

TABLE 21 . 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 2004 income year [apportionment formula]	Special rates or notes	Pop-ulation 7/1/2003 (Bu-reau of Census) [1,000s]	Corporate income tax collections 2002-03				Individual income tax collections 2002-03			General sales tax collections 2002-03		
				Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]	Rank	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]
Alabama	6.5% [3 Factor++]	Rate applicable to banks; Federal deductibility	4,504	242,411	3.78%	53.82	36	2,035,538	31.72%	451.94	1,764,557	27.50%	391.78
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	648	207,075	18.49%	319.56	1	-	-	-	-	-	-
Arizona	6.968% [Double wtd. sales++]	Rate applicable to banks; Minimum tax: \$50	5,579	389,406	4.48%	69.80	22	2,102,361	24.19%	376.83	4,332,982	49.85%	776.66
Arkansas	1%>\$0; 2%>\$3K; 3%>\$6K; 5%>\$11K; 6%>\$25K; 6.5%>\$100K [Double wtd. sales++]	Rates applicable to banks; For net incomes exceeding \$100K, 6.5% of entire net income.	2,728	176,875	3.44%	64.84	28	1,528,231	29.70%	560.20	1,951,630	37.93%	715.41
California	8.84% [Double wtd. sales++]	10.84% rate applicable to banks; 6.65% alternative minimum tax rate (2% banks); Minimum tax: \$800; S-Corporations: 1.5% S-Corporations banks: 3.5%	35,463	6,803,559	8.59%	191.85	5	32,709,761	41.30%	922.36	24,899,025	31.44%	702.11
Colorado	4.63% [3 Factor/Sales & Property++]	Rate applicable to banks	4,548	199,853	3.01%	43.94	42	3,235,796	48.76%	711.48	1,833,200	27.62%	403.08
Connecticut	7.5% or 3.1 mills/\$1.00 of capital stock and surplus (maximum tax \$1 million) or \$250 [Double wtd. sales/Sales]	Rate applicable to banks	3,487	344,684	3.62%	98.85	16	3,639,362	38.27%	1,043.69	3,065,486	32.24%	879.12
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 are taxed at 8.7%.	818	208,283	9.84%	254.62	4	710,304	33.56%	868.34	-	-	-
Florida	5.5% or 3.3% alternative minimum tax; allowable exemption of \$5,000 [Double wtd. sales++]	Rate applicable to banks	16,999	1,226,980	4.55%	72.18	21	-	-	-	14,963,444	55.43%	880.25
Georgia	6% [Double wtd. sales]	Rate applicable to banks	8,676	484,139	3.61%	55.80	34	6,271,374	46.76%	722.84	4,770,869	35.57%	549.89
Hawaii	4.4%>\$0; 5.4%>\$25K; 6.4%>\$100K [3 Factor++]	7.92% rate applicable to banks; capital gains are taxed at 4%; alternative tax of 0.5% of gross annual sales	1,249	30,603	0.86%	24.50	46	1,037,854	29.07%	830.95	1,792,698	50.22%	1,435.31
Idaho	7.6% [Double wtd. sales++]	Rate applicable to banks; Minimum tax: \$20; additional tax of \$10 imposed per return	1,367	93,490	3.99%	68.39	26	843,780	35.99%	617.25	842,006	35.92%	615.95

TABLE 21.-Continued

State	State corporate income tax rates and brackets for 2004 income year [apportionment formula]	Special rates or notes	Population 7/1/2003 (Bureau of Census) [1,000s]	Corporate income tax collections 2002-03				Individual income tax collections 2002-03			General sales tax collections 2002-03		
				Amount [\$1,000s]	% of total state tax collections	Per capita [\$1.00]	Rank	Amount [\$1,000s]	% of total state tax collections	Per capita [\$1.00]	Amount [\$1,000s]	% of total state tax collections	Per capita [\$1.00]
Illinois	7.3% [Sales++]	Rate applicable to banks; Rate includes a 2.5% personal property replacement tax.	12,649	1,293,188	5.82%	102.24	10	7,340,982	33.05%	580.36	6,558,746	29.53%	518.52
Indiana	8.5% [Double wtd. sales]	Rate applicable to banks	6,200	729,164	6.50%	117.61	9	3,644,159	32.49%	587.77	4,210,262	37.54%	679.07
Iowa	6%>\$0; 8%>\$25K; 10%>\$100K; 12%>\$250K [Sales]	5% rate applicable to banks; 7.2% alternative minimum rate; 50% Federal deductibility	2,942	140,031	2.84%	47.60	38	1,791,129	36.39%	608.81	1,589,917	32.30%	540.42
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	2,725	124,519	2.49%	45.70	39	1,776,884	35.48%	652.07	1,888,543	37.71%	693.04
Kentucky	4%>\$0; 5%>\$25K; 6%>\$50K; 7%>\$100K; 8.25%>\$250K [Double wtd. sales++]	Rates applicable to banks	4,118	369,572	4.44%	89.75	19	2,813,947	33.83%	683.33	2,387,206	28.70%	579.70
Louisiana	4%>\$0; 5%>\$25K; 6%>\$50K; 7%>\$100K; 8%>\$200K [Double wtd. sales]	Rates applicable to banks; Federal deductibility	4,494	198,716	2.67%	44.22	41	1,867,150	25.06%	415.48	2,488,627	33.41%	553.77
Maine	3.5%>\$0; 7.93%>\$25K; 8.33%>\$75K; 8.93%>\$250K or a 27% tax on Federal alternative minimum taxable income [Double wtd. sales++]	1% rate applicable to banks	1,309	91,188	3.38%	69.66	23	1,074,826	39.85%	821.10	857,495	31.79%	655.08
Maryland	7% [Double wtd. sales]	Rate applicable to banks	5,512	379,020	3.45%	68.76	25	4,681,860	42.64%	849.39	2,720,162	24.77%	493.50
Massachusetts	9.5%  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); Minimum tax: \$456 [Double wtd. sales/Sales++]	10.5% rate applicable to banks; 10.91% rate applicable to savings & loan associations	6,420	1,184,610	7.59%	184.52	6	8,026,149	51.42%	1,250.18	3,708,069	23.76%	577.58
Michigan	1.9%>\$45K Single Business Tax (SBT) applies to gross receipts. Must file with gross receipts >\$250K. \$45K deductible. The 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. [90% Sales, 5% Property & Payroll]		10,082	1,843,072	8.10%	182.81	7	6,519,643	28.66%	646.66	7,685,308	33.78%	762.28

TABLE 21.-Continued

State	State corporate income tax rates and brackets for 2004 income year [apportionment formula]	Special rates or notes	Pop-ulation 7/1/2003 (Bu-reau of Census) [1,000s]	Corporate income tax collections 2002-03				Individual income tax collections 2002-03			General sales tax collections 2002-03		
				Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]	Rank	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]
Minnesota	9.8%	Rates applicable to banks plus a 5.8% tax on any alternative minimum taxable income over the base tax. [75% Sales, 12.5% Property & 12.5% Payroll]	5,064	596,584	4.27%	117.81	8	5,374,550	38.44%	1,061.33	3,903,717	27.92%	770.88
Mississippi	3%>\$0; 4%>\$5K; 5%>\$10K [Accounting/3 Factor]	Rates applicable to banks; Franchise tax of \$2.50 per \$1,000 with minimum tax of \$25.	2,883	288,778	5.78%	100.17	15	1,020,028	20.40%	353.81	2,459,984	49.21%	853.27
Missouri	6.25% [3 Factor/Sales++]	7% rate applicable to banks; 50% of Federal tax deductible.	5,719	205,729	2.38%	35.97	44	3,519,844	40.80%	615.46	2,819,814	32.68%	493.06
Montana	6.75%	Rates applicable to banks. 7% for corporations filing under a water's edge election. Minimum tax: \$50; Minimum tax for small business corporations: \$10. [3 Factor++]	918	44,137	2.97%	48.08	37	535,830	36.03%	583.69	-	-	-
Nebraska	5.58%>\$0; 7.81%>\$50K [Sales]	Rates applicable to banks	1,737	111,597	3.33%	64.25	29	1,122,893	33.54%	646.46	1,426,914	42.62%	821.48
New Hampshire	8.5%>\$50K 9.25%>\$150K	Rates applicable to banks	1,289	396,162	20.22%	307.34	2	55,118	2.81%	42.76	-	-	-
		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. [Double wtd. sales]											
New Jersey	9%	The 9% rate 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 < \$100K are taxed at 6.5%. The tax on S corporations is being phased out through 2007. [Double wtd. sales; 3-factor formula applies if franchise tax not applicable.]	8,642	2,397,043	12.02%	277.37	3	6,735,282	33.78%	779.37	5,936,057	29.78%	686.88
New Mexico	4.8%>\$0; 6.4%>\$500K; 7.6%>\$1million [Double wtd. sales ++]	Rates applicable to banks	1,879	101,546	2.82%	54.04	35	923,113	25.59%	491.28	1,368,200	37.93%	728.15
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. An 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. [Double wtd. sales]		19,212	2,089,104	4.94%	108.74	11	22,648,364	53.60%	1,178.87	8,841,872	20.93%	460.23

TABLE 21.-Continued

State	State corporate income tax rates and brackets for 2004 income year [apportionment formula]	Special rates or notes	Pop-ulation 7/1/2003 (Bu-reau of Census) [1,000s]	Corporate income tax collections 2002-03				Individual income tax collections 2002-03			General sales tax collections 2002-03		
				Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]	Rank	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]	Amount [\$1,000s]	% of total state tax collec-tions	Per capita [\$1.00]
North Carolina	6.9%	Rate applicable to banks [4 Factor: Property, Payroll & Double wtd. Sales]	8,421	898,369	5.66%	106.68	12	7,089,142	44.66%	841.84	4,005,124	25.23%	475.61
North Dakota	3%>\$0; 4.5%>\$3K; 6%>\$8K; 7.5%>\$20K; 9%>\$30K; 10.5%>\$50K [3 Factor ++]	7% rate applicable to banks with minimum tax of \$50; Federal deductibility	633	55,989	4.75%	88.45	20	199,390	16.93%	314.99	360,831	30.64%	570.03
Ohio	5.1%>\$0; 8.5%>\$50K [60% Sales, 20% Property & Payroll]	For financial institutions, 0.015 times value of stock. Minimum tax: \$50.	11,438	794,645	3.85%	69.47	24	7,916,410	38.33%	692.11	6,761,515	32.74%	591.14
Oklahoma	6% [3 Factor]	Rate applicable to banks	3,506	104,448	1.77%	29.79	45	2,113,947	35.79%	602.95	1,480,137	25.06%	422.17
Oregon	6.6% [80% Sales, 10% Property & Payroll ++]	Rate applicable to banks; Minimum tax: \$10.	3,564	225,501	3.95%	63.27	30	4,023,579	70.57%	1,128.95	-	-	-
Pennsylvania	9.99% [Triple wtd. sales ++]	Rate applicable to banks	12,371	1,189,314	5.13%	96.14	18	6,661,780	28.73%	538.50	7,561,149	32.61%	611.20
Rhode Island	9% with a minimum tax of \$250 [40% Sales, 30% Property & Payroll]	Rate applicable to banks; the alternative tax is \$2.50/\$10K of capital stock (\$100 minimum tax)	1,076	67,118	2.97%	62.38	32	824,870	36.55%	766.61	764,217	33.87%	710.24
South Carolina	5% [Double wtd. sales/Sales]	4.5% rate applicable to banks; 6% rate applicable to savings & loans	4,149	173,886	2.74%	41.91	43	2,334,066	36.74%	562.56	2,555,851	40.23%	616.02
South Dakota	[Applies to banks only.] No state income tax	6%-0.25% on a bank's net income. Minimum tax is \$500 per location	765	43,976	4.34%	57.48	33	-	-	-	539,396	53.25%	705.09
Tennessee	6.5% [Double wtd. sales ++]	Rate applicable to banks	5,845	612,943	6.96%	104.87	13	115,593	1.31%	19.78	5,414,674	61.45%	926.38
Utah	5% [3 Factor ++]	Rate applicable to banks; Minimum tax: \$100.	2,352	148,218	3.75%	63.02	31	1,572,512	39.76%	668.59	1,485,977	37.57%	631.79
Vermont	7%>\$0; 8.1%>\$10K; 9.2%>\$25K; 9.75%>\$250K [3 Factor]	Rates applicable to banks; Minimum tax: \$250.	619	41,641	2.67%	67.27	27	411,343	26.39%	664.53	220,827	14.17%	356.75
Virginia	6% [Double wtd. sales ++]	Rate applicable to banks [State and national banks subject to the franchise tax on net capital are exempt from the income tax.]	7,365	328,444	2.53%	44.60	40	6,775,746	52.24%	919.99	2,692,151	20.76%	365.53
West Virginia	9% [Double wtd. sales ++]	Rate applicable to banks	1,811	182,364	5.07%	100.70	14	1,055,523	29.37%	582.84	978,022	27.21%	540.05
Wisconsin	7.9% [Double wtd. sales ++]	Rate applicable to banks	5,474	526,500	4.35%	96.18	17	5,252,500	43.45%	959.54	3,738,000	30.92%	682.86
Total 46 states	-----	-----	259,252	28,384,474	-----	109.49 <sup>a</sup>	-----	181,932,513	-----	701.76 <sup>a</sup>	159,624,661	-----	615.71 <sup>a</sup>

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, 2003*, Population Division, December 22, 2004 release.

U.S. Census Bureau, Governments Division. *State Government Tax Collections: 2003.*; Tax Foundation; Federation of Tax Administrators

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 \$13,204,065 retained by state to pay for the costs of collecting and distributing local sales taxes.

<sup>a</sup>Weighted average computations based on tax collection totals and population for 46 states levying a corporation income tax. ++State has adopted substantial portions of the UDITPA.