

SPECIAL REPORT

April 2002
No. 112

America Celebrates Tax Freedom Day[®]

In 2002, Americans Will Work from January 1 to April 27 Before Earning Enough To Pay Taxes, Two Days Earlier Than in 2001

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Tax Freedom Day will arrive on the 117th day of 2002 — Saturday, April 27. Two factors are combining to make the average American tax burden lighter in 2002: federal tax reductions and a slower economy.

Federal tax cuts in 2001 and 2002 lowered this year's average federal tax burden, and the recession in 2001 followed by slow growth in subsequent months arrested the growth of tax

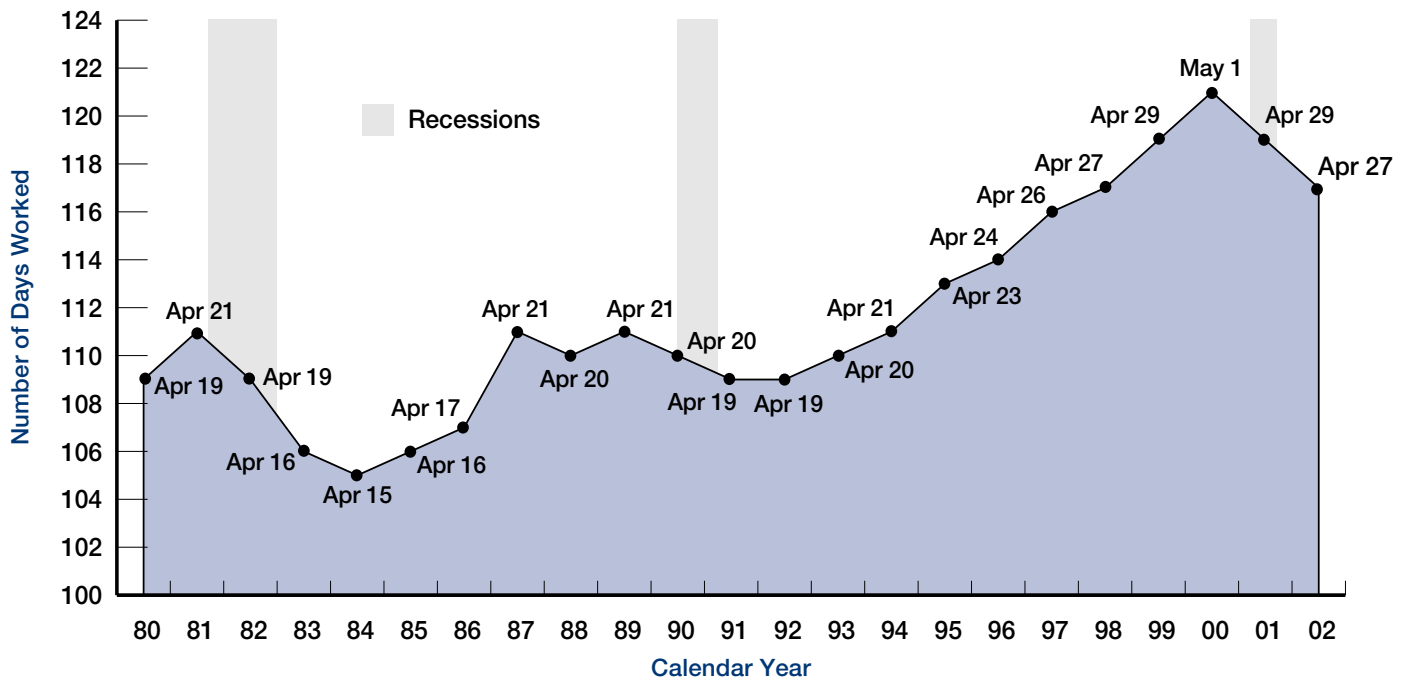
collections at all levels.

Tax Freedom Day in 2002 is two days earlier than in 2001 and four days earlier than in 2000. That was the year when Tax Freedom Day fell later than ever in the year — May 1 (see Figure 1).

What is Tax Freedom Day?

Tax Freedom Day is the day when Ameri-

Figure 1
Tax Freedom Day, 1980-2002



Note: Leap day is omitted so that dates are comparable in every year.

Table 1
Tax Freedom Day & Total Effective Tax Rates by Level of Government Calendar Years 1900–2002

Year	All Governments			Federal Government		State/Local Governments	
	Tax Freedom Day	Days Spent Working to Pay Taxes	Total Effective Tax Rate	Days Spent Working to Pay Taxes	Effective Tax Rate	Days Spent Working to Pay Taxes	Effective Tax Rate
1900	January 20	20	5.7%	7	2.1%	13	3.6%
1901	January 21	21	5.5	8	2.0	12	3.5
1902*	January 20	20	5.4	6	1.7	13	3.7
1903*	January 19	19	5.1	5	1.3	13	3.7
1904*	January 19	19	5.4	5	1.4	14	4.0
1905	January 19	19	5.2%	4	1.2%	14	3.9%
1906	January 18	18	4.8	4	1.2	13	3.6
1907*	January 18	18	4.8	4	1.2	13	3.7
1908*	January 19	19	5.4	4	1.2	15	4.2
1909	January 18	18	4.7	4	1.0	13	3.7
1910*	January 18	18	4.8%	4	1.1%	13	3.7%
1911*	January 19	19	5.0	5	1.2	13	3.8
1912*	January 17	17	4.7	4	1.1	13	3.6
1913*	January 18	18	4.9	4	1.2	13	3.8
1914*	January 22	22	5.8	5	1.3	16	4.5
1915	January 24	24	6.3%	5	1.4%	18	5.0%
1916	January 21	21	6.0	5	1.4	16	4.6
1917	January 22	22	5.9	7	1.8	14	4.1
1918*	February 6	37	10.0	23	6.4	13	3.6
1919*	February 5	36	9.6	23	6.1	12	3.5
1920*	February 10	41	11.4%	29	7.8%	12	3.5%
1921*	February 20	51	13.7	32	8.8	18	5.0
1922	February 9	40	10.7	21	5.7	18	5.0
1923*	February 2	33	8.9	15	4.1	17	4.8
1924*	February 4	35	9.7	16	4.4	19	5.3
1925	February 2	33	8.9%	13	3.7%	19	5.2%
1926*	February 3	34	9.3	14	3.9	19	5.4
1927*	February 6	37	9.9	15	4.0	21	5.9
1928	February 5	36	10.0	14	3.8	22	6.2
1929*	February 5	36	10.0	14	3.8	22	6.2
1930*	February 7	38	10.6%	12	3.3%	26	7.4%
1931*	February 11	42	11.5	11	2.8	31	8.8
1932*	February 22	53	14.5	12	3.1	41	11.4
1933*	February 27	58	16.2	19	5.3	39	10.9
1934	February 23	54	15.0	20	5.6	34	9.4
1935	February 22	53	14.5%	20	5.5%	33	9.1%
1936	February 21	52	14.5	21	5.9	31	8.5
1937*	February 27	58	15.9	28	7.7	30	8.3
1938*	March 2	61	16.8	28	7.6	33	9.2
1939	February 28	59	16.3	28	7.6	31	8.8
1940	March 3	62	17.0%	32	8.8%	30	8.3%
1941	March 12	71	19.6	46	12.7	25	6.9
1942	March 14	73	20.3	54	14.8	19	5.5
1943	April 2	92	25.4	76	20.8	16	4.6
1944	March 28	87	23.9	72	19.7	15	4.2
1945*	March 30	89	24.6%	73	20.2%	16	4.4%
1946	March 31	90	24.7	72	19.6	18	5.1
1947	March 31	90	24.7	71	19.4	19	5.3
1948*	March 24	83	22.8	64	17.3	19	5.5
1949*	March 20	79	21.6	58	15.7	21	6.0
1950	March 29	88	24.2%	67	18.3%	21	5.9%
1951	April 5	95	26.1	75	20.4	20	5.7
1952	April 4	94	26.0	73	20.2	21	5.8
1953*	April 4	94	25.9	73	19.9	21	6.0
1954*	March 30	89	24.4	67	18.2	22	6.2
<i>Internal Revenue Code of 1954 (Net Increase)</i>							
1955	April 1	91	25.1%	69	18.9%	22	6.2%
<i>Tax Rate Extension Acts of 1955–1960 (Net Increase)</i>							
1956	April 4	94	25.8	70	19.1	24	6.6
1957*	April 4	94	25.9	70	19.1	24	6.8
1958*	April 2	92	25.2	67	18.1	25	7.1
<i>Technical Amendments Act of 1958</i>							
1959	April 5	95	26.3	69	19.0	26	7.2
1960*	April 8	98	27.1%	71	19.5%	27	7.6%
<i>Life Insurance Company Income Tax Act of 1959</i>							
1961*	April 8	98	27.0	70	19.1	28	7.9
<i>Tax Rate Extension Acts of 1961–1963</i>							
1962	April 8	98	27.1	70	19.2	28	7.9
<i>The Revenue Act of 1962 (Net Decrease)</i>							

Continued

cans will finally have earned enough money to pay off their total tax bill for the year. All income that's officially called income by the government is counted, and everything the government considers a tax is counted. Taxes at all levels of government are included, whether levied by Uncle Sam or state and local governments.

Tax Freedom Day gives Americans an easy way to gauge the overall tax take, a task that can be quite daunting due to the multiplicity of taxes at each level of government, especially the "hidden taxes" and fees that are often buried in the cost of living. In effect, Tax Freedom Day provides taxpayers with a "tax barometer" that measures the total tax burden over time and by state.

The result is a nationwide Tax Freedom Day and a separate Tax Freedom Day for each state. No regulatory costs are included, but a brief discussion of the cost of complying with the federal income tax code is included. Finally, taxes are compared to other major consumer expenses, and the methodology of Tax Freedom Day is discussed.

Tax Freedom Day Over Time

The United States has traditionally been a low-tax country. From the founding of the republic in 1776 until the early part of this century, total government spending at the federal, state, and local levels rarely exceeded 10 percent of national income, except during

At the beginning of the 20th century, taxes accounted for 5.7 percent of income, and the nation celebrated Tax Freedom Day on January 20.

wartime. As shown in Table 1, at the turn of the century, taxes accounted for 5.7 percent of income, and as a result, the nation celebrated Tax Freedom Day on January 20.

1900–1945

This situation began to change in the aftermath of World War I. In 1921 the tax burden had reached an all-time high, and taxpayers had to work until February 20 to pay the nation's tax burden. After a ten-year retrenchment, the massive expansion of government called for by President Roosevelt's New Deal in response to the Great Depression pushed

Table 1 (continued)
Tax Freedom Day & Total Effective Tax Rates by Level of Government 1900–2002

Year	All Governments			Federal Government		State/Local Governments	
	Tax Freedom Day	Days Spent Working to Pay Taxes	Total Effective Tax Rate	Days Spent Working to Pay Taxes	Effective Tax Rate	Days Spent Working to Pay Taxes	Effective Tax Rate
1963	April 10	100	27.6%	71	19.5%	29	8.0%
1964	April 5	95	26.2	66	18.1	29	8.1
<i>The Revenue Act of 1964 (Net Decrease), Excise Tax Rate Extension Act of 1964 (Net Increase) and the Interest Equalization Tax Act of 1964, Extensions in 1965, 1967 and 1969 (Net Increase)</i>							
1965	April 5	95	26.1%	66	18.0%	29	8.1%
1966	April 7	97	26.8	68	18.8	29	8.0
<i>Tax Adjustment Act of 1966 (Net Increase), Federal Tax Lien Act of 1966 (Administrative Changes) and Foreign Investors Tax Act of 1966 (Net Decrease)</i>							
1967	April 9	99	27.3	69	19.0	30	8.3
1968	April 15	105	28.9	74	20.2	31	8.7
<i>Revenue and Expenditure Control Act of 1968 (Net Increase)</i>							
1969*	April 20	110	30.3	77	21.2	33	9.1
<i>Tax Reform Act of 1969 (Net Increase)</i>							
1970*	April 16	106	29.1%	72	19.5%	34	9.6%
1971	April 13	103	28.3	68	18.5	35	9.8
<i>Revenue Act of 1971 (Net Decrease)</i>							
1972	April 17	107	29.5	70	19.3	37	10.2
1973*	April 17	107	29.5	71	19.7	36	9.9
1974*	April 20	110	30.3	74	20.4	36	9.9
1975*	April 14	104	28.7%	68	18.8%	36	9.9%
<i>Tax Reduction Act of 1975 (Net Decrease)</i>							
1976	April 17	107	29.4	71	19.4	36	10.0
<i>Tax Reform Act of 1976 (Net Decrease)</i>							
1977	April 17	107	29.6	71	19.6	36	10.0
<i>Tax Reduction and Simplification Act of 1977 (Net Decrease)</i>							
1978	April 18	108	29.6	74	20.1	34	9.5
<i>Revenue Act of 1978 (Net Decrease)</i>							
1979	April 18	108	29.7	75	20.6	33	9.1
1980*	April 19	109	29.9%	76	20.8%	33	9.1%
<i>Crude Oil Windfall Profit Tax of 1980 (Net Increase)</i>							
1981*	April 21	111	30.6	79	21.6	32	9.0
<i>Economic Recovery Tax Act of 1981 (Net Decrease)</i>							
1982*	April 19	109	30.0	75	20.6	34	9.3
<i>Tax Equity and Fiscal Responsibility Act of 1982 (Net Increase)</i>							
1983	April 16	106	29.1	72	19.7	34	9.4
1984	April 15	105	28.8	71	19.4	34	9.4
<i>Deficit Reduction Act of 1984 (Net Increase)</i>							
1985	April 16	106	29.2%	72	19.7%	34	9.5%
1986	April 17	107	29.4	72	19.8	35	9.6
<i>Tax Reform Act of 1986 (Net Decrease)</i>							
1987	April 21	111	30.4	75	20.5	36	9.9
<i>Omnibus Budget Reconciliation Act of 1987 (Net Increase)</i>							
1988	April 20	110	30.2	74	20.3	36	9.9
<i>Technical and Miscellaneous Revenue Act of 1988 (Net Increase)</i>							
1989	April 21	111	30.5	75	20.5	36	9.9
<i>Revenue Reconciliation Act of 1989 (Net Increase)</i>							
1990*	April 20	110	30.2%	74	20.2%	36	9.9%
<i>Omnibus Budget Reconciliation Act of 1990 (Net Increase)</i>							
1991*	April 19	109	30.1	72	19.9	37	10.2
1992	April 19	109	29.9	72	19.7	37	10.2
1993	April 20	110	30.2	73	20.0	37	10.3
<i>Omnibus Budget Reconciliation Act of 1993 (Net Increase)</i>							
1994	April 21	111	30.7	74	20.4	37	10.2
1995	April 23	113	31.0%	76	20.8%	37	10.2%
1996	April 24	114	31.4	78	21.3	36	10.1
1997	April 26	116	31.8	80	21.8	36	10.0
<i>Taxpayer Relief Act of 1997 (Net Decrease)</i>							
1998	April 27	117	32.3	81	22.3	36	10.0
1999	April 29	119	32.7	83	22.7	36	10.1
2000	May 1	121	33.3%	85	23.3%	36	10.1%
2001*	April 29	119	32.8	83	22.7	36	10.1
<i>Economic Growth and Tax Reform Reconciliation Act of 2001 (Net Decrease)</i>							
2002	April 27	117	32.1	80	21.8	37	10.2
<i>The Job Creation and Worker Assistance Act of 2002 (Net Decrease)</i>							

Note: Leap day is omitted to make dates comparable over time.

* Year with at least one quarter in which GDP shrank.

Source: Tax Foundation.

Tax Freedom Day later and later on the calendar, reaching March 3 by 1940. America's entry into World War II accelerated the growth of taxes, and in five short years Tax Freedom Day had advanced nearly a month to March 30 in 1945.

1945–1990

In the years since World War II, the date on which the average American can claim freedom from taxes has gradually moved further into the year. During the late forties and fifties, Tax Freedom Day advanced 8 days and

The Vietnam War, coupled with the Great Society programs of the 1960s, increased the total tax burden to well over a quarter of the nation's income, pushing Tax Freedom Day back to April 16 by 1970.

fell on April 8 in 1960. The Vietnam War, coupled with the Great Society programs of the 1960s, increased the total tax burden to well over a quarter of the nation's income, pushing Tax Freedom Day back to April 16 by 1970. Throughout the 1970s, Tax Freedom Day gradually fell later and later in the year, and by 1980 it reached April 19.

Figure 1 and Table 1 show that Americans got some tax relief, albeit temporary, during the mid-eighties. The Economic Recovery Tax Act of 1981, coupled with tax relief efforts at the state and local levels that were spurred on by the passage of Proposition 13 in California, caused Tax Freedom Day to recede during 1982, 1983 and 1984. Such tax relief was short-lived, however, as Tax Freedom Day was pushed to later dates after 1985. By 1989, the tax burden had again reached the record high set in 1981, and Tax Freedom Day fell on April 21.

1990–2000

Since coming out of the recession in the early 1990s, however, the tax burden borne by Americans has grown markedly, and Tax Freedom Day has tracked this trend by advancing into the month of May. In the relatively short span between 1994 and 2000, the time that Americans spent working for government

increased 10 days.

In 1995 the nation's Tax Freedom Day arrived 113 days into the year on April 23. The next year taxes crept up, and Tax Freedom Day fell a day later April 24, and in 1997 Tax Freedom Day jumped two days to April 26.

In the relatively short span between 1994 and 2000, the time that Americans spent working for government increased 10 days. ... While the federal government did enact a modest tax reduction in 1997, Table 1 shows that in the last years of the decade, nothing noticeably slowed the growth of the federal tax burden.

The tax burden increased another day's worth in 1998, and in 1999 it jumped by two days again, pushing Tax Freedom day back to April 29. Taxes grew again in 2000, and for the first time, Tax Freedom Day fell in the month of May.

Table 1 also reveals the culprit behind the recently expanding tax burden — federal taxes. After coming out of the recession in the

early 1990s, the federal tax burden has grown by 11 days' worth of pay between 1990 and 2000. In stark contrast, state and local tax burdens have remained virtually unchanged since 1990.

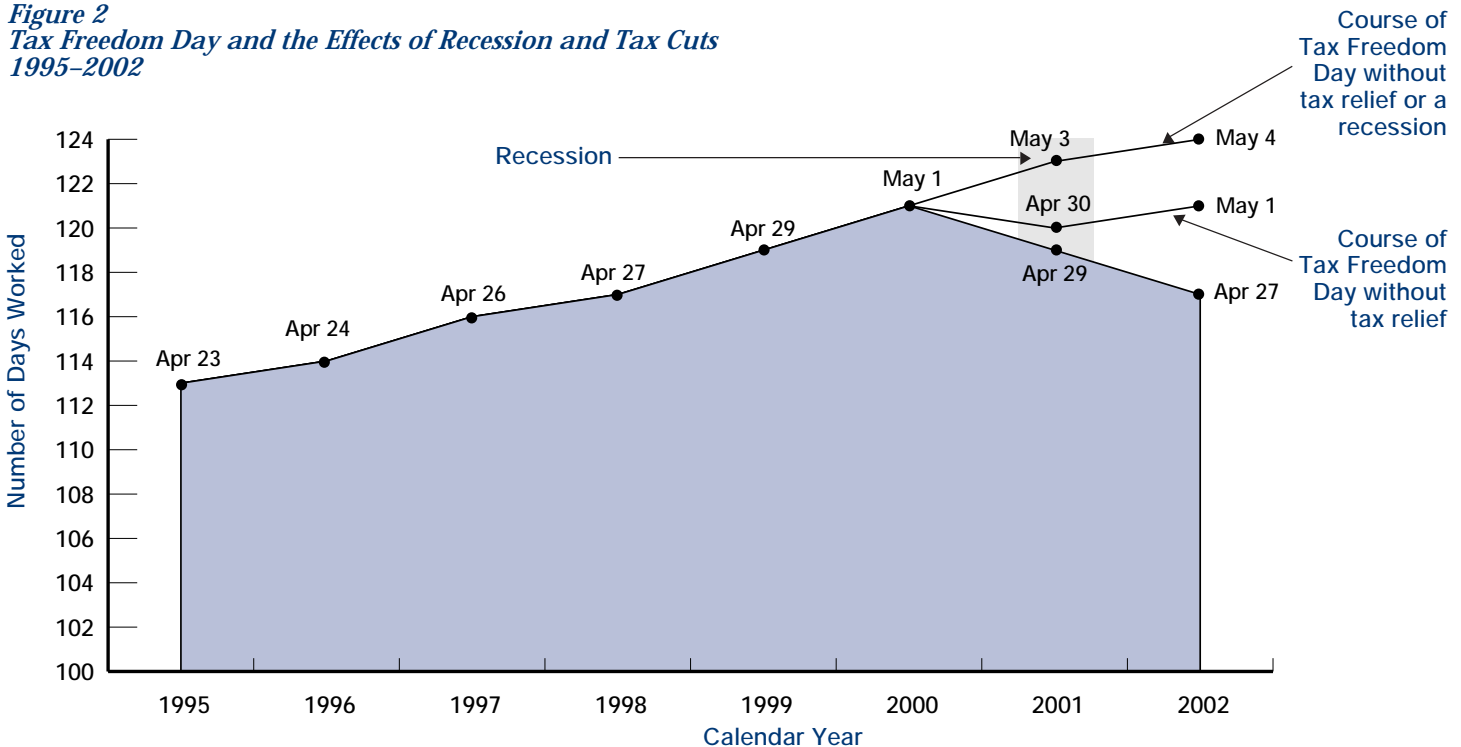
Why the difference? Since the end of the recession in the early 1990s, the economy has boomed and so have government tax collections. Since the federal tax system is more progressively designed than those of state and local governments, the growth in personal income fills federal coffers at a faster rate.

In addition, since 1995 state and local governments have been more responsive to constituent demands and legal mandates calling for the return of budget surpluses to the taxpayers. Most states trimmed their surpluses during the boom with tax refunds and rate reductions. While the federal government did enact a modest tax reduction in 1997, nothing noticeably slowed the growth of the federal tax burden in the last years of the decade.

2000–2002: Tax Freedom Day Celebrated Earlier

Just as the 1990s began, so the new century began with a weakening economy. By mid-2001 the economy was in recession for the first time in a decade, and as a consequence, tax collections contracted overall.

Figure 2
Tax Freedom Day and the Effects of Recession and Tax Cuts 1995–2002



Note: Leap day is omitted so that dates are comparable in every year.

Especially hard hit were corporate profits, which caused corporate income tax collections to slump.

At the same time, President Bush success-

By mid-2001 the economy was in recession for the first time in a decade, and tax collections contracted. Especially hard hit were corporate profits, and corporate income tax collections plunged. ... At the same time, President Bush successfully argued that the tax cut he had campaigned on was doubly necessary to stimulate the lagging economy.

fully argued that the tax cut he had campaigned on was doubly necessary to stimulate the lagging economy. The Economic Growth and Tax Reform Reconciliation Act of 2001 (EGTRRA) passed in May 2001 and is a phased-in plan of rate reductions and credit increases that will reduce taxes by an average of \$100 billion a year over a ten-year period. Nine months later, Congress also passed the Job Creation and Worker Assistance Act of 2002, resulting in a significant net tax decrease over the next three years before becoming a minor net tax increase in later years.

As a result of the recession and tax relief, the nation's tax burden has been on a down-

Congress also passed the Job Creation and Worker Assistance Act of 2002, resulting in a significant net tax decrease over the next three years. ... As a result of the recession and tax relief, the nation's tax burden has been on a downward trend since the 2000 peak.

ward trend since the 2000 peak, and Tax Freedom Day has moved back into April. Figure 2 reveals how much the recession and tax relief are responsible for the 4-day drop in Tax Freedom Day. The top line represents what Tax Freedom Day would have been in the absence of the recession and tax cuts. In this hypothetical scenario, Tax Freedom Day would have advanced into May, with Americans

working an extra two days in 2001 and one more day in 2002, bringing Tax Freedom Day to May 4.

The middle line shows what the course of Tax Freedom Day would have been with the economic recession but without the tax relief. In this case, the recession would have slightly reduced the tax burden, and Tax Freedom Day would have fallen two days earlier in 2001 but one day later in 2002.

The bottom line represents the actual Tax Freedom Day line which includes the effects of the recession and tax relief. In this case, Tax Freedom Day dropped two days to April 29 between 2000 and 2001. Between 2001 and 2002, Tax Freedom Day has dropped another two days to April 27. Therefore, without the tax cuts, Tax Freedom Day would not have declined since 2000.

Income and Payroll Taxes Dominate the Tax Burden

Americans face a plethora of different taxes in their day-to-day lives. Figure 2 presents a breakdown of the nation's tax bill for 2002 by type of tax. Arguably the most visible of these taxes are the two largest, levies that are directly subtracted from Americans' paychecks, individual income and payroll taxes.

Income Taxes

Individual income taxes represent the largest component of Americans' tax bills, and they are the best known for a number of reasons. Most obviously, every resident with a modicum of income in the previous year is required to declare that income on the IRS's famous form 1040 by April 15th, although for some wage earners, this deadline is mostly an administrative reckoning because the payments have been withheld from their paychecks throughout the year.

Also, a constitutional amendment was necessary to make the income tax a legal, permanent part of our system. Despite that amendment and plenty of evidence besides, a significant number of Americans insist that the income tax is illegal, or unconstitutional, or voluntary.

All but 7 states levy some sort of income tax on top of the Federal income tax, and a few localities do as well. When these are added to the Federal income tax burden, income taxes will amount to an average of 51 days' worth of work for Americans in 2002.

Payroll Taxes

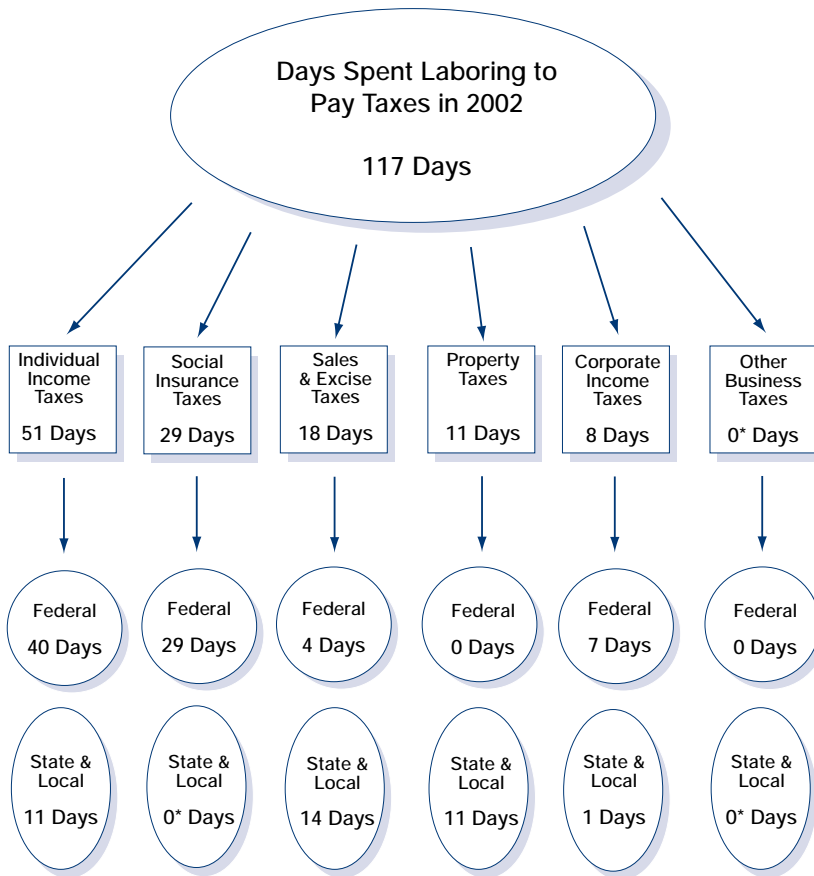
Americans will spend another 29 days working to afford their payroll taxes, or social

insurance taxes — those taxes dedicated to funding social insurance programs such as Social Security and Medicare. Almost all taxpayers are aware of these taxes because they

When state and local income taxes are added to Federal income taxes, the total income tax burden will require 51 days' worth of Americans' work in 2002.

appear as line item deductions on the pay stubs of most Americans, although the impact of the matching employer's portion is less well understood.

Figure 3
Average Number of Days Worked to Pay Taxes by Type of Tax and Level of Government
Calendar Year 2002



* Less than half a day.

Note: Due to rounding, components may not always add up to totals.

Source: Tax Foundation.

Hidden Taxes

Some taxes are less apparent to the taxpayer than income and payroll taxes because they are difficult to total up. Foremost among these hidden taxes are sales and excise taxes. Americans will work 18 days to pay these add-on taxes that are imposed at all levels of government and that raise the prices of nearly all goods and services. Another 11 days will be spent working to pay property taxes, which are primarily levied by local governments but increasingly by states as well.

Americans will then have to work an additional 8 days to pay their share of corporate

Americans will work 18 days this year to pay the sales and excise taxes that raise the prices of nearly all goods and services.

income taxes. The reason these taxes are rightly counted as part of the nation's tax burden is that taxes on businesses are ultimately passed on to consumers, employees, and shareholders in the form of higher prices, lower wages or employment levels, and lower share value. Finally, Americans will log a few more hours working to pay other business and miscellaneous taxes.

Tax Freedom Day by State

The total tax burden borne by residents of different states varies considerably, as illustrated by Figure 4. This occurs not only because residents of different states pay different amounts of state and local taxes, but also because they pay dissimilar federal taxes. Table 2 presents state Tax Freedom Days over time, Table 3 ranks the 50 states and Table 4 gives data on the total tax burden per capita and as a percentage of income.

The residents of Connecticut will bear the nation's heaviest tax burden in 2002. This year the total per capita tax burden will be \$16,521. As a result, all of the income earned by residents of the Constitution State during the first 134 days of the year (until May 14) will have to go toward paying taxes.

Residents of Washington will bear the

nation's second heaviest tax burden this year. This year the total per capita tax burden will be \$11,899. The average Washingtonian will have to devote all of the income earned during the first 129 days of the year (until May 9) to pay tax bills.

Many states with high total tax burdens actually rank fairly low when judged by their state and local taxes alone — and vice-versa.

At the other end of the tax burden spectrum are states with relatively early Tax Freedom Days. Residents of Alaska will bear the lowest average tax burden in 2002. This year the total per capita tax bill comes to \$8,444. Therefore, the average resident of Alaska can expect to devote all income earned during the first 98 days of 2002 (until April 8) to paying

taxes. See Methodology for further discussion of the calculation for Alaska.

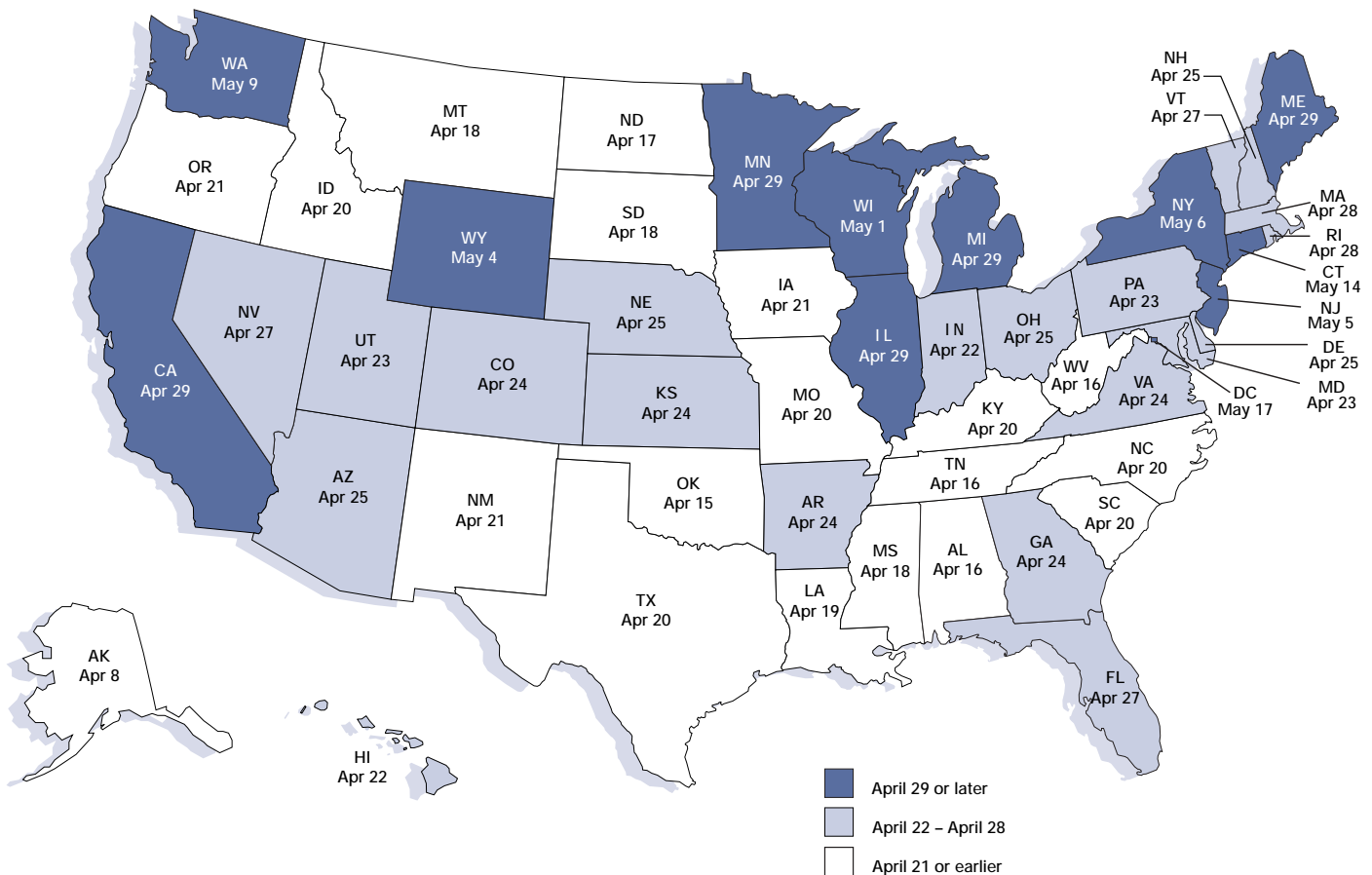
The state with the second earliest Tax Freedom Day in 2002 will be Oklahoma. During this year the total per capita tax bill will come to \$7,466. The average resident of Oklahoma will devote all of the income earned during the first 105 days of the year (until April 15) to paying taxes.

Federal Tax Burdens

As Table 5 shows, the Federal tax burden is responsible for two thirds of the total tax burden. States with the highest Federal tax burdens are Connecticut (25.8%), Washington (25.1%), Wyoming (24.2%), New Jersey (24.0%) and Nevada (23.1%). On the flip side, states with the lowest Federal tax burdens are West Virginia (18.5%), Oklahoma (19.1%), Mississippi (19.1%), North Dakota (19.3%) and Hawaii (19.3%).

Given the highly progressive nature of the

Figure 4
Tax Freedom Day by State, 2002



Source: Tax Foundation.

Federal tax system, Federal tax burdens closely track average income. For instance, the average income of the 25 states with the highest Federal tax burden is \$33,712 while the average income of the 25 states with the lowest Federal tax burden is \$26,895. The three

states with per capita incomes over \$40,000 all rank in the top 10: Connecticut ranked number 1, New Jersey ranked number 4 and Massachusetts ranked number 6.

Table 2
Tax Freedom Day by State and Rank
Calendar Years 1990–2002

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Rank in 2002
Total	Apr 20	Apr 19	Apr 19	Apr 20	Apr 21	Apr 23	Apr 24	Apr 26	Apr 27	Apr 29	May 1	Apr 29	Apr 27	-
Alabama	Apr 10	Apr 9	Apr 9	Apr 10	Apr 12	Apr 14	Apr 15	Apr 15	Apr 16	Apr 16	Apr 20	Apr 18	Apr 16	47
Alaska	Apr 20	Apr 15	Apr 10	Apr 8	Apr 10	Apr 11	Apr 13	Apr 12	Apr 14	Apr 14	Apr 15	Apr 11	Apr 8	50
Arizona	Apr 21	Apr 20	Apr 20	Apr 21	Apr 22	Apr 23	Apr 24	Apr 24	Apr 25	Apr 27	Apr 29	Apr 28	Apr 25	18
Arkansas	Apr 11	Apr 12	Apr 11	Apr 13	Apr 15	Apr 17	Apr 18	Apr 18	Apr 21	Apr 23	Apr 26	Apr 25	Apr 24	26
California	Apr 19	Apr 19	Apr 17	Apr 17	Apr 19	Apr 21	Apr 24	Apr 27	Apr 29	May 2	May 4	May 2	Apr 29	10
Colorado	Apr 18	Apr 18	Apr 18	Apr 18	Apr 20	Apr 20	Apr 22	Apr 23	Apr 26	Apr 28	Apr 29	Apr 27	Apr 24	24
Connecticut	Apr 23	Apr 25	Apr 26	Apr 28	May 1	May 4	May 8	May 12	May 15	May 17	May 20	May 17	May 14	1
Delaware	Apr 18	Apr 19	Apr 20	Apr 17	Apr 19	Apr 22	Apr 25	Apr 29	Apr 28	Apr 27	Apr 30	Apr 28	Apr 25	17
Florida	Apr 17	Apr 17	Apr 19	Apr 20	Apr 22	Apr 23	Apr 25	Apr 27	Apr 29	May 1	May 3	Apr 30	Apr 27	15
Georgia	Apr 18	Apr 17	Apr 16	Apr 18	Apr 19	Apr 21	Apr 21	Apr 23	Apr 24	Apr 26	Apr 28	Apr 27	Apr 24	22
Hawaii	Apr 26	Apr 25	Apr 21	Apr 21	Apr 21	Apr 21	Apr 23	Apr 23	Apr 24	Apr 25	Apr 28	Apr 25	Apr 22	30
Idaho	Apr 14	Apr 17	Apr 18	Apr 17	Apr 19	Apr 19	Apr 20	Apr 22	Apr 22	Apr 23	Apr 25	Apr 23	Apr 20	37
Illinois	Apr 23	Apr 21	Apr 19	Apr 21	Apr 24	Apr 25	Apr 25	Apr 26	Apr 28	Apr 30	May 4	May 2	Apr 29	9
Indiana	Apr 16	Apr 17	Apr 15	Apr 17	Apr 18	Apr 20	Apr 21	Apr 24	Apr 23	Apr 23	Apr 26	Apr 25	Apr 22	31
Iowa	Apr 20	Apr 20	Apr 19	Apr 23	Apr 21	Apr 23	Apr 20	Apr 21	Apr 22	Apr 24	Apr 26	Apr 24	Apr 21	32
Kansas	Apr 19	Apr 19	Apr 17	Apr 19	Apr 20	Apr 22	Apr 22	Apr 24	Apr 24	Apr 25	Apr 28	Apr 27	Apr 24	23
Kentucky	Apr 15	Apr 15	Apr 13	Apr 14	Apr 17	Apr 19	Apr 20	Apr 20	Apr 21	Apr 22	Apr 24	Apr 22	Apr 20	39
Louisiana	Apr 13	Apr 11	Apr 9	Apr 9	Apr 9	Apr 12	Apr 15	Apr 17	Apr 17	Apr 19	Apr 22	Apr 21	Apr 19	41
Maine	Apr 19	Apr 19	Apr 20	Apr 22	Apr 24	Apr 26	Apr 27	May 1	May 3	May 2	May 4	Apr 30	Apr 29	11
Maryland	Apr 19	Apr 17	Apr 18	Apr 20	Apr 21	Apr 22	Apr 24	Apr 26	Apr 27	Apr 27	Apr 29	Apr 26	Apr 23	29
Massachusetts	Apr 19	Apr 19	Apr 19	Apr 21	Apr 23	Apr 26	Apr 28	Apr 30	May 2	May 3	May 4	May 2	Apr 28	12
Michigan	Apr 20	Apr 20	Apr 20	Apr 22	Apr 21	Apr 21	Apr 24	Apr 26	Apr 28	Apr 28	May 2	May 2	Apr 29	8
Minnesota	Apr 23	Apr 24	Apr 24	Apr 27	Apr 27	Apr 29	Apr 30	May 1	May 1	May 2	May 3	May 1	Apr 29	7
Mississippi	Apr 11	Apr 9	Apr 10	Apr 12	Apr 14	Apr 16	Apr 16	Apr 16	Apr 17	Apr 18	Apr 21	Apr 20	Apr 18	43
Missouri	Apr 14	Apr 12	Apr 12	Apr 13	Apr 16	Apr 18	Apr 19	Apr 20	Apr 21	Apr 22	Apr 24	Apr 22	Apr 20	38
Montana	Apr 16	Apr 12	Apr 16	Apr 15	Apr 19	Apr 20	Apr 20	Apr 21	Apr 20	Apr 21	Apr 23	Apr 20	Apr 18	42
Nebraska	Apr 17	Apr 17	Apr 17	Apr 19	Apr 21	Apr 23	Apr 20	Apr 24	Apr 24	Apr 24	Apr 28	Apr 28	Apr 25	19
Nevada	Apr 23	Apr 21	Apr 22	Apr 26	Apr 26	Apr 28	Apr 29	Apr 29	Apr 30	Apr 29	May 3	May 1	Apr 27	14
New Hampshire	Apr 16	Apr 19	Apr 21	Apr 22	Apr 20	Apr 20	Apr 22	Apr 23	Apr 24	Apr 28	May 1	Apr 29	Apr 25	21
New Jersey	Apr 26	Apr 28	Apr 27	Apr 28	Apr 30	May 1	May 1	May 3	May 6	May 9	May 10	May 8	May 5	4
New Mexico	Apr 16	Apr 14	Apr 17	Apr 20	Apr 20	Apr 18	Apr 20	Apr 21	Apr 22	Apr 23	Apr 26	Apr 23	Apr 21	34
New York	May 1	Apr 30	Apr 30	May 2	May 3	May 3	May 3	May 5	May 6	May 9	May 11	May 9	May 6	3
North Carolina	Apr 14	Apr 14	Apr 14	Apr 15	Apr 17	Apr 18	Apr 18	Apr 20	Apr 21	Apr 22	Apr 24	Apr 22	Apr 20	35
North Dakota	Apr 14	Apr 16	Apr 12	Apr 17	Apr 16	Apr 22	Apr 16	Apr 23	Apr 18	Apr 21	Apr 21	Apr 19	Apr 17	45
Ohio	Apr 14	Apr 14	Apr 14	Apr 15	Apr 18	Apr 20	Apr 22	Apr 22	Apr 23	Apr 25	Apr 28	Apr 27	Apr 25	20
Oklahoma	Apr 13	Apr 11	Apr 9	Apr 10	Apr 12	Apr 14	Apr 15	Apr 16	Apr 16	Apr 17	Apr 19	Apr 17	Apr 15	49
Oregon	Apr 22	Apr 21	Apr 21	Apr 21	Apr 21	Apr 20	Apr 22	Apr 23	Apr 23	Apr 23	Apr 25	Apr 24	Apr 21	33
Pennsylvania	Apr 16	Apr 16	Apr 17	Apr 17	Apr 20	Apr 21	Apr 22	Apr 23	Apr 25	Apr 26	Apr 28	Apr 26	Apr 23	28
Rhode Island	Apr 19	Apr 21	Apr 21	Apr 21	Apr 23	Apr 23	Apr 25	Apr 26	Apr 29	Apr 29	May 2	Apr 30	Apr 28	13
South Carolina	Apr 14	Apr 13	Apr 13	Apr 14	Apr 15	Apr 17	Apr 18	Apr 18	Apr 20	Apr 21	Apr 23	Apr 22	Apr 20	40
South Dakota	Apr 11	Apr 12	Apr 12	Apr 15	Apr 15	Apr 18	Apr 14	Apr 18	Apr 18	Apr 19	Apr 21	Apr 21	Apr 18	44
Tennessee	Apr 11	Apr 11	Apr 12	Apr 13	Apr 13	Apr 13	Apr 16	Apr 17	Apr 17	Apr 18	Apr 21	Apr 19	Apr 16	46
Texas	Apr 20	Apr 19	Apr 18	Apr 19	Apr 20	Apr 21	Apr 22	Apr 21	Apr 23	Apr 24	Apr 26	Apr 24	Apr 20	36
Utah	Apr 17	Apr 17	Apr 17	Apr 18	Apr 20	Apr 22	Apr 22	Apr 21	Apr 23	Apr 25	Apr 28	Apr 26	Apr 23	27
Vermont	Apr 24	Apr 25	Apr 24	Apr 26	Apr 25	Apr 26	Apr 29	May 1	May 1	May 1	May 4	Apr 30	Apr 27	16
Virginia	Apr 17	Apr 16	Apr 15	Apr 15	Apr 17	Apr 19	Apr 20	Apr 22	Apr 25	Apr 28	Apr 30	Apr 26	Apr 24	25
Washington	Apr 28	Apr 27	Apr 26	Apr 27	Apr 29	May 1	May 2	May 4	May 7	May 9	May 13	May 12	May 9	2
West Virginia	Apr 13	Apr 12	Apr 11	Apr 11	Apr 13	Apr 14	Apr 14	Apr 14	Apr 16	Apr 18	Apr 20	Apr 17	Apr 16	48
Wisconsin	Apr 24	Apr 25	Apr 25	Apr 26	Apr 27	Apr 29	Apr 30	May 1	May 1	May 3	May 6	May 3	May 1	6
Wyoming	Apr 24	Apr 22	Apr 22	Apr 22	Apr 23	Apr 25	Apr 29	May 1	May 6	May 7	May 10	May 6	May 4	5
Dist. of Columbia	May 4	May 1	Apr 30	May 1	May 1	May 3	May 7	May 11	May 15	May 18	May 21	May 17	May 17	-

Note: Leap day is omitted to make dates comparable over time.

Source: Tax Foundation.

State and Local Tax Burdens

A closer look at the total tax burden analysis by state reveals a surprise: Many states with high overall tax burdens, relative to other states, actually rank fairly low when judged

only by their state and local tax burdens—and vice versa.

As Tables 4 and 6 show, the total average tax burden for residents of Connecticut (36.7%) is the highest in the nation, and tax-

Table 3
Tax Freedom Day by State, by Rank
Calendar Year 2002

	Tax Freedom Day	Rank
United States	April 27	-
Connecticut	May 14	1
Washington	May 09	2
New York	May 06	3
New Jersey	May 05	4
Wyoming	May 04	5
Wisconsin	May 01	6
Minnesota	April 29	7
Michigan	April 29	8
Illinois	April 29	9
California	April 29	10
Maine	April 29	11
Massachusetts	April 28	12
Rhode Island	April 28	13
Nevada	April 27	14
Florida	April 27	15
Vermont	April 27	16
Delaware	April 25	17
Arizona	April 25	18
Nebraska	April 25	19
Ohio	April 25	20
New Hampshire	April 25	21
Georgia	April 24	22
Kansas	April 24	23
Colorado	April 24	24
Virginia	April 24	25
Arkansas	April 24	26
Utah	April 23	27
Pennsylvania	April 23	28
Maryland	April 23	29
Hawaii	April 22	30
Indiana	April 22	31
Iowa	April 21	32
Oregon	April 21	33
New Mexico	April 21	34
North Carolina	April 20	35
Texas	April 20	36
Idaho	April 20	37
Missouri	April 20	38
Kentucky	April 20	39
South Carolina	April 20	40
Louisiana	April 19	41
Montana	April 18	42
Mississippi	April 18	43
South Dakota	April 18	44
North Dakota	April 17	45
Tennessee	April 16	46
Alabama	April 16	47
West Virginia	April 16	48
Oklahoma	April 15	49
Alaska	April 08	50
District of Columbia	May 17	-

Table 4
Days Spent Working for All Taxes in Each State, Total Taxes as Percentage of Income, Per Capita and Rank
Calendar Year 2002

	Tax Burden Rank	Days Spent Working to Pay Taxes	Tax Burden as a Percentage of Income	Tax Burden Per Capita	Income Per Capita
United States	-	117	32.1%	\$ 10,263	\$ 32,010
Alabama	47	106	29.1%	\$ 7,363	\$ 25,313
Alaska	50	98	27.0	8,444	31,327
Arizona	18	115	31.7	8,657	27,317
Arkansas	26	114	31.2	7,429	23,782
California	10	119	32.7	11,417	34,924
Colorado	24	114	31.3%	\$ 11,041	\$ 35,309
Connecticut	1	134	36.7	16,521	44,990
Delaware	17	115	31.7	10,692	33,713
Florida	15	117	32.2	9,783	30,390
Georgia	22	114	31.4	9,499	30,219
Hawaii	30	112	30.9%	\$ 8,860	\$ 28,631
Idaho	37	110	30.3	7,588	25,044
Illinois	9	119	32.8	11,352	34,610
Indiana	31	112	30.9	8,909	28,801
Iowa	32	111	30.6	8,801	28,758
Kansas	23	114	31.4%	\$ 9,303	\$ 29,666
Kentucky	39	110	30.2	7,924	26,228
Louisiana	41	109	30.1	7,500	24,953
Maine	11	119	32.7	9,115	27,900
Maryland	29	113	31.1	11,425	36,792
Massachusetts	12	118	32.6%	\$ 13,489	\$ 41,438
Michigan	8	119	32.8	10,272	31,304
Minnesota	7	119	32.9	11,466	34,879
Mississippi	43	108	29.8	6,711	22,522
Missouri	38	110	30.2	8,875	29,347
Montana	42	108	29.8%	\$ 7,187	\$ 24,083
Nebraska	19	115	31.6	9,377	29,656
Nevada	14	117	32.3	10,374	32,100
New Hampshire	21	115	31.6	11,361	35,951
New Jersey	4	125	34.3	13,805	40,258
New Mexico	34	111	30.4%	\$ 7,204	\$ 23,667
New York	3	126	34.7	13,163	37,902
North Carolina	35	110	30.4	8,911	29,324
North Dakota	45	107	29.5	7,910	26,852
Ohio	20	115	31.6	9,522	30,128
Oklahoma	49	105	29.0%	\$ 7,466	\$ 25,760
Oregon	33	111	30.5	8,984	29,443
Pennsylvania	28	113	31.1	10,018	32,181
Rhode Island	13	118	32.5	10,352	31,816
South Carolina	40	110	30.2	7,837	25,977
South Dakota	44	108	29.7%	\$ 8,184	\$ 27,589
Tennessee	46	106	29.2	8,188	28,039
Texas	36	110	30.4	9,206	30,304
Utah	27	113	31.2	7,945	25,468
Vermont	16	117	32.1	9,447	29,455
Virginia	25	114	31.3%	\$ 10,712	\$ 34,276
Washington	2	129	35.6	11,899	33,436
West Virginia	48	106	29.1	6,850	23,573
Wisconsin	6	121	33.2	10,156	30,554
Wyoming	5	124	34.1	9,959	29,228
District of Columbia	-	137	37.6%	\$ 15,920	\$ 42,366

Source: Tax Foundation.

payers in Maine face the eleventh highest total tax burden (32.7%). However, when federal taxes are stripped out and only state-local tax burdens are compared, the rankings flip. Connecticut's state-local tax burden ranks

eleventh highest, while Maine edges out New York for the dubious distinction of having the highest state and local tax burden (12.8%).

While the rankings of Maine and Connecticut move 10 places when Federal taxes are removed from the analysis, many states move even more (see Tables 9–19 in Appendix). Wyoming drops the furthest, 31 slots, all the

Table 5
Days Spent Working for Federal Taxes in Each State, Federal Taxes as Percentage of Income, Per Capita and Rank
Calendar Year 2002

	Tax Burden Rank	Days Spent Working to Pay Taxes	Tax Burden as a Percentage of Income	Tax Burden Per Capita	Income Per Capita
United States	–	80	21.8%	\$ 6,989	\$ 32,010
Alabama	37	73	20.0%	\$ 5,072	\$ 25,313
Alaska	30	75	20.6	6,465	31,327
Arizona	16	79	21.6	5,889	27,317
Arkansas	39	73	20.0	4,746	23,782
California	11	82	22.4	7,832	34,924
Colorado	12	81	22.2%	\$ 7,844	\$ 35,309
Connecticut	1	95	25.8	11,615	44,990
Delaware	17	78	21.6	7,265	33,713
Florida	8	83	22.9	6,950	30,390
Georgia	23	77	21.2	6,413	30,219
Hawaii	46	70	19.3%	\$ 5,537	\$ 28,631
Idaho	42	72	19.8	4,949	25,044
Illinois	9	83	22.8	7,902	34,610
Indiana	26	76	21.0	6,059	28,801
Iowa	35	74	20.2	5,818	28,758
Kansas	27	77	21.0%	\$ 6,219	\$ 29,666
Kentucky	43	72	19.7	5,161	26,228
Louisiana	45	71	19.5	4,869	24,953
Maine	41	73	19.8	5,533	27,900
Maryland	19	78	21.4	7,859	36,792
Massachusetts	6	84	23.1%	\$ 9,565	\$ 41,438
Michigan	13	80	22.1	6,916	31,304
Minnesota	15	78	21.6	7,530	34,879
Mississippi	48	69	19.1	4,299	22,522
Missouri	31	75	20.6	6,042	29,347
Montana	40	72	19.9%	\$ 4,786	\$ 24,083
Nebraska	29	76	20.8	6,161	29,656
Nevada	5	84	23.1	7,418	32,100
New Hampshire	7	84	23.0	8,275	35,951
New Jersey	4	88	24.0	9,659	40,258
New Mexico	44	72	19.6%	\$ 4,634	\$ 23,667
New York	10	82	22.5	8,515	37,902
North Carolina	34	74	20.3	5,961	29,324
North Dakota	47	70	19.3	5,177	26,852
Ohio	33	75	20.4	6,155	30,128
Oklahoma	49	69	19.1%	\$ 4,909	\$ 25,760
Oregon	25	77	21.1	6,216	29,443
Pennsylvania	21	78	21.3	6,844	32,181
Rhode Island	22	77	21.3	6,763	31,816
South Carolina	36	74	20.2	5,238	25,977
South Dakota	32	75	20.6%	\$ 5,676	\$ 27,589
Tennessee	28	76	20.8	5,835	28,039
Texas	18	78	21.4	6,480	30,304
Utah	38	73	20.0	5,086	25,468
Vermont	24	78	21.1	6,220	29,455
Virginia	14	80	21.8%	\$ 7,483	\$ 34,276
Washington	2	91	25.1	8,401	33,436
West Virginia	50	68	18.5	4,370	23,573
Wisconsin	20	78	21.3	6,500	30,554
Wyoming	3	89	24.2	7,087	29,228
District of Columbia	–	87	23.7%	\$ 10,026	\$ 42,366

Source: Tax Foundation.

The highly progressive Federal tax burden closely tracks average income... The three states with per capita incomes over \$40,000 in 2002 all rank in the top 10: Connecticut is number 1, New Jersey is fourth and Massachusetts is sixth.

way from 5th to 36th. Nevada drops 29 places in the ranking from 14th to 43rd. Massachusetts, Florida and New Hampshire all drop 27 slots—Massachusetts falls from 12th to 39th, Florida falls from 15th to 42nd and New Hampshire falls from 21st to 48th.

On the other hand, West Virginia rises

The reason for the dramatic change in the ranking of total versus state-local tax burdens: Federal taxes have grown so dramatically over time that they overwhelm state and local taxes.

most dramatically in the rankings from almost the lowest tax burden (48th highest) to the 19th highest state-local tax burden. Mississippi moves up 26 slots from 43rd highest to 15th highest. Hawaii moves up 26 slots from 30th to 4th. Louisiana moves up 25 slots from 41st to 16th. New Mexico moves up 22 slots from 34th to 12th.

The reason for the dramatic change in the ranking of total versus state-local tax burdens:

Federal taxes have grown so dramatically over time that they overwhelm state and local taxes when examined together. Also, they are markedly more progressive, so only when they are removed from the calculation is it possible to compare the true levels of state and local tax burdens.

Table 6
Days Spent Working for State/Local Taxes in Each State, State/Local Taxes as Percentage of Income, Per Capita and Rank Calendar Year 2002

	Tax Burden Rank	Days Spent Working to Pay Taxes	Tax Burden as a Percentage of Income	Tax Burden Per Capita	Income Per Capita
United States	-	37	10.2%	\$ 3,274	\$ 32,010
Alabama	46	33	9.1%	\$ 2,291	\$ 25,313
Alaska	50	23	6.3	1,979	31,327
Arizona	28	36	10.1	2,768	27,317
Arkansas	7	41	11.3	2,683	23,782
California	24	37	10.3	3,585	34,924
Colorado	45	33	9.1%	\$ 3,196	\$ 35,309
Connecticut	11	39	10.9	4,906	44,990
Delaware	27	37	10.2	3,427	33,713
Florida	42	34	9.3	2,833	30,390
Georgia	25	37	10.2	3,086	30,219
Hawaii	4	42	11.6%	\$ 3,323	\$ 28,631
Idaho	17	38	10.5	2,639	25,044
Illinois	31	36	10.0	3,451	34,610
Indiana	34	36	9.9	2,850	28,801
Iowa	22	37	10.4	2,983	28,758
Kansas	21	37	10.4%	\$ 3,085	\$ 29,666
Kentucky	18	38	10.5	2,763	26,228
Louisiana	16	38	10.5	2,631	24,953
Maine	1	46	12.8	3,582	27,900
Maryland	37	35	9.7	3,566	36,792
Massachusetts	39	34	9.5%	\$ 3,924	\$ 41,438
Michigan	14	39	10.7	3,356	31,304
Minnesota	5	41	11.3	3,936	34,879
Mississippi	15	39	10.7	2,413	22,522
Missouri	38	35	9.7	2,833	29,347
Montana	32	36	10.0%	\$ 2,400	\$ 24,083
Nebraska	13	39	10.8	3,216	29,656
Nevada	43	33	9.2	2,956	32,100
New Hampshire	48	31	8.6	3,086	35,951
New Jersey	23	37	10.3	4,146	40,258
New Mexico	12	39	10.9%	\$ 2,570	\$ 23,667
New York	2	44	12.3	4,648	37,902
North Carolina	29	36	10.1	2,950	29,324
North Dakota	26	37	10.2	2,733	26,852
Ohio	9	40	11.2	3,368	30,128
Oklahoma	33	36	9.9%	\$ 2,556	\$ 25,760
Oregon	41	34	9.4	2,768	29,443
Pennsylvania	35	35	9.9	3,174	32,181
Rhode Island	6	41	11.3	3,589	31,816
South Carolina	30	36	10.0	2,599	25,977
South Dakota	44	33	9.1%	\$ 2,508	\$ 27,589
Tennessee	49	30	8.4	2,353	28,039
Texas	47	32	9.0	2,726	30,304
Utah	8	40	11.2	2,860	25,468
Vermont	10	39	11.0	3,227	29,455
Virginia	40	34	9.4%	\$ 3,228	\$ 34,276
Washington	20	38	10.5	3,498	33,436
West Virginia	19	38	10.5	2,480	23,573
Wisconsin	3	43	12.0	3,656	30,554
Wyoming	36	35	9.8	2,873	29,228
District of Columbia	-	50	13.9%	\$ 5,894	\$ 42,366

Source: Tax Foundation.

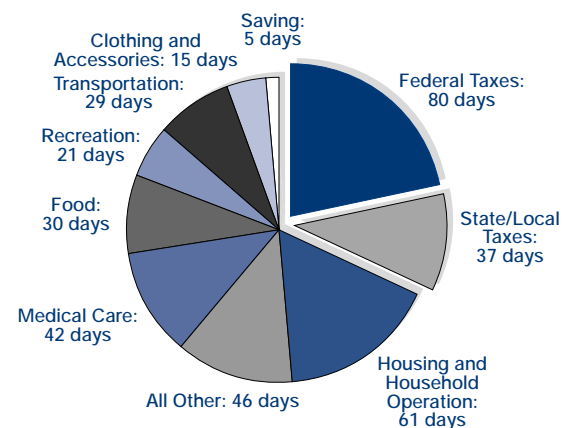
Tax Burdens vs. Major Spending Categories

Taxes are of course just the price we pay for an array of government services. Figure 4

Americans will work longer to pay for government — 117 days — than they will for food, clothing and shelter combined, 106 days... Only in the last decade have taxes exceeded spending on these basic necessities.

uses the number of days worked as a yardstick to measure the price of government against the price of other important categories of consumer spending. The graph reveals that

Figure 5
How Long America Works to Pay Taxes Compared to Other Major Spending Categories, 2002



Source: Tax Foundation

Americans will work longer to pay for government (117 days) than they will for food, clothing and shelter combined (106 days). This has not always been the case. In fact, only in the last decade have taxes exceeded spending on these basic necessities. In fact, Americans will work longer to afford federal taxes alone (80 days) than on any other major budget item.

Federal Income Tax Compliance Costs

The funds extracted from American's incomes each year are only part of the cost of the current tax system. The Tax Foundation estimates that in 2002, complying with the federal income tax code will cost Americans

The funds extracted from American's incomes each year are only part of the cost of the current tax system. The Tax Foundation estimates that in 2001 Americans will spend \$194 billion complying with just the federal income tax code.

\$194 billion. Table 7 reveals that if these costs had been included in the 2002 Tax Freedom Day calculation, they would have pushed the date forward an average of 6 days.

Table 7 also shows how many days residents of each state have to work to make up the cost of complying with Federal income taxes. Since compliance costs are essentially a fixed cost, some states are more adversely affected. For instance, in Montana (12 days),

Since compliance costs are essentially a fixed cost, some states are more adversely impacted by tax compliance costs than others. For instance, states such as Montana (12 days), Utah (10 days) and Wyoming (10 days) are hit harder with tax compliance costs than states such as California (5 days) and Connecticut (5 days).

Utah (10 days) and Wyoming (10 days), tax compliance costs are higher compared to income than they are in California (5 days) and Connecticut (5 days).

To put the tax compliance burden into perspective, the \$194 billion tax compliance cost is greater than the revenue of ExxonMobil (\$188 billion), the second largest company in America, and it trails only Wal-Mart (\$218 billion).

Figure 6 illustrates that, as a percentage of income, the Federal income tax compliance

cost has been increasing since 1997. In just the last five years, tax compliance costs have risen from 1.7 percent of net national product to 2.1 percent. That is a 24 percent increase.

*Table 7
Number of Days Americans Have to Work to Earn an Amount Equal to Federal Income Tax Compliance Costs
Calendar Year 2002*

United States	6
Alabama	7
Alaska	6
Arizona	7
Arkansas	8
California	5
Colorado	7
Connecticut	5
Delaware	9
Florida	8
Georgia	7
Hawaii	8
Idaho	9
Illinois	7
Indiana	7
Iowa	8
Kansas	7
Kentucky	7
Louisiana	8
Maine	8
Maryland	8
Massachusetts	6
Michigan	7
Minnesota	7
Mississippi	8
Missouri	7
Montana	12
Nebraska	9
Nevada	9
New Hampshire	6
New Jersey	6
New Mexico	7
New York	7
North Carolina	7
North Dakota	9
Ohio	7
Oklahoma	9
Oregon	7
Pennsylvania	6
Rhode Island	9
South Carolina	7
South Dakota	9
Tennessee	7
Texas	7
Utah	10
Vermont	8
Virginia	6
Washington	7
West Virginia	7
Wisconsin	7
Wyoming	10
District of Columbia	7

Ironically, while both the Tax Reform Act of 1997 and the Economic Growth and Tax Reform Reconciliation Act of 2001 were designed to provide tax relief, they ended up also increasing tax complexity (see Figure 6). The jury is still out on the administrative impact of the Job Creation and Workers Assistance Act of 2002.

Tax Freedom Day Methodology

Tax Freedom Day is a concept used by the Tax Foundation to illustrate the share of the nation's income that goes to pay federal, state, and local taxes. For illustrative purposes it assumes that income is earned evenly throughout the year and that individuals initially devote all of their earnings to paying their taxes. The day that Americans are free to spend their income on other goods and services is Tax Freedom Day. The Tax Foundation has calculated Tax Freedom Day every year since the early 1970s, and it has used historical data to calculate dates back to 1900.

The income figure used in this formula is Net National Product (NNP), a component of the National Income Product Accounts (NIPA). These accounts are computed and compiled annually by the Commerce Department's Bureau of Economic Analysis (BEA). The Tax Foundation has used NNP for decades in its Tax Freedom Day calculations

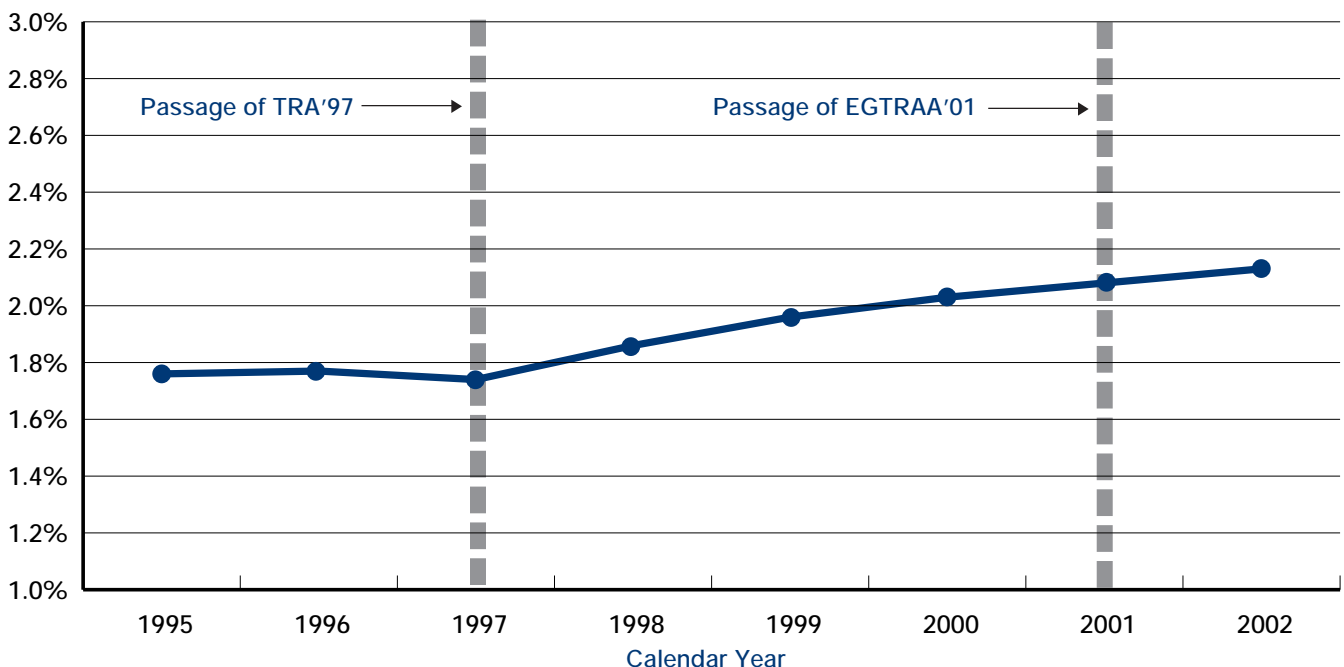
and believes that it is the most appropriate measure of income available. In order to maintain consistency, federal, state and local tax collection totals are also based on NIPA definitions. State Tax Freedom days are calculated in a similar fashion using the Tax Foundation's tax allocation model.

Determining the national Tax Freedom Day involves calculating an overall effective tax rate for the nation. This is done by dividing the per capita tax burden by per capita income. The following formula presents this calculation for 2002:

$$\frac{\text{Per capita federal, state \& local taxes}}{\text{Per capita income}} = \frac{\$10,263}{\$32,010} = 32.1\% = 117 \text{ days} = \text{April 27}$$

Tax Freedom Day is calculated for the current year. This necessitates forecasting both the current year's per capita tax burden and income. The 2002 projections were based on the most current NIPA data available and the economic forecasts published by the Congressional Budget Office. Because the calculation of Tax Freedom Day requires the use of forecasts, and because NIPA data is frequently revised, prior years' estimates are updated in this report.

*Figure 6
Federal Income Tax Compliance Costs as a Percentage of Net National Product
Calendar Years 1995-2002*



Tax Freedom Day Incidence Analysis

The Tax Freedom Day model begins with conventional tax collection data, in which each state revenue office totals up what it has collected. But to more accurately represent each state's true tax burden, it incorporates a geographical tax incidence analysis. Put simply, taxes do not respect borders. Depending on demography, geography and the variety of economic activity, states either collect more or

less tax revenue from out-of-state residents than their own residents pay to other states.

For example, the state of Alaska levies significant severance taxes on oil extracted from the state. From a tax collection standpoint, Alaska often ranks in the top five in per capita tax collections. However, it is fairly obvious that the residents of Alaska do not bear the vast majority of the tax burden imposed by the severance tax. Most of the tax is incorporated into the price of oil, enabling Alaska to simultaneously collect the taxes and transfer, or "export" the burden of the tax to purchasers across the country. As a result, Alaska celebrates Tax Freedom Day earlier than any other state.

Other states that export a significant fraction of their severance tax burdens are Texas and New Mexico. States that "import" the largest portions of those taxes are California, Pennsylvania and New York.

Severance taxes are not the only tax or activity that the Tax Freedom Day model adjusts for. It also incorporates a tax incidence analysis of taxes on tourism and corporate income.

In the case of taxes imposed on tourism, the model first determines the size of tourism in any given state via Gross State Product data provided by the Bureau of Economic Analysis. Based on the size of tourism, the model then estimates the amount of taxes generated, which is a complicated task since tourism affects more than one type of tax, but the most significant are state and local sales taxes. States where tourism constitutes a disproportionately large fraction of economic activity are therefore exporters of tax burdens because they are collecting taxes on out-of-state residents. Nevada, Florida and Louisiana are the three biggest exporters, while Pennsylvania, Illinois and Texas are the biggest importers.

In the case of corporate income taxes, the tax burden is passed in equal proportions to consumers, employees and business owners. States that are big importers are Texas, Florida and Washington; while states that are big exporters are New York, California and Michigan.

Table 8 shows the overall results of the tax incidence allocations. Overall, the largest importers are Texas (\$1,938.2 million), Ohio (\$1,044.7 million) and Washington (\$829.0 million); and the largest exporters are New York (- \$2,953.5 million), California (- \$1,559.4 million) and Alaska (- \$858.2 million). The District of Columbia is a net tax exporter, thanks to an outflow of corporate income taxes, with - \$ 101.4 million. ●

Table 8
State and Local Tax Incidence Results by State
Calendar Year 2002
(\$Millions)

Alabama	(\$ 10.8)
Alaska	(858.2)
Arizona	106.8
Arkansas	57.0
California	(1,559.4)
Colorado	\$ 268.3
Connecticut	371.6
Delaware	(119.9)
Florida	825.1
Georgia	430.9
Hawaii	\$ 16.5
Idaho	54.5
Illinois	(518.7)
Indiana	(152.7)
Iowa	191.6
Kansas	\$ 68.1
Kentucky	86.4
Louisiana	(54.4)
Maine	1.4
Maryland	436.9
Massachusetts	(\$ 201.5)
Michigan	(732.9)
Minnesota	(5.5)
Mississippi	(48.2)
Missouri	548.4
Montana	(\$ 58.9)
Nebraska	120.6
Nevada	(246.9)
New Hampshire	(190.1)
New Jersey	(228.8)
New Mexico	(\$ 415.2)
New York	(2,953.5)
North Carolina	91.6
North Dakota	(149.7)
Ohio	1,044.7
Oklahoma	(\$ 132.0)
Oregon	71.4
Pennsylvania	192.9
Rhode Island	98.0
South Carolina	271.0
South Dakota	\$ 58.2
Tennessee	12.2
Texas	1,938.2
Utah	51.4
Vermont	37.7
Virginia	\$ 578.6
Washington	829.0
West Virginia	(151.0)
Wisconsin	173.9
Wyoming	(143.3)
District of Columbia	(\$ 101.4)

Appendix

Taxpayers wishing to analyze their state-local tax burdens find it useful to strip out the Federal burdens. This 11-year series of data presents each state's tax burden, ranked from

highest to lowest.

In columns 3 and 4, the total tax burden — federal, state and local — is presented, also with ranking from highest to lowest. The last column shows the difference between the rankings.

Table 9
Effective State/Local Tax Burdens by State and Rank
Calendar Year 2002

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.2%	-	32.1%	-	-
Maine	12.8%	1	32.7%	11	- 10
New York	12.3	2	34.7	3	- 1
Wisconsin	12.0	3	33.2	6	- 3
Hawaii	11.6	4	30.9	30	- 26
Minnesota	11.3	5	32.9	7	- 2
Rhode Island	11.3%	6	32.5%	13	- 7
Arkansas	11.3	7	31.2	26	- 19
Utah	11.2	8	31.2	27	- 19
Ohio	11.2	9	31.6	20	- 11
Vermont	11.0	10	32.1	16	- 6
Connecticut	10.9%	11	36.7%	1	10
New Mexico	10.9	12	30.4	34	- 22
Nebraska	10.8	13	31.6	19	- 6
Michigan	10.7	14	32.8	8	6
Mississippi	10.7	15	29.8	43	- 28
Louisiana	10.5%	16	30.1%	41	- 25
Idaho	10.5	17	30.3	37	- 20
Kentucky	10.5	18	30.2	39	- 21
West Virginia	10.5	19	29.1	48	- 29
Washington	10.5	20	35.6	2	18
Kansas	10.4%	21	31.4%	23	- 2
Iowa	10.4	22	30.6	32	- 10
New Jersey	10.3	23	34.3	4	19
California	10.3	24	32.7	10	14
Georgia	10.2	25	31.4	22	3
North Dakota	10.2%	26	29.5%	45	- 19
Delaware	10.2	27	31.7	17	10
Arizona	10.1	28	31.7	18	10
North Carolina	10.1	29	30.4	35	- 6
South Carolina	10.0	30	30.2	40	- 10
Illinois	10.0%	31	32.8%	9	22
Montana	10.0	32	29.8	42	- 10
Oklahoma	9.9	33	29.0	49	- 16
Indiana	9.9	34	30.9	31	3
Pennsylvania	9.9	35	31.1	28	7
Wyoming	9.8%	36	34.1%	5	31
Maryland	9.7	37	31.1	29	8
Missouri	9.7	38	30.2	38	0
Massachusetts	9.5	39	32.6	12	27
Virginia	9.4	40	31.3	25	15
Oregon	9.4%	41	30.5%	33	8
Florida	9.3	42	32.2	15	27
Nevada	9.2	43	32.3	14	29
South Dakota	9.1	44	29.7	44	0
Colorado	9.1	45	31.3	24	21
Alabama	9.1%	46	29.1%	47	- 1
Texas	9.0	47	30.4	36	11
New Hampshire	8.6	48	31.6	21	27
Tennessee	8.4	49	29.2	46	3
Alaska	6.3	50	27.0	50	0
Dist. of Columbia	13.9%	-	37.6%		

Table 10
Effective State/Local Tax Burdens by State and Rank
Calendar Year 2001

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.1%	-	32.8%	-	-
Maine	12.6%	1	33.1%	14	- 13
New York	12.2	2	35.6	3	- 1
Wisconsin	11.8	3	33.9	6	- 3
Hawaii	11.6	4	31.6	31	- 27
Rhode Island	11.1	5	33.1	13	- 8
Utah	11.1%	6	31.9%	26	- 20
Vermont	11.1	7	33.0	16	- 9
Arkansas	11.0	8	31.7	29	- 21
Ohio	10.9	9	32.2	23	- 14
Connecticut	10.9	10	37.8	1	9
Minnesota	10.8%	11	33.3%	12	- 1
Nebraska	10.8	12	32.3	20	- 8
New Mexico	10.7	13	31.0	35	- 22
Mississippi	10.5	14	30.4	44	- 30
Michigan	10.5	15	33.5	9	6
Idaho	10.5%	16	31.0%	36	- 20
Kentucky	10.4	17	30.8	40	- 23
Iowa	10.4	18	31.3	33	- 15
West Virginia	10.4	19	29.5	49	- 30
Louisiana	10.3	20	30.5	41	- 21
New Jersey	10.3%	21	35.3%	4	17
Kansas	10.3	22	32.1	24	- 2
Washington	10.2	23	36.4	2	21
California	10.2	24	33.5	10	14
Georgia	10.1	25	32.2	22	3
Delaware	10.0%	26	32.4%	19	7
North Dakota	10.0	27	30.1	45	- 18
Arizona	10.0	28	32.4	18	10
South Carolina	9.9	29	30.8	39	- 10
Illinois	9.8	30	33.6	7	23
Montana	9.8%	31	30.4%	43	- 12
North Carolina	9.8	32	30.9	37	- 5
Indiana	9.8	33	31.7	30	3
Pennsylvania	9.8	34	31.8	27	7
Oklahoma	9.8	35	29.6	48	- 13
Wyoming	9.7%	36	34.8%	5	31
Maryland	9.6	37	31.8	28	9
Massachusetts	9.6	38	33.6	8	30
Missouri	9.5	39	30.9	38	1
Oregon	9.4	40	31.4	32	8
Virginia	9.3%	41	32.0%	25	16
Florida	9.3	42	33.1	15	27
Nevada	9.1	43	33.3	11	32
Colorado	9.1	44	32.3	21	23
South Dakota	9.1	45	30.4	42	3
Texas	9.0%	46	31.3%	34	12
Alabama	8.9	47	29.8	47	0
New Hampshire	8.7	48	32.7	17	31
Tennessee	8.3	49	30.0	46	3
Alaska	6.3	50	27.7	50	0
Dist. of Columbia	13.4%	-	37.7%		

Table 11
Effective State/Local Tax Burdens by State and Rank
Calendar Year 2000

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.1%	-	33.3%	-	-
Maine	12.7%	1	34.0%	8	- 7
New York	12.2	2	36.1	3	- 1
Wisconsin	11.9	3	34.6	6	- 3
Hawaii	11.7	4	32.4	27	- 23
Vermont	11.3	5	34.0	10	- 5
Utah	11.0%	6	32.4%	29	- 23
Rhode Island	11.0	7	33.5	15	- 8
Connecticut	10.9	8	38.5	1	7
Minnesota	10.9	9	33.9	12	- 3
New Mexico	10.7	10	31.8	34	- 24
Ohio	10.7%	11	32.5%	24	- 13
Arkansas	10.7	12	32.0	30	- 18
Nebraska	10.5	13	32.4	28	- 15
Idaho	10.5	14	31.6	36	- 22
Iowa	10.3	15	31.9	32	- 17
West Virginia	10.3%	16	30.2%	48	- 32
New Jersey	10.3	17	35.8	4	13
Mississippi	10.3	18	30.5	45	- 27
Kentucky	10.2	19	31.3	39	- 20
California	10.2	20	34.0	9	11
Michigan	10.2%	21	33.5%	16	5
Kansas	10.1	22	32.5	25	- 3
Louisiana	10.0	23	30.9	42	- 19
Washington	10.0	24	36.6	2	22
Georgia	10.0	25	32.6	23	2
Delaware	9.9%	26	32.9%	19	7
North Dakota	9.9	27	30.6	43	- 16
Montana	9.8	28	31.1	41	- 13
Arizona	9.8	29	32.7	21	8
Pennsylvania	9.7	30	32.4	26	4
Maryland	9.7%	31	32.8%	20	11
Wyoming	9.7	32	35.7	5	27
South Carolina	9.7	33	31.1	40	- 7
Illinois	9.7	34	34.0	11	23
Oklahoma	9.7	35	30.1	49	- 14
North Carolina	9.6%	36	31.3%	38	- 2
Indiana	9.6	37	31.9	31	6
Massachusetts	9.6	38	34.0	7	31
Oregon	9.4	39	31.7	35	4
Virginia	9.4	40	33.0	18	22
Missouri	9.4%	41	31.3%	37	4
Florida	9.3	42	33.9	13	29
Colorado	9.0	43	32.6	22	21
Nevada	9.0	44	33.9	14	30
Texas	8.9	45	31.9	33	12
South Dakota	8.8%	46	30.5%	44	2
Alabama	8.8	47	30.3	47	0
New Hampshire	8.7	48	33.3	17	31
Tennessee	8.2	49	30.5	46	3
Alaska	6.4	50	28.8	50	0
Dist. of Columbia	13.4%	-	38.6%		

Table 12
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1999

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.1%	-	32.7%	-	-
Maine	12.7%	1	33.5%	10	- 9
New York	12.3	2	35.5	3	- 1
Wisconsin	11.8	3	33.7	7	- 4
Hawaii	11.5	4	31.7	25	- 21
Vermont	11.2	5	33.4	11	- 6
Minnesota	11.2%	6	33.6%	9	- 3
Connecticut	11.0	7	37.7	1	6
Rhode Island	10.8	8	32.8	15	- 7
Utah	10.8	9	31.6	26	- 17
New Mexico	10.6	10	31.1	34	- 24
Ohio	10.5%	11	31.6%	27	- 16
Arkansas	10.5	12	31.2	33	- 21
New Jersey	10.4	13	35.4	4	9
Idaho	10.4	14	31.1	35	- 21
Iowa	10.3	15	31.4	29	- 14
California	10.2%	16	33.6%	8	8
West Virginia	10.2	17	29.7	47	- 30
Washington	10.2	18	35.5	2	16
Kentucky	10.2	19	30.9	39	- 20
Nebraska	10.1	20	31.2	31	- 11
Mississippi	10.0%	21	29.7%	46	- 25
Michigan	10.0	22	32.4	18	4
Kansas	9.9	23	31.5	28	- 5
North Dakota	9.9	24	30.5	41	- 17
Georgia	9.8	25	31.8	23	2
Arizona	9.8%	26	32.2%	21	5
Delaware	9.8	27	32.2	20	7
Massachusetts	9.8	28	33.9	6	22
Louisiana	9.8	29	29.9	44	- 15
Pennsylvania	9.7	30	31.8	24	6
Montana	9.7%	31	30.6%	40	- 9
Maryland	9.7	32	32.1	22	10
South Carolina	9.7	33	30.5	42	- 9
North Carolina	9.7	34	31.0	37	- 3
Illinois	9.6	35	33.1	13	22
Oklahoma	9.6%	36	29.5%	48	- 12
Wyoming	9.5	37	35.0	5	32
Virginia	9.5	38	32.4	17	21
Missouri	9.5	39	30.9	38	1
Indiana	9.4	40	31.2	32	8
Oregon	9.4%	41	31.1%	36	5
Florida	9.3	42	33.2	12	30
Colorado	9.3	43	32.4	19	24
Texas	9.0	44	31.4	30	14
Nevada	8.8	45	32.9	14	31
South Dakota	8.8%	46	30.1%	43	3
Alabama	8.6	47	29.2	49	- 2
New Hampshire	8.4	48	32.5	16	32
Tennessee	8.1	49	29.8	45	4
Alaska	6.6	50	28.7	50	0
Dist. of Columbia	13.5%	-	38.1%		

Table 13
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1998

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.0%	-	32.3%	-	-
Maine	12.9%	1	33.9%	6	- 5
New York	12.2	2	34.8	3	- 1
Wisconsin	11.5	3	33.4	9	- 6
Hawaii	11.5	4	31.4	25	- 21
Vermont	11.3	5	33.4	8	- 3
Minnesota	11.2%	6	33.3%	10	- 4
Connecticut	11.0	7	37.1	1	6
Rhode Island	10.7	8	32.7	14	- 6
New Mexico	10.6	9	30.9	33	- 24
Utah	10.6	10	31.2	29	- 19
Washington	10.5%	11	34.9%	2	9
New Jersey	10.3	12	34.6	4	8
Idaho	10.3	13	30.8	35	- 22
Ohio	10.3	14	31.2	28	- 14
Iowa	10.1	15	30.9	34	- 19
Nebraska	10.1%	16	31.3%	27	- 11
California	10.1	17	32.8	12	5
Kentucky	10.1	18	30.6	39	- 21
Kansas	10.1	19	31.4	24	- 5
Arkansas	10.1	20	30.6	38	- 18
Michigan	10.1%	21	32.4%	17	4
Delaware	10.0	22	32.5	16	6
Mississippi	10.0	23	29.4	46	- 23
West Virginia	9.9	24	29.2	48	- 24
Massachusetts	9.9	25	33.4	7	18
Maryland	9.8%	26	32.1%	18	8
Montana	9.7	27	30.3	41	- 14
Pennsylvania	9.7	28	31.6	22	6
Georgia	9.7	29	31.4	23	6
North Dakota	9.7	30	29.8	42	- 12
Arizona	9.6%	31	31.7%	20	11
South Carolina	9.6	32	30.3	40	- 8
North Carolina	9.6	33	30.7	36	- 3
Louisiana	9.6	34	29.6	44	- 10
Indiana	9.5	35	31.1	30	5
Missouri	9.4%	36	30.7%	37	- 1
Wyoming	9.4	37	34.6	5	32
Illinois	9.4	38	32.5	15	23
Oklahoma	9.4	39	29.2	47	- 8
Virginia	9.4	40	31.7	21	19
Colorado	9.3%	41	31.9%	19	22
Oregon	9.3	42	31.1	32	10
Florida	9.1	43	32.7	13	30
Texas	9.0	44	31.1	31	13
South Dakota	8.9	45	29.8	43	2
Nevada	8.9%	46	32.9%	11	35
Alabama	8.5	47	29.1	49	- 2
Tennessee	8.0	48	29.4	45	3
New Hampshire	7.8	49	31.4	26	23
Alaska	6.6	50	28.5	50	0
Dist. of Columbia	13.2%	-	37.1%		

Table 14
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1997

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.0%	-	31.8%	-	-
Maine	12.7%	1	33.4%	5	- 4
New York	12.3	2	34.5	2	0
Wisconsin	11.6	3	33.2	9	- 6
Hawaii	11.6	4	31.0	29	- 25
Minnesota	11.5	5	33.4	7	- 2
Vermont	11.4%	6	33.2%	8	- 2
Connecticut	11.0	7	36.2	1	6
Washington	10.8	8	34.0	3	5
New Mexico	10.6	9	30.7	33	- 24
Rhode Island	10.6	10	32.0	16	- 6
Nebraska	10.5%	11	31.3%	20	- 9
Idaho	10.3	12	30.8	30	- 18
Utah	10.3	13	30.7	34	- 21
North Dakota	10.2	14	31.2	23	- 9
Kansas	10.2	15	31.3	21	- 6
New Jersey	10.2%	16	33.8%	4	12
Iowa	10.2	17	30.6	36	- 19
Ohio	10.2	18	30.7	31	- 13
Delaware	10.2	19	32.8	11	8
Kentucky	10.2	20	30.3	38	- 18
Michigan	10.1%	21	31.9%	17	4
California	10.0	22	32.1	14	8
Montana	10.0	23	30.5	37	- 14
Massachusetts	10.0	24	33.0	10	14
Mississippi	9.9	25	29.1	46	- 21
Indiana	9.9%	26	31.2%	22	4
Maryland	9.8	27	31.8	18	9
Pennsylvania	9.7	28	31.1	24	4
Arizona	9.7	29	31.3	19	10
Arkansas	9.6	30	29.6	43	- 13
West Virginia	9.6%	31	28.7%	49	- 18
Georgia	9.6	32	31.0	28	4
North Carolina	9.6	33	30.1	40	- 7
South Carolina	9.5	34	29.9	41	- 7
Illinois	9.5	35	32.0	15	20
Oregon	9.4%	36	31.0%	27	9
Oklahoma	9.4	37	29.1	47	- 10
Louisiana	9.4	38	29.4	44	- 6
Missouri	9.4	39	30.3	39	0
Virginia	9.3	40	30.7	32	8
Colorado	9.2%	41	31.1%	26	15
Florida	9.2	42	32.3	13	29
Texas	9.2	43	30.6	35	8
Nevada	9.1	44	32.6	12	32
Wyoming	9.0	45	33.4	6	39
South Dakota	9.0%	46	29.7%	42	4
Alabama	8.5	47	28.8	48	- 1
Tennessee	8.1	48	29.4	45	3
New Hampshire	7.9	49	31.1	25	24
Alaska	6.5	50	28.1	50	0
Dist. of Columbia	13.0%	-	35.9%		

Table 15
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1996

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.1%	-	31.4%	-	-
New York	12.5%	1	33.9%	2	- 1
Maine	12.2	2	32.2	11	- 9
Wisconsin	11.9	3	33.1	5	- 2
Hawaii	11.8	4	31.1	20	- 16
Minnesota	11.5	5	33.0	6	- 1
Vermont	11.4%	6	32.6%	9	- 3
Washington	11.1	7	33.6	3	4
Connecticut	11.0	8	35.3	1	7
Rhode Island	10.7	9	31.5	14	- 5
Iowa	10.5	10	30.4	31	- 21
Nebraska	10.5%	11	30.4%	32	- 21
New Mexico	10.4	12	30.2	36	- 24
New Jersey	10.4	13	33.3	4	9
Ohio	10.3	14	30.7	28	- 14
Kentucky	10.3	15	30.2	37	- 22
Utah	10.3%	16	30.8%	22	- 6
Kansas	10.2	17	30.9	21	- 4
Idaho	10.2	18	30.3	33	- 15
Arizona	10.1	19	31.4	17	2
Massachusetts	10.0	20	32.4	10	10
Mississippi	10.0%	21	29.1%	44	- 23
California	10.0	22	31.4	18	4
Montana	10.0	23	30.2	35	- 12
Delaware	9.9	24	31.5	15	9
Michigan	9.9	25	31.5	16	9
Maryland	9.9%	26	31.2%	19	7
Pennsylvania	9.8	27	30.8	24	3
West Virginia	9.7	28	28.8	48	- 20
Georgia	9.7	29	30.6	29	0
Arkansas	9.7	30	29.7	40	- 10
Illinois	9.7%	31	31.7%	12	19
Indiana	9.7	32	30.6	30	2
Oregon	9.6	33	30.8	26	7
North Carolina	9.6	34	29.8	39	- 5
North Dakota	9.6	35	29.1	42	- 7
South Carolina	9.5%	36	29.6%	41	- 5
Texas	9.5	37	30.8	25	12
Missouri	9.4	38	30.1	38	0
Oklahoma	9.4	39	28.8	45	- 6
Nevada	9.3	40	32.7	8	32
Florida	9.3%	41	31.7%	13	28
Colorado	9.3	42	30.8	27	15
Virginia	9.2	43	30.3	34	9
Louisiana	9.2	44	28.8	46	- 2
South Dakota	8.8	45	28.6	49	- 4
Wyoming	8.8%	46	32.8%	7	39
Alabama	8.6	47	28.8	47	0
New Hampshire	8.2	48	30.8	23	25
Tennessee	8.2	49	29.1	43	6
Alaska	6.6	50	28.2	50	0
Dist. of Columbia	12.7%	-	35.0%		

Table 16
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1995

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.2%	-	31.0%	-	-
New York	12.9%	1	33.8%	2	- 1
Maine	12.1	2	31.9	8	- 6
Wisconsin	12.1	3	32.8	6	- 3
Hawaii	11.7	4	30.7	23	- 19
Minnesota	11.6	5	32.8	5	0
Washington	11.4%	6	33.3%	3	3
Vermont	11.4	7	31.8	10	- 3
Iowa	11.1	8	31.1	16	- 8
Connecticut	11.0	9	34.2	1	8
New Jersey	10.8	10	33.2	4	6
Nebraska	10.7%	11	31.0%	17	- 6
Rhode Island	10.7	12	31.2	14	- 2
Utah	10.5	13	30.9	19	- 6
Arizona	10.5	14	31.2	13	1
Kentucky	10.4	15	30.1	36	- 21
Kansas	10.3%	16	30.8%	21	- 5
Ohio	10.3	17	30.2	31	- 14
New Mexico	10.3	18	29.8	38	- 20
Idaho	10.1	19	30.1	35	- 16
Massachusetts	10.1	20	31.8	9	11
Mississippi	10.1%	21	29.2%	44	- 23
North Dakota	10.1	22	30.7	22	0
Montana	10.1	23	30.2	34	- 11
Maryland	10.0	24	30.8	20	4
California	10.0	25	30.6	24	1
Delaware	9.9%	26	31.0%	18	8
Georgia	9.9	27	30.6	26	1
Pennsylvania	9.9	28	30.6	25	3
Illinois	9.8	29	31.6	11	18
West Virginia	9.8	30	28.7	45	- 15
Oregon	9.7%	31	30.2%	33	- 2
North Carolina	9.6	32	29.6	41	- 9
South Carolina	9.6	33	29.5	42	- 9
Arkansas	9.6	34	29.4	43	- 9
Texas	9.6	35	30.4	28	7
Nevada	9.6%	36	32.5%	7	29
Missouri	9.5	37	29.8	40	- 3
South Dakota	9.5	38	29.8	39	- 1
Michigan	9.5	39	30.5	27	12
Indiana	9.5	40	30.2	32	8
Florida	9.4%	41	31.1%	15	26
Oklahoma	9.4	42	28.5	46	- 4
Colorado	9.4	43	30.3	29	14
Virginia	9.3	44	29.9	37	7
Louisiana	8.9	45	28.0	49	- 4
Wyoming	8.9%	46	31.5%	12	34
Alabama	8.6	47	28.5	47	0
New Hampshire	8.5	48	30.2	30	18
Tennessee	8.0	49	28.5	48	1
Alaska	6.7	50	27.9	50	0
Dist. of Columbia	12.5%	-	33.9%		

Table 17
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1994

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.2%	-	30.7%	-	-
New York	13.3%	1	33.8%	1	0
Wisconsin	12.0	2	32.3	5	-3
Maine	11.8	3	31.2	10	-7
Hawaii	11.7	4	30.6	18	-14
Vermont	11.6	5	31.7	8	-3
Minnesota	11.5%	6	32.1%	6	0
Washington	11.3	7	32.7	4	3
Iowa	11.2	8	30.6	17	-9
New Jersey	11.0	9	33.0	3	6
New Mexico	10.8	10	30.2	25	-15
Rhode Island	10.8%	11	31.2%	11	0
Connecticut	10.8	12	33.2	2	10
Arizona	10.7	13	30.8	15	-2
Nebraska	10.7	14	30.5	21	-7
Utah	10.5	15	30.4	23	-8
Idaho	10.2%	16	29.9%	33	-17
Kansas	10.2	17	30.2	26	-9
Oregon	10.2	18	30.5	20	-2
Kentucky	10.2	19	29.4	37	-18
Montana	10.1	20	30.1	29	-9
Maryland	10.1%	21	30.5%	19	2
Ohio	10.1	22	29.6	35	-13
Massachusetts	10.1	23	31.1	13	10
Michigan	10.0	24	30.6	16	8
Georgia	9.9	25	30.1	30	-5
Pennsylvania	9.9%	26	30.2%	27	-1
California	9.9	27	30.0	32	-5
Illinois	9.8	28	31.3	9	19
Mississippi	9.8	29	28.5	44	-15
North Carolina	9.8	30	29.5	36	-6
Texas	9.7%	31	30.2%	24	7
West Virginia	9.7	32	28.3	46	-14
Delaware	9.6	33	30.1	31	2
Florida	9.6	34	30.9	14	20
South Carolina	9.6	35	28.9	41	-6
North Dakota	9.6%	36	29.3%	39	-3
Colorado	9.6	37	30.4	22	15
Indiana	9.5	38	29.8	34	4
Nevada	9.5	39	32.0	7	32
Arkansas	9.3	40	28.8	43	-3
Oklahoma	9.3%	41	28.2%	47	-6
Virginia	9.3	42	29.4	38	4
South Dakota	9.2	43	28.8	42	1
Missouri	9.2	44	29.1	40	4
Wyoming	9.2	45	31.1	12	33
New Hampshire	8.9%	46	30.1%	28	18
Louisiana	8.7	47	27.4	50	-3
Alabama	8.5	48	28.0	48	0
Tennessee	8.2	49	28.4	45	4
Alaska	6.6	50	27.6	49	1
Dist. of Columbia	12.5%	-	33.3%		

Table 18
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1993

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.3%	-	30.2%	-	-
New York	13.3%	1	33.5%	1	0
Wisconsin	12.0	2	32.0	6	-4
Vermont	11.9	3	31.9	7	-4
Maine	11.9	4	30.7	13	-9
Hawaii	11.8	5	30.5	19	-14
Minnesota	11.7%	6	32.2%	5	1
Iowa	11.5	7	31.2	9	-2
New Mexico	11.3	8	30.3	20	-12
Washington	11.1	9	32.2	4	5
Arizona	11.0	10	30.7	15	-5
New Jersey	11.0%	11	32.4%	3	8
Rhode Island	10.6	12	30.6	16	-4
Nebraska	10.6	13	30.1	23	-10
Michigan	10.6	14	30.7	12	2
Connecticut	10.6	15	32.5	2	13
Utah	10.5%	16	29.7%	28	-12
Oregon	10.5	17	30.5	18	-1
Idaho	10.3	18	29.4	33	-15
Maryland	10.2	19	30.2	21	-2
Kansas	10.1	20	29.9	25	-5
Massachusetts	10.0%	21	30.5%	17	4
Georgia	10.0	22	29.8	27	-5
Kentucky	9.9	23	28.7	40	-17
Mississippi	9.8	24	28.2	45	-21
Texas	9.8	25	29.9	24	1
California	9.8%	26	29.5%	31	-5
Illinois	9.8	27	30.7	14	13
Pennsylvania	9.8	28	29.6	29	-1
Ohio	9.8	29	29.0	36	-7
North Carolina	9.8	30	28.9	38	-8
Montana	9.7%	31	28.9%	39	-8
South Carolina	9.7	32	28.5	41	-9
West Virginia	9.6	33	27.9	46	-13
Colorado	9.6	34	29.9	26	8
Florida	9.5	35	30.2	22	13
North Dakota	9.5%	36	29.5%	30	6
New Hampshire	9.5	37	30.8	10	27
Indiana	9.5	38	29.3	34	4
Nevada	9.5	39	31.9	8	31
Delaware	9.4	40	29.4	32	8
Arkansas	9.3%	41	28.3%	43	-2
Wyoming	9.2	42	30.7	11	31
Oklahoma	9.2	43	27.6	48	-5
Virginia	9.2	44	29.0	35	9
South Dakota	9.2	45	28.9	37	8
Louisiana	8.8%	46	27.2%	49	-3
Missouri	8.8	47	28.3	42	5
Alabama	8.5	48	27.7	47	1
Tennessee	8.5	49	28.2	44	5
Alaska	6.7	50	27.1	50	0
Dist. of Columbia	13.0%	-	33.3%		

Table 19
Effective State/Local Tax Burdens by State and Rank
Calendar Year 1992

	State and Local		Total		Difference Between Total and State/Local Rank
	Tax Burden	Rank	Tax Burden	Rank	
United States	10.2%	-	29.9%	-	-
New York	13.2%	1	32.9%	1	0
Hawaii	11.8	2	30.7	10	- 8
Maine	11.8	3	30.3	15	- 12
Vermont	11.8	4	31.4	7	- 3
Wisconsin	11.8	5	31.5	5	0
Minnesota	11.5%	6	31.4%	6	0
Arizona	11.2	7	30.4	14	- 7
Iowa	10.9	8	30.0	21	- 13
Washington	10.9	9	32.0	4	5
New Jersey	10.9	10	32.1	2	8
New Mexico	10.7%	11	29.5%	27	- 16
Oregon	10.7	12	30.6	11	1
Rhode Island	10.7	13	30.6	13	0
Utah	10.5	14	29.5	26	- 12
Connecticut	10.5	15	32.0	3	12
Idaho	10.5%	16	29.7%	25	- 9
Nebraska	10.3	17	29.4	30	- 13
Michigan	10.3	18	30.2	16	2
California	10.0	19	29.4	29	- 10
Massachusetts	10.0	20	30.0	19	1
Maryland	10.0%	21	29.8%	22	- 1
New Hampshire	9.9	22	30.6	12	10
Pennsylvania	9.8	23	29.3	31	- 8
Texas	9.8	24	29.8	24	0
Georgia	9.8	25	29.3	32	- 7
Kentucky	9.8%	26	28.3%	38	- 12
Kansas	9.7	27	29.4	28	- 1
Montana	9.7	28	29.1	33	- 5
Colorado	9.7	29	29.8	23	6
Illinois	9.7	30	30.0	18	12
Ohio	9.6%	31	28.6%	37	- 6
North Carolina	9.6	32	28.7	36	- 4
Delaware	9.6	33	30.2	17	16
South Carolina	9.6	34	28.2	39	- 5
West Virginia	9.5	35	27.8	45	- 10
Florida	9.5%	36	30.0%	20	16
Wyoming	9.5	37	30.7	9	28
Indiana	9.4	38	29.0	34	4
Mississippi	9.4	39	27.5	47	- 8
Arkansas	9.3	40	27.9	44	- 4
Virginia	9.2%	41	28.9%	35	6
Nevada	9.2	42	30.8	8	34
Louisiana	9.0	43	27.3	50	- 7
Oklahoma	9.0	44	27.4	48	- 4
North Dakota	9.0	45	28.1	41	4
South Dakota	8.9%	46	28.2%	40	6
Missouri	8.7	47	28.1	42	5
Tennessee	8.5	48	27.9	43	5
Alabama	8.5	49	27.4	49	0
Alaska	6.9	50	27.7	46	4
Dist. of Columbia	13.4%	-	33.0%		

Source: Tax Foundation



SPECIAL REPORT
(ISSN 1068-0306) is published at least 6 times yearly by the Tax Foundation, an independent 501(c)(3) organization chartered in the District of Columbia.

4-20 pp.
Annual subscription: \$50
Individual issues: \$10

The Tax Foundation, a non-profit, nonpartisan research and public education organization, has monitored tax and fiscal activities at all levels of government since 1937.

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