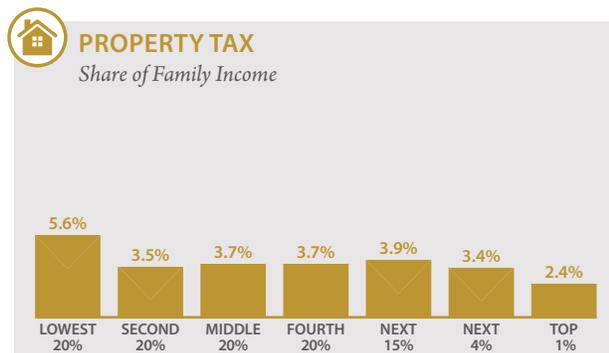
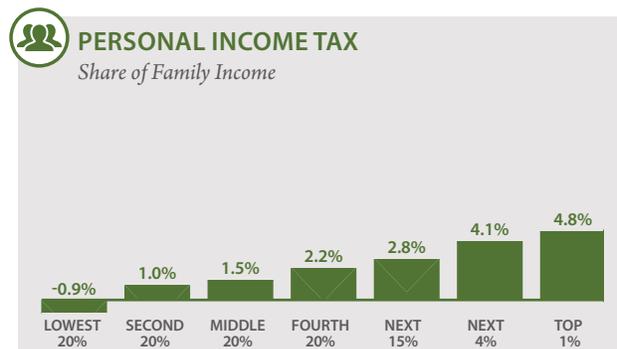
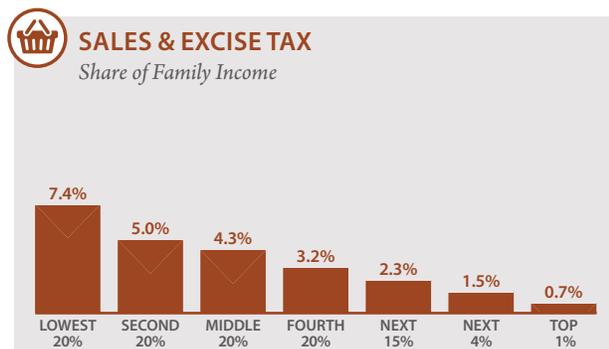
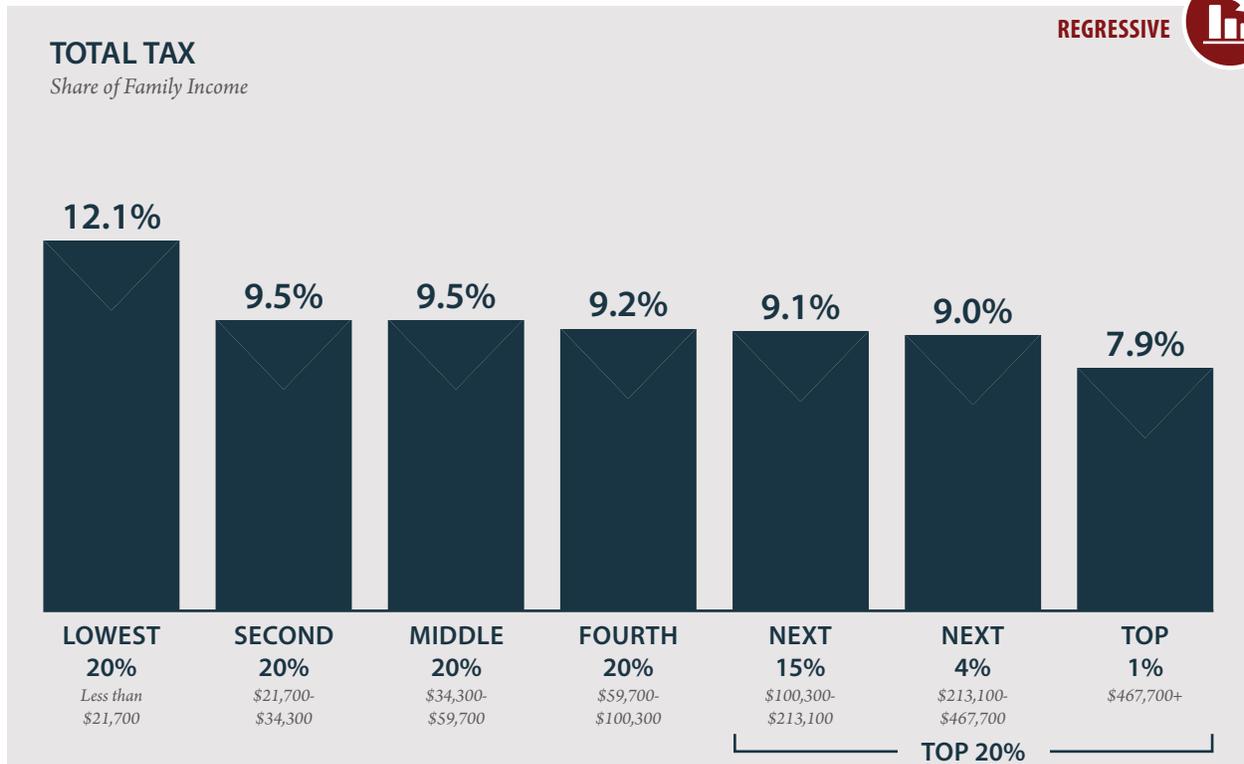


# RHODE ISLAND

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



**NOTE:**

Figures show permanent law in Rhode Island 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.

# RHODE ISLAND 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 \$21,700 | \$21,700 to \$34,300 | \$34,300 to \$59,700 | \$59,700 to \$100,300 | \$100,300 to \$213,100 | \$213,100 to \$467,700 | over \$467,700 |
| AVERAGE INCOME IN GROUP   | \$11,000           | \$28,600             | \$45,700             | \$75,600              | \$141,700              | \$292,600              | \$1,123,300    |
|  <b>SALES &amp; EXCISE TAXES</b> | <b>7.4%</b>        | <b>5.0%</b>          | <b>4.3%</b>          | <b>3.2%</b>           | <b>2.3%</b>            | <b>1.5%</b>            | <b>0.7%</b>    |
| General Sales—Individuals   | 3.1%               | 2.4%                 | 2.2%                 | 1.7%                  | 1.3%                   | 0.9%                   | 0.4%           |
| Other Sales & Excise—Ind.   | 2.7%               | 1.4%                 | 1.1%                 | 0.7%                  | 0.5%                   | 0.3%                   | 0.1%           |
| Sales & Excise on Business  | 1.5%               | 1.2%                 | 1.0%                 | 0.8%                  | 0.5%                   | 0.3%                   | 0.2%           |
|  <b>PROPERTY TAXES</b>           | <b>5.6%</b>        | <b>3.5%</b>          | <b>3.7%</b>          | <b>3.7%</b>           | <b>3.9%</b>            | <b>3.4%</b>            | <b>2.4%</b>    |
| Home, Rent, Car—Individuals   | 5.3%               | 3.3%                 | 3.5%                 | 3.4%                  | 3.5%                   | 2.7%                   | 0.8%           |
| Other Property Taxes  | 0.3%               | 0.2%                 | 0.2%                 | 0.4%                  | 0.3%                   | 0.7%                   | 1.6%           |
|  <b>INCOME TAXES</b>             | <b>-0.9%</b>       | <b>1.0%</b>          | <b>1.5%</b>          | <b>2.3%</b>           | <b>2.8%</b>            | <b>4.1%</b>            | <b>4.9%</b>    |
| Personal Income Tax   | -0.9%              | 1.0%                 | 1.5%                 | 2.2%                  | 2.8%                   | 4.1%                   | 4.8%           |
| Corporate Income Tax  | 0.0%               | 0.0%                 | 0.0%                 | 0.0%                  | 0.0%                   | 0.1%                   | 0.1%           |
|  <b>TOTAL TAXES</b>            | <b>12.1%</b>       | <b>9.5%</b>          | <b>9.5%</b>          | <b>9.2%</b>           | <b>9.1%</b>            | <b>9.0%</b>            | <b>7.9%</b>    |

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, **Rhode Island has the 32nd most unfair state and local tax system** in the country. Incomes are more unequal in Rhode Island 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 RHODE ISLAND



### PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- Comparatively high standard deduction, personal exemption, and dependent exemption
- Standard deduction and personal exemption phase-out for upper-income taxpayers
- Provides a refundable Earned Income Tax Credit (EITC)
- Sales tax base excludes groceries
- Requires the use of combined reporting for the corporate income tax
- Levies a state estate tax



### REGRESSIVE TAX CODE FEATURES

- Fails to provide a property tax "circuit breaker" credit for low-income, non-elderly taxpayers
- Comparatively high cigarette tax rate