

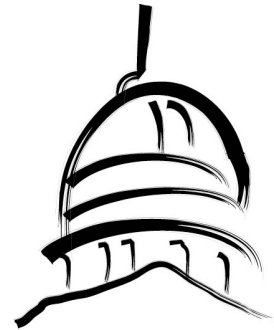
Individual Income Tax Provisions in the States



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Individual Income Tax Provisions in the States

In 2001, 43 states and the District of Columbia had a state individual income tax. This paper outlines the major provisions of the income tax in those states, including the type of filing system, the base of income subject to taxation, the tax rates and brackets, and the allowable tax exemptions, deductions, and credits.

Most states use federal adjusted gross income as a starting point to compute the state tax and also use federal provisions in calculating state itemized deductions. As a result, the comparison of the base of income subject to tax concentrates on major differences from federal law and only exceptions to federal law are noted for state itemized deductions.

Information on other tax provisions such as tax rates and brackets, personal exemption amounts, and state tax credits is presented for each state. In addition, summary tables for several of these tax law features are provided. Finally, an outline of the income tax structure in each state is attached.

Information in this paper was taken directly from the tax forms and instruction booklets for each state for the 2001 tax year. This information

shows only the tax provisions in effect for 2001 and does not reflect future changes already enacted by state legislatures. As a cross-check, this data was reviewed by state tax officials, and reference materials compiled by other sources for selected state tax provisions were also consulted.

Although this information was prepared with care, the complexity of the tax structure in some states may have resulted in omissions. Certain items, such as depreciation or loss carryover provisions, varied substantially between states; for many states, differences between state and federal law were not consistently noted in instruction booklets. As a result, these items, along with other minor differences between state and federal law, are not covered in this paper.

States with an Income Tax

The following states imposed a tax on income in tax year 2001:

| | | | | |
|----------------------|---------------|---------------|----------------|---------------|
| Alabama | Idaho | Michigan | North Carolina | Vermont |
| Arizona | Illinois | Minnesota | North Dakota | Virginia |
| Arkansas | Indiana | Mississippi | Ohio | West Virginia |
| California | Iowa | Missouri | Oklahoma | Wisconsin |
| Colorado | Kansas | Montana | Oregon | |
| Connecticut | Kentucky | Nebraska | Pennsylvania | |
| Delaware | Louisiana | New Hampshire | Rhode Island | |
| District of Columbia | Maine | New Jersey | South Carolina | |
| Georgia | Maryland | New Mexico | Tennessee | |
| Hawaii | Massachusetts | New York | Utah | |

The following seven states do not impose an individual income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

The Filing System

Three types of filing systems were used by states in 2001, including joint, combined or a combination of joint/combined. Under a joint filing system, the incomes of both spouses are added together and taxed as a single amount. This system is also used for federal tax purposes and reflects the concept of taxing families as a single economic unit. Under the combined tax return system, the income of each spouse is taxed separately. For two-income families, this system allows each spouse to benefit from the low tax rates at the beginning of the tax rate schedule. Finally, several states provide an option for married taxpayers to file either a joint or combined return. Instruction booklets in these states generally explain the tax advantage to two-income families under combined filing and encourage taxpayers to compute their taxes each way to determine which is most advantageous to the taxpayer.

The types of filing systems used by states in 2001 are as follows:

Combined Filing--two states (Missouri and Pennsylvania).

Joint/Combined Filing--seven states (Arkansas, Delaware, D.C., Iowa, Kentucky, Mississippi, Montana).

Joint Filing--35 states (all other states).

Income Base Subject to Taxation

Most states with an income tax in 2001 used federal adjusted gross income as a starting point to determine the state tax. New Hampshire and Tennessee taxed only unearned income such as interest and dividends. For the other states, although federal adjusted gross income was often used as the starting point to compute taxable income, major differences in the income subject to tax occurred in several areas. A summary of these areas is presented below.

Social Security. Under federal law, a two-tiered taxation scheme is established for social security. First, if a taxpayer's provisional income does not exceed a base amount, no social security benefits are subject to tax. The base amounts are \$25,000 for single taxpayers, \$32,000 for married couples filing a joint return, and zero for married couples filing separate returns. Provisional income is one-half of social security plus federal AGI, tax-exempt interest income, and amounts earned in a foreign country, U.S. possession, or Puerto Rico that are excluded from gross income. If provisional income exceeds the base amounts, the taxable portion of social security is the lesser of: (a) 50% of net social security benefits; or (b) 50% of the amount by which provisional income exceeds the base amount.

The second tier was established under the federal Revenue Reconciliation Act of 1993, effective with tax year 1994, for taxpayers with provisional income in excess of a second set of base amounts: \$34,000 for single taxpayers and \$44,000 for married taxpayers filing jointly. For taxpayers with provisional income above these higher thresholds, the taxable portion of social security payments is the lesser of: (a) 85% of net social security benefits; or (b) the amount included under the old law (not to exceed \$4,500 for single

taxpayers or \$6,000 for married-joint taxpayers) plus 85% of the excess of provisional income over the higher income thresholds. Married taxpayers who file separate returns are taxed on the lesser or 85% of social security or 85% of provisional income.

A total of 29 states exempted social security income from taxation. Fifteen states taxed social security benefits in 2001: two taxed up to 50% of benefits as under the old federal law; nine followed current federal practice and taxed up to 85% of benefits and four states provided their own taxation scheme.

Capital Gains. At the federal level, net capital gains are generally fully taxable regardless of how long the assets were held. However, gains on assets held for more than one year and sold after May 7, 1997, are subject to a maximum marginal tax rate of 20% rather than the top rate that applies to ordinary income (which was 39.1% in 2001). In the case of taxpayers in the 15% federal tax bracket, a maximum marginal tax rate of 10% applies to such gains. A special lower rate of 18% (8% for individuals in the 10% or 15% tax bracket) may apply to certain transactions when the asset was held more than five years.

Net capital losses are deductible, although the deduction amount is limited to \$3,000 annually (\$1,500 if married and filing separately); unused capital losses can be carried forward to offset income in subsequent years. Special tax rules apply to gains realized from the sale or exchange of a principal residence.

A total of 20 states followed federal practice and taxed all capital gains and provided a \$3,000 limit on losses. New Hampshire completely exempted capital gains from taxation and Tennessee taxed only the gains from selling mutual funds. Alabama and Pennsylvania taxed capital gains, but specified that all losses were deductible in the year incurred. Hawaii had a special alternative tax for capital gains. New Jersey does not permit any capi-

tal losses to be deducted from income. The remaining 18 states provided a variety of exclusions and deductions (for example, Wisconsin permitted a 60% exclusion for long-term gains and exempted 100% of gains from the sale of a business to a family member and qualifying small business stock). For more information on the treatment of capital gains by individual state, please refer to the attached outline of each state's income tax structure.

Unemployment Compensation. Under federal law, unemployment compensation is taxable. Prior to 1987, a partial exclusion for this type of income was provided to lower-income taxpayers. The amount of unemployment compensation included in income was the lesser of: (a) total unemployment compensation; or (b) one-half of the amount that adjusted gross income plus total unemployment compensation exceeded a base amount. The base amount was \$12,000 for single persons, \$18,000 for married persons filing jointly, and zero for certain married couples filing separately.

Thirty-two states conformed to federal law and taxed all unemployment compensation benefits. Nine states exempted all unemployment compensation from taxation. Iowa exempted benefits paid by the Railroad Retirement Board. Finally, two states (Indiana and Wisconsin) taxed unemployment compensation using the provisions of federal law that were in effect for tax year 1986.

State and Municipal Bond Interest. All states are required by federal law to exempt interest income derived from U.S. obligations from tax. In 2001, 36 states also provided a tax exemption for interest from their own state and municipal bonds. Illinois, Iowa, Kansas, and Wisconsin exempted only specific state and local obligations. All state and municipal bond interest was exempt in Indiana, North Dakota (for standard-form filers), Utah, and the District of Columbia.

Active Duty Military Pay. Under federal law, payments received as a member of a military service generally are taxable as wages, except for

retirement pay, which is taxable as a pension. Allowances generally are not taxable. Military pay taxable as wages includes active duty pay, reserve training pay, reenlistment bonuses, and armed services academy pay.

However, federal law provides an exclusion from gross income for certain pay related to a combat zone. A combat zone is any area that the President of the United States designates as such by executive order. In addition, certain qualified hazardous duty areas are treated as if they were combat zones. Enlisted members of the Armed Forces and warrant officers may exclude gross income for all pay received for any month during which they served in a combat zone or were hospitalized as a result of serving in a combat zone. For commissioned officers other than commissioned warrant officers, certain limits to the exclusion apply.

Twenty-four states followed federal practice in 2001 and taxed active duty military pay. Five states (Illinois, Michigan, Montana, New Hampshire and Tennessee) excluded military pay from taxation. Five states, (Arkansas, Indiana, Maine, Oklahoma, and Virginia) provided a partial exemption. Three states (Hawaii, Mississippi, and South Carolina) taxed active duty military pay but provided a partial or full exemption for either National Guard or reserve pay. Kentucky provided a credit for National Guard pay.

Of the remaining states, two provided an exemption if earned outside of the state (Pennsylvania and Vermont); two states provided a full or partial exemption if stationed abroad (Maryland and optional-form filers in North Dakota); Oregon provided a partial exclusion for pay earned in-state and a full exclusion for pay earned out-of-state; and Wisconsin provided a \$200 credit against active duty pay earned outside of the country.

Two states (Vermont and Virginia) that provided a partial exemption for certain active

duty pay also provided a partial exemption for National Guard members. Table 1 summarizes the other states' tax treatment of active duty military pay.

Retirement/Pension Income. Many states provided state tax exclusions for retirement/pension income. As a result of the 1989 U.S. Supreme Court decision in Davis vs. Michigan Department of Treasury, states generally have moved to provide comparable tax treatment for federal civilian employee or military personnel pensions with state and local pension systems. Table 2 summarizes the basic exclusion amounts for the various types of retirement income in each state. When the exclusion amount for joint or combined returns is twice that for single filers, only the single exclusion amount is shown. Federal law prohibits states from taxing railroad retirement benefits.

Deductions

Under federal law, the standard deduction varies depending on filing status, age, and whether the taxpayer or spouse is blind. The federal standard deduction for tax year 2001 is summarized in the adjacent chart.

The majority of states (33) plus the District of Columbia provided a standard deduction in 2001.

2001 Federal Standard Deduction

| Filing Status | Under Age 65 | Age 65 or Blind | Age 65 and Blind |
|----------------------------|-----------------|--------------------|---------------------|
| Single | \$4,550 | \$5,650 | \$6,750 |
| Married, filing jointly | | | |
| One spouse | --- | 8,500 | 9,400/10,300* |
| Both spouses | 7,600 | 9,400 | 11,200 |
| Married, filing separately | 3,800 | 4,700 | 5,600 |
| Head of household | 6,650 | 7,750 | 8,850 |

*If one spouse is age 65 or over and blind and the other spouse is age 65 or over or blind, then the standard deduction is \$10,300.

Of these states, 12 used the federal amounts. In general, states provided a flat deduction amount or an amount based on a percent of income up to a maximum amount. Table 3 shows the standard deduction amounts provided in each state by filing status.

Under federal law, itemized deductions may be claimed for taxes paid, interest expenses, medical expenses, charitable contributions, and miscellaneous expenses. Certain itemized deductions are reduced if adjusted gross income is greater than a specified threshold. For tax year 2001, the threshold was \$132,950 (\$66,475 for married filing separately). Thirty-three states and the District of Columbia allow itemized deductions. The major itemized deductions and differences from federal law are shown in Table 4. As shown in Table 4, the major exception to federal itemized deductions in 2001 was for state and local taxes, as only eight states allowed state income taxes to be deducted.

Exemptions

A personal exemption of \$2,900 was provided in tax year 2001 under federal law for each taxpayer, spouse, and dependent. This exemption, which reduced the amount of income subject to tax, was phased out for high-income taxpayers. In 2001, each state except Pennsylvania provided an exemption or tax credit to adjust for family size. A tax credit differs from an exemption in that it is subtracted directly from tax liability, rather than reducing the amount of income subject to taxation. Because the personal exemptions and credits comprise a larger share of the income subject to tax for low- and middle-income taxpayers, these provisions provide a proportionately greater tax reduction for these taxpayers. The tax treatment by each state of personal exemptions or credits is shown in Table 5.

Tax Rates and Brackets

The major features of each state's tax rates and brackets are shown in Table 6. Table 6 shows the lowest and highest marginal tax rates, the number of brackets used, and the bracket amount at which the highest marginal tax rate is effective for taxpayers by marital status.

The highest marginal tax rate used by a state was 12% for certain types of capital gains in Massachusetts (and, although not shown in Table 6, for optional-form filers in North Dakota), followed by Montana at 11%. Oklahoma's tax for individuals who deduct federal income taxes had the greatest number of tax brackets at 11. Seven states imposed a single (flat) tax rate on all taxable income, while one state (Massachusetts) had multiple flat tax rates, each of which applied to different types of income. Finally, one state (South Carolina) calculated state tax as a percentage of federal liability.

Tax Credits

The purpose and structure of tax credits varies between state and federal law and among the states. Tax credits are often provided to offer an incentive for certain activities or to adjust for certain costs. Tax credits are subtracted from tax liability and are not dependent on the marginal tax rate of the taxpayer. As a result, all taxpayers who qualify for the tax credit receive the same tax reduction. A summary of the major types of tax credits in 2001 and the number of states plus the District of Columbia that provided such credits follows. (For purposes of the figures shown in this and the following sections, the District of Columbia is counted in the tally of states.) Some states offered more than one tax credit for certain purposes.

| | |
|--|-----------|
| Credit for taxes paid to other states..... | 42 states |
| Enterprise/jobs/business-related credits | 35 states |
| Energy/environmental-related credits..... | 25 states |
| Child/dependent care | 23 states |
| Property tax/rent/homestead | 17 states |
| Elderly/disabled..... | 16 states |
| Earned income tax credit..... | 15 states |
| Low-income..... | 14 states |

Contribution/Check-off

Most states include check-off or voluntary contribution provisions for a variety of programs. The most common programs offered by the states in 2001 are listed below.

| | |
|--|-----------|
| Endangered/nongame wildlife funds..... | 36 states |
| Child/domestic abuse trust fund..... | 22 states |
| Election/campaign fund..... | 21 states |
| Health related funds | 17 states |
| Veterans' programs/memorials..... | 12 states |

Other Taxes

Several states impose additional taxes at the time the state income tax return is filed. Major taxes included on the 2001 income tax forms of these states are summarized below.

| | |
|---------------------------------|-----------|
| Use tax | 17 states |
| Minimum tax..... | 12 states |
| Tax on IRA distributions..... | 6 states |
| Local income tax/surcharge..... | 4 states |

Table 1: State Taxation of Active Duty Military Pay (Tax Year 2001)

| State | Provision |
|----------------------|--|
| Alabama | Same as federal |
| Arizona | Same as federal |
| Arkansas | First \$6,000 exempt |
| California | Same as federal |
| Colorado | Same as federal |
| Connecticut | Same as federal |
| Delaware | Same as federal |
| District of Columbia | Same as federal |
| Georgia | Same as federal |
| Hawaii | Exempt up to \$1,750 for Reserve and National Guard members |
| Idaho | Same as federal |
| Illinois | Exempt |
| Indiana | First \$2,000 exempt |
| Iowa | Same as federal |
| Kansas | Same as federal |
| Kentucky | Credit for Kentucky National Guard members |
| Louisiana | Same as federal |
| Maine | First \$6,000 exempt |
| Maryland | \$15,000 excluded for service outside U.S. if total military pay < \$30,000 |
| Massachusetts | Same as federal |
| Michigan | Exempt |
| Minnesota | Same as federal |
| Mississippi | Exempt up to \$5,000 for Reserve and National Guard members |
| Missouri | Same as federal |
| Montana | Exempt |
| Nebraska | Same as federal |
| New Hampshire | Exempt |
| New Jersey | Same as federal |
| New Mexico | Same as federal |
| New York | Same as federal |
| North Carolina | Same as federal |
| North Dakota | Exclusion of \$1,000, plus \$300 per month if stationed abroad for long-form filers |
| Ohio | Same as federal |
| Oklahoma | First \$1,500 excluded |
| Oregon | First \$3,000 excluded if earned in Oregon; exempt if earned outside Oregon |
| Pennsylvania | Exempt if stationed outside of state |
| Rhode Island | Same as federal |
| South Carolina | Exempt Reserve and National Guard training pay |
| Tennessee | Exempt |
| Utah | Same as federal |
| Vermont | Exempt if earned outside Vermont and first \$1,500 for National Guard members |
| Virginia | Exempt up to \$15,000 of basic military pay and up to \$3,000 for National Guard pay. Exempt combat pay for service in support of Operation Joint Endeavor included in federal AG. |
| West Virginia | Same as federal |
| Wisconsin | Up to \$200 credit for active duty outside of U.S. |

Table 2: State Tax Exclusion for Pension/Retirement Income (Tax Year 2001)

| State | Private | State & Local | Federal Civilian | Military |
|----------------------|-------------------|--------------------|--------------------|--------------------|
| Alabama | State Calculation | Most exempt | Exempt | Exempt |
| Arizona | None | \$2,500 | \$2,500 | \$2,500 |
| Arkansas | \$6,000 | \$6,000 | \$6,000 | \$6,000 |
| California | None | None | None | None |
| Colorado | \$20,000/\$24,000 | \$20,000/\$24,000 | \$20,000/\$24,000 | \$20,000/\$24,000 |
| Connecticut | None | None | None | None |
| Delaware | \$2,000/\$12,500 | \$2,000/\$12,500 | \$2,000/\$12,500 | \$2,000/\$12,500 |
| District of Columbia | None | \$3,000 | \$3,000 | \$3,000 |
| Georgia | \$14,000 | \$14,000 | \$14,000 | \$14,000 |
| Hawaii | State Calculation | Exempt | Exempt | Exempt |
| Idaho | None | \$18,432/\$27,648* | \$18,432/\$27,648* | \$18,432/\$27,648* |
| Illinois | State Calculation | Exempt | Exempt | Exempt |
| Indiana | None | None | \$2,000* | \$2,000 |
| Iowa | \$6,000/\$12,000 | \$6,000/\$12,000 | \$6,000/\$12,000 | \$6,000/\$12,000 |
| Kansas | None | Exempt | Exempt | Exempt |
| Kentucky | Up to \$37,500 | State Calculation | State Calculation | State Calculation |
| Louisiana | \$6,000 | Exempt | Exempt | Exempt |
| Maine | \$6,000** | \$6,000** | \$6,000** | \$6,000** |
| Maryland | \$17,300 | \$17,300 | \$17,300 | \$17,300 |
| Massachusetts | None | Exempt*** | Exempt*** | Exempt |
| Michigan | \$36,090/\$72,180 | Exempt | Exempt | Exempt |
| Minnesota | None | None | None | None |
| Mississippi | Exempt | Exempt | Exempt | Exempt |
| Missouri | \$5,000 | \$6,000 | \$6,000 | \$6,000 |
| Montana | \$3,600 | \$3,600 | \$3,600 | \$3,600 |
| Nebraska | None | None | None | None |
| New Hampshire | Exempt | Exempt | Exempt | Exempt |
| New Jersey | \$11,250/\$15,000 | \$11,250/\$15,000 | \$11,250/\$15,000 | Exempt |
| New Mexico | None | None | None | None |
| New York | \$20,000 | Exempt | Exempt | Exempt |
| North Carolina | \$2,000 | \$4,000 | \$4,000 | \$4,000 |
| North Dakota | None | None/\$5,000* | None/\$5,000* | None/\$5,000* |
| Ohio | \$200 credit | \$200 credit | \$200 credit | \$200 credit |
| Oklahoma | \$5,500 | \$5,500 | \$5,500 | \$5,500 |
| Oregon | 9% credit | 9% credit | pre-1991 exempt | 9% credit |
| Pennsylvania | Exempt | Exempt | Exempt | Exempt |
| Rhode Island | None | None | None | None |
| South Carolina | \$3,000/\$10,000 | \$3,000/\$10,000 | \$3,000/\$10,000 | \$3,000/\$10,000 |
| Tennessee | Exempt | Exempt | Exempt | Exempt |
| Utah | \$4,800/\$7,500 | \$4,800/\$7,500 | \$4,800/\$7,500 | \$4,800/\$7,500 |
| Vermont | None | None | None | None |
| Virginia | None | None | None | Most taxable |
| West Virginia | None | \$2,000 | \$2,000 | \$32,000 |
| Wisconsin | None | Pre-1964 Exempt | Pre-1964 Exempt | Pre-1964 Exempt |

*Reduced by amount of social security received.

**Reduced by social security and railroad retirement benefits.

***Only contributory pension income is exempt.

Table 3: Standard Deduction by State (Tax Year 2001)

| State | % of AGI | Single | Married-J | Married-S | Head of Household |
|----------------------|----------|-------------------|--------------------|-------------------|-------------------|
| Alabama | 20% | \$2,000 maximum | \$4,000 maximum | \$2,000 maximum | \$2,000 maximum |
| Arizona | | \$4,050 | \$8,100 | \$4,050 | \$8,100 |
| Arkansas | | \$2,000 | \$4,000 | \$2,000 | \$2,000 |
| California | | \$2,960 | \$5,920 | \$2,960 | \$5,920 |
| Colorado | | Federal | Federal | Federal | Federal |
| Connecticut | | \$12,500 - \$0 | \$24,000 - \$0 | \$12,000 - \$0 | \$19,000 - \$0 |
| Delaware | | \$3,250 | \$6,500 | \$3,250 | \$3,250 |
| District of Columbia | | \$2,000 | \$2,000 | \$1,000 | \$2,000 |
| Georgia | | \$2,300 | \$3,000 | \$1,500 | \$2,300 |
| Hawaii | | \$1,500 | \$1,900 | \$950 | \$1,650 |
| Idaho | | Federal | 2 * Single Federal | Federal | Federal |
| Illinois | | None | None | None | None |
| Indiana | | None | None | None | None |
| Iowa | | \$1,500 | \$3,750 | \$1,500 | \$3,750 |
| Kansas | | \$3,000 | \$6,000 | \$3,000 | \$4,500 |
| Kentucky | | \$1,750 | \$1,750 | \$1,750 | \$1,750 |
| Louisiana | | \$4,500 | \$9,000 | \$4,500 | \$9,000 |
| Maine | | Federal | Federal | Federal | Federal |
| Maryland | 15% | \$1,500-\$2,000 | \$3,000-\$4,000 | \$1,500-\$2,000 | \$3,000-\$4,000 |
| Massachusetts | | None | None | None | None |
| Michigan | | None | None | None | None |
| Minnesota | | Federal | Federal | Federal | Federal |
| Mississippi | | \$2,300 | \$4,600 | \$2,300 | \$3,400 |
| Missouri | | Federal | Federal | Federal | Federal |
| Montana | 20% | \$1,430 - \$3,230 | \$2,860 - \$6,460 | \$1,430 - \$3,230 | \$2,860 - \$6,460 |
| Nebraska | | Federal | Federal | Federal | Federal |
| New Hampshire | | None | None | None | None |
| New Jersey | | None | None | None | None |
| New Mexico | | Federal | Federal | Federal | Federal |
| New York | | \$7,500 | \$13,400 | \$6,500 | \$10,500 |
| North Carolina | | \$3,000 | \$5,000 | \$2,500 | \$4,400 |
| North Dakota | | Federal | Federal | Federal | Federal |
| Ohio | | None | None | None | None |
| Oklahoma | 15% | \$1,000 - \$2,000 | \$1,000 - \$2,000 | \$500 - \$1,000 | \$1,000 - \$2,000 |
| Oregon | | \$1,800 | \$3,000 | \$1,500 | \$2,640 |
| Pennsylvania | | None | None | None | None |
| Rhode Island | | Federal | Federal | Federal | Federal |
| South Carolina | | Federal | Federal | Federal | Federal |
| Tennessee | | None | None | None | None |
| Utah | | Federal | Federal | Federal | Federal |
| Vermont | | Federal | Federal | Federal | Federal |
| Virginia | | \$3,000 | \$5,000 | \$2,500 | \$3,000 |
| West Virginia | | None | None | None | None |
| Wisconsin | | \$7,440 - \$0 | \$13,410 - \$0 | \$6,370 - \$0 | \$9,620 - \$0 |

Table 4: Itemized Deduction Provisions by State (Tax Year 2001)

| State | Itemized Deductions | State Income Taxes | Other Taxes | Interest Expenses | Medical Expenses | Charitable Contributions | Misc. & Other Deductions |
|----------------------|---------------------|--------------------|-------------|-------------------|------------------|--------------------------|--------------------------|
| Alabama | Yes | None | State | Federal | State | Federal | State |
| Arizona | Yes | Federal | State | Federal | State | State | State |
| Arkansas | Yes | None | Federal | Federal | Federal | State | Federal |
| California | Yes | None | State | Federal | Federal | Federal | State |
| Colorado | Yes | None | Federal | Federal | Federal | Federal | Federal |
| Connecticut | No | None | None | None | None | None | None |
| Delaware | Yes | None | State | Federal | State | State | Federal |
| District of Columbia | Yes | None | Federal | Federal | Federal | Federal | Federal |
| Georgia | Yes | State | Federal | State | Federal | Federal | Federal |
| Hawaii | Yes | Federal | Federal | Federal | State | Federal | State |
| Idaho | Yes | None | State | Federal | Federal | Federal | Federal |
| Illinois | No | None | None | None | None | None | None |
| Indiana | No | None | None | None | None | None | None |
| Iowa | Yes | None | Federal | Federal | Federal | State | State |
| Kansas | Yes | None | State | Federal | Federal | Federal | Federal |
| Kentucky | Yes | None | Federal | Federal | State | Federal | Federal |
| Louisiana | Yes | Federal | Federal | Federal | Federal | Federal | Federal |
| Maine | Yes | None | Federal | Federal | Federal | Federal | State |
| Maryland | Yes | None | State | Federal | Federal | Federal | Federal |
| Massachusetts | Yes | None | None | None | State | Federal | State |
| Michigan | No | None | None | None | None | None | None |
| Minnesota | Yes | None | Federal | Federal | Federal | Federal | Federal |
| Mississippi | Yes | None | Federal | Federal | Federal | Federal | Federal |
| Missouri | Yes | None | State | Federal | Federal | State | Federal |
| Montana | Yes | None | State | Federal | State | Federal | State |
| Nebraska | Yes | None | State | Federal | Federal | Federal | Federal |
| New Hampshire | No | None | None | None | None | None | None |
| New Jersey | No | None | None | None | None | None | None |
| New Mexico | Yes | Federal | Federal | Federal | Federal | Federal | Federal |
| New York | Yes | None | State | Federal | State | Federal | Federal |
| North Carolina | Yes | None | State | Federal | Federal | Federal | Federal |
| North Dakota | Yes | None | Federal | Federal | State | Federal | Federal |
| Ohio | No | None | None | None | None | None | None |
| Oklahoma | Yes | Federal | Federal | Federal | Federal | Federal | Federal |
| Oregon | Yes | None | Federal | Federal | State | Federal | State |
| Pennsylvania | No | None | None | None | None | None | None |
| Rhode Island | Yes | Federal | Federal | Federal | Federal | Federal | Federal |
| South Carolina | Yes | None | Federal | Federal | Federal | Federal | State |
| Tennessee | No | None | None | None | None | None | None |
| Utah | Yes | None | Federal | Federal | Federal | Federal | Federal |
| Vermont | Yes | Federal | Federal | Federal | Federal | Federal | Federal |
| Virginia | Yes | None | State | Federal | Federal | Federal | Federal |
| West Virginia | No | None | None | None | None | None | None |
| Wisconsin | Yes | None | None | State | Federal | Federal | None |

Table 5: Personal Exemptions/Credits by State (Tax Year 2001)

| State | Exemption/ Credit | Single | Married-J | Married-S | Head of Household | Elderly | Dependent | Handicapped Dependent | Blind--B Deaf--D Disabled--DS |
|-------------------|----------------------|----------|-----------|-----------|----------------------|---------|-------------|--------------------------|-------------------------------------|
| Alabama | Exemption | \$1,500 | \$3,000 | \$1,500 | \$3,000 | \$-0- | \$300 | \$-0- | \$-0- |
| Arizona | Exemption | 2,100 | 4,200 | 2,100 | 4,200 | 2,100 | 2,300 | -0- | B 1,500 |
| Arkansas | Credit | 20 | 40 | 20 | 40 | 20 | 20 | 500 | B, D 20 |
| California | Credit | 79 | 158 | 79 | 79 | 79 | 247 | -0- | B 79 |
| Colorado | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| Connecticut* | Credit | 0-75% | 0-75% | 0-75% | 0-75% | -0- | -0- | -0- | -0- |
| Delaware | Credit | 110 | 220 | 110 | 110 | 110 | 110 | -0- | -0- |
| Dist. Of Columbia | Exemption | 1,370 | 2,740 | 1,370 | 2,740 | 1,370 | 1,370 | -0- | B 1,370 |
| Georgia | Exemption | 2,700 | 5,400 | 2,700 | 2,700 | -0- | 2,700 | -0- | -0- |
| Hawaii | Exemption | 1,040 | 2,080 | 1,040 | 1,040 | 1,040 | 1,040 | -0- | B,D,DS 7,000 |
| Idaho | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| Illinois | Exemption | 2,000 | 4,000 | 2,000 | 2,000 | 1,000 | 2,000 | -0- | B 1,000 |
| Indiana | Exemption | 1,000 | 2,000 | 1,000 | 1,000 | 1,000 | 2,500 | -0- | B 1,000 |
| Iowa | Credit | 40 | 80 | 40 | 80 | 20 | 40 | -0- | B 20 |
| Kansas | Exemption | 2,250 | 4,500 | 2,250 | 4,500 | -0- | 2,250 | -0- | -0- |
| Kentucky | Credit | 20 | 40 | 20 | 20 | 40 | 20 | -0- | B 40 |
| Louisiana | Exemption | 1,000 | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 | -0- | B 1,000 |
| Maine | Exemption | 2,850 | 5,700 | 2,850 | 2,850 | -0- | 2,850 | -0- | -0- |
| Maryland | Exemption | 2,100 | 4,200 | 2,100 | 2,100 | 1,000 | 2,100 | -0- | B 1,000 |
| Massachusetts | Exemption | 4,400 | 8,800 | 4,400 | 6,800 | 700 | 1,000 | -0- | B 2,200 |
| Michigan | Exemption | 2,900 | 5,800 | 2,900 | 2,900 | 1,900 | 3,500/2,900 | -0- | B,D,DS 1,900 |
| Minnesota | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| Mississippi | Exemption | 6,000 | 12,000 | 6,000 | 8,000 | 1,500 | 1,500 | -0- | B 1,500 |
| Missouri | Exemption | 2,100 | 4,200 | 2,100 | 3,500 | -0- | 1,200/1,000 | -0- | -0- |
| Montana | Exemption | 1,720 | 3,440 | 1,720 | 1,720 | 1,720 | 1,720 | 1,720 | B 1,720 |
| Nebraska | Credit | 94 | 188 | 94 | 94 | -0- | 94 | -0- | -0- |
| New Hampshire | Exemption | 2,400 | 4,800 | 2,400 | 2,400 | 1,200 | -0- | -0- | B, DS 1,200 |
| New Jersey | Exemption | 1,000 | 2,000 | 1,000 | 1,000 | 1,000 | 1,500/1,000 | -0- | B, DS 1,000 |
| New Mexico | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| New York | Exemption | -0- | -0- | -0- | -0- | -0- | 1,000 | -0- | -0- |
| North Carolina | Exemption | 400 | 800 | 400 | 400 | -0- | 400 | -0- | -0- |
| North Dakota | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| Ohio | Exemption/Cr | 1,150/20 | 2,300/40 | 1,150/20 | 1,150/20 | -0- | 1,150/20 | -0- | -0- |
| Oklahoma | Exemption | 1,000 | 2,000 | 1,000 | 1,000 | 1,000 | 1,000 | -0- | B 1,000 |
| Oregon | Credit | 142 | 284 | 142 | 142 | -0- | 142 | 142 | DS 142 |
| Pennsylvania | None | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Rhode Island | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| South Carolina | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| Tennessee | Exemption | 1,250 | 2,500 | 1,250 | 1,250 | -0- | -0- | -0- | B, DS Exempt |
| Utah | Exemption | 2,175 | 4,350 | 2,175 | 2,175 | -0- | 2,175 | 2,175 | DS 2,175 |
| Vermont | Exemption | Federal | Federal | Federal | Federal | Federal | Federal | Federal | Federal |
| Virginia | Exemption | 800 | 1,600 | 800 | 800 | 800 | 800 | -0- | B 800 |
| West Virginia | Exemption | 2,000 | 4,000 | 2,000 | 2,000 | -0- | 2,000 | -0- | -0- |
| Wisconsin | Exemption | 700 | 1,400 | 700 | 700 | 250 | 700 | -0- | -0- |

*The credit percentages are applied to gross tax and phased out for higher-income taxpayers.

Table 6: Tax Rates and Brackets by State (Tax Year 2001)

| State | Marginal Tax Rates | | Number of Brackets | Top Marginal Tax Rate Begins at: | | | |
|-------------------|--------------------|--------------|--------------------|----------------------------------|-------------------|-------------------|--------------------|
| | Lowest Tax Rate | Top Tax Rate | | Single Bracket | Married-J Bracket | Married-S Bracket | Head of HH Bracket |
| Alabama | 2.0% | 5.0% | 3 | \$3,000 | \$6,000 | \$3,000 | \$3,000 |
| Arizona | 2.87 | 5.04 | 5 | 150,000 | 300,000 | 150,000 | 300,000 |
| Arkansas | 1.0 | 7.0 | 6 | 27,700 | 27,700 | 27,700 | 27,700 |
| California | 1.0 | 9.3 | 6 | 37,725 | 75,450 | 37,725 | 51,350 |
| Colorado | 4.63 | 4.63 | Flat Rate | --- | --- | --- | --- |
| Connecticut | 3.0 | 4.5 | 2 | 10,000 | 20,000 | 10,000 | 16,000 |
| Delaware | 0.0 | 5.95 | 7 | 60,000 | 60,000 | 60,000 | 60,000 |
| Dist. of Columbia | 5.7 | 9.3 | 3 | 30,000 | 30,000 | 30,000 | 30,000 |
| Georgia | 1.0 | 6.0 | 6 | 7,000 | 10,000 | 5,000 | 10,000 |
| Hawaii | 1.5 | 8.5 | 9 | 40,000 | 80,000 | 40,000 | 60,000 |
| Idaho | 1.6 | 7.8 | 8 | 21,129 | 42,258 | 21,129 | 42,258 |
| Illinois | 3.0 | 3.0 | Flat Rate | --- | --- | --- | --- |
| Indiana | 3.4 | 3.4 | Flat Rate | --- | --- | --- | --- |
| Iowa | 0.36 | 8.98 | 9 | 53,325 | 53,325 | 53,325 | 53,325 |
| Kansas | 3.5 | 6.45 | 3 | 30,000 | 60,000 | 30,000 | 30,000 |
| Kentucky | 2.0 | 6.0 | 5 | 8,000 | 8,000 | 8,000 | 8,000 |
| Louisiana | 2.0 | 6.0 | 3 | 50,000 | 100,000 | 50,000 | 50,000 |
| Maine | 2.0 | 8.5 | 4 | 16,500 | 33,000 | 16,500 | 24,750 |
| Maryland | 2.0 | 4.75 | 4 | 3,000 | 3,000 | 3,000 | 3,000 |
| Massachusetts* | 0.0 | 12.0 | Flat Rates | --- | --- | --- | --- |
| Michigan | 4.2 | 4.2 | Flat Rate | --- | --- | --- | --- |
| Minnesota | 5.35 | 7.85 | 3 | 59,500 | 105,200 | 52,600 | 89,610 |
| Mississippi | 3.0 | 5.0 | 3 | 10,000 | 10,000 | 10,000 | 10,000 |
| Missouri | 1.5 | 6.0 | 10 | 9,000 | 9,000 | 9,000 | 9,000 |
| Montana | 2.0 | 11.0 | 10 | 75,400 | 75,400 | 75,400 | 75,400 |
| Nebraska | 2.51 | 6.68 | 4 | 26,500 | 46,750 | 23,375 | 35,000 |
| New Hampshire | 5.0 | 5.0 | Flat Rate | --- | --- | --- | --- |
| New Jersey | 1.4 | 6.37 | 5/6 | 75,000 | 150,000 | 75,000 | 150,000 |
| New Mexico | 1.7 | 8.2 | 7 | 65,000 | 100,000 | 50,000 | 83,000 |
| New York | 4.0 | 6.85 | 5 | 20,000 | 40,000 | 20,000 | 30,000 |
| North Carolina | 6.0 | 8.25 | 4 | 120,000 | 200,000 | 100,000 | 160,000 |
| North Dakota** | 2.1 | 5.54 | 5 | 297,350 | 297,350 | 148,675 | 297,350 |
| Ohio | 0.743 | 7.5 | 9 | 200,000 | 200,000 | 200,000 | 200,000 |
| Oklahoma*** | 0.5 | 10.0 | 11 | 16,000 | 24,000 | 16,000 | 24,000 |
| Oregon | 5.0 | 9.0 | 3 | 6,300 | 12,600 | 6,300 | 12,600 |
| Pennsylvania | 2.8 | 2.8 | Flat Rate | --- | --- | --- | --- |
| Rhode Island | 25.5 | 25.5 | % of Fed. | --- | --- | --- | --- |
| South Carolina | 2.5 | 7.0 | 6 | 12,000 | 12,000 | 12,000 | 12,000 |
| Tennessee | 6.0 | 6.0 | Flat Rate | --- | --- | --- | --- |
| Utah | 2.3 | 7.0 | 6 | 4,313 | 8,626 | 4,313 | 8,626 |
| Vermont | 3.6 | 9.5 | 5 | 297,350 | 297,350 | 148,675 | 297,350 |
| Virginia | 2.0 | 5.75 | 4 | 17,000 | 17,000 | 17,000 | 17,000 |
| West Virginia | 3.0 | 6.5 | 5 | 60,000 | 60,000 | 30,000 | 60,000 |
| Wisconsin | 4.6 | 6.75 | 4 | 116,300 | 155,100 | 77,550 | 116,330 |

*Massachusetts has flat tax rates, each of which is applied to different sources of income.

**North Dakota's standard method. There is also has an optional method with separate rates and brackets.

***Oklahoma's method for taxpayers who deduct federal income tax. For taxpayers who do not, there is a separate method with its own rates and brackets.

ALABAMA

Filing System: Joint

| TAX BASE: STATE ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | |
|---|--|--|--|-----------------|----------------------------|----------------------|------------------|-----------|-------------|------|-------------|---------------|-----|----------------|----------------|-----|---|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.</p> <p>Business/Rent/Farm.....State schedule for rental income.</p> <p>Capital Gains & Losses.....Same as federal, except all gains are taxable and all losses deductible in year incurred.</p> <p>Pension/Retirement Income</p> <p>--Private.....Payments from defined benefit plans are exempt.</p> <p>--Public.....Most systems exempt.</p> <p>--U.S. Civil Service.....Exempt.</p> <p>--Military.....Exempt.</p> <p>Active Duty Military.....Same as federal.</p> <p>Unemployment Compensation.....Exempt.</p> <p>Social Security Benefits.....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except Alabama obligations.</p> <p>Miscellaneous</p> <p>Disability Income.....Exempt.</p> <p>Lottery Winnings.....Taxable.</p> <p>Federal Income Taxes.....Deductible.</p> <p>Other.....Moving expenses 100% deductible but only if new job is in Alabama. Certain adoption expenses are deductible. Benefits from prepaid tuition contracts are exempt. Up to \$25,000 in severance pay is exempt if a result of administrative downsizing.</p> | | <p>Standard: 20% of AGI. Maximum: Married-J--\$4,000; Single/Married-S/HH--\$2,000.</p> <p>Itemized: State itemized deductions.</p> <p>Major Differences from Federal Law: <u>Medical:</u> Limited to amount by which medical costs exceed 4% of AGI, except all long-term care premiums are fully deductible. <u>Taxes:</u> State income tax not deductible; deduction for FICA, federal self-employment tax, railroad retirement. <u>Casualty and Theft:</u> Loss must be reduced by 10% of AGI and claimed in year occurred.</p> | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Taxable Income Brackets</u></th> <th style="text-align: center;"><u>Marginal</u></th> </tr> <tr> <th style="text-align: center;"><u>Single/Married-S/HH</u></th> <th style="text-align: center;"><u>Married-Joint</u></th> <th style="text-align: center;"><u>Tax Rates</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 500</td> <td style="text-align: center;">\$0 - 1,000</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">500 - 3,000</td> <td style="text-align: center;">1,000 - 6,000</td> <td style="text-align: center;">4.0</td> </tr> <tr> <td style="text-align: center;">3,000 and over</td> <td style="text-align: center;">6,000 and over</td> <td style="text-align: center;">5.0</td> </tr> </tbody> </table> | | <u>Taxable Income Brackets</u> | | <u>Marginal</u> | <u>Single/Married-S/HH</u> | <u>Married-Joint</u> | <u>Tax Rates</u> | \$0 - 500 | \$0 - 1,000 | 2.0% | 500 - 3,000 | 1,000 - 6,000 | 4.0 | 3,000 and over | 6,000 and over | 5.0 | <p>Single.....\$1,500</p> <p>Married-J/HH.....3,000</p> <p>Married-S.....1,500</p> <p>Dependent.....300</p> |
| <u>Taxable Income Brackets</u> | | <u>Marginal</u> | | | | | | | | | | | | | | | |
| <u>Single/Married-S/HH</u> | <u>Married-Joint</u> | <u>Tax Rates</u> | | | | | | | | | | | | | | | |
| \$0 - 500 | \$0 - 1,000 | 2.0% | | | | | | | | | | | | | | | |
| 500 - 3,000 | 1,000 - 6,000 | 4.0 | | | | | | | | | | | | | | | |
| 3,000 and over | 6,000 and over | 5.0 | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Capital credit • Employer-sponsored basic skills education credit • Enterprise zone • Rural physician's tax credit • Taxes paid to other states | <ul style="list-style-type: none"> • Arts development fund • Breast and cervical cancer research program • Child abuse trust fund • Election campaign fund • Foster care trust fund • Home weatherization • Indian children's scholarship fund • Mental health • Neighbors helping neighbors fund • Nongame wildlife fund • Public health and disease prevention • Senior Services trust fund • Veterans' program | <p>Use Tax</p> | | | | | | | | | | | | | | | |

ARIZONA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | DEDUCTIONS |
|---|--|--|---|
| <u>Major Differences from Federal Law</u> | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | Standard: Single/Married-S--\$4,050; Married-J/HH--\$8,100. Itemized: Federal itemized deductions. Major Differences from Federal Law: <u>Medical Expenses:</u> Expenses are not reduced as a percent of AGI. <u>Property Taxes:</u> Defense contractors cannot claim same property taxes used for credit. <u>Charitable Contributions:</u> Cannot claim same contributions used for credit. <u>Gambling Losses:</u> Adjust to reflect lottery exclusion. |
| Business/Rent/Farm..... | Same as federal. | | |
| Capital Gains & Losses..... | Same as federal. | | |
| Pension/Retirement Income | | | |
| --Private..... | Same as federal. | | |
| --Public..... | Exclusion of up to \$2,500/taxpayer. | | |
| --U.S. Civil Service..... | Exclusion of up to \$2,500/taxpayer. | | |
| --Military..... | Exclusion of up to \$2,500/taxpayer. | | |
| Active Duty Military..... | Same as federal. | | |
| Unemployment Compensation..... | Same as federal. | | |
| Social Security Benefits..... | Exempt. | | |
| State/Municipal Bond Interest..... | Taxable except Arizona obligations. | | |
| Miscellaneous | | | |
| Disability Income..... | Same as federal. | | |
| Lottery Winnings..... | Up to \$5,000 from Arizona lottery excluded. | | |
| Federal Income Taxes..... | Not deductible. | | |
| Other..... | Deductions for crops contributed to charitable organizations, reservation income of Native Americans, distributions from a qualified state tuition program, deposits and employer contributions to MSAs, up to \$3,000 in adoption expenses, and up to \$500 for a qualified wood stove, wood fireplace, or gas-fired fireplace. | | |
| TAX RATES AND BRACKETS | | | EXEMPTIONS |
| <u>Taxable Income Brackets</u> | | <u>Marginal</u> | |
| <u>Single/Married-S</u> | <u>Married-Joint/HH</u> | <u>Tax Rates</u> | |
| \$0 - 10,000 | \$0 - 20,000 | 2.87% | Single/MS\$2,100 |
| 10,000 - 25,000 | 20,000 - 50,000 | 3.20 | MJ/HH4,200 |
| 25,000 - 50,000 | 50,000 - 100,000 | 3.74 | MJ with at least |
| 50,000 - 150,000 | 100,000 - 300,000 | 4.72 | one dependent6,300 |
| 150,000 and over | 300,000 and over | 5.04 | Dependent.....2,300 |
| | | | Age 65 and over.....2,100 |
| | | | Blind1,500 |
| | | | Qualified parents |
| | | | or ancestors10,000 |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | |
| <ul style="list-style-type: none"> • Agricultural preservation district • Clean election fund tax credit • Construction materials • Contributions to charities that assist the working poor • Contributions to school tuition organizations • Defense contracting • Donating motor vehicles • Donation of school site • Employer credit for technology training • Employment of TANF recipients • Enterprise zone • Environmental-related credits • Family income tax credit • Fees paid and certain contributions to public schools • Increased excise taxes • Increased research activities • Military reuse zone • Property tax/rent • Recycling equipment • Taxes paid other states/countries | <ul style="list-style-type: none"> • Child abuse prevention • Clean elections fund • Domestic violence shelters • Education fund • Political • Special Olympics • Utility bill assistance and energy conservation • Wildlife | <ul style="list-style-type: none"> • MSA withdrawal penalty | |

ARKANSAS

Filing System: Joint/Combined

| TAX BASE: STATE ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | |
|---|--|--|-------------|------|---------------|-----|---------------|-----|----------------|-----|-----------------|-----|-----------------|-----|---|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend..... Exempts U.S. government bonds. Business/Rent/Farm..... Same as federal. Capital Gains & Losses..... Exclude up to 30% of net long-term capital gains. Pension/Retirement Income --Private..... First \$6,000 exempt. --Public..... First \$6,000 exempt. --U.S. Civil Service..... First \$6,000 exempt. --Military..... First \$6,000 exempt. Active Duty Military..... First \$6,000 exempt. Unemployment Compensation..... Exempt. Social Security Benefits..... Exempt. State/Municipal Bond Interest..... Taxable except Arkansas obligations. Miscellaneous Disability Income..... Same as federal. Lottery Winnings..... Taxable. Federal Income Taxes..... Not deductible. Other..... Border city exemption. Deductions for support of a permanently disabled dependent and long-term intergenerational trusts. | | <p>Standard: Single/MS/HH--\$2,000 Married-J--\$4,000</p> <p>Itemized: State itemized deductions.</p> <p>Major Differences from Federal Law: Contributions: Limited to 50% of AGI with a 5-year carryover. Taxes: State income tax not deductible.</p> | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS (TAX CREDIT) | | | | | | | | | | | | | | |
| <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Taxable Income Bracket</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 3,200</td> <td style="text-align: center;">1.0%</td> </tr> <tr> <td style="text-align: center;">3,200 - 6,400</td> <td style="text-align: center;">2.5</td> </tr> <tr> <td style="text-align: center;">6,400 - 9,600</td> <td style="text-align: center;">3.5</td> </tr> <tr> <td style="text-align: center;">9,600 - 16,000</td> <td style="text-align: center;">4.5</td> </tr> <tr> <td style="text-align: center;">16,000 - 27,700</td> <td style="text-align: center;">6.0</td> </tr> <tr> <td style="text-align: center;">27,700 and over</td> <td style="text-align: center;">7.0</td> </tr> </tbody> </table> | Taxable Income Bracket | Marginal Tax Rates | \$0 - 3,200 | 1.0% | 3,200 - 6,400 | 2.5 | 6,400 - 9,600 | 3.5 | 9,600 - 16,000 | 4.5 | 16,000 - 27,700 | 6.0 | 27,700 and over | 7.0 | Single/MS.....20 Married-J/HH.....40 Dependent.....20 Age 65 or over.....20 Developmentally Disabled Child..... 500 Blind.....20 Deaf.....20 Age 65 special.....20 | |
| Taxable Income Bracket | Marginal Tax Rates | | | | | | | | | | | | | | | |
| \$0 - 3,200 | 1.0% | | | | | | | | | | | | | | | |
| 3,200 - 6,400 | 2.5 | | | | | | | | | | | | | | | |
| 6,400 - 9,600 | 3.5 | | | | | | | | | | | | | | | |
| 9,600 - 16,000 | 4.5 | | | | | | | | | | | | | | | |
| 16,000 - 27,700 | 6.0 | | | | | | | | | | | | | | | |
| 27,700 and over | 7.0 | | | | | | | | | | | | | | | |
| Special tax table provided for low-income taxpayers. | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Adoption expenses • Biotechnology development • Capital development corporation • Child care • County & regional industrial development • Economic development • Employer-provided early childhood program • Enterprise zone • Equipment donation • Family saving initiative • Homestead property tax refund • Manufacturing investment • Phenylketonuria disorder • Political contributions • Private wetland/riparian zone • Public roads improvement • Taxes paid to other states • Tourism project development • Tuition reimbursement • Venture capital investment • Waste reduction and recycling equipment • Water resource conservation • Workforce training • Working taxpayer credit • Youth apprenticeship | <ul style="list-style-type: none"> • Disaster relief • Schools for the blind and deaf • US Olympic fund | <ul style="list-style-type: none"> • Early withdrawal penalty from IRA | | | | | | | | | | | | | | |

CALIFORNIA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | DEDUCTIONS |
|---|--|--|---------------------------|--|
| <u>Major Differences from Federal Law</u> | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | <p>Standard: Single/Married-S--\$2,960 Married-J/HH--\$5,920</p> <p>Itemized: State itemized deductions.</p> <p>Major Differences from Federal Law: <u>Taxes:</u> State, local, and foreign income tax and state disability insurance are not deductible.</p> <p><u>Miscellaneous:</u> Different treatment of investment interest expense and employee business expense.</p> <p><u>Other:</u> Legislators' travel expenses are only deductible if incurred while away from home overnight. Adoption-related expenses and mortgage interest used to claim state credits cannot be claimed.</p> |
| Business/Rent/Farm..... | California depreciation methods and accelerated write-offs. | | | |
| Capital Gains & Losses..... | Same as federal. | | | |
| Pension/Retirement Income | | | | |
| --Private..... | Same as federal. | | | |
| --Public..... | Same as federal. | | | |
| --U.S. Civil Service..... | Same as federal. | | | |
| --Military..... | Same as federal. | | | |
| Active Duty Military..... | Same as federal. | | | |
| Unemployment Compensation..... | Exempt. | | | |
| Social Security Benefits..... | Exempt. | | | |
| State/Municipal Bond Interest..... | Taxable except California obligations. | | | |
| Miscellaneous | | | | |
| Disability Income..... | Same as federal. | | | |
| Lottery Winnings..... | California lottery winnings exempt. | | | |
| Federal Income Taxes..... | Not deductible. | | | |
| Other..... | Exempt government rewards from a crime hotline and beverage container recycling income. Deductions for certain rebates for water and energy conservation | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS (TAX CREDIT) |
| <u>Taxable Income Brackets</u> | | | | |
| <u>Single/Married-S</u> | <u>Married-Joint</u> | <u>Head-of-Household</u> | <u>Marginal Tax Rates</u> | Single /HH.....\$79 |
| \$0 - \$5,748 | \$0 - \$11,496 | \$0 - \$11,500 | 1.0% | Married-J..... 158 |
| 5,748 - 13,625 | 11,496 - 27,250 | 11,500 - 27,250 | 2.0 | Married-S..... 79 |
| 13,625 - 21,503 | 27,250 - 43,006 | 27,250 - 35,126 | 4.0 | Dependent.....247 |
| 21,503 - 29,850 | 43,006 - 59,700 | 35,126 - 43,473 | 6.0 | Age 65 or older..... 79 |
| 29,850 - 37,725 | 59,700 - 75,450 | 43,473 - 51,350 | 8.0 | Blind..... 79 |
| 37,725 and over | 75,450 and over | 51,350 and over | 9.3 | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES |
| <ul style="list-style-type: none"> • Adoption credit • Child and Dependent Care • Community development financial institution deposits • Dependent parent • Disabled access for eligible small businesses • Donated agricultural products transportation • Employer child care contribution • Employer child care program • Enhanced oil recovery • Enterprise zone employee credit • Enterprise zone hiring and sales or use tax • Farmworker housing • Joint custody head-of-household • Joint strike fighter wages and property • Local agency military base recovery area • Long-term care • Low-income housing • Manufacturers' investment • Manufacturing enhancement area • Natural heritage preservation • Other state tax • Prior year alternative minimum tax • Prison inmate labor • Renters credit • Research • Rice straw • Senior head-of-household • Solar energy system • Targeted area hiring and sales or use tax • Teacher retention | | <ul style="list-style-type: none"> • Alzheimer's disease/related disorders • Breast cancer research • California seniors special fund • Child abuse prevention • Emergency food assistance program • Firefighters' memorial • Lupus Foundation of America • Peace officer memorial • Rare and endangered species preservation • Senior citizens fund | | <ul style="list-style-type: none"> • Alternative minimum tax • Credit recapture • Taxes attributed to IRAs, other qualified retirement plans, annuities, modified endowment contracts and MSAs. |

COLORADO

Filing System: Joint

| TAX BASE: FEDERAL TAXABLE INCOME | | DEDUCTIONS |
|---|---|--|
| <u>Major Differences from Federal Law</u> | | |
| Interest/Dividend..... | Exempts U.S. government bonds and up to \$1,500/person of other interest and dividend income. | <p>Standard: Same as federal except qualified charitable contributions can be added to standard deduction.</p> <p>Itemized: Same as federal.</p> <p>Major Differences From Federal Law: <u>Taxes:</u> State income taxes not deductible. <u>Other:</u> Marriage penalty deduction for joint filers.</p> |
| Business/Rent/Farm..... | Same as federal. | |
| Capital Gains & Losses | Capital gain from certain Colorado sources is exempt if held for specified periods. | |
| Pension/Retirement Income | | |
| --Private..... | Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older). | |
| --Public..... | Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older). | |
| --U.S. Civil Service..... | Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older). | |
| --Military..... | Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older). | |
| Active Duty Military..... | Same as federal. | |
| Unemployment Compensation..... | Same as federal. | |
| Social Security Benefits..... | If aged 55 - 64, up to \$20,000/person of federally taxable benefits excluded; up to \$24,000/person if 65 or older. | |
| State/Municipal Bond Interest..... | Taxable except Colorado obligations. | |
| Miscellaneous | | |
| Disability Income..... | Same as federal. | |
| Lottery Winnings..... | Same as federal. | |
| Federal Income Taxes..... | Not deductible. | |
| Other..... | Exclusions for contributions to and distributions from Colorado qualified state tuition programs. | |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| 4.63% of Colorado taxable income. | | Same as federal. |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Agriculture value-added • Alternative fuel • Child care • Colorado works program • Conservation easement • Contaminated land redevelopment • Earned income tax credit • Enterprise zone • Foster care • Individual development account • Health benefit plan • Health care professional • Historic property preservation • Long-term care • Low-income housing • Rural technology enterprise • Sales tax refund • Schools-to-career investment • Taxes paid in other states | <ul style="list-style-type: none"> • Child care improvement • Domestic abuse • Homeless prevention activities • Nongame and endangered wildlife • Pet overpopulation fund • Special Olympics • Veterans cemetery | <ul style="list-style-type: none"> • Alternative minimum tax |

CONNECTICUT

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | | | |
|--|---|---|--------------------|---------------|--------------------|--------------------------------------|---------------|-------------------|---------------------|--------------|--------------|-----------------|-----------|-----------------|-----------------|-----------------|--------|---|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds.</p> <p>Business/Rent/Farm..... Same as federal.</p> <p>Capital Gains & Losses..... Gains/ losses from the sale of Connecticut state and local bonds are subtracted/ added back.</p> <p>Pension/Retirement Income</p> <p>--Private..... Same as federal.</p> <p>--Public..... Same as federal.</p> <p>--U.S. Civil Service..... Same as federal.</p> <p>--Military..... Same as federal.</p> <p>Active Duty Military..... Same as federal.</p> <p>Unemployment Compensation..... Same as federal.</p> <p>Social Security Benefits..... Exempt if income is below \$50,000 (\$60,000 MJ/HH); partially taxable if higher income.</p> <p>State/Municipal Bond Interest..... Taxable except Connecticut obligations.</p> <p>Miscellaneous</p> <p>Disability Income..... Same as federal.</p> <p>Lottery Winnings..... Same as federal.</p> <p>Federal Income Taxes..... Not deductible.</p> <p>Other..... Exemptions for distributions from Connecticut higher education trust fund and interest on Connecticut individual development accounts. Modifications (add or subtract) for Connecticut fiduciary adjustment.</p> | | <p>Standard:</p> <p>Sliding scale standard deduction.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Filing Status</th> <th style="text-align: center;">Standard Deduction</th> <th style="text-align: center;">Income Range for Deduction Phase-Out</th> </tr> </thead> <tbody> <tr> <td>Single/MS</td> <td style="text-align: center;">\$12,500</td> <td style="text-align: center;">\$25,000 - \$37,000</td> </tr> <tr> <td>HH</td> <td style="text-align: center;">19,000</td> <td style="text-align: center;">38,000 - 56,000</td> </tr> <tr> <td>Married-J</td> <td style="text-align: center;">24,000</td> <td style="text-align: center;">48,000 - 71,000</td> </tr> <tr> <td>Married-S</td> <td style="text-align: center;">12,000</td> <td style="text-align: center;">24,000 - 35,000</td> </tr> </tbody> </table> <p>Itemized:</p> <p>None.</p> | | Filing Status | Standard Deduction | Income Range for Deduction Phase-Out | Single/MS | \$12,500 | \$25,000 - \$37,000 | HH | 19,000 | 38,000 - 56,000 | Married-J | 24,000 | 48,000 - 71,000 | Married-S | 12,000 | 24,000 - 35,000 | |
| Filing Status | Standard Deduction | Income Range for Deduction Phase-Out | | | | | | | | | | | | | | | | | |
| Single/MS | \$12,500 | \$25,000 - \$37,000 | | | | | | | | | | | | | | | | | |
| HH | 19,000 | 38,000 - 56,000 | | | | | | | | | | | | | | | | | |
| Married-J | 24,000 | 48,000 - 71,000 | | | | | | | | | | | | | | | | | |
| Married-S | 12,000 | 24,000 - 35,000 | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS (TAX CREDIT) | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> <tr> <th style="text-align: center;">Single/Married-S</th> <th style="text-align: center;">Married-Joint</th> <th style="text-align: center;">Head of Household</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 10,000</td> <td style="text-align: center;">\$0 - 20,000</td> <td style="text-align: center;">\$0 - 16,000</td> <td style="text-align: center;">3.0%</td> </tr> <tr> <td style="text-align: center;">10,000 and over</td> <td style="text-align: center;">20,000 and over</td> <td style="text-align: center;">16,000 and over</td> <td style="text-align: center;">4.5</td> </tr> </tbody> </table> | | Taxable Income Brackets | | | Marginal Tax Rates | Single/Married-S | Married-Joint | Head of Household | | \$0 - 10,000 | \$0 - 20,000 | \$0 - 16,000 | 3.0% | 10,000 and over | 20,000 and over | 16,000 and over | 4.5 | <p>Personal tax credits ranging from 0% to 75% of tax, depending on filing status and Connecticut AGI. 75% credit is phased out as follows:</p> <p>Single..... \$15,600 - \$54,500</p> <p>Head-of-Household..... 24,000 - 78,500</p> <p>Married-J..... 30,000 - 100,500</p> <p>Married-S..... 15,000 - 52,500</p> | |
| Taxable Income Brackets | | | Marginal Tax Rates | | | | | | | | | | | | | | | | |
| Single/Married-S | Married-Joint | Head of Household | | | | | | | | | | | | | | | | | |
| \$0 - 10,000 | \$0 - 20,000 | \$0 - 16,000 | 3.0% | | | | | | | | | | | | | | | | |
| 10,000 and over | 20,000 and over | 16,000 and over | 4.5 | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Income tax paid to other jurisdictions • Property tax on primary residences and motor vehicles | <ul style="list-style-type: none"> • AIDS research education • Breast cancer research and education • Endangered species, natural area preserves, and watchable wildlife fund • Organ transplant • Safety net services | <ul style="list-style-type: none"> • Alternative minimum tax • Use tax | | | | | | | | | | | | | | | | | |

DELAWARE

Filing System: Joint/Combined

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|---|---|---|
| <u>Major Differences from Federal Law</u> | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | Standard: Single/HH--\$3,250; Married-J--\$6,500; Married-S--\$3,250. Additional standard deduction if: Blind--\$2,500 Age 65 or over--\$2,500 Itemized: Federal itemized deductions. Major Differences from Federal Law: <u>Contributions:</u> Charitable mileage deduction. <u>Self-Employed Health Insurance:</u> Deduction for 100% of self-employed health insurance. <u>Taxes:</u> State income tax not deductible; foreign tax credit deductible. |
| Business/Rent/Farm..... | Same as federal. | |
| Capital Gains & Losses..... | Same as federal. | |
| Pension/Retirement Income | | |
| --Private..... | Exclude \$2,000 (under 60); \$12,500 (60 and over). | |
| --Public..... | Exclude \$2,000 (under 60); \$12,500 (60 and over). | |
| --U.S. Civil Service..... | Exclude \$2,000 (under 60); \$12,500 (60 and over). | |
| --Military..... | Exclude \$2,000 (under 60); \$12,500 (60 and over). | |
| Active Duty Military..... | Same as federal. | |
| Unemployment Compensation..... | Same as federal. | |
| Social Security Benefits..... | Exempt. | |
| State/Municipal Bond Interest..... | Taxable except Delaware obligations. | |
| Miscellaneous | | |
| Disability Income..... | See other. | |
| Lottery Winnings..... | Delaware winnings exempt. | |
| Federal Income Taxes..... | Not deductible. | |
| Other..... | Exclusion if disabled or age 60 or over if earned income and AGI are below certain thresholds. State tax treatment of oil percentage depletion and fiduciary income from estates and trusts. Exempt income from approved employer provided transportation programs. Exclude certain distributions from retirement plans used for higher education expenses. | |
| TAX RATES AND BRACKETS | | EXEMPTIONS (TAX CREDIT) |
| Taxable Income Bracket | Marginal Tax Rates | Each federal exemption..... \$110 Age 60 or over..... \$110 |
| \$0 - 2,000 | No tax | |
| 2,000 - 5,000 | 2.20% | |
| 5,000 - 10,000 | 3.90 | |
| 10,000 - 20,000 | 4.80 | |
| 20,000 - 25,000 | 5.20 | |
| 25,000 - 60,000 | 5.55 | |
| 60,000 and over | 5.95 | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Capital investment and new employment • Child and dependent care • Economic development • Historic preservation • Land and historic resource conservation • Rehabilitation of contaminated industrial sites • Tax paid to another state • Volunteer firefighter, fire auxiliary, and rescue squad • Waste reduction and recycling | <ul style="list-style-type: none"> • Breast cancer coalition • Children's trust fund • Diabetes education • Emergency housing assistance • Nongame wildlife fund, endangered species, and natural areas preservation • Organ and tissue donation awareness • U.S. Olympics | <ul style="list-style-type: none"> • Lump-sum distributions (beneficial tax treatment) |

DISTRICT OF COLUMBIA

Filing System: Joint/Combined

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--------------|------|-----------------|-----|-----------------|-----|---|--|-------------|---------|-------------------|-------|----------------|-------|----------------|-------|---------------------|-------|------------|-------|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Same as federal. --Public.....Exclusion for up to \$3,000 (age 62 or over). --U.S. Civil Service.....Exclusion for up to \$3,000 (age 62 or over). --Military.....Exclusion for up to \$3,000 (age 62 or over). Active Duty Military.....Same as federal. Unemployment Compensation.....Taxable except for amounts from September 9, 2001, through December 31, 2001. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Same as federal. Miscellaneous Disability Income.....Exempt. Lottery Winnings.....Same as federal. Federal Income Taxes.....Not deductible. | | <p>Standard: Single/Married-J/HH--\$2,000 Married-S--\$1,000</p> <p>Itemized: Same as federal</p> <p>Major Differences from Federal Law: <u>Taxes:</u> State and local income taxes not deductible.</p> | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | |
| <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Taxable Income Bracket</u></th> <th style="text-align: left;"><u>Marginal Tax Rates</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 10,000</td> <td style="text-align: center;">5.0%</td> </tr> <tr> <td style="text-align: center;">10,000 - 30,000</td> <td style="text-align: center;">7.5</td> </tr> <tr> <td style="text-align: center;">30,000 and over</td> <td style="text-align: center;">9.3</td> </tr> </tbody> </table> | <u>Taxable Income Bracket</u> | <u>Marginal Tax Rates</u> | \$0 - 10,000 | 5.0% | 10,000 - 30,000 | 7.5 | 30,000 and over | 9.3 | <table style="width: 100%;"> <tbody> <tr> <td>Single.....</td> <td style="text-align: right;">\$1,370</td> </tr> <tr> <td>Married-J/HH.....</td> <td style="text-align: right;">2,740</td> </tr> <tr> <td>Married-S.....</td> <td style="text-align: right;">1,370</td> </tr> <tr> <td>Dependent.....</td> <td style="text-align: right;">1,370</td> </tr> <tr> <td>Age 65 or over.....</td> <td style="text-align: right;">1,370</td> </tr> <tr> <td>Blind.....</td> <td style="text-align: right;">1,370</td> </tr> </tbody> </table> | | Single..... | \$1,370 | Married-J/HH..... | 2,740 | Married-S..... | 1,370 | Dependent..... | 1,370 | Age 65 or over..... | 1,370 | Blind..... | 1,370 |
| <u>Taxable Income Bracket</u> | <u>Marginal Tax Rates</u> | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 10,000 | 5.0% | | | | | | | | | | | | | | | | | | | | | |
| 10,000 - 30,000 | 7.5 | | | | | | | | | | | | | | | | | | | | | |
| 30,000 and over | 9.3 | | | | | | | | | | | | | | | | | | | | | |
| Single..... | \$1,370 | | | | | | | | | | | | | | | | | | | | | |
| Married-J/HH..... | 2,740 | | | | | | | | | | | | | | | | | | | | | |
| Married-S..... | 1,370 | | | | | | | | | | | | | | | | | | | | | |
| Dependent..... | 1,370 | | | | | | | | | | | | | | | | | | | | | |
| Age 65 or over..... | 1,370 | | | | | | | | | | | | | | | | | | | | | |
| Blind..... | 1,370 | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Child and dependent care • D.C. Metropolitan Police Department housing • Earned income tax credit • Low-income • Property tax/rent • Tax paid another state | <ul style="list-style-type: none"> • Drug prevention and children at risk trust | None | | | | | | | | | | | | | | | | | | | | |

GEORGIA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | DEDUCTIONS |
|--|---|---|--------------------------|---|
| <u>Major Differences from Federal Law</u> | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | Standard: Single/HH--\$2,300; Married-J--\$3,000; Married-S--\$1,500; Age 65 or over or blind--\$1,300. Itemized: Federal itemized deductions. Major Differences from Federal Law: <u>Taxes:</u> State income taxes other than Georgia's not deductible. <u>Interest:</u> Investment interest for the production of exempt income is not allowed. |
| Business/Rent/Farm..... | Same as federal. | | | |
| Capital Gains & Losses..... | Same as federal. | | | |
| Pension/Retirement Income | | | | |
| --Private..... | \$14,000 excluded (62 and over or totally disabled). | | | |
| --Public..... | \$14,000 excluded (62 and over or totally disabled). | | | |
| --U.S. Civil Service..... | \$14,000 excluded (62 and over or totally disabled). | | | |
| --Military..... | \$14,000 excluded (62 and over or totally disabled). | | | |
| Active Duty Military..... | Same as federal. | | | |
| Unemployment Compensation..... | Same as federal. | | | |
| Social Security Benefits..... | Exempt. | | | |
| State/Municipal Bond Interest..... | Taxable except Georgia obligations. | | | |
| Miscellaneous | | | | |
| Disability Income..... | Same as federal. | | | |
| Lottery Winnings..... | Same as federal. | | | |
| Federal Income Taxes..... | Not deductible. | | | |
| Other..... | Dependent's unearned income included in parent's federal AGI may be exempt. Deduction for 100% of self-employed health insurance and up to \$100,000 for payments by taxpayers with state contracts to minority subcontractors. | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS |
| <u>Taxable Income Brackets</u> | | | <u>Marginal Tax Rate</u> | Each federal exemption..... \$2,700 |
| <u>Single</u> | <u>Married-S</u> | <u>Married-J/HH</u> | | |
| \$0 - 750 | \$0 - 500 | \$0 - 1,000 | 1% | |
| 750 - 2,250 | 500 - 1,500 | 1,000 - 3,000 | 2 | |
| 2,250 - 3,750 | 1,500 - 2,500 | 3,000 - 5,000 | 3 | |
| 3,750 - 5,250 | 2,500 - 3,500 | 5,000 - 7,000 | 4 | |
| 5,250 - 7,000 | 3,500 - 5,000 | 7,000 - 10,000 | 5 | |
| 7,000 and over | 5,000 and over | 10,000 and over | 6 | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES |
| <ul style="list-style-type: none"> • Basic skills education for employees • Caregiving expense • Child care for employees • Disabled person home purchase or retrofit • Diesel particulate emission reduction equipment • Disaster assistance • Driver education • Employee retraining • Employer's new job • Low emission vehicle • Low-income • Low-income housing • Manufacturer's investment • Qualified transportation for employees • Rural physicians • Tax paid to another state | | <ul style="list-style-type: none"> • Children and elderly fund • Georgia cancer research fund • Nongame-endangered wildlife conservation | | <ul style="list-style-type: none"> • Use tax |

HAWAII

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | DEDUCTIONS |
|---|--|--|--------------------|---|
| Major Differences from Federal Law | | | | <p>Standard: Single--\$1,500; Married-J/W--\$1,900; Married-S--\$950; Head-of-Household--\$1,650</p> <p>Itemized: Federal itemized deductions. Amounts that are limited based on federal AGI are recalculated to be based on Hawaii AGI.</p> <p>Major Differences from Federal Law: <u>Political Contributions:</u> Deduction for up to \$250 for single and \$500 for Married-J.</p> |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | |
| Business/Rent/Farm..... | Same as federal. | | | |
| Capital Gains & Losses..... | Alternative tax on capital gains. | | | |
| Pension/Retirement Income | | | | |
| --Private..... | Exempt if employer funded. | | | |
| --Public..... | Exempt. | | | |
| --U.S. Civil Service..... | Exempt. | | | |
| --Military..... | Exempt. | | | |
| Active Duty Military..... | Military Reserve and Hawaii National Guard--\$1,750 exempt. | | | |
| Unemployment Compensation..... | Same as federal. | | | |
| Social Security Benefits..... | Exempt. | | | |
| State/Municipal Bond Interest..... | Taxable except Hawaii obligations. | | | |
| Miscellaneous | | | | |
| Disability Income..... | Same as federal. | | | |
| Lottery Winnings..... | Same as federal. | | | |
| Federal Income Taxes..... | Not deductible. | | | |
| Other..... | Deductions for payments to an individual housing account and an individual development account. Deduction for certain income from high technology business. Peace Corps compensation and income from temporary employment outside of the U.S. are taxable. | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS |
| Taxable Income Brackets | | | | Single/HH/MS..... \$1,040 Married-J 2,080 Age 65 or over..... 1,040 Dependent..... 1,040 Blind, deaf, or totally disabled..... 7,000 |
| Single/Married-S | Married-Joint | Head-of-Household | Marginal Tax Rates | |
| \$0 - 2,000 | \$0 - 4,000 | \$0 - 3,000 | 1.50% | |
| 2,000 - 4,000 | 4,000 - 8,000 | 3,000 - 6,000 | 3.70 | |
| 4,000 - 8,000 | 8,000 - 16,000 | 6,000 - 12,000 | 6.40 | |
| 8,000 - 12,000 | 16,000 - 24,000 | 12,000 - 18,000 | 6.90 | |
| 12,000 - 16,000 | 24,000 - 32,000 | 18,000 - 24,000 | 7.30 | |
| 16,000 - 20,000 | 32,000 - 40,000 | 24,000 - 30,000 | 7.60 | |
| 20,000 - 30,000 | 40,000 - 60,000 | 30,000 - 45,000 | 7.90 | |
| 30,000 - 40,000 | 60,000 - 80,000 | 45,000 - 60,000 | 8.20 | |
| 40,000 and over | 80,000 and over | 60,000 and over | 8.50 | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES |
| <ul style="list-style-type: none"> • Beneficiaries of foreign trusts • Capital goods excise tax • Child and dependent care expenses • Child passenger restraint systems • Commercial fishers fuel tax • Drought mitigating water storage facility • Employment of vocational rehabilitation referrals • Energy conservation • Enterprise zone • High technology companies • Individual development account • Low-income credit • Low-income household renter • Low-income housing • Motion picture and film production • Regulated investment company • Research activities • Residential construction or remodeling • School repair and maintenance • Shareholders of S Corporations • Taxes paid other states and countries • Taxes withheld on sale of Hawaii real property interests • Technology infrastructure renovation • \$1 General income tax credit | | <ul style="list-style-type: none"> • Election campaign fund • Hawaii school-level minor repairs and maintenance. | | <ul style="list-style-type: none"> • Alternative tax on capital gains (beneficial tax treatment) |

IDAHO

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|---------------------------|-------------------------|----------------------|--|-------------|-------------|------|---------------|---------------|-----|---------------|---------------|-----|---------------|---------------|-----|---------------|----------------|-----|---------------|-----------------|-----|----------------|-----------------|-----|-----------------|-----------------|-----|------------------|
| <u>Major Differences from Federal Law</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest/Dividend..... | Exempt U.S. government bonds. | Standard: Same as federal, except for married-joint returns, twice the deduction for a single individual. Itemized: Federal itemized deductions. Major Differences from Federal Law: Taxes: State and local income taxes not deductible. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business/Rent/Farm..... | Same as federal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Gains & Losses..... | 80% exclusion for long-term gains from the sale of certain real and tangible property. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pension/Retirement Income | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --Private..... | Same as federal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --Public..... | Certain police and firemen--Exclude \$18,432 single; \$27,648 married (65 and over, or disabled and 62 and over) - reduced by amount of social security income. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --U.S. Civil Service..... | Exclude \$18,432 single; \$27,648 married (65 and over, or disabled and 62 and over) - reduced by amount of social security income. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --Military..... | Exclude \$18,432 single; \$27,648 married (65 and over, or disabled and 62 and over) - reduced by amount of social security income. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Active Duty Military..... | Same as federal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unemployment Compensation..... | Same as federal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Security Benefits..... | Exempt. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State/Municipal Bond Interest..... | Taxable except Idaho obligations. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Miscellaneous | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disability Income..... | Same as federal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lottery Winnings..... | Deduct Idaho lottery prizes of less than \$600. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Federal Income Taxes..... | Not deductible. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | Deductions for insulation, alternative energy devices, child and dependent care, maintaining home for aged or developmentally disabled, technological equipment donation, contributions to and interest on Idaho MSA, contributions to an Idaho college savings plan, adoption expenses and health, long-term care, and worker's compensation insurance. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Taxable Income Brackets</u></th> <th style="text-align: center;"><u>Marginal Tax Rates</u></th> </tr> <tr> <th style="text-align: center;"><u>Single/Married-S</u></th> <th style="text-align: center;"><u>Married-J, HH</u></th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 1,056</td> <td style="text-align: center;">\$0 - 2,112</td> <td style="text-align: center;">1.6%</td> </tr> <tr> <td style="text-align: center;">1,056 - 2,113</td> <td style="text-align: center;">2,112 - 4,226</td> <td style="text-align: center;">3.6</td> </tr> <tr> <td style="text-align: center;">2,113 - 3,169</td> <td style="text-align: center;">4,226 - 6,338</td> <td style="text-align: center;">4.1</td> </tr> <tr> <td style="text-align: center;">3,169 - 4,226</td> <td style="text-align: center;">6,338 - 8,452</td> <td style="text-align: center;">5.1</td> </tr> <tr> <td style="text-align: center;">4,226 - 5,282</td> <td style="text-align: center;">8,452 - 10,564</td> <td style="text-align: center;">6.1</td> </tr> <tr> <td style="text-align: center;">5,282 - 7,923</td> <td style="text-align: center;">10,564 - 15,846</td> <td style="text-align: center;">7.1</td> </tr> <tr> <td style="text-align: center;">7,923 - 21,129</td> <td style="text-align: center;">15,846 - 42,258</td> <td style="text-align: center;">7.4</td> </tr> <tr> <td style="text-align: center;">21,129 and over</td> <td style="text-align: center;">42,258 and over</td> <td style="text-align: center;">7.8</td> </tr> </tbody> </table> | | <u>Taxable Income Brackets</u> | | <u>Marginal Tax Rates</u> | <u>Single/Married-S</u> | <u>Married-J, HH</u> | | \$0 - 1,056 | \$0 - 2,112 | 1.6% | 1,056 - 2,113 | 2,112 - 4,226 | 3.6 | 2,113 - 3,169 | 4,226 - 6,338 | 4.1 | 3,169 - 4,226 | 6,338 - 8,452 | 5.1 | 4,226 - 5,282 | 8,452 - 10,564 | 6.1 | 5,282 - 7,923 | 10,564 - 15,846 | 7.1 | 7,923 - 21,129 | 15,846 - 42,258 | 7.4 | 21,129 and over | 42,258 and over | 7.8 | Same as federal. |
| <u>Taxable Income Brackets</u> | | <u>Marginal Tax Rates</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Single/Married-S</u> | <u>Married-J, HH</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 1,056 | \$0 - 2,112 | 1.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1,056 - 2,113 | 2,112 - 4,226 | 3.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2,113 - 3,169 | 4,226 - 6,338 | 4.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3,169 - 4,226 | 6,338 - 8,452 | 5.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4,226 - 5,282 | 8,452 - 10,564 | 6.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5,282 - 7,923 | 10,564 - 15,846 | 7.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7,923 - 21,129 | 15,846 - 42,258 | 7.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21,129 and over | 42,258 and over | 7.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Broadband equipment investment • Business investment • Contributions to educational entities • Contributions to youth and rehabilitation facilities • Electronically filed return • Fuels tax refund • Grocery • Idaho research activities • Incentive investment • Income taxes paid to other states • Maintaining home for family member with a developmental disability or over age 65 • Natural resources conservation credit • Production of equipment using post-consumer waste • Promoter-sponsored event • Qualifying new employees | <ul style="list-style-type: none"> • Children's trust fund/child abuse prevention • Election campaign fund • Nongame wildlife conservation fund | <ul style="list-style-type: none"> • Permanent building fund tax • Recapture of Idaho investment credit • Sales and use tax due • Special fuels tax | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

ILLINOIS

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|---|--|--|
| <u>Major Differences from Federal Law</u> | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | Standard: None Itemized: None |
| Business/Rent/Farm..... | Same as federal. | |
| Capital Gains & Losses..... | Same as federal. | |
| Pension/Retirement Income | | |
| --Private..... | Exempt if from a qualified employee benefit plan. | |
| --Public..... | Exempt. | |
| --U.S. Civil Service..... | Exempt. | |
| --Military..... | Exempt. | |
| Active Duty Military/Reserve..... | Exempt. | |
| Unemployment Compensation..... | Same as federal. | |
| Social Security Benefits..... | Exempt. | |
| State/Municipal Bond Interest..... | Taxable except certain Illinois obligations. | |
| Miscellaneous | | |
| Disability Income..... | Government plans exempt. | |
| Lottery Winnings..... | Same as federal. | |
| Federal Income Taxes..... | Not deductible. | |
| Other..... | Deductions for enterprise zone dividends, ridesharing money, income from a prepaid tuition fund, health insurance and long-term care insurance premiums if self-employed, and expenses related to certain federally tax-exempt investments. | |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| 3% of taxable net income | | Each federal exemption..... \$2,000 Age 65 or over..... 1,000 Blind..... 1,000 |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Affordable housing donations • Dependent care assistance program • Economic development • Earned income tax credit • Enterprise zone investment • Environmental remediation • High impact business investment • Homeowner's property tax • Income taxes paid to other states • Jobs • Qualified education expenses • Research and development • Training expense • Youth vocational programs | <ul style="list-style-type: none"> • Alzheimer's disease research • Assistance to the homeless • Breast and cervical cancer research • Child abuse prevention • Korean War fund • Prostate cancer research • Wildlife preservation • World War II memorial | None |

INDIANA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|---|--|---|
| <p><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.</p> <p>Business/Rent/Farm.....Same as federal.</p> <p>Capital Gains & Losses.....Same as federal.</p> <p>Pension/Retirement Income</p> <p>--Private.....Same as federal.</p> <p>--Public.....Same as federal.</p> <p>--U.S. Civil Service.....Up to \$2,000 exempt, less social security benefits (62 & over).</p> <p>--Military.....Up to \$2,000 exempt (60 & over).</p> <p>Active Duty/Reserve Military.....Up to \$2,000 exempt.</p> <p>Unemployment Compensation.....Limited exclusion as provided under 1986 federal law.</p> <p>Social Security Benefits.....Exempt.</p> <p>State/Municipal Bond Interest.....Exempt.</p> <p>Miscellaneous</p> <p>Disability Income.....Up to \$5,200 exempt if retired and under 65.</p> <p>Lottery Winnings.....Indiana lottery winnings exempt.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other.....Deductions for rent and property taxes paid on principal residence, insulation, non-Indiana locality earnings, certain income of enterprise/airport development zone employees, income of persons receiving Medicaid in a care facility, law enforcement awards, holocaust victim settlements, and Indiana Partnership long-term care insurance premiums. State taxes based on income must be added back.</p> | | <p>Standard: None</p> <p>Itemized: None</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <p>3.4% of adjusted gross income.</p> | | <p>Each federal exemption.....\$1,000</p> <p>Dependent child..... 1,500*</p> <p>Blind or 65 or over.....1,000</p> <p>65 or over and low-income.....500</p> <p>Total exemption for a dependent child is \$2,500.</p> |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Capitol investment • College donation • Community development corporation • Community revitalization enhancement district • County credit for the elderly • Earned income tax credit • Enterprise zone/airport development • Historic rehabilitation • Industrial recovery • Lake County residential property tax • Maternity home • Military base recovery • Neighborhood assistance • Rerefined lubricated oil facility • Research expense • Riverboat building • Scholarship program • Taxes paid to other states and localities • Teacher summer employment • Unified tax credit for elderly | <ul style="list-style-type: none"> • Nongame and endangered wildlife fund | <ul style="list-style-type: none"> • County income tax • Household employment tax • Use tax on out-of-state purchases |

IOWA

Filing System: Joint/Combined

| TAX BASE: STATE ADJUSTED GROSS INCOME | | | | DEDUCTIONS |
|---|---|--|-----------------------|--|
| <u>Major Differences from Federal Law</u> | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | Standard: Single/Married-S--\$1,500; Married-J/HH--\$3,750 Itemized: Same as federal. Major Differences From Federal Law: <u>Taxes:</u> Iowa income tax not deductible. <u>Miscellaneous:</u> Deduction for expense incurred for care of disabled relative. Adoption expenses. <u>Charitable:</u> Mileage deduction if for charitable purposes. |
| Business/Rent/Farm..... | Same as federal. | | | |
| Capital Gains & Losses..... | 100% exclusion for qualifying capital gains. | | | |
| Pension/Retirement Income | | | | |
| --Private..... | Up to \$12,000 (\$6,000 single) exempt, if 55 or over or disabled. | | | |
| --Public..... | Up to \$12,000 (\$6,000 single) exempt, if 55 or over or disabled. | | | |
| --U.S. Civil Service..... | Up to \$12,000 (\$6,000 single) exempt, if 55 or over or disabled. | | | |
| --Military..... | Up to \$12,000 (\$6,000 single) exempt, if 55 or over or disabled. | | | |
| Active Duty Military..... | Same as federal. | | | |
| Unemployment Compensation..... | Benefits paid by the Railroad Retirement Board are exempt. | | | |
| Social Security Benefits..... | Up to 50% of benefits are taxable. | | | |
| State/Municipal Bond Interest..... | Taxable except certain Iowa obligations. | | | |
| Miscellaneous | | | | |
| Disability Income..... | Exclusion for portion of disability income under certain circumstances. | | | |
| Lottery Winnings..... | Same as federal. | | | |
| Federal Income Taxes..... | Deductible. | | | |
| Other..... | Deductions for federal income tax, gains or losses on distressed sale transactions, wages paid to qualifying new employees, health insurance premiums, in-home health care expenses, and contributions to education savings plan. Low-income exemption. | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS (TAX CREDIT) |
| Taxable Income Bracket | Marginal Tax Rates | Taxable Income Bracket | Marginal Tax Rates | |
| \$0 - 1,185 | 0.36% | \$10,665 - 17,775 | 6.12% | Single/MS \$40 |
| 1,185 - 2,370 | 0.72 | 17,775 - 23,770 | 6.48 | Married-J/HH 80 |
| 2,370 - 4,740 | 2.43 | 23,770 - 35,550 | 6.80 | Blind 20 |
| 4,740 - 10,665 | 4.50 | 35,550 - 53,325 | 7.92 | Age 65 or Over..... 20 |
| | | 53,325 and over | 8.98 | Dependent..... 40 |
| Tax cannot reduce net income below \$9,000 for single taxpayers. | | | | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES |
| <ul style="list-style-type: none"> • Assistive devices • Child and dependent care • Earned income tax credit • Franchise/S-corporation • Housing and/or development business • Investment • Minimum tax carry forward • Motor fuel tax • New Jobs • Out-of-state tax credit • Property rehabilitation • Research activities • Tuition and textbook | | <ul style="list-style-type: none"> • Election campaign fund • Fish and wildlife fund • Keep Iowa Beautiful fund • State fairgrounds renovation | | <ul style="list-style-type: none"> • Alternate tax (benefit to low income individuals) • Emergency medical services surtax • Minimum tax • School district surtax |

KANSAS

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | DEDUCTIONS | | | | | | | | | | | | | | | | | |
|---|---|-------------------------------|---|--|--------|---------|-------|-------|-----------|-------|-----|-----|-----------|-------|-----|-----|-----------------------|-------|-----|-----|
| <u>Major Differences from Federal Law</u> | | | | | | | | | | | | | | | | | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | Standard: <div style="text-align: right; margin-right: 20px;"> <u>Added</u> <u>Amount if:</u> <u>Age 65</u> <u>Blind</u> </div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Single</td> <td style="text-align: right;">\$3,000</td> <td style="text-align: right;">\$850</td> <td style="text-align: right;">\$850</td> </tr> <tr> <td>Married-J</td> <td style="text-align: right;">6,000</td> <td style="text-align: right;">700</td> <td style="text-align: right;">700</td> </tr> <tr> <td>Married-S</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">700</td> <td style="text-align: right;">700</td> </tr> <tr> <td>Head-of- Household</td> <td style="text-align: right;">4,500</td> <td style="text-align: right;">850</td> <td style="text-align: right;">850</td> </tr> </table> Itemized: Federal itemized deductions. | | Single | \$3,000 | \$850 | \$850 | Married-J | 6,000 | 700 | 700 | Married-S | 3,000 | 700 | 700 | Head-of- Household | 4,500 | 850 | 850 |
| Single | \$3,000 | \$850 | | | \$850 | | | | | | | | | | | | | | | |
| Married-J | 6,000 | 700 | | | 700 | | | | | | | | | | | | | | | |
| Married-S | 3,000 | 700 | | | 700 | | | | | | | | | | | | | | | |
| Head-of- Household | 4,500 | 850 | | | 850 | | | | | | | | | | | | | | | |
| Business/Rent/Farm..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| Capital Gains & Losses..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| Pension/Retirement Income | | | | | | | | | | | | | | | | | | | | |
| --Private..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| --Public..... | Exempt. | | | | | | | | | | | | | | | | | | | |
| --U.S. Civil Service..... | Exempt. | | | | | | | | | | | | | | | | | | | |
| --Military..... | Exempt | | | | | | | | | | | | | | | | | | | |
| Active Duty Military..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| Unemployment Compensation..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| Social Security Benefits..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| State/Municipal Bond Interest..... | Taxable except most Kansas obligations. | | | | | | | | | | | | | | | | | | | |
| Miscellaneous | | | | | | | | | | | | | | | | | | | | |
| Disability Income..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| Lottery Winnings..... | Same as federal. | | | | | | | | | | | | | | | | | | | |
| Federal Income Taxes..... | Not deductible. | | | | | | | | | | | | | | | | | | | |
| Other..... | Addition for employee contributions to Public Employees Retirement System. Deduction for certain contributions to accounts to pay for education expenses. | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | | EXEMPTIONS | | | | | | | | | | | | | | | | | |
| <u>Taxable Income Brackets</u> | | | | | | | | | | | | | | | | | | | | |
| <u>Married-Joint</u> | Single/MS/ <u>Head-of-Household</u> | <u>Marginal Tax Rates</u> | Each federal exemption.....\$2,250 Additional exemption if head-of-household2,250 | | | | | | | | | | | | | | | | | |
| \$0 - 30,000 | \$0 - 15,000 | 3.50% | | | | | | | | | | | | | | | | | | |
| 30,000 - 60,000 | 15,000 - 30,000 | 6.25 | | | | | | | | | | | | | | | | | | |
| 60,000 and over | 30,000 and over | 6.45 | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | | OTHER TAXES | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Adoption • Agricultural loan interest reduction • Alternative fuel vehicle • Business and job development • Business machinery and equipment • Child and dependent care expenses • Child daycare assistance (employers only) • Community services contribution • Disabled access • Earned income tax credit • Food sales tax refund • Habitat management • High performance incentive program • Historic preservation • Plugging an abandoned gas or oil well • Research and development • Small employer health insurance • Telecommunications property income tax • Temporary assistance to families contribution • Taxes paid to other states • Swine facility improvement • Venture and local seed capital | <ul style="list-style-type: none"> • Nongame wildlife improvement program • World War II memorial fund | | | | | | | | | | | | | | | | | | | |

KENTUCKY

Filing System: Joint/Combined

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|---|--|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.</p> <p>Business/Rent/Farm.....Allows federal farm averaging using Kentucky income.</p> <p>Capital Gains & Losses.....Gains on Kentucky Turnpike bonds and property taken by eminent domain are exempt.</p> <p>Pension/Retirement Income</p> <p>--Private.....Exclude up to \$37,500.</p> <p>--Public.....Exempt if retired before 1998; partially exempt if after 1997.</p> <p>--U.S. Civil Service.....Exempt if retired before 1998; partially exempt if after 1997.</p> <p>--Military.....Exempt if retired before 1998; partially exempt if after 1997.</p> <p>Active Duty Military.....Credit provided to Kentucky National Guard members.</p> <p>Unemployment Compensation.....Same as federal.</p> <p>Social Security Benefits.....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except Kentucky obligations.</p> <p>Miscellaneous</p> <p>Disability Income.....Same as federal.</p> <p>Lottery Winnings.....Same as federal.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other.....Deductions for long-term care and health insurance premiums. Tobacco settlement income is exempt.</p> | | <p>Standard: All --\$1,750</p> <p>Itemized: State itemized deductions.</p> <p>Major Differences from Federal Law: <u>Medical:</u> Deduct medical expenses over 7.5% of Kentucky AGI. <u>Taxes:</u> State income taxes not deductible.</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS (TAX CREDIT) |
| <p>Taxable Income</p> <p style="text-align: center;"><u>Brackets</u></p> <p>\$0 - 3,000</p> <p>3,000 - 4,000</p> <p>4,000 - 5,000</p> <p>5,000 - 8,000</p> <p>8,000 and over</p> | <p><u>Tax Rates</u></p> <p>2%</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> | <p>Single/HH.....\$20</p> <p>Married-J.....40</p> <p>Married-S.....20</p> <p>Dependent.....20</p> <p>Age 65 or over.....40</p> <p>Blind.....40</p> |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Child and dependent care • Coal incentive • Employer's GED incentive • Employer's unemployment tax credit • Kentucky National Guard members • Kentucky investment fund • Low-income credit • Recycling and composting equipment • Skills training • Taxes paid to other states | <ul style="list-style-type: none"> • Bluegrass state games and U.S. Olympic Committee fund • Child victim's trust fund • Nature and wildlife fund • Political party fund • Veterans' program trust fund | <ul style="list-style-type: none"> • Use tax |

LOUISIANA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | |
|--|---|---|--|-----------------|---------------------|------------------|------------------|--------------|--------------|----|-----------------|------------------|---|-----------------|------------------|---|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....\$6,000/person exclusion for those 65 and over. --Public.....Exempt. --U.S. Civil Service.....Exempt. --Military.....Exempt. Active Duty Military.....Same as federal. Unemployment Compensation.....Same as federal. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except Louisiana obligations. Miscellaneous Disability Income.....\$6,000/person exclusion for permanent total disability. Lottery Winnings.....Same as federal. Federal Income Taxes.....Deductible. Other.....Deductions for income earned by a Native American from reservation sources and deposits of up to \$2,400 per account in the Student Tuition Assistance Revenue Trust (START program). | | <p>Standard: Single--\$4,500 Married-S--\$4,500 Married-J/HH--\$9,000 Combined standard deduction and personal exemption amounts</p> <p>Itemized: In addition to state standard deduction, 50% of excess federal itemized deductions may be claimed.</p> | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | | | | | | | |
| <table style="margin: auto;"> <thead> <tr> <th colspan="2"><u>Taxable Income Brackets</u></th> <th><u>Marginal</u></th> </tr> <tr> <th><u>Single/MS/HH</u></th> <th><u>Married-J</u></th> <th><u>Tax Rates</u></th> </tr> </thead> <tbody> <tr> <td>\$0 - 10,000</td> <td>\$0 - 20,000</td> <td>2%</td> </tr> <tr> <td>10,000 - 50,000</td> <td>20,000 - 100,000</td> <td>4</td> </tr> <tr> <td>50,000 and over</td> <td>100,000 and over</td> <td>6</td> </tr> </tbody> </table> | | <u>Taxable Income Brackets</u> | | <u>Marginal</u> | <u>Single/MS/HH</u> | <u>Married-J</u> | <u>Tax Rates</u> | \$0 - 10,000 | \$0 - 20,000 | 2% | 10,000 - 50,000 | 20,000 - 100,000 | 4 | 50,000 and over | 100,000 and over | 6 | Single/HH/MS* \$1,000 Married-J* 2,000 Dependent..... 1,000 Blind 1,000 Age 65 or over..... 1,000 *These amounts are included in the combined standard deduction/personal exemptions shown above. |
| <u>Taxable Income Brackets</u> | | <u>Marginal</u> | | | | | | | | | | | | | | | |
| <u>Single/MS/HH</u> | <u>Married-J</u> | <u>Tax Rates</u> | | | | | | | | | | | | | | | |
| \$0 - 10,000 | \$0 - 20,000 | 2% | | | | | | | | | | | | | | | |
| 10,000 - 50,000 | 20,000 - 100,000 | 4 | | | | | | | | | | | | | | | |
| 50,000 and over | 100,000 and over | 6 | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Bone marrow donor expenses • Bulletproof vest purchase for law enforcement • Contributions to educational institutions • Conversion of vehicles to alternative fuels • Dedicated research investment fund • Disabilities • Doctors with small town hospitals • Donations to qualified playgrounds • Education • Employee remedial education • Employment of first-time drug offenders • Employment related expenses for households with disabled dependents • Environmental equipment purchases • Family responsibility program • Fuels tax paid by commercial fishing boats • Hiring unemployed • Inventory tax • Investment in capital companies • Law enforcement undergraduate degrees • Motion pictures with Louisiana content • Quality jobs program • Special allowable credit (lesser of \$25 or 10% of federal child care, elderly, foreign tax, investment tax, and jobs credits) • Taxes paid to other states | <ul style="list-style-type: none"> • Breast cancer task force • Children's trust fund • Contributions to START program • Prostate cancer trust fund • Wildlife habitat and national heritage trust | <ul style="list-style-type: none"> • Use tax | | | | | | | | | | | | | | | |

MAINE

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|--------------------|--|--------------------|-------------------------|----------------------|--------------------------|--|-------------|-------------|-------------|------|---------------|----------------|----------------|-----|----------------|-----------------|-----------------|-----|-----------------|-----------------|-----------------|-----|---|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Up to \$6,000, less social security and railroad retirement benefits. --Public.....Up to \$6,000, less social security and railroad retirement benefits. --U.S. Civil Service.....Up to \$6,000, less social security and railroad retirement benefits. --Military.....Up to \$6,000, less social security and railroad retirement benefits. Active Duty Military.....Up to \$6,000. Unemployment Compensation.....Same as federal. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except Maine obligations. Miscellaneous Disability Income.....Same as federal. Lottery Winnings.....Same as federal. Federal Income Taxes.....Not deductible. Other.....Deduct premiums for long-term care insurance, qualified withdrawals from a qualified tuition program, withdrawals from low-income accounts and an amount equal to federal work opportunity credit. Contributions to state retirement system are taxable.</p> | | <p>Standard: Same as federal.</p> <p>Itemized: Federal itemized deductions.</p> <p>Major Differences from Federal Law: <u>Taxes:</u> State income taxes not deductible. <u>Miscellaneous:</u> Adjustment for expenses incurred in the production of Maine income and Maine exempt income, amounts claimed for the family development account credit, and amounts attributable to income from an ownership interest in a flow-through entity financial institution.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> <tr> <th style="text-align: center;"><u>Single/Married-S</u></th> <th style="text-align: center;"><u>Married-Joint</u></th> <th style="text-align: center;"><u>Head-of-Household</u></th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 4,150</td> <td style="text-align: center;">\$0 - 8,250</td> <td style="text-align: center;">\$0 - 6,200</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">4,150 - 8,250</td> <td style="text-align: center;">8,250 - 16,500</td> <td style="text-align: center;">6,200 - 12,400</td> <td style="text-align: center;">4.5</td> </tr> <tr> <td style="text-align: center;">8,250 - 16,500</td> <td style="text-align: center;">16,500 - 33,000</td> <td style="text-align: center;">12,400 - 24,750</td> <td style="text-align: center;">7.0</td> </tr> <tr> <td style="text-align: center;">16,500 and over</td> <td style="text-align: center;">33,000 and over</td> <td style="text-align: center;">24,750 and over</td> <td style="text-align: center;">8.5</td> </tr> </tbody> </table> | | Taxable Income Brackets | | | Marginal Tax Rates | <u>Single/Married-S</u> | <u>Married-Joint</u> | <u>Head-of-Household</u> | | \$0 - 4,150 | \$0 - 8,250 | \$0 - 6,200 | 2.0% | 4,150 - 8,250 | 8,250 - 16,500 | 6,200 - 12,400 | 4.5 | 8,250 - 16,500 | 16,500 - 33,000 | 12,400 - 24,750 | 7.0 | 16,500 and over | 33,000 and over | 24,750 and over | 8.5 | <p>Each federal exemption.....\$2,850</p> |
| Taxable Income Brackets | | | Marginal Tax Rates | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Single/Married-S</u> | <u>Married-Joint</u> | <u>Head-of-Household</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 4,150 | \$0 - 8,250 | \$0 - 6,200 | 2.0% | | | | | | | | | | | | | | | | | | | | | | | |
| 4,150 - 8,250 | 8,250 - 16,500 | 6,200 - 12,400 | 4.5 | | | | | | | | | | | | | | | | | | | | | | | |
| 8,250 - 16,500 | 16,500 - 33,000 | 12,400 - 24,750 | 7.0 | | | | | | | | | | | | | | | | | | | | | | | |
| 16,500 and over | 33,000 and over | 24,750 and over | 8.5 | | | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Child and dependent care • Clean fuel • Earned income tax credit • Elderly • Employer-assisted day care • Employer-provided dependent health benefits • Employer-provided long-term care benefits • Family development account • Forest management planning • Historic rehabilitation • Income tax paid to other jurisdictions • Jobs and investment • Investment, research, and technology credits • Low-income • Maine minimum tax • Quality childcare investment • Seed capital • Solid waste reduction investment | <ul style="list-style-type: none"> • Children's Trust Incorporated • Endangered and nongame wildlife fund • Human Leukocyte Antigen Screening fund • Political party | <ul style="list-style-type: none"> • Early distribution from retirement plans. • Minimum tax • Use tax | | | | | | | | | | | | | | | | | | | | | | | | |

MARYLAND

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | |
|---|--|---|---------------|----------------|----------------|--------------|----------------|---------|----------------------------------|---|-------|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Up to \$17,300/person excluded (65 or over or disabled). --Public*.....Up to \$17,300/person excluded (65 or over or disabled). --U.S. Civil Service.....Up to \$17,300/person excluded (65 or over or disabled). --Military.....Up to \$17,300/person excluded (65 or over or disabled). Additional exemption if meet certain requirements. Active Duty Military.....Up to \$15,000 excluded for service outside U.S. if total military pay is less than \$30,000. Unemployment Compensation.....Same as federal. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except Maryland obligations. Miscellaneous Disability Income.....Exempt for job related injuries for police and firefighters. Lottery Winnings.....Same as federal. Federal Income Taxes.....Not deductible. Other.....Income includes 50% of taxable tax preference items over \$10,000 (\$20,000 if married). Deductions for child and dependent care expenses, adoption expenses, contributions to and earnings on prepaid tuition contracts, use of vehicle for charitable purposes, and expenses incurred by the blind for a reader. Exclusion for earned income of low-income taxpayers. Two-income subtraction of up to \$1,200. Exclude payments received by volunteer fire or rescue personal. *All pension benefits to police and firefighters (or their beneficiaries) as a result of job related injuries (or death) are exempt. | | <p>Standard: 15% of Maryland AGI</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Minimum</u></th> <th style="text-align: center;"><u>Maximum</u></th> </tr> </thead> <tbody> <tr> <td>Married-J/HH</td> <td style="text-align: center;">\$3,000</td> <td style="text-align: center;">\$4,000</td> </tr> <tr> <td>All Other</td> <td style="text-align: center;">1,500</td> <td style="text-align: center;">2,000</td> </tr> </tbody> </table> <p>Itemized: Federal itemized deductions.</p> <p>Major Differences From Federal Law: Taxes: State and local income taxes not deductible.</p> | | <u>Minimum</u> | <u>Maximum</u> | Married-J/HH | \$3,000 | \$4,000 | All Other | 1,500 | 2,000 |
| | <u>Minimum</u> | <u>Maximum</u> | | | | | | | | | |
| Married-J/HH | \$3,000 | \$4,000 | | | | | | | | | |
| All Other | 1,500 | 2,000 | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | |
| <p><u>Taxable Income Brackets</u></p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: center;">\$0 - \$1,000</td> <td style="text-align: center;">2%</td> </tr> <tr> <td style="text-align: center;">1,000 - 2,000</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: center;">2,000 - 3,000</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="text-align: center;">3,000 and over</td> <td style="text-align: center;">4.75</td> </tr> </tbody> </table> | \$0 - \$1,000 | 2% | 1,000 - 2,000 | 3 | 2,000 - 3,000 | 4 | 3,000 and over | 4.75 | <p><u>Marginal Tax Rates</u></p> | Single/HH..... \$2,100 Married-J..... 4,200 Married-S..... 2,100 Dependent..... 2,100 Age 65 or over..... 1,000 Blind..... 1,000 Dependent age 65 or over.... 2,100 | |
| \$0 - \$1,000 | 2% | | | | | | | | | | |
| 1,000 - 2,000 | 3 | | | | | | | | | | |
| 2,000 - 3,000 | 4 | | | | | | | | | | |
| 3,000 and over | 4.75 | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | |
| <ul style="list-style-type: none"> • Business tax credits • Child and dependent care insurance • Clean energy incentive credits • Earned income tax credit • Heritage area • Local poverty level credit • Long-term care insurance • Neighborhood stabilization • Preservation and conservation easements • Quality teacher incentive • Tax paid to other states | <ul style="list-style-type: none"> • Chesapeake Bay and endangered species fund • Fair campaign financing fund | <ul style="list-style-type: none"> • Local income tax | | | | | | | | | |

MASSACHUSETTS

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|--|--|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds. Exclusion for interest from state banks (single--\$100/married-J--\$200). Business/Rent/Farm.....State schedules also provided. Capital Gains & Losses.....Own (see "Tax Rates and Brackets" below). Pension/Retirement Income --Private.....Same as federal. --Public.....Contributory pensions exempt. --U.S. Civil Service.....Contributory pensions exempt. --Military.....Exempt. Active Duty Military.....Same as federal. Unemployment Compensation.....Same as federal. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except Massachusetts obligations. Miscellaneous Disability Income.....Veterans Administration disability pay exempt. Lottery Winnings.....Taxable. Federal Income Taxes.....Not deductible. Other.....Income earned in a foreign county and employer-provided educational assistance benefits are taxable.</p> | | <p>Standard: None</p> <p>Itemized: State deductions for all taxpayers.</p> <p>Retirement Payments: Deduction for amounts paid for social security, Medicare, railroad, federal and state retirement systems up to \$2,000/person. Dependent Care: Deduction for child and dependent care expenses or deduction of \$2,400 if dependent under age 12. Rent: Deduction of 50% of rent up to \$3,000 (MS -- \$1,500). Misc.: Federal employee business expenses, penalty for early withdrawal and moving expenses. Other: Deduction for charitable contributions, amount of tuition that exceeds 25% of AGI, alimony paid, certain income from firefighters or police officer, student loan interest, MSAs and self-employed health insurance.</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <p>Gains on sales of capital assets (excluding collectibles) held as follows: more than one but less than two years -- 5%; more than two but less than three years -- 4%; more than three but less than four years -- 3%; more than four but less than five years -- 2%; more than five but less than six years -- 1%; and more than six years -- exempt.</p> <p>The following types of income, minus exemptions, are taxed at 5.6%: earned income, interest, dividends, royalties, trust income, pensions and annuities, alimony, rental income, unemployment compensation, taxable IRA/Keogh distributions, and other income such as winnings and fees.</p> <p>Short-term capital gains, capital gains from sale of collectibles, and pre-'96 installment sales and capital gains are taxed at 12%.</p> <p>No income tax is imposed if Massachusetts adjusted gross income is equal to or less than \$8,000 for single, \$16,400 for married-joint or \$14,400 for head-of-household taxpayers (plus \$1,750/dependent).</p> | | <p>Single/MS\$4,400 HH6,800 Married-J.....8,800 Dependent.....1,000 Age 65 or over.....700 Blind2,200</p> <p>Exemption for adoption fees and medical expenses claimed on federal Schedule A.</p> |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Brownfield • Earned income tax credit • Economic opportunity area • Full employment • Income tax paid to another state or jurisdiction • Lead paint • Limited income tax reduction • Low-income housing credit (builder/developer credit) • Renewable energy • Senior circuit breaker (property tax/rent) • Septic | <ul style="list-style-type: none"> • Election campaign fund • Endangered wildlife conservation • Massachusetts AIDS fund • Organ transplant • U.S. Olympic fund | None |

MICHIGAN

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|--|---|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds. Persons age 65 or over may deduct up to \$8,048/person in interest dividends and capital gains.</p> <p>Business/Rent/Farm.....Same as federal. Michigan allocation and apportionment provisions.</p> <p>Capital Gains & Losses.....See "Interest/Dividend" above.</p> <p>Pension/Retirement Income</p> <p>--Private.....Exempt up to \$36,090 if single; \$72,180 if married-joint.</p> <p>--Public.....Exempt.</p> <p>--U.S. Civil Service.....Exempt.</p> <p>--Military.....Exempt.</p> <p>Active Duty Military.....Exempt.</p> <p>Unemployment Compensation.....Same as federal.</p> <p>Social Security Benefits.....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except for Michigan obligations.</p> <p>Miscellaneous</p> <p>Disability Income.....Same as federal.</p> <p>Lottery Winnings.....Regulated Michigan bingo, raffle and charity games winnings exempt. Lottery winnings are taxable.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other.....Deductions for elderly and disabled (based on federal credit), political contributions, education trust contracts, contributions to a Michigan Education Savings Program, and income from Michigan gas and oil interests.</p> | | <p>Standard: None</p> <p>Itemized: None</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <p>Tax rate is 4.2% of taxable income.</p> | | <p>Each federal exemption.....\$2,900</p> <p>Disabled/Blind/Deaf.....1,900</p> <p>Age 65 or over.....1,900</p> <p>Additional dependent exemption:</p> <p> Age 18 and under.....600</p> <p> Unemployment Compensation > 50% of AGI.....1,900</p> |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • College tuition and fees • Community foundations • Farmland preservation • Historic preservation • Homeless/foodbank cash contributions • Income tax paid to another state • Income tax paid to Michigan cities • Property tax and rent • Public contributions • Qualified adoption expenses | <ul style="list-style-type: none"> • State campaign fund | <ul style="list-style-type: none"> • Use tax |

MINNESOTA

Filing System: Joint

| TAX BASE: FEDERAL TAXABLE INCOME | | | | | DEDUCTIONS |
|--|--|------------------|--|---------------------------|--|
| <u>Major Differences from Federal Law</u> | | | | | Standard: Same as federal. Itemized: Same as federal. Major Differences from Federal Law: <u>Taxes:</u> State income taxes not deductible. |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | | |
| Business/Rent/Farm..... | Sale of farm property is exempt if insolvent at time of sale. | | | | |
| Capital Gains & Losses..... | Same as federal. | | | | |
| Pension/Retirement Income | | | | | |
| --Private..... | Same as federal. | | | | |
| --Public..... | Same as federal. | | | | |
| --U.S. Civil Service..... | Same as federal. | | | | |
| --Military..... | Same as federal. | | | | |
| Active Duty Military..... | Same as federal. | | | | |
| Unemployment Compensation..... | Same as federal. | | | | |
| Social Security Benefits..... | Same as federal. | | | | |
| State/Municipal Bond Interest..... | Taxable except Minnesota obligations. | | | | |
| Miscellaneous | | | | | |
| Disability Income..... | Same as federal. | | | | |
| Lottery Winnings..... | Same as federal. | | | | |
| Federal Income Taxes..... | Not deductible. | | | | |
| Other..... | Deductions for lower-income elderly or disabled, for portion of K-12 school expenses, self-employed health insurance, charitable contributions, urban homestead program, youth works post service benefits, and taxes to a subnational level of a foreign country other than Canada. | | | | |
| TAX RATES AND BRACKETS | | | | | EXEMPTIONS |
| <u>Taxable Income Brackets</u> | | | | | Same as federal. |
| <u>Single</u> | <u>Married-J</u> | <u>Married-S</u> | <u>Head-of-Household</u> | <u>Marginal Tax Rates</u> | |
| \$0 - 18,120 | \$0 - 26,480 | \$0 - 13,240 | \$0 - 22,300 | 5.35% | |
| 18,120 - 59,500 | 26,480 - 105,200 | 13,240 - 52,600 | 22,600 - 89,610 | 7.05 | |
| 59,500 and over | 105,200 and over | 52,600 and over | 89,610 and over | 7.85 | |
| TAX CREDITS | | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES |
| <ul style="list-style-type: none"> • Child and dependent care • K-12 education • Long-term care insurance • Marriage credit • Taxes paid to another state • Working family (based on federal EITC) | | | <ul style="list-style-type: none"> • Nongame wildlife fund • State elections campaign fund | | <ul style="list-style-type: none"> • Alternative minimum tax |

MISSISSIPPI

Filing System: Joint/Combined

| TAX BASE: STATE ADJUSTED GROSS INCOME | | DEDUCTIONS |
|--|--|---|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal except sales of ownership interest in certain state businesses are exempt. Pension/Retirement Income --Private.....Exempt. --Public.....Exempt. --U.S. Civil Service.....Exempt. --Military.....Exempt. Active Duty Military.....Exempt up to \$5,000 in National Guard and Reserve pay. Unemployment Compensation.....Same as federal. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except Mississippi obligations. Miscellaneous Disability Income.....Same as federal. Lottery Winnings.....Same as federal. Federal Income Taxes.....Not deductible. Other.....Deduction for prepaid tuition contracts. | | <p>Standard: S/MS--\$2,300 HH--\$3,400 MJ--\$4,600</p> <p>Itemized: Federal itemized deductions.</p> <p>Major Difference From Federal Law: <u>Taxes.</u> State income taxes not deductible.</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <p><u>Taxable Income Brackets</u></p> \$0 - 5,000 5,000 - 10,000 10,000 and over | <p><u>Marginal Tax Rates</u></p> 3% 4 5 | Married-J..... \$12,000 HH..... 8,000 Single..... 6,000 MS..... 6,000 Dependent..... 1,500 Blind..... 1,500 Age 65 or over..... 1,500 |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Business ad valorem tax credit • Business child/dependent care • Enterprise zone • Export port charges • Finance company credits • Gambling license fee • Income tax paid to another state • Job development assessment fee • Jobs • National regional headquarters • Reforestation • Research and development skills • Temporary assistance for needy families (employer) | <ul style="list-style-type: none"> • Commission for volunteer service • Educational trust fund • Firefighters memorial burn center fund • Wildlife heritage fund | None |

MISSOURI

Filing System: Combined

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | DEDUCTIONS | |
|--|------------------------------|---|------------------------------|---|--|
| <u>Major Differences from Federal Law</u> | | | | Standard: Same as federal. Itemized: Federal itemized deductions. Major Differences from Federal Law: <u>Taxes:</u> State and local taxes are not deductible. Deduction for FICA taxes, railroad retirement taxes, and self-employment tax. <u>Charitable:</u> Deduction for cultural contributions. | |
| Interest/Dividend.....Exempts U.S. government bonds. | | | | | |
| Business/Rent/Farm.....Same as federal. | | | | | |
| Capital Gains & Losses.....25% exclusion for certain sales of low-income housing. | | | | | |
| Pension/Retirement Income | | | | | |
| --Private.....Up to \$5,000/person excluded if meets certain income limits. | | | | | |
| --Public.....Up to \$6,000/person excluded if meets certain income limits. | | | | | |
| --U.S. Civil Service.....Up to \$6,000/person excluded if meets certain income limits. | | | | | |
| --Military.....Up to \$6,000/person excluded if meets certain income limits. | | | | | |
| Active Duty Military.....Same as federal. | | | | | |
| Unemployment Compensation.....Same as federal. | | | | | |
| Social Security Benefits.....Same as federal. | | | | | |
| State/Municipal Bond Interest.....Taxable except Missouri obligations. | | | | | |
| Miscellaneous | | | | | |
| Disability Income.....Same as federal. | | | | | |
| Lottery Winnings.....Same as federal. | | | | | |
| Federal Income Taxes.....Up to \$5,000 is deductible (\$10,000 if combined return) | | | | | |
| Other.....Deductions for contributions to and qualified withdrawals from family development accounts and for long-term care and self-employed health insurance premiums. Exempts deposits to and qualified withdrawals from the Missouri Savings for Tuition program. | | | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS | |
| Taxable Income <u>Brackets</u> | Marginal <u>Tax Rates</u> | Taxable Income <u>Brackets</u> | Marginal <u>Tax Rates</u> | Single.....\$2,100 Married-Combined.....4,200 Married-Separate.....2,100 Married-Separate, Spouse Not Filing.....4,200 Head-of-Household.....3,500 Dependent.....1,200 Dependent age 65 or over.....1,000 | |
| \$0 - 1,000 | 1.5% | \$5,000 - 6,000 | 4.0% | | |
| 1,000 - 2,000 | 2.0 | 6,000 - 7,000 | 4.5 | | |
| 2,000 - 3,000 | 2.5 | 7,000 - 8,000 | 5.0 | | |
| 3,000 - 4,000 | 3.0 | 8,000 - 9,000 | 5.5 | | |
| 4,000 - 5,000 | 3.5 | 9,000 and over | 6.0 | | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES | |
| <ul style="list-style-type: none"> • Affordable housing assistance • Brownfield jobs and investment • Business credits • Disabled access • Dry fire hydrant • Enterprise zone • Family development account • Film production • Higher education scholarship fund • Historic rehabilitation • Low-income housing • Maternity home • Neighborhood assistance • Pharmaceutical • Processed wood energy • Property tax • Rebuilding communities • Shared care for the elderly • Shelter for victims of domestic violence • Special needs adoption • Sponsorship and mentoring program • Taxes paid to other states • Wine and grape production • Youth opportunities | | <ul style="list-style-type: none"> • Children's trust fund • Elderly home delivered meals trust fund • National guard trust fund • Veterans' trust fund | | <ul style="list-style-type: none"> • Recapture tax on low-income housing credit. | |

MONTANA

Filing System: Joint/Combined

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | DEDUCTIONS | | | | | | | | | | |
|--|---|--|------------------------------|--|--|--|----------------|----------------|------|---------|---------|-------|-------|-------|
| <u>Major Differences from Federal Law</u> | | | | | | | | | | | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. Interest exclusion of \$800 per person if 65 or over. | | | Standard: 20% of Montana AGI | | | | | | | | | | |
| Business/Rent/Farm..... | Deduction for certain land sales to beginning farmers. State net operating loss calculation. | | | | | | | | | | | | | |
| Capital Gains & Losses..... | 40% exclusion for installment sales entered into before 1987. | | | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Minimum</u></th> <th style="text-align: center;"><u>Maximum</u></th> </tr> </thead> <tbody> <tr> <td>S/MS</td> <td style="text-align: center;">\$1,430</td> <td style="text-align: center;">\$3,230</td> </tr> <tr> <td>MJ/HH</td> <td style="text-align: center;">2,860</td> <td style="text-align: center;">6,460</td> </tr> </tbody> </table> | | | <u>Minimum</u> | <u>Maximum</u> | S/MS | \$1,430 | \$3,230 | MJ/HH | 2,860 | 6,460 |
| | <u>Minimum</u> | <u>Maximum</u> | | | | | | | | | | | | |
| S/MS | \$1,430 | \$3,230 | | | | | | | | | | | | |
| MJ/HH | 2,860 | 6,460 | | | | | | | | | | | | |
| Pension/Retirement Income | | | | Itemized: Same as federal. | | | | | | | | | | |
| --Private..... | Up to \$3,600 exempt if income is below \$31,800 (\$33,600 MJ). | | | | | | | | | | | | | |
| --Public..... | Up to \$3,600 exempt if income is below \$31,800 (\$33,600 MJ). | | | | | | | | | | | | | |
| --U.S. Civil Service..... | Up to \$3,600 exempt if income is below \$31,800 (\$33,600 MJ). | | | | | | | | | | | | | |
| --Military..... | Up to \$3,600 exempt if income is below \$31,800 (\$33,600 MJ). | | | | | | | | | | | | | |
| Active Duty Military..... | Exempt. | | | | | | | | | | | | | |
| Unemployment Compensation..... | Exempt. | | | | | | | | | | | | | |
| Social Security Benefits..... | Taxable except separate state calculation of taxable amount. | | | | | | | | | | | | | |
| State/Municipal Bond Interest..... | Taxable except Montana obligations. | | | | | | | | | | | | | |
| Miscellaneous | | | | | | | | | | | | | | |
| Disability Income..... | Up to \$5,200 excluded. | | | Major Differences from Federal Law: <u>Medical Expenses:</u> Deduct 100% of insurance premiums. <u>Taxes:</u> State income taxes are not deductible. Federal income taxes and motor vehicle taxes and fees are deductible. <u>Other:</u> Child and dependent care expense. Long-term care insurance. | | | | | | | | | | |
| Lottery Winnings..... | Taxable. | | | | | | | | | | | | | |
| Federal Income Taxes..... | Not deductible. | | | | | | | | | | | | | |
| Other..... | Tip income excluded. Deductions for MSA contributions, family education savings accounts, first time homebuyers and recyclable materials. | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS | | | | | | | | | | |
| Taxable Income <u>Brackets</u> | Marginal <u>Tax Rates</u> | Taxable Income <u>Brackets</u> | Marginal <u>Tax Rates</u> | | | | | | | | | | | |
| \$0 - 2,200 | 2% | 17,200 - 21,500 | 7% | Single/HH..... \$1,720 | | | | | | | | | | |
| 2,200 - 4,300 | 3 | 21,500 - 30,200 | 8 | Married..... 3,440 | | | | | | | | | | |
| 4,300 - 8,600 | 4 | 30,200 - 43,100 | 9 | Blind..... 1,720 | | | | | | | | | | |
| 8,600 - 12,900 | 5 | 43,100 - 75,400 | 10 | Dependent..... 1,720 | | | | | | | | | | |
| 12,900 - 17,200 | 6 | 75,400 and over | 11 | Handicapped Dependent 1,720 | | | | | | | | | | |
| | | | | Age 65 or over..... 1,720 | | | | | | | | | | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES | | | | | | | | | | |
| <ul style="list-style-type: none"> • Affordable housing revolving loan contributions • Alternative energy production • Alternative energy systems • Alternative fuel vehicle • College contribution • Contractor's gross receipts tax • Dependent care assistance • Elderly care • Elderly homeowner or renter • Endowment gifts • Energy conservation installations • Disability insurance for uninsured • Historic preservation • Infrastructure users fee • Investment • Mineral exploration incentive • Recycling • Research • Rural physicians • Taxes paid to other states or countries • Wind-powered generation equipment | | <ul style="list-style-type: none"> • Agriculture in Montana schools • Child abuse and neglect prevention • Nongame wildlife program | | None | | | | | | | | | | |

NEBRASKA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | | DEDUCTIONS |
|--|---|--|--------------------------|--|--|
| <u>Major Differences from Federal Law</u> | | | | | |
| Interest/Dividend..... | Exempts U.S. government obligations. | | | | Standard: Same as federal, except that the standard deduction is phased out if federal AGI is more than \$132,950 (\$66,475 if Married-S). Itemized: Same as federal. Major Differences from Federal Law: <u>Taxes:</u> State and local income taxes not deductible. |
| Business/Rent/Farm..... | Same as federal. | | | | |
| Capital Gains & Losses..... | Special one-time deduction for sale of stock in qualified corporation by certain taxpayers. | | | | |
| Pension/Retirement Income | | | | | |
| --Private..... | Same as federal. | | | | |
| --Public..... | Same as federal. | | | | |
| --U.S. Civil Service..... | Same as federal. | | | | |
| --Military..... | Same as federal. | | | | |
| Active Duty Military..... | Same as federal. | | | | |
| Unemployment Compensation..... | Same as federal. | | | | |
| Social Security Benefits..... | Same as federal. | | | | |
| State/Municipal Bond Interest..... | Taxable except Nebraska or its subdivisions' obligations. | | | | |
| Miscellaneous | | | | | |
| Disability Income..... | Same as federal. | | | | |
| Lottery Winnings..... | Same as federal. | | | | |
| Federal Income Taxes..... | Not deductible. | | | | |
| Other..... | Deduction for self-employed health insurance, donations to the Nebraska educational savings plan trust fund, and qualified donations to and distributions from the Nebraska College Savings Plan. | | | | |
| TAX RATES AND BRACKETS | | | | | EXEMPTIONS (TAX CREDIT) |
| <u>Taxable Income Brackets</u> | | | | <u>Marginal Tax Rates</u> | Each federal exemption..... \$94 Phased out over following AGI ranges: Single..... \$67,000 - \$157,000 Married-J..... 111,000 - 201,000 Married-S..... 55,000 - 100,500 HH..... 92,000 - 182,000 |
| <u>Single</u> | <u>Married-J</u> | <u>Married-S</u> | <u>Head-of-Household</u> | | |
| \$0 - 2,400 | \$0 - 4,000 | \$0 - 2,000 | \$0 - 3,800 | | |
| 2,400 - 17,000 | 4,000 - 30,000 | 2,000 - 15,000 | 3,800 - 24,000 | | |
| 17,000 - 26,500 | 30,000 - 46,750 | 15,000 - 23,375 | 24,000 - 35,000 | | |
| 26,500 and over | 46,750 and over | 23,375 and over | 35,000 and over | | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES | |
| <ul style="list-style-type: none"> • Child and dependent care expenses • Community development assistance • Elderly or disabled • Employment and investment • Nonhighway use of motor vehicle fuel • Quality jobs (employer) • Taxes paid to other states | | <ul style="list-style-type: none"> • Campaign finance contribution • Nongame and endangered species fund | | <ul style="list-style-type: none"> • Minimum tax • Early distributions from retirement | |

NEW HAMPSHIRE

Filing System: Joint

| TAX BASE: INTEREST AND DIVIDENDS | | DEDUCTIONS |
|---|--|---|
| Interest/Dividend..... | <u>Major Differences from Federal Law</u> Interest and dividends from the following sources are taxable: annuities, financial institutions, bonds, notes, private mortgages and loans, corporation, mutual funds (unless invested solely in New Hampshire tax-exempt instruments), partnerships, associations, trusts, and distributions from S-corporations. U.S. government bonds are exempt. Earnings on retirement plans and college tuition savings programs are exempt. | Standard: None Itemized: None |
| Business/Rent/Farm..... Capital Gains & Losses..... Pension/Retirement Income --Private..... --Public..... --U.S. Civil Service..... --Military..... Active Duty Military..... Unemployment Compensation..... Social Security Benefits..... State/Municipal Bond Interest..... Miscellaneous Disability Income..... Lottery Winnings..... Federal Income Taxes..... | Exempt. Exempt. Exempt. Exempt. Exempt. Exempt. Exempt. Exempt. Exempt. Exempt. Taxable except New Hampshire obligations. Exempt. Exempt. Exempt. | |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| Tax is 5% of taxable interest and dividends. | | Single/HH/M-S.....\$2,400 Married-J.....4,800 65 or over or disabled.....1,200 Blind.....1,200 |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| None | None | <ul style="list-style-type: none"> • Business profits and business enterprise taxes |

NEW JERSEY

Filing System: Joint

| TAX BASE: STATE GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|-----------------------|--|-----------------------------|--|----------------------------|-----------------------|----------------------------|-----------------------|----------------|-------|----------------|-------|-----------------|------|-----------------|------|-----------------|------|-----------------|------|-----------------|-------|-----------------|------|-----------------|------|------------------|-------|--|--|------------------|------|
| <u>Major Differences from Federal Law</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | Standard: None Itemized: None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business/Rent/Farm..... | Same as federal (with certain adjustments). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Gains & Losses..... | Same as federal, except capital losses may not be deducted from ordinary income. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pension/Retirement Income* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --Private..... | Exempt \$11,250 (\$15,000 MJ/\$7,500 MS). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --Public..... | Exempt \$11,250 (\$15,000 MJ/\$7,500 MS). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --U.S. Civil Service..... | Exempt \$11,250 (\$15,000 MJ/\$7,500 MS). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| --Military..... | Exempt. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Active Duty Military..... | Same as federal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unemployment Compensation..... | Exempt. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Security Benefits..... | Exempt. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State/Municipal Bond Interest..... | Taxable except New Jersey obligations. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Miscellaneous | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disability Income..... | Exempt. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lottery Winnings..... | New Jersey lottery winnings exempt. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Federal Income Taxes..... | Not deductible. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | Deductions for medical expenses that exceed 2% of New Jersey gross income and 100% of self-employed health insurance. Employee contributions to retirement plans, other than 401(K) plans, are taxable. Additional retirement income exclusion for taxpayers who do not use maximum general exclusion. Exclude amounts reported as meals or lodging. Deduction for property taxes/rent paid, unless refundable credit is claimed. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>*Pension payments from permanent and total disability are fully exempt if under 62. A taxpayer aged 62 or older who does not use the maximum pension exclusion may be able to exclude other income from taxation.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS* | | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Single/Married-S</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Married-J/Head-of-Household</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Taxable Income Brackets</th> <th style="text-align: center; border-bottom: 1px solid black;">Marginal Tax Rates</th> <th style="text-align: center; border-bottom: 1px solid black;">Taxable Income Brackets</th> <th style="text-align: center; border-bottom: 1px solid black;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$20,000</td> <td style="text-align: center;">1.40%</td> <td style="text-align: center;">\$0 - \$20,000</td> <td style="text-align: center;">1.40%</td> </tr> <tr> <td style="text-align: center;">20,000 - 35,000</td> <td style="text-align: center;">1.75</td> <td style="text-align: center;">20,000 - 50,000</td> <td style="text-align: center;">1.75</td> </tr> <tr> <td style="text-align: center;">35,000 - 40,000</td> <td style="text-align: center;">3.50</td> <td style="text-align: center;">50,000 - 70,000</td> <td style="text-align: center;">2.45</td> </tr> <tr> <td style="text-align: center;">40,000 - 75,000</td> <td style="text-align: center;">5.525</td> <td style="text-align: center;">70,000 - 80,000</td> <td style="text-align: center;">3.50</td> </tr> <tr> <td style="text-align: center;">75,000 and over</td> <td style="text-align: center;">6.37</td> <td style="text-align: center;">80,000 - 150,000</td> <td style="text-align: center;">5.525</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">150,000 and over</td> <td style="text-align: center;">6.37</td> </tr> </tbody> </table> | | | Single/Married-S | | Married-J/Head-of-Household | | Taxable Income Brackets | Marginal Tax Rates | Taxable Income Brackets | Marginal Tax Rates | \$0 - \$20,000 | 1.40% | \$0 - \$20,000 | 1.40% | 20,000 - 35,000 | 1.75 | 20,000 - 50,000 | 1.75 | 35,000 - 40,000 | 3.50 | 50,000 - 70,000 | 2.45 | 40,000 - 75,000 | 5.525 | 70,000 - 80,000 | 3.50 | 75,000 and over | 6.37 | 80,000 - 150,000 | 5.525 | | | 150,000 and over | 6.37 |
| Single/Married-S | | Married-J/Head-of-Household | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxable Income Brackets | Marginal Tax Rates | Taxable Income Brackets | Marginal Tax Rates | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$0 - \$20,000 | 1.40% | \$0 - \$20,000 | 1.40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20,000 - 35,000 | 1.75 | 20,000 - 50,000 | 1.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35,000 - 40,000 | 3.50 | 50,000 - 70,000 | 2.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 40,000 - 75,000 | 5.525 | 70,000 - 80,000 | 3.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 75,000 and over | 6.37 | 80,000 - 150,000 | 5.525 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 150,000 and over | 6.37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * No income tax due if gross income is less than \$10,000 (\$20,000 if Married-Jt) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Earned income • Excess disability insurance contributions • Excess unemployment/health care subsidy fund/workforce development partnership fund contributions • Homestead rebate • Income taxes paid to other jurisdictions • Property tax/rent | <ul style="list-style-type: none"> • Breast cancer research • Children's trust fund • Drug abuse education • Endangered wildlife • Gubernatorial elections • Korean veterans memorial • Organ and tissue donor awareness education • USS NJ Educational Museum Fund • Vietnam veteran's memorial | <ul style="list-style-type: none"> • Use tax | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

NEW MEXICO

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | | DEDUCTIONS |
|--|--|-----------------|--|--------------------------|--|
| <u>Major Differences from Federal Law</u> | | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | | Standard: Same as federal. Itemized: Same as federal. |
| Business/Rent/Farm..... | Same as federal. | | | | |
| Capital Gains & Losses..... | Deduct up to \$1,000 of federally taxable gains. | | | | |
| Pension/Retirement Income | | | | | |
| --Private..... | Same as federal. | | | | |
| --Public..... | Same as federal. | | | | |
| --U.S. Civil Service..... | Same as federal. | | | | |
| --Military..... | Same as federal. | | | | |
| Active Duty Military..... | Same as federal. | | | | |
| Unemployment Compensation..... | Same as federal. | | | | |
| Social Security Benefits..... | Same as federal. | | | | |
| State/Municipal Bond Interest..... | Taxable except New Mexico obligations. | | | | |
| Miscellaneous | | | | | |
| Disability Income..... | Same as federal. | | | | |
| Lottery Winnings..... | Same as federal. | | | | |
| Federal Income Taxes..... | Not deductible. | | | | |
| Other..... | Deduction of up to \$8,000 if age 65 or over or blind if meet certain income limits. Deductions for special needs adoptions, a college investment agreement or prepaid tuition contract, and medical care expenses not claimed as itemized deductions. | | | | |
| TAX RATES AND BRACKETS | | | | | EXEMPTIONS |
| <u>Taxable Income Brackets</u> | | | | | Same as federal. |
| <u>Married-J</u> | <u>Married-S</u> | <u>Single</u> | <u>Head-of-Household</u> | <u>Marginal Tax Rate</u> | |
| \$0 - 8,000 | \$0 - 4,000 | \$0 - 5,500 | \$0 - 7,000 | 1.7% | |
| 8,000 - 16,000 | 4,000 - 8,000 | 5,500 - 11,000 | 7,000 - 14,000 | 3.2 | |
| 16,000 - 24,000 | 8,000 - 12,000 | 11,000 - 16,000 | 14,000 - 20,000 | 4.7 | |
| 24,000 - 40,000 | 12,000 - 20,000 | 16,000 - 26,000 | 20,000 - 33,000 | 6.0 | |
| 40,000 - 64,000 | 20,000 - 32,000 | 26,000 - 42,000 | 33,000 - 53,000 | 7.1 | |
| 64,000 - 100,000 | 32,000 - 50,000 | 42,000 - 65,000 | 53,000 - 83,000 | 7.9 | |
| 100,000 and over | 50,000 and over | 65,000 and over | 83,000 and over | 8.2 | |
| TAX CREDITS | | | CONTRIBUTION/CHECK-OFF | | |
| <ul style="list-style-type: none"> • Child day care • Electronic identification card reader • Income tax paid to other states • Job mentorship • Low-income comprehensive tax rebate • Low-income property tax rebate (Los Alamos County residents) • Preservation of cultural properties • Property tax rebate (age 65 and over) • Qualified business facility rehabilitation • Rural jobs • Technology jobs • Venture capital • Welfare-to-work | | | <ul style="list-style-type: none"> • Forest relief program • Political parties contribution • Substance abuse education fund • Veterans national cemetery fund • Wildlife protection fund | | None |

NEW YORK

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | DEDUCTIONS |
|--|--|--|---------------------------|--|
| <u>Major Differences from Federal Law</u> | | | | <p>Standard: Single--\$7,500 Married-S--\$6,500 Married-J--\$13,400 Head-of-Household--\$10,500</p> <p>Itemized: Federal itemized deductions.</p> <p>Reduced for taxpayers with AGI over \$100,000 (S/MS); \$150,000 (HH); and \$200,000 (MJ).</p> <p>Major Differences from Federal Law: <u>Taxes:</u> State, local, and foreign income taxes not deductible.</p> <p><u>Medical Expenditures:</u> Amounts already deducted for long-term care insurance cannot be claimed as an itemized deduction.</p> <p><u>College Tuition:</u> Deduction unless claiming college tuition credit.</p> |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | |
| Business/Rent/Farm..... | Same as federal. | | | |
| Capital Gains & Losses..... | Same as federal. | | | |
| Pension/Retirement Income | | | | |
| --Private..... | Up to \$20,000 exempt if age 59½ or over. | | | |
| --Public..... | Exempt. | | | |
| --U.S. Civil Service..... | Exempt. | | | |
| --Military..... | Exempt. | | | |
| Active Duty Military..... | Same as federal. | | | |
| Unemployment Compensation..... | Same as federal. | | | |
| Social Security Benefits..... | Exempt. | | | |
| State/Municipal Bond Interest..... | Taxable except New York obligations. | | | |
| Miscellaneous | | | | |
| Disability Income..... | Up to \$5,200 excluded. | | | |
| Lottery Winnings..... | Same as federal. | | | |
| Federal Income Taxes..... | Not deductible. | | | |
| Other..... | Contributions to certain public employee retirement systems are taxable. Deduction for long-term care insurance, college tuition savings, and qualified emerging technology investments. | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS |
| <u>Taxable Income Brackets</u> | | | | Dependent..... \$1,000 |
| <u>Married-J</u> | <u>Single/Married-S</u> | <u>Head-of-Household</u> | <u>Marginal Tax Rates</u> | |
| \$0 - 16,000 | \$0 - 8,000 | \$0 - 11,000 | 4.00% | |
| 16,000 - 22,000 | 8,000 - 11,000 | 11,000 - 15,000 | 4.50 | |
| 22,000 - 26,000 | 11,000 - 13,000 | 15,000 - 17,000 | 5.25 | |
| 26,000 - 40,000 | 13,000 - 20,000 | 17,000 - 30,000 | 5.90 | |
| 40,000 and over | 20,000 and over | 30,000 and over | 6.85 | |
| Benefits of the lower marginal tax rates are phased out for higher-income taxpayers. | | | | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES |
| <ul style="list-style-type: none"> • Accumulation distribution • Alternative fuels • Child and dependent care • College tuition • Earned income tax credit • Empire zones, emerging technology financial services and other business credits • Employment of disabled persons • Farmers' school tax • Green building • Historic barn restoration • Household • Low-income housing • New York school tax • Property tax/rent • Solar electric generating equipment • Taxes paid to other states | | <ul style="list-style-type: none"> • Aid for missing/exploited children • Alzheimer's fund • Breast cancer research and education fund • Lake Placid Olympic Training Center • Return a gift for wildlife | | <ul style="list-style-type: none"> • City of New York resident income tax • City of Yonkers resident income tax surcharge • Minimum income tax |

NORTH CAROLINA

Filing System: Joint

| TAX BASE: FEDERAL TAXABLE INCOME | | | | | DEDUCTIONS | | |
|--|--|--|------------------|--------------------------|--|--|--|
| <u>Major Differences from Federal Law</u> | | | | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | | Standard: <u>Added Amount if:</u> <u>Age 65</u> <u>Blind</u> Single \$3,000 \$750 \$750 Married-J 5,000 600 600 Married-S 2,500 600 600 HH 4,400 750 750 Itemized: Same as federal. Major Differences from Federal Law: <u>Taxes:</u> State and local income taxes not deductible. | | |
| Business/Rent/Farm..... | Same as federal. | | | | | | |
| Capital Gains & Losses..... | Same as federal. | | | | | | |
| Pension/Retirement Income | | | | | | | |
| --Private..... | First \$2,000 per person excluded. | | | | | | |
| --Public..... | First \$4,000 per person excluded.* | | | | | | |
| --U.S. Civil Service..... | First \$4,000 per person excluded. | | | | | | |
| --Military..... | First \$4,000 per person excluded. | | | | | | |
| Active Duty Military..... | Same as federal. | | | | | | |
| Unemployment Compensation..... | Same as federal. | | | | | | |
| Social Security Benefits..... | Exempt. | | | | | | |
| State/Municipal Bond Interest..... | Taxable except North Carolina obligations. | | | | | | |
| Miscellaneous | | | | | | | |
| Disability Income..... | Same as federal. | | | | | | |
| Lottery Winnings..... | Same as federal. | | | | | | |
| Federal Income Taxes..... | Not deductible. | | | | | | |
| Other..... | Up to \$35,000 in severance pay is deductible if a result of the permanent closure of a manufacturing or processing plant. | | | | | | |
| *In addition, certain retirement benefits from public defined benefit plans are exempt. | | | | | | | |
| TAX RATES AND BRACKETS | | | | | EXEMPTIONS | | |
| <u>Taxable Income Brackets</u> | | | | | | | |
| <u>Single</u> | <u>Head-of-Household</u> | <u>Married-J</u> | <u>Married-S</u> | <u>Marginal Tax Rate</u> | Each federal exemption..... \$400 If federal AGI is below: Single..... \$60,000 Head-of-Household..... 80,000 Married-Joint 100,000 Married-Separate 50,000 | | |
| \$0 - 12,750 | \$0 - 17,000 | \$0 - 21,250 | \$0 - 10,625 | 6.00% | | | |
| 12,750 - 60,000 | 17,000 - 80,000 | 21,250 - 100,000 | 10,625 - 50,000 | 7.00 | | | |
| 60,000 - 120,000 | 80,000 - 160,000 | 100,000 - 200,000 | 50,000 - 100,000 | 7.75 | | | |
| 120,000 and over | 160,000 and over | 200,000 and over | 100,000 and over | 8.25 | | | |
| | | | | | | | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | | OTHER TAXES | | |
| <ul style="list-style-type: none"> • Business incentive • Business investments • Charitable contributions • Child and dependent care expenses • Children • Construction of dwelling units for handicapped • Conservation tillage equipment • Disabled taxpayer or dependent • Donating real property for certain public and conservation purposes • Exporting from or importing to N.C. ports • Gleaned crops • Historic rehabilitation • Income tax paid to another state or country • Long-term care insurance • Poultry composting • Property taxes on farm machinery | | <ul style="list-style-type: none"> • Candidates financing fund • Nongame and endangered wildlife fund • Political parties financing | | | <ul style="list-style-type: none"> • Use tax | | |

NORTH DAKOTA

Filing System: Joint

| TAX BASE: FEDERAL TAXABLE INCOME | | | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------------|--|-------------------|--|--|--|-------------------|--------|-------------------|-----------|--|--------------|--------------|--------------|-------|-----------------|-----------------|------------------|------|------------------|------------------|-------------------|------|-------------------|-------------------|-------------------|------|------------------|------------------|------------------|------|---|--|-------------------------|--------------------|-------------|-------|---------------|------|---------------|------|----------------|------|-----------------|------|-----------------|------|-----------------|-------|-----------------|-------|
| <u>Major Differences from Federal Law</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Standard Method: Over 95% of N.D. taxfilers use the standard method for computing individual income taxes. For these taxfilers, deductions are only allowed for income that states are prohibited from taxing (U.S. government interest, certain income of Native Americans, and railroad retirement benefits) and renaissance zone income. There is also an exclusion for 30% of net long-term capital gains.</p> | | | | <p>Standard: Same as federal.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Optional Method:</p> <p>Interest/Dividend.....Exempts U.S. government bonds; deduction of \$300 per person for interest from North Dakota financial institutions; deduction of \$15,000 for state domestic dividends.</p> <p>Business/Rent/FarmSame as federal.</p> <p>Capital Gains & LossesExempt gains realized on sale of property under eminent domain and corporate stock that relocated to N.D.</p> <p>Pension/Retirement Income</p> <p> --PrivateSame as federal.</p> <p> --PublicUp to \$5,000 (less social security benefits) excluded (for limited plans).</p> <p> --U.S. Civil ServiceUp to \$5,000 (less social security benefits) excluded.</p> <p> --MilitaryUp to \$5,000 (less social security benefits) excluded (age 50 or older).</p> <p>Active Duty MilitaryExclusion of up to \$1,000 plus \$300/month if stationed abroad.</p> <p>Unemployment Compensation.....Same as federal.</p> <p>Social Security Benefits.....Same as federal.</p> <p>State/Municipal Bond Interest.....Taxable except North Dakota obligations.</p> <p>Miscellaneous</p> <p> Disability IncomeSame as federal.</p> <p> Lottery Winnings.....Same as federal.</p> <p> Federal Income Taxes.....Deductible.</p> <p> OtherDeductions for sales or leases to beginning farmers or businessmen, certain venture capital investments, adoption expenses, and income from renaissance zones and qualifying new and expanding businesses.</p> | | | | <p>Itemized: Federal itemized deductions.</p> <p>Major Differences from Federal Law (Optional method only): Taxes: State income taxes not deductible. Medical: Medical expense deduction not subject to 7.5% AGI limitation.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Standard Method:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Taxable Income Brackets*</th> <th style="text-align: center;">Marginal Tax Rate</th> </tr> <tr> <th style="text-align: center;">Single</th> <th style="text-align: center;">Head-of-Household</th> <th style="text-align: center;">Married-J</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 27,050</td> <td style="text-align: center;">\$0 - 36,250</td> <td style="text-align: center;">\$0 - 45,200</td> <td style="text-align: center;">2.10%</td> </tr> <tr> <td style="text-align: center;">27,050 - 65,550</td> <td style="text-align: center;">36,250 - 93,650</td> <td style="text-align: center;">45,200 - 109,250</td> <td style="text-align: center;">3.92</td> </tr> <tr> <td style="text-align: center;">65,550 - 136,750</td> <td style="text-align: center;">93,650 - 151,650</td> <td style="text-align: center;">109,250 - 166,500</td> <td style="text-align: center;">4.34</td> </tr> <tr> <td style="text-align: center;">136,750 - 297,350</td> <td style="text-align: center;">151,650 - 297,350</td> <td style="text-align: center;">166,500 - 297,350</td> <td style="text-align: center;">5.04</td> </tr> <tr> <td style="text-align: center;">297,350 and over</td> <td style="text-align: center;">297,350 and over</td> <td style="text-align: center;">297,350 and over</td> <td style="text-align: center;">5.54</td> </tr> </tbody> </table> | | | | Taxable Income Brackets* | | | Marginal Tax Rate | Single | Head-of-Household | Married-J | | \$0 - 27,050 | \$0 - 36,250 | \$0 - 45,200 | 2.10% | 27,050 - 65,550 | 36,250 - 93,650 | 45,200 - 109,250 | 3.92 | 65,550 - 136,750 | 93,650 - 151,650 | 109,250 - 166,500 | 4.34 | 136,750 - 297,350 | 151,650 - 297,350 | 166,500 - 297,350 | 5.04 | 297,350 and over | 297,350 and over | 297,350 and over | 5.54 | <p>Optional Method:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0 - \$3,000</td> <td style="text-align: center;">2.67%</td> </tr> <tr> <td style="text-align: center;">3,000 - 5,000</td> <td style="text-align: center;">4.00</td> </tr> <tr> <td style="text-align: center;">5,000 - 8,000</td> <td style="text-align: center;">5.33</td> </tr> <tr> <td style="text-align: center;">8,000 - 15,000</td> <td style="text-align: center;">6.67</td> </tr> <tr> <td style="text-align: center;">15,000 - 25,000</td> <td style="text-align: center;">8.00</td> </tr> <tr> <td style="text-align: center;">25,000 - 35,000</td> <td style="text-align: center;">9.33</td> </tr> <tr> <td style="text-align: center;">35,000 - 50,000</td> <td style="text-align: center;">10.67</td> </tr> <tr> <td style="text-align: center;">50,000 and over</td> <td style="text-align: center;">12.00</td> </tr> </tbody> </table> | | Taxable Income Brackets | Marginal Tax Rates | 0 - \$3,000 | 2.67% | 3,000 - 5,000 | 4.00 | 5,000 - 8,000 | 5.33 | 8,000 - 15,000 | 6.67 | 15,000 - 25,000 | 8.00 | 25,000 - 35,000 | 9.33 | 35,000 - 50,000 | 10.67 | 50,000 and over | 12.00 |
| Taxable Income Brackets* | | | Marginal Tax Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Single | Head-of-Household | Married-J | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 27,050 | \$0 - 36,250 | \$0 - 45,200 | 2.10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27,050 - 65,550 | 36,250 - 93,650 | 45,200 - 109,250 | 3.92 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 65,550 - 136,750 | 93,650 - 151,650 | 109,250 - 166,500 | 4.34 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 136,750 - 297,350 | 151,650 - 297,350 | 166,500 - 297,350 | 5.04 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 297,350 and over | 297,350 and over | 297,350 and over | 5.54 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxable Income Brackets | Marginal Tax Rates | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 - \$3,000 | 2.67% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3,000 - 5,000 | 4.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5,000 - 8,000 | 5.33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8,000 - 15,000 | 6.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15,000 - 25,000 | 8.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25,000 - 35,000 | 9.33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35,000 - 50,000 | 10.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50,000 and over | 12.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *Tax brackets for married-separate are one-half of those for married-joint. | | | | Same as federal. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | | TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Agricultural commodity facility investment • Family member care • Taxes paid to another state • Renaissance zones • Unused federal credit for prior year minimum tax | | <p>Optional Method Only:</p> <ul style="list-style-type: none"> • Contributions to nonprofit private colleges • Contributions to nonprofit private high schools • Geothermal, solar or wind energy device • Investment in ND small business corporations • Investment in nonprofit development corporation • Long-term care insurance • Qualified business seed capital investment • Venture capital corporation • Wages paid to disabled or mentally ill employee | | <ul style="list-style-type: none"> • Centennial tree trust fund • Nongame wildlife fund | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | OTHER TAXES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

OHIO

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|---|--|---|
| <u>Major Differences from Federal Law</u> | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | Standard: None Itemized: None |
| Business/Rent/Farm..... | Same as federal. | |
| Capital Gains & Losses..... | Same as federal except: losses from the disposition of Ohio public obligations and income from an Electing Small Business Trust (ESBT) are added back; gains from Ohio public obligations and losses from an ESBT are deducted. | |
| Pension/Retirement Income | | |
| --Private | Credit up to \$200. | |
| --Public | Credit up to \$200. | |
| --U.S. Civil Service..... | Credit up to \$200. | |
| --Military..... | Credit up to \$200. | |
| Active Duty Military..... | Same as federal. | |
| Unemployment Compensation | Same as federal. | |
| Social Security Benefits..... | Exempt. | |
| State/Municipal Bond Interest | Taxable except Ohio obligations. | |
| Miscellaneous | | |
| Disability Income | Exempt. | |
| Lottery Winnings | Same as federal. | |
| Federal Income Taxes..... | Not deductible. | |
| Other | Federal target jobs tax credit adjustment. Deductions for certain MSA contributions, the increased value of prepaid tuition credit, self-employed health insurance, individual development accounts, medical expenses exceeding 7.5% of federal AGI, medical insurance, long-term care insurance, certain disability and survivor benefits, contributions to and qualified distributions from the Ohio College Advantage Savings plan, tuition expenses paid to a qualified Ohio educational institution, and refunds of prior-year federal itemized deductions. | |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <u>Taxable Income Brackets</u> | <u>Marginal Tax Rates</u> | Each federal exemption: State Exemption \$1,150 State Credit.....20 |
| \$0 - 5,000 | 0.743% | |
| 5,000 - 10,000 | 1.486 | |
| 10,000 - 15,000 | 2.972 | |
| 15,000 - 20,000 | 3.715 | |
| 20,000 - 40,000 | 4.457 | |
| 40,000 - 80,000 | 5.201 | |
| 80,000 - 100,000 | 5.943 | |
| 100,000 - 200,000 | 6.900 | |
| 200,000 and over | 7.500 | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Adoption expenses • Business jobs and other business credits • Child and dependent care • Exemption credits • Income taxed by another state • Job training • Joint filing (two income) • Lump sum distributions • Ohio resident • Political contributions • Retirement income • Senior citizen | <ul style="list-style-type: none"> • Endangered wildlife and wildlife diversity • Nature preserves, scenic rivers, and endangered species protection • Political party fund | <ul style="list-style-type: none"> • Use tax |

OKLAHOMA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------------|--|--|--------------------|-------------|-------|---------------|------|---------------|------|---------------|------|---------------|------|---------------|------|----------------|------|-----------------|------|---|--|--|-------------------------|--------------------|-------------|------|---------------|-----|---------------|-----|---------------|-----|---------------|-----|---------------|-----|---------------|-----|----------------|-----|-----------------|-----|-----------------|-----|-----------------|------|---|--|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds; exclusion of \$100 per person for interest from Oklahoma bank, credit union, or savings and loan.</p> <p>Business/Rent/Farm..... Add back out-of-state losses.</p> <p>Capital Gains & Losses..... 50% exclusion for sales of historic battle site property to the state.</p> <p>Pension/Retirement Income</p> <p>--Private..... First \$5,500 per person exempt if 65 or over and low AGI.</p> <p>--Public..... First \$5,500 per person exempt.</p> <p>--U.S. Civil Service..... First \$5,500 per person exempt.</p> <p>--Military..... First \$5,500 per person exempt.</p> <p>Active Duty Military..... First \$1,500 per person exempt.</p> <p>Unemployment Compensation..... Same as federal.</p> <p>Social Security Benefits..... Exempt.</p> <p>State/Municipal Bond Interest..... Taxable except Oklahoma obligations.</p> <p>Miscellaneous</p> <p>Disability Income..... Same as federal.</p> <p>Lottery Winnings..... Same as federal.</p> <p>Federal Income Taxes..... Deductible.</p> <p>Other..... Deductions for depletion of oil and gas properties, expenses related to the disabled, adoption expenses, and political contributions (\$100/person). Exclusions for investment in agricultural commodity processing facility and for swine and poultry producers. Exclusion for royalty income earned by an inventor, wages reported for the federal Indian employment credit, and Oklahoma police corps scholarships or stipends.</p> | | | <p>Standard: Single/Married-J/HH: Larger of \$1,000 or 15% of AGI, not to exceed \$2,000.</p> <p>Married-S: Larger of \$500 or 15% of AGI, not to exceed \$1,000.</p> <p>Itemized: Federal itemized deductions.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p><u>Method I--Federal Income Taxes Not Deducted</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 1,000</td> <td style="text-align: center;">0.50%</td> </tr> <tr> <td style="text-align: center;">1,000 - 2,500</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td style="text-align: center;">2,500 - 3,750</td> <td style="text-align: center;">2.00</td> </tr> <tr> <td style="text-align: center;">3,750 - 4,900</td> <td style="text-align: center;">3.00</td> </tr> <tr> <td style="text-align: center;">4,900 - 6,200</td> <td style="text-align: center;">4.00</td> </tr> <tr> <td style="text-align: center;">6,200 - 7,700</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td style="text-align: center;">7,700 - 10,000</td> <td style="text-align: center;">6.00</td> </tr> <tr> <td style="text-align: center;">10,000 and over</td> <td style="text-align: center;">6.75</td> </tr> </tbody> </table> | | | Taxable Income Brackets | Marginal Tax Rates | \$0 - 1,000 | 0.50% | 1,000 - 2,500 | 1.00 | 2,500 - 3,750 | 2.00 | 3,750 - 4,900 | 3.00 | 4,900 - 6,200 | 4.00 | 6,200 - 7,700 | 5.00 | 7,700 - 10,000 | 6.00 | 10,000 and over | 6.75 | <p><u>Method II--Federal Income Taxes Deducted</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 1,000</td> <td style="text-align: center;">0.5%</td> </tr> <tr> <td style="text-align: center;">1,000 - 2,500</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td style="text-align: center;">2,500 - 3,750</td> <td style="text-align: center;">2.0</td> </tr> <tr> <td style="text-align: center;">3,750 - 4,900</td> <td style="text-align: center;">3.0</td> </tr> <tr> <td style="text-align: center;">4,900 - 6,100</td> <td style="text-align: center;">4.0</td> </tr> <tr> <td style="text-align: center;">6,100 - 7,500</td> <td style="text-align: center;">5.0</td> </tr> <tr> <td style="text-align: center;">7,500 - 9,000</td> <td style="text-align: center;">6.0</td> </tr> <tr> <td style="text-align: center;">9,000 - 10,500</td> <td style="text-align: center;">7.0</td> </tr> <tr> <td style="text-align: center;">10,500 - 12,500</td> <td style="text-align: center;">8.0</td> </tr> <tr> <td style="text-align: center;">12,500 - 16,000</td> <td style="text-align: center;">9.0</td> </tr> <tr> <td style="text-align: center;">16,000 and over</td> <td style="text-align: center;">10.0</td> </tr> </tbody> </table> | | | Taxable Income Brackets | Marginal Tax Rates | \$0 - 1,000 | 0.5% | 1,000 - 2,500 | 1.0 | 2,500 - 3,750 | 2.0 | 3,750 - 4,900 | 3.0 | 4,900 - 6,100 | 4.0 | 6,100 - 7,500 | 5.0 | 7,500 - 9,000 | 6.0 | 9,000 - 10,500 | 7.0 | 10,500 - 12,500 | 8.0 | 12,500 - 16,000 | 9.0 | 16,000 and over | 10.0 | <p>Single/HH..... \$1,000</p> <p>Married-J..... 2,000</p> <p>Married-S..... 1,000</p> <p>Dependent..... 1,000</p> <p>Blind..... 1,000</p> <p>Age 65 or over and low AGI.... 1,000</p> | | |
| Taxable Income Brackets | Marginal Tax Rates | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 1,000 | 0.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1,000 - 2,500 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2,500 - 3,750 | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3,750 - 4,900 | 3.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4,900 - 6,200 | 4.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6,200 - 7,700 | 5.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7,700 - 10,000 | 6.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10,000 and over | 6.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxable Income Brackets | Marginal Tax Rates | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 1,000 | 0.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1,000 - 2,500 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2,500 - 3,750 | 2.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3,750 - 4,900 | 3.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4,900 - 6,100 | 4.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6,100 - 7,500 | 5.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7,500 - 9,000 | 6.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9,000 - 10,500 | 7.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10,500 - 12,500 | 8.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12,500 - 16,000 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16,000 and over | 10.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | | | CONTRIBUTION/CHECK-OFF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Agriculture producers • Child care expenses • Clean burning fuel vehicles • Employer provided child care • Energy assistance fund contribution • Enterprise zones • Food service establishments providing Hepatitis A vaccines to employees • Hazardous waste control • Historic building rehabilitation • Investment/new jobs • Incentive for certain industries • Property tax relief (low AGI and over 65 or disabled) • Recycling facility • Sales tax relief for low-income • Small businesses • Tax paid to another state • Tourism development • Venture and rural small business capital • Wind or photovoltaic energy system | | | <ul style="list-style-type: none"> • Breast cancer program • Low-income health care program • Oklahoma City bombing memorial • Organ donor education • Veterans affairs capital improvement • Wildlife diversity program | | | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | | | OTHER TAXES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

OREGON

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | DEDUCTIONS |
|--|---|------------------|--|
| <u>Major Differences from Federal Law</u> | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | <p>Standard: Single--\$1,800; Married-J/W--\$3,000; Married-S--\$1,500; Head-of-Household--\$2,640; Additional deduction for age 65 or over or blind: Single/HH--\$1,200; All Others--\$1,000</p> <p>Itemized: Federal itemized deductions.</p> <p>Major Differences From Federal Law: <u>Taxes:</u> State taxes not deductible. <u>Medical Expenses:</u> Medical expenses up to 7.5% of AGI are deductible if age 62 or over. <u>Gambling Losses:</u> Limited to gambling winnings taxed by Oregon.</p> |
| Business/Rent/Farm..... | Same as federal. | | |
| Capital Gains & Losses..... | Same as federal. | | |
| Pension/Retirement Income | | | |
| --Private..... | 9% credit if low-income and 62 or over. | | |
| --Public..... | 9% credit if low-income and 62 or over. | | |
| --U.S. Civil Service*..... | 9% credit if low-income and 62 or over. | | |
| --Military*..... | 9% credit if low-income and 62 or over. | | |
| Active Duty Military..... | Exclude \$3,000 if earned in Oregon and all if earned outside of state. | | |
| Unemployment Compensation..... | Same as federal. | | |
| Social Security Benefits..... | Exempt. | | |
| State/Municipal Bond Interest..... | Taxable except Oregon obligations. | | |
| Miscellaneous | | | |
| Disability Income..... | Same as federal. | | |
| Lottery Winnings..... | Oregon lottery winnings of \$600 or less exempt. | | |
| Federal Income Taxes..... | Deductible up to \$3,000. | | |
| Other..... | Deductions for logger's and construction worker's commuting costs, artists who make charitable art donations, deposits to and earnings from an Oregon Individual Development Account, contributions to an Oregon College Savings Plan, employer-provided benefits for a same-sex domestic partner, housing expense scholarships, public safety memorial fund benefits, and certain amounts excluded from federal AGI to take associated federal credits. Add back federal deduction for which Oregon provides tax credits. Oregon depreciation schedule. | | |
| *Income attributable to service prior to October, 1991, is exempt. | | | |
| TAX RATES AND BRACKETS | | | EXEMPTIONS (TAX CREDITS) |
| <u>Taxable Income Brackets</u> | | Marginal | |
| <u>Single/Married-S</u> | <u>Married-J/HH</u> | <u>Tax Rates</u> | Single/HH..... \$142 |
| \$0 - 2,550 | \$0 - 5,000 | 5% | Married-J..... 284 |
| 2,500 - 6,300 | 5,000 - 12,600 | 7 | Married-S..... 142 |
| 6,300 and over | 12,600 and over | 9 | Severely disabled..... 142 |
| | | | Dependent..... 142 |
| | | | Handicapped children..... 142 |
| TAX CREDITS | TAX CREDITS (continued) | | CONTRIBUTION/CHECK-OFF |
| <ul style="list-style-type: none"> • Adoption expenses • Alternative residential energy devices • Bone marrow donation • Business energy • Child and dependent care • Child care expenses if low-income • Child development • Claim of right credit • Crops donated to gleaning coops • Dependent care assistance • Earned income tax credit • Elderly home care • Elderly or disabled • Farmworker housing • First Break program | <ul style="list-style-type: none"> • Fish habitat improvements • Fish screening devices • Income tax paid to another state • Individual development account • Involuntary moving of a mobile home • Long-term care insurance • Loss of use of limbs • Political contributions • Pollution control facilities • Pollution prevention • Reclaimed plastic • Reforestation • Retirement income • Rural medical and dental practitioners • Tax on gain taxed by other jurisdictions • Working family child care | | <ul style="list-style-type: none"> • AIDS/HIV education and services • Alzheimer's disease research • American Diabetes Association • Child abuse prevention • Habitat for Humanity • Nongame wildlife • Oregon Costs Aquarium • Oregon Head Start • St. Vincent de Paul Society of Oregon • SMART (early literacy program) • SOLV (clean water ways and neighborhoods) • STOP Domestic and Sexual Violence • The Nature Conservancy |
| | | | OTHER TAXES |
| | | | None |

PENNSYLVANIA

Filing System: Combined*

| TAX BASE: STATE TAXABLE INCOME | | DEDUCTIONS |
|--|--|---|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....State schedules. Capital Gains & Losses.....Generally same as federal, except all gains are taxable and all losses deductible in year incurred, with certain limitations if married and filing jointly. Pension/Retirement Income --Private.....Exempt. --Public.....Exempt. --U.S. Civil Service.....Exempt. --Military.....Exempt. Active Duty Military.....Exempt if stationed outside of state. Unemployment Compensation.....Exempt. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except Pennsylvania obligations. Miscellaneous Disability Income.....Exempt. Lottery Winnings.....Pennsylvania winnings exempt. Federal Income Taxes.....Not deductible. Other.....State treatment of moving expenses, employee business expenses, and depreciation. Exclude qualified distributions from a PA Tuition Account and certain scholarships. No deductions for IRA contributions employee contributions to employer-sponsored retirement or deferred compensation programs or for self-employed health insurance premiums. | | <p>Standard: None</p> <p>Itemized: None</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| Tax is 2.8% of total positive income from eight income classes. Taxpayers may not reduce income in one class by a loss in another class, and spouses may not reduce each other's income between income classes or within the same income class. | | None |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Employment incentive payment • Jobs creation • Research and development • Tax forgiveness credit for lower income taxpayers • Taxes paid to other states or countries | <ul style="list-style-type: none"> • Breast and cervical cancer research fund • Korea/Vietnam Memorial, Inc. • Organ donor awareness trust fund • U.S. Olympic Committee, PA Division • Wild resource conservation fund | None |

* The filing system treats each spouse's income separately, but the tax form shows the joint positive income of the two spouses for convenience.

SOUTH CAROLINA

Filing System: Joint

| TAX BASE: FEDERAL TAXABLE INCOME | | DEDUCTIONS |
|---|---|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government obligations.</p> <p>Business/Rent/Farm.....Out-of-state losses/gains are not deductible/taxable.</p> <p>Capital Gains & Losses.....44% exclusion for long-term (1 year or more) gains.</p> <p>Pension/Retirement Income</p> <p>--Private.....\$3,000/person exclusion (under 65); \$10,000/person (over 65).</p> <p>--Public.....\$3,000/person exclusion (under 65); \$10,000/person (over 65).</p> <p>--U.S. Civil Service.....\$3,000/person exclusion (under 65); \$10,000/person (over 65).</p> <p>--Military.....\$3,000/person exclusion (under 65); \$10,000/person (over 65). Portion attributable to reserve or National Guard service is exempt.</p> <p>Active Duty Military.....Military reserve and National Guard annual training pay exempt (active duty pay is taxable).</p> <p>Unemployment Compensation.....Same as federal.</p> <p>Social Security Benefits.....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except South Carolina obligations.</p> <p>Miscellaneous</p> <p>Disability Income.....Exempt.</p> <p>Lottery Winnings.....Same as federal.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other.....Deductions of \$2,000 for adopted children with special needs, certain contributions to the Tuition Prepayment Program, \$5 per workday subsistence allowance for law enforcement officers, full-time firefighters, and EMS personnel, \$3,000 deduction for volunteer firefighters and rescue squad members, \$15,000 for persons over 65 (offset by any other retirement deduction), and self-employed health insurance.</p> | | <p>Standard: Same as federal.</p> <p>Itemized: Same as federal.</p> <p>Major Differences from Federal Law: <u>Taxes:</u> State income taxes not deductible. <u>Miscellaneous:</u> Expenses related to military reserve income are not deductible.</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <p><u>Taxable Income Brackets</u></p> <p>\$0 - 2,400</p> <p>2,400 - 4,800</p> <p>4,800 - 7,200</p> <p>7,200 - 9,600</p> <p>9,600- 12,000</p> <p>12,000 and over</p> | <p><u>Marginal Tax Rates</u></p> <p>2.5%</p> <p>3.0</p> <p>4.0</p> <p>5.0</p> <p>6.0</p> <p>7.0</p> | <p style="text-align: center;">Same as federal.</p> <p>Additional exemption for children under 6\$2,900</p> |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Base closure • Child and dependent care • Community development • Conservation contribution • Drip/trickle irrigation systems • Economic impact zone • Employer child care • Family independence payments • Minority contractor business • Motion picture • New jobs • Nursing home • Palmetto seed capital • Retirement plan contribution • Scenic river • Taxes paid to another state • Two wage earner (married couple) • Water resources | <ul style="list-style-type: none"> • Children's trust fund • Drug awareness resistance fund • Eldercare trust fund • Endangered wildlife fund • First steps • Heritage trust fund • Organ donor trust fund • Veterans' trust fund | <p>None</p> |

TENNESSEE

Filing System: Joint

| TAX BASE: INTEREST AND DIVIDENDS | | DEDUCTIONS |
|--|------------------------|---|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds. Interest on certificates of deposit, passbook accounts, savings accounts, money market accounts, short-term commercial paper, insurance policies (if payable on demand), and repurchase agreements are exempt. Dividends from state banks, national banks, savings and loans located in Tennessee, insurance companies, loan companies, and cemetery companies in Tennessee are exempt. All income from a credit union is exempt, as are distributions from education and Roth IRAs.</p> <p>Business/Rent/Farm.....Exempt.</p> <p>Capital Gains & Losses.....Exempt (with the exception of capital gains from the sale of mutual funds).</p> <p>Pension/Retirement Income</p> <p>--Private.....Exempt.</p> <p>--Public.....Exempt.</p> <p>--U.S. Civil Service.....Exempt.</p> <p>--Military.....Exempt.</p> <p>Active Duty Military.....Exempt.</p> <p>Unemployment Compensation.....Exempt.</p> <p>Social Security Benefits.....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except Tennessee obligations.</p> <p>Miscellaneous</p> <p>Disability Income.....Exempt.</p> <p>Lottery Winnings.....Exempt.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other.....Taxable income derived from circumstances resulting in an individual becoming a quadriplegic is exempt.</p> | | <p>Standard: None</p> <p>Itemized: None</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <p>Tax rate is 6%.</p> | | <p>Single/HH..... \$1,250</p> <p>Married-J..... 2,500</p> <p>Married-S..... 1,250</p> <p><u>Exempt from Taxation if:</u> Quadriplegic or blind. Age 65 or over and total gross income under \$16,200 (\$27,000 if married-joint).</p> |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| None | None | None |

UTAH

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | DEDUCTIONS |
|--|--|---------------------------|--|
| <u>Major Differences from Federal Law</u> | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | Standard: Same as federal. Itemized: Same as federal. Major Differences from Federal Law: <u>Taxes:</u> State income taxes not deductible. |
| Business/Rent/Farm..... | Same as federal. | | |
| Capital Gains & Losses..... | Same as federal. | | |
| Pension/Retirement Income | | | |
| --Private..... | Exempt up to \$4,800 pension/retirement income per person if under 65; deduct up to \$7,500 of income from any source if 65 or over. Phases out for higher-income taxpayers. | | |
| --Public..... | Same as for "Private." | | |
| --U.S. Civil Service..... | Same as for "Private." | | |
| --Military..... | Same as for "Private." | | |
| Active Duty Military..... | Same as federal. | | |
| Unemployment Compensation..... | Same as federal. | | |
| Social Security Benefits..... | Exempt \$4,800 of federally taxable portion/person if under 65 (\$7,500 if 65 or over); phases out for higher-income taxpayers. | | |
| State/Municipal Bond Interest..... | Same as federal. | | |
| Miscellaneous | | | |
| Disability Income..... | Same as federal. | | |
| Lottery Winnings..... | Same as federal. | | |
| Federal Income Taxes..... | Deduction for 50% of federal income taxes. | | |
| Other..... | Reservation income earned by a member of an Indian tribe is exempt. Deductions for Utah educational savings plans, MSAs, certain health care and long-term care insurance premiums and adoption expenses. | | |
| TAX RATES AND BRACKETS | | | EXEMPTIONS |
| <u>Taxable Income Brackets</u> | | <u>Marginal Tax Rates</u> | |
| <u>Single/Married-S</u> | <u>Married-J/HH</u> | | Single/HH/MS.....\$2,175 |
| \$0 - 863 | \$0 - 1,726 | 2.3% | Married-J.....4,350 |
| 863 - 1,726 | 1,726 - 3,450 | 3.3 | Dependent.....2,175 |
| 1,726 - 2,588 | 3,450 - 5,176 | 4.2 | Disabled adult or child.....2,175 |
| 2,588 - 3,450 | 5,176 - 6,900 | 5.2 | |
| 3,450 - 4,313 | 6,900 - 8,626 | 6.0 | Exemptions phase-out once AGI exceeds: |
| 4,313 and over | 8,626 and over | 7.0 | \$99,725 MS; \$132,950 S; \$166,200 HH; \$199,450 MJ |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | | OTHER TAXES |
| <ul style="list-style-type: none"> • Agricultural off-highway gas tax • At-home parent • Clean fuel and vehicle • Employers who hire disabled persons • Enterprise zone • Historic preservation • Income tax paid to another state • Low-income housing • Mineral production withholding tax • Nonresident shareholders withholding credit • Recycling market development zones • Renewable energy systems • Research activities • Research machinery and equipment • Sheltered workshop contributions • Special needs adoption • Tutoring credit for disabled dependents | <ul style="list-style-type: none"> • Children's organ transplant • Election campaign fund • Homeless trust account • Nongame wildlife fund • Nonprofit school district foundation • State college and university libraries | | <ul style="list-style-type: none"> • Use tax |

VERMONT

Filing System: Joint

| TAX BASE: FEDERAL TAXABLE INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|-------------------|----------|--|----------|--------|-----------|-----------|-------------------|----------|--------------|--------------|--------------|--------------|-------|-----------------|------------------|-----------------|-----------------|------|------------------|-------------------|-----------------|------------------|------|-------------------|-------------------|------------------|-------------------|------|------------------|------------------|------------------|------------------|------|------------------|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Same as federal. --Public.....Same as federal. --U.S. Civil Service.....Same as federal. --Military.....Same as federal. Active Duty Military.....Exempt if earned outside Vermont or first \$1,500 for certain National Guard members. Unemployment Compensation.....Same as federal. Social Security Benefits.....Same as federal. State/Municipal Bond Interest.....Taxable except Vermont obligations. Miscellaneous Disability Income.....Same as federal. Lottery Winnings.....Vermont lottery prizes exempt. Federal Income Taxes.....Not deductible. Other.....Deductions for targeted job program, income to support persons with developmental disabilities, and earnings from a Vermont higher education savings plan. | | <p>Standard: Same as federal.</p> <p>Itemized: Same as federal.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p style="text-align: center;">Tax is based on federal taxable income. Adjustments are then made to reflect the difference between federal adjusted gross income and Vermont income.</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center; border-bottom: 1px solid black;">Taxable Income Brackets</th> <th style="text-align: center; border-bottom: 1px solid black;">Marginal</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Single</th> <th style="text-align: center; border-bottom: 1px solid black;">Married-J</th> <th style="text-align: center; border-bottom: 1px solid black;">Married-S</th> <th style="text-align: center; border-bottom: 1px solid black;">Head-of-Household</th> <th style="text-align: center; border-bottom: 1px solid black;">Tax Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 27,050</td> <td style="text-align: center;">\$0 - 45,200</td> <td style="text-align: center;">\$0 - 22,600</td> <td style="text-align: center;">\$0 - 36,250</td> <td style="text-align: center;">3.60%</td> </tr> <tr> <td style="text-align: center;">27,050 - 65,550</td> <td style="text-align: center;">45,200 - 109,250</td> <td style="text-align: center;">22,600 - 54,625</td> <td style="text-align: center;">36,250 - 93,650</td> <td style="text-align: center;">6.72</td> </tr> <tr> <td style="text-align: center;">65,550 - 136,750</td> <td style="text-align: center;">109,250 - 166,500</td> <td style="text-align: center;">54,625 - 83,250</td> <td style="text-align: center;">93,650 - 151,650</td> <td style="text-align: center;">7.44</td> </tr> <tr> <td style="text-align: center;">136,750 - 297,350</td> <td style="text-align: center;">166,500 - 297,350</td> <td style="text-align: center;">83,250 - 148,675</td> <td style="text-align: center;">151,650 - 297,350</td> <td style="text-align: center;">8.64</td> </tr> <tr> <td style="text-align: center;">297,350 and over</td> <td style="text-align: center;">297,350 and over</td> <td style="text-align: center;">148,675 and over</td> <td style="text-align: center;">297,350 and over</td> <td style="text-align: center;">9.50</td> </tr> </tbody> </table> | | Taxable Income Brackets | | | | Marginal | Single | Married-J | Married-S | Head-of-Household | Tax Rate | \$0 - 27,050 | \$0 - 45,200 | \$0 - 22,600 | \$0 - 36,250 | 3.60% | 27,050 - 65,550 | 45,200 - 109,250 | 22,600 - 54,625 | 36,250 - 93,650 | 6.72 | 65,550 - 136,750 | 109,250 - 166,500 | 54,625 - 83,250 | 93,650 - 151,650 | 7.44 | 136,750 - 297,350 | 166,500 - 297,350 | 83,250 - 148,675 | 151,650 - 297,350 | 8.64 | 297,350 and over | 297,350 and over | 148,675 and over | 297,350 and over | 9.50 | Same as federal. |
| Taxable Income Brackets | | | | Marginal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Single | Married-J | Married-S | Head-of-Household | Tax Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 27,050 | \$0 - 45,200 | \$0 - 22,600 | \$0 - 36,250 | 3.60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27,050 - 65,550 | 45,200 - 109,250 | 22,600 - 54,625 | 36,250 - 93,650 | 6.72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 65,550 - 136,750 | 109,250 - 166,500 | 54,625 - 83,250 | 93,650 - 151,650 | 7.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 136,750 - 297,350 | 166,500 - 297,350 | 83,250 - 148,675 | 151,650 - 297,350 | 8.64 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 297,350 and over | 297,350 and over | 148,675 and over | 297,350 and over | 9.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Affordable housing • Charitable housing investment • Child and dependent care expenses • Earned income credit • Elderly and disabled • Exports • Financial services • Historic rehabilitation • Homeowner/rent property tax rebate • Investment credit • Job zones • Payroll tax • Qualified sale of mobile home • Research and development • Small business investment • Taxes paid to other state or Canadian province • Vermont venture capital • Workforce development | <ul style="list-style-type: none"> • Campaign fund • Children's trust fund • Nongame wildlife fund | <ul style="list-style-type: none"> • Minimum tax • Tax on IRAs and MSAs • Use tax | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

VIRGINIA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS |
|---|--|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Same as federal. --Public.....Same as federal. --U.S. Civil Service.....Same as federal. --Military.....Exempt for a retiree with a Congressional Medal of Honor. Active Duty Military.....Exempt up to \$15,000 of basic military pay and up to \$3,000 of National Guard pay. Combat pay for service in Operation Joint Endeavor is exempt. Unemployment Compensation.....Exempt. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except Virginia obligations. Miscellaneous Disability Income.....Deduction of up to \$20,000/person. Lottery Winnings.....Virginia lottery prizes of less than \$600 exempt. Federal Income Taxes.....Not deductible. Other.....Exclusions of: \$6,000 per person for taxpayers age 62 to 64 (\$12,000 per person 65 or older); \$1,000 per child for foster parents; and the salary for an employee with an annual salary from a federal or state job of less than \$15,000. Deductions for child and dependent care expenses, long-term care health insurance premiums, agricultural product donations, foreign source income, bone marrow donor screening fees, charitable mileage, work opportunity wages, teacher tuition costs, and higher education trust fund. | | <p>Standard: Single/HH--\$3,000; Married-J--\$5,000; Married-S--\$2,500.</p> <p>Itemized: Same as federal.</p> <p>Major Differences from Federal Law: Taxes: State and local income taxes are not deductible.</p> |
| TAX RATES AND BRACKETS | | EXEMPTIONS |
| <p><u>Taxable Income Brackets</u></p> <p style="margin-left: 40px;">\$0 - 3,000</p> <p style="margin-left: 40px;">3,000 - 5,000</p> <p style="margin-left: 40px;">5,000 - 17,000</p> <p style="margin-left: 40px;">17,000 and over</p> | <p><u>Marginal Tax Rates</u></p> <p style="margin-left: 40px;">2.00%</p> <p style="margin-left: 40px;">3.00</p> <p style="margin-left: 40px;">5.00</p> <p style="margin-left: 40px;">5.75</p> | <p>Single/HH..... \$800 Married-J..... 1,600 Married-S..... 800 Dependent..... 800 Age 65 and over..... 800 Blind..... 800</p> <p>Complete exemption for single taxpayers with AGI under \$5,000 (\$8,000 Married-J).</p> |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES |
| <ul style="list-style-type: none"> • Agricultural best management practices • Coal field employment enhancement • Conservation tillage equipment • Day care facility investment • Disabled home accessibility • Employers hiring TANF recipients • Employers of disabled individuals • Enterprise zone • Fertilizer and pesticide application equipment • Foreign source retirement income • Historic rehabilitation • Investments • Low-income • Low-income housing • Major business facility job tax credit • Natural waterway buffers • Neighborhood assistance • Political contributions • Preservation of land • Recyclable materials processing equipment • Rent reduction program • Spousal tax adjustment • Tax paid to other states • Vehicle emissions testing equipment • Waste motor oil burning equipment • Worker retraining | <ul style="list-style-type: none"> • Arts foundation • Chesapeake Bay restoration fund • Children of America Finding Hope • Community policing fund • Elderly and disabled transportation fund • Family and children trust fund • George Mason Law and Economic Center • Housing program • Historic resources • Humanities and public policy • Jamestown-Yorktown foundation • Nongame wildlife program • Open space recreation & conservation fund • Political contributions • State forests • US Olympic Committee • U.V.A. Center for Governmental Studies • Uninsured medical catastrophes | <ul style="list-style-type: none"> • Use tax |

WEST VIRGINIA

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | DEDUCTIONS | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|--|----------|---------------------|-----------|-----------|--------------|-------------|------|-----------------|----------------|-----|-----------------|-----------------|-----|-----------------|-----------------|-----|-----------------|-----------------|-----|--|
| <p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Generally same as federal.* --Public.....Police or firemen exempt. Others exclude up to \$2,000. --U.S. Civil Service.....Exclude up to \$2,000. --Military.....Exclude up to \$32,000 (based on years of service). Active Duty Military.....Same as federal. Unemployment Compensation.....Same as federal. Social Security Benefits.....Same as federal. State/Municipal Bond Interest.....Taxable except West Virginia obligations. Miscellaneous Disability Income.....Same as federal Lottery Winnings.....Taxable. Federal Income Taxes.....Not deductible. Other.....Deduction of up to \$8,000 for age 65 or over or disabled (and, in the year following the death of such an individual, a deduction of up to \$8,000 for the surviving spouse). Earned income exclusion for low-income taxpayers. Deduction for prepaid tuition program, contributions to a West Virginia medical savings account, and long-term care insurance premiums. | | <p>Standard: None</p> <p>Itemized: None</p> | | | | | | | | | | | | | | | | | | | | | |
| <p>*However, a retiree from a terminated, employer-provided defined benefit plan covered by a guarantor may be eligible for a deduction based on reduced benefits.</p> | | | | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | EXEMPTIONS | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal</th> </tr> <tr> <th style="text-align: center;">Single/Married-J/HH</th> <th style="text-align: center;">Married-S</th> <th style="text-align: center;">Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - 10,000</td> <td style="text-align: center;">\$0 - 5,000</td> <td style="text-align: center;">3.0%</td> </tr> <tr> <td style="text-align: center;">10,000 - 25,000</td> <td style="text-align: center;">5,000 - 12,500</td> <td style="text-align: center;">4.0</td> </tr> <tr> <td style="text-align: center;">25,000 - 40,000</td> <td style="text-align: center;">12,500 - 20,000</td> <td style="text-align: center;">4.5</td> </tr> <tr> <td style="text-align: center;">40,000 - 60,000</td> <td style="text-align: center;">20,000 - 30,000</td> <td style="text-align: center;">6.0</td> </tr> <tr> <td style="text-align: center;">60,000 and over</td> <td style="text-align: center;">30,000 and over</td> <td style="text-align: center;">6.5</td> </tr> </tbody> </table> | | Taxable Income Brackets | | Marginal | Single/Married-J/HH | Married-S | Tax Rates | \$0 - 10,000 | \$0 - 5,000 | 3.0% | 10,000 - 25,000 | 5,000 - 12,500 | 4.0 | 25,000 - 40,000 | 12,500 - 20,000 | 4.5 | 40,000 - 60,000 | 20,000 - 30,000 | 6.0 | 60,000 and over | 30,000 and over | 6.5 | Each federal exemption..... \$2,000 Surviving spouse..... 2,000 |
| Taxable Income Brackets | | Marginal | | | | | | | | | | | | | | | | | | | | | |
| Single/Married-J/HH | Married-S | Tax Rates | | | | | | | | | | | | | | | | | | | | | |
| \$0 - 10,000 | \$0 - 5,000 | 3.0% | | | | | | | | | | | | | | | | | | | | | |
| 10,000 - 25,000 | 5,000 - 12,500 | 4.0 | | | | | | | | | | | | | | | | | | | | | |
| 25,000 - 40,000 | 12,500 - 20,000 | 4.5 | | | | | | | | | | | | | | | | | | | | | |
| 40,000 - 60,000 | 20,000 - 30,000 | 6.0 | | | | | | | | | | | | | | | | | | | | | |
| 60,000 and over | 30,000 and over | 6.5 | | | | | | | | | | | | | | | | | | | | | |
| TAX CREDITS | CONTRIBUTION/CHECK-OFF | OTHER TAXES | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Adoption expenses • Economic development (business investment and jobs expansion, corporate headquarters relocation, small business, aerospace industrial facility, certain value-added manufacturing operations, coal fuels and facilities, industrial expansion, residential housing development, research and development) • Alternative fuel vehicles • West Virginia capital company • Convenience food store • Employment credits (former Colin Anderson workers, West Virginia military incentive, natural gas jobs retention) • Environmental agricultural equipment • Historic rehabilitation • Income tax paid to other states • Neighborhood investment • Utilities low-income rate reduction | <ul style="list-style-type: none"> • Children's trust fund | <ul style="list-style-type: none"> • Minimum tax | | | | | | | | | | | | | | | | | | | | | |

WISCONSIN

Filing System: Joint

| TAX BASE: FEDERAL ADJUSTED GROSS INCOME | | | | DEDUCTIONS | | | | | | | | | | | | | | | | | |
|--|--|--|---------------------------|--|--|--|---------------|---------------|--------------------------------------|--------|---------|-----------------|----|-------|---------------|-----------|--------|---------------|-----------|-------|--------------|
| <u>Major Differences from Federal Law</u> | | | | | | | | | | | | | | | | | | | | | |
| Interest/Dividend..... | Exempts U.S. government bonds. | | | Standard: Sliding scale standard deduction <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Filing Status</th> <th style="text-align: center;">Standard Ded.</th> <th style="text-align: center;">Income Range for Deduction Phase-Out</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: center;">\$7,440</td> <td style="text-align: center;">\$10,730-72,730</td> </tr> <tr> <td>HH</td> <td style="text-align: center;">9,620</td> <td style="text-align: center;">10,730-72,730</td> </tr> <tr> <td>Married-J</td> <td style="text-align: center;">13,410</td> <td style="text-align: center;">15,070-82,872</td> </tr> <tr> <td>Married-S</td> <td style="text-align: center;">6,370</td> <td style="text-align: center;">7,160-39,367</td> </tr> </tbody> </table> Itemized: Itemized deduction credit of 5% after subtraction of sliding scale standard deduction. Major Differences from Federal Law: <u>Taxes:</u> No credit for taxes. <u>Interest:</u> Interest paid on a second home outside of state, a boat, or to purchase U.S. securities is not allowed. <u>Casualty/Theft:</u> No credit for casualty and theft losses. <u>Miscellaneous:</u> No credit. | | | Filing Status | Standard Ded. | Income Range for Deduction Phase-Out | Single | \$7,440 | \$10,730-72,730 | HH | 9,620 | 10,730-72,730 | Married-J | 13,410 | 15,070-82,872 | Married-S | 6,370 | 7,160-39,367 |
| Filing Status | Standard Ded. | Income Range for Deduction Phase-Out | | | | | | | | | | | | | | | | | | | |
| Single | \$7,440 | \$10,730-72,730 | | | | | | | | | | | | | | | | | | | |
| HH | 9,620 | 10,730-72,730 | | | | | | | | | | | | | | | | | | | |
| Married-J | 13,410 | 15,070-82,872 | | | | | | | | | | | | | | | | | | | |
| Married-S | 6,370 | 7,160-39,367 | | | | | | | | | | | | | | | | | | | |
| Business/Rent/Farm..... | Same as federal, except state farm loss provision. | | | | | | | | | | | | | | | | | | | | |
| Capital Gains & Losses..... | 60% exclusion for assets held more than one year; deduction for net capital losses limited to \$500. Gains from qualified small business stock and family business sales are excluded. | | | | | | | | | | | | | | | | | | | | |
| Pension/Retirement Income | | | | | | | | | | | | | | | | | | | | | |
| --Private..... | Same as federal. | | | | | | | | | | | | | | | | | | | | |
| --Public..... | Exclusion if member of certain systems prior to 1964. | | | | | | | | | | | | | | | | | | | | |
| --U.S. Civil Service..... | Exclusion if member of system prior to 1964. | | | | | | | | | | | | | | | | | | | | |
| --Military..... | Exclusion if member of system prior to 1964. | | | | | | | | | | | | | | | | | | | | |
| Active Duty Military..... | Same as federal. | | | | | | | | | | | | | | | | | | | | |
| Unemployment Compensation..... | Limited exclusion as provided under 1986 federal law. | | | | | | | | | | | | | | | | | | | | |
| Social Security Benefits..... | Up to 50% are taxable. | | | | | | | | | | | | | | | | | | | | |
| State/Municipal Bond Interest..... | Taxable except certain Wisconsin obligations. | | | | | | | | | | | | | | | | | | | | |
| Miscellaneous | | | | | | | | | | | | | | | | | | | | | |
| Disability Income..... | Exclusion of up to \$5,200 per year. | | | | | | | | | | | | | | | | | | | | |
| Lottery Winnings..... | Same as federal. | | | | | | | | | | | | | | | | | | | | |
| Federal Income Taxes..... | Not deductible. | | | | | | | | | | | | | | | | | | | | |
| Other..... | 100% exclusion for medical insurance costs of self-employed and 50% for employees not covered by employer-provided insurance. Deductions for contributions to and distributions from a college savings program, higher education expenses, adoption expenses, and long-term care insurance. Distributions from a passive foreign investment company are taxable. | | | | | | | | | | | | | | | | | | | | |
| TAX RATES AND BRACKETS | | | | EXEMPTIONS | | | | | | | | | | | | | | | | | |
| <u>Taxable Income Brackets</u> | | | | | | | | | | | | | | | | | | | | | |
| <u>Single/HH</u> | <u>Married-J</u> | <u>Married-S</u> | <u>Marginal Tax Rates</u> | | | | | | | | | | | | | | | | | | |
| \$0 - 8,060 | \$0 - 10,750 | \$0 - 5,380 | 4.60% | Single/HH/MS \$700 | | | | | | | | | | | | | | | | | |
| 8,060 - 16,130 | 10,750 - 21,500 | 5,380 - 10,750 | 6.15 | Married-J..... 1,400 | | | | | | | | | | | | | | | | | |
| 16,130 - 116,330 | 21,500 - 155,100 | 10,750 - 77,550 | 6.50 | Dependent 700 | | | | | | | | | | | | | | | | | |
| 116,330 and over | 155,100 and over | 77,550 and over | 6.75 | Age 65 and over..... 250 | | | | | | | | | | | | | | | | | |
| TAX CREDITS | | CONTRIBUTION/CHECK-OFF | | OTHER TAXES | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Armed forces members • Development zone • Earned income tax credit • Farmland preservation • Farmland tax relief • Historical rehabilitation • Homestead • Income taxes paid to other states • Itemized deductions • Married couple (two earner) • Property tax/rent credit • Sales tax on fuel and electricity used in manufacturing • Working families | | <ul style="list-style-type: none"> • Election campaign fund • Endangered resources donation • Football stadium donation | | <ul style="list-style-type: none"> • Minimum tax • Penalties on retirement plans and MSAs • Recycling surcharge on business • Use tax | | | | | | | | | | | | | | | | | |