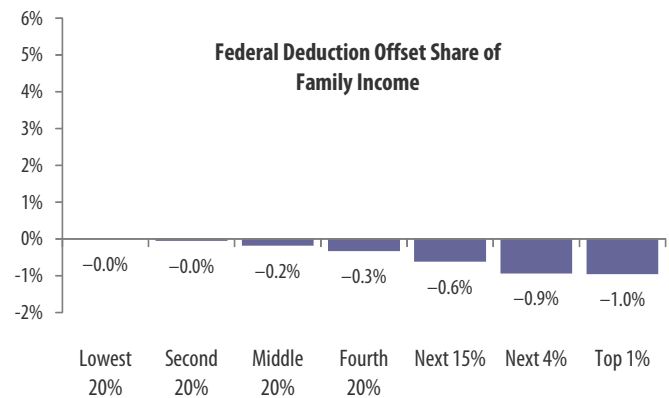
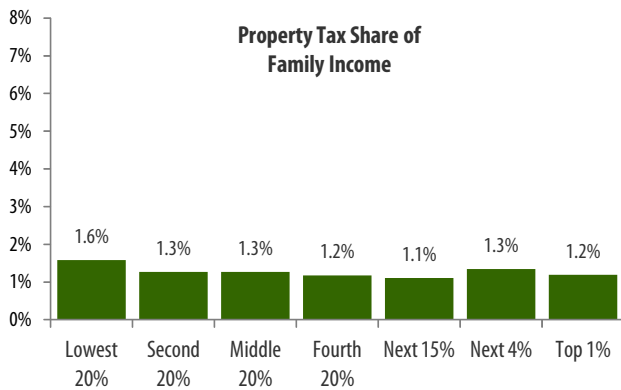
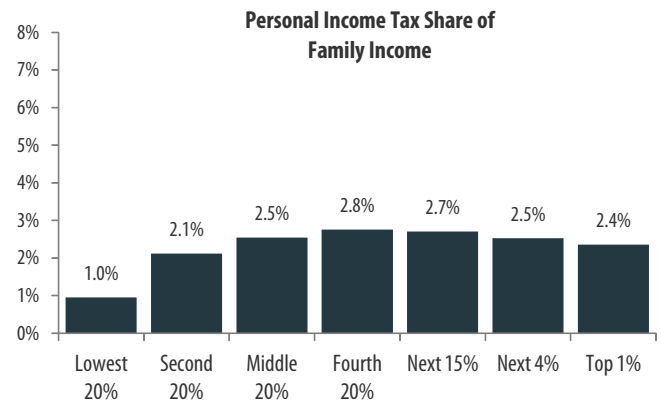
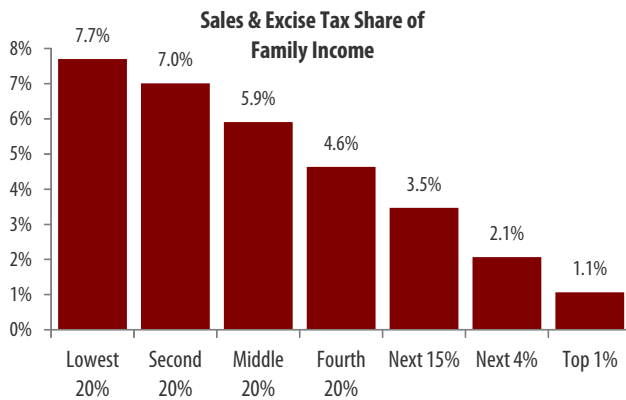
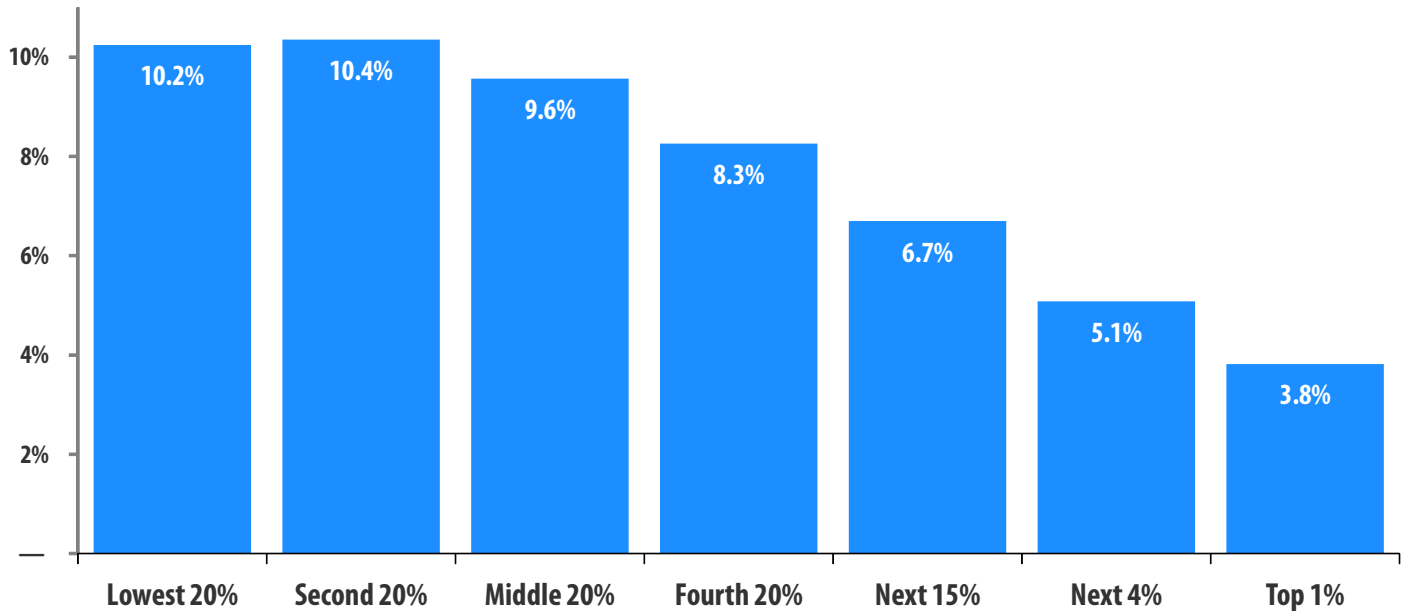


Alabama State & Local Taxes

#10 of the Terrible 10

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Alabama enacted through January 2, 2013 at 2010 income levels. Top figure represents total state and local taxes as a share of income, post-federal offset.

Alabama State & Local Taxes

Details, Tax Code Features, & Recent Developments

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$16,000	\$16,000 – \$26,000	\$26,000 – \$47,000	\$47,000 – \$77,000	\$77,000 – \$146,000	\$146,000 – \$371,000	\$371,000 or more
Average Income in Group	\$10,700	\$21,400	\$35,000	\$59,200	\$100,600	\$199,300	\$900,400
Sales & Excise Taxes	7.7%	7.0%	5.9%	4.6%	3.5%	2.1%	1.1%
General Sales—Individuals	4.1%	3.8%	3.3%	2.7%	2.1%	1.3%	0.7%
Other Sales & Excise—Ind.	1.8%	1.6%	1.3%	0.9%	0.6%	0.4%	0.2%
Sales & Excise on Business	1.7%	1.6%	1.3%	1.0%	0.8%	0.5%	0.3%
Property Taxes	1.6%	1.3%	1.3%	1.2%	1.1%	1.3%	1.2%
Property Taxes on Families	1.5%	1.2%	1.2%	1.1%	1.0%	1.1%	0.6%
Other Property Taxes	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.6%
Income Taxes	1.0%	2.1%	2.6%	2.8%	2.7%	2.6%	2.5%
Personal Income Tax	1.0%	2.1%	2.5%	2.8%	2.7%	2.5%	2.4%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Total Taxes	10.3%	10.4%	9.7%	8.6%	7.3%	6.0%	4.8%
Federal Deduction Offset	0.0%	0.0%	-0.2%	-0.3%	-0.6%	-0.9%	-1.0%
OVERALL TOTAL	10.2%	10.4%	9.6%	8.3%	6.7%	5.1%	3.8%

Note: Table shows detailed breakout of data on previous page.

Progressive Features

✓ Provides one of the largest property tax homestead exemptions in the country

Regressive Features

- ✗ Narrow income tax brackets mean majority of taxpayers pay top income tax rate
- ✗ Sales tax base includes groceries
- ✗ Fails to provide a credit designed to offset sales tax on groceries
- ✗ Offers an income tax deduction for federal income taxes paid

Recent Developments

▲ Enacted double-weighted sales factor apportionment rules for calculating the corporate income tax

States With a Deduction for Federal Income Taxes Paid

