

Tax Facts & Comparisons Rhode Island

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



Tax Foundation Rankings of Rhode Island

State Business Tax Climate Index

45th
best

Rhode Island ranks 45th 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, Rhode Island ranked 46th.

Rhode Island's individual income tax ranks 38th best, its corporate income tax ranks 43rd best, its sales tax ranks 26th best, its property tax ranks 47th best, and its unemployment insurance tax ranks 49th best.

Neighboring states' ranks: Connecticut (42nd), Massachusetts (24th), New York (49th),

State-Local Tax Burdens Rank

8th
highest

Estimated at 10.5% of income, Rhode Island's 2011 state-local tax burden ranks 8th highest nationally, above the national average of 9.8%. Rhode Island taxpayers pay \$4,676 per capita in state and local taxes.

Neighboring states' ranks: Connecticut (3rd), Massachusetts (11th), New York (1st),

Tax Freedom Day®

2015
April
26

In 2014, Rhode Island taxpayers worked 116 days into the year until April 26 to pay their total tax bill, ranking 39th highest nationally.

That's 2 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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Rhode Island 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 Rhode Island 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	\$44,367	16th	\$43,735
Federal aid as % of gen. revenue	34%	18th	32.8%
State debt per capita	\$11,362	7th	\$3,678

Individual Income Tax

Number of brackets	3
Bottom income bracket rate	3.75%
Bottom bracket kick in	\$0
Top income tax rate	5.99%
Top bracket kick in	\$137,650
Collections per capita (2012)	\$1,029
Collections rank (2012)	19th

Property Tax

Collections per capita (2012)	\$2,234
Collections rank (2012)	6th
Property taxes paid as share of owner-occupied housing value (2013)	1.67%
Property taxes paid percent rank (2013)	10th

Sources of State & Local Tax Collections

	Rhode Island	All States.
Property Tax	45%	32%
Sales Tax	16%	23%
Corporate Income Tax	2%	4%
Individual Income Tax	21%	22%
Other	16%	20%

Corporate Income Tax

Number of brackets	1
Top corporate tax rate	7.00%
Collections per capita (2012)	\$117
Collections rank (2012)	29th

Sales Tax

State rate	7.00%
State + average local rate	7.00%
State + average local rank	21st
Collections per capita (2011)	\$802
Collections rank (2011)	34th

Excise Taxes

	Rate	Rank
Gasoline taxes and fees	33.0¢ per gallon	11th
Cigarette taxes	\$3.50 per pack	3rd
Spirits taxes	\$5.40 per gallon	28th
Beer taxes	\$0.12 per gallon	41st
Cell phone taxes	14.58%	6th

Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	None	N/A
Estate tax	0.8-16%	\$1,500,000

About the Tax Foundation



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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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