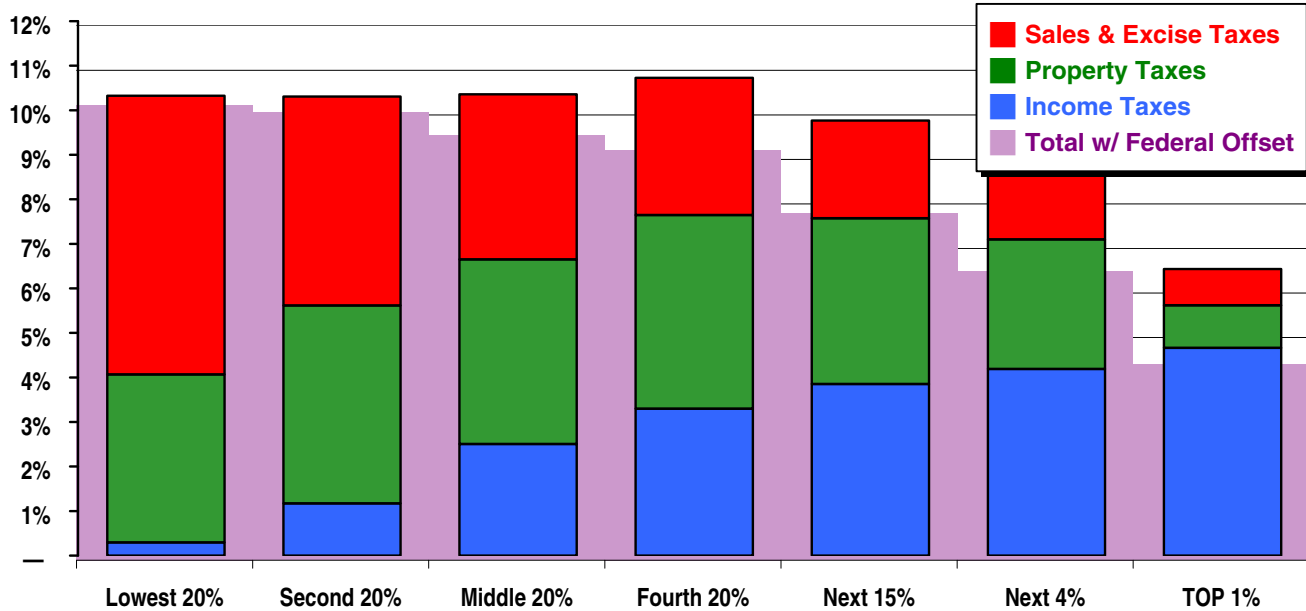


Connecticut

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%
Income Range	Less than \$21,000	\$21,000 – \$37,000	\$37,000 – \$60,000	\$60,000 – \$97,000	\$97,000 – \$220,000	\$220,000 – \$471,000	\$471,000 or more
Average Income in Group	\$13,800	\$28,300	\$47,800	\$75,300	\$131,500	\$285,800	\$2,405,500
Sales & Excise Taxes	6.3%	4.7%	3.7%	3.1%	2.2%	1.5%	0.8%
General Sales—Individuals	2.7%	2.2%	1.9%	1.6%	1.2%	0.9%	0.5%
Other Sales & Excise—Ind.	1.4%	0.9%	0.6%	0.5%	0.3%	0.1%	0.0%
Sales & Excise on Business	2.2%	1.6%	1.2%	1.0%	0.7%	0.5%	0.3%
Property Taxes	3.8%	4.4%	4.1%	4.3%	3.7%	2.9%	1.0%
Property Taxes on Families	3.7%	4.4%	4.1%	4.3%	3.6%	2.8%	0.7%
Other Property Taxes	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.3%
Income Taxes	0.3%	1.2%	2.5%	3.3%	3.9%	4.2%	4.7%
Personal Income Tax	0.3%	1.2%	2.5%	3.3%	3.8%	4.1%	4.5%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
TOTAL TAXES	10.3%	10.3%	10.4%	10.7%	9.8%	8.6%	6.4%
Federal Deduction Offset	-0.1%	-0.3%	-0.8%	-1.5%	-2.0%	-2.1%	-2.0%
TOTAL AFTER OFFSET	10.2%	10.1%	9.5%	9.2%	7.8%	6.5%	4.4%

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

Connecticut Details

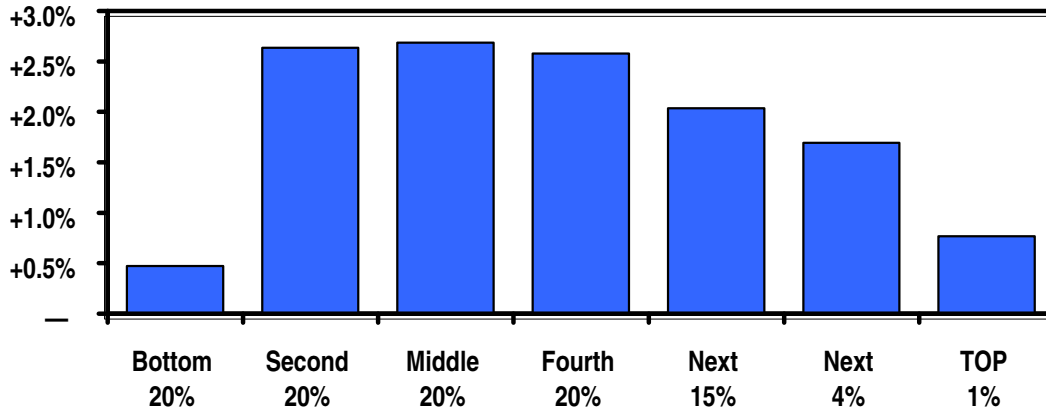
Progressive Features

- ✓ Broad based income tax
- ✓ Graduated rates
- ✓ No tax on food and drugs

Regressive Features

- ✗ Sales tax still one of the highest in the nation

Changes in Tax as Share of Income, 1989 - 2002

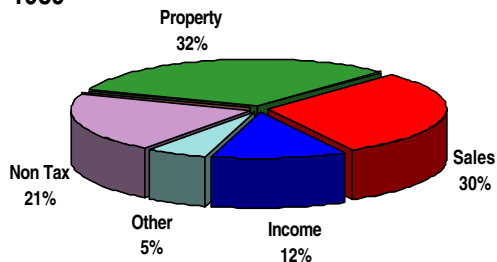


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	+0.6%	+0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.0%
Property	-0.2%	+1.6%	+0.9%	+0.5%	-0.0%	-0.0%	-0.3%
Income	+0.2%	+1.1%	+2.4%	+3.1%	+3.3%	+2.9%	+2.3%
Federal Offset	-0.1%	-0.2%	-0.6%	-1.0%	-1.1%	-1.1%	-1.2%
Overall Change	+0.5%	+2.6%	+2.7%	+2.6%	+2.0%	+1.7%	+0.8%

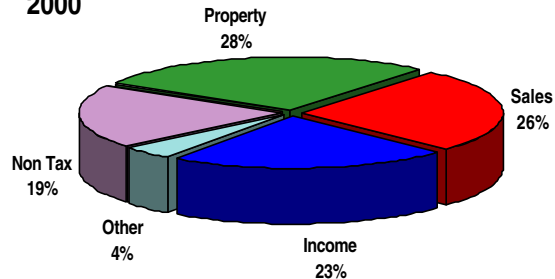
In 1990 Connecticut abandoned both its dividend, interest and capital gains income tax and its narrow base, high rate sales tax. Connecticut replaced those taxes with a progressive, broad based income tax and a broader base, lower rate sales tax. Those progressive changes were partially offset by a regressive hike in the cigarette tax.

Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census