


APPENDIX D: Lookback Analyses of State Results if Select Changes Had Not Occurred


Effective tax rates by income group if select policy changes had not been enacted prior to tax year 2024 (*Individual figures may not sum to totals due to rounding*)

Arkansas

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	13.1%	11.6%	12.4%	10.9%	10.7%	9.5%	7.3%	-5.1%	15
Current law	13.1%	11.1%	11.7%	10.1%	9.4%	8.1%	5.8%	-6.4%	9
Change	-0.1%	-0.5%	-0.7%	-0.8%	-1.2%	-1.4%	-1.5%	-1.3%	-6


Lookback presents 2018 law. Changes since 2018 include PIT rate cuts (including top rate reduction from 6.9% to 4.4%), elimination of one of three sets of PIT brackets, beginning inflation indexing of Standard Deduction, and new nonrefundable low-income credit. Top CIT rate cut from 6.5% to 5.3%.

Arizona

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	11.8%	10.2%	9.9%	9.4%	8.3%	7.1%	7.3%	-3.7%	27
Current law	11.8%	10.1%	9.8%	9.1%	7.8%	6.3%	5.0%	-5.9%	13
Change	-0.0%	-0.0%	-0.1%	-0.3%	-0.6%	-0.9%	-2.3%	-2.2%	-14

Lookback presents Arizona law following voters' approval of Proposition 208 in 2020, which raised taxes on high-income earners (\$250,000 single / \$500,000 married). The legislature and governor overrode that public vote and replaced the tax increases with cuts by, among other things, moving to a flat-rate PIT.


Idaho

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	9.7%	8.2%	8.9%	9.3%	9.2%	8.1%	7.1%	-1.9%	38
Current law	9.5%	7.8%	8.4%	8.6%	8.4%	7.3%	6.4%	-2.4%	36
Change	-0.1%	-0.4%	-0.5%	-0.7%	-0.8%	-0.8%	-0.7%	-0.4%	-2

Lookback presents 2018 PIT law: a graduated PIT with a 6.925% top rate, and a \$100 grocery tax credit.


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Iowa

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	13.0%	12.7%	11.7%	11.6%	11.5%	9.8%	8.0%	-4.6%	20
Current law	11.6%	11.4%	10.5%	10.7%	10.6%	8.9%	7.2%	-4.1%	23
Change	-1.5%	-1.3%	-1.1%	-0.9%	-0.9%	-0.8%	-0.9%	+0.5%	+3


Lookback presents 2018 PIT law: 8.98% top rate, federal income tax deduction, \$6,000 pension exclusion, Iowa-specific standard and itemized deductions.

Kentucky

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	11.4%	10.9%	11.5%	11.2%	11.0%	9.5%	8.0%	-3.3%	30
Current law	12.4%	10.9%	11.0%	10.3%	10.0%	8.4%	6.6%	-5.0%	17
Change	+0.9%	-0.0%	-0.5%	-0.9%	-1.1%	-1.1%	-1.4%	-1.7%	-13

Lookback presents 2017 law: graduated PIT, higher CIT, narrower sales tax base, lower tobacco tax.


Massachusetts

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	9.2%	9.5%	9.7%	10.1%	9.2%	7.9%	6.8%	-2.8%	35
Law After FSA	9.2%	9.5%	9.7%	10.1%	9.2%	7.9%	9.1%	-0.6%	43
Current Law:	8.2%	9.2%	9.6%	10.0%	9.1%	7.9%	8.9%	-0.1%	44
Change (FSA)	0.0%	0.0%	0.0%	0.0%	+0.0%	+0.0%	+2.3%	+2.2%	+8
Change (H. 4104)	-1.0%	-0.4%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	+0.5%	+1
Total Change	-1.0%	-0.4%	-0.1%	-0.1%	-0.1%	-0.1%	+2.1%	+2.7%	+9

"Lookback" shows 2022 law. "Law After FSA" shows the distribution of taxes after passage of the Fair Share Amendment and a subsequent technical fix by the legislature. "Current Law" adds the impact of 2023 tax legislation (H. 4104) that, among other things, bolstered refundable credits and cut estate and capital gains taxes.


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Minnesota

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	8.7%	8.9%	9.9%	10.8%	9.8%	9.5%	10.1%	+0.8%	47
Current law	6.2%	8.0%	10.0%	10.9%	9.9%	9.9%	10.5%	+2.6%	50
Change	-2.6%	-0.9%	+0.0%	+0.1%	+0.2%	+0.3%	+0.4%	+1.8%	+3


Lookback presents 2018 law. Changes since 2018 include elimination of personal exemption, increase to Social Security subtraction, changes to itemized deductions phase-down, refundable credit reforms, CIT increases, tax increase on high investment incomes, business property tax cuts, and increase in vehicle registration charges.

Mississippi

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	13.1%	12.0%	12.0%	10.9%	10.3%	8.8%	7.4%	-5.1%	16
Current law	12.4%	10.8%	11.0%	10.1%	9.6%	8.2%	6.9%	-4.7%	19
Change	-0.8%	-1.2%	-1.0%	-0.8%	-0.6%	-0.5%	-0.5%	+0.4%	+3

Lookback presents 2017 law. Changes since 2017 include 0% PIT bracket on first \$10,000, elimination of second PIT bracket and top rate cut from 5% to 4.7%, coupling to most federal deductions changes, increased self-employment deduction, two new nonrefundable charitable contributions credits, and elimination of Franchise Tax and 3% CIT bracket.


Nebraska

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	12.5%	11.0%	12.1%	11.2%	11.5%	10.4%	8.5%	-3.4%	30
Current	11.2%	10.1%	11.0%	10.1%	10.2%	9.1%	7.2%	-3.5%	30
Change	-1.2%	-0.9%	-1.1%	-1.1%	-1.3%	-1.3%	-1.3%	-0.1%	0

Lookback presents 2018 law. Changes since 2018 include top PIT rate cut from 6.84% to 5.84%, decoupling from federal standard deduction, exemption of all Social Security income, new private school scholarship credit, new child care tax credit, new and expanded property tax credits, and top CIT rate cut from 7.81% to 5.58%.


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New Mexico

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	12.2%	11.1%	11.8%	12.0%	10.9%	9.7%	7.9%	-4.0%	25
Current law	7.1%	9.0%	11.0%	11.6%	10.7%	9.6%	8.1%	-0.5%	43
Change	-5.1%	-2.1%	-0.8%	-0.4%	-0.3%	-0.1%	+0.2%	+3.5%	+18

Lookback presents 2018 law. Changes since 2018 include GRT rate cut, expansions to low-income credits, new Child Tax Credit and dependent deduction, expanded Social Security exemption, reduction to capital gains preference, new top income tax rate, and tobacco tax increase.

Washington

	Total State and Local Tax Shares of Family Income							ITEP Inequality Index	
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%	Index Value	Index Rank
Lookback	15.2%	11.2%	10.9%	9.4%	8.0%	5.4%	3.5%	-9.9%	1
Current law	13.8%	10.9%	10.9%	9.4%	8.0%	5.4%	4.1%	-8.5%	2
Change	-1.4%	-0.3%	-0.0%	-0.0%	+0.0%	+0.0%	+0.6%	+1.5%	+1

Implementation of Working Families Tax Credit (WFTC) and Capital Gains Excise Tax.

Note: "PIT" refers to personal income tax; "CIT" refers to corporate income tax; "EITC" refers to Earned Income Tax Credit.

Source: Institute on Taxation and Economic Policy (ITEP)