

MORE STATES CUT INCOME TAX RATES

"Arkansas would benefit from comprehensive, pro-growth reform; Arkansans are not under-taxed; taxes and rates do matter to entrepreneurs; dynamic scoring of tax changes and effects provides benefits." Arkansas Policy Foundation Mission Statement

(March 2022) Thirteen states including Arkansas reduced individual income tax rates in 2021. Policymakers in two other states in the Southeast region--Georgia and Mississippi--took action in 1Q-2022 to join the group.

Last Year's Income Tax Cuts

States that reduced income taxes last year were Arizona, Arkansas, Idaho, Iowa, Louisiana, Missouri, Montana, Nebraska, New Hampshire, Ohio, Oklahoma, Tennessee and Wisconsin. Among the group, New Hampshire and Tennessee phased out their individual income taxes on dividends and interest.

Georgia

The Georgia state House approved a proposal earlier this month to create a flat rate state income tax rate of 5.25%, while eliminating deductions and raising the amount of income exempt from taxation. The measure is pending in the state Senate. Georgia's top income tax rate is 5.75%, according to the Federation of Tax Administrators.

Mississippi

The Mississippi state House approved a proposal to phase-out the state income tax. The measure is pending in the state Senate where leaders proposed reducing the top rate to 4.6%. Mississippi's top income tax rate is 5.0%, according to the Federation.

Southeast States

Following is a Federation chart showing top income tax rates in the 12-state Southeast region as of January 1, 2022.

South Carolina	7.0%
West Virginia	6.5%
Georgia	5.75%
Virginia	5.75%
Arkansas	5.5%
Alabama	5.0%
Kentucky	5.0%
Mississippi	5.0%
North Carolina	4.99%
Louisiana	4.25%
Florida	No state income tax
Tennessee	No state income tax

States Without An Income Tax

Nine states do not have an income tax. They are Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming.

-- Greg Kaza

Source

2022 State Individual Income Tax Rates - January 1, 2022 (taxadmin.org)