

**Table 12: Top State Income Tax Rates on Corporations as of January 1, 2010**

Rank	State	Rate (Percent)	Rank	State	Rate (Percent)
1	Iowa (1)	12.0	26	North Carolina	6.9
2	Pennsylvania	9.99	27	Montana (14)	6.75
3	Minnesota (2)	9.8	28	Alabama	6.5
4	Alaska (3)	9.4		Arkansas	6.5
5	New Jersey (4)	9.0		North Dakota (15)	6.5
	Rhode Island	9.0		Tennessee	6.5
7	Maine (5)	8.93	32	Hawaii	6.4
8	California (6)	8.84	33	Missouri	6.25
9	Massachusetts (7)	8.75	34	Georgia	6.0
10	Delaware (8)	8.7		Kentucky	6.0
11	Indiana	8.5		Oklahoma	6.0
	New Hampshire (9)	8.5		Virginia	6.0
	Vermont	8.5	38	Florida (16)	5.5
	West Virginia	8.5	39	Mississippi	5.0
15	Maryland	8.25		South Carolina	5.0
16	Louisiana	8.0		Utah	5.0
17	Oregon	7.9	42	Michigan (17)	4.95
	Wisconsin	7.9	43	Illinois (18)	4.8
19	Nebraska	7.81	44	Colorado	4.63
20	Idaho	7.6	45	Texas (19)	1.0
	New Mexico (10)	7.6	46	Nevada	(X)
22	Connecticut (11)	7.5		Ohio	(X)
23	<i>New York (12)</i>	<i>7.1</i>		South Dakota	(X)
24	Kansas (13)	7.05		Washington (20)	(X)
25	Arizona	6.968		Wyoming	(X)

(X) Does not impose tax on net income.

(1) At top rate tier, tax equals product of rate and income minus \$7,500.

(2) Alternative minimum tax (AMT) imposed at a rate of 5.8%.

(3) AMT rate on capital gains is 4.5%. AMT on tax preference items is 18% of the applicable Federal AMT.

(4) Corporations must pay the greater of the tax based on net income, an alternative minimum tax assessment on gross receipts or profits, or a minimum tax.

(5) AMT imposed equal to 5.4% of alternative minimum taxable income.

(6) A 1.5% rate applies to S corporations. Banks and financial corporations, including financial S corps, add an additional 2% rate to their respective base rates.

(7) Plus \$2.60 per \$1,000 of tangible property or net worth allocated to Massachusetts. Rates include 14% surtax.

(8) Headquarters management corporations pay a minimum tax equal to greater of \$5,000 or tax at 8.7% rate.

(9) Rate is 8.5% of taxable business profits if gross income over \$50,000. For gross income over \$150,000 or base over \$75,000, business enterprise tax also applies at a rate of 0.75% of business enterprise value base.

(10) Plus \$56,000.

(11) Franchise tax is the greater of the applicable net income tax rate, 3.1 mills per dollar of capital holding, or the minimum tax of \$250. Corporations filing combined returns subject to an additional tax up to \$250,000.

(12) Tax equals higher of 7.1% of net income, AMT at the rate of 1.5%, 0.15% of allocated capital, or a fixed minimum tax. Additional 9/10 mill per dollar of allocated subsidiary capital is also imposed.

(13) Rates includes a 3.05% surtax is imposed on taxable income in excess of \$50,000.

(14) Taxpayers making a water's edge election are taxed at 7%.

(15) Corporations making water's edge election must pay an additional 3.5% tax.

(16) Taxpayers who pay Federal AMT are liable for the greater of the income tax or the 3.3% Florida AMT.

(17) Plus 0.8% of modified gross receipts of \$350,000 or more. A surcharge of 21.99% applies.

(18) Additional 2.5%, 1.5% for S corporations, personal property replacement tax imposed.

(19) 0.5% for retailers or wholesalers. Imposed on entities with with over \$1 million in gross revenues on lesser of 70% of total revenues or 100% of gross receipts after certain deductions and subject to variable discounts ranging from 80% to 20% depending on taxpayer's amount of revenue.

(20) Business and Occupation (B&O) Tax with rates dependent on business type.