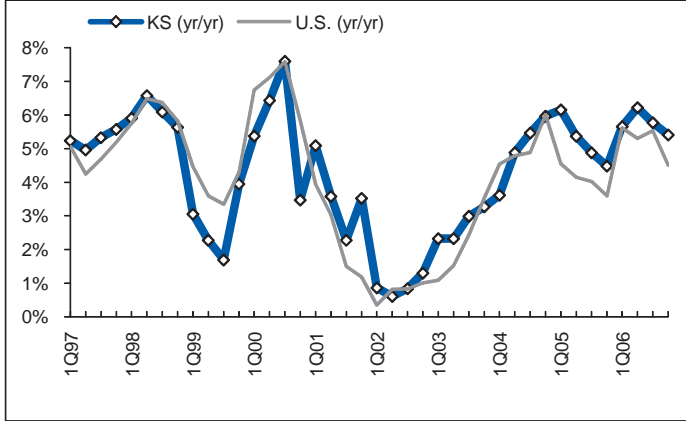


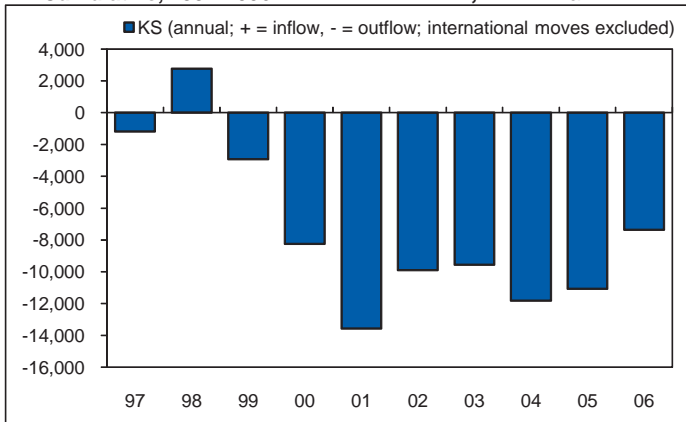
Economic Performance Rank 36 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

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.

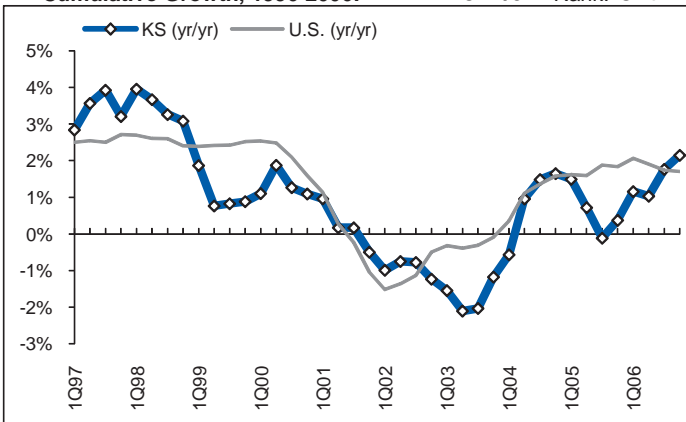
1) Personal Income Per Capita
Cumulative Growth, 1996-2006: 52.1% Rank: 19th



2) Absolute Domestic Migration,
Cumulative, 1997-2006: -72,879 Rank: 40th



3) Non-farm Payroll Employment
Cumulative Growth, 1996-2006: 10.2% Rank: 34th



- 1) Top Marginal Personal Income Tax Rate:** **6.45%** Rank: **28th**
- 2) Top Marginal Corporate Income Tax Rate:** **7.35%** Rank: **26th**
- 3) Personal Income Tax Progressivity:** (change in tax liability per \$1,000 income) **\$10.82** Rank: **32nd**
- 4) Property Tax Burden:** (per \$1,000 of personal income) **\$39.10** Rank: **38th**
- 5) Sales Tax Burden:** (per \$1,000 of personal income) **\$29.90** Rank: **36th**
- 6) Remaining Tax Burden:** (per \$1,000 of personal income) **\$15.48** Rank: **7th**
- 7) Estate/Inheritance Tax Levied?:** **Yes** Rank: **28th**
- 8) Recent Legislated Tax Changes:** (2005 and 2006, per \$1,000 of personal income) **-\$0.03** Rank: **21st**
- 9) Debt Service as a % of Total Tax Revenue:** **8.2%** Rank: **23rd**
- 10) Public Employees Per 10,000 of Population** (full-time equivalent): **669.1** Rank: **48th**
- 11) State Liability System Survey:** (tort litigation treatment, judicial impartiality, etc.) **66.7** Rank: **13th**
- 12) State Minimum Wage:** (federal floor is \$5.85) **\$5.85** Rank: **1st**
- 13) Avg. Workers' Compensation Costs:** (per \$100 of payroll) **\$1.84** Rank: **9th**
- 14) Right-To-Work State?:** (optional joining or supporting of a union) **Yes** Rank: **1st**
- 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.) **1.96** Rank: **20th**