

### State-by-State Figures on Proposed 3.25 Percent Surcharge on Millionaires

The one-fifth of one percent of taxpayers affected by the Senate Democrats' proposed millionaire surcharge would pay 2.1 percent of their incomes in higher taxes, on average, under the proposal. The table to the right shows that in the majority of states only one-tenth of one percent of taxpayers would be affected. In no state would those affected pay more than 2.5 percent of their income in higher taxes as a result of the surcharge.

#### Background

Senate Democrats have proposed to offset the cost of a payroll tax cut by enacting a 3.25 percent surcharge on the portion of any taxpayer's adjusted gross income (AGI) in excess of \$1 million starting in 2013. This means that a taxpayer with AGI of \$1.1 million in a given year would pay a surcharge equal to 3.25 percent of \$100,000, which is \$3,250 (less than one-third of one percent of the taxpayers' AGI). Taxpayers with AGI below \$1 million would be unaffected by the surcharge.

Senate Democrats had earlier proposed a 5.6 percent surcharge on AGI in excess of \$1 million. The number of taxpayers affected by this proposal is the same (because under both only those with AGI exceeding \$1 million would be affected) but the average tax increases differ under the two proposals.

See a related CTJ report with details and figures on the payroll tax cut.  
[www.ctj.org/pdf/payrolltaxcut.pdf](http://www.ctj.org/pdf/payrolltaxcut.pdf)

### Impacts of 3.25% Surcharge on Adjusted Gross Income Exceeding \$1 Million in 2013

State	% of taxpayers w/tax hike	average AGI for those w/ tax hike	average tax hike for those w/tax hike as % of income
Alabama	0.1%	\$ 4,252,000	2.5%
Alaska	0.2%	2,050,000	1.7%
Arizona	0.1%	3,500,000	2.3%
Arkansas	0.1%	3,595,000	2.3%
California	0.2%	4,627,000	2.5%
Colorado	0.4%	2,198,000	1.8%
Connecticut	1.2%	2,143,000	1.7%
Delaware	0.3%	2,267,000	1.8%
District of Columbia	0.9%	2,155,000	1.7%
Florida	0.2%	4,543,000	2.5%
Georgia	0.1%	3,420,000	2.3%
Hawaii	0.1%	3,050,000	2.2%
Idaho	0.1%	3,460,000	2.3%
Illinois	0.2%	4,353,000	2.5%
Indiana	0.1%	3,501,000	2.3%
Iowa	0.2%	1,693,000	1.3%
Kansas	0.1%	3,992,000	2.4%
Kentucky	0.1%	3,487,000	2.3%
Louisiana	0.3%	2,013,000	1.6%
Maine	0.1%	3,570,000	2.3%
Maryland	0.4%	2,256,000	1.8%
Massachusetts	0.6%	2,227,000	1.8%
Michigan	0.1%	3,234,000	2.2%
Minnesota	0.1%	4,237,000	2.5%
Mississippi	0.1%	2,663,000	2.0%
Missouri	0.1%	2,899,000	2.1%
Montana	0.1%	3,832,000	2.4%
Nebraska	0.1%	3,465,000	2.3%
Nevada	0.2%	4,450,000	2.5%
New Hampshire	0.2%	3,464,000	2.3%
New Jersey	0.3%	3,888,000	2.4%
New Mexico	0.1%	2,169,000	1.8%
New York	0.7%	2,427,000	1.9%
North Carolina	0.1%	3,801,000	2.4%
North Dakota	0.2%	2,280,000	1.8%
Ohio	0.1%	3,583,000	2.3%
Oklahoma	0.3%	2,283,000	1.8%
Oregon	0.1%	2,963,000	2.2%
Pennsylvania	0.1%	3,986,000	2.4%
Rhode Island	0.1%	3,431,000	2.3%
South Carolina	0.2%	1,873,000	1.5%
South Dakota	0.2%	2,566,000	2.0%
Tennessee	0.1%	4,076,000	2.5%
Texas	0.5%	2,161,000	1.7%
Utah	0.1%	3,545,000	2.3%
Vermont	0.1%	3,863,000	2.4%
Virginia	0.3%	2,329,000	1.9%
Washington	0.3%	2,645,000	2.0%
West Virginia	0.1%	2,477,000	1.9%
Wisconsin	0.1%	4,224,000	2.5%
Wyoming	0.4%	3,425,000	2.3%
United States	0.2%	\$ 2,923,000	2.1%

Source: Institute on Taxation and Economic Policy (ITEP) tax model, November 2011