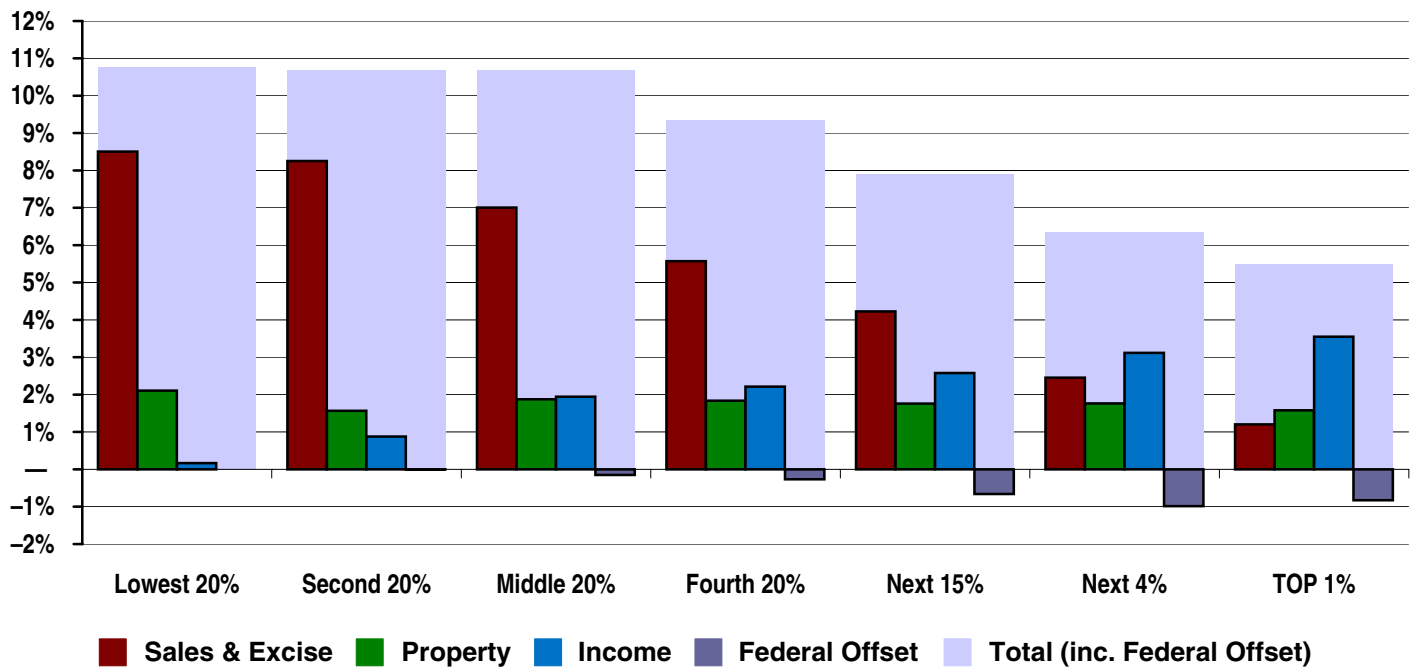


Mississippi

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 – \$24,000	\$24,000 – \$39,000	\$39,000 – \$70,000	\$70,000 – \$135,000	\$135,000 – \$319,000	\$319,000 or more
Average Income in Group	\$9,100	\$19,000	\$31,600	\$53,600	\$94,500	\$184,200	\$806,700
Sales & Excise Taxes	8.5%	8.3%	7.0%	5.6%	4.2%	2.5%	1.2%
General Sales—Individuals	5.0%	5.1%	4.4%	3.6%	2.8%	1.6%	0.8%
Other Sales & Excise—Ind.	1.6%	1.2%	0.9%	0.7%	0.4%	0.3%	0.1%
Sales & Excise on Business	2.0%	2.0%	1.7%	1.3%	1.0%	0.6%	0.3%
Property Taxes	2.1%	1.6%	1.9%	1.8%	1.8%	1.8%	1.6%
Property Taxes on Families	2.0%	1.5%	1.8%	1.8%	1.6%	1.3%	0.6%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.2%	0.5%	0.9%
Income Taxes	0.2%	0.9%	1.9%	2.2%	2.6%	3.1%	3.6%
Personal Income Tax	0.1%	0.8%	1.9%	2.2%	2.5%	3.0%	3.2%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%
TOTAL TAXES	10.8%	10.7%	10.8%	9.6%	8.6%	7.3%	6.3%
Federal Deduction Offset	—	-0.0%	-0.1%	-0.3%	-0.7%	-1.0%	-0.8%
TOTAL AFTER OFFSET	10.8%	10.7%	10.7%	9.4%	7.9%	6.4%	5.5%

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

Mississippi

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Income tax uses a graduated rate structure

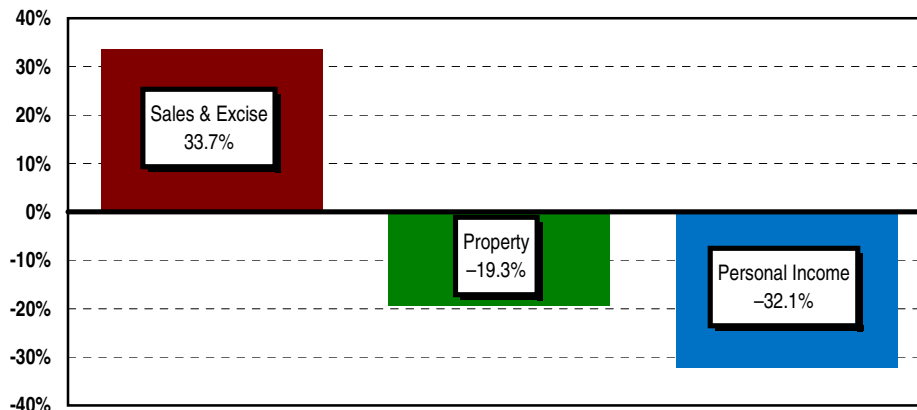
Regressive Features

- ✗ Fails to provide refundable income tax credits to offset impact of sales, excise, and property taxes
- ✗ Narrow income tax brackets mean majority of taxpayers pay top income tax rate
- ✗ Comparatively high reliance on sales taxes
- ✗ Sales tax base includes groceries

Recent Developments

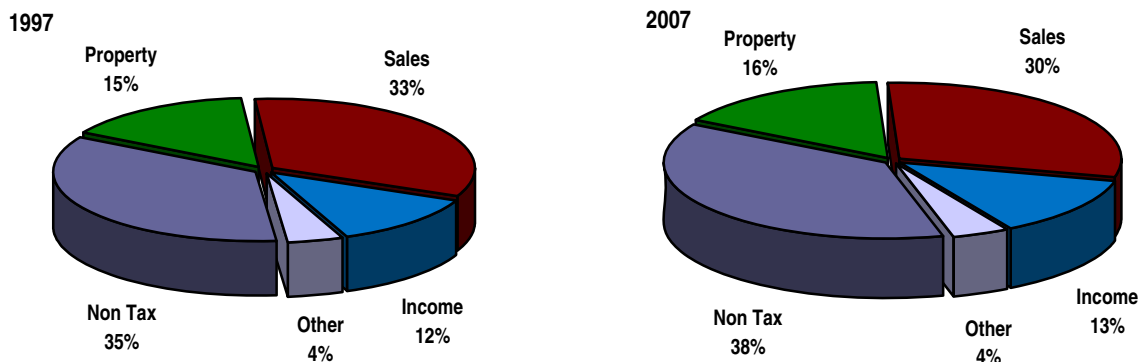
- ▲ Increased cigarette taxes

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