



# Alabama

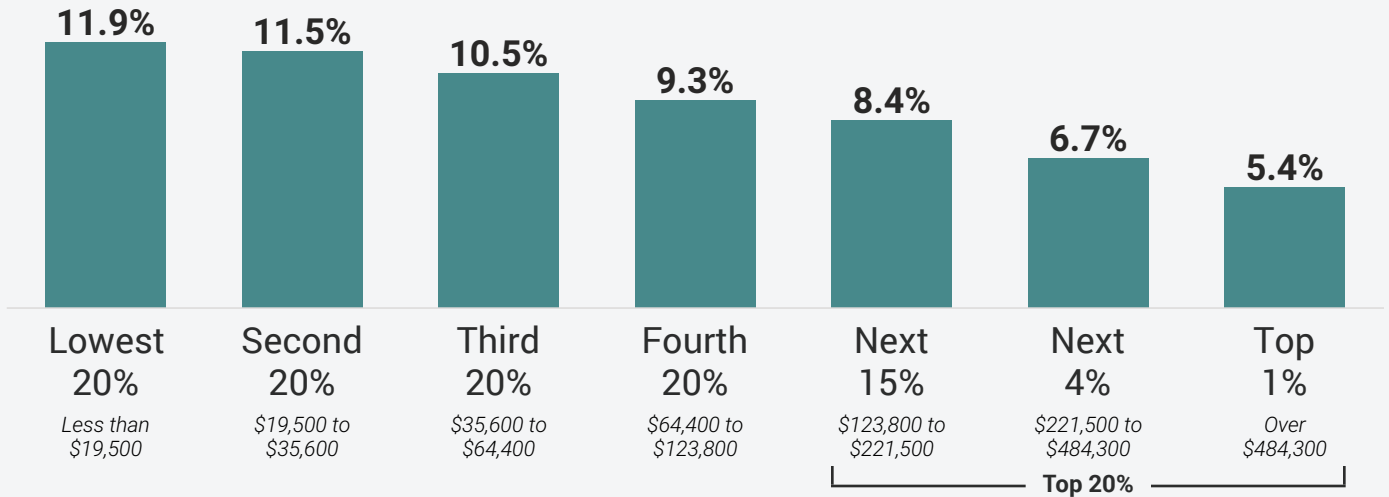
## State and local tax shares of family income

### Total Taxes

Share of family income

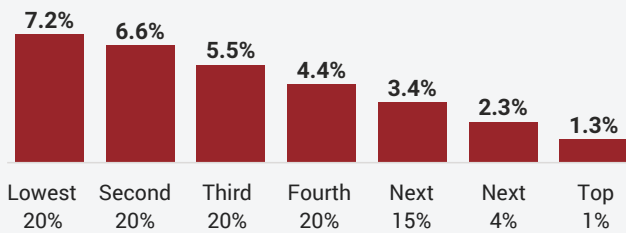


REGRESSIVE



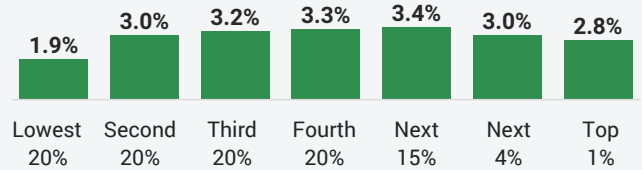
### Sales & Excise Taxes

Share of family income



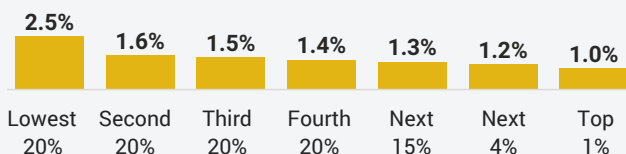
### Personal Income Taxes

Share of family income



### Property Taxes

Share of family income








Note: All figures and charts show 2024 tax law in Alabama, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99 percent) state and local tax revenue collected in Alabama. These figures depict Alabama's grocery sales tax rate at its 2024 level of 3 percent. That rate will decrease to 2 percent when revenue conditions are met. As seen in Appendix E, this will decrease overall tax rates by 0.2 percentage points at the bottom and 0.1 percentage points in the middle, and cause the state to move 2 spots in the ITEP Inequality Index rankings, from 12th to 14th most regressive.

# Alabama

State and local tax (cont.)

Individual figures may not sum to totals due to rounding.

Income Group	Top 20%						
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Income Range	Less than \$19,500	\$19,500 to \$35,600	\$35,600 to \$64,400	\$64,400 to \$123,800	\$123,800 to \$221,500	\$221,500 to \$484,300	Over \$484,300
Average Income in Group	\$11,600	\$26,500	\$48,400	\$90,000	\$153,100	\$285,800	\$903,100
 <b>Sales &amp; Excise Taxes</b>	<b>7.2%</b>	<b>6.6%</b>	<b>5.5%</b>	<b>4.4%</b>	<b>3.4%</b>	<b>2.3%</b>	<b>1.3%</b>
General Sales—Individuals	4.1%	4.1%	3.5%	2.8%	2.2%	1.4%	0.7%
Other Sales & Excise—Ind.	2.1%	1.6%	1.1%	0.8%	0.6%	0.4%	0.2%
Sales & Excise—Business	1.0%	1.0%	0.9%	0.8%	0.7%	0.6%	0.5%
 <b>Property Taxes</b>	<b>2.5%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.0%</b>
Home, Rent, Car—Individuals	2.2%	1.4%	1.2%	1.1%	1.0%	0.8%	0.5%
Other Property Taxes	0.3%	0.3%	0.2%	0.3%	0.3%	0.4%	0.5%
 <b>Income Taxes</b>	<b>1.9%</b>	<b>3.0%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>2.9%</b>
Personal Income Taxes	1.9%	3.0%	3.2%	3.3%	3.4%	3.0%	2.8%
Corporate Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
 <b>Other Taxes</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>
 <b>TOTAL TAXES</b>	<b>11.9%</b>	<b>11.5%</b>	<b>10.5%</b>	<b>9.3%</b>	<b>8.4%</b>	<b>6.7%</b>	<b>5.4%</b>

## ITEP Tax Inequality Index

ITEP's Tax Inequality Index measures the effects of each state's tax system on income inequality. **According to this measure, Alabama has the 12th most regressive state and local tax system in the country.** Income disparities are larger in Alabama after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

## Tax features driving the data in Alabama

