

Table 1: State Personal Income Tax Revenue as a Share of Personal Income in States with Broad-Based Personal Income Taxes

2015, dollar amounts in thousands

| Rank (1 = lowest) | State | Effective Tax Rate (tax / income) | State Personal Income Tax Revenue | Personal Income |
|----------------------|-----------------|--------------------------------------|--------------------------------------|-----------------|
| 1 | North Dakota | 1.2% | \$504,394 | \$42,349,688 |
| 2 | Arizona | 1.4% | \$3,868,234 | \$267,361,132 |
| 3 | Louisiana | 1.5% | \$2,922,499 | \$200,594,438 |
| 4 (proposed) | Alaska (HB115)* | 1.5% | \$627,687 | \$40,806,842 |
| 4 | Kansas | 1.7% | \$2,335,804 | \$137,316,497 |
| 5 | New Mexico | 1.7% | \$1,358,702 | \$79,104,093 |
| 6 | Mississippi | 1.7% | \$1,798,699 | \$104,045,259 |
| 7 | Ohio | 1.8% | \$8,950,232 | \$505,950,314 |
| 8 | Oklahoma | 1.8% | \$3,209,442 | \$178,250,475 |
| 9 | Pennsylvania | 1.8% | \$11,735,689 | \$636,857,158 |
| 10 | Alabama | 1.8% | \$3,407,750 | \$184,784,917 |
| 11 | South Carolina | 2.0% | \$3,802,638 | \$187,532,342 |
| 12 | Michigan | 2.1% | \$9,102,052 | \$424,807,490 |
| 13 | Illinois | 2.3% | \$14,618,090 | \$646,789,116 |
| 14 | Arkansas | 2.3% | \$2,616,250 | \$113,923,539 |
| 15 | Colorado | 2.3% | \$6,444,569 | \$277,731,754 |
| 16 | Missouri | 2.3% | \$5,989,938 | \$257,338,334 |
| 17 | Rhode Island | 2.3% | \$1,232,997 | \$52,833,501 |
| 18 | Idaho | 2.4% | \$1,512,792 | \$63,535,406 |
| 19 | Vermont | 2.4% | \$725,778 | \$30,417,564 |
| 20 | Georgia | 2.4% | \$10,005,670 | \$411,721,423 |
| 21 | Kentucky | 2.4% | \$4,163,071 | \$170,755,826 |
| 22 | Nebraska | 2.5% | \$2,274,572 | \$92,048,473 |
| 23 | Iowa | 2.5% | \$3,552,504 | \$143,393,977 |
| -- | Average** | 2.5% | -- | -- |
| 24 | New Jersey | 2.5% | \$13,554,005 | \$537,026,391 |
| 25 | Maryland | 2.5% | \$8,522,346 | \$336,187,435 |
| 26 | Indiana | 2.7% | \$7,484,492 | \$277,628,668 |
| 27 | Wisconsin | 2.7% | \$7,250,974 | \$264,987,588 |
| 28 | Virginia | 2.8% | \$12,028,939 | \$436,349,531 |
| 29 | Montana | 2.8% | \$1,199,097 | \$43,186,928 |
| 30 | Utah | 2.8% | \$3,289,634 | \$117,763,901 |
| 31 | West Virginia | 2.8% | \$1,930,571 | \$67,787,227 |
| 32 | North Carolina | 2.9% | \$11,698,235 | \$409,338,338 |
| 33 | Maine | 2.9% | \$1,639,310 | \$56,893,803 |
| 34 | Hawaii* | 3.0% | \$2,053,370 | \$69,129,101 |
| 35 | Delaware | 3.3% | \$1,502,783 | \$45,057,962 |
| 36 | Connecticut | 3.4% | \$8,331,153 | \$246,709,339 |
| 37 | Massachusetts | 3.5% | \$14,740,007 | \$425,352,524 |
| 38 | Minnesota | 3.8% | \$10,646,465 | \$279,262,704 |
| 39 | California | 3.8% | \$80,716,563 | \$2,103,669,473 |
| 40 | New York | 4.1% | \$47,556,159 | \$1,161,414,144 |
| 41 | Oregon | 4.4% | \$7,682,176 | \$176,401,260 |

* Alaska income tax revenue estimate is based on the Alaska Department of Revenue's FY2019 estimate of \$643 million for HB115, adjusted to FY2016 levels using a growth rate of 0.81 percent (the average growth rate used by the Department for FY2019 to FY2023). Alaska's actual 2015 personal income of nearly \$41.5 billion was reduced by \$654 million to approximate the impact of HB115 in reducing the Permanent Fund Dividend (assuming a reduction from \$2,072 to \$1,100 per person in 2015).

** This is an unweighted average for the 41 states with broad-based personal income taxes.

Source: Analysis by the Institute on Taxation and Economic Policy (ITP) of Calendar Year 2015 state income tax data from the U.S. Census Bureau and personal income data from the Bureau of Economic Analysis (BEA).