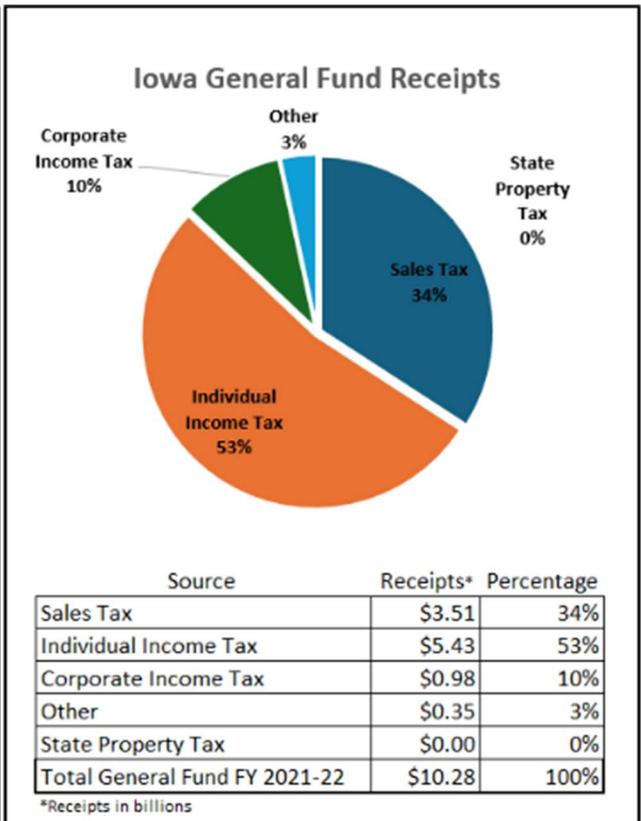
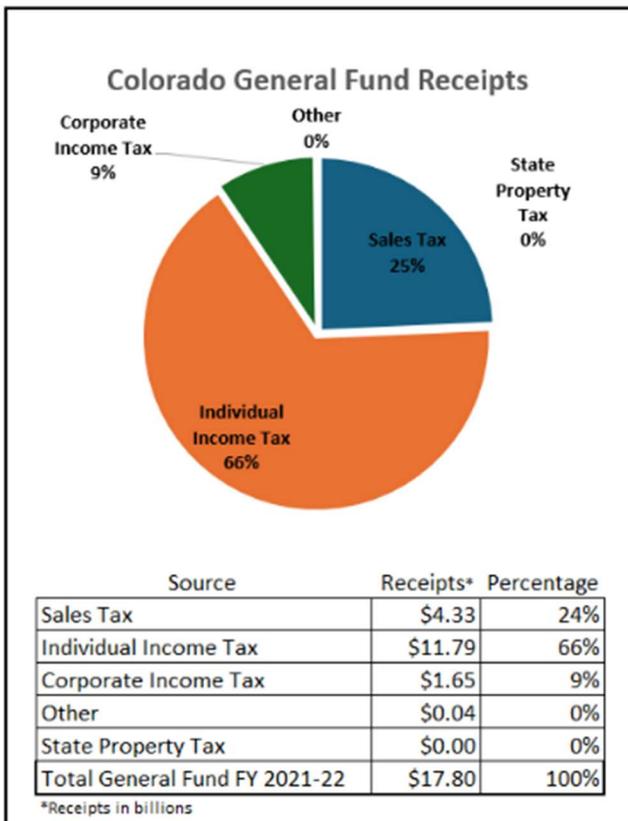
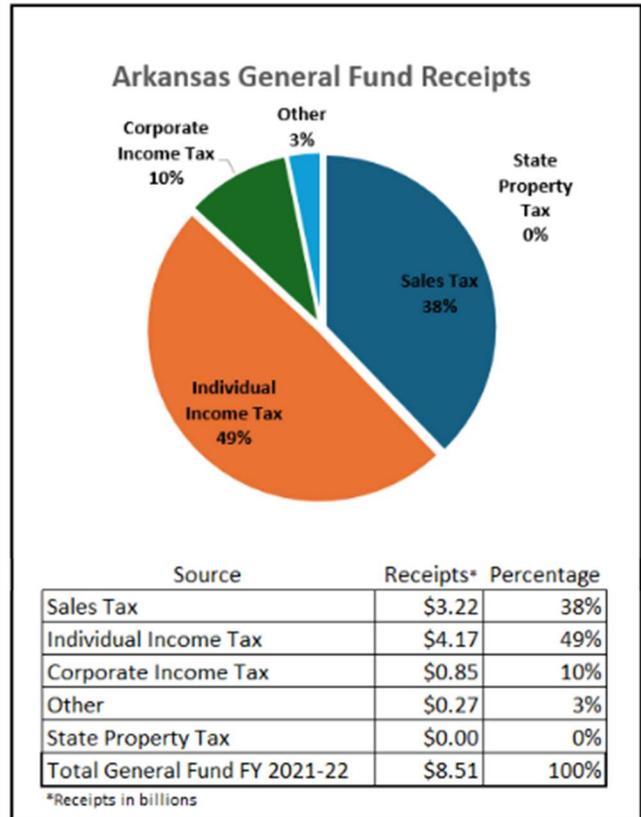
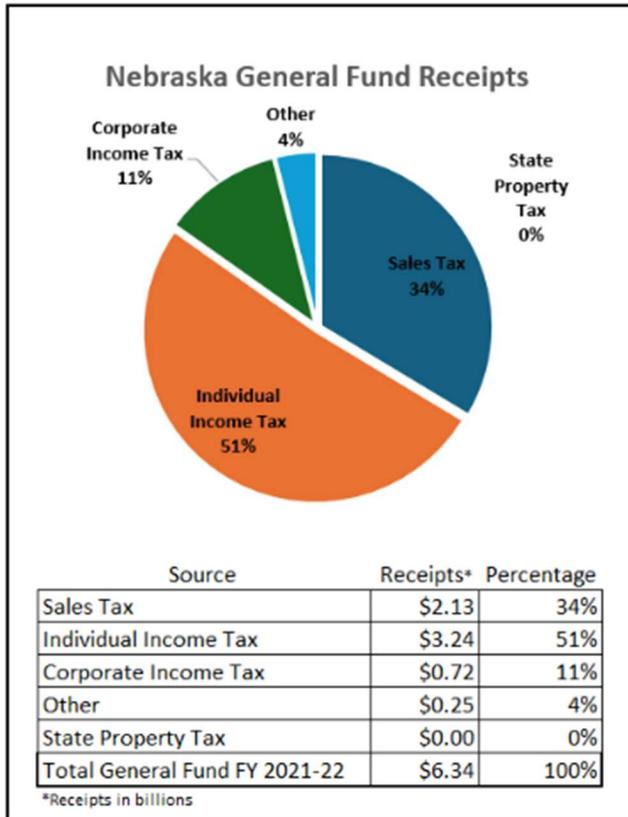


Comparison of State Tax and Property Valuation Structures

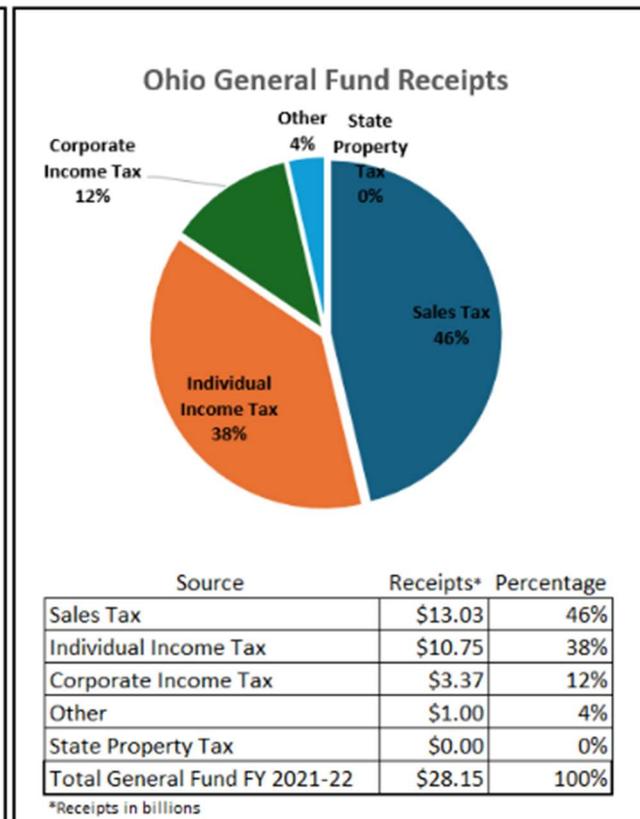
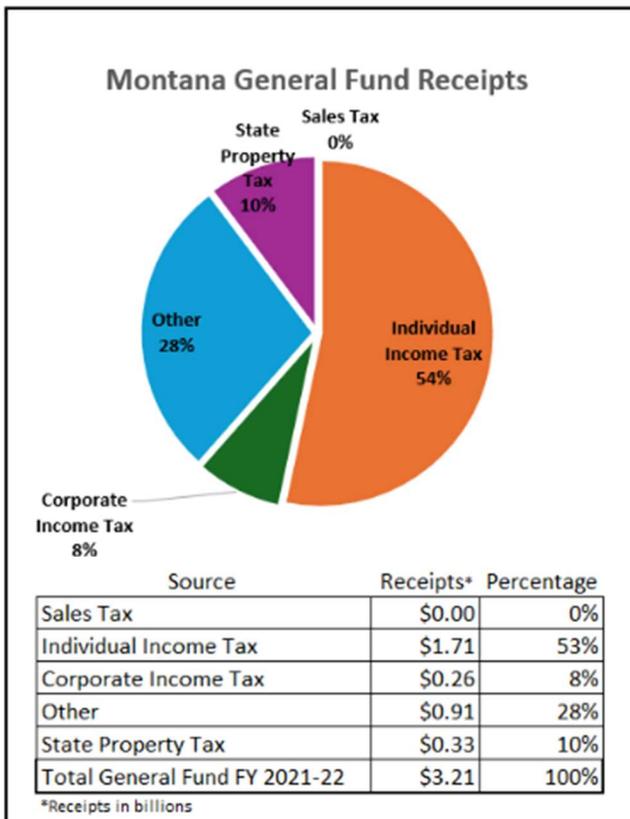
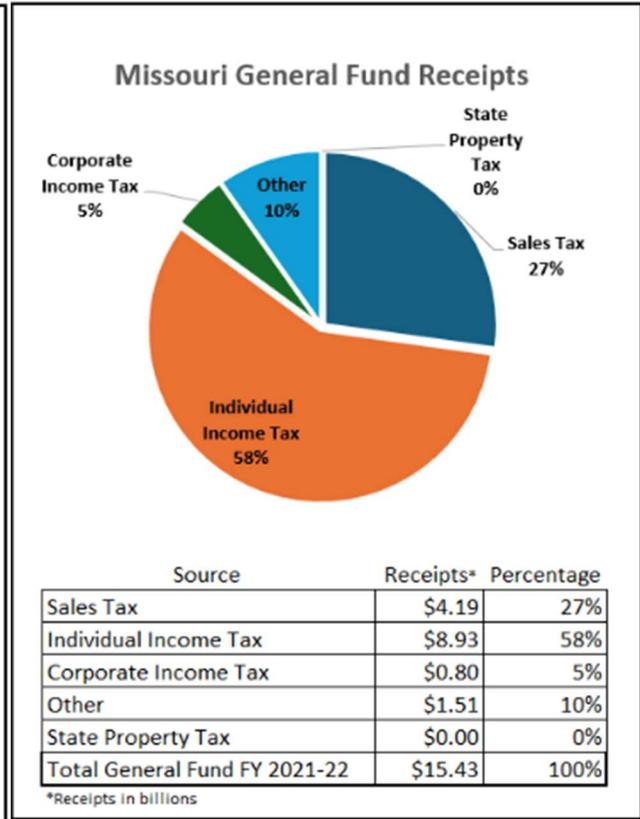
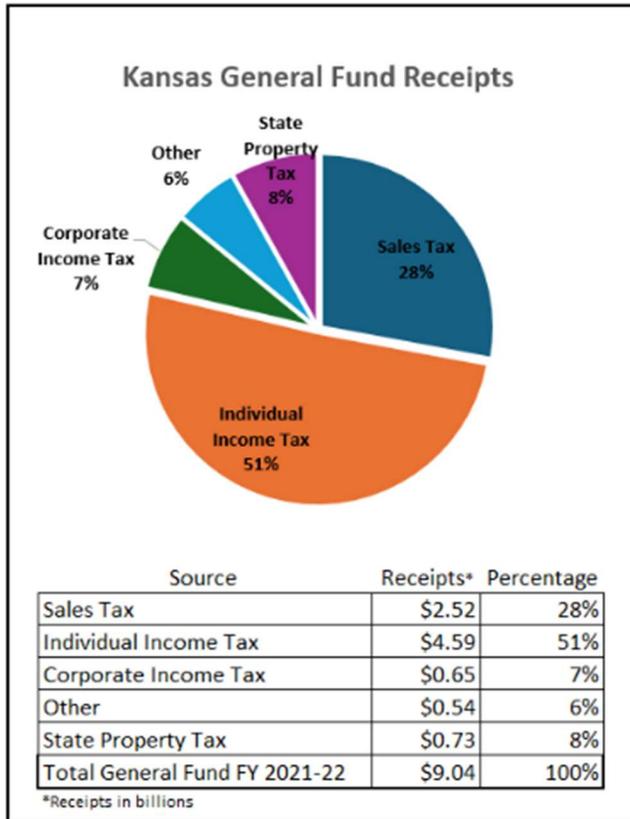
For the School Finance Review Commission
October 2025



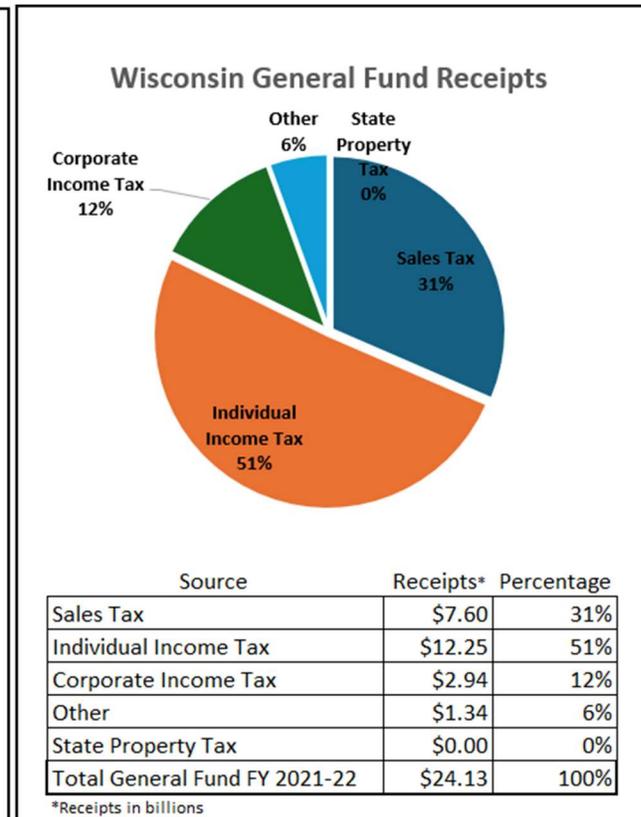
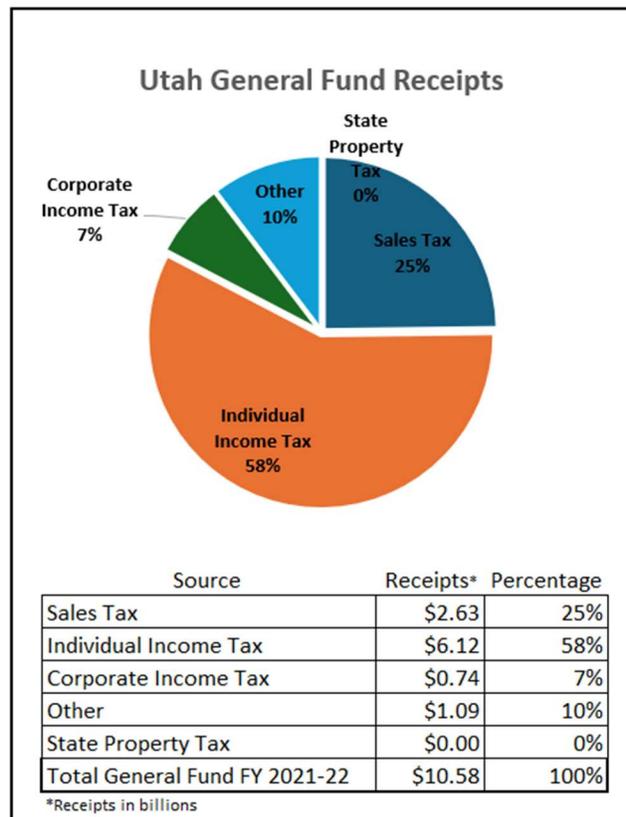
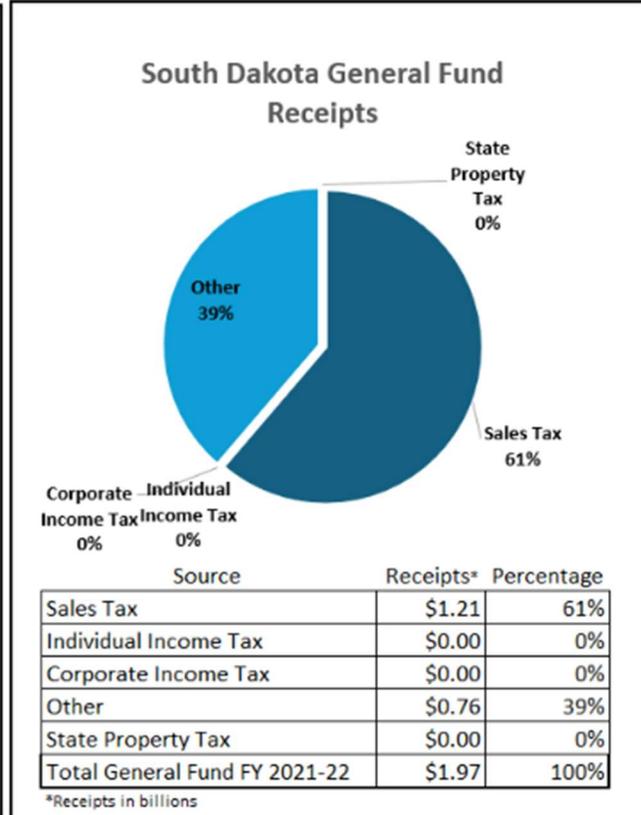
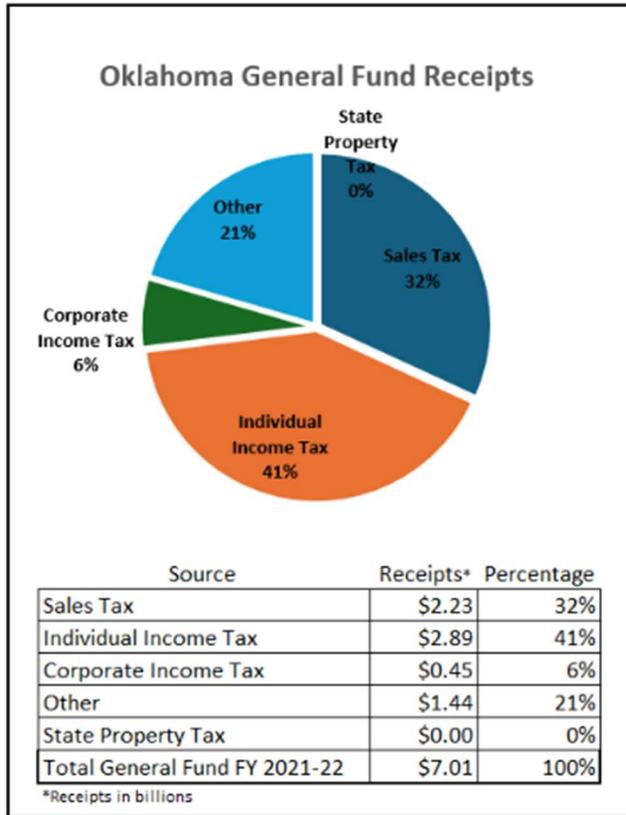
Sources of State Taxes for School Funding
Fiscal year 2021-2022



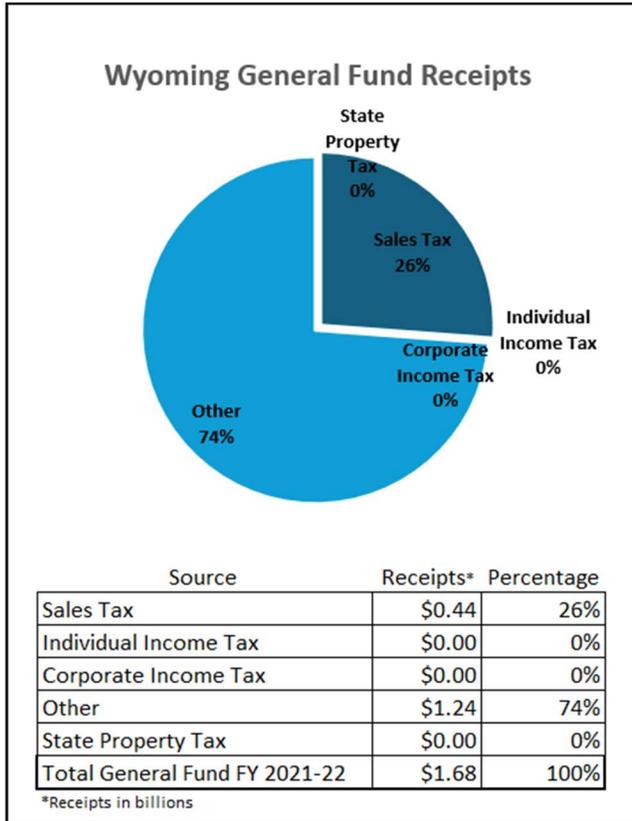
Sources of State Taxes for School Funding
Fiscal year 2021-2022



Sources of State Taxes for School Funding
Fiscal year 2021-2022



Sources of State Taxes for School Funding
Fiscal year 2021-2022



Comparison of Current Tax Rates by State

State	State Sales Tax Rate	Sales Tax Breadth	Individual Income Tax Rate	Corporate Income Tax Rate	State Property Tax Rate	Effective Property Tax Rate	Significant Source of Other Revenue/Taxes
Nebraska	5.50%	38%	2.46% to 5.84% ²	5.2% ²	n/a	1.43%	
Arkansas	6.5% ³	44%	2% to 3.4%	1% to 6.5%	n/a	0.53%	
Colorado	2.90%	33%	4.40%	4.40%	n/a	0.50%	
Iowa	6%	37%	3.80%	5.5% - 7.1% ⁴	n/a	1.23%	
Kansas	6.50%	37%	3.1% to 5.7%	4% to 7%	21.5 Mills ⁵	1.19%	
Missouri	4.225% ⁶	30%	2% to 4.7%	4%	n/a	0.88%	
Montana	0.00%	0%	4.7% to 5.9%	6.75%	101-102.5 Mills ⁷	0.60%	
Ohio	5.75%	40%	2.75% to 3.125% ⁸	n/a	n/a	1.31%	Commercial Activity Tax = 0.26% of gross receipts
Oklahoma	4.50%	35%	0.25% to 4.75%	4%	n/a	0.77%	1-7% Gross Production Tax
South Dakota	4.50%	60%	n/a	n/a	n/a	0.99%	70% of Lottery Net Revenues go to General Fund
Utah	4.85% ⁹	44%	4.55%	4.50%	n/a	0.47%	
Wisconsin	5%	39%	3.5% - 7.65%	7.90%	n/a	1.25%	
Wyoming	4.00%	57%	n/a	n/a	20 Mills	0.55%	Common School Permanent Land Fund ¹⁰

¹Sales Tax Breadth is a measure of the width of a state's sales tax base and is the ratio of the implicit sales tax base to state personal income. The percentages above are from FY 2024, as provided by the Tax Foundation. See <https://taxfoundation.org/wp-content/uploads/2024/06/FF24-v3.pdf>, Table 21

²Nebraska's top individual and corporate tax rates are gradually declining to 3.99% by 2027

³Arkansas taxes uses 15 different sales tax rates including 0.125% on food

⁴Iowa's corporate income tax rate is set to gradually reduce to a flat 5.5%; however, this is predicated on the state's net corporate tax receipts exceeding \$700 million, which has not yet been realized.

⁵20 of the 21.5 mill state property tax is levied for K-12 education

⁶Missouri taxes food at 1.225%

⁷95 Mills are designated for K-12 equalization funding, 6 mills for the state university system, and 1.5 mills in 5 counties with community colleges

⁸Ohio's individual income tax rate is reducing to a flat 2.75% by 2026

⁹Utah taxes food at 1.75%

¹⁰The Common School Permanent Land Fund (CSPLF) is funded by a severance taxes and mineral royalties on school lands.

Assessment Level and Valuation Constraints by State

State	Assessment Level	Agricultural Valuation Method	Personal Property Taxation	Additional Assessment Constraints
Nebraska	Real Property - 100% market value Agricultural land - 75% market value	Market Value	Taxed at net book value, depreciated based on Federal MACRS Schedule	none
Arkansas	Non-agricultural land - 18% to 22% actual value Agricultural land - 20% of use value Personal Property - 20%	Use value, cap rate is calculated by state agency but required to be between 8 and 12%	Market value	5% assessment cap on homesteads 10% assessment cap all other property
Colorado	Residential: 6.25% local government taxation, 7.05% school taxation All other property types - 27% Personal property - 27%	Use value, 13% statutory cap rate	Market value	none
Iowa	Residential/commercial - 100% of market value Agricultural land - 100% of use value	Use value, 7% statutory cap rate	Exempt	Residential capped at 3%, agricultural land has parity with residential, if either grows by less than 3%, both are capped at the lower rate. Commercial/industrial receives parity for the first \$150,000, but remaining value can grow by 90% per year. The current effective assessment levels are: Residential - 47% Agricultural - 74% Commercial, Industrial, Railroad - 90% Utilities - 100%
Kansas	Residential - 11.5% of market value Commercial - 25% of market value Agricultural - 30% of use value	Use value, capitalized by a rate determined by state agency. Statutorily the rate must be: 5-year average Federal Land Bank interest Rate + an "add on" of 0.75% to 2.75% To result in a cap rate not less than 11% or more than 12%	25-30% of market value, depending on asset class	n/a
Missouri	Residential - 19% Commercial - 32% Agricultural land - 12%	Use value, determined by State Agency	Market value, at various assessment levels: Historic Autos 5% Farm Equipment 12% Livestock 12% Grain 0.5% Motor vehicles 33.3%	n/a
Montana	All values are calculated based on market value, but are taxed at a statutory assessment level, which is tiered by value and class and ranges from 0.76% to 2.2%. Agricultural land is valued based on its production (use) value rather than market value.	Use value, 6.4% statutory capitalization rate, subject to review by an agricultural advisory committee. The Department of Revenue may change the cap rate based on the committee's recommendation.	Market value, the first \$1 million is exempt, a tiered assessment level of 1.5% to 3% is applied after the first \$1 million.	n/a

Assessment Level and Valuation Constraints by State

State	Assessment Level	Agricultural Valuation Method	Personal Property Taxation	Additional Assessment Constraints
Ohio	All property is taxed at a 35% assessment level	Use value, Statutes dictate a band of investment method with an 80/20 split, utilizing Farm Credit Service 5-year average interest rate for the debt component.	n/a - was replaced by the Commercial Activity Tax	n/a
Oklahoma	The assessment level is determined by the county assessor's office, within the following allowable ranges: Real Property - 11% to 13.5% Tangible Personal Property (Business Property) - 10% to 15%	Use value, capitalization rate developed annually by state agency, utilizing the band-of-investment method, with the debt portion coming from the five-year average Federal Land Bank interest rate, adjusted by the effective tax rate.	Market value, determined by the State Tax Commission	Valuations of homesteads and agricultural land are capped at 3% per year, while all other property is capped at 5% per year.
South Dakota	85% assessment level for all real property	Use value capitalized at a statutory 6.6% rate	Exempt, except for centrally assessed property	n/a
Utah	Primary residence - 55% market All other real property - 100% of market value	Use value, 5-year moving average of Federal Land Bank Rate	Depreciated acquisition cost	n/a
Wisconsin	100% of market value, except: Agricultural land - use value Forest/undeveloped lands - 50% market value	Use value, capitalized by the five-year average Feder Land Bank rate	Exempt	n/a
Wyoming	Residential, Commercial & Industrial - 9.5% market	Use value, capitalized by 5-year weighted average Farm Credit Services (Omaha) long-term portfolio rate plus the effective tax rate	Market value, often based on actual cost, depreciated by state schedule	Single-family residential taxes are exempt for any valuation increase in excess of 4%, unless the property was purchased in the prior year.