

Bond Case Briefs

Municipal Finance Law Since 1971

State and Local Sales Tax Rates, 2021.

Key Findings

- Forty-five states and the District of Columbia collect statewide sales taxes.
- Local sales taxes are collected in 38 states. In some cases, they can rival or even exceed state rates.
- The five states with the highest average combined state and local sales tax rates are Tennessee (9.55 percent), Louisiana (9.52 percent), Arkansas (9.51 percent), Washington (9.23 percent), and Alabama (9.22 percent).
- No state rates have changed since Utah increased the state-collected share of its sales tax from 5.95 percent to 6.1 percent in April 2019.
- Sales tax rates differ by state, but sales tax bases also impact how much revenue is collected from a tax and how the tax affects the economy.
- Sales tax rate differentials can induce consumers to shop across borders or buy products online.

[Continue reading.](#)

Tax Foundation

by Janelle Cammenga

January 6, 2021