NEW AND INCREASED STATE TAXES IN 1967

NEW TAXES

State	Tax sources					
	Sales	Individual income	Corporation income	Motor fuel	Cigarette	Alcoholic beverages
Michigan		X	X [1]			
Minnesota	X [2]					
Nebraska	X [3]	X [3]	X [4]			
West Virginia			X [5]			

INCREASED TAXES

State	Sales	Individual income	Corporation income	Motor fuel	Cigarette	Alcoholic beverages
California		X [2]	X [2]		X [2]	X [2]
Illinois	X [5]			X [6]	X [6]	
Iowa	X	X	X		X	X
Maryland		X	X			
Minnesota			X	X [5]		
Montana		X [7]	X	X		
Nevada	X [8]					
New Hampshire					X [5]	
New Mexico				X		
North Dakota	X					
Oregon				X [6]		
Rhode Island	• X					
Tennessee			X		X	X [9]
Texas	X [10]					
Vermont		X				
Washington	X			X		
Wyoming	X [11]			X	X	

1 Effective Oct. 1, 1967.
2 Effective Aug. 1, 1967.
3 Effective June 1, 1967.
4 Effective Jan. 1, 1968.
5 Effective July 1, 1967.
6 Awaiting approval.
7 Tax increased in lower and highest brackets, and decreased in some intermediate brackets.
8 Mandatory county tax imposed, which has been challenged as unconstitutional.
9 Effective May 26, 1967.
10 Local sales taxes authorized.
11 Sales tax increased, but local authority to levy tax was repealed by the same amount, which leaves the effective rate the same in most areas (but increases the use tax).

Source: Commerce Clearing House, State Tax Review, vol. 28, June 13 and July 11, 1967.

Mr. PECHMAN. I have prepared this table on the basis of newspaper reports and reports of the tax services. The Advisory Commission ought to give us a firmer tabulation. But as of today—the last entry made in this table was for California where the action was taken by the Governor on Saturday—as of today, you will note that four out of the 50 State governments have enacted substantial new taxes. Michigan has enacted an individual and a corporation income tax for the first time. Minnesota has enacted a sales tax. Nebraska enacted individual corporate and sales taxes, and West Virginia a corporation tax. And among the other States, 17 have increased their major taxes by substantial amounts.

These are not small adjustments. To my knowledge, none of these tax rate increases and new taxes were incorporated in the projections that have been discussed publicly in the last year or so.

Perhaps Herbert Stein will tell us whether the CED projections which were recently published included some of these. I don't think they included all of them, certainly.

What this means is that the projections that you have seen are already out of date to the extent that these increased taxes have been put into effect, and because of growth they will be even more out of date as time goes by.

The amount of the tax increase, incidentally, is not insignificant.