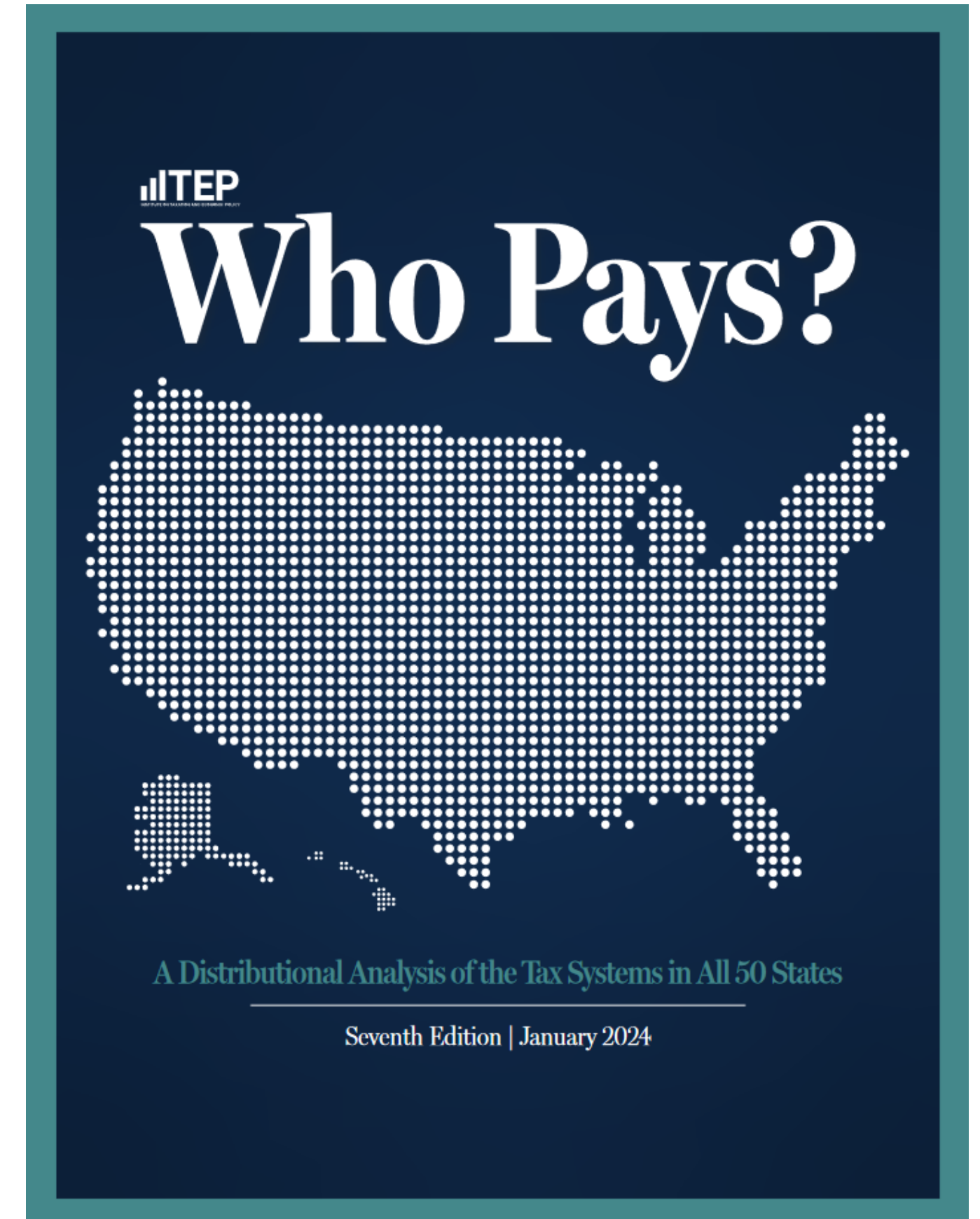


Who Pays?

An in-depth look at
state taxes across America

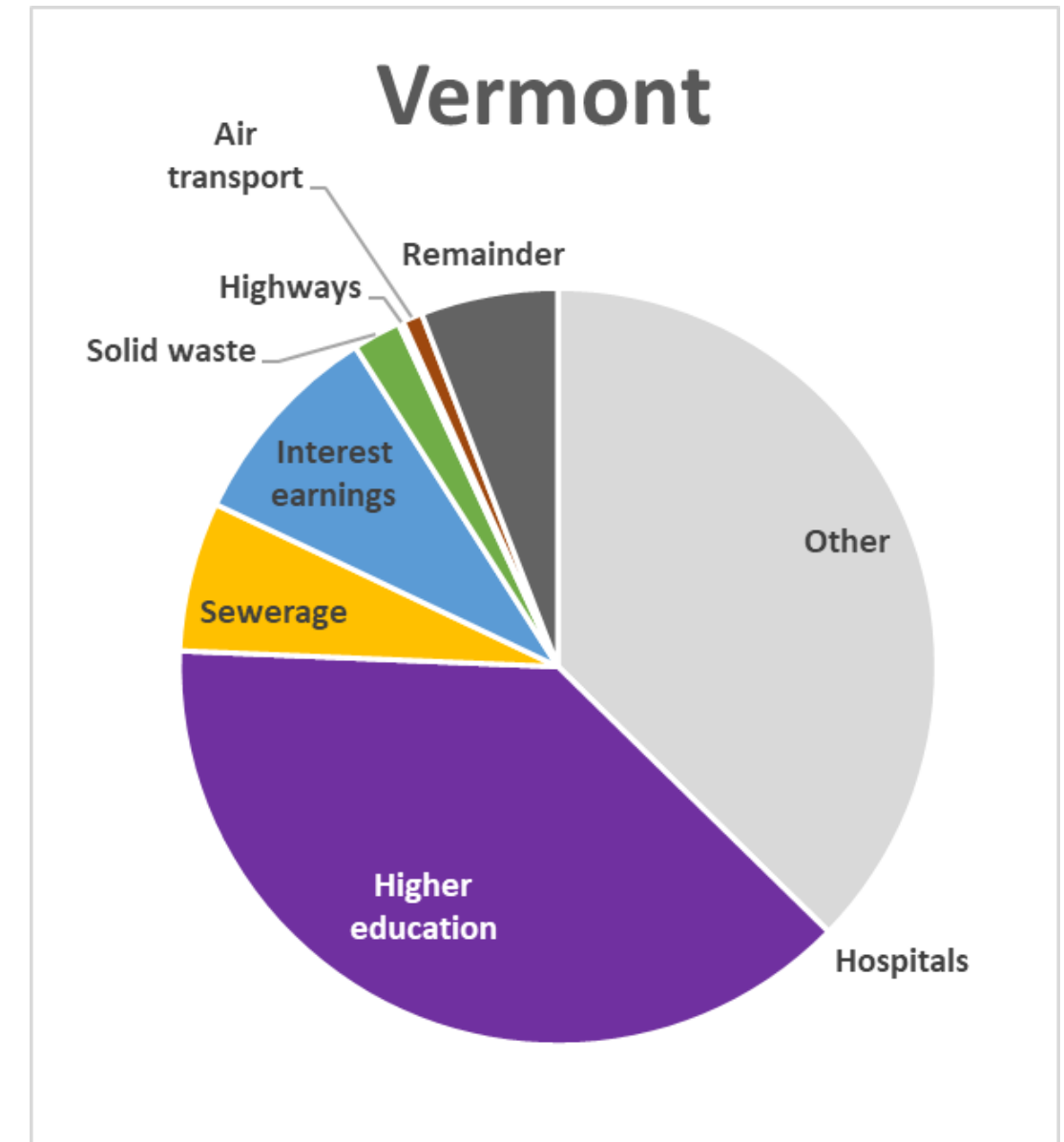
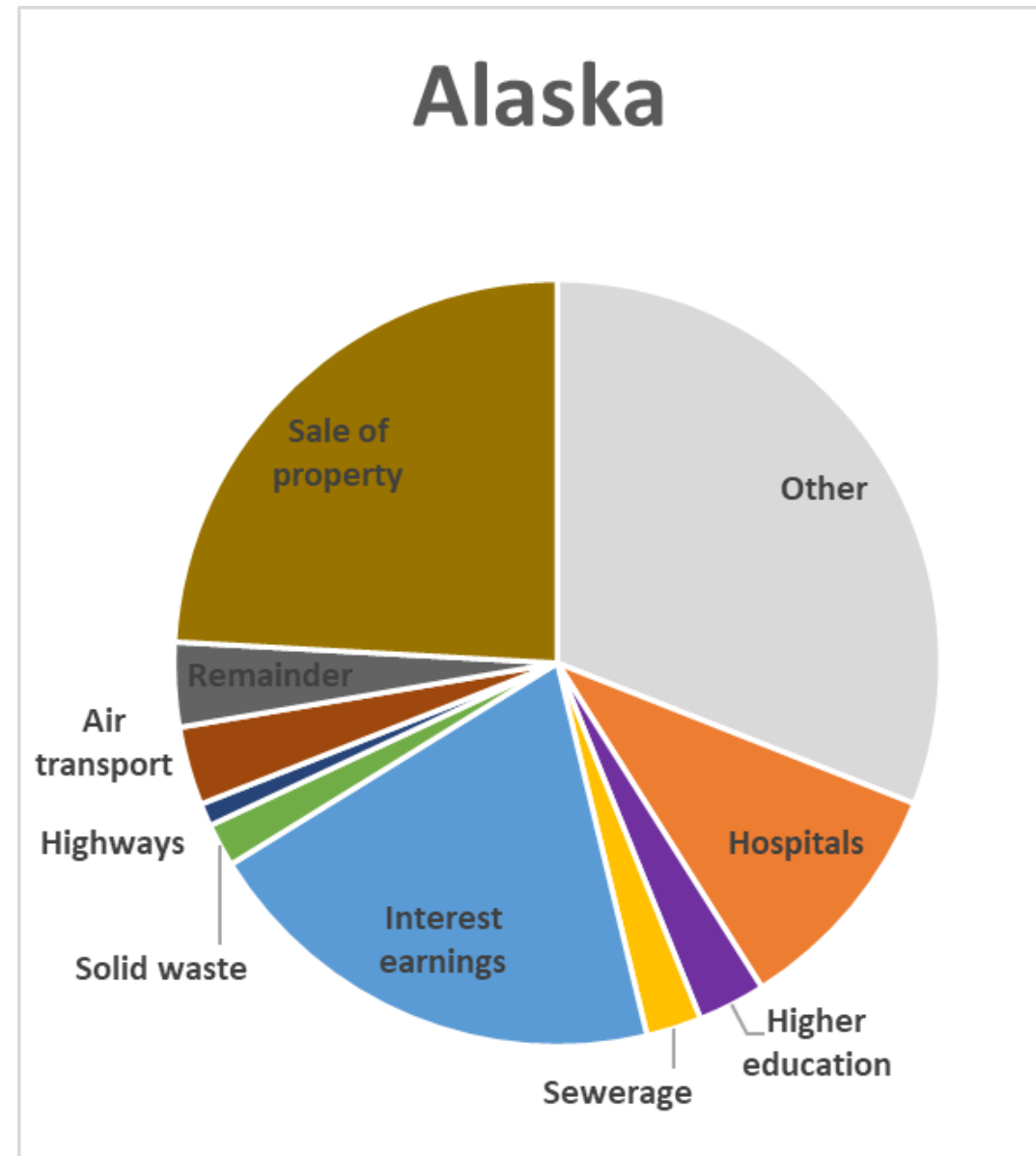
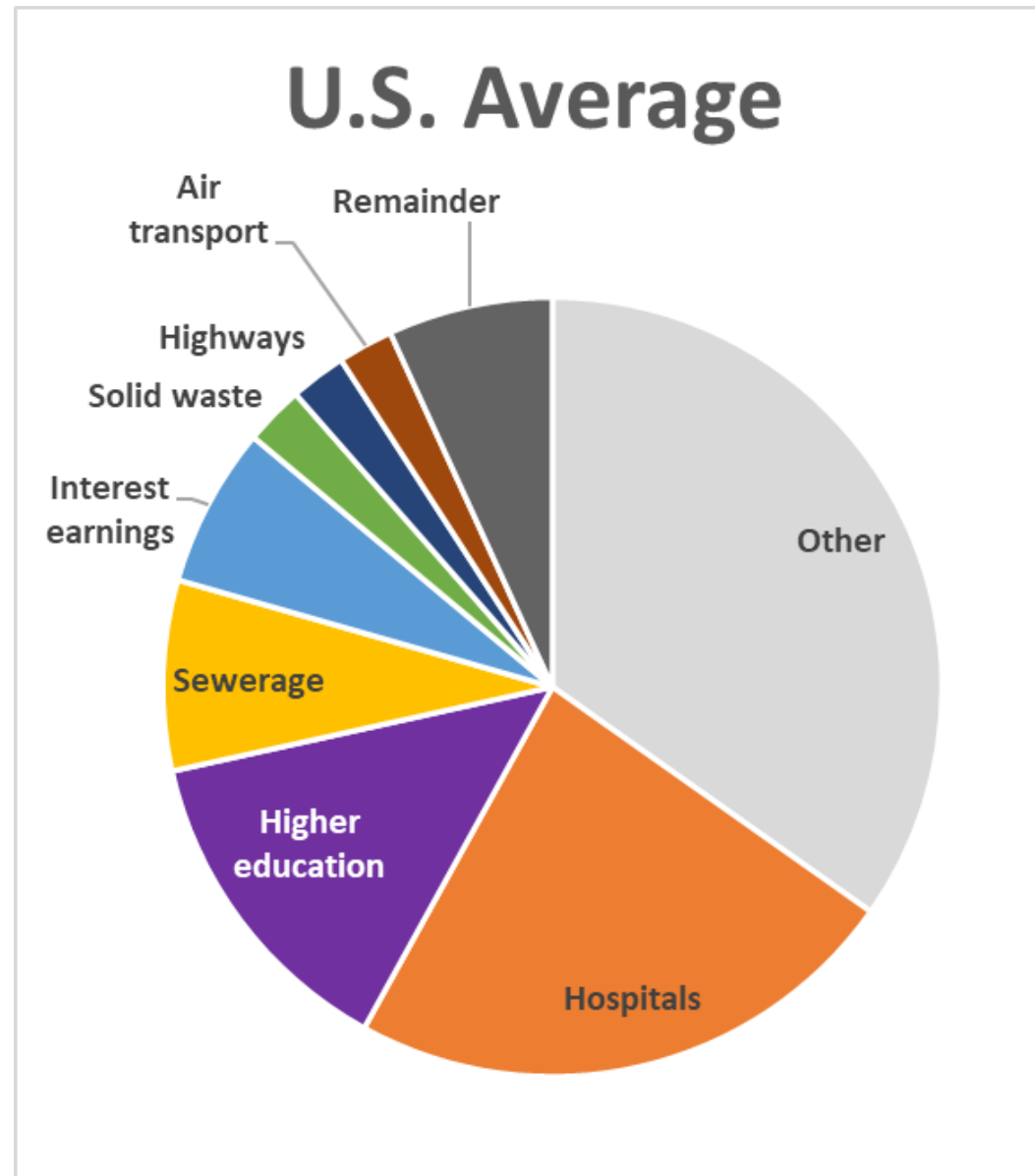
Study Overview:

- 7th edition of the study. First edition published in 1996.
- The only comprehensive, 50-state study of state and local tax incidence.
- Similar method, and findings, to single-state studies by agencies in Minnesota, Texas, etc.
- 99.7% coverage of state and local taxes (varies from 98-100% across states, including 99.7% in VT.)



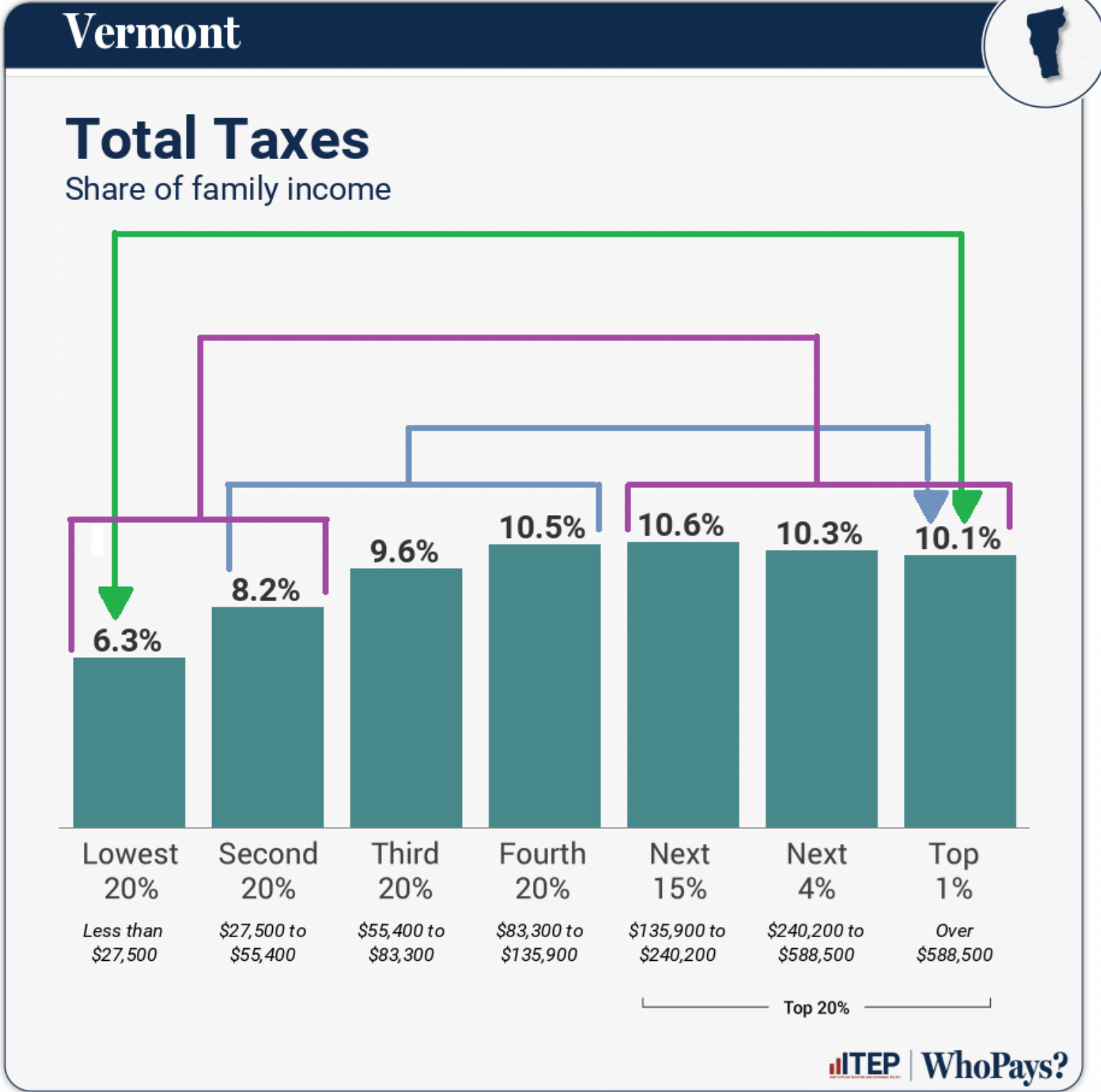
Non-Tax Revenue Sources

State and Local Combined



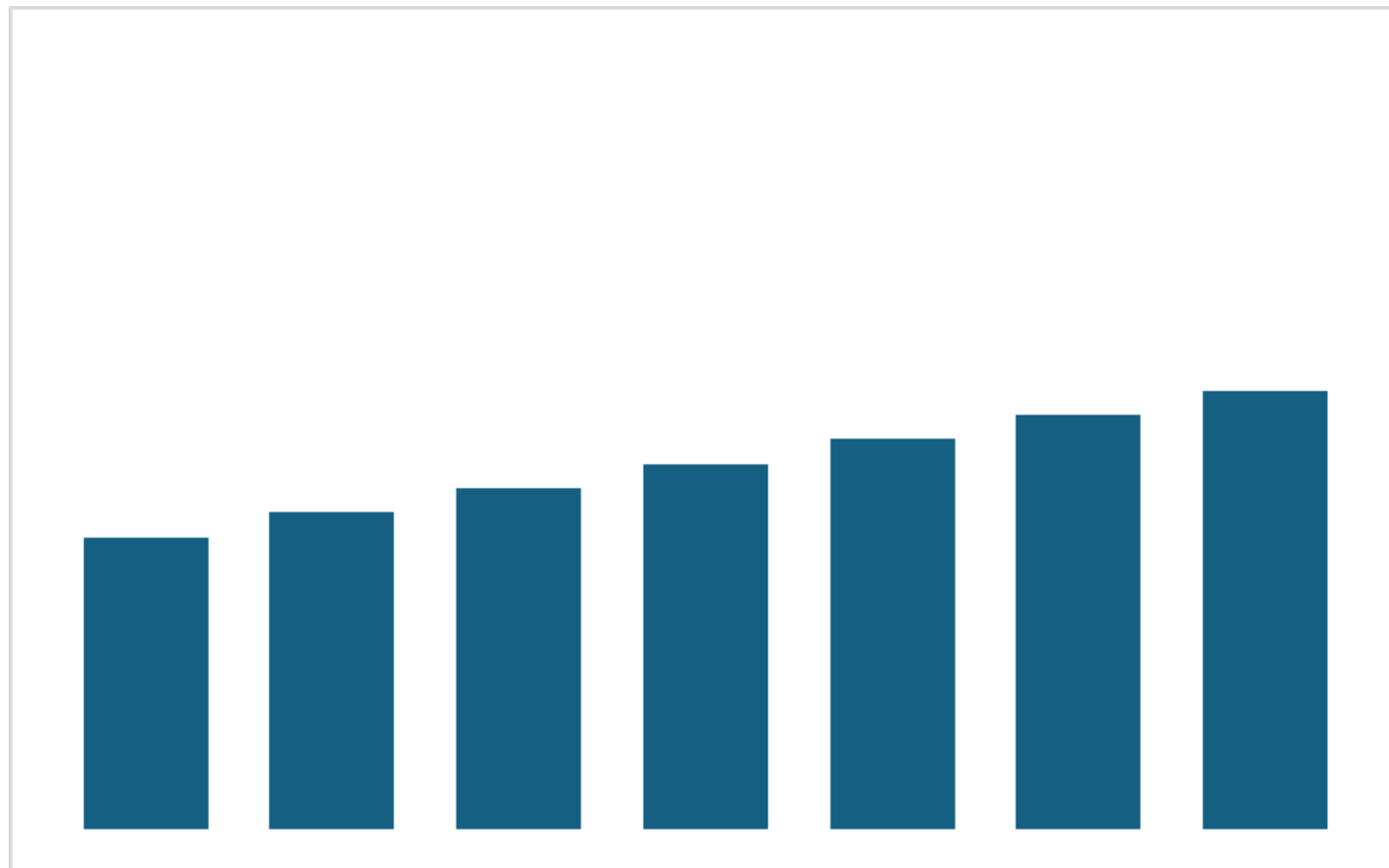
Source: ITEP compilation of data from the U.S. Census Bureau, 2021 Annual Surveys of State and Local Government Finances

Components of Index Calculation

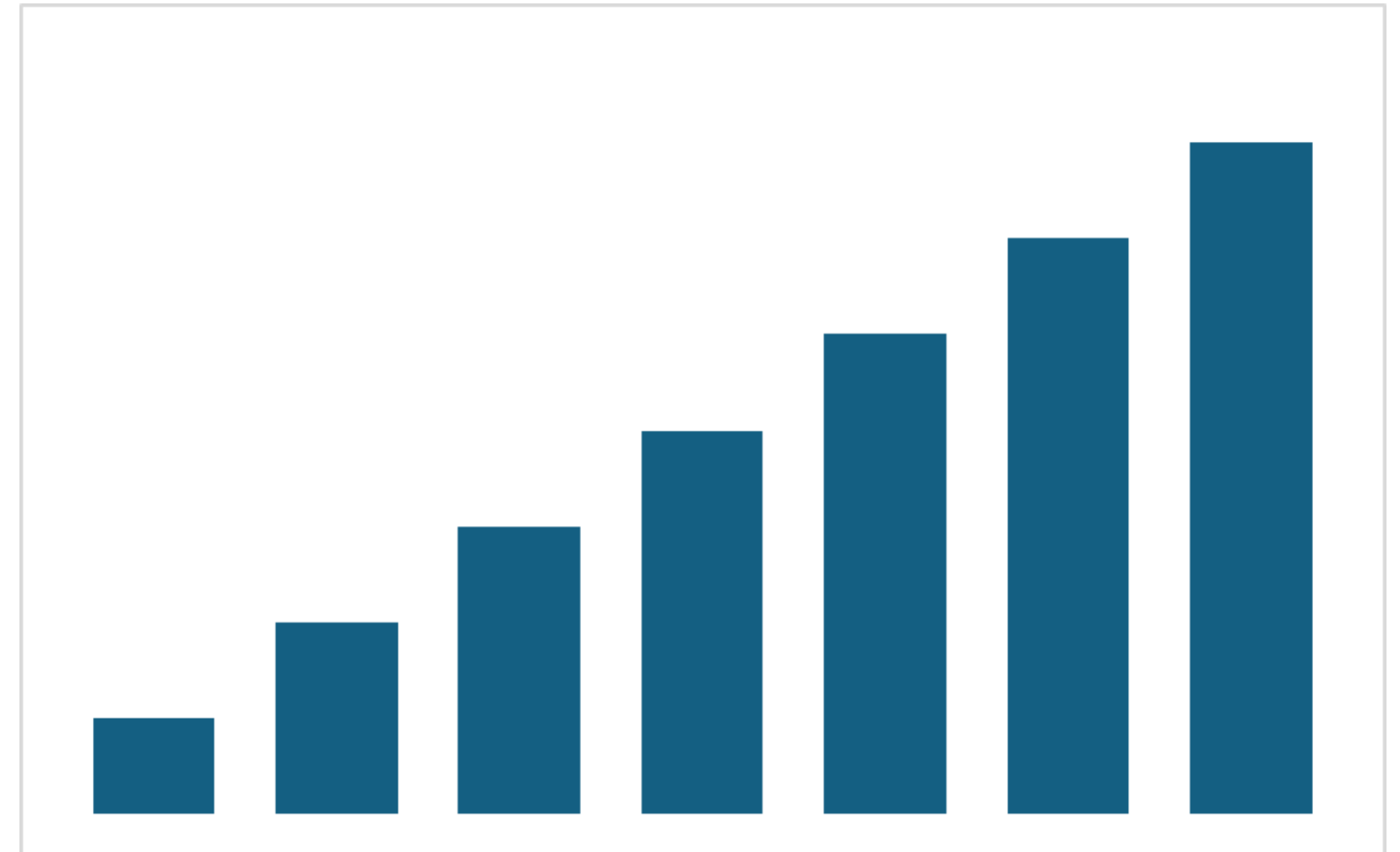


Example Tax Distributions

Somewhat Progressive

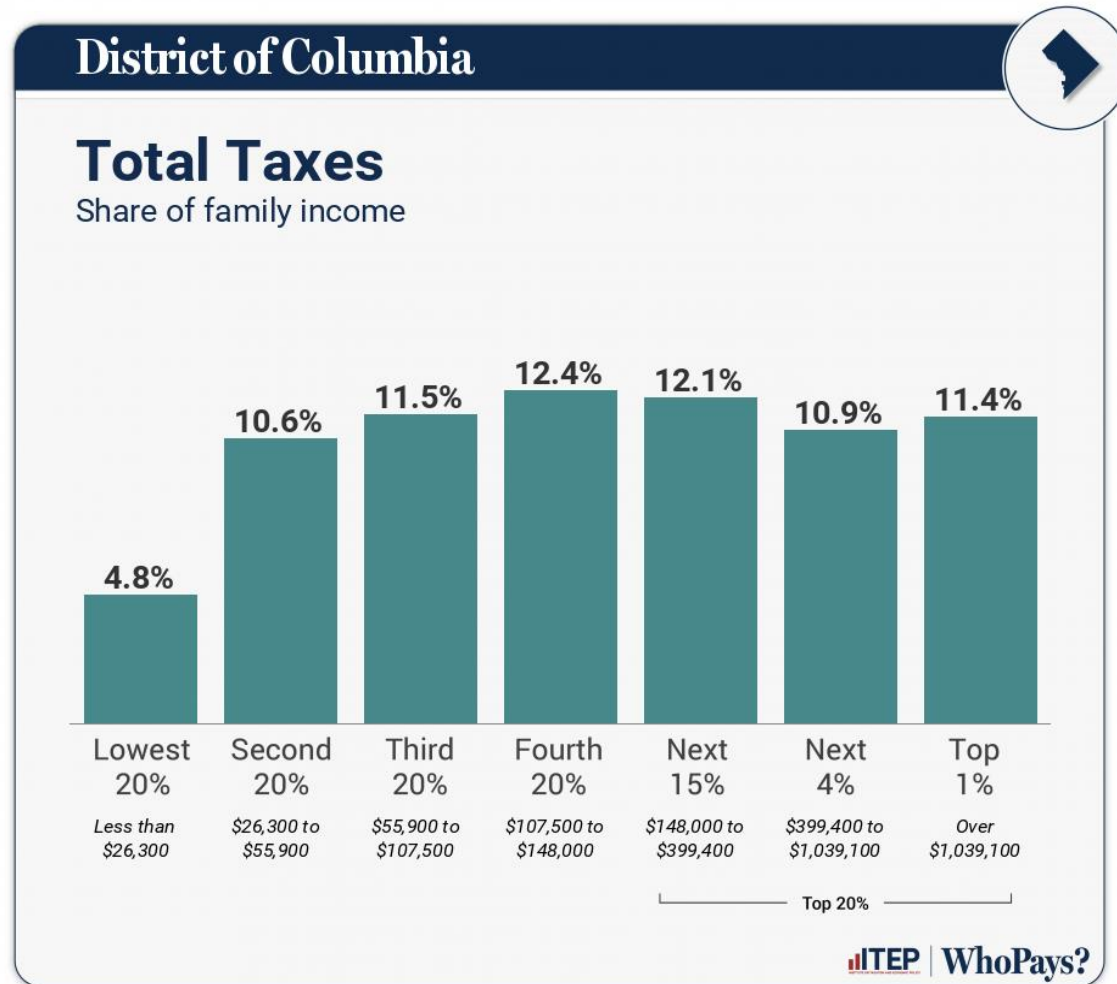


More Progressive

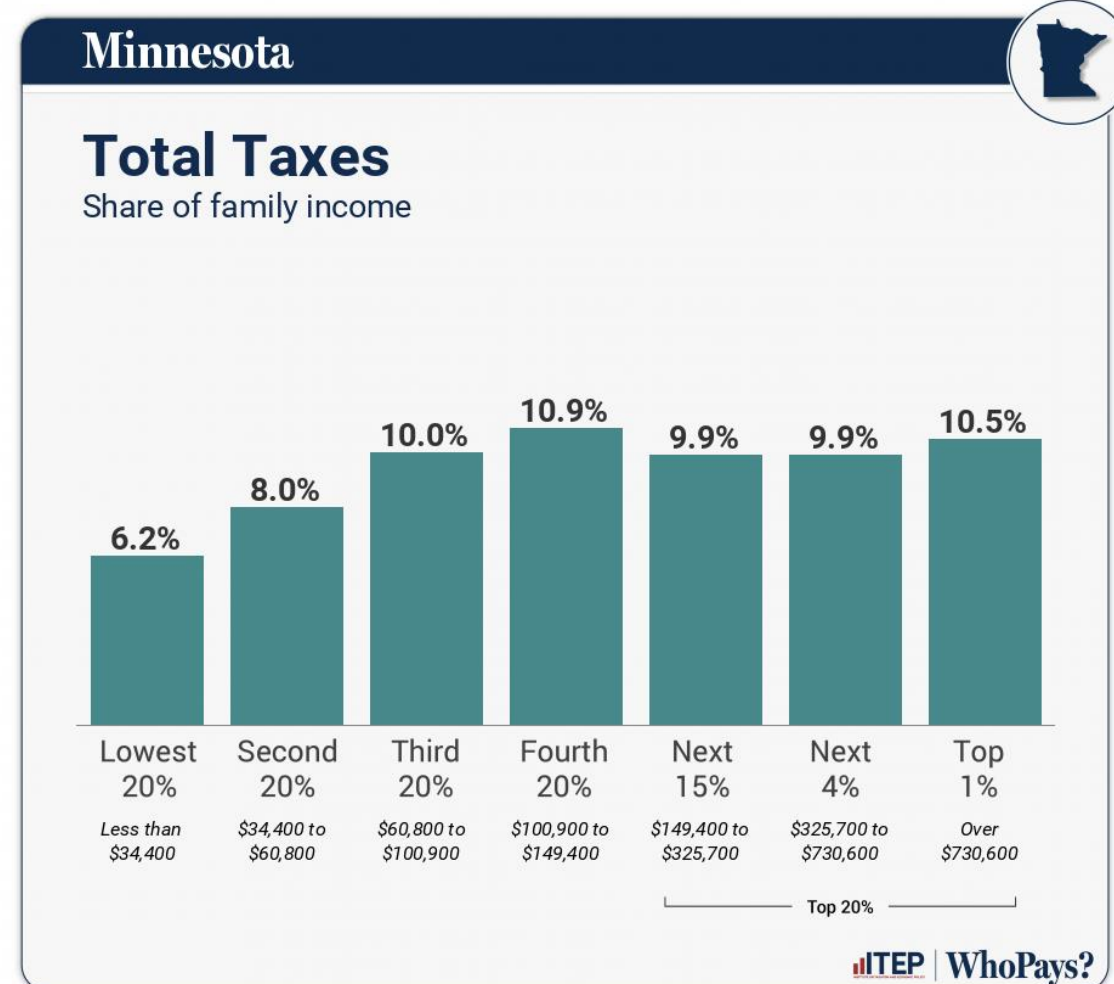


Index Rankings

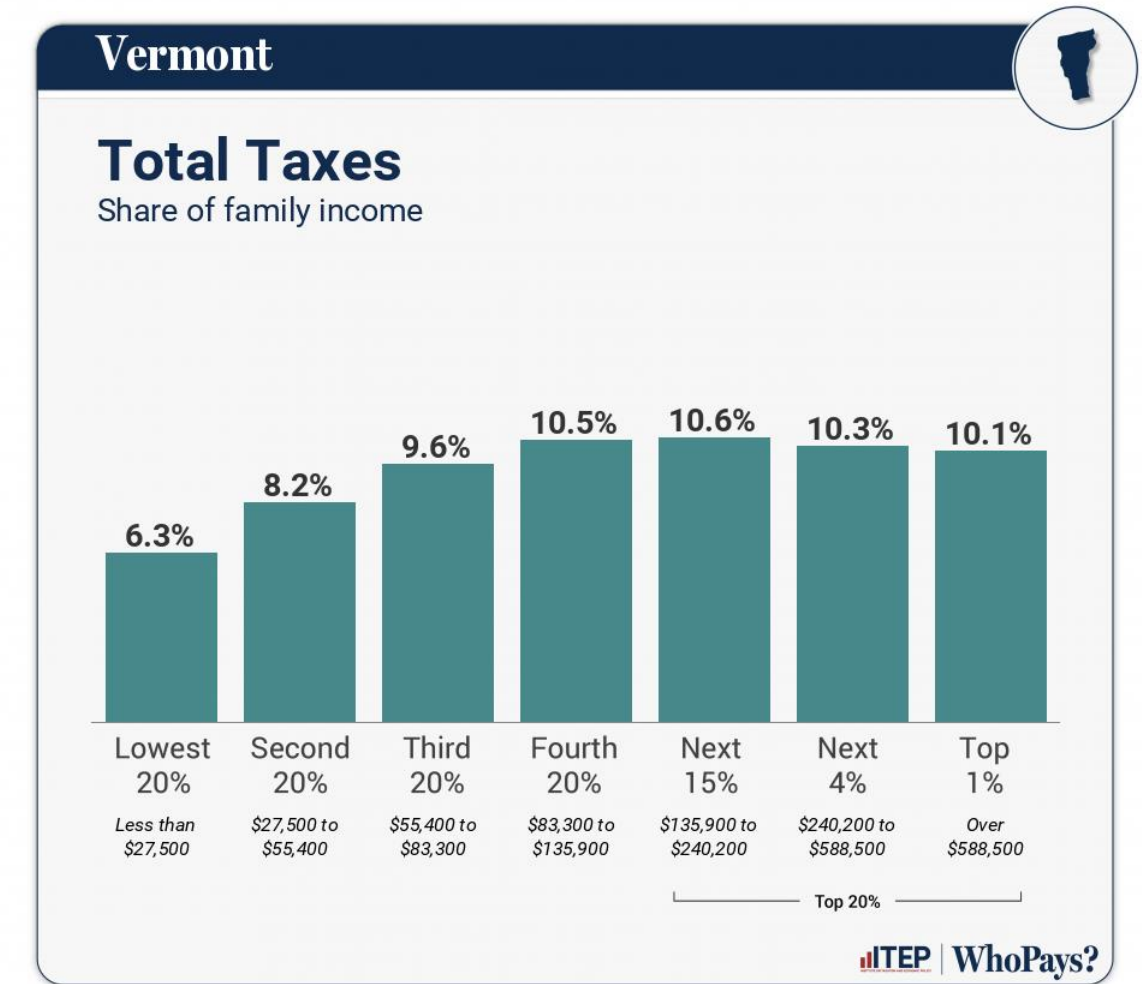
#1



#2



#3



Recent Reforms Have Affected State Rankings

Gains in State Rankings, from Appendix D



Minnesota: **+3 spots.**

- Most progressive state. (2nd most progressive jurisdiction after D.C.).
- Capital gains tax; corporate tax; itemized deduction reform; low-income credits.



Massachusetts: **+10 spots.**

- Now among the top 10 least regressive states.
- Millionaires' tax; low-income credits.



New Mexico: **+18 spots.**

- Largest jump of any state. Now among the 10 least regressive states.
- New top bracket; capital gains reform; low-income credits.



Washington: **+1 spot.**

- No longer the nation's most regressive tax code.
- Capital gains tax; low-income credits.



Read More:

www.whopays.org

www.itep.org