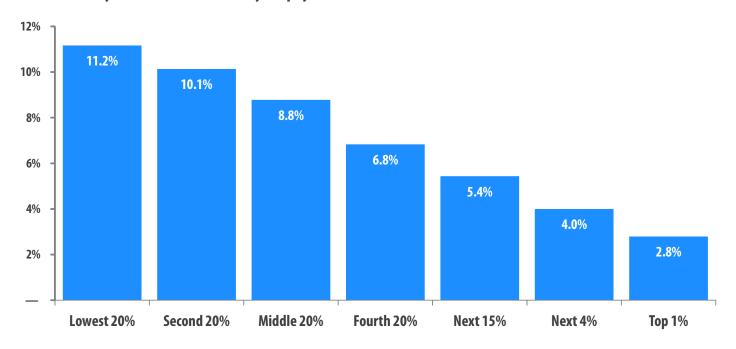
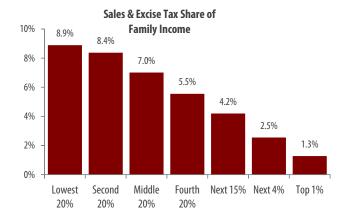
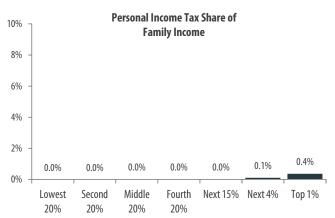
Tennessee State & Local Taxes

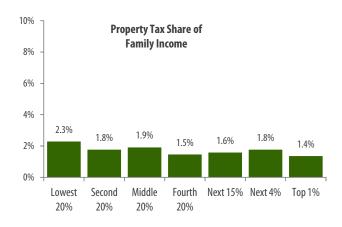
#6 of the Terrible 10

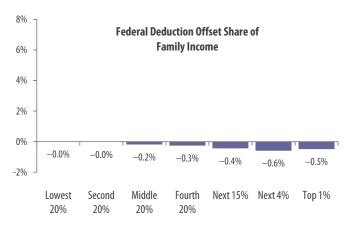
Shares of family income for non-elderly taxpayers











Note: Figures show permanent law in Tennessee enacted through January 2, 2013 at 2010 income levels. Top figure represents total state and local taxes as a share of personal income, post-federal offset.

Tennessee State & Local Taxes

Details, Tax Code Features, & Recent Developments

Income	Lowest	Second	Middle	Fourth	Top 20%		
Group	20%	20%	20%	20%	Next 15%	Next 4%	TOP 1%
Income	Less than	\$17,000 -	\$29,000 -	\$46,000 -	\$74,000 -	\$146,000 -	\$372,000
Range	\$17,000	\$29,000	\$46,000	\$74,000	\$146,000	\$372,000	or more
Average Income in Group	\$10,000	\$23,200	\$37,300	\$57,900	\$98,700	\$209,200	\$945,900
Sales & Excise Taxes	8.9 %	8.4%	7.0%	5.5%	4.2%	2.5%	1.3%
General Sales—Individuals	5.4%	5.2%	4.5%	3.7%	2.8%	1.7%	0.8%
Other Sales & Excise—Ind.	1.2%	1.0%	0.7%	0.5%	0.3%	0.2%	0.0%
Sales & Excise on Business	2.3%	2.2%	1.8%	1.4%	1.1%	0.7%	0.4%
Property Taxes	2.3%	1.8%	1.9%	1.5%	1.6%	1.8%	1.4%
Property Taxes on Families	2.3%	1.7%	1.8%	1.3%	1.5%	1.4%	0.6%
Other Property Taxes	0.0%	0.0%	0.1%	0.1%	0.1%	0.4%	0.8%
Income Taxes	0.0%	0.0%	0.0%	0.1%	0.1%	0.3%	0.7%
Personal Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.4%
Corporate Income Tax	-0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.3%
Total Taxes	11.2%	10.2%	9.0%	7.1%	5.9%	4.6%	3.3%
Federal Deduction Offset	0.0%	0.0%	-0.2%	-0.3%	-0.4%	-0.6%	-0.5%
OVERALL TOTAL	11.2%	10.1%	8.8%	6.8%	5.4%	4.0%	2.8%

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

Progressive Features

✓ Taxes interest and dividend income

Regressive Features

- **✗** No broad-based personal income tax
- **✗** Comparatively high reliance on sales taxes
- **✗** Groceries included in sales tax base, but taxed at a lower rate than other items

Recent Developments

- ▲ Sales tax rate on groceries lowered from 5.5 to 5.25 percent
- ▲ Amazon will begin to collect sales tax from online purchases in 2014
- ▲ Gradual elimination of inheritance tax

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