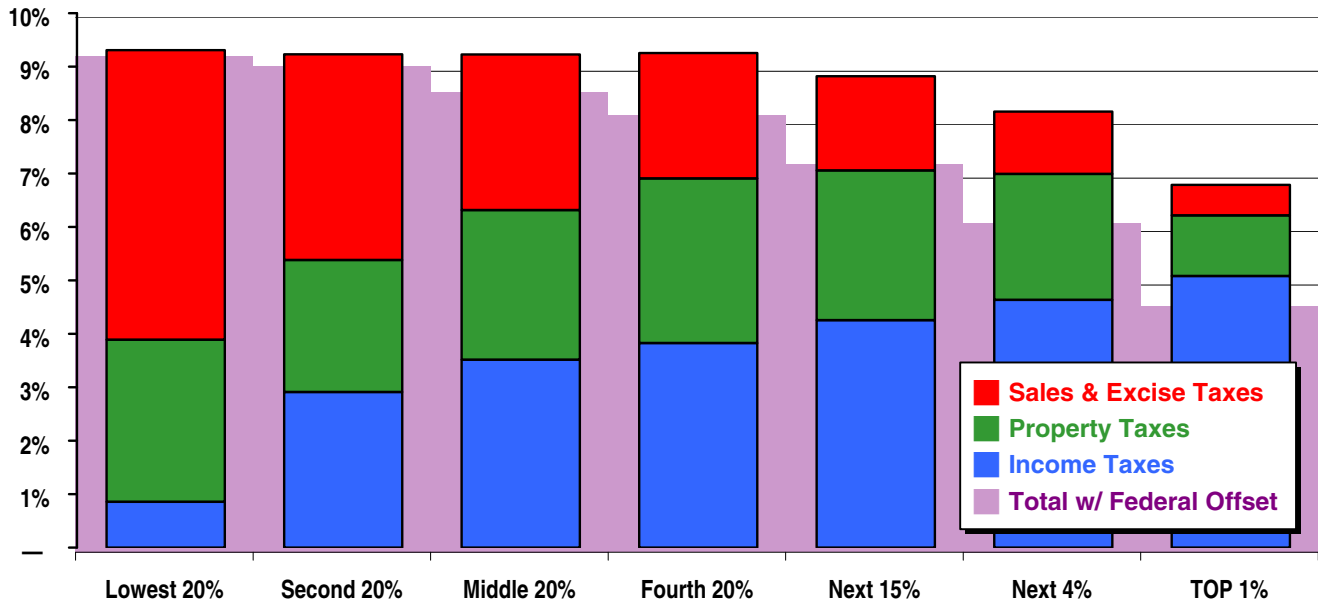


Massachusetts

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 \$19,000	\$19,000 – \$34,000	\$34,000 – \$56,000	\$56,000 – \$90,000	\$90,000 – \$182,000	\$182,000 – \$413,000	\$413,000 or more
Average Income in Group	\$10,500	\$26,800	\$44,400	\$71,600	\$121,100	\$263,400	\$1,382,600
Sales & Excise Taxes	5.4%	3.9%	2.9%	2.3%	1.8%	1.2%	0.6%
General Sales—Individuals	2.0%	1.6%	1.4%	1.2%	0.9%	0.6%	0.3%
Other Sales & Excise—Ind.	1.9%	1.0%	0.7%	0.5%	0.3%	0.2%	0.1%
Sales & Excise on Business	1.6%	1.2%	0.9%	0.7%	0.5%	0.3%	0.2%
Property Taxes	3.0%	2.5%	2.8%	3.1%	2.8%	2.4%	1.1%
Property Taxes on Families	3.0%	2.4%	2.8%	3.0%	2.7%	2.2%	0.8%
Other Property Taxes	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.3%
Income Taxes	0.9%	2.9%	3.5%	3.8%	4.3%	4.6%	5.1%
Personal Income Tax	0.8%	2.9%	3.5%	3.8%	4.2%	4.6%	4.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	9.3%	9.2%	9.2%	9.3%	8.8%	8.2%	6.8%
Federal Deduction Offset	-0.0%	-0.1%	-0.6%	-1.1%	-1.6%	-2.0%	-2.2%
TOTAL AFTER OFFSET	9.3%	9.1%	8.6%	8.2%	7.3%	6.2%	4.6%

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

Massachusetts Details

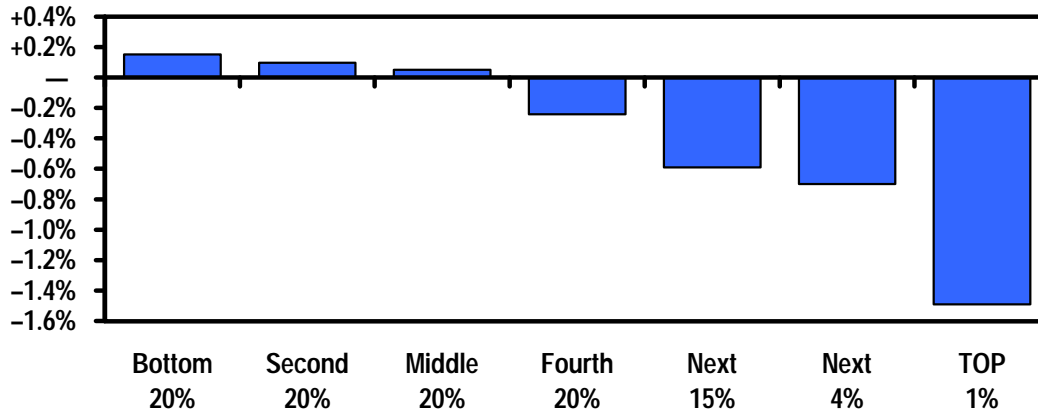
Progressive Features

- ✓ Earned Income Tax Credit

Regressive Features

- ✗ Flat tax on most income
- ✗ Highest cigarette tax in the nation

Changes in Tax as Share of Income, 1989 - 2002

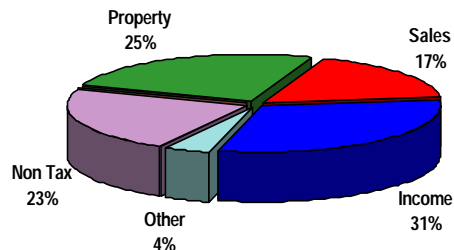


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	+1.3%	+0.6%	+0.4%	+0.2%	+0.2%	+0.1%	+0.0%
Property	+0.4%	+0.3%	+0.6%	+0.3%	-0.4%	-0.4%	-0.3%
Income	-1.6%	-0.8%	-0.6%	-0.5%	-0.4%	-0.6%	-0.8%
Federal Offset	+0.0%	-0.0%	-0.3%	-0.4%	-0.0%	+0.2%	-0.4%
Overall Change	+0.2%	+0.1%	+0.1%	-0.2%	-0.6%	-0.7%	-1.5%

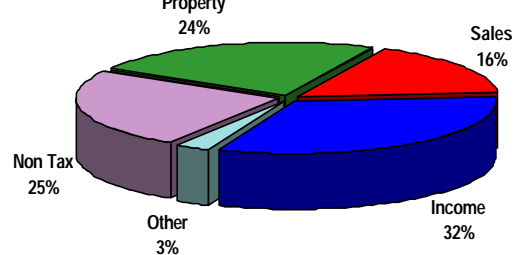
The expansion of the standard deduction was a progressive tax change for the low- and middle-income tax payers and a cut in the long term capital gains tax rate helped out those at the top. Increases in the excise taxes, including the largest cigarette tax hike in the nation, nearly offset the change in the income burden for the lowest income quintiles.

Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census