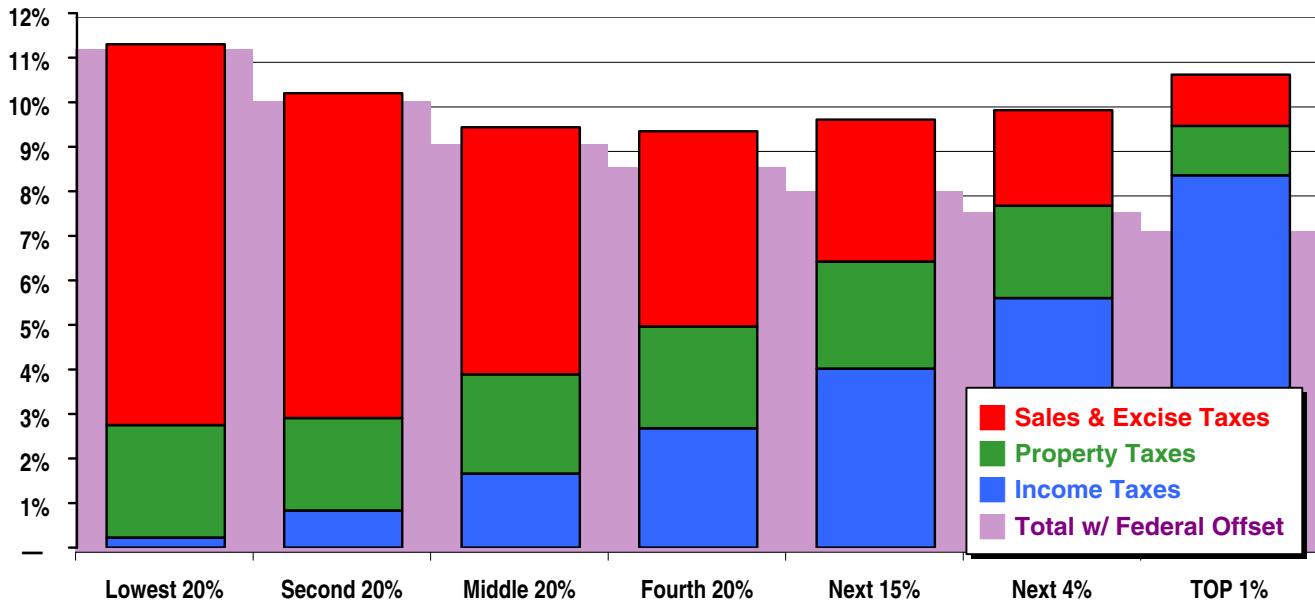


# California

## State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
<b>Income Range</b>	Less than \$18,000	\$18,000 – \$30,000	\$30,000 – \$47,000	\$47,000 – \$80,000	\$80,000 – \$168,000	\$168,000 – \$567,000	\$567,000 or more
<b>Average Income in Group</b>	\$11,100	\$23,700	\$38,300	\$61,900	\$111,200	\$241,700	\$1,630,000
<b>Sales &amp; Excise Taxes</b>	<b>8.6%</b>	<b>7.3%</b>	<b>5.6%</b>	<b>4.4%</b>	<b>3.2%</b>	<b>2.1%</b>	<b>1.2%</b>
General Sales—Individuals	4.4%	4.1%	3.2%	2.7%	2.0%	1.4%	0.7%
Other Sales & Excise—Ind.	1.4%	0.9%	0.6%	0.4%	0.3%	0.2%	0.1%
Sales & Excise on Business	2.8%	2.3%	1.7%	1.3%	0.9%	0.6%	0.4%
<b>Property Taxes</b>	<b>2.5%</b>	<b>2.1%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>2.4%</b>	<b>2.1%</b>	<b>1.1%</b>
Property Taxes on Families	2.5%	2.0%	2.2%	2.2%	2.3%	1.9%	0.7%
Other Property Taxes	0.1%	0.0%	0.0%	0.1%	0.1%	0.2%	0.4%
<b>Income Taxes</b>	<b>0.2%</b>	<b>0.8%</b>	<b>1.7%</b>	<b>2.7%</b>	<b>4.0%</b>	<b>5.6%</b>	<b>8.4%</b>
Personal Income Tax	0.2%	0.8%	1.6%	2.6%	4.0%	5.5%	7.9%
Corporate Income Tax	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.4%
<b>TOTAL TAXES</b>	<b>11.3%</b>	<b>10.2%</b>	<b>9.4%</b>	<b>9.3%</b>	<b>9.6%</b>	<b>9.8%</b>	<b>10.6%</b>
<b>Federal Deduction Offset</b>	<b>-0.0%</b>	<b>-0.1%</b>	<b>-0.3%</b>	<b>-0.7%</b>	<b>-1.5%</b>	<b>-2.2%</b>	<b>-3.4%</b>
<b>TOTAL AFTER OFFSET</b>	<b>11.3%</b>	<b>10.1%</b>	<b>9.2%</b>	<b>8.7%</b>	<b>8.1%</b>	<b>7.6%</b>	<b>7.2%</b>

Note: Table shows 2002 tax law at 2000 income levels.

# California Details

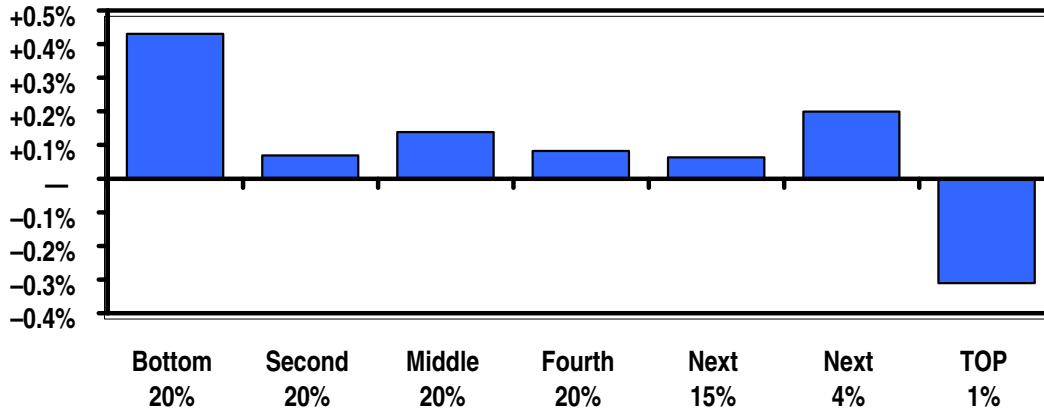
## Progressive Features

- ✓ Graduated income tax rates
- ✓ Refundable low income tax credits
- ✓ Income Tax Indexed for Inflation
- ✓ Homestead exemption
- ✓ Alternative minimum tax

## Regressive Features

- ✗ High excise taxes

Changes in Tax as Share of Income, 1989 - 2002

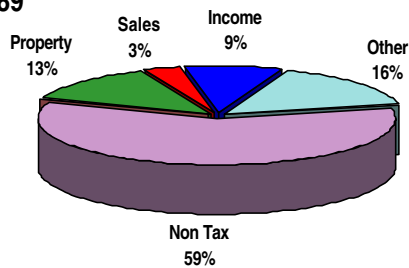


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
<b>Sales &amp; Excise</b>	+0.7%	+0.4%	+0.3%	+0.2%	+0.1%	+0.1%	+0.0%
<b>Property</b>	-0.2%	-0.2%	+0.1%	-0.1%	-0.3%	-0.3%	-0.2%
<b>Income</b>	-0.1%	-0.1%	-0.2%	+0.1%	+0.5%	+0.6%	+1.1%
<b>Federal Offset</b>	-0.0%	-0.0%	-0.1%	-0.1%	-0.2%	-0.2%	-1.3%
<b>Overall Change</b>	+0.4%	+0.1%	+0.1%	+0.1%	+0.1%	+0.2%	-0.3%

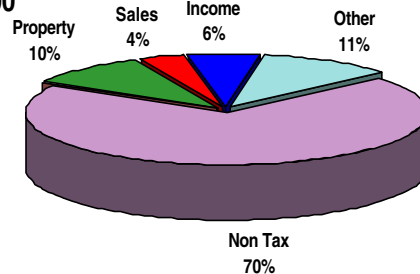
California sales taxes increased at both the state and local level during the 1990s, as did cigarette, gasoline and alcohol excise taxes. For middle and lower income taxpayers, these tax increases and a mostly regressive income tax cut overwhelmed a progressive (but expensive) cut in the Vehicle License Fee (California's car tax).

## Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census