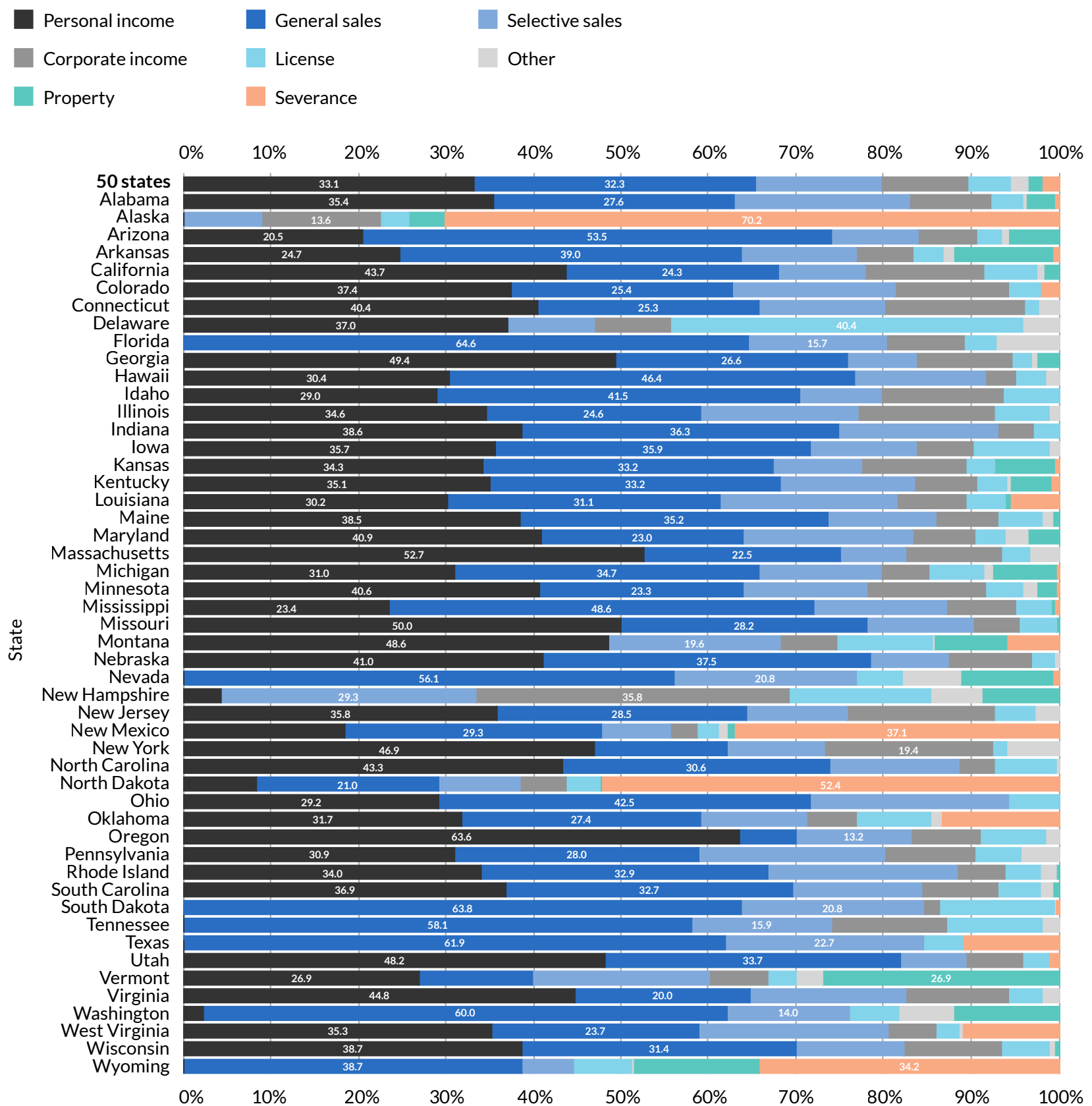


How States Raise Their Tax Dollars

FY 2023

Tax collections typically make up almost half of state government revenue. In fiscal year 2023, two-thirds of states' total tax dollars came from levies on personal income (33.1%) and on general sales of goods and services (32.3%).

Broad-based personal income taxes were the greatest source of tax dollars in 28 of the 41 states that impose them, with the highest share in Oregon (63.6%), and the lowest in North Dakota (8.2%). General sales taxes were the largest source in 16 of the 45 states that collect them. Florida was most reliant on these taxes; they made up 64.6% of the state's tax revenue. Six states received most of their fiscal 2023 revenue from sources other than personal income or general sales taxes: severance taxes in Alaska, New Mexico, and North Dakota; license taxes in Delaware; corporate income taxes in New Hampshire; and property taxes in Vermont.



Note: New Hampshire's personal income tax differs from broad-based personal income taxes in other states, instead taxing only certain dividend and interest income. Tennessee had a similar tax in place in fiscal 2020, but it was phased out as of Jan. 1, 2021. Oregon does not impose a general sales tax; revenue reported to the U.S. Census Bureau under this category reflects collections from the state's corporate activity tax, which became effective Jan. 1, 2020. Washington does not impose an individual income tax; revenue reported to the U.S. Census Bureau under this category reflects collections from the state's capital gains tax, which became effective Jan. 1, 2022. Alabama collected more in other taxes than in severance taxes, but the shares appear equal because of rounding. Oregon collected more in property taxes than in severance taxes, but the shares appear equal because of rounding. Vermont collected more in property taxes than in personal income taxes, but the shares appear equal because of rounding.

Source: U.S. Census Bureau's 2023 Annual Survey of State Government Tax Collections

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