How States Raise Their Tax Dollars

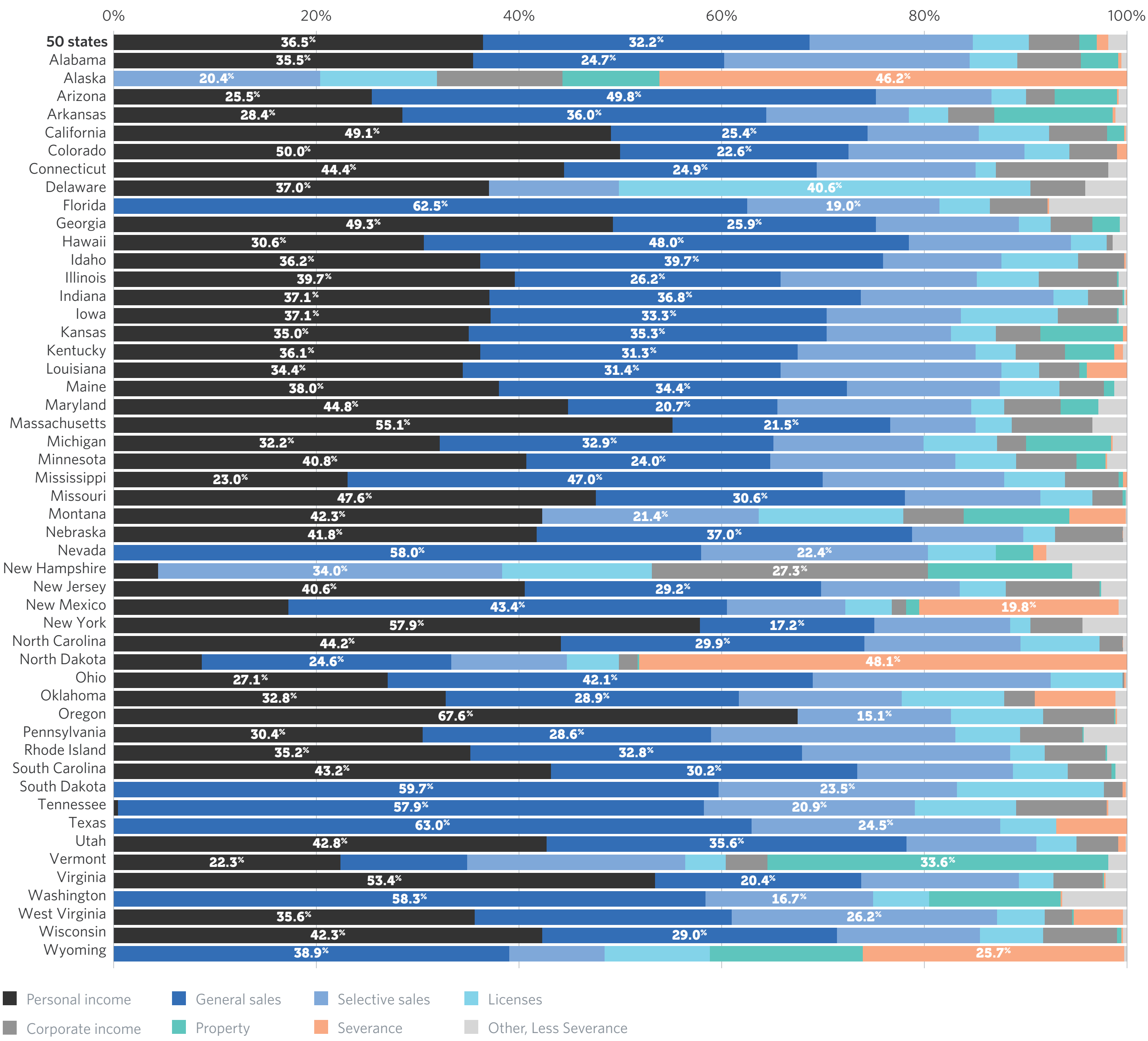
FY 2020

Taxes make up about half of state government revenue, with two-thirds of states' total tax dollars coming from levies on personal income (36.5%) and general sales of goods and services (32.2%).

Broad-based personal income taxes are the greatest source of tax dollars in 29 of the 41 states that impose them, with the highest share—67.6%—in Oregon. General sales taxes are the largest source in 16 of the 45 states that collect them. Texas is the most reliant on these taxes, at 63%. Other sources bring in the most tax revenue in a handful of states: severance taxes in Alaska and North Dakota; property taxes in Vermont; license taxes and fees, such as franchise taxes that companies pay to incorporate in a state, in Delaware; 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.

Mix of Tax Sources by State, FY 2020



Note: Unlike 41 states with broad-based personal income taxes, New Hampshire taxes only certain dividend and interest income. A similar tax was in place in Tennessee in fiscal year 2020 but has been fully phased out as of Jan. 1, 2021.

Source: U.S. Census Bureau's 2020 Annual Survey of State Government Tax Collections

Contact: Sarah Leiseca, manager, communications **Email:** sleiseca@pewtrusts.org **Project website:** pewtrusts.org/fiscal50