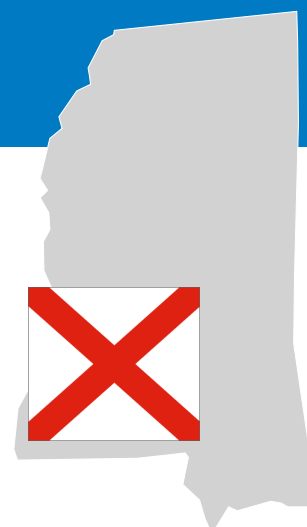


Tax Facts & Comparisons Alabama

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Alabama is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Alabama scores.



Tax Foundation Rankings of Alabama

State Business Tax Climate Index

28th
best

Alabama ranks 28th out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Alabama ranked 21st.

Alabama's individual income tax ranks 23rd best, its corporate income tax ranks 27th best, its sales tax ranks 41st best, its property tax ranks 10th best, and its unemployment insurance tax ranks 25th best.

Neighboring states' ranks: Tennessee (15th), Georgia (36th), Florida (5th), Mississippi (18th)

State-Local Tax Burdens Rank

41st
highest

Estimated at 8.3% of income, Alabama's 2011 state-local tax burden ranks 41st highest nationally, below the national average of 9.8%. Alabama taxpayers pay \$2,886 per capita in state and local taxes.

Neighboring states' ranks: Tennessee (45th), Georgia (35th), Florida (31st), Mississippi (40th)

Tax Freedom Day®

2015
April
9

In 2014, Alabama taxpayers worked 99 days into the year until April 9 to pay their total tax bill, ranking 5th highest nationally.

That's 15 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at taxfoundation.org/publications

Alabama Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Alabama structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

General Info

		Rank	Nat. Avg.
Income per capita	\$34,763	44th	\$43,735
Federal aid as % of gen. revenue	36%	9th	32.8%
State debt per capita	\$6,127	39th	\$3,678

Individual Income Tax

Number of brackets	3
Bottom income bracket rate	2.00%
Bottom bracket kick in	\$0
Top income tax rate	5.00%
Top bracket kick in	\$3,000
Collections per capita (2012)	\$648
Collections rank (2012)	36th

Property Tax

Collections per capita (2012)	\$531
Collections rank (2012)	50th
Property taxes paid as share of owner-occupied housing value (2013)	0.43%
Property taxes paid percent rank (2013)	49th

Sources of State & Local Tax Collections

	Alabama	All States.
Property Tax	18%	32%
Sales Tax	29%	23%
Corporate Income Tax	3%	4%
Individual Income Tax	22%	22%
Other	28%	20%

Corporate Income Tax

Number of brackets	1
Top corporate tax rate	6.50%
Collections per capita (2012)	\$86
Collections rank (2012)	38th

Sales Tax

State rate	4.00%
State + average local rate	8.91%
State + average local rank	3rd
Collections per capita (2011)	\$863
Collections rank (2011)	31st

Excise Taxes

	Rate	Rank
Gasoline taxes and fees	20.9¢ per gallon	40th
Cigarette taxes	\$0.43 per pack	46th
Spirits taxes	\$18.22 per gallon	4th
Beer taxes	\$1.05 per gallon	3rd
Cell phone taxes	9.28%	27th

Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	0.18%	\$15,000
Inheritance tax	None	N/A
Estate tax	None	N/A

About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

More at taxfoundation.org