

Tax Facts & Comparisons

Pennsylvania

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



Tax Foundation Rankings of Pennsylvania

State Business Tax Climate Index

34th
best

Pennsylvania ranks 34th 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, Pennsylvania ranked 24th.

Pennsylvania's individual income tax ranks 17th best, its corporate income tax ranks 46th best, its sales tax ranks 24th best, its property tax ranks 42nd best, and its unemployment insurance tax ranks 50th best.

Neighboring states' ranks: New York (49th), New Jersey (50th), Delaware (14th), Maryland (40th) Virginia (27th) Ohio (44th)

State-Local Tax Burdens Rank

10th
highest

Estimated at 10.3% of income, Pennsylvania's 2011 state-local tax burden ranks 10th highest nationally, above the national average of 9.8%. Pennsylvania taxpayers pay \$4,374 per capita in state and local taxes.

Neighboring states' ranks: New York (1st), New Jersey (2nd), Delaware (15th), Maryland (7th) Virginia (30th) Ohio (18th)

Tax Freedom Day®

2015
April
25

In 2014, Pennsylvania taxpayers worked 115 days into the year until April 25 to pay their total tax bill, ranking 36th highest nationally.

That's 1 day 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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Pennsylvania 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 Pennsylvania 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	\$42,268	20th	\$43,735
Federal aid as % of gen. revenue	30%	29th	32.8%
State debt per capita	\$10,149	12th	\$3,678

Individual Income Tax

Number of brackets	1
Bottom income bracket rate	3.07%
Bottom bracket kick in	\$0
Top income tax rate	3.07%
Top bracket kick in	\$0
Collections per capita (2012)	\$1,122
Collections rank (2012)	14th

Property Tax

Collections per capita (2012)	\$1,338
Collections rank (2012)	25th
Property taxes paid as share of owner-occupied housing value (2013)	1.54%
Property taxes paid percent rank (2013)	13th

Sources of State & Local Tax Collections

	Pennsylvania	All States.
Property Tax	30%	32%
Sales Tax	17%	23%
Corporate Income Tax	4%	4%
Individual Income Tax	25%	22%
Other	24%	20%

Corporate Income Tax

Number of brackets	1
Top corporate tax rate	9.99%
Collections per capita (2012)	\$168
Collections rank (2012)	14th

Sales Tax

State rate	6.00%
State + average local rate	6.34%
State + average local rank	32nd
Collections per capita (2011)	\$770
Collections rank (2011)	36th

Excise Taxes

	Rate	Rank
Gasoline taxes and fees	50.5¢ per gallon	1st
Cigarette taxes	\$1.60 per pack	21st
Spirits taxes	\$7.20 per gallon	18th
Beer taxes	\$0.08 per gallon	45th
Cell phone taxes	14.05%	8th

Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	0.05%	Unlimited
Inheritance tax	0% - 15%	Variable
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.

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