

NO INCOME TAX LEADS JOBS CREATION

"There is significant evidence that reductions in marginal state tax rates encourage state economic growth." Arkansas Policy Foundation, 1998

(July 2021) Opponents of tax cuts argue they do not impact economic growth. Yet federal data show border states without income taxes lead jobs growth.

Payroll employment is the broadest state-level economic indicator. Among six states that border Arkansas, only two exceeded the national average in jobs creation in the last economic expansion. (1) These states are Texas and Tennessee, according to U.S. Bureau of Labor Statistics records. (2) Neither levy a state income tax.

State	June 2009	February 2020	Growth Rate
Texas	10,321,300	12,970,000	25.7%
Tennessee	2,606,400	3,153,700	21.0%
United States	131,008,000	152,523,000	16.4%
Arkansas	1,161,000	1,292,000	11.3%
Oklahoma	1,566,100	1,701,700	8.7%
Missouri	2,697,400	2,926,600	8.5%
Mississippi	1,096,600	1,163,200	6.1%
Louisiana	1,899,500	1,993,500	4.9%

-- Greg Kaza

End Notes

(1) National Bureau of Economic Research, Business Cycle Dating Committee
The expansion began in June 2009 and ended in February 2020.

(2) BLS, Current Employment Statistics, "State and Metro Area Employment"