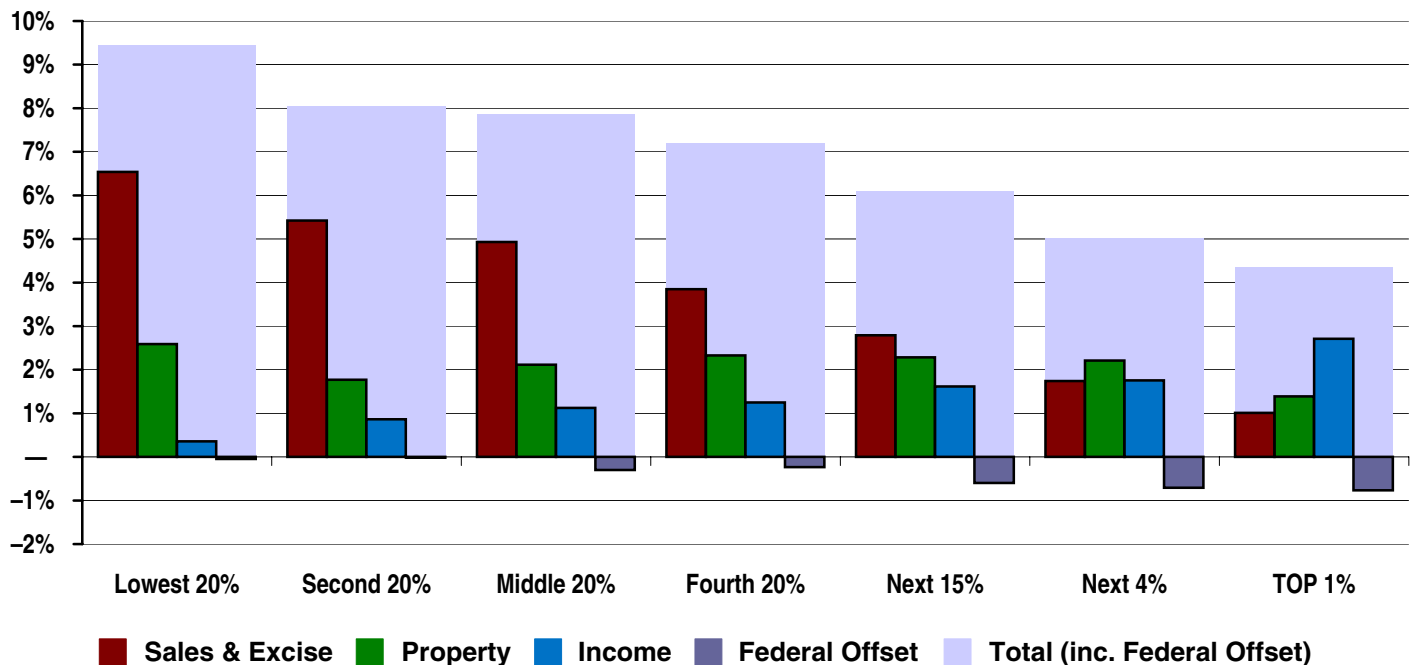


# North Dakota

## 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 \$21,000	\$21,000 – \$35,000	\$35,000 – \$59,000	\$59,000 – \$88,000	\$88,000 – \$167,000	\$167,000 – \$406,000	\$406,000 or more
Average Income in Group	\$13,200	\$28,000	\$46,400	\$73,200	\$110,800	\$229,300	\$1,014,300
<b>Sales &amp; Excise Taxes</b>	<b>6.5%</b>	<b>5.4%</b>	<b>4.9%</b>	<b>3.8%</b>	<b>2.8%</b>	<b>1.7%</b>	<b>1.0%</b>
General Sales—Individuals	3.0%	2.6%	2.4%	1.9%	1.5%	0.9%	0.6%
Other Sales & Excise—Ind.	0.9%	0.7%	0.6%	0.4%	0.3%	0.2%	0.1%
Sales & Excise on Business	2.7%	2.2%	1.9%	1.5%	1.0%	0.6%	0.4%
<b>Property Taxes</b>	<b>2.6%</b>	<b>1.8%</b>	<b>2.1%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>1.4%</b>
Property Taxes on Families	2.5%	1.7%	2.0%	2.2%	2.0%	1.7%	0.6%
Other Property Taxes	0.0%	0.0%	0.1%	0.1%	0.2%	0.6%	0.8%
<b>Income Taxes</b>	<b>0.4%</b>	<b>0.9%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.6%</b>	<b>1.8%</b>	<b>2.7%</b>
Personal Income Tax	0.3%	0.9%	1.1%	1.2%	1.5%	1.6%	2.5%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%
<b>TOTAL TAXES</b>	<b>9.5%</b>	<b>8.1%</b>	<b>8.2%</b>	<b>7.4%</b>	<b>6.7%</b>	<b>5.7%</b>	<b>5.1%</b>
Federal Deduction Offset	-0.0%	-0.0%	-0.3%	-0.2%	-0.6%	-0.7%	-0.8%
<b>TOTAL AFTER OFFSET</b>	<b>9.4%</b>	<b>8.0%</b>	<b>7.9%</b>	<b>7.2%</b>	<b>6.1%</b>	<b>5.0%</b>	<b>4.3%</b>

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

# North Dakota

## State & Local Taxes

### Features, Developments, and Comparisons

#### Progressive Features

- ✓ Income tax uses a graduated rate structure
- ✓ Sales tax base excludes groceries

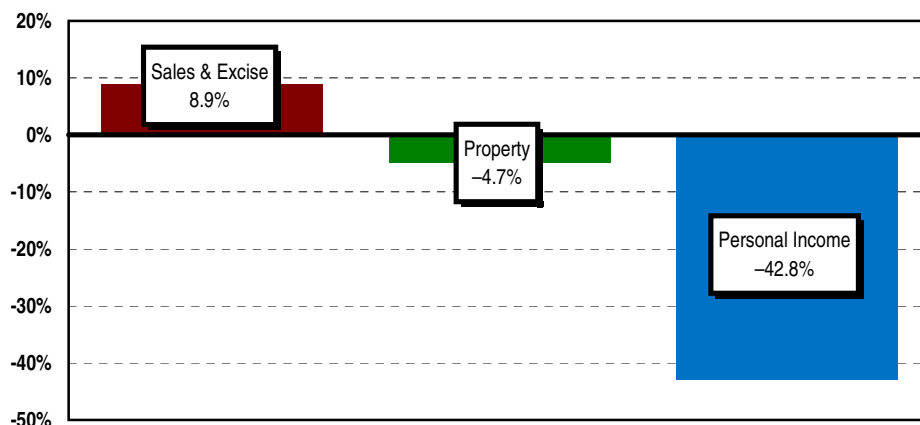
#### Regressive Features

- ✗ Fails to provide refundable income tax credits to offset impact of sales and excise taxes

#### Recent Developments

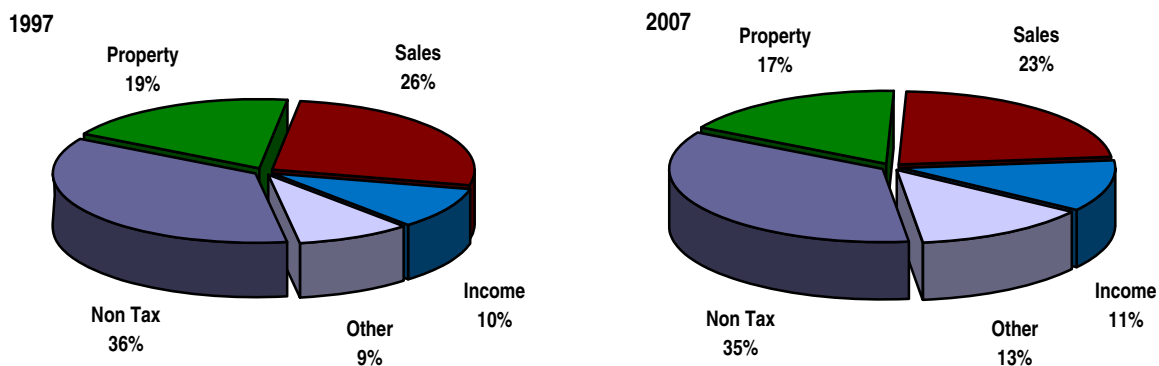
- ▲ Adopted a "marriage penalty" tax credit
- ▲ Reduced income tax rates and broadened income tax brackets
- ▲ Eliminated deduction for federal income taxes paid

#### 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