

Table 1: Average Economic Growth in States With Progressive Income Taxes Vs. Flat Rates, 1992-2001

States With Progressive Personal Income Tax Rates	Number of Rates	Real Personal Income	Real Per-Capita Personal Income	Growth in:		
				Real Gross State Product	Employment	Population
Missouri	10	24.2%	14.9%	24.0%	12.4%	8.1%
Montana	10	22.5%	11.7%	18.9%	11.6%	9.6%
Iowa	9	19.0%	14.3%	17.9%	8.1%	4.0%
Hawaii	9	1.3%	-4.3%	-2.6%	0.6%	5.9%
Ohio	9	16.2%	12.5%	18.2%	10.0%	3.3%
Idaho	8	39.5%	13.2%	43.6%	29.8%	23.2%
Oklahoma	8	22.1%	13.3%	19.9%	11.7%	7.7%
Average		20.7%	10.8%	20.0%	12.0%	8.8%
States With Flat Personal Income Tax Rates						
Colorado	1	58.3%	24.9%	60.4%	31.5%	26.7%
Illinois	1	23.5%	15.4%	24.2%	8.5%	7.1%
Indiana	1	22.7%	13.7%	21.7%	9.4%	8.0%
Massachusetts	1	32.2%	24.5%	36.3%	8.6%	6.2%
Michigan	1	22.3%	15.9%	22.8%	12.0%	5.6%
Pennsylvania	1	16.1%	13.7%	17.5%	8.7%	2.1%
Average		29.2%	18.0%	30.5%	13.1%	9.3%
States With Income Tax as Percentage of Federal Income Tax						
North Dakota	1	15.7%	16.0%	18.2%	9.3%	-0.3%
Rhode Island	1	19.4%	14.1%	29.2%	0.1%	4.6%
Vermont	1	27.0%	18.6%	20.7%	12.4%	7.0%
Average		20.7%	16.3%	22.7%	7.3%	3.8%

Table 2: Average Decline in Poverty in States With Progressive, Flat, and Postcard Income Taxes, 1992-2001

States With Progressive Personal Income Tax Rates	Number of Rates	Drop in Poverty
Missouri	10	61.7%
Montana	10	6.6%
Iowa	9	34.6%
Hawaii	9	-7.8%
Ohio	9	25.2%
Idaho	8	20.8%
Oklahoma	8	18.0%
Average		22.7%
States With Flat Personal Income Tax Rates		
Colorado	1	14.1%
Illinois	1	38.5%
Indiana	1	61.2%
Massachusetts	1	11.7%
Michigan	1	43.8%
Pennsylvania	1	25.3%
Average		32.4%
States With Income Tax as Percentage of Federal Income Tax		
North Dakota	1	-1.7%
Rhode Island	1	21.2%
Vermont	1	5.1%
Average		8.2%