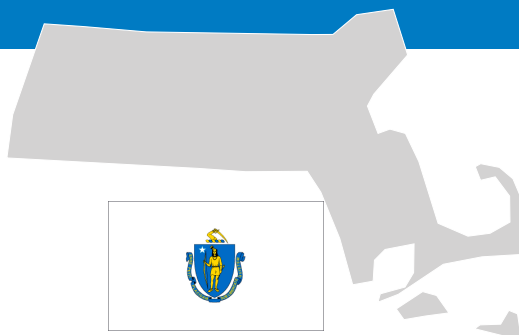


Tax Facts & Comparisons Massachusetts

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



Tax Foundation Rankings of Massachusetts

State Business Tax Climate Index

24th
best

Massachusetts ranks 24th 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, Massachusetts ranked 25th.

Massachusetts's individual income tax ranks 13th best, its corporate income tax ranks 37th best, its sales tax ranks 21st best, its property tax ranks 45th best, and its unemployment insurance tax ranks 48th best.

Neighboring states' ranks: Rhode Island (45th), Connecticut (42nd), New York (49th), New Hampshire (7th) Vermont (46th)

State-Local Tax Burdens Rank

11th
highest

Estimated at 10.3% of income, Massachusetts's 2011 state-local tax burden ranks 11th highest nationally, above the national average of 9.8%. Massachusetts taxpayers pay \$5,586 per capita in state and local taxes.

Neighboring states' ranks: Rhode Island (8th), Connecticut (3rd), New York (1st), New Hampshire (44th) Vermont (9th)

Tax Freedom Day®

2015
May
2

In 2014, Massachusetts taxpayers worked 122 days into the year until May 2 to pay their total tax bill, ranking 46th highest nationally.

That's 8 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

Massachusetts 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 Massachusetts 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 | \$54,321 | 3rd | \$43,735 |
| Federal aid as % of gen. revenue | 29% | 32nd | 32.8% |
| State debt per capita | \$14,517 | 2nd | \$3,678 |

| Individual Income Tax | |
|-------------------------------|---------|
| Number of brackets | 1 |
| Bottom income bracket rate | 5.15% |
| Bottom bracket kick in | \$0 |
| Top income tax rate | 5.15% |
| Top bracket kick in | \$0 |
| Collections per capita (2012) | \$1,804 |
| Collections rank (2012) | 4th |

| Property Tax | |
|---|---------|
| Collections per capita (2012) | \$2,061 |
| Collections rank (2012) | 9th |
| Property taxes paid as share of owner-occupied housing value (2013) | 1.21% |
| Property taxes paid percent rank (2013) | 18th |

| Sources of State & Local Tax Collections | | |
|--|---------------|-------------|
| | Massachusetts | All States. |
| Property Tax | 37% | 32% |
| Sales Tax | 14% | 23% |
| Corporate Income Tax | 5% | 4% |
| Individual Income Tax | 32% | 22% |
| Other | 12% | 20% |

| Corporate Income Tax | |
|-------------------------------|-------|
| Number of brackets | 1 |
| Top corporate tax rate | 8.00% |
| Collections per capita (2012) | \$302 |
| Collections rank (2012) | 5th |

| Sales Tax | |
|-------------------------------|-------|
| State rate | 6.25% |
| State + average local rate | 6.25% |
| State + average local rank | 33rd |
| Collections per capita (2011) | \$767 |
| Collections rank (2011) | 38th |

| Excise Taxes | Rate | Rank |
|-------------------------|-------------------|------|
| Gasoline taxes and fees | 26.5¢ per gallon | 24th |
| Cigarette taxes | \$3.51 per pack | 2nd |
| Spirits taxes | \$4.05 per gallon | 34th |
| Beer taxes | \$0.11 per gallon | 44th |
| Cell phone taxes | 7.79% | 37th |

| Other Taxes | Rate | Exemption |
|--------------------|---------|-------------|
| Gross receipts tax | None | N/A |
| Capital stock tax | 0.26% | Unlimited |
| Inheritance tax | None | N/A |
| Estate tax | 0.8-16% | \$1,000,000 |

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