

| State Corporate Income Tax Rates (As of December 31, 2001) |  |  |
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| State  | Tax Rates and Brackets   | Special Rates or Notes   |
| Alabama  | 5% > \$0   | 6% on financial institutions (6.5% after January 1, 2001); federal deductibility.  |
| Alaska   | 1% > \$0<br>2% > \$9,999<br>3% > \$19,999<br>4% > \$29,999<br>5% > \$39,999<br>6% > \$49,999<br>7% > \$59,999<br>8% > \$69,999<br>9% > \$79,999<br>9.4% > \$89,999 |  |
| <b>Arizona</b>   | <b>6.968% &gt; \$0</b>   | <b>Minimum tax is \$50.</b>  |
| Arkansas   | 1% > \$3K<br>2% > \$3K<br>3% > \$6K<br>5% > \$11K;<br>6% > \$25K<br>6.5% > \$100K  | For net incomes exceeding \$100K, 6.5% of entire net income.   |
| California   | 8.84% > \$0  | 10.84% on financial institutions. 6.65% alternative minimum tax rate (2% for financial institutions). Minimum tax is \$800.  |
| Colorado   | 4.63% > \$0  |  |
| Connecticut  | 7.5% > \$0   |  |
| Delaware   | 8.7% > \$0   |  |
| Florida  | 5.5% > \$0   | 3.3% alternative minimum rate.   |
| Georgia  | 6% > \$0   |  |
| Hawaii   | 4.4% > \$0<br>5.4% > \$25K<br>6.4% > \$100K  | 4% capital gains rate, 7.92% on financial institutions.  |
| <b>Idaho</b>   | <b>7.6% &gt; \$0</b>   | Minimum tax is \$20.   |
| Illinois   | 4.8% > \$0   | 2.5% income replacement tax.   |
| Indiana  | 3.4% > \$0   | 4.5% on supplemental income.   |
| Iowa   | 6% > \$0<br>8% > \$25K<br>10% > \$100K<br>12.0% > \$250K   | 5% on financial institutions; 7.2% alternative minimum rate; 50% federal deductibility.  |
| Kansas   | 4% > \$0   | 3.35% surtax over \$50,000; Banks 2.25% plus 2.125% surtax over \$25K.   |
| Kentucky   | 4% > \$0<br>5% > \$25K<br>6% > \$50K<br>7% > \$100K<br>8.25 > \$250K   |  |
| Louisiana  | 4% > \$0K<br>5% > \$25K<br>6% > \$50K<br>5% > \$100K<br>8% > \$200K  | Federal deductibility.   |
| Maine  | 3.5% > \$0<br>7.93% > \$25K<br>8.33% > \$75K<br>8.93% > 250K   | 27% of federal alternative minimum tax liability.  |
| Maryland   | 7% > \$0   |  |
| Massachusetts  | 9.5% > \$0   | Franchise tax built into rate (.26% per \$1,000 of income); 10.5% on financial institutions; 10.91% on savings and loan associations. Minimum tax is \$456.  |
| <b>Michigan</b>  | <b>2% &gt; \$0</b>   | Single Business Tax (SBT) applies to gross receipts. Must file with gross receipts over \$250K. \$45K deductible. By law the SBT rate drops 0.1 percent annually from its 1998 rate of 2.3 percent until phased out, but if the Budget Stabilization Fund falls below \$250 million for a fiscal year, the next calendar year's reduction is deferred. |
| Minnesota  | 9.8% > \$0   | 5.8% alternative minimum tax rate. A minimum tax is levied based on Minnesota property, payroll and sales.   |

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| Mississippi          | 3% > \$0<br>4% > \$5K<br>5% > \$10K   | Franchise tax of \$2.50 per \$1,000 with minimum tax of \$25.  |
| Missouri             | 6.25% > \$0   | 7% on financial institution; 50% of federal tax deductible.  |
| Montana              | 6.75% > \$0   | 7% for corporations filing under a waters edge election. Minimum tax is \$50. Minimum tax for small business corporations is \$10.   |
| Nebraska             | 5.58% > \$0<br>7.81% > \$50K  |  |
| Nevada               | None  |  |
| <b>New Hampshire</b> | <b>8.5% &gt; \$0</b>  | Must file business profits tax if gross receipts exceed \$50K. A business with \$100K in gross receipts or \$50K wages, interest, and dividends is subject to 0.5% business enterprise tax on total value of wages, interest, and dividends, in which case BPT liability is reduced by sum of BET liability. |
| New Jersey           | 8.5% > \$0  | Rate is 7.5% if entire net income is less than \$100K. Minimum tax \$200.  |
| New Mexico           | 4.8% > \$0<br>6.4% > \$500K<br>7.6% > \$1,000K                                      |  |
| <b>New York</b>      | <b>7.5% &gt; \$0</b>  | The rate fell to 7.5% after June 30, 2001. 2.5% surtax rate.   |
| North Carolina       | 6.9% > \$0  |  |
| North Dakota         | 3% > \$0<br>4.5% > \$3K<br>6% > \$8K<br>7.5% > \$20K<br>9% > \$30K<br>10.5% > \$50K | Financial institutions: 5% + 2% surtax rate; federal deductibility. Minimum tax \$50.  |
| Ohio                 | 5.1% > \$0<br>8.5 > \$50K   | For financial institutions, 0.015 times value of stock. Minimum tax is \$50.   |
| Oklahoma             | 6% > \$0  |  |
| Oregon               | 6.6% > \$0  | Minimum tax is \$10.   |
| Pennsylvania         | 10% > \$0   | Imposes a "Capital Stock and Franchise Tax."   |
| Rhode Island         | 9% > \$0  | Minimum tax is \$250.  |
| South Carolina       | 5% > \$0  | 4.5% for banks; 6% for savings and loans.  |
| South Dakota         | None  | 6%-0.25% on a bank's net income. Minimum tax is \$200 per location (banks).  |
| Tennessee            | 6% > \$0  |  |
| Texas                | None  |  |
| Utah                 | 5% > \$0  | Minimum tax is \$100.  |
| Vermont              | 7% > \$0<br>8.1% > \$10K<br>9.2% > \$25K<br>9.75 > \$100K                           | Minimum tax is \$250.  |
| Virginia             | 6% > \$0  |  |
| Washington           | None  | Gross receipts tax: 20 rates (0.011% to .029%) depending on type of business.  |
| West Virginia        | 9% > \$0  |  |
| Wisconsin            | 7.9% > \$0  |  |
| Wyoming              | None  |  |
| District of Columbia | 9.5% > \$0  | Includes 5% surtax. Minimum tax is \$100.  |