

Table 1: Ten Most Progressive State Income Tax Systems, Measured by Comparing Effective Tax Rates at Selected Higher Incomes and \$20,000 for Married-Joint Returns

Married Filing Joint Returns							
\$150,000 vs. \$20,000		\$250,000 vs. \$20,000		\$500,000 vs. \$20,000		\$1,000,000 vs. \$20,000	
Most Progressive Income Tax States	Tax Rate Gap [±]	Most Progressive Income Tax States	Tax Rate Gap [±]	Most Progressive Income Tax States	Tax Rate Gap [±]	Most Progressive Income Tax States	Tax Rate Gap [±]
1. New York	16.7%	1. New York	17.4%	1. D.C.	18.1%	1. D.C.	19.0%
2. D.C.	16.1%	2. D.C.	17.1%	2. New York	17.8%	2. Vermont	18.2%
3. Vermont	14.4%	3. Vermont	15.5%	3. Vermont	17.0%	3. New York	18.2%
4. Maryland	14.4%	4. Maryland	15.3%	4. Minnesota	16.3%	4. Minnesota	17.6%
5. Minnesota	14.0%	5. Minnesota	14.9%	5. Maryland	15.6%	5. New Jersey	17.2%
6. New Jersey	13.7%	6. New Jersey	14.7%	6. New Jersey	15.4%	6. Maryland	16.2%
7. Connecticut	11.4%	7. Connecticut	11.5%	7. Connecticut	12.0%	7. Connecticut	13.2%
8. Massachusetts	10.6%	8. Massachusetts	10.8%	8. Massachusetts	11.0%	8. Massachusetts	11.3%
9. Oregon	9.1%	9. Oregon	9.8%	9. Oregon	10.0%	9. Oregon	10.9%
10. Kansas	9.0%	10. Kansas	9.3%	10. Kansas	9.6%	10. Kansas	10.0%

* "Tax Rate Gap" refers to the difference between a state's effective tax rate (ETR) at \$20,000 and the ETR at higher incomes. For example, New York's ETR for married-joint returns at \$20,000 is -11.8%, and at \$150,000, it is 4.9%. We calculate the tax rate gap of 16.7% as \$150,000 ETR (4.9%) minus \$20,000 ETR (-11.8%).

State Income Tax Rank by Income Level

Household Income	Rank (of 42)	Tax Amount	Net tax % of U.S. Average (U.S. = 100)
\$20,000	38	(\$1,861)	*
\$35,000	42	(1,726)	*
\$50,000	30	637	58.3
\$75,000	25	2,296	92.6
\$100,000	20	3,777	100.9
\$150,000	14	6,987	108.7
\$250,000	6	13,938	117.4
\$500,000	5	34,961	136.5
\$1,000,000	4	83,116	146.3

MFJ Filer, 2 Children

Source: MCFE Multistate Income Tax Comparison Study, Payable 2019

History of Household Income Share and Share of Income Taxes Paid by Minnesota Top Earners

	Share of Household Income	Share of State Income Taxes Paid	Share of Household Income	Share of State Income Taxes Paid
	Top 1%	Top 1%	Top 5%	Top 5%
2021 Incidence Study	16.5%	27.0%	31.9%	47.1%
2011 Incidence Study	16.2%	24.6%	31.2%	43.2%
2001 Incidence Study	17.3%	23.4%	31.4%	40.9%

Source: MN DOR Tax Incidence Study for selected years, shares based on population deciles