

State Individual Income Tax Rates

Local Rates Excluded

As of December 31, 2006 (except where noted)

(2006's noteworthy changes in bold italics)

| State | Federal Deductibility | Marginal Rates and Tax Brackets for Single Filers (a) | Standard Deduction | | Personal Exemptions (b) | |
|------------|-----------------------|---|--------------------|--------------|-------------------------|---------------|
| | | | Single | Joint | Single | Dependents |
| Alabama | Yes (t) | 2% > \$0 4% > \$500 5% > \$3K | \$2,000 | \$4,000 | \$1,500 | \$300 |
| Alaska | No | None | n.a. | n.a. | n.a. | n.a. |
| Arizona | No | 2.73% > \$0 3.04% > \$10K 3.55% > \$25K 4.48% > \$50K 4.79% > \$150K | \$4,247 (r) | \$8,494 (r) | \$2,100 | \$2,300 |
| Arkansas | No | 1% > \$0 2.5% > \$3,600 3.5% > \$7,200 4.5% > \$10,800 6% > \$18,000 7% > \$30,100 (k) (r) (y) | \$2,000 | \$4,000 | \$22 (c) | \$ 22 (c) |
| California | No | 1.0 > \$0 2% > \$6,622 4% > \$15,698 6% > \$24,776 8% > \$34,394 9.3% > \$43,467 10.3% > \$1,000,000 (r) (y) | \$3,410 (r) | \$ 6,820 (r) | \$ 91 (c)(r) | \$ 285 (c)(r) |
| Colorado | No | 4.63% of federal taxable income. | n.a. | n.a. | n.a. | n.a. |
| Conn. | No | 3.0% > \$0 5.0% > \$10K | n.a. | n.a. | \$12,625 (e) | \$0 |
| Delaware | No | 2.2% > \$2K 3.9% > \$5K 4.8% > \$10K 5.2% > \$20K 5.55% > \$25K 5.95% > \$60K (y) | \$3,250 | \$6,500 | \$110 (c) | \$110 (c) |
| Florida | No | None | n.a. | n.a. | n.a. | n.a. |

| | | | | | | |
|----------|-----|---|----------------|-----------------|--------------------|-----------------|
| Georgia | No | 1% > \$0 2% > \$750 3% > \$2,250 4% > \$3,750 5% > \$5,250 6% > \$7K (y) | \$2,300 | \$3,000 | \$2,700 | \$3,000 |
| Hawaii | No | 1.4% > \$0 3.2% > \$2K 5.5% > \$4K 6.4% > \$8K 6.8% > \$12K 7.2% > \$16K 7.6% > \$20K 7.9% > \$30K 8.25% > \$40K | \$1,500 | \$1,900 | \$1,040 | \$1,040 |
| Idaho | No | 1.6% > \$0 3.6% > \$1,198 4.1% > \$2,396 5.1% > \$3,594 6.1% > \$4,793 7.1% > \$5,991 7.4% > \$8,986 7.8% > \$23,963 (r) | \$5,150 (s) | \$10,300 (s) | \$3,300 (s) (g) | \$3,300 (s) (g) |
| Illinois | No | 3% of federal adjusted gross income with modification. | n.a. | n.a. | \$2,000 | \$2,000 |
| Indiana | No | 3.4% of federal adjusted gross income with modification. | n.a. | n.a. | \$1,000 | \$1,000 (i) |
| Iowa | Yes | 0.36% > \$0 0.72% > \$1,300 2.43% > \$2,600 4.5% > \$5,200 6.12% > \$11,700 6.48% > \$19,500 6.8% > \$26,000 7.92% > \$39,000 8.98% > \$58,500 (r) (y) | \$1,650 (r) | \$4,060 (r) | \$40 (c) | \$40 (c) |

| | | | | | | |
|-------------|-----|--|----------------|-----------------|-----------------|-----------------|
| Kansas | No | 3.5% > \$0 6.25% > \$15K 6.45% > \$30K | \$3,000 | \$6,000 | \$2,250 | \$2,250 |
| Kentucky | No | 2% > \$0 3% > \$3K 4% > \$4K 5% > \$5K 5.8% > \$8K 6% > \$75K (y) | \$1,970 (r) | \$1,970 (r) | \$ 20 (c) | \$ 20 (c) |
| Louisiana | Yes | 2% > \$0 4% > \$12,500 6% > \$25,000 | n.a. | n.a. | \$ 4,500 (l) | \$1,000 |
| Maine | No | 2% > \$0 4.5% > \$4,450 7% > \$9,100 8.5% > \$18,250 (r) | \$5,150 (r) | \$8,600 (r) | \$2,850 | \$2,850 |
| Maryland | No | 2% > \$0 3% > \$1K 4% > \$2K 4.75% > \$3K (y) | \$2,000 (m) | \$4,000 (m) | \$2,400 | \$2,400 |
| Mass. | No | 5.3% and 12% (f) | n.a. | n.a. | \$3,850 | \$1,000 |
| Michigan | No | 3.9% of federal adjusted gross income with modification. | n.a. | n.a. | \$3,300 (s) | \$3,300 (s) (v) |
| Minnesota | No | 5.35% > \$0 7.05% > \$21,510 7.85% > \$67,360 (r) (y) | \$5,150 (s) | \$10,300 (s) | \$ 3,300 (s) | \$ 3,300 (s) |
| Mississippi | No | 3% > \$0 4% > \$5K 5% > \$10K (y) | \$2,300 | \$4,600 | \$6,000 | \$1,500 |

| | | | | | | |
|----------------|-------------|---|----------------|-----------------|---------------------|------------------|
| Missouri | Yes (u) (t) | 1.5% > \$0 2% > \$1K 2.5% > \$2K 3% > \$3K 3.5% > \$4K 4% > \$5K 4.5% > \$6K 5% > \$7K 5.5% > \$8K 6% > \$9K (y) | \$5,150 (s) | \$10,300 (s) | \$2,100 | \$1,200 |
| Montana | Yes (w) | 1% > \$0 2% > \$2,400 3% > \$4,300 4% > \$6,500 5% > \$8,800 6% > \$11,300 6.9% > \$14,500 (r) (y) | \$3,710 (r) | \$7,420 (r) | \$1,980 (r) | \$1,980 (r) |
| Nebraska | No | 2.56% > \$0 3.57% > \$2,400 5.12% > \$17,500 6.84% > \$27K (x) (y) | \$5,130 (r) | \$8,580 (r) | \$106 (c)(n) | \$ 106 (c)(n) |
| Nevada | No | None | n.a. | n.a. | n.a. | n.a. |
| New Hampshire | No | 5% > \$0 (h) | \$2,400 | \$4,800 | n.a. | n.a. |
| New Jersey | No | 1.4% > \$0 1.75% > \$20K 3.5% > \$35K 5.525% > \$40K 6.37% > \$75K 8.97% > \$500K (y) | n.a. | n.a. | \$1,000 | \$1,500 |
| New Mexico | No | 1.7% > \$0 3.2% > \$5,500 4.7% > \$11K 5.3% > \$16K (y) | \$5,150 (s) | \$10,300 (s) | \$3,300 (s) | \$3,300 (s) |
| New York | No | 4% > \$0 4.5% > \$8K 5.25% > \$11K 5.9% > \$13K 6.85% > \$20K | \$7,500 | \$15,000 | n.a. | \$1,000 |
| North Carolina | No | 6% > \$0 7% > \$12,750 | \$3,000 | \$6,000 | \$ 1,300 (o) (r) | \$ 1,300 (o) (r) |

| | | | | | | |
|----------------|---------|--|----------------|-----------------|--------------------|-----------------|
| | | 7.75% > \$60K 8.25% > \$120K (y) (dd) | | | | |
| North Dakota | No | 2.1% > \$0 3.92% > \$30,650 4.34% > \$74,200 5.04% > \$154,800 5.54% > \$336,550 (r) (y) | \$5,150 (s) | \$10,300 (s) | \$3,300 (s) | \$3,300 (s) |
| Ohio | No | 0.681% > \$0 1.361% > \$5K 2.722% > \$10K 3.403% > \$15K 4.083% > \$20K 4.764% > \$40K 5.444% > \$80K 6.32% > \$100K 6.87% > \$200K (y) | n.a. | n.a. | \$1,400 (g) (r) | \$1,400 (g) (r) |
| Oklahoma | No (d) | 0.5% > \$0 1% > \$1K 2% > \$2,500 3% > \$3,750 4% > \$4,900 5% > \$7,200 6.25% > \$8,700 (y) | \$2,000 | \$3,000 | \$1,000 | \$1,000 |
| Oregon | Yes (z) | 5% > \$0 7% > \$2,750 9% > \$6,850 (r) | \$1,840 (r) | \$3,685 (r) | \$159 (c)(r) | \$159 (c)(r) |
| Penn. | No | 3.07% > \$0 | n.a. | n.a. | n.a. | n.a. |
| Rhode Island | No | 3.75% > \$0 7% > \$30,600 7.75% > \$74,200 9% > \$154,800 9.9% > \$336,550 (y) (aa) | \$5,150 (s) | \$8,600 (s) | \$3,300 (s) | \$3,300 (s) |
| South Carolina | No | 2.5% > \$0 3% > \$2,570 4% > \$5,140 5% > \$7,710 6% > \$10,280 | \$5,150 (s) | \$10,300 (s) | \$3,300 (s) | \$3,300 (s) |

7% > \$12,850 (r)
(y)

| | | | | | | |
|---------------|----------|---|----------------|-----------------|----------------|----------------|
| South Dakota | No | None | n.a. | n.a. | n.a. | n.a. |
| Tenn. | No | 6% > \$0 (h) | n.a. | n.a. | \$1,250 | n.a. |
| Texas | No | None | n.a. | n.a. | n.a. | n.a. |
| Utah | Yes (bb) | 2.3% > \$0 3.3% > \$1,000 4.2% > \$2,000 5.2% > \$3,000 6% > \$4,000 6.98% > \$5,500 (cc) | \$5,150 (s) | \$10,300 (s) | \$2,475 (q) | \$2,475 (q) |
| Vermont | No | 3.6% > \$0 7.2% > \$30,650 8.5% > \$74,200 9% > \$154,800 9.5% > \$336,550 (r) (y) | \$5,150 (s) | \$10,300 (s) | \$3,300 (s) | \$3,300 (s) |
| Virginia | No | 2% > \$0 3% > \$3K 5% > \$5K 5.75% > \$17K (y) | \$3,000 | \$6,000 | \$900 | \$900 |
| Wash. | No | None | n.a. | n.a. | n.a. | n.a. |
| West Virginia | No | 3% > \$0 4% > \$10K 4.5% > \$25K 6% > \$40K 6.5% > \$60K (y) | n.a. | n.a. | \$2,000 | \$2,000 |
| Wisconsin | No | 4.60% > \$0 6.15% > \$9,160 6.50% > \$18,320 6.75% > \$137,410 (r) (y) | \$8,460 (j) | \$15,240 (j) | \$700 | \$700 |
| Wyoming | No | None | n.a. | n.a. | n.a. | n.a. |
| D.C. | No | 4.5% > \$0 7% > \$10K 8.7% > \$40K (y) | \$2,500 | \$2,500 | \$1,500 | \$1,500 |

Note: Bold, Italics indicate notable tax changes.

(a) Applies to single taxpayers and married people filing separately. Most states double brackets for married filing joint.

(b) Married-joint filers generally receive double the single exemption.

(c) Tax Credit.

(d) Federal deductibility repealed.

- (e) Maximum equals \$12,625. Value decreases as income increases and phases completely out at \$37,250 for a single taxpayer. A credit is also offered that is equal to a percentage of tax owed and decreases as income increases. Phases completely out at \$55,000.
- (f) The 12% rate applies to short-term capital gains, long- and short-term capital gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes. Taxpayers have the choice of paying an optional higher rate of 5.85%.
- (g) Taxpayers receive a \$20 tax credit per exemption in addition to the normal exemption amount. Called the Grocery Credit in Idaho.
- (h) Applies to interest and dividend income only.
- (i) Additional \$1,500 dependent child exemption.
- (j) Deduction phases out to zero for single filers at \$82,500 and joint filers at \$94,175.
- (k) Rates apply to regular tax table. A special tax table is available for low-income taxpayers that reduces their tax payments.
- (l) Standard deduction and personal exemptions are combined: \$4,500 for single and married filing separately; \$9,000 married filing jointly and head of household.
- (m) The standard deduction is 15 percent of income with a minimum of \$1,500 and a cap of \$2,000 for single filers, married filing separately filers and dependent filers earning more than \$13,333. The standard deduction is capped at \$4,000 for married filing jointly filers, head of households filers and qualifying widowers earning more than \$26,667.
- (n) The \$106 personal exemption credit no longer phases out for filers with higher adjusted gross incomes.
- (o) Exemptions are based on federal Adjusted Gross Income (AGI) and are adjusted according to income and filing status. Taxpayer's filing single with AGI less than \$60,000 receive \$800 per exemption, if they earn over \$60,000 they get \$1,300 per exemption. Taxpayers married filing jointly with AGI under \$100,000 get \$1,600 per exemption and \$2,600 for AGI over \$100,00.
- (q) Three-fourths federal exemption.
- (r) Indexed for Inflation.
- (s) Deductions and exemptions tied to federal tax system. Federal deductions and exemptions are indexed for inflation.
- (t) Residents should deduct the federal income tax liability as shown on their 2006 federal income tax return.
- (u) If you checked Box A, B, D, E, F, or G on Line 9, your federal tax deduction is limited to \$5,000. If you checked Box C on Line 9, your federal tax deduction is limited to \$10,000.
- (v) Additional \$600 exemption per dependent under 18 years old.
- (w) Available only if itemizing deductions.
- (x) If adjusted gross income is \$150,500 or more (\$75,250 if married filing separate), Nebraska itemized deductions are reduced and marginal tax rates are phased out.
- (y) Brackets are not double for married taxpayers. California's \$1,000,000 bracket not doubled. New Jersey adds additional bracket for married taxpayers in addition to not doubling all brackets.
- (z) Deduction limited to no more than \$5,000.
- (aa) Taxpayers calculate tax under an 8% flat tax system as well and pay the lesser of the liability under the flat tax or the traditional system.
- (bb) Half of federal income tax deductible.
- (cc) In 2007 an optional 5.35% flat tax will be available.
- (dd) North Carolina will finally allow the expiration of the temporary increase of its top income tax rate as of January 1, 2008 when the top rate will return to 7.75 percent.

Source: Tax Foundation and state tax forms and instructions.