

2008 Sales Tax Rate Report

Sales Tax Rate Changes 1998-2008

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
State Rate Changes	1	1	1	5	5	5	4	4	5	1	5
County Rate Changes	162	119	96	116	186	155	194	147	119	127	294
City Rate Changes	238	234	240	323	291	303	299	327	326	334	354
Transit Tax Changes	8	3	7	48	57	15	30	37	37	7	71
New Taxing States	0	0	0	0	0	0	0	0	0	0	0
New Taxing Counties	23	51	37	50	35	107	32	26	53	19	15
New Taxing Cities	141	184	128	205	148	342	175	160	118	178	200
New Transit Taxes	6	6	21	24	13	27	30	58	65	73	109
TOTAL	579	598	530	771	735	954	764	759	723	739	1048¹

Figure 3

Source: Vertex Inc. of Berwyn, Pa.
vertexinc.com

2008 Sales Tax Rate Changes
 (total number of increases, decreases and new rates)

<i>Years</i>	<u>State</u>			<u>County</u>			<u>City</u>			<u>District</u>			<u>Sub Totals</u>		<u>Total</u>
	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Changes	New	
1998	0	1	0	130	32	23	221	17	141	4	4	6	409	170	579
1999	1	0	0	92	27	51	206	28	184	1	2	6	357	241	598
2000	0	1	0	78	18	37	211	29	128	0	7	21	344	186	530
2001	3	2	0	91	25	50	287	36	205	48	0	24	492	279	771
2002	5	0	0	155	31	35	249	42	148	47	10	13	539	196	735
2003	5	0	0	134	21	107	260	43	342	13	2	27	478	476	954
2004	3	1	0	111	83	32	243	56	175	10	20	30	527	237	764
2005	1	3	0	120	27	26	288	39	160	32	5	58	515	244	759
2006	2	3	0	93	26	53	287	39	118	7	30	65	487	236	723
2007	1	0	0	101	26	19	307	27	178	6	1	73	469	270	739
2008	4	1	0	70	224	15	307	47	200	52	19	109	724	324	1048¹

Figure 4
 Source: Vertex Inc. of Berwyn, Pa.
 vertexinc.com

Summary of Average U.S. Sales Tax Rates 1982-2008

Year	State Avg. Rate	County Avg. Rate	City Avg. Rate	Combined Avg. Rate
1982	4.261	1.162	1.294	6.717
1983	4.489	1.215	1.304	7.008
1984	4.546	1.223	1.325	7.094
1985	4.554	1.246	1.340	7.140
1986	4.686	1.331	1.364	7.381
1987	4.762	1.299	1.388	7.449
1988	4.784	1.321	1.398	7.503
1989	4.846	1.336	1.503	7.685
1990	4.945	1.339	1.528	7.812
1991	5.021	1.304	1.540	7.865
1992	5.068	1.378	1.561	8.007
1993	5.090	1.406	1.604	8.100
1994	5.125	1.415	1.606	8.146
1995	5.120	1.437	1.613	8.170
1996	5.130	1.494	1.593	8.217
1997	5.130	1.507	1.611	8.248
1998	5.109	1.519	1.623	8.251
1999	5.135	1.543	1.553	8.231
2000	5.128	1.551	1.556	8.235
2001	5.151	1.565	1.560	8.276
2002	5.217	1.607	1.572	8.396
2003	5.326	1.631	1.575	8.532
2004	5.318	1.653	1.585	8.556
2005	5.282	1.678	1.589	8.549
2006	5.302	1.685	1.592	8.579
2007	5.330	1.675	1.568	8.573
2008	5.377	1.629	1.568	8.574

Figure 5

Note: Averages are based on jurisdictions that impose a sales tax.

Source: Vertex Inc. of Berwyn, Pa.

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- Four states had a rate increase in 2008:
 - Indiana increased from 6% to 7%
 - Iowa increased from 5% to 6%
 - Maryland increased from 5% to 6%
 - North Carolina increased from 4.25% to 4.5%.

- One state had a rate decrease in 2008:
 - Utah decreased from 4.75% to 4.65%

- Two states recorded a rate increase in Q1/Q2 of 2009:
 - California increased from 6.25% to 7.25% (effective April 1, 2009)
 - Utah increased from 4.65% to 4.7% (effective January 1, 2009)

- Indiana, Mississippi, New Jersey, Rhode Island and Tennessee have the highest sales tax rates at 7%.
 - The average states sales tax rate is 5.377%.

- Wrangell, Alaska has the highest city sales tax rate at 7%.
 - The average city sales tax rate is 1.568%.

- Arab in Cullman County, Alabama has the highest combined sales tax rate of 12%.
 - The average combined rate is 8.574%.

- Since 1998, there have been 2,859 new sales and use taxes, an average of 260 per year.
- Since 1998, there have been 5,341 sales and use tax changes, an average of 486 per year.
- The combined number of new and changed sales and use tax rates since 1998 is 8,200, an average of 745 per year.

Note:

¹ The 2008 report shows a large increase of rate changes in 2008 compared to prior years primarily due to the changes made in the state of Iowa. Effective July 1, 2008, Iowa instituted a rate change and with the expiration of their School Infrastructure Local Option (SILO) tax, most of the taxing counties in Iowa were directly impacted causing an increase in the county decrease data figures as taxes were shifted from the County to the State level.

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