

# MAINE STATE LEGISLATURE

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# LEGISLATIVE RESEARCH

## STATE OF MAINE

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### LEGISLATIVE RESEARCH COMMITTEE REPORT

#### STATE TAX SYSTEMS REPORT

to

#### NINETY-FOURTH LEGISLATURE

#### From the Senate:

Edward B. Denny, Jr., Lincoln, Chairman  
Brooks Savage, Somerset  
Robert N. Haskell, Penobscot, Secretary

#### From the House:

Harry M. Brown, Unity  
William S. Silsby, Aurora  
Louis Jalbert, Lewiston  
Edward E. Chase, Cape Elizabeth  
Romie L. Marsans, Jr., Winthrop  
John P. Hayward, Jr., Machias  
Harry B. McKeen, N. Lovell

January 31, 1949

MEMORANDUM FOR THE RECORD

DATE: 10/10/68  
SUBJECT: [Illegible]

10/10/68

[Extremely faint and illegible text, likely a memorandum body or list of items]

To the Members  
of the 94th Legislature:

In our interim study of state finances, the Committee assembled data on the state tax laws of each of the forty-eight states. Our summary report, dated December 31, 1948, presented very brief summaries of tax structures in the other states.

In this report we have tried to assemble a brief summary of the state tax structures in each of the states. The description of each state tax system is very general. In the State Library and in the office of the State Tax Assessor is reference material that is available to any member who wishes more complete information on any state tax provision. Substantially all of the data has been taken from "Tax Systems" as published by Commerce Clearing House. We believe the source to be the most accurate of the available general reference sources. The data should reflect all legislative changes in state tax laws thru 1948. Actual tax revenue statements, however, are for 1947, the latest figures available for all of the states. For this reason, for example, the Connecticut sales tax, enacted in 1947, while described in the summary of Connecticut state taxes, is not reflected in Connecticut tax revenues for the year ending June 30th, 1947. In the summaries we have omitted UCC payroll taxes but included in liquor revenues all profits from state liquor stores.

It is not the intent of the Committee to point out any state tax in any other state as being a tax that should be enacted by the 94th Legislature. Instead, our intent is to present to the 94th Legislature this report that lists in some detail the relative importance of various types of taxes in each of the states together with a brief description of all of the major state taxes in each of the states. The report was worked out by Committee members without benefit of more expert analysts. If there are errors, we hope that they are minor. If any member wishes more detail on any state, you are welcome to our more complete descriptions of state tax systems.

If there is any direct connection between this report and current legislative problems, it is with reference to the Budget message of Governor Fayne in which, after listing some \$11,000,000 per year in new expenditure requests declared....."Each of these requests, if they have your acceptance, must be financed by revenue sources which do not now exist....."

LEGISLATIVE RESEARCH COMMITTEE

By: Edward B. Denny, Chairman



STATE TAXES

Five state tax sources accounted for about three-quarters of state tax revenues. The five are these:

Type of Tax	1947		1946	
	Amount	%	Amount	%
Sales and use	\$1,210,224,232	20.54	\$902,034,998	17.85
Gasoline	1,145,780,874	19.45	915,596,599	18.12
Income	868,888,360	14.75	834,353,868	16.51
Liquor	615,976,020	10.46	591,272,829	11.70
Motor Vehicle	592,358,177	10.06	484,630,761	9.59
All Other	1,456,217,496	24.74	1,325,779,341	26.23
Total	\$5,889,445,159	100.00	\$5,053,668,396	100.00

Sales taxes and income taxes, not imposed in Maine, account for more than 35% of total state taxes. The listing of state taxes, as grouped in the Commerce Clearing House summaries, is as follows:

State Tax Yields by Taxes in 1947

	Sales	%	Cumulative %
Sales and use	\$1,210,224,232	20.54	20.54
Gasoline	1,145,780,874	19.45	39.99
Income	868,888,360	14.75	54.74
Liquor	615,976,020	10.46	65.20
Motor Vehicle	592,358,177	10.06	75.26
Tobacco	250,077,300	4.25	79.51
Utility	181,897,071	3.09	82.60
Inheritance, Estate & gift	164,455,819	2.79	85.39
Insurance	160,613,724	2.73	88.12
Property (state tax only)	150,764,756	2.56	90.68
Franchise	135,745,734	2.30	92.98
Admissions & Amusement	122,368,396	2.08	95.06
Severance	114,760,494	1.95	97.01
License	70,660,687	1.20	98.21
Transfer - document	38,105,289	.65	98.86
Bank	34,508,643	.59	99.45
Miscellaneous	12,999,380	.22	99.67
Poll	7,678,465	.13	99.80
Soft drink	5,803,354	.10	99.90
Chain Store	4,828,070	.08	99.98
Cleomargarine	950,314	.02	100.00
Total	\$5,889,445,159	100.00	



Arkansas

	Year Ending	Taxes	%
	<u>May 31, 1947</u>		
Arkansas uses the sales tax as its major general fund source. The state income tax is at low rates. Together the two taxes produced just over one-third of state tax revenue. The state property tax was \$3,493,881 or about 5-1/2% of the total. The cigarette tax is 6¢ per package. The gas tax is 6-1/2¢ per gallon.	Gasoline	\$17,710,000	27.8
	Sales	17,157,990	26.9
	Liquor	5,939,021	9.3
	Tobacco	5,679,381	8.9
	Motor Vehicle	5,537,688	8.7
	Income	4,185,747	6.6
	All Other	7,555,985	11.8
	Total	<u>\$63,765,812</u>	<u>100.0</u>

Sales Tax - The sales tax is of the "gross proceeds" type and taxes at 2% the gross receipts of retail sales of tangible personal property, utility services, printing and photography services, and admissions to places of amusement.

Income Tax - Arkansas taxes individuals and domestic corporations. The rates for both are: first \$3000 - 1%; next \$3000 - 2%; next \$5000 - 3%; next \$14,000 - 4%; over \$25,000 - 5%.

California

	Year Ending	Taxes	%
	<u>June 30, 1947</u>		
State sales and income taxes produce more than 60% of California's state tax revenues. Racing produced \$19,080,800. The gas tax is 4-1/2¢ per gallon. There is no state property tax.	Sales	\$241,506,354	41.6
	Income	110,371,729	19.0
	Gasoline	75,509,167	13.0
	Motor Vehicle	60,779,420	10.5
	Liquor	28,803,988	5.0
	Inheritance	20,078,891	3.5
	All Others	42,943,524	7.4
	Total	<u>\$579,993,073</u>	<u>100.0</u>

Sales Tax - The sales tax is imposed on gross receipts from retail sales of tangible personal property. The rate is 2-1/2% until June 30, 1949 and 3% thereafter.

Income Tax - California's income tax is applied as a bank and corporation franchise tax, a corporation income tax and a personal income tax. Rates for individuals are: first \$10,000 - 1%; next \$5,000 - 2%; next \$5000 - 3%; next \$5000 - 4%; next \$5000 - 5%; over \$30,000 - 6%. The bank and corporation tax is minimum 4% less a temporary reduction of 15% (to January 1, 1950). Personal exemptions are: single - \$3000; married or family head - \$4500; dependents - \$400 each.



Colorado

Year Ending June 30, 1947	Taxes	%
Sales	\$20,989,519	34.6
Gasoline	12,369,879	20.4
Income	8,634,796	14.2
Motor Vehicle	4,738,803	7.8
Liquor	4,730,093	7.7
Property	4,401,857	7.3
All Other	4,839,665	8.0
Total	\$60,704,612	100.0

Sales and income taxes account for nearly half of Colorado taxes. The gas tax is 4¢ with an additional 2¢ until June 30, 1953.

Sales Tax - The sales tax is applied to the retail sale of tangible personal property, telephone, telegraph, gas and electric service, meals and cover charges. The rate is 2%.

The retailer adds tax to sales prices as follows: less than 19¢ - tax free; not more than 68¢ - 1¢; over 68¢ and not more than 1.18 - 2¢; from 1.18 to 1.68 - 3¢ with 1¢ for each 50¢.

Income Tax - Colorado imposes general income taxes on individuals, corporations and banks, trust and loan companies. Rates for individuals are: first \$2000 - 1%; next \$2000 - 2%; next \$2000 - 3%; next \$2000 - 4%; next \$2000 - 5%; over \$10,000 - 6%. There is also imposed a 2% surtax on individuals' gross incomes exceeding \$200 from corporate stock dividends and interest. Corporation rate is 4%. Bank, trust and loan companies (excise income) - 6%. Personal exemptions are: single - \$1000; married or family head - \$2500; dependents - \$400 each.

Connecticut

Year Ending June 30, 1947	Taxes	%
Gasoline	\$12,378,133	19.5
Motor Vehicle	8,738,581	13.8
Liquor	8,276,663	13.1
Tobacco	6,597,579	10.4
Inh. & Estate	6,046,010	8.0
Insurance	5,136,882	8.1
All Other	17,194,593	27.1
Total	\$63,368,441	100.0

Tax totals for Connecticut (classified by the state as a franchise corporation business tax) do not reflect the sales tax income resulting from the 1947 sales tax law. This was imposed as a 3% levy but was reduced at a 1948 special session to the rates indicated below. The gas tax is 4¢ per gallon. The cigarette tax is 3¢ per

package.

Sales Tax - The sales and use tax applies to the gross proceeds of retail sales of tangible personal property and sales of services including producing, fabricating and processing. The rate was 3%, reduced to 1% from April 1st, 1948 to June 30th, 1949 and 2% from July 1st, 1949 to June 30th, 1951. Using the 1% period as an example, sales up to 25¢ are not taxed; 25¢ to 1.39 - 1¢; 1.40 to 2.39 - 2¢; 2.40 to 3.39 - 3¢; etc.

Income tax - Connecticut has a corporation income tax but no individual income tax. The tax on business corporations is 3% on net income or 1-1/2 mills per \$1.00 of face value of bonds and stock issued, surplus individual profits and reserves, less statutory deductions. Banks and financial institutions also pay 3%. Motor bus companies engaging in business other than carrying passengers for hire and telephone companies as to income derived from sale of advertising space, also pay 3% on net income from business transacted within the state.

Delaware

	<u>Year Ending</u> <u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
Delaware's largest state tax source is the corporation capital stock tax. It is based on total number of authorized shares. Up to 10,000 shares it is \$50 or less; over 10,000 it is \$50 plus \$25 per additional 10,000. General provisions in Delaware's laws have made it attractive for out-of-state corporations to be organized under Delaware law. The gas tax is 4¢. There is no state property tax.	Franchise	\$3,601,053	25.8
	Gasoline	2,635,237	18.9
	Income, Indiv.	1,755,336	12.6
	Race Tracks	1,306,938	9.4
	Motor Vehicle	1,234,074	8.8
	Liquor	1,192,345	8.6
	All Other	2,224,256	15.9
	Total	\$13,949,239	100.0

Income Tax - Delaware imposes a personal income tax but no corporation income tax. The rates are: first \$3000 - 1%; next \$7000 - 2%; over \$10,000 - 3%. Exemptions are: single - \$1,000; married or family head - \$2,000; dependents - \$400 each.

Florida

	<u>Year Ending</u> <u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
Florida is one of the six states that do not impose either a sales tax or an income tax. The gas tax is 7¢ per gallon and the cigarette tax is 4¢ per package. There is no state levy on real property but a state tax on intangibles yielded \$3,003,159. The beer tax is 24¢ per gallon. Their chain store and inventory is graduated from \$10 on single stores to \$400 per store in chains of more than 50. The inventory tax is \$5 per \$1000. Florida also imposes a state documentary stamp tax. Utilities are taxed at rates of 1-1/2% and 2%.	Gasoline	\$39,017,232	33.0
	Liquor	26,399,316	22.3
	Motor Vehicle	16,540,964	14.0
	Race Tracks	14,680,714	12.4
	Tobacco	11,436,295	9.7
	Property	3,052,499	2.6
	All Others	7,091,454	6.0
	Total	\$118,218,474	100.0

## Georgia

Year Ending June 30, 1947	Taxes	%
Gasoline	\$33,837,516	38.5
Income	21,746,396	24.8
Tobacco	8,634,031	9.8
Liquor	7,801,192	8.9
Property	4,581,296	5.2
Motor Vehicle	4,474,846	5.1
All Other	6,711,388	7.7
Total	<u>\$87,786,665</u>	100.0

Georgia imposes a high rate income tax on both individuals and corporations that accounted for nearly one-fourth of their 1947 income. The gas tax is 6¢ per gallon. The cigarette tax is 3¢ per package and other tobacco products are taxed. Soft drinks are taxed at 1/2 of 1% of gross. They also have a chain store tax that ranges from \$2. for one

store to \$200 for each store in excess of 39.

Income Tax - Georgia imposes both the individual and the corporation income tax. Rates for individuals are: first \$1000 - 1%; next \$2000 - 2%; next \$2000 - 3%; next \$2000 - 4%; next \$3000 - 5%; next \$10,000 - 6%; over \$20,000 - 7%.

Corporation rates - the larger of (a) 5-1/2% of net income or (b) 2% of the sum of net income plus officers' salaries and compensation paid to stockholders owning more than 5% of issued capital stock, minus \$10,000 and any deficit. Personal exemptions are: single - \$1000; married or family head \$2500; dependents \$400 each.

## Idaho

Year Ending June 30, 1947	Taxes	%
Gasoline	\$9,295,392	35.6
Income	6,669,409	25.5
Liquor	3,408,813	13.1
Property	2,140,742	8.2
Tobacco	995,692	3.8
Insurance	762,722	2.9
All Other	2,844,696	10.9
Total	<u>\$26,117,466</u>	100.0

Idaho takes just over one-quarter of state taxes from their state income tax. It is one of the "monopoly" states and had state liquor stores profits of \$2,744,283 in 1947. The gas tax is 6¢ per gallon until March 1st, 1949 and 5¢ thereafter. A chain store tax is imposed. The cigarette tax is 3¢. There is a license tax on

electricity of 1/2 mill per kilowatt hour.

Income tax - Idaho has income taxes applicable to both individuals and corporations. Rates are the same for both individuals and corporations, and are these: first \$1000 - 1-1/2%; next \$1000 - 3%; next \$1000 - 4%; next \$1000 - 5%; next \$1000 - 6%; over \$5000 - 8%.

Personal exemptions are: single - \$7000; married or family head - \$1500; dependents - \$200 each.

Illinois

Illinois has sales tax income equal to 44.8% of total state revenues. Race track taxes amounted to \$6,967,842. There is no state tax on real estate. Public utilities pay a state tax of 3%. The gas tax is 3¢ per gallon and the cigarette tax is 3¢ per package.

Year Ending June 30, 1947	Taxes	%
Sales	\$141,599,682	44.8
Gasoline	45,158,182	14.2
Motor Vehicle	29,897,948	9.4
Liquor	25,050,021	7.9
Tobacco	20,912,932	6.6
Utility	20,945,677	6.6
All Other	33,352,819	10.5
Total	\$316,917,261	100.0

Sales Tax - The Illinois levy is a 2% tax on the gross receipts from retail sales of tangible personal property and utility services 2% of 98%.

Indiana

Indiana takes just over 40% of state taxes from the sales tax. State property taxes were \$7,808,821 or less than 6% of total taxes. The gas tax is 4¢, the cigarette tax 3¢. A chain store tax of \$3.00 for 1 store to \$150 for each store in excess of 20 yielded \$540,050 in 1947.

Year Ending June 30, 1947	Taxes	%
Sales	\$53,919,009	40.1
Gasoline	30,925,975	23.0
Liquor	16,073,261	12.0
Motor Vehicle	12,701,655	9.4
Property	7,808,821	5.8
Inheritance	6,900,744	5.1
All Others	6,152,108	4.6
Total	\$134,481,573	100.0

Sales Tax - The Indiana sales tax is a tax on gross income over \$1,000. Retail merchants are allowed an exemption of \$3,000 on income derived from retail sales. Wholesale sales and display advertising is taxed at 1/4% of 1%. Retail sales, dry cleaning and laundering is at 1/2 of 1%. Motor carriers and other sources are taxed at 1%.

Iowa

Year Ending June 30, 1947	<u>Taxes</u>	<u>%</u>
Sales	\$41,103,704	37.6
Gasoline	23,159,834	21.2
Motor Vehicle	16,083,759	14.7
Income	12,418,382	11.4
Liquor	5,147,714	4.7
Tobacco	4,211,797	3.8
All Other	7,211,330	6.6
Total	<u>\$109,336,520</u>	<u>100.0</u>

Sales and income taxes account for nearly 50% of state taxes in Iowa. There is no state property tax. Profit from state liquor store operation amounted to \$3,002,772 in 1947. The gas tax is 4¢ per gallon, the cigarette tax is 2¢ per package.

Sales Tax - The Iowa sales tax is a 2% levy on the gross receipts from sales of tangible personal property, certain utility services, amusements and amusement devices other than bowling alleys.

Income tax - Iowa imposes both the individual and the corporation income tax. Rates for individuals are: first \$1000 - 1%; next \$1000 - 2%; next \$1000 - 3%; next \$1000 - 4%; over \$4000 - 5%. The corporation tax is 2%. The exemptions are in the form of flat deductions from the net tax. Single - \$10; married or family head - \$20; dependents \$5 each.

Kansas

Year Ending June 30, 1947	<u>Taxes</u>	<u>%</u>
Sales	\$28,808,022	39.2
Gasoline	18,177,419	24.7
Income	9,252,571	12.6
Motor Vehicle	6,673,541	9.1
Tobacco	2,918,508	4.0
Insurance	2,538,187	3.5
All Other	5,079,873	6.9
Total	<u>\$73,448,121</u>	<u>100.0</u>

Sales and income taxes accounted for 52% of Kansas tax revenues. State property taxes were \$2,343,037. The cigarette tax is 3¢ per package. The gas tax is 4¢ per gallon.

Sales Tax - The Kansas sales tax is a 2% levy on the gross receipts from retail sales of tangible personal property for use or consumption, furnishing of electrical energy, gas, water, services or entertainment.

Income Tax - Kansas imposes income taxes on both individual and the corporation. Individual rates are: first \$2000 - 1%; next \$1000 - 2%; next \$2000 - 2-1/2%; next \$2000 - 3%; over \$7000 - 4%. The corporation rate is 2%. Exemptions are: single - \$750; married or family head - \$1500; dependents - \$200 each.

Kentucky

	Year Ending June 30, 1947	Taxes	%
Kentucky has a 5¢ gas tax. The cigarette tax is 1¢ on each 10¢ or fraction thereof. Motor vehicles are taxed 3% of the retail price. A 3% tax is imposed on the gross revenues from the sale of electricity, gas, water, telephone and telegraph service. The admissions tax is 25% of the total charge where food and drink are served. Other places are at 10%.	Gasoline	\$ 20,207,084	25.0
	Liquor	12,679,681	15.7
	Income	12,260,110	15.2
	Motor Vehicle	9,426,938	11.7
	Utility	6,355,953	7.9
	Property	5,617,726	6.9
	All Other	14,239,862	17.6
	Total	\$ 80,787,354	100.0

Income tax - Kentucky has general income tax laws taxing the net income of individuals, corporations, trusts and estates. Individual rates are: first \$3000 - 2%; next \$1000 - 3%; next \$1000 - 4%; over \$5000 - 5%. The corporation rate is 4%. Personal credits are flat deductions from the computed tax: single - \$20; married or family head - \$50; dependents - \$10 each.

Louisiana

	Year Ending June 30, 1947	Taxes	%
Sales, income and severance taxes produced 38% of Louisiana's tax revenues in 1947. The severance tax covers many items. Coal is 5¢ per ton; oil, 1¢ to 11¢ per barrel; pulpwood, 6¢ per cord; turpentine, 10¢ per barrel, etc. The tax on gasoline is 7¢ per gallon. Cigarettes are taxed at 1/4¢ each or 5¢ per package. Other tobacco products are taxed. Soft drinks are taxed 1/4¢ per 5¢ of retail price. Public utilities have a 2% tax on gross. There is a chain store tax that goes up to \$550 per store. Kerosene is taxed at 1¢ per gallon. Lubricating oil has a tax of 8¢ per gallon.	Gasoline	\$ 27,962,603	22.5
	Severance	18,024,496	14.5
	Sales	16,359,162	13.2
	Income	12,779,717	10.3
	Tobacco	11,425,500	9.2
	Property	9,222,706	7.4
	All Other	28,535,068	22.9
	Total	\$ 124,309,262	100.0

Sales Tax - The general sales tax is a 1% levy on the retail sale, lease or rental, use, consumption, distribution or storage of tangible personal property.

Income Tax - Louisiana has income taxes applicable to both individuals and corporations. Individual rates are: first \$10,000 - 2%; next \$40,000 - 4%; over \$60,000 - 6%. The corporation rate is 4%. Individual exemptions are: single - \$1000; married or family head - \$2400; dependents - \$400 each.

Maine

Year Ending June 30, 1947	Taxes	%
Liquor	\$7,767,974	23.2
Gasoline	7,433,812	22.1
Property	5,294,390	15.8
Motor Vehicle	5,050,293	15.1
Tobacco	2,311,634	6.9
Utility	1,919,472	5.7
All Other	3,770,531	11.2
Total	\$33,548,106	100.0

The Maine comparisons, being the year ending June 30, 1947, do not reflect the increased tobacco taxes or the increased gasoline taxes, both passed in 1947 but not in effect until our 1948 year. The 1948 tabulations are these:

Year Ending June 30, 1948	Taxes	%
Gasoline	\$11,416,277	27.1
Liquor	7,282,348	17.3
Motor Vehicle	5,666,278	13.5
Tobacco	5,433,354	12.9
Property	5,157,496	12.2
Utility	2,332,250	5.5
All Others	4,825,998	11.5
Total	\$42,114,001	100.0

These Maine tax revenues are from the gas tax at 6¢ per gallon, state liquor store operation that showed profits of \$5,498,276 in 1946, tobacco taxes that are 4¢ per package on cigarettes and 20% on other tobacco products. State property taxes are levied at 7-1/4 mills on state valuations and the utility taxes are on railroads, street railroads, express companies, telephone and telegraph companies and parlor car companies.

Maryland

Year Ending June 30, 1947	Taxes	%
Income	\$14,838,135	22.8
Gasoline	14,468,323	22.2
Motor Vehicle	9,886,995	15.1
Liquor	6,769,407	17.5
Racing & Admis.	4,840,531	7.4
Property	3,001,922	10.4
All Other	11,384,390	4.6
Total	\$65,189,703	100.0

State income from racing account for more than 30% of state taxes in Maryland. A state sales tax became effective July 1, 1947, but revenues from this source are not reflected in the 1947 tabulations. The gas tax is 5¢ per gallon. There is an admission tax on places of amusement of 1/2 of 1% on gross receipts. A

document stamp tax of 55¢ for each \$500 consideration is imposed. A chain store tax is graduated from \$5 for each of the first 5 stores to \$150 for each store in excess of 20.

Sales Tax - The Maryland retail sales tax is on retail sales of tangible personal property and sales of certain services, including sales of meals, renting of lodging, public utility services and producing, fabricating and printing. The rate is 2%. On purchases from 14¢ to 50¢ - 1¢; 51¢ to \$1.00 - 2¢; each additional 50¢ or fraction - 1¢.

Income Tax - Maryland's income tax applies to both individuals and corporations. Individual rates are 5% up to amount of investment income and 2-1/2% on the balance. The corporation rate is 4%. Personal exemptions are: single - \$1000; married or family head - \$2000; dependents - \$400 each,

Massachusetts

	<u>Year Ending</u> <u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
The state income tax produces	Income	\$79,464,181	41.4
41.4% of Massachusetts state tax	Gasoline	21,686,340	11.3
revenues. Race tracks produce	Tobacco	20,530,417	10.7
another \$10,832,935 or all but	Liquor	14,495,008	7.5
\$72,080 of the total admission and	Amusements	10,905,015	5.7
amusement tax. The gas tax is 3¢	Motor Vehicle	9,031,995	4.7
per gallon. The cigarette tax is 4¢	All Other	35,998,098	18.7
per package. A meal tax of 5% is	Total	<u>\$192,111,054</u>	<u>100.0</u>
imposed on all meals of \$1.00 or			
more. State property taxes are less than 2-1/2% of total state taxes.			

Income Tax - Massachusetts taxes income of individuals, partnerships, associations and fiduciaries, derived from certain intangibles, annuities, professions, employments, trades and businesses and gains from the sale of intangible property. The 1947 yield was \$35,128,889 from individuals and \$44,235,292 from corporations, a total of \$79,464,181. Individual exemptions are: single - \$2000; married or family head - \$2500; dependents \$250 each. Income from annuities, employment or business is taxed at the rate of 1-1/2%. Gains from the sale of intangibles is 3%. Certain income from intangibles and dividends is taxed at 6%. All of these rates are subject to an additional tax of 13% on the normal tax. Income taxes on the net income of banks, banking institutions and trust companies is fixed annually with a maximum of 6%. Savings banks and the savings departments of trust companies are taxed 1/2 of 1% on the amount of deposits. Corporation excise taxes are also levied on insurance companies.

Michigan

	<u>Year Ending</u> <u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
The state sales tax produced	Sales	\$161,294,468	51.0
more than one-half of Michigan's	Liquor	39,596,024	12.6
tax revenue in 1947. There is no	Gasoline	37,190,318	11.8
state tax on real property but the	Motor Vehicles	32,822,026	10.4
state tax on intangibles yielded	Utility	10,306,481	3.3
\$6,968,522 in 1947. Income pro-	Franchise	7,776,556	2.5
ducing property, in the intangible	All Other	26,418,934	8.4
tax, is taxed at 3% of income, non-	Total	<u>\$315,404,807</u>	<u>100.0</u>
income producing property at 1/10			
of 1% and current assets at 1/25 of 1%. The gas tax is 3¢ per gallon, cigar-			
ettes are 3¢ per package.			

Sales tax - the sales tax is at 3% and is a tax on the gross proceeds from retail sales of tangible personal property, electricity, gas and steam, less deduction of \$50.00 per month.



Minnesota

Year Ending	Taxes	%
June 30, 1947		
Income	\$31,024,605	26.2
Gasoline	28,371,360	23.9
Utility	12,145,831	10.2
Motor Vehicle	11,061,789	9.3
Property	9,263,747	7.8
Liquor	7,890,007	6.7
All Other	18,851,287	15.9
Total	\$118,608,626	100.0

The state income tax produced 26.2% of Minnesota's tax revenue in 1947. All of this income tax revenue is deposited in the school fund and later distributed to school districts. The gas tax is 4¢ per gallon. The cigarette tax is 3¢ per package. Among the utility taxes, railroads are taxed 5%, telegraph and telephone

companies, in lieu of all property taxes, pay 4% to 7%, etc. Severance taxes on iron ore amounted to \$7,736,306 in 1947.

Income Tax - Minnesota levies both individual and corporation income taxes. The rates applicable to individuals are: first \$1000 - 1%; next \$1000 - 2%; next \$1000 - 3%; next \$1000 - 4%; next \$1000 - 5%; next \$2000 - 6%; next \$2000 - 7%; next \$3500 - 8%; next \$7500 - 9%; over \$20,000 - 10%. Corporations have a tax rate of 6%, banks 8%. Exemptions are flat deductions made from the computed tax. Single \$10; married or family head - \$30; dependents \$10 each.

Mississippi

Year Ending	Taxes	%
June 30, 1949		
Sales	\$21,153,176	31.6
Gasoline	18,371,054	27.4
Income	8,614,727	12.9
Tobacco	6,102,664	9.1
Motor Vehicle	2,200,753	3.3
Liquor	1,944,396	2.9
All Other	8,585,575	12.8
Total	\$66,972,350	100.0

Sales and income taxes accounted for 44.5% of 1947 state taxes in Mississippi. The state property tax was less than one million. Severance tax was \$470,612 from timber and \$2,323,847 from oil. The gas tax is 6¢ per gallon. Cigarettes are taxed 4¢ per package. Cigars and smoking tobacco are taxed at 1¢ on

each 5¢ or fraction thereof of retail price. Admissions to places of amusement are taxed.

Sales Tax - The sales tax applies to the sales price of tangible personal property stored, used or consumed; also charge for rental or service. The rate is 2% for retail sales, cleaning, dyeing and processing. Motor vehicles rate is 1%. Gross income from certain businesses is taxed varying from 1/8 of 1% to 2%. Service is taxed at 2%. Gas and electricity is 1%.

Income Tax - The rate on individuals is: first \$4000 - 1%; next \$3000 - 2%; next \$3000 - 3%; next \$5000 - 4%; next \$10,000 - 5%; over \$25,000 - 6%. Corporation rates are the same. Individual exemptions are: single - \$1000; married or family head - \$2500; dependents - \$400 each.

Missouri

	Year Ending June 30, 1947	Taxes	%
Sales and income taxes accounted for 56.3% of state revenue in 1947. The state gas tax is 2¢ per gallon. St. Louis and Kansas City impose an additional tax of 1¢ per gallon.	Sales	\$58,220,522	47.6
	Gasoline	16,981,205	13.9
	Motor Veh.	15,857,926	13.0
	Income	10,659,026	8.7
	Liquor	7,317,693	5.9
	Insurance	4,597,043	3.8
	All Others	8,602,123	7.1
	Total	\$122,235,538	100.0

Sales Tax - A tax of 2% is levied on the purchase price paid at every retail sale of tangible personal property and the amount paid for certain services including amusements, public utility services, intrastate transportation of persons, rooms, meals and drinks.

Income tax - Missouri imposes a tax on the net income of individuals, corporations, associations and banks. The individual rates are: up to \$1000 - 1%; up to \$2000 - 1-1/2% less \$5.00; up to \$3000 - 2% less \$15.00; up to \$5,000 - 2-1/2% less \$30.00; up to \$7,000 - 3@ less \$55.00; up to \$9,000 - 3-1/2% less \$90.00; over \$9,000 - 4% less \$135.00. Corporations and associations pay 2%, banks and trust companies pay 7% and credit union dividends are tax 2%. The individual exemptions are: single - \$1200; married or family head - \$2400; dependents - \$400 each.

Montana

	Year Ending June 30, 1947	Taxes	%
Montana had a state property tax rate of 6 mills for 1947-48. The gas tax is 5¢. Severance taxes were mainly oil, coal and metals. A chain store tax is imposed. Moving picture theatres are taxed 1-1/4% of gross income. The cigarette tax is 2¢ per package. Profit from state liquor stores was \$2,611,550 in 1947.	Gasoline	\$6,503,356	32.6
	Liquor	5,417,320	27.1
	Income	3,609,247	18.1
	Property	1,333,688	6.6
	Severance	754,425	3.8
	Insurance	593,683	3.0
	All Other	1,761,523	8.8
	Total	\$19,973,254	100.0

Income Tax - Montana collects both a corporate and individual income tax. The individual rates are: first \$2000 - 1%; next \$2000 - 2%; next \$2000 - 3%; over \$6000 - 4%. The corporation rate is 3%. The individual exemptions are: single - \$1000; married or family head - \$2000; dependents - \$300 each.

Nebraska

Year Ending June 30, 1947	Taxes	%
Gasoline	\$15,629,202	47.9
Property	10,077,463	30.9
Liquor	2,895,081	8.9
Motor Vehicle	1,385,936	4.2
Insurance	1,011,548	3.1
License	608,442	1.9
All Others	1,040,910	3.1
Total	<u>\$32,648,582</u>	<u>8.5</u>

Nebraska depended upon a state property tax levy for over 30% of 1947 revenue. The rate was 4.35 mills. There is also a state tax on all intangibles. It is at 2-1/2 mills per \$1.00 bank deposits, cash, etc., and 8 mills per \$1.00 on other intangible property. The cigarette tax is 3¢ per package. The state

imposes a poll tax of \$2.00 on persons 21 to 50. This is earmarked for old age pensions. The gas tax is 5¢ per gallon. Neither the sales tax nor the income tax is imposed by Nebraska.

Nevada

Year Ending June 30, 1947	Taxes	%
Gasoline	\$2,231,810	34.9
Property	1,521,942	23.8
Motor Vehicle	1,077,601	16.9
Amusements	630,600	9.9
Liquor	542,149	8.5
Insurance	193,898	3.0
All Others	196,478	3.0
Total	<u>\$6,394,478</u>	<u>100.0</u>

State property taxes in Nevada counted for 23.8% of 1947 tax revenues. The 1947-1948 rate is 6.4 mills. Gasoline is taxed at 4¢ per gallon, use fuel at 5¢. The cigarette tax is 2¢. The state imposes a poll tax of \$3.00 on male residents between the ages of 21 and 60.

New Hampshire

	Year Ending June 30, 1947	Taxes	%
New Hampshire collected	Gasoline	\$4,070,085	19.5
\$3,076,050 from race track taxes.	Liquor	4,068,283	19.4
Substantially all of this is from the	Motor Vehicle	3,395,652	16.2
5% state tax on pari-mutuel pools.	Amusements	3,076,050	14.7
There is also a state tax on in-	Tobacco	1,909,050	9.1
tangibles assessed as a selective	Utility	990,325	4.7
income tax. The rate is the	All Other	3,435,572	16.4
average state property rate and	Total	\$20,945,017	100.0
subject to the tax is interest from			
bonds, notes, money, debts except			
interest from savings deposits, etc. The exemption is \$200. The tax on			
gas is 4¢ per gallon. The tobacco tax is imposed as a selective sales tax			
at a rate of 15% on the retail selling price of cigars, cigarettes and other			
tobacco products.			

New Jersey

	Year Ending June 30, 1947	Taxes	%
New Jersey does not impose	Motor Vehicle	\$28,227,002	23.0
either a sales tax or an income	Gasoline	25,617,095	21.0
tax. The railroad property tax	Utility	17,416,137	14.2
is collected by the state in lieu	Inh. & Estate	15,826,202	12.9
of all other state or local taxation	Liquor	13,807,643	11.3
and is assessed at 1.2% of true	Amusements	7,243,455	5.8
value. A railroad franchise tax	All Other	14,548,419	11.8
of 10% of net operating revenue	Total	\$122,685,952	100.0
is also imposed on railroads.			
Other public utilities also pay both excise and gross receipts taxes. The			
gas tax is 3¢ per gallon. Cigarette tax is 3¢ per package. The admission			
tax income was nearly all from pari-mutuel pools and race track			
admission taxes.			

New Mexico

Year Ending	Taxes	%
June 30, 1947		
Sales	\$12,043,432	37.2
Gasoline	7,242,372	22.4
Motor Vehicle	3,406,514	10.5
Property	2,390,531	7.4
Income	1,625,303	5.0
Liquor	1,432,649	4.4
All Other	4,262,338	13.1
Total	\$32,403,139	100.0

Sales and income taxes accounted for 42.2% of 1947 state tax income. A merchants' license tax is also imposed on annual gross sales, graduated from \$5.00 on sales not over \$3000 to \$150 on sales over \$100,000. Severance taxes are imposed at 2% of the gross value of oil and gas, potash 1%; coal, gold, lead, stone, timber, zinc, silver,

copper, and asphalt, 1/8 of 1%. The gas tax is 5¢. There is an admissions tax of 2%. The cigarette tax is 3¢ per package.

Sales Tax - A 2% sales tax is levied on the sales price of tangible personal property purchased for storage, use or other consumption. Automobiles, trucks and tractors are taxed at 1%. Tax rates varying from 1/8 of 1% to 2% are assessed on the gross receipts, according to several business classifications.

Income Tax - New Mexico imposes income taxes on both individuals and corporations. Individual rates are: first \$10,000 - 1%; next \$10,000 - 2%; next \$80,000 - 3%; over \$100,000 - 4%. The corporation rate is 2%. Individual exemptions are: single - \$1500; married or family head - \$2500; dependents - \$200 each.

New York

Year Ending	Taxes	%
Mar. 31, 1947		
Income	\$236,582,506	36.6
Liquor	76,480,728	11.8
Gasoline	72,126,429	11.2
Motor Vehicle	60,418,904	9.3
Tobacco	32,934,680	5.1
Franchise	32,424,709	5.0
All Other	135,584,910	21.0
Total	\$646,552,866	100.0

New York received 36.6% of total estate tax revenue from the state income tax. Pari-mutuel taxes contributed \$30,303,583. Stock transfer and mortgage registration taxes accounted for \$30,470,980. There is no state property tax. The gas tax is 4¢ per gallon. The cigarette tax is 3¢ per package.

Income Tax - New York collects income taxes from both business and individuals. The corporation income tax amounted to \$92,417,880, individual was \$114,570,628 and unincorporated business was \$29,593,992, a total of \$236,582,506. The individual rate on net income is: first \$1000 - 2%; next \$2000 - 3%; next \$2000 - 4%; next \$2000 - 5%; next \$2000 - 6%; over \$9000 - 7%. Capital gains are taxed at one-half of these rates. A 50% reduction was made effective in individual rates for the calendar year 1946 and the fiscal year ending in 1947. Corporation taxes are 4-1/2%. The exemptions are: single - \$1000; married or family head - \$2500; dependents - \$400 each.

### North Carolina

	Year Ending June 30, 1947	Taxes	%
More than half of state taxes are from sales and income taxes in North Carolina. State property taxes are limited to a tax on intangibles. The gas tax is 6¢ per gallon. A chain store tax varies from \$65.00 each for two stores to \$250. each for stores in excess of 201. A similar tax on motor fuel pumps varies from \$4. for one pump to \$10 for each pump in excess of 600.	Income	\$ 54,388,798	31.3
	Gasoline	37,906,826	21.8
	Sales	35,481,753	20.4
	Liquor	7,900,038	4.6
	Utility	6,147,924	3.6
	Insurance	3,478,399	2.0
	All Others	28,304,604	16.3
	Total	\$173,822,552	100.0

Sales tax - A sales tax is imposed on the gross sales of wholesale and retail merchants. Wholesalers pay 1/20 of 1%, retailers pay 3% with a maximum tax of \$15. on any single article. Utilities pay on gross receipts at varying rates.

Income tax - The North Carolina income taxes apply to corporations and individuals. Total 1947 yield was \$54,388,798, of which \$24,783,280 was from individuals and \$29,605,518 from corporations. The individual rates are: First \$2000-3%; next \$2000-4%; next \$2000-5%; next \$4000-6%; over \$10000-7%. The corporation tax is 6%. Exemptions are: single-\$1000; married or family head-\$2000; dependents-\$200 each.

### North Dakota

	Year Ending June 30, 1947	Taxes	%
Sales and income taxes totalled 47.3% of North Dakota state taxes. A grain tax is imposed on all grain grown in the state and held in elevators warehouses and granaries. Wheat is 3/8¢ per bushel, corn 1/8¢. The gas tax is 4¢ per gallon. Rural electric co-ops pay 1% of gross for the first 5 years and 2% thereafter in lieu of all property taxes. The cigarette tax is 3¢ per package.	Sales	\$8,535,423	34.2
	Gasoline	4,887,663	19.5
	Income	3,271,000	13.1
	Liquor	2,368,440	9.5
	Motor Veh.	1,824,209	7.3
	Property	1,682,471	6.8
	All Others	2,391,831	9.6
	Total	\$24,961,037	100.0

Sales tax - The sales tax is 2% on the gross receipts from retail sales of tangible personal property, steam, gas, electricity, water and communication services and on admissions to places of amusement.

Income tax - North Dakota applies an income tax to both corporations and individuals. Collections were \$3,271,000 in 1947 or 13% of total state taxes. Individual rates are: First \$2000-1%; next \$2000-2%; next \$1000-3%; next \$1000-5%; next \$2000-7-1/2%; next \$3000-10%; next \$5000-12-1/2%; next \$15000-15%. Corporation rate is: First \$3000-3%; next \$5000-4%; next \$7000-5%; over \$15000-6%. Banks and trust companies pay 4%. Exemptions are: single-\$500; married or family head-\$1500; dependents-\$500. each.

### Ohio

Year Ending	Taxes	%
Dec. 31, 1947		
Sales	\$129,288,342	35.9
Gasoline	68,697,777	19.1
Liquor	46,116,270	12.8
Motor Vehicle	39,778,046	11.0
Tobacco	16,992,955	4.7
Property	15,518,408	4.3
All Other	44,057,014	12.2
Total	\$360,448,812	100.0

The Ohio sales tax produced 35.9% of state taxes. No state income tax is levied except that investments are taxed at 5% of the income yields as a part of the property tax. Lower rates apply to less productive intangibles. The gas tax is 4¢ per gallon. The cigarette tax is 2¢ per package.

Sales Tax - The sales tax is a 3% tax on the retail sale of tangible personal property. From 1¢ to 8¢, no tax; 9¢ to 40¢ - 1¢; 41¢ to 70¢ - 2¢; 71¢ - \$1.00 - 3¢.

### Oklahoma

Year Ending	Taxes	%
June 30, 1947		
Sales	\$29,135,694	24.7
Gasoline	28,548,836	24.2
Income	14,605,944	12.4
Motor Vehicle	12,294,603	10.4
Severance	12,093,665	10.2
Tobacco	8,890,310	7.5
All Other	12,455,831	10.6
Total	\$118,024,883	100.0

Sales and Income taxes produced 37.1% of state taxes in Oklahoma. There is no state property tax. The gas tax is 4-1/2¢ per gallon. Severance taxes are imposed on certain mineral and oil. The tax on oil and gas production is 5% of gross value. The cigarette tax is 5¢ per package. Other tobacco products are

taxed at 20% of retail price.

Sales Tax - The sales tax is 2% of gross receipts from sales of tangible personal property, services and admissions to places of amusement.

Income Tax - Oklahoma has an income tax applicable to individuals and corporations. Rates applicable to individuals are: first \$1500 - 1%; next \$1500 - 2%; next \$1500 - 3%; next \$1500 - 4%; next \$1500 - 5%; over \$7500 - 6%. Corporations and national banks pay 4%. Exemptions are: \$1000 - single; \$2000 - married or family head; \$500 for each dependent.

### Oregon

Oregon has a high rate state income tax that produced 41.2% of state tax revenue in Oregon in 1947. Pari-mutuel betting produced \$637,732. There was no state property tax except a forest lands tax. State liquor store profits were \$9,601,746. The gas tax is 5¢ per gallon. A timber tax of 5¢ per 1,000 feet, board measure, is imposed on forest.

	<u>Year Ending</u> <u>June 30, 1947.</u>	<u>Taxes</u>	<u>%</u>
Income		\$30,894,233	41.2
Gasoline		18,054,609	24.0
Liquor		11,423,036	15.2
Motor Vehicle		8,720,648	11.6
Insurance		1,786,778	2.4
License		1,489,890	2.0
All Other		<u>2,707,284</u>	<u>3.6</u>
Total		75,076,478	100.0

Oregon imposes an individual income tax and a corporation income tax that is modified by credits paid in property taxes. The individual tax yield was \$19,972,380 and the corporation tax amounted to \$10,921,853. Thus the 1947 total was \$30,894,233 or 47.5% of the total Oregon taxes in 1947.

Individual rates are: first \$500 - 2%; next \$1000 - 4%; next \$1000 - 5%; next \$1000 - 6%; next \$4000 - 7%; over \$8000 - 8%. The corporation tax is 8% with an offset up to 50% for property taxes paid in the state.

Exemptions are: \$500 - single; \$1000 - married; and \$300 for each dependent.

### Pennsylvania

	<u>Year Ending</u> <u>May 31, 1947</u>	<u>Taxes</u>	<u>%</u>
State liquor store profits of \$36,000,000 are part of the \$72,381,554 in liquor revenues in Pennsylvania. There is no state property tax. The gas tax is 4¢ per gallon. The cigarette tax is 4¢ per package. There is a soft drink tax of 1¢ per 12 fluid ounces. A stock transfer tax of 2¢ per \$100 is imposed. A gross receipt tax on public utilities is at 8 mills per \$1.00.			
Liquor		\$72,381,554	21.3
Gasoline		69,811,283	20.6
Income		50,563,062	14.8
Motor Vehicle		43,005,302	12.7
Franchise		35,173,957	10.4
Tobacco		20,988,459	6.2
All Other		<u>47,652,875</u>	<u>14.0</u>
Total		\$339,576,492	100.0

Income Tax - The Pennsylvania income tax is a corporation levy and does not apply to individuals. The entire net income as reported on federal returns is taxed at 4%.



Rhode Island

<u>Year Ending</u> <u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
Amusements	\$4,818,456	17.3
Gasoline	4,041,364	16.2
Motor Vehicle	3,703,210	14.9
Property	2,357,246	9.5
Utility	2,057,280	8.2
Tobacco	1,968,458	7.9
All Other	5,989,328	24.0
Total	\$24,935,342	100.0

Rhode Island has a corporation income tax and a 1% sales tax. The sales tax law was passed in 1947 and thus is not reflected in the 1947 tabulations. Pari-mutuel betting accounted for nearly all of the 1947 race track income. The gas tax is 4¢ per gallon. The cigarette tax is 3¢ per package.

Sales Tax - The sales tax is a 1% levy on the retail sales price of tangible personal property and certain public utility services.

Income Tax - Net income of business corporations is taxed at 40 for '47-'48, 3% thereafter. State banks and national banks are taxed at 4%.

South Carolina

<u>Year Ending</u> <u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
Income	\$19,689,203	26.8
Gasoline	19,364,687	26.2
Liquor	14,779,041	20.0
Tobacco	5,232,937	7.1
Motor Vehicle	3,843,098	5.2
Soft Drinks	3,557,640	4.8
All Other	7,266,550	9.9
Total	\$73,743,156	100.0

South Carolina has a high rate state income tax. No state property tax is levied. Hydro-electric power is taxed at 1/2 mill per KWH. The gas tax is 6¢ per gallon. A chain store tax is imposed. A 10% admission tax is collected. Cigarettes are taxed at 3¢ per package and other tobacco products at about 20%. Soft

drinks are taxed at 1¢ per 12 ounces. Cartridges and shells are taxed at \$2.00 per 1,000 rounds. There is a documentary tax.

Income Tax - South Carolina has both a corporation and an individual income tax. Rates for individuals are: first \$2000 - 2%; next \$2000 - 3%; next \$2000 - 4%; over \$6000 - 5%. Corporations and banks pay 4-1/2%.

Exemptions are: single - \$1000; married or family head - \$1800; dependents \$200 each.

South Dakota

	Year Ending		
	<u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
The South Dakota sales tax produced just over 1/3 of their 1947 tax revenue. There is no state property tax. The gasoline tax is 4¢ per gallon. A 4% severance tax is levied on minerals. There is a graduated chain store tax. The cigarette tax is 3¢ per package. The income tax applies to banks and financial institutions only.	Sales	\$ 7,999,823	33.4
	Gasoline	5,431,653	22.6
	Liquor	3,229,209	13.5
	License	2,117,128	8.8
	Motor Veh.	2,063,606	8.6
	Tobacco	1,489,603	6.2
	All Others	1,643,223	6.9
	Total	<u>\$23,974,245</u>	<u>100.0</u>

Sales tax - A 2% tax is levied on the gross receipts from retail sales of tangible personal property, public utility services, admissions to places of amusement and from operation of mechanical amusement devices, etc.

Tennessee

	Year Ending		
	<u>June 30, 1947</u>	<u>Taxes</u>	<u>%</u>
Tennessee has a moderate rate income tax but no sales tax in 1947. A sales tax law was passed in 1947 legislative session. The 1947 state property tax was \$1,332,746 or less than 2% of total state taxes. The gas tax is 7¢ per gallon. A straight line chain store tax is imposed at \$3.00 per 100 square feet. The cigarette tax is 3¢. Soft drinks are taxed at 1-1/2%. A theatre tax of 3% is imposed. There is a mortgage registration tax and a real estate transfer tax. Public utilities pay a gross receipts tax that varies from 1% to 3%.	Gasoline	\$32,788,482	42.7
	Motor Veh.	8,932,514	11.7
	Tobacco	7,648,838	10.0
	Liquor	6,339,455	8.3
	Income	6,140,893	8.0
	Insurance	3,103,377	4.0
	All Others	11,752,154	15.3
	Total	<u>\$ 76,755,713</u>	<u>100.0</u>

Sales tax - The Public Acts of 1947 provided for a 2% sales tax on retail sales, use or rental of tangible personal property including fabrication, repair or other services.

Income tax - The Tennessee income tax applies to corporations and to income from stocks and bonds. The corporation tax amounted to \$4,012,795 in 1947 and the tax on stocks and bonds income was \$2,128,098, a total of \$6,140,893.

Texas

Year Ending Aug. 31, 1947	Taxes	%
Severance	\$67,156,120	28.9
Gasoline	64,471,153	27.7
Motor Vehicle	24,479,432	10.5
Tobacco	21,239,955	9.2
Property	15,011,957	6.4
Liquor	14,978,226	6.4
All Other	25,431,433	10.9
Total	\$232,768,276	100.0

Texas severance taxes were the largest source of state taxes in 1947. Oil production accounted for \$54,844,707 via a state tax of 4-1/8¢ per barrel. Natural gas and sulphur each produced more than \$4,000,000. The gas tax is 4¢ per gallon. There is a chain store tax with a top of \$750, for each store in excess of 50.

Admission taxes are 10%. The cigarette tax is 3¢. Cosmetics and radio are taxed at 2%. Public Utilities have a gross receipts tax that varies from .44 of 1% to 5%. There is a state poll tax of \$1.50 on persons 21 to 60.

Utah

Year Ending June 30, 1947	Taxes	%
Sales	\$11,162,221	33.5
Gasoline	6,052,386	18.1
Income	4,750,979	14.2
Liquor	4,026,925	12.1
Property	1,970,193	5.9
Motor Vehicle	1,944,371	5.8
All Other	3,466,575	10.4
Total	\$33,373,650	100.0

Sales and income taxes accounted for 47.7% of Utah tax revenue in 1947. The state property tax was \$1,970,193. State liquor store profits were \$3,119,084. The gas tax is 4¢ per gallon. A 1% severance tax applies to mining operations. The cigarette tax is 2¢ per package. Public utility gross operating revenue may be taxed

up to 1/2 of 1%.

Sales Tax - The sales tax is a 2% tax on retail sales of tangible personal property, amounts paid to certain public utility corporations, amounts paid for meals and admissions to places of amusement.

Utah has both the individual and the corporate income tax. The yield from the individual tax was \$3,177,317 in 1947 and from the corporation income tax was \$1,573,662, a total of \$4,750,979. Individual rates are: first \$1000 - 1%; next \$1000 - 2%; next \$1000 - 3%; next \$1000 - 4%, over \$4000 - 5%. The corporation rate is 3%. Exemptions are: \$600 single; \$1200 married with \$300 for each dependent.

Vermont

	Year Ending June 30, 1947	Taxes	%
Vermont has a low rate income tax on individual and corporate income. The state property tax, only \$22,902, is limited to unorganized towns. The gas tax is 4-1/2¢ per gallon. Cigarettes are taxed at 2¢ per package. Electrical energy is taxed at 1/2 mill per kilowatt hour. The towns collect a \$2.50 poll tax for old age assistance and remit it to the state, less 10%.	Gasoline	\$ 3,192,407	21.5
	Motor Veh.	3,148,532	21.2
	Liquor	2,730,229	18.4
	Income	1,929,956	12.9
	Tobacco	926,673	6.2
	Utility	831,980	5.6
	All Others	2,090,767	14.2
	Total	\$14,850,544	100.0

Income tax - Vermont taxes both individuals and corporations with their income tax. The rate for individuals is: First \$1000-1%; Next \$1000-2%; Next \$1000-3%; Over \$5000-4%. The corporation tax is 4%.

Exemptions are: single \$500; married \$1000; dependents \$500 each with an additional exemption of \$500 for tax payers over 65 years of age.

Virginia

	Year Ending June 30, 1947	Taxes	%
State liquor stores in Virginia produced profits of \$15,397,314 in 1947. The income tax proceeds were divided about equally between individuals and corporations. The state property tax of \$4,896,439 is a tax on intangibles. There is no state levy on real property. The gas tax is 6¢ per gallon. There is a merchants license tax based on retailers sales and wholesalers purchases. Utilities have a gross receipts tax. Document recording is taxed.	Gasoline	\$32,170,226	29.0
	Liquor	21,479,465	19.3
	Income	19,521,296	17.5
	Motor Veh.	10,617,348	9.5
	Utility	7,956,532	7.1
	License	6,162,066	5.5
	All Others	13,529,062	12.1
	Total	\$111,435,995	100.0

Income tax - The rate for individuals is: First \$3000-2%; Next \$2000-3%; Over \$5000-5%. The corporation rate is 5%.

Exemptions are: Single \$1000; married or family head \$2000; dependents \$200 each.

Washington

Year Ending	<u>Taxes</u>	<u>%</u>
Mar. 31, 1947		
Sales	\$83,996,997	40.1
Gasoline	27,076,900	15.0
Liquor	26,100,215	15.3
Motor Veh.	9,782,300	5.7
Tobacco	4,665,541	2.7
Utility	4,358,162	2.5
All Others	15,035,731	8.8
Total	\$171,105,855	100.0

The 3% sales tax accounted for nearly 1/2 of state tax revenue in Washington. The total state property tax is about 1-1/2% of state taxes. State liquor store profits were \$11,421,997. The gas tax is 5¢ per gallon. The cigarette tax is 2¢ per package and 20% if the price is more than 20¢ per package of 20. Gross operating revenue of all

public severance business is taxed at rates from 1/4 of 1% to 3%.

Sales tax - The sales tax is a 3% tax on retail sales of tangible personal property. There is also a business and occupational tax whereby value of products, gross income, etc., serve as the basis with rates from 1/100 of 1% to 1/2 of 1%. Slot machines have a 40% rate.

West Virginia

Year Ending	<u>Taxes</u>	<u>%</u>
June 30, 1947		
Sales	\$44,310,773	52.1
Gasoline	13,320,090	16.2
Liquor	11,662,703	13.7
Motor Veh.	9,223,156	10.9
Insurance	1,601,747	2.0
License	1,336,898	1.6
All Others	3,018,482	3.5
Total	\$85,063,858	100.0

The sales tax produced more than one-half of state taxes in West Virginia. The state property tax is negligible. State liquor store profits were \$10,166,527. The gas tax is 5¢ per gallon. There is a graduated chain store tax. The cigarette tax is 1¢ per package.

Sales tax- This is a 2% sales tax on the gross proceeds of each separate transaction entered into only by persons engaged in selling tangible personal property at retail or in furnishing certain selected services. The seller adds tax to price as follows: 5¢ or less, no tax; 6¢ to 50¢ - 1¢; 51¢ to \$1.00 - 2¢; each 50¢ over \$1.00 - 1¢. Gross income received by all businesses is also taxed at varying rates.

Wisconsin

	Year Ending June 30, 1947	Taxes	%
Wisconsin used the state income tax for more than 40% of state taxes. The state property tax is less than 1% of total taxes. The gas tax is 4¢ per gallon. The cigarette tax is 2¢ per package. Public service companies pay gross receipts taxes in lieu of all property taxes.	Income	\$60,439,182	41.9
	Gasoline	25,638,800	17.8
	Motor Vehicle	17,792,013	12.4
	Utility	15,404,189	10.7
	Liquor	7,738,366	5.4
	Tobacco	5,905,769	4.1
	All Other	11,001,871	7.7
	Total	\$143,920,190	100.0

Income Tax - Wisconsin imposes a general income tax on individuals and corporations and also taxes dividends paid out of income derived from property and business transacted in the state. In 1947 the income tax on individuals amounted to \$30,162,241, on corporations it was \$27,110,748 and the corporation dividend tax amounted to \$3,166,193. This is a total of \$60,439,182 or 42% of state income.

Exemptions are in the form of a flat rate deduction from the computed tax. It is \$8.00 for a single person; \$17.50 for a married person; \$400 for each dependent.

The rate for individuals is from 1% for the first \$1000 and in many graduations reaches 7% for income over \$12,000 with all brackets subject to a surtax.

Similarly, the corporation tax is 2% for the first \$1000 up to 6% for net income over \$6000, plus a surtax.

The "privilege dividend tax" is 3%.

Wyoming

	Year Ending Sept. 30, 1947	Taxes	%
Wyoming depends upon a 2% sales tax for a large part of general fund revenues. The profits from operation of state liquor stores amounted to \$620,124. The gas tax is 4¢ per gallon.	Sales	\$5,207,708	37.1
	Gasoline	4,087,127	29.1
	Motor Vehicle	1,594,898	11.4
	Liquor	1,131,180	8.1
	Property	838,467	5.9
	License	728,845	5.2
	All Others	443,082	3.2
	Total	\$14,031,307	100.0

Sales Tax - The sales tax is a 2% levy on the retail sales of tangible personal property, utility service, meals and cover charges and admissions to places of amusement.

Summaries

The total yearly yield, from state income taxes and sales taxes, can be worked out accurately in per capita terms. To indicate just how much Maine would receive from a tax similar to that of another state is impossible because of the obvious differences in economic conditions among the states. However, since Maine is near the middle in the listing of average per capita income, these tabulations, worked out from the per capita tax in the other states, may be reasonably accurate.

State	Estimated 1948 Population	State Taxes per 897,000 of population, the estimated 1948 population of Maine		
		Sales Tax	Income Tax	Total
Alabama	2,839,000	\$8,100,000	\$3,250,000	\$11,350,000
Arizona	654,000	18,700,000	7,000,000	25,700,000
Arkansas	1,923,000	8,000,000	1,950,000	9,950,000
California	9,894,000	21,900,000	10,000,000	31,900,000
Colorado	1,151,000	16,400,000	6,750,000	23,150,000
Connecticut	2,008,000	(Sales Tax enacted in 1947)		
Delaware	297,000	-	5,300,000	5,300,000
Florida	2,320,000	-	-	-
Georgia	3,104,000	-	6,300,000	6,300,000
Idaho	530,000	-	11,300,000	11,300,000
Illinois	8,622,000	14,600,000	-	14,600,000
Indiana	3,907,000	12,400,000	-	12,400,000
Iowa	2,624,000	14,100,000	4,250,000	18,350,000
Kansas	1,953,000	13,300,000	4,250,000	17,550,000
Kentucky	2,793,000	-	3,950,000	3,950,000
Louisiana	2,566,000	5,750,000	4,500,000	10,250,000
Maine	897,000	-	-	-
Maryland	2,118,000	-	6,250,000	6,250,000
Massachusetts	4,704,000	-	15,200,000	15,200,000
Michigan	6,189,000	23,400,000	-	23,400,000
Minnesota	2,938,000	-	9,500,000	9,500,000
Mississippi	2,112,000	9,000,000	3,650,000	12,650,000
Missouri	3,945,000	13,300,000	2,450,000	15,750,000
Montana	509,000	-	6,400,000	6,400,000
Nebraska	1,297,000	-	-	-
Nevada	141,000	-	-	-
New Hampshire	545,000	-	1,100,000	1,100,000
New Jersey	4,691,000	-	-	-
New Mexico	561,000	19,300,000	2,600,000	21,900,000
New York	14,357,000	-	14,850,000	14,850,000
North Carolina	3,675,000	8,700,000	13,800,000	22,500,000
North Dakota	559,000	13,700,000	5,250,000	18,950,000

State	Estimated 1948 Population	State Taxes per 897,000 of population, the estimated 1948 population of Maine		
		Sales Tax	Income Tax	Total
Ohio	7,788,000	\$14,950,000	-	\$14,950,000
Oklahoma	2,352,000	11,150,000	5,600,000	16,750,000
Oregon	1,625,000	-	17,100,000	17,100,000
Pennsylvania	10,676,000	-	4,250,000	4,250,000
Rhode Island	742,000	(Sales Tax enacted in 1947)		
South Carolina	1,960,000	-	9,050,000	9,050,000
South Dakota	620,000	11,600,000	-	11,600,000
Tennessee	3,140,000	-	1,700,000	1,700,000
Texas	7,153,000	-	-	-
Utah	652,000	15,400,000	6,600,000	22,000,000
Vermont	374,000	-	4,650,000	4,650,000
Virginia	2,975,000	-	5,900,000	5,900,000
Washington	2,453,000	30,400,000	-	30,400,000
West Virginia	1,915,000	20,800,000	-	20,800,000
Wisconsin	3,307,000	-	16,400,000	16,400,000
Wyoming	270,000	17,350,000	-	17,350,000

Among the states showing no yield from the sales tax or income tax are the six states that do not impose either of these taxes. These are Maine, New Jersey, Florida, Texas, Nebraska and Nevada. The Connecticut and the Rhode Island sales taxes were enacted in 1947 and thus do not appear in 1947 income. The New Hampshire income tax is the income tax on intangibles. The general summary is this:

#### Sales Taxes

There were 69,224,000 people living in the states showing sales tax collections in 1947. Each person paid an average of \$17.46, or, \$15,650,000 for the year.

#### Income Taxes

There were 92,867,000 people living in the states with state income tax collections in 1947. The per capita tax was \$9.35 or the equivalent of about \$8,400,000 when expressed in terms of a Maine population of 897,000.

In a total population of about 145,000,000 in the country, about 128,500,000 are in the forty-two states that impose sales or income taxes, or both. About 16,500,000, or about one in nine, are in the remaining six states.