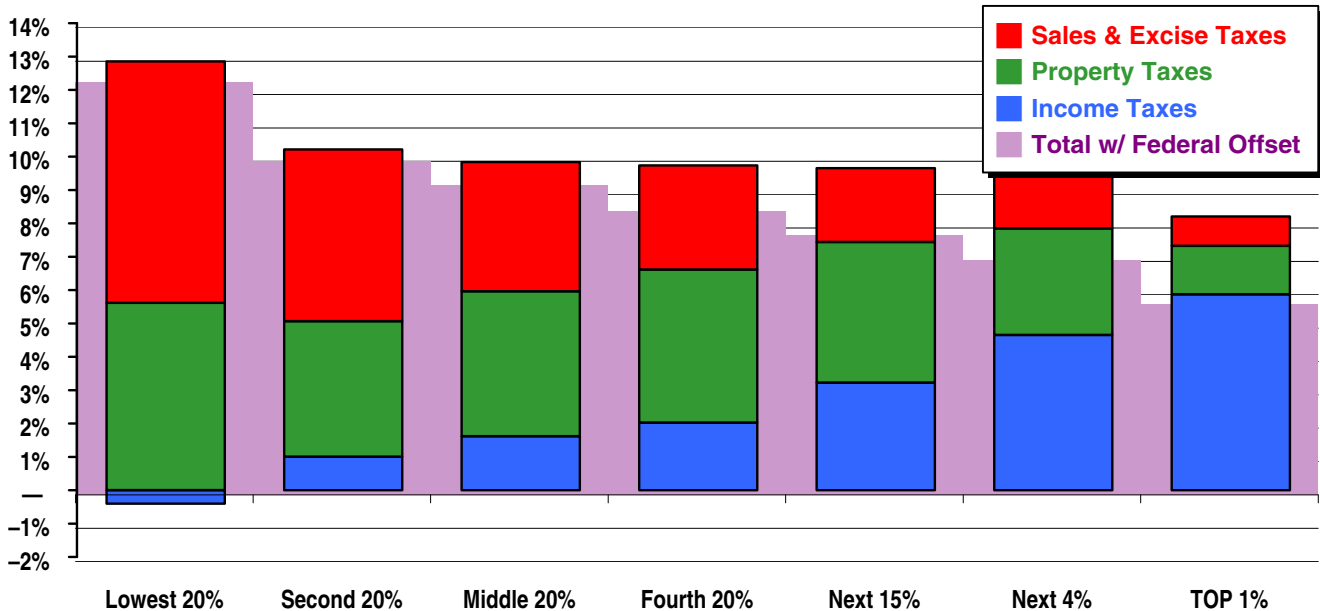


New Jersey

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 – \$94,000	\$94,000 – \$193,000	\$193,000 – \$571,000	\$571,000 or more
Average Income in Group	\$11,000	\$26,100	\$44,000	\$72,900	\$126,900	\$275,500	\$1,447,100
Sales & Excise Taxes	7.2%	5.2%	3.9%	3.1%	2.2%	1.6%	0.9%
General Sales—Individuals	2.7%	2.2%	1.8%	1.5%	1.1%	0.9%	0.5%
Other Sales & Excise—Ind.	2.8%	1.6%	1.1%	0.8%	0.5%	0.3%	0.1%
Sales & Excise on Business	1.7%	1.3%	1.0%	0.8%	0.6%	0.4%	0.3%
Property Taxes	5.6%	4.1%	4.3%	4.6%	4.2%	3.2%	1.5%
Property Taxes on Families	5.6%	4.0%	4.3%	4.5%	4.1%	3.0%	1.0%
Other Property Taxes	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.5%
Income Taxes	-0.4%	1.0%	1.6%	2.0%	3.2%	4.7%	5.9%
Personal Income Tax	-0.4%	1.0%	1.6%	2.0%	3.2%	4.6%	5.6%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%
TOTAL TAXES	12.4%	10.2%	9.8%	9.7%	9.7%	9.4%	8.2%
Federal Deduction Offset	-0.1%	-0.2%	-0.6%	-1.2%	-1.9%	-2.4%	-2.5%
TOTAL AFTER OFFSET	12.4%	10.0%	9.3%	8.5%	7.8%	7.0%	5.7%

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

New Jersey Details

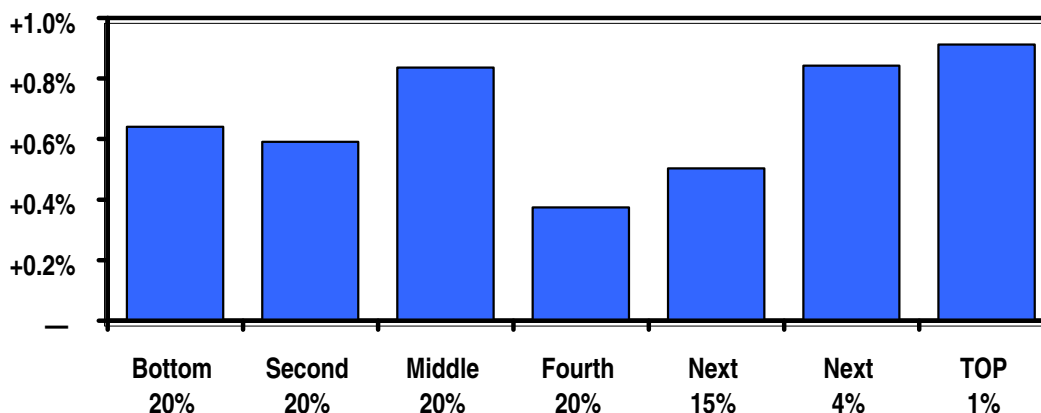
Progressive Features

- ✓ Refundable EITC
- ✓ Graduated rates

Regressive Features

- ✗ High reliance on property taxes
- ✗ Second highest cigarette tax in the nation

Changes in Tax as Share of Income, 1989 - 2002

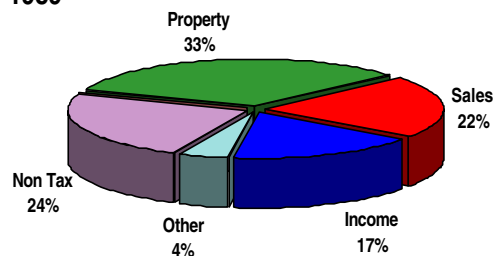


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	+1.3%	+0.6%	+0.4%	+0.2%	+0.1%	+0.1%	+0.0%
Property	+0.9%	+0.6%	+0.8%	+0.5%	-0.1%	-0.4%	-0.4%
Income	-1.5%	-0.5%	-0.1%	+0.1%	+0.9%	+1.8%	+2.6%
Federal Offset	-0.1%	-0.1%	-0.2%	-0.4%	-0.4%	-0.6%	-1.3%
Overall Change	+0.6%	+0.6%	+0.8%	+0.4%	+0.5%	+0.8%	+0.9%

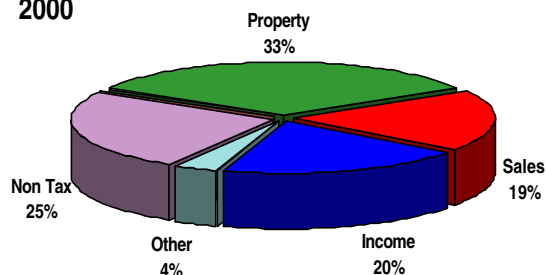
A 1990 education funding reform sharply increased the progressivity of the income tax and hiked sales taxes. The sales tax hike and a portion of the income tax rate hikes were subsequently repealed, but the introduction of a 20 percent refundable EITC further increased income tax progressivity. These progressive changes were countered in the bottom 60% by a \$1.23 hike in cigarette taxes--the third largest cigarette tax hike in the nation over the decade. Still, New Jersey remains a state which taxes its poorest citizens far more heavily than its wealthiest ones.

Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census