In 2016, state sales tax rates look a lot like they did in 2015. In 2015, 45 states plus the District of Columbia levied a sales tax – the same was true on January 1, 2016. In 2015, five states (Alaska, Delaware, Montana, New Hampshire and Oregon) did not levy a sales tax - the same five states did not levy a sales tax on January 1, 2016. Sales tax rates (or lack thereof) remained the same in 49 states and the District of Columbia on January 1, 2016 over 2015 rates. Those rates range from a low of 2.9 percent in Colorado to a high of 7.5 percent in California, with an average rate 5.65 percent.

From January 1, 2015 to January 1, 2016, Kansas was the only state to institute a sales tax rate change. Kansas legislators passed the tax rate hike in 2015 - from 6.15 percent to 6.5 percent - to address budgetary shortfalls. The increase went into effect on July 1, 2015.

While little has changed since last year, sales tax rates overall have slowly crept up since 2006. In 2006, the same five states (Alaska, Delaware, Montana, New Hampshire and Oregon) did not levy a sales tax. Also in 2006, the lowest sales tax rate was 2.9 percent, in Colorado - the same as in 2016. The highest sales tax rate in 2006 was 7.0 percent - a three way tie in Mississippi, Rhode Island and Tennessee. Relatively similar to the highest rate in 2016: 7.5 percent in California.
However, in 2006, the average sales tax rate (for those 45 states plus the District of Columbia that levied a sales tax) was 5.32 percent – more than 3 percentage points lower than the average in 2016. That’s because from 2006-2016, 19 states increased their sales tax rates. Those increases ranged from less than 0.5 percentage points in six states (Connecticut, Minnesota, Nevada, New Mexico, North Carolina and Ohio) - to the largest rate increase in Virginia, an increase from 4.0 percent to 5.3 percent.

State Sales Tax Rates, 2016

- Alabama: 4 percent
- Alaska: none
- Arizona: 5.6 percent
- Arkansas: 6.5 percent
- California (a): 7.5 percent
- Colorado: 2.9 percent
- Connecticut: 6.35 percent
- Delaware: none
- Dist. of Columbia: 5.75 percent
- Florida: 6 percent
- Georgia: 4 percent
- Hawaii: 4 percent
- Idaho: 6 percent
- Illinois: 6.25 percent
- Indiana: 7 percent
- Iowa: 6 percent
- Kansas: 6.5 percent
- Kentucky: 6 percent
- Louisiana: 4 percent
- Maine: 5.5 percent
- Maryland: 6 percent
- Massachusetts: 6.25 percent
- Michigan: 6 percent
- Minnesota: 6.875 percent
- Mississippi: 7 percent
- Missouri: 4.225 percent
- Montana: none
- Nebraska: 5.5 percent
- Nevada: 6.85 percent
- New Hampshire: none
- New Jersey: 7 percent
- New Mexico: 5.125 percent
- New York: 4 percent
- North Carolina: 4.75 percent
- North Dakota: 5 percent
- Ohio: 5.75 percent
- Oklahoma: 4.5 percent
- Oregon: none
- Pennsylvania: 6 percent
- Rhode Island: 7 percent
South Carolina: 6 percent  
South Dakota: 4 percent  
Tennessee: 7 percent  
Texas: 6.25 percent  
Utah (b): 5.95 percent  
Vermont: 6 percent  
Virginia (c): 5.3 percent  
Washington (d): 6.5 percent  
West Virginia: 6 percent  
Wisconsin: 5 percent  
Wyoming: 4 percent

**SOURCE:** Compiled by the Federal Tax Administrators, Jan. 2016

(a) Rate is scheduled to decrease to 7.25% on 1/1/17.

(b) Includes statewide tax of 1.25 percent levied by local governments in Utah.

(c) Includes statewide 1.0% tax levied by local governments in Virginia.

(d) Washington tax rate may fall to 5.5% on 4/15/16, if state legislature does not act on Initiative 1366.

By:  
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Tags:  