

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 2008 income year -as of January 1, 2008- [standard apportionment formula]	Special rates or notes	Pop-ulation 7/1/2008 [1,000s]	State Tax Collections 2007-08											
				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 formula]	rate applicable to banks; federal tax deductibility	4,662	524,808	5.79%	112.57	37	3,077,553	33.93%	660.15	2,287,288	25.22%	490.63	9,070,530	1,945.67
Alaska	1%>\$0; 2%>\$9,999; 3%>\$19,999; 4%>\$29,999; 5%>\$39,999; 6%>\$49,999; 7%>\$59,999; 8%>\$69,999; 9%>\$79,999; 9.4%>\$89,999 [3-factor formula]	rates applicable to banks	686	981,673	11.65%	1,430.40	1	-	-	-	-	-	-	8,424,714	12,275.68
Arizona	6.968% [3-factor formula with double wtd. sales factor: 70-15-15 (sales-payroll-property)]	rate applicable to banks; minimum tax: \$50	6,500	784,511	5.72%	120.69	33	3,408,576	24.87%	524.38	6,433,468	46.94%	989.74	13,705,901	2,108.54
Arkansas	1%>\$0; 2%>\$3K; 3%>\$6K; 5%>\$11K; 6%>\$25K; 6.5%>\$100K [3-factor formula with double wtd. sales factor]	rates applicable to banks	2,855	342,529	4.55%	119.96	35	2,344,876	31.14%	821.21	2,807,943	37.29%	983.38	7,530,504	2,637.29
California	8.84% [3-factor formula with double wtd. sales factor]	10.84% rate applicable to banks; minimum tax: \$800; S-Corporations: 1.5% S-Corporations banks: 3.5%	36,757	11,849,097	10.10%	322.37	6	55,745,970	47.50%	1,516.62	31,972,874	27.24%	869.85	117,361,976	3,192.94
Colorado	4.63% [3-factor formula or 2-factor formula (revenue-property)]	rate applicable to banks	4,939	507,986	5.28%	102.84	38	5,067,981	52.66%	1,026.02	2,312,731	24.03%	468.22	9,624,636	1,948.52
Connecticut	7.5% or 3.1 mills/\$1 of capital holding [1-factor gross receipts formula for income other than that derived from the sale or use of tangible personal or real property and 3-factor formula with double wtd. sales factor for income derived from the sale or use of tangible personal or real property]	rate applicable to banks: 7.5% or 4% of interest/dividends minimum tax: \$250	3,501	534,201	4.00%	152.57	20	7,000,225	52.37%	1,999.35	3,178,903	23.78%	907.93	13,367,631	3,817.96
Delaware	8.7% or minimum tax of \$5K, whichever is greater [3-factor formula]	banks: marginal rate decreases from 8.7% to 1.7% (brackets ranging from <=\$20 million to >\$650 million in taxable income); building and loan associations taxed at 8.7%	873	308,676	10.53%	353.54	3	1,006,859	34.35%	1,153.21	-	-	-	2,930,955	3,356.98
Florida	5.5% [\$5K exemption] [3-factor formula with double wtd. sales factor]	rate applicable to banks	18,328	2,208,600	6.16%	120.50	34	-	-	-	21,518,100	60.02%	1,174.03	35,849,998	1,955.99
Georgia	6% [1-factor sales formula]	rate applicable to banks	9,686	943,042	5.19%	97.36	41	8,845,476	48.65%	913.25	5,796,653	31.88%	598.47	18,183,117	1,877.31
Hawaii	4.4%>\$0; 5.4%>\$25K; 6.4%>\$100K [3-factor formula]	7.92% rate applicable to banks; capital gains taxed at 4%	1,288	105,294	2.05%	81.74	43	1,544,835	30.01%	1,199.22	2,619,595	50.89%	2,033.53	5,147,480	3,995.88
Idaho	7.6% [3-factor with double wtd. sales factor]	rate applicable to banks; minimum tax: \$20; additional tax of \$10 imposed per return	1,524	190,194	5.21%	124.81	32	1,438,518	39.39%	944.02	1,347,327	36.89%	884.18	3,651,917	2,396.56

TABLE 20.-Continued

State	State corporate income tax rates and brackets for 2008 income year -as of January 1, 2008- [standard apportionment formula]	Special rates or notes	Pop-ulation 7/1/2008 [1,000s]	State Tax Collections 2007-08											
				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% or 1.5% personal property replacement tax [1-factor sales formula]	rates applicable to banks	12,902	3,115,604	9.77%	241.49	10	10,320,239	32.36%	799.92	7,935,417	24.88%	615.07	31,890,597	2,471.84
Indiana	8.5% [3-factor formula: 70-15-15 (sales-payroll-property)]	rate applicable to banks	6,377	909,494	6.10%	142.63	22	4,837,524	32.43%	758.61	5,738,829	38.47%	899.96	14,916,295	2,339.15
Iowa	6%>\$0; 8%>\$25K; 10%>\$100K; 12%>\$250K [1-factor sales formula]	5% rate applicable to banks; 50% federal tax deductibility	3,003	347,248	5.04%	115.65	36	2,848,393	41.33%	948.66	1,840,862	26.71%	613.10	6,892,026	2,295.39
Kansas	4% plus a surtax of 3.35% for taxable income > \$50K [3-factor formula]	banks: 2.25% plus a surtax of 2.125% for taxable income > \$25K	2,802	528,011	7.37%	188.43	13	2,944,851	41.13%	1,050.93	2,264,747	31.63%	808.22	7,159,748	2,555.11
Kentucky	4%>\$0; 5%>\$50K; 6%>\$100K [3-factor formula with double wtd. sales factor]	Corporations with gross receipts >\$3 million must also pay the greater of the LLET or \$175.	4,269	533,630	5.31%	124.99	31	3,483,138	34.64%	815.87	2,875,836	28.60%	673.62	10,056,293	2,355.52
Louisiana	4%>\$0; 5%>\$25K; 6%>\$50K; 7%>\$100K; 8%>\$200K [3-factor formula (sales, property, and payroll) for corporations without a specified formula (businesses other than manufacturing, merchandising, transportation, or services, etc.)]	Federal tax deductibility	4,411	703,196	6.39%	159.43	18	3,169,686	28.81%	718.62	3,459,383	31.44%	784.30	11,003,870	2,494.76
Maine	3.5%>\$0; 7.93%>\$25K; 8.33%>\$75K; 8.93%>\$250K [1-factor sales formula]	1% rate applicable to banks [plus 8¢ per \$1K of assets as of end of taxable year]	1,316	184,515	5.01%	140.16	23	1,448,273	39.34%	1,100.13	1,071,653	29.11%	814.04	3,681,614	2,796.61
Maryland	8.25% [3-factor formula with double wtd. sales factor and 1-factor sales formula for manufacturers]	rate applicable to banks	5,634	735,324	4.43%	130.52	29	7,831,977	47.16%	1,390.23	3,748,933	22.58%	665.46	16,605,830	2,947.64
Massachusetts	9.5% [3-factor formula with double wtd. sales factor]	10.5% rate applicable to banks along with an additional tax of \$2.60/\$1K on taxable tangible property (or net worth allocable to state, for intangible property corporations) (rate and additional tax include a 14% surtax); or minimum tax: \$456	6,498	2,179,956	9.98%	335.48	4	12,496,142	57.23%	1,923.08	4,098,089	18.77%	630.67	21,836,357	3,360.49
Michigan	4.95% on business income and 0.8% on modified gross receipts of \$350K or more [Michigan Business Tax]; first \$45K of tax base exempt [1-factor sales formula for computing MBT]	rate applicable to banks	10,003	1,778,317	7.18%	177.77	14	7,181,055	28.98%	717.86	8,225,599	33.19%	822.28	24,781,626	2,477.31
Minnesota	9.8% [3-factor formula: 81-9.5-9.5 (sales-payroll-property)]	rate applicable to banks	5,220	1,040,479	5.68%	199.31	12	7,777,259	42.45%	1,489.78	4,550,838	24.84%	871.74	18,320,891	3,509.49
Mississippi	3%>\$0; 4%>\$5K; 5%>\$10K [1-factor sales formula]	rates applicable to banks	2,939	384,643	5.81%	130.89	26	1,551,079	23.44%	527.83	3,135,390	47.37%	1,066.96	6,618,349	2,252.20
Missouri	6.25% [3-factor formula or optional 1-factor sales formula for corporations other than certain public utilities and transport]	7% rate applicable to banks; 50% federal tax deductibility	5,912	384,010	3.50%	64.96	46	5,118,849	46.68%	865.90	3,228,274	29.44%	546.09	10,965,171	1,854.86
Montana	6.75% [3-factor formula]	rate applicable to banks 7% for corporations filing under a water's edge election; minimum tax: \$50	967	161,713	6.58%	167.16	16	870,064	35.40%	899.35	-	-	-	2,457,929	2,540.65

TABLE 20.-Continued

State	State corporate income tax rates and brackets for 2008 income year -as of January 1, 2008- [standard apportionment formula]	Special rates or notes	Pop-ulation 7/1/2008 [1,000s]	State Tax Collections 2007-08											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 [\$]	
Nebraska	5.58%>\$0; 7.81%>\$100K [1-factor sales formula]		1,783	232,852	5.58%	130.56	28	1,726,145	41.34%	967.88	1,534,134	36.74%	860.21	4,175,471	2,341.26	
New Hampshire	8.5% plus a 0.75% tax on the enterprise base for certain income levels [3-factor formula with double wtd. sales factor]	rate applicable to banks	1,316	614,794	27.31%	467.24	2	117,936	5.24%	89.63	-	-	-	2,251,179	1,710.87	
New Jersey	6.5%>\$0; 7.5%>\$50K; 9%>\$100K; [corporation business franchise rates] or alternative minimum assessment; or fixed dollar minimum tax based on gross receipts [3-factor formula with double wtd. sales factor]	Banks pay franchise tax; minimum tax: \$500	8,683	2,819,906	9.21%	324.77	5	12,605,545	41.17%	1,451.81	8,915,515	29.12%	1,026.82	30,616,510	3,526.17	
New Mexico	4.8%>\$0; 6.4%>\$500K; 7.6%>\$1 million [3-factor formula]	rates applicable to banks	1,984	403,524	7.11%	203.35	11	1,213,394	21.38%	611.48	1,949,768	34.36%	982.57	5,674,530	2,859.63	
New York	7.1% of entire income base (general business taxpayer); or 1.5% alternative minimum tax base; or 0.15% per \$1 of allocated capital (up to \$350K for certain manufacturers or \$10 million for other taxpayers); or fixed dollar minimum tax between \$25 and \$5K, depending on New York receipts. [1-factor receipts formula]		19,490	5,037,830	7.70%	258.48	8	36,563,948	55.91%	1,876.01	11,294,737	17.27%	579.51	65,400,355	3,355.53	
North Carolina	6.9% [3-factor formula with double wtd. sales factor]	rate applicable to banks	9,222	1,206,412	5.30%	130.81	27	10,993,927	48.26%	1,192.09	5,269,929	23.13%	571.43	22,781,199	2,470.20	
North Dakota	2.6%>\$0; 4.1%>\$3K; 5.6%>\$8K; 6.4%>\$20K; 6.5%>\$30K [3-factor formula]	7% rate applicable to banks minimum tax: \$50; Federal tax deductibility	641	161,925	7.00%	252.42	9	317,249	13.72%	494.56	530,078	22.93%	826.33	2,312,056	3,604.25	
Ohio	Franchise tax is 40% of the greater of: 5.1%>\$0; 8.5%>\$50K, or 4 mills multiplied by net worth up to \$150K maximum; or fixed dollar minimum tax of \$50 or \$1K for larger corporations Commercial activity tax (CAT) is \$150 on gross receipts >\$150K up to \$1 million. For gross receipts >\$1 million, CAT is \$150 plus 0.26% times (1) 60% for the period January 1 - March 31; and (2) 80% for the period April 1 - December 31. [3-factor formula with triple wtd. sales factor]	Banks pay franchise tax	11,486	754,633	2.86%	65.70	45	9,847,506	37.34%	857.36	7,865,674	29.82%	684.81	26,373,813	2,296.19	
Oklahoma	6% [3-factor formula]	rate applicable to banks	3,642	360,065	4.24%	98.85	40	2,787,445	32.85%	765.29	2,096,220	24.71%	575.51	8,484,227	2,329.32	
Oregon	6.6% [1-factor sales formula]	rate applicable to banks; minimum tax: \$10	3,790	477,113	6.58%	125.89	30	4,968,791	68.53%	1,311.01	-	-	-	7,250,033	1,912.91	
Pennsylvania	9.99% [3-factor formula: 70-15-15 (sales-payroll-property)]		12,448	2,191,420	6.82%	176.04	15	10,408,439	32.40%	836.13	8,873,309	27.62%	712.81	32,123,740	2,580.58	

TABLE 20.-Continued

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						Amount [\$]	Rank								
Rhode Island	9% business corporation tax, or franchise tax (\$2.50/\$1K of capital stock) minimum tax: \$250 [3-factor formula]	rate applicable to banks	1,051	145,866	5.28%	138.82	24	1,091,705	39.54%	1,038.94	846,870	30.67%	805.94	2,761,356	2,627.89
South Carolina	5% [1-factor gross receipts formula. Manufacturers or dealers in tangible personal property must compute apportionment using the new single-factor gross receipts formula and the old 3-factor formula with double-weighted sales. If the single-factor formula results in a reduction in income allocated to the state, only a 40% reduction is allowed for 2008.]	4.5% rate applicable to banks; 6% rate applicable to savings & loans	4,480	320,378	3.79%	71.52	44	3,339,935	39.50%	745.55	3,051,608	36.09%	681.19	8,455,463	1,887.46
South Dakota	[applies to banks only] no state income tax	6%-0.25% on a bank's net income; minimum tax: \$500 per location	804	69,879	5.29%	86.89	42	-	-	-	732,438	55.43%	910.77	1,321,368	1,643.10
Tennessee	6.5% [3-factor formula with double wtd. sales factor]	rate applicable to banks	6,215	1,005,880	8.72%	161.85	17	290,986	2.52%	46.82	6,832,948	59.22%	1,099.45	11,538,430	1,856.58
Utah	5% [3-factor formula unless election is made to use apportionment formula with double wtd. sales factor]	rate applicable to banks; minimum tax: \$100	2,736	394,638	6.64%	144.22	21	2,593,129	43.62%	947.63	1,964,119	33.04%	717.77	5,944,879	2,172.50
Vermont	6%>\$0; 7%>\$10K; 8.5%>\$25K [3-factor formula with double wtd. sales factor]	rates applicable to banks; minimum tax: \$250	621	84,783	3.33%	136.47	25	623,019	24.49%	1,002.82	338,941	13.32%	545.56	2,544,163	4,095.10
Virginia	6% [3-factor formula with double wtd. sales factor]	rate applicable to banks; state and national banks subject to the franchise tax on net capital are exempt from the income tax	7,769	787,229	4.28%	101.33	39	10,114,833	54.95%	1,301.93	3,656,789	19.86%	470.68	18,408,276	2,369.43
West Virginia	8.75% [3-factor formula with double wtd. sales factor]	rate applicable to banks	1,814	538,839	11.04%	296.97	7	1,518,746	31.13%	837.02	1,109,822	22.75%	611.65	4,879,151	2,689.03
Wisconsin	7.9% [1-factor sales formula]	rate applicable to banks	5,628	863,088	5.72%	153.36	19	6,640,528	44.01%	1,179.92	4,268,068	28.29%	758.37	15,088,662	2,681.01
Total 46 states			269,459	50,737,805	7.14% ^a	188.30 ^a	-	279,122,604	39.29% ^a	1,035.86 ^a	203,579,699	28.66% ^a	755.51 ^a	710,420,816	2,636.47 ^a

Detail may not add to totals due to rounding.

This table compares the basic corporate income tax rate(s) generally applicable for the states that levy a tax on corporate income, but does not attempt to address alternate taxable income computational methods or exceptional provisions and circumstances specific to certain corporate entities. Additional business franchise taxes, alternative minimum taxes, and surcharges may apply. Texas imposes a franchise tax (margin tax) imposed at 1.0% (0.5% for retail/wholesale entities) of gross revenues over \$300,000, with a variable discount allowed for businesses with revenues between \$300,000 to \$900,000. Nevada, Washington, and Wyoming do not levy state corporate income taxes.

Per capita tax collection amounts are computations based on July 1, 2008 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 \$17,397,117 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-EST2008-01-State Population Estimates: July 1, 2008*, Population Division, December 22, 2008 release.

U.S. Census Bureau, Governments Division. *State Government Tax Collections: 2008.*; Tax Foundation; Federation of Tax Administrators; Commerce Clearing House