



# RICH STATES, POOR STATES

ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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JONATHAN WILLIAMS



North Carolina, Raleigh



## State Rankings

# State Rankings

The Economic Outlook Ranking is a forecast based on a state’s current standing in 15 state policy variables. Each of these factors is influenced directly by state lawmakers through the legislative process. Generally speaking, states that spend less—especially on income transfer programs—and states that tax less—particularly on productive activities such as working or investing—experience higher growth rates than states that tax and spend more.

The Economic Performance Ranking is a backward-looking measure based on a state’s performance on three important variables: State Gross Domestic Product, Absolute Domestic Migration and Non-Farm Payroll Employment—all of which are highly influenced by state policy. This ranking details states’ individual performances over the past 10 years based on this economic data.

## ALEC-Laffer State Economic Outlook Rankings, 2018

Based upon equal-weighting of each state’s rank in 15 policy variables

Rank	State	Rank	State
1	Utah	26	Kansas
2	Idaho	27	Louisiana
3	Indiana	28	Nebraska
4	North Dakota	29	Iowa
5	Arizona	30	West Virginia
6	Florida	31	Kentucky
7	North Carolina	32	Maryland
8	Wyoming	33	South Carolina
9	South Dakota	34	Alaska
10	Virginia	35	New Mexico
11	Georgia	36	Delaware
12	Tennessee	37	Washington
13	Nevada	38	Pennsylvania
14	Texas	39	Rhode Island
15	Colorado	40	Connecticut
16	Oklahoma	41	Oregon
17	New Hampshire	42	Maine
18	Michigan	43	Montana
19	Wisconsin	44	Minnesota
20	Alabama	45	Hawaii
21	Ohio	46	New Jersey
22	Arkansas	47	California
23	Missouri	48	Illinois
24	Mississippi	49	Vermont
25	Massachusetts	50	New York

## ALEC-Laffer State Economic Performance Rankings, 2006-2016

Rank	State	State Gross Domestic Product	Absolute Domestic Migration	Non-Farm Payroll
1	Texas	6	1	2
2	Washington	3	7	5
3	North Dakota	1	16	1
4	Utah	5	13	3
5	Colorado	13	5	4
6	Oregon	10	10	12
7	South Carolina	14	6	15
8	South Dakota	4	22	9
9	Montana	8	18	11
10	Tennessee	15	9	14
11	North Carolina	21	3	17
12	Idaho	22	14	6
13	Nebraska	2	29	13
14	Georgia	26	8	16
15	Massachusetts	9	41	8
16	Oklahoma	25	12	22
17	Florida	39	2	19
18	Iowa	7	30	29
19	New York	12	50	7
20	California	11	49	10
21	Hawaii	18	33	21
22	Minnesota	19	37	18
23	Virginia	28	27	20
24	Kentucky	29	23	26
25	Arizona	42	4	34
26	Maryland	16	42	23
27	New Hampshire	30	26	27
28	Delaware	36	19	31
29	Arkansas	34	20	32
30	Indiana	20	39	28
31	Louisiana	48	15	25
32	Kansas	23	38	30
33	Nevada	49	11	35
34	Missouri	31	34	33
35	Pennsylvania	17	44	37
36	Alabama	38	17	44
37	Wisconsin	24	40	36
38	Vermont	35	28	39
39	Alaska	50	31	24
40	West Virginia	33	24	49
41	Maine	43	25	43
42	Ohio	27	45	40
43	Wyoming	47	21	50
44	Mississippi	37	36	46
45	New Mexico	44	32	45
46	Illinois	32	48	41
47	Michigan	40	47	38
48	Rhode Island	45	35	48
49	New Jersey	41	46	42
50	Connecticut	46	43	47

# Alabama

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 36

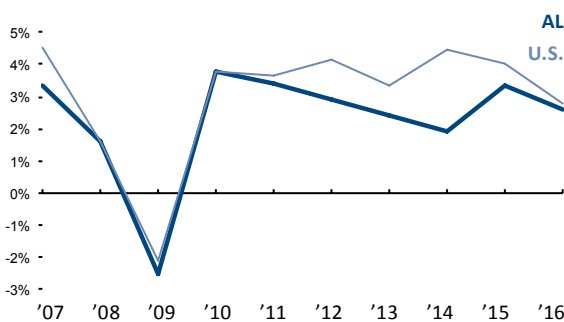
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

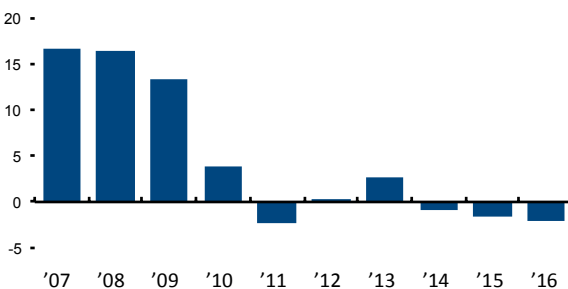
#### State Gross Domestic Product

Cumulative Growth 2006-2016 25.0% Rank: 38



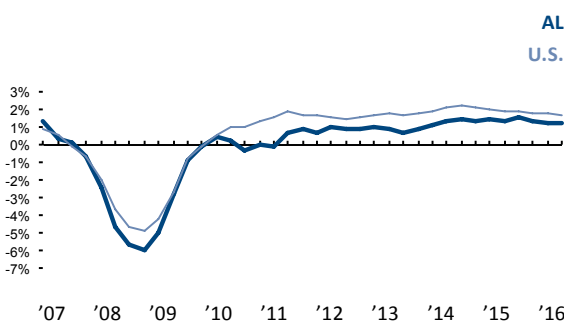
#### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) 46,183 Rank: 17



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 -0.1% Rank: 44



## 20

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 20 21 17 20 19 21 21**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.15%	12
Top Marginal Corporate Income Tax Rate	5.14%	13
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	-\$1.57	1
Property Tax Burden (per \$1,000 of personal income)	\$14.37	1
Sales Tax Burden (per \$1,000 of personal income)	\$24.98	32
Remaining Tax Burden (per \$1,000 of personal income)	\$22.02	40
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.18	13
Debt Service as a Share of Tax Revenue	8.0%	33
Public Employees Per 10,000 of Population (full-time equivalent)	577.1	40
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	61.1	43
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.85	26
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Alaska

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



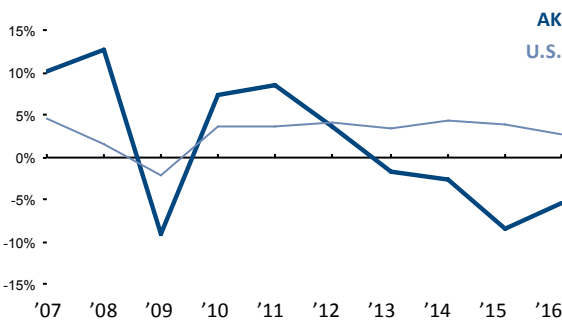
## 39 Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

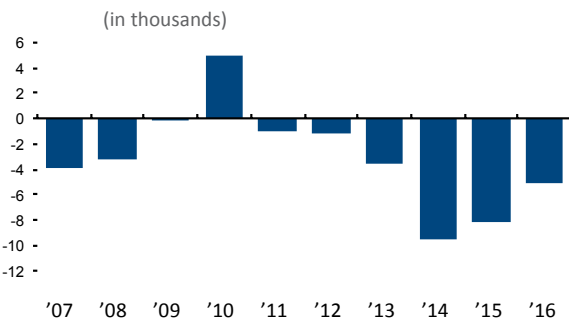
#### State Gross Domestic Product

Cumulative Growth 2006-2016 12.8% Rank: 50



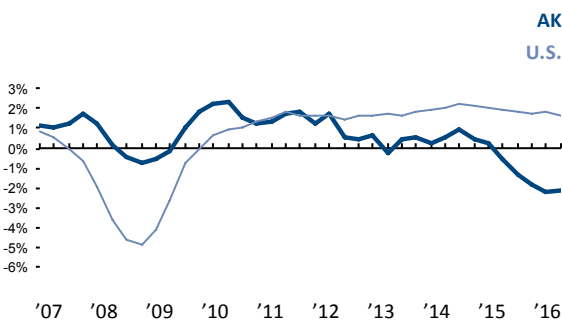
#### Absolute Domestic Migration

Cumulative 2007-2016 -31,094 Rank: 31



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 4.7% Rank: 24



## 34 Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 29 29 21 18 14 25 30**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	9.40%	43
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)	\$35.91	37
Sales Tax Burden (per \$1,000 of personal income)	\$5.62	5
Remaining Tax Burden (per \$1,000 of personal income)	\$13.19	7
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$2.30	43
Debt Service as a Share of Tax Revenue	15.3%	50
Public Employees Per 10,000 of Population (full-time equivalent)	710.4	49
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	73.8	6
State Minimum Wage (federal floor is \$7.25)	\$9.84	38
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.74	46
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Arizona

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## 25

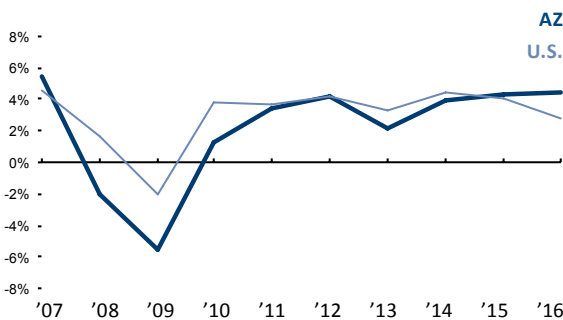
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

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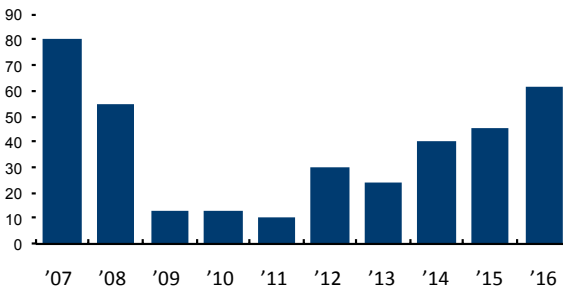
#### State Gross Domestic Product

Cumulative Growth 2006-2016 23.1% Rank: 42



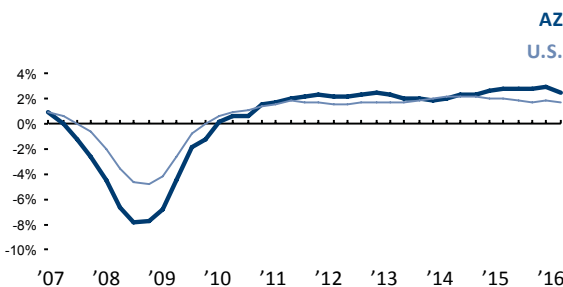
#### Absolute Domestic Migration

Cumulative 2007-2016 372,318 Rank: 4  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 2.7% Rank: 34



## 5

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 12 9 6 7 5 5 8**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.54%	13
Top Marginal Corporate Income Tax Rate	4.90%	9
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$10.68	28
Property Tax Burden (per \$1,000 of personal income)	\$26.88	18
Sales Tax Burden (per \$1,000 of personal income)	\$35.25	44
Remaining Tax Burden (per \$1,000 of personal income)	\$11.12	1
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.11	15
Debt Service as a Share of Tax Revenue	7.6%	31
Public Employees Per 10,000 of Population (full-time equivalent)	406.2	2
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.8	25
State Minimum Wage (federal floor is \$7.25)	\$10.50	46
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.50	13
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3



# Arkansas

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## 29

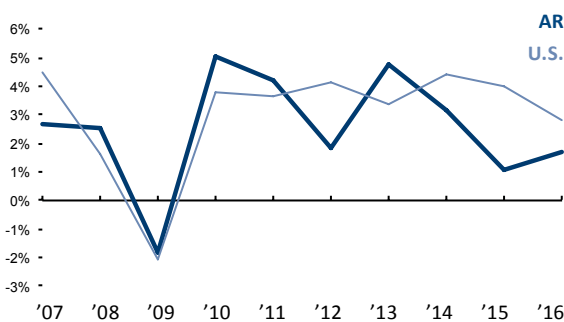
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

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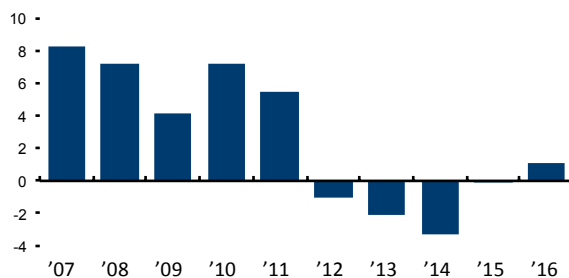
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **28.0%** Rank: 34



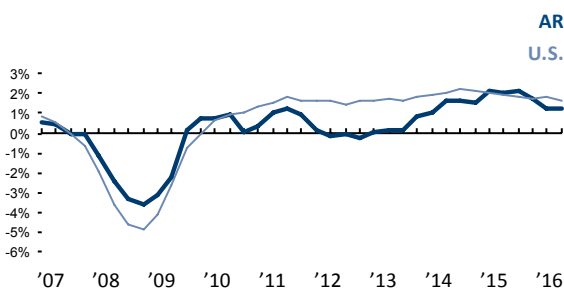
#### Absolute Domestic Migration

Cumulative 2007-2016 **26,842** Rank: 20  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **3.0%** Rank: 32



## 22

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 13 11 24 26 22 20 23**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.90%	32
Top Marginal Corporate Income Tax Rate	6.50%	21
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$16.69	43
Property Tax Burden (per \$1,000 of personal income)	\$18.13	3
Sales Tax Burden (per \$1,000 of personal income)	\$37.17	46
Remaining Tax Burden (per \$1,000 of personal income)	\$16.79	25
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.26	11
Debt Service as a Share of Tax Revenue	4.5%	8
Public Employees Per 10,000 of Population (full-time equivalent)	569.5	38
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	67.2	36
State Minimum Wage (federal floor is \$7.25)	\$8.50	30
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.06	3
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15



# California

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## 20

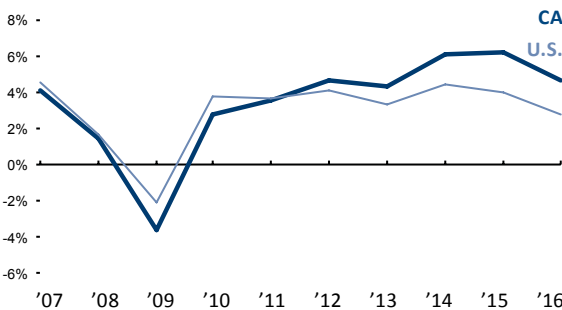
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

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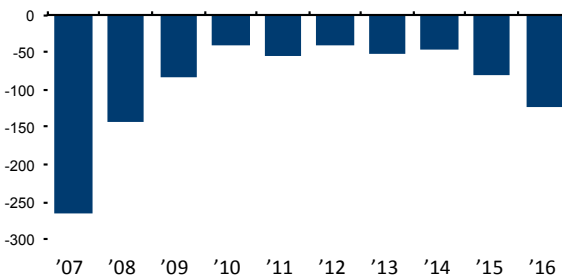
#### State Gross Domestic Product

Cumulative Growth 2006-2016 39.5% Rank: 11



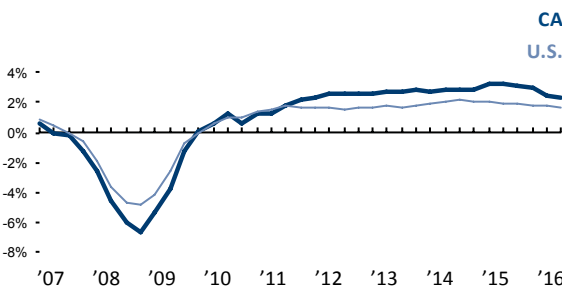
#### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) -928,627 Rank: 49



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 8.1% Rank: 10



## 47

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 47 38 47 47 44 46 47**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	13.30%	50
Top Marginal Corporate Income Tax Rate	8.84%	40
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$38.88	50
Property Tax Burden (per \$1,000 of personal income)	\$27.50	21
Sales Tax Burden (per \$1,000 of personal income)	\$24.19	30
Remaining Tax Burden (per \$1,000 of personal income)	\$16.91	26
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$1.57	40
Debt Service as a Share of Tax Revenue	8.4%	38
Public Employees Per 10,000 of Population (full-time equivalent)	462.4	7
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	60.0	47
State Minimum Wage (federal floor is \$7.25)	\$11.00	48
Average Workers' Compensation Costs (per \$100 of payroll)	\$3.24	50
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# Colorado

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## 5

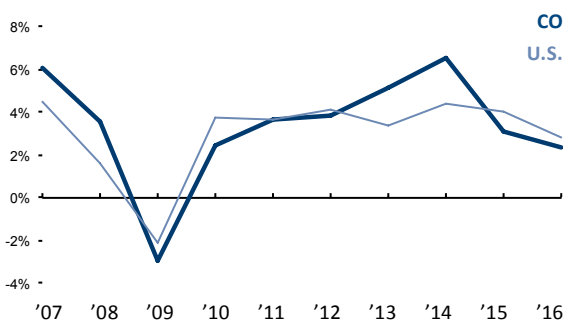
Economic Performance Rank

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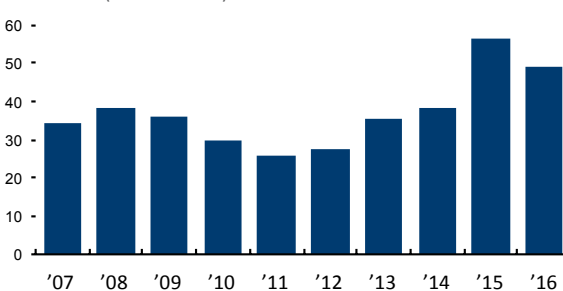
#### State Gross Domestic Product

Cumulative Growth 2006-2016 39.1% Rank: 13



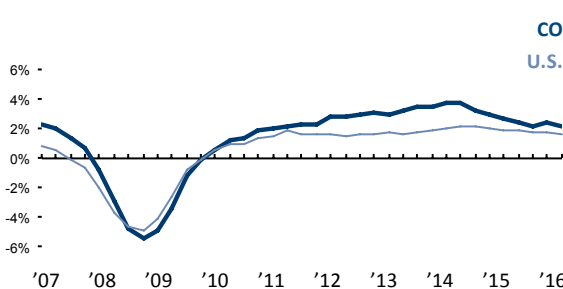
#### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) 371,511 Rank: 5



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 14.1% Rank: 4



## 15

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

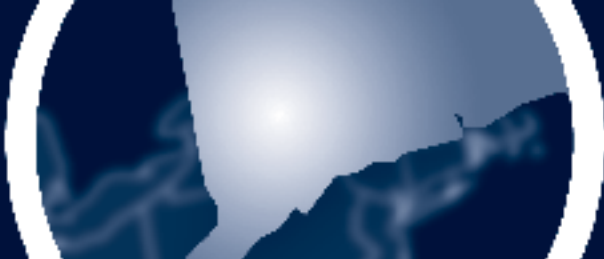
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 6 8 16 22 21 16 15**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.63%	14
Top Marginal Corporate Income Tax Rate	4.63%	8
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.41	21
Property Tax Burden (per \$1,000 of personal income)	\$27.29	20
Sales Tax Burden (per \$1,000 of personal income)	\$23.85	28
Remaining Tax Burden (per \$1,000 of personal income)	\$12.91	5
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$1.45	4
Debt Service as a Share of Tax Revenue	10.4%	47
Public Employees Per 10,000 of Population (full-time equivalent)	529.8	26
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	67.6	35
State Minimum Wage (federal floor is \$7.25)	\$10.20	43
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.56	16
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	3	1

# Connecticut

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## 50

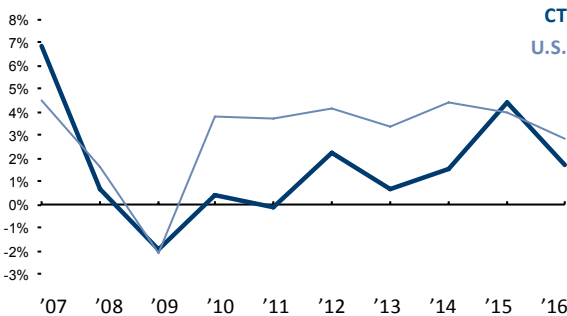
Economic Performance Rank

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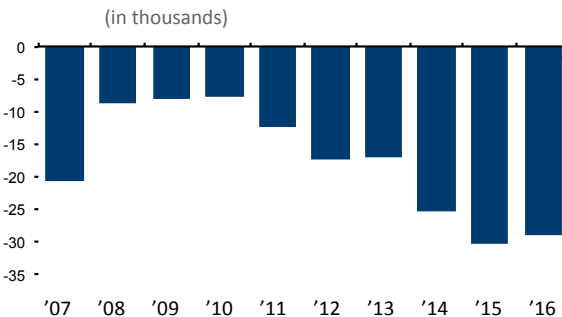
#### State Gross Domestic Product

Cumulative Growth 2006-2016 17.4% Rank: 46



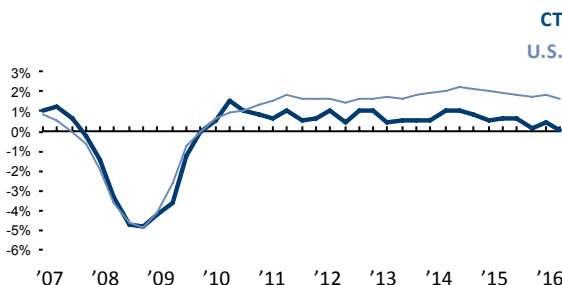
#### Absolute Domestic Migration

Cumulative 2007-2016 -176,019 Rank: 43



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 -0.5% Rank: 47



## 40

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 35 44 43 44 47 47 46**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.99%	36
Top Marginal Corporate Income Tax Rate	8.25%	37
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.67	23
Property Tax Burden (per \$1,000 of personal income)	\$42.16	44
Sales Tax Burden (per \$1,000 of personal income)	\$16.84	10
Remaining Tax Burden (per \$1,000 of personal income)	\$14.15	11
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.06	25
Debt Service as a Share of Tax Revenue	6.9%	27
Public Employees Per 10,000 of Population (full-time equivalent)	540.1	32
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	71.8	16
State Minimum Wage (federal floor is \$7.25)	\$10.10	40
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.74	46
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Delaware

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 28

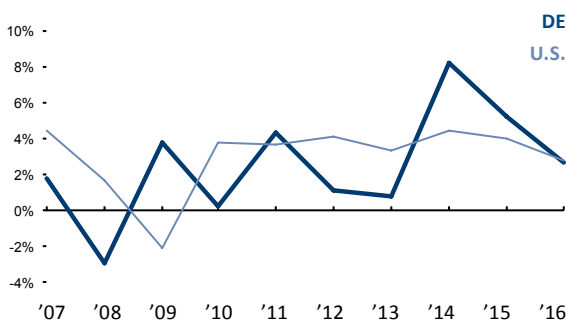
Economic Performance Rank

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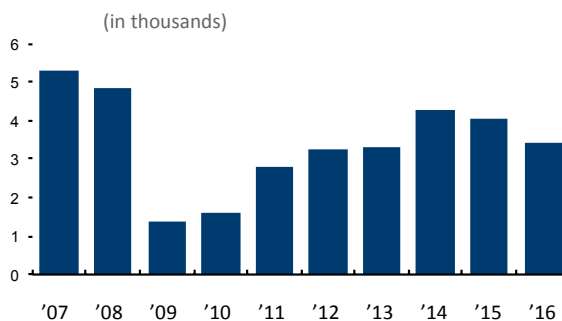
#### State Gross Domestic Product

Cumulative Growth 2006-2016 27.6% Rank: 36



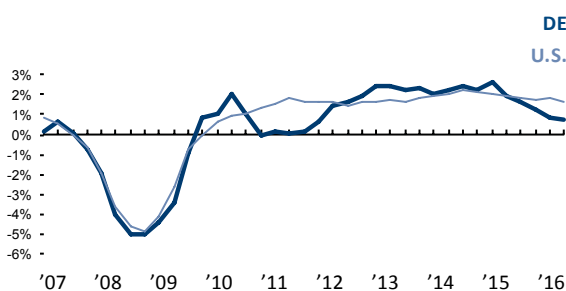
#### Absolute Domestic Migration

Cumulative 2007-2016 34,185 Rank: 19



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 3.4% Rank: 31



## 36

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

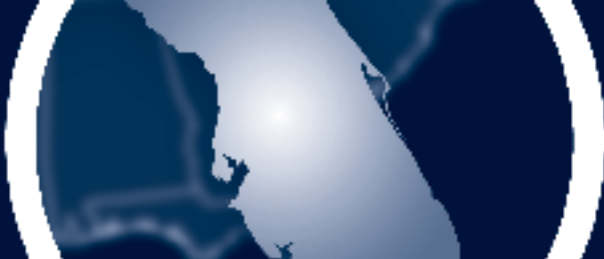
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Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 34 34 30 27 38 44 37**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.85%	41
Top Marginal Corporate Income Tax Rate	11.75%	48
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$15.10	39
Property Tax Burden (per \$1,000 of personal income)	\$18.66	4
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$48.17	50
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$3.65	48
Debt Service as a Share of Tax Revenue	6.1%	17
Public Employees Per 10,000 of Population (full-time equivalent)	517.6	21
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	72.8	11
State Minimum Wage (federal floor is \$7.25)	\$8.25	24
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.32	45
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# Florida

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



# 17

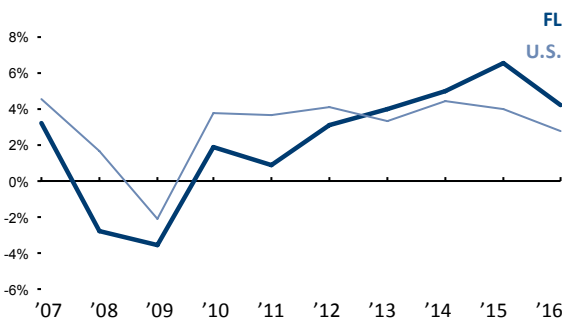
Economic Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

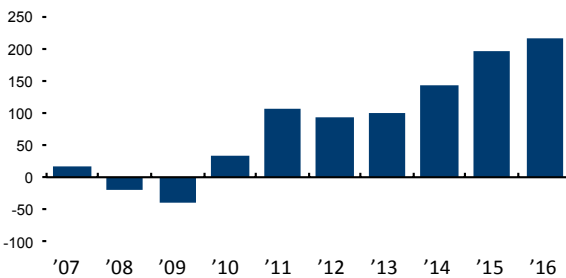
### State Gross Domestic Product

Cumulative Growth 2006-2016 **24.1%** Rank: 39



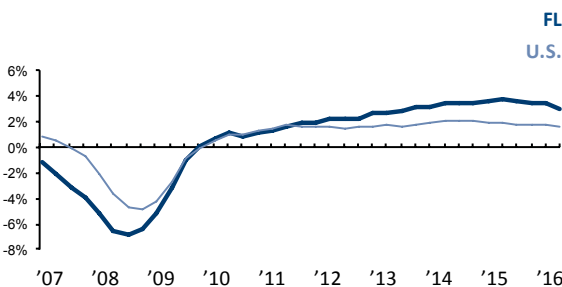
### Absolute Domestic Migration

Cumulative 2007-2016 **845,239** Rank: 2  
(in thousands)



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **5.6%** Rank: 19



# 6

Economic Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 10 13 9 16 15 8 6**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	5.50%	14
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)	\$28.05	22
Sales Tax Burden (per \$1,000 of personal income)	\$26.83	35
Remaining Tax Burden (per \$1,000 of personal income)	\$21.06	36
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.14	14
Debt Service as a Share of Tax Revenue	8.0%	34
Public Employees Per 10,000 of Population (full-time equivalent)	429.7	3
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	60.5	46
State Minimum Wage (federal floor is \$7.25)	\$8.25	24
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.66	18
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# Georgia

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 14

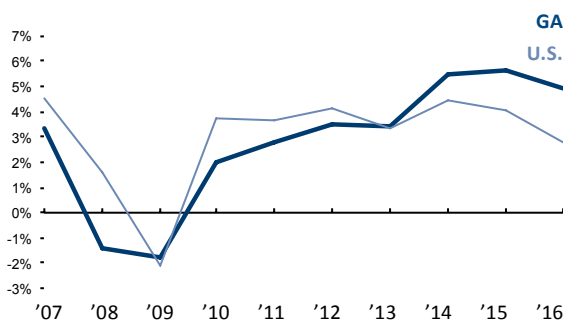
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

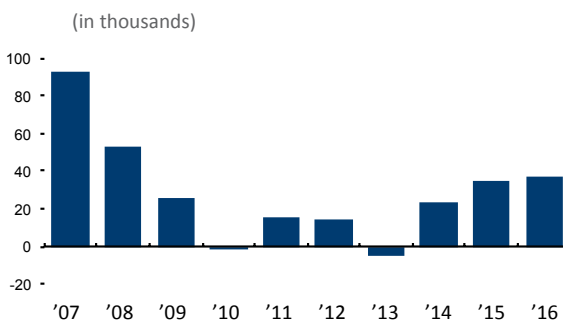
#### State Gross Domestic Product

Cumulative Growth 2006-2016 31.4% Rank: 26



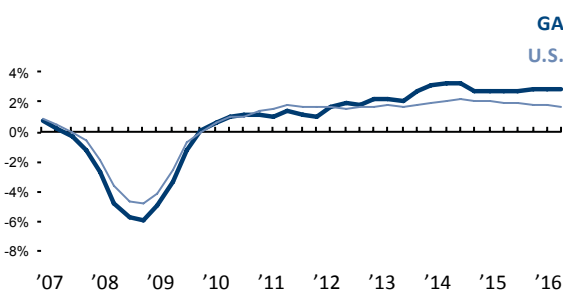
#### Absolute Domestic Migration

Cumulative 2007-2016 291,022 Rank: 8



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 7.0% Rank: 16



## 11

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 11 10 8 9 7 19 17**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.75%	25
Top Marginal Corporate Income Tax Rate	6.38%	19
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.90	24
Property Tax Burden (per \$1,000 of personal income)	\$28.21	24
Sales Tax Burden (per \$1,000 of personal income)	\$22.56	21
Remaining Tax Burden (per \$1,000 of personal income)	\$11.16	2
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$1.47	3
Debt Service as a Share of Tax Revenue	6.8%	24
Public Employees Per 10,000 of Population (full-time equivalent)	498.0	17
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	64.4	39
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.80	24
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Hawaii

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 21

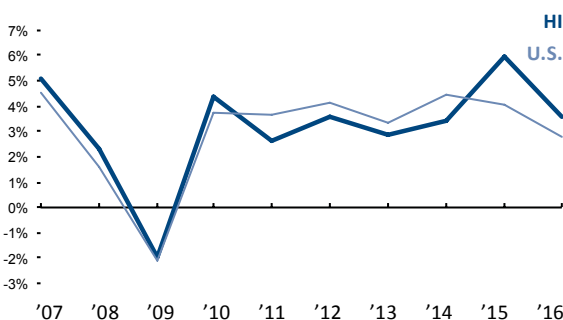
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

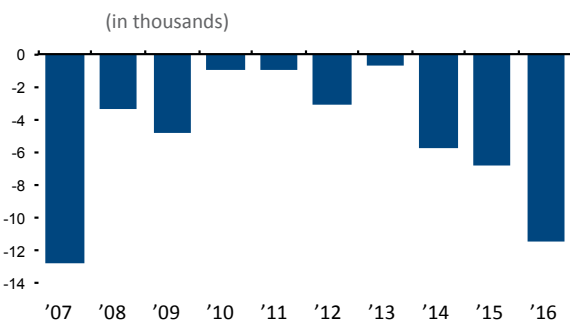
#### State Gross Domestic Product

Cumulative Growth 2006-2016 36.4% Rank: 18



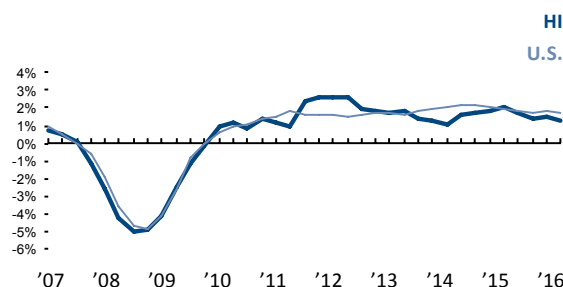
#### Absolute Domestic Migration

Cumulative 2007-2016 -50,500 Rank: 33



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 4.8% Rank: 21



## 45

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 46 46 40 36 37 42 43**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	11.00%	48
Top Marginal Corporate Income Tax Rate	6.40%	20
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$13.54	36
Property Tax Burden (per \$1,000 of personal income)	\$22.54	10
Sales Tax Burden (per \$1,000 of personal income)	\$47.35	50
Remaining Tax Burden (per \$1,000 of personal income)	\$27.99	48
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.27	10
Debt Service as a Share of Tax Revenue	6.2%	19
Public Employees Per 10,000 of Population (full-time equivalent)	529.9	27
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.0	23
State Minimum Wage (federal floor is \$7.25)	\$10.10	40
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.96	34
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15



# Idaho

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## 12

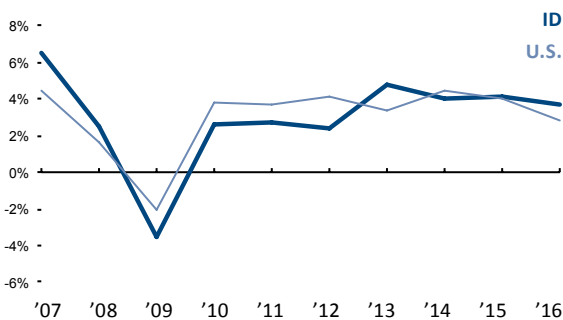
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

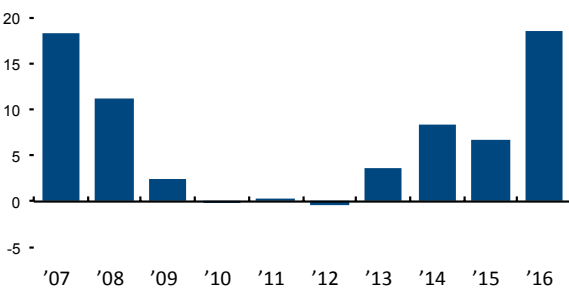
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **33.7%** Rank: **22**



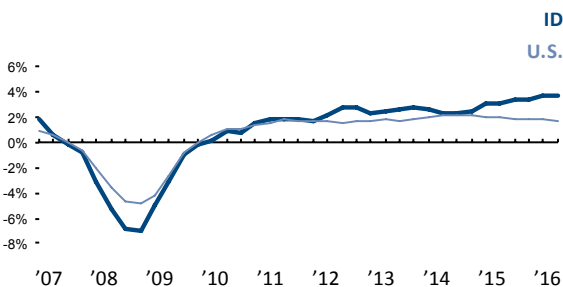
#### Absolute Domestic Migration

Cumulative 2007-2016 **68,774** Rank: **14**  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **9.4%** Rank: **6**



## 2

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 5 6 7 5 6 15 10**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.93%	34
Top Marginal Corporate Income Tax Rate	6.93%	27
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$13.38	35
Property Tax Burden (per \$1,000 of personal income)	\$25.46	16
Sales Tax Burden (per \$1,000 of personal income)	\$23.38	27
Remaining Tax Burden (per \$1,000 of personal income)	\$14.67	13
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.34	8
Debt Service as a Share of Tax Revenue	4.3%	5
Public Employees Per 10,000 of Population (full-time equivalent)	488.0	12
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	75.0	3
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.79	23
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Illinois

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

# 46

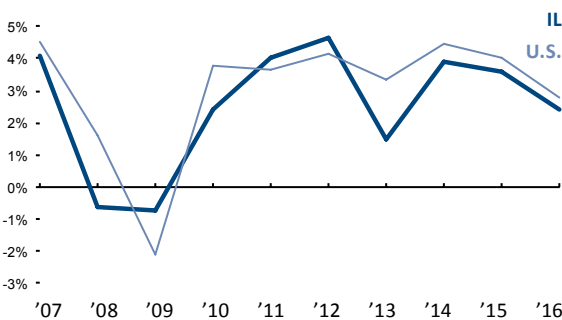
Economic  
Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

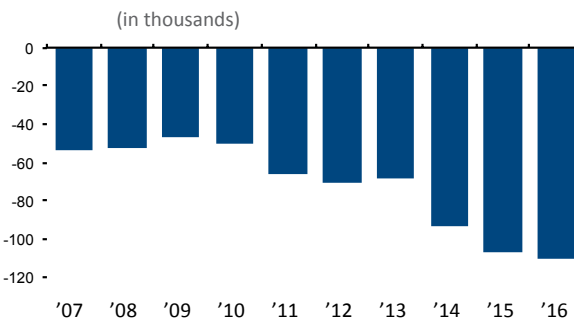
### State Gross Domestic Product

Cumulative Growth 2006-2016 **28.1%** Rank: 32



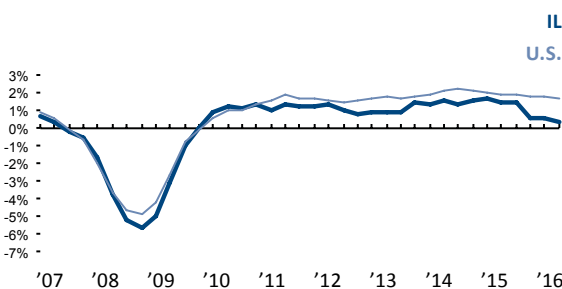
### Absolute Domestic Migration

Cumulative 2007-2016 **-717,445** Rank: 48



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **1.3%** Rank: 41



# 48

Economic  
Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 44 48 48 48 40 43 44**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.95%	16
Top Marginal Corporate Income Tax Rate	9.50%	44
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$1.32	14
Property Tax Burden (per \$1,000 of personal income)	\$41.88	43
Sales Tax Burden (per \$1,000 of personal income)	\$20.37	17
Remaining Tax Burden (per \$1,000 of personal income)	\$21.79	38
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$7.73	50
Debt Service as a Share of Tax Revenue	9.5%	44
Public Employees Per 10,000 of Population (full-time equivalent)	492.6	13
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	59.1	48
State Minimum Wage (federal floor is \$7.25)	\$8.25	24
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.23	43
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Indiana

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 30

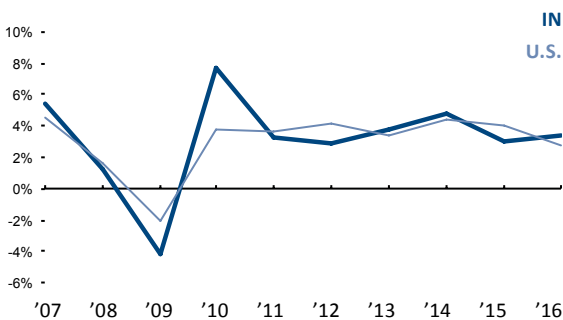
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

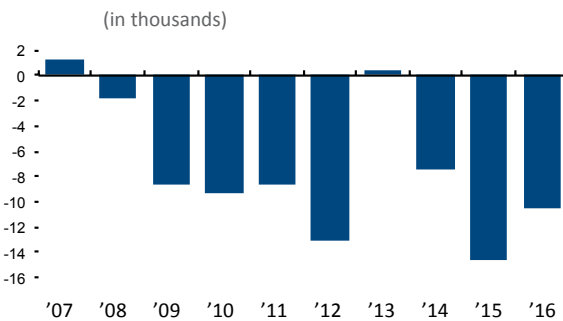
#### State Gross Domestic Product

Cumulative Growth 2006-2016 35.4% Rank: 20



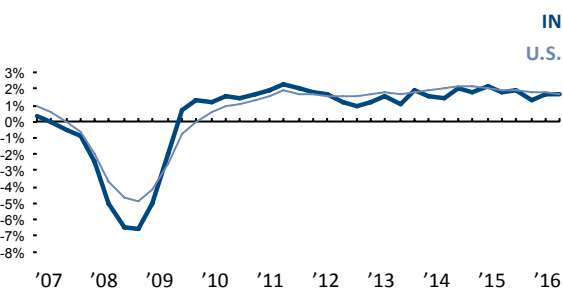
#### Absolute Domestic Migration

Cumulative 2007-2016 -72,405 Rank: 39



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 4.1% Rank: 28



## 3

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

#### Historical Ranking Comparison

2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 16 24 14 3 3 6 2**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.25%	21
Top Marginal Corporate Income Tax Rate	6.00%	16
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$0.70	13
Property Tax Burden (per \$1,000 of personal income)	\$23.72	13
Sales Tax Burden (per \$1,000 of personal income)	\$26.75	34
Remaining Tax Burden (per \$1,000 of personal income)	\$15.80	16
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.24	28
Debt Service as a Share of Tax Revenue	9.0%	41
Public Employees Per 10,000 of Population (full-time equivalent)	484.5	11
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	71.9	15
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.05	2
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15



## 18

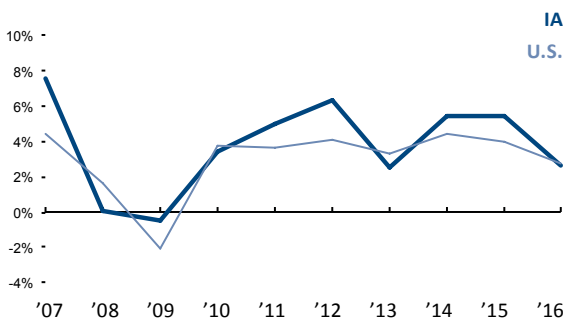
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

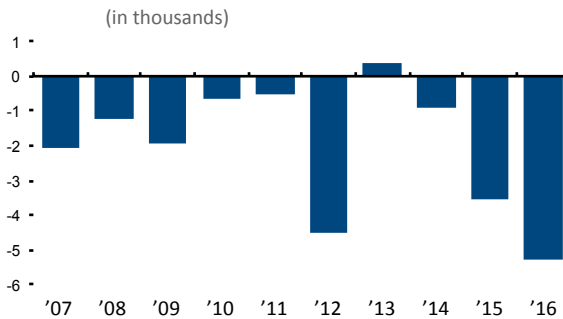
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **44.7%** Rank: 7



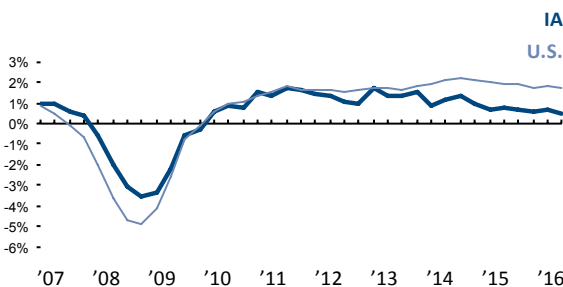
#### Absolute Domestic Migration

Cumulative 2007-2016 **-20,285** Rank: 30



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **4.1%** Rank: 29



## 29

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 23 22 25 25 25 29 29**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.66%	23
Top Marginal Corporate Income Tax Rate	11.64%	47
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$12.94	34
Property Tax Burden (per \$1,000 of personal income)	\$34.94	35
Sales Tax Burden (per \$1,000 of personal income)	\$23.93	29
Remaining Tax Burden (per \$1,000 of personal income)	\$18.24	28
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.04	24
Debt Service as a Share of Tax Revenue	4.4%	6
Public Employees Per 10,000 of Population (full-time equivalent)	588.0	41
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	72.6	13
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.86	27
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Kansas

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## 32

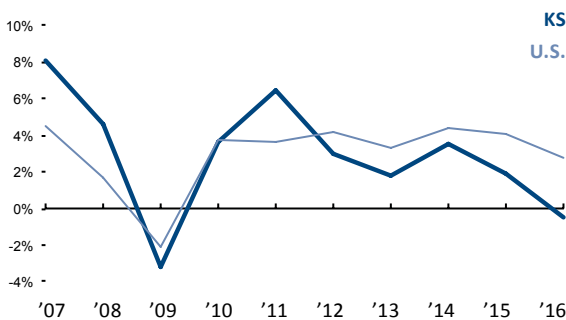
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

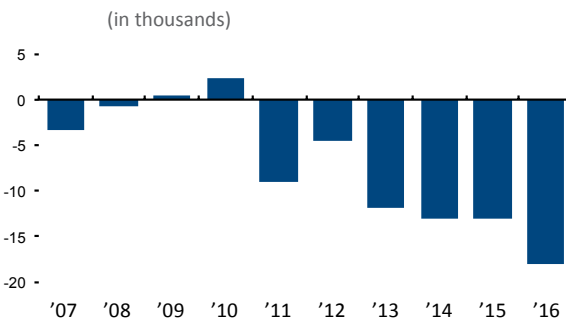
#### State Gross Domestic Product

Cumulative Growth 2006-2016 32.8% Rank: 23



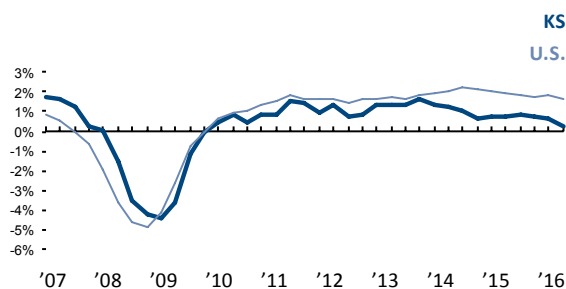
#### Absolute Domestic Migration

Cumulative 2007-2016 -70,382 Rank: 38



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 3.4% Rank: 30



## 26

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 27 26 11 15 18 27 26**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.70%	24
Top Marginal Corporate Income Tax Rate	7.00%	28
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$10.09	27
Property Tax Burden (per \$1,000 of personal income)	\$30.76	32
Sales Tax Burden (per \$1,000 of personal income)	\$29.49	38
Remaining Tax Burden (per \$1,000 of personal income)	\$12.35	3
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$3.52	47
Debt Service as a Share of Tax Revenue	6.5%	22
Public Employees Per 10,000 of Population (full-time equivalent)	681.9	48
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	71.5	18
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.41	10
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Kentucky

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 24

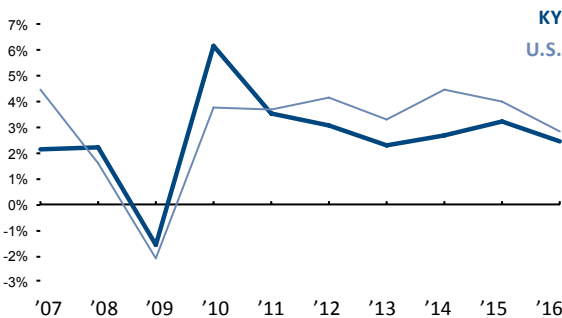
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

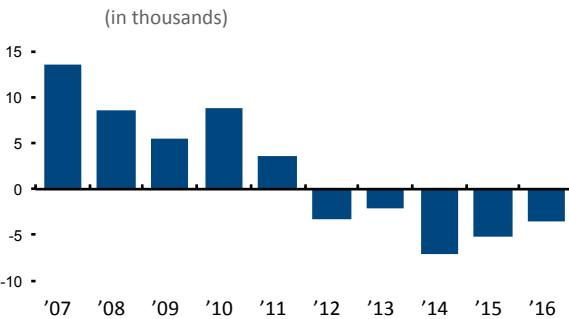
#### State Gross Domestic Product

Cumulative Growth 2006-2016 29.3% Rank: 29



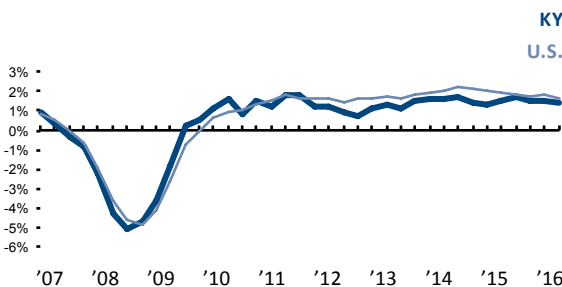
#### Absolute Domestic Migration

Cumulative 2007-2016 18,402 Rank: 23



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 4.7% Rank: 26



## 31

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 40 39 38 39 30 33 33**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	8.20%	42
Top Marginal Corporate Income Tax Rate	8.20%	35
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$5.51	17
Property Tax Burden (per \$1,000 of personal income)	\$20.72	7
Sales Tax Burden (per \$1,000 of personal income)	\$19.58	15
Remaining Tax Burden (per \$1,000 of personal income)	\$21.01	35
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.01	20
Debt Service as a Share of Tax Revenue	10.7%	48
Public Employees Per 10,000 of Population (full-time equivalent)	551.9	36
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	61.7	42
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.52	15
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Louisiana

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# 31

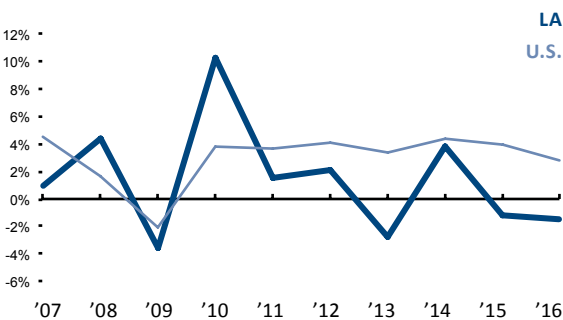
Economic  
Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

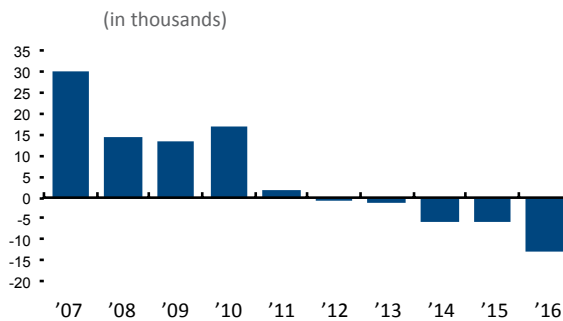
### State Gross Domestic Product

Cumulative Growth 2006-2016 14.2% Rank: 48



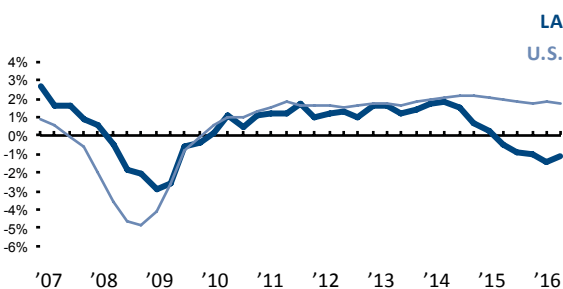
### Absolute Domestic Migration

Cumulative 2007-2016 50,441 Rank: 15



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 4.7% Rank: 25



# 27

Economic  
Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 15 19 28 29 26 28 28**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	3.78%	11
Top Marginal Corporate Income Tax Rate	6.32%	18
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$11.00	29
Property Tax Burden (per \$1,000 of personal income)	\$20.44	5
Sales Tax Burden (per \$1,000 of personal income)	\$35.78	45
Remaining Tax Burden (per \$1,000 of personal income)	\$16.71	23
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$7.64	49
Debt Service as a Share of Tax Revenue	8.7%	39
Public Employees Per 10,000 of Population (full-time equivalent)	551.7	35
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	56.6	50
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.11	41
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3



# Maine

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 41

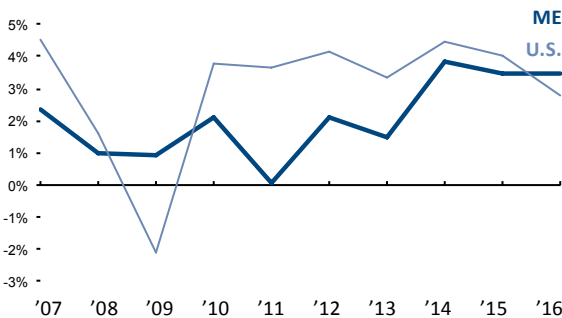
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

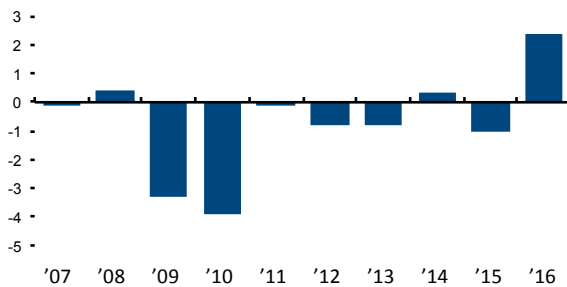
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **22.7%** Rank: 43



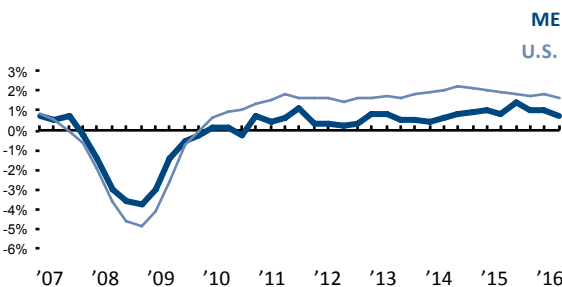
#### Absolute Domestic Migration

Cumulative 2007-2016 **-6,987** Rank: 25  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **0.2%** Rank: 43



## 42

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 48 47 41 40 42 38 42**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.15%	38
Top Marginal Corporate Income Tax Rate	8.93%	41
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$15.67	42
Property Tax Burden (per \$1,000 of personal income)	\$48.89	47
Sales Tax Burden (per \$1,000 of personal income)	\$22.97	22
Remaining Tax Burden (per \$1,000 of personal income)	\$19.15	30
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.04	19
Debt Service as a Share of Tax Revenue	4.7%	10
Public Employees Per 10,000 of Population (full-time equivalent)	521.4	22
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	73.2	9
State Minimum Wage (federal floor is \$7.25)	\$10.00	39
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.02	37
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Maryland

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 26

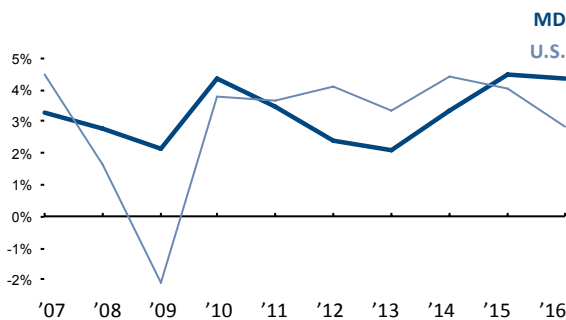
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

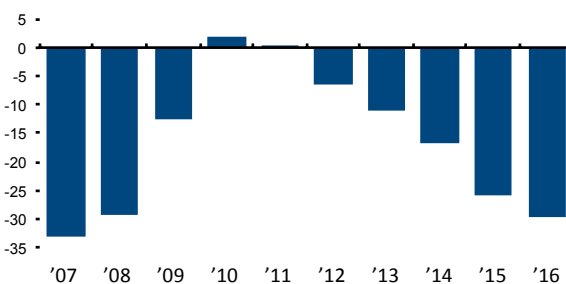
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **37.7%** Rank: 16



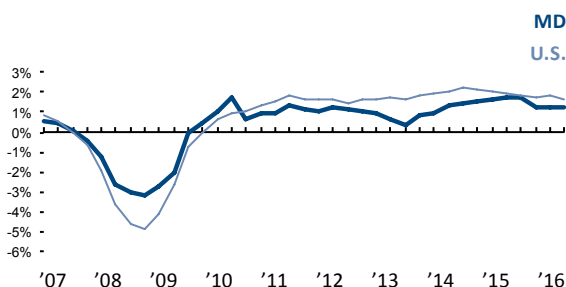
#### Absolute Domestic Migration

Cumulative 2007-2016 **-161,787** Rank: 42  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **4.7%** Rank: 23



## 32

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

#### Historical Ranking Comparison

2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 21 20 35 34 33 31 34**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	8.95%	43
Top Marginal Corporate Income Tax Rate	8.25%	37
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$6.44	19
Property Tax Burden (per \$1,000 of personal income)	\$28.29	25
Sales Tax Burden (per \$1,000 of personal income)	\$13.35	8
Remaining Tax Burden (per \$1,000 of personal income)	\$21.62	37
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.22	12
Debt Service as a Share of Tax Revenue	6.1%	15
Public Employees Per 10,000 of Population (full-time equivalent)	505.3	18
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.8	19
State Minimum Wage (federal floor is \$7.25)	\$9.25	35
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.50	13
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Massachusetts

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 15

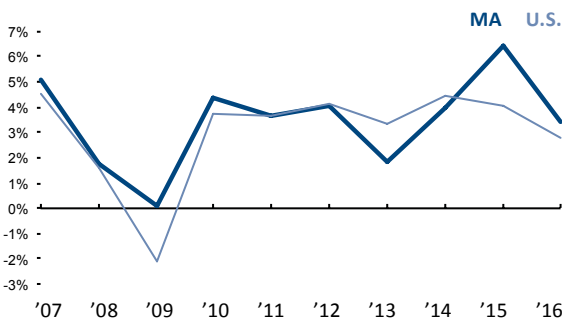
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

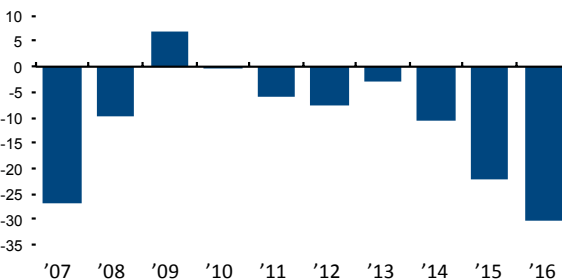
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **40.3%** Rank: 9



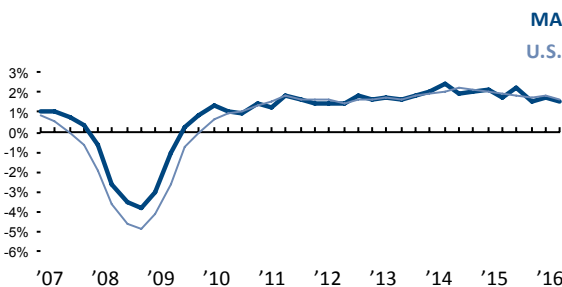
#### Absolute Domestic Migration

Cumulative 2007-2016 **-109,140** Rank: 41  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **9.1%** Rank: 8



## 25

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 24 25 29 28 28 26 25**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.10%	20
Top Marginal Corporate Income Tax Rate	8.00%	33
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$2.99	16
Property Tax Burden (per \$1,000 of personal income)	\$37.02	39
Sales Tax Burden (per \$1,000 of personal income)	\$14.00	9
Remaining Tax Burden (per \$1,000 of personal income)	\$12.56	4
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.51	31
Debt Service as a Share of Tax Revenue	8.9%	40
Public Employees Per 10,000 of Population (full-time equivalent)	493.4	14
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	72.1	14
State Minimum Wage (federal floor is \$7.25)	\$11.00	48
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.29	8
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Michigan

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 47

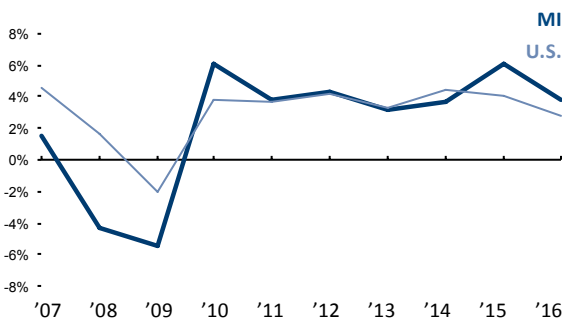
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

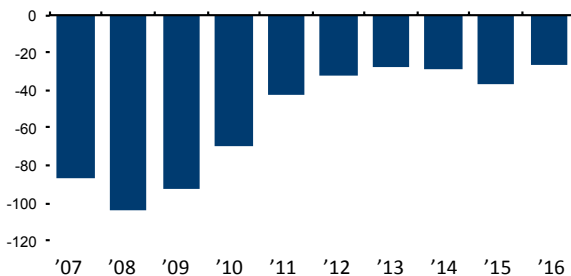
#### State Gross Domestic Product

Cumulative Growth 2006-2016 23.9% Rank: 40



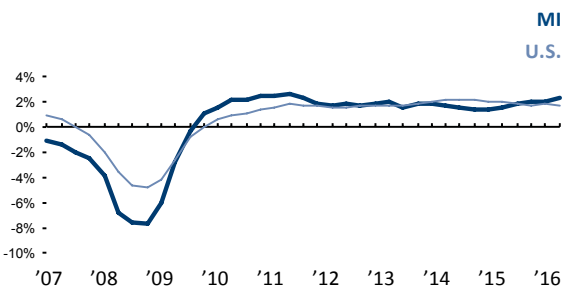
#### Absolute Domestic Migration

Cumulative 2007-2016 -546,239 Rank: 47  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 1.7% Rank: 38



## 18

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 25 17 20 12 24 22 20**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.65%	29
Top Marginal Corporate Income Tax Rate	8.00%	33
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$2.27	15
Property Tax Burden (per \$1,000 of personal income)	\$32.96	34
Sales Tax Burden (per \$1,000 of personal income)	\$22.14	20
Remaining Tax Burden (per \$1,000 of personal income)	\$15.17	15
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.99	35
Debt Service as a Share of Tax Revenue	8.2%	36
Public Employees Per 10,000 of Population (full-time equivalent)	442.0	5
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.4	22
State Minimum Wage (federal floor is \$7.25)	\$9.25	35
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.57	17
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# Minnesota

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

# 22

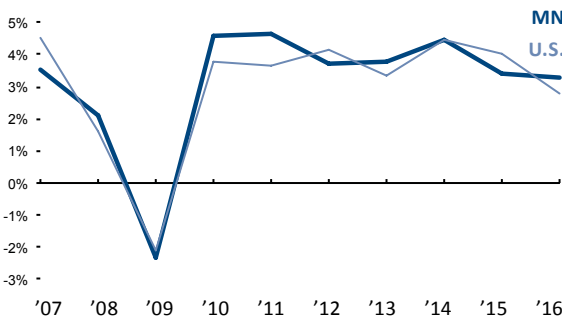
Economic Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

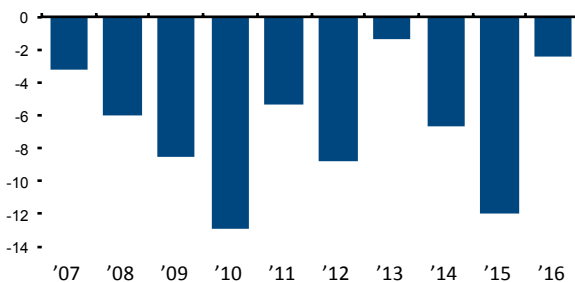
### State Gross Domestic Product

Cumulative Growth 2006-2016 35.6% Rank: 19



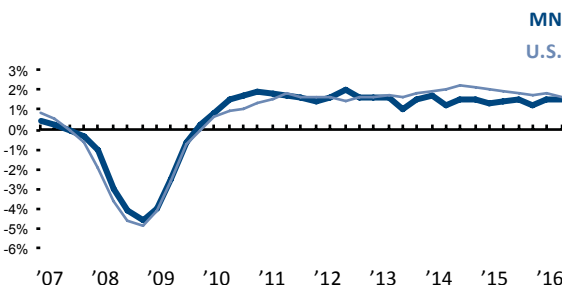
### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) -66,976 Rank: 37



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 5.8% Rank: 18



# 44

Economic Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 37 41 46 46 48 45 45**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	9.85%	45
Top Marginal Corporate Income Tax Rate	9.80%	45
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$19.97	47
Property Tax Burden (per \$1,000 of personal income)	\$30.57	31
Sales Tax Burden (per \$1,000 of personal income)	\$20.46	18
Remaining Tax Burden (per \$1,000 of personal income)	\$24.25	45
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$1.21	6
Debt Service as a Share of Tax Revenue	5.2%	11
Public Employees Per 10,000 of Population (full-time equivalent)	528.2	24
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	74.2	4
State Minimum Wage (federal floor is \$7.25)	\$9.65	37
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.91	29
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Mississippi

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 44

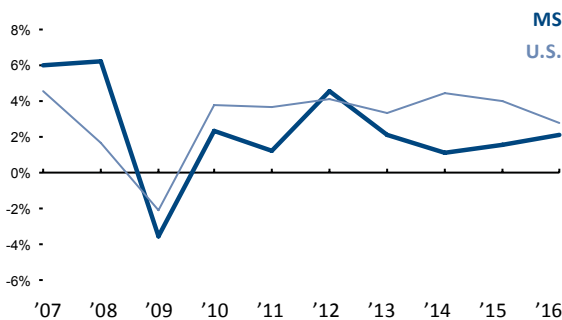
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

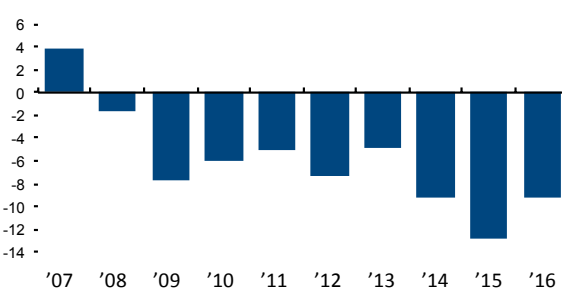
#### State Gross Domestic Product

Cumulative Growth 2006-2016 25.7% Rank: 37



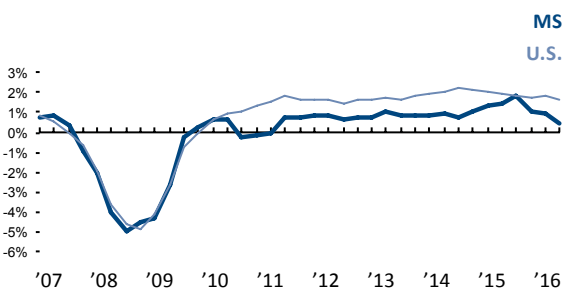
#### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) -60,002 Rank: 36



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 -0.4% Rank: 46



## 24

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 19 15 10 14 20 17 22**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.00%	17
Top Marginal Corporate Income Tax Rate	5.00%	10
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.93	25
Property Tax Burden (per \$1,000 of personal income)	\$28.19	23
Sales Tax Burden (per \$1,000 of personal income)	\$33.19	41
Remaining Tax Burden (per \$1,000 of personal income)	\$21.84	39
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.79	33
Debt Service as a Share of Tax Revenue	4.4%	7
Public Employees Per 10,000 of Population (full-time equivalent)	638.7	46
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	61.1	44
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.70	22
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# Missouri

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 34

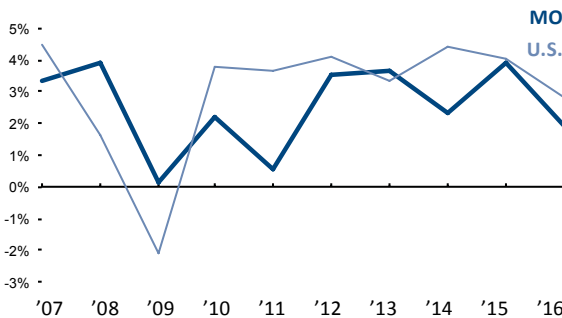
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

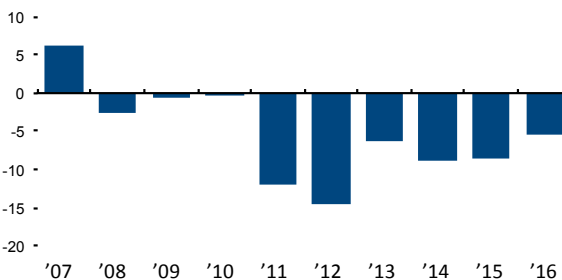
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **28.5%** Rank: 31



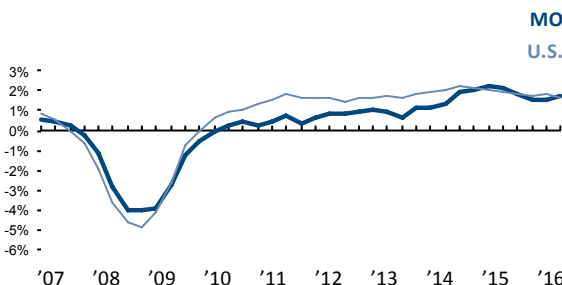
#### Absolute Domestic Migration

Cumulative 2007-2016 **-52,999** Rank: 34  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **2.8%** Rank: 33



## 23

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 9 7 23 24 27 24 24**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.90%	31
Top Marginal Corporate Income Tax Rate	6.59%	24
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$15.59	41
Property Tax Burden (per \$1,000 of personal income)	\$23.72	14
Sales Tax Burden (per \$1,000 of personal income)	\$23.12	24
Remaining Tax Burden (per \$1,000 of personal income)	\$13.91	10
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.07	17
Debt Service as a Share of Tax Revenue	8.0%	35
Public Employees Per 10,000 of Population (full-time equivalent)	517.4	20
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	58.1	49
State Minimum Wage (federal floor is \$7.25)	\$7.85	23
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.92	31
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	3	1



# Montana

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 9

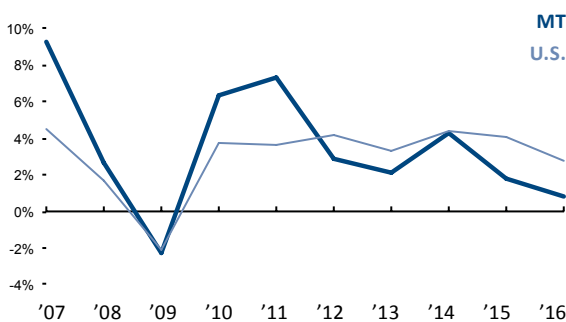
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

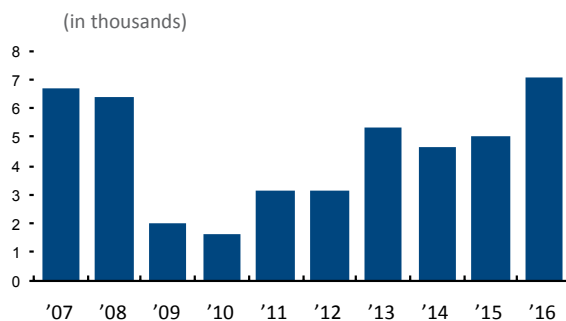
#### State Gross Domestic Product

Cumulative Growth 2006-2016 40.4% Rank: 8



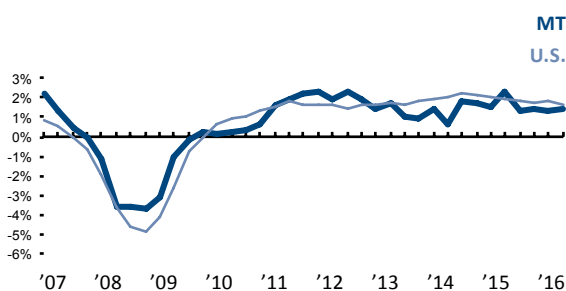
#### Absolute Domestic Migration

Cumulative 2007-2016 45,036 Rank: 18



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 8% Rank: 11



## 43

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 36 36 42 43 43 40 39**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.90%	32
Top Marginal Corporate Income Tax Rate	6.75%	25
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$17.79	45
Property Tax Burden (per \$1,000 of personal income)	\$36.34	38
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$23.31	44
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$1.19	38
Debt Service as a Share of Tax Revenue	4.6%	9
Public Employees Per 10,000 of Population (full-time equivalent)	553.4	37
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.7	27
State Minimum Wage (federal floor is \$7.25)	\$8.30	28
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.10	40
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Nebraska

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



# 13

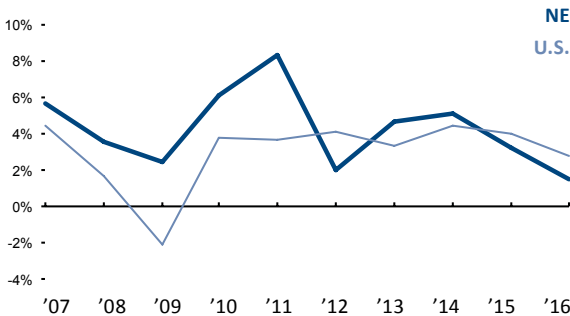
Economic Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

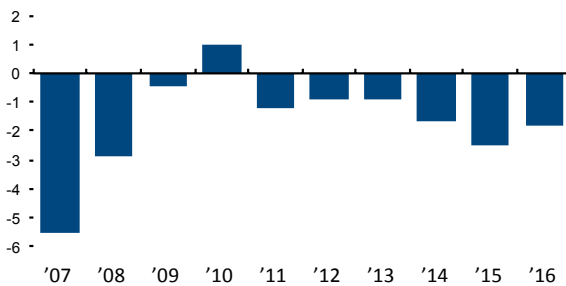
### State Gross Domestic Product

Cumulative Growth 2006-2016 51.5% Rank: 2



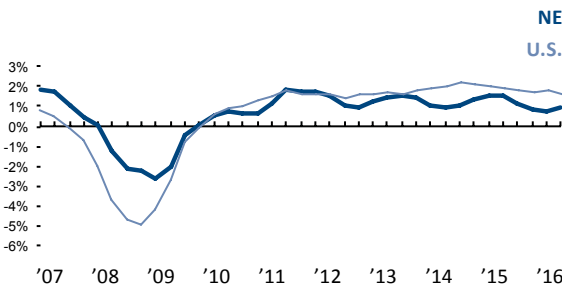
### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) -16,787 Rank: 29



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 7.4% Rank: 13



# 28

Economic Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 32 31 37 35 31 32 32**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.84%	30
Top Marginal Corporate Income Tax Rate	7.81%	31
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$17.69	44
Property Tax Burden (per \$1,000 of personal income)	\$38.80	41
Sales Tax Burden (per \$1,000 of personal income)	\$23.32	25
Remaining Tax Burden (per \$1,000 of personal income)	\$13.32	8
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$2.38	2
Debt Service as a Share of Tax Revenue	5.6%	13
Public Employees Per 10,000 of Population (full-time equivalent)	626.5	44
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	73.5	7
State Minimum Wage (federal floor is \$7.25)	\$9.00	34
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.67	19
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Nevada

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 33

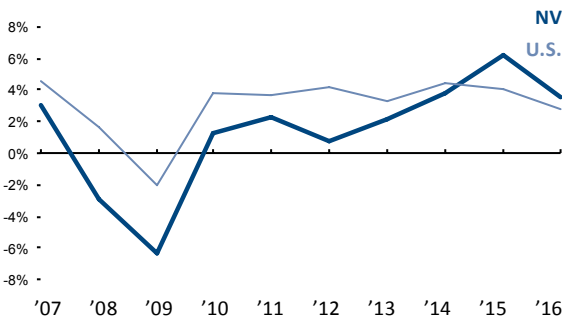
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

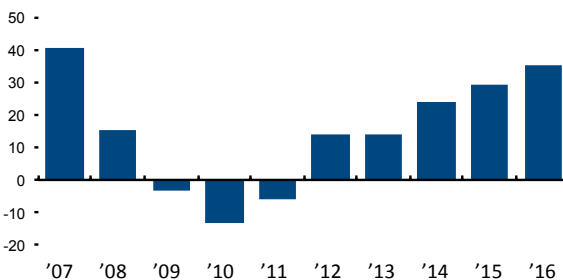
#### State Gross Domestic Product

Cumulative Growth 2006-2016 14.0% Rank: 49



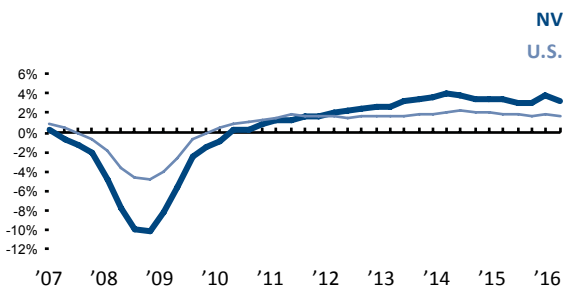
#### Absolute Domestic Migration

Cumulative 2007-2016 149,724 Rank: 11  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 2.5% Rank: 35



## 13

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 17 18 13 8 10 14 13**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	0.64%	3
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)	\$23.06	11
Sales Tax Burden (per \$1,000 of personal income)	\$39.15	48
Remaining Tax Burden (per \$1,000 of personal income)	\$35.32	49
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$2.86	45
Debt Service as a Share of Tax Revenue	9.0%	42
Public Employees Per 10,000 of Population (full-time equivalent)	385.6	1
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	66.6	37
State Minimum Wage (federal floor is \$7.25)	\$8.25	24
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.31	9
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# New Hampshire

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 27

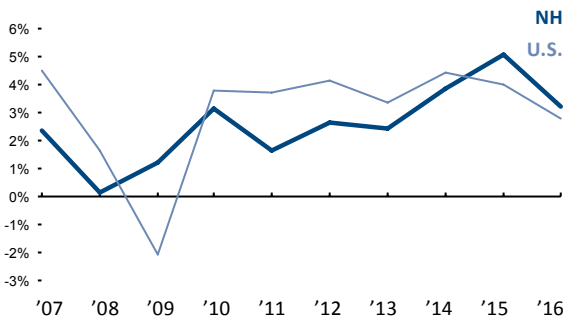
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

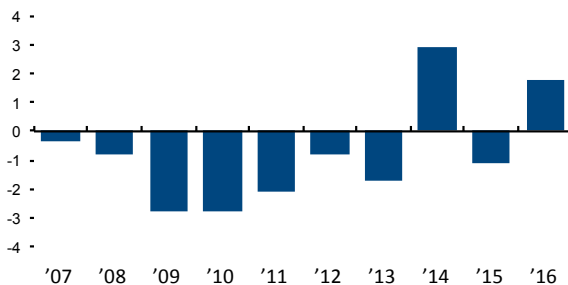
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **28.8%** Rank: 30



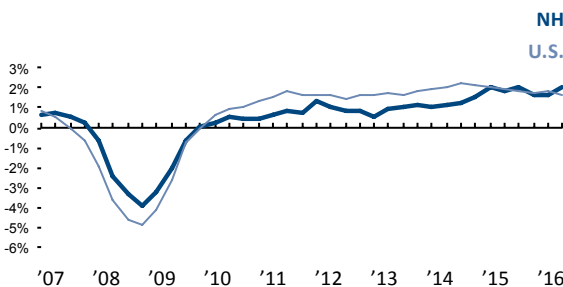
#### Absolute Domestic Migration

Cumulative 2007-2016 **-7,673** Rank: 26  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **4.6%** Rank: 27



## 17

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 28 28 27 32 29 23 18**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	8.20%	36
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)	\$57.18	50
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$20.36	34
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.61	7
Debt Service as a Share of Tax Revenue	7.3%	30
Public Employees Per 10,000 of Population (full-time equivalent)	528.0	23
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	73.9	5
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.96	34
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# New Jersey

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 49

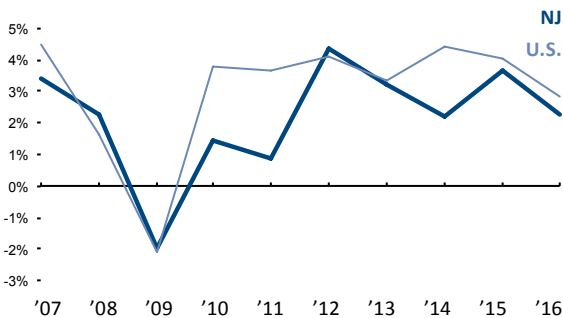
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

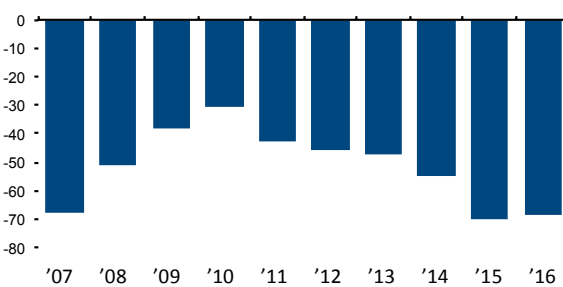
#### State Gross Domestic Product

Cumulative Growth 2006-2016 23.7% Rank: 41



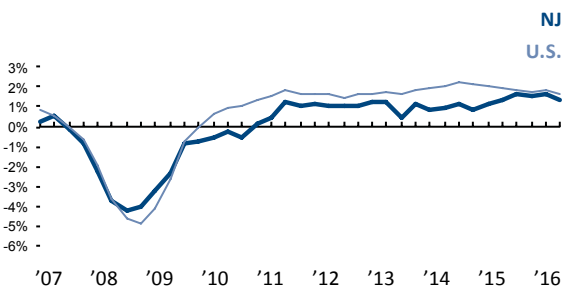
#### Absolute Domestic Migration

Cumulative 2007-2016 -516,326 Rank: 46  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 0.5% Rank: 42



## 46

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 45 42 39 45 46 48 48**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	9.97%	46
Top Marginal Corporate Income Tax Rate	9.00%	42
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$24.81	48
Property Tax Burden (per \$1,000 of personal income)	\$52.25	48
Sales Tax Burden (per \$1,000 of personal income)	\$17.35	12
Remaining Tax Burden (per \$1,000 of personal income)	\$13.62	9
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.09	16
Debt Service as a Share of Tax Revenue	5.6%	14
Public Employees Per 10,000 of Population (full-time equivalent)	534.8	30
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	63.8	41
State Minimum Wage (federal floor is \$7.25)	\$8.60	31
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.92	49
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# New Mexico

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

# 45

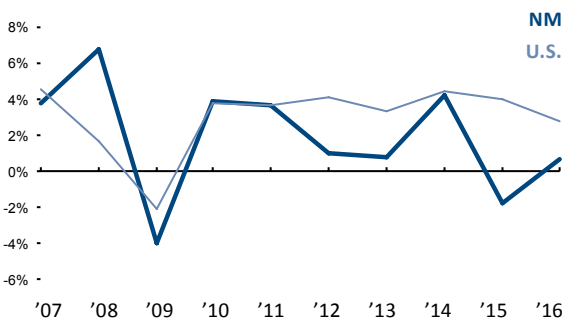
Economic Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

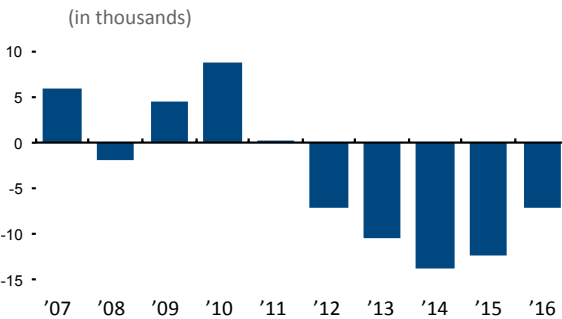
### State Gross Domestic Product

Cumulative Growth 2006-2016 20.0% Rank: 44



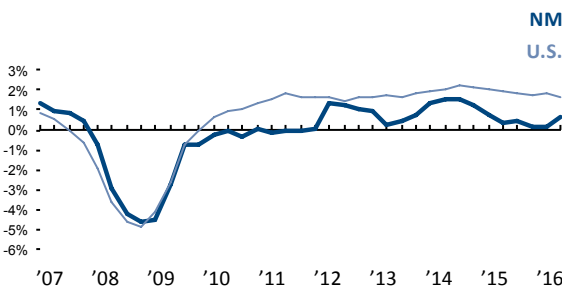
### Absolute Domestic Migration

Cumulative 2007-2016 -33,290 Rank: 32



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 -0.3% Rank: 45



# 35

Economic Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

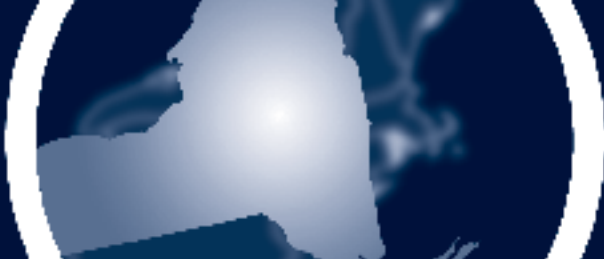
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 39 35 33 37 34 34 35**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.90%	15
Top Marginal Corporate Income Tax Rate	5.90%	15
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$14.21	37
Property Tax Burden (per \$1,000 of personal income)	\$20.52	6
Sales Tax Burden (per \$1,000 of personal income)	\$41.37	49
Remaining Tax Burden (per \$1,000 of personal income)	\$15.03	14
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.02	23
Debt Service as a Share of Tax Revenue	6.6%	23
Public Employees Per 10,000 of Population (full-time equivalent)	605.4	43
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.2	32
State Minimum Wage (federal floor is \$7.25)	\$7.50	22
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.92	31
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# New York

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 19

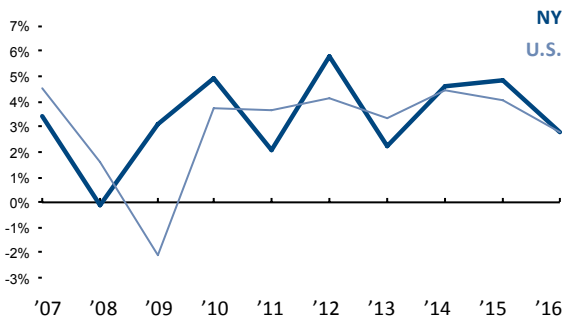
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

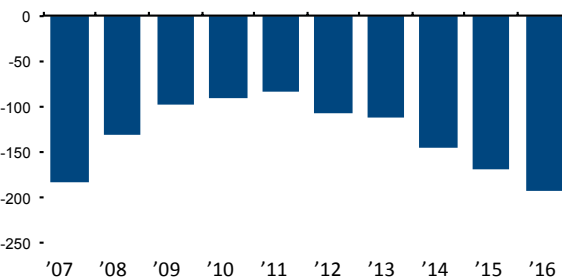
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **39.2%** Rank: 12



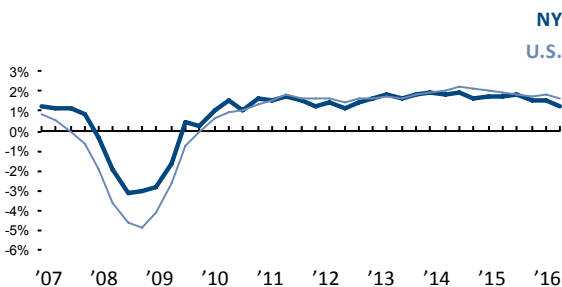
#### Absolute Domestic Migration

Cumulative 2007-2016 **-1,314,425** Rank: 50  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **9.1%** Rank: 7



## 50

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

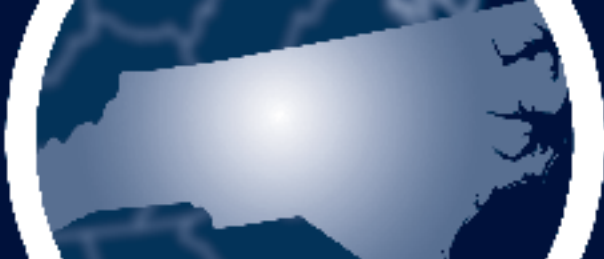
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 50 50 49 50 50 50 50**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	12.70%	49
Top Marginal Corporate Income Tax Rate	17.21%	50
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$12.47	33
Property Tax Burden (per \$1,000 of personal income)	\$47.06	45
Sales Tax Burden (per \$1,000 of personal income)	\$25.41	33
Remaining Tax Burden (per \$1,000 of personal income)	\$20.35	33
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.44	30
Debt Service as a Share of Tax Revenue	8.3%	37
Public Employees Per 10,000 of Population (full-time equivalent)	599.4	42
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.4	29
State Minimum Wage (federal floor is \$7.25)	\$10.40	45
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.83	48
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# North Carolina

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



# 11

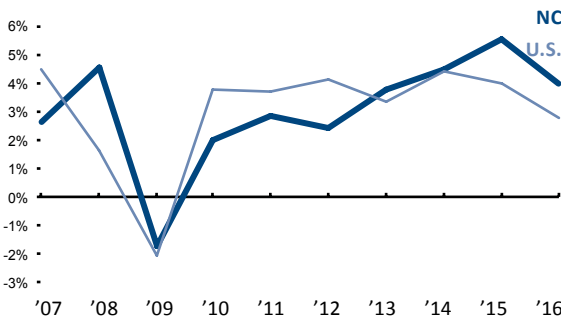
Economic Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

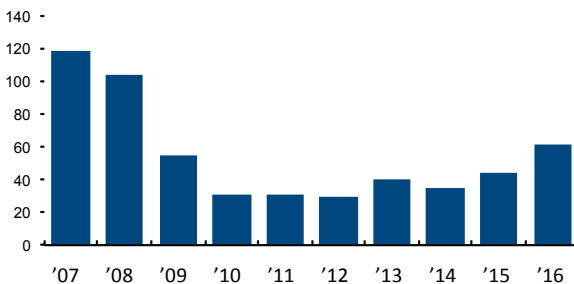
### State Gross Domestic Product

Cumulative Growth 2006-2016 **34.8%** Rank: 21



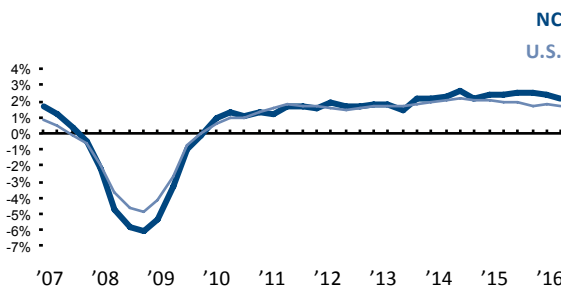
### Absolute Domestic Migration

Cumulative 2007-2016 **549,148** Rank: 3  
(in thousands)



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **6.9%** Rank: 17



# 7

Economic Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 26 23 22 6 4 2 3**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.50%	22
Top Marginal Corporate Income Tax Rate	3.00%	5
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$6.42	18
Property Tax Burden (per \$1,000 of personal income)	\$23.63	12
Sales Tax Burden (per \$1,000 of personal income)	\$23.36	26
Remaining Tax Burden (per \$1,000 of personal income)	\$16.04	18
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$1.38	5
Debt Service as a Share of Tax Revenue	6.3%	21
Public Employees Per 10,000 of Population (full-time equivalent)	540.9	33
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.2	33
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.91	29
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15



# North Dakota

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 3

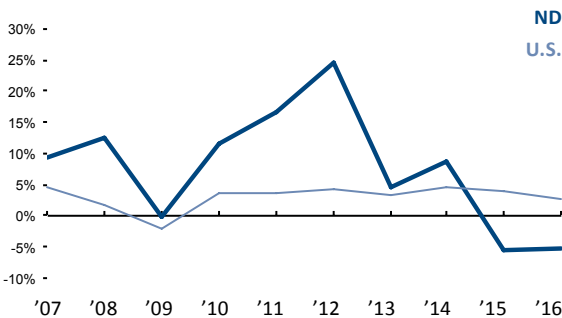
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

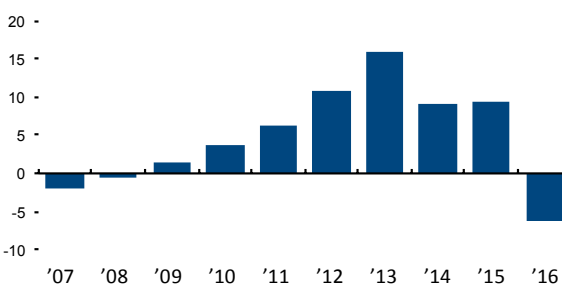
#### State Gross Domestic Product

Cumulative Growth 2006-2016 102.4% Rank: 1



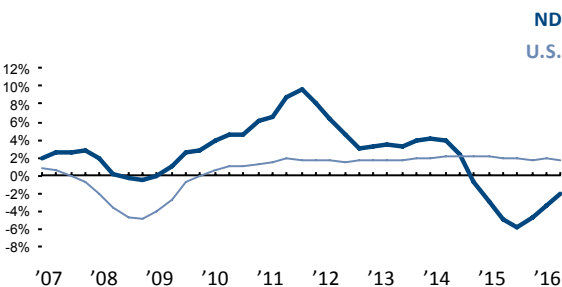
#### Absolute Domestic Migration

Cumulative 2007-2016 47,621 Rank: 16  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 22.5% Rank: 1



## 4

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 7 5 2 4 2 3 4**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	2.90%	10
Top Marginal Corporate Income Tax Rate	4.31%	7
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$8.66	26
Property Tax Burden (per \$1,000 of personal income)	\$21.53	9
Sales Tax Burden (per \$1,000 of personal income)	\$37.53	47
Remaining Tax Burden (per \$1,000 of personal income)	\$19.58	31
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$4.24	1
Debt Service as a Share of Tax Revenue	2.9%	2
Public Employees Per 10,000 of Population (full-time equivalent)	633.6	45
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	71.5	17
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$0.89	1
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Ohio

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 42

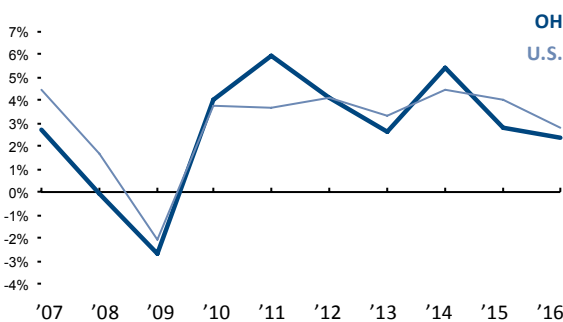
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

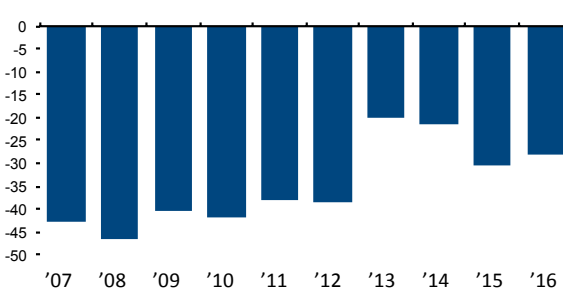
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **30.5%** Rank: 27



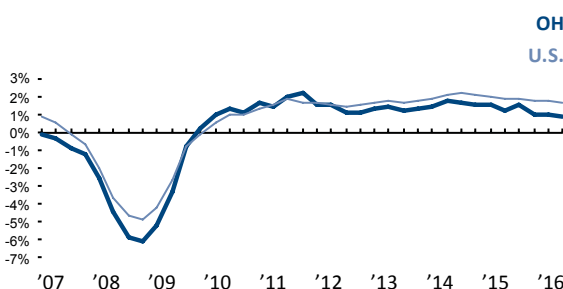
#### Absolute Domestic Migration

Cumulative 2007-2016 **-346,792** Rank: 45  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **1.4%** Rank: 40



## 21

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

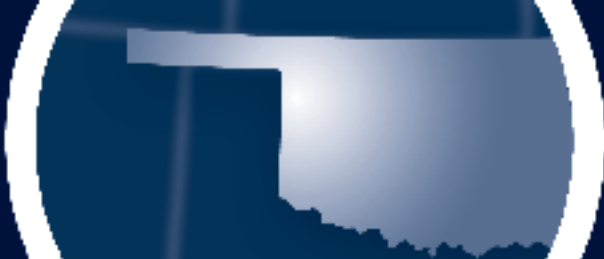
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 38 37 26 23 23 18 19**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.50%	39
Top Marginal Corporate Income Tax Rate	3.67%	6
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$11.79	31
Property Tax Burden (per \$1,000 of personal income)	\$29.55	26
Sales Tax Burden (per \$1,000 of personal income)	\$24.84	31
Remaining Tax Burden (per \$1,000 of personal income)	\$16.54	22
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.27	9
Debt Service as a Share of Tax Revenue	6.1%	16
Public Employees Per 10,000 of Population (full-time equivalent)	506.7	19
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.7	26
State Minimum Wage (federal floor is \$7.25)	\$8.30	28
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.45	11
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Oklahoma

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



# 16

Economic Performance Rank

# 16

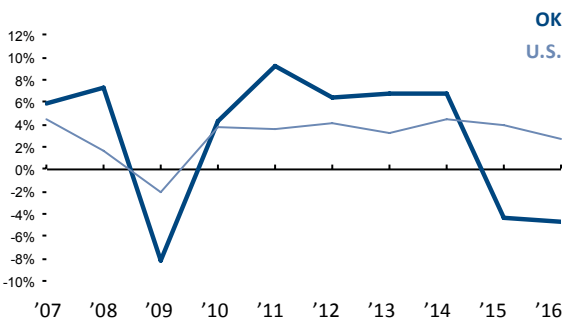
Economic Outlook Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

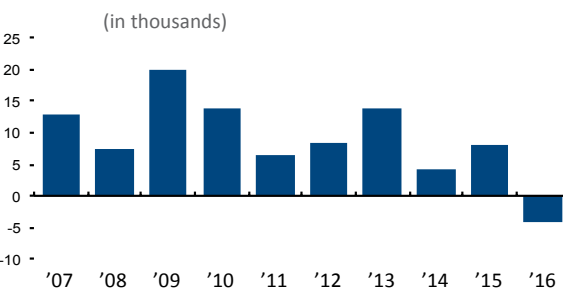
### State Gross Domestic Product

Cumulative Growth 2006-2016 31.8% Rank: 25



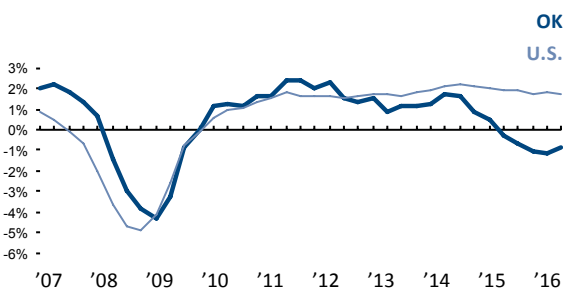
### Absolute Domestic Migration

Cumulative 2007-2016 91,214 Rank: 12



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 4.8% Rank: 22



## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 14 14 19 21 16 10 16**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.00%	17
Top Marginal Corporate Income Tax Rate	6.00%	16
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.41	22
Property Tax Burden (per \$1,000 of personal income)	\$15.18	2
Sales Tax Burden (per \$1,000 of personal income)	\$27.33	36
Remaining Tax Burden (per \$1,000 of personal income)	\$16.23	21
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$2.39	44
Debt Service as a Share of Tax Revenue	5.4%	12
Public Employees Per 10,000 of Population (full-time equivalent)	550.5	34
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.3	31
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.23	43
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# Oregon

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 6

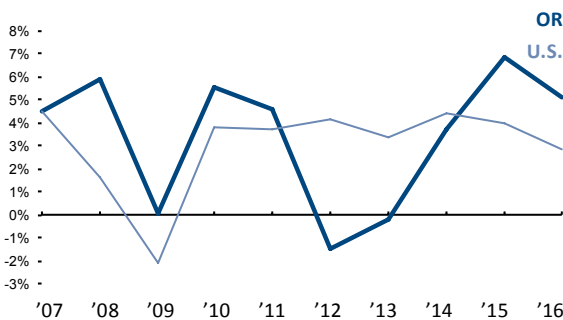
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

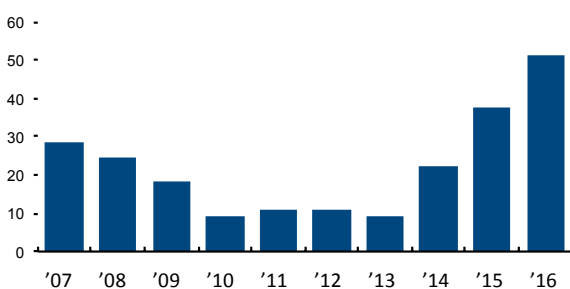
#### State Gross Domestic Product

Cumulative Growth 2006-2016 39.9% Rank: 10



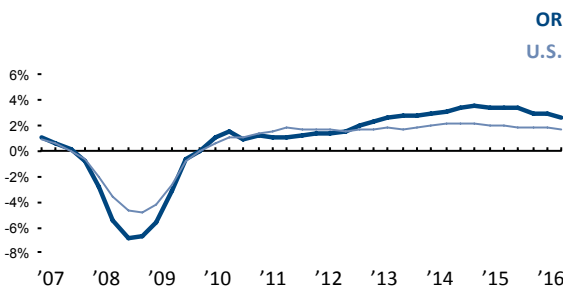
#### Absolute Domestic Migration

Cumulative 2007-2016 222,902 Rank: 10  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 7.7% Rank: 12



## 41

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 43 45 44 42 45 41 41**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	10.65%	47
Top Marginal Corporate Income Tax Rate	11.25%	46
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$14.58	38
Property Tax Burden (per \$1,000 of personal income)	\$32.82	33
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$22.52	42
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$3.05	46
Debt Service as a Share of Tax Revenue	7.7%	32
Public Employees Per 10,000 of Population (full-time equivalent)	483.0	9
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.4	21
State Minimum Wage (federal floor is \$7.25)	\$10.25	44
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.28	7
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# Pennsylvania

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 35

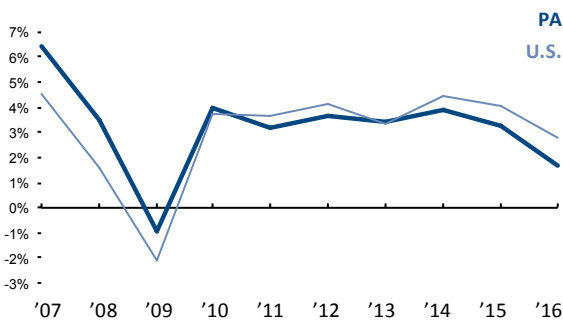
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

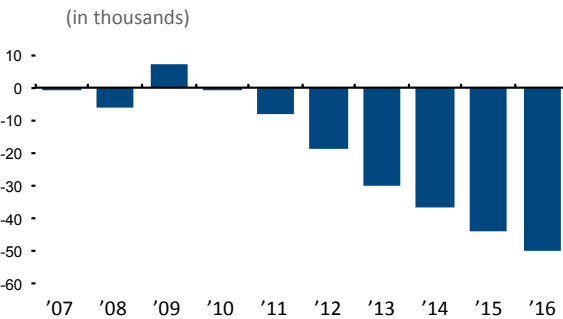
#### State Gross Domestic Product

Cumulative Growth 2006-2016 36.9% Rank: 17



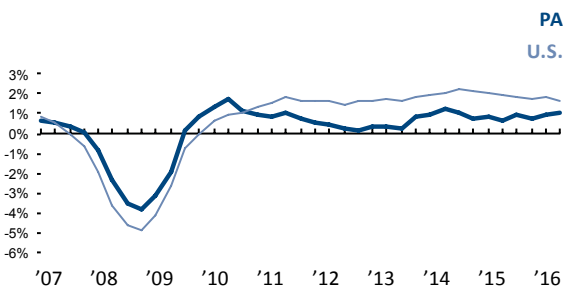
#### Absolute Domestic Migration

Cumulative 2007-2016 -186,096 Rank: 44



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 2.4% Rank: 37



## 38

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

#### Historical Ranking Comparison

2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 41 40 34 33 41 39 38**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.96%	35
Top Marginal Corporate Income Tax Rate	16.98%	49
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)	\$30.26	30
Sales Tax Burden (per \$1,000 of personal income)	\$17.12	11
Remaining Tax Burden (per \$1,000 of personal income)	\$22.94	43
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.83	34
Debt Service as a Share of Tax Revenue	7.1%	28
Public Employees Per 10,000 of Population (full-time equivalent)	439.8	4
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	66.3	38
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.84	25
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Rhode Island

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## 48

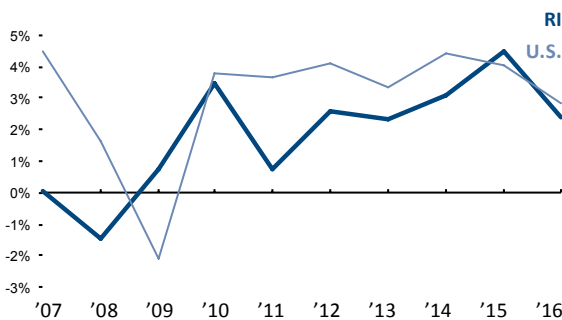
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

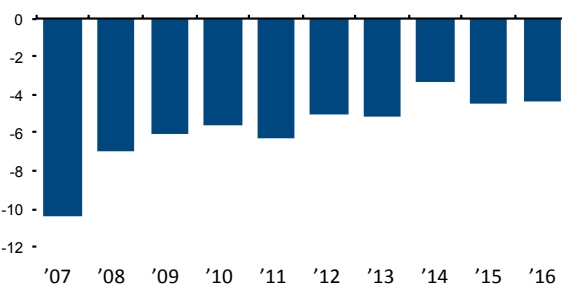
#### State Gross Domestic Product

Cumulative Growth 2006-2016 19.8% Rank: 45



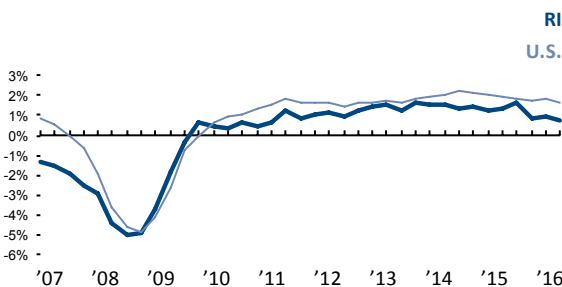
#### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) -57,472 Rank: 35



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 -0.7% Rank: 48



## 39

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

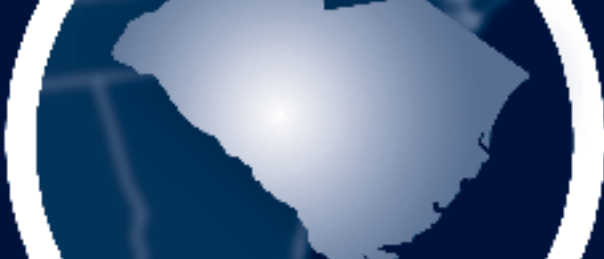
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 42 43 45 41 39 35 36**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.99%	27
Top Marginal Corporate Income Tax Rate	7.00%	28
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$11.26	30
Property Tax Burden (per \$1,000 of personal income)	\$47.92	46
Sales Tax Burden (per \$1,000 of personal income)	\$18.61	13
Remaining Tax Burden (per \$1,000 of personal income)	\$17.47	27
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.17	27
Debt Service as a Share of Tax Revenue	11.2%	49
Public Employees Per 10,000 of Population (full-time equivalent)	456.3	6
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.9	24
State Minimum Wage (federal floor is \$7.25)	\$10.10	40
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.20	42
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3

# South Carolina

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# 7

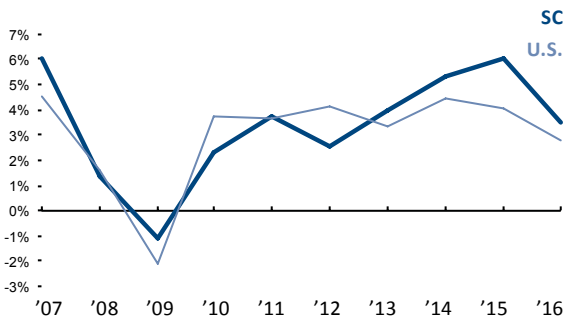
Economic Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

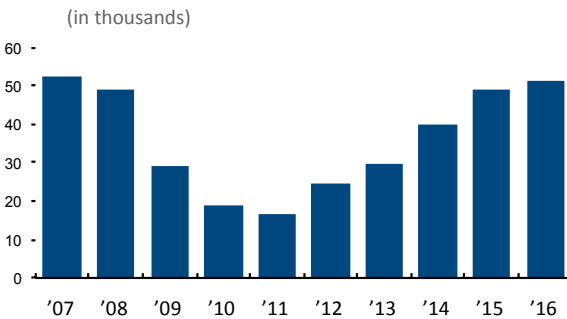
### State Gross Domestic Product

Cumulative Growth 2006-2016 38.9% Rank: 14



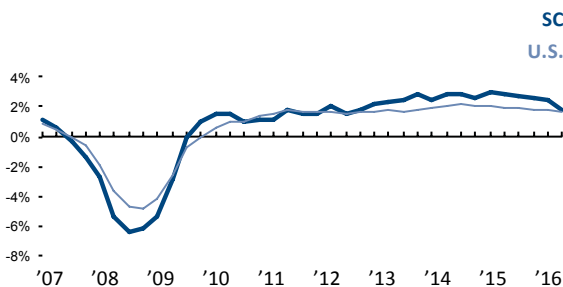
### Absolute Domestic Migration

Cumulative 2007-2016 361,117 Rank: 6



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 7.3% Rank: 15



# 33

Economic Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 22 27 31 31 32 30 27**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.00%	37
Top Marginal Corporate Income Tax Rate	5.00%	10
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$17.93	46
Property Tax Burden (per \$1,000 of personal income)	\$29.99	29
Sales Tax Burden (per \$1,000 of personal income)	\$21.89	19
Remaining Tax Burden (per \$1,000 of personal income)	\$16.71	24
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$1.23	39
Debt Service as a Share of Tax Revenue	9.4%	43
Public Employees Per 10,000 of Population (full-time equivalent)	528.9	25
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	67.7	34
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.94	33
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# South Dakota

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## 8

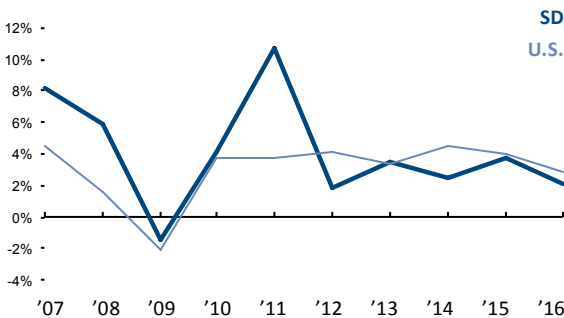
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

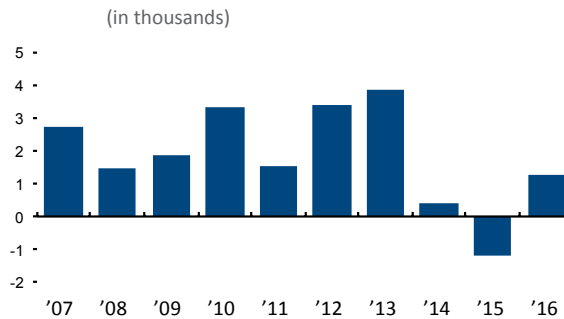
#### State Gross Domestic Product

Cumulative Growth 2006-2016 48.7% Rank: 4



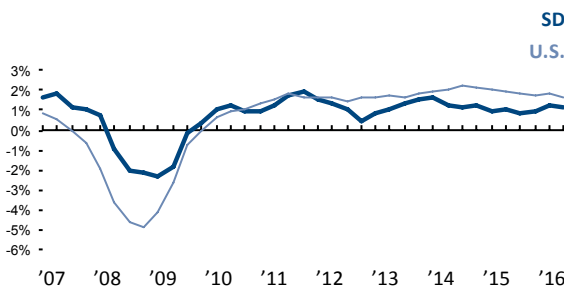
#### Absolute Domestic Migration

Cumulative 2007-2016 18,597 Rank: 22



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 8.4% Rank: 9



## 9

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

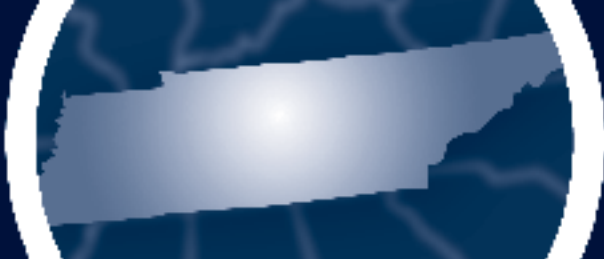
Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 2 2 3 2 9 11 12**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	0.00%	1
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)	\$29.68	27
Sales Tax Burden (per \$1,000 of personal income)	\$33.39	43
Remaining Tax Burden (per \$1,000 of personal income)	\$19.05	29
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$1.62	41
Debt Service as a Share of Tax Revenue	6.2%	18
Public Employees Per 10,000 of Population (full-time equivalent)	535.4	31
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	75.3	1
State Minimum Wage (federal floor is \$7.25)	\$8.85	33
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.67	19
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15



# Tennessee

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## 10

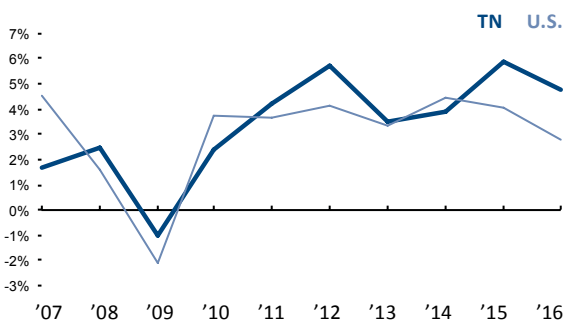
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

#### State Gross Domestic Product

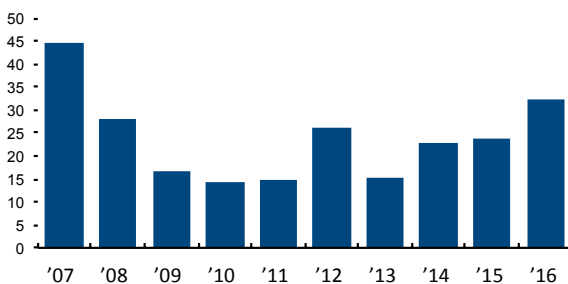
Cumulative Growth 2006-2016 **38.8%** Rank: 15



#### Absolute Domestic Migration

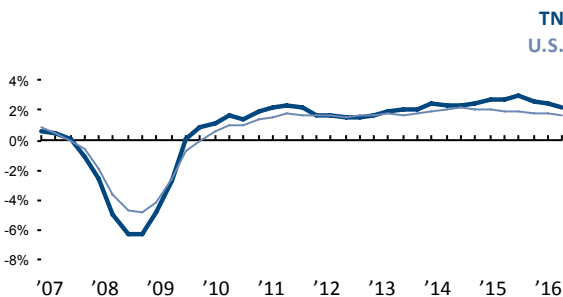
Cumulative 2007-2016 **238,762** Rank: 9

(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **7.4%** Rank: 14



## 12

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 8 12 18 19 17 7 5**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	6.50%	21
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)	\$21.10	8
Sales Tax Burden (per \$1,000 of personal income)	\$32.53	40
Remaining Tax Burden (per \$1,000 of personal income)	\$19.97	32
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$1.89	42
Debt Service as a Share of Tax Revenue	7.2%	29
Public Employees Per 10,000 of Population (full-time equivalent)	494.7	16
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.3	30
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.68	21
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Texas

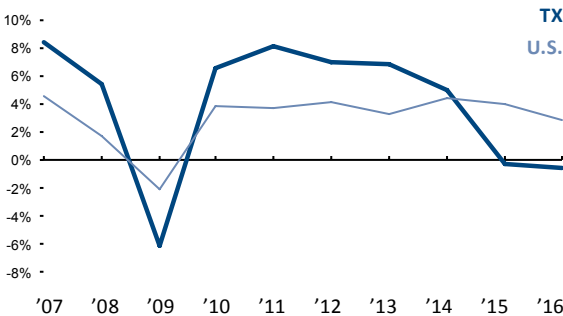
2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



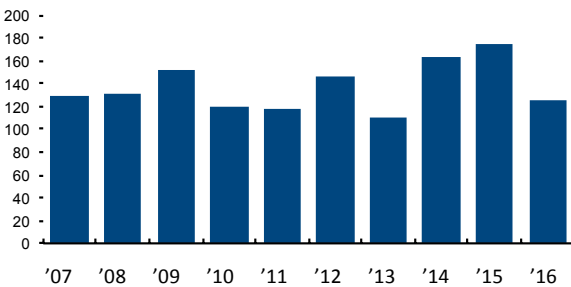
**1** Economic Performance Rank

**Economic Performance Rank** (1=best 50=worst)  
**A backward-looking measure 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.**

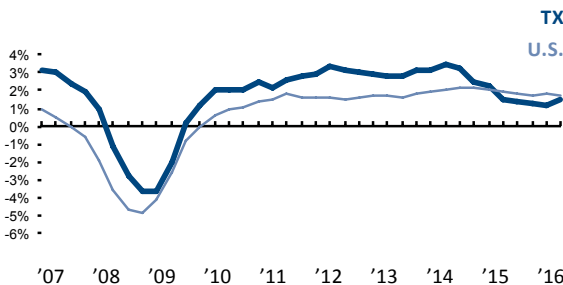
**State Gross Domestic Product**  
 Cumulative Growth 2006-2016 **47.0%** Rank: 6



**Absolute Domestic Migration**  
 Cumulative 2007-2016 **1,368,025** Rank: 1  
 (in thousands)



**Non-Farm Payroll Employment**  
 Cumulative Growth 2006-2016 **18.6%** Rank: 2



**14** Economic Outlook Rank

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

**Historical Ranking Comparison** 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK** **18 16 12 13 11 12 9**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	2.63%	4
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)	\$37.48	40
Sales Tax Burden (per \$1,000 of personal income)	\$28.70	37
Remaining Tax Burden (per \$1,000 of personal income)	\$16.20	20
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.00	22
Debt Service as a Share of Tax Revenue	10.3%	46
Public Employees Per 10,000 of Population (full-time equivalent)	533.4	29
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	64.3	40
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.45	11
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Utah

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## 4

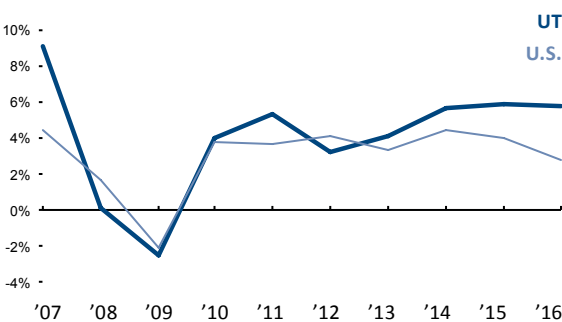
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

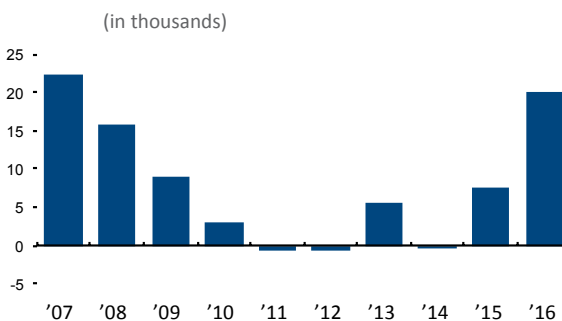
#### State Gross Domestic Product

Cumulative Growth 2006-2016 48.3% Rank: 5



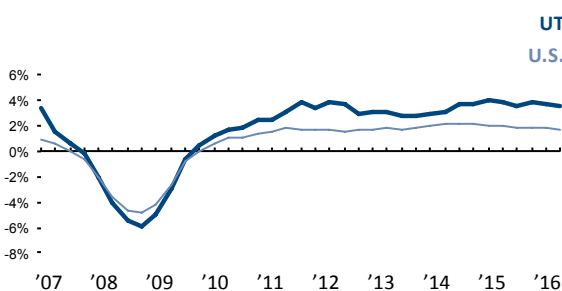
#### Absolute Domestic Migration

Cumulative 2007-2016 81,950 Rank: 13



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 18.4% Rank: 3



## 1

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 1 1 1 1 1 1 1**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.00%	17
Top Marginal Corporate Income Tax Rate	5.00%	10
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)	\$25.47	17
Sales Tax Burden (per \$1,000 of personal income)	\$22.97	23
Remaining Tax Burden (per \$1,000 of personal income)	\$14.23	12
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.01	21
Debt Service as a Share of Tax Revenue	6.9%	26
Public Employees Per 10,000 of Population (full-time equivalent)	482.2	8
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	72.8	12
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.27	6
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# Vermont

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## 38

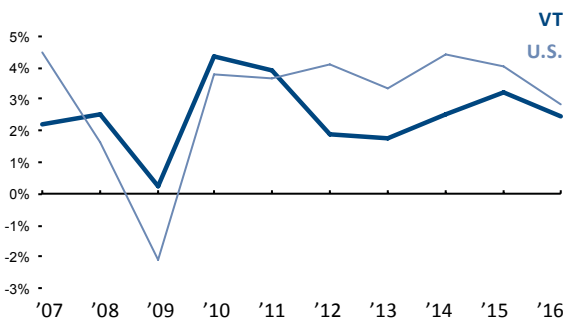
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

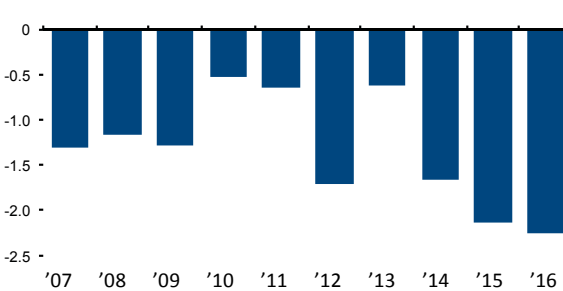
#### State Gross Domestic Product

Cumulative Growth 2006-2016 27.8% Rank: 35



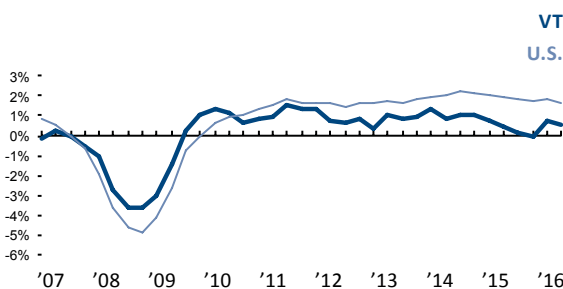
#### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) -13,338 Rank: 28



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 1.6% Rank: 39



## 49

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 49 49 50 49 49 49 49**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	8.95%	43
Top Marginal Corporate Income Tax Rate	8.50%	39
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$30.38	49
Property Tax Burden (per \$1,000 of personal income)	\$52.75	49
Sales Tax Burden (per \$1,000 of personal income)	\$12.55	7
Remaining Tax Burden (per \$1,000 of personal income)	\$27.83	47
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.53	32
Debt Service as a Share of Tax Revenue	3.6%	3
Public Employees Per 10,000 of Population (full-time equivalent)	642.5	47
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	75.2	2
State Minimum Wage (federal floor is \$7.25)	\$10.50	46
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.02	37
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Virginia

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 23

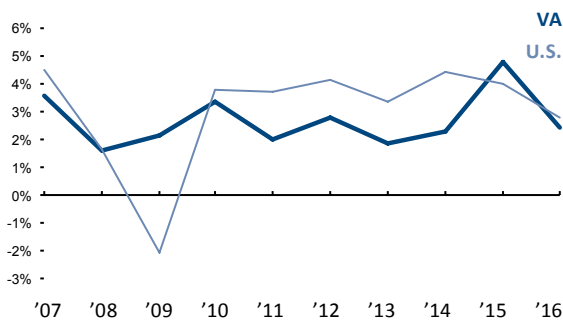
Economic  
Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

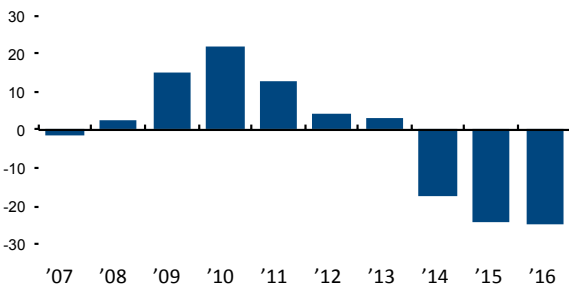
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **30.0%** Rank: **28**



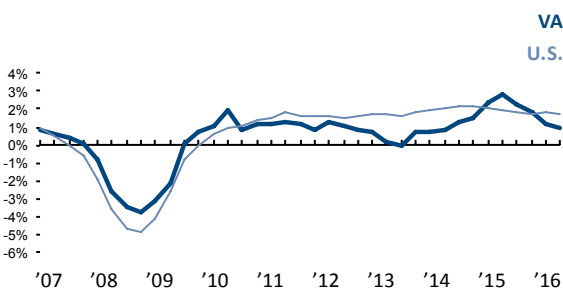
#### Absolute Domestic Migration

Cumulative 2007-2016 **-8,436** Rank: **27**  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **5.2%** Rank: **20**



## 10

Economic  
Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

#### Historical Ranking Comparison

2011 2012 2013 2014 2015 2016 2017

**ECONOMIC OUTLOOK RANK 3 3 5 11 12 13 11**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.75%	25
Top Marginal Corporate Income Tax Rate	7.63%	30
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$6.45	20
Property Tax Burden (per \$1,000 of personal income)	\$29.82	28
Sales Tax Burden (per \$1,000 of personal income)	\$11.94	6
Remaining Tax Burden (per \$1,000 of personal income)	\$15.84	17
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.13	26
Debt Service as a Share of Tax Revenue	6.8%	25
Public Employees Per 10,000 of Population (full-time equivalent)	532.0	28
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	72.8	10
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.24	5
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Washington

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 2

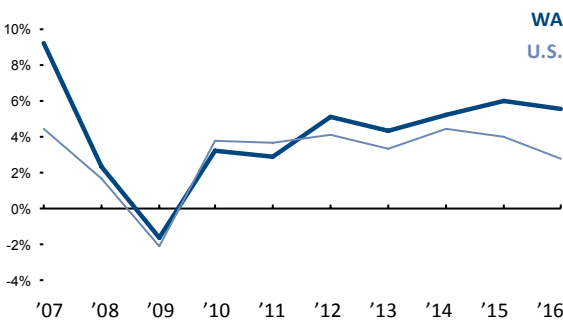
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

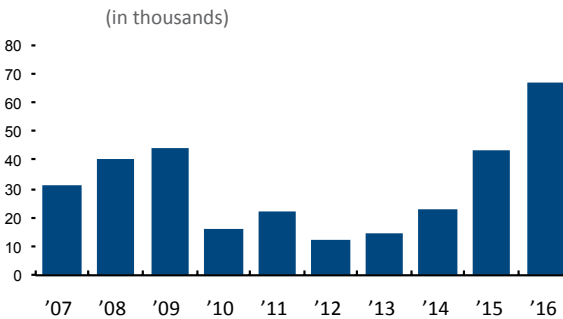
#### State Gross Domestic Product

Cumulative Growth 2006-2016 **50.5%** Rank: 3



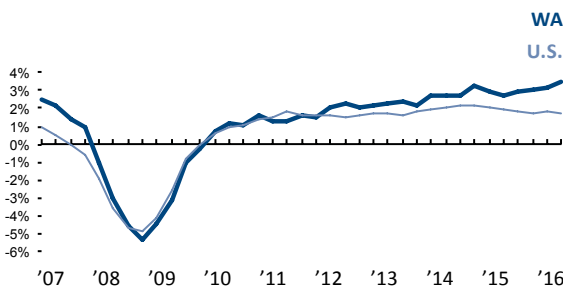
#### Absolute Domestic Migration

Cumulative 2007-2016 **313,722** Rank: 7



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **12.6%** Rank: 5



## 37

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 33 33 36 38 35 36 40**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	6.78%	26
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)	\$27.25	19
Sales Tax Burden (per \$1,000 of personal income)	\$33.23	42
Remaining Tax Burden (per \$1,000 of personal income)	\$22.46	41
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$0.28	29
Debt Service as a Share of Tax Revenue	9.8%	45
Public Employees Per 10,000 of Population (full-time equivalent)	483.9	10
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.4	28
State Minimum Wage (federal floor is \$7.25)	\$11.50	50
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.97	36
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	1	15

# West Virginia

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



## 40

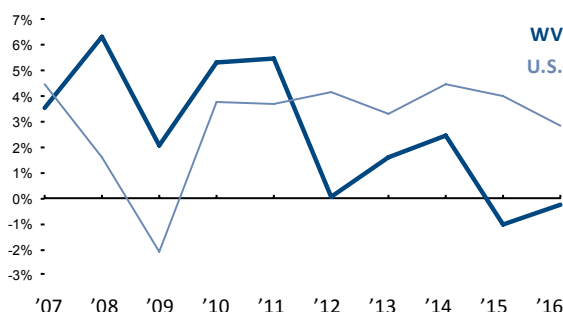
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

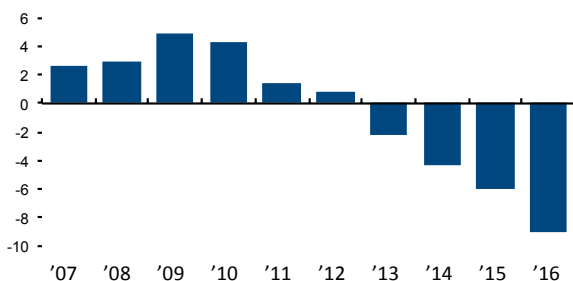
#### State Gross Domestic Product

Cumulative Growth 2006-2016 28.1% Rank: 33



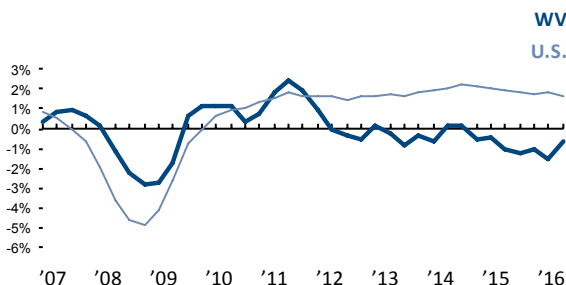
#### Absolute Domestic Migration

Cumulative 2007-2016 (in thousands) -4,397 Rank: 24



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 -1.2% Rank: 49



## 30

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 31 30 32 30 36 37 31**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.50%	28
Top Marginal Corporate Income Tax Rate	6.50%	21
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$15.53	40
Property Tax Burden (per \$1,000 of personal income)	\$24.47	15
Sales Tax Burden (per \$1,000 of personal income)	\$19.56	14
Remaining Tax Burden (per \$1,000 of personal income)	\$27.19	46
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$1.03	37
Debt Service as a Share of Tax Revenue	4.3%	4
Public Employees Per 10,000 of Population (full-time equivalent)	571.3	39
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	60.6	45
State Minimum Wage (federal floor is \$7.25)	\$8.75	32
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.22	4
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Wisconsin

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



# 37

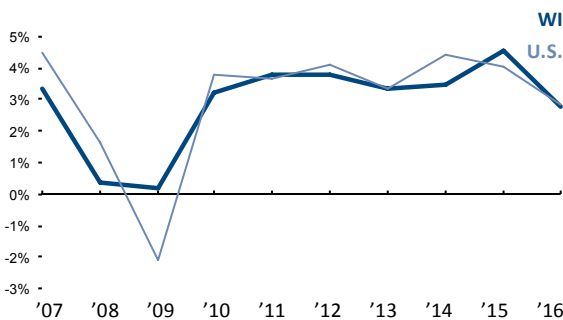
Economic Performance Rank

## Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

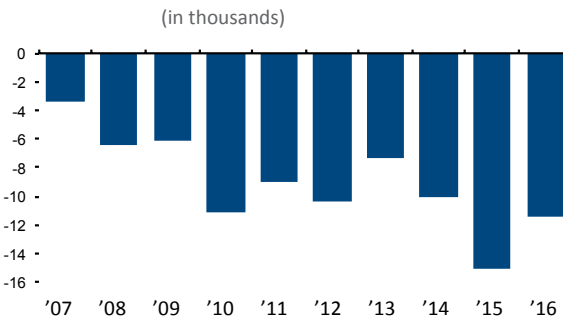
### State Gross Domestic Product

Cumulative Growth 2006-2016 **32.8%** Rank: 24



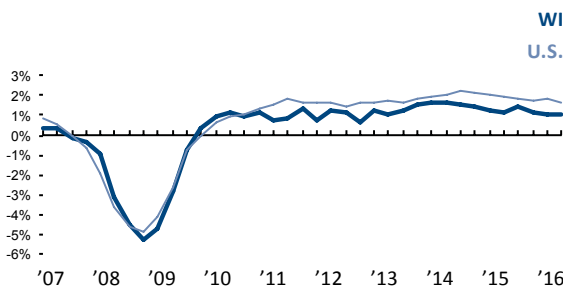
### Absolute Domestic Migration

Cumulative 2007-2016 **-90,315** Rank: 40



### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 **2.4%** Rank: 36



# 19

Economic Outlook Rank

## Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 30 32 15 17 13 9 14**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.65%	40
Top Marginal Corporate Income Tax Rate	7.90%	32
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$12.33	32
Property Tax Burden (per \$1,000 of personal income)	\$35.81	36
Sales Tax Burden (per \$1,000 of personal income)	\$20.29	16
Remaining Tax Burden (per \$1,000 of personal income)	\$16.06	19
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	-\$0.06	18
Debt Service as a Share of Tax Revenue	6.2%	20
Public Employees Per 10,000 of Population (full-time equivalent)	493.7	15
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.7	20
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.06	39
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	2	3



# Wyoming

2018 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

## 43

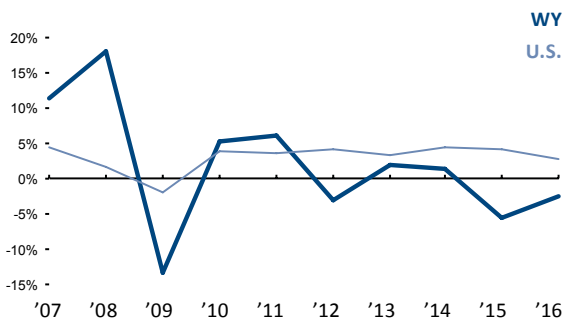
Economic Performance Rank

### Economic Performance Rank (1=best 50=worst)

A backward-looking measure 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.

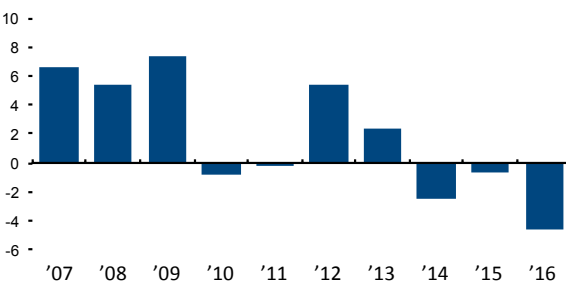
#### State Gross Domestic Product

Cumulative Growth 2006-2016 17.3% Rank: 47



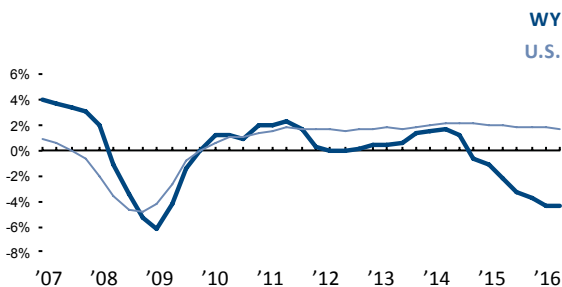
#### Absolute Domestic Migration

Cumulative 2007-2016 18,681 Rank: 21  
(in thousands)



#### Non-Farm Payroll Employment

Cumulative Growth 2006-2016 -1.7% Rank: 50



## 8

Economic Outlook Rank

### Economic Outlook Rank (1=best 50=worst)

A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2011 2012 2013 2014 2015 2016 2017  
**ECONOMIC OUTLOOK RANK 6 6 6 10 8 4 7**

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	0.00%	1
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)	\$41.32	42
Sales Tax Burden (per \$1,000 of personal income)	\$31.53	39
Remaining Tax Burden (per \$1,000 of personal income)	\$13.17	6
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2016 & 2017, per \$1,000 of personal income)	\$1.01	36
Debt Service as a Share of Tax Revenue	2.0%	1
Public Employees Per 10,000 of Population (full-time equivalent)	870.6	50
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	73.3	8
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.87	28
Right-to-Work State? (option to join or support a union)	Yes	1
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

# Appendix

## 2018 ALEC-Laffer State Economic Competitiveness Index: Economic Outlook Methodology

In previous editions of this report we introduced 15 policy variables that have a proven impact on the migration of capital—both investment and human—into and out of states. The end result of an equal-weighted combination of these variables is the 2018 ALEC-Laffer Economic Outlook rankings of the states. Each of these factors is influenced directly by state lawmakers through the legislative process. The 15 factors and a basic description of their purposes, sourcing and subsequent calculation methodologies are as follows:

### HIGHEST MARGINAL PERSONAL INCOME TAX RATE

This ranking includes local taxes, if any, and any impact of federal deductibility, if allowed. A state's largest city was used as a proxy for local tax rates. Data were drawn from Tax Analysts, Federation of Tax Administrators and individual state tax return forms. Tax rates are as of March 25, 2018. The cutoff for the 11<sup>th</sup> Edition was pushed further into the year because of the widespread reaction by states to the federal Tax Cuts and Jobs Act, which was signed into law in December of 2017. In past years, the rankings included legislated rates as of January 1<sup>st</sup>.

### HIGHEST MARGINAL CORPORATE INCOME TAX RATE

This variable includes local taxes, if any, and includes the effect of federal deductibility, if allowed. Because the Tax Cuts and Jobs Act reduced the federal corporate income tax rate from 35% to 21%, the highest marginal tax rates in states with federal deductibility are different in the 11<sup>th</sup> Edition even if there were no legislated changes to the statutory tax rates at the state level. A state's largest city was used as a proxy for local tax rates. In the case of gross receipts or business franchise taxes, an effective tax rate was approximated using NIPA profits, rental and proprietor's income and gross domestic product data. The Texas franchise tax is not a traditional gross receipts tax, but is instead a "margin" tax with more than one rate. A margin tax creates less distortion than does a gross receipts tax. Therefore, what we believe is the best measurement for an effective corporate tax rate for Texas is to average the 4.5176 percent

measure we would use if the tax was a gross receipts tax and the 0.75 percent highest rate on its margin tax, leading to our measure of 2.63 percent. Data were drawn from Tax Analysts, Federation of Tax Administrators, individual state tax return forms and the Bureau of Economic Analysis. Tax rates are as of March 25, 2018.

### PERSONAL INCOME TAX PROGRESSIVITY

This variable was measured as the difference between the average tax liability per \$1,000 at incomes of \$50,000 and \$150,000. The tax liabilities were measured using a combination of effective tax rates, exemptions and deductions at both state and federal levels, which are calculations from Laffer Associates. Because of the Federal Tax Cuts and Jobs Act, there were some significant changes in progressivity due to the elimination of the personal exemption on federal tax returns.

### PROPERTY TAX BURDEN

This variable was calculated by taking tax revenues from property taxes per \$1,000 of personal income. We have used U.S. Census Bureau data, for which the most recent year available is 2015. These data were released in October 2017.

### SALES TAX BURDEN

This variable was calculated by taking tax revenues from sales taxes per \$1,000 of personal income. Sales taxes taken into consideration include the general sales tax and specific sales taxes. We have used U.S. Census Bureau Data, for which the most recent year available is 2015. Where appropriate, gross receipts or business franchise taxes, counted as sales taxes in the Census data, were

subtracted from a state's total sales taxes in order to avoid double-counting tax burden in a state. These data were released in October 2017.

#### **REMAINING TAX BURDEN**

This variable was calculated by taking tax revenues from all taxes—excluding personal income, corporate income (including corporate license), property, sales and severance per \$1,000 of personal income. We used U.S. Census Bureau Data, for which the most recent year available is 2015. These data were released in October 2017.

#### **ESTATE OR INHERITANCE TAX (YES OR NO)**

This variable assesses if a state levies an estate or inheritance tax. We chose to score states based on either a “yes” for the presence of a state-level estate or inheritance tax, or a “no” for the lack thereof. Data were drawn from McGuire Woods LLP, “State Death Tax Chart” and indicate the presence of an estate or inheritance tax as of January 1, 2018.

#### **RECENTLY LEGISLATED TAX CHANGES**

This variable calculates each state's relative change in tax burden over a two-year period (in this case, the 2016 and 2017 legislative session) for the next fiscal year, using revenue estimates of legislated tax changes per \$1,000 of personal income. This timeframe ensures that tax changes will still be reflected in a state's ranking despite the lags in the tax revenue data. ALEC and Laffer Associates calculations used raw data from state legislative fiscal notes, state budget offices, state revenue offices and other sources, including the National Conference of State Legislators.

#### **DEBT SERVICE AS A SHARE OF TAX REVENUE**

Interest paid on debt as a percentage of total tax revenue. This information comes from 2015 U.S. Census Bureau data. These data were released in October 2017.

#### **PUBLIC EMPLOYEES PER 10,000 RESIDENTS**

This variable shows the full-time equivalent public employees per 10,000 of population. This information comes from 2016 U.S. Census Bureau data. These data were released in October 2017.

#### **QUALITY OF STATE LEGAL SYSTEM**

This variable ranks tort systems by state. Information comes from the U.S. Chamber of Commerce Institute for Legal Reform 2017 Lawsuit Climate Survey.

#### **STATE MINIMUM WAGE**

Minimum wage enforced on a state-by-state basis. If a state does not have a minimum wage, we use the federal minimum wage floor. This information comes from the U.S. Department of Labor, as of January 1, 2018.

#### **WORKERS' COMPENSATION COSTS**

This variable highlights the 2016 Workers' Compensation Index Rate (cost per \$100 of payroll). This survey is conducted biennially by the Oregon Department of Consumer & Business Services, Information Management Division.

#### **RIGHT-TO-WORK STATE (YES OR NO)**

This variable assesses whether or not a state requires union membership for its employees. We have chosen to score states based on either a “yes” for the presence of a right-to-work law or a “no” for the lack thereof. This information comes from the National Right to Work Legal Defense and Education Foundation, Inc. Right-to-work status is as of January 1, 2018.

#### **TAX OR EXPENDITURE LIMIT**

States were ranked only by the number of state tax or expenditure limits in place. We measure this by i) a state expenditure limit, ii) mandatory voter approval of tax increases and iii) a supermajority requirement for tax increases. One point is awarded for each type of tax or expenditure limitation a state has. All tax or expenditure limitations measured apply directly to state government. This information comes from the Cato Institute and other sources.