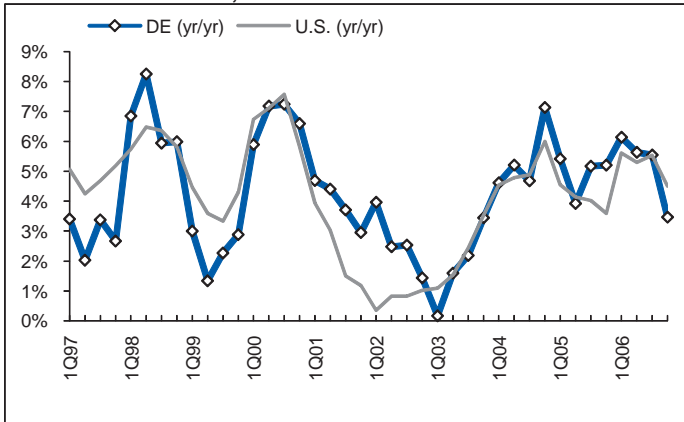


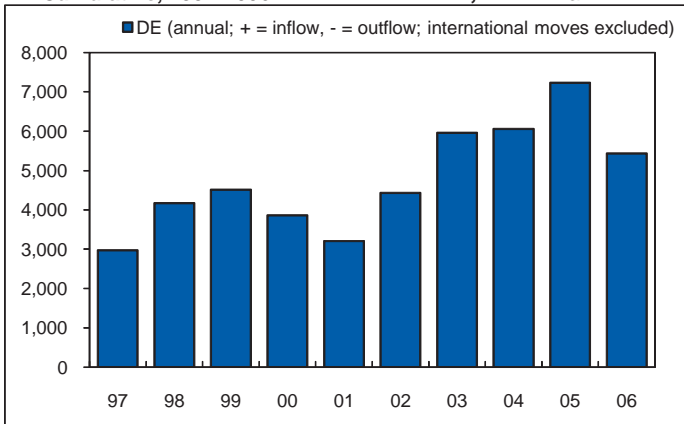


Economic Performance Rank 15 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

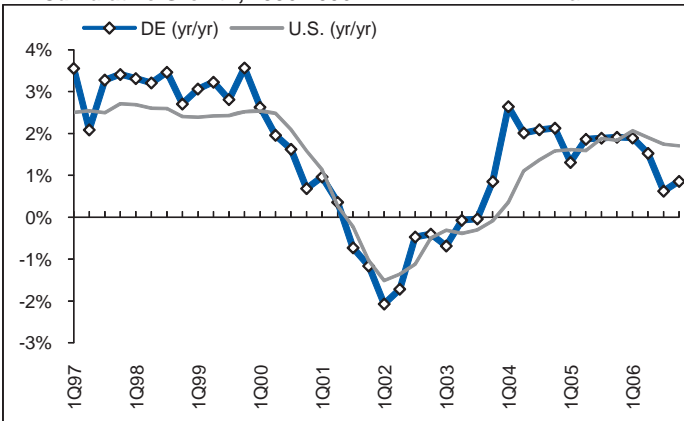
1) Personal Income Per Capita
Cumulative Growth, 1996-2006: 51.6% Rank: 21st



2) Absolute Domestic Migration,
Cumulative, 1997-2006: 47,833 Rank: 19th



3) Non-farm Payroll Employment
Cumulative Growth, 1996-2006: 16.0% Rank: 17th



Economic Outlook Rank (1=best; 50=worst): A forward-looking forecast based on the state's standing (equal-weighted average) in the 16 important state policy variables shown below. Data reflect state+local rates and revenues and any effect of federal deductibility.

- 1) Top Marginal Personal Income Tax Rate:** 7.20% Rank: 35th
- 2) Top Marginal Corporate Income Tax Rate:** 8.70% Rank: 34th
- 3) Personal Income Tax Progressivity:** \$11.34 Rank: 36th
(change in tax liability per \$1,000 income)
- 4) Property Tax Burden:** \$15.97 Rank: 2nd
(per \$1,000 of personal income)
- 5) Sales Tax Burden:** \$0.00 Rank: 1st
(per \$1,000 of personal income)
- 6) Remaining Tax Burden:** \$32.67 Rank: 48th
(per \$1,000 of personal income)
- 7) Estate/Inheritance Tax Levied?:** No Rank: 1st
- 8) Recent Legislated Tax Changes:** -\$0.28 Rank: 16th
(2005 and 2006, per \$1,000 of personal income)
- 9) Debt Service as a % of Total Tax Revenue:** 10.6% Rank: 40th
- 10) Public Employees Per 10,000 of Population (full-time equivalent):** 579.8 Rank: 35th
- 11) State Liability System Survey:** 75.6 Rank: 1st
(tort litigation treatment, judicial impartiality, etc.)
- 12) State Minimum Wage:** \$6.65 Rank: 32nd
(federal floor is \$5.85)
- 13) Avg. Workers' Compensation Costs:** \$3.91 Rank: 48th
(per \$100 of payroll)
- 14) Right-To-Work State?:** No Rank: 23rd
(optional joining or supporting of a union)
- 15) Number of Tax Expenditure Limits:** 2 Rank: 4th
(0=least/worst, 3=most/best)
- 16) Education Freedom Index Score:** 2.40 Rank: 3rd
(vouchers, ease of private/home schooling, etc.)