

**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 2006 income year -as of January 1, 2006- [apportionment formula]	Special rates or notes	Pop-ulation 7/1/2005 [1,000s]	State Tax Collections 2004-05											
				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	4,558	397,308	5.09%	87.17	36	2,536,521	32.52%	556.50	2,033,192	26.07%	446.07	7,799,948	1,711.27
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	664	588,694	31.81%	886.59	1	-	-	-	-	-	-	1,850,502	2,786.90
Arizona	6.968% [3-factor with double wtd. sales factor]	rate applicable to banks; minimum tax: \$50	5,939	701,859	6.38%	118.18	21	2,848,450	25.88%	479.62	5,208,070	47.31%	876.93	11,008,428	1,853.58
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	2,779	277,311	4.23%	99.79	31	1,875,065	28.62%	674.73	2,573,503	39.28%	926.05	6,552,449	2,357.84
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%	36,132	8,670,065	8.81%	239.96	6	42,992,007	43.68%	1,189.86	29,967,136	30.44%	829.38	98,434,685	2,724.31
Colorado	4.63% [3-factor or 2-factor of revenue and property]	rate applicable to banks	4,665	315,834	4.13%	67.70	41	3,770,736	49.30%	808.30	2,003,066	26.19%	429.38	7,648,456	1,639.54
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 minimum tax: \$250	3,510	574,984	4.96%	163.81	11	5,033,442	43.45%	1,434.03	3,267,726	28.21%	930.98	11,584,728	3,300.49
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%	844	248,869	9.13%	294.87	3	882,472	32.38%	1,045.58	-	-	-	2,725,095	3,228.79
Florida	5.5% [3-factor with double wtd. sales factor]	rate applicable to banks	17,790	1,785,213	5.27%	100.35	29	-	-	-	19,056,249	56.22%	1,071.18	33,894,971	1,905.28
Georgia	6% [3-factor: 80-10-10 (sales-payroll-property)]	rate applicable to banks	9,073	712,310	4.54%	78.51	38	7,326,225	46.74%	807.48	5,310,121	33.87%	585.27	15,675,655	1,727.73
Hawaii	4.4%>\$0; 5.4%>\$25K; 6.4%>\$100K [3-factor]	7.92% rate applicable to banks; capital gains taxed at 4%	1,275	124,125	2.80%	97.35	33	1,381,481	31.15%	1,083.51	2,136,604	48.18%	1,675.77	4,434,356	3,477.93
Idaho	7.6% [3-factor with double wtd. sales factor]	rate applicable to banks; minimum tax: \$20; additional tax of \$10 imposed per return	1,429	140,585	4.79%	98.38	32	1,040,512	35.46%	728.14	1,128,485	38.46%	789.70	2,934,459	2,053.51
Illinois	4.8% plus a 2.5% personal property replacement tax [1-factor sales]	rates applicable to banks	12,763	2,183,066	8.27%	171.05	10	7,936,884	30.05%	621.87	7,195,445	27.24%	563.77	26,411,689	2,069.40

TABLE 20.-Continued

State	State corporate income tax rates and brackets for 2006 income year -as of January 1, 2006- [apportionment formula]	Special rates or notes	Pop-ulation 7/1/2005 [1,000s]	State Tax Collections 2004-05											Total tax collections [all sources]**	
				Corporate income tax				Individual income tax			General sales tax*			Amount [\$1,000s]	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]	% of total state tax collec-tions	Per capita [\$]			
						Amount [\$]	Rank							Amount [\$1,000s]	Per capita [\$]	
Indiana	8.5% [3-factor with double wtd. sales factor]	rate applicable to banks	6,272	824,802	6.42%	131.51	18	4,213,480	32.78%	671.79	5,001,049	38.91%	797.36	12,853,976	2,049.42	
Iowa	6%>\$0; 8%>\$25K; 10%>\$100K; 12%>\$250K [1-factor sales]	5% rate applicable to banks; 50% federal deductibility	2,966	186,469	3.24%	62.87	43	2,254,107	39.20%	759.98	1,721,763	29.94%	580.50	5,750,629	1,938.85	
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	2,745	248,135	4.43%	90.40	35	2,050,562	36.63%	747.02	1,990,835	35.56%	725.26	5,598,700	2,039.60	
Kentucky	4%>\$0; 5%>\$50K; 7%>\$100K [3-factor with double wtd. sales factor]	minimum tax: \$175	4,173	478,505	5.26%	114.67	23	3,036,231	33.40%	727.59	2,594,976	28.54%	621.85	9,090,882	2,178.50	
Louisiana	4%>\$0; 5%>\$25K; 6%>\$50K; 7%>\$100K; 8%>\$200K [1-factor sales]	federal deductibility	4,524	352,136	4.08%	77.84	39	2,392,727	27.70%	528.90	2,861,435	33.12%	632.50	8,638,674	1,909.52	
Maine	3.5%>\$0; 7.93%>\$25K; 8.33%>\$75K; 8.93%>\$250K [3-factor with double wtd. sales factor]	1% rate applicable to banks	1,322	135,863	4.42%	102.77	28	1,299,252	42.30%	982.79	934,848	30.44%	707.15	3,071,161	2,323.12	
Maryland	7% [3-factor with double wtd. sales factor; manufacturers use 1-factor sales formula]	rate applicable to banks	5,600	807,054	5.98%	144.12	14	5,661,492	41.95%	1,010.98	2,889,997	21.41%	516.07	13,497,281	2,410.23	
Massachusetts	9.5% rate includes 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 [3-factor with double wtd. sales factor]	10.5% rate applicable to banks	6,399	1,332,796	7.40%	208.28	7	9,690,270	53.79%	1,514.34	3,890,945	21.60%	608.06	18,014,681	2,815.23	
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)]		10,121	1,907,190	7.84%	188.44	8	6,924,224	28.45%	684.14	8,074,095	33.17%	797.76	24,340,487	2,404.95	
Minnesota	9.8% [3-factor: 75-12.5-12.5 (sales-payroll-property)]	rate applicable to banks	5,133	933,896	5.88%	181.94	9	6,341,164	39.93%	1,235.37	4,203,736	26.47%	818.96	15,881,131	3,093.93	
Mississippi	3%>\$0; 4%>\$5K; 5%>\$10K [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]	rates applicable to banks	2,921	283,231	5.21%	96.96	34	1,174,065	21.61%	401.94	2,587,970	47.64%	885.99	5,432,152	1,859.69	

TABLE 20.-Continued

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				Corporate income tax				Individual income tax			General sales tax*			Amount [\$1,000s]	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]	% of total state tax collec-tions	Per capita [\$]		
						Amount [\$]	Rank								
Missouri	6.25% [3-factor or 1-factor sales]	7% rate applicable to banks; 50% federal deductibility	5,800	218,229	2.29%	37.63	46	4,014,574	42.06%	692.17	3,036,441	31.82%	523.52	9,543,814	1,645.49
Montana	6.75% [3-factor]	rate applicable to banks 7% for corporations filing under a water's edge election; minimum tax: \$50	936	98,214	5.49%	104.93	27	713,390	39.90%	762.17	-	-	-	1,787,889	1,910.14
Nebraska	5.58%>\$0; 7.81%>\$50K [1-factor sales]		1,759	198,380	5.23%	112.78	24	1,393,897	36.71%	792.44	1,516,705	39.95%	862.25	3,796,551	2,158.36
New Hampshire	8.5% plus a .5% tax [3-factor with double wtd. sales factor]	rate applicable to banks on the enterprise base	1,310	476,489	23.56%	363.73	2	67,686	3.35%	51.67	-	-	-	2,022,146	1,543.62
New Jersey	9.0% franchise tax [3-factor with double wtd. sales factor]	Banks pay franchise tax; minimum tax: \$500 [7.25% income tax rate applies to corporations not subject to the business franchise tax; tax on S corporations is being phased out through 2007]	8,718	2,224,633	9.70%	255.18	4	8,224,290	35.86%	943.37	6,552,200	28.57%	751.57	22,933,999	2,630.65
New Mexico	4.8%>\$0; 6.4%>\$500K; 7.6%>\$1million [3-factor; certain manufacturers may elect to double weight the sales factor]	rates applicable to banks	1,928	242,462	5.42%	125.76	19	1,086,015	24.29%	563.29	1,556,600	34.81%	807.37	4,471,477	2,319.23
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 [3-factor: 60-20-20 (receipts-payroll-property)]		19,255	2,784,721	5.55%	144.62	13	28,100,047	55.99%	1,459.36	11,003,520	21.92%	571.46	50,190,396	2,606.62
North Carolina	6.9% [3-factor with double wtd. sales factor]	rate applicable to banks	8,683	1,271,985	6.82%	146.49	12	8,427,553	45.21%	970.58	4,602,082	24.69%	530.01	18,639,618	2,146.68
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	637	75,836	5.40%	119.05	20	242,008	17.25%	379.92	410,216	29.23%	643.98	1,403,293	2,202.97
Ohio	5.1%>\$0; 8.5%>\$50K [3-factor with triple wtd. sales factor]	Rates shown are for the franchise tax, which is being phased out through 2010, and replaced with the CAT. 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	11,464	1,327,484	5.53%	115.80	22	9,434,452	39.30%	822.96	8,194,419	34.13%	714.80	24,006,560	2,094.08

TABLE 20.-Continued

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				Amount [\$1,000s]	% of total state tax collec-tions	Per capita Amount [\$] Rank	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 [\$]
Oklahoma	6%	rate applicable to banks [3-factor; corporations meeting investment criteria allowed to double weight the sales factor]	3,548	168,890	2.46%	47.60	45	2,468,609	35.99%	695.77	1,660,825	24.21%	468.10	6,859,030	1,933.21		
Oregon	6.6%	rate applicable to banks; minimum tax: \$10 [1-factor sales]	3,641	365,347	5.60%	100.34	30	4,698,994	72.04%	1,290.58	-	-	-	6,522,665	1,791.45		
Pennsylvania	9.99%	[3-factor with triple wtd. sales factor]	12,430	1,703,295	6.25%	137.03	16	8,275,589	30.35%	665.78	8,064,868	29.58%	648.82	27,262,969	2,193.32		
Rhode Island	9%	rate applicable to banks; minimum tax: \$250 [3-factor]	1,076	113,326	4.31%	105.32	26	998,042	37.97%	927.55	844,087	32.11%	784.47	2,628,747	2,443.07		
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]	4,255	246,935	3.37%	58.03	44	2,691,473	36.78%	632.54	2,903,274	39.67%	682.32	7,318,388	1,719.95		
South Dakota	[applies to banks only]	6%-0.25% on a bank's net income no state income tax minimum tax: \$500 per location	776	49,142	4.43%	63.33	42	-	-	-	621,812	56.02%	801.30	1,110,035	1,430.46		
Tennessee	6.5%	rate applicable to banks [3-factor with double wtd. sales factor]	5,963	805,601	8.05%	135.10	17	155,333	1.55%	26.05	6,118,001	61.14%	1,025.99	10,007,292	1,678.23		
Utah	5%	rate applicable to banks; minimum tax: \$100 [3-factor]	2,470	188,845	4.03%	76.46	40	1,926,697	41.11%	780.04	1,710,379	36.50%	692.46	4,686,381	1,897.32		
Vermont	7%>\$0; 8.1%>\$10K; 9.2%>\$25K; 9.75%>\$250K [3-factor with double wtd. sales factor]	rates applicable to banks; minimum tax: \$250	623	68,962	3.07%	110.69	25	500,464	22.31%	803.31	310,805	13.86%	498.88	2,242,902	3,600.16		
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]	7,567	605,959	3.81%	80.08	37	8,352,366	52.47%	1,103.79	3,093,725	19.43%	408.84	15,918,847	2,103.72		
West Virginia	9%	rate applicable to banks [3-factor with double wtd. sales factor]	1,817	463,249	10.77%	254.95	5	1,171,987	27.25%	645.01	1,095,341	25.47%	602.83	4,301,156	2,367.17		
Wisconsin	7.9%	rate applicable to banks [3-factor: 60-20-20 (sales-payroll-property)]	5,536	782,742	5.82%	141.39	15	5,465,082	40.63%	987.19	4,039,450	30.03%	729.67	13,452,250	2,429.96		
Total 46 states			263,789	38,691,026	6.51% ^a	146.67 ^a	-	221,069,917	37.20% ^a	838.06 ^a	183,965,996	30.96% ^a	697.40 ^a	594,231,580	2,252.68 ^a		

Detail may not add to totals due to rounding.

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.

Per capita tax collection amounts are computations based on July 1, 2005 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.

**Includes the following taxes as applicable: property, general sales and gross receipts, selective sales, licenses, individual and corporation income taxes, death and gift, documentary and stock transfer, severance, and other taxes.

Data for some states include state-collected local sales tax. North Carolina sales tax data include \$14,402,267 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 the 46 states levying a corporation income tax.

Sources: U.S. Census Bureau, Governments Division. *Table NST-EST2005-01-State Population Estimates: July 1, 2005*, Population Division, December 22, 2005 release.

U.S. Census Bureau, Governments Division. State Government Tax Collections: 2005.; Tax Foundation; Federation of Tax Administrators; Commerce Clearing House