



2025 MID-YEAR

U.S. Rates and Rules Report

Foreword

The U.S. sales tax landscape continues to shift at breakneck pace, driven by a complex interplay of political, economic and fiscal forces. While sweeping federal policy debates capture national headlines, it's the granular, local-level tax adjustments that are truly reshaping how businesses and consumers navigate their financial obligations.

The Vertex 2025 Mid-Year Sales Tax Rates and Rules Report offers a comprehensive view of activity through June 30, 2025, where there's been 408 total sales tax rate changes and new rates. One clear takeaway: state-level tax revenue is plateauing, or in many cases, declining. This downward trend is tied to several compounding factors, such as the expiration of pandemic-era federal stimulus programs, inflation and global trade disruptions that continue to diminish consumer spending, and increasing uncertainty around future federal economic policy.

These financial constraints have led state and local governments to make tough decisions, including budget cuts and workforce reductions. To compensate for shrinking revenue streams, many municipalities are turning to tax policy as a tool for recovery—either by raising existing rates or exploring entirely new tax sources.

In the first half of 2025, there's been a 24% increase in total rate changes compared to the first six months of 2024. While state-level changes are rare—only one occurred in the first half of 2025, after no state-level changes in 2024—local activity is far more dynamic. County rate changes rose from 36 in the first half of 2024 to 51 in the first half of 2025 (42% increase). District rate changes also increased, from 26 to 32 (23% increase). Notably, the number of new taxing jurisdictions surged: new taxing counties jumped from 1 to 7, new taxing cities doubled from 30 to 60, and new district taxes spiked 82% from 77 to 140.

Although city rate changes dipped from 159 in 2024 to 117 in the first half of 2025, cities still represent the highest overall volume of annual tax changes, reflecting the necessity in responding to local fiscal pressures.

Tax rate averages also tell a compelling story. The combined average U.S. sales tax rate, which peaked in 2022, declined slightly to 10% in early 2025. In contrast, county and city average rates continue to trend upward, reaching 1.82% and 1.79%, respectively. This ongoing shift underscores the growing burden being shouldered by local jurisdictions and the importance for businesses to stay vigilant amid the churn.

Looking to the second half of 2025, one trend to watch is the emergence of sales tax on digital goods and services. Most of us engage with digital content daily, such as using software or streaming video. Yet, many states haven't clearly defined how sales and use tax apply to digital products and transactions. Maryland recently added a 3% sales tax on digital services starting July 1, 2025. We can expect to see many states follow suit.

As the complexity and frequency of tax changes continue to grow in response to current economic uncertainty, businesses need scalable, intelligent solutions to maintain compliance and minimize risk.

[Vertex](#) is committed to delivering automated tax technology that keeps pace with evolving rules and rates, empowering tax teams to manage change and intricacies with clarity and confidence.



Michael J. Bernard
VP, Chief Tax Officer

Sales Tax Rate Changes

2015 – June 30, 2025

Type of Change	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024 Jan 1 – June 30	2025 Jan 1 – June 30
State Rate Changes	2	3	2	4	1	0	0	1	2	0	0	1
County Rate Changes	109	129	102	112	94	83	68	78	76	69	36	51
City Rate Changes	224	196	254	243	199	233	240	235	193	251	159	117
District Tax Changes	39	31	54	50	38	36	49	63	173	43	26	32
New Taxing States	0	0	0	0	0	0	0	0	0	0	0	0
New Taxing Counties	18	5	21	6	15	5	1	1	6	3	1	7
New Taxing Cities	80	52	54	71	62	69	51	49	57	51	30	60
New District Taxes	146	145	237	138	153	177	197	115	169	171	77	140
TOTAL	618	561	724	624	562	593	606	542	676	588	329	408

Source: Vertex Inc. of King of Prussia, Pa.

VertexInc.com

These counts include the United States and Puerto Rico.



Sales Tax Rate Changes

2015 – June 2025

(Total number of increases, decreases and new rates)

Years	State			County			City			District			Sub Totals		Total
	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Changes	New	
2015	2	0	0	90	19	18	190	34	80	23	16	146	374	244	618
2016	2	1	0	111	18	5	167	29	52	21	10	145	359	202	561
2017	0	2	0	86	16	21	219	35	54	31	23	237	412	312	724
2018	2	2	0	89	23	6	205	38	71	27	23	138	409	215	624
2019	1	0	0	79	15	15	161	38	62	15	23	153	332	230	562
2020	0	0	0	66	17	5	194	29	69	8	28	177	342	251	593
2021	0	0	0	49	19	1	204	36	51	14	35	197	357	249	606
2022	0	1	0	55	23	1	200	35	49	13	39	115	377	165	542
2023	0	2	0	52	24	6	158	35	57	14	159	169	444	232	676
2024	0	0	0	57	12	3	220	31	51	13	30	171	363	225	588
2024 Jan 1 – June 30	1	0	0	38	13	7	100	17	60	11	21	140	201	207	408

Source: Vertex Inc. of King of Prussia, Pa.

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Summary of Average U.S. Sales Tax Rates

2015 – June 30, 2025

Year	State Avg. Rate	County Avg. Rate	City Avg. Rate	District Avg. Rate	Combined Avg. Rate
2015	5.5974	1.5958	1.7091	0.9604	9.8627
2016	5.6234	1.6508	1.7182	0.9652	9.9576
2017	5.6156	1.6833	1.7319	0.9706	10.0014
2018	5.6250	1.7125	1.7453	0.9778	10.0606
2019	5.6281	1.7384	1.7467	0.9830	10.0962
2020	5.6281	1.7495	1.7536	0.9925	10.1237
2021	5.6281	1.7622	1.7615	1.0020	10.1237
2022	5.6255	1.7721	1.7703	1.0123	10.1802
2023	5.6167	1.7819	1.7766	.9686	10.1438
2024	5.5020	1.7911	1.7852	.9800	10.0583
2025	5.4067	1.8156	1.7917	.9868	10.0008

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

Source: Vertex Inc. of King of Prussia, Pa.

VertexInc.com

Additional Information

- Puerto Rico currently has the highest state sales tax rate at 10.500%. Indiana, Mississippi, Rhode Island, and Tennessee have the second-highest state sales tax rates at 7.000%.
- Craig, Alaska, Cordova, Alaska, Kodiak, Alaska, Wrangell, Alaska, and Winter Park, Colorado have the highest city sales tax rate at 7.000%. Hoonah, Alaska, Klawock, Alaska, Selawik, Alaska and Seldovia, Alaska has the second-highest rate of 6.500%.
- Sterlington, Ouachita Parish with the Sterlington Economic Development District No. 1 in Louisiana has the highest combined sales tax rate of 12.950%.
- Since 2015, there have been 2404 new sales and use taxes, an average 240 per year.
- Since 2015, there have been 3768 sales and use tax changes, an average of 377 per year.
- The combined number of new and changed sales and use tax rates since 2015 is 6172, an average of 617 per year.
- Total Taxing City Jurisdiction 7076
- Total Taxing County Jurisdiction 1972
- Total Taxing District Jurisdiction 3205
- Total Taxing State Jurisdiction 46

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[Blog: By the Numbers: 2025 Mid-Year Sales Tax Rates and Rules Update](#)

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