

Connection to Federal Income Tax Laws

Simplicity - Policy Control

		Connection Type	
		Static	Rolling
Starting Point	AGI / Line 28	Static & AGI / Line 28	Rolling & AGI / Line 28
	Taxable Income	Static & Taxable Income	Rolling & Taxable Income

Personal Income Tax:

Adjusted Gross Income (AGI)

Taxable Income

Other

Corporation Income Tax:

Line 28: Income before NOLs and Special Deductions

Line 30: Taxable Income

Other

STATE PERSONAL INCOME TAXES: CONNECTION TYPE

Relation to Federal IRC	Starting Point	State	PIT % of 2019 State Taxes	PIT % of 2018 S&L Taxes	
Rolling Reconnect	Federal Adjusted Gross Income	Connecticut	47%	32%	
		Delaware	38%	31%	
		D.C.	26%	26%	
		Illinois	39%	20%	
		Iowa	39%	25%	
		Kansas	38%	23%	
		Lousiana	33%	16%	
		Maryland	43%	38%	
		Michigan	34%	24%	
		Missouri	50%	29%	
		Montana	45%	29%	
		Nebraska	44%	23%	
		New Mexico	21%	14%	
		New York	59%	35%	
		Oklahoma	33%	23%	
	Rhode Island	37%	22%		
	Utah	50%	31%		
		Federal Taxable Income	Colorado	51%	25%
			North Dakota	8%	6%
			Oregon	71%	43%
1/1/2005 1/1/2015 12/31/2017 12/31/2018 12/31/2018 12/31/2018 12/31/2018 3/30/2018 12/31/2018 12/31/2018 12/31/2018 12/31/2018 1/1/2019 1/1/2019 1/1/2019 5/1/2020 12/31/2018 1/1/2019	Adjusted Gross Income	Massachusetts	54%	34%	
		California	53%	35%	
		Wisconsin	44%	28%	
		Hawaii	31%	23%	
		Kentucky	36%	34%	
		Maine	37%	22%	
		Minnesota	44%	33%	
		Ohio	31%	27%	
		Vermont	25%	21%	
		Virginia	57%	33%	
		West Virginia	35%	26%	
		Arizona	29%	17%	
		Georgia	49%	28%	
		Indiana	30%	24%	
		North Carolina	45%	30%	
		Federal Taxable Income	South Carolina	42%	24%
			Idaho	34%	27%
Not Applicable	Non-federal	Alabama	36%	23%	
		Arkansas	29%	23%	
		Mississippi	24%	17%	
		New Jersey	41%	23%	
		Pennsylvania	31%	26%	
	Int & Div only	New Hampshire	4%	1%	
		Tennessee	1%	1%	
	No State Income Tax	Alaska	0%	0%	
		Florida	0%	0%	
		Nevada	0%	0%	
		South Dakota	0%	0%	
		Texas	0%	0%	
Washington Wyoming		0%	0%		

Source: Federation of Tax Administrators, Census, updates by LRO

Notes:

Michigan's taxpayers can choose to use either current or 1/1/2012 federal law.

Oregon is tied to 12/31/2018 for provisions other than the definition of taxable income.

STATE PERSONAL INCOME TAXES: STARTING POINT

Starting Point	Relation to Federal IRC	State	PIT % of 2019 State Taxes	PIT % of 2018 S&L Taxes	
Federal Adjusted Gross Income	Rolling Reconnect	Connecticut	47%	32%	
		Delaware	38%	31%	
		D.C.	26%	26%	
		Illinois	39%	20%	
		Iowa	39%	25%	
		Kansas	38%	23%	
		Louisiana	33%	16%	
		Maryland	43%	38%	
		Michigan	34%	24%	
		Missouri	50%	29%	
		Montana	45%	29%	
		Nebraska	44%	23%	
		New Mexico	21%	14%	
		New York	59%	35%	
		Oklahoma	33%	23%	
		Rhode Island	37%	22%	
	Utah	50%	31%		
		1/1/2005	Massachusetts	54%	34%
		1/1/2015	California	53%	35%
		12/31/2017	Wisconsin	44%	28%
		12/31/2018	Hawaii	31%	23%
		12/31/2018	Kentucky	36%	34%
		12/31/2018	Maine	37%	22%
		12/31/2018	Minnesota	44%	33%
		3/30/2018	Ohio	31%	27%
		12/31/2018	Vermont	25%	21%
	12/31/2018	Virginia	57%	33%	
	12/31/2018	West Virginia	35%	26%	
	1/1/2019	Arizona	29%	17%	
	1/1/2019	Georgia	49%	28%	
	1/1/2019	Indiana	30%	24%	
	5/1/2020	North Carolina	45%	30%	
Federal Taxable Income	Rolling Reconnect	Colorado	51%	25%	
		North Dakota	8%	6%	
		Oregon	71%	43%	
	12/31/2018	South Carolina	42%	24%	
	1/1/2019	Idaho	34%	27%	
Non-federal		Alabama	36%	23%	
		Arkansas	29%	23%	
		Mississippi	24%	17%	
		New Jersey	41%	23%	
		Pennsylvania	31%	26%	
Int & Div only		New Hampshire	4%	1%	
		Tennessee	1%	1%	
No State Income Tax		Alaska	0%	0%	
		Florida	0%	0%	
		Nevada	0%	0%	
		South Dakota	0%	0%	
		Texas	0%	0%	
		Washington	0%	0%	
	Wyoming	0%	0%		

Source: Federation of Tax Administrators, Census, updates by LRO

Notes:

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STATE CORPORATE INCOME TAXES: CONNECTION TYPE

Relation to Federal IRC	Starting Point	State	CIT % of 2019 State Taxes	CIT % of 2018 S&L Taxes		
Rolling Reconnect	Line 28	Alaska	19%	5.5%		
		Connecticut	5%	2.6%		
		Louisiana	4%	1.8%		
		Massachusetts	9%	5.0%		
		Montana	6%	3.9%		
		New Jersey	10%	3.4%		
		New Mexico	3%	1.1%		
		New York	5%	5.4%		
		Oklahoma	3%	1.5%		
		Pennsylvania	7%	4.2%		
	Rhode Island	5%	1.9%			
	Tennessee	11%	7.4%			
	Utah	5%	3.1%			
	Line 29	Alabama	6%	3.4%		
	Line 30	Colorado	5%	2.2%		
		Delaware	6%	4.9%		
		Illinois	7%	3.4%		
		Iowa	5%	2.7%		
		Kansas	5%	2.9%		
		Maryland	6%	2.6%		
Missouri		3%	1.7%			
Nebraska		7%	3.0%			
North Dakota		3%	1.9%			
Oregon		7%	4.3%			
1/1/2015 12/31/2018 1/1/2019 12/31/2018 12/31/2018 12/31/2018 1/1/2019 12.31/17 1/1/2019 1/1/2019 1/1/2019 1/1/2019 12/31/2018 1/1/2018 12/31/2018 12/31/2018 12/31/2018 12/31/2018	Line 28	California	7%	4.6%		
		Hawaii	2%	1.4%		
		Indiana	4%	2.6%		
		Kentucky	4%	3.9%		
		Minnesota	6%	3.8%		
		New Hampshire	28%	11.1%		
		North Carolina	3%	1.8%		
		Wisconsin	7%	3.1%		
	Line 30	Arizona	3%	1.4%		
		Florida	7%	2.9%		
		Georgia	5%	2.5%		
		Idaho	6%	3.6%		
		Maine	5%	2.5%		
		Michigan	4%	2.5%		
		South Carolina	4%	2.3%		
		Vermont	4%	2.8%		
		Virginia	4%	2.0%		
		West Virginia	3%	1.5%		
		Non-Federal	Not Applicable	Arkansas	5%	3.1%
				D.C.	7%	7.2%
Mississippi	6%			3.9%		
No state income tax	Commerce Tax	Nevada	0%	0.0%		
	CAT	Ohio	0%	0.5%		
	Franchise Tax	Texas	0%	0.0%		
	---	South Dakota	2%	0.9%		
	Business & Occupation Tax	Washington	0%	0.0%		
	----	Wyoming	0%	0.0%		

Source: Federation of Tax Administrators, Census, updates by LRO

Notes:

Alabama Starting Point is Before NOL but after Special Deductions.

Oregon is tied to 12/31/2018 for provisions other than the definition of taxable income.

STATE CORPORATE INCOME TAXES: STARTING POINT

Starting Point	Relation to Federal IRC	State	CIT % of 2019 State Taxes	CIT % of 2018 S&L Taxes
Line 28	Rolling Reconnect	Alaska	19%	5.5%
		Connecticut	5%	2.6%
		Louisiana	4%	1.8%
		Massachusetts	9%	5.0%
		Montana	6%	3.9%
		New Jersey	10%	3.4%
		New Mexico	3%	1.1%
		New York	5%	5.4%
		Oklahoma	3%	1.5%
		Pennsylvania	7%	4.2%
	Rhode Island	5%	1.9%	
	Tennessee	11%	7.4%	
	Utah	5%	3.1%	
	1/1/2015	California	7%	4.6%
	12/31/2018	Hawaii	2%	1.4%
	1/1/2019	Indiana	4%	2.6%
	12/31/2018	Kentucky	4%	3.9%
12/31/2018	Minnesota	6%	3.8%	
12/31/2018	New Hampshire	28%	11.1%	
1/1/2019	North Carolina	3%	1.8%	
12.31/17	Wisconsin	7%	3.1%	
Line 29	Current	Alabama	6%	3.4%
Line 30	Rolling Reconnect	Colorado	5%	2.2%
		Delaware	6%	4.9%
		Illinois	7%	3.4%
		Iowa	5%	2.7%
		Kansas	5%	2.9%
		Maryland	6%	2.6%
		Missouri	3%	1.7%
		Nebraska	7%	3.0%
		North Dakota	3%	1.9%
	Oregon	7%	4.3%	
	1/1/2019	Arizona	3%	1.4%
	1/1/2019	Florida	7%	2.9%
	1/1/2019	Georgia	5%	2.5%
	1/1/2019	Idaho	6%	3.6%
	12/31/2018	Maine	5%	2.5%
	1/1/2018	Michigan	4%	2.5%
	12/31/2018	South Carolina	4%	2.3%
12/31/2018	Vermont	4%	2.8%	
12/31/2018	Virginia	4%	2.0%	
12/31/2018	West Virginia	3%	1.5%	
Not Applicable	Non Federal	Arkansas	5%	3.1%
		D.C.	7%	7.2%
		Mississippi	6%	3.9%
Commerce Tax CAT Franchise Tax --- Business & Occupation Tax ----	No state income tax	Nevada	0%	0.0%
		Ohio	0%	0.5%
		Texas	0%	0.0%
		South Dakota	2%	0.9%
		Washington	0%	0.0%
		Wyoming	0%	0.0%

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