



On the road to zero: More states phasing out the income tax

Description

USA: Americans in search of economic freedom and opportunity are flocking to Florida, Tennessee and Texas, and at least part of the attraction is that these three states, along with six others (Alaska, Nevada, South Dakota, Washington, Wyoming and New Hampshire), don't levy an income tax.

Other states may soon follow.

"There are 10 states that are in the process of moving their personal income tax to zero," President of Americans for Tax Reform Grover Norquist said on the John Solomon Reports podcast.

"North Carolina is a few years away from having zero income tax," said the longtime tax reduction activist. "New Hampshire will have zero income tax — they're getting rid of their tax on dividends and interest over the next three years."

North Dakota is another state on its way to phasing out the income tax. North Dakota Gov. Doug Burgum announced a plan in August of 2022 to eliminate individual income taxes in order to save the state's taxpayers \$250 million per year.

"Now is the right time to provide meaningful, permanent tax relief to make our state a more attractive place to work and a more affordable place to live," Burgum [said in August](#). "Under this proposal, almost 60% of taxpayers won't have to pay state income tax, and those who do will see their income tax liability reduced by roughly one-quarter to one-half, allowing North Dakotans to keep more of their hard-earned money to offset expenses and invest in their families and communities."

Completely eliminating the income tax is a long process that can often take years, according to Norquist .

"It's going to be a 12-year march for Kentucky to get to zero," Norquist stated. "Louisiana is on a 15-year phasedown to zero. Mississippi is a third of the way through what they say will be a 10-year march to zero."

West Virginia is another state that hasn't completely zeroed out its income tax, but is cutting back. The state finished the last fiscal year with a roughly \$1.3 billion surplus.

"We've seen more and more surpluses roll in each and every month of this fiscal year, and now it's time for some relief in the form of substantial tax cuts," said West Virginia Gov. Jim Justice. "With this new year comes the opportunity before us to make real, substantial tax cuts that will benefit West Virginians for generations to come."

Justice proposed a permanent 10% cut in the personal income tax in July 2022, and it has passed through the House of Delegates. The state Senate refused to take it up, according to the Associated Press.

Other states on the path to eliminating their income tax include Wisconsin and Idaho, according to Norquist.

"We've stopped the bleeding in some of the blue states on taxes because of the states with no income tax and low flat rate taxes, and the states that are moving in that direction," he explained.

by Charlotte Hazard

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