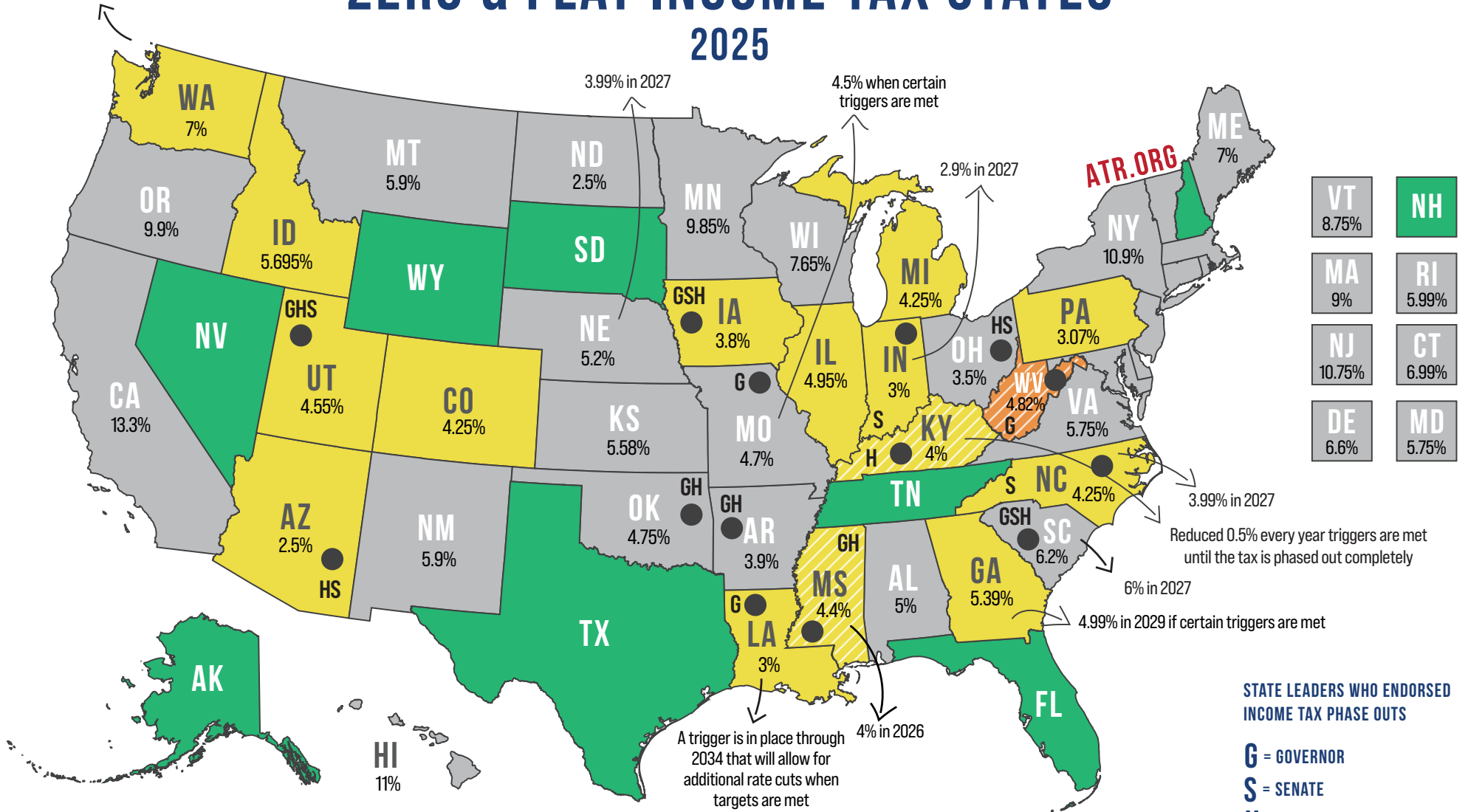


ZERO & FLAT INCOME TAX STATES 2025

Applies to the capital gains tax enacted in 2021



STATE LEADERS WHO ENDORSED INCOME TAX PHASE OUTS

- G** = GOVERNOR
- S** = SENATE
- H** = HOUSE
- = LEADERS IN THIS STATE ENDORSED ELIMINATING INCOME TAX

■ STATES WITH ZERO INCOME TAX
 ■ STATES WITH A FLAT INCOME TAX
 ■ STATES WITH A GRADUATED INCOME TAX

STATES THAT PASSED LEGISLATION TO ELIMINATE THEIR INCOME TAX
 STATES THAT PASSED LEGISLATION TO MOVE TO A FLAT INCOME TAX

NOTE: PERCENTAGES REFLECT TOP MARGINAL STATE INDIVIDUAL INCOME TAX RATES AS OF JANUARY 1, 2025



STATE LEADERS IN 14 STATES ENDORSE INCOME TAX PHASE-OUTS

ARIZONA

- Senate Finance Committee Chair J.D. Mesnard: "Using future surplus revenues as a trigger for phasing out the income tax seems a particularly effective way of harnessing fiscal success to propel additional success."

ARKANSAS

- Governor Sarah Huckabee Sanders: "Arkansas has to compete in the global economy, so one of the first steps is phasing out that income tax."

INDIANA

- Senate Committee of Tax and Fiscal Policy Chair Travis Holdman: "I think the goal should be for Indiana should be to totally eliminate the individual income tax rate in years to come."

IOWA

- Governor Kim Reynolds: "My goal is to get to zero individual income tax rate by the end of this second term."
- Senate Majority Leader Jack Whitver: "Right now, there are about eight states that do not have an income tax. There's another eight states that have said: 'We want to get on a path to no income tax.' And I would like Iowa to be included in those states that say: 'Ultimately the goal is to get to nothing.'"

KENTUCKY*

- House Budget Committee Chair Jason Pietrie: "We are confident that state revenue will continue to support a 4% rate over time...However, we will see a greater benefit from eliminating personal income tax completely."
- Majority Whip Jason Nemes: "It's a conservative approach to a conservative goal to get [the income tax rate] to zero."

LOUISIANA

- Governor Jeff Landry: "We will effectively eliminate the income tax for the working poor, putting us on a path for eliminating the income tax once and for all,"

MISSISSIPPI

- House Speaker Jason White: "It is the vision of the House of Representatives that we accelerate our pathway to eliminating the personal income tax so that we reward Mississippians' hard work, not tax it."
- Governor Tate Reeves: "Eliminating the income tax does not require cutting expenditures or raising taxes in other areas. Rather, it requires that our government lives within its means and those in power recommit to the economic principles that helped build the greatest country in history."

MISSOURI

- Governor Mike Kehoe: "My administration will work to eliminate the state income tax to put hard-earned dollars back in the pockets of hardworking Missourians and make Missouri more competitive with places like Florida, Texas and Tennessee"

NORTH CAROLINA

- North Carolina Senate President Pro Tempore Phil Berger: "Those states that seem to weather economic downturns better are states that either have no income tax or very low income taxes...My goal is to continue to make progress in that direction and if we can get to zero, I think that would be a very good thing for the state."

OHIO

- State Senator Lang: SB 216 to phase out the state's income tax. At the announcement Lang said: "This legislation is critical to making Ohio the most business-friendly state in the nation. To lead the country in advanced manufacturing, Ohio must create a welcoming business environment. This includes cutting taxes and regulations, developing our workforce, providing affordable and reliable energy, and using our access to water to our advantage. Senate Bill 216 is part of the puzzle."

OKLAHOMA

- Governor Kevin Stitt: "When I stop to think about it, think about what Oklahoma looks like in 20 years, here's what I see: I see people moving here from all over the country so they can keep more of their hard-earned money thanks to our zero-percent income tax"
- House Speaker Charles McCall: Introduced House Bill 2950, which replaces the bracket system for personal income tax with a 4.75 percent flat tax beginning tax year 2025, and establishes revenue triggers to allow the personal income tax rate to be lowered in future years and fully eliminated over time.

SOUTH CAROLINA

- Governor Henry McMaster: "We should keep cutting as much and as fast as we can until we can eliminate the personal income tax altogether."

UTAH

- Governor Spencer Cox: "Ultimately what they [the legislature] want to do and what I want to do is get rid of the income tax completely"
- House Speaker Mike Schultz: "I want to focus on continuing to reduce income tax. Let's also continue to have the discussion on getting rid of the income tax all together"

WEST VIRGINIA*

- Governor Patrick Morrisey: "West Virginia must join the ranks of the states that don't have an income tax. If we want to successfully compete against all of the states that we touch, we need to have THE lowest personal income tax in the region. We also need to engage in comprehensive tax reform and compare all of West Virginia's taxes to the states which we touch."

*State has an income tax phase down to zero in law. Timing of phase out in each state varies.