CRC Memorandum

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2009 Tax Revenue Comparison: Michigan and the U.S. Average

Recently released data from the U.S. Census Bureau show that Michigan state and local governments relied more heavily on property tax revenue in 2009 as sales and income tax revenues declined with the Great Recession, and the income tax policy changes adopted in 2011 will not alter these relative proportions of Michigan state and local tax revenue in 2013. Changes to Michigan's direct business tax, however, will cause the state to have the lowest corporate income tax burden among states that levy the tax.

These are two of several important findings from the 2009 report of state and local government finances in the 50 states and the District of Columbia released by the Census Bureau.[1] This paper examines Michigan tax revenues in 2009 to estimate the effects of tax policy changes adopted in 2011 on Michigan's tax burden relative to the rest of the country and to help policymakers determine if additional tax policy changes may be prudent.

State and local government revenues combined provide the best comparisons of taxation across states, because of the varying assignments of service responsibilities and tax levies to support those services between state and local governments. A state's total tax burden can be measured in a number of ways, and each manner includes its own set of advantages and disadvantages; however, no single method of measuring tax burden can be considered perfect.[2] This paper uses two measures of tax burden: tax revenue as a percent of personal income and tax revenue per capita.

[1] The U.S. Census Bureau report includes the most recent state and local tax revenue data available. It was published on October 31, 2011 and is available at www.census.gov/govs/estimate/.

[2] Stephen Kroes, How (Not) to Measure Tax Burden (California Taxpayers Association, www.caltax.org/research/taxburdn.htm, March 1996).

Tax revenue as a percent of personal income measures the proportion of a state's income paid in taxes. This contrasts with measures of the raw dollar amount paid in taxes per person, which can be distorted by the size of a state's wealth. For example, in 2009, people in Maryland, Massachusetts and Virginia paid more in raw tax dollars than people in Mississippi, New Mexico and West Virginia, but people in Mississippi, New Mexico and West Virginia paid a larger percentage of their income in taxes compared to people in Maryland, Massachusetts and Virginia. As such, the tax burden on people in Mississippi, New Mexico and West Virginia was heavier even though they paid less in raw tax dollars. Tax revenue per capita is a good indicator of a state's wealth and ability to pay taxes. The per capita data in this paper have been adjusted to 2009 dollars using the calendar year U.S. CPI-U.[3]

The 2009 Census Bureau report also provides an opportunity to examine Michigan's comparative tax rankings following many important state tax changes: immediately following the Great Recession;[4] 15 years after the changes brought by Proposal A of 1994;[5] and two years after the (subsequently replaced) Michigan Business Tax (MBT) replaced the Single Business Tax (SBT) as the primary direct business tax.

[3] The U.S. CPI-U can be found through the U.S. Bureau of Labor Statistics at ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt.

[4] The Great Recession began in December 2007 (U.S. National Bureau of Economic Research) and ended in July 2009. It brought about the largest collapse in state revenues on record (Elizabeth McNichol, Phil Oliff, and Nicholas Johnson, States Continue to Feel Recession's Impact, Center on Budget and Policy Priorities, 2011).

[5] Proposal A of 1994 was a school finance reform package that amended the Michigan Constitution by imposing a property assessment cap, raising sales and use tax rates to 6 percent, raising the tobacco products tax rate to 75 cents per pack, and creating a new state education tax and real estate transfer tax.

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The Michigan Business Tax

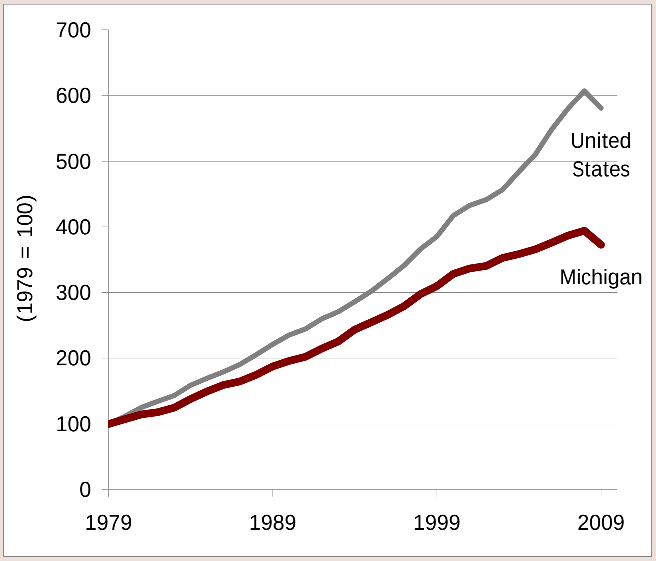
The Single Business Tax (SBT) was a value-added tax that replaced seven state business and property taxes and one local property tax in 1975. It was replaced by the Michigan Business Tax in 2007. The Michigan Business Tax (MBT), which was in effect from January 2008 through December 2011, was comprised of two components, an income tax and a modified gross receipts tax. Both components applied to all businesses with activity in Michigan and gross receipts exceeding $350,000 sourced to Michigan.* For businesses that operated entirely within Michigan, the income and modified gross receipts tax bases were allocated entirely to Michigan. For businesses that operated in multiple states, the income and modified gross receipts tax bases were allocated in proportion to sales in Michigan. Exemptions were allowed for agricultural producers and others, and credits were allowed for 35 percent of taxes paid on industrial personal property and 0.37 percent of compensation paid in Michigan, among others. The Census Bureau allocated 30 percent of the MBT revenue to its designation of corporate income taxes and 70 percent of MBT revenue to its designation of general sales taxes. Based on the Census Bureau's assignment, it was expected that adoption of the Michigan Business Tax would cause a decline in Michigan's corporate and property tax burdens as reported in the Census data and a rise in general sales tax burden in 2009, because the SBT had been allocated entirely as a corporate income tax.

* Insurance companies and financial institutions are subject to different taxes under the MBT. For more information see CRC's *Outline of the Michigan Tax System*.

June 2009 marked the end of the worst post-World War II national recession. Its effect on state and local tax revenue is a major story behind the 2009 tax rankings and will be discussed throughout this paper.

Declines in total personal income as a result of Michigan's "single state recession" that began in the early 2000s and continued through the Great Recession played a major role in state and local government finances. Since 1979, the U.S. average for personal income had been growing faster than Michigan's personal income. Around the turn of the century the difference in growth became even more

Chart 1
Michigan and U.S. Personal Income Growth, 1979 - 2010



Source: U.S. Bureau of Economic Analysis pronounced. Between 1999 and 2004, Michigan's personal income[6] grew by 15.9 percent while the country's personal income grew by 25.6 percent. Even before the Great Recession, Michigan's personal income was growing at a slower rate than the rest of the country.

Between 2004 and 2009, Michigan's personal income grew by only 3.9 percent while the country's personal income grew by 20 percent. (See **Chart 1**.) The Great Recession negatively affected personal income growth for both Michigan and the rest of the country between 2008 and 2009, but the impact on Michigan was greater because its economy was already challenged.

In general, income tax revenues are highly elastic (meaning they tend to change by a greater percentage than personal income), sales tax revenues are less elastic than income tax revenues, and property tax revenues are relatively inelastic. Michigan's heavy reliance on property tax revenue meant that its state and local tax revenues did not decline as fast as personal income between 2008 and 2009. As a result, even without any other change, the more pronounced reduction of personal income in Michigan means that Michigan's 2009 state and local tax revenue as a percent of personal income rose relative to the U.S. average and its tax revenue per capita fell relative to the U.S. average.

[6] Personal income figures are from the U.S. Bureau of Economic Analysis. These figures are for calendar years, not fiscal years.

Total Taxes

With 2009 total state and local tax revenues of $3,627 per capita, Michigan ranked 32nd highest in the nation; Michigan's total state and local tax revenue of $108.22 per $1,000 of personal income ranked 18th highest in the nation. (See **Table 1**.)

From 1979 to 2008, Michigan state and local tax revenues per $1,000 of personal income fell relative to the U.S. average, but in 2009, they rose slightly. The increase is a result of Michigan's economy faring worse than the national economy in 2009. Michigan's personal income (the denominator in the ratio) fell by a greater percentage than national personal income, thereby affecting its standing relative to the U.S. average. However, this change in its standing relative to the U.S. average did not cause Michigan's

Table 1
Michigan Total State and Local Government Tax Collections as Percent of U.S. Average

	Per Capita				Per $1,000 Personal Income			
Year	U.S. Amount (2009$)	Michigan Amount (2009$)	Michigan as Percent of U.S. Average	Michigan's Rank	U.S. Amount	Michigan Amount	Michigan as Percent of U.S. Average	Michigan's Rank
1979	$2,704	$3,088	114.19%	9	$100.13	$108.51	108.37%	13
1989	$3,287	$3,452	105.03%	14	$103.23	$110.41	106.95%	11
1999	$3,761	$3,891	103.45%	16	$103.08	$108.46	105.22%	14
2004	$3,920	$3,781	96.47%	25	$101.78	$104.80	102.97%	16
2008	$4,361	$3,772	86.48%	30	$106.89	$107.28	100.36%	18
2009	$4,144	$3,627	87.52%	32	$106.69	$108.22	101.44%	18

Sources: Population data are from intercensal estimates by the U.S. Census Bureau obtained from the U.S. Bureau of Economic Analysis. Personal income data are from the U.S. Bureau of Economic Analysis.

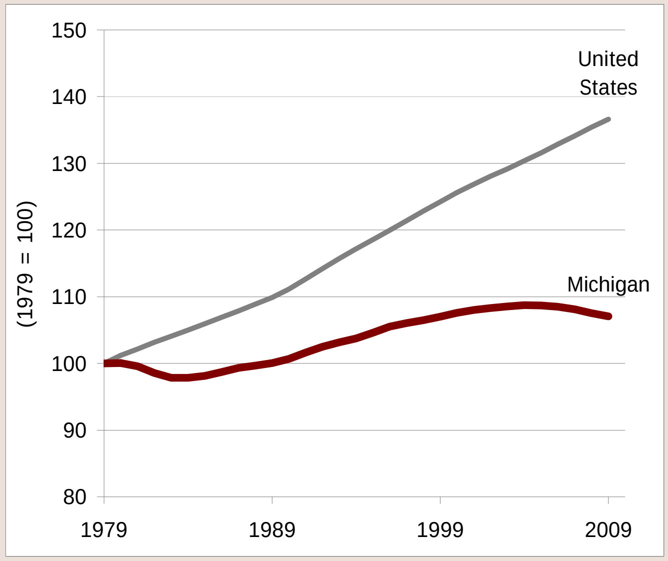
Data for years prior to 2009 were revised after the CRC published its last tax comparison report in 2006. As a result, findings in this report do not necessarily match the findings from the 2006 report.

Per capita amounts have been adjusted to 2009 dollars using the calendar year U.S. CPI-U.

comparative tax ranking per $1,000 of personal income to change from 2008 to 2009.

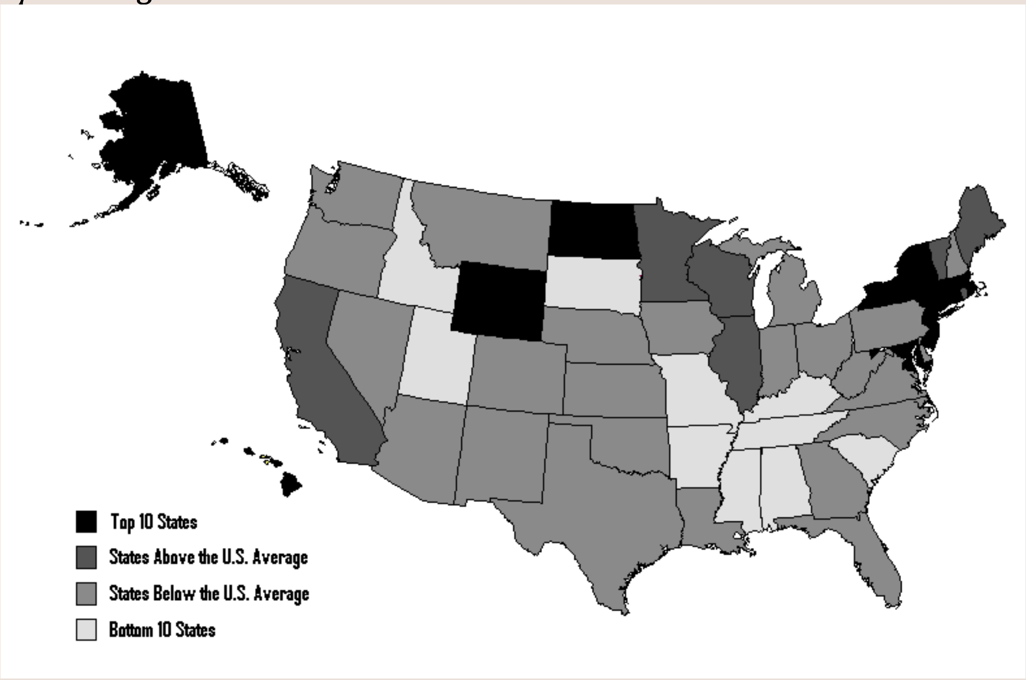
Similarly, Michigan's population loss during the second half of the last decade (when the rest of the nation gained population) affected its per-capita tax collection measure slightly differently than the U.S. average. **Chart 2** shows population growth in the U.S. and Michigan from 1979 to 2009. In Michigan's case, the difference in population growth between the state and the rest of the country was larger than the difference in tax revenue growth between the two, which caused tax revenues per capita to increase relative to the rest of the country. The difference in tax revenue growth was less pronounced than the difference in population growth because of an increase in the individual income tax rate in 2007 and the adoption of the MBT in 2008. It is also likely that the people who were leaving the state had not been contributing as much in tax revenue as the people who stayed, so while the population declined, tax revenue did not

Chart 2
Michigan and U.S. Population Growth, 1979 - 2009



Source: U.S. Bureau of Economic Analysis

Map 1
State and Local Government Tax Revenue per Capita as a Percentage of U.S. Average, 2009, by Ranking



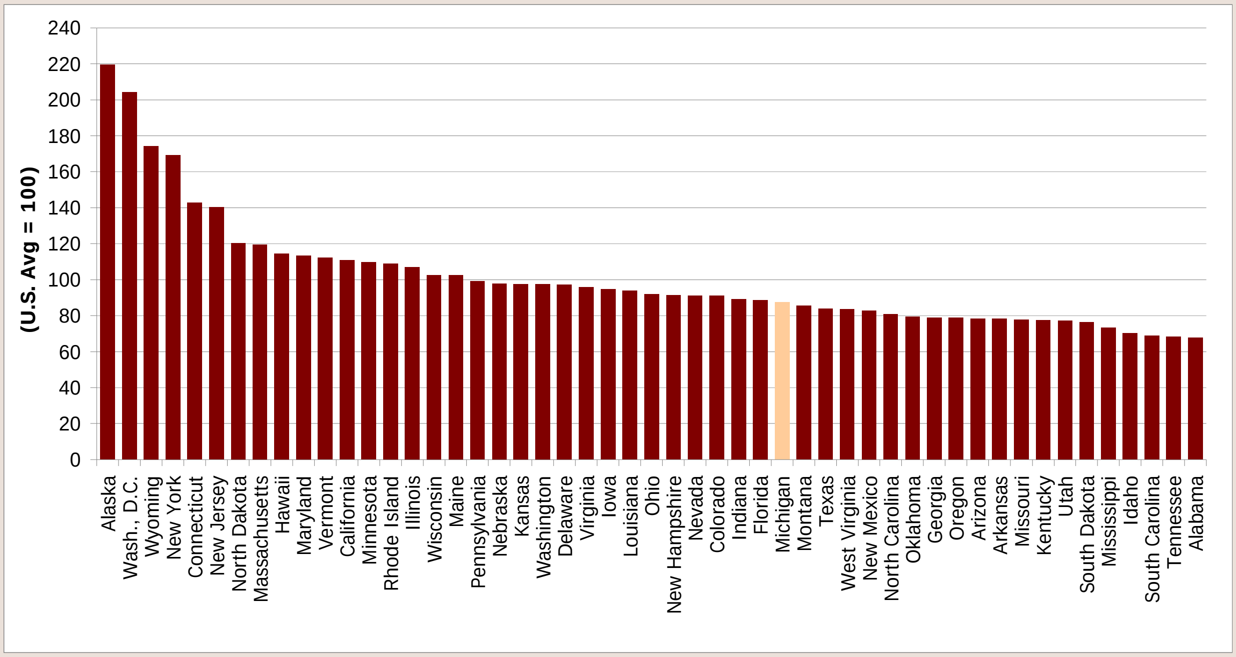
decline as greatly. This would be the case if the people leaving the state were mostly students, elderly or unemployed. (See **Chart 3**.)

Comparisons of Michigan's per capita state and local tax revenues with the rest of the nation showed Michigan to be similar to Colorado, Florida, Indiana, Montana, Texas and West Virginia. (See **Appendix A**.) The New England and Mid-Atlantic states tended to have relatively high tax burdens. Alaska, North Dakota, and Wyoming also had high per capita tax burdens. Many of the Southern states had the lowest tax burdens. (See **Map 1**.)

Comparisons of Michigan tax revenues per $1,000 of personal income with the rest of the nation showed Michigan to be similar to Connecticut, Illinois, Louisiana, Minnesota, Ohio and New Mexico. (See **Appendix A**.) The New England and Midwest states tended to have relatively high tax burdens. The lowest tax burdens were evenly distributed throughout the country. (See **Map 2**.) Alaska, New York, and Wyoming ranked high in both measures of tax burden; Alaska and Wyoming benefited greatly from their taxation of oil and gas companies. (See **Charts 3** and **4**.)

Individual and corporate income tax policy changes in 2011 (to be described in more detail later in the paper) will slightly decrease Michigan's overall tax burden relative to the rest of the country. If estimated individual and corporate income tax revenues in fiscal year 2013 are substituted for 2009 tax revenues, leaving property, sales (without MBT revenue assignment) and other tax revenue unchanged, Michigan's tax burden per $1,000 of personal income would rank 20th highest (0.3 percent above the U.S. average) and its tax burden per capita would rank 32nd highest (13 percent below the U.S. average) in 2013, compared to 18th and 32nd highest, respectively, in 2009.

Chart 3
State and Local Government Tax Revenue per Capita as a Percentage of U.S. Average, 2009



Source: U.S. Census Bureau

Map 2
State and Local Government Tax Revenue per $1,000 of Personal Income as a Percentage of U.S. Average, 2009, by Ranking

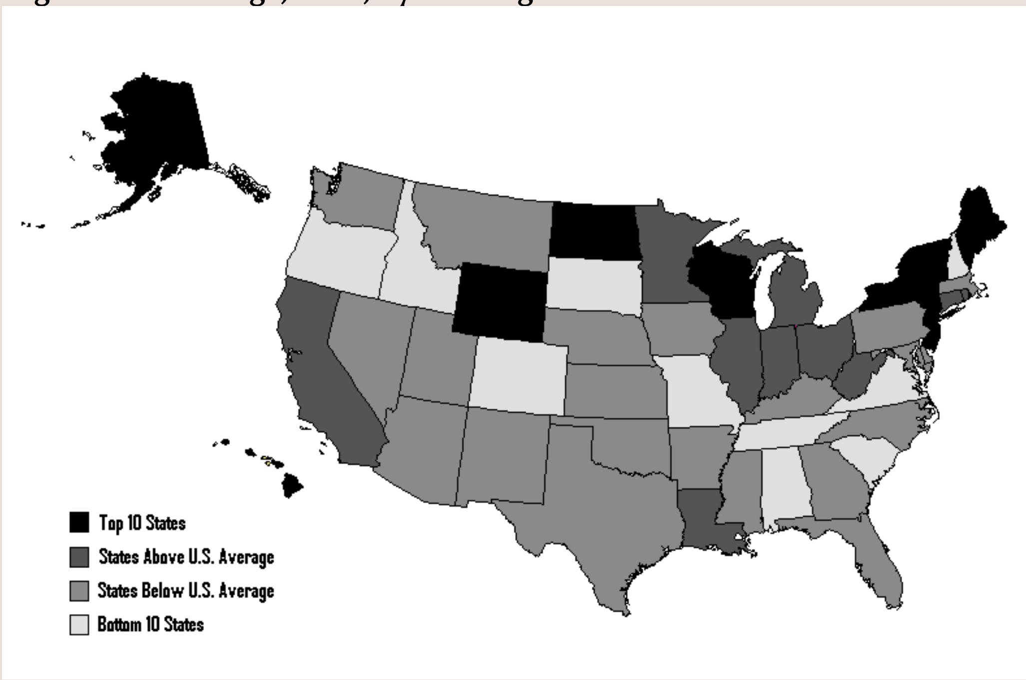
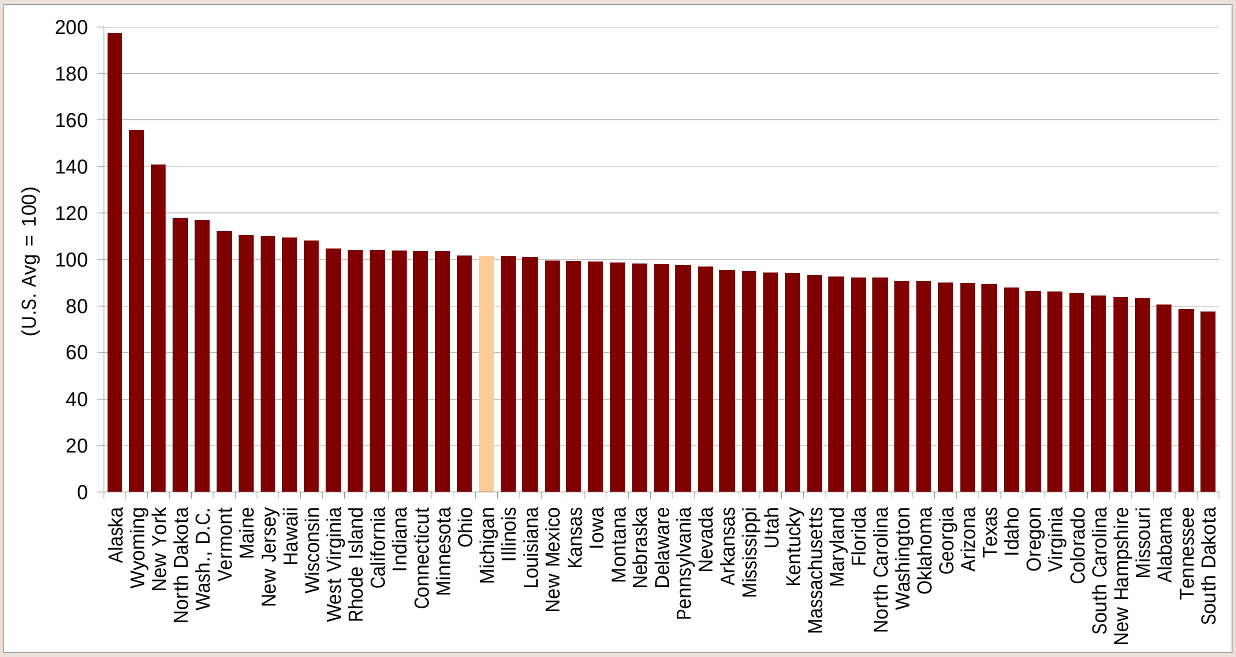


Chart 4
State and Local Government Tax Revenue per $1,000 of Personal Income as Percentage of U.S. Average, 2009



Source: U.S. Census Bureau

Composition of the Tax System

Economists have long compared the ideal tax system to a three-legged stool, where each leg is of equal length. The tax system works optimally when revenues from the three major tax sources – property, income, and sales – contribute roughly equal shares to the total, which minimizes the distortionary effect on the economy and the deadweight loss (i.e., the cost to society from tax inefficiencies). However, there may be other factors that influence a state's tax composition. For example, Florida is a tourism-heavy state so it can presumably forgo an individual income tax to rely more heavily on sales taxes paid largely by tourists, effectively exporting some of the tax burden that would otherwise be borne by residents. Alaska exports its tax burden through oil and gas production severance taxes.

In 2009, Michigan state and local governments collected 95 percent of their own-source tax revenues from the three major taxes – property, sales, and income. The balance of tax revenue came from other tax levies, such as motor vehicle licenses, alcoholic beverage licenses, hunting and fishing licenses, and the severance tax. Revenues from these other tax sources have historically contributed a smaller proportion of the total in Michigan than in the U.S. average.

Michigan's reliance on the three major taxes continues to evolve. Michigan had a relatively balanced tax system 30 years ago, with sales taxes contributing a slightly lesser share of the total than property and income taxes. The mix of tax revenue in 1999 reflected the structural changes of Proposal A of 1994; property tax revenues made up a much smaller proportion of the total, and sales tax revenues contributed a greater proportion. In 2004, sales and property taxes contributed roughly equal shares of the total, with property taxes nearly returning to the share they contributed prior to 1994. The proportion of income taxes declined from 1999 to 2004 in part due to a drop in the tax rate from 4.4 percent in tax year 1999 to 3.95 percent for tax year 2004.

In 2008, property taxes continued to be an increasing proportion of the mix, while sales and income taxes remained relatively steady and other taxes declined. In 2009, property and sales taxes increased their share of total taxes, while the share of income taxes declined substantially. (See **Table 2**.) The decline in income tax revenue was severe enough to more than offset an individual income tax rate increase in 2007, but was only partially the result of personal income reductions in Michigan during the 2000s. The decline in income tax revenue was significantly overstated by the Census Bureau report because the Census Bureau assigned only 30 percent of MBT revenue to the corporate income tax. Likewise, the sales tax proportion was drastically inflated, because 70 percent of MBT revenue was assigned to the general sales tax to account for the gross receipts component of the tax.

Table 2
Michigan's Distribution of Taxes as a Percent of Total State and Local Taxes

Year	Property	Sales	Income	Other
1979	35.81%	26.96%	32.66%	4.58%
1989	38.38%	23.74%	32.78%	5.11%
1999	29.46%	31.27%	33.07%	6.20%
2004	35.78%	33.05%	24.50%	6.66%
2008	37.55%	32.38%	25.02%	5.05%
2009	40.13%	35.53%	19.43%	4.92%
2009 U.S. Avg.	33.35%	34.10%	24.89%	7.65%

Source: U.S. Bureau of Economic Analysis and U.S. Census Bureau

If 100 percent of MBT revenues were assigned to the corporate income tax (and none were assigned to the general sales tax), Michigan property tax revenues would remain the largest proportion of total tax revenue at 40.1 percent; sales tax revenues would contribute 31 percent of the total (compared to 35.5 percent before); income tax revenues would contribute 24 percent of the total (compared to 19.4 percent before); and other taxes would remain at 4.9 percent of the total. From this adjusted perspective, the proportion of both sales and income tax revenue in 2009 declined slightly compared to 2008, which would be expected since those taxes are more elastic than property taxes and were thereby affected greater by declines in personal income.

Individual and corporate income tax policy changes in 2011 (to be described in more detail later in the paper) will not have much of an effect on the proportion of tax revenue in Michigan in 2013. If estimated individual and corporate income tax revenue in fiscal year 2013 are substituted for 2009 tax revenue, leaving property, sales (without the MBT revenue assignment), and other tax revenue unchanged, the proportion of income tax revenue will decrease to 23.1 percent and the proportion of property, sales, and other tax revenue will increase to 40.6, 31.3, and 5 percent, respectively, in 2013. This estimated change in tax revenue contribution produces a similar-looking tax system in 2013 as Michigan had in 2009. However, within the income tax, corporate income tax revenue will contribute a smaller proportion in 2013 compared to 2009 and individual income tax revenue will contribute a larger proportion in 2013 compared to 2009.

Property Taxes

With 2009 state and local property tax revenues of $1,455 per capita, Michigan ranked 17th highest in the nation; Michigan's state and local property tax revenue of $43.43 per $1,000 of personal income ranked 11th highest in the nation. (See **Table 3**.)

Prior to 1994, property tax revenues in Michigan were more than 20 percent above the U.S. average, placing Michigan among the top 15 states in both measures of property tax burden. In an effort to lessen Michigan's high property tax burden and inequities in school funding, Proposal A of 1994 reduced property taxes in Michigan in exchange for higher sales, use and tobacco taxes. The effect of this tax shift was to reduce Michigan property tax revenue to near the U.S. average in the years immediately after 1994. That interstate advantage had begun to erode by 1999, and further erosion was evident five years later.

In 2008, however, Michigan's per capita property tax burden fell to 6 percent above the U.S. average while property taxes per $1,000 of personal income continued to rise. The decline in property tax revenue

Table 3
State and Local Government Property Tax Revenues

	U.S. Average		Michigan					
			Per Capita			Per $1,000 Personal Income		
Year	Per Capita (2009$)	Per $1,000 Pers. Inc.	Amount (2009$)	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	$855	$31.65	$1,106	129.4%	11	$38.86	122.8%	15
1989	$998	$31.35	$1,325	132.7%	9	$42.37	135.2%	10
1999	$743	$30.31	$986	103.6%	19	$31.96	105.4%	23
2004	$1,233	$32.02	$1,353	109.7%	15	$37.50	117.1%	12
2008	$1,340	$32.84	$1,416	105.7%	16	$40.28	122.7%	12
2009	$1,382	$35.58	$1,455	105.3%	17	$43.43	122.1%	11

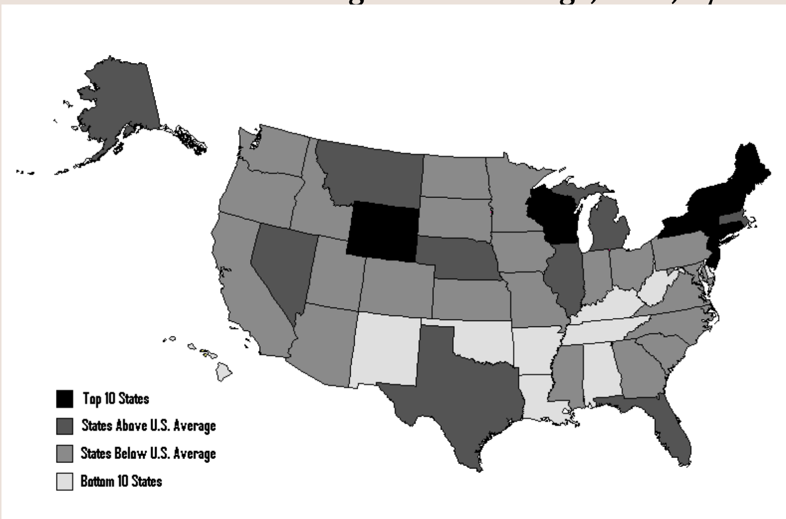
Source: U.S. Bureau of Economic Analysis and U.S. Census Bureau. Per capita amounts have been adjusted to 2009 dollars using the calendar year U.S. CPI-U.

per capita relative to the U.S. average was in part the result of the tax policy changes that accompanied enactment of the MBT. The MBT, which went into effect in January 2008, replaced not just the SBT, but some local property taxes as well. Meanwhile, property tax revenue per $1,000 of personal income increased to 22 percent above the U.S. average because Michigan's property tax revenue growth decreased at an even slower rate than its personal income growth when compared to the rest of the country.

In 2009, both measures of property tax burden declined slightly as a result of the recession. While still more stable than income or sales taxes, property taxes were less stable during the Great Recession than in previous recessions. The Great Recession affected property taxes through foreclosures and declining residential real estate values to a much greater degree than in prior recessions.[7]

Michigan's historically high ranking on property tax revenues reflects two factors. First, Michigan local governments are almost entirely dependent on property taxes for their own-source revenues. Where other states authorize their local governments to levy local-option sales, income, motor fuel, or payroll taxes, local governments in Michigan (with a few exceptions) rely on state aid and property taxes as their primary revenue sources. The property tax is the main source of revenue for cities, villages, townships, counties, community college districts, and those special districts with taxing authority.

Map 3
State and Local Government Property Tax Revenue per $1,000 of Personal Income as a Percentage of U.S. Average, 2009, by Ranking



Second, the Michigan assessment system endeavors to produce assessments that constantly reflect current market value, resulting in faster growth of the property tax base, while some states allow several years to pass between reassessments. However, this factor has been mitigated by the Headlee Amendment requirement for tax rate rollbacks under certain conditions and the taxable value cap, which can cause Michigan's taxable value to grow at a slower pace than market value.

In 2009, Michigan, Wisconsin, and Illinois stood out as the Midwest states with property tax burdens above the U.S. average. New England states tended to rely most heavily on property taxes as a source of state and local government revenue. Several Western and Plains states – Wyoming, Alaska, Nevada, Montana, Texas, and Nebraska – also had relatively high property tax burdens. Because many heavily populated states rely on the property tax as a source of revenue, the U.S. average was relatively high and 32 states were below the U.S. average. (See **Map 3** and **Appendix A**.)

The inability of most of its local governments to levy sales and income taxes will cause Michigan's property tax burden to remain comparatively high in 2012 and 2013, but the Headlee Amendment and the taxable value cap will ensure that property tax revenues will not recover at the same rate as the economy if economic growth exceeds 5 percent or the rate of inflation.

[7] Rebecca Hendrick, Martin Luby, and Jill Mason Terzakis, The Great Recession's Impact on the City of Chicago (Great Cities Institute, University of Illinois at Chicago, 2010).

General Sales Taxes

With 2009 state and local general sales tax revenues of $909 per capita, Michigan ranked 27th highest in the nation; Michigan's state and local general sales tax revenue of $27.12 per $1,000 of personal income ranked 18th highest in the nation. (See **Table 4**.)

Prior to 1994, Michigan general sales tax revenues were below the U.S. average. The immediate effect of Proposal A's tax shift was to place Michigan about equal to the U.S. average. But this relative position eroded dramatically after 1999. Then, in 2009, per capita general sales tax revenues increased by 10.3 percent from 2008, and the tax burden per $1,000 of personal income increased by 15.7 percent from 2008.

The 2008-09 increase in general sales tax burden was due largely to the enactment of the MBT, because it shifted some of the property and corporate tax burden to sales taxes since the Census Bureau categorized 70 percent of the revenues from the MBT to general sales taxes to reflect the gross receipts component of the tax. Therefore, Michigan's comparative general sales tax ranking was exaggerated in 2009 compared to previous years in this sample (Michigan would have ranked 31st highest instead of 18th highest in general sales tax revenue per $1,000 of personal income in 2009 if none of the MBT revenues were assigned as general sales tax revenues). The adjusted ranking reflects the relative income elasticity of the general sales tax.

Historically, most states that rely heavily on property taxes tend not to rely heavily on general sales taxes. In 2009, Florida, Michigan, Texas and Wyoming stood out as the exceptions, but their high ranking on both property and sales taxes reflected the fact that Florida does not levy an individual income tax, and Texas and Wyoming do not levy individual income or corporate income taxes. Michigan's poor economy resulted in its greater reliance on property and sales tax revenues.

Several of the states with the highest general sales tax revenues per $1,000 of personal income have expanded their tax bases to include more goods and services than Michigan includes. Hawaii, Washington and New Mexico have among the broadest bases for their sales taxes and were ranked 2nd, 3rd, and 4th highest, respectively. Wyoming, which ranked highest in general

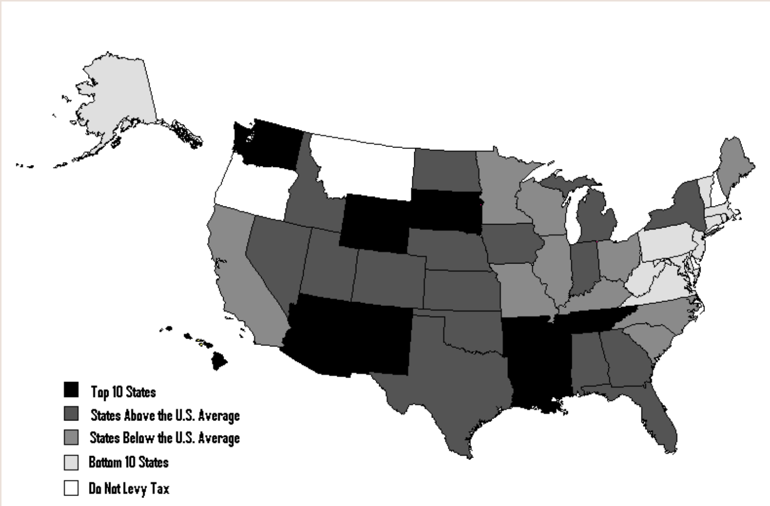
Table 4
State and Local Government General Sales Tax Revenues

	U.S. Average		Michigan					
			Per Capita			Per $1,000 Personal Income		
Year	Per Capita (2009$)	Per $1,000 Pers. Inc.	Amount (2009$)	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	$613	$22.69	$544	88.8%	25	$19.12	84.3%	34
1989	$790	$24.81	$585	74.0%	41	$18.70	75.4%	40
1999	$926	$25.38	$941	101.6%	22	$26.22	103.3%	22
2004	$952	$24.71	$892	93.7%	27	$24.71	100.0%	26
2008	$1,005	$24.62	$824	82.0%	34	$23.44	95.2%	26
2009	$949	$24.42	$909	95.8%	27	$27.12	111.0%	18

Source: U.S. Bureau of Economic Analysis and U.S. Census Bureau. Per capita amounts have been adjusted to 2009 dollars using the calendar year U.S. CPI-U.

The Michigan Business Tax consists of two components: a gross receipts tax (type of sales tax) and an income tax. Therefore, revenue from the tax was allocated as both corporate income and general sales tax. Seventy percent of the total MBT revenue was included in general sales tax revenue and the remaining 30 percent was included in corporate income tax revenue.

Map 4
State and Local Government General Sales Tax Revenue per $1,000 of Personal Income as a Percentage of U.S. Average, 2009, by Ranking



sales tax revenues per $1,000 of personal income, benefits from a gross receipts tax. In general, Plains and Southern states tended to have the greatest reliance on general sales tax revenues. Delaware, Montana, New Hampshire, and Oregon do not levy general sales taxes. (See **Map 4** and **Appendix A**.)

In 2013, the general sales tax ranking (as reported by the Census Bureau) will fall as a result of changes to Michigan's direct business tax. MBT revenues will no longer be added to the general sales tax designation by the Census Bureau. If the portion of MBT revenues assigned to general sales tax revenues were subtracted from the total, Michigan general sales tax revenues per $1,000 of personal income would rank 28th highest (7 percent below the U.S. average) and general sales tax revenues per capita would rank 37th highest (20 percent below the U.S. average) in 2013, down from 18th and 27th highest, respectively, in 2009. No significant sales tax policy changes occurred in 2011.

Selective Sales Taxes

Selective sales taxes are those taxes imposed on sales of particular commodities or services of a particular business. They include liquor, tobacco, motor fuel, pari-mutuel wagering, and public utility taxes. All states levy some form of selective sales tax. With 2009 state and local selective sales tax revenues of $380 per capita, Michigan ranked 36th highest in the nation; Michigan's state and local selective sales tax revenue of $11.33 per $1,000 of personal income ranked 28th highest in the nation. (See **Table 5**.)

Table 5
State and Local Government Selective Sales Tax Revenues

	U.S. Average		Michigan					
			Per Capita			Per $1,000 Personal Income		
Year	Per Capita (2009$)	Per $1,000 Pers. Inc.	Amount (2009$)	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	$364	$13.49	$288	79.1%	44	$10.13	75.1%	45
1989	$376	$11.81	$235	62.4%	50	$7.51	63.5%	50
1999	$417	$11.43	$276	66.2%	49	$7.69	67.3%	47
2004	$449	$11.65	$358	79.8%	39	$9.93	85.2%	36
2008	$476	$11.66	$397	83.5%	34	$11.30	96.9%	29
2009	$465	$11.96	$380	81.8%	36	$11.33	94.8%	28

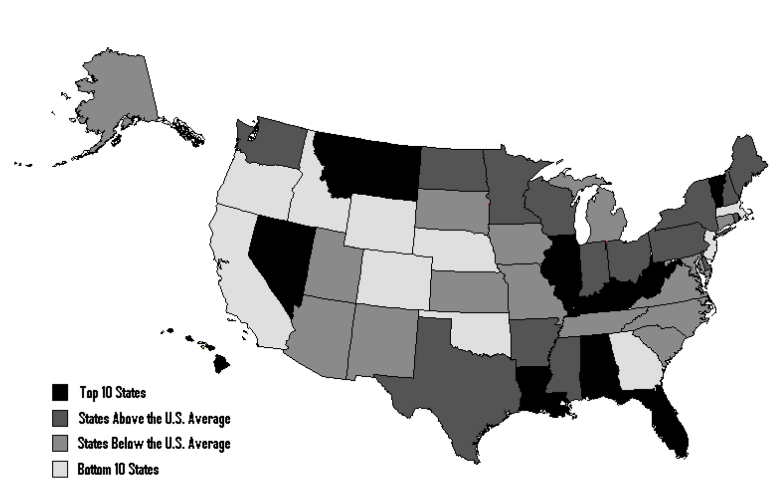
Source: U.S. Bureau of Economic Analysis and U.S. Census Bureau. Per capita amounts have been adjusted to 2009 dollars using the calendar year U.S. CPI-U.

In 2009, revenues from selective sales taxes in Michigan were 18 percent below the U.S. average on a per capita basis and 5 percent below the U.S. average on the basis of personal income; but from 1989 to 2008, the percentages had been trending toward the U.S. average.

In 2009, selective sales tax revenues per capita declined across the U.S., reflecting less consumption of these types of goods during the recession. Michigan reduced its consumption of these products by a higher percentage than the rest of the country and fell further below the U.S. average in both tax burden measures. Under static economic conditions, however, selective sales taxes tend to have relatively inelastic tax bases, meaning consumption is relatively stable. In general, Michigan local governments are not authorized to levy these taxes unlike local governments in many other states.

Selective sales taxes are levied in every state at different rates and sometimes on different bases. In 2009, some heavily populated states – Illinois, Florida, Pennsylvania and Texas – drew heavily upon these taxes, while other heavily populated states – California, Massachusetts, and New Jersey – relied far less on revenues from these taxes. Michigan had the lowest selective sales tax revenues per $1,000 of personal income among its immediate neighbors (Wisconsin, Illinois, Indiana, and Ohio). Regional patterns were far less evident for selective sales taxes, but states bordering the Gulf of Mexico were highly reliant. (See **Map 5**.)

Map 5
State and Local Government Selective Sales Tax Revenue per $1,000 of Personal Income as a Percentage of U.S. Average, 2009, by Ranking



Individual Income Taxes

With 2009 state and local individual income tax revenues of $634 per capita, Michigan ranked 36th highest in the nation; Michigan's state and local individual income tax revenue of $18.91 per $1,000 of personal income ranked 35th highest in the nation. (See **Table 6**.)

In 1979, Michigan was one of the wealthier states in the country and had relatively high individual income tax revenues per capita and per $1,000 of personal income. Even though the state's wealth was eroding from 1979 to 1999, Michigan remained among the top 20 states in individual income tax revenues during that period.

Tax rate reductions in the early 2000s and Michigan's weak economy drastically changed this standing, dropping Michigan from 19th in per capita individual income tax revenues in 1999 to 32nd in 2004, with per capita revenues 14 percent below the U.S. average. Individual income tax revenues per $1,000 of personal income fell from 19th in 1999 to 35th in 2004. In 2008, individual income tax revenues increased because Michigan's income tax rate increased from 3.9 percent in 2004 to 4.35 percent effective October 1, 2007.

In 2009, Michigan's rank dropped slightly for both measures of individual income tax burden. Per capita individual income tax revenues fell to 28 percent below the U.S. average, and individual income tax revenues per $1,000 of personal income fell from 11 percent below the U.S. average in 2008 to 17 percent below the average in 2009. The decline in individual income tax revenue per $1,000 of personal income from 2008 to 2009 was due to several of the wealthier states, including New York and Maryland, imple-

Table 6
State and Local Government Individual Income Tax Revenues

	U.S. Average		Michigan					
				Per Capita		Per $1,000 Personal Income		
Year	Per Capita (2009$)	Per $1,000 Pers. Inc.	Amount (2009$)	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	$486	$18.00	$692	142.3%	11	$24.30	135.0%	10
1989	$686	$21.53	$783	114.3%	15	$25.05	116.3%	18
1999	$874	$23.94	$973	111.3%	19	$27.11	113.2%	19
2004	$835	$21.68	$719	86.1%	32	$19.92	91.9%	35
2008	$999	$24.49	$766	76.6%	34	$21.77	88.9%	34
2009	$882	$22.70	$634	71.9%	36	$18.91	83.3%	35

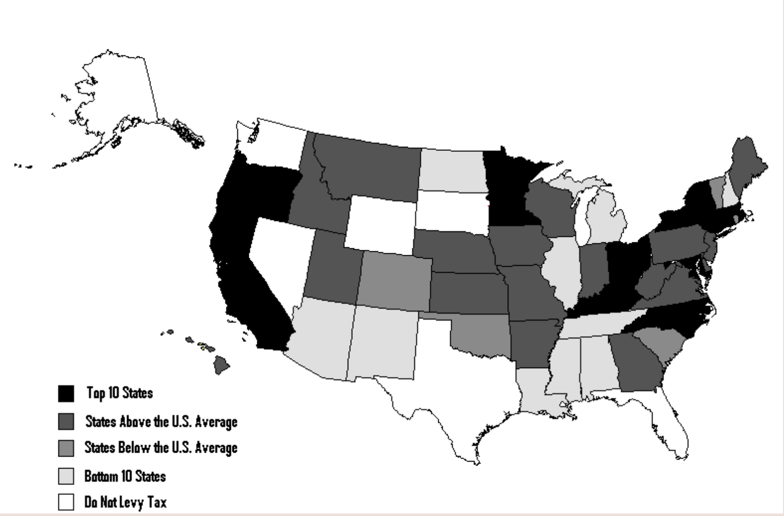
Source: U.S. Bureau of Economic Analysis and U.S. Census Bureau. Per capita amounts have been adjusted to 2009 dollars using the calendar year U.S. CPI-U.

menting tax policy changes in 2009 that prevented their individual income tax revenues from falling as severely as other wealthy states, such as California and Massachusetts, which kept the U.S. average from falling even further from 2008.[8] Notably, New York's tax burden (relative to the U.S. average) increased by 17 percentage points from 2008 to 2009.

Even though Michigan's individual income tax revenues per $1,000 of personal income decreased by roughly 6 percentage points relative to the U.S. average, its ranking only fell by one place because, except for Oklahoma, the 7 states that were below Michigan in the 2008 rankings were far enough below the U.S. average that they could not make up enough ground (relative to the inflated U.S. average) to pass Michigan in the rankings despite retaining a higher percentage of their 2008 individual income tax revenues. Michigan was aided by the fact that the states ranked below it in 2008 tended to be among the least wealthy in the country (except for Illinois and New Hampshire). In 2009, only 6 states who levy an individual income tax generated a lower percentage of their 2008 individual income tax revenues than Michigan.

In 2009, East coast states tended to have the highest individual income tax burdens. Oregon, Minnesota, and California were other non-East coast states with high

Map 6
State and Local Government Individual Income Tax Revenue per $1,000 of Personal Income as a Percentage of U.S. Average, 2009, by Ranking



[8] Tax Foundation, State Individual Income Tax Rates, 2000-2011 (www.taxfoundation.org/taxdata/show/228.html, March 2011)

individual income tax burdens. Alaska, Florida, South Dakota, Nevada, Texas, Washington, and Wyoming do not levy individual income taxes. (See **Map 6**.)

In May 2011, Michigan's individual income tax rate was frozen at 4.25 percent and the tax base was expanded by eliminating a number of reductions and exemptions and repealing or reducing a large number of credits.[9] These tax policy changes are expected to increase revenue by $1.3 billion in fiscal year 2013,[10] which will cause Michigan's individual income tax ranking to rise relative to the U.S. average. If estimated individual income tax revenues in fiscal year 2013 were substituted for revenues in 2009, Michigan would rank 31st highest in individual income tax revenue per $1,000 of personal income (2 percent above the U.S. average) and 31st highest in individual income tax revenue per capita (12 percent below the U.S. average) in 2013, up from 35th and 36th, respectively, in 2009.

Corporate Income Taxes

With 2009 state and local corporate income tax revenues of $71 per capita, Michigan ranked 41st highest in the nation; Michigan's state and local corporate income tax revenue of $2.12 per $1,000 of personal income ranked 38th highest in the nation. Michigan corporate income taxes were 52 percent below the U.S. average on a per capita basis and 45 percent below the U.S. average relative to personal income in 2009. (See **Table 7**.)

The SBT, a form of value-added tax in effect from 1975 through 2007, distorted Michigan's ranking in state and local corporate income tax revenues because it was considered a corporate income tax by the Census Bureau. Business taxes levied by other states that were consolidated into the SBT in Michigan were not included in comparisons to Michigan's SBT. The SBT consolidated the state property tax on inventories and the business portion of the state intangibles tax, among other taxes. These taxes were still being levied by some other states, but were not included under corporate income taxes by the Census Bureau. In other states, only a corporate income tax was compared against the SBT. Whether the tax burden was measured on a per capita or per $1,000 of personal income basis, Michigan corporate income taxes were among the top ten during the period when the SBT was levied.

9 Senate Fiscal Agency, Michigan's Economic Outlook and Budget Review (www.senate.michigan.gov/sfa/Publications/BudUpdates/EconomicOutlookDec11.pdf, December 2011)

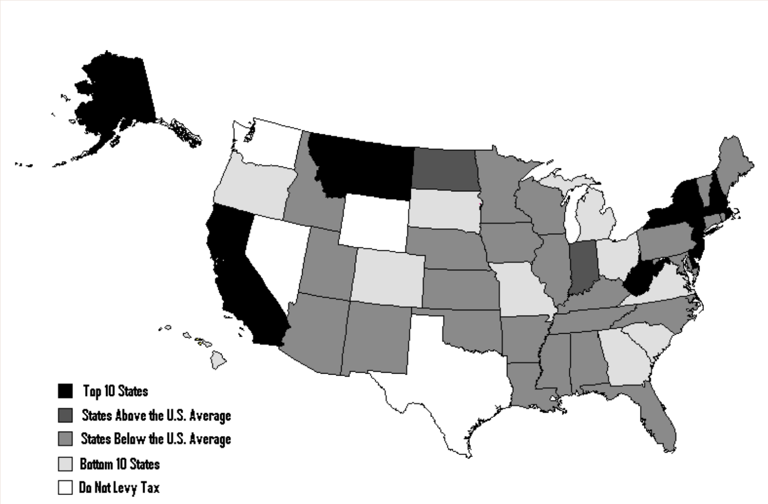
10 Senate Fiscal Agency, Michigan's Economic Outlook and Budget Review (www.senate.michigan.gov/sfa/Publications/BudUpdates/EconomicOutlookDec11.pdf, December 2011)

Table 7
State and Local Government Corporate Income Tax Revenues

	U.S. Average		Michigan					
			Per Capita			Per $1,000 Personal Income		
Year	Per Capita (2009$)	Per $1,000 Pers. Inc.	Amount (2009$)	as % of U.S. Avg.	Rank	Amount	as % of U.S. Avg.	Rank
1979	$160	$5.91	$317	198.5%	2	$11.13	188.4%	2
1989	$182	$5.71	$348	191.6%	6	$11.14	195.1%	3
1999	$157	$4.29	$314	200.6%	5	$8.75	204.0%	5
2004	$131	$3.40	$208	159.0%	9	$5.76	169.7%	5
2008	$187	$4.57	$178	95.5%	14	$5.07	110.8%	12
2009	$150	$3.86	$71	47.4%	41	$2.12	54.9%	38

Source: U.S. Bureau of Economic Analysis and U.S. Census Bureau. Per capita amounts have been adjusted to 2009 dollars using the calendar year U.S. CPI-U.

Map 7
State and Local Government Corporate Income Tax Revenue per $1,000 of Personal Income as a Percentage of U.S. Average, 2009, by Ranking



The elimination of the SBT in 2007 and the Census Bureau's subsequent assignment of MBT revenue caused Michigan's corporate income tax ranking to drop dramatically by 2009. The MBT was a tax increase over the SBT, but only 30 percent of 2009 MBT revenues were allocated to corporate income taxes by the Census Bureau, so Michigan's comparative tax ranking was significantly undervalued in 2009 compared to previous years. Michigan would have ranked 6th highest instead of 38th highest in corporate income tax revenue per $1,000 of personal income in 2009 if 100 percent of MBT revenues were assigned as corporate income tax; that adjusted ranking reflects a corporate income tax burden 83 percent above the U.S. average (compared to 45 percent below the average before).

In 2009, Alaska's state and local governments yielded the most corporate income tax revenues per $1,000 of personal income because of their taxation of oil companies. California, Montana, and many Northeastern states made up the balance of the top ten states. The U.S. average for corporate income taxes was relatively high because many of the heavily populated states relied heavily on these taxes. This caused 39 states to have corporate income tax revenues below the U.S. average; Nevada, Texas, Washington, and Wyoming do not levy corporate income taxes. (See **Map 7**.)

The MBT was replaced in January 2012 by a state corporate income tax (CIT) that taxes a narrower base and fewer firms and is expected to generate substantially less revenue than the MBT.[11] The Senate Fiscal Agency estimates a loss of roughly $1.6 billion in fiscal year 2013 once the CIT has been fully phased-in. With this substantial reduction in corporate income tax revenues, even the 100 percent assignment of CIT revenues to corporate income taxes by the Census Bureau instead of the 30 percent assignment of MBT revenue will not prevent Michigan's corporate income tax burden (as reported by the Census Bureau) from decreasing significantly in 2013.

If estimated CIT revenues in fiscal year 2013 were substituted for MBT revenues in 2009, Michigan would rank 46th highest in corporate income tax revenue per $1,000 of personal income (62 percent below the U.S. average) and 47th highest in corporate income tax revenue per capita (67 percent below the U.S. average and last among states that levy a corporate income tax), down from 38th and 41st in 2009, respectively.

[11] Senate Fiscal Agency, Michigan's Economic Outlook and Budget Review www.senate.michigan.gov/sfa/Publications/BudUpdates/EconomicOutlookDec11.pdf, December 2011.

Highlights from 2009 and Effects of Tax Changes in 2011

In 2009, Michigan's total state and local tax revenue of $108.22 per $1,000 of personal income ranked 18th in the nation, which is slightly above the U.S. average and the same ranking as in 2008. Michigan state and local property tax revenue increased in its proportion of total tax revenue (to 40 percent from 38 percent in 2008), while the proportion of sales and income taxes declined slightly. The decline in the proportion of sales and income taxes was due to the Great Recession, since those taxes are more elastic than property taxes and were thereby affected greater by declines in personal income.

Individual and corporate income tax policy changes in 2011 will slightly decrease Michigan's overall tax burden relative to the rest of the country. Michigan's estimated tax burden per $1,000 of personal income would rank 20th highest (0.3 percent above the U.S. average) and its estimated tax burden per capita would rank 32nd highest (13 percent below the U.S. average) in 2013, compared to 18th and 32nd highest, respectively, in 2009.

Individual and corporate income tax policy changes in 2011 will not have much of an effect on the proportion of tax revenue in Michigan in 2013. The estimated proportion of income tax revenue will decrease to 23.1 percent and the estimated proportion of property, sales, and other tax revenue will increase to 40.6, 31.3, and 5 percent, respectively, in 2013. This estimated change in tax revenue contribution produces a similar-looking tax system in 2013 as Michigan had in 2009. However, within the income tax, corporate income tax revenue will contribute a smaller proportion in 2013 compared to 2009 and individual income tax revenue will contribute a larger proportion in 2013 compared to 2009.

The inability of most local governments to levy sales and income taxes will cause Michigan's property tax burden to remain comparatively high in 2012 and 2013, but the Headlee Amendment and the taxable value cap will ensure that property tax revenues will not recover at the same rate as the economy if economic growth exceeds 5 percent or the rate of inflation.

In 2013, the general sales tax ranking will fall as a result of changes to Michigan's direct business tax. MBT revenues will no longer be added to the general sales tax designation by the Census Bureau. Michigan's estimated general sales tax revenues per $1,000 of personal income would rank 28th highest (7 percent below the U.S. average) and general sales tax revenues per capita would rank 37th highest (20 percent below the U.S. average) in 2013, down from 18th and 27th highest, respectively, in 2009. No significant sales tax policy changes occurred in 2011.

In May 2011, Michigan's individual income tax rate was frozen at 4.25 percent and the tax base was expanded by eliminating a number of reductions and exemptions and repealing or reducing a large number of credits.[12] These tax policy changes are expected to increase revenue by $1.3 billion in fiscal year 2013,[13] which will cause Michigan's individual income tax ranking to rise relative to the U.S. average. Using revenue estimates, Michigan would rank 31st highest in individual income tax revenue per $1,000 of personal income and 31st highest in individual income tax revenue per capita in 2013, up from 36th and 35th, respectively, in 2009.

The Michigan Business Tax (MBT) was replaced in January 2012 by a state corporate income tax (CIT) that will generate substantially less revenue than the MBT. The Senate Fiscal Agency estimates a loss of roughly $1.6 billion in fiscal year 2013 once the CIT has been fully phased-in. This substantial reduction in corporate income tax revenues will cause Michigan's corporate income tax burden (as reported by the Census Bureau) to decrease significantly in 2013. Using revenue estimates, Michigan would rank 46th highest in corporate income tax revenue per $1,000 of personal income and 47th highest in corporate income tax revenue per capita (last among states that levy a corporate income tax) in 2013.

[12] Senate Fiscal Agency, Michigan's Economic Outlook and Budget Review (www.senate.michigan.gov/sfa/Publications/BudUpdates/EconomicOutlookDec11.pdf, December 2011)

[13] Senate Fiscal Agency, Michigan's Economic Outlook and Budget Review (www.senate.michigan.gov/sfa/Publications/BudUpdates/EconomicOutlookDec11.pdf, December 2011)

Appendix A
Comparisons of State and Local Tax Revenue by State, 2009

	Total Taxes				Property Taxes				General Sales Taxes				Selective Sales Taxes			
	Per Capita		Per $1,000 Pers. Inc.		Per Capita		Per $1,000 Pers. Inc.		Per Capita		Per $1,000 Pers. Inc.		Per Capita		Per $1,000 Pers. Inc.	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Alabama	$2,806	51	$ 85.90	49	$ 501	51	$15.34	51	$ 813	31	$24.91	25	$508	21	$15.56	10
Alaska	9,098	1	210.45	1	1,713	11	39.63	15	288	47	6.66	47	470	24	10.87	33
Arizona	3,255	41	95.85	40	1,113	33	32.78	26	1,167	10	34.38	8	340	42	10.01	38
Arkansas	3,254	42	101.78	29	547	50	17.10	50	1,268	9	39.66	6	397	33	12.41	24
California	4,588	12	110.96	13	1,458	16	35.25	20	1,010	20	24.42	27	321	44	7.76	48
Colorado	3,771	29	91.26	45	1,267	25	30.66	31	1,018	18	24.65	26	298	48	7.21	50
Connecticut	5,922	5	110.54	15	2,468	3	46.06	6	924	26	17.24	42	600	10	11.21	30
Delaware	4,030	22	104.34	26	709	44	18.35	48	0	48	0.00	48	545	16	14.10	15
Wash., D.C.	8,465	2	124.90	5	3,022	1	44.60	9	1,434	5	21.16	32	834	2	12.31	26
Florida	3,678	31	98.38	35	1,584	14	42.36	13	1,104	13	29.53	13	612	9	16.38	6
Georgia	3,275	39	96.10	39	1,085	35	31.84	29	934	24	27.39	16	281	50	8.25	46
Hawaii	4,744	9	116.63	9	977	36	24.02	42	1,828	3	44.93	2	647	6	15.90	8
Idaho	2,908	48	93.72	42	808	41	26.02	38	776	35	25.00	22	253	51	8.16	47
Illinois	4,436	15	108.05	19	1,779	10	43.33	12	843	30	20.53	37	694	4	16.91	5
Indiana	3,696	30	110.79	14	1,121	32	33.59	23	961	22	28.80	15	432	28	12.94	21
Iowa	3,921	24	105.76	23	1,301	23	35.10	22	926	25	24.98	24	415	31	11.20	31
Kansas	4,050	20	105.88	22	1,347	20	35.22	21	1,043	16	27.27	17	364	38	9.51	41
Kentucky	3,210	44	100.46	32	661	47	20.69	45	662	42	20.71	35	543	17	17.00	4
Louisiana	3,891	25	107.62	20	698	46	19.31	46	1,481	4	40.95	5	572	13	15.81	9
Maine	4,251	17	117.88	7	1,641	12	45.51	8	761	38	21.12	33	476	23	13.21	20
Maryland	4,708	10	98.75	34	1,200	28	25.17	41	672	41	14.10	43	503	22	10.56	37
Massachusetts	4,951	8	99.39	33	1,867	9	37.47	17	595	44	11.95	46	370	37	7.43	49
Michigan	3,627	32	108.22	18	1,455	17	43.43	11	909	27	27.12	18	380	36	11.33	28
Minnesota	4,549	13	110.35	16	1,341	21	32.54	27	850	29	20.62	36	597	11	14.49	14
Mississippi	3,042	47	101.38	30	792	42	26.39	37	1,023	17	34.09	9	410	32	13.67	17
Missouri	3,224	43	88.96	48	926	38	25.55	39	805	32	22.22	29	385	35	10.61	35
Montana	3,545	33	105.16	24	1,296	24	38.45	16	0	49	0.00	49	543	18	16.11	7
Nebraska	4,056	19	104.92	25	1,430	18	37.00	18	991	21	25.63	21	348	39	9.01	43
Nevada	3,774	28	103.35	28	1,311	22	35.89	19	1,116	12	30.56	11	843	1	23.10	1
New Hampshire	3,790	27	89.29	47	2,440	4	57.49	1	0	50	0.00	50	630	7	14.85	12
New Jersey	5,816	6	117.33	8	2,657	2	53.60	2	935	23	18.87	40	418	30	8.44	45
New Mexico	3,436	36	106.07	21	602	48	18.60	47	1,330	6	41.05	4	344	41	10.63	34
New York	7,018	4	150.28	3	2,131	6	45.63	7	1,167	11	24.99	23	579	12	12.39	25
North Carolina	3,350	37	98.22	36	861	39	25.25	40	780	33	22.86	28	395	34	11.59	27
North Dakota	4,984	7	125.71	4	1,159	30	29.22	33	1,061	15	26.75	20	534	20	13.48	19
Ohio	3,812	26	108.47	17	1,135	31	32.28	28	779	34	22.18	30	438	27	12.45	23
Oklahoma	3,292	38	96.80	38	593	49	17.45	49	1,010	19	29.71	12	315	46	9.27	42
Oregon	3,275	40	92.07	43	1,166	29	32.78	25	0	51	0.00	51	319	45	8.97	44
Pennsylvania	4,099	18	103.98	27	1,224	26	31.05	30	695	39	17.63	41	553	15	14.03	16
Rhode Island	4,523	14	111.12	12	2,019	8	49.61	5	773	37	18.99	39	554	14	13.61	18
South Carolina	2,851	49	90.10	46	964	37	30.45	32	682	40	21.55	31	307	47	9.72	40
South Dakota	3,166	46	82.78	51	1,105	34	28.90	35	1,282	8	33.53	10	430	29	11.26	29
Tennessee	2,836	50	83.91	50	745	43	22.04	44	1,316	7	38.93	7	329	43	9.73	39
Texas	3,477	34	95.37	41	1,460	15	40.06	14	1,070	14	29.36	14	538	19	14.75	13
Utah	3,205	45	100.52	31	853	40	26.75	36	862	28	27.05	19	348	40	10.91	32
Vermont	4,648	11	119.65	6	2,055	7	52.91	3	527	46	13.56	44	812	3	20.90	3
Virginia	3,970	23	91.92	44	1,422	19	32.94	24	556	45	12.87	45	458	26	10.61	36
Washington	4,047	21	96.82	37	1,216	27	29.09	34	1,849	2	44.24	3	624	8	14.92	11
West Virginia	3,467	35	111.57	11	707	45	22.76	43	601	43	19.33	38	669	5	21.53	2
Wisconsin	4,255	16	115.24	10	1,629	13	44.10	10	776	36	21.00	34	466	25	12.62	22
Wyoming	7,225	3	166.13	2	2,257	5	51.89	4	2,176	1	50.04	1	291	49	6.69	51
U.S. Average	4,144		106.69		1,382		35.58		949		24.42		465		11.96	
MI's Diff from U.S. Average	(517)		1.54		73		7.84		(40)		2.69		(85)		(0.63)	

Appendix A
Comparisons of State and Local Tax Revenue by State, 2009 (continued)

	Individual Income Taxes				Corporate Income Taxes				Motor Fuel Taxes				Tobacco Products Taxes			
	Per Capita		Per $1,000 Pers. Inc.		Per Capita		Per $1,000 Pers. Inc.		Per Capita		Per $1,000 Pers. Inc.		Per Capita		Per $1,000 Pers. Inc.	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Alabama	$587	38	$17.98	37	$104	28	$ 3.18	23	$142	18	$3.45	27	$ 80	15	$1.94	17
Alaska	0	50	0.00	50	904	1	20.92	1	130	23	3.99	16	36	40	1.10	34
Arizona	406	42	11.96	42	93	32	2.75	30	62	49	1.25	49	88	12	1.77	21
Arkansas	773	31	24.18	26	120	22	3.74	15	143	17	3.86	18	79	17	2.12	13
California	1,200	9	29.02	10	258	7	6.24	6	124	30	3.00	35	45	35	1.09	35
Colorado	886	22	21.43	32	66	42	1.60	43	122	33	3.36	28	63	26	1.72	23
Connecticut	1,575	5	29.40	9	125	21	2.33	37	108	41	3.03	34	65	23	1.83	19
Delaware	1,084	12	28.06	13	239	8	6.18	7	138	20	2.57	44	89	11	1.66	24
Wash., D.C.	1,901	2	28.05	14	579	2	8.54	4	160	11	4.99	4	59	29	1.85	18
Florida	0	46	0.00	46	98	30	2.63	33	160	9	4.70	6	26	45	0.76	43
Georgia	811	30	23.79	27	72	40	2.12	39	117	37	2.86	38	124	4	3.04	5
Hawaii	994	18	24.44	24	58	44	1.43	47	114	38	2.64	42	30	42	0.68	46
Idaho	756	32	24.37	25	92	34	2.95	26	194	3	5.76	2	91	9	2.71	8
Illinois	721	33	17.55	38	134	16	3.25	22	98	44	2.92	37	105	6	3.14	4
Indiana	883	24	26.46	19	130	19	3.89	12	122	34	3.00	36	65	22	1.61	25
Iowa	923	20	24.88	22	87	36	2.35	36	114	39	3.35	29	70	21	2.05	14
Kansas	965	19	25.23	20	131	17	3.42	21	100	43	2.01	47	90	10	1.81	20
Kentucky	1,005	17	31.45	6	117	23	3.66	16	149	13	3.90	17	40	37	1.04	37
Louisiana	655	35	18.11	36	136	15	3.77	14	124	31	3.71	23	79	16	2.37	10
Maine	1,031	15	28.59	11	108	27	2.98	25	119	36	3.27	31	20	50	0.56	50
Maryland	1,877	3	39.37	2	131	18	2.74	31	93	45	2.86	39	20	49	0.63	49
Massachusetts	1,626	4	32.64	4	275	5	5.51	9	38	50	0.56	50	64	25	0.94	40
Michigan	634	36	18.91	35	71	41	2.12	38	160	10	4.06	14	78	18	1.98	16
Minnesota	1,316	7	31.92	5	148	12	3.58	18	134	22	3.70	24	32	41	0.90	42
Mississippi	502	40	16.73	39	110	25	3.65	17	147	14	4.59	9	50	32	1.56	27
Missouri	851	27	23.49	28	55	45	1.51	46	135	21	3.46	26	102	8	2.63	9
Montana	841	29	24.94	21	167	11	4.95	10	166	6	4.45	10	24	46	0.64	48
Nebraska	884	23	22.86	29	109	26	2.83	27	162	8	4.19	13	39	38	1.01	38
Nevada	0	45	0.00	45	0	48	0.00	48	177	4	4.24	12	65	24	1.55	28
New Hampshire	75	43	1.76	43	375	4	8.83	3	128	29	3.76	22	59	30	1.74	22
New Jersey	1,218	8	24.57	23	274	6	5.52	8	128	27	3.33	30	141	2	3.64	1
New Mexico	471	41	14.53	40	80	38	2.46	35	150	12	4.26	11	81	14	2.29	11
New York	2,305	1	49.36	1	542	3	11.60	2	14	51	0.33	51	138	3	3.19	3
North Carolina	1,012	16	29.66	8	95	31	2.80	29	100	42	2.37	45	148	1	3.49	2
North Dakota	557	39	14.04	41	195	10	4.91	11	90	46	2.63	43	24	47	0.70	44
Ohio	1,093	11	31.11	7	54	46	1.55	45	129	26	4.04	15	22	48	0.69	45
Oklahoma	684	34	20.13	33	92	33	2.71	32	84	48	1.79	48	74	19	1.59	26
Oregon	1,356	6	38.12	3	75	39	2.12	40	112	40	3.54	25	7	51	0.21	51
Pennsylvania	1,060	13	26.88	16	138	14	3.51	20	128	28	2.69	41	71	20	1.48	29
Rhode Island	912	21	22.40	30	103	29	2.53	34	216	1	5.45	3	36	39	0.91	41
South Carolina	613	37	19.36	34	54	47	1.72	42	129	24	3.83	20	48	33	1.41	32
South Dakota	0	49	0.00	49	60	43	1.58	44	123	32	3.17	32	56	31	1.44	31
Tennessee	35	44	1.04	44	129	20	3.83	13	129	25	3.15	33	60	28	1.47	30
Texas	0	48	0.00	48	0	50	0.00	50	171	5	4.63	7	105	7	2.84	7
Utah	852	26	26.71	18	90	35	2.83	28	140	19	3.84	19	45	36	1.22	33
Vermont	853	25	21.95	31	139	13	3.57	19	166	7	4.60	8	109	5	3.01	6
Virginia	1,160	10	26.86	17	80	37	1.85	41	146	16	3.81	21	85	13	2.21	12
Washington	0	47	0.00	47	0	49	0.00	49	208	2	6.70	1	62	27	2.00	15
West Virginia	843	28	27.12	15	228	9	7.32	5	86	47	2.08	46	27	44	0.65	47
Wisconsin	1,053	14	28.52	12	116	24	3.14	24	146	15	4.87	5	28	43	0.94	39
Wyoming	0	51	0.00	51	0	51	0.00	51	120	35	2.76	40	47	34	1.09	36
U.S. Average	882		22.70		150		3.86		140		4.52		34		1.10	
MI's Diff from U.S. Average	(248)		(3.79)		(79)		(1.74)		20		(0.47)		44		0.89	

Source: U.S. Census Bureau