How States Raise Their Tax Dollars

Taxes make up about 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 greatest source of tax dollars in 31 of the 41 states that impose them, with the highest share—70.2 percent—in Oregon. General sales taxes are the largest source in 15 of the 45 states that collect them. Florida is the most reliant on these taxes, at 64.3 percent. Other sources bring in the most tax revenue in a handful of states: severance taxes in Alaska and North Dakota, property taxes in Vermont, and selective sales taxes on particular goods and services, such as tobacco and hotel rooms, in New Hampshire.

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 2018

![Bar chart showing the mix of tax sources by state, FY 2018.]

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 2018 Annual Survey of State Government Tax Collections

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