

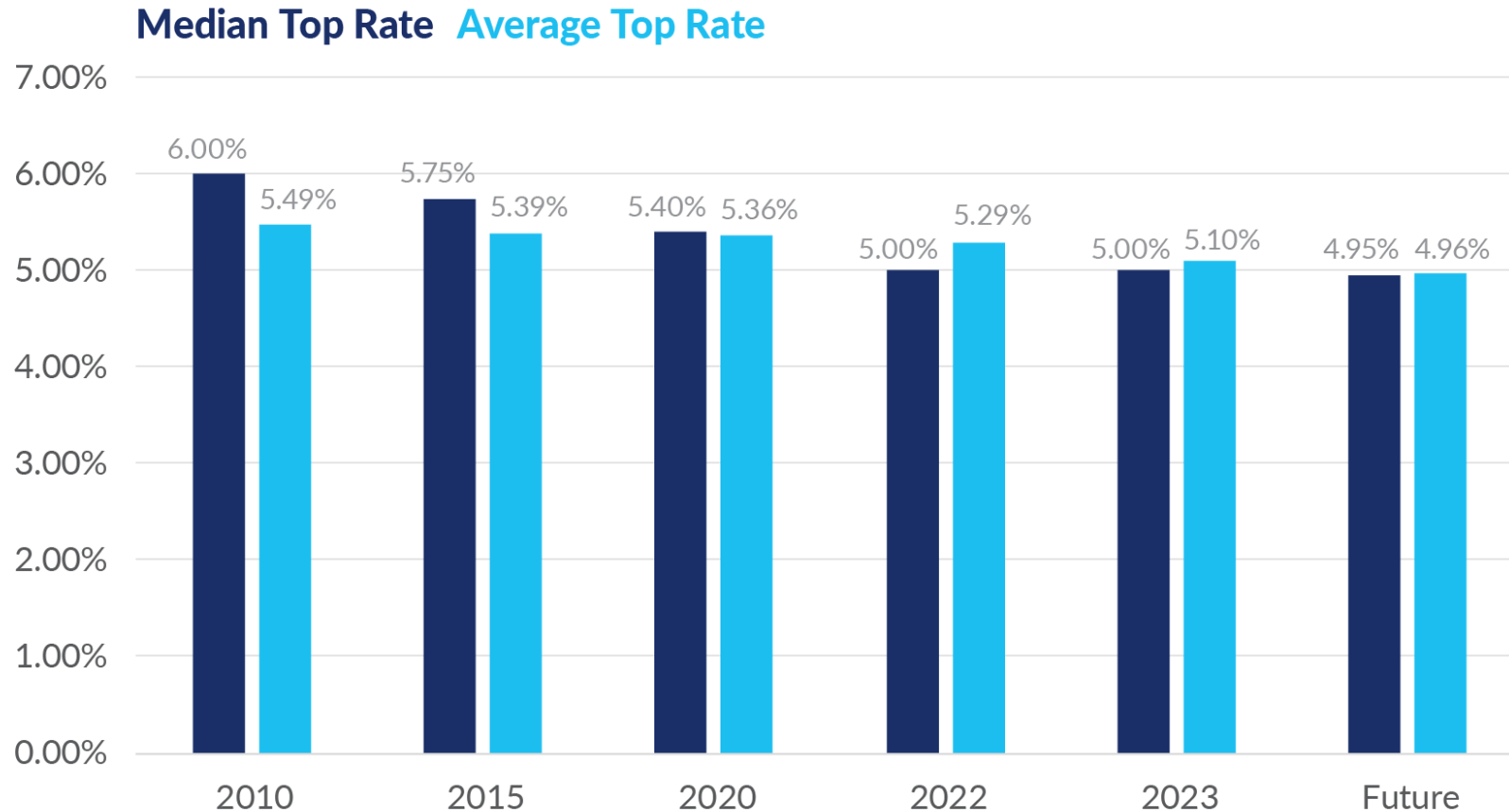
Tax Reform Themes From Around the Country

Jared Walczak, Tax Foundation

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State Individual Income Tax Rates Are Declining

Median and Average Top Rates, All States



Note: Average of all states, including those without a wage income tax. "Future" includes the full phase-in of scheduled rate cuts in GA, IN, IA, MS, MO, MT, NE, NC, and ND, as well as the next anticipated reduction (to 4%) in KY, where triggered reductions have no specified end goal.

Source: State revenue departments; Tax Foundation research.

State Capital Investment Expensing Provisions as of January 1, 2023

Legend:

- Federal Conformity
- Permanent Full Expensing
- Partial
- None
- No Corporate Income Tax

States with No Corporate Income Tax: VT, NH, ME, MA, RI, CT, NJ, DE, MD, DC

State Tax Policy Data:

State	Policy Category
Alaska	Federal Conformity
Arizona	None
Arkansas	None
California	None
Colorado	Federal Conformity
Connecticut	No Corporate Income Tax
Delaware	Federal Conformity
Florida	None
Georgia	None
Hawaii	None
Idaho	None
Illinois	Federal Conformity
Indiana	None
Iowa	Federal Conformity
Kansas	Federal Conformity
Kentucky	None
Louisiana	Federal Conformity
Maine	No Corporate Income Tax
Massachusetts	No Corporate Income Tax
Michigan	None
Minnesota	Partial
Mississippi	Permanent Full Expensing
Missouri	Federal Conformity
Montana	Federal Conformity
Nebraska	Federal Conformity
Nevada	No Corporate Income Tax
Nevada*	No Corporate Income Tax
New Hampshire	No Corporate Income Tax
New Jersey	None
New York	None
North Carolina	Partial
North Dakota	Federal Conformity
Ohio	No Corporate Income Tax
Ohio*	No Corporate Income Tax
Oklahoma	Permanent Full Expensing
Oregon	Federal Conformity
Pennsylvania	None
Rhode Island	No Corporate Income Tax
South Carolina	None
South Dakota	No Corporate Income Tax
Tennessee	Federal Conformity
Texas	No Corporate Income Tax
Texas*	No Corporate Income Tax
Utah	Federal Conformity
Vermont	No Corporate Income Tax
Virginia	None
Washington	No Corporate Income Tax
Washington*	No Corporate Income Tax
West Virginia	Federal Conformity
Wisconsin	None

Source: State statutes, forms, and instructions; Bloomberg Tax.

Digital Products Taxation

- MTC process on digital products
- Streaming taxes
- Digital advertising and digital services taxes
- Data taxes

May 4, 2023, 10:00 AM

Battle Over Taxing Digital Ads Goes Before Maryland Justices



Perry Cooper
Legal Reporter



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- Ad tax hits companies with annual revenue above \$100 million
- State argues Comcast, Verizon's suit was filed prematurely

Maryland's first-in-the-nation levy on digital advertising is slated for argument Friday before the state's Supreme Court, which will consider whether it is a legal way to tax tech giants' activity within state borders.

Maryland had in mind the Facebooks, Googles, and Amazons of the world when it enacted a tax of between 2.5% and 10% on the gross revenue from digital ads earned by companies with annual revenue above \$100 million. The state wants the high court to overturn a trial court's [sparse October ruling](#) that the novel levy violates the dormant commerce clause, the First Amendment, and the supremacy clause, and is preempted by the federal Internet Tax Freedom Act.

Wealth and High Earner Taxes

- Wealth tax proposals: California, Hawaii, Washington
 - Mark-to-market taxation: Illinois, New York
 - Higher capital gains taxes: Connecticut, Maryland, New York
 - More aggressive estate taxes: Connecticut, Minnesota
-
- *Bills largely fizzled this year, but Washington in particular seems interested in adopting a wealth tax in the coming years*

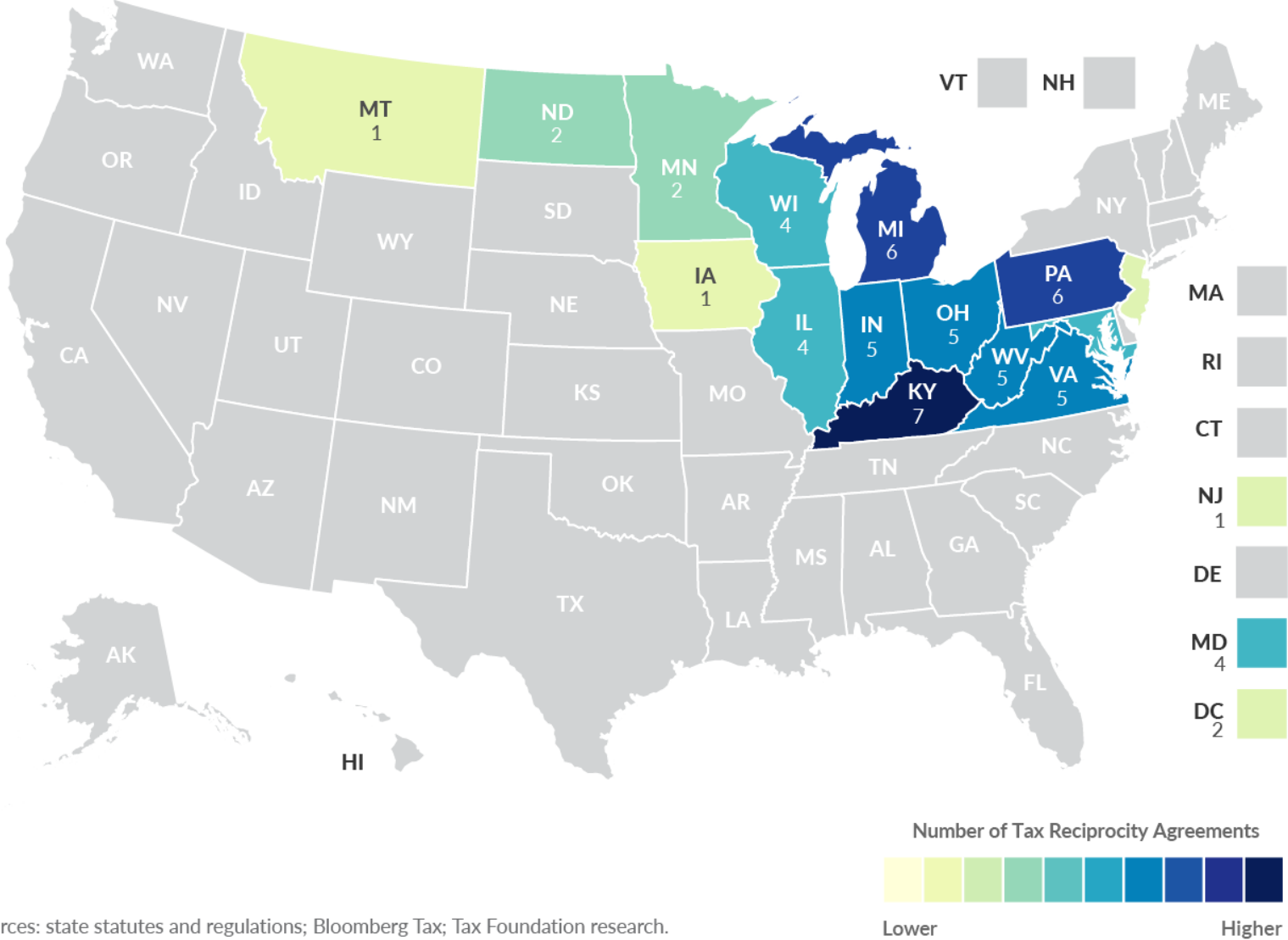
Property Tax Relief

- Levy limits
- Assessment limits
- Credits and offsets
- Tangible personal property tax reform

Filing and Withholding Thresholds

State	Day Threshold	Income Threshold
Arizona	60	\$0
California	1	\$1,500
Connecticut	15	\$0
Georgia	23	\$5,000
Hawaii	60	\$0
Idaho	1	\$1,000
Illinois	30	\$0
Louisiana	25	\$0
Maine	12	\$3,000
Minnesota	1	\$12,500
New Mexico	16	\$0
New York	14	\$0
North Dakota	21	\$0
Oklahoma	1	\$1,200
Utah	60	\$0
West Virginia	30	\$0
Wisconsin	1	\$1,500

State Reciprocity Agreements



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