹	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Rhode Island	Retail sales	5	....	5	5	5	5	5	....	Renting, leasing, producing, fabricating, processing, and printing or imprinting of tangible personal property, 5%.
South Carolina	do	4	....	4	4	4	4 ⁷	....	....	Renting or leasing of tangible personal property, and laundry and drycleaning, 4%.
South Dakota	do	4 ²	3	4	3	3	3	3	....	Farm machinery, and agricultural irrigation equipment sold by licensed retailers, 2%; contractors, gross receipts from engaging in the practice of any profession or business in which the service rendered is of a professional, technical, or scientific nature, but not including persons engaged in the healing arts or veterinarians, 4%. Gross receipts from amusement devices, 3%.
Tennessee	do	3	....	3	3	3	3 ⁷	3 ⁷	....	Vending machine operators may pay a \$2 registration fee plus \$1 per machine, and 1½% of gross receipts from such machines in lieu of privilege and sales taxes, except that the tax on gross receipts from machines dispensing tobacco items is 2½%; parking lots and storage of motor vehicles, repair services, installation, lease or rental of tangible personal property, laundry and drycleaning, 3%; machinery for "new and expanded" industry, air & water pollution control equipment used in fabricating or producing tangible personal property, & farm machinery and equipment, 1%.

See footnotes at the end of table.

TABLE 34 — STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

State	Type of tax ¹	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject to special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Texas	Retail sales	3½ ²	....	3%	....	....	3½ ⁷	....	....	Producing, processing, and lease or rental of tangible personal property, 3¼%.
Utah	do	4	4	4	4	4	4	....	4 ⁴	Laundry, and drycleaning, repairing, renovating, installing, fabricating, and lease or rental of tangible personal property, 4%.
Vermont	do	3	3	11	11	....	3	....	....	Renting, leasing, producing, fabricating, processing, printing or imprinting of tangible personal property, 3%.
Virginia	do	3 ²	....	3	3	....	....	....	....	Fabricating, storage, lease or rental of tangible personal property, 3%.
Washington	do	4½	4½	4½	4½	....	....	....	....	Charges for certain specified services, 4½%; selected amusement and recreation activities, 4½% (unless subject to county or city admission taxes, in which case they remain taxable under the State and business and occupation tax, 1%).
West Virginia	do	3 ²	3	3	3	....	....	....	....	All services (including services rendered in amusement places), except public utilities and personal and professional services; and renting or leasing tangible personal property, 3%.
Wisconsin	do	4	4 ¹⁰	4	4	4	4 ⁷	....	....	Laundry, drycleaning, photographic services, the repair, service, maintenance, lease or rental of all items of taxable tangible personal property, 4%.

See footnotes on the following page.

TABLE 34 – STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

State	Type of tax ¹	Rate on tangible personal property at retail	Rates on selected services subject to tax							Rates on other services and businesses subject to tax (including retail sales subject special rates)
			Admissions	Restaurant meals	Transient lodging	Telephone and telegraph	Gas and electricity	Water	Transportation of persons and property	
Wyoming	do	3	3	3	3	3	3 ⁷	....	3	Laundry, drycleaning, producing, fabricating, repairing, altering, printing, lease or rental (with exceptions) of tangible personal property, plus numerous other service businesses, 3%.
District of Columbia	do	4 ²	4	5	5	...	4 ⁷	4	....	Laundry, drycleaning and pressing services (except self-service coin operated services) and nonprescription medicines, 2%. Producing, fabricating, printing, lease or rental (with exceptions), and repair of tangible personal property, 4%.

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

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

³ Gross sales or gross receipts taxable under separate "Utility Tax Act."

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

⁵ Sales under 10¢ taxed at ½ the regular rate.

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

TABLE 34 – STATE SALES TAXES: TYPES AND RATES, JANUARY 1, 1970 (Cont'd)
(Percent)

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

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

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

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

¹¹Taxed at 5% under separate "Meals and Rooms Tax."

**TABLE 35 — EXEMPTION OF FOOD AND MEDICINE IN
STATE GENERAL SALES TAXES, JANUARY 1, 1970**

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

*Also allows personal income tax credit or cash rebate. See table 44.

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

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

³Rate on food is 2 percent.

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

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

TABLE 36 – LOCAL SALES TAX RATES, JANUARY 1, 1970

State and type of local government	State tax rate (percent) ²	Local government tax rates ²				
		1/2 percent	3/4 percent	1 percent	2 percent	3 percent
Alabama	4					
169 municipalities ³	....	8	....	141	14	....
18 counties	....	2	....	14	2	....
Alaska	....				
45 municipalities ⁴	....	....	....	4	25	12
5 boroughs ⁵	....	....	....	1	2	1
Arizona	3					
28 municipalities	....	....	....	28	....	....
Arkansas	3					
1 municipality	....	....	....	1	....	....
California	4					
380 municipalities	....	....	....	380 ⁶	....	....
58 counties ⁷	....	....	....	58	....	....
SFO Bay Area Rapid transit District ⁸	....	1	....	....	....	....
Colorado	3					
31 municipalities	....	....	....	18	12	1
2 counties	....	....	....	1	1	....
Illinois	4					
1,240 municipalities (approx.)	....	40	170	1,030	....	....
97 counties	....	1	8	88	....	....
Louisiana	2					
68 municipalities ⁹	....	4	....	60	1	....
11 parishes ⁹	....	....	....	9	....	....
45 school districts ⁹	....	4	2	38	....	....
Minnesota	3					
1 municipality	....	....	....	1	....	....
Nebraska	2½					
1 municipality	....	1	....	....	....	....
Nevada	3					
2 counties	....	2	....	....	....	....
New Mexico	4					
3 counties ¹⁰	....	1	....	....	....	....
New York	3					
16 municipalities ¹¹	....	....	....	3	5	1
40 counties	....	....	....	1	17	22
North Carolina	3					
1 county	....	....	....	1	....	....
Ohio	4					
3 counties	....	3	....	....	....	....

See footnotes on the next page.

TABLE 36 — LOCAL SALES TAX RATES, JANUARY 1, 1970 (Cont'd)

State and type of local government	State tax rate (percent) ²	Local government tax rates ²				
		1/2 percent	3/4 percent	1 percent	2 percent	3 percent
Oklahoma	2					
199 municipalities	....	....	....	199	....	....
Pennsylvania	6					
1 municipality	....	(6/10%) 1	....	....	....	....
South Dakota	4					
1 municipality	....	1	....	....	....	....
Tennessee	3					
11 municipalities ¹²	....	....	....	8 ¹³	....	....
77 counties ¹⁴	....	....	....	66 ¹³	....	....
Texas	3%					
419 municipalities	....	....	....	419	....	....
Utah	4					
142 municipalities	....	142	....	....	....	....
27 counties	....	27	....	....	....	....
Virginia	3					
37 municipalities	....	....	....	37	....	....
96 counties	....	....	....	96	....	....

¹This tabulation includes only these local sales taxes about which authoritative information is available: The following cities with 1960 populations of 50,000 or more impose a sales tax: Birmingham, Hunstville, Mobile, Montgomery, New York, Niagara Falls, Omaha, Sioux Falls, and all cities of 50,000 or over in Arizona, California, Colorado, Illinois, Louisiana, Oklahoma, Texas (except Amarillo, Midland, Odessa, and Tyler), Utah and Virginia. The District of Columbia, not included in this tabulation, levies a 4 percent sales tax. The 1 percent mandatory Nevada "local school support tax" is included with the State sales tax.

²The rates shown are applicable to sales of tangible personal property at retail.

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

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

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

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

⁷Includes the city-county of San Francisco.

⁸The Board of Directors of the San Francisco Bay Area Rapid Transit District must impose, by ordinance, a one-half of 1% retail transactions and use tax in the counties of San Francisco, Alameda, and Contra Costa in order to finance the completion of the rapid transit system. The tax is in addition to the present combined State and local sales and use tax rate of 5%. An advisory election may be called jointly by the boards of supervisors of the three counties to allow voters to vote upon alternate methods of financing the completion of the system. The tax is to be collected by the State Board of Equalization. Effective November 12, 1969 the tax becomes operative April 1, 1970.

⁹Includes 3 cities with a 1 1/4 percent rate, and one school district with a 1 1/2 percent rate. Because of overlapping, a 2 percent local rate is in effect in numerous municipalities and several parishes: municipal rate plus parish or school district rate in municipalities, and parish rate plus school district rate in several parishes. Parish total includes 1 parish @ 1 1/4% and 1 @ 1 1/2%.

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

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

¹²Includes 3 municipalities with a 1 1/2 percent rate and a maximum of \$7.50 on a single transaction.

¹³The maximum tax on a single transaction is \$5.

¹⁴Includes 11 counties with a 1 1/2 percent rate and a maximum of \$7.50 on a single transaction.

**TABLE 37 – STATUTORY PROVISIONS GOVERNING IMPOSITION OF GENERAL SALES TAXES
BY LOCAL GOVERNMENTS, JANUARY 1, 1970**

State and type of local government	Statutory authority	Number using	Scope	Rate limits	Voter approval	Administration
Alabama						
Municipalities	Business and occupational license	169	Sales & use	None	No	Local option ¹
Counties	Specific ²	18	Do	2%	Yes ²	State ¹
Alaska						
Municipalities	Specific	45	Sales	3% ³	Yes	Local
Boroughs	Do	5	Do	3% ³	Do	Do
Arizona						
Municipalities	Business and occupational license	28	Do	None	No	Do
Arkansas						
Municipalities	Specific	1	Sales	1%	Yes	State
California						
Municipalities	Specific	380	Sales & use	1% ⁴	No	State
Counties	Do	58 ⁵	Do	1% ⁴	Do	Do
Special districts	Do	1	Do	½%	Do	Do
Colorado						
Municipalities ⁶	Home rule ⁶	31	Both ⁶	None ⁶	Do ⁶	24 Local; 7 State ^{6, 7}
Counties	Specific	2	Sales	6	Yes	State
Illinois						
Municipalities	Do	1,240	Do	1%	Do	State
Counties	Do	97	Do	1%	Do	Do
Louisiana						
Municipalities	Do	68	Sales & use	1% ⁸	Yes	Local
Parishes	Do	11	Do	1% ⁹	Do	Do
School districts	Do	45	Do	1% ¹⁰	Do	Do
Minnesota						
Municipality	Do	1	Do	None	Yes	Do
Missouri						
Municipalities ¹¹	Do	.....	Sales	0.5% or 1%	Yes	State
Nebraska						
Municipalities	Do	1	Sales & use	0.5% or 1%	No	Do
Nevada						
Counties	Do	2	Do	0.5%	Do	Do
New Mexico						
Counties	Do	3	Sales	0.25% or 0.5% ¹²	No	Do
New York						
Municipalities	Do	16	Sales & use	3%	No	State
Counties	Do	40	Do	3%	Do	Do
North Carolina						
Counties	Do	1	Do	1%	Yes	Do

See footnotes at the end of table.

**TABLE 37 – STATUTORY PROVISIONS GOVERNING IMPOSITION OF GENERAL SALES TAXES
BY LOCAL GOVERNMENTS, JANUARY 1, 1970 (Cont'd)**

State and type of local government	Statutory authority	Number using	Scope	Rate limits	Voter approval	Administration
Ohio Counties ¹³	Do	3	Do	0.5%	No ¹⁴	Do
Oklahoma Municipalities	Do	199	Sales	1 ⁵	Yes	Local ¹⁶
Oregon Municipalities ¹⁷	Do	.....	Do	None	No	Local
Pennsylvania Municipalities	Do	1	Gross receipts	0.6%	Do	Local
South Dakota Municipalities	Do	1	Sales & use	None	Do	State
Tennessee Municipalities	Do ¹⁸	11	Sales & use	1½% ¹⁹	Yes	State ²⁰
Tennessee Counties	Do ¹⁸	77	Do	1½% ¹⁹	Do	Do ²⁰
Texas Municipalities	Do	419	Do	1%	Do	State
Utah Municipalities	Do	142	Sales	0.5%	No	State
Utah Counties	Do	27	Do	0.5%	Do	Do
Virginia Municipalities	Specific	37	Sales & use	1%	No	State
Virginia Counties	Do	96	Do ²¹	1%	Do	Do
Wisconsin Counties	Do ²²	.....	Sales	0.5%	No	Do

¹The State Department of Revenue is authorized, on request by a municipality, to collect local sales and use taxes. The municipal tax must parallel the State tax except for the rate. The Department of Revenue presently administers 121 of the 169 municipal sales taxes. The statutes applicable to individual counties usually (in 16 counties) require State administration.

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

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

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

⁵Includes the city-county of San Francisco.

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

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

⁸Baker, Baton Rouge, and Zachary 1½%; New Orleans, 2%.

⁹East Baton Rouge 1½ percent; Jefferson 1½ percent.

¹⁰St. Bernards and Jefferson ½ percent.

Footnotes are continued on the next page.

**TABLE 37 – STATUTORY PROVISIONS GOVERNING IMPOSITION OF GENERAL SALES TAXES
BY LOCAL GOVERNMENTS, JANUARY 1, 1970 (Cont'd)**

- ¹¹ Municipalities with a population of 500 or more may impose a sales tax effective January 1, 1970.
- ¹² The general limit is $\frac{1}{4}\%$; certain specific counties are authorized to levy a $\frac{1}{2}\%$ rate.
- ¹³ H.B. 919, effective 12/12/67, authorized counties to levy $\frac{1}{2}\%$ sales and use tax.
- ¹⁴ Not required unless a specified percentage of voters petition.
- ¹⁵ Incorporated cities and towns are authorized to levy and collect taxes (except property taxes) to the same extent as the State legislature. The State sales tax rate is currently 2 percent. The rate in the 114 municipalities levying a sales tax is 1 percent.
- ¹⁶ Municipalities and the State Tax Commission are authorized to enter into contractual agreement for State collection (all municipal sales taxes are presently State collected). Municipalities are required to enforce their own sales tax laws, even if the Commission collects the tax.
- ¹⁷ Cities with population of 9,000 – 10,500 only, but none is presently using this authority.
- ¹⁸ Where the county elects to levy such tax, half the proceeds originating in a city or town are shared with such city or town, and any city or town is pre-empted from enacting such tax unless it does not reach the maximum rate in which case the city or town may levy the difference between the rate established by a county and the maximum rate allowed.
- ¹⁹ The rate is limited to $\frac{1}{2}$ of the State sales tax rate and the maximum tax on a single transaction is limited to \$7.50.
- ²⁰ Optional.
- ²¹ One county (Lee) does not levy a use tax.
- ²² S-B. 95 approved August 27, 1969 authorized counties to levy $\frac{1}{2}$ of 1% sales taxes on same items subject to the State sales tax. If enacted, taxes will become operative on January 1 of the year following enactment.

**TABLE 38 — EFFECTIVE RATES OF STATE PERSONAL INCOME TAXES
FOR SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE
WITH TWO DEPENDENTS, BY STATE, 1968¹**

State	Adjusted gross income class						
	\$2,500	\$3,500	\$5,000	\$7,500	\$10,000	\$17,500	\$25,000
Alabama	—	—	0.2	0.8	1.4	2.1	2.5
Alaska	—	.5	1.3	1.9	2.2	2.6	3.3
Arizona	—	—	.5	1.0	1.4	2.0	2.8
Arkansas	—	—	.3	.9	1.3	2.0	2.5
California	—	—	—	.3	.9	1.9	3.1
Colorado ²	-1.1	-.7	.1	.9	1.5	2.4	3.4
Delaware	—	.3	.6	1.3	2.2	3.8	4.9
Dist. of Columbia	—	.1	.8	1.4	1.8	2.6	3.2
Georgia	—	—	.1	.5	1.0	2.2	3.2
Hawaii ²	-4.4	-1.4	.8	2.3	3.3	4.2	5.1
Idaho ³	.4	.3	.3	1.4	2.1	3.2	4.1
Indiana ²	-1.3	-.3	.4	.9	1.2	1.5	1.7
Iowa ²	-1.6	-.8	.4	1.6	2.1	2.4	2.8
Kansas	—	.2	.7	1.0	1.3	1.8	2.4
Kentucky	—	—	.4	1.6	2.3	2.7	3.2
Louisiana	—	—	—	.1	.4	.8	1.0
Maryland ⁴	—	—	.6	1.7	2.6	3.0	3.5
Massachusetts ²	-1.0	-.7	.1	1.6	2.0	2.2	2.5
Michigan ⁵	—	—	—	.3	.8	1.5	1.8
Minnesota ⁶	—	.8	2.0	3.3	4.1	4.9	5.7
Mississippi	—	—	—	.4	1.1	1.8	2.3
Missouri	—	*	.3	.7	1.0	1.4	1.8
Montana	—	.4	.9	1.5	2.0	2.8	3.5
Nebraska ²	-1.1	-.6	—*	.4	.8	1.2	1.5
New Mexico	—	.2	.5	.8	.9	1.1	1.2
New York	—	—	.6	1.5	2.2	3.5	5.3
North Carolina	—	—	.8	1.8	2.6	3.4	4.4
North Dakota	—	*	.3	.4	.8	2.8	4.1
Oklahoma	—	*	.2	.4	.7	1.1	1.7
Oregon	—	.7	1.5	2.5	3.3	3.8	4.5
South Carolina	—	—	.4	1.0	1.5	2.8	3.9
Utah	—	.4	.9	1.7	2.4	3.1	3.5
Vermont	—	.5	1.3	2.0	2.6	3.2	4.0
Virginia	—	.4	.9	1.4	2.2	2.8	3.3
West Virginia	—	.3	.5	.7	.8	1.0	1.2
Wisconsin ⁷	.9	1.6	2.3	3.1	3.9	4.7	5.9
Median rate	—	—	.5	1.2	1.7	2.5	3.2
Federal tax ⁸	—	2.0	5.2	8.0	10.4	13.2	16.0

Note: In computing income taxes, it was assumed that all income was from wages and salaries and earned by one spouse. For State tax computations the optional standard deduction was used except for the \$17,500 and \$25,000 income classes where it was assumed that deductions are itemized. For Federal tax computations (other than the \$17,500 and \$25,000 A.G.I. classes) the following percentages of A.G.I. were used for estimated deductions: 16% through the \$7,500 A.G.I. class and 14% for the \$10,000 class. In computing the State tax at the \$17,500 income level, itemized deductions were assumed to be \$2,575, excluding the State personal income tax. For those States that allow deduction of the Federal income tax, the itemized deductions were assumed to be \$2,925 in computing the Federal tax liability, (addition of estimated State income tax less certain deductions not allowed for the Federal tax); except that where the State individual income tax is itself deductible for State income tax purposes, the actual State tax liability was added to the \$2,575 for both Federal and State tax computations. The comparable State and Federal estimated itemized deductions used in computing the tax at the \$25,000 level are \$3,115 and \$3,940, respectively. New Hampshire and Tennessee are excluded since their personal income taxes apply only to interest and dividend income; also excluded is the New Jersey "commuters" income tax." "Effective rates" are computed as the ratio of tax liability to adjusted gross income (i.e., income after business deductions but before personal exemptions and other allowable deductions).

*Less than .05 percent.

¹Based upon tax liability on income earned during the calendar year 1968 as reflected in State legislation enacted through July 31, 1968.

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

³Includes the \$10 per return permanent building fund tax.

⁴Does not reflect the credit for the State tax on personal property.

**TABLE 38 – EFFECTIVE RATES OF STATE PERSONAL INCOME TAXES
FOR SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE
WITH TWO DEPENDENTS, BY STATE, 1968¹ (Cont'd)**

⁵ Includes credits for estimated city income taxes, and for the following estimated property tax payments: \$7,500–\$250; \$10,000–\$300; \$17,500–\$500; \$25,000–\$600.

⁶ Does not reflect credits for senior citizen homestead relief and tax relief for renters.

⁷ Does not reflect the credit for senior citizen homestead relief.

⁸ Federal effective rates and the deduction for Federal taxes indicated in the "note" above do not reflect the 10 percent surcharge, effective April 1, 1968.

**TABLE 39 – EFFECTIVE RATES OF PERSONAL INCOME TAXES FOR
SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE WITH
TWO DEPENDENTS, BY STATE, 1953, 1963 and 1968**

State	Adjusted gross income class											
	\$5,000			\$7,500			\$10,000			\$25,000		
	1953	1963	1968	1953	1963	1968	1953	1963	1968	1953	1963	1968
Alabama*	.02	.02	.02	.08	.08	.08	.15	.15	.14	.24	.24	.25
Alaska	.8	1.2	1.3	1.1	1.7	.19	1.3	2.1	2.2	2.0	3.1	3.3
Arizona* ¹	.3	.2	.5	.5	.4	1.0	.6	.6	1.4	1.3	1.3	2.8
Arkansas	—	.3	.3	.3	.9	.9	.6	1.3	1.3	2.0	2.5	2.5
California	.1	.1	—	.4	.3	.3	.5	.5	.9	1.1	1.7	3.1
Colorado*	.3	.6	.1	.6	1.2	.9	.9	1.6	1.5	2.8	3.3	3.4
Delaware* ¹	.3	.6	.6	.6	1.3	1.3	1.1	2.2	2.2	3.1	5.0	4.9
Dist. of Columbia	—	.8	.8	.3	1.3	1.4	.6	1.6	1.8	1.4	2.5	3.2
Georgia	.2	1.1	.1	.8	.5	.5	1.3	1.0	1.0	3.5	3.3	3.2
Hawaii	n.a.	1.4	.8	n.a.	2.2	2.3	n.a.	2.8	3.3	n.a.	3.9	5.1
Idaho*	.5	1.4	.3	.9	2.2	1.4	1.3	2.8	2.1	2.8	4.7	4.1
Indiana	²	.5	.4	²	1.0	.9	²	1.3	1.2	²	1.7	1.7
Iowa*	.9	.9	.4	1.6	1.6	1.6	2.0	2.0	2.1	2.1	2.1	2.8
Kansas*	.4	.6	.7	.5	.8	1.0	.8	1.1	1.3	1.4	1.7	2.4
Kentucky*	.7	.3	.4	1.7	.15	1.6	2.3	2.1	2.3	3.1	3.0	3.2
Louisiana*	—	—	—	.04	.04	.1	.4	.4	.4	.9	.9	1.0
Maryland	.5	.8	.6	1.0	1.5	1.7	1.3	1.9	2.6	1.5	2.3	3.5
Massachusetts* ¹	.7	.7	.1	1.3	1.3	1.6	1.6	1.6	2.0	1.7	1.6	2.5
Michigan	²	²	—	²	²	.3	²	²	.8	²	²	1.8
Minnesota*	1.4	1.5	2.0	2.4	2.8	3.3	3.0	3.5	4.1	4.6	5.4	5.7
Mississippi	—	—	—	.3	—	.4	.7	.5	1.1	2.1	1.8	2.3
Missouri*	.3	.3	.3	.6	.6	.7	1.0	1.0	1.0	1.7	1.7	1.8
Montana* ¹	.3	.5	.9	.6	1.1	1.5	.9	1.6	2.0	1.9	3.1	3.5
Nebraska ³	²	²	—	²	²	.4	²	²	.8	²	²	1.5
New Mexico* ^{1, 4}	.2	.5	.5	.4	.7	.8	.5	.8	.9	.6	.9	1.2
New York	.5	.6	.6	1.4	1.5	1.5	2.2	2.2	2.2	4.4	5.2	5.3
North Carolina	1.1	1.1	.8	2.1	2.1	1.8	2.9	2.9	2.6	4.7	4.6	4.4
North Dakota* ¹	.3	.3	.3	.6	.6	.4	1.1	1.1	.8	3.8	3.7	4.1
Oklahoma*	.2	.2	.2	.4	.4	.4	.6	.6	.7	1.6	1.5	1.7
Oregon*	1.0	1.4	1.5	1.7	2.4	2.5	2.2	3.1	3.3	3.4	4.3	4.5

See footnotes at the end of table.

**TABLE 39 — EFFECTIVE RATES OF PERSONAL INCOME TAXES FOR
SELECTED ADJUSTED GROSS INCOME LEVELS, MARRIED COUPLE WITH
TWO DEPENDENTS, BY STATE, 1953, 1963 and 1968 (Cont'd)**

State	Adjusted gross income class											
	\$5,000			\$7,500			\$10,000			\$25,000		
	1953	1963	1968	1953	1963	1968	1953	1963	1968	1953	1963	1968
South Carolina*	.5	.4	.4	1.1	1.0	1.0	1.7	1.5	1.5	3.4	3.9	3.9
Utah*	.5	.5	.9	1.1	1.1	1.7	1.6	1.7	2.4	2.5	2.6	3.5
Vermont	1.2	1.6	1.3	2.1	2.7	2.0	2.8	3.7	2.6	3.9	5.0	4.0
Virginia	.9	.9	.9	1.5	1.5	1.4	2.3	2.3	2.2	3.5	3.4	3.3
West Virginia	²	.5	.5	²	.7	.7	²	.8	.8	²	1.2	1.2
Wisconsin	1.0	1.9	2.3	1.9	2.7	3.1	2.9	3.5	3.9	4.8	5.7	5.9
Median rate	.4	.6	.5	.8	1.2	1.2	1.3	1.6	1.7	2.5	2.8	3.2
Federal tax ⁵	7.6	7.2	5.2	10.8	10.4	8.0	13.3	12.8	10.4	20.4	19.6	16.0

Note: In computing income taxes, it was assumed that all income was from wages and salaries and earned by one spouse. For State tax computations the optional standard deduction was used except for the \$25,000 income class where it was assumed that deductions are itemized. For Federal tax computations (other than the \$25,000 A.G.I. class) the following percentages of A.G.I. were used for estimated deductions: \$5,000 and \$7,500 A.G.I. classes — 1963 and 1968 — 16%, 1953 — 14%; \$10,000 A.G.I. class — 1963 and 1968 — 14%, 1953 — 12%. In computing the State tax at the \$25,000 level, itemized deductions were assumed to be \$3,115 in 1968, \$2,925 in 1963, and \$2,525 in 1953 (excluding the State personal income tax liability). For those States that allow deduction of the Federal income tax, the itemized deductions were assumed to be \$3,940 in 1968, \$3,700 in 1963, and \$3,150 in 1953 in computing the Federal tax liability (addition of estimated State income tax less certain deductions not allowed for the Federal tax); except that when the State income tax is itself deductible for State income tax purposes, the actual State tax liability was added for both Federal and State tax computations. New Hampshire and Tennessee are excluded since their personal income taxes apply only to interest and dividend income; also excluded is the New Jersey "commuters' income tax." Adjusted gross income is income after business deductions but before personal exemptions and other allowable deductions. "Effective rates" are computed as the ratio of tax liability to adjusted gross income.

*Federal income tax deductible.

n.a. — Data not available.

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

²No personal income tax for year indicated.

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

⁴Deduction for Federal income tax eliminated effective January 1, 1968.

⁵See Table 38, footnote 8.

TABLE 40 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Alabama	First \$1,000 \$1,001-\$3,000 \$3,001-\$5,000 Over \$5,000	1.5 3 4.5 5	x	
Alaska	16 percent of the total Federal income tax that would be payable for the same taxable year at the Federal tax rates in effect on December 31, 1963.			
Arizona ^{1, 2}	First \$1,000 \$1,001-\$2,000 \$2,001-\$3,000 \$3,001-\$4,000 \$4,001-\$5,000 \$5,001-\$6,000 Over \$6,000	2 3 4 5 6 7 8	x	
Arkansas	First \$3,000 \$3,001-\$6,000 \$6,001-\$11,000 \$11,001-\$25,000 Over \$25,000	1 2 3 4 5	....
California ¹	First \$2,000 \$2,001-\$3,500 \$3,501-\$5,000 \$5,001-\$6,500 \$6,501-\$8,000 \$8,001-\$9,500 \$9,501-\$11,000 \$11,001-\$12,500 \$12,501-\$14,000 Over \$14,000	1 2 3 4 5 6 7 8 9 10	....	The following rates apply to heads of households: First \$3,000 1% \$3,001-\$4,500 2 \$4,501-\$6,000 3 \$6,001-\$7,500 4 \$7,501-\$9,000 5 \$9,001-\$10,500 6 \$10,501-\$12,000 7 \$12,001-\$13,500 8 \$13,501-\$15,000 9 Over \$15,000 10
Colorado	First \$1,000 \$1,001-\$2,000 \$2,001-\$3,000 \$3,001-\$4,000 \$4,001-\$5,000 \$5,001-\$6,000 \$6,001-\$7,000 \$7,001-\$8,000 \$8,001-\$9,000 \$9,001-\$10,000 Over \$10,000	3 3.5 4 4.5 5 5.5 6 6.5 7 7.5 8	x	Surtax on income from intangibles in excess of \$5,000, 2 percent. Taxpayers are allowed a credit equal to 1/2 of 1 percent of net taxable income on the first \$9,000 of taxable income. ³ A \$7 tax credit is allowed each taxpayer and each dependent for sales tax paid on food. If there is no income tax liability the taxpayer can apply for a refund. See table 44.
Delaware	First \$1,000 \$1,001-\$2,000 \$2,001-\$3,000 \$3,001-\$4,000 \$4,001-\$5,000 \$5,001-\$6,000 \$6,001-\$8,000 \$8,001-\$30,000	1.5 2 3 4 5 6 7 8	x ⁴	

See footnotes at the end of table.

TABLE 40 — STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Delaware (cont'd)	\$30,000-\$50,000	9		
	\$50,001-\$100,000	10		
	Over \$100,000	11		
Georgia	First \$1,000	1
	\$1,001-\$3,000	2		
	\$3,001-\$5,000	3		
	\$5,001-\$7,000	4		
	\$7,001-\$10,000	5		
	Over \$10,000	6		
Hawaii ²	First \$500	2.25	Alternative tax on capital gains: Deduct 50 percent of capital gains and pay an additional 4 percent on such gains. The income classes reported are for individuals. For joint returns the rates shown apply to income classes twice as large. Special tax rates are provided for heads of households ranging from 2.25% on taxable income not over \$500 to 11% on taxable income in excess of \$60,000. A sales tax credit based on modified adjusted gross income brackets is provided, ranging from \$1 to \$21 per qualified exemption. Taxpayers are also provided credits for students attending institutions of higher learning (\$5 to \$50) and dependent children attending school in grades kindergarten to twelve (\$2 to \$20). The amount of credit is based on size of A.G.I. If a taxpayer's credits exceed his tax, a refund will be made. See table 44.
	\$501-\$1,000	3.25		
	\$1,001-\$1,500	4.50		
	\$1,501-\$2,000	5.00		
	\$2,001-\$3,000	6.50		
	\$3,001-\$5,000	7.50		
	\$5,001-\$10,000	8.50		
	\$10,001-\$14,000	9.50		
	\$14,001-\$20,000	10.00		
	\$20,001-\$30,000	10.50		
Over \$30,000	11.00			
Idaho ¹	First \$1,000	2.5	x	For a surviving spouse and a head of a household the rates shown apply to income classes twice as large. A \$10 filing fee is imposed on each return. A \$10 tax credit is allowed for each personal exemption for sales tax paid. For taxpayers 65 or over, a refund will be made if credits exceed tax. See table 44.
	\$1,001-\$2,000	5.0		
	\$2,001-\$3,000	6.0		
	\$3,001-\$4,000	7.0		
	\$4,001-\$5,000	8.0		
Over \$5,000	9.0			
Illinois	Total net income	2.5
Indiana	Adjusted gross income	2	A \$8 tax credit is allowed each taxpayer and each dependent for sales tax paid on food. If there is no income tax liability, the taxpayer can apply for a refund. See table 44.
Iowa	First \$1,000	0.75	x	Residents or nonresidents with net income of \$3,000 or less are nontaxable. If payment of the tax reduces net income to less than \$3,000 the tax is reduced to that amount that would result in allowing the taxpayer to retain a net income of \$3,000.
	\$1,001-\$2,000	1.5		
	\$2,001-\$3,000	2.25		
	\$3,001-\$4,000	3		
	\$4,001-\$7,000	3.75		
	\$7,001-\$9,000	4.5		
Over \$9,000	5.25			

See footnotes at the end of table.

TABLE 40 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features											
Kansas	First \$2,000	2	x	The income classes reported are for individuals and heads of households. For joint returns the rates shown apply to income classes twice as large.											
	\$2,001-\$3,000	3.5													
	\$3,001-\$5,000	4													
	\$5,001-\$7,000	5													
	Over \$7,000	6.5													
Kentucky	First \$3,000	2	x ⁵											
	\$3,001-\$4,000	3													
	\$4,001-\$5,000	4													
	\$5,001-\$8,000	5													
	Over \$8,000	6													
Louisiana ¹	First \$10,000	2	x											
	\$10,001-\$50,000	4													
	Over \$50,000	6													
Maine	First \$2,000	1	The income classes reported are for individuals and heads of households. For joint returns the rates shown apply to income classes twice as large.											
	\$2,001-\$5,000	2													
	\$5,001-\$10,000	3													
	\$10,001-\$25,000	4													
	\$25,001-\$50,000	5													
Over \$50,000	6														
Maryland	First \$1,000	2	A credit is allowed for State personal property taxes payable.											
	\$1,001-\$2,000	3													
	\$2,001-\$3,000	4													
	Over \$3,000	5													
Massachusetts ²	Earned income and business income	4	A consumer tax credit is allowed of \$4 each for the taxpayer and his spouse and \$8 for each qualified dependent. If there is no income tax liability the taxpayer can apply for a refund. See table 44.											
	Interest and dividends, capital gains on intangibles	8													
	Annuities	2													
Michigan	All taxable income	2.6	The following credits are allowed (not to exceed the taxpayer's State income tax liability):											
			<table border="0"> <tr> <td style="text-align: center;"><u>City income tax</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td>Not over \$100</td> <td>20% of city tax</td> </tr> <tr> <td>\$101-\$150</td> <td>\$20 + 15% of excess over \$100</td> </tr> <tr> <td>\$151-\$200</td> <td>\$27.50 + 10% of excess over \$150</td> </tr> <tr> <td>Over \$200</td> <td>\$32.50 + 5% of excess over \$200</td> </tr> <tr> <td></td> <td>Maximum credit \$10,000</td> </tr> </table>	<u>City income tax</u>	<u>Credit</u>	Not over \$100	20% of city tax	\$101-\$150	\$20 + 15% of excess over \$100	\$151-\$200	\$27.50 + 10% of excess over \$150	Over \$200	\$32.50 + 5% of excess over \$200		Maximum credit \$10,000
<u>City income tax</u>	<u>Credit</u>														
Not over \$100	20% of city tax														
\$101-\$150	\$20 + 15% of excess over \$100														
\$151-\$200	\$27.50 + 10% of excess over \$150														
Over \$200	\$32.50 + 5% of excess over \$200														
	Maximum credit \$10,000														
			<table border="0"> <tr> <td style="text-align: center;"><u>Property tax</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td>Not over \$100</td> <td>20% of property tax</td> </tr> <tr> <td>\$101-\$150</td> <td>\$20 + 15% of excess over \$100</td> </tr> <tr> <td>\$151-\$200</td> <td>\$27.50 + 10% of excess over \$150</td> </tr> <tr> <td>\$201-\$10,000</td> <td>\$32.50 + 5% of excess over \$200</td> </tr> <tr> <td>Over \$10,000</td> <td>4% of property tax</td> </tr> </table>	<u>Property tax</u>	<u>Credit</u>	Not over \$100	20% of property tax	\$101-\$150	\$20 + 15% of excess over \$100	\$151-\$200	\$27.50 + 10% of excess over \$150	\$201-\$10,000	\$32.50 + 5% of excess over \$200	Over \$10,000	4% of property tax
<u>Property tax</u>	<u>Credit</u>														
Not over \$100	20% of property tax														
\$101-\$150	\$20 + 15% of excess over \$100														
\$151-\$200	\$27.50 + 10% of excess over \$150														
\$201-\$10,000	\$32.50 + 5% of excess over \$200														
Over \$10,000	4% of property tax														
			A lessee of a homestead is allowed a similar credit. In such a case 17% of the gross rent paid by the lessee is deemed to be property tax.												

See footnotes at the end of table.

TABLE 40 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Minnesota	First \$500	1.5	x	A credit for property taxes is allowed for senior citizen homestead relief and for renters. Cash refund granted if tax credit exceeds income tax due. See table 44.
	\$501-\$1,000	2.0		
	\$1,001-\$2,000	3.0		
	\$2,001-\$3,000	5.0		
	\$3,001-\$4,000	6.0		
	\$4,001-\$5,000	7.0		
	\$5,001-\$7,000	8.0		
	\$7,001-\$9,000	9.0		
	\$9,001-\$12,500	10.0		
	\$12,501-\$20,000	11.0		
Over \$20,000	12.0			
Mississippi	First \$5,000	3
	Over \$5,000	4
Missouri	First \$1,000	1	x	The rates apply to total income, not merely to the proportion of income falling within a given bracket, but as a result of the following tax credits, the schedule in effect is a bracket rate schedule: \$1,001-\$2,000 \$ 5 \$2,001-\$3,000 \$ 15 \$3,001-\$5,000 \$ 30 \$5,001-\$7,000 \$ 55 \$7,001-\$9,000 \$ 90 Over \$9,000 \$135
	\$1,001-\$2,000	1.5		
	\$2,001-\$3,000	2		
	\$3,001-\$5,000	2.5		
	\$5,001-\$7,000	3		
	\$7,001-\$9,000	3.5		
	Over \$9,000	4		
Montana	First \$1,000	2	x	After computing the tax liability pursuant to these rates, there shall be added as a surcharge, 10% of the tax liability. The minimum tax is \$1 on all individuals having taxable income.
	\$1,001-\$2,000	3		
	\$2,001-\$4,000	4		
	\$4,001-\$6,000	5		
	\$6,001-\$8,000	6		
	\$8,001-\$10,000	7		
	\$10,001-\$14,000	8		
	\$14,001-\$20,000	9		
	\$20,001-\$35,000	10		
Over \$35,000	11			
Nebraska ²	The tax is imposed on the taxpayer's Federal income tax liability before credits, with limited adjustments. The rate is set as a flat percentage by the State Board of Equalization and Assessment on or before November 15 annually for the taxable year beginning during the subsequent calendar year. The rate for 1969 was 10%. (1970-13%)			A \$7 tax credit is allowed each taxpayer and each dependent for sales tax paid on food. If there is no income tax liability the taxpayer can apply for a refund. See table 44.
New Hampshire	Interest and dividends (excluding interest on savings deposits)	4.25
New Jersey	First \$1,000	2	Tax applies to commuters only, New Jersey-New York area.
	\$1,001-\$3,000	3		
	\$3,001-\$5,000	4		
	\$5,001-\$7,000	5		
	\$7,001-\$9,000	6		

See footnotes at the end of table.

TABLE 40 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features	
New Jersey (cont'd)	\$9,001-\$11,000	7			
	\$11,001-\$13,000	8			
	\$13,001-\$15,000	9			
	\$15,001-\$17,000	10			
	\$17,001-\$19,000	11			
	\$19,001-\$21,000	12			
	\$21,001-\$23,000	13			
	Over \$23,000	14			
New Mexico ^{1 2}	First \$500	1	The income classes reported are for single individuals and married individuals filing separate returns. For heads of households and married individuals filing joint returns the rates shown apply to income classes twice as large.	
	\$501-\$1,000	1.5			
	\$1,001-\$1,500	1.5			
	\$1,501-\$2,000	2.0			
	\$2,001-\$3,000	2.5			
	\$3,001-\$4,000	3.0			
	\$4,001-\$5,000	3.5			
	\$5,001-\$6,000	4.0			
	\$6,001-\$7,000	4.5			
	\$7,001-\$8,000	5.0			
	\$8,001-\$10,000	6.0			
	\$10,001-\$12,000	7.0			
	\$12,001-\$20,000	7.5			
	\$20,001-\$50,000	8.0			
\$50,001-\$100,000	8.5				
	Over \$100,000	9			
New York	First \$1,000	2	Capital gains treatment is similar to that provided under Federal law. Income from unincorporated business is taxed at 5½ percent. The following credit is allowed: If tax is— credit is— \$100 or less . . . full amount of tax. \$100-\$200 . . . difference between \$200 and amount of tax. \$200 or more . . no credit.	
	\$1,000-\$3,000	3			
	\$3,001-\$5,000	4			
	\$5,001-\$7,000	5			
	\$7,001-\$9,000	6			
	\$9,001-\$11,000	7			
	\$11,001-\$13,000	8			
	\$13,001-\$15,000	9			
	\$15,001-\$17,000	10			
	\$17,001-\$19,000	11			
	\$19,001-\$21,000	12			
	\$21,001-\$23,000	13			
		Over \$23,000	14		
	North Carolina	First \$2,000	3	
\$2,001-\$4,000		4			
\$4,001-\$6,000		5			
\$6,001-\$10,000		6			
Over \$10,000		7			
North Dakota	First \$3,000	1	x	
	\$3,001-\$4,000	2			
	\$4,001-\$5,000	3			
	\$5,001-\$6,000	5			
	\$6,001-\$8,000	7.5			
	\$8,001-\$15,000	10			
	Over \$15,000	11			
Oklahoma ²	First \$1,500	1	x	The income classes reported are for individuals and heads of households. For joint returns the rates shown apply to	
	\$1,501-\$3,000	2			
	\$3,001-\$4,500	3			

See footnotes at the end of table.

TABLE 40 — STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Oklahoma ² (cont'd)	\$4,501-\$6,000	4		income classes twice as large.
	\$6,001-\$7,500	5		
	Over \$7,500	6		
Oregon	First \$500	4	x ⁶	The income classes reported are for individuals. For joint returns and heads of households the rates shown apply to income classes twice as large. A credit is provided in an amount and equal to 25 percent of the Federal retirement income tax credit to the extent that such credit is based on Oregon taxable income.
	\$501-\$1,000	5		
	\$1,001-\$2,000	6		
	\$2,001-\$3,000	7		
	\$3,001-\$4,000	8		
	\$4,001-\$5,000	9		
	Over \$5,000	10		
Rhode Island	Investment income (Dividends, Interest, and net gains from the sale or exchange of stocks, bonds, real estate and other capital assets	10		.....
South Carolina	First \$2,000	2	x ⁷	The tax does not apply to persons aged 65 or older who, during the taxable year, receive gross income from all sources of not more than \$2,800 if there are no dependents, or \$4,000 if there is a dependent spouse or other dependent.
	\$2,001-\$4,000	3		
	\$4,001-\$6,000	4		
	\$6,001-\$8,000	5		
	\$8,001-\$10,000	6		
	Over \$10,000	7		
Tennessee	Interest and dividends	6	....	Dividends from corporations having at least 75 percent of their property subject to the Tennessee ad valorem tax are taxed at 4 percent.
Utah	First \$1,000	2	x	.....
	\$1,001-\$2,000	3		
	\$2,001-\$3,000	4		
	\$3,001-\$4,000	5		
	\$4,001-\$5,000	6		
	Over \$5,000	6.5		
Vermont ²	The tax is imposed at a rate of 25% of the Federal income tax liability of the taxpayer for the taxable year (after the allowance of retirement income credit, investment credit, foreign tax credit and tax-free covenant bonds credit, but before the allowance of any other credit against that liability or the addition of any surtax upon that liability granted or imposed under Federal law), reduced by a percentage equal to the percentage of the taxpayer's adjusted gross income for the taxable year which is not Vermont income. For taxable years beginning after December 31, 1968 a 15% surcharge is imposed. ⁸			If a taxpayers liability exceeds, by any amount, what that liability would have been had it been determined in accordance with the Federal Internal Revenue Code in effect on January 1, 1967, instead of the federal statute in effect for the year for which the return is filed a credit is allowed equal to 106% of the amount of the excess, applicable to the taxpayer's tax liability for the succeeding year. Resident taxpayers who are full-time students for at least five months in the year are allowed a \$10 credit. Effective June 1, 1969 a sales tax credit based on modified adjusted gross income brackets and number of exemptions is provided, ranging from \$0 to \$81. If a taxpayer's credits exceed his tax, a re-

See footnotes at the end of table.

TABLE 40 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Vermont ² (cont'd)				fund will be made. See table 44. Effective January 1, 1970 individuals 65 or older are provided a credit for property taxes or rent constituting property taxes. If income tax liability is less than the credit the difference between the liability and the credit will be refunded. See table 44.
Virginia	First \$3,000	2	....	.....
	\$3,001-\$5,000	3		
	Over \$5,000	5		
West Virginia	First \$2,000	1.2	....	The income classes reported are for individuals and heads of households. For joint returns the rates shown apply to income classes twice as large.
	\$2,001-\$4,000	1.3		
	\$4,001-\$6,000	1.6		
	\$6,001-\$8,000	1.8		
	\$8,001-\$10,000	2.0		
	\$10,001-\$12,000	2.3		
	\$12,001-\$14,000	2.6		
	\$14,001-\$16,000	2.8		
	\$16,001-\$18,000	3.0		
	\$18,001-\$20,000	3.1		
	\$20,001-\$22,000	3.4		
	\$22,001-\$26,000	3.5		
	\$26,001-\$32,000	3.7		
	\$32,001-\$38,000	3.9		
	\$38,001-\$44,000	4.1		
	\$44,001-\$50,000	4.3		
	\$50,001-\$60,000	4.5		
	\$60,001-\$70,000	4.7		
	\$70,001-\$80,000	4.9		
	\$80,001-\$90,000	5.0		
	\$90,001-\$100,000	5.2		
	\$100,001-\$150,000	5.3		
	\$150,001-\$200,000	5.4		
	Over \$200,000	5.5		
Wisconsin ²	First \$1,000	2.7	....	A property tax credit is allowed for senior citizen homestead relief. Cash refund granted if property tax credit exceeds income tax due. See table 44.
	\$1,001-\$2,000	2.95		
	\$2,001-\$3,000	3.2		
	\$3,001-\$4,000	4.2		
	\$4,001-\$5,000	4.7		
	\$5,001-\$6,000	5.2		
	\$6,001-\$7,000	5.7		
	\$7,001-\$8,000	6.7		
	\$8,001-\$9,000	7.2		
	\$9,001-\$10,000	7.7		
	\$10,001-\$11,000	8.2		
	\$11,001-\$12,000	8.7		
	\$12,001-\$13,000	9.2		
	\$13,001-\$14,000	9.7		
	Over \$14,000	10.0		
Washington, D.C.	First \$1,000	2	....	Income from unincorporated business is taxed at 6 percent.
	\$1,001-\$3,000	3		

See footnotes at the end of table.

TABLE 40 – STATE INDIVIDUAL INCOME TAXES: RATES, DECEMBER 31, 1969 (Cont'd)

State	Net income after personal exemption	Rate (percent)	Federal tax deductible	Special rates or features
Washington, D.C. (cont'd)	\$3,001-\$5,000 \$5,001-\$10,000 Over \$10,000	4 5 6		A tax credit is provided for low income taxpayers (AGI not over \$6,000) for increased sales tax on food (\$2 to \$6 credit per exemption). A refund is allowed if the credit exceeds tax liability. See table 44.

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

²Allows deduction of State individual income tax itself in computing State tax liability.

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

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

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

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

⁷Limited to \$500 per taxpayer.

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

TABLE 41 — STATE INDIVIDUAL INCOME TAXES: PERSONAL EXEMPTIONS, DECEMBER 31, 1969

State	Personal exemption		Additional exemption on account of--		
	Single	Married (joint return)	Dependents	Age ¹	Blindness ¹
Alabama	\$1,500	\$3,000	\$300	....	....
Alaska	600	1,200	600	\$600	\$600
Arizona	1,000	2,000	600	1,000	500
Arkansas ²	17.50(1,750)	35(3,250)	6(333)	....	17.50 ³
California ²	25(2,250)	50(4,500)	8(400)	....	8(400)
Colorado ⁴	750	1,500	750	750	750
Delaware	600 ⁵	1,200	600	600	600
Georgia	1,500	3,000	600 ⁵	600	600
Hawaii ⁴	600	1,200	600	600 ⁷	5,000
Idaho ^{4, 8}	600	1,200	600	600	600
Illinois	1,000	2,000	1,000	1,000	1,000
Indiana ⁴	1,000	2,000 ⁹	500	500	500
Iowa ²	15(1,500)	30(2,333)	10(467)	15 ¹⁰	15 ¹⁰
Kansas	600	1,200	600 ¹¹	600	600
Kentucky ²	20(1,000)	40(2,000)	20(1,111)	20(1,000)	20(1,000)
Louisiana ¹²	2,500(50)	5,000(100)	400(8) ¹¹	....	1,000(20)
Maine	1,000	2,000	1,000	1,000	1,000
Maryland	800	1,600	800 ¹³	800 ¹³	800
Massachusetts ^{4, 14}	2,000	2,500-4,000	600 ¹¹	600	2,000
Michigan	1,200	2,400	1,200 ¹¹	1,200	1,200
Minnesota ^{2, 4}	19(1,050)	38(1,683)	19(541)	15	15
Mississippi	4,000	6,000	....	....	....
Missouri	1,200	2,400	400	....	....
Montana	600	1,200	600 ¹¹	600	600
Nebraska ⁴	600	1,200	600 ¹¹	600	600
New Hampshire ¹⁶	600	600 ¹⁷	....	....	....
New Jersey ¹⁸	600	1,200	600 ¹¹	600	600
New Mexico	600	1,200	600 ¹¹	600	600
New York ¹⁸	600	1,200	600 ¹¹	600	600
North Carolina	1,000	2,000 ¹⁹	600 ²⁰	1,000	1,000
North Dakota	600	1,500	600	600	600
Oklahoma	1,000	2,000	500	....	....
Oregon	600	1,200	600 ²¹	....²²	600 ²²
Rhode Island ²³	2,000	2,000	....	2,000	2,000
South Carolina	800	1,600	800 ²⁴	800	800
Tennessee ¹⁶	....	....	....	....	....
Utah	600	1,200	600 ¹¹	200 ²⁵	600
Vermont ⁴	600	1,200	600 ¹¹	600	600
Virginia	1,000	2,000	300 ²⁶	600	600
West Virginia	600	1,200	600 ¹¹	600	600
Wisconsin ^{2, 4}	10(370)	20(740)	10(361)	5 ²⁷	....
Dist. of Columbia	1,000	2,000	500	500	500

¹In most States an identical exemption is allowed for a spouse if she meets the age and blindness condition. In Massachusetts the deduction for blindness is allowed against business income only. In Hawaii the \$5,000 blindness deduction is allowed in lieu of the personal exemption.

²Personal exemptions and credits for dependents are allowed in the form of tax credits which are deductible from an amount of tax. With respect to personal exemptions, the sum in parentheses is the exemption equivalent of the tax credit assuming that the exemption is deducted from the lowest brackets. With respect to the dependency exemptions; the sum in parentheses is the amount by which the first dependent raises the level at which a married person or head of family becomes taxable (in computing these amounts for States allowing the deduction of Federal income taxes, the 10% Federal surtax effective April 1, 1968 was not included).

³Single persons \$1,000; married couple, \$1,125.

⁴In addition to the personal exemption deductions, a sales tax credit or cash rebate (in the case of Minnesota and Wisconsin a property tax credit or cash rebate) is provided. See table 44.

⁵An additional \$300 exemption is allowed if the taxpayer is the head of a household.

⁶The exemption is allowed for students regardless of age or income. For students beyond the high school level, \$1,200 per dependent and \$600 if the taxpayer is a student. A taxpayer who has used a student dependent to qualify as the head of a household is allowed only a \$600 (formerly \$1,200) exemption for that student dependent.

(Footnotes continued on the following page.)

**TABLE 41 – STATE INDIVIDUAL INCOME TAXES: PERSONAL
EXEMPTIONS, DECEMBER 31, 1969 (Cont'd)**

- ⁷ Individuals establishing residence in Hawaii after the age of 65 are subject to tax on income from Hawaii sources only (the tax is imposed on the entire taxable income of resident individuals, estates, and trusts).
- ⁸ In addition to the personal exemption deductions, a \$10 tax credit is allowed for each personal exemption.
- ⁹ Each spouse is entitled to the lesser of \$1,000 or adjusted gross income (minimum of \$500 each).
- ¹⁰ Single person, \$833; married couple, \$1,167.
- ¹¹ The exemption is allowed for students regardless of age or income.
- ¹² The exemptions and credits for dependents are deductible from the lowest income bracket and are equivalent to the tax credits shown in parentheses.
- ¹³ The exemption is allowed for students regardless of age or income. An additional exemption of \$800 is allowed for each dependent 65 years of age or over.
- ¹⁴ The exemptions shown are those allowed against business income, including salaries and wages: a specific exemption of \$2,000 for each taxpayer. In addition, a dependency exemption of \$600 is allowed for a dependent spouse who has income from all sources of less than \$2,000. In the case of a joint return, the exemption is the smaller of (1) \$4,000 or (2) \$2,000, plus the income of the spouse having the smaller income. For annuity income the exemption is the unused portion of the exemption applicable to business income. Married persons must file a joint return in order to obtain any nonbusiness income exemption. Any excess of the exemption against annuity income may be claimed against income from intangibles.
- ¹⁵ An additional tax credit of \$20 is allowed for each taxpayer or spouse who has reached the age of 65. Additional tax credits for the blind: unmarried, \$20; married, \$25 for each spouse.
- ¹⁶ The tax applies only to interest and dividends.
- ¹⁷ An additional exemption of \$600 is allowed a married woman with separate income; joint returns are not permitted.
- ¹⁸ In addition to the personal exemptions, the following tax credits are granted: Single persons, \$10; married taxpayers and heads of households, \$25.
- ¹⁹ An additional exemption of \$1,000 is allowed a married woman with separate income; joint returns are not permitted.
- ²⁰ Plus an additional \$600 for each dependent who is a full-time student at an accredited university or college.
- ²¹ A credit of \$1 is allowed for each \$100 actually contributed by the taxpayer as partial support of a person who could qualify (except for the chief support requirement) as a dependent. The credit shall not exceed \$6.
- ²² A tax credit of \$12 is allowed for each taxpayer or spouse who has reached the age of 65. A blind taxpayer and his spouse (if also blind) are allowed an additional \$600 exemption plus a tax credit of \$18 each.
- ²³ Personal exemptions are computed on a family basis, the basic exemption is \$2,000 (married persons filing separately \$1,000). Double exemptions are allowed for persons 65 years of age or older, widows, and blind persons. However, only one double exemption may be taken per family.
- ²⁴ The exemption is extended to dependents over the age of 21 if they are students in an accredited school or college.
- ²⁵ Increased to \$400 for 1969, and \$600 for 1970 and thereafter.
- ²⁶ Exemption for one dependent of unmarried person is \$1,000, if dependent is father, mother, son, daughter, sister or brother.
- ²⁷ Single person, \$185; married couple \$361.

TABLE 42 — STATE INDIVIDUAL INCOME TAXES: USE OF STANDARD DEDUCTION AND OPTIONAL TAX TABLE, DECEMBER 31, 1969

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

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

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

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

² Standard minimum deduction of \$300.

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

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

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

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

TABLE 43 – STATE INDIVIDUAL INCOME TAXES: ADMINISTRATIVE FEATURES, DECEMBER 31, 1969

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

See footnotes on the following page.

TABLE 43 – STATE INDIVIDUAL INCOME TAXES: ADMINISTRATIVE FEATURES, DECEMBER 31, 1969 (Cont'd)

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

¹Some reciprocity provisions are negative in effect – credit is given if the other State does not give credit.

²Withholding applies to nonresidents only.

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

⁴For income and intangibles taxes required to be paid a State as a domiciliary.

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

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

⁷Deductions limited.

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

⁹Monthly for employers withholding over \$500.

¹⁰Monthly for employers withholding \$300 or more.

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

¹²Limited to taxes paid on professional or business income.

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

¹⁴N. Y. residents are allowed a credit against the tax by New York.

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

¹⁶Limited to taxes paid on compensation for personal services.

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

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

**TABLE 44 – STATE USE OF PERSONAL INCOME TAX CREDITS AND CASH REBATES TO MINIMIZE OR OFFSET
THE REGRESSIVITY OF SALES AND PROPERTY TAXES¹**

State	Type of credit	Year adopted	Amount of credit	Law	Administrative Procedure
Colorado	For sales tax paid on food	1965	\$7 per personal exemption (exclusive of age and blindness)	Chap. 138, Art. 1, (secs. 138-1-18 & 138-1-19 added by H. B. 1119, laws 1965, effective 6/1/65)	Credit to be claimed on income tax returns. For resident individuals without taxable income a refund will be granted on such forms or returns for refund as prescribed by the Director of Revenue.
Hawaii	For consumer-type taxes	1965	Varies, based on income ²	Chap. 121 (Secs. 121-12-1 & 121-12-2 added by Act 155 laws 1965)	The Director of Taxation shall prepare and prescribe the appropriate form or forms to be used by taxpayers in filing claims for tax credits. The form shall be made an integral part of the individual net income tax return. In the event the sales tax credits exceed the amount of the income tax payments due, the excess of credits over payments due shall be refunded to the taxpayer.
Idaho	For sales taxes paid	1965 and 1969	\$10 credit per personal exemption (rebate applicable to taxpayers 65 and over only)	Chap. 195, laws 1965. Chap. 456, laws 1969; Sec. 63-3024 (d)	Credit (or rebate if credit exceeds tax liability) to be claimed on income tax returns. For resident individuals (65 and over) without taxable income a refund will be granted on such forms or returns for refund as prescribed by the State Tax Commission.
Indiana	For sales tax paid on food	1963	\$8 per personal exemption (exclusive of age and blindness)	Chap. 50 (Chap. 30, Sec. 6d added by H. B. 1226, laws 1963, 1st sp. sess., effective 4/20/63)	Credit to be claimed on income tax returns. If an individual is not otherwise required to file a return, he may obtain a refund by filing a return, completing such return insofar as may be applicable, and claiming such refund.
Massachusetts	For consumer-type taxes	1966	\$4 for taxpayer, \$4 for spouse, if any, and \$8 for each qualified dependent ⁴	Chap. 62 (Sec. 6b added by ch. 14, Acts 1966)	Same as Indiana.
Minnesota	For senior citizen homestead relief ⁵	1967	Varies with income from 75% to 10% of net property tax or equivalent rent	Chap. 32 (H.B. 27) Article VI	Tax credit or refund to be claimed on income tax return. Department of Taxation shall make available a separate schedule for information necessary to administration of this section and the schedule shall be attached and filed with the income tax return. Cash

See footnotes at the end of table.

**TABLE 44 – STATE USE OF PERSONAL INCOME TAX CREDITS AND CASH REBATES TO MINIMIZE OR OFFSET
THE REGRESSIVITY OF SALES AND PROPERTY TAXES¹ (Cont'd)**

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

See footnotes at the end of table.

TABLE 44 – STATE USE OF PERSONAL INCOME TAX CREDITS AND CASH REBATES TO MINIMIZE OR OFFSET THE REGRESSIVITY OF SALES AND PROPERTY TAXES¹ (Cont'd)

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

NOTE: See table 35 for exemption of food and medicine in State general sales taxes. See table 40 for the Michigan property tax credit (no cash rebate).

¹If a taxpayer has no State personal income tax liability or a tax liability insufficient to absorb the entire credit (a negative tax credit situation) he is entitled to the appropriate cash refund. If the taxpayer's State personal liability is equal to or greater than the tax credit, his personal income tax liability is reduced by the amount of the credit (a positive tax credit situation).

²The credits for consumer-type taxes are based on "modified adjusted gross income" (regular taxable income plus exempt income such as social security benefits, life insurance proceeds, etc.) and range from \$21 per qualified exemption for taxpayers having a modified adjusted gross income of less than \$1,000 to \$1 per exemption where such income is between \$8,000 and \$9,999.

³Ranges from \$12 per qualified exemption for taxpayers having taxable income under \$1,000 to \$0 where such income is over \$7,000.

⁴Credits are only allowed if total taxable income of taxpayer and spouse, if any, does not exceed \$5,000 for the taxable year.

⁵All homeowners residing in their own homes are allowed a direct reduction of their property taxes due by means of the Homestead Property Tax Credit. This credit amounts to 35 percent of the tax levy, excluding the amount levied for bonded indebtedness, to a maximum credit of \$250. Senior citizen homeowners also receive this credit. Local governments are reimbursed for their tax loss from the state property tax relief fund.

⁶Elderly may choose this relief or senior citizen relief but not both.

⁷Ranges from \$12 to \$81 for taxpayers having less than \$1,000 total household income to \$0 to \$36 for those having between \$6,000 and \$6,999 income, based on number of personal exemptions.

⁸The commissioner shall annually prepare and make available the local rate factors by arraying all municipalities according to their effective tax rate and dividing the population of the State into quintiles from such array with those having the lowest effective tax rates being in the first quintile. The local rate factors shall be as follows: first quintile, 0.6; second quintile, 0.8; third quintile, 1.0; fourth quintile, 1.2; fifth quintile, 1.4. The amount of property taxes or rent constituting property taxes used in computing the credit are limited to \$300 per taxable year.

⁹Low income taxpayers (AGI not over \$6,000) are allowed a credit ranging from \$2 to \$6 per personal exemption, depending upon the taxpayer's income bracket.

TABLE 45 — SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1967-68
(Population data in thousands, dollar amounts in millions)

State	Population, as of July 1 (excluding armed forces overseas)		Total State personal income		State personal income tax collections in 1968 ¹ related to — —		Selected data from Federal Statistics of Income, 1967, Individual income tax returns					
	1968	1967	1968	1967	Federal adj. gross income in 1967	Federal income tax in 1967 (after credits)	Number of returns (000)		Adjusted gross income			
							Total	With itemized deductions	Total		Excluding personal exemptions	
	Amount	% of 1967 per. income	Amount	% of 1967 per. income								
United States ²	199,861	197,884	\$683,702	\$625,642	2.1% ³	16.9% ³	71,454	29,745	\$503,499	80.5%	\$385,037	61.5%
Alabama	3,566	3,540	8,316	7,643	1.1	9.9	985	433	5,891	77.1	4,186	54.8
Alaska	277	273	1,136	1,029	3.3	25.8	80	32	692	67.2	554	53.8
Arizona	1,670	1,635	5,034	4,518	0.9	8.4	539	263	3,570	79.0	2,600	57.5
Arkansas	2,012	1,969	4,611	4,229	1.0	10.3	563	188	3,048	72.1	2,066	48.9
California	19,221	19,163	76,581	69,932	1.7	13.6	7,295	3,882	56,659	81.0	44,665	63.9
Colorado	2,048	1,975	6,824	6,139	1.8	16.1	728	354	4,932	80.3	3,690	60.1
Connecticut	2,959	2,925	12,611	11,692	—	—	1,233	506	10,240	87.6	8,320	71.2
Delaware	534	523	2,026	1,855	3.5	23.8	192	69	1,541	83.1	1,230	66.3
Dist. of Columbia	809	809	3,580	3,316	2.6	17.9	325	95	2,195	66.2	1,742	52.5
Florida	6,160	5,996	19,626	17,507	—	—	2,220	984	14,011	80.0	10,359	59.2
Georgia	4,588	4,511	12,705	11,556	1.3	11.9	1,388	519	8,599	74.4	6,323	54.7
Hawaii	778	741	2,705	2,411	3.7	30.1	264	111	1,911	79.3	1,492	61.9
Idaho	705	699	1,876	1,775	2.5	23.7	235	86	1,411	79.5	977	55.0
Illinois	10,974	10,894	43,760	40,710	—	—	4,365	1,619	33,632	82.6	26,535	65.2
Indiana	5,067	4,999	17,270	16,029	1.2	10.3	1,824	652	12,922	80.6	9,783	61.0
Iowa	2,748	2,753	9,057	8,442	1.3	12.0	1,041	408	6,420	76.0	4,647	55.0
Kansas	2,303	2,275	7,574	6,908	1.2	11.1	794	355	5,053	73.1	3,702	53.6
Kentucky	3,229	3,191	8,516	7,782	1.6	14.4	975	313	5,681	73.0	4,001	51.4
Louisiana	3,732	3,660	9,814	8,940	0.6	5.0	1,029	385	6,783	75.9	4,935	55.2
Maine	979	973	2,757	2,556	—	—	366	109	2,025	79.2	1,421	55.6
Maryland	3,757	3,685	14,048	12,594	2.3	18.4	1,562	583	11,616	92.2	9,082	72.1
Massachusetts	5,437	5,421	20,974	19,315	1.9	15.1	2,189	923	15,898	82.3	12,479	64.6
Michigan	8,740	8,584	32,119	28,996	1.1 ⁴	8.3 ⁴	3,081	1,384	24,061	83.0	18,836	65.0
Minnesota	3,646	3,582	12,185	11,181	3.1	27.5	1,339	596	8,825	78.9	6,527	58.4
Mississippi	2,342	2,348	4,878	4,433	0.4	3.5	558	226	3,045	68.7	2,040	46.0

See footnotes at end of the table.

TABLE 45 — SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1967-68 (Cont'd)
(Population data in thousands, dollar amounts in millions)

State	Population, as of July 1 (excluding armed forces overseas)		Total State personal income		State personal income tax collections in 1968 ¹ related to — —		Selected data from Federal Statistics of Income, 1967, Individual income tax returns					
	1968	1967	1968	1967	Federal adj. gross income in 1967	Federal income tax in 1967 (after credits)	Number of returns (000)		Adjusted gross income			
							Total	With itemized deductions	Total		Excluding personal exemptions	
									Amount	% of 1967 per. income	Amount	% of 1967 per. income
Missouri	4,627	4,605	\$15,065	\$13,818	1.0%	8.0%	1,643	699	\$10,897	78.9%	\$8,174	59.2%
Montana	693	701	2,039	1,932	2.1	19.4	243	88	1,413	73.1	1,004	52.0
Nebraska	1,437	1,435	4,661	4,424	0.4 ⁴	3.6 ⁴	547	161	3,272	74.0	2,378	53.8
Nevada	453	444	1,777	1,585	—	—	174	69	1,288	81.3	1,014	64.0
New Hampshire	702	685	2,288	2,093	—	—	272	78	1,780	85.0	1,351	64.5
New Jersey	7,078	7,004	28,047	25,694	—	—	2,704	1,248	21,319	83.0	16,895	65.8
New Mexico	1,015	1,003	2,667	2,476	0.8	7.6	306	109	1,837	74.2	1,257	50.8
New York	18,113	18,335	75,049	68,660	3.2	22.9	6,956	3,498	56,217	81.9	45,205	65.8
North Carolina	5,135	5,027	13,642	12,398	2.3	21.8	1,631	594	9,272	74.8	6,529	52.7
North Dakota	625	639	1,712	1,597	1.1	11.8	219	66	1,180	73.9	785	49.2
Ohio	10,591	10,462	37,151	33,932	—	—	3,847	1,433	27,910	82.3	21,462	63.3
Oklahoma	2,518	2,496	7,259	6,697	0.8	7.4	823	325	5,019	74.9	3,602	53.8
Oregon	2,008	1,999	6,660	6,125	2.9	24.6	734	325	4,963	81.0	3,772	61.6
Pennsylvania	11,712	11,626	40,102	37,193	—	—	4,389	1,731	30,235	81.3	23,198	62.4
Rhode Island	913	901	3,244	2,995	—	—	362	136	2,387	79.7	1,826	61.0
South Carolina	2,692	2,603	6,341	5,770	1.6	15.4	776	285	4,400	76.3	3,100	53.7
South Dakota	657	674	1,887	1,731	—	—	236	67	1,192	68.9	762	44.0
Tennessee	3,976	3,888	10,252	9,308	—	—	1,264	460	7,416	79.7	5,315	57.1
Texas	10,972	10,873	33,254	30,008	—	—	3,641	1,194	23,423	78.1	17,054	56.8
Utah	1,034	1,022	2,885	2,669	2.0	20.4	338	183	2,145	80.4	1,532	57.4
Vermont	422	416	1,306	1,185	3.4	30.1	163	62	891	68.2	646	54.5
Virginia	4,597	4,533	14,100	12,778	2.1	17.9	1,541	584	10,439	81.7	7,907	61.9
Washington	3,276	3,089	12,081	10,887	—	—	1,205	494	9,061	83.2	7,058	64.8
West Virginia	1,805	1,798	4,451	4,208	0.9	7.5	560	111	3,287	78.1	2,337	55.5
Wisconsin	4,213	4,188	14,197	13,064	3.8	32.4	1,592	629	10,859	83.1	8,139	62.3
Wyoming	315	315	1,005	928	—	—	117	40	736	79.3	541	58.3

See footnotes at end of the table.

TABLE 45 — SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1967-68 (Cont'd)
(Population data in thousands, dollar amounts in millions)

State	Selected data from federal statistics of income, 1967, Individual Income Tax Returns (Cont'd)								
	Federal taxable income		Federal income tax liability (after credits)	Personal exemptions					
	Amount	% of 1967 Personal income		Total		Other than age and blindness			
			Number (000)	No. as a % of 1967 population	Amount	Number (000)	No. as a % of 1967 population	Amount	
United States ²	\$314,222	50.2%	\$62,754	197,437	99.8%	\$118,462	188,937	95.5%	\$113,362
Alabama	3,368	44.1	629	2,841	80.3	1,705	2,778	78.5	1,667
Alaska	453	44.0	88	230	84.2	138	226	82.8	136
Arizona	2,037	45.1	393	1,617	98.9	970	1,564	95.7	938
Arkansas	1,686	39.9	307	1,636	83.1	982	1,566	79.5	939
California	34,896	49.9	7,005	19,989	104.3	11,994	19,139	99.9	11,483
Colorado	2,939	47.9	565	2,070	104.8	1,242	1,984	100.5	1,190
Connecticut	6,927	59.2	1,479	3,201	109.4	1,920	3,041	104.0	1,824
Delaware	1,021	55.0	229	518	99.0	311	498	95.2	299
Dist. of Columbia	1,445	43.6	314	755	93.3	453	698	86.3	419
Florida	8,388	47.9	1,691	6,087	101.5	3,652	5,692	94.9	3,415
Georgia	5,096	44.1	976	3,793	84.1	2,276	3,677	81.5	2,206
Hawaii	1,184	49.1	234	698	94.2	419	682	92.0	409
Idaho	806	45.4	146	724	103.6	434	695	99.4	417
Illinois	22,317	54.8	4,574	11,829	108.6	7,097	11,224	103.0	6,735
Indiana	8,200	51.2	1,569	5,232	104.7	3,139	5,012	100.3	3,007
Iowa	3,864	45.8	706	2,955	107.3	1,773	2,784	101.1	1,670
Kansas	3,020	43.7	568	2,251	98.9	1,351	2,117	93.1	1,270
Kentucky	3,293	42.3	621	2,801	87.8	1,680	2,697	84.5	1,618
Louisiana	4,060	45.4	797	3,080	84.2	1,848	2,999	81.9	1,799
Maine	1,175	46.0	221	1,006	103.4	604	959	98.6	576
Maryland	7,509	59.6	1,478	4,224	114.6	2,534	4,093	111.1	2,456
Massachusetts	10,122	52.4	2,050	5,698	105.1	3,419	5,407	99.7	3,244
Michigan	15,661	54.0	3,154	8,708	101.4	5,225	8,400	97.9	5,040
Minnesota	5,206	46.6	990	3,829	106.9	2,298	3,665	102.3	2,199
Mississippi	1,644	37.1	307	1,676	71.4	1,005	1,630	69.4	978
Missouri	6,738	48.8	1,338	4,538	98.5	2,723	4,299	93.4	2,580
Montana	846	43.8	153	682	97.3	409	653	93.2	392
Nebraska	1,997	45.1	379	1,491	103.9	894	1,388	96.7	833
Nevada	833	52.6	172	457	102.9	274	441	99.3	265
New Hampshire	1,133	54.1	216	714	104.2	429	682	99.6	409

See footnotes at end of the table.

TABLE 45 — SELECTED PERSONAL INCOME TAX BASE DATA, BY STATE, 1967-68 (Cont'd)
(Population data in thousands, dollar amounts in millions)

Selected data from federal statistics of income, 1967, Individual Income Tax Returns (Cont'd)

State	Federal taxable income		Federal income tax liability (after credits)	Personal exemptions					
	Amount	% of 1967 Personal income		Total		Other than age and blindness			
				Number (000)	No. as a % of 1967 population	Amount	Number (000)	No. as a % of 1967 population	Amount
New Jersey	\$13,884	54.0%	\$2,844	7,373	105.3%	\$4,424	7,037	100.5%	\$4,222
New Mexico	1,063	42.9	200	967	96.4	580	941	93.8	565
New York	35,853	52.2	7,798	18,354	100.1	11,012	17,393	94.9	10,436
North Carolina	5,283	42.6	992	4,571	90.9	2,743	4,420	87.9	2,652
North Dakota	656	41.1	112	658	103.0	395	618	96.7	371
Ohio	17,884	52.7	3,521	10,746	102.7	6,448	10,344	98.9	6,207
Oklahoma	2,933	43.8	558	2,362	94.6	1,417	2,249	90.1	1,350
Oregon	3,076	50.2	587	1,985	99.3	1,191	1,900	95.0	1,140
Pennsylvania	19,208	51.6	3,803	11,729	100.9	7,037	11,224	96.5	6,735
Rhode Island	1,511	50.5	305	935	103.8	561	884	98.1	530
South Carolina	2,523	43.7	462	2,167	83.3	1,300	2,115	81.3	1,269
South Dakota	654	37.8	113	717	106.4	430	667	99.0	400
Tennessee	4,359	46.8	842	3,502	90.1	2,101	3,397	87.4	2,038
Texas	14,323	47.7	2,866	10,615	97.6	6,369	10,253	94.3	6,152
Utah	1,160	43.5	212	1,021	99.9	613	987	96.6	592
Vermont	529	44.6	100	408	98.1	245	385	92.5	231
Virginia	6,448	50.5	1,241	4,220	93.1	2,532	4,084	90.1	2,450
Washington	5,875	54.0	1,131	3,338	108.1	2,003	3,195	103.4	1,917
West Virginia	2,007	47.7	374	1,584	88.1	950	1,531	85.2	919
Wisconsin	6,672	51.1	1,259	4,534	108.3	2,720	4,310	102.9	2,586
Wyoming	456	49.1	85	325	103.2	195	312	99.0	187

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

²Excludes minor amounts of Statistics of Income data for "other areas."

³Weighted mean of the 33 States, and the District of Columbia imposing a broad-based personal income tax for the entire fiscal year. Michigan and Nebraska became personal income tax States during 1967, Maine and Illinois during 1969.

⁴New income tax. Percentages are based on collections for partial year only.

Source: U.S. Bureau of the Census, *State Government Finances in 1968*; U.S. Department of Commerce, Office of Business Economics, *Survey of Current Business, August 1969*; and Internal Revenue Service, *Statistics of Income, Individual Income Tax Returns, 1967*.

TABLE 46 — STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1969

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

See footnotes at the end of table.

TABLE 46 – STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1969 (Cont'd)

State	Rate (percent)	Federal tax deductible ¹	Related provisions
Maryland	7	—	Domestic corporations are allowed credit for franchise taxes in excess of \$25.
Massachusetts ²	7.5 ⁴	—	Plus \$7 per \$1,000 upon the value of its tangible property not subject to local taxation and situated in Massachusetts on the last day of the taxable year if a tangible property corporation (or its net worth allocable to Massachusetts if an intangible property corporation). Minimum tax \$100. Domestic corporations pay a tax of 1/3 of 1% of the value of their interest in ships in interstate or foreign commerce, which value is deducted from the corporate excess. Taxes computed under any of the bases subject to a 14% surtax.
Michigan	5.6	—	Financial institutions, 7%.
Minnesota	11.33	X	A credit of \$500, deductible from net income, is allowed each corporation. Minimum tax: \$10. Banks, 13.64%.
Mississippi	First \$5,000 . . . 3 Over \$5,000 . . . 4	—	
Missouri	2	X	Banks and financial institutions, 7%.
Montana	6.25	—	Minimum tax, \$50, except \$10 for small business corporations.
Nebraska ²	2 (2.6 eff. 1/1/70)	—	The tax rate is 20% of the rate applicable to individuals. The rate for individuals for 1969 is 10% and is set as a flat percentage by the State Board of Equalization and Assessment on or before November 15 annually for the taxable year beginning during the subsequent calendar year.
New Jersey	4.25	—	All corporations pay additional tax on net worth.
New Mexico ²	5	—	Banks and financial institutions, 6%.
New York	7 percent plus tax of 5/8 mill per \$1 of allocated subsidiary capital. (There is an additional tax of 5% of business income on omnibus corporations which have gross receipts of \$500,000 or more for the taxable year within New York from omnibuses having a seating capacity of more than 7 persons).	—	Corporations are subject to the 7 percent tax on net income or a tax on 3 alternative bases, whichever is greatest. The alternative taxes are: (1) 1¼ mill on each dollar of business and investment capital; or (2) 7 percent of 30 percent of net income plus compensation paid to officers and holders of more than 5 percent of capital stock, less \$15,000 and any net loss; or (3) \$100, whichever is greatest; plus the tax on allocated subsidiary capital. Banks and financial institutions, 7%.
North Carolina	6	—	Banks and financial institutions, 6%.
North Dakota	First \$3,000 . . . 3 \$3,001-\$8,000 . . . 4 \$8,001-\$15,000 . . . 5 Over \$15,000 . . . 6	X	For taxable years beginning on and after January 1, 1970 foreign and domestic corporations will be subject to an additional 1% tax for the privilege of doing business in the State if (1) their personal prop-

See footnotes at the end of table.

TABLE 46 – STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1969 (Cont'd)

State	Rate (percent)	Federal tax deductible ¹	Related provisions	
North Dakota (cont'd)			erty is not assessed by the State Board of Equalization, (2) they are not subject to a special tax in lieu of personal property taxes, and (3) they are required to file a North Dakota income tax return. The additional tax will apply to taxable income computed as provided under the income tax law except that federal income tax will not be deductible. Minimum tax, \$20. Banks and trust companies, 5%. Effective January 1, 1970 an additional 2% tax is levied in State and national banks and trust companies for the privilege of transacting business in the State. Minimum tax, \$50.	
Oklahoma ²	4	X	Banks 4%.	
Oregon	6	—	Manufacturers may claim an offset of up to one-third of the tax for Oregon personal property taxes paid on raw materials, goods in process, and finished products. Minimum tax: \$10. Banks, national banking associations, financial institutions, and production credit associations, 8%.	
Pennsylvania ²	7.5	—	Alternative tax: 40 cents per \$100 on corporate excess, if tax yield is greater. Banks and financial institutions, 7% or \$2.50 per \$10,000, if tax yield is greater.	
Rhode Island	7	—		
South Carolina	6	—	Banks, 4.5%, savings and loan associations, 8%.	
South Dakota	5	—		
Tennessee ²	5	—	Minimum tax: \$25. Banks and financial institutions, 6%.	
Utah	6	X		
Vermont ²	6	—	Subject to reduction if there is sufficient surplus in general fund. Minimum tax: \$25. Banks and financial institutions, 6%.	
Virginia	5	—		
West Virginia	6	—		
Wisconsin ²	First \$1,000	2		X ⁶
	\$1,001-\$2,000	2.5		
	\$2,001-\$3,000	3		
	\$3,001-\$4,000	4		
	\$4,001-\$5,000	5		
	\$5,001-\$6,000	6		
	Over \$6,000	7		
District of Columbia	6	—	Banks and trust companies, 4%; building and loan associations, 2%.	

X Denotes "yes";
 — Denotes "no."

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

² Allows deduction of State corporation income tax itself in computing State tax liability.

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

TABLE 46 – STATE CORPORATION INCOME TAX RATES, DECEMBER 31, 1969 (Cont'd)

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

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

⁶Limited to 10% of net income before Federal tax.

TABLE 47 – LOCAL INCOME TAXES, RATES AND COLLECTIONS
(Dollar amounts in thousands)

State and local government	Rate December 31, 1969 (percent)	Municipal tax collections, 1967-68 (Cities with over 50,000 population in 1960)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Alabama:				
Gadsden	2.0	\$ 4,420	\$ 2,548	57.6
Delaware:				
Wilmington	½ of 1% or ½ of 1% ¹	11,778 ²	³	³
Kentucky:				
Benton	0.5	XXX	XXX	XXX
Berea	1.5	XXX	XXX	XXX
Bowling Green	1.0	XXX	XXX	XXX
Catlettsburg	1.0	XXX	XXX	XXX
Covington	2.0	3,326	1,225	36.8
Dawson Springs	1.0	XXX	XXX	XXX
Flemingsburg	0.5	XXX	XXX	XXX
Frankfort	1.0	XXX	XXX	XXX
Fulton	1.0	XXX	XXX	XXX
Glasgow	1.0	XXX	XXX	XXX
Hopkinsville	1.0	XXX	XXX	XXX
Lexington	1.5	8,939	4,292	48.0
Louisville	1.25	31,248	16,428	52.6
Jefferson County ⁴	1.75	XXX	XXX	XXX
Ludlow	1.0	XXX	XXX	XXX
Marshall County	0.5	XXX	XXX	XXX
Mayfield	0.67	XXX	XXX	XXX
Maysville	1.5	XXX	XXX	XXX
Middlesboro	1.0	XXX	XXX	XXX
Newport	2.0	XXX	XXX	XXX
Owensboro	1.0	XXX	XXX	XXX
Paducah	1.25	XXX	XXX	XXX
Pikeville	1.0	XXX	XXX	XXX
Princeton	1.0	XXX	XXX	XXX
Richmond	1.0	XXX	XXX	XXX
Maryland:				
	% of State tax			
Baltimore City	50%	176,886	30,211	17.1
1 County	20%	XXX	XXX	XXX
1 County	30%	XXX	XXX	XXX
2 Counties	35%	XXX	XXX	XXX
4 Counties	45%	XXX	XXX	XXX
15 Counties	50%	XXX	XXX	XXX
Michigan:				
Battle Creek	⁵	XXX	XXX	XXX
Big Rapids ⁶	⁵	XXX	XXX	XXX
Detroit	^{5, 7}	165,600	47,337	28.6
Flint	⁵	16,681	8,764	52.5
Grand Rapids	⁵	13,082	4,243	32.4
Hamtramck	⁵	XXX	XXX	XXX
Highland Park	⁵	XXX	XXX	XXX
Lansing	⁵	8,243	³	³
Lapeer	⁵	XXX	XXX	XXX
Pontiac	⁵	6,053	³	³
Port Huron	⁵	XXX	XXX	XXX
Saginaw	⁵	6,693	3,367	50.3

See footnotes at end of table.

TABLE 47 – LOCAL INCOME TAXES, RATES AND COLLECTIONS (Cont'd)
(Dollar amounts in thousands)

State and local government	Rate December 31, 1969 (percent)	Municipal tax collections, 1967-68 (Cities with over 50,000 population in 1960)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Missouri:				
Kansas City	0.5	\$ 45,345	\$ 11,531	25.4
St. Louis	1.0	89,326	30,351	34.0
New Mexico:⁵				
Bernalillo County	43% of State tax	XXX	XXX	XXX
New York:				
New York City	0.4 – 2.0 ⁹	2,680,466	430,191	16.0
Ohio:				
Cities, 50,000 population and over –				
Akron	1.0 (1.3 eff. 1/1/70)	21,723	11,138	51.3
Canton	1.4 ¹⁰	5,944	4,459	75.0
Cincinnati	1.0	48,293	20,365	42.2
Cleveland	1.0	68,447	9,676	14.1
Cleveland Heights	1.0	3,546	³	³
Columbus	1.0	25,467	18,282	71.8
Dayton	1.0	25,227	14,751	58.5
Euclid	1.0	5,438	913	16.8
Hamilton	1.0	3,380	2,034	60.2
Kettering	1.0	2,245	³	³
Lakewood	1.0	3,358	³	³
Lima	1.0	2,418	1,613	66.7
Lorain	1.0	3,166	³	³
Parma	1.0	4,120	³	³
Springfield	1.0 (1.5 eff. 1/1/70)	4,154	2,966	71.4
Toledo	1.5	25,987	17,043	65.6
Warren	1.0	3,194	2,182	68.3
Youngstown	1.5	10,235	7,236	70.7
249 cities and villages (with less than 50,000 popu- lation)	0.25 – 1.5	XXX	XXX	XXX
Pennsylvania:¹¹				
Cities, 50,000 population and over –				
Abington Township	1.0 ¹²	2,499	³	³
Allentown	1.0 ¹²	5,685	1,044	18.4
Altoona	1.0 ¹³	2,684	1,483	55.3
Bethlehem	1.0 ¹²	4,326	541	12.5
Chester	1.0 ¹⁴	3,289	1,611	49.0
Erie	1.0 ¹²	8,010	1,593	19.9
Harrisburg	1.0 ¹²	4,411	935	21.2
Johnstown	1.0 ¹³	2,259	412	18.2 [*]
Lancaster	0.5 ¹⁵	2,222	596	26.8
Penn Hill Township	1.0 ¹³	1,763	652 est.	37.0
Philadelphia	3.0 ¹⁴	265,016	126,247	47.6
Pittsburgh	1.0 ¹²	55,374	11,237	20.3
Reading	1.0 ¹⁴	4,858	³	³

See footnotes at end of table.

TABLE 47 – LOCAL INCOME TAXES, RATES AND COLLECTIONS (Cont'd)
(Dollar amounts in thousands)

State and local government	Rate December 31, 1969 (percent)	Municipal tax collections, 1967-68 (Cities with over 50,000 population in 1960)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Pennsylvania: (Cont'd)				
Scranton	1.0 ^{12, 16}	\$ 5,113	\$ 1,048	20.5
Wilkes Barre	0.5 ¹²	3,325	1,195	35.9
York	1.0 ¹²	2,286	523	22.9
Approx. 3,175 other local jurisdictions (including over 1,000 school dis- tricts)	0.20 – 1.0	XXX	XXX	XXX

Note: Excludes Washington, D.C. which has a graduated net income tax that is more closely akin to a State tax than to the municipal income taxes (see table 40). Also excludes the Denver Employee Occupational Privilege Tax of \$2 per employee per month, which applies only to employees earning at least \$250 per month.

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

¹ If total annual wages or net profits are \$4,000 or less there is no tax liability. On income between \$4,000.01 and \$6,000.00 the rate is ¼ of 1%; on income of \$6,000.01 or more ½ of 1%. The tax rates apply to total income not merely to the proportion of income falling within a given bracket. In this sense the tax is not a typical graduated levy.

² Fiscal year 1967 collections.

³ Tax went into effect after reporting period.

⁴ A taxpayer subject to the 1.25 percent tax imposed by the City of Louisville may credit this tax against the 1.75 percent levied by Jefferson County.

⁵ Under the Michigan "Uniform City Income Tax Act," the prescribed rates are 1.0 percent for residents and 0.5 percent for nonresidents. A resident is allowed credit for taxes paid to another city as a nonresident.

⁶ New Tax effective January 1, 1970.

⁷ The rate for residents in Detroit is increased from 1 percent to 2 percent from October 1, 1968 to December 31, 1970.

⁸ The 1968 legislature empowered local school boards to impose a county income surtax up to the maximum of 50% of the State income tax, subject to approval by the electorate. The surtax, if imposed, will be State collected and will not apply to corporations. Authorization is limited to the calendar year 1968 or any fiscal year commencing in 1968.

⁹ New York City residents' rate ranges from 0.4 percent on taxable income of less than \$1,000 to 2.0 percent on taxable income in excess of \$30,000. An earnings tax of 0.25 percent of wages or 3/8 of 1 percent on net earnings from self-employment, not to exceed that which would be due if taxpayer were a resident, is levied against nonresidents.

¹⁰ The Canton rate is 1.4 percent from January 1, through December 31, 1969; and 1.5 percent thereafter.

¹¹ Except for Philadelphia, Pittsburgh, and Scranton, the total rate payable by any taxpayer is limited to 1 percent. For coterminous jurisdictions, such as borough and borough school district, the maximum is usually divided equally between the jurisdictions unless otherwise agreed. However, school districts may tax only residents. Thus, if a borough and a coterminous school district each have a stated rate of 1 percent, the total effective rate for residents is 1 percent (½ of 1 percent each to the borough and school district) and the tax on nonresidents is 1 percent, the stated rate imposed by the borough.

¹² The school district rate is the same as the municipal rate.

¹³ The school district rate is 0.5 percent.

¹⁴ There is no school district income tax.

¹⁵ The school district rate is 1.0 percent.

¹⁶ Combined city and school district rate may not exceed 2.0 percent.

TABLE 48 — LOCAL INCOME TAX BASES, 1967

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

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

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

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

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

TABLE 49 – SELECTED FEATURES OF PROPERTY TAXATION, BY STATE

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

See footnotes at the end of table.

TABLE 49 – SELECTED FEATURES OF PROPERTY TAXATION, BY STATE (Cont'd)

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

See footnotes on following page.

TABLE 49 – SELECTED FEATURES OF PROPERTY TAXATION, BY STATE (Cont'd)

X—Signifies "elected."

- ¹U.S. Bureau of the Census, *Primary Assessing Areas for Local Property Taxation*, State and Local Government Special Studies, No. 50, April 1966.
- ²U.S. Bureau of the Census, *Census of Governments, 1967*, Vol. 6, No. 1, *Popularly Elected Officials of State and Local Governments*; and Commerce Clearing House, *State Tax Reporter*.
- ³Commerce Clearing House, *State Tax Reporter*.
- ⁴U.S. Bureau of the Census, Governments Division
- ⁵U.S. Bureau of the Census, *Census of Governments, 1967*, Vol. 2, *Taxable Property Values*, (GPO, Wash., D.C.: 1968), Table 9.
- ⁶Depending on the class of property.
- ⁷Between 20 and 25 percent of full cash value from 1968 through 1970, thereafter 25 percent.
- ⁸Town selectmen may provide for appointment and fix length of term and compensation.
- ⁹In counties with 150,000 to 500,000 population an assessing officer may be appointed in lieu of an elected board.
- ¹⁰Optional office: currently elected in 6 counties, appointed in 3; in other counties, county clerk is ex officio assessor.
- ¹¹Elected county assessors, cities vary according to class, may be appointed, elective, or they may adopt county assessment.
- ¹²Appointed and elected assessors.
- ¹³Election required in counties of 3,500 population or more; may be appointive in other counties.
- ¹⁴In a multiple of 10 as is established by each county board of taxation. If a county fails to establish a uniform percentage, a 50 percent level of assessment is employed until action is taken.
- ¹⁵Uniform percentage, determined locally.
- ¹⁶In 4th to 8th class counties, real property must be assessed at a predetermined ratio not to exceed 75 percent.
- ¹⁷To be attained by 1/1/73, with increasing percentages on the following schedule: 1968, 15 percent; 1969, 25 percent; 1970, 30 percent; 1971, 35 percent; 1972, 40 percent; 1973 and thereafter, 50 percent.
- ¹⁸At a fair value in conformity with values and procedures prescribed by the State Tax Commission.

TABLE 50 – SCOPE OF PROPERTY ASSESSMENT RATIO STUDIES CONDUCTED BY STATE GOVERNMENTS

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

NA Not available.

¹The letters in this column represent the following intervals:

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

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

³Triennial appraisal surveys are updated annually by statistical projections.

⁴To cover 2 years, effective 1969.

⁵Ratios are derived on a county-by-county basis.

⁶State cost only.

⁷Includes systems work on modifications of machine operations and programing of new operations.

⁸No study was conducted from 1964 to 1967.

⁹To be conducted annually, effective 1969.

¹⁰Not yet determined.

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

TABLE 51 – USES OF PROPERTY ASSESSMENT RATIO STUDIES CONDUCTED BY STATE GOVERNMENTS

State	Equalize assessments			Apportion funds		Allocate county taxes among smaller taxing districts	Evaluate methods used in making appraisal	Determine areas for general reappraisal	Check reappraisal programs	Other uses
	Among counties	Within counties	Between properties assessed locally and by State	School aid	Other					
U.S. total	27	21	17	29	16	9	21	30	29	
Alaska				X				X		Check compliance with 20% assessment requirement. Equalize tax rates of inter-county districts; adjust school district debt limits.
Arkansas	X	X		X	X	X	X	X		
California	X	X		X	X		X	X		
Colorado	X						X		X	
Dist. of Columbia		X ¹					X	X	X	
Georgia	X			X	X				X	
Hawaii							X	X	X	
Idaho	X			X					X	
Illinois	X		X				X	X		
Indiana				X						
Iowa	X	X		X			X	X	X	
Kansas	X	X	X	X	X		X	X	X	
Kentucky	X	X	X	X			X			
Maine	X	X		X	X	X	X	X	X	
Maryland	X	X	X	X	X			X	X	
Massachusetts				X	X	X	X	X	X	
Michigan	X	X	X	X	X	X	X	X	X	
Minnesota	X	X	X	X			X	X	X	
Missouri	X			X				X		
Montana							X	X	X	
Nebraska	X	X	X				X	X	X	
Nevada	X	X	X	X				X	X	
New Hampshire	X	X		X	X	X		X	X	Borrowing capacity.

See footnotes at the end of table.

TABLE 51 – USES OF PROPERTY ASSESSMENT RATIO STUDIES CONDUCTED BY STATE GOVERNMENTS (Cont'd)

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

¹Neighborhood areas within the District.

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

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

TABLE 52 – WISCONSIN'S "CIRCUIT BREAKER" SYSTEM FOR PROTECTING LOW INCOME HOUSEHOLDERS FROM PROPERTY TAX OVERLOAD SITUATIONS, 1966

Household income class	Number of beneficiaries	Average household income	Average taxes before relief	Average taxes after relief	Percent of tax burden relieved	Tax burden before relief*	Tax burden after relief*
\$ 0	146	\$ 0	\$210	\$ 54	75%	-- %	-- %
1 – 499	1,373	302	174	47	73	58	16
500 – 999	7,788	790	175	50	71	22	6
1,000 – 1,499	13,947	1,259	199	98	51	16	8
1,500 – 1,999	14,423	1,749	221	130	41	13	8
2,000 – 2,499	11,274	2,232	239	166	31	11	8
2,500 – 2,999	7,021	2,728	266	216	19	10	8
3,000 – 3,500	3,317	3,200	284	269	5	9	8

* Tax burden is expressed as the percent of household income allocated to pay taxes before and after the relief program. Property taxes include rent paid in lieu of taxes.

Source: Wisconsin Department of Revenue – Kenneth E. Quindry and Billy D. Cook, "The Effects on Income Redistribution and Residential Property Tax Regressivity of the Wisconsin Homestead Relief Program – Its Antipoverty Role and Possible Extensions" (manuscript to be published).

**TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING
THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1970**

State	Type of Legislation	Legal Citation
Arizona	<ol style="list-style-type: none"> 1. Exempts wholesalers' and retailers' inventories. 2. Freeport Law. 	<p>Amendment of <i>Constitution</i>, Art. 9, Sec. 2, adopted 11/3/64. <i>Arizona Revised Statutes</i>, Sec. 42-631.</p>
California	<p>Exempts 15% of the assessed value of business inventories. (30% for the fiscal years 1970-71 and 1971-72)</p>	<p>S.C.A. 1, 1st. Spec. Sess., Laws of 1968. (chap. 1526, Laws of 1969).</p>
Colorado	<ol style="list-style-type: none"> 1. Reduces the assessment of freeport merchandise to 17½% for 1966 and 5% thereafter (assessment ratio for all other taxable property standardized at 30%) 2. Reduces the assessment of the stocks of merchandise of a manufacturer or merchant by 5% a year (from 30% in 1968) to 5% for 1973 and each year thereafter. 	<p>Chap. 290, Laws of 1965 (<i>Colorado Revised Statutes</i>, Sec. 137-1-4). Chap. 370, Laws of 1967 (<i>Colorado Revised Statutes</i>, Sec. 137-5-9).</p>
Connecticut	<ol style="list-style-type: none"> 1. Gradually exempts manufacturers' inventories (assessments reduced by 10% a year, from 40% in 1970 until fully exempt by 1976). 2. Exempts the monthly average quantity of goods of any wholesale and retail business to the extent of 1/12 of the value of the goods for the purposes of assessment in the year 1971, increasing by 1/12 each year until fully exempt in 1982 and each year thereafter. 3. Freeport Law. 	<p>Chap. 461, Laws of 1965 (<i>General Statutes of Connecticut, Revision of 1958</i>, Sec. 12-81); chap. 630, Laws of 1969. Chap. 657, Laws of 1969. Chap. 603, Laws of 1965 (<i>General Statutes of Connecticut</i>, Sec. 12-19.1 - 12-91.3).</p>
Delaware	<p>All tangible and intangible personal property is exempt.</p>	<p><i>Delaware Code of 1953</i>, Sec. 8102, Title 9 and Sec. 102 (a), Title 30.</p>
Dist. of Col.	<p>Freeport Law.</p>	<p><i>District of Columbia Code of 1951</i>, Sec. 47-1204.</p>
Florida	<p>Inventories are assessed at 50% of just valuation for 1968 and at 25% for 1969 and thereafter.</p>	<p>Chap. 367, Laws of 1967 (<i>Florida Statutes</i>, Sec. 192.05).</p>
Georgia	<ol style="list-style-type: none"> 1. Motor vehicles in dealers' inventories are assessed at 75% of the assessed value of other motor vehicles. 2. Freeport Law. 	<p>Act 52, Laws of 1967 (<i>Georgia Code of 1933</i>, Sec. 92-111A). Act 693, Laws of 1969 (<i>Georgia Code of 1933</i>, Secs. 92-107.1 and 92-107.2).</p>
Hawaii	<ol style="list-style-type: none"> 1. Personal property tax repealed in 1947. 2. Exempts machinery and allied equipment used primarily to manufacture or produce tangible personal products (assessed as real property). 	<p>Act 120, Laws of 1967 (<i>Revised Laws of Hawaii, 1955</i>, Sec. 128-21.6).</p>
Idaho	<ol style="list-style-type: none"> 1. Freeport law broadened to include goods manufactured in Idaho and destined for out-of-State shipment. 2. Gradually exempts business inventories (assessments reduced by 25% a year, beginning in 1968, until fully exempt by 1971). 	<p>Chap. 173, Laws of 1963 (<i>Idaho Code, 1947</i>, Sec. 63-105V). H.B. 243, <i>Laws of 1967</i>.</p>

TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1970 (Cont'd)

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

TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1970 (Cont'd)

State	Type of Legislation	Legal Citation
Minnesota	<ol style="list-style-type: none"> 1. Taxpayers may elect to have exempt either inventories or tools and machinery which by law are considered personal property. 2. Freeport Law. 	<p>Ch. 32, Art. IV, Laws 1967, 1st Sp. Sess. (<i>M.S.A.</i>, Sec. 272.02 (11)).</p> <p><i>Minnesota Statutes Annotated</i>, Sec. 272.022 and 272.023.</p>
Mississippi	<ol style="list-style-type: none"> 1. Exempts manufactured products owned by or remaining in the hands of a manufacturer, if ultimately to be shipped or sold to other than the final consumer and not at retail. 2. Freeport Law. 	<p><i>Mississippi Code of 1942</i>, Sec. 9697.7(1), (3), and (4).</p> <p><i>Mississippi Code of 1942</i>, Sec. 9699-02.</p>
Missouri	<ol style="list-style-type: none"> 1. Freeport Law. 2. Exempts Commission merchants with respect to unmanufactured articles, consigned for sale, in which they have no interest other than their commission. 	<p><i>Missouri Revised Statutes of 1949</i>, Sec. 137.093.</p> <p><i>Missouri Revised Statutes of 1949</i>, Sec. 150.040.</p>
Montana	<ol style="list-style-type: none"> 1. The taxable property in the State is classified into nine classes and assessed at various percentages ranging from 7% to 100% of true and full value. Freeport property is assessed at 7%. 2. Stocks of merchandise of all sorts together with furniture and fixtures used therewith, except mobile homes, and all office or hotel furniture and fixtures are assessed at 33 1/3%. 	<p>Chap. 294, Laws of 1967 (<i>Revised Codes of Montana, 1947</i>, Secs. 84-301 and 84-302).</p> <p><i>Revised Codes of Montana, 1947</i>, Secs. 84-301 and 84-302.</p>
Nebraska	Freeport Law.	<i>Revised Statutes of Nebraska, 1943</i> , Sec. 77-1226.01.
Nevada	<ol style="list-style-type: none"> 1. Exempts inventories of farm machinery and equipment dealers. 2. Freeport Law. 	<p>Chap. 162, Laws of 1969.</p> <p><i>Revised Statutes of Nevada, 1957</i>, Sec. 361.160.</p>
New Hampshire	Exempts goods held for out-of-State delivery by a manufacturer when title has passed to the purchaser.	Chap. 239, Laws of 1963 (<i>Revised Statutes Annotated of New Hampshire, 1955</i> , Sec. 72:15).
New Jersey	<ol style="list-style-type: none"> 1. Exempts business inventories and all other business personal property, except that used in telephone and telegraph systems, from local property taxation. Subjects certain kinds of business personalty, but not business inventories, to a Statewide tax of \$1.30 per \$100 of taxable value. 2. Exempts personal property stored in a public warehouse. 	<p>Chap. 136 and Chap. 138, Laws of 1966 (<i>Revised Statutes of New Jersey, 1937</i>, Secs. 54:4-1 and 54:11 A-2).</p> <p><i>Revised Statutes of New Jersey, 1937</i>, Sec. 54:4-3.20.</p>
New York	All tangible and intangible personal property is exempt.	<i>New York Consolidated Laws</i> , Chap. 50-a, Sec. 300.
New Mexico	Freeport Law.	Chap. 60, Laws of 1963 (<i>New Mexico Statutes, 1953</i> , Sec. 72-2-1.1)
North Carolina	Freeport Law (beginning July 1, 1969, until then a freeport exemption is provided only for property held at seaports awaiting shipment to foreign countries).	Chap. 1185, Laws of 1967 (<i>North Carolina Statutes</i> , Sec. 105-281).

**TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING
THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1970 (Cont'd)**

State	Type of Legislation	Legal Citation
North Dakota	<ol style="list-style-type: none"> 1. Exempts all personal property not required to be assessed by the state board of equalization, beginning in 1970, except property taxed in lieu of property taxes, property subject to taxation under any other provision of law and property of North Dakota non-profit corporations. 2. Freeport Law broadened to include goods acquired or manufactured in North Dakota and destined for out-of-State shipment. 	<p>S.B. 137, Laws of 1969 (<i>North Dakota Century Code</i>, Sec. 57-02-08).</p> <p>S.B. 302, Laws of 1967 (<i>North Dakota Century Code</i>, Sec. 57-02-42).</p>
Ohio	<ol style="list-style-type: none"> 1. Tangible personalty is assessed at 70% of its true value in money, with several exceptions. Personal property used in business is assessed at 50%. Merchants' inventories are to be assessed at the following ratios: 63% in 1968; 57% in 1969; 52% in 1970, and 50% for the year 1971 and thereafter. 2. Freeport Law. 	<p><i>Ohio Revised Code</i>, Sec. 5711.22.</p> <p><i>Ohio Revised Code</i>, Sec. 5701.08.</p>
Oklahoma	Freeport Law.	Chap. 501, Laws of 1965 (<i>Oklahoma Statutes Annotated</i> , Title 68, Sec. 2425).
Oregon	<ol style="list-style-type: none"> 1. An exemption is provided for a percentage of the true cash value of inventories for each tax year beginning July 1 as follows: for 1969, 5%; 1970, 10%; 1971, 15%; 1972, 20%; exemption increased by 10% for 1973 and each year thereafter until inventories become fully exempt for tax years beginning on July 1, 1980 and thereafter. 2. Freeport Law. 	<p>Chap. 604, Laws of 1965 (<i>Oregon Revised Statutes</i>, Sec. 310-610); Chap. 612, Laws of 1969.</p> <p><i>Oregon Revised Statutes</i>, Sec. 307.810.</p>
Pennsylvania	All tangible personal property is exempt.	Act of May 18, 1937, P.L. 633; and Act of June 19, 1939, P.L. 413.
Rhode Island	Exempts manufacturers' inventories.	Chap. 245, Laws of 1966 (<i>General Laws of Rhode Island, 1956</i> , Sec. 44-3-3(20)).
South Carolina	<ol style="list-style-type: none"> 1. Reduces assessment for merchants' personal property to 12% for 1968, 11% for 1969, and 10% for 1970 and thereafter. 2. Exempts manufacturers' inventories (except manufactured articles offered or available for sale at retail). 3. Freeport Law. 	<p><i>Code of South Carolina, 1962</i>, Sec. 65-1647.4.</p> <p><i>Code of South Carolina, 1962</i>, Sec. 65-1663.</p> <p><i>Code of South Carolina, 1962</i>, Sec. 65-1655.</p>
South Dakota	Freeport Law.	S.B. 26, Laws of 1966 (<i>South Dakota Code of 1939</i> , Sec. 57.0311).
Tennessee	<ol style="list-style-type: none"> 1. Exempts articles manufactured from the produce of this State in the hands of the manufacturer. 2. Freeport Law. 	<p><i>Tennessee Code Annotated</i>, Sec. 67-502.</p> <p><i>Tennessee Code Annotated</i>, Sec. 67-502.</p>
Texas	Freeport Law.	Chap. 208, Laws of 1963 (<i>Revised Civil Statutes, 1925</i> , Art. 7150.9).

**TABLE 53 – STATE LEGISLATION EXEMPTING BUSINESS PERSONALTY FROM TAXATION OR REDUCING
THE BUSINESS PERSONAL PROPERTY TAX, JANUARY 1, 1970 (Cont'd)**

State	Type of Legislation	Legal Citation
Utah	<ol style="list-style-type: none"> 1. Freeport Law. 2. The assessment and taxation of the inventory of retailers, wholesalers, manufacturers, farmers or livestock owners is reduced as follows: on January 1, 1970, such property is assessed at 20%; on January 1, 1971, 14%; on January 1, 1972, 8%; on January 1, 1973 and thereafter such property is wholly exempt. 	<p>SJR5, Laws of 1963, Ammends <i>Constitution</i>, Art. XIII, Sec. 2; Chap. 120, Laws of 1965, (<i>Utah Code Annotated, 1953, Sec. 59.2-18</i>).</p> <p>S.B. 8, Laws of 1969, (<i>Utah Code Annotated, 1953, Sec. 59-2-24</i>).</p>
Vermont	Exempts tools and implements of a mechanic or farmer, and motorized high-way-building equipment and road-making appliances.	<i>Vermont Statutes Annotated, 1959, Title 32, Sec. 3802.</i>
Washington	Freeport Law.	<i>Revised Code of Washington, Sec. 84.36.170.</i>
Wisconsin	<ol style="list-style-type: none"> 1. Increases credit for property taxes on merchants' inventories and manufacturers' materials and finished products from 50% to 60% (50% credit first enacted in 1961). 	Chap. 163, Laws of 1965 (<i>Wisconsin Statutes, Sec. 77.64</i>).
	<ol style="list-style-type: none"> 2. Exempts mechanics tools, farm, orchard and garden machinery and tools, and new farm machinery stocked and owned by a retailer. 	<i>Wisconsin Statutes, Sec. 70.111 (9).</i>
	<ol style="list-style-type: none"> 3. Freeport exemption repealed and replaced with a partial exemption for each separately assessed stock of merchandise. 	Chap. 124, Laws of 1969.
Wyoming	<ol style="list-style-type: none"> 1. Exempts certain manufacturers' and merchants' inventories after 1/1/72. 	Chap. 199, Laws of 1967.
	<ol style="list-style-type: none"> 2. Freeport Law. 	<i>Wyoming Statutes of 1957, Sec. 39-106.</i>

TABLE 54 - STATE AND LOCAL REAL ESTATE TRANSFER TAXES, JANUARY 1, 1970

State and government imposing	Year enacted	Base f.v. - full value; x. m. - exclusive of assumed mortgages	Rate 1/1/70	Distribution of receipts	State collections 1968 ¹ (\$'000)	Administrative features		
						Use of stamps ²	Provision for recording full sales price ²	Provision for automatically transmitting sales price information ³
Alabama (State)	1935	x.m.	50¢/\$500	State 2/3	1,607 ⁴	---	---	---
Arizona (State)	1968	---	\$2/document	local	---	---	X	S, L
Arkansas (State)	1969	f.v.	\$1.50/\$500 ⁵	n.a.	---	X	---	---
California (local) ⁶	1967	x.m.	55¢/\$500 ⁵	local	---	---	---	---
Colorado (State)	1967	f.v.	1¢/\$100 ⁷	local	---	X	X	L
Connecticut (State)	1967	f.v.	55¢/\$500 ⁵	local	---	X	---	---
Delaware (State and local) ⁸	1965	f.v.	1%	State ⁸	1,910	X	X	S
District of Columbia (local)	1962	f.v.	0.5%	local	1,523	---	X	L
Florida (State)	1931	x.m.	30¢/\$100	State	35,256 ⁴	X	---	---
Surtax on transfer of real estate	1967	x.m.	55¢/\$500	State	---	X	---	---
Georgia (State)	1967	x.m.	10¢/\$100 ⁹	10	---	---	---	---
Hawaii (State)	1966	f.v.	5¢/\$100 ⁵	State	266	X	X	S
Illinois (State)	1967	f.v.	50¢/\$500 ⁵	State 1/2	1,166	X	X	S, L
Indiana (State) ¹¹	1961	x.m.	2%	State	n.a.	X	---	---
Iowa (State)	1965	x.m.	55¢/\$500	State	n.a.	X	---	---
Kentucky (State)	1968	f.v.	50¢/\$500	local	---	---	X	L
Maine (State)	1967	x.m.	55¢/\$500	State 9/10	---	X	---	---
Maryland (State and local) ¹²	1937	f.v.	55¢/\$500	local ¹³	77 ⁴	X	---	---
Additional State tax	1969	f.v.	0.5%	State	---	---	---	---
Massachusetts (State)	1951	x.m.	\$1/\$500 ^{5, 14}	State	2,638	X	---	---
Michigan (State)	1966	f.v.	55¢/\$500	local	---	X	X	S, L
Minnesota (State)	1961	x.m.	\$1.10/\$500 ¹⁵	State	2,093 ⁴	X	---	---
Nebraska (State)	1965	f.v.	55¢/\$500	State	247	X	---	---
Nevada (State)	1967	x.m.	55¢/\$500 ⁵	State 95%	---	X	---	---
New Hampshire (State)	1967	f.v.	10¢/\$100 ⁵	State	96	X	---	---
New Jersey (State)	1968	f.v.	50¢/\$500 ⁵	local	---	---	X	L
New York (State and local):								
State	1968	x.m.	55¢/\$500 ⁵	State	---	X	---	---
Local	1959	x.m.	16	local	---	---	X	---
North Carolina (State)	1967	x.m.	50¢/\$500	local	---	X	---	---

See footnotes at end of table.

TABLE 54 – STATE AND LOCAL REAL ESTATE TRANSFER TAXES, JANUARY 1, 1970 (Cont'd)

State and government imposing	Year enacted	Base f.v. - full value; x. m. - exclusive of assumed mortgages	Rate 1/1/70	Distribution of receipts	State collections 1968 ¹ (\$000)	Administrative features		
						Use of stamps ²	Provision for recording full sales price ²	Provision for automatically transmitting sales price information ³
Ohio (local)	1967	f.v.	10¢/\$100 ¹⁷	local	---	---	---	---
Oklahoma (State)	1967	x.m.	55¢/\$500 ⁵	State 95%	354	X	---	---
Pennsylvania (State and local) ¹⁸	1951	f.v.	1%	State ¹⁸	27,432	X	X	---
Rhode Island (State)	1967 ¹⁹	f.v.	55¢/\$500	State	---	X	X	---
South Carolina (State and local):								
State	1923	f.v.	\$1/\$500 ⁵	State	2,484 ⁴	X	X	---
County	1967	f.v.	55¢/\$500 ⁵	local	---	X	---	---
South Dakota (State)	1968	x.m.	50¢/\$500	local	---	X	---	---
Tennessee (State)	1937	f.v.	26¢/\$100	State	4	---	---	---
Vermont (State)	1967	f.v.	1/2 of 1%	State	---	---	X	S, L
Virginia (State and local)								
State and local ²⁰	1922	f.v.	15¢/\$100	State ²⁰	7,469 ⁴	---	---	---
State	1968	x.m.	50¢/\$500 ⁵	State 1/2	---	---	---	---
Washington (State and local) ²¹	1935	f.v.	50¢/\$500	State ²¹	1,186	X	X	L
West Virginia (State and local)								
State	1959	f.v.	\$1.10/\$500	State	744	X	X	---
County	1967	f.v.	55¢/\$500	local	---	---	X	---
Wisconsin (State)	1969	f.v.	10¢/\$100 ⁵	State 1/2	---	---	X	S

n.a. – Data not available.

¹Excludes amounts collected and retained by local governments.

²X denotes "Yes"; --- denotes "No."

³S - "State agency"; L - "local assessor or similar local official."

⁴Includes documentary taxes other than real estate transfer taxes.

⁵Transfers under \$100 are exempt.

⁶Counties, or a city and a county are authorized to impose a tax on real estate transfers. Cities within a county which has already imposed the tax may levy a tax of ½ the rate with a credit being given against the county tax for the city tax.

⁷Transfers of \$500 or less are exempt.

⁸The city of Wilmington also levies a 1% realty transfer tax.

TABLE 54 – STATE AND LOCAL REAL ESTATE TRANSFER TAXES, JANUARY 1, 1970 (Cont'd)

- ⁹ Rate is 50¢ for the first \$500. Transfers of \$100 or less are exempt.
- ¹⁰ Distributed in the same proportion that revenues derived from the tax imposed by the Act providing for the levy of taxes on certain classes of intangible personal property, approved December 27, 1937 (Ga. L. 1937-38, P. 156) as now or may hereafter be amended, are divided.
- ¹¹ The tax is applicable only to corporations subject to gross income tax.
- ¹² The city of Baltimore and specified counties are authorized to supplement the State tax, at rates ranging from \$1.10/\$500 to 1½ percent of the actual consideration paid.
- ¹³ Except that tax on recordation of instruments granting encumbrances on property situated in two or more counties as security for corporate bonds of public utilities, are paid to the State.
- ¹⁴ Plus an additional 14% surtax.
- ¹⁵ Rate is \$2.20 on first \$1,000.
- ¹⁶ New York City imposes a tax of 0.5% on transfers of real property where the consideration exceeds \$25,000.
- ¹⁷ The rate shown is the statewide county rate. The minimum tax is \$1, with transfers under \$100 exempt. An additional tax, not to exceed 30¢ on each \$100 of value of real property, may also be levied by any county.
- ¹⁸ Local governments are authorized to impose a real estate transfer tax up to 1% and about 1,850, including more than 1,000 school districts, have done so.
- ¹⁹ Repealed and reenacted in 1968.
- ²⁰ Counties and cities levy a tax of 1/3 the State recordation tax (5¢/\$100).
- ²¹ Counties are authorized to levy a 1% real estate sales tax; all 39 counties have done so.

TABLE 55 – TYPES OF STATE DEATH TAXES, JANUARY 1, 1970

Type of tax	State
"Pickup" tax only (4)	Alabama, Arkansas, Florida, Georgia.
Estate tax only (3)	Mississippi, North Dakota, Utah.
Estate tax and "pickup" tax (5)	Arizona, New York, Ohio, Oklahoma, ¹ S. Carolina. ¹
Inheritance tax only (2)	South Dakota, West Virginia.
Inheritance tax and "pickup" tax (34)	Alaska, California, ¹ Colorado, ¹ Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, ¹ Maine, Maryland, Massachusetts, Michigan, Minnesota, ¹ Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, ¹ Pennsylvania, Tennessee, ¹ Texas, Vermont, Virginia, ¹ Washington, ¹ Wisconsin, ¹ Wyoming.
Estate tax and inheritance tax (1)	Oregon. ¹
Inheritance, estate and "pickup" taxes (1)	Rhode Island. ¹
No tax (1)	Nevada.

¹ Also has gift tax (13 States).

TABLE 56 – STATE ESTATE TAX RATES AND EXEMPTIONS, JANUARY 1, 1970¹

State	Rates	Maximum rate applies above	Exemption
Alabama	80 percent of 1926 Federal rates	\$10,000,000	\$100,000
Arizona ²	4/5 of 1-16 percent	10,000,000	100,000
Arkansas	80 percent of 1926 Federal rates	10,000,000	100,000
Florida	80 percent of 1926 Federal rates	10,000,000	100,000
Georgia	80 percent of 1926 Federal rates	10,000,000	100,000
Mississippi	80 percent of 1926 Federal rates	10,000,000	60,000
New York ²	2-21 percent	10,100,000	³
North Dakota	2-23 percent	1,500,000	⁴
Ohio ⁵	2-7 percent	500,000	5,000 ⁶
Oklahoma ²	1-10 percent	10,000,000	15,000
Oregon	1-10 percent	500,000	15,000
Rhode Island ²	1 percent	⁷	10,000
South Carolina	4-6 percent	100,000	60,000
Utah	3-10 percent	125,000	10,000 ⁸

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

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

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

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

⁵ Replaced inheritance tax, effective July 1, 1968.

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

⁷ Entire estate above exemption.

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

TABLE 57 – STATE INHERITANCE TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF HEIRS, JANUARY 1, 1970

State ¹	Exemptions					Rates (percent)				In case of spouse	
	Widow	Minor child	Adult child	Brother or sister	Other than relative	Spouse or minor child	Adult child	Brother or sister	Other than relative	Size of first bracket	Level at which top rate applies
Alabama ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Alaska	\$10,000	\$10,000	\$10,000	\$ 1,000	None	1 – 3.5	1 – 3.5	3 – 10.5	5 – 17.5	\$ 15,000	\$ 100,000
Arizona ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Arkansas ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
California ^{3, 4}	5,000	12,000	5,000	2,000	\$ 300	3 – 14	3 – 14	6 – 20	10 – 24	25,000	400,000
Colorado	35,000	15,000	10,000	2,000	500 ⁵	2 – 8	2 – 8	3 – 10	10 – 19	50,000	500,000
Connecticut ^{3, 6, 7}	50,000	10,000 ⁸	10,000 ⁸	3,000	500	3 – 8 ⁹	2 – 8	4 – 10	8 – 14	150,000	1,000,000
Delaware ³	20,000	3,000	3,000	1,000	None	1 – 4	1 – 4	2 – 5	5 – 8	30,000	200,000
District of Col. ³	5,000	5,000	5,000	2,000	1,000	1 – 5	1 – 5	3 – 10	5 – 15	50,000	1,000,000
Florida ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Georgia ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hawaii	20,000	5,000	5,000	500	500	2 – 6 ⁹	1.5 – 7.5	3.5 – 9	3.5 – 9	15,000	250,000
Idaho ⁴	10,000	10,000	4,000	1,000	None	2 – 15	2 – 15	4 – 20	8 – 30	25,000	500,000
Illinois	20,000	20,000	20,000	10,000	100	2 – 14 ¹⁰	2 – 14	2 – 14	10 – 30	20,000	500,000
Indiana ³	15,000	5,000	2,000	500	100	1 – 10	1 – 10	5 – 15	7 – 20	25,000	1,500,000
Iowa	40,000	15,000	15,000	None ¹¹	None ¹¹	1 – 8	1 – 8	5 – 10	10 – 15	5,000	150,000
Kansas	75,000	15,000	15,000	5,000	200 ⁵	0.5 – 2.5 ⁹	1 – 5	3 – 12.5	10 – 15	25,000	500,000
Kentucky	10,000	10,000	5,000	1,000	500	2 – 10	2 – 10	4 – 16	6 – 16	20,000	500,000
Louisiana ^{3, 4}	5,000	5,000	5,000	1,000	500	2 – 3	2 – 3	5 – 7	5 – 10	25,000	25,000
Maine	15,000	10,000	10,000	500	500	2 – 6	2 – 6	8 – 12	12 – 18	50,000	250,000
Maryland ⁵	150	150	150	150	150	1	1	7½	7½	¹²	¹²
Massachusetts ^{5, 13}	30,000	15,000	15,000	5,000	5,000	1.8 – 11.8	1.8 – 11.8	5.5 – 19.3	8 – 19.3	10,000	1,000,000
Michigan ^{3, 14}	30,000 ¹⁵	5,000	5,000	5,000	None	2 – 8	2 – 8	2 – 8	10 – 15	50,000	750,000
Minnesota ^{3, 16}	30,000	15,000	6,000	1,500	500	1.5 – 10	2 – 10	6 – 25	8 – 30	25,000	1,000,000
Mississippi ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Missouri	20,000 ¹⁷	5,000 ¹⁸	5,000 ¹⁸	500	100 ⁵	1 – 6	1 – 6	3 – 18	5 – 30	20,000	400,000
Montana ³	20,000	5,000	2,000	500	None	2 – 8	2 – 8	4 – 16	8 – 32	25,000	100,000
Nebraska ³	10,000	10,000	10,000	10,000	500	1	1	1	6 – 18	¹²	¹²
Nevada	¹⁹	¹⁹	¹⁹	¹⁹	¹⁹	¹⁹	¹⁹	¹⁹	¹⁹	¹⁹	¹⁹
New Hampshire	¹⁹	¹⁹	¹⁹	None	None	¹⁹	¹⁹	10	10	¹⁹	¹⁹

See footnotes at end of table.

TABLE 57 — STATE INHERITANCE TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF HEIRS, JANUARY 1, 1970 (Cont'd)

State ¹	Exemptions					Rates (percent)				In case of spouse	
	Widow	Minor child	Adult child	Brother or sister	Other than relative	Spouse or minor child	Adult child	Brother or sister	Other than relative	Size of first bracket	Level at which top rate applies
New Jersey	\$ 5,000	\$ 5,000	\$ 5,000	\$ 500 ⁵	\$ 500 ⁵	1 — 16	1 — 16	11 — 16	15 — 16	\$ 10,000	\$3,200,000
New Mexico ⁴	10,000 ²⁰	10,000 ²⁰	10,000 ²⁰	10,000 ²⁰	500 ⁶	1	1	5	5	12	12
New York ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
North Carolina ²¹	10,000	5,000	2,000	None	None	1 — 12	1 — 12	4 — 16	8 — 17	10,000	3,000,000
North Dakota ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ohio ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Oklahoma ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Oregon ^{22, 23 *}	None	None	None	1,000	500	1 — 10	1 — 10	1 — 15	1 — 20	10,000	500,000
Pennsylvania	1,000	None ²⁴	None ²⁴	None	None	6	6	15	15	12	12
Rhode Island ^{3, 22}	10,000	10,000	10,000	5,000	1,000	2 — 9	2 — 9	3 — 10	8 — 15	25,000	1,000,000
South Carolina ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
South Dakota ^{3 *}	15,000	10,000	10,000	500	100	1½ — 4	1½ — 4	4 — 12	6 — 20	15,000	100,000
Tennessee ³	10,000 ²⁵	10,000 ²⁵	10,000 ²⁵	1,000 ²⁵	1,000 ²⁵	1.4 — 9.5	1.4 — 9.5	6.5 — 20	6.5 — 20	25,000	500,000
Texas ^{3, 4}	25,000	25,000	25,000	10,000	500	1 — 6	1 — 6	3 — 10	5 — 20	50,000	1,000,000
Utah ² . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Vermont ³	15,000	15,000	15,000	15,000	None	2 — 6	2 — 6	2 — 6	12	25,000	250,000
Virginia ³	5,000	5,000	5,000	2,000	1,000	1 — 5	1 — 5	2 — 10	5 — 15	50,000	1,000,000
Washington ^{3, 4}	5,000 ²⁶	5,000 ²⁶	5,000 ²⁶	1,000 ⁶	None	1 — 10	1 — 10	3 — 20	10 — 25	25,000	500,000
West Virginia ^{3 *}	15,000	5,000	5,000	None	None	3 — 13	3 — 13	4 — 18	10 — 30	50,000	1,000,000
Wisconsin ^{3, 27}	15,000	2,000	2,000	500	100	2 — 10	2 — 10	2 — 10	8 — 40	25,000	500,000
Wyoming	10,000	10,000	10,000	10,000	None	2	2	2	6	12	12

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

² Imposes only estate tax. See table 56.

³ Exemptions are deductible from the first bracket.

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

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

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

TABLE 57 – STATE INHERITANCE TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF HEIRS, JANUARY 1, 1970 (Cont'd)

- ⁷ An additional 30 percent surtax is imposed.
- ⁸ Only one \$10,000 exemption is allowed for beneficiaries in Class A, which includes minor and adult children.
- ⁹ Rate shown is for spouse only. A minor child is taxed at the rates applying to an adult child.
- ¹⁰ With respect to taxable transfers passing to a husband or wife of a decedent dying on or after July 5, 1969, if taxable transfer exceeds \$5,000,000, the tax on the excess thereof is computed at 6%. Tax rates on the taxable amount up to and including \$5,000,000 are the same rates as provided for in excess of the exemption.
- ¹¹ Estates of less than \$1,000 after deduction of debts are not taxable.
- ¹² Entire share (in excess of allowable exemption).
- ¹³ Applicable to property or interests passing or accruing upon the death of persons who die on or after July 18, 1969, a 14% surtax is imposed in addition to the inheritance tax.
- ¹⁴ Transfers of real property to Class I beneficiaries (all but non-relatives) are taxed at 3/4 of the indicated tax rates. There is no tax on the share of any beneficiary if the value of the share is less than \$100.
- ¹⁵ Plus an additional \$5,000 for every minor child to whom no property is transferred.
- ¹⁶ For a widow, an additional exemption is allowed equal to the difference between the maximum deduction for family maintenance (\$5,000) and the amount of family maintenance actually allowed by the Probate Court. The total possible exemption therefore would be \$35,000. If there is no surviving widow entitled to the exemption, the aggregate exemption is allowable to the children.
- ¹⁷ In addition, an exemption is allowed for the clear market value of one-half of the decedent's estate, or one-third if decedent is survived by lineal descendants.
- ¹⁸ Or the value of the homestead allowance, whichever is greater.
- ¹⁹ No tax imposed.
- ²⁰ The beneficiaries in Class I (spouse, parents, lineal descendants, and adopted children) are allowed one \$10,000 exemption for the entire class.
- ²¹ A widow with a child or children under 21 and receiving all or substantially all of her husband's property, shall be allowed, at her option, an additional exemption of \$5,000 for each such child. The children shall not be allowed the regular \$5,000 exemption provided for such children.
- ²² Imposes also an estate tax. See table 56.
- ²³ Oregon imposes a basic tax, measured by the entire estate in excess of a single exemption (\$15,000 prorated among all beneficiaries and deductible from the first bracket); and an additional tax, measured by the size of an individual's share for which each beneficiary has a specific exemption. All members of Class I (spouse, children, parents, grandparents, stepchildren or lineal descendants) are exempted from the additional tax.
- ²⁴ In the absence of a spouse, the children may claim the \$1,000 exemption.
- ²⁵ Widows and children are included in Class A, with one \$10,000 exemption for the entire class. Beneficiaries not in Class A are allowed one \$1,000 exemption for the entire class.
- ²⁶ An additional \$5,000 exemption is allowed to the class as a whole.
- ²⁷ These rates are subject to the limitation that the total tax may not exceed 15 percent of the beneficiary's share. An additional tax equal to 30 percent of the inheritance tax is also imposed.

TABLE 58 — STATE GIFT TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF DONEES JANUARY 1, 1970

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

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

TABLE 58 – STATE GIFT TAX RATES AND EXEMPTIONS, FOR SELECTED CATEGORIES OF DONEES JANUARY 1, 1970 (Cont'd)

¹ Half of community property transferred to surviving spouse is not taxable.

² Exemptions or exclusions are deductible from the first bracket.

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

⁴ Only one lifetime exemption for all classes of donees combined.

⁵ New tax effective January 1, 1969.

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

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

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

**TABLE 59 – DEDUCTIBILITY OF FEDERAL ESTATE TAX FOR PURPOSES OF STATE INHERITANCE
AND ESTATE TAXES, JANUARY 1, 1970**

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

X denotes "yes"; — denotes "no."

¹ No tax imposed.

TABLE 60 – STATE CIGARETTE TAX RATES, JANUARY 1, 1970
(Cents per standard pack of 20)

7¢ or less	8¢	9¢	10¢	11¢	12¢	13¢	14¢ or more
Colorado (5¢) Dist. of Col. (3¢) Idaho (7¢) Indiana (6¢) Kentucky (2.5¢) Maryland (6¢) Michigan (7¢) New Hampshire ² North Carolina (2¢) Oregon (4¢) South Carolina (6¢) Virginia (2.5¢) West Virginia (7¢)	Alaska Georgia Hawaii ¹ Kansas Louisiana Montana Nebraska Utah Wyoming	Mississippi Missouri	Arizona California Iowa Nevada Ohio	Delaware North Dakota Washington	Alabama Arkansas (12¼) Illinois Maine Massachusetts New Mexico New York South Dakota Vermont	Minnesota Oklahoma Pennsylvania Rhode Island Tennessee	Connecticut (16¢) Florida (15¢) New Jersey (14¢) Texas (15.5¢) Wisconsin (14¢)
Total 13	. . . . . 9	. . . . . 2	. . . . . 5	. . . . . 3	. . . . . 9	. . . . . 5	. . . . . 5

¹Hawaii with a rate of 40% of wholesale price is estimated at 8¢.

²New Hampshire with a rate of 30% of retail price is estimated at 7¢.

TABLE 61 - STATE CIGARETTE TAX RATES AS OF JANUARY 1 - 1953 THROUGH 1970
(cents per standard package of 20)

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

See footnotes at the end of table.

TABLE 61 – STATE CIGARETTE TAX RATES AS OF JANUARY 1 – 1953 THROUGH 1970 (Cont'd)
(cents per standard package of 20)

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

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

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

¹The Arkansas rate is increased to 12 3/4¢ effective July 1, 1970.

²Prior to July 1, 1954 the statutory rate was 1¢ for each 10¢ or fraction of the retail price.

³The statutory rate was 2¢ for each 10¢ or fraction of the retail price.

⁴The statutory rate was 2 1/2¢ for each 10¢ or fraction of the retail price.

⁵Includes District of Columbia; also includes Alaska and Hawaii for the period prior to attaining statehood.

TABLE 62 — STATE CIGARETTE TAX RATE AND BASE DATA, BY STATE, 1968
(Sales and collection data for fiscal year)

State	Rate Nov. 1, 1968 (cents per pk.)	Net State cigarette tax collections (\$000)	State tax-paid cigarette sales		Effective rates on basis of actual collections (cents)	Cigarette taxes as a % of retail price (As of November 1, 1968)	
			Total (millions of pks.)	Per capita (No. of pks.)		Weighted average price per pack	State tax as a % of average re- tail price
United States . . .	8 ¹	1,915,776	23,587.7	132.0	8.12	32.8 ¹	24.4 ¹
Alabama	10	27,169	312.8	88.4	8.69	36.6 ²	27.3
Alaska	8	2,524	31.9	117.2	7.91	37.6	21.3
Arizona	10	14,190	188.9	115.6	7.51	36.1	27.7
Arkansas	8	15,385	204.6	104.0	7.52	30.9	25.9
California	10	207,895	2,380.2	124.3	8.73	36.6	27.3
Colorado	5	11,729	249.6	126.4	4.70	28.3 ²	17.7
Connecticut	8	32,751	418.8	143.2	7.82	32.2	24.8
Delaware	7	5,823	86.2	164.8	6.76	32.2	21.7
Dist. of Columbia	3	5,111	181.4	224.3	2.82	27.2	11.0
Florida	15	71,325	775.1	129.3	9.20	41.3	36.3
Georgia	8	36,737	473.4	105.0	7.76	34.2	23.4
Hawaii	8	4,475	55.9	75.7	8.01	32.8	24.4
Idaho	7	4,607	69.3	99.1	6.65	31.9	21.9
Illinois	9	126,260	1,444.0	132.6	8.74	35.2	25.6
Indiana	6	38,681	671.5	134.3	5.76	29.7	20.2
Iowa	10	28,803	300.5	109.2	9.59	36.0	27.8
Kansas	8	17,532	227.7	100.1	7.70	32.6	24.5
Kentucky	2.5	10,739	455.4	142.8	2.36	27.0	9.3
Louisiana	8	31,287	429.7	117.3	7.28	33.3	24.0
Maine	10	12,424	131.9	135.6	9.42	33.4	29.9
Maryland	6	25,541	448.1	121.7	5.70	30.7	19.5
Massachusetts	10	67,713	694.0	128.0	9.76	35.0	28.6
Michigan	7	79,816	1,151.7	134.2	6.93	31.9	21.9
Minnesota	8	31,579	407.2	113.7	7.76	32.8	24.4
Mississippi	9	17,301	209.0	89.0	8.28	34.8	25.9
Missouri	4	24,525	632.1	137.3	3.88	29.9 ²	13.4
Montana	8	6,188	81.4	116.1	7.60	32.6	24.5
Nebraska	8	11,939	157.1	109.5	7.60	32.9	24.3
Nevada	7	5,665	84.2	189.7	6.73	33.3	21.0
New Hampshire	7	12,358	181.1	264.0	6.82	29.9	23.4
New Jersey	14	99,746	911.5	130.2	10.94	38.6 ²	36.3
New Mexico	12	7,685	100.2	99.9	7.67	37.9 ²	31.7
New York	12	230,213	2,290.7	124.9	10.05	38.6 ²	31.1
North Carolina	—	—	No cigarette tax in 1968	—	—	23.8	—
North Dakota	8	4,732	62.0	97.0	7.63	32.3	24.8
Ohio	7	89,348	1,357.7	129.8	6.58	31.5	22.2
Oklahoma	13	25,458	282.0	113.0	9.03	36.9	35.2
Oregon	4	12,416	323.9	162.0	3.83	26.8	14.9
Pennsylvania	13	152,662	1,361.7	117.1	11.21	36.5	35.6
Rhode Island	13	9,981	128.6	142.9	7.76	38.4	33.9
South Carolina	5	11,812	248.7	95.7	4.75	29.0	17.2
South Dakota	8	5,197	67.7	100.4	7.68	32.4	24.7
Tennessee	8	32,601	425.2	109.2	7.67	32.8 ²	24.4
Texas	11	126,703	1,178.3	108.4	10.75	34.4	32.0
Utah	8	5,057	65.8	64.3	7.69	33.3	24.0
Vermont	10	5,183	53.7	128.8	9.65	34.2	29.2
Virginia	2.5	13,204	557.1	122.8	2.37	28.3 ²	8.8
Washington	11	33,956	313.4	101.5	10.83	37.6	29.3
West Virginia	7	13,042	215.4	119.8	6.05	32.1	21.8
Wisconsin	10	45,527	466.5	111.4	9.76	33.6	29.8
Wyoming	8	3,178	43.0	136.5	7.39	32.6	24.5

¹Median average.

²Excluding cigarette taxes imposed by one or more municipalities.

Source: Tobacco Tax Council, Inc., *The Tax Burden On Tobacco*, Volume three, 1968.

TABLE 63 — STATE COLLECTIONS BY SOURCE FOR STATES WHICH TAX BOTH CIGARETTES AND OTHER TOBACCO PRODUCTS, 1968
(Dollar amounts in thousands)

State	Total cigarette and other tobacco taxes		Cigarette taxes		Other tobacco products taxed ¹	Other tobacco taxes		Percentage of total tobacco taxes from — —	
	Gross amount	Net collections	Gross amount	Net collections		Collections		Cigarettes	Other tobacco products
						Gross	Net		
Alabama	\$31,057	\$28,768	\$29,328	\$27,169	C S Ch Sn	\$1,728	\$1,599	94.4	5.6
Arizona	14,733	14,518	14,400	14,190	C S Ch Sn	333	328	97.7	2.3
Georgia	38,650	37,514	37,873	36,737	C	777	777	98.0	2.0
Hawaii	4,972	4,972	4,475	4,475	C S Ch Sn	497	497	90.0	10.0
Iowa	30,417	29,367	29,832	28,803	C S Ch Sn	585	564	98.1	1.9
Louisiana	36,183	32,934	34,374	31,287	C S	1,809	1,647	95.0	5.0
Minnesota	33,587	32,536	32,606	31,579	C S Ch Sn	981	956	97.1	2.9
Mississippi	20,426	18,792	18,806	17,301	C S Ch Sn	1,620	1,491	92.1	7.9
New Hampshire	13,480	13,009	12,806	12,358	C S Ch Sn	674	650	95.0	5.0
North Dakota	5,106	4,879	4,959	4,732	C S Ch Sn	147	147	97.1	2.9
Oklahoma	29,238	28,110	26,482	25,458	C S Ch	2,756	2,652	90.6	9.4
South Carolina	14,628	13,897	12,434	11,812	C S Ch Sn	2,194	2,084	85.0	15.0
Tennessee	34,907	33,472	34,013	32,601	C S Ch Sn	894	871	97.4	2.6
Texas	137,186	134,272	129,617	126,703	C S Ch	7,569	7,569	94.5	5.5
Utah	5,447	5,237	5,268	5,057	C S Ch Sn	179	179	96.7	3.3
Vermont	5,639	5,447	5,370	5,183	C S Ch Sn	269	264	95.2	4.8
Washington	36,288	35,533	34,535	33,956	C S Ch Sn	1,753	1,578	95.2	4.8
Total	491,944	473,255	467,178	449,402		24,766	23,853	95.0	5.0

¹ C — Cigars; S — Smoking tobacco; Ch — Chewing tobacco; Sn — Snuff.

Note: Collection figures are for fiscal year 1968, therefore, excluded from this table is the new (effective July 1, 1968) Rhode Island tobacco products tax applicable to cigars, smoking tobacco, chewing tobacco and snuff.

Source: Tobacco Tax Council, Inc. *Tax Burden On Tobacco*, Volume three, 1968.

TABLE 64 – STATE CIGAR TAX RATES, JANUARY 1, 1970

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

¹The rates are the same as those shown for large cigars.

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

TABLE 65 – STATE TAX RATES ON SMOKING AND CHEWING TOBACCO AND SNUFF, JANUARY 1, 1970

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

**TABLE 66 — GROSS COUNTY AND CITY TOBACCO TAXES,
BY LEVEL OF GOVERNMENT, 1968**

State and level of local government	Number of places taxing			Gross tax collections (\$000)	
	Cigarettes	Other tobacco products	Total	Cigarettes	Other tobacco products
Alabama					
Cities	100	5	2,263	2,211	51
Counties	9	5	4,108	4,033	75
California¹					
Cities	39	—	6,032	6,032	—
Colorado					
Cities	64	2	2,549	2,536	13
Florida					
Cities	2	1	15	2	15
Maryland					
Cities	—	1	152	—	152
Counties	—	1	15	—	15
Missouri					
Cities	92	—	8,368	8,368	—
New Jersey					
Cities	1	1	210	203	7
New Mexico					
Cities	1	—	52	52	—
New York					
Cities	1	—	34,594	34,594	—
Tennessee					
Cities	1	—	689	689	—
Counties	1	—	113	113	—
Virginia					
Cities	9	1	2,869	2,865	4
Total	318	17	62,028	61,696	331
Cities	308	11	57,792	57,550	242
Counties	10	6	4,236	4,146	90

¹ Figures cover 3 month period, July-September 1967; City taxes discontinued as of October 1, 1967.

² Florida municipal cigarette taxes are in effect in lieu of the state-imposed tax and are therefore covered in the tables dealing with State taxes.

Source: Tobacco Tax Council, Inc., *The Tax Burden On Tobacco*, Volume three, 1968.

TABLE 67 - STATE AND LOCAL AUTOMOTIVE TAXES, BY TYPE AND BY STATE, JANUARY 1, 1970

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

See footnotes at end of table.

TABLE 67 - STATE AND LOCAL AUTOMOTIVE TAXES, BY TYPE AND BY STATE, JANUARY 1, 1970 (Cont'd)

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

A dash (-) signifies "none."

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

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

³In a few counties there are overlapping county and municipal gasoline taxes.

TABLE 67 – STATE AND LOCAL AUTOMOTIVE TAXES, BY TYPE AND BY STATE, JANUARY 1, 1970 (Cont'd)

⁴Imposed by both State and local governments.

⁵Taxable also under State or local general sales taxes.

⁶Local general sales tax only.

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

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

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

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

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

TABLE 68 – STATE GASOLINE TAX RATES, JANUARY 1, 1970¹
(per gallon)

5¢	6¢	6½¢	7¢	7½¢	8¢ or more
Hawaii Missouri Texas ¹	Nevada	Georgia Massachusetts Oklahoma - (6.58¢) ¹	Alabama Arizona California Colorado Delaware Florida Idaho Iowa ¹ Kansas ¹ Kentucky Maryland Michigan Minnesota Montana ¹ N. Hampshire N. Jersey N. Mexico N. York ¹ N. Dakota Ohio Oregon Pennsylvania S. Carolina S. Dakota Tennessee ¹ Utah Virginia W. Virginia Wisconsin Wyoming Dist. of Col.	Arkansas ¹ Illinois	Alaska (8¢) Connecticut (8¢) Indiana (8¢) Louisiana (8¢) Maine (8¢) Mississippi (8¢) ¹ Nebraska (8.5¢) North Carolina (9¢) Rhode Island (8¢) Vermont (8¢) Washington (9¢)
Total 3	. . . . . 1	. . . . . 3	. . . . . 31	. . . . . 2	. . . . . 11

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

TABLE 69 - STATE GASOLINE TAX RATES AS OF JANUARY 1 - 1953 THROUGH 1970
(cents)

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

See footnotes at end of table.

TABLE 69 — STATE GASOLINE TAX RATES AS OF JANUARY 1 — 1953 THROUGH 1970 (Cont'd)

(cents)

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

Note: A blank space (. . .) indicates no rate change since previous rate shown. See table 68 footnotes for situations pertaining to particular States.

¹Temporary 8¢ rate, April 1, 1965 — August 31, 1965 and June 1, 1969 — August 31, 1969.

²Effective January 2, 1970.

³Temporary 7.58¢ rate, June 1, 1957 — December 24, 1957 only.

**TABLE 70 — MOTOR FUEL CONSUMPTION AND TAX COLLECTIONS,
BY STATE, 1968**

State	Gasoline tax rate on Dec. 31 in cents per gallon	Net taxable consumption calendar year 1968 (thousands of gallons)	State motor fuel tax collections, fiscal year 1968 (\$000)	Effective rate on basis of collections (cents)
United States	6.63 ¹	83,745,520	5,194,141	6.2
Alabama	7	1,511,643	102,674	6.8
Alaska	8	101,500	7,806	7.7
Arizona	7	808,689	52,670	6.5
Arkansas	7.5	937,953	65,547	7.0
California	7	8,607,698	580,675	6.7
Colorado	6	942,525	53,136	5.6
Connecticut	7	1,151,387	76,877	6.7
Delaware	7	241,537	16,429	6.8
Dist. of Columbia	7	231,273	15,923	6.9
Florida	7	2,875,503	190,460	6.6
Georgia	6.5	2,194,848	131,330	6.0
Hawaii	5 ²	214,873	14,741	6.9
Idaho	7 ³	354,127	21,714	6.1
Illinois	6	4,129,805	226,380	5.5
Indiana	6	2,385,221	137,052	5.7
Iowa	7	1,328,760	90,091	6.8
Kansas	5	1,112,232	54,435	4.9
Kentucky	7 ⁴	1,373,418	91,855	6.7
Louisiana	7	1,432,300	85,269	6.0
Maine	7	449,555	29,457	6.6
Maryland	7	1,423,821	97,212	6.8
Massachusetts	6.5	1,962,894	121,767	6.2
Michigan	7 ³	3,830,030	215,589	5.6
Minnesota	7	1,642,570	108,114	6.6
Mississippi	7	1,017,640	69,513	6.8
Missouri	5	2,174,810	101,126	4.6
Montana	6.5	368,970	24,781	6.7
Nebraska	7.5	800,467	53,255	6.7
Nevada	6	296,579	16,829	5.7
New Hampshire	7	301,737	19,671	6.5
New Jersey	7 ³	2,677,377	156,073	5.8
New Mexico	7	549,556	29,288	5.3
New York	7 ³	4,947,804	291,848	5.9
North Carolina	7	2,255,710	147,147	6.5
North Dakota	6	272,104	15,575	5.7
Ohio	7	4,328,230	285,170	6.6
Oklahoma	6.5	1,322,424	80,729	6.1
Oregon	7	1,001,760	59,279	5.9
Pennsylvania	7	4,405,591	291,050	6.6
Rhode Island	8 ³	325,073	21,988	6.8
South Carolina	7	1,136,065	75,585	6.7
South Dakota	6	330,956	19,560	5.9
Tennessee	7	1,694,211	113,189	6.7
Texas	5	5,623,078	264,251	4.7
Utah	6	488,354	28,514	5.8
Vermont	8 ³	190,988	12,066	6.3
Virginia	7 ⁴	1,933,905	130,573	6.8
Washington	9	1,450,023	125,980	8.7
West Virginia	7	653,506	44,330	6.8
Wisconsin	7	1,707,740	115,396	6.8
Wyoming	6	246,700	14,172	5.7

¹Weighted average tax rate.

²The State rate is 8 cents per gallon in Hawaii County and 5 cents per gallon in the other counties.

³Tax rate changes in 1968 were as follows: Idaho and Michigan, 6 to 7 cents, January 1; New Jersey, 6 to 7 cents, July 1; New York, 6 to 7 cents, June 1; Rhode Island, 7 to 8 cents, July 1; Vermont, 6.5 to 8 cents, May 1.

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

Source: U.S. Department of Transportation, Bureau of Public Roads, *Highway Statistics, 1968*.

TABLE 71 – STATE TAX RATES ON DISTILLED SPIRITS, JANUARY 1, 1970¹
(per gallon)

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

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

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

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

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

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

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

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

⁸Includes an enforcement tax of 8¢ per gallon.

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

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

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

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

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

TABLE 72 – TAX RATES ON DISTILLED SPIRITS FOR STATES WITH LICENSING SYSTEMS, AS OF JANUARY 1 – 1953 THROUGH 1970
(dollars per gallon)

State	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Alaska	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.50	. . . .	4.00	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	4.00
Arizona	1.20	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.44	. . . .	. . . .	. . . .	. . . .	. . . .	2.00	2.00
Arkansas	2.50	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.50
California . . . . .	.80	. . . .	. . . .	1.50	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.00	. . . .	2.00
Colorado	1.60	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.80	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.80
Connecticut	1.00	. . . .	. . . .	1.20	1.00	. . . .	. . . .	. . . .	. . . .	2.00	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.50
Delaware	1.00	1.15	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.65
Dist. of Col. . . . .	.75	. . . .	1.00	. . . .	1.25	. . . .	. . . .	. . . .	. . . .	. . . .	1.50	. . . .	. . . .	. . . .	1.75	. . . .	. . . .	2.00
Florida	2.17	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.50	. . . .	. . . .	. . . .	. . . .	3.75	3.75
Georgia	1.00	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	3.75	. . . .	. . . .	. . . .	. . . .	3.75
Hawaii	¹	. . . .	. . . .	. . . .	. . . .	²	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	³	. . . .	. . . .	. . . .	³
Illinois	1.00	. . . .	. . . .	. . . .	. . . .	1.02	. . . .	1.52	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.00
Indiana	2.08	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.08
Kansas	1.00	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.20	. . . .	. . . .	. . . .	1.50	. . . .	. . . .	. . . .	1.50
Kentucky	1.28	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.28
Louisiana	1.58	. . . .	. . . .	. . . .	1.68	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.68
Maryland	1.25	. . . .	. . . .	1.50	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.50
Massachusetts	2.25	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.95	. . . .	. . . .	3.363
Minnesota	2.75	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.875	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	3.625
Mississippi	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.50	. . . .	. . . .	2.50
Missouri . . . . .	.80	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.20	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.20
Nebraska	1.20	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.60	. . . .	. . . .	. . . .	. . . .	. . . .	1.60
Nevada . . . . .	.80	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.40	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.90
New Jersey	1.50	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.80	. . . .	. . . .	. . . .	. . . .	. . . .	2.30
New Mexico	1.30	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.50	. . . .	. . . .	. . . .	. . . .	. . . .	1.50
New York	1.50	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.25	2.25
North Dakota	2.50	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.50
Oklahoma	—	—	—	—	—	—	—	2.40	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.40
Rhode Island	1.50	. . . .	. . . .	. . . .	. . . .	. . . .	2.00	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.50
South Carolina	2.72	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.72
South Dakota . . . . .	.75	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.25	. . . .	. . . .	. . . .	. . . .	. . . .	1.25
Tennessee	2.00	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.50	. . . .	. . . .	. . . .	. . . .	4.00	4.00
Texas	1.408	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.68	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	1.68
Wisconsin	2.00	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	2.25	. . . .	. . . .	. . . .	. . . .	. . . .	2.25

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

¹ 12% of wholesale price.

² 16% of wholesale price.

³ 20% of wholesale price.

See table 71 footnotes for special situations in particular States.

TABLE 73 – STATE TAX RATES ON BEER, JANUARY 1, 1970¹
(per barrel)

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

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

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

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

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

⁴The tax on sales of beer at wholesale is 17 percent of the wholesale price.

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

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

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

TABLE 74 – STATE TAX RATES ON WINES, JANUARY 1, 1970¹
(per gallon)

LIGHT WINES

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

FORTIFIED WINES

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

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

²Sparkling wine is taxed at 62.5¢ per gallon.

³Includes an enforcement tax of 2¢ per gallon.

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

TABLE 74 -- STATE TAX RATES ON WINES, JANUARY 1, 1970¹ (Cont'd)
(per gallon)

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

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Alabama:									
Counties.....	C-S	Specific	Rate	5	All	Partial ^a	None	None	^a Up to 2.5 mills for debt service, plus another 2.5 mills for debt incurred prior to 1875. ^b But, numerous municipalities have been authorized higher limits by constitutional amendments. ^c Excluding schools. ^d An additional 10 mills for servicing debt incurred prior to 1875. ^e Subject to voter approval. ^f Includes cities and boroughs as well as schools.
Municipalities.....	C	do	do	5 ^b	All ^e	do ^d	do	do	
School districts.....	C	do	do	8-9 ^e	All	None	do	do	
Alaska: Municipalities ^a	S	Overall	do	30	All	All	do	do	
Arizona:									
Counties.....	S	Specific	do ^a	20 ^a	General	All	Few	Voted	^a But, with some exceptions, the current tax levy may not exceed the previous year's levy by more than 10 percent. Counties with more than \$200,000,000 assessed valuation are excluded from this limitation. ^b Tax levies are limited to an increase of 10 percent over the previous year's amount, except for certain purposes.
Municipalities.....	S	do	(b)	(b)	do	All	Few	do	
School districts, no limitations (but voters must approve budget).									
Arkansas:									
Counties.....	C-S	Specific	Rate	5	General	Partial ^a	Several ^b	None	^a Another 5 and 3 mills may be levied for servicing debt incurred prior to adoption of the tax limitation and its amendments. 1st and 2d class cities may also levy another 5 mills for servicing debt incurred for specified purposes. ^b Subject to voter approval. ^c Community junior college districts, 10 mills. ^d An additional voluntary tax in any school district in a city with a population exceeding 40,000 if approved by a majority of the property owners.
Municipalities.....	C-S	do	do	5	do	do	do	do	
School districts.....	S	do	do	18 ^e	All	None	None	(d)	
California:									
Counties.....	S	do	do	(a)	(a)	(a)	(a)	(a)	^a There is no general limitation on counties, but county levies authorized for a few specified purposes are subject to rate limitations. There are no limitations on county debt service levies. ^b For any 1 school district, the rate limitation is the sum of the individual rates applicable to the specific grades taught. ^c Tax levies, including maximum rates in some cases, are authorized by legislative acts under both general and special laws.
Municipalities.....	S	do	do	10	General	All	Several	Voted	
School districts.....	S	do	do	8-25.5 ^b	do	All	Few	do	
Special districts.....	S	do	do	(c)	(c)	(c)	(c)	(c)	

**TABLE 75 — STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Colorado:									
Counties.....	S	Specific	Rate	5-12 ^a b...	General	All	Few	Voted	^a The greater the assessed valuation, the lower the limit.
Municipalities.....	S	do	(b)	(b)	All	All	None	do	^b The total rate for all purposes shall not exceed 5 percent more than the aggregate for the previous year, unless the State tax commission approves an additional increase. ^c No specific rate limit.
School districts.....	S	do	(b)	(b)	All	All	do	do	
Special districts.....	S	do	(b)	(b)	All	All	do	do	
Connecticut (no limitations)^a.....									^a Forest or timber land over 25 acres and classified by State forester may not be taxed at more than 10 mills based on full value of land and timber thereon while proper forestry conditions are maintained.
Delaware:									
Counties.....	S	Specific	Rate	5 ^a	All	All	None	Voted	^a 5.5 mills in New Castle County.
Municipalities, no limitations. ^b									^b No general rate limitation, but cities are subject to charter limitations.
School districts, no limitations (but all tax levies are subject to voter approval).									
Florida:									
Counties.....	S	Specific	Rate	8	General	All	Several	(*)	^a Although there are no provisions for excess-levy referendums, the statutes permit the levy of "reasonable taxes for such other purposes as are specifically authorized by law."
Municipalities.....	S	do	do	10	All	All	None	(*)	
School districts.....	C	do	do	10	All	All	do	(*)	
Georgia:									
Counties.....	S	do	do	5	General	None	Several	Voted ^a	^a An additional 2.5-mill tax can be levied, subject to certain conditions. ^b Excluding home-rule charter cities and numerous specified cities and towns. ^c Excluding independent (city) school districts in existence prior to 1946.
Municipalities ^b	S	do	do	5	do	All	Few	do ^a	
School districts ^c	C	do	do	20	All	All	None	do ^a	
Hawaii (no limitations).....									
Idaho:									
Counties.....	S	Specific	Rate	10-17 ^a	General	All	Numerous	None	^a 10 mills or a levy sufficient to raise \$125,000 in counties having an assessed valuation of \$7,500,000 or more, and 17 mills where the assessed valuation is less than \$7,500,000.
Municipalities.....	S	do	do	30	do	All	do	do	
School districts.....	S	do	do	30	do	All	do	Voted	
Illinois:									
Counties.....	C-S	do	do	1.00-2.0 ^a	do ^b	All ^a	Numerous	do	^a Based upon population size, except for Cook County, the limit is 2.6 mills. The constitution authorizes 7.5 mills for all purposes (except for servicing debt incurred prior to the adoption of the tax limitation amendment), but the statutes specify individual rate limits for numerous purposes, by population size, within the 7.5-mill limit and provide for raising additional taxes for servicing all authorized debt. ^b For "corporate" purposes. ^c Excluding charter cities (10 mills) and Chicago. ^d No limitation on the corporate levy, but specific limitations for specific purposes. ^e For "education," based upon the grade level; except the limit is 17.1 mills for the Chicago school districts. ^f Limits vary with the type of district.
Municipalities.....	S	do	do	2.50 ^e	do ^b	All	do	do	
Townships.....	S	do	do	(^d)	(^d)	All	do	do	
School districts.....	S	do	do	9-16 ^e	General ^b	All	do	do	
Special districts.....	S	do	do	(^f)	All	All	None	do	

See footnotes at end of table.

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Indiana:									
*All taxing units.....	S	Overall....	Rate.....	12.5-20 ^a ..	General...	All.....	Few.....	(b).....	*Rate limit ineffective when emergencies are declared locally.
*Municipalities.....	S	Specific... ..do.....	.....do.....	12.5 ^e.....	.....do.....	All.....	Few.....	(b).....	* Property situated outside of cities and towns—12.5 mills; property within cities and towns—20 mills.
School districts.....	S	.....do.....	.....do.....	42.5 ^d	All ^e	All.....	(*).....	None.....	^b By application to State board of tax commissioners. ^c Within the overall limits. ^d Outside the overall limits, but the school revenue fund levy and the school tuition levy are each limited to 25 mills. ^e Excluding a 12.5-mill limit for the school building fund, 1 mill limit for transportation, 1 mill limit for recreation, and 2 mill limit for vocational education.
Iowa:									
Counties.....	S	.....do.....	.....do.....	3-4.5 ^a	General...	All.....	Numerous.....	.....do.....	* The greater the assessed valuation, the lower the limit.
Municipalities.....	S	.....do.....	.....do.....	30.....	.....do.....	All.....	.....do.....	.....do.....	^b No limit except as determined by School Budget Review Committee. Area vocational schools and area community colleges are permitted to be established in merged areas (2 or more county school systems or parts thereof) with a 3/4-mill rate limit, plus an additional 1/4-mill if approved by voters.
School districts.....	S	.....do.....	.....do.....	(b).....	.....do.....	None.....	.....do.....	(e).....	^c Subject to evaluation by School Budget Review Committee.
Kansas:									
Counties ^a	S	.....do.....	.....do.....	3-4.25 ^b.....	.....do.....	All.....	.....do.....	(e).....	* Each taxing jurisdiction is required to reduce its property tax levy or levies by the amount it receives from the State as its share of the local ad valorem tax reduction fund. The tax rates, within the statutory limitations, are computed on the basis of the reduced levies.
Municipalities ^a	S	.....do.....	.....do.....	9-13 ^d.....	.....do.....	All.....	.....do.....	(e).....	^b Based upon assessed valuation: Less than \$30,000,000, 3.75 mills; \$30,000,000 to \$140,000,000, 3 mills; over \$140,000,000, 4.25 mills; but the total for all (except certain) purposes shall be 5.3-6 mills, based upon assessed valuation with modifications for population size.
School districts ^a	S	.....do.....	Budget.....	(e).....	Operating ..	All.....	.....do.....	(f).....	^c Voted at election or authorized by State board of tax appeals and limited to 25 percent above the statutory limits except that government units adjacent to active military establishments may exceed the statutory limits by 50 percent.
Townships ^a	S	.....do.....	Rate.....	0.5 ^e	General...	All.....	.....do.....	(e).....	^d Based upon class of city (with modifications for population size in the case of 1st-class cities). For all purposes (except debt service and certain other purposes) the limits range from 11 to 33.5 mills.

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Kentucky:									<ul style="list-style-type: none"> • The amount a district can budget or expend for operating expenses per pupil is limited to 104 percent of the amount legally budgeted for operating expenses per pupil in the preceding school year subject to a reduction in State aid for any excess amount expended. † The school budget review board may authorize increased expenditures upon finding 1 of 6 statutory reasons justifying the increased budget. As a result of the board action the levy may be increased to limitation set out in footnote (•) above. ‡ 4 mills for urban class townships.
Counties.....	C	Specific	Rate	5.....	General	Partial ^a	Few.....	None.....	
Municipalities.....	C	do	do	7.5-15 ^b	do	do ^a	Few.....	do.....	
School districts.....	S	do	do	(c)	All	All	None.....	Voted ^d	
Special districts.....	C	do	do	5.....	General	Partial ^a	Few.....	None.....	<ul style="list-style-type: none"> • Additional levies are permitted to service debt outstanding prior to adoption of the tax limitation, and debt approved by 2/3 of the voters. • The greater the population, the higher the rate. • Tax levies are limited to an increase of 10 percent over the previous year's revenue. The rate limits range between 3 and 10 mills for calendar 1967. • Up to 5 mills for school construction, or for lease payments on buildings financed through the issue of revenue bonds.
Louisiana:									<ul style="list-style-type: none"> • Up to 5 mills, each, for specific purposes, not to exceed 25 mills for all special purposes. • 7 mills, except 10 mills for charter cities and certain other cities. • Up to 7 mills for school support, and another 5 mills for school maintenance and repair, for a maximum period of 10 years.
Parishes (counties).....	C	do	do	4.....	do	All	Few.....	Voted ^a	
Municipalities.....	C	do	do	7-10 ^b	do	All	Few.....	do ^a	
School districts.....	C	do	do	5.....	All	All	None.....	do ^c	
Maine (no limitations).....									
Massachusetts (no limitations).....									
Maryland (no limitation).....									
Michigan:									<ul style="list-style-type: none"> • Except cities, villages, charter counties, charter townships, charter authorities, or other authorities, the tax limitations of which are provided by charter or by general law. • 18 mills if separate tax limitations for any county for the townships and for school districts therein are adopted by a majority of voters. • Limited to 50 mills and 20 years. • Specified rate limits, ranging from 10 to 20 mills are provided outside the overall limits depending upon type of local unit, and existence of charter. In some instances, additional levies for special purposes are permitted.
All taxing units ^a	C	Overall	Rate	15 ^b	All	All	Few.....	Voted ^c	
Cities, villages, charter counties, etc. (see •).....	S	Specific	do	10-20 ^d	All	None	(d)	do.....	

See footnotes at end of table.

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Minnesota:									
Counties.....	S	Specific.....	Rate or amount.	Various ^a ..	General....	All.....	Few.....	None.....	^a 5 mills in counties with population of 100,000 or greater. For counties with less than 100,000 population the limit is the greater of (1) the amount produced by a levy of 15 mills, and (2) \$125,000 to \$160,000, according to population.
Cities.....	S	..do.....	Rate and dollars per capita.	40 ^b.....	..do.....	None ^b	Few.....	..do.....	
Villages.....	S	..do.....	..do.....	35 ^c.....	..do.....	All.....	Numerous..	..do.....	^b Not applicable to cities operating under any special law or under any form of charter; nor to a 3d-class city contiguous to a city of the 1st class located in a different county; nor to a city of the 4th class located in a county containing a city of the 1st class. The maximum levy in all cities is \$54 per capita, including debt service, plus upward adjustments commensurate with increases in the BLS Consumer Price Index. However, deficiency levies for debt service are not limited.
Townships.....	S	..do.....	Rate.....	Various ^d..	..do.....	None ^d	None.....	..do.....	
School districts.....	S	..do.....	Dollars per capita or per pupil.	(^e).....	..do.....	All.....	Few.....	..do.....	
Special districts.....	S	..do.....	Rate or amount.	Various ^f..	..do.....	All.....	Numerous..	..do.....	^e Applicable to villages with assessed valuation of less than \$500,000. For villages with assessed valuation of more than \$500,000 the maximum mill rate is 30 plus cost-of-living increases. Additional millages are allowed for specified purposes. For all purposes, the limit is \$54 per capita. ^d 5 mills for poor relief; 25 mills for road and bridge purposes; 5 mills for road emergencies; and 5 or 10 mills for other purposes (not applicable to debt service). There is an overall limit of 17 mills whenever 17 mills would produce \$1,000 or more of taxes per section. However, deficiency levies for debt service are not included. ^c Greater of \$326 per resident pupil plus debt service or \$85 to \$109 per capita, depending upon population, plus upward adjustments commensurate with increases in the BLS Consumer Price Index. ^f Limitations, when specified, are expressed in mills, dollar amounts, or per capita dollar amounts.
Mississippi:									
Counties.....	S	..do.....	Rate.....	8-14 ^a.....	..do.....	All.....	Few.....	(^b).....	^a The greater the assessed valuation, the lower the limit.
Municipalities.....	S	..do.....	..do.....	15.....	..do.....	All.....	Few.....	None.....	^b An additional 2 mills may be levied by counties with an assessed value of less than \$8,000,000, 1 mill by counties with above \$8,000,000, subject to petition for an election. ^c For county school districts, the difference between the minimum support program and 25 mills or 10 mills whichever produces the greater amount; for municipal school districts, the difference between the minimum 25 mills, or 15 mills, whichever produces the greater amount.
School districts.....	S	..do.....	..do.....	25 ^c	All.....	All.....	Few.....	Voted.....	

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Missouri:									
Counties.....	C-S	Specific	Rate	3.5-5.0 ^a	General	All	Several	Voted	^a 3.5 mills in counties with over \$300 million assessed valuation; 5 mills in all other counties. An additional levy not exceeding 3.5 mills shall be made by the county court of the several counties when so authorized by a majority of the voters of any road district, general or special. ^b Limited for 4-year periods. ^c Constitutional limitation. The statutes impose a 7.5-mill limitation on 4th class cities, and a 5-mill limit on towns and villages. St. Louis is permitted the sum of municipal and county limitations. ^d St. Louis School Districts, 8.9 mills; school districts formed of cities and towns, 10 mills; other districts, 6.5 mills. ^e Voted levies cannot exceed 3 times the basic rate for a 1-year period (2 years in cities of 75,000 population or more). ^f Townships are apportioned 20% of the permissible tax rate, if they levy property taxes.
do.....	C-S	do	do	10 ^c	do	All	do	do, ^b	
School districts.....	C-S	do	do	6.5-10 ^d	do	All	do	do, ^e	
Townships.....	S	do	do	(^f)	do	All	do	None	
Montana:									
Counties.....	S	do	do	20	do	All	Numerous	Voted ^a	^a For certain specified purposes. ^b Provided, that cities whose indebtedness equals or exceeds the constitutional limitations, the maximum levies for general municipal and administrative purposes shall be 15 mills. An all purpose annual levy, not to exceed the average number of mills levied for all purposes in the preceding 3 fiscal years, is authorized in lieu of the multiple levies now in existence. ^c Countywide taxes of 25 mills each for elementary and high schools, 5 mills for school districts, plus additional increases (above the foundation program) of 15 mills for elementary schools and 14 mills for high schools.
Municipalities.....	S	do	do	20 ^b	do	All	do	do, ^a	
School districts.....	S	do	do	(^c)	All	All	None	do	
Nebraska:									
Counties.....	C-S	do	do	5	All	All ^a	do	do	^a Except for servicing debt incurred prior to adoption of the constitutional amendment, voter approval is required. ^b Based upon population size. The constitutional limits are stated in terms of "actual value" of property, but the statutory limits are in terms of "assessed value" which is defined as 35 percent of "actual" value. ^c Subject to voter approval. ^d 25 mills for 1st-class cities, 30 mills for 2d-class cities. The city of Lincoln is permitted 9.75 mills and Omaha, 14.4 mills ^e Subject to voter (55 percent) approval, the city of Omaha and 1st- and 2d-class school districts may levy additional taxes; a 60-percent voter approval is required to levy a ¼-mill recreation fund tax. ^f Limit applies to 1st- and 2d-class districts only.
do.....	S	do	do	10-12 ^b	General	All ^c	Numerous	None	
Municipalities.....	S	do	do	25-30 ^d	All	All ^e	None	(^c)	
School districts.....	S	do	do	12 ^f	All	All	do	Voted	
Townships.....	S	do	do	8	All	All ^e	do	None	

See footnotes at end of table.

**TABLE 75 — STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Nevada:									
All taxing units.....	C S	Overall	Rate	50	All	None	None	None	^a Within the overall 50-mill rate. ^b Special tax rates are established by the legislature for selected cities. ^c Counties may levy this tax in such towns located within said counties. There is no maximum tax rate for all county purposes, but separate limits are set for certain county purposes.
Municipalities.....	S	Specific	do	30 ^{a b}	All	do	do	do	
School districts.....	S	do	do	15 ^a	All	All	do	do	
Unincorporated towns.....	S	do	do	15 ^{a c}	All	All	do	do	
New Hampshire (no limitations).....									
New Jersey (no limitations).....									
New Mexico:									
All taxing units.....	C	Overall	Rate	20 ^a	General ^b	All	Few ^b	(b)	^a Includes 4 mills for State purposes (but increased to 5½ mills by statute). ^b When approved by the voters, the legislature may authorize taxes outside the 20-mill limit. ^c All increases in tax rates are limited to 5 percent in excess of the previous year's rate, except upon approval of the State tax commission. ^d Plus another 18 mills for county school purposes. ^e See also note (d), above.
Do.....	S	Specific	(c)	(c)				(c)	
Counties.....	S	do	Rate	5 ^d	General	All	Few	(b)	
Municipalities.....	S	do	do	5	do	All	Few	(b)	
School districts.....	S	do	do	5 ^e	do	All	Few	(b)	
New York:									
Counties.....	C	do	do	15-20 ^a	All ^b	All	None	(a)	Note: Rate limitations in New York apply against the average full value of real estate for the preceding 5 years. ^a The limit is 15 mills, but it may be increased to 20 mills by resolution of the county board of supervisors approved either by ¾ of voters or by simple majority vote followed by a mandatory referendum. ^b Excluding capital construction. ^c The limit for New York City is 25 mills (for combined county, city, and school purposes). For cities with populations over 125,000, the limit includes taxes for schools. ^d Excluding capital construction (but for New York City the amount of the capital improvement must be charged against the debt limit). ^e School districts that are coterminus with or partly within cities having less than 125,000 population. ^f The basic rate is 12.5 mills, but districts having higher rates prior to 1947 are permitted to retain them, up to a 20-mill limit. ^g Voters may authorize additional levies, at 2.5 mills per election, up to 20 mills (exclusive of capital improvements).
Municipalities.....	C	do	do	20 ^e	All ^d	All	do	None	
Certain school districts ^e	C	do	do	12.5-20 ^f	All ^b	All	do	Voted ^g	
Villages.....	C	do	do	20	All	All	do	None	

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
North Carolina:									
Counties.....	C	Overall....	Rate.....	2 ^a	(*).....	All.....	(*).....	(*).....	<p>Note: Schools are operated by county and city administrative units, which are closely supervised by the State, and are also controlled to some extent by the counties which levy taxes for them.</p> <p>^a The constitutional 2-mill limit has very limited application, since it excludes "special purpose" taxes levied by counties with approval by the general assembly. It also excludes school taxes levied for maintenance of the 6-month term required by the constitution. The term "special purpose" has been interpreted broadly by the general assembly and the Supreme Court, so that county levies for such important functions as debt service, public welfare, operation of hospitals, and the like, are approved as "special purpose" levies outside the 2-mill limitation. Such levies are generally approved without reference to any limitation, although there is a 5- to 6-mill limit (depending upon population size) on the amount of county school taxes that can be levied to supplement the constitutional 6-month school term. At times, the general assembly requires a countywide vote on a "special purpose" levy it approves.</p> <p>^b Additional taxes to meet extraordinary expenses of law enforcement are permissible.</p> <p>^c All taxes, except those for "necessary expenses" (broadly interpreted), must be approved by voters. There are statutory limits on amount that voters may approve for most purposes.</p>
Municipalities.....	S	..do.....	..do.....	15 ^b	All.....	All.....	(b).....	None.....	
Counties and municipalities. ^c	S	(c).....	(c).....	(c).....	(c).....	(c).....	(c).....	(c).....	
North Dakota:									
Counties.....	S	Specific....	Rate.....	18.....	General...	All.....	Numerous.	Voted ^a ...	<p>^a Up to 50 percent in excess of legal limits for 1 year.</p> <p>^b Cities with populations over 5,000 may levy an additional 0.05 mills per 1,000 persons over 5,000 up to 33 mills and upon majority vote may increase maximum levy to 37 mills.</p> <p>^c For any one school district, the rate limitation is the sum of the individual rates applicable to the specific grades taught. The basic limit is 19 mills, going up to 34 mills for districts offering 4 years of high school. Districts having over 4,000 population and providing 4 years of high school may remove all limitations with approval of a majority of the voters.</p> <p>^d Up to 25 percent in excess of legal limits, provided that if 60 percent of voters approve, up to 75 percent in excess may be levied. See also note (c), above.</p> <p>^e Plus another 4 mills for the purchase of airport property.</p> <p>^f An additional 6 mills.</p> <p>^g Excluding cities with charters permitting rates in excess of their share of the overall rate.</p> <p>^h For servicing debt authorized by the voters. Taxes levied to service debt not authorized by election must be approved by the voters.</p> <p>ⁱ Subject to provisions regarding purposes of levies and the machinery for obtaining voter approval.</p>
Cities.....	S	..do.....	..do.....	31 ^b.....	..do.....	All.....	..do.....	..do. ^a
School districts.....	S	..do.....	..do.....	19-34 ^c.....	..do.....	All.....	..do.....	..do. ^d
Civil townships.....	S	..do.....	..do.....	18.....	All.....	All.....	..do.....	..do. ^e	
Park districts.....	S	..do.....	..do.....	4 ^e	All.....	All.....	(*).....	..do. ^f	
Ohio: All taxing units ^g	C	Overall....	..do.....	10.....	All.....	All ^b	None.....	..do. ^g	

See footnotes at end of table.

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁴	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Oklahoma: All taxing units.....	C	Overall...	Rate.....	15 ^a	All.....	All.....	Several ^b ..	Voted ^c ...	<ul style="list-style-type: none"> • School districts are assigned 5 mills of this total; and, in addition, counties may levy 4 mills outside the limitation for school purposes, and school districts, upon certification of need by the board of education may levy another 15 mills outside the overall limits; plus an additional 10-mill local support and a 5-mill emergency levy, both subject to voter approval. Area school districts may be established for support of vocational and/or technical schools, with a 5-mill levy limit subject to voter approval. ^b Subject to voter approval. • Subject to provisions regarding purposes of levies and maximum increases in rates. • Each local taxing unit's levies shall not exceed 106 percent of the dollar amount levied in the highest of the preceding 3 years, exclusive of levies specifically authorized¹ by the legislature or approved by the voters. The statutes also provide general and specific rate limitations for designated taxing units (e.g., county fairs, libraries, hospitals, roads, and port districts).
Oregon: All taxing units.....	C-S	Specific...	(*).....	(*).....	(*).....	All.....	(*).....	...do.....	<ul style="list-style-type: none"> • Including levies for institution district purposes (care of the indigent) which comprise 10 mills of the 20-mill total for 3d-class counties. ^b Applicable to cities of the 3d class. Cities of the 1st class (Philadelphia), 2d class (Pittsburgh), and 2d class A (Scranton) may levy property taxes at the necessary rate. • Cities of the 3d class and townships may petition to the court of quarter sessions for an additional general levy up to 5 mills. ^d The permissible rate varies with the class of school districts, ranging from 11.75 mills, with specified additional rates, for 1st class and class A districts; to 20 to 25 mills for class 2 to 4 districts, with authorization for additional levies at necessary rates for certain specified purposes (including debt servicing); to 75 mills (for all purposes) for "independent districts." ^e Restricted as to purpose and rate. ^f 20 mills for 1st class, 14 mills for 2d class townships. • There are no organized counties, and the State has not levied a property tax for some years. School taxes are included with city and town taxes. ^b The city or town council may petition the State director of administration for permission to levy taxes in excess of limits.
Pennsylvania:									
Counties.....	S	...do....	Rate.....	20 ^a	General ^a ..	All.....	Few.....	None.....	<ul style="list-style-type: none"> • Including levies for institution district purposes (care of the indigent) which comprise 10 mills of the 20-mill total for 3d-class counties. ^b Applicable to cities of the 3d class. Cities of the 1st class (Philadelphia), 2d class (Pittsburgh), and 2d class A (Scranton) may levy property taxes at the necessary rate. • Cities of the 3d class and townships may petition to the court of quarter sessions for an additional general levy up to 5 mills. ^d The permissible rate varies with the class of school districts, ranging from 11.75 mills, with specified additional rates, for 1st class and class A districts; to 20 to 25 mills for class 2 to 4 districts, with authorization for additional levies at necessary rates for certain specified purposes (including debt servicing); to 75 mills (for all purposes) for "independent districts." ^e Restricted as to purpose and rate. ^f 20 mills for 1st class, 14 mills for 2d class townships. • There are no organized counties, and the State has not levied a property tax for some years. School taxes are included with city and town taxes. ^b The city or town council may petition the State director of administration for permission to levy taxes in excess of limits.
Municipalities ^b	S	...do....	...do....	20.....	...do....	All.....	Few.....	...do....	
School districts.....	S	...do....	...do....	(d).....	(d).....	(d).....	(d).....	...do....	
Boroughs.....	S	...do....	...do....	25.....	General...	All.....	Few.....	Voted ^e ...	
Townships.....	S	...do....	...do....	14-20 ^f...	...do....	All.....	Few.....	...do. ^e ...	
Rhode Island: Cities and towns ^a ..	S	Overall....	...do....	35.....	All.....	All.....	None.....	State director of administration. ^b	<ul style="list-style-type: none"> • There are no organized counties, and the State has not levied a property tax for some years. School taxes are included with city and town taxes. ^b The city or town council may petition the State director of administration for permission to levy taxes in excess of limits.

TABLE 75 - STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)

State and types of local government	Citation 1	Type of limitation			Number of mills ⁴	Coverage ⁵	Provisions for exceeding limit			Remarks
		Scope 2	Method 3	Rate limit			Debt service	Specified pur-	Approved	
South Carolina: Counties, no limitations	S	Specific	Rate	40-50	All	All	All	None	None	• Towns under 1,000 population are limited to 40 mills. Numerous municipalities have lower tax limits stated in special legislative acts.
South Carolina: Municipalities	S	Specific	Rate	15	All	All	None	None	None	• For towns and cities with 1,000 or more population. Subject to voter approval.
South Carolina: Counties	S	do	do	5-10	All b	All	do	do	do	• 5 mills for unorganized counties and 5 to 10 mills, varying inversely with the amount of assessed valuations, for organized counties.
South Carolina: Municipalities	S	do	do	15	All b	All	do	do	do	• All purposes except the poor relief fund.
South Carolina: School districts	S	do	do	20-40	All	All	do	do	do	• Up to another 10 mills if % of voters approve.
South Carolina: Townships	S	do	do	5	All b	All	do	do	do	• 20 mills each for elementary and high school systems, 40 mills for both.
Tennessee: Counties, no limitations*	S	Specific	Rate	15	All	None	None	None	None	Note: Schools are primarily operated by cities and counties in Tennessee. • The county tax rate is determined by the quarterly county court, and includes all purposes except roads and bridges, schools, debt servicing, and levies authorized by special legislative acts.
Tennessee: Counties	C	do	do	8	All *	Partial b	(*)	do	do	• All purposes, except an additional 3 mills may be levied for farm-to-market roads.
Tennessee: Municipalities: Noncharter (General Law)	C	do	do	8	All	do b	None	None	None	• For debt service of bonds for specified purposes, including construction and improvement of roads, reservoirs, dams, etc.
Tennessee: Charter (home rule)	C-S	do	do	15-25 ^d	All	None	do	do	do	• 1.5-mill tax for roads.
Tennessee: School districts	C-S	do	do	15	All	do	do	do	do	• Except, if authorized by the legislature, voters may approve a charter specify otherwise.
Tennessee: Villages	S	do	do	2.5	All	do	do	do	do	• Junior college districts are also permitted to levy a 10-mill tax. All school taxes, however, are subject to majority voter approval.
Texas: Counties	C	do	do	16-18 *	All	General	All	Several	do	• Counties with more than \$20,000,000 assessed valuation are permitted only 16 mills.
Texas: Municipalities: Noncharter (General Law)	S	do	do	18-5-35 ^b	General	All	do	do	do	• School districts must levy sufficient taxes to support the State education program. A district may levy an additional tax to provide for an amount up to 10 percent of the minimum basic program.
Texas: School districts	S	do	do	16	(*)	General	All	Few	do	• A 4-mill additional tax is permitted, subject to 3/5 voter approval.
Texas: Municipalities: Charter (home rule)	S	do	do	(*)	(*)	General	All	Several	do	• An additional 10 mills is permitted for capital improvement, plus an additional 10 mills for maintenance and operation, both subject to voter approval.
Texas: School districts	S	do	do	(*)	(*)	General	All	Several	do	• A 4-mill additional tax is permitted, subject to 3/5 voter approval.
Texas: Villages	S	do	do	(*)	(*)	General	All	Several	do	• A 4-mill additional tax is permitted, subject to 3/5 voter approval.
Utah: Counties	S	do	do	16-18 *	All	General	All	Several	do	• Counties with more than \$20,000,000 assessed valuation are permitted only 16 mills.
Utah: Municipalities: Noncharter (General Law)	S	do	do	18-5-35 ^b	General	All	do	do	do	• School districts must levy sufficient taxes to support the State education program. A district may levy an additional tax to provide for an amount up to 10 percent of the minimum basic program.
Utah: School districts	S	do	do	(*)	(*)	General	All	Few	do	• A 4-mill additional tax is permitted, subject to 3/5 voter approval.
Utah: Townships	S	do	do	(*)	(*)	General	All	Several	do	• A 4-mill additional tax is permitted, subject to 3/5 voter approval.
Vermont (no limitations)	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Virginia (no limitations)	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

See footnotes at end of table.

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Washington:									
All taxing units ^a	C	Overall.....	Rate.....	40 ^b	All.....	All.....	None.....	Voted.....	^a Except port and public utility districts. ^b Includes a (statutory) 4-mill State levy, including 2 mills for 1968 and 1969 levies, applicable to schools only. There is an additional statutory dollar limit within the overall 40-mill limit, which is based upon increases in the tax base (assessed value). Subject to voter authorized increases, the dollar amount by which a levy may be increased is restricted to an increase resulting from "normal" growth in the tax base (i.e., growth other than that resulting from an increase in the assessment ratio). ^c Including 10 mills for roads. But counties of the 5th class and under (less than 1,000 population) may alternatively levy 8 to 11 mills for "general" purposes and 7 to 10 mills for roads. ^d Within the overall limit. ^e Reduced to 12 mills for 1968 and 1969 levies, while the additional State 2-mill school levy is in effect. ^f Numerous special districts may levy taxes within the overall limits. Note, however, the exception of port and public utility districts. ^g Townships share on a prorated basis with other junior taxing jurisdictions, in the available "floating" millage with amounts to 6 mills in unincorporated areas.
Counties.....	S	Specific.....	..do.....	18 ^{c,d}	All.....	All.....	..do.....	..do.....	
Municipalities.....	S	..do.....	..do.....	15 ^d	All.....	All.....	..do.....	..do.....	
School districts.....	S	..do.....	..do.....	14 ^{d,e}	All.....	All.....	..do.....	..do.....	
Special districts.....	S	..do.....	..do.....	(f).....	All.....	All.....	..do.....	..do.....	
Townships.....	S	..do.....	..do.....	(g).....	(g).....	(g).....	(g).....	(g).....	
West Virginia:									
All taxing units.....	C-S	Overall.....	..do.....	5-20 ^a	All ^b	(b).....	None.....	Voted ^c	^a A separate overall rate limit applies to each of 4 classes of property, and is apportioned by statute among the various types of government, including the State. Thus, of the 5 mills allowed on class I property, municipalities are currently allotted 1.250 mills, counties 1.430 mills, school districts 2.295 mills, and the State 0.025 mill. The allocation of the rates allowed the other 3 classes is in the same proportion. The 4 classes are: I—intangible and agricultural personal property; II—owner-occupied residential property and farm occupied and cultivated by owners or bona fide tenants; III—all other property situated outside municipalities; and IV—all other property situated inside municipalities. ^b Debt service for school districts is excluded from the limitations. ^c School districts may increase their levies by 100 percent for a 5-year period; all other governments may increase their levies by 50 percent for a 3-year period.
Counties.....	S	Specific.....	..do.....	1.430-5.720 ^a	All.....	None.....	..do.....	..do.....	
Municipalities.....	S	..do.....	..do.....	1.25-5 ^a	All.....	..do.....	..do.....	..do.....	
School districts (county-wide).....	S	..do.....	..do.....	2.295-9.18 ^a	All.....	All.....	..do.....	..do.....	

**TABLE 75 – STATE CONSTITUTIONAL AND STATUTORY RESTRICTIONS ON LOCAL POWER
TO RAISE PROPERTY TAX REVENUE, 1967 (Cont'd)**

State and types of local government	Type of limitation			Rate limit		Provisions for exceeding limit			Remarks
	Citation ¹	Scope ²	Method ³	Number of mills ⁴	Coverage ⁵	Debt service exclusion ⁶	Specified purpose levies ⁷	Approved increases ⁸	
Wisconsin:									
Counties.....	S	Specific...	Rate.....	10 ^a	General...	All.....	Few.....	None.....	^a Except that counties containing only 1 town are allowed a 15-mill limit. ^b Except, a limit of only 11 mills for Milwaukee; municipalities including Milwaukee, which operate schools are allowed additional rates for school purposes. ^c Providing, that if a high school is maintained, the limit is 25 mills; for "integrated aid districts" (those which qualify for more State aid than do "basic aid districts") the limit is 17 mills. ^d An additional 10 mills only.
Municipalities.....	S	..do.....	..do.....	35 ^b.....	..do.....	All.....	Few.....	..do.....
School districts.....	S	..do.....	..do.....	20 ^c	All.....	All.....	None.....	..do.....	
Towns.....	S	..do.....	..do.....	10.....	General...	All.....	Few.....	..do.....	
Villages.....	S	..do.....	..do.....	10.....	..do.....	All.....	Few.....	Voted ^d	
Wyoming:									
Counties.....	C-S	..do.....	..do.....	12 ^a	All.....	All.....	None.....	..do.....	^a Of which 3 mills are for county schools. ^b The greater the assessed valuation, the lower the limit. ^c For a year's duration, an additional 2-mill tax for current expenses is permitted. ^d For grades 1 to 8, 11 mills, and another 7 mills for high schools. In addition there is a mandatory countywide school levy of 12 mills.
Do.....	S	..do.....	..do.....	Up to 8 ^b	General...	All.....	Several.....	Voted ^c	
Municipalities.....	C	..do.....	..do.....	8.....	All.....	All.....	None.....	None.....	
School districts.....	S	..do.....	..do.....	18 ^d	All.....	All.....	..do.....	Voted.....	

¹ The citation for the limitations is either the State's constitution (C), statutes (S), or both (C-S).
² The scope of the limitations is either overall (all taxing units) or specific (applicable only to a particular class of local government).

³ The rate limitation method is commonly used by States. Footnotes in this column refer to other methods (e.g., budgetary control) listed in the "Remarks" column.

⁴ The rate limitations listed here are shown as a number of mills per dollar of assessed valuation. 1 mill is the equivalent of \$1 per \$1,000 or 10 cents per \$100 of assessed valuation. Per capita limitations and other forms are shown in the "Remarks" column.

⁵ Typically the rate limitations apply to general purposes (usually signifying current expense levies, general revenue levies, corporate levies, and the like). The "all" designation, where applicable, includes all purposes except as noted in the column headed "Provisions for exceeding limits—specified purpose levies."

⁶ The exclusion of debt service from the limitations may be partial or complete (listed here as all). Partial exclusions are explained in the "Remarks" column. The designation "none" in this column

indicates that debt service is included within the limitations.

⁷ For those taxing units with only general purpose coverage of the limitations, an entry in this column shows the relative degree to which additional tax levies for special purposes are provided: few, several, and numerous, ranging from only 1 to many.

⁸ Entries in this column indicate whether local jurisdictions are authorized to exceed the general imitations by referendum (voted), or by some other means as noted in the "Remarks" column.

Note: This tabulation presents data pertaining to State-imposed property tax limitations on counties, municipalities, and school districts in effect as of July 1, 1967. In some instances the available data also permit the listing of property tax restrictions on other classes of local units and special districts.

Source: Advisory Commission on Intergovernmental Relations.

**TABLE 76 — STATE CONSTITUTIONAL AND STATUTORY REFERENDUM
REQUIREMENTS FOR LOCAL GOVERNMENT ISSUANCE OF
GENERAL OBLIGATION LONG-TERM DEBT, 1967**

State	Citation ¹	Referendum required	Approval ²	Remarks
Alabama.....	C	X.....	M	
Alaska.....	C	X.....	M	
Arizona.....	C	X.....	^a M	^a Only for debt in excess of the 4-percent limit. See app. 5.
Arkansas.....	C	X.....	M	
California.....	C-S	X.....	$\frac{2}{3}$	
Colorado.....	C-S	X.....	M	
Connecticut.....		None required.....		
Delaware.....	S	X.....	M	
Florida.....	C-S	X.....	M	
Georgia.....	C	X.....	M	
Hawaii.....		None required.....		
Idaho.....	C-S	X.....	$\frac{3}{4}$	
Illinois.....	S	X.....	M	
Indiana.....		None required.....		
Iowa.....	S	X.....	$\frac{3}{4}$	
Kansas.....	S	X.....	M	
Kentucky.....	S	X.....	$\frac{2}{3}$	
Louisiana.....	C	X.....	M	
Maine ^a	S	X.....	M	^a Applies to municipalities only.
Maryland ^a	C	X.....	M	Do.
Massachusetts.....		None required ^a		^a Except for debt issued by regional school districts in which case a referendum may be called by the towns comprising the district; in this event, simple majority approval is required.
Michigan.....	S	X.....	^a M	^a Except in 4th-class cities where a $\frac{3}{4}$ majority is required.
Minnesota ^a	S	X.....	M	^a Does not apply to Minneapolis, St. Paul, and Duluth.
Mississippi.....	S	X ^a	^a $\frac{3}{4}$	^a Only on petition of 20 percent of the electors for county bonds; 10 percent or 1,500, whichever is less, for municipal bonds.
Missouri.....	C	X.....	^a $\frac{3}{4}$	^a A $\frac{3}{4}$ majority required for certain revenue bonds.
Montana.....	S	X ^a	^a M	^a For municipalities, applies only to debt issued for water, sewer, and gas supply; for school districts applies only on a petition of 20 percent of voters.
Nebraska.....	C-S	X.....	^a M	^a 55 percent for school districts.
Nevada.....	S	X.....	M	
New Hampshire ^a	S	X.....	$\frac{3}{4}$	^a Not applicable to cities or counties.
New Jersey.....		None required ^a		^a Except for debt issued by certain classes of school districts (simple majority).
New Mexico.....	C	X.....	M	Do.
New York.....		None required ^a		
North Carolina.....	C	X.....	^a M	^a Referendum is not required if (1) the amount of issue does not exceed $\frac{3}{4}$ of the net debt reduction for the preceding year, or (2) the purpose of the issue is for a "necessary expense."
North Dakota.....	C-S	X.....	^a $\frac{3}{4}$	^a Simple majority for county bonds; 60 percent for municipalities and school districts with over 5,000 population.
Ohio.....	S	X.....	³ ^a 55	^a Applies to counties and municipalities, for bonds issued in excess of certain specified limits; all township and school debt issues require a simple majority for approval, except that school bonds require $\frac{3}{4}$ majority if voted at special election.
Oklahoma.....	S	X.....	^a $\frac{3}{4}$	^a Except that in the case of county hospital bonds a referendum is required on petition only (20 percent of the electors).
Oregon.....	S	X.....	M	
Pennsylvania.....	C	X.....	^a M	^a Applies only to debt in excess of constitutional limit up to specified maximum.
Rhode Island.....	S	X.....	M	

See footnotes at end of table.

**TABLE 76 – STATE CONSTITUTIONAL AND STATUTORY REFERENDUM
REQUIREMENTS FOR LOCAL GOVERNMENT ISSUANCE OF
GENERAL OBLIGATION LONG-TERM DEBT, 1967 (Cont'd)**

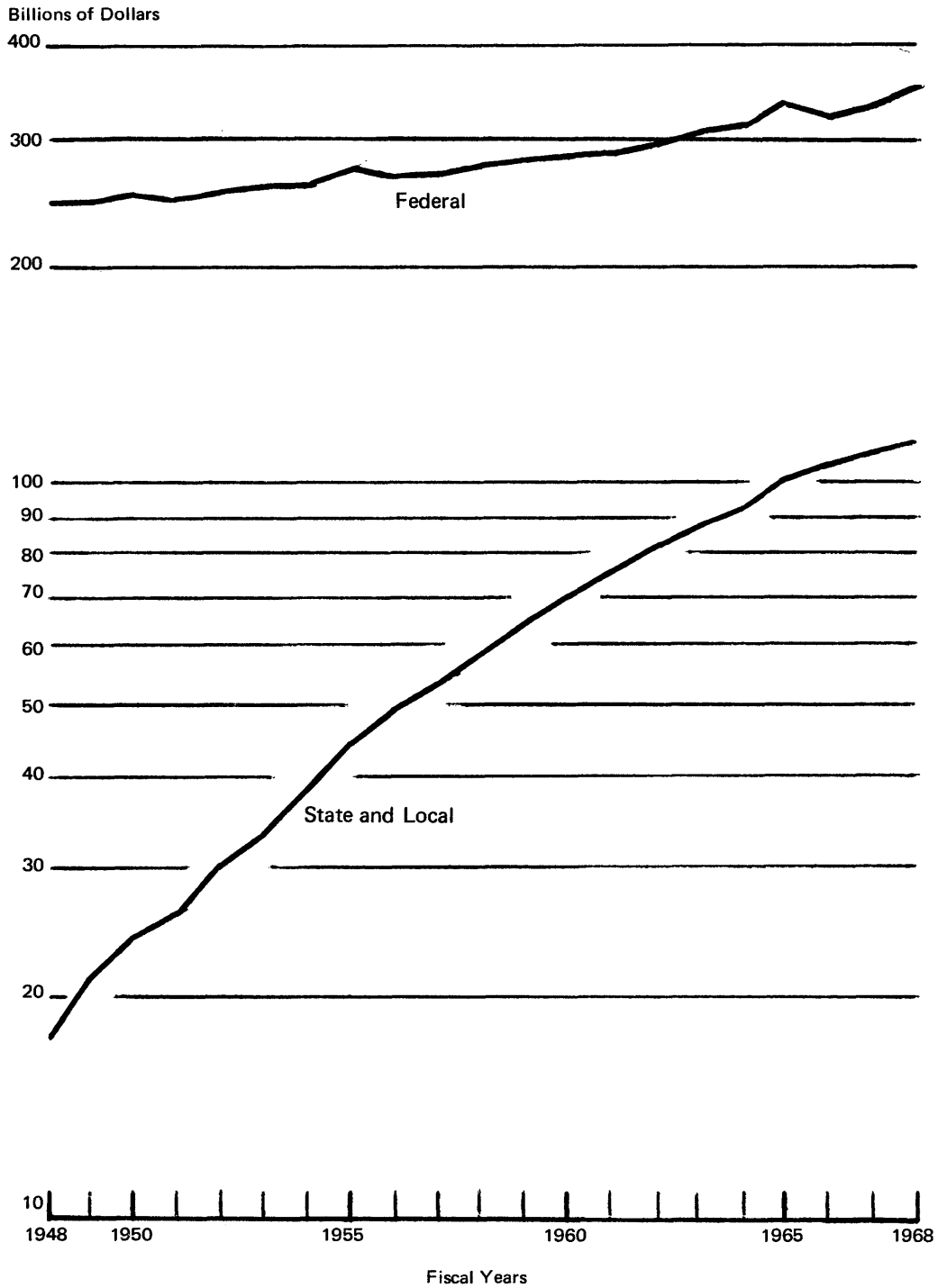
State	Citation ¹	Referendum required	Approval ²	Remarks
South Carolina ^a	C	X.....	M	• Applies only to debt issued by cities and towns.
South Dakota.....	C-S	X.....	¾	• Except that a ¾ majority vote is required for issuance of general obligation industrial development bonds.
Tennessee.....		None required ^a		
Texas.....	S	X.....	M	• Simple majority in the case of school bond issues.
Utah.....	S	X.....	M	
Vermont.....	S	X.....	¾	
Virginia ^a	C	X.....	M	• Applies to county debt only.
Washington.....		None required ^a		• Except for township debt (¾ majority) and debt issued in excess of constitutional limits (¾ majority).
West Virginia.....	C	X.....	¾	• Applies only to school districts and townships. No referendum required for county or municipal bond issues.
Wisconsin ^a	S	X.....	M	
Wyoming.....	C-S	X.....	M	

¹ The citation is either the State's constitution (C), statutes (S), or both (C-S).
² A simple majority (a favorable majority of 50 percent plus 1 of all votes subject to counting on the question) is indicated by "M"; where more than a simple favorable majority is required, the required percentage is entered.
³ Percent.

Note: This table deals only with referendum requirements that apply generally to general obligation debt issued by cities, counties, and school districts in each State. As in the case of debt limits (see app. 5) there are numerous exceptions and special provisions, particularly regarding debt issued by special districts and for specific purposes. No attempt has been made to treat those special provisions in this tabulation.

Source: Advisory Commission on Intergovernmental Relations.

FIGURE 8 – FEDERAL AND STATE-LOCAL DEBT, 1948 TO 1968
Logarithmic Scale



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TABLE 77 – UNIFORMITY IN STATE TAXATION OF INTERSTATE BUSINESS

Selected Provisions

Corporation Income, Sales and Use Taxes

State	Corporation income		Sales & use	Elim. of audit reimb.	State	Corporation income		Sales & use	Elim. of audit reimb.
	IRS starting point	NCCUSL formula	Use tax credit			IRS starting point	NCCUSL formula	Use tax credit	
Ala.	x ¹	x ²	x	x	Mont.	x	x	*	x
Alaska	x	x	*	x	Neb.	x	x	x	x
Ariz.			x	x	Nev.	*	*	⁴	x
Ark.		x	x ^{3,4}	x	N. H.	*	*	*	*
Calif.	x ¹	x	x	x	N. J.	x		x	x
Colo.	x	x ⁴	x	x	N. M.	x	x	x	x
Conn.	x		x	x	N. Y.	x		x	x
Del.	x		*	x	N. C.	x	x	x	x
Fla.	*	*	x	x	N. D.	x	x	x	x
Ga.			x	x	Ohio	*	*		x
Hawaii	x	x	x	x	Okla.	x ¹	x	x	x
Ida.	x	x	x	x	Ore.	x ¹	x	*	x
Ill.	*	*	x	x	Pa.	x		x	x
Ind.	x	x	x ³	x	R. I.	x		x	x
Iowa	x		x	x	S. C.	x ¹	x		x
Kans.	x	x	x	x	S. D.	*	*	x ³	x
Ky.	x	x	x	x	Tenn.	x ¹		x	x
La.	x ¹		x	x	Texas	*	*	x	x
Maine	*	*	x	x	Utah		x	x	x
Md.	x		x	x	Vt.	x		*	x
Mass.	x		x	x	Va.		x	x	x
Mich.	x	x	x	x	Wash.	*	*	x	x
Minn.			x	x	W. Va.	x			x
Miss.	x ¹		x ³	x	Wis.			x	x
Mo.		⁴	x	x	Wyo.	*	*	x	x
					D. C.		x	x	x

¹By administrative practice.

²For foreign corporations.

³Statutory credit limited.

⁴Multistate Tax Compact State: compact includes provision but legal effect varies.

* No tax.

Source: Federation of Tax Administrators, *Tax Administrators News*, Vol. 32, No. 4, April 1968.

TABLE 78 – AGENCIES ADMINISTERING MAJOR STATE TAXES, JANUARY 1, 1970

State	Income	Sales	Gasoline	Motor Vehicle	Tobacco	Death	Alcoholic Beverage
Alabama	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Alcoholic Beverage Control Board
Alaska	Dept. of Revenue	. . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Arizona	Tax Commission	Tax Commission	Div. of Mot. Veh.	Div. of Mot. Veh.	Tax Commission	Estate Tax Commissioner	Dept. of Liquor Licenses & Control
Arkansas	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
California	Franchise Tax Bd.	Bd. of Equal.	Bd. of Equal.	Dept. of Mot. Veh.	Bd. of Equal.	Controller	Bd. of Equal.
Colorado	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Connecticut	Tax Commissioner	Tax Commissioner	Tax Commissioner	Comm. of Mot. Veh.	Tax Commissioner	Tax Commissioner	Tax Commissioner
Delaware	Tax Department	. . . . .	Highway Dept.	Comm. of Mot. Veh.	Tax Department	Tax Department	Alcoholic Beverage Control Comm.
Florida . . . . .	. . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Bus. Reg.	Dept. of Revenue	Dept. of Bus. Reg.
Georgia	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Hawaii	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation	County Treasurer	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation
Idaho	Tax Commission	Tax Commission	Tax Commission	Dept. of Law Enforcement	Tax Commission	Tax Commission	Tax Commission
Illinois	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Sec. of State	Dept. of Revenue	Atty. General	Dept. of Revenue
Indiana	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Bureau of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Alcoholic Beverage Commission
Iowa	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Public Safety	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Kansas	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Highway Comm.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue Dir. Alco. Bev. Comm.
Kentucky	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Louisiana	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Local	Dept. of Revenue ¹
Maine	Bur. of Taxation	Bur. of Taxation	Bur. of Taxation	Sec. of State	Bur. of Taxation	Bur. of Taxation	Liquor Comm.
Maryland	Comptroller	Comptroller	Comptroller	Dept. of Mot. Veh.	Comptroller	Local	Comptroller
Massachusetts	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation	Registrar of Motor Veh.	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation	Dept. of Corp's and Taxation
Michigan	Dept. of Treasury	Dept. of Treasury	Dept. of Treasury	Sec. of State	Dept. of Treasury	Dept. of Treasury	Liquor Control Commission
Minnesota	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation	Sec. of State	Dept. of Taxation	Dept. of Taxation	Liquor Control Commission
Mississippi	Tax Commission	Tax Commission	Motor Vehicles Comptroller	Motor Vehicles Comptroller	Tax Commission	Tax Commission	Tax Commission
Missouri	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue

See footnotes at the end of table.

TABLE 78 – AGENCIES ADMINISTERING MAJOR STATE TAXES, JANUARY 1, 1970 (Cont'd)

State	Income	Sales	Gasoline	Motor Vehicle	Tobacco	Death	Alcoholic Beverage
Montana	Board of Equal.	. . . . .	Board of Equal.	Registrar of Motor Veh.	Board of Equal.	Board of Equal.	Liquor Control Bd.
Nebraska	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Liquor Control Commission
Nevada . . . . .	. . . . .	Tax Commission	Tax Commission	Dept. of Mot. Veh.	Tax Commission	. . . . .	Tax Commission
New Hampshire . . . . .	. . . . .	. . . . .	Dept. of Safety	Dept. of Safety	Tax Commission	Tax Commission	Liquor Commission
New Jersey	Dept. of Treas.	Dept. of Treas.	Dept. of Treas.	Dept. of Law & Public Safety	Dept. of Treas.	Dept. of Treas.	Dept. of Treas.
New Mexico	Bur. of Revenue	Bur. of Revenue	Bur. of Revenue	Dept. of Mot. Veh.	Bur. of Revenue	State Treasurer	Dept. of Alco. Bev. Control ²
New York	Dept. of Taxation and Finance	Dept. of Taxation and Finance	Dept. of Taxation and Finance	Dept. of Mot. Veh.	Dept. of Taxation and Finance	Dept. of Taxation and Finance	Dept. of Taxation and Finance
N. Carolina	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
N. Dakota	Tax Commissioner	Tax Commissioner	Tax Commissioner	Dept. of Mot. Veh.	Tax Commissioner	Tax Commissioner	Treasurer
Ohio . . . . .	. . . . .	Dept. of Taxation	Dept. of Taxation	Bur. of Mot. Veh.	Dept. of Taxation	Dept. of Taxation	Dept. of Taxation
Oklahoma	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission
Oregon	Dept. of Revenue	. . . . .	Dept. of Mot. Veh.	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Liquor Control Commission
Pennsylvania	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Rhode Island	Dept. of Adm.	Dept. of Adm.	Dept. of Adm.	Reg. of Mot. Veh.	Dept. of Adm.	Dept. of Adm.	Dept. of Adm.
S. Carolina	Tax Commission	Tax Commission	Tax Commission	Highway Dept.	Tax Commission	Tax Commission	Tax Commission
S. Dakota . . . . .	. . . . .	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Tennessee	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Texas . . . . .	. . . . .	Comptroller	Comptroller	Highway Dept.	Comptroller	Comptroller	Alco. Bev. Comm.
Utah	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Commission
Vermont	Comm. of Taxes	Comm. of Taxes	Motor Vehicles Department	Motor Vehicles Department	Comm. of Taxes	Comm. of Taxes	Comm. of Taxes
Virginia	Dept. of Taxation	Dept. of Taxation	Division of Motor Veh.	Division of Motor Veh.	Dept. of Taxation	Dept. of Taxation	Alcoholic Bev. Control Board
Washington	Dept. of Revenue	Dept. of Revenue	Dept. of Mot. Veh.	Dept. of Mot. Veh.	Dept. of Revenue	Dept. of Revenue	Liquor Control Bd.
W. Virginia	Tax Department	Tax Department	Tax Department	Dept. of Mot. Veh.	Tax Department	Tax Department	Alcoholic Bev. Control Comm.
Wisconsin	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue	Mot. Veh. Dept.	Dept. of Revenue	Dept. of Revenue	Dept. of Revenue
Wyoming . . . . .	. . . . .	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Tax Commission	Liquor Comm.
Dist. of Col.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.	Dept. of Fin. & Rev.

¹Beverages of low alcoholic content only. Board of alcoholic beverage control for beverages containing more than 6% of alcohol by volume.

²Liquor excise tax administered by the Liquor Control Division of the Bureau of Revenue.

SUGGESTED STATE TAX AND FINANCE LEGISLATION

In the course of its studies, the Commission has made numerous recommendations for improving the State-local fiscal system. Each recommendation has been converted to legislative language introduced by policy statement for the consideration of State tax policymakers. These are published in the annual *State Legislative Program* of the Advisory Commission on Intergovernmental Relations.

A selected number of State legislative proposals relating to State and local finances follows. Copies of these and other bills and policy statements appearing in the *State Legislative Program* may be obtained in "slip bill" form on request from the Commission.

UNIFORM PERSONAL INCOME TAX STATUTE

The personal income tax represents the last under-utilized major revenue source for many states. About one-third of the states, including some in the most industrialized high-income sections of the country, do not tax personal incomes at all and one-third tax them at relatively low effective rates. The tax produces about \$5 billion for the 35 states with income taxes. In contrast, state and local sales taxes produce about \$11 billion and property taxes about \$29 billion. In the aggregate the personal income tax provides only about 16 percent of all state and 10 percent of all state and local taxes. Therefore, most states now derive little benefit from the unique growth potential of this tax.

The personal income tax is the brightest prospective revenue source available to states for closing the gap between rising expenditure needs and the revenue productivity of their tax systems. Since World War II, state and local expenditures have been growing at the rate of 8 to 9 percent per year while the principal state and local revenue producers — general retail sales and property taxes — increase at only about half this rate and roughly in proportion to the gross national product. Greater reliance on personal income taxes will strengthen the revenue position of the states as the national economy continues to grow.

The personal income tax has other important attributes. It permits a larger share of the tax burden to be adjusted to the size of the family through an exemption system. It typically results in equal treatment of individuals and households with equal income, a characteristic that grows in importance as the margin between people's incomes and their consumer expenditures widens and as family homesteads become less and less indicative of tax-paying ability. The personal income tax also provides the most effective way for exempting the disadvantaged members in American society — the poor — from some of the growing burden of state and local taxes. This attribute takes on increasing importance as national policy objectives encompassed in the anti-poverty program gain dominance, as the significance of the state and local sector in total government operations increases, and as the weight of national payroll taxes to finance social security programs grows heavier.

The national government now obtains about \$70 billion, more than half of its tax revenue, from the personal income tax. Of the American people's annual tax payments on their personal incomes, 92 percent is to the federal government, only 8 percent to state and local governments. The universality and dominance of the federal income tax has already prompted most income tax states to conform their income tax laws to the federal code in the interest of minimizing taxpayer inconvenience, and administrative costs. The prospect of increased state use of income taxation further underscores the case for conforming state personal income tax laws to the Federal Internal Revenue Code.

The definition of net income derived from business and professional activity lends itself uniquely to federal-state income tax conformity. The basic questions in this area are best resolved in accord with the rules of good business practice. The definition of net income from business operations is in fact, largely an exercise in articulating the rules of accountancy. Because federal law in this regard is already quite explicit, state independence with respect to the definition of net income can result in taxpayer inconvenience and administrative complexity. For this reason, the Advisory Commission on Intergovernmental Relations has recommended that the states endeavor to bring their income tax laws into harmony with the federal definition of adjusted gross income.

Aside from the special treatment of income from government obligations required by the doctrine of intergovernmental tax immunities, the income portion of most taxpayers' state returns could be completed by copying a single figure from the federal return (line 9 of Federal Form #1040), under the approach taken in this suggested legislation. States would, at the same time, retain the requisite flexibility with respect to determining personal deductions and exemptions as well as adjusted gross income modifications designed to promote tax equity, maximize the tax base, and minimize the likelihood of adverse effects on state tax revenues resulting from unforeseen changes in federal tax policy.

To facilitate the adoption of a state income tax law conforming in all essential respects to appropriate Federal Internal Revenue Code provisions, this suggested legislation incorporates in one comprehensive act the provisions necessary to deal consistently with partnerships, estates, trusts, beneficiaries, and decedents, as well as individuals. The legislation includes the definition of residence (section 1 (b)) recommended by the Advisory Commission for adoption by all income tax states in order to preclude multiple taxation and to eliminate tax avoidance. It also contains a provision (title II, part I, section 11) for crediting residents of the state for income tax paid another state, a practice now followed by two-thirds of the income tax states in the interest of consistency with tax collection at the source and the avoidance of double taxation of the same income.

The ultimate objective of federal-state income tax comity is a condition that would enable the taxpayer to satisfy both state and federal filing requirements with a single tax return. The realization of such a goal, however, is unlikely without state and federal authority to experiment on a limited geographical basis. The Advisory Commission has recommended that in order to encourage experimentation with federal collection of state income taxes, the Congress authorize the Internal Revenue Service and that the legislatures of states using personal income taxes authorize their governors, to enter into mutually acceptable agreements for federal collection of state income taxes. At least one State, Nebraska, has provided authority for its tax officials to negotiate with federal authorities for the collection of the State's income tax. Congress has not yet provided similar authority at the Federal level.

Continuing revenue pressures, against the background of the recent substantial increases in property tax rates, are enhancing local government interest in other tax sources, including the individual income tax. Local governments in eight states (Alabama, Kentucky, Maryland, Michigan, Missouri, New York, Ohio, and Pennsylvania) may impose income taxes. The first six-mentioned states also levy state personal income taxes but the number of their localities using income taxes is quite limited (except in Maryland, where all 23 counties and the City of Baltimore levy a supplement to the state personal income tax). Ohio, and Pennsylvania, neither of which levies a state personal income tax, have permitted local income taxation to proliferate. The states have a useful and significant coordinating role to play in the administration of local income taxes as well as in other nonproperty taxes, as noted elsewhere in these state legislative proposals. (See *State Broad Based Sales Tax, 15-62-30.*)

While income taxes are preferable to sales and many other types of taxes because they can be structured to distribute their burden in conformity with ability to pay and with necessary regard for the taxpayer's family obligations, they have important limitations for use at the local level. These limitations grow more compelling as the economies of the different sections of the country become more and more interdependent. Increasingly, out people live in one jurisdiction and work in another. Increasingly, our people supplement their wages and salaries from local sources with investment and earned income from other parts of the state and from other states. In deference to these considerations local jurisdictions that now use these taxes generally limit them to income from wages and salaries. In doing so, they forego some of the advantages of the income tax in terms of ability to pay.

These kinds of considerations explain the Advisory Commission's preference for state rather than locally imposed personal income taxes. Local jurisdictions' need for revenue to supplement those from property, sales, and other local tax sources are best met by state financial aid allocated with appropriate regards for variations in local needs and fiscal resources.

Where it is desired to supplement local resources with revenues from a tax on personal incomes and this cannot be effectuated through a state levy, income taxes imposed below the state level are a possible alternative. Such taxes, however, are preferably levied over as large an area as possible, ideally coinciding with the boundaries of the economic or metropolitan area and as a supplement ("piggy-back") to the state's tax and collected with it. The county meets this area requirement where its boundaries coincide with the boundaries of a metropolitan area.

In multi-county economic or metropolitan areas, the preferred method is a uniform income tax applicable to the entire area. In these cases, as in the case of a countywide tax shared with incorporated and unincorporated jurisdictions, the division of collections is likely to pose difficulties. Such difficulties could be avoided by reserving the proceeds of the income tax for financing a significant areawide program or function in which the constituent jurisdictions have a common interest, as for example, in higher education, recreation, or water supply. Where the direct use of income tax collections for a common program or function is not practicable, a sharing between the jurisdiction of employment and the jurisdiction of residence, as in Michigan, is a reasonable second choice. It is incontrovertible, however, that the smaller the income tax jurisdiction the more difficult it becomes to satisfy the dictates of tax fairness. While the state can protect its taxpayers with multi-state income tax sources against double taxation through tax credits and other arrangements, this is impracticable with respect to double taxation by local jurisdictions without jeopardy to the administrative ease and efficiency objectives of the local supplement device. The suggested legislation provides for a multi-county personal income tax supplement to the state income tax (title IX). States desiring to reserve their revenue yield for an areawide program or function could do so by an appropriate modification of section 123. In single county taxing areas, the certification provisions of section 120 can be appropriately modified.

Suggested Legislation

[Title should conform to state requirements.]

(Be it enacted, etc.)

1 *Section 1. (a) Imposition and Rate of Tax.* A tax is hereby imposed for each taxable year on the
 2 entire taxable income of every resident of this state and on the taxable income of every nonresident
 3 which is derived from sources within this state. The amount of the tax shall be determined in accordance
 4 with the following table:

5 If the taxable income is:	The tax is:
6 Not over \$ []	[]% of the taxable income
7 Over \$ [] but not over \$ []	\$ [] plus []% of the excess over \$ []
8 Over \$ [] but not over \$ []	\$ [] plus []% of the excess over \$ []

9 *(b) Resident and Nonresident Defined.* For purposes of this act:

10 (1) A resident of this state means an individual who is domiciled in this state unless he main-
 11 tains no permanent place of abode in this state and does maintain a permanent place of abode elsewhere
 12 and spends in the aggregate not more than thirty days of the taxable year in this state; or who is not
 13 domiciled in this state but maintains a permanent place of abode in this state and spends in the aggre-
 14 gate more than 183 days of the taxable year in this state.

15 (2) A nonresident means an individual who is not a resident of this state.

16 *(c) Cross References:* For application of the tax to estates and trusts, see title V; for application
 17 to partnerships, title VI.

18 *Section 2. Joint Return or Return of Surviving Spouse.* In the case of a joint return of a hus-
 19 ban and wife, the tax imposed by section 1 shall be twice the tax which would be imposed if the

1 taxable income were cut in half. For purposes of this section, section 3 (optional tax) and section 8
2 (standard deduction), a return of a surviving spouse shall be treated as a joint return of husband and wife.

3 *Section 3. Optional Tax. (a) Option to Elect in Lieu Tax.* In lieu of the tax imposed by section
4 1, there is hereby imposed for each taxable year on the taxable income of every individual whose adjusted
5 gross income for such year is less than \$5,000, or in the case of a married couple filing a joint return for
6 such year whose adjusted gross income is less than \$10,000, and who has elected for such a year to pay
7 the tax imposed by this section, a tax as follows:

8 (Insert appropriate tables)

9 (b) *Manner of Election.* The election referred to in subsection (a) shall be made in the manner
10 provided in regulations prescribed by the [tax commissioner].

11 (c) *Separate Returns.* A husband or wife may not elect to pay the optional tax imposed by this
12 section if the tax of the other spouse is determined under section 1 on the basis of taxable income com-
13 puted without regard to the standard deduction.

14 (d) *Optional Tax Does Not Apply.* The optional tax imposed by this section does not apply to
15 any individual who is ineligible to elect the optional tax provided in the Internal Revenue Code of the
16 United States, nor to estates or trusts.

17 (e) *Determination of Taxable Income.* In the case of a taxpayer who makes the election referred
18 to in this section, taxable income means adjusted gross income as modified by section 6 less the stand-
19 ard deduction provided in section 8 and the deduction for personal exemptions provided in section 10.

20 *Section 4. Meaning of Terms.* Any term used in this act shall have the same meaning as when
21 used in a comparable context in the laws of the United States relating to federal income taxes, unless a
22 different meaning is clearly required. Any reference in this act to the laws of the United States shall
23 mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, and other pro-
24 visions of the laws of the United States relating to federal income taxes, as the same may be or become
25 effective, at any time or from time to time, for the taxable year.

(Alternate form – to avoid invalidity on the ground
of illegal delegation)

1 *Section 4. Meaning of Terms.* Any term used in this act shall have the same meaning as when
2 used in a comparable context in the laws of the United States relating to federal income taxes, unless
3 a different meaning is clearly required. Any reference in this act to the laws of the United States shall
4 mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, in effect on
5 [December 31, 19] and other provisions of the laws of the United States relating to federal income
6 taxes in effect on [December 31, 19], or at the option of the taxpayer it shall mean the provisions
7 of the Internal Revenue Code of 1954 and amendments thereto and other provisions of the laws of

1 the United States relating to federal income taxes as they may be in effect for the taxable
2 year.

TITLE II

COMPUTATION OF TAXABLE INCOME

Part I - Resident Individuals

1 *Section 5. Taxable Income.* The entire taxable income of a resident of this state shall be his
2 federal adjusted gross income as defined in the laws of the United States with the modifications and
3 less the deductions and personal exemptions provided in this part.

4 *Section 6. Modifications. (a) Additions.* There shall be added to federal adjusted gross income:
5 (1) interest or dividends on obligations or securities of any state or of a political subdivision or authority
6 thereof (other than this state and its political subdivisions and authorities); and (2) interest or dividends
7 on obligations of any authority, commission, instrumentality, territory or possession of the United States
8 which by the laws of the United States are exempt from federal income tax but not from state income taxes.

9 (b) *Subtractions.* There shall be subtracted from federal adjusted gross income interest or dividends
10 on obligations of the United States and its territories and possessions or of any authority, commission or
11 instrumentality of the United States to the extent includible in gross income for federal income tax pur-
12 poses but exempt from state income taxes under the laws of the United States, provided that the amount
13 subtracted under this subsection shall be reduced by any interest on indebtedness incurred to carry the
14 obligations or securities described in this subsection, and by any expenses incurred in the production of
15 interest or dividend income described in this subsection to the extent that such expenses including amorti-
16 zable bond premiums are deductible in determining federal adjusted gross income.

17 (c) *Fiduciary Adjustment.* There shall be added to or subtracted from federal adjusted gross income,
18 as the case may be, the taxpayer's share of the fiduciary adjustment determined under section 34.

19 (d) *Cross Reference.* For modifications required to be made by a partner relating to items of in-
20 come, gain, loss or deduction of a partnership, see title VI.

21 *Section 7. Deduction.* The deduction of a resident individual shall be his standard deduction unless
22 he elects to itemize his deductions as provided in section 9.

23 *Section 8. Standard Deduction.* The standard deduction of a resident individual or of a resident
24 husband and wife who file a joint return shall be 10 percent of his or their adjusted gross income as
25 modified by this part, or \$1,000, whichever is less. The standard deduction of a married person who
26 files a separate return shall not exceed \$500.

27 *Section 9. Itemized Deductions. (a) General.* If a resident individual has itemized his deductions

1 from adjusted gross income in determining his federal taxable income, he may elect in determining his
 2 taxable income under this act to deduct the sum of such itemized deductions (other than deductions
 3 for personal exemptions):

4 (1) Reduced by any amount thereof representing (i) income taxes imposed by this state
 5 or any other taxing jurisdiction and (ii) interest or expenses incurred in the production of income
 6 exempt from tax under this act and

7 (2) Increased by the amount of interest or expense incurred in the production of income
 8 taxable under this act but exempt from federal income tax (and which has not been deducted in de-
 9 termining federal adjusted gross income).

10 (b) *Husband and Wife.* A husband and wife, both of whom are required to file returns under this
 11 act shall be allowed to itemize their deductions only if both elect to do so. The total of itemized de-
 12 ductions of a husband and wife whose federal taxable income is determined on a joint return but whose
 13 taxable incomes are determined separately for purposes of this act, may be taken by either or divided
 14 between them as they may elect.

15 *Section 10. Personal Exemptions and Credits.* (a) *Personal Exemptions.* A resident shall be al-
 16 lowed an exemption of \$[600] for each exemption to which he is entitled for the taxable year for fed-
 17 eral income tax purposes.

18 (b) *A Credit for Sales Tax Paid on Food [and Drugs].* (1) *General.* There shall also be allowed
 19 to resident individuals as a credit against the tax imposed by this act, a food [and drug] sales tax credit
 20 equal to \$[]¹ multiplied by the number of allowable personal exemptions claimed for individuals
 21 who are residents, exclusive of the extra exemptions allowable for age or blindness. A refund shall be
 22 allowed to the extent that the food [and drug] sales tax credit exceeds the income tax payable by the
 23 resident individual for the taxable year.

24 (2) *Limitation on Claim.* No individual who may be claimed as a personal exemption on
 25 another individual's return shall be entitled to a food [and drug] sales tax credit or refund for himself.
 26 If a food [and drug] sales tax credit or refund is claimed on more than one return for the same individual,
 27 the [tax commissioner] is authorized to determine the individual entitled to claim the credit or refund
 28 provided herein.

29 (3) *Exemptions Prorated.* If personal exemptions are prorated under other provisions of
 30 this act, then the food [and drug] sales tax credit or refund shall be proportionately prorated.

31 (4) *Sales Tax Presumed Paid.* Any individual, other than a person who for more than six
 32 months of the taxable year is a resident patient or inmate of a public institution or an organization ex-
 33 empt from tax as a charitable institution, who maintains a permanent place of abode within this state,

¹E.g., \$6 where sales tax is 2%; \$9 where sales tax is 3%; \$12 where sales tax is 4%.

1 spending in the aggregate more than 6 months of the taxable year within this state, shall be conclusively
 2 presumed to have paid or paid with respect to such personal exemptions retail sales and use taxes imposed
 3 by this state equal to the maximum food [and drug] sales tax credit allowable.

4 (5) *Procedure for Credit of Refund of Tax.* The credits or refunds for sales taxes allowed by
 5 this section shall be claimed on the income tax returns provided for in this act, or in the case of an indi-
 6 vidual not having taxable income in this state on such forms or claims for refunds as the [tax commis-
 7 sioner] shall prescribe.

8 *Section 11. Credit for Income Tax Paid to Another State. (a) Resident Individual.* A resident
 9 individual shall be allowed a credit against the tax otherwise due under this act for the amount of any
 10 income tax imposed on him for the taxable year by another state of the United States or a political sub-
 11 division thereof or the District of Columbia on income derived from sources therein and which is also
 12 subject to tax under this act.

13 (b) *Limitation on Credit.* The credit provided under this section shall not exceed the proportion
 14 of the tax otherwise due under this act that the amount of the taxpayer's adjusted gross income derived
 15 from sources in the other taxing jurisdiction bears to his entire adjusted gross income as modified by
 16 this part.

17 *Section 12. Dual Residence; Reduction of Tax.* If the taxpayer is regarded as a resident both of
 18 this state and another jurisdiction for purposes of personal income taxation, the [tax commissioner]
 19 shall reduce the tax on that portion of the taxpayer's income which is subjected to tax in both jurisdic-
 20 tions solely by virtue of dual residence, provided that the other taxing jurisdiction allows a similar reduc-
 21 tion. The reduction shall be in an amount equal to that portion of the lower of the two taxes applicable
 22 to the income taxed twice which the tax imposed by this state bears to the combined taxes of the two
 23 jurisdictions on the income taxed twice.

Part II - Nonresident Individuals

1 *Section 13. Nonresident Individuals-Taxable Income.* The taxable income of a nonresident in-
 2 dividual shall be that part of his federal adjusted gross income derived from sources within this state
 3 determined by reference to section 15 less the deductions and personal exemptions provided in this
 4 part.

5 *Section 14. Husband and Wife. (a) Separate Federal Return.* If the federal taxable income of
 6 husband or wife (both nonresidents of this state) is determined on a separate federal return, their tax-
 7 able incomes in this state shall be separately determined.

8 (b) *Joint Federal Return.* If the federal taxable income of husband and wife (both nonresidents)
 9 is determined on a joint federal return, their tax shall be determined in this state on their joint taxable
 10 income.

1 (c) *One Spouse a Nonresident.* If either husband or wife is a nonresident and the other a resi-
 2 dent, separate taxes shall be determined on their separate taxable incomes in this state on such forms
 3 as the [tax commissioner] shall prescribe unless both elect to determine their joint taxable income
 4 in this state as if both were residents. If a husband and wife file a joint federal income tax return but
 5 determine their taxable income in this state separately, they shall compute their taxable incomes in
 6 this state as if their federal adjusted gross incomes had been determined separately.

7 *Section 15. Adjusted Gross Income From Sources In This State.* (a) *General.* The adjusted
 8 gross income of a nonresident derived from sources within this state shall be the sum of the following:
 9 (1) the net amount of items of income, gain, loss, and deduction entering into his federal adjusted
 10 gross income which are derived from or connected with sources in this state including (i) his distribu-
 11 tive share of partnership income and deductions determined under section 43 and (ii) his share of
 12 of estate or trust income and deductions determined under section 39, and (2) the portion of the
 13 modifications described in section 6 (a) and (b) which relate to income derived from sources in
 14 this state, including any modifications attributable to him as a partner.

15 (b) *Attribution.* Items of income, gain, loss, and deduction derived from or connected with
 16 sources within this state are those items attributable to: (1) the ownership or disposition of any
 17 interest in real or tangible personal property in this state; and (2) a business, trade, profession, or
 18 occupation carried on in this state.

19 (c) *Intangibles.* Income from intangible personal property including annuities, dividends,
 20 interest, and gains from the disposition of intangible personal property, shall constitute income
 21 derived from sources within this state only to the extent that such income is from property
 22 employed in a business, trade, profession, or occupation carried on in this state.

23 (d) *Deductions for Losses.* Deductions with respect to capital losses, net long-term capital
 24 gains, and net operating losses shall be based solely on income, gains, losses and deductions derived
 25 from or connected with sources in this state, under regulations to be prescribed by the [tax com-
 26 missioner] but otherwise shall be determined in the same manner as the corresponding federal
 27 deductions.

28 (e) *Small Business Corporation.* For a nonresident individual who is a shareholder of a corpo-
 29 ration which is an electing small business corporation for federal income tax purposes, the undistrib-
 30 uted taxable income of such corporation shall not constitute income derived from sources within
 31 this state and a net operating loss of such corporation shall not constitute a loss or deduction con-
 32 nected with sources in this state.

33 (f) *Apportionment and Allocation.* If a business, trade, profession, or occupation is carried
 34 on partly within and partly without this state, the items of income and deduction derived from or

1 connected with sources within this state shall be determined by apportionment and allocation under
2 regulations to be prescribed by the [tax commissioner].

3 (g) *Service in Armed Forces.* Compensation paid by the United States for service in the armed
4 forces of the United States performed by a nonresident shall not constitute income derived from
5 sources within this state.

6 *Section 16. Standard Deduction.* The standard deduction of a nonresident individual or hus-
7 band and wife who file a joint return shall be 10 percent of his or their adjusted gross income from
8 sources within this state or \$1,000, whichever is less. The standard deduction of a nonresident mar-
9 ried person who files a separate return shall not exceed \$500.

10 *Section 17. Itemized Deductions.* (a) *General.* If the federal taxable income of a nonresident
11 individual is determined by itemizing deductions from his federal adjusted gross income, he may
12 elect to deduct his itemized deductions connected with income derived from sources within this
13 state in lieu of taking the standard deduction. Subject to the limitation in subsection (b), the
14 itemized deductions of a nonresident individual shall be the same as for a resident individual deter-
15 mined under section 9. A husband and wife both of whom are required to file returns under this
16 act shall be allowed to itemize deductions connected with income derived from sources within this
17 state only if both elect to itemize their deductions.

18 (b) *Limitation.* If the amount of adjusted gross income a nonresident individual would be re-
19 quired to report under section 5 if he were a resident, exceeds by more than \$100 the amount of
20 adjusted gross income he receives from sources within this state, his itemized deductions shall be
21 limited by the percentage which his adjusted gross income from sources within this state is to the
22 adjusted gross income he would be required to report if he were a resident. For purposes of this
23 apportionment, a nonresident individual may elect to treat his federal adjusted gross income as
24 adjusted gross income from sources within this state unless the amount of the modifications increas-
25 ing federal adjusted gross income under section 6 would exceed \$100.

26 *Section 18. Personal Exemptions.* A nonresident individual shall be allowed the same personal
27 exemptions allowed to resident individuals under section 10 (i).

TITLE III

WITHHOLDING OF TAX

1 *Section 19. Employer to Withhold Tax from Wages.* (a) *General.* Every employer maintaining
2 an office or transacting business within this state and making payment of any wages taxable under
3 this act to a resident or nonresident individual shall deduct and withhold from such wages for each
4 payroll period a tax computed in such manner as to result, so far as practicable, in withholding from

1 the employee's wages during each calendar year an amount substantially equivalent to the tax reason-
2 ably estimated to be due from the employee under this act with respect to the amount of such wages
3 included in his adjusted gross income during the calendar year. The method of determining the amount
4 to be withheld shall be prescribed by regulations of the [tax commissioner]. This section shall not apply
5 to payments by the United States for service in the armed forces of the United States.

6 (b) *Withholding Exemptions.* For purposes of this section:

7 (1) An employee shall be entitled to the same number of withholding exemptions as the
8 number of withholding exemptions to which he is entitled for federal income tax withholding purposes.
9 An employer may rely upon the number of federal withholding exemptions claimed by the employee,
10 except where the employee claims a different number of withholding exemptions in this state;

11 (2) The amount of each exemption in this state shall be \$[600] whether the individual
12 is a resident or a nonresident.

13 (c) *Withholding Agreements.* The [tax commissioner] may enter into agreements with the tax
14 departments of other states (which require income tax to be withheld from the payment of wages
15 and salaries) so as to govern the amounts to be withheld from the wages and salaries of residents of
16 such states under provisions of this chapter. Such agreements may provide for recognition of antici-
17 pated tax credits in determining the amounts to be withheld and, under regulations prescribed by
18 the [tax commissioner], may relieve employers in this state from withholding income tax on wages
19 and salaries paid to nonresident employees. The agreements authorized by this subsection are sub-
20 ject to the condition that the tax department of such other states grant similar treatment to residents
21 of this state.

22 *Section 20. Information Statement for Employee.* Every employer required to deduct and
23 withhold tax under this act from the wages of an employee, or who would have been required so to
24 deduct and withhold tax if the employee had claimed no more than one withholding exemption,
25 shall furnish to each such employee in respect to the wages paid by such employer to such employee
26 during the calendar year on or before February 15 of the succeeding year, or, if his employment is
27 terminated before the close of such calendar year, within thirty days from the date on which the
28 last payment of wages is made, a written statement as prescribed by the [tax commissioner] showing
29 the amount of wages paid by the employer to the employee, the amount deducted and withheld as
30 tax, and such other information as the [tax commissioner] shall prescribe.

31 *Section 21. Credit for Tax Withheld.* Wages upon which tax is required to be withheld shall
32 be taxable under this chapter as if no withholding were required, but any amount of tax actually
33 deducted and withheld under this chapter in any calendar year shall be deemed to have been paid
34 to the [tax commissioner] on behalf of the person from whom withheld, and such person shall be
35 credited with having paid that amount of tax for the taxable year beginning in such calendar year.

1 For a taxable year of less than 12 months, the credit shall be made under regulations of the [tax
2 commissioner].

3 *Section 22. Employer's Return and Payment of Tax Withheld. (a) General.* Every employer
4 required to deduct and withhold tax under this act shall, for each calendar quarter, on or before the
5 fifteenth day of the month following the close of such calendar quarter, file a withholding return
6 as prescribed by the [tax commissioner] and pay over to the [tax commissioner] or to a depository
7 designated by the [tax commissioner], the taxes so required to be deducted and withheld, except
8 that for the fourth quarter of the calendar year, the return shall be filed and the taxes paid on or
9 before January 31 of the succeeding year. Where the aggregate amount required to be deducted
10 and withheld by any employer for a calendar month exceeds \$[500], the employer shall by the
11 fifteenth day of the succeeding month pay over such aggregate amount to the [tax commissioner].
12 The amount so paid shall be allowed as a credit against the liability shown on the employer's
13 quarterly withholding return required by this section. Where the aggregate amount required to be
14 deducted and withheld by any employer is less than \$[100] in a calendar quarter, the [tax com-
15 missioner] may by regulation permit an employer to file a withholding return on or before July 31
16 for the semi-annual period ending on June 30 and on or before January 31 of the succeeding year
17 for the semi-annual period ending on December 31. The [tax commissioner] may, if he believes
18 such action necessary for the protection of the revenue, require any employer to make such return
19 and pay him the tax deducted and withheld at any time, or from time to time. Where the amount
20 of wages paid by an employer is not sufficient under this chapter to require the withholding of tax
21 from the wages of any of his employees, the [tax commissioner] may by regulation permit such
22 employer to file an annual return on or before January 31 of the succeeding calendar year.

23 *(b) Deposit in Trust for [Tax Commissioner].* Whenever any employer fails to collect, truth-
24 fully account for, pay over the tax, or make returns of the tax as required by this section, the [tax
25 commissioner] may serve a notice requiring such employer to collect the taxes which became col-
26 lectible after service of such notice, to deposit such taxes in a bank approved by the [tax commis-
27 sioner], in a separate account, in trust for and payable to the [tax commissioner], and to keep the
28 amount of such tax in such account until paid over to the [tax commissioner]. Such notice shall
29 remain in effect until a notice of cancellation is served by the [tax commissioner].

30 *Section 23. Employer's Liability for Withheld Taxes.* Every employer required to deduct
31 and withhold tax under this act is hereby made liable for such tax. For purposes of assessment and
32 collection, any amount required to be withheld and paid over to the [tax commissioner], and any
33 additions to tax, penalties and interest with respect thereto, shall be considered the tax of the em-
34 ployer. Any amount of tax actually deducted and withheld under this act shall be held to be a

1 special fund in trust for the [tax commissioner]. No employee shall have any right of action against
 2 his employer in respect to any money deducted and withheld from his wages and paid over to the
 3 [tax commissioner] in compliance or in intended compliance with this act.

4 *Section 24. Employer's Failure to Withhold.* If an employer fails to deduct and withhold tax
 5 as required, and thereafter the tax against which such tax may be credited is paid, the tax so required
 6 to be deducted and withheld shall not be collected from the employer, but the employer shall not be
 7 relieved from liability for any additions to tax penalties or interest otherwise applicable in respect to
 8 such failure to deduct and withhold.

TITLE IV

ACCOUNTING PERIODS AND METHODS OF ACCOUNTING

1 *Section 25. Period for Computation of Taxable Income.* (a) *General.* For purposes of the
 2 tax imposed by this act, a taxpayer's taxable year shall be the same as his taxable year for federal in-
 3 come tax purposes.

4 (b) *Change of Taxable Year.* If a taxpayer's taxable year is changed for federal income tax pur-
 5 poses, his taxable year for purposes of the tax imposed by this act shall be similarly changed. If a
 6 change in taxable year results in a taxable period of less than 12 months, the standard deduction and
 7 the deduction for personal exemption allowed by this act shall be prorated under regulations pre-
 8 scribed by the [tax commissioner].

9 (c) *Termination of Taxable Year for Jeopardy.* Notwithstanding the provisions of subsections
 10 (a) and (b), if the [tax commissioner] terminates the taxpayer's taxable year under section 103
 11 (relating to tax in jeopardy), the tax shall be computed for the period determined by such action.

12 *Section 26. Methods of Accounting.* (a) *Same as Federal.* For purposes of the tax imposed
 13 by this act, a taxpayer's method of accounting shall be the same as his method of accounting for
 14 federal income tax purposes. If no method of accounting has been regularly used by the taxpayer,
 15 taxable income for purposes of this act shall be computed under such method that in the opinion
 16 of the [tax commissioner] fairly reflects income.

17 (b) *Change of Accounting Methods.* If a taxpayer's method of accounting is changed for fed-
 18 eral income tax purposes, his method of accounting for purposes of this act shall similarly be changed.

19 *Section 27. Adjustments.* In computing a taxpayer's taxable income for any taxable year under
 20 a method of accounting different from the method under which the taxpayer's taxable income for the
 21 previous year was computed, there shall be taken into account those adjustments which are determined,
 22 under regulations prescribed by the [tax commissioner], to be necessary solely by reason of the
 23 change in order to prevent amounts from being duplicated or omitted.

1 *Section 28. Limitation on Additional Tax. (a) Change Other Than to Installment Method.* If a
 2 taxpayer's method of accounting is changed, other than from an accrual to an installment method, any
 3 additional tax which results from adjustments determined to be necessary solely by reason of the change
 4 shall not be greater than if such adjustments were ratably allocated and included for the taxable year of
 5 the change and the preceding taxable years, not in excess of two, during which the taxpayer used the method
 6 of accounting from which the change is made.

7 *(b) Change from Accrual to Installment Method.* If a taxpayer's method of accounting is changed
 8 from an accrual to an installment method, any additional tax for the year of such change of method and
 9 for any subsequent year which is attributable to the receipt of installment payments properly accrued in a
 10 prior year, shall be reduced by the portion of tax for any prior taxable year attributable to the accrual of
 11 such installment payments, under regulations prescribed by the [tax commissioner].

TITLE V

ESTATES, TRUSTS, BENEFICIARIES, AND DECEDENTS

Part I - General

1 *Section 29. Imposition of Tax.* The tax imposed by this act on individuals shall apply to taxable
 2 income of estates and trusts.

3 *Section 30. Computation and Payment.* The taxable income of an estate or trust shall be computed
 4 in the same manner as in the case of an individual except as otherwise provided by this subchapter. The
 5 tax shall be computed on such taxable income and shall be paid by the fiduciary.

6 *Section 31. Tax Not Applicable. (a) Associations Taxable as Corporations.* An association, trust or
 7 other unincorporated organization which is taxable as a corporation for federal income tax purposes shall
 8 not be subject to tax under this act.

9 *(b) Exempt Associations, Trusts, and Organizations.* An association, trust, or other unincorporated
 10 organization which by reason of its purposes or activities is exempt from federal income tax shall be exempt
 11 from the tax imposed by this act except with respect to its unrelated business taxable income.

Part II - Resident Estates and Trusts

1 *Section 32. Resident Estate or Trust Defined.* A resident estate or trust means: (1) the estate of a
 2 decedent who at his death was domiciled in this state; (2) a trust created by will of a decedent who at his
 3 death was domiciled in this state; or (3) a trust created by, or consisting of property of, a person domi-
 4 ciled in this state.

5 *Section 33. Taxable Income of Resident Estate or Trust.* The taxable income of a resident estate

1 or trust means its federal taxable income modified by the addition or subtraction, as the case may be, of
 2 its share of the fiduciary adjustment determined under section 34.

3 *Section 34. Fiduciary Adjustment. (a) Fiduciary Adjustment Defined.* The fiduciary adjustment
 4 shall be the net amount of the modifications described in section 6 (including subsection (c) if the
 5 estate or trust is a beneficiary of another estate or trust) which relates to items of income or deduction
 6 of an estate or trust.

7 (b) *Shares of Fiduciary Adjustment.* The respective shares of an estate or trust and its beneficiaries
 8 (including solely for the purpose of this allocation, nonresident beneficiaries) in the fiduciary adjustment
 9 shall be in proportion to their respective shares of federal distributable net income of the estate or trust.
 10 If the estate or trust has no federal distributable net income for the taxable year, the share of each bene-
 11 ficiary in the fiduciary adjustment shall be in proportion to his share of the estate or trust income for
 12 such year, under local law or the terms of the instrument, which is required to be distributed currently
 13 and any other amounts of such income distributed in such year. Any balance of the fiduciary adjust-
 14 ment shall be allocated to the estate or trust.

15 (c) *Alternate Attribution of Adjustment.* The [tax commissioner] may by regulation authorize
 16 the use of such other methods of determining to whom the items comprising the fiduciary adjustment
 17 shall be attributed, as may be appropriate and equitable, on such terms and conditions as the [tax com-
 18 missioner] may require.

19 *Section 35. Credit for Income Tax of Another State.* A resident estate or trust shall be allowed
 20 the credit provided in section 11 (relating to an income tax imposed by another state) except that the
 21 limitation shall be computed by reference to the taxable income of the estate or trust.

22 *Section 36. Credit to Beneficiary for Accumulation Distribution. (a) General.* A resident bene-
 23 ficiary of a trust whose adjusted gross income includes all or part of an accumulation distribution by
 24 such trust, as defined in section 665 of the Internal Revenue Code, shall be allowed a credit against the
 25 tax otherwise due under this act for all or a proportionate part of any tax paid by the trust under this
 26 act for any preceding taxable year which would not have been payable if the trust had in fact made
 27 distribution to its beneficiaries at the times and in the amounts specified in section 666 of the Internal
 28 Revenue Code.

29 (b) *Limitation on Credit.* The credit under this section shall not reduce the tax otherwise due
 30 from the beneficiary under this act to an amount less than would have been due if the accumulation
 31 distribution or his part thereof were excluded from his adjusted gross income.

Part III - Nonresident Trusts and Estates

1 *Section 37. Nonresident Estate or Trust Defined.* A nonresident estate or trust means an estate
 2 or trust which is not a resident.

1 *Section 38. Taxable Income of a Nonresident Estate or Trust. (a) General Rules.* For purposes
2 of this part:

3 (1) Items of income, gain, loss, and deduction mean those derived from or connected with
4 sources in this state.

5 (2) Items of income, gain, loss, and deduction entering into the definition of federal distrib-
6 utable net income includes such items from another estate or trust of which the first estate or trust is
7 a beneficiary.

8 (3) The source of items of income, gain, loss, or deduction shall be determined under regula-
9 tions prescribed by the [tax commissioner] in accordance with the general rules in section 15 as if the
10 estate or trust were a nonresident individual.

11 (b) *Determination of Taxable Income.* The taxable income of a nonresident estate or trust con-
12 sists of (i) its share of items of income, gain, loss, and deduction which enter into the federal definition
13 of distributable net income; (ii) increased or reduced by the amount of any items of income, gain, loss,
14 or deduction which are recognized for federal income tax purposes but excluded from the federal defini-
15 tion of distributable net income of the estate or trust; (iii) less the amount of the deduction for its
16 federal exemption.

17 *Section 39. Share of a Nonresident Estate, Trust or Its Beneficiaries in Income From Sources in*
18 *in This State. (a) General Rule.* The share of a nonresident estate or trust of items of income, gain, loss,
19 and deduction entering into the definition of distributable net income and the share for purpose of
20 section 15 of a nonresident beneficiary of any estate or trust in estate or trust income, gain, loss, and
21 deduction shall be determined as follows:

22 (i) To the amount of items of income, gain, loss, and deduction which enter into the defi-
23 nition of distributable net income there shall be added or subtracted, as the case may be, the modifica-
24 tions described in section 6 to the extent they relate to items of income, gain, loss, and deduction
25 which also enter into the definition of distributable net income. No modification shall be made under
26 this section which has the effect of duplicating an item already reflected in the definition of distributable
27 net income.

28 (ii) The amount determined under the preceding paragraph shall be allocated among the
29 estate or trust and its beneficiaries (including, solely for the purpose of this allocation, resident bene-
30 ficiaries) in proportion to their respective shares of federal distributable net income. The amounts so
31 allocated shall have the same character as for federal income tax purposes. Where an item entering into
32 the computation of such amounts is not characterized for federal income tax purposes, it shall have the
33 same character as if realized directly from the source from which realized by the estate or trust, or in-
34 curred in the same manner as incurred by the estate or trust.

35 (iii) If the estate or trust has no federal distributable net income for the taxable year, the

1 share of each beneficiary in the net amount determined under paragraph (a) (i) of this section shall be
 2 in proportion to his share of the estate or trust income for such year, under local law or the terms of the
 3 instrument, which is required to be distributed currently and any other amounts of such incomes, distrib-
 4 uted in such year. Any balance of such net amount shall be allocated to the estate or trust.

5 (b) *Alternate Methods.* The [tax commissioner] may by regulation establish such other method
 6 or methods of determining the respective shares of the beneficiaries and of the estate or trust in its in-
 7 come derived from sources in this state, and in the modifications related thereto, as may be appropriate
 8 and equitable.

9 *Section 40. Credit to Beneficiary for Accumulation Distribution.* A nonresident beneficiary of a
 10 trust whose adjusted gross income derived from sources in this state includes all or part of an accumula-
 11 tion distribution by such trust, as defined in section 665 of the Internal Revenue Code, shall be allowed
 12 a credit against the tax otherwise due under this act, computed in the same manner and subject to the
 13 same limitation as provided by section 36 with respect to a resident beneficiary.

TITLE VI

PARTNERS AND PARTNERSHIPS

1 *Section 41. Entity not Taxable.* A partnership as such shall not be subject to the tax imposed by
 2 this act. Persons carrying on business as partners shall be liable for the tax imposed by this act only in
 3 their separate or individual capacities.

4 *Section 42. Resident Partner - Adjusted Gross Income. (a) Modification in Determining the*
 5 *Adjusted Gross Income of a Resident Partner.* Any modification described in section 9 which relates to
 6 an item of partnership income, gain, loss, or deduction shall be made in accordance with the partner's
 7 distributive share, for federal income tax purposes, of the item to which the modification relates.
 8 Where a partner's distributive share of any such item is not required to be taken into account separately
 9 for federal income tax purposes, the partner's distributive share of such item shall be determined in
 10 accordance with his distributive share, for federal income tax purposes, of partnership taxable income
 11 or loss generally.

12 (b) *Character of Items.* Each item of partnership income, gain, loss, or deduction shall have the
 13 same character for a partner under this act as it has for federal income tax purposes. Where an item is
 14 not characterized for federal income tax purposes, it shall have the same character for a partner as if
 15 realized directly for the source from which realized by the partnership or incurred in the same manner
 16 as incurred by the partnership.

17 (c) *Tax Avoidance or Evasion.* Where a partner's distributive share of an item of partnership in-
 18 come, gain, loss, or deduction is determined for federal income tax purposes by a special provision in

1 the partnership agreement with respect to such item, and the principal purpose of such provision is the
2 avoidance or evasion of tax under this act, the partner's distributive share of such item and any modifi-
3 cation required with respect thereto shall be determined in accordance with his distributive share of the
4 taxable income or loss of the partnership generally (that is, exclusive of those items requiring separate
5 computation under the provisions of section 702 of the Internal Revenue Code.)

6 *Section 43. Nonresident Partner - Adjusted Gross Income From Sources in This State. (a) General.*
7 In determining the adjusted gross income of a nonresident partner of any partnership, there shall be in-
8 cluded only that part derived from or connected with sources in this state of the partner's distributive
9 share of items of partnership income, gain, loss, and deduction entering into his federal adjusted gross
10 income, as such part is determined under regulations prescribed by the [tax commissioner] in accordance
11 with the general rules in section 15.

12 (b) *Itemized Deductions.* If a nonresident partner of any partnership elects to itemize his deduc-
13 tions in determining his taxable income in this state, there shall be attributed to him his distributive
14 share of partnership items of deduction from federal adjusted gross income which are deductible by him
15 under section 17.

16 (c) *Special Rules as to Sources in This State.* In determining the sources of a nonresident partner's
17 income, no effect shall be given to a provision in the partnership agreement which:

18 (i) characterizes payments to the partner as being for services or for the use of capital, or
19 allocated to the partner, as income or gain from sources outside this state, a greater proportion of his
20 distributive share of partnership income or gain than the ratio of partnership income or gain from sources
21 outside this state to partnership income or gain from all sources, except as authorized in subsection (e);
22 or

23 (ii) allocates to the partner a greater proportion of a partnership item of loss or deduction
24 connected with sources in this state than his proportionate share, for federal income tax purposes, of
25 partnership loss or deduction generally, except as authorized in subsection (e).

26 (d) *Partner's Modifications.* Any modification described in subsections (a) and (b) of section 6,
27 which relates to an item of partnership income, gain, loss, or deduction, shall be made in accordance with
28 the partner's distributive share, for federal income tax purposes of the item to which the modification
29 relates, but limited to the portion of such item derived from or connected with sources in this state.

30 (e) *Alternate Methods.* The [tax commissioner] may, on application, authorize the use of such
31 other methods of determining a nonresident partner's portion of partnership items derived from or con-
32 nected with sources in this state, and the modifications related thereto, as may be appropriate and equit-
33 able, on such terms and conditions as he may require.

34 (f) *Application of Rules for Resident Partners to Nonresident Partners.* A nonresident partner's
35 distributive share of items of income, gain, loss, or deduction shall be determined under subsection (a)

1 of section 42. The character of partnership items for a nonresident partner shall be determined under
 2 subsection (b) of section 42. The effect of a special provision in a partnership agreement, other than
 3 a provision referred to in subsection (c) of this section, having as a principal purpose the avoidance
 4 or evasion of tax under this act shall be determined under subsection (c) of section 42.

TITLE VII

RETURNS, DECLARATIONS AND PAYMENTS

Part I - Income Tax Returns

1 *Section 44. Persons Required to Make Returns of Income.* An income tax return with respect to
 2 the tax imposed by this act shall be made by the following:

3 (a) Every resident individual,
 4 (1) who is required to file a federal income tax return for the taxable year, or
 5 (2) who has adjusted gross income of more than \$[600] if single or more than \$[1,200] if
 6 married, or
 7 (3) who having attained the age of 65 before the close of his taxable year has adjusted gross
 8 income of more than \$[1,200] if single and more than \$[1,800] if married and his spouse has not at-
 9 tained the age of 65 and more than \$[2,400] if both have attained the age of 65 before the close of the
 10 taxable year.

11 (b) Every nonresident individual,
 12 (1) who has adjusted gross income from sources in this state of more than \$[600] if single
 13 and \$[1,200] if married, or
 14 (2) who having attained the age of 65 before the close of his taxable year has adjusted gross
 15 income from sources within this state of more than \$[1,200] if single and more than \$[1,800] if married
 16 and his spouse has not yet attained the age of 65 and more than \$[2,400] if both have attained the age
 17 of 65 before the close of the taxable year.

18 (c) Every resident estate or trust which is required to file a federal income tax return.

19 (d) Every nonresident estate which has gross income of \$[600] or more for the taxable year from
 20 sources within this state.

21 (e) Every nonresident trust which for the taxable year has from sources within this state,

22 (1) any taxable income,
 23 (2) gross income of \$[600] or more regardless of the amount of taxable income.

24 *Section 45. Joint Returns by Husband and Wife.* (a) *General.* A husband and wife may make

1 a joint return with respect to the tax imposed by this act even though one of the spouses has neither
2 gross income nor deductions except that:

3 (1) no joint return shall be made under this act if the spouses are not permitted to file a
4 joint federal income tax return.

5 (2) if the federal income tax liability of either spouse is determined on a separate federal
6 return their income tax liabilities under this act shall be determined on separate returns.

7 (3) if the federal income tax liabilities of husband and wife, other than a husband and wife
8 described in subsection (b) of this section, are determined on a joint federal return, they shall file a
9 joint return under this act and their tax liabilities shall be joint and several.

10 (4) if neither spouse is required to file a federal income tax return and either or both are
11 required to file an income tax return under this act, they may elect to file separate or joint returns
12 and pursuant to such election their liabilities shall be separate or joint and several.

13 (b) *One spouse a Nonresident.* If either husband or wife is a resident and the other is a nonresi-
14 dent, they shall file separate income tax returns in this state on such forms as may be required by the
15 [tax commissioner] in which event their tax liabilities shall be separate; but they may elect to deter-
16 mine their joint taxable income as if both were residents and in such case, their liabilities shall be joint
17 and several.

18 *Section 46. Returns by Fiduciaries.* (a) *Decedents.* An income tax return for any deceased indi-
19 vidual shall be made and filed by his executor, administrator, or other person charged with the care of
20 his property. A final return of a decedent shall be due when it would have been due if the decedent
21 had not died.

22 (b) *Individuals Under a Disability.* An income tax return for an individual who is unable to make
23 a return by reason of minority or other disability shall be made and filed by his duly authorized agent,
24 his committee, guardian, conservator, fiduciary or other person charged with the care of his person or
25 property other than a receiver in possession of only a part of the individual's property.

26 (c) *Estates and Trusts.* The income tax return of an estate or trust shall be made and filed by the
27 fiduciary thereof.

28 (d) *Joint Fiduciaries.* If two or more fiduciaries are acting jointly, the return may be made by any
29 one of them.

30 (e) *Cross Reference:* For provisions relating to information returns by partnerships, see section 59.

31 *Section 47. Notice of Qualification as Receiver.* Every receiver, trustee in bankruptcy, assignee for
32 benefit of creditors, or other like fiduciary, shall give notice of his qualification as such to the [tax com-
33 missioner], as may be required by regulation.

34 *Section 48. Change of Status as Resident or Nonresident During Year.* If an individual changes his
35 status during his taxable year from resident to nonresident or from nonresident to resident, the [tax

1 commissioner] may by regulation require him to file one return for the portion of the year during which
2 he is a resident and one for the portion of the year during which he is a nonresident.

3 *Section 49. Taxable Income as Resident and Nonresident.* (a) Except as provided in subsection
4 (b) of this section, the taxable income of the individual shall be determined as provided in section 5
5 for residents and section 13 for nonresidents as if the individual's taxable year for federal income tax
6 purposes were limited to the period of his resident and nonresident status respectively.

7 (b) There shall be included in determining taxable income from sources within or without this
8 state, as the case may be, income, gain, loss, or deduction accrued prior to the change of status even
9 though not otherwise includible or allowable in respect of the period prior to such change, but the tax-
10 ation or deduction of items accrued prior to the change of status shall not be affected by the change.

11 *Section 50. Minimum Tax and Prorating of Exemptions.* Where two returns are required to be
12 filed as provided in section 48:

13 (1) personal exemptions and the standard deduction shall be prorated between the two returns,
14 under regulations prescribed by the [tax commissioner], to reflect the proportions of the taxable year
15 during which the individual was a resident and a nonresident, and

16 (2) the total of the taxes due thereon shall not be less than would be due if the total of the taxable
17 incomes reported on the two returns were includible in one return.

18 *Section 51. Time and Place for Filing Returns and Paying Tax.* The income tax return required by
19 this act shall be filed on or before the fifteenth day of the fourth month following the close of the tax-
20 payer's taxable year. A person required to make and file a return under this act shall, without assessment,
21 notice or demand, pay any tax due thereon to the [tax commissioner] on or before the date fixed for filing
22 such return (determined without regard to any extension of time for filing the return). The [tax commis-
23 sioner] shall prescribe by regulation the place for filing any return, declaration, statement or other docu-
24 ment required pursuant to this chapter and for the payment of any tax.

25 *Section 52. Declarations of Estimated Tax.* (a) *Requirement of Declaration.* Every resident and
26 nonresident individual shall make a declaration of his estimated tax for the taxable year, in such form as
27 the [tax commissioner] may prescribe if his adjusted gross income (in the case of a nonresident from
28 sources within this state), other than from wages on which tax is withheld under this act, can reasonably
29 be expected to exceed \$[500] plus the sum of the personal exemptions to which he is entitled.

30 (b) *Estimated Tax Defined.* The term "estimated tax" means the amount which the individual
31 estimates to be his income tax under this act for the taxable year less the amount which he estimates to
32 be the sum of any credits allowable for tax withheld.

33 (c) *Joint Declaration of Husband and Wife.* If they are eligible to do so for federal tax purposes,
34 a husband and wife may make a joint declaration of estimated tax as if they were one taxpayer, in
35 which case the liability with respect to the estimated tax shall be joint and several. If a joint declaration

1 is made but husband and wife elect to determine their taxes under this chapter separately, the estimated
 2 tax for such year may be treated as the estimated tax of either husband or wife, or may be divided between
 3 them, as they may elect.

4 (d) *Amendment of Declaration.* An individual may amend a declaration under regulations prescribed
 5 by the [tax commissioner].

6 (e) *Return or Declaration as Amendment.* If on or before January 31 (or February 15 in the case
 7 of an individual referred to in subsection (b) of section 53) of the succeeding taxable year an individual
 8 files his return for the taxable year for which the declaration is required, and pays in full the amount
 9 shown on the return as payable, such return (1) shall be considered as his declaration if no declaration
 10 was required to be filed during the taxable year, but is otherwise required to be filed on or before January
 11 15, or (2) shall be considered as the amendment permitted by subsection (d) to be filed on or before
 12 January 15 if the tax shown on the return is greater than the estimated tax shown in a declaration pre-
 13 viously made.

14 (f) *Short Taxable Year.* An individual having a taxable year of less than twelve months shall make
 15 a declaration in accordance with regulations of the [tax commissioner].

16 (g) *Declaration for Individual Under a Disability.* The declaration of estimated tax for an individual
 17 under a disability shall be made and filed in the manner provided in subsection (b) of section 46 for an
 18 income tax return.

19 *Section 53. Time for Filing Declaration of Estimated Tax.* (a) *Time for Filing.* A declaration of
 20 estimated tax of an individual other than a farmer shall be filed on or before April 15 of the taxable
 21 year, except that if the requirements of section 52 are first met:

22 (1) after April 1 and before June 2 of the taxable year, the declaration shall be filed on or
 23 before June 15, or

24 (2) after June 1 and before September 2 of the taxable year, the declaration shall be filed
 25 on or before September 15, or

26 (3) after September 1 of the taxable year, the declaration shall be filed on or before January
 27 15 of the succeeding year.

28 (b) *Declaration by Farmer.* A declaration of estimated tax required by section 52 from an individual
 29 having an estimated adjusted gross income from farming in this state for the taxable year which is at least
 30 two-thirds of his total estimated adjusted gross income taxable in this state for the taxable year, may be
 31 filed at any time on or before January 15 of the succeeding taxable year, in lieu of the time otherwise
 32 prescribed.

33 (c) *Declaration of Estimated Tax of \$[50] or Less.* A declaration of estimated tax of an individual
 34 having a total estimated tax for the taxable year of \$[50] or less may be filed at any time on or before
 35 January 15 of the succeeding taxable year under regulations prescribed by the [tax commissioner].

1 (d) *Fiscal Year.* In the application of this section and the preceding section to the case of a taxable
2 year beginning on any date other than January 1, there shall be substituted, for the months specified in
3 this section and the preceding section, the months which correspond thereto.

4 *Section 54. Payments of Estimated Tax. (a) General.* The estimated tax with respect to which
5 a declaration is required under this act shall be paid as follows:

6 (1) If the declaration is filed on or before April 15 of the taxable year, the estimated tax
7 shall be paid in four equal installments. The first installment shall be paid at the time of the filing of
8 the declaration, the second and third on June 15 and September 15, respectively, of the taxable year,
9 and the fourth on January 15 of the succeeding taxable year.

10 (2) If the declaration is filed after April 15 and not after June 15 of the taxable year, and
11 is not required to be filed on or before April 15 of the taxable year, the estimated tax shall be paid in
12 three equal installments. The first installment shall be paid at the time of the filing of the declaration,
13 the second on September 15, of the taxable year, and the third on January 15 of the succeeding taxable
14 year.

15 (3) If the declaration is filed after June 15 and not after September 15 of the taxable year,
16 and is not required to be filed on or before June 15 of the taxable year, the estimated tax shall be paid
17 in two equal installments. The first installment shall be paid at the time of the filing of the declaration,
18 and the second on January 15 of the succeeding taxable year.

19 (4) If the declaration is filed after September 15 of the taxable year and is not required to
20 be filed on or before September 15 of the taxable year, the estimated tax shall be paid in full at the time
21 of the filing of the declaration.

22 (5) If the declaration is filed after the time prescribed in section 53 (including cases in
23 which an extension of time for filing the declaration has been granted), paragraphs (2), (3), and (4)
24 of this subsection shall not apply, and there shall be paid at the time of such filing all installments of
25 estimated tax which would have been payable on or before such time if the declaration had been filed
26 within the time prescribed in section 53, and the remaining installments shall be paid at the time at
27 which, and in the amounts in which they would have been payable if the declaration had been so filed.

28 (b) *Farmers.* If an individual referred to in subsection (b) of section 53 (relating to income
29 from farming) makes a declaration of estimated tax after September 15 of the taxable year and on or
30 before January 15 of the succeeding taxable year, the estimated tax shall be paid in full at the time of
31 the filing of the declaration.

32 (c) *Amendments of Declaration.* If any amendment of a declaration is filed, the remaining in-
33 stallments, if any, shall be ratably increased or decreased, as the case may be, to reflect the increase or
34 decrease in the estimated tax by reason of such amendment, and if any amendment is made after

1 September 15 of the taxable year, any increase in the estimated tax by reason thereof shall be paid at
2 the time of making such amendment.

3 (d) *Application to Short Taxable Years.* The application of this section to taxable years of less
4 than 12 months shall be in accordance with regulations prescribed by the [tax commissioner].

5 (e) *Fiscal Years.* In the application of this section to the case of a taxable year beginning on any
6 date other than January 1, there shall be substituted, for the months specified in this section, the months
7 which correspond thereto.

8 (f) *Installments Paid in Advance.* At the election of the individual, any installment of the estimated
9 tax may be paid prior to the date prescribed for its payment.

10 (g) *Payment of Account.* Payment of the estimated income tax or any installment thereof, shall
11 be considered payment on account of the income tax imposed under this act for the taxable year.

12 *Section 55. Extension of Time for Filing and Payment.* (a) *General.* The [tax commissioner] may
13 grant a reasonable extension of time for payment of tax or estimated tax or any installment thereof, or
14 for filing any return, declaration, statement, or other document required pursuant to this chapter, on
15 such terms and conditions as he may require. Except for a taxpayer who is outside the United States,
16 no such extension for filing any return, declaration, statement, or document, shall exceed six months.

17 (b) *Security.* If any extension of time is granted for payment of any amount of tax, the [tax
18 commissioner] may require the taxpayer to furnish a bond or other security in an amount not exceeding
19 twice the amount for which the extension of time for payment is granted, on such terms and conditions
20 as the [tax commissioner] may require.

21 *Section 56. Change of Election.* Any election expressly authorized by this act may be changed on
22 such terms and conditions as the [tax commissioner] may prescribe by regulation.

23 *Section 57. Signing of Returns and Other Documents.* (a) *General.* Any return, declaration, state-
24 ment or other document required to be made pursuant to this act shall be signed in accordance with regu-
25 lations or instructions prescribed by the [tax commissioner]. The fact that an individual's name is signed
26 to a return, declaration, statement or other document, shall be prima facie evidence for all purposes that
27 the return, declaration, statement or other document was actually signed by him.

28 (b) *Partnerships.* Any return, statement or other document required of a partnership shall be
29 signed by one or more partners. The fact that a partner's name is signed to a return, statement or other
30 document, shall be prima facie evidence for all purposes that such partner is authorized to sign on behalf
31 of the partnership.

32 (c) *Certifications.* The making or filing of any return, declaration, statement or other document
33 or copy thereof required to be made or filed pursuant to this act, including a copy of a federal return,
34 shall constitute a certification by the person making or filing such return, declaration, statement or other
35 document or copy thereof that the statements contained therein are true and that any copy filed is a true copy

Part II - Information Returns

1 *Section 58. General Requirements Concerning Returns, Notices, Records and Statements.* The
2 [tax commissioner] may prescribe regulations as to the keeping of records, the content and form of re-
3 turns and statements and the filing of copies of federal income returns and determinations. The [tax
4 commissioner] may require any person, by regulation or notice served on such person, to make such re-
5 turns, render such statements, or keep such records, as the [tax commissioner] may deem sufficient to
6 show whether or not such person is liable under this act for tax or for the collection of tax.

7 *Section 59. Partnership Return.* Every partnership having a resident partner or having any in-
8 come derived from sources in this state, determined in accordance with the applicable rules of section
9 15 as in the case of a nonresident individual, shall make a return for the taxable year setting forth all
10 items of income, gain, loss, and deduction, and the names and addresses of the individuals whether resi-
11 dents or nonresidents who would be entitled to share in the net income if distributed and the amount
12 of the distributive share of each individual and such other pertinent information as the [tax commissioner]
13 may prescribe by regulations and instructions. Such return shall be filed on or before the fifteenth day
14 of the fourth month following the close of each taxable year. For purposes of this section, “taxable year”
15 means a year or period which would be a taxable year of the partnership if it were subject to tax under
16 this act.

17 *Section 60. Information Returns.* The [tax commissioner] may prescribe regulations and instruc-
18 tions requiring returns of information to be made and filed on or before February 28 of each year by
19 any person making payment or crediting in any calendar year the amounts of \$[600] or more (\$[10]
20 or more in the case of interest or dividends) to any person who may be subject to the tax imposed
21 under this act. Such returns may be required of any person, including lessees or mortgagors of real or
22 personal property, fiduciaries, employers, and all officers and employees of this state, or of any municipi-
23 pal corporation or political subdivision of this state, having the control, receipt, custody, disposal or
24 payment of dividends, interest, rents, salaries, wages, premiums, annuities, compensations, remunera-
25 tions, emoluments or other fixed or determinable gains, profits, or income, except interest coupons
26 payable to bearer. A duplicate of the statement as to tax withheld on wages, required to be furnished
27 by an employer to an employee, shall constitute the return of information required to be made under
28 this section with respect to such wages.

29 *Section 61. Report of Change in Federal Taxable Income.* If the amount of a taxpayer’s federal
30 taxable income reported on his federal income tax return for any taxable year is changed or corrected
31 by the United States Internal Revenue Service or other competent authority, or as the result of a re-
32 negotiation of a contract or subcontract with the United States, the taxpayer shall report such change
33 or correction in Federal taxable income within ninety days after the final determination of such change,
34 correction, or renegotiation, or as otherwise required by the [tax commissioner], and shall concede the

1 accuracy of such determination or state wherein it is erroneous. Any taxpayer filing an amended federal
2 income tax return shall also file within ninety days thereafter an amended return under this act, and
3 shall give such information as the [tax commissioner] may require. The [tax commissioner] may by
4 regulation prescribe such exceptions to the requirements of this section as he deems appropriate.

TITLE VIII

PROCEDURE AND ADMINISTRATION

Part I - Deficiencies

1 *Section 62. Examination of Return. (a) Deficiency or Overpayment.* As soon as practical after
2 the return is filed, the [tax commissioner] shall examine it to determine the correct amount of tax. If
3 the [tax commissioner] finds that the amount of tax shown on the return is less than the correct amount,
4 he shall notify the taxpayer of the amount of the deficiency proposed to be assessed. If the [tax commis-
5 sioner] finds that the tax paid is more than the correct amount, he shall credit the overpayment against
6 any taxes due under this act by the taxpayer and refund the difference.

7 (b) *No Return Filed.* If the taxpayer fails to file an income tax return, the [tax commissioner]
8 shall estimate the taxpayer's taxable income and the tax thereon on from any available information and
9 notify the taxpayer of the amount proposed to be assessed as in the case of a deficiency.

10 (c) *Notice of Deficiency.* A notice of deficiency shall set forth the reason for the proposed assess-
11 ment. The notice may be mailed by certified or registered mail to the taxpayer at his last known address.
12 In the case of a joint return, the notice of deficiency may be a single joint notice except that if the [tax
13 commissioner] is notified by either spouse that separate residences have been established he shall mail
14 joint notices to each spouse. If the taxpayer is deceased or under a legal disability, a notice of deficiency
15 may be mailed to his last known address unless the [tax commissioner] has received notice of the exist-
16 tence of a fiduciary relationship with respect to such taxpayer.

17 *Section 63. Assessment Final if no Protest.* Ninety days after the date on which it was mailed
18 (150 days if the taxpayer is outside the United States), a notice of proposed assessment of a deficiency
19 shall constitute a final assessment of the amount of tax specified together with interest, additions to
20 tax and penalties except only for such amounts as to which the taxpayer has filed a protest with the
21 [tax commissioner].

22 *Section 64. Protest by Taxpayer.* Within 90 days (150 days if the taxpayer is outside the United
23 States) after the mailing of a deficiency notice, the taxpayer may file with the [tax commissioner] a writ-
24 ten protest against the proposed assessment in which he shall set forth the grounds on which the protest is
25 based. If a protest is filed, the [tax commissioner] shall reconsider the assessment of the deficiency and,
26 if the taxpayer has so requested, shall grant the taxpayer or his authorized representatives an oral hearing.

1 *Section 65. Notice of Determination After Protest.* Notice of the [tax commissioner's] determina-
2 tion shall be mailed to the taxpayer by certified or registered mail and such notice shall set forth briefly
3 the [tax commissioner's] findings of fact and the basis of decision in each case decided in whole or in
4 part adversely to the taxpayer.

5 *Section 66. Action of [Tax Commissioner] Final.* The action of the [tax commissioner] on the
6 taxpayer's protest is final upon the expiration of 90 days from the date when he mails notice of his
7 action to the taxpayer unless within this period the taxpayer seeks judicial review of the [tax commis-
8 sioner's] determination.

9 *Section 67. Burden of Proof in Proceedings Before the [Tax Commissioner].* In any proceeding
10 before the [tax commissioner] under this act the burden of proof shall be on the taxpayer except for
11 the following issues, as to which the burden of proof shall be on the [tax commissioner]:

12 (1) whether the taxpayer has been guilty of fraud with attempt to evade tax,

13 (2) whether the petitioner is liable as the transferee of property of a taxpayer (but not to show
14 that the taxpayer was liable for the tax).

15 (3) whether the taxpayer is liable for any increase in a deficiency where such increase is asserted
16 initially after the notice of deficiency was mailed and a protest under section 64 filed, unless such in-
17 crease in deficiency is the result of a change or correction of federal taxable income required to be re-
18 ported under section 61, and of which change or correction the [tax commissioner] had no notice at
19 the time he mailed the notice of deficiency.

20 *Section 68. Evidence of Related Federal Determination.* Evidence of a federal determination re-
21 lating to issues raised in a proceeding under section 64 shall be admissible, under rules established by
22 the [tax commissioner].

23 *Section 69. Mathematical Error.* In the event that the amount of tax is understated on the tax-
24 payer's return due to a mathematical error, the [tax commissioner] shall notify the taxpayer that an
25 amount of tax in excess of that shown on the return is due and has been asserted. Such a notice of
26 additional tax due shall not be considered a notice of a deficiency assessment nor shall the taxpayer
27 have any right of protest of appeal as in the case of a deficiency assessment based on such notice, and
28 the assessment and collection of the amount of tax erroneously omitted in the return is not prohibited
29 by any provision of this act.

30 *Section 70. Waiver of Restriction.* The taxpayer at any time, whether or not a notice of de-
31 ficiency has been issued, shall have the right to waive the restrictions on assessment and collection of
32 the whole or any part of the deficiency by a signed notice in writing filed with the [tax commissioner].

33 *Section 71. Assessment of Tax.* (a) *Date of Assessment.* The amount of tax which is shown to
34 be due on the return (including revisions for mathematical errors) shall be deemed to be assessed on
35 the date of filing of the return including any amended returns showing an increase of tax. In the case

1 of a return properly filed without the computation of the tax, the tax computed by the [tax commis-
2 sioner] shall be deemed to be assessed on the date when payment is due. If a notice of deficiency has
3 been mailed, the amount of the deficiency shall be deemed to be assessed on the date provided in sec-
4 tion 63 if no protest is filed; or, if a protest is filed then upon the date when the determination of the
5 [tax commissioner] becomes final. If an amended return or report filed pursuant to section 61 con-
6 cedes the accuracy of a federal change or correction, any deficiency in tax under this act resulting
7 therefrom shall be deemed to be assessed on the date of filing such report or amended return and
8 such assessment shall be timely notwithstanding any other provisions of this act. Any amount paid as
9 a tax or in respect of a tax, other than amounts withheld at the source or paid as estimated income tax,
10 shall be deemed to be assessed upon the date of receipt of payment, notwithstanding any other pro-
11 vision of this act.

12 (b) *Other Assessment Powers.* If the mode or time for the assessment of any tax under this act,
13 including interest, additions to tax and penalties is not otherwise provided for, the [tax commissioner]
14 may establish the same by regulation.

15 (c) *Supplemental Assessment.* The [tax commissioner] may, at any time within the period pre-
16 scribed for assessment, make a supplemental assessment, subject to the provisions of section 62 where
17 applicable, whenever it is found that any assessment is imperfect or incomplete in any material aspect.

18 (d) *Cross Reference.* For assessment in case of jeopardy, see section 103.

19 *Section 72. Limitations on Assessment.* (a) *General.* Except as otherwise provided in this act,
20 a notice of a proposed deficiency assessment shall be mailed to the taxpayer within three years after the
21 return was filed. No deficiency shall be assessed or collected with respect to the year for which the re-
22 turn was filed unless the notice is mailed within the three year period or the period otherwise fixed.

23 (b) *Omission of More Than 25 Percent of Income.* If the taxpayer omits from gross income an
24 amount properly includible therein which is in excess of 25 percent of the amount of gross income stated
25 in the return, a notice of a proposed deficiency assessment may be mailed to the taxpayer within six
26 years after the return was filed. For purposes of this subsection, there shall not be taken into account
27 any amount which is omitted in the return if such amount is disclosed in the return, or in a state-
28 ment attached to the return, in a manner adequate to apprise the [tax commissioner] of the nature and
29 the amount of such item.

30 (c) *No Return Filed or Fraudulent Return.* If no return is filed or a false and fraudulent return
31 is filed with intent to evade the tax imposed by this act, a notice of deficiency may be mailed to the
32 taxpayer at any time.

33 (d) *Failure to Report Federal Change.* If a taxpayer fails to comply with the requirement of
34 section 61 by not reporting a change or correction increasing his federal taxable income, or in not re-
35 porting a change or correction which is treated in the same manner as if it were a deficiency for federal

1 income tax purposes, or in not filing an amended return, a notice of deficiency may be mailed to the
2 taxpayer at any time.

3 (e) *Report of Federal Change or Correction.* If the taxpayer shall pursuant to section 61 report
4 a change or correction or file an amended return increasing his federal taxable income or report a
5 change or correction which is treated in the same manner as if it were a deficiency for federal income
6 tax purposes, the assessment (if not deemed to have been made upon the filing of the report or amended
7 return) may be made at any time within two years after such report or amended return was filed.

8 (f) *Extension by Agreement.* Where, before the expiration of the time prescribed in this section
9 for the assessment of a deficiency, both the [tax commissioner] and the taxpayer shall have consented
10 in writing to its assessment after such time, the deficiency may be assessed at any time prior to the ex-
11 piration of period agreed upon. The period so agreed may be extended by subsequent agreement in
12 writing made before the expiration of the period previously agreed upon.

13 (g) *Time Return Deemed Filed.* For purposes of this section an income tax return filed before
14 the last day prescribed by law or by regulation promulgated pursuant to law for the filing thereof, shall
15 be deemed to be filed on such last day. If a return or withholding tax for any period ending with or
16 within a calendar year is filed before April 15 of the succeeding calendar year, such return shall be
17 deemed to be filed on April 15 of such succeeding calendar year.

18 *Section 73. Recovery of Erroneous Refund.* An erroneous refund shall be considered an under-
19 payment of tax on the date made, and an assessment of a deficiency arising out of an erroneous refund
20 may be made at any time within two years from the making of the refund, except that the assessment
21 may be made within five years from the making of the refund if it appears that any part of the refund
22 was induced by fraud or the misrepresentation of a material fact.

23 *Section 74. Interest on Underpayments.* (a) *General.* If any amount of tax imposed by this
24 act, including tax withheld by an employer, is not paid on or before the last date prescribed for pay-
25 ment, interest on such amount at the rate of 6 percent per annum shall be paid for the period from
26 such last date to date paid. No interest shall be imposed if the amount due is less than one dollar nor
27 shall this section apply to any failure to pay estimated income tax under section 54.

28 (b) *Last Date Prescribed for Payment.* For purposes of this section, the last date prescribed for
29 the payment of tax shall be determined without regard to any extension of time.

30 (c) *Suspension of Waiver of Restrictions.* If the taxpayer has filed a waiver of restrictions on the
31 assessment of a deficiency and if notice and demand by the [tax commissioner] for payment of such
32 deficiency is not made within 30 days after the filing of such waiver, interest shall not be imposed on
33 such deficiency for the period beginning immediately after such 30th day and ending with the date of
34 notice and demand.

35 (d) *Interest Treated as Tax.* Interest prescribed under this section on any tax including tax

1 withheld by an employer shall be paid on notice and demand and shall be assessed, collected and paid
 2 in the same manner as taxes. Any reference in this act to the tax imposed by this act shall be deemed
 3 also to refer to interest imposed by this section on such tax.

4 (e) *Interest on Penalties, or Additions to Tax.* Interest shall be imposed under this section in
 5 respect to any penalty, or addition to tax only if such penalty or addition to tax is not paid within 10
 6 days of the notice and demand therefor, and in such case interest shall be imposed only for the period
 7 from the date of the notice and demand to the date of payment.

8 (f) *Payments Made Within 10 Days After Notice and Demand.* If notice and demand is made for
 9 the payment of any amount due under this act and if such amount is paid within 10 days after the date
 10 of such notice and demand, interest under this section on the amount so paid shall not be imposed for
 11 the period after the date of such notice and demand.

12 (g) *Satisfaction by Credits.* If any portion of a tax is satisfied by credit of an overpayment, then
 13 no interest shall be imposed under this section on the portion of the tax so satisfied for any period during
 14 which if the credit had not been made, interest would have been allowable with respect to such overpay-
 15 ment.

16 (h) *Interest on Erroneous Refund.* Any portion of the tax imposed by this act or any interest,
 17 penalty, or addition to tax which has been erroneously refunded and which is recoverable by the [tax
 18 commissioner] shall bear interest at the rate of 6 percent per annum from the date of payment of the
 19 refund.

20 (i) *Limitation on Assessment and Collection.* Interest prescribed under this section may be as-
 21 sessed and collected at any time during the period within which the tax, penalty, or addition to tax to
 22 which such interest relates may be assessed and collected respectively.

Part II - Additions to Tax and Penalties

1 *Section 75. Failure to File Tax Returns.* (a) *Failure to File Tax Return.* In case of failure to
 2 file any return required under this act on the date prescribed therefor (determined with regard to any
 3 extension of time for filing), unless it is shown that such failure is due to reasonable cause and not due
 4 to willful neglect, there shall be added to the amount required to be shown as tax on such return 5 per-
 5 cent of the amount of such tax if the failure is not for more than one month, with an additional 5 per-
 6 cent for each additional month or fraction thereof during which such failure continues, not exceeding
 7 25 percent in the aggregate. For purposes of this section, the amount of tax required to be shown on
 8 the return shall be reduced by the amount of any part of the tax which is paid on or before the date
 9 prescribed for payment of the tax and by the amount of any credit against the tax which may be
 10 claimed upon the return.

1 (b) *Failure to File Certain Information Returns.* In case of each failure to file a statement of pay-
 2 ment to another person required under the authority of this act including the duplicate statement of tax
 3 withheld on wages on the date prescribed therefor (determined with regard to any extension of time
 4 for filing), unless it is shown that such failure is due to a reasonable cause and not to willful neglect,
 5 there shall be paid upon notice and demand by the [tax commissioner] and in the same manner as by
 6 the person so failing to file the statement, a penalty of \$2.00 for each statement not so filed, but the
 7 total amount imposed on the delinquent person for all such failures during any calendar year shall not
 8 exceed \$2,000.

9 *Section 76. Failure to Pay Tax. (a) Deficiency Due to Negligence.* If any part of a deficiency
 10 is due to negligence or intentional disregard of rules and regulations (but without intent to defraud)
 11 there shall be added to the tax an amount equal to 5 percent of the deficiency.

12 (b) *Fraud.* If any part of a deficiency is due to fraud, there shall be added to the tax an amount
 13 equal to 50 percent of the deficiency. This amount shall be in lieu of any amount determined under
 14 subsection (a).

15 (c) *Failure by Individual to File Declaration or Underpayment of Estimated Tax.* If any taxpayer
 16 fails to file a declaration of estimated tax or fails to pay all or any part of an installment of any tax, he
 17 shall be deemed to have made an underpayment of estimated tax. The [tax commissioner] may pre-
 18 scribe by regulation the method for determining the amount of the underpayment and the period of
 19 the underpayment.

20 (d) *Nonwillful Failure to Pay Withholding Tax.* If any employer, without intent to evade or
 21 defeat any tax imposed by this act or the payment thereof, shall fail to make a return and pay a tax
 22 withheld by him at the time required by or under the provisions of this act, such employer shall be
 23 liable for such taxes and shall pay the same together with interest thereon and the addition to tax pro-
 24 vided in subsection (a), and such interest and addition to tax shall not be charged to or collected
 25 from the employee by the employer. The [tax commissioner] shall have the same rights and powers
 26 for the collection of such tax, interest, and addition to tax against such employer as are now prescribed
 27 by this act for the collection of tax against an individual taxpayer.

28 (e) *Willful Failure to Collect and Pay Over Tax.* Any person required to collect, truthfully account
 29 for, and pay over the tax imposed by this act who willfully fails to collect such tax or truthfully account
 30 for and pay over such tax or willfully attempts in any manner to evade or defeat the tax or the pay-
 31 ment thereof, shall, in addition to other penalties provided by law be liable to a penalty equal to the
 32 total amount of the tax evaded, or not collected, or not accounted for and paid over. No addition to
 33 tax under subsections (a) or (b) of this section shall be imposed for any offense to which this sub-
 34 section applies.

35 (f) *Additional Penalty.* Any person who with fraudulent intent shall fail to pay, or to deduct

1 or withhold and pay, any tax, or to make, render, sign, or certify any return or declaration of estimated
 2 tax, or to supply any information within the time required by or under this act, shall be liable to a penalty
 3 of not more than \$1,000, in addition to any other amounts required under this act, to be imposed, assessed
 4 and collected by the [tax commissioner].

5 (g) *Additions Treated as Tax.* The additions to tax and penalties provided by this act shall be paid
 6 upon notice and demand and shall be assessed, collected, and paid in the same manner as taxes and any
 7 reference in this act to income tax or the tax imposed by this act shall be deemed also to refer to additions
 8 to the tax, and penalties provided by this section. For purposes of the deficiency procedures provided in
 9 section 62, this subsection shall not apply to:

10 (1) any addition to tax under subsection (a) of section 75 except as to that portion attrib-
 11 utable to a deficiency;

12 (2) any addition to tax for failure to file a declaration or underpayment of estimated tax
 13 as provided in subsection (c) of this section;

14 (3) any additional penalty under subsection (f) of this section.

15 (h) *Determination of Deficiency.* For purposes of subsections (a) and (b) related to deficiencies
 16 due to negligence or fraud, the amount shown as the tax by the taxpayer upon his return shall be taken
 17 into account in determining the amount of the deficiency only if such return was filed on or before the
 18 last day prescribed for the filing of such return, determined with regard to any extension of time for such
 19 filing.

20 (i) *Person Defined.* For purposes of subsections (e) and (f) the term person includes an indi-
 21 vidual, corporation or partnership, or an officer or employee of any corporation (including a dissolved
 22 corporation), or a member or employee of any partnership, who as such officer, employee or member
 23 is under a duty to perform the act in respect of which the violation occurs.

24 *Section 77. False Information with Respect to Withholding Allowance.* In addition to any other
 25 penalty provided by law, if any individual in claiming a withholding allowance states (1) as the amount
 26 of the wages shown on his return for any taxable year an amount less than such wages actually shown,
 27 or (2) as the amount of the itemized deductions referred to in section 9 shown on the return for any
 28 taxable year an amount greater than such deductions actually shown, he will pay a penalty of \$50 for
 29 such statement, unless:

30 (1) such statement did not result in a decrease in the amounts deducted and withheld, or

31 (2) the taxes imposed with respect to the individual under this act for the succeeding taxable
 32 year do not exceed the sum of: (i) the credits against such taxes, and (ii) the payments of estimated
 33 tax which are considered payments on account of such taxes.

34 Section 62 relating to deficiency procedure shall not apply in respect to the assessment or collection
 35 of any penalty imposed by this section.

Part III - Credits and Refunds

1 *Section 78. Authority to Make Credits or Refunds. (a) General Rule.* The [tax commissioner]
2 within the applicable period of limitations may credit an overpayment of income tax and interest on
3 such overpayment against any liability in respect of any tax imposed by the tax laws of this state on
4 the person who made the overpayment, and the balance shall be refunded by the treasurer out of the
5 proceeds of the tax retained by him for such general purposes.

6 (b) *Excessive Withholding.* If the amount allowable as a credit for tax withheld from the tax-
7 payer exceeds his tax to which the credit relates, the excess shall be considered an overpayment.

8 (c) *Overpayment by Employer.* If there has been an overpayment of tax required to be deducted
9 and withheld under section 19, refund shall be made to the employer only to the extent that the amount
10 of the overpayment was not deducted and withheld by the employer.

11 (d) *Credits Against Estimated Tax.* The [tax commissioner] may prescribe regulations providing
12 for the crediting against the estimated income tax for any taxable year of the amount determined to
13 be an overpayment of the income tax for a preceding taxable year.

14 (e) *Assessment and Collection After Limitation Period.* If any amount of income tax is assessed
15 or collected after the expiration of the period of limitations properly applicable thereto, such amount
16 shall be considered an overpayment.

17 *Section 79. Abatements. (a) General Rule.* The [tax commissioner] is authorized to abate the
18 unpaid portion of the assessment of any tax or any liability in respect thereof, which (1) is excessive
19 in amount, or (2) is assessed after the expiration of the period of limitations properly applicable
20 thereto, or (3) is erroneously or illegally assessed.

21 (b) *No Claim by Taxpayer.* No claim for abatement shall be filed by a taxpayer in respect of
22 an assessment of any tax imposed under this act.

23 (c) *Small Tax Balance.* The [tax commissioner] is authorized to abate the unpaid portion of
24 assessment of any tax, or any liability in respect thereof, if he determines under uniform rules pre-
25 scribed by him that the administration and collection costs involved would not warrant collection of
26 the amount due.

27 *Section 80. Limitations on Credit or Refund. (a) General.* A claim for credit or refund of an
28 overpayment of any tax imposed by this act shall be filed by the taxpayer within three years from the
29 time the return was filed or two years from the time the tax was paid whichever of such periods ex-
30 pires the later; or if no return was filed by the taxpayer, within two years from the time the tax was
31 paid. No credit or refund shall be allowed or made after the expiration of the period of limitation
32 prescribed in this subsection for the filing of a claim for credit or refund, unless a claim for credit or
33 refund is filed by the taxpayer within such period.

34 (b) *Limit on Amount of Claim or Refund.* If the claim is filed by the taxpayer during the

1 three-year period prescribed in subsection (a), the amount of the credit or refund shall not exceed
2 the portion of the tax paid within the three years immediately preceding the filing of the claim plus
3 the period of any extension of time for filing the return. If the claim is not filed within such three-
4 year period, but is filed within the two-year period, the amount of the credit or refund shall not ex-
5 ceed the portion of the tax paid during the two years immediately preceding the filing of the claim.
6 If no claim is filed, the credit or refund shall not exceed the amount which would be allowable under
7 either of the preceding sentences, as the case may be, if a claim was filed on the date the credit or re-
8 fund is allowed.

9 (c) *Extension of Time by Agreement.* If an agreement for an extension of the period for assess-
10 ment of income taxes is made within the period prescribed in subsection (a) for the filing of a claim
11 for credit or refund, the period for filing claim for credit or for making credit or refund if no claim is
12 filed, shall not expire prior to six months after the expiration of the period within which an assessment
13 may be made pursuant to the agreement or any extension thereof. The amount of such credit or refund
14 shall not exceed the portion of the tax paid after the execution of the agreement and before the filing
15 of the claim or the making of the credit or refund, as the case may be, plus the portion of the tax paid
16 within the period which would be applicable under subsection (a) if a claim had been filed on the
17 date the agreement was executed.

18 (d) *Notice of Change or Correction of Federal Income.* If a taxpayer is required by section 61
19 to report a change or correction in federal taxable income reported on his federal income tax return,
20 or to report a change or correction which is treated in the same manner as if it were an overpayment
21 for federal income tax purposes, or to file an amended return with the [tax commissioner], claim for
22 credit or refund of any resulting overpayment of tax shall be filed by the taxpayer within two years
23 from the time the notice of such change or correction or such amended retrun was required to be
24 filed with the [tax commissioner]. If the report or amended return required by section 61 is not filed
25 within the 90-day period therein specified, interest on any resulting refund or credit shall cease to
26 accrue after such 90th day. The amount of such credit or refund shall not exceed the amount of the
27 reduction in tax attributable to such federal change, correction, or items amended on the taxpayer's
28 amended federal income tax return. This subsection shall not affect the time within which or the
29 amount for which a claim for credit or refund may be filed apart from this subsection.

30 (e) *Special Rules. The following rules shall apply:*

31 (1) If the claim for credit or refund relates to an overpayment of tax on account of the
32 deductibility by the taxpayer of a debt as a debt which became worthless or a loss from worthlessness
33 of a security or the effect that the deductibility of a debt or of a loss has on the application to the
34 taxpayer of a carry-over, the claim may be made, under regulations prescribed by the [tax commissioner]

1 within seven years from the date prescribed by law for filing the return for the year with respect to
2 which the claim is made.

3 (2) If the claim for credit or refund relates to an overpayment attributable to a net operating
4 loss carry-back, the claim may be made, under regulations prescribed by the [tax commissioner] within
5 the period which ends with the expiration of the 15th day of the 40th month following the end of the
6 taxable year of the net operating loss which resulted in such carry-back or the period prescribed in sub-
7 section (c) in respect of such taxable year, whichever expires later.

8 *Section 81. Interest on Overpayment.* (a) *General.* Under regulations prescribed by the [tax
9 commissioner] interest shall be allowed and paid at the rate of 6 percent per annum upon any overpay-
10 ment in respect of the tax imposed by this act. No interest shall be allowed or paid if the amount thereof
11 is less than \$1.00.

12 (b) *Date of Return or Payment.* For purposes of this section:

13 (1) Any return filed before the last day prescribed for the filing thereof shall be considered
14 as filed on such last day determined without regard to any extension of time granted the taxpayer;

15 (2) Any tax paid by the taxpayer before the last day prescribed for its payment, any in-
16 come tax withheld from the taxpayer during any calendar year and any amount paid by the taxpayer
17 as estimated income tax for a taxable year shall be deemed to have been paid by him on the fifteenth
18 day of the fourth month following the close of his taxable year to which such amount constitutes a
19 credit or payment.

20 (c) *Return and Payment of Withholding Tax.* For purposes of this section with respect to any
21 withholding tax;

22 (1) If a return for any period ending with or within a calendar year is filed before April
23 15 of the succeeding calendar year, such return shall be considered filed on April 15 of such succeeding
24 calendar year; and

25 (2) If a tax with respect to remuneration paid during any period ending with or within a
26 calendar year is paid before April 15 of the succeeding calendar year, such tax shall be considered paid
27 on April 15 of such succeeding calendar year.

28 (d) *Refund Within Three Months.* If any overpayment of tax imposed by this act is refunded
29 within three months after the last date prescribed (or permitted by extension of time) for filing the
30 return of such tax or within three months after the return was filed, whichever is later, no interest
31 shall be allowed under this section on overpayment.

32 *Section 82. Refund Claim.* Every claim for refund shall be filed with the [tax commissioner]
33 in writing and shall state the specific grounds upon which it is founded. The [tax commissioner] may
34 grant the taxpayer or his authorized representatives an opportunity for an oral hearing if the taxpayer
35 so requests.

1 *Section 83. Notice of Denial.* If the [tax commissioner] disallows a claim for refund, he shall
 2 notify the taxpayer accordingly. The action of the [tax commissioner] denying a claim for refund is
 3 final upon the expiration of 90 days from the date when he mails notice of his action to the taxpayer
 4 unless within this period the taxpayer seeks judicial review of the [tax commissioner's] determination.

5 *Section 84. Refund Claim Deemed Disallowed.* If the [tax commissioner] fails to mail a notice
 6 of action on any refund claim within six months after the claim is filed, the taxpayer may, prior to
 7 notice of action on the refund claim, consider the claim disallowed.

Part IV – Judicial Review – Suits for Refunds

1 *Section 85. Review of Determination of [Tax Commissioner].* A determination by the [tax
 2 commissioner] on a taxpayer's protest against the proposed assessment of a deficiency shall be subject
 3 to judicial review at the instance of any taxpayer affected thereby [either in the manner provided by
 4 law for the review of final decisions or determinations of administrative agencies of this state or by a de
 5 novo review in a court of appropriate jurisdiction].¹

6 *Section 86. Judicial Review Exclusive Remedy in Deficiency Proceedings.* The review of a determina-
 7 tion of the [tax commissioner] provided by section 85 shall be the exclusive remedy available to any taxpaye
 8 for the judicial review of the action of the [tax commissioner] in respect to the assessment of a proposed
 9 deficiency. No injunction or other legal or equitable process shall issue in any suit, action or proceeding
 10 in any court against this state or against any office of this state to prevent or enjoin the assessment or
 11 collection of any tax imposed under this act.

12 *Section 87. Assessment Pending Review - Review Bond.* The [tax commissioner] may assess a de-
 13 ficiency after the expiration of the period specified in section 66 notwithstanding that an application for
 14 judicial review in respect of such deficiency has been made by the taxpayer, unless the taxpayer at or
 15 before the time his application for review is made, has paid the deficiency, or has deposited with the
 16 [tax commissioner] the amount of the deficiency or has filed with the [tax commissioner] a bond, in
 17 the amount of the deficiency being contested including interest and other amounts as well as all costs
 18 and charges which may accrue against him in the prosecution of the proceeding and issued by a person
 19 authorized under the laws of this state to act as surety, conditioned upon the payment of the deficiency
 20 including interest and other amounts as finally determined and such costs and charges.

21 *Section 88. Proceedings After Review. (a) Credit, Refund of Abatement.* If the amount of a
 22 deficiency determined by the [tax commissioner] is disallowed in whole or in part by the court of re-
 23 view, the amount so disallowed shall be credited or refunded to the taxpayer without the making of a
 24 claim therefor, or, if payment has not been made, shall be abated.

25 **(b) Deficiency Disallowed - Costs.** If the deficiency determined by the [tax commissioner] is

¹These provisions will have to be drafted to be consistent with judicial remedies available in comparable proceedings.

1 disallowed, the taxpayer shall have his costs. If the deficiency is disallowed in part, the court in its dis-
2 cretion may award the taxpayer a proportion of his costs.

3 (c) *Assessment Final.* An assessment of a proposed deficiency by the [tax commissioner] shall
4 become final upon the expiration of the period specified in section 63 for filing a written protest against
5 the proposed assessment if no such protest has been filed within the time provided; or if the protest
6 provided in section 64 has been filed, upon the expiration of time provided for filing an application for
7 judicial review, or upon the final judgment of the reviewing court or upon the rendering by the [tax
8 commissioner] of a decision pursuant to the mandate of the reviewing court. Notwithstanding the
9 foregoing, for the purpose of making an application for the review of a determination of the [tax com-
10 missioner], the determination shall be deemed final on the date the notice of decision is sent by certi-
11 fied mail or registered mail to the taxpayer as provided in section 65.

12 *Section 89. Suit for Refund.* Except in cases involving the proposed assessment of a deficiency,
13 any taxpayer who claims that the tax he has paid under this act is void in whole or in part, may bring
14 an action, upon the grounds set forth in his claim for refund, against the [tax commissioner] for the
15 recovery or the whole or any part of the amount paid. Such suit against the [tax commissioner] may
16 be instituted in the [district, county, circuit court of appropriate jurisdiction where the taxpayer resides
17 or in the capital city]. [If necessary, insert appropriate provision for defense of action either by the
18 attorney general or counsel for the tax commissioner.]

19 *Section 90. No Suit Prior to Filing Claim.* No suit shall be maintained for the recovery of any
20 tax imposed by this act alleged to have been erroneously paid until a claim for refund has been filed
21 with the [tax commissioner] as provided in section 82 and the [tax commissioner] has denied the re-
22 fund or has filed to mail a notice of action on the claim within six months after the claim was filed.

23 *Section 91. Limitation on Suit for Refund.* The action authorized in section 90 shall be filed
24 within three years from the last date prescribed for filing the return or within one year from the date
25 the tax was paid, or within 90 days after the denial of a claim for refund by the [tax commissioner]
26 or within 90 days after the refund claim has been deemed to be disallowed because of the failure of
27 the [tax commissioner] to mail a notice of action within six months after the claim was filed which-
28 ever period expires the later.

29 *Section 92. Judgment for Taxpayer.* In any action for a refund, the court may render judgment
30 for the taxpayer for any part of the tax, interest penalties or other amounts found to be erroneously
31 paid, together with interest on the amount of the overpayment. The amount of any judgment against
32 the [tax commissioner] shall first be credited against any taxes, interest, penalties or other amounts
33 due from the taxpayer under the tax laws of this state and the remainder refunded by the [state
34 treasurer].

Part V - Miscellaneous Enforcement Provisions

1 *Section 93. Timely Mailing.* If any claim, statement, notice, petition, or other document in-
2 cluding, to the extent authorized by the [tax commissioner] a return or declaration of estimated tax,
3 required to be filed within a prescribed period or on or before a prescribed date under the authority
4 of any provision of this act is, after such period of such date, delivered by United States mail to the
5 [tax commissioner], or the officer or person therein with which or with whom such document is re-
6 quired to be filed, the date of the United States postmark stamped on the envelope shall be deemed
7 to be the date of delivery. This section shall apply only if the postmark date falls within the pre-
8 scribed period or on or before the prescribed date for the filing of such document, determined with
9 regard to any extension granted for such filing, and only if such document was deposited in the mail,
10 postage prepaid, properly addressed to the [tax commissioner], office, officer or person therein with
11 which or with whom the document is required to be filed. If any document is sent by United States
12 registered mail, such registration shall be prima facie evidence that such document was delivered to
13 the [tax commissioner], or the office, officer or person to which or to whom it is addressed. To the
14 extent that the [tax commissioner] shall prescribe by regulation, certified mail may be used in lieu of
15 registered mail under this section. This section shall apply in the case of postmarks not made by the
16 United States Post Office only if and to the extent provided by regulations of the [tax commissioner].
17 When the last day prescribed under the authority of this act, including any extension of time, for per-
18 forming any act falls on Saturday, Sunday, or a legal holiday in this state, the performance of such
19 act shall be considered timely if it is performed on the next succeeding day which is not a Saturday,
20 Sunday or a legal holiday.

21 *Section 94. Collection Procedures.* (a) *General.* The tax imposed by this act shall be collected
22 by the [tax commissioner], and he may establish the mode or time for the collection of any amount
23 due under this act if not otherwise specified. The [tax commissioner] shall, on request, give a receipt
24 for any amount collected under this act. The [tax commissioner] may authorize incorporated banks
25 or trust companies which are depositaries or fiscal agents of this state to receive and give a receipt for
26 any tax imposed under this act, in such manner, at such times, and under such conditions as he may
27 prescribe; and the [tax commissioner] shall prescribe the manner, times and conditions under which
28 the receipt of tax by such banks and trust companies is to be treated as payment of tax to the [tax
29 commissioner].

30 (b) *Notice and Demand.* The [tax commissioner] shall as soon as practicable give notice to
31 each person liable for any amount of tax, addition to tax, additional amount, penalty or interest, which
32 has been assessed but remains unpaid, stating the amount and demanding within 10 days of the date
33 of the notice and demand payment thereof. Such notice shall be left at the dwelling place or usual
34 place of business of such person or shall be sent by mail to such person's last know address. Except

1 where the [tax commissioner] determines that collection would be jeopardized by delay, if any tax is
2 assessed prior to the last date, including any date fixed by extension, prescribed for payment of such
3 tax, payment of such tax shall not be demanded until after such date.

4 (c) *Cross-Reference:* For requirements of payment without assessment, notice or demand of
5 amount shown to be due on return, see section 51.

6 *Section 95. Issuance of Warrant.* If any person liable to pay any tax, addition to tax, penalty,
7 or interest imposed under this act neglects or refuses to pay the same within ten days after notice and
8 and demand, the [tax commissioner] may issue a warrant directed to the [sheriff] of any county of
9 this state or to his own representative commanding him to levy upon and sell such person's real and
10 personal property for the payment of the amount assessed, with the cost of executing the warrant,
11 and to return such warrant to the [tax commissioner] and to pay him the money collected by virtue
12 thereof within 60 days after receipt of the warrant. If the [tax commissioner] finds that collection
13 of the tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the
14 [tax commissioner] and upon failure or refusal to pay such tax the [tax commissioner] may issue a
15 warrant without regard to the ten-day waiting period provided in this section.

16 *Section 96. Lien of Tax.* If any tax imposed by this act is not paid when due, the [tax commis-
17 sioner] may file in the office of any [county recorder] a certificate specifying the amount of the tax,
18 addition to tax, penalty and interest due, the name and last known address of the taxpayer liable for
19 the amount and the fact that the [tax commissioner] has complied with all the provisions of this act
20 in the assessment of the tax. From the time of the filing, the amount set forth in the certificate con-
21 stitutes a lien upon all property of the taxpayer in the county then owned by him or thereafter ac-
22 quired by him in the period before the expiration of the lien. The lien provided therein has the same
23 force, effect and priority as a judgment lien and continues for ten years from the date of recording
24 unless sooner released or otherwise discharged.

25 *Section 97. Extension; Release of Lien.* Within ten years from the date of the recording or
26 within ten years from the date of the last extension of the lien in the manner provided herein, the
27 lien may be extended by recording in the office of the [county recorder] of any county, a new
28 certificate. The [tax commissioner] may, at any time, release all or any portion of the property
29 subject to any lien provided for in this act or subordinate the lien to other liens if he determines
30 that the taxes are sufficiently secured by a lien on other property of the taxpayer or that the release
31 or subordination of the lien will not endanger or jeopardize the collection of the taxes.

32 *Section 98. Taxpayer Not a Resident.* When notice and demand for the payment of a tax is
33 given to a nonresident and it appears to the [tax commissioner] that it is not practicable to locate
34 property of the taxpayer sufficient in amount to cover the amount of tax due, he shall send a copy
35 of the certificate provided for in section 96 to the taxpayer at his last known address together with

1 a notice that such certificate has been filed with the [county recorder]. Thereafter, the [tax commis-
2 sioner] may authorize the institution of any action or proceeding to collect or enforce such claim in
3 any place and by any procedure that a civil judgment of a court of record of this state could be col-
4 lected or enforced. The [tax commissioner] may also in his discretion, designate agents or retain
5 counsel outside this state for the purpose of collecting outside this state any taxes due under this act
6 from taxpayers who are not residents of this state; and he may fix the compensation of such agents
7 and counsel to be paid out of money appropriated or otherwise lawfully available for payment thereof
8 and he may require of them bonds or other security for the faithful performance of their duties. The
9 [tax commissioner] is authorized to enter into agreements with the tax departments of other states
10 and the District of Columbia for the collection of taxes from persons found in this state who are
11 delinquent in the payment of income taxes imposed by those states or the District of Columbia on
12 condition that the agreeing states and the District of Columbia afford similar assistance in the collec-
13 tion of taxes from persons found in those jurisdictions who are delinquent in the payment of taxes
14 imposed under this act.

15 *Section 99. Action for Recovery of Taxes.* The [tax commissioner] within six years after the
16 assessment of any tax may bring an action in any court of competent jurisdiction within or without
17 this state in the name of the people of this state to recover the amount of any taxes, additions to tax,
18 penalties and interest due and unpaid under this act. In such action, the certificate of the [tax com-
19 missioner] showing the amount of the delinquency shall be prima facie evidence of the levy of the
20 tax, of the delinquency, and of the compliance by the [tax commissioner] with all the provisions of
21 this act in relation to the assessment of the tax.

22 *Section 100. Income Tax Claims of Other States.* The courts of this state shall recognize and
23 enforce liabilities for personal income taxes lawfully imposed by any other state which extends a like
24 comity to this state, and the duly authorized officer of any such state may sue for the collection of
25 such a tax in the courts of this state. A certificate by the secretary of state of such other state that
26 an officer suing for the collection of such a tax is duly authorized to collect the tax shall be con-
27 clusive proof of such authority. For the purposes of this section, the word "taxes" shall include
28 additions to tax (interest and penalties, and liability for such taxes, additions to tax), interest and
29 penalties shall be recognized and enforced by the courts of this state to the same extent that the laws
30 of such other state permit the enforcement in its courts of liability for such taxes, additions to tax,
31 interest and penalties due this state under this act.

32 *Section 101. Order to Compel Compliance.* (a) *Failure to File Tax Return.* If any person will-
33 fully refuses to file an income tax return required by this act, the [tax commissioner] may apply to a
34 judge of the [court of appropriate jurisdiction] for the county in which the taxpayer (or other person
35 required to file an income tax return) resides, for an order directing such person to file the required

1 return. If a person fails or refuses to obey such order, he shall be guilty of contempt of
2 court.

3 (b) *Failure to Furnish Records or Testimony.* If any person willfully refuses to make available
4 any books, papers, records or memoranda for examination by the [tax commissioner] or his representa-
5 tive or willfully refuses to attend and testify, pursuant to the powers conferred on the [tax commissioner]
6 by section 110 (c) of this act, the [tax commissioner] may apply to a judge in the [court of appropriate
7 jurisdiction] for the county where such person resides, for an order directing that person to comply with
8 the [tax commissioner's] request for books, papers, records or memoranda or for his attendance and
9 testimony. If the books, papers, records or memoranda required by the [tax commissioner] are in the
10 custody of a corporation, the order of the court may be directed to any principal officer of such corpora-
11 tion. If a person fails or refuses to obey such order, he shall be guilty of contempt of court.

12 *Section 102. Transferees.* (a) *General.* The liability, at law or in equity, of a transferee of property
13 of a taxpayer for any tax, addition to tax, penalty or interest due the [tax commissioner] under this act,
14 shall be assessed, paid and collected in the same manner and subject to the same provisions and limitations
15 as in the case of the tax to which the liability relates except as hereinafter provided in this section. The
16 term transferee includes donee, heir, legatee, devisee, and distributee.

17 (b) *Period of Limitation.* In the case of the liability of an initial transferee, the period of limita-
18 tion for assessment of any liability is within one year after the expiration of period of limitation against
19 the transferor; in the case of the liability of a transferee of a transferee, within one year after the ex-
20 piration of the period of limitation against the preceding transferee, but not more than three years after
21 the expiration of the period of limitation for assessment against the original transferor; except that if
22 before the expiration of the period of limitation for the assessment of the liability of the transferee,
23 a proceeding for the collection of the liability has been begun against the initial transferor of
24 the last preceding transferee, respectively, then the period of limitation for assessment of the
25 liability of the transferee shall expire one year after the proceeding is terminated.

26 (c) *Extension by Agreement.* If before the expiration of the time provided in this section for
27 the assessment of the liability the [tax commissioner] and the transferee have both consented in writing
28 to its assessment after such time, the liability may be assessed at any time prior to the expiration of the
29 period agreed upon or an extension thereof. For the purpose of determining the period of limitation on
30 credit or refund to the transferee of overpayments of tax made by such transferee of overpayments of
31 tax made by the transferor of which the transferee is legally entitled to credit or refund, such agreement
32 and any extension thereof shall be deemed an agreement or extension referred to in subsection (c) of
33 section 80. If the agreement is executed after the expiration of the period of limitation for assessment
34 against the taxpayer with reference to whom the liability of such transferee arises, then in applying the

1 limitations under subsection (b) of section 80 on the amount of the credit or refund, the periods
2 specified in subsection (a) of section 80 shall be increased by the period from the date of such expira-
3 tion to the date of the agreement.

4 (d) *Transferor Deceased.* If any person is deceased, the period of limitation for assessment against
5 such person shall be the period that would be in effect had death not occurred.

6 *Section 103. Jeopardy Assessments.* (a) *Filing and Notice.* If the [tax commissioner] finds that
7 the assessment or the collection of a tax or a deficiency for any year, current or past, will be jeopardized
8 in whole or in part by delay, he may mail or issue notice of his finding to the taxpayer, together with a
9 demand for immediate payment of the tax or the deficiency declared to be in jeopardy, including addi-
10 tions to tax, interest and penalties.

11 (b) *Termination of Taxable Year.* In the case of a tax for a current period, the [tax commissioner]
12 shall declare the taxable period of the taxpayer immediately terminated and his notice and demand for a
13 return and immediate payment of the tax shall relate to the period declared terminated, including therein
14 income accrued and deductions incurred up to the date of termination if not otherwise properly includible
15 or deductible in respect of the period.

16 (c) *Collection.* A jeopardy assessment is immediately due and payable, and proceedings for collec-
17 tion may be commenced at once. The taxpayer, however, may stay collection and prevent the jeopardy
18 assessment from becoming final by filing, within ten days after the date of mailing or issuing the notice
19 of jeopardy assessment, a request for reassessment, accompanied by a bond or other security in the
20 amount of the assessment including additions to tax, penalties, and interest as to which the stay of col-
21 lection is sought. If a request for reassessment, accompanied by a bond or other security on the ap-
22 propriate amount, is not filed within the ten-day period, the assessment becomes final.

23 (d) *Proceeding on Reassessment.* If a request for reassessment accompanied by a bond or other
24 security, is filed within the ten-day period, the [tax commissioner] shall reconsider the assessment and,
25 if the taxpayer has so requested in his petition, the [tax commissioner] shall grant him or his authorized
26 representatives an oral hearing. The [tax commissioner's] action on the request for reassessment becomes
27 final upon the expiration of thirty days from the date when he mails notice of his action to the taxpayer,
28 unless within that thirty-day period, the taxpayer files and application to seek judicial review of the [tax
29 commissioner's] determination.

30 (e) *Presumptive Evidence of Jeopardy.* In any proceeding brought to enforce payment of taxes
31 made due and payable by this section, the finding of the [tax commissioner] under subsection (a) of
32 this section is for all purposes presumptive evidence that the assessment or collection of the tax or de-
33 ficiency was in jeopardy.

34 (f) *Abatement if Jeopardy Does Not Exist.* The [tax commissioner] may abate the jeopardy as-
35 sessment if he finds that jeopardy does not exist.

1 *Section 104. Bankruptcy or Receivership. (a) Immediate Assessment.* Upon the adjudication of
2 bankruptcy of any taxpayer in any bankruptcy proceeding or the appointment of a receiver for any tax-
3 payer in any receivership proceeding before any court of the United States or any state or territory or of
4 the District of Columbia, any deficiency (together with additions to tax and interest provided by law)
5 determined by the [tax commissioner] may be immediately assessed.

6 (b) *Adjudication of Claims.* Claims for the deficiency and such additions to tax and interest may
7 be presented, for adjudication in accordance with law, to the court before which the bankruptcy or re-
8 ceivership proceeding is pending, despite the pendency of a protest before the [tax commissioner] under
9 section 64. No protest against a proposed assessment shall be filed with the [tax commissioner] after
10 the adjudication of bankruptcy or appointment of the receiver.

11 (c) *Cross Reference:* For the requirement of notice to the [tax commissioner] of the qualifica-
12 tion of a trustee in bankruptcy, receiver, assignee for the benefit of creditors, or other like judiciary,
13 see section 47.

Part VI - Criminal Offenses

1 *Section 105. Attempt to Evade or Defeat Tax.* Any person who willfully attempts in any manner
2 to evade or defeat any tax imposed by this act or the payment thereof shall, in addition to other penal-
3 ties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than
4 \$[5,000], or imprisoned not more than [5] years, or both, together with the costs of prosecution.

5 *Section 106. Failure to Collect or Pay Over.* Any person required under this act to collect,
6 truthfully account for, and pay over any tax imposed by this act who willfully fails to collect or truth-
7 fully account for an pay over such tax shall, in addition to other penalties provided by law, be guilty
8 of a felony and, upon conviction thereof, shall be fined not more than \$[5,000], or imprisoned not
9 more than [5] years, or both, together with the costs of prosecution.

10 *Section 107. Failure to File Return, Supply Information, Pay Tax.* Any person required under
11 this act to pay any tax or estimated tax, or required by this act or regulation prescribed thereunder to
12 make a return (other than a return of estimated tax), keep any records, or supply any information,
13 who willfully fails to pay such tax or estimated tax, make such return, keep such records, or supply
14 such information, at the time or times required by law or regulations, shall, in addition to other penal-
15 ties provided by law, be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more
16 than \$[5,000], or imprisoned not more than [one] year, or both, together with the costs of prosecu-
17 tion.

18 *Section 108. False Statements.* Any person who willfully makes and subscribes any return,
19 statement or other document, which contains or is verified by a written declaration that it is made
20 under the penalties of perjury, and which he does not believe to be true and correct as to every

1 material matter; or willfully aids or procures the preparation or presentation in a matter arising under
 2 the provisions of this act of a return, affidavit, claim or other document which is fraudulent or is false
 3 as to any material matter shall be guilty of a felony and, upon conviction thereof, shall be fined not
 4 more than \$[5,000], or imprisoned not more than [3] years, or both, together with the costs of prose-
 5 cution.

6 *Section 109. Limitations.* Any prosecution under this act shall be instituted within three years
 7 after the commission of the offense, provided that if such offense is the failure to do an act required
 8 by or under the provisions of this act to be done before a certain date, a prosecution for such offense
 9 may be commenced not later than [3] years after such date. The failure to do any act required by or
 10 under the provisions of this act shall be deemed an act committed in part at the principal office of
 11 the [tax commissioner]. Any prosecution under this act may be conducted in any county where the
 12 person or corporation to whose liability the proceeding relates resides, or has a place of business or
 13 in any county in which such crime is committed. The attorney general shall have concurrent jurisdic-
 14 tion with the [district] attorney in the prosecution of any offenses under this act.

Part VII - Powers of [Tax Commissioner]

1 *Section 110. (a) General.* The [tax commissioner] shall administer and enforce the tax imposed
 2 by this act and he is authorized to make such rules and regulations and to require such facts and infor-
 3 mation to be reported, as he may deem necessary to enforce the provisions of this act. The [tax com-
 4 missioner] may for enforcement and administrative purposes divide the state into a reasonable number
 5 of districts in which branch offices may be maintained.

6 (b) *Returns and Forms.* The [tax commissioner] may prescribe the form and contents of any
 7 return or other document required to be filed under the provisions of this act.

8 (c) *Examination of Books and Witnesses.* The [tax commissioner] for the purpose of ascertaining
 9 the correctness of any return, or for the purpose of making an estimate of taxable income of any person,
 10 shall have power to examine or to cause to have examined, by any agent or representative designated by
 11 him for that purpose, any books, papers, records or memoranda bearing upon the matters required to be
 12 included in the return, and may require the attendance of the person rendering the return or any officer
 13 or employee of such person, or the attendance of any other person having knowledge in the premises,
 14 and may take testimony and require proof material for his information, with power to administer oaths
 15 to such person or persons.

16 (d) *Secrecy of Returns and Information.* Except in accordance with proper judicial order or as
 17 otherwise provided by law, it shall be unlawful for the [tax commissioner] or any officer or employee
 18 of the [tax department], any person engaged or retained by such [department] on an independent
 19 contract basis, or any person who, pursuant to this section, is permitted to inspect any report or return

1 or to whom a copy, an abstract or a portion of any report or return is furnished, to divulge or make
2 known in any manner the amount of income or any particulars set forth or disclosed in any report
3 or return required under this act. The officers charged with the custody of such reports and returns
4 shall not be required to produce any of them or evidence of anything contained in them in any action
5 or proceeding in any court, except on behalf of the [tax commissioner] in an action or proceeding
6 under the provisions of the tax law to which he is a party, or on behalf of any party to any action or
7 proceeding under the provisions of this act when the reports or facts shown thereby are directly in-
8 volved in such action or proceeding, in either of which events the court may require the production
9 of, and may admit in evidence, so much of said reports or of the facts shown thereby, as are pertinent
10 to the action or proceeding and no more. Nothing herein shall be construed to prohibit the delivery
11 to a taxpayer or his duly authorized representative of a certified copy of any return or report filed
12 in connection with his tax or to prohibit the publication of statistics so classified as to prevent the
13 identification of particular reports or returns and the items thereof, or the inspection by the attorney
14 general or other legal representatives of the state of the report or return of any taxpayer who shall
15 bring an action to review the tax based thereon, or against whom an action or proceeding for collec-
16 tion of tax has been instituted. Any person who violates the provisions of this subsection shall be
17 guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$[1,000] or im-
18 prisoned not more than [one] year, or both, in the discretion of the court, together with costs of
19 prosecution. If the offender is an officer or employee of the state, he shall be dismissed from office
20 and be ineligible to hold any public office in this state for a period of [5] years thereafter.

21 (e) *Reports and Returns Preserved.* Reports and returns required to be filed under this act
22 shall be preserved for [3] years and thereafter until the [tax commissioner] orders them to be de-
23 stroyed.

24 (f) *Cooperation with the United States and Other States.* Notwithstanding the provisions of
25 subsection (d), the [tax commissioner] may permit the secretary of the treasury of the United States
26 or his delegates, or the proper officer of any state imposing an income tax upon the incomes of indi-
27 viduals, or the authorized representative of either such officer, to inspect the income tax returns of
28 any individuals, or may furnish to such officer or his authorized representative an abstract of the re-
29 turn of income of any individual or supply him with information concerning an item of income con-
30 tained in any return, or disclosed by the report of any investigation of the income or return of in-
31 come of any individual, but such permission shall be granted only if the statutes of the United States
32 or of such other state, as the case may be, grant substantially similar privileges to the [tax commis-
33 sioner] of this state as the officer charged with the administration of the tax imposed by this act.

34 (g) *Cooperation With Other Tax Officials of This State.* The [tax commissioner] may permit
35 other tax officials of this state to inspect the tax returns and reports filed under this act but such

1 inspection shall be permitted only for purposes of enforcing a tax law and only to the extent and under
2 the conditions prescribed by the regulations of the [tax commissioner].

3 *Section 111. Closing Agreements. (a) [Tax Commissioner] Authorized.* The [tax commissioner],
4 or any person authorized in writing by him, is authorized to enter into an agreement with any person re-
5 lating to the liability of such person (or of the person or estate for whom he acts) in respect to the tax
6 imposed by this act for any taxable period.

7 (b) *Finality.* If such agreement is approved by the [state auditor] within such time as may be
8 stated in such agreement or later agreed to, such agreement shall be final and conclusive and, except upon
9 a showing of fraud or malfeasance, or misrepresentation of a material fact:

10 (1) the case shall not be reopened as to matters agreed upon or the agreement modified by
11 any officer, employee or agent of this state, and

12 (2) in any suit, action or proceeding under such agreement, or any determination, assessment,
13 collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled,
14 modified, set aside or disregarded.

15 *Section 112. Governor May Contract with Secretary of the Treasury for Collection of Tax.* The
16 governor or his delegate is authorized in his discretion to enter into an agreement with the secretary of
17 of the treasury of the United States or his delegate, under which, to the extent provided by the terms
18 of the agreement, the secretary or his delegate will administer, enforce and collect such income tax on
19 behalf of the state. The cost of the services performed by the secretary or his delegate in administering,
20 enforcing or collecting an income tax under the terms of such an agreement may be paid from the appro-
21 priations for the general operations of the [tax department].

22 *Section 113. Governor May Contract With Secretary of Treasury for Administration of Federal*
23 *Tax.* The governor or his delegate is authorized in his discretion to enter into an agreement with the
24 secretary of the treasury of the United States or his delegate under which, to the extent provided by the
25 terms of the agreement, the governor or his delegate will undertake to conduct on behalf of the United
26 States any administrative, enforcement or collection function in respect to the federal income tax on in-
27 dividuals. Such agreement shall make provision for the payment by the United States of cost of the
28 services performed on its behalf.

29 *Section 114. Armed Forces Relief Provisions. (a) Time of Performance.* The period of service
30 in the armed forces of the United States in combat zones plus any period of continuous hospitalization
31 outside this state attributable to such service plus the next 180 days shall be disregarded in determining,
32 under regulations to be promulgated by the [tax commissioner], whether any act required by this act
33 was performed by a taxpayer or his representative within the time prescribed therefor.

34 (b) *Death Attributable to Service in Combat Zone.* In the case of any individual who dies during
35 an induction period while in active service as a member of the armed forces of the United States, if such

1 death occurred while the individual was serving in a combat zone or as a result of wounds, disease, or
 2 injury incurred while so serving, the tax imposed by this act shall not apply with respect to the taxable
 3 year in which falls the date of his death, or with respect to any prior taxable year ending on or after
 4 the first day he so served in a combat zone.

5 *Section 115. Effective Date.* This act shall take effect immediately and shall be applicable with
 6 respect to items of income, deduction, loss or gain accruing in taxable years ending on or after
 7 [January 1, 19] but only to the extent such items have been earned, received, incurred or accrued
 8 on or after [January 1, 19]. For the purpose of facilitating the administration of the tax imposed
 9 by this act during the transitional period, the [tax commissioner] shall provide by regulation for the
 10 filing of returns in respect to taxable periods of less than 12 calendar months ending after [January 1,
 11 19] and prior to [December 31, 19].

12 *Section 116. Separability.* [Insert separability clause.]

13 *Section 117. Disposition of Revenues.* [Insert appropriate language for disposition of revenues.]

TITLE IX

AUTHORIZATION FOR A COUNTY SUPPLEMENT

TO THE STATE INCOME TAX

1 *Section 118. Title.* This part may be cited as the “Uniform County Income Tax Law.”

2 *Section 119. Authorization.* Any county, by action of its local governing board, may adopt by
 3 reference the provisions of the state income tax imposed by titles I through VIII, except that a county
 4 located in a Standard Metropolitan Statistical Area, designated as such by the U. S. Bureau of the Census
 5 in most recent census of population, may adopt an income tax only if the governing board of each county
 6 in that Standard Metropolitan Statistical Area within this state by mutual and unanimous agreement adopts
 7 the identical tax authorized by this act.

8 *Section 120. Certification and Withdrawal of the County Income Tax.* Any county enacting an in-
 9 come tax in accordance with this act shall certify to the [tax commissioner] the date of adoption of the
 10 ordinance imposing an income tax, the rate of the tax, and the date when the enactment becomes effec-
 11 tive.

12 A county imposing an income tax in accordance with the provisions of this act may repeal its in-
 13 come tax only after first giving at least [120] days notice of the contemplated repeal of its income tax
 14 to the [state tax department] and, in the case of counties within a Standard Metropolitan Statistical
 15 Area, to the governing boards of other participating counties. The withdrawal shall be effective from
 16 and after the first day of the next calendar year and in the absence of a mutual and unanimous agree-
 17 ment among all counties in the Standard Metropolitan Statistical Area the income tax imposed by each

1 county shall be discontinued and repealed in all counties. Nothing in this section shall be construed
 2 or applied to prevent or interfere with the collection of tax monies which were lawfully due and payable
 3 when the tax was effective and any money collected after the tax has been repealed and discontinued
 4 shall be accounted for and distributed as required in this act.

5 *Section 121. Rate of County Income Tax.* In lieu of the rates applicable to taxable incomes
 6 set forth in section 1 of this act the income tax imposed by any county adopting by reference the state
 7 income tax shall not exceed [20] percent of the liability determined for state income tax purposes.¹

8 *Section 122. State Administration of the County Income Tax.* The income tax imposed under
 9 the provisions of this act in any county shall be administered by the [state tax commissioner]. Revenues
 10 collected under county income taxes shall be accounted for separately and shall be paid into a separate
 11 fund to be distributed to the counties imposing such taxes after deducting an amount to cover the neces-
 12 sary and legitimate additional expenditures incurred by the [tax commissioner] in administering the
 13 county income taxes. The rules and regulations promulgated in accordance with the state income tax
 14 shall apply to the county income taxes except when, in the judgment of the [tax commissioner],
 15 such rules would be inconsistent or not feasible or proper administration.

16 *Section 123. Distribution of Collections Among Local Governments.* All sums received and
 17 collected on behalf of a particular political subdivision pursuant to this act shall be credited to a special
 18 Local Income Tax Fund which is hereby established in the State Treasury, and after deducting the
 19 amount of refunds made, the amounts necessary to defray the cost of collecting tax, and the administra-
 20 tive expenses incident thereto, shall be paid within [10] days after collection to the political subdivi-
 21 sion entitled thereto.

22 *Section 124. Separability.* [Insert separability clause.]

23 *Section 125. Effective Date.* [Insert effective date.]

¹In order to prevent counties from experiencing revenue windfalls or losses as a result of changes in state income tax rates, legislatures may wish to consider authorizing the [tax commissioner] to proportionately increase or reduce the county income tax limitation.

STATE BROAD-BASED SALES TAX

The retail sales tax ranks behind the property tax as the most widely used of the major tax sources in the State-local tax system. Less than 2 percent of the Nation's population resides in the handful of states that do not levy a sales tax. But, interstate variations in sales tax rates and coverage still loom large, indicating considerable untapped sales tax potential. Both a higher rate and a more inclusive tax base will increase the yield of the sales tax.

The rationale for the retail sales tax rests on the belief that consumption is an appropriate basis on which to distribute a substantial part of the state tax load. Most state sales taxes, however, fall far short of carrying this philosophy into practice. While the vast bulk of sales of tangible personal property are taxed, many states tax a limited number of services. Utility services and the rental of rooms to transients represent the services most frequently taxed. Only a few state sales taxes include other consumer services such as laundering and dry cleaning and automotive repairing despite evidence that expenditures of this kind bulk larger each year in aggregate consumer spending.

In general, this legislation attempts to achieve the closest possible relationship between the tax base and consumer spending – consistent with administrative feasibility. A broader base will require a lower nominal rate to obtain a desired yield. It will provide maximum responsiveness of sales tax receipts to economic growth. It will also simplify administration by avoiding the necessity for vendors and the state to distinguish between taxable and nontaxable goods and services.

The percentage of income expended on services tends to rise as incomes rise; taxation of services therefore tends to make the sales tax less regressive. The inclusion of services in the base also makes the tax yield more responsive to growth in economic activity. In addition, the sale of taxable commodities often involves services which are difficult to account for separately. Sales tax compliance and administration are therefore far simpler where the entire price is taxable than where the service and commodity elements must be segregated. The draft legislation which follows extends the sales tax base to many services rendered to individuals by firms that would frequently be sales tax collectors in any case. State sales tax statutes that include a wider variety of services thus contribute to equity, revenue productivity, and administrative ease.

The tax base encompassed in this legislation differs from many state sales tax statutes in another important respect – sales of items subject to specific excises, e.g., cigarettes, motor fuel, and alcoholic beverages, are taxed. This treatment accords more closely to the underlying rationale for the sales tax as a general levy applicable broadly to all items of consumer spending which may be supplemented by special excise taxes. States that now subject certain items to special taxation and exempt them from the general sales tax should reverse the pattern on grounds of both sales tax logic and administrative ease.

From the very beginning of the sales tax movement, this levy encountered criticism because, in concept at least, it applied to such necessities as food, clothing, shoes, and drugs. This indictment proved strong enough in many states to secure exemptions for food, drug, and other commodities as the political price for enactment. Fourteen of the forty-four sales tax states now exempt purchases of food for home consumption, and the District of Columbia taxes food at a preferential low one percent rate whereas other sales are taxed at three percent. Twenty-one states provide complete or partial sales tax exemption for purchases of prescription drugs.

Studies have shown that a food exemption may cut sales tax collections by as much as 25 percent. Part of this loss stems from a "leakage" problem now that supermarkets sell toasters as well as loaves of bread. While the exemption mitigates the regressive impact of the sales tax, several states achieve a similar result without sacrificing as much revenue. The technique, a tax credit against the state's personal income tax, almost squares the revenue circle – that of maximizing consumer tax yields while minimizing the burden

which these levies impose on low income families. Because of the merit of the tax credit-tax rebate alternative to commodity exemptions (e.g., food and drugs), this legislation assumes the states will increasingly use this approach.¹

Exemptions and exclusions from tax in this legislation are thus less numerous than in most state sales tax statutes. Sales for resale and sales for commodities that are intended to become ingredients or component parts of other commodities must, of course, be exempted to avoid sales tax pyramiding. When the tax applies to producers goods, the result may be multiple burden on the final product. It is argued that this can both retard economic growth and force certain entrepreneurs to absorb a tax not intended to rest on them. Because it is not easy to distinguish between goods intended for producer or consumer use — fuel and electricity, rugs and furnishings, typewriters and many other office supply and equipment items — the exclusion of producers' goods must be confined to clearly identifiable products. The guidelines provided in this legislation exclude from taxable sales (a) the sale of tangible personal property that is consumed, destroyed, or loses its identity in the manufacture of other property for later sale, and (b) the sale of specific machinery and processing equipment designed exclusively and made for and specifically used in the manufacture of a product or the rendering of a taxable service.

The form of the following legislation is a tax on the vendor for the privilege of selling at retail. This approach has several advantages over the other forms (a tax on the sale, the receipts from sales, or on the consumer, with the vendor being made responsible for collection and payment of the tax to the state). While clearly defining the liability, it facilitates the taxation of national banks, certain types of contracts and vending machine operators. It also avoids the necessity of exempting small sales and the useless and time consuming requirement of accounting for every penny collected under a tax imposed on the consumer. The statute expresses a legislative intent that the burden be passed on to the consumer as an item separate from the price of the product, and by appropriate provision seeks to achieve this result in a manner that has been found generally acceptable to retailers.

Several of the recent state sales tax enactments provide for a small percentage-of-tax allowance to vendors for collecting the tax from consumers. While this increases retailer acceptance of the tax, it is criticized on the grounds that a flat percentage allowance fails to account for differences in retailer compliance costs. A number of states allow retailers the right to retain "breakage," that is, the amount collected under the bracket system in excess of the amount due the state, as a means of helping them meet their compliance burden. Proponents of this method contend that under it, retailers in the same line are similarly benefitted and therefore no competitive disturbance results. They argue that breakage is usually greatest in those businesses with large numbers of small sales where highest compliance costs occur. Percentage allowances, in contrast, constitute arbitrary payments that may or may not bear a reasonable relationship to actual ratios of compliance cost to taxes paid. The "breakage" method of compensating retailers has been provided in this legislation.

The Virginia sales tax law enacted in 1966 has been used as the framework for this suggested legislation.

¹ *State Legislative Program of the Advisory Commission on Intergovernmental Relations*, (Washington, D.C.). State personal income tax legislation developed by the Advisory Commission on Intergovernmental Relations provides for a food tax credit and authorizes per capita tax rebates to low income families who would not benefit from an income tax credit.

Suggested Legislation

[Title should conform to state requirements.]

(Be it enacted, etc.)

TITLE I

RETAIL SALES AND USE TAX

1 *Section 1. Citation.* – This act shall be known and may be cited as the “Retail Sales and Use
2 Tax Act.”

3 *Section 2. Definitions.* The following words, terms, and phrases shall have the meanings
4 ascribed to them in this section, except when the context clearly indicates a different meaning:

5 (1) “Person” means any individual, firm, co-partnership, cooperative, nonprofit membership
6 corporation, joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy,
7 receiver, auctioneer, syndicate, assignee, club, society, or other group or combination acting as a unit,
8 body politic or political subdivision, whether public or private, or quasi-public, and the plural as well
9 as the singular number.

10 (2) “Sale” means any transfer of title or possession, or both, exchange, barter, lease or rental,
11 conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property
12 and any rendition of a taxable service for a consideration, and includes the fabrication of tangible
13 personal property for consumers who furnish, either directly or indirectly, the materials used in fabrica-
14 tion; and the furnishing, preparing, or serving for a consideration of any tangible personal property con-
15 sumed on the premises of the person furnishing, preparing, or serving such tangible personal property.
16 A transaction whereby the possession of property is transferred but the seller retains title as security
17 for the payment of the price shall be deemed a sale.

18 (3) “Retail sale” or a “sale at retail” means a sale to a consumer or to any person for any pur-
19 pose other than for resale in the form of tangible personal property or services taxable under this act,
20 and includes any such transaction as the commissioner upon investigation finds to be in lieu of a sale;
21 but sales for resale must be made in strict compliance with rules and regulations made under this act.
22 Any person making a sale for resale which is not in strict compliance with such rules and regulations
23 shall himself be liable for and pay the tax. “Retail sale” and a “sale at retail” include:

24 (i) the sale or charges for any room or rooms, lodging, or accommodations furnished to
25 transients by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other
26 place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a
27 consideration. A transient is a person who occupies rooms, lodgings, or accommodations for less than
28 a period of [ninety] continuous days.

1 (ii) sales of tangible personal property to persons for resale if, because of the operation of the
2 business, or its very nature, or the lack of a place of business in which to display a certificate of registration,
3 or the lack of a place of business in which to keep records, or the lack of adequate records, or because the
4 persons are minors or transients, or because the persons are engaged in essentially service businesses, or for
5 any other reason, there is likelihood that the state will lose tax funds due to the difficulty of policing the
6 business operations. The commissioner may promulgate rules and regulations requiring vendors of or
7 sellers to such persons to collect the tax imposed by this act on the cost price of the tangible personal
8 property to such persons and may refuse to issue certificates of registration to such persons.¹

9 (iii) the sale or charge of admissions.

10 (iv) the charge or consideration for the service of repairing, altering, mending, pressing,
11 fitting, dyeing, laundering, dry cleaning, or cleaning tangible personal property, or applying or installing
12 tangible personal property as a repair or replacement part of other personal property for a considera-
13 tion, whether or not the services are performed directly or by means of coin-operated equipment or by
14 any other means, and whether or not any tangible personal property is transferred in conjunction with
15 the service, except such services as are rendered in the construction, remodeling, repair, or maintenance
16 of real estate and such services as are rendered directly in conjunction with the processing, manufactur-
17 ing, refining, or conversion of products for sale or resale.

18 (v) the charge for the service of printing or imprinting, photographing, or copying by any
19 means whatsoever for a consideration for persons who furnish either directly or indirectly the mate-
20 rials used in conjunction with the rendition of the service.

21 (vi) the charge for barber and beauty services to persons and animals for a consideration wheth-
22 er or not any tangible personal property is transferred in conjunction with the performance of the service.

23 (vii) the charge for motor vehicle parking service or parking space in privately owned parking
24 lots or garages and the charge for docking or storage space for boats in privately owned boat docks or
24 marinas.

25 (viii) all charges for work relating to motor vehicles and boats of another whether or not
26 any tangible personal property is transferred in conjunction with services performed.

27 (ix) the furnishing of intrastate telephonic and telegraphic communications and services.

28 (4) "Gross sales" means the sum total of all retail sales of tangible personal property or services
29 as defined in this act, without any deduction whatsoever of any kind or character, except as provided
30 in this act. "Gross sales" do not include the Federal retailers' excise tax if this excise tax is billed to
31 the purchaser separately from the selling price of the article, or the retail sales or use tax, or any sales
32 tax imposed by any county or city.

¹Louisiana requires wholesalers to collect and prepay a portion of the sales tax liability of certain vendors who then merely remit the difference between the total liability and the amount they prepaid through wholesalers.

1 (5) "Sales price" means the total amount for which tangible personal property or services are
2 sold, including any services that are a part of the sale, valued in money, whether paid in money or
3 otherwise, and includes any amount for which credit is given to purchaser, consumer, or lessee by the
4 dealer, without any deduction therefrom on account of the cost of the property sold, the cost of
5 materials used, labor or service costs, losses or any other expenses whatsoever; but cash discounts al-
6 lowed and taken on sales are not included in the sales price; nor shall the sales price include finance
7 charges, carrying charges, service charges or interest from credit extended on sales of tangible per-
8 sonal property under conditional sales contracts or other conditional contracts providing for deferred
9 payments of the purchase price or transportation charges separately stated. If used articles are taken
10 in trade, or in a series of trades as a credit or part payment on the sale of new or used articles, the tax
11 levied by this act shall be paid on the net difference between the sales price of the new or used articles
12 and the credit for the used articles.

13 (6) "Cost price" means the actual cost of an item or article of tangible personal property com-
14 puted in the same manner as the sales price in subparagraph (5) of this section without any deductions
15 therefrom on account of the cost of materials used, labor, or service costs, transportation charges, or
16 any expenses whatsoever.

17 (7) "Lease or rental" means the leasing or renting of tangible personal property and the pos-
18 session of use thereof by the lessee or rentee for a consideration, without transfer of the title to the
19 property.

20 (8) "Distribution" includes the transfer or delivery of tangible personal property for use, con-
21 sumption, or storage by the distributee, and the use, consumption, or storage of tangible personal
22 property by a person who has processed, manufactured, refined, or converted the property, but does
23 not include the transfer or delivery of tangible personal property for resale or any use, consumption,
24 or storage otherwise exempt under this act.

25 (9) "Gross proceeds" means the charges made or voluntary contributions received for the lease
26 or rental of tangible personal property or for furnishing services, computed with the same deductions,
27 where applicable, as for sales price in subsection (b) of this section over the term of the lease, rental,
28 service, or use, but not less frequently than monthly.

29 (10) "Storage" means any keeping or retention of tangible personal property for use, consump-
30 tion or distribution in this State, or for any purpose other than the sale at retail in the regular course
31 of business.

32 (11) "Use" means the exercise of any right or power over tangible personal property incident to
33 the ownership thereof, except that it does not include the sale at retail of that property in the regular
34 course of business.

1 (12) "Business" means any activity engaged in by any person, or caused to be engaged in by
2 him, with the object of gain, benefit or advantage, either direct or indirect.

3 (13) "Retailer" means every person engaged in the business of making sales of tangible per-
4 sonal property and taxable services as defined in this act.

5 (14) "Commissioner" means the [State Tax Commissioner].

6 (15) "Tangible personal property" means personal property, which may be seen, weighed,
7 measured, felt, or touched, or is in any other manner perceptible to the senses. The term "tangible
8 personal property" does not include stocks, bonds, notes, insurance or other obligations or securities.

9 (16) "Use tax" means the tax imposed upon the use, consumption, distribution, and storage
10 of tangible personal property as herein defined.

11 (17) "In this state" or "in the state" means within the exterior limits of the state of []
12 and includes all territory within these limits owned by or ceded to the United States of America.

13 (18) The words "import" and "imported" apply to tangible personal property imported into
14 this state from other states as well as from foreign countries, and the words "export" and "exported"
15 apply to tangible personal property exported from this state to other states as well as to foreign
16 countries.

17 *Section 3. Imposition of Sales Tax.* – There is hereby levied and imposed, in addition to all other
18 taxes and fees of every kind now imposed by law, a license or privilege tax upon every person who en-
19 gages in the business of selling at retail or distributing tangible personal property in this state, or who
20 rents or furnishes any of the things or services taxable under this act, or who stores for use or consump-
21 tion in this state any item or article of tangible personal property as defined in this act, or who leases
22 or rents such property within this state, the same to be collected in the amount to be determined by
23 applying the rate of [] percent to:

24 (1) the sales price of each item or article of tangible personal property when sold at retail or
25 distributed in this state, the tax to be computed on gross sales.

26 (2) the gross proceeds derived from the lease or rental of tangible personal property, as de-
27 fined in this act, where the lease or rental of such property is an established business, or part of an
28 established business, or is incidental or germane to the business.

29 (3) the cost price of each item or article of tangible personal property stored in this state for
30 use or consumption in this state.

31 (4) the gross proceeds derived from the sale or charges for rooms, lodgings or accommodations
32 furnished to transients as set out in sub-paragraph (3)(i), section 2 of this act.

33 (5) the gross sales of all services taxable under this act. No services are taxable under this act
34 except those expressly enumerated and made taxable.

1 *Section 4. Imposition of Use Tax.* – There is levied and imposed, in addition to all other taxes
 2 and fees of every kind except the tax imposed under section 3 of this act, a tax upon the use or con-
 3 sumption of tangible personal property in this state, to be collected in the amount determined by ap-
 4 plying the rate of [] percent to the cost price of each item or article of tangible personal property
 5 used or consumed in this state: Provided, that tangible personal property which has been acquired af-
 6 ter the effective date of this act for use outside this state and subsequently becomes subject to the tax
 7 imposed hereunder shall be taxed on the basis of its cost price if such property is brought within this
 8 state for use within six months of its acquisition; but if so brought within this state six months or more
 9 after its acquisition, the property shall be taxed on the basis of the current market value (but not in
 10 excess of its cost price) of the property at the time of its first use within this state: Provided, further,
 11 that the tax shall be based on such proportion of the cost price or current market value as the duration
 12 of time of use within this state bears to the total useful life of the property (but it shall be presumed in
 13 all cases that the property will remain within this state for the remainder of its useful life unless con-
 14 vincing evidence is provided to the contrary).

15 *Section 5. Exclusions and Exemptions.*¹ “Retail sale” or “sale at retail,” do not include the sale of:

16 (1) tangible personal property which becomes an ingredient or component part or, or is con-
 17 sumed or destroyed or loses its identity in the manufacture of tangible personal property for later sale
 18 but does include fuel and electricity;

19 (2) specific machinery and processing equipment and repair parts or replacements thereof, ex-
 20 clusively designed and made for and specifically used in the manufacture of a product or the rendering
 21 of a taxable service;

22 (3) materials, containers, labels, sacks, cans, boxes, drums or bags and other packing, packaging,
 23 or shipping materials for use in packing, packaging or shipping tangible personal property;

24 (4) tangible personal property delivered pursuant to bona fide written contracts entered into be-
 25 fore the date of the enactment of this act, provided delivery is made within ninety days after the ef-
 26 fective date of this act; and building supplies, fixtures or equipment that enter into or become a part
 27 of a building or other kind of structure in this state, where plans, specifications, and the construction
 28 contract for a specific project has been entered into prior to the date of the enactment of this act,
 29 provided delivery is made within the time specified in such contract for the completion of such specific
 30 project;

¹This legislation takes the approach that exclusions and exemptions should be held to the minimum consistent with the need to avoid tax pyramiding. As the introductory statement notes, there is ample justification for reducing the regressivity of the sales tax either by providing exemptions for food and drugs or by adopting the income tax credit-tax rebate approach. There is no similar compelling justification for exempting sales to State and local governments or to nonprofit educational, religious and charitable organizations. Accordingly, this section makes no provision for any of the foregoing exemptions.

1 (5) commercial feeds, seed, plants, fertilizers, liming materials, breeding and other livestock,
2 semen, breeding fees, baby chicks, turkey poults, agricultural chemicals, fuel for drying or curing
3 crops, containers for fruits and vegetables, or farm machinery, and all other agricultural supplies pro-
4 vided they are sold to and purchased by farmers for use in agricultural production for market;

5 (6) tangible personal property sold or leased to a public utility for use or consumption by the
6 utility directly in the rendition of its public service;

7 (7) school lunches sold and served to pupils and employees of schools and subsidized by govern-
8 ment, and school textbooks sold by a local school board or authorized agency thereof; and school
9 textbooks sold by a college or other institution of learning, not conducted for profit, for use of stu-
10 dents attending the institution of learning;

11 (8) tangible personal property not held or used by a seller in the course of an activity for which
12 he is required to hold a certificate of registration, sometimes referred to as "casual sales" "

13 (9) tangible personal property for future use by a person for taxable lease or rental as an estab-
14 lished business or part of an established business, or incidental or germane to the business, including a
15 simultaneous purchase and taxable leaseback.

16 (10) Tangible personal property and taxable services for use or consumption by the United States;
17 but this exclusion shall not apply to sales and leases to privately owned financial and other privately
18 owned corporations chartered by the United States.

19 (11) Delivery of tangible personal property outside this state for use or consumption outside this
20 state.

21 *Section 6. Credit for Taxes Paid in Another State.* – A credit shall be granted against the taxes
22 imposed by this act with respect to a person's use in this state of tangible personal property purchased
23 by him in another state. The amount of the credit shall be equal to the tax paid by him to another
24 state or political subdivision thereof by reason of the imposition of a similar tax on his purchase or use
25 of the property. The amount of the credit shall not exceed the tax imposed by this act.

26 *Section 7. Applicability or Inapplicability of Use Tax in Certain Cases.* – The use tax does not
27 apply to tangible personal property owned or acquired in this state or imported into this state, or held
28 or stored in this state, prior to the effective date of this act. The use tax does apply to all tangible per-
29 sonal property imported or caused to be imported into this state on or after the effective date of this
30 act except as provided in this act, unless the property has previously been subject to a sales or use tax
31 in another state or political subdivision equal to or greater than the tax imposed by this act for which
32 credit is given under section 9, or unless proof is furnished that the tangible personal property imported
33 or caused to be imported into this state was owned or acquired prior to the effective date of this act, or
34 otherwise is exempt under this act, but the use tax does not apply to the use of any article or tangible

1 personal property brought into the state by a non-resident individual for his personal use while visiting
2 within the state.

3 *Section 8. Moving Residence or Business into State; Use Tax.* – The use tax does not apply to
4 tangible personal property purchased outside this state for use outside this state by a then non-resident
5 natural person or a business entity not actually doing business within this state who or which later
6 brings the tangible personal property into this state in connection with his establishment of a per-
7 manent residence or business in this state, provided that the property was purchased more than six
8 months prior to the date it was first brought into this state or prior to the establishment of the residence
9 or business, whichever first occurs. This section does not apply to tangible personal property temporar-
10 ily brought into this state for the performance of contracts for the construction, reconstruction, installa-
11 tion, repair, or for any other service with respect to real estate or fixtures thereon.

12 *Section 9. Diversion of Tangible Personal Property to Personal Use* – The use tax applies to
13 tangible personal property and taxable services of persons holding themselves out as sellers of goods
14 and services when tangible personal property or taxable services are diverted to the personal use of the
15 person, his family, or his employees.

16 *Section 10. Dealers.* The tax levied in section 3 and section 4 shall be collected from “dealers.”
17 For the purpose of this act, “dealer” means:

18 (1) any person physically located in this state who:

19 (i) manufactures or produces tangible personal property for sale at retail, for use, con-
20 sumption, or distribution, or for storage to be used or consumed in this state;

21 (ii) imports or causes to be imported into this state tangible personal property from any
22 state or foreign country, for sale at retail for use, consumption, or distribution, or for storage to be
23 used or consumed in this state;

24 (iii) sells at retail, or offers for sale at retail, or has in possession for sale at retail, or for
25 use, consumption, or distribution, or for storage to be used or consumed in this state, tangible personal
26 property and taxable services as defined in this act;

27 (iv) has sold at retail, or used, consumed, or distributed, or stored for use or consumption
28 in this state, tangible personal property or who has performed taxable services, and who cannot prove
29 that the tax levied by this act has been paid on the sale at retail, the use, consumption, distribution, or
30 storage of such tangible personal property or the charge for the rendition of taxable services;

31 (v) leases or rents tangible personal property, as defined in this act, for a consideration,
32 permitting the use or possession of the property without transferring title thereto; and

33 (2) every other person who:

34 (i) maintains or has within this state, directly, or by an agent or a subsidiary, an office,
35 distributing house, sales room, or house, warehouse, or other place of business;

1 (ii) solicits business in this state either by employees, independent contractors, agents or
2 other representatives, and by reason thereof makes sales to persons within this state of tangible per-
3 sonal property, the use of which is taxed by this act; and any other person making sales to persons
4 within this state of tangible personal property, the use of which is taxed by this act, who may be
5 authorized by the commissioner to collect such tax;

6 (iii) as a representative, agent, or solicitor, for an out-of-state principal, solicits, receives
7 and accepts orders from persons in this state for future delivery and whose principal refuses to register
8 under this act;

9 (iv) shall become liable to and shall owe this state any amount of tax imposed by this act,
10 whether or not he holds, or is required to hold, a certificate of registration under this act.

11 *Section 11. Contractors.* – (a) Any person who contracts orally in writing, or by purchase
12 order, to perform construction, reconstruction, installation, repair, or any other service with respect to
13 real estate or fixtures thereon and in connection therewith to furnish tangible personal property or tax-
14 able services, shall be deemed to have purchased the tangible personal property for use or consumption.
15 Any sale, distribution, or lease to or storage for such person shall be deemed a sale, distribution, or lease
16 to or storage for the ultimate consumer and not for resale, and the dealer making the sale, distribution,
17 or lease to or storage for the person shall collect the tax to the extent required by this act.

18 (b) Any person who contracts to perform services in this state and is furnished tangible personal
19 property for use under the contract by the person, or his agent or representative, for whom the contract
20 is performed, and if a sale or use tax has not been paid to this state by the person supplying the tangible
21 personal property, shall be deemed to be the consumer of the tangible personal property so used, and
22 shall pay a use tax based on the fair market value of the tangible personal property so used, irrespective
23 of whether or not any right, title or interest in the tangible personal property becomes vested in the
24 contractor; but this subsection does not apply to the sale of tangible personal property which becomes
25 an ingredient or component part of, or is consumed or destroyed or loses its identity in the manu-
26 facture of tangible personal property for later sale or governmental exclusion set out in section 5 of
27 this act.

28 (c) Any person who contracts orally, in writing, or by purchase order to perform any service in
29 the nature of equipment rental, and the principal part of that service is the furnishing of equipment or
30 machinery which will not be under the exclusive control of the contractor, shall be liable for the sales
31 or use tax on the gross proceeds from such contract to the same extent as the lessor of tangible per-
32 sonal property.

33 (d) Tangible personal property incorporated in real property construction which loses its identity
34 as tangible personal property shall be deemed to be tangible personal property used or consumed with-
35 in the meaning of this section.

1 (e) Nothing in this section shall be construed to affect or limit the resale exclusion provided for
2 in this act, nor shall anything contained herein be construed to impose any sales or use tax with respect
3 to the use in the performance of contracts with the United States or this State and its political sub-
4 divisions, of tangible personal property owned by a governmental body which actually is not used or
5 consumed in the performance thereof.

6 *Section 12. Certificates of Registration.* – (a) Every person desiring to engage in or conduct
7 business as a dealer in this State shall file with the Commissioner an application for a certificate of
8 registration for each place of business in this state.

9 (b) Every application for a certificate of registration shall be made upon a form prescribed by
10 the Commissioner and shall set forth the name under which the applicant transacts or intends to trans-
11 act business, the location of his place or places of business, and such other information as the Commis-
12 sioner requires. The application shall be signed by the owner if a natural person; in the case of an as-
13 sociation or partnership, by a member of partner; in the case of a corporation, by an executive officer
14 or some person specifically authorized by the corporation to sign the application.

15 (c) When the required application has been made the Commissioner shall issue to each applicant
16 a separate certificate of registration for each place of business within this State. A certificate of regis-
17 tration is not assignable and is valid only for the person in whose name it is issued and for the trans-
18 action of business at the place designated therein. It shall be at all times conspicuously displayed at
19 the place for which issued.

20 (d) Whenever any person fails to comply with any provision of this act or any rule or regulation
21 of the Commissioner relating thereto, the Commissioner, upon hearing after giving such person ten
22 days' notice in writing, specifying the time and place of hearing and requiring him to show cause why
23 his certificate of registration should not be revoked or suspended, may revoke or suspend any one or
24 more of the certificates of registration held by such person. The notice may be personally served or
25 served by certified mail directed to the last known address of the person. A dealer whose certificate of
26 registration has been previously suspended or revoked shall pay the Commissioner a fee of [] dollars
27 for the renewal or re-issuance of a certificate of registration.

28 (e) Any person who engages in business as a dealer in this State without obtaining a certificate
29 of registration or after a certificate of registration has been suspended or revoked, and each officer of
30 any corporation which so engages in business is guilty of a misdemeanor; each day's continuance in
31 business in violation of this section is a separate offense.

32 (f) If the holder of a certificate of registration ceases to conduct his business at the place speci-
33 fied in his certificate, the certificate expires; and the holder shall inform the Commissioner in writing
34 within thirty days after he has ceased to conduct the business at that place; but, if the holder of a

1 certificate of registration desires to change his place of business to another place in this State, he shall
2 so inform the Commissioner in writing, and his certificate shall be revised accordingly.

3 (g) This section also applies to any person who engages in the business of furnishing any of the
4 things or services taxable under this act. Also, it applies to any person who is liable only for the col-
5 lection of the use tax, but that person may be issued a certificate of registration in relevant form.

6 *Section 13. Exemption Certificates.* – (a) All sales or leases are subject to the tax until the
7 contrary is established. The burden of proving that a sale, distribution, lease, or storage of tangible
8 personal property is not taxable is upon the person who makes the sale, distribution, lease, or storage,
9 unless he takes from the purchaser or lessee a certificate to the effect that the property is exempt under
10 this act.

11 (b) The certificate mentioned in this section relieves the person who takes the certificate from
12 any liability for the payment or collection of the tax, except upon notice from the commissioner that
13 the certificate is no longer acceptable. The certificate shall be signed by and bear the name and ad-
14 dress of the purchaser or lessee, indicate the number of the certificate of registration (if any) issued
15 to the purchaser, or lessee, indicate the general character of the taxable service rendered or tangible
16 personal property sold, distributed, leased, or stored (or to be sold, distributed, leased, or stored under
17 a blanket exemption certificate) and be substantially in such form as the commissioner prescribes.

18 (c) If a purchaser or lessee who gives a certificate under this section makes any use of the proper-
19 ty other than an exempt use or retention, demonstration, or display while holding property for resale,
20 distribution, or lease in the regular course of business, the use shall be deemed a taxable sale by the
21 purchaser or lessee as of the time the property or service is first used by him, and the cost of the
22 property to him shall be deemed the sales price of the retail sale. If the sole use of the property other
23 than retention, demonstration, or display in the regular course of business is the rental of the property
24 while holding it for sale distribution, or lease, the purchaser shall pay the tax on the cost of the proper-
25 ty to him and when the property is sold shall collect and pay the tax on the difference between the
26 cost of the property to him and the retail sales price.

27 (d) If a purchaser gives a certificate under this section with respect to the purchase of fungible
28 goods and thereafter commingles these goods with other fungible goods not so purchased, but of such
29 similarity that the identity of the constituent goods in the commingled mass cannot be determined,
30 sales or distribution from the mass of commingled goods shall be deemed to be sales or distributions
31 of the goods so purchased until a quantity of commingled goods equal to the quantity of purchased
32 goods so commingled has been sold or distributed.

1 *Section 14. Collection.* – The tax levied by this act shall be paid by the dealer, but the dealer
2 shall separately state the amount of the tax and add the tax to the sales price or charge; and thereafter,
3 the tax shall be a debt from the purchaser, consumer, or lessee to the dealer until paid and shall be re-
4 coverable at law in the same manner as other debts, but no action at law or suit in equity under this act
5 may be maintained in this state by any dealer who is not registered under this act, or is delinquent in
6 the payment of the taxes imposed under this act.

7 To eliminate separate statement of the amount of tax in fractions of one cent, dealers shall add
8 to the sales price or charge and collect from the purchaser, consumer, or lessee such amounts as may
9 be prescribed by the commissioner to carry out the purposes of this section.

10 Notwithstanding any exemption from taxes which any dealer enjoys under the Constitution or
11 laws of this or any other state, or of the United States, the dealer shall collect the tax from the pur-
12 chaser, consumer, or lessee and shall pay it over to the Commissioner as herein provided.

13 Any dealer who neglects, fails, or refuses to collect the tax upon each and every taxable sale,
14 distribution, lease or storage of tangible personal property made by him, his agents, or employees
15 shall be liable for and pay the tax himself, and the dealer shall not thereafter be entitled to sue for or
16 recover in this state any part of the purchase price or rental from the purchaser until the tax is paid.
17 Also, any dealer who neglects, fails or refuses to pay or collect the tax herein provided, either by him-
18 self or through his agents or employees, is guilty of a misdemeanor.

19 *Section 15. Absorption of Tax Prohibited.* – No person shall advertise or hold out to the pub-
20 lic, in any manner, directly or indirectly, that he will absorb all or any part of the sales or use tax, or
21 that he will relieve the purchaser, consumer, or lessee of the payment of all or any part of the tax, ex-
22 cept as authorized under section 31. Any person who violates this section is guilty of a misdemeanor.

23 *Section 16. Returns by Dealers.* – Every dealer required to collect or pay the sales or use tax,
24 on or before the [twenty-eighth] day of the month following the month in which the tax shall become
25 effective, shall transmit to the Commissioner, upon a form prescribed, prepared and furnished by him,
26 a return showing the gross sales, gross proceeds, or cost price, as the case may be, arising from all trans-
27 actions taxable under this act during the preceding calendar month; and thereafter a like return shall
28 be prepared and transmitted to the Commissioner by every dealer on or before the [twenty-eighth]
29 day of each month, for the preceding calendar month. The return also shall contain a statement show-
30 ing the amount in each class of exclusions and exemptions which are not subject to the tax imposed by
31 this act, or if the form so provides, the total amount thereof without specifying each class. In the
32 case of dealers regularly keeping books and accounts on the basis of an annual period which varies
33 fifty-two to fifty-three weeks, the Commissioner may make rules and regulations for reporting con-
34 sistent with the accounting period. When the tax for which any dealer is liable under this act does not
35 exceed [] dollars in any month, or [] dollars in any annual reporting period, the Commissioner

1 may permit a dealer upon written application to file an annual return and pay the amount of tax due
2 on the last day of the month following the end of the annual period. When the tax for which any deal-
3 er is liable under this act does not exceed [] dollars in any month, or [] dollars in any annual
4 reporting period, the Commissioner may permit a dealer upon written application to file a quarterly
5 return and pay the amount of tax due on the last day of the month following end of the quarterly
6 period.

7 *Section 17. Payment to Accompany Dealer's Return.* – At the time of transmitting to the
8 Commissioner the return required under section 16, the dealer shall remit to the Commissioner therewith
9 the amount of tax due under the applicable provisions of this act after making appropriate adjustments
10 for purchases returned, repossessions, and accounts uncollectible and charged off as provided in sections
11 18, 19, and 20. The tax imposed by this act for each month becomes delinquent on the day following
12 the [twenty-eighth] day of the succeeding month if not theretofore paid.

13 *Section 18. Returned Goods.* – If purchases are returned to the dealer by the purchaser or con-
14 sumer after the tax imposed by this act has been collected or charged to the account of the purchaser,
15 the dealer is entitled to reimbursement of the amount of tax collected or charged by him, in the man-
16 ner prescribed by the commissioner, but the amount of tax so reimbursed to the dealer shall not in-
17 clude the tax paid upon any cash retained by the dealer after the return of merchandise; and if the tax
18 has not been remitted by the dealer, the dealer may deduct it in submitting his return. The dealer shall
19 be issued a refund by the commissioner equal to the net amount remitted by the dealer for the tax
20 collected if the dealer can establish that the tax was not due.

21 *Section 19. Repossessions.* – A dealer who has paid the tax on tangible personal property sold
22 under a retained title, conditional sale, or similar contract, may take credit for the tax paid by him
23 upon the unpaid balance due him when he repossesses the property, the credit to be administered by
24 the commissioner in the same manner as provided for returned purchases under section 18. When re-
25 possessed property is resold, the sale is subject in all respects to this act.

26 *Section 20. Bad Debts.* In any return filed under the provisions of this act, the dealer, under
27 rules and regulations prescribed by the commissioner, may credit against the tax shown to be due on
28 the return the amount of sales or use tax previously returned and paid on accounts which during the
29 period covered by the current return have been found to be worthless and actually charged off for in-
30 come tax purposes; except that if any accounts so charged off are thereafter in whole or in part paid to
31 the dealer, the amount paid shall be included in the first return filed after the collection and the tax
32 paid accordingly.

33 *Section 21. Extensions.* – The commissioner may grant an extension upon written application
34 therefor to the end of the calendar month in which any tax return is due hereunder or for a period not
35 exceeding thirty days, and no interest or penalty shall be charged, assessed or collected by reason of

1 the granting of the extension, except that when an extension is granted beyond the end of the calendar
2 month in which any tax return is due, interest on the tax at the rate of one-half of one percent per
3 month, or fraction thereof, shall be charged.

4 *Section 22. Civil Penalties.* – When any dealer fails to make any return and pay the full amount
5 of the tax required by this act, there shall be imposed, in addition to other penalties provided herein,
6 a specific penalty to be added to the tax in the amount of [\$10] and ten percent of the tax due if the
7 failure is for not more than thirty days, with an additional five percent for each additional thirty days,
8 or fraction thereof, during which the failure continues, not to exceed twenty-five percent in the ag-
9 gregate; but, if the failure is due to providential cause shown to the satisfaction of the Commissioner,
10 the return with remittance may be accepted exclusive of penalties. In the case of a false or fraudulent
11 return, where willful intent exists to defraud the state of any tax due under this act, a specific penalty
12 of fifty percent of the amount of the proper tax shall be assessed. All penalties and interest imposed by
13 this act shall be payable by the dealer and collectible by the commissioner as if they were a part of the
14 tax imposed.

15 *Section 23. Assessment Based on Estimate.* – (a) If any dealer fails to make a return as pro-
16 vided by this act, or makes a grossly incorrect return, or a return that is false or fraudulent, the com-
17 missioner shall make an estimate for the taxable period of the retail sales or distributions of the deal-
18 er, or of the gross proceeds from leases of tangible personal property, or taxable services by the dealer,
19 or the cost price of all articles of tangible personal property imported by the dealer for use or con-
20 sumption in the state or storage by the dealer of tangible personal property to be used or consumed in
21 the state, and assess the tax, plus penalties. The commissioner shall give the dealer ten days' notice in
22 writing requiring the dealer to appear before him or an assistant with such books, records, and papers
23 as he requires relating to the business of the dealer for the taxable period; and the commissioner may
24 require the dealer or the agents and employees of the dealer to give testimony or to answer interroga-
25 tories under oath administered by the commissioner or his assistants respecting the sale, distribution,
26 lease, use, consumption, or storage of tangible personal property, or taxable services or the failure to
27 make a return thereof as provided in this act. If any dealer fails to make any return or refuses to permit
28 an examination of his books, records, or papers, or to appear and answer questions within the scope
29 of an investigation relating to the sale, distribution, lease, use consumption, or storage of tangible per-
30 sonal property, or taxable services, the commissioner may make the assessment based upon informa-
31 tion available to him and issue a warrant for the collection of the taxes and penalties found to be due.
32 The assessment shall be deemed prima facie correct.

33 (b) If the dealer has imported the tangible personal property and fails to produce an invoice
34 showing the sales price of the articles, or the invoice does not reflect the true or actual sales price as
35 defined in this act, the Commissioner shall ascertain, in any manner feasible, the true sales price and

1 assess and collect the tax, with penalties, to the extent they have accrued, on the true sales price as
2 ascertained by him. The assessment shall be deemed prima facie correct.

3 (c) In the case of the lease of tangible personal property, if the consideration given or reported
4 by the dealer, in the judgment of the commissioner, does not represent the true or actual consideration,
5 the commissioner may fix it and assess and collect the tax thereon as above provided, with penalties as
6 have accrued. The assessment shall be deemed prima facie correct.

7 *Section 24. Records.* – (a) Every dealer required to make a return and pay or collect any tax
8 under this act shall keep and preserve suitable records of the sales, leases, or purchases, as the case may
9 be, taxable under this act, and other books of account as necessary to determine the amount of tax
10 due hereunder, and other pertinent information as required by the commissioner; and every dealer shall
11 keep and preserve for a period of four years all invoices and other records of goods, wares, and mer-
12 chandise, or other subjects of taxation under this act, and all the books, invoices, and other records
13 shall be open to examination at all reasonable hours by the commissioner or any of his duly authorized
14 agents.

15 (b) In order to aid in the administration and enforcement of the provisions of this act, all whole-
16 salers and jobbers in this state shall keep a record of all sales of tangible personal property, whether the
17 sales be for cash or on terms of credit. The records required to be kept by all wholesalers and jobbers
18 shall include the name and address of the purchaser, the number of the certificate of registration issued
19 to the purchaser, the date of the purchase, the article purchased, and the price at which the article is
20 sold to the purchaser. These records shall be kept for a period of four years and shall be open to the
21 inspection of the commissioner or his authorized agents at all reasonable hours during the day. The
22 failure of any wholesaler or jobber in this state to keep the records, or the failure of any wholesaler or
23 jobber in this state to permit an inspection of the records by the commissioner as aforesaid, is a mis-
24 demeanor. Moreover, if any person who is both a retailer and a wholesaler or jobber fails to keep proper
25 records showing wholesale sales and retail sales separately, he shall pay the tax as a retailer on both
26 classes of his business.

27 (c) For the purpose of enforcing the collection of the tax levied by this act, the commissioner
28 through his authorized agents may examine at all reasonable hours during the day the books, records,
29 and other documents of all transportation companies, agencies, firms, or persons that conduct their
30 business by truck, rail, water, airplane, or otherwise, in order to determine what dealers are importing
31 or otherwise are shipping articles of tangible personal property which are liable for the tax. If the
32 transportation company, agency, firm or person refuses to permit an examination of its or his books,
33 records, and other documents by the commissioner, it or he shall be deemed guilty of a misdemeanor.
34 Moreover, the Commissioner may proceed by citing the transportation company, agency, firm, or
35 person to show cause before any court of record why the books, records, and other documents should

1 not be examined pursuant to the injunction of the court, and why a bond should not be required with
2 proper security in the penalty of not more than \$2,000 conditioned upon compliance with the pro-
3 visions hereof for a period of not more than one year.

4 *Section 25. Sale of Business.* – If any dealer liable for any tax, penalty, or interest levied here-
5 under sells out his business or stock of goods or quits the business, he shall make a final return and
6 payment within fifteen days after the date of selling or quitting the business. The return shall include
7 any sales made at retail during liquidation. His successors or assigns, if any, shall withhold sufficient of
8 the purchase money to cover the amount of taxes, penalties, and interest due and unpaid until the
9 former owner produces a receipt from the commissioner showing that they have been paid or a certifi-
10 cate stating that no taxes, penalties, or interest are due. If the purchaser of a business or stock of goods
11 fails to withhold the purchase money as above provided, he shall be personally liable for the payment
12 of the taxes, penalties and interest due and unpaid on account of the operation of the business by any
13 former owner. Nothing heren shall be deemed to qualify or limit the exemption as to such a sale as is
14 covered by section 5.

15 *Section 26. Bond.* – The commissioner, if necessary and advisable in order to secure the col-
16 lection of the tax levied by this act, may require any person subject to the tax to file with him a bond
17 of a surety company authorized to do business in this state as surety, in such reasonable amount as the
18 commissioner fixes, to secure the payment of any tax, penalty or interest due or which may become
19 due from the person. In lieu of a bond, securities approved by the commissioner may be deposited
20 with the [state treasurer] which securities shall be kept in the custody of the [state treasurer], and
21 shall be sold by him, at the request of the commissioner, at public or private sale, without notice to
22 the depositor thereof, if necessary in order to recover any tax, penalty or interest due the state under
23 this act. Upon the sale, the surplus, if any, above the amounts due under this act, shall be returned
24 to the person who deposited the securities.

25 *Section 27. Jeopardy Assessment.* – If the Commissioner deems that the collection of any tax
26 or any amount of tax, required to be collected and paid under this act, may be jeopardized by delay,
27 he shall make an assessment of the tax or amount of tax required to be collected and shall mail or is-
28 sue a notice of the assessment to the taxpayer together with a demand for immediate payment of the
29 tax or of the deficiency in tax declared to be in jeopardy including penalties. In the case of a tax for
30 a current period, the commissioner may declare the taxable period of the taxpayer immediately
31 terminated and shall cause notice of the finding and declaration to be mailed or issued to the taxpayer
32 together with a demand for immediate payment of the tax based on the period declared terminated
33 and the tax shall be immediately due and payable, whether or not the time otherwise allowed by law
34 for filing a return and paying the tax has expired. Assessments provided for in this section shall become
35 immediately due and payable, and if any tax, penalty or interest is not paid upon demand of the

1 Commissioner, he shall proceed to collect it by legal process, or, in his discretion, he may require the
2 taxpayer to file a bond sufficient to protect the interest of the state.

3 *Section 28. Direct Payment Permits.* – (a) Notwithstanding any other provision of this act,
4 the commissioner may authorize (1) a manufacturer, mine operator, or public service corporation that
5 is a user, consumer, distributor, or lessee to which sales, distributions, leases, or storage of tangible
6 personal property are made under circumstances which normally make it impossible at the time there-
7 of to determine the manner in which the property will be used by the person, or (2) any person who
8 stores tangible personal property in this state for use both within and outside this state, to pay any tax
9 levied by this act directly to this state and waive the collection of the tax by the dealer; but no such
10 authority shall be granted or exercised except upon application to the Commissioner and the issuance
11 by the Commissioner of a direct payment permit. If a direct payment permit is granted, payment of
12 the tax on all sales, distributions, and leases, including sales, distributions, leases, and storage of tangible
13 personal property and sales of taxable services for use known at the time thereof, shall be made directly
14 to the commissioner by the permit holder.

15 (b) On or before the [twenty-eighth] day of each month every permit holder shall make and
16 file with the commissioner a return for the preceding month in the form prescribed by the Commis-
17 sioner showing the total value of the tangible personal property used, the amount of tax due from the
18 permit holder (which amount shall be paid to the commissioner with such return) and such other in-
19 formation as the commissioner deems necessary. The commissioner, upon written request by the
20 permit holder, may grant a reasonable extension of time for making and filing returns and paying the
21 tax. Interest on the tax at the rate of one-half of one percent per month, or fraction thereof, shall be
22 charged on every extended payment.

23 (c) It is the duty of every permit holder required to make a return and pay tax under this sec-
24 tion to keep and preserve suitable records of purchases, together with invoices of purchases, bills of
25 lading, and other pertinent records and documents in the form the commissioner requires by regula-
26 tion. All records and other documents shall be open during business hours to the inspection of the
27 commissioner or his duly authorized agents and shall be preserved for a period of four years, unless
28 the commissioner, in writing, authorizes their destruction or disposal at an earlier date.

29 (d) A permit granted pursuant to this section shall continue to be valid until surrendered by the
30 holder or cancelled for cause by the commissioner.

31 (e) Persons who hold a direct payment permit which has not been cancelled shall not be re-
32 quired to pay the tax to the dealer as otherwise herein provided. Such persons shall notify each dealer
33 from whom purchases or leases of tangible personal property are made of their direct payment permit
34 number and that the tax is being paid directly to the commissioner. Upon receipt of the notice, the
35 dealer shall be absolved from all duties and liabilities imposed by this act for the collection and

1 remittance of the tax with respect to sales, distributions, leases, or storage of tangible personal proper-
2 ty to the permit holder. Dealers who make sales upon which the tax is not collected by reason of the
3 provisions of this section shall maintain records in such manner that the amount involved and identity
4 of each purchaser may be ascertained.

5 (f) Upon the cancellation or surrender of a direct payment permit, the provisions of this act,
6 shall thereafter apply to the person who previously held the permit, and the person shall promptly
7 notify in writing dealers from whom purchasers, leases, and storage of tangible personal property are
8 made of the cancellation or surrender. Upon receipt of the notice, the dealer shall be subject to the
9 provisions of this act, with respect to all sales, distributions, leases, or storage of tangible personal
10 property thereafter made to the person.

11 *Section 29. Vending Machine Sales.* – Whenever a dealer makes sales of tangible personal
12 property through vending machines, or in any other manner making collection of the tax impractical,
13 the commissioner may authorize the dealer to prepay the tax and waive collection from the purchaser
14 and may require the dealer to furnish bond sufficient to secure prepayment of the tax. The dealer
15 shall be required to print upon the property sold or post on the vending machine a statement to the
16 effect that the tax has been paid in advance. The terms and conditions of this section are inapplicable
17 unless the dealer makes application to the commissioner for the authority herein contained, and un-
18 less the commissioner finds that the collection of the tax in the manner otherwise provided in this act
19 is impractical.

20 *Section 30. Tax Warrants.* – The commissioner, when any tax becomes delinquent under this
21 act, may issue a warrant for the collection of the tax, penalty, and interest from each delinquent tax-
22 payer.

23 *Section 31. Erroneous Assessments.* – Upon any claim of an erroneous or illegal assessment
24 or collection, the taxpayer shall have his remedy under the [cite applicable statutes]. The sections
25 cited are applicable to all sales and use taxes imposed under this act.

26 *Section 32. Period of Limitations.* – The taxes imposed by this act shall be assessed within
27 three years from December 31 of the year in which the taxes became due and payable; but in the case
28 of a false or fraudulent return with intent to evade payment of the taxes imposed by this act, or a
29 failure to file a return, the taxes may be assessed, or a proceeding in court for the collection of such
30 taxes may be begun without assessment at any time within six years from December 31 of the year in
31 which the taxes became due and payable.

32 *Section 33. Violation of Act by Dealer a Misdemeanor.* – Any dealer subject to the provisions
33 of this act who fails or refuses to furnish any return herein required to be made, or fails or refuses to
34 furnish a supplemental return or other data required by the commissioner, or who makes a false or
35 fraudulent return with intent to evade the tax hereby levied, or who makes a false or fraudulent claim

1 for refund, or who gives or knowingly receives a false or fraudulent exemption certificate, or who
 2 violates any other provision of this act, punishment for which is not otherwise herein provided, is
 3 guilty of a misdemeanor.

4 *Section 34. Administration.* – The commissioner shall administer and enforce the assessment
 5 and collection of the taxes and penalties imposed by this act. He shall design, prepare, print, and
 6 furnish to all dealers, or make available to them, all necessary forms for filing returns together with
 7 instructions to assure a full collection from dealers and an accounting for the taxes due, but failure of
 8 any dealer to receive or procure forms or instructions, or both, shall not relieve him from the payment
 9 of the tax at the time and in the manner herein provided.

10 *Section 35. Rules and Regulations.* – The commissioner may make and publish reasonable
 11 rules and regulations not inconsistent with this act, other applicable laws, or the Constitution of this
 12 state, or of the United States, for the enforcement of the provisions of this act and the collection of
 13 the revenue hereunder.¹

14 *Section 36. Administration of Oaths.* – The commissioner and such other officers or employ-
 15 ees of the [department of taxation] as the commissioner authorizes in writing, may administer oaths
 16 for the purpose of enforcing and administering the provisions of this act.

17 *Section 37. Secrecy of Information.* – Except in accordance with proper judicial order, or as
 18 provided by law, it is unlawful for the commissioner or any agent, auditor, or other officer or em-
 19 ployee to divulge or make known in any manner the amount of sales, the amount of tax paid, or any
 20 other particulars set forth or disclosed in any return required by this act. Nothing in this act shall be
 21 construed to prohibit the publication of statistics so classified as to prevent the identity of particular
 22 reports or returns and the items thereof, or the inspection by the legal representative of this state of
 23 the report or return of any taxpayer who applies for a review or appeal from any determination or
 24 against whom an action or proceeding is about to be instituted or has been instituted to recover any
 25 tax or penalty imposed by this act.

26 *Section 38. Exchange of Information with Other Tax Officials.* – The commissioner may
 27 furnish to the tax officials of any other state and its political subdivision, the political subdivisions of
 28 this state, the District of Columbia, and the United States and its territories, any information contained
 29 in tax returns and reports and related schedules and documents filed pursuant to the tax laws of this

¹ States with personal income tax statutes may wish to add a provision as follows: The commissioner shall promulgate and publish sales tax deduction guides for the purpose of aiding the taxpayer in calculating allowable deductions, relevant to income taxes, which guides shall be based on the following factors: size of income, size of family, and rate of tax. The guides so promulgated shall not preclude any taxpayer from claiming as a deduction the amount of taxes, levied under the provisions of this act, actually paid by him.

1 state, or in the report of an audit or investigation made with respect thereto: Provided, that said juris-
 2 dictions grant similar privileges to this state and that the information is to be used only for tax pur-
 3 poses.

4 *Section 39. Personnel, Supplies, Equipment, Other Expenses.* — The commissioner may em-
 5 ploy all necessary personnel and purchase supplies and purchase or rent equipment and incur other
 6 expenses necessary for the administration of this act. All the costs and expenses shall be paid out of
 7 appropriations made to the [department of taxation].

8 *Section 40. Separability.* — If any provision of this act be held unconstitutional or invalid by
 9 a court of competent jurisdiction the same shall not affect the remaining provisions of this act but all
 10 such provisions not held unconstitutional or invalid shall remain in full force and effect. If, however,
 11 a court of competent jurisdiction holds that the sales tax or the use tax levied by this act is for any
 12 reason invalid in its relationship to national banks, it is hereby provided that state banks shall thence-
 13 forth enjoy immunity from such tax or taxes to the same extent as national banks.

14 *Section 41. Effective date of tax.* — The taxes imposed by this act shall be in full force and
 15 effect on and after [insert date].

LOCAL SALES TAX SUPPLEMENT

Where sales are taxed at both the state and local level, a logical administrative device is the tax supplement. The local rate is added to the state rate, both are collected by the state government, and the allocated share of collections is credited to the account of the local taxing jurisdiction.

The tax supplement has important advantages. It uses identical tax definitions (taxpayers, tax base, etc., preferably by reference) for both state and local purposes. Even where state definitions are imperfect, uniformity has important advantages for ease of compliance and economy of tax collection. The local supplement is collected together with the state tax, eliminating the need for duplicate administration, with corresponding alleviation of compliance burdens. Where the state charges the local jurisdiction a fee for collecting the local supplement, these charges supplement state resources appropriated for tax enforcement.

The tax supplement preserves the principle of leaving with local governing boards responsibility for the decision to impose the tax and, within limits prescribed by state law, to set the tax rate. Thus, each jurisdiction retains its freedom to balance the need for the additional local services against the added tax burden.

Because the proceeds of local sales tax supplements accrue by definition to the imposing jurisdiction, problems of allocating among jurisdictions present in grants-in-aid and shared revenues are generally avoided. By the same token, however, variations in need relative to local resources are disregarded except to the extent that latitude is provided in the sharing of countywide collections among incorporated cities and towns as is done in Tennessee.¹

¹*Tennessee Laws of 1963*, chapter 329, 1963 Local Option Revenue Act, section 4.

The local sales tax supplement was first used by Mississippi in 1950 and has since spread to nine other states: California, Colorado (home rule cities optional), Illinois, New Mexico, New York, Ohio, Texas, Utah, and Virginia.² In three more states (Alabama, Oklahoma, and Tennessee), state administration is optional.

The suggested legislation preempts the local sales tax supplement for the unit of government having the largest jurisdiction – the county – on the theory that the larger the geographic area the less the impact of the tax on business competition between trading centers. Where counties do not exercise this authority, cities are authorized to do so.

The following suggested statutory language provides only for a local sales tax supplement to a state sales tax; it is not a complete sales tax statute. It would be used as an amendment in states that already have a state sales tax and wish to grant sales tax authority to their local governments. Alternatively, it could be incorporated into new legislation authorizing a state sales tax by states considering the adoption of such a tax coupled with the grant of additional authority to local governments to impose nonproperty taxes.

Suggested Legislation

[Title should conform to state requirements. The following is a suggestion: “An act to authorize uniform local sales and use taxes, and to provide for administration by the state.”]

(Be it enacted, etc.)

1 *Section 1. Short Title.* This act may be cited as the “Uniform Local Sales and Use Tax Law.”

2 *Section 2.³ Authorization for Political Subdivisions.* Any county may adopt a sales and use
 3 tax in accordance with the provisions of this act by action of its local governing board; and any
 4 incorporated [city or town] situated within a county which has not imposed a sales and use tax may
 5 adopt a sales and use tax in accordance with the provisions of this act by action of its local governing
 6 board, but the tax imposed by any city or town shall terminate upon the effective date of any sales
 7 and use tax imposed by the county in which the city or town is situated.

8 *Section 3. Contents of Local Law or Ordinance.* The sales and use tax law or ordinance adopted
 9 under this act shall impose a sales tax for the privilege of selling tangible personal property at retail
 10 and a use tax upon the storage, use or other consumption of tangible personal property purchased
 11 outside the political subdivision for storage, use, or consumption in the political subdivision, and
 12 shall, in addition to any other provisions include provisions in substance as follows:

² *California Revenue and Taxation Code*; section 7200, *Colorado Revised Statutes*, Chapter 328; *Illinois Revised Statutes*, section 8-11; *Mississippi Code Annotated*, section 10111.5; *New Mexico Statutes Annotated*, section 14-39; *New York Tax Law*, chapter 60, act 29, subpart B, section 1210; *Ohio Laws of 1967*, H.B. 919; *Texas Laws of 1967*, H.B. 207; *Utah Code Annotated*, Title II, chapter 9; *Virginia Code Annotated*, section 58-441.49.

³ For a local supplement in two or more counties comprising a trading area, see alternative section 2 at the end of this proposal.

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1 (1) A provision for imposing a tax for collection by every retailer in the political subdivision at
2 the rate of [] percent of the gross receipts of the retailer from the sale of all tangible personal prop-
3 erty sold by him at retail in the political subdivision, and a provision imposing a complementary tax
4 upon the storage, use, or other consumption in the political subdivision of tangible personal property
5 purchased outside the political subdivision for storage, use, or other consumption in the political
6 subdivision at rate of [] percent of the sales price of the property, but nothing herein shall be
7 construed to make inapplicable any exemptions of particular classes of articles, commodities, or
8 services, in accordance with law.

9 (2) A provision that the storage, use, or other consumption of tangible personal property, the
10 gross receipts from the sale of which have been subject to sales tax under a sales and use tax law or
11 ordinance enacted in accordance with this act by any other county, or incorporated city or town in
12 this state, shall be a credit against the tax due under this act.

13 (3) Provisions incorporating by reference [statutory citation of the state sales and use tax law]
14 except that an additional [seller's permit] shall not be required if one has been or is issued to the
15 seller by the state.

16 (4) A provision that all relevant provisions of [statutory citation of the state sales and use tax
17 law], as they may be from time to time, and not inconsistent with this act shall govern transactions,
18 proceedings, and activities pursuant to the local law or ordinances.

19 (5) A provision designating the [state tax department] to perform all functions incident to the
20 administration of the sales and use tax law or ordinance of the political subdivision.

21 (6) A provision that the amount subject to tax shall not include the amounts of any sales tax or
22 use tax imposed by [statutory citation of the state sales and use tax law].

23 *Section 4. State Administration.* The administration of local sales and use taxes adopted under
24 this act shall be by the [state tax department] which may prescribe forms and reasonable rules and
25 regulations in conformity with this act for the making of returns and for the ascertainment, assess-
26 ment, and collection of the tax imposed pursuant hereto. The [state tax department] shall keep
27 full and accurate records of all monies received and distributed under this act.

28 *Section 5. Distribution of Collections.* All sums received and collected on behalf of a
29 particular political subdivision pursuant to this act shall be credited to a special local sales and use
30 tax fund which is hereby established in the state treasury and, after deducting the amount of refunds
31 made, the amounts necessary to defray the cost of collecting the tax, and the administrative expenses
32 incident thereto, shall be paid within [10] days after collection to the political subdivision entitled
33 thereto.

1 *[Section 6. Distribution of Collections Among Local Governments.* The state legislature may
2 wish to provide that when the county preempts the sales tax field the proceeds be divided among the
3 county and local units of general governments within the county.⁴]

4 *Section 7. Separability.* [Insert separability clause.]

5 *Section 8. Effective Date.* [Insert effective date.]

Local Supplement to a State Sales Tax by Two or More Counties Comprising a Trading Area

In some states the pressure for additional revenue to finance more and costlier government services is felt most acutely by governments making up an economic or trading area. Yet, the shadow of intercommunity competition can effectively restrain local governments, in such areas from using a local supplement to the state sales tax. States may wish to consider authorizing counties located within retail trading areas to impose by mutual and unanimous agreement a uniform, areawide supplement to the state sales tax without at the same time extending such authority to all counties or other units of local government throughout the state.

The Maryland legislature adopted this approach in 1965 when it authorized each of the units of local general government in the Baltimore Metropolitan Area, City of Baltimore, and Baltimore and Anne Arundel counties, to impose a supplementary rate to the state sales tax as long as all three jurisdictions did so.⁵ The Maryland jurisdictions have not implemented the enabling legislation. Similar authority was enacted by the Colorado legislature in 1961 for jurisdictions in the Denver Metropolitan Area.⁶ The Colorado experiment foundered on legal grounds involving municipal home rule powers.

The suggested legislature below presents alternative language for section 2 which would authorize two or more counties making up a trading area to impose concurrently a local supplement to a state sales tax.

1 *Section 2. Authorization for Counties Within a Trading Area.* (a) County Authorization. A
2 county located in a standard metropolitan statistical area designated as such by the United States
3 Bureau of the Census in the most recent census of population may adopt a sales and use tax in ac-
4 cordance with the provision of this act by action of its local governing board if the governing boards
5 of each county in its standard metropolitan statistical area within this state by mutual and unanimous
6 agreement adopt the identical tax authorized by this act.

7 (b) Limitation on Withdrawal. A county participating under the authority granted in this act
8 may withdraw from such mutual and unanimous agreement by action of its local governing board
9 after first giving at least 120 days notice of the contemplated withdrawal to the [state tax department]
10 and to the governing boards of the other participating counties. The withdrawal shall be effective

⁴Tennessee (Laws of 1963, chapter 329, 1963 Local Option Revenue Act, section 4) provides that one-half of the proceeds shall be expended and distributed in the same manner as the county property tax for school purposes is expended and distributed. It further provides that the other half shall be distributed as follows: (a) collections in unincorporated areas, to the county general fund; (b) collections in incorporated cities and towns, to the city or town in which the privilege is exercised; (c) provided, however, that a county and city or town may by contract provide for other distribution of the half not allocated for school purposes.

⁵*Annotated Code of Maryland 1957*, article 81, section 411A.

⁶Colorado Laws of 1961, chapter 179.

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1 from and after the [first day of the next succeeding fiscal year], and the local laws and ordinances
2 imposing the tax in the other counties of the trading area shall no longer be of any force or effect.
3 Nothing in this subsection shall be construed or applied to prevent or interfere with the collection
4 of tax monies which were lawfully due and payable while the tax was effective, and any money
5 collected by the [state tax department] after the tax has been repealed and discontinued shall be
6 accounted for and distributed as required in this act.

PROPERTY TAX SURVEY COMMISSION

This bill authorizes the creation of a Property Tax Survey Commission to examine certain basic property tax policy issues which must be resolved by each state. These policy issues include: (a) the adequacy of the legal structure underpinning property tax administration, (b) exemptions from taxation, (c) changes in tax rate and debt limits which would be required if market value determinations based on assessment-sales ratio studies replace assessed valuations as the measurement base, and (d) the extent to which the state should become involved in the actual administration of the property tax.

Each state should take a hard, critical look at its property tax laws and rid it of all features that are impossible to administer as written, which force administrators to condone evasion, and which encourage taxpayer dishonesty. Ad valorem taxes on most classes of property, real and personal, can be administered with reasonable competence if a state is willing to provide suitable means; but the extent to which some personal property tax laws have become legal fictions is notorious. Evasion and condoning of evasion are so widespread as to make such laws a tax on integrity.

The use of exemptions from property taxes without regard for their secondary effects has drastically changed the distribution of the property tax burden and a re-examination of exemptions is urgently needed. States have long had a propensity, which is continuing, to fritter away the local property tax base by concealed subsidies in the form of special tax exemptions to promote private causes of questionable public importance, provide welfare aid, advance undertakings for social and economic reform, and reward public service. Typically these special tax exemptions are mandatory upon local taxing jurisdictions; they have to be honored by them, regardless of their revenue cost or the preference of the local community.

Suggested Legislation

*[Title should conform to state requirements. The following is a suggestion:
"An act creating a property tax survey commission, and for related purposes."]*

(Be it enacted, etc.)

1 *Section 1. Property Tax Survey Commission.* There is hereby created a property tax survey com-
2 mission of [] members for the purpose of making a thorough examination of the property tax and
3 its administration. The commission shall make a report of its study and examination together with
4 such specific recommendations as it may adopt to the governors and to the legislature not later than
5 [] of each [] numbered years.

6 *Section 2. Commission Duties.* The commission shall:

7 (1) ascertain whether the [state tax agency] is making adequate provision for continuing
8 study and analysis of the property tax so as to insure that this revenue source is given attention com-
9 mensurate with its major importance in the overall state and local revenue structure;

10 (2) determine (i) whether provision of the constitution or any statute, ordinance or charter
11 unduly restricts legislative or administrative flexibility and responsibility for producing and maintaining

1 a productive and administrable property tax system and, (ii) whether the property tax laws need re-
2 vision or recodification;

3 (3) examine the state's property tax exemption policies and make recommendations im-
4 plementing the principle that exemptions be provided only on clear demonstration of public interest
5 and be limited to those cases in which the tax exemption method is preferable to outright grants sup-
6 ported by appropriations;

7 (4) examine the question of reimbursing local communities for the amounts of tax loss
8 sustained in the instance of mandatory tax exemptions;

9 (5) Make a thorough review of all classes of partial and total exemptions from tax liability
10 based on assessed valuations made by assessment officials, study the desirability of their continuance
11 from the point of view of sound policy, and with respect to those exemptions that may be continued,
12 recommend adjustments as would be called for by the adoption of the market value determinations
13 made or to be made by the [state tax agency] as the uniform measure for all exemptions from proper-
14 ty tax liability;¹

15 (6) study all limits on the taxing and borrowing powers of local governments imposed by
16 state law or municipal charter that are related to assessed valuation set by local assessment officials;
17 consider the desirability of their continuance or modification, and for any that may be continued
18 recommend adjustments as would be made necessary by the adoption of the market value determina-
19 tions made or to be made by the [state tax agency] as the uniform base for restricting the taxing and
20 borrowing powers of local government;

21 (7) study all state financial grants to school districts and local governments that are meas-
22 ured by assessed valuations set by local assessment officials and recommend adjustments as may be
23 necessitated by the adoption of the market value determinations of the [state tax agency] as an
24 equalized measure of local fiscal capacity and tax effort;

25 (8) evaluate the structure, powers, facilities, and competence of the [state tax agency]
26 and local property tax offices and on the basis of the evaluation recommend an organizational policy
27 from among the following alternatives:

28 (i) centralized property tax administration, with each local government determining
29 the amount of its own tax levies, within any applicable limitations, and with the state providing all
30 professional services for the assessment, collection and enforcement of the property tax liability;

31 (ii) centralized property assessment administration, with the valuations certified to
32 local officials as the basis for their billing and collection of taxes;

¹To the extent that exemptions can be justified, the tax credit method employed by some states has considerable merit because it completely removes the assessor from dollar determinations of the privilege.

1 (iii) coordinated joint state-local administration with the [state tax agency] granted
2 all appropriate supervisory powers and facilities but whose assessment responsibilities would be con-
3 fined to property of types that customarily lie in more than one district and do not lend themselves to
4 piecemeal local assessment, that require appraisal specialists beyond the specialized skills of most local
5 district staffs, and that can be more readily discovered and valued by a central agency than by a local
6 assessment office; or

7 (iv) some other uniform method of property assessment administration.

8 (9) evaluate the present administrative-judicial appeal procedure for assessment review in
9 order to determine whether taxpayers have ready and inexpensive access to effective legal remedies,
10 and make recommendations with respect thereto.

11 *Section 3. Commission Membership.* The governor shall appoint the members of the commis-
12 sion and shall designate the chairman thereof. The term of each commissioner authorized shall be
13 [four] years. Any vacancy on the commission shall be filled in the same manner as original appoint-
14 ments thereto and shall be for the unexpired term.

15 *Section 4. Staff.* The commission may employ such research or administrative staff as it deems
16 necessary within or without the [state merit system].

17 *Section 5. Hearings.* The commission may hold public hearings in various parts of the state and
18 prescribe any necessary rules for the conduct thereof.

19 *Section 6. Per Diem and Expenses.* Members of the commission shall receive per diem of \$[]
20 for each full day of attendance at a meeting of the commission plus their actual and necessary expenses
21 incurred in the discharge of their official duties. Members of the commission who are salaried members
22 of the legislature or full-time public officers or employees shall not receive per diem but shall be en-
23 titled to reimbursement for their actual and necessary expenses.

24 *Section 7. Duration.* Sections 1-6 of this act shall cease to be of any force or effect on and after
25 [four years after effective date of this act] and the commission established hereby shall terminate as
26 of [same date].

27 *Section 8. Appropriation.* [Use this section to make initial appropriation to the commission.]

28 *Section 9. Separability.* [Insert separability clause.]

29 *Section 10. Effective Date.* [Insert effective date.]

PROPERTY TAX ORGANIZATION AND ADMINISTRATION

In 49 of the 50 states (all except Hawaii), property assessment administration is a joint state and local responsibility. Most recent efforts to improve the quality of property assessment have concentrated on making the joint system work better. To knit this two-level system into a well-coordinated, smoothly-functioning organization is difficult but possible of accomplishment.

The prevailing pattern for state-local property tax administration, subject to innumerable variations, is: (1) local assessment districts responsible for the bulk of the primary assessing; (2) local or county boards of review; (3) county boards of equalization; and (4) a state agency or agencies responsible variously for supervision of local assessing, provision of technical aid to local assessors, hearing taxpayer appeals, interarea equalization of assessment, central assessment of some classes of property, and valuation research.

The proposal would provide for well-coordinated state-local administrative organization with a central directing authority. At the state level, administrative responsibilities would be vested in a single agency professionally organized and equipped for the job, with adequate powers of supervision and regulation clearly defined by law. At the local level, county assessment units would be organized and staffed so as to make competent assessing feasible. The overall goal is to produce a workable apportionment of two-level responsibilities, with careful coordination of assessment standards and procedures.

The suggested legislation vests in the single state agency responsibility for assessment supervision and equalization, assessment of all state assessed property, and valuation research, with adequate powers clearly defined by law. It provides that no assessment district shall be less than countywide, and when, as in many instances, counties are too small to comprise efficient assessment districts, the bill authorizes the creation of multi-county assessment districts. In order to eliminate wasteful duplication of assessment effort, all overlapping assessment districts (township and municipal) are eliminated. It also provides that county assessors be appointed on the basis of demonstrated merit and be subject to removal for good cause by the appointing official.

It should be noted that the suggested act in setting forth the qualifications for assessors and appraisers makes no mention of residence requirement. Since it is desirable to encourage the employment of assessors and appraisers on a professional basis, the Advisory Commission on Intergovernmental Relations recommends that states omit a residence requirement. If this is to be done, it may be necessary to make an appropriate exception by amending the relevant general personnel statutes or by writing an affirmative exemption into this statute.

This draft legislation draws on Oregon, Maryland, and Kentucky experience, particularly as it relates to the provision of state technical assistance to local assessment jurisdictions.

Suggested Legislation

[Title should conform to state requirements. The following is a suggestion: "An act establishing a division of property taxation within the [state tax agency]; providing for the qualifications, duties, and responsibilities of county assessors and related personnel; providing for state-county relations in respect of assessment and appraisal of property, and for related purposes."]

(Be it enacted, etc.)

1 *Section 1. Division of Property Taxation.*¹ (a) There shall be in the [state tax agency] a division
2 of property taxation, hereinafter called the "division." The head of the division shall be the director,
3 appointed by the [head of the state tax agency] in accordance with the provisions of the [state merit
4 system law]. The director shall serve in accordance with the provisions of such law. He shall have ex-
5 perience and training in the fields of taxation and property appraisal.

6 (b) The employees of the division shall be in the [state merit service]. The director may con-
7 tract for the services of expert consultants to the division.

8 (c) In addition to any duties, power, or responsibilities otherwise conferred upon the division,
9 it shall administer and enforce all laws related to the state supervision of local property tax administra-
10 tion and the central assessment of property subject to ad valorem taxation. Whenever the division as-
11 sesses or appraises property, or provides services therefor, it shall prescribe the methods and specifica-
12 tions for such assessment or appraisal.

13 *Section 2. Assessors and Appraisers, Qualifications and Certification.* (a) Except as expressly
14 permitted by statute, no person shall perform the duties or exercise the authority of an assessor or ap-
15 praiser of property in or on behalf of any county unless he is the holder of an assessor's or appraiser's
16 certificate, as the case may be, issued by the division.

17 (b) The division shall provide for the examination of applicants for such certificates. No
18 certificate shall be issued to any person who has not demonstrated to the satisfaction of the division
19 that he is competent to perform the work of an assessor or appraiser, as the case may be; but any ap-
20 plicant for a certificate who is denied the same shall have a right to review of such denial [in accordance
21 with the state administrative procedure act] [by a court of appropriate jurisdiction].

22 *Section 3. Collection and Publication of Property Tax Data.*² (a) The division annually shall
23 make and issue comprehensive assessment ratio studies of the average level of assessment, the degree of

¹As an alternative for states in which organization for tax administration is diffused, the agency should be given prominence as a separate department or bureau. It may be desirable to have the career administrator serve under a multi-member commission appointed for overlapping terms.

²Subsection (a) of this section is similar to section 3, and subsection (c) of this section is similar to section 5 of the act entitled "An act establishing assessment standards and performance measurements; establishing interdistrict and intradistrict tax equalization procedures, and for related purposes," which appears below. This duplication is necessary because the provisions are desirable in each act standing alone.

1 assessment uniformity, and overall compliance with assessment requirements for each major class of
 2 property in each county in the state. In order to determine the degree of assessment uniformity and
 3 compliance in the assessment of major classes of property within each county, the division shall com-
 4 pute the average dispersion. As used in this section, "average dispersion" means the percentage which
 5 the average of the deviations of the assessment ratio of individual sold [or appraised] properties bears
 6 to their median ratio.

7 (b) The division may require assessors and other local officers to report to it data on assessed
 8 valuations and other features of the property tax for such periods and in such form and content as the
 9 division shall require. The division shall so construct and maintain its system for the collection and
 10 analysis of property tax facts as to enable it to make intrastate comparisons as well as interstate com-
 11 parisons based on property tax and assessment ratio data compiled for other states by the United States
 12 Bureau of the Census, or any agency successor thereto.

13 (c) The [state tax agency] shall publish annually the findings of the division's assessment ratio
 14 studies together with digests of property tax data.

15 *Section 4. Tax Exemption Information.* The county assessor regularly shall assess all tax exempt
 16 property within the county, calculate the total assessed valuation for each type of exemption, and
 17 compute the percentages of total assessed valuations thus exempt. The totals and computations thus
 18 made and obtained, together with summary information on the function, scope and nature of exempted
 19 activities, shall be published annually by the county.

20 *Section 5. Forms.* The division shall devise, prescribe, [supply,] and require the use of all forms
 21 deemed necessary for effective administration of the property tax laws. So far as practicable the forms
 22 shall be uniform, but nothing herein shall be deemed to prevent the prescribing of substitute or addi-
 23 tional forms where special circumstances require.

24 *Section 6. Tax Maps.* The division shall require each county assessor to maintain tax maps in
 25 accordance with standards specified by the division. Whenever necessary to correct mapping deficiencies,
 26 the division shall install standard maps or approve mapping plans and supervise map production. The
 27 [state tax agency] [shall] [may] require the county to reimburse the state for tax maps installed by the
 28 division. The amount or amounts of such reimbursement shall be deposited in the [state treasury] to
 29 the account of the [state tax agency].¹

30 *Section 7. Provision of Tax Manuals and Guides.* The division shall prepare, issue, and periodical-
 31 ly revise guides for local assessors in the form of handbooks of rules and regulations, appraisal manuals,
 32 special manuals and studies, cost and price schedules, news and reference bulletins and digests of proper-
 33 ty tax laws suitably annotated.

¹In place of the last two sentences of section 6, a state may prefer the following: Costs of map production and installation incurred pursuant to this section shall be county charges.

1 *Section 8. Data Processing.* To expedite the preparation of assessment rolls, tax rolls, and
2 tax bills, the division is authorized to take action as may be appropriate to enable counties to receive
3 the benefits of modern data processing methods.

4 *Section 9. Provision of Engineering, Professional and Technical Services.* Whenever a county
5 by or pursuant to action of its [governing board] requests the [state tax agency] to provide engineering,
6 professional or technical services for the appraisal or reappraisal of properties, the [state tax agency]
7 may, within its available resources, and in accord with its determination of the need therefor, provide
8 these services. The county shall pay to the [state tax agency] the actual cost of the services in accordance
9 with a schedule of standard fees and charges furnished, and from time to time, revised by the [state tax
10 agency]. All payments received by the [state tax agency] pursuant to this section shall be deposited in
11 the [state treasury] to the account of the [state tax agency].

12 *Section 10. Appraisal of Major Industrial and Commercial Properties.* The division shall provide
13 to each county or multi-county assessment district the services of certified appraisers for the appraisal
14 of major industrial and commercial properties. The properties to be appraised shall be determined by
15 the division after consultation with county assessors. In making such determinations, the division shall
16 take into account the ability of the county assessor to perform such appraisals with the resources at his
17 disposal. [Provide for such reimbursement or county charge as may be appropriate.]

18 *Section 11. Inspections, Investigations and Studies.* The division may make such inspections, in-
19 vestigations and studies as may be necessary for the adequate administration of its responsibilities
20 pursuant to this act. Such inspections, investigations and studies may be made in cooperation with other
21 state agencies, and, in connection therewith, the division may utilize reports and data of other state
22 agencies.

23 *Section 12. Training Programs.* The division shall conduct or sponsor in-service, pre-entry, and
24 intern training programs on the technical, legal, and administrative aspects of the assessment process.
25 For this purpose it may cooperate with educational institutions, local, regional, state, or national as-
26 sessors' organizations, and with any other appropriate professional organizations. The division may re-
27 imburse the participation expenses incurred by assessors and other employees of the state and its sub-
28 divisions whose attendance at in-service training programs is approved by the division.

29 *Section 13. Enforcement of Assessment and Appraisal Standards.* (a) In order to promote com-
30 pliance with the requirements of law, the division shall issue and, from time to time, may amend or re-
31 vise rules and regulations containing minimum standards of assessment and appraisal performance.
32 Such standards shall relate to: (1) adequacy of tax maps and records; (2) types and qualifications of
33 personnel; (3) methods and specifications for the appraisal or reappraisal of property; and (4) admin-
34 istration. For failure to meet the standards contained in the rules and regulations the division may
35 suspend, in whole or in part, performance of the assessment or appraisal function by a county.

1 (b) If the division finds that a county has failed or is failing to meet the standards contained in
 2 the rules or regulations in force pursuant to subsection (a) of this section, it shall notify the county as-
 3 sessor of the fact and nature of the failure. The notice shall be in writing and shall be served upon the
 4 county assessor and the [county governing board].

5 (c) If within one year from the service of the notice the failure has not been remedied, the divi-
 6 sion may, at any time during the continuance of such failure, issue an order requiring the county as-
 7 sessor and [county governing board] to show cause why the authority of the county with respect to
 8 assessments or any matter related thereto should not be suspended, shall set a time and place at which
 9 the director of the division shall hear the county assessor and [county governing board] on the order,
 10 and after the hearing shall determine whether and to what extent the assessment function of the county
 11 shall be so suspended.

12 (d) During the continuance of a suspension pursuant to subsection (c) of this section, the divi-
 13 sion shall succeed to the authority and duties from which the county has been suspended and shall ex-
 14 ercise and perform the same. Such exercise and performance shall be a charge on the suspended county
 15 The suspension shall continue until the division finds that the conditions responsible for the failure to
 16 meet the minimum standards contained in the rules and regulations of the division have been corrected.

17 (e) Any county aggrieved by a determination of the division made pursuant to this section or
 18 alleging that its suspension is no longer justified may have review of such determination or continued
 19 suspension [as provided in the state administrative procedure act] [by a court of appropriate jurisdic-
 20 tion].

21 *Section 14. County Assessor.* (a) On and after [January 1, 19[]] the county assessor shall
 22 be appointed by the [chief executive officer of the county] and shall hold office [for an indefinite
 23 term] [for a term of five years]. No person shall be eligible for appointment as county assessor who
 24 does not hold an assessor's certificate issued by the division pursuant to section 2 of this act.

25 (b) A county assessor may be removed from office by the [chief executive officer of the coun-
 26 ty] or by the commissioner of the [state tax agency]. The [chief executive officer] may not remove
 27 such assessor, except for cause and the commissioner may remove such assessor only for failure to com-
 28 ply with the orders of the division. [Add provision making appropriate statute relating to hearings and
 29 appeals applicable, or supply procedural detail.]

30 (c) Notwithstanding any provision of this section, any county assessor holding office on the ef-
 31 fective date of this act by virtue of election by the people shall be entitled to complete the term for
 32 which he was elected.

33 [(d) If other statutes or provisions of local law do not affirmatively empower county assessors
 34 to assess, appraise and classify property, use this subsection to confer such power.]

1 *Section 15. Governing Valuations.* [Each local taxing unit] shall be bound by the assessed valua-
2 tions established by the county assessor for all property subject to its taxing power.

3 *Section 16. Multi-County Assessment Districts.*¹ (a) Any two or more contiguous counties may
4 enter into an agreement for joint or cooperative performance of the assessment function.

5 (b) Such agreement shall provide for:

6 (1) the division, merger, or consolidation of administrative functions between or among
7 the parties, or the performance thereof by one county on behalf of all the parties;

8 (2) the financing of the joint or cooperative undertaking;

9 (3) the rights and responsibilities of the parties with respect to the direction and super-
10 vision of work to be performed under the agreement;

11 (4) the duration of the agreement and procedures for amendment or termination thereof;
12 and

13 (5) any other necessary or appropriate matters.

14 (c) The agreement may provide for the suspension of the powers and duties of the office of
15 county assessor in any one or more of the parties.

16 (d) Unless the agreement provides for the performance of the assessment function by the assessor
17 of one county for and on behalf of all other counties party thereto, the agreement shall prescribe the
18 manner of appointing the assessor, and the employees of his office, who shall serve pursuant to the
19 agreement. Each county party to the agreement shall be represented in the procedure for choosing
20 such assessor. No person shall be appointed assessor pursuant to an agreement who could not be so
21 appointed for a single county. Except to the extent made necessary by the multi-county character of
22 the assessment agency, qualifications for employment as assessor or in the assessment agency, and terms
23 and conditions of work shall be similar to those for the personnel of a single county assessment agency.
24 Any county may include in any one or more of its employee benefit programs an assessor serving
25 pursuant to an agreement made under this section and the employees of his assessment agency. As
26 nearly as practicable, such inclusion shall be on the same basis as for similar employees of a single coun-
27 ty only. An agreement providing for the joint or cooperative performance of the assessment function
28 may provide for such assessor and employee coverage in county employee benefit programs.

29 (e) No agreement made pursuant to this section shall take effect until it has been approved in
30 writing by the commission of the [state tax agency] and the [attorney general].

31 (f) Copies of any agreement made pursuant to this section, and of any amendment thereto, shall
32 be filed in the office of the [secretary of state] and the [state office of local government].

¹The possibility of including this paragraph may depend in a particular state on constitutional or statutory con- siderations.

1 *Section 17. State Performance of County Assessment Function.* The [governing board] of a
2 county may, [by resolution], request the [state tax agency] to assume the county assessment function
3 and to perform the same in and for the county. If the commissioner of the [state tax agency] finds
4 that direct state performance of the function is necessary or desirable to the economic and efficient
5 performance thereof, he may direct the division to undertake such performance pursuant to the re-
6 quest. Unless otherwise authorized by law, the division shall undertake and perform the function only
7 after the execution of a suitable agreement between the county and the [state tax agency] providing
8 for responsibility for costs. During the continuance of performance of the county assessment function
9 by the division, the office and functions of the county assessor shall be suspended, and the performance
10 thereof by the division shall be deemed performance by the county assessor.

11 *Section 18. Discontinuance of Certain Assessors' Office.* On and after [date] assessment of
12 property for purposes of taxation, unless pursuant to agreement as authorized in section 16 of this
13 act, shall be only by the county and state in accordance with law. However, any assessor in office on
14 [date] who is serving a fixed term as provided by statute or local law may continue in office until the
15 expiration of such term, and the jurisdiction of which he is the assessor shall continue to have the as-
16 sessment function previously conferred upon it until the expiration of such term. Any vacancy in an
17 elective or appointive office permitted to continue by reason of this section shall be filled only for the
18 unexpired portion of the term.

19 *Section 19. Separability.* [Insert separability clause.]

20 *Section 20. Effective Date.* [Insert effective date.]

PROPERTY TAX ASSESSMENT STANDARDS AND EQUALIZATION

The laws of most states provide for the assessment of property at market value. Nevertheless, fractional assessment is a pervasive practice. Recent assessment ratio findings indicate that on a nationwide basis, residential real estate is being assessed at less than 30 percent of market value. Moreover, most states have not equalized local assessment levels at any uniform percentage of market value.

One possible course of action is for state tax authorities to order local tax officials to raise depressed assessment levels to the legal valuation standard.

For states not wanting to take this approach, the conflict between law and practice can be resolved by amending state assessment laws to bring them into harmony with fractional valuation practice. Either of two courses of action appears to be possible. One, a state can repeal the full value assessment laws, select a percentage figure which conforms most nearly to prevailing local assessment practices, and direct that assessment levels be brought into line with this fractional valuation standard. Two, a state can give assessors discretion to assess property within their respective jurisdictions at any uniform percentage of current market value (subject to the enforcement of a specific minimum level of assessment). In this case the state supervisory agency should determine annually by assessment ratio studies the average level of assessment in each county and make this information available to taxpayers.

The draft legislation incorporates the second approach — the flexible local assessment standard — reinforced by state assessment ratio findings. The requirement of a minimum level guards against the danger that the quality of assessing will deteriorate if the assessment level is too low.

To secure intracounty tax equalization, the draft legislation requires all classes of property within a county to be assessed at a uniform percentage of current market value. The legislation directs the state tax agency to make county assessment ratio studies and, following the example set by Oregon, to give their findings the widest possible circulation. The features of this legislation which provide for maximum publicity to be given assessment ratio and related information are of special importance because they would furnish knowledge on the basis of which administration and compliance could be improved.

To secure intercounty equalization, the draft legislation directs a taxing unit such as a sewer district lying in more than one county to apportion its levy among the counties in which it is situated in accordance with the market value determinations derived from assessment ratio studies made by the state tax agency. This approach, pioneered by Wisconsin, permits an equitable distribution of the tax load without state-ordered adjustments in local assessment levels.

Suggested Legislation

[Title should conform to state requirements. The following is a suggestion: "An act establishing assessment standards and performance measurements; establishing interdistrict and intradistrict tax equalization procedures, and for related purposes."]

(Be it enacted, etc.)

- 1 *Section 1. Definitions.* As used in this act:
- 2 (1) "Current market value" means the estimated price a property would bring in an open mar-
- 3 ket and under the then prevailing market conditions in a sale between a willing seller and a willing

1 buyer, both conversant with the property and with prevailing general price levels.

2 (2) "Assessment level" means the percentage relationship which the assessed value of taxable
3 property bears to its current market value.

4 (3) "Assessment ratio study" means the comparison, on a sampling basis, of the current mar-
5 ket value determined from the best information available which may include, but is not limited to
6 appraisals, deed recordings, documentary or tax stamps and statements of parties to the transaction
7 with their assessed valuations, and the application of statistical procedures to determine assessment
8 levels and to measure nonuniformity of assessments.

9 (4) "Average dispersion" means the percentage which the average of the deviations of the assess-
10 ment ratios of individual sold [or appraised] properties bears to their median ratio.

11 *Section 2. Tax Base Determination.* All classes of taxable property shall be assessed at the same
12 percentage of current market value within each county. No assessment level shall be lower than
13 [] percent of current market value as found by the assessment ratio studies made by the division
14 of property taxation [of the state tax agency], hereinafter called the "division." Whenever the pre-
15 vailing general assessment level within a county, as shown in an assessment ratio study, is below the
16 minimum assessment level in force pursuant to this section and the division deems it necessary to the
17 proper administration of the tax laws to order such uniform percentage adjustments in the assess-
18 ment base, it may issue such order. Whenever such prevailing general assessment level is 10 percent or
19 more below the minimum assessment level in force pursuant to this section, the county assessor shall
20 make such uniform percentage adjustment in the assessment base as is necessary to secure compliance
21 with law. The failure of the division to issue an order pursuant to this paragraph shall be of no evi-
22 dentiary significance in any proceeding for the abatement or modification of an assessment.

23 *Section 3. Preparation of Assessment Ratio Studies.* The division annually shall make and
24 issue comprehensive assessment ratio studies of the average level of assessment, the degree of assess-
25 ment uniformity and overall compliance with assessment requirements for each major class of prop-
26 erty in each county in the state. In order to determine the degree of assessment uniformity and
27 compliance in the assessment of major classes of property within each county, the division shall
28 compute the average dispersion.

29 *Section 4. Notice to Assessor and [Chief County Fiscal Officer]; Hearing.* (a) At least [sixty]
30 days prior to the issuance of an assessment ratio study, the division shall furnish each county assessor
31 and each [chief county fiscal officer] a copy of the tentative assessment ratio study for his county.
32 The copy shall be accompanied by a notice stating that, unless the assessor or [chief county fiscal
33 officer] files a written demand for a hearing thereon, the tentative assessment ratio study, together
34 with all findings, shall be final.

1 (b) Upon demand for hearing filed pursuant to subsection (a) of this section, the division shall
 2 fix a hearing. The hearing shall be not less than [ten] days nor more than [twenty] days from the
 3 date when the demand therefor is received, but in no event shall such hearing be less than [five] days
 4 from the date notice is served upon the county assessor and [chief county fiscal officer] of the
 5 county from which a demand has been filed.

6 (c) As promptly as may be after such hearing, the division shall inform the county assessor and
 7 [chief county fiscal officer] whether it has determined to make any changes in the tentative assess-
 8 ment ratio study, and if so, of their precise content. If the county assessor or [chief county fiscal
 officer] is not satisfied with the study as then proposed to be issued, he may have review of any finding
 ing or findings, contained therein which formed the basis of the demand for hearing, [as provided in
 the state administrative procedure act] [by a court of appropriate jurisdiction].

12 [(d) For the purposes of this section, the assessor for a multi-county assessment district shall
 13 be deemed the assessor in and for every county for which he is in fact the assessor by virtue of the
 14 agreement made pursuant to [cite appropriate section of statute authorizing multi-county assessment
 15 districts].]

16 *Section 5. Publication of Assessment Ratio Information.* Immediately on the issuance thereof,
 17 the division shall publish each of its assessment ratio studies and shall publish a summary of each such
 18 study in convenient form. The division shall take such additional steps as may be appropriate to dis-
 19 seminate to the general public the information contained in its studies.

20 *Section 6. Property Tax Equalization.* (a) Whenever, in the view of the division, an assessment
 21 ratio for a particular class of property within a county deviates to the degree that a uniform adjust-
 22 ment in the assessment base is necessary for the proper administration of the tax laws, the division
 23 shall order the county assessor to make uniform adjustments in the assessment base as are necessary to
 24 remove such deviation. A deviation of 10 percent or more shall require the division to issue such
 25 order. The failure of the division to issue an order pursuant to this subsection shall be of no eviden-
 26 tiary significance in any proceeding for the abatement or modification of an assessment.

27 (b) In any case where a [tax levying unit of government] is situated in more than one county,
 28 the state and the [tax levying unit of government] shall apportion their tax levies among the various
 29 counties in the same proportion that the current market value of the property subject to the tax of
 30 the [tax levying unit of government] in each county bears to the current market value of all property
 31 subject to the tax of the [tax levying unit of government]. Such apportionment shall be based upon
 32 the current market value determinations derived from the annual assessment ratio studies made by
 33 the division. Thereafter the tax rates of the [tax levying unit of government] shall be fixed in the
 34 respective counties in such manner as is calculated to raise the amounts so apportioned when applied
 35 to the assessed values therein.

- 1 *Section 7. Separability.* [Insert separability clause.]
- 2 *Section 8. Effective Date.* [Insert effective date.]

PROPERTY TAX REVIEW AND APPEAL PROCEDURE

In many states the hierarchy of administrative and judicial review and appeal agencies for the protection of the property taxpayers is elaborate; but actual protection under the various systems is illusory because, first, the tribunals to which the taxpayer must appeal are not well constituted and staffed for the purpose and second, the burden of proving his case is too onerous and costly. The small taxpayer, in particular, is helpless if he has no simple, inexpensive, and dependable recourse. While numerous states have been undertaking to improve assessment administration by such means as better state supervision, better training for assessors, statewide revaluations, experimentation with fractional assessment, and the use of assessment ratio studies for equalization purposes, they have tended to ignore the need to improve the procedure for assessment review and appeal.

This legislation provides procedures for the hearing and determination of taxpayer protests of assessments. Such protests would be heard by county assessors or local boards of property tax review or, in the case of state assessed property, by the commissioner of the state tax agency. Appeals could be taken from these initial review agencies to a state tax court, established by the suggested act. At each level of review, emphasis is placed on informality of procedure. At the state tax court level a small claims procedure is established.

The legislation specifically provides that the parties to an assessment protest proceeding may make use of data contained in assessment ratio studies. In any proceeding relating to a protested assessment the court or other review agency is directed to accept as conclusive evidence of inequitable assessment a proven deviation of 10 percent or more from the relevant county assessment ratio and grant appropriate relief.

Since other provisions of the suggested legislation here presented make such assessment ratio studies freely available, the result should be a simplification of evidence gathering and presentation in litigation relating to assessments. The appeals procedure above is patterned along the general lines of the Maryland and Massachusetts review systems.

Suggested Legislation

[Title should conform to state requirements. The following is a suggestion: "An act providing for protests of assessments, establishing a state tax court, and for related purposes."]

(Be it enacted, etc.)

1 *Section 1. Jurisdiction to Hear Protest.* A taxpayer who desires to protest an assessment of his
2 property may make such protest as provided in this act. Jurisdiction to hear and determine protest of
3 assessments shall be only in the courts and agencies upon whom such jurisdiction is conferred by this
4 act.

5 *Section 2. Assessors and Boards of Review.* (a) In all counties of less than [] popula-
6 tion there shall be a [local board of property tax review] to consist of [specify membership, method
7 of appointment, and term]. Such board shall hear and determine assessment protests, and shall have
8 power to alter or modify any protested assessment in order that it may conform with law. In con-
9 nection therewith, the board may make such review of assessments and order such equalization

1 thereof as may be necessary. At any time when the county assessor has in his regular employ [three]
 2 or more appraisers holding appraiser's certificates issued by the division of property taxation [of the
 3 state tax agency], hereinafter called "division," one of such appraisers shall sit with and advise the
 4 board, but no appraiser shall sit with the board on its hearing of, or advise the board concerning any
 5 protest of an assessment of property previously appraised by him.

6 (b) In any county [] or more population, the county assessor shall have in his regular
 7 employ at least [three] appraisers holding appraiser's certificates issued by the division. In any such
 8 county, the county assessor shall have the functions and jurisdiction of a [local board of property tax
 9 review] and there shall be no such board. In hearing and determining a protest of an assessment the
 10 assessor shall be assisted by an appraiser regularly employed in his office who has not previously ap-
 11 praised the property in question.

12 (c) If the assessment function is performed by an assessor acting for and on behalf of more than
 13 one county as provided in an agreement made pursuant to [cite appropriate section of state statute
 14 authorizing multi-county assessment districts], a protest of assessment shall be heard and determined
 15 by the assessor's office functioning under such agreement, if the office has in its regular employ at
 16 least [three] appraisers holding appraiser's certificates from the division or a [local board of property
 17 tax review] established by the agreement.

18 (d) In the case of property assessed by the state, neither a [local board of property tax review]
 19 nor a county assessor shall have jurisdiction to hear or determine a protest. Any such protest shall be
 20 heard and determined by the [head of the state tax agency].

21 (e) Review of determinations of a [local board of property tax review], a county assessor when
 22 acting on a protest of assessment, and of determinations of the [head of the state tax agency] when
 23 acting on a protest of assessment, may be had only in the state tax court as established in section 4 of
 24 this act.

25 *Section 3. Initiation of Protests.* (a) Within [thirty] days of his receipt of a notice of assess-
 26 ment or reassessment of property, the owner thereof may protest such assessment or reassessment.
 27 The protest shall be in writing on a form provided by the [county assessor] [division]. The protest
 28 may include or be accompanied by a written statement of the grounds for the protest, and may include
 29 a request for a hearing. The protest, together with the accompanying statement, if any, shall be filed
 30 with the county assessor having jurisdiction to hear the protest or the [local board of property tax
 31 review], as the case may be. Thereupon, such county assessor or [local board of property tax review],
 32 if a hearing has been requested, shall fix the time and place where the protest shall be heard and shall
 33 serve a notice thereof on the protesting taxpayer.

34 (b) If the taxpayer has requested a hearing, but does not appear in person, he may appear by
 35 an agent. Such agent shall have power to appear for and act on behalf of the protesting taxpayer

1 only if the protest states the taxpayer's intention so to appear and clearly identifies the agent.

2 (c) Any agent who appears for or with a taxpayer at a hearing held pursuant to this section
3 shall not be deemed to be engaged in the practice of any licensed trade or profession by reason of
4 such appearance.

5 (d) At, or in connection with any hearing held pursuant to this section, the protesting taxpayer
6 shall be entitled to the assistance of an agent and such other persons as he may wish.

7 *Section 4. Tax Court.* (a) There is hereby established the state tax court which, for adminis-
8 trative purposes only, shall be in the [state tax agency], but which shall be an independent ad-
9 ministrative tribunal. The court shall consist of a chief judge and [four] associate judges, appointed
10 by the governor [with the consent of the state senate] [with the consent of the state legislature].
11 The term of each judge of the court shall be [six] years. The initial appointments shall be as follows:
12 the chief judge for a term of [six] years; one associate judge for a term of [two] years; one associate
13 judge for a term of [three] years; one associate judge for a term of [four] years; and one associate
14 judge for a term of [five] years. Vacancies on the court shall be filled for the unexpired term in the
15 same manner as appointments to full terms. During his continuance in office neither the chief judge
16 nor an associate judge shall have any other employment, but shall devote full time to his duties as
17 such judge.

18 (b) Subject only to review by the [state supreme court], the state tax court shall have jurisdic-
19 tion to determine all appeals from determinations of the [local board of property tax review], the
20 county assessor, and the [head of the state tax agency] relative to protested assessments. The state
21 tax court may affirm, reverse, or modify any determination of the [local board of property tax re-
22 view], county assessor when acting on a protested assessment, or the [head of the state tax agency]
23 when acting on a protested assessment.

24 (c) Any taxpayer dissatisfied with the disposition of his protested assessment by the [local
25 board of property tax review], county assessor, or [head of the state tax agency] may appeal there-
26 from to the state tax court by filing with the court a written notice of appeal and serving on the
27 appropriate county assessor or the [head of the state tax agency], as the case may be, a certified copy
28 of such notice. In order to be valid and effective, any such notice shall be filed and served within
29 [thirty] days of the disposition from which the appeal is to be taken.

30 (d) Consistent with this act and [cite statutes applicable to proceedings of administrative
31 tribunals], the state tax court shall provide by rule for practice before it and the conduct of its
32 proceedings.

33 (e) The state tax court may hear and determine all issues of fact and of law de novo, but a
34 determination of a [local board of property tax review], county assessor, or the [head of the state
35 tax agency] shall be affirmed unless contrary to a preponderance of the evidence.

1 (f) If a protested assessment cannot otherwise be brought into conformity with law, the state
 2 tax court may order such adjustments with respect to other assessments of property as are necessary
 3 to produce full conformity with law.

4 (g) Appeals from determinations of the state tax court may be taken to the [state supreme
 5 court] only on questions of law. [Provide procedures for appeals to the state supreme court.]

6 *Section 5. Taking of Testimony.* (a) Any judge of the state tax court, or any employee of
 7 such court, designated in writing for the purpose by the chief judge, may administer oaths, and the
 8 court may summon and examine witnesses and require by subpoena the production of any returns,
 9 books, papers, documents, correspondence, and other evidence pertinent to the matter under inquiry,
 10 at any designated place of hearing, and may authorize the taking of a deposition before any person
 11 competent to administer oaths. In the case of a deposition, the testimony shall be reduced to writing
 12 by the person taking the deposition or under his direction and the deposition shall then be subscribed
 13 by the deponent.

14 (b) The protesting taxpayer whose assessment is in question and the county assessor or [head
 15 of the state tax agency] may obtain an order of the state tax court summoning witnesses or requiring
 16 the production of any returns, books, papers, documents, correspondence and other evidence perti-
 17 nent to the matter under inquiry in the same manner in which witnesses may be summoned and evi-
 18 dence may be required to be produced for the purpose of trials in the [court of appropriate jurisdic-
 19 tion]. Any witness summoned or whose deposition is taken shall receive the same fees and mileage
 20 as witnesses in the [court of appropriate jurisdiction].

21 *Section 6. Small Claims.* (a) The state tax court shall establish by rule a small claims procedure
 22 which, to the greatest extent practicable, shall be informal. The court shall take special care to pro-
 23 vide all protesting taxpayers, wherever located within the state, reasonable and convenient access to
 24 the court, and shall sit at such times and places as may be appropriate to promote such accessibility.

25 (b) Any protesting taxpayer who, pursuant to the disposition of his protest by the county
 26 assessor, [local board of property tax review], or [head of the state tax agency], would incur a tax
 27 liability of less than \$[1,000.00] by reason of the protested assessment in the first year to which such
 28 assessment applies may elect to employ such procedure to appeal from such disposition, upon pay-
 29 ment of a \$[2.00] filing fee.

30 (c) The appellant shall file with the state tax court a written statement of the facts in the case,
 31 together with a waiver of the right to appeal to the [state supreme court]. The state tax court shall
 32 cause a notice of the appeal and a copy of such statement to be served on the county assessor or
 33 [head of the state tax agency] whose assessment is in question. If the sole defense offered is that the
 34 property was not overassessed, no further pleadings shall be required.

1 *Section 7. Appeal to [State Supreme Court].* [Use this section to provide procedure for ap-
2 peal of tax court determinations to state supreme court.]

3 *Section 8. Effect of Assessment Ratio Evidence.* (a) Reports of assessment ratios contained in
4 assessment ratio studies of the division shall be conclusive evidence of what the reported ratio is in
5 fact, unless a party to such proceedings establishes that such ratio is not supported by substantial
6 evidence or was derived or established in a manner contrary to law.

7 (b) In any proceeding relating to a protested assessment it shall be a sufficient defense of such
8 assessment that it is accurate within reasonable limits of practicality; but a proven deviation of ten
9 percent or more from the relevant county assessment ratio shall establish conclusively the invalidity
10 of such defense.

11 *Section 9. Separability.* [Insert separability clause.]

12 *Section 10. Effective Date.* [Insert effective date.]

REAL ESTATE TRANSFER TAX

More than thirty States, the District of Columbia, and a number of local governments impose a tax on the transfer of real estate. In addition to the revenue produced this tax yields information on real estate prices that can be used in conjunction with assessed values to determine the level and uniformity achieved in assessment administration.

The accompanying suggested legislation is based in part on the West Virginia "Realty Transfer Tax" statute (W. Va. Code, Ch. 11, Art. 22). The suggested draft language includes, in addition to the usual provisions for imposition and collection of the tax, with definitions and exemptions, a provision (Section 4) requiring that a sworn statement of the actual selling price or current market value of the transferred property be attached to each deed presented for recordation. A provision of this kind would strengthen administration of the tax and facilitate the ready availability of sales price data for sales-assessment ratio studies in connection with property tax administration.

Suggested Legislation

[Title should conform to state requirements. The following is a suggestion: "An act imposing a real estate transfer tax."]

(Be it enacted, etc.)

1 *Section 1. Definitions.* As used in this act:

2 (1) "Deed" means [insert the definition applied in the state's law pertaining to real estate].

3 (2) "Registrar" means [insert title of local official responsible for recording deeds].

4 (3) "Value" means: (i) in the case of any deed not a gift, the amount of the full actual consid-
5 eration therefor, paid or to be paid, including the amount of any lien or liens thereon; and (ii) in the
6 case of a gift, or any deed with nominal consideration or without state consideration, the estimated
7 price the property would bring in an open market and under the then prevailing market conditions in
8 a sale between a willing seller and a willing buyer, both conversant with the property and with pre-
9 vailing general price levels.

10 *Section 2. Imposition of Tax.* A tax is imposed at the rate of [\$ for each \$ of value or
11 fraction thereof] [per centum of the value], which value is declared in the affidavit required by
12 Section 4, upon the privilege of transferring title to real property.

13 *Section 3. Collection of Tax.*

14 (a) If any deed evidencing a transfer of title subject to the tax herein imposed is offered for
15 recordation, the [Registrar] shall ascertain and compute the amount of the tax due thereon and shall
16 collect such amount as prerequisite to acceptance of the deed for recordation.

17 (b) The amount of tax shall be computed on the basis of the value of the transferred property
18 as set forth in the affidavit required by Section 4 of this act.

1 *Section 4. Declaration of Value.*

2 (a) Each deed evidencing a transfer of title subject to the tax as herein provided shall have ap-
3 pended thereto an affidavit of the parties to the transaction or their legal representatives declaring the
4 value of the property transferred. If the transfer is not subject to the tax as herein provided, the af-
5 fidavit shall specify the reasons for the exemption.

6 (b) The form of affidavit shall be prescribed by the [state tax agency] which shall provide an
7 adequate supply of such forms to each [Registrar] in the state.

8 (c) The [Registrar] shall transmit two true copies of the affidavit to the [Assessor] who shall
9 insert the most recent assessed value of each parcel of the transferred property on both copies and shall
10 transmit one copy to the [state tax agency].

11 *Section 5. Disposition of Proceeds.* [Insert appropriate language as to disposition of proceeds.]¹

12 *Section 6. Powers and Duties of [state tax agency].*

13 (a) The [state tax agency] may prescribe such rules and regulations as reasonably necessary to
14 facilitate and expedite the imposition, collection, and administration of the tax imposed pursuant to
15 this act.

16 (b) [If not already provided by applicable statutes insert additional subsections conferring such
17 powers and imposing such duties as the [state tax agency] may need to compel the production of tax-
18 payer records, to extend the time for the filing of the declaration of value, and to provide for refund-
19 ing erroneous payments.]

20 *Section 7. Penalty for Recording Without Tax.* Any [Registrar] who willfully shall record any
21 deed upon which a tax is imposed by this act without collecting the proper amount of tax required
22 by this act based on the declared value indicated in the affidavit appended to such deed shall, upon
23 conviction, be fined [fifty dollars (\$50)] for each offense.

24 *Section 8. Penalty for Falsifying Value.* Any person who shall willfully falsify the value of
25 transferred real estate on the affidavit required by Section 4 of this act shall, upon conviction, be
26 subject to a fine of not more than [\$1,000 or to imprisonment of not more than one year, or to both
27 such fine and imprisonment] for each offense.

28 *Section 9. Exemptions.* The tax imposed by this act shall not apply to a transfer of title:

29 (1) recorded prior to the effective date of this act;

30 (2) to the United States of America, this state, or any instrumentality, agency, or subdivision
31 thereof;

32 (3) solely in order to provide or release security for a debt or obligation;

¹Disposition of the proceeds is a matter for state policy determination. Some states will wish to use the entire proceeds for state purposes. Others will wish to share the real estate transfer tax with their local governments; still others will make the entire proceeds available to their local governments.

- 1 (4) which confirms or corrects a deed previously recorded;
2 (5) between husband and wife, or parent and child with only nominal actual consideration
3 therefor;
4 (6) on sale for delinquent taxes or assessments;
5 (7) on partition;
6 (8) pursuant to mergers of corporations;
7 (9) by a subsidiary corporation to its parent corporation for no consideration, nominal consid-
8 eration, or in sole consideration of the cancellation or surrender of the subsidiary's stock.
9 *Section 10. Effective Date.* [Insert effective date.]

PROPERTY TAX RELIEF FOR LOW-INCOME FAMILIES

The property tax can quickly create a disproportionate claim on a family's financial resources once retirement, the death or physical disability of the bread-winner, or unemployment reduces sharply the flow of income. Local governments as a rule have neither the legal authority nor the fiscal capacity to alleviate these potential property tax over-burden situations, but States have both. Wisconsin, Minnesota and Vermont have developed an efficient tax relief mechanism designed to avoid the special hardships frequently experienced by low-income property-owners. Low-income, elderly homeowners and renters in these states either claim a credit against their State income tax liability or, if the credit exceeds their income tax liability, receive a rebate from the State for that portion of their property tax liability deemed by the legislature to be excessive in relation to their household income.

In a number of States, homestead exemption, a durable by-product of the 1930's depression, offers some protection from undue property tax burdens on low-income occupants of dwellings and farms. This method, however, bestows property tax relief to all homeowners, not just those with low incomes, and misses completely the low-income families in rented properties. The policy of granting homestead exemptions involves a substantial amount of injustice among individual taxpayers and taxing jurisdictions at a large and usually unwarranted sacrifice of local property tax revenue.¹ If the exemption privilege is restricted to low income households and the State reimburses local governments for the cost of this program, the more obvious defects of the exemption approach could be minimized. It is not, however, flexible enough to alleviate extraordinary property tax burdens that may be experienced indirectly by low income households in rented quarters.

To the extent that landlords can shift the property tax to tenants, low income households in rented quarters also feel the pinch of extraordinary property tax burdens in relation to current income. Minnesota, Vermont and Wisconsin have recognized this by establishing a percentage of gross rent as rent constituting property taxes accrued. This percentage serves as the property tax equivalent which renters may use in claiming income tax credit or rebate.

As a means of preventing fiscal overburdens, the tax credit-tax rebate technique has unique advantages. Because this tax relief program is financed from State funds and administered by a State agency, it neither erodes the local tax base nor interferes in any way with the local assessment or rate-setting processes. It can be designed to maximize the amount of aid extended to low-income homeowners and renters while minimizing loss of revenue. It operates in the "right" direction from both inter-jurisdictional and inter-personal standpoints; because the poor tend to be clustered together, the major portion of the relief will redound to the benefit of low-income households and low-income communities.

The suggested legislation contains three alternative methods of determining an extraordinary property tax burden. One alternative uses the Vermont method of defining the extraordinary burden as the amount in excess of a specified percentage of household income. A second alternative uses the Minnesota method where the extraordinary burden is defined as a specified percentage (depending upon income size) times the property tax paid. A third alternative is designed to reflect differences in extraordinary burdens that stem from variations in size of family. Under this alternative, the claimant's extraordinary burden is the amount that exceeds a specified number times the liability the claimant would have if he calculated his State personal income tax liability using total household income as defined in this bill less personal and dependents allowances provided in the State income tax law. Two States specify \$300 as the maximum amount of the property taxes or rent constituting property taxes that can be used in claiming the credit.

¹ Advisory Commission on Intergovernmental Relations, *The Role of the States in Strengthening the Property Tax* (Washington, D.C., 1963).

For purposes of this legislation, income means not only income as defined for income tax purposes but also social security, pension and annuity payments, nontaxable interest, workman's compensation, and the gross payment of "loss of time" insurance. To protect the State against "doubling-up" on the charge against public funds, any person who is a recipient of public funds for the payment of taxes or rent during the period for which the claim is filed may not claim tax relief under the act.

The following suggested legislation is patterned after the Wisconsin, Minnesota, and Vermont statutes. Language has been included (alternative Section 5) that would provide an outright rebate to those who qualify in States without a personal income tax that desire to grant this type of relief.

Suggested Legislation

[Title should conform to state requirements. The following is a suggestion: "An Act to Reimburse Low-Income Householders for Extraordinary Property Tax Burdens.]

(Be it enacted, etc.)

1 *Section 1. Short Title.* This act may be cited as the "Extraordinary Tax Relief Act."

2 *Section 2. Purpose.* The purpose of this act is to provide relief, through a system of income tax
3 credits and refunds and appropriations from the general fund, to certain persons who own or rent their
4 homestead.

5 *Section 3. Definitions.* As used in this act:

6 (1) "Income" means the sum of federal adjusted gross income as defined in the Internal Revenue
7 Code of the United States, the amount of capital gains excluded from adjusted gross income, alimony,
8 support money, nontaxable strike benefits, cash public assistance and relief (not including relief granted
9 under this act), the gross amount of any pension or annuity (including railroad retirement benefits, all
10 payments received under the federal social security act, State unemployment insurance laws, and
11 veterans disability pensions), nontaxable interest received from the Federal Government or any of its
12 instrumentalities, workman's compensation, and the gross amount of "loss of time" insurance. It does
13 not include gifts from nongovernmental sources, or surplus foods or other relief in kind supplied by a
14 governmental agency.

15 (2) "Household" means a claimant and spouse.

16 (3) "Household income" means all income received by all persons of a household in a calendar
17 year while members of the household.

18 (4) "Homestead" means the dwelling, whether owned or rented, and so much of the land sur-
19 rounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home, and
20 may consist of a part of a multi-dwelling or multi-purpose building and a part of the land upon which
21 it is built. ("Owned" includes a vendee in possession under a land contract and of one or more joint

1 tenants or tenants in common.) It does not include personal property such as furniture, furnishings or
2 appliances, but a mobile home may be a homestead.

3 (5) "Claimant" means a person who has filed a claim under this act and was domiciled in this
4 state during the entire calendar year preceding the year in which he files claim for relief under this
5 act. In the case of claim for rent constituting property taxes accrued, the claimant shall have rented
6 property during the entire preceding calendar year in which he files for relief under this act and shall
7 have occupied the same residence quarters for at least six months of the preceding calendar year.

8 When two individuals of a household are able to meet the qualifications for a claimant, they may de-
9 termine between them as to who the claimant shall be. If they are unable to agree, the matter shall
10 be referred to the [tax commissioner] and his decision shall be final. If a homestead is occupied by
11 two or more individuals, and more than one individual is able to qualify as a claimant, and some or all
12 the qualified individuals are not related, the individuals may determine among them as to who the
13 claimant shall be. If they are unable to agree, the matter shall be referred to the [tax commissioner],
14 and his decision shall be final. If a homestead is occupied by two or more individuals, and more than
15 one individual is able to qualify as a claimant, and some or all the qualified individuals are not related,
16 the individuals may determine among them as to who the claimant shall be. If they are unable to
17 agree, the matter shall be referred to the [tax commissioner], and his decision shall be final.

18 (6) "Rent constituting property taxes accrued" means [20 or 25]¹ percent of the gross rent
19 actually paid in cash or its equivalent in any calendar year by a claimant and his household solely for
20 the right of occupancy of their (name of state) homestead in the calendar year, and which rent con-
21 stitutes the basis, in the succeeding calendar year, of a claim for relief under this act by the claimant.

22 (7) "Gross rent" means rental paid solely for the right of occupancy (at arms-length) of a home-
23 stead, exclusive of charges for any utilities, services, furniture, furnishings or personal property ap-
24 pliances furnished by the landlord as a part of the rental agreement, whether or not expressly set out
25 in the rental agreement. If the landlord and tenant have not dealt with each other at arms-length, and
26 the [tax commissioner] is satisfied that the gross rent charged was excessive, he may adjust the gross
27 rent to a reasonable amount for purposes of this act.

28 (8) "Property taxes accrued" means property taxes (exclusive of special assessments, delinquent
29 interest, and charges for service) levied on a claimant's homestead in this State in [calendar year] or
30 any calendar year thereafter. If a homestead is owned by two or more persons or entities as joint
31 tenants or tenants in common, and one or more persons or entities are not a member of claimant's
32 household, "property taxes accrued" is that part of property taxes levied on the homestead which
33 reflects the ownership percentage of the claimant and his household. For purposes of this paragraph

¹Twenty percent used in Minnesota and Vermont; 25 percent in Wisconsin.

1 property taxes are “levied” when the tax roll is delivered to the local [treasurer] for collection. If a
 2 claimant and spouse own their homestead part of the preceding calendar year and rent it or a different
 3 homestead for part of the same year, “property taxes accrued” means only taxes levied on the home-
 4 stead when both owned and occupied by the claimant at the time of the levy, multiplied by the per-
 5 centage of 12 months that such property was owned and occupied by the household as its homestead
 6 during the preceding year. When a household owns and occupies two or more different homesteads in
 7 this State in the same calendar year, property taxes accrued shall relate only to that property occupied
 8 by the household as a homestead on the levy date. If a homestead is an integral part of a larger unit
 9 such as a farm, or a multi-purpose or multi-dwelling building, property taxes accrued shall be that per-
 10 centage of the total property taxes accrued as the value of the homestead is of the total value. For pur-
 11 poses of this paragraph “unit” refers to the parcel of property covered by a single tax statement of which
 12 the homestead is a part.

13 *Section 4. Claim is Personal.* The right to file claim under this act shall be personal to the
 14 claimant and shall not survive his death, but such right may be exercised on behalf of a claimant by his
 15 legal guardian or attorney-in-fact. If a claimant dies after having filed a timely claim, the amount
 16 thereof shall be disbursed to another member of the household as determined by the [tax commis-
 17 sioner]. If the claimant was the only member of his household, the claim may be paid to his executor
 18 or administrator, but if neither is appointed and qualified within 2 years of the filing of the claim, the
 19 amount of the claim shall escheat to the state.

20 *Section 5. Claim as Income Tax Credit or Rebate.* Subject to the limitations provided in this
 21 act, a claimant may claim in any year as a credit against [name of State] income taxes otherwise due
 22 on his income, property taxes accrued, or rent constituting property taxes accrued, or both in the
 23 preceding calendar year. If the allowable amount of such claim exceeds the income taxes otherwise
 24 due on claimant’s income, or if there are no [state] income taxes due on claimant’s income, the amount
 25 of the claim not used as an offset against income taxes, after audit [or certification] by the [tax commis-
 26 sioner], shall be paid to claimant from balances retained by the [treasurer] for general purposes. No
 27 interest shall be allowed on any payment made to a claimant pursuant to this act.¹

28 [Alternative Section 5 for States not imposing a personal income tax. *Claim as Rebate From*
 29 *State Funds.* Subject to the limitations provided in this act, a claimant may claim in any year a rebate
 30 for property taxes accrued or rent constituting property taxes accrued or both in the preceding year.
 31 The amount of the rebate, after audit or certification by the [tax commissioner] shall be paid to
 32 claimant from balances retained by the [treasurer] for general purposes.]

1 *Section 6. Filing Date.* No claim with respect to property taxes accrued or with respect to rent
 2 constituting property taxes accrued shall be paid or allowed, unless the claim is actually filed with and
 3 in the possession of the [tax department] on or before [date for filing initial claim]. Subject to the
 4 same conditions and limitations, claims may be filed on or before (income tax filing date or other
 5 specified date) with respect to property taxes accrued of the next preceding calendar year.

6 *Section 7. Satisfaction of Outstanding Tax Liabilities.* The amount of any claim otherwise pay-
 7 able under this act may be applied by the [tax department] against any liability outstanding on the
 8 books of the department against the claimant, or against his or her spouse who was a member of the
 9 claimant’s household in the year to which the claim relates.

10 *Section 8. One Claim Per Household.* Only one claimant per household per year shall be en-
 11 titled to relief under this act.

12 *Section 9. Computation of Credit.* The amount of any claim made pursuant to this act shall
 13 be determined as follows:

14 (1) (based on Vermont statute) For any taxable year, a claimant shall be entitled to a credit
 15 against his tax liability equal to the amount by which the property taxes or rent constituting prop-
 16 erty taxes upon the claimant’s homestead for the taxable year exceeds [7] percent of the claimant’s
 17 total household income for that taxable year.

OR

18 (1) (based on Minnesota statute) For any taxable year, a claimant shall be entitled to credit
 19 in accordance with the following schedule:

<i>Income Range</i>	<i>Percent of Property Taxes</i>
0 – 499	(75) percent
500 – 999	(70) percent
1,000 – 1,499	(50) percent
1,500 – 1,999	(40) percent
2,000 – 2,499	(30) percent
2,500 – 2,999	(20) percent
3,000 – 3,499	(10) percent

OR

20 (1) (To reflect family size) For any taxable year, a claimant shall be entitled to a credit against
 21 his State personal income tax liability equal to the amount by which property taxes or rent constituting
 22 property taxes upon the claimant’s homestead for the taxable year is in excess of [2] times the amount
 23 of the claimant’s “recomputed State personal income tax liability.” “Recomputed State personal in-
 24 come tax liability” for purposes of this act means the amount obtained by applying the appropriate

1 State income tax rates to the result obtained by subtracting the claimant's personal exemption and de-
 2 pendent allowances as set forth in the State personal income tax statute from the claimant's total house-
 3 hold income as defined in Section 3.

4 (2) In any case in which property taxes accrued, or rent constituting property taxes accrued, or
 5 both, in any one year in respect of any household exceeds [\$300¹], the amount thereof shall, for pur-
 6 poses of this act, be deemed to have been [\$300¹].

7 (3) The [tax commissioner] shall prepare a table under which claims under this act shall be de-
 8 termined. The table shall be published in the department's official rules and shall be placed on the ap-
 9 propriate tax blanks. The amount of claim as shown in the table for each bracket shall be computed
 10 only to the nearest 10 cents.

11 (4) The claimant, at his election, shall not be required to record on his claim the amount claimed
 12 by him. The claim allowable to persons making this election shall be computed by the department,
 13 which shall notify the claimant by mail of the amount of his allowable claim.]

14 *Section 10. Administration.* The [tax commissioner] shall make available suitable forms with
 15 instructions for claimants, including a form which may be included with or as part of the individual
 16 income tax blank. The claim shall be in such form as the [tax commissioner] may prescribe.

17 *Section 11. Proof of Claim.* Every claimant under this act shall supply to the [department of
 18 taxation], in support of his claim, reasonable proof of rent paid, name and address of owner or man-
 19 aging agent of property rented, property taxes accrued, changes of homestead, household member-
 20 ship, household income, size and nature of property claimed as the homestead and a statement that the
 21 property taxes accrued and used for purposes of this act have been or will be paid by him and that
 22 there are no delinquent property taxes on the homestead.

23 *Section 12. Audit of Claim.* If on the audit of any claim filed under this act the [tax commis-
 24 sioner determines the amount to have been incorrectly determined, he shall redetermine the claim
 25 and notify the claimant of the redetermination and his reasons for it. The redetermination shall be
 26 final unless appealed within 30 days of notice.

27 *Section 13. Denial of Claim.* If it is determined that a claim is excessive and was filed with
 28 fraudulent intent, the claim shall be disallowed in full, and, if the claim has been paid or a credit has
 29 been allowed against income taxes otherwise payable, the credit shall be canceled and the amount
 30 paid may be recovered by assessment (as income taxes are assessed), and the assessment shall bear in-
 31 terest from the date of payment or credit of the claim, until refunded or paid, at the rate of one per-

¹ \$600 in Minnesota.

1 cent per month. The claimant in such case, and any person who assisted in the preparation or filing
 2 of such excessive claim or supplied information upon which such excessive claim was prepared, with
 3 fraudulent intent, is guilty of a misdemeanor. If it is determined that a claim is excessive and was
 4 negligently prepared, 10 percent of the corrected claim shall be disallowed, and if the claim has been
 5 paid or credited against income taxes otherwise payable, the credit shall be reduced or canceled, and
 6 the proper portion of any amount paid shall be similarly recovered by assessment (as income taxes
 7 are assessed), and the assessment shall bear interest at one percent per month from the date of pay-
 8 ment until refunded or paid.

9 *Section 14. Rental Determination.* If a homestead is rented by a person from another person
 10 under circumstances deemed by the [tax commission] to be not at arms-length, he may determine
 11 rent constituting property taxes accrued as at arms-length, and, for purposes of this act, such deter-
 12 mination shall be final.

13 *Section 15. Appeals.* Any person aggrieved by the denial in whole or in part of relief claimed
 14 under this act, except when the denial is based upon late filing of claim for relief [or is based upon a
 15 redetermination of rent constituting property taxes accrued as at arms-length] may appeal the denial
 16 to the [appropriate state agency] by filing a petition within 30 days after such denial.

17 *Section 16. Public Welfare Recipients Excluded.* No claim for relief under this act shall be al-
 18 lowed to any person who is a recipient of public funds for the payment of the taxes or rent during
 19 the period for which the claim is filed.

20 *Section 17. Disallowance of Certain Claims.* A claim shall be disallowed, if the department
 21 finds that the claimant received title to his homestead primarily for the purpose of receiving benefits
 22 under this act.

23 *Section 18. Extension of Time for Filing Claims.* In case of sickness, absence, or other disabil-
 24 ity, or if, in his judgement, good cause exists, the [tax commissioner] may extend for a period not to
 25 exceed six months the time for filing a claim.

26 *Section 19. Separability* [Insert separability clause].

27 *Section 20. Effective date.* [Insert effective date].

STATE FINANCING OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

State assumption of primary responsibility for public elementary and secondary school financing stands out as one practical way to achieve substantial parity of resources behind each pupil. As long as local school districts have wide latitude in setting their own tax levels, great variations in both wealth and willingness to tax will produce significant differences in the amount of resources behind each student and consequent differences in the quality of education itself.

Increasingly, the cost and economic consequences of high quality and low quality education are felt well beyond the boundaries of the local school district. No student should be denied an adequate educational opportunity because of the accidents of local property tax geography.

Equality of educational opportunity is of critical importance in a democratic society dedicated to the proposition that all persons should have an equal chance to develop their potentialities to the fullest. This objective takes on a particular urgency as technological advancement causes employment opportunities to become increasingly restricted to persons with professional and technical skills.

Heavy reliance on the property tax for local school support can contribute to severe fiscal tensions in the intergovernmental financing system. Since 1942, local schools have increased their share of receipts from local property taxes from less than one-third to slightly more than one-half of all local property tax revenue. Local non-educational functions have become inferior claimants in the competition for the local property tax base. Counties and cities have been constrained from adequate use of the local property tax through heavy use of the tax by school boards. An increasingly skewed system of financing has developed, one in which costs for a major function of widespread benefit are largely localized.

This suggested legislation would relieve local property taxpayers of substantially all of the burden of underwriting the cost of education. Several States, including North Carolina and Delaware, have approached the goal of complete State assumption of financial responsibility. Hawaii has assumed complete financial and administrative responsibility for local public schools.

Budgetary considerations may dictate a somewhat gradual rather than an immediate substitution of State tax dollars for local property tax receipts. However, there is evidence to suggest that perhaps as many as 20 or more States could assume responsibility for substantially all public school financing if they made as intensive use of personal income and sales taxes as the "heavy-user States" now make on the average. When viewed alongside the potential decrease in the local property tax, State assumption of financial responsibility loses its idealistic cast and takes on the appearance of a realistic and equitable readjustment of the total tax burden.

This legislation restricts the amount of local supplementation to not more than 10% of the State outlay for local schools. Failure to do this would undermine the objectives of creating a fiscal environment more conducive to equal educational opportunity and of making more of the property tax base available to finance the general functions of local government.

Suggested State Legislation

[Title should conform to state requirements. The following is a suggestion: "An Act to Provide for the Financial Support of Public Elementary and Secondary Schools."]

(Be it enacted, etc.)

1 **Section 1. Purpose.** The purposes of this act are: to achieve high quality elementary and
2 secondary educational programs for all children in this state; to assure substantial parity in the
3 financial support of public elementary and secondary schools, while taking due account of the
4 differences among pupils in their educational needs; and to relieve the local property tax base of
5 substantially all of the financial burden of elementary and secondary education, thereby releasing
6 local property tax resources for the support of other local public services. To accomplish these
7 purposes the legislature declares it to be a responsibility of the state to provide substantially all the
8 financial support for public elementary and secondary schools, with appropriate educational policy-
9 making authority to be exercised by local school [districts] as provided by law.

10 **Section 2. State School Support Plan.** (a) The [chief state school officer] shall prepare a
11 State School Support Plan for inclusion in the [annual] budget submitted by the Governor to the
12 Legislature. The State School Support Plan shall include:

13 (1) Information required to determine an adequate level of State financial support for public
14 elementary and secondary education for each local school [district]; and

15 (2) Amounts of State funds recommended to be allocated to each public school [district] to
16 implement an elementary and secondary educational program that meets all requirements of State
17 law.

18 (b) In developing the State School Support Plan, the [chief state school officer] shall identify
19 and estimate for each public school [district] (1) the cost of providing elementary and secondary
20 educational services and facilities, including special educational services and facilities and the number
21 and kinds of instructional and other personnel; and (2) the cost of acquiring and maintaining land,
22 buildings and equipment, including transportation equipment. In determining the cost of special
23 educational services, the [chief state school officer] shall take into consideration such factors as:

24 (1) The number of pupils falling below minimum educational competence as established by
25 standardized tests;

26 (2) The number of children under [19] not attending school who have not completed
27 twelve grades; and

1 (3) The number of children¹ counted in determining a grant from the Federal government
2 under Title I of Public Law 89-10, 20 U.S.C.A. 241c, as amended.

3 *Section 3. School [Districts] to Provide Information.* Upon request of the [chief state school
4 officer], the [superintendent] of each public elementary and secondary school [district] shall provide
5 any information, including financial records, which the [chief state school officer] requires for the
6 development of the State School Support Plan.

7 *Section 4. Payments to School [Districts].* The funds provided by the state for the support of
8 public elementary and secondary education shall be allocated by the [chief state school officer] to the
9 several public elementary and secondary school [districts] of the state in a manner that will carry out
10 as nearly as may be the State School Support Plan. The [chief state school officer] shall notify the
11 [state disbursing officer] of the amounts allocated to each local [district] and shall notify the [super-
12 intendent] of each local district of the amount allocated to it. The [state disbursing officer] shall
13 make [quarterly] payments to the [districts] of the amounts so allocated.

14 *Section 5. Local Levies for School Purposes.* In addition to the amount allocated pursuant to
15 section 4, any public elementary and secondary school [district] may spend for school purposes, from
16 the levy and collection of taxes and charges authorized by law to be imposed in the jurisdiction, an
17 amount not to exceed [10] percent of the amount so allocated.

18 *Section 6. Repeal of Conflicting Acts or Sections of Acts.* [Insert repealing clause.]

19 *Section 7. Separability.* [Insert separability provision.]

20 *Section 8. Effective date.* [Insert effective date.]

¹From low income families and from families receiving payments under the state program of aid to families with dependent children.

AN EQUALIZING STATE FOUNDATION PROGRAM FOR HEALTH AND HOSPITALS

The financial practices of State governments in providing public health and hospital services reveal that – with few exceptions – those States using intergovernmental transfers take no cognizance of the variations in local fiscal capacity. Equalization provisions would help to aim this State financial assistance predominantly at those jurisdictions where needs are greatest in relation to resources. At the same time, differences in local tax rates to finance comparable programs would be minimized.

Greater equalization would help the poorest areas of a State to provide more adequate personnel and facilities. Where public health and hospital facilities currently are financed from State as well as local resources, explicit recognition of variations in local fiscal capacity would provide more comparable facilities throughout the State without requiring disproportionate tax efforts in poorer jurisdictions.

The following suggested State legislation takes a minimum foundation approach to the support of public health and hospital facilities. It requires a minimum local contribution beyond which the State will “fill in” the sums necessary to maintain an adequate public health and hospital program. The bill bases the local contribution on a specified percentage of the property tax base, but leaves to the option of the local government whether to impose such a property tax levy or to obtain the funds from such other local revenue sources as may be legally available.

The draft bill (section 4) lists a number of services that may be included in a comprehensive local health program. Some states may wish to exclude services relating to mental illness, narcotic addiction and drug abuse, or alcoholism, where these are separate programs administered independently of the general health program.

Suggested State Legislation

[Title should conform to state requirements. The following is a suggestion: “An Act Providing for an Equalizing State Minimum Foundation Support Program for Comprehensive Community Health Services and Facilities.”]

(Be it enacted, etc.)

1 *Section 1. Purpose.* It is the purpose of this act to provide state financial support for a joint
2 state-local comprehensive community health program on an equalizing basis that takes into account
3 both the relative need and the fiscal capacity of each [appropriate local government]. The legislature
4 finds that equalized assessed valuation of property is a suitable basis for determining local fiscal capacity
5 and that needs for health services and facilities can best be determined by the state [health department]
6 on the basis of a continuing statewide survey and analysis of state and local health programs.

7 *Section 2. Local Public Health Support Plan.* On the basis of surveys and analyses of local
8 general public health and hospital needs, the state [health department] shall prepare a Local Public

1 Health Support Plan for inclusion in the budget submitted by the Governor to the legislature. The
2 plan shall set forth the requirements of an adequate public health and hospital program for each
3 [appropriate local government] and shall recommend the amount of state funds to be allocated to
4 each [appropriate local government] which, when added to [] percent of the equalized assessed
5 valuation of property subject to taxation in the local jurisdiction, will provide the amount required
6 for an adequate local public health program. The Local Public Health Support Plan shall include, but
7 shall not be limited to, the following services:

8 (1) Public health administration and research laboratories, education, statistics, nursing and
9 other general health activities;

10 (2) Categorical health programs such as control of cancer, tuberculosis, mental illness and
11 maternal and child health;

12 (3) Environmental health programs such as inspections of water supply, food handling estab-
13 lishments, health examinations of individuals, sanitary engineering, water pollution control, and
14 other activities for eliminating or abating health hazards;

15 (4) Immunization, treatment clinics, crippled children's services, and school health services;

16 (5) Medical vendor payments not identified with public assistance programs;

17 (6) Establishment and operation of hospital facilities and institutions for care and treatment
18 of the handicapped, provision of hospital care, and support of other public or private hospitals;

19 (7) Narcotic addict clinics and rehabilitation facilities;

20 (8) Alcoholism prevention, treatment and control; and

21 (9) [Other specified public health services].

22 *Section 3. Local Units to Provide Information.* Upon request of the [commissioner] of the
23 state [health department], the [chief executive officer] of each [appropriate local government]
24 shall provide any information, including financial records, which the [commissioner] requires for
25 the development of the Local Public Health Support Plan.

26 *Section 4. Local Budget to be Submitted.* [Sixty] days prior to the time budgets are finally
27 adopted, the [local governing body] in each local government shall submit a proposed public health
28 and hospital program budget to the state [health department]. The [commissioner] shall consider
29 the proposed budget and return it with his recommendations to the [local governing body] within
30 [thirty] days. If the [local governing body] fails to change its proposed budget to incorporate the
31 recommendations in the budget as finally adopted, the [commissioner], after affording the [local
32 governing body] an opportunity to be heard, may withhold from that local government all or any
33 part of the funds appropriated by the legislature to carry out the provisions of this act.

1 *Section 5. Local Appropriations.* Each [appropriate local government] shall budget and ap-
 2 propriate sufficient money to provide a comprehensive program of community health services as
 3 specified in the Local Public Health Support Plan; provided, however, that no [appropriate local
 4 government] shall be required by the provisions of this act to appropriate for this purpose more
 5 than the sum of the payments allocated from funds appropriated by the legislature for the purposes
 6 of this act plus [] percent of the equalized assessed valuation of taxable property.

7 *Section 6. Basis for Payments.* From funds provided by the legislature, the [commissioner]
 8 of the state [health department] shall authorize payments to be made to each [appropriate local
 9 government] to carry out as nearly as may be the Local Public Health Support Plan. The [com-
 10 missioner] shall notify the [state disbursing officer] of the amounts allocated to each [appropriate
 11 local government] and shall notify the [appropriate officer] of each local government of the amount
 12 allocated to it. The [state disbursing officer] shall make [quarterly] payments to the local govern-
 13 ments of the amounts so allocated.

14 *Section 7. Annual Evaluation of Costs; Reduction of State Aid.*

15 The [commissioner] of the state [health department] shall review annually each local health
 16 and hospital program in the state to determine if the costs are in excess of what is reasonably neces-
 17 sary to maintain in an efficient manner an adequate general public health program. If the [commis-
 18 sioner] finds that costs are excessive in any [appropriate local government] receiving funds pursuant
 19 to section 5 of this act, he shall notify the [local governing body] of his findings and recommenda-
 20 tions for reducing costs and, after [thirty] days' notice, shall conduct a public hearing in the locality
 21 on his findings and recommendations. Upon completion of the hearing, the [commissioner] may
 22 set a reasonable period of time, not to exceed [one year], for the [local governing body] to comply
 23 with his recommendations for reducing costs. If at the end of the designated period of time the
 24 [local governing body] has failed to comply, the [commissioner] from that time on shall allow to
 25 that local government only the amount of money from state funds that would have been the amount
 26 allowed if the recommendations had been effected. The [Commissioner] shall report to the Governor
 27 and the legislature his findings and recommendations, the results of public hearings, and the amount
 28 of state funds withheld from any [appropriate local government] pursuant to this section.

29 *Section 8. Local Supplements.* Any [appropriate local government], with the use of its own
 30 funds, may provide other local health services in addition to those supported by state funds, and
 31 may supplement the health services supported by state funds.

32 *Section 9. Separability.* [Insert separability clause].

33 *Section 10. Effective Date.* [Insert effective date].

DISTRIBUTION OF STATE HIGHWAY-USER REVENUES TO LOCAL GOVERNMENTS

Although transportation needs have changed drastically as population has concentrated in the urban areas, most state formulas for distributing highway-user revenues to local governments date from an earlier era and many of them favor the rural areas.

Urban communities are faced with an ever-growing traffic volume and with increasing construction and maintenance costs in order to keep this traffic flowing—costs which generally have not been taken into account in formulas under which state highway-user funds are now allocated. To correct the imbalance between rural and urban highway aid, the following draft legislation includes an allocation formula that reflects fiscal capacity and actual needs as measured by such factors as population, commuter patterns and expenditure requirements.

The draft legislation also recognizes the need to allow more flexibility in the use of highway-user funds—particularly in urban areas. To this end it authorizes localities to use such funds for mass transportation facilities, in addition to their traditional use for roads and streets.

Because of the interstate variation in the allocation of street and road responsibility between counties and municipalities (and in some states, townships), no attempt is made here to spell out the coverage of the terms “county roads” and “municipal streets.” Each state will, of course, need to tailor such specification to its own situation.

The allocation formula uses population as a general indicator of each county area’s need for transportation facilities. Where special needs exist in sparsely populated counties (for example, particularly rough terrain requiring tunnels and bridges, blasting, etc.), such needs should be met through specific highway aid programs rather than through a general formula.

The draft bill provides that the funds allocated to each county area will be distributed between the county government and municipal governments within the county by giving equal weight to road and street usage and to a need-index which combines fiscal capacity and expenditure requirements. The need-index formula (section 3(2)) uses equalized assessed value of real property per linear mile of roads and streets as a measure of relative local fiscal capacity. Extra weight is given in the formula to those municipalities (or the county government) with below-average fiscal capacity.

Suggested State Legislation

[Title should conform to state requirements. The following is a suggestion: “An Act Providing for Distribution of a Share of Highway-User Revenues to Counties and Municipalities and Specifying the Purposes for Which the Funds May be Used.”]

(Be it enacted, etc.)

1 *Section 1. Distribution to Counties and Municipalities.* []¹ percent of the proceeds from
 2 taxes and fees imposed by sections [cite sections of the statutes imposing motor fuel taxes, motor
 3 vehicle registration license fees and other highway-user revenues] shall be distributed to counties and
 4 municipalities to be used exclusively for the construction, maintenance and repair of county and
 5 municipal roads and streets and for the construction, maintenance, and operation of mass transpor-
 6 tation facilities.²

7 *Section 2. Allocation Among Counties.* The funds authorized by section 1 shall be allocated
 8 for distribution within the counties by the [director of finance] in the ratio that the population of
 9 each county bears to the total population of the state, based on the last preceding Federal census or
 10 on a population census authorized by state law.³ The allocation shall be determined annually for the
 11 ensuing fiscal year.

12 *Section 3. Distribution to County and Municipal Governments.* The amount allocated for
 13 distribution within each county under the provisions of section 2 shall be apportioned [quarterly] by
 14 the state [director of finance] and paid to the county government and to the municipal governments
 15 within the county in accordance with the following formula:

16 (1) One-half in the ratio of the number of vehicle miles driven on county roads and municipal
 17 streets as determined from time to time by the state [highway commissioner];⁴

18 (2) One-half in the ratio of the need index of each government. The need index of the county
 19 government and of each municipal government shall be computed by: (i) dividing the countywide
 20 average [equalized assessed] value of real property per mile of all county roads and municipal streets
 21 in the county by the average [equalized assessed] value of real property per mile of roads or streets
 22 for which each government is responsible; (ii) multiplying the quotient for each government by its
 23 average actual [and estimated] expenditure for all roads and street construction, maintenance and
 24 repairs during the last preceding [12 quarterly] periods; and (iii) summing up the results of these
 25 multiplications and computing the percentage of that sum for each government. The [equalized
 26 assessed] value of real property shall be determined by the state [tax commissioner].

¹The percentage distributed should be related to the State-local allocation of responsibility for the construction, maintenance and repair of streets and roads.

²In some states, a constitutional amendment is necessary to allow the use of motor vehicle "user charges" and gasoline taxes for providing mass transportation services.

³States with large sparsely populated areas may wish to give consideration to factors other than population in determining an equitable formula.

⁴Some States may wish to channel a larger proportion to local units served by mass transportation facilities by weighting the formula with a mass transit passenger-mile factor. An accident rate factor might also be considered in order to give recognition to the need for improved safety design.

1 *Section 4. Annual Reports.* As the [appropriate state official] shall prescribe, each county and
2 each municipality shall report actual and estimated expenditures for road and street construction,
3 maintenance and repairs. The state [highway commissioner] shall conduct a continuing highway
4 survey to ascertain the linear mileage and vehicle miles driven in each county and in each municipality.

5 *Section 5. Repeal of Conflicting Acts or Sections of Acts.* [Insert repealing clause].

6 *Section 6. Separability.* [Insert separability clause].

7 *Section 7. Effective Date.* [Insert effective date].

STATE AID ADMINISTRATION

As States increasingly are involved in the financing of local government functions, the need for each State to systemize its State-local fiscal relations becomes more urgent. State aid to local governments doubled in the five year period 1962-1967 and it is now (fiscal 1969) approaching the \$25 billion mark.

An effective State-local fiscal partnership requires a State organizational framework within which all State aid programs can be codified, reviewed and evaluated periodically. To this end, the States should place responsibility in either an executive agency or a joint committee of the legislature for continuing oversight of State aid programs, and establish an information system to provide data on local fiscal needs and resources.

The suggested legislation provides for the establishment of both fiscal standards (accounting, auditing, reporting) and performance standards. Performance standards are needed by local program administrators as a basis for carrying out the programs in accordance with the intent of the State policymakers. By the same token, those charged at the State level with reviewing and evaluating grant programs need standards in order to measure results against intended goals.

When enacting new State aid programs or reviewing those already on the statute books, States should require that the aided functions and projects conform to State and areawide planning objectives as well as to local plans. Such a requirement will help assure that State financial assistance contributes to statewide and regional goals, produces programs that complement one another, furthers the State's urban development policies, and avoids overlap and duplication of programs.

The organization and structure of local government, its authority to provide public services and its power to levy and collect taxes to pay for those services in full or in part all are derived from the State. The State has a concurrent responsibility to make sure that the benefits and costs of local governmental services are distributed equitably throughout the State. Too often, State aid and shared revenue formulas are constructed in such a way that State aid serves to prop up and keep alive incorporated areas that are not economically, geographically, and politically viable. One way for States to halt the chaotic spread of special districts and nonviable units of local government is to establish a State boundary adjustment agency to determine whether proposed new incorporations or annexations would result in viable communities and to compel the consolidation or dissolution of nonviable local government units.¹

An equally objectionable side effect of many State aid formulas is that they perpetuate or even increase disparities in fiscal capacity among units of local government by subsidizing wealthy incorporated communities that do not need State aid to provide an adequate level of public services for their residents.

The draft legislation provides for the Governor annually to submit proposals to the legislature for improvement of State-local fiscal relations, including revisions of state-aid formulas in the light of data on local fiscal needs and resources and on the political and economic viability of local units of government. States should consider amending State-aid formulas so as to eliminate or reduce aid allotments to non-viable local units.

¹ See previous ACIR suggested legislation on "State Authority Over Municipal and Special District Boundary Adjustments."

Suggested State Legislation

[Title should conform to State requirements.]

(Be it enacted, etc.)

1 *Section 1. Short Title.* (This act may be cited as the “State-Local Relations Act of (year)”.)

2 *Section 2. Findings and Declaration of Policy.* The [legislature] finds and declares that the
3 present system of State aid to local governments has developed piecemeal, and that a unified system
4 of state aid is urgently needed for the orderly development of a state-local partnership to assure that
5 essential public services are provided in the most effective manner. It is the purpose of this act to
6 establish an organizational and procedural framework governing the formulation, evaluation, and
7 continuing review of all state aid programs; and to establish general policy governing the adminis-
8 tration of state aid.

9 *Section 3. State-Local Fiscal System.* (a) In order to provide an effective system of state aid
10 to local governments, the [appropriate state agency]² shall:

11 (1) Compile and maintain in a unified, concise, and orderly form information about all state
12 programs which involve the distribution of funds to local government (hereinafter referred to as
13 “state aid”);

14 (2) Continuously review and evaluate all state aid programs to determine the extent to which
15 they meet fiscal, administrative, and program objectives;

16 (3) Develop, in conjunction with other state agencies, an information system to provide data on
17 comparative local fiscal needs and resources; and

18 (4) Evaluate federal aid programs, including direct federal-local aid programs, in terms of their
19 compatibility with state objectives and their fiscal and administrative impact on state and local
20 programs.

21 (b) In reviewing and evaluating state aid programs, the [agency] shall take account of ap-
22 propriate fiscal and performance standards and, where adequate standards are lacking, shall recom-
23 mend standards to the appropriate agencies of the state government. The standards shall include,
24 but shall not be limited to:

25 (1) Accounting, auditing, and reporting procedures;

26 (2) Minimum service levels;

27 (3) Eligibility of recipient governments and program beneficiaries; and

²Budget or Planning Agency or Department of Community Affairs or similar agency if such has been established. However, some State legislatures may wish to retain the responsibility by delegating it to a joint standing committee.

1 (4) Where appropriate, citizen participation and public hearings.

2 *Section 4. Conformance of State Aid Programs to Comprehensive and Functional Planning*

3 *Objectives.* (a) Every agency administering state aid to local governments shall require that the
4 aided activities conform to local, regional, and statewide comprehensive and functional plans in
5 accordance with [cite the appropriate statutes relating to state, regional and local planning].³

6 As a condition to receiving financial assistance a local government may be required to submit a
7 functional plan for approval of the agency head administering the program.

8 (b) The head of each grant-administering agency shall issue criteria and guidelines for the
9 preparation of local functional plans, which shall include, but shall not be limited to, provisions
10 for:

11 (1) Conformance to local, regional, and statewide comprehensive plans;

12 (2) Survey of needs in the functional area being aided;

13 (3) Economic, social, and demographic data to be incorporated in the functional plan and
14 in any applications for state aid, provided that such data requirements shall conform to the common
15 data base to be prepared under the provisions of paragraph (c).

16 (c) The [agency] shall compile economic, social and demographic data, applicable elements of
17 which shall be incorporated in the data requirements of all state aid programs subject to the pro-
18 visions of this section.

19 *Section 5. Governor's Report to the [Legislature].* The Governor shall annually submit pro-
20 posals to the [legislature] for improvement of state-local fiscal relations. The proposals shall include,
21 but shall not be limited to:

22 (1) Grant consolidation plans;

23 (2) Simplification and standardization of grant requirements;

24 (3) Revisions of equalization formulas in the light of data on local fiscal needs and resources
25 and the political and economic viability of local units of government;

26 (4) New state aid programs; and

27 (5) Improvements in the flow of information concerning state and federal grants-in-aid.

28 *Section 6. Separability Clause.* [Insert separability clause].

29 *Section 7. Effective Date.* [Insert effective date].

³See previous ACIR suggested legislation on "State and Regional Planning."

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ON INTERGOVERNMENTAL RELATIONS¹

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- **Urban and Rural America: Policies for Future Growth.* Report A-32, April 1968. 186 pages, printed. \$1.25.
- **Intergovernmental Problems in Medicaid.* Report A-33. September 1968. 122 pages, offset. \$1.25.
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- State Technical Assistance to Local Debt Management.* Report M-26, January 1965, 80 pages offset.
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- 1970 Cumulative ACIR State Legislative Program.* Report M-48. August 1969.
- Eleventh Annual Report.* Report M-49. January 1970.

¹Single copies of reports may be obtained without charge from the Advisory Commission on Intergovernmental Relations, Washington, D. C. 20575.

*Multiple copies of items may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.

