

RANGE OF STATE CORPORATE INCOME TAX RATES

(For tax year 2022 -- as of January 1, 2022)

STATE	TAX RATE (percent)	TAX BRACKETS		NUMBER OF BRACKETS	TAX RATE (a)	FEDERAL
		LOWEST	HIGHEST		(percent)	INCOME TAX FINANCIAL INST. DEDUCTIBLE
ALABAMA	6.5	----Flat Rate----		1	6.5	Yes
ALASKA	0 - 9.4	25,000	222,000	10	0 - 9.4	
ARIZONA	4.9 (b)	----Flat Rate----		1	4.9 (b)	
ARKANSAS	1.0 - 5.9	3,000	100,001	6	1.0 - 5.9	
CALIFORNIA	8.84 (b)	----Flat Rate----		1	10.84 (b)	
COLORADO	4.55	----Flat Rate----		1	4.55	
CONNECTICUT	7.5 (c)	----Flat Rate----		1	7.5 (c)	
DELAWARE	8.7	----Flat Rate----		1	8.7-1.7 (d)	
FLORIDA	5.5	----Flat Rate----		1	5.5	
GEORGIA	5.75	----Flat Rate----		1	5.75	
HAWAII	4.4 - 6.4 (e)	25,000	100,001	3	7.92 (f)	
IDAHO	6.5 (f)	----Flat Rate----		1	6.5 (f)	
ILLINOIS	9.5 (g)	----Flat Rate----		1	9.5 (g)	
INDIANA	4.9	----Flat Rate----		1	5.0	
IOWA	5.5 - 9.8	100,000	250,001	3	5.0	Yes (i)
KANSAS	4.0 (j)	----Flat Rate----		1	2.25 (j)	
KENTUCKY	5.0	----Flat Rate----		1	5.0	
LOUISIANA	3.5 - 7.5	50,000	150,000	5	3.5 - 7.5	Yes
MAINE	3.5 - 8.93	350,000	3.5 Million	4	1.0 (k)	
MARYLAND	8.25	----Flat Rate----		1	8.25	
MASSACHUSETTS	8.0 (l)	----Flat Rate----		1	9.0 (l)	
MICHIGAN	6.0	----Flat Rate----		1	--- (a)	
MINNESOTA	9.8 (m)	----Flat Rate----		1	9.8 (m)	
MISSISSIPPI	0 - 5.0	5,000	10,001	3	0 - 5.0	
MISSOURI	4.0	----Flat Rate----		1	4.48	Yes (i)
MONTANA	6.75 (n)	----Flat Rate----		1	6.75 (n)	
NEBRASKA	5.58 - 7.5	100,000		2	--- (a)	
NEVADA	--	No corporate income tax				
NEW HAMPSHIRE	7.6 (o)	----Flat Rate----		1	7.6 (o)	
NEW JERSEY	9.0 (p)	----Flat Rate----		1	9.0 (p)	
NEW MEXICO	4.8 - 5.9	500,000		2	4.8 - 5.9	
NEW YORK	6.5 (q)	----Flat Rate----		1	6.5 (q)	
NORTH CAROLINA	2.5	----Flat Rate----		1	2.5	
NORTH DAKOTA	1.41 - 4.31 (r)	25,000	50,001	3	1.41 - 4.31 (r)	
OHIO	(s)	----Flat Rate----		1	--- (s)	
OKLAHOMA	4.0	----Flat Rate----		1	4.0	
OREGON	6.6 - 7.6 (u)	1 million		2	6.6 - 7.6 (u)	
PENNSYLVANIA	9.99	----Flat Rate----		1	--- (a)	
RHODE ISLAND	7.0 (b)	----Flat Rate----		1	9.0 (b)	
SOUTH CAROLINA	5.0	----Flat Rate----		1	4.5 (u)	
SOUTH DAKOTA	--	No corporate income tax				6.0-0.25% (b)
TENNESSEE	6.5	----Flat Rate----		1	6.5	
TEXAS	(v)	----Flat Rate----		1	(v)	
UTAH	4.95 (b)	----Flat Rate----		1	4.95 (b)	
VERMONT	6.0 - 8.5 (b)	10,000	25,000	3	--- (a)	
VIRGINIA	6.0	----Flat Rate----		1	6.0	
WASHINGTON	--	No corporate income tax				
WEST VIRGINIA	6.5	----Flat Rate----		1	6.5	
WISCONSIN	7.9	----Flat Rate----		1	7.9	
WYOMING	--	No corporate income tax				
DIST. OF COLUMBIA	8.25 (b)	----Flat Rate----		1	8.25 (b)	

Source: Compiled by FTA from various sources.

Footnotes on next page.

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(For tax year 2022 -- as of January 1, 2022)

- (a) Rates listed are the corporate income 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 \$800 in California, \$250 in District of Columbia, \$50 in Arizona and North Dakota (banks), \$400 (\$100 banks) in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, \$300 in Vermont.
- (c) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax).
- (d) The Delaware Bank 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%.
- (e) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).
- (f) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).
- (g) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%.
- (h) Bank tax rate is scheduled to decrease to 749% on 1/1/23.
- (i) 50% of the federal income tax is deductible.
- (j) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.
- (k) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.
- (l) Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.
- (m) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income. Minnesota also imposes a surtax ranging up to \$10,480.
- (n) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.
- (o) New Hampshire's 7.6% [for tax years ending on or before 12/31/22] Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.60% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross receipts over \$222,000 or enterprise base over \$111,000, adjusted every biennium for CPI.
- (p) New Jersey also imposes a 2.5% surtax on taxpayers with income over \$1 million in tax year 2021. Small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- (q) Plus a Corporate Stocks Tax of 0.1875% for tax years 2022 & 2023. A top bracket of 7.25% is imposed on income over \$5 million for 2022 & 2023. A minimum tax ranges from \$25 to \$200,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 0%.
- (r) North Dakota imposes a 3.5% surtax for filers electing to use the water's edge method to apportion income.
- (s) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.
- (t) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000, up to \$100,000 for companies with sales of \$100 million or above. Oregon also imposes Corporate Activity Tax [CAT] of \$250 plus 0.57% of activity in excess of \$1 million.
- (u) South Carolina taxes savings and loans at a 6% rate.
- (v) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,230,000 total revenues at rate of 0.75%, or 0.375% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.