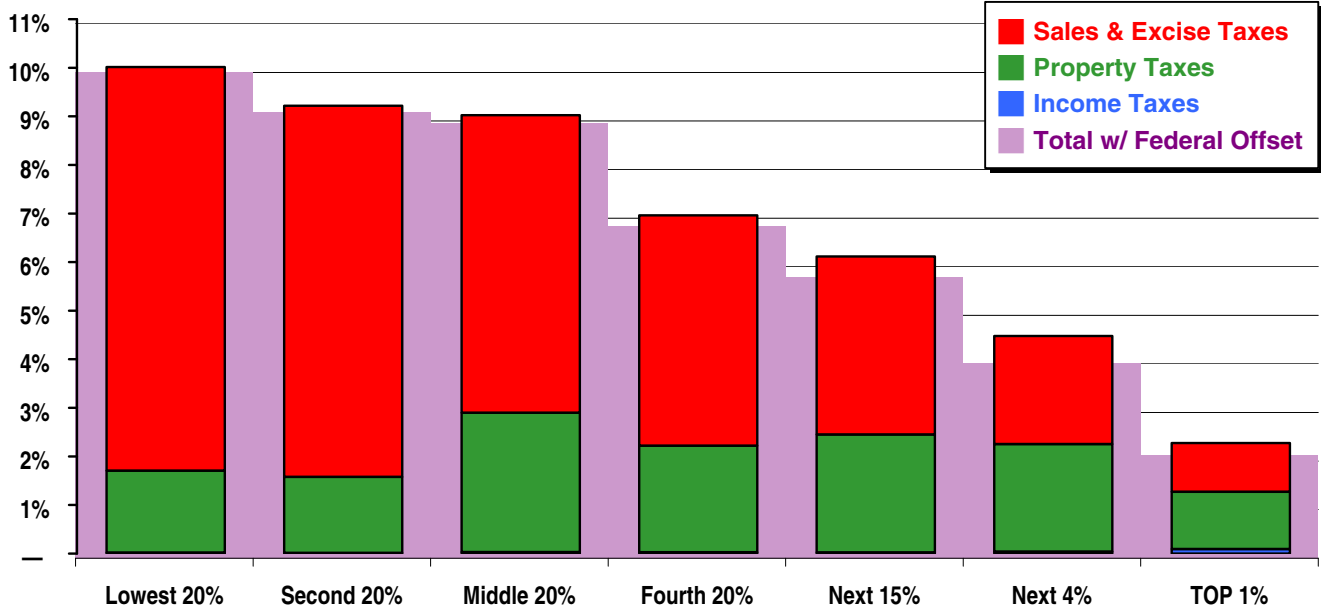


South Dakota

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 \$15,000	\$15,000 – \$25,000	\$25,000 – \$40,000	\$40,000 – \$64,000	\$64,000 – \$112,000	\$112,000 – \$291,000	\$291,000 or more
Average Income in Group	\$9,000	\$19,400	\$31,900	\$50,900	\$79,600	\$160,700	\$714,000
Sales & Excise Taxes	8.3%	7.6%	6.1%	4.7%	3.7%	2.2%	1.0%
General Sales—Individuals	4.1%	3.7%	3.0%	2.5%	1.9%	1.2%	0.6%
Other Sales & Excise—Ind.	1.7%	1.6%	1.3%	1.0%	0.7%	0.4%	0.1%
Sales & Excise on Business	2.4%	2.3%	1.8%	1.3%	1.0%	0.6%	0.3%
Property Taxes	1.7%	1.6%	2.9%	2.2%	2.4%	2.2%	1.2%
Property Taxes on Families	1.6%	1.5%	2.7%	2.0%	2.2%	1.8%	0.5%
Other Property Taxes	0.1%	0.1%	0.2%	0.2%	0.3%	0.4%	0.6%
Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Personal Income Tax	—	—	—	—	—	—	—
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
TOTAL TAXES	10.0%	9.2%	9.0%	7.0%	6.1%	4.5%	2.3%
Federal Deduction Offset	—	-0.0%	-0.1%	-0.1%	-0.3%	-0.5%	-0.2%
TOTAL AFTER OFFSET	10.0%	9.2%	9.0%	6.8%	5.8%	4.0%	2.1%

Notes: Table shows 2002 tax law at 2000 income levels; Corporate income tax consists of miscellaneous taxes and fees levied on businesses

South Dakota Details

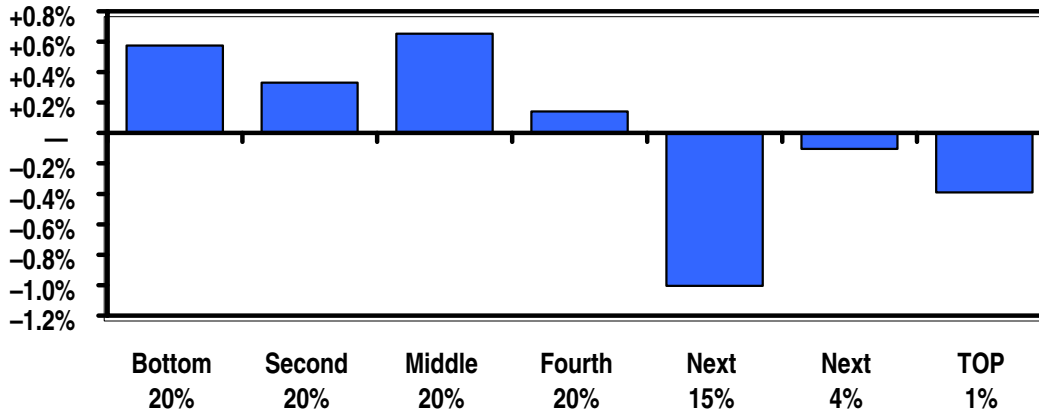
Progressive Features

- ✓
- ✓
- ✓

Regressive Features

- ✗ Sales Tax Applies to Food
- ✗ No Broad-Based Personal Income Tax
- ✗ No Corporate Income Tax

Changes in Tax as Share of Income, 1989 - 2002

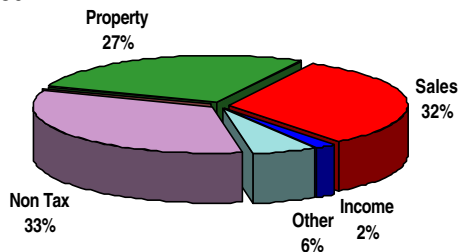


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	+0.8%	+0.8%	+0.6%	+0.4%	+0.3%	+0.2%	+0.1%
Property	-0.2%	-0.4%	+0.0%	-0.3%	-1.2%	-0.3%	-0.5%
Income	-0.0%	-0.0%	+0.0%	-0.0%	-0.0%	-0.0%	-0.0%
Federal Offset	+0.0%	-0.0%	+0.0%	+0.0%	-0.1%	-0.0%	+0.1%
Overall Change	+0.6%	+0.3%	+0.7%	+0.1%	-1.0%	-0.1%	-0.4%

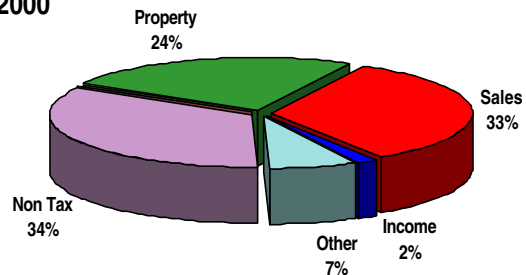
The 30% drop in residential property taxes was a largely flat cut, but since expansions in the sales tax were used to pay for the cut, low income residents saw most of their tax savings disappear.

Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census