

State Individual Income Tax Rates, 2008

Local Rates Excluded

As of Jan 1, 2008 (except where noted)
(2008's noteworthy changes in bold)

State	Federal Deductibility	Marginal Rates and Tax Brackets for Single Filers (a)	Standard Deduction		Personal Exemptions	
			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	2.59% > \$0 2.88% > \$10K 3.36% > \$25K 4.24% > \$50K 4.54% > \$150K	\$5,450 (r)	\$10,890 (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% > \$6,828 4% > \$16,186 6% > \$25,545 8% > \$35,461 9.3% > \$44,815 10.3% > \$1,000,000 (r), (y)	\$3,516 (r)	\$7,032 (r)	\$94 (c)(r)	\$294 (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% > \$10,000	n.a	n.a	\$12,625	\$0
Delaware	No	2.2% > \$2,000 3.9% > \$5,000 4.8% > \$10,000 5.2% > \$20,000 5.55% > \$25,000 5.95% > \$60,000 (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% > \$7,000 (y)	\$2,300	\$3,000	\$2,700	\$3,000
Hawaii	No	1.4% > \$0 3.2% > \$2,400 5.5% > \$4,800 6.4% > \$9,600 6.8% > \$14,400 7.2% > \$19,200 7.6% > \$24,000 7.9% > \$36,000 8.25% > \$48,000	\$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	\$5,350 (s)	\$10,700 (s)	\$3,400 (s) (g)	\$3,400 (s) (g)

7.8% > \$23,963 (r)

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	1000 (i)
Iowa	Yes	0.36% > \$0 0.72% > \$1,343 2.43% > \$2,686 4.5% > \$5,372 6.12% > \$12,087 6.48% > \$20,145 6.8% > \$26,860 7.92% > \$40,290 8.98% > \$60,435 (r), (y)	\$1,750 (r)	\$4,310 (r)	\$40 (c)	\$40 (c)
Kansas	No	3.5% > \$0 6.25% > \$15,000 6.45% > \$30,000	\$3,000	\$6,000	\$2,250	\$2,250
Kentucky	No	2% > \$0 3% > \$3,000 4% > \$4,000 5% > \$5,000 5.8% > \$8,000 6% > \$75,000 (y)	\$2,050 (r)	\$2,050 (r)	\$ 20 (c)	\$ 20 (c)
Louisiana	Yes	2% > \$0 4% > \$25,000 6% > \$50,000	n.a.	n.a.	\$ 4,500 (l)	\$1,000
Maine	No	2% > \$0 4.5% > \$4,750 7% > \$9,450 8.5% > \$18,950 (r)	\$5,450 (r)	\$9,100 (r)	\$2,850	\$2,850
Maryland	No	2% > \$0	\$2,000 (m)	\$4,000 (m)	\$2,400	\$2,400

3% > \$1,000
 4% > \$2,000
 4.75% > \$3,000 (y)
5.25% > \$125,000
5.5% > \$150,000
5.75% > \$200,000
 (f), (y)

Mass.	No	5.3% and 12% (ff)	n.a.	n.a.	\$4,125	\$1,000
Michigan	No	4.35% of federal adjusted gross income with modification (ee)	n.a.	n.a.	\$3,300 (s)	\$3,300 (s) (v)
Minn.	No	5.35% > \$0 7.05% > \$21,310 7.85% > \$69,990 (r), (y)	\$5,350 (s)	\$10,700	\$ 3,400	\$ 3,400 (s)
Mississippi	No	3% > \$0 4% > \$5,000 5% > \$10,000 (y)	\$2,300	\$4,600	\$6,000	\$1,500
Missouri	Yes (u) (t)	1.5% > \$0 2% > \$1,000 2.5% > \$2,000 3% > \$3,000 3.5% > \$4,000 4% > \$5,000 4.5% > \$6,000 5% > \$7,000 5.5% > \$8,000 6% > \$9,000 (y)	\$5,150 (s)	\$10,300 (s)	\$2,100	\$1,200
Montana	Yes (w)	1% > \$0 2% > \$2,499 3% > \$4,399 4% > \$6,599 5% > \$8,999	\$3,810 (r)	\$7,620 (r)	\$2,040 (r)	\$2,040 (r)

6% > \$11,599

6.9% > \$14,899

(r), (y)

Nebraska	No	2.56% > \$0 3.57% > \$2,400 5.12% > \$17,500 6.84% > \$27,000 (x), (y)	\$5,350 (r)	\$10,700 (r)	\$ 106	\$ 106 (c)(n)
Nevada	No	none	n.a	n.a	n.a	n.a
New Hampshire	No	5% > \$0 (h)	2400	4800	n.a.	n.a.
New Jersey	No	1.4% > \$0 1.75% > \$20,000 3.5% > \$35,000 5.525% > \$40,000 6.37% > \$75,000 8.97% > \$500,000 (y)	n.a.	n.a.	\$1,000	\$1,500
New Mexico	No	1.7% > \$0 3.2% > \$5,500 4.7% > \$11,000 5.3% > \$16,000 (s)	\$5,150 (s)	\$10,300	\$3,300 (s)	\$3,300 (s)
New York	No	4% > \$0 4.5% > \$8,000 5.25% > \$11,000 5.9% > \$13,000 6.85% > \$20,000	\$7,500	\$15,000	n.a.	\$1,000
North Carolina	No	6% > \$0 7% > \$12,750 7.75% > \$60,000 8% > \$120,000 (y) (dd)	\$3,000	\$6,000	\$ 1,300	\$ 1,300 (o)
North Dakota	No	2.1% > \$0 3.92% > \$31,850	\$5,350 (s)	\$10,700	\$ 3,400	\$ 3,400 (s)

4.34% > \$77,100

5.04% > \$160,850

5.54% > \$349,700

(r), (y)

Ohio	No	0.649% > \$0 1.299% > \$5,000 2.598% > \$10,000 3.247% > \$15,000 3.895% > \$20,000 4.546% > \$40,000 5.194% > \$80,000 6.031% > \$100,000 6.555% > \$200,000 (y)	n.a	n.a	\$1,450 (g)	\$1,450 (g) (r)
Oklahoma	No (d)	0.5% > \$0 1% > \$1,000 2% > \$2,500 3% > \$3,750 4% > \$4,900 5% > \$7,200 5.65% > \$8,700 (y)	\$2,000	\$3,000	\$1,000	\$1,000
Oregon	Yes (z)	5% > \$0 7% > \$2,850 9% > \$7,150 (r)	\$1,850 (r)	\$3,650 (r)	\$165 (c)(r)	\$165 (c)(r)
Penn.	No	3.07% > \$0	n.a	n.a	n.a	n.a
Rhode Island	No	3.75% > \$0 7% > \$31,850 7.75% > \$77,100 9% > \$160,850 9.9% > \$349,700 (y) (aa)	\$5,350 (s)	\$10,700	\$3,400	\$3,400 (s)
South Carolina	No	2.5% > \$0 3% > \$2,630 4% > \$5,260 5% > \$7,890	\$5,350 (s)	\$10,700	\$3,400	\$3,400 (s)

		6% > \$10,520 7% > \$13,150 (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)	5% > \$0 (cc)	\$5,450 (s)	\$10,900 (s)	\$2,625 (q)	\$2,475 (q)
Vermont	No	3.6% > \$0 7.2% > \$31,850 8.5% > \$77,100 9% > \$160,850 9.5% > \$349,700 (r), (y)	\$5,350 (s)	\$10,700	\$ 3,400	\$ 3,400 (s)
Virginia	No	2% > \$0 3% > \$3,000 5% > \$5,000 5.75% > \$17,000 (y)	\$3,000	\$6,000	\$900	\$900
Washington	No	none	n.a	n.a	n.a	n.a
West Virginia	No	3% > \$0 4% > \$10,000 4.5% > \$25,000 6% > \$40,000 6.5% > \$60,000 (y)	n.a	n.a	\$2,000	\$2,000
Wisconsin	No	4.60% > \$0 6.15% > \$9,510 6.50% > \$19,020 6.75% > \$142,650 (r), (y)	\$8,790 (j)	\$15,830 (j)	\$700	\$700
Wyoming	No	none	n.a	n.a	n.a	n.a
D.C.	No	4% > \$0 6% > \$10,000 8.5% > \$40,000 (y)	\$2,500	\$2,500	\$1,675	\$1,675

Note: Bold indicates notable tax changes. Local rates are excluded; 14 states have county-level income taxes. Weighted by income, the average rates are 2.73% in Md., 1.81% in Ohio; 1.28% in Pa.;

0.98% in Ind.; 0.91% in Ky.; 0.88% in Mich.; 0.87% in Del.; 0.67% in N.Y.; 0.36% in Ore.; 0.25% in Iowa; 0.19% in Ala.; 0.12% in Mo.; 0.09% in N.J.; and 0.06% in Ark.

- (a) Applies to single taxpayers and married people filing separately. Most states double brackets for married filing jointly.
- (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) Top three rates went into effect January 1, 2008 for tax year 2008.
- (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) Threefourths federal exemption.
- (r) These 11 states adjust their bracket levels for inflation at the end of each year before printing their tax forms. Bracket levels shown are for tax year 2007.
- (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 2007 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 a flat tax system and pay the lesser of the liability. The flat tax applies to all types of income with no exemptions or deductions and treats capital income as wages. The flat tax rates are 8.0 percent for 2006; 7.5 percent for 2007; 7 percent for 2008; 6.5 percent for 2009; 6 percent for 2010; and 5.5 percent for 2011 and beyond.

(bb) Half of federal income tax deductible.

(cc) Deductions are taken in the form of a nonrefundable credit of 6% of the federal deduction and exemption amount, except the deduction for state or local income tax, which is excluded. This credit phases out at 1.3 cents per dollar above \$12,000 of AGI (\$24,000 for married couples).

(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.

(ee) New rate went into effect Oct. 1, 2007. A blended rate of 4.01% applies for the 2007 tax year.

(ff) 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%.

Source: Tax Foundation; state tax forms and instructions