

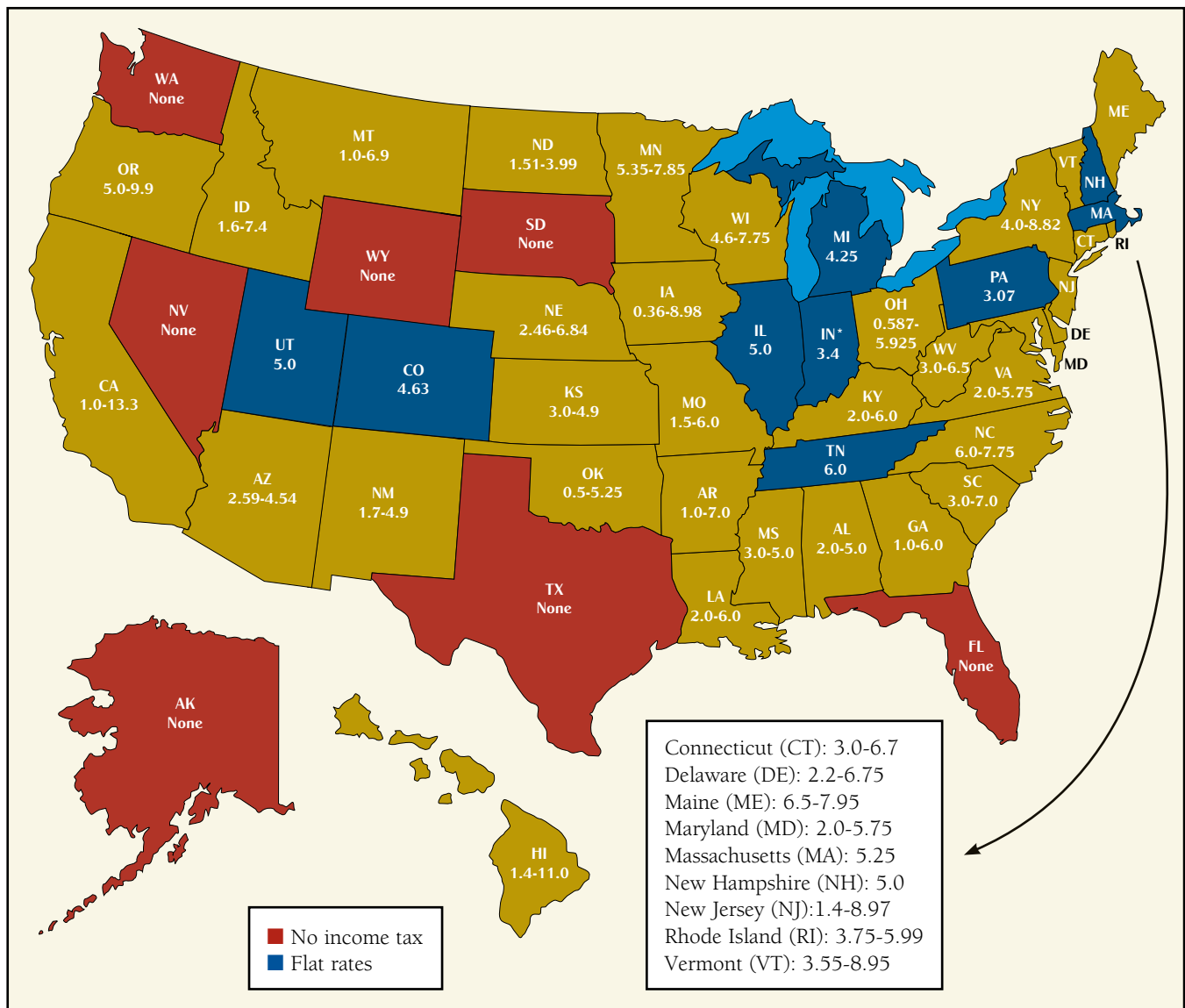
State Income Tax Rates

Comparing tax rates between states is not always an easy task, but the Tax Foundation does as good a job as anyone. Some facts to consider when the topic is income taxes:

- There is no income tax in seven states: Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming
- 34 states have graduated rates
- Nine states have flat tax rates: Indiana, Colorado, Illinois, Massachusetts, Michigan, New Hampshire, Pennsylvania, Tennessee and Utah
- 14 states, including Indiana, have local income taxes. The rates vary from .01% in Oregon on the low end to a high of 1.57% in Maryland

Graduated rates can be misleading. Income levels are very small for those covered by the lowest rates. For a person making \$50,000, for example, the rates are as follows in selected states: California (9.3%), Oregon (9%), Hawaii (8.25%), Iowa (7.92%), Idaho (7.4%) and Minnesota (7.05%).

The Tax Foundation notes that some of the variables in play in different states include tax applying to interest and dividend income only, additional special tax tables for low-income payers, bracket levels adjusted for inflation each year and allowing some or all of federal income tax paid to be deducted from state taxable income.



*Indiana rate of 3.4% prior to any reduction in the 2013 General Assembly session

Source: Tax Foundation