

Who Pays More?



Local Tax Burdens on Tennessee Households by County



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EXECUTIVE SUMMARY

How much a family pays in local taxes in Tennessee is a matter of their income, their choice of housing, their spending behavior, and where they live. Some tax rates vary widely across the state. As tax rates vary, so do tax burdens, or the share of income required to pay taxes. This report estimates the variation in burdens using data from the U. S. Census Bureau's 2005 American Community Survey (ACS) and Consumer Expenditure Survey (CES) data from the U.S. Bureau of Labor Statistics (BLS).

TACIR staff used summary data from the ACS to estimate an effective property tax rate for 19 Tennessee counties. Detailed summary statistics were available for only these 19 Tennessee counties with populations over 65,000. The results of this summary data show that effective property tax rates vary greatly among the 19 counties. The lowest effective tax rate (.35%) is found in Sevier County and reflects the impact of tourism in helping to keep residential property tax rates there among the lowest in the state. In contrast, the highest effective property tax is found in Shelby County, reflecting the impact of an extremely high property tax rate in Memphis. Memphis has the highest combined county and city nominal tax rate in the state.

Based on the initial findings for the 19 counties, TACIR estimated tax burdens for all 95 Tennessee counties following a methodology developed by D.C. for their annual study, *Tax Rates and Tax Burdens in the District of Columbia-A Nationwide Comparison*, which is considered an authoritative comparison of tax burdens across the U.S. Due to data limitations, TACIR staff had to relax the methodology used in the D.C. study in applying it to tax burdens at the county level. Using county government property tax rates, sales tax rates, and wheel tax rates, combined with estimates of owner-occupied property values and taxable spending patterns, TACIR staff estimated the tax burdens for hypothetical families at four different income levels for each of Tennessee's 95 counties. The income levels used were \$20,000-\$29,999, \$30,000-\$39,999, \$40,000-49,999, and \$50,000-\$69,999.

Key findings from TACIR's analysis:

- Property taxes represent the single largest local tax faced by all four hypothetical households in a majority of counties.
- The average state-wide local sale tax liability for each of the hypothetical households averages 60%-70% of their respective property tax liability.
- Most of the variation in total county tax burdens is caused by variations in property tax liabilities.
- Total local tax burdens were lowest in DeKalb County for all four hypothetical households. Tax burdens were highest in Williamson County for all but the \$40,000-\$49,999 household, in which Davidson was highest with Williamson a close second.
- Total tax burden amounts were dominated by property tax liabilities, and closely-linked to property tax rates.
- Total local taxes are regressive, since each of the three taxes is separately regressive. Regressivity refers to lower income persons paying a higher percent of their income for taxes than do higher income persons. The opposite of regressivity is progressivity.

The TACIR analysis demonstrated the regressivity of local tax burdens at the county level using a progressivity index, a technique used in past years in the D.C. study. Indices below 1.0 indicate progressive tax burdens while those above 1.0 indicate regressive tax burdens. The most regressive county is Williamson County with an index of 3.26. The least regressive are Gibson County and Hancock County, both with progressivity indices of 1.44.

Table A provides summary information on the tax burden estimates for each Tennessee county.

TABLE A
Table A. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005
by Income Level

COUNTY	\$20,000-\$29,999		\$30,000-\$39,999		\$40,000-\$49,999		\$50,000-\$69,999	
	BURDEN		BURDEN		BURDEN		BURDEN	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
Anderson	\$878	3.50%	\$1,017	2.90%	\$1,028	2.30%	\$1,215	2.10%
Bedford	\$999	3.80%	\$1,203	3.50%	\$1,217	2.70%	\$1,295	2.20%
Benton	\$788	3.20%	\$871	2.60%	\$1,091	2.50%	\$1,031	1.70%
Bledsoe	\$585	2.60%	\$653	1.80%	\$665	1.50%	\$881	1.50%
Blount	\$962	3.90%	\$924	2.60%	\$1,346	3.00%	\$1,257	2.20%
Bradley	\$847	3.30%	\$827	2.30%	\$927	2.10%	\$990	1.70%
Campbell	\$727	2.90%	\$801	2.30%	\$817	1.80%	\$1,071	1.90%
Cannon	\$799	3.10%	\$853	2.40%	\$930	2.10%	\$980	1.70%
Carroll	\$860	3.50%	\$948	2.80%	\$1,177	2.70%	\$1,117	1.80%
Carter	\$759	3.20%	\$827	2.30%	\$839	1.90%	\$1,142	2.00%
Cheatham	\$1,126	4.20%	\$1,340	3.70%	\$1,358	3.00%	\$1,426	2.30%
Chester	\$905	3.90%	\$949	2.80%	\$1,073	2.40%	\$1,245	2.10%
Claiborne	\$820	3.20%	\$892	2.50%	\$908	2.00%	\$1,218	2.20%
Clay	\$1,007	4.00%	\$1,094	3.10%	\$1,184	2.60%	\$1,264	2.20%
Cocke	\$806	3.20%	\$1,121	3.20%	\$965	2.30%	\$1,213	2.10%
Coffee	\$663	2.80%	\$950	2.70%	\$1,036	2.30%	\$1,092	1.90%
Crockett	\$841	3.20%	\$1,065	3.00%	\$1,089	2.40%	\$1,237	2.10%
Cumberland	\$689	2.80%	\$772	2.20%	\$787	1.70%	\$1,079	1.90%
Davidson	\$1,530	6.10%	\$1,607	4.60%	\$1,879	4.10%	\$1,947	3.20%
Decatur	\$704	2.80%	\$706	2.00%	\$802	1.80%	\$914	1.60%
DeKalb	\$507	2.00%	\$552	1.60%	\$598	1.30%	\$640	1.10%
Dickson	\$1,228	4.60%	\$1,462	4.10%	\$1,485	3.20%	\$1,567	2.50%
Dyer	\$820	3.10%	\$1,043	3.00%	\$1,066	2.40%	\$1,213	2.10%
Fayette	\$744	3.20%	\$892	2.50%	\$832	1.90%	\$973	1.70%
Fentress	\$761	3.00%	\$841	2.40%	\$905	2.00%	\$977	1.70%
Franklin	\$682	2.90%	\$969	2.80%	\$1,055	2.40%	\$1,118	1.90%
Gibson	\$692	2.60%	\$889	2.50%	\$906	2.00%	\$1,034	1.80%
Giles	\$962	3.80%	\$1,038	2.90%	\$1,051	2.30%	\$1,121	1.90%
Grainger	\$770	3.00%	\$1,068	3.10%	\$925	2.20%	\$1,160	2.00%
Greene	\$748	3.10%	\$835	2.40%	\$852	1.90%	\$1,114	2.00%
Grundy	\$806	3.50%	\$874	2.50%	\$886	2.00%	\$1,212	2.00%
Hamblen	\$760	3.00%	\$1,037	3.00%	\$909	2.10%	\$1,126	2.00%
Hamilton	\$966	4.00%	\$1,161	3.30%	\$1,353	2.90%	\$1,236	2.00%
Hancock	\$668	2.60%	\$732	2.10%	\$745	1.70%	\$993	1.80%
Hardeman	\$946	3.70%	\$900	2.50%	\$1,049	2.30%	\$1,194	2.10%
Hardin	\$792	3.10%	\$785	2.20%	\$895	2.00%	\$1,015	1.70%
Hawkins	\$900	3.60%	\$1,121	3.30%	\$1,005	2.30%	\$1,219	2.00%
Haywood	\$914	3.60%	\$883	2.50%	\$1,021	2.20%	\$1,161	2.00%
Henderson	\$869	3.40%	\$841	2.40%	\$973	2.10%	\$1,109	1.90%
Henry	\$722	3.00%	\$796	2.30%	\$985	2.20%	\$936	1.50%
Hickman	\$999	3.90%	\$1,088	3.00%	\$1,106	2.40%	\$1,186	2.10%
Houston	\$906	3.70%	\$996	2.90%	\$1,235	2.80%	\$1,171	1.90%
Humphreys	\$617	2.50%	\$685	2.00%	\$853	1.90%	\$812	1.30%

**Table A. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
by Income Level**

COUNTY	\$20,000-\$29,999		\$30,000-\$39,999		\$40,000-\$49,999		\$50,000-\$69,999	
	BURDEN		BURDEN		BURDEN		BURDEN	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
Jackson	\$927	3.60%	\$1,012	2.90%	\$1,094	2.40%	\$1,173	2.00%
Jefferson	\$766	3.00%	\$838	2.40%	\$1,047	2.30%	\$998	1.70%
Johnson	\$717	3.00%	\$766	2.20%	\$776	1.80%	\$1,065	1.90%
Knox	\$925	3.60%	\$1,184	3.30%	\$1,201	2.70%	\$1,436	2.40%
Lake	\$804	3.10%	\$1,019	2.90%	\$1,042	2.30%	\$1,186	2.00%
Lauderdale	\$1,009	4.40%	\$1,203	3.40%	\$1,123	2.60%	\$1,307	2.20%
Lawrence	\$977	3.90%	\$1,065	3.00%	\$1,082	2.40%	\$1,162	2.00%
Lewis	\$836	3.30%	\$915	2.50%	\$931	2.00%	\$1,003	1.70%
Lincoln	\$669	2.80%	\$916	2.60%	\$988	2.20%	\$1,060	1.80%
Loudon	\$639	2.60%	\$699	1.90%	\$836	1.80%	\$1,007	1.70%
McMinn	\$782	3.10%	\$760	2.10%	\$853	1.90%	\$909	1.50%
McNairy	\$830	3.30%	\$782	2.20%	\$916	2.00%	\$1,041	1.80%
Macon	\$936	3.70%	\$1,011	2.90%	\$1,096	2.40%	\$1,162	2.00%
Madison	\$832	3.60%	\$857	2.50%	\$987	2.20%	\$1,165	1.90%
Marion	\$669	2.90%	\$737	2.10%	\$749	1.70%	\$1,007	1.70%
Marshall	\$1,129	4.30%	\$1,342	3.90%	\$1,361	3.10%	\$1,429	2.40%
Mauzy	\$1,017	3.90%	\$1,216	3.50%	\$1,231	2.80%	\$1,297	2.20%
Meigs	\$677	3.00%	\$738	2.10%	\$748	1.70%	\$1,019	1.70%
Monroe	\$688	2.80%	\$760	2.10%	\$891	1.90%	\$1,061	1.80%
Montgomery	\$1,142	4.60%	\$1,364	3.90%	\$1,240	2.70%	\$1,454	2.40%
Moore	\$645	2.70%	\$904	2.60%	\$978	2.20%	\$1,048	1.80%
Morgan	\$968	3.80%	\$1,028	2.90%	\$1,039	2.30%	\$1,455	2.60%
Obion	\$727	2.80%	\$926	2.60%	\$946	2.10%	\$1,082	1.80%
Overton	\$827	3.20%	\$908	2.60%	\$978	2.20%	\$1,051	1.80%
Perry	\$816	3.20%	\$891	2.50%	\$904	2.00%	\$974	1.70%
Pickett	\$736	2.90%	\$819	2.30%	\$880	2.00%	\$957	1.70%
Polk	\$954	3.80%	\$917	2.60%	\$1,034	2.30%	\$1,097	1.90%
Putnam	\$894	3.60%	\$977	2.70%	\$991	2.20%	\$1,410	2.40%
Rhea	\$654	2.90%	\$722	2.00%	\$734	1.60%	\$984	1.60%
Roane	\$816	3.30%	\$891	2.50%	\$1,068	2.30%	\$1,287	2.20%
Robertson	\$983	3.70%	\$1,174	3.30%	\$1,190	2.60%	\$1,257	2.00%
Rutherford	\$1,387	5.40%	\$1,301	3.50%	\$1,321	3.00%	\$1,752	2.90%
Scott	\$729	2.90%	\$797	2.30%	\$809	1.80%	\$1,097	1.90%
Sequatchie	\$678	3.00%	\$746	2.10%	\$758	1.70%	\$1,021	1.70%
Sevier	\$704	2.80%	\$780	2.30%	\$969	2.10%	\$936	1.60%
Shelby	\$1,252	5.00%	\$1,610	4.70%	\$1,450	3.20%	\$1,696	2.80%
Smith	\$840	3.30%	\$923	2.60%	\$996	2.20%	\$1,074	1.90%
Stewart	\$771	3.20%	\$845	2.50%	\$1,055	2.40%	\$992	1.60%
Sullivan	\$880	3.70%	\$948	2.70%	\$960	2.10%	\$1,133	1.90%
Sumner	\$1,111	4.30%	\$1,188	3.50%	\$1,368	3.00%	\$1,436	2.40%
Tipton	\$1,081	4.70%	\$1,283	3.60%	\$1,179	2.70%	\$1,372	2.40%
Trousdale	\$1,017	4.00%	\$1,091	3.10%	\$1,186	2.60%	\$1,252	2.20%

**Table A. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
by Income Level**

COUNTY	\$20,000-\$29,999		\$30,000-\$39,999		\$40,000-\$49,999		\$50,000-\$69,999	
	BURDEN		BURDEN		BURDEN		BURDEN	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
Unicoi	\$808	3.40%	\$891	2.50%	\$905	2.00%	\$1,216	2.10%
Union	\$704	2.80%	\$822	2.30%	\$834	1.90%	\$984	1.70%
Van Buren	\$757	3.00%	\$840	2.40%	\$904	2.00%	\$981	1.70%
Warren	\$894	3.50%	\$982	2.80%	\$1,059	2.40%	\$1,139	2.00%
Washington	\$661	2.70%	\$830	2.40%	\$843	1.80%	\$1,111	1.80%
Wayne	\$850	3.40%	\$940	2.60%	\$960	2.10%	\$1,041	1.80%
Weakley	\$722	2.80%	\$921	2.60%	\$941	2.10%	\$1,076	1.80%
White	\$763	3.10%	\$831	2.30%	\$843	1.90%	\$1,206	2.10%
Williamson	\$2,816	11.10%	\$2,001	5.60%	\$1,750	3.90%	\$2,081	3.40%
Wilson	\$1,183	4.50%	\$1,256	3.70%	\$1,426	3.20%	\$1,491	2.40%
Average	\$870	3.48%	\$969	2.75%	\$1,024	2.28%	\$1,163	1.98%

Note: Percent burden calculated using county median incomes per each income bracket. See Tables 3-6.

ACS Data

Effective property tax rates among the 19 TN counties for which summary data is available ranged from a low of .35% in Sevier County to a high of 1.29% in Shelby County.

INTRODUCTION

Do some Tennesseans pay more in taxes than others? Yes, of course. A person with a large salary will generally pay more in federal income taxes than a person with a smaller salary. What about local taxes? You would expect a person living in a large, fancy mansion to pay more in property taxes than a person living in a small home, for example. Also, you would expect someone who buys expensive designer clothes to pay more in sales taxes than someone with simpler tastes. But, do some Tennesseans pay more in local taxes than others not because of the market value of their homes, or the cost of what they buy, but because of where they live?

This report shows that there is indeed a wide range in local tax burdens across Tennessee counties. It also shows that differences in property tax rates are the main reason for this wide range. Initial summary data demonstrated noticeable variations in home values for a select number of counties. This variation in home values is utilized in this report to estimate tax burdens for all 95 Tennessee counties.

AMERICAN COMMUNITY SURVEY

The U.S. Census Bureau's 2005 American Community Survey (ACS)¹ provides annual estimates of various social, economic, and housing characteristics for a broad range of demographic groups and geographic areas. Detailed geographic area summary statistics are currently limited to those areas with populations of 65,000 or more. As a result, 2005 ACS summary table data is available for the 19 most populous counties in Tennessee. The data for these counties is shown in Table 1.

Effective property tax rates provide one comparison of tax burdens in these 19 counties. For the purposes of this study, an effective tax rate equals the property tax paid divided by the value of the owner-occupied housing unit. In other words, the effective tax rate shows the percent taxes are of the value of the property. TACIR staff has used the ACS data to calculate an effective tax rate for each of the 19 counties for which summary data is available.

Table 1. 2005 American Community Survey Data for Tennessee Counties with Populations of at Least 65,000

County	Median Value of Housing Unit (\$)	Median Household Income (\$)	Ratio of Value to Income	Median Real Estate Taxes Paid (\$)	Taxes as a Percent of Income	Effective Property Tax Rate (Property Tax/Housing Value)
Anderson	103,400	43,849	2.36	901	2.05%	0.87%
Blount	125,200	50,175	2.50	676	1.35%	0.54%
Bradley	112,500	47,203	2.38	695	1.47%	0.62%
Davidson	144,100	56,475	2.55	1,372	2.43%	0.95%
Greene	83,800	37,483	2.24	397	1.06%	0.47%
Hamilton	127,500	52,428	2.43	984	1.88%	0.77%
Knox	126,800	54,394	2.33	920	1.69%	0.73%
Madison	107,700	49,184	2.19	779	1.58%	0.72%
Maury	117,100	51,744	2.26	800	1.55%	0.68%
Montgomery	106,700	53,367	2.00	901	1.69%	0.84%
Putnam	114,400	41,878	2.73	653	1.56%	0.57%
Rutherford	140,100	59,678	2.35	989	1.66%	0.71%
Sevier	123,400	45,431	2.72	427	0.94%	0.35%
Shelby	118,200	54,924	2.15	1,520	2.77%	1.29%
Sullivan	98,600	42,426	2.32	702	1.65%	0.71%
Sumner	152,700	60,264	2.53	1,079	1.79%	0.71%
Washington	110,700	49,434	2.24	618	1.25%	0.56%
Williamson	267,700	94,372	2.84	1,750	1.85%	0.65%
Wilson	160,000	63,100	2.54	1,020	1.62%	0.64%

Source: American Community Survey (2005).

As shown in the last column of Table 1, the effective property tax rates vary greatly among the 19 counties. The lowest effective tax rate (.35%) is found in Sevier County and reflects the impact of tourism² in helping to keep residential property tax rates there among the lowest in the state. In contrast, the highest effective property tax is found in Shelby County, reflecting the impact of an extremely high property tax rate in Memphis. Memphis has the highest combined county and city nominal tax rate in the state.

The impact of high or low effective property tax rates is generally reflected in the estimated property tax burdens shown in the next to last column of the table. In general, high effective property tax rates result in relatively high household tax burdens as measured by the ratio of taxes to income. The relationship between the last two columns of the table is strong, with a statistical correlation of .95. Property taxes as a percent of income ranged from a low of .94% in Sevier County to a high of 2.77% in Shelby County.

ACS Data

Property taxes as a percent of income ranged from a low of .94% in Sevier County to a high of 2.77% in Shelby County.

TENNESSEE COUNTY TAX BURDENS

The ACS data in Table 1 shows a wide range of effective property tax rates and tax burdens for 19 Tennessee counties, but what about the rest of the state? What about other local taxes? TACIR staff has prepared an analysis of local tax burdens in the rest of the state using as a guide an annual study prepared by the Government of the District of Columbia.

D.C. METHODOLOGY

The D.C. study, *Tax Rates and Tax Burdens in the District of Columbia-A Nationwide Comparison*, is considered an authoritative comparison of combined state and local tax burdens across the U.S. It provides a comparison of the tax burden for households at different income levels in the largest city in each state and for D.C. The gross family income levels are \$25,000, \$50,000, \$75,000, \$100,000 and \$150,000. The study estimates the total state and local tax burden for each household at each of the five incomes.

The D.C. study makes several assumptions about households:

- The households consist of a single married family with one child.
- Wages and salary are split 70-30 between the two spouses. All other income is assumed to be split evenly.
- The household at each income level other than the \$25,000 level owns a single family home. The study assumes that the household at the \$25,000 income level rents its housing unit.³

TENNESSEE RESULTS IN THE D.C. STUDY

As shown in Table 2, Memphis, the largest city in Tennessee, had among the lowest tax burdens for the hypothetical family of three at all of the income levels other than the \$25,000 level.⁴ The family at that lowest income level ranked 26th in the nation and had a tax burden equal to 11.20% of their income, the same as the U.S. average. The other family income levels each ranked either 46th or 47th in the nation and each had a tax burden as percent of income lower than the national average.

D.C. Study

Memphis had one of the lowest family tax burdens in each income group except for the \$25,000 level, where the burden was equal to the U.S. average.

**Table 2. A Comparison of Tax Burdens for Four Hypothetical Family Households
Memphis and U.S. Average, 2005**

RANK	FAMILY INCOME	TAXES				BURDEN	
		INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
26	Memphis, TN	\$0	\$1,574	\$1,031	\$183	\$2,788	11.20%
	US AVG	\$390	\$1,633	\$663	\$211	\$2,792	11.20%
46	Memphis, TN	\$0	\$1,496	\$1,384	\$215	\$3,095	6.20%
	US AVG	\$1,189	\$2,231	\$897	\$295	\$4,379	8.80%
46	Memphis, TN	\$0	\$2,084	\$2,111	\$355	\$4,550	6.10%
	US AVG	\$2,523	\$2,641	\$1,387	\$518	\$6,614	8.80%
47	Memphis, TN	\$0	\$2,406	\$2,329	\$420	\$5,156	5.20%
	US AVG	\$3,992	\$2,983	\$1,574	\$641	\$8,518	8.50%
47	Memphis, TN	\$0	\$3,124	\$3,148	\$414	\$6,685	4.50%
	US AVG	\$7,028	\$3,679	\$2,128	\$775	\$12,479	8.30%

Source: District of Columbia Office of Revenue Analysis.

TACIR ANALYSIS

METHODOLOGY

Due to data limitations, TACIR staff had to relax the methodology used in the D.C. study in applying it to tax burdens at the county level. While property tax rates, sales tax rates, and wheel tax rates are available from public sources⁵ for all counties, detailed data on owner-occupied property values and taxable spending patterns by county is not. TACIR staff used sample data from the ACS and detailed data from the Bureau of Labor Statistic's (BLS) Consumer Expenditure Survey (CES) to estimate this data for Tennessee counties. See Appendix A for a full discussion of the methodology staff used in making these estimates.

Other changes involved the income levels used. The D.C. study estimated the tax burden for a hypothetical family of three at five different income levels (\$25,000, \$50,000, \$75,000, \$100,000, and \$150,000). The TACIR analysis limits the investigation to only four hypothetical households (income of \$20,000-\$29,999, \$30,000-\$39,999, \$40,000-\$49,999, and \$50,000-\$69,999).⁶ Lower income households are excluded for two reasons: because of the recent run-up in the cost of housing across the state, low income households, in many counties, are more likely to be renters than home owners;⁷ data on household spending used to estimate local sales tax liabilities by low income households is considered somewhat unreliable in comparison to data for middle income households.⁸ Excluding such households avoids the disclaimers that would otherwise attach to estimates of their tax burdens.

TACIR staff omitted higher income households (income greater than \$70,000) since a majority of rural counties lack a significant number of households with such incomes, and the ACS data reflects this fact.⁹ Households included in this study are less precisely defined than in the D.C. study because of these and other data restrictions.

Tennessee county adjusted property tax rates ranged from \$1.409 per \$100 of assessed value to \$4.09 per \$100 of assessed value in 2005.

Since tax rates are a major factor in determining the tax burden of a family, it is important to look at the different rates in Tennessee counties. There are a wide range of rates for the property, sales, and wheel taxes across the state's counties.

PROPERTY TAX RATES

TACIR staff adjusted the property tax rates for each county using the appraisal ratio calculated by the Tennessee State Board of Equalization. This allows for a more accurate comparison of rates between counties that differ in how long it has been since their property was reappraised. Adjusted property tax rates during 2005 ranged from \$1.409 per \$100 of assessed value in Sevier County to \$4.09 per \$100 of assessed value in Shelby County. The average adjusted rate was \$2.337 per \$100 of assessed value.

LOCAL OPTION SALES TAX RATES

Local option sales tax rates in Tennessee counties ranged from a low of 1.5% in Johnson and DeKalb Counties to a high of 2.75% in 33 counties. It is important to note that the rates used in this study reflect the county-wide tax rate and exclude any additional local rate imposed in some cities. The maximum combined local option rate allowed is 2.75%. The average rate for Tennessee's 95 counties was 2.42%.

WHEEL TAX LIABILITIES

Wheel taxes rates during 2005 ranged from \$0 in forty counties to \$70 in Crockett County. The average rate for the 95 counties was \$20.36. The average among the 55 counties that imposed a wheel tax was \$35.16.

TAX BURDENS

Tables 3-6 show the estimated tax liability for each local tax (property, sales, and wheel), total estimated local tax liabilities (property plus sales tax plus wheel tax), and the local tax burden (calculated as a percent of the hypothetical household's median income) for each of the four hypothetical households. The tax

burdens calculated exclude any city–levied taxes. Tax burdens are ranked from highest (rank of 1) to lowest (rank of 95). Key findings from the tables include:

- Property taxes represent the single largest local tax faced by all four hypothetical households in a majority of counties.¹⁰ If city levied property taxes had also been included in the analysis (data did not allow this), property taxes would have loomed even larger.
- The average state-wide local sale tax liability for each of the hypothetical households averages 60%-70% of their respective property tax liability.
- Most of the variation in total local tax burdens is caused by variations in property tax liabilities.¹¹
- Total local tax burdens were lowest in DeKalb County for all four hypothetical households. Tax burdens were highest in Williamson County for all but the \$40,000-\$49,999 household, in which Davidson was highest with Williamson a close second.
- Total tax burden amounts were dominated by property tax liabilities, and closely-linked to property tax rates.¹²
- Total local taxes are regressive, since each of the three taxes is separately regressive. Regressivity refers to lower income persons paying a higher percent of their income for taxes than do higher income persons. The opposite of regressivity is progressivity.

Basic findings for each income level follow. It is important to note that in some cases the ACS data indicated higher median property values for some income levels in some counties than for higher income levels in the same county. This resulted in higher property tax burdens, and in some cases, higher total local tax burdens, for some income levels in these counties, relative to families at higher income levels. This counterintuitive data could be the result of the small sample size used by ACS or perhaps in some cases an indication of a high concentration in the county of individuals, such as retirees, with low income relative to property wealth.

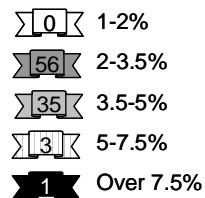
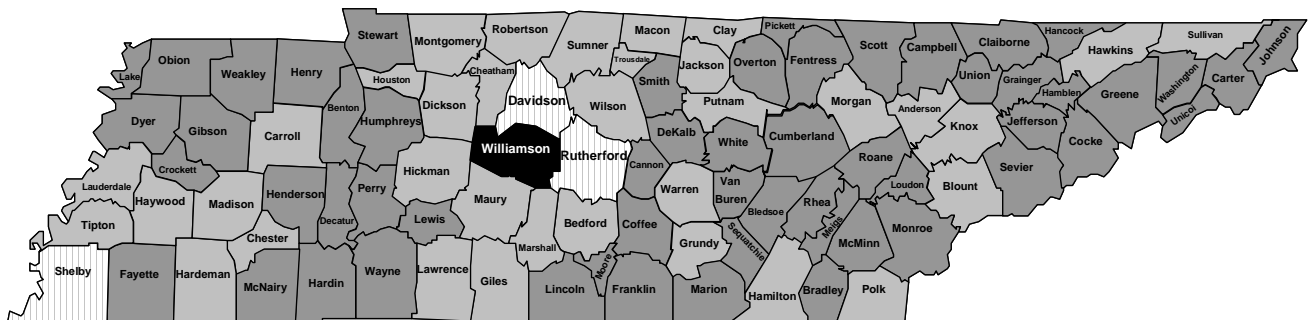
Property taxes represent the single largest local tax faced by the hypothetical families at all four income levels.

\$20,000-\$29,999 INCOME LEVEL

As shown in Map 1 and Table 3, the estimated local tax burden among hypothetical families of three earning \$20,000-\$29,999 in gross income in Tennessee ranged from \$507 per year, or 2.0% of income in DeKalb County to a high of \$2,816 per year, or 11.1% of income in Williamson County. The average burden for this income level was \$870 per year, or 3.48% of income.

For this income level, fifty-six counties had total local tax burdens between 2% and 3.5%, thirty-five counties had burdens between 3.5% and 5%, three counties, Davidson, Rutherford, and Shelby, had burdens between 5% and 7.5%, and one county, Williamson County, had a burden over 7.5%.

**Map 1. Local Tax Burden as Percent of Income
Hypothetical Household Earning \$20,000-\$29,999**



**Table 3. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005
Gross Income \$20,000-\$29,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
39	Anderson	\$25,161	\$85,000	\$599	\$279	\$0	\$878	3.50%
21	Bedford	\$26,180	\$95,000	\$658	\$341	\$0	\$999	3.80%
49	Benton	\$24,448	\$65,000	\$447	\$341	\$0	\$788	3.20%
92	Bledsoe	\$22,920	\$75,000	\$306	\$279	\$0	\$585	2.60%
18	Blount	\$24,652	\$112,500	\$683	\$279	\$0	\$962	3.90%
43	Bradley	\$25,365	\$112,500	\$568	\$279	\$0	\$847	3.30%
76	Campbell	\$25,263	\$75,000	\$375	\$279	\$73	\$727	2.90%
60	Cannon	\$25,467	\$85,000	\$561	\$217	\$21	\$799	3.10%
36	Carroll	\$24,448	\$65,000	\$457	\$341	\$62	\$860	3.50%
55	Carter	\$23,939	\$75,000	\$480	\$279	\$0	\$759	3.20%
12	Cheatham	\$26,791	\$95,000	\$743	\$279	\$104	\$1,126	4.20%
15	Chester	\$23,022	\$85,000	\$429	\$341	\$135	\$905	3.90%
50	Claiborne	\$25,263	\$75,000	\$489	\$279	\$52	\$820	3.20%
14	Clay	\$25,467	\$85,000	\$614	\$341	\$52	\$1,007	4.00%
54	Cocke	\$25,263	\$75,000	\$465	\$341	\$0	\$806	3.20%
85	Coffee	\$23,837	\$55,000	\$415	\$248	\$0	\$663	2.80%
52	Crockett	\$26,180	\$55,000	\$355	\$341	\$146	\$841	3.20%
79	Cumberland	\$24,652	\$85,000	\$349	\$341	\$0	\$689	2.80%
2	Davidson	\$25,263	\$112,500	\$1,136	\$279	\$114	\$1,530	6.10%
86	Decatur	\$25,467	\$85,000	\$332	\$310	\$62	\$704	2.80%
95	DeKalb	\$25,467	\$85,000	\$321	\$186	\$0	\$507	2.00%
7	Dickson	\$26,791	\$95,000	\$762	\$341	\$125	\$1,228	4.60%
58	Dyer	\$26,180	\$55,000	\$355	\$341	\$125	\$820	3.10%
51	Fayette	\$23,022	\$95,000	\$413	\$279	\$52	\$744	3.20%
67	Fentress	\$25,467	\$85,000	\$400	\$310	\$52	\$761	3.00%
77	Franklin	\$23,837	\$55,000	\$403	\$279	\$0	\$682	2.90%
90	Gibson	\$26,180	\$55,000	\$340	\$279	\$73	\$692	2.60%
23	Giles	\$25,324	\$85,000	\$652	\$310	\$0	\$962	3.80%
63	Grainger	\$25,263	\$75,000	\$429	\$341	\$0	\$770	3.00%
56	Greene	\$23,939	\$75,000	\$366	\$341	\$42	\$748	3.10%
38	Grundy	\$22,920	\$75,000	\$527	\$279	\$0	\$806	3.50%
65	Hamblen	\$25,263	\$75,000	\$394	\$310	\$56	\$760	3.00%
17	Hamilton	\$24,448	\$95,000	\$687	\$279	\$0	\$966	4.00%
91	Hancock	\$25,263	\$75,000	\$379	\$248	\$42	\$668	2.60%
25	Hardeman	\$25,467	\$85,000	\$563	\$341	\$42	\$946	3.70%
59	Hardin	\$25,467	\$85,000	\$387	\$310	\$96	\$792	3.10%
34	Hawkins	\$24,957	\$75,000	\$503	\$341	\$56	\$900	3.60%
35	Haywood	\$25,467	\$85,000	\$510	\$341	\$63	\$914	3.60%
40	Henderson	\$25,467	\$85,000	\$487	\$341	\$42	\$869	3.40%
71	Henry	\$24,448	\$65,000	\$374	\$279	\$70	\$722	3.00%
16	Hickman	\$25,324	\$85,000	\$595	\$341	\$63	\$999	3.90%
26	Houston	\$24,448	\$65,000	\$471	\$341	\$94	\$906	3.70%
94	Humphreys	\$24,448	\$65,000	\$338	\$279	\$0	\$617	2.50%

**Table 3. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$20,000-\$29,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
30	Jackson	\$25,467	\$85,000	\$555	\$341	\$31	\$927	3.60%
66	Jefferson	\$25,365	\$95,000	\$435	\$279	\$52	\$766	3.00%
70	Johnson	\$23,939	\$75,000	\$489	\$186	\$42	\$717	3.00%
33	Knox	\$25,467	\$85,000	\$572	\$279	\$75	\$925	3.60%
62	Lake	\$26,180	\$55,000	\$334	\$341	\$129	\$804	3.10%
9	Lauderdale	\$23,022	\$95,000	\$553	\$341	\$114	\$1,009	4.40%
19	Lawrence	\$25,324	\$85,000	\$584	\$341	\$52	\$977	3.90%
45	Lewis	\$25,324	\$85,000	\$485	\$310	\$42	\$836	3.30%
80	Lincoln	\$23,837	\$55,000	\$307	\$310	\$52	\$669	2.80%
93	Loudon	\$24,825	\$85,000	\$391	\$248	\$0	\$639	2.60%
64	McMinn	\$25,365	\$112,500	\$534	\$248	\$0	\$782	3.10%
47	McNairy	\$25,467	\$85,000	\$510	\$279	\$42	\$830	3.30%
28	Macon	\$25,467	\$85,000	\$574	\$279	\$83	\$936	3.70%
32	Madison	\$23,022	\$85,000	\$491	\$341	\$0	\$832	3.60%
73	Marion	\$22,920	\$75,000	\$390	\$279	\$0	\$669	2.90%
11	Marshall	\$26,180	\$95,000	\$746	\$279	\$104	\$1,129	4.30%
20	Maury	\$26,180	\$95,000	\$686	\$279	\$52	\$1,017	3.90%
72	Meigs	\$22,920	\$75,000	\$429	\$248	\$0	\$677	3.00%
87	Monroe	\$24,825	\$85,000	\$357	\$279	\$52	\$688	2.80%
6	Montgomery	\$24,856	\$95,000	\$770	\$310	\$62	\$1,142	4.60%
88	Moore	\$23,837	\$55,000	\$336	\$310	\$0	\$645	2.70%
22	Morgan	\$25,263	\$75,000	\$720	\$248	\$0	\$968	3.80%
82	Obion	\$26,180	\$55,000	\$303	\$341	\$83	\$727	2.80%
48	Overton	\$25,467	\$85,000	\$455	\$310	\$62	\$827	3.20%
53	Perry	\$25,324	\$85,000	\$506	\$310	\$0	\$816	3.20%
74	Pickett	\$25,467	\$85,000	\$395	\$341	\$0	\$736	2.90%
24	Polk	\$25,365	\$112,500	\$675	\$279	\$0	\$954	3.80%
31	Putnam	\$24,652	\$85,000	\$553	\$341	\$0	\$894	3.60%
78	Rhea	\$22,920	\$75,000	\$375	\$279	\$0	\$654	2.90%
46	Roane	\$24,825	\$85,000	\$506	\$310	\$0	\$816	3.30%
29	Robertson	\$26,791	\$95,000	\$632	\$279	\$73	\$983	3.70%
3	Rutherford	\$25,874	\$137,500	\$963	\$341	\$83	\$1,387	5.40%
75	Scott	\$25,263	\$75,000	\$450	\$279	\$0	\$729	2.90%
69	Sequatchie	\$22,920	\$75,000	\$399	\$279	\$0	\$678	3.00%
83	Sevier	\$25,365	\$95,000	\$394	\$310	\$0	\$704	2.80%
4	Shelby	\$25,161	\$85,000	\$869	\$279	\$104	\$1,252	5.00%
44	Smith	\$25,467	\$85,000	\$499	\$341	\$0	\$840	3.30%
57	Stewart	\$24,448	\$65,000	\$419	\$279	\$73	\$771	3.20%
27	Sullivan	\$23,633	\$95,000	\$601	\$279	\$0	\$880	3.70%
10	Sumner	\$25,569	\$112,500	\$728	\$279	\$104	\$1,111	4.30%
5	Tipton	\$23,022	\$95,000	\$677	\$279	\$125	\$1,081	4.70%
13	Trousdale	\$25,467	\$85,000	\$655	\$279	\$83	\$1,017	4.00%

**Table 3. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$20,000-\$29,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
41	Unicoi	\$23,939	\$75,000	\$467	\$341	\$0	\$808	3.40%
81	Union	\$25,161	\$85,000	\$425	\$279	\$0	\$704	2.80%
68	Van Buren	\$25,467	\$85,000	\$417	\$341	\$0	\$757	3.00%
37	Warren	\$25,467	\$85,000	\$491	\$341	\$62	\$894	3.50%
89	Washington	\$24,601	\$75,000	\$351	\$310	\$0	\$661	2.70%
42	Wayne	\$25,324	\$85,000	\$423	\$341	\$86	\$850	3.40%
84	Weakley	\$26,180	\$55,000	\$298	\$341	\$83	\$722	2.80%
61	White	\$24,652	\$85,000	\$485	\$279	\$0	\$763	3.10%
1	Williamson	\$25,467	\$350,000	\$2,485	\$279	\$52	\$2,816	11.10%
8	Wilson	\$26,353	\$137,500	\$853	\$279	\$52	\$1,183	4.50%
	Average			\$527	\$300	\$42	\$870	3.48%

Note: Tax burdens calculated by TACIR using tax rate information from TN Office of the Comptroller and TN Department of Revenue

¹ Median Family Income for income bracket, US Census Bureau, American Community Survey

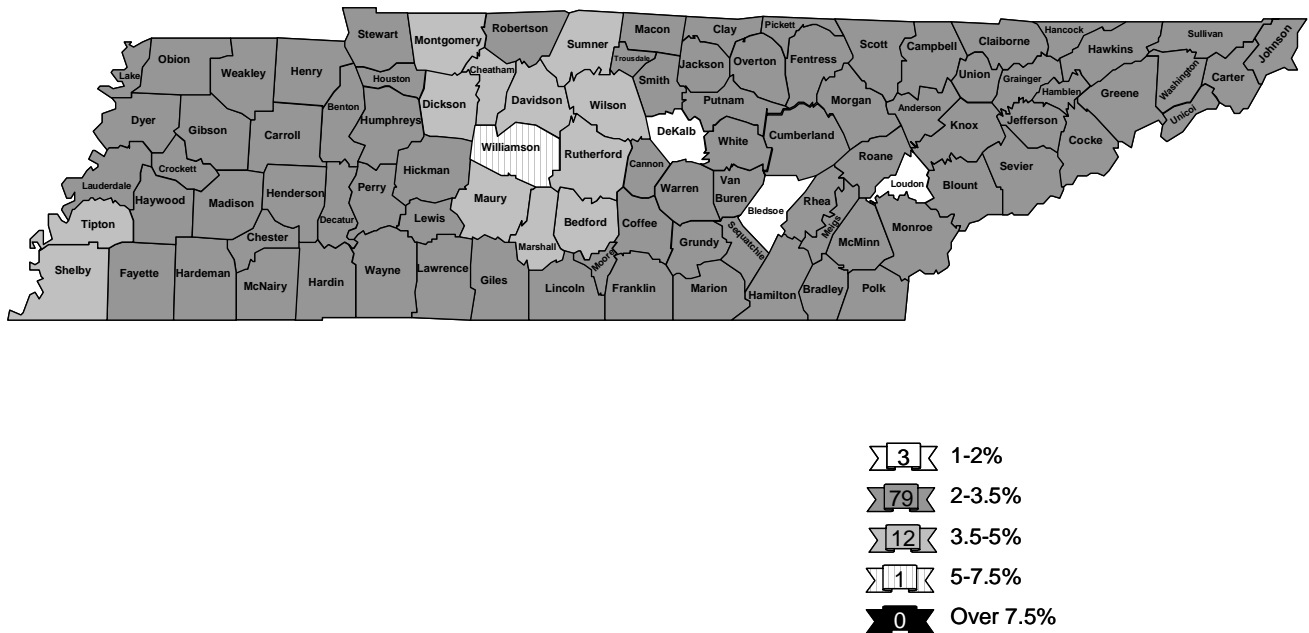
² Median House Value for income bracket, per Public Use Micro Data Sample Areas, US Census Bureau, American Community Survey

\$30,000-\$39,999 INCOME LEVEL

As shown in Map 2 and Table 4, the estimated local tax burden among hypothetical families of three earning \$30,000-\$39,999 in gross income in Tennessee ranged from \$552 per year, or 1.6% of income in DeKalb County, to a high of \$2,001 per year, or 5.6% of income in Williamson County. The lower burden in Williamson County for this income level, \$2,001 versus \$2,816 for the \$20,000-\$29,999 income level family, is an example of some of the counterintuitive ACS property values discussed earlier. The average burden for this income level was \$969 per year, or 2.75% of income.

For this income level, three counties had total local tax burdens below 2%, seventy-nine counties had total burdens between 2% and 3.5%, twelve counties had burdens between 3.5% and 5%, and one county, Williamson County, had a burden over 5%.

**Map 2. Local Tax Burden as Percent of Income
Hypothetical Household Earning \$30,000-\$39,999**



**Table 4. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005
Gross Income \$30,000-\$39,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
31	Anderson	\$35,144	\$95,000	\$670	\$347	\$0	\$1,017	2.90%
12	Bedford	\$34,329	\$112,500	\$779	\$424	\$0	\$1,203	3.50%
48	Benton	\$33,922	\$65,000	\$447	\$424	\$0	\$871	2.60%
94	Bledsoe	\$35,348	\$75,000	\$306	\$347	\$0	\$653	1.80%
51	Blount	\$35,959	\$95,000	\$577	\$347	\$0	\$924	2.60%
76	Bradley	\$35,664	\$95,000	\$480	\$347	\$0	\$827	2.30%
78	Campbell	\$35,246	\$75,000	\$375	\$347	\$79	\$801	2.30%
70	Cannon	\$35,450	\$85,000	\$561	\$270	\$23	\$853	2.40%
35	Carroll	\$33,922	\$65,000	\$457	\$424	\$68	\$948	2.80%
72	Carter	\$35,236	\$75,000	\$480	\$347	\$0	\$827	2.30%
8	Cheatham	\$36,061	\$112,500	\$880	\$347	\$113	\$1,340	3.70%
36	Chester	\$34,227	\$75,000	\$379	\$424	\$146	\$949	2.80%
56	Claiborne	\$35,246	\$75,000	\$489	\$347	\$56	\$892	2.50%
21	Clay	\$35,450	\$85,000	\$614	\$424	\$56	\$1,094	3.10%
17	Cocke	\$34,635	\$112,500	\$698	\$424	\$0	\$1,121	3.20%
41	Coffee	\$34,838	\$85,000	\$642	\$308	\$0	\$950	2.70%
23	Crockett	\$35,144	\$75,000	\$484	\$424	\$158	\$1,065	3.00%
82	Cumberland	\$35,755	\$85,000	\$349	\$424	\$0	\$772	2.20%
3	Davidson	\$35,246	\$112,500	\$1,136	\$347	\$124	\$1,607	4.60%
92	Decatur	\$35,653	\$65,000	\$254	\$385	\$68	\$706	2.00%
95	DeKalb	\$35,450	\$85,000	\$321	\$231	\$0	\$552	1.60%
4	Dickson	\$36,061	\$112,500	\$903	\$424	\$135	\$1,462	4.10%
26	Dyer	\$35,144	\$75,000	\$484	\$424	\$135	\$1,043	3.00%
58	Fayette	\$35,450	\$112,500	\$489	\$347	\$56	\$892	2.50%
68	Fentress	\$35,450	\$85,000	\$400	\$385	\$56	\$841	2.40%
38	Franklin	\$34,838	\$85,000	\$623	\$347	\$0	\$969	2.80%
57	Gibson	\$35,144	\$75,000	\$464	\$347	\$79	\$889	2.50%
32	Giles	\$36,061	\$85,000	\$652	\$385	\$0	\$1,038	2.90%
20	Grainger	\$34,635	\$112,500	\$644	\$424	\$0	\$1,068	3.10%
67	Greene	\$35,236	\$75,000	\$366	\$424	\$45	\$835	2.40%
63	Grundy	\$35,348	\$75,000	\$527	\$347	\$0	\$874	2.50%
25	Hamblen	\$34,635	\$112,500	\$591	\$385	\$61	\$1,037	3.00%
18	Hamilton	\$35,653	\$112,500	\$814	\$347	\$0	\$1,161	3.30%
89	Hancock	\$35,246	\$75,000	\$379	\$308	\$45	\$732	2.10%
53	Hardeman	\$35,653	\$65,000	\$431	\$424	\$45	\$900	2.50%
80	Hardin	\$35,653	\$65,000	\$296	\$385	\$104	\$785	2.20%
15	Hawkins	\$33,616	\$95,000	\$637	\$424	\$61	\$1,121	3.30%
59	Haywood	\$35,653	\$65,000	\$390	\$424	\$69	\$883	2.50%
69	Henderson	\$35,653	\$65,000	\$372	\$424	\$45	\$841	2.40%
71	Henry	\$33,922	\$65,000	\$374	\$347	\$75	\$796	2.30%
24	Hickman	\$36,061	\$85,000	\$595	\$424	\$69	\$1,088	3.00%
28	Houston	\$33,922	\$65,000	\$471	\$424	\$101	\$996	2.90%
91	Humphreys	\$33,922	\$65,000	\$338	\$347	\$0	\$685	2.00%

**Table 4. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$30,000-\$39,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
33	Jackson	\$35,450	\$85,000	\$555	\$424	\$34	\$1,012	2.90%
64	Jefferson	\$34,451	\$95,000	\$435	\$347	\$56	\$838	2.40%
83	Johnson	\$35,236	\$75,000	\$489	\$231	\$45	\$766	2.20%
16	Knox	\$35,653	\$112,500	\$757	\$347	\$81	\$1,184	3.30%
29	Lake	\$35,144	\$75,000	\$456	\$424	\$140	\$1,019	2.90%
14	Lauderdale	\$35,450	\$112,500	\$655	\$424	\$124	\$1,203	3.40%
27	Lawrence	\$36,061	\$85,000	\$584	\$424	\$56	\$1,065	3.00%
54	Lewis	\$36,061	\$85,000	\$485	\$385	\$45	\$915	2.50%
44	Lincoln	\$34,838	\$85,000	\$474	\$385	\$56	\$916	2.60%
93	Loudon	\$36,061	\$85,000	\$391	\$308	\$0	\$699	1.90%
84	McMinn	\$35,664	\$95,000	\$451	\$308	\$0	\$760	2.10%
81	McNairy	\$35,653	\$65,000	\$390	\$347	\$45	\$782	2.20%
34	Macon	\$35,450	\$85,000	\$574	\$347	\$90	\$1,011	2.90%
55	Madison	\$34,227	\$75,000	\$433	\$424	\$0	\$857	2.50%
87	Marion	\$35,348	\$75,000	\$390	\$347	\$0	\$737	2.10%
6	Marshall	\$34,329	\$112,500	\$883	\$347	\$113	\$1,342	3.90%
11	Mauzy	\$34,329	\$112,500	\$813	\$347	\$56	\$1,216	3.50%
88	Meigs	\$35,348	\$75,000	\$429	\$308	\$0	\$738	2.10%
86	Monroe	\$36,061	\$85,000	\$357	\$347	\$56	\$760	2.10%
5	Montgomery	\$34,737	\$112,500	\$911	\$385	\$68	\$1,364	3.90%
47	Moore	\$34,838	\$85,000	\$519	\$385	\$0	\$904	2.60%
30	Morgan	\$35,246	\$75,000	\$720	\$308	\$0	\$1,028	2.90%
42	Obion	\$35,144	\$75,000	\$413	\$424	\$90	\$926	2.60%
49	Overton	\$35,450	\$85,000	\$455	\$385	\$68	\$908	2.60%
61	Perry	\$36,061	\$85,000	\$506	\$385	\$0	\$891	2.50%
74	Pickett	\$35,450	\$85,000	\$395	\$424	\$0	\$819	2.30%
50	Polk	\$35,664	\$95,000	\$570	\$347	\$0	\$917	2.60%
39	Putnam	\$35,755	\$85,000	\$553	\$424	\$0	\$977	2.70%
90	Rhea	\$35,348	\$75,000	\$375	\$347	\$0	\$722	2.00%
61	Roane	\$36,061	\$85,000	\$506	\$385	\$0	\$891	2.50%
19	Robertson	\$36,061	\$112,500	\$748	\$347	\$79	\$1,174	3.30%
10	Rutherford	\$36,774	\$112,500	\$788	\$424	\$90	\$1,301	3.50%
79	Scott	\$35,246	\$75,000	\$450	\$347	\$0	\$797	2.30%
85	Sequatchie	\$35,348	\$75,000	\$399	\$347	\$0	\$746	2.10%
77	Sevier	\$34,451	\$95,000	\$394	\$385	\$0	\$780	2.30%
2	Shelby	\$34,227	\$112,500	\$1,150	\$347	\$113	\$1,610	4.70%
45	Smith	\$35,450	\$85,000	\$499	\$424	\$0	\$923	2.60%
60	Stewart	\$33,922	\$65,000	\$419	\$347	\$79	\$845	2.50%
40	Sullivan	\$34,635	\$95,000	\$601	\$347	\$0	\$948	2.70%
13	Sumner	\$33,820	\$112,500	\$728	\$347	\$113	\$1,188	3.50%
9	Tipton	\$35,450	\$112,500	\$802	\$347	\$135	\$1,283	3.60%
22	Trousdale	\$35,450	\$85,000	\$655	\$347	\$90	\$1,091	3.10%

**Table 4. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$30,000-\$39,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
52	Unicoi	\$35,236	\$75,000	\$467	\$424	\$0	\$891	2.50%
73	Union	\$35,144	\$95,000	\$475	\$347	\$0	\$822	2.30%
66	Van Buren	\$35,450	\$85,000	\$417	\$424	\$0	\$840	2.40%
37	Warren	\$35,450	\$85,000	\$491	\$424	\$68	\$982	2.80%
65	Washington	\$34,635	\$95,000	\$444	\$385	\$0	\$830	2.40%
46	Wayne	\$36,061	\$85,000	\$423	\$424	\$93	\$940	2.60%
43	Weakley	\$35,144	\$75,000	\$407	\$424	\$90	\$921	2.60%
75	White	\$35,755	\$85,000	\$485	\$347	\$0	\$831	2.30%
1	Williamson	\$35,653	\$225,000	\$1,598	\$347	\$56	\$2,001	5.60%
7	Wilson	\$33,718	\$137,500	\$853	\$347	\$56	\$1,256	3.70%
	Average			\$550	\$374	\$46	\$969	2.75%

Note: Tax burdens calculated by TACIR using tax rate information from TN Office of the Comptroller and TN Department of Revenue

¹ Median Family Income for income bracket, US Census Bureau, American Community Survey

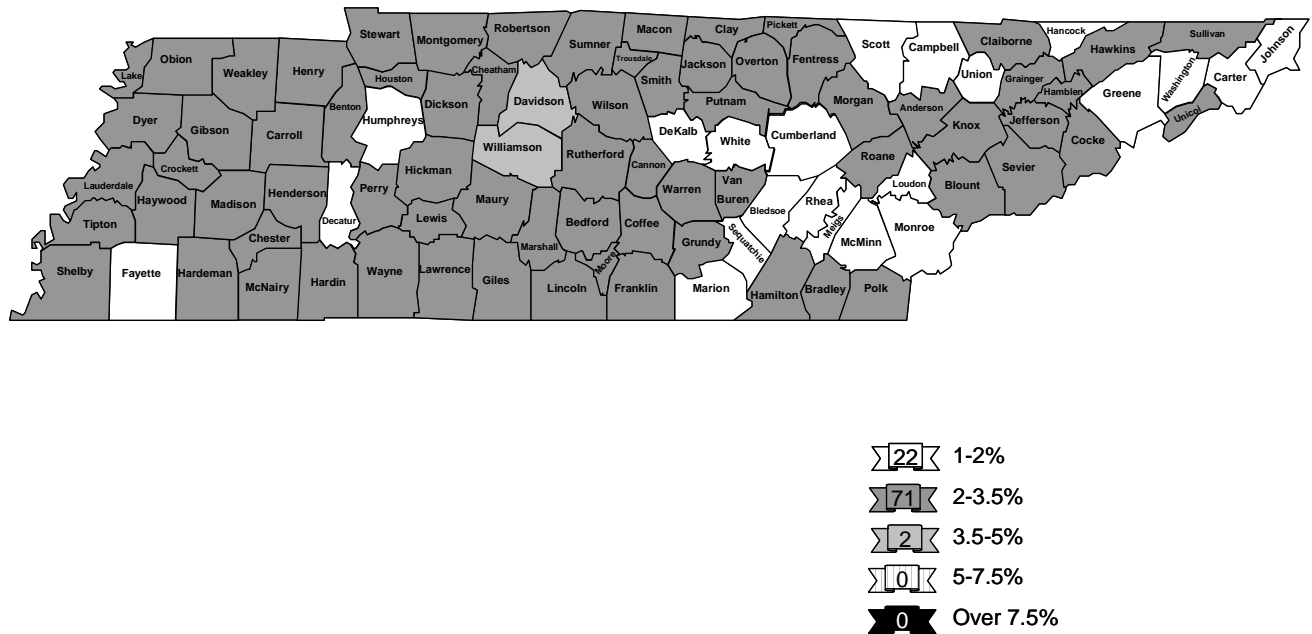
² Median House Value for income bracket, per Public Use Micro Data Sample Areas, US Census Bureau, American Community Survey

\$40,000-\$49,999 INCOME LEVEL

As shown in Map 3 and Table 5, the estimated local tax burden among hypothetical families of three earning \$40,000-\$49,999 in gross income in Tennessee ranged from \$598 per year, or 1.3% of income in DeKalb County, to a high of \$1,879 per year, or 4.1% of income in Davidson County. The average burden for this income level was \$1,024 per year, or 2.28% of income.

For this income level, twenty-two counties had total local tax burdens below 2%, seventy-one counties had total burdens between 2% and 3.5%, and two counties, Davidson and Williamson, had burdens between 3.5% and 5%.

**Map 3. Local Tax Burden as Percent of Income
Hypothetical Household Earning \$40,000-\$49,999**



**Table 5. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005
Gross Income \$40,000-\$49,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
34	Anderson	\$43,803	\$95,000	\$670	\$359	\$0	\$1,028	2.30%
14	Bedford	\$44,618	\$112,500	\$779	\$438	\$0	\$1,217	2.70%
23	Benton	\$44,108	\$95,000	\$653	\$438	\$0	\$1,091	2.50%
94	Bledsoe	\$44,516	\$75,000	\$306	\$359	\$0	\$665	1.50%
7	Blount	\$44,516	\$162,500	\$987	\$359	\$0	\$1,346	3.00%
61	Bradley	\$44,720	\$112,500	\$568	\$359	\$0	\$927	2.10%
83	Campbell	\$44,821	\$75,000	\$375	\$359	\$84	\$817	1.80%
63	Cannon	\$44,821	\$95,000	\$627	\$279	\$24	\$930	2.10%
17	Carroll	\$44,108	\$95,000	\$667	\$438	\$72	\$1,177	2.70%
80	Carter	\$44,312	\$75,000	\$480	\$359	\$0	\$839	1.90%
10	Cheatham	\$45,840	\$112,500	\$880	\$359	\$120	\$1,358	3.00%
31	Chester	\$45,371	\$95,000	\$480	\$438	\$155	\$1,073	2.40%
67	Claiborne	\$44,821	\$75,000	\$489	\$359	\$60	\$908	2.00%
19	Clay	\$44,821	\$95,000	\$686	\$438	\$60	\$1,184	2.60%
43	Cocke	\$42,784	\$85,000	\$527	\$438	\$0	\$965	2.30%
38	Coffee	\$44,414	\$95,000	\$717	\$319	\$0	\$1,036	2.30%
25	Crockett	\$44,923	\$75,000	\$484	\$438	\$167	\$1,089	2.40%
87	Cumberland	\$45,229	\$85,000	\$349	\$438	\$0	\$787	1.70%
1	Davidson	\$45,840	\$137,500	\$1,389	\$359	\$131	\$1,879	4.10%
86	Decatur	\$45,738	\$85,000	\$332	\$399	\$72	\$802	1.80%
95	DeKalb	\$44,821	\$95,000	\$359	\$239	\$0	\$598	1.30%
3	Dickson	\$45,840	\$112,500	\$903	\$438	\$143	\$1,485	3.20%
28	Dyer	\$44,923	\$75,000	\$484	\$438	\$143	\$1,066	2.40%
78	Fayette	\$43,752	\$95,000	\$413	\$359	\$60	\$832	1.90%
66	Fentress	\$44,821	\$95,000	\$447	\$399	\$60	\$905	2.00%
33	Franklin	\$44,414	\$95,000	\$696	\$359	\$0	\$1,055	2.40%
68	Gibson	\$44,923	\$75,000	\$464	\$359	\$84	\$906	2.00%
40	Giles	\$45,636	\$85,000	\$652	\$399	\$0	\$1,051	2.30%
53	Grainger	\$42,784	\$85,000	\$487	\$438	\$0	\$925	2.20%
74	Greene	\$44,312	\$75,000	\$366	\$438	\$48	\$852	1.90%
71	Grundy	\$44,516	\$75,000	\$527	\$359	\$0	\$886	2.00%
55	Hamblen	\$42,784	\$85,000	\$446	\$399	\$65	\$909	2.10%
11	Hamilton	\$46,747	\$137,500	\$995	\$359	\$0	\$1,353	2.90%
92	Hancock	\$44,821	\$75,000	\$379	\$319	\$48	\$745	1.70%
39	Hardeman	\$45,738	\$85,000	\$563	\$438	\$48	\$1,049	2.30%
73	Hardin	\$45,738	\$85,000	\$387	\$399	\$110	\$895	2.00%
37	Hawkins	\$43,803	\$75,000	\$503	\$438	\$65	\$1,005	2.30%
44	Haywood	\$45,738	\$85,000	\$510	\$438	\$73	\$1,021	2.20%
54	Henderson	\$45,738	\$85,000	\$487	\$438	\$48	\$973	2.10%
48	Henry	\$44,108	\$95,000	\$546	\$359	\$80	\$985	2.20%
26	Hickman	\$45,636	\$85,000	\$595	\$438	\$73	\$1,106	2.40%
12	Houston	\$44,108	\$95,000	\$689	\$438	\$108	\$1,235	2.80%
75	Humphreys	\$44,108	\$95,000	\$494	\$359	\$0	\$853	1.90%

**Table 5. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$40,000-\$49,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
24	Jackson	\$44,821	\$95,000	\$620	\$438	\$36	\$1,094	2.40%
46	Jefferson	\$46,553	\$137,500	\$629	\$359	\$60	\$1,047	2.30%
88	Johnson	\$44,312	\$75,000	\$489	\$239	\$48	\$776	1.80%
18	Knox	\$44,720	\$112,500	\$757	\$359	\$86	\$1,201	2.70%
35	Lake	\$44,923	\$75,000	\$456	\$438	\$148	\$1,042	2.30%
22	Lauderdale	\$43,752	\$95,000	\$553	\$438	\$131	\$1,123	2.60%
30	Lawrence	\$45,636	\$85,000	\$584	\$438	\$60	\$1,082	2.40%
64	Lewis	\$45,636	\$85,000	\$485	\$399	\$48	\$931	2.00%
47	Lincoln	\$44,414	\$95,000	\$530	\$399	\$60	\$988	2.20%
85	Loudon	\$46,146	\$112,500	\$518	\$319	\$0	\$836	1.80%
79	McMinn	\$44,720	\$112,500	\$534	\$319	\$0	\$853	1.90%
69	McNairy	\$45,738	\$85,000	\$510	\$359	\$48	\$916	2.00%
27	Macon	\$44,821	\$95,000	\$641	\$359	\$96	\$1,096	2.40%
51	Madison	\$45,371	\$95,000	\$549	\$438	\$0	\$987	2.20%
90	Marion	\$44,516	\$75,000	\$390	\$359	\$0	\$749	1.70%
6	Marshall	\$44,618	\$112,500	\$883	\$359	\$120	\$1,361	3.10%
13	Mauzy	\$44,618	\$112,500	\$813	\$359	\$60	\$1,231	2.80%
91	Meigs	\$44,516	\$75,000	\$429	\$319	\$0	\$748	1.70%
76	Monroe	\$46,146	\$112,500	\$473	\$359	\$60	\$891	1.90%
15	Montgomery	\$45,840	\$95,000	\$770	\$399	\$72	\$1,240	2.70%
49	Moore	\$44,414	\$95,000	\$580	\$399	\$0	\$978	2.20%
42	Morgan	\$44,821	\$75,000	\$720	\$319	\$0	\$1,039	2.30%
57	Obion	\$44,923	\$75,000	\$413	\$438	\$96	\$946	2.10%
52	Overton	\$44,821	\$95,000	\$508	\$399	\$72	\$978	2.20%
70	Perry	\$45,636	\$85,000	\$506	\$399	\$0	\$904	2.00%
72	Pickett	\$44,821	\$95,000	\$442	\$438	\$0	\$880	2.00%
41	Polk	\$44,720	\$112,500	\$675	\$359	\$0	\$1,034	2.30%
50	Putnam	\$45,229	\$85,000	\$553	\$438	\$0	\$991	2.20%
93	Rhea	\$44,516	\$75,000	\$375	\$359	\$0	\$734	1.60%
36	Roane	\$46,146	\$112,500	\$669	\$399	\$0	\$1,068	2.30%
21	Robertson	\$45,840	\$112,500	\$748	\$359	\$84	\$1,190	2.60%
8	Rutherford	\$44,210	\$112,500	\$788	\$438	\$96	\$1,321	3.00%
84	Scott	\$44,821	\$75,000	\$450	\$359	\$0	\$809	1.80%
89	Sequatchie	\$44,516	\$75,000	\$399	\$359	\$0	\$758	1.70%
60	Sevier	\$46,553	\$137,500	\$571	\$399	\$0	\$969	2.10%
4	Shelby	\$44,720	\$95,000	\$971	\$359	\$120	\$1,450	3.20%
45	Smith	\$44,821	\$95,000	\$558	\$438	\$0	\$996	2.20%
29	Stewart	\$44,108	\$95,000	\$613	\$359	\$84	\$1,055	2.40%
56	Sullivan	\$44,923	\$95,000	\$601	\$359	\$0	\$960	2.10%
9	Sumner	\$46,044	\$137,500	\$890	\$359	\$120	\$1,368	3.00%
16	Tipton	\$43,752	\$95,000	\$677	\$359	\$143	\$1,179	2.70%
20	Trousdale	\$44,821	\$95,000	\$732	\$359	\$96	\$1,186	2.60%

**Table 5. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$40,000-\$49,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
62	Unicoi	\$44,312	\$75,000	\$467	\$438	\$0	\$905	2.00%
77	Union	\$43,803	\$95,000	\$475	\$359	\$0	\$834	1.90%
65	Van Buren	\$44,821	\$95,000	\$466	\$438	\$0	\$904	2.00%
32	Warren	\$44,821	\$95,000	\$549	\$438	\$72	\$1,059	2.40%
82	Washington	\$45,840	\$95,000	\$444	\$399	\$0	\$843	1.80%
58	Wayne	\$45,636	\$85,000	\$423	\$438	\$99	\$960	2.10%
59	Weakley	\$44,923	\$75,000	\$407	\$438	\$96	\$941	2.10%
81	White	\$45,229	\$85,000	\$485	\$359	\$0	\$843	1.90%
2	Williamson	\$44,821	\$187,500	\$1,331	\$359	\$60	\$1,750	3.90%
5	Wilson	\$45,127	\$162,500	\$1,008	\$359	\$60	\$1,426	3.20%
	Average			\$589	\$386	\$49	\$1,024	2.28%

Note: Tax burdens calculated by TACIR using tax rate information from TN Office of the Comptroller and TN Department of Revenue

¹ Median Family Income for income bracket, US Census Bureau, American Community Survey

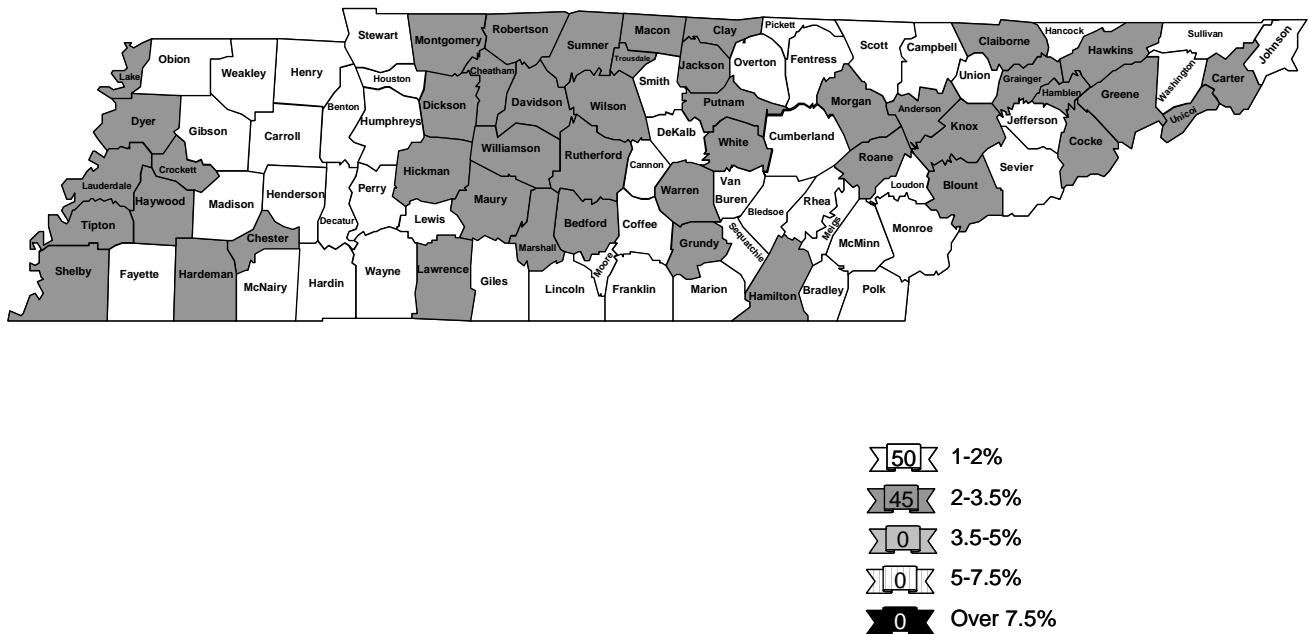
² Median House Value for income bracket, per Public Use Micro Data Sample Areas, US Census Bureau, American Community Survey

\$50,000-\$69,999 INCOME LEVEL

As shown in Map 4 and Table 6, the estimated local tax burden among hypothetical families of three earning \$50,000-\$69,999 in gross income in Tennessee ranged from \$640 per year, or 1.1% of income in DeKalb County, to a high of \$2,081 per year, or 3.4% of income in Williamson County. Again, this burden was lower than the \$2,816 burden for the \$20,000-\$29,999 income level family in Williamson County due to the counterintuitive ACS property values for the lower income group. The average burden for this income level was \$1,163 per year, or 1.98% of income.

For this income level, fifty counties had total local tax burdens below 2%. Forty five counties had total burdens between 2% and 3.5%.

**Map 4. Local Tax Burden as Percent of Income
Hypothetical Household Earning \$50,000-\$59,999**



**Table 6. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005
Gross Income \$50,000-\$69,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
26	Anderson	\$58,064	\$112,500	\$793	\$422	\$0	\$1,215	2.10%
18	Bedford	\$59,083	\$112,500	\$779	\$515	\$0	\$1,295	2.20%
76	Benton	\$60,916	\$75,000	\$516	\$515	\$0	\$1,031	1.70%
93	Bledsoe	\$60,101	\$112,500	\$460	\$422	\$0	\$881	1.50%
19	Blount	\$57,045	\$137,500	\$835	\$422	\$0	\$1,257	2.20%
84	Bradley	\$59,154	\$112,500	\$568	\$422	\$0	\$990	1.70%
51	Campbell	\$56,373	\$112,500	\$563	\$422	\$87	\$1,071	1.90%
82	Cannon	\$57,351	\$95,000	\$627	\$328	\$25	\$980	1.70%
58	Carroll	\$60,916	\$75,000	\$527	\$515	\$74	\$1,117	1.80%
43	Carter	\$57,045	\$112,500	\$720	\$422	\$0	\$1,142	2.00%
14	Cheatham	\$61,629	\$112,500	\$880	\$422	\$124	\$1,426	2.30%
29	Chester	\$60,305	\$112,500	\$568	\$515	\$161	\$1,245	2.10%
22	Claiborne	\$56,373	\$112,500	\$734	\$422	\$62	\$1,218	2.20%
16	Clay	\$57,351	\$95,000	\$686	\$515	\$62	\$1,264	2.20%
24	Cocke	\$57,657	\$112,500	\$698	\$515	\$0	\$1,213	2.10%
61	Coffee	\$58,879	\$95,000	\$717	\$375	\$0	\$1,092	1.90%
25	Crockett	\$58,777	\$85,000	\$548	\$515	\$174	\$1,237	2.10%
54	Cumberland	\$58,064	\$137,500	\$564	\$515	\$0	\$1,079	1.90%
2	Davidson	\$60,509	\$137,500	\$1,389	\$422	\$136	\$1,947	3.20%
90	Decatur	\$58,166	\$95,000	\$371	\$469	\$74	\$914	1.60%
95	DeKalb	\$57,351	\$95,000	\$359	\$281	\$0	\$640	1.10%
6	Dickson	\$61,629	\$112,500	\$903	\$515	\$149	\$1,567	2.50%
28	Dyer	\$58,777	\$85,000	\$548	\$515	\$149	\$1,213	2.10%
86	Fayette	\$58,319	\$112,500	\$489	\$422	\$62	\$973	1.70%
75	Fentress	\$57,351	\$95,000	\$447	\$469	\$62	\$977	1.70%
53	Franklin	\$58,879	\$95,000	\$696	\$422	\$0	\$1,118	1.90%
69	Gibson	\$58,777	\$85,000	\$525	\$422	\$87	\$1,034	1.80%
46	Giles	\$57,555	\$85,000	\$652	\$469	\$0	\$1,121	1.90%
35	Grainger	\$57,657	\$112,500	\$644	\$515	\$0	\$1,160	2.00%
44	Greene	\$57,045	\$112,500	\$548	\$515	\$50	\$1,114	2.00%
41	Grundy	\$60,101	\$112,500	\$790	\$422	\$0	\$1,212	2.00%
45	Hamblen	\$57,657	\$112,500	\$591	\$469	\$67	\$1,126	2.00%
40	Hamilton	\$61,120	\$112,500	\$814	\$422	\$0	\$1,236	2.00%
72	Hancock	\$56,373	\$112,500	\$568	\$375	\$50	\$993	1.80%
30	Hardeman	\$58,166	\$95,000	\$629	\$515	\$50	\$1,194	2.10%
70	Hardin	\$58,166	\$95,000	\$432	\$469	\$114	\$1,015	1.70%
37	Hawkins	\$60,631	\$95,000	\$637	\$515	\$67	\$1,219	2.00%
39	Haywood	\$58,166	\$95,000	\$570	\$515	\$76	\$1,161	2.00%
50	Henderson	\$58,166	\$95,000	\$544	\$515	\$50	\$1,109	1.90%
91	Henry	\$60,916	\$75,000	\$431	\$422	\$83	\$936	1.50%
27	Hickman	\$57,555	\$85,000	\$595	\$515	\$76	\$1,186	2.10%
49	Houston	\$60,916	\$75,000	\$544	\$515	\$112	\$1,171	1.90%
94	Humphreys	\$60,916	\$75,000	\$390	\$422	\$0	\$812	1.30%

**Table 6. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$50,000-\$69,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
32	Jackson	\$57,351	\$95,000	\$620	\$515	\$37	\$1,173	2.00%
81	Jefferson	\$59,083	\$112,500	\$515	\$422	\$62	\$998	1.70%
64	Johnson	\$57,045	\$112,500	\$734	\$281	\$50	\$1,065	1.90%
12	Knox	\$60,509	\$137,500	\$925	\$422	\$89	\$1,436	2.40%
34	Lake	\$58,777	\$85,000	\$516	\$515	\$154	\$1,186	2.00%
15	Lauderdale	\$58,319	\$112,500	\$655	\$515	\$136	\$1,307	2.20%
33	Lawrence	\$57,555	\$85,000	\$584	\$515	\$62	\$1,162	2.00%
71	Lewis	\$57,555	\$85,000	\$485	\$469	\$50	\$1,003	1.70%
66	Lincoln	\$58,879	\$95,000	\$530	\$469	\$62	\$1,060	1.80%
74	Loudon	\$58,064	\$137,500	\$633	\$375	\$0	\$1,007	1.70%
92	McMinn	\$59,154	\$112,500	\$534	\$375	\$0	\$909	1.50%
68	McNairy	\$58,166	\$95,000	\$570	\$422	\$50	\$1,041	1.80%
38	Macon	\$57,351	\$95,000	\$641	\$422	\$99	\$1,162	2.00%
47	Madison	\$60,305	\$112,500	\$650	\$515	\$0	\$1,165	1.90%
85	Marion	\$60,101	\$112,500	\$585	\$422	\$0	\$1,007	1.70%
10	Marshall	\$59,083	\$112,500	\$883	\$422	\$124	\$1,429	2.40%
20	Mauzy	\$59,083	\$112,500	\$813	\$422	\$62	\$1,297	2.20%
83	Meigs	\$60,101	\$112,500	\$644	\$375	\$0	\$1,019	1.70%
65	Monroe	\$58,064	\$137,500	\$578	\$422	\$62	\$1,061	1.80%
8	Montgomery	\$59,694	\$112,500	\$911	\$469	\$74	\$1,454	2.40%
67	Moore	\$58,879	\$95,000	\$580	\$469	\$0	\$1,048	1.80%
5	Morgan	\$56,373	\$112,500	\$1,080	\$375	\$0	\$1,455	2.60%
55	Obion	\$58,777	\$85,000	\$468	\$515	\$99	\$1,082	1.80%
60	Overton	\$57,351	\$95,000	\$508	\$469	\$74	\$1,051	1.80%
77	Perry	\$57,555	\$85,000	\$506	\$469	\$0	\$974	1.70%
78	Pickett	\$57,351	\$95,000	\$442	\$515	\$0	\$957	1.70%
57	Polk	\$59,154	\$112,500	\$675	\$422	\$0	\$1,097	1.90%
7	Putnam	\$58,064	\$137,500	\$895	\$515	\$0	\$1,410	2.40%
87	Rhea	\$60,101	\$112,500	\$563	\$422	\$0	\$984	1.60%
17	Roane	\$58,064	\$137,500	\$818	\$469	\$0	\$1,287	2.20%
36	Robertson	\$61,629	\$112,500	\$748	\$422	\$87	\$1,257	2.00%
3	Rutherford	\$61,120	\$162,500	\$1,138	\$515	\$99	\$1,752	2.90%
48	Scott	\$56,373	\$112,500	\$675	\$422	\$0	\$1,097	1.90%
80	Sequatchie	\$60,101	\$112,500	\$599	\$422	\$0	\$1,021	1.70%
89	Sevier	\$59,083	\$112,500	\$467	\$469	\$0	\$936	1.60%
4	Shelby	\$61,120	\$112,500	\$1,150	\$422	\$124	\$1,696	2.80%
52	Smith	\$57,351	\$95,000	\$558	\$515	\$0	\$1,074	1.90%
88	Stewart	\$60,916	\$75,000	\$484	\$422	\$87	\$992	1.60%
59	Sullivan	\$61,120	\$112,500	\$712	\$422	\$0	\$1,133	1.90%
11	Sumner	\$60,213	\$137,500	\$890	\$422	\$124	\$1,436	2.40%
13	Tipton	\$58,319	\$112,500	\$802	\$422	\$149	\$1,372	2.40%
21	Trousdale	\$57,351	\$95,000	\$732	\$422	\$99	\$1,252	2.20%

**Table 6. Estimated Burden of Major Local Taxes
for a Hypothetical Family of Three, 2005 (continued)
Gross Income \$50,000-\$69,999**

RANK	COUNTY	MEDIAN INCOME ¹	HOUSE VALUE ²	TAXES			BURDEN	
				PROPERTY	SALES	WHEEL	AMOUNT	PERCENT
23	Unicoi	\$57,045	\$112,500	\$700	\$515	\$0	\$1,216	2.10%
79	Union	\$58,064	\$112,500	\$563	\$422	\$0	\$984	1.70%
73	Van Buren	\$57,351	\$95,000	\$466	\$515	\$0	\$981	1.70%
42	Warren	\$57,351	\$95,000	\$549	\$515	\$74	\$1,139	2.00%
62	Washington	\$60,713	\$137,500	\$643	\$469	\$0	\$1,111	1.80%
63	Wayne	\$57,555	\$85,000	\$423	\$515	\$102	\$1,041	1.80%
56	Weakley	\$58,777	\$85,000	\$461	\$515	\$99	\$1,076	1.80%
31	White	\$58,064	\$137,500	\$784	\$422	\$0	\$1,206	2.10%
1	Williamson	\$61,120	\$225,000	\$1,598	\$422	\$62	\$2,081	3.40%
9	Wilson	\$61,120	\$162,500	\$1,008	\$422	\$62	\$1,491	2.40%
	Average			\$659	\$454	\$50	\$1,163	1.98%

Note: Tax burdens calculated by TACIR using tax rate information from TN Office of the Comptroller and TN Department of Revenue

¹ Median Family Income for income bracket, US Census Bureau, American Community Survey

² Median House Value for income bracket, per Public Use Micro Data Sample Areas, US Census Bureau, American Community Survey

**Progressivity and
Regressivity:**

In terms of tax burdens, no TN counties are progressive. Williamson County's local tax burden is the most regressive in Tennessee. Gibson and Hancock Counties have the least regressive tax burdens.

PROGRESSIVITY

A quick review of the above tables shows that local taxes in Tennessee are regressive. While families at lower incomes generally pay less in taxes than do richer families, they pay more as a percent of their total income. In years past, the D.C. study provided a measure of tax regressiveness. Actually, the D.C. study measured the opposite, tax progressivity, but the two are just different sides of the same coin. A jurisdiction with high regressivity will have low progressivity, and vice-versa.

The D.C. study measured progressivity by dividing the total tax burden percent for their lowest income group by the tax burden percent for their highest income group in order to produce a progressivity index. A progressivity index that is lower than 1.0 indicates that the tax burden is progressive. An index above 1.0 indicates that the burden is regressive. An index of exactly 1.0 would indicate tax burden neutrality, where every income level pays the same percent of their income for taxes.

As shown in Table 7, the total tax burden is regressive in each of Tennessee's ninety-five counties. This is to be expected, as discussed earlier, due to the fact that each of the three taxes analyzed, property, sales, and wheel taxes, are regressive in nature. Table 7 does show a fair amount of variation in the degree of local tax burden regressiveness in Tennessee's counties. The most regressive county is Williamson County with an index of 3.26. The least regressive are Gibson County and Hancock County, both with indices of 1.44.

Table 7. Progressivity Index
Tax Burden as Percent of Income for Family of Three Earning \$20,000-\$29,999
Divided by Tax Burden as Percent of Income for Family of Three Earning \$50,000-\$69,999

RANK	COUNTY	\$20,000-\$29,999 BURDEN		\$50,000-\$69,999 BURDEN		PROGRESSIVITY INDEX
		AMOUNT	PERCENT	AMOUNT	PERCENT	
32	Anderson	\$878	3.50%	\$1,215	2.10%	1.67
35	Bedford	\$999	3.80%	\$1,295	2.20%	1.73
73	Benton	\$788	3.20%	\$1,031	1.70%	1.88
36	Bledsoe	\$585	2.60%	\$881	1.50%	1.73
48	Blount	\$962	3.90%	\$1,257	2.20%	1.77
81	Bradley	\$847	3.30%	\$990	1.70%	1.94
18	Campbell	\$727	2.90%	\$1,071	1.90%	1.53
62	Cannon	\$799	3.10%	\$980	1.70%	1.82
83	Carroll	\$860	3.50%	\$1,117	1.80%	1.94
29	Carter	\$759	3.20%	\$1,142	2.00%	1.60
64	Cheatham	\$1,126	4.20%	\$1,426	2.30%	1.83
69	Chester	\$905	3.90%	\$1,245	2.10%	1.86
3	Claiborne	\$820	3.20%	\$1,218	2.20%	1.45
59	Clay	\$1,007	4.00%	\$1,264	2.20%	1.82
16	Cocke	\$806	3.20%	\$1,213	2.10%	1.52
5	Coffee	\$663	2.80%	\$1,092	1.90%	1.47
16	Crockett	\$841	3.20%	\$1,237	2.10%	1.52
5	Cumberland	\$689	2.80%	\$1,079	1.90%	1.47
78	Davidson	\$1,530	6.10%	\$1,947	3.20%	1.91
38	Decatur	\$704	2.80%	\$914	1.60%	1.75
59	DeKalb	\$507	2.00%	\$640	1.10%	1.82
66	Dickson	\$1,228	4.60%	\$1,567	2.50%	1.84
7	Dyer	\$820	3.10%	\$1,213	2.10%	1.48
73	Fayette	\$744	3.20%	\$973	1.70%	1.88
43	Fentress	\$761	3.00%	\$977	1.70%	1.76
18	Franklin	\$682	2.90%	\$1,118	1.90%	1.53
1	Gibson	\$692	2.60%	\$1,034	1.80%	1.44
88	Giles	\$962	3.80%	\$1,121	1.90%	2.00
11	Grainger	\$770	3.00%	\$1,160	2.00%	1.50
22	Greene	\$748	3.10%	\$1,114	2.00%	1.55
40	Grundy	\$806	3.50%	\$1,212	2.00%	1.75
11	Hamblen	\$760	3.00%	\$1,126	2.00%	1.50
88	Hamilton	\$966	4.00%	\$1,236	2.00%	2.00
1	Hancock	\$668	2.60%	\$993	1.80%	1.44
42	Hardeman	\$946	3.70%	\$1,194	2.10%	1.76
62	Hardin	\$792	3.10%	\$1,015	1.70%	1.82
55	Hawkins	\$900	3.60%	\$1,219	2.00%	1.80
55	Haywood	\$914	3.60%	\$1,161	2.00%	1.80
52	Henderson	\$869	3.40%	\$1,109	1.90%	1.79
88	Henry	\$722	3.00%	\$936	1.50%	2.00
69	Hickman	\$999	3.90%	\$1,186	2.10%	1.86
84	Houston	\$906	3.70%	\$1,171	1.90%	1.95
80	Humphreys	\$617	2.50%	\$812	1.30%	1.92

Table 7. Progressivity Index (continued)
Tax Burden as Percent of Income for Family of Three Earning \$20,000-\$29,999
Divided by Tax Burden as Percent of Income for Family of Three Earning \$50,000-\$69,999

RANK	COUNTY	\$20,000-\$29,999 BURDEN		\$50,000-\$69,999 BURDEN		PROGRESSIVITY INDEX
		AMOUNT	PERCENT	AMOUNT	PERCENT	
55	Jackson	\$927	3.60%	\$1,173	2.00%	1.80
43	Jefferson	\$766	3.00%	\$998	1.70%	1.76
28	Johnson	\$717	3.00%	\$1,065	1.90%	1.58
9	Knox	\$925	3.60%	\$1,436	2.40%	1.50
22	Lake	\$804	3.10%	\$1,186	2.00%	1.55
88	Lauderdale	\$1,009	4.40%	\$1,307	2.20%	2.00
86	Lawrence	\$977	3.90%	\$1,162	2.00%	1.95
81	Lewis	\$836	3.30%	\$1,003	1.70%	1.94
24	Lincoln	\$669	2.80%	\$1,060	1.80%	1.56
21	Loudon	\$639	2.60%	\$1,007	1.70%	1.53
94	McMinn	\$782	3.10%	\$909	1.50%	2.07
65	McNairy	\$830	3.30%	\$1,041	1.80%	1.83
67	Macon	\$936	3.70%	\$1,162	2.00%	1.85
77	Madison	\$832	3.60%	\$1,165	1.90%	1.89
33	Marion	\$669	2.90%	\$1,007	1.70%	1.71
53	Marshall	\$1,129	4.30%	\$1,429	2.40%	1.79
48	Maury	\$1,017	3.90%	\$1,297	2.20%	1.77
43	Meigs	\$677	3.00%	\$1,019	1.70%	1.76
24	Monroe	\$688	2.80%	\$1,061	1.80%	1.56
79	Montgomery	\$1,142	4.60%	\$1,454	2.40%	1.92
11	Moore	\$645	2.70%	\$1,048	1.80%	1.50
4	Morgan	\$968	3.80%	\$1,455	2.60%	1.46
24	Obion	\$727	2.80%	\$1,082	1.80%	1.56
50	Overton	\$827	3.20%	\$1,051	1.80%	1.78
73	Perry	\$816	3.20%	\$974	1.70%	1.88
33	Pickett	\$736	2.90%	\$957	1.70%	1.71
88	Polk	\$954	3.80%	\$1,097	1.90%	2.00
9	Putnam	\$894	3.60%	\$1,410	2.40%	1.50
58	Rhea	\$654	2.90%	\$984	1.60%	1.81
15	Roane	\$816	3.30%	\$1,287	2.20%	1.50
67	Robertson	\$983	3.70%	\$1,257	2.00%	1.85
71	Rutherford	\$1,387	5.40%	\$1,752	2.90%	1.86
18	Scott	\$729	2.90%	\$1,097	1.90%	1.53
43	Sequatchie	\$678	3.00%	\$1,021	1.70%	1.76
38	Sevier	\$704	2.80%	\$936	1.60%	1.75
51	Shelby	\$1,252	5.00%	\$1,696	2.80%	1.79
37	Smith	\$840	3.30%	\$1,074	1.90%	1.74
88	Stewart	\$771	3.20%	\$992	1.60%	2.00
84	Sullivan	\$880	3.70%	\$1,133	1.90%	1.95
53	Sumner	\$1,111	4.30%	\$1,436	2.40%	1.79
87	Tipton	\$1,081	4.70%	\$1,372	2.40%	1.96
59	Trousdale	\$1,017	4.00%	\$1,252	2.20%	1.82

Table 7. Progressivity Index (continued)
Tax Burden as Percent of Income for Family of Three Earning \$20,000-\$29,999
Divided by Tax Burden as Percent of Income for Family of Three Earning \$50,000-\$69,999

RANK	COUNTY	\$20,000-\$29,999 BURDEN		\$50,000-\$69,999 BURDEN		PROGRESSIVITY INDEX
		AMOUNT	PERCENT	AMOUNT	PERCENT	
30	Unicoi	\$808	3.40%	\$1,216	2.10%	1.62
31	Union	\$704	2.80%	\$984	1.70%	1.65
43	Van Buren	\$757	3.00%	\$981	1.70%	1.76
40	Warren	\$894	3.50%	\$1,139	2.00%	1.75
11	Washington	\$661	2.70%	\$1,111	1.80%	1.50
76	Wayne	\$850	3.40%	\$1,041	1.80%	1.89
24	Weakley	\$722	2.80%	\$1,076	1.80%	1.56
7	White	\$763	3.10%	\$1,206	2.10%	1.48
95	Williamson	\$2,816	11.10%	\$2,081	3.40%	3.26
72	Wilson	\$1,183	4.50%	\$1,491	2.40%	1.88
	Average	\$870	3.48%	\$1,163	1.98%	1.75

Note: Calculations by TACIR using data from TN Office of the Comptroller, TN Department of Revenue, and U.S. Census Bureau.

A TALE OF TWO COUNTIES

So, in terms of tax burdens, DeKalb and Williamson Counties, in most cases, reflect the lowest and highest tax burdens in the state. To gain a broader insight, it might be helpful to look at some facts about the people who pay the taxes. Table 8 provides a comparison of basic demographic information from the U.S. Census Bureau for DeKalb County and Williamson County. The data in Table 8 is from the 2000 U.S. Census, as the more current 2005 ACS data is not available for DeKalb County separated from the rest of its PUMA (Public Use Micro Data Sample Areas).

Many of the demographic characteristics are similar. Williamson County has a slightly younger population and a slightly higher level of home ownership versus home rentals. The most startling differences between the two are in income level, education level, percent below the poverty level, and housing values.

The demographic characteristics form part of the larger discussion of fiscal effort, fiscal need, and fiscal capacity. For a detailed discussion of these topics, refer to the earlier publications in this series, particularly, *Growing Pains: Fiscal Challenges for Local Governments* (August 2006), and *Fiscal Effort, Fiscal Capacity, and Fiscal Need: Separate Concepts, Separate Problems* (June 2007).

**Table 8. DeKalb & Williamson Counties, Tennessee
Demographic Comparison, 2000**

General Characteristics	DeKalb County		Williamson County	
	Number	Percent	Number	Percent
Total population	17,423		126,638	
Male	8,612	49.4	62,358	49.2
Female	8,811	50.6	64,280	50.8
Median age (years)	37.7	(X)	36.2	(X)
Under 5 years	1,061	6.1	9,169	7.2
18 years and over	13,371	76.7	89,288	70.5
65 years and over	2,485	14.3	9,811	7.7
One race	17,260	99.1	125,594	99.2
White	16,653	95.6	115,941	91.6
Black or African American	250	1.4	6,564	5.2
American Indian and Alaska Native	48	0.3	248	0.2
Asian	24	0.1	1,583	1.3
Native Hawaiian and Other Pacific Islander	3	0	32	0
Some other race	282	1.6	1,226	1
Two or more races	163	0.9	1,044	0.8
Hispanic or Latino (of any race)	633	3.6	3,197	2.5
Household population	17,108	98.2	125,647	99.2
Group quarters population	315	1.8	991	0.8
Average household size	2.45	(X)	2.81	(X)
Average family size	2.9	(X)	3.18	(X)
Total housing units	8,409		47,005	
Occupied housing units	6,984	83.1	44,725	95.1
Owner-occupied housing units	5,231	74.9	36,443	81.5
Renter-occupied housing units	1,753	25.1	8,282	18.5
Vacant housing units	1,425	16.9	2,280	4.9
Social Characteristics	Number	Percent	Number	Percent
Population 25 years and over	11,870		81,620	
High school graduate or higher	7,666	64.6	73,504	90.1
Bachelor's degree or higher	1,338	11.3	36,203	44.4
Civilian veterans (civilian population 18 years and over)	1,427	10.7	9,268	10.4
Disability status (population 5 years and over)	4,215	26	13,295	11.4
Foreign born	470	2.7	4,944	3.9
Male, Now married, except separated (population 15 years and over)	4,336	63	32,686	70.6
Female, Now married, except separated (population 15 years and over)	4,213	58.5	32,581	66.2
Speak a language other than English at home (population 5 years and over)	591	3.6	6,343	5.4

**Table 8. DeKalb & Williamson Counties, Tennessee
Demographic Comparison, 2000 (continued)**

Economic Characteristics	Number	Percent	Number	Percent
In labor force (population 16 years and over)	8,425	60.8	67,362	72
Mean travel time to work in minutes (workers 16 years and over)	24.3	(X)	26.3	(X)
Median household income in 1999 (dollars)	30,359	(X)	69,104	(X)
Median family income in 1999 (dollars)	36,920	(X)	78,315	(X)
Per capita income in 1999 (dollars)	17,217	(X)	32,496	(X)
Families below poverty level	597	11.8	1,271	3.5
Individuals below poverty level	2,930	17	5,933	4.7
Housing Characteristics	Number	Percent	Number	Percent
Single-family owner-occupied homes	3,365		30,801	
Median value (dollars)	82,600	(X)	208,400	(X)
Median of selected monthly owner costs	(X)	(X)	(X)	(X)
With a mortgage (dollars)	677	(X)	1,482	(X)
Not mortgaged (dollars)	218	(X)	354	(X)

(X)=Not applicable.

Source: U.S. Census Bureau, Summary File 1 (SF 1) and Summary File 3 (SF 3)

APPENDIX A: COUNTY TAX BURDEN METHODOLOGY

TACIR staff based their county tax burden methodology on the D.C. study methodology discussed in the main body of this report; however, due to data limitations, they had to make some changes to the basic methodology. Those changes included the income levels used, the method for estimating housing values, the method for estimating taxable family expenditures, and the method for estimating the number of vehicles per family.

INCOME LEVELS

The TACIR staff limited their analysis to four hypothetical households with incomes of \$20,000-\$29,999, \$30,000-\$39,999, \$40,000-\$49,999, and \$50,000-\$69,999. Lower income households were excluded for two reasons: because of the recent run-up in the cost of housing across the state, low income households, in many counties, are more likely to be renters than home owners; data on household spending used to estimate local sales tax liabilities by low income households is considered somewhat unreliable in comparison to data for middle income households. Excluding such households avoids the disclaimers that would otherwise attach to estimates of their tax burdens.

TACIR staff omitted higher income households (income greater than \$70,000) since a majority of rural counties lack a significant number of households with such incomes, and the ACS data reflects this fact.¹³ Households included in this study are less precisely defined than in the D.C. study because of these and other data restrictions. The methodology behind the estimated values for housing and taxable spending follows below.

HOUSING VALUES

The greatest difficulty faced in this analysis involves estimating the value of housing for each of the households in each county. A simple approach would assume that each household lived in housing of equal value in each county. This would essentially assume away the greatest challenge faced in estimated variations in county tax

burdens, namely variations in property tax burdens that result from variations in the cost of housing in addition to differences in property tax rates themselves.¹⁴ Such an assumption is seriously flawed and unrealistic.

The D.C. study that analyzed property tax burdens in the largest city in each state noted significant differences in property values across states for families with similar income. The estimated value of housing¹⁵ for a family with income of \$75,000 varied from a low of \$95,745 in Philadelphia, the largest city in Pennsylvania, to a high of \$413,190 in Los Angeles, the largest city in California. While such interstate variation may not be representative of the degree to which intrastate housing values vary among Tennessee counties, it does focus attention on the variation in housing costs that can exist from place to place. Unfortunately, the methodology used in the D.C. study cannot be used to estimate housing values for the hypothetical households in each Tennessee jurisdiction.

The ACS data, while providing detailed information on housing values and family income for each state, does not provide the same data for each jurisdiction within states; however, the 2005 ACS data for Tennessee (based on a public use micro sample or PUMS of 26,375 households) shows extensive variation in the value of housing units for families with similar income.¹⁶ For married couple families living in owner-occupied housing, the median value of a housing unit for families with incomes in the range of \$50,000 to \$75,000 is \$112,500. The median income for these families is \$61,152; however, the value of housing units for the 3rd quartile of such families is \$162,500, and the 4th quartile of housing unit values for the same income range rises to over \$1,000,000. Clearly, family income, while an important factor in explaining housing values, cannot by itself capture the impact of variation in local housing costs on housing unit prices for families with similar incomes located in different housing markets in the state.¹⁷

While the existing 2005 ACS data set for Tennessee does not include a county identification variable, it does include data on PUMAs. PUMAs are the smallest geographic area identified in the 2005 ACS PUMS data set. PUMAs contain a minimum of 100,000 persons and are non-overlapping areas as defined by each state.

These partitioned areas contain data from a sample of households in as small an area as a portion of a single county to an area that includes several counties. Large metropolitan counties are made up of one or more PUMAs (Shelby County is divided into 7 PUMAs while Blount, Rutherford, Washington, and Williamson Counties are each contained in a single PUMA). One Tennessee PUMA (#00600) includes 12 rural counties. For more information on Tennessee Public Use Micro Sample Areas see Appendix B.¹⁸

TACIR staff has used the PUMS data to estimate property values for the hypothetical households in each county, understanding that the data is subject to statistical limitations that result from their small sample sizes. The data available for each PUMA contains sufficiently rich demographic and economic information to form a basis for estimating the housing values for the four hypothetical households in each county. Future ACS and PUMS data is expected to include more detailed geographic data with which to more easily develop statistics for all counties and some cities.

The PUMA data provides reasonably straightforward estimates for property values in 12 counties¹⁹ for each hypothetical household (married couple household at four different income levels). The estimates developed for these 12 counties for the hypothetical family household with income of \$40,000-\$50,000 are shown in Table 9.²⁰

The results for the 12 counties reflect variation in the value of housing among the counties. Such variation is also reflected in the estimated housing values for the other three hypothetical households used in the analysis. The data reflects the well-known fact that the housing costs in Williamson County are some of the highest in the state, and families choosing to live in Williamson County, regardless of their income, have more expensive housing than their cohorts in other counties. This fact is a reflection of the age old mantra of real estate agents: “location, location, location.” The data supports the contention that using the same housing value for a given hypothetical household (by income level) in every county is not a reasonable assumption, especially when the assumed housing value plays a major role in estimating property tax burdens.

Table 9. Income/Home Value Statistics for Family with Income \$40,000-\$50,000

County	Median Income	Median Home Value	Ratio
Blount	\$44,516	\$162,500	3.65
Davidson	\$45,840	\$137,500	3.00
Hamilton	\$46,747	\$137,500	2.94
Knox	\$44,720	\$112,500	2.52
Madison	\$45,371	\$95,000	2.09
Montgomery	\$45,840	\$95,000	2.07
Rutherford	\$44,210	\$112,500	2.54
Shelby	\$44,720	\$95,000	2.12
Sumner	\$46,044	\$137,500	2.99
Washington	\$45,840	\$95,000	2.07
Williamson	\$44,821	\$187,500	4.18
Wilson	\$45,127	\$162,500	3.60

Source: SAS runs on 2005 ACS PUMA data.

While the ACS data provides more useful data by county, a majority of the individual PUMAs consist of more than a single county (one PUMA in Tennessee includes 12 counties). This is an unfortunate limitation that will be resolved in the future as the ACS is expanded to provide more small county level data using data averaged over three years. The good news is that the composition of the PUMAs generally consists of areas with similar demographic and economic characteristics; however, the use of PUMA data to estimate housing values for the hypothetical households in up to 12 counties²¹ must be viewed with care.

TAXABLE EXPENDITURE DATA

Data from the U. S. Department of Labor's Consumer Expenditure Survey (CES) is used to estimate local sales tax liabilities for the four hypothetical households.²² This is the same data source used in the D.C. "tax rates and burdens" study as well as the basis of estimates of sales tax burdens (and changes to them) under several past tax structure change proposals in Tennessee.

The CES is a national survey of consumer expenditure behavior and consists of two parts: a detailed diary of participants' spending on many small and frequently purchased individual items, and an interview survey of expenditures on generally large budget items (housing, automobiles, major appliances, etc.). The data from the two surveys is then integrated to produce a complete picture of consumer spending for a wide variety of households. This report used data for a consumer unit of three persons at the four different income ranges already identified.²³

The CES data used in this study reflects average expenditure behavior for a household of three in the United States, not the spending behavior of a household in Tennessee, nor in any specific location in Tennessee. This is another limitation of any study that attempts to measure local tax burdens for small geographic areas. Each of the four hypothetical households is assumed to spend the same amount regardless of their county of residence.²⁴ This assumption, combined with the fact that many counties impose the same sales tax rate, results in less variation in estimated sales tax liabilities than in estimated property tax liabilities.

WHEEL TAX LIABILITIES

The average number of vehicles for each of the four hypothetical households was estimated using statewide PUMA data (2005) for all married couple families living in owner-occupied housing. The average number of vehicles figures are: 2.08 for a household with income \$20,000-\$29,000, 2.23 for a household with income \$30,000-\$39,000, 2.39 for a household with income \$40,000-\$49,999, and 2.48 for a household with income \$50,000-\$69,000.

APPENDIX B: DATA FOR TENNESSEE PUBLIC USE MICROSAMPLE AREAS

PUMA Code	County Code	County Name	Total Population 2000 Census	County Population as % of Total PUMA Population	% of County Population in PUMA	Percent Urban
100	47033	Crockett TN	14,532	8.3%	100.0%	
100	47045	Dyer TN	37,279	21.3%	100.0%	
100	47053	Gibson TN	48,152	27.5%	100.0%	
100	47095	Lake TN	7,954	4.5%	100.0%	
100	47131	Obion TN	32,450	18.5%	100.0%	
100	47183	Weakley TN	34,895	19.9%	100.0%	
Total			175,262	100.0%		39.3%
200	47005	Benton TN	16,537	14.3%	100.0%	
200	47017	Carroll TN	29,475	25.5%	100.0%	
200	47079	Henry TN	31,115	26.9%	100.0%	
200	47083	Houston TN	8,088	7.0%	100.0%	
200	47085	Humphreys TN	17,929	15.5%	100.0%	
200	47161	Stewart TN	12,370	10.7%	100.0%	
Total			115,514	99.9%		19.6%
300	47125	Montgomery TN	134,768	100.0%	100.0%	
Total			134,768	100.0%		74.6%
400	47021	Cheatham TN	35,912	26.9%	100.0%	
400	47043	Dickson TN	43,156	32.3%	100.0%	
400	47147	Robertson TN	54,433	40.8%	100.0%	
Total			133,501	100.0%		29.1%
501	47165	Sumner TN	113,172	100.0%	86.8%	
Total			113,172	100.0%		64.8%
502	47165	Sumner TN	17,277	16.3%	13.2%	
502	47189	Wilson TN	88,809	83.7%	100.0%	
Total			106,086	100.0%		60.7%
600	47015	Cannon TN	12,826	7.1%	100.0%	
600	47027	Clay TN	7,976	4.4%	100.0%	
600	47041	DeKalb TN	17,423	9.7%	100.0%	
600	47049	Fentress TN	16,625	9.2%	100.0%	
600	47087	Jackson TN	10,984	6.1%	100.0%	
600	47111	Macon TN	20,386	11.3%	100.0%	
600	47133	Overton TN	20,118	11.2%	100.0%	
600	47137	Pickett TN	4,945	2.7%	100.0%	
600	47159	Smith TN	17,712	9.8%	100.0%	
600	47169	Trousdale TN	7,259	4.0%	100.0%	
600	47175	Van Buren TN	5,508	3.1%	100.0%	
600	47177	Warren TN	38,276	21.3%	100.0%	
Total			180,038	99.9%		15.8%

APPENDIX B (CONTINUED)

PUMA Code	County Code	County Name	Total Population 2000 Census	County Population as % of Total PUMA Population	% of County Population in PUMA	Percent Urban
700	47013	Campbell TN	39,854	34.0%	100.0%	
700	47025	Claiborne TN	29,862	25.4%	100.0%	
700	47067	Hancock TN	6,786	5.8%	100.0%	
700	47129	Morgan TN	19,757	16.8%	100.0%	
700	47151	Scott TN	21,127	18.0%	100.0%	
Total			117,386	100.0%		27.9%
801	47163	Sullivan TN	103,176	100.0%	67.4%	
Total			103,176	100.0%		61.8%
802	47073	Hawkins TN	53,563	51.8%	100.0%	
802	47163	Sullivan TN	49,872	48.2%	32.6%	
Total			103,435	100.0%		66.9%
900	47019	Carter TN	56,742	36.7%	100.0%	
900	47059	Greene TN	62,909	40.6%	100.0%	
900	47091	Johnson TN	17,499	11.3%	100.0%	
900	47171	Unicoi TN	17,667	11.4%	100.0%	
Total			154,817	100.0%		42.8%
1000	47179	Washington TN	107,198	100.0%	100.0%	
Total			107,198	100.0%		67.4%
1100	47029	Cocke TN	33,565	29.9%	100.0%	
1100	47057	Grainger TN	20,659	18.4%	100.0%	
1100	47063	Hamblen TN	58,128	51.7%	100.0%	
Total			112,352	300.0%		48.4%
1200	47089	Jefferson TN	44,294	38.4%	100.0%	
1200	47155	Sevier TN	71,170	61.6%	100.0%	
Total			115,464	100.0%		31.2%
1301	47093	Knox TN	194,578	100.0%	50.9%	
Total			194,578	100.0%		75.7%
1302	47001	Anderson TN	71,330	69.5%	100.0%	
1302	47093	Knox TN	13,564	13.2%	3.6%	
1302	47173	Union TN	17,808	17.3%	100.0%	
Total			102,702	100.0%		51.3%
1400	47093	Knox TN	173,890	100.0%	45.5%	
Total			173,890	100.0%		99.9%
1500	47009	Blount TN	105,823	100.0%	100.0%	
Total			105,823	100.0%		63.2%
1600	47105	Loudon TN	39,086	30.1%	100.0%	
1600	47123	Monroe TN	38,961	30.0%	100.0%	
1600	47145	Roane TN	51,910	39.9%	100.0%	
Total			129,957	100.0%		42.3%
1700	47011	Bradley TN	87,965	57.5%	100.0%	
1700	47107	McMinn TN	49,015	32.0%	100.0%	
1700	47139	Polk TN	16,050	10.5%	100.0%	
Total			153,030	100.0%		51.3%

APPENDIX B (CONTINUED)

PUMA Code	County Code	County Name	Total Population 2000 Census	County Population as % of Total PUMA Population	% of County Population in PUMA	Percent Urban
1800	47065	Hamilton TN	155,554	100.0%	50.5%	
Total			155,554	100.0%		99.0%
1900	47065	Hamilton TN	152,342	100.0%	49.5%	
Total			152,342	100.0%		81.3%
2000	47007	Bledsoe TN	12,367	11.7%	100.0%	
2000	47061	Grundy TN	14,332	13.6%	100.0%	
2000	47115	Marion TN	27,776	26.4%	100.0%	
2000	47121	Meigs TN	11,086	10.5%	100.0%	
2000	47143	Rhea TN	28,400	27.0%	100.0%	
2000	47153	Sequatchie TN	11,370	10.8%	100.0%	
Total			105,331	100.0%		14.0%
2100	47035	Cumberland TN	46,802	35.4%	100.0%	
2100	47141	Putnam TN	62,315	47.1%	100.0%	
2100	47185	White TN	23,102	17.5%	100.0%	
Total			132,219	100.0%		42.4%
2201	47037	Davidson TN	119,185	100.0%	20.9%	
Total			119,185	100.0%		95.8%
2202	47037	Davidson TN	102,188	100.0%	17.9%	
Total			102,188	100.0%		100.0%
2203	47037	Davidson TN	131,144	100.0%	23.0%	
Total			131,144	100.0%		98.1%
2204	47037	Davidson TN	113,959	100.0%	20.0%	
Total			113,959	100.0%		100.0%
2205	47037	Davidson TN	103,415	100.0%	18.1%	
Total			103,415	100.0%		83.1%
2300	47149	Rutherford TN	182,023	100.0%	100.0%	
Total			182,023	100.0%		74.8%
2400	47187	Williamson TN	126,638	100.0%	100.0%	
Total			126,638	100.0%		70.4%
2500	47031	Coffee TN	48,014	38.6%	100.0%	
2500	47051	Franklin TN	39,270	31.6%	100.0%	
2500	47103	Lincoln TN	31,340	25.2%	100.0%	
2500	47127	Moore TN	5,740	4.6%	100.0%	
Total			124,364	100.0%		34.9%
2600	47003	Bedford TN	37,586	28.1%	100.0%	
2600	47117	Marshall TN	26,767	20.0%	100.0%	
2600	47119	Maury TN	69,498	51.9%	100.0%	
Total			133,851	100.0%		41.9%

APPENDIX B (CONTINUED)

PUMA Code	County Code	County Name	Total Population 2000 Census	County Population as % of Total PUMA Population	% of County Population in PUMA	Percent Urban
2700	47055	Giles TN	29,447	23.1%	100.0%	
2700	47081	Hickman TN	22,295	17.5%	100.0%	
2700	47099	Lawrence TN	39,926	31.3%	100.0%	
2700	47101	Lewis TN	11,367	8.9%	100.0%	
2700	47135	Perry TN	7,631	6.0%	100.0%	
2700	47181	Wayne TN	16,842	13.2%	100.0%	
Total			127,508	100.0%		16.9%
2800	47039	Decatur TN	11,731	8.7%	100.0%	
2800	47069	Hardeman TN	28,105	20.8%	100.0%	
2800	47071	Hardin TN	25,578	18.9%	100.0%	
2800	47075	Haywood TN	19,797	14.6%	100.0%	
2800	47077	Henderson TN	25,522	18.9%	100.0%	
2800	47109	McNairy TN	24,653	18.2%	100.0%	
Total			135,386	100.1%		28.4%
2900	47023	Chester TN	15,540	14.5%	100.0%	
2900	47113	Madison TN	91,837	85.5%	100.0%	
Total			107,377	100.0%		66.3%
3000	47047	Fayette TN	28,806	26.9%	100.0%	
3000	47097	Lauderdale TN	27,101	25.3%	100.0%	
3000	47167	Tipton TN	51,271	47.8%	100.0%	
Total			107,178	100.0%		26.4%
3101	47157	Shelby TN	165,412	100.0%	18.4%	
Total			165,412	100.0%		100.0%
3102	47157	Shelby TN	131,020	100.0%	14.6%	
Total			131,020	100.0%		100.0%
3103	47157	Shelby TN	127,949	100.0%	14.3%	
Total			127,949	100.0%		99.8%
3104	47157	Shelby TN	120,682	100.0%	13.4%	
Total			120,682	100.0%		100.0%
3105	47157	Shelby TN	105,037	100.0%	11.7%	
Total			105,037	100.0%		99.6%
3201	47157	Shelby TN	143,012	100.0%	15.9%	
Total			143,012	100.0%		81.8%
3202	47157	Shelby TN	104,360	100.0%	11.6%	
Total			104,360	100.0%		97.6%

Source: Basic PUMA data produced with software available at Missouri Census Data Center
Percent Urban data available from US Census at <http://www.census.gov/population/cen2000/phc-t36.pdf>.

ENDNOTES

¹ See a description of the program at U.S. Census website http://www.census.gov/acs/www/Products/users_guide/New_ACS_Summary_File_Specification-rev2.doc

² Responsible for both high retail sales and high commercial real estate values (hotels, motels, tourist attractions, etc.)

³ For a full description of the assumptions used, see D.C. Report for 2005, pp. 2-6, and Appendix A.

⁴ Ranked from high (1) to low (51).

⁵ Property tax rates are available from the Comptroller of the Treasury (Tax Aggregate Reports), local sales tax rates are available from the Department of Revenue, and wheel tax rates are available from the County Technical Assistance Service.

⁶ These specific income ranges were deliberately chosen since expenditure data is available for households with these income ranges. The expenditure data is used to estimate sales tax liabilities.

⁷ See 2006 D.C. "Tax Rates and Tax Burdens" report, p. 3.

⁸ See Mazerov (2002), pp. 61-62.

⁹ The ACS sample had few households with incomes greater than \$70,000 in many of the PUMAs included in the analysis.

¹⁰ In 91 counties for \$20,000-\$29,000 households and in over 80 counties for the other hypothetical households. Note: Combined, state and local sales tax liabilities represent the single largest tax liability for most Tennessee households.

¹¹ The coefficient of variation for property taxes was 2-3 times the corresponding figure for local option sales taxes.

¹² The correlation between estimated county property tax liabilities and county property tax rates is .72.

¹³ The ACS sample had few households with incomes greater than \$70,000 in many of the PUMAs included in the analysis.

¹⁴ Small differences will also occur as a result of differences in the ratio of local appraised values to actual market values (differences found in sales ratio studies conducted by the Division of Property Assessments).

¹⁵ Based on the 2004 ACS.

¹⁶ The 2005 ACS data provides detailed data on family income but only ranges of values for housing units. Mid-point values (of the range intervals) were used in the analysis.

¹⁷ A simple regression of housing values on family income (for 11,104 married-couple families) resulted in a computed R square value of only .29 (only 29% of the variation in values was explained by variation in income).

¹⁸ "PUMA boundaries were proposed by state or local officials within each state, with final approval by the Census Bureau. Every effort was made to keep meaningful socioeconomic or planning areas together." Source: <http://plue.sedac.ciesin.org/geocorr/doc/readpuma.txt>.

¹⁹ Blount, Davidson, Hamilton, Knox, Madison, Montgomery, Rutherford, Shelby, Sumner, Washington, Williamson, and Wilson. PUMA #2900 contains data representing 85.5% of the households in Madison County (with the balance representing households in Chester County); PUMA #501 contains data representing 86.8% of all households in Sumner County (and no other households); PUMA # 502 contains data representing 100% of all households in Wilson County and 13.2% of households in Sumner County.

²⁰ The 2005 PUMA sample data used in the housing section includes all one family households, regardless of size. This group includes retired couples with higher than average home to income ratios resulting from lower incomes generally experienced during the retirement years.

²¹ PUMA #00600 includes Cannon, Clay, DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Smith, Trousdale, Van Buren, and Warren Counties.

²² The CES uses the term “consumer unit” as its sampling unit instead of a household. The Census Bureau uses the “household” as its sampling unit. In a majority of cases, the two are the same. For more information, see material at website <http://www.bls.gov/cex/csxfaqs.htm#q3>.

²³ The 2004-2005 Consumer Expenditure Survey expenditure cross-tabulated table (by income and household size) for a unit of three persons is available at <http://www.bls.gov/cex/home.htm#tables>. See Current Cross-Tabulated Tables, size of unit by income before taxes, three person consumer unit.

²⁴ This assumption skirts the problems introduced by cross-border shopping and electronic commerce.



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Jeff Huffman, Tipton County Executive
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Private Citizens

John Johnson, Morristown
Vacant

Other Local Officials

Brent Greer, Tennessee Development District Association
Charles Cardwell, County Officials Association of Tennessee



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