

Fiscal Fact

How Easy Is It to Find Tax Information on State Websites?

By

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It's April, which means Americans are rushing to finish federal and state income tax returns for 2012. Those who file a paper return rely on forms and rate tables posted online by the Internal Revenue Service (IRS) and state revenue departments. Even taxpayers who file returns with the help of paid tax preparers or computer software may make use of instructional information provided on state websites. Employers, for instance, need to know 2013 tax rates now for withholding purposes.

Consequently, we decided to evaluate how easily available this information is on the websites of state tax agencies (often a revenue department, department of taxation, or tax commissioner). We conducted two tests in March 2013:

- **We counted how many clicks it took to find 2012 income tax rates from the agency's website homepage.** In five states (Indiana, Kentucky, Minnesota, New Jersey, and North Carolina), it takes taxpayers five clicks to find this information from the homepage. Taxpayers in three states (Colorado, Massachusetts, and Pennsylvania) can get it in two clicks.
- **We assessed whether the state had made available (and findable in a spot check by our analyst) the 2012 and 2013 tax rates, tax table, and tax forms.** While nearly all states had most of this information, our analysts were able to find *all* of this information only in five states (Colorado, Illinois, Pennsylvania, Utah, and Virginia; some of these states have one-rate taxes, making tax tables unnecessary). The vast majority of state revenue websites do not yet provide 2013 tax rate information even though 2013 income tax is currently being withheld from taxpayers' paychecks.

Transparency can be a difficult thing to quantify, and we admit that these two tests are not a perfect proxy. However, poor transparency of basic tax information imposes real costs on taxpayers. The time and money an individual spends complying with taxes prevents them from productively spending these resources elsewhere. Ideally, a taxpayer should be able to quickly and easily locate and understand all taxes owed and with that information make informed allocative decisions and budgeting plans.

We are consequently pleased to recognize the Colorado Department of Revenue, the Illinois Department of Revenue, the Pennsylvania Department of Revenue, the Utah State Tax Commission, and the Virginia Department of Taxation for passing both tests (three clicks or less for finding information and having all 2012 and 2013 information available online). We hope all state tax authorities will follow their lead in making basic information easily accessible to taxpayers.

Table 1: Number of Clicks Required to Locate 2012 State Individual Income Tax Rates on State Website (as of March 18, 2013)

State	Number of Clicks
Indiana	5
Kentucky	5
Minnesota	5
New Jersey	5
North Carolina	5
Alabama	4
Arizona	4
Iowa	4
Maryland	4
Montana	4
Nebraska	4
New York	4
Ohio	4
Oklahoma	4
Oregon	4
Wisconsin	4
District of Columbia	4
Alaska	3
Arkansas	3
California	3
Connecticut	3
Georgia	3
Hawaii	3
Idaho	3
Illinois	3
Kansas	3
Louisiana	3
Maine	3
Michigan	3
Mississippi	3
Missouri	3
New Mexico	3
North Dakota	3
Rhode Island	3
South Carolina	3
Utah	3
Vermont	3
Virginia	3
West Virginia	3
Colorado	2
Massachusetts	2
Pennsylvania	2

Source: Tax Foundation analysis. States without an individual income tax are not listed.

Table 2: Availability of State Individual Income Tax Forms, Tax Rates, and Tax Tables on State Website (as of March 1, 2013)

State	2012 rates/ tax rate schedule	2012 tax table	2012 form	2013 rates/ tax rate schedule	2013 tax table	2013 Estimated Tax form/ voucher	Total
Colorado	yes	n.a.	yes	yes	n.a.	yes	6
Illinois	yes	n.a.	yes	yes	n.a.	yes	6
Pennsylvania	yes	n.a.	yes	yes	n.a.	yes	6
Utah	yes	n.a.	yes	yes	n.a.	n.a.	6
Virginia	yes	yes	yes	yes	yes	yes	6
California	yes	yes	yes	no	yes	yes	5
Indiana	yes	n.a.	yes	yes	n.a.	no	5
Iowa	yes	yes	yes	yes	no	yes	5
Louisiana	yes	yes	yes	yes	no	yes	5
Maine	yes	yes	yes	yes	no	yes	5
Massachusetts	yes	n.a.	yes	no	n.a.	yes	5
Michigan	yes	n.a.	yes	no	n.a.	yes	5
Minnesota	yes	yes	yes	yes	no	yes	5
New Mexico	yes	yes	yes	yes	no	yes	5
North Dakota	yes	yes	yes	yes	no	yes	5
District of Columbia	yes	yes	yes	yes	no	yes	5
Arkansas	yes	yes	yes	no	no	yes	4
Connecticut	no	yes	yes	no	yes	yes	4
Hawaii	yes	yes	yes	no	no	yes	4
Idaho	yes	no	yes	yes	no	yes	4
Kansas	yes	yes	yes	no	no	yes	4
Kentucky	yes	yes	yes	no	no	yes	4
Maryland	yes	yes	yes	no	no	yes	4
Mississippi	yes	no	yes	yes	no	yes	4
Nebraska	yes	yes	yes	no	no	yes	4
New Jersey	yes	yes	yes	no	no	yes	4
New York	yes	yes	yes	no	no	yes	4
North Carolina	yes	yes	yes	no	no	yes	4
Ohio	yes	yes	yes	no	no	yes	4
Rhode Island	yes	yes	yes	no	no	yes	4
Vermont	yes	yes	yes	no	no	yes	4
West Virginia	yes	yes	yes	no	no	yes	4
Alabama	no	yes	yes	no	no	yes	3
Arizona	no	yes	yes	no	no	yes	3
Delaware	no	yes	yes	no	no	yes	3
Missouri	no	yes	yes	no	no	yes	3
Montana	yes	no	yes	no	no	yes	3
Oklahoma	yes	no	yes	no	no	yes	3
Oregon	no	yes	yes	no	no	yes	3
South Carolina	no	yes	yes	no	no	yes	3
Wisconsin	yes	no	yes	no	no	yes	3
Georgia	no	no	yes	no	no	yes	2

Source: Tax Foundation analysis. States without an individual income tax are not listed. For tax rates or tax schedules, states marked “yes” make the information easily available on a webpage. States are marked “no” if they only provide this information within a tax form, within the tax form instructions, in a departmental newsletter, or within a statutory code excerpt.

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