

**TABLE 20. CORPORATE INCOME TAX RATES and NET COLLECTIONS and INDIVIDUAL INCOME TAX NET COLLECTIONS and SALES TAX NET COLLECTIONS
FOR THOSE STATES LEVYING A CORPORATE INCOME TAX**

State	State corporate income tax rates and brackets for 2005 income year -as of January 1, 2005- [apportionment formula]	Special rates or notes	Pop-ulation 7/1/2004 [1,000s]	State Tax Collections 2003-04											
				Corporate income tax				Individual income tax			General sales tax*			Total tax collections [all sources]	
				Amount [\$1,000s]	% of total state tax collec-tions	Per capita		Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]	Amount [\$1,000s]	Per capita [\$]
						Amount [\$]	Rank								
Alabama	6.5% [3-factor]	rate applicable to banks; federal deductibility	4,530	292,051	4.16%	64.47	33	2,243,537	31.97%	495.26	1,892,560	26.97%	417.78	7,018,242	1,549.28
Alaska	1%>\$0; 2%>\$10K; 3%>\$20K; 4%>\$30K; 5%>\$40K; 6%>\$50K; 7%>\$60K; 8%>\$70K; 9%>\$80K; 9.4%>\$90K [3-factor]	rates applicable to banks	655	339,564	26.36%	518.42	1	-	-	-	-	-	-	1,288,164	1,966.66
Arizona	6.968% [3-factor with double wtd. sales factor]	rate applicable to banks; minimum tax: \$50	5,744	525,650	5.47%	91.51	22	2,315,865	24.11%	403.18	4,719,642	49.13%	821.66	9,606,318	1,672.41
Arkansas	1%>\$0; 2%>\$3K; 3%>\$6K; 5%>\$11K; 6%>\$25K; 6.5%>\$100K [3-factor with double wtd. sales factor]	rates applicable to banks; for net incomes exceeding \$100K, 6.5% of entire net income	2,753	181,830	3.26%	66.05	32	1,685,585	30.20%	612.27	2,149,527	38.52%	780.79	5,580,678	2,027.13
California	8.84% [3-factor with double wtd. sales factor]	10.84% rate applicable to banks; minimum tax: \$800; S-Corporations: 1.5% S-Corporations banks: 3.5%	35,894	6,925,916	8.08%	192.95	6	36,398,983	42.46%	1,014.07	26,506,911	30.92%	738.48	85,721,483	2,388.18
Colorado	4.63% [3-factor or 2-factor of revenue and property]	rate applicable to banks	4,601	239,591	3.40%	52.07	41	3,413,891	48.41%	741.99	1,909,246	27.08%	414.96	7,051,457	1,532.59
Connecticut	7.5% [3-factor with double wtd. sales factor for income derived from the sale/use of tpp or rp; 1-factor gross receipts formula for other income]	rate applicable to banks	3,504	379,822	3.69%	108.40	13	4,319,546	41.97%	1,232.75	3,127,221	30.39%	892.47	10,291,289	2,937.01
Delaware	8.7% [3-factor]	banks: marginal rate decreases from 8.7% to 1.7% over 4 brackets ranging from \$20 to \$650 million in taxable income; building and loan associations taxed at 8.7%	830	217,768	9.17%	262.37	3	781,212	32.89%	941.22	-	-	-	2,375,482	2,862.03
Florida	5.5% or 3.3% alternative minimum tax; allowable exemption of \$5,000 [3-factor with double wtd. sales factor]	rate applicable to banks	17,397	1,345,780	4.37%	77.36	28	-	-	-	17,355,404	56.41%	997.61	30,767,561	1,768.56
Georgia	6% [3-factor with double wtd. sales factor]	rate applicable to banks	8,829	494,701	3.40%	56.03	39	6,830,486	46.88%	773.64	4,921,337	33.78%	557.41	14,570,573	1,650.31
Hawaii	4.4%>\$0; 5.4%>\$25K; 6.4%>\$100K [3-factor]	7.92% rate applicable to banks; capital gains taxed at 4%; alternative tax of 0.5% of gross annual sales	1,263	58,119	1.51%	46.02	43	1,169,205	30.38%	925.74	1,900,377	49.37%	1,504.65	3,849,135	3,047.61
Idaho	7.6% [3-factor with double wtd. sales factor]	rate applicable to banks; minimum tax: \$20; additional tax of \$10 imposed per return	1,393	103,784	3.92%	74.50	29	907,795	34.29%	651.68	1,036,924	39.16%	744.38	2,647,790	1,900.78

TABLE 20.-Continued

State	State corporate income tax rates and brackets for 2005 income year -as of January 1, 2005- [apportionment formula]	Special rates or notes	Pop-ulation 7/1/2004 [1,000s]	State Tax Collections 2003-04											
				Corporate income tax				Individual income tax			General sales tax*			Total tax collections [all sources]	
				Amount [\$1,000s]	% of total state tax collec-tions	Per capita		Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]	Amount [\$1,000s]	Per capita [\$]
						Amount [\$]	Rank								
Illinois	4.8% plus a 2.5% rate applicable to banks personal property replacement tax [1-factor sales]		12,714	2,068,574	8.12%	162.70	8	8,139,558	31.93%	640.20	6,922,587	27.16%	544.49	25,490,593	2,004.92
Indiana	8.5% rate applicable to banks [3-factor with double wtd. sales factor]		6,238	644,787	5.39%	103.36	15	3,807,861	31.85%	610.43	4,759,445	39.80%	762.98	11,957,470	1,916.88
Iowa	6%>\$0; 8%>\$25K; 10%>\$100K; 12%>\$250K [1-factor sales]	5% rate applicable to banks; 7.2% alternative minimum rate; 50% federal deductibility	2,954	89,826	1.75%	30.41	46	1,958,697	38.16%	663.07	1,617,505	31.51%	547.56	5,133,126	1,737.69
Kansas	4% plus a surtax of 3.35% for taxable income > \$50K [3-factor]	banks: 2.25% plus a surtax of 2.125% for taxable income > \$25K	2,736	166,609	3.15%	60.90	36	1,915,530	36.25%	700.12	1,932,927	36.58%	706.48	5,283,676	1,931.17
Kentucky	4%>\$0; 5%>\$50K; 7%>\$100K; [3-factor with double wtd. sales factor]	rates applicable to banks	4,146	381,538	4.51%	92.03	21	2,819,393	33.31%	680.03	2,466,033	29.14%	594.80	8,463,400	2,041.34
Louisiana	4%>\$0; 5%>\$25K; 6%>\$50K; 7%>\$100K; 8%>\$200K [3-factor with double wtd. sales factor]	rates applicable to banks; federal deductibility	4,516	236,745	2.95%	52.42	40	2,187,050	27.25%	484.29	2,680,716	33.40%	593.60	8,025,507	1,777.13
Maine	3.5%>\$0; 7.93%>\$25K; 8.33%>\$75K; 8.93%>\$250K or a 27% tax on federal alternative minimum taxable income [3-factor with double wtd. sales factor]	1% rate applicable to banks	1,317	111,616	3.85%	84.75	24	1,160,028	40.05%	880.81	917,248	31.66%	696.47	2,896,759	2,199.51
Maryland	7% [3-factor with double wtd. sales factor; manufacturers use 1-factor sales formula]	rate applicable to banks	5,558	447,487	3.63%	80.51	26	5,277,844	42.86%	949.59	2,945,060	23.91%	529.88	12,314,799	2,215.69
Massachusetts	9.5% [3-factor with double wtd. sales factor]	10.5% rate applicable to banks; 10.91% rate applicable to savings & loan associations rates include a 14% surtax, as does the following: an additional tax of \$7/\$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimim tax: \$456	6,417	1,301,076	7.79%	202.75	5	8,830,334	52.88%	1,376.08	3,743,204	22.42%	583.33	16,698,723	2,602.26
Michigan	1.9%>\$45K Modified VAT: Single Business Tax (SBT) applies to gross receipts; must file with gross receipts >\$250K. \$45K deductible; SBT tax rate will continue to be reduced by 0.1% annually from its 1998 rate of 2.3% until the SBT tax is completely phased out over 23 years unless the State's Budget Stabilization Fund balance for a fiscal year falls below \$250 million [3-factor: 90-5-5 (sales-payroll-property)]		10,113	1,841,010	7.65%	182.04	7	6,576,065	27.33%	650.26	7,894,458	32.81%	780.62	24,061,065	2,379.22
Minnesota	9.8% plus a 5.8% tax on any alternative minimum taxable income over the base tax [3-factor: 75-12.5-12.5 (sales-payroll-property)]	rates applicable to banks	5,101	637,183	4.32%	124.91	10	5,709,584	38.75%	1,119.31	4,066,790	27.60%	797.25	14,734,921	2,888.63

TABLE 20.-Continued

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				Corporate income tax				Individual income tax			General sales tax*			Total tax collections [all sources]	
				Amount [\$1,000s]	% of total state tax collec-tions	Per capita		Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]	Amount [\$1,000s]	Per capita [\$]
						Amount [\$]	Rank								
Mississippi	3%>\$0; 4%>\$5K; 5%> \$10K	rates applicable to banks; franchise tax of \$2.50/\$1,000 with minimum tax: \$25	2,903	243,846	4.76%	84.00	25	1,061,704	20.72%	365.73	2,482,908	48.45%	855.29	5,124,730	1,765.32
	[1-factor sales formula for retailers, wholesalers, service companies, lessors; 3-factor formula for manufacturers selling at wholesale; 3-factor formula with double wtd. sales factor for manufacturers selling at retail]														
Missouri	6.25% [3-factor or 1-factor sales]	7% rate applicable to banks; 50% of federal tax deductible	5,755	224,366	2.46%	38.99	44	3,720,749	40.80%	646.52	2,950,055	32.35%	512.61	9,119,664	1,584.65
Montana	6.75%	rates applicable to banks	927	67,723	4.17%	73.06	30	605,582	37.25%	653.27	-	-	-	1,625,692	1,753.71
	7% for corporations filing under a water's edge election; minimum tax: \$50; minimum tax for small business corporations: \$10 [3-factor]														
Nebraska	5.58%>\$0; 7.81%>\$50K [1-factor sales]	rates applicable to banks	1,747	167,429	4.60%	95.84	19	1,242,603	34.14%	711.28	1,524,591	41.89%	872.69	3,639,811	2,083.46
New Hampshire	8.5%>\$50K 9.25%>\$150K	rates applicable to banks	1,300	407,603	20.33%	313.54	2	54,769	2.73%	42.13	-	-	-	2,005,389	1,542.61
	two corporate taxes: BPT and BET BPT is 8.5% on gross income over \$50K; BET is either 0.75% on gross income over \$150K, or 0.75% on total compensation paid out, including dividends and interest, over \$75K, making 9.25% the top rate to which a corporation may be subject [3-factor with double wtd. sales factor]														
New Jersey	6.5%>\$0; 7.5%>\$50K; 9.0%>\$100K	rates applicable to banks; minimum tax: \$500	8,699	1,896,998	9.04%	218.07	4	7,400,733	35.27%	850.76	6,261,700	29.84%	719.82	20,981,428	2,411.94
	alternative minimum assessment based on gross receipts applies if greater than corporate franchise tax; tax on S corporations in phase out through 2007 [3-factor with double wtd. sales factor]														
New Mexico	4.8%>\$0; 6.4%>\$500K; 7.6%>\$1million	rates applicable to banks	1,903	138,196	3.45%	72.62	31	1,007,248	25.17%	529.29	1,443,300	36.07%	758.43	4,001,780	2,102.88
	[3-factor; certain manufacturers may elect to double weight the sales factor]														
New York	7.5% or 1.78 mills/\$1 of capital (up to \$350K); or a 2.5% alternative minimum tax; or a minimum tax depending on payroll size if any of these is greater than the tax computed on net income; small corporations with income < \$290K are subject to lower rates of tax on net income; additional tax of 0.9 mills/\$1 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		19,227	2,044,504	4.46%	106.34	14	24,647,225	53.78%	1,281.91	10,050,291	21.93%	522.72	45,833,652	2,383.82
	[3-factor with double wtd. receipts factor]														
North Carolina	6.9%	rate applicable to banks	8,541	837,085	4.97%	98.01	18	7,510,978	44.61%	879.40	4,351,823	25.85%	509.52	16,836,456	1,971.25
	[3-factor with double wtd. sales factor]														
North Dakota	2.6%>\$0; 4.1%>\$3K; 5.6%>\$8K; 6.4%>\$20K; 7%>\$30K [3-factor]	7% rate applicable to banks plus 2% surtax rate; minimum tax: \$50; federal deductibility	634	49,807	4.05%	78.56	27	213,982	17.41%	337.51	367,304	29.89%	579.34	1,228,890	1,938.31

TABLE 20.-Continued

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				Amount [\$1,000s]	% of total state tax collec-tions	Per capita		Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$]				
						Amount [\$]	Rank							Amount [\$1,000s]	Per capita [\$]		
Ohio	5.1%>\$0; 8.5%>\$50K	financial institutions, 0.015 times value of stock; minimum tax: \$50 additional litter tax is imposed equal to 0.11% on the first \$50K of taxable income, 0.22% on income > \$50K; or 0.14 mills on net worth; a \$50 to \$1K minimum tax applies, depending on worldwide gross receipts [3-factor with triple wtd. sales factor]	11,459	1,060,594	4.72%	92.56	20	8,705,161	38.73%	759.68	7,881,510	35.07%	687.80	22,475,528	1,961.39		
Oklahoma	6%	rate applicable to banks [3-factor; corporations meeting investment criteria allowed to double weight the sales factor]	3,524	133,309	2.07%	37.83	45	2,319,123	36.09%	658.09	1,594,246	24.81%	452.40	6,426,713	1,823.70		
Oregon	6.6%	rate applicable to banks; minimum tax: \$10 [3-factor: 80-10-10 (sales-payroll-property)]	3,595	320,065	5.24%	89.03	23	4,270,740	69.98%	1,187.97	-	-	-	6,103,071	1,697.66		
Pennsylvania	9.99%	rate applicable to banks [3-factor with triple wtd. sales factor]	12,406	1,677,998	6.62%	135.26	9	7,323,364	28.89%	590.31	7,773,131	30.67%	626.56	25,346,869	2,043.11		
Rhode Island	9% minimum tax: \$250 [3-factor]	rate applicable to banks; alternative tax is \$2.50/\$10K of capital stock (\$100 minimum tax)	1,081	69,479	2.88%	64.27	34	899,939	37.36%	832.51	804,647	33.40%	744.35	2,408,861	2,228.36		
South Carolina	5%	4.5% rate applicable to banks; 6% rate applicable to savings & loans [3-factor with double wtd. sales factor for manufacturers or dealers in tpp; others subject to 1-factor gross receipts formula]	4,198	196,510	2.89%	46.81	42	2,438,712	35.84%	580.92	2,726,657	40.08%	649.51	6,803,568	1,620.67		
South Dakota	[applies to banks only] no state income tax	6%-0.25% on a bank's net income minimum tax: \$500 per location	771	47,108	4.43%	61.10	35	-	-	-	586,389	55.18%	760.56	1,062,722	1,378.37		
Tennessee	6.5% [3-factor with double wtd. sales factor]	rate applicable to banks	5,901	694,798	7.29%	117.74	12	146,851	1.54%	24.89	5,845,206	61.30%	990.54	9,536,031	1,616.00		
Utah	5% [3-factor]	rate applicable to banks; minimum tax: \$100	2,389	145,005	3.46%	60.70	37	1,692,277	40.40%	708.36	1,556,332	37.15%	651.46	4,189,172	1,753.53		
Vermont	7%>\$0; 8.1%>\$10K; 9.2%>\$25K; 9.75%>\$250K [3-factor]	rates applicable to banks; minimum tax: \$250	621	62,228	3.52%	100.21	16	429,817	24.33%	692.14	256,958	14.54%	413.78	1,766,719	2,844.96		
Virginia	6%	rate applicable to banks; state and national banks subject to the franchise tax on net capital are exempt from the income tax [3-factor with double wtd. sales factor]	7,460	422,119	2.97%	56.58	38	7,422,071	52.15%	994.92	2,977,401	20.92%	399.12	14,233,065	1,907.92		
West Virginia	9% [3-factor with double wtd. sales factor]	rate applicable to banks	1,815	181,515	4.84%	100.01	17	1,068,212	28.49%	588.55	1,021,365	27.24%	562.74	3,749,013	2,065.57		
Wisconsin	7.9% [3-factor with double wtd. sales factor]	rate applicable to banks	5,509	681,990	5.44%	123.80	11	5,051,612	40.31%	916.97	3,899,395	31.12%	707.82	12,531,098	2,274.66		
Total 46 states			261,566	30,801,302	5.67% ^a	117.76 ^a	-	197,681,501	36.41% ^a	755.76 ^a	171,820,331	31.65% ^a	656.89 ^a	542,858,133	2,075.42 ^a		

Texas imposes a franchise tax of 4.5% of earned surplus or 2.5 mills of net worth. Nevada, Washington, and Wyoming do not levy state corporate income taxes.

Sources: U.S. Census Bureau, Governments Division. *Table NST-EST2004-01-State Population Estimates: July 1, 2004*, Population Division, December 22, 2004 release.

U.S. Census Bureau, Governments Division. *State Government Tax Collections: 2004.*; Tax Foundation; Federation of Tax Administrators; Commerce Clearing House
Per capita amounts based on midyear population estimates of the Bureau of the Census.

*Includes general sales tax, use tax, gross income and gross receipts taxes, but excludes excise taxes levied on specific commodities and services.

Data for some states include state-collected local sales tax. North Carolina sales tax data include \$14,500,116 retained by state to pay for the costs of collecting and distributing local sales taxes.

^aWeighted average computations based on tax collection totals and population for 46 states levying a corporation income tax.