

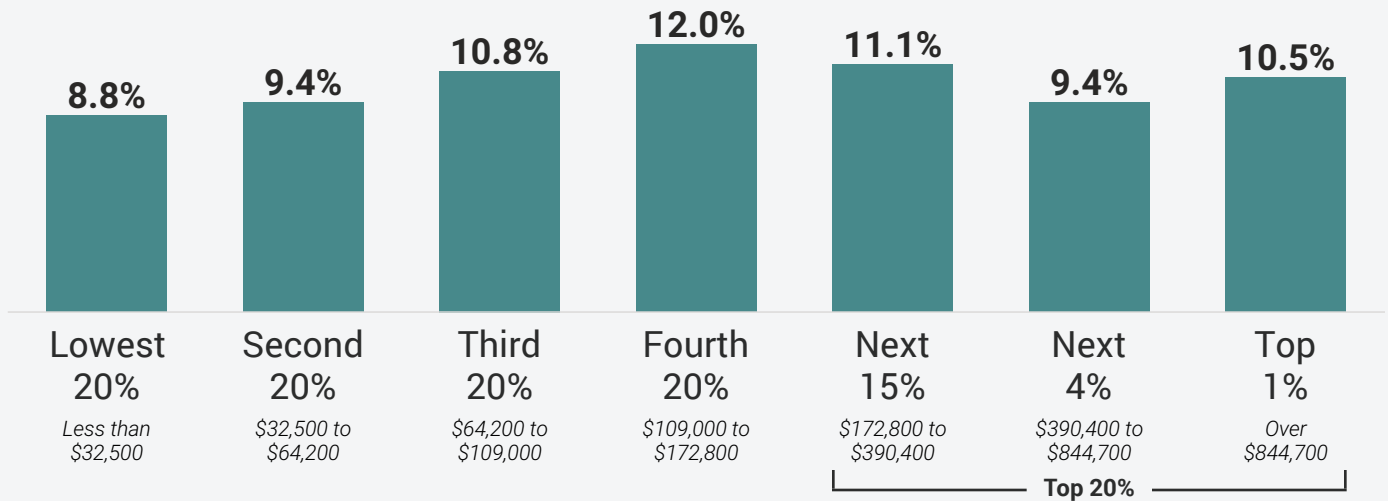


New Jersey

State and local tax shares of family income

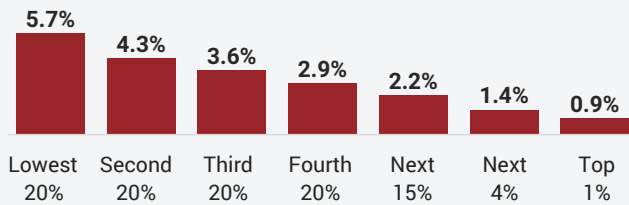
Total Taxes

Share of family income



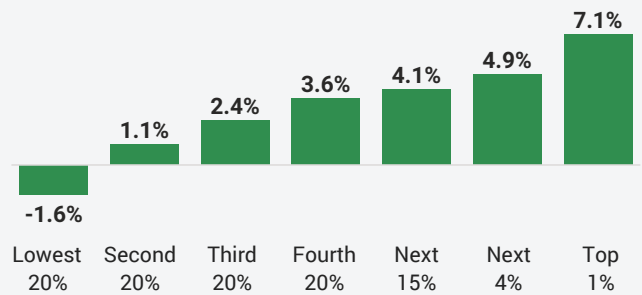
Sales & Excise Taxes

Share of family income



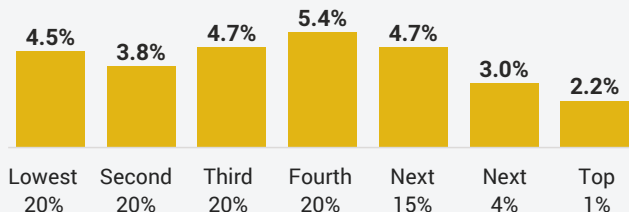
Personal Income Taxes

Share of family income



Property Taxes






Share of family income



Note: All figures and charts show 2024 tax law in New Jersey, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99.9 percent) state and local tax revenue collected in New Jersey.

New Jersey 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 \$32,500	\$32,500 to \$64,200	\$64,200 to \$109,000	\$109,000 to \$172,800	\$172,800 to \$390,400	\$390,400 to \$844,700	Over \$844,700
Average Income in Group	\$19,100	\$47,500	\$84,200	\$136,300	\$251,400	\$575,400	\$1,820,200
 Sales & Excise Taxes	5.7%	4.3%	3.6%	2.9%	2.2%	1.4%	0.9%
General Sales—Individuals	2.7%	2.3%	2.0%	1.6%	1.2%	0.7%	0.3%
Other Sales & Excise—Ind.	1.8%	1.0%	0.6%	0.5%	0.3%	0.2%	0.1%
Sales & Excise—Business	1.2%	1.0%	0.9%	0.8%	0.7%	0.5%	0.5%
 Property Taxes	4.5%	3.8%	4.7%	5.4%	4.7%	3.0%	2.2%
Home, Rent, Car—Individuals	3.9%	3.3%	4.1%	4.9%	4.2%	2.4%	0.8%
Other Property Taxes	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	1.4%
 Income Taxes	-1.6%	1.1%	2.5%	3.6%	4.2%	5.0%	7.3%
Personal Income Taxes	-1.6%	1.1%	2.4%	3.6%	4.1%	4.9%	7.1%
Corporate Income Taxes	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%
 Other Taxes	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
 TOTAL TAXES	8.8%	9.4%	10.8%	12.0%	11.1%	9.4%	10.5%

ITEP Tax Inequality Index

New Jersey has a hybrid system that is progressive through some parts of the income distribution and regressive through other parts. On balance, the overall system tilts slightly progressive according to ITEP's Tax Inequality Index because low-income families pay somewhat lower tax rates than other groups. **New Jersey ranks 46th on the Index**, meaning that four states and the District of Columbia have more progressive systems. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

Tax features driving the data in New Jersey

PROGRESSIVE

Refundable property tax "circuit breaker" credit (all ages, includes renters)

Refundable Child Tax Credit (CTC) for young children

Sales tax base excludes groceries

Requires combined reporting for the corporate income tax but excludes profits booked overseas, including in tax haven countries

Graduated rate structure for the real estate transfer tax

Refundable dependent care tax credit

Graduated personal income tax structure with a separate bracket for millionaires

Refundable Earned Income Tax Credit (EITC)

Levies a tax on inheritances

REGRESSIVE

Comparatively high reliance on property taxes

Does not levy a tax on estates