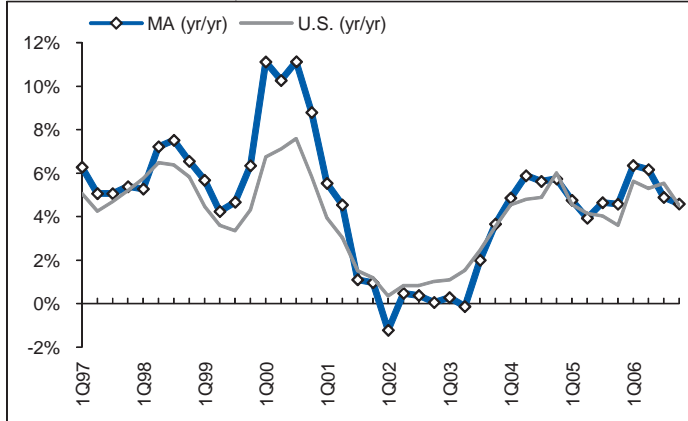


Economic Performance Rank 35 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

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.

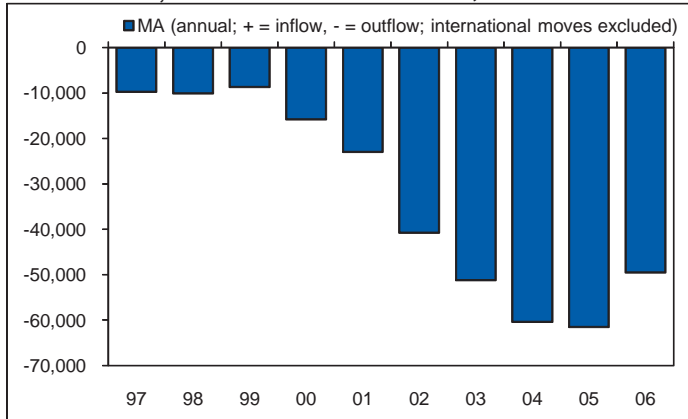
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: **58.5%** Rank: **5th**



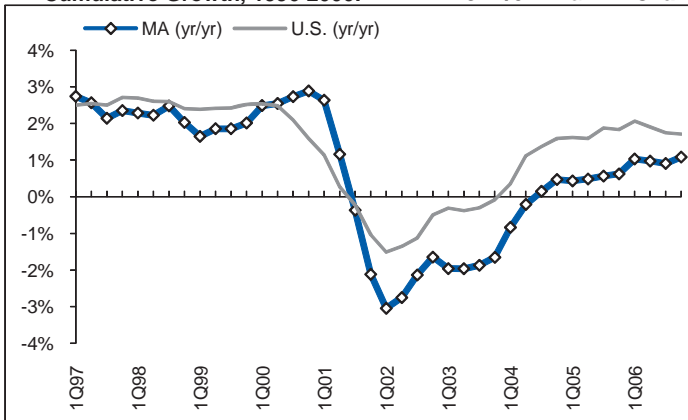
2) Absolute Domestic Migration,

Cumulative, 1997-2006: **-330,657** Rank: **44th**



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: **6.7%** Rank: **43rd**



1) Top Marginal Personal Income

Tax Rate: **5.30%** Rank: **19th**

2) Top Marginal Corporate Income

Tax Rate: **9.50%** Rank: **44th**

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$2.53** Rank: **17th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$37.63** Rank: **35th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$14.35** Rank: **8th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$12.66** Rank: **2nd**

7) Estate/Inheritance Tax

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

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **-\$0.61** Rank: **10th**

9) Debt Service as a % of

Total Tax Revenue: **12.8%** Rank: **48th**

10) Public Employees Per 10,000

of Population (full-time equivalent): **515.9** Rank: **11th**

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **65.7** Rank: **17th**

12) State Minimum Wage:

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

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$1.70** Rank: **5th**

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.) **1.66** Rank: **36th**