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State Individual Income Tax Rates and Brackets for 2018

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Key Findings:

- Individual income taxes are a major source of state government revenue, accounting for 37 percent of state tax collections.
- Forty-three states levy individual income taxes. Forty-one tax wage and salary income, while two states—New Hampshire and Tennessee—exclusively tax dividend and interest income. Seven states levy no income tax at all.
- Of those states taxing wages, eight have single-rate tax structures, with one rate applying to all taxable income. Conversely, 33 states levy graduated-rate income taxes, with the number of brackets varying widely by state. Hawaii now has 12 brackets, the most in the country.
- States' approaches to income taxes vary in other details as well. Some states double their single-bracket widths for married filers to avoid the “marriage penalty.” Some states index tax brackets, exemptions, and deductions for inflation; many others do not. Some states tie their standard deductions and personal exemptions to the federal tax code, while others set their own or offer none at all.

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Individual income taxes are a major source of state government revenue, accounting for 37 percent of state tax collections.¹ Their prominence in public policy considerations is further enhanced by the fact that individuals are actively responsible for filing their income taxes, in contrast to the indirect payment of sales and excise taxes.

Forty-three states levy individual income taxes. Forty-one tax wage and salary income, while two states—New Hampshire and Tennessee—exclusively tax dividend and interest. Seven states levy no income tax at all. Tennessee is currently phasing out its Hall Tax (income tax applied only to dividends and interest income) and is scheduled to repeal its income tax entirely by 2022.²

Of those states taxing wages, eight have single-rate tax structures, with one rate applying to all taxable income. Conversely, 33 states levy graduated-rate income taxes, with the number of brackets varying widely by state. Kansas, for example, imposes a two-bracket income tax system. At the other end of the spectrum, two states—California and Missouri—each have 10 tax brackets. Hawaii has 12 brackets. Top marginal rates range from North Dakota's 2.9 percent to California's 13.3 percent.

In some states, a large number of brackets are clustered within a narrow income band; Georgia's taxpayers reach the state's sixth and highest bracket at \$7,000 in annual income. In other states, the top marginal rate kicks in at \$500,000 (New Jersey) or even \$1 million (California, when the state's "millionaire's tax" surcharge is included).

States' approaches to income taxes vary in other details as well. Some states double their single-bracket widths for married filers to avoid the "marriage penalty." Some states index tax brackets, exemptions, and deductions for inflation; many others do not. Some states tie their standard deductions and personal exemptions to the federal tax code, while others set their own or offer none at all. In the following table, we provide the most up-to-date data available on state individual income tax rates, brackets, standard deductions, and personal exemptions for both single and joint filers.

Following the 2017 federal tax reform, it remains to be seen if states that are coupled to the federal standard deduction and personal exemption will maintain that conformity or rather retain their previous deductions and exemptions amounts. The federal bill increased the standard deduction to \$12,000 for single filers, but eliminated the personal exemption.³

1 U.S. Census Bureau, "State & Local Government Finance, Fiscal Year 2015." <http://www.census.gov/govs/local/>.

2 Tennessee Department of Revenue, "Hall Income Tax Notice," July 2016. <https://www.tn.gov/content/dam/tn/revenue/documents/notices/income/16-05Hall.pdf>.

3 Jared Walczak, "Tax Reform Moves to the States: State Revenue Implications and Reform Opportunities Following Federal Tax Reform," Tax Foundation, January 31, 2018. <https://taxfoundation.org/state-conformity-federal-tax-reform/>.

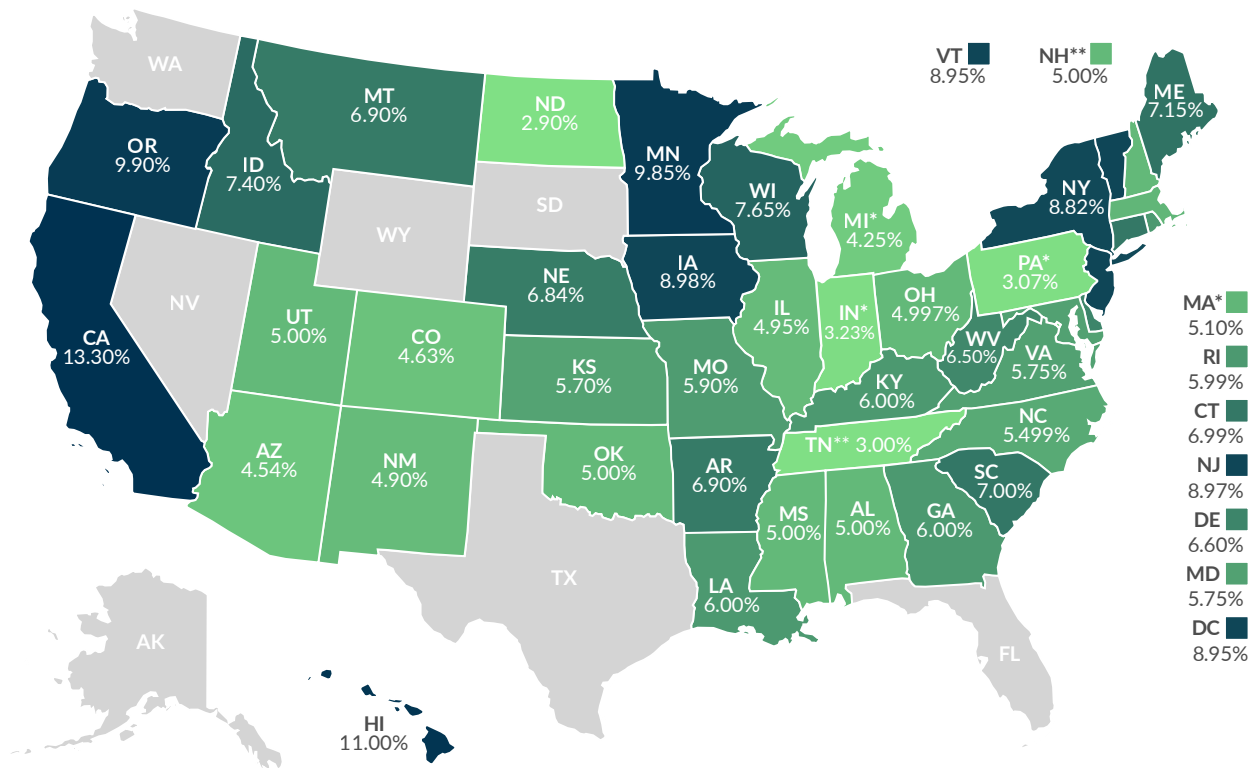
Notable Individual Income Tax Changes in 2018

Several states changed key features of their individual income tax codes between 2017 and 2018, such as:

- Hawaii has reinstated its formerly temporary individual income tax brackets, ranging from 8.25 to 11 percent.⁴
- Mississippi began phasing out its 3 percent individual income tax bracket by exempting the first \$1,000 in income. The bracket will be fully phased out by 2022.⁵
- Maine repealed the 3 percent income tax surcharge on earnings over \$200,000 approved by voters in November 2016.⁶

How High Are Income Tax Rates in Your State?

Top State Marginal Individual Income Tax Rates, 2018



State Individual Income Tax Rates and Brackets for 2018

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Ala.	2.00%	> \$0	2.00%	> \$0	\$2,500	\$7,500	\$1,500	\$3,000	\$1,000
(b, f, gg)	4.00%	> \$500	4.00%	> \$1,000					
	5.00%	> \$3,000	5.00%	> \$6,000					
Alaska	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
Ariz.	2.59%	> \$0	2.59%	> \$0	\$5,183	\$10,336	\$2,200	\$4,400	\$2,300
(a, e)	2.88%	> \$10,346	2.88%	> \$20,690					
	3.36%	> \$25,861	3.36%	> \$51,721					
	4.24%	> \$51,721	4.24%	> \$103,440					
	4.54%	> \$155,159	4.54%	> \$310,317					
Ark.	0.90%	> \$0	0.90%	> \$0	\$2,200	\$4,400	\$26	\$52	\$26
(a, d, e, bb)	2.50%	> \$4,299	2.50%	> \$4,299					
	3.50%	> \$8,499	3.50%	> \$8,499					
	4.50%	> \$12,699	4.50%	> \$12,699					
	6.00%	> \$21,199	6.00%	> \$21,199					
	6.90%	> \$35,099	6.90%	> \$35,099					
Calif.	1.00%	> \$0	1.00%	> \$0	\$4,236	\$8,472	\$114	\$228	\$353
(a, e, r, s ff, hh)	2.00%	> \$8,223	2.00%	> \$16,446					
	3.00%	> \$19,495	4.00%	> \$38,990					
	4.00%	> \$30,769	6.00%	> \$61,538					
	8.00%	> \$42,711	8.00%	> \$85,422					
	9.30%	> \$53,980	9.30%	> \$107,960					
	10.30%	> \$275,738	10.30%	> \$551,476					
	11.30%	> \$330,884	11.30%	> \$661,768					
	12.30%	> \$551,473	12.30%	> \$1,000,000					
	13.30%	> \$1,000,000	13.30%	> \$1,074,996					
Colo.	4.63% of federal taxable income		4.63% of federal taxable income		n.a.	n.a.	n.a.	n.a.	n.a.
Conn.	3.00%	> \$0	3.00%	> \$0	n.a.	n.a.	\$15,000	\$24,000	\$0
(t, u)	5.00%	> \$10,000	5.00%	> \$20,000					
	5.50%	> \$50,000	5.50%	> \$100,000					
	6.00%	> \$100,000	6.00%	> \$200,000					
	6.50%	> \$200,000	6.50%	> \$400,000					
	6.90%	> \$250,000	6.90%	> \$500,000					
	6.99%	> \$500,000	6.99%	> \$1,000,000					
Del.	2.20%	> \$2,000	2.20%	> \$2,000	\$3,250	\$6,500	\$110	\$220	\$110
(f, r, v, gg, hh)	3.90%	> \$5,000	3.90%	> \$5,000					
	4.80%	> \$10,000	4.80%	> \$10,000					
	5.20%	> \$20,000	5.20%	> \$20,000					
	5.55%	> \$25,000	5.55%	> \$25,000					
	6.60%	> \$60,000	6.60%	> \$60,000					

State Individual Income Tax Rates and Brackets for 2018, *Continued*

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Fla.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
Ga.	1.00%	> \$0	1.00%	> \$0	\$4,600	\$6,000	\$2,700	\$7,400	\$3,000
	2.00%	> \$750	2.00%	> \$1,000					
	3.00%	> \$2,250	3.00%	> \$3,000					
	4.00%	> \$3,750	4.00%	> \$5,000					
	5.00%	> \$5,250	5.00%	> \$7,000					
	6.00%	> \$7,000	6.00%	> \$10,000					
Hawaii	1.40%	> \$0	1.40%	> \$0	\$2,200	\$4,400	\$1,144	\$2,288	\$1,144
(w, hh)	3.20%	> \$2,400	3.20%	> \$4,800					
	5.50%	> \$4,800	5.50%	> \$9,600					
	6.40%	> \$9,600	6.40%	> \$19,200					
	6.80%	> \$14,400	6.80%	> \$28,800					
	7.20%	> \$19,200	7.20%	> \$38,400					
	7.60%	> \$24,000	7.60%	> \$48,000					
	7.90%	> \$36,000	7.90%	> \$72,000					
	8.25%	> \$48,000	8.25%	> \$96,000					
	9.00%	> \$150,000	9.00%	> \$300,000					
	10.00%	> \$175,000	10.00%	> \$350,000					
	11.00%	> \$200,000	11.00%	> \$400,000					
Idaho	1.60%	> \$0	1.60%	> \$0	\$6,350	\$12,700	n.a.	n.a.	n.a.
(a, e, p)	3.60%	> \$1,472	3.60%	> \$2,944					
	4.10%	> \$2,945	4.10%	> \$5,890					
	5.10%	> \$4,417	5.10%	> \$8,834					
	6.10%	> \$5,890	6.10%	> \$11,780					
	7.10%	> \$7,362	7.10%	> \$14,724					
	7.40%	> \$11,043	7.40%	> \$22,086					
Ill. (dd, hh)	4.95% of federal taxable income		4.95% of federal taxable income		n.a.	n.a.	\$2,000	\$4,000	\$2,000
Ind. (x, gg, hh)	3.23% of federal taxable income		3.23% of federal taxable income		n.a.	n.a.	\$1,000	\$2,000	\$1,500
Iowa	0.36%	> \$0	0.36%	> \$0	\$2,030	\$5,000	\$40	\$80	\$40
(f, r, gg)	0.72%	> \$1,598	0.72%	> \$1,598					
	2.43%	> \$3,196	2.43%	> \$3,196					
	4.50%	> \$6,392	4.50%	> \$6,392					
	6.12%	> \$14,382	6.12%	> \$14,382					
	6.48%	> \$23,970	6.48%	> \$23,970					
	6.80%	> \$31,960	6.80%	> \$31,960					
	7.92%	> \$47,940	7.92%	> \$47,940					
	8.98%	> \$71,910	8.98%	> \$71,910					
Kans. (hh)	3.10%	> \$2,500	3.10%	> \$5,000	\$3,000	\$7,500	\$2,250	\$4,500	\$2,250
	5.25%	> \$15,000	5.25%	> \$30,000					
	5.70%	> \$30,000	5.70%	> \$60,000					

State Individual Income Tax Rates and Brackets for 2018, *Continued*

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Ky. (r, gg)	2.00%	> \$0	2.00%	> \$0	\$2,480	\$2,480	\$10	\$20	\$10
	3.00%	> \$3,000	3.00%	> \$3,000					
	4.00%	> \$4,000	4.00%	> \$4,000					
	5.00%	> \$5,000	5.00%	> \$5,000					
	5.80%	> \$8,000	5.80%	> \$8,000					
	6.00%	> \$75,000	6.00%	> \$75,000					
La. (f, n)	2.00%	> \$0	2.00%	> \$0	n.a.	n.a.	\$4,500	\$9,000	\$1,000
	4.00%	> \$12,500	4.00%	> \$25,000					
	6.00%	> \$50,000	6.00%	> \$100,000					
Maine (e, p)	5.80%	> \$0	5.80%	> \$0	\$11,800	\$23,600	n.a.	n.a.	n.a.
	6.75%	> \$21,450	6.75%	> \$42,900					
	7.15%	> \$50,750	7.15%	> \$101,550					
Md. (o, y, gg, hh)	2.00%	> \$0	2.00%	> \$0	\$2,000	\$4,000	\$3,200	\$6,400	\$3,200
	3.00%	> \$1,000	3.00%	> \$1,000					
	4.00%	> \$2,000	4.00%	> \$2,000					
	4.75%	> \$3,000	4.75%	> \$3,000					
	5.00%	> \$100,000	5.00%	> \$150,000					
	5.25%	> \$125,000	5.25%	> \$175,000					
	5.50%	> \$150,000	5.50%	> \$225,000					
5.75%	> \$250,000	5.75%	> \$300,000						
Mass.	5.10%	> \$0	5.10%	> \$0	n.a.	n.a.	\$4,400	\$8,800	\$1,000
Mich.	4.25% of federal AGI with modification		4.25% of federal AGI with modification		n.a.	n.a.	\$4,000	\$4,000	n.a.
Minn.	5.35%	> \$0	5.35%	> \$0	n.a.	n.a.	n.a.	n.a.	n.a.
	7.05%	> \$25,890	7.05%	> \$37,850					
	7.85%	> \$85,060	7.85%	> \$150,380					
	9.85%	> \$160,020	9.85%	> \$266,700					
Miss.	3.00%	> \$1,000	3.00%	> \$1,000	\$2,300	\$4,600	\$6,000	\$12,000	\$1,500
	4.00%	> \$5,000	4.00%	> \$5,000					
	5.00%	> \$10,000	5.00%	> \$10,000					
Mo. (a, e, p, gg, hh)	1.50%	> \$100	1.50%	> \$100	\$12,000	\$24,000	\$2,100	\$4,200	\$1,200
	2.00%	> \$1,008	2.00%	> \$1,008					
	2.50%	> \$2,016	2.50%	> \$2,016					
	3.00%	> \$3,024	3.00%	> \$3,024					
	3.50%	> \$4,032	3.50%	> \$4,032					
	4.00%	> \$5,040	4.00%	> \$5,040					
	4.50%	> \$6,048	4.50%	> \$6,048					
	5.00%	> \$7,056	5.00%	> \$7,056					
	5.50%	> \$8,064	5.50%	> \$8,064					
5.90%	> \$9,072	5.90%	> \$9,072						

State Individual Income Tax Rates and Brackets for 2018, Continued

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Mont. (e, f, q)	1.00%	> \$0	1.00%	> \$0	\$4,580	\$9,160	\$2,440	\$4,880	\$2,440
	2.00%	> \$3,000	2.00%	> \$3,000					
	3.00%	> \$5,200	3.00%	> \$5,200					
	4.00%	> \$8,000	4.00%	> \$8,000					
	5.00%	> \$10,800	5.00%	> \$10,800					
	6.00%	> \$13,900	6.00%	> \$13,900					
	6.90%	> \$17,900	6.90%	> \$17,900					
Nebr. (r, bb, hh)	2.46%	> \$0	2.46%	> \$0	\$6,500	\$13,000	\$134	\$268	\$134
	3.51%	> \$3,150	3.51%	> \$6,290					
	5.01%	> \$18,880	5.01%	> \$37,760					
	6.84%	> \$30,420	6.84%	> \$60,480					
Nev.		none		none	n.a.	n.a.	n.a.	n.a.	n.a.
N.H. (c)	5.00%	> \$0	5.00%	> \$0	n.a.	n.a.	\$2,400	\$4,800	n.a.
N.J. (gg)	1.40%	> \$0	1.40%	> \$0	n.a.	n.a.	\$1,000	\$2,000	\$1,500
	1.75%	> \$20,000	1.75%	> \$20,000					
	3.50%	> \$35,000	2.45%	> \$50,000					
	5.525%	> \$40,000	3.50%	> \$70,000					
	6.37%	> \$75,000	5.525%	> \$80,000					
	8.97%	> \$500,000	6.37%	> \$150,000					
			8.97%	> \$500,000					
N.M. (i)	1.70%	> \$0	1.70%	> \$0	\$12,000	\$24,000	\$4,050	\$8,100	\$4,050
	3.20%	> \$5,500	3.20%	> \$8,000					
	4.70%	> \$11,000	4.70%	> \$16,000					
	4.90%	> \$16,000	4.90%	> \$24,000					
N.Y. (bb, gg, hh)	4.00%	> \$0	4.00%	> \$0	\$8,000	\$16,050	n.a.	n.a.	n.a.
	4.50%	> \$8,500	4.50%	> \$17,150					
	5.25%	> \$11,700	5.25%	> \$23,600					
	5.90%	> \$13,900	5.90%	> \$27,900					
	6.33%	> \$21,400	6.33%	> \$43,000					
	6.57%	> \$80,650	6.57%	> \$161,550					
	6.85%	> \$215,400	6.85%	> \$323,200					
	8.82%	> \$1,077,550	8.82%	> \$2,155,350					
N.C.	5.499%	> \$0	5.499%	> \$0	\$8,750	\$17,500	n.a.	n.a.	n.a.
N.D. (a, e, p, z)	1.10%	> \$0	1.10%	> \$0	n.a.	n.a.	n.a.	n.a.	n.a.
	2.04%	> \$38,700	2.04%	> \$64,650					
	2.27%	> \$93,700	2.27%	> \$156,150					
	2.64%	> \$195,450	2.64%	> \$237,950					
	2.90%	> \$424,950	2.90%	> \$424,950					

State Individual Income Tax Rates and Brackets for 2018, *Continued*

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Ohio	1.980%	> \$10,650	1.980%	> \$10,650	n.a.	n.a.	\$2,250	\$4,500	\$2,250
(a, e, g, gg)	2.746%	> \$16,000	2.746%	> \$16,000					
	2.969%	> \$21,350	2.969%	> \$21,350					
	3.465%	> \$42,650	3.465%	> \$42,650					
	3.960%	> \$85,300	3.960%	> \$85,300					
	4.597%	> \$106,650	4.597%	> \$106,650					
	4.997%	> \$213,350	4.997%	> \$213,350					
Okla.	0.50%	> \$0	0.50%	> \$0	\$6,350	\$12,700	\$1,000	\$2,000	\$1,000
(h, hh)	1.00%	> \$1,000	1.00%	> \$2,000					
	2.00%	> \$2,500	2.00%	> \$5,000					
	3.00%	> \$3,750	3.00%	> \$7,500					
	4.00%	> \$4,900	4.00%	> \$9,800					
	5.00%	> \$7,200	5.00%	> \$12,200					
Ore.	5.00%	> \$0	5.00%	> \$0	\$2,175	\$4,350	\$90	\$180	\$90
(a, e, f, aa, gg, hh)	7.00%	> \$3,450	7.00%	> \$6,900					
	9.00%	> \$8,700	9.00%	> \$17,400					
	9.90%	> \$125,000	9.90%	> \$250,000					
Pa. (gg)	3.07%	> \$0	3.07%	> \$0	n.a.	n.a.	n.a.	n.a.	n.a.
R.I.	3.75%	> \$0	3.75%	> \$0	\$8,525	\$17,050	\$4,000	\$8,000	\$4,000
(k)	4.75%	> \$62,550	4.75%	> \$62,550					
	5.99%	> \$149,150	5.99%	> \$149,150					
S.C.	3.00%	> \$2,970	0.00%	> \$2,970	\$12,000	\$24,000	n.a.	n.a.	n.a.
(e, p)	4.00%	> \$5,940	3.00%	> \$5,940					
	5.00%	> \$8,910	4.00%	> \$8,910					
	6.00%	> \$11,880	5.00%	> \$11,880					
	7.00%	> \$14,860	6.00%	> \$14,860					
S.D.		none		none	n.a.	n.a.	n.a.	n.a.	n.a.
Tenn. (c)	3.00%	> \$0	3.00%	> \$0	n.a.	n.a.	\$1,250	\$2,500	n.a.
Tex.		none		none	n.a.	n.a.	n.a.	n.a.	n.a.
Utah	5.00%	> \$0	5.00%	> \$0	(l)	(l)	n.a.	n.a.	n.a.
Vt.	3.55%	> \$0	3.55%	> \$0	\$12,000	\$24,000	n.a.	n.a.	n.a.
(a, e, p, ee)	6.80%	> \$37,900	6.80%	> \$63,300					
	7.80%	> \$91,850	7.80%	> \$153,100					
	8.80%	> \$191,650	8.80%	> \$233,300					
	8.95%	> \$416,650	8.95%	> \$416,650					

State Individual Income Tax Rates and Brackets for 2018, *Continued*

State	Single Filer		Married Filing Jointly		Standard Deduction		Personal Exemption		
	Rates	Brackets	Rates	Brackets	Single	Couple	Single	Couple	Dependent
Va. (hh)	2.00%	> \$0	2.00%	> \$0	\$3,000	\$6,000	\$930	\$1,860	\$930
	3.00%	> \$3,000	3.00%	> \$3,000					
	5.00%	> \$5,000	5.00%	> \$5,000					
	5.75%	> \$17,000	5.75%	> \$17,000					
Wash.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
W.Va. (hh)	3.00%	> \$0	3.00%	> \$0	n.a.	n.a.	\$2,000	\$4,000	\$2,000
	4.00%	> \$10,000	4.00%	> \$10,000					
	4.50%	> \$25,000	4.50%	> \$25,000					
	6.00%	> \$40,000	6.00%	> \$40,000					
	6.50%	> \$60,000	6.50%	> \$60,000					
Wis. (a, e, m, hh)	4.00%	> \$0	4.00%	> \$0	\$10,380	\$19,210	\$700	\$1,400	\$700
	5.84%	> \$11,230	5.84%	> \$14,980					
	6.27%	> \$22,470	6.27%	> \$29,960					
	7.65%	> \$247,350	7.65%	> \$329,810					
Wyo.	none		none		n.a.	n.a.	n.a.	n.a.	n.a.
D.C. (j, p)	4.00%	> \$0	4.00%	> \$0	\$12,000	\$24,000	n.a.	n.a.	n.a.
	6.00%	> \$10,000	6.00%	> \$10,000					
	6.50%	> \$40,000	6.50%	> \$40,000					
	8.50%	> \$60,000	8.50%	> \$60,000					
	8.75%	> \$350,000	8.75%	> \$350,000					
	8.95%	> \$1,000,000	8.95%	> \$1,000,000					

- (a) Bracket widths, personal exemption, and standard deductions amounts are 2017 tax information.
- (b) For single taxpayers with AGI below \$20,500, the standard deduction is \$2,500. This standard deduction amount is reduced by \$25 for every additional \$500 of AGI, not to fall below \$2,000. For Married Filing Joint taxpayers with AGI below \$20,500, the standard deduction is \$7,500. This standard deduction amount is reduced by \$175 for every additional \$500, not to fall below \$4,000. For all taxpayers claiming a dependent with AGI below \$20,000, the dependent exemption is \$1,000. This amount is reduced to \$500 per dependent for taxpayers with AGI above \$20,000 and below \$100,000. For taxpayers with over \$100,000 AGI, the dependent exemption is \$300 per dependent.
- (c) Applies to interest and dividend income only.
- (d) Rates apply to individuals earning more than \$75,000. Two special tax tables exist for low and middle income individuals. One for individuals below \$21,000 in income, and one for those between \$21,000 and \$75,000.
- (e) Bracket levels adjusted for inflation each year. Release dates for tax bracket inflation adjustments vary by state and may fall after the end of the applicable tax year.
- (f) These states allow some or all of federal income tax paid to be deducted from state taxable income.
- (g) Ohio's personal and dependent exemptions are \$2,250 for an AGI of \$40,000 or less, \$2,000 if AGI is between \$40,001 and \$79,999, and \$1,750 if AGI is \$80,000 or above.
- (h) The top rate is 5.0 percent or 4.85 percent, to be determined by the State Board of Equalization.
- (i) Tied to federal tax system, plus an additional \$2,500 if federal AGI is equal to or less than \$36,667 (single) or \$55,000 (married filing jointly).
- (j) Exemptions are phased out by 2 percent for every \$2,500 in income above \$150,000.
- (k) The phase-out range for the personal exemption and deduction is \$193,600 - \$215,800. The exemptions and deductions are completely phased-out at an modified Federal of AGI of \$215,800.
- (l) The standard deduction is taken in the form of a nonrefundable credit of 6 percent of the federal standard or itemized deduction amount, excluding the deduction for state or local income tax. This credit phases out at 1.3 cents per dollar above \$13,867 of AGI (\$27,734 for married couples).
- (m) The standard deduction phases out by 12 percent at \$14,960 for single filers and 19.778 percent at \$21,590 for married filing jointly. The standard deduction phases out to zero at \$101,460 for single filers, \$118,718 for joint filers.
- (n) Standard deduction and personal exemptions are combined: \$4,500 for single and married filing separately; \$9,000 married filing jointly and head of household.
- (o) The standard deduction is 15 percent of income with a minimum of \$1,500 and a cap of \$2,000 for single filers, married filing separately filers and dependent filers earning more than \$13,333. The standard deduction is a minimum of \$3,000 and capped at \$4,000 for married filing jointly filers, head of households filers and qualifying widowers earning more than \$26,667.
- (p) Deduction or exemption tied to federal tax system. Federal deductions and exemptions are indexed for inflation.

- (q) Montana filers' standard deduction is 20 percent of AGI. For single taxpayers, the deduction must be between \$2,000 and \$4,510. For married taxpayers, the deduction must be between \$4,000 and \$9,020.
- (r) Standard deduction or personal exemption is structured as a tax credit.
- (s) Exemption credits phase out for single taxpayers by \$6 for each \$2,500 of AGI above \$178,706 and for MFJ by \$12 for each \$2,500 of AGI above \$357,417. The credit cannot be reduced to below zero.
- (t) Connecticut has a complex set of phase-out provisions. For each single taxpayer whose Connecticut AGI exceeds \$56,500, the amount of the taxpayer's Connecticut taxable income to which the 3 percent tax rate applies shall be reduced by \$1,000 for each \$5,000, or fraction thereof, by which the taxpayer's Connecticut AGI exceeds said amount. Any such amount will have a tax rate of 5 percent instead of 3 percent. Additionally, each single taxpayer whose Connecticut AGI exceeds \$200,000 shall pay an amount equal to \$90 for each \$5,000, or fraction thereof, by which the taxpayer's Connecticut AGI exceeds \$200,000, up to a maximum payment of \$3,150. For each MFJ taxpayer whose Connecticut AGI exceeds \$100,500, the amount of the taxpayer's Connecticut taxable income to which the 3 percent tax rate applies shall be reduced by \$2,000 for each \$5,000, or fraction thereof, by which the taxpayer's Connecticut AGI exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the 3 percent tax rate does not apply shall be an amount to which the 5 percent tax rate shall apply. For each MFJ taxpayer whose Connecticut AGI exceeds \$400,000 dollars shall pay, in addition to the amount above, an amount equal to \$180 for each \$10,000, or fraction thereof, by which the taxpayer's Connecticut AGI exceeds \$400,000, up to a maximum payment of \$6,300.
- (u) Connecticut taxpayers are also given a personal tax credit based upon certain income constraints, which completely phases out by \$1,000 for every \$1,000 of AGI over \$30,000.
- (v) In addition to the personal income tax rates, Delaware imposes a tax on lump-sum distributions.
- (w) Additionally, Hawaii allows any taxpayer, other than a corporation, acting as a business entity in more than one state who is required by this chapter to file a return may elect to report and pay a tax of .5 per cent of its annual gross sales (1) where the taxpayer's only activities in this State consist of sales; and (2) who does not own or rent real estate or tangible personal property; and (3) whose annual gross sales in or into this State during the tax year is not in excess of \$100,000. Haw. Rev. Stat. § 235-51 (2015).
- (x) \$1,000 is a base exemption. If dependents meet certain conditions, can take an additional \$1,500 exemption for each.
- (y) The exemption amount has the following phase out schedule: If AGI is above \$100,000 but below \$125,000, exemption is \$1,600; if AGI is above \$125,000 but below \$150,000, exemption is \$800; if AGI is above \$150,000, no exemption.
- (z) Federal taxable income is the starting point for North Dakota, so the federal standard deduction and exemptions are built-in.
- (aa) The personal exemption credit is not allowed if federal AGI exceeds \$100,000 for single filers or \$200,000 for MFJ.
- (bb) New York, Nebraska, and Arkansas have "tax benefit recapture," by which many high-income taxpayers pay their top tax rate on all income, not just on amounts above the benefit threshold.
- (dd) Beginning June 1, 2017, taxpayers cannot claim the personal exemption if their adjusted gross income exceeds \$250,000, or \$500,000 for those filing jointly.
- (ee) For taxpayers with federal AGI that exceeds \$150,000, the taxpayer will pay the greater of state income tax or 3 percent of federal AGI.
- (ff) Rates include the additional tax at the rate of 1 percent on taxable income in excess of \$1 million.
- (gg) Local income taxes are excluded. Fourteen states have county- or city-level income taxes; the average rate within each jurisdiction is: 0.5% in Alabama; 0.63% in Delaware; 1.56% in Indiana; 0.22% in Iowa; 2.08% in Kentucky; 2.89% in Maryland; 1.70% in Michigan; 0.5% in Missouri; 0.50% in New Jersey; 1.94% in New York; 2.5% in Ohio; 0.37% in Oregon; and 2.95% in Pennsylvania. Weighted local rates are from the Tax Foundation's 2018 State Business Tax Climate Index.
- (hh) State provides a state-defined personal exemption amount for each exemption available and/or deductible under the Internal Revenue Code. Under the new federal tax law, the personal exemption is set at \$0 until 2026, but not eliminated. Because it is still available, these state-defined personal exemptions could remain in effect, though uncertainty remains in some cases.

Source: Tax Foundation; state tax statutes, forms, and instructions; Bloomberg BNA.