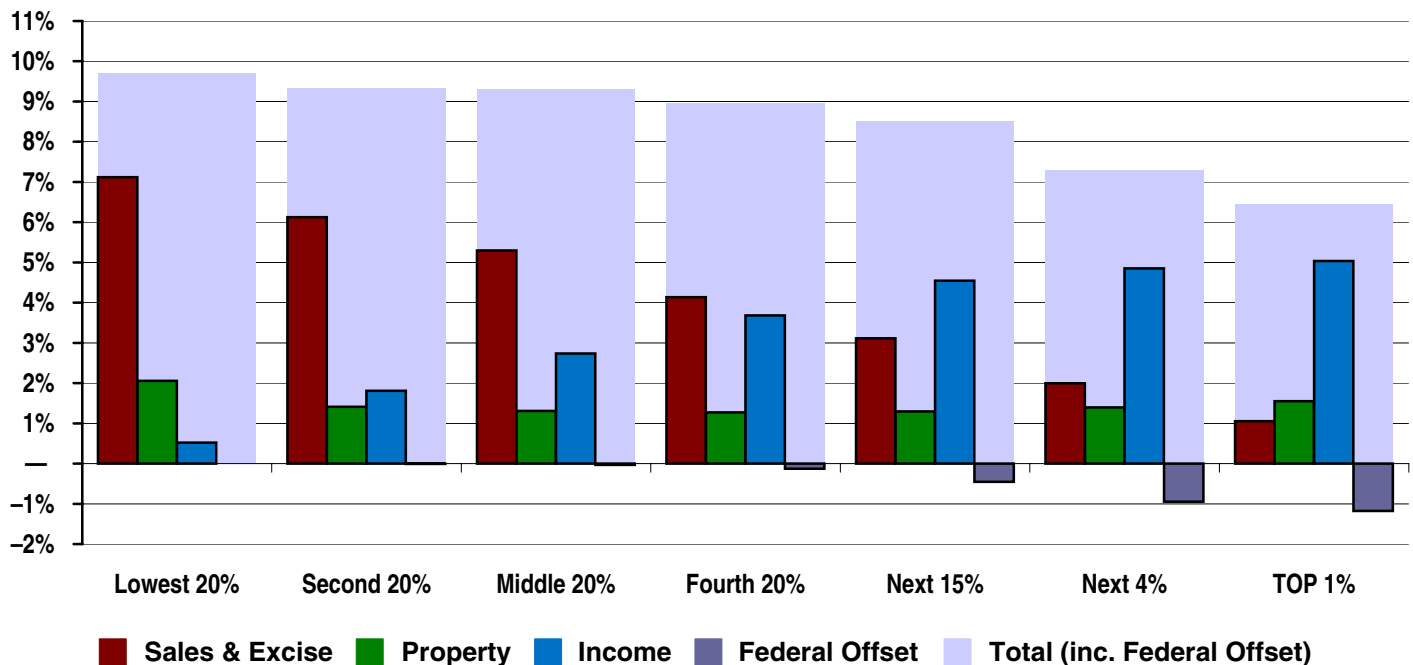


West Virginia

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 \$14,000	\$14,000 – \$27,000	\$27,000 – \$43,000	\$43,000 – \$69,000	\$69,000 – \$133,000	\$133,000 – \$298,000	\$298,000 or more
Average Income in Group	\$8,300	\$19,900	\$33,400	\$55,300	\$90,500	\$172,900	\$660,300
Sales & Excise Taxes	7.1%	6.1%	5.3%	4.1%	3.1%	2.0%	1.1%
General Sales—Individuals	3.7%	3.4%	3.1%	2.5%	1.9%	1.2%	0.7%
Other Sales & Excise—Ind.	2.3%	1.7%	1.3%	1.0%	0.7%	0.4%	0.1%
Sales & Excise on Business	1.1%	1.0%	0.9%	0.7%	0.6%	0.4%	0.2%
Property Taxes	2.1%	1.4%	1.3%	1.3%	1.3%	1.4%	1.5%
Property Taxes on Families	1.9%	1.3%	1.2%	1.2%	1.2%	1.0%	0.5%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.4%	1.0%
Income Taxes	0.5%	1.8%	2.7%	3.7%	4.5%	4.9%	5.0%
Personal Income Tax	0.5%	1.8%	2.7%	3.7%	4.5%	4.8%	4.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	9.7%	9.3%	9.3%	9.1%	9.0%	8.2%	7.6%
Federal Deduction Offset	—	-0.0%	-0.0%	-0.1%	-0.5%	-0.9%	-1.2%
TOTAL AFTER OFFSET	9.7%	9.3%	9.3%	9.0%	8.5%	7.3%	6.5%

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

West Virginia

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Income tax uses a graduated rate structure
- ✓ Requires the use of combined reporting

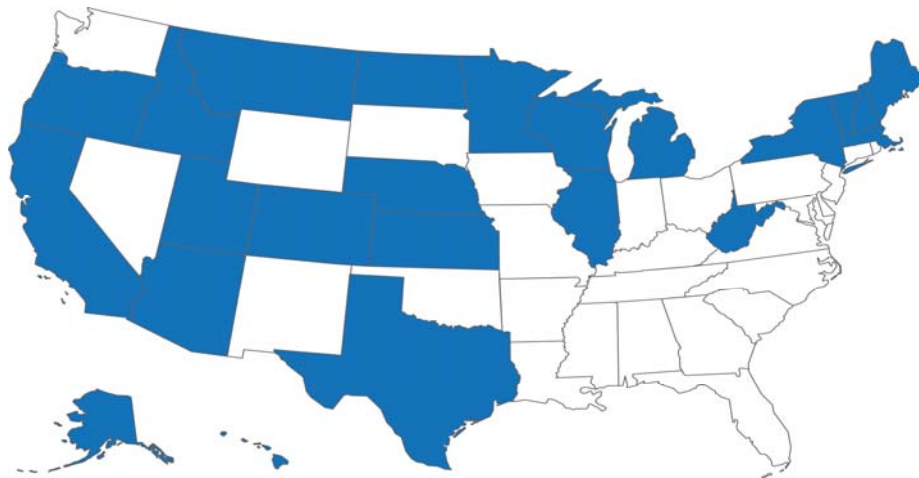
Regressive Features

- ✗ Groceries included in sales tax base, but taxed at a lower rate than other items

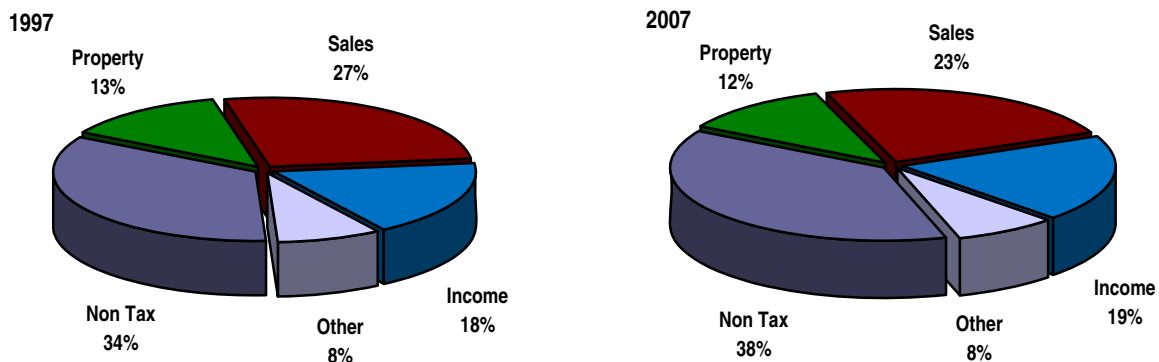
Recent Developments

- ▲ Adopted a family tax credit targeted to low-income families
- ▲ Reduced the sales tax rate for groceries
- ▲ Mandated the use of combined reporting
- ▲ Reduced the corporate income tax rate

States Using Combined Reporting



Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances