

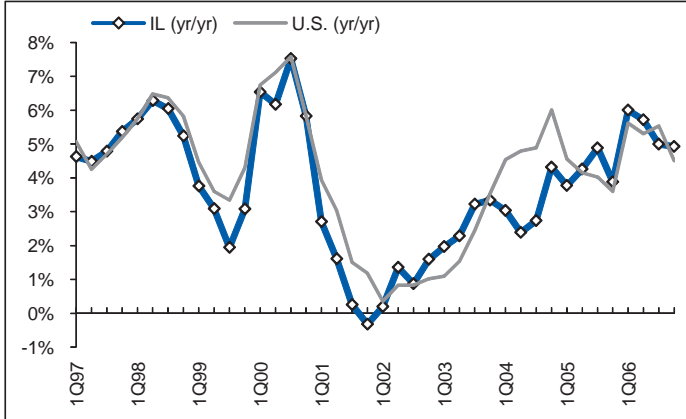


**Economic Performance Rank 48 (1=best; 50=worst):** Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

**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.

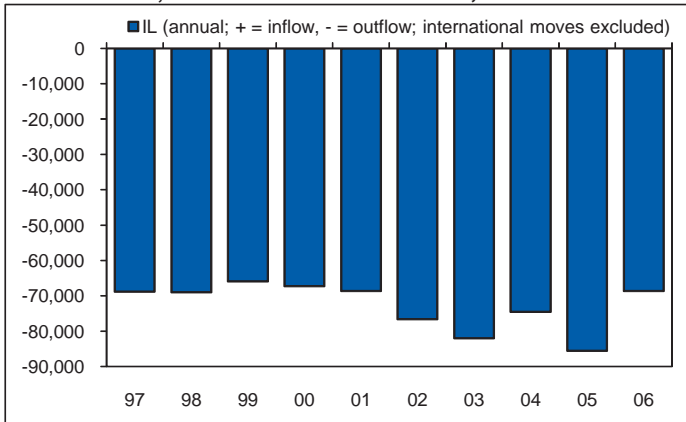
### 1) Personal Income Per Capita

**Cumulative Growth, 1996-2006: 44.4% Rank: 44th**



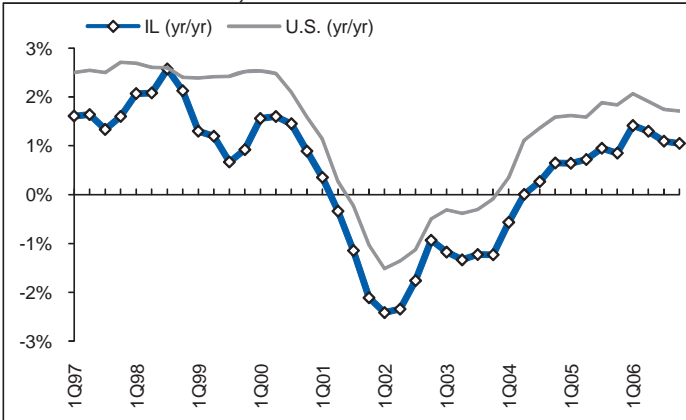
### 2) Absolute Domestic Migration,

**Cumulative, 1997-2006: -727,150 Rank: 48th**



### 3) Non-farm Payroll Employment

**Cumulative Growth, 1996-2006: 4.3% Rank: 47th**



### 1) Top Marginal Personal Income

**Tax Rate: 3.00% Rank: 10th**

### 2) Top Marginal Corporate Income

**Tax Rate: 7.30% Rank: 25th**

### 3) Personal Income Tax Progressivity:

**(change in tax liability per \$1,000 income) \$0.80 Rank: 15th**

### 4) Property Tax Burden:

**(per \$1,000 of personal income) \$41.22 Rank: 41st**

### 5) Sales Tax Burden:

**(per \$1,000 of personal income) \$18.21 Rank: 11th**

### 6) Remaining Tax Burden:

**(per \$1,000 of personal income) \$24.73 Rank: 43rd**

### 7) Estate/Inheritance Tax

**Levied?: Yes Rank: 28th**

### 8) Recent Legislated Tax Changes:

**(2005 and 2006, per \$1,000 of personal income) \$0.47 Rank: 35th**

### 9) Debt Service as a % of

**Total Tax Revenue: 11.7% Rank: 46th**

### 10) Public Employees Per 10,000

**of Population (full-time equivalent): 494.8 Rank: 8th**

### 11) State Liability System Survey:

**(tort litigation treatment, judicial impartiality, etc.) 50.8 Rank: 46th**

### 12) State Minimum Wage:

**(federal floor is \$5.85) \$7.50 Rank: 44th**

### 13) Avg. Workers' Compensation Costs:

**(per \$100 of payroll) \$2.69 Rank: 31st**

### 14) Right-To-Work State?:

**(optional joining or supporting of a union) No Rank: 23rd**

### 15) Number of Tax Expenditure Limits:

**(0=least/worst, 3=most/best) 0 Rank: 29th**

### 16) Education Freedom Index Score:

**(vouchers, ease of private/home schooling, etc.) 1.94 Rank: 21st**