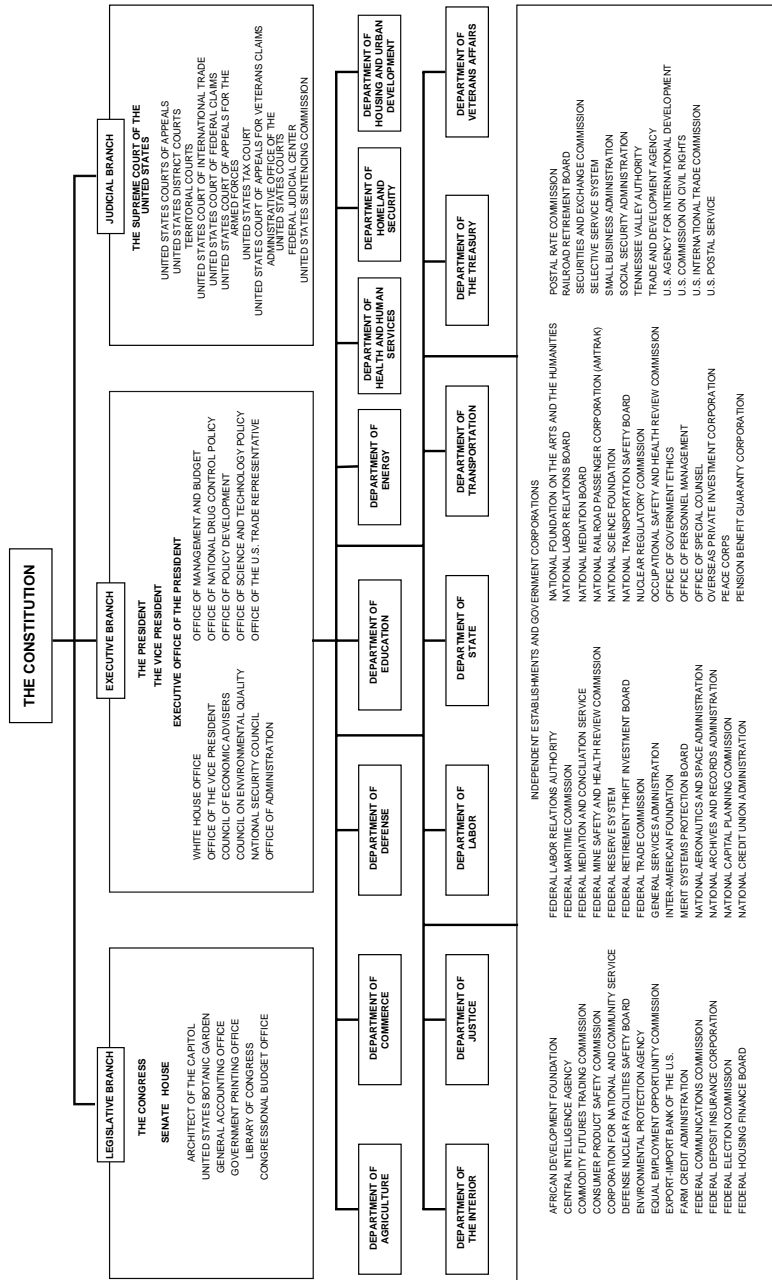


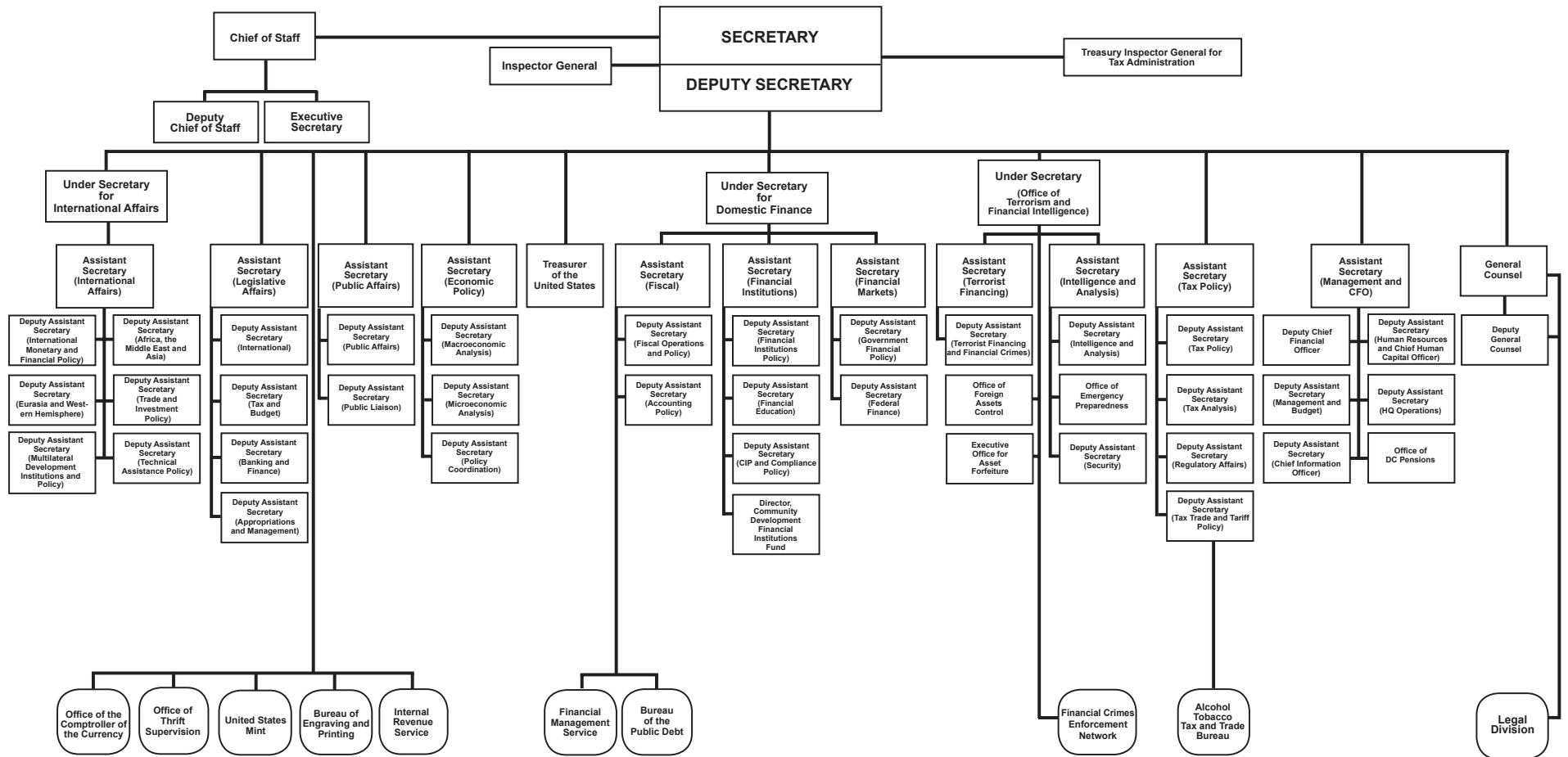
Comparative Fiscal Federalism: United States & European Union
Ruth Mason

1. The Structure of the United States Federal Government
2. The Department of the Treasury Organization Chart
3. The Federal Government Dollar (Revenue and Expenditures)
4. Federal Personal Income Tax Base
5. Federal Income Tax Expenditures
6. Federal Corporate Income Tax Base
7. Check-the-Box Rules
8. Check the Box Form
9. Total U.S. Tax Revenue
10. State Income Tax Rates
11. States Sales Tax Rates
12. State Corporate Income Tax Rates
13. Circuit Court Map
14. State Corporate Income Tax Apportionment Factors

THE GOVERNMENT OF THE UNITED STATES



THE DEPARTMENT OF THE TREASURY



TREASURY BUREAUS

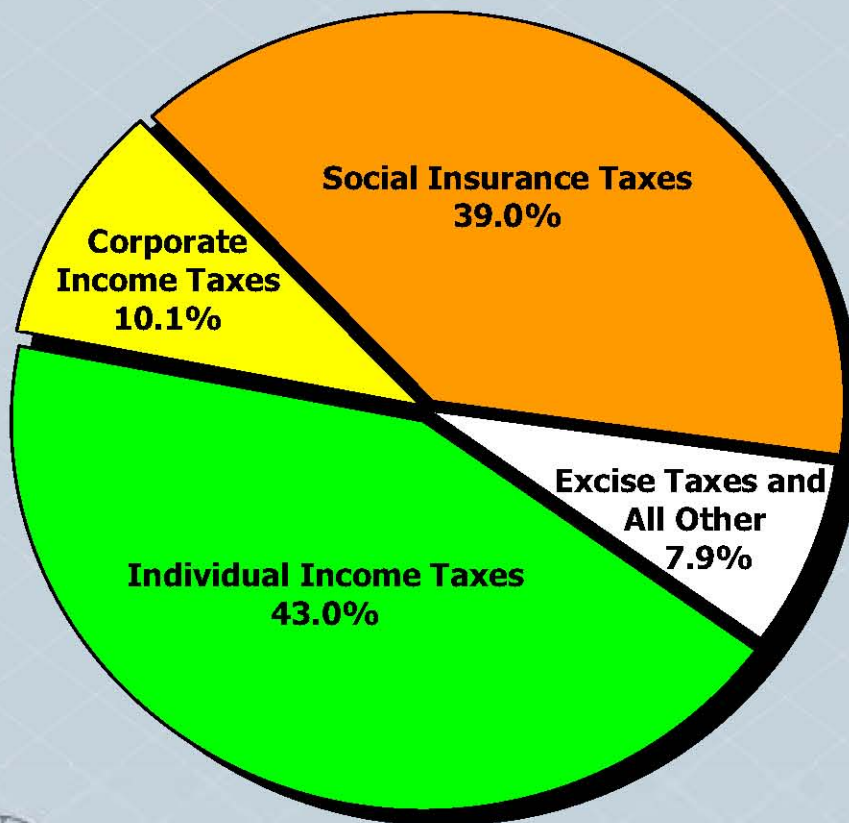


*Unless otherwise indicated, all Bureaus report through the Deputy Secretary to the Secretary.

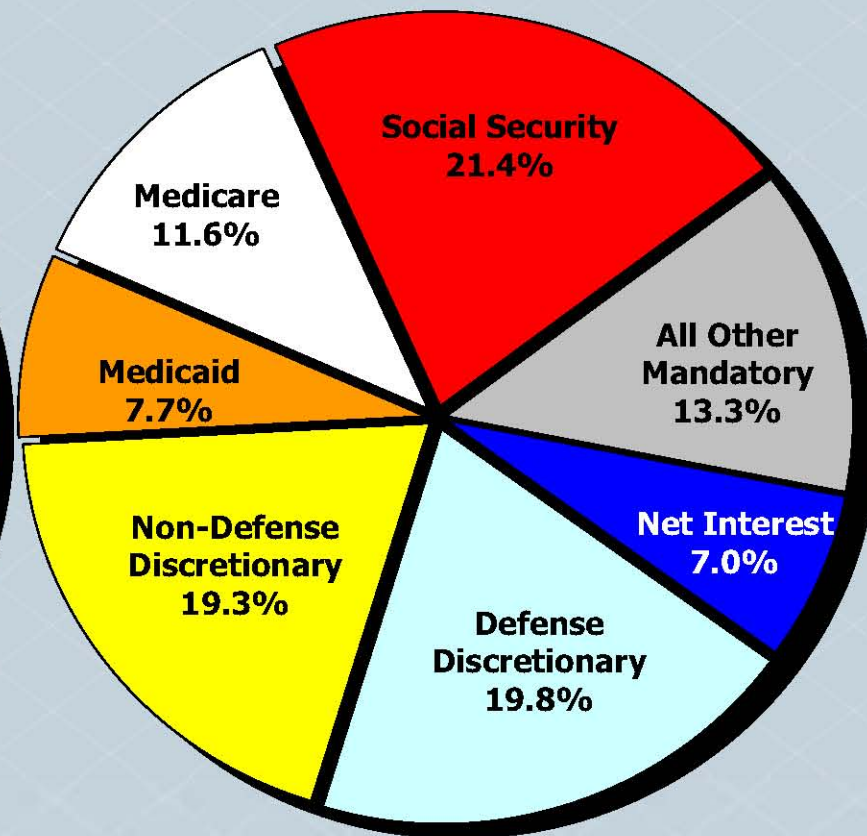
The Federal Government Dollar

Fiscal Year 2004

Revenues

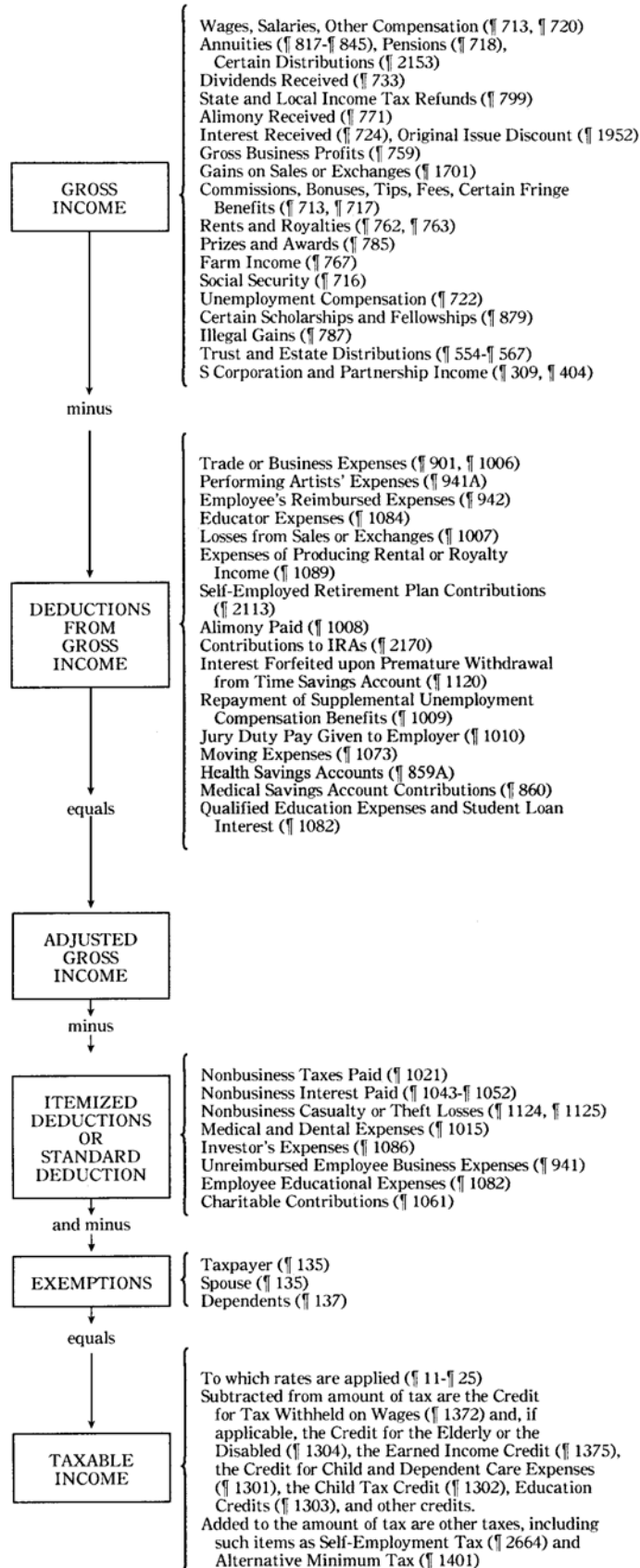


Spending



Source: Budget of the US Government Fiscal Year 2006



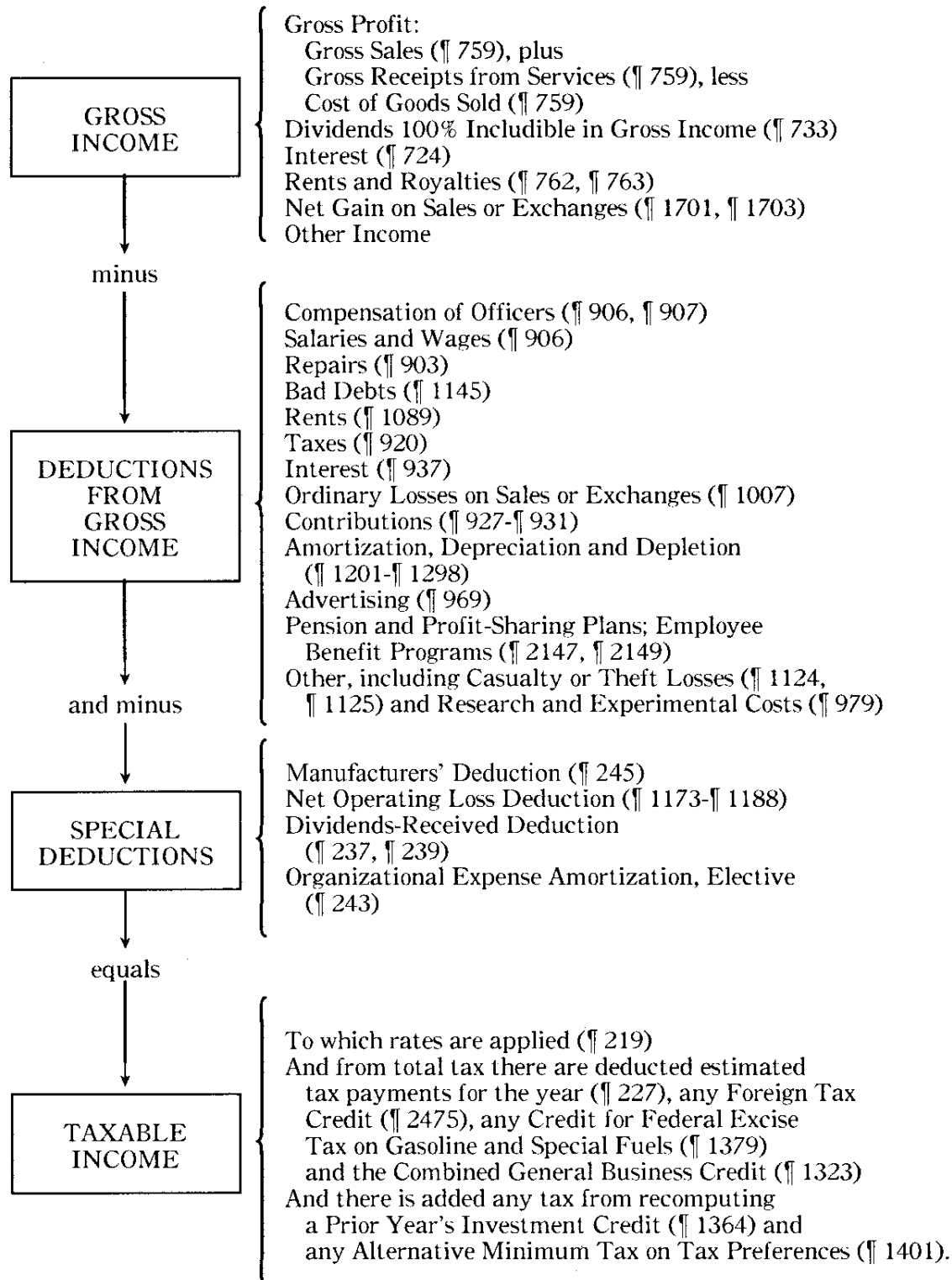


**PARTIAL LIST OF INCOME TAX EXPENDITURES
RANKED BY TOTAL 2007 PROJECTED REVENUE EFFECT**

(in millions of dollars)

| | |
|---|--------|
| Exclusion of employer contributions for medical insurance premiums and medical care | 46,780 |
| Deductibility of mortgage interest on owner-occupied homes | 79,860 |
| Accelerated depreciation of machinery and equipment (normal tax method) | 52,230 |
| Capital gains exclusion on home sales | 43,900 |
| 401(k) plans | 39,800 |
| Employer plans | 52,470 |
| Exclusion of net imputed rental income | 33,210 |
| Child credit | 42,120 |
| Deductibility of charitable contributions, other than education and health | 34,430 |
| Step-up basis of capital gains at death | 32,460 |
| Exclusion of interest on public purpose State and local bonds | 29,640 |
| Deductibility of nonbusiness state and local taxes other than on owner-occupied homes | 27,210 |
| Exclusion of interest on life insurance savings | 20,770 |
| Capital gains (except agriculture, timber, iron ore, and coal) | 26,760 |
| Social Security benefits for retired workers | 19,590 |
| Deduction for US production activities | 10,670 |
| Deductibility of State and local property tax on owner-occupied homes | 12,810 |
| Deferral of income from controlled foreign corporations (normal tax method) | 11,940 |
| Keogh plans | 10,670 |
| Deductibility of medical expenses | 5,310 |
| Individual Retirement Accounts | 5,970 |
| Exclusion of workers' compensation benefits | 6,180 |
| Exception from passive loss rules for \$25,000 of rental loss | 6,230 |
| Expensing of research and experimentation expenditures (normal tax method) | 6,990 |
| Earned income tax credit | 5,147 |
| Self-employed medical insurance premiums | 4,630 |
| Credit for low-income housing investments | 4,250 |
| Social Security benefits for disabled | 4,110 |
| Deductibility of charitable contributions (education) | 4,030 |
| Deductibility of charitable contributions (health) | 3,890 |
| Social Security benefits for dependents and survivors | 4,040 |
| Graduated corporation income tax rate (normal tax method) | 3,590 |

Source: Analytical Perspectives on the Budget of the United States Government, Fiscal Year 2007, Table 19–3.



“Check-the-box” Regulations

Reg. § 301.7701-2(b)

Gives a list of *per se* corporations. These entities will always be treated as C corps for federal tax purposes, and check-the-box elections cannot be made with respect to them.

Includes:

- state law corporations (“joint stock company,” “joint stock association”)
- certain listed foreign entities

Reg. § 301.7701-3

(a) Provides the entity election

(b) Provides default classification rules for entities not electing

Classification Rules for Domestic and Foreign Companies

Domestic

If a *per se* corporation under Reg. § 301.7701-2(b), the inquiry is over; no election can be made.

If not a *per se* corporation, and the entity has:

- two or more members,
 - default: partnership
 - elect: corporation
- one member
 - default: disregarded (also called a “tax nothing”)
 - elect: corporation

Foreign

If a *per se* corporation under Reg. § 301.7701-2(b), the inquiry is over; no election can be made.

If not a *per se* corporation, and the entity is has:

- two or more members, and
 - All members have limited liability
 - default: corporation
 - elect: partnership
 - One or more has unlimited liability
 - default: partnership
 - elect: corporation
- one member with unlimited liability
 - default: disregarded
 - elect: corporation

Entity Classification Election

OMB No. 1545-1516

**Type
or
Print**

| | |
|--|-------|
| Name of entity | EIN ▶ |
| Number, street, and room or suite no. If a P.O. box, see instructions. | |
| City or town, state, and ZIP code. If a foreign address, enter city, province or state, postal code and country. | |

1 Type of election (see instructions):

- a** ☐ Initial classification by a newly-formed entity.
- b** ☐ Change in current classification.

2 Form of entity (see instructions):

- a** ☐ A domestic eligible entity electing to be classified as an association taxable as a corporation.
- b** ☐ A domestic eligible entity electing to be classified as a partnership.
- c** ☐ A domestic eligible entity with a single owner electing to be disregarded as a separate entity.
- d** ☐ A foreign eligible entity electing to be classified as an association taxable as a corporation.
- e** ☐ A foreign eligible entity electing to be classified as a partnership.
- f** ☐ A foreign eligible entity with a single owner electing to be disregarded as a separate entity.

3 Disregarded entity information (see instructions):

- a** Name of owner ▶
- b** Identifying number of owner ▶
- c** Country of organization of entity electing to be disregarded (if foreign) ▶

4 Election is to be effective beginning (month, day, year) (see instructions) ▶ ____ / ____ / ____

| | |
|--|---|
| 5 Name and title of person whom the IRS may call for more information | 6 That person's telephone number () |
|--|---|

Consent Statement and Signature(s) (see instructions)

Under penalties of perjury, I (we) declare that I (we) consent to the election of the above-named entity to be classified as indicated above, and that I (we) have examined this consent statement, and to the best of my (our) knowledge and belief, it is true, correct, and complete. If I am an officer, manager, or member signing for all members of the entity, I further declare that I am authorized to execute this consent statement on their behalf.

| Signature(s) | Date | Title |
|--------------|------|-------|
| | | |
| | | |
| | | |
| | | |
| | | |

Federal, State, and Local Government Revenues by Source, 2002
(in thousands of dollars)

| | Federal government amount | State government amount | Local government amount ¹ |
|----------------------------------|---------------------------------|-------------------------------|--|
| Taxes | 1,853,173,000 | 535,241,161 | 369,730,209 |
| Property | | 9,702,385 | 269,419,295 |
| Sales and gross receipts | | 262,360,613 | 61,679,232 |
| General sales | | 179,665,257 | 43,321,430 |
| Selective sales / excise | 66,989,000 | 82,695,356 | 18,357,802 |
| Individual income | 858,345,000 | 185,696,573 | 17,161,561 |
| Corporate income | 148,044,000 | 25,123,137 | 3,028,725 |
| Motor vehicle license | | 15,641,246 | 1,302,673 |
| Social Insurance / | | | |
| Retirement | 700,760,000 | | |
| Other taxes | 79,035,000 | 16,967,351 | 17,107,874 |
| Other revenue | | 191,641,036 | 227,628,817 |
| Miscellaneous general revenue | | 91,830,268 | 74,247,072 |
| Utility revenue | | 11,935,400 | 90,386,981 |
| Liquor store revenue | | 4,287,846 | 777,261 |
| Insurance trust revenue | | 19,300,945 | -3,890,918 |

¹ Duplicative intergovernmental transactions are excluded.

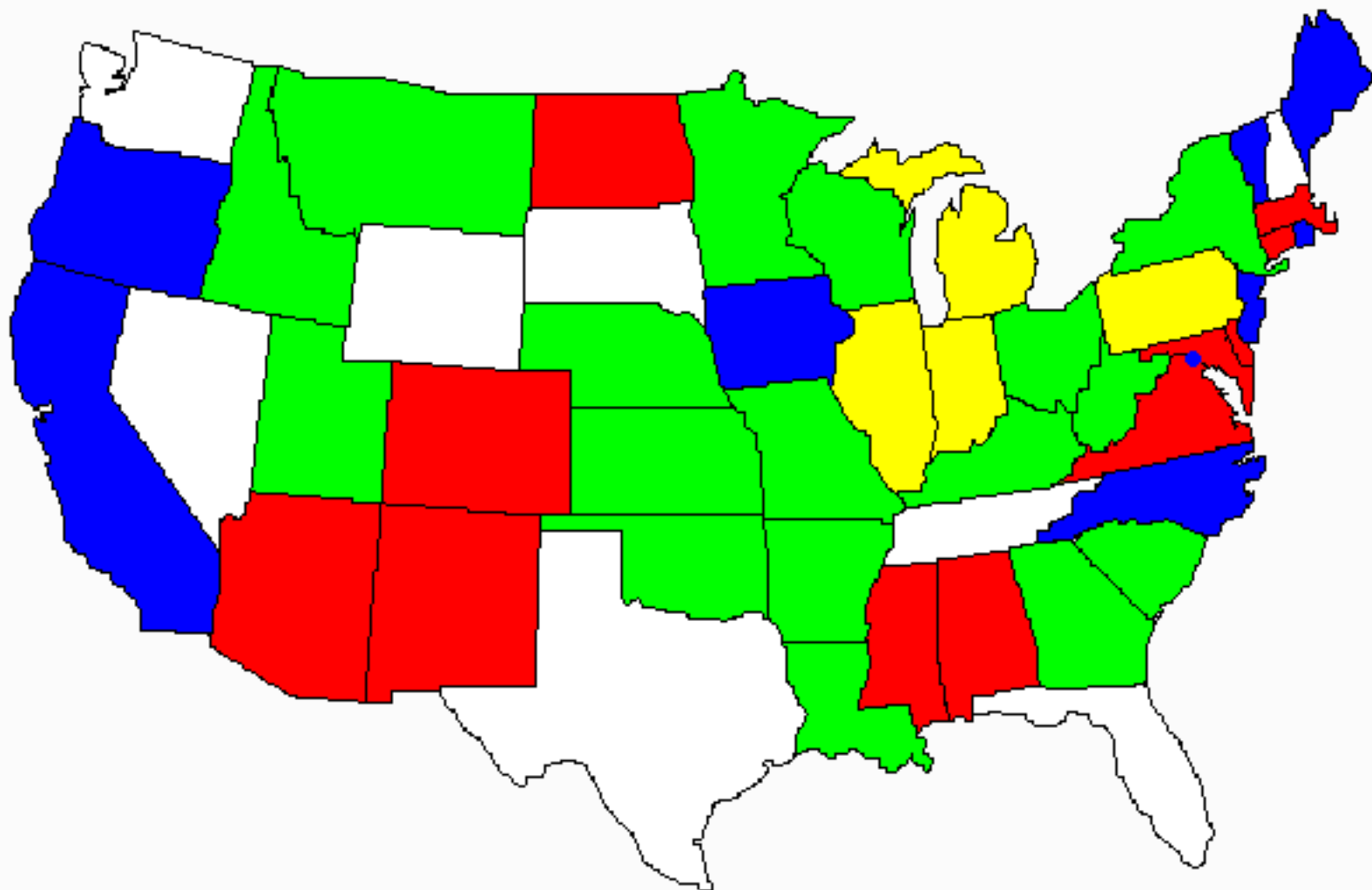
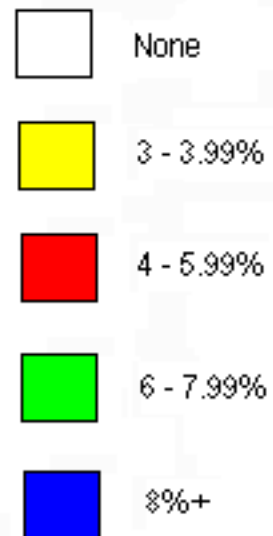
State and Local Source:

U.S. Census Bureau, Census of Governments 2002

Federal Government Source:

Office of Management and Budget: Budget of the US Government, Fiscal Year 2004.

State Individual Income Taxes



Comparison of State and Local Retail Sales Taxes

July 2004

| | Food Items [1] Taxable (T) Exempt (E) | State Rate | Maximum Local Rate [2] | Maximum State/Local Rate [2] |
|----------------------|---|---------------|------------------------------|------------------------------------|
| Alabama | T | 4.00 | 7.00 | 11.00 |
| Alaska | T | --- | 7.00 [3] | 7.00 |
| Arizona | E | 5.60 | 4.50 | 10.10 |
| Arkansas | T | 6.00 | 5.50 | 11.50 |
| California | E | 6.25 | 2.65 | 8.90 |
| Colorado | E | 2.90 | 7.00 | 9.90 |
| Connecticut | E | 6.00 | --- | 6.00 |
| District of Columbia | E | 5.75 | --- | 5.75 |
| Florida | E | 6.00 | 1.50 | 7.50 |
| Georgia | E | 4.00 | 3.00 | 7.00 |
| Hawaii | T* | 4.00 | --- | 4.00 |
| Idaho | T* | 6.00 | 3.00 | 9.00 |
| Illinois | T** | 6.25 | 3.00 | 9.25 |
| Indiana | E | 6.00 | --- | 6.00 |
| Iowa | E | 5.00 | 2.00 | 7.00 |
| Kansas | T* | 5.30 | 3.00 | 8.30 |
| Kentucky | E | 6.00 | --- | 6.00 |
| Louisiana | E [4] | 4.00 | 6.25 | 10.25 |
| Maine | E | 5.00 | --- | 5.00 |
| Maryland | E | 5.00 | --- | 5.00 |
| Massachusetts | E | 5.00 | --- | 5.00 |
| Michigan | E | 6.00 | --- | 6.00 |
| Minnesota | E | 6.50 | 1.00 | 7.50 |
| Mississippi | T | 7.00 | 0.25 | 7.25 |
| Missouri | T ** | 4.225 | 4.5 | 8.725 |
| Nebraska | E | 5.50 | 1.50 | 7.00 |
| Nevada | E | 6.50 | 1.00 | 7.50 |
| New Jersey | E | 6.00 | --- | 6.00 |
| New Mexico | T | 5.00 | 2.25 | 7.25 |
| New York | E | 4.25 | 4.50 | 8.75 |
| North Carolina | E [4] | 4.50 | 3.00 | 7.50 |
| North Dakota | E | 5.00 | 2.50 | 7.50 |
| Ohio | E | 6.00 | 2.00 | 8.00 |
| Oklahoma | T | 4.50 | 6.00 | 10.50 |
| Pennsylvania | E | 6.00 | 1.00 | 7.00 |
| Rhode Island | E | 7.00 | --- | 7.00 |
| South Carolina | T | 5.00 | 2.00 | 7.00 |
| South Dakota | T* | 4.00 | 2.00 | 6.00 |
| Tennessee | T ** | 7.00 | 2.75 | 9.75 |
| Texas | E | 6.25 | 2.00 | 8.25 |
| Utah | T | 4.75 | 2.25 | 7.00 |
| Vermont | E | 6.00 | 1.00 | 7.00 |
| Virginia | T** | 4.00 | 1.00 | 5.00 |
| Washington | E | 6.50 | 2.40 | 8.90 |
| West Virginia | T | 6.00 | --- | 6.00 |
| Wisconsin | E | 5.00 | 0.60 | 5.60 |
| Wyoming | T* | 4.00 | 2.00 | 6.00 |

[1] Food purchased for consumption off-premises.

[2] Highest local rate known to be actually levied by at least one jurisdiction. Includes local taxes for general purposes and those earmarked for specific purposes (e.g. transit). Taxes applying only to specified sales (e.g. lodging or meals) are excluded.

[3] Alaskan cities and boroughs may levy local sales taxes from 1% to 6%.

[4] Food exempt from state tax, but subject to local taxes.

* Income tax credit allowed to offset sales tax on food.

** Food taxed at lower rate.

Source: Compiled by the Washington Department of Revenue from various sources.

RANGE OF STATE CORPORATE INCOME TAX RATES

(For tax year 2006 -- as of January 1, 2006)

| State | Tax Rates | Tax Brackets | | # of Brackets | Bank Tax Rates | Federal Tax Deductible |
|-------------------|----------------|-------------------|-----------|---------------|----------------|------------------------|
| ALABAMA | 6.5 | ----Flat Rate---- | | 1 | 6.5 | * |
| ALASKA | 1.0 - 9.4 | 10,000 | 90,000 | 10 | 1.0 - 9.4 | |
| ARIZONA | 6.968 (b) | ----Flat Rate---- | | 1 | 6.968 | |
| ARKANSAS | 1.0 - 6.5 | 3,000 | 100,000 | 6 | 1.0 - 6.5 | |
| CALIFORNIA | 8.84 (c) | ----Flat Rate---- | | 1 | 10.84 (c) | |
| COLORADO | 4.63 | ----Flat Rate---- | | 1 | 4.63 | |
| CONNECTICUT | 7.5 (d) | ----Flat Rate---- | | 1 | 7.5 (d) | |
| DELAWARE | 8.7 | ----Flat Rate---- | | 1 | 8.7-1.7 (e) | |
| FLORIDA | 5.5 (f) | ----Flat Rate---- | | 1 | 5.5 (f) | |
| GEORGIA | 6.0 | ----Flat Rate---- | | 1 | 6.0 | |
| HAWAII | 4.4 - 6.4 (g) | 25,000 | 100,000 | 3 | 7.92 (g) | |
| IDAHO | 7.6 (h) | ----Flat Rate---- | | 1 | 7.6 (h) | |
| ILLINOIS | 7.3 (i) | ----Flat Rate---- | | 1 | 7.3 (i) | |
| INDIANA | 8.5 | ----Flat Rate---- | | 1 | 8.5 | |
| IOWA | 6.0 - 12.0 | 25,000 | 250,000 | 4 | 5.0 | * (k) |
| KANSAS | 4.0 (l) | ----Flat Rate---- | | 1 | 2.25 (l) | |
| KENTUCKY | 4.0 - 7.0 (m) | 50,000 | 100,000 | 3 | --- (a) | |
| LOUISIANA | 4.0 - 8.0 | 25,000 | 200,000 | 5 | --- (a) | * |
| MAINE | 3.5 - 8.93 (n) | 25,000 | 250,000 | 4 | 1.0 | |
| MARYLAND | 7.0 | ----Flat Rate---- | | 1 | 7.0 | |
| MASSACHUSETTS | 9.5 (o) | ----Flat Rate---- | | 1 | 10.5 (o) | |
| MINNESOTA | 9.8 (p) | ----Flat Rate---- | | 1 | 9.8 (p) | |
| MISSISSIPPI | 3.0 - 5.0 | 5,000 | 10,000 | 3 | 3.0 - 5.0 | |
| MISSOURI | 6.25 | ----Flat Rate---- | | 1 | 7.0 | * (k) |
| MONTANA | 6.75 (q) | ----Flat Rate---- | | 1 | 6.75 (q) | |
| NEBRASKA | 5.58 - 7.81 | 50,000 | | 2 | --- (a) | |
| NEW HAMPSHIRE | 8.5 (r) | ----Flat Rate---- | | 1 | 8.5 (r) | |
| NEW JERSEY | 9.0 (s) | ----Flat Rate---- | | 1 | 9 (s) | |
| NEW MEXICO | 4.8 - 7.6 | 500,000 | 1 million | 3 | 4.8 - 7.6 | |
| NEW YORK | 7.5 (t) | ----Flat Rate---- | | 1 | 7.5 (t) | |
| NORTH CAROLINA | 6.9 (u) | ----Flat Rate---- | | 1 | 6.9 (u) | |
| NORTH DAKOTA | 2.6 - 7.0 | 3,000 | 30,000 | 5 | 7 (b) | * |
| OHIO | 5.1 - 8.5 (v) | 50,000 | | 2 | --- (v) | |
| OKLAHOMA | 6.0 | ----Flat Rate---- | | 1 | 6.0 | |
| OREGON | 6.6 (b) | ----Flat Rate---- | | 1 | 6.6 (b) | |
| PENNSYLVANIA | 9.99 | ----Flat Rate---- | | 1 | --- (a) | |
| RHODE ISLAND | 9.0 (b) | ----Flat Rate---- | | 1 | 9.0 (w) | |
| SOUTH CAROLINA | 5.0 | ----Flat Rate---- | | 1 | 4.5 (x) | |
| SOUTH DAKOTA | --- | | | | 6.0-0.25% (b) | |
| TENNESSEE | 6.5 | ----Flat Rate---- | | 1 | 6.5 | |
| UTAH | 5.0 (b) | ----Flat Rate---- | | | 5.0 (b) | |
| VERMONT | 7.0 - 9.75 (b) | 10,000 | 250,000 | 4 | 7.0 - 9.75 (b) | |
| VIRGINIA | 6.0 | ----Flat Rate---- | | 1 | 6.0 (y) | |
| WEST VIRGINIA | 9.0 | ----Flat Rate---- | | 1 | 9.0 | |
| WISCONSIN | 7.9 | ----Flat Rate---- | | 1 | 7.9 | |
| DIST. OF COLUMBIA | 9.975 (z) | ----Flat Rate---- | | | 9.975 (z) | |

Source: Compiled by FTA from various sources

Note: Michigan imposes a single business tax (sometimes described as a business activities tax or value added tax) of 1.9% on the sum of federal taxable income of the business, compensation paid to employees, dividends, interest, royalties paid and other items. Similarly, Texas imposes a franchise tax of 4.5% of earned surplus or 2.5 mills of net worth. Nevada, Washington, and Wyoming do not have state corporate income taxes.

(a) Rates listed include the corporate tax rate applied to financial institutions or excise taxes based on income.

Some states have other taxes based upon the value of deposits or shares.

(b) Minimum tax is \$50 in Arizona, \$50 in North Dakota (banks), \$10 in Oregon, \$250 in Rhode Island, \$500 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.

(c) Minimum tax is \$800. The tax rate on S-Corporations is 1.5% (3.5% for banks).

(d) Or 3.1 mills per dollar of capital stock and surplus (maximum tax \$1 million) or \$250. A 25% surcharge applies to corporations with liability greater than \$250.

(e) The marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.

(f) Or 3.3% Alternative Minimum Tax. An exemption of \$5,000 is allowed.

(g) Capital gains are taxed at 4%. There is also an alternative tax of 0.5% of gross annual sales.

(h) Minimum tax is \$20. An additional tax of \$10 is imposed on each return.

(i) Includes a 2.5% personal property replacement tax.

(k) Fifty percent of the federal income tax is deductible.

(l) Plus a surtax of 3.35% (2.125% for banks) taxable income in excess of \$50,000 (\$25,000).

(m) Minimum tax of \$175. Or, the alternative minimum tax equal to 0.095% of gross sales in the state or 0.75% of state gross profits.

(n) Or the Maine Alternative Minimum Tax.

(o) Rate includes a 14% surtax, as does the following: an additional tax of \$7.00 per \$1,000 on taxable tangible property (or net worth allocable to state, for intangible property corporations); minimum tax of \$456.

(p) Plus a 5.8% tax on any Alternative Minimum Taxable Income over the base tax.

(q) A 7% tax on taxpayers using water's edge combination. Minimum tax is \$50.

(r) Plus a 0.50 percent tax on the enterprise base (total compensation, interest and dividends paid). Business profits tax imposed on both corporations and unincorporated associations.

(s) The rate reported in the table is the corporation business franchise tax rate. The minimum tax is \$500. An Alternative Minimum Assessment based on Gross Receipts applies if greater than corporate franchise tax.

Corporations not subject to the franchise tax are subject to a 7.25% income tax. Banking and financial corporations are subject to the franchise tax. Corporations with net income under \$100,000 are taxed at 6.5%.

The tax on S corporations is being phased out through 2007. The tax rate on a New Jersey S corporation that has entire net income not subject to federal corporate income tax in excess of \$100,000 will remain at 1.33% for privilege periods ending on or before June 30, 2006. The rate will be 0.67% for privilege periods ending on or after July 1, 2006, but on or before June 30, 2007; and there will be no tax imposed for privilege periods ending on or after July 1, 2007. The tax on S corporation with entire net income not subject to federal corporate income tax of \$100,00 or less is eliminated for privilege periods ending on or after July 1, 2007.

(t) Or 1.78 mills per dollar of capital (up to \$350,000); or a 2.5% alternative minimum tax; or a minimum tax of \$10,000 to \$100 depending on payroll size; if any of these is greater than the tax computed on net income.

Small corporations with income under \$290,000 are subject to lower rates of tax on net income. An additional tax of 0.9 mills per dollar of subsidiary capital is imposed on corporations. For banks, the alternative bases of tax are 3% of alternative net income; or up to 1/50th mill of taxable assets; or a minimum tax of \$250.

(u) Financial institutions are also subject to a tax equal to \$30 per one million in assets.

(v) Rates shown are for the Franchise tax, which is being phased out through 2010 and replaced with the CAT. Current rates apply to 80% of the liability, or 80% of 4 mills time the value of the taxpayer's issued and outstanding share of stock with a maximum payment of \$150,000; or \$50 to \$1,000 minimum tax, depending on worldwide gross receipts. The Commercial Activity Tax (CAT) equals \$150 for gross receipts between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. The CAT applies to 23% of receipts through March 31, and 40% for the remainder of the year. Banks will pay the Franchise tax. An additional litter tax is imposed equal to 0.11% on the first \$50,000 of taxable income, 0.22% on income over \$50,000; or 0.14 mills on net worth.

(w) For banks, the alternative tax is \$2.50 per \$10,000 of capital stock (\$100 minimum).

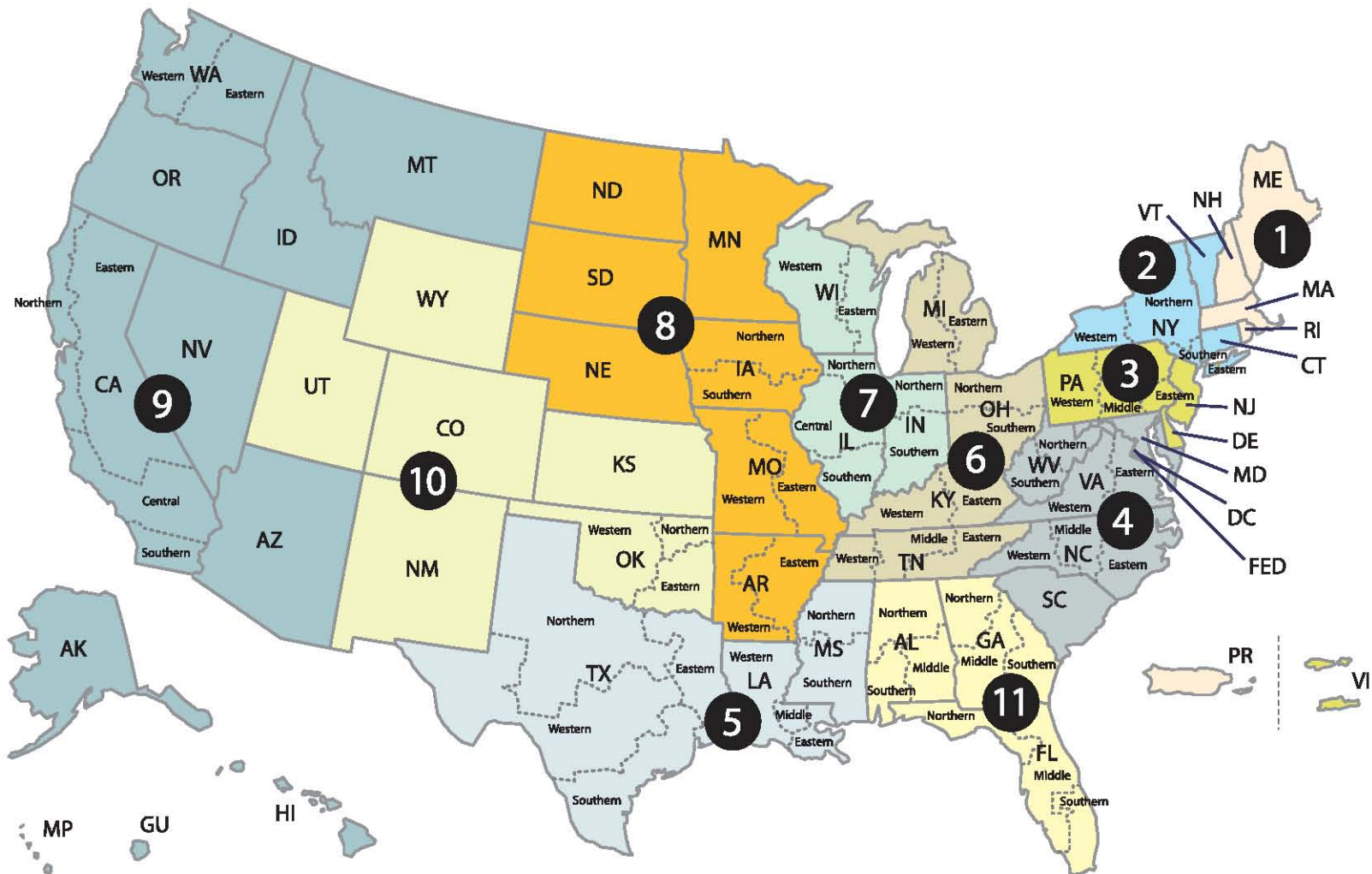
(x) Savings and Loans are taxed at a 6% rate.

(y) State and national banks subject to the state's franchise tax on net capital is exempt from the income tax.

(z) Minimum tax is \$100. Includes surtax.

Geographic Boundaries

of United States Courts of Appeals and United States District Courts



STATE APPORTIONMENT OF CORPORATE INCOME

(Formulas for tax year 2006 -- as of January 1, 2006)

| | | | |
|---------------|--|-------------------|-----------------------------------|
| ALABAMA * | 3 Factor | NEBRASKA | Sales |
| ALASKA * | 3 Factor | NEVADA | No State Income Tax |
| ARIZONA * (2) | Double wtd. sales | NEW HAMPSHIRE | Double wtd. Sales |
| ARKANSAS * | Double wtd. sales | NEW JERSEY (1) | Double wtd. Sales |
| CALIFORNIA * | Double wtd. sales | NEW MEXICO * | Double wtd. sales |
| COLORADO * | 3 Factor/Sales & Property | NEW YORK (3) | 60% Sales, 20% Property & Payroll |
| CONNECTICUT | Double wtd. sales/Sales | NORTH CAROLINA * | Double wtd. sales |
| DELAWARE | 3 Factor | NORTH DAKOTA * | 3 Factor |
| FLORIDA | Double wtd. sales | OHIO * | 60% Sales, 20% Property & Payroll |
| GEORGIA (3) | 80% Sales, 10% Property & Payroll | OKLAHOMA | 3 Factor |
| HAWAII * | 3 Factor | OREGON * | Sales |
| IDAHO * | Double wtd. sales | PENNSYLVANIA * | Triple wtd. sales |
| ILLINOIS * | Sales | RHODE ISLAND | Double wtd sales |
| INDIANA | Double wtd. sales | SOUTH CAROLINA | Double wtd. sales/Sales |
| IOWA | Sales | SOUTH DAKOTA | No State Income Tax |
| KANSAS * | 3 Factor | TENNESSEE * | Double wtd. sales |
| KENTUCKY * | Sales | TEXAS | Sales |
| LOUISIANA | Double wtd. sales | UTAH * | 3 Factor/Double wtd. sales |
| MAINE * | Double wtd. sales | VERMONT | Double wtd. sales |
| MARYLAND | Double wtd. sales/Sales | VIRGINIA | Double wtd. sales |
| MASSACHUSETTS | Double wtd. sales/Sales | WASHINGTON | No State Income Tax |
| MICHIGAN | 90% Sales, 5% Property & Payroll | WEST VIRGINIA * | Double wtd. sales |
| MINNESOTA (3) | 75% Sales, 12.5% Property, and 12.5% Payroll | WISCONSIN * (3) | 60% Sales, 20% Property & Payroll |
| MISSISSIPPI | Accounting/3 Factor | WYOMING | No State Income Tax |
| MISSOURI * | 3 Factor/sales | DIST. OF COLUMBIA | 3 Factor |
| MONTANA * | 3 Factor | | |

Source: Compiled by FTA from various sources.

Note: The formulas listed are for general manufacturing businesses. Some industries have special formula different than those reported.

* State has adopted substantial portions of the UDITPA.

(1) A 3-factor formula is used for corporations not subject to the corporation business franchise tax.

(2) For tax years beginning in 2007, formula changes to 60% Sales and 20% Property and Payroll.

(3) State is phasing in a single sales factor. Weightings will change each year until 100% sales factor in 2008 for Georgia, New York and Wisconsin, and 2013 in Minnesota.