

State, County and City Sales Taxes — August 1999

*by William Lilley III and Laurence J. DeFranco of InContext Inc.,
with the assistance of George Gross*

Submitted to the U.S. Advisory Commission on Electronic Commerce, September 15, 1999

Summary of Tax Spreadsheet, Bar Chart and Tax Maps

The following pages contain:

- A spreadsheet breakout, showing tax rates levied by various state, county, and city jurisdictions. It enables the reader to see both the complexity and diversity of the sales taxes across thousands of United States jurisdictions.
- A bar chart correlating different total sales tax rates with the number of jurisdictions taxing at that rate; this bar chart enables a reader to grasp quickly how diverse the sales tax structure is across all U.S. jurisdictions.
- A multi-color map of the United States showing, in specific jurisdictional detail, what jurisdictions levy sales taxes and what their combined total rates are as of August 1999. This map is read best electronically so that the reader can “zoom in” on or magnify the local jurisdictions that have their own sales taxes as well as county and state sales taxes. When the map is visualized in 8 1/2 by 11 inch size, for city-level tax levies appear only as small darkish waves with their precise color-coding (hence the tax rate level) difficult to read.
- A map that measures the total sales **and** excise taxes placed on a basket of goods by all states, counties, and cities. The basket includes: 1 carton of cigarettes, 12 gallons of gas, 1 case of beer, 1 bottle of wine, and 1/5 bottle of vodka.
- A map of a portion of the Illinois-Indiana border showing the impacts on retail employment of different levels of sales and excise taxes in adjacent jurisdictions.
- A brief description of InContext's credentials in this area as well as the relevant backgrounds of the three authors.

The value of this material for the Commission is straightforward. The material is current and is presented in essentially picture formats—multi-color maps, a bar chart and a spreadsheet.

How and why this work was done: This material reflects more than a decade of InContext's work in this field—both for its clients (government and private sector) and for InContext's scholarly publications. That work necessarily involves the tracking of state and local taxes of all kinds, as well as the digitization of state and local governmental boundaries. The maps reflect the software merger of the different tax rates and the different governmental boundaries.

What the work shows: This material shows how many thousands of different U.S. jurisdictions levy sales taxes and at what varying rates. Thus the materials give the reader an instant snapshot of today's full range of complexity and diversity in the sales tax area.

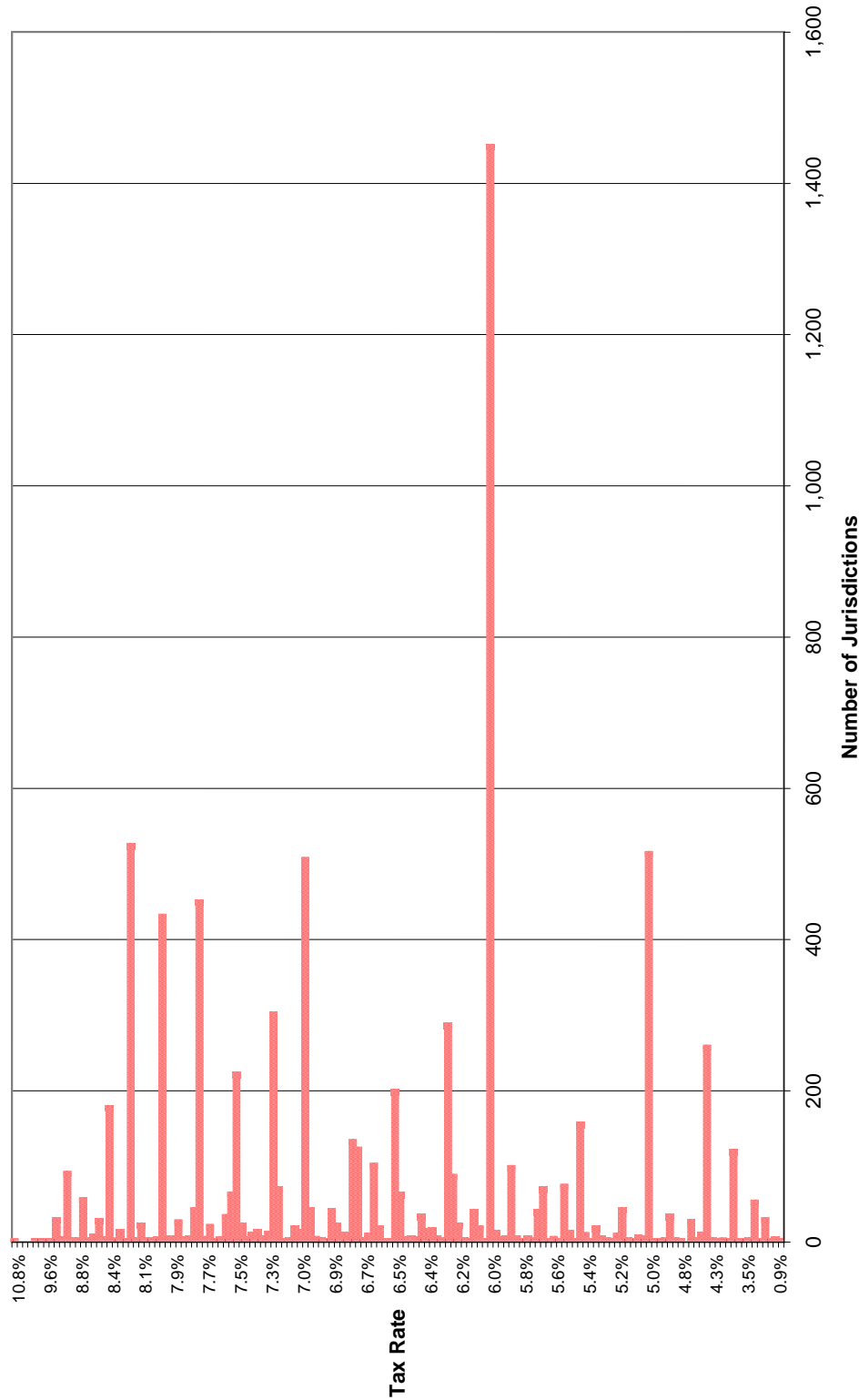
What the work does not show: Readers should be aware that this material does not cover a critical aspect of U.S. sales tax complexity and diversity—that is, the rate and locus of sales tax change. The map consolidates thousands of different taxes into a single snapshot; that same snapshot taken a year hence will be different, particularly in those state jurisdictions where there are numerous counties and cities levying sales taxes.

Sales Taxes in the United States, August 1999: States, Counties and Cities									
Tax Rate	States	Counties*	Cities**	Total	Tax Rate	States	Counties*	Cities**	Total
No Sales Tax	5	126	14,723	14,854					
Total w/Sales Tax	46	3,011	4,596	7,653					
0.875			1	1	6.475		2	60	62
1.000			3	3	6.500	3	151	44	198
1.500		1		1	6.563			1	1
2.000		2	27	29	6.575			1	1
2.750			1	1	6.600			17	17
3.000	1	15	36	52	6.625		7	94	101
3.500	1	1		2	6.650			8	8
3.750		1		1	6.700		1	1	2
3.800		1		1	6.725			122	122
4.000	8	99	12	119	6.750		121	11	132
4.200		1		1	6.800			9	9
4.225	1	1		2	6.850		1	8	9
4.250		1		1	6.875			21	21
4.300		2		2	6.900		3	38	41
4.500	2	252	3	257	6.925			1	1
4.625	1	8		9	6.938			2	2
4.700		1	1	2	6.950			4	4
4.725		26		26	6.975			42	42
4.750	1				7.000	2	291	212	505
4.850		1		1	7.100			13	13
4.875		2		2	7.125			18	18
4.900	1	32		33	7.150			2	2
4.917		1	1	2	7.200			1	1
4.950		1		1	7.225			70	70
4.975		1		1	7.250		55	246	301
5.000	12	402	99	513	7.300		1	9	10
5.100		5		5	7.350			5	5
5.125		6		6	7.375		3	10	13
5.150		1		1	7.400		1	8	9
5.183			2	2	7.410			3	3
5.225		38	4	42	7.475			22	22
5.250		5	3	8	7.500		23	198	221
5.325		1		1	7.600		7	56	63
5.350		1	1	2	7.625			33	33
5.375		4		4	7.650			3	3
5.400		7	10	17	7.667		1		1
5.425		1		1	7.700		3	17	20
5.475		9		9	7.725			4	4
5.500	1	88	66	155	7.750		16	433	449
5.563		1		1	7.800		4	38	42
5.600		7	5	12	7.850			4	4
5.625		53	20	73	7.875		1	2	3
5.626			1	1	7.900		6	20	26
5.688		3	1	4	7.917			4	4
5.700		1		1	7.975			5	5
5.725		18	51	69	8.000		48	382	430
5.750	1	17	21	39	8.050			3	3
5.800		2		2	8.100		1	1	2
5.813		3	1	4	8.125			2	2
5.825			1	1	8.200		1	21	22
5.875		3	2	5	8.225			2	2
5.900		54	44	98	8.250		57	466	523
5.938		1	3	4	8.375			1	1
5.950			3	3	8.400		1	12	13
5.975		4	7	11	8.410		1	1	2
6.000	9	711	728	1,448	8.500		20	157	177
6.063		1		1	8.550			3	3
6.100		1	17	18	8.600		2	26	28
6.125		8	31	39	8.625			7	7
6.150		1		1	8.700			2	2
6.183			2	2	8.750		22	33	55
6.188			22	22	8.800			2	2
6.225		6	80	86	8.850			2	2
6.250	2	232	52	286	9.000		4	86	90
6.300			2	2	9.250			3	3
6.313		1	4	5	9.500			29	29
6.350		1	14	15	9.625			1	1
6.375		3	11	14	9.700		1		1
6.400		5	28	33	9.750			1	1
6.425			3	3	10.000			1	1
6.438			4	4	11.000			1	1
6.450			3	3					

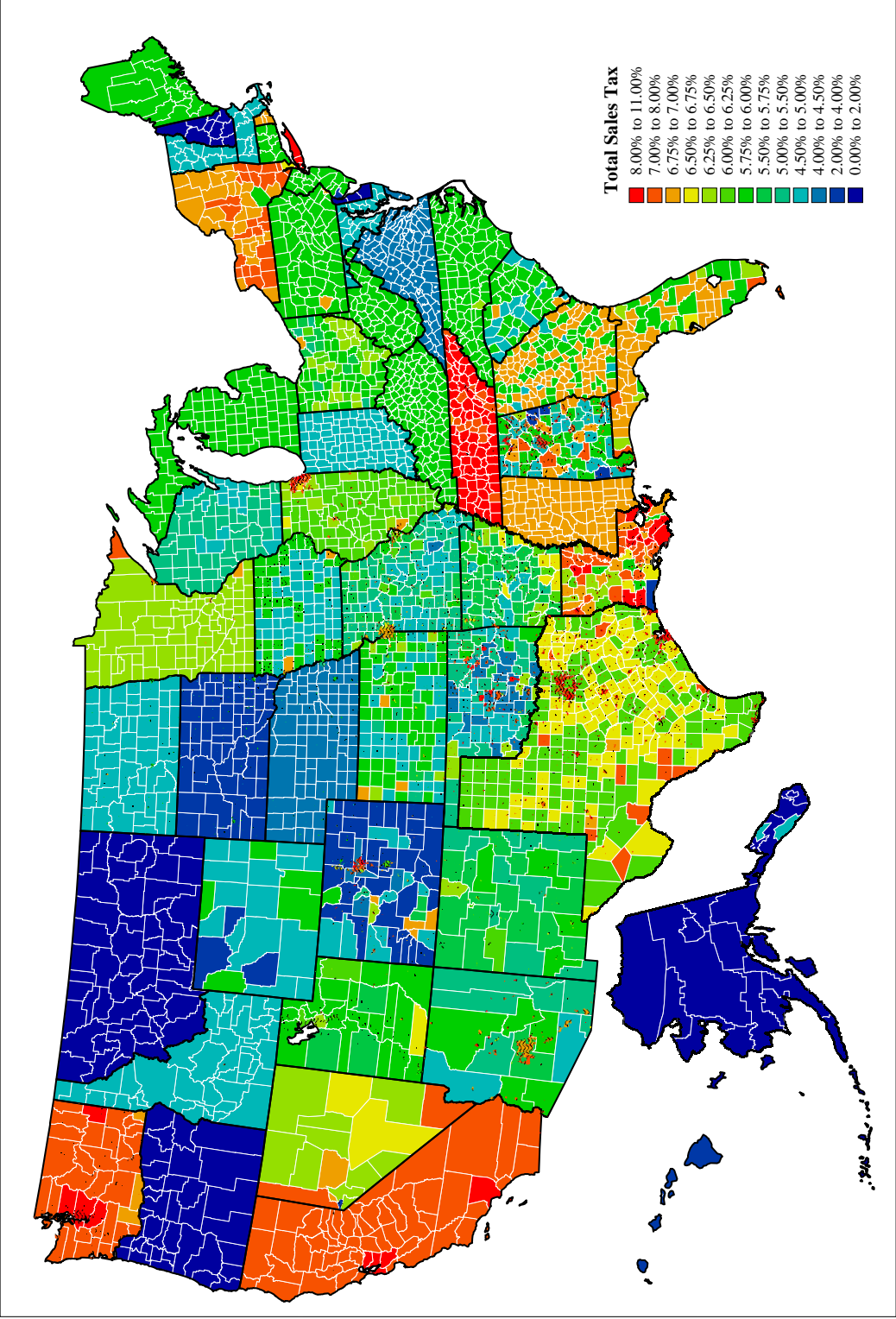
*County tax = state tax and county tax;

**City tax = state tax and county tax (where relevant) and city tax.

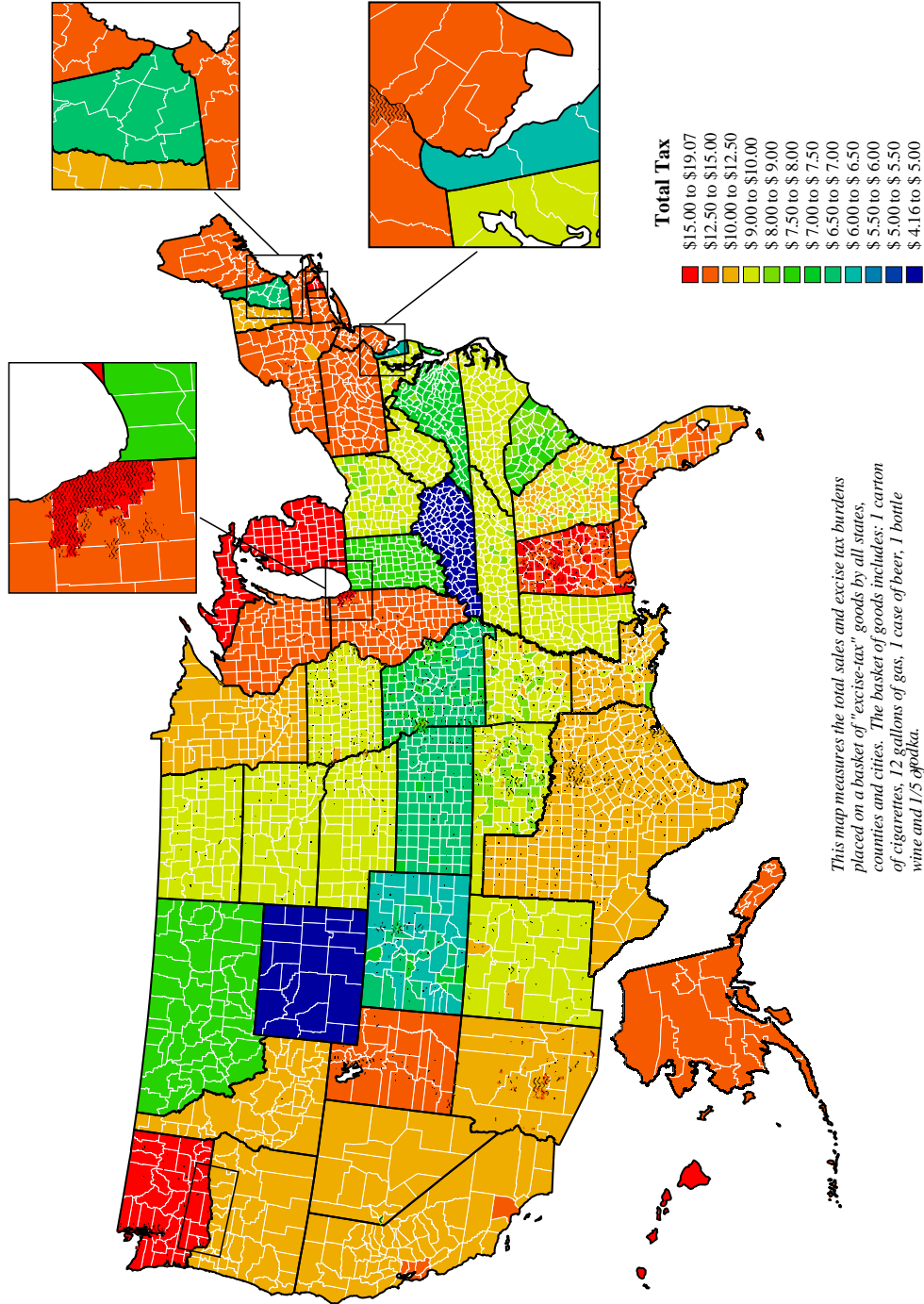
Sales Taxes in the United States, August 1999: States, Counties and Cities



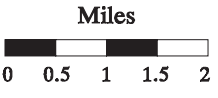
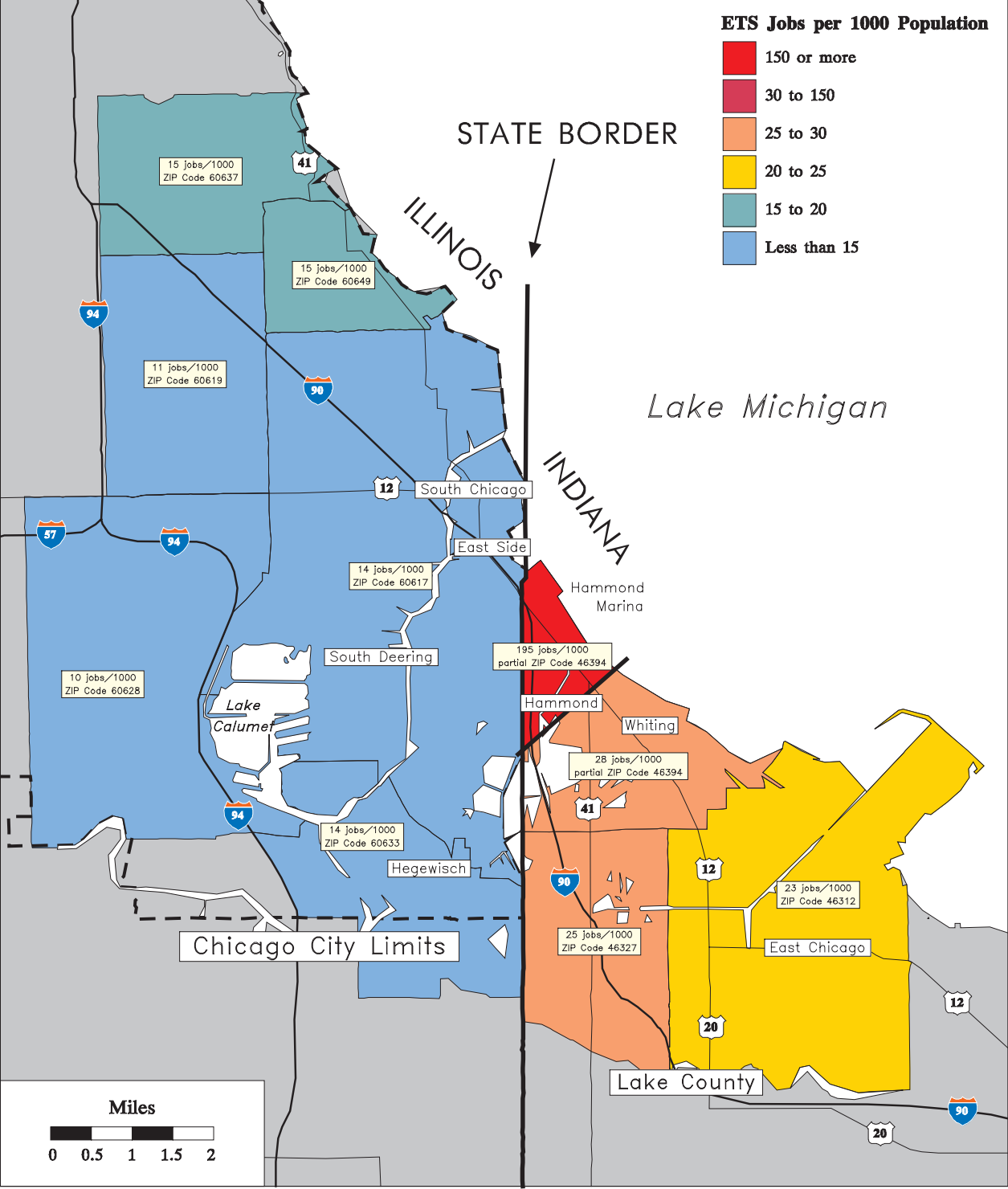
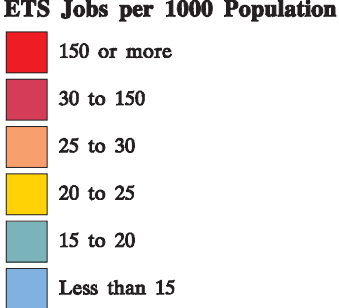
Combined State, County & City Sales Taxes--August 1999



Combined State, County and City Sales and Excise Taxes



Actual Excise-Tax-Sensitive Jobs per Capita Illinois/Indiana Zip Codes



InContext and Principals

InContext[®] Inc. is an international information company based at 1615 L Street, NW, Suite 650, Washington, D.C. 20036 (phone 202-659-1023, fax 202-293-9236) (E-mail WLilley@wklftlaw.com, LDeFranco@geo.economics.com). **InContext** specializes in politico-economic analyses that take either economic data (such as numbers of jobs in specific types of local businesses, or the rates of different taxes in different jurisdictions) and/or demographic data (such as income, occupation, age, race or crime data) and juxtapose those data with local geographic areas defined by an almost infinite variety of geographic “envelopes”—e.g., by a political jurisdiction (such as a congressional district, a parliamentary district, a state assembly district or a city council district), or by an economic service jurisdiction (such as a local cable system area, a daily newspaper service area, a local gas utility service area, or a *Yellow Pages* market area) or by a particular local/regional market area impacted by a major entertainment/sports event or a major economic force/magnet (e.g., a regional airport, an interstate highway).

InContext's work is distinguished by extensive and creative uses of digital computer software for multicolor mapping and charting. InContext's politico-economic analyses rely on the age-old adage that a picture is worth a thousand words.

William Lilley III, chairman and co-founder of **InContext**[®] Inc., is a former economic historian who was a senior corporate official of CBS Inc, the media company in New York. He has served as Director of the U.S. Council on Wage and Price Stability and as Staff Director of the Budget Committee for the U.S. House of Representatives. He received his Ph.D. from Yale University, taught at Yale, and has written widely on how government policies effect local economic activity, on the economics of the professional sports business and on the socio-economic makeup of U.S. state and local political constituencies.

Laurence J. DeFranco, president and co-founder of **InContext**[®] Inc., is an expert in the new field of geoeconomics that merges the disciplines of economics, geography and computer science. He has written, testified and spoken widely on the effects of economic policy on businesses. He also is president of Program Flow, Inc., a computer software research and consulting firm in McLean, Virginia. Previously, he worked for CBS Inc.

Lilley and DeFranco wrote *Impact of Retail Taxes on the Illinois-Indiana Border*, published by the Federal Reserve Bank of Chicago (1997), and *The Case of the Transient Taxpayer: How Tax-Driven Price Differentials for Commodity Goods Can Create Improbable Markets*, published by the *Journal of Business Economics* (1998). InContext's maps of tax, regulatory and socio-demographic configurations, as distributed across US political jurisdictions, appear regularly in *Governing Magazine*. Lilley & DeFranco also wrote four award-winning books on U.S. state legislative government, all published by Congressional Quarterly Books in Washington, D.C.: *The Almanac of State Legislatures: Changing Patterns 1990-1997* (1998); *State Legislative Elections: Voting Patterns and Demographics* (1997); *The State Atlas of Political and Cultural Diversity* (1996); and *The Almanac of State Legislatures* (1994). Lilley & DeFranco also wrote *The Economic Impact of the European Grands Prix* (Brussels: FIA, 1999); and *The Sports That Make Communities Rich: An Inquiry into the Economics of Professional Sports*, published by the American Coalition for Sports Sponsorship (1997).

George Gross: This presentation has been prepared with the assistance of George Gross, a private attorney-consultant in Washington, D.C. He has represented both public and private clients and served in both public and private positions. For example, he has represented the interests of the Nation's cities, the home building industry, and the consumer magazine publishing industry. He has served in both executive branch and legislative positions—for example, as Executive Director of the House of Representatives Budget Committee, responsible for setting federal revenue and spending limits; as Administrator/Commissioner of New York City's Human Resources Administration, responsible for carrying out numerous social welfare programs; and as Executive Director of the New York State Financial Control Board, responsible for fiscal oversight over the New York City Government.