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An Analysis of Policy Changes of State Individual Income Taxes Over Recent Years

Melissa Feddes
University of Kentucky, melissa.feddes@gmail.com

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By Melissa Feddes

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I. Executive Summary

Individual income taxes are a major source of revenue for state and local governments. However, each state implements their income taxes differently, and currently eight states have no individual income tax. Changes to tax policy can have a positive or negative effect on the state's revenue and modifications can either improve the progressivity of the tax or reduce it. While the level of progressivity does not necessarily affect the state's revenue intake, it can affect the tax burden different wealth classes have to bear.

This analysis provides an overview of how often each state implements changes to its income tax policies (if any) and focuses on six states to conduct a comparison of changes and structures. Based on this analysis, there are several items for states to consider when determining whether to implement a policy change:

- Modifications to tax policy may increase or decrease revenues in the short term, but over the long term will ultimately increase.
- Frequent changes to policy may slow the growth of revenue over time compared to if it stayed the same.
- Depending on the state's current policy structure, implementing changes, whether gradual or significant, can have different impacts on different socioeconomic classes.

When debating on whether to modify and/or restructure their tax policy, states should look at what other governments have done for examples of successful or failed policies.

Doing so also may help determine how effective a policy can be in both supporting the needs of the government and minimizing the strain on the taxpayers.

II. Introduction

Individual income taxes have long been a part of the tax system in the United States and are implemented by federal, state, and local governments. Every working individual is impacted by income taxes at the federal level, but not all states apply it at the state level. States that do implement an individual income tax have to balance the need for initiative-supporting funds while also minimizing the tax burden on their constituents.

Individual income tax policies vary on a state-by-state basis. Current state tax brackets vary from one flat tax to a progressive tax with eleven brackets. New Hampshire currently only taxes income from interest and dividends, while Washington only taxes income from capital gains. There are currently eight states that do not have any individual income tax, with additional states having recently introduced policies to join them in time.

There can be various reasons why a state's income tax rate changes over time. Some states have tax policies that incorporate the indexing of inflation into their salary base. States have implemented policies that have certain triggers for their changes, such as meeting or maintaining certain revenues and/or other budgetary requirements. Other situations that can influence policy changes include shifts in the state's legislature political alignment or changes in economic activity that may influence a desire to reduce (or increase) the tax burden on taxpayers.

III. Literature Review

Individual income tax revenue is a major source of income for state governments, amounting to over 40% of their revenues in 2020 (Vermeer, 2023). While there are some states that do not levy individual income taxes, most provide some level of taxation at varying rates. Income tax is considered the most progressive type of tax administered, but its progressivity is dependent on how well the tax policy is developed and implemented. While states have changed their income tax policies over the years, there is little in the way of analysis regarding these changes and their effect on state's revenues. Therefore, the literature utilized in this analysis will focus on criteria for good tax policy and things to consider when developing income tax policies, as well as other information pertaining to impacts of changes in income taxes.

In *Guiding Principles for Good Tax Policy,* the Association of International Certified Public Accountants (AICPA) outlines multiple criteria by which to evaluate tax policies. They are as follows:

- Equity and fairness
- Certainty
- Convenience of payment
- Effective tax administration
- Information security
- Simplicity
- Neutrality
- Economic growth and efficiency
- Transparency and visibility
- Minimum tax gap
- Accountability to taxpayers
- Appropriate government revenues

How well a state's individual income tax policies abide by these criteria will vary on a case-by-case basis. Other factors to consider are how current policies are structured and how subsequent changes may affect the individual. The Institute on Taxation and

Economic Policy (ITEP) outlines what constitutes as a fair (or unfair) income tax and what kind of effect different income tax policies can have both on state revenues and on the individual taxpayer.

These observations are also utilized in analysis provided by David Brunori in *State Tax Policy: A Primer* and by Joel Slemrod and Jon Bakija in *Taxing Ourselves: A Citizen's Guide to the Debate Over Taxes*. They discuss how different types of income tax policies can have different effects. A commonality among all these authors is the evaluation of fairness of a system. A truly progressive tax will inherently have higher income individuals paying more in taxes than lower income individuals. Data analysis will be used to determine how a state's progressivity has changed over time (if at all).

While many agree that a progressive tax is more equitable, there are those who argue that a flat tax is more beneficial in the long run. The simplicity of a flat tax can make it easier to forecast revenues as well as determine how a policy change to the tax rate may affect revenue (Walczak, 2022). It is also argued that a flat tax could eliminate loopholes, decrease tax avoidance, and encourage economic growth, as businesses may consider tax implications as a factor in determining where to establish their business (Morris, 1996).

Regular changes to tax policy can also have implications for long-term state budgeting. Nathan Seegert states that "changes states made to their tax portfolios are responsible for much of the recent increase in state government revenue instability" (Seegert, 2016). More recent tax changes may further emphasize Seegert's analysis. Richard Auxier and David Weiner of the Tax Policy Center observed that several states implemented income tax policy changes (mainly cuts) that could lead to potential issues if the current unprecedented revenue trends are not maintained (Auxier & Weiner, 2023).

Changes to a state's income tax policies can have a lasting impact on its financial position. It is important that states evaluate their tax policies to ensure they are not only fair but effective in maintaining revenue support so that the state is able to support the needs of its citizens. This paper analyzes how states income tax changes have affected their revenues over time and how states that have made no changes compared.

IV. Research Design

To understand how income tax policy changes have affected state's budgets, I utilized a descriptive research design with elements of exploratory research. Using publicly available data from the Tax Foundation, I conducted an analysis of changes to the state's income tax structure (if any) since 2015 and evaluated them for what kinds of changes were made and how those changes compare to what experts suggest income tax policy be structured. Data was also be sourced from the U.S. Census Bureau to evaluate the effect the changes had on the state's individual income tax revenues while also considering population trends over time. In this way, both a quantitative and qualitative analysis is used.

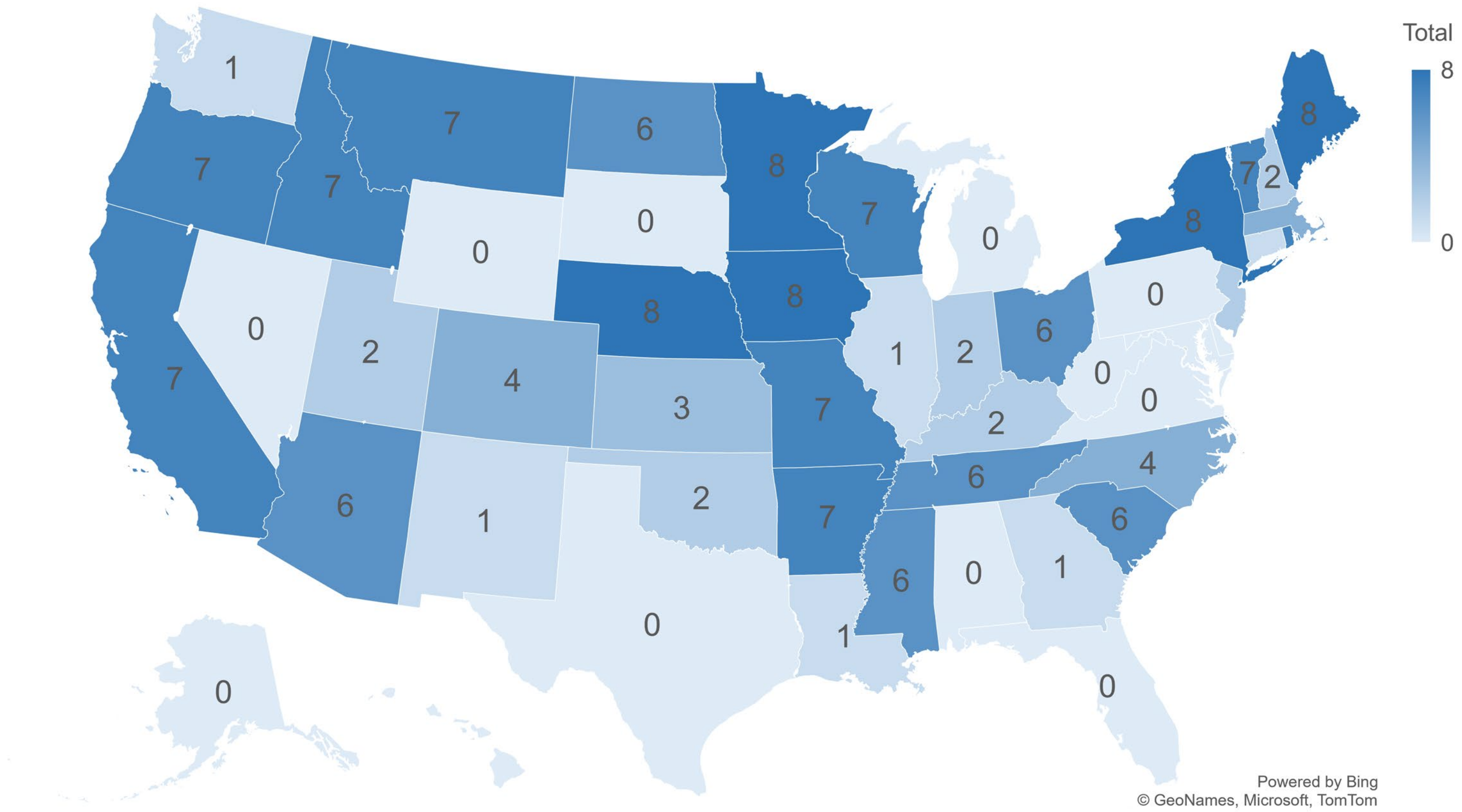
To maintain a level of neutrality, there were several assumptions made when it comes to analysis of tax progressivity. The first is that there is no one-size-fits-all when it comes to tax policy. A tax rate structure that works in one state may not work in another. Each state has different demographics when it comes to employment and the types of industries that are prevalent, which can impact the level of income tax that would be received for each government. Another assumption is that federal spending and policies in conjunction with economic fluctuations may influence a state's decision to adjust its income tax rates.

State politics also can play a major role in what types of tax policies are implemented and were considered in the initial state selection and resulting analysis. There were several states selected from each current political alignment to ensure that political bias is minimized. This included a review of each government branch, as the political majority varies in each state as well as noting what the political alignment was at the time of the policy change (see Appendix A). Both political parties have implemented tax changes, with states that eliminated brackets being primarily Republican-lead legislatures and states adding brackets have primarily been Democratic-lead.

There are several limitations to take into consideration in this analysis. Outside societal and economic influences (such as Covid-19) may have had a larger impact on state's revenues beyond the tax policy change. While income tax can be a major source of revenue for states, it is only one piece of the puzzle. States may also attempt to offset any income tax revenue decrease by increasing or adding other non-income taxes. Other limitations include the migration of workers from state to state that can cause a shift in revenues, as well as the usage of tax incentives. Finally, this analysis only focuses on single-filer income changes and does not account for changes to joint-filers.

V. Analysis and Findings

Figure 1.1 - Policy Changes from 2015 to 2023



An analysis of tax bracket changes since 2015 shows that 36 states had at least one change to their individual income tax bracket. Figure 1.1 shows how many years each state changed an aspect of their brackets, whether it was the percentage, income levels, added or eliminated brackets, or a combination of each (see Appendix B). Fourteen states had no changes whatsoever. Fifteen states made changes to their income levels and 30 made changes to their tax percentages. Seven states added additional tax brackets and 12 eliminated brackets.

The changes that states have made varied from merely indexing income levels with inflation to completely restructuring tax policy. Tennessee, for example, slowly decreased its single income tax until it was eliminated by 2021. States that had more than one tax bracket had a variety of different salary thresholds and percentages. Top income brackets varied anywhere from $3,000 in Alabama to $25 million in New York.

To gain an understanding of how different types of changes to tax policy can impact a state's revenue, I examined six states that had different areas of focus:

1) Oklahoma & Connecticut: Opposite policy changes
    a. Made relatively minor changes to their policies over the years.
    b. Took opposite actions – Oklahoma added a bracket, Connecticut eliminated a bracket.
    c. Oklahoma had a solidly Republican congress and Connecticut had a solidly Democratic congress.
2) Kentucky & Ohio: Similar types of policy changes, but different approaches
    a. Made significant changes to their brackets.
    b. Ohio gradually eliminated tax brackets over time while Kentucky reduced to one bracket in one fiscal year.
    c. Ohio maintained a solidly Republican congress while Kentucky had a mix, though in the year the changeoccurred, its congress was solidly Republican.
3) Pennsylvania & Maryland: Neutral
    a. Made no changes to their policies during the selected time period.
    b. Will serve as a comparison of a flat tax and a progressive tax with longevity.
    c. Pennsylvania had a Democratic governor and Republican house and senate up until 2023, while Maryland had a Republican governor and Democratic house and senate up until 2023.

1. Oklahoma & Connecticut

Part of the original 13 colonies, the state of Connecticut was officially established in 1788. However, it didn't first implement an individual income tax until 1991 (Connecticut Income Tax Rates and Brackets Since 1991 (CT Income), 2018). While it was initially a flat tax, over the years the state has added additional marginal tax rates to create a more progressive tax system. In its 2015 session, Connecticut passed a tax policy change as part of its biennial budget plan, House Bill (HB) 7061, to increase its current top bracket percentage as well as create a new top marginal tax rate, as shown in Figure 2.1.

Figure 2.1 – Connecticut Income Tax Policy Change

Prior to January 1, 2016				***Effective January 1, 2016***		
Rates		***Brackets***		***Rates***		***Brackets***
3.00%	>	$0		3.00%	>	$0
5.00%	>	$10,000		5.00%	>	$10,000
5.50%	>	$50,000		5.50%	>	$50,000
6.00%	>	$100,000		6.00%	>	$100,000
6.50%	>	$200,000		6.50%	>	$200,000
6.70%	>	$250,000		6.90%	>	$250,000
				6.99%	>	$500,000

Source: Fiscal Note for HB 7061

Oklahoma officially became a state in 1907 and began implementing a personal income tax in 1915 (*Individual Income Tax – Oklahoma Policy Institute* (IITOPI)). Prior to 2016, Oklahoma's tax had seven different marginal tax rates. During the 2014 legislative session, Oklahoma passed Senate Bill (SB) 1246, which created a trigger mechanism to reduce the highest tax rate from 5.25% to 5% beginning in 2016, as long as certain revenue criteria were met. Furthermore, another trigger was set to go into effect in 2018 if additional revenue criteria were met. However, the 2018 trigger did not go into effect due to an override by later legislative action. Figure 2.2 shows the change in tax policy that was implemented in 2016.

Figure 2.2 – Oklahoma Income Tax Policy Change

Prior to January 1, 2016			*Effective January 1, 2016*		
Rates		**Brackets**	**Rates**		**Brackets**
0.50%	>	$0	0.50%	>	$0
1.00%	>	$1,000	1.00%	>	$1,000
2.00%	>	$2,500	2.00%	>	$2,500
3.00%	>	$3,750	3.00%	>	$3,750
4.00%	>	$4,900	4.00%	>	$4,900
5.00%	>	$7,200	5.00%	>	$7,200
5.25%	>	$8,700			

Source: Tax Foundation

While both states have a progressive tax structure, they have very different results in how they affect taxation of various wealth brackets. Connecticut taxes at a progressively higher level of income and future changes are more likely to affect wealthier individuals, as the modifications in 2016 did. In comparison, changes to Oklahoma's income tax are more likely to affect most of its citizens. While Connecticut's increase affected a minority, Oklahoma's decrease benefited the majority. Figure 2.3 shows each state's individual income tax revenue in comparison to its estimated population over the years. While Connecticut and Oklahoma only have a difference in population of about 4 million, their amount of revenues are drastically different. Oklahoma averaged $3.5 billion a year while Connecticut averaged $8.7 billion.

When estimating the impacts of these policy changes, Oklahoma estimated an increasing revenue loss of $57 million in 2016 and $146 million in 2017, which includes the effects of other policy changes (Kaufmann, 2014). Oklahoma ultimately saw a loss of $316 million in 2016 and an additional loss of $350 million in 2017. Connecticut estimated its policy change to increase revenues by $151.5 million in 2016 and $137.9 million in 2017 (OFA Fiscal Note for HB-7061(OFA), 2015). The actual revenue was a decrease of $624 million in 2016 and an increase of $402 million in 2017.

2. Kentucky & Ohio

In 1792, Kentucky officially became a part of the United States, eventually introducing a personal income tax in 1936 (Drenkard, 2014). Up until 2019, Kentucky primarily had a progressive income tax rate with six different levels of taxation. Then in April 2018, the Kentucky legislature passed HB 366, which eliminated the progressive structure and instead introduced a flat tax of 5%, as shown in figure 3.1.

Figure 3.1 – Kentucky Income Tax Policy Change

Prior to January 1, 2019			***Effective January 1, 2019***		
Rates		***Brackets***	***Rates***		***Brackets***
2.00%	>	$0	5%	>	$0
3.00%	>	$3,000			
4.00%	>	$4,000			
5.00%	>	$5,000			
5.80%	>	$8,000			
6.00%	>	$75,000			

Source: Tax Foundation

Less than ten years after Kentucky became a state, Ohio joined the Union. Though it became a state in 1803, it did not implement an individual income tax until 1971 (Denkard, 2014). The first initial income tax was established as a progressive tax that was added to over the years (Curtin, 2017). More recently, the Ohio legislators have worked to reduce the tax, having gone from nine brackets in 2015 to four in 2023 (see Appendix C).

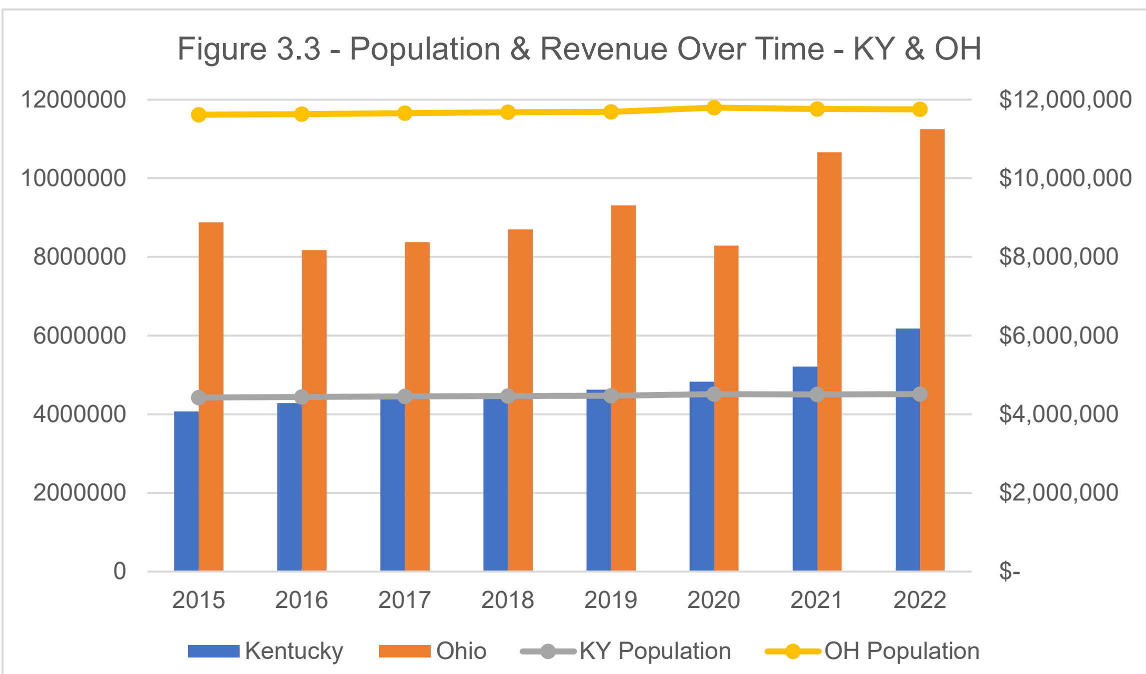
Figure 3.2 – Ohio Income Tax Policy Change

Prior to January 1, 2019*			***Effective January 1, 2019***		
Rates		***Brackets***	***Rates***		***Brackets***
1.98%	>	$10,650	2.850%	>	$21,750
2.75%	>	$16,000	3.326%	>	$43,450
2.97%	>	$21,350	3.802%	>	$86,900
3.47%	>	$42,650	4.413%	>	$108,700
3.96%	>	$85,300	4.797%	>	$217,400
4.60%	>	$106,650			
5.00%	>	$213,350			

*Other changes occurred during scope period

Source: Tax Foundation

Where Kentucky implemented an immediate change from a progressive tax to flat tax, Ohio has been gradually removing brackets. The Ohio 2018-2019 Legislature HB 166 modified the state's tax structure to eliminate the two lowest tax brackets, as well as reduced the top income percentages (Figure 3.2). Kentucky's move to a flat tax primarily benefited higher income individuals, but Ohio's adjustments seem to have had



Source: U.S. Census Bureau ($ in Thousands)

an impact across the board.

Figure 3.3 shows how Kentucky and Ohio’s income tax revenues changed over time, along with the state’s estimated population at that time. While Ohio estimated the revenue loss from the tax change at around $30 million, the actual revenue loss that occurred in 2020 was around $1 billion (though pandemic influence is a significant factor in this loss). It is interesting to note that while Ohio saw major revenue loss in 2020, Kentucky still saw an increase even when taking the pandemic into consideration.

Even with its significant restructuring of tax revenue, Kentucky still saw revenue increases from year to year. Ohio continued to reduce its income tax structure and still has maintained an average increase in revenue. Kentucky had estimated the change to its tax structure to increase revenues by $54.6 million in 2019 and $55.2 in 2020 (Commonwealth of Kentucky State Fiscal Note Statement (Note), 2018). The actual increase was $129 million in 2019 and $202 million in 2020. Ohio estimated a revenue loss of $108 million in 2019 and 2020 (Comparison Document, 2019) but instead saw a revenue increase in 2019 of $614 million and a loss of over $1 billion in 2020.

3. Pennsylvania & Maryland

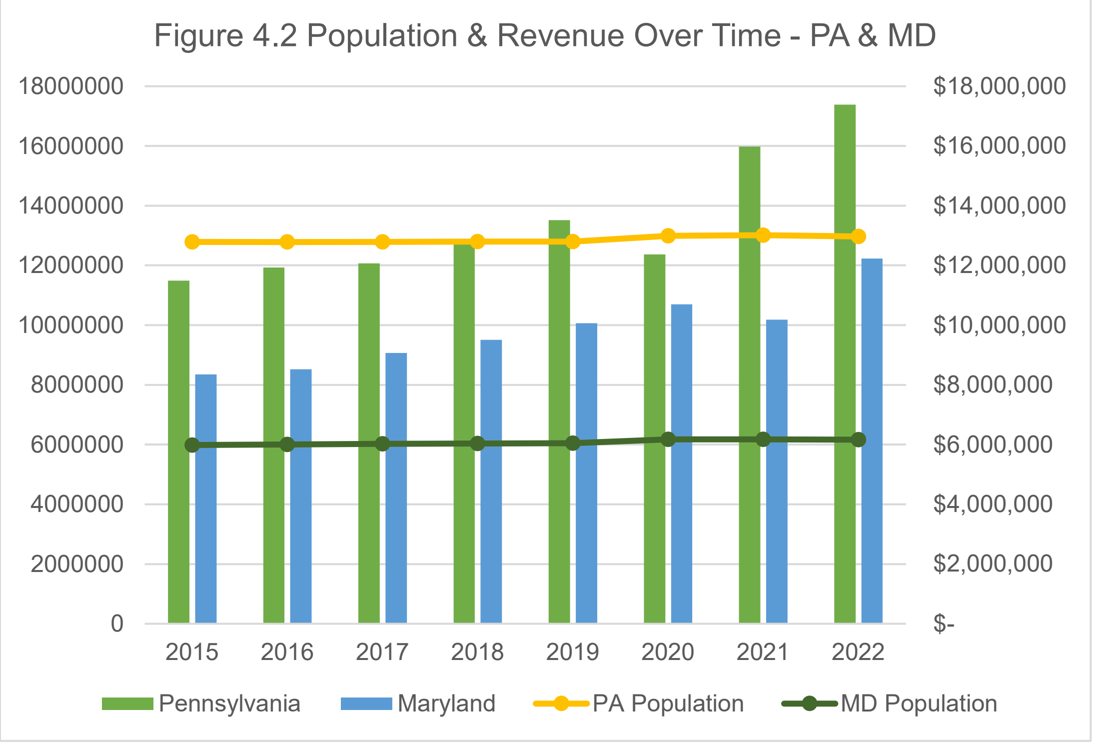
In 1787, Pennsylvania was established as an official part of the Union and was followed by Maryland shortly after, in 1788. Maryland didn’t establish an income tax until 1937 and Pennsylvania’s was not established until 1971 (Drenkard, 2014). Figure 4.1 shows both Pennsylvania and Maryland’s current tax structure, which have stayed the same since 2015. Pennsylvania maintains a flat tax, while Maryland implements a progressive tax.

Figure 4.1 – Pennsylvania & Maryland Tax Rates

Pennsylvania			***Maryland***		
Rates		***Brackets***	***Rates***		***Brackets***
3.07%	>	$0	2.00%	>	$0
			3.00%	>	$1,000
			4.00%	>	$2,000
			4.75%	>	$3,000
			5.00%	>	$100,000
			5.25%	>	$125,000
			5.50%	>	$150,000
			5.75%	>	$250,000

Source: Tax Foundation

Figure 4.2 shows the change in population and revenue from 2015 to 2022 for each state. On average, Pennsylvania's revenue increased by 6.59% while Maryland's increased by 5.83%. Meanwhile, Pennsylvania's population only increased by an 0.21% average and Maryland's increased by a 0.42% average. Overall, Pennsylvania averaged an income tax revenue of $13.4 billion and Maryland an average of $9.8 billion.

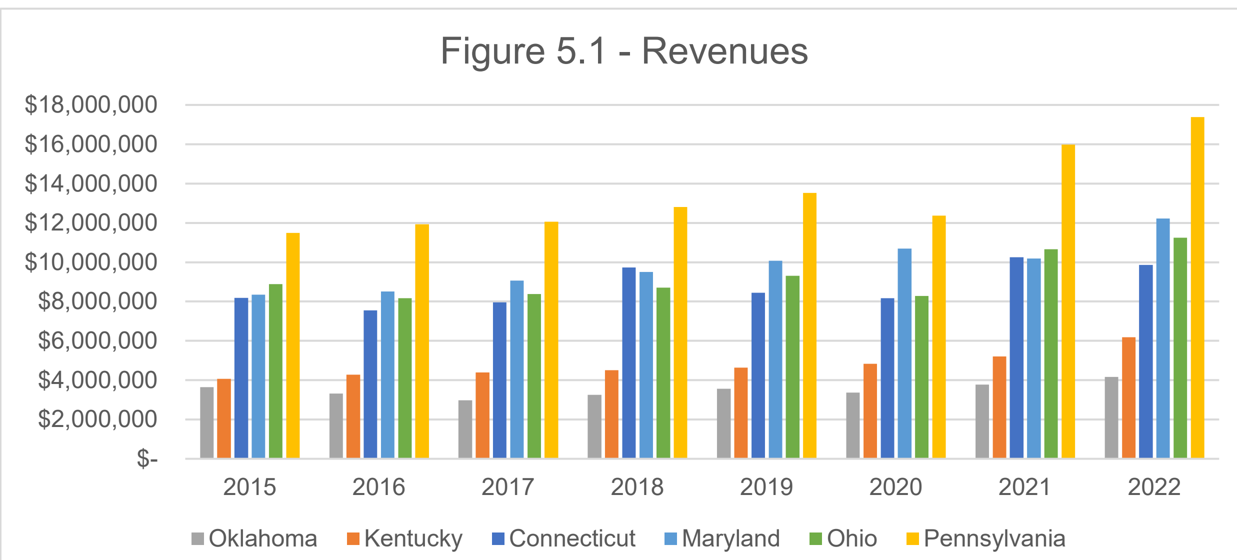


Source: U.S. Census Bureau ($ in Thousands)

VI. Conclusion and Recommendations

While modifications to a state's individual income tax policy can affect a state's revenues, evaluation of revenues from 2015-2022 shows that fluctuations will trend toward an increase (excluding when a state eliminates income tax altogether). Both states that implemented increases and states that implemented decreases in their tax policies saw a mix of immediate revenue increase or decrease. States that made no changes to their policy also saw a mix of increases and decreases in their revenues but averaged an increase overall.

The ultimate impact of state tax policy is not on state's revenues but is instead on the individual taxpayer. AICPA's *Guidelines for Good Tax Policy* emphasize that a tax policy should be equitable and fair in that taxpayers with similar incomes should be taxed as such. The states that chose to reduce their income tax used a variety of approaches that would affect different income levels. There are three main points that can be taken away from this analysis:



Source: U.S. Census Bureau ($ in Thousands)

1. **Modifications to tax policy may increase or decrease revenues in the short term, but over the long term will ultimately increase.** Figure 5.1 shows the revenues of the six states used in this analysis. From 2015 to 2022, the overall average increase in revenue was 4.78%. The average increase for all 50 states was about 6.43%. Connecticut and Oklahoma's changes show that a policy change in either direction may not have the intended effect initially but recovered over the long term.
2. **Frequent changes to policy may slow the growth of revenue over time compared to if it stayed the same.** States that made changes to their tax structure may have slowed the growth of their revenues versus if they had maintained the same structure as that of Maryland and Pennsylvania, which saw a combined average increase of 6.21%. Connecticut and Oklahoma saw a combined average revenue increase of 2.97% and Kentucky and Ohio saw a combined average increase of 5.18%.
3. **Depending on the state's current policy structure, a policy change's true impact, whether gradual or significant, could be on different socioeconomic classes.** Ohio's reduction of its tax policy by eliminating tax brackets on lower-level income can have far more of a personal impact on lower income individuals than changes on reducing top-income percentages. Kentucky's restructuring affected all levels of income, which makes it more equitable in a way, but will ultimately be felt more by the lower-class individuals than by the upper class.

It also bears repeating that there are many other factors to take into consideration that were not discussed in this paper. The limitations previously mentioned can also affect these observations, as outside influences can have a greater impact on a state's revenues each year. A nationwide recession will have a far greater bearing on state revenues than any individual policy. There are also many states that implement different types of tax incentives and/or credits that will reduce an individual's tax liability.

How well a tax policy is structured is important both in maintaining adequate support for government programs and ensuring that there is clear understanding and transparency by taxpayers. While states need to ensure they have the necessary funding to support its operations, they also need to counterbalance the burden on taxpayers. The purpose of government is to serve the people, and ensuring that tax policy is fair, effective and minimizes the burden of the taxpayer is essential to its success.

Appendix

Appendix A – Partisan History of State Legislatures

Source: Ballotpedia – Historical Partisan Composition of State Legislatures

State	2015	2016	2017	2018	2019	2020	2021	2022	2023
AZ	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	D-R-R
TX*	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
FL*	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
AR	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
PA	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-D
CA	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
CO	D-R-D	D-R-D	D-R-D	D-R-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
CT	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
MI	R-R-R	R-R-R	R-R-R	R-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-D-D
GA	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
VA	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-D-D	D-D-D	R-D-R	R-D-R
ID	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
IL	R-D-D	R-D-D	R-D-D	R-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
IN	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
IO	R-D-R	R-D-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
KS	R-R-R	R-R-R	R-R-R	R-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R
KY	D-R-D	R-R-D	R-R-R	R-R-R	R-R-R	D-R-R	D-R-R	D-R-R	D-R-R
MD	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	D-D-D
LA	R-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R
ME	R-R-D	R-R-D	R-R-D	R-R-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
MA	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	D-D-D
MN	D-D-R	D-D-R	D-D-R	D-D-R	D-R-D	D-R-D	D-R-D	D-R-D	D-D-D
AL	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
MS	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
MO	D-R-R	D-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
MT	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	R-R-R	R-R-R	R-R-R
NC	R-R-R	R-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R
ND	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
NH	D-R-R	D-R-R	R-R-R	R-R-R	R-D-D	R-D-D	R-R-R	R-R-R	R-R-R
NJ	R-D-D	R-D-D	R-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
NV	R-R-R	R-R-R	R-D-D	R-D-D	D-D-D	D-D-D	D-D-D	D-D-D	R-D-D
NM	R-D-R	R-D-R	R-D-D	R-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
NY	D-R-D	D-R-D	D-R-D	D-R-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
NE	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
OH	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
OK	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
OR	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
WV	D-R-R	D-R-R	D-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
HI	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
RI	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
SC	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
TN*	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
UT	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
DE	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
SD*	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
VT	D-D-D	D-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D	R-D-D
AK*	I-R-R	I-R-R	I-R-D	I-R-D	R-R-S	R-R-S	R-R-S	R-R-S	R-S-S
WA*	D-R-D	D-R-D	D-R-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D	D-D-D
WI	R-R-R	R-R-R	R-R-R	R-R-R	D-R-R	D-R-R	D-R-R	D-R-R	D-R-R
WY*	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R	R-R-R
*No Individual Income Tax as of 2023									

Appendix B – Types of Policy Changes Implemented

Source: Tax Foundation

State	$ Change	% Change	Add Bracket(s)	Eliminate Bracket(s)
AZ	O	X	O	X
TX*	O	O	O	O
FL*	O	O	O	O
AR	X	X	O	X
PA	O	O	O	O
CA	X	O	O	O
CO	O	X	O	O
CT	O	X	X	O
MI	O	O	O	O
GA	O	X	O	O
VA	O	O	O	O
ID	O	X	O	X
IL	O	X	O	O
IN	O	X	O	O
IO	X	X	O	X
KS	O	X	X	O
KY	O	X	O	X
MD	O	O	O	O
LA	O	X	O	O
ME	X	X	X	O
MA	O	X	X	O
MN	X	X	O	O
AL	O	O	O	O
MS	O	O	O	X
MO	X	O	O	X
MT	X	X	O	O
NC	O	X	O	O
ND	X	X	O	O
NH	O	O	O	X
NJ	O	X	X	O
NV	O	O	O	O
NM	O	O	X	O
NY	X	X	X	O
NE	X	X	O	O
OH	X	X	O	X
OK	O	X	O	X

OR	X	X	O	O
WV	O	O	O	O
HI	O	O	O	O
RI	O	X	O	O
SC	X	X	O	X
TN*	O	X	O	X
UT	O	X	O	O
DE	O	O	O	O
SD*	O	O	O	O
VT	X	X	O	X
AK*	O	O	O	O
WA*	O	O	O	O
WI	X	X	O	O
WY*	O	O	O	O
***No Individual Income Tax as of 2023**				

Appendix C – Policy Comparison of 2015 and 2023 for Selected States

Source: Tax Foundation

	2015 Single Filer				2023 Single Filer		
Conn.	3.00%	>	$0	**Conn.**	3.00%	>	$0
	5.00%	>	$10,000		5.00%	>	$10,000
	5.50%	>	$50,000		5.50%	>	$50,000
	6.00%	>	$100,000		6.00%	>	$100,000
	6.50%	>	$200,000		6.50%	>	$200,000
	6.70%	>	$250,000		6.90%	>	$250,000
					6.99%	>	$500,000
Ky.	2.00%	>	$0	**Ky.**	4.50%	>	$0
	3.00%	>	$3,000				
	4.00%	>	$4,000				
	5.00%	>	$5,000				
	5.80%	>	$8,000				
	6.00%	>	$75,000				
Md.	2.00%	>	$0	Md.	2.00%	>	$0
	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%	>	$100,000
	5.25%	>	$125,000		5.25%	>	$125,000
	5.50%	>	$150,000		5.50%	>	$150,000
	5.75%	>	$250,000		5.75%	>	$250,000
Ohio	0.53%	>	$0	**Ohio**	2.765%	>	$26,050
	1.06%	>	$5,200		3.226%	>	$46,100
	2.11%	>	$10,400		3.688%	>	$92,150
	2.64%	>	$15,650		3.990%	>	$115,300
	3.17%	>	$20,900				
	3.70%	>	$41,700				
	4.23%	>	$83,350				
	4.91%	>	$104,250				
	5.33%	>	$208,500				
Okla.	0.50%	>	$0	**Okla.**	0.25%	>	$0
	1.00%	>	$1,000		0.75%	>	$1,000
	2.00%	>	$2,500		1.75%	>	$2,500
	3.00%	>	$3,750		2.75%	>	$3,750
	4.00%	>	$4,900		3.75%	>	$4,900
	5.00%	>	$7,200		4.75%	>	$7,200
	5.25%	>	$8,700				
Pa.	3.07%	>	$0	**Pa.**	3.07%	>	$0

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