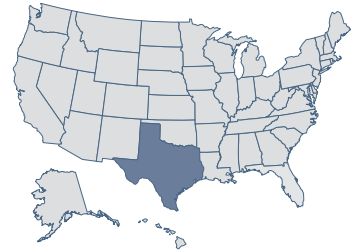


Texas

1 Economic Performance
Rank: 2009

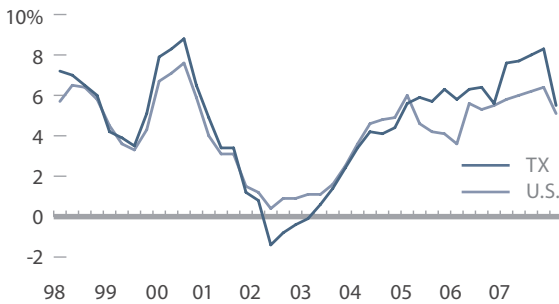
10 Economic Outlook
Rank: 2009



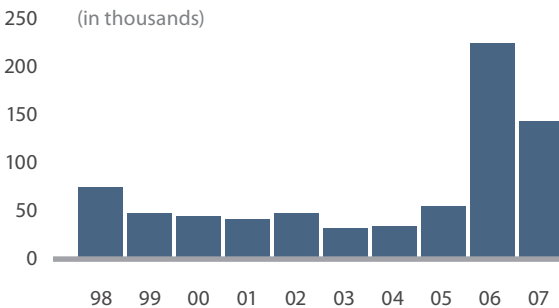
Economic Performance Rank (1=best 50=worst)
A historical measure based on a state's performance (equally weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

Economic Outlook Rank (1=best 50=worst)
A forecast based on a state's standing (equally weighted average) in the 15 important state policy variables shown below. Data reflect state + local rates and revenues and any effect of federal deductibility.

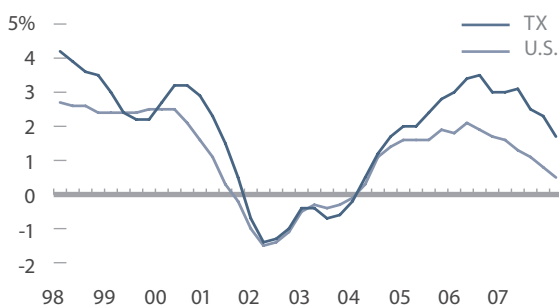
Personal Income Per Capita Cumulative Growth 1997-2007 **55.8%** **Rank: 14**



Absolute Domestic Migration Cumulative 1998-2007 **736,903** **Rank: 3**



Non-Farm Payroll Employment Cumulative Growth 1997-2007 **20.3%** **Rank: 8**



Historical Ranking Comparison
2008 ECONOMIC OUTLOOK RANK

13

| Variable | Data | Rank |
|--|---------|------|
| Top Marginal Personal Income Tax Rate | 0.00% | 1 |
| Top Marginal Corporate Income Tax Rate | 5.00% | 8 |
| Personal Income Tax Progressivity (change in tax liability per \$1,000 of income) | \$0.00 | 2 |
| Property Tax Burden (per \$1,000 of personal income) | \$41.06 | 40 |
| Sales Tax Burden (per \$1,000 of personal income) | \$23.31 | 27 |
| Remaining Tax Burden (per \$1,000 of personal income) | \$18.12 | 24 |
| Estate/Inheritance Tax Levied? | No | 1 |
| Recently Legislated Tax Changes (2007 & 2008, per \$1,000 of personal income) | -\$3.92 | 2 |
| Debt Service as a Share of Tax Revenue | 9.5% | 43 |
| Public Employees Per 10,000 of Population (full-time equivalent) | 562.2 | 28 |
| State Liability System Survey (tort litigation treatment, judicial impartiality, etc.) | 56.8 | 41 |
| State Minimum Wage (federal floor is \$6.55) | \$6.55 | 1 |
| Average Workers' Compensation Costs (per \$100 of payroll) | \$2.61 | 34 |
| Right-to-Work State? (option to join or support a union) | Yes | 1 |
| Number of Tax or Expenditure Limits (0= least/worst, 3=most/best) | 1 | 13 |