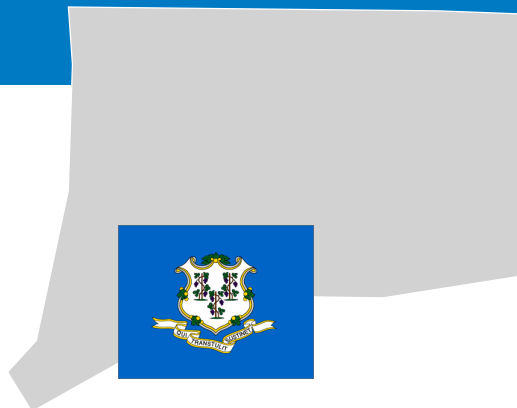


# Tax Facts & Comparisons Connecticut

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



## Tax Foundation Rankings of Connecticut

### State Business Tax Climate Index

42<sup>nd</sup>  
best

Connecticut ranks 42nd 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, Connecticut ranked 42nd.

Connecticut's individual income tax ranks 34th best, its corporate income tax ranks 32nd best, its sales tax ranks 31st best, its property tax ranks 49th best, and its unemployment insurance tax ranks 20th best.

Neighboring states' ranks: New York (49th), Massachusetts (24th), Rhode Island (45th),

### State-Local Tax Burdens Rank

3<sup>rd</sup>  
highest

Estimated at 11.9% of income, Connecticut's 2011 state-local tax burden ranks 3rd highest nationally, above the national average of 9.8%. Connecticut taxpayers pay \$7,150 per capita in state and local taxes.

Neighboring states' ranks: New York (1st), Massachusetts (11th), Rhode Island (8th),

### Tax Freedom Day<sup>®</sup>

2015  
May  
13

In 2014, Connecticut taxpayers worked 133 days into the year until May 13 to pay their total tax bill, ranking 50th 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.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# Connecticut 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 Connecticut 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	\$60,287	1st	\$43,735
Federal aid as % of gen. revenue	23%	46th	32.8%
State debt per capita	\$11,928	4th	\$3,678

## Individual Income Tax

Number of brackets	6
Bottom income bracket rate	3.00%
Bottom bracket kick in	\$0
Top income tax rate	6.70%
Top bracket kick in	\$250,000
Collections per capita (2012)	\$2,053
Collections rank (2012)	2nd

## Property Tax

Collections per capita (2012)	\$2,626
Collections rank (2012)	2nd
Property taxes paid as share of owner-occupied housing value (2013)	1.98%
Property taxes paid percent rank (2013)	4th

## Sources of State & Local Tax Collections

	Connecticut	All States.
Property Tax	38%	32%
Sales Tax	15%	23%
Corporate Income Tax	3%	4%
Individual Income Tax	30%	22%
Other	15%	20%

## Corporate Income Tax

Number of brackets	1
Top corporate tax rate	9.00%
Collections per capita (2012)	\$175
Collections rank (2012)	12th

## Sales Tax

State rate	6.35%
State + average local rate	6.35%
State + average local rank	31st
Collections per capita (2011)	\$1,054
Collections rank (2011)	18th

## Excise Taxes

	Rate	Rank
Gasoline taxes and fees	43.2¢ per gallon	5th
Cigarette taxes	\$3.40 per pack	4th
Spirits taxes	\$5.40 per gallon	28th
Beer taxes	\$0.23 per gallon	26th
Cell phone taxes	7.78%	38th

## Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	0.37%	\$1,000,000
Inheritance tax	None	N/A
Estate tax	7.2-12%	\$2,000,000

## 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.

More at [taxfoundation.org](http://taxfoundation.org)