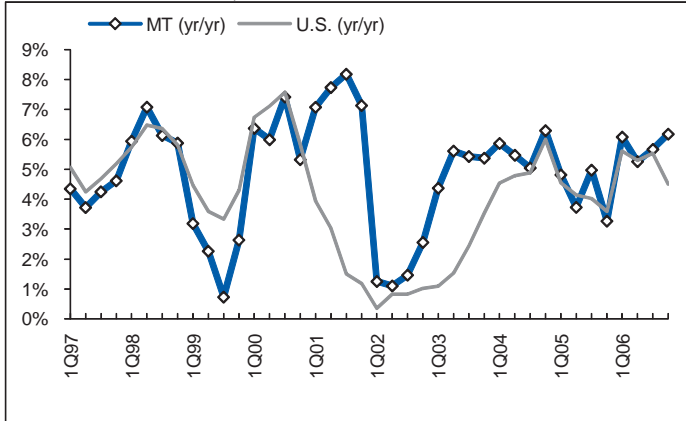


Economic Performance Rank 5 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

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.

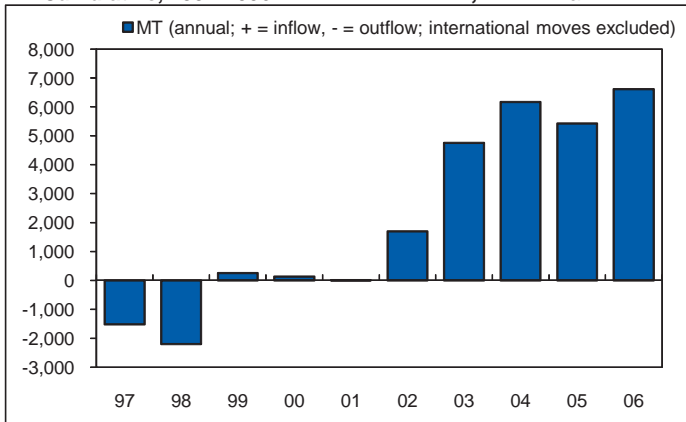
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: **61.0%** Rank: **3rd**



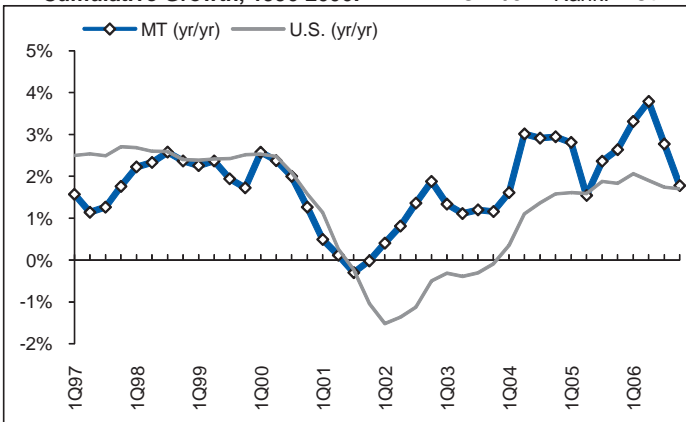
2) Absolute Domestic Migration,

Cumulative, 1997-2006: **21,318** Rank: **21st**



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: **19.7%** Rank: **10th**



1) Top Marginal Personal Income

Tax Rate: **4.49%** Rank: **14th**

2) Top Marginal Corporate Income

Tax Rate: **6.75%** Rank: **21st**

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$5.16** Rank: **19th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$38.58** Rank: **37th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$0.00** Rank: **1st**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$28.75** Rank: **45th**

7) Estate/Inheritance Tax

Levied?: **No** Rank: **1st**

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **\$0.29** Rank: **28th**

9) Debt Service as a % of

Total Tax Revenue: **8.1%** Rank: **22nd**

10) Public Employees Per 10,000

of Population (full-time equivalent): **573.6** Rank: **29th**

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **57.2** Rank: **40th**

12) State Minimum Wage:

(federal floor is \$5.85) **\$6.15** Rank: **21st**

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$3.69** Rank: **46th**

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.) **1.79** Rank: **28th**