

Tax Facts & Comparisons

New Jersey

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



Tax Foundation Rankings of New Jersey

State Business Tax Climate Index

50th
best

New Jersey ranks 50th 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, New Jersey ranked 49th.

New Jersey's individual income tax ranks 48th best, its corporate income tax ranks 41st best, its sales tax ranks 48th best, its property tax ranks 50th best, and its unemployment insurance tax ranks 32nd best.

Neighboring states' ranks: New York (49th), Pennsylvania (34th), Delaware (14th),

State-Local Tax Burdens Rank

2nd
highest

Estimated at 12.3% of income, New Jersey's 2011 state-local tax burden ranks 2nd highest nationally, above the national average of 9.8%. New Jersey taxpayers pay \$6,675 per capita in state and local taxes.

Neighboring states' ranks: New York (1st), Pennsylvania (10th), Delaware (15th),

Tax Freedom Day®

2015
May
13

In 2014, New Jersey taxpayers worked 133 days into the year until May 13 to pay their total tax bill, ranking 49th highest nationally.

That's 19 days after national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

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New Jersey 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 New Jersey 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	\$54,422	2nd	\$43,735
Federal aid as % of gen. revenue	26%	41st	32.8%
State debt per capita	\$11,623	5th	\$3,678

Individual Income Tax	
Number of brackets	6
Bottom income bracket rate	1.40%
Bottom bracket kick in	\$0
Top income tax rate	8.97%
Top bracket kick in	\$500,000
Collections per capita (2012)	\$1,257
Collections rank (2012)	9th

Property Tax	
Collections per capita (2012)	\$2,924
Collections rank (2012)	1st
Property taxes paid as share of owner-occupied housing value (2013)	2.38%
Property taxes paid percent rank (2013)	1st

Sources of State & Local Tax Collections		
	New Jersey	All States.
Property Tax	48%	32%
Sales Tax	15%	23%
Corporate Income Tax	4%	4%
Individual Income Tax	21%	22%
Other	13%	20%

Corporate Income Tax	
Number of brackets	1
Top corporate tax rate	9.00%
Collections per capita (2012)	\$218
Collections rank (2012)	8th

Sales Tax	
State rate	7.00%
State + average local rate	6.97%
State + average local rank	23rd
Collections per capita (2011)	\$915
Collections rank (2011)	26th

Excise Taxes	Rate	Rank
Gasoline taxes and fees	14.5¢ per gallon	49th
Cigarette taxes	\$2.70 per pack	9th
Spirits taxes	\$5.50 per gallon	26th
Beer taxes	\$0.12 per gallon	41st
Cell phone taxes	8.84%	29th

Other Taxes	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	0% - 16%	Variable
Estate tax	0.8-16%	\$675,000

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.

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