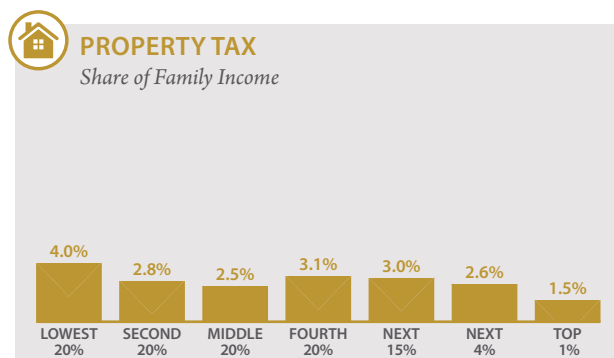
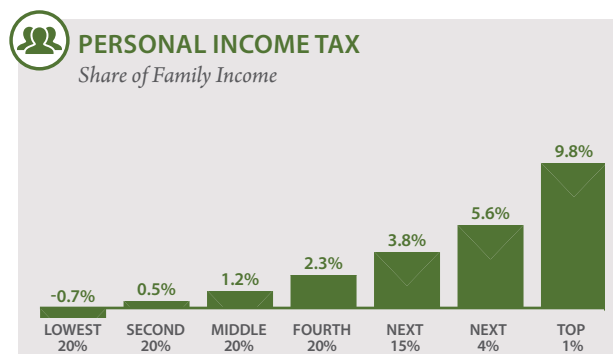
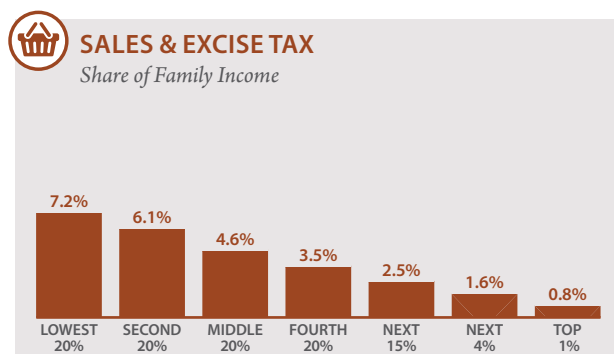
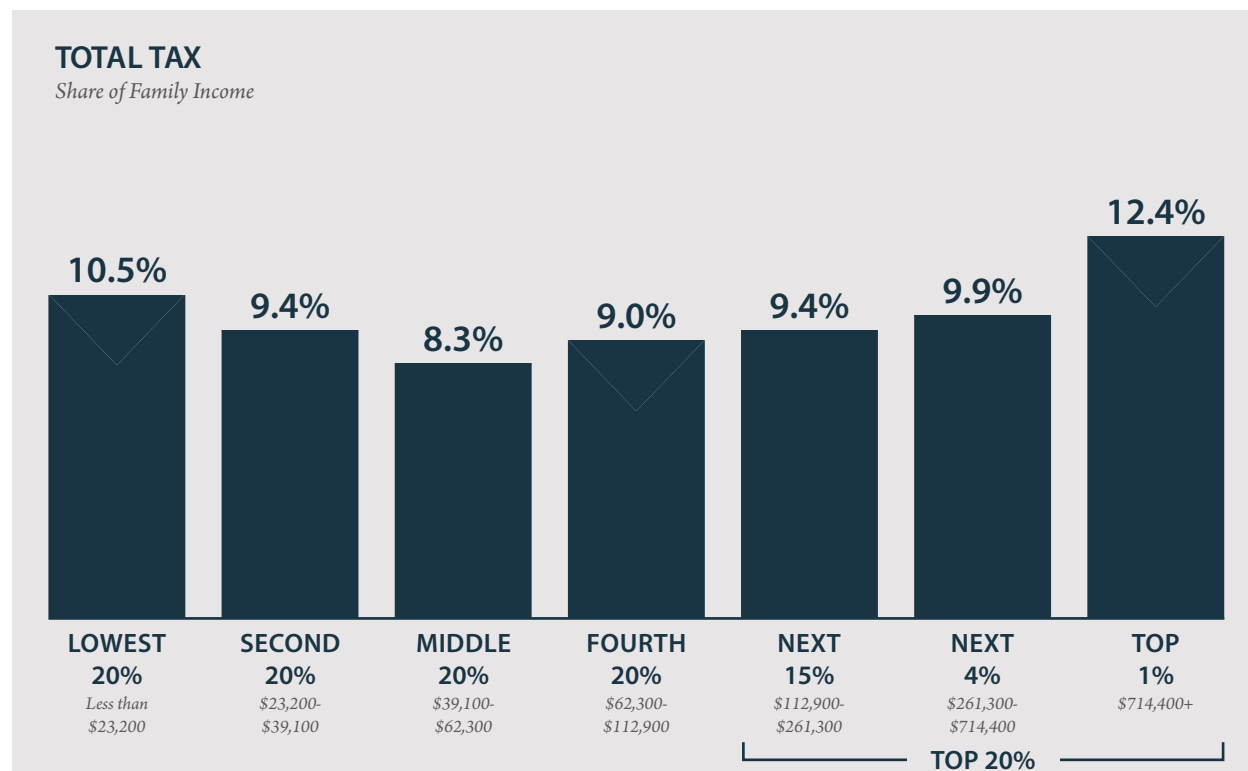


CALIFORNIA

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







NOTE:

Figures show permanent law in California enacted through September 10, 2018 at 2015 income levels. Personal income tax rates and brackets reflect law in effect through 2030. 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.

CALIFORNIA 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 \$23,200	\$23,200 to \$39,100	\$39,100 to \$62,300	\$62,300 to \$112,900	\$112,900 to \$261,300	\$261,300 to \$714,400	over \$714,400
AVERAGE INCOME IN GROUP	\$14,300	\$31,000	\$49,200	\$83,500	\$163,600	\$399,700	\$2,158,300
 SALES & EXCISE TAXES	7.2%	6.1%	4.6%	3.5%	2.5%	1.6%	0.8%
General Sales—Individuals	3.1%	2.8%	2.2%	1.8%	1.4%	0.9%	0.4%
Other Sales & Excise—Ind.	1.6%	1.1%	0.7%	0.5%	0.3%	0.2%	0.1%
Sales & Excise on Business	2.6%	2.1%	1.6%	1.2%	0.8%	0.5%	0.3%
 PROPERTY TAXES	4.0%	2.8%	2.5%	3.1%	3.0%	2.6%	1.5%
Home, Rent, Car—Individuals	3.9%	2.7%	2.5%	3.0%	2.8%	2.2%	0.5%
Other Property Taxes	0.0%	0.0%	0.1%	0.1%	0.2%	0.4%	1.0%
 INCOME TAXES	-0.7%	0.6%	1.2%	2.4%	3.9%	5.7%	10.0%
Personal Income Tax	-0.7%	0.5%	1.2%	2.3%	3.8%	5.6%	9.8%
Corporate Income Tax	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%
 TOTAL TAXES	10.5%	9.4%	8.3%	9.0%	9.4%	9.9%	12.4%

Individual figures may not sum to totals due to rounding.

ITEP TAX INEQUALITY INDEX

According to ITEP's Tax Inequality Index, **California's state and local tax system does not worsen income inequality and ranks 51st on the index.** The large income gap between lower- and middle-income taxpayers, as compared to the wealthy, is some-what narrower after state and local taxes than before. (See Appendix B for state-by-state rankings and the methodology for additional detail.)

TAX FEATURES DRIVING THE DATA IN CALIFORNIA



PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- Provides personal income tax credits in place of personal and dependent exemptions
- Limits itemized deductions for upper-income taxpayers
- Sales tax base excludes groceries
- Requires the use of combined reporting for the corporate income tax
- Provides a refundable Earned Income Tax Credit (EITC)



REGRESSIVE TAX CODE FEATURES

- Comparatively high combined state and local sales tax rate
- Comparatively high cigarette tax
- Fails to provide a property tax "circuit breaker" credit for low-income, non-elderly taxpayers
- Does not levy a tax on estates or inheritances