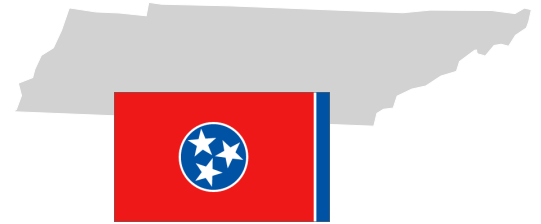


Tax Facts & Comparisons Tennessee

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



Tax Foundation Rankings of Tennessee

State Business Tax Climate Index

15th
best

Tennessee ranks 15th 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, Tennessee ranked 15th.

Tennessee's individual income tax ranks 8th best, its corporate income tax ranks 15th best, its sales tax ranks 47th best, its property tax ranks 37th best, and its unemployment insurance tax ranks 26th best.

Neighboring states' ranks: Kentucky (26th), Virginia (27th), North Carolina (16th), Georgia (36th) Alabama (28th) Mississippi (18th) Arkansas (39th)

State-Local Tax Burdens Rank

45th
highest

Estimated at 7.6% of income, Tennessee's 2011 state-local tax burden ranks 45th highest nationally, below the national average of 9.8%. Tennessee taxpayers pay \$2,777 per capita in state and local taxes.

Neighboring states' ranks: Kentucky (23rd), Virginia (30th), North Carolina (17th), Georgia (35th) Alabama (41st) Mississippi (40th) Arkansas (12th)

Tax Freedom Day®

2015
April
9

In 2014, Tennessee taxpayers worked 99 days into the year until April 9 to pay their total tax bill, ranking 4th 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

Tennessee 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 Tennessee 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	\$36,525	37th	\$43,735
Federal aid as % of gen. revenue	40%	3rd	32.8%
State debt per capita	\$5,764	42nd	\$3,678

Individual Income Tax

Number of brackets	1
Bottom income bracket rate	6.00%
Bottom bracket kick In	\$0
Top income tax rate	6.00%
Top bracket kick in	\$0
Collections per capita (2012)	\$28
Collections rank (2012)	43rd

Property Tax

Collections per capita (2012)	\$799
Collections rank (2012)	42nd
Property taxes paid as share of owner-occupied housing value (2013)	0.75%
Property taxes paid percent rank (2013)	38th

Sources of State & Local Tax Collections

	Tennessee	All States.
Property Tax	26%	32%
Sales Tax	43%	23%
Corporate Income Tax	6%	4%
Individual Income Tax	1%	22%
Other	25%	20%

Corporate Income Tax

Number of brackets	1
Top corporate tax rate	6.50%
Collections per capita (2012)	\$191
Collections rank (2012)	11th

Sales Tax

State rate	7.00%
State + average local rate	9.45%
State + average local rank	1st
Collections per capita (2011)	\$1,325
Collections rank (2011)	9th

Excise Taxes

	Rate	Rank
Gasoline taxes and fees	21.4¢ per gallon	39th
Cigarette taxes	\$0.62 per pack	38th
Spirits taxes	\$4.46 per gallon	33rd
Beer taxes	\$1.29 per gallon	1st
Cell phone taxes	11.55%	17th

Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	0.25%	Unlimited
Inheritance tax	None	N/A
Estate tax	5.5-9.5%	\$5,000,000

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