

State Tax and Economy Rankings

Senate Interim Committee on Finance & Revenue
May 30, 2024

State of Oregon

LEGISLATIVE REVENUE OFFICE





Listicles....

- What do they measure?
- What do they tell us?
- What don't they tell us?





Types of Rankings

- Tax collections vs Tax Burdens
 - Federation of Tax Administrators, Tax Foundation
- Economic Indices
 - Tax Foundation, CNBC
- State business climate
 - Ernst & Young
- Tax Progressivity or Regressivity
 - Institute on Taxation and Economic Policy
- Example taxpayers





Tax Collections vs Tax Burdens

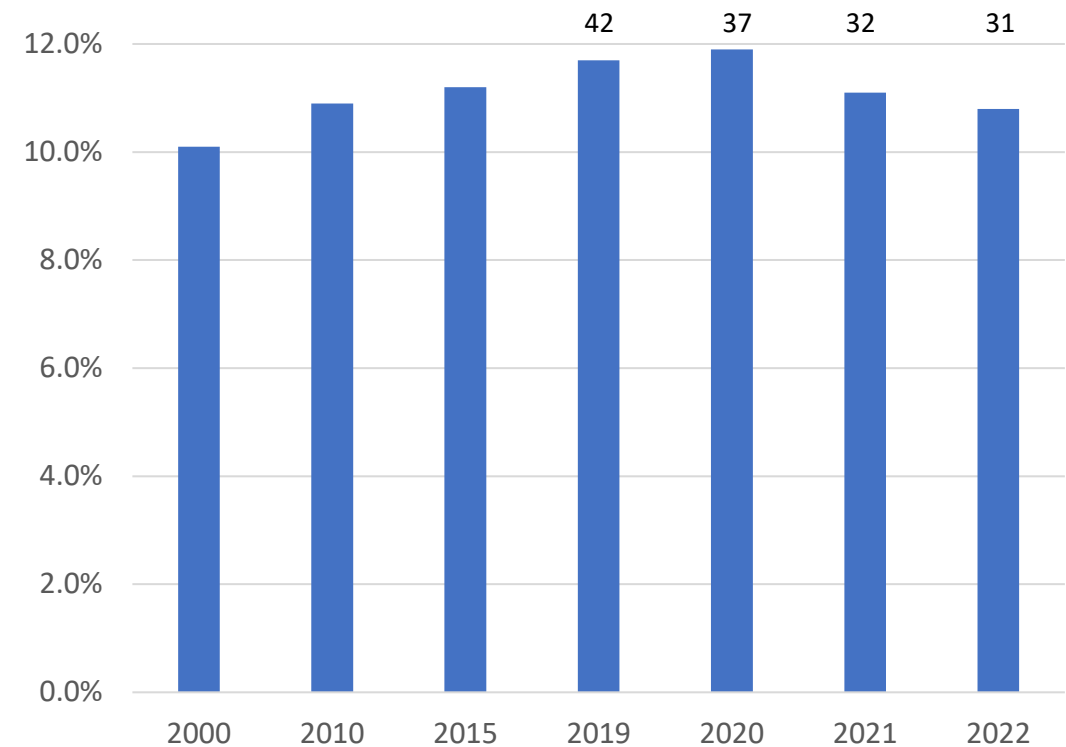
Census Estimates of State and Local Taxes (2021)

Rank	Per Capita Burden	Burden Per \$1000 PI	Rank
1 New York	\$10,331	\$142.21	1
2 Connecticut	\$9,424	\$120.88	6
3 California	\$9,217	\$129.29	3
4 New Jersey	\$8,305	\$116.00	10
5 Massachusetts	\$8,107	\$102.94	25
6 Hawaii	\$7,756	\$135.06	2
7 Vermont	\$7,528	\$127.84	4
8 Minnesota	\$7,457	\$119.90	8
9 Illinois	\$7,350	\$117.38	9
10 Maryland	\$7,242	\$110.29	16
11 North Dakota	\$7,012	\$115.05	11
12 Maine	\$6,791	\$125.03	5
13 Delaware	\$6,717	\$120.80	7
14 Washington	\$6,663	\$97.76	31
15 Rhode Island	\$6,488	\$108.31	18
16 Oregon	\$6,485	\$114.16	12
17 Colorado	\$6,404	\$98.44	29
18 Nebraska	\$6,353	\$110.76	14
19 Pennsylvania	\$6,255	\$103.25	23
20 Virginia	\$6,187	\$99.78	27

TABLE 10

State-Local Tax Burden as a Percentage of Income (Oregon)

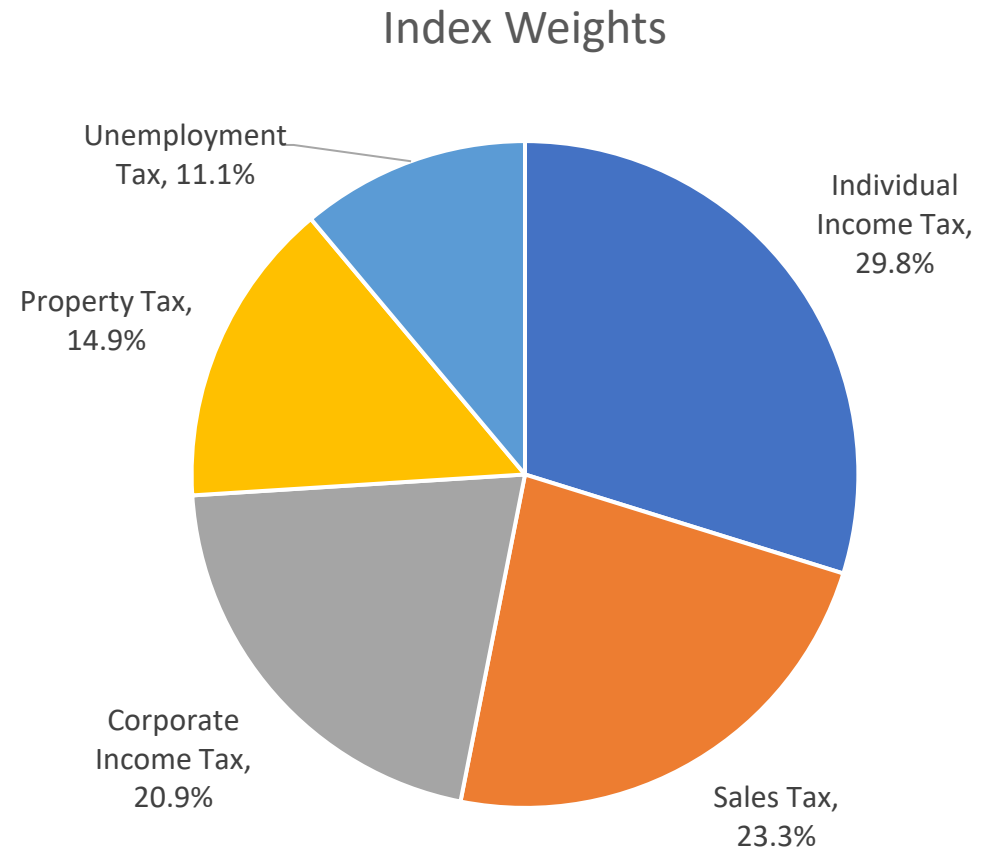
(lowest percentage = 1st)





Tax Foundation Business Tax Climate Index

- Individual Income Tax
 - Top marginal tax rate, tax base
- Sales Tax
 - Tax rate, tax base
- Corporate Income Tax
 - Top marginal tax rate, number of brackets
- Property Tax
 - Tax rate, split roll
- Unemployment Tax
 - Minimum tax rate, maximum tax rate

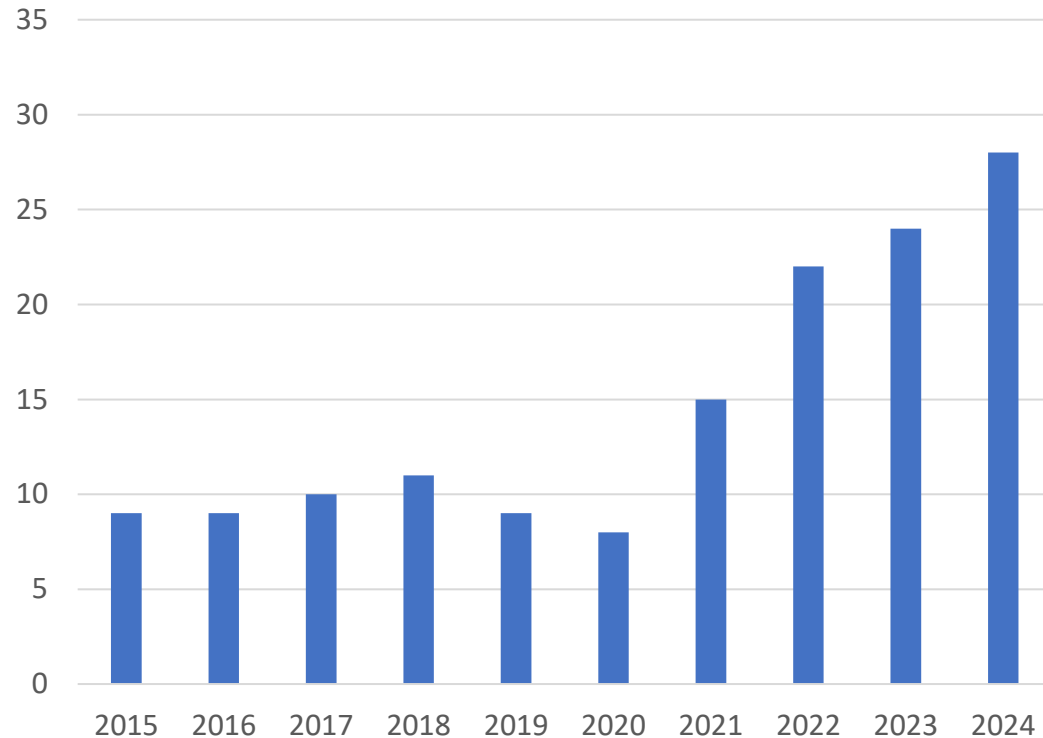




Business Tax Indices

State Business Tax Climate Index

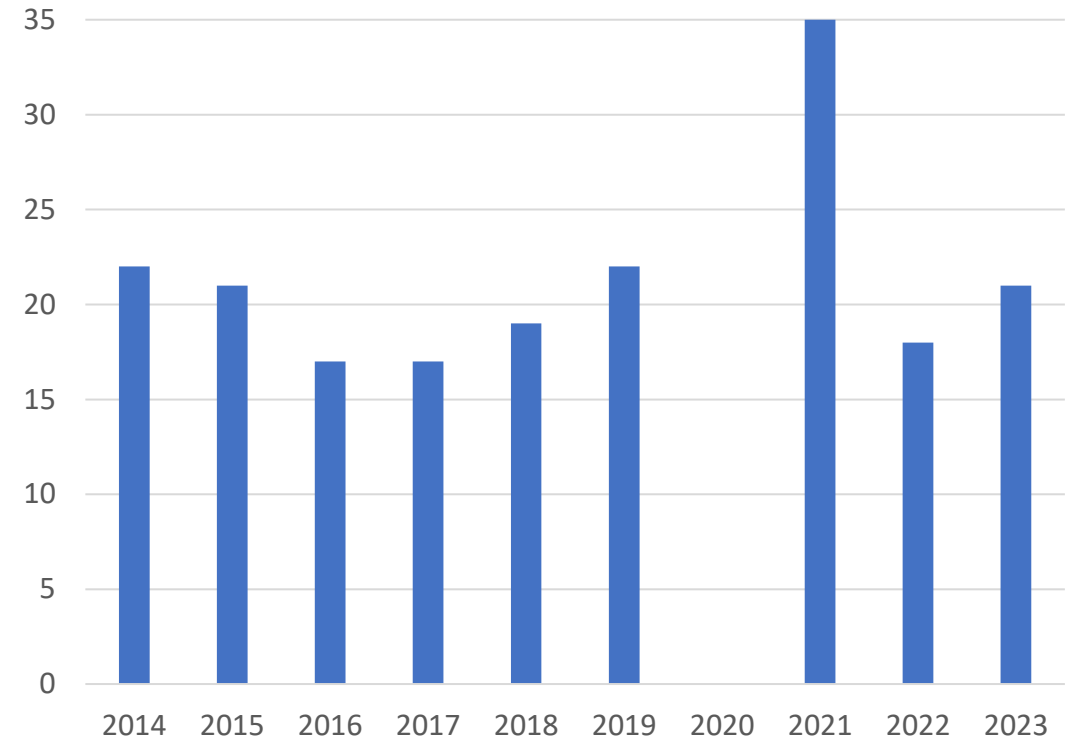
(best=1)



[Tax Foundation: 2024 State Business Tax Climate Index](#)

Top States for Business

(best=1)



[CNBC: America's Top States for Business 2023](#)





CNBC: Top States for Business 2023

Category	Share of Index	Oregon Rank
Overall		21
Workforce	16.0%	14
Infrastructure	15.6%	32
Economy	14.4%	26
Life, Health & Inclusion	14.0%	6
Cost of Doing Business	11.6%	31
Technology & Innovation	10.8%	9
Business Friendliness	8.6%	43
Education	5.0%	30
Access to Capital	2.0%	20
Cost of Living	2.0%	48





Effective Business Tax Rate

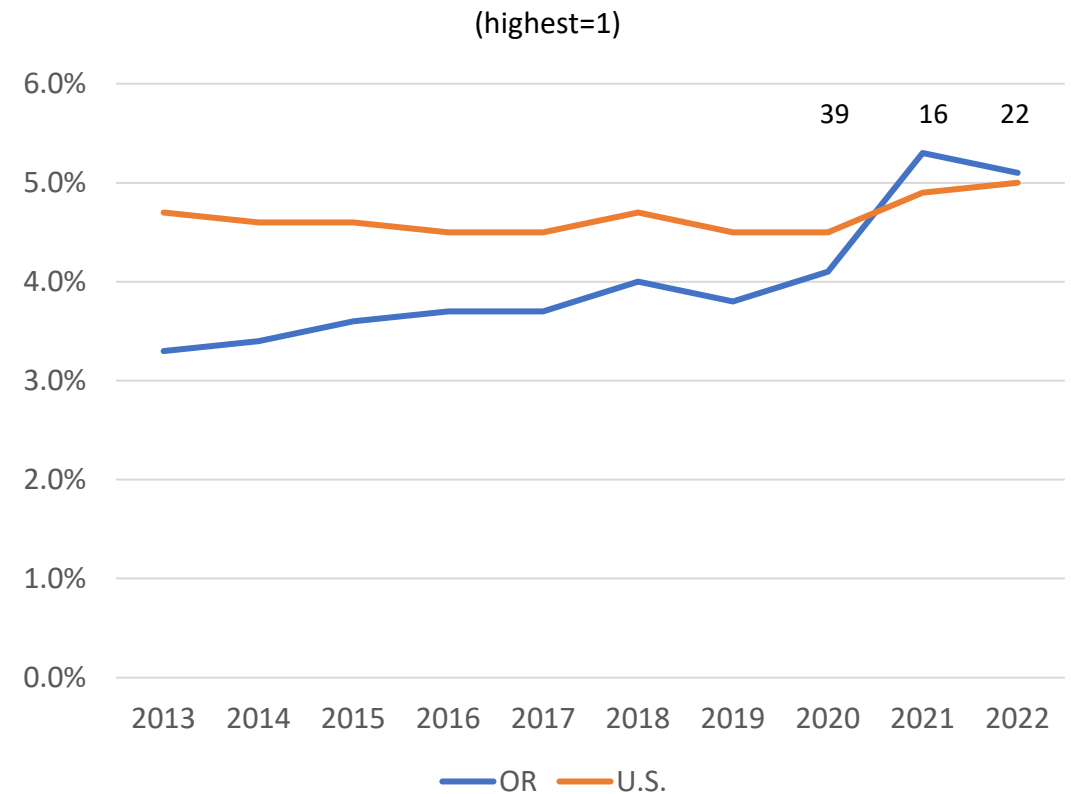
Business Taxes as a Share of All Taxes and GSP (FY 2022)

TABLE 11

Rank	% of Private Sector GSP	% of All Taxes	Rank	Business Taxes Per Employee	Rank
1 Vermont	8.9%	56.3%	7	\$11,900	6
2 New Mexico	8.7%	61.4%	4	\$12,100	5
2 North Dakota	8.7%	73.6%	1	\$15,700	1
4 Maine	7.6%	50.4%	15	\$10,300	10
4 Wyoming	7.6%	72.6%	2	\$13,800	4
6 Alaska	7.3%	72.0%	3	\$14,800	2
7 Hawaii	7.0%	37.3%	43	\$11,000	9
8 West Virginia	6.8%	51.6%	12	\$9,600	13
9 Mississippi	6.7%	51.6%	12	\$8,000	19
10 New York	6.3%	45.7%	23	\$14,400	3
11 Delaware	5.8%	55.5%	8	\$11,500	7
12 Montana	5.6%	44.1%	27	\$7,300	31
12 Nevada	5.6%	54.6%	10	\$8,400	16
12 Oklahoma	5.6%	51.1%	14	\$8,200	17
15 Illinois	5.5%	46.4%	21	\$9,600	13
15 Louisiana	5.5%	50.0%	16	\$8,200	17
15 Rhode Island	5.5%	40.8%	37	\$7,800	23
18 California	5.4%	41.8%	32	\$11,200	8
19 New Jersey	5.3%	37.2%	44	\$9,700	12
19 South Carolina	5.3%	47.8%	19	\$7,100	34
19 Texas	5.3%	60.0%	5	\$9,500	15
22 Kentucky	5.1%	44.6%	25	\$6,700	38
22 Oregon	5.1%	41.7%	33	\$7,900	21
24 Alabama	5.0%	46.1%	22	\$6,700	38
24 Kansas	5.0%	45.5%	24	\$7,600	24

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Total Effective Business Tax Rate, FY22





OBI: Property Tax Rankings

**Effective Property Tax Rate on a Primary Residence
in the State's Largest City** *(Payable 2022)*

TABLE 14

Rank	Effective Tax Rate	2021 Median Home Value	Tax on Median	Rank	
1	Detroit, MI	3.206%	\$69,300	\$2,222	42
2	Newark, NJ	3.200%	\$323,200	\$10,343	2
3	Bridgeport, CT	3.042%	\$222,800	\$6,776	6
4	Portland, OR	2.588%	\$520,200	\$13,461	1
5	Milwaukee, WI	2.186%	\$160,100	\$3,500	19
6	Baltimore, MD	2.133%	\$193,100	\$4,118	13
7	Burlington, VT	2.090%	\$338,100	\$7,067	5
8	Omaha, NE	2.006%	\$211,900	\$4,251	12
9	Des Moines, IA	1.928%	\$165,100	\$3,184	24
10	Manchester, NH	1.753%	\$321,300	\$5,632	8

Effective Property Tax Rate on a Commercial Property*
in the State's Largest City *(Payable 2022)*

TABLE 15

Rank	Effective Tax Rate	Net Tax
1 Chicago, IL	4.005%	\$1,201,518
2 Detroit, MI	3.912%	\$1,173,483
3 Providence, RI	3.336%	\$1,000,842
4 Des Moines, IA	3.062%	\$918,472
5 Bridgeport, CT	3.042%	\$912,450
6 Kansas City, MO	2.851%	\$855,227
7 Jackson, MS	2.732%	\$819,651
8 Indianapolis, IN	2.717%	\$815,046
9 Newark, NJ	2.667%	\$800,064
10 Baltimore, MD	2.633%	\$789,863
11 Portland, OR	2.588%	\$776,309

Effective Property Tax Rate on an Industrial Property*
in the State's Largest City *(Payable 2022)*

TABLE 16

	Rank	Effective Tax Rate	Net Tax
1	Jackson, MS	2.794%	\$1,396,971
2	Chicago, IL	2.429%	\$1,214,589
3	Indianapolis, IN	2.329%	\$1,164,351
4	Detroit, MI	2.326%	\$1,163,002
5	Charleston, SC	2.318%	\$1,159,180
6	Kansas City, MO	2.259%	\$1,129,417
7	Houston, TX	2.100%	\$1,050,081
8	Portland, OR	2.070%	\$1,035,079
9	New Orleans, LA	2.032%	\$1,015,833
10	Phoenix, AZ	1.923%	\$961,624





Institute on Taxation & Economic Policy: Who Pays?



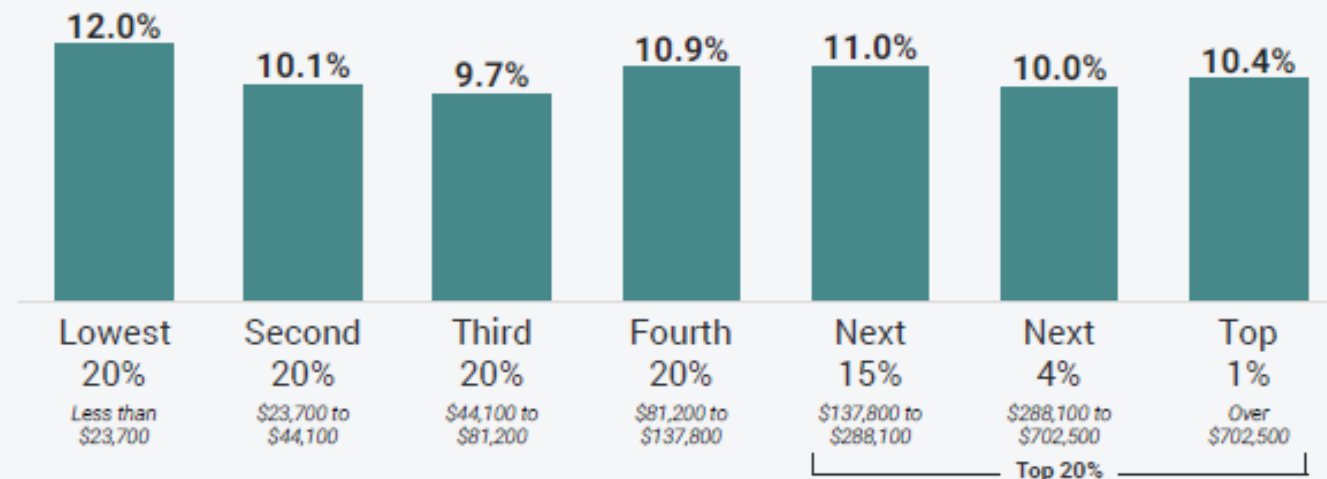
Oregon

Who Pays?

State and local tax shares of family income

Total Taxes

Share of family income



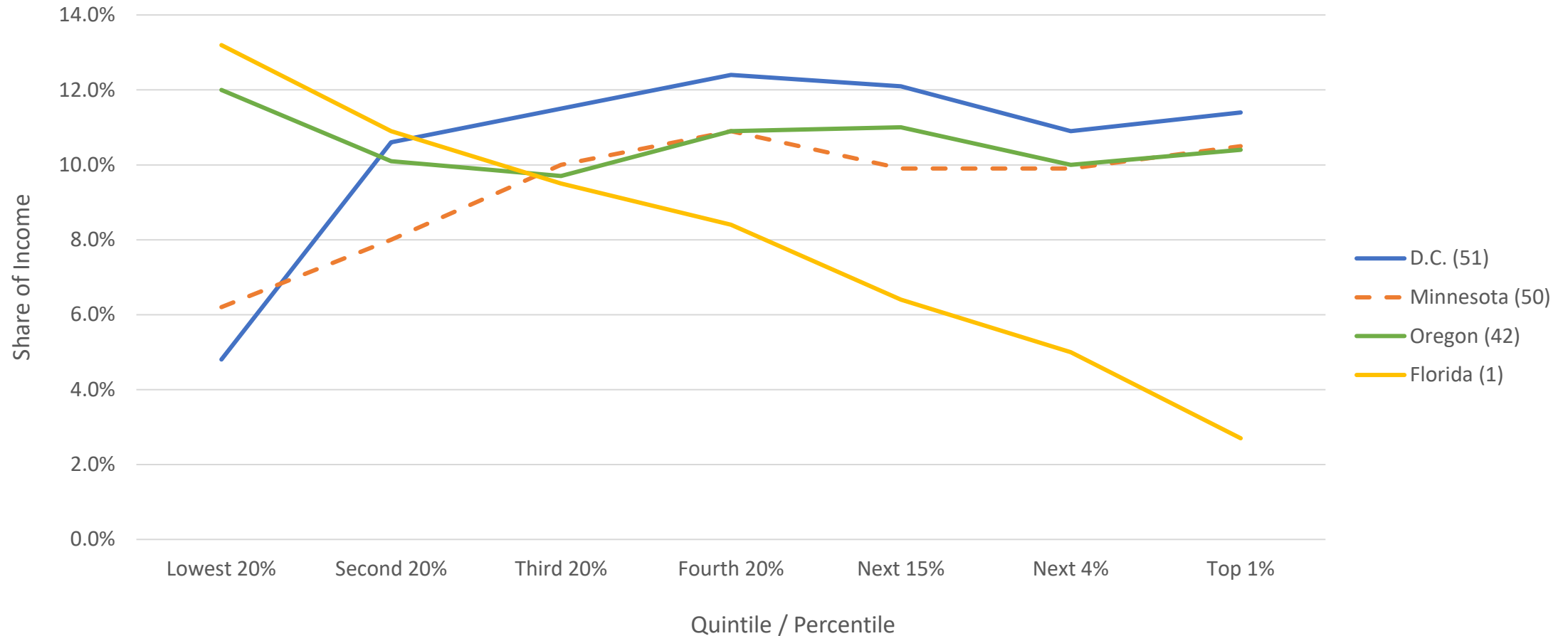
Source: Who Pays? 7th Edition





ITEP: Who Pays? Least and Most Regressive

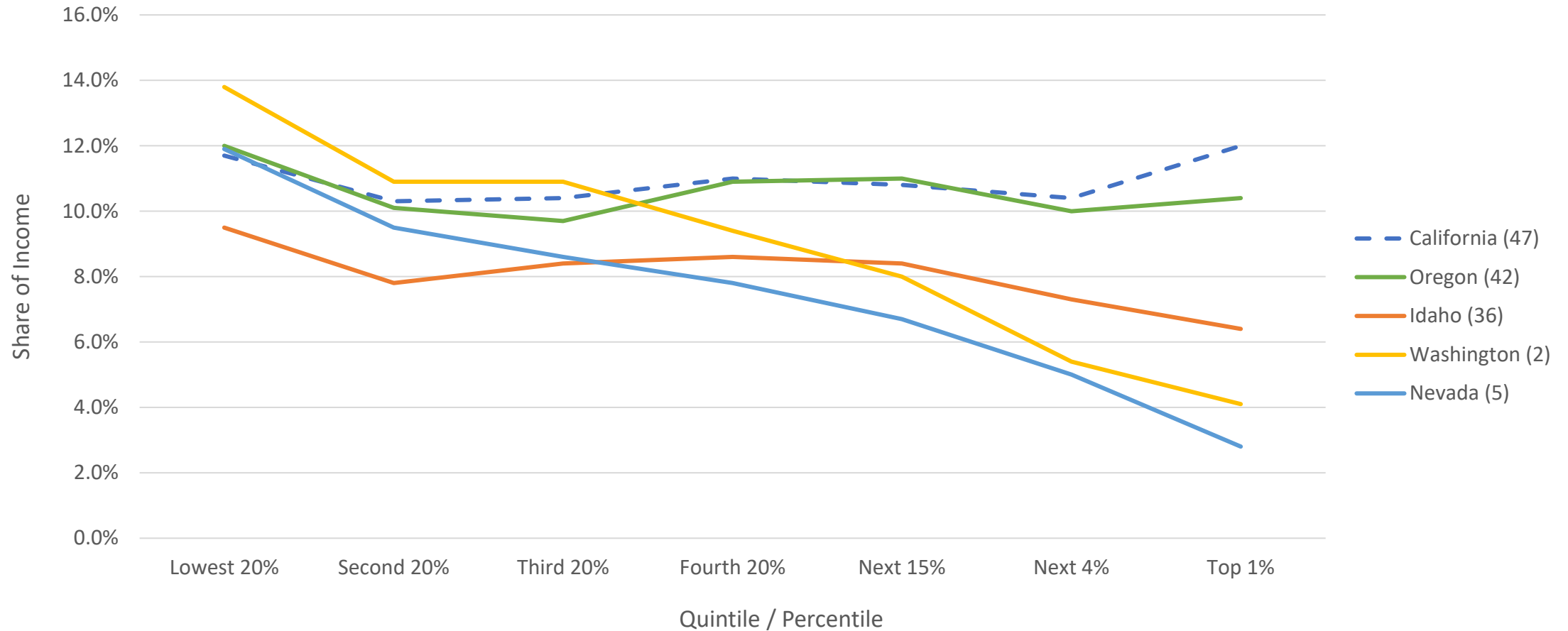
(Most regressive = 1)





ITEP: Who Pays? Oregon and Neighbors

(Most regressive = 1)





General Economic Indicators

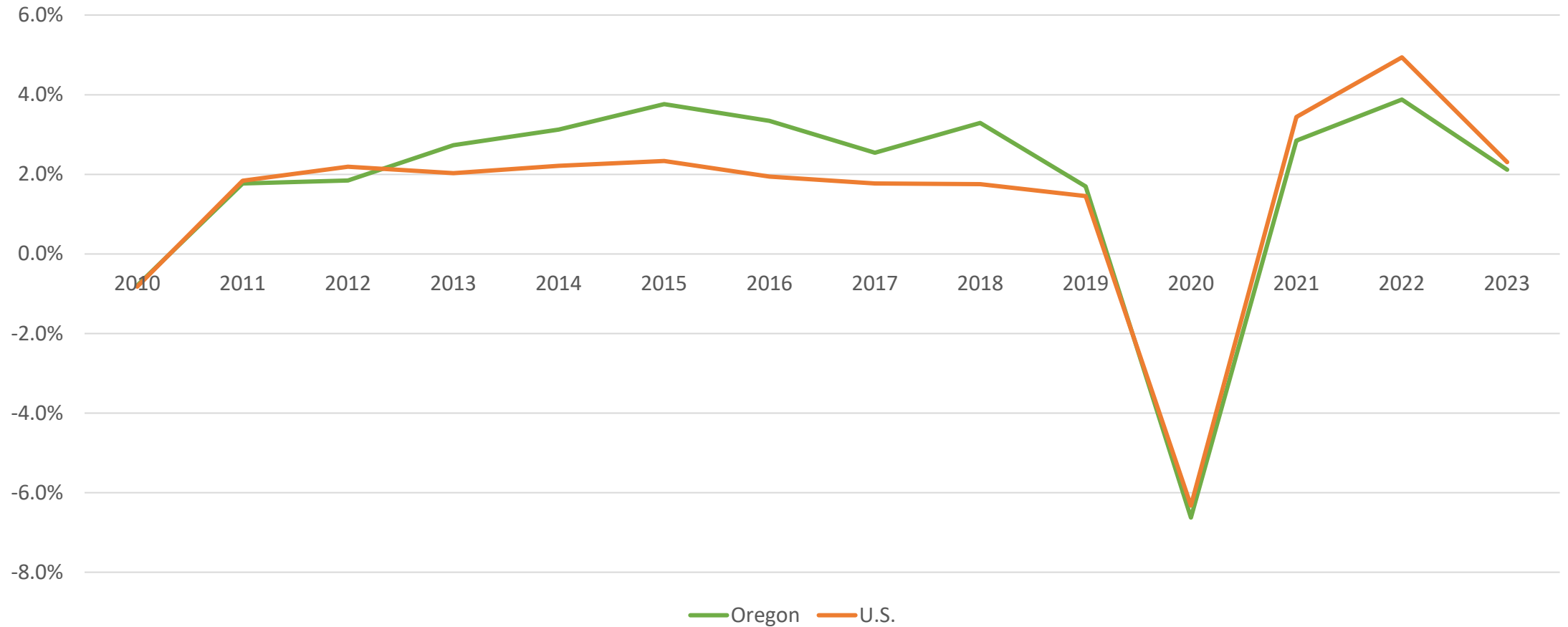
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Employment: Annual Growth

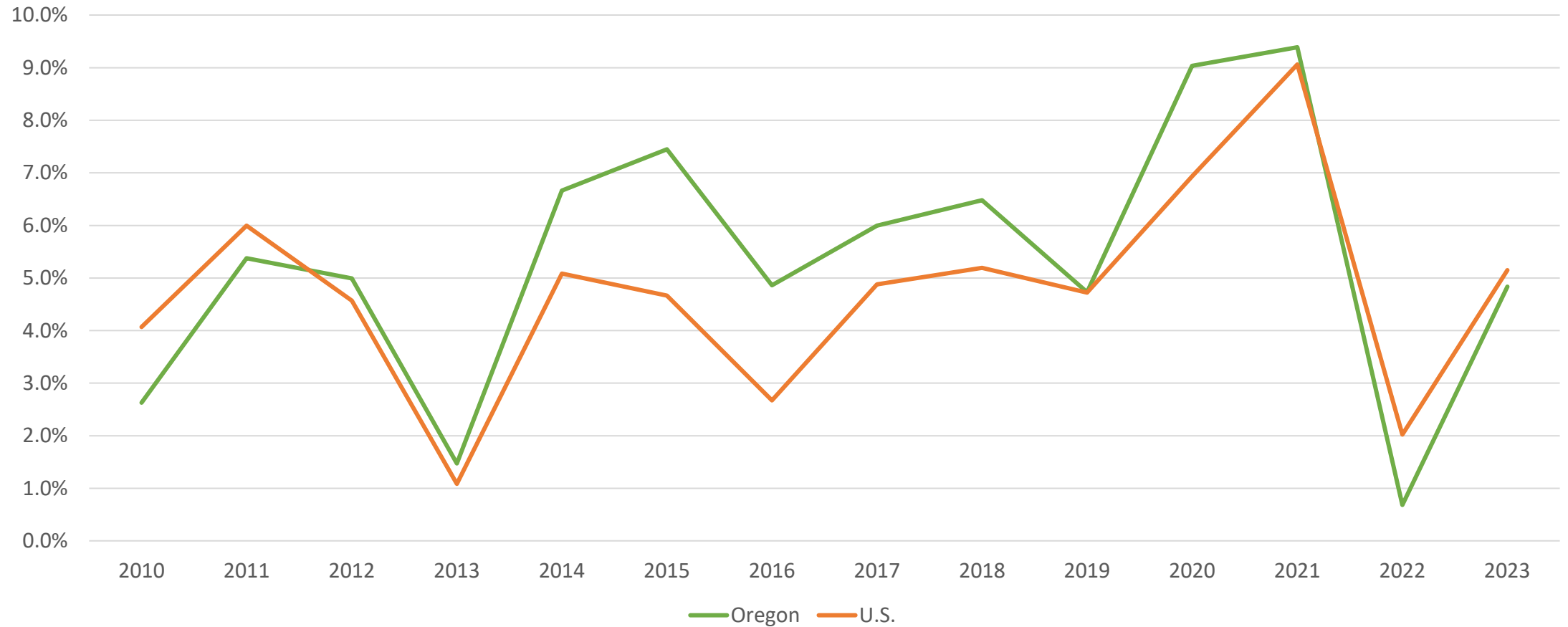


Source: Office of Economic Analysis, March 2024 Forecast





Personal Income: Annual Growth

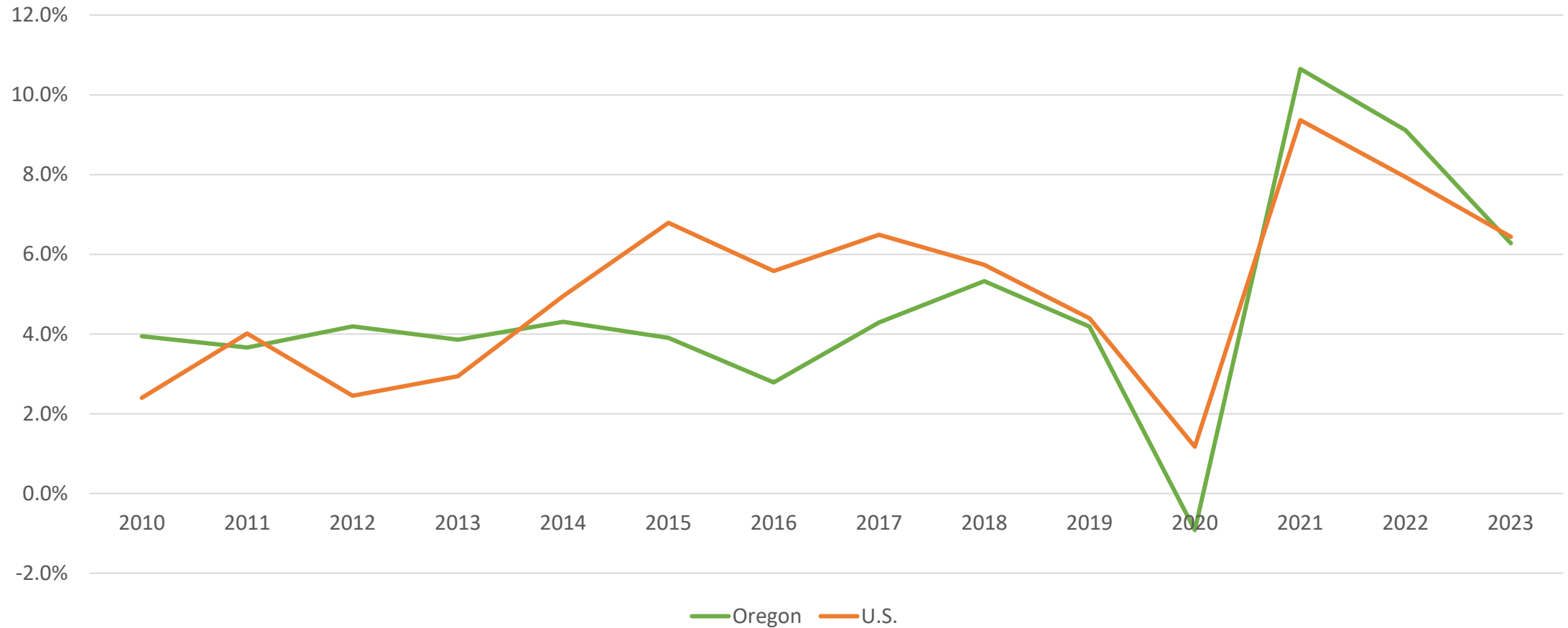


Source: Office of Economic Analysis, March 2024 Forecast





Gross State Product: Annual Growth



Source: Bureau of Economic Analysis



For More Information

- Legislative Revenue Office
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 - 255 Capitol St, 5th Floor
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- 503-986-1266
- <https://www.oregonlegislature.gov/lro>