

# State Individual Income Tax Rates and Brackets for 2016

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## Key Findings

- Individual income taxes are a major source of state government revenue, accounting for 27 percent of state tax collections.
- Forty-three states levy individual income taxes. Forty-one tax wage and salary income, while two states—New Hampshire and Tennessee—exclusively tax dividend and interest income. Seven states levy no income tax at all.
- Of those states taxing wages, eight have single-rate tax structures, with one rate applying to all taxable income. Conversely, 33 states levy graduated-rate income taxes, with the number of brackets varying widely by state.
- States' approaches to income taxes vary in other details as well. Some states double their single-bracket widths for married filers to avoid the “marriage penalty.” Some states index tax brackets, exemptions, and deductions for inflation; many others do not. Some states tie their standard deductions and personal exemptions to the federal tax code, while others set their own or offer none at all.

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# 2

Individual income taxes are a major source of state government revenue, accounting for 27 percent of state tax collections.<sup>1</sup> Their prominence in public policy considerations is further enhanced by the fact that individuals are directly responsible for filing their income taxes, in contrast to the indirect payment of sales and excise taxes. To many taxpayers, the personal income tax is practically synonymous with their own tax burdens.

Forty-three states levy individual income taxes. Forty-one tax wage and salary income, while two states—New Hampshire and Tennessee—exclusively tax dividend and interest income. Seven states levy no income tax at all.

Of those states taxing wages, eight have single-rate tax structures, with one rate applying to all taxable income. Conversely, 33 states levy graduated-rate income taxes, with the number of brackets varying widely by state. Kansas, for example, imposes a two-bracket income tax system. At the other end of the spectrum, two states—California, and Missouri-- have 10 tax brackets. Top marginal rates range from Pennsylvania's 3.07 percent to California's 13.3 percent.

In some states, a large number of brackets are clustered within a narrow income band; Missouri taxpayers reach the state's tenth and highest bracket at \$9,001 in annual income. In other states, the top marginal rate kicks in at \$500,000 (New Jersey) or even \$1,000,000 (California, if one counts the state's "millionaire's tax" surcharge).

States' approaches to income taxes vary in other details as well. Some states double their single-bracket widths for married filers to avoid the "marriage penalty." Some states index tax brackets, exemptions, and deductions for inflation; many others do not. Some states tie their standard deductions and personal exemptions to the federal tax code, while others set their own or offer none at all. In the following table, we provide the most up-to-date data available on state individual income tax rates, brackets, standard deductions, and personal exemptions for both single and joint filers.

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1 "State and Local Government Finance, Fiscal Year 2013." Census Bureau. 2015. <http://www.census.gov/govs/local/>.

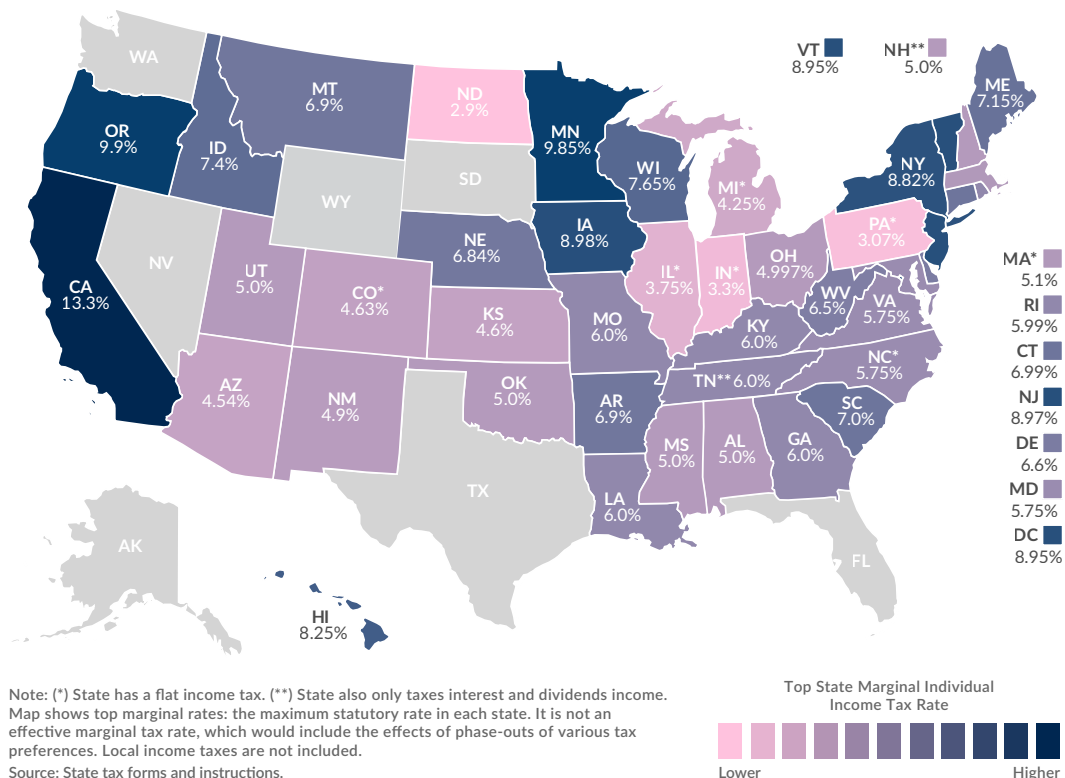
## Notable Individual Income Tax Changes in 2016

Several states changed key features of their individual income tax codes between 2015 and 2016. These changes include:

- Arkansas lowered its top marginal rate from 7 percent to 6.9 percent on income over \$35,100. Also, it adopted a new tax schedule for individuals earning between \$21,000 and \$75,000 in income. The state now has three tax schedules, with differing rates, depending on income.<sup>2</sup>
- Temporary tax increases expired in Hawaii. The three top rate brackets were eliminated, and the top marginal rate fell from 11 percent to 8.25 percent.<sup>3</sup>
- Maine lowered tax rates and added a third tax bracket. Rates were cut from 6.5 and 7.95 percent to 5.8, 6.75, and 7.15 percent.<sup>4</sup>
- Massachusetts's rate fell from 5.15 percent to 5.1 percent.<sup>5</sup>
- Ohio's tax rates decreased with the top marginal rate falling from 5.333 to 4.997 percent.<sup>6</sup>

## How High Are Income Tax Rates in Your State?

Top State Marginal Individual Income Tax Rates, 2016



- Malm, Liz. "Arkansas Lawmakers Enact (Complicated) Middle Class Tax Cut." Tax Foundation. March 9, 2015. <http://taxfoundation.org/blog/arkansas-lawmakers-enact-complicated-middle-class-tax-cut>.
- Yamachika, Tom. "Year End Tax Planning Tips." Tax Foundation of Hawaii. November 23, 2015. <http://www.tfhawaii.org/wordpress/blog/2015/11/year-end-tax-planning-tips/>.
- Mistler, Steve. "After Long, Fierce Fight, Maine Gets a Budget and Avoids a Shutdown." *Portland Press Herald*. June 30, 2015. <http://www.pressherald.com/2015/06/30/house-overrides-lepage-budget-veto/>.
- "Massachusetts Tax Rates." Massachusetts Department of Revenue. 2016. <http://www.mass.gov/dor/all-taxes/tax-rate-table.html>.
- Tax Rates, Ohio Code, 57(2016), §5747.02(3).

## State Individual Income Tax Rates and Brackets for 2016

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Ala.	2.00%	> \$0	2.00%	> \$0	\$2,500	\$7,500	\$1,500	\$3,000	\$1,000
(b, f)	4.00%	> \$500	4.00%	> \$1,000					
	5.00%	> \$3,000	5.00%	> \$6,000					
Alaska	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
Ariz.	2.59%	> \$0	2.59%	> \$0	\$5,091	\$10,173	\$2,100	\$4,200	\$2,100
(e)	2.88%	> \$10,000	2.88%	> \$20,000					
	3.36%	> \$25,000	3.36%	> \$50,000					
	4.24%	> \$50,000	4.24%	> \$100,000					
	4.54%	> \$150,000	4.54%	> \$300,000					
Ark.	0.90%	> \$0	0.90%	> \$0	\$2,200	\$4,400	\$26	\$52	\$26
(d, e, r)	2.50%	> \$4,299	2.50%	> \$4,299					
	3.50%	> \$8,399	3.50%	> \$8,399					
	4.50%	> \$12,599	4.50%	> \$12,599					
	6.00%	> \$20,999	6.00%	> \$20,999					
	6.90%	> \$35,099	6.90%	> \$35,099					
Calif.	1.00%	> \$0	1.00%	> \$0	\$4,044	\$8,088	\$109	\$218	\$337
(a, e, r, s)	2.00%	> \$7,850	2.00%	> \$15,700					
	4.00%	> \$18,610	4.00%	> \$37,220					
	6.00%	> \$29,372	6.00%	> \$58,744					
	8.00%	> \$40,773	8.00%	> \$81,546					
	9.30%	> \$51,530	9.30%	> \$103,060					
	10.30%	> \$263,222	10.30%	> \$526,444					
	11.30%	> \$315,866	11.30%	> \$631,732					
	12.30%	> \$526,443	12.30%	> \$1,052,886					
	13.30%	> \$1,000,000	13.30%	> \$1,052,886					
Colo.	4.63% of federal taxable income		4.63% of federal taxable income		n.a.	n.a.	n.a.	n.a.	n.a.
Conn.	3.00%	> \$0	3.00%	> \$0	n.a.	n.a.	\$15,000	\$24,000	\$0
(a, t, u)	5.00%	> \$10,000	5.00%	> \$20,000					
	5.50%	> \$50,000	5.50%	> \$100,000					
	6.00%	> \$100,000	6.00%	> \$200,000					
	6.50%	> \$200,000	6.50%	> \$400,000					
	6.90%	> \$250,000	6.90%	> \$500,000					
	6.99%	> \$500,000	6.99%	> \$1,000,000					
Del.	2.20%	> \$2,000	2.20%	> \$2,000	\$3,250	\$6,500	\$110	\$220	\$110
(f, r, v)	3.90%	> \$5,000	3.90%	> \$5,000					
	4.80%	> \$10,000	4.80%	> \$10,000					
	5.20%	> \$20,000	5.20%	> \$20,000					
	5.55%	> \$25,000	5.55%	> \$25,000					
	6.60%	> \$60,000	6.60%	> \$60,000					
Fla.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
Ga.	1.00%	> \$0	1.00%	> \$0	\$2,300	\$3,000	\$2,700	\$7,400	\$3,000
	2.00%	> \$750	2.00%	> \$1,000					
	3.00%	> \$2,250	3.00%	> \$3,000					
	4.00%	> \$3,750	4.00%	> \$5,000					
	5.00%	> \$5,250	5.00%	> \$7,000					
	6.00%	> \$7,000	6.00%	> \$10,000					
Hawaii	1.40%	> \$0	1.40%	> \$0	\$2,200	\$4,400	\$1,144	\$2,288	\$1,144
(w)	3.20%	> \$2,400	3.20%	> \$4,800					
	5.50%	> \$4,800	5.50%	> \$9,600					
	6.40%	> \$9,600	6.40%	> \$19,200					
	6.80%	> \$14,400	6.80%	> \$28,800					
	7.20%	> \$19,200	7.20%	> \$38,400					
	7.60%	> \$24,000	7.60%	> \$48,000					
	7.90%	> \$36,000	7.90%	> \$72,000					
	8.25%	> \$48,000	8.25%	> \$96,000					
Idaho	1.60%	> \$0	1.60%	> \$0	\$6,300	\$12,600	\$4,000	\$8,000	\$4,000
(a, e, p)	3.60%	> \$1,452	3.60%	> \$2,904					
	4.10%	> \$2,940	4.10%	> \$5,808					
	5.10%	> \$4,356	5.10%	> \$8,712					
	6.10%	> \$5,808	6.10%	> \$11,616					
	7.10%	> \$7,260	7.10%	> \$14,520					
	7.40%	> \$10,890	7.40%	> \$21,780					

## State Individual Income Tax Rates and Brackets for 2016

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Ill.	3.75% of federal taxable income		3.75% of federal taxable income		n.a.	n.a.	\$2,125	\$4,250	\$2,125
Ind. (x)	3.3% of federal taxable income		3.3% of federal taxable income		n.a.	n.a.	\$1,000	\$2,000	\$1,500
Iowa (f, r)	0.36%	> \$0	0.36%	> \$0	\$1,970	\$4,860	\$40	\$40	\$40
	0.72%	> \$1,554	0.72%	> \$1,554					
	2.43%	> \$3,108	2.43%	> \$3,108					
	4.50%	> \$6,216	4.50%	> \$6,216					
	6.12%	> \$13,896	6.12%	> \$13,896					
	6.48%	> \$23,310	6.48%	> \$23,310					
	6.80%	> \$31,080	6.80%	> \$31,080					
	7.92%	> \$46,620	7.92%	> \$46,620					
	8.98%	> \$69,930	8.98%	> \$69,930					
Kans.	2.70%	> \$0	2.70%	> \$0	\$3,000	\$7,500	\$2,250	\$4,500	\$2,250
	4.60%	> \$15,000	4.60%	> \$30,000					
Ky. (r)	2.00%	> \$0	2.00%	> \$0	\$2,460	\$2,460	\$10	\$10	\$10
	3.00%	> \$3,000	3.00%	> \$3,000					
	4.00%	> \$4,000	4.00%	> \$4,000					
	5.00%	> \$5,000	5.00%	> \$5,000					
	5.80%	> \$8,000	5.80%	> \$8,000					
	6.00%	> \$75,000	6.00%	> \$75,000					
La. (f, n)	2.00%	> \$0	2.00%	> \$0	n.a.	n.a.	\$4,500	\$9,000	\$1,000
	4.00%	> \$12,500	4.00%	> \$25,000					
	6.00%	> \$50,000	6.00%	> \$100,000					
Maine (e, p)	5.80%	> \$0	5.80%	> \$0	\$11,600	\$23,200	\$4,050	\$8,100	\$4,050
	6.75%	> \$21,049	6.75%	> \$42,099					
	7.15%	> \$37,499	7.15%	> \$74,999					
Md. (o, y)	2.00%	> \$0	2.00%	> \$0	\$2,000	\$4,000	\$3,200	\$6,400	\$3,200
	3.00%	> \$1,000	3.00%	> \$1,000					
	4.00%	> \$2,000	4.00%	> \$2,000					
	4.75%	> \$3,000	4.75%	> \$3,000					
	5.00%	> \$100,000	5.00%	> \$150,000					
	5.25%	> \$125,000	5.25%	> \$175,000					
	5.50%	> \$150,000	5.50%	> \$225,000					
	5.75%	> \$250,000	5.75%	> \$300,000					
Mass.	5.10%	> \$0	5.10%	> \$0	n.a.	n.a.	\$4,400	\$8,800	\$1,000
Mich.	4.25% of federal AGI with modification		4.25% of federal AGI with modification		n.a.	n.a.	\$4,000	\$4,000	n.a.
Minn. (p)	5.35%	> \$0	5.35%	> \$0	\$6,300	\$12,600	\$4,000	\$8,000	\$4,000
	7.05%	> \$25,180	7.05%	> \$36,820					
	7.85%	> \$82,740	7.85%	> \$146,270					
	9.85%	> \$155,650	9.85%	> \$259,420					
Miss.	3.00%	> \$0	3.00%	> \$0	\$2,300	\$4,600	\$6,000	\$12,000	\$1,500
	4.00%	> \$5,000	4.00%	> \$5,000					
	5.00%	> \$10,000	5.00%	> \$10,000					
Mo. (p)	1.50%	> \$0	1.50%	> \$0	\$6,300	\$12,600	\$2,100	\$4,200	\$1,200
	2.00%	> \$1,000	2.00%	> \$1,000					
	2.50%	> \$2,000	2.50%	> \$2,000					
	3.00%	> \$3,000	3.00%	> \$3,000					
	3.50%	> \$4,000	3.50%	> \$4,000					
	4.00%	> \$5,000	4.00%	> \$5,000					
	4.50%	> \$6,000	4.50%	> \$6,000					
	5.00%	> \$7,000	5.00%	> \$7,000					
	5.50%	> \$8,000	5.50%	> \$8,000					
	6.00%	> \$9,000	6.00%	> \$9,000					
Mont. (a, e, f, q)	1.00%	> \$0	1.00%	> \$0	\$4,370	\$8,740	\$2,330	\$4,660	\$2,330
	2.00%	> \$2,900	2.00%	> \$2,900					
	3.00%	> \$5,100	3.00%	> \$5,100					
	4.00%	> \$7,800	4.00%	> \$7,800					
	5.00%	> \$10,500	5.00%	> \$10,500					
	6.00%	> \$13,500	6.00%	> \$13,500					
	6.90%	> \$17,400	6.90%	> \$17,400					

6

## State Individual Income Tax Rates and Brackets for 2016

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Nebr.	2.46%	> \$0	2.46%	> \$0	\$6,300	\$12,600	\$131	\$262	\$131
(r, t)	3.51%	> \$3,060	3.51%	> \$6,120					
	5.01%	> \$18,370	5.01%	> \$36,730					
	6.84%	> \$29,590	6.84%	> \$59,180					
Nev.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
N.H. (c)	5.00%	> \$0	5.00%	> \$0	n.a.	n.a.	\$2,400	\$4,800	n.a.
N.J.	1.40%	> \$0	1.40%	> \$0	n.a.	n.a.	\$1,000	\$2,000	\$1,500
	1.75%	> \$20,000	1.75%	> \$20,000					
	3.50%	> \$35,000	2.45%	> \$50,000					
	5.525%	> \$40,000	3.50%	> \$70,000					
	6.37%	> \$75,000	5.525%	> \$80,000					
	8.97%	> \$500,000	6.37%	> \$150,000					
			8.97%	> \$500,000					
N.M.	1.70%	> \$0	1.70%	> \$0	\$6,300	\$12,600	\$4,000	\$8,000	\$4,000
(i)	3.20%	> \$5,500	3.20%	> \$8,000					
	4.70%	> \$11,000	4.70%	> \$16,000					
	4.90%	> \$16,000	4.90%	> \$24,000					
N.Y.	4.00%	> \$0	4.00%	> \$0	\$7,950	\$15,950	n.a.	n.a.	\$1,000
(t)	4.50%	> \$8,450	4.50%	> \$17,050					
	5.25%	> \$11,650	5.25%	> \$23,450					
	5.90%	> \$13,850	5.90%	> \$27,750					
	6.45%	> \$21,300	6.45%	> \$42,750					
	6.65%	> \$80,150	6.65%	> \$160,500					
	6.85%	> \$214,000	6.85%	> \$321,050					
	8.82%	> \$1,070,350	8.82%	> \$2,140,900					
N.C.	5.75%	> \$0	5.75%	> \$0	\$7,500	\$15,000	n.a.	n.a.	n.a.
N.D.	1.10%	> \$0	1.10%	> \$0	\$6,300	\$12,600	\$4,050	\$8,100	\$4,050
(e, p, z)	2.04%	> \$37,450	2.04%	> \$62,600					
	2.27%	> \$90,750	2.27%	> \$151,200					
	2.64%	> \$189,300	2.64%	> \$230,450					
	2.90%	> \$411,500	2.90%	> \$411,500					
Ohio	0.495%	> \$0	0.495%	> \$0	n.a.	n.a.	\$2,200	\$4,400	\$2,200
(a, e, g)	0.990%	> \$5,200	0.990%	> \$5,200					
	1.980%	> \$10,400	1.980%	> \$10,400					
	2.476%	> \$15,650	2.476%	> \$15,650					
	2.969%	> \$20,900	2.969%	> \$20,900					
	3.465%	> \$41,700	3.465%	> \$41,700					
	3.960%	> \$83,350	3.960%	> \$83,350					
	4.597%	> \$104,250	4.597%	> \$104,250					
	4.997%	> \$208,500	4.997%	> \$208,500					
Okla.	0.50%	> \$0	0.50%	> \$0	\$6,300	\$12,600	\$1,000	\$2,000	\$1,000
(h)	1.00%	> \$1,000	1.00%	> \$2,000					
	2.00%	> \$2,500	2.00%	> \$5,000					
	3.00%	> \$3,750	3.00%	> \$7,500					
	4.00%	> \$4,900	4.00%	> \$9,800					
	5.00%	> \$7,200	5.00%	> \$12,200					
Ore.	5.00%	> \$0	5.00%	> \$0	\$2,145	\$4,295	\$195	\$390	\$195
(e, f, r, aa)	7.00%	> \$3,350	7.00%	> \$6,500					
	9.00%	> \$8,400	9.00%	> \$16,300					
	9.90%	> \$125,000	9.90%	> \$250,000					
Pa.	3.07%	> \$0	3.07%	> \$0	n.a.	n.a.	n.a.	n.a.	n.a.
R.I.	3.75%	> \$0	3.75%	> \$0	\$8,300	\$16,600	\$3,900	\$7,800	\$3,900
(k)	4.75%	> \$60,850	4.75%	> \$60,850					
	5.99%	> \$138,300	5.99%	> \$138,300					
S.C.	0.00%	> \$0	0.00%	> \$0	\$6,300	\$12,600	\$4,000	\$8,000	\$4,000
(e, p)	3.00%	> \$2,920	3.00%	> \$2,920					
	4.00%	> \$5,840	4.00%	> \$5,840					
	5.00%	> \$8,760	5.00%	> \$8,760					
	6.00%	> \$11,680	6.00%	> \$11,680					
	7.00%	> \$14,600	7.00%	> \$14,600					
S.D.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
Tenn. (c)	6.00%	> \$0	6.00%	> \$0	n.a.	n.a.	\$1,250	\$2,500	n.a.

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State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Tex.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
Utah	5.00%	> \$0	5.00%	> \$0	(l)	(l)	\$3,000	\$6,000	\$3,000
Vt.	3.55%	> \$0	3.55%	> \$0	\$6,300	\$12,600	\$4,050	\$8,100	\$4,050
(e, p)	6.80%	> \$39,900	6.80%	> \$69,900					
	7.80%	> \$93,400	7.80%	> \$160,450					
	8.80%	> \$192,400	8.80%	> \$240,000					
	8.95%	> \$415,600	8.95%	> \$421,900					
Va.	2.00%	> \$0	2.00%	> \$0	\$3,000	\$6,000	\$930	\$1,860	\$930
	3.00%	> \$3,000	3.00%	> \$3,000					
	5.00%	> \$5,000	5.00%	> \$5,000					
	5.75%	> \$17,000	5.75%	> \$17,000					
Wash.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
W.Va.	3.00%	> \$0	3.00%	> \$0	n.a.	n.a.	\$2,000	\$4,000	\$2,000
	4.00%	> \$10,000	4.00%	> \$10,000					
	4.50%	> \$25,000	4.50%	> \$25,000					
	6.00%	> \$40,000	6.00%	> \$40,000					
	6.50%	> \$60,000	6.50%	> \$60,000					
Wis.	4.00%	> \$0	4.00%	> \$0	\$10,270	\$19,010	\$700	\$1,400	\$700
(e, m)	5.84%	> \$11,150	5.84%	> \$14,820					
	6.27%	> \$22,230	6.27%	> \$29,640					
	7.65%	> \$244,750	7.65%	> \$326,330					
Wyo.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
D.C.	4.00%	> \$0	4.00%	> \$0	\$5,200	\$8,350	\$1,775	\$3,550	\$1,775
(j)	6.00%	> \$10,000	6.00%	> \$10,000					
	6.50%	> \$40,000	6.50%	> \$40,000					
	8.50%	> \$60,000	8.50%	> \$60,000					
	8.75%	> \$350,000	8.75%	> \$350,000					
	8.95%	> \$1,000,000	8.95%	> \$1,000,000					

(a) 2015 tax information.

(b) For single taxpayers with AGI below \$20,000, the standard deduction is \$2,500. This standard deduction amount is reduced by \$25 for every additional \$500 of AGI, not to fall below \$2,000. For married taxpayers filing jointly with AGI below \$20,000, the standard deduction is \$7,500. This standard deduction amount is reduced by \$175 for every additional \$500, not to fall below \$4,000. For all taxpayers claiming a dependent with AGI below \$20,000, the dependent exemption is \$1,000. This amount is reduced to \$500 per dependent for taxpayers with AGI above \$20,000 and below \$100,000. For taxpayers with over \$100,000 AGI, the dependent exemption is \$300 per dependent.

(c) Applies to interest and dividend income only.

(d) Rates apply to individuals earning more than \$75,000. Two special tax tables exist for low- and middle-income individuals. One for individuals below \$21,000 in income, and one for those between \$21,000 and \$75,000.

(e) Bracket levels adjusted for inflation each year. Release dates for tax bracket inflation adjustments vary by state and may fall after the end of the applicable tax year.

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

(g) Ohio's personal and dependent exemptions are \$2,200 for an AGI of \$40,000 or less, \$1,950 if AGI is between \$40,001 and \$79,999, and \$1,700 if AGI is \$80,000 or above.

(h) The top rate is scheduled to be reduced to 4.85% in subsequent tax years, contingent upon certain revenue growth.

(i) Tied to federal tax system, plus an additional \$2,500 if federal AGI is equal to or less than \$36,667 (single) or \$55,000 (married filing jointly).

(j) Exemptions are phased out by 2% for every \$2,500 in income above \$150,000.

(k) The phase-out range for the personal exemption and deduction is \$192,700 - \$214,700. The exemptions and deductions are completely phased out at modified federal AGI of \$214,700.

(l) The standard deduction is taken in the form of a nonrefundable credit of 6% of the federal standard or itemized deduction amount, excluding the deduction for state or local income tax. This credit phases out (in 2014) at 1.3 cents per dollar above \$13,590 of AGI (\$27,180 for married couples).

(m) The standard deduction phases out by 12% at \$14,800 for single filers and 19.778% at \$21,360 for married taxpayers filing jointly. The standard deduction phases out to zero at \$100,383 for single filers, \$117,477 for joint filers.

(n) Standard deduction and personal exemptions are combined: \$4,500 for single filers and married taxpayers filing separately; \$9,000 for married taxpayers filing jointly and heads of household.



(o) The standard deduction is 15% of income with a minimum of \$1,500 and a cap of \$2,000 for single filers, married filing separately filers and dependent filers earning more than \$13,333. The standard deduction is a minimum of \$3,000 and capped at \$4,000 for married filing jointly filers, head of household filers and qualifying widowers earning more than \$26,667.

(p) Deduction or exemption tied to federal tax system. Federal deductions and exemptions are indexed for inflation.

(q) Montana filers' standard deduction is 20% of AGI. For single taxpayers, the deduction must be between \$1,940 and \$4,370. For married taxpayers, the deduction must be between \$3,880 and \$8,740.

(r) Tax Credit instead of a deduction.

(s) Exemption credits phase out for single taxpayers by \$6 for each \$2,500 of AGI above \$178,706 and for joint filers by \$12 for each \$2,500 of AGI above \$357,417. The credit cannot be reduced to below zero.

(t) Connecticut, New York, and Nebraska have "tax benefit recapture," by which many high-income taxpayers pay their top tax rate on all income, not just on amounts above the benefit threshold.

(u) Connecticut taxpayers are also given a personal tax credit based upon certain income constraints, which completely phases out by \$1,000 for every \$1,000 of AGI over \$30,000.

(v) In addition to the personal income tax rates, Delaware imposes a tax on lump-sum distributions.

(w) Additionally, Hawaii allows any taxpayer, other than a corporation, acting as a business entity in more than one state who is required by this chapter to file a return to elect to report and pay a tax of 0.5% of its annual gross sales (1) where the taxpayer's only activities in this state consist of sales; and (2) who does not own or rent real estate or tangible personal property; and (3) whose annual gross sales in or into this state during the tax year is not in excess of \$100,000. Haw. Rev. Stat. § 235-51 (2015).

(x) \$1,000 is a base exemption. If dependents meet certain conditions, filers can take an additional \$1,500 exemption for each.

(y) The exemption amount has the following phase out schedule: If AGI is above \$100,000 but below \$125,000, the exemption is \$1,600; if AGI is above \$125,000 but below \$150,000, the exemption is \$800; if AGI is above \$150,000, there is no exemption.

(z) Federal Taxable income is the starting point for North Dakota, so the federal standard deduction and exemptions are built in.

(aa) The personal exemption credit is not allowed if federal AGI exceeds \$100,000 for single filers or \$200,000 for joint filers.