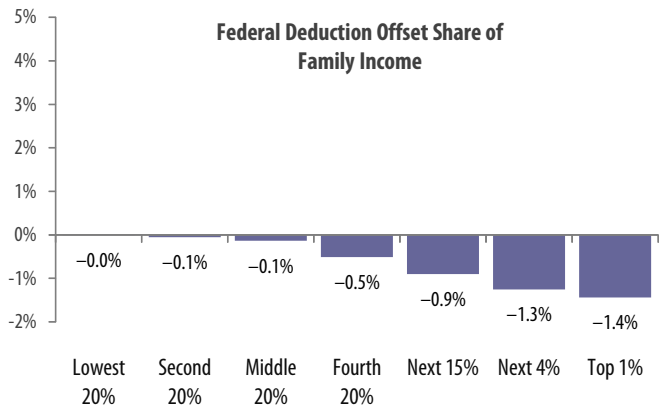
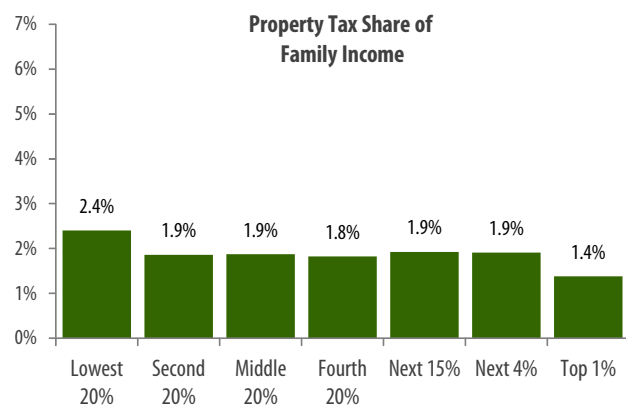
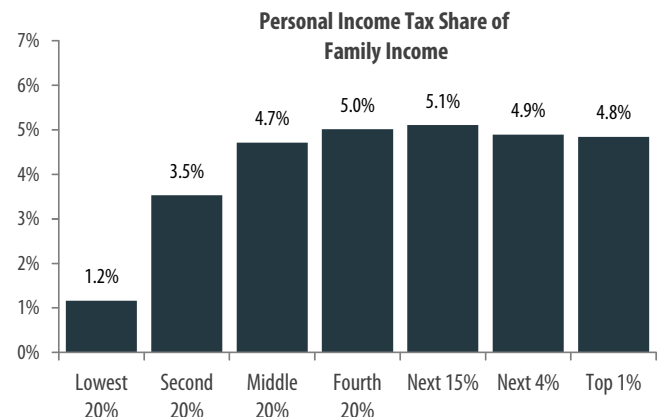
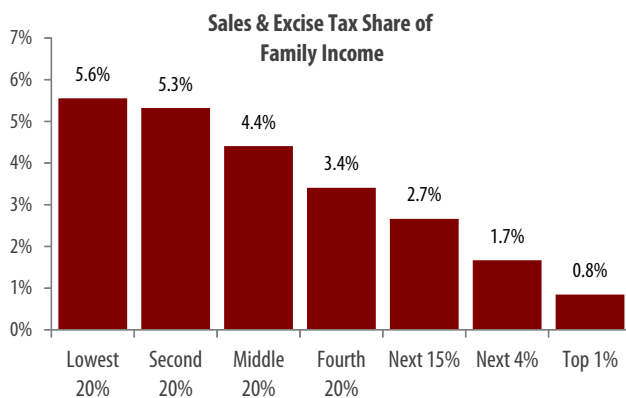
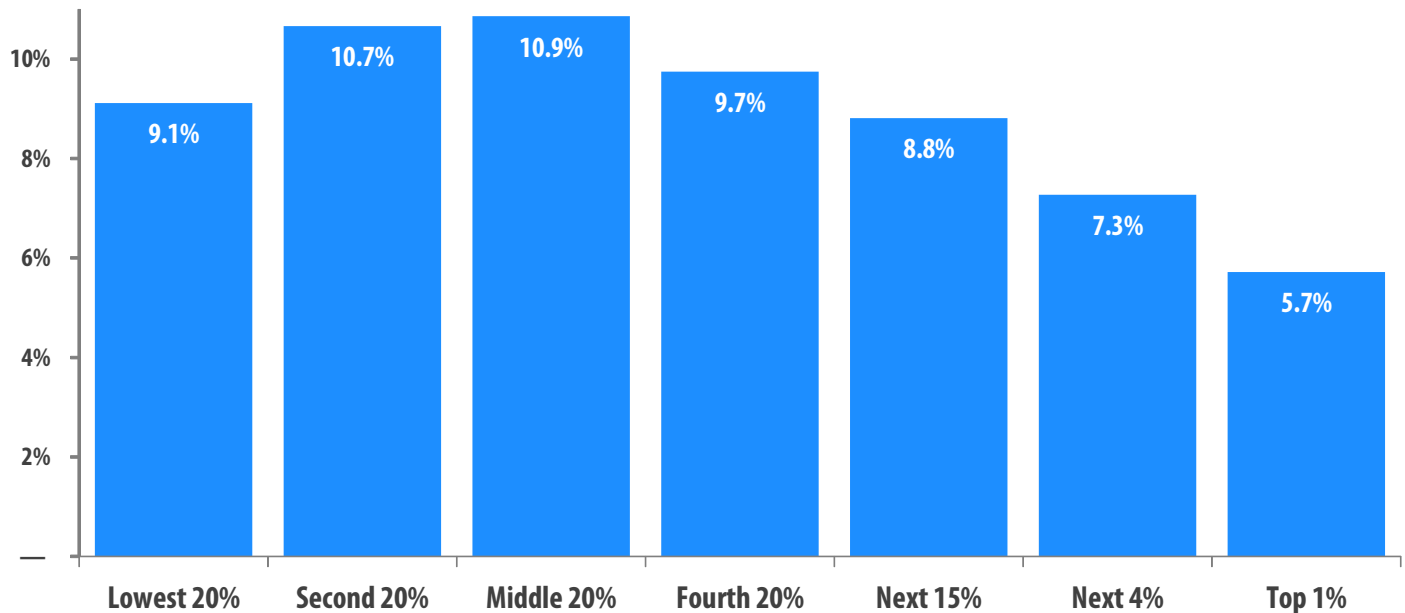


Kentucky State & Local Taxes

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Kentucky 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.

Kentucky State & Local Taxes

Details, Tax Code Features, & Recent Developments

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$15,000	\$15,000 – \$29,000	\$29,000 – \$47,000	\$47,000 – \$77,000	\$77,000 – \$137,000	\$137,000 – \$309,000	\$309,000 or more
Average Income in Group	\$8,500	\$21,800	\$36,400	\$60,300	\$97,500	\$190,300	\$759,000
Sales & Excise Taxes	5.6%	5.3%	4.4%	3.4%	2.7%	1.7%	0.8%
General Sales—Individuals	2.5%	2.6%	2.3%	1.8%	1.5%	1.0%	0.5%
Other Sales & Excise—Ind.	1.3%	1.0%	0.8%	0.5%	0.4%	0.2%	0.1%
Sales & Excise on Business	1.8%	1.7%	1.3%	1.0%	0.8%	0.5%	0.3%
Property Taxes	2.4%	1.9%	1.9%	1.8%	1.9%	1.9%	1.4%
Property Taxes on Families	2.4%	1.8%	1.8%	1.8%	1.8%	1.6%	0.8%
Other Property Taxes	0.0%	0.0%	0.0%	0.1%	0.1%	0.3%	0.6%
Income Taxes	1.2%	3.5%	4.7%	5.0%	5.1%	4.9%	4.9%
Personal Income Tax (State and Local)	1.2%	3.5%	4.7%	5.0%	5.1%	4.9%	4.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Total Taxes	9.1%	10.7%	11.0%	10.3%	9.7%	8.5%	7.2%
Federal Deduction Offset	0.0%	-0.1%	-0.1%	-0.5%	-0.9%	-1.3%	-1.4%
OVERALL TOTAL	9.1%	10.7%	10.9%	9.7%	8.8%	7.3%	5.7%

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

Progressive Features

- ✓ Income tax uses a graduated rate structure
- ✓ Offers an income tax credit for child and dependent care expenses
- ✓ Provides a low-income tax credit linked to the federal poverty level
- ✓ Sales tax base excludes groceries

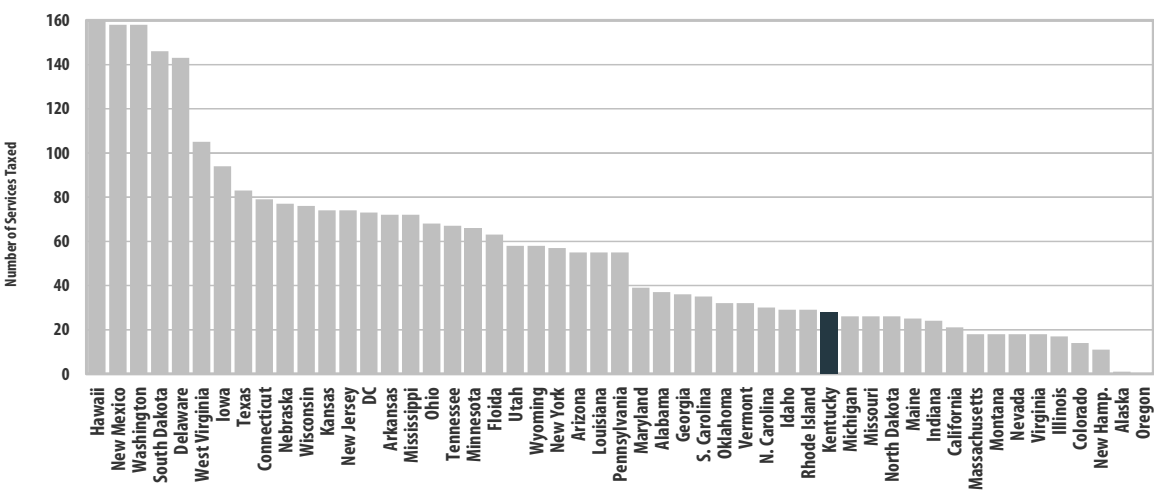
Regressive Features

- ✗ Fails to provide refundable income tax credits to offset impact of sales and property taxes

Recent Developments

- ▲ Increased cigarette taxes

Sales Taxation of Services



Source: Federation of Tax Administrators Taxation of Services Survey, 2007.