

# SPECIAL REPORT

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## State Tax Rates and Collections in 1993

By Arthur Hall  
Senior Economist  
Tax Foundation

State-level tax and fee collections continued their decade-long upward trend in Fiscal Year (FY) 1993, as *Figure 1* and *Table 5* show. In fact, the 4.9 percent inflation-adjusted growth rate from FY 1992 to FY 1993 constitutes the largest annual increase since 1985.

The record-setting state tax increases enacted in 1991, accompanied by recent economic growth, explains in large measure the rapid increase between 1992 and 1993. In fact, state tax collections grew 3.7 percentage points (or 1.7 times) faster than personal income. In comparison, state tax collections grew at an

inflation-adjusted annual average of 1.1 percentage point (or 1.4 times) faster than personal income between 1983 and 1993. (See *Table 7*.)

As *Table 7* shows, between 1983 and 1993 the experience of different states varied dramatically. It also shows that between 1992 and 1993 Alaska (a special case because of oil drilling), Mississippi, Colorado, North Dakota, and Tennessee had the highest tax growth relative to personal income growth. In contrast, Nebraska, Idaho, Pennsylvania, West Virginia and Montana constitute the top five states where personal income grew faster than state taxation. (If Washington, D.C., were a state, it would rank third, above Pennsylvania.)

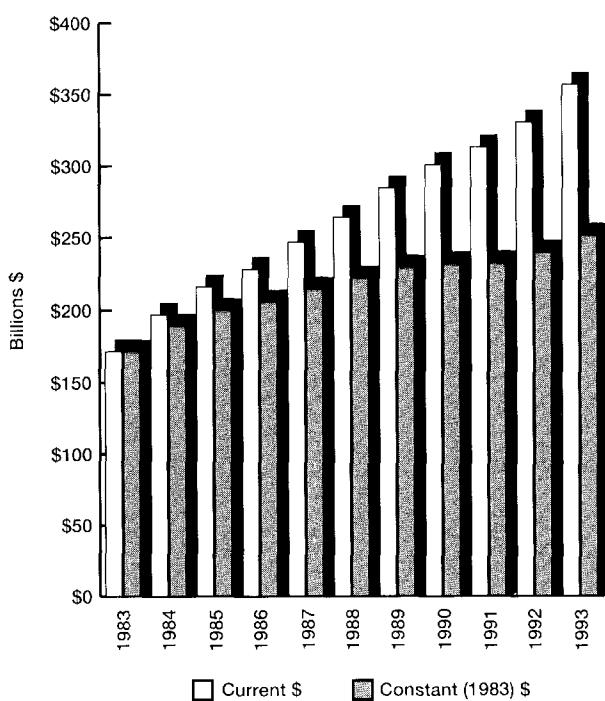
*Table 6* shows the FY 1993 state by state tax collections that underlie the tax growth rates. It also ranks the total tax burden per household for each state, and—with *Figure 2*—shows the distribution by type of tax of the total tax collections for each state and the U.S.

### Trend in State Tax Collections

*Table 5* provides a 10-year snapshot of state tax collections and indicates what areas of state taxation grew most rapidly nationwide. Tax collections in the following categories grew significantly above their historic trend: the miscellaneous categories compiled under the heading "other," property taxes, severance taxes, the corporate income tax, and public utility taxes. Licenses, like those required to operate a business or register a motor vehicle, have also grown markedly since FY 1991. In contrast, collections from insurance-premium taxes, tobacco taxes, and motor fuel taxes grew markedly below their historic trend.

The 178.6 percent increase in the category called "other" is noteworthy because many new state taxes inadvertently fall into this classification. "Other" contains miscellaneous

*Figure 1*  
State Tax Collections 1983-1993, Current and Constant (1983) Dollars



**Table 1**  
**Individual Income Tax Rates by State**  
*(Scheduled for 1994 as of December 1993)*

	Federal Deduction	Marginal Rates (Percent) <sup>a</sup>	No. of Brackets	Low Bracket (Under) <sup>a</sup>	High Bracket (Over) <sup>a</sup>	Standard Deduction Single	Deduction Joint	Personal Exemptions Single <sup>b</sup>	Dependents
Alabama	Y	2.0-5.0	3	\$500	\$3,000	\$2,000	\$4,000	\$1,500	\$300
Alaska	N	None	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Arizona	N	3.8-7.0	5	10,000	15,000	3,500	7,000	2,100	2,100
Arkansas	N	1.0-7.0	6	2,999	25,000	1,000	1,000	20	20
California	N	1.0-11.0	8	4,666	212,380	2,402	4,804	64	64
Colorado	N	5% of federal taxable income		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Connecticut	N	4.5 <sup>c</sup>	1	n.a.	n.a.	n.a.	n.a.	12,000 <sup>d</sup>	0
Delaware	N	3.2-7.7	8	2,000	40,000	1,300	1,600	1,250	1,250
District of Columbia	N	6.0-9.5	3	10,000	20,000	2,000	2,000	1,370	1,370
Florida	N	None	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Georgia	N	1.0-6.0	6	750	7,000	2,300	3,000	1,500	1,500
Hawaii	N	2.0-10.0	8	1,500	20,500	1,500	1,900	1,040	1,040
Idaho	N	2.0-8.2	8	1,000	50,000	3,800	6,350	2,450	2,450
Illinois	N	3.0	1	n.a.	n.a.	n.a.	n.a.	1,000	1,000
Indiana	N	3.4	1	n.a.	n.a.	n.a.	n.a.	1,000	1,000
Iowa	Y	0.4-9.98	9	1,060	47,700	1,330	3,270	20	15
Kansas	N	4.4-7.75	3	20,000	30,000	3,000	5,000	2,000	2,000
Kentucky	N	2.0-6.0	5	3,000	8,000	650	650	20	20
Louisiana	Y	2.0-6.0	3	10,000	50,000	n.a.	n.a.	4,500	1,000
Maine	N	2.0-8.5	4	4,149	16,500	3,700	6,200	2,100	2,100
Maryland	N	2.0-6.0	5	1,000	100,000	2,000	4,000	1,200	1,200
Massachusetts	N	5.95/12.0	1 <sup>e</sup>	n.a.	n.a.	n.a.	n.a.	2,200	1,000
Michigan	N	4.6	1	n.a.	n.a.	n.a.	n.a.	2,100	2,100
Minnesota	N	6.0-8.5	3	15,230	50,030	3,800	6,350	2,450	2,450
Mississippi	N	3.0-5.0	3	5,000	10,000	2,300	3,400	6,000	1,500
Missouri	Y	1.5-6.0	10	1,000	9,000	3,800	6,350	2,450	2,450
Montana	Y	2.0-11.0	10	1,700	61,100	2,620	5,240	1,400	1,400
Nebraska	N	2.62-6.99	4	2,400	26,500	3,800	6,350	1,360 <sup>d</sup>	1,360 <sup>d</sup>
Nevada	N	None	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New Hampshire	N	5.0 <sup>f</sup>	1	n.a.	n.a.	n.a.	n.a.	1,200	0
New Jersey	N	2.0-7.0	5	20,000	75,000	n.a.	n.a.	1,000	1,500
New Mexico	N	1.8-8.5	7	5,200	41,600	3,800	6,350	2,450	2,450
New York	N	4.0-7.875	5	5,500	13,000	6,000	9,500	0	1,000
North Carolina	N	6.0-7.75	3	12,750	60,000	3,000	5,000	2,000	2,000
North Dakota	Y <sup>c</sup>	14% of federal income tax liability		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ohio	N	0.743-7.5	9	5,000	200,000	n.a.	n.a.	650	650
Oklahoma	Y <sup>c</sup>	0.5-7.0	8	1,000	10,000	2,000	2,000	1,000	1,000
Oregon	Y	5.0-9.0	3	2,050	5,150	1,800	3,000	113	113
Pennsylvania	N	2.95	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rhode Island	N	27.5% of federal income tax liability		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Carolina	N	2.5-7.0	6	2,160	10,800	3,800	6,350	2,300	2,300
South Dakota	N	None	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tennessee	N	6.0 <sup>f</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Texas	N	None	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Utah	Y	2.55-7.2	6	750	3,750	3,800	6,350	1,725	1,725
Vermont	N	25% of federal income tax liability		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Virginia	N	2.0-5.75	4	3,000	17,000	3,000	5,000	800	800
Washington	N	None	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
West Virginia	N	3.0-6.5	5	10,000	60,000	n.a.	n.a.	2,000	2,000
Wisconsin	N	4.9-6.93	3	7,500	15,000	5,200	8,900	0	50
Wyoming	N	None	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

<sup>a</sup> Applies to single taxpayers and married people filing separately.

<sup>b</sup> Except for Mississippi, married-joint filers receive double the single exemption. Mississippi is \$3,400 for joint.

<sup>c</sup> Rates listed assume that taxpayers opt not to deduct their federal income tax liability. In Oklahoma, if a filer chooses to deduct his federal liability then he faces 11 different marginal rates in the range of 0.5%-10%. The low rate applies to income under \$1,000; the high rate to income over \$16,000. In North Dakota, a filer who chooses to deduct his federal liability faces a range of rates from 2.67%-12% on income up to \$3,000 and over \$50,000, respectively. The higher rate structure induces only about 5% of North Dakota filers to deduct their federal liability each year.

<sup>d</sup> Taxpayers receive a declining tax credit instead of an exemption. For Connecticut, the credit is 75% of tax liability starting at \$12,000 of taxable income and declines to 0% after \$48,000. For Nebraska, taxpayers receive a \$65 credit at \$1,360 of taxable income and it declines thereafter.

<sup>e</sup> The 12% rate applies to interest, net capital gains, dividends for state residents, and state business income earned by nonresidents.

<sup>f</sup> Applies to interest and dividend income only.

**Table 2**  
**Corporate Income Tax Rates (Scheduled for 1994 as of December 1993)**

	Rates	No. of Brackets	Low Bracket (Under)	High Bracket (Over)	Special Rates or Notes
Alabama	5.0	1	n.a.	n.a.	6% rate on financial institutions; federal deductibility.
Alaska	1.0-9.4	10	\$10,000	\$90,000	—
Arizona	9.3	1	n.a.	n.a.	—
Arkansas	1.0-6.5	6	3,000	100,000	—
California	9.3	1	n.a.	n.a.	<u>7% alternative minimum tax rate.</u>
Colorado	5.0	1	n.a.	n.a.	—
Connecticut	11.5	1	n.a.	n.a.	—
Delaware	8.7	1	n.a.	n.a.	—
District of Columbia	10.0	1	n.a.	n.a.	2.5% surtax rate.
Florida	5.5	1	n.a.	n.a.	<u>3.3% alternative minimum tax rate.</u>
Georgia	6.0	1	n.a.	n.a.	—
Hawaii	4.4-6.4	3	25,000	100,000	4% capital gains rate, 7.92% rate on financial institutions.
Idaho	8.0	1	n.a.	n.a.	—
Illinois	4.8	1	n.a.	n.a.	2.5% income replacement tax (similar to a surtax).
Indiana	3.4	1	n.a.	n.a.	4.5% rate on supplemental income.
Iowa	6.0-12.0	4	25,000	250,000	5% rate on financial institutions; 50% federal deductibility.
Kansas	4.0	1	n.a.	n.a.	3.35% surtax rate over \$50,000; Banks 4.25% surtax rate plus 2.125% surtax rate on income over \$25,000.
Kentucky	4.0-8.25	5	25,000	250,000	—
Louisiana	4.0-8.0	5	25,000	200,000	<u>Federal deductibility.</u>
Maine	3.5-8.93	4	25,000	250,000	27% of federal alternative minimum tax liability; 10% surtax rate.
Maryland	7.0	1	n.a.	n.a.	—
Massachusetts	9.5	1	n.a.	n.a.	Franchise tax built into rate (.26% per \$1,000 of income).
Michigan	0.0-2.35	2	44,000	44,000	Modified VAT. Rate applies to gross receipts. Must file only with gross receipts over \$100,000; \$45,000 deductible.
Minnesota	9.8	1	—	—	5.8% alternative minimum tax rate.
Mississippi	3.0-5.0	3	5,000	10,000	—
Missouri	6.25	1	n.a.	n.a.	50% of federal tax deductible.
Montana	6.75	1	n.a.	n.a.	4.7% surtax rate.
Nebraska	5.58-7.81	2	50,000	50,000	—
Nevada	None	n.a.	n.a.	n.a.	—
New Hampshire	0.0-7.5	2	50,000	50,000	Must file business profits tax only with gross receipts over \$50,000. Businesses with over \$100,000 in gross receipts or wages, interest, and dividends over \$50,000 are subject to 0.25% business enterprise tax on the total value of wage, interest and dividend payments. Such business's BPT liability is reduced by sum of its BET liability.
New Jersey	9.0	1	n.a.	n.a.	—
New Mexico	4.8-7.6	3	500,000	1,000,000	—
New York	9.0	1	n.a.	n.a.	15% surtax rate.
North Carolina	7.75	1	n.a.	n.a.	1% surtax rate.
North Dakota	3.0-10.5	6	3,000	50,000	5% rate for financial institutions plus 2% surtax rate; federal deductibility.
Ohio	5.1-8.9	2	50,000	50,000	For financial institutions, 0.015 times value of stock.
Oklahoma	6.0	1	n.a.	n.a.	—
Oregon	6.6	1	n.a.	n.a.	—
Pennsylvania	12.25	1	n.a.	n.a.	—
Rhode Island	9.0	1	n.a.	n.a.	—
South Carolina	5.0	1	n.a.	n.a.	4.5% rate for banks; 6% rate for savings and loans.
South Dakota	None	n.a.	n.a.	n.a.	6% rate on a bank's net income.
Tennessee	6.0	1	n.a.	n.a.	—
Texas	None	n.a.	n.a.	n.a.	—
Utah	5.0	1	n.a.	n.a.	—
Vermont	5.5-8.25	4	10,000	250,000	—
Virginia	6.0	1	n.a.	n.a.	—
Washington	None	n.a.	n.a.	n.a.	Gross receipts tax. The 20 different rates range from 0.012%-2.5% depending on the type of business activity.
West Virginia	9.075	1	n.a.	n.a.	—
Wisconsin	7.9	1	n.a.	n.a.	5.5% surtax rate. A 0.4345% rate applies to the net Wisconsin business income of noncorporate entities. Sole proprietors with less than \$4,000 exempt.
Wyoming	None	n.a.	n.a.	n.a.	—

Source: Compiled by Tax Foundation from survey of state revenue offices.

**Table 3**  
**Various Tax Rates, State-level only**  
(Scheduled for 1994 as of December 1993)

	General Sales and Use Tax	Gasoline Tax (¢/Gal.)	Cigarette Tax (¢/pack)	Spirits Tax (\$ per Proof Gallon)	Table Wine Tax (\$/Gal.)	Beer Tax (\$/Gal.)
Alabama	4%	16¢	16.5¢	56% <sup>a</sup>	\$0.18/1.64 <sup>b</sup>	\$1.05
Alaska	0	8	29	5.60	0.85	0.35
Arizona	5	18	18	3.00	0.84	0.16
Arkansas	4.5	18.5	31.5	2.50	0.75	0.16
California	6	17	37	3.30	0.20	0.20
Colorado	3	22	20	3.04	0.62/0.42 <sup>b</sup>	0.08
Connecticut	6	29	47	4.50	0.60	0.19
Delaware	0	22	24	5.46	0.97	0.15
District of Columbia	6	20	65	1.50	0.30	0.09
Florida	6	12.1-16.6 <sup>c</sup>	33.9	6.50	2.25	0.48
Georgia	5/6	7.5	12	4.72	1.50	0.48
Hawaii	4	16	60	7.19	1.30	0.89
Idaho	5	22	18	0% <sup>a</sup>	0.45	0.15
Illinois	6.25	19	44	2.50	0.23	0.07
Indiana	5	15	15.5	2.68	0.47	0.115
Iowa	5	20	36	0% <sup>a</sup>	1.75	0.19
Kansas	4.9	18	24	3.13	0.30	0.18
Kentucky	6	15	3	1.92	0.50	0.08
Louisiana	4	20	20	2.50	0.11	0.32
Maine	6	19	37	14% <sup>a</sup>	0.60	0.35
Maryland	5	23.5	36	1.50	0.40	0.09
Massachusetts	5	21	51	4.05	0.55	0.11
Michigan	4	15	25	13.85 <sup>a</sup>	0.68	0.2
Minnesota	6.5	20	48	5.03	0.30	0.08
Mississippi	7	18	18	2.50 <sup>a</sup>	0.35	0.43
Missouri	4.225	13	17	2.00	0.36	0.06
Montana	0	24 <sup>d</sup>	18	26% <sup>a</sup>	1.36	0.14
Nebraska	5	26 <sup>d</sup>	37	3.00	0.75	0.23
Nevada	6.5/7	23	35	2.56	0.40	0.09
New Hampshire	0	18	25	0% <sup>a</sup>	0	0.30
New Jersey	6	10.5	40	4.4	0.70	0.12
New Mexico	5	22	21	7.58	1.72	0.35
New York	4	8	56	6.44	0.19	0.21
North Carolina	4	22	5	28% <sup>a</sup>	1.06	0.53
North Dakota	5	18	44	5.06	0.50	0.16
Ohio	5	22	24	3.38 <sup>a</sup>	0.32	0.18
Oklahoma	4.5	17	23	9.27	0.95	0.40
Oregon	0	24	38	0% <sup>a</sup>	0.67	0.08
Pennsylvania	6	12	31	18%	18%	0.08
Rhode Island	7	28	44	3.75	0.3/0.6 <sup>b</sup>	0.10
South Carolina	5	16	7	2.72	0.90	0.77
South Dakota	4	18	23	3.93	0.93	0.27
Tennessee	6	22.4	13	4.00	1.10	0.126
Texas	6.25	20	41	3.00	0.204	0.194
Utah	6	19.5	26.5	0% <sup>a</sup>	0.0	0.35
Vermont	5	15	20	25% <sup>a</sup>	0.55	0.265
Virginia	3.5	17.5	2.5	20% <sup>a</sup>	2.02	0.26
Washington	6.5	23	54	42.6% <sup>a</sup>	0.87	0.185
West Virginia	6	15.5	17	0% <sup>a</sup>	1.00	0.18
Wisconsin	5	23.2	38	3.25	0.25	0.065
Wyoming	4	9	12	0.91 <sup>a</sup>	0.28	0.02

<sup>a</sup> Control states. Rates represent tax above state store markup. Often taxes are built into the mark up. For example, Oregon has a zero tax rate, but a 99% mark up. The average mark up for stores in control states is about 48%. Private outlets have an average mark up of about 25%.

<sup>b</sup> Rates represent native wine/non-native wine.

<sup>c</sup> Florida's gas rates vary by county. Counties may also add up to an additional 12%.

<sup>d</sup> Montana's gas rate is scheduled to increase to \$0.27/gallon on July 1, 1994. Nebraska's rate for first quarter 1994. Nebraska's gas rate is indexed and changes quarterly. N.C. rate for first half of 1994. North Carolina's rate is indexed and changes every 6 months.

taxes, taxes on real estate and stock transfers, pari-mutuel betting, amusements, and—most significantly—sales taxes on selective goods and services. All of the components of "other" showed increases from FY 1992 to FY 1993. However, miscellaneous tax collections jumped 136 percent, from \$250 million to \$592 million, while selective sales taxes showed a relatively smaller jump of 27 percent, from \$5.9 billion to \$7.5 billion.

Many states had large increases in their miscellaneous tax revenue from FY 1992 to FY 1993. In particular, the growth of selective sales taxes denotes a growing trend in the taxation of consumer services, health care taxes, and environment-related taxes. In fact, almost \$1.4 billion (or 32 percent) of the tax increases listed in *Table 4*, which illustrates state-by-state tax increases and reductions that will affect FY 1994 collections, can be classified as service-, health care-, or environment-related. (However, Alabama, Colorado, Illinois, and Tennessee enacted about \$453 million in health care-related tax cuts.)

## Tax Rate Changes

*Tables 1 through 3* show various statutory tax rates for the 50 states and the District of Columbia. The most changes in statutory tax rates took place with regard to cigarettes and gasoline. Sixteen states increased their tax rate on cigarettes (Montana decreased its rate) and 13 states increased their tax rate on gas.

These increases continue a surge in state attempts, begun around 1990, to extract increasing amounts of revenue from the consumption of these two commodities. Yet actual revenue from cigarette and gasoline excise taxes have shown relatively slow growth compared to other types of taxes. Perhaps states have reached the point at which higher tax rates on gasoline and cigarettes have begun to erode their tax base rather than generate the expected additional tax revenues. The accuracy of state revenue projections will provide some evidence for this question. The National Conference of State Legislatures reports that states project their rate changes alone will lead to FY 1994 revenue increases of \$623.3 million from tobacco tax changes and \$195.2 million from motor fuel tax changes.

States also project additional FY 1994 tax revenue of \$1.3 billion from personal income tax changes and \$351 million from corporate income tax changes. Generally, states continue to seek additional revenue by broadening their income tax bases and

foregoing scheduled repeals of past rate increases. Exceptions exist, however.

Of the 16 states that enacted personal income tax changes in FY 1993, only four states—Arizona, Georgia, Maryland, and Mississippi—expect to reduce the income tax liability of their citizens. The reductions come mainly through increases in various types of exemptions. In addition, Maine and Vermont have allowed their temporary income tax increases to expire. Maine has also relieved its taxpayers of a 5 percent surcharge on incomes under \$75,000 and a 15 percent surcharge on incomes over \$75,000. It will also drop its top rate from 8.6 to 8.5 percent. Vermont has eliminated its three-bracket graduated rate structure (28, 31, and 34 percent of federal income tax liability) and implemented one rate: 25 percent of federal income tax liability.

For FY 1994, only Ohio, by adding a new top rate of 7.5 percent instead of 6.9 percent, seeks added revenue by increasing personal income tax rates. Nebraska reduced from five to four its number of tax brackets. It also raised its low rate from 2.37 to 2.66 percent and its top rate from 6.92 to 6.99 percent. However, Nebraska policy makers claim they seek only to redistribute the income tax burden, not raise additional revenue.

Only the state of Missouri seeks additional revenue from increased statutory corporate income tax rates. Missouri increased its corporate rate from 5 to 6.25 percent and limited to 50 percent the deduction for federal income tax liability. Oregon's legislature sought to increase the state's corporate income tax rate from 6.6 to 7.6 percent, but residents of that state voted the ballot initiative down in November 1993. New Hampshire reduced the top rate on its business profits tax (BPT) from 8 to 7.5 percent, but it imposed an entirely new business tax, the so-called business enterprise tax (BET). The rate of the new BET is 0.25 percent; the tax base is the total value of a firm's wage, interest, and dividend payments. Any BET liability is credited against a BPT liability. New Hampshire expects to net about \$8 million in FY 1994 with these business tax changes.

Of the 17 states that enacted tax legislation affecting business income in FY 1994, only five states—Connecticut, Louisiana, Oregon, Rhode Island, and Texas—sought to reduce the tax burden on businesses. The reductions are affected mostly through a variety of tax credits. Texas' corporate franchise tax credit for sales tax paid on manufacturing machinery and equipment purchased in 1992 and 1993 is the largest tax-

*Table 4*  
*Projected FY 1994 Tax and Fee Increases and Cuts Resulting from 1993 Enactments*

	Projected Revenue (\$Millions)	Per Household	Per Household Rank
Alabama	\$-131.5	\$-83.7	49
Alaska	17.7	84.0	14
Arizona	-19.9	-13.0	47
Arkansas	88.1	95.7	12
California	854.0	77.1	16
Colorado	-15.2	-11.1	45
Connecticut	-3.2	-2.5	44
Delaware	21.2	80.6	15
Dist. of Col.	Not Reporting		
Florida	13.5	2.4	36
Georgia	-1.5	-0.6	43
Hawaii	39.0	102.4	11
Idaho	7.8	20.8	30
Illinois	280.0	65.7	18
Indiana	0.0	0.0	40
Iowa	22.8	21.3	29
Kansas	0.0	0.0	37
Kentucky	0.0	0.0	38
Louisiana	69.5	45.3	23
Maine	100.0	202.8	6
Maryland	5.3	2.8	35
Massachusetts	110.0	47.2	22
Michigan	-93.0	-26.5	48
Minnesota	84.9	49.1	20
Mississippi	-10.5	-11.1	46
Missouri	127.0	62.6	19
Montana	83.6	265.6	3
Nebraska	15.4	25.1	24
Nevada	47.8	90.1	13
New Hampshire	84.3	188.9	7
New Jersey	34.5	11.9	33
New Mexico	105.6	181.3	8
New York	1,495.3	221.2	4
North Carolina	0.0	0.0	41
North Dakota	11.9	48.6	21
Ohio	445.4	106.3	10
Oklahoma	28.8	23.2	26
Oregon	24.6	21.4	28
Pennsylvania	0.0	0.0	42
Rhode Island	2.1	5.4	34
South Carolina	24.5	18.2	31
South Dakota	6.0	22.6	27
Tennessee	129.2	66.4	17
Texas	-609.0	-93.3	50
Utah	10.2	17.8	32
Vermont	25.3	113.6	9
Virginia	0.0	0.0	39
Washington	416.1	207.6	5
West Virginia	203.1	294.9	2
Wisconsin	45.2	23.9	25
Wyoming	70.6	418.2	1
Total/Average	\$4,266.5	\$44.2	

Note: Total fee increases amount to \$137.9 million. Fees do not include criminal and misdemeanor fines.

Source: National Conference of State Legislatures; Tax Foundation.

relief measure, at a projected \$318 million. Rhode Island enacted the only rate-reduction tax relief by repealing the 11 percent surcharge on corporate income.

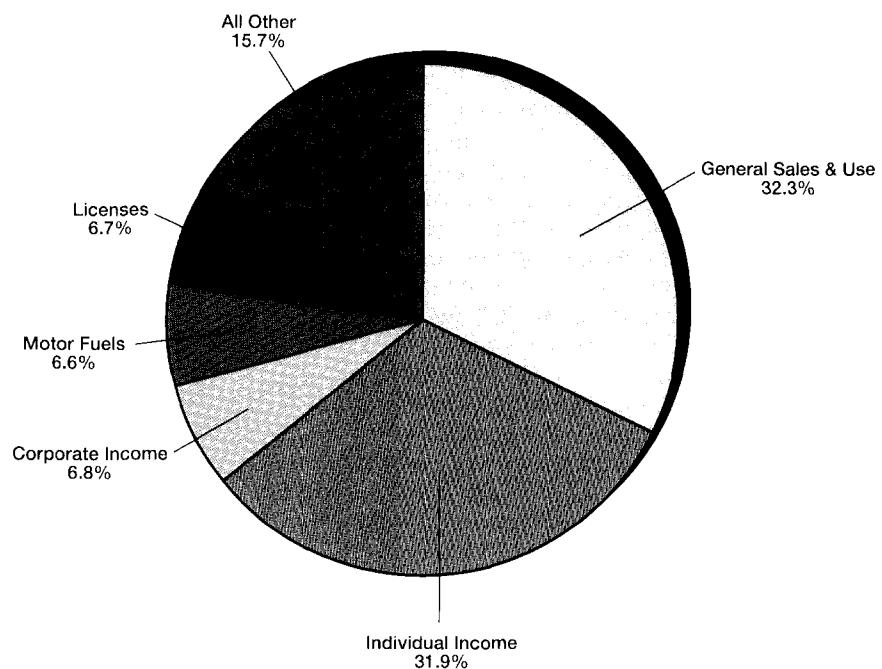
**Table 5**  
**State Government Tax Collections by Source (\$Billions)**  
**Fiscal Years 1983-1993**

Type of Tax	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	Avg. Growth Rate '83-'93	Growth Rate '92-'93
General Sales	\$53.6	62.6	69.6	74.8	79.2	87.1	93.5	99.9	103.7	108.1	115.0	7.9%	6.4%
Individual Income	\$49.8	59.0	63.9	67.4	76.2	80.1	88.8	96.1	99.9	105.0	113.7	8.6%	8.3%
Corporate Income	\$13.2	15.5	17.6	18.4	20.5	21.6	23.9	21.8	21.0	21.6	24.4	6.3%	13.0%
Motor Fuels	\$10.8	12.4	13.3	14.1	15.7	17.2	18.1	19.4	20.6	22.2	23.4	8.0%	5.4%
Licenses	\$10.7	12.0	13.8	14.9	15.9	17.0	17.7	18.8	19.4	21.7	24.0	8.4%	10.6%
Other	\$3.9	5.2	6.0	6.4	7.1	7.4	7.7	7.9	7.9	4.2	11.7	11.6%	178.6%
Insurance	\$3.9	4.1	4.5	5.5	6.3	6.9	7.4	7.4	7.7	7.8	7.9	7.3%	1.3%
Public Utilities	\$5.7	5.9	6.2	6.0	6.0	6.2	6.2	6.5	6.8	7.8	8.8	4.4%	12.8%
Property	\$3.3	3.9	4.0	4.4	4.7	5.0	5.3	5.8	6.2	6.6	8.1	9.4%	22.7%
Tobacco	\$4.0	3.9	4.4	4.5	4.6	4.8	5.1	5.5	6.0	6.1	6.2	4.5%	1.9%
Severance	\$7.4	7.2	7.2	6.1	4.0	4.3	4.1	4.7	5.4	4.6	5.1	-3.7%	10.9%
Death and Gift	\$2.5	2.2	2.3	2.5	3.0	3.2	3.5	3.8	4.3	4.4	4.8	6.7%	9.1%
Alcohol	\$2.7	2.9	3.0	3.1	3.1	3.2	3.1	3.2	3.4	3.5	3.6	3.0%	3.7%
Total State Taxes	\$171.5	196.9	215.9	228.1	246.5	264.1	284.4	300.8	313.1	330.4	356.5	7.6%	7.9%
Annual % Change	5.5%	14.8	9.7	5.7	8.0	7.1	7.7	5.8	4.0	5.5	7.9	—	—
Total State Taxes (Constant 1983 \$)	\$171.5	189.3	199.9	205.5	214.3	221.9	229.4	231.4	231.9	239.4	251.1	3.9%	4.9%
Annual % Change	1.3%	10.4	5.6	2.8	4.3	3.5	3.3	0.9	0.2	3.2	4.9	—	—

Note: All years include data from the District of Columbia.

Source: 1983-1992 Bureau of Census; 1993 Tax Foundation survey of state revenue offices.

**Figure 2**  
**Distribution of State Tax Collections by Source**  
**(Fiscal Year 1993)**



Source: Tax Foundation.

Table 6  
State Tax Collections (Fiscal Year 1993)  
Total, Household Rank, and Distribution by Source

	Total (\$Millions)	Tax Burden			Distribution				All Other
		Per Household	Rank	General Sales & Use	Individual Income	Corporate Income	Motor Fuels	Licenses	
Alabama	\$4,815.7	\$3,097	42	24.8%	32.1%	3.8%	10.1%	7.8%	21.5%
Alaska	2,301.9	11,223	1	0.0	0.0	37.9	1.8	1.9	58.5
Arizona	5,501.8	3,689	22	42.8	29.5	5.2	6.7	5.1	10.7
Arkansas	3,000.4	3,285	36	37.3	32.4	5.0	10.2	6.5	8.6
California	48,543.1	4,451	11	34.3	35.4	9.7	5.0	4.8	10.7
Colorado	4,606.5	3,417	32	21.4	37.9	2.9	8.3	5.6	24.0
Connecticut	6,853.0	5,393	5	30.0	34.9	10.4	5.5	4.4	14.7
Delaware	1,417.0	5,471	4	0.0	36.9	10.1	5.4	29.0	18.6
Dist. of Col.	2,590.9	10,456	2	16.8	23.5	4.4	1.3	1.8	52.2
Florida	16,461.2	2,965	45	57.3	0.0	5.1	7.2	6.7	23.7
Georgia	8,107.3	3,225	37	38.1	41.8	5.7	4.3	4.3	5.8
Hawaii	2,831.6	7,559	3	46.0	32.6	1.9	4.6	2.7	12.3
Idaho	1,423.7	3,840	18	33.7	36.0	4.9	10.4	8.3	6.6
Illinois	14,053.9	3,308	35	31.1	34.4	7.3	7.7	5.7	13.9
Indiana	7,003.4	3,325	34	33.4	41.0	9.6	8.6	2.1	5.4
Iowa	4,036.1	3,782	19	32.7	36.8	5.0	8.7	8.8	8.0
Kansas	3,314.6	3,433	31	34.1	31.3	7.7	8.0	5.2	13.8
Kentucky	5,309.4	3,755	20	27.0	33.2	5.4	7.1	5.5	21.9
Louisiana	4,420.4	2,898	46	29.8	20.4	5.5	11.2	9.6	23.5
Maine	1,746.1	3,593	23	35.8	35.2	4.3	7.9	5.8	10.9
Maryland	7,257.7	3,957	16	23.7	42.7	1.8	6.6	6.6	18.7
Massachusetts	10,398.9	4,499	10	20.4	51.7	8.6	5.4	4.1	9.9
Michigan <sup>a</sup>	11,721.9	3,362	33	32.2	29.0	15.5	6.7	6.4	10.2
Minnesota	8,340.2	4,884	6	28.5	41.9	6.1	5.6	7.7	10.2
Mississippi	3,327.1	3,554	27	41.8	26.6	6.8	9.6	5.3	9.9
Missouri	5,814.3	2,891	47	34.5	39.9	4.1	7.9	7.2	6.4
Montana	976.3	3,123	41	0.0	35.1	6.3	11.9	12.7	34.0
Nebraska	1,830.6	2,995	44	32.0	37.7	5.6	12.6	6.9	5.1
Nevada	2,055.4	3,994	15	49.9	0.0	0.0	9.2	11.3	31.6
New Hampshire	919.8	2,103	51	0.0	7.8	14.0	10.6	12.0	55.6
New Jersey	13,298.0	4,638	8	27.5	32.7	7.2	3.1	4.5	25.0
New Mexico	2,517.6	4,399	12	43.2	19.7	4.2	7.5	6.4	19.0
New York	31,961.8	4,750	7	19.7	49.9	8.7	2.2	3.0	16.6
North Carolina	9,331.2	3,509	28	25.1	42.8	4.6	7.0	9.4	11.2
North Dakota	907.5	3,725	21	31.8	15.5	5.7	9.4	8.2	29.4
Ohio	13,049.8	3,135	40	30.3	36.6	6.5	9.0	7.4	10.2
Oklahoma	4,251.0	3,450	30	23.9	30.6	3.3	8.5	15.9	17.9
Oregon	3,564.3	3,137	39	0.0	66.9	5.6	7.9	11.6	8.0
Pennsylvania	16,420.8	3,587	24	29.4	29.2	9.7	4.2	12.4	15.1
Rhode Island	1,382.2	3,559	26	29.6	36.1	4.4	4.9	4.7	20.3
South Carolina	4,234.3	3,192	38	29.9	35.3	3.7	8.5	14.7	7.9
South Dakota	629.5	2,386	50	50.6	0.0	6.2	13.7	9.1	20.5
Tennessee	5,477.9	2,848	48	53.0	1.7	6.7	10.9	10.3	17.4
Texas	18,216.6	2,841	49	50.1	0.0	0.0	11.4	13.0	25.4
Utah	2,217.6	3,936	17	39.8	37.9	3.4	8.3	5.0	5.7
Vermont	787.2	3,585	25	20.5	36.3	3.8	7.4	6.9	25.0
Virginia	7,316.6	3,024	43	19.7	49.0	5.1	8.9	5.5	11.8
Washington	8,922.9	4,526	9	58.6	0.0	0.0	6.8	5.0	29.6
West Virginia	2,392.6	3,475	29	28.9	26.0	4.5	9.6	12.9	18.2
Wisconsin	7,867.3	4,200	14	28.7	43.8	6.1	6.8	5.6	8.9
Wyoming	715.0	4,241	13	34.3	0.0	0.0	6.1	9.5	50.1
United States	\$356,479.0	\$3,737		32.3%	31.9%	6.8%	6.6%	6.7%	15.7%

<sup>a</sup> Michigan's Single Business Tax, which is a modified VAT, is listed as a corporate income tax.

**Table 7**  
*Average Annual State Tax Growth vs. Personal Income Growth by State*

	Tax Growth 1983-1993 (1983 \$)	Personal Income Growth 1983-1993 (1983 \$)	Taxes Relative to Personal Income 1983-1993 (1983 \$)	Tax Growth Rank 1983-1993	Taxes Relative to Personal Income 1992-1993 (Current \$)	Tax Growth Rank 1992-1993
Alabama	3.8%	3.1%	0.7%	45	6.8%	35
Alaska	-2.3	1.0	-3.3	50	38.1	1
Arizona	6.5	4.2	2.4	6	6.5	12
Arkansas	4.7	2.4	2.3	7	3.1	21
California	4.4	3.0	1.4	20	2.0	26
Colorado	6.4	2.5	3.9	1	22.9	3
Connecticut	6.6	3.0	3.6	2	7.4	8
Delaware	4.6	3.9	0.7	35	1.0	31
Dist. of Col.	3.3	1.6	1.8	15	-4.5	49
Florida	6.4	4.2	2.2	8	6.2	13
Georgia	5.0	4.1	0.9	33	4.6	17
Hawaii	5.6	4.0	1.7	17	-1.8	42
Idaho	4.9	2.5	2.4	5	-5.3	50
Illinois	2.9	2.3	0.6	36	-1.0	39
Indiana	4.4	2.6	1.8	14	1.9	27
Iowa	3.5	1.4	2.1	10	6.9	10
Kansas	4.1	1.6	2.4	4	12.7	6
Kentucky	3.7	2.6	1.1	27	-0.7	37
Louisiana	0.3	0.6	-0.3	48	-0.4	36
Maine	4.7	3.2	1.5	19	1.0	30
Maryland	4.0	3.5	0.4	39	6.8	11
Massachusetts	3.6	2.7	0.9	32	1.0	32
Michigan	1.6	2.4	-0.7	49	-0.9	38
Minnesota	3.1	3.0	0.2	42	4.2	20
Mississippi	4.3	2.3	2.0	11	26.8	2
Missouri	4.5	2.4	2.1	9	8.6	7
Montana	3.0	1.3	1.7	16	-3.3	46
Nebraska	2.7	1.4	1.3	22	-8.1	51
Nevada	6.4	6.4	0.0	46	2.4	25
New Hampshire	7.0	4.2	2.8	3	2.6	24
New Jersey	4.3	3.3	1.0	28	-1.7	41
New Mexico	4.3	2.7	1.6	18	5.1	14
New York	3.3	2.6	0.7	34	1.3	29
North Carolina	5.0	4.0	1.0	30	-3.3	45
North Dakota	2.0	0.1	1.9	12	13.9	4
Ohio	3.2	2.0	1.2	25	3.0	22
Oklahoma	1.3	0.3	1.0	29	4.8	15
Oregon	3.5	3.0	0.5	38	0.1	34
Pennsylvania	3.2	2.3	0.9	31	-4.1	48
Rhode Island	3.0	2.4	0.6	37	4.5	19
South Carolina	3.5	3.5	0.0	47	1.7	28
South Dakota	3.2	1.9	1.3	24	4.6	18
Tennessee	5.6	3.7	1.8	13	13.8	5
Texas	3.6	2.3	1.3	23	0.5	33
Utah	4.8	3.5	1.3	21	2.8	23
Vermont	4.5	3.3	1.1	26	-2.2	44
Virginia	4.0	3.7	0.3	41	-1.9	43
Washington	4.1	3.8	0.4	40	-1.5	40
West Virginia	1.4	1.4	0.0	44	-4.0	47
Wisconsin	2.6	2.5	0.1	43	7.0	9
Wyoming	-3.7	0.1	-3.8	51	4.7	16
United States	3.9%	2.8%	1.1%		3.7%	

Source: Tax Foundation.

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Editor and Communications Director  
Stephen Gold

Tax Foundation  
1250 H Street, NW  
Suite 750  
Washington, DC 20005  
(202) 783-2760