#### **State Corporate Income Tax Rates**

[For tax year 2022 -- as of January 1, 2022]

| State                | Tax rates<br>(percent) | Lowest<br>bracket | Highest<br>bracket | Number of brackets | Tax rate on financial institutions (a) | Federal income tax deductible? | Top Tax<br>Rate |
|----------------------|------------------------|-------------------|--------------------|--------------------|----------------------------------------|--------------------------------|-----------------|
| Alabama              | 6.5                    | Flat              | rate               | 1                  | 6.5                                    | Yes                            | 6.50%           |
| Alaska               | 0 - 9.4                | \$25,000          | \$222,000          | 10                 | 0 - 9.4                                |                                | 9.40%           |
| Arizona              | 4.9 (b)                | Flat              | rate               | 1                  | 4.9 (b)                                |                                | 4.90%           |
| Arkansas             | 1.0 - 5.9              | \$3,000           | \$100,001          | 6                  | 1.0 - 5.9                              |                                | 5.90%           |
| California           | 8.84 (b)               | Flat              | rate               | 1                  | 10.84 (b)                              |                                | 8.84%           |
| Colorado             | 4.55                   | Flat              | rate               | 1                  | 4.55                                   |                                | 4.55%           |
| Connecticut          | 7.5 (c)                | Flat              | rate               | 1                  | 7.5 (c)                                |                                | 7.50%           |
| Delaware             | 8.7                    | Flat              | rate               | 1                  | 8.7-1.7 (d)                            |                                | 8.70%           |
| District of Columbia | 8.25 (b)               | Flat              | rate               | 1                  | 8.25 (b)                               |                                | 8.25%           |
| Florida              | 5.500                  | Flat              | rate               | 1                  | 5.5                                    |                                | 5.50%           |
| Georgia              | 5.75                   | Flat              | rate               | 1                  | 5.75                                   |                                | 5.75%           |
| Hawaii               | 4.4 - 6.4 (e)          | \$25,000          | \$100,001          | 3                  | 7.92 (f)                               |                                | 6.40%           |
| Idaho                | 6.5 (f)                | Flat              |                    | 1                  | 6.5 (f)                                |                                | 6.50%           |
| Illinois             | 9.5 (g)                | Flat              | rate               | 1                  | 9.5 (g)                                |                                | 9.50%           |
| Indiana              | 4.90                   | Flat              |                    | 1                  | 5                                      |                                | 4.90%           |
| Iowa                 | 5.5 - 9.8              | \$100,000         | \$250,001          | 3                  | 5                                      | Yes (i)                        | 9.80%           |
| Kansas               | 4.0 (j)                | Flat              |                    | 1                  | 2.25 (j)                               |                                | 4.00%           |
| Kentucky             | 5.0                    | Flat              | rate               | 1                  | 5                                      |                                | 5.00%           |
| Louisiana            | 3.5 - 7.5              | \$50,000          | \$150,000          | 5                  | 3.5 - 7.5                              | Yes                            | 7.50%           |
| Maine                | 3.5 - 8.93             | \$350,000         |                    | 4                  | 1.0 (k)                                |                                | 8.93%           |
| Maryland             | 8.25                   | Flat              |                    | 1                  | 8.25                                   |                                | 8.25%           |
| Massachusetts        | 8.0 (I)                | Flat              | rate               | 1                  | 9.0 (I)                                |                                | 8.00%           |
| Michigan             | 6.0                    | Flat              |                    | 1                  | (a)                                    |                                | 6.00%           |
| Minnesota            | 9.8 (m)                | Flat              | rate               | 1                  | 9.8 (m)                                |                                | 9.80%           |
| Mississippi          | 0 - 5.0                | \$5,000           | \$10,001           | 3                  | 0 - 5.0                                |                                | 5.00%           |
| Missouri             | 4.0                    | Flat              |                    | 1                  | 4.48                                   |                                | 4.00%           |
| Montana              | 6.75 (n)               | Flat              | rate               | 1                  | 6.75 (n)                               |                                | 6.75%           |
| Nebraska             | 5.58 - 7.5             | Flat              |                    | 2                  | (a)                                    |                                | 7.50%           |
| Nevada               | None                   |                   |                    | _                  | ()                                     |                                | 0.00%           |
| New Hampshire        | 7.6 (o)                | Flat              | rate               | 1                  | 7.6 (o)                                |                                | 7.60%           |
| New Jersey           | 9.0 (p)                | Flat              |                    | 1                  | 9.0 (p)                                |                                | 9.00%           |
| New Mexico           | 4.8 - 5.9              | \$500,000         |                    | 2                  | 4.8 - 5.9                              |                                | 5.90%           |
| New York             | 6.5 (q)                | Flat              | rate               | 1                  | 6.5 (q)                                |                                | 6.50%           |
| North Carolina       | 2.5                    | Flat              |                    | 1                  | 2.5                                    |                                | 2.50%           |
| North Dakota         | 1.41 - 4.31 (r)        | \$25,000          | \$50,001           | 3                  | 1.41 - 4.31 (r)                        |                                | 4.31%           |
| Ohio                 | None (s)               | Flat              |                    | _                  | (s)                                    |                                | 0.00%           |
| Oklahoma             | 4.0                    | Flat              |                    | 1                  | 4                                      |                                | 4.00%           |
| Oregon               | 6.6 - 7.6 (u)          | Flat              |                    | 2                  | 6.6 - 7.6 (u)                          |                                | 7.60%           |
| Pennsylvania         | 9.99                   | Flat              |                    | 1                  | (a)                                    |                                | 9.99%           |
| Rhode Island         | 7.0 (b)                | Flat              |                    | 1                  | 9.0 (b)                                |                                | 7.00%           |
| South Carolina       | 5.0                    | Flat              |                    | 1                  | 4.5 (u)                                |                                | 5.00%           |
| South Dakota         | None (b)               |                   |                    | •                  | 6.0-0.25% (b)                          |                                | 0.00%           |
| Tennessee            | 6.5                    | Flat              | rate               | 1                  | 6.5                                    |                                | 6.50%           |
| Texas                | None (v)               |                   |                    | ·                  | (v)                                    |                                | 0.00%           |
| Utah                 | 4.95 (b)               | Flat              | rate               | 1                  | 4.95 (b)                               |                                | 4.95%           |
| Vermont              | 6.0 - 8.5 (b)          | \$10,000          | \$25,000           | 3                  | (a)                                    |                                | 8.50%           |
| Virginia             | 6.0                    | Flat              |                    | 1                  | (a)<br>6                               |                                | 6.00%           |
| Washington           | None                   | · iat             |                    | •                  | O                                      |                                | 0.00%           |
| West Virginia        | 6.5                    | Flat              | rate               | 1                  | 6.5                                    |                                | 6.50%           |
| Wisconsin            | 7.9                    | Flat              |                    | 1                  | 7.9                                    |                                | 7.90%           |
| Wyoming              | None                   | · .at             |                    | •                  | 1.5                                    |                                | 0.00%           |
| ,                    | 710110                 |                   |                    |                    |                                        |                                | 0.0070          |

Source: Federation of Tax Administrators, Tax Rates/Surveys - Tax Rates, January 2022.

### 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).
- (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) 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).

  (f) 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
- (f) 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).
- (g) 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%.
- (h) Bank tax rate is scheduled to decrease to 749% on 1/1/23.
- (i) 50% of the federal income tax is deductible.
- (j) 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.
- (k) 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.
- (I) 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.
- (m) 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
- (n) 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.
- (o) New Hampshire's 7.6% [for tax years ending on or before 12/31/22] 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.

(p) 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 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.

  (a) Plus a Corporate Stocks Tax of 0.1875% for tax years 2022 & 2023. A top bracket of 7.25% is imposed on income over \$5 million for 2022 & 2023.
- (q) Plus a Corporate Stocks Tax of 0.1875% for tax years 2022 & 2023. A top bracket of 7.25% is imposed on income over \$5 million for 2022 & 2023. A minimum tax ranges from \$25 to \$200,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 0%.
- (r) North Dakota imposes a 3.5% surtax for filers electing to use the water's edge method to apportion income.
- (s) 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 sitused 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.
- (t) 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.
- (u) South Carolina taxes savings and loans at a 6% rate.
- (v) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,230,000 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 Rates

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

| State                | Tax Rate    |          | Tax Br   | ackets      | Number<br>of | Tax Rate f<br>Financia<br>Institution | ıl         | Federal<br>Income Ta |
|----------------------|-------------|----------|----------|-------------|--------------|---------------------------------------|------------|----------------------|
|                      | фегеет      | <u>-</u> | Lowest   | Highest     | Brackets     | (percent)                             |            | Deductible           |
| A.L. I.              |             |          | <b>-</b> | D .         | 4            | , -                                   |            | .,                   |
| Alabama              | 6.5         |          | Flat     |             | 1            | 6.5                                   |            | Yes                  |
| Alaska               | 0 - 9.4     | 4.5      | 25,000   | 222,000     | 10           | 0 - 9.4                               | 41.5       |                      |
| Arizona              | 4.9         | (b)      | Flat     |             | 1            | 4.9                                   | (b)        |                      |
| Arkansas             | 1.0 - 6.2   | /1.\     | 3,000    | 100,001     | 6            | 1.0 - 6.2                             | /1.\       |                      |
| California           | 8.84        | (b)      | Flat I   |             | 1            | 10.84                                 | (b)        |                      |
| Colorado             | 4.55        |          | Flat I   |             | 1            | 4.55                                  |            |                      |
| Connecticut          | 7.5         | (c)      | Flat I   |             | 1            | 7.5                                   | (c)        |                      |
| Delaware             | 8.7         |          | Flat I   |             | 1            | 8.7-1.7                               | (d)        |                      |
| District of Columbia | 8.25        | (b)      | Flat I   |             | 1            | 8.25                                  | (b)        |                      |
| Florida              | 4.458       | (e)      | Flat     |             | 1            | 4.458                                 | (e)        |                      |
| Georgia              | 5.75        |          | Flat     |             | 1            | 5.75                                  |            |                      |
| Hawaii               | 4.4 - 6.4   | (f)      | 25,000   | 100,001     | 3            | 7.92                                  | (f)        |                      |
| Idaho                | 6.925       | (g)      | Flat I   |             | 1            | 6.925                                 | (g)        |                      |
| Illinois             | 9.5         | (h)      | Flat     |             | 1            | 9.5                                   | (h)        |                      |
| Indiana              | 5.25        | (i)      | Flat     |             | 1            | 5.5                                   |            |                      |
| lowa                 | 5.5 - 9.8   |          | 100,000  | 250,001     | 3            | 5.0                                   |            | Yes (j)              |
| Kansas               | 4.0         | (k)      | Flat     |             | 1            | 2.25                                  | (k)        |                      |
| Kentucky             | 5.0         |          | Flat l   |             | 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 l   | Rate        | 1            | 8.25                                  |            |                      |
| Massachusetts        | 8.0         | (m)      | Flat l   | Rate        | 1            | 9.0                                   | (m)        |                      |
| Michigan             | 6.0         |          | Flat l   | Rate        | 1            |                                       | (a)        |                      |
| Minnesota            | 9.8         | (n)      | Flat l   | Rate        | 1            | 9.8                                   | (n)        |                      |
| Mississippi          | 0 - 5.0     |          | 4,000    | 10,001      | 4            | 0 - 5.0                               |            |                      |
| Missouri             | 4.0         |          | Flat l   | 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       |          | ncome Tax   | -            |                                       |            |                      |
| New Hampshire        | 7.7         | (p)      | Flat     | Rate        | 1            | 7.7                                   | (p)        |                      |
| New Jersey           | 9.0         | (q)      | Flat l   |             | 1            | 9.0                                   | (q)        |                      |
| New Mexico           | 4.8 - 5.9   |          | 500,     | 000         | 2            | 4.8 - 5.9                             |            |                      |
| New York             | 6.5         | (r)      | Flat l   | Rate        | 1            | 6.5                                   | (r)        |                      |
| North Carolina       | 2.5         |          | Flat     |             | 1            | 2.5                                   |            |                      |
| North Dakota         | 1.41 - 4.31 | (s)      | 25,000   | 50,001      | 3            | 1.41 - 4.31                           | (s)        |                      |
| Ohio                 |             | (t)      | -        | •           |              |                                       | (t)        |                      |
| Oklahoma             | 6.0         | /        | Flat     | Rate        | 1            | 6.0                                   | . ,        |                      |
| Oregon               | 6.6 - 7.6   | (u)      | 1 mi     |             | 2            | 6.6 - 7.6                             | (u)        |                      |
| Pennsylvania         | 9.99        | . ,      | Flat     |             | 1            | -                                     | (a)        |                      |
| Rhode Island         | 7.0         | (b)      | Flat     |             | 1            | 9.0                                   | (b)        |                      |
| South Carolina       | 5.0         | /        | Flat     |             | 1            | 4.5                                   | (v)        |                      |
| South Dakota         |             | No       |          | come Tax    | -            | 6.0-0.25%                             | (b)        |                      |
| Tennessee            | 6.5         |          | Flat     |             | 1            | 6.5                                   | <b>(~)</b> |                      |
| Texas                | (w)         | (w)      |          |             | •            | 0.0                                   | (w)        |                      |
| Utah                 | 4.95        | (b)      | Flat I   | Rate        | 1            | 4.95                                  | (b)        |                      |
| Vermont              | 6.0 - 8.5   | (b)      | 10,000   | 25,000      | 3            | 1.75                                  | (a)        |                      |
| Virginia             | 6.0         | (6)      | Flat     |             | 1            | 6.0                                   | (u)        |                      |
| Washington           |             | No       |          | ncome Tax   | -            | 0.0                                   |            |                      |
| West Virginia        | 6.5         | 140      | Flat     |             | -<br>1       | 6.5                                   |            |                      |
| Wisconsin            | 7.9         |          | Flat     |             | 1            | 7.9                                   |            |                      |
| V V IOCUTIONI        | 1.7         |          | i ial i  | Nu te       | -            | 1.7                                   |            |                      |

Source: Federation of Tax Administrators, January 2021. 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, a 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.

(I) 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 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 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

(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 sitused 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. Oregon also imposes Corporate Activity Tax [CAT] of \$250 plus 0.57% of activity in excess of \$1

(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 Rates 2020 (For tax year 2020 -- as of January 1, 2020)

| State                          | Tax Rate    |             | Tax Brackets         | Number<br>of | Tax Rate 1<br>Financia<br>Institution | I          | Federal<br>Income Tax |
|--------------------------------|-------------|-------------|----------------------|--------------|---------------------------------------|------------|-----------------------|
|                                | фегест      | ·/ <u>-</u> | Lowest Highest       | - Brackets   | (percent)                             |            | Deductible?           |
| 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                                  |            |                       |
| lowa                           | 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  |              | 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            | 0.0                                   | (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 | N.L.        | 100,000              | 2            |                                       | (a)        |                       |
| Nevada                         |             |             | 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<br>Flat Rate | 2            | 4.8 - 5.9                             | ()         |                       |
| New York                       | 6.5         | (r)         | Flat Rate            | 1            | 6.5<br>2.5                            | (r)        |                       |
| North Carolina<br>North Dakota | 2.5         | (a)         |                      | 1<br>3       |                                       | (0)        |                       |
| Ohio                           | 1.41 - 4.31 | (s)<br>(t)  | 25,000 50,001        | 3            | 1.41 - 4.3                            | (s)<br>(t) |                       |
| Oklahoma                       | 6.0         | (L)         | Flat Rate            | 1            | 6.0                                   | (1)        |                       |
| Oregon                         | 6.6 - 7.6   | (u)         | 1 million            | 2            | 6.6 - 7.6                             | (u)        |                       |
| Pennsylvania                   | 9.99        | (u)         | Flat Rate            | 1            | 0.0 - 7.0                             | (u)<br>(a) |                       |
| Rhode Island                   | 7.77        | (b)         | Flat Rate            | 1            | 9.0                                   | (a)<br>(b) |                       |
| South Carolina                 | 5.0         | (D)         | 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                                   | (D)        |                       |
| Texas                          | (w)         | (w)         | Tide Nato            |              | 0.0                                   | (w)        |                       |
| Utah                           | 4.95        | (b)         | Flat Rate            | 1            | 5.0                                   | (b)        |                       |
| Vermont                        | 6.0 - 8.5   | (b)         | 10,000 25,000        |              | 5.0                                   | (a)        |                       |
| Virginia                       | 6.0         | (~)         | Flat Rate            | 1            | 6.0                                   | (3)        |                       |
| Washington                     |             | - No        | Corporate Income Tax | =            | 5.5                                   |            |                       |
| 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 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.
- 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
- (c) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximu 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).
- 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

(g) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each

- (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.
- 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. (I) 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
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- (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 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 sitused 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.
- 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.

24-Feb-20

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

| State                | Tax Rate    | е          |                             |             | Number<br>of | Tax Rate<br>Financia | ıl          | Federal<br>Income Tax |
|----------------------|-------------|------------|-----------------------------|-------------|--------------|----------------------|-------------|-----------------------|
| State                | (percent    | t) _       | Tax Brack                   |             | Brackets     | Institutio           |             | Deductible            |
|                      |             |            | Lowest                      | Highest     |              | (percent)            | (a)         |                       |
| Alabama              | 6.5         |            | Flat Rat                    | e           | 1            | 6.5                  |             | Yes                   |
| Alaska               | 0 - 9.4     |            | 25,000                      | 222,000     | 10           | 0 - 9.4              |             |                       |
| Arizona              | 4.9         | (b)        | Flat Rat                    |             | 1            | 4.9                  | (b)         |                       |
| Arkansas             | 1.0 - 6.5   | ()         | 3,000                       | 100,001     | 6            | 1.0 - 6.5            | ()          |                       |
| California           | 8.84        | (b)        | Flat Rat                    |             | 1            | 10.84                | (b)         |                       |
| Colorado             | 4.63        | (,,,       | Flat Rat                    |             | 1            | 4.63                 | (2)         |                       |
| Connecticut          | 7.5         | (c)        | Flat Rat                    |             | 1            | 7.5                  | (c)         |                       |
| Delaware             | 8.7         | (0)        | Flat Rat                    |             | 1            | 8.7-1.7              | (d)         |                       |
| District of Columbia | 8.25        | (b)        | Flat Rat                    |             | 1            | 8.25                 | (b)         |                       |
| Florida              | 5.5         | (e)        | Flat Rat                    |             | 1            | 5.5                  | (e)         |                       |
| Georgia              | 5.75        | (C)        | Flat Rat                    |             | 1            | 5.75                 | (0)         |                       |
| Hawaii               | 4.4 - 6.4   | (f)        | 25,000                      | 100,001     | 3            | 7.92                 | (f)         |                       |
| Idaho                | 6.9         | (i)<br>(g) | Flat Rat                    |             | 1            | 6.925                | (g)         |                       |
| Illinois             | 9.5         | (h)        | Flat Rat                    |             | 1            | 9.5                  | (h)         |                       |
| Indiana              | 5.75        | (i)        | Flat Rat                    |             | 1            | 6.25                 | (11)        |                       |
| lowa                 | 6.0 - 12.0  | (1)        | 25,000                      | 250,001     | 4            | 5.0                  |             | Vac (i)               |
| Kansas               |             | (1.)       |                             |             | 1            |                      | (1.)        | Yes (j)               |
|                      | 4.0         | (k)        | Flat Rat                    |             | -            | 2.25                 | (k)         |                       |
| Kentucky             | 5.0         |            | Flat Rat                    |             | 1            | 40.00                | (a)         | V                     |
| Louisiana            | 4.0 - 8.0   |            | 25,000                      | 200,001     | 5            | 4.0 - 8.0            | <i>(</i> 1) | Yes                   |
| Maine                | 3.5 - 8.93  |            | •                           | 3.5 million | 4            | 1.0 (l)              | (l)         |                       |
| Maryland             | 8.25        |            | Flat Rat                    |             | 1            | 8.25                 |             |                       |
| Massachusetts        | 8.0         | (m)        | Flat Rat                    |             | 1            | 9.0                  | (m)         |                       |
| Michigan             | 6.0         |            | Flat Rat                    |             | 1            |                      | (a)         |                       |
| Minnesota            | 9.8         | (n)        | Flat Rat                    |             | 1            | 9.8                  | (n)         |                       |
| Mississippi          | 0 - 5.0     |            | 2,000                       | 10,001      | 4            | 0 - 5.0              |             |                       |
| Missouri             | 6.25        |            | Flat Rat                    |             | 1            | 7.0                  |             | Yes (j)               |
| Montana              | 6.75        | (o)        | Flat Rat                    |             | 1            | 6.75                 | (o)         |                       |
| Nebraska             | 5.58 - 7.81 |            | 100,000                     |             | 2            |                      | (a)         |                       |
| Nevada               |             | No         | Corporate Inco              |             |              |                      |             |                       |
| New Hampshire        | 7.7         | (p)        | Flat Rat                    |             | 1            | 7.7                  | (p)         |                       |
| New Jersey           | 9.0         | (q)        | Flat Rat                    |             | 1            | 9.0                  | (q)         |                       |
| New Mexico           | 4.8 - 5.9   |            | 500,000                     |             | 2            | 4.8 - 5.9            |             |                       |
| New York             | 6.5         | (r)        | Flat Rat                    | e           | 1            | 6.5                  | (r)         |                       |
| North Carolina       | 2.5         |            | Flat Rat                    | e           | 1            | 2.5                  |             |                       |
| North Dakota         | 1.41 - 4.31 | (s)        | 25,000                      | 50,001      | 3            | 1.41 - 4.3           | (s)         |                       |
| Ohio                 |             | (t)        |                             |             |              |                      | (t)         |                       |
| Oklahoma             | 6.0         |            | Flat Rat                    | e           | 1            | 6.0                  |             |                       |
| Oregon               | 6.6 - 7.6   | (u)        | 1 millio                    | n           | 2            | 6.6 - 7.6            | (u)         |                       |
| Pennsylvania         | 9.99        |            | Flat Rat                    | e           | 1            |                      | (a)         |                       |
| Rhode Island         | 7.0         | (b)        | Flat Rat                    | e           | 1            | 9.0                  | (b)         |                       |
| South Carolina       | 5.0         | ` '        | Flat Rat                    |             | 1            | 4.5                  | (v)         |                       |
| South Dakota         |             | No         | Corporate Inco              |             | _            | 6.0-0.25%            | (b)         |                       |
| Tennessee            | 6.5         |            | 'Flat Rat                   |             | 1            | 6.5                  | ` '         |                       |
| Texas                | (w)         | (w)        |                             |             |              |                      | (w)         |                       |
| Utah                 | 4.95        | (b)        | Flat Rat                    | e           | 1            | 5.0                  | (b)         |                       |
| Vermont              | 6.0 - 8.5   | (b)        | 10,000                      | 25,000      | 3            | 0.0                  | (a)         |                       |
| Virginia             | 6.0         | (6)        | Flat Rat                    |             | 1            | 6.0                  | (u)         |                       |
| Washington           |             | No         | Corporate Inco              |             | ·-           | 0.0                  |             |                       |
| West Virginia        | 6.5         | 110        | corporate inco<br>Flat Rat: |             | -<br>1       | 6.5                  |             |                       |
| Wisconsin            | 6.5<br>7.9  |            | Flat Rat                    |             | 1            | 7.9                  |             |                       |
|                      |             | NI-        |                             |             | •            | 7.7                  |             |                       |
| Wyoming              | <del></del> | 1110       | Corporate Inco              | 111C 1 ax   | _            |                      |             |                       |

#### **Source**: Federation of Tax Administrators, January 2019 http://www.taxadmin.org/fta/rate/corp\_inc.pdf

### Footnotes:

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- states have other taxes based upon the value of deposits or shares.
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- (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)
- 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.
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- (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 5.5% on July 1, 2019. Bank tax rate is scheduled to decrease (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.
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- (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.
- (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.
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(n) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income.

- dividends paid) for businesses with gross receipts over \$208.000 or enterprise base over \$104.000. adjusted every (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 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
- (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 sitused 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.

#### State Corporate Income Tax, 2018

|                                          | Rate (%)               | Minimum                                 | Ja           | for tax year 2<br>nuary 1, 201 | 8          | Special formula for Manufacturing | Throwback Rule for | Addback Rule<br>for Related | NOL<br>Carryforward | NOL<br>Carryback | Combined<br>Reporting | Joyce or<br>Finnegan (1) | Worldwide (2) | Notes                                                       |
|------------------------------------------|------------------------|-----------------------------------------|--------------|--------------------------------|------------|-----------------------------------|--------------------|-----------------------------|---------------------|------------------|-----------------------|--------------------------|---------------|-------------------------------------------------------------|
|                                          |                        |                                         | Sales        | Payroll                        | Property   |                                   | Nowhere            | Entity Income               |                     |                  |                       |                          |               |                                                             |
| 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,<br>5% payroll,         | No                 | No                          | 20                  |                  | Yes                   | Finnegan                 | No            | Single sales factor being phased in                         |
| Arkansas                                 | 1.0 to 6.5             |                                         | 50%          | 25%                            | 25%        | 5% property                       | Yes                | Yes                         | 5                   |                  |                       |                          |               |                                                             |
| California                               | 8.84                   | \$800                                   | 100%         | 0%                             | 0%         |                                   | Yes                | No                          | 20                  | 2                | Yes                   | Finnegan                 | Yes (4)       |                                                             |
| Colorado                                 | 4.63                   | <b>4</b> 000                            | 100%         | 0%                             | 0%         |                                   | Yes                | No                          | 20                  |                  | Yes                   | Joyce                    | No            |                                                             |
| Connecticut                              | 7.5 + 20%<br>surcharge | \$250                                   | 100%         | 0%                             | 0%         | 33% sales, 33% payroll, 33%       | No                 | Yes                         | 20                  |                  |                       |                          |               |                                                             |
| Delaware (3)                             | ou.oa.go               |                                         | 60%          | 20%                            | 20%        | property                          | No                 | Yes                         | 20                  | 2                |                       |                          |               |                                                             |
| Florida                                  | 5.5                    |                                         | 50%          | 25%<br>25%                     | 25%<br>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                    | ΨΖΟ                                     | 100%         | 25%<br>0%                      | 0%         |                                   | Yes                | Yes                         | 12                  |                  | Yes                   | Joyce                    | No            |                                                             |
| Indiana                                  | 6                      |                                         | 100%         | 0%                             | 0%         |                                   | Yes                | Yes                         | 20                  |                  | 103                   | Joyce                    |               |                                                             |
| lowa                                     | 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                  |                  | 100                   | riinegan                 | 140           |                                                             |
| 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%         | 10070 00.00                       | 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                |                       |                          |               | l single caree ractor being prices in                       |
| 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           | 455                                     | 100%         | 0%                             | 0%         |                                   | No                 | No                          | 20                  |                  | Yes                   |                          | No            |                                                             |
| Nevada                                   |                        | *****                                   |              |                                |            | **********                        | *****              | *******                     |                     | <br>*******      |                       | *****                    |               |                                                             |
| 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            | combined returns.                                           |
| 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                                     | Corpor                 | ate franchise                           |              |                                |            |                                   | No                 |                             |                     |                  | Yes                   |                          | Yes           |                                                             |
|                                          | gross                  | receipts tax                            | 000/         | 000/                           | 000/       |                                   | Vac                | No                          | 20                  | _                |                       |                          |               |                                                             |
| Oklahoma                                 | 6.6 to 7.6             | \$150 to \$100 000                      | 33%<br>100%  | 33%<br>0%                      | 33%        |                                   | Yes<br>Yes         | No<br>Yes                   | 20                  | 2                | Yes                   | loves                    |               |                                                             |
| Oregon                                   |                        | \$150 to \$100,000                      |              |                                | 0%         |                                   | res<br>No          |                             | 15                  |                  | res                   | Joyce                    |               |                                                             |
| Pennsylvania<br>Rhode Island             | 9.99                   | <b>\$</b> 500                           | 100%<br>100% | 0%                             | 0%         |                                   | Yes                | No<br>No                    | 20                  |                  |                       |                          |               |                                                             |
|                                          | 5                      | \$500                                   |              | 0%                             | 0%<br>0%   |                                   | No                 | No<br>Yes                   | 5<br>20             |                  |                       |                          |               |                                                             |
| South Carolina<br>South Dakota           | 5                      | *****                                   | 100%         | 0%<br>******                   |            | ********                          |                    | 1                           | 1                   | <br>*******      | <br>********          | *****                    | l             |                                                             |
| Godin Bakota                             |                        | 1                                       | ı            |                                |            | 1                                 |                    | I                           | I                   | I                | I                     | I                        | I             | Only financial institutions, REITs and                      |
| Tennessee                                | 6.5                    |                                         | 60%          | 20%                            | 20%        |                                   | No                 | Yes                         | 15                  |                  | Yes                   |                          | Yes           | 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            |                                                             |
|                                          | 6                      |                                         | 50%          | 25%                            | 25%        |                                   | No                 | Yes                         | 20                  | 2                |                       |                          |               |                                                             |
| Virginia                                 |                        | *****                                   | *****        | ******                         | *****      | *******                           | ******             | ******                      | ******              |                  | •                     | *****                    |               |                                                             |
| Virginia<br>Washington                   |                        |                                         |              | -                              |            |                                   |                    |                             |                     |                  |                       |                          |               |                                                             |
| •                                        | 6.5                    |                                         | 50%          | 25%                            | 25%        |                                   | Yes                | Yes                         | 20                  | 2                | Yes                   | Joyce                    | No (5)        |                                                             |
| Washington<br>West Virginia<br>Wisconsin | 6.5<br>7.9             |                                         | 100%         | 0%                             | 0%         |                                   | Yes                | Yes                         | 20                  |                  | Yes                   | Finnegan                 | No (5)<br>No  |                                                             |
| Washington<br>West Virginia              |                        | ********<br>\$100                       |              | 0%                             | 0%         | ********                          | Yes                | Yes                         | 20                  |                  | Yes                   | Finnegan                 |               |                                                             |

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

Notes:

(1) Joyce and Finnigan 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.

<sup>(3)</sup> Delaware is phasing in a single sales factor for businesses through Jan. 1, 2020.

<sup>(4)</sup> Corporations can elect to file water's edge.

<sup>(4)</sup> Corporations can elect to file worldwide.

#### State Corporate Income Tax, 2017

| Alabama<br>Alaska    |                        |                                   |        | January 1, 2016 |          | Special formula for Manufacturing Rule for Nowhere Entity Income |         |               |              | Combined Joyce or<br>Reporting Finnegan (1 |           | loyce or<br>negan (1) Worldwide (2) | Notes   |                                                                                                 |
|----------------------|------------------------|-----------------------------------|--------|-----------------|----------|------------------------------------------------------------------|---------|---------------|--------------|--------------------------------------------|-----------|-------------------------------------|---------|-------------------------------------------------------------------------------------------------|
|                      |                        |                                   | Sales  | Payroll         | Property | To Manaracanng                                                   | Nowhere | Entity Income | Carryrorward | Carryback                                  | reporting | Timogan (1)                         |         |                                                                                                 |
|                      | 6.5                    |                                   | 50%    | 25%             | 25%      |                                                                  | Yes     | Yes           | 15           | 2                                          |           |                                     |         |                                                                                                 |
|                      | 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,<br>5% payroll,                                        | No      | No            | 20           |                                            | Yes       | Finnegan                            | No      | Single sales factor being phased in                                                             |
| Arkansas             | 1 to 6.5               |                                   | 50%    | 25%             | 25%      | 5% property                                                      | 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%<br>surcharge | \$250                             | 100%   | 0%              | 0%       | 33% sales, 33%<br>payroll, 33%                                   | No      | Yes           | 20           |                                            |           |                                     |         |                                                                                                 |
| Delaware             | (3)                    |                                   | 33%    | 33%             | 33%      | property                                                         | 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                   | Ψ=0                               | 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           |                                            |           | J                                   |         |                                                                                                 |
| 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               |                        | ******                            |        |                 | -        | *******                                                          |         |               |              | *******                                    |           |                                     | 1       |                                                                                                 |
| New Hampshire        | 8.2                    |                                   | 50%    | 25%             | 25%      |                                                                  | Yes     | No            | 10           |                                            | Yes       | Joyce                               | No      |                                                                                                 |
| New Jersey           | 9                      |                                   | 100%   | 0%              | 0%       | 70% sales, 15%                                                   | Yes     | Yes           | 20           |                                            |           |                                     |         | Only large retailers are required to file                                                       |
| New Mexico           | 4.8 to 6.2             |                                   | 33%    | 33%             | 33%      | payroll, 15%<br>property                                         | Yes     | No            | 20           |                                            | Yes       | Joyce<br>                           | No      | combined returns.                                                                               |
| New York             | 6.5                    | \$25 to \$250,000                 | 100%   | 0%              | 0%       |                                                                  | No      | Yes (Royalty) | 20           |                                            | Yes       | Finnegan                            | No      |                                                                                                 |
| North Carolina       | 3                      | (FO (hanka)                       | 75%    | 13%             | 13%      |                                                                  | Voc     | Yes (Royalty) | 15           |                                            | Voo       | laves                               | Vac (4) |                                                                                                 |
| North Dakota         | 1.41 to 4.31           | \$50 (banks) chise gross receipts | 33%    | 33%             | 33%      |                                                                  | Yes     | No            | 20           |                                            | Yes       | Joyce                               | Yes (4) |                                                                                                 |
| Ohio                 | Corporate fram         | 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           |                                            |           |                                     | 1       |                                                                                                 |
| South Dakota         |                        | *****                             | ****** | ******          | *******  | *******                                                          | ******  | *******       | ******       | *******                                    | ******    | *****                               | 1       | Only financial institutions DEIT-                                                               |
| 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      |                                                                                                 |

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

Notes:

(1) Joyce and Finnigan 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%).

<sup>(4)</sup> Corporations can elect to file water's edge.

<sup>(4)</sup> Corporations can elect to file worldwide.

|                            | Rate                   | Minimum         |             | for tax year 20<br>anuary 1, 201 |            | Special formula for Manufacturing | Throwback<br>Rule for | Addback Rule for Related | NOL<br>Carryforward | NOL<br>Carryback | Combined<br>Reporting | Joyce or<br>Finnegan (1) | Worldwide (2) | Notes                                                                                           |
|----------------------------|------------------------|-----------------|-------------|----------------------------------|------------|-----------------------------------|-----------------------|--------------------------|---------------------|------------------|-----------------------|--------------------------|---------------|-------------------------------------------------------------------------------------------------|
|                            |                        |                 | Sales       | Payroll                          | Property   | Tor Mandiacturing                 | Nowhere               | Entity Income            | Carrylorward        | Carryback        | reporting             | Timegan (1)              |               |                                                                                                 |
| Alabama                    | 6.5                    |                 | 50%         | 25%                              | 25%        |                                   | Yes                   | Yes                      | 15                  | 2                |                       |                          |               |                                                                                                 |
| Alaska                     | 0 to 9.4               |                 | 33%         | 33%                              | 33%        |                                   | Yes                   | No                       | 20                  | 2                | Yes                   | loveo                    | No            | Oil and gas corporations required to file                                                       |
| Alaska                     | 0 10 9.4               |                 | 33%         | 33%                              | 33%        | 00% agles                         | 162                   | NO                       | 20                  | 2                | 162                   | Joyce                    | INO           | worldwide                                                                                       |
| Arizona                    | 5.5                    | 50              | 50%         | 25%                              | 25%        | 90% sales,<br>5% payroll,         | No                    | No                       | 20                  |                  | Yes                   | Finnegan                 | No            | Single sales factor being phased in                                                             |
| Arkansas                   | 1 to 6.5               |                 | 50%         | 25%                              | 25%        | 5% property                       | 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%<br>surcharge | 250             | 100%        | 0%                               | 0%         | 33% sales, 33% payroll, 33%       | No                    | Yes                      | 20                  |                  |                       |                          |               |                                                                                                 |
| Delaware                   | (3)                    | 75/350          | 33%         | 33%                              | 33%        | property                          | No                    | Yes                      | 20                  | 2                |                       |                          |               |                                                                                                 |
| Florida                    | 5.5                    | 7 6, 666        | 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                  |                  |                       |                          |               |                                                                                                 |
| lowa                       | 6 to 12                |                 | 100%        | 0%                               | 0%         |                                   | No                    | No                       | 20                  |                  | .,                    | <u></u>                  |               |                                                                                                 |
| Kansas                     | 4 to 7                 |                 | 33%<br>50%  | 33%<br>25%                       | 33%        |                                   | Yes                   | No<br>Yes                | 10                  | 2                | Yes                   | Finnegan                 | No            |                                                                                                 |
| Kentucky<br>Louisiana      | 4 to 6<br>4 to 8       |                 | 33%         | 33%                              | 25%<br>33% |                                   | No<br>No              | No                       | 20<br>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                | 100                   | Joyco                    | 140           |                                                                                                 |
| 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 No                    | 20                  | *******          | Yes                   | *****                    | No            |                                                                                                 |
| Nevada<br>New Hampshire    | 8.5                    | I               | 50%         | 25%                              | 25%        |                                   | Yes                   | No                       | i                   | 1                | Yes                   | 1                        | No            |                                                                                                 |
| New Jersey                 | 9                      |                 | 100%        | 25%<br>0%                        | 25%<br>0%  |                                   | Yes                   | Yes                      | 10<br>20            |                  | res                   | Joyce                    | INO           |                                                                                                 |
| New Mexico                 | 4.8 to 6.6             |                 | 33%         | 33%                              | 33%        | 70% sales, 15% payroll, 15%       | Yes                   | No                       | 20                  |                  | Yes                   | Joyce                    | No            | Only large retailers are required to file                                                       |
| New York                   | 6.5                    |                 | 100%        | 0%                               | 0%         | property                          | No                    | Yes (Royalty)            | 20                  |                  | Yes                   | Finnegan                 | No            | combined returns.                                                                               |
| North Carolina             | 4                      |                 | 75%         | 13%                              | 13%        |                                   | 110                   | Yes (Royalty)            | 15                  |                  | 163                   | riillegan                | 140           |                                                                                                 |
| North Dakota               | 1.41 to 4.31           |                 | 33%         | 33%                              | 33%        |                                   | Yes                   | No                       | 20                  |                  | Yes                   | Joyce                    | Yes (4)       |                                                                                                 |
|                            |                        | anchise gross   |             |                                  |            |                                   | Na                    |                          |                     |                  | V                     |                          |               |                                                                                                 |
| Ohio                       | •                      | ots tax<br>I    | 60%         | 20%                              | 20%        |                                   | No                    | N <sub>2</sub>           | 00                  | 0                | Yes                   |                          | Yes           |                                                                                                 |
| Oklahoma                   | 6                      |                 | 33%<br>100% | 33%<br>0%                        | 33%<br>0%  |                                   | Yes<br>Yes            | No<br>Yes                | 20<br>15            | 2                | Yes                   | lovos                    |               |                                                                                                 |
| Oregon<br>Pennsylvania     | 6.6 to 7.6<br>9.99     |                 | 100%        | 0%<br>0%                         | 0%<br>0%   |                                   | No                    | No                       | 20                  |                  | res                   | Joyce                    |               |                                                                                                 |
| Rhode Island               | 7                      |                 | 100%        | 0%                               | 0%         |                                   | Yes                   | No                       | 5                   |                  |                       |                          |               |                                                                                                 |
| South Carolina             | 5                      |                 | 100%        | 0%                               | 0%         |                                   | No                    | Yes                      | 20                  |                  |                       |                          |               |                                                                                                 |
| South Dakota               |                        | *****           | *******     |                                  |            | <br>********************          | ******                | ******                   |                     | *********        | <br>**********        | <br>:*****               | ı             |                                                                                                 |
| Tennessee                  | 6.5                    |                 | 50%         | 25%                              | 25%        |                                   | No                    | Yes                      | 15                  | <del></del>      | Yes                   |                          | Yes           | Only financial institutions, REITs and hospital companies are required to file combined returns |
| Texas                      | Gross re               | I<br>ceipts tax | 33%         | 33%                              | 33%        |                                   | Yes                   | No                       |                     |                  | Yes                   |                          | No            | Serior Islanto                                                                                  |
| 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                  | 2                |                       |                          |               |                                                                                                 |
| Washington                 |                        | *****           | ******      |                                  | •          | *******                           |                       | *******                  |                     | *******          |                       |                          | 1             |                                                                                                 |
| West Virginia              | 6.5                    |                 | 50%         | 25%                              | 25%        |                                   | Yes                   | Yes                      | 20                  | 2                | Yes                   | Joyce                    | No (5)        |                                                                                                 |
| Wisconsin                  | 7.9                    | *****           | 100%        | 0%<br>******                     | 0%         | *******                           | Yes                   | Yes                      | 20<br>******        | *********        | Yes                   | Finnegan                 | No            |                                                                                                 |
| Wyoming  District of Colum | 9.4                    | 250/1000        | 100%        | 0%                               | 0%         | <u> </u>                          | Yes                   | Yes                      | 20                  | <b></b>          | Yes                   | Joyce                    | No            |                                                                                                 |
| Notes:                     | т <del>С.</del> т      |                 | 10070       | 0 /0                             | 0 /0       | 1                                 | 100                   | 1 100                    | 20                  |                  | 100                   |                          | 140           | <u> </u>                                                                                        |

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

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

<sup>(3)</sup> 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%).

<sup>(4)</sup> 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 Rates 2015 (For tax year 2015 -- as of January 1, 2015)

| State                | Tax Rate      |                        | Number   | Tax Rate for<br>Financial | Federal    |
|----------------------|---------------|------------------------|----------|---------------------------|------------|
| State                | (percent)     | Tax Brackets           | of       | Institutions              | Income Ta  |
|                      | . ,           | Lowest Highest         | Brackets | (percent) (a)             | Deductible |
| Alabama              | 6.5           | Flat Rate              | 1        | 6.5                       | Yes?       |
| Alaska               | 0 - 9.4       | 25,000 222,0           | 00 10    | 0 - 9.4                   |            |
| Arizona              | 6 (b)         | Flat Rate              | 1        | 6.5 (b)                   |            |
| Arkansas             | 1.0 - 6.5     | 3,000 100,0            | 01 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) | 25,000 100,0           | 01 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)                   |            |
| lowa                 | 6.0 - 12.0    | 25,000 250,0           | 01 4     | 5.0                       | Yes (k)2   |
| Kansas               | 4.0 (I)       | Flat Rate              | 1        | 2.25 (I)                  |            |
| Kentucky             | 4.0 - 6.0     | 50,000 100,0           | 01 3     | (a)                       |            |
| Louisiana            | 4.0 - 8.0     | 25,000 200,0           | 01 5     | 4.0 - 8.0                 | Yes?       |
| Maine                | 3.5 - 8.93    | 25,000 250,0           | 00 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 10,0             | 01 3     | 3.0 - 5.0                 |            |
| Missouri             | 6.25          | Flat Rate              | 1        | 7.0                       | Yes (k)2   |
| Montana              | 6.75 (p)      | Flat Rate              | 1        | 6.75 (p)                  | ( )        |
| Nebraska             | 5.58 - 7.81   | 100,000                | 2        | (a)                       |            |
| Nevada               |               | o 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 millio       |          | 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 50,0            |          | 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         | N             | o Corporate Income Tax |          | 6.0 - 0.25% (b)           |            |
| Tennessee            | 6.5           | Flat Rate              | 1        | 6.5                       |            |
| Texas                | (y)           |                        |          | (y)                       |            |
| Utah                 | 5.0 (c)       | Flat Rate              |          | 5.0 (c)                   |            |
| Vermont              | 6.0 - 8.5 (c) | 10,000 25,0            | 00 3     | (a)                       |            |
| Virginia             | 6.0           | Flat Rate              | 1        | 6.0                       |            |
| Washington           | N             | o Corporate Income Tax |          |                           |            |
| West Virginia        | 6.5           | Flat Rate              | 1        | 6.5                       |            |
| Wisconsin            | 7.9           | Flat Rate              | 1        | 7.9                       |            |
| Wyoming              |               | o 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.

(j) The Indiana tax rate is scheduled to decrease(k) 50% of the federal income tax is deductible.

(I) 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 sitused 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.

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

| State                | Tax Rate<br>(percent) | Tax Brackets Lowest Highest | Number<br>of<br>Brackets | Tax Rate for Financial Institutions (percent) (a) | Federal<br>Income Tax<br>Deductible |
|----------------------|-----------------------|-----------------------------|--------------------------|---------------------------------------------------|-------------------------------------|
| 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)                                           |                                     |
| lowa                 | 6.0 - 12.0            | 25,000 250,001              | 4                        | 5.0                                               | Yes (k)⊡                            |
| Kansas               | 4.0 (I)               | Flat Rate                   | 1                        | 2.25 (I)                                          | ( )                                 |
| Kentucky             | 4.0 - 6.0             | 50,000 100,001              |                          | (a)                                               |                                     |
| Louisiana            | 4.0 - 8.0             | 25,000 200,001              |                          | 4.0 - 8.0                                         | Yes?                                |
| Maine                | 3.5 - 8.93            | 25,000 250,000              |                          | 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                |                          | 3.0 - 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               |                       | o Corporate Income Tax      | _                        | (=)                                               |                                     |
| New Hampshire        | 8.5 (q)               |                             | 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           |                          | 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               |                          | 7.0 (b)                                           | Yes?                                |
| Ohio                 | (u)                   | 25,000 50,001               | 3                        | 7.0 (b)<br>(u)                                    | 1030                                |
| 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         |                       | o 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           |                       | o Corporate Income Tax      | -                        | 0.0                                               |                                     |
| West Virginia        | 6.5                   | Flat Rate                   | 1                        | 6.5                                               |                                     |
| Wisconsin            | 7.9                   | Flat Rate                   | 1                        | 7.9                                               |                                     |
| Wyoming              |                       | o Corporate Income Tax      | _                        | 1.3                                               |                                     |

### 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.
- (I) 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 sitused 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.
- 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

For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also

- 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.

#### 22-Mar-13

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

| State                | Tax Rate<br>(percent) | Tax Br           |                 | Number<br>of<br>Brackets | Tax Rate for Financial Institutions | Federal<br>Income Tax<br>Deductible |
|----------------------|-----------------------|------------------|-----------------|--------------------------|-------------------------------------|-------------------------------------|
|                      |                       | Lowest           | Highest         |                          | (percent) (a)                       |                                     |
| Alabama              | 6.5                   | Flat             | Rate            | 1                        | 6.5                                 | Yes?                                |
| Alaska               | 1.0 - 9.4             | 9,999            | 90,000          | 10                       | 1.0 - 9.4                           | .002                                |
| Arizona              | 6.968 (b              | ,                | Rate            | 1                        | 6.968 (b                            | )                                   |
| Arkansas             | 1.0 - 6.5             | 3,000            | 100,001         | 6                        | 1.0 - 6.5                           | ,                                   |
| California           | 8.84 (c)              | · ·              | Rate            | 1                        | 10.84 (c                            | )                                   |
| Colorado             | 4.63                  |                  | Rate            | 1                        | 4.63                                | •                                   |
| Connecticut          | 7.5 (d                |                  | Rate            | 1                        | 7.5 (d                              | )                                   |
| Delaware             | 8.7                   | -                | Rate            | 1                        | 8.7-1.7 (e                          |                                     |
| District of Columbia | 9.975 (b              |                  | Rate            | 1                        | 9.975 (b                            |                                     |
| Florida              | 5.5 (f                | -                | Rate            | 1                        | 5.5 (f                              | -                                   |
| Georgia              | 6.0                   |                  | Rate            | 1                        | 6.0                                 | ,                                   |
| Hawaii               | 4.4 - 6.4 (g          |                  | 100.001         | 3                        | 7.92 (g                             | )                                   |
| Idaho                | 7.4 (h                |                  | Rate            | 1                        | 7.32 (g<br>7.4 (h                   | -                                   |
| Illinois             | 9.5 (i)               |                  | Rate            | 1                        | 9.5 (i                              | -                                   |
| Indiana              | 8.0 (j)               |                  | Rate            | 1                        | 8.5                                 | ,                                   |
| lowa                 | 6.0 - 12.0            | 25,000           | 250,001         | 4                        | 5.0                                 | Yes (k)⊡                            |
| Kansas               | 4.0 (I)               | -                | •               | 1                        | 2.25 (I                             |                                     |
| Kentucky             | 4.0 - 6.0             | 50,000           | 100,001         | 3                        | 2.23 (i                             |                                     |
| Louisiana            | 4.0 - 8.0             | 25,000           | 200,001         | 5                        | 4.0 - 8.0                           | γ<br>Yes?                           |
| Maine                | 3.5 - 8.93            | 25,000           | 250,001         | 4                        | 4.0 - 8.0<br>1.0 (m                 |                                     |
| Maryland             | 8.25                  | •                | 230,000<br>Rate | 1                        | 8.25                                | 1)                                  |
| Massachusetts        | 8.23<br>8.0 (n        |                  | Rate            | 1                        | 9.0 (n                              | ١                                   |
| Michigan             | 6.0                   | -                | Rate            | 1                        | -                                   | -                                   |
| Minnesota            | 9.8 (o                |                  | Rate            | 1                        | 9.8 (c                              |                                     |
|                      | 3.0 - 5.0             | -                | 10,001          | 3                        | 3.0 - 5.0                           | )                                   |
| Mississippi          | 3.0 - 3.0<br>6.25     | 5,000            | •               | 1                        |                                     | Vac /l/\□                           |
| Missouri<br>Montana  |                       |                  | Rate<br>Rate    | 1                        | 7.0                                 | Yes (k) 🛚                           |
|                      | 6.75 (p               |                  |                 | 2                        | 6.75 (p                             |                                     |
| Nebraska<br>Nevada   | 5.58 - 7.81           |                  | ,000            | 2                        | (a                                  | )                                   |
| Nevada               |                       | No Corporate In  |                 | 1                        | 0.5 /-                              | `                                   |
| New Hampshire        | 8.5 (q                |                  | Rate            | 1                        | 8.5 (q                              |                                     |
| New Jersey           | 9.0 (r)               |                  |                 | 1                        | 9.0 (r                              | )                                   |
| New Mexico           | 4.8 - 7.6             | 500,000          | 1 million       | 3                        | 4.8 - 7.6                           |                                     |
| New York             | 7.1 (s                | •                | Rate            | 1                        | 7.1 (s                              |                                     |
| North Carolina       | 6.9                   |                  | Rate            | 1                        | 6.9 (t                              |                                     |
| North Dakota         | 1.68 - 5.15           | 25,000           | 50,001          | 3                        | 7.0 (b                              | -                                   |
| Ohio                 | (u                    |                  | _               |                          | (u                                  | )                                   |
| Oklahoma             | 6.0                   |                  | Rate            | 1                        | 6.0                                 |                                     |
| Oregon               | 6.6 - 7.6 (v          | •                | illion          | 2                        | 6.6 - 7.6 (v                        | 1                                   |
| Pennsylvania         | 9.99                  |                  | Rate            | 1                        | (a                                  | -                                   |
| Rhode Island         | 9.0 (b                | •                | Rate            | 1                        | 9.0 (b                              | -                                   |
| South Carolina       | 5.0                   |                  | Rate            | 1                        | 4.5 (w                              | -                                   |
| South Dakota         |                       | No Corporate In  |                 |                          | 6.0 - 0.25 (b                       | )                                   |
| Tennessee            | 6.5                   |                  | Rate            | 1                        | 6.5                                 |                                     |
| Texas                | (x                    |                  |                 |                          | (x                                  | -                                   |
| Utah                 | 5.0 (b                |                  | Rate            |                          | 5.0 (b                              | -                                   |
| Vermont              | 6.0 - 8.5 (b          | ) 10,000         | 25,000          | 3                        | (a                                  | )                                   |
| Virginia             | 6.0                   |                  | Rate            | 1                        | 6.0                                 |                                     |
| Washington           |                       | No Corporate In  | come Tax        |                          |                                     |                                     |
| West Virginia        | 7.0 (y                | )Flat            | Rate            | 1                        | 7.0 (y                              | )                                   |
| Wisconsin            | 7.9                   | Flat             | Rate            | 1                        | 7.9                                 |                                     |
| Wyoming              |                       | No Corporate Inc | come 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%

(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. (I) 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 sitused 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

(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

(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

(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

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

| State                | Tax Rate               | Tax Brackets                    | Number<br>of         | Tax Rate (a)<br>(percent)<br>Financial | Federal<br>Income Tax |
|----------------------|------------------------|---------------------------------|----------------------|----------------------------------------|-----------------------|
|                      | (percent)              | Lowest Highes                   |                      |                                        | Deductible            |
|                      | (1-0.00)               |                                 |                      |                                        |                       |
| Alabama              | 6.5                    | Flat Rate                       | 1                    | 6.5                                    | Yes□                  |
| Alaska               | 1.0 - 9.4□             | 9,999 90,0                      | 00 10                | 1.0 - 9.4□                             |                       |
| Arizona              | 6.968 (b)□             | Flat Rate                       | 1                    | 6.968 (b)□                             |                       |
| Arkansas             | 1.0 - 6.5 □            | 3,000 100,0                     | 01 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)□         | 25,000 100,0                    |                      | 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□            | 25,000 250,0                    |                      | 5.0                                    | Yes (k)□              |
| Kansas               | 4.0 (I)□               | Flat Rate                       | 1                    | 2.25 (I)□                              | 100 (11)=             |
| Kentucky             | 4.0 - 6.0□             | 50,000 100,0                    |                      | (a)□                                   |                       |
| Louisiana            | 4.0 - 8.0□             | 25,000 200,0                    |                      | 4.0 - 8.0□                             | Yes□                  |
| Maine                | 3.5 - 8.93□            | 25,000 250,0                    |                      | 1.0 (m)□                               | 100 🗆                 |
| Maryland             | 8.25                   | Flat Rate                       | 1                    | 8.25                                   |                       |
| Massachusetts        | 8.0 (n)□               | Flat Rate                       | 1                    | 9.0 (n)□                               |                       |
| Michigan             | 6.0 (11)               | Flat Rate                       | 1                    | 9.0 (11)⊟<br>(a)□                      |                       |
| Minnesota            | 9.8 (o)□               | Flat Rate                       | 1                    | 9.8 (o)□                               |                       |
| Mississippi          | 3.0 - 5.0□             | 5,000 10,0                      |                      | 3.0 - 5.0□                             |                       |
| Missouri             | 3.0 - 3.0 □<br>6.25    | Flat Rate                       | 1                    | 7.0                                    | Yes (k)□              |
| Montana              | 6.75 (p)□              | Flat Rate                       | 1                    | 7.0<br>6.75 (p)□                       | ies (K)               |
| Nebraska             | 5.58 - 7.81□           | 100,000                         | 2                    | (a)□                                   |                       |
| Nevada               | []                     | No Corporate Income T           |                      | (a) 🗆                                  |                       |
| New Hampshire        | ∟<br>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 milli                 |                      | 9.0 (1)□<br>4.8 - 7.6□                 |                       |
| New York             |                        | Flat Rate                       | on 3<br>1            |                                        |                       |
| North Carolina       | 7.1 (s)□<br>6.9        | Flat Rate                       | 1                    | 7.1 (s)□                               |                       |
| North Dakota         | 0.9<br>1.7 - 5.2□      |                                 |                      | 6.9 (t)□                               | Voo□                  |
| Ohio                 |                        | 25,000 50,0                     | 01 3                 | 7 (b)□                                 | Yes□                  |
| Ohlo<br>Oklahoma     | (u)□<br>6.0            | Flat Rate                       | 1                    | (u)□<br>6.0                            |                       |
| Oregon               | 6.6 - 7.6 (v)□         | 250,001                         | 2                    | 6.6 - 7.6 (v)□                         |                       |
| Pennsylvania         | 0.0 - 7.0 (v)⊔<br>9.99 | Flat Rate                       | 1                    | ` '                                    |                       |
| Rhode Island         |                        | Flat Rate                       | 1<br>1               | (a)□<br>o o (b)□                       |                       |
|                      | 9.0 (b)□               | Flat Rate                       | 1                    | 9.0 (b)□                               |                       |
| South Carolina       | 5.0                    |                                 | -                    | 4.5 (w)□                               |                       |
| South Dakota         | □<br>6.5               | No Corporate Income T           |                      | 6.0-0.25% (b)□                         |                       |
| Tennessee            | 6.5                    | Flat Rate                       | 1                    | 6.5                                    |                       |
| Texas                | (x)□                   | Flat Data                       |                      | (x)□                                   |                       |
| Utah<br>Verment      | 5.0 (b)□               | Flat Rate                       | 00 0                 | 5.0 (b)□                               |                       |
| Vermont              | 6.0 - 8.5 (b)□         | 10,000 25,0                     |                      | (a)□                                   |                       |
| Virginia             | 6.0                    | Flat Rate                       | 1                    | 6.0                                    |                       |
| Washington           | []<br>7.5.(.) []       | No Corporate Income T           |                      | <b>3 5</b> / \ \ -                     |                       |
| West Virginia        | 7.5 (y)□               | Flat Rate                       | 1                    | 7.5 (y)□                               |                       |
| Wisconsin<br>Wyoming | 7.9<br>□               | Flat Rate No Corporate Income T | 1<br><sup>-</sup> ax | 7.9                                    |                       |
| District of Columbia | _<br>9.975 (b)□        | Flat Rate                       | 1                    | 9.975 (b)□                             |                       |

### 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.
- (I) 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
- (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 sitused 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
- (y) West Virginia's corporate rate is scheduled for reduction as follows: 7.0% after 2012, 6.5% after 2013.

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

| State                | Tax Rate (percent) | Tax Brackets Lowest Highest | Number<br>of<br>Brackets | Tax Rate (a)<br>(percent)<br>Financial<br>Institution | Federal<br>Income Tax<br>Deductible |
|----------------------|--------------------|-----------------------------|--------------------------|-------------------------------------------------------|-------------------------------------|
|                      | ,                  |                             |                          |                                                       |                                     |
| 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 (I)                                               |                                     |
| 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           | 0.0                | i lat i tate                | 1                        | 0.0                                                   |                                     |
| West Virginia        | 8.5 (z)            | Flat Rate                   | 1                        | 8.5 (z)                                               |                                     |
| Wisconsin            | 7.9                | Flat Rate                   | 1                        | 7.9                                                   |                                     |
| Wyoming              | 1.3                | No Corporate Income Tax     | •                        | ι.5                                                   |                                     |
| District of Columbia | 9.975 (b)          | Flat Rate                   | 1                        | 9.975 (b)                                             |                                     |

### 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%
- 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 Illihois 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.
- I) 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 sitused 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
- 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
- z) West Virginia's corporate rate is scenduled for reduction as follows: 7.75% after 2011, 7.0% after 2012, 6.5% after 2013.

Source: Federation of Tax Administrators, February 2011. http://www.taxadmin.org/fta/rate/corp\_inc.pdf

|                      |                |                   | Number   | Tax Rate (a)<br>(percent) | Federal    |
|----------------------|----------------|-------------------|----------|---------------------------|------------|
| State                | Tax Rate       | Tax Brackets      | of       | Financial                 | Income Tax |
|                      | (percent)      | Lowest Highest    | Brackets | Institution               | Deductible |
| A1 1                 | 0.5            | EL ( D (          |          | 0.5                       | *          |
| 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 (I)        | Flat Rate         | 1        | 2.25 (I)                  |            |
| 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         |                | 1 1011 1 10110    | •        | 6.0-0.25 (b)              |            |
| Tennessee            | 6.5            | Flat Rate         | 1        | 6.5                       |            |
| Texas                | (z)            | . 10. 1 (0.0      | •        | (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                       |            |
|                      |                |                   | 4        |                           |            |
| District of Columbia | 9.975 (cc)     | Flat Rate         | 7        | 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%

associations are taxed at a flat 8.7%.

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

(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

(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 s

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 the taxable year, or (2) 39  $\phi$  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 Rate includes a 14% surtax, as does the following: an additional tax of \$2.60 per \$1,000 on taxable tangible property (or net 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

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 s 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 incover \$150,000 or base over \$75,000. Business profits tax imposed on both corporations and unincorporated associations w 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 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 qualif state manufacturers or \$10 million for other taxpayers. Small business taxpayers pay 4.35% to 7.1% depending. Fixed dolla 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 in assets.

(w) Ohio does not levy a tax based on income, but imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receip between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks will pay the Franchise tax based on r worth. 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 taxable income, 0.22% on income over \$50,000 or taxable income, 0.22% or income over \$50,000 or taxable income.

(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 reve 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% 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

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

#### Range of State Corporate Income Tax Rates, 2008

| State                | Tax Rate       | Tax Brackets      | Number<br>of | Tax Rate (a)<br>(percent)<br>Financial | Federal<br>Income Ta |
|----------------------|----------------|-------------------|--------------|----------------------------------------|----------------------|
|                      | (percent)      | Lowest Highest    | Brackets     | Institution                            | 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         | 10           | 6.968 (b)                              |                      |
| Arkansas             | 1.0 - 6.5      | 3,000 100,000     | 6            | 1.0 - 6.5                              |                      |
| California           | 8.84 (c)       | Flat Rate         | 1            | 1.0 - 0.5<br>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)                                |                      |
|                      | 6.0            | Flat Rate         | 1            | 6.0                                    |                      |
| Georgia<br>Hawaii    | 4.4 - 6.4 (g)  | 25,000 100,000    | 3            | 7.92 (g)                               |                      |
|                      | ,              | Flat Rate         |              | 7.92 (g)<br>7.6 (h)                    |                      |
| ldaho                | 7.6 (h)        |                   | 1            |                                        |                      |
| Illinois             | 7.3 (i)        | Flat Rate         | 1            | 7.3 (i)                                |                      |
| Indiana              | 8.5            | Flat Rate         | 1            | 8.5                                    | * (14)               |
| lowa                 | 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. (I) 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

(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

Range of State Corporate Income Tax Rates 2007

|                       |                |                   | Ni vee le ev | Tax Rate (a)        | [adaaa]    |
|-----------------------|----------------|-------------------|--------------|---------------------|------------|
| 01-1-                 | T - D - ( -    | To Decile         | Number       | (percent)           | Federal    |
| State                 | Tax Rate       | Tax Brackets      | of Decolors  | Financial           | Income Ta  |
|                       | (percent)      | Lowest Highest    | Brackets     | Institution         | Deductible |
| Alabama               | 6.5            | Flat Rate         | 1            | 6.5                 | *          |
| Alaska                | 1.0 - 9.4      | 10,000 90,000     |              | 1.0 - 9.4           |            |
| Arizona               | 6.968 (b)      | Flat Rate         | 1            | 6.968 (b)           |            |
| Arkansas              | 1.0 - 6.5      | 3,000 100,000     |              | 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    |              | 7.92 (g)            |            |
| daho                  | 7.6 (h)        | Flat Rate         | 1            | 7.92 (g)<br>7.6 (h) |            |
| Illinois              | 7.3 (i)        | Flat Rate         | 1            | 7.0 (II)<br>7.3 (i) |            |
| Indiana               | 8.5            | Flat Rate         | 1            | 7.3 (I)<br>8.5      |            |
| lowa                  | 6.0 - 12.0     | 25,000 250,000    |              | 5.0                 | * (k)      |
| Kansas                |                | Flat Rate         | 1            | 2.25 (I)            | (K)        |
|                       | 4.0 (l)        |                   |              | , ,                 |            |
| Kentucky<br>₋ouisiana | 4.0 - 7.0 (m)  | 50,000 100,000    |              | (a)                 | *          |
|                       | 4.0 - 8.0      | 25,000 200,000    |              | (a)                 |            |
| Maine                 | 3.5 - 8.93 (n) | 25,000 250,000    |              | 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      |              | 3.0 - 5.0           | * (1.)     |
| 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 |              | 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      |              | 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                 |            |
|                       |                |                   |              |                     |            |

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.
- (I) 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

| State Corporate Marginal Income Tax Rates |
|-------------------------------------------|

| March                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | State                | Taxable Income                            | Marginal Rate (%) | Special Features                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Alabama              | All Brackets                              | 6.5               | Qualified taxpayers may elect an alternative tax of 0.25% of gross sales in Alabama duri the tax year. S corporations pay a 5% tax on net recognized built-in gains and excess nearly o income.                                                                           |
| Manual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      | \$10,000-\$19,999                         | 2.0               | passive income.                                                                                                                                                                                                                                                           |
| March   Marc                                                                                                                                                               | Alaska               | \$30,000-\$39,999                         | 4.0               | The alternative minimum tax rate on capital gains is 4.5%. The alternative minimum tax of tax preference items is 18% of the applicable alternative minimum federal tax. The                                                                                              |
| Manual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Alaska               | \$60,000-\$69,999                         | 7.0               |                                                                                                                                                                                                                                                                           |
| March   Marc                                                                                                                                                               | Asimon               | \$80,000-\$89,999<br>\$90,000+            | 9.0<br>9.4        | Adiation was to set (PEO)                                                                                                                                                                                                                                                 |
| March   Marc                                                                                                                                                               | Arizona              | \$0-\$3,000                               | 1.0               | Minimum tax of \$50                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Arkansas             | \$11,001-\$25,000                         | 5.0               |                                                                                                                                                                                                                                                                           |
| Second   S                                                                                                                                                               |                      |                                           |                   | 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                                                                                         |
| Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | California           | All Brackets                              | 8.84              | applies to financial S corporations and a 1.5% rate applies to all other S corporations. A 6.65% alternative minimum tax is imposed.                                                                                                                                      |
| Alberton                                                                                                                                                                | Colorado             | All Brackets                              | 4.63              | into Colorado.                                                                                                                                                                                                                                                            |
| Desired to the property of the                                                                                                                                                             | Connecticut          | All Brackets                              | 7.5               | 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-                                                                                        |
| Seminar of Seminar Sem                                                                                                                                                             |                      |                                           |                   | with tax liability greater than \$250. Corporations filing combined returns are subject to ar additional tax of up to \$250,000.                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Delaware             | All Brackets                              | 8.7               | taxable income, whichever is greater. Banking organizations are taxed at a rate of 8.7% the first \$20 million, 6.7% for the next \$5 million, 4.7% for the next \$5 million, 2.7% for the                                                                                |
| Finance   Financ                                                                                                                                                             | District of Oslambia | All December                              | 0.075             | Minimum tax of \$100. \$5,500 ball park fee imposed on gross receipts of \$5 million to \$8                                                                                                                                                                               |
| Page                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | District of Columbia | All brackets                              | 9.975             | of \$12,000,001 to \$16 million, and \$16,500 on gross receipts of \$16,000,001 or more.                                                                                                                                                                                  |
| Description                                                                                                                                                                  | Florida              | All Brackets                              | 5.5               | 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 year                                                                                               |
| Part                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Georgia              | All Brackets                              | 6.0               |                                                                                                                                                                                                                                                                           |
| Page 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Hawaii               | \$25,001-\$100,000                        | 5.4               | 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 impose                                                                                             |
| March   Mile                                                                                                                                                                 | Idaho                |                                           |                   | Minimum tax of \$20. Additional \$10 tax on each corporation filing a return and having                                                                                                                                                                                   |
| Page 12   19   19   19   19   19   19   19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                                           |                   | dollar volume from Idaho sales.  An additional 2.5% personal property replacement tax imposed for corporations other that                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                                           |                   | 5% on adjusted gross income derived from sources within a qualified area that contain a                                                                                                                                                                                   |
| Security                                                                                                                                                                | lowa                 | \$25,001-\$100,000                        | 8.0               | Financial institutions are subject to a 5% franchise tax. An alternative minimum tax is                                                                                                                                                                                   |
| Marca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                                           |                   | nearest 0.1%.  A 3.35% surtax is imposed on taxable income in excess of \$50,000. Qualified corporation                                                                                                                                                                   |
| Marriad by 15 August 15                                                                                                                                                                | Kansas               | All Brackets                              | 4.0               | Compact; no tax rate has been set. Certain financial institutions pay a privilege tax at the                                                                                                                                                                              |
| Section   Sect                                                                                                                                                               |                      | #0.#F0.000                                |                   | savings and loan associations with net income in excess of \$25,000).                                                                                                                                                                                                     |
| Part                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Kentucky             | \$50,001-\$100,000                        | 5.0               | of gross receipts measured by total sales in Kentucky divided by total sales everywhere 75 cents per \$100 of the taxpayer's Kentucky gross profits (defined as Kentucky gross                                                                                            |
| Description   1900 to 1900 t                                                                                                                                                               |                      | ,                                         |                   | Today to Today and Allowarioss, feed the east of goods eath in the same                                                                                                                                                                                                   |
| March                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Louisiana            | \$50,001-\$100,000<br>\$100,001-\$200,000 | 6.0<br>7.0        |                                                                                                                                                                                                                                                                           |
| Marginary   Septiment   Sept                                                                                                                                                               |                      | \$0-\$25,000                              | 3.50              |                                                                                                                                                                                                                                                                           |
| Management   Man                                                                                                                                                               |                      | \$75,001-\$250,000<br>\$250,001+          | 8.33<br>8.93      | income of the financial institution for the taxable year, plus 8 cents per \$1,000 of the                                                                                                                                                                                 |
| Miseschuster Mises                                                                                                                                                             | Maryland             | All Brackets                              | 7.0               |                                                                                                                                                                                                                                                                           |
| Participation   All Seculates   1-0   Internation configuration supplies to a single business are part accordant for its filter business and participation of the process.   All Seculates                                                                                                                                                                 | Massachusetts        | All Brackets                              | N/A               | 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                                                                                         |
| Medisophi Section 9.8 Section                                                                                                                                                              | Michigan             | All Brackets                              | 1.9               | Insurance companies subject to the single business tax pay a surcharge that is the prod of 1.26 and the taxpayer's tax liability before the application of any credits.                                                                                                   |
| Mississippi   Sp. 500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Minnesota            | All Brackets                              | 9.8               | 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,                                                                                            |
| Missouth Missouth 6.25 Promotine features on board of a rate equal to the sum of 0.5% of the pair value of institutions on transcript or the corner position of the control of the corner of the corner position of the corner of the                                                                                                                                                             | Mineralizations      |                                           |                   | and sales or receipts, and the type of corporation or partnership.                                                                                                                                                                                                        |
| Mesouri All Brackets 2.25 especial pattern and surplus orphysed in Missouri and Yes of the restation's recorded from the commode of the law commode of an infer and states and such assessment of surplus and the conflict all conductions of the commode of the surplus and the conflict all conductions of the conflict and states.  Mortana S.555.00.00 5.55 S. Nobraska S.555.00.01 5.55 S. Nobraska N. NO STATE CORPORATE INCOME TAX  Nor Hamponian All Brackets 8.5 S. Nobraska N. NO STATE CORPORATE INCOME TAX  Nor Hamponian All Brackets 8.5 S. Nor Hamponian All Brackets 9.5 S. Nor Hamponia                                                                                                                                                             | Mississippi          |                                           |                   |                                                                                                                                                                                                                                                                           |
| Mortenina                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Missouri             | All Brackets                              | 6.25              | 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                                                                                                 |
| New Jones   So. 555.0000   5.58   So. 5000+   7.5   So. 5000+                                                                                                                                                                  | Montana              | All Brackets                              | 6 75              | Minimum tax of \$50. Taxpayers making a water's-edge election are taxed at 7%. Qualified                                                                                                                                                                                  |
| New Hampshire  All Brackets  Solonia Part Company and Solonia                                                                                                                                                              |                      | \$0-\$50,000                              | 5.58              |                                                                                                                                                                                                                                                                           |
| New Hampshire   All Brackets   S.   S.   Income over \$75,000, the business enterprise but also applies a rate of 0.75% of the business enterprises but also applies a rate of 0.75% of the business enterprises provides business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                                           |                   | 8.5% tax on taxable business profits is imposed if gross income is over \$50,000. For gro                                                                                                                                                                                 |
| Prince Net Months of 39   50   Processings of gross profits or a percentage of gross profits or percentage or percentage of gross profits or percentage or percentage of gross profits or percentage or perce                                                                                                                                                               | New Hampshire        | All Brackets                              | 8.5               | income over \$150,000 or a base over \$75,000, the business enterprise tax also applies a rate of 0.75% of the business enterprise value base.                                                                                                                            |
| Part                                                                                                                                                                  |                      | ·                                         | 6.5               | percentage of gross profits or a percentage of gross receipts. The gross profits alternation minimum assessment ranges from 0.0025 on gross profits between \$1 million and \$10                                                                                          |
| Now Mosico   So 5500.001-\$1 000.000   6.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | New Jersey           |                                           | 7.5               |                                                                                                                                                                                                                                                                           |
| New Mexico  \$50,0001-\$1,000,0001  \$1,000,0001-\$1,000,0001  \$1,000,0001-\$1,000,0001  \$1,000,0001-\$1,000,0001  \$1,000,0001-\$1,000,0001  \$1,000,0001-\$1,000,0001  \$1,000,0001-\$1,000,0001  \$1,000,0001-\$1,000,0001  \$1,0001,0001-\$1,0001,0001  \$1,0001,0001-\$1,0001,0001-\$1,0001,0001-\$1,0001,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                      | ·                                         |                   | million but less than \$20 million (multiplied by 1.11111) to 0.004 for taxpayers with gross receipts in excess of \$75 million.                                                                                                                                          |
| New York All Brackets N/A per per collar of all classed depails up to a \$50,000 pr an immum tax between \$100 and \$10,000, depending on payroll size. Additional \$10 and \$10,000, depending on payroll size. Additional \$10 million per collar of all classed capital for proposed. Special rates a \$50,000 pr an immum tax between \$100 and \$10,000, depending on payroll size. Additional \$10 million per collar of all classed subject to a framersh in restrict the subject to a framersh institutions and small business taxpayers. North Dakota \$3,000 september \$2,000 september                                                           | New Mexico           | \$500,001-\$1,000,000                     | 6.4               | · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                     |
| Capital is imposed. Special rates apply to S corporations and small business taxpayers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | New York             | All Brackets                              | N/A               | adjustments or 2.5% of minimal taxable income base allocated to New York or 1.78 mills                                                                                                                                                                                    |
| Sp-\$3,000 2.6 Sp-\$3,001 - \$30,000 4.1 Sp-\$3,001 - \$30,000 4.1 Sp-\$3,001 - \$30,000 5.6 Sp-\$20,001 - \$30,000 6.4 Sp-\$20,000 6.4 Sp-\$20,001 - \$30,000 6.4 Sp-\$20,000        |                      |                                           |                   | \$10,000, depending on payroll size. Additional 9/10 mill per dollar of allocated subsidiar capital is imposed. Special rates apply to S corporations and small business taxpayers.                                                                                       |
| Second   S                                                                                                                                                               | North Carolina       |                                           |                   | 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                                                                                            |
| S30,000+   7.0   \$20,000 of North Dakota sales, above \$20,000 and not exceeding \$55,000. and 1% of all North Dakota sales above \$20,000 and not exceed right \$55,000. and 1% of all North Dakota sales above \$25,000 of net income and \$6,5% on net income and \$6,5% on net income in excess of \$55,000. or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to \$150,000 or (2.4 mills times net worth up to                                                                                                                  | North Dakota         | \$8,001-\$20,000                          | 5.6               | 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 allowe as an option by the Multistate Tax Compact at the following rates: 0.6% of the first  |
| All Brackets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                      |                                           |                   | \$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         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 franci 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 or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year or (2) 300 or more employees worldwide at any time during the taxable year for the taxable year for the taxable year for the taxable year for the tax began to the greater of 0.25% of the dollar volume of sales if the tax began to the greater of 0.25% of net taxable year must also pay foreyoling surcharge based on income tax liability without regard to tax credits. <td></td> <td></td> <td></td> <td>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</td> |                      |                                           |                   | 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                                                                                          |
| Collahoma                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Ohio                 | All Brackets                              | N/A               | 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 franch                                                                                                  |
| Oregon                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      |                                           |                   | gross receipts for the taxable year or (2) 300 or more employees worldwide at any time                                                                                                                                                                                    |
| Pennsylvania All Brackets 9.99  Rhode Island All Brackets 9.00  All Brackets 9.00  All Brackets 9.00  All Brackets 9.00  All Brackets 5.00  Banks are taxed at a rate of 4.5%. Associations are taxed at 6% on most net income aft the first three years of operation.  South Carolina No STATE CORPORATE INCOME TAX  Uvernont All Brackets 6.00  All Brackets 5.00  All Brackets 5.00  All Brackets 6.50  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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                                           |                   | Minimum tax of \$10. Qualified taxpayers may elect to pay an alternative tax of 0.25% of t                                                                                                                                                                                |
| 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 great 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  NO STATE CORPORATE INCOME TAX  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.  Wermont  Vermont  All Brackets  6.0  Telecommunication companies are subject to a minimum tax equal to 0.5% of a compart gross receipts for the calendar year, in lieu of the 6% corporate income tax rate, if the corporate income tax rate, if the corporate income tax liability is less than the minimum tax liability.  Washington  NO STATE CORPORATE INCOME TAX  West Virginia  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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                      |                                           |                   | · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                     |
| 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 aff the first three years of operation.  South Dakota  NO STATE CORPORATE INCOME TAX  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.  \$0.\$10,000  \$10,001-\$25,000  \$10,001-\$25,000  \$25,001-\$25,000  \$25,001-\$25,000  \$25,001-\$25,000  \$25,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25,000  \$30,001-\$25  | Termoyivama          | All Brackets                              | 3.33              | 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                                                                                    |
| 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 aff the first three years of operation.  South Dakota  No STATE CORPORATE INCOME TAX  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  \$\int_{\infty}^{\infty} \cdot \cd                                                                                                                                                           | Rhode Island         | All Brackets                              | 9.0               | authorized capital stock or fractional part thereof, or the sum of \$500, whichever is great 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 |
| Tennessee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | South Carolina       | All Brackets                              | 5.0               | apply to public utilities.  Banks are taxed at a rate of 4.5%. Associations are taxed at 6% on most net income after                                                                                                                                                      |
| 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.  \$0-\$10,000 7.0 \$10,001-\$25,000 8.1 \$25,001-\$250,000 9.2 \$250,001+ 9.75  Virginia All Brackets 6.0 Telecommunication companies are subject to a minimum tax equal to 0.5% of a compar 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 NO STATE CORPORATE INCOME TAX  West Virginia All Brackets 9.0  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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | South Dakota         | NO STATE CORPO                            | RATE INCOME TAX   |                                                                                                                                                                                                                                                                           |
| Vermont  \$0-\$10,000 7.0 \$10,001-\$25,000 8.1 \$25,001-\$250,000 9.2 \$250,001+ 9.75  Virginia  All Brackets  OSTATE CORPORATE INCOME TAX  West Virginia  All Brackets  All Brackets  All Brackets  All Brackets  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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | _                    |                                           |                   | The tax is equal to the greater of 0.25% of net taxable capital or 4.5% of net taxable                                                                                                                                                                                    |
| \$25,001-\$250,000 9.2 9.75  Virginia All Brackets 6.0 Telecommunication companies are subject to a minimum tax equal to 0.5% of a compar 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 NO STATE CORPORATE INCOME TAX  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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Utah                 | \$0-\$10,000                              | 7.0               | ·                                                                                                                                                                                                                                                                         |
| Virginia All Brackets 6.0 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 NO STATE CORPORATE INCOME TAX West Virginia All Brackets 9.0  Visconsin 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Vermont              | \$25,001-\$250,000                        | 9.2               |                                                                                                                                                                                                                                                                           |
| Washington         NO STATE CORPORATE INCOME TAX           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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Virginia             | All Brackets                              | 6.0               |                                                                                                                                                                                                                                                                           |
| recycling surcharge based on income tax liability without regard to tax credits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                                           |                   |                                                                                                                                                                                                                                                                           |
| Wyoming NO STATE CORPORATE INCOME TAX                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Wisconsin            | All Brackets                              | 7.9               | Corporations with at least \$4 million in gross receipts for the taxable year must also pay                                                                                                                                                                               |

Source: CCH Tax Research NetWork

## State Corporate Marginal Income Tax Rates, 2005

|                         |                                                             | State Corporate Ma   | arginal 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 durin the tax year. S corporations pay a 5% tax on net recognized built-in gains and excess net passive income.                                                                                   |
|                         | \$0-\$9,999<br>\$10,000-\$19,999                            | 1.0<br>2.0           | passive income.                                                                                                                                                                                                                                                                       |
|                         | \$20,000-\$29,999<br>\$30,000-\$39,999<br>\$40,000-\$49,999 | 3.0<br>4.0<br>5.0    | The alternative minimum tax rate on capital gains is 4.5%. The alternative minimum tax of tax preference items is 18% of the applicable alternative minimum federal tax. The                                                                                                          |
| Alaska                  | \$50,000-\$59,999<br>\$60,000-\$69,999                      | 6.0<br>7.0           | 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.                                                                                                                          |
|                         | \$70,000-\$79,999<br>\$80,000-\$89,999<br>\$90,000+         | 8.0<br>9.0<br>9.4    |                                                                                                                                                                                                                                                                                       |
| Arizona                 | All Brackets<br>\$0-\$3,000                                 | 6.968<br>1.0         | Minimum tax of \$50                                                                                                                                                                                                                                                                   |
| Arkansas                | \$3,001-\$6,000<br>\$6,001-\$11,000<br>\$11,001-\$25,000    | 2.0<br>3.0<br>5.0    |                                                                                                                                                                                                                                                                                       |
|                         | \$25,001-\$100,000<br>\$100,001+                            | 6.0<br>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          |
| Colorado                | All Brackets                                                | 4.63                 | 6.65% alternative minimum tax is imposed.  Qualified taxpayers may pay an alternative tax of 0.5% of gross receipts from sales in or                                                                                                                                                  |
| Colorado                | , iii Bradicio                                              | 1.00                 | into Colorado.  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                                                                                  |
| Connecticut             | All Brackets                                                | 7.5                  | 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 corporation         |
|                         |                                                             |                      | 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% or 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.  Minimum tax of \$100. \$5,500 ball park fee imposed on gross receipts of \$5 million to \$8                                                                                                                     |
| District of Columbia    | All Brackets                                                | 9.975                | 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 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 yea 1980 through 1986.                                                                                                                                                                           |
| Georgia                 | All Brackets<br>\$0-\$25,000                                | 4.4                  | Qualified taxpayers with Hawaii sales of \$100,000 or less may pay an alternative tax of                                                                                                                                                                                              |
| Hawaii                  | \$25,001-\$100,000<br>\$100,001+                            | 5.4<br>6.4           | 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%.                                                                                     |
| ldaho                   | 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% or                                                                                                     |
| Illinois                | All Brackets                                                | 4.8                  | dollar volume from Idaho sales.  An additional 2.5% personal property replacement tax imposed for corporations other than the corporations of the corporation and trustee.                                                                                                            |
| Indiana                 | All Brackets                                                | 8.5                  | S corporations; 1.5% tax for S corporations, partnerships, and trusts.  5% on adjusted gross income derived from sources within a qualified area that contain are inactive or closed military base.                                                                                   |
| lowa                    | \$0-\$25,000<br>\$25,001-\$100,000                          | 6.0<br>8.0           | 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                                                                                                           |
|                         | \$100,001-\$250,000<br>\$250,001+                           | 10.0<br>12.0         | nearest 0.1%.                                                                                                                                                                                                                                                                         |
| Kansas                  | All Brackets                                                | 4.0                  | A 3.35% surtax is imposed on taxable income in excess of \$50,000. Qualified corporation 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<br>\$50,001-\$100,000                          | 4.0<br>5.0           | Minimum tax of \$175. An alternative minimum tax equal to the lesser of 9.5 cents per \$10 of gross receipts measured by total sales in Kentucky divided by total sales everywhere                                                                                                    |
| ,                       | \$100,001+                                                  | 7.0                  | 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.                                                                                                           |
| Louisiana               | \$0-\$25,000<br>\$25,001-\$50,000                           | 4.0<br>5.0           |                                                                                                                                                                                                                                                                                       |
| Louisiana               | \$50,001-\$100,000<br>\$100,001-\$200,000<br>\$200,001+     | 6.0<br>7.0<br>8.0    |                                                                                                                                                                                                                                                                                       |
| Maine                   | \$0-\$25,000<br>\$25,001-\$75,000                           | 3.50<br>7.93         | 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 no                                                                                                     |
|                         | \$75,001-\$250,000<br>\$250,001+                            | 8.33<br>8.93         | 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                  | 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                                                                                                       |
| Massachusetts           | All Brackets                                                | N/A                  | 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                                                                                                     |
| Michigan                | All Brackets                                                | 1.9                  | subsidiaries, financial institutions, utilities, and vessels.  Insurance companies subject to the single business tax pay a surcharge that is the production 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<br>\$5,001-\$10,000<br>\$10,001+                | 3.0<br>4.0<br>5.0    |                                                                                                                                                                                                                                                                                       |
|                         | ,                                                           |                      | Financial institutions are taxed at a rate equal to the sum of 0.05% of the par value of the                                                                                                                                                                                          |
| Missouri                | All Brackets                                                | 6.25                 | 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                                                                                                    |
| Nebraska                | \$0-\$50,000<br>\$50,001+                                   | 5.58<br>7.81         | the tax year.                                                                                                                                                                                                                                                                         |
| Nevada                  |                                                             | RATE INCOME TAX      | 8.5% tax on taxable business profits is imposed if gross income is over \$50,000. For gros                                                                                                                                                                                            |
| New Hampshire           | All Brackets                                                | 8.5                  | income over \$150,000 or a base over \$75,000, the business enterprise tax also applies a a rate of 0.75% of the business enterprise value base.                                                                                                                                      |
|                         | Entire net income of \$0-<br>\$50,000                       | 6.5                  | 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 \$10.000.                   |
| New Jersey              | Entire net income of \$50,001-\$100,000                     | 7.5                  | 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                                                                                                      |
|                         | All other corporations                                      | 9.0                  | 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<br>\$500,001-\$1,000,000                      | 4.8<br>6.4           | Qualified taxpayers may pay an alternative tax of 0.75% of gross receipts from New Mexico sales.                                                                                                                                                                                      |
|                         | \$1,000,001+                                                | 7.6                  | Corporations are subject to a tax on the greatest of 7.5% of entire net income with                                                                                                                                                                                                   |
| New York                | All Brackets                                                | N/A                  | 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              |
| North Carolina          | All Brackets                                                | 6.9                  | capital is imposed. Special rates apply to S corporations and small business taxpayers.                                                                                                                                                                                               |
|                         | \$0-\$3,000                                                 | 2.6                  | 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                                                                                                        |
| North Dakota            | \$3,001-\$8,000<br>\$8,001-\$20,000<br>\$20,001-\$30,000    | 4.1<br>5.6<br>6.4    | 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             |
|                         | \$30,000+                                                   | 7.0                  | \$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.                                                                                                                                |
|                         |                                                             |                      | 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              |
| Ohio                    | \$0-\$50,000<br>\$50,001+                                   | 5.1<br>8.5           | 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 franchis                       |
|                         |                                                             |                      | 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                                                                                                  |
| Oklahoma                | All Brackets                                                | 6.0                  | during the taxable year.                                                                                                                                                                                                                                                              |
| 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                 | ,                                                                                                                                                                                                                                                                                     |
| 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 |
| Knode Island            | All brackets                                                | 9.0                  | 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                  | apply to public utilities.  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 Tennessee  | NO STATE CORPO                                              | RATE INCOME TAX  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<br>\$0-\$10,000                                | 5.0<br>7.0           | Minimum tax of \$100. Nonprofit utilities are subject to an in lieu gross receipts tax.                                                                                                                                                                                               |
| Vermont                 | \$10,001-\$25,000<br>\$25,001-\$250,000<br>\$250,001+       | 8.1<br>9.2<br>9.75   | Minimum tax of \$250 (\$75 for small farm corporations).                                                                                                                                                                                                                              |
| Virginia                | \$250,001+  All Brackets                                    | 6.0                  | Telecommunication companies are subject to a minimum tax equal to 0.5% of a companie gross receipts for the calendar year, in lieu of the 6% corporate income tax rate, if the                                                                                                        |
| Washington              |                                                             | RATE INCOME TAX      | corporate income tax liability is less than the minimum tax liability.                                                                                                                                                                                                                |
| West Virginia Wisconsin | All Brackets All Brackets                                   | 9.0<br>7.9           | Corporations with at least \$4 million in gross receipts for the taxable year must also pay                                                                                                                                                                                           |
| Wyoming                 |                                                             | RATE INCOME TAX      | recycling surcharge based on income tax liability without regard to tax credits.                                                                                                                                                                                                      |

Wyoming NO STATE CORPORATE INCOME TAX

Source: CCH Tax Research NetWork

#### RANGE OF STATE CORPORATE INCOME TAX RATES

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

|                   |                |                     | # of     | Bank lax       | Federal lax |
|-------------------|----------------|---------------------|----------|----------------|-------------|
| State             | Tax Rates      | Tax Brackets        | Brackets | Rates          | 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 (I)        | Flat Rate           | 1        | 2.25 (I)       | ( )         |
| 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        | ĺ              |             |
| 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.
- (I) 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
- (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, 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 |                      | Federal Tax<br>Deductible |
|---------------------------|----------------|-------------------|---------------|----------------------|---------------------------|
| Alabama                   | 6.5            | Flat Rate         | 1             | 6.5                  | *                         |
|                           |                |                   | 10            | 1.0 - 9.4            |                           |
| Alaska                    | 1.0 - 9.4      | 10,000 90,000     |               |                      |                           |
| 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                  |                           |
| lowa                      | 6.0 - 12.0     | 25,000 250,000    | 4             | 6.5<br>5             | * (k)                     |
| IOWa                      | 0.0 - 12.0     | 25,000 250,000    | 4             | 5                    | (K)                       |
| Kansas                    | 4.0 (I)        | Flat Rate         | 1             | 2.25 (I)             |                           |
| 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)             |                           |
|                           | ` '            |                   |               | ٠,                   |                           |
| Minnesota                 | 9.8 (o)        | Flat Rate         | 1             | 9.8 (o)              |                           |
| Mississippi               | 3.0 - 5.0      | 5,000 10,000      | 3             | 3.0 - 5.0            | * /l \                    |
| 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)                  |                           |
| Pennsylvania              |                |                   |               | (a)                  |                           |
| Rhode Island              | 9.0 (b)        | Flat Rate         | 1             | 9.0 (v)              |                           |
| South Carolina            | 5              | Flat Rate         | 1             | 4.5 (w)              |                           |
| South Dakota<br>Tennessee | <br>6.5        | Flat Rate         | 1             | 6.0-0.25% (b)<br>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 (k        | <b>)</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. (I) 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) 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. (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, 2002

|                          |                      |                   |               | Bank Tax       | Federal Tax |
|--------------------------|----------------------|-------------------|---------------|----------------|-------------|
| State                    | Tax Rates            | Tax Brackets      | # of Brackets | Rates          | 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)       |             |
| ldaho                    | 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 (I)              | Flat Rate         | 1             | 2.25 (I)       |             |
| 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             | 3.0 - 3.0<br>7 | * (k)       |
| Montana                  | 6.75 (p)             | Flat Rate         | 1             | 6.75 (p)       | (K)         |
| Nobraska                 | 5.58 - 7.81          |                   | 2             | (0)            |             |
| Nebraska                 |                      | Flat Data         |               | (a)            |             |
| New Hampshire            | 8.5 (q)              | Flat Rate         | 1             | 8.5 (q)        |             |
| New Jersey<br>New Mexico | 9.0 (r)<br>4.8 - 7.6 | Flat Rate         | 1             | 9 (r)          |             |
|                          |                      | 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)        |                   | 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             |                      |                   |               | 6.0-1.0% (b)   | )           |
| Tennessee                | 6                    | Flat Rate         | 1             | 6              |             |
| Utah                     | 5.0 (b)              | Flat Rate         |               | 5.0 (b)        |             |
| Vermont                  | 7.0 - 9.75 (b)       | 10,000 250,000    | 4             | '.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, 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.
- (I) 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.

franchise tax are subject to a 7.25% income tax. Banking and financial corporations other than savings institutions are subject to the franchise tax. 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 \$100,00 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 \$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.
- (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. Effective 1/1/2003, tax rate decreases to 9.45%.

Source: Compiled by Federation of Tax Administrators from various sources