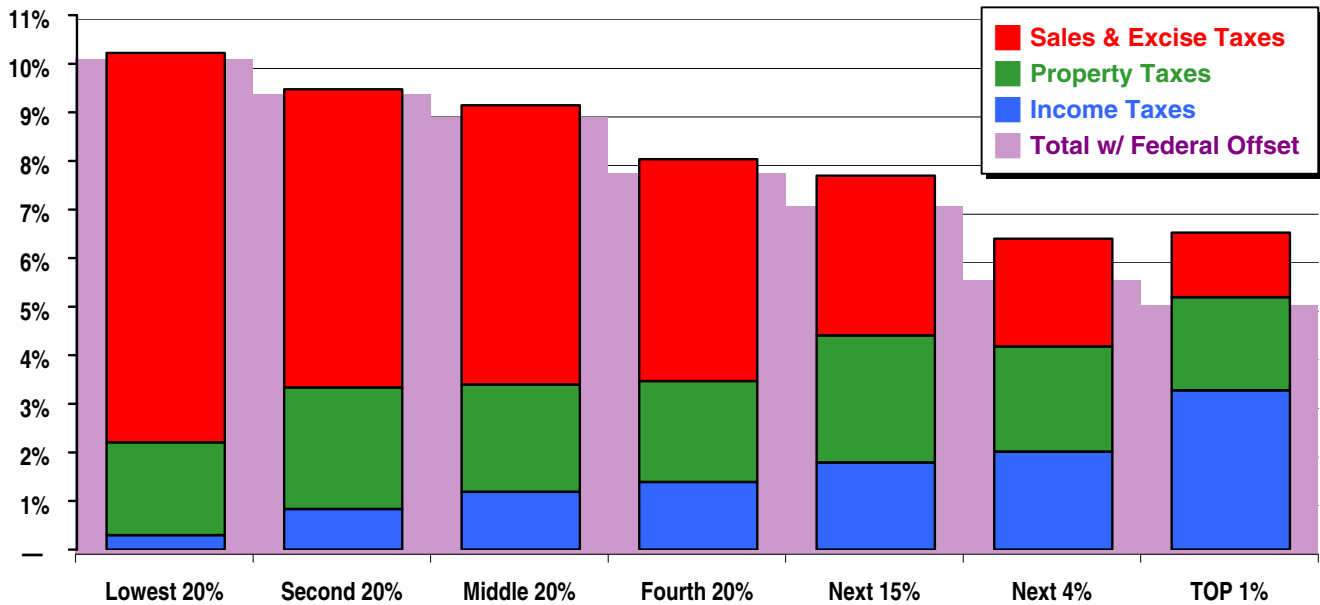


North Dakota

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 \$14,000	\$14,000 – \$25,000	\$25,000 – \$40,000	\$40,000 – \$64,000	\$64,000 – \$114,000	\$114,000 – \$229,000	\$229,000 or more
Average Income in Group	\$8,900	\$19,400	\$32,000	\$50,100	\$80,400	\$156,400	\$393,000
Sales & Excise Taxes	8.0%	6.1%	5.8%	4.6%	3.3%	2.2%	1.3%
General Sales—Individuals	3.5%	2.8%	2.8%	2.3%	1.7%	1.2%	0.8%
Other Sales & Excise—Ind.	1.6%	1.1%	1.0%	0.7%	0.5%	0.3%	0.1%
Sales & Excise on Business	2.9%	2.2%	2.0%	1.6%	1.1%	0.7%	0.5%
Property Taxes	1.9%	2.5%	2.2%	2.1%	2.6%	2.2%	1.9%
Property Taxes on Families	1.7%	2.4%	2.0%	1.9%	2.2%	1.6%	1.3%
Other Property Taxes	0.2%	0.1%	0.2%	0.2%	0.4%	0.6%	0.6%
Income Taxes	0.3%	0.8%	1.2%	1.4%	1.8%	2.0%	3.3%
Personal Income Tax	0.3%	0.8%	1.1%	1.4%	1.7%	1.9%	3.2%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
TOTAL TAXES	10.2%	9.5%	9.1%	8.0%	7.7%	6.4%	6.5%
Federal Deduction Offset	-0.0%	-0.0%	-0.1%	-0.2%	-0.5%	-0.8%	-1.4%
TOTAL AFTER OFFSET	10.2%	9.5%	9.0%	7.8%	7.2%	5.6%	5.1%

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

North Dakota Details

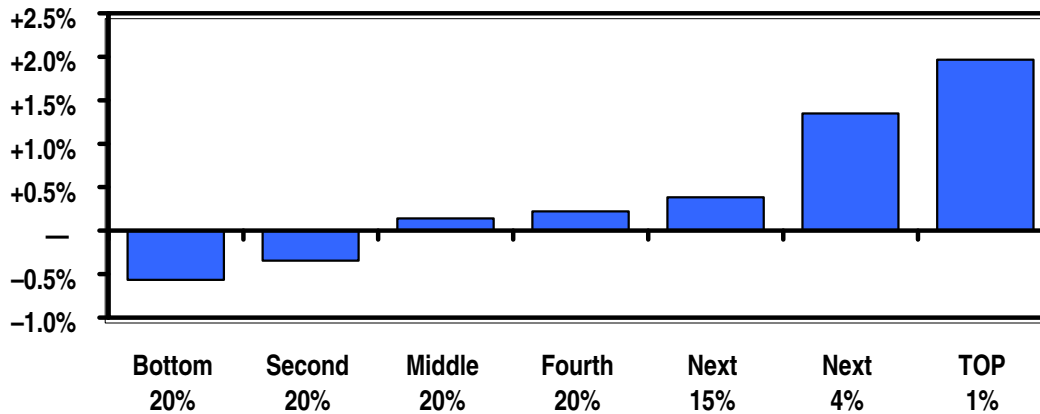
Progressive Features

- ✓ Graduated rates

Regressive Features

- ✗ Deduction for federal income taxes paid
- ✗ No indexing

Changes in Tax as Share of Income, 1989 - 2002

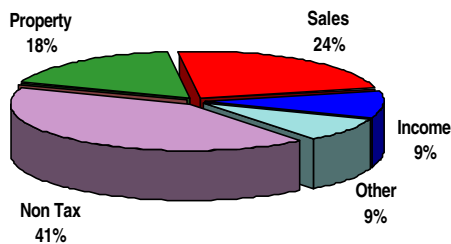


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	-0.9%	-0.8%	-0.7%	-0.6%	-0.4%	-0.3%	-0.2%
Property	+0.5%	+0.4%	+0.5%	+0.2%	-0.2%	+0.2%	+0.2%
Income	-0.1%	-0.0%	+0.4%	+0.7%	+1.1%	+1.6%	+2.4%
Federal Offset	-0.0%	+0.0%	-0.1%	-0.0%	-0.1%	-0.1%	-0.4%
Overall Change	-0.6%	-0.3%	+0.1%	+0.2%	+0.4%	+1.3%	+2.0%

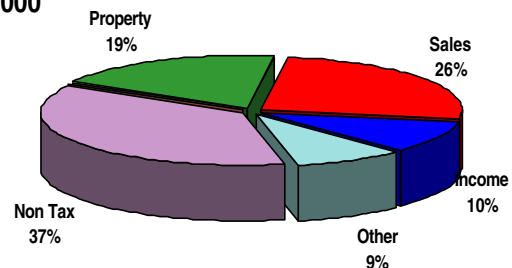
Local sales tax rates rose on average .5% over the decade. As most North Dakotans pay a state income tax based on a percent of their federal income tax, progressive rises in federal rates since 1989 are reflected in increased state income taxes for high income taxpayers.

Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census