

# **Bond Case Briefs**

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## **State Tax Changes as of January 1, 2020.**

### **Key Findings**

- Thirty-four states have major tax changes taking effect on January 1, 2020.
- Arkansas, Tennessee, and Massachusetts will each see reductions in their individual income tax rates.
- Five states (Iowa, Kansas, Maine, North Carolina, and Ohio) will see notable changes to their individual income tax bases.
- Corporate income, capital stock, franchise, or similar taxes on businesses or financial institutions will decrease or be eliminated in six states (Connecticut, Florida, Illinois, Indiana, Missouri, and Mississippi) but will increase in two states (New Jersey and Washington).
- Oregon will implement a new Corporate Activity Tax (CAT), which is a modified gross receipts tax (GRT).
- Florida is the lone state with a general sales tax rate change (a reduction).
- Five states will see changes to their estate taxes. Connecticut, Minnesota, Vermont, and New York will see increases in their estate tax exemptions (taxpayer-friendly provisions), while Hawaii's estate tax will become more burdensome.
- Two states (Illinois and Louisiana) will implement new excise taxes on cannabis products.
- Three states (Maine, Nevada, and New Hampshire) will begin applying excise taxes to vapor products.
- Four states (Hawaii, Illinois, Michigan, and Wisconsin) will begin requiring marketplace facilitators to collect sales taxes.
- Three states (Arizona, Georgia, and Washington) will modify the economic nexus threshold in their remote sales tax collection requirements.
- Two states (Hawaii and Pennsylvania) will begin using Wayfair-like standards to determine economic nexus for income tax purposes.
- Two states (Connecticut and Virginia) will see notable changes to their sales tax base. (Connecticut's sales tax base will broaden to additional consumer goods and services, while Virginia's base will become narrower.)
- Six states (Arkansas, Maryland, Missouri, New Hampshire, New Mexico, and Tennessee) will see various changes to their corporate income tax base or apportionment formulas.
- Various road user taxes and fees will change in Kansas and Nevada.

[Continue reading.](#)

### **Tax Foundation**

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