

TABLE 7.16B

State Sales Tax Rates and Vendor Discounts (As of January 1, 2018)

State or other jurisdiction	State sales tax rate (percent)	Rank	Vendor discount (percent)	Max/Min
Alabama	4.0%	41	5.0% - 2.0% (a)	\$400/month (max)
Alaska			N/A	
Arizona	5.6	28	1.0	\$10,000/year (max)
Arkansas	6.5	9	2.0	\$1,000/month (max)
California	7.25	1	None	
Colorado	2.9	46	3.33 (d)	
Connecticut	6.35	12	None	
Delaware			N/A	
Florida	6.0	16	2.5	\$30/report (max)
Georgia	4.0	41	3.0 - 0.5 (a)	
Hawaii	4.0	41	None	
Idaho	6.0	16	None (e)	
Illinois	6.25	13	1.75	\$5/year (min)
Indiana (b)	7.0	2	0.73 (b)	
Iowa	6.0	16	None	
Kansas	6.5	9	None	
Kentucky	6.0	16	1.75 - 1.5 (a)	\$50/month (max)
Louisiana (i)	5.0	32	0.748 (i)	
Maine	5.5	29	None (e)	
Maryland	6.0	16	1.2 - 0.90 (a)	\$500/return (max)
Massachusetts	6.25	13	None	
Michigan	6.0	16	0.5 (f)	\$6/month (min), \$15,000/month (max)
Minnesota	6.875	6	None	
Mississippi	7.0	2	2.0	\$50/month (max)
Missouri	4.225	39	2.0	
Montana			N/A	
Nebraska	5.5	29	2.5	\$75/month (max)
Nevada	6.85	6	0.25	
New Hampshire (k)			N/A	
New Jersey	6.625	8	None	
New Mexico	5.125	31	None	
New York	4.0	41	5.0	\$200/quarter (max)
North Carolina	7.75	35	None	
North Dakota	5.0	32	1.5	\$110/month (max)
Ohio	5.75	26	0.75	
Oklahoma	4.5	37	1.0	\$2,500/month (max)
Oregon			N/A	
Pennsylvania	6.0	16	1.0	\$25/month (min)
Rhode Island	7.0	2	None	
South Carolina	6.0	16	3.0 - 2.0 (a)	\$10,000/year (max)
South Dakota	4.5	37	1.5 (j)	\$70/month (max)
Tennessee	7.0	2	None	
Texas	6.25	13	0.5 (g)	
Utah (c)	4.7	35	1.31	
Vermont	6.0	16	None (e)	
Virginia (c)	4.3	39	1.6 - 0.8 (h)	
Washington	6.5	9	None	
West Virginia	6.0	16	None	
Wisconsin	5.0	32	0.5	\$10/period (min), \$1,000 (max)
Wyoming	4.0	41	1.95 - 1.0 (a)	\$500/month (max)
Dist. of Columbia	5.75	26	None	
U.S. Median	5.75			28 states allow vendor discounts

See footnotes at end of table

TAXES

TABLE 7.16B

State Sales Tax Rates and Vendor Discounts (As of January 1, 2018) (continued)

Source: Compiled by FTA from various sources. January 2018.

Key:

- (a) In some states, the vendors' discount varies by the amount paid. In AL and SC, the larger discounts apply to the first \$100. In GA, the larger discount applies to the first \$3,000. In KY, the larger discounts apply to the first \$1,000, while MD applies the larger discount to annual collections of \$6,000. In WY, the larger discount applies to the first \$6,250. The lower discounts apply to the remaining collections above these amounts.
- (b) Utilities are not permitted to take discount. Collection allowances are 0.73% if total sales tax collected is less than \$60,000; 0.53% if total tax is between \$60,000 and \$600,000; 0.26% if total sales tax collected is more than \$600,000.
- (c) Rate does not include a statewide local rate of 1.0% in VA and 1.25% in UT. In UT, a discount of 1% is applicable to local taxes.
- (d) Local option sales tax discount varies from 0% to 3.33%.
- (e) Vendors are allowed to keep any excess collections prescribed under the bracket system.
- (f) Vendor discount only applies to the first 4.0% of the tax. A 0.75% discount if paid by the 12th of the month.
- (g) An additional discount of 1.25% applies for early payment.
- (h) Discount varies; 1.1% (1.6% for food) of the first \$62,500, 0.84% (1.2% of the amount to \$208,000, and 0.56% (0.8%) of the remainder. Applies to the state tax only. No discount allowed on electronically filed returns.
- (i) On 7/1/18, Louisiana tax rate will decrease to 4% and vendor discount rate will increase to 0.935%.
- (j) Electronic filers only.
- (k) New Hampshire imposes a 9% tax on meals and rooms, with a vendor discount of 3%.