

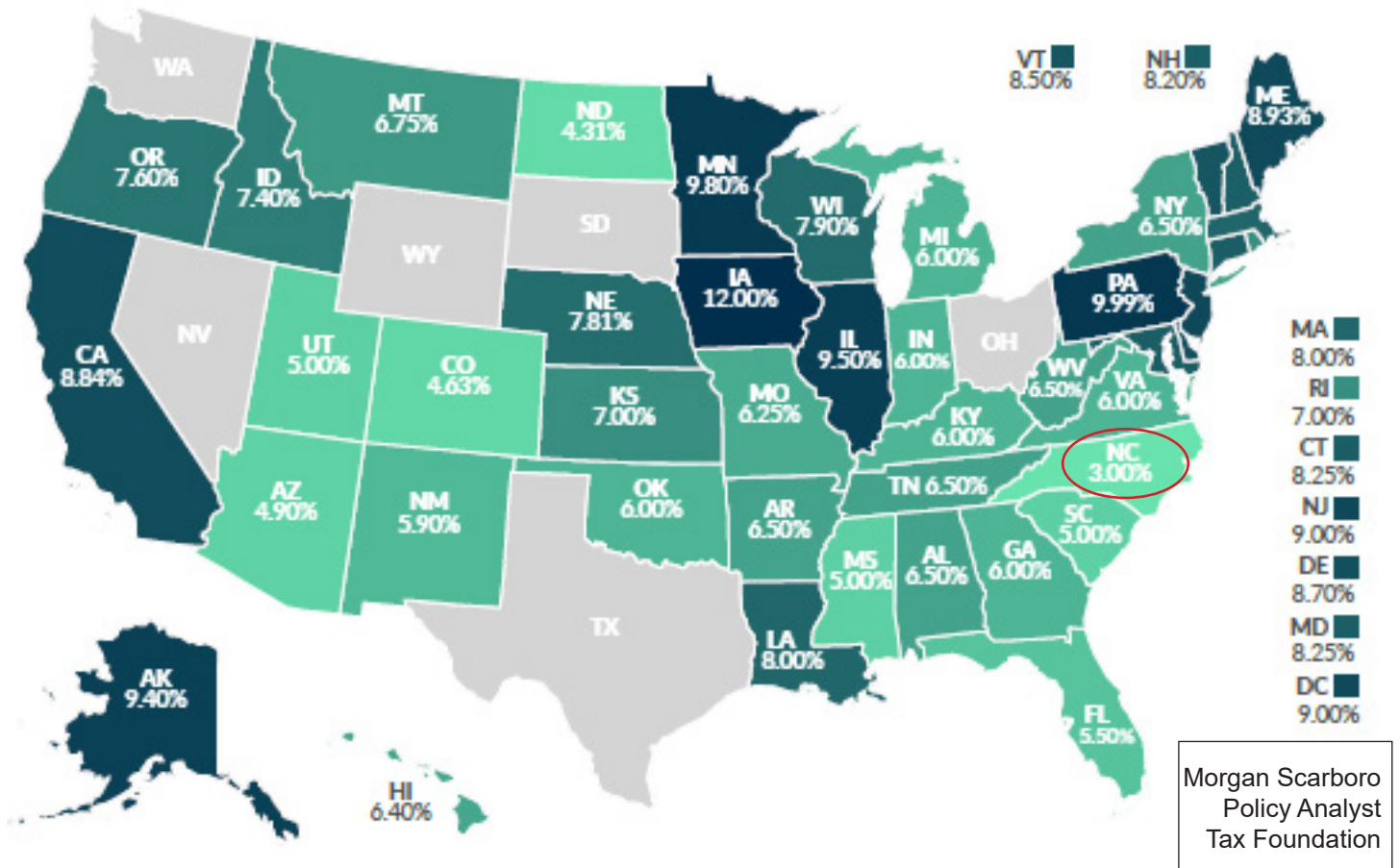
## Key Findings

- Forty-four states levy a corporate income tax. Rates range from **3 percent in North Carolina** to 12 percent in Iowa.
- Six states — Alaska, Illinois, Iowa, Minnesota, New Jersey, and Pennsylvania, and the District of Columbia — levy top marginal corporate income tax rates of 9 percent or higher.
- Seven states — Arizona, Colorado, Mississippi, **North Carolina**, North Dakota, South Carolina, and Utah — have top rates at or below 5 percent.
- Nevada, Ohio, Texas, and Washington impose gross receipts taxes instead of corporate income taxes. Gross receipts taxes are generally thought to be more economically harmful than corporate income taxes.
- South Dakota and Wyoming are the only states that do not levy a corporate income or gross receipts tax.

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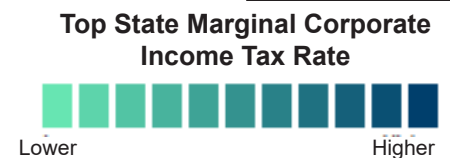
## How High Are Corporate Income Tax Rates in Your State?

Top State Marginal Corporate Income Tax Rates in 2018



Note: (\*) Nevada, Ohio, Texas, and Washington do not have a corporate income tax but do have a gross receipts tax with rates not strictly comparable to corporate income tax rates. Arkansas has a "benefit recapture," by which corporations with more than \$100,000 of taxable income pay a flat tax of 6.5% on all income, not just on amounts above the benefit threshold. Connecticut's rate includes a 10% surtax, which effectively increases the rate from 7.5% to 8.25%. Surtax is required by businesses with at least \$100 million annual gross income. Illinois' rate includes two separate corporate income taxes, one at a 7.0% rate and one at a 2.5% rate.

Source: State tax statutes, forms, and instructions; Bloomberg BNA



<u>State</u>	<u>Rates</u>	<u>Brackets</u>
Ala.	6.50% >	\$0
Alaska	0.00% >	\$0
	2.00% >	\$25,000
	3.00% >	\$49,000
	4.00% >	\$74,000
	5.00% >	\$99,000
	6.00% >	\$124,000
	7.00% >	\$148,000
	8.00% >	\$173,000
	9.00% >	\$198,000
	9.40% >	\$222,000
Ariz.	4.90% >	\$0
Ark. (a)	1.00% >	\$0
	2.00% >	\$3,000
	3.00% >	\$6,000
	5.00% >	\$11,000
	6.00% >	\$25,000
	6.50% >	\$100,000
Calif.	8.84% >	\$0
Colo.	4.63% >	\$0
Conn. (b)	8.25% >	\$0
Del. (c)	8.70% >	\$0
Fla.	5.50% >	\$0
Ga.	6.00% >	\$0
Hawaii	4.40% >	\$0
	5.40% >	\$25,000
	6.40% >	\$100,000
Idaho	7.40% >	\$0
Ill. (d)	9.50% >	\$0
Ind. (e)	6.25% >	\$0

<u>State</u>	<u>Rates</u>	<u>Brackets</u>
Iowa	6.00% >	\$0
	8.00% >	\$25,000
	10.00% >	\$100,000
	12.00% >	\$250,000
Kans.	4.00% >	\$0
	7.00% >	\$50,000
Ky.	4.00% >	\$0
	5.00% >	\$50,000
	6.00% >	\$100,000
La.	4.00% >	\$0
	5.00% >	\$25,000
	6.00% >	\$50,000
	7.00% >	\$100,000
	8.00% >	\$200,000
Maine	3.50% >	\$0
	7.93% >	\$25,000
	8.33% >	\$75,000
	8.93% >	\$250,000
Md.	8.25% >	\$0
Mass.	8.00% >	\$0
Mich.	6.00% >	\$0
Minn.	9.80% >	\$0
Miss.	0.00% >	\$0
	3.00% >	\$1,000
	4.00% >	\$5,000
	5.00% >	\$10,000
Mo.	6.25% >	\$0
Mont.	6.75% >	\$0
Nebr.	5.58% >	\$0
	7.81% >	\$100,000

<u>State</u>	<u>Rates</u>	<u>Brackets</u>
Nev. (c)		
N.H.	8.20% >	\$0
N.J. (f)	9.00% >	\$100,000
N.M. (g)	4.80% >	\$0
	5.90% >	\$500,000
N.Y.	6.50% >	\$0
N.C.	3.00% >	\$0
N.D.	1.41% >	\$0
	3.55% >	\$25,000
	4.31% >	\$50,000
Ohio (c)		
Okla.	6.00% >	\$0
Ore.	6.60% >	\$0
	7.60% >	\$1,000,000
Pa.	9.99% >	\$0
R.I.	7.00% >	\$0
S.C.	5.00% >	\$0
S.D.	None	
Tenn.	6.50% >	\$0
Tex. (c)		
Utah	5.00% >	0
Vt.	6.00% >	\$0
	7.00% >	\$10,000
	8.50% >	\$25,000
Va. (c)	6.00% >	\$0
Wash. (c)		
W.Va.	6.50% >	\$0
Wis.	7.90% >	\$0
Wyo.	None	
D.C.	9.00% >	\$0

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