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Date: 3/18/2014 6:26:21 PM

Subject: ED LS: Best and Worst States to be a Taxpayer

SC is 23d overall; 5th lowest in real estate and fuel taxes

Best & Worst States to be a Taxpayer



by **John S Kiernan**



Economic mobility – that is, our ability to climb the proverbial ladder – has a strong correlation to where we live. Children from Seattle whose families are in the 25th percentile in terms of income, for example, end up at roughly the same economic stature as kids from the median family in Atlanta.

Why? State and local taxes. At least that’s what a group of Harvard and Berkeley researchers collaborating on The Equality of Opportunity Project have to say. They “found a significant correlation between both measures of mobility and local tax rates.”

Want to know which states have the most and least burdensome taxes?

WalletHub analyzed how state and local tax rates compare to the national median in the 50 states as well as the District of Columbia. We compared eight different types of taxation in order to determine: 1) Which states have the highest and lowest tax rates; 2) how those rates compare to the national median; 3) which states offer the most value in terms of low taxation and high cost-of-living adjusted income levels.

Our findings as well as information about the methodology we used to conduct this report can be found below.

• [1 Complete Rankings](#)

• [2 Red States vs. Blue States](#)

[3 Ask the Experts: Best Tax Advice](#)

[4 Methodology](#)

Complete Rankings

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Rank	State	Avg. Annual State & Local Taxes	% Difference from National Avg.	Adj. Rank (based on Cost of Living Index)
1	Wyoming	\$2365	-66%	1
2	Alaska	\$2791	-66%	4
3	Nevada	\$3370	-52%	2
4	Florida	\$3648	-48%	3
5	South Dakota	\$3766	-46%	5
6	Washington	\$3823	-45%	6

Rank	State	Avg. Annual State & Local Taxes	% Difference from National Avg.	Adj. Rank (based on Cost of Living Index)
7	Texas	\$5193	-25%	7
8	Delaware	\$5195	-25%	12
9	North Dakota	\$5588	-20%	13
10	Colorado	\$5674	-19%	14
11	New Mexico	\$5822	-16%	8
12	Alabama	\$5846	-16%	9
13	Arizona	\$6057	-13%	17
14	Utah	\$6098	-13%	11
15	Mississippi	\$6210	-11%	10
16	Indiana	\$6358	-9%	15
17	Louisiana	\$6564	-6%	18
18	West Virginia	\$6598	-5%	19
19	Montana	\$6641	-5%	20
20	Oklahoma	\$6795	-2%	16
21	Massachusetts	\$6884	-1%	35
22	Rhode Island	\$6905	-1%	40
23	South Carolina	\$7070	1%	24
24	Missouri	\$7220	4%	22
25	Tennessee	\$7252	4%	21
26	Georgia	\$7319	5%	25
27	Virginia	\$7333	5%	29
28	New Hampshire	\$7419	6%	41
29	Hawaii	\$7427	7%	48
30	Kentucky	\$7472	7%	23
31	Arkansas	\$7557	8%	26
32	Ohio	\$7604	9%	28
33	Kansas	\$7695	10%	30
34	Idaho	\$7776	12%	27
35	North Carolina	\$7789	12%	32
36	Michigan	\$7867	13%	31
37	District of Columbia	\$8034	15%	46
38	Minnesota	\$8261	19%	36
39	Pennsylvania	\$8344	20%	34
40	Oregon	\$8416	21%	42

Rank	State	Avg. Annual State & Local Taxes	% Difference from National Avg.	Adj. Rank (based on Cost of Living Index)
41	Maryland	\$8571	23%	44
42	Maine	\$8622	24%	43
43	Iowa	\$8788	26%	33
44	New Jersey	\$8830	27%	47
45	Vermont	\$8838	27%	45
46	Wisconsin	\$8975	29%	39
47	Illinois	\$9006	29%	38
48	Connecticut	\$9099	31%	49
49	Nebraska	\$9450	36%	37
50	California	\$9509	36%	50
51	New York	\$9718	39%	51



Lowest Real Estate Tax Rates

- 1. Hawaii (0.28%)
- 2. Alabama (0.43%)
- 3. Louisiana (0.45%)
- 4. Delaware (0.51%)
- 5. South Carolina (0.56%)



No Income Taxes *(State & Local)*

- T-1. Alaska
- T-1. Florida
- T-1. Nevada
- T-1. South Dakota
- T-1. Texas
- T-1. Washington
- T-1. Wyoming



Lowest Vehicle Sales Taxes

- 1. Alaska
- 2. Oregon
- 3. New Hampshire
- 4. Montana
- 5. Delaware



Lowest Sales Tax Rates *(State & Local)*

- T-1. Delaware (0%)
- T-1. Montana (0%)
- T-1. New Hampshire (0%)
- T-1. Oregon (0%)
- 5. Alaska (1.69%)



Lowest Fuel Taxes *(per gallon)*

- 1. Missouri (\$0.173)
- 2. Mississippi (\$0.184)
- 3. Alaska (\$0.308)
- 4. New Jersey (\$0.329)
- 5. South Carolina (\$0.352)



Lowest Alcohol Taxes *(per capita per yr)*

- 1. Oregon (\$2.40)
- 2. Montana (\$4.21)
- 3. Delaware (\$4.81)
- 4. New Hampshire (\$9.02)
- 5. Wyoming (\$23.03)

Food Tax Rates



Worst States

- 51. Mississippi
- 50. Kansas
- 49. Idaho
- 48. Tennessee
- 47. Louisiana



35 States with No Tax on Food



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