How States Raise Their Tax Dollars

Taxes make up almost half of state government revenue, with the bulk coming from levies on personal income and general sales of goods and services.

Broad-based personal income taxes are the biggest source of tax dollars in 29 of the 41 states that impose them, with the highest share—70.3 percent—in Oregon. General sales taxes are the largest source in 16 of the 45 states that collect them. Florida is the most reliant on these taxes, at 63.0 percent. Neither of these streams is the greatest source in five states: Alaska, Delaware, New Hampshire, North Dakota, and Vermont.

This infographic illustrates the sources of each state’s tax revenue, showing percentages for the two largest streams.

Mix of Tax Sources by State, FY 2017

Note: Unlike 41 states with broad-based personal income taxes, New Hampshire and Tennessee tax only certain dividend and interest income.

Source: U.S. Census Bureau’s 2017 Annual Survey of State Government Tax Collections

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