

46 | Kentucky

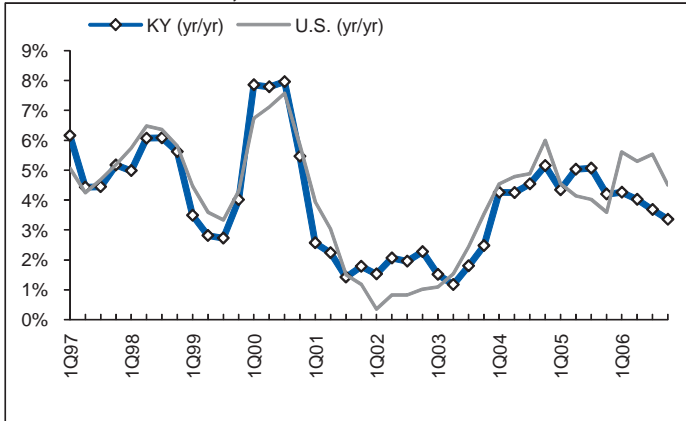
Economic Outlook Rank

Economic Performance Rank 30 (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.

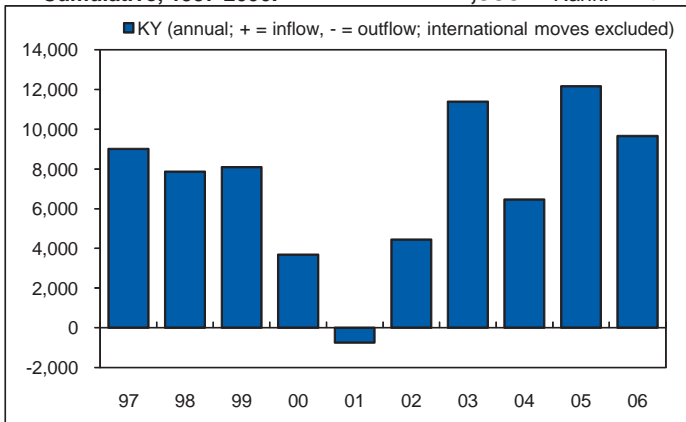
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: 47.8% Rank: 34th



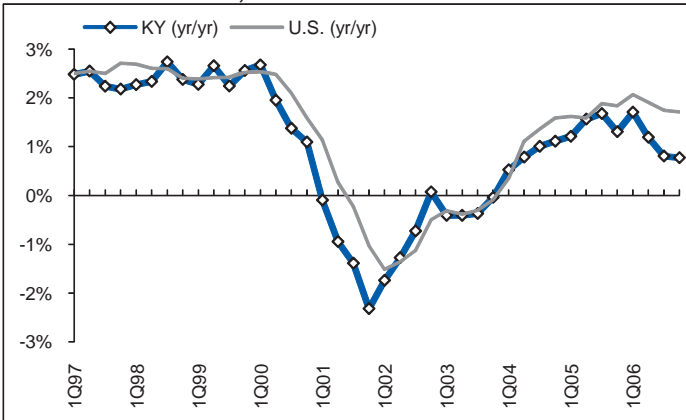
2) Absolute Domestic Migration,

Cumulative, 1997-2006: 71,995 Rank: 14th



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: 10.4% Rank: 32nd



1) Top Marginal Personal Income

Tax Rate: 8.20% Rank: 42nd

2) Top Marginal Corporate Income

Tax Rate: 9.20% Rank: 41st

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$5.17 Rank: 20th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$19.61 Rank: 8th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$22.74 Rank: 15th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$22.49 Rank: 37th**

7) Estate/Inheritance Tax

Levied?: Yes Rank: 28th

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **\$2.02 Rank: 44th**

9) Debt Service as a % of

Total Tax Revenue: 13.9% Rank: 49th

10) Public Employees Per 10,000

of Population (full-time equivalent): 579.6 Rank: 34th

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **60.8 Rank: 32nd**

12) State Minimum Wage:

(federal floor is \$5.85) **\$5.85 Rank: 1st**

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$3.78 Rank: 47th**

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) **1 Rank: 13th**

16) Education Freedom Index Score:

(vouchers, ease of private/home schooling, etc.) **1.44 Rank: 43rd**