

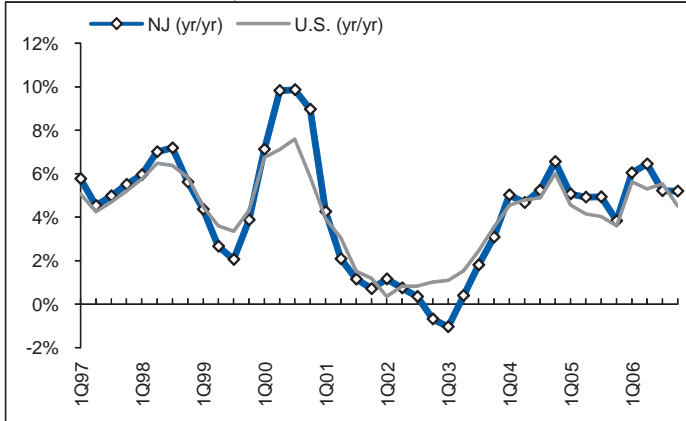


Economic Performance Rank 38 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

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.

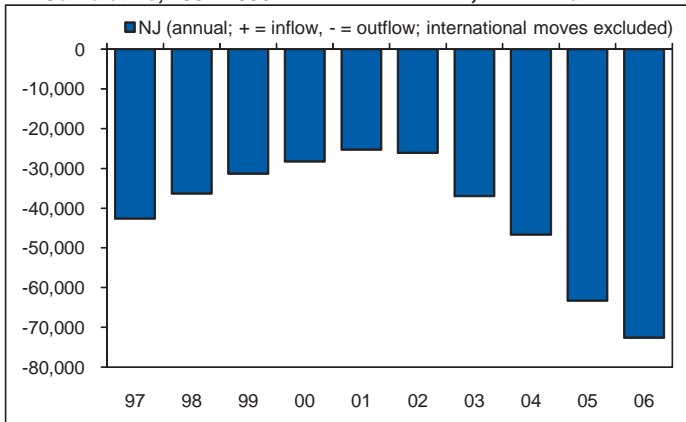
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: **52.0%** Rank: **20th**



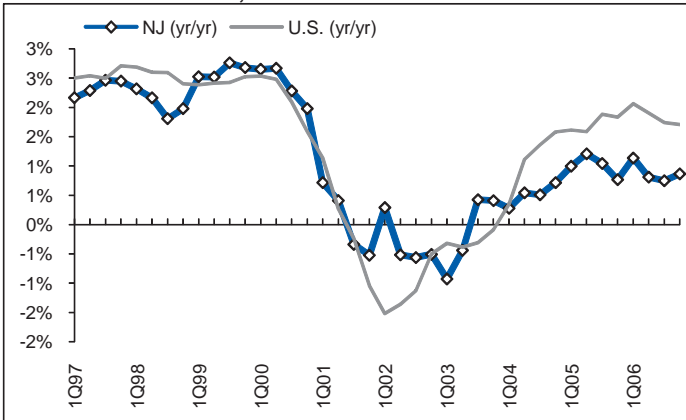
2) Absolute Domestic Migration,

Cumulative, 1997-2006: **-409,409** Rank: **47th**



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: **12.0%** Rank: **30th**



1) Top Marginal Personal Income

Tax Rate: **8.97%** Rank: **46th**

2) Top Marginal Corporate Income

Tax Rate: **9.00%** Rank: **39th**

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$24.81** Rank: **49th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$51.69** Rank: **48th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$17.76** Rank: **10th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$15.65** Rank: **9th**

7) Estate/Inheritance Tax

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

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **\$3.84** Rank: **50th**

9) Debt Service as a % of

Total Tax Revenue: **6.3%** Rank: **4th**

10) Public Employees Per 10,000

of Population (full-time equivalent): **586.6** Rank: **36th**

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **63.4** Rank: **26th**

12) State Minimum Wage:

(federal floor is \$5.85) **\$7.15** Rank: **38th**

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$2.52** Rank: **29th**

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) **0** Rank: **29th**

16) Education Freedom Index Score:

(vouchers, ease of private/home schooling, etc.) **2.43** Rank: **2nd**