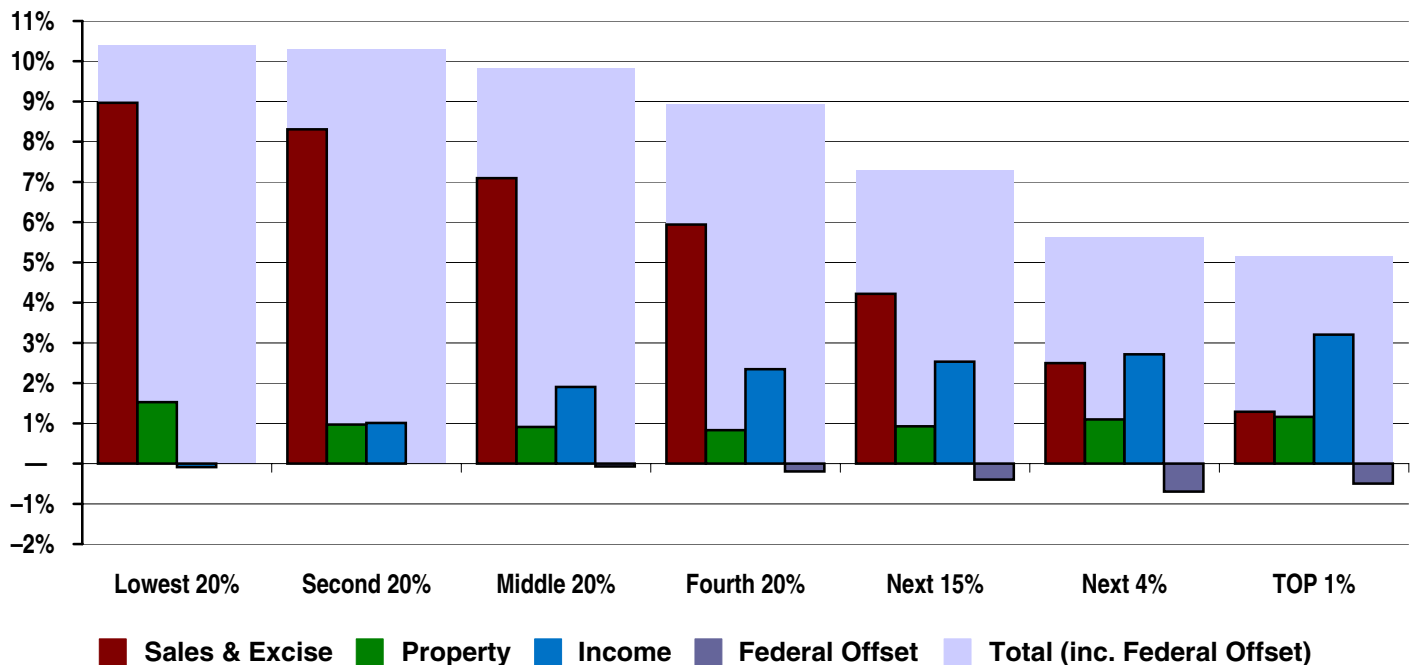


Louisiana

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 \$15,000	\$15,000 – \$29,000	\$29,000 – \$46,000	\$46,000 – \$83,000	\$83,000 – \$162,000	\$162,000 – \$418,000	\$418,000 or more
Average Income in Group	\$9,800	\$21,300	\$36,600	\$60,900	\$110,600	\$228,700	\$1,027,100
Sales & Excise Taxes	9.0%	8.3%	7.1%	5.9%	4.2%	2.5%	1.3%
General Sales—Individuals	6.1%	5.7%	5.1%	4.4%	3.1%	1.9%	1.0%
Other Sales & Excise—Ind.	0.8%	0.7%	0.5%	0.3%	0.2%	0.1%	0.0%
Sales & Excise on Business	2.0%	1.9%	1.5%	1.2%	0.8%	0.5%	0.3%
Property Taxes	1.5%	1.0%	0.9%	0.8%	0.9%	1.1%	1.2%
Property Taxes on Families	1.5%	0.9%	0.9%	0.8%	0.8%	0.8%	0.4%
Other Property Taxes	0.0%	0.0%	0.0%	0.1%	0.1%	0.3%	0.7%
Income Taxes	-0.1%	1.0%	1.9%	2.3%	2.5%	2.7%	3.2%
Personal Income Tax	-0.1%	1.0%	1.9%	2.3%	2.5%	2.6%	2.9%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.4%
TOTAL TAXES	10.4%	10.3%	9.9%	9.1%	7.7%	6.3%	5.7%
Federal Deduction Offset	—	—	-0.1%	-0.2%	-0.4%	-0.7%	-0.5%
TOTAL AFTER OFFSET	10.4%	10.3%	9.8%	8.9%	7.3%	5.6%	5.2%

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

Louisiana

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Provides refundable income tax credits to reduce impact of sales, excise, and property taxes
- ✓ Sales tax base excludes groceries and utilities

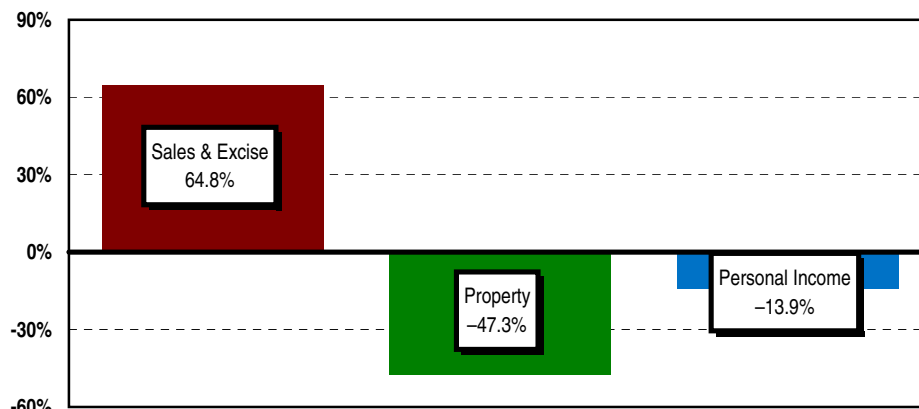
Regressive Features

- ✗ Comparatively high reliance on sales and excise taxes
- ✗ Offers an income tax deduction for federal income taxes paid

Recent Developments

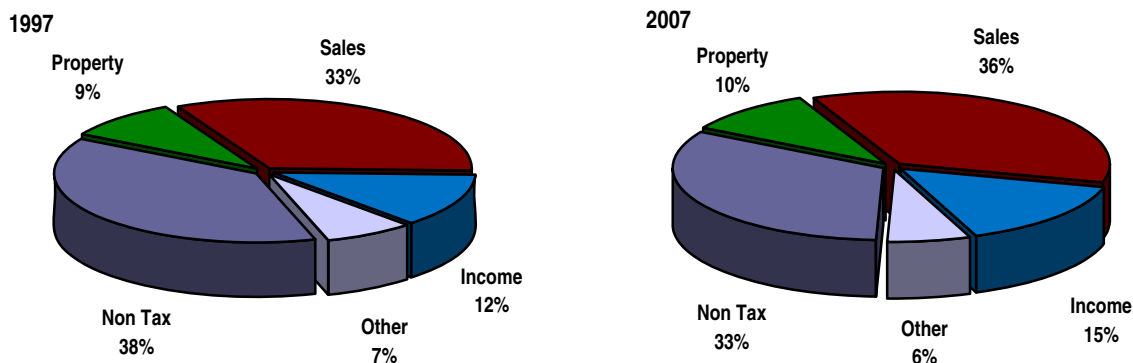
- ▲ Reinstated income tax deduction for federal itemized deductions in excess of federal standard deduction
- ▲ Changed income tax brackets to reduce the amount of income subject to state's top income tax rate
- ▲ Instituted a refundable state earned income tax credit (EITC)

Select State and Local Taxes Relative to the National Average



Source: Government Finances, US Department of Census

Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances