

Table 12: Top State Income Tax Rates on Corporations as of January 1, 2007

Rank	State	Rate (Percent)	Rank	State	Rate (Percent)
1	Iowa	12.00	26	North Carolina	6.90
2	Pennsylvania	9.99	27	Montana (12)	6.75
3	Minnesota (1)	9.80	28	Oregon	6.60
4	Massachusetts (2)	9.50	29	North Dakota (13)	6.50
5	Alaska (3)	9.40		Alabama	6.50
6	New Jersey (4)	9.00		Arkansas	6.50
	Rhode Island	9.00		Tennessee	6.50
8	Maine (5)	8.93	33	Hawaii	6.40
9	California (6)	8.84	34	Missouri	6.25
10	West Virginia	8.75	35	Kentucky	6.00
11	Delaware	8.70		Georgia	6.00
12	Vermont	8.50		Oklahoma	6.00
	Indiana	8.50		Virginia	6.00
	New Hampshire (7)	8.50	39	Florida (14)	5.50
	Ohio (8)	8.50	40	Mississippi	5.00
16	Louisiana	8.00		South Carolina	5.00
17	Wisconsin	7.90		Utah	5.00
18	Nebraska	7.81	43	Illinois (15)	4.80
19	Idaho	7.60	44	Colorado	4.63
	New Mexico	7.60	45	Texas (16)	4.50
21	Connecticut (9)	7.50	46	Michigan (17)	1.90
22	Kansas (10)	7.35	47	Nevada	(X)
23	New York (11)	7.10		South Dakota	(X)
24	Maryland	7.00		Washington (18)	(X)
25	Arizona	6.97		Wyoming	(X)

(X) Does not impose tax on net income.

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

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

(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. A surtax of 4% is imposed.

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

(6) A 1.5% rate applies to S corporations, other than financial S corporations. A 6.65% alternative minimum tax is imposed.

(7) 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 is .75% of business enterprise value base.

(8) Rate is greater of 5.1% on the first \$50,000 of taxable income plus 8.5% on taxable income in excess of \$50,000, or 4 mills times taxable net worth up to \$150,000 maximum.

(9) 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.

(10) Rates includes a 3.35% surtax is imposed on taxable income in excess of \$50,000.

(11) Tax equals higher of 7.1% net income, AMT at the rate of 2.5%, 1.78 mills per dollar of allocated capital, or a minimum tax. Additional 9/10 mill per dollar of allocated subsidiary capital is also imposed.

(12) Taxpayer's making a water's edge election are taxed at 7%.

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

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

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

(16) The tax is generally the greater of .25% of net taxable capital or 4.% of net taxable earned surplus.

(17) Single Business tax at the rate of 1.9%.

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

Source: Commerce Clearing House Table of Corporate Tax Rates