

Table 10: Top State Personal Income Tax Rates as of January 1, 2010

Rank	State	Rate (Percent)	Rank	State	Rate (Percent)
1	Hawaii	11.00		Louisiana	6.00
	Oregon (1)	11.00		Missouri	6.00
3	California (2)	10.55	28	Virginia	5.75
4	Rhode Island	9.90	29	Oklahoma	5.50
5	Iowa	8.98	30	Massachusetts (5)	5.30
6	New Jersey	8.97	31	Alabama	5.00
	<i>New York (3)</i>	<i>8.97</i>		Mississippi	5.00
8	Vermont	8.95		Utah	5.00
9	Maine (4)	8.50	34	New Mexico	4.90
10	Minnesota	7.85	35	North Dakota	4.86
11	Idaho	7.80	36	Colorado	4.63
12	North Carolina	7.75	37	Arizona	4.54
	Wisconsin	7.75	38	Michigan (6)	4.35
14	Arkansas	7.00	39	Indiana	3.40
	South Carolina	7.00	40	Pennsylvania	3.07
16	Delaware	6.95	41	Illinois	3.00
17	Montana	6.90	42	Alaska	(X)
18	Nebraska	6.84	43	Florida	(X)
19	Connecticut	6.50	44	Nevada	(X)
	West Virginia	6.50	45	New Hampshire (7)	(X)
21	Kansas	6.45	46	South Dakota	(X)
22	Maryland	6.25	47	Tennessee (8)	(X)
23	Ohio	6.24	48	Texas	(X)
24	Georgia	6.00	49	Washington	(X)
	Kentucky	6.00	50	Wyoming	(X)

(X) Does not impose tax.

(1) The top rate is scheduled to decrease to 9.9% in 2012 and thereafter.

(2) The tax rate includes an additional 1% tax on taxpayers with incomes over \$1million to support the provision of local government mental health services.

(3) The tax rate is scheduled to decrease to 6.85% in 2012 and thereafter.

(4) The top tax rate is scheduled to decrease to 6.85% in 2011 and thereafter.

(5) Certain unearned income is taxed at 12%.

(6) Effective October 1, 2011 the rate will decrease 0.1% and annually thereafter until it reaches 3.95% in 2015.

(7) A tax rate of 5% applies on interest and dividends only.

(8) A tax rate of 6% applies on interest and dividends only.

Source: OPA compilation from Commerce Clearing House State Tax Guide and Federation of Tax Administrators.