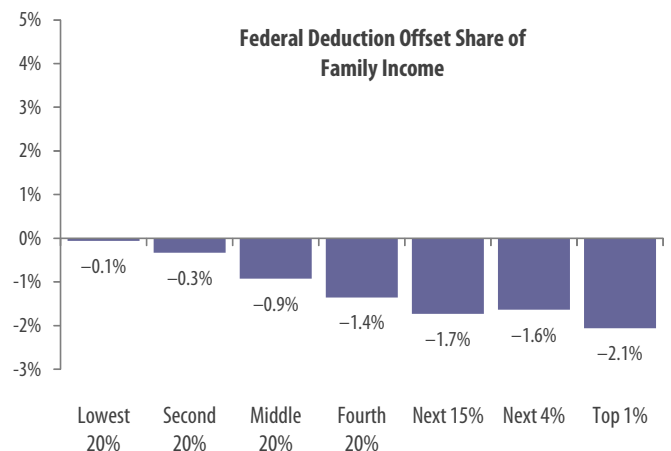
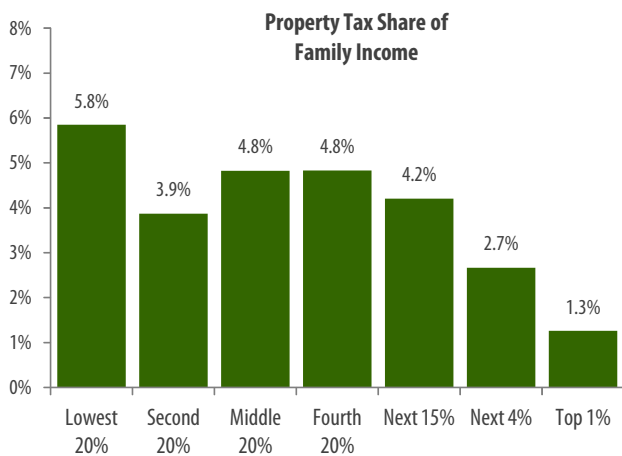
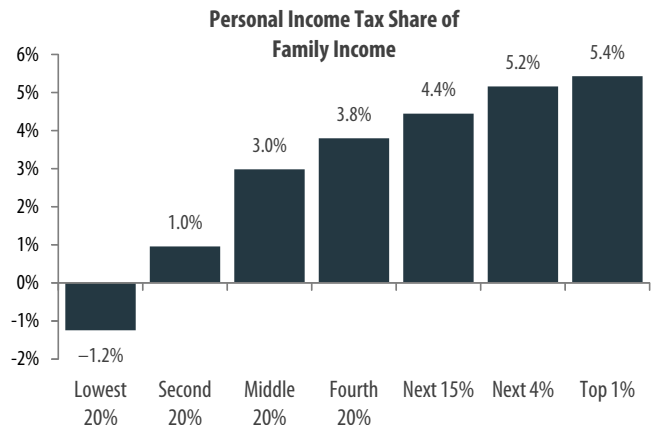
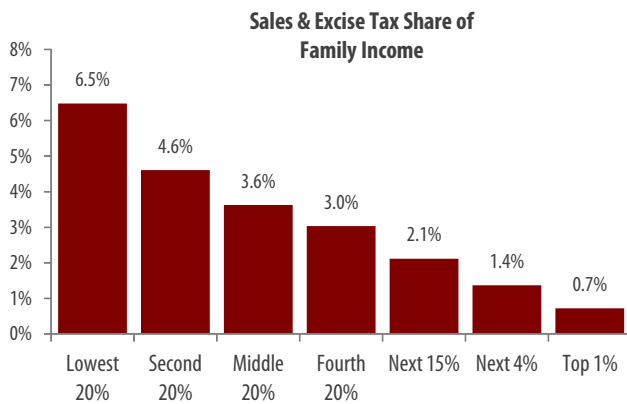
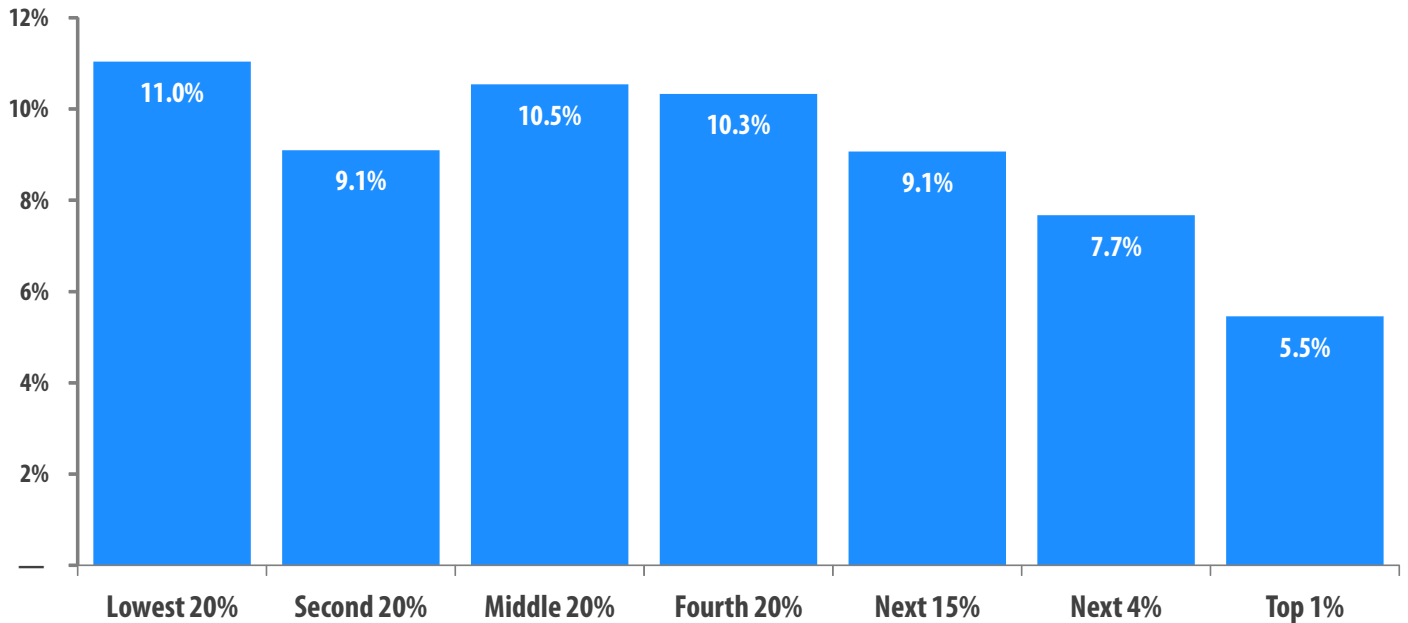


Connecticut State & Local Taxes

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Connecticut enacted through January 2, 2013 at 2010 income levels. Top figure represents total state and local taxes as a share of income, post- federal offset.

Connecticut State & Local Taxes

Details, Tax Code Features, & Recent Developments

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$24,000	\$24,000 – \$44,000	\$44,000 – \$73,000	\$73,000 – \$116,000	\$116,000 – \$276,000	\$276,000 – \$1,238,000	\$1,238,000 or more
Average Income in Group	\$12,000	\$33,900	\$57,200	\$92,300	\$160,200	\$531,900	\$3,508,400
Sales & Excise Taxes	6.5%	4.6%	3.6%	3.0%	2.1%	1.4%	0.7%
General Sales—Individuals	2.3%	2.0%	1.7%	1.5%	1.1%	0.7%	0.4%
Other Sales & Excise—Ind.	2.0%	1.1%	0.8%	0.6%	0.4%	0.2%	0.0%
Sales & Excise on Business	2.1%	1.5%	1.2%	0.9%	0.7%	0.4%	0.2%
Property Taxes	5.8%	3.9%	4.8%	4.8%	4.2%	2.7%	1.3%
Property Taxes on Families	5.8%	3.9%	4.7%	4.8%	4.0%	2.3%	0.6%
Other Property Taxes	0.1%	0.0%	0.1%	0.1%	0.2%	0.4%	0.6%
Income Taxes	-1.2%	1.0%	3.0%	3.8%	4.5%	5.3%	5.5%
Personal Income Tax	-1.2%	1.0%	3.0%	3.8%	4.4%	5.2%	5.4%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Total Taxes	11.1%	9.4%	11.5%	11.7%	10.8%	9.3%	7.5%
Federal Deduction Offset	-0.1%	-0.3%	-0.9%	-1.4%	-1.7%	-1.6%	-2.1%
OVERALL TOTAL	11.0%	9.1%	10.5%	10.3%	9.1%	7.7%	5.5%

Note: Table shows detailed breakout of data on previous page.

Progressive Features

- ✓ Income tax uses a graduated rate structure
- ✓ Offers Refundable EITC
- ✓ Provides comparatively large personal exemptions and credits for low- and middle-income taxpayers
- ✓ Provides a property tax credit for low- and middle-income taxpayers
- ✓ Sales tax base excludes groceries

Regressive Features

- ✗ Comparatively high reliance on property taxes
- ✗ Comparatively high cigarette tax rate

Recent Developments

- ▲ Created a refundable EITC equal to 30 percent of the federal credit
- ▲ Restructured personal income tax brackets and rates
- ▲ Added a phaseout of the bottom rate and an additional benefit recapture for high-income taxpayers
- ▲ Property tax credit was scaled back
- ▲ Expanded the sales tax base to several services and removed exemption on clothes
- ▲ Increased the sales tax rate from 6 to 6.35 percent
- ▲ Created a 7 percent luxury sales
- ▲ Increased cigarette and alcohol taxes
- ▲ Enacted an Amazon Law
- ▲ Lowered the estate tax threshold from 3.5 to 2 million

Connecticut's New 30% Refundable EITC Lessened Regressivity for Low- and Moderate-Income Taxpayers

