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**ARIZONA TAX RESEARCH ASSOCIATION**

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## Arizona's State & Local Tax Burden's About Average

The Census Bureau recently released the FY 2007 tax collection data for all of the states and Arizona's ranking jumps to 22<sup>nd</sup> based on \$1,000 of personal income and 33<sup>rd</sup> per capita in total tax collections. As reported in the *ATRA April 2009 Newsletter*, the FY 2006 tax collections initially released for Arizona by the Census Bureau were understated by approximately \$1.8 billion. As a result of the Census Bureau correcting \$1.4 billion of the total amount in question, Arizona's ranking in tax collections has increased significantly relative to other states in FY 2006 and FY 2007.

In the FY 2006 data reported for Arizona, the Census Bureau had completely overlooked \$628 million collected from the education sales tax, \$246 million of the Maricopa County road tax, at least \$480 million in vehicle license tax (VLT), \$60 million in sales taxes collected for the Phoenix Civic Plaza, and approximately \$320 million in local sales tax collections that is still being researched by the Bureau. Although the data is not perfect, the corrections made by the Census Bureau have contributed to greater accuracy and reliability of Arizona's FY 2007 reported tax collections.

	FY 2006 (w/error)		FY 2006 (corrected)		FY 2007	
	Per Capita	Per \$1,000 of Income	Per Capita	Per \$1,000 of Income	Per Capita	Per \$1,000 of Income
<b>Total Taxes</b>	39 <sup>th</sup>	34 <sup>th</sup>	32 <sup>nd</sup>	19 <sup>th</sup>	33 <sup>rd</sup>	22 <sup>nd</sup>
<b>General Sales</b>	11 <sup>th</sup>	11 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
<b>Property</b>	36 <sup>th</sup>	32 <sup>nd</sup>	33 <sup>rd</sup>	23 <sup>rd</sup>	36 <sup>th</sup>	29 <sup>th</sup>
<b>Individual Income</b>			40 <sup>th</sup>	40 <sup>th</sup>	40 <sup>th</sup>	40 <sup>th</sup>
<b>Corporate Income</b>			25 <sup>th</sup>	20 <sup>th</sup>	26 <sup>th</sup>	22 <sup>nd</sup>

See State & Local Tax Burden page 3

## 44.4% of School District Spending Measures Rejected

Voters went to the polls this month to decide the fate of 90 different bond and override proposals for 69 different school districts. Historically, these measures have demonstrated a capacity to pass regularly in most jurisdictions. For example, in 2008 voters passed 82.4% of the 56 bond and override questions before them. But, considering the current economic environment differs so greatly from any year of the recent past, it is not surprising that this year's results did not follow historical trends.

An unusually high 44.4% of these ballot measures were rejected by the voters this November. Only one bond failed (Gila Bend Unified), but overrides were rejected with a much greater frequency. Statewide, 39 overrides failed. Voters rejected 48% of maintenance and operations (M&O) overrides, 60% of capital outlay overrides, and 54.5% of K-3 overrides.

Two years ago, voters also rejected a similar portion of school districts' bonds and overrides, 44.1% statewide (see *ATRA Newsletter* November 2007). At that time, most attributed the unexpected failures to voters' concerns over rising property tax levies and sky-rocketing assessed values (see "Secondary Property Taxes Climb 16% in 2007" *ATRA Newsletter* November 2007). Secondary levies continued to increase in 2008 and assessed values rose by an additional 20% statewide; and yet, as mentioned above, a much smaller portion of school district bonds and overrides were defeated.

See Election Results page 2

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# ELECTION RESULTS, *Continued from page 1*

The common characteristic of the 2007 and 2009 elections seems to challenge the conventional wisdom regarding low voter-turnout. Many assume that low voter-turnout in an election that proposes additional taxing authority benefits the district that makes the request. This logic assumes that a less-publicized election enables those that benefit from the additional spending authority to more easily mobilize enough supporters to carry the election. Contrary to this assumption, the highly publicized presidential election of 2008, with its much higher voter-turnout, resulted in greater success of school district ballot measures than the off-year elections of 2007 and 2009. When voters went to the polls in 2007 and 2009, most were there solely to vote on school district spending measures.

If the results of 2007 and 2009 are part of an emerging trend of voters rejecting large numbers of bonds and overrides during off-year elections, this would indicate that the anti-tax core of the population now exceeds the pro-spending core even while the general population continues its support of the spending measures in larger proportions.

Notwithstanding the similarities between the 2007 and 2009 elections, it is important to note a key difference: In 2007, the rejected ballot measures were concentrated in Maricopa County. Outside Maricopa County only 18.2% failed in 2007, which is very similar to the 17.6% that failed statewide in 2008. In 2009, though, the percentage that failed outside Maricopa County was identical to the percentage that failed within the county.

		<b>School District Election Results</b>			
		<b>Total</b>			
		<b>Questions</b>	<b>Passed</b>	<b>Failed</b>	<b>% Defeated</b>
<b>Statewide Results</b>	<b>M&amp;O Overrides</b>	50	26	24	48.0%
	<b>Capital Outlay Overrides</b>	5	2	3	60.0%
	<b>K-3 Overrides</b>	22	10	12	54.5%
	<b>Bonds</b>	13	12	1	7.7%
	<b>Total</b>	90	50	40	44.4%
<b>Results for only Maricopa County</b>	<b>M&amp;O Overrides</b>	17	9	8	47.1%
	<b>Capital Outlay Overrides</b>	2	1	1	50.0%
	<b>K-3 Overrides</b>	10	4	6	60.0%
	<b>Bonds</b>	7	6	1	14.3%
	<b>Total</b>	36	20	16	44.4%

While compiling the election results described in the table above, ATRA noticed an unusual description included in the ballot language of the Vail Unified School District’s override. State law requires the ballot to include a description of the amount of the property-tax-funded budget increase that will result in the first year of an override (A.R.S. § 15-481). The Vail school district asked voters to renew an override three years prior to the expiration of its existing override. As the new override would replace the existing override, the district’s ballot language stated that passing the budget override would result in no budget increase during the first year. As the first year is the only year for which an estimated cost of the override is required on the ballot, the district avoided describing the total amount the override would cost taxpayers.

Notwithstanding Vail’s description that the override would result in zero increased spending in the next fiscal year, the voters rejected the override’s renewal anyway. The voters that arrived on Election Day with the sole purpose of voting on spending measures were not confused by ballot language that was somewhat less than straightforward.

The voters in the Vail district, as well as those all across the state, have not been insulated from the recent economic downturn. Over the last two years, there have been record job losses and record home foreclosures. The voters that went to the polls last week were likely sending the message that they don’t think government ought to be insulated from spending reductions either.

*Justin Olson*

<p><b>ARIZONA TAX RESEARCH ASSOCIATION</b>                  Dick Foreman.....Chairman                  Kevin J. McCarthy.....President                  Jennifer Schultdt.....Vice President                  Justin Olson.....Senior Research Analyst                  Maria Travers.....Office Manager</p>	<p>Published 10 times annually by the Arizona Tax Research Association, a nonprofit organization whose purpose is to promote efficiency and economy in Arizona government and reductions at all levels. Permission to reprint is granted to all publications giving appropriate credit to the Arizona Tax Research Association.  <i>Serving Arizona’s taxpayers since 1940.</i></p>	<p>1814 W. Washington Street                  Phoenix, Arizona 85007                  (602) 253-9121                  FAX (602) 253-6719                  www.arizonatax.org                  atra@arizonatax.org</p>
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## State & Local Tax Burden, *Continued from page 1*

As Arizona's tax revenues have continued to decline over the past couple of years, the discussion on "tax reform" has once again resurfaced. It is inevitable that the comparison of national statistics will be utilized when analyzing state and local fiscal systems. However, caution should be exercised with any data that is used as the basis to make policy decisions. Moreover, aggregate per capita of personal income statistics, though popular, have limited value in analyzing effective tax rates as well as the differences in tax burdens between individuals and businesses.

### **Total Tax Collections**

An analysis of the data released in the Census Bureau's FY 2007 report shows that, although it appears that Arizona's tax collections continue to be under-reported by as much as \$386 million, the data is clearly more accurate than it has been in past years. As a result, Arizona ranks 33<sup>rd</sup> per capita in total state and local tax collections out of the 50 states and D.C. Based on per \$1,000 of personal income, which adjusts for the relative wealth between the individual states, Arizona's ranking increases significantly to 22<sup>nd</sup>.

Arizona's relatively average total state and local tax burden is generated through high sales, average property, and low personal income. Arizona businesses, on the other hand, continue to pay a disproportionately higher share of property taxes and have maintained an average ranking in the amount they pay in corporate income taxes compared to businesses in other states.

### **Sales Taxes**

Arizona taxpayers continue to pay some of the highest sales taxes in the country. In FY 2007, Arizonan's paid \$1,440.83 per capita in sales taxes, which was significantly higher than the U.S. average of \$1,007.09. The result of paying exorbitantly higher sales taxes than taxpayers in other states ranks Arizona 5<sup>th</sup> nationally. Similarly, Arizona ranks 6<sup>th</sup> based on \$1,000 of personal income. The only states that pay higher sales taxes based on per \$1,000 of personal income include Hawaii, Washington, Louisiana, Arkansas, and New Mexico.

### **Property Taxes**

Arizona ranks below average on a per capita and per \$1,000 of personal income basis in total property taxes, at 36<sup>th</sup> and 29<sup>th</sup>, respectively. As mentioned earlier, these statistics do not account for the way in which Arizona's property tax system shifts the tax burden from residential to business property. For example, although business property accounts for only 17% of the property tax base, businesses pay 36% of the total property tax burden. Conversely, residential owner-occupied properties account for 65% of the total taxable value in Arizona and pay just 46% of total property taxes.

According to the most recent *50-State Property Tax Comparison Study (2008 Payable)* report produced by the Minnesota Taxpayer's Association, shifting the tax burden from homeowners to businesses places Arizona's residential property tax burdens at 40<sup>th</sup> in the nation. On the other hand, Arizona ranks relatively high compared to other states in business property taxes, ranking 10<sup>th</sup> nationally, which is a major improvement since Arizona has historically ranked consistently in the top five. The reasons behind Arizona's improved business tax ranking is mainly attributed to the gradual decrease in the assessment ratio for business properties, in addition to the decrease in primary tax rates as a result of a series of methods to control property taxes in the state of Arizona for the last 15 years.

### **Income Taxes**

Of the 44 states that impose individual income taxes, Arizona ranks 40<sup>th</sup> on a per capita and per \$1,000 of personal income basis. For example, compared to the U.S. average of \$1,156.16 in per capita individual income taxes collected, Arizonan's pay less than 50% of that at \$576.51 per capita. Analyzing the amount collected based on \$1,000 of personal income, Arizona taxpayers pay \$18.79 compared to the U.S. average of \$31.89.

Arizona businesses pay less than the U.S. average in corporate income taxes compared to the 46 other states that levy the tax. The \$151.71 per capita paid by businesses, which is 23% lower than the U.S. average of \$196.12, ranks Arizona 26<sup>th</sup>. Arizona's rank increases to 22<sup>nd</sup> when considering the \$4.94 that Arizona businesses pay in corporate income taxes based on \$1,000 of personal income, which is within 10% of the U.S. average.

As long as policymakers continue to use the Census Bureau's aggregate tax collection data to base policy decisions, it is crucial that the data be as accurate as possible. To that end, ATRA intends to recommend that the 2010 Legislature formalize Arizona's reporting process to the Census Bureau.

*Jennifer Scholdt*

Total Tax Collections - State & Local FY2007				
State	Per Capita		Per \$1,000 of Income	
	Amount	Rank	Amount	Rank
Alabama	2,886.60	51	95.01	48
Alaska	7,212.91	2	184.10	1
<b>Arizona</b>	<b>3,589.85</b>	<b>33</b>	<b>116.98</b>	<b>22</b>
Arkansas	3,213.55	44	114.94	23
California	4,704.81	11	119.65	16
Colorado	3,772.33	28	99.00	47
Connecticut	6,023.89	5	117.23	21
D.C.	8,773.07	1	110.24	33
Delaware	4,190.62	18	153.18	3
Florida	3,980.91	27	109.14	36
Georgia	3,422.87	35	110.18	34
Hawaii	5,096.00	7	138.68	5
Idaho	3,127.53	46	107.36	39
Illinois	4,264.77	15	112.19	27
Indiana	3,310.66	40	104.73	42
Iowa	3,641.40	31	112.54	26
Kansas	4,052.08	22	119.23	17
Kentucky	3,210.31	45	110.46	32
Louisiana	3,986.19	26	126.07	11
Maine	4,276.36	14	132.74	7
Maryland	4,804.17	9	109.78	35
Massachusetts	4,943.10	8	107.67	38
Michigan	3,708.21	30	111.51	29
Minnesota	4,533.18	13	118.18	19
Mississippi	2,971.35	50	111.31	31
Missouri	3,246.94	43	101.25	45
Montana	3,380.36	36	111.41	30
Nebraska	4,002.20	25	119.21	18
Nevada	4,016.63	23	108.26	37
New Hampshire	3,604.41	32	91.02	51
New Jersey	5,923.54	6	127.08	9
New Mexico	3,758.76	29	131.17	8
New York	6,876.10	3	158.33	2
North Carolina	3,515.62	34	113.58	25
North Dakota	4,062.37	21	126.95	10
Ohio	4,009.16	24	121.81	12
Oklahoma	3,280.68	41	102.26	44
Oregon	3,363.73	38	103.06	43
Pennsylvania	4,198.04	17	114.72	24
Rhode Island	4,555.44	12	119.94	15
South Carolina	3,081.33	47	106.29	40
South Dakota	2,976.75	48	94.17	50
Tennessee	2,973.47	49	94.67	49
Texas	3,372.32	37	99.85	46
Utah	3,254.99	42	117.85	20
Vermont	4,709.55	10	134.12	6
Virginia	4,167.16	19	105.61	41
Washington	4,204.02	16	111.95	28
West Virginia	3,362.03	39	120.91	14
Wisconsin	4,147.14	20	121.54	13
Wyoming	6,095.47	4	146.04	4
<b>U.S. Average</b>	<b>\$ 4,195.07</b>		<b>116.19</b>	

General Sales Tax Collections-State and Local FY2007				
State	Per Capita		Per \$1,000 of Income	
	Amount	Rank	Amount	Rank
Alabama	863.29	27	28.41	21
Alaska	261.44	47	6.67	47
<b>Arizona</b>	<b>1,440.83</b>	<b>5</b>	<b>46.95</b>	<b>6</b>
Arkansas	1,326.00	10	47.43	4
California	1,139.94	13	28.99	18
Colorado	1,025.87	18	26.92	23
Connecticut	865.51	26	16.84	42
D.C.	1,416.63	6	24.73	31
Delaware	-	-	-	-
Florida	1,320.11	11	36.19	12
Georgia	1,020.68	19	32.86	14
Hawaii	1,985.44	2	54.03	1
Idaho	840.24	30	28.84	20
Illinois	708.68	40	18.64	41
Indiana	850.51	28	26.90	24
Iowa	772.90	36	23.89	33
Kansas	1,076.37	15	31.67	15
Kentucky	659.98	41	22.71	35
Louisiana	1,595.63	4	50.46	3
Maine	801.25	33	24.87	30
Maryland	612.01	44	13.98	45
Massachusetts	627.20	42	13.66	46
Michigan	798.04	34	24.00	32
Minnesota	870.73	25	22.70	36
Mississippi	1,073.85	16	40.23	9
Missouri	849.34	29	26.49	25
Montana	-	-	-	-
Nebraska	973.27	21	28.99	19
Nevada	1,358.72	8	36.62	11
New Hampshire	-	-	-	-
New Jersey	991.59	20	21.27	39
New Mexico	1,355.28	9	47.30	5
New York	1,128.28	14	25.98	26
North Carolina	771.66	37	24.93	28
North Dakota	889.43	24	27.79	22
Ohio	818.77	32	24.88	29
Oklahoma	934.76	23	29.14	17
Oregon	-	-	-	-
Pennsylvania	712.79	39	19.48	40
Rhode Island	833.30	31	21.94	38
South Carolina	748.55	38	25.82	27
South Dakota	1,205.20	12	38.13	10
Tennessee	1,359.07	7	43.27	7
Texas	1,040.64	17	30.81	16
Utah	935.68	22	33.88	13
Vermont	547.11	46	15.58	43
Virginia	604.38	45	15.32	44
Washington	1,998.18	1	53.21	2
West Virginia	622.51	43	22.39	37
Wisconsin	789.90	35	23.15	34
Wyoming	1,725.46	3	41.34	8
<b>46-State Avg. + D.C.</b>	<b>\$ 1,007.09</b>		<b>\$ 27.86</b>	

Source: Minnesota Taxpayers Association

Property Tax Collections - State and Local FY2007				
State	Per Capita		Per \$1,000 of Income	
	Amount	Rank	Amount	Rank
Alabama	449.50	51	14.79	51
Alaska	1,510.76	12	38.56	16
<b>Arizona</b>	<b>957.08</b>	<b>36</b>	<b>31.19</b>	<b>29</b>
Arkansas	472.22	50	16.89	49
California	1,135.04	27	28.87	35
Colorado	1,145.94	25	30.07	32
Connecticut	2,303.75	3	44.83	8
D.C.	2,561.61	1	17.14	48
Delaware	651.67	44	44.73	9
Florida	1,464.06	14	40.14	14
Georgia	982.85	33	31.64	28
Hawaii	882.43	38	24.01	42
Idaho	731.56	42	25.11	41
Illinois	1,581.89	10	41.61	13
Indiana	963.95	34	30.49	31
Iowa	1,204.25	21	37.22	18
Kansas	1,234.32	20	36.32	20
Kentucky	604.34	46	20.79	45
Louisiana	591.32	47	18.70	46
Maine	1,562.70	11	48.51	6
Maryland	1,162.17	24	26.56	39
Massachusetts	1,699.29	9	37.01	19
Michigan	1,453.24	15	43.70	11
Minnesota	1,172.17	22	30.56	30
Mississippi	750.83	40	28.13	36
Missouri	889.40	37	27.73	37
Montana	1,143.55	26	37.69	17
Nebraska	1,336.84	17	39.82	15
Nevada	1,105.68	29	29.80	34
New Hampshire	2,212.86	5	55.88	2
New Jersey	2,474.56	2	53.09	4
New Mexico	508.62	49	17.75	47
New York	1,953.64	7	44.98	7
North Carolina	792.25	39	25.59	40
North Dakota	1,090.03	30	34.06	22
Ohio	1,163.01	23	35.33	21
Oklahoma	530.14	48	16.52	50
Oregon	1,044.29	31	32.00	27
Pennsylvania	1,242.25	19	33.95	23
Rhode Island	1,868.71	8	49.20	5
South Carolina	958.67	35	33.07	24
South Dakota	1,019.87	32	32.26	26
Tennessee	720.73	43	22.95	43
Texas	1,405.67	16	41.62	12
Utah	744.91	41	26.97	38
Vermont	1,981.32	6	56.42	1
Virginia	1,289.49	18	32.68	25
Washington	1,125.73	28	29.98	33
West Virginia	626.20	45	22.52	44
Wisconsin	1,493.82	13	43.78	10
Wyoming	2,247.21	4	53.84	3
<b>U.S. Average</b>	<b>\$ 1,260.09</b>		<b>\$ 34.92</b>	

Source: Minnesota Taxpayers Association

Individual Tax Collections - State and Local FY2007					Corporate Income Tax Collections - State and Local FY2007				
State	Per Capita		Per \$1,000 of Income		State	Per Capita		Per \$1,000 of Income	
	Amount	Rank	Amount	Rank		Amount	Rank	Amount	Rank
Alabama	655.16	38	21.56	36	Alabama	108.51	37	3.57	34
Alaska	-	-	-	-	Alaska	1,185.74	1	30.26	1
<b>Arizona</b>	<b>576.51</b>	<b>40</b>	<b>18.79</b>	<b>40</b>	<b>Arizona</b>	<b>151.71</b>	<b>26</b>	<b>4.94</b>	<b>22</b>
Arkansas	759.42	32	27.16	28	Arkansas	127.12	32	4.55	28
California	1,450.57	7	36.89	7	California	303.56	6	7.72	7
Colorado	970.84	20	25.48	32	Colorado	97.06	42	2.55	43
Connecticut	1,809.38	4	35.21	10	Connecticut	235.61	9	4.58	27
D.C.	1,229.26	11	32.34	16	D.C.	346.15	3	9.11	4
Delaware	2,218.68	1	38.74	4	Delaware	-	-	-	-
Florida	-	-	-	-	Florida	133.26	31	3.65	33
Georgia	908.49	27	29.24	19	Georgia	105.02	40	3.38	36
Hawaii	1,211.23	12	32.96	14	Hawaii	78.29	44	2.13	45
Idaho	922.99	25	31.69	18	Idaho	123.52	34	4.24	31
Illinois	729.25	34	19.18	39	Illinois	227.60	12	5.99	13
Indiana	818.44	30	25.89	31	Indiana	154.80	24	4.90	23
Iowa	913.05	26	28.22	24	Iowa	108.27	38	3.35	37
Kansas	980.18	19	28.84	22	Kansas	188.22	15	5.54	16
Kentucky	946.67	21	32.57	15	Kentucky	231.44	11	7.96	6
Louisiana	728.70	35	23.05	35	Louisiana	170.67	20	5.40	18
Maine	1,031.79	18	32.03	17	Maine	139.66	28	4.34	30
Maryland	1,907.03	3	43.58	3	Maryland	138.82	29	3.17	39
Massachusetts	1,754.34	5	38.21	5	Massachusetts	324.24	5	7.06	9
Michigan	690.88	37	20.78	37	Michigan	178.56	19	5.37	19
Minnesota	1,385.12	8	36.11	9	Minnesota	226.77	13	5.91	14
Mississippi	477.03	42	17.87	41	Mississippi	125.64	33	4.71	26
Missouri	874.26	28	27.26	26	Missouri	66.08	46	2.06	46
Montana	860.95	29	28.37	23	Montana	184.72	16	6.09	12
Nebraska	925.68	24	27.57	25	Nebraska	119.45	35	3.56	35
Nevada	-	-	-	-	Nevada	-	-	-	-
New Hampshire	81.66	43	2.06	43	New Hampshire	452.79	2	11.43	2
New Jersey	1,350.64	9	28.97	21	New Jersey	332.52	4	7.13	8
New Mexico	593.60	39	20.72	38	New Mexico	231.75	10	8.09	5
New York	2,188.96	2	50.40	1	New York	277.89	8	6.40	11
North Carolina	1,148.18	14	37.09	6	North Carolina	169.75	22	5.48	17
North Dakota	494.00	41	15.44	42	North Dakota	212.67	14	6.65	10
Ohio	1,196.41	13	36.35	8	Ohio	98.00	41	2.98	41
Oklahoma	761.83	31	23.75	34	Oklahoma	154.12	25	4.80	25
Oregon	1,480.68	6	45.37	2	Oregon	107.08	39	3.28	38
Pennsylvania	1,068.76	16	29.21	20	Pennsylvania	183.68	17	5.02	21
Rhode Island	1,033.13	17	27.20	27	Rhode Island	170.51	21	4.49	29
South Carolina	723.13	36	24.94	33	South Carolina	69.62	45	2.40	44
South Dakota	-	-	-	-	South Dakota	95.33	43	3.02	40
Tennessee	40.77	44	1.30	44	Tennessee	180.28	18	5.74	15
Texas	-	-	-	-	Texas	-	-	-	-
Utah	935.89	22	33.88	11	Utah	145.77	27	5.28	20
Vermont	935.49	23	26.64	30	Vermont	134.18	30	3.82	32
Virginia	1,317.90	10	33.40	12	Virginia	113.21	36	2.87	42
Washington	-	-	-	-	Washington	-	-	-	-
West Virginia	749.81	33	26.97	29	West Virginia	297.13	7	10.69	3
Wisconsin	1,125.39	15	32.98	13	Wisconsin	164.07	23	4.81	24
Wyoming	-	-	-	-	Wyoming	-	-	-	-
<b>44-State Average</b>	<b>\$ 1,156.16</b>		<b>\$ 31.89</b>		<b>46-State Average</b>	<b>\$ 196.12</b>		<b>\$ 5.42</b>	

Source: Minnesota Taxpayers Association

Residential Property Taxes Payable 2008 \$150,000 Land and Building				Industrial Property Taxes Payable 2008 \$25,000,000 Land and Building \$12,500,000 Machinery and Equipment \$10,000,000 Inventories \$2,500,000 Fixtures			
Rank	State	NET TAX	ETR	Rank	State	NET TAX	ETR
1	Michigan	4,831	3.220%	1	South Carolina	1,864,900	3.896%
2	Connecticut	4,012	2.675%	2	Michigan	1,724,404	3.317%
3	Illinois	3,636	2.424%	3	Texas	1,470,297	2.524%
4	New York	3,435	2.290%	4	Mississippi	1,291,050	2.485%
5	Pennsylvania	3,414	2.276%	5	Kansas	1,264,650	2.339%
6	Wisconsin	3,110	2.073%	6	Missouri	1,264,358	2.232%
7	Maryland	3,065	2.043%	7	Indiana	1,121,475	2.209%
8	Nebraska	2,953	1.968%	8	Iowa	1,111,255	2.190%
9	North Dakota	2,891	1.927%	9	Tennessee	1,069,372	2.016%
10	Texas	2,817	1.878%	<b>10</b>	<b>Arizona</b>	<b>1,033,544</b>	<b>1.994%</b>
11	Iowa	2,659	1.772%	11	New York	988,045	1.987%
12	Tennessee	2,551	1.700%	12	Connecticut	949,440	1.962%
13	New Jersey	2,510	1.673%	13	D.C.	911,994	1.807%
14	Vermont	2,444	1.630%	14	Pennsylvania	903,738	1.787%
15	New Hampshire	2,438	1.626%	15	Louisiana	833,234	1.781%
16	Maine	2,212	1.474%	16	West Virginia	806,641	1.688%
17	Ohio	2,154	1.436%	17	Nebraska	783,407	1.589%
18	Missouri	2,127	1.418%	18	Minnesota	778,796	1.544%
19	Mississippi	2,067	1.378%	19	Colorado	768,831	1.527%
20	Georgia	1,946	1.297%	20	Georgia	760,381	1.475%
21	Alaska	1,918	1.278%	21	Illinois	756,664	1.459%
22	Kansas	1,915	1.277%	22	Arkansas	686,550	1.396%
23	Indiana	1,843	1.229%	23	Rhode Island	683,224	1.381%
24	North Carolina	1,825	1.216%	24	Vermont	677,683	1.346%
25	New Mexico	1,768	1.179%	25	Maine	669,324	1.339%
26	Arkansas	1,762	1.175%	26	Oklahoma	644,880	1.313%
27	Oregon	1,742	1.161%	27	Ohio	641,250	1.292%
28	Rhode Island	1,740	1.160%	28	Massachusetts	608,593	1.231%
29	South Dakota	1,721	1.148%	29	Florida	594,814	1.211%
30	California	1,701	1.134%	30	New Mexico	593,950	1.188%
31	Nevada	1,698	1.132%	31	Oregon	583,896	1.184%
32	Kentucky	1,682	1.121%	32	Wisconsin	578,314	1.172%
33	Oklahoma	1,649	1.099%	33	Alaska	568,441	1.155%
34	Minnesota	1,647	1.098%	34	Maryland	553,776	1.150%
35	Florida	1,614	1.076%	35	Alabama	552,640	1.108%
36	Delaware	1,213	0.809%	36	North Dakota	491,071	1.064%
37	West Virginia	1,161	0.774%	37	North Carolina	480,943	0.997%
38	Montana	1,129	0.752%	38	Montana	471,952	0.972%
39	Washington	1,087	0.725%	39	California	469,875	0.952%
<b>40</b>	<b>Arizona</b>	<b>1,075</b>	<b>0.716%</b>	40	Utah	457,588	0.915%
41	Wyoming	1,057	0.705%	41	Nevada	439,983	0.911%
42	Louisiana	993	0.662%	42	Idaho	404,400	0.853%
43	Alabama	983	0.655%	43	New Jersey	401,625	0.837%
44	Utah	920	0.613%	44	New Hampshire	348,036	0.813%
45	South Carolina	895	0.597%	45	South Dakota	333,741	0.761%
46	Virginia	842	0.561%	46	Wyoming	327,100	0.689%
47	Colorado	799	0.533%	47	Kentucky	254,363	0.680%
48	Idaho	714	0.476%	48	Washington	241,498	0.622%
49	D.C.	693	0.462%	49	Hawaii	238,840	0.546%
50	Hawaii	229	0.153%	50	Virginia	231,241	0.462%
51	Massachusetts	148	0.099%	51	Delaware	202,238	0.404%
<b>AVERAGE</b>		<b>1,877</b>	<b>1.251%</b>	<b>AVERAGE</b>		<b>725,151</b>	<b>1.450%</b>

Source: Minnesota Taxpayers Association