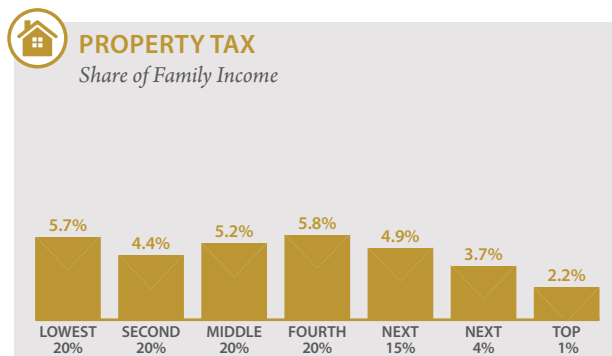
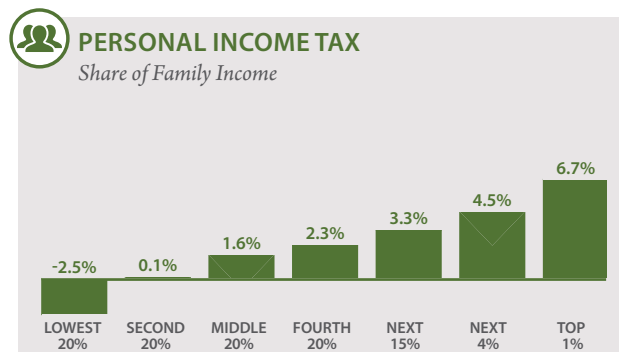
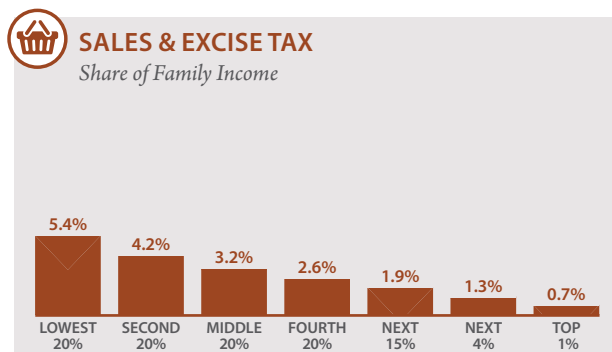
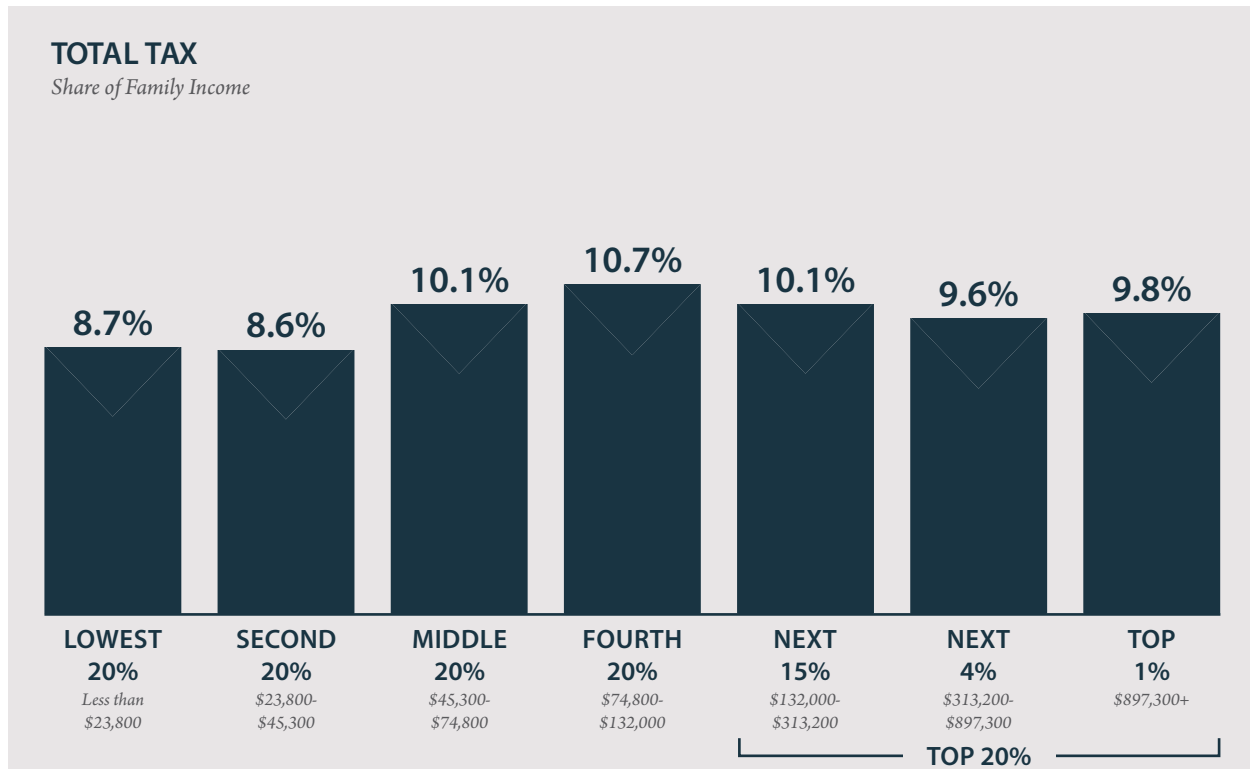


NEW JERSEY

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







NOTE:

Figures show permanent law in New Jersey enacted through September 10, 2018 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.

NEW JERSEY 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 \$23,800	\$23,800 to \$45,300	\$45,300 to \$74,800	\$74,800 to \$132,000	\$132,000 to \$313,200	\$313,200 to \$897,300	over \$897,300
AVERAGE INCOME IN GROUP	\$14,600	\$34,000	\$58,100	\$100,200	\$188,900	\$439,000	\$1,864,800
 SALES & EXCISE TAXES	5.4%	4.2%	3.2%	2.6%	1.9%	1.3%	0.7%
General Sales—Individuals	2.4%	2.0%	1.7%	1.4%	1.1%	0.8%	0.4%
Other Sales & Excise—Ind.	1.5%	1.0%	0.7%	0.5%	0.3%	0.2%	0.1%
Sales & Excise on Business	1.4%	1.2%	0.9%	0.7%	0.5%	0.3%	0.2%
 PROPERTY TAXES	5.7%	4.4%	5.2%	5.8%	4.9%	3.7%	2.2%
Home, Rent, Car—Individuals	5.6%	4.3%	5.0%	5.7%	4.6%	3.0%	0.6%
Other Property Taxes	0.1%	0.1%	0.2%	0.1%	0.3%	0.7%	1.5%
 INCOME TAXES	-2.4%	0.1%	1.7%	2.3%	3.4%	4.6%	7.0%
Personal Income Tax	-2.5%	0.1%	1.6%	2.3%	3.3%	4.5%	6.7%
Corporate Income Tax	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%
 TOTAL TAXES	8.7%	8.6%	10.1%	10.7%	10.1%	9.6%	9.8%

Individual figures may not sum to totals due to rounding.

ITEP TAX INEQUALITY INDEX

According to ITEP's Tax Inequality Index, **New Jersey's state and local tax system does not worsen income inequality and ranks 46th on the index.** The large income gap between lower- and middle-income taxpayers, as compared to the wealthy, is somewhat 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 NEW JERSEY



PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- Provides a refundable Earned Income Tax Credit (EITC)
- Provides a refundable property tax "circuit breaker" credit via the personal income tax
- Sales tax base excludes groceries
- Levies a tax on inheritances
- Requires the use of combined reporting for the corporate income tax



REGRESSIVE TAX CODE FEATURES

- Comparatively high reliance on property taxes
- Comparatively high cigarette tax rate
- Eliminated estate tax in 2018