



# 2025 State Tax Competitiveness Index

## North Dakota | #9 Overall

North Dakota's tax system ranks 9th overall on the *2025 State Tax Competitiveness Index*. North Dakota performs above average across all tax categories, ranking in the top 10 states overall, as well as on the property tax and corporate tax components. While North Dakota's corporate and individual income taxes have a graduated-rate structure, both rates are low, with North Dakota's top marginal individual income tax rate tied with Arizona's as the lowest in the country (2.5 percent).

One shortcoming in North Dakota's tax code is its throwback rule, which increases tax liability for in-state businesses making sales of tangible personal property in states with which they lack nexus.

However, North Dakota conforms to federal expensing provisions under Section 168(k) and 179, conforms to the federal treatment of NOLs, and does not levy a capital stock tax, real estate transfer tax, or estate or inheritance tax.

Category	Rank	Rank Change	Score
Overall	9	0	5.67
Corporate Taxes	7	-3	5.75
Individual Income Taxes	17	2	5.69
Sales Taxes	15	0	5.17
Property Taxes	4	-2	6.34
Unemployment Insurance Taxes	12	-6	5.58

## Per Capita State & Local Property Taxes 2022

RANK	STATE	AMOUNT
1	New Hampshire	\$3,635
2	New Jersey	\$3,619
3	Connecticut	\$3,356
4	New York	\$3,337
5	Vermont	\$3,182
6	Massachusetts	\$2,990
7	Illinois	\$2,618
8	Maine	\$2,545
9	Rhode Island	\$2,529
10	Alaska	\$2,389
11	Nebraska	\$2,260
12	Texas	\$2,199
13	California	\$2,141
14	Wyoming	\$2,140
15	Colorado	\$2,110
16	Virginia	\$2,009
17	Iowa	\$1,994
18	Washington	\$1,988
19	Minnesota	\$1,908
20	Montana	\$1,905
21	Oregon	\$1,892
22	Maryland	\$1,868
23	Wisconsin	\$1,826
24	Kansas	\$1,799
25	Pennsylvania	\$1,720
26	Michigan	\$1,703
27	South Dakota	\$1,665
28	Florida	\$1,648
29	Ohio	\$1,613
30	Hawaii	\$1,611
<b>31</b>	<b>North Dakota</b>	<b>\$1,611</b>
32	Georgia	\$1,447
33	South Carolina	\$1,408
34	Missouri	\$1,358
35	Nevada	\$1,338
36	Utah	\$1,333
37	Indiana	\$1,253
38	Arizona	\$1,248
39	Mississippi	\$1,227
40	North Carolina	\$1,154
41	Delaware	\$1,142
42	West Virginia	\$1,109
43	New Mexico	\$1,106
44	Idaho	\$1,062
45	Louisiana	\$1,042
46	Kentucky	\$1,017
47	Tennessee	\$961
48	Oklahoma	\$932
49	Arkansas	\$854
50	Alabama	\$692
	US Average	\$1,933

## State & Local Property Taxes per \$1,000 of Personal Income in 2022

RANK	STATE	AMOUNT
1	Vermont	\$47.54
2	New Hampshire	\$46.04
3	New Jersey	\$44.08
4	New York	\$40.53
5	Maine	\$39.09
6	Rhode Island	\$37.43
7	Connecticut	\$37.32
8	Illinois	\$36.24
9	Alaska	\$33.36
10	Texas	\$33.19
11	Massachusetts	\$33.00
12	Iowa	\$31.77
13	Nebraska	\$31.67
14	Montana	\$29.31
15	Wisconsin	\$28.10
16	Oregon	\$27.89
17	Michigan	\$27.86
18	Kansas	\$27.22
19	Virginia	\$27.20
20	California	\$26.35
21	Colorado	\$26.35
22	Minnesota	\$26.29
23	Ohio	\$26.22
24	Wyoming	\$26.08
25	Pennsylvania	\$24.95
26	Maryland	\$24.78
27	Mississippi	\$24.72
28	South Carolina	\$24.56
29	Washington	\$24.56
30	Hawaii	\$24.35
31	Georgia	\$24.16
32	Florida	\$23.99
33	South Dakota	\$22.98
<b>34</b>	<b>North Dakota</b>	<b>\$22.36</b>
35	Missouri	\$21.69
36	West Virginia	\$20.99
37	Utah	\$20.77
38	Indiana	\$20.46
39	Nevada	\$20.20
40	New Mexico	\$19.98
41	Arizona	\$19.95
42	North Carolina	\$18.67
43	Kentucky	\$18.38
44	Idaho	\$17.89
45	Louisiana	\$17.71
46	Delaware	\$17.08
47	Tennessee	\$15.44
48	Oklahoma	\$15.39
49	Arkansas	\$14.83
50	Alabama	\$12.77
	US Average	\$27.72

Source: Census State Government Tax Collections: [www.census.gov](http://www.census.gov), and the U.S. Department of Commerce [www.bea.gov/regional](http://www.bea.gov/regional).