

State Corporate Income Tax Rates

As of December 31, 2006

(2006's noteworthy changes in bold italics)

State	Tax Rates and Brackets	Special Rates or Notes
Alabama	6.50%	Federal deductibility
Alaska	1.0% > \$0 2.0 > 10K 3.0 > 20K 4.0 > 30K 5.0 > 40K 6.0 > 50K 7.0 > 60K 8.0 > 70K 9.0 > 80K 9.4 > 90K	
Arizona	6.968%	Minimum tax is \$50.
Arkansas	1.0% > \$0 2.0 > 3K 3.0 > 6K 5.0 > 11K 6.0 > 25K 6.5 > 100K	
California	8.84%	Minimum tax is \$800. 10.84% on financial institutions. The tax rate on S-Corporations is 1.5% (3.5% for financial S-Corporations).
Colorado	4.63%	
Connecticut	7.50%	20% surcharge for 2006. Pay higher of income tax or tax on capital (3.5 mills- \$1,000,000 maximum).
Delaware	8.70%	
Florida	5.50%	If paid federal AMT, must pay FL higher of Corp. Inc. Tax or 3.3% alternative minimum rate.
Georgia	6.00%	
Hawaii	4.4% > \$0 5.4 > 25K 6.4 > 100K	4% capital gains rate
Idaho	7.60%	Minimum tax is \$20.
Illinois	7.30%	Includes 2.5% income replacement tax. 1.5% for S-Corps.
Indiana	8.50%	
Iowa	6.0% > \$0 8.0 > 25K	50% federal deductibility

	10.0 > 100K 12.0 > 250K	
Kansas	4% > \$0 7.35 > 50K	3.35% surtax over \$50,000
Kentucky	4.% > \$0 5.0 > 50K 7.0 > 100K	Corporations pay the largest of the Corporate Income Tax, a gross receipts tax computed on either in-state sales or gross profits, or a minimum tax of \$175.
Louisiana	4.0 > \$0 5.0 > 25K 6.0 > 50K 7.0 > 100K 8.0 > 200K	Federal deductibility
Maine	3.5% > \$0 7.93 > 25K 8.33 > 75K 8.93 > 250K	
Maryland	7.00%	
Massachusetts	9.50%	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. 10.5% on financial institutions.
Michigan	1.90%	Modified VAT applies to gross receipts, called the Single Business Tax (SBT). Must file if gross receipts over \$350K. The SBT will be repealed as of December 31, 2007. Michigan lawmakers are currently debating plans to replace the SBT.
Minnesota	9.8%	5.8% alternative minimum tax rate. A minimum tax is levied based on Minnesota property, payroll and sales.
Mississippi	3.0% > \$0 4.0 > 5K 5.0 > 10K	Franchise tax of \$2.50 per \$1,000 with minimum tax of \$25
Missouri	6.25%	7% on financial institutions; 50% of federal tax deductible.

Montana	6.75%	7% for corporations filing under a water's edge election. Minimum tax is \$50.
Nebraska	5.58% > \$0 7.81 > 50K	
Nevada	None	
New Hampshire	8.5% > \$50K 9.25% > 150K	Its two corporate taxes – the Business Profits Tax (BPT) and the Business Enterprise Tax (BET) – have different rates and bases. The BPT rate is 8.5% on gross income over \$50K. The BET rate 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 a corporation may face.
New Jersey	6.5% > \$0 7.5% > \$50K 9.0% > \$100K	The minimum tax is \$500. An Alternative Minimum Assessment based on Gross Receipts applies if greater than corporate franchise tax for out-of-state companies with New Jersey sales. Companies with income greater than \$100K pay 9% on all income, companies with income greater than \$50K but less than \$100K pay 7.5 % on all income and companies with income under \$50K pay 6.5%. 4% surtax for 2006.
New Mexico	4.8% > \$0 6.4% > 500K 7.6 %> 1,000,000	
New York	7.50%	Tax rates for small business taxpayers: The tax rate on entire net income (ENI) for a small business taxpayer with ENI of \$290,000 is 6.5% for tax years beginning after January 1, 2005.
North Carolina	6.90%	
North Dakota	2.6% > \$0 4.1% > 3K 5.6% > 8K 6.4% > 20K 7.0% > 30K	7% for financial institutions; minimum tax is \$50.
Ohio	5.1% > \$0	<i>A Value Added-style tax, the Corporate</i>

8.5% > 50K

Activities Tax (CAT) was instituted in 2005. It will be phased in through 2010 while the Corporate Franchise Tax (Ohio corporate income tax) is phased out. The rate in 2006 is 40% of .26%, or .104%. For tax year 2006 Ohio companies owe 60% of Corporate Franchise Tax liability.

Oklahoma 6.00%

Oregon 6.60%

Pennsylvania 9.99%

Imposes a capital stock and franchise tax of 0.489% on taxable income over \$ 125K.

Rhode Island 9.00%

Nine percent (9%) of net income apportioned to Rhode Island; or an annual franchise tax on authorized capital stock at the rate of \$2.50 for each \$10,000.00 or fractional part thereof minimum of \$500, whichever amount shall yield the greatest tax.

South Carolina 5.00%

4.5% for banks; 6% for savings and loans.

South Dakota None

6%-0.25% on a bank's net income. Minimum tax is \$200 per location (banks).

Tennessee 6.50%

Texas 4.50%

Rate is on net taxable earned surplus but has been repealed as of January 1, 2007 and replaced with a gross receipts tax called the Texas Margins Tax that levies a 1% tax on the gross receipts of all Texas companies.

Utah 5.00%

Minimum tax is \$100.

Vermont **6.0%** > \$0

Minimum tax is \$250.

7% > 10K

8.75% > 25K

8.9% > 250K

Virginia 6.00%

Washington None

Gross receipts tax called Business & Occupation (B&O) Tax.

West Virginia 9.00%

Business franchise tax of .7% of taxable capital, or a minimum of \$50.

Wisconsin 7.90%

Wyoming None

District of Columbia 9.975%

Minimum tax is \$100. Includes 5% surtax. Ball park gross receipts tax levied on gross receipts over \$5 million at varying rates.

Note: Bold Italics indicate noteworthy tax changes during 2006.

Sources: Tax Foundation and each state's tax forms and instructions