

2016 State Business Tax Burden Rankings

7th Edition

Anderson Economic Group Annual Report

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I. Executive Summary

PURPOSE

The following report is the seventh edition in an annual series presenting Anderson Economic Group's state business tax burden rankings for all 50 states and the District of Columbia.

The purposes of this report are to:

- Identify the major state and local taxes paid by businesses,
- Estimate the total amount of state and local taxes paid in 2014 by businesses in each state,
- Estimate each state's business tax burden in 2014, and
- Rank all 50 states and the District of Columbia by the 2014 business tax burden.

Business tax burden is an objective measure of the total state and local taxes paid by businesses as a share of pre-tax operating margin (similar to profits). The rankings and other information in this report allow businesses, policy makers, and other stakeholders to compare the tax burdens imposed on employers in different states, and which taxes contribute to those burdens. For our complete business tax burden rankings, see Exhibit I on page 16.

We also include state business tax reliance, a measure of taxes collected from businesses as a share of total tax collections. This measure shows the extent to which state and local governments rely on business taxes to fund the public sector. See Exhibit IV on page 19 for our business tax reliance estimates.

OUR APPROACH

We quantify the burden of state and local taxes on businesses for all 50 states and the District of Columbia by estimating the actual amount of tax paid directly by businesses relative to businesses' pre-tax operating margin (one measure of a business's "ability to pay" these taxes). We do not estimate the *incidence* of these taxes—the extent to which the tax burden is passed on to consumers, employees, and shareholders, respectively.

This approach provides a comprehensive, objective measure of the state and local tax burden. Contrary to other tax indexes or tax rankings, we do not weight some taxes more than others, nor do we rely on any subjective assessments of which taxes or forms of taxation are better than others. We aggregate the tax burden across all industries within a state, though particular taxes have different effects on different industries.

We used over a dozen state and national sources to collect this information on 11 different categories of taxes, including property, income, sales, excise, license, severance, and other taxes. When we make comparisons to last year's estimates, we use updated estimates that take into account new data released since last year's report. We fully describe our methods, and all data that we use is publicly available. See "Methodology" on page 10 for more information.

KEY FINDINGS

Our research and analysis resulted in the following major findings:

- U.S. businesses paid \$642 billion in state and local taxes in 2014.
- Nationally, property taxes and general sales taxes make up the largest share of state and local business tax burden, accounting for 60% of total state and local taxes paid by business in 2014.
- Business tax burdens vary widely between states. The two lowest-burden states collected under 7% of business operating margin, while the six highest-burden states collected over 13% of operating margin. For a list of the ten states with the lowest business tax burden, see Table 1 below. For a full ranking, see Exhibit I on page 16.

TABLE 1. States with Lowest Business Tax Burdens, 2014

Rank		Business Tax Burden
1	Oregon	6.6%
2	North Carolina	6.7%
3	South Dakota	7.1%
4	Iowa	7.2%
5	Oklahoma	7.2%
6	Indiana	7.3%
7	Utah	7.4%
8	Louisiana	7.4%
9	Delaware	7.5%
10	Georgia	7.5%
<i>U.S. State Average</i>		<i>9.1%</i>

Note: Rankings include the District of Columbia. Business tax burden is defined as the share of pre-tax gross operating surplus in the state paid in state and local taxes.

Source: Anderson Economic Group analysis and estimates using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

- The two states with the highest tax burdens, by far, are North Dakota (ranked 51st) and Alaska (50th), each of whom place high severance taxes on resource extraction.
- Business tax reliance varies considerably among states, from 30% in Maryland to 81% in Alaska. Beside the similar effect of high severance taxes on the two measures, there is almost no correlation between business tax burden and business tax reliance.

ABOUT ANDERSON ECONOMIC GROUP

Anderson Economic Group, LLC, is a boutique research and consulting firm, with offices in Chicago, Illinois; East Lansing, Michigan; and Istanbul, Turkey. The experts at AEG specialize in economics, public policy, business valuation, and industry analyses. They have conducted nationally-recognized economic and fiscal impact studies for private, public, and non-profit clients across the United States.

We assist policy makers, businesses, universities, and investors in analyzing the overall effects of change. Whether the change stems from proposed legislation, a business expansion, demographic shifts, loss of a major employer, or any of a variety of other sources, our team can provide the rigorous and unbiased assessments that leaders need for informed decision making.

Expertise

Our consultants use advanced analytical techniques to provide our clients with the unbiased assessments needed for informed decision making. We use proven methodologies as well as custom simulation models that are specifically tailored for each project, while properly accounting for direct and indirect effects, substitution or displacement of existing activity, and migration of customers and workers to new locations.

Our insistence on these standards results in a high-quality analysis, on which knowledgeable stakeholders place a high degree of credibility. We provide services and expertise in topics including:

- Economic Impact Studies
- Fiscal Impact Studies
- Tax Policy Analyses
- Benchmarking Studies
- Business Climate Assessments
- Cost-Benefit Analyses

Experience

The Anderson Economic Group team has worked on policy issues ranging from tax reform and energy regulation to pensions and health care. We have assisted clients in both the public and private sectors. Our recent clients include multinational firms, non-profit organizations, public universities, and city and state governments throughout the country.

Work by AEG has been utilized in legislative hearings, legal proceedings, and public debates, as well as major planning exercises and executive strategy discussions. For more information, please see “About Anderson Economic Group” on page 8 or visit www.AndersonEconomicGroup.com.

II. State and Local Business Taxes

Businesses pay many different taxes at the state and local level. We have identified 11 types of state and local taxes paid by business totaling \$642 billion for all state and local governments combined in 2014, as shown in Table 2.

TABLE 2. Total State and Local Taxes Paid by Businesses, 2014

Type of Tax	Total Taxes Paid (billions of \$)	% of Total
Property tax	\$259.1	40.4%
General sales tax	\$126.9	19.8%
Corporate income tax	\$54.2	8.5%
Unemployment compensation tax	\$45.4	7.1%
License fees	\$35.2	5.5%
Individual income tax on pass-thru business income	\$35.2	5.5%
Public utilities sales tax	\$28.4	4.4%
Selective sales tax	\$24.0	3.7%
Severance tax	\$18.0	2.8%
Motor fuel excise tax	\$8.9	1.4%
Gross receipts tax	\$6.5	1.0%
Total State and Local Taxes Paid by Businesses	\$641.8	100%

Source: Anderson Economic Group analysis and estimates, using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

The corporate income tax is often seen as the most important state or local tax on businesses. However, as shown in Table 2, of the 11 categories of state and local business tax we identify, corporate income tax accounts for under 10% of the total burden for all states combined. This is well behind the property tax and the general sales tax. Note we include only taxes paid by businesses directly. For example, we include only the amount of general sales tax paid on goods and services purchased *by businesses*, as opposed to sales tax paid on personal consumption by households. Similarly, we exclude any property taxes paid for owner-occupied residences.

For our complete business tax burden rankings, see Exhibit I on page 16.

STATE BUSINESS TAX BURDEN RANKINGS

We ranked all 50 states and the District of Columbia on their respective business tax burdens. A rank of “1” indicates the state with the lowest tax burden. We define business tax burden as the share of pre-tax gross operating surplus (a measure of profits) paid in state and local taxes. The ten states with the lowest business tax burden and the ten states with the highest business tax burden are

shown in Table 3 below. Nationally, businesses had an average state and local business tax burden of 9.1% in 2014, down from 9.4% in 2013.

TABLE 3. States with Lowest and Highest Business Tax Burdens, 2014

Ten States with Lowest Business Tax Burdens			Ten States with Highest Business Tax Burdens		
Rank		Business Tax Burden	Rank		Business Tax Burden
1	Oregon	6.6%	42	Wyoming	11.9%
2	North Carolina	6.7%	43	District of Columbia	12.0%
3	South Dakota	7.1%	44	New Mexico	12.6%
4	Iowa	7.2%	45	Rhode Island	12.6%
5	Oklahoma	7.2%	46	Hawaii	13.0%
6	Indiana	7.3%	47	West Virginia	13.4%
7	Utah	7.4%	48	Maine	13.9%
8	Louisiana	7.4%	49	Vermont	14.6%
9	Delaware	7.5%	50	Alaska	16.8%
10	Georgia	7.5%	51	North Dakota	19.2%
U.S. State Average			9.1%		

Note: Rankings include the District of Columbia. Business tax burden is defined as the share of pre-tax gross operating surplus in the state paid in state and local taxes.

Source: Anderson Economic Group analysis and estimates using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

Ten States with Lowest Tax Burdens. The ten states with the lowest tax burdens vary in their characteristics and taxing behavior. Oregon has no general sales tax, but otherwise is not among the ten lowest-burden states in any particular tax category. It has generally below-average business taxes across the board. North Carolina has a relatively low sales tax burden and low property tax burden, but otherwise ranks in the middle of the pack. South Dakota has relatively high license fees and sales taxes, but has no individual income tax, very low corporate income taxes, and low unemployment insurance costs.

Ten States with Highest Tax Burdens. The ten states with the highest tax burdens also vary in their taxing strategies. Alaska and North Dakota both have by far the highest severance taxes as a proportion of operating margin, resulting in their place at the bottom of the rankings. Meanwhile, Alaska has no individual income tax and low public utilities taxes and North Dakota has low property taxes. As a result, businesses in non-extractive industries (which do not directly pay severance taxes) do not face a high tax burden in Alaska and North Dakota.

Vermont has a relatively high burden due to high property, fuel, individual income, corporate income, and unemployment compensation taxes. Maine has the highest property taxes in the country for businesses, as well as relatively high individual income taxes and license fees.

See Exhibit III on page 18 for a breakdown of tax burdens by tax category in each state.

CHANGE IN BUSINESS TAX BURDEN FROM 2013 TO 2014

As one might expect in a growing economy, overall business tax revenues at the state and local level increased from 2013 to 2014, from \$635 billion to \$642 billion. However, this tax revenue increase was outpaced by gross operating surplus growth, nationwide, such that the total burden of state and local taxes actually decreased. In 2014 the business tax burden nationwide was 9.1%, down from 9.4% in 2013.¹

Biggest Rise in Rankings. We show the states with the biggest rise in our business tax burden rankings in Table 4 below. Iowa moved up from 13th to 4th in our business tax burden rankings, representing the largest rise in our rankings. Not far behind was Tennessee, which jumped eight spots. Both Ohio and Oklahoma improved their rankings by seven slots, and Nevada improved its ranking by six.

TABLE 4. Biggest Rise in Ranking from 2013 to 2014 (dollar amounts in millions)

State	2 0 1 4			2 0 1 3		
	Rank	Tax Burden	Business Taxes	Rank	Tax Burden	Business Taxes
Iowa	4	7.2%	\$5,629	13	8.2%	\$6,238
Tennessee	14	8.0%	\$9,341	22	8.9%	\$10,115
Oklahoma	5	7.2%	\$5,637	12	8.0%	\$5,964
Ohio	16	8.3%	\$18,868	23	8.9%	\$19,693
Nevada	27	9.5%	\$5,162	33	10.7%	\$5,574

Source: Anderson Economic Group analysis and estimates using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

Iowa saw the largest jump in our rankings, largely due to a nearly 10% year-to-year drop in tax revenue from businesses. Iowa tax collections from businesses through the sales tax, individual income tax, corporate income tax, unemployment compensation, and property tax all dropped by over 8% from 2013 to 2014, while gross operating surplus increased.

Tennessee saw significant reductions in collections from business through unemployment compensation taxes and the general sales tax. Corporate income taxes and unemployment compensation taxes were both down dramatically in Oklahoma in 2014. Meanwhile, dramatic reductions in tax rates for individual and corporate income taxes in Ohio cut its income tax revenues considerably.

1. Using more recent data on tax collections and state economies, we have updated our tax burden estimates from last year's report. The numbers presented for 2013 in this year's report will not match exactly with those estimated last year.

Finally, a large drop in Nevada business taxes stems from a drop in severance tax revenues, as well as general sales taxes collected on business purchases.

Biggest Drop in Rankings. The two states with the biggest drop in our business tax burden rankings were Nebraska and Texas, as shown in Table 5 below. Nebraska fell the most spots in the rankings, going from 8th to 15th in 2014. Texas fell five slots to 12th. Five states saw their rankings drop four spots and are not shown in Table 5.

TABLE 5. Biggest Drop in Ranking from 2013 to 2014 (dollar amounts in millions)

State	2 0 1 4			2 0 1 3		
	Rank	Tax Burden	Business Taxes	Rank	Tax Burden	Business Taxes
Nebraska	15	8.0%	\$4,148	8	7.7%	\$3,822
Texas	12	7.8%	\$61,207	7	7.6%	\$56,439

Source: Anderson Economic Group analysis and estimates using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

Nebraska's drop in the rankings is primarily attributable to a significant increase in estimated property taxes paid by businesses. The state also saw a significant increase in corporate income tax revenues and motor fuel sales tax collections from businesses. Texas's business taxes increased by nearly \$5 billion from 2013 to 2014. The state collected more taxes from businesses in every category except for unemployment compensation taxes. The largest contributors to the increase were property taxes and severance taxes.

STATE BUSINESS TAX RELIANCE

State business tax *reliance* is a separate measure from business tax burden. A state's business tax reliance reflects all state and local taxes collected from businesses as a share of total state and local tax revenues. Importantly, *tax revenues* do not include other revenues such as federal grants, interest revenue, insurance premiums, pension contributions, fines, and charges for service.

Taxes paid by businesses made up 42% of total state and local tax collections nationwide in 2014. States vary significantly in their reliance on taxes paid by businesses, from 30% in Maryland to 81% in Alaska.

In those states with the highest reliance on business taxes, the importance of severance taxes is even more pronounced than in our business tax burden measure. North Dakota, Wyoming, and Alaska all receive at least 24% of state and local tax collections in the form of severance taxes. However, when we exclude high-severance-tax states, there is virtually no correlation between a state's business tax reliance and its business tax burden.

See Exhibit IV on page 19 for our full business tax reliance rankings.

III. About Anderson Economic Group

Anderson Economic Group LLC is a research and consulting firm with expertise in tax analysis, economics, public policy, financial valuation, and market research. We specialize in providing research and consulting in economics, finance, public policy, and market assessments. Our approach to work in these fields is based on our core principles of professionalism, integrity, and expertise.

We insist on a high level of integrity in our analyses, together with technical expertise in the field. For these reasons, work by Anderson Economic Group is commonly used in legislative hearings, legal proceedings, and executive strategy discussions.

Since our founding in 1996, our analysis has helped publicly-held corporations, private businesses, governments, and non-profit organizations. Our work has included markets throughout the United States, as well as in Canada, Mexico, and Barbados.

We have analyzed all 50 states in past tax burden studies and market analyses, as well as our book *The State Economic Handbook* (Palgrave Macmillan).

AEG's past clients include:

- Governments, such as the states of Kentucky, Michigan, North Carolina, and Wisconsin; the cities of Detroit, MI, Cincinnati, OH, Norfolk, VA, and Fort Wayne, IN; counties such as Oakland County, Michigan, and Collier County, Florida; and authorities such as the Detroit-Wayne County Port Authority.
- Corporations such as CVS Caremark, GM, Ford, Delphi, Honda, Metaldyne, Taubman Centers, The Detroit Lions, PG&E Generating, SBC, Gambrinus, Labatt USA, and InBev USA, automobile dealers and dealership groups representing Toyota, Honda, Chrysler, Mercedes-Benz, and other brands.
- Nonprofit organizations, such as Michigan State University, Wayne State University, the University of Chicago, Pennsylvania Association of Realtors, the Hall Foundation, the Van Andel Institute, the Michigan Manufacturers Association, International Mass Retailers Association, American Automobile Manufacturers Association, Automation Alley, and the Michigan Chamber of Commerce.

Visit AEG's website at: www.AndersonEconomicGroup.com.

ABOUT THE AUTHORS

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About Anderson Economic Group

Alexander L. Rosaen. Mr. Rosaen is a Senior Consultant at Anderson Economic Group, and the Director of Public Policy and Economic Analysis. Mr. Rosaen’s background is in applied economics and public finance.

Patrick L. Anderson. Mr. Anderson founded Anderson Economic Group in 1996, and serves as a Principal and Chief Executive Officer in the company. He has written over 100 published works, including the just-released *Economics of Business Valuation* from Stanford University Press. Two of his articles, “Pocketbook Issues and the Presidency” and “The Value of Private Businesses in the United States” have each been awarded for outstanding writing from the National Association of Business Economics. Mr. Anderson penned the executive introduction in the first edition of AEG’s annual business tax burden report.

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IV. Methodology

Our approach to measuring the state and local tax burden is to estimate the total amount of state and local taxes paid by businesses in each state and the District of Columbia, and divide it by a measure of business operating margin. This approach has the advantage of providing an objective measure which does not impose any external set of tax policy preferences. Our tax burden measure does not attempt to consider “fairness,” business decisions at the margin, the effects of different taxes on different types of business operations, or the incidence of any individual tax.

Our approach is laid out in more detail in the remainder of this section.

MEASURE OF GROSS OPERATING SURPLUS

To compare the tax burdens across different states, we divide the total state and local taxes paid in each state by pre-tax gross operating surplus for businesses within that state. We use the Bureau of Economic Analysis’s measure of gross operating surplus. This measure is very similar to net profits, including all business receipts minus the cost of inputs, compensation of employees, and taxes. What remains are corporate profits, proprietors’ income, and consumption of fixed capital (depreciation).

Thus, the only difference between gross operating surplus and a comprehensive measure of after-tax profits is that gross operating surplus does not exclude depreciation of fixed assets. We add back in state and local taxes in order to measure the tax impact as a share of *pre-tax* gross operating surplus. Note that our measure does not attempt to take out *federal* taxes, which are difficult to apportion to businesses on a state-by-state basis.

TAXES PAID BY BUSINESSES

Unless otherwise specified, all state tax collections data is from the U.S. Census of Governments 2014 Annual Survey of State Tax Collections. This source gives comparable tax and revenue data for all 50 states and the District of Columbia. We estimated tax collections for local governments based on 2013 figures reported in the Census of Governments State and Local Government Finances Survey, which we scaled based on 2013-14 growth in state collections.²

In order to estimate the total taxes paid by businesses, we used tax data from eight tax categories:

1. Property
2. License
3. Individual Income
4. Corporate Income

2. Detailed local tax collections data is released later than state data. In order to produce more timely rankings, we estimated local tax collections. One exception to the method described here for estimating local tax collections is for property tax, where we used growth in the 2013-14 statewide taxable value of property.

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5. Unemployment Compensation
6. Severance
7. General Sales and Gross Receipts
8. Selective Sales (motor fuels, public utilities, and other)

For each of the above categories, we allocated some portion of tax collections to businesses (as opposed to households) using the following methodology.

Property taxes. We estimated 2014 local property tax collections based on 2013-14 growth in the statewide taxable value of property. When state-level data was not available, we applied a national growth rate. We allocated the total estimated 2014 state and local property tax collections to businesses based on figures from the 2014 one-year American Community Survey. We calculated business share of property taxes paid as the residual of total property taxes collected in 2014 less property taxes paid on owner-occupied units. We treat rental housing as business property and include property taxes paid on rental housing in our estimates.

License taxes and fees. We allocated 100% of amusement, corporation, public utility, occupation and business, and alcoholic beverages license taxes and fees to businesses. We allocated motor vehicle and motor vehicle operator license taxes using the ratio of diesel fuel taxes to total fuel taxes (as described in “Motor fuel excise taxes” on the following page).

Individual income tax on pass-through business income. Using data from the IRS Statistics on Income (SOI), we estimated the total adjusted gross income (AGI), total adjusted gross income over \$100,000, and the number of filers who have over \$100,000 in income for each state. We also found these values for filers who receive personal income directly from businesses (S corporations, partnerships, and sole proprietorships). Business owners pay taxes on this income through their individual income tax returns.

We applied the state individual income tax rates in order to estimate the total income tax collected on business income. For the seven states that have a flat tax rate across all income brackets, we applied this flat rate to all business income for individuals (income from S corporations, proprietorships, and partnerships). For states that have a graduated income tax, we calculated an average effective rate on all income below \$100,000, using Census estimates for total income tax collected. We then applied this rate to all business income up to \$100,000, and applied the average marginal rate for incomes at or above \$100,000 in each state to all business income above \$100,000. We calculated average marginal rate for incomes above \$100,000 by taking the weighted average of rates for income over \$100,000 in each state, weighted by the amount of estimated income at those levels.

For this calculation, we assumed that owners’ business income was evenly distributed among all their income. That is, if someone had \$200,000 in total income, our model assumes that half of their business income was taxed at the average effective rate on income below \$100,000 and half of it was taxed at the average marginal rate for incomes above \$100,000.

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Corporate income tax. We allocated 100% of corporate income tax collections to businesses.

Unemployment compensation. We collected total unemployment compensation data from comprehensive annual financial reports (CAFRs) from each of the fifty states and the District of Columbia. We used only revenues from employer contributions. We allocated 100% of estimated state unemployment compensation tax collections to businesses.

Severance taxes. We allocate 100% of severance tax collections to businesses.

General sales taxes. We allocate general sales taxes to businesses based on the estimated share of taxable consumption attributable to businesses in each state.

We estimated business consumption of several hundred commodities by state using Bureau of Economic Analysis (BEA) data on KLEMS Intermediate Use and state gross domestic product by industry. Business consumption of each commodity was estimated by assuming that the share of consumption by each industry that occurred in a given state was equivalent to the share of that industry's national GDP produced in that state. KLEMS Intermediate Use data is no longer available by commodity for 2012 or later. We estimated 2014 numbers by multiplying 2011 data by the change in the larger KLEMS categories—energy, manufactured goods, and services—from 2011 to 2014.

We estimated household consumption of thousands of commodities by state using the Bureau of Labor Statistics (BLS) Consumer Expenditure Survey (CES) public use microdata and summary results. We used the 2015 CCH State Tax Handbook, data from the National Conference of State Legislators, and the websites of tax and Treasury departments for various states to track which commodities were exempt or subject to special rates in each state.

Once we estimated the amount of taxable household consumption and business consumption, we could derive the share of total statewide taxable consumption that was attributable to businesses. We multiplied this share for each state by the total state and local general sales tax collections in 2014, estimated using Census Bureau data.

Gross receipts taxes. We used state government revenue data to isolate gross receipts tax collections in states that levy significant gross receipts taxes as part of their main business tax: Ohio, Pennsylvania, and Washington.³ We allocated 100% of these gross receipts taxes to businesses. We allocated Hawaii's and New Mexico's gross receipt taxes to businesses based on the methodology for general sales tax since Hawaii and New Mexico explicitly allow businesses to recoup the gross receipts tax by applying a pseudo-sales tax to the final sale price of goods and services.

3. District of Columbia and Delaware also have a gross receipts tax, but this revenue is included in other tax categories that are partly or wholly allocated to businesses.

Methodology

Motor fuel excise taxes. We estimated the amount of state gasoline and diesel fuel tax collected for each state in 2014 using data from the U.S. Department of Transportation, Federal Highway Administration (motor fuel usage and fuel tax rates). We allocated a portion of 2014 state and local collections to businesses based on the share of each state's total fuel tax collections attributable to diesel. We assumed that businesses, as opposed to households, generally purchase diesel and pay taxes on those purchases.

Public utilities tax. We allocated 100% of this category to businesses.

Other selective sales tax. This category captures state-specific sales taxes on items other than alcoholic beverages, tobacco, amusement, insurance, motor fuels, lottery, and public utilities. We divided this category evenly between households and businesses.

PREVIOUS YEAR'S RANKINGS AND DETAILED METHODOLOGY

The complete outline of AEG's 2006-08 methodology for apportioning taxes to businesses can be found in Patrick L. Anderson and Caroline M. Sallee, *Benchmarking for Success: A Comparison of State Business Taxes*, Anderson Economic Group (2006). Our method was updated in 2014, as described in the preceding methodology. Prior installments of this study are available on AEG's website.

Our 2015 State Business Tax Burden Rankings analysis has been updated to account for newly available data that was estimated at the time of the report's initial release. All comparisons made to 2013 tax figures and rankings are in reference to this updated analysis.

DATA SOURCES

The complete list of data sources used in this report is as follows:

U.S. Census Bureau. 2013 State and Local Government Finances. *State & Local Summary Tables by Level of Government*. <http://www.census.gov/govs/local/>.

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District of Columbia Office of the Chief Financial Officer. *D.C. Tax Facts, 2015*. Washington, DC: GPO, 2013. <http://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/14%20TAXFACTS.pdf>.

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Internal Revenue Service, Statistics of Income. *Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2013*. http://www.irs.gov/file_source/pub/irs-soi/12in54cm.xls.

2016 State Tax Handbook. CCH Press, 2015.

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Bureau of Economic Analysis. U.S. Dept. of Commerce. *1998-2011 KLEMS Intermediate Use Estimates*.

Bureau of Labor Statistics. U.S. Dept. of Labor. *Consumer Expenditure Survey, Public Use Microdata, 2014*.

U.S. Dept. of Transportation, Federal Highway Administration, "Highway Statistics 2014." <http://www.fhwa.dot.gov/policyinformation/statistics/2013/>.

Official reports on the taxable value of property and on commodity-specific general sales tax exemptions from all fifty states and the District of Columbia, where available.

V. Detailed Tables

Section Contents:

- Exhibit I, “AEG State Business Tax Burden Rankings, 2014”
- Exhibit II, “Total State and Local Taxes Paid by Business, 2014”
- Exhibit III, “State and Local Taxes Paid by Business, Share of Operating Margin, 2014”
- Exhibit IV, “State and Local Business Tax Reliance, 2014”

Exhibit I. AEG State Business Tax Burden Rankings, 2014

Rank	State	Tax Collected from Business (millions)	Share of Pre-Tax Operating Surplus	2013 Rank	2013 Tax Burden
1	Oregon	\$6,558	6.6%	1	6.4%
2	North Carolina	\$13,559	6.7%	2	6.9%
3	South Dakota	\$1,674	7.1%	3	7.2%
4	Iowa	\$5,629	7.2%	13	8.2%
5	Oklahoma	\$5,637	7.2%	12	8.0%
6	Indiana	\$10,267	7.3%	5	7.6%
7	Utah	\$4,216	7.4%	11	7.9%
8	Louisiana	\$9,326	7.4%	4	7.3%
9	Delaware	\$2,291	7.5%	10	7.8%
10	Georgia	\$14,024	7.5%	6	7.6%
11	Missouri	\$8,128	7.5%	9	7.7%
12	Texas	\$61,207	7.8%	7	7.6%
13	Alabama	\$6,204	7.9%	14	8.4%
14	Tennessee	\$9,341	8.0%	22	8.9%
15	Nebraska	\$4,148	8.0%	8	7.7%
16	Ohio	\$18,868	8.3%	23	8.9%
17	Idaho	\$2,238	8.3%	17	8.7%
18	California	\$80,992	8.4%	16	8.6%
19	Colorado	\$10,433	8.4%	15	8.5%
20	Michigan	\$14,074	8.4%	21	8.8%
21	Maryland	\$10,410	8.5%	19	8.8%
22	Kentucky	\$6,249	8.5%	18	8.7%
23	Virginia	\$13,946	8.6%	20	8.8%
24	Arizona	\$9,560	8.7%	24	9.5%
25	Massachusetts	\$15,222	9.3%	26	9.6%
26	Arkansas	\$4,856	9.4%	25	9.5%
27	Nevada	\$5,162	9.5%	33	10.7%
28	Pennsylvania	\$24,272	9.7%	29	10.0%
29	Washington	\$16,895	9.9%	28	9.9%
30	Kansas	\$5,775	10.1%	31	10.3%
31	Connecticut	\$10,324	10.1%	27	9.9%
32	Illinois	\$29,939	10.3%	32	10.6%
33	Minnesota	\$12,737	10.3%	30	10.1%
34	South Carolina	\$7,335	10.5%	37	11.2%
35	Montana	\$2,058	10.7%	34	10.8%
36	New Jersey	\$23,181	10.7%	36	11.1%
37	Wisconsin	\$11,709	10.9%	35	11.0%
38	Florida	\$34,997	11.1%	38	11.5%
39	New York	\$65,936	11.3%	39	11.9%
40	New Hampshire	\$2,877	11.5%	41	12.1%
41	Mississippi	\$4,889	11.7%	40	12.0%
42	Wyoming	\$2,799	11.9%	42	12.2%
43	District of Columbia	\$3,398	12.0%	44	12.4%
44	New Mexico	\$4,517	12.6%	43	12.3%
45	Rhode Island	\$2,561	12.6%	45	12.9%
46	Hawaii	\$3,700	13.0%	46	13.7%
47	West Virginia	\$3,887	13.4%	47	13.8%
48	Maine	\$2,585	13.9%	49	14.9%
49	Vermont	\$1,452	14.6%	48	14.5%
50	Alaska	\$4,277	16.8%	51	22.1%
51	North Dakota	\$5,522	19.2%	50	17.6%

Source: Anderson Economic Group estimates and analysis of base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

Data Appendix

Exhibit II. State and Local Taxes Paid by Business, FY 2014

(amount in thousands)

State	Property Tax	Motor Fuel Excise Tax	Public Utilities Sales Tax	Other Selective Sales Tax	Corporate Income Tax	License Fees	Unemployment compensation	Individual income tax on pass-thru business income	Severance	Gross Receipts Taxes	General Sales Taxes	Total Taxes Paid by Businesses
<i>United States</i>	\$ 259,096,988	\$ 8,924,496	\$ 28,372,011	\$ 24,040,985	\$ 54,239,785	\$ 35,248,171	\$ 45,396,505	\$ 35,153,992	\$ 17,951,402	\$ 6,549,934	\$ 126,866,699	\$ 641,840,967
Alabama	\$ 1,928,264	\$ 145,407	\$ 781,835	\$ 321,992	\$ 406,408	\$ 459,219	\$ 343,666	\$ 314,493	\$ 118,763	\$ -	\$ 1,383,949	\$ 6,203,996
Alaska	\$ 1,042,401	\$ 13,812	\$ 7,181	\$ 37,165	\$ 408,938	\$ 73,617	\$ 236,266	\$ -	\$ 2,457,397	\$ -	\$ -	\$ 4,276,777
Arizona	\$ 4,644,657	\$ 228,223	\$ 205,383	\$ 122,352	\$ 575,180	\$ 367,665	\$ 455,979	\$ 348,928	\$ 26,190	\$ -	\$ 2,585,284	\$ 9,559,841
Arkansas	\$ 1,351,500	\$ 140,291	\$ 146,445	\$ 139,741	\$ 398,493	\$ 239,823	\$ 421,348	\$ 245,788	\$ 108,511	\$ -	\$ 1,663,904	\$ 4,855,844
California	\$ 28,011,760	\$ 346,420	\$ 3,838,825	\$ 2,287,200	\$ 8,858,498	\$ 6,916,625	\$ 5,471,051	\$ 8,393,076	\$ 38,695	\$ -	\$ 16,829,512	\$ 80,991,661
Colorado	\$ 4,903,577	\$ 135,393	\$ 155,392	\$ 408,254	\$ 717,506	\$ 348,207	\$ 732,578	\$ 542,946	\$ 251,353	\$ -	\$ 2,238,161	\$ 10,433,367
Connecticut	\$ 4,838,211	\$ 147,665	\$ 315,287	\$ 492,600	\$ 627,358	\$ 216,647	\$ 834,796	\$ 929,369	\$ -	\$ -	\$ 1,922,330	\$ 10,324,263
Delaware	\$ 436,245	\$ 14,029	\$ 64,271	\$ 48,345	\$ 283,770	\$ 1,247,575	\$ 112,746	\$ 83,600	\$ -	\$ -	\$ -	\$ 2,290,580
District of Columbia	\$ 1,586,384	\$ 3,074	\$ 199,213	\$ 42,240	\$ 453,280	\$ 73,398	\$ 141,760	\$ 290,603	\$ -	\$ -	\$ 608,110	\$ 3,398,061
Florida	\$ 14,650,327	\$ 481,916	\$ 4,430,684	\$ 737,114	\$ 2,043,750	\$ 1,678,563	\$ 1,869,896	\$ -	\$ 49,100	\$ -	\$ 9,055,811	\$ 34,997,161
Georgia	\$ 7,182,698	\$ 212,341	\$ 331,534	\$ 293,021	\$ 943,806	\$ 420,553	\$ 686,531	\$ 871,951	\$ -	\$ -	\$ 3,081,998	\$ 14,024,433
Hawaii	\$ 944,239	\$ 16,124	\$ 328,921	\$ 232,402	\$ 126,045	\$ 91,263	\$ 353,546	\$ 163,248	\$ -	\$ -	\$ 1,444,194	\$ 3,699,982
Idaho	\$ 867,763	\$ 66,631	\$ 26,357	\$ 32,924	\$ 190,002	\$ 177,348	\$ 247,802	\$ 177,644	\$ 6,004	\$ -	\$ 445,198	\$ 2,237,673
Illinois	\$ 12,047,378	\$ 394,538	\$ 2,807,745	\$ 1,751,910	\$ 4,284,646	\$ 1,338,265	\$ 2,643,591	\$ 1,286,113	\$ -	\$ -	\$ 3,385,296	\$ 29,939,481
Indiana	\$ 4,264,089	\$ 222,326	\$ 358,430	\$ 538,440	\$ 866,747	\$ 219,716	\$ 950,328	\$ 496,391	\$ 2,500	\$ -	\$ 2,347,893	\$ 10,266,860
Iowa	\$ 2,473,588	\$ 137,750	\$ 197,289	\$ 36,020	\$ 388,699	\$ 377,922	\$ 471,738	\$ 343,767	\$ -	\$ -	\$ 1,202,253	\$ 5,629,025
Kansas	\$ 2,683,177	\$ 131,631	\$ 221,819	\$ 40,681	\$ 330,181	\$ 216,927	\$ 401,671	\$ 264,380	\$ 124,883	\$ -	\$ 1,360,056	\$ 5,775,407
Kentucky	\$ 1,917,304	\$ 225,637	\$ 363,038	\$ 388,443	\$ 803,325	\$ 328,265	\$ 503,817	\$ 391,032	\$ 242,472	\$ -	\$ 1,085,493	\$ 6,248,825
Louisiana	\$ 3,103,863	\$ 134,341	\$ 190,709	\$ 179,703	\$ 481,212	\$ 467,031	\$ 242,603	\$ 456,265	\$ 862,150	\$ -	\$ 3,208,288	\$ 9,326,164
Maine	\$ 1,477,790	\$ 45,790	\$ 39,428	\$ 66,628	\$ 182,928	\$ 140,244	\$ 163,341	\$ 141,043	\$ -	\$ -	\$ 327,940	\$ 2,585,132
Maryland	\$ 4,033,178	\$ 133,092	\$ 672,703	\$ 896,490	\$ 982,784	\$ 504,538	\$ 658,998	\$ 1,075,763	\$ -	\$ -	\$ 1,452,163	\$ 10,409,709
Massachusetts	\$ 6,789,965	\$ 96,436	\$ 23,736	\$ 454,758	\$ 2,194,620	\$ 458,120	\$ 1,858,020	\$ 1,379,585	\$ -	\$ -	\$ 1,966,459	\$ 15,221,698
Michigan	\$ 6,848,579	\$ 131,767	\$ 79,941	\$ 684,111	\$ 881,011	\$ 508,273	\$ 1,809,854	\$ 701,948	\$ 73,488	\$ -	\$ 2,354,674	\$ 14,073,646
Minnesota	\$ 5,085,742	\$ 186,066	\$ 102,914	\$ 1,194,929	\$ 1,315,762	\$ 640,833	\$ 1,165,191	\$ 941,925	\$ 43,151	\$ -	\$ 2,060,467	\$ 12,736,980
Mississippi	\$ 2,126,518	\$ 105,122	\$ 46,309	\$ 213,964	\$ 526,302	\$ 366,801	\$ 158,741	\$ 175,047	\$ 91,059	\$ -	\$ 1,079,077	\$ 4,888,941
Missouri	\$ 3,304,023	\$ 169,248	\$ 475,879	\$ 132,595	\$ 428,800	\$ 398,024	\$ 770,491	\$ 590,380	\$ 5	\$ -	\$ 1,858,326	\$ 8,127,771
Montana	\$ 987,545	\$ 68,763	\$ 47,390	\$ 27,599	\$ 150,139	\$ 169,666	\$ 163,737	\$ 137,089	\$ 305,614	\$ -	\$ -	\$ 2,057,542
Nebraska	\$ 2,133,212	\$ 111,281	\$ 136,863	\$ 12,065	\$ 306,591	\$ 180,553	\$ 120,717	\$ 237,431	\$ 6,762	\$ -	\$ 902,734	\$ 4,148,208
Nevada	\$ 1,849,788	\$ 93,606	\$ 266,236	\$ 267,649	\$ -	\$ 633,627	\$ 537,120	\$ -	\$ 111,395	\$ -	\$ 1,402,900	\$ 5,162,322
New Hampshire	\$ 1,735,183	\$ 17,665	\$ 69,877	\$ 175,356	\$ 542,847	\$ 175,230	\$ 154,223	\$ 6,801	\$ -	\$ -	\$ -	\$ 2,877,181
New Jersey	\$ 11,075,501	\$ 110,312	\$ 1,083,155	\$ 360,032	\$ 2,368,068	\$ 965,479	\$ 2,879,038	\$ 1,368,638	\$ -	\$ -	\$ 2,970,941	\$ 23,181,164
New Mexico	\$ 834,327	\$ 93,961	\$ 101,670	\$ 91,383	\$ 205,702	\$ 144,143	\$ 215,699	\$ 116,623	\$ 1,066,343	\$ -	\$ 1,647,534	\$ 4,517,385
New York	\$ 29,353,253	\$ 311,100	\$ 1,662,194	\$ 3,297,112	\$ 11,491,187	\$ 699,152	\$ 2,449,619	\$ 5,616,110	\$ -	\$ -	\$ 11,055,856	\$ 65,935,584
North Carolina	\$ 4,929,334	\$ 364,337	\$ 403,194	\$ 464,873	\$ 1,360,628	\$ 1,110,154	\$ 1,620,455	\$ 906,659	\$ 1,776	\$ -	\$ 2,397,675	\$ 13,559,085
North Dakota	\$ 500,497	\$ 107,040	\$ 50,869	\$ 90,250	\$ 250,438	\$ 152,810	\$ 133,701	\$ 66,139	\$ 3,294,656	\$ -	\$ 875,175	\$ 5,521,576
Ohio	\$ 6,634,905	\$ 438,102	\$ 1,148,047	\$ 442,914	\$ 241,332	\$ 2,350,714	\$ 1,155,627	\$ 1,135,023	\$ 10,194	\$ 1,698,141	\$ 3,613,028	\$ 18,868,028
Oklahoma	\$ 1,127,809	\$ 117,236	\$ 213,732	\$ 109,872	\$ 397,290	\$ 525,079	\$ 383,599	\$ 377,271	\$ 679,406	\$ -	\$ 1,705,963	\$ 5,637,256
Oregon	\$ 2,844,146	\$ 131,015	\$ 331,269	\$ 334,802	\$ 558,406	\$ 592,027	\$ 1,047,160	\$ 695,729	\$ 23,424	\$ -	\$ -	\$ 6,557,978
Pennsylvania	\$ 7,924,788	\$ 635,156	\$ 1,344,337	\$ 659,572	\$ 2,673,184	\$ 2,176,847	\$ 2,900,976	\$ 1,259,058	\$ -	\$ 1,601,434	\$ 3,096,831	\$ 24,272,184
Rhode Island	\$ 1,457,805	\$ 15,657	\$ 105,296	\$ 119,871	\$ 120,112	\$ 69,704	\$ 264,158	\$ 107,393	\$ -	\$ -	\$ 301,452	\$ 2,561,447
South Carolina	\$ 4,013,627	\$ 112,387	\$ 92,969	\$ 199,188	\$ 327,809	\$ 661,830	\$ 480,093	\$ 329,277	\$ -	\$ -	\$ 1,118,068	\$ 7,335,248
South Dakota	\$ 611,621	\$ 45,913	\$ 14,129	\$ 48,072	\$ 24,819	\$ 187,092	\$ 46,016	\$ -	\$ 8,950	\$ -	\$ 687,875	\$ 1,674,488
Tennessee	\$ 3,238,087	\$ 166,063	\$ 73,934	\$ 386,103	\$ 1,176,971	\$ 1,245,997	\$ 370,752	\$ 21,521	\$ 5,853	\$ -	\$ 2,655,258	\$ 9,340,537
Texas	\$ 27,088,834	\$ 943,756	\$ 2,261,291	\$ 2,771,589	\$ -	\$ 1,802,060	\$ 2,532,273	\$ -	\$ 6,014,350	\$ -	\$ 17,792,422	\$ 61,206,575
Utah	\$ 1,766,452	\$ 104,540	\$ 150,419	\$ 193,280	\$ 307,910	\$ 142,897	\$ 356,396	\$ 295,358	\$ 155,743	\$ -	\$ 742,597	\$ 4,215,593
Vermont	\$ 740,155	\$ 24,680	\$ 24,512	\$ 193,312	\$ 105,817	\$ 40,049	\$ 143,987	\$ 72,728	\$ -	\$ -	\$ 106,887	\$ 1,452,129
Virginia	\$ 6,999,779	\$ 221,686	\$ 611,108	\$ 933,516	\$ 740,511	\$ 1,184,768	\$ 754,192	\$ 963,933	\$ 141,383	\$ -	\$ 1,395,473	\$ 13,946,349
Washington	\$ 4,809,557	\$ 225,273	\$ 1,173,192	\$ 540,869	\$ -	\$ 829,553	\$ 1,330,732	\$ -	\$ 55,445	\$ 3,250,359	\$ 4,680,139	\$ 16,895,119
West Virginia	\$ 1,207,795	\$ 113,535	\$ 183,464	\$ 254,763	\$ 203,508	\$ 199,108	\$ 270,784	\$ 136,096	\$ 682,379	\$ -	\$ 635,220	\$ 3,886,650
Wisconsin	\$ 5,622,013	\$ 234,637	\$ 379,549	\$ 279,415	\$ 986,464	\$ 643,500	\$ 1,249,611	\$ 699,830	\$ 8,984	\$ -	\$ 1,605,086	\$ 11,709,090
Wyoming	\$ 1,067,756	\$ 51,725	\$ 32,047	\$ 13,506	\$ -	\$ 90,670	\$ 129,491	\$ -	\$ 883,025	\$ -	\$ 530,748	\$ 2,798,968

Source: AEG Estimates, using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

Analysis: Anderson Economic Group, LLC

Note: Due to the nature of New Mexico's gross receipts tax, we show it here as a general sales tax and determine the amount paid by business using the same method as for general sales taxes in other states.

Note: Pennsylvania's unemployment compensation was collected from the state's Comprehensive Annual Financial Report, due to census figures accrediting bond revenue as tax revenue.

Exhibit III. State and Local Taxes Paid by Business, Share of Pre-Tax Gross Operating Surplus, 2014

(Taxes Paid by Business as a Share of Pre-Tax Gross Operating Surplus)

State	Property Tax	Motor Fuel Excise Tax	Public Utilities Sales Tax	Other Selective Sales Tax	Corporate Income Tax	License Fees	Unemployment compensation	Individual income tax on pass-thru business income	Severance	Gross Receipts Taxes	General Sales Taxes	Total
United States	3.7%	0.1%	0.4%	0.3%	0.8%	0.5%	0.6%	0.5%	0.3%	0.1%	1.8%	9.1%
Alabama	2.5%	0.2%	1.0%	0.4%	0.5%	0.6%	0.4%	0.4%	0.2%	0.0%	1.8%	7.9%
Alaska	4.1%	0.1%	0.0%	0.1%	1.6%	0.3%	0.9%	0.0%	9.7%	0.0%	0.0%	16.8%
Arizona	4.2%	0.2%	0.2%	0.1%	0.5%	0.3%	0.4%	0.3%	0.0%	0.0%	2.4%	8.7%
Arkansas	2.6%	0.3%	0.3%	0.3%	0.8%	0.5%	0.8%	0.5%	0.2%	0.0%	3.2%	9.4%
California	2.9%	0.0%	0.4%	0.2%	0.9%	0.7%	0.6%	0.9%	0.0%	0.0%	1.7%	8.4%
Colorado	3.9%	0.1%	0.1%	0.3%	0.6%	0.3%	0.6%	0.4%	0.2%	0.0%	1.8%	8.4%
Connecticut	4.7%	0.1%	0.3%	0.5%	0.6%	0.2%	0.8%	0.9%	0.0%	0.0%	1.9%	10.1%
Delaware	1.4%	0.0%	0.2%	0.2%	0.9%	4.1%	0.4%	0.3%	0.0%	0.0%	0.0%	7.5%
District of Columbia	5.6%	0.0%	0.7%	0.1%	1.6%	0.3%	0.5%	1.0%	0.0%	0.0%	2.1%	12.0%
Florida	4.7%	0.2%	1.4%	0.2%	0.6%	0.5%	0.6%	0.0%	0.0%	0.0%	2.9%	11.1%
Georgia	3.9%	0.1%	0.2%	0.2%	0.5%	0.2%	0.4%	0.5%	0.0%	0.0%	1.7%	7.5%
Hawaii	3.3%	0.1%	1.2%	0.8%	0.4%	0.3%	1.2%	0.6%	0.0%	0.0%	5.1%	13.0%
Idaho	3.2%	0.2%	0.1%	0.1%	0.7%	0.7%	0.9%	0.7%	0.0%	0.0%	1.7%	8.3%
Illinois	4.1%	0.1%	1.0%	0.6%	1.5%	0.5%	0.9%	0.4%	0.0%	0.0%	1.2%	10.3%
Indiana	3.0%	0.2%	0.3%	0.4%	0.6%	0.2%	0.7%	0.4%	0.0%	0.0%	1.7%	7.3%
Iowa	3.2%	0.2%	0.3%	0.0%	0.5%	0.5%	0.6%	0.4%	0.0%	0.0%	1.5%	7.2%
Kansas	4.7%	0.2%	0.4%	0.1%	0.6%	0.4%	0.7%	0.5%	0.2%	0.0%	2.4%	10.1%
Kentucky	2.6%	0.3%	0.5%	0.5%	1.1%	0.4%	0.7%	0.5%	0.3%	0.0%	1.5%	8.5%
Louisiana	2.5%	0.1%	0.2%	0.1%	0.4%	0.1%	0.2%	0.4%	0.0%	0.0%	2.6%	7.4%
Maine	7.9%	0.2%	0.2%	0.4%	1.0%	0.8%	0.9%	0.8%	0.0%	0.0%	1.8%	13.9%
Maryland	3.3%	0.1%	0.6%	0.7%	0.8%	0.4%	0.5%	0.9%	0.0%	0.0%	1.2%	8.5%
Massachusetts	4.1%	0.1%	0.0%	0.3%	1.3%	0.3%	1.1%	0.8%	0.0%	0.0%	1.2%	9.3%
Michigan	4.1%	0.1%	0.0%	0.4%	0.5%	0.3%	1.1%	0.4%	0.0%	0.0%	1.4%	8.4%
Minnesota	4.1%	0.2%	0.1%	1.0%	1.1%	0.5%	0.9%	0.8%	0.0%	0.0%	1.7%	10.3%
Mississippi	5.1%	0.3%	0.1%	0.5%	1.3%	0.9%	0.4%	0.4%	0.2%	0.0%	2.6%	11.7%
Missouri	3.1%	0.2%	0.4%	0.1%	0.4%	0.4%	0.7%	0.5%	0.0%	0.0%	1.7%	7.5%
Montana	5.1%	0.4%	0.2%	0.1%	0.8%	0.9%	0.9%	0.7%	1.6%	0.0%	0.0%	10.7%
Nebraska	4.1%	0.2%	0.3%	0.0%	0.6%	0.3%	0.2%	0.5%	0.0%	0.0%	1.7%	8.0%
Nevada	3.4%	0.2%	0.5%	0.5%	0.0%	1.2%	1.0%	0.0%	0.2%	0.0%	2.6%	9.5%
New Hampshire	6.9%	0.1%	0.3%	0.7%	2.2%	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%	11.5%
New Jersey	5.1%	0.1%	0.5%	0.2%	1.1%	0.4%	1.3%	0.6%	0.0%	0.0%	1.4%	10.7%
New Mexico	2.3%	0.3%	0.3%	0.3%	0.6%	0.4%	0.3%	4.6%	3.0%	0.0%	4.6%	12.6%
New York	5.0%	0.1%	0.3%	0.6%	2.0%	0.1%	0.4%	1.0%	0.0%	0.0%	1.9%	11.3%
North Carolina	2.4%	0.2%	0.2%	0.2%	0.7%	0.5%	0.8%	0.4%	0.0%	0.0%	1.2%	6.7%
North Dakota	1.7%	0.4%	0.2%	0.3%	0.9%	0.5%	0.5%	0.2%	11.5%	0.0%	3.0%	19.2%
Ohio	2.9%	0.2%	0.5%	0.2%	0.1%	1.0%	0.5%	0.5%	0.0%	0.7%	1.6%	8.3%
Oklahoma	1.4%	0.2%	0.3%	0.1%	0.5%	0.7%	0.5%	0.5%	0.9%	0.0%	2.2%	7.2%
Oregon	2.9%	0.1%	0.3%	0.3%	0.6%	0.6%	1.1%	0.7%	0.0%	0.0%	0.0%	6.6%
Pennsylvania	3.2%	0.3%	0.5%	0.3%	1.1%	0.9%	1.2%	0.5%	0.0%	0.6%	1.2%	9.7%
Rhode Island	7.2%	0.1%	0.5%	0.6%	0.6%	0.3%	1.3%	0.5%	0.0%	0.0%	1.5%	12.6%
South Carolina	5.7%	0.2%	0.1%	0.3%	0.5%	0.9%	0.7%	0.5%	0.0%	0.0%	1.6%	10.5%
South Dakota	2.6%	0.2%	0.1%	0.2%	0.1%	0.8%	0.2%	0.0%	0.0%	0.0%	2.9%	7.1%
Tennessee	2.8%	0.1%	0.1%	0.3%	1.0%	1.1%	0.3%	0.0%	0.0%	0.0%	2.3%	8.0%
Texas	3.4%	0.1%	0.3%	0.4%	0.0%	0.2%	0.3%	0.0%	0.8%	0.0%	2.3%	7.8%
Utah	3.1%	0.2%	0.3%	0.3%	0.5%	0.3%	0.6%	0.5%	0.3%	0.0%	1.3%	7.4%
Vermont	7.4%	0.2%	0.2%	1.9%	1.1%	0.4%	1.4%	0.7%	0.0%	0.0%	1.1%	14.6%
Virginia	4.3%	0.1%	0.4%	0.6%	0.5%	0.7%	0.5%	0.6%	0.1%	0.0%	0.9%	8.6%
Washington	2.8%	0.1%	0.7%	0.3%	0.0%	0.5%	0.8%	0.0%	1.9%	0.0%	2.7%	9.9%
West Virginia	4.2%	0.4%	0.6%	0.9%	0.7%	0.7%	0.9%	0.5%	2.4%	0.0%	2.2%	13.4%
Wisconsin	5.2%	0.2%	0.4%	0.3%	0.9%	0.6%	1.2%	0.6%	0.0%	0.0%	1.5%	10.9%
Wyoming	4.5%	0.2%	0.1%	0.1%	0.0%	0.4%	0.5%	0.0%	3.7%	0.0%	2.3%	11.9%

Legend:

10 Lowest Tax States

10 Highest Tax States

Source: AEG Estimates, using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

Analysis: Anderson Economic Group, LLC

Note: Due to the nature of New Mexico's gross receipts tax, we show it here as a general sales tax and determine the amount paid by business using the same method as for general sales taxes in other states.

Note: Pennsylvania's unemployment compensation was collected from the state's Comprehensive Annual Financial Report, due to census figures accrediting bond revenue as tax revenue.

Exhibit IV. State and Local Business Tax Reliance, 2014

Rank	State	Tax Collected from Business (millions)	Share of Total State and Local Tax Revenue
1	Maryland	\$10,410	30.4%
2	Michigan	\$14,074	36.2%
3	Massachusetts	\$15,222	36.6%
4	North Carolina	\$13,559	36.7%
5	Missouri	\$8,128	37.0%
6	California	\$80,992	37.1%
7	Oregon	\$6,558	37.8%
8	Ohio	\$18,868	37.8%
9	Connecticut	\$10,324	38.2%
10	Kentucky	\$6,249	38.3%
11	Pennsylvania	\$24,272	38.6%
12	Virginia	\$13,946	38.8%
13	New Jersey	\$23,181	38.8%
14	Minnesota	\$12,737	38.8%
15	New York	\$65,936	39.4%
16	Indiana	\$10,267	39.6%
17	Maine	\$2,585	39.7%
18	Oklahoma	\$5,637	39.7%
19	Utah	\$4,216	39.9%
20	Vermont	\$1,452	40.0%
21	Georgia	\$14,024	40.2%
22	Wisconsin	\$11,709	40.4%
23	Iowa	\$5,629	40.4%
24	Illinois	\$29,939	40.7%
25	Idaho	\$2,238	40.8%
26	Alabama	\$6,204	41.1%
27	Arkansas	\$4,856	41.6%
28	Arizona	\$9,560	42.1%
29	Colorado	\$10,433	42.3%
30	Kansas	\$5,775	43.7%
31	Hawaii	\$3,700	44.2%
32	Nebraska	\$4,148	44.4%
33	Rhode Island	\$2,561	44.4%
34	Nevada	\$5,162	44.8%
35	Tennessee	\$9,341	45.0%
36	South Carolina	\$7,335	45.7%
37	Mississippi	\$4,889	45.9%
38	New Hampshire	\$2,877	50.2%
39	Louisiana	\$9,326	50.3%
40	Washington	\$16,895	50.4%
41	Florida	\$34,997	50.6%
42	Montana	\$2,058	50.6%
43	West Virginia	\$3,887	51.2%
44	New Mexico	\$4,517	52.7%
45	District of Columbia	\$3,398	52.9%
46	South Dakota	\$1,674	53.2%
47	Texas	\$61,207	53.7%
48	Delaware	\$2,291	54.2%
49	North Dakota	\$5,522	74.9%
50	Wyoming	\$2,799	76.4%
51	Alaska	\$4,277	80.6%

Source: Anderson Economic Group estimates and analysis of base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology