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## LATEST DATA ON MINIMUM WAGE WORKERS AND TAXABLE ESTATES, BY STATE

By Joel Friedman

The House passed legislation on July 29 that includes two unrelated policies. One would sharply reduce the estate tax; the other would increase the minimum wage to \$7.25 per hour. These two policies affect dramatically different populations. The estate tax reduction only affects the nation's most well-off households, while the minimum wage increase would boost the earnings of some of the lowest income workers in the country.

The following table provides data that illuminate this contrast. The first column presents estimates from the Economic Policy Institute, showing the number of workers in each state who would benefit directly from increasing the minimum wage to \$7.25 an hour in 2009, as would occur under the House proposal. EPI estimates that are 5.6 million such workers nationwide (workers who would earn less than \$7.25 an hour in 2009 if the minimum wage were not increased).<sup>1</sup>

The second column shows the number of estates in each state that paid the estate tax in 2004, reflecting the most recent data from the Internal Revenue Service. In 2004, 30,200 estates paid the estate tax nationwide. Most of these taxes were paid by the estates of people who died in 2003, because there is typically a nine-month lag between when a person dies and when the tax is paid. In 2003, the estate tax exemption was \$1 million for an individual (\$2 million for a couple).

In future years, far fewer estates in each state will pay the estate tax, because the exemption level will increase significantly. Currently, in 2006, the exemption level is set at \$2 million for an individual (\$4 million for a couple), and it will rise under current law to \$3.5 million for an individual (\$7 million for a couple) by 2009. As a result of this increase in the exemption, the number of estates paying the estate will decline sharply. According to Urban-Brookings Tax Policy Center estimates, only about one-quarter as many estates will pay tax in 2009 as in 2004. The House bill would reduce the estate tax below its 2009 levels, gradually increasing the exemption level to \$5 million per individual (\$10 million per couple), with the additional cuts benefiting only the small number of estates — those of 3 in 1,000 people who die — that would pay any tax under 2009 law.

Thus the comparisons shown in the attached table do not fully convey the disparate impact of the minimum wage and estate tax policies in the House bill, because the number of taxable estates in 2004 is much greater than the number of estates that would face the tax if Congress simply continued 2009 law.

<sup>&</sup>lt;sup>1</sup> These updated EPI estimates reflect the specifics of the House proposal.

State	Number of Workers Who Would Benefit from Minimum Wage Increase		
State         Number of Workers Who Would Benefit from Minimum Wage Increase*         Number of Estates that Paid Estate Tax in 2004***           Alaska         """"""""""""""""""""""""""""""""""""	and Estates that Paid Estate Tax in 2004, by State		
Alabama			
Alaska	State	from Minimum Wage Increase*	Tax in 2004***
Arizona         148,000         619           Arkansas         113,000         168           California         "         5,651           Colorado         85,000         251           Connecticut         "         640           Delaware         "         174           D.C.         "         131           Florida         207,000         615           Hawaii         "         58           Idaho         39,000         93           Illinois         103,000         1,395           Indiana         143,000         414           Iowa         107,000         263           Kansas         105,000         183           Kentucky         133,000         231           Louisiana         274,000         91           Maine         **         124           Maryland         **         653           Massachusetts         "         985           Michigan         **         124           Minnesota         81,000         466           Missouri         178,000         486           Missouri         178,000         484	Alabama		
Arkansas	Alaska		19****
Arkansas	Arizona	148,000	619
Canioma Colorado S5,000 S251 Connecticut C	Arkansas	113,000	168
Connecticut         **         174           Delaware         **         174           D.C.         **         131           Florida         207,000         2,912           Georgia         207,000         615           Hawaii         **         58           Idaho         39,000         93           Illinois         103,000         1,395           Indiana         143,000         414           Iowa         107,000         263           Kansas         105,000         183           Kentucky         133,000         231           Louisiana         274,000         91           Maine         **         124           Maryland         **         653           Massachusetts         **         985           Michigan         **         834           Mirmesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         200           Nevada         54,000         242           New Hampshire         **         168      <	California	**	5,651
Connecticut         **         174           Delaware         **         174           D.C.         **         131           Florida         207,000         2,912           Georgia         207,000         615           Hawaii         **         58           Idaho         39,000         93           Illinois         103,000         1,395           Indiana         143,000         414           Iowa         107,000         263           Kansas         105,000         183           Kentucky         133,000         231           Louisiana         274,000         91           Maine         **         124           Maryland         **         653           Massachusetts         **         985           Michigan         **         834           Mirmesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         200           Nevada         54,000         242           New Hampshire         **         168      <	Colorado	85,000	251
Decay   174	Connecticut	**	640
Discrimination   Disc	Delaware	**	174
Georgia         207,000         615           Hawaii         ""         58           Idaho         39,000         93           Illinois         103,000         1,395           Indiana         143,000         414           Iowa         107,000         263           Kansas         105,000         183           Kentucky         133,000         231           Louisiana         274,000         91           Maine         ""         124           Maryland         ""         653           Massachusetts         ""         985           Michigan         ""         834           Minnesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           New Hampshire         ""         168           New Hew Hampshire         ""         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000 <td< td=""><td>D.C.</td><td>**</td><td>131</td></td<>	D.C.	**	131
Georgia         207,000         615           Hawaii         ""         58           Idaho         39,000         93           Illinois         103,000         1,395           Indiana         143,000         414           Iowa         107,000         263           Kansas         105,000         183           Kentucky         133,000         231           Louisiana         274,000         91           Maine         ""         124           Maryland         ""         653           Massachusetts         ""         985           Michigan         ""         834           Minnesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           New Hampshire         ""         168           New Hew Hampshire         ""         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000 <td< td=""><td>Florida</td><td>207,000</td><td>2,912</td></td<>	Florida	207,000	2,912
Hawaii	Georgia	207.000	
Idaho			58
Illinois		39.000	
Indiana			
Dowa		,	
Kansas         105,000         183           Kentucky         133,000         231           Louisiana         274,000         91           Maine         **         124           Maryland         **         653           Massachusetts         **         985           Michigan         **         834           Minnesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         35           North Dakota         21,000         31****           Ohio         337,000         931           Okiahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000<		,	
Kentucky         133,000         231           Louisiana         274,000         91           Maine         ***         124           Maryland         **         653           Massachusetts         **         985           Michigan         **         834           Minnesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         <		•	
Louisiana   274,000   91     Maine   **			
Maine         **         124           Maryland         **         653           Massachusetts         **         985           Michigan         **         834           Minnesota         81,000         466           Mississispipi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Carolina         211,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota		· · · · · · · · · · · · · · · · · · ·	
Maryland         **         985           Massachusetts         **         985           Michigan         **         834           Minnesota         81,000         466           Mississisppi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         ***         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Texas		•	_
Massachusetts         **         985           Michigan         **         834           Minnesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         29,000         60           Texas         863,000         1,427           Utah         81,000         64           Vermont		**	
Michigan         **         834           Minnesota         81,000         466           Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utlah <td></td> <td>**</td> <td></td>		**	
Minnesota         81,000         466           Mississispi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont <td></td> <td></td> <td></td>			
Mississippi         139,000         119           Missouri         178,000         484           Montana         33,000         60           Nebraska         53,000         200           Nevada         54,000         242           New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10           West Virginia <td></td> <td>91.000</td> <td></td>		91.000	
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New Hampshire         **         168           New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****		,	
New Jersey         129,000         1,112           New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10*****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****			
New Mexico         68,000         100           New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10*****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****			
New York         314,000         2,535           North Carolina         211,000         850           North Dakota         21,000         31*****           Ohio         337,000         931           Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10*****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****			
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Oklahoma         113,000         252           Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****		·	i
Oregon         **         408           Pennsylvania         308,000         1,218           Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****		·	
Oregon     408       Pennsylvania     308,000     1,218       Rhode Island     **     101       South Carolina     179,000     263       South Dakota     29,000     60       Tennessee     151,000     315       Texas     863,000     1,427       Utah     81,000     64       Vermont     **     10****       Virginia     172,000     717       Washington     **     493       West Virginia     59,000     103       Wisconsin     124,000     602       Wyoming     17,000     62*****			
Rhode Island         **         101           South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****			
South Carolina         179,000         263           South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62****		308,000	·
South Dakota         29,000         60           Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62****		**	
Tennessee         151,000         315           Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62*****			
Texas         863,000         1,427           Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62****	South Dakota		
Utah         81,000         64           Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62****			
Vermont         **         10****           Virginia         172,000         717           Washington         **         493           West Virginia         59,000         103           Wisconsin         124,000         602           Wyoming         17,000         62****		·	
Virginia     172,000     717       Washington     **     493       West Virginia     59,000     103       Wisconsin     124,000     602       Wyoming     17,000     62****			
Washington     **     493       West Virginia     59,000     103       Wisconsin     124,000     602       Wyoming     17,000     62****			
West Virginia     59,000     103       Wisconsin     124,000     602       Wyoming     17,000     62****			717
Wisconsin         124,000         602           Wyoming         17,000         62****		**	
Wyoming 17,000 62****	West Virginia	59,000	103
, ,	Wisconsin	124,000	
	Wyoming	17,000	62****
		5.6 million	30,175

<sup>\*</sup>Economic Policy Institute. Reflects workers who would benefit from a \$7.25 minimum wage in 2009. Available at <a href="http://www.epinet.org/lssueguides/minwage/table7a.pdf">http://www.epinet.org/lssueguides/minwage/table7a.pdf</a>.

<sup>\*\*</sup> Insufficient sample size to estimate precisely. In many of these cases, state minimum wages will be close to or above \$7.25 in 2009. In some cases, the number of workers affected by the federal minimum wage increase is small but not zero, so the state totals listed add to slightly less than the national estimate.

<sup>\*\*\*</sup>Internal Revenue Service. Most of these taxable estates were subject to a \$1 million exemption level. Approximately one-quarter this number of estates will be subject to the estate tax nationwide when the exemption level rises to \$3.5 million in 2009.

<sup>\*\*\*\*\*</sup>IRS estimates may be imprecise due to small sample of returns.