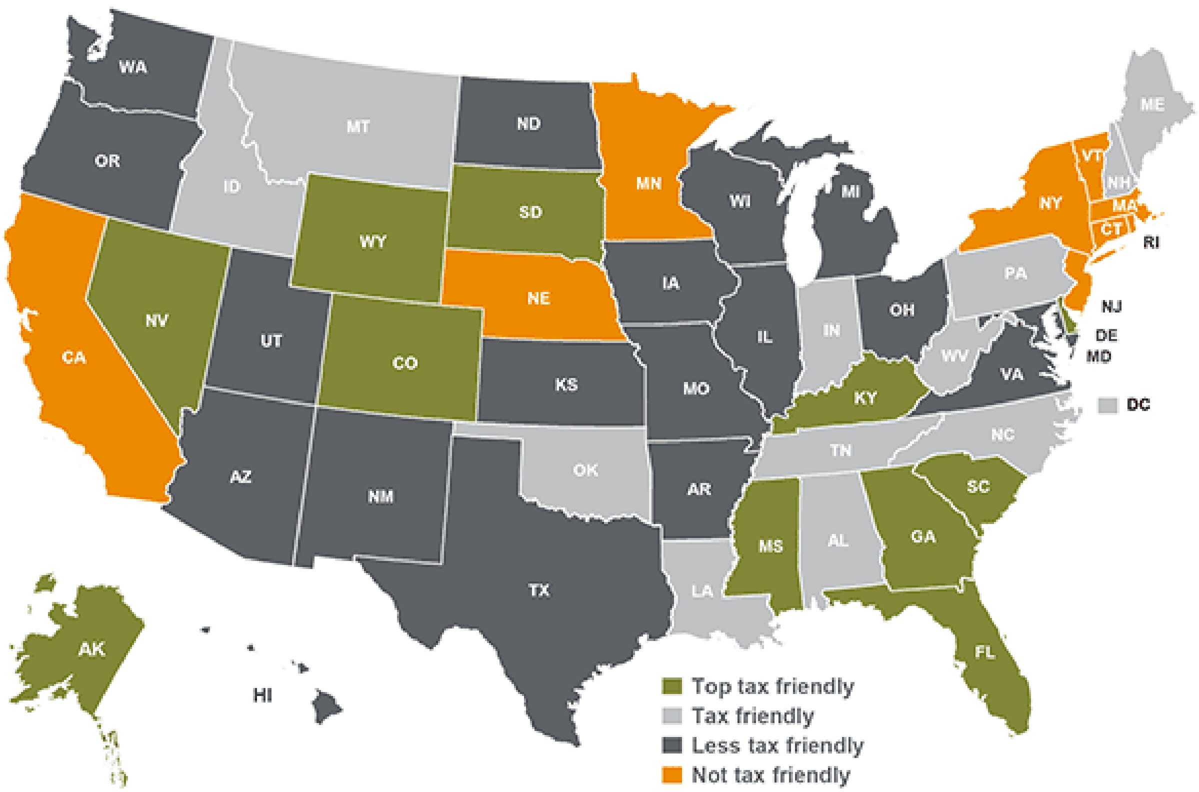
Comparison of state taxes paid by a retiree household

WrapManager



MODEL ASSUMPTIONS

Scenario based on retired married couple filing jointly

State income tax on[1] –

- Annual retirement plan distribution: $80,000
- Total Social Security benefits: $42,000

Property tax on[2]: 2.5x median home value by state

Sales/average local sales tax on[3]: Remaining income net of federal & state income tax and property tax

Tax favorability based on household overall effective state tax rate: Top tax friendly (13%). Retired married household age 65. 1 State income tax liability is based on all taxable sources of retirement income minus allowable state personal exemptions and a standard deduction. State-specific exemptions, deductions and/or credits related to eligible retirement income and Social Security are included. States with no income tax: AK, FL, NV, SD, TX, WA, WY. States that tax interest and dividends only: TN and NH. States that tax Social Security: CO, CT, KS, MN, MO, MT, NE, NM, ND, RI, UT, VT, WV. States that do not tax retirement plan distributions or Social Security: IL, MS, PA. 2 State property tax applies to home value only and includes state-specific homestead exemptions/credits. 3 States with no sales tax: AK, DE, MT, NH, OR (local taxes may apply). Of note: CA imposes a 1% surtax on taxpayers earning more than $1M ($1,052,886 married) for a top marginal tax rate of 13.3%. NYC levies an additional 2.907-3.876% on taxable income. HI top marginal income tax rate reduced to 8.25% in 2017. Source: J.P. Morgan Asset Management. The presenter of this slide is not a tax or legal advisor, and this slide should not be used as such. Clients should consult a personal tax or legal advisor prior to making any tax- or legal-related investment decisions.