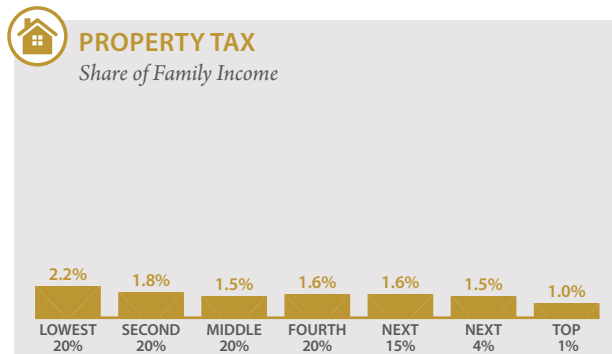
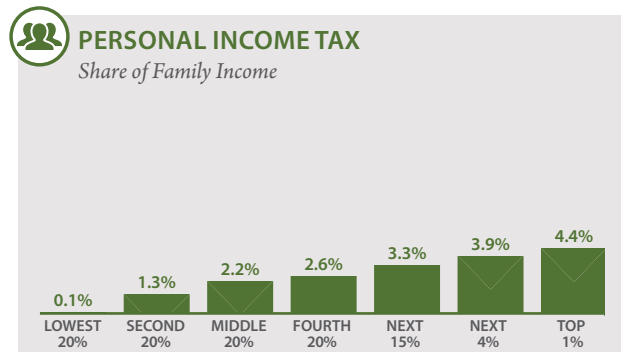
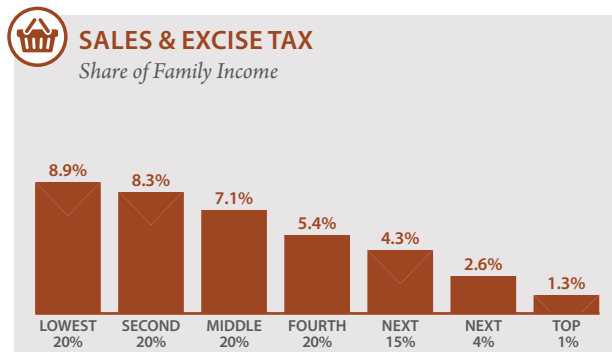
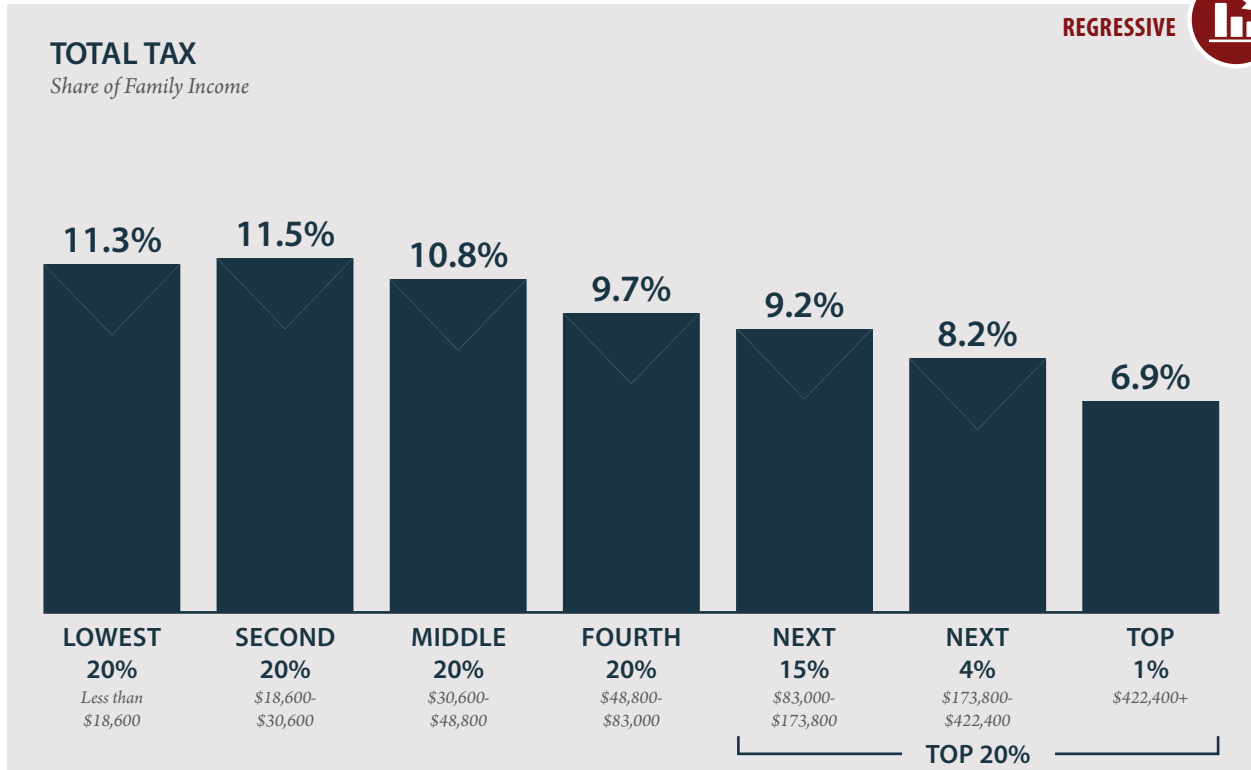


ARKANSAS

STATE AND LOCAL TAX SHARES OF FAMILY INCOME for non-elderly taxpayers







NOTE:

Figures show permanent law in Arkansas enacted through September 10, 2018 (with tax year 2019 personal income tax rates) at 2015 income levels. Top figure represents total state and local taxes as a share of income. The 6th edition of Who Pays does not include the impact of the federal deduction for state and local taxes (SALT) because policy changes in the 2017 federal Tax Cuts and Jobs Act temporarily limited the extent to which the SALT deduction functions as a generalized offset of state and local taxes.

ARKANSAS State and Local Taxes (cont.)

TOTAL TAX

Share of Family Income

INCOME GROUP	TOP 20%						
	LOWEST 20%	SECOND 20%	MIDDLE 20%	FOURTH 20%	NEXT 15%	NEXT 4%	TOP 1%
INCOME RANGE	Less than \$18,600	\$18,600 to \$30,600	\$30,600 to \$48,800	\$48,800 to \$83,000	\$83,000 to \$173,800	\$173,800 to \$422,400	over \$422,400
AVERAGE INCOME IN GROUP	\$11,200	\$25,500	\$38,700	\$62,700	\$112,900	\$247,000	\$1,129,400
 SALES & EXCISE TAXES	8.9%	8.3%	7.1%	5.4%	4.3%	2.6%	1.3%
General Sales—Individuals	5.2%	5.0%	4.5%	3.5%	2.8%	1.8%	0.9%
Other Sales & Excise—Ind.	1.5%	1.2%	0.8%	0.6%	0.4%	0.2%	0.1%
Sales & Excise on Business	2.2%	2.1%	1.8%	1.3%	1.0%	0.6%	0.3%
 PROPERTY TAXES	2.2%	1.8%	1.5%	1.6%	1.6%	1.5%	1.0%
Home, Rent, Car—Individuals	2.2%	1.7%	1.4%	1.6%	1.5%	1.2%	0.4%
Other Property Taxes	0.0%	0.1%	0.0%	0.1%	0.1%	0.3%	0.6%
 INCOME TAXES	0.2%	1.4%	2.2%	2.6%	3.4%	4.0%	4.6%
Personal Income Tax	0.1%	1.3%	2.2%	2.6%	3.3%	3.9%	4.4%
Corporate Income Tax	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.2%
 TOTAL TAXES	11.3%	11.5%	10.8%	9.7%	9.2%	8.2%	6.9%

Individual figures may not sum to totals due to rounding.

ITEP TAX INEQUALITY INDEX

According to ITEP's Tax Inequality Index, which measures the impact of each state's tax system on income inequality, **Arkansas has the 20th most unfair state and local tax system** in the country. Incomes are more unequal in Arkansas after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the methodology section for additional detail on the index.)

TAX FEATURES DRIVING THE DATA IN ARKANSAS



PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- Provides a non-refundable low-income tax credit linked to the federal poverty level



REGRESSIVE TAX CODE FEATURES

- Provides an income tax exclusion equal to 50 percent of capital gains income and fully excludes all gains above \$10 million
- State sales tax base includes groceries, though taxed at a lower rate
- Local sales tax bases include groceries
- Fails to provide a refundable Earned Income Tax Credit (EITC)
- Fails to provide a property tax "circuit breaker" credit for low-income taxpayers
- Fails to use combined reporting as part of its corporate income tax
- Does not levy a tax on estates or inheritances