

State Personal Income Tax Rates and Brackets 2014 Update

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Key Findings

- State income tax systems have significant variation in structure, rates, deductions, and exemptions, including 9 states with no income tax on wages and 8 with flat income taxes.
 - North Carolina became a flat tax state, moving from three brackets to just one. Massachusetts, another flat tax state, reduced its rate slightly.
 - Kansas, North Dakota, Ohio, and Wisconsin all made across-the-board income tax rate reductions relative to 2013 rates.
 - Minnesota added a high-earner tax bracket of 9.85 percent on income over \$152,540 for single filers.
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Income taxes are a major, and often complicated, component of state revenues. Furthermore, unlike sales or excise taxes which individuals pay indirectly, income taxes are levied directly on individuals, meaning that income taxes figure especially prominently in any discussion of tax burdens and public policies.

Income taxes are structured in many different ways throughout the states. Some are flat systems with one rate for all income, others offer progressive systems taxing different levels of income at different rates, while some states have no income tax at all. Some states abide by principles of sound tax policy and double bracket widths for married filers and index tax brackets for inflation, while others fail to adopt these measures. Some states offer generous standard deductions and personal exemptions, allowing taxpayers to adjust income based on household size, while others don't. Below, we provide the most updated data available, as of publication date, on current state tax rates and brackets, standard deductions, and per-filer personal exemptions for individuals filing singly.

State Individual Income Tax Rates As of January 1, 2014

State	Rates		Brackets	Standard Deduction	Personal Exemption
Alabama (e, f)	2.00%	>	\$0	\$2,500	\$1,500
	4.00%	>	\$500		
	5.00%	>	\$3,000		
Alaska	No Income Tax				
Arizona	2.59%	>	\$0	\$4,945	\$2,100
	2.88%	>	\$10,000		
	3.36%	>	\$25,000		
	4.24%	>	\$50,000		
	4.54%	>	\$150,000		
Arkansas (c, d)	1.00%	>	\$0	\$2,000	\$26 credit
	2.50%	>	\$4,199		
	3.50%	>	\$8,299		
	4.50%	>	\$12,399		
	6.00%	>	\$20,699		
California (a, d)	7.00%	>	\$34,599	\$3,906	\$106 credit
	1.00%	>	\$0		
	2.00%	>	\$7,582		
	4.00%	>	\$17,976		
	6.00%	>	\$28,371		
	8.00%	>	\$39,384		
	9.30%	>	\$49,774		
	10.30%	>	\$254,250		
	11.30%	>	\$305,100		
	12.30%	>	\$508,500		
13.30%	>	\$1,000,000			
Colorado	4.63% of federal taxable income				
Connecticut	3.00%	>	\$0	N/A	\$14,000
	5.00%	>	\$10,000		
	5.50%	>	\$50,000		
	6.00%	>	\$100,000		
	6.50%	>	\$200,000		
Delaware (f)	6.70%	>	\$250,000	\$3,250	\$110 credit
	2.20%	>	\$2,000		
	3.90%	>	\$5,000		
	4.80%	>	\$10,000		
	5.20%	>	\$20,000		
	5.55%	>	\$25,000		
	6.60%	>	\$60,000		

Florida	No Income Tax				
Georgia	1.00%	>	\$0	\$2,300	\$2,700
	2.00%	>	\$750		
	3.00%	>	\$2,250		
	4.00%	>	\$3,750		
	5.00%	>	\$5,250		
	6.00%	>	\$7,000		
Hawaii	1.40%	>	\$0	\$2,200	\$1,144
	3.20%	>	\$2,400		
	5.50%	>	\$4,800		
	6.40%	>	\$9,600		
	6.80%	>	\$14,400		
	7.20%	>	\$19,200		
	7.60%	>	\$24,000		
	7.90%	>	\$36,000		
	8.25%	>	\$48,000		
	9.00%	>	\$150,000		
	10.00%	>	\$175,000		
	11.00%	>	\$200,000		
Idaho (a, d)	1.60%	>	\$0	\$6,200	\$3,900
	3.60%	>	\$1,408		
	4.10%	>	\$2,817		
	5.10%	>	\$4,226		
	6.10%	>	\$5,635		
	7.10%	>	\$7,044		
	7.40%	>	\$10,567		
Illinois	5% of federal adjusted gross income with modification \$2,125				
Indiana (f)	3.4% of federal adjusted gross income with modification \$1,000				
Iowa (d, e)	0.36%	>	\$0	\$1,900	\$40 credit
	0.72%	>	\$1,515		
	2.43%	>	\$3,030		
	4.50%	>	\$6,060		
	6.12%	>	\$13,635		
	6.48%	>	\$22,725		
	6.80%	>	\$30,300		
	7.92%	>	\$45,450		
	8.98%	>	\$68,175		
Kansas (f)	2.70%	>	\$0	\$3,000	\$2,250
	4.80%	>	\$15,000		
Kentucky (f)	2.00%	>	\$0	\$2,360	\$20 credit
	3.00%	>	\$3,000		
	4.00%	>	\$4,000		
	5.00%	>	\$5,000		
	5.80%	>	\$8,000		
	6.00%	>	\$75,000		
Louisiana (e)	2.00%	>	\$0	\$4,500	\$1,000
	4.00%	>	\$12,500		
	6.00%	>	\$50,000		
Maine (d, h)	6.50%	>	\$5,200	\$6,100	\$3,900
	7.95%	>	\$20,900		
Maryland (f)	2.00%	>	\$0	\$2,000	\$3,200
	3.00%	>	\$1,000		
	4.00%	>	\$2,000		
	4.75%	>	\$3,000		
	5.00%	>	\$100,000		
	5.25%	>	\$125,000		
	5.50%	>	\$150,000		
	5.75%	>	\$250,000		
Massachusetts	5.20%	>	\$0	N/A	\$4,400
Michigan (f)	4.25% of federal adjusted gross income with modification \$3,950				

Minnesota (d)	5.35%	>	\$0	\$6,200	\$3,900
	7.05%	>	\$24,680		
	7.85%	>	\$81,080		
	9.85%	>	\$152,540		
Mississippi	3.00%	>	\$0	\$2,300	\$6,000
	4.00%	>	\$5,000		
	5.00%	>	\$10,000		
Missouri (e, f)	1.50%	>	\$0	\$6,200	\$2,100
	2.00%	>	\$1,000		
	2.50%	>	\$2,000		
	3.00%	>	\$3,000		
	3.50%	>	\$4,000		
	4.00%	>	\$5,000		
	4.50%	>	\$6,000		
	5.00%	>	\$7,000		
	5.50%	>	\$8,000		
	6.00%	>	\$9,000		
Montana (a, d, e)	1.00%	>	\$0	\$4,270	\$2,280
	2.00%	>	\$2,800		
	3.00%	>	\$4,900		
	4.00%	>	\$7,400		
	5.00%	>	\$10,100		
	6.00%	>	\$13,000		
Nebraska (g)	6.90%	>	\$16,700		
	2.46%	>	\$0	\$6,200	\$126 credit
	3.51%	>	\$3,000		
	5.01%	>	\$18,000		
	6.84%	>	\$29,000		
Nevada	No Income Tax				
New Hampshire (b)	5.00%	>	\$0	N/A	\$2,400
New Jersey (f)	1.40%	>	\$0	N/A	\$1,000
	1.75%	>	\$20,000		
	3.50%	>	\$35,000		
	5.53%	>	\$40,000		
	6.37%	>	\$75,000		
	8.97%	>	\$500,000		
New Mexico	1.70%	>	\$0	\$6,200	\$3,900
	3.20%	>	\$5,500		
	4.70%	>	\$11,000		
	4.90%	>	\$16,000		
New York (f, g)	4.00%	>	\$0	\$7,700	\$1,000
	4.50%	>	\$8,200		
	5.25%	>	\$11,300		
	5.90%	>	\$13,350		
	6.45%	>	\$20,550		
	6.65%	>	\$77,150		
	6.85%	>	\$205,850		
	8.82%	>	\$1,029,250		
North Carolina	5.80%	>	\$0	\$7,500	N/A
North Dakota (d)	1.22%	>	\$0	\$6,200	\$3,900
	2.27%	>	\$36,900		
	2.52%	>	\$89,350		
	2.93%	>	\$186,350		
	3.22%	>	\$405,100		
Ohio (a, d, f, h)	0.54%	>	\$0	N/A	\$1,700
	1.07%	>	\$5,200		
	2.15%	>	\$10,400		
	2.69%	>	\$15,650		
	3.22%	>	\$20,900		
	3.76%	>	\$41,700		
	4.30%	>	\$83,350		
	4.99%	>	\$104,250		
	5.42%	>	\$208,500		

Oklahoma	0.50%	>	\$0	\$5,950	\$1,000
	1.00%	>	\$1,000		
	2.00%	>	\$2,500		
	3.00%	>	\$3,750		
	4.00%	>	\$4,900		
	5.00%	>	\$7,200		
	5.25%	>	\$8,700		
Oregon (d, e, f)	5.00%	>	\$0	\$2,025	\$188 credit
	7.00%	>	\$3,300		
	9.00%	>	\$8,250		
	9.90%	>	\$125,000		
Pennsylvania (f)	3.07%	>	\$0	N/A	N/A
Rhode Island (d)	3.75%	>	\$0	\$8,000	\$3,800
	4.75%	>	\$59,600		
	5.99%	>	\$135,500		
South Carolina (d)	3.00%	>	\$2,880	\$6,200	\$3,900
	4.00%	>	\$5,760		
	5.00%	>	\$8,640		
	6.00%	>	\$11,520		
	7.00%	>	\$14,400		
South Dakota	No Income Tax				
Tennessee (b)	6.00%	>	\$0	N/A	\$1,250
Texas	No Income Tax				
Utah	5.00%	>	\$0	N/A	\$2,850
Vermont (d)	3.55%	>	\$0	\$6,200	\$3,900
	6.80%	>	\$36,900		
	7.80%	>	\$89,350		
	8.80%	>	\$186,350		
	8.95%	>	\$405,100		
Virginia	2.00%	>	\$0	\$3,000	\$930
	3.00%	>	\$3,000		
	5.00%	>	\$5,000		
	5.75%	>	\$17,000		
Washington	No Income Tax				
West Virginia	3.00%	>	\$0	N/A	\$2,000
	4.00%	>	\$10,000		
	4.50%	>	\$25,000		
	6.00%	>	\$40,000		
	6.50%	>	\$60,000		
Wisconsin (d)	4.00%	>	\$0	\$9,930	\$700
	5.84%	>	\$10,910		
	6.27%	>	\$21,820		
	7.65%	>	\$240,190		
Wyoming	No Income Tax				
Washington, DC	4.00%	>	\$0	\$2,000	\$1,675
	6.00%	>	\$10,000		
	8.50%	>	\$40,000		
	8.95%	>	\$350,000		

Note: Brackets are for single taxpayers. Some states double bracket widths for joint filers (AL, AZ, CT, HI, ID, KS, LA, ME, NE, and OR). NY doubles all except the 6.85% bracket, which is effective at \$300,000. CA doubles all but the top bracket. Some states increase but do not double brackets for joint filers (GA, MN, NM, NC, ND, OK, RI, VT, and WI). MD decreases some and increases others. NJ adds a 2.45% rate and doubles some bracket widths. Consult Tax Foundation website for tables for joint filers and married filing separately.

(a) 2014 rates but 2013 brackets for CA, ID, MT, and OH. Laws in these states forbid revenue officials from inflation-indexing brackets until mid-year.

(b) Tax applies to interest and dividend income only.

(c) Rates apply to regular tax table. A special tax table is available for low-income taxpayers which reduces their tax payments.

(d) Bracket levels adjusted for inflation each year.

(e) These states allow some or all of federal income tax paid to be deducted from state taxable income.

(f) Local income taxes are excluded. Twelve states have county or city level income taxes; the average rate within each jurisdiction is: 0.5% in AL; 1.38% in DE; 1.49% in IN; 0.5% in KS; 2.08% in KY; 2.88% in MD; 1.75% in MI; 0.5% in MO; 2.11% in NY; 2.25% in OH; 0.36% in OR; and 2% in PA. Weighted local rates are from Tax Foundation, 2014 State Business Tax Climate Index.

(g) NY and NE have “tax benefit recapture,” by which many high-income taxpayers pay their top tax rate on all income, not just on amounts above the bracket threshold.

(h) Ohio has suspended inflation indexing for the years 2013-2015. Maine has suspended inflation indexing for the years 2014-2015.

Source: Tax Foundation; state statutes, state tax forms and instructions; Commerce Clearing House.

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