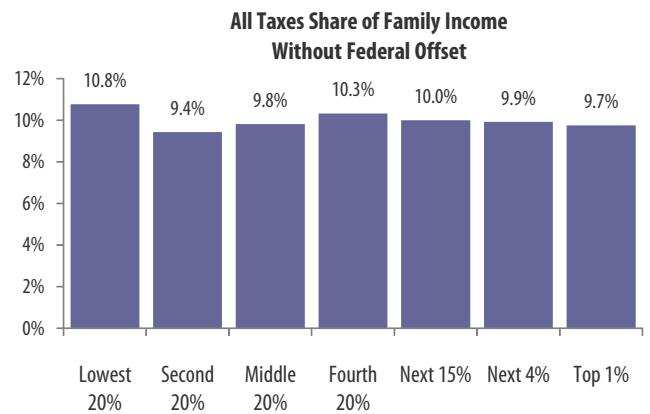
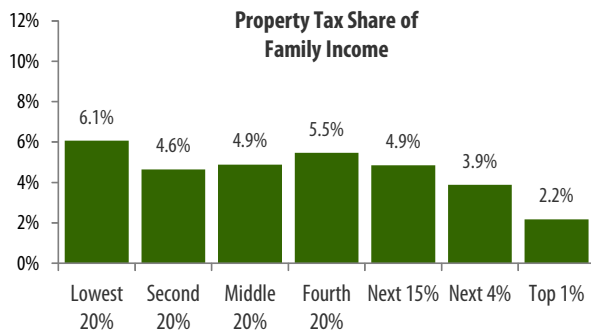
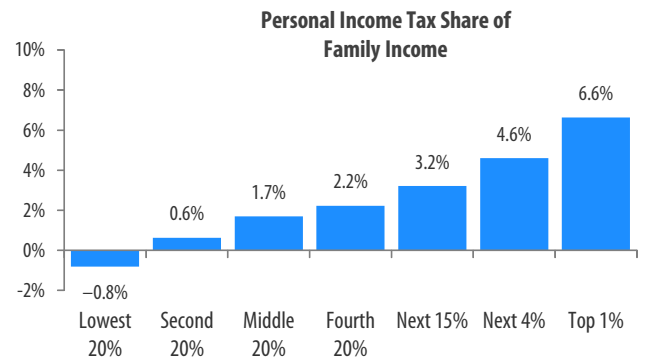
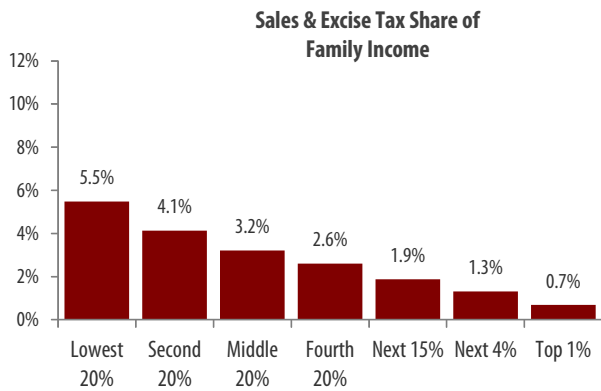
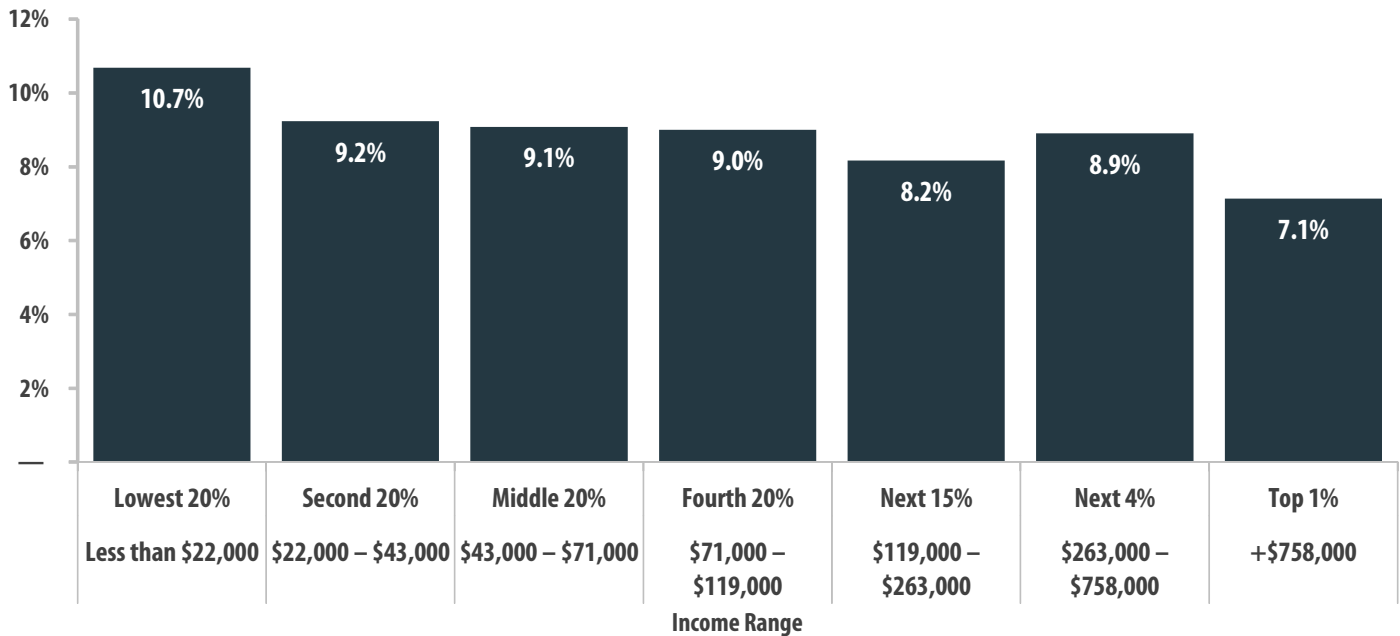


# New Jersey State & Local Taxes in 2015

## Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in New Jersey enacted through December 31, 2014 at 2012 income levels. Top figure represents total state and local taxes as a share of income, post- federal offset.

# New Jersey State & Local Taxes in 2015

## Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

| Income Group                    | Lowest 20%         | Second 20%          | Middle 20%          | Fourth 20%           | Top 20%               |                       |                   |
|---------------------------------|--------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|-------------------|
|                                 |                    |                     |                     |                      | Next 15%              | Next 4%               | TOP 1%            |
| Income Range                    | Less than \$22,000 | \$22,000 – \$43,000 | \$43,000 – \$71,000 | \$71,000 – \$119,000 | \$119,000 – \$263,000 | \$263,000 – \$758,000 | \$758,000 or more |
| Average Income in Group         | \$13,200           | \$32,400            | \$55,800            | \$92,100             | \$163,800             | \$381,600             | \$2,063,700       |
| <b>Sales &amp; Excise Taxes</b> | <b>5.5%</b>        | <b>4.1%</b>         | <b>3.2%</b>         | <b>2.6%</b>          | <b>1.9%</b>           | <b>1.3%</b>           | <b>0.7%</b>       |
| General Sales—Individuals       | 2.6%               | 2.2%                | 1.8%                | 1.5%                 | 1.1%                  | 0.9%                  | 0.4%              |
| Other Sales & Excise—Ind.       | 1.4%               | 0.9%                | 0.6%                | 0.4%                 | 0.3%                  | 0.1%                  | 0.0%              |
| Sales & Excise on Business      | 1.5%               | 1.1%                | 0.8%                | 0.7%                 | 0.5%                  | 0.3%                  | 0.2%              |
| <b>Property Taxes</b>           | <b>6.1%</b>        | <b>4.6%</b>         | <b>4.9%</b>         | <b>5.5%</b>          | <b>4.9%</b>           | <b>3.9%</b>           | <b>2.2%</b>       |
| Property Taxes on Families      | 5.9%               | 4.5%                | 4.7%                | 5.3%                 | 4.6%                  | 3.3%                  | 1.0%              |
| Other Property Taxes            | 0.1%               | 0.1%                | 0.2%                | 0.2%                 | 0.2%                  | 0.6%                  | 1.2%              |
| <b>Income Taxes</b>             | <b>-0.8%</b>       | <b>0.6%</b>         | <b>1.7%</b>         | <b>2.3%</b>          | <b>3.3%</b>           | <b>4.7%</b>           | <b>6.9%</b>       |
| Personal Income Tax             | -0.8%              | 0.6%                | 1.7%                | 2.2%                 | 3.2%                  | 4.6%                  | 6.6%              |
| Corporate Income Tax            | 0.0%               | 0.0%                | 0.0%                | 0.0%                 | 0.0%                  | 0.1%                  | 0.3%              |
| <b>Total Taxes</b>              | <b>10.8%</b>       | <b>9.4%</b>         | <b>9.8%</b>         | <b>10.3%</b>         | <b>10.0%</b>          | <b>9.9%</b>           | <b>9.7%</b>       |
| <b>Federal Deduction Offset</b> | <b>-0.1%</b>       | <b>-0.2%</b>        | <b>-0.7%</b>        | <b>-1.3%</b>         | <b>-1.8%</b>          | <b>-1.0%</b>          | <b>-2.6%</b>      |
| <b>OVERALL TOTAL</b>            | <b>10.7%</b>       | <b>9.2%</b>         | <b>9.1%</b>         | <b>9.0%</b>          | <b>8.2%</b>           | <b>8.9%</b>           | <b>7.1%</b>       |

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

## New Jersey Tax Code Features

### Progressive Features

- Graduated personal income tax structure
- Provides a 20 percent refundable Earned Income Tax Credit (EITC)
- Provides a refundable property tax “circuit breaker” credit via the personal income tax
- Sales tax base excludes groceries

### Regressive Features

- Comparatively high reliance on property taxes
- Comparatively high cigarette tax rate
- Fails to provide refundable child tax credits
- Fails to use combined reporting as part of its corporate income tax

## Tax Changes Enacted in 2013 & 2014

- No significant developments

## ITEP Tax Inequality Index

According to ITEP’s Tax Inequality Index, New Jersey has the **39th** most unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes are less equal in those states after state and local taxes than before (See Appendix B for state-by-state rankings and more details).