

## State Corporate Income Tax Rates

(For tax year 2021 -- as of January 1, 2021)

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate for Financial Institutions (percent) (a)	Federal Income Tax Deductible?
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	Yes
Alaska	0 - 9.4	25,000	222,000	10	0 - 9.4	
Arizona	4.9 (b)	---Flat Rate---		1	4.9 (b)	
Arkansas	1.0 - 6.2	3,000	100,001	6	1.0 - 6.2	
California	8.84 (b)	---Flat Rate---		1	10.84 (b)	
Colorado	4.55	---Flat Rate---		1	4.55	
Connecticut	7.5 (c)	---Flat Rate---		1	7.5 (c)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (d)	
District of Columbia	8.25 (b)	---Flat Rate---		1	8.25 (b)	
Florida	4.458 (e)	---Flat Rate---		1	4.458 (e)	
Georgia	5.75	---Flat Rate---		1	5.75	
Hawaii	4.4 - 6.4 (f)	25,000	100,001	3	7.92 (f)	
Idaho	6.925 (g)	---Flat Rate---		1	6.925 (g)	
Illinois	9.5 (h)	---Flat Rate---		1	9.5 (h)	
Indiana	5.25 (i)	---Flat Rate---		1	5.5	
Iowa	5.5 - 9.8	100,000	250,001	3	5.0	Yes (j)
Kansas	4.0 (k)	---Flat Rate---		1	2.25 (k)	
Kentucky	5.0	---Flat Rate---		1	5.0	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
Maine	3.5 - 8.93	350,000	3.5 million	4	1.0 (l) (l)	
Maryland	8.25	---Flat Rate---		1	8.25	
Massachusetts	8.0 (m)	---Flat Rate---		1	9.0 (m)	
Michigan	6.0	---Flat Rate---		1	9.8 (a)	
Minnesota	9.8 (n)	---Flat Rate---		1	9.8 (n)	
Mississippi	0 - 5.0	4,000	10,001	4	0 - 5.0	
Missouri	4.0	---Flat Rate---		1	7.0	Yes (j)
Montana	6.75 (o)	---Flat Rate---		1	6.75 (o)	
Nebraska	5.58 - 7.81	100,000		2	(a)	
Nevada	----	No Corporate Income Tax ----				
New Hampshire	7.7 (p)	---Flat Rate---		1	7.7 (p)	
New Jersey	9.0 (q)	---Flat Rate---		1	9.0 (q)	
New Mexico	4.8 - 5.9	500,000		2	4.8 - 5.9	
New York	6.5 (r)	---Flat Rate---		1	6.5 (r)	
North Carolina	2.5	---Flat Rate---		1	2.5	
North Dakota	1.41 - 4.31 (s)	25,000	50,001	3	1.41 - 4.31 (s)	
Ohio	6.0 (t)	---Flat Rate---		1	6.0 (t)	
Oklahoma	6.6 - 7.6 (u)	1 million		2	6.6 - 7.6 (u)	
Oregon	9.99	---Flat Rate---		1	(a)	
Pennsylvania	7.0 (b)	---Flat Rate---		1	9.0 (b)	
Rhode Island	5.0	---Flat Rate---		1	4.5 (v)	
South Carolina	5.0	---Flat Rate---		1	6.0-0.25% (b)	
South Dakota	----	No Corporate Income Tax ----				
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(w)	---Flat Rate---		1	(w)	
Utah	4.95 (b)	---Flat Rate---		1	4.95 (b)	
Vermont	6.0 - 8.5 (b)	10,000	25,000	3	(a)	
Virginia	6.0	---Flat Rate---		1	6.0	
Washington	----	No Corporate Income Tax ----				
West Virginia	6.5	---Flat Rate---		1	6.5	
Wisconsin	7.9	---Flat Rate---		1	7.9	
Wyoming	----	No Corporate Income Tax ----				

Source: Federation of Tax Administrators, January 2021.

[http://www.taxadmin.org/fta/rate/corp\\_inc.pdf](http://www.taxadmin.org/fta/rate/corp_inc.pdf)

## Footnotes:

- (a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$800 in California, \$250 in District of Columbia, \$50 in Arizona and North Dakota (banks), \$400 (\$100 banks) in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, \$300 in Vermont.
- (c) Connecticut's tax is the greater of the 7.5% tax on net income, or 0.26% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax).
- (d) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (e) The Florida tax rate may be adjusted downward if certain revenue targets are met.
- (f) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).
- (g) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).
- (h) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%.
- (i) The Indiana Corporate tax rate is scheduled to decrease to 4.9% on July 1, 2021. Bank tax rate is scheduled to decrease to 5.0% on 1/1/22.
- (j) 50% of the federal income tax is deductible.
- (k) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.
- (l) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.
- (m) Business and manufacturing corporations pay an additional tax of \$2.40 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.
- (n) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income. Minnesota also imposes a surtax ranging up to \$10,480.
- (o) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.
- (p) New Hampshire's 7.7% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.60% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross receipts over \$222,000 or enterprise base over \$111,000, adjusted every biennium for CPI. The Business Profits Tax is scheduled to decrease to 7.5% for tax year 2022, if revenue targets are met.
- (q) New Jersey also imposes a 2.5% surtax on taxpayers with income over \$1 million in tax year 2021. Small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income over \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- (r) New York's General business corporate rate shown. The Corporate Stocks Tax was eliminated for tax year 2021. A minimum tax ranges from \$25 to \$200,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 0%.
- (s) North Dakota imposes a 3.5% surtax for filers electing to use the water's edge method to apportion income.
- (t) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax on 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.
- (u) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000, up to \$100,000 for companies with sales of \$100 million or above. Oregon also imposes Corporate Activity Tax (CAT) of \$250 plus 0.57% of activity in excess of \$1 million.
- (v) South Carolina taxes savings and loans at a 6% rate.
- (w) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,130,000 total revenues at rate of 0.75%, or 0.375% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

24-Feb-20

**State Corporate Income Tax Rates 2020**  
(For tax year 2020 -- as of January 1, 2020)

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate for Financial Institutions (percent) (a)	Federal Income Tax Deductible?
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	Yes
Alaska	0 - 9.4	25,000	222,000	10	0 - 9.4	
Arizona	4.9 (b)	---Flat Rate---		1	4.9 (b)	
Arkansas	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
California	8.84 (b)	---Flat Rate---		1	10.84 (b)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (c)	---Flat Rate---		1	7.5 (c)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (d)	
District of Columbia	8.25 (b)	---Flat Rate---		1	8.25 (b)	
Florida	4.458 (e)	---Flat Rate---		1	4.458 (e)	
Georgia	5.75	---Flat Rate---		1	5.75	
Hawaii	4.4 - 6.4 (f)	25,000	100,001	3	7.92 (f)	
Idaho	6.9 (g)	---Flat Rate---		1	6.925 (g)	
Illinois	9.5 (h)	---Flat Rate---		1	9.5 (h)	
Indiana	5.75 (i)	---Flat Rate---		1	6.25	
Iowa	6.0 - 12.0	25,000	250,001	4	5.0	Yes (j)
Kansas	4.0 (k)	---Flat Rate---		1	2.25 (k)	
Kentucky	5.0	---Flat Rate---		1	(a)	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
Maine	3.5 - 8.93	350,000	3.5 million	4	1.0 (l) (l)	
Maryland	8.25	---Flat Rate---		1	8.25	
Massachusetts	8.0 (m)	---Flat Rate---		1	9.0 (m)	
Michigan	6.0	---Flat Rate---		1	(a)	
Minnesota	9.8 (n)	---Flat Rate---		1	9.8 (n)	
Mississippi	0 - 5.0	2,000	10,001	4	0 - 5.0	
Missouri	4.0	---Flat Rate---		1	7.0	Yes (j)
Montana	6.75 (o)	---Flat Rate---		1	6.75 (o)	
Nebraska	5.58 - 7.81	100,000		2	(a)	
Nevada	--- No Corporate Income Tax ---					
New Hampshire	7.7 (p)	---Flat Rate---		1	7.7 (p)	
New Jersey	9.0 (q)	---Flat Rate---		1	9.0 (q)	
New Mexico	4.8 - 5.9	500,000		2	4.8 - 5.9	
New York	6.5 (r)	---Flat Rate---		1	6.5 (r)	
North Carolina	2.5	---Flat Rate---		1	2.5	
North Dakota	1.41 - 4.31 (s)	25,000	50,001	3	1.41 - 4.3 (s)	
Ohio	(t)	---Flat Rate---		1	6.0	(t)
Oklahoma	6.0	---Flat Rate---		1	6.0	
Oregon	6.6 - 7.6 (u)	1 million		2	6.6 - 7.6 (u)	
Pennsylvania	9.99	---Flat Rate---		1	(a)	
Rhode Island	7.0 (b)	---Flat Rate---		1	9.0 (b)	
South Carolina	5.0	---Flat Rate---		1	4.5 (v)	
South Dakota	--- No Corporate Income Tax ---				6.0-0.25% (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(w) (w)	---Flat Rate---		1	5.0 (w)	
Utah	4.95 (b)	---Flat Rate---		1	5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	25,000	3	(a)	
Virginia	6.0	---Flat Rate---		1	6.0	
Washington	--- No Corporate Income Tax ---					
West Virginia	6.5	---Flat Rate---		1	6.5	
Wisconsin	7.9	---Flat Rate---		1	7.9	
Wyoming	--- No Corporate Income Tax ---					

Source: Federation of Tax Administrators, January 2020  
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**Footnotes:**

- (a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$800 in California, \$250 in District of Columbia, \$50 in Arizona and North Dakota (banks), \$400 (\$100 banks) in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, \$300 in Vermont.
- (c) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax). A 10% surcharge is imposed for tax year 2020.
- (d) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (e) The Florida tax rate may be adjusted downward if certain revenue targets are met.
- (f) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).
- (g) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).
- (h) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%.
- (i) The Indiana Corporate tax rate is scheduled to decrease to 5.25% on July 1, 2020. Bank tax rate is scheduled to decrease to 5.5% on 1/1/21.
- (j) 50% of the federal income tax is deductible.
- (k) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.
- (l) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.
- (m) Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.
- (n) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income. Minnesota
- (o) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.
- (p) New Hampshire's 7.7% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.675% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross receipts over \$208,000 or enterprise base over \$104,000, adjusted every biennium for CPI. The Business Profits Tax is scheduled to decrease to 7.5% for tax year 2021.
- (q) New Jersey also imposes a 1.5% surtax on taxpayers with income over \$1 million in tax year 2020. Small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum New Jersey Corporate Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- (r) New York's General business corporate rate shown. Corporations may also be subject to a capital stocks tax, which is being phased out through 2021. A minimum tax ranges from \$25 to \$200,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 0%.
- (s) North Dakota imposes a 3.5% surtax for filers electing to use the water's edge method to apportion income.
- (t) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.
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- (v) South Carolina taxes savings and loans at a 6% rate.
- (w) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,130,000 total revenues at rate of 0.75%, or 0.375% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

24-Feb-20

**State Corporate Income Tax Rates 2019**  
(For tax year 2019 -- as of January 1, 2019)

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Arkansas	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
California	8.84 (b)	---Flat Rate---		1	10.84 (b)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (c)	---Flat Rate---		1	7.5 (c)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (d)	
District of Columbia	8.25 (b)	---Flat Rate---		1	8.25 (b)	
Florida	5.5 (e)	---Flat Rate---		1	5.5 (e)	
Georgia	5.75	---Flat Rate---		1	5.75	
Hawaii	4.4 - 6.4 (f)	25,000	100,001	3	7.92 (f)	
Idaho	6.9 (g)	---Flat Rate---		1	6.925 (g)	
Illinois	9.5 (h)	---Flat Rate---		1	9.5 (h)	
Indiana	5.75 (i)	---Flat Rate---		1	6.25	
Iowa	6.0 - 12.0	25,000	250,001	4	5.0	Yes (j)
Kansas	4.0 (k)	---Flat Rate---		1	2.25 (k)	
Kentucky	5.0	---Flat Rate---		1	(a)	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
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Maryland	8.25	---Flat Rate---		1	8.25	
Massachusetts	8.0 (m)	---Flat Rate---		1	9.0 (m)	
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Minnesota	9.8 (n)	---Flat Rate---		1	9.8 (n)	
Mississippi	0 - 5.0	2,000	10,001	4	0 - 5.0	
Missouri	6.25	---Flat Rate---		1	7.0	Yes (j)
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New Jersey	9.0 (q)	---Flat Rate---		1	9.0 (q)	
New Mexico	4.8 - 5.9	500,000		2	4.8 - 5.9	
New York	6.5 (r)	---Flat Rate---		1	6.5 (r)	
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South Carolina	5.0	---Flat Rate---		1	4.5 (v)	
South Dakota	--- No Corporate Income Tax ---				6.0-0.25% (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(w)	(w)			(w)	
Utah	4.95 (b)	---Flat Rate---		1	5.0 (b)	
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- (p) New Hampshire's 7.7% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.675% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross receipts over \$208,000 or enterprise base over \$104,000, adjusted every year.
- (q) New Jersey also imposes a 2.5% surtax on taxpayers with income over \$1 million in tax year 2019; surtax is reduced to 1.5% in 2020 and 21. Small businesses with annual net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- (r) New York's General business corporate rate shown. Corporations may also be subject to a capital stocks tax, which is being phased out through 2021. A minimum tax ranges from \$25 to \$200,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 0%.
- (s) North Dakota imposes a 3.5% surtax for filers electing to use the water's edge method to apportion income.
- (t) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.
- (u) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000, up to \$100,000 for companies with sales of \$100 million or above.
- (v) South Carolina taxes savings and loans at a 6% rate.
- (w) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,130,000 total revenues at rate of 0.75%, or 0.375% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

## State Corporate Income Tax, 2018

	Rate (%)	Minimum	Formulas for tax year 2018—as of January 1, 2018			Special formula for Manufacturing	Throwback Rule for Nowhere	Addback Rule for Related Entity Income	NOL Carryforward	NOL Carryback	Combined Reporting	Joyce or Finnegan (1)	Worldwide (2)	Notes
			Sales	Payroll	Property									
Alabama	6.5		50%	25%	25%		Yes	Yes	15	2				Oil and gas corporations required to file worldwide
Alaska	0 to 9.4		33%	33%	33%		Yes	No	20	2	Yes	Joyce	No	
Arizona	4.9	\$100	50%	25%	25%	90% sales, 5% payroll, 5% property	No	No	20	—	Yes	Finnegan	No	
Arkansas	1.0 to 6.5		50%	25%	25%		Yes	Yes	5	—				Single sales factor being phased in
California	8.84	\$800	100%	0%	0%		Yes	No	20	2	Yes	Finnegan	Yes (4)	
Colorado	4.63		100%	0%	0%		Yes	No	20	—	Yes	Joyce	No	
Connecticut	7.5 + 20% surcharge	\$250	100%	0%	0%	33% sales, 33% payroll, 33% property	No	Yes	20	—				
Delaware (3)			60%	20%	20%		No	Yes	20	2				
Florida	5.5		50%	25%	25%		No	No	20	—				
Georgia	6		100%	0%	0%		No	Yes	20	2				
Hawaii	4.4 to 6.4		33%	33%	33%		Yes	No	20	2	Yes	Joyce	No	
Idaho	7.4	\$20	50%	25%	25%		Yes	No	20	2	Yes	Joyce	Yes (4)	
Illinois	9.5		100%	0%	0%		Yes	Yes	12	—	Yes	Joyce	No	
Indiana	6		100%	0%	0%		Yes	Yes	20	—				
Iowa	6 to 12		100%	0%	0%		No	No	20	—				
Kansas	4 to 7		33%	33%	33%		Yes	No	10	2	Yes	Finnegan	No	
Kentucky	4 to 6		50%	25%	25%		No	Yes	20	—				
Louisiana	4 to 8		100%	0%	0%		No	No	20	—				
Maine	3.5 - 8.93		100%	0%	0%		Yes	No	20	—	Yes	Joyce	No	
Maryland	8.25		50%	25%	25%	100% sales	No	Yes	20	2				
Massachusetts	8		50%	25%	25%	100% sales	Yes	Yes	20	—	Yes	Finnegan	No (5)	
Michigan	6		100%	0%	0%		No	Yes	10	—	Yes	Finnegan	No	
Minnesota	9.8		100%	0%	0%		No	No	15	—	Yes	Joyce	No	Single sales factor being phased in
Mississippi	3 to 5		100%	0%	0%		Yes	Yes	20	2				
Missouri	6.25		33%	33%	33%		Yes	No	20	2				
Montana	6.75	\$50	33%	33%	33%		Yes	No	7	3	Yes	Joyce	Yes (4)	
Nebraska	5.58 to 7.81		100%	0%	0%		No	No	20	—	Yes		No	
Nevada														
New Hampshire	8.2		50%	25%	25%		Yes	No	10	—	Yes	Joyce	No	
New Jersey	9		100%	0%	0%		Yes	Yes	20	—				
New Mexico	4.8 to 5.9		100%	0%	0%		Yes	No	20	—	Yes	Joyce	No	Only large retailers are required to file combined returns.
New York	6.5	\$25 to \$250,000	100%	0%	0%		No	Yes (Royalty)	20	—	Yes	Finnegan	No	
North Carolina	3		100%	0%	0%			Yes (Royalty)	15	—				
North Dakota	1.41 to 4.31	\$50 (banks)	75%	12.5%	12.5%		Yes	No	20	—	Yes	Joyce	Yes (4)	
Ohio		Corporate franchise gross receipts tax					No				Yes		Yes	
Oklahoma	6		33%	33%	33%		Yes	No	20	2				
Oregon	6.6 to 7.6	\$150 to \$100,000	100%	0%	0%		Yes	Yes	15	—	Yes	Joyce		
Pennsylvania	9.99		100%	0%	0%		No	No	20	—				
Rhode Island	7	\$500	100%	0%	0%		Yes	No	5	—				
South Carolina	5		100%	0%	0%		No	Yes	20	—				
South Dakota														
Tennessee	6.5		60%	20%	20%		No	Yes	15	—	Yes		Yes	Only financial institutions, REITs and hospital companies are required to file combined returns
Texas		Gross receipts tax	100%	0%	0%		Yes	No			Yes		No	
Utah	5	\$100	100%	0%	0%		Yes	No	15	3	Yes	Finnegan	No (5)	
Vermont	6 to 8.5	\$250	50%	25%	25%		Yes	No	10	—	Yes	Joyce	No	
Virginia	6		50%	25%	25%		No	Yes	20	2				
Washington														
West Virginia	6.5		50%	25%	25%		Yes	Yes	20	2	Yes	Joyce	No (5)	
Wisconsin	7.9		100%	0%	0%		Yes	Yes	20	—	Yes	Finnegan	No	
Wyoming														
District of Columbia	8.25	\$100	100%	0%	0%		Yes	Yes	20	—	Yes	Joyce	No	

## Notes:

- (1) Joyce and Finnegan are methods of determining the sales factor for apportionment. States using *Joyce* only include entities with nexus.  
(2) Worldwide reporting includes foreign affiliates in the combined entity income; water's edge reporting excludes this income.  
(3) Delaware is phasing in a single sales factor for businesses through Jan. 1, 2020.  
(4) Corporations can elect to file water's edge.  
(4) Corporations can elect to file worldwide.

Source: Compiled by Tax Policy Center from state sources, CCH, Federation of Tax Administrators.

## State Corporate Income Tax, 2017

	Rate (%)	Minimum	Formulas for tax year 2016--as of January 1, 2016			Special formula for Manufacturing	Throwback Rule for Nowhere	Addback Rule for Related Entity Income	NOL Carryforward	NOL Carryback	Combined Reporting	Joyce or Finnegan (1)	Worldwide (2)	Notes
			Sales	Payroll	Property									
Alabama	6.5		50%	25%	25%		Yes	Yes	15	2				
Alaska	0 to 9.4		33%	33%	33%		Yes	No	20	2	Yes	Joyce	No	Oil and gas corporations required to file worldwide
Arizona	4.9	\$100	50%	25%	25%	90% sales, 5% payroll, 5% property	No	No	20	--	Yes	Finnegan	No	Single sales factor being phased in
Arkansas	1 to 6.5		50%	25%	25%		Yes	Yes	5	--				
California	8.84	\$800	100%	0%	0%		Yes	No	20	2	Yes	Finnegan	Yes (4)	
Colorado	4.63		100%	0%	0%		Yes	No	20	--	Yes	Joyce	No	
Connecticut	7.5 + 20% surcharge	\$250	100%	0%	0%	33% sales, 33% payroll, 33% property	No	Yes	20	--				
Delaware	(3)		33%	33%	33%		No	Yes	20	2				
Florida	5.5		50%	25%	25%		No	No	20	--				
Georgia	6		100%	0%	0%		No	Yes	20	2				
Hawaii	4.4 to 6.4		33%	33%	33%		Yes	No	20	2	Yes	Joyce		
Idaho	7.4	\$20	50%	25%	25%		Yes	No	20	2	Yes	Joyce	No	Yes (4)
Illinois	7.75		100%	0%	0%		Yes	Yes	12	--	Yes	Joyce	No	
Indiana	6.25		100%	0%	0%		Yes	Yes	20	--				
Iowa	6 to 12		100%	0%	0%		No	No	20	--				
Kansas	4 to 7		33%	33%	33%		Yes	No	10	2	Yes	Finnegan	No	
Kentucky	4 to 6		50%	25%	25%		No	Yes	20	--				
Louisiana	4 to 8		33%	33%	33%		No	No	20	--				
Maine	3.5 - 8.93		100%	0%	0%		Yes	No	20	--	Yes	Joyce	No	
Maryland	8.25		50%	25%	25%	100% sales	No	Yes	20	2				
Massachusetts	8		50%	25%	25%	100% sales	Yes	Yes	20	--	Yes	Finnegan	No (5)	
Michigan	6		100%	0%	0%		No	Yes	10	--	Yes	Finnegan	No	
Minnesota	9.8		96%	2%	2%		No	No	15	--	Yes	Joyce	No	Single sales factor being phased in
Mississippi	3 to 5		100%	0%	0%		Yes	Yes	20	2				
Missouri	6.25		33%	33%	33%		Yes	No	20	2				
Montana	6.75	\$50	33%	33%	33%		Yes	No	7	3	Yes	Joyce	Yes (4)	
Nebraska	5.58 to 7.81		100%	0%	0%		No	No	20	--	Yes		No	
Nevada														
New Hampshire	8.2		50%	25%	25%		Yes	No	10	--	Yes	Joyce	No	
New Jersey	9		100%	0%	0%		Yes	Yes	20	--				
New Mexico	4.8 to 6.2		33%	33%	33%	70% sales, 15% payroll, 15% property	Yes	No	20	--	Yes	Joyce	No	Only large retailers are required to file combined returns.
New York	6.5	\$25 to \$250,000	100%	0%	0%		No	Yes (Royalty)	20	--	Yes	Finnegan	No	
North Carolina	3		75%	13%	13%			Yes (Royalty)	15	--				
North Dakota	1.41 to 4.31	\$50 (banks)	33%	33%	33%		Yes	No	20	--	Yes	Joyce	Yes (4)	
Ohio		Corporate franchise gross receipts tax	60%	20%	20%		No				Yes		Yes	
Oklahoma	6		33%	33%	33%		Yes	No	20	2				
Oregon	6.6 to 7.6	\$150 to \$100,000	100%	0%	0%		Yes	Yes	15	--	Yes	Joyce		
Pennsylvania	9.99		100%	0%	0%		No	No	20	--				
Rhode Island	7	\$500	100%	0%	0%		Yes	No	5	--				
South Carolina	5		100%	0%	0%		No	Yes	20	--				
South Dakota														
Tennessee	6.5		50%	25%	25%		No	Yes	15	--	Yes		Yes	Only financial institutions, REITs and hospital companies are required to file combined returns
Texas		Gross receipts tax	33%	33%	33%		Yes	No			Yes		No	
Utah	5	\$100	100%	0%	0%		Yes	No	15	3	Yes	Finnegan	No (5)	
Vermont	6 to 8.5	\$250	50%	25%	25%		Yes	No	10	--	Yes	Joyce	No	
Virginia	6		50%	25%	25%		No	Yes	20	2				
Washington														
West Virginia	6.5		50%	25%	25%		Yes	Yes	20	2	Yes	Joyce	No (5)	
Wisconsin	7.9		100%	0%	0%		Yes	Yes	20	--	Yes	Finnegan	No	
Wyoming														
District of Columbia	9	\$100	100%	0%	0%		Yes	Yes	20	--	Yes	Joyce	No	

## Notes:

(1) Joyce and Finnegan are methods of determining the sales factor for apportionment. States using *Joyce* only include entities with nexus.

(2) Worldwide reporting includes foreign affiliates in the combined entity income; water's edge reporting excludes this income.

(3) Delaware has a corporate franchise tax based on the number of shares or assumed capital value and an income tax on Delaware income of 8.7% (Headquarters management companies pay a minimum tax of \$5,000 or 8.7%).

(4) Corporations can elect to file water's edge.

(4) Corporations can elect to file worldwide.

## State Corporate Income Tax, 2016

	Rate	Minimum	Formulas for tax year 2016--as of January 1, 2016			Special formula for Manufacturing	Throwback Rule for Nowhere	Addback Rule for Related Entity Income	NOL Carryforward	NOL Carryback	Combined Reporting	Joyce or Finnegan (1)	Worldwide (2)	Notes
			Sales	Payroll	Property									
Alabama	6.5		50%	25%	25%		Yes	Yes	15	2				Oil and gas corporations required to file worldwide
Alaska	0 to 9.4		33%	33%	33%		Yes	No	20	2	Yes	Joyce	No	
Arizona	5.5	50	50%	25%	25%	90% sales, 5% payroll, 5% property	No	No	20	--	Yes	Finnegan	No	Single sales factor being phased in
Arkansas	1 to 6.5		50%	25%	25%		Yes	Yes	5	--				
California	8.84	800	100%	0%	0%		Yes	No	20	2	Yes	Finnegan	Yes (4)	
Colorado	4.63		100%	0%	0%		Yes	No	20	--	Yes	Joyce	No	
Connecticut	7.5 + 20% surcharge	250	100%	0%	0%	33% sales, 33% payroll, 33% property	No	Yes	20	--				
Delaware	(3)	75/350	33%	33%	33%		No	Yes	20	2				
Florida	5.5		50%	25%	25%		No	No	20	--				
Georgia	6		100%	0%	0%		No	Yes	20	2				
Hawaii	4.4 to 6.4		33%	33%	33%		Yes	No	20	2	Yes	Joyce	No	
Idaho	7.4	20	50%	25%	25%		Yes	No	20	2	Yes	Joyce	Yes (4)	
Illinois	7.75		100%	0%	0%		Yes	Yes	12	--	Yes	Joyce	No	
Indiana	6.5		100%	0%	0%		Yes	Yes	20	--				
Iowa	6 to 12		100%	0%	0%		No	No	20	--				
Kansas	4 to 7		33%	33%	33%		Yes	No	10	2	Yes	Finnegan	No	
Kentucky	4 to 6		50%	25%	25%		No	Yes	20	--				
Louisiana	4 to 8		33%	33%	33%		No	No	20	--				
Maine	3.5 - 8.93		100%	0%	0%		Yes	No	20	--	Yes	Joyce	No	
Maryland	8.25		50%	25%	25%	100% sales	No	Yes	20	2				
Massachusetts	8		50%	25%	25%	100% sales	Yes	Yes	20	--	Yes	Finnegan	No (5)	
Michigan	6		100%	0%	0%		No	Yes	10	--	Yes	Finnegan	No	
Minnesota	9.8		96%	2%	2%		No	No	15	--	Yes	Joyce	No	Single sales factor being phased in
Mississippi	3 to 5		100%	0%	0%		Yes	Yes	20	2				
Missouri	6.25		33%	33%	33%		Yes	No	20	2				
Montana	6.75		33%	33%	33%		Yes	No	7	3	Yes	Joyce	Yes (4)	
Nebraska	5.58 to 7.81		100%	0%	0%		No	No	20	--	Yes		No	
Nevada														
New Hampshire	8.5		50%	25%	25%		Yes	No	10	--	Yes	Joyce	No	
New Jersey	9		100%	0%	0%		Yes	Yes	20	--				
New Mexico	4.8 to 6.6		33%	33%	33%	70% sales, 15% payroll, 15% property	Yes	No	20	--	Yes	Joyce	No	Only large retailers are required to file combined returns.
New York	6.5		100%	0%	0%		No	Yes (Royalty)	20	--	Yes	Finnegan	No	
North Carolina	4		75%	13%	13%			Yes (Royalty)	15	--				
North Dakota	1.41 to 4.31		33%	33%	33%		Yes	No	20	--	Yes	Joyce	Yes (4)	
Ohio	Corporate franchise gross receipts tax		60%	20%	20%		No				Yes		Yes	
Oklahoma	6		33%	33%	33%		Yes	No	20	2				
Oregon	6.6 to 7.6		100%	0%	0%		Yes	Yes	15	--	Yes	Joyce		
Pennsylvania	9.99		100%	0%	0%		No	No	20	--				
Rhode Island	7		100%	0%	0%		Yes	No	5	--				
South Carolina	5		100%	0%	0%		No	Yes	20	--				
South Dakota														
Tennessee	6.5		50%	25%	25%		No	Yes	15	--	Yes		Yes	Only financial institutions, REITs and hospital companies are required to file combined returns
Texas	Gross receipts tax		33%	33%	33%		Yes	No			Yes		No	
Utah	5		100%	0%	0%		Yes	No	15	3	Yes	Finnegan	No (5)	
Vermont	6 to 8.5		50%	25%	25%		Yes	No	10	--	Yes	Joyce	No	
Virginia	6		50%	25%	25%		No	Yes	20					
Washington														
West Virginia	6.5		50%	25%	25%		Yes	Yes	20	2	Yes	Joyce	No (5)	
Wisconsin	7.9		100%	0%	0%		Yes	Yes	20	--	Yes	Finnegan	No	
Wyoming														
District of Columbia	9.4	250/1000	100%	0%	0%		Yes	Yes	20	--	Yes	Joyce	No	

## Notes:

(1) Joyce and Finnegan are methods of determining the sales factor for apportionment. States using Joyce only include entities with nexus.

(2) Worldwide reporting includes foreign affiliates in the combined entity income; water's edge reporting excludes this income.

(3) Delaware has a corporate franchise tax based on the number of shares or assumed capital value and an income tax on Delaware income of 8.7% (Headquarters management companies pay a minimum tax of \$5,000 or 8.7%).

(4) Corporations can elect to file water's edge.

(4) Corporations can elect to file worldwide.

Source: Compiled by Tax Policy Center from state sources, CCH, Federation of Tax Administrators.

25-Jul-17

**State Corporate Income Tax Rates 2015**  
(For tax year 2015 -- as of January 1, 2015)

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate for Financial Institutions (percent) (a)	Federal Income Tax Deductible?
		Lowest	Highest			
Alabama	6.5	---	Flat Rate---	1	6.5	Yes
Alaska	0 - 9.4	25,000	222,000	10	0 - 9.4	
Arizona	6 (b)	---	Flat Rate---	1	6.5 (b)	
Arkansas	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
California	8.84 (c)	---	Flat Rate---	1	10.84 (c)	
Colorado	4.63	---	Flat Rate---	1	4.63	
Connecticut	7.5 (d)	---	Flat Rate---	1	7.5 (d)	
Delaware	8.7	---	Flat Rate---	1	8.7-1.7 (e)	
District of Columbia	9.4 (c)	---	Flat Rate---	1	9.4 (c)	
Florida	5.5 (f)	---	Flat Rate---	1	5.5 (f)	
Georgia	6.0	---	Flat Rate---	1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,001	3	7.92 (g)	
Idaho	7.4 (h)	---	Flat Rate---	1	7.4 (h)	
Illinois	7.75 (i)	---	Flat Rate---	1	7.75 (i)	
Indiana	7.0 (j)	---	Flat Rate---	1	8.5 (j)	
Iowa	6.0 - 12.0	25,000	250,001	4	5.0	
Kansas	4.0 (l)	---	Flat Rate---	1	2.25 (l)	Yes (k)
Kentucky	4.0 - 6.0	50,000	100,001	3	(a)	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
Maine	3.5 - 8.93	25,000	250,000	4	1.0 (m)	
Maryland	8.25	---	Flat Rate---	1	8.25	
Massachusetts	8.0 (n)	---	Flat Rate---	1	9.0 (n)	
Michigan	6.0	---	Flat Rate---	1	(a)	
Minnesota	9.8 (o)	---	Flat Rate---	1	9.8 (o)	
Mississippi	3.0 - 5.0	5,000	10,001	3	3.0 - 5.0	Yes (k)
Missouri	6.25	---	Flat Rate---	1	7.0	
Montana	6.75 (p)	---	Flat Rate---	1	6.75 (p)	
Nebraska	5.58 - 7.81	100,000		2	(a)	
Nevada	---	No Corporate Income Tax	---			
New Hampshire	8.5 (q)	---	Flat Rate---	1	8.5 (q)	
New Jersey	9.0 (r)	---	Flat Rate---	1	9.0 (r)	
New Mexico	4.8-6.9 (s)	500,000	1 million	3	4.8-6.9 (s)	
New York	7.1 (t)	---	Flat Rate---	1	7.1 (t)	
North Carolina	5.0 (u)	---	Flat Rate---	1	6.0 (t)	
North Dakota	1.48 - 4.53	25,000	50,001	3	7.0 (b)	Yes
Ohio	(v)				(v)	
Oklahoma	6.0	---	Flat Rate---	1	6.0	
Oregon	6.6 - 7.6 (w)	10 million		2	6.6 - 7.6 (w)	
Pennsylvania	9.99	---	Flat Rate---	1	(a)	
Rhode Island	7.0 (c)	---	Flat Rate---	1	7.0 (c)	
South Carolina	5.0	---	Flat Rate---	1	4.5 (x)	
South Dakota	---	No Corporate Income Tax	---		6.0 - 0.25% (b)	
Tennessee	6.5	---	Flat Rate---	1	6.5	
Texas	(v)				(v)	
Utah	5.0 (c)	---	Flat Rate---		5.0 (c)	
Vermont	6.0 - 8.5 (c)	10,000	25,000	3	(a)	
Virginia	6.0	---	Flat Rate---	1	6.0	
Washington	---	No Corporate Income Tax	---			
West Virginia	6.5	---	Flat Rate---	1	6.5	
Wisconsin	7.9	---	Flat Rate---	1	7.9	
Wyoming	---	No Corporate Income Tax	---			

**Footnotes:**

(a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.

(b) Arizona minimum tax is \$100. Tax rate is scheduled to decrease to 5.5% in tax years 2016.

(c) Minimum tax is \$800 in California, \$100 in District of Columbia, \$50 in North Dakota (banks), \$500 in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.

(d) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax). Plus, an additional 20% surtax applies for tax years 2012 and 2016.

(e) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.

(f) An exemption of \$50,000 is allowed. Florida's Alternative Minimum Tax rate is 3.3%.

(g) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).

(h) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).

(i) The Illinois rate of 7.75% is the sum of a corporate income tax rate of 5.25% plus a replacement tax of 2.5%.

(j) The Indiana tax rate is scheduled to decrease to 6.5% on July 1, 2015.

(k) 50% of the federal income tax is deductible.

(l) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.

(m) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.

(n) Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.

(o) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income.

(p) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.

(q) New Hampshire's 8.5% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.75% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000.

(r) In New Jersey small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.

(s) New Mexico tax rates are scheduled to decrease for tax year 2016.

(t) New York's General business corporate rate shown. Corporations may also be subject to a capital stocks tax, which is being phased out through 2021. A minimum tax ranges from \$25 to \$200,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 0%. Small business taxpayers in New York pay rates of 6.5%, 7.1%, and 4.35% on 3 brackets of entire net income up to \$390,000.

(u) In North Carolina financial institutions are also subject to a tax equal to \$30 per one million in assets. Tax rate is scheduled to decrease to 4% in tax year 2016, if certain revenue targets are met.

(v) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.

(w) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000, up to \$100,000 for companies with sales of \$100 million or above.

(x) South Carolina taxes savings and loans at a 6% rate.

(y) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,030,000 total revenues at rate of 1%, or 0.5% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

Source: Federation of Tax Administrators, January 2015

[http://www.taxadmin.org/fta/rate/corp\\_inc.pdf](http://www.taxadmin.org/fta/rate/corp_inc.pdf)

11-Jun-14

**State Corporate Income Tax Rates 2014**  
(For tax year 2014 -- as of January 1, 2014)

State	Tax Rate (percent)	Tax Brackets		Number Brackets	Tax Rate for Financial Institutions (percent) (a)	Federal Income Tax Deductible?
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	Yes
Alaska	0 - 9.4	25,000	222,000	10	0 - 9.4	
Arizona	6.5 (y)	---Flat Rate---		1	6.5 (y)	
Arkansas	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---		1	10.84 (c)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (d)	---Flat Rate---		1	7.5 (d)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (e)	
District of Columbia	9.975 (b)	---Flat Rate---		1	9.975 (b)	
Florida	5.5 (f)	---Flat Rate---		1	5.5 (f)	
Georgia	6.0	---Flat Rate---		1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,001	3	7.92 (g)	
Idaho	7.4 (h)	---Flat Rate---		1	7.4 (h)	
Illinois	9.5 (i)	---Flat Rate---		1	9.5 (i)	
Indiana	8.0 (j)	---Flat Rate---		1	8.5 (j)	
Iowa	6.0 - 12.0	25,000	250,001	4	5.0	Yes (k)
Kansas	4.0 (l)	---Flat Rate---		1	2.25 (l)	
Kentucky	4.0 - 6.0	50,000	100,001	3	(a)	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
Maine	3.5 - 8.93	25,000	250,000	4	1.0 (m)	
Maryland	8.25	---Flat Rate---		1	8.25	
Massachusetts	8.0 (n)	---Flat Rate---		1	9.0 (n)	
Michigan	6.0	---Flat Rate---		1	(a)	
Minnesota	9.8 (o)	---Flat Rate---		1	9.8 (o)	
Mississippi	3.0 - 5.0	5,000	10,001	3	3.0 - 5.0	Yes (k)
Missouri	6.25	---Flat Rate---		1	7.0	
Montana	6.75 (p)	---Flat Rate---		1	6.75 (p)	
Nebraska	5.58 - 7.81	100,000		2	(a)	
Nevada	---No Corporate Income Tax---					
New Hampshire	8.5 (q)	---Flat Rate---		1	8.5 (q)	
New Jersey	9.0 (r)	---Flat Rate---		1	9.0 (r)	
New Mexico	4.8 - 7.3	500,000	1 million	3	4.8 - 7.3	
New York	7.1 (s)	---Flat Rate---		1	7.1 (s)	
North Carolina	6	---Flat Rate---		1	6 (t)	
North Dakota	1.48 - 4.53	25,000	50,001	3	7.0 (b)	Yes
Ohio	(u)	---Flat Rate---		1	(u)	
Oklahoma	6.0	---Flat Rate---		1	6.0	
Oregon	6.6 - 7.6 (v)	10 million		2	6.6 - 7.6 (v)	
Pennsylvania	9.99	---Flat Rate---		1	(a)	
Rhode Island	9.0 (b)	---Flat Rate---		1	9.0 (b)	
South Carolina	5.0	---Flat Rate---		1	4.5 (w)	
South Dakota	---No Corporate Income Tax---					
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(x)	---Flat Rate---		1	(x)	
Utah	5.0 (b)	---Flat Rate---		1	5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	25,000	3	(a)	
Virginia	6.0	---Flat Rate---		1	6.0	
Washington	---No Corporate Income Tax---					
West Virginia	6.5	---Flat Rate---		1	6.5	
Wisconsin	7.9	---Flat Rate---		1	7.9	
Wyoming	---No Corporate Income Tax---					

**Footnotes:**

- (a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$50 in Arizona, \$100 in District of Columbia, \$50 in North Dakota (banks), \$500 in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, and \$250 in Vermont.
- (c) The minimum corporation franchise tax in California is \$800. The additional alternative minimum tax is levied at a 6.65% rate.
- (d) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax). Plus, an additional 20% surtax applies for tax years 2012 and 2013.
- (e) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (f) An exemption of \$50,000 is allowed. Florida's Alternative Minimum Tax rate is 3.3%.
- (g) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).
- (h) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000 and no property or payroll in Idaho may elect to pay 1% on such sales (instead of the tax on net income).
- (i) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%.
- (j) The Indiana tax rate is scheduled to decrease to 7.0% on July 1, 2014.
- (k) Fifty percent of the federal income tax is deductible.
- (l) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.
- (m) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.
- (n) Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.
- (o) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income.
- (p) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales instead of the net income tax.
- (q) New Hampshire's 8.5% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.75% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000.
- (r) In New Jersey small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- (s) New York's General business corporate rate is shown. Corporations may also be subject to AMT tax at 1.5% (3% banks) or a capital stocks tax. A minimum tax ranges from \$25 to \$5,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 6.5%. Small business taxpayers in New York pay rates of 6.5%, 7.1%, and 4.35% on 3 brackets of entire net income up to \$390,000.
- (t) North Carolina financial institutions are also subject to a tax equal to \$30 per one million in assets.
- (u) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.
- (v) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000 to \$100,000 for companies with sales of \$100 million or above.
- (w) South Carolina taxes savings and loans at a 6% rate.
- (x) Texas imposes a Franchise Tax, otherwise known as margin tax, on entities with more than \$1,000,000 total revenues at a rate of 1%, or 0.5% for entities primarily engaged in retail or wholesale trade. It is imposed on the lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.
- (y) Arizona minimum tax is \$100. Tax rate is scheduled to decrease to 6.0% in tax years 2015.



**State Corporate Income Tax Rates 2013**  
(For tax year 2013 -- as of January 1, 2013)

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate for Financial Institutions (percent) (a)	Federal Income Tax Deductible?
		Lowest	Highest			
Alabama	6.5	----	Flat Rate----	1	6.5	Yes
Alaska	1.0 - 9.4	9,999	90,000	10	1.0 - 9.4	
Arizona	6.968 (b)	----	Flat Rate----	1	6.968 (b)	
Arkansas	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
California	8.84 (c)	----	Flat Rate----	1	10.84 (c)	
Colorado	4.63	----	Flat Rate----	1	4.63	
Connecticut	7.5 (d)	----	Flat Rate----	1	7.5 (d)	
Delaware	8.7	----	Flat Rate----	1	8.7-1.7 (e)	
District of Columbia	9.975 (b)	----	Flat Rate----	1	9.975 (b)	
Florida	5.5 (f)	----	Flat Rate----	1	5.5 (f)	
Georgia	6.0	----	Flat Rate----	1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,001	3	7.92 (g)	
Idaho	7.4 (h)	----	Flat Rate----	1	7.4 (h)	
Illinois	9.5 (i)	----	Flat Rate----	1	9.5 (i)	
Indiana	8.0 (j)	----	Flat Rate----	1	8.5	
Iowa	6.0 - 12.0	25,000	250,001	4	5.0	Yes (k)
Kansas	4.0 (l)	----	Flat Rate----	1	2.25 (l)	
Kentucky	4.0 - 6.0	50,000	100,001	3	(a)	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
Maine	3.5 - 8.93	25,000	250,000	4	1.0 (m)	
Maryland	8.25	----	Flat Rate----	1	8.25	
Massachusetts	8.0 (n)	----	Flat Rate----	1	9.0 (n)	
Michigan	6.0	----	Flat Rate----	1	(a)	
Minnesota	9.8 (o)	----	Flat Rate----	1	9.8 (o)	
Mississippi	3.0 - 5.0	5,000	10,001	3	3.0 - 5.0	
Missouri	6.25	----	Flat Rate----	1	7.0	Yes (k)
Montana	6.75 (p)	----	Flat Rate----	1	6.75 (p)	
Nebraska	5.58 - 7.81	100,000		2	(a)	
Nevada	----	No Corporate Income Tax ----				
New Hampshire	8.5 (q)	----	Flat Rate----	1	8.5 (q)	
New Jersey	9.0 (r)	----	Flat Rate----	1	9.0 (r)	
New Mexico	4.8 - 7.6	500,000	1 million	3	4.8 - 7.6	
New York	7.1 (s)	----	Flat Rate----	1	7.1 (s)	
North Carolina	6.9	----	Flat Rate----	1	6.9 (t)	
North Dakota	1.68 - 5.15	25,000	50,001	3	7.0 (b)	Yes
Ohio	(u)				(u)	
Oklahoma	6.0	----	Flat Rate----	1	6.0	
Oregon	6.6 - 7.6 (v)	10 million		2	6.6 - 7.6 (v)	
Pennsylvania	9.99	----	Flat Rate----	1	(a)	
Rhode Island	9.0 (b)	----	Flat Rate----	1	9.0 (b)	
South Carolina	5.0	----	Flat Rate----	1	4.5 (w)	
South Dakota	----	No Corporate Income Tax ----			6.0 - 0.25 (b)	
Tennessee	6.5	----	Flat Rate----	1	6.5	
Texas	(x)				(x)	
Utah	5.0 (b)	----	Flat Rate----		5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	25,000	3	(a)	
Virginia	6.0	----	Flat Rate----	1	6.0	
Washington	----	No Corporate Income Tax ----				
West Virginia	7.0 (y)	----	Flat Rate----	1	7.0 (y)	
Wisconsin	7.9	----	Flat Rate----	1	7.9	
Wyoming	----	No Corporate Income Tax ----				

**Footnotes:**

(a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.

(b) Minimum tax is \$50 in Arizona, \$100 in District of Columbia, \$50 in North Dakota (banks), \$500 in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, and \$250 in Vermont.

(c) The minimum corporation franchise tax in California is \$800. The additional alternative minimum tax is levied at a 6.65% rate.

(d) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax). Plus, an additional 20% surtax applies for tax years 2012 and 2013.

(e) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.

(f) An exemption of \$50,000 is allowed. Florida's Alternative Minimum Tax rate is 3.3%.

(g) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).

(h) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000 and no property or payroll in Idaho may elect to pay 1% on such sales (instead of the tax on net income).

(i) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%.

(j) The Indiana tax rate is scheduled to decrease to 7.5% on July 1, 2013.

(k) Fifty percent of the federal income tax is deductible.

(l) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000.

Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.

(m) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.

(n) Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.

(o) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income

(p) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales instead of the net income tax.

(q) New Hampshire's 8.5% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.75% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000.

(r) In New Jersey small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.

(s) New York's General business corporate rate is shown. Corporations may also be subject to AMT tax at 1.5% (3% banks) or a capital stocks tax. A minimum tax ranges from \$25 to \$5,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 6.5%. Small business taxpayers in New York pay rates of 6.5%, 7.1%, and 4.35% on 3 brackets of entire net income up to \$390,000.

(t) North Carolina financial institutions are also subject to a tax equal to \$30 per one million in assets

(u) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.

(v) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000 to \$100,000 for companies with sales of \$100 million or above.

(w) South Carolina taxes savings and loans at a 6% rate.

(x) Texas imposes a Franchise Tax, otherwise known as margin tax, on entities with more than \$1,000,000 total revenues at a rate of 1%, or 0.5% for entities primarily engaged in retail or wholesale trade. It is imposed on the lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

(y) West Virginia's corporate rate is scheduled to decline to 6.5% after 2013.

Source: Federation of Tax Administrators, February 2012.

[http://www.taxadmin.org/fta/rate/corp\\_inc.pdf](http://www.taxadmin.org/fta/rate/corp_inc.pdf)

17-Oct-12

**Range of State Corporate Income Tax Rates, 2012**  
(For tax year 2012 -- as of January 1, 2012)

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate (a) (percent) Financial Institution	Federal Income Tax Deductible
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	Yes
Alaska	1.0 - 9.4	9,999	90,000	10	1.0 - 9.4	
Arizona	6.968 (b)	---Flat Rate---		1	6.968 (b)	
Arkansas	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---		1	10.84 (c)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (d)	---Flat Rate---		1	7.5 (d)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (e)	
Florida	5.5 (f)	---Flat Rate---		1	5.5 (f)	
Georgia	6.0	---Flat Rate---		1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,001	3	7.92 (g)	
Idaho	7.6 (h)	---Flat Rate---		1	7.6 (h)	
Illinois	9.5 (i)	---Flat Rate---		1	9.5 (i)	
Indiana	8.5 (j)	---Flat Rate---		1	8.5	
Iowa	6.0 - 12.0	25,000	250,001	4	5.0	Yes (k)
Kansas	4.0 (l)	---Flat Rate---		1	2.25 (l)	
Kentucky	4.0 - 6.0	50,000	100,001	3	--- (a)	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
Maine	3.5 - 8.93	25,000	250,000	4	1.0 (m)	
Maryland	8.25	---Flat Rate---		1	8.25	
Massachusetts	8.0 (n)	---Flat Rate---		1	9.0 (n)	
Michigan	6	---Flat Rate---		1	--- (a)	
Minnesota	9.8 (o)	---Flat Rate---		1	9.8 (o)	
Mississippi	3.0 - 5.0	5,000	10,001	3	3.0 - 5.0	
Missouri	6.25	---Flat Rate---		1	7.0	Yes (k)
Montana	6.75 (p)	---Flat Rate---		1	6.75 (p)	
Nebraska	5.58 - 7.81	100,000		2	--- (a)	
Nevada	--	No Corporate Income Tax				
New Hampshire	8.5 (q)	---Flat Rate---		1	8.5 (q)	
New Jersey	9.0 (r)	---Flat Rate---		1	9.0 (r)	
New Mexico	4.8 - 7.6	500,000	1 million	3	4.8 - 7.6	
New York	7.1 (s)	---Flat Rate---		1	7.1 (s)	
North Carolina	6.9	---Flat Rate---		1	6.9 (t)	
North Dakota	1.7 - 5.2	25,000	50,001	3	7 (b)	Yes
Ohio	(u)				--- (u)	
Oklahoma	6.0	---Flat Rate---		1	6.0	
Oregon	6.6 - 7.6 (v)	250,001		2	6.6 - 7.6 (v)	
Pennsylvania	9.99	---Flat Rate---		1	--- (a)	
Rhode Island	9.0 (b)	---Flat Rate---		1	9.0 (b)	
South Carolina	5.0	---Flat Rate---		1	4.5 (w)	
South Dakota	--	No Corporate Income Tax			6.0-0.25% (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(x)				(x)	
Utah	5.0 (b)	---Flat Rate---			5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	25,000	3	--- (a)	
Virginia	6.0	---Flat Rate---		1	6.0	
Washington	--	No Corporate Income Tax				
West Virginia	7.5 (y)	---Flat Rate---		1	7.5 (y)	
Wisconsin	7.9	---Flat Rate---		1	7.9	
Wyoming	--	No Corporate Income Tax				
District of Columbia	9.975 (b)	---Flat Rate---		1	9.975 (b)	

## Range of State Corporate Income Tax Rates, 2012

(For tax year 2012 -- as of January 1, 2012)

### Footnotes:

- (a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$50 in Arizona, \$100 in District of Columbia, \$50 in North Dakota (banks), \$500 in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.
- (c) The minimum corporation franchise tax in California is \$800. The additional alternative minimum tax is levied at a 6.65% rate.
- (d) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax). Plus, an additional 20% surtax applies for tax years 2012 and 2013.
- (e) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (f) An exemption of \$5,000 is allowed. Florida's Alternative Minimum Tax rate is 3.3%.
- (g) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).
- (h) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).
- (i) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%.
- (j) The Indiana tax rate is scheduled to decrease to 8% on July 1, 2012.
- (k) 50% of the federal income tax is deductible.
- (l) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.
- (m) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.
- (n) Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.
- (o) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income.
- (p) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.
- (q) New Hampshire's 8.5% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.75% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000.
- (r) In New Jersey small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- (s) New York's General business corporate rate shown. Corporations may also be subject to AMT tax at 1.5% (3% banks), or a capital stocks tax. A minimum tax ranges from \$25 to \$5,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 6.5%. Small business taxpayers in New York pay rates of 6.5%, 7.1%, and 4.35% on 3 brackets of entire net income up to \$390,000.
- (t) In North Carolina financial institutions are also subject to a tax equal to \$30 per one million in assets.
- (u) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.
- (v) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000, up to \$100,000 for companies with sales of \$100 million or above.
- (w) South Carolina taxes savings and loans at a 6% rate.
- (x) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,000,000 total revenues at rate of 1%, or 0.5% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.
- (y) West Virginia's corporate rate is scheduled for reduction as follows: 7.0% after 2012, 6.5% after 2013.

Source: Federation of Tax Administrators, February 2012.

[http://www.taxadmin.org/fta/rate/corp\\_inc.pdf](http://www.taxadmin.org/fta/rate/corp_inc.pdf)

29-Mar-11

**Range of State Corporate Income Tax Rates, 2011**  
(For tax year 2011 -- as of January 1, 2011)

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate (a) (percent) Financial Institution	Federal Income Tax Deductible
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	Yes
Alaska	1.0 - 9.4	9,999	90,000	10	1.0 - 9.4	
Arizona	6.968 (b)	---Flat Rate---		1	6.968 (b)	
Arkansas	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---		1	10.84 (c)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (d)	---Flat Rate---		1	7.5 (d)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (e)	
Florida	5.5 (f)	---Flat Rate---		1	5.5 (f)	
Georgia	6.0	---Flat Rate---		1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,001	3	7.92 (g)	
Idaho	7.6 (h)	---Flat Rate---		1	7.6 (h)	
Illinois	9.5 (i)	---Flat Rate---		1	9.5 (i)	
Indiana	8.5	---Flat Rate---		1	8.5	
Iowa	6.0 - 12.0	25,000	250,001	4	5.0	Yes (j)
Kansas	4.0 (k)	---Flat Rate---		1	2.25 (k)	
Kentucky	4.0 - 6.0	50,000	100,001	3	--- (a)	
Louisiana	4.0 - 8.0	25,000	200,001	5	4.0-8.0	Yes
Maine	3.5 - 8.93	25,000	250,000	4	1.0 (l)	
Maryland	8.25	---Flat Rate---		1	8.25	
Massachusetts	8.25 (m)	---Flat Rate---		1	9.5 (m)	
Michigan	4.95 (n)	---Flat Rate---		1	--- (a)	
Minnesota	9.8 (o)	---Flat Rate---		1	9.8 (o)	
Mississippi	3.0 - 5.0	5,000	10,001	3	3.0 - 5.0	
Missouri	6.25	---Flat Rate---		1	7.0	Yes (j)
Montana	6.75 (p)	---Flat Rate---		1	6.75 (p)	
Nebraska	5.58 - 7.81		100,000	2	--- (a)	
Nevada	---	No Corporate Income Tax				
New Hampshire	8.5 (q)	---Flat Rate---		1	8.5 (q)	
New Jersey	9.0 (r)	---Flat Rate---		1	9.0 (r)	
New Mexico	4.8 - 7.6	500,000	1 million	3	4.8 - 7.6	
New York	7.1 (s)	---Flat Rate---		1	7.1 (s)	
North Carolina	6.9	---Flat Rate---		1	6.9 (t)	
North Dakota	2.1 - 6.4	25,000	50,001	3	7.0 (b)	Yes
Ohio	(u)				--- (u)	
Oklahoma	6.0	---Flat Rate---		1	6.0	
Oregon	6.6 - 7.6 (v)		250,001	2	6.6 - 7.6 (u)	
Pennsylvania	9.99	---Flat Rate---		1	--- (a)	
Rhode Island	9.0 (w)	---Flat Rate---		1	9.0 (w)	
South Carolina	5.0	---Flat Rate---		1	4.5 (x)	
South Dakota	---	No Corporate Income Tax			6.0-0.25 (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(y)				(y)	
Utah	5.0 (b)	---Flat Rate---			5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	250,000	3	--- (a)	
Virginia	6.0	---Flat Rate---		1	6.0	
Washington						
West Virginia	8.5 (z)	---Flat Rate---		1	8.5 (z)	
Wisconsin	7.9	---Flat Rate---		1	7.9	
Wyoming		No Corporate Income Tax				
District of Columbia	9.975 (b)	---Flat Rate---		1	9.975 (b)	

**Range of State Corporate Income Tax Rates, 2011**  
(For tax year 2011 -- as of January 1, 2011)

**Footnotes:**

- a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$500 in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont and \$100 in District of Columbia.
- c) The minimum corporation franchise tax in California is \$800. The additional alternative minimum tax is levied at a 6.65% rate.
- d) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (minimum tax).
- e) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- f) An exemption of \$5,000 is allowed. Florida's Alternative Minimum Tax Rate is 3.3%.
- g) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).
- h) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).
- i) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%. Tax rate increased from 7.3% on January 1, 2011.
- j) 50% of the federal income tax is deductible.
- k) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.
- l) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8 cents per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39 cents per \$1,000 of the institution's Maine assets as of the end of its taxable year.
- m) In 2012, the Massachusetts tax rate on business and manufacturing corporations is scheduled to fall to 8.0% and the rate on financial institutions to 9.0%. Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.
- n) The Michigan Business Tax is levied at rate of 4.95% on income plus 0.8% on modified gross receipts; there is a 21.99% surcharge, capped at \$6 million per year. The tax applies to businesses with gross receipts of \$350,000 or more.
- o) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income.
- p) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.
- q) New Hampshire's 8.5% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.75% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000.
- r) In New Jersey small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- s) New York's General business corporate rate shown. Corporations may also be subject to AMT tax at 1.5% (3% banks) or a capital stocks tax. Certain qualified New York manufacturers pay 6.5%. Small business taxpayers in New York pay rates of 6.5%, 7.1%, and 4.35% on 3 brackets of entire net income up to \$390,000.
- t) In North Carolina financial institutions are also subject to a tax equal to \$30 per one million in assets.
- u) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.
- v) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000, up to \$100,000 for companies with sales of \$100 million or above.
- w) Rhode Island's tax is the greater of 9% of net income or an alternative annual franchise tax at the rate of \$2.50 per \$10,000 of authorized capital stock (valued at a minimum of \$100/share) with a minimum tax of \$500.
- x) South Carolina taxes savings and loans at a 6% rate.
- y) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,000,000 total revenues at rate of 1%, or 0.5% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.
- z) West Virginia's corporate rate is scheduled for reduction as follows: 7.75% after 2011, 7.0% after 2012, 6.5% after 2013.

17-Mar-10

## Range of State Corporate Income Tax Rates, 2010

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate (a) (percent) Financial Institution	Federal Income Tax Deductible
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	*
Alaska	1.0 - 9.4	10,000	90,000	10	1.0 - 9.4	
Arizona	6.968 (b)	---Flat Rate---		1	6.968 (b)	
Arkansas	1.0 - 6.5	3,000	100,000	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---		1	10.84 (c)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (d)	---Flat Rate---		1	7.5 (d)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (e)	
Florida	5.5 (f)	---Flat Rate---		1	5.5 (f)	
Georgia	6.0	---Flat Rate---		1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,000	3	7.92 (g)	
Idaho	7.6 (h)	---Flat Rate---		1	7.6 (h)	
Illinois	7.3 (i)	---Flat Rate---		1	7.3 (i)	
Indiana	8.5	---Flat Rate---		1	8.5	
Iowa	6.0 - 12.0	25,000	250,000	4	5.0	* (k)
Kansas	4.0 (l)	---Flat Rate---		1	2.25 (l)	
Kentucky	4.0 - 6.0	50,000	100,000	3	--- (a)	
Louisiana	4.0 - 8.0	25,000	200,000	5	--- (a)	*
Maine	3.5 - 8.93 (n)	25,000	250,000	4	1.0	
Maryland	8.25	---Flat Rate---		1	8.25	
Massachusetts	8.75 (o)	---Flat Rate---		1	10.0 (o)	
Michigan	4.95 (p)	---Flat Rate---		1	--- (a)	
Minnesota	9.8 (q)	---Flat Rate---		1	9.8 (q)	
Mississippi	3.0 - 5.0	5,000	10,000	3	3.0 - 5.0	
Missouri	6.25	---Flat Rate---		1	7.0	* (k)
Montana	6.75 (r)	---Flat Rate---		1	6.75 (r)	
Nebraska	5.58 - 7.81	100,000		2	--- (a)	
New Hampshire	8.5 (s)	---Flat Rate---		1	8.5 (s)	
New Jersey	9.0 (t)	---Flat Rate---		1	9.0 (t)	
New Mexico	4.8 - 7.6	500,000	1 million	3	4.8 - 7.6	
New York	7.1 (u)	---Flat Rate---		1	7.1 (u)	
North Carolina	6.9 (v)	---Flat Rate---		1	6.9 (v)	
North Dakota	2.1 - 6.4	25,000	50,000	3	7.0 (b)	*
Ohio	(w)	---		2	--- (w)	
Oklahoma	6.0	---Flat Rate---		1	6.0	
Oregon	6.6 - 7.9 (aa)	250,000		2	6.6 - 7.9 (aa)	
Pennsylvania	9.99	---Flat Rate---		1	--- (a)	
Rhode Island	9.0 (b)	---Flat Rate---		1	9.0 (x)	
South Carolina	5.0	---Flat Rate---		1	4.5 (y)	
South Dakota	---	---			6.0-0.25 (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(z)	---			(z)	
Utah	5.0 (b)	---Flat Rate---		1	5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	250,000	3	--- (a)	
Virginia	6.0	---Flat Rate---		1	6.0	
West Virginia	8.5 (bb)	---Flat Rate---		1	8.5 (bb)	
Wisconsin	7.9	---Flat Rate---		1	7.9	
District of Columbia	9.975 (cc)	---Flat Rate---		1	9.975 (cc)	

Note: Nevada, Washington, and Wyoming do not have state corporate income taxes.

(a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income. Some states

other taxes based upon the value of deposits or shares.

(b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$500 in Rhode Island, \$500 per location in Dakota (banks), \$100 in Utah, and \$250 in Vermont.

(c) Minimum tax is \$800. Banks and financial corporations, excepting financial S corporations, are subject to a 10.84% tax (general corporation rate, plus 2%). A 3.5% tax rate applies to financial S corporations, and a 1.5% rate applies to all other S corporations. A 6.65% alternative minimum tax is imposed.

(d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250. A 10% surcharge is imposed in tax 2009 and 2010 for corporations with gross sales of \$100 million or more who are not paying the minimum tax.

(e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.

(f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.

(g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.

(h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return. Taxpayers with \$100,000 or less of gross sales pay 1% on such sales.

(i) Includes a 2.5% personal property replacement tax.

(k) Fifty percent of the federal income tax is deductible.

(l) In addition to the 4% corporate tax income there is a 3.05% surtax on taxable income over \$50,000. The current surtax is reduced to 3.0% for tax year 2011. Certain financial institutions pay a privilege tax at a rate of 2.25% of net income, plus a 2.125% (2.25% for trust companies and savings and loan associations) with net income in excess of \$25,000.

(n) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, or (2) 39 ¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.

(o) The current business corporation (financial institution) tax rate is reduced to 8.25% (9.5%) in 2011, and 8.0% (9.0%) in 2012. Rate includes a 14% surtax, as does the following: an additional tax of \$2.60 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimum tax of \$456.

(p) Michigan Business Tax (MBT) imposed at a rate of 4.95% and modified gross receipts tax imposed at a rate of 0.8% on gross receipts of \$350,000 or more. Plus a 21.99% surcharge, capped at \$6 million per year.

(q) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.

(r) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50. Taxpayers with \$100,000 or less in gross sales within state may pay 0.5% on such sales.

(s) Plus a 0.75% tax on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000. Business profits tax imposed on both corporations and unincorporated associations with gross income over \$50,000.

(t) Alternative minimum assessment if applicable or fixed dollar minimum tax based on gross receipts ranging from \$500 to \$2,000. Small businesses with annual income under \$100,000 pay a tax equal to 7.5% of taxable income while businesses with annual income under \$50,000 pay a 6.5% tax on income. A 4% surtax also applies for tax periods ending before 7.1.10.

(u) Alternative minimum tax base of 1.5%; capital tax base of 0.15% per dollar of allocated capital (up to \$350,000 for qualified state manufacturers or \$10 million for other taxpayers. Small business taxpayers pay 4.35% to 7.1% depending. Fixed dollar minimum tax ranges from \$25 to \$5,000 depending on receipts.

(v) For tax years 2009 and 2010, a 3% surcharge applies. Financial institutions are also subject to a tax equal to \$30 per \$1 million in assets.

(w) Ohio does not levy a tax based on income, but imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks will pay the Franchise tax based on net worth. An additional net worth tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over \$50,000 and 0.14 mills on net worth.

(x) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).

(y) Savings and Loans are taxed at a 6% rate.

(z) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1 million total revenue at a rate of 1%, or 0.5% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

(aa) Taxpayers with \$100,000 or less in Oregon gross sales and no property in the state pay a tax equal to 0.25% of gross sales. The top rate is scheduled to fall to 7.6% in 2011.

(bb) Current rate is scheduled for reduction, to 7.75% after 2012 and 6.5% after 2013.

(cc) Minimum tax is \$100. Includes surtax.

Source: Federation of Tax Administrators, February 2010.

[http://www.taxadmin.org/fta/rate/corp\\_inc.pdf](http://www.taxadmin.org/fta/rate/corp_inc.pdf)



16-May-08

## Range of State Corporate Income Tax Rates, 2008

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate (a) (percent) Financial Institution	Federal Income Tax Deductible
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	*
Alaska	1.0 - 9.4	10,000	90,000	10	1.0 - 9.4	
Arizona	6.968 (b)	---Flat Rate---		1	6.968 (b)	
Arkansas	1.0 - 6.5	3,000	100,000	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---		1	10.84 (c)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (d)	---Flat Rate---		1	7.5 (d)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (e)	
Florida	5.5 (f)	---Flat Rate---		1	5.5 (f)	
Georgia	6.0	---Flat Rate---		1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,000	3	7.92 (g)	
Idaho	7.6 (h)	---Flat Rate---		1	7.6 (h)	
Illinois	7.3 (i)	---Flat Rate---		1	7.3 (i)	
Indiana	8.5	---Flat Rate---		1	8.5	
Iowa	6.0 - 12.0	25,000	250,000	4	5.0	* (k)
Kansas	4.0 (l)	---Flat Rate---		1	2.25 (l)	
Kentucky	4.0 - 6.0 (m)	50,000	100,000	3	--- (a)	
Louisiana	4.0 - 8.0	25,000	200,000	5	--- (a)	*
Maine	3.5 - 8.93 (n)	25,000	250,000	4	1.0	
Maryland	8.3	---Flat Rate---		1	8.3	
Massachusetts	9.5 (o)	---Flat Rate---		1	10.5 (o)	
Michigan	4.95 (p)	---Flat Rate---		1	--- (a)	
Minnesota	9.8 (q)	---Flat Rate---		1	9.8 (q)	
Mississippi	3.0 - 5.0	5,000	10,000	3	3.0 - 5.0	
Missouri	6.25	---Flat Rate---		1	7.0	* (k)
Montana	6.75 (r)	---Flat Rate---		1	6.75 (r)	
Nebraska	5.58 - 7.81	50,000		2	--- (a)	
New Hampshire	8.5 (s)	---Flat Rate---		1	8.5 (s)	
New Jersey	9.0 (t)	---Flat Rate---		1	9.0 (t)	
New Mexico	4.8 - 7.6	500,000	1 million	3	4.8 - 7.6	
New York	7.5 (u)	---Flat Rate---		1	7.5 (u)	
North Carolina	6.9	---Flat Rate---		1	6.9 (v)	
North Dakota	2.6 - 6.5	3,000	30,000	5	7.0 (b)	*
Ohio	5.1 - 8.5 (w)	50,000		2	--- (w)	
Oklahoma	6.0	---Flat Rate---		1	6.0	
Oregon	6.6 (b)	---Flat Rate---		1	6.6 (b)	
Pennsylvania	9.99	---Flat Rate---		1	--- (a)	
Rhode Island	9.0 (b)	---Flat Rate---		1	9.0 (x)	
South Carolina	5.0	---Flat Rate---		1	4.5 (y)	
South Dakota	---				6.0-0.25 (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Texas	(z)				(z)	
Utah	5.0 (b)	---Flat Rate---		1	5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	250,000	3	--- (a)	

Virginia	6.0	---Flat Rate---	1	6.0 (aa)
West Virginia	8.5	---Flat Rate---	1	8.5
Wisconsin	7.9	---Flat Rate---	1	7.9
District of Columbia	9.975 (bb)	---Flat Rate---	1	9.975 (bb)

Note: Nevada, Washington, and Wyoming do not have state corporate income taxes.

(a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.

(b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$500 in Rhode Island, \$500 per location in South Dakota (banks), \$100 in Utah, and \$250 in Vermont.

(c) Minimum tax is \$800. The tax rate on S-Corporations is 1.5% (3.5% for banks).

(d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250.

(e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income.

Building and loan associations are taxed at a flat 8.7%.

(f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.

(g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.

(h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return.

(i) Includes a 2.5% personal property replacement tax.

(k) Fifty percent of the federal income tax is deductible.

(l) Plus a surtax of 3.35% (2.125% for banks) of taxable income in excess of \$50,000 (\$25,000).

(m) Minimum tax of \$175. Or, an annual Limited Liability Tax for all corporations with over \$3 million in gross receipts.

(n) Or the Maine Alternative Minimum Tax.

(o) Rate includes a 14% surtax, as does the following: an additional tax of \$2.60 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimum tax of \$456.

(p) The New Michigan Business Tax. First \$45,000 of tax base exempt. Plus, 0.8% of modified gross receipts (receipts less purchases from other firms) on receipts of \$350,000 or more. A surcharge of 21.99% applies.

(q) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.

(r) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50.

(s) Plus a 0.75% tax on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000. Business profits tax imposed on both corporations and unincorporated associations with gross income over \$50,000.

(t) The rate reported in the table is the corporation business franchise tax rate. Corporations with net income under \$100,000 are taxed at 7.5%. Corporations with net income under \$50,000 are taxed at 6.5%. A 4% surtax applies through July 1, 2009. The minimum tax is \$500. An Alternative Minimum Assessment based on Gross Receipts applies if greater than corporate franchise tax. Banking and financial corporations are subject to the franchise tax.

(u) Or 1.78 mills per dollar of capital (up to \$350,000); or a 1.5% alternative minimum tax; or a minimum tax of \$1,500 to \$100 depending on payroll size; if any of these is greater than the tax computed on net income. Small corporations with income under \$290,000 are subject to lower rates of tax on net income. An additional tax of 0.9 mills per dollar of subsidiary capital is imposed on corporations. For banks, the alternative bases of tax are 3% of alternative net income; or up to 1/50th mill of taxable assets; or a minimum tax of \$250.

(v) Financial institutions are also subject to a tax equal to \$30 per \$1 million in assets.

(w) Rates shown are for the Franchise tax, which is being phased out through 2010. Current rates apply to 40% of the liability, or 40% of 4 mills times the value of the taxpayer's issued and outstanding share of stock with a maximum payment of \$150,000; or \$50 to \$1,000 minimum tax, depending on worldwide gross receipts. The Commercial Activity Tax (CAT) equals \$150 for gross receipts between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. The CAT applies to 60% of receipts

through March 31, and 80% for the remainder of the year. Banks will pay the Franchise tax. An additional litter tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over \$50,000; or 0.14 mills on net worth.

(x) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).

(y) Savings and Loans are taxed at a 6% rate.

(z) Texas imposes a Franchise Tax, known as the margin tax. It is imposed at 1% (0.5% for retail or wholesale entities) of gross revenues over \$300,000, with a variable discount allowed for businesses with revenues between \$300,000 and \$900,000.

(aa) State and national banks subject to the state's franchise tax on net capital are exempt from the income tax.

(bb) Minimum tax is \$100. Includes surtax.

Source: Federation of Tax Administrators, March 2008.

[http://www.taxadmin.org/fta/rate/corp\\_inc.html](http://www.taxadmin.org/fta/rate/corp_inc.html)

12-Nov-07

## Range of State Corporate Income Tax Rates 2007

State	Tax Rate (percent)	Tax Brackets		Number of Brackets	Tax Rate (a) (percent) Financial Institution	Federal Income Tax Deductible
		Lowest	Highest			
Alabama	6.5	---Flat Rate---		1	6.5	*
Alaska	1.0 - 9.4	10,000	90,000	10	1.0 - 9.4	
Arizona	6.968 (b)	---Flat Rate---		1	6.968 (b)	
Arkansas	1.0 - 6.5	3,000	100,000	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---		1	10.84 (c)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (d)	---Flat Rate---		1	7.5 (d)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (e)	
Florida	5.5 (f)	---Flat Rate---		1	5.5 (f)	
Georgia	6.0	---Flat Rate---		1	6.0	
Hawaii	4.4 - 6.4 (g)	25,000	100,000	3	7.92 (g)	
Idaho	7.6 (h)	---Flat Rate---		1	7.6 (h)	
Illinois	7.3 (i)	---Flat Rate---		1	7.3 (i)	
Indiana	8.5	---Flat Rate---		1	8.5	
Iowa	6.0 - 12.0	25,000	250,000	4	5.0	* (k)
Kansas	4.0 (l)	---Flat Rate---		1	2.25 (l)	
Kentucky	4.0 - 7.0 (m)	50,000	100,000	3	--- (a)	
Louisiana	4.0 - 8.0	25,000	200,000	5	--- (a)	*
Maine	3.5 - 8.93 (n)	25,000	250,000	4	1.0	
Maryland	7.0	---Flat Rate---		1	7.0	
Massachusetts	9.5 (o)	---Flat Rate---		1	10.5 (o)	
Minnesota	9.8 (p)	---Flat Rate---		1	9.8 (p)	
Mississippi	3.0 - 5.0	5,000	10,000	3	3.0 - 5.0	
Missouri	6.25	---Flat Rate---		1	7.0	* (k)
Montana	6.75 (q)	---Flat Rate---		1	6.75 (q)	
Nebraska	5.58 - 7.81	50,000		2	--- (a)	
New Hampshire	8.5 (r)	---Flat Rate---		1	8.5 (r)	
New Jersey	9.0 (s)	---Flat Rate---		1	9.0 (s)	
New Mexico	4.8 - 7.6	500,000	1 million	3	4.8 - 7.6	
New York	7.5 (t)	---Flat Rate---		1	7.5 (t)	
North Carolina	6.9 (u)	---Flat Rate---		1	6.9 (u)	
North Dakota	2.6 - 7.0	3,000	30,000	5	7.0 (b)	*
Ohio	5.1 - 8.5 (v)	50,000		2	--- (v)	
Oklahoma	6.0	---Flat Rate---		1	6.0	
Oregon	6.6 (b)	---Flat Rate---		1	6.6 (b)	
Pennsylvania	9.99	---Flat Rate---		1	--- (a)	
Rhode Island	9.0 (b)	---Flat Rate---		1	9.0 (w)	
South Carolina	5.0	---Flat Rate---		1	4.5 (x)	
South Dakota	---				6.0-0.25% (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Utah	5.0 (b)	---Flat Rate---			5.0 (b)	
Vermont	6.0 - 8.5 (b)	10,000	250,000	3	--- (a)	
Virginia	6.0	---Flat Rate---		1	6.0 (y)	
West Virginia	8.75	---Flat Rate---		1	8.75	

Wisconsin	7.9	---Flat Rate---	1	7.9
District of Columbia	9.975 (z)	---Flat Rate---		9.975 (z)

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Note: Michigan imposes a single business tax (sometimes described as a business activities tax or value added tax) of 1.9% on the sum of federal taxable income of the business, compensation paid to employees, dividends, interest, royalties paid and other items. Similarly, Texas imposes a franchise tax of 4.5% of earned surplus or 2.5 mills of net worth. Nevada, Washington, and Wyoming do not have state corporate income taxes.

- (a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$250 in Rhode Island, \$500 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.
- (c) Minimum tax is \$800. The tax rate on S-Corporations is 1.5% (3.5% for banks).
- (d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250.
- (e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.
- (g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.
- (h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return.
- (i) Includes a 2.5% personal property replacement tax.
- (k) Fifty percent of the federal income tax is deductible.
- (l) Plus a surtax of 3.35% (2.125% for banks) of taxable income in excess of \$50,000 (\$25,000).
- (m) Minimum tax of \$175. Or, the alternative minimum tax equal to 0.095% of gross sales in the state or 0.75% of state gross profits.
- (n) Or the Maine Alternative Minimum Tax.
- (o) Rate includes a 14% surtax, as does the following: an additional tax of \$7.00 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimum tax of \$456.
- (p) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.
- (q) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50.
- (r) Plus a 0.5% tax on the enterprise base (total compensation, interest and dividends paid). Business profits tax imposed on both corporations and unincorporated associations.
- (s) The rate reported in the table is the corporation business franchise tax rate. The minimum tax is \$500. An Alternative Minimum Assessment based on Gross Receipts applies if greater than corporate franchise tax. Corporations not subject to the franchise tax are subject to a 7.25% income tax. Banking and financial corporations are subject to the franchise tax. Corporations with net income under \$100,000 are taxed at 6.5%. The tax on S corporations at 0.67% is eliminated after June 30, 2007.
- (t) Or 1.78 mills per dollar of capital (up to \$350,000); or a 2.5% alternative minimum tax; or a minimum tax of \$1,500 to \$100 depending on payroll size; if any of these is greater than the tax computed on net income. Small corporations with income under \$290,000 are subject to lower rates of tax on net income. An additional tax of 0.9 mills per dollar of subsidiary capital is imposed on corporations. For banks, the alternative bases of tax are 3.0% of alternative net income; or up to 1/50th mill of taxable assets; or a minimum tax of \$250.
- (u) Financial institutions are also subject to a tax equal to \$30 per one million in assets.
- (v) Rates shown are for the Franchise tax, which is being phased out through 2010. Current rates apply to 50% of the liability, or 50% of 4 mills times the value of the taxpayer's issued and outstanding share of stock with a maximum payment of \$150,000; or \$50 to \$1,000 minimum tax, depending on worldwide gross receipts. The Commercial Activity Tax (CAT) equals \$150 for gross receipts between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. The CAT applies to 40% of receipts through March 31, and 60% for the remainder of the year. Banks will pay the Franchise tax. An additional litter tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over

\$50,000; or 0.14 mills on net worth.

(w) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).

(x) Savings and Loans are taxed at a 6% rate.

(y) State and national banks subject to the state's franchise tax on net capital are exempt from the income tax.

(z) Minimum tax is \$100. Includes surtax.

Source: Federation of Tax Administrators, January 1, 2007

[http://www.taxadmin.org/fta/rate/corp\\_inc.html](http://www.taxadmin.org/fta/rate/corp_inc.html)

### State Corporate Marginal Income Tax Rates, 2006

State	Taxable Income	Marginal Rate (%)	Special Features
Alabama	All Brackets	6.5	Qualified taxpayers may elect an alternative tax of 0.25% of gross sales in Alabama during the tax year. S corporations pay a 5% tax on net recognized built-in gains and excess net passive income.
Alaska	\$0-\$9,999 \$10,000-\$19,999 \$20,000-\$29,999 \$30,000-\$39,999 \$40,000-\$49,999 \$50,000-\$59,999 \$60,000-\$69,999 \$70,000-\$79,999 \$80,000-\$89,999 \$90,000+	1.0 2.0 3.0 4.0 5.0 6.0 7.0 8.0 9.0 9.4	The alternative minimum tax rate on capital gains is 4.5%. The alternative minimum tax on tax preference items is 18% of the applicable alternative minimum federal tax. The personal holding company tax rate is 12.6% of apportioned income. The accumulated earnings tax rate is 4.95% of the first \$100,000 and 6.93% of the excess.
Arizona	All Brackets	6.968	Minimum tax of \$50
Arkansas	\$0-\$3,000 \$3,001-\$6,000 \$6,001-\$11,000 \$11,001-\$25,000 \$25,001-\$100,000 \$100,001+	1.0 2.0 3.0 5.0 6.0 6.5	
California	All Brackets	8.84	Minimum tax of \$800. Banks and financial corporations, except financial S corporations, are subject to a 10.84% tax rate (the general corporation rate plus 2%). A 3.5% tax rate applies to financial S corporations and a 1.5% rate applies to all other S corporations. A 6.65% alternative minimum tax is imposed.
Colorado	All Brackets	4.63	Qualified taxpayers may pay an alternative tax of 0.5% of gross receipts from sales in or into Colorado.
Connecticut	All Brackets	7.5	The tax is the greater of 7.5% or 3 1/10 mills per dollar of capital holding or the minimum tax of \$250. Financial institutions pay a tax equal to the greater of 7.5% or 4% of the interest of dividends credited to depositors' or account holders' savings accounts. Pass-through entities are subject to an annual tax of \$250. A 25% surtax applies to corporations with tax liability greater than \$250. Corporations filing combined returns are subject to an additional tax of up to \$250,000.
Delaware	All Brackets	8.7	Headquarters management corporations pay a minimum tax of \$5,000 or a tax of 8.7% on taxable income, whichever is greater. Banking organizations are taxed at a rate of 8.7% for the first \$20 million, 6.7% for the next \$5 million, 4.7% for the next \$5 million, 2.7% for the next \$620 million, and 1.7% for amounts in excess of \$650 million.

State	Taxable Income	Marginal Rate (%)	Special Features
District of Columbia	All Brackets	9.975	Minimum tax of \$100. \$5,500 ball park fee imposed on gross receipts of \$5 million to \$8 million, \$10,800 on gross receipts of \$8,000,001 to \$12 million, \$14,000 on gross receipts of \$12,000,001 to \$16 million, and \$16,500 on gross receipts of \$16,000,001 or more.
Florida	All Brackets	5.5	Taxpayers who pay the federal Alternative Minimum Tax (AMT) are liable for the greater of the Florida corporate income tax or the 3.3% Florida AMT. An emergency excise tax applies to certain taxpayers that claimed the ACRs depreciation deduction during tax years 1980 through 1986.
Georgia	All Brackets	6.0	
Hawaii	\$0-\$25,000 \$25,001-\$100,000 \$100,001+	4.4 5.4 6.4	Qualified taxpayers with Hawaii sales of \$100,000 or less may pay an alternative tax of 0.5% of Hawaii gross annual sales. Tax on banks and other financial corporations is imposed at the rate of 7.92% of net income. An alternative tax on capital gains is imposed at the rate of 4%.
Idaho	All Brackets	7.6	Minimum tax of \$20. Additional \$10 tax on each corporation filing a return and having gross income during the tax year. Qualified taxpayers may pay an alternative tax of 1% of dollar volume from Idaho sales.
Illinois	All Brackets	4.8	An additional 2.5% personal property replacement tax imposed for corporations other than S corporations; 1.5% tax for S corporations, partnerships, and trusts.
Indiana	All Brackets	8.5	5% on adjusted gross income derived from sources within a qualified area that contain an inactive or closed military base.
Iowa	\$0-\$25,000 \$25,001-\$100,000 \$100,001-\$250,000 \$250,001+	6.0 8.0 10.0 12.0	Financial institutions are subject to a 5% franchise tax. An alternative minimum tax is imposed at the rate of 60% of the highest corporate income tax rate, rounded to the nearest 0.1%.
Kansas	All Brackets	4.0	A 3.35% surtax is imposed on taxable income in excess of \$50,000. Qualified corporations may pay the alternative gross receipts tax allowed as an option by the Multistate Tax Compact; no tax rate has been set. Certain financial institutions pay a privilege tax at the rate of 2.25% of net income plus a surtax of 2.125% (2.25% for trust companies and savings and loan associations with net income in excess of \$25,000).
Kentucky	\$0-\$50,000 \$50,001-\$100,000 \$100,001+	4.0 5.0 7.0	Minimum tax of \$175. An alternative minimum tax equal to the lesser of 9.5 cents per \$100 of gross receipts measured by total sales in Kentucky divided by total sales everywhere or 75 cents per \$100 of the taxpayer's Kentucky gross profits (defined as Kentucky gross receipts reduced by returns and allowances, less the cost of goods sold) is imposed.



State	Taxable Income	Marginal Rate (%)	Special Features
Louisiana	\$0-\$25,000 \$25,001-\$50,000 \$50,001-\$100,000 \$100,001-\$200,000 \$200,001+	4.0 5.0 6.0 7.0 8.0	
Maine	\$0-\$25,000 \$25,001-\$75,000 \$75,001-\$250,000 \$250,001+	3.50 7.93 8.33 8.93	An alternative minimum tax equal to 5.4% of the alternative minimum taxable income is imposed. The state franchise tax on financial institutions is the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8 cents per \$1,000 of the institution's assets as of the end of its taxable year.
Maryland	All Brackets	7.0	
Massachusetts	All Brackets	N/A	Corporations pay an excise equal to the greater of the following: (1) \$2.60 (includes surtax) per \$1,000 of value of Massachusetts tangible property not taxed locally or net worth allocated to Massachusetts, plus 9.5% (includes surtax) of net income; or (2) \$456 (includes surtax). Special rates apply to security corporations, qualified subchapter S subsidiaries, financial institutions, utilities, and vessels.
Michigan	All Brackets	1.9	Insurance companies subject to the single business tax pay a surcharge that is the product of 1.26 and the taxpayer's tax liability before the application of any credits.
Minnesota	All Brackets	9.8	An alternative minimum tax equal to the excess of 5.8% of Minnesota alternative minimum taxable income over the basic tax is imposed. Corporations are subject to an additional minimum tax ranging from \$0 to \$5,000 depending on the Minnesota property, payrolls, and sales or receipts, and the type of corporation or partnership.
Mississippi	\$0-\$5,000 \$5,001-\$10,000 \$10,001+	3.0 4.0 5.0	
Missouri	All Brackets	6.25	Financial institutions are taxed at a rate equal to the sum of 0.05% of the par value of the institution's outstanding shares and surplus employed in Missouri and 7% of the institution's net income for the income period minus the tax computed on their shares and surplus and the credits allowable for other state and local taxes.
Montana	All Brackets	6.75	Minimum tax of \$50. Taxpayers making a water's-edge election are taxed at 7%. Qualified corporations may elect to pay an alternative tax of 1/2% of gross sales in Montana during the tax year.
Nebraska	\$0-\$50,000 \$50,001+	5.58 7.81	
Nevada	<b>NO STATE CORPORATE INCOME TAX</b>		
New Hampshire	All Brackets	8.5	8.5% tax on taxable business profits is imposed if gross income is over \$50,000. For gross income over \$150,000 or a base over \$75,000, the business enterprise tax also applies at a rate of 0.75% of the business enterprise value base.

State	Taxable Income	Marginal Rate (%)	Special Features
New Jersey	<p>Entire net income of \$0-\$50,000</p> <p>Entire net income of \$50,001-\$100,000</p> <p>All other corporations</p>	<p>6.5</p> <p>7.5</p> <p>9.0</p>	Minimum tax of \$500. The alternative minimum assessment is based on either a percentage of gross profits or a percentage of gross receipts. The gross profits alternative minimum assessment ranges from 0.0025 on gross profits between \$1 million and \$10 million (multiplied by 1.1111) to 0.008 for taxpayers with gross profits in excess of \$37.5 million. For taxpayers that elect the gross receipts alternative minimum assessment method, the rate ranges from \$.00125 for taxpayers with gross receipts in excess of \$2 million but less than \$20 million (multiplied by 1.11111) to 0.004 for taxpayers with gross receipts in excess of \$75 million.
New Mexico	<p>\$0-\$500,000</p> <p>\$500,001-\$1,000,000</p> <p>\$1,000,001+</p>	<p>4.8</p> <p>6.4</p> <p>7.6</p>	Qualified taxpayers may pay an alternative tax of 0.75% of gross receipts from New Mexico sales.
New York	All Brackets	N/A	Corporations are subject to a tax on the greatest of 7.5% of entire net income with adjustments or 2.5% of minimal taxable income base allocated to New York or 1.78 mills per dollar of allocated capital (up to \$350,000) or a minimum tax between \$100 and \$10,000, depending on payroll size. Additional 9/10 mill per dollar of allocated subsidiary capital is imposed. Special rates apply to S corporations and small business taxpayers.
North Carolina	All Brackets	6.9	
North Dakota	<p>\$0-\$3,000</p> <p>\$3,001-\$8,000</p> <p>\$8,001-\$20,000</p> <p>\$20,001-\$30,000</p> <p>\$30,000+</p>	<p>2.6</p> <p>4.1</p> <p>5.6</p> <p>6.4</p> <p>7.0</p>	Corporations making a water's-edge election must pay an additional 3.5% tax. Financial institutions are subject to a financial institutions tax of 7% of taxable income with a minimum amount of \$50 in lieu of the corporate income tax. Taxpayers with North Dakota sales of \$100,000 or less may be eligible to pay the alternative gross receipts tax allowed as an option by the Multistate Tax Compact at the following rates: 0.6% of the first \$20,000 of North Dakota sales, 0.8% of North Dakota sales above \$20,000 and not exceeding \$55,000, and 1% of all North Dakota sales above \$55,000.
Ohio	All Brackets	N/A	The franchise tax is 80% of the greater of (1) 5.1% on first \$50,000 of net income and 8.5% on net income in excess of \$50,000 or (2) 4 mills times net worth up to \$150,000 maximum. Commercial activity tax (CAT) is \$150 on gross receipts greater than \$150,000 up to \$1 million. For gross receipts exceeding \$1 million, CAT is \$150 plus 0.26% multiplied by (1) 23% for the measurement period from January 1 through March 31 and (2) 40% for the measurement period from April 1 through December 31. Minimum franchise tax is \$50 or \$1,000 for corporations that have either (1) \$5 million or more in worldwide gross receipts for the taxable year or (2) 300 or more employees worldwide at any time during the taxable year.
Oklahoma	All Brackets	6.0	
Oregon	All Brackets	6.6	Minimum tax of \$10. Qualified taxpayers may elect to pay an alternative tax of 0.25% of the dollar volume of sales in Oregon (0.0125% of the dollar volume of sales if the return on sales for the business is less than 5%).
Pennsylvania	All Brackets	9.99	

State	Taxable Income	Marginal Rate (%)	Special Features
Rhode Island	All Brackets	9.0	Minimum tax of \$500. The franchise tax, which is imposed to the extent that it exceeds the business corporation tax, is generally assessed at the rate of \$2.50 for each \$10,000 of authorized capital stock or fractional part thereof, or the sum of \$500, whichever is greater. The annual tax on federally registered personal holding companies, RICs, and REITs is equal to the greater of \$100 or 10 cents on each \$100 of gross income. Special rates apply to public utilities.
South Carolina	All Brackets	5.0	Banks are taxed at a rate of 4.5%. Associations are taxed at 6% on most net income after the first three years of operation.
South Dakota	<b>NO STATE CORPORATE INCOME TAX</b>		
Tennessee	All Brackets	6.5	Corporations are also subject to the tax on dividends and interest and a franchise tax.
Texas	All Brackets	4.5	The tax is equal to the greater of 0.25% of net taxable capital or 4.5% of net taxable earned surplus.
Utah	All Brackets	5.0	Minimum tax of \$100. Nonprofit utilities are subject to an in lieu gross receipts tax.
Vermont	\$0-\$10,000 \$10,001-\$25,000 \$25,001-\$250,000 \$250,001+	7.0 8.1 9.2 9.75	Minimum tax of \$250 (\$75 for small farm corporations).
Virginia	All Brackets	6.0	Telecommunication companies are subject to a minimum tax equal to 0.5% of a companies gross receipts for the calendar year, in lieu of the 6% corporate income tax rate, if the corporate income tax liability is less than the minimum tax liability.
Washington	<b>NO STATE CORPORATE INCOME TAX</b>		
West Virginia	All Brackets	9.0	
Wisconsin	All Brackets	7.9	Corporations with at least \$4 million in gross receipts for the taxable year must also pay recycling surcharge based on income tax liability without regard to tax credits.
Wyoming	<b>NO STATE CORPORATE INCOME TAX</b>		

Source: CCH Tax Research NetWork

### State Corporate Marginal Income Tax Rates, 2005

State	Taxable Income	Marginal Rate (%)	Special Features
Alabama	All Brackets	6.5	Qualified taxpayers may elect an alternative tax of 0.25% of gross sales in Alabama during the tax year. S corporations pay a 5% tax on net recognized built-in gains and excess net passive income.
Alaska	\$0-\$9,999 \$10,000-\$19,999 \$20,000-\$29,999 \$30,000-\$39,999 \$40,000-\$49,999 \$50,000-\$59,999 \$60,000-\$69,999 \$70,000-\$79,999 \$80,000-\$89,999 \$90,000+	1.0 2.0 3.0 4.0 5.0 6.0 7.0 8.0 9.0 9.4	The alternative minimum tax rate on capital gains is 4.5%. The alternative minimum tax on tax preference items is 18% of the applicable alternative minimum federal tax. The personal holding company tax rate is 12.6% of apportioned income. The accumulated earnings tax rate is 4.95% of the first \$100,000 and 6.93% of the excess.
Arizona	All Brackets	6.968	Minimum tax of \$50
Arkansas	\$0-\$3,000 \$3,001-\$6,000 \$6,001-\$11,000 \$11,001-\$25,000 \$25,001-\$100,000 \$100,001+	1.0 2.0 3.0 5.0 6.0 6.5	
California	All Brackets	8.84	Minimum tax of \$800. Banks and financial corporations, except financial S corporations, are subject to a 10.84% tax rate (the general corporation rate plus 2%). A 3.5% tax rate applies to financial S corporations and a 1.5% rate applies to all other S corporations. A 6.65% alternative minimum tax is imposed.
Colorado	All Brackets	4.63	Qualified taxpayers may pay an alternative tax of 0.5% of gross receipts from sales in or into Colorado.
Connecticut	All Brackets	7.5	The tax is the greater of 7.5% or 3 1/10 mills per dollar of capital holding or the minimum tax of \$250. Financial institutions pay a tax equal to the greater of 7.5% or 4% of the interest of dividends credited to depositors' or account holders' savings accounts. Pass-through entities are subject to an annual tax of \$250. A 25% surtax applies to corporations with tax liability greater than \$250. Corporations filing combined returns are subject to an additional tax of up to \$250,000.
Delaware	All Brackets	8.7	Headquarters management corporations pay a minimum tax of \$5,000 or a tax of 8.7% on taxable income, whichever is greater. Banking organizations are taxed at a rate of 8.7% for the first \$20 million, 6.7% for the next \$5 million, 4.7% for the next \$5 million, 2.7% for the next \$620 million, and 1.7% for amounts in excess of \$650 million.

State	Taxable Income	Marginal Rate (%)	Special Features
District of Columbia	All Brackets	9.975	Minimum tax of \$100. \$5,500 ball park fee imposed on gross receipts of \$5 million to \$8 million, \$10,800 on gross receipts of \$8,000,001 to \$12 million, \$14,000 on gross receipts of \$12,000,001 to \$16 million, and \$16,500 on gross receipts of \$16,000,001 or more.
Florida	All Brackets	5.5	Taxpayers who pay the federal Alternative Minimum Tax (AMT) are liable for the greater of the Florida corporate income tax or the 3.3% Florida AMT. An emergency excise tax applies to certain taxpayers that claimed the ACRs depreciation deduction during tax years 1980 through 1986.
Georgia	All Brackets	6.0	
Hawaii	\$0-\$25,000 \$25,001-\$100,000 \$100,001+	4.4 5.4 6.4	Qualified taxpayers with Hawaii sales of \$100,000 or less may pay an alternative tax of 0.5% of Hawaii gross annual sales. Tax on banks and other financial corporations is imposed at the rate of 7.92% of net income. An alternative tax on capital gains is imposed at the rate of 4%.
Idaho	All Brackets	7.6	Minimum tax of \$20. Additional \$10 tax on each corporation filing a return and having gross income during the tax year. Qualified taxpayers may pay an alternative tax of 1% of dollar volume from Idaho sales.
Illinois	All Brackets	4.8	An additional 2.5% personal property replacement tax imposed for corporations other than S corporations; 1.5% tax for S corporations, partnerships, and trusts.
Indiana	All Brackets	8.5	5% on adjusted gross income derived from sources within a qualified area that contain an inactive or closed military base.
Iowa	\$0-\$25,000 \$25,001-\$100,000 \$100,001-\$250,000 \$250,001+	6.0 8.0 10.0 12.0	Financial institutions are subject to a 5% franchise tax. An alternative minimum tax is imposed at the rate of 60% of the highest corporate income tax rate, rounded to the nearest 0.1%.
Kansas	All Brackets	4.0	A 3.35% surtax is imposed on taxable income in excess of \$50,000. Qualified corporations may pay the alternative gross receipts tax allowed as an option by the Multistate Tax Compact; no tax rate has been set. Certain financial institutions pay a privilege tax at the rate of 2.25% of net income plus a surtax of 2.125% (2.25% for trust companies and savings and loan associations with net income in excess of \$25,000).
Kentucky	\$0-\$50,000 \$50,001-\$100,000 \$100,001+	4.0 5.0 7.0	Minimum tax of \$175. An alternative minimum tax equal to the lesser of 9.5 cents per \$100 of gross receipts measured by total sales in Kentucky divided by total sales everywhere or 75 cents per \$100 of the taxpayer's Kentucky gross profits (defined as Kentucky gross receipts reduced by returns and allowances, less the cost of goods sold) is imposed.

State	Taxable Income	Marginal Rate (%)	Special Features
Louisiana	\$0-\$25,000 \$25,001-\$50,000 \$50,001-\$100,000 \$100,001-\$200,000 \$200,001+	4.0 5.0 6.0 7.0 8.0	
Maine	\$0-\$25,000 \$25,001-\$75,000 \$75,001-\$250,000 \$250,001+	3.50 7.93 8.33 8.93	An alternative minimum tax equal to 5.4% of the alternative minimum taxable income is imposed. The state franchise tax on financial institutions is the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8 cents per \$1,000 of the institution's assets as of the end of its taxable year.
Maryland	All Brackets	7.0	
Massachusetts	All Brackets	N/A	Corporations pay an excise equal to the greater of the following: (1) \$2.60 (includes surtax) per \$1,000 of value of Massachusetts tangible property not taxed locally or net worth allocated to Massachusetts, plus 9.5% (includes surtax) of net income; or (2) \$456 (includes surtax). Special rates apply to security corporations, qualified subchapter S subsidiaries, financial institutions, utilities, and vessels.
Michigan	All Brackets	1.9	Insurance companies subject to the single business tax pay a surcharge that is the product of 1.26 and the taxpayer's tax liability before the application of any credits.
Minnesota	All Brackets	9.8	An alternative minimum tax equal to the excess of 5.8% of Minnesota alternative minimum taxable income over the basic tax is imposed. Corporations are subject to an additional minimum tax ranging from \$0 to \$5,000 depending on the Minnesota property, payrolls, and sales or receipts, and the type of corporation or partnership.
Mississippi	\$0-\$5,000 \$5,001-\$10,000 \$10,001+	3.0 4.0 5.0	
Missouri	All Brackets	6.25	Financial institutions are taxed at a rate equal to the sum of 0.05% of the par value of the institution's outstanding shares and surplus employed in Missouri and 7% of the institution's net income for the income period minus the tax computed on their shares and surplus and the credits allowable for other state and local taxes.
Montana	All Brackets	6.75	Minimum tax of \$50. Taxpayers making a water's-edge election are taxed at 7%. Qualified corporations may elect to pay an alternative tax of 1/2% of gross sales in Montana during the tax year.
Nebraska	\$0-\$50,000 \$50,001+	5.58 7.81	
Nevada	<b>NO STATE CORPORATE INCOME TAX</b>		
New Hampshire	All Brackets	8.5	8.5% tax on taxable business profits is imposed if gross income is over \$50,000. For gross income over \$150,000 or a base over \$75,000, the business enterprise tax also applies at a rate of 0.75% of the business enterprise value base.

State	Taxable Income	Marginal Rate (%)	Special Features
New Jersey	Entire net income of \$0-\$50,000 Entire net income of \$50,001-\$100,000 All other corporations	6.5 7.5 9.0	Minimum tax of \$500. The alternative minimum assessment is based on either a percentage of gross profits or a percentage of gross receipts. The gross profits alternative minimum assessment ranges from 0.0025 on gross profits between \$1 million and \$10 million (multiplied by 1.1111) to 0.008 for taxpayers with gross profits in excess of \$37.5 million. For taxpayers that elect the gross receipts alternative minimum assessment method, the rate ranges from \$.00125 for taxpayers with gross receipts in excess of \$2 million but less than \$20 million (multiplied by 1.11111) to 0.004 for taxpayers with gross receipts in excess of \$75 million.
New Mexico	\$0-\$500,000 \$500,001-\$1,000,000 \$1,000,001+	4.8 6.4 7.6	Qualified taxpayers may pay an alternative tax of 0.75% of gross receipts from New Mexico sales.
New York	All Brackets	N/A	Corporations are subject to a tax on the greatest of 7.5% of entire net income with adjustments or 2.5% of minimal taxable income base allocated to New York or 1.78 mills per dollar of allocated capital (up to \$350,000) or a minimum tax between \$100 and \$10,000, depending on payroll size. Additional 9/10 mill per dollar of allocated subsidiary capital is imposed. Special rates apply to S corporations and small business taxpayers.
North Carolina	All Brackets	6.9	
North Dakota	\$0-\$3,000 \$3,001-\$8,000 \$8,001-\$20,000 \$20,001-\$30,000 \$30,000+	2.6 4.1 5.6 6.4 7.0	Corporations making a water's-edge election must pay an additional 3.5% tax. Financial institutions are subject to a financial institutions tax of 7% of taxable income with a minimum amount of \$50 in lieu of the corporate income tax. Taxpayers with North Dakota sales of \$100,000 or less may be eligible to pay the alternative gross receipts tax allowed as an option by the Multistate Tax Compact at the following rates: 0.6% of the first \$20,000 of North Dakota sales, 0.8% of North Dakota sales above \$20,000 and not exceeding \$55,000, and 1% of all North Dakota sales above \$55,000.
Ohio	\$0-\$50,000 \$50,001+	5.1 8.5	The franchise tax is 80% of the greater of (1) 5.1% on first \$50,000 of net income and 8.5% on net income in excess of \$50,000 or (2) 4 mills times net worth up to \$150,000 maximum. Commercial activity tax (CAT) is \$150 on gross receipts greater than \$150,000 up to \$1 million. For gross receipts exceeding \$1 million, CAT is \$150 plus 0.26% multiplied by (1) 23% for the measurement period from January 1 through March 31 and (2) 40% for the measurement period from April 1 through December 31. Minimum franchise tax is \$50 or \$1,000 for corporations that have either (1) \$5 million or more in worldwide gross receipts for the taxable year or (2) 300 or more employees worldwide at any time during the taxable year.
Oklahoma	All Brackets	6.0	
Oregon	All Brackets	6.6	Minimum tax of \$10. Qualified taxpayers may elect to pay an alternative tax of 0.25% of the dollar volume of sales in Oregon (0.0125% of the dollar volume of sales if the return on sales for the business is less than 5%).
Pennsylvania	All Brackets	9.99	

State	Taxable Income	Marginal Rate (%)	Special Features
Rhode Island	All Brackets	9.0	Minimum tax of \$500. The franchise tax, which is imposed to the extent that it exceeds the business corporation tax, is generally assessed at the rate of \$2.50 for each \$10,000 of authorized capital stock or fractional part thereof, or the sum of \$500, whichever is greater. The annual tax on federally registered personal holding companies, RICs, and REITs is equal to the greater of \$100 or 10 cents on each \$100 of gross income. Special rates apply to public utilities.
South Carolina	All Brackets	5.0	Banks are taxed at a rate of 4.5%. Associations are taxed at 6% on most net income after the first three years of operation.
South Dakota	<b>NO STATE CORPORATE INCOME TAX</b>		
Tennessee	All Brackets	6.5	Corporations are also subject to the tax on dividends and interest and a franchise tax.
Texas	All Brackets	4.5	The tax is equal to the greater of 0.25% of net taxable capital or 4.5% of net taxable earned surplus.
Utah	All Brackets	5.0	Minimum tax of \$100. Nonprofit utilities are subject to an in lieu gross receipts tax.
Vermont	\$0-\$10,000 \$10,001-\$25,000 \$25,001-\$250,000 \$250,001+	7.0 8.1 9.2 9.75	Minimum tax of \$250 (\$75 for small farm corporations).
Virginia	All Brackets	6.0	Telecommunication companies are subject to a minimum tax equal to 0.5% of a companies gross receipts for the calendar year, in lieu of the 6% corporate income tax rate, if the corporate income tax liability is less than the minimum tax liability.
Washington	<b>NO STATE CORPORATE INCOME TAX</b>		
West Virginia	All Brackets	9.0	
Wisconsin	All Brackets	7.9	Corporations with at least \$4 million in gross receipts for the taxable year must also pay recycling surcharge based on income tax liability without regard to tax credits.
Wyoming	<b>NO STATE CORPORATE INCOME TAX</b>		

Source: CCH Tax Research NetWork



# **RANGE OF STATE CORPORATE INCOME TAX RATES**

(For tax year 2004 -- as of January 1, 2004)

State	Tax Rates	Tax Brackets	# of Brackets	Bank Tax Rates	Federal Tax Deductible
ALABAMA	6.5	---Flat Rate---	1	6.5	*
ALASKA	1.0 - 9.4	10,000 - 90,000	10	1.0 - 9.4	
ARIZONA	6.968 (b)	---Flat Rate---	1	6.968	
ARKANSAS	1.0 - 6.5	3,000 - 100,000	6	1.0 - 6.5	
CALIFORNIA	8.84 (c)	---Flat Rate---	1	10.84 (c)	
COLORADO	4.63	---Flat Rate---	1	4.63	
CONNECTICUT	7.5 (d)	---Flat Rate---	1	7.5 (d)	
DELAWARE	8.7	---Flat Rate---	1	8.7-1.7 (e)	
FLORIDA	5.5 (f)	---Flat Rate---	1	5.5 (f)	
GEORGIA	6	---Flat Rate---	1	6	
HAWAII	4.4 - 6.4 (g)	25,000 - 100,000	3	7.92 (g)	
IDAHO	7.6 (h)	---Flat Rate---	1	7.6 (h)	
ILLINOIS	7.3 (i)	---Flat Rate---	1	7.3 (i)	
INDIANA	8.5	---Flat Rate---	1	8.5	
IOWA	6.0 - 12.0	25,000 - 250,000	4	5	* (k)
KANSAS	4.0 (l)	---Flat Rate---	1	2.25 (l)	
KENTUCKY	4.0 - 8.25	25,000 - 250,000	5	(a)	
LOUISIANA	4.0 - 8.0	25,000 - 200,000	5	(a)	*
MAINE	3.5 - 8.93 (m)	25,000 - 250,000	4	1	
MARYLAND	7	---Flat Rate---	1	7	
MASSACHUSETTS	9.5 (n)	---Flat Rate---	1	10.5 (n)	
MINNESOTA	9.8 (o)	---Flat Rate---	1	9.8 (o)	
MISSISSIPPI	3.0 - 5.0	5,000 - 10,000	3	3.0 - 5.0	
MISSOURI	6.25	---Flat Rate---	1	7	* (k)
MONTANA	6.75 (p)	---Flat Rate---	1	6.75 (p)	
NEBRASKA	5.58 - 7.81	50,000	2	8.5 (q)	
NEW HAMPSHIRE	8.5 (q)	---Flat Rate---	1	8.5 (q)	
NEW JERSEY	9.0 (r)	---Flat Rate---	1	9 (r)	
NEW MEXICO	4.8 - 7.6	500,000 - 1,000,000	3	4.8 - 7.6	
NEW YORK	7.5 (s)	---Flat Rate---	1	7.5 (s)	
NORTH CAROLINA	6.9 (t)	---Flat Rate---	1	6.9 (t)	
NORTH DAKOTA	3.0 - 10.5	3,000 - 50,000	6	7 (b)	*
OHIO	5.1 - 8.5 (u)	50,000	2	(u)	
OKLAHOMA	6	---Flat Rate---	1	6	
OREGON	6.6 (b)	---Flat Rate---	1	6.6 (b)	
PENNSYLVANIA	9.99	---Flat Rate---	1	(a)	
RHODE ISLAND	9.0 (b)	---Flat Rate---	1	9.0 (v)	
SOUTH CAROLINA	5	---Flat Rate---	1	4.5 (w)	
SOUTH DAKOTA	---			6.0-0.25% (b)	
TENNESSEE	6.5	---Flat Rate---	1	6.5	
UTAH	5.0 (b)	---Flat Rate---		5.0 (b)	
VERMONT	7.0 - 9.75 (b)	10,000 - 250,000	4	7.0 - 9.75 (b)	
VIRGINIA	6	---Flat Rate---	1	6.0 (x)	
WEST VIRGINIA	9	---Flat Rate---	1	9	
WISCONSIN	7.9	---Flat Rate---	1	7.9	
DIST. OF COLUMBIA	9.975 (y)	---Flat Rate---		9.975 (y)	

Source: Compiled by FTA from various sources

Note: Michigan imposes a single business tax (sometimes described as a business activities tax or value added tax) of 1.9% on the sum of federal taxable income of the business, compensation paid to employees, dividends, interest, royalties paid and other items. Similarly, Texas imposes a franchise tax of 4.5% of earned surplus or 2.5 mills of net worth. Nevada, Washington, and Wyoming do not have state corporate income taxes.

- (a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
  - (b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$250 in Rhode Island, \$500 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.
  - (c) Minimum tax is \$800. The tax rate on S-Corporations is 1.5% (3.5% for banks).
  - (d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250.
  - (e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
  - (f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.
  - (g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.
  - (h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return.
  - (i) Includes a 2.5% personal property replacement tax.
  - (k) Fifty percent of the federal income tax is deductible.
  - (l) Plus a surtax of 3.35% (2.125% for banks) taxable income in excess of \$50,000 (\$25,000).
  - (m) Or a 27% tax on Federal Alternative Minimum Taxable Income.
  - (n) Rate includes a 14% surtax, as does the following: an additional tax of \$7.00 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations);
  - (o) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.
  - (p) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50.
  - (q) Plus a 0.50 percent tax on the enterprise base (total compensation, interest and dividends paid). Business profits tax imposed on both corporations and unincorporated associations.
- (r) The rate reported in the table is the corporation business franchise tax rate. The minimum tax is \$500. An Alternative Minimum Assessment based on Gross Receipts applies if greater than corporate franchise tax. Corporations not subject to the franchise tax are subject to a 7.25% income tax. Banking and financial corporations are subject to the franchise tax. Corporations with net income under \$100,000 are taxed at 6.5%. The tax on S corporations is being phased out through 2007. The tax rate on a New Jersey S corporation that has entire net income not subject to federal corporate income tax in excess of \$100,000 will remain at 1.33% for privilege periods ending on or before June 30, 2006. The rate will be 0.67% for privilege periods ending on or after July 1, 2006, but on or before June 30, 2007; and there will be no tax imposed for privilege periods ending on or after July 1, 2007. The tax on S corporation with entire net income not subject to federal corporate income tax of \$100,00 or less is eliminated for privilege periods ending on or after July 1, 2007.
- (s) Or 1.78 mills per dollar of capital (up to \$350,000); or a 2.5% alternative minimum tax; or a minimum tax of \$1,500 to \$100 depending on payroll size; if any of these is greater than the tax computed on net income. Small corporations with income under \$290,000 are subject to lower rates of tax on net income. An additional tax of 0.9 mills per dollar of subsidiary capital is imposed on corporations. For banks, the alternative bases of tax are 3% of alternative net income; or up to 1/50th mill of taxable assets; or a minimum tax of \$250.
  - (t) Financial institutions are also subject to a tax equal to \$30 per one million in assets.
  - (u) Or 4.0 mills time the value of the taxpayer's issued and outstanding share of stock with a maximum payment of \$150,000. An additional litter tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over \$50,000; or 0.14 mills on net worth.
  - (v) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).

(w) Savings and Loans are taxed at a 6% rate.

(x) State and national banks subject to the state's franchise tax on net capital is exempt from the income tax.

(y) Minimum tax is \$100. Includes surtax.

SOURCE: Federation of Tax Administrators. Available at:

[http://www.taxadmin.org/fta/rate/corp\\_inc.html](http://www.taxadmin.org/fta/rate/corp_inc.html), accessed 21 January 2005.

**Range of State Corporate Income Taxes 2003**  
(For tax year 2003 -- as of January 1, 2003)

State	Tax Rates	Tax Brackets		# of Brackets	Bank Tax Rates	Federal Tax Deductible
Alabama	6.5	---Flat Rate---		1	6.5	*
Alaska	1.0 - 9.4	10,000	90,000	10	1.0 - 9.4	
Arizona	6.968	---Flat Rate---		1	6.968	
Arkansas	1.0 - 6.5	3,000	100,000	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---		1	10.84 (c)	
Colorado	4.63	---Flat Rate---		1	4.63	
Connecticut	7.5 (d)	---Flat Rate---		1	7.5 (d)	
Delaware	8.7	---Flat Rate---		1	8.7-1.7 (e)	
Florida	5.5 (f)	---Flat Rate---		1	5.5 (f)	
Georgia	6	---Flat Rate---		1	6	
Hawaii	4.4 - 6.4 (g)	25,000	100,000	3	7.92 (g)	
Idaho	7.6 (h)	---Flat Rate---		1	7.6 (h)	
Illinois	7.3 (i)	---Flat Rate---		1	7.3 (i)	
Indiana	8.5	---Flat Rate---		1	8.5	
Iowa	6.0 - 12.0	25,000	250,000	4	5	* (k)
Kansas	4.0 (l)	---Flat Rate---		1	2.25 (l)	
Kentucky	4.0 - 8.25	25,000	250,000	5	--- (a)	
Louisiana	4.0 - 8.0	25,000	200,000	5	--- (a)	*
Maine	3.5 - 8.93 (m)	25,000	250,000	4	1	
Maryland	7	---Flat Rate---		1	7	
Massachusetts	9.5 (n)	---Flat Rate---		1	10.5 (n)	
Minnesota	9.8 (o)	---Flat Rate---		1	9.8 (o)	
Mississippi	3.0 - 5.0	5,000	10,000	3	3.0 - 5.0	
Missouri	6.25	---Flat Rate---		1	7	* (k)
Montana	6.75 (p)	---Flat Rate---		1	6.75 (p)	
Nebraska	5.58 - 7.81	50,000		2	--- (a)	
New Hampshire	8.5 (q)	---Flat Rate---		1	8.5 (q)	
New Jersey	9.0 (r)	---Flat Rate---		1	9 (r)	
New Mexico	4.8 - 7.6	500,000	1 million	3	4.8 - 7.6	
New York	7.5 (s)	---Flat Rate---		1	7.5 (s)	
North Carolina	6.9 (t)	---Flat Rate---		1	6.9 (t)	
North Dakota	3.0 - 10.5	3,000	50,000	6	7 (b)	*
Ohio	5.1 - 8.5 (u)	50,000		2	--- (u)	
Oklahoma	6	---Flat Rate---		1	6	
Oregon	6.6 (b)	---Flat Rate---		1	6.6 (b)	
Pennsylvania	9.99	---Flat Rate---		1	--- (a)	
Rhode Island	9.0 (b)	---Flat Rate---		1	9.0 (v)	
South Carolina	5	---Flat Rate---		1	4.5 (w)	
South Dakota	---				6.0-0.25% (b)	
Tennessee	6.5	---Flat Rate---		1	6.5	
Utah	5.0 (b)	---Flat Rate---			5.0 (b)	
Vermont	7.0 - 9.75 (b)	10,000	250,000	4	7.0 - 9.75 (b)	
Virginia	6	---Flat Rate---		1	6.0 (x)	
West Virginia	9	---Flat Rate---		1	9	
Wisconsin	7.9	---Flat Rate---		1	7.9	
District of Columbia	9.975 (y)	---Flat Rate---			9.975 (y)	

## Range of State Corporate Income Taxes

### [Footnotes]

Note: Michigan imposes a single business tax (sometimes described as a business activities tax or value added tax) of 1.9% on the sum of federal taxable income of the business, compensation paid to employees, dividends, interest, royalties paid and other items. Similarly, Texas imposes a franchise tax of 4.5% of earned surplus. Nevada,

- (a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$250 in Rhode Island, \$500 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.
- (c) Minimum tax is \$800. The tax rate on S-Corporations is 1.5% (3.5% for banks).
- (d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250.
- (e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.
- (g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.
- (h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return.
- (i) Includes a 2.5% personal property replacement tax.
- (k) Fifty percent of the federal income tax is deductible.
- (l) Plus a surtax of 3.35% (2.125% for banks) taxable income in excess of \$50,000 (\$25,000).
- (m) Or a 27% tax on Federal Alternative Minimum Taxable Income.
- (n) Rate includes a 14% surtax, as does the following: an additional tax of \$7.00 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimum tax of \$456.
- (o) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.
- (p) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50.
- (q) Plus a 0.50 percent tax on the enterprise base (total compensation, interest and dividends paid). Business profits tax imposed on both corporations and unincorporated associations.
- Alternative Minimum Assessment based on Gross Receipts applies if greater than corporate franchise tax. Corporations not subject to the franchise tax are subject to a 7.25% income tax. Banking and financial corporations are subject to the franchise tax. Corporations with net income under \$100,000 are taxed at 6.5%. The tax on S corporations is being phased out through 2007. The tax rate on a New Jersey S corporation that has entire net income not subject to federal corporate income tax in excess of \$100,000 will remain at 1.33% for privilege periods ending on or before June 30, 2006. The rate will be 0.67% for privilege periods ending on or after July 1, 2006, but on or before June 30, 2007; and there will be no tax imposed for privilege periods ending on or after July 1, 2007. The tax on S corporation with entire net income not subject to federal corporate income tax of \$100,00 or less is eliminated for privilege periods ending on
- (s) Or 1.78 (0.1 for banks) mills per dollar of capital (up to \$350,000; or 2.5% of the minimum taxable income; or a minimum of \$1,500 to \$100 depending on payroll size (\$250 for banks); if any of these is greater than the tax computed on net income. An addition tax of 0.9 mills per dollar of subsidiary capital is imposed on corporations. Small corporations with income under \$290,000 pay a 7.5% tax on all income.
- (t) Financial institutions are also subject to a tax equal to \$30 per one million in assets. \$150,000. An additional litter tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over \$50,000; or 0.14 mills on net worth.
- (v) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).
- (w) Savings and Loans are taxed at a 6% rate.
- (x) State and national banks subject to the state's franchise tax on net capital is exempt from the income tax.
- (y) Minimum tax is \$100. Includes surtax.

Source: Compiled by Federation of Tax Administrators from various sources

**Range of State Corporate Income Taxes, 2001:**

State	Tax Rates	Tax Brackets	# of Brackets	Bank Tax Rates	Federal Tax Deductible
Alabama	6.5	---Flat Rate---	1	6.5	*
Alaska	1.0 - 9.4	10,000 90,000	10	1.0 - 9.4	
Arizona	6.968	---Flat Rate---	1	6.968	
Arkansas	1.0 - 6.5	3,000 100,000	6	1.0 - 6.5	
California	8.84 (c)	---Flat Rate---	1	10.84 (c)	
Colorado	4.63	---Flat Rate---	1	4.63	
Connecticut	7.5 (d)	---Flat Rate---	1	7.5 (d)	
Delaware	8.7	---Flat Rate---	1	8.7-1.7 (e)	
Florida	5.5 (f)	---Flat Rate---	1	5.5 (f)	
Georgia	6	---Flat Rate---	1	6	
Hawaii	4.4 - 6.4 (g)	25,000 100,000	3	7.92 (g)	
Idaho	7.6 (h)	---Flat Rate---	1	7.6 (h)	
Illinois	7.3 (i)	---Flat Rate---	1	7.3 (i)	
Indiana	7.9 (j)	---Flat Rate---	1	8.5	
Iowa	6.0 - 12.0	25,000 250,000	4	5	* (k)
Kansas	4.0 (l)	---Flat Rate---	1	2.25 (l)	
Kentucky	4.0 - 8.25	25,000 250,000	5	--- (a)	
Louisiana	4.0 - 8.0	25,000 200,000	5	--- (a)	*
Maine	3.5 - 8.93 (m)	25,000 250,000	4	1	
Maryland	7	---Flat Rate---	1	7	
Massachusetts	9.5 (n)	---Flat Rate---	1	10.5 (n)	
Minnesota	9.8 (o)	---Flat Rate---	1	9.8 (o)	
Mississippi	3.0 - 5.0	5,000 10,000	3	3.0 - 5.0	
Missouri	6.25	---Flat Rate---	1	7	* (k)
Montana	6.75 (p)	---Flat Rate---	1	6.75 (p)	
Nebraska	5.58 - 7.81	---Flat Rate---	2	--- (a)	
New Hampshire	8.5 (q)	---Flat Rate---	1	8.5 (q)	
New Jersey	9.0 (r)	---Flat Rate---	1	9 (r)	
New Mexico	4.8 - 7.6	500,000 1 million	3	4.8 - 7.6	
New York	7.5 (s)	---Flat Rate---	1	7.5 (s)	
North Carolina	6.9 (t)	---Flat Rate---	1	6.9 (t)	
North Dakota	3.0 - 10.5	3,000 50,000	6	7 (b)	*
Ohio	5.1 - 8.5 (u)	---Flat Rate---	2	--- (u)	
Oklahoma	6	---Flat Rate---	1	6	
Oregon	6.6 (b)	---Flat Rate---	1	6.6 (b)	
Pennsylvania	9.99	---Flat Rate---	1	--- (a)	
Rhode Island	9.0 (b)	---Flat Rate---	1	9.0 (v)	
South Carolina	5	---Flat Rate---	1	4.5 (w)	
South Dakota	---	---Flat Rate---	1	6.0-1.0% (b)	
Tennessee	6	---Flat Rate---	1	6	
Utah	5.0 (b)	---Flat Rate---	1	5.0 (b)	
Vermont	7.0 - 9.75 (b)	10,000 250,000	4	7.0 - 9.75 (b)	
Virginia	6	---Flat Rate---	1	6.0 (x)	
West Virginia	9	---Flat Rate---	1	9	
Wisconsin	7.9	---Flat Rate---	1	7.9	
District of Columbia	9.975 (y)	---Flat Rate---	1	9.975 (y)	

**Range of State Corporate Income Taxes**  
[Footnotes]

Note: Michigan imposes a single business tax (sometimes described as a business activities tax or value added tax) of 1.0% on the sum of federal taxable income of the business, compensation paid to employees, dividends, interest, royalties paid and other items. Similarly, Texas imposes a franchise tax of 4.5% of earned surplus. Nevada, Washington, and Wyoming do not have state corporate income taxes.

(a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.

(b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$250 in Rhode Island, \$500 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.

(c) Minimum tax is \$800. The tax rate on S-Corporations is 1.5% (3.5% for banks).

(d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250.

(e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.

(f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.

(g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.

(h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return.

(i) Includes a 2.5% personal property replacement tax.

(j) Consists of 3.4% on income from sources within the state plus a 4.5% supplemental income tax.

(k) Fifty percent of the federal income tax is deductible.

(l) Plus a surtax of 3.35% (2.125% for banks) taxable income in excess of \$50,000 (\$25,000).

(m) Or a 27% tax on Federal Alternative Minimum Taxable Income.

(n) Rate includes a 14% surtax, as does the following: an additional tax of \$7.00 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimum tax of \$456.

(o) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.

(p) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50.

(q) Plus a 0.50 percent tax on the enterprise base (total compensation, interest and dividends paid). Business profits tax imposed on both corporations and unincorporated associations.

(r) Corporations with net income under \$100,000 are taxed at 7.5%. Beginning in 2001, the tax on S corporations is being phased out over a 3-year period. The tax rate on a New Jersey S corporation that has entire net income not subject to federal corporate income tax in excess of \$100,000 will remain at 2% for privilege periods ending on or before June 30, 2001. The rate will be 1.33% for privilege periods ending on or after July 1, 2001, but on or before June 30, 2002; the rate will be 0.67% for privilege periods ending on or after July 1, 2002, but on or before June 30, 2003; and there will be no tax imposed for privilege periods ending on or after July 1, 2003. The tax on S corporation with entire net income not subject to federal corporate income tax of \$100,000 or less is eliminated for privilege periods ending on or after July 1, 2001. Regulated investment companies are subject to a flat tax of \$250 annually.

(s) Or 1.78 (0.1 for banks) mills per dollar of capital (up to \$350,000; or 2.5% of the minimum taxable income; or a minimum of \$1,500 to \$100 depending on payroll size (\$250 for banks); if any of these is greater than the tax computed on net income. An addition tax of 0.9 mills per dollar of subsidiary capital is imposed on corporations. Small corporations with income under \$200,000 pay a 7.5% tax on all

(t) Financial institutions are also subject to a tax equal to \$30 per one million in assets.

(u) Or 4.0 mills the value of the taxpayer's issued and outstanding share of stock with a maximum payment of \$150,000. An additional tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over \$50,000; or 0.14 mills on net worth.

(v) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).

(w) Savings and Loans are taxed at a 6% rate.

(x) State and national banks subject to the state's franchise tax on net capital is exempt from the income tax.

(y) Minimum tax is \$100. Includes surtax. Effective 1/1/2003, tax rate decreases to 9.45%.

Source: Compiled by Federation of Tax Administrators from various sources