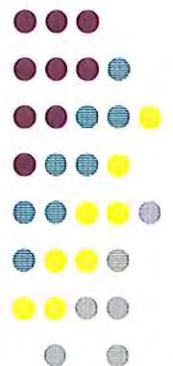


# Individual Income Tax Provisions in the States

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# Individual Income Tax Provisions in the States

In 2009, 43 states and the District of Columbia had a state individual income tax. This paper outlines the major provisions of the income tax in those states, including the type of filing system, the base of income subject to taxation, the tax rates and brackets, and the allowable tax exemptions, deductions, and credits. For purposes of describing and tallying these provisions, the District of Columbia is referred to as one of the states.

Most states use federal adjusted gross income (AGI) as a starting point to compute the state tax and also use federal provisions in calculating state itemized deductions. As a result, the comparison of the base of income subject to tax concentrates on major differences from federal law and only exceptions to federal law are noted for state itemized deductions.

Information on other tax provisions such as tax rates and brackets, personal exemption amounts, and state tax credits is presented for each state. In addition, summary tables for several of these tax law features are provided. Finally, an outline of the income tax structure in each state is attached.

Information in this paper was taken directly

from the tax forms and instruction booklets for each state for the 2009 tax year. This information shows only the tax provisions in effect for 2009 and does not reflect future changes already enacted by state legislatures. As a cross-check, this data was reviewed by state tax officials, and reference materials compiled by other sources for selected state tax provisions were also consulted.

Although this information was prepared with care, the complexity of the tax structure in some states may have resulted in omissions. Certain items, such as depreciation and loss carryover provisions, varied substantially between states; for many states, differences between state and federal law were not consistently noted in instruction booklets. As a result, these items, along with other minor differences between state and federal law, are not covered in this paper.

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## States with an Income Tax

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The following states imposed a tax on income in tax year 2009:

Alabama	Idaho	Michigan	North Carolina	Vermont
Arizona	Illinois	Minnesota	North Dakota	Virginia
Arkansas	Indiana	Mississippi	Ohio	West Virginia
California	Iowa	Missouri	Oklahoma	Wisconsin
Colorado	Kansas	Montana	Oregon	
Connecticut	Kentucky	Nebraska	Pennsylvania	
Delaware	Louisiana	New Hampshire	Rhode Island	
District of Columbia	Maine	New Jersey	South Carolina	
Georgia	Maryland	New Mexico	Tennessee	
Hawaii	Massachusetts	New York	Utah	

The following seven states do not impose an individual income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

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### The Filing System

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Three types of filing systems were used by states in 2009, including joint, combined, or a combination of joint/combined. Under a joint filing system, the incomes of both spouses are added together and taxed as a single amount. This system is also used for federal tax purposes and reflects the concept of taxing families as a single economic unit. Under the combined tax return system, the income of each spouse is taxed separately. For two-income families, this system allows each spouse to benefit from the low tax rates at the beginning of the tax rate schedule. Finally, several states provide an option for married taxpayers to file either a joint or combined return. Instruction booklets in these states generally explain the tax advantage to two-income families under combined filing and encourage taxpayers to compute their taxes each way to determine which is most advantageous to the taxpayer.

The types of filing systems used by states in 2009 are as follows:

Combined Filing--two states (Missouri and Pennsylvania).

Joint/Combined Filing--seven states (Arkansas, Delaware, D.C., Iowa, Kentucky, Mississippi, and Montana).

Joint Filing--35 states (all other states).

In addition, joint or joint/combined returns are required from same-sex, married taxpayers in Iowa and Massachusetts, even though those taxpayers submit separate federal income tax returns, and six states (California, Connecticut, New Hampshire,

New Jersey, Oregon, and Vermont) plus the District of Columbia treat registered domestic partners or civil union partners in the same manner as spouses for income tax filing purposes. Such partners may choose to file either joint or separate returns.

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### Income Base Subject to Taxation

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Most states with an income tax in 2009 used federal adjusted gross income as a starting point to determine the state tax. New Hampshire and Tennessee taxed only unearned income such as interest and dividends. For the other states, although federal adjusted gross income was often used as the starting point to compute taxable income, major differences in the income subject to tax occurred in several areas. A summary of the major areas is presented below.

**Social Security.** Under federal law, a two-tiered taxation scheme is established for social security benefits. First, if a taxpayer's provisional income does not exceed a base amount, no social security benefits are subject to tax. The base amounts are \$25,000 for single taxpayers, \$32,000 for married couples filing a joint return, and zero for married couples filing separate returns. Provisional income is one-half of social security plus federal AGI, tax-exempt interest income, and amounts earned in a foreign country, U.S. possession, or Puerto Rico that are excluded from gross income. If provisional income exceeds the base amounts, the taxable portion of social security is the lesser of: (a) 50% of net social security benefits; or (b) 50% of the amount by which provisional income exceeds the base amount.

The second tier was established under the federal Revenue Reconciliation Act of 1993, effective with tax year 1994, for taxpayers with provisional income in excess of a second set of base amounts: \$34,000 for single taxpayers and \$44,000 for mar-

ried taxpayers filing jointly. For taxpayers with provisional income above these higher thresholds, the taxable portion of social security payments is the lesser of: (a) 85% of net social security benefits; or (b) the amount included under the old law (not to exceed \$4,500 for single taxpayers or \$6,000 for married-joint taxpayers) plus 85% of the excess of provisional income over the higher income thresholds. Married taxpayers who file separate returns are taxed on the lesser of 85% of social security or 85% of provisional income.

A total of 30 states, including Wisconsin, exempted social security income from taxation. Fourteen states taxed social security benefits in 2009: eight states followed current federal practice and taxed up to 85% of benefits; and six states provided their own taxation scheme.

**Capital Gains.** At the federal level, net capital gains are generally fully taxable regardless of how long the assets were held. However, capital gains are taxed at lower rates than ordinary income.

Net capital losses are deductible, although the deduction amount is limited to \$3,000 annually (\$1,500 if married and filing separately); unused capital losses can be carried forward to offset income in subsequent years. Special tax rules apply to gains realized from the sale or exchange of a principal residence.

A total of 13 states followed federal practice and taxed all capital gains and provided a \$3,000 limit on losses. New Hampshire completely exempted capital gains from taxation and Tennessee taxed only the gains from selling mutual funds. Alabama and Pennsylvania taxed capital gains, but specified that all losses were deductible in the year incurred. In addition, Pennsylvania applied a separate state tax benefit rule with respect to unused losses, depreciation, and reduction of basis. Hawaii had a special alternative tax for capital gains. New Jersey did not permit any capital losses to be deducted from ordinary income. The remaining 25 states provided a variety

of exclusions and deductions (for example, Wisconsin permitted exclusions for long-term gains of 100% of gains from the sale of a business to a family member and from the sale of qualifying small business stock, 60% from the sale of farm assets, and 30% from the sale of other assets). For more information on the treatment of capital gains by individual states, please refer to the attached outline of each state's income tax structure.

**Interest/Dividends.** All states are required by federal law to exempt from state tax interest income derived from U.S. obligations. The federal government, in turn, exempts from federal tax interest from state and municipal bonds.

Prior to 2003, taxable dividend income was subject to federal tax at the same rates as ordinary income. However, starting with dividends received in 2003, the lower maximum rates that apply to capital gains also apply to qualified dividend income. To qualify for the lower tax rates, certain holding periods apply. Qualified dividends include ordinary dividends received from most domestic corporations and from foreign corporations meeting certain requirements. The following are examples of payments that are not qualified dividends: capital gains distributions; dividends paid on deposits with mutual savings banks, credit unions, and similar financial institutions; and payments in lieu of dividends.

With the exception of interest from U.S. obligations and from state and municipal bonds (discussed below), most states followed federal practice in 2009 and taxed interest and dividend income. Two states, Michigan and Montana, provided limited deductions for taxpayers aged 65 or over. Massachusetts and Oklahoma provided limited exclusions for interest and/or dividends from various financial institutions. North Dakota exempts 30% of dividends subject to the lower federal tax rate. Kansas exempted certain venture capital dividends, and New Jersey exempted distributions from a New Jersey qualified investment fund. Finally, the two states with income taxes

based solely on unearned income, New Hampshire and Tennessee, specifically excluded interest and dividend income earned from a number of specified sources.

**State and Municipal Bond Interest.** As described above, all states are required by federal law to exempt interest income derived from U.S. obligations from tax. In 2009, 36 states also provided a tax exemption for interest earned from their own state and municipal bonds. The state of Utah also provided an exemption for interest from non-Utah state and municipal bonds from states that provided a reciprocal exemption of interest from Utah obligations. Illinois, Iowa, Kansas, and Wisconsin exempted only specific state and local obligations. All state and municipal bond interest was exempt in Indiana, North Dakota (for standard-form filers), and the District of Columbia.

**Unemployment Compensation.** Under federal law, unemployment compensation is taxable. However, a provision in the American Recovery and Reinvestment Act of 2009 (ARRA) excluded the first \$2,400 of unemployment compensation from gross income in 2009.

Prior to 1987, a partial exclusion for unemployment compensation was provided to lower-income taxpayers. The amount of unemployment compensation included in income was the lesser of: (a) total unemployment compensation; or (b) one-half of the amount that adjusted gross income plus total unemployment compensation exceeded a base amount. The base amount was \$12,000 for single persons, \$18,000 for married persons filing jointly, and zero for certain married couples filing separately.

Federal law pre-empts states from taxing unemployment benefits (and retirement benefits) received from the Railroad Retirement Board. In 2009, 23 states conformed to federal law with respect to all other unemployment benefits and exempted the first \$2,400 of unemployment compensation income. Ten other states followed

the pre-ARRA federal treatment and taxed all benefits. Nine states exempted all unemployment compensation from taxation. Finally, two states (Indiana and Wisconsin) taxed unemployment compensation based on the provisions of federal law that were in effect for tax year 1986.

**Active Duty Military Pay.** Under federal law, payments received as a member of a military service generally are taxable as wages, except for retirement pay, which is taxable as a pension. Allowances generally are not taxable. Military pay taxable as wages includes active duty pay, reserve training pay, reenlistment bonuses, and armed services academy pay.

However, federal law provides an exclusion from gross income for certain pay related to a combat zone. A combat zone is any area that the President of the United States designates as such by executive order. In addition, certain qualified hazardous duty areas are treated as if they were combat zones. Enlisted members of the Armed Forces and warrant officers may exclude gross income for all pay received for any month during which they served in a combat zone or were hospitalized as a result of serving in a combat zone. For commissioned officers other than commissioned warrant officers, certain limits to the exclusion apply.

Sixteen states followed federal practice in 2009, providing the combat zone exclusion (CZE) described above but otherwise taxing active duty military pay. A number of other states conformed to the federal CZE while providing additional tax exemptions or credits for active duty military and/or reservists' pay. Seven states (Arizona, Illinois, Michigan, Montana, New Hampshire, New Mexico, and Tennessee) excluded military pay from taxation, while Pennsylvania provided an exclusion for persons stationed out-of-state. Table 1 summarizes the states' tax treatment of active duty military pay.

Federal law provides certain additional federal tax breaks related to military personnel. For

example, there is an exclusion from income for the death gratuity received by survivors of deceased Armed Forces members, and certain living and moving allowances are also excluded from income. As these and other provisions relate to benefits other than active duty pay, they are not referenced in Table I or in the description of "Active Duty Military" on the summary page for each state. However, states that provide the federal CZE generally conform to the other federal exemptions related to military benefits.

### Retirement/Pension Income

In 2009, many states provided state tax exclusions for retirement/pension income. Table 2 summarizes the basic exclusion amounts for the various types of retirement income in each state. The amounts shown in the table are the maximum exclusions per person, and, in some cases, may be reduced by social security and railroad retirement benefits or may be phased out at higher income levels. When two figures are indicated, the exclusion provided is based on a factor such as age or disability level. "State calculation" indicates that the exclusion is limited by additional factors. For example, some states limit the exclusion based on the source of the income, the date of retirement, the age of the taxpayer, or the taxpayer's total income. Additional detail on state provisions may be found in the state-by-state summaries. Federal law prohibits states from taxing railroad retirement benefits.

### Health Savings Accounts

Effective with tax year 2004, federal law exempts from taxation certain contributions to, and distributions from, a qualified health savings account (HSA). Under the federal provisions, an employee or another worker covered by a high-deductible health insurance plan (as defined under federal law) may make pre-tax contributions to an HSA to cover health care costs, subject to certain contribution limits that are indexed annually for inflation. The general limits are increased for individuals who are age 55 or older by the end of the

tax year. An individual's employer may also make contributions to an HSA on behalf of an eligible individual; such contributions are excluded from the employee's income for federal tax purposes. HSA distributions are exempt from tax, as long as they are used to pay for qualified medical expenses of the account beneficiary. Earnings on amounts retained in HSAs are also exempt from tax.

In tax year 2009, 38 states generally conformed with the federal HSA provisions (although not all of these states conformed to the latest version of federal law). Wisconsin is among the states that did not conform.

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## Deductions

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Under federal law, the standard deduction varies depending on filing status, age, and whether the taxpayer or spouse is blind. The federal standard deduction for tax year 2009 is summarized in the chart below.

### 2009 Federal Standard Deduction

Filing Status	Under Age 65	Age 65 or Blind	Age 65 and Blind
Single	\$5,700	\$7,100	\$8,500
Married, filing jointly			
One spouse	NA	12,500	13,600
Both spouses	11,400	13,600	15,800
Married, filing separately	5,700	6,800	7,900
Head of household	8,350	9,750	11,150

The majority of states (34) provided a standard deduction in 2009. Of these states, ten used the federal standard deduction amounts. Two states (Maine and Rhode Island) used the amounts under federal law in effect prior to the Jobs and Growth Tax Relief Reconciliation Act of 2003. (The Act accelerated a scheduled increase in the standard deduction for married taxpayers as part of a reduction in the marriage penalty). For these states, the standard deduction matched current federal law for single taxpayers and heads of households, but matched prior federal law for married taxpayers. In

general, all states with a standard deduction provided a flat deduction amount or an amount based on a percent of income up to a maximum amount. Three states, including Wisconsin, phased out the standard deduction at higher income levels. Table 3 shows the standard deduction amounts provided in each state by filing status.

Under federal law, itemized deductions may be claimed for certain state and local taxes paid, interest expenses, medical expenses, charitable contributions, casualty and theft losses, and miscellaneous expenses. Certain itemized deductions are reduced if adjusted gross income is greater than a specified threshold. For tax year 2009, the threshold was \$166,800 (\$83,400 for married taxpayers filing separately). Thirty-four states allowed itemized deductions. The major itemized deductions and differences from federal law are shown in Table 4. As shown in Table 4, the primary exception to federal itemized deductions in 2009 was related to state and local taxes; only three states follow federal provisions that allow either state and local income taxes or state and local sales taxes to be claimed as itemized deductions. However, nine states that do not allow deductions for state and local income taxes do permit deductions for sales taxes that were deducted for federal tax purposes.

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### Exemptions

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A personal exemption of \$3,650 was provided in tax year 2009 under federal law for each taxpayer, spouse, and dependent. This exemption, which reduced the amount of income subject to tax, was phased out for high-income taxpayers. In 2009, each state except Pennsylvania provided a personal exemption or tax credit to adjust for family size. A tax credit differs from an exemption in that it is subtracted directly from tax liability, rather than used to reduce the amount of income subject to taxation. Personal exemptions and credits for 2009 are shown by state in Table 5. Additional detail is provided in the individual state summaries.

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### Tax Rates and Brackets

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The major features of each state's tax rates and brackets are shown in Table 6. The table shows the lowest and highest marginal tax rates, the number of brackets used, and the bracket amount at which the highest marginal tax rate is effective for taxpayers by marital status.

The highest marginal tax rate used by a state was 12% for certain types of capital gains in Massachusetts. Hawaii had the greatest number of tax brackets at 12. Eight states imposed a single (flat) tax rate on all taxable income, while one state (Massachusetts) had two flat tax rates, each of which applied to different types of income.

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### Tax Credits

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The purpose and structure of tax credits varies between state and federal law and among the states. Tax credits are often provided to offer an incentive for certain activities or to adjust for certain costs. Tax credits are subtracted from tax liability and are not dependent on the marginal tax rate of the taxpayer. As a result, all taxpayers who qualify for the tax credit receive the same tax reduction. A summary of the major types of tax credits in 2009 and the number of states that provided such credits follows.

Credit for taxes paid to other states.....	42 states
Energy/environmental-related credits.....	38 states
Enterprise/jobs/business-related credits .....	37 states
Child/dependent care .....	28 states
Low-income.....	23 states
Elderly/disabled .....	21 states
Earned income tax credit* .....	21 states
Property tax/rent/homestead** .....	20 states

\*Does not include working family credits in Minnesota and New Mexico, or the earned income tax credit in Washington State, which does not have a state income tax.

\*\*In some cases, states counted in this category provide such credits only for elderly or disabled individuals.

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### Contribution/Check-off

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Most states include check-off or voluntary contribution provisions for a variety of programs. The most common programs offered by the states in 2009 follow.

Endangered/nongame wildlife funds.....	36 states
Health-related funds.....	28 states
Military family relief.....	24 states
Child/domestic abuse/sexual violence .....	23 states
Election/campaign fund.....	21 states
Veterans' programs/memorials.....	17 states
Senior services.....	8 states

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### Other Taxes

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Several states impose additional taxes at the time the state income tax return is filed. Major taxes included on the 2009 income tax forms of these states are summarized below.

Use tax .....	23 states
Minimum tax.....	11 states
Tax on early distributions from tax- advantaged savings programs .....	11 states
Local income tax/surcharge.....	5 states

**Table 1: State Taxation of Active Duty Military Pay (Tax Year 2009)**

State	Provision
Alabama	Same as federal
Arizona	Exempt, including active service of Reserve and National Guard members
Arkansas	CZE and first \$9,000 exempt
California	Same as federal
Colorado	Same as federal
Connecticut	Same as federal
Delaware	Same as federal
District of Columbia	Same as federal
Georgia	Same as federal
Hawaii	CZE and exempt up to \$5,609 for Reserve and National Guard members
Idaho	CZE and if stationed out-of-state, income of Idaho residents on active duty is exempt
Illinois	Exempt
Indiana	CZE and exempt up to \$5,000 for active duty and active reserves, military retirement, and survivor's benefits
Iowa	CZE and deductions for certain student loan repayments of active duty military
Kansas	CZE and also exemptions for certain bonuses and loan assistance
Kentucky	CZE, \$20 personal credit for Kentucky National Guard members, and full exemption if killed in the line of duty (for the year of death and the previous year)
Louisiana	CZE and up to \$30,000 excluded for service outside Louisiana under certain conditions
Maine	Same as federal
Maryland	CZE and exclude up to \$15,000 for service outside U.S. if total military pay is less than \$30,000
Massachusetts	Same as federal
Michigan	Exempt
Minnesota	Federal exclusions and subtraction for additional active duty pay
Mississippi	CZE and exempt up to \$15,000 for Reserve and National Guard members
Missouri	All income earned in a combat zone is exempt
Montana	Exempt
Nebraska	Same as federal
New Hampshire	Exempt
New Jersey	Same as federal
New Mexico	Exempt
New York	Same as federal
North Carolina	Same as federal
North Dakota	Same as federal
Ohio	Federal exclusions and subtraction for additional active duty pay and allowances while stationed outside Ohio
Oklahoma	CZE and exclude first \$1,500
Oregon	CZE and general exclusion for active duty pay earned outside of Oregon. Exclude first \$6,000 of active duty pay earned in Oregon and all active duty Guard and Reserve pay under certain conditions.
Pennsylvania	Exempt if stationed outside of state
Rhode Island	Same as federal
South Carolina	CZE and exempt Reserve and National Guard training pay
Tennessee	Exempt
Utah	Same as federal
Vermont	CZE and general exclusion for income earned outside Vermont and income from call-up for full-time active duty outside of, but related to, a combat zone. In addition, first \$2,000 of training pay for Reserve and National Guard members with Vermont AGI less than \$50,000 and funds from federal armed forces education loan repayment are exempt
Virginia	CZE. Also exempt 100% of combat zone pay for Operation Joint Endeavor, up to \$15,000 of basic military pay, and up to \$3,000 for National Guard pay
West Virginia	CZE and exclusion for pay to Reserve and National Guard members called to active duty under a Presidential order
Wisconsin	CZE and exclusions for certain active duty pay of Reserve and National Guard members

**Table 2: State Tax Exclusion for Pension/Retirement Income (Tax Year 2009)**

State	Private	State & Local	Federal Civilian	Military
Alabama	State Calculation	Most exempt	Exempt	Exempt
Arizona	None	\$2,500	\$2,500	\$2,500
Arkansas	\$6,000	\$6,000	\$6,000	\$6,000
California	None	None	None	None
Colorado	\$20,000/\$24,000	\$20,000/\$24,000	\$20,000/\$24,000	\$20,000/\$24,000
Connecticut	None	None	None	50%
Delaware	\$2,000/\$12,500	\$2,000/\$12,500	\$2,000/\$12,500	\$2,000/\$12,500
District of Columbia	None	\$3,000	\$3,000	\$3,000
Georgia	\$35,000	\$35,000	\$35,000	\$35,000
Hawaii	State Calculation	Exempt	Exempt	Exempt
Idaho	None	\$27,876/\$41,814 <sup>a</sup>	\$27,876/\$41,814	\$27,876/\$41,814
Illinois	State Calculation	Exempt	Exempt	Exempt
Indiana	None/\$5,200	None/\$5,200	\$2,000/\$7,200	\$5,000
Iowa	\$6,000	\$6,000	\$6,000	\$6,000
Kansas	None	Some exempt	Exempt	Exempt
Kentucky	\$41,110	State Calculation	State Calculation	State Calculation
Louisiana	\$6,000	\$6,000/Exempt	Exempt	Exempt
Maine	\$6,000	\$6,000	\$6,000	\$6,000
Maryland	\$24,500	\$24,500 <sup>b</sup>	\$24,500	\$24,500
Massachusetts	None	Exempt <sup>c</sup>	Exempt <sup>c</sup>	Exempt
Michigan	\$45,120	Exempt	Exempt	Exempt
Minnesota	None	None	None	None
Mississippi	Exempt	Exempt	Exempt	Exempt
Missouri	\$6,000	\$6,000	\$6,000	\$6,000
Montana	\$3,600	\$3,600	\$3,600	\$3,600
Nebraska	None	None	None	None
New Hampshire	Exempt	Exempt	Exempt	Exempt
New Jersey	\$15,000	\$15,000	\$15,000	Exempt
New Mexico	None	None	None	None
New York	\$20,000	Exempt	Exempt	Exempt
North Carolina	\$2,000	\$4,000/Exempt	\$4,000/Exempt	\$4,000/Exempt
North Dakota	None	None	None	None
Ohio	\$200 credit	\$200 credit	\$200 credit	Exempt
Oklahoma	\$10,000	\$10,000	\$10,000	\$10,000
Oregon	9% credit	9% credit	9% credit/pre-1991 exempt	9% credit pre-1991 exempt
Pennsylvania	Exempt	Exempt	Exempt	Exempt
Rhode Island	None	None	None	None
South Carolina	\$3,000/\$10,000	\$3,000/\$10,000	\$3,000/\$10,000	\$3,000/\$10,000
Tennessee	Exempt	Exempt	Exempt	Exempt
Utah	None	None	None	None
Vermont	None	None	None	None
Virginia	None	None	None	Most taxable
West Virginia	None	\$2,000	\$2,000	\$22,000
Wisconsin	State Calculation	State Calculation <sup>d</sup>	State Calculation <sup>d</sup>	Exempt

<sup>a</sup> Applies only in the case of certain public safety officials.

<sup>b</sup> All pension benefits to police and firefighters (or their beneficiaries) as a result of job related injuries (or death) are exempt.

<sup>c</sup> Only contributory pension income is exempt.

<sup>d</sup> Payments from certain systems are exempt if employed before 1964.

**Table 3: Standard Deduction by State (Tax Year 2009)**

State	% of AGI	Single	Married-J	Married-S	Head of Household
Alabama		\$2,500-\$2,000	\$7,500-\$4,000	\$3,750-\$2,000	\$4,700-\$2,000
Arizona		\$4,677	\$9,354	\$4,677	\$9,354
Arkansas		\$2,000	\$4,000	\$2,000	\$2,000
California		\$3,637	\$7,274	\$3,637	\$7,274
Colorado		Federal	Federal	Federal	Federal
Connecticut		\$13,000 - \$0	\$24,000 - \$0	\$12,000 - \$0	\$19,000 - \$0
Delaware		\$3,250	\$6,500	\$3,250	\$3,250
District of Columbia		\$4,000	\$4,000	\$2,000	\$4,000
Georgia		\$2,300	\$3,000	\$1,500	\$2,300
Hawaii		\$2,000	\$4,000	\$2,000	\$2,920
Idaho		Federal	Federal	Federal	Federal
Illinois		None	None	None	None
Indiana		None	None	None	None
Iowa		\$1,780	\$4,390	\$1,780	\$4,390
Kansas		\$3,000	\$6,000	\$3,000	\$4,500
Kentucky		\$2,190	\$2,190	\$2,190	\$2,190
Louisiana*		\$4,500	\$9,000	\$4,500	\$9,000
Maine		\$5,700	\$9,500	\$4,750	\$8,350
Maryland	15%	\$1,500-\$2,000	\$3,000-\$4,000	\$1,500-\$2,000	\$3,000-\$4,000
Massachusetts		None	None	None	None
Michigan		None	None	None	None
Minnesota		Federal	Federal	Federal	Federal
Mississippi		\$2,300	\$4,600	\$2,300	\$3,400
Missouri		Federal	Federal	Federal	Federal
Montana	20%	\$1,750 - \$3,950	\$3,500 - \$7,900	\$1,750 - \$3,950	\$3,500 - \$7,900
Nebraska		Federal	Federal	Federal	Federal
New Hampshire		None	None	None	None
New Jersey		None	None	None	None
New Mexico		Federal	Federal	Federal	Federal
New York		\$7,500	\$15,000	\$7,500	\$10,500
North Carolina		\$3,000	\$6,000	\$3,000	\$4,400
North Dakota		Federal	Federal	Federal	Federal
Ohio		None	None	None	None
Oklahoma		\$4,250	\$8,500	\$4,250	\$6,375
Oregon		\$1,945	\$3,895	\$1,945	\$3,135
Pennsylvania		None	None	None	None
Rhode Island		\$5,700	\$9,500	\$4,750	\$8,350
South Carolina		Federal	Federal	Federal	Federal
Tennessee		None	None	None	None
Utah		Federal	Federal	Federal	Federal
Vermont		Federal	Federal	Federal	Federal
Virginia		\$3,000	\$6,000	\$3,000	\$3,000
West Virginia		None	None	None	None
Wisconsin		\$9,440 - \$0	\$17,010 - \$0	\$8,080 - \$0	\$12,190 - \$0

\*These amounts represent the combined standard deduction and personal exemptions (excluding additional exemptions for dependents, elderly, and blind individuals), which are built into the tax tables.

**Table 4: Treatment of Itemized Deductions by Category of Deductions by State (Tax Year 2009)**

State	Itemized Deductions	State Income and Sales Taxes	Other Taxes	Interest Expenses	Medical Expenses	Charitable Contributions	Misc. & Other Deductions
Alabama	Yes	None	State	Federal	State	Federal	State
Arizona	Yes	State	Federal	Federal	State	State	State
Arkansas	Yes	None	Federal	Federal	Federal	Federal	Federal
California	Yes	None	State	Federal	Federal	State	State
Colorado	Yes	None	Federal	Federal	Federal	Federal	Federal
Connecticut	No	None	None	None	None	None	None
Delaware	Yes	State*	State	Federal	Federal	State	Federal
District of Columbia	Yes	None	Federal	Federal	Federal	Federal	Federal
Georgia	Yes	State	Federal	State	Federal	Federal	Federal
Hawaii	Yes	Federal	Federal	Federal	Federal	Federal	State
Idaho	Yes	None	Federal	Federal	Federal	Federal	Federal
Illinois	No	None	None	None	None	None	None
Indiana	No	None	None	None	None	None	None
Iowa	Yes	None	Federal	Federal	Federal	State	State
Kansas	Yes	State*	Federal	Federal	Federal	Federal	Federal
Kentucky	Yes	None	Federal	Federal	State	Federal	Federal
Louisiana	Yes	State	State	State	State	State	State
Maine	Yes	None	Federal	State	Federal	Federal	State
Maryland	Yes	State*	Federal	Federal	Federal	Federal	Federal
Massachusetts	Yes	None	None	None	State	None	State
Michigan	No	None	None	None	None	None	None
Minnesota	Yes	None	State	Federal	Federal	Federal	Federal
Mississippi	Yes	None	Federal	Federal	Federal	Federal	State
Missouri	Yes	State*	State	Federal	Federal	State	Federal
Montana	Yes	State*	State	Federal	State	Federal	State
Nebraska	Yes	State*	Federal	Federal	Federal	Federal	Federal
New Hampshire	No	None	None	None	None	None	None
New Jersey	No	None	None	None	None	None	None
New Mexico	Yes	Federal	Federal	Federal	Federal	Federal	Federal
New York	Yes	State*	State	Federal	State	Federal	State
North Carolina	Yes	None	Federal	Federal	Federal	Federal	Federal
North Dakota	Yes	Federal	Federal	Federal	Federal	Federal	Federal
Ohio	No	None	None	None	None	None	None
Oklahoma	Yes	State	Federal	Federal	Federal	Federal	Federal
Oregon	Yes	None	Federal	Federal	State	Federal	State
Pennsylvania	No	None	None	None	None	None	None
Rhode Island	Yes	State	Federal	Federal	Federal	Federal	Federal
South Carolina	Yes	None	Federal	Federal	Federal	Federal	State
Tennessee	No	None	None	None	None	None	None
Utah	Yes	State*	Federal	Federal	Federal	Federal	Federal
Vermont	Yes	State	Federal	Federal	Federal	Federal	Federal
Virginia	Yes	State*	Federal	Federal	Federal	Federal	Federal
West Virginia	No	None	None	None	None	None	None
Wisconsin	Yes	None	None	State	Federal	Federal	None

\*Does not allow itemized deductions for state income taxes but does permit itemized deductions for sales taxes deducted for federal income tax purposes.

**Table 5: Personal Exemptions/Credits by State (Tax Year 2009)**

State	Exemption/ Credit	Single	Married-J	Married-S	Head of Household	Elderly	Dependent	Handicapped Dependent	Blind--B Deaf--D Disabled--DS
Alabama	Exemption	\$1,500	\$3,000	\$1,500	\$3,000	\$-0-	\$300-\$1,000	\$-0-	\$-0-
Arizona	Exemption	2,100	4,200	2,100	4,200/3,150	2,100	2,300	-0-	B 1,500
Arkansas	Credit	23	46	23	46	23	23	500	B,D 23
California	Credit	98	196	98	98	98	98	-0-	B 98
Colorado	Exemption	Federal	Federal	Federal	Federal	Federal	Federal	Federal	Federal
Connecticut	Credit	0-75%	0-75%	0-75%	0-75%	-0-	-0-	-0-	-0-
Delaware	Credit	110	220	110	110	110	110	-0-	-0-
Dist. of Columbia	Exemption	1,675	3,350	1,675	3,350	1,675	1,675	-0-	B 1,675
Georgia	Exemption	2,700	5,400	2,700	2,700	-0-	3,000	-0-	-0-
Hawaii	Exemption	1,040	2,080	1,040	1,040	1,040	1,040	-0-	B,D,DS 7,000
Idaho	Exemption	Federal	Federal	Federal	Federal	Federal	Federal	Federal	Federal
Illinois	Exemption	2,000	4,000	2,000	2,000	1,000	2,000	-0-	B 1,000
Indiana	Exemption	1,000	2,000	1,000	1,000	1,000	1,500	-0-	B 1,000
Iowa	Credit	40	80	40	80	20	40	-0-	B 20
Kansas	Exemption	2,250	4,500	2,250	4,500	-0-	2,250	-0-	-0-
Kentucky	Credit	20	40	20	20	40	20	-0-	B 40
Louisiana	Exemption	1,000 <sup>a</sup>	2,000 <sup>a</sup>	1,000 <sup>a</sup>	1,000 <sup>a</sup>	1,000	1,000	-0-	B 1,000
Maine	Exemption	2,850	5,700	2,850	2,850	-0-	2,850	-0-	-0-
Maryland	Exemption	3,200	6,400	3,200	6,400	1,000	3,200	-0-	B 1,000
Massachusetts	Exemption	4,400	8,800	4,400	6,800	700	1,000	-0-	B 2,200
Michigan	Exemption	3,600	7,200	3,600	3,600	2,300	4,200/3,600	-0-	B,D,DS 2,300
Minnesota	Exemption	Federal	Federal	Federal	Federal	Federal	Federal	Federal	Federal
Mississippi	Exemption	6,000	12,000	6,000	8,000	1,500	1,500	-0-	B 1,500
Missouri	Exemption	2,100	4,200	2,100	3,500	-0-	2,200/1,200	-0-	-0-
Montana	Exemption	2,110	4,220	2,110	2,110	2,110	2,110	2,110	B 2,110
Nebraska	Credit	118	236	118	118	-0-	118	-0-	-0-
New Hampshire	Exemption	2,400	4,800	2,400	2,400	1,200	-0-	-0-	B, DS 1,200
New Jersey	Exemption	1,000	2,000	1,000	1,000	1,000	1,500/1,000	-0-	B, DS 1,000
New Mexico <sup>b</sup>	Exemption	Federal	Federal	Federal	Federal	Federal	Federal	Federal	Federal
New York	Exemption	-0-	-0-	-0-	-0-	-0-	1,000	-0-	-0-
North Carolina	Exemption	2,500/2,000	5,000/4,000	2,500/2,000	2,500/2,000	-0-	2,500/2,000	-0-	-0-
North Dakota	Exemption	Federal	Federal	Federal	Federal	Federal	Federal	Federal	Federal
Ohio <sup>c</sup>	Exemption/Cr	1,550/20	3,100/40	1,550/20	1,550/20	-0-	1,550/20	-0-	-0-
Oklahoma	Exemption	1,000	2,000	1,000	1,000	1,000	1,000	-0-	B 1,000
Oregon	Credit	176/58	352/116	176/58	176/58	-0-	176/58	176/58	DS 176/58
Pennsylvania	None	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Rhode Island	Exemption	Federal	Federal	Federal	Federal	Federal	Federal	Federal	Federal
South Carolina	Exemption	Federal	Federal	Federal	Federal	Federal	3,650/Federal	Federal	Federal
Tennessee	Exemption	1,250	2,500	1,250	1,250	-0-	-0-	-0-	B, DS Exempt
Utah <sup>d</sup>	Exemption/Cr	2,738	5,476	2,738	2,738	-0-	2,738	2,738	DS 2,738
Vermont	Exemption	Federal	Federal	Federal	Federal	Federal	Federal	Federal	Federal
Virginia	Exemption	930	1,860	930	930	800	930	-0-	B 800
West Virginia	Exemption	2,000	4,000	2,000	2,000	-0-	2,000	-0-	-0-
Wisconsin	Exemption	700	1,400	700	700	250	700	-0-	-0-

<sup>a</sup> These personal exemption amounts are included in the combined standard deduction/personal exemption figures shown in Table 3.

<sup>b</sup> An additional exemption of up to \$2,500 is provided for each federal exemption claimed by low- and middle-income taxpayers.

<sup>c</sup> The credit is phased out at higher incomes.

<sup>d</sup> The sum of exemptions and deductions is multiplied by 6% and claimed as a credit, subject to phase-out based on income.

**Table 6: Tax Rates and Brackets by State (Tax Year 2009)**

State	Marginal Tax Rates		Number of Brackets	Top Marginal Tax Rate Begins at:			
	Lowest Tax Rate	Top Tax Rate		Single Bracket	Married-J Bracket	Married-S Bracket	Head of HH Bracket
Alabama	2.0%	5.0%	3	\$3,001	\$6,001	\$3,001	\$3,001
Arizona	2.59	4.54	5	150,001	300,001	150,001	300,001
Arkansas <sup>a</sup>	1.0	7.0	6	32,600	32,600	32,600	32,600
California	1.25	10.55	7	1,000,000	1,000,000	1,000,000	1,000,000
Colorado	4.63	4.63	Flat Rate	---	---	---	---
Connecticut	3.0	6.5	3	500,001	1,000,001	500,001	800,001
Delaware	0.0	6.95	7	60,001	60,001	60,001	60,001
Dist. of Columbia	4.0	8.5	3	40,001	40,001	40,001	40,001
Georgia	1.0	6.0	6	7,001	10,001	5,001	10,001
Hawaii	1.4	11.0	12	200,001	400,001	200,001	300,001
Idaho	1.6	7.8	8	26,418	52,836	26,418	52,836
Illinois	3.0	3.0	Flat Rate	---	---	---	---
Indiana	3.4	3.4	Flat Rate	---	---	---	---
Iowa	0.36	8.98	9	63,316	63,316	63,316	63,316
Kansas	3.5	6.45	3	30,001	60,001	30,001	30,001
Kentucky	2.0	6.0	6	75,001	75,001	75,001	75,001
Louisiana	2.0	6.0	3	50,001	100,001	50,001	50,001
Maine	2.0	8.5	4	20,150	40,350	20,150	30,250
Maryland	2.0	6.25	8	1,000,001	1,000,001	1,000,001	1,000,001
Massachusetts <sup>b</sup>	5.3	12.0	Flat Rates	---	---	---	---
Michigan	4.35	4.35	Flat Rate	---	---	---	---
Minnesota	5.35	7.85	3	74,651	131,971	65,991	112,421
Mississippi	3.0	5.0	3	10,001	10,001	10,001	10,001
Missouri	1.5	6.0	10	9,001	9,001	9,001	9,001
Montana	1.0	6.9	7	15,401	15,401	15,401	15,401
Nebraska	2.56	6.84	4	27,001	54,001	27,001	40,001
New Hampshire	5.0	5.0	Flat Rate	---	---	---	---
New Jersey <sup>c</sup>	1.4	10.75	8/9	1,000,001	1,000,001	1,000,001	1,000,001
New Mexico	1.7	4.9	4	16,001	24,001	12,001	24,001
New York	4.0	8.97	7	500,001	500,001	500,001	500,001
North Carolina	6.0	7.75	3	60,001	100,001	50,001	80,001
North Dakota	1.84	4.86	5	372,951	372,951	186,476	372,951
Ohio	0.618	6.240	9	200,001	200,001	200,001	200,001
Oklahoma	0.5	5.5	7	8,701	15,001	8,701	15,001
Oregon	5.0	11.0	5	250,001	500,001	250,001	500,001
Pennsylvania	3.07	3.07	Flat Rate	---	---	---	---
Rhode Island	3.75	9.90	5	372,951	372,951	186,476	372,951
South Carolina	0.0	7.0	6	13,701	13,701	13,701	13,701
Tennessee	6.0	6.0	Flat Rate	---	---	---	---
Utah	5.0	5.0	Flat Rate	---	---	---	---
Vermont	3.55	9.40	5	372,951	372,951	186,476	372,951
Virginia	2.0	5.75	4	17,001	17,001	17,001	17,001
West Virginia	3.0	6.5	5	60,000	60,000	30,000	60,000
Wisconsin	4.60	7.75	5	225,001	300,001	150,001	225,001

<sup>a</sup> Special tax table for low-income taxpayers.<sup>b</sup> Massachusetts has two flat tax rates, each of which is applied to different sources of income.<sup>c</sup> Six rates for single and married-separate filers and seven rates for married-joint and head-of-household filers.

# ALABAMA

Filing System: Joint

TAX BASE: STATE ADJUSTED GROSS INCOME		DEDUCTIONS																								
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.            Business/Rent/Farm .....State schedule for rental income.            Capital Gains &amp; Losses .....Same as federal, except all gains are taxable and all losses deductible in year incurred.</p> <p>Pension/Retirement Income</p> <p>--Private .....Payments from defined benefit plans are exempt.            --Public.....Most systems exempt.            --U.S. Civil Service .....Exempt.            --Military.....Exempt.</p> <p>Active Duty Military .....Same as federal.            Unemployment Compensation.....Exempt.            Social Security Benefits .....Exempt.            State/Municipal Bond Interest.....Taxable except Alabama obligations.            Health Savings Accounts.....No provision.</p> <p>Miscellaneous</p> <p>Disability Income .....Same as federal.            Lottery Winnings .....Taxable.            Federal Income Taxes.....Deductible.            Other .....Moving expenses 100% deductible if new job is in Alabama. Certain adoption expenses are deductible. All benefits from Alabama prepaid tuition contracts are exempt, as are up to \$5,000 in payments to such contracts. Up to \$25,000 in severance pay is exempt if a result of administrative downsizing. Health insurance premiums 50% deductible if paid by certain small business employees.</p>		<p><b>Standard:</b> Sliding scale standard deduction, ranging from a maximum to a minimum amount over income up to \$30,000 per filer.</p> <p style="text-align: center;"><u>Standard Deduction</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Filing Status</u></th> <th style="text-align: center;"><u>Minimum</u></th> <th style="text-align: center;"><u>Maximum</u></th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: center;">\$2,000</td> <td style="text-align: center;">\$2,500</td> </tr> <tr> <td>H-H</td> <td style="text-align: center;">2,000</td> <td style="text-align: center;">4,700</td> </tr> <tr> <td>Married-J</td> <td style="text-align: center;">4,000</td> <td style="text-align: center;">7,500</td> </tr> <tr> <td>Married-S</td> <td style="text-align: center;">2,000</td> <td style="text-align: center;">3,750</td> </tr> </tbody> </table> <p><b>Itemized:</b> State itemized deductions.</p> <p><b>Major Differences from Federal Law:</b>  <u>Medical:</u> Limited to amount by which medical costs exceed 4% of AGI, except all long-term care premiums are fully deductible.  <u>Taxes:</u> State income taxes and state and local sales taxes not deductible; deduction for FICA, federal self-employment tax, railroad retirement.  <u>Casualty and Theft:</u> Loss must be reduced by 10% of AGI and claimed in year occurred.</p>		<u>Filing Status</u>	<u>Minimum</u>	<u>Maximum</u>	Single	\$2,000	\$2,500	H-H	2,000	4,700	Married-J	4,000	7,500	Married-S	2,000	3,750								
<u>Filing Status</u>	<u>Minimum</u>	<u>Maximum</u>																								
Single	\$2,000	\$2,500																								
H-H	2,000	4,700																								
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TAX RATES AND BRACKETS		EXEMPTIONS																								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Taxable Income Brackets</u></th> <th style="text-align: center;"><u>Marginal Tax Rates</u></th> </tr> <tr> <th style="text-align: center;"><u>Single/Married-S/HH</u></th> <th style="text-align: center;"><u>Married-Joint</u></th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$500</td> <td style="text-align: center;">\$0 - \$1,000</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">501 - 3,000</td> <td style="text-align: center;">1,001 - 6,000</td> <td style="text-align: center;">4.0</td> </tr> <tr> <td style="text-align: center;">3,001 and over</td> <td style="text-align: center;">6,001 and over</td> <td style="text-align: center;">5.0</td> </tr> </tbody> </table>		<u>Taxable Income Brackets</u>		<u>Marginal Tax Rates</u>	<u>Single/Married-S/HH</u>	<u>Married-Joint</u>		\$0 - \$500	\$0 - \$1,000	2.0%	501 - 3,000	1,001 - 6,000	4.0	3,001 and over	6,001 and over	5.0	<p>Single/Married-S ..... \$1,500            Married-J/HH ..... 3,000</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>AL AGI</u></th> <th style="text-align: center;"><u>Dependent Exemption</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">\$0 - \$20,000</td> <td style="text-align: center;">\$1,000</td> </tr> <tr> <td style="text-align: left;">20,001 - 100,000</td> <td style="text-align: center;">500</td> </tr> <tr> <td style="text-align: left;">Over 100,000</td> <td style="text-align: center;">300</td> </tr> </tbody> </table>		<u>AL AGI</u>	<u>Dependent Exemption</u>	\$0 - \$20,000	\$1,000	20,001 - 100,000	500	Over 100,000	300
<u>Taxable Income Brackets</u>		<u>Marginal Tax Rates</u>																								
<u>Single/Married-S/HH</u>	<u>Married-Joint</u>																									
\$0 - \$500	\$0 - \$1,000	2.0%																								
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\$0 - \$20,000	\$1,000																									
20,001 - 100,000	500																									
Over 100,000	300																									
TAX CREDITS	CONTRIBUTION/CHECK-OFF	CONTRIBUTION/CHECK-OFF (cont.)																								
<ul style="list-style-type: none"> <li>• Capital credit</li> <li>• Coal credit</li> <li>• Employer-sponsored basic skills education credit</li> <li>• Enterprise zone</li> <li>• Income taxes paid to other states</li> <li>• Rural physician's tax credit</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative fuels fund</li> <li>• Arts development fund</li> <li>• Breast and cervical cancer research program</li> <li>• Cancer research institute</li> <li>• Child abuse trust fund</li> <li>• Election campaign fund</li> <li>• Foster care trust fund</li> <li>• Indian children's scholarship fund</li> <li>• Low-income weatherization</li> <li>• Mental health</li> <li>• Military support foundation</li> <li>• National Guard foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Nongame wildlife fund</li> <li>• Organ donor awareness</li> <li>• Public health and disease prevention</li> <li>• Senior services trust fund</li> <li>• Veterans' program</li> <li>• 4-H Club</li> </ul> <p style="text-align: center;"><b>OTHER TAXES</b></p> <ul style="list-style-type: none"> <li>• Penalty on early withdrawal of savings</li> <li>• Use tax</li> </ul>																								

# ARIZONA

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																					
<u>Major Differences from Federal Law</u>																							
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b>																					
Business/Rent/Farm .....	Same as federal.	Single/Married-S ..... \$4,677																					
Capital Gains & Losses .....	Same as federal.	Married-J/HH ..... 9,354																					
Pension/Retirement Income		<b>Itemized:</b>																					
--Private .....	Same as federal.	Federal itemized deductions.																					
--Public.....	For Arizona state and local pensions, exclusion of up to \$2,500/taxpayer.	<b>Major Differences from Federal Law:</b>																					
--U.S. Civil Service .....	Exclusion of up to \$2,500/taxpayer.	<u>Medical Expenses:</u> Expenses are not reduced as a percent of AGI.																					
--Military.....	Exclusion of up to \$2,500/taxpayer.	<u>Sales Tax on New Vehicles:</u> May not be included with state income taxes.																					
Active Duty Military .....	Exempt, including active service of Reserve and National Guard members.	<u>Charitable Contributions:</u> Cannot claim same contributions used for credit.																					
Unemployment Compensation.....	Taxable.	<u>Gambling Losses:</u> Adjust to reflect lottery exclusion.																					
Social Security Benefits .....	Exempt.																						
State/Municipal Bond Interest.....	Taxable except Arizona obligations.																						
Health Savings Accounts.....	Same as federal.																						
Miscellaneous																							
Disability Income .....	Same as federal.																						
Lottery Winnings .....	Up to \$5,000 from Arizona lottery excluded.																						
Federal Income Taxes.....	Not deductible.																						
Other .....	Deductions for crops contributed to charitable organizations, contributions to college savings plans, distributions from a qualified state tuition program included in federal AGI, deposits and employer contributions to MSAs, up to \$3,000 in adoption expenses, up to \$5,000 for an energy efficient residence, and up to \$500 for a qualified wood stove, wood fireplace, or gas-fired fireplace. In addition, deductions for amounts claimed for the following federal credits: work opportunity; empowerment zone employment; Indian employment; and employer-paid social security on cash tips.																						
TAX RATES AND BRACKETS		EXEMPTIONS																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> <tr> <th style="text-align: center;">Single/Married-S</th> <th style="text-align: center;">Married-Joint/HH</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$10,000</td> <td style="text-align: center;">\$0 - \$20,000</td> <td style="text-align: center;">2.59%</td> </tr> <tr> <td style="text-align: center;">10,001 - 25,000</td> <td style="text-align: center;">20,001 - 50,000</td> <td style="text-align: center;">2.88</td> </tr> <tr> <td style="text-align: center;">25,001 - 50,000</td> <td style="text-align: center;">50,001 - 100,000</td> <td style="text-align: center;">3.36</td> </tr> <tr> <td style="text-align: center;">50,001 - 150,000</td> <td style="text-align: center;">100,001 - 300,000</td> <td style="text-align: center;">4.24</td> </tr> <tr> <td style="text-align: center;">150,001 and over</td> <td style="text-align: center;">300,001 and over</td> <td style="text-align: center;">4.54</td> </tr> </tbody> </table>		Taxable Income Brackets		Marginal Tax Rates	Single/Married-S	Married-Joint/HH		\$0 - \$10,000	\$0 - \$20,000	2.59%	10,001 - 25,000	20,001 - 50,000	2.88	25,001 - 50,000	50,001 - 100,000	3.36	50,001 - 150,000	100,001 - 300,000	4.24	150,001 and over	300,001 and over	4.54	Single/Married-S ..... \$2,100 Married-J/Single HH ..... 4,200 M-HH/Married-S with one spouse with at least one dependent..... 3,150 Married-J with at least one dependent ..... 6,300 Dependent..... 2,300 Age 65 and over..... 2,100 Blind ..... 1,500 Qualifying parents and ancestors..... 10,000
Taxable Income Brackets		Marginal Tax Rates																					
Single/Married-S	Married-Joint/HH																						
\$0 - \$10,000	\$0 - \$20,000	2.59%																					
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150,001 and over	300,001 and over	4.54																					
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																					
<ul style="list-style-type: none"> <li>• Agricultural (water conservation system and pollution control equipment)</li> <li>• Clean election fund tax credit</li> <li>• Contributions to charities that assist the working poor</li> <li>• Contributions to private school tuition organizations</li> <li>• Defense contracting</li> <li>• Donation of school site</li> <li>• Donations to the Military Family Relief Fund</li> <li>• Employment of TANF recipients</li> <li>• Enterprise zone</li> <li>• Environmental (technology facility, solar energy, pollution control, solar hot water heater plumbing stub outs and electronic vehicle recharge outlets, solar energy devices for commercial or industrial applications, and water conservation systems)</li> </ul>	<ul style="list-style-type: none"> <li>• Family income tax credit</li> <li>• Fees paid and certain contributions to public schools</li> <li>• Healthy forest enterprises</li> <li>• Income taxes paid to other states/countries</li> <li>• Increased excise taxes</li> <li>• Increased research activities</li> <li>• Investment in qualified small businesses</li> <li>• Military reuse zone</li> <li>• Motion picture production</li> <li>• National Guard employment</li> <li>• Pollution control</li> <li>• Property tax/rent</li> <li>• Recycling equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Child abuse prevention</li> <li>• Clean elections fund</li> <li>• Domestic violence shelters</li> <li>• Education fund</li> <li>• National Guard relief fund</li> <li>• Political</li> <li>• Special Olympics</li> <li>• Utility bill assistance and energy conservation</li> <li>• Veterans' donation fund</li> <li>• Wildlife</li> </ul>																					
		OTHER TAXES																					
		<ul style="list-style-type: none"> <li>• MSA withdrawal penalty</li> </ul>																					

# ARKANSAS

## Filing System: Joint/Combined

TAX BASE: STATE ADJUSTED GROSS INCOME		DEDUCTIONS
<u>Major Differences from Federal Law</u>		
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b>
Business/Rent/Farm .....	Same as federal.	Single/Married-S/HH ..... \$2,000
Capital Gains & Losses .....	Exclude up to 30% of net long-term capital gains.	Married-J..... 4,000
Pension/Retirement Income*		<b>Itemized:</b>
--Private .....	First \$6,000 exempt.	State itemized deductions.
--Public.....	First \$6,000 exempt.	
--U.S. Civil Service .....	First \$6,000 exempt.	<b>Major Differences from Federal Law:</b>
--Military.....	First \$6,000 exempt.	<u>Taxes:</u> State income taxes and state and local sales taxes not deductible.
Active Duty Military .....	CZE and first \$9,000 exempt.	
Unemployment Compensation.....	Exempt.	
Social Security Benefits .....	Exempt.	
State/Municipal Bond Interest.....	Taxable except Arkansas obligations.	
Health Savings Accounts.....	Same as federal.	
Miscellaneous		
Disability Income .....	Same as federal.	
Lottery Winnings .....	Taxable.	
Federal Income Taxes.....	Not deductible.	
Other .....	Border city exemption. Deductions for support of a permanently disabled dependent, long-term intergenerational trusts, organ donor expenses, and up to \$5,000 in contributions to the Arkansas Deferred Tuition Savings Program. Winnings from electronic games of skill are excluded from income but subject to a separate flat tax of 3%.	
*The \$6,000 pension exclusion can be applied toward early distributions from an IRA if the participant has reached 59 ½ years of age.		
TAX RATES AND BRACKETS		EXEMPTIONS (TAX CREDIT)
<u>Taxable Income Bracket</u>	<u>Marginal Tax Rates</u>	Single/Married-S .....\$23
\$0 - \$3,899	1.0%	Married-J/HH .....46
3,900 - 7,799	2.5	Dependent.....23
7,800 - 11,699	3.5	Age 65 or over.....23
11,700 - 19,599	4.5	Developmentally Disabled
19,600 - 32,599	6.0	Individual .....500
32,600 and over	7.0	Blind .....23
Complete exemption from tax if income is below a threshold based on the 2007 federal poverty level (FPL), adjusted for inflation. A low income tax credit is extended through special, low income tax tables if income is below a threshold based on 133% of 2007 FPL, adjusted for inflation.		Deaf.....23
		Age 65 special .....23
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF
<ul style="list-style-type: none"> <li>• Adoption expenses</li> <li>• Affordable neighborhood housing</li> <li>• Biotechnology development</li> <li>• Capital development corporation</li> <li>• Child care</li> <li>• Cigarette receptacle purchase</li> <li>• Coal mining</li> <li>• County and regional industrial development</li> <li>• Delta geotourism development</li> <li>• Economic development</li> <li>• Emerging technology</li> <li>• Employer-provided early childhood program</li> <li>• Enterprise zone</li> <li>• Equipment donation</li> <li>• Equity investment</li> <li>• Family saving initiative</li> <li>• Historic rehabilitation</li> <li>• Income taxes paid to other states</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Low income housing</li> <li>• Manufacturing investment</li> <li>• Payroll income</li> <li>• Phenylketonuria disorder</li> <li>• Political contributions</li> <li>• Private wetland/riparian zone</li> <li>• Public roads improvement</li> <li>• Research and development</li> <li>• Rice straw</li> <li>• Tourism project development</li> <li>• Tuition reimbursement</li> <li>• Venture capital investment</li> <li>• Waste reduction and recycling equipment</li> <li>• Water resource conservation</li> <li>• Windmill blade</li> <li>• Workforce training</li> <li>• Youth apprenticeship</li> </ul>	<ul style="list-style-type: none"> <li>• Area agencies on aging</li> <li>• Baby Sharon Act</li> <li>• Disaster relief</li> <li>• Military family relief</li> <li>• Newborn umbilical cord blood initiative</li> <li>• Organ donor awareness education</li> <li>• Schools for the blind and deaf</li> <li>• Tax deferred tuition savings</li> <li>• U.S. Olympic Committee</li> </ul>
		OTHER TAXES
		<ul style="list-style-type: none"> <li>• Early withdrawal penalty from IRA and employer qualified retirement plan</li> </ul>

# CALIFORNIA

## Filing System: Joint/Registered Domestic Partner\*

TAX BASE: FEDERAL ADJUSTED GROSS INCOME				DEDUCTIONS
<u>Major Differences from Federal Law</u>				
Interest/Dividend.....	Exempts U.S. government bonds.			<b>Standard:</b> Single/Married-S ..... \$3,637 Married-J/HH ..... 7,274
Business/Rent/Farm .....	California depreciation methods and accelerated write-offs.			
Capital Gains & Losses .....	Same as federal.			
Pension/Retirement Income				<b>Itemized:</b> State itemized deductions.
--Private .....	Same as federal.			
--Public.....	Same as federal.			
--U.S. Civil Service .....	Same as federal.			
--Military.....	Same as federal.			
Active Duty Military .....	Same as federal.			<b>Major Differences from Federal Law:</b> <u>Taxes:</u> State, local, and foreign income taxes, state and local sales taxes, new motor vehicle taxes, and state disability insurance are not deductible.
Unemployment Compensation.....	Exempt.			<u>Contributions:</u> Limited to 50% of AGI with carryover provision.
Social Security Benefits .....	Exempt.			<u>Miscellaneous:</u> Different treatment of investment interest expense and employee business expense. California lottery losses not deductible.
State/Municipal Bond Interest.....	Taxable except California obligations.			
Health Savings Accounts.....	No provision.			
Miscellaneous				<u>Other:</u> Legislators' travel expenses are only deductible if incurred while away from home overnight. Adoption-related expenses and mortgage interest used to claim state credits cannot be claimed. Personal casualty and theft losses are limited to the excess of each loss over \$100.
Disability Income.....	Same as federal.			
Lottery Winnings.....	California lottery winnings exempt.			
Federal Income Taxes.....	Not deductible.			
Other .....	Exempt government rewards from a crime hotline and beverage container recycling income. Deductions for certain rebates for water and energy conservation. The following federal exemptions do not apply: educator expenses, tuition and fees, and domestic production activities. Compensation paid from the Paid Family Leave Program is not taxable.			
TAX RATES AND BRACKETS				EXEMPTIONS (TAX CREDIT)
<u>Taxable Income Brackets</u>				
<u>Single/Married-S</u>	<u>Married-Joint</u>	<u>Head-of-Household</u>	<u>Marginal Tax Rates</u>	Single/HH/Married-S..... \$98
\$0 - \$7,060	\$0 - \$14,120	\$0 - \$14,130	1.25%	Married-J..... 196
7,061 - 16,739	14,121 - 33,478	14,131 - 33,479	2.25	Dependent..... 98
16,740 - 26,419	33,479 - 52,838	33,480 - 43,157	4.25	Age 65 or older..... 98
26,420 - 36,675	52,839 - 73,350	43,158 - 53,412	6.25	Blind..... 98
36,676 - 46,349	73,351 - 92,698	53,413 - 63,089	8.25	Credits limited at higher incomes.
46,350 - 999,999	92,699 - 999,999	63,090 - 999,999	9.55	
1,000,000 and over	1,000,000 and over	1,000,000 and over	10.55	
TAX CREDITS**		TAX CREDITS (cont.)		CONTRIBUTION/CHECK-OFF
<ul style="list-style-type: none"> <li>• Child adoption</li> <li>• Child and dependent care</li> <li>• Community development financial institution deposits</li> <li>• Dependent parent</li> <li>• Disabled access for eligible small business</li> <li>• Donated agricultural products transportation</li> <li>• Employer child care contribution</li> <li>• Employer child care program</li> <li>• Enhanced oil recovery</li> <li>• Enterprise zone employee</li> <li>• Enterprise zone hiring and sales or use tax</li> <li>• Environmental tax</li> <li>• Income taxes paid to other states</li> <li>• Joint custody head-of-household</li> <li>• Local agency military base recovery area</li> <li>• Low-income housing</li> <li>• Manufacturing enhancement area</li> <li>• Natural heritage preservation</li> <li>• New home</li> </ul>		<ul style="list-style-type: none"> <li>• New jobs</li> <li>• Nonrefundable renters</li> <li>• Prior year alternative minimum tax</li> <li>• Prison inmate labor</li> <li>• Research</li> <li>• Senior head-of-household</li> <li>• Targeted area hiring and sales or use tax</li> </ul>		<ul style="list-style-type: none"> <li>• ALS/Lou Gehrig's disease research fund</li> <li>• Alzheimer's disease/related disorders fund</li> <li>• Breast cancer research fund</li> <li>• Cancer research fund</li> <li>• Emergency food for families fund</li> <li>• Firefighters' memorial fund</li> <li>• Military family relief fund</li> <li>• Municipal shelter spay-neuter fund</li> <li>• Ovarian cancer research fund</li> <li>• Peace officer memorial foundation fund</li> <li>• Rare and endangered species preservation program</li> <li>• Sea otter fund</li> <li>• Senior citizens fund</li> <li>• Seniors special fund</li> <li>• State children's trust fund for the prevention of child abuse</li> </ul>
		<b>OTHER TAXES</b>		
		<ul style="list-style-type: none"> <li>• Alternative minimum tax</li> <li>• Credit recapture</li> <li>• Mental health services tax</li> <li>• Taxes attributed to IRAs, other qualified retirement plans, annuities, modified endowment contracts, MSAs and education IRAs.</li> <li>• Use tax</li> </ul>		

\*Registered domestic partners are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# COLORADO

Filing System: Joint

TAX BASE: FEDERAL TAXABLE INCOME		DEDUCTIONS
<u>Major Differences from Federal Law</u>		
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b> Same as federal.  <b>Itemized:</b> Same as federal.  <b>Major Differences From Federal Law:</b>  <u>Taxes:</u> State income taxes and state and local sales taxes not deductible.
Business/Rent/Farm .....	Same as federal.	
Capital Gains & Losses .....	Capital gain from certain Colorado sources is exempt if held for specified periods.	
Pension/Retirement Income		
--Private .....	Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older).	
--Public.....	Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older).	
--U.S. Civil Service .....	Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older).	
--Military.....	Exclude \$20,000/person (if 55-64); \$24,000/person (65 and older).	
Active Duty Military .....	Same as federal.	
Unemployment Compensation.....	Same as federal.	
Social Security Benefits .....	If aged 55-64, up to \$20,000/person of federally taxable benefits excluded; up to \$24,000/person if 65 or older. Maximum amounts are combined limits for pension income and federally taxed social security.	
State/Municipal Bond Interest.....	Taxable except Colorado obligations.	
Health Savings Accounts.....	Same as federal.	
Miscellaneous		
Disability Income .....	Same as federal.	
Lottery Winnings .....	Same as federal.	
Federal Income Taxes.....	Not deductible.	
Other.....	Exclusions for contributions to Colorado-qualified state tuition programs, 50% of wildfire mitigation costs, and for contributions to, and interest earned on, medical savings accounts. For taxpayers who claim the standard deduction for federal tax purposes, deduction for charitable contributions in excess of \$500 that could have been claimed as federal itemized deductions.	
TAX RATES AND BRACKETS		EXEMPTIONS
4.63% of Colorado taxable income.		Same as federal.
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES
<ul style="list-style-type: none"> <li>• Aircraft manufacturer new employee</li> <li>• Alternative fuel vehicle and refueling facility</li> <li>• Child care</li> <li>• Child care center investment</li> <li>• Child care contribution</li> <li>• Colorado works program</li> <li>• Conservation easement</li> <li>• Contaminated land redevelopment</li> <li>• Employer child care facility investment</li> <li>• Enterprise zone (investment, new business, rural, agriculture, health insurance, and others)</li> <li>• Historic property preservation</li> <li>• Income taxes paid in other states</li> <li>• Job growth incentive</li> <li>• Long-term care insurance</li> <li>• Low-income housing</li> <li>• Minimum tax</li> <li>• Plastic recycling investment</li> <li>• Rural technology enterprise zone</li> <li>• School-to-career investment</li> </ul>	<ul style="list-style-type: none"> <li>• Adult stem cell cure fund</li> <li>• Alzheimer's Association fund</li> <li>• Breast and women's reproductive cancers fund</li> <li>• Colorado healthy rivers fund</li> <li>• Domestic abuse</li> <li>• Homeless prevention activities</li> <li>• Make-a-wish foundation of Colorado fund</li> <li>• Military family relief fund</li> <li>• Multiple sclerosis fund</li> <li>• Nongame and endangered wildlife</li> <li>• Pet overpopulation fund</li> <li>• Special Olympics</li> <li>• Veterans cemetery</li> <li>• 9Health fair fund</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative minimum tax</li> </ul>

# CONNECTICUT

Filing System: Joint/Civil Union Partner\*

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																															
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.                      Business/Rent/Farm.....Same as federal.                      Capital Gains &amp; Losses.....Gains/losses from the sale of Connecticut state and local bonds are subtracted/added back.                      Pension/Retirement Income                      --Private.....Same as federal.                      --Public.....Same as federal.                      --U.S. Civil Service.....Same as federal.                      --Military.....Exclusion for 50% of military retirement pay.                      Active Duty Military.....Same as federal.                      Unemployment Compensation.....Same as federal.                      Social Security Benefits.....Exempt if income is below \$50,000 (\$60,000 MJ/HH); partially taxable if higher income.                      State/Municipal Bond Interest.....Taxable except Connecticut obligations.                      Health Savings Accounts.....Same as federal.                      Miscellaneous                      Disability Income.....Same as federal.                      Lottery Winnings.....Same as federal.                      Federal Income Taxes.....Not deductible.                      Other.....Deferred income resulting from the cancellation of debt and the federal domestic production activity deduction are additions to income. Exemptions for contributions to and distributions from the Connecticut Higher Education Trust (CHET) fund and interest on Connecticut individual development accounts and Connecticut Home Care Option Program for the Elderly accounts. Modifications (add or subtract) for Connecticut fiduciary adjustment.</p>		<p><b>Standard:</b> Sliding scale standard deduction.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Filing Status</th> <th style="text-align: center;">Standard Deduction</th> <th style="text-align: center;">Income Range for Deduction Phase-Out</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: center;">\$13,000</td> <td style="text-align: center;">\$26,000 - \$38,000</td> </tr> <tr> <td>HH</td> <td style="text-align: center;">19,000</td> <td style="text-align: center;">38,000 - 56,000</td> </tr> <tr> <td>Married-J</td> <td style="text-align: center;">24,000</td> <td style="text-align: center;">48,000 - 71,000</td> </tr> <tr> <td>Married-S</td> <td style="text-align: center;">12,000</td> <td style="text-align: center;">24,000 - 35,000</td> </tr> </tbody> </table> <p><b>Itemized:</b> None.</p>		Filing Status	Standard Deduction	Income Range for Deduction Phase-Out	Single	\$13,000	\$26,000 - \$38,000	HH	19,000	38,000 - 56,000	Married-J	24,000	48,000 - 71,000	Married-S	12,000	24,000 - 35,000															
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<ul style="list-style-type: none"> <li>• Income tax paid to other jurisdictions</li> <li>• Property tax on primary residence and motor vehicle</li> </ul>	<ul style="list-style-type: none"> <li>• AIDS research education</li> <li>• Breast cancer research and education</li> <li>• Endangered species, natural area preserves, and watchable wildlife</li> <li>• Military family relief</li> <li>• Organ transplant</li> <li>• Safety net services</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative minimum tax</li> <li>• Use tax</li> </ul>																															

\*Civil union partners are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# DELAWARE

Filing System: Joint/Combined

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.                      Business/Rent/Farm .....Same as federal.                      Capital Gains &amp; Losses .....Same as federal.                      Pension/Retirement Income                      --Private .....Exclude \$2,000 (under 60); \$12,500 (60 and over).                      --Public.....Exclude \$2,000 (under 60); \$12,500 (60 and over).                      --U.S. Civil Service .....Exclude \$2,000 (under 60); \$12,500 (60 and over).                      --Military.....Exclude \$2,000 (under 60); \$12,500 (60 and over).                      Active Duty Military .....Same as federal.                      Unemployment Compensation.....Same as federal.                      Social Security Benefits .....Exempt.                      State/Municipal Bond Interest.....Taxable except Delaware obligations.                      Health Savings Accounts.....Same as federal.                      Miscellaneous                      Disability Income .....See other.                      Lottery Winnings .....Delaware winnings exempt.                      Federal Income Taxes.....Not deductible.                      Other .....Exclusion if disabled or age 60 or over if earned income and AGI are below certain thresholds. State tax treatment of oil percentage depletion and fiduciary income from estates and trusts. Exempt income from approved employer-provided transportation programs. Exclude certain distributions from retirement plans used for higher education expenses. Deduct amount claimed for federal work opportunity credit.</p>		<p><b>Standard:</b>                      Single/HH/Married-S.....\$3,250                      Married-J .....6,500</p> <p>Additional standard deduction if:                      Blind .....\$2,500                      Age 65 or over .....2,500</p> <p><b>Itemized:</b>                      Federal itemized deductions.</p> <p><b>Major Differences from Federal Law:</b>  <u>Contributions:</u> Additional charitable mileage deduction.  <u>Taxes:</u> State income tax not deductible; federal foreign tax credit deductible.</p>																
TAX RATES AND BRACKETS		EXEMPTIONS (TAX CREDIT)																
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TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES																
<ul style="list-style-type: none"> <li>• Capital investment and new employment</li> <li>• Child and dependent care</li> <li>• Earned income credit</li> <li>• Historic preservation</li> <li>• Income tax paid to another state</li> <li>• Land and historic resource conservation</li> <li>• Rehabilitation of contaminated industrial sites</li> <li>• Volunteer firefighter, fire auxiliary, and rescue squad</li> <li>• Waste reduction and recycling</li> </ul>	<ul style="list-style-type: none"> <li>• Breast cancer coalition</li> <li>• Children's trust</li> <li>• Diabetes education</li> <li>• Emergency housing assistance</li> <li>• Juvenile diabetes research foundation international</li> <li>• National Multiple Sclerosis Society</li> <li>• National Guard and Reserve emergency assistance</li> <li>• Nongame wildlife fund, endangered species, and natural areas preservation</li> <li>• Organ and tissue donation awareness</li> <li>• Ovarian cancer foundation</li> <li>• U.S. Olympic Committee</li> <li>• Veteran's home</li> <li>• 21<sup>st</sup> Century fund for Delaware children</li> </ul>	<ul style="list-style-type: none"> <li>• Lump-sum distributions (beneficial tax treatment)</li> </ul>																

# DISTRICT OF COLUMBIA

Filing System: Joint/Combined/Registered Domestic Partner\*

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS								
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm .....Same as federal. Capital Gains & Losses .....Same as federal. Pension/Retirement Income --Private .....Same as federal. --Public.....Exclusion for up to \$3,000 from D.C. government (age 62 or over). --U.S. Civil Service .....Exclusion for up to \$3,000 (age 62 or over). --Military.....Exclusion for up to \$3,000 (age 62 or over). Active Duty Military .....Same as federal. Unemployment Compensation.....Same as federal. Social Security Benefits .....Exempt. State/Municipal Bond Interest.....Exempt. Health Savings Accounts.....Same as federal. Miscellaneous Disability Income .....Up to \$5,200 exempt. Lottery Winnings .....Same as federal. Federal Income Taxes.....Not deductible. Other .....Exemptions for the following: dependent's unearned income included in parent's federal AGI; awards received from unlawful employment discrimination; DC and federal government survivor benefits; and \$10,000 for disabled DC residents with household AGI less than \$100,000. Limited deductions for the following: contributions to DC college savings plan; long-term care premiums; expenditures by DC teachers for classroom teaching materials and for certain tuition and fees; and loan repayment awards received by certain health-care professionals from DC government.		<p><b>Standard:</b>                      Single/Married-J/HH..... \$4,000                      Married-S..... 2,000</p> <p><b>Itemized:</b>                      Same as federal.</p> <p><b>Major Differences from Federal Law:</b>  <u>Taxes:</u> State and local income and sales taxes not deductible; excise taxes on the purchase of motor vehicles not deductible.</p>								
TAX RATES AND BRACKETS		EXEMPTIONS								
<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Taxable Income Bracket</u></th> <th style="text-align: left;"><u>Marginal Tax Rates</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$10,000</td> <td style="text-align: center;">4.0%</td> </tr> <tr> <td style="text-align: center;">10,001 - 40,000</td> <td style="text-align: center;">6.0</td> </tr> <tr> <td style="text-align: center;">40,001 and over</td> <td style="text-align: center;">8.5</td> </tr> </tbody> </table>	<u>Taxable Income Bracket</u>	<u>Marginal Tax Rates</u>	\$0 - \$10,000	4.0%	10,001 - 40,000	6.0	40,001 and over	8.5	Single/Married-S ..... \$1,675 Married-J/HH ..... 3,350 Dependent..... 1,675 Age 65 or over ..... 1,675 Blind ..... 1,675	
<u>Taxable Income Bracket</u>	<u>Marginal Tax Rates</u>									
\$0 - \$10,000	4.0%									
10,001 - 40,000	6.0									
40,001 and over	8.5									
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES								
<ul style="list-style-type: none"> <li>• Child and dependent care</li> <li>• D.C. government employee first-time homebuyers</li> <li>• Earned income tax credit</li> <li>• Income taxes paid to another state</li> <li>• Low-income</li> <li>• Property tax/rent</li> </ul>	<ul style="list-style-type: none"> <li>• Anacosta River cleanup and protection</li> <li>• D.C. statehood</li> <li>• Drug prevention and children at risk</li> </ul>	None								

\*Registered domestic partners are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# GEORGIA

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																																
<u>Major Differences from Federal Law</u>																																		
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b> Single/HH..... \$2,300 Married-J..... 3,000 Married-S..... 1,500 Age 65 or over or blind..... 1,300  <b>Itemized:</b> Federal itemized deductions.  <b>Major Differences from Federal Law:</b> <u>Taxes:</u> State income taxes other than Georgia's not deductible.  <u>Interest:</u> Investment interest for the production of exempt income is not allowed.																																
Business/Rent/Farm .....	Same as federal.																																	
Capital Gains & Losses .....	Same as federal.																																	
Pension/Retirement Income																																		
--Private .....	\$35,000/person excluded (62 and over or permanently disabled).																																	
--Public.....	\$35,000/person excluded (62 and over or permanently disabled).																																	
--U.S. Civil Service .....	\$35,000/person excluded (62 and over or permanently disabled).																																	
--Military.....	\$35,000/person excluded (62 and over or permanently disabled).																																	
Active Duty Military .....	Same as federal.																																	
Unemployment Compensation.....	Same as federal.																																	
Social Security Benefits .....	Exempt.																																	
State/Municipal Bond Interest.....	Taxable except Georgia obligations.																																	
Health Savings Accounts.....	Same as federal, plus premiums not deductible on federal return may be subtracted.																																	
Miscellaneous																																		
Disability Income.....	Same as federal.																																	
Lottery Winnings.....	Same as federal.																																	
Federal Income Taxes.....	Not deductible.																																	
Other .....	Dependent's unearned income included in parent's federal AGI may be exempt. Deductions for contributions to a Georgia higher education savings plan, expenses related to organ donation, and amounts claimed for federal work opportunity credit. No deduction for domestic production activities.																																	
TAX RATES AND BRACKETS		EXEMPTIONS																																
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rate</th> </tr> <tr> <th style="text-align: center;">Single</th> <th style="text-align: center;">Married-S</th> <th style="text-align: center;">Married-J/HH</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$750</td> <td style="text-align: center;">\$0 - \$500</td> <td style="text-align: center;">\$0 - \$1,000</td> <td style="text-align: center;">1%</td> </tr> <tr> <td style="text-align: center;">751 - 2,250</td> <td style="text-align: center;">501 - 1,500</td> <td style="text-align: center;">1,001 - 3,000</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="text-align: center;">2,251 - 3,750</td> <td style="text-align: center;">1,501 - 2,500</td> <td style="text-align: center;">3,001 - 5,000</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: center;">3,751 - 5,250</td> <td style="text-align: center;">2,501 - 3,500</td> <td style="text-align: center;">5,001 - 7,000</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="text-align: center;">5,251 - 7,000</td> <td style="text-align: center;">3,501 - 5,000</td> <td style="text-align: center;">7,001 - 10,000</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">7,001 and over</td> <td style="text-align: center;">5,001 and over</td> <td style="text-align: center;">10,001 and over</td> <td style="text-align: center;">6</td> </tr> </tbody> </table>		Taxable Income Brackets			Marginal Tax Rate	Single	Married-S	Married-J/HH		\$0 - \$750	\$0 - \$500	\$0 - \$1,000	1%	751 - 2,250	501 - 1,500	1,001 - 3,000	2	2,251 - 3,750	1,501 - 2,500	3,001 - 5,000	3	3,751 - 5,250	2,501 - 3,500	5,001 - 7,000	4	5,251 - 7,000	3,501 - 5,000	7,001 - 10,000	5	7,001 and over	5,001 and over	10,001 and over	6	Single/Married-S/HH..... \$2,700 Married-J..... 5,400 Dependent..... 3,000
Taxable Income Brackets			Marginal Tax Rate																															
Single	Married-S	Married-J/HH																																
\$0 - \$750	\$0 - \$500	\$0 - \$1,000	1%																															
751 - 2,250	501 - 1,500	1,001 - 3,000	2																															
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7,001 and over	5,001 and over	10,001 and over	6																															
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																																
<ul style="list-style-type: none"> <li>• Adoption of a foster child</li> <li>• Alternate port activity</li> <li>• Bank</li> <li>• Basic skills education for employees</li> <li>• Business enterprise vehicle</li> <li>• Caregiving expense</li> <li>• Child and dependent care expense</li> <li>• Child care for employees and purchase of child care property</li> <li>• Clean energy property</li> <li>• Disabled person home purchase or retrofit</li> <li>• Diesel particulate emission reduction equipment</li> <li>• Disaster assistance</li> <li>• Driver education</li> <li>• Electric vehicle charger</li> <li>• Employee retraining</li> <li>• Employer's jobs</li> <li>• Film</li> <li>• Headquarters</li> <li>• Historic rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Income taxes paid to another state</li> <li>• Investment</li> <li>• Land conservation</li> <li>• Low- and zero-emission vehicle</li> <li>• Low-income</li> <li>• Low-income housing</li> <li>• Manufacturer's investment and new facilities job and property</li> <li>• National Guard/Air National Guard</li> <li>• Port activity</li> <li>• Qualified education expense</li> <li>• Qualified health insurance expense</li> <li>• Qualified jobs</li> <li>• Qualified transportation for employees</li> <li>• Research</li> <li>• Rural physicians</li> <li>• Seed capital fund</li> <li>• Single-family residence</li> <li>• Teleworking</li> <li>• Wood residual</li> </ul>	<ul style="list-style-type: none"> <li>• Cancer research fund</li> <li>• Children and elderly fund</li> <li>• Dog and cat sterilization</li> <li>• National Guard foundation</li> <li>• Saving the cure fund</li> <li>• Statewide land conservation</li> <li>• Student finance fund</li> <li>• Wildlife conservation</li> </ul>																																
		OTHER TAXES																																
		None																																

# HAWAII

## Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS	
Major Differences from Federal Law			
Interest/Dividend.....	Exempts U.S. government bonds.	<p><b>Standard:</b>                      Single/Married-S..... \$2,000                      Married-J..... 4,000                      Head-of-Household ..... 2,920</p> <p><b>Itemized:</b>                      Federal itemized deductions.                      Amounts that are limited based on federal AGI are recalculated to be based on Hawaii AGI.</p> <p><b>Major Differences from Federal Law:</b>  <u>Political Contributions:</u> Deduction for up to \$250 (\$500 for married-joint filers) per political candidate or party, up to a maximum deduction of \$1,000 (\$2,000 on joint returns).</p>	
Business/Rent/Farm .....	Same as federal.		
Capital Gains & Losses .....	Alternative tax on capital gains.		
Pension/Retirement Income			
--Private .....	Exempt if employer funded.		
--Public.....	Exempt.		
--U.S. Civil Service .....	Exempt.		
--Military.....	Exempt.		
Active Duty Military .....	CZE and exempt up to \$5,609 for Reserve and National Guard members.		
Unemployment Compensation.....	Same as federal.		
Social Security Benefits .....	Exempt.		
State/Municipal Bond Interest.....	Taxable except Hawaii obligations.		
Health Savings Accounts.....	Same as federal.		
Miscellaneous			
Disability Income .....	Same as federal.		
Lottery Winnings .....	Same as federal.		
Federal Income Taxes.....	Not deductible.		
Other .....	Deductions for payments to individual housing accounts and for earnings on individual housing and individual development accounts. Deductions for certain income from high technology business, qualified expenditures for exceptional trees, and compensation earned by patients with Hansen's disease. Peace Corps compensation, income from temporary employment outside of the U.S., and higher education expenses deducted from federal income are taxable. In addition, some student loan interest and employer-provided adoption benefits that are exempt from federal taxes may be taxable in Hawaii.		
TAX RATES AND BRACKETS		EXEMPTIONS	
Taxable Income Brackets			
<u>Single/Married-S</u>	<u>Married-Joint</u>	<u>Head-of-Household</u>	<u>Marginal Tax Rates</u>
\$0 - \$2,400	\$0 - \$4,800	\$0 - \$3,600	1.40%
2,401 - 4,800	4,801 - 9,600	3,601 - 7,200	3.20
4,801 - 9,600	9,601 - 19,200	7,201 - 14,400	5.50
9,601 - 14,400	19,201 - 28,800	14,401 - 21,600	6.40
14,401 - 19,200	28,801 - 38,400	21,601 - 28,800	6.80
19,201 - 24,000	38,401 - 48,000	28,801 - 36,000	7.20
24,001 - 36,000	48,001 - 72,000	36,001 - 54,000	7.60
36,001 - 48,000	72,001 - 96,000	54,001 - 72,000	7.90
48,001 - 150,000	96,001 - 300,000	72,001 - 225,000	8.25
150,001 - 175,000	300,001 - 350,000	225,001 - 262,500	9.00
175,001 - 200,000	350,001 - 400,000	262,501 - 300,000	10.00
200,001 and over	400,001 and over	300,001 and over	11.00
			Single/HH/Married-S .....\$1,040 Married-J.....2,080 Age 65 or over .....1,040 Dependent .....1,040 Blind, deaf, or totally disabled .....7,000*
			*In lieu of regular personal exemptions
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/ CHECK-OFF	
<ul style="list-style-type: none"> <li>• Agricultural land qualified agricultural cost</li> <li>• Beneficiaries of foreign trusts</li> <li>• Capital goods excise tax</li> <li>• Child and dependent care expenses</li> <li>• Child passenger restraint systems</li> <li>• Commercial fishers fuel tax</li> <li>• Employment of vocational rehabilitation referrals</li> <li>• Enterprise zone</li> <li>• Ethanol facility</li> <li>• Food excise</li> <li>• High technology business investment</li> <li>• Income taxes paid to other states/countries</li> <li>• Ko Olina resort and marine attractions and educational facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Low-income household renter</li> <li>• Low-income housing</li> <li>• Motion picture, digital media, and film production</li> <li>• Regulated investment company</li> <li>• Renewable energy technologies</li> <li>• Research activities</li> <li>• School repair and maintenance</li> <li>• Shareholders of S corporations</li> <li>• Taxes withheld on sale of Hawaii real property interests and paid by a partnership, estate, trust, or S corporation</li> <li>• Technology infrastructure renovation</li> <li>• \$1 general income tax</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic violence and child abuse/neglect</li> <li>• Public libraries</li> <li>• School repairs and maintenance</li> </ul>	
		OTHER TAXES	
		<ul style="list-style-type: none"> <li>• Alternative tax on capital gains (beneficial tax treatment)</li> </ul>	

# IDAHO

## Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS	
Major Differences from Federal Law			
Interest/Dividend.....	Exempt U.S. government bonds.	<b>Standard:</b> Same as federal.  <b>Itemized:</b> Federal itemized deductions.  <b>Major Differences from Federal Law:</b>  <u>Taxes:</u> State and local income and sales taxes not deductible.	
Business/Rent/Farm .....	Same as federal.		
Capital Gains & Losses .....	60% exclusion for long-term gains from the sale of certain real and tangible Idaho property.		
Pension/Retirement Income			
--Private .....	Same as federal.		
--Public.....	Certain police and firemen--exclude \$27,876 single; \$41,814 married (65 and over, or disabled and 62 and over) - reduced by amount of social security income.		
--U.S. Civil Service .....	Exclude CSRS payments of up to \$27,876 single; \$41,814 married (65 and over, or disabled and 62 and over) - reduced by amount of social security income. Exclusion does not apply to FERS payments.		
--Military.....	Exclude \$27,876 single; \$41,814 married (65 and over, or disabled and 62 and over) - reduced by amount of social security income.		
Active Duty Military .....	CZE and if stationed out-of-state, income of Idaho residents on active duty is exempt.		
Unemployment Compensation.....	Same as federal.		
Social Security Benefits .....	Exempt.		
State/Municipal Bond Interest.....	Taxable except Idaho obligations.		
Health Savings Accounts.....	Same as federal.		
Miscellaneous			
Disability Income .....	Same as federal.		
Lottery Winnings.....	Deduct Idaho lottery winnings that are less than \$600 per prize.		
Federal Income Taxes.....	Not deductible.		
Other .....	Deductions for insulation, alternative energy devices, child and dependent care, maintaining home for aged or developmentally disabled, technological equipment donation, contributions to and interest on Idaho MSA, contributions to an Idaho college savings plan, adoption expenses and health, long-term care, and self-employed worker's compensation insurance. No deduction for educator expenses.		
TAX RATES AND BRACKETS			EXEMPTIONS
Taxable Income Brackets			Same as federal.
Single/Married-S	Married-J, HH	Marginal Tax Rates	
\$0 - \$1,320	\$0 - \$2,641	1.6%	
1,321 - 2,641	2,642 - 5,283	3.6	
2,642 - 3,962	5,284 - 7,925	4.1	
3,963 - 5,283	7,926 - 10,567	5.1	
5,284 - 6,603	10,568 - 13,207	6.1	
6,604 - 9,906	13,208 - 19,813	7.1	
9,907 - 26,417	19,814 - 52,835	7.4	
26,418 and over	52,836 and over	7.8	
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES	
<ul style="list-style-type: none"> <li>• Biofuels infrastructure investment</li> <li>• Broadband equipment investment</li> <li>• Contributions to educational entities</li> <li>• Contributions to youth and rehabilitation facilities</li> <li>• Grocery</li> <li>• Idaho research activities</li> <li>• Incentive investment</li> <li>• Income taxes paid to other states</li> <li>• Investment</li> <li>• Live organ donation expenses</li> <li>• Maintaining home for family member with a developmental disability or over age 65</li> <li>• Natural gas and fuel tax refunds</li> <li>• Production equipment using post-consumer waste</li> <li>• Promoter-sponsored event</li> <li>• Qualifying new employees</li> <li>• Small employer and corporate investment, real property improvement, and new jobs</li> </ul>	<ul style="list-style-type: none"> <li>• American Red Cross</li> <li>• Children's trust fund/child abuse prevention</li> <li>• Election campaign fund</li> <li>• Foodbank fund</li> <li>• Idaho Guard and Reserve family support fund</li> <li>• Nongame wildlife conservation fund</li> <li>• Special Olympics fund</li> <li>• Veterans support fund</li> </ul>	<ul style="list-style-type: none"> <li>• Fuels tax</li> <li>• Permanent building fund tax</li> <li>• Penalties on MSAs</li> <li>• Recapture of certain Idaho business and investment credits</li> <li>• Sales and use tax due</li> </ul>	

# ILLINOIS

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.            Business/Rent/Farm .....Same as federal.            Capital Gains &amp; Losses .....Same as federal.            Pension/Retirement Income*              --Private .....Exempt if from a qualified employee benefit plan, or a self-employed retirement plan.              --Public.....Exempt.              --U.S. Civil Service .....Exempt.              --Military.....Exempt.            Active Duty Military/Reserve.....Exempt.            Unemployment Compensation.....Same as federal.            Social Security Benefits .....Exempt.            State/Municipal Bond Interest.....Taxable except certain Illinois obligations.            Health Savings Accounts.....Same as federal.            Miscellaneous              Disability Income .....Same as federal.              Lottery Winnings .....Same as federal. (No deduction for gambling losses.)              Federal Income Taxes.....Not deductible.              Other .....Deductions for enterprise and river edge redevelopment zone and high impact business dividends, contributions to certain job training projects, expenses related to certain federal credits and federally tax-exempt income, interest on investments through the home ownership made easy program, ridesharing money, amounts received as accelerated payments of life, endowment, or annuity benefits as indemnity for terminal illness, employer contributions to medical savings accounts, and education loan repayments of certain primary care physicians. Certain contributions to, and interest earnings on, the Illinois bright star and bright directions college savings pools and the college Illinois prepaid tuition trust fund are exempt. However, earnings on other Section 529 (refers to section in the Internal Revenue Code) college savings plans are taxable, unless such plans comply with certain disclosure requirements.</p> <p>*Federally taxable IRA and section 457 deferred compensation plans are exempt.</p>		<p><b>Standard:</b> None</p> <p><b>Itemized:</b> None</p>
TAX RATES AND BRACKETS		EXEMPTIONS
3% of taxable net income		Each federal exemption.....\$2,000 Age 65 or over.....1,000 Blind .....1,000 Dependent .....2,000
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES
<ul style="list-style-type: none"> <li>• Affordable housing donations</li> <li>• Dependent care assistance program</li> <li>• Economic development</li> <li>• Earned income tax credit</li> <li>• Enterprise or river edge redevelopment zone investment</li> <li>• Ex-felons jobs</li> <li>• Film production services</li> <li>• High impact business investment</li> <li>• Homeowner's property tax</li> <li>• Income taxes paid to other states</li> <li>• Jobs in certain zones</li> <li>• Qualified education expenses</li> <li>• Research and development</li> <li>• River edge redevelopment zone remediation</li> <li>• Student-assistance contribution</li> <li>• Veterans jobs</li> <li>• Youth vocational programs</li> </ul>	<ul style="list-style-type: none"> <li>• Alzheimer's disease research</li> <li>• Assistance to the homeless</li> <li>• Breast, cervical, and ovarian cancer research</li> <li>• Child abuse prevention</li> <li>• Crisis nursery</li> <li>• Diabetes research</li> <li>• Hunger relief</li> <li>• Military family relief</li> <li>• Wildlife preservation</li> <li>• Veterans' home</li> </ul>	None

# INDIANA

## Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS
<u>Major Differences from Federal Law</u>		
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b> None  <b>Itemized:</b> None
Business/Rent/Farm .....	Same as federal.	
Capital Gains & Losses .....	Same as federal.	
Pension/Retirement Income*		
--Private .....	Same as federal.	
--Public.....	Same as federal.	
--U.S. Civil Service .....	Up to \$2,000 exempt, less social security benefits (62 & over).	
--Military.....	Up to \$5,000 exempt (60 & over).	
Active Duty/Reserve Military.....	CZE and exempt up to \$5,000 for total of active duty and active reserves, military retirement, and survivor's benefits.	
Unemployment Compensation.....	Limited exclusion as provided under 1986 federal law.	
Social Security Benefits .....	Exempt.	
State/Municipal Bond Interest.....	Exempt.	
Health Savings Accounts.....	Same as federal.	
Miscellaneous		
Disability Income .....	Up to \$5,200 exempt if retired and under 65.	
Lottery Winnings .....	Limited exemption for Indiana lottery winnings.	
Federal Income Taxes.....	Not deductible.	
Other .....	Additions to income include federal deductions for lump sum distributions, any net operating loss, except for the Indiana portion, and losses on the sale of qualified preferred stock. Deductions for rent and property taxes paid on principal residence, insulation, non-Indiana locality earnings, certain income of enterprise/airport development zone employees, income of persons receiving Medicaid in a care facility, law enforcement awards, Indiana Partnership long-term care insurance premiums, qualified patents income, solar-powered roof vent or fan expenses, railroad unemployment and sickness benefits, and employer contributions to and interest on certain medical savings accounts not excluded for federal purposes.	
*Exclusion of up to \$5,200 in the case of disability retirement.		
TAX RATES AND BRACKETS		EXEMPTIONS
3.4% of adjusted gross income.		Each federal exemption .....\$1,000 Dependent child ..... 1,500 Blind or 65 or over .....1,000 65 or over and low-income ..... 500
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF
<ul style="list-style-type: none"> <li>• Alternative fuel vehicle manufacturer</li> <li>• Blended biodiesel</li> <li>• Capital investment</li> <li>• Coal combustion product</li> <li>• Coal gasification technology investment</li> <li>• College donation</li> <li>• Community revitalization enhancement district</li> <li>• Contributions made to college choice 529 education savings plan</li> <li>• County credit for the elderly or permanently disabled</li> <li>• Earned income tax credit</li> <li>• Economic development</li> <li>• Employer health benefit plan</li> <li>• Energy star heating and cooling equipment</li> <li>• Enterprise zone/airport development</li> <li>• Ethanol production</li> <li>• Headquarters relocation</li> <li>• Historic building rehabilitation and residential historic rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Hoosier business investment</li> <li>• Income taxes paid to other states and localities</li> <li>• Individual development account</li> <li>• Industrial recovery</li> <li>• Lake County residential income tax</li> <li>• Maternity home</li> <li>• Media production</li> <li>• Military base investment cost and recovery</li> <li>• Neighborhood assistance</li> <li>• Prison investment</li> <li>• Research expense</li> <li>• Riverboat building</li> <li>• Scholarship program</li> <li>• Small employer qualified wellness program</li> <li>• Teacher summer employment</li> <li>• Unified tax credit for elderly</li> <li>• Venture capital investment</li> <li>• Voluntary brownfield and environmental remediation</li> </ul>	<ul style="list-style-type: none"> <li>• Nongame and endangered wildlife fund</li> </ul>
		OTHER TAXES
		<ul style="list-style-type: none"> <li>• County income tax</li> <li>• Household employment tax</li> <li>• Use tax on out-of-state purchases</li> </ul>

# IOWA

Filing System: Joint/Combined/Same-Sex Married Couple\*

TAX BASE: STATE ADJUSTED GROSS INCOME				DEDUCTIONS	
<u>Major Differences from Federal Law</u>					
Interest/Dividend.....	Exempts U.S. government bonds.			<b>Standard:</b>	
Business/Rent/Farm .....	Same as federal.			Single/Married-S.....	\$1,780
Capital Gains & Losses .....	100% exclusion for qualifying capital gains on business assets.			Married-J/HH.....	4,390
Pension/Retirement Income**				<b>Itemized:</b>	
--Private .....	Up to \$6,000 (\$12,000 M-J) exempt, if 55 or over or disabled.			Same as federal.	
--Public.....	Up to \$6,000 (\$12,000 M-J) exempt, if 55 or over or disabled.				
--U.S. Civil Service .....	Up to \$6,000 (\$12,000 M-J) exempt, if 55 or over or disabled.				
--Military.....	Up to \$6,000 (\$12,000 M-J) exempt, if 55 or over or disabled.				
Active Duty Military .....	CZE and deductions for certain student loan repayments of active duty military.			<b>Major Differences From Federal Law:</b>	
Unemployment Compensation.....	Taxable.			<u>Medical Expenses:</u> No deduction for health and dental insurance premiums already deducted from Iowa income.	
Social Security Benefits .....	Up to 22.5% of benefits are taxable.			<u>Taxes:</u> Iowa income tax and Iowa sales and use tax not deductible.	
State/Municipal Bond Interest.....	Taxable except certain Iowa obligations.			<u>Miscellaneous:</u> Deduction for expense incurred for care of disabled relative, adoption expenses, and portion of automobile registration fee.	
Health Savings Accounts.....	Same as federal.			<u>Charitable:</u> Mileage deduction if for charitable purposes.	
Miscellaneous					
Disability Income .....	Exclusion of up to \$100/week if totally and permanently disabled and meet certain conditions.				
Lottery Winnings.....	Same as federal.				
Federal Income Taxes.....	Deductible.				
Other .....	Deductions for gains or losses on distressed sale transactions; wages paid to qualifying new employees; amounts claimed for federal work opportunity, alternative motor vehicle, employer social security, and alcohol fuel credits; health and dental insurance premiums; employee benefits for same-sex married couples; value of health insurance for nonqualified dependents; in-home health care expenses; organ donor transplant expenses; contributions to Iowa education savings plan trust and injured veterans program; certain veterans' bonuses and grants; victim compensation awards; and income from qualified film expenditures. Low-income exemption.				
**No tax or penalty on distributions from retirement plans by National Guard members or reservists called to active duty.					
TAX RATES AND BRACKETS				EXEMPTIONS (TAX CREDIT)	
<u>Taxable Income Bracket</u>	<u>Marginal Tax Rates</u>	<u>Taxable Income Bracket</u>	<u>Marginal Tax Rates</u>		
\$0 - \$1,407	0.36%	\$12,664 - \$21,105	6.12%	Single/Married-S.....	\$40
1,408 - 2,814	0.72	21,106 - 28,140	6.48	Married-J/HH.....	80
2,815 - 5,628	2.43	28,141 - 42,210	6.80	Blind.....	20
5,629 - 12,663	4.50	42,211 - 63,315	7.92	Age 65 or Over .....	20
		63,316 and over	8.98	Dependent .....	40
TAX CREDITS		TAX CREDITS (cont.)		CONTRIBUTION/CHECK-OFF	
<ul style="list-style-type: none"> <li>• Agricultural assets transfer</li> <li>• Assistive device</li> <li>• Biodiesel blended fuel</li> <li>• Charitable conservation contribution</li> <li>• Child and dependent care or early childhood development</li> <li>• Claim of right</li> <li>• Earned income tax credit</li> <li>• Economic development region revolving fund</li> <li>• Endow Iowa (endowment gifts)</li> <li>• Ethanol and E-85 gasoline promotion</li> <li>• Film expenditure and investment</li> <li>• Franchise/S-corporation</li> <li>• High quality jobs</li> <li>• Historic preservation</li> <li>• Housing investment</li> </ul>		<ul style="list-style-type: none"> <li>• Income taxes paid to other states/countries</li> <li>• Investment</li> <li>• Minimum tax carry forward</li> <li>• Motor fuel</li> <li>• New jobs</li> <li>• Redevelopment</li> <li>• Refundable investment</li> <li>• Renewable energy</li> <li>• Research activities</li> <li>• School tuition organization</li> <li>• Soy-based cutting tool oil</li> <li>• Third party sales tax</li> <li>• Tuition and textbook</li> <li>• Venture capital (3)</li> <li>• Wage benefit</li> <li>• Wind energy production</li> </ul>		<ul style="list-style-type: none"> <li>• Election campaign fund/political party</li> <li>• Firefighters/Keep Iowa Beautiful fund</li> <li>• Fish and wildlife fund</li> <li>• State fairgrounds renovation</li> <li>• Veterans</li> </ul>	
				OTHER TAXES	
				<ul style="list-style-type: none"> <li>• Alternate tax (may reduce tax liability)</li> <li>• Emergency medical services surtax</li> <li>• Lump-sum tax</li> <li>• Minimum tax</li> <li>• School district surtax</li> </ul>	

\* Same-sex married couples are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# KANSAS

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																											
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds and dividends from Kansas Venture Capital, Inc. Business/Rent/Farm .....Same as federal. Capital Gains & Losses .....Gains from sales of certain Kansas bonds are exempt. Pension/Retirement Income --Private .....Same as federal. --Public.....Kansas Public Employee Retirement System and certain other Kansas public systems exempt. --U.S. Civil Service .....Exempt. --Military.....Exempt. Active Duty Military .....Federal benefits and also exemptions for certain bonuses and loan assistance. Unemployment Compensation.....Same as federal. Social Security Benefits .....Exempt for taxpayers with federal AGI less than or equal to \$75,000. Otherwise, same as federal. State/Municipal Bond Interest.....Taxable except most Kansas obligations. Health Savings Accounts.....Same as federal. Miscellaneous Disability Income .....Same as federal. Lottery Winnings .....Same as federal. Federal Income Taxes.....Not deductible. Other .....Addition for employee contributions to public employee retirement system. Deductions for contributions to qualified tuition programs (Section 529), earnings on individual development accounts established to pay for qualified purposes, long-term care insurance, Kansas National Guard death benefit, and amount claimed for federal jobs tax credit.		<p><b>Standard:</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th colspan="2" style="text-align: center;">Added Amount if:</th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;">Age 65</th> <th style="text-align: center;">Blind</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: right;">\$3,000</td> <td style="text-align: right;">\$850</td> <td style="text-align: right;">\$850</td> </tr> <tr> <td>Married-J</td> <td style="text-align: right;">6,000</td> <td style="text-align: right;">700</td> <td style="text-align: right;">700</td> </tr> <tr> <td>Married-S</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">700</td> <td style="text-align: right;">700</td> </tr> <tr> <td>Head-of- Household</td> <td style="text-align: right;">4,500</td> <td style="text-align: right;">850</td> <td style="text-align: right;">850</td> </tr> </tbody> </table> <p><b>Itemized:</b> Federal itemized deductions.</p> <p><b>Major Differences from Federal Law:</b> <u>Taxes:</u> State and local income taxes not deductible.</p>						Added Amount if:				Age 65	Blind	Single	\$3,000	\$850	\$850	Married-J	6,000	700	700	Married-S	3,000	700	700	Head-of- Household	4,500	850	850
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TAX RATES AND BRACKETS		EXEMPTIONS																											
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TAX CREDITS	TAX CREDITS (cont.)		CONTRIBUTION/CHECK-OFF																										
<ul style="list-style-type: none"> <li>• Adoption</li> <li>• Agritourism liability insurance</li> <li>• Alternative fuel vehicle</li> <li>• Angel investor</li> <li>• Assistive technology credit</li> <li>• Bio-mass to energy</li> <li>• Business and job development</li> <li>• Business machinery and equipment</li> <li>• Carryback of net operating farm loss refund</li> <li>• Child and dependent care expenses</li> <li>• Child daycare assistance (employers only)</li> <li>• Community services contribution</li> <li>• Declared disaster capital investment</li> <li>• Disabled access</li> <li>• Earned income tax credit</li> <li>• Electric cogeneration facility</li> <li>• Entrepreneurship</li> <li>• Environmental compliance</li> <li>• Food sales tax refund</li> </ul>	<ul style="list-style-type: none"> <li>• High performance incentive program</li> <li>• Historic preservation and site contribution</li> <li>• Income taxes paid to other states</li> <li>• Individual development account</li> <li>• Integrated coal gasification power plant</li> <li>• Law enforcement training center</li> <li>• Nitrogen fertilizer plant</li> <li>• Petroleum refinery</li> <li>• Plugging an abandoned gas or oil well</li> <li>• Qualifying pipeline</li> <li>• Regional foundation contribution</li> <li>• Research and development</li> <li>• Single city port authority</li> <li>• Small employer healthcare</li> <li>• Storage and blending equipment</li> <li>• Swine facility improvement</li> <li>• Telecommunications property/income tax</li> <li>• Temporary assistance to families contribution</li> <li>• Venture and local seed capital</li> </ul>		<ul style="list-style-type: none"> <li>• Breast cancer research</li> <li>• Military emergency relief</li> <li>• Nongame wildlife improvement program</li> <li>• Senior citizens meals-on-wheels</li> </ul>																										
			OTHER TAXES																										
			<ul style="list-style-type: none"> <li>• Use tax</li> </ul>																										

# KENTUCKY

Filing System: Joint/Combined

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS														
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.</p> <p>Business/Rent/Farm .....Allows federal farm averaging using Kentucky income.</p> <p>Capital Gains &amp; Losses .....Gains on Kentucky Turnpike bonds and property taken by eminent domain are exempt.</p> <p>Pension/Retirement Income</p> <p>--Private .....Exclude up to \$41,110.</p> <p>--Public.....Exempt if retired before 1998; partially exempt if after 1997.</p> <p>--U.S. Civil Service .....Exempt if retired before 1998; partially exempt if after 1997.</p> <p>--Military.....Exempt if retired before 1998; partially exempt if after 1997.</p> <p>Active Duty Military .....CZE and \$20 personal credit for Kentucky National Guard members. All income is exempt for soldiers killed in the line of duty, for the year of the death and the preceding year.</p> <p>Unemployment Compensation.....Taxable.</p> <p>Social Security Benefits .....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except Kentucky obligations.</p> <p>Health Savings Accounts.....Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income.....Same as federal.</p> <p>Lottery Winnings.....Same as federal.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other .....Deductions for long-term care and health insurance premiums, income from training or working at election booths, charitable contributions of leasehold interests, and artistic contributions not claimed as state itemized deduction. Tobacco settlement income is exempt. Deduction for amount claimed for federal work opportunity and welfare to work credits. A child's unearned income may not be reported on a parent's return. Forgiven mortgage debt is an addition to income.</p>		<p><b>Standard:</b></p> <p>All ..... \$2,190</p> <p><b>Itemized:</b></p> <p>State itemized deductions.</p> <p><b>Major Differences from Federal Law:</b></p> <p><b>Medical:</b> Deduct medical expenses over 7.5% of Kentucky AGI.</p> <p><b>Taxes:</b> State income taxes and state and local sales taxes not deductible.</p>														
TAX RATES AND BRACKETS		EXEMPTIONS (TAX CREDIT)														
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Taxable Income Brackets	Tax Rates															
\$0 - \$3,000	2.0%															
3,001 - 4,000	3.0															
4,001 - 5,000	4.0															
5,001 - 8,000	5.0															
8,001 - 75,000	5.8															
75,001 and over	6.0															
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF														
<ul style="list-style-type: none"> <li>• Biodiesel and renewable diesel credit</li> <li>• Child and dependent care</li> <li>• Coal and clean coal incentives</li> <li>• Education tuition</li> <li>• Employer's GED incentive</li> <li>• Employer's unemployment</li> <li>• Energy efficiency products</li> <li>• Environmental stewardship</li> <li>• Ethanol and cellulosic ethanol</li> <li>• Family size</li> </ul>	<ul style="list-style-type: none"> <li>• Historic preservation restoration</li> <li>• Income taxes paid to other states</li> <li>• Kentucky National Guard members</li> <li>• Kentucky investment fund</li> <li>• Limited liability entity</li> <li>• New home</li> <li>• Qualified research facility</li> <li>• Recycling and/or composting equipment</li> <li>• Skills training investment</li> <li>• Voluntary environmental remediation</li> </ul>	<ul style="list-style-type: none"> <li>• Breast cancer research and education trust fund</li> <li>• Child victim's trust fund</li> <li>• Nature and wildlife fund</li> <li>• Political party fund</li> <li>• Veterans' program trust fund</li> </ul>														
		OTHER TAXES														
		<ul style="list-style-type: none"> <li>• Use tax</li> </ul>														

# LOUISIANA

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS															
<u>Major Differences from Federal Law</u>																	
Interest/Dividend .....	Exempts U.S. government bonds.	<p><b>Standard:</b>                      Single/Married-S.....\$4,500                      Married-J/HH.....9,000</p> <p>Combined standard deduction and personal exemption amounts, which are built into tax tables.</p> <p><b>Itemized:</b>                      In addition to the state standard deduction, taxpayers who itemize deductions for federal tax purposes may deduct the excess of federal itemized deductions over the federal standard deduction.</p>															
Business/Rent/Farm.....	Same as federal.																
Capital Gains & Losses.....	Same as federal.																
Pension/Retirement Income																	
--Private.....	\$6,000/person exclusion for those 65 and over with retirement income.																
--Public .....	Certain benefits from Louisiana retirement systems are exempt. For others, same exclusions as private pensions.																
--U.S. Civil Service.....	Exempt.																
--Military.....	Exempt.																
Active Duty Military.....	Federal exemptions and up to \$30,000 excluded for service outside Louisiana under certain conditions.																
Unemployment Compensation .....	Same as federal.																
Social Security Benefits.....	Exempt.																
State/Municipal Bond Interest .....	Taxable except Louisiana obligations.																
Health Savings Accounts.....	Same as federal.																
Miscellaneous																	
Disability Income.....	\$6,000/person exclusion for permanent total disability.																
Lottery Winnings.....	Same as federal.																
Federal Income Taxes .....	Deductible.																
Other.....	Exclusion for shareholder income from a bank organized as an S corporation. Deductions for the following: deposits to the student tuition assistance revenue trust (START program); amounts claimed for certain federal disaster relief credits; up to \$5,000 for retrofitting certain residential structures; educational expenses related to qualified dependents who are home-schooled or enrolled in private or public elementary and secondary schools; and \$500 for volunteers in recreation departments and for volunteer firefighters.																
TAX RATES AND BRACKETS		EXEMPTIONS															
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Taxable Income Brackets		Marginal															
Single/MS/HH	Married-J	Tax Rates															
\$0 - \$12,500	\$0 - \$25,000	2%															
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50,001 and over	100,001 and over	6															
TAX CREDITS	TAX CREDITS (cont.)	TAX CREDITS (cont.)															
<ul style="list-style-type: none"> <li>• Bone marrow</li> <li>• Business support: Atchafalaya Trace and Cane River heritage area cottage industries; digital interactive media; manufacturing establishments; mentor-protégé (businesses mentoring business connections); milk producers; prison industry enhancement; retention and modernization expenses; small town doctor/dentist; utility refunds.</li> <li>• Child care</li> <li>• Contributions to educational institutions</li> <li>• Disabilities</li> <li>• Donations for education and training</li> <li>• Earned income</li> <li>• Economic development, investment, and research: angel investor; biomed/university research; brownfield investor; businesses in economically distressed areas; capital company investment; debt issuance fees paid; dedicated research fund donations; enterprise zone; community economic development; new markets; Ports of Louisiana investor and import-export cargo; research and development (2); technology commercialization; urban revitalization.</li> <li>• Education</li> </ul>	<ul style="list-style-type: none"> <li>• Employment-related credits: apprenticeship; basic skills training; eligible re-entrants from incarceration; employment-related expenses for household with disabled dependents; motion picture employment of resident; new jobs; previously unemployed.</li> <li>• Family responsibility programs</li> <li>• Film-related credits: motion picture investment; musical and theatrical productions.</li> <li>• Historic residential/historic structures</li> <li>• Hunting and fishing license fees for military</li> <li>• Income taxes paid to other states</li> <li>• LA citizens property insurance assessments</li> <li>• Law enforcement issues: bulletproof vest; first time drug offenders; law enforcement education; nonviolent offenders.</li> <li>• Neighborhood assistance</li> <li>• Organ donation</li> <li>• Partial federal credits (elderly, foreign tax, investment tax, residential energy, and jobs)</li> <li>• Qualified playgrounds</li> <li>• Recycling</li> </ul>	<ul style="list-style-type: none"> <li>• School readiness (5)</li> <li>• Sugar cane trailer</li> <li>• Taxes on business, including: ad valorem natural gas; ad valorem offshore vessels; commercial fishing gas and fuels taxes; insurance premiums; inventory tax; tax equalization; telephone company property.</li> <li>• Vehicle conversion to alternative fuel</li> <li>• Wind and solar energy systems</li> </ul>															
		CONTRIBUTION/CHECK-OFF															
		<ul style="list-style-type: none"> <li>• Coastal protection and restoration</li> <li>• Community based primary health care fund</li> <li>• Animal welfare commission</li> <li>• Military family assistance fund</li> <li>• National lung cancer partnership</li> <li>• Prostate cancer trust fund</li> <li>• START program</li> <li>• Wildlife habitat/national heritage trust</li> </ul>															
		OTHER TAXES															
		<ul style="list-style-type: none"> <li>• Use tax</li> </ul>															

# MAINE

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																								
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.            Business/Rent/Farm.....Same as federal.            Capital Gains &amp; Losses.....Same as federal except earnings from fishing operations contributed to a capital conservation fund and income from the Northern Maine Transmission Corp., and certain other gains, are exempt.            Pension/Retirement Income.....Exclude:              --Private.....Up to \$6,000, less social security and railroad retirement benefits.              --Public.....Up to \$6,000, less social security and railroad retirement benefits.              --U.S. Civil Service.....Up to \$6,000, less social security and railroad retirement benefits.              --Military.....Up to \$6,000.            Active Duty Military.....Same as federal.            Unemployment Compensation.....Taxable.            Social Security Benefits.....Exempt.            State/Municipal Bond Interest.....Taxable except Maine obligations.            Health Savings Accounts.....Same as federal.            Miscellaneous              Disability Income.....Same as federal.              Lottery Winnings.....Same as federal.              Federal Income Taxes.....Not deductible.              Other.....Deduct premiums for long-term care insurance, up to \$250 of contributions to qualified state tuition programs, withdrawals from family development (low-income) accounts, and amounts equal to federal work opportunity and empowerment zone tax credits. Contributions to state retirement system are taxable. Federal deductions for tuition and fees and domestic production activities do not apply.</p>		<p><b>Standard:</b>            Single .....\$5,700            Married-S .....4,750            Married-J .....9,500            Head-of-Household .....8,350</p> <p>Additional deduction/qualifying condition for age 65 or over or blind:            Single/HH .....\$1,400            Married.....1,100/person</p> <p><b>Itemized:</b>            Federal itemized deductions.</p> <p><b>Major Differences from Federal Law:</b>  <u>Taxes:</u> State income and sales taxes not deductible.  <u>Miscellaneous:</u> Mortgage insurance premiums not deductible. Adjustment for expenses incurred in the production of Maine income and Maine exempt income, amounts claimed for the family development account credit, and amounts attributable to income from an ownership interest in a flow-through entity financial institution.</p>																								
TAX RATES AND BRACKETS		EXEMPTIONS																								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal</th> </tr> <tr> <th style="text-align: center;">Single/Married-S</th> <th style="text-align: center;">Married-Joint</th> <th style="text-align: center;">Head-of-Household</th> <th style="text-align: center;">Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$5,049</td> <td style="text-align: center;">\$0 - \$10,149</td> <td style="text-align: center;">\$0 - \$7,599</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">5,050 - 10,049</td> <td style="text-align: center;">10,150 - 20,149</td> <td style="text-align: center;">7,600 - 15,099</td> <td style="text-align: center;">4.5</td> </tr> <tr> <td style="text-align: center;">10,050 - 20,149</td> <td style="text-align: center;">20,150 - 40,349</td> <td style="text-align: center;">15,100 - 30,249</td> <td style="text-align: center;">7.0</td> </tr> <tr> <td style="text-align: center;">20,150 and over</td> <td style="text-align: center;">40,350 and over</td> <td style="text-align: center;">30,250 and over</td> <td style="text-align: center;">8.5</td> </tr> </tbody> </table>		Taxable Income Brackets			Marginal	Single/Married-S	Married-Joint	Head-of-Household	Tax Rates	\$0 - \$5,049	\$0 - \$10,149	\$0 - \$7,599	2.0%	5,050 - 10,049	10,150 - 20,149	7,600 - 15,099	4.5	10,050 - 20,149	20,150 - 40,349	15,100 - 30,249	7.0	20,150 and over	40,350 and over	30,250 and over	8.5	<p>Each federal exemption .....\$2,850</p>
Taxable Income Brackets			Marginal																							
Single/Married-S	Married-Joint	Head-of-Household	Tax Rates																							
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																								
<ul style="list-style-type: none"> <li>• Biofuel production</li> <li>• Child and dependent care</li> <li>• Earned income tax credit</li> <li>• Educational opportunity</li> <li>• Elderly</li> <li>• Employer-assisted day care</li> <li>• Employer-provided dependent health benefits</li> <li>• Employer-provided long-term care benefits</li> <li>• Family development account</li> <li>• Forest management planning</li> <li>• Historic rehabilitation</li> <li>• Income tax paid to other jurisdictions</li> <li>• Jobs and investment</li> <li>• Investment, research, and technology credits</li> <li>• Low-income</li> <li>• Maine minimum tax</li> <li>• Media production</li> <li>• Pine Tree development zone</li> <li>• Pollution control boilers</li> <li>• Quality childcare investment</li> </ul>	<ul style="list-style-type: none"> <li>• Nonresident credit including "safe harbor" for certain residents spending significant time out-of-state</li> <li>• Seed capital</li> </ul>	<ul style="list-style-type: none"> <li>• Asthma and lung disease</li> <li>• Bone marrow screening</li> <li>• Children's Trust</li> <li>• Clean election fund</li> <li>• Companion animal sterilization</li> <li>• Endangered and nongame wildlife fund</li> <li>• Military family relief</li> <li>• Political parties (3)</li> <li>• Veterans Memorial Cemetery maintenance</li> </ul>																								
		OTHER TAXES																								
		<ul style="list-style-type: none"> <li>• Early distribution from retirement plans.</li> <li>• Minimum tax</li> <li>• Use tax</li> </ul>																								



# MASSACHUSETTS

Filing System: Joint/Same-Sex Married Couple\*

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds. Exclusion for interest from state banks (Single--\$100/Married-J--\$200).</p> <p>Business/Rent/Farm .....State schedules also provided.</p> <p>Capital Gains &amp; Losses .....Own (see "Tax Rates and Brackets" below).</p> <p>Pension/Retirement Income</p> <p>--Private .....Same as federal.</p> <p>--Public.....Payments from a contributory plan are exempt.</p> <p>--U.S. Civil Service .....Payments from a contributory plan are exempt.</p> <p>--Military.....Exempt.</p> <p>Active Duty Military .....Same as federal.</p> <p>Unemployment Compensation...Taxable.</p> <p>Social Security Benefits .....Exempt.</p> <p>State/Municipal Bond Interest....Taxable except Massachusetts obligations.</p> <p>Health Savings Accounts.....Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income .....Disability income related to terrorist or military action is exempt.</p> <p>Lottery Winnings.....Taxable.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other .....Deductions for either: (a) up to \$4,800 of care expenses [up to \$9,600 for two or more qualifying individuals] for a child under age 13 or disabled dependent/spouse; or (b) \$3,600 for a dependent household member under age 12 or 65 or older [up to \$7,200 for two or more dependents]. In addition, deductions for the following: (a) 50% of rent -- maximum deduction \$3,000 (MS -- \$1,500); (b) amounts paid for social security, Medicare, railroad, federal and state retirement systems up to \$2,000/person; (c) tuition and fees deduction; (d) certain income of firefighters or police officers; (e) employee business expenses; (f) moving expenses allowed as federal itemized deductions; and (g) certain income and payments related to terrorism. The following federal exemptions are not allowed: (a) one-half of self-employment tax; (b) contributions to self-employed retirement plans or individual retirement accounts; (c) certain amounts from stock bonus and profit sharing plans; (d) educator expenses; (e) federal tuition deduction; (f) attorney fees for whistleblower awards; and (g) state legislators' travel away from home .</p>		<p><b>Standard:</b> None</p> <p><b>Itemized:</b> State deductions for all taxpayers, as described under "Tax Base."</p>
TAX RATES AND BRACKETS		EXEMPTIONS
<p>The following types of income, minus deductions and exemptions, are taxed at 5.3%: earned income, interest from MA banks, royalties, trust income, pensions and annuities, alimony, rental income, unemployment compensation, taxable IRA/Keogh distributions, and other income such as gambling winnings and fees. Also taxed at 5.3% is interest income (other than interest from deposits in banks located in MA) and dividend income (if not in excess of \$1,500) less certain excess deductions from a trade or business not used to offset other 5.3% taxable income.</p> <p>Short-term capital gains (net of capital losses) and capital gains from collectibles and pre-'96 installment sales (less certain excess deductions from a trade or business and 50% of long-term capital gains from collectibles and pre-'96 installment sales) are taxed at 12%. Other long-term capital gains (less remaining excess deductions and long-term capital gains) are taxed at 5.3%.</p> <p>No income tax is imposed if Massachusetts adjusted gross income is equal to or less than \$8,000 for single, \$16,400 for married-joint, or \$14,400 for head-of-household taxpayers (plus \$1,000/dependent). Deductions, other than certain deductions for a trade or business, cannot generally be used to offset income from interest, dividends, or capital gains.</p>		<p>Single/Married-S ..... \$4,400</p> <p>Head-of-Household..... 6,800</p> <p>Married-J ..... 8,800</p> <p>Dependent..... 1,000</p> <p>Age 65 or over..... 700</p> <p>Blind ..... 2,200</p> <p>Exemption for adoption fees and medical expenses claimed on federal Schedule A.</p>
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/ CHECK-OFF
<ul style="list-style-type: none"> <li>• Brownfields</li> <li>• Dairy</li> <li>• Earned income tax credit</li> <li>• Economic opportunity area</li> <li>• Film incentive</li> <li>• Full employment</li> <li>• Historic rehabilitation</li> <li>• Income tax paid to another state or jurisdiction</li> <li>• Lead paint</li> </ul>	<ul style="list-style-type: none"> <li>• Limited income</li> <li>• Low-income housing</li> <li>• Medical devices</li> <li>• Refundable film</li> <li>• Senior circuit breaker (property tax/rent)</li> <li>• Septic</li> <li>• Solar and wind energy</li> </ul>	<ul style="list-style-type: none"> <li>• Election campaign fund</li> <li>• Endangered wildlife conservation</li> <li>• Massachusetts AIDS fund</li> <li>• Military family relief fund</li> <li>• Organ transplant</li> <li>• U.S. Olympic fund</li> </ul>
		OTHER TAXES
		<ul style="list-style-type: none"> <li>• Health care penalty</li> <li>• Use tax</li> </ul>

\* Same-sex married couples are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# MICHIGAN

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds. Persons age 65 or over may deduct up to \$10,058/person in interest, dividends, and capital gains.</p> <p>Business/Rent/Farm ..... Same as federal. Michigan allocation and apportionment provisions.</p> <p>Capital Gains &amp; Losses ..... See "Interest/Dividend" above.</p> <p>Pension/Retirement Income</p> <p>--Private ..... Exempt up to \$45,120 if single; \$90,240 if married-joint.</p> <p>--Public ..... Exempt.</p> <p>--U.S. Civil Service ..... Exempt.</p> <p>--Military..... Exempt.</p> <p>Active Duty Military ..... Exempt.</p> <p>Unemployment Compensation..... Same as federal.</p> <p>Social Security Benefits ..... Exempt.</p> <p>State/Municipal Bond Interest..... Taxable except for Michigan obligations.</p> <p>Health Savings Accounts..... Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income ..... Same as federal.</p> <p>Lottery Winnings ..... Regulated Michigan bingo, raffle and charity games winnings exempt. Lottery winnings are taxable.</p> <p>Federal Income Taxes..... Not deductible.</p> <p>Other ..... Deductions for elderly and disabled (based on federal credit), amounts claimed for federal work opportunities, clinical testing, and research credits, income of residents of a renaissance zone, political contributions, education trust contracts, contributions to a Michigan education savings program, income from Michigan gas and oil interests, IRA distributions used to pay qualified higher education expenses, taxable pension distributions donated to charity, and benefits from a discriminatory self-insured medical expense reimbursement plan. No deduction for self-employment tax from federal return.</p>		<p><b>Standard:</b> None</p> <p><b>Itemized:</b> None</p>
TAX RATES AND BRACKETS		EXEMPTIONS
4.35% of taxable income.		<p>Each federal exemption ..... \$3,600</p> <p>Disabled/Blind/Deaf..... 2,300</p> <p>Age 65 or over ..... 2,300</p> <p>Additional dependent exemption:</p> <p>Age 18 and under..... 600</p> <p>Disabled veteran ..... 300</p> <p>Unemployment Compensation &gt; 50% of AGI..... 2,300</p>
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES
<ul style="list-style-type: none"> <li>• College tuition and fees</li> <li>• Community foundations</li> <li>• Earned income</li> <li>• Energy cost recovery surcharge</li> <li>• Energy efficient qualified home improvement</li> <li>• Farmland preservation</li> <li>• Historic preservation (2)</li> <li>• Homeless shelter/food bank</li> <li>• Income tax paid to another state</li> <li>• Income tax paid to Michigan cities</li> <li>• Individual or family development account</li> <li>• Property tax and rent</li> <li>• Public contributions</li> <li>• Qualified adoption expenses</li> <li>• Stillbirth</li> <li>• Vehicle donation</li> </ul>	<ul style="list-style-type: none"> <li>• Amanda's fund for breast cancer prevention and treatment</li> <li>• Animal welfare</li> <li>• Children's hospital of Michigan</li> <li>• Children's miracle network</li> <li>• Children of veterans tuition grant program</li> <li>• Children's trust</li> <li>• Council for the arts</li> <li>• Foster care trust</li> <li>• Housing and community development</li> <li>• Law enforcement officers memorial monument</li> <li>• Military family relief</li> <li>• Prostate cancer research</li> <li>• Renewable fuels</li> <li>• State campaign</li> <li>• United way</li> </ul>	<ul style="list-style-type: none"> <li>• Use tax</li> </ul>

# MINNESOTA

Filing System: Joint

TAX BASE: FEDERAL TAXABLE INCOME				DEDUCTIONS																									
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.</p> <p>Business/Rent/Farm .....Sale of farm property is exempt if insolvent at time of sale.</p> <p>Capital Gains &amp; Losses .....Same as federal, except for farm property (see above).</p> <p>Pension/Retirement Income</p> <p>--Private .....Same as federal.</p> <p>--Public.....Same as federal.</p> <p>--U.S. Civil Service .....Same as federal.</p> <p>--Military.....Same as federal.</p> <p>Active Duty Military .....Federal exclusions and subtraction for additional active duty pay.</p> <p>Unemployment Compensation.....Taxable.</p> <p>Social Security Benefits .....Same as federal.</p> <p>State/Municipal Bond Interest.....Taxable except Minnesota obligations.</p> <p>Health Savings Accounts.....Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income .....Same as federal.</p> <p>Lottery Winnings.....Same as federal.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other .....Deductions for lower-income elderly or disabled, qualifying K-12 school expenses, 50% of charitable contributions over \$500 for non-itemizers, compensation to National Guard members and reservists for active service and training in Minnesota, qualified organ donor expenses, AmeriCorps post-service education awards, taxes to a sub-national level of a foreign country other than Canada, and certain income from investments or business operations in a job opportunity building zone. No deduction for domestic production activities, federal subsidies received by employers for providing prescription drug coverage for retirees, college tuition and fees, or teacher classroom expenses.</p>				<p><b>Standard:</b> Same as federal.</p> <p><b>Itemized:</b> Same as federal.</p> <p><b>Major Differences from Federal Law:</b> <u>Taxes:</u> State income taxes and state and local sales taxes not deductible. This includes additions to the federal standard deduction for real estate taxes and motor vehicle sales taxes.</p>																									
TAX RATES AND BRACKETS				EXEMPTIONS																									
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal</th> </tr> <tr> <th style="text-align: center;">Single</th> <th style="text-align: center;">Married-J</th> <th style="text-align: center;">Married-S</th> <th style="text-align: center;">Head-of-Household</th> <th style="text-align: center;">Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$22,730</td> <td style="text-align: center;">\$0 - \$33,220</td> <td style="text-align: center;">\$0 - \$16,610</td> <td style="text-align: center;">\$0 - \$27,980</td> <td style="text-align: center;">5.35%</td> </tr> <tr> <td style="text-align: center;">22,731 - 74,650</td> <td style="text-align: center;">33,221 - 131,970</td> <td style="text-align: center;">16,611 - 65,990</td> <td style="text-align: center;">27,981 - 112,420</td> <td style="text-align: center;">7.05</td> </tr> <tr> <td style="text-align: center;">74,651 and over</td> <td style="text-align: center;">131,971 and over</td> <td style="text-align: center;">65,991 and over</td> <td style="text-align: center;">112,421 and over</td> <td style="text-align: center;">7.85</td> </tr> </tbody> </table>				Taxable Income Brackets				Marginal	Single	Married-J	Married-S	Head-of-Household	Tax Rates	\$0 - \$22,730	\$0 - \$33,220	\$0 - \$16,610	\$0 - \$27,980	5.35%	22,731 - 74,650	33,221 - 131,970	16,611 - 65,990	27,981 - 112,420	7.05	74,651 and over	131,971 and over	65,991 and over	112,421 and over	7.85	<p>Same as federal</p>
Taxable Income Brackets				Marginal																									
Single	Married-J	Married-S	Head-of-Household	Tax Rates																									
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22,731 - 74,650	33,221 - 131,970	16,611 - 65,990	27,981 - 112,420	7.05																									
74,651 and over	131,971 and over	65,991 and over	112,421 and over	7.85																									
TAX CREDITS		CONTRIBUTION/CHECK-OFF		OTHER TAXES																									
<ul style="list-style-type: none"> <li>• Alternative minimum tax credit</li> <li>• Cattle tuberculosis testing</li> <li>• Child and dependent care</li> <li>• Combat zone credit</li> <li>• Employer transit pass</li> <li>• Income taxes paid to another state</li> <li>• Job opportunity building zone (jobs credit)</li> <li>• K-12 education expenses</li> <li>• Long-term care insurance</li> <li>• Lower income motor fuels tax</li> <li>• Marriage credit</li> <li>• New participants in a sec. 125 health insurance plan</li> <li>• Past military service</li> <li>• SEED capital investment</li> <li>• Working family (based on federal EITC)</li> </ul>		<ul style="list-style-type: none"> <li>• Nongame wildlife fund</li> <li>• State elections campaign fund</li> </ul>		<ul style="list-style-type: none"> <li>• Alternative minimum tax</li> </ul>																									

# MISSISSIPPI

Filing System: Joint/Combined

TAX BASE: STATE ADJUSTED GROSS INCOME		DEDUCTIONS								
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm .....Same as federal. Capital Gains & Losses .....Same as federal. Pension/Retirement Income* --Private .....Exempt. --Public.....Exempt. --U.S. Civil Service .....Exempt. --Military.....Exempt. Active Duty Military .....CZE and exempt up to \$15,000 in National Guard and Reserve pay. Unemployment Compensation.....Taxable. Social Security Benefits .....Exempt. State/Municipal Bond Interest.....Taxable except Mississippi obligations. Health Savings Accounts.....Same as federal. Miscellaneous Disability Income .....Same as federal. Lottery Winnings .....Mississippi gambling income is exempt. Federal Income Taxes.....Not deductible. Other .....Deduction for prepaid tuition contracts and qualified college savings programs and interest penalties charged for early withdrawal of savings.  *Early or excess distributions of pensions, annuities, and deferred compensation plans are taxable.		<p><b>Standard:</b>                      Single/Married-S.....\$2,300                      Head-of-Household .....3,400                      Married-J .....4,600</p> <p><b>Itemized:</b>                      Federal itemized deductions.</p> <p><b>Major Difference From Federal Law:</b>  <u>Taxes.</u> State income taxes and sales taxes not deductible.  <u>Other:</u> Business deduction and gambling losses are not deductible.</p>								
TAX RATES AND BRACKETS		EXEMPTIONS								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$5,000</td> <td style="text-align: center;">3%</td> </tr> <tr> <td style="text-align: center;">5,001 - 10,000</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="text-align: center;">10,001 and over</td> <td style="text-align: center;">5</td> </tr> </tbody> </table>		Taxable Income Brackets	Marginal Tax Rates	\$0 - \$5,000	3%	5,001 - 10,000	4	10,001 and over	5	Married-J ..... \$12,000 Head-of-Household ..... 8,000 Single/Married-S..... 6,000 Dependent..... 1,500 Blind..... 1,500 Age 65 or over ..... 1,500
Taxable Income Brackets	Marginal Tax Rates									
\$0 - \$5,000	3%									
5,001 - 10,000	4									
10,001 and over	5									
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF								
<ul style="list-style-type: none"> <li>• Airport cargo charges</li> <li>• Alternative energy producer jobs credit</li> <li>• Bank share</li> <li>• Basic skills or training</li> <li>• Biomass energy investment</li> <li>• Broadband technology</li> <li>• Brownfields</li> <li>• Business ad valorem inventory tax credit</li> <li>• Business child/dependent care</li> <li>• Child adoption</li> <li>• Debt service for Mississippi Business Finance Corporation industrial revenue bonds</li> <li>• Finance company privilege tax</li> <li>• Financial institution jobs</li> <li>• Gambling license fee</li> </ul>	<ul style="list-style-type: none"> <li>• Guaranty</li> <li>• Historic structure rehabilitation</li> <li>• Import/export port charges</li> <li>• Income tax paid to another state</li> <li>• Job development assessment fee</li> <li>• Jobs</li> <li>• Land donation</li> <li>• Long-term care premiums</li> <li>• Manufacturer's investment</li> <li>• Motion picture incentive</li> <li>• National / regional headquarters</li> <li>• New markets</li> <li>• Premium retaliatory tax</li> <li>• Reforestation</li> <li>• Research and development skills</li> </ul>	<ul style="list-style-type: none"> <li>• Bicentennial celebration fund</li> <li>• Burn care fund</li> <li>• Commission for volunteer service</li> <li>• Educational trust fund</li> <li>• Military family relief fund</li> <li>• Wildlife fisheries and parks foundation</li> <li>• Wildlife heritage fund</li> </ul>								
		OTHER TAXES								
		None								

# MISSOURI

## Filing System: Combined

TAX BASE: FEDERAL ADJUSTED GROSS INCOME				DEDUCTIONS
<u>Major Differences from Federal Law</u>				<b>Standard:</b> Same as federal.  <b>Itemized:</b> Federal itemized deductions.  <b>Major Differences from Federal Law:</b> <u>Taxes:</u> State and local income taxes are not deductible as a portion of the individual's itemized deductions. State deduction for FICA taxes, railroad retirement taxes, half of self-employment tax, and city earnings tax. <u>Charitable:</u> Deduction for cultural contributions.
Interest/Dividend.....	Exempts U.S. government bonds.			
Business/Rent/Farm .....	Same as federal.			
Capital Gains & Losses .....	25% exclusion for certain sales of low-income housing.			
Pension/Retirement Income				
--Private .....	Exclude up to \$6,000, subject to certain limits.			
--Public.....	Exclude greater of 50% or \$6,000, subject to certain limits.			
--U.S. Civil Service .....	Included in calculation of exclusion for public pension.			
--Military.....	Included in calculation of exclusion for public pension.			
Active Duty Military .....	All income earned in a combat zone is exempt.			
Unemployment Compensation.....	Same as federal.			
Social Security Benefits .....	Up to 50% of federally taxable benefits are exempt, subject to AGI limits.			
State/Municipal Bond Interest.....	Taxable except Missouri obligations and interest on Build America and Recovery Zone bonds.			
Health Savings Accounts.....	Same as federal.			
Miscellaneous				
Disability Income .....	Same as federal.			
Lottery Winnings.....	Same as federal.			
Federal Income Taxes.....	Up to \$5,000 is deductible (\$10,000 if combined return)			
Other .....	Deductions for: long-term care and qualified health insurance premiums; contributions to a qualified health care sharing ministry; contributions to, and qualified withdrawals from, family development and individual medical accounts; certain business income from an enterprise zone; and annual contributions to qualified college savings plans.			
TAX RATES AND BRACKETS				EXEMPTIONS
Taxable Income Brackets	Marginal Tax Rates	Taxable Income Brackets	Marginal Tax Rates	Single..... \$2,100
\$0 - \$1,000	1.5%	\$5,001 - \$6,000	4.0%	Married-Combined..... 4,200
1,001 - 2,000	2.0	6,001 - 7,000	4.5	Married-Separate ..... 2,100
2,001 - 3,000	2.5	7,001 - 8,000	5.0	Married-Separate, Spouse Not Filing ..... 4,200
3,001 - 4,000	3.0	8,001 - 9,000	5.5	Head-of-Household..... 3,500
4,001 - 5,000	3.5	9,001 and over	6.0	Dependent under 65..... 1,200
				Dependent age 65 or over..... 2,200
TAX CREDITS		TAX CREDITS (cont.)		OTHER TAXES
<ul style="list-style-type: none"> <li>• Affordable housing assistance</li> <li>• Business/economic development credits: agricultural product utilization contributor; bank tax; bank franchise tax; bond enhancement; brownfield jobs and investment; business use incentives for large scale development; charcoal producers; community bank investment; demolition; development reserve; development tax; distressed area land assemblage; dry fire hydrant; enterprise zone; export finance; family development account; film production; infrastructure development; neighborhood assistance; new enterprise creation; new generation cooperative incentive; new market; new or expanded business facility; processed wood energy; qualified beef; qualified research expense; quality jobs; rebuilding communities and neighborhood preservation; seed capital; small business incubator, investment, and guaranty fees; transportation development; and wine and grape production</li> </ul>		<ul style="list-style-type: none"> <li>• Alternative fuel infrastructure</li> <li>• Children in crisis</li> <li>• Disabled access</li> <li>• Family farms</li> <li>• Food pantry</li> <li>• Health care access</li> <li>• Historic preservation</li> <li>• Income taxes paid to other states</li> <li>• Low-income housing</li> <li>• Maternity home</li> <li>• Pregnancy resource</li> <li>• Property tax</li> <li>• Public safety officer surviving spouse</li> <li>• Residential dwelling accessibility</li> <li>• Residential treatment agency</li> <li>• Self-employed health insurance</li> <li>• Shared care for the elderly</li> <li>• Shelter for victims of domestic violence</li> <li>• Special needs adoption</li> <li>• Sponsorship and mentoring program</li> <li>• Youth opportunities</li> </ul>		<ul style="list-style-type: none"> <li>• Recapture tax on low-income housing credit.</li> <li>• Tax on lump sum distributions.</li> </ul>
				<b>CONTRIBUTION/CHECK-OFF</b>
				<ul style="list-style-type: none"> <li>• American Cancer Society</li> <li>• American Diabetes Association</li> <li>• American Heart Association</li> <li>• American Lung Association</li> <li>• Amyotrophic lateral sclerosis fund</li> <li>• Arthritis Foundation</li> <li>• Cervical cancer prevention</li> <li>• Children's trust fund</li> <li>• Childhood lead testing fund</li> <li>• Elderly home delivered meals trust fund</li> <li>• General revenue</li> <li>• March of Dimes</li> <li>• Military family relief fund</li> <li>• Muscular Dystrophy Association</li> <li>• National Guard trust fund</li> <li>• National Multiple Sclerosis Society</li> <li>• Veterans' trust fund</li> <li>• Workers' memorial</li> </ul>

# MONTANA

## Filing System: Joint/Combined

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																			
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds and dividends from certain small business investment companies. Interest exclusion of \$800 per person if 65 or over. For married-joint filers, the maximum exclusion is \$1,600, even if only one spouse is 65 or older.</p> <p>Business/Rent/Farm ..... Deduction for certain land sales to beginning farmers. State net operating loss calculation.</p> <p>Capital Gains &amp; Losses ..... 40% exclusion for installment sales entered into before 1987. Gains from certain small business investment companies are exempt.</p> <p>Pension/Retirement Income</p> <p>--Private ..... Up to \$3,600/retiree exempt if income is below \$30,000*.</p> <p>--Public..... Up to \$3,600/retiree exempt if income is below \$30,000*.</p> <p>--U.S. Civil Service ..... Up to \$3,600/retiree exempt if income is below \$30,000*.</p> <p>--Military..... Up to \$3,600/retiree exempt if income is below \$30,000*.</p> <p>Active Duty Military ..... Exempt.</p> <p>Unemployment Compensation..... Exempt.</p> <p>Social Security Benefits ..... Separate state calculation of taxable amount.</p> <p>State/Municipal Bond Interest..... Taxable except Montana obligations.</p> <p>Health Savings Accounts..... Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income ..... Up to \$5,200 excluded.</p> <p>Lottery Winnings ..... Taxable.</p> <p>Federal Income Taxes..... Up to \$5,000 (\$10,000 M-J) deductible as itemized deduction.</p> <p>Other ..... Tip income excluded. Exemptions for deposits to, and earnings on, MSAs, family education savings accounts, and first-time home buyers savings accounts. Subtractions for: health care professional student loan payments; dependent's unearned income included in parent's federal AGI; deposits to farm and ranch risk management accounts; certain reimbursements received by National Guard members and reservists for life insurance premiums; and wages used for federal targeted jobs tax credit.</p> <p>*Partial exclusions are phased out between income of \$30,000 and \$31,800 (\$33,600 M-J).</p>		<p><b>Standard:</b> 20% of Montana AGI.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">Minimum</th> <th style="text-align: center; border-bottom: 1px solid black;">Maximum</th> </tr> </thead> <tbody> <tr> <td>Single/</td> <td></td> <td></td> </tr> <tr> <td>Married-S</td> <td style="text-align: center;">\$1,750</td> <td style="text-align: center;">\$3,950</td> </tr> <tr> <td>Married-J/HH</td> <td style="text-align: center;">3,500</td> <td style="text-align: center;">7,900</td> </tr> </tbody> </table> <p><b>Itemized:</b> Same as federal.</p> <p><b>Major Differences from Federal Law:</b> <u>Medical Expenses:</u> Deduct 100% of insurance premiums, including long-term care insurance. <u>Taxes:</u> State income taxes are not deductible. Motor vehicle taxes and fees are deductible. Federal income taxes are deductible (the deduction is not subject to phase-out for higher-income taxpayers). State and local sales taxes are deductible if the taxpayer deducted them for federal purposes or claimed the federal standard deduction. <u>Other:</u> Child and dependent care expenses and up to \$100 (\$200 for married-joint filers) for political contributions.</p>			Minimum	Maximum	Single/			Married-S	\$1,750	\$3,950	Married-J/HH	3,500	7,900						
	Minimum	Maximum																			
Single/																					
Married-S	\$1,750	\$3,950																			
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TAX RATES AND BRACKETS		EXEMPTIONS																			
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$2,600</td> <td style="text-align: center;">1%</td> </tr> <tr> <td style="text-align: center;">2,601 - 4,500</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="text-align: center;">4,501 - 6,900</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: center;">6,901 - 9,300</td> <td style="text-align: center;">4</td> </tr> </tbody> </table>	Taxable Income Brackets	Marginal Tax Rates	\$0 - \$2,600	1%	2,601 - 4,500	2	4,501 - 6,900	3	6,901 - 9,300	4	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$9,301 - \$12,000</td> <td style="text-align: center;">5%</td> </tr> <tr> <td style="text-align: center;">12,001 - 15,400</td> <td style="text-align: center;">6</td> </tr> <tr> <td style="text-align: center;">15,401 and over</td> <td style="text-align: center;">6.9</td> </tr> </tbody> </table>	Taxable Income Brackets	Marginal Tax Rates	\$9,301 - \$12,000	5%	12,001 - 15,400	6	15,401 and over	6.9	<p>Single/HH/Married-S ..... \$2,110</p> <p>Married-J ..... 4,220</p> <p>Blind..... 2,110</p> <p>Dependent ..... 2,110</p> <p>Disabled Dependent ..... 2,110</p> <p>Age 65 or over ..... 2,110</p>	
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																			
<ul style="list-style-type: none"> <li>• Adoption</li> <li>• Alternative energy production</li> <li>• Alternative energy systems</li> <li>• Alternative fuel</li> <li>• Biodiesel blending and storage</li> <li>• Capital gains (2% of net gains)</li> <li>• College contribution</li> <li>• Contractor's gross receipts</li> <li>• Dependent care assistance</li> <li>• Developmental disability account contributions</li> <li>• Elderly care</li> <li>• Elderly homeowner or renter</li> <li>• Empowerment zone</li> <li>• Endowment gifts</li> </ul>	<ul style="list-style-type: none"> <li>• Energy conservation installations</li> <li>• Film employment production and qualified expenditures</li> <li>• Geothermal systems</li> <li>• Health insurance for uninsured</li> <li>• Historic property preservation</li> <li>• Income taxes paid to other states/countries</li> <li>• Infrastructure users fee</li> <li>• Mineral exploration incentive</li> <li>• Oilseed crushing and biodiesel/biolubricant production</li> <li>• Recycling</li> <li>• Research</li> <li>• Rural physicians</li> <li>• Small business health insurance</li> <li>• Temporary emergency lodging</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture in Montana schools</li> <li>• Child abuse prevention</li> <li>• Montana military family relief</li> <li>• Nongame wildlife program</li> </ul>																			
		OTHER TAXES																			
		<p>Recapture tax or penalty on: early or non-qualified withdrawals from family education savings accounts, MSA, first-time home buyers accounts, and farm and ranch risk accounts; returned gifts previously used to claim endowment credit; certain amounts based on lack of compliance with previously claimed rural physicians credits; and biodiesel, biolubricant, or oilseed credits previously claimed by taxpayers who have ceased operations</p>																			

# NEBRASKA

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																														
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government obligations and extraordinary dividends from qualified corporations.</p> <p>Business/Rent/Farm .....Same as federal.</p> <p>Capital Gains &amp; Losses .....Deduction for special capital gains from stock sales by Nebraska residents who are employees of qualified corporations doing business in Nebraska.</p> <p>Pension/Retirement Income</p> <p>--Private .....Same as federal.</p> <p>--Public.....Same as federal.</p> <p>--U.S. Civil Service .....Same as federal.</p> <p>--Military.....Same as federal.</p> <p>Active Duty Military .....Same as federal.</p> <p>Unemployment Compensation.....Same as federal.</p> <p>Social Security Benefits .....Same as federal.</p> <p>State/Municipal Bond Interest.....Taxable except Nebraska or its subdivisions' obligations, including Build America bonds.</p> <p>Health Savings Accounts.....Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income .....Same as federal.</p> <p>Lottery Winnings.....Same as federal.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other .....Deduction for qualified contributions to the Nebraska College Savings Program, and contributions to the Nebraska long-term care savings plan.</p>		<p><b>Standard:</b> Same as federal.</p> <p><b>Itemized:</b> Federal itemized deductions.</p> <p><b>Major Differences from Federal Law:</b> <u>Taxes:</u> State and local income taxes not deductible. Standard deduction does not include federal add-ons for real estate taxes, disaster losses, or sales tax on a new vehicle.</p>																														
TAX RATES AND BRACKETS		EXEMPTIONS (TAX CREDIT)																														
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal*</th> </tr> <tr> <th style="text-align: center;">Single</th> <th style="text-align: center;">Married-J</th> <th style="text-align: center;">Married-S</th> <th style="text-align: center;">Head-of-Household</th> <th style="text-align: center;">Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$2,400</td> <td style="text-align: center;">\$0 - \$4,800</td> <td style="text-align: center;">\$0 - \$2,400</td> <td style="text-align: center;">\$0 - \$4,500</td> <td style="text-align: center;">2.56%</td> </tr> <tr> <td style="text-align: center;">2,401 - 17,500</td> <td style="text-align: center;">4,801 - 35,000</td> <td style="text-align: center;">2,401 - 17,500</td> <td style="text-align: center;">4,501 - 28,000</td> <td style="text-align: center;">3.57</td> </tr> <tr> <td style="text-align: center;">17,501 - 27,000</td> <td style="text-align: center;">35,001 - 54,000</td> <td style="text-align: center;">17,501 - 27,000</td> <td style="text-align: center;">28,001 - 40,000</td> <td style="text-align: center;">5.12</td> </tr> <tr> <td style="text-align: center;">27,001 and over</td> <td style="text-align: center;">54,001 and over</td> <td style="text-align: center;">27,001 and over</td> <td style="text-align: center;">40,001 and over</td> <td style="text-align: center;">6.84</td> </tr> </tbody> </table> <p>*If federal AGI is more than \$166,800 (\$83,400 if Married-S), an additional tax rate schedule applies that partially offsets the lower marginal tax rates.</p>		Taxable Income Brackets				Marginal*	Single	Married-J	Married-S	Head-of-Household	Tax Rates	\$0 - \$2,400	\$0 - \$4,800	\$0 - \$2,400	\$0 - \$4,500	2.56%	2,401 - 17,500	4,801 - 35,000	2,401 - 17,500	4,501 - 28,000	3.57	17,501 - 27,000	35,001 - 54,000	17,501 - 27,000	28,001 - 40,000	5.12	27,001 and over	54,001 and over	27,001 and over	40,001 and over	6.84	<p>Each federal exemption ..... \$118</p>
Taxable Income Brackets				Marginal*																												
Single	Married-J	Married-S	Head-of-Household	Tax Rates																												
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27,001 and over	54,001 and over	27,001 and over	40,001 and over	6.84																												
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES																														
<ul style="list-style-type: none"> <li>• Beginning farmer</li> <li>• Biodiesel facility</li> <li>• Charitable endowment</li> <li>• Child and dependent care expenses</li> <li>• Community development assistance</li> <li>• Earned income</li> <li>• Elderly or disabled</li> <li>• Employment expansion and investment incentives</li> <li>• Enterprise zone</li> <li>• Financial institution</li> <li>• Income taxes paid to other states</li> <li>• Microenterprise</li> <li>• Nebraska advantage act</li> <li>• Renewable energy</li> <li>• Research and development</li> <li>• Rural development</li> </ul>	<ul style="list-style-type: none"> <li>• Campaign finance contribution</li> <li>• Nongame and endangered species fund</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum tax</li> <li>• Early distributions from retirement</li> </ul>																														

# NEW HAMPSHIRE

Filing System: Joint/Civil Union Partner\*

TAX BASE: INTEREST AND DIVIDENDS		DEDUCTIONS
Interest/Dividend..... Business/Rent/Farm ..... Capital Gains & Losses ..... Pension/Retirement Income --Private ..... --Public..... --U.S. Civil Service ..... --Military..... Active Duty Military ..... Unemployment Compensation..... Social Security Benefits ..... State/Municipal Bond Interest..... Health Savings Accounts..... Miscellaneous Disability Income ..... Lottery Winnings..... Federal Income Taxes.....	<u>Major Differences from Federal Law</u> Interest and dividends from the following sources are taxable: annuities, financial institutions, bonds, notes, private mortgages and loans, corporations, mutual funds (unless invested solely in New Hampshire tax-exempt instruments), and cash or property distributions from a taxable partnership, association, trust, or S-corporation. U.S. government bonds are exempt. Earnings on college tuition savings programs and on IRAs, Keogh plans, and other federally-exempt retirement plans and tax-deferred investments are exempt. Separate business profits and business enterprise taxes. Exempt. Exempt. Exempt. Exempt. Exempt. Exempt. Exempt. Taxable except New Hampshire obligations. No provision. Exempt. Exempt. Exempt.	<b>Standard:</b> None  <b>Itemized:</b> None
TAX RATES AND BRACKETS		EXEMPTIONS
5% of taxable interest and dividends.		Single/HH/Married-S..... \$2,400 Married-J ..... 4,800 65 or over or disabled..... 1,200 Blind ..... 1,200
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES
None	None	<ul style="list-style-type: none"> <li>• Business profits and business enterprise taxes (includes income reported on federal schedules C, E, and F, as well as sales of business assets)</li> </ul>

\* Civil union partners are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# NEW JERSEY

Filing System: Joint/Civil Union Partner\*

<b>TAX BASE: STATE GROSS INCOME</b>			
<u>Major Differences from Federal Law</u>			
Interest/Dividend.....	Exempts U.S. government bonds and certain distributions from a New Jersey qualified investment fund.		
Business/Rent/Farm .....	Same as federal (with certain adjustments).		
Capital Gains & Losses .....	Same as federal except capital gains from New Jersey obligations are exempt and capital losses may not be deducted from ordinary income.		
<b>Pension/Retirement Income**</b>			
--Private .....	Exclude \$15,000 (\$20,000 M-J/\$10,000 M-S).		
--Public.....	Exclude \$15,000 (\$20,000 M-J/\$10,000 M-S).		
--U.S. Civil Service .....	Exclude \$15,000 (\$20,000 M-J/\$10,000 M-S).		
--Military.....	Exempt.		
Active Duty Military .....	Same as federal.		
Unemployment Compensation.....	Exempt.		
Social Security Benefits .....	Exempt.		
State/Municipal Bond Interest.....	Taxable except New Jersey obligations.		
Health Savings Accounts.....	No provision.		
<b>Miscellaneous</b>			
Disability Income .....	Exempt.		
Lottery Winnings .....	Net gambling winnings are taxable. New Jersey lottery winnings exempt, except winnings from prize amounts exceeding \$10,000.		
Federal Income Taxes.....	Not deductible.		
Other .....	Exemptions for property taxes/rent paid except exemption is subject to limits based on age/disability and income and may not be claimed if the property tax/rent credit is claimed. Exemptions for medical expenses that exceed 2% of New Jersey gross income, withdrawals from qualified state tuition program accounts, and qualified receipts from medical and dental services provided in a health enterprise zone. The following are exempt if reported in an employee's W-2 wages: (a) compensation for injuries or sickness; (b) meals and lodging furnished by the employer; (c) reimbursements for employee business expenses; (d) commuter transportation benefits; and (e) moving expenses. Additional retirement income exclusion may also apply for taxpayers who do not use maximum general retirement exclusion and/or who are not eligible for social security or railroad retirement benefits. Distributed earnings on Coverdell education savings accounts and employee contributions to retirement plans (other than 401(k) plans) are taxable.		
**Applies if aged 62 or older or disabled and gross income is \$100,000 or less.			
<b>TAX RATES AND BRACKETS</b>			<b>DEDUCTIONS</b>
<u>Single/Married-S</u>		<u>Married-J/Head-of-Household</u>	
Taxable <u>Income Brackets</u>	Marginal <u>Tax Rates</u>	Taxable <u>Income Brackets</u>	Marginal <u>Tax Rates</u>
\$0 - \$20,000	1.40%	\$0 - \$20,000	1.40%
20,001 - 35,000	1.75	20,001 - 50,000	1.75
35,001 - 40,000	3.50	50,001 - 70,000	2.45
40,001 - 75,000	5.525	70,001 - 80,000	3.50
75,001 - 400,000	6.37	80,001 - 150,000	5.525
400,001 - 500,000	8.00	150,001 - 400,000	6.37
500,001 - 1,000,000	10.25	400,001 - 500,000	8.00
1,000,001 and over	10.75	500,001 - 1,000,000	10.25
		1,000,001 and over	10.75
<b>TAX CREDITS</b>			<b>EXEMPTIONS</b>
<ul style="list-style-type: none"> <li>• Earned income</li> <li>• Excess contributions for disability insurance, supplemental workforce fund, workforce development partnership fund, and unemployment insurance</li> <li>• Homestead rebate</li> <li>• Income taxes paid to other jurisdictions</li> <li>• Property tax/rent</li> <li>• Property tax reimbursement</li> <li>• Sheltered workshop</li> </ul>		<ul style="list-style-type: none"> <li>Single/HH.....\$1,000</li> <li>Married-J.....2,000</li> <li>Married-S.....1,000</li> <li>Age 65 or Over.....1,000</li> <li>Blind or Disabled.....1,000</li> <li>Dependent.....1,500</li> <li>Dependent in College.....1,000</li> </ul>	
<b>TAX CREDITS</b>		<b>CONTRIBUTION/CHECK-OFF</b>	<b>OTHER TAXES</b>
<ul style="list-style-type: none"> <li>• Breast cancer research</li> <li>• Children's trust</li> <li>• Drug abuse education</li> <li>• Endangered wildlife</li> <li>• Gubernatorial elections</li> <li>• Korean veterans memorial</li> <li>• Literacy Volunteers of America</li> <li>• AIDS services</li> <li>• Prostate cancer research</li> <li>• Organ and tissue donor awareness education</li> <li>• USS NJ Educational Museum</li> <li>• Vietnam veteran's memorial</li> <li>• World Trade Center scholarship</li> <li>• Veterans Haven support</li> </ul>		<ul style="list-style-type: none"> <li>• Use tax</li> </ul>	

\* Civil union partners are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# NEW MEXICO

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																																
<p><u>Major Differences from Federal Law</u></p>																																		
Interest/Dividend.....	Exempts U.S. government bonds.	<p><b>Standard:</b> Same as federal.</p> <p><b>Itemized:</b> Same as federal.</p>																																
Business/Rent/Farm .....	Same as federal.																																	
Capital Gains & Losses .....	Deduct the greater of 50% or \$1,000 of federally taxable gains.																																	
Pension/Retirement Income																																		
--Private .....	Same as federal.																																	
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--U.S. Civil Service .....	Same as federal.																																	
--Military.....	Same as federal.																																	
Active Duty Military .....	Exempt.																																	
Unemployment Compensation.....	Same as federal.																																	
Social Security Benefits .....	Same as federal.																																	
State/Municipal Bond Interest.....	Taxable except New Mexico obligations.																																	
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Disability Income .....	Same as federal.																																	
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Federal Income Taxes.....	Not deductible.																																	
Other .....	Deduction of up to \$8,000 if age 65 or over or blind if meet certain income limits and for income of a person aged 100 or more if not claimed as a dependent. Deductions for contributions to an approved New Mexico Section 529 college savings account, contributions to a New Mexico medical care savings account, unreimbursed medical care expenses not claimed as an itemized deduction, additional deduction for medical care expenses for persons aged 65 or older, organ donation related expenses, certain reimbursements received by National Guard members for life insurance premiums, and 2005 New Mexico energy rebate amounts included in federal AGI.																																	
TAX RATES AND BRACKETS			EXEMPTIONS																															
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<ul style="list-style-type: none"> <li>• Advanced energy</li> <li>• Affordable housing</li> <li>• Agricultural water conservation</li> <li>• Angel investment</li> <li>• Blended biodiesel fuel</li> <li>• Child day care</li> <li>• Electronic identification card reader</li> <li>• Film production</li> <li>• Income tax paid to other states</li> <li>• Job mentorship</li> <li>• Land conservation incentives</li> <li>• Low-income comprehensive tax rebate</li> <li>• Low-income property tax rebate (Los Alamos County residents)</li> </ul>	<ul style="list-style-type: none"> <li>• Medical care credit for persons 65 or older</li> <li>• Preservation of cultural properties</li> <li>• Property tax rebate (age 65 and over)</li> <li>• Qualified business facility rehabilitation</li> <li>• Renewable energy production</li> <li>• Rural healthcare practitioners</li> <li>• Rural jobs</li> <li>• Solar market development</li> <li>• Special needs adopted child</li> <li>• Sustainable building</li> <li>• Technology jobs</li> <li>• Welfare-to-work</li> <li>• Working families</li> </ul>	<ul style="list-style-type: none"> <li>• Amyotrophic lateral sclerosis research</li> <li>• Forest re-leaf program</li> <li>• Kids in parks education</li> <li>• National Guard member and family assistance</li> <li>• Political parties contribution</li> <li>• Substance abuse education fund</li> <li>• Veterans national cemetery fund</li> <li>• Wildlife protection fund</li> </ul>																																
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# NEW YORK

## Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME				DEDUCTIONS																																				
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Up to \$20,000 exempt if age 59½ or over. --Public.....Exempt. --U.S. Civil Service.....Exempt. --Military.....Exempt. Active Duty Military.....Same as federal. Unemployment Compensation.....Same as federal. Social Security Benefits.....Exempt. State/Municipal Bond Interest.....Taxable except New York obligations. Health Savings Accounts.....Same as federal. Miscellaneous Disability Income.....Up to \$5,200 excluded. Lottery Winnings.....Same as federal. Federal Income Taxes.....Not deductible. Other.....Contributions to certain public employee retirement systems and amounts deducted from salaries and wages (for federal tax purposes) under certain New York City public employer flexible benefits programs and retirement systems are included in New York AGI. Deductions for contributions to New York college savings program accounts, qualified emerging technology investments, certain fees for long-term residential care, living organ donor expenses, income as a member of the New York organized militia called for emergency state duty, interest payments under the New York higher education loan program, and accelerated payments of life insurance death benefits. Certain amounts eligible for New York credits are added back to AGI.				<p><b>Standard:</b>                      Single/Married-S.....\$7,500                      Married-J.....15,000                      Head-of-Household.....10,500</p> <p><b>Itemized:</b>                      Federal itemized deductions, subject to phase-out at higher incomes.</p> <p><b>Major Differences from Federal Law:</b>  <u>Taxes:</u> State, local, and foreign income taxes not deductible.</p> <p><u>Medical Expenditures:</u> Amounts claimed for long-term care insurance credit cannot be claimed as an itemized deduction.</p> <p><u>College Tuition:</u> Deduction unless claiming college tuition credit.</p>																																				
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Individual Credits: accumulation distribution; alternative fuels; child and dependent care; clean heating fuel; college tuition; conservation easement; defibrillator; earned income; Empire State; fuel cell electric generating equipment; green building; historic homeownership rehabilitation; household; income taxes paid to other states (resident credit) or Canada; long-term care insurance; nursing home assessment; real property tax; residential fuel oil storage tank; school tax; solar energy system equipment; solar and wind energy; and volunteer firefighters and ambulance workers.  Business Credits: alternative fuels; biofuel production; brownfield; clean heating fuel; conservation easement; defibrillator; Empire State commercial production; Empire State film production; empire zone (EZ) capital; EZ incentive; EZ investment; EZ		wage; employment incentive; employment of persons with disabilities; farmers' school tax; financial services industry (FSI) EZ employment incentive; FSI EZ investment; FSI employment incentive; FSI investment; fuel cell electric generating equipment; green building; handicapped-accessible taxicabs and livery service vehicles; historic barn rehabilitation; investment; long-term care insurance; low-income housing; qualified emerging technology company (QETC) capital; QETC employment; QETC facilities, operations, and training; QETC real property taxes; qualified empire zone (QEZE) real property taxes; QEZE tax reduction; rehabilitation of historic properties; security officer training; special additional mortgage recording tax; unincorporated business tax; and zone equivalent area wage.		<ul style="list-style-type: none"> <li>• Missing/exploited children fund</li> <li>• Alzheimer's fund</li> <li>• Breast cancer research and education fund</li> <li>• Lake Placid Olympic Training Center</li> <li>• Prostate cancer research fund</li> <li>• Return a gift to wildlife</li> <li>• WTC memorial fund</li> </ul>																																				

# NORTH CAROLINA

Filing System: Joint

TAX BASE: FEDERAL TAXABLE INCOME		DEDUCTIONS																									
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds.</p> <p>Business/Rent/Farm ..... Same as federal.</p> <p>Capital Gains &amp; Losses ..... Same as federal plus exemption for gains from certain North Carolina obligations issued before July 1, 1995.</p> <p>Pension/Retirement Income</p> <p>--Private ..... First \$2,000 per person excluded.</p> <p>--Public..... First \$4,000 per person excluded.*</p> <p>--U.S. Civil Service ..... First \$4,000 per person excluded.*</p> <p>--Military..... First \$4,000 per person excluded.*</p> <p>Active Duty Military ..... Same as federal.</p> <p>Unemployment Compensation..... Same as federal.</p> <p>Social Security Benefits ..... Exempt.</p> <p>State/Municipal Bond Interest..... Taxable except North Carolina obligations.</p> <p>Health Savings Accounts..... Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income ..... Same as federal.</p> <p>Lottery Winnings ..... Same as federal.</p> <p>Federal Income Taxes..... Not deductible.</p> <p>Other ..... Up to \$35,000 in severance pay is deductible if received as a result of permanent involuntary termination of employment through no fault of the employee. Deductions for contributions to NC college savings program, volunteer fire-fighters and rescue workers, and amounts claimed for federal American opportunity, hope, or lifetime learning credits in lieu of federal higher education expense deduction.</p> <p><small>*In addition, certain retirement benefits from public defined benefit plans are exempt.</small></p>		<p><b>Standard:</b></p> <p style="text-align: right;"><u>Added Amount if</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th></th> <th style="text-align: center;"><u>Age 65</u></th> <th style="text-align: center;"><u>Blind</u></th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: right;">\$3,000</td> <td style="text-align: right;">\$750</td> <td style="text-align: right;">\$750</td> </tr> <tr> <td>Married-J</td> <td style="text-align: right;">6,000</td> <td style="text-align: right;">600</td> <td style="text-align: right;">600</td> </tr> <tr> <td>Married-S</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">600</td> <td style="text-align: right;">600</td> </tr> <tr> <td>HH</td> <td style="text-align: right;">4,400</td> <td style="text-align: right;">750</td> <td style="text-align: right;">750</td> </tr> </tbody> </table> <p><b>Itemized:</b> Same as federal.</p> <p><b>Major Differences from Federal Law:</b> <u>Taxes:</u> State and local income and sales taxes not deductible.</p>				<u>Age 65</u>	<u>Blind</u>	Single	\$3,000	\$750	\$750	Married-J	6,000	600	600	Married-S	3,000	600	600	HH	4,400	750	750				
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																									
<ul style="list-style-type: none"> <li>• Adoption expenses</li> <li>• Business incentives: biodiesel producers; constructing a railroad intermodal facility; development zones; jobs; investments in central office or aircraft facility property; low-income housing; machinery and equipment; nonhazardous dry-cleaning equipment; nonprofit donations that enable the acquisition of renewable energy property; renewable energy property; research and development; small business employee health benefits; technology commercialization; use of NC ports; worker training; and work opportunity</li> <li>• Charitable contributions (nonitemizers)</li> <li>• Child and dependent care expenses</li> <li>• Children</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of handicapped dwelling units</li> <li>• Construction of poultry composting facility</li> <li>• Conservation tillage equipment</li> <li>• Disabled taxpayer or dependent</li> <li>• Donating real property for certain public and conservation purposes</li> <li>• Earned income</li> <li>• Gleaned crops</li> <li>• Historic rehabilitation (2)</li> <li>• Income tax paid to another state or country</li> <li>• Long-term care insurance</li> <li>• Property taxes on farm machinery</li> <li>• Qualified business investments</li> <li>• Recycling oyster shells</li> </ul>	<ul style="list-style-type: none"> <li>• Nongame and endangered wildlife fund</li> <li>• Political parties financing</li> <li>• Public campaign fund</li> </ul>																									
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# NORTH DAKOTA

Filing System: Joint

TAX BASE: FEDERAL TAXABLE INCOME		DEDUCTIONS																																			
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend ..... Exempts U.S. government bonds and 30% of "qualified dividends" subject to the lower federal tax rate. Business/Rent/Farm ..... Same as federal. Capital Gains & Losses ..... Exclude 30% of net long-term gains. Pension/Retirement Income --Private ..... Same as federal. --Public ..... Same as federal. --U.S. Civil Service ..... Same as federal. --Military ..... Same as federal. Active Duty Military ..... Same as federal. Unemployment Compensation ..... Same as federal. Social Security Benefits ..... Same as federal. State/Municipal Bond Interest ..... Same as federal. Health Savings Accounts ..... Same as federal. Miscellaneous Disability Income ..... Same as federal. Lottery Winnings ..... Same as federal. Federal Income Taxes ..... Same as federal. Other ..... Deductions for pass-through income from North Dakota financial institutions subject to North Dakota financial institutions tax, employee workforce recruitment payments, organ donation expenses, income from renaissance zones, qualifying new and expanding businesses, federal active duty for National Guard/Reserve members, and certain contributions to a North Dakota College SAVE account.		<p><b>Standard:</b> Same as federal.</p> <p><b>Itemized:</b> Federal itemized deductions.</p>																																			
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/ CHECK-OFF																																			
<ul style="list-style-type: none"> <li>• Angel fund investment</li> <li>• Agricultural commodity facility investment</li> <li>• Biodiesel fuel (2)</li> <li>• Commercial property (unused in prior year)</li> <li>• Employer internship program</li> <li>• Endowment fund credit from pass-through entity</li> <li>• Family member care</li> <li>• Geothermal energy device</li> <li>• Income taxes paid to another state</li> <li>• Long-term care insurance (partnership plan)</li> </ul>	<ul style="list-style-type: none"> <li>• Marriage penalty</li> <li>• Mobilized employee wage</li> <li>• Microbusiness</li> <li>• Planned gifts</li> <li>• Qualified business seed capital investment</li> <li>• Renaissance zones</li> <li>• Research expense</li> <li>• Residential and agricultural property (unused in prior year)</li> <li>• Retroactive property tax relief</li> <li>• Workforce recruitment</li> </ul>	<ul style="list-style-type: none"> <li>• Trees for ND trust fund</li> <li>• Watchable wildlife fund</li> </ul>																																			
		OTHER TAXES																																			
		None																																			

# OHIO

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																				
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds.</p> <p>Business/Rent/Farm ..... Same as federal.</p> <p>Capital Gains &amp; Losses ..... Same as federal except that gains and losses from the disposition of Ohio public obligations are excluded.</p> <p>Pension/Retirement Income</p> <p>--Private ..... Credit up to \$200.</p> <p>--Public ..... Credit up to \$200.</p> <p>--U.S. Civil Service ..... Credit up to \$200.</p> <p>--Military..... Exempt.</p> <p>Active Duty Military ..... Federal exclusions and subtraction for additional active duty pay and allowances while stationed outside Ohio.</p> <p>Unemployment Compensation..... Same as federal.</p> <p>Social Security Benefits ..... Exempt.</p> <p>State/Municipal Bond Interest..... Taxable except Ohio obligations.</p> <p>Health Savings Accounts..... Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income ..... Exempt (except for payments made on a temporary basis).</p> <p>Lottery Winnings..... Same as federal.</p> <p>Federal Income Taxes..... Not deductible.</p> <p>Other ..... Federal target jobs and work opportunity tax credit adjustments. Deductions for certain Ohio MSA contributions, certain contributions to individual development accounts, medical expenses exceeding 7.5% of federal AGI, medical insurance, long-term care insurance, certain disability survivorship benefits, contributions to and qualified distributions from the Ohio college advantage savings plan, certain organ donation expenses, and certain reimbursements received by Ohio National Guard member for life insurance premiums and death benefits for an Ohio National Guard member killed on active duty.</p>		<p><b>Standard:</b> None</p> <p><b>Itemized:</b> None</p>																				
TAX RATES AND BRACKETS		EXEMPTIONS																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$5,000</td> <td style="text-align: center;">0.618%</td> </tr> <tr> <td style="text-align: center;">5,001 - 10,000</td> <td style="text-align: center;">1.236</td> </tr> <tr> <td style="text-align: center;">10,001 - 15,000</td> <td style="text-align: center;">2.473</td> </tr> <tr> <td style="text-align: center;">15,001 - 20,000</td> <td style="text-align: center;">3.091</td> </tr> <tr> <td style="text-align: center;">20,001 - 40,000</td> <td style="text-align: center;">3.708</td> </tr> <tr> <td style="text-align: center;">40,001 - 80,000</td> <td style="text-align: center;">4.327</td> </tr> <tr> <td style="text-align: center;">80,001 - 100,000</td> <td style="text-align: center;">4.945</td> </tr> <tr> <td style="text-align: center;">100,001 - 200,000</td> <td style="text-align: center;">5.741</td> </tr> <tr> <td style="text-align: center;">200,001 and over</td> <td style="text-align: center;">6.240</td> </tr> </tbody> </table>		Taxable Income Brackets	Marginal Tax Rates	\$0 - \$5,000	0.618%	5,001 - 10,000	1.236	10,001 - 15,000	2.473	15,001 - 20,000	3.091	20,001 - 40,000	3.708	40,001 - 80,000	4.327	80,001 - 100,000	4.945	100,001 - 200,000	5.741	200,001 and over	6.240	<p>Each federal exemption:</p> <p>State Exemption..... \$1,550</p> <p>State Credit..... 20</p>
Taxable Income Brackets	Marginal Tax Rates																					
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																				
<ul style="list-style-type: none"> <li>• Adoption expenses</li> <li>• Business credits for: enterprise zone day care and training; ethanol plant investments; technology investment; job training; new employees in enterprise zones; political contributions; purchase of grape production property; jobs; historic preservation; and selling alternative fuel</li> <li>• Child and dependent care</li> <li>• Displaced worker training</li> <li>• Exemption credits</li> </ul>	<ul style="list-style-type: none"> <li>• Historic preservation</li> <li>• Income taxed by another state (resident credit)</li> <li>• Joint filing (two income)</li> <li>• Low income</li> <li>• Lump sum distributions</li> <li>• Lump sum retirement</li> <li>• Motion picture production</li> <li>• Passthrough entity</li> <li>• Political contributions</li> <li>• Retirement income</li> <li>• Senior citizen</li> </ul>	<ul style="list-style-type: none"> <li>• Military injury relief fund</li> <li>• Nature preserves, scenic rivers, and endangered species protection</li> <li>• Political party fund</li> <li>• Wildlife species and endangered wildlife conservation</li> </ul>																				
		OTHER TAXES																				
		<ul style="list-style-type: none"> <li>• Use tax</li> </ul>																				

# OKLAHOMA

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																											
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds; exclusion of \$100 per person for interest from Oklahoma bank, credit union, or savings and loan.</p> <p>Business/Rent/Farm ..... Accelerated depreciation for swine and poultry producers. Exclusions for income from discharge of indebtedness for farmer, investments in agricultural commodity processing facilities, manufacturers, and wages reported for the federal Indian employment credit. Deduction for oil and gas depletion. \$1,000 exemption for use of certain Occupational Safety and Health Administration safety services.</p> <p>Capital Gains &amp; Losses ..... Deduction for gains from certain Oklahoma property and stock. 50% exclusion for sales of historic battle site property to the state.</p> <p>Pension/Retirement Income</p> <p>--Private ..... Up to \$10,000 per person exempt subject to AGI limitation.</p> <p>--Public..... Up to \$10,000 per person exempt.</p> <p>--U.S. Civil Service ..... Up to \$10,000 per person exempt.</p> <p>--Military..... The greater of 75% or \$10,000 per person exempt.</p> <p>Active Duty Military ..... CZE and first \$1,500 per person exempt.</p> <p>Unemployment Compensation.... Taxable.</p> <p>Social Security Benefits ..... Exempt. Also, up to 60% of civil service retirement income in lieu of social security benefits is exempt.</p> <p>State/Municipal Bond Interest..... Taxable except Oklahoma obligations.</p> <p>Health Savings Accounts..... Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income ..... Same as federal.</p> <p>Lottery Winnings ..... Same as federal.</p> <p>Federal Income Taxes..... Deductible.</p> <p>Other ..... Deductions for expenses related to the disabled, adoption expenses, organ donations, contributions to an Oklahoma college savings plan account, contributions to and earnings from an Oklahoma medical savings account, and political contributions (\$100/person). Exclusions for small business incubators, inventor royalty income, Oklahoma police corps scholarships or stipends, and pass-through expenses for qualified refinery property, sulfur regulation compliance, EMT death benefits, and livestock show awards. Exemption for providing housing to a Midwestern disaster area victim.</p>		<p><b>Standard:</b></p> <p>Single/Married-S.....\$4,250</p> <p>Head-of-Household.....6,375</p> <p>Married-J .....8,500</p> <p><b>Itemized:</b></p> <p>Federal itemized deductions, except federal deduction for new motor vehicle taxes not allowed.</p>																											
TAX RATES AND BRACKETS		EXEMPTIONS																											
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal Tax Rates</th> </tr> <tr> <th style="text-align: center;">Single/Married-S</th> <th style="text-align: center;">Married-J/HH</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$1,000</td> <td style="text-align: center;">\$0 - \$2,000</td> <td style="text-align: center;">0.50%</td> </tr> <tr> <td style="text-align: center;">1,001 - 2,500</td> <td style="text-align: center;">2,001 - 5,000</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td style="text-align: center;">2,501 - 3,750</td> <td style="text-align: center;">5,001 - 7,500</td> <td style="text-align: center;">2.00</td> </tr> <tr> <td style="text-align: center;">3,751 - 4,900</td> <td style="text-align: center;">7,501 - 9,800</td> <td style="text-align: center;">3.00</td> </tr> <tr> <td style="text-align: center;">4,901 - 7,200</td> <td style="text-align: center;">9,801 - 12,200</td> <td style="text-align: center;">4.00</td> </tr> <tr> <td style="text-align: center;">7,201 - 8,700</td> <td style="text-align: center;">12,201 - 15,000</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td style="text-align: center;">8,701 and over</td> <td style="text-align: center;">15,001 and over</td> <td style="text-align: center;">5.50</td> </tr> </tbody> </table>		Taxable Income Brackets		Marginal Tax Rates	Single/Married-S	Married-J/HH		\$0 - \$1,000	\$0 - \$2,000	0.50%	1,001 - 2,500	2,001 - 5,000	1.00	2,501 - 3,750	5,001 - 7,500	2.00	3,751 - 4,900	7,501 - 9,800	3.00	4,901 - 7,200	9,801 - 12,200	4.00	7,201 - 8,700	12,201 - 15,000	5.00	8,701 and over	15,001 and over	5.50	<p>Single/HH/Married-S.....\$1,000</p> <p>Married-J .....2,000</p> <p>Dependent.....1,000</p> <p>Blind.....1,000</p> <p>Age 65 or over and low AGI.....1,000</p>
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		Use tax																											
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																											
<ul style="list-style-type: none"> <li>• Child care expenses</li> <li>• Child care service provider</li> <li>• Clean burning fuel vehicles</li> <li>• Dry fire hydrant</li> <li>• Earned income tax credit</li> <li>• Employer provided child care</li> <li>• Energy assistance fund contribution</li> <li>• Financial institutions making rural economic development loans</li> <li>• Food service establishments providing hepatitis A vaccines to employees</li> <li>• Gas used in manufacturing</li> <li>• Hazardous waste disposal</li> <li>• Incentives for the following industries: aerospace (2); agricultural producers; biodiesel facilities; biomedical research; coal; commercial space industry; energy efficient homes; ethanol facilities; film or music projects; manufacturers of small wind turbines; nonstop air service from Oklahoma to the coast; poultry litter; railroad; research and</li> </ul>	<p>development; space transportation vehicle provider; specially trained canines; wages paid to injured employees; and zero emission electric facilities</p> <ul style="list-style-type: none"> <li>• Income tax paid to another state</li> <li>• Investment/new jobs</li> <li>• Local development and enterprise zones</li> <li>• Modification expenses paid for injured employees</li> <li>• Property tax relief (low AGI and over 65 or disabled)</li> <li>• Qualified rehabilitation expenditures for historic structures</li> <li>• Recycling facility</li> <li>• Sales tax relief for low-income</li> <li>• Small business guaranty fee</li> <li>• Tornado tax credit</li> <li>• Tourism development</li> <li>• Venture, small business and rural small business capital</li> <li>• Volunteer firefighter</li> </ul>	<ul style="list-style-type: none"> <li>• Breast/cervical cancer program</li> <li>• Court appointed special advocates volunteers</li> <li>• Leukemia and Lymphoma fund</li> <li>• Low-income health care program</li> <li>• National guard</li> <li>• Pet overpopulation fund</li> <li>• Regional food banks program</li> <li>• Silver Haired Legislature and Alumni Association Program</li> <li>• Wildlife diversity program</li> </ul>																											

# OREGON

## Filing System: Joint/Registered Domestic Partner\*

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																					
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.</p> <p>Business/Rent/Farm.....Same as federal. Oregon depreciation schedule.</p> <p>Capital Gains &amp; Losses.....Same as federal, with reduced tax rate for gains on sales of certain farm assets.</p> <p>Pension/Retirement Income</p> <p>--Private.....9% credit if low-income and 62 or over.</p> <p>--Public.....9% credit if low-income and 62 or over.</p> <p>--U.S. Civil Service**.....9% credit if low-income and 62 or over.</p> <p>--Military*.....9% credit if low-income and 62 or over.</p> <p>Active Duty Military.....CZE and general exemption for income earned outside Oregon. Exclude \$6,000 if earned in Oregon (includes National Guard and Reserves). Exclude all active duty Guard and Reservists pay under certain conditions.</p> <p>Unemployment Compensation.....Same as federal.</p> <p>Social Security Benefits.....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except Oregon state and local obligations.</p> <p>Health Savings Accounts.....Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income.....Same as federal.</p> <p>Lottery Winnings.....Oregon lottery winnings of \$600 or less per ticket exempt.</p> <p>Federal Income Taxes.....Deductible up to \$5,850.</p> <p>Other.....Deductions for logger's and construction worker's commuting costs, film production labor rebates, artists who make charitable art donations, Oregon individual development account deposits and earnings, contributions to an Oregon college savings plan, housing expense scholarships, public safety memorial fund benefits, and amounts included in federal AGI to take federal mortgage interest, business, hope, American opportunity, and lifetime learning credits. Add back federal deductions for unused business credits and for which Oregon provides tax credits.</p>		<p><b>Standard:</b></p> <p>Single/Married-S..... \$1,945</p> <p>Married-J/Widow..... 3,895</p> <p>Head-of-Household..... 3,135</p> <p>Additional deduction for age 65 or over or blind:</p> <p>Single/HH..... \$1,200</p> <p>All Others..... 1,000</p> <p><b>Itemized:</b></p> <p>Federal itemized deductions.</p> <p><b>Major Differences From Federal Law:</b></p> <p><u>Taxes:</u> State income and state and local sales taxes not deductible.</p> <p><u>Medical Expenses:</u> Medical expenses up to 7.5% of AGI are deductible if age 62 or over.</p> <p><u>Gambling Losses:</u> Limited to gambling winnings taxed by Oregon.</p>																					
		EXEMPTIONS (TAX CREDITS)																					
		<p>Personal tax credits starting at \$176 per person, phased down to \$58 per person as income increases. Extra credit for severely disabled and handicapped children.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Filing Status</th> <th style="text-align: right;">Income Range for Credit Reduction</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: right;">\$166,750 - \$249,250</td> </tr> <tr> <td>Head-of-Household</td> <td style="text-align: right;">208,450 - 290,950</td> </tr> <tr> <td>Married-J</td> <td style="text-align: right;">250,150 - 332,650</td> </tr> <tr> <td>Married-S</td> <td style="text-align: right;">125,050 - 166,300</td> </tr> </tbody> </table>	Filing Status	Income Range for Credit Reduction	Single	\$166,750 - \$249,250	Head-of-Household	208,450 - 290,950	Married-J	250,150 - 332,650	Married-S	125,050 - 166,300											
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Taxable Income Brackets		Marginal Tax Rates																					
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TAX CREDITS	TAX CREDITS (cont.)																						
<ul style="list-style-type: none"> <li>• Advanced telecommunications facilities</li> <li>• Biofuel consumer</li> <li>• Biomass production/collection</li> <li>• Business energy</li> <li>• Child and dependent care</li> <li>• Child care fund contribution</li> <li>• Claim of right credit</li> <li>• Diesel engine repower/retrofit</li> <li>• Donated crops</li> <li>• Earned income tax credit</li> <li>• Elderly or disabled</li> <li>• Electronic commerce zone investment</li> <li>• Employer scholarship</li> <li>• Employer-provided dependent care</li> <li>• Farm worker housing</li> <li>• Fish screening devices</li> <li>• Flow through entity business credits</li> <li>• Income tax paid to another state</li> <li>• Individual development account donation</li> <li>• Individual development account withdrawal for home purchase</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term care insurance</li> <li>• Loss of use of limbs</li> <li>• Low-income caregiver credit</li> <li>• Mobile home involuntary move/park closure</li> <li>• Oregon cultural trust</li> <li>• Oregon production investment fund</li> <li>• Oregon veterans home physicians</li> <li>• Political contributions</li> <li>• Reforestation of underproductive forest land</li> <li>• Reservation enterprise zone</li> <li>• Residential energy</li> <li>• Retirement income</li> <li>• Riparian land</li> <li>• Rural medical practitioners and EMTs</li> <li>• Tax on gain taxed by other jurisdictions</li> <li>• TRICARE provider</li> <li>• University venture fund</li> <li>• Water transit vessel</li> <li>• Working family child care</li> </ul>																						
		OTHER TAXES																					
		None																					

\*Registered domestic partners are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# PENNSYLVANIA

Filing System: Combined\*

TAX BASE: STATE TAXABLE INCOME		DEDUCTIONS
	<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend..... Exempts U.S. government bonds.</p> <p>Business/Rent/Farm ..... State schedules.</p> <p>Capital Gains &amp; Losses ..... Generally same as federal, except all gains are taxable and all losses deductible in year incurred, with certain limitations if married and filing jointly. In addition, a separate state tax benefit rule applies with respect to unused losses, depreciation, and reduction of basis.</p> <p>Pension/Retirement Income</p> <p>--Private ..... Exempt.</p> <p>--Public ..... Exempt.</p> <p>--U.S. Civil Service ..... Exempt.</p> <p>--Military..... Exempt.</p> <p>Active Duty Military ..... Exempt if stationed outside of state.</p> <p>Unemployment Compensation..... Exempt.</p> <p>Social Security Benefits ..... Exempt.</p> <p>State/Municipal Bond Interest..... Taxable except Pennsylvania obligations.</p> <p>Health Savings Accounts..... Same as federal.</p> <p>Miscellaneous</p> <p>Disability Income ..... Same as federal.</p> <p>Lottery Winnings ..... Pennsylvania state lottery winnings exempt.</p> <p>Federal Income Taxes..... Not deductible.</p> <p>Other ..... State treatment of moving expenses, employee business expenses, and depreciation. Exclude qualified contributions to, and distributions from, a PA tuition account. Also exclude personal use of employer-owned property or services provided at reduced or no cost as well as meals and lodging provided by an employer. No deductions for IRA contributions, contributions to a plan by a self-employed individual, employee contributions to employer-sponsored retirement or deferred compensation programs (provided the contributions are not subject to claims of an employer's creditors), self-employed health insurance premiums, higher education expenses, teachers' classroom expenses, student loan interest, or wage retention to pay for dependent care under a cafeteria plan.</p>	<p><b>Standard:</b> None</p> <p><b>Itemized:</b> None</p>
TAX RATES AND BRACKETS		EXEMPTIONS
<p>Tax is 3.07% of total positive income from eight income classes. Taxpayers may not reduce income in one class by a loss in another class, and spouses may not reduce each other's income between income classes or within the same income class.</p>		None
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES
<ul style="list-style-type: none"> <li>• Educational improvement</li> <li>• Employment incentive payment</li> <li>• Film production</li> <li>• Income taxes paid to other states/countries (resident credit)</li> <li>• Jobs creation</li> <li>• Keystone innovation zone</li> <li>• Neighborhood assistance</li> <li>• Organ and bone marrow donor</li> <li>• Research and development</li> <li>• Resource enhancement and protection</li> <li>• Strategic development area job creation</li> <li>• Tax forgiveness credit for lower income taxpayers</li> </ul>	<ul style="list-style-type: none"> <li>• Breast and cervical cancer research fund</li> <li>• Juvenile (Type 1) diabetes cure research fund</li> <li>• Military family relief assistance</li> <li>• Organ and tissue donation awareness trust fund</li> <li>• Wild resource conservation fund</li> </ul>	None

\* The filing system treats each spouse's income separately, but the tax form shows the joint positive income of the two spouses for convenience.

# RHODE ISLAND

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																																			
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm.....Same as federal. Capital Gains & Losses.....Same as federal. Pension/Retirement Income --Private.....Same as federal. --Public.....Same as federal. --U.S. Civil Service.....Same as federal. --Military.....Same as federal. Active Duty Military.....Same as federal. Unemployment Compensation.....Taxable. Social Security Benefits.....Same as federal. State/Municipal Bond Interest.....Taxable except Rhode Island obligations. Health Savings Accounts.....Same as federal. Miscellaneous Disability Income.....Same as federal. Lottery Winnings.....Same as federal. Federal Income Taxes.....Not deductible. Other.....Deductions for new research and development facilities, investment in a certified venture capital partnership, certain performance-based compensation under Rhode Island Jobs Growth Act, contributions to and distributions from Rhode Island tuition savings program, earnings in a family education account, insurance benefits for dependents and domestic partners, organ donation expenses, and for writers, composers, and artists in certain economic development zones. No carry-back of net operating losses.		<p><b>Standard:</b></p> Single.....\$5,700 Married-J.....9,500 Married-S.....4,750 Head-of-Household.....8,350  Extra deductions for aged 65 or older and for blind: Single/Head-of-Household.....\$1,400 Married-J/Married-S.....1,100  <p><b>Itemized:</b>                      Same as federal, except deduction for sales tax on new vehicle purchases not allowed.</p>																																			
TAX RATES AND BRACKETS		EXEMPTIONS																																			
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/CHECK-OFF																																			
<ul style="list-style-type: none"> <li>• Adult education</li> <li>• Alcohol used as fuel</li> <li>• Adoption</li> <li>• Art</li> <li>• Capital investment</li> <li>• Certain contributions to community development corporations</li> <li>• Certain employer payroll taxes</li> <li>• Child and dependent care expenses</li> <li>• Child day care assistance and development</li> <li>• Contributions to scholarship organization</li> <li>• Disabled access</li> <li>• Earned income</li> <li>• Elderly and disabled</li> <li>• Employment</li> <li>• Empowerment zone employment</li> <li>• Enhanced oil recovery</li> <li>• Farm to school</li> <li>• Federal tax paid on fuels</li> <li>• Historic homeownership and investment</li> <li>• Hydroelectric development</li> </ul>	<ul style="list-style-type: none"> <li>• Incentives for innovation and growth</li> <li>• Income taxes paid to other states</li> <li>• Investment</li> <li>• Increasing research activities</li> <li>• Indian employment</li> <li>• Jobs training expenses</li> <li>• Juvenile victim restitution</li> <li>• Low-income housing</li> <li>• Mill building/economic revitalization (2)</li> <li>• Mortgage interest</li> <li>• Motion picture production</li> <li>• Prior year alternative minimum tax</li> <li>• Property tax relief</li> <li>• Qualified electric vehicle</li> <li>• Renewable electricity production</li> <li>• Research and development (2)</li> <li>• Residential lead abatement</li> <li>• Residential renewable energy system</li> <li>• Surviving spouse</li> <li>• Trust beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>• Childhood disease victims' fund</li> <li>• Council on the Arts</li> <li>• Drug program account</li> <li>• Electoral system contribution</li> <li>• Military family relief fund</li> <li>• Nongame wildlife fund</li> <li>• Olympic committee</li> <li>• Organ transplant fund</li> </ul>																																			
		OTHER TAXES																																			
		<ul style="list-style-type: none"> <li>• Alternative flat tax at 6.50%</li> <li>• Alternative minimum tax</li> <li>• Use tax</li> <li>• 25% of federal tax on children's investment income</li> </ul>																																			

# SOUTH CAROLINA

Filing System: Joint

TAX BASE: FEDERAL TAXABLE INCOME		DEDUCTIONS														
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> Interest/Dividend.....Exempts U.S. government bonds. Business/Rent/Farm .....Out-of-state losses/gains are not deductible/taxable. Capital Gains & Losses .....44% exclusion for long-term (more than 1 year) gains. Pension/Retirement Income --Private .....\$3,000/person exclusion (under 65); \$10,000/person (65+). --Public.....\$3,000/person exclusion (under 65); \$10,000/person (65+). --U.S. Civil Service .....\$3,000/person exclusion (under 65); \$10,000/person (65+). --Military.....\$3,000/person exclusion (under 65); \$10,000/person (65+). Portion attributable to reserve or National Guard service is exempt. Active Duty Military .....CZE and exemption for Reserve and National Guard training pay. Unemployment Compensation.....Taxable. Social Security Benefits .....Exempt. State/Municipal Bond Interest.....Taxable except South Carolina obligations. Health Savings Accounts.....Same as federal. Miscellaneous Disability Income .....Exempt, if payment is from a retirement plan. Lottery Winnings .....Same as federal. Federal Income Taxes.....Not deductible. Other .....Deductions of \$2,000 for adopted children with special needs; contributions to the tuition prepayment and college investment program; \$8.00 per workday subsistence allowance for law enforcement officers, full-time firefighters, and EMS personnel; \$3,000 deduction for volunteer firefighters and Haz-Mat response team members, rescue squad members, reserve police officers, Natural Resource deputy enforcement officers, and members of the State Guard; contributions to a catastrophe savings account; and \$15,000 for persons over 65 (offset by any retirement deduction). In addition, deductions for purchases of economic impact zone stock, and federal mortgage tax credits claimed by taxpayers who itemize.		<p><b>Standard:</b> Same as federal.</p> <p><b>Itemized:</b> Same as federal.</p> <p><b>Major Differences from Federal Law:</b> <u>Taxes:</u> State and local income and sales taxes not deductible. <u>Miscellaneous:</u> Military reservists' income is not taxable. Therefore, expenses related to such income are not deductible.</p>														
TAX RATES AND BRACKETS		EXEMPTIONS														
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Taxable Income Brackets	Marginal Tax Rates															
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13,701 and over	7.0															
TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/ CHECK-OFF														
<ul style="list-style-type: none"> <li>• Anhydrous ammonia additive</li> <li>• Apprenticeship</li> <li>• Base closure</li> <li>• Brownfields voluntary cleanup</li> <li>• Child and dependent care</li> <li>• Commercials</li> <li>• Community development</li> <li>• Conservation contribution</li> <li>• Drip/trickle irrigation systems</li> <li>• Economic impact zone</li> <li>• Employer child care</li> <li>• Energy credits: alternative motor vehicle; biodiesel or ethanol production and research and development; energy efficient manufactured home; plug-in hybrid vehicle; renewable fuel facilities; and solar energy system</li> <li>• Excess insurance premium</li> <li>• Family independence payments (2)</li> <li>• Fire sprinkler system</li> <li>• Health insurance</li> <li>• Historic structures (2)</li> <li>• Hydrogen infrastructure development fund</li> <li>• Income taxes paid to another state</li> </ul>	<ul style="list-style-type: none"> <li>• Industry partnership fund</li> <li>• Jobs: new, small, and alternative small business</li> <li>• Motion picture</li> <li>• Nursing home</li> <li>• Palmetto seed capital</li> <li>• Port cargo volume increase</li> <li>• Premarital preparation course</li> <li>• Production and sale of milk</li> <li>• Quality forum</li> <li>• Research expenses</li> <li>• Residential retrofit</li> <li>• Retail facilities rehabilitation</li> <li>• Retirement plan contribution</li> <li>• Scenic river</li> <li>• Shareholder of S corporations/banks</li> <li>• Small business subcontractors</li> <li>• Textiles rehabilitation</li> <li>• Tuition</li> <li>• Two wage earner (married couple)</li> <li>• Venture capital investment</li> <li>• Venison for charity</li> <li>• Water resources</li> </ul>	<ul style="list-style-type: none"> <li>• Children's trust fund</li> <li>• Conservation Bank trust fund (wildlife)</li> <li>• Eldercare trust fund</li> <li>• Endangered wildlife fund</li> <li>• Financial literacy trust fund</li> <li>• First Steps to School Readiness fund</li> <li>• K-12 public education</li> <li>• Law enforcement assistance program</li> <li>• Litter control enforcement program fund</li> <li>• Military family relief fund</li> <li>• Organ and tissue donation</li> <li>• State parks</li> <li>• Veterans' trust fund</li> <li>• War Between the States Heritage Trust Fund</li> </ul>														
		OTHER TAXES														
		<ul style="list-style-type: none"> <li>• Use tax</li> </ul>														

# TENNESSEE

Filing System: Joint

TAX BASE: INTEREST AND DIVIDENDS		DEDUCTIONS
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds. Interest on certificates of deposit, passbook accounts, savings accounts, checking accounts, money market accounts, short-term commercial paper, insurance policies (if payable on demand), and repurchase agreements are exempt. Dividends from Tennessee state banks, national banks, savings and loans located in Tennessee, insurance companies, loan companies, and cemetery companies in Tennessee are exempt. All income from a credit union is exempt, as are distributions from education and Roth IRAs.</p> <p>Business/Rent/Farm .....Exempt.</p> <p>Capital Gains &amp; Losses .....Exempt (with the exception of capital gains from the sale of mutual funds).</p> <p>Pension/Retirement Income</p> <p>--Private .....Exempt.</p> <p>--Public.....Exempt.</p> <p>--U.S. Civil Service .....Exempt.</p> <p>--Military.....Exempt.</p> <p>Active Duty Military .....Exempt.</p> <p>Unemployment Compensation.....Exempt.</p> <p>Social Security Benefits .....Exempt.</p> <p>State/Municipal Bond Interest.....Taxable except Tennessee obligations.</p> <p>Health Savings Accounts.....No provision.</p> <p>Miscellaneous</p> <p>Disability Income .....Exempt.</p> <p>Lottery Winnings .....Exempt.</p> <p>Federal Income Taxes.....Not deductible.</p> <p>Other .....Taxable income derived from circumstances resulting in an individual becoming a quadriplegic is exempt.</p>		<p><b>Standard:</b> None</p> <p><b>Itemized:</b> None</p>
TAX RATES AND BRACKETS		EXEMPTIONS
<p>Tax rate is 6%.</p>		<p>Single/HH/Married-S..... \$1,250</p> <p>Married-J ..... 2,500</p> <p>Exempt from taxation if blind or if age 65 or over and total gross income under \$16,200 (\$27,000 if married-joint). If quadriplegic, income that is derived from circumstances resulting in the individual becoming quadriplegic is exempt.</p>
TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES
None	None	None

# UTAH

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS/CREDIT
<u>Major Differences from Federal Law</u>		
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b> Same as federal.  <b>Itemized:</b> Same as federal.  <b>Major Differences from Federal Law:</b> <u>Taxes:</u> State income taxes not deductible.
Business/Rent/Farm .....	Same as federal.	
Capital Gains & Losses .....	Credit for gains reinvested in Utah small businesses.	
Pension/Retirement Income		
--Private .....	Same as federal.	
--Public.....	Same as federal.	
--U.S. Civil Service .....	Same as federal.	
--Military.....	Same as federal.	
Active Duty Military .....	Same as federal.	
Unemployment Compensation.....	Same as federal.	
Social Security Benefits .....	Same as federal.	
State/Municipal Bond Interest.....	Taxable except Utah obligations and interest on non-Utah municipal bonds from states that exempt interest from Utah obligations.	
Health Savings Accounts.....	Same as federal.	
Miscellaneous		
Disability Income .....	Same as federal.	
Lottery Winnings.....	Same as federal.	
Federal Income Taxes.....	Not deductible.	
Other .....	Reservation income earned by a member of an Indian tribe is exempt. Add back federal election of interest and dividends of a minor child. Equitable adjustments to prevent a double tax benefit or a double tax detriment also apply.	
<b>TAX RATES AND BRACKETS</b>		<b>EXEMPTIONS/CREDIT</b>
Tax Rate is 5%.		Single/HH/Married-S..... \$2,738 Married-J ..... 5,476 Dependent..... 2,738 Disabled dependent..... 2,738  Exemptions phase-out once AGI exceeds: Single..... \$166,800 Married-J ..... 250,200 Head-of-Household..... 208,500 Married-S..... 125,100
<b>TAX CREDITS</b>		<b>TAXPAYER TAX CREDIT</b>
		Credit equals the sum of deductions and exemptions times 6%. Subject to 1.3% phase-out for Utah taxable income exceeding:  Single/Married-S..... \$12,511 Married-J ..... 25,022 Head-of-Household..... 18,767
<b>TAX CREDITS</b>		<b>CONTRIBUTION/CHECK-OFF</b>
<ul style="list-style-type: none"> <li>• Agricultural off-highway gas tax</li> <li>• At-home parent</li> <li>• Capital gain transaction</li> <li>• Clean fuel vehicle</li> <li>• Enterprise zone</li> <li>• Farm operation hand tools</li> <li>• Health benefit plan</li> <li>• Historic preservation</li> <li>• Income tax paid to another state</li> <li>• Live organ donation expenses</li> <li>• Low-income housing</li> <li>• Medical care savings account</li> <li>• Qualifying solar project</li> <li>• Recycling market development zones</li> <li>• Residential and commercial energy systems</li> <li>• Research activities</li> <li>• Research machinery and equipment</li> <li>• Retirement tax credit</li> <li>• Sheltered workshop contributions</li> <li>• Special needs adoption</li> <li>• Targeted business tax credit</li> <li>• Tutoring credit for disabled dependents</li> <li>• Utah educational savings plan</li> </ul>	<ul style="list-style-type: none"> <li>• Children's organ transplant</li> <li>• Election campaign fund</li> <li>• Homeless trust fund</li> <li>• Nongame wildlife fund</li> <li>• School district and nonprofit school district foundation</li> <li>• Spay and neuter program</li> </ul>	<b>OTHER TAXES</b>
		<ul style="list-style-type: none"> <li>• Use tax</li> </ul>

# VERMONT

Filing System: Joint/Civil Union Partner\*

TAX BASE: FEDERAL TAXABLE INCOME		DEDUCTIONS																																			
<u>Major Differences from Federal Law</u>																																					
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b> Same as federal.  <b>Itemized:</b> Same as federal.  <b>Major Differences from Federal Law:</b> <u>Taxes:</u> State and local income taxes and the tax on the purchase of a new vehicle are not deductible.																																			
Business/Rent/Farm .....	Same as federal.																																				
Capital Gains & Losses .....	40% exclusion for net long-term capital gains earned in January through June, 2009; for July through December, 2009, 40% exclusion applies only to sale of farm or standing timber or if taxpayer is aged 70 or over; exemption of first \$2,500 of eligible gain for all others.																																				
<b>Pension/Retirement Income</b>																																					
--Private .....	Same as federal.																																				
--Public.....	Same as federal.																																				
--U.S. Civil Service .....	Same as federal.																																				
--Military.....	Same as federal.																																				
Active Duty Military .....	CZE and general exclusion for income earned outside Vermont and income from call-up for full-time active duty outside of, but related to, a combat zone. In addition, first \$2,000 of training pay for Reserve and National Guard members with Vermont AGI less than \$50,000 and funds from federal armed forces education loan repayment are exempt.																																				
Unemployment Compensation.....	Same as federal.																																				
Social Security Benefits .....	Same as federal.																																				
State/Municipal Bond Interest.....	Taxable except Vermont obligations.																																				
Health Savings Accounts.....	Same as federal.																																				
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Disability Income .....	Same as federal.																																				
Lottery Winnings .....	Same as federal.																																				
Federal Income Taxes.....	Not deductible.																																				
Other .....	Deductions for federal targeted job program, state payment to support persons with developmental disabilities, business expenses to comply with Americans with Disabilities Act, and interest and income from investment in state telecommunications authority. Adjustments for federal bonus depreciation.																																				
TAX RATES AND BRACKETS			EXEMPTIONS																																		
Tax is based on federal taxable income. Adjustments are then made to reflect the difference between federal adjusted gross income and Vermont income.			Same as federal.																																		
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/ CHECK-OFF																																			
<ul style="list-style-type: none"> <li>• Affordable housing</li> <li>• Angel venture capital</li> <li>• Business solar energy</li> <li>• Charitable housing investment</li> <li>• Child and dependent care expenses</li> <li>• Commercial building code improvements</li> <li>• Commercial film production</li> <li>• Earned income credit</li> <li>• Elderly and disabled</li> <li>• Façade and code improvements</li> <li>• Farm income averaging</li> </ul>	<ul style="list-style-type: none"> <li>• Higher education investment</li> <li>• Historic rehabilitation (3)</li> <li>• Homeowner/rent property tax rebate</li> <li>• Income taxes paid to other state or Canadian province</li> <li>• Investment</li> <li>• Platform lifts, elevators, and sprinkler systems</li> <li>• Qualified sale of mobile home park</li> <li>• Research and development</li> <li>• Wood products manufacturer</li> </ul>	OTHER TAXES																																			
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				<ul style="list-style-type: none"> <li>• Tax on qualified plans and tax-favored accounts</li> <li>• Use tax</li> </ul>																																	

\*Civil union partners are treated in the same manner as spouses for income tax purposes and may file either joint or separate returns.

# VIRGINIA

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.            Business/Rent/Farm.....Same as federal.            Capital Gains &amp; Losses.....Exclusion for gains on land sales for open space use; adjustments for the sale of land preservation credits and for certain installment sales of property.            Pension/Retirement Income            --Private.....Same as federal.            --Public.....Same as federal.            --U.S. Civil Service.....Same as federal.            --Military.....Exempt for a retiree with a Congressional Medal of Honor.            Active Duty Military.....CZE. Also exempt 100% of combat zone pay for Operation Joint Endeavor, up to \$15,000 of basic military pay, and up to \$3,000 of National Guard pay.            Unemployment Compensation.....Exempt.            Social Security Benefits.....Exempt.            State/Municipal Bond Interest.....Taxable except Virginia obligations.            Health Savings Accounts.....Same as federal.            Miscellaneous            Disability Income.....Deduction of up to \$20,000/person.            Lottery Winnings.....Virginia lottery prizes of less than \$600 exempt.            Federal Income Taxes.....Not deductible.            Other.....Age-based deductions, subject to income phase-out ranges, for persons aged 65 and above. Subtractions for: \$1,000 per child for foster parents; the salary for a federal or state employee with a total annual salary of less than \$15,000; child and dependent care expenses; long-term care health insurance premiums; organ and tissue donor expenses; Avian influenza indemnification payments; income from tobacco quota buyouts; bone marrow donor screening fees; charitable mileage; work opportunity wages; teacher tuition costs; contributions to Virginia public school construction grants program; contributions to the Virginia college savings plan; and sales tax paid on energy efficient equipment and appliances. In addition, deductions for certain federally taxable tobacco settlement payments, military death gratuity benefits, annuity contract death benefit payments, income from dealer disposition property, and certain Virginia college savings plan distributions or refunds.</p>		<p><b>Standard:</b>            Single/HH/Married-S ..... \$3,000            Married-J..... 6,000</p> <p><b>Itemized:</b>            Same as federal.</p> <p><b>Major Differences from Federal Law:</b>  <u>Taxes:</u> State and local income taxes are not deductible.</p>
		EXEMPTIONS
		Single/HH/Married-S ..... \$930 Married-J ..... 1,860 Dependent ..... 930 Age 65 and over ..... 800 Blind..... 800
		CONTRIBUTION/ CHECK-OFF
		<ul style="list-style-type: none"> <li>• Celebrating special children</li> <li>• Chesapeake Bay restoration</li> <li>• Children of America Finding Hope Inc.</li> <li>• Community policing</li> <li>• Elderly and disabled transportation</li> <li>• Family and children trust</li> <li>• Federation of Humane Societies</li> <li>• Home energy assistance</li> <li>• Housing program</li> <li>• Historic resources</li> <li>• Martin Luther King, Jr. living history and public policy center</li> <li>• Military family relief</li> <li>• Nongame wildlife program</li> <li>• Open space recreation and conservation</li> <li>• Political parties</li> <li>• Public school or library foundations</li> <li>• Spay and neuter</li> <li>• State forests</li> <li>• Tuition assistance</li> <li>• U.S. Olympic Committee</li> <li>• Uninsured medical catastrophes</li> <li>• Virginia Arts Foundation</li> <li>• Virginia cancer centers</li> <li>• War and national D-day memorial foundations</li> </ul>
TAX RATES AND BRACKETS		
<u>Taxable Income Brackets</u>	<u>Marginal Tax Rates</u>	
\$0 - \$3,000	2.00%	
3,001 - 5,000	3.00	
5,001 - 17,000	5.00	
17,001 and over	5.75	
TAX CREDITS	TAX CREDITS (cont.)	
<ul style="list-style-type: none"> <li>• Agricultural best management practices</li> <li>• Biodiesel and green diesel fuels</li> <li>• Coal employment and production incentive</li> <li>• Coal field employment enhancement</li> <li>• Conservation tillage equipment</li> <li>• Day care facility investment</li> <li>• Earned income credit</li> <li>• Enterprise zone</li> <li>• Fertilizer and pesticide application equipment</li> <li>• Foreign source retirement income</li> <li>• Historic rehabilitation</li> <li>• Income tax paid to other states</li> <li>• Livable home</li> <li>• Long term care insurance</li> <li>• Low-income</li> <li>• Low-income housing</li> </ul>	<ul style="list-style-type: none"> <li>• Major business facility job</li> <li>• Neighborhood assistance</li> <li>• Political contributions</li> <li>• Preservation of land</li> <li>• Qualified equity and subordinated debt investments</li> <li>• Recyclable materials processing equipment</li> <li>• Rent reduction program</li> <li>• Riparian waterway buffer</li> <li>• Spousal tax adjustment</li> <li>• Trust beneficiary accumulated distribution</li> <li>• Vehicle emissions testing equipment</li> <li>• Waste motor oil burning equipment</li> <li>• Worker retraining</li> </ul>	
		OTHER TAXES
		<ul style="list-style-type: none"> <li>• Use tax</li> </ul>

# WEST VIRGINIA

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																					
<u>Major Differences from Federal Law</u>																							
Interest/Dividend.....	Exempts U.S. government bonds.	<b>Standard:</b> None  <b>Itemized:</b> None																					
Business/Rent/Farm .....	Same as federal.																						
Capital Gains & Losses .....	Same as federal.																						
Pension/Retirement Income																							
--Private .....	Generally same as federal.																						
--Public.....	Exempt if from certain West Virginia law enforcement and firemen retirement systems. Others generally exclude up to \$2,000.																						
--U.S. Civil Service .....	Exclude up to \$2,000.																						
--Military.....	Exclude up to \$22,000.																						
Active Duty Military .....	CZE and exclusion for pay to Reserve and National Guard members called to active duty under a Presidential order.																						
Unemployment Compensation.....	Same as federal.																						
Social Security Benefits .....	Same as federal.																						
State/Municipal Bond Interest.....	Taxable except West Virginia obligations.																						
Health Savings Accounts.....	Same as federal.																						
Miscellaneous																							
Disability Income .....	Same as federal.																						
Lottery Winnings .....	Taxable.																						
Federal Income Taxes.....	Not deductible.																						
Other .....	Deduction of up to \$8,000 for age 65 or over or permanently and totally disabled (and, in the year following the death of such an individual, a deduction of up to \$8,000 for the surviving spouse). Earned income exclusion for low-income taxpayers. Deduction for contributions to West Virginia prepaid tuition and college savings programs, long-term care insurance premiums, and certain WV "EZ Pass" (tollway) expenditures.																						
TAX RATES AND BRACKETS			EXEMPTIONS																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Taxable Income Brackets</th> <th style="text-align: center;">Marginal</th> </tr> <tr> <th style="text-align: center;"><u>Single/Married-J/HH</u></th> <th style="text-align: center;"><u>Married-S</u></th> <th style="text-align: center;"><u>Tax Rates</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0 - \$9,999</td> <td style="text-align: center;">\$0 - \$4,999</td> <td style="text-align: center;">3.0%</td> </tr> <tr> <td style="text-align: center;">10,000 - 24,999</td> <td style="text-align: center;">5,000 - 12,499</td> <td style="text-align: center;">4.0</td> </tr> <tr> <td style="text-align: center;">25,000 - 39,999</td> <td style="text-align: center;">12,500 - 19,999</td> <td style="text-align: center;">4.5</td> </tr> <tr> <td style="text-align: center;">40,000 - 59,999</td> <td style="text-align: center;">20,000 - 29,999</td> <td style="text-align: center;">6.0</td> </tr> <tr> <td style="text-align: center;">60,000 and over</td> <td style="text-align: center;">30,000 and over</td> <td style="text-align: center;">6.5</td> </tr> </tbody> </table>		Taxable Income Brackets		Marginal	<u>Single/Married-J/HH</u>	<u>Married-S</u>	<u>Tax Rates</u>	\$0 - \$9,999	\$0 - \$4,999	3.0%	10,000 - 24,999	5,000 - 12,499	4.0	25,000 - 39,999	12,500 - 19,999	4.5	40,000 - 59,999	20,000 - 29,999	6.0	60,000 and over	30,000 and over	6.5	Each federal exemption .....\$2,000 Surviving spouse..... 2,000  Dependent on another person's return.....500
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TAX CREDITS	CONTRIBUTION/CHECK-OFF	OTHER TAXES																					
<ul style="list-style-type: none"> <li>• Adoption expenses</li> <li>• Apprenticeship training</li> <li>• Business investment and jobs expansion</li> <li>• Environmental agricultural equipment</li> <li>• Family tax credit</li> <li>• Film industry investment</li> <li>• General economic opportunity</li> <li>• High growth business investment</li> <li>• Historic rehabilitated building investment</li> <li>• Homestead excess property tax</li> <li>• Income tax paid to other states</li> <li>• Neighborhood investment</li> <li>• Senior citizen property tax</li> <li>• Solar energy</li> <li>• Qualified rehabilitated building investment</li> <li>• West Virginia capital company</li> <li>• West Virginia military incentive employment</li> </ul>	<ul style="list-style-type: none"> <li>• Children's trust fund</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum tax</li> <li>• Use tax</li> </ul>																					

# WISCONSIN

Filing System: Joint

TAX BASE: FEDERAL ADJUSTED GROSS INCOME		DEDUCTIONS																												
<p style="text-align: center;"><u>Major Differences from Federal Law</u></p> <p>Interest/Dividend.....Exempts U.S. government bonds.                      Business/Rent/Farm .....Same as federal, except state farm loss provision.                      Capital Gains &amp; Losses .....Exclusion for 60% of farm assets and 30% of other assets held more than one year; deduction for net capital losses limited to \$500. Gains from qualified small business stock and family business sales are excluded.</p> <p>Pension/Retirement Income                      --Private .....Same as federal, except exclusion of up to \$5,000 if 65, subject to income limitation                      --Public.....Exclusion if member of certain systems prior to 1964, otherwise exclusion of up to \$5,000 if 65, subject to income limitation                      --U.S. Civil Service .....Exclusion if member of system prior to 1964, otherwise exclusion of up to \$5,000 if 65, subject to income limitation                      --Military.....Exempt.                      Active Duty Military .....CZE and exclusions for certain active duty pay of Reserve and National Guard members.                      Unemployment Compensation.....Limited exclusion as provided under 1986 federal law.                      Social Security Benefits .....Exempt.                      State/Municipal Bond Interest.....Taxable except certain Wisconsin obligations.                      Health Savings Accounts.....No provision.                      Miscellaneous                      Disability Income .....Exclusion of up to \$5,200 per year.                      Lottery Winnings.....Same as federal.                      Federal Income Taxes.....Not deductible.                      Other .....Deductions for certain medical insurance and health insurance premiums, long-term care insurance, contributions to a Wisconsin college savings program, Wisconsin higher education expenses, adoption expenses, organ donation expenses, and WI incentive payments to landowners for permitting all-terrain vehicle corridors on their land. Certain legislative per diems are fully deductible. Distributions from a passive foreign investment company are taxable. No deduction for educator expenses. Federal deductions for which WI provides tax credits are added back to AGI.</p>		<p><b>Standard:</b> Sliding scale standard deduction</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Filing Status</th> <th>Standard Ded.</th> <th>Income Range for Deduction Phase-Out</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td>\$9,440</td> <td>\$13,610 - \$92,277</td> </tr> <tr> <td>HH</td> <td>12,190</td> <td>13,610 - 92,277</td> </tr> <tr> <td>Married-J</td> <td>17,010</td> <td>19,100 - 105,105</td> </tr> <tr> <td>Married-S</td> <td>8,080</td> <td>9,070 - 49,923</td> </tr> </tbody> </table> <p><b>Itemized:</b> Itemized deduction credit of 5% after subtraction of sliding scale standard deduction.</p> <p><b>Major Differences from Federal Law:</b>  <u>Taxes:</u> No credit for taxes.  <u>Interest:</u> Interest paid on a second home outside of state, a boat, or to purchase U.S. securities is not allowed. Mortgage insurance premiums not treated as interest.  <u>Casualty/Theft:</u> No credit for casualty and theft losses, unless related to a federally-declared disaster.  <u>Miscellaneous:</u> No credit.</p>	Filing Status	Standard Ded.	Income Range for Deduction Phase-Out	Single	\$9,440	\$13,610 - \$92,277	HH	12,190	13,610 - 92,277	Married-J	17,010	19,100 - 105,105	Married-S	8,080	9,070 - 49,923													
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TAX CREDITS	TAX CREDITS (cont.)	CONTRIBUTION/ CHECK-OFF																												
<ul style="list-style-type: none"> <li>• Armed forces members</li> <li>• Claim of right</li> <li>• Dairy and livestock farm investment</li> <li>• Dairy cooperatives</li> <li>• Dairy manufacturing facility investment</li> <li>• Development zone</li> <li>• Earned income tax credit</li> <li>• Economic development</li> <li>• Enterprise zone jobs</li> <li>• Farmland preservation</li> <li>• Farmland tax relief</li> <li>• Ethanol and biodiesel fuel pump</li> <li>• Film production company investment and services</li> <li>• Health insurance risk-sharing plan assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Historical rehabilitation</li> <li>• Homestead</li> <li>• Income taxes paid to other states</li> <li>• Internet equipment</li> <li>• Itemized deductions</li> <li>• Manufacturing investment</li> <li>• Married couple (two earner)</li> <li>• Meat processing facility investment</li> <li>• Property tax/rent credit</li> <li>• Technology zone</li> <li>• Venture capital -- angel and early stage seed investments</li> <li>• Veterans and surviving spouses property tax</li> <li>• Working families</li> </ul>	<ul style="list-style-type: none"> <li>• Breast cancer research</li> <li>• Election campaign fund</li> <li>• Endangered resources donation</li> <li>• Firefighters memorial</li> <li>• Military family relief</li> <li>• Multiple sclerosis</li> <li>• Packers football stadium donation</li> <li>• Prostate cancer research</li> <li>• Second Harvest food banks</li> <li>• Veterans trust fund</li> </ul> <p style="text-align: center;"><b>OTHER TAXES</b></p> <ul style="list-style-type: none"> <li>• Minimum tax</li> <li>• Penalties on retirement plans &amp; MSAs</li> <li>• Recycling surcharge on business</li> <li>• Use tax</li> </ul>																												