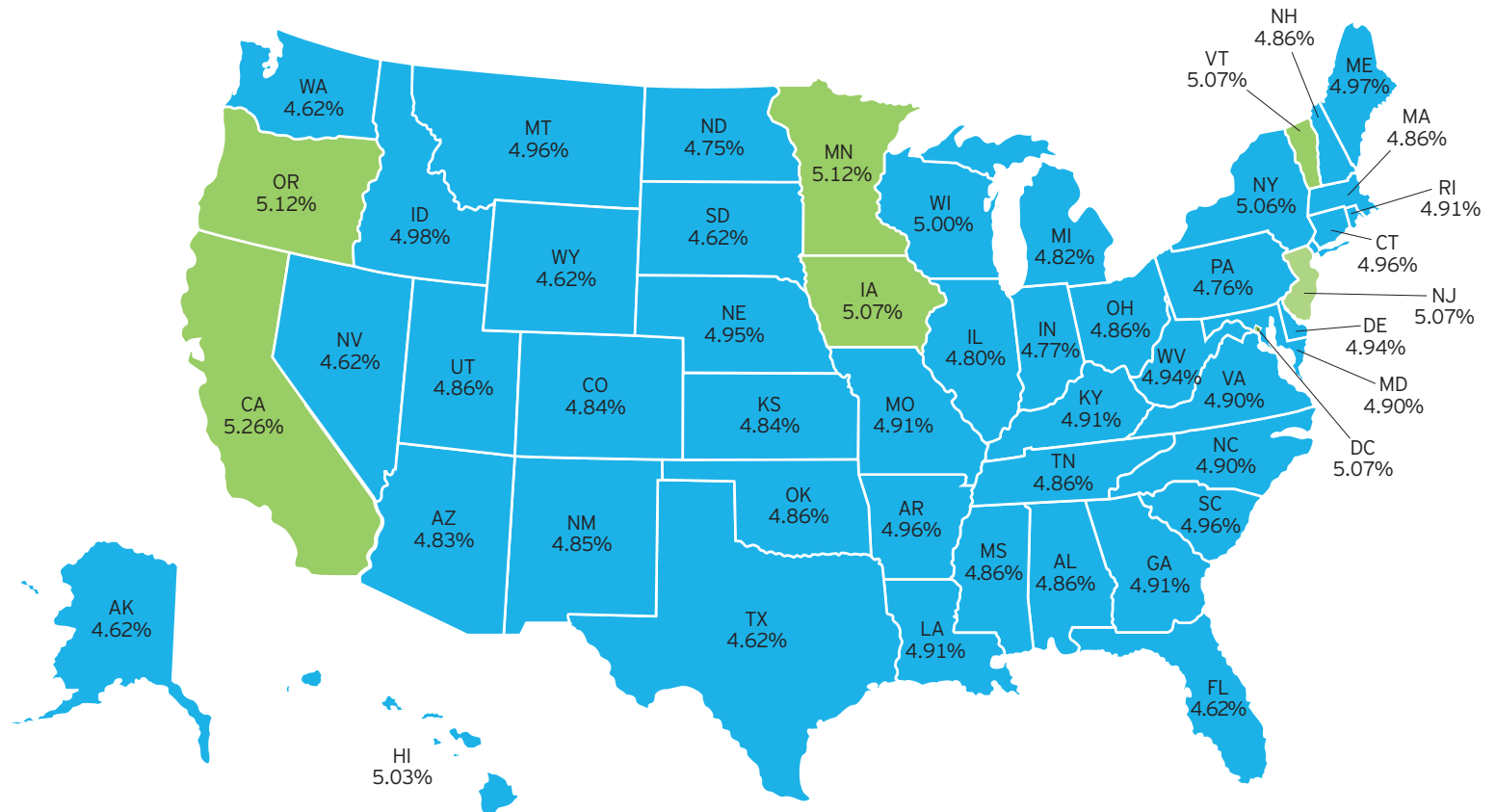




# The impact of taxes: What you need to break even

The following map shows the rate of return required for your investments to break even if you live in the corresponding state. It takes into account federal taxes (at the 35% marginal rate), state tax where applicable and a 3% rate of inflation.

State comparison of total return needed to break even after federal taxes at 35%, state income taxes and 3% inflation



■ Highest total returns needed to break even compared to other states

## Impact of state income tax rates (%) on the highest rate of return needed to break even (%)

■ Highest total return needed to break even compared to other states

State	Tax rate <sup>1</sup>	Total Return <sup>2</sup>	State	Tax rate <sup>1</sup>	Total Return <sup>2</sup>	State	Tax rate <sup>1</sup>	Total Return <sup>2</sup>	State	Tax rate <sup>1</sup>	Total Return <sup>2</sup>	State	Tax rate <sup>1</sup>	Total Return <sup>2</sup>
Alabama	5.00	4.86	Hawaii	8.25	5.03	Massachusetts	5.10	4.86	New Mexico	4.90	4.85	South Dakota	0.00	4.62
Alaska	0.00	4.62	Idaho	7.40	4.98	Michigan	4.25	4.82	New York	8.82	5.06	Tennessee	5.00	4.86
Arizona	4.54	4.83	Illinois	3.75	4.80	Minnesota	9.85	5.12	North Carolina	5.75	4.90	Texas	0.00	4.62
Arkansas	7.00	4.96	Indiana	3.30	4.77	Mississippi	5.00	4.86	North Dakota	2.90	4.75	Utah	5.00	4.86
California	12.30	5.26	Iowa	8.98	5.07	Missouri	6.00	4.91	Ohio	5.00	4.86	Vermont	8.95	5.07
Colorado	4.63	4.84	Kansas	4.60	4.84	Montana	6.90	4.96	Oklahoma	5.00	4.86	Virginia	5.75	4.90
Connecticut	6.99	4.96	Kentucky	6.00	4.91	Nebraska	6.84	4.95	Oregon	9.90	5.12	Washington	0.00	4.62
Delaware	6.60	4.94	Louisiana	6.00	4.91	Nevada	0.00	4.62	Pennsylvania	3.07	4.76	West Virginia	6.50	4.94
District of Columbia	8.95	5.07	Maine	7.15	4.97	New Hampshire	5.00	4.86	Rhode Island	5.99	4.91	Wisconsin	7.65	5.00
Florida	0.00	4.62	Maryland	5.75	4.90	New Jersey	8.97	5.07	South Carolina	7.00	4.96	Wyoming	0.00	4.62
Georgia	6.00	4.91												

1 2016 maximum state income tax rate

2 Rate of return required for investments to break even; takes into account federal taxes (at the 35% marginal rate), state tax where applicable and a 3% rate of inflation.

### Talk with your financial professional

Need more information about taxes? Start by checking out our tax-related calculators at [invesco.com/us](http://invesco.com/us):

- The Marginal Tax Rate Calculator will help you estimate your average federal tax rate, your federal tax bracket and your marginal federal tax rate for the 2016 tax year.
- The Taxable vs. Tax-Advantaged Investments Calculator will help you compare a normal taxable investment to two common tax-advantaged situations: an investment where taxes are deferred until withdrawals are made, and an investment where taxes are paid on money before it is invested, but all withdrawals are tax free.

Next, talk with your financial professional to make sure your financial strategy is aligned with your tax situation. And consider consulting a tax advisor if you need specialized advice.

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Note: Not all products, materials or services available at all firms. Advisors, please contact your home office.

Sources: Invesco, Morningstar Inc. This hypothetical example is for illustrative purposes only. Inflation averaged 2.12% annually over the 20 years ended Dec. 31, 2016. Inflation is represented by the Consumer Price Index (CPI), which is a measure of change in consumer prices as determined by the U.S. Bureau of Labor Statistics. Total returns shown in this hypothetical example do not represent the actual performance of any investment product or real investor. Returns in this example take into account the deductibility of state and local taxes at the federal level. The example was calculated using the federal 35% tax bracket, which is based on a \$413,351 to \$415,050 income for an individual filing a single return for tax year 2016. The maximum individual state tax rates are used and are subject to change. Rates listed above represent the highest marginal income tax rate for each state assuming taxpayers were deducting federal income taxes. Residents of New Hampshire and Tennessee are taxed on interest and dividends only. Massachusetts reflects rates on Part A income. This is not to be construed as an offer to buy or sell any financial instruments and should not be relied upon as the sole factor in an investment-making decision. As with all investments, there are associated inherent risks. Please obtain and review all financial material carefully before investing. Invesco does not offer tax advice. Investors should consult their own tax advisor for information regarding their own tax situations.

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