

# DATA FROM THE INSTITUTE FOR TAXATION AND ECONOMIC POLICY

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With comparisons to the Tax Foundation

SOURCES;

<https://itep.org/whopays/>

<https://taxfoundation.org/2023-state-business-tax-climate-index/>

# WHO PAYS?

A DISTRIBUTIONAL ANALYSIS OF  
THE TAX SYSTEMS IN ALL 50 STATES

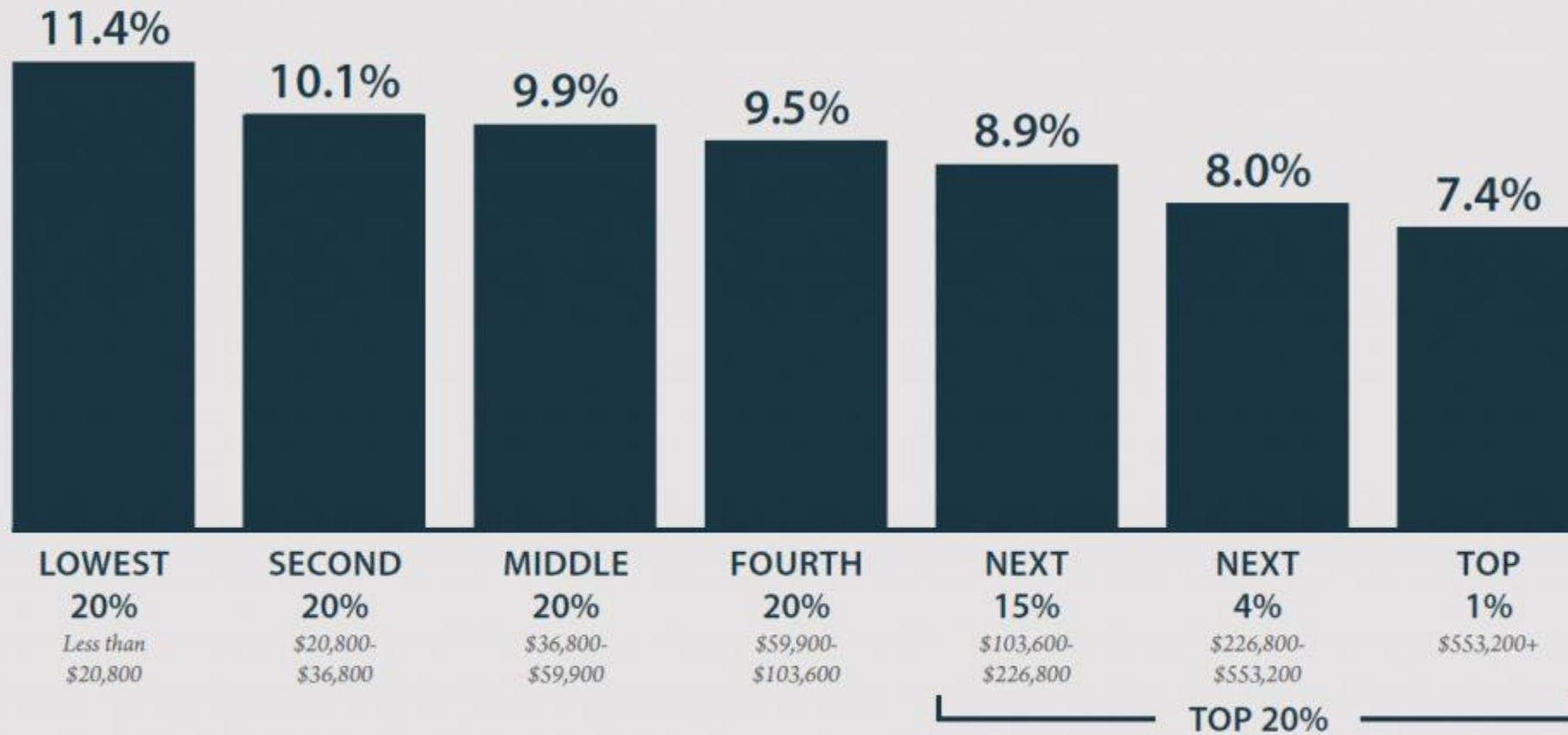


SIXTH EDITION  
OCTOBER 2018

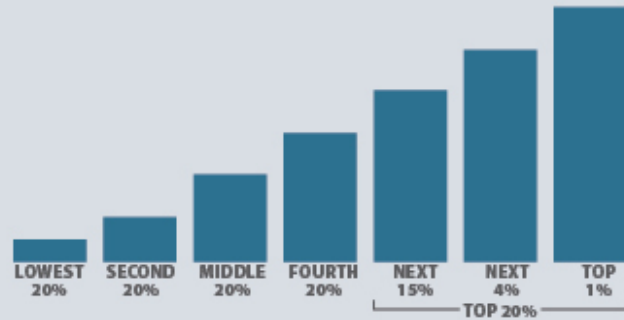


## AVERAGE EFFECTIVE STATE AND LOCAL TAX RATES IN THE U.S.

*Percentage of Total State and Local Taxes as a Share of Income for non-elderly residents*

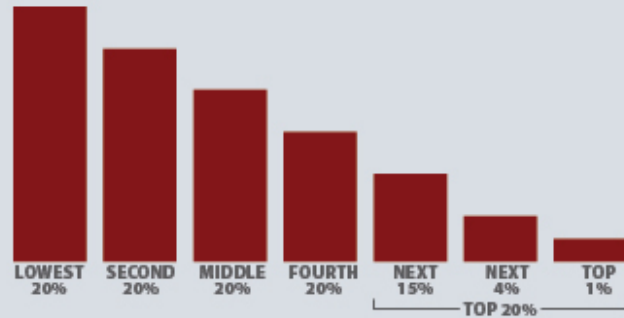


## PROGRESSIVE, REGRESSIVE, OR PROPORTIONAL?



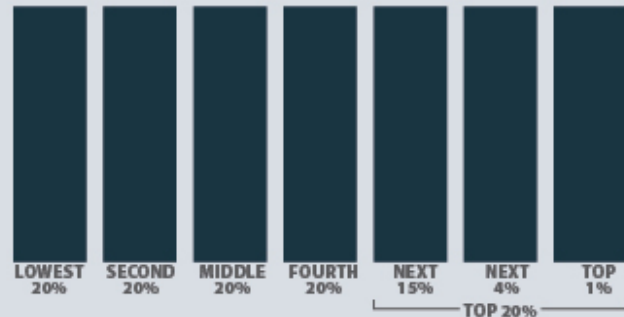
### A PROGRESSIVE TAX

A progressive tax is one in which upper-income families pay a larger share of their incomes in tax than do those with lower incomes.



### A REGRESSIVE TAX

A regressive tax requires the poor and middle-income to pay a larger share of their incomes in taxes than the rich.



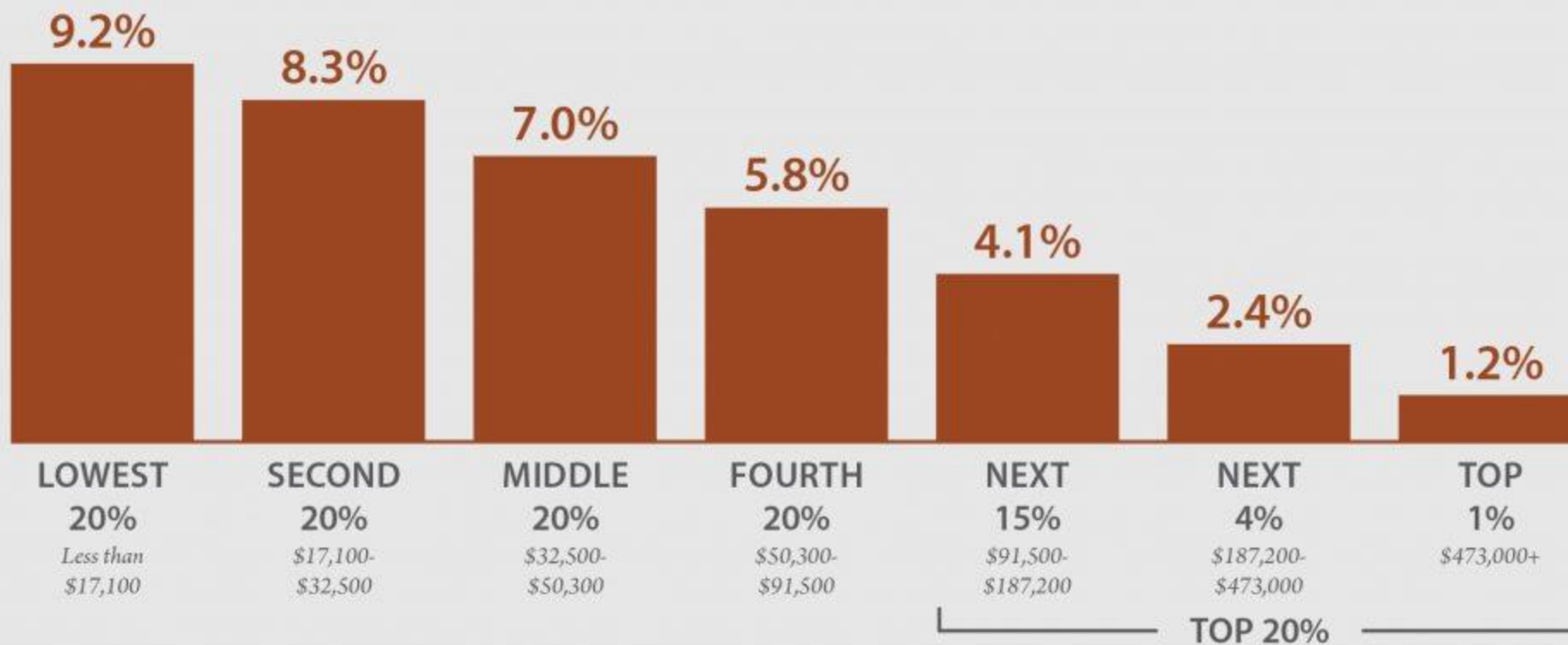
### A PROPORTIONAL TAX

A proportional tax takes the same percentage of income from everyone, regardless of how much or how little they earn.



## SALES & EXCISE TAXES IN LOUISIANA

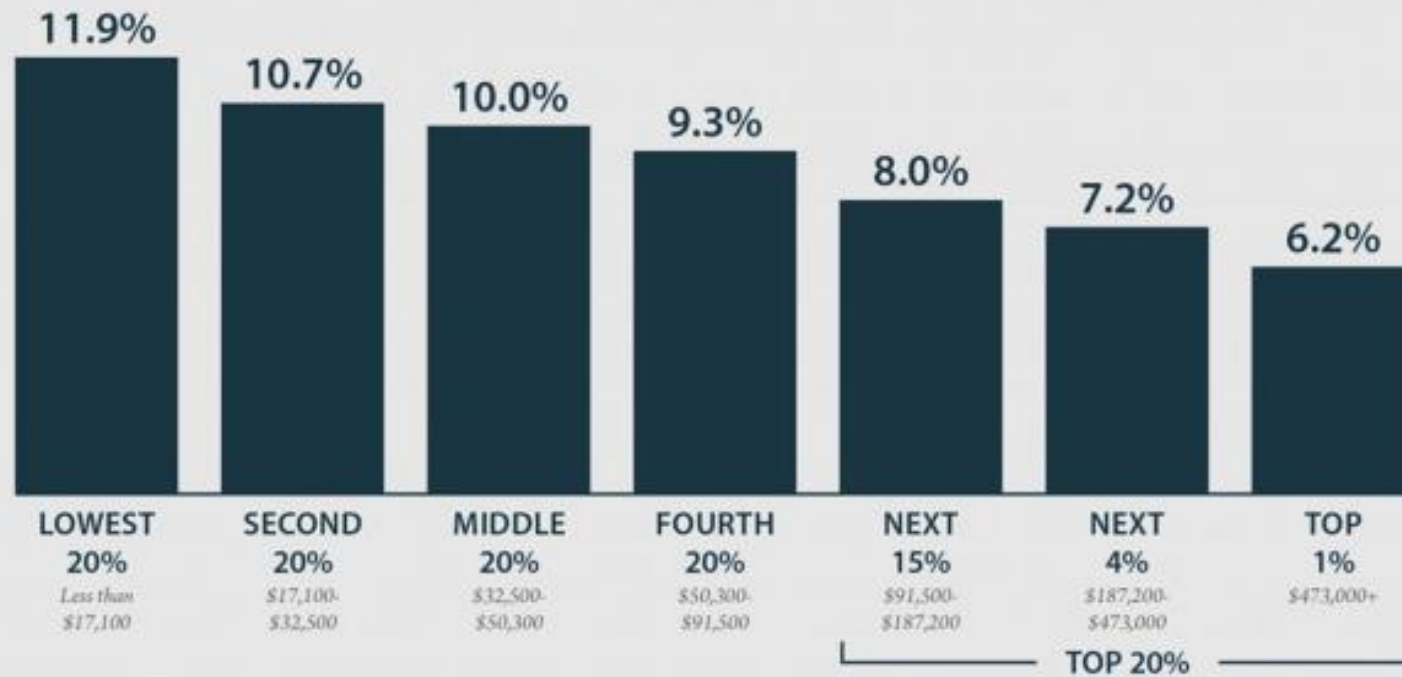
*Share of Family Income*



## TOTAL STATE AND LOCAL TAXES IN LOUISIANA

Share of Family Income

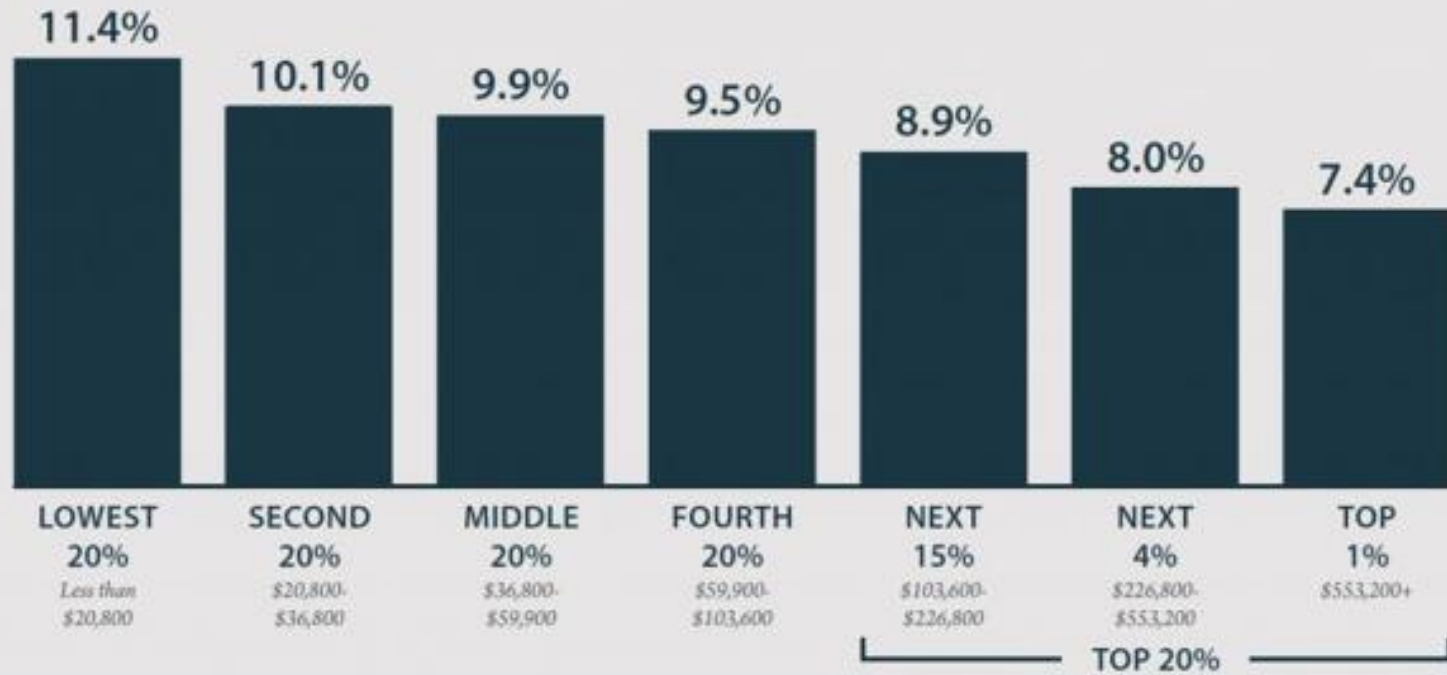
REGRESSIVE





## AVERAGE EFFECTIVE STATE AND LOCAL TAX RATES IN THE U.S.

*Percentage of Total State and Local Taxes as a Share of Income for non-elderly residents*



# COMPARISON WITH TAX FOUNDATION

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# THE TEN BEST/WORST STATES

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- *Tax Foundation: Best*

1. [Wyoming](#)
2. [South Dakota](#)
3. [Alaska](#)
4. [Florida](#)
5. [Montana](#)
6. [New Hampshire](#)
7. [Nevada](#)
8. [Utah](#)
9. [Indiana](#)
10. [North Carolina](#)

- *ITEP: Worst*

1. Washington
2. Texas
3. Florida
4. South Dakota
5. Nevada
6. Tennessee
7. Pennsylvania
8. Illinois
9. Oklahoma
10. Wyoming

# THE TEN WORST/BEST STATES

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- Tax Foundation: Worst

- 1. Alabama
- 2. Rhode Island
- 3. Hawaii
- 4. Vermont
- 5. Minnesota
- 6. Maryland
- 7. Connecticut
- 8. California
- 9. New York
- 10. New Jersey

- ITEP: Best

- 1. California
- 2. District of Columbia
- 3. Vermont
- 4. Delaware
- 5. Minnesota
- 6. New Jersey
- 7. Maine
- 8. New York
- 9. Montana
- 10. Maryland

# CONVERGENCE!

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- MONTANA –Tax Foundation #5, ITEP # 9
- Also UTAH—Tax Foundation #8, ITEP # 11.

## TOTAL STATE AND LOCAL TAXES IN MONTANA

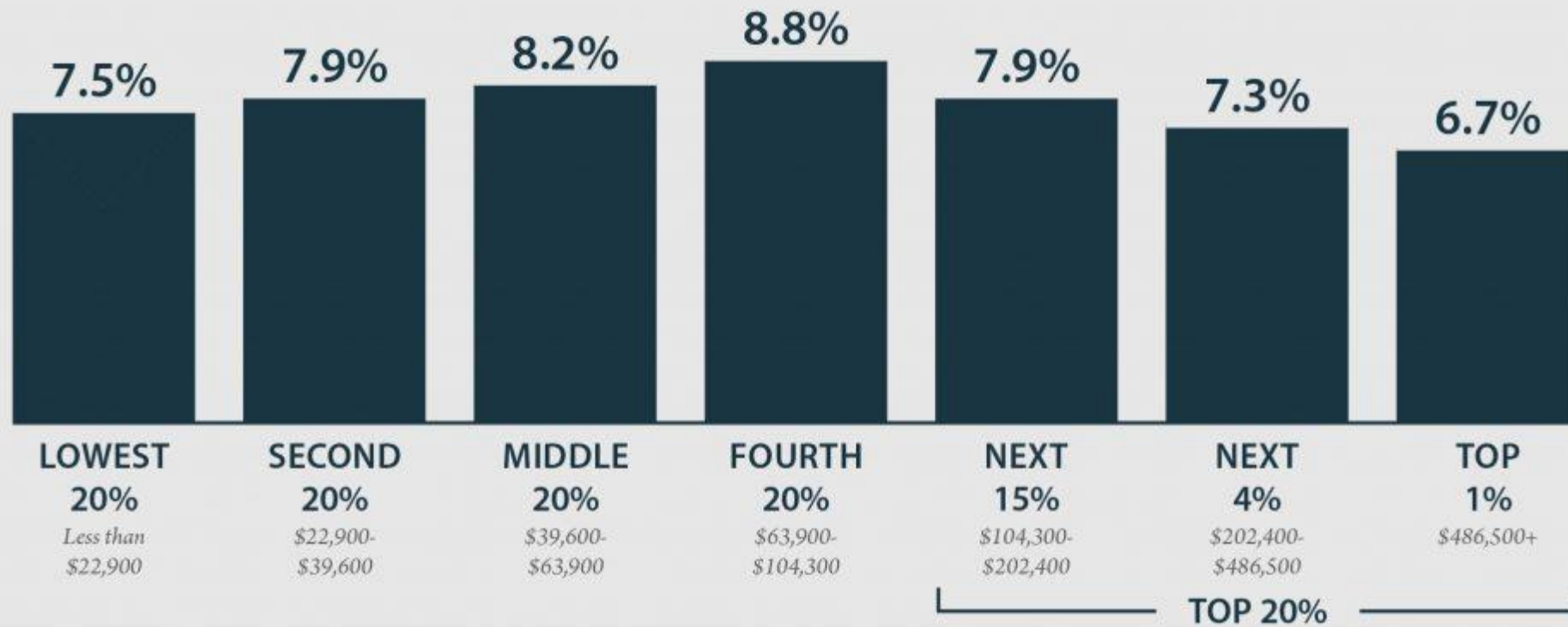
*Share of Family Income*



# TOTAL STATE AND LOCAL TAXES IN UTAH

Share of Family Income

REGRESSIVE



# CONCLUDING SUMMARY AND QUESTION

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- PROPORTIONALITY AS A POSSIBLE DEFINITION OF FAIRNESS
- CONSIDER ENSEMBLE OF TAXES
- QUESTION: IS REVENUE NEUTRALITY ADEQUATE, GIVEN THE CRISES WE FACE IN STATE FUNDING??