



2024 END-OF-YEAR

U.S. Rates and Rules Report

Foreward

Tax changes are always a hot topic amidst times of political change, and 2025 is no exception. After a volatile 2024 campaign, where tariffs and economic policy led many news cycles, Americans are more concerned than ever about how taxes impact their wallets.

But as those of us in the world of tax understand, the overall taxable ecosystem goes far beyond political rhetoric. Americans are, on average, facing higher tax rates and adopting more new taxes each year. However, these payments are increasingly directed to local entities—counties, cities, and districts— rather than to state or federal governments.

The Vertex 2024 End-of-Year Sales Tax Rates and Rules Report spells out clearly how much change is taking place under the surface. In 2024, none of the 50 U.S. states changed its sales tax rate. That follows a 10-year period where states made just 15 changes – seven rate increases and eight cuts.

Meanwhile, counties, cities and districts have been busy. In 2024 they changed rates or added new taxes 588 times – down from a near record in 2023, but roughly at the average mark over the past decade. Cities changed 251 sales tax rates in 2024 – second most in a decade. The number of county rate changes and new taxes has slowed in recent years, following a period of record levels of change in the 2010s.

Tax rate increases in 2024 outnumbered decreases 5:1 in counties and an astounding 8:1 in cities. While districts went against the grain, cutting twice as many rates as they raised, the number of new district taxes reached its third highest level since 2017.

What's driving all the change? Economic factors continue to put pressure on local entities and force them to find new ways to raise revenue. Inflation is back under 3%, down from 9% in mid-2022, but costs remain stubbornly high. After cutting services for years, municipalities have little room to cut. High interest rates are raising the cost of issuing bonds. And with the last of the pandemic-related U.S. Federal government funds paid out in 2024, communities turn to taxation as a last resort.

At the end of the day, life is getting more expensive, and taxpayers are paying the price. As tax rates change and the tax landscape itself grows more complicated, businesses are paying a price, too. They need help dealing with the increasing intricacies of tax compliance.

Vertex is the perfect partner to navigate these challenges. Our automated tax solutions simplify this process, helping tax departments manage the complexity and helping to ensure compliance with every transaction. For more information on this data and trends to be on the lookout for this year, [visit our 2024 tax trends page](#).



Michael J. Bernard
VP Chief Tax Officer

Sales Tax Rate Changes

2014 - December 31, 2024

Type of Change	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State Rate Changes	0	2	3	2	4	1	0	0	1	2	0
County Rate Changes	80	109	129	102	112	94	83	68	78	76	69
City Rate Changes	198	224	196	254	243	199	233	240	235	193	251
District Tax Changes	34	39	31	54	50	38	36	49	63	173	43
New Taxing States	0	0	0	0	0	0	0	0	0	0	0
New Taxing Counties	14	18	5	21	6	15	5	1	1	6	3
New Taxing Cities	55	80	52	54	71	62	69	51	49	57	51
New District Taxes	127	146	145	237	138	153	177	197	115	169	171
TOTAL	508	618	561	724	624	562	593	606	542	676	588

Source: Vertex Inc. of King of Prussia, Pa.

VertexInc.com

These counts include the United States and Puerto Rico.



Sales Tax Rate Changes

2014 – December 31, 2024

(Total number of increases, decreases and new rates)

Years	State			County			City			District			Sub Totals		Total
	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Changes	New	
2014	0	0	0	63	17	14	164	34	55	20	14	127	312	196	508
2015	2	0	0	90	19	18	190	34	80	23	16	146	374	244	618
2016	2	1	0	111	18	5	167	29	52	21	10	145	359	202	561
2017	0	2	0	86	16	21	219	35	54	31	23	237	412	312	724
2018	2	2	0	89	23	6	205	38	71	27	23	138	409	215	624
2019	1	0	0	79	15	15	161	38	62	15	23	153	332	230	562
2020	0	0	0	66	17	5	194	29	69	8	28	177	342	251	593
2021	0	0	0	49	19	1	204	36	51	14	35	197	357	249	606
2022	0	1	0	55	23	1	200	35	49	13	39	115	377	165	542
2023	0	2	0	52	24	6	158	35	57	14	159	169	444	232	676
2024	0	0	0	57	12	3	220	31	51	13	30	171	363	225	588

Source: Vertex Inc. of King of Prussia, Pa.

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These counts include the United States and Puerto Rico.



Summary of Average U.S. Sales Tax Rates

2014 – December 31, 2024

Year	State Avg. Rate	County Avg. Rate	City Avg. Rate	District Avg. Rate	Combined Avg. Rate
2014	5.4964	1.5713	1.7006	0.9485	9.7168
2015	5.5974	1.5958	1.7091	0.9604	9.8627
2016	5.6234	1.6508	1.7182	0.9652	9.9576
2017	5.6156	1.6833	1.7319	0.9706	10.0014
2018	5.6250	1.7125	1.7453	0.9778	10.0606
2019	5.6281	1.7384	1.7467	0.9830	10.0962
2020	5.6281	1.7495	1.7536	0.9925	10.1237
2021	5.6281	1.7622	1.7615	1.0020	10.1237
2022	5.6255	1.7721	1.7703	1.0123	10.1802
2023	5.6167	1.7819	1.7766	.9686	10.1438
2024	5.3962	1.7985	1.7886	.9854	9.9687

Note: Averages are based on jurisdictions that impose a sales tax.

Source: Vertex Inc. of King of Prussia, Pa.

VertexInc.com

Additional Information

- Puerto Rico currently has the highest state sales tax rate at 10.500%. Indiana, Mississippi, Rhode Island, and Tennessee have the second-highest state sales tax rates at 7.000%.
- Kodiak, Alaska, Wrangell, Alaska, and Winter Park, Colorado have the highest city sales tax rate at 7.000%. Hoonah, Alaska, Klawock, Alaska, and Selawik, Alaska have the second-highest rate of 6.500%.
- Sterlington, Ouachita Parish with the Sterlington Economic Development District No. 1 in Louisiana has the highest combined sales tax rate of 12.950%.
- Redwood Valley, Mendocino County with the Mendocino County Transaction and Use Districts and Coyote Valley Band of Pomo Indians Reservation in California has the highest combined sales tax rate of 16.75%.
- Since 2014, there have been 2329 new sales and use taxes, an average 233 per year.
- Since 2014, there have been 3779 sales and use tax changes, an average of 378 per year.
- The combined number of new and changed sales and use tax rates since 2014 is 6108, an average of 610 per year.
- Total Taxing City Jurisdiction 7024
- Total Taxing County Jurisdiction 1966
- Total Taxing District Jurisdiction 3084
- Total Taxing State Jurisdiction 46