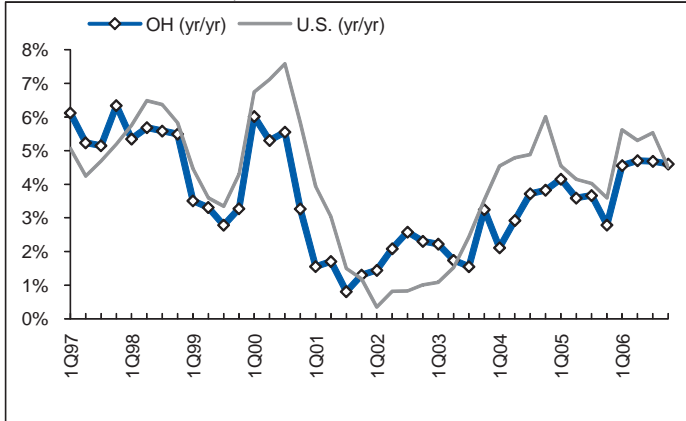


Economic Performance Rank 49 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

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.

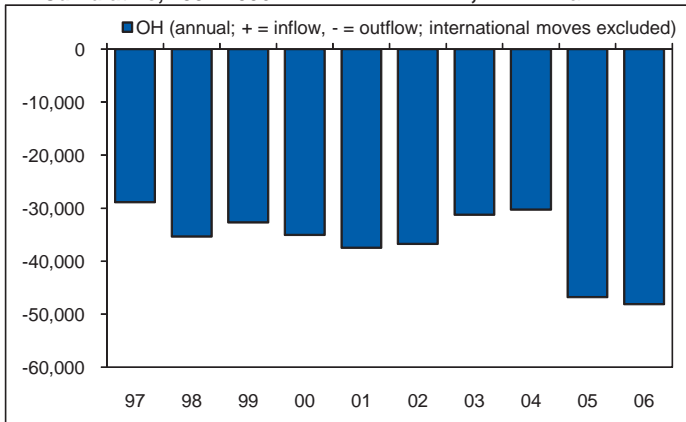
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: **42.9%** Rank: **47th**



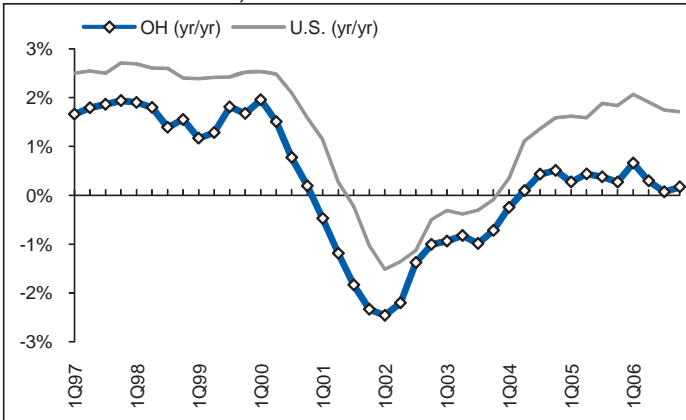
2) Absolute Domestic Migration,

Cumulative, 1997-2006: **-362,601** Rank: **45th**



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: **2.8%** Rank: **48th**



1) Top Marginal Personal Income

Tax Rate: **8.87%** Rank: **45th**

2) Top Marginal Corporate Income

Tax Rate: **10.50%** Rank: **48th**

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$15.92** Rank: **44th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$32.52** Rank: **29th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$26.80** Rank: **28th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$14.80** Rank: **4th**

7) Estate/Inheritance Tax

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

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **\$3.15** Rank: **49th**

9) Debt Service as a % of

Total Tax Revenue: **7.7%** Rank: **16th**

10) Public Employees Per 10,000

of Population (full-time equivalent): **537.3** Rank: **22nd**

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **63.9** Rank: **24th**

12) State Minimum Wage:

(federal floor is \$5.85) **\$6.85** Rank: **36th**

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$3.00** Rank: **39th**

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.) **1.82** Rank: **26th**