

## **CALIFORNIA'S COMPETITIVENESS: CALIFORNIA IS LEAST-FRIENDLY STATE FOR TAXPAYERS, *KIPLINGER* SAYS**

In its [annual report](#) on the relative levels of taxation in the 50 states, *Kiplinger* said in late August that California “tops our least-friendly list, thanks to a combination of high income taxes and hefty taxes on purchases and gas.”

“California’s top income tax rate of 13.3 percent (the highest in the U.S.) doesn’t kick in until income exceeds \$1 million; still, a married couple with earned income of \$150,000 would pay about \$7,500 a year in state income taxes,” the report noted. “California also has the highest statewide sales tax, at 7.5 percent. The average state and local combined rate is 8.48 percent; in some cities, the combined rate is as high as 10 percent ....”

The report noted that California’s gas taxes are down from a year ago, “but they’re still the fifth-highest in the country.” The report did not account for the increase in gasoline prices caused by California’s cap-and-trade program.

The next four least-friendly states in the *Kiplinger* report, in order, are: Hawaii, Connecticut, New York and New Jersey.

The five most friendly states are Wyoming, Alaska, Florida, Nevada and Arizona, the finance publication found.