Approved ~~January 14, 1983~~
Date

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Representative Jim Braden (Chairperson) at

9:00 a.m./~~p.m.~~ on January 13, 1983 in room 519-S of the Capitol.

All members were present except:

Representative Barkis who was excused.

Committee staff present:

Wayne Morris, Research Department
Tom Severn, Research Department
Don Hayward, Revisor of Statutes' Office
Nancy Wolff, Secretary to the Committee

Conferees appearing before the committee:

The meeting was called to order by the Chairman who distributed copies of a proposed bill (Attachment I) which he asked the committee to introduce and have referred back for study. He explained that the bill has been suggested by the Office of the Attorney General to provide clarification of registration of vehicles when a taxpayer has moved to another county. It was moved by Representative Vic Miller and seconded by Representative Lowther that the bill be introduced. Motion carried.

Tom Severn, of staff, presented a study on Income and Privilege Taxes (Attachment II). As the presentation progressed, members of the committee posed questions regarding the tax structure.

The Chairman announced that the committee will review Property Tax at the next meeting and that it was essential that all members be in attendance.

The meeting was adjourned at 9:55 a.m.

DATE: 1-13-83

GUEST REGISTER

HOUSE

ASSESSMENT & TAXATION
COMMITTEE

NAME	ORGANIZATION	ADDRESS
Ron Calbert	United Transportation Union	Newton
Pat Hubbell	Kansas Railroad Asso.	Topeka
J. Mendoza	DHR	Topeka
Tim Witsman	KAR	Topeka

ATTACHMENT I

STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612

MAIN PHONE: (913) 296-2215
CONSUMER PROTECTION: 296-3751

ROBERT T. STEPHAN
ATTORNEY GENERAL

September 20, 1982

The Honorable Jim Braden
State Representative
P. O. Box 305
Wakefield, Kansas 67487

Dear Representative Braden:

Enclosed is correspondence I exchanged with James H. Long concerning the provisions of K.S.A. 1981 Supp. 79-5106(b). This is the matter about which I called you on Friday, September 17, 1982.

While this subsection may, indeed, prevent persons from registering their vehicles in a county other than that of their true residence, it also is grossly unfair to those persons who, in fact, legitimately change the county of their residence. Moreover, as we discussed on the phone, this provision is easily evaded by claiming the registration application has been lost and asking that a new application be prepared.

This statute, in my judgment, could be amended to accomplish the goal of discouraging registration in a county other than that of the taxpayer's actual residence, while at the same time being made fair in its application by providing that if the taxpayer's residence has changed, a new application form shall be completed and the taxpayer charged the taxes charged to other taxpayers in the county of current residency, <u>but</u> the taxpayer would have to complete a very brief affidavit swearing to, or affirming, the fact that his or her current place of residence was in the county in which the vehicle is sought to be registered. The criminal penalty prescribed in K.S.A. 21-3805 could be invoked if the statement made in the affidavit was false.

Thank you for your consideration of this matter, and if I can be of any assistance to you in this or any other matter, please contact me.

ATTACHMENT I
(1-13-83

I have also sent this letter to Senator Bud Burke.

Very truly yours,

OFFICE OF THE ATTORNEY GENERAL
ROBERT T. STEPHAN

Rodney J. Bieker
Assistant Attorney General

MC

HOUSE BILL NO. _______

By

AN ACT concerning taxation of motor vehicles; relating to the amount of tax imposed on motor vehicles changing tax situs; amending K.S.A. 1982 Supp. 79-5106 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1982 Supp. 79-5106 is hereby amended to read as follows: 79-5106. (a) Taxes imposed upon motor vehicles under the provisions of this act shall be levied annually for the period prescribed by article 1 of chapter 8 of the Kansas Statutes Annotated, and amendments thereto, as the registration year for the motor vehicle taxed. Except as provided in K.S.A. 1982 Supp. 79-5107, ~~as amended~~ and amendments thereto, the tax upon each motor vehicle shall be due on or before the date in each year prescribed by law for the regular annual registration of such motor vehicle. Except as provided in subsection (d) of K.S.A. 1982 Supp. 79-5107, ~~as amended~~ and amendments thereto, the payment of the tax imposed by this act shall be a condition precedent to the right to register or reregister the motor vehicle and shall be in addition to all other conditions prescribed by law.

(b) If the tax situs of any motor vehicle at the time of registration is in a different county from that indicated upon the application form, a new registration application form shall be completed in such county and the amount of tax due upon such motor vehicle under the provisions of this act shall be the amount ~~indicated upon the application form but such tax~~ determined for such vehicle in such county pursuant to K.S.A. 1982 Supp. 79-5105, and amendments thereto, and shall be paid to the county in which the motor vehicle is to be registered. In

<u>addition to completing such form, the taxpayer shall be required to complete an affidavit declaring the tax situs of the motor vehicle to be in the county in which the same is to be registered.</u>

Sec. 2. K.S.A. 1982 Supp. 79-5106 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

Kansas Legislative Research Department January 10, 1983

INCOME AND PRIVILEGE TAXES

Individual Income Tax

The first section of this memorandum provides some background on the Kansas income tax law, including the history of its enactment, the computation of the tax, some of the specialized terminology of the law, collections in recent years, and the impact of recent federal changes. The last part of this section is a list of terms used and their definitions.

History of Tax. Kansas, like a number of states, enacted an income tax during the depression to reduce reliance by the state on the property tax. A constitutional amendment authorizing the tax was adopted in 1932 and an income tax law applying to both individuals and most corporations was enacted in 1933. In 1964 a privilege tax on financial institutions, with income as the base, was enacted; and in 1970 domestic insurance companies also were made subject to a privilege tax with income as the base. Payment by withholding and estimated taxes for individuals and estimated payments for corporations, was enacted in 1965.

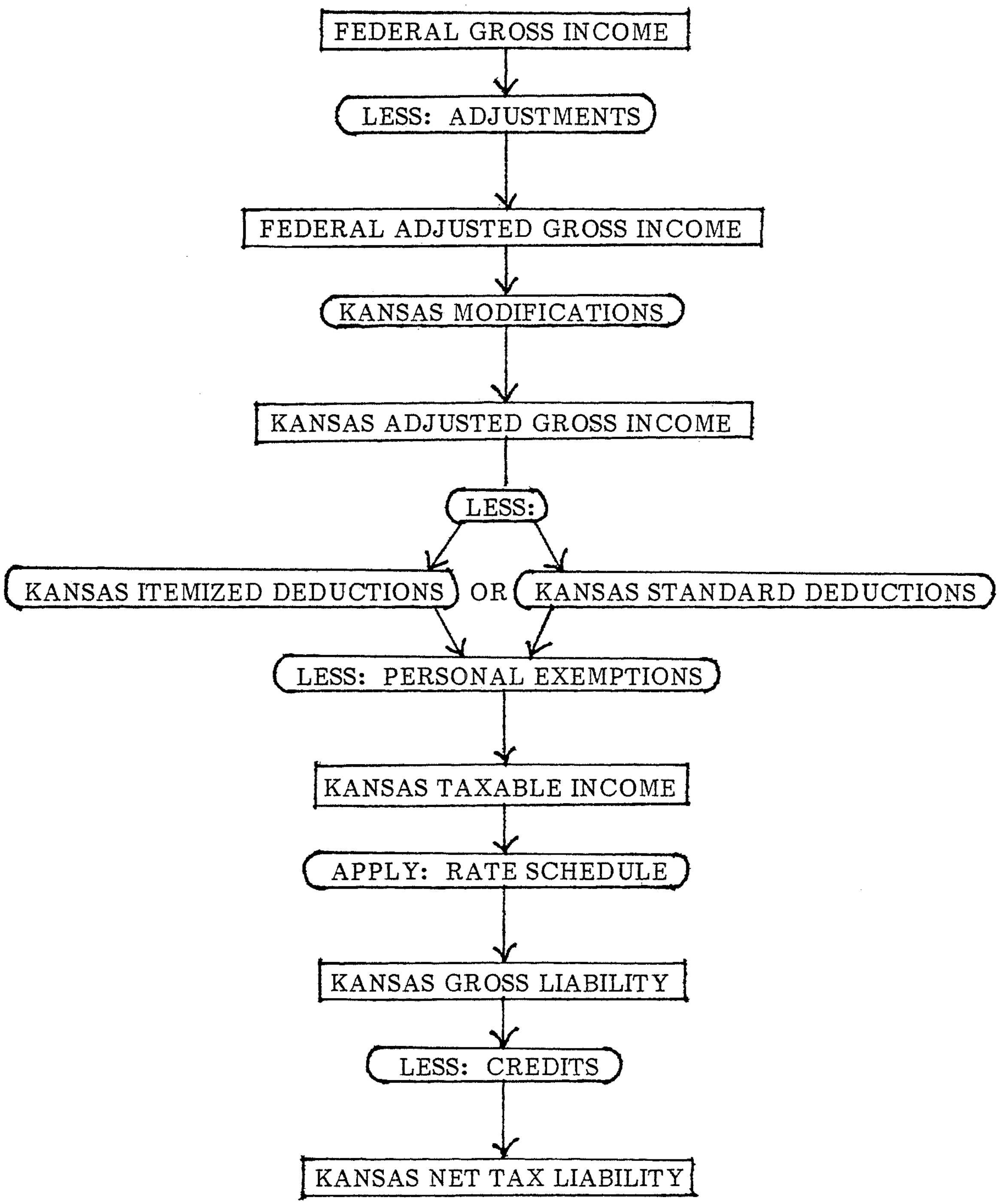
State-Federal Conformity. Many of the provisions of the original Kansas income tax law (except for such things as brackets, rates and personal exemptions) were copied from the federal law. While some subsequent changes in the federal law found their way into the Kansas law, many others did not. Growing interest in fuller conformity led to a 1965 interim study, which included among its stated objectives simplicity of compliance for the taxpayer and ease of administration by the state. The study led to the proposal and adoption in 1966 of a constitutional amendment to permit prospective adoption of federal provisions by reference (i.e., continuing conformity in the absence of further legislative action), and to the enactment in 1967 of a state-federal conformity law.

Generally, until 1977 Kansas conformed to the federal adjusted gross income, the standard deduction, and itemized deductions, except for a more liberal state medical deduction and deduction of the Social Security tax on the state return. However, changes in the federal law caused increasing complications in revenue estimating and administration of the Kansas tax. Revisions of the federal law had eliminated the standard deduction per se, and increased the equivalent amount (the zero rate bracket) to approximately three times what the standard deduction was in 1967, featured more extensive use of federal tax credits to replace itemized deductions or to further particular social policies, and developed a totally new method for computing federal income taxes. To avoid unanticipated effects on state revenues, the 1977 Legislature froze the Kansas standard and itemized deductions for one year. Following interim study in 1977, the 1978 Legislature established a permanent standard deduction and froze Kansas itemized deductions (other than those specifically modified in state law) to those in the federal law in effect on December 31, 1977.

Computation of Tax

This section is intended to give a brief explanation of the computation of the Kansas individual income tax. Exemptions, deductions, credits and other modifications mentioned in this section are intended to be illustrative only and do not constitute an exhaustive list. The process is illustrated in the figure below.

Computation of Kansas Individual Income Tax



Kansas Adjusted Gross Income. Under conformity, computation of the Kansas individual income tax begins with federal adjusted gross income. Kansas modifications include certain additions, notably interest on state and municipal bonds (unless specifically exempted by Kansas law). Subtractions include federal interest and certain public employee retirement benefits. The result is the Kansas adjusted gross income (Kansas AGI).

Kansas Taxable Income. The Kansas taxable income is determined by subtracting the Kansas allowed deductions and Kansas personal exemptions from the Kansas AGI. As noted above, Kansas does not conform completely to the federal code with respect to deductions or personal exemptions.

The Kansas deduction may be either the Kansas standard deduction or the Kansas itemized deduction, at the taxpayer's option. The Kansas itemized deductions may be used only if itemized deductions are used on the federal return. There are modifications made to the federal itemized deductions in arriving at Kansas itemized deductions, including the addition of the federal income tax. The Kansas standard deduction is equal to the federal standard deduction in effect on December 31, 1976. Taxpayers who use the standard deduction are also allowed to deduct their federal income tax.

A personal exemption of $1,000 may be deducted for each exemption claimed on the federal return. Persons claiming head of household status may claim one additional exemption.

Computing Net Tax Liability. Total tax liability is determined by applying the rate brackets to Kansas taxable income. Married couples filing jointly compute their joint tax by applying the statutory rates to one-half their combined taxable incomes and multiplying the result by two. Certain credits, such as the credit for child care expenses and for taxes paid to another state, are subtracted from total tax liability to determine net tax liability.

Tax Brackets and Rates. The 1933 law established five taxable income brackets (which remained unchanged until 1977) with rates ranging from 1 percent to 4 percent. Rates applicable to the top two brackets were increased in 1957. Rates for all brackets were increased in 1958 and 1965. The first bracket rate was reduced in 1967. In 1977, three additional brackets were added with rates ranging up to 9 percent compared to the prior 6.5 percent maximum. Following are the brackets and rates prescribed in the 1933, 1967, and 1977 laws:

Taxable Income*	1933	1967	1977
First $2,000	1.0%	2.0%	2.0%
2,000 - 3,000	2.0	3.5	3.5
3,000 - 5,000	2.5	4.0	4.0
5,000 - 7,000	3.0	5.0	5.0
7,000 - 10,000	4.0	6.5	6.5
10,000 - 20,000	4.0	6.5	7.5
20,000 - 25,000	4.0	6.5	8.5
Over 25,000	4.0	6.5	9.0

* Brackets shown are for single returns. On joint returns, the range of each bracket is doubled.

School District Transfer. Receipts from the individual income tax are deposited in the State General Fund (SGF). An amount equal to 20 percent of resident liability after credits (except credits for withholding, estimated taxes and taxes paid to another state) is earmarked for transfer to the School District Income Tax Fund. Each Unified School District receives the amount earmarked from the liabilities of its residents.

Collections in Recent Years. Amounts deposited in the State General Fund, net of refunds but before the School District Income Tax Fund transfer, have been as follows:

Year	Amount in Thousands
FY 1982	$417,934
FY 1981	387,057
FY 1980	327,581
FY 1979	295,939

Terms Used

Presented below is a brief glossary of terms commonly used in discussing the income tax:

conformity - incorporating federal law into state law by reference, either to federal law existing at a certain time or without such limitation (see also: prospective conformity).

effective tax rate (also average tax rate) - the ratio of the tax to total money income, i.e., total tax to either taxable income or adjusted gross income (compare marginal tax rate).

elasticity - response of the tax yield to changes in Kansas Personal Income (KPI). If a 1 percent increase in KPI leads to a 1.6 percent increase in income tax, the elasticity of the tax is said to be 1.6.

impact - the parties who remit a tax to the government are said to bear its tax impact (see also: incidence; tax shifting).

incidence - the final resting place of the burden of a tax.

income averaging - paying income tax on the basis of average income over a number of years.

income splitting - allowing married couples to compute their joint liability by applying the statutory rates to one-half of their combined incomes and multiplying the result by two.

indexing - adjusting the income tax structure to account for the effects of inflation.

marginal tax rate - the percentage of an additional or marginal dollar of income received which is paid in taxes (compare effective tax rate).

marriage penalty (also divorce bonus) - exists if the combined income tax liability of single persons with relatively equal incomes increases when they marry.

progressive tax - a tax is said to be progressive when the tax as a percentage of income increases as income increases (see also: proportional tax; regressive tax).

proportional tax - a tax is said to be porportional when the tax as a percent of income remains the same as income increases (see also: progressive tax; regressive tax).

prospective conformity - a state law is in prospective conformity to federal law when state law incorporates federal law by reference so that federal changes automatically become state law.

regressive tax - a tax is said to be regressive when the tax as a percent of income falls as income increases (see also: progressive tax; proportional tax).

tax shifting - the process of changing the burden of taxes through changes in prices.

zero rate bracket - an amount equivalent to the standard deduction which has been built into the federal tax tables and tax rate schedules to simplify tax computation.

Corporation Income Tax

Tax Rates. The corporation rate imposed in 1933 was 2 percent, with increases to 3 percent in 1957, to 3.5 percent in 1958, and to 4.5 percent in 1965. In 1970, a surtax of 2.25 percent was imposed on taxable income over $25,000.

Taxable Income. Conformity provisions enacted in 1967 apply to the corporation income tax, where the computation starts with federal taxable income attributable to Kansas. The Kansas taxable income of a corporation is the corporation's federal taxable income, with certain modifications, as explained below. Additions and subtractions mentioned in this section are intended to be illustrative only and do not constitute an exhaustive list.

1. Additions to federal taxable income: the same modifications set forth in K.S.A. 1982 Supp. 79-32,117(b) for individuals; the amount of depreciation claimed for property upon which the deduction for a certified oil production process is claimed; and the amount of depreciation claimed for property upon which the deduction for a solar energy project is claimed. Since the 1971 tax year, no deduction has been allowed for federal income taxes paid by the corporation.

2. Subtractions from federal taxable income: the same modifications set forth in K.S.A. 1982 Supp. 79-32,117(c) for individuals; an amount of amortization of costs of a certified oil production process as computed under K.S.A. 79-32,161; an amount for the amortization deduction for a solar energy system under K.S.A. 79-32,168; and the amount of federal tentative jobs tax credit under IRC Section 280C.

3. Allocation to Kansas. A corporation with income taxable both within and without the state is to allocate income to Kansas using the Uniform Division of Income for Tax Purposes Act (UDITPA), K.S.A. 79-3271 et seq. UDITPA utilizes a three-factor formula - property, payroll, and sales - to allocate income to the state. Where appropriate, the Secretary of Revenue may approve or require an alternative method of apportionment.

Credits. Three credits are allowed against the Kansas income tax liability of a corporation. These credits are for: solar energy projects (K.S.A. 79-32,166 - 79-32,170); handicapped accessibility (K.S.A. 1979 Supp. 79-32,175 - 79-32,179); and business and job development (K.S.A. 79-32,153 - 79-32,160).

Receipts. Net receipts from the corporation income tax are deposited in the SGF. Collections in recent years have been as follows:

Year	Amount in Thousands
FY 1982	$146,823
FY 1981	161,968
FY 1980	141,709
FY 1979	128,880

Recent Federal Enactments. The federal Economic Recovery Tax Act of 1981 (ERTA) and Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) will affect the Kansas individual, corporation, and privilege taxes in several ways. for instance, by excluding certain interest income (e.g., All-Saver's Certificates) from federal AGI, such income is excluded from Kansas AGI. The reduction of federal income tax rates will decrease federal income taxes which are a deduction for all individuals in Kansas. By reducing deductions, the federal rate reduction would increase Kansas individual income taxes. By allowing accelerated depreciation, federal AGI is reduced for individuals who have depreciable assets and federal taxable income is reduced for corporations. In both cases, the result would be a reduction in Kansas income taxes. The attached memorandum dated December 22, 1982 contains estimates of the fiscal impact of the provisions of ERTA and TEFRA.

Financial Institutions Privilege (Income) Tax

Institutions Subject to Tax. Since 1964, banks, savings and loan associations, and trust companies have been subject to the financial institutions privilege tax, but exempt from the state income tax. Credit unions and finance companies are not subject to this tax, but finance companies are subject to the corporation income tax.

Banks, savings and loans, and trust companies pay the privilege tax in lieu of the intangibles tax. Prior to the enactment of the privilege tax, such institutions paid a 5 mill intangible tax on the value of their capital stock.

Federal Limitation. From 1926 through 1969, a state's ability to tax national banks was restricted by federal law to one of the following:

> (1) tax said shares, or (2) include dividends derived therefrom in the taxable income of an owner holder thereof, or (3) tax such associations on their net income, or (4) according to or measured by their net income. . . .

An exception to this limitation provided, however, that a state which levies an income tax on business corporations and also imposes an income tax upon individuals, could include in such income dividends from national banking associations. At the present time, national banks and federal savings and loans may be taxed in any manner by any state or locality, as long as such institutions are taxed in the same manner as state or locally chartered institutions.

Rates. As enacted in 1963, rates for both banks and savings and loan associations were 5 percent. In 1970, the bank privilege tax rate was increased to 5.5 percent to compensate for the fact that dividends received from bank stock remained exempt from the intangibles tax, while earnings on shares of state savings and loans and trust companies were made subject to the intangibles tax. In 1970 the 2.25 percent surtax on taxable income over $25,000 was applied. In 1972, when the prior credit against the privilege tax for personal property taxes paid was disallowed, the privilege tax rate for banks was reduced to 5 percent, and the rate for savings and loans was reduced to 4.5 percent. In 1979 the rate for banks was reduced to 4.25 percent, and the surtax to 2.125 percent, in order to keep the estimated aggregate liability for banks at virtually the same level as the estimated aggregate liability without the changes made in the income base, discussed below.

Taxable Income. Computation of the privilege tax base starts with the institution's Kansas taxable income, as defined for corporations, to which is added all income received from federal obligations or securities and income received from state and municipal obligations, to the extent that any such income is not included in Kansas taxable income for income tax purposes. Income from both federal and state and local obligations were added to the tax base in 1979. A deduction for federal income taxes paid was disallowed at the same time as it was for corporations.

Since tax year 1973, the personal property taxes paid by banks, trust companies and savings and loans have been allowed as deduction from income in computing the financial institutions privilege tax. Prior to 1973, personal property taxes paid had been a credit against privilege tax liability. For banks, the federal bad debt loss reserve (based on prior experience) is carried over into the privilege tax. The federal bad debt deduction for savings and loans is added back in, and these institutions receive instead a deduction of 5 percent from net income as a bad debt reserve.

Credits. Financial institutions subject to the tax are allowed the credits for solar energy systems and for making property accessible to the handicapped.

Receipts. Net receipts from the financial institutions privilege tax are deposited in the SGF. Collections in recent years have been as follows:

Year	Amount in Thousands
FY 1982	$ 15,543
FY 1981	14,989
FY 1980	16,088
FY 1979	12,583

Domestic Insurance Company Privilege (Income) Tax

Introduction. The Domestic Insurance Company Privilege Tax was enacted in 1970, effective January 1, 1971, in lieu of intangibles tax and certain local taxes on insurance companies located in Kansas. The tax does not apply to nonprofit hospital and medical service corporations or to fraternal benefit societies or other companies exempt from state regulation. The tax is administered by the Commissioner of Insurance.

Taxable Income. The tax applies to net income, as defined by law, for the preceding calendar year. Net income for life insurance companies means the net taxable income for the preceding calendar year as determined under Section 802 of the Internal Revenue Code. Net income does not include interest income on obligations of the state or political subdivision which is exempt from income tax under the laws of this state authorizing the issuance of such obligations. There are no available credits for this tax.

Receipts. The tax rate is 5 percent, and net receipts are deposited in the SGF. Collections in recent years have been as follows:

Year	Amount in Thousands
FY 1982	$634
FY 1981	621
FY 1980	628
FY 1979	521

MEMORANDUM

December 22, 1982

FROM: Kansas Legislative Research Department

RE: The Fiscal Impact of ERTA and TEFRA on Kansas Revenues, FY 1982-84

The table below summarizes the estimated fiscal impact of the Economic Recovery Tax Act of 1981 (ERTA) and the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) on Kansas tax revenues for Fiscal Years 1982 through 1984. These estimates were agreed upon a few months ago by the Department of Revenue, Division of Budget, and the Research Department.

The table shows that most of the revenue loss associated with ERTA and TEFRA can be attributed to the Accelerated Cost Recovery System (ACRS), and that most of that loss is in the corporation income tax. The loss from ACRS is also growing rapidly, roughly doubling in FY 1983 and again in FY 1984.

Most of the revenue loss is offset by higher individual income taxes which are principally attributable to the federal rate cuts. Since federal income taxes are treated as a deduction on the Kansas individual return, lower federal income taxes result in higher Kansas taxable incomes.

Although the estimated net impact of ERTA and TEFRA on Kansas revenues is small, the effect on Kansas tax structure will be significant by FY 1984, as in excess of $30 million of taxes are shifted from corporations to individuals.

82-231/TS

SUMMARY OF COMBINED FISCAL IMPACT OF THE ECONOMIC RECOVERY TAX ACT AND THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT

(Dollar Amounts in Millions)

Tax and Provision	Fiscal Effect FY 1982	FY 1983	FY 1984
Individual Income Tax			
1. federal rate cuts	$ 2.0	$ 19.0	$ 43.0
2. deduction for 2-earner married couples	—	(5.0)	(9.0)
3. child and dependent care credit	—	(0.1)	(0.2)
4. charitable contributions	—	(0.5)	(0.6)
5. energy provisions			
a. windfall profits tax	1.2	1.5	1.5
b. newly discovered oil	—	0.1	0.6
c. independent stripper ex.	—	—	3.5
6. savings provisions			
a. IRAs	—	(1.7)	(2.8)
b. savings certificates	(0.1)	(3.3)	(1.0)
c. $200/$400 repeal	—	6.7	3.0
7. ACRS	(1.0)	(3.5)	(5.4)
8. medical deduction	—	—	(4.0)
9. interest and tips compliance	—	—	2.0
10. casualty loss limitation	—	—	0.5
TOTAL	$ 2.1	$ 13.2	$ 31.0*
Corporation Income Tax			
1. ACRS	$ (7.0)	$(18.0)	$(33.0)
2. Miscellaneous	—	—	(3.0)
TOTAL	$ (7.0)	$(18.0)	$(36.0)
Net Effect on Kansas Revenue*	$ (5.0)	$ (5.0)	$ (5.0)

* Rounded to nearest million dollars.

STATE INDIVIDUAL INCOME TAX COLLECTIONS PER $1,000 OF PERSONAL INCOME, FY 1981; MINIMUM AND MAXIMUM RATES AND OTHER ASPECTS OF CURRENT STATE TAX STRUCTURE FOR STATES IMPOSING AN INDIVIDUAL INCOME TAX

	FY 1981 Collections/ $1,000 Personal Income	Rate Structure for 1982 Income		Federal Income Used as Tax Base	Federal Income Tax Deductible
		Minimum	Maximum		
Alabama	$ 17.67	2.0%	5.0%		X
Arizona	15.20	2.0	8.0	X	X
Arkansas	18.73	1.0	7.0		
California	25.39	1.0	11.0		
Colorado	15.08	2.5	8.0	X	X
Connecticut[a]	3.23	1.0	9.0		
Delaware	42.44	1.4	13.5	X	X
Georgia	23.43	1.0	6.0	X	
Hawaii	34.25	2.25	11.0	X	
Idaho	24.33	2.0	7.5	X	
Illinois[b]	16.92	2.5	2.5	X	
Indiana[b]	13.07	1.9	1.9	X	
Iowa	24.64	0.5	13.0	X	X
KANSAS	17.55	2.0	9.0	X	X
Kentucky	20.51	2.0	6.0	X	X
Louisiana	5.21	2.0	6.0	X	X
Maine	19.75	1.0	10.0	X	
Maryland	27.27	2.0	5.0	X	
Massachusetts[a]	35.34	12.5	17.5	X	
Michigan[b]	21.97	4.6	4.6	X	
Minnesota	35.14	1.7	17.1	X	X
Mississippi	11.50	3.0	4.0		
Missouri	15.13	1.5	6.0	X	X
Montana	21.69	2.0	11.0	X	X
Nebraska[c]	13.65	17.0	17.0	X	
New Hampshire[a]	1.50	5.0	5.0		
New Jersey	14.22[d]	2.0	14.0[d]	X[d]	
New Mexico	6.94	0.5	6.0	X	
New York	36.60	2.0	14.0	X	
North Carolina	28.31	3.0	7.0		
North Dakota	10.91	1.0	7.5	X	X
Ohio	11.08	0.5	5.0	X	
Oklahoma	17.87	0.5	17.0	X	X
Oregon	40.88	4.2	10.8	X	X
Pennsylvania[a]	16.80	2.2	2.2		
Rhode Island[c]	21.50	21.9	21.9	X	
South Carolina	25.13	2.0	7.0		X
Tennessee[a]	1.00	6.0	6.0		
Utah	26.33	2.75	7.75	X	X
Vermont[c]	24.56	24.0	24.0	X	
Virginia	25.61	2.0	5.75	X	
West Virginia	17.59	2.1	9.6	X	
Wisconsin	37.53	3.4	10.0	X	
TOTAL	$ 20.55[e]			32	16

a) Applies to limited kinds of income only.
b) Applies to AGI.
c) Applies to federal income tax liability.
d) Reflects New York commuter (income) tax.
e) Average of the 43 states imposing a personal income tax.

SOURCE: Commerce Clearing House, Inc., State Tax Review (December 21, 1982); and U.S. Department of Commerce, Bureau of the Census, State Government Finances in 1981 (GF 81, No. 3), Table 6.

NOTE: The following states currently do not impose an individual income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

82-238/TS