

**August 20,
2010**

Follow Us

[TWITTER](#)
[FACEBOOK](#)

**Media
Information**

If you are a member of the media and would like more information on anything in this e-newsletter, please email Berk Brown at: Berk.Brown@PlatteInstitute.org or call (402) 452.3737. Members of the media may use any or all parts of this information in reproduction as long as proper credit is given to the author and to the Platte Institute for Economic Research.

**Send a Letter to
the Editor**

The Platte Institute

PLATTE CHAT

A Sales Tax Comparison

Tennessee has the highest combined state and average local sales tax rate of 9.44%, and the Alabama cities of Birmingham and Montgomery are tied for the highest combined state, county and city sales tax rates among major metropolitan areas at 10%, according to two new reports on state and local sales taxes.

"General sales tax rates levied by state, county and city governments in the United States vary greatly," said Tax Foundation Adjunct Scholar Lawrence Summers, who authored the report examining combined state, county and city sales tax rates in cities with populations greater than 200,000, of which there are 107.

Sales Tax Bases Are Another Story

This table of rates does not take into account state, county or city exemptions of various items from sales taxation, nor do they account for selective lower or higher rates. For instance, some states tax groceries at the general sales tax rate, some at a reduced rate, and some grant an exemption. But even among those governments that grant a total exemption, they draw up long lists of grocery items that they deem worthy and unworthy of the exemption, and those lists change depending on the shifting opinions of state and local legislators. And groceries are just one of many hundreds of retail and wholesale goods and services on which governments decide whether to impose sales

strongly believes in the importance of citizens participating in the public dialogue on issues important to Nebraska. Writing a letter to the editor is an outstanding way to partake in the discussion and have your voice heard by thousands of people. To make the process easier, the Platte Institute has assembled a list of links which allow you to submit a letter to the editor to nearly all Nebraska newspapers. Simply [CLICK HERE](#) for a listing of the newspapers and follow the appropriate link to submit your letter.

Contact Us

If you would like to contact someone at the Platte Institute, you are always welcome to give us a call, drop us an email or stop by the office. Our telephone number is 402.452.3737. We are located at 10050 Regency Circle – Suite 120 – in Omaha. Below is a list of staff email address:

John S. McCollister
Executive Director
john.mccollister@platteinstitute.org

Anne Duda
Senior Policy Analyst
anne.duda

tax.

The Tourism Factor

Sales taxes are a staple of state and local revenues. For the larger cities listed here, sales taxes also affect visitors and tourists. Florida and Nevada are renowned for imposing no wage tax on their residents, choosing instead to fund many of their government programs with sales tax revenue that often comes from tourists. Large cities have an increased demand for government services (roads, police, etc.) and a higher rate of tourism, so it should not be particularly surprising that they tend to have higher reliance on the sales tax.

Rate Your City's Sales Tax on a Scale of Zero to Ten

The combined sales tax rate varies from zero to 10 percent in the 107 U.S. cities with a population above 200,000. Those cities account for around 62 million residents or one-fifth of the U.S. population (see Table 3).

Birmingham and Montgomery, Alabama, have the dubious honor of levying the highest combined sales tax rate, 10%; Anchorage, Alaska, and Portland, Oregon, are the only large cities that levy a zero sales tax at all levels of state and local government.

The county level rates vary from 5% in New Orleans and Baton Rouge, Louisiana, to 0% in 28 of the 107 cities. The city-level tax has about the same rate of fluctuation, from 5.266% in St. Louis, Missouri, to 0% in 57 of the 107 cities.

Table 3
State, County, and Local Tax Rates in Cities with
Population of 200,000, Ranked by Total Rate
Rates as of July 1, 2010

Geographic Area		Sales Tax				Rank
Locality	State	State	County	City	Total	
Akron	OH	5.500%	1.000%	0.000%	6.500%	88
Albuquerque	NM	5.125%	0.938%	0.937%	7.000%	85
Anaheim	CA	7.250%	1.500%	0.000%	8.750%	26
Anchorage	AK	0.000%	0.000%	0.000%	0.000%	106
Arlington	TX	6.250%	0.000%	1.750%	8.000%	57
Arlington	VA	4.000%	1.000%	0.000%	5.000%	100

@platteinstitute.org

Kimberly Stephenson
Development Director

[kims](mailto:kims@platteinstitute.org)

@platteinstitute.org

Berk Brown
Director of
Communications

[berk.brown](mailto:berk.brown@platteinstitute.org)

@platteinstitute.org

Atlanta	GA	4.000%	3.000%	1.000%	8.000%	57
Aurora	CO	2.900%	1.450%	3.750%	8.100%	53
Austin	TX	6.250%	1.000%	1.000%	8.250%	43
Bakersfield	CA	7.250%	1.000%	0.000%	8.250%	43
Baltimore	MD	6.000%	0.000%	0.000%	6.000%	92
Baton Rouge	LA	4.000%	5.000%	0.000%	9.000%	19
Birmingham	AL	4.000%	2.000%	4.000%	10.000%	1
Boise City	ID	6.000%	0.000%	0.000%	6.000%	92
Boston	MA	6.250%	0.000%	0.000%	6.250%	91
Buffalo	NY	4.000%	4.750%	0.000%	8.750%	26
Chandler	AZ	6.600%	0.800%	1.500%	8.900%	23
Charlotte	NC	5.750%	2.500%	0.000%	8.250%	39
Chesapeake	VA	4.000%	0.000%	1.000%	5.000%	100
Chicago	IL	6.250%	2.250%	1.250%	9.750%	7
Chula Vista	CA	7.250%	1.500%	0.000%	8.750%	26
Cincinnati	OH	5.500%	1.000%	0.000%	6.500%	88
Cleveland	OH	5.500%	2.250%	0.000%	7.750%	62
Colorado Springs	CO	2.900%	2.000%	2.500%	7.400%	71
Columbus	OH	5.500%	1.250%	0.000%	6.750%	86
Corpus Christi	TX	6.250%	0.625%	1.375%	8.250%	39
Dallas	TX	6.250%	1.000%	1.000%	8.250%	43
Denver	CO	2.900%	1.200%	3.620%	7.720%	69
Detroit	MI	6.000%	0.000%	0.000%	6.000%	92
Durham	NC	5.750%	2.000%	0.000%	7.750%	62
El Paso	TX	6.250%	1.000%	1.000%	8.250%	43
Fort Wayne	IN	7.000%	0.000%	0.000%	7.000%	73
Fort Worth	TX	6.250%	1.000%	1.000%	8.250%	43
Fremont	CA	7.250%	2.500%	0.000%	9.750%	3
Fresno	CA	7.250%	1.725%	0.000%	8.975%	22
Garland	TX	6.250%	1.000%	1.000%	8.250%	43
Gilbert	AZ	6.600%	0.800%	1.500%	8.900%	23
Glendale	AZ	6.600%	0.800%	2.200%	9.600%	8
Greensboro	NC	5.750%	2.000%	0.000%	7.750%	62
Henderson	NV	6.850%	1.250%	0.000%	8.100%	53
Hialeah	FL	6.000%	1.000%	0.000%	7.000%	79
Honolulu	HI	4.000%	0.000%	0.500%	4.500%	105
Houston	TX	6.250%	1.000%	1.000%	8.250%	43
Indianapolis	IN	7.000%	0.000%	0.000%	7.000%	73
Irvine	CA	7.250%	1.500%	0.000%	8.750%	26
Irving	TX	6.250%	1.000%	1.000%	8.250%	43
Jacksonville	FL	6.000%	1.000%	0.000%	7.000%	79

Jersey City	NJ	7.000%	0.000%	0.000%	7.000%	73
Kansas City	MO	4.225%	1.125%	2.375%	7.725%	67
Laredo	TX	6.250%	0.750%	1.250%	8.250%	39
Las Vegas	NV	6.850%	1.250%	0.000%	8.100%	53
Lexington	KY	6.000%	0.000%	0.000%	6.000%	92
Lincoln	NE	5.500%	0.000%	1.500%	7.000%	73
Long Beach	CA	7.250%	2.000%	0.500%	9.750%	3
Los Angeles	CA	7.250%	2.000%	0.500%	9.750%	3
Louisville	KY	6.000%	0.000%	0.000%	6.000%	92
Lubbock	TX	6.250%	0.500%	1.500%	8.250%	39
Madison	WI	5.000%	0.500%	0.000%	5.500%	99
Memphis	TN	7.000%	0.000%	2.250%	9.250%	13
Mesa	AZ	6.600%	0.800%	1.750%	9.150%	17
Miami	FL	6.000%	1.000%	0.000%	7.000%	79
Milwaukee	WI	5.000%	0.600%	0.000%	5.600%	98
Minneapolis	MN	6.875%	0.150%	0.750%	7.775%	61
Modesto	CA	7.250%	1.125%	0.000%	8.375%	36
Montgomery	AL	4.000%	2.500%	3.500%	10.000%	1
Nashville	TN	7.000%	0.000%	2.250%	9.250%	13
New Orleans	LA	4.000%	5.000%	0.000%	9.000%	19
New York City	NY	4.000%	0.000%	4.875%	8.875%	25
Newark	NJ	7.000%	0.000%	0.000%	7.000%	73
Norfolk	VA	4.000%	0.000%	1.000%	5.000%	100
North Las Vegas	NV	6.850%	1.250%	0.000%	8.100%	53
Oakland	CA	7.250%	2.500%	0.000%	9.750%	3
Oklahoma City	OK	4.500%	0.000%	3.875%	8.375%	36
Omaha	NE	5.500%	0.000%	1.500%	7.000%	73
Orlando	FL	6.000%	0.500%	0.000%	6.500%	88
Philadelphia	PA	6.000%	0.000%	2.000%	8.000%	57
Phoenix	AZ	6.600%	0.800%	2.000%	9.400%	12
Pittsburgh	PA	6.000%	1.000%	0.000%	7.000%	79
Plano	TX	6.250%	1.000%	1.000%	8.250%	43
Portland	OR	0.000%	0.000%	0.000%	0.000%	106
Raleigh	NC	5.750%	2.000%	0.000%	7.750%	62
Reno	NV	6.850%	0.875%	0.000%	7.725%	67
Richmond	VA	4.000%	0.000%	1.000%	5.000%	100
Riverside	CA	7.250%	1.500%	0.000%	8.750%	26
Rochester	NY	4.000%	4.000%	0.000%	8.000%	57
Sacramento	CA	7.250%	1.500%	0.000%	8.750%	26
San Antonio	TX	6.250%	0.750%	1.125%	8.125%	52

San Diego	CA	7.250%	1.500%	0.000%	8.750%	26
San Francisco	CA	7.250%	2.250%	0.000%	9.500%	9
San Jose	CA	7.250%	2.000%	0.000%	9.250%	13
Santa Ana	CA	7.250%	1.500%	0.000%	8.750%	26
Scottsdale	AZ	6.600%	0.800%	1.650%	9.050%	18
Seattle	WA	6.500%	3.000%	0.000%	9.500%	9
Spokane	WA	6.500%	1.600%	0.600%	8.700%	34
St. Louis	MO	4.225%	0.000%	5.266%	9.491%	11
St. Paul	MN	6.875%	0.000%	0.750%	7.625%	70
St. Petersburg	FL	6.000%	1.000%	0.000%	7.000%	79
Stockton	CA	7.250%	1.500%	0.250%	9.000%	19
Tampa	FL	6.000%	1.000%	0.000%	7.000%	79
Toledo	OH	5.500%	1.250%	0.000%	6.750%	86
Tucson	AZ	6.600%	0.600%	2.000%	9.200%	16
Tulsa	OK	4.500%	1.017%	3.000%	8.517%	35
Virginia Beach	VA	4.000%	0.000%	1.000%	5.000%	100
Washington	DC	6.000%	0.000%	0.000%	6.000%	92
Wichita	KS	6.300%	1.000%	0.000%	7.300%	72
Winston-Salem	NC	5.750%	2.000%	0.000%	7.750%	62
Yonkers	NY	4.000%	1.375%	3.000%	8.375%	36
Source: Sales Tax Clearinghouse, Census Bureau, and Tax Foundation						

www.platteinstitute.org

If you do not wish to receive this newsletter or if you wish to be removed from all future newsletters, please [click here](#) to manage your subscriptions.