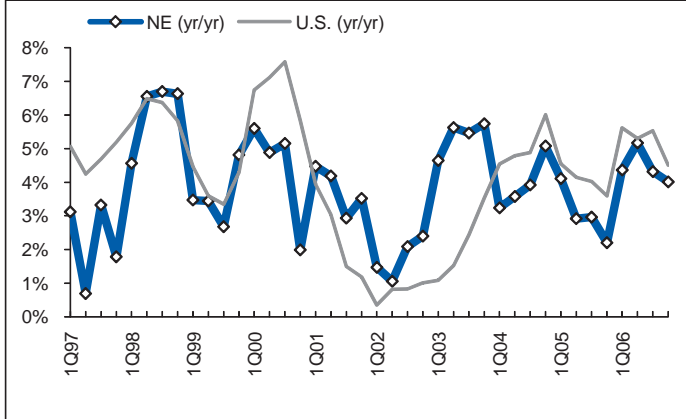


Economic Performance Rank 41 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

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.

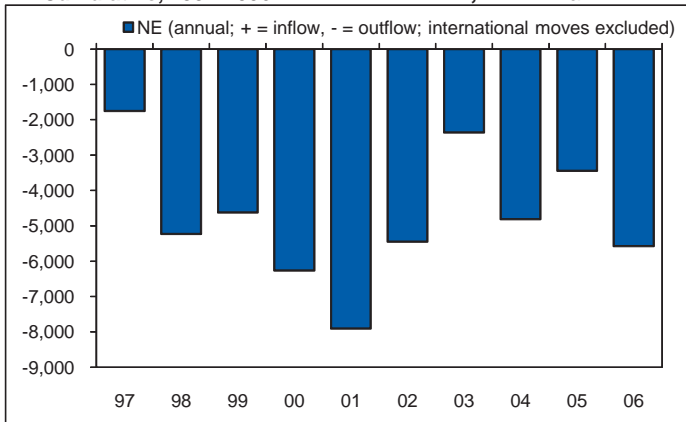
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: **46.1%** Rank: **39th**



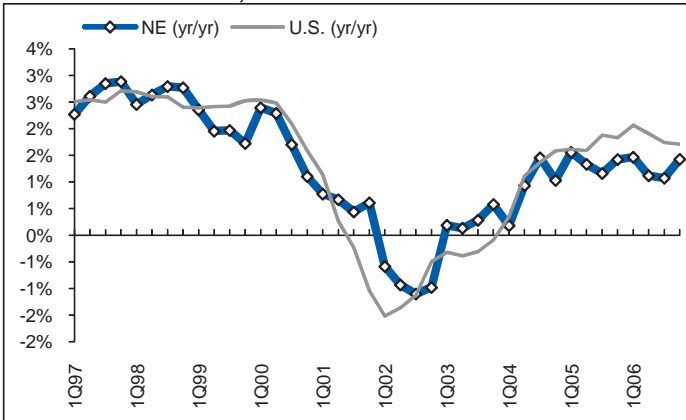
2) Absolute Domestic Migration,

Cumulative, 1997-2006: **-47,438** Rank: **37th**



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: **13.4%** Rank: **26th**



1) Top Marginal Personal Income

Tax Rate: **6.84%** Rank: **31st**

2) Top Marginal Corporate Income

Tax Rate: **7.81%** Rank: **31st**

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$16.05** Rank: **45th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$36.86** Rank: **34th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$32.32** Rank: **37th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$20.60** Rank: **32nd**

7) Estate/Inheritance Tax

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

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **\$0.11** Rank: **23rd**

9) Debt Service as a % of

Total Tax Revenue: **6.4%** Rank: **5th**

10) Public Employees Per 10,000

of Population (full-time equivalent): **664.4** Rank: **47th**

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **70.0** Rank: **3rd**

12) State Minimum Wage:

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

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$2.25** Rank: **19th**

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.) **2.02** Rank: **18th**