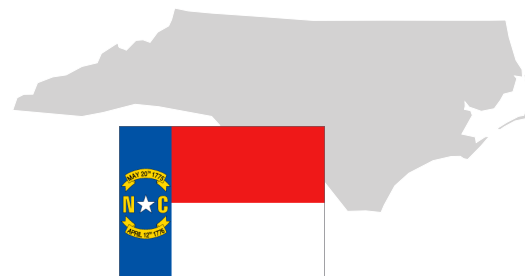


Tax Facts & Comparisons

North Carolina

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



Tax Foundation Rankings of North Carolina

State Business Tax Climate Index

16th
best

North Carolina ranks 16th 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, North Carolina ranked 44th.

North Carolina's individual income tax ranks 15th best, its corporate income tax ranks 25th best, its sales tax ranks 33rd best, its property tax ranks 29th best, and its unemployment insurance tax ranks 11th best.

Neighboring states' ranks: Tennessee (15th), Georgia (36th), South Carolina (37th), Virginia (27th)

State-Local Tax Burdens Rank

17th
highest

Estimated at 9.8% of income, North Carolina's 2011 state-local tax burden ranks 17th highest nationally, below the national average of 9.8%. North Carolina taxpayers pay \$3,564 per capita in state and local taxes.

Neighboring states' ranks: Tennessee (45th), Georgia (35th), South Carolina (42nd), Virginia (30th)

Tax Freedom Day®

2015
April
16

In 2014, North Carolina taxpayers worked 106 days into the year until April 16 to pay their total tax bill, ranking 19th highest nationally.

That's 8 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

North Carolina 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 North Carolina 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	\$36,195	39th	\$43,735
Federal aid as % of gen. revenue	33%	25th	32.8%
State debt per capita	\$5,235	45th	\$3,678

Individual Income Tax

Number of brackets	1
Bottom income bracket rate	5.75%
Bottom bracket kick in	\$0
Top income tax rate	5.75%
Top bracket kick in	\$0
Collections per capita (2012)	\$1,071
Collections rank (2012)	17th

Property Tax

Collections per capita (2012)	\$917
Collections rank (2012)	39th
Property taxes paid as share of owner-occupied housing value (2013)	0.85%
Property taxes paid percent rank (2013)	32nd

Sources of State & Local Tax Collections

	North Carolina	All States.
Property Tax	26%	32%
Sales Tax	23%	23%
Corporate Income Tax	4%	4%
Individual Income Tax	30%	22%
Other	18%	20%

Corporate Income Tax

Number of brackets	1
Top corporate tax rate	5.00%
Collections per capita (2012)	\$126
Collections rank (2012)	25th

Sales Tax

State rate	4.75%
State + average local rate	6.90%
State + average local rank	25th
Collections per capita (2011)	\$806
Collections rank (2011)	33rd

Excise Taxes

	Rate	Rank
Gasoline taxes and fees	37.8¢ per gallon	6th
Cigarette taxes	\$0.45 per pack	44th
Spirits taxes	\$12.30 per gallon	7th
Beer taxes	\$0.62 per gallon	8th
Cell phone taxes	8.46%	33rd

Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	0.15%	Unlimited
Inheritance tax	None	N/A
Estate tax	None	N/A

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