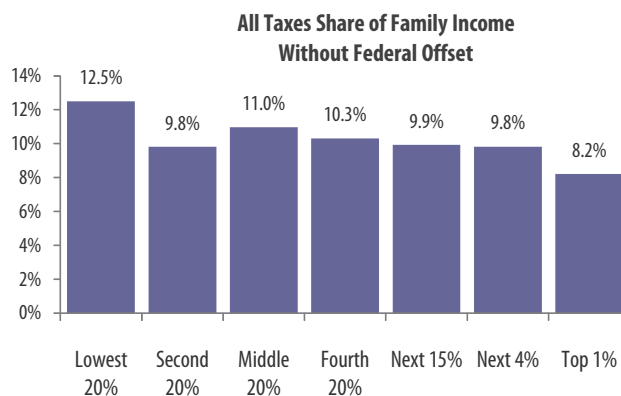
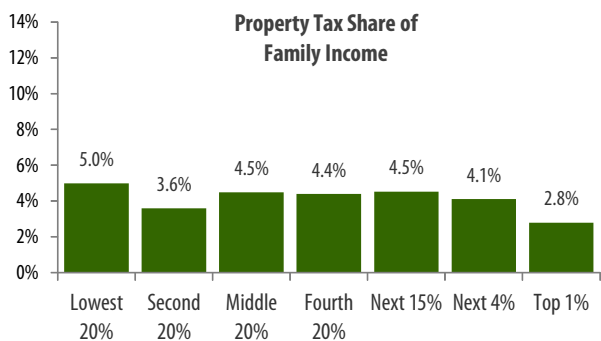
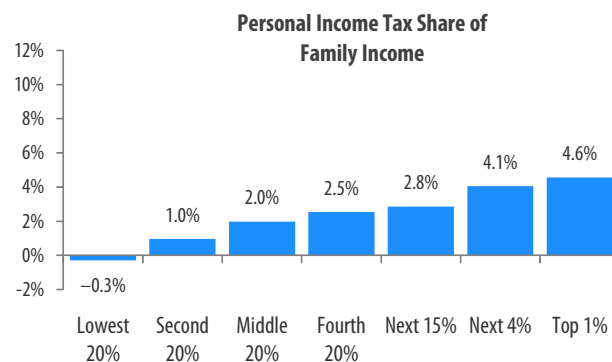
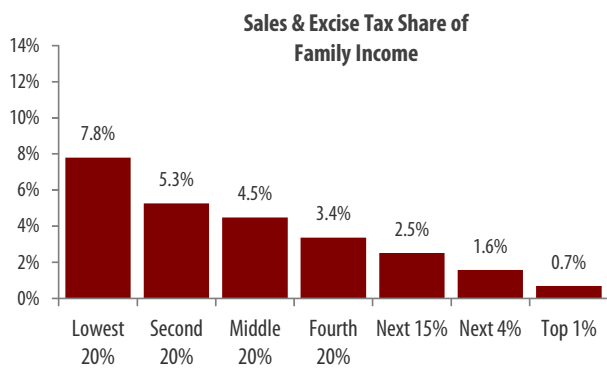
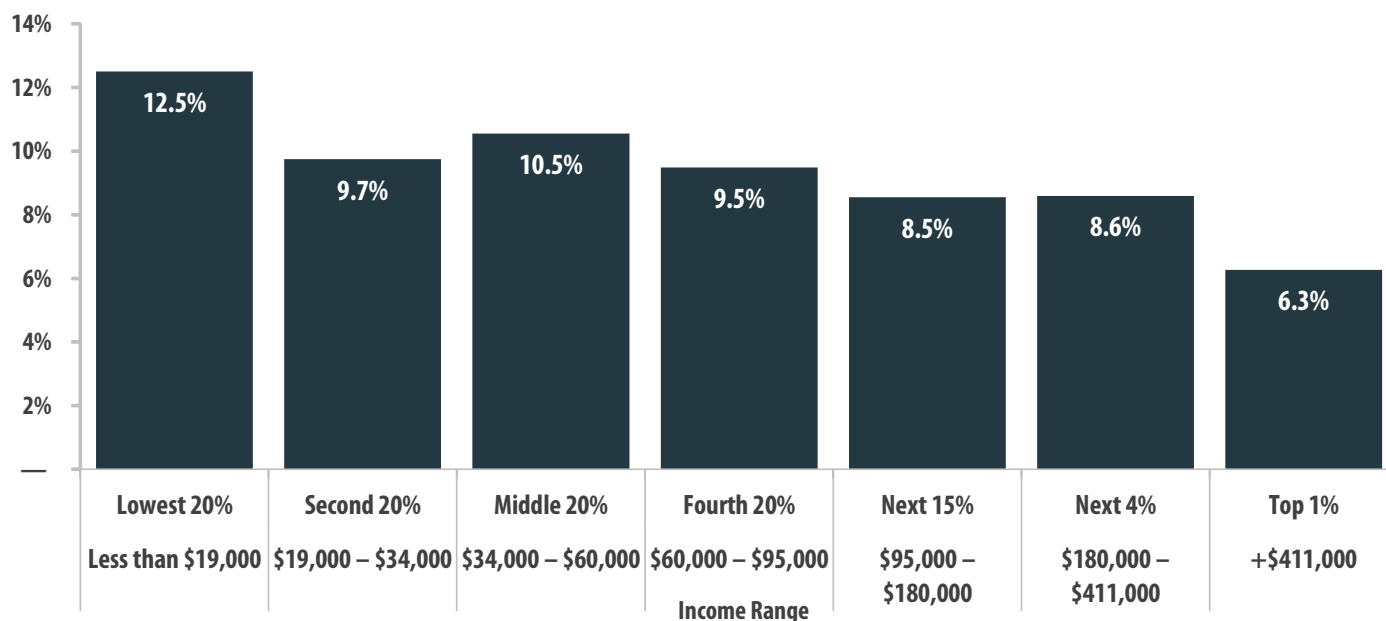


Rhode Island State & Local Taxes in 2015

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Rhode Island enacted through December 31, 2014 at 2012 income levels. Top figure represents total state and local taxes as a share of income, post- federal offset.

Rhode Island State & Local Taxes in 2015

Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$19,000	\$19,000 – \$34,000	\$34,000 – \$60,000	\$60,000 – \$95,000	\$95,000 – \$180,000	\$180,000 – \$411,000	\$411,000 or more
Average Income in Group	\$10,300	\$26,600	\$47,500	\$74,700	\$124,900	\$254,400	\$1,086,100
Sales & Excise Taxes	7.8%	5.3%	4.5%	3.4%	2.5%	1.6%	0.7%
General Sales—Individuals	3.2%	2.4%	2.2%	1.7%	1.4%	0.9%	0.4%
Other Sales & Excise—Ind.	2.8%	1.5%	1.2%	0.8%	0.6%	0.3%	0.1%
Sales & Excise on Business	1.8%	1.3%	1.0%	0.8%	0.6%	0.4%	0.2%
Property Taxes	5.0%	3.6%	4.5%	4.4%	4.5%	4.1%	2.8%
Property Taxes on Families	4.7%	3.4%	4.1%	4.0%	4.1%	3.2%	1.3%
Other Property Taxes	0.3%	0.2%	0.4%	0.4%	0.5%	1.0%	1.5%
Income Taxes	-0.3%	1.0%	2.0%	2.6%	2.9%	4.1%	4.7%
Personal Income Tax	-0.3%	1.0%	2.0%	2.5%	2.8%	4.1%	4.6%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Total Taxes	12.5%	9.8%	11.0%	10.3%	9.9%	9.8%	8.2%
Federal Deduction Offset	—	-0.1%	-0.4%	-0.8%	-1.4%	-1.2%	-2.0%
OVERALL TOTAL	12.5%	9.7%	10.5%	9.5%	8.5%	8.6%	6.3%

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

Rhode Island Tax Code Features

Progressive 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 10 percent refundable Earned Income Tax Credit (EITC)
- Sales tax base excludes groceries
- Requires the use of combined reporting for the corporate income tax

Regressive Features

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

Tax Changes Enacted in 2013 & 2014

- Partially refundable Earned Income Tax Credit converted to a fully refundable 10 percent credit
- Refundable low-income property tax credit was eliminated for homeowners and renters under age 65
- Three significant changes to the corporate income tax: adopted mandatory combined reporting, moved to single-sales factor apportionment, and lowered the rate to 7%
- Small gas tax increase

ITEP Tax Inequality Index

According to ITEP’s Tax Inequality Index, Rhode Island has the **23rd** most unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes are less equal in those states after state and local taxes than before (See Appendix B for state-by-state rankings and more details).