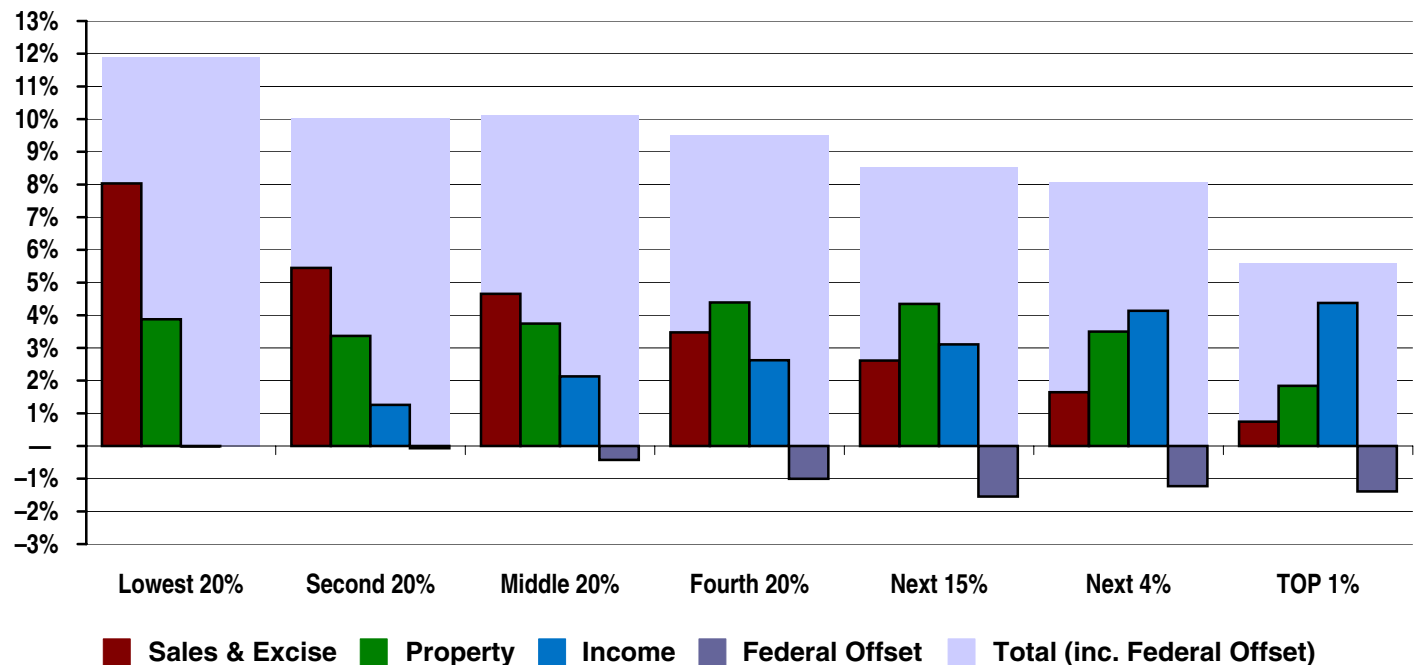


# Rhode Island

## 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 \$17,000	\$17,000 – \$31,000	\$31,000 – \$51,000	\$51,000 – \$85,000	\$85,000 – \$167,000	\$167,000 – \$419,000	\$419,000 or more
Average Income in Group	\$9,500	\$23,500	\$41,700	\$66,600	\$113,000	\$248,100	\$1,211,300
<b>Sales &amp; Excise Taxes</b>	<b>8.0%</b>	<b>5.4%</b>	<b>4.7%</b>	<b>3.5%</b>	<b>2.6%</b>	<b>1.6%</b>	<b>0.7%</b>
General Sales—Individuals	3.4%	2.5%	2.3%	1.8%	1.4%	0.9%	0.4%
Other Sales & Excise—Ind.	2.8%	1.6%	1.3%	0.8%	0.6%	0.3%	0.1%
Sales & Excise on Business	1.8%	1.3%	1.1%	0.8%	0.6%	0.4%	0.2%
<b>Property Taxes</b>	<b>3.9%</b>	<b>3.4%</b>	<b>3.7%</b>	<b>4.4%</b>	<b>4.3%</b>	<b>3.5%</b>	<b>1.8%</b>
Property Taxes on Families	3.8%	3.2%	3.6%	4.2%	4.1%	3.1%	1.0%
Other Property Taxes	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%	0.8%
<b>Income Taxes</b>	<b>-0.0%</b>	<b>1.3%</b>	<b>2.1%</b>	<b>2.6%</b>	<b>3.1%</b>	<b>4.1%</b>	<b>4.4%</b>
Personal Income Tax	-0.0%	1.2%	2.1%	2.6%	3.1%	4.1%	4.2%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
<b>TOTAL TAXES</b>	<b>11.9%</b>	<b>10.1%</b>	<b>10.5%</b>	<b>10.5%</b>	<b>10.1%</b>	<b>9.3%</b>	<b>7.0%</b>
Federal Deduction Offset	-0.0%	-0.1%	-0.4%	-1.0%	-1.5%	-1.2%	-1.4%
<b>TOTAL AFTER OFFSET</b>	<b>11.9%</b>	<b>10.0%</b>	<b>10.1%</b>	<b>9.5%</b>	<b>8.5%</b>	<b>8.1%</b>	<b>5.6%</b>

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

# Rhode Island

## State & Local Taxes

### Features, Developments, and Comparisons

#### Progressive Features

- ✓ Comparatively high standard deduction, personal exemption, and dependent exemption
- ✓ Provides a partially refundable earned income tax credit (EITC)

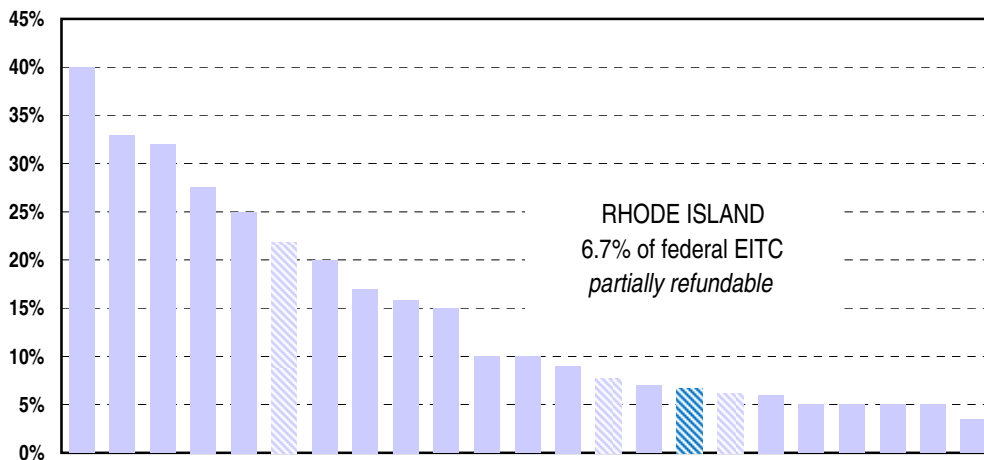
#### Regressive Features

- ✗ Comparatively high cigarette tax rate

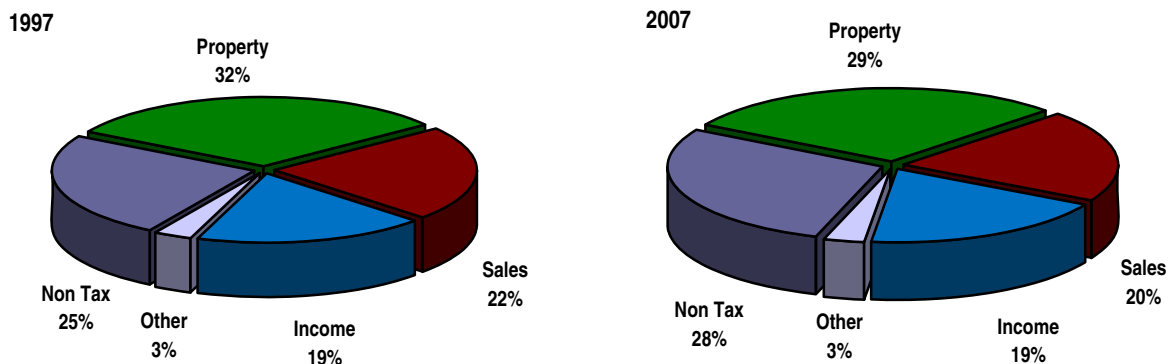
#### Recent Developments

- ▲ Instituted a second, alternative income tax in 2006, with a single flat rate that is scheduled to fall to 5.5 percent by 2011
- ▲ Eliminated its preferential tax rates for income from capital gains
- ▲ Raised gas taxes

#### Effective State Earned Income Tax Credit (EITC) Rates



#### Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances