

**STATE PERSONAL INCOME TAXES: FEDERAL STARTING POINTS**

(as of January 1, 2016)

| STATE             | Relation to Federal Internal Revenue Code | Federal Tax Base Used as Starting Point to Calculate State Taxable Income |
|-------------------|---|---|
| ALABAMA           | ---                                       | ---   |
| ALASKA            | no state income tax                       | ---   |
| ARIZONA           | 1/1/15                                    | adjusted gross income   |
| ARKANSAS          | ---                                       | ---   |
| CALIFORNIA        | 1/1/15                                    | adjusted gross income   |
| COLORADO          | Current                                   | taxable income  |
| CONNECTICUT       | Current                                   | adjusted gross income   |
| DELAWARE          | Current                                   | adjusted gross income   |
| FLORIDA           | no state income tax                       | ---   |
| GEORGIA           | 1/1/15                                    | adjusted gross income   |
| HAWAII            | 12/31/14                                  | adjusted gross income   |
| IDAHO             | 1/1/15                                    | taxable income  |
| ILLINOIS          | Current                                   | adjusted gross income   |
| INDIANA           | 1/1/15                                    | adjusted gross income   |
| IOWA              | 1/1/15                                    | adjusted gross income   |
| KANSAS            | Current                                   | adjusted gross income   |
| KENTUCKY          | 12/31/13                                  | adjusted gross income   |
| LOUISIANA         | Current                                   | adjusted gross income   |
| MAINE             | 12/31/14                                  | adjusted gross income   |
| MARYLAND          | Current                                   | adjusted gross income   |
| MASSACHUSETTS     | 1/1/05                                    | adjusted gross income   |
| MICHIGAN          | Current (a)                               | adjusted gross income   |
| MINNESOTA         | 12/31/14                                  | taxable income  |
| MISSISSIPPI       | ---                                       | ---   |
| MISSOURI          | Current                                   | adjusted gross income   |
| MONTANA           | Current                                   | adjusted gross income   |
| NEBRASKA          | Current                                   | adjusted gross income   |
| NEVADA            | no state income tax                       | ---   |
| NEW HAMPSHIRE     | on interest & dividends only              | ---   |
| NEW JERSEY        | ---                                       | ---   |
| NEW MEXICO        | Current                                   | adjusted gross income   |
| NEW YORK          | Current                                   | adjusted gross income   |
| NORTH CAROLINA    | 1/1/15                                    | adjusted gross income   |
| NORTH DAKOTA      | Current                                   | taxable income  |
| OHIO              | 3/22/13                                   | adjusted gross income   |
| OKLAHOMA          | Current                                   | adjusted gross income   |
| OREGON            | 1/3/13                                    | taxable income  |
| PENNSYLVANIA      | ---                                       | ---   |
| RHODE ISLAND      | Current                                   | adjusted gross income   |
| SOUTH CAROLINA    | 12/31/14                                  | taxable income  |
| SOUTH DAKOTA      | no state income tax                       | ---   |
| TENNESSEE         | on interest & dividends only              | ---   |
| TEXAS             | no state income tax                       | ---   |
| UTAH              | Current                                   | adjusted gross income   |
| VERMONT           | 1/1/14                                    | taxable income  |
| VIRGINIA          | 12/31/14                                  | adjusted gross income   |
| WASHINGTON        | no state income tax                       | ---   |
| WEST VIRGINIA     | 12/31/14                                  | adjusted gross income   |
| WISCONSIN         | 12/31/13                                  | adjusted gross income   |
| WYOMING           | no state income tax                       | ---   |
| DIST. OF COLUMBIA | Current                                   | adjusted gross income   |

Source: Compiled by the Federation of Tax Administrators from various sources.

Notes:

--- state does not employ a federal starting point. Current indicates state has adopted IRC as currently in effect. Dates indicate state has adopted IRC as ammended to that date.

(a) Michigan's taxpayers can choose to use either current or 1/1/96 federal law.

## **Federal (1040):**

Income net losses

### **Total Income**

“above the line adjustments” – itemization hurdle

e.g. Educator Expenses; Alimony, Self-employed health insurance and retirement savings

### **Adjusted Gross Income**

Personal Exemption

Standard or Itemized Deductions

### **Taxable Income**

Tax calculation

AMT

Credits

## **State (IN-111):**

### **Federal Taxable Income**

ADDITIONS:

- Income from Non-VT State and Local Obligations
- Bonus Depreciation
- Addback of State and Local Income Taxes (full amount)
- Addback of Itemized Deductions  
(amounts above 2.5X Standard excluding Charitable and Medical)

SUBTRACTIONS:

- Interest Income from US Obligations
- Capital Gains Exclusion
- Adjustment for Prior Year's Bonus Depreciation

### **Vermont Taxable Income**

Tax calculation

Credits

**Table 3: Standard Deduction by State (Tax Year 2015)**

| State                | % of AGI | Single            | Married-J         | Married-S         | Head of Household |
|----------------------|----------|-------------------|-------------------|-------------------|-------------------|
| Alabama              |          | \$2,500-\$2,000   | \$7,500-\$4,000   | \$3,750-\$2,000   | \$4,700-\$2,000   |
| Arizona              |          | \$5,091           | \$10,173          | \$5,091           | \$10,173          |
| Arkansas             |          | \$2,200           | \$4,400           | \$2,200           | \$2,200           |
| California           |          | \$4,044           | \$8,088           | \$4,044           | \$8,088           |
| Colorado             |          | Federal           | Federal           | Federal           | Federal           |
| Connecticut          |          | \$14,500 - \$0    | \$24,000 - \$0    | \$12,000 - \$0    | \$19,000 - \$0    |
| Delaware             |          | \$3,250           | \$6,500           | \$3,250           | \$3,250           |
| District of Columbia |          | \$5,200           | \$8,350           | \$5,200           | \$6,500           |
| Georgia              |          | \$2,300           | \$3,000           | \$1,500           | \$2,300           |
| Hawaii               |          | \$2,200           | \$4,400           | \$2,200           | \$3,212           |
| Idaho                |          | Federal           | Federal           | Federal           | Federal           |
| Illinois             |          | None              | None              | None              | None              |
| Indiana              |          | None              | None              | None              | None              |
| Iowa                 |          | \$1,950           | \$4,810           | \$1,950           | \$4,810           |
| Kansas               |          | \$3,000           | \$7,500           | \$3,750           | \$5,500           |
| Kentucky             |          | \$2,440           | \$2,440           | \$2,440           | \$2,440           |
| Louisiana*           |          | \$4,500           | \$9,000           | \$4,500           | \$9,000           |
| Maine                |          | Federal           | Federal           | Federal           | Federal           |
| Maryland             | 15%      | \$1,500-\$2,000   | \$3,000-\$4,000   | \$1,500-\$2,000   | \$3,000-\$4,000   |
| Massachusetts        |          | None              | None              | None              | None              |
| Michigan             |          | None              | None              | None              | None              |
| Minnesota            |          | Federal           | Federal           | Federal           | Federal           |
| Mississippi          |          | \$2,300           | \$4,600           | \$2,300           | \$3,400           |
| Missouri             |          | Federal           | Federal           | Federal           | Federal           |
| Montana              | 20%      | \$1,940 - \$4,370 | \$3,880 - \$8,740 | \$1,940 - \$4,370 | \$3,880 - \$8,740 |
| Nebraska             |          | Federal           | Federal           | Federal           | Federal           |
| New Hampshire        |          | None              | None              | None              | None              |
| New Jersey           |          | None              | None              | None              | None              |
| New Mexico           |          | Federal           | Federal           | Federal           | Federal           |
| New York             |          | \$7,900           | \$15,850          | \$7,900           | \$11,100          |
| North Carolina       |          | \$7,500           | \$15,000          | \$7,500           | \$12,000          |
| North Dakota         |          | Federal           | Federal           | Federal           | Federal           |
| Ohio                 |          | None              | None              | None              | None              |
| Oklahoma             |          | Federal           | Federal           | Federal           | Federal           |
| Oregon               |          | \$2,145           | \$4,295           | \$2,145           | \$3,455           |
| Pennsylvania         |          | None              | None              | None              | None              |
| Rhode Island         |          | \$8,275 - \$0     | \$16,550 - \$0    | \$8,275 - \$0     | \$12,400 - \$0    |
| South Carolina       |          | Federal           | Federal           | Federal           | Federal           |
| Tennessee            |          | None              | None              | None              | None              |
| Utah                 |          | Federal           | Federal           | Federal           | Federal           |
| Vermont              |          | Federal           | Federal           | Federal           | Federal           |
| Virginia             |          | \$3,000           | \$6,000           | \$3,000           | \$3,000           |
| West Virginia        |          | None              | None              | None              | None              |
| Wisconsin            |          | \$10,250 - \$0    | \$18,460 - \$0    | \$8,770 - \$0     | \$13,240 - \$0    |

\*These amounts represent the combined standard deduction and personal exemptions (excluding additional exemptions for dependents, elderly, and blind individuals), which are built into the tax tables.

**Table 4: Personal Exemptions/Credits by State (Tax Year 2015)**

| State                          | Exemption/<br>Credit | Single             | Married-J          | Married-S          | Head of<br>Household | Elderly | Dependent     | Handicapped<br>Dependent | Blind--B<br>Deaf--D<br>Disabled--DS |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|----------------------|---------|---------------|--------------------------|-------------------------------------|
| Alabama                        | Exemption            | \$1,500            | \$3,000            | \$1,500            | \$3,000              | \$-0-   | \$300-\$1,000 | \$-0-                    | \$-0-                               |
| Arizona                        | Exemption            | 2,100              | 4,200              | 2,100              | 4,200/3,150          | 2,100   | 2,300         | -0-                      | B 1,500                             |
| Arkansas                       | Credit               | 26                 | 52                 | 26                 | 52                   | 26      | 26            | 500                      | B,D 26                              |
| California                     | Credit               | 109                | 218                | 109                | 109                  | 109     | 337           | -0-                      | B 109                               |
| Colorado                       | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| Connecticut                    | Credit               | 0-75%              | 0-75%              | 0-75%              | 0-75%                | -0-     | -0-           | -0-                      | -0-                                 |
| Delaware                       | Credit               | 110                | 220                | 110                | 110                  | 110     | 110           | -0-                      | -0-                                 |
| Dist. of Columbia <sup>a</sup> | Exemption            | 1,775              | 3,550              | 1,775              | 3,550                | 1,775   | 1,775         | -0-                      | B 1,775                             |
| Georgia                        | Exemption            | 2,700              | 7,400              | 3,700              | 2,700                | -0-     | 3,000         | -0-                      | -0-                                 |
| Hawaii <sup>a</sup>            | Exemption            | 1,144              | 2,288              | 1,144              | 1,144                | 1,144   | 1,144         | -0-                      | B,D,DS 7,000                        |
| Idaho                          | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| Illinois                       | Exemption            | 2,150              | 4,300              | 2,150              | 2,150                | 1,000   | 2,150         | -0-                      | B 1,000                             |
| Indiana                        | Exemption            | 1,000              | 2,000              | 1,000              | 1,000                | 1,000   | 1,500         | -0-                      | B 1,000                             |
| Iowa                           | Credit               | 40                 | 80                 | 40                 | 80                   | 20      | 40            | -0-                      | B 20                                |
| Kansas                         | Exemption            | 2,250              | 4,500              | 2,250              | 4,500                | -0-     | 2,250         | -0-                      | -0-                                 |
| Kentucky                       | Credit               | 10                 | 20                 | 10                 | 10                   | 40      | 10            | -0-                      | B 40                                |
| Louisiana                      | Exemption            | 1,000 <sup>b</sup> | 2,000 <sup>b</sup> | 1,000 <sup>b</sup> | 1,000 <sup>b</sup>   | 1,000   | 1,000         | -0-                      | B 1,000                             |
| Maine                          | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| Maryland                       | Exemption            | 3,200              | 6,400              | 3,200              | 6,400                | 1,000   | 3,200         | -0-                      | B 1,000                             |
| Massachusetts                  | Exemption            | 4,400              | 8,800              | 4,400              | 6,800                | 700     | 1,000         | -0-                      | B 2,200                             |
| Michigan                       | Exemption            | 4,000              | 8,000              | 4,000              | 4,000                | -0-     | 4,000         | -0-                      | B,D,DS 2,600                        |
| Minnesota <sup>a</sup>         | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| Mississippi                    | Exemption            | 6,000              | 12,000             | 6,000              | 8,000                | 1,500   | 1,500         | -0-                      | B 1,500                             |
| Missouri                       | Exemption            | 2,100              | 4,200              | 2,100              | 3,500                | -0-     | 2,200/1,200   | -0-                      | -0-                                 |
| Montana                        | Exemption            | 2,330              | 4,660              | 2,330              | 2,330                | 2,330   | 2,330         | 2,330                    | B 2,330                             |
| Nebraska                       | Credit               | 130                | 260                | 130                | 130                  | -0-     | 130           | -0-                      | -0-                                 |
| New Hampshire                  | Exemption            | 2,400              | 4,800              | 2,400              | 2,400                | 1,200   | -0-           | -0-                      | B, DS 1,200                         |
| New Jersey                     | Exemption            | 1,000              | 2,000              | 1,000              | 1,000                | 1,000   | 1,500/1,000   | -0-                      | B, DS 1,000                         |
| New Mexico <sup>c</sup>        | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| New York                       | Exemption            | -0-                | -0-                | -0-                | -0-                  | -0-     | 1,000         | -0-                      | -0-                                 |
| North Carolina                 | None                 | -0-                | -0-                | -0-                | -0-                  | -0-     | -0-           | -0-                      | -0-                                 |
| North Dakota                   | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| Ohio                           | Exemption            | 1,700-2,200        | 1,700-2,200        | 1,700-2,200        | 1,700-2,200          | -0-     | 1,700-2,200   | -0-                      | -0-                                 |
| Oklahoma                       | Exemption            | 1,000              | 2,000              | 1,000              | 1,000                | 1,000   | 1,000         | -0-                      | B 1,000                             |
| Oregon <sup>a</sup>            | Credit               | 194                | 388                | 194                | 194                  | -0-     | 194           | 194                      | DS 194                              |
| Pennsylvania                   | None                 | -0-                | -0-                | -0-                | -0-                  | -0-     | -0-           | -0-                      | -0-                                 |
| Rhode Island <sup>a</sup>      | Exemption            | \$3,850            | \$7,700            | \$3,850            | \$3,850              | -0-     | \$3,850       | -0-                      | -0-                                 |
| South Carolina <sup>d</sup>    | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| Tennessee                      | Exemption            | 1,250              | 2,500              | 1,250              | 1,250                | -0-     | -0-           | -0-                      | B, DS Exempt                        |
| Utah <sup>e</sup>              | Exemption/Cr         | 3,000              | 6,000              | 3,000              | 3,000                | -0-     | 3,000         | 3,000                    | -0-                                 |
| Vermont                        | Exemption            | Federal            | Federal            | Federal            | Federal              | Federal | Federal       | Federal                  | Federal                             |
| Virginia                       | Exemption            | 930                | 1,860              | 930                | 930                  | 800     | 930           | -0-                      | B 800                               |
| West Virginia                  | Exemption            | 2,000              | 4,000              | 2,000              | 2,000                | -0-     | 2,000         | -0-                      | -0-                                 |
| Wisconsin                      | Exemption            | 700                | 1,400              | 700                | 700                  | 250     | 700           | -0-                      | -0-                                 |

<sup>a</sup> Based on state income thresholds, the exemption is phased out at higher incomes or eliminated in the case of Oregon's tax credit.

<sup>b</sup> These personal exemption amounts are included in the combined standard deduction/personal exemption figures shown in Table 3.

<sup>c</sup> An additional exemption of up to \$2,500 is provided for each federal exemption claimed by low- and middle-income taxpayers, subject to phase-out.

<sup>d</sup> Exemptions are not subject to high-income phase-out, and an additional exemption of \$4,000 is allowed for each child under 6 years of age.

<sup>e</sup> The credit equals the sum of exemptions and deductions multiplied by 6%, subject to phase-out based on income.