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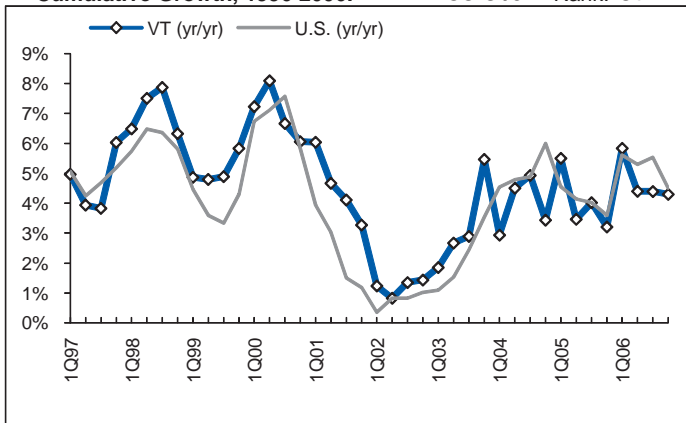
Vermont

Economic Outlook Rank

Economic Performance Rank 17 (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.

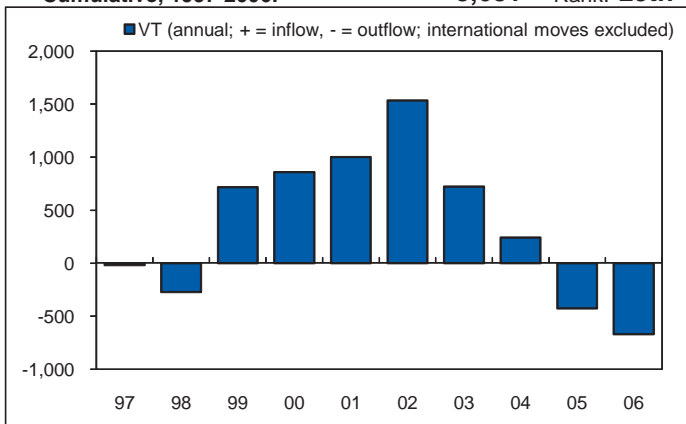
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: 55.9% Rank: 9th



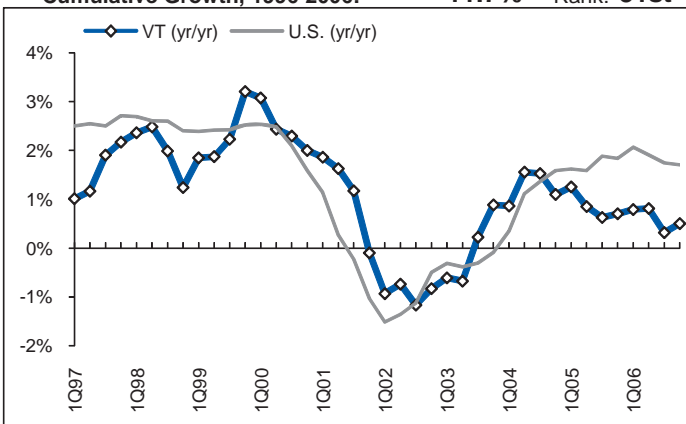
2) Absolute Domestic Migration,

Cumulative, 1997-2006: 3,681 Rank: 25th



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: 11.7% Rank: 31st



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) Top Marginal Personal Income

Tax Rate: 9.50% Rank: 48th

2) Top Marginal Corporate Income

Tax Rate: 8.90% Rank: 37th

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$21.28 Rank: 47th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$49.68 Rank: 47th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$13.55 Rank: 7th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$30.31 Rank: 47th**

7) Estate/Inheritance Tax

Levied?: Yes Rank: 28th

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **\$1.79 Rank: 42nd**

9) Debt Service as a % of

Total Tax Revenue: 7.9% Rank: 19th

10) Public Employees Per 10,000

of Population (full-time equivalent): 643.4 Rank: 43rd

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **62.5 Rank: 27th**

12) State Minimum Wage:

(federal floor is \$5.85) **\$7.53 Rank: 47th**

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$3.24 Rank: 44th**

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.) **1.83 Rank: 25th**