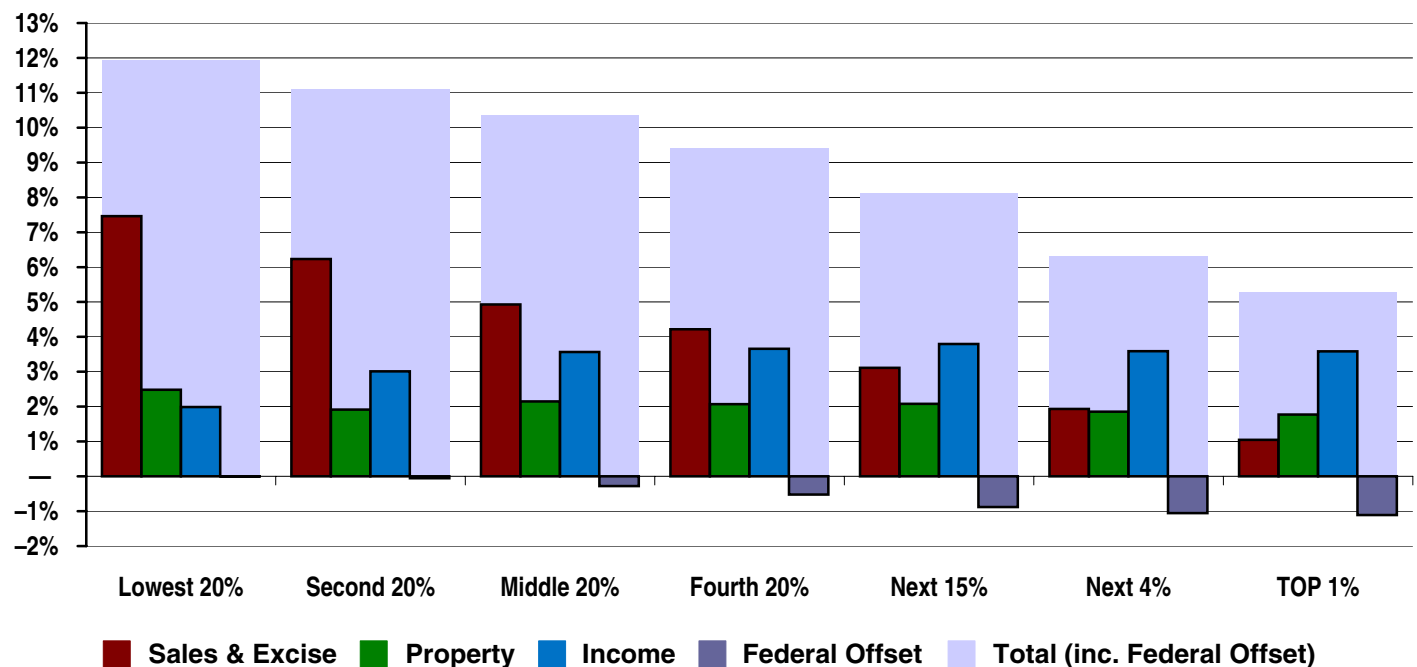


Indiana

State & Local Taxes in 2007

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 \$18,000	\$18,000 – \$33,000	\$33,000 – \$54,000	\$54,000 – \$82,000	\$82,000 – \$152,000	\$152,000 – \$340,000	\$340,000 or more
Average Income in Group	\$10,300	\$25,500	\$43,000	\$66,400	\$107,200	\$209,700	\$1,024,800
Sales & Excise Taxes	7.5%	6.2%	4.9%	4.2%	3.1%	1.9%	1.0%
General Sales—Individuals	4.2%	3.8%	3.1%	2.8%	2.0%	1.3%	0.7%
Other Sales & Excise—Ind.	1.8%	1.2%	0.8%	0.6%	0.4%	0.2%	0.1%
Sales & Excise on Business	1.4%	1.2%	1.0%	0.8%	0.6%	0.4%	0.3%
Property Taxes	2.5%	1.9%	2.1%	2.1%	2.1%	1.9%	1.8%
Property Taxes on Families	2.1%	1.5%	1.8%	1.7%	1.6%	1.3%	0.6%
Other Property Taxes	0.3%	0.4%	0.4%	0.3%	0.5%	0.6%	1.2%
Income Taxes	2.0%	3.0%	3.6%	3.7%	3.8%	3.6%	3.6%
Personal Income Tax	2.0%	3.0%	3.5%	3.6%	3.8%	3.5%	3.4%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	11.9%	11.2%	10.6%	9.9%	9.0%	7.4%	6.4%
Federal Deduction Offset	-0.0%	-0.1%	-0.3%	-0.5%	-0.9%	-1.1%	-1.1%
TOTAL AFTER OFFSET	11.9%	11.1%	10.4%	9.4%	8.1%	6.3%	5.3%

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

Indiana

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Provides a refundable earned income tax credit (EITC)
- ✓ Sales tax base excludes groceries

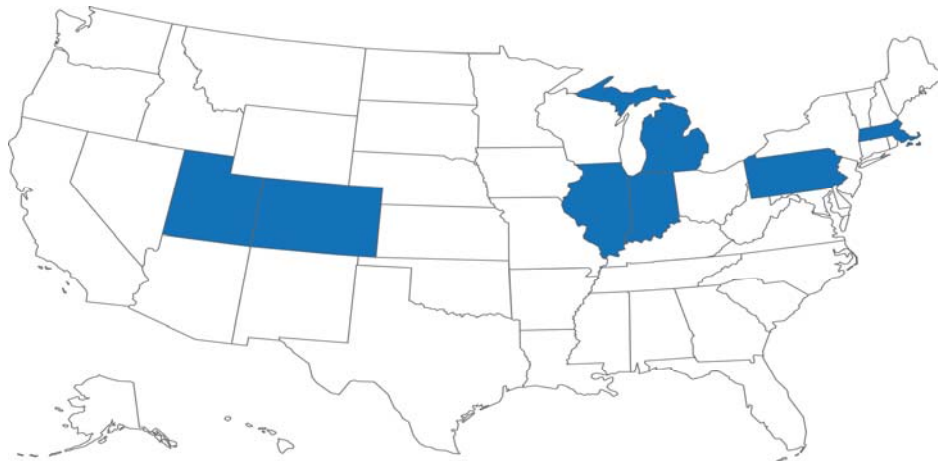
Regressive Features

- ✗ Income tax uses a single rate structure
- ✗ Comparatively low income tax exemptions

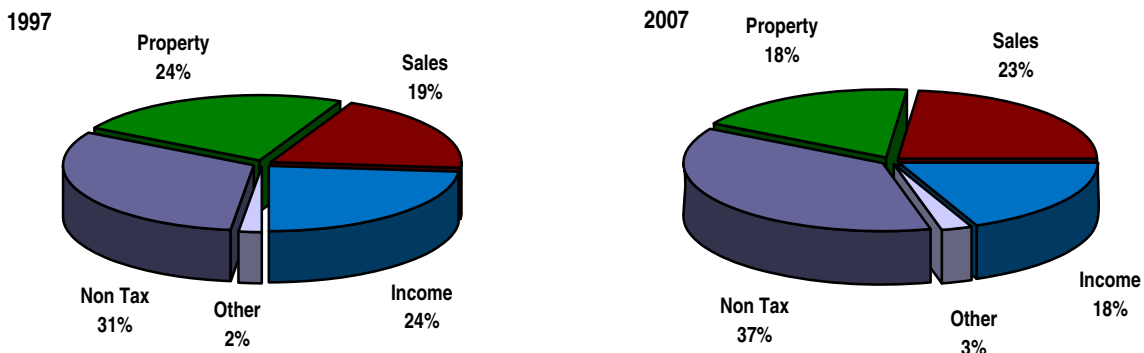
Recent Developments

- ▲ Increased its EITC to equal 9 percent of the federal credit
- ▲ Expanded renters' property tax deduction
- ▲ Increased state sales tax rate
- ▲ Imposed new limitations on assessed values for property tax purposes

States with a Flat Rate Personal Income Tax



Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances