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RANGE OF STATE CORPORATE INCOME TAX RATES

(For tax year 2008 -- as of January 1, 2008)

| State | Tax Rates | Tax Brackets | # of Brackets | Bank Tax Rates | Federal Tax Deductible |
|----------------|----------------|-------------------|---------------|----------------|------------------------|
| ALABAMA | 6.5 | ---Flat Rate--- | 1 | 6.5 | * |
| ALASKA | 1.0 - 9.4 | 10,000 90,000 | 10 | 1.0 - 9.4 | |
| ARIZONA | 6.968 (b) | ---Flat Rate--- | 1 | 6.968 (b) | |
| ARKANSAS | 1.0 - 6.5 | 3,000 100,000 | 6 | 1.0 - 6.5 | |
| CALIFORNIA | 8.84 (c) | ---Flat Rate--- | 1 | 10.84 (c) | |
| COLORADO | 4.63 | ---Flat Rate--- | 1 | 4.63 | |
| CONNECTICUT | 7.5 (d) | ---Flat Rate--- | 1 | 7.5 (d) | |
| DELAWARE | 8.7 | ---Flat Rate--- | 1 | 8.7-1.7 (e) | |
| FLORIDA | 5.5 (f) | ---Flat Rate--- | 1 | 5.5 (f) | |
| GEORGIA | 6.0 | ---Flat Rate--- | 1 | 6.0 | |
| HAWAII | 4.4 - 6.4 (g) | 25,000 100,000 | 3 | 7.92 (g) | |
| IDAHO | 7.6 (h) | ---Flat Rate--- | 1 | 7.6 (h) | |
| ILLINOIS | 7.3 (i) | ---Flat Rate--- | 1 | 7.3 (i) | |
| INDIANA | 8.5 | ---Flat Rate--- | 1 | 8.5 | |
| IOWA | 6.0 - 12.0 | 25,000 250,000 | 4 | 5.0 | * (k) |
| KANSAS | 4.0 (l) | ---Flat Rate--- | 1 | 2.25 (l) | |
| KENTUCKY | 4.0 - 7.0 (m) | 50,000 100,000 | 3 | --- (a) | |
| LOUISIANA | 4.0 - 8.0 | 25,000 200,000 | 5 | --- (a) | * |
| MAINE | 3.5 - 8.93 (n) | 25,000 250,000 | 4 | 1.0 | |
| MARYLAND | 8.3 | ---Flat Rate--- | 1 | 8.3 | |
| MASSACHUSETTS | 9.5 (o) | ---Flat Rate--- | 1 | 10.5 (o) | |
| MICHIGAN | 4.95 (p) | ---Flat Rate--- | 1 | --- (a) | |
| MINNESOTA | 9.8 (q) | ---Flat Rate--- | 1 | 9.8 (q) | |
| MISSISSIPPI | 3.0 - 5.0 | 5,000 10,000 | 3 | 3.0 - 5.0 | |
| MISSOURI | 6.25 | ---Flat Rate--- | 1 | 7.0 | * (k) |
| MONTANA | 6.75 (r) | ---Flat Rate--- | 1 | 6.75 (r) | |
| NEBRASKA | 5.58 - 7.81 | 50,000 | 2 | --- (a) | |
| NEW HAMPSHIRE | 8.5 (s) | ---Flat Rate--- | 1 | 8.5 (s) | |
| NEW JERSEY | 9.0 (t) | ---Flat Rate--- | 1 | 9.0 (t) | |
| NEW MEXICO | 4.8 - 7.6 | 500,000 1 million | 3 | 4.8 - 7.6 | |
| NEW YORK | 7.5 (u) | ---Flat Rate--- | 1 | 7.5 (u) | |
| NORTH CAROLINA | 6.9 | ---Flat Rate--- | 1 | 6.9 (v) | |
| NORTH DAKOTA | 2.6 - 6.5 | 3,000 30,000 | 5 | 7.0 (b) | * |
| OHIO | 5.1 - 8.5 (w) | 50,000 | 2 | --- (w) | |
| OKLAHOMA | 6.0 | ---Flat Rate--- | 1 | 6.0 | |
| OREGON | 6.6 (b) | ---Flat Rate--- | 1 | 6.6 (b) | |
| PENNSYLVANIA | 9.99 | ---Flat Rate--- | 1 | --- (a) | |
| RHODE ISLAND | 9.0 (b) | ---Flat Rate--- | 1 | 9.0 (x) | |
| SOUTH CAROLINA | 5.0 | ---Flat Rate--- | 1 | 4.5 (y) | |
| SOUTH DAKOTA | --- | | | 6.0-0.25% (b) | |
| TENNESSEE | 6.5 | ---Flat Rate--- | 1 | 6.5 | |
| TEXAS | (z) | | | (z) | |
| UTAH | 5.0 (b) | ---Flat Rate--- | | 5.0 (b) | |
| VERMONT (b) | 6.0 - 8.5 | 10,000 250,000 | 3 | --- (a) | |
| VIRGINIA | 6.0 | ---Flat Rate--- | 1 | 6.0 (aa) | |
| WEST VIRGINIA | 8.5 | ---Flat Rate--- | 1 | 8.5 | |
| WISCONSIN | 7.9 | ---Flat Rate--- | 1 | 7.9 | |

DIST. OF COLUMBIA 9.975 (bb)

----Flat Rate----

9.975 (bb)

Source: Compiled by FTA from various sources

Note: Nevada, Washington, and Wyoming do not have state corporate income taxes.

- (a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$500 in Rhode Island, \$500 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.
- (c) Minimum tax is \$800. The tax rate on S-Corporations is 1.5% (3.5% for banks).
- (d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250.
- (e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.
- (g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.
- (h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return.
- (i) Includes a 2.5% personal property replacement tax.
- (k) Fifty percent of the federal income tax is deductible.
- (l) Plus a surtax of 3.35% (2.125% for banks) on taxable income in excess of \$50,000 (\$25,000).
- (m) Minimum tax of \$175. Or, an annual Limited Liability Tax for all corporations with over \$3 million in gross receipts.
- (n) Or the Maine Alternative Minimum Tax.
- (o) Rate includes a 14% surtax, as does the following: an additional tax of \$2.60 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimum tax of \$456.
- (p) The New Michigan Business Tax. First \$45,000 of tax base exempt. Plus, 0.8% of modified gross receipts (receipts less purchases from other firms) on receipts of \$350,000 or more. A surcharge of 21.99% applies.
- (q) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.
- (r) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50.
- (s) Plus a 0.75 percent tax on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over \$150,000 or base over \$75,000. Business profits tax is imposed on both corporations and unincorporated associations with gross income over \$50,000.
- (t) The rate reported in the table is the corporation business franchise tax rate. Corporations with net income under \$100,000 are taxed at 7.5%. Corporations with net income under \$50,000 are taxed at 6.5%. A 4% surtax applies through July 1, 2009. The minimum tax is \$500. An Alternative Minimum Assessment based on Gross Receipts applies if greater than corporate franchise tax. Banking and financial corporations are subject to the franchise tax.
- (u) Or 1.78 mills per dollar of capital (up to \$350,000); or a 1.5% alternative minimum tax; or a minimum tax of \$1,500 to \$100 depending on payroll size; if any of these is greater than the tax computed on net income. Small corporations with income under \$290,000 are subject to lower rates of tax on net income. An additional tax of 0.9 mills per dollar 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.
- (v) Financial institutions are also subject to a tax equal to \$30 per one million in assets.
- (w) Rates shown are for the Franchise tax, which is being phased out through 2010. Current rates apply to 40% of the liability, or 40% of 4 mills time the value of the taxpayer's issued and outstanding share of stock with a maximum payment of \$150,000; or \$50 to \$1,000 minimum tax, depending on worldwide gross receipts. The Commercial Activity Tax (CAT) equals \$150 for gross receipts between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. The CAT applies to 60% of receipts through March 31, and 80% for the remainder of the year. Banks will pay the Franchise tax. An additional litter tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over \$50,000; or 0.14 mills on net worth.
- (x) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).
- (y) Savings and Loans are taxed at a 6% rate.
- (z) Texas imposes a Franchise Tax, known as the margin tax. It is imposed at 1.0% (0.5% for retail or wholesale entities) of gross revenues over \$300,000, with a variable discount allowed for businesses with revenues between \$300,000 to \$900,000.
- (aa) State and national banks subject to the state's franchise tax on net capital is exempt from the income tax.
- (bb) Minimum tax is \$100. Includes surtax.