

# State and Federal Individual Capital Gains Tax Rates: How High Could They Go?

A Special Report by the ACCF Center for Policy Research

*As the debate on federal tax reform continues, the ACCF Center for Policy Research (CPR) presents this Special Report to further the debate and highlight the effect of increased federal tax rates on long-term individual capital gains tax rates when both the federal, state and, in some cases, local tax rates are combined. Long-term individual capital gains contribute significant amounts to state's taxable income. Thus important questions are whether higher federal rates, combined with state capital gains taxes may reduce state's budget receipts as well as overall investment and job growth.*

## Background:

Growing talk of tax reform and ongoing discussion of the “Buffett Rule”, based on the idea that wealthy individuals should pay a higher percentage of their income in Federal taxes, has once more put the taxation of investment income and capital gains in the spotlight. Currently, the Federal top individual capital gains tax rate is 15%, however this rate is set to expire on December 31, 2012 and revert to 20% in 2013. In addition, high income households (single filers making more than \$200,000 or married couples making more than \$250,000) will be subject to a new 3.8% Medicare tax on their investment income starting in 2013. Recently, President Obama stated in his 2013 budget that Americans “making over \$1 million, should pay no less than 30 percent of their income in taxes.” It

is unclear whether President Obama's new 30% tax minimum target rate would include the Medicare tax.

## Policy Scenarios:

As Americans face the possibility of a higher Federal top capital gains tax rate, it may be helpful to examine the ramifications of such a policy shift. Raising the top Federal rate would exacerbate the combined Federal and State tax burden on the sale of capital assets already faced by taxpayers in most states as well as potential tax rate increases. To highlight the current total tax bite faced by individual investors, the ACCF Center for Policy Research commissioned internationally recognized accounting firm, Ernst & Young LLP, to compare the tax treatment of individual's capital gains in each of the 50 states and the District of Columbia.

The American Council for Capital Formation Center for Policy Research brings together academics, policymakers, business leaders and the media to focus on important new research on economic, tax, energy and environmental policies. For more information about the Center or for copies of this special report, please contact the ACCF, 1750 K Street, N.W., Suite 400, Washington D.C. 20006-2302; telephone: 202.293.5811; email: [info@accf.org](mailto:info@accf.org); website: [www.accf.org](http://www.accf.org).

Ernst & Young LLP analyzed three possible policy scenarios:

1. **2012 law:** Top effective tax rates on long-term individual capital gains under 2012 Federal and State tax laws. (Top Federal capital gains rate is 15%.)

2. **2013 law with extension of the 2001/2003 tax cuts** (top Federal capital gains rate at 15%): Top effective tax rates on long-term individual capital gains in 2013, assuming an extension of the 2001/2003 tax cuts in addition to the new 3.8% Medicare tax on unearned income scheduled for 2013 for married couples filing jointly (single filers) with \$250,000 (\$200,000) or more in income. State rates that are currently scheduled for 2012 are assumed to be the same for 2013.

3. **2013 law as scheduled** (top Federal capital gains rate at 20%): Top effective tax rates on long-term individual capital gains under 2013 Federal tax law (i.e., assuming the 2001/2003 tax cuts sunset on December 31, 2012 and the 3.8% Medicare tax takes effect as scheduled). State rates that are currently scheduled for 2012 are assumed to be the same for 2013.

These calculations take into account the federal deduction for state and local income taxes paid, as well as any states that allow taxpayers to claim a deduction against their state taxes based upon their federal taxes paid (i.e., Alabama and Iowa). Missouri, Mississippi and Oregon have a similar deduction, but it is phased-out for high-income taxpayers. The calculations also account for the reinstatement of the limitation of itemized deductions for high-income taxpayers (i.e., the “Pease” provision) in 2013.

## State Tax Rates on Capital Gains:

As the new ACCF CPR report shows, investors face State-level individual capital gains taxes in forty-one states. According to the survey, the average top individual State capital gains tax rate on corporate equities was 5.7 percent in 2012. Combined with the Federal

capital gains tax rate, these State capital gains tax rates substantially increase the difference between what an investment yields and what an individual investor actually receives (known as the “tax wedge”). The higher the tax wedge, the fewer the number of investments that will meet the “hurdle rate,” resulting in fewer investments being undertaken. High capital gains tax rates can also increase investors holding periods. Investment is a key factor in U.S. job growth, in recent years, each \$1 billion increase in investment is associated with an additional 15,000 jobs. State capital gains taxes, combined with the Federal tax, are a direct impediment to entrepreneurship and consequently to economic growth.

As shown in **Table 1**, nine states, including Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming, do not have a state capital gains tax rate.

**Table 1. States With No Individual Capital Gains Tax**

Alaska	Tennessee
Florida	Texas
Nevada	Washington
New Hampshire	Wyoming
South Dakota	

Source: State government websites; Internal Revenue Service; and Ernst & Young LLP calculations.

**Table 2** shows the 10 states with highest combined Federal and State capital gains tax rate for individuals under all three scenarios. California leads the group with a 23.6% rate under the 2012 scenario. If the Federal rate reverts to 20% in 2013, the top Federal and State capital gains tax rate in California will reach 33% including the Medicare surcharge. **Table 3** gives details on the maximum combined Federal/State capital gains tax rates on corporate equities for individuals in all 50 states.

**Table 4** has three possible scenarios for select localities. For example, with expiration of the 15% Federal capital gains tax rate and inclusion of the Medicare surcharge, the state of New York would have a top rate of 30.3%. However, New York City has a local tax on capital gains and that increases the top rate to 32.7% for its residents.

Table 2. States With Highest Rates For Individual Capital Gains Taxes

	2012 law Top Fed rate: 15%	2013 law w/extension of 2001/2003 tax cuts Top Fed rate: 15%	2013 law as scheduled (tax cuts expire) Top Fed rate: 20%
California	23.6%	27.4%	33%
Hawaii	22.2%	26%	31.6%
Oregon	21.4%	25.2%	31%
Vermont	20.8%	24.6%	30.4%
Washington, DC	20.8%	24.6%	30.4%
New Jersey	20.8%	24.6%	30.4%
New York	20.7%	24.5%	30.3%
Maine	20.5%	24.3%	30.1%
Minnesota	20.1%	23.9%	29.7%
Iowa	20.1%	23.9%	29.4%

Source: State government websites; Internal Revenue Service; and Ernst & Young LLP calculations.

## Could Higher Capital Gains Taxes Negatively Impact State Budgets?

According to recent data from the Internal Revenue Service, total U.S. net individual capital gains (including short term gains) amounted to \$224 billion in 2009. **Table 5** shows each state's share of total U.S. net capital gains. For example, California accounted for 13% of the overall total net individual capital gains in U.S. while New York accounted for 12.5%.

**Table 6** shows individual long-term gains for 10 states and their share of taxable income.<sup>1</sup> For example, New York had almost \$27 billion long-term gains in 2009 and Colorado had \$5 billion, which was equal to 7% and 6% of their taxable income respectively, not trivial amounts (**See Chart 1**). In fact, recent data show that state budget receipts from individual income taxes still lag below 2007 levels (**see Table 7 and Chart 2**). Total state income tax receipts in 2010 were 11.2 percent below 2007 receipts. Given the current budget woes faced by many states, increasing the capital gains

tax rate is likely to have a negative impact on budget receipts because higher tax rates make such investments less attractive and lengthen holding periods.

## Impact of Higher Capital Gains Tax Rates on Economic and Job Growth

As shown in a recent work by Allen Sinai (see <http://www.accf.org/publications/139/capital-gains-taxes-and-the-economy>), raising the capital gains tax rate from 15% to 20%, 28% or 50%, reduces growth in real GDP, lowers employment and productivity and, ex-post, or after feedback, adversely affects the Federal budget deficit. For example, at a 20% capital gains tax rate compared with the current 15% tax rate, real economic growth falls by an average of 0.05 percentage points per annum and jobs decline by an average of 231,000 a year. Given the available research, policymakers should carefully consider the adverse effects of raising capital gains tax rates while evaluating tax reform and other policies to encourage additional economic growth.

<sup>1</sup> Reconciling net individual capital gains reported by IRS and the U.S. Treasury, it appears that on average 95% of total net capital gains reported by IRS in Table 5 corresponds to long-term gains in excess of short term losses reported by the U.S. Treasury. <http://www.treasury.gov/resource-center/tax-policy/Documents/OTP-CG-LTCG-Taxes-Paid-1977-2008-11-2010.pdf>

Table 3: Top Long-Term Individual Capital Gains Tax Rates Under Various Policy Scenarios, By State (Excludes Local Taxes)

State	Top state statutory ordinary income tax rate	Special notes	Top effective long-term state tax rate	Top combined effective capital gains tax rate (federal and state)		
				2012 law Top Fed rate: 15%	2013 law w/extension of 2001/2003 tax cuts Top Fed rate: 15%	2013 law as scheduled (tax cuts expire) Top Fed rate: 20%
US Average (excluding local)	N/A		5.7%	18.7%	22.5%	28.1%
Alabama	5.0%		5.0%	17.8%	21.6%	27.4%
Alaska	0%		0%	15.0%	18.8%	23.8%
Arizona	4.54%		4.54%	18.0%	21.8%	27.7%
Arkansas	7.0%	AR	4.9%	18.2%	22.0%	27.9%
California	13.3%		13.3%	23.6%	27.4%	33%
Colorado	4.63%		4.63%	18.0%	21.8%	27.8%
Connecticut	6.7%		6.7%	19.4%	23.2%	29.0%
Delaware	6.75%		6.75%	19.4%	23.2%	29.1%
Florida	0%		0%	15.0%	18.8%	23.8%
Georgia	6.0%		6.0%	18.9%	22.7%	28.6%
Hawaii	11.0%		11.0%	22.2%	26.0%	31.6%
Idaho	7.8%		7.8%	20.1%	23.9%	29.7%
Illinois	5.0%	IL	5.0%	18.3%	22.1%	28.0%
Indiana	3.4%		3.4%	17.2%	21.0%	27.0%
Iowa	8.98%		8.98%	20.1%	23.9%	29.4%
Kansas	6.45%	KS	6.45%	19.2%	22.0%	27.9%
Kentucky	6.0%		6.0%	18.9%	22.7%	28.6%
Louisiana	6.0%		6.0%	18.9%	22.7%	28.6%
Maine	8.5%	ME	8.5%	20.5%	24.3%	30.1%
Maryland	5.75%	MD	5.75%	18.7%	22.5%	28.5%
Massachusetts	5.3%		5.3%	18.4%	22.2%	28.2%
Michigan	4.35%	MI	4.35%	17.8%	21.6%	27.6%
Minnesota	7.85%		7.85%	20.1%	23.9%	29.7%
Mississippi	5.0%		5.0%	18.3%	22.1%	28.0%
Missouri	6.0%		6.0%	18.9%	22.7%	28.6%
Montana	6.9%	MT	4.9%	18.2%	22.0%	27.9%
Nebraska	6.84%		6.84%	19.4%	23.2%	29.1%
Nevada	0%		0%	15.0%	18.8%	23.8%
New Hampshire	0%	NH	0%	15.0%	18.8%	23.8%
New Jersey	8.97%		8.97%	20.8%	24.6%	30.4%
New Mexico	4.9%	NM	2.45%	16.6%	20.4%	26.3%
New York	8.82%		8.82%	20.7%	24.5%	30.3%
North Carolina	7.75%		7.75%	20.0%	23.8%	29.7%
North Dakota	3.99%	ND	2.793%	16.8%	20.6%	26.6%
Ohio	5.925%		5.925%	18.9%	22.7%	28.6%
Oklahoma	5.25%		5.25%	18.4%	22.2%	28.2%
Oregon	9.9%		9.9%	21.4%	25.2%	31.0%
Pennsylvania	3.07%		3.07%	17.0%	20.8%	26.8%
Rhode Island	5.99%		5.99%	18.9%	22.7%	28.6%
South Carolina	7.0%	SC	3.92%	17.5%	21.3%	27.4%
South Dakota	0%		0%	15.0%	18.8%	23.8%
Tennessee	0%	TN	0%	15.0%	18.8%	23.8%
Texas	0%		0%	15.0%	18.8%	23.8%
Utah	5.0%		5.0%	18.3%	22.1%	28.0%
Vermont	8.95%	VT	8.95%	20.8%	24.6%	30.4%
Virginia	5.75%		5.75%	18.7%	22.5%	28.5%
Washington	0%		0%	15.0%	18.8%	23.8%
West Virginia	6.5%		6.5%	19.2%	23.0%	28.9%
Wisconsin	7.75%	WI	5.43%	18.5%	22.3%	28.3%
Wyoming	0%		0%	15.0%	18.8%	23.8%
Washington, DC	8.95%		8.95%	20.8%	24.6%	30.4%

Source: State government websites; Internal Revenue Service; and Ernst & Young LLP calculations.

**Table 3 Special Notes:**

State tax rates are as of January 1, 2012. US averages are weighted by capital gains realizations for each state.

Policy scenarios:

2012 law: Top effective tax rates on long-term capital gains under 2012 federal and state tax laws.

2013 law with extension of 2001/2003 tax cuts: Top effective tax rates on long-term capital gains in 2013, assuming an extension of the 2001/2003 tax cuts, in addition to the new 3.8% Medicare tax on unearned income scheduled for 2013 for married couples filing jointly (single filers) with \$250,000 (\$200,000) or more in income. State rates that are currently scheduled for 2012 are assumed to be the same for 2013.

2013 law as scheduled: Top effective tax rates on long-term capital gains under 2013 federal tax law (i.e., the 2001/2003 tax cuts sunset on December 31, 2012 and assuming the 3.8% Medicare tax for married couples filing jointly (single filers) with \$250,000 (\$200,000) or more in income takes effect as scheduled). State rates that are currently scheduled for 2012 are assumed to be the same for 2013.

State notes:

AR: Only 70% of net long-term capital gains are taxed. 100% of short-term capital gains are taxed.

IL: The individual income tax rate in Illinois is scheduled to revert back to 3.0% from 5.0% in 2013.

KS: The top individual income tax rate in Kansas is scheduled to fall to 4.9% from 6.45% in 2013.

ME: A tax cut bill was recently enacted related to the state's Tax Relief Fund for Maine Residents provision, which calls for automatic "trigger" tax cuts to take effect if certain conditions relating to state surpluses are met. Due to the uncertainty regarding the state's budget, the table above assumes no such tax reduction takes place in 2013.

MD: The top individual income tax rate in Maryland was retroactively increased from 5.5% to 5.75% for 2012.

MI: Table reflects the scheduled reduction in the top state tax rate from 4.35% to 4.25% recently enacted and scheduled to go into effect in 2013.

MT: Taxpayers can claim a capital gains tax credit against their Montana income tax of up to 2% of their net capital gains.

NM: Taxpayers may deduct \$1,000 of net capital gains reported and claimed on their federal tax return or 50% of net capital gains, whichever amount is greater.

ND: Taxpayers may exclude 30% of net long-term capital gains from their taxable income.

NH: New Hampshire's income tax only includes interest and dividends.

SC: Net capital gains which have been held for a period of more than one year and have been included in South Carolina taxable income are reduced by 44% for South Carolina income tax purposes.

VT: A flat exclusion is allowed for capital gains held longer than 3 years equal to the lesser of \$5,000 or 40% of Federal taxable income.

TN: Tennessee's income tax only includes interest and dividends.

WI: Taxpayers may exclude 30% of net long-term capital gain from assets held more than one year.

These calculations take into account the federal deduction for state and local income taxes paid, as well as any states that allow taxpayers to claim a deduction against their state taxes based upon their federal taxes paid (i.e., Alabama and Iowa). Missouri, Mississippi and Oregon have a similar deduction, but they are phased-out for high-income taxpayers. The calculations also account for the reinstatement of the limitation of itemized deductions for high-income taxpayers (i.e., the "Pease" provision) in 2013. Rounding issues can mask small state tax changes.

**Table 4: Top Long-Term Individual Capital Gains Tax Rates Under Various Policy Scenarios For Major Cities That Have Local Tax Rates On Capital Gains**

Selected major localities taxing capital gains	Top effective long-term local tax rate	Top effective long-term state tax rate	Top effective long-term state & local tax rate	Top combined effective capital gains tax rate (federal, state, and local)		
				2012 law Top Fed rate: 15%	2013 w/ extension of 2001/2003 tax cuts Top Fed rate: 15%	2013 law as scheduled (tax cuts expire) Top Fed rate: 20%
Indianapolis, IN	1.62%	3.4%	5.02%	18.3%	22.1%	28.0%
Baltimore, MD	3.2%	5.75%	8.95%	20.8%	24.6%	30.4%
Montgomery County, MD	3.2%	5.75%	8.95%	20.8%	24.6%	30.4%
Detroit, MI	2.5%	4.35%	6.75%	19.5%	23.2%	29.1%
New York, NY	3.88%	8.82%	12.7%	23.3%	27.1%	32.7%

Source: State government websites, Internal Revenue Service, and Ernst & Young LLP calculations.

**Conclusions:**

A low capital gains tax rate has an important role to play in fostering economic growth. Lower taxes on capital gains have been a crucial element in promoting entrepreneurial activity. This is a major force for technological innovation, new start-ups and the creation of high paying jobs which has a strong, positive and lasting impact on overall investment, economic growth and job creation.

**Table 4 Special Notes:**

State tax rates are as of January 1, 2012.

Policy scenarios:

2012 law: Top effective tax rates on long-term capital gains under 2012 federal and state tax laws.

2013 law with extension of 2001/2003 tax cuts: Top effective tax rates on long-term capital gains in 2013, assuming an extension of the 2001/2003 tax cuts, in addition to the new 3.8% Medicare tax on unearned income scheduled for 2013 for married couples filing jointly (single filers) with \$250,000 (\$200,000) or more in income. State rates that are currently scheduled for 2012 are assumed to be the same for 2013.

2013 law as scheduled: Top effective tax rates on long-term capital gains under 2013 federal tax law (i.e., the 2001/2003 tax cuts sunset on December 31, 2012 and assuming the 3.8% Medicare tax for married couples filing jointly (single filers) with \$250,000 (\$200,000) or more in income takes effect as scheduled). State rates that are currently scheduled for 2012 are assumed to be the same for 2013. These calculations take into account the federal deduction for state and local income taxes paid, as well as any states that allow taxpayers to claim a deduction against their state taxes based upon their federal taxes paid (i.e., Alabama and Iowa). Missouri, Mississippi and Oregon have a similar deduction, but they are phased-out for high-income taxpayers. The calculations also account for the reinstatement of the limitation of itemized deductions for high-income taxpayers (i.e., the "Pease" provision) in 2013. Rounding issues can mask small state tax changes.

**Table 5. Net Individual Capital Gains Realizations By State\***  
(Money Amounts Are In Millions)

State	State % of U.S. Capital Gains		
	2009	2009	Average (2005-2009)
Alabama	\$1,707	0.8%	0.9%
Alaska	\$387	0.2%	0.1%
Arizona	\$3,242	1.4%	1.9%
Arkansas	\$1,175	0.5%	0.4%
California	\$29,379	13.1%	14.6%
Colorado	\$5,642	2.5%	2.1%
Connecticut	\$5,172	2.3%	2.3%
Delaware	\$612	0.3%	0.3%
Florida	\$21,295	9.5%	10.1%
Georgia	\$4,547	2.0%	2.3%
Hawaii	\$770	0.3%	0.4%
Idaho	\$911	0.4%	0.5%
Illinois	\$10,835	4.8%	4.7%
Indiana	\$2,077	0.9%	1.0%
Iowa	\$1,453	0.6%	0.5%
Kansas	\$1,497	0.7%	0.6%
Kentucky	\$1,652	0.7%	0.7%
Louisiana	\$2,157	1.0%	0.9%
Maine	\$691	0.3%	0.3%
Maryland	\$3,729	1.7%	1.8%
Massachusetts	\$6,394	2.9%	3.3%
Michigan	\$2,723	1.2%	1.6%
Minnesota	\$3,076	1.4%	1.4%
Mississippi	\$787	0.4%	0.4%
Missouri	\$2,317	1.0%	1.2%
Montana	\$972	0.4%	0.3%
Nebraska	\$1,021	0.5%	0.4%
Nevada	\$3,357	1.5%	1.5%
New Hampshire	\$1,052	0.5%	0.5%
New Jersey	\$5,950	2.7%	3.0%
New Mexico	\$699	0.3%	0.4%
New York	\$28,036	12.5%	10.3%
North Carolina	\$3,876	1.7%	1.9%
North Dakota	\$502	0.2%	0.1%
Ohio	\$3,247	1.4%	1.8%
Oklahoma	\$2,381	1.1%	0.8%
Oregon	\$2,402	1.1%	1.0%
Pennsylvania	\$7,467	3.3%	3.1%
Rhode Island	\$470	0.2%	0.3%
South Carolina	\$1,881	0.8%	0.9%
South Dakota	\$689	0.3%	0.2%
Tennessee	\$3,095	1.4%	1.4%
Texas	\$19,744	8.8%	7.4%
Utah	\$2,142	1.0%	0.7%
Vermont	\$566	0.3%	0.2%
Virginia	\$5,222	2.3%	2.4%
Washington	\$5,815	2.6%	2.7%
Washington DC	\$937	0.4%	0.4%
West Virginia	\$1,070	0.5%	0.2%
Wisconsin	\$2,821	1.3%	1.3%
Wyoming	\$1,074	0.5%	0.4%
United States	\$224,063	100.0%	100.0%

\* Net Capital Gains (less loss) in Adjusted Gross Income by State, also includes short-term gains Source: Internal Revenue Service, Historical Tables, <http://www.irs.gov/taxstats/article/0,,id=171535,00.html>

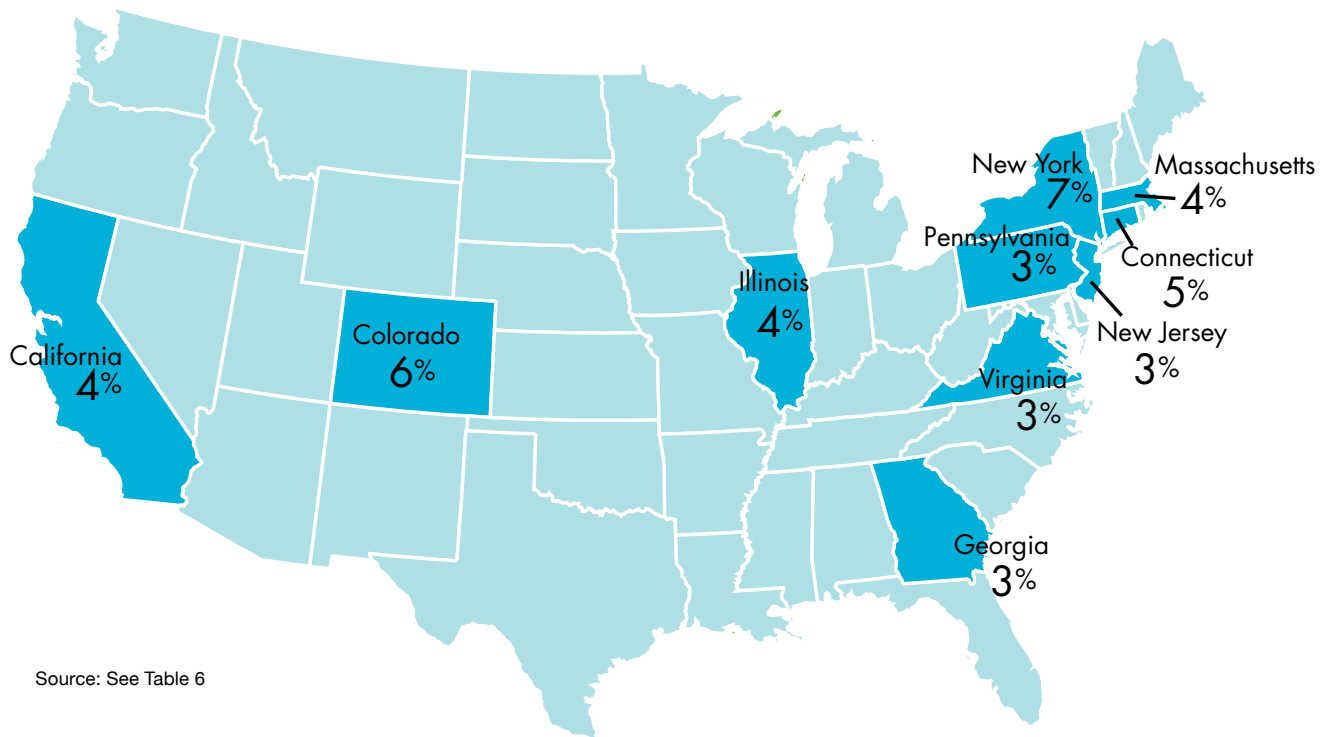


Table 6: Individual Long-Term Capital Gains Are A Significant Part Of State Individual Taxable Income In 2009 (Money Amounts Are In Millions)

	Taxable Income	Long-Term Capital Gains*	Percentage
California	\$628,509	\$27,910	4%
Colorado	\$92,047	\$5,360	6%
Connecticut	\$96,828	\$4,913	5%
Georgia	\$130,280	\$4,320	3%
Illinois	\$235,531	\$10,294	4%
Massachusetts	\$152,115	\$6,075	4%
New Jersey	\$203,513	\$5,652	3%
New York	\$406,995	\$26,634	7%
Pennsylvania	\$217,120	\$7,094	3%
Virginia	\$156,405	\$4,961	3%
United States	\$5,095,122	\$212,860	4%

\*Calculated using average share of long-term gains from Department of Treasury table (<http://www.treasury.gov/resource-center/tax-policy/Documents/OTP-CG-LTCG-Taxes-Paid-1977-2008-11-2010.pdf>) between 2004-2008 out of net capital gains data reported by IRS historical tables  
 Source: Internal Revenue Service, Historical Tables, <http://www.irs.gov/taxstats/article/0,,id=171535,00.html>

Chart 1: Individual Long-Term Capital Gains Are A Significant Part Of State Individual Taxable Income In 2009 (Capital Gains As A Percent Of State Individual Taxable Income)



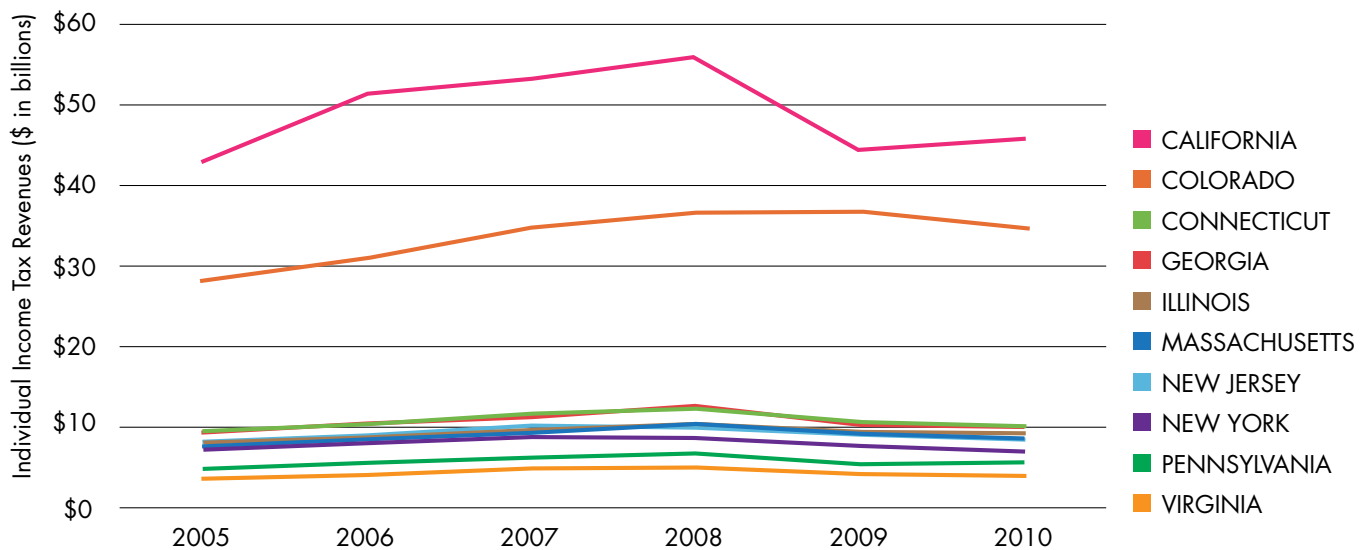
Source: See Table 6

Table 7: State Government Finances: Individual Income Tax Revenues by State (Dollar amounts in billions)

	2007	2010	% Change 2007-2010		2007	2010	% Change 2007-2010
Alabama	\$3.0	\$2.6	-14.2%	Missouri	\$4.8	\$4.3	-10.5%
Arizona	\$3.7	\$2.4	-35.5%	Montana	\$0.8	\$0.7	-14.2%
Arkansas	\$2.2	\$2.1	-3.6%	Nebraska	\$1.7	\$1.5	-8.2%
California	\$53.3	\$45.6	-14.4%	New Hampshire	\$0.1	\$0.1	-23.3%
Colorado	\$4.8	\$4.1	-14.7%	New Jersey	\$11.7	\$10.3	-12.0%
Connecticut	\$6.3	\$5.8	-8.9%	New Mexico	\$1.2	\$1.0	-18.8%
Delaware	\$1.0	\$0.9	-16.8%	New York	\$34.6	\$34.8	0.5%
Georgia	\$8.8	\$7.0	-20.3%	North Carolina	\$10.6	\$9.1	-13.7%
Hawaii	\$1.6	\$1.5	-2.1%	North Dakota	\$0.3	\$0.3	-4.1%
Idaho	\$1.4	\$1.1	-24.0%	Ohio	\$9.7	\$7.9	-18.9%
Illinois	\$9.4	\$8.5	-9.5%	Oklahoma	\$2.8	\$2.2	-19.8%
Indiana	\$4.6	\$3.9	-16.2%	Oregon	\$5.6	\$4.9	-11.6%
Iowa	\$2.7	\$2.7	-0.6%	Pennsylvania	\$9.8	\$9.4	-4.7%
Kansas	\$2.7	\$2.7	-2.1%	Rhode Island	\$1.1	\$0.9	-16.2%
Kentucky	\$3.0	\$3.2	3.7%	South Carolina	\$3.2	\$2.7	-17.5%
Louisiana	\$3.2	\$2.3	-28.9%	Tennessee	\$0.2	\$0.2	-30.8%
Maine	\$1.5	\$1.3	-11.3%	Utah	\$2.6	\$2.1	-17.8%
Maryland	\$6.7	\$6.2	-7.2%	Vermont	\$0.6	\$0.5	-15.8%
Massachusetts	\$11.4	\$10.1	-11.2%	Virginia	\$10.2	\$8.7	-15.4%
Michigan	\$6.4	\$5.5	-14.1%	West Virginia	\$1.4	\$1.4	6.3%
Minnesota	\$7.2	\$6.5	-10.7%	Wisconsin	\$6.3	\$5.8	-8.6%
Mississippi	\$1.4	\$1.4	-3.5%	TOTAL	\$265.9	\$236	-11.2%

Source: State Government Finances, U.S. Census Bureau, [http://www.census.gov/govs/state/historical\\_data.html](http://www.census.gov/govs/state/historical_data.html)

Chart 2: Trends in Individual Income Tax Receipts, 2005-2010 (Dollar amounts in billions)



Source: State Government Finances, U.S. Census Bureau, [http://www.census.gov/govs/state/historical\\_data.html](http://www.census.gov/govs/state/historical_data.html)