

Table 7.11
STATE INDIVIDUAL INCOME TAXES
(Tax rates for the tax year 2003 - as of January 1, 2003)

| State or other jurisdiction | Tax rate range (in percents) | | Number of brackets | Income brackets | | Personal exemptions | | | Federal income tax deductible |
|-----------------------------|------------------------------|------------|--------------------|-----------------------|---------------|---------------------|------------|------------|-------------------------------|
| | Low | High | | Low | High | Single | Married | Dependents | |
| Alabama | 2.0 | - 5.0 | 3 | 500 (b) | - 3,000 (b) | 1,500 | 3,000 | 300 | ★ |
| Alaska | | | | ----- (x) ----- | | | | | ... |
| Arizona | 2.87 | - 5.04 | 5 | 10,000 (b) | - 150,000 (b) | 2,100 | 4,200 | 2,300 | ... |
| Arkansas (a) | 1.0 | - 6.5 (e) | 6 | 2,999 | - 25,000 | 20 (c) | 40 (c) | 20 (c) | ... |
| California (a) | 1.0 | - 9.3 | 6 | 5,834 (b) | - 38,291 (b) | 80 (c) | 160 (c) | 251 (c) | ... |
| Colorado | 4.63 | | 1 | ----- Flat rate ----- | | ----- None ----- | | | ... |
| Connecticut | 3.0 | - 4.5 | 2 | 10,000 (b) | - 10,000 (b) | 12,000 (f) | 24,000 (f) | 0 | ... |
| Delaware | 2.2 | - 5.95 | 7 | 5,000 | - 60,000 | 110 (c) | 220 (c) | 110 (c) | ... |
| Florida | | | | ----- (x) ----- | | | | | ... |
| Georgia | 1.0 | - 6.0 | 6 | 750 (g) | - 7,000 (g) | 2,700 | 5,400 | 2,700 | ... |
| Hawaii | 1.4 | - 8.25 | 8 | 2,000 (b) | - 40,000 (b) | 1,040 | 2,080 | 1,040 | ... |
| Idaho | 1.6 | - 7.8 | 8 | 1,087 (h) | - 21,730 (h) | 3,000 (d) | 6,000 (d) | 3,000 (d) | ... |
| Illinois | 3.0 | | 1 | ----- Flat rate ----- | | 2,000 | 4,000 | 2,000 | ... |
| Indiana | 3.4 | | 1 | ----- Flat rate ----- | | 1,000 | 2,000 | 1,000 | ... |
| Iowa (a) | 0.36 | - 8.98 | 9 | 1,211 | - 54,495 | 40 (c) | 80 (c) | 40 (c) | ★ |
| Kansas | 3.5 | - 6.45 | 3 | 15,000 (b) | - 30,000 (b) | 2,250 | 4,500 | 2,250 | ... |
| Kentucky | 2.0 | - 6.0 | 5 | 3,000 | - 8,000 | 20 (c) | 40 (c) | 20 (c) | ... |
| Louisiana | 2.0 | - 6.0 | 3 | 10,000 (b) | - 50,000 (b) | 4,500 (i) | 9,000 (i) | 1,000 (i) | ★ |
| Maine (a) | 2.0 | - 8.5 | 4 | 4,200 (b) | - 16,700 (b) | 4,700 | 7,850 | 1,000 | ... |
| Maryland | 2.0 | - 4.75 | 4 | 1,000 | - 3,000 | 2,400 | 4,800 | 2,400 | ... |
| Massachusetts | 5 | | 1 | ----- Flat rate ----- | | 4,400 | 8,800 | 1,000 | ... |
| Michigan (e) | 4.0 (j) | | 1 | ----- Flat rate ----- | | 3,000 | 6,000 | 3,000 | ... |
| Minnesota (a) | 5.35 | - 7.85 | 3 | 18,710 (k) | - 61,461 (k) | 3,000 (d) | 6,000 (d) | 3,000 (d) | ... |
| Mississippi | 3.0 | - 5.0 | 3 | 5,000 | - 10,000 | 6,000 | 12,000 | 1,500 | ... |
| Missouri | 1.5 | - 6.0 | 10 | 1,000 | - 9,000 | 2,100 | 4,200 | 2,100 | ★ (s) |
| Montana (a) | 2.0 | - 11.0 | 10 | 2,200 | - 75,400 | 1,720 | 3,440 | 1,720 | ★ |
| Nebraska (a) | 2.56 | - 6.84 | 4 | 2,400 (l) | - 26,500 (l) | 94 (c) | 188 (c) | 94 (c) | ... |
| Nevada | | | | ----- (x) ----- | | | | | ... |
| New Hampshire | | | | ----- (y) ----- | | | | | ... |
| New Jersey | 1.4 | - 6.37 | 6 | 20,000 (m) | - 75,000 (m) | 1,000 | 2,000 | 1,500 | ... |
| New Mexico | 1.7 | - 8.2 | 7 | 5,500 (n) | - 65,000 (n) | 3,000 (d) | 6,000 (d) | 3,000 (d) | ... |
| New York | 4.0 | - 6.85 | 5 | 8,000 (b) | - 20,000 (b) | 0 | 0 | 1,000 | ... |
| North Carolina (o) | 6.0 | - 8.25 | 4 | 12,750 (o) | - 120,000 (o) | 3,000 (d) | 6,000 (d) | 3,000 (d) | ... |
| North Dakota | 2.1 | - 5.54 (p) | 5 | 27,050 (p) | - 297,350 (p) | 3,000 (d) | 6,000 (d) | 3,000 (d) | (p) |
| Ohio (a) | 0.743- | 7.5 (q) | 9 | 5,000 | - 200,000 | 1,200 (q) | 2,400 (q) | 1,200 (q) | ... |
| Oklahoma | 0.5 | - 7.0 (r) | 8 | 1,000 | - 10,000 | 1,000 | 2,000 | 1,000 | ★ (r) |
| Oregon (a) | 5.0 | - 9.0 | 3 | 2,500 (b) | - 6,250 (b) | 145 (c) | 290 (c) | 145 (c) | ★ (s) |
| Pennsylvania | 2.8 | | 1 | ----- Flat rate ----- | | ----- None ----- | | | ... |
| Rhode Island | | | | ----- (t) ----- | | | | | ... |
| South Carolina (e) | 2.5 | - 7.0 | 6 | 2,400 | - 12,000 | 3,000 (d) | 6,000 (d) | 3,000 (d) | ... |
| South Dakota | | | | ----- (x) ----- | | | | | ... |
| Tennessee | | | | ----- (y) ----- | | | | | ... |
| Texas | | | | ----- (x) ----- | | | | | ... |
| Utah (a) | 2.3 | - 7.0 | 6 | 863 (b) | - 4,313 (b) | 2,250 (d) | 4,500 (d) | 2,250 (d) | ★ (u) |
| Vermont | 3.6 | - 9.5 | 5 | 27,950 (v) | - 307,050 (v) | 3,000 (d) | 6,000 (d) | 3,000 (d) | ... |
| Virginia | 2.0 | - 5.75 | 4 | 3,000 | - 17,000 | 800 | 1,600 | 800 | ... |
| Washington | | | | ----- (x) ----- | | | | | ... |
| West Virginia | 3.0 | - 6.5 | 5 | 10,000 | - 60,000 | 2,000 | 4,000 | 2,000 | ... |
| Wisconsin | 4.6 | - 6.75 (w) | 4 | 8,280 | - 124,200 | 700 | 1,400 | 400 | ... |
| Wyoming | | | | ----- (x) ----- | | | | | ... |
| Dist. of Columbia | 4.5 | - 8.7 (z) | 3 | 10,000 | - 40,000 | 1,370 | 2,740 | 1,370 | ... |

See footnotes at end of table.

TAXES

STATE INDIVIDUAL INCOME TAXES — Continued

Source: The Federation of Tax Administrators from various sources, January 2003.

★ — Yes

... — No

(a) Eight states have statutory provision for automatic adjustment of tax brackets, personal exemption or standard deductions to the rate of inflation. Arkansas, Michigan, Nebraska and Ohio indexes the personal exemption amounts only.

(b) For joint returns, the taxes are twice the tax imposed on half the income.

(c) Tax credits.

(d) These states allow personal exemption or standard deductions as provided in the Internal Revenue Code. Utah allows a personal exemption equal to three-fourths the federal exemptions.

(e) A special tax table is available for low income taxpayers reducing their tax payments.

(f) Combined personal exemptions and standard deduction. An additional tax credit is allowed ranging from 75 percent to 0 percent based on state adjusted gross income. Exemption amounts are phased out for higher income taxpayers until they are eliminated for households earning over \$54,500.

(g) The tax brackets reported are for single individuals. For married households filing separately, the same rates apply to income brackets ranging from \$500 to \$5,000; and the income brackets range from \$1,000 to \$10,000 for joint filers.

(h) For joint returns, the tax is twice the tax imposed on half of the income. A \$10 filing tax is charged for each return and a \$15 credit is allowed for each exemption.

(i) Combined personal exemption and standard deduction.

(j) Tax rate scheduled to decrease to 3.9 percent for tax years after 2003.

(k) The tax brackets reported are for single individual. For married couples filing jointly, the same rates apply for income under \$27,350 to over \$108,661.

(l) The tax brackets reported are for single individuals. For married couples filing jointly, the same rates apply for income under \$4,000 to over \$46,750.

(m) The tax brackets reported are for single individuals. For married individuals filing jointly, the same rates apply for income under \$20,000 to over \$150,000.

(n) The tax brackets reported are for single individuals. For married couples filing jointly, the same rates apply for income under \$8,000 to over \$100,000. Married households filing separately pay the tax imposed on half the income.

(o) The tax brackets reported are for single individuals. For married taxpayers, the same rates apply to income brackets ranging from \$21,250 to \$200,000. Lower exemption amounts allowed for high income taxpayers. Tax rates scheduled to decrease after year 2003.

(p) Rates reported are for short form filers. Long form filers rates range from 2.67 percent for income under \$3,000 to 12 percent over \$50,000. Long form filers only can deduct federal income taxes. An additional \$300 personal exemption is allowed for joint returns or unmarried head of households.

(q) Plus an additional \$20 per exemption tax credit. Rates are for tax year 2002, the 2003 rates will not be determined until July, 2003.

(r) The rate range reported is for single persons not deducting federal income tax. For married persons filing jointly, the same rates apply to income brackets ranging from \$2,000 to \$21,000. Separate schedules, with rates ranging from 0.5 percent to 10 percent, apply to taxpayers deducting federal income taxes.

(s) Deduction is limited to \$10,000 for joint returns and \$5,000 for individuals in Missouri and to \$5,000 in Oregon.

(t) Federal income tax liability prior to the Economic Growth and Tax Relief Act of 2001.

(u) One half of the federal income taxes are deductible.

(v) The tax brackets reported are for single individuals. For married couples filing jointly, the same rates apply for income under \$46,700 to over \$307,050.

(w) The tax brackets reported are for single individuals. For married taxpayers, the same rates apply to income brackets ranging from \$11,040 to \$165,600. An additional \$250 exemption is provided for each taxpayer or spouse age 65 or over.

(x) No state income tax.

(y) State income tax is limited to dividends and interest income only.

(z) Tax rate decreases are scheduled for tax years 2004.