

Effective Income Tax Rates

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Issue

What are the effective state income tax rates for taxpayers by income level and how do they compare to the 4.5% flat tax rate first enacted in 1991?

Effective Income Tax Rates for 2024

We estimated effective income tax rates for the 2024 tax year for single and joint filers at eight different levels of Connecticut adjusted gross income (AGI), as shown in Table 1 below. For each income level, the table indicates the (1) state income tax amount, (2) property tax credit amount based on \$300 of property taxes paid during the tax year (the maximum amount eligible for the credit), (3) state earned income tax credit (EITC) amount based on a taxpayer with two qualifying children, (4) tax due after credits, and (5) pre- and post-credit effective tax rates.

As Table 1 shows, the effective income tax rates range widely, from a negative 11.14% for joint filers with incomes of \$25,000 to 6.99% for single filers with incomes of \$1,000,000 or more. The pre- and post-credit effective tax rates exceed 4.5% for single filers with incomes of approximately \$75,000 or more and joint filers with incomes of approximately \$150,000 or more. The property tax credit and EITC reduce the effective tax rates for single and joint filers with incomes of approximately \$100,000 or less. There is no difference between the pre- and post-credit effective tax rates for filers with incomes above that level.

Table 1: Estimated Effective Income Tax Rates for 2024 Tax Year

Filing Status	CT AGI	CT Income Tax	Property Tax Credit ¹	CT EITC ²	Tax Due After Credits	Effective Tax Rate	
						Pre-Credits	Post-Credits
Single	\$25,000	\$130	\$300	\$2,590	(\$2,590)	0.52%	-10.36%
	50,000	1,800	255	484	1,061	3.60%	2.12%
	75,000	3,475	165	0	3,310	4.63%	4.41%
	100,000	4,975	30	0	4,945	4.98%	4.95%
	150,000	8,225	0	0	8,225	5.48%	5.48%
	250,000	15,400	0	0	15,400	6.16%	6.16%
	500,000	34,450	0	0	34,450	6.89%	6.89%
	1,000,000	69,850	0	0	69,850	6.99%	6.99%
Married Filing Jointly	25,000	5	300	2,784	(2,784)	0.02%	-11.14%
	50,000	646	300	1,067	(721)	1.29%	-1.44%
	75,000	2,588	255	0	2,333	3.45%	3.11%
	100,000	3,920	165	0	3,755	3.92%	3.76%
	150,000	7,250	0	0	7,250	4.83%	4.83%
	250,000	13,200	0	0	13,200	5.28%	5.28%
	500,000	30,800	0	0	30,800	6.16%	6.16%
	1,000,000	68,900	0	0	68,900	6.89%	6.89%

¹ The property tax credit amount is based on \$300 of property taxes paid during the tax year. It is a nonrefundable credit, meaning that it does not reduce a taxpayer's income tax liability to less than zero.

² CT EITC is 40% of the federal EITC for a taxpayer with the applicable AGI and two qualifying children. It is a refundable credit.

Source: OLR analysis based on the Department of Revenue Services' (DRS) [Income Tax and Property Tax Credit Calculators](#) and IRS [EITC Assistant](#)

For additional information, we have attached DRS's most recent tax incidence study, which analyzed pre- and post-credit effective income tax rates for the 2020 tax year ([2023 Connecticut Tax Incidence Study: Tax Years 2011-2020](#), pp. 14-25), and a [recent OLR Report](#) that provides Connecticut's income tax rates and brackets since 1991.

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