



# LOCAL IMPACT TABLE

## The Tax Cuts and Jobs Act Reduced Tax Itemization Complexity and Improved Data Security Across All 50 States

### CONTEXT

- ★ The Tax Cuts and Jobs Act of 2017 (TCJA) contained numerous provisions that simplified the tax code, such as nearly doubling the standard deduction and improving taxpayer data security by the IRS requiring less information from taxpayers. The changes combined dramatically reduced the number of taxpayers who itemize their tax returns. Itemization increases tax complexity for filers by requiring additional information and reporting and exposes them to the risks of more damaging IRS hacks and leaks.

### TCJA PROVISIONS THAT DECREASED ITEMIZATION

- ★ From 2017–2018, the standard deduction increased from \$6,500 to \$12,000 for individual filers, from \$13,000 to \$24,000 for joint returns, and from \$9,550 to \$18,000 for heads of households.
- ★ The previously open-ended deduction for state and local real estate, personal property, and either income or sales taxes was capped at \$10,000.
- ★ Limits for mortgage interest and medical expenses were tightened while other deductions, such as for tax preparation fees, were eliminated.

Reduction in the number of itemizers from 2017–2018	Ohio	Illinois	Georgia	USA
	1.1m fewer itemizers (75% reduction)	1.3m fewer itemizers (65% reduction)	906k fewer itemizers (59% reduction)	29.5m fewer itemizers (63% reduction)

### SUMMARY

- ★ A clear way to see the effect of TCJA on taxpayer itemization is to examine the change in the number of itemizers from 2017–2018, the years before and after TCJA was enacted. In this OFRA Local Impact Table, relying on data from the Internal Revenue Service’s Statistics of Income Division, we overview the change in the number of itemized returns for all 50 states.

**50-State Local Impact Table Begins on the Next Page**



<b>Local Impact Table</b> <b>The Tax Cuts and Jobs Act Reduced Tax Itemization Complexity and Improved Data Security Across All 50 States</b>				
State	Itemized Returns, 2017	Itemized Returns, 2018	Change (#)	Change (%)
<b>AK</b>	80,370	26,740	-53,630	-67%
<b>AL</b>	550,270	176,280	-373,990	-68%
<b>AR</b>	281,230	85,660	-195,570	-70%
<b>AZ</b>	900,630	338,790	-561,840	-62%
<b>CA</b>	6,464,850	3,215,470	-3,249,380	-50%
<b>CO</b>	912,340	373,260	-539,080	-59%
<b>CT</b>	737,660	267,920	-469,740	-64%
<b>DC</b>	142,460	77,950	-64,510	-45%
<b>DE</b>	152,710	55,110	-97,600	-64%
<b>FL</b>	2,663,020	923,050	-1,739,970	-65%
<b>GA</b>	1,540,950	634,240	-906,710	-59%
<b>HI</b>	211,830	96,780	-115,050	-54%
<b>IA</b>	448,780	109,810	-338,970	-76%
<b>ID</b>	224,380	70,110	-154,270	-69%
<b>IL</b>	1,992,020	688,660	-1,303,360	-65%
<b>IN</b>	724,760	192,070	-532,690	-73%
<b>KS</b>	349,670	108,350	-241,320	-69%
<b>KY</b>	511,760	126,470	-385,290	-75%
<b>LA</b>	480,540	152,230	-328,310	-68%
<b>MA</b>	1,306,310	513,360	-792,950	-61%
<b>MD</b>	1,393,890	722,050	-671,840	-48%
<b>ME</b>	180,730	49,060	-131,670	-73%
<b>MI</b>	1,303,830	365,010	-938,820	-72%
<b>MN</b>	983,490	314,640	-668,850	-68%
<b>MO</b>	751,150	217,710	-533,440	-71%
<b>MS</b>	301,760	94,140	-207,620	-69%
<b>MT</b>	150,320	45,570	-104,750	-70%
<b>NC</b>	1,336,180	477,150	-859,030	-64%

<b>ND</b>	71,950	20,220	-51,730	-72%
<b>NE</b>	255,410	69,390	-186,020	-73%
<b>NH</b>	225,240	70,600	-154,640	-69%
<b>NJ</b>	1,874,490	757,410	-1,117,080	-60%
<b>NM</b>	209,960	67,680	-142,280	-68%
<b>NV</b>	377,330	143,330	-234,000	-62%
<b>NY</b>	3,427,800	1,211,470	-2,216,330	-65%
<b>OH</b>	1,480,500	376,580	-1,103,920	-75%
<b>OK</b>	387,950	133,400	-254,550	-66%
<b>OR</b>	727,520	286,450	-441,070	-61%
<b>PA</b>	1,820,600	555,110	-1,265,490	-70%
<b>RI</b>	178,920	57,380	-121,540	-68%
<b>SC</b>	629,410	216,040	-413,370	-66%
<b>SD</b>	76,470	22,160	-54,310	-71%
<b>TN</b>	614,950	204,370	-410,580	-67%
<b>TX</b>	3,273,540	1,163,000	-2,110,540	-64%
<b>US</b>	47,103,650	17,599,150	-29,504,500	-63%
<b>UT</b>	480,760	201,750	-279,010	-58%
<b>VA</b>	1,507,430	705,660	-801,770	-53%
<b>VT</b>	91,350	23,490	-67,860	-74%
<b>WA</b>	1,121,590	486,560	-635,030	-57%
<b>WI</b>	912,290	223,530	-688,760	-75%
<b>WV</b>	133,560	33,060	-100,500	-75%
<b>WY</b>	60,280	17,640	-42,640	-71%

## Contributors

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