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RICH STATES, POOR STATES

ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



CHARLOTTE, NORTH CAROLINA

CHICAGO, ILLINOIS

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Rich States, Poor States

ALEC-Laffer State Economic Competitiveness Index

Arthur B. Laffer
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Jonathan Williams

Rich States, Poor States

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Designed by Joel Sorrell

Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index has been published by the American Legislative Exchange Council, America's largest nonpartisan, voluntary membership organization of state legislators. Made up of nearly one-third of America's state elected officials, the Council provides a unique opportunity for state lawmakers, business leaders and citizen organizations from around the country to share experiences and develop state-based, pro-growth models based on academic research, existing state policy and proven business practices.

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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.

Table 1 | ALEC-Laffer State Economic Outlook Rankings, 2014

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

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

Table 2 | ALEC-Laffer State Economic Performance Rankings, 2002-2012

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

Alabama

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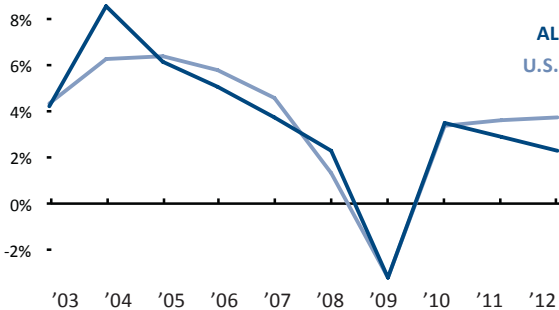
Economic Performance Rank

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.

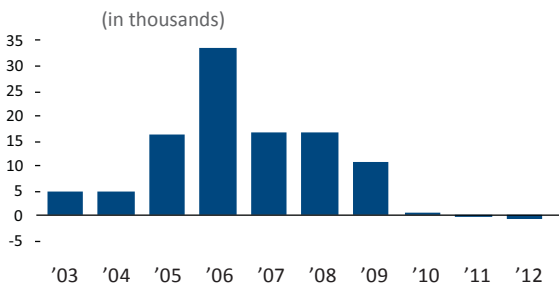
State Gross Domestic Product

Cumulative Growth 2002-2012 46.6% Rank: 27



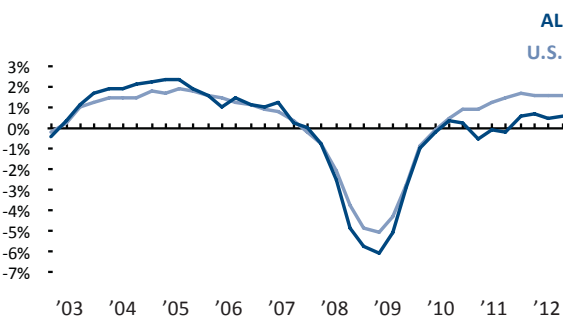
Absolute Domestic Migration

Cumulative 2003-2012 104,239 Rank: 13



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 0.1% Rank: 41



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 15 16 17 20 21 17

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.02%	12
Top Marginal Corporate Income Tax Rate	4.23%	6
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	-\$1.76	1
Property Tax Burden (per \$1,000 of personal income)	\$15.65	1
Sales Tax Burden (per \$1,000 of personal income)	\$24.02	29
Remaining Tax Burden (per \$1,000 of personal income)	\$24.13	43
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.30	19
Debt Service as a Share of Tax Revenue	8.1%	23
Public Employees Per 10,000 of Population (full-time equivalent)	592.5	40
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	52.8	43
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.97	30
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

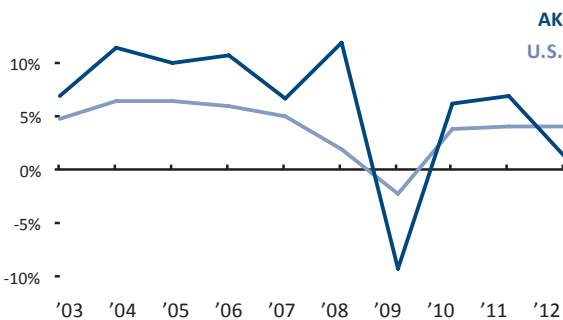
2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



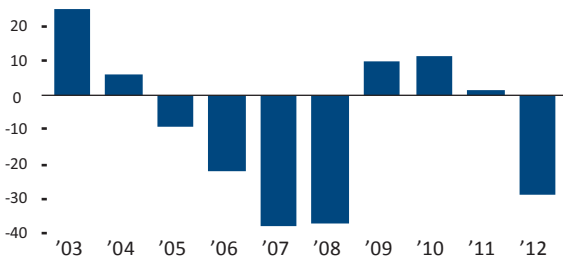
11 Economic Performance Rank

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.

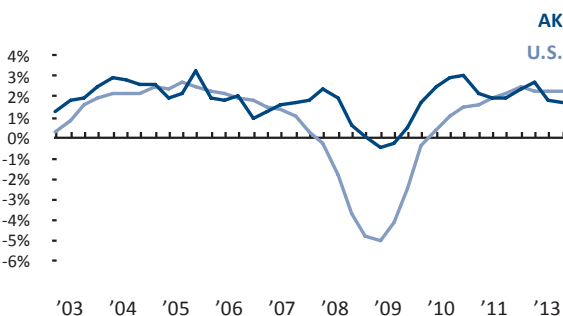
State Gross Domestic Product
 Cumulative Growth 2002-2012 **79.5%** Rank: 3



Absolute Domestic Migration
 Cumulative 2003-2012 **-7,930** Rank: 30
 (in thousands)



Non-Farm Payroll Employment
 Cumulative Growth 2002-2012 **12.8%** Rank: 5



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 37 38 22 29 29 21

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)	\$44.29	42
Sales Tax Burden (per \$1,000 of personal income)	\$9.92	5
Remaining Tax Burden (per \$1,000 of personal income)	\$14.96	8
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$20.67	1
Debt Service as a Share of Tax Revenue	5.9%	8
Public Employees Per 10,000 of Population (full-time equivalent)	753.2	49
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.1	13
State Minimum Wage (federal floor is \$7.25)	\$7.75	34
Average Workers' Compensation Costs (per \$100 of payroll)	\$3.01	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)	1	14

Arizona

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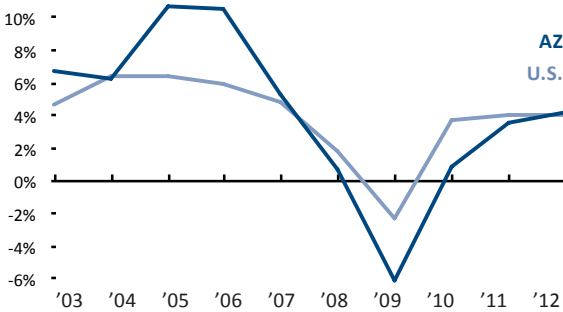
Economic Performance Rank

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.

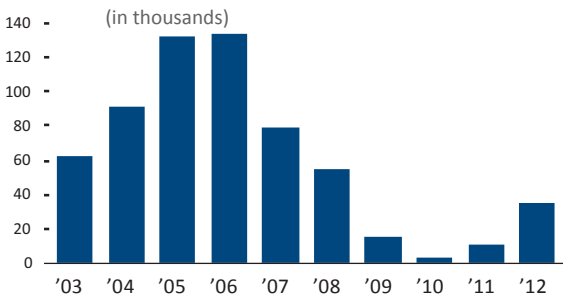
State Gross Domestic Product

Cumulative Growth 2002-2012 50.7% Rank: 23



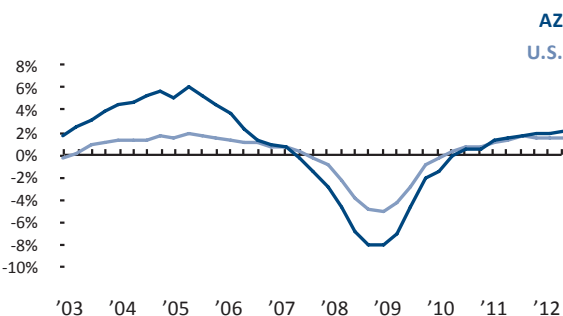
Absolute Domestic Migration

Cumulative 2003-2012 618,037 Rank: 4



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 9.0% Rank: 9



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 6 3 3 12 9 6

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.54%	13
Top Marginal Corporate Income Tax Rate	6.50%	21
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$10.60	31
Property Tax Burden (per \$1,000 of personal income)	\$31.72	27
Sales Tax Burden (per \$1,000 of personal income)	\$36.69	45
Remaining Tax Burden (per \$1,000 of personal income)	\$12.80	3
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.55	12
Debt Service as a Share of Tax Revenue	11.6%	46
Public Employees Per 10,000 of Population (full-time equivalent)	431.8	2
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	66.8	17
State Minimum Wage (federal floor is \$7.25)	\$7.90	35
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.61	14
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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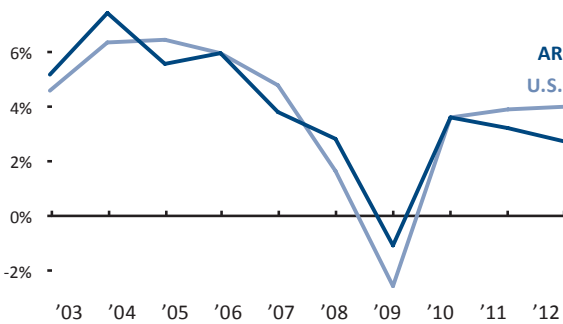
21

Economic Performance Rank

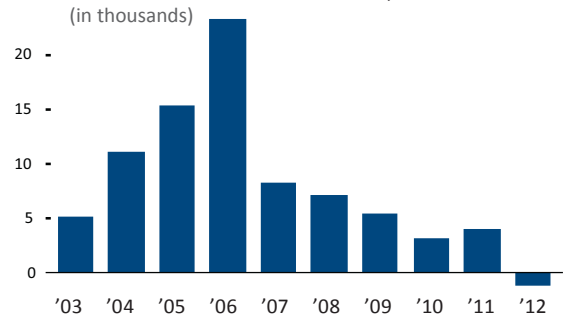
Economic Performance Rank (1=best 50=worst)

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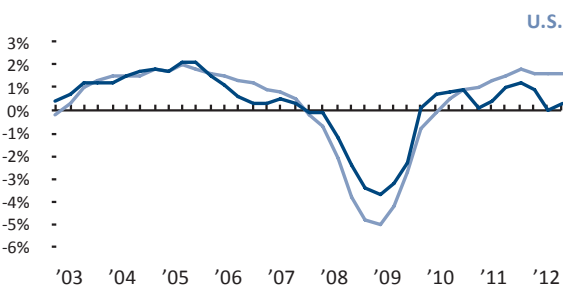
State Gross Domestic Product
Cumulative Growth 2002-2012 47.7% Rank: 25



Absolute Domestic Migration
Cumulative 2003-2012 80,218 Rank: 15



Non-Farm Payroll Employment
Cumulative Growth 2002-2012 3.1% Rank: 26



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 11 12 13 13 11 24

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.00%	35
Top Marginal Corporate Income Tax Rate	6.50%	21
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$14.42	40
Property Tax Burden (per \$1,000 of personal income)	\$18.72	4
Sales Tax Burden (per \$1,000 of personal income)	\$37.70	46
Remaining Tax Burden (per \$1,000 of personal income)	\$18.17	26
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.92	43
Debt Service as a Share of Tax Revenue	5.3%	5
Public Employees Per 10,000 of Population (full-time equivalent)	598.1	41
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	57.2	35
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.19	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	14

California

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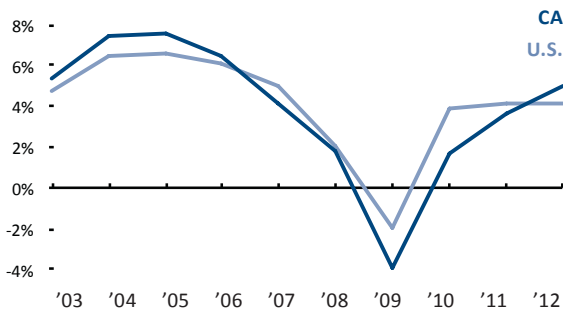
Economic Performance Rank

Economic Performance Rank (1=best 50=worst)

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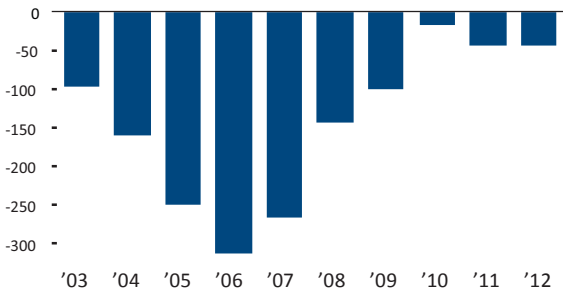
State Gross Domestic Product

Cumulative Growth 2002-2012 44.4% Rank: 32



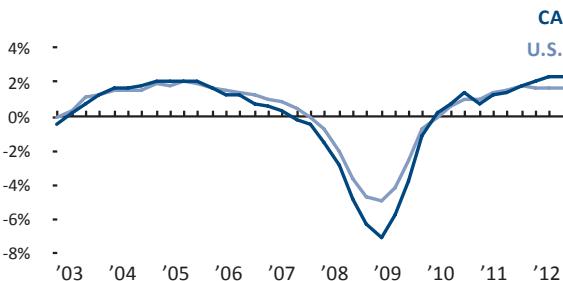
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) -1,429,475 Rank: 49



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 0.4% Rank: 39



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 42 43 46 47 38 47

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	13.30%	50
Top Marginal Corporate Income Tax Rate	8.84%	38
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$37.80	50
Property Tax Burden (per \$1,000 of personal income)	\$32.65	28
Sales Tax Burden (per \$1,000 of personal income)	\$24.47	31
Remaining Tax Burden (per \$1,000 of personal income)	\$19.20	28
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$4.03	49
Debt Service as a Share of Tax Revenue	10.4%	39
Public Employees Per 10,000 of Population (full-time equivalent)	466.1	4
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	50.6	47
State Minimum Wage (federal floor is \$7.25)	\$8.00	39
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.92	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)	2	3

Colorado

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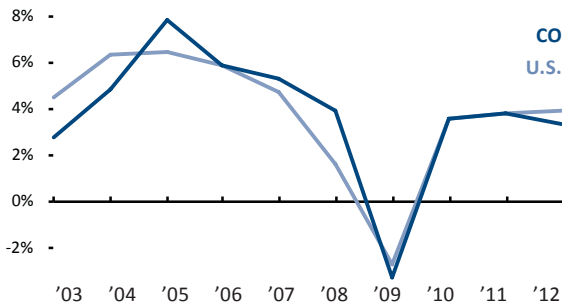
Economic Performance Rank

Economic Performance Rank (1=best 50=worst)

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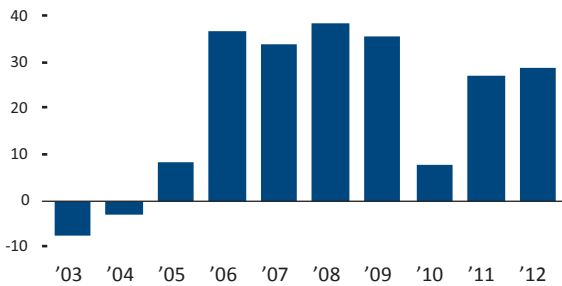
State Gross Domestic Product

Cumulative Growth 2002-2012 46.9% Rank: 26



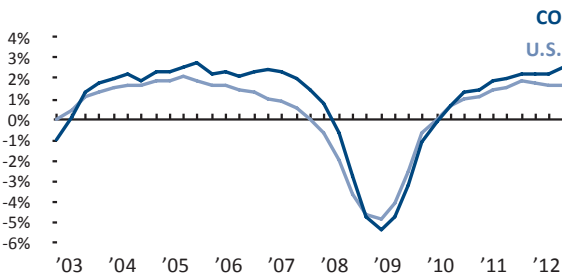
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) 206,484 Rank: 10



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 7.1% Rank: 14



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 9 2 2 6 8 16

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)	\$6.27	20
Property Tax Burden (per \$1,000 of personal income)	\$38.08	38
Sales Tax Burden (per \$1,000 of personal income)	\$23.91	27
Remaining Tax Burden (per \$1,000 of personal income)	\$14.52	7
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.48	40
Debt Service as a Share of Tax Revenue	11.8%	47
Public Employees Per 10,000 of Population (full-time equivalent)	527.0	21
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	64.2	23
State Minimum Wage (federal floor is \$7.25)	\$8.00	39
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.42	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)	3	1

Connecticut

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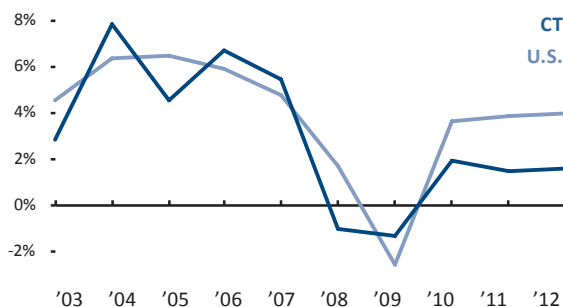
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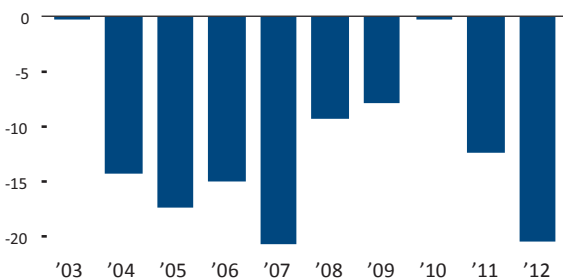
State Gross Domestic Product

Cumulative Growth 2002-2012 35.8% Rank: 44



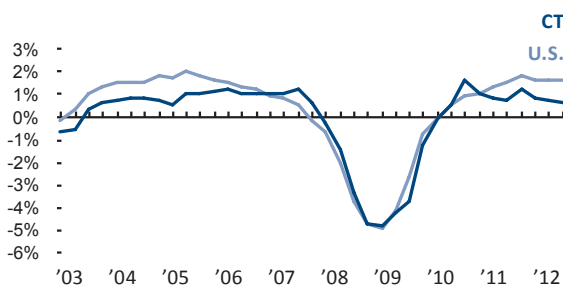
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) -117,924 Rank: 41



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 -0.9% Rank: 43



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 40 32 36 35 44 43

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.70%	30
Top Marginal Corporate Income Tax Rate	9.00%	40
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.67	26
Property Tax Burden (per \$1,000 of personal income)	\$45.36	43
Sales Tax Burden (per \$1,000 of personal income)	\$15.98	10
Remaining Tax Burden (per \$1,000 of personal income)	\$15.43	11
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$1.90	47
Debt Service as a Share of Tax Revenue	8.3%	26
Public Employees Per 10,000 of Population (full-time equivalent)	513.0	16
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	63.8	25
State Minimum Wage (federal floor is \$7.25)	\$8.70	47
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.99	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	14

Delaware

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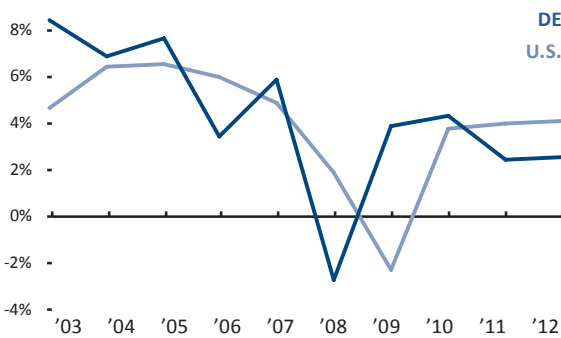
Economic Performance Rank

Economic Performance Rank (1=best 50=worst)

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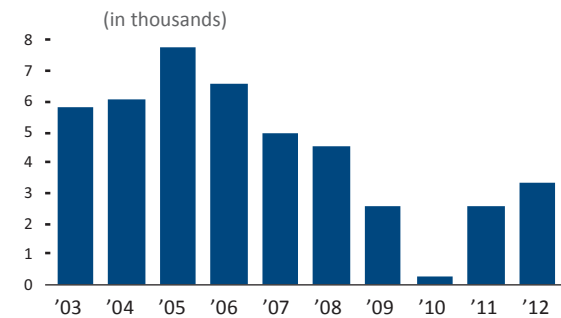
State Gross Domestic Product

Cumulative Growth 2002-2012 51.1% Rank: 21



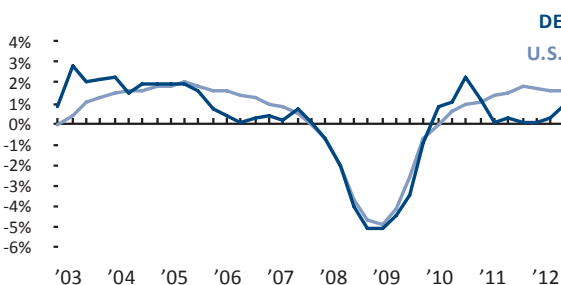
Absolute Domestic Migration

Cumulative 2003-2012 44,580 Rank: 20



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 1.2% Rank: 37



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 31 31 37 34 34 30

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.85%	39
Top Marginal Corporate Income Tax Rate	10.41%	47
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$13.70	38
Property Tax Burden (per \$1,000 of personal income)	\$17.50	3
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$48.06	50
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.55	13
Debt Service as a Share of Tax Revenue	8.6%	29
Public Employees Per 10,000 of Population (full-time equivalent)	544.1	27
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	75.8	1
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.77	21
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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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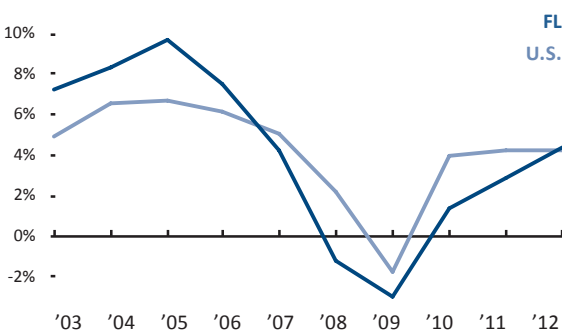
Economic Performance Rank

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.

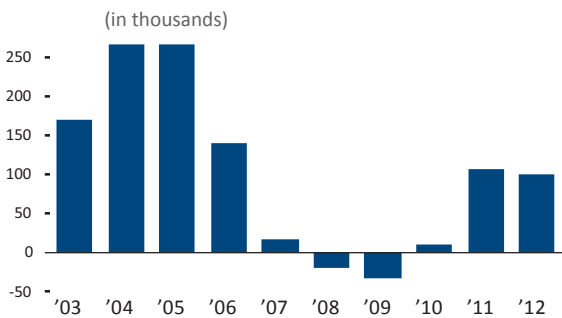
State Gross Domestic Product

Cumulative Growth 2002-2012 45.0% Rank: 31



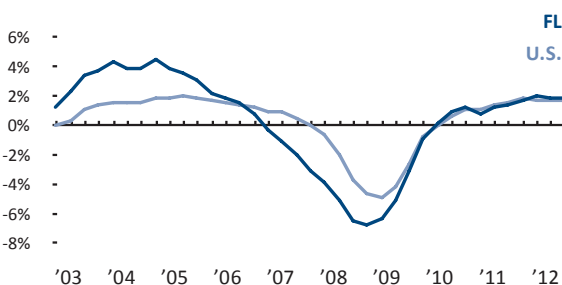
Absolute Domestic Migration

Cumulative 2003-2012 1,027,561 Rank: 2



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 3.4% Rank: 25



16

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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 16 11 5 10 13 9

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	5.50%	13
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)	\$34.80	30
Sales Tax Burden (per \$1,000 of personal income)	\$28.34	38
Remaining Tax Burden (per \$1,000 of personal income)	\$21.83	40
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.03	31
Debt Service as a Share of Tax Revenue	9.1%	34
Public Employees Per 10,000 of Population (full-time equivalent)	466.7	5
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	55.3	41
State Minimum Wage (federal floor is \$7.25)	\$7.93	37
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.82	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

Georgia

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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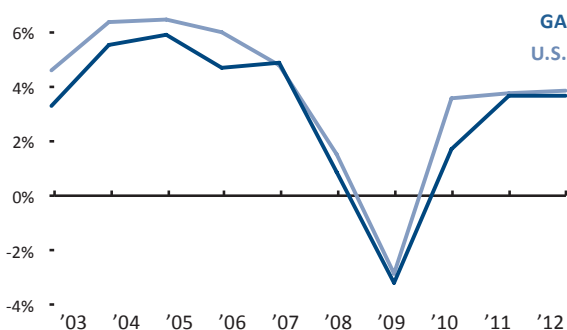
Economic Performance Rank

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.

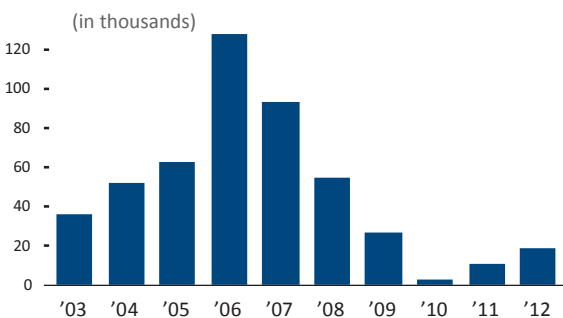
State Gross Domestic Product

Cumulative Growth 2002-2012 38.1% Rank: 42



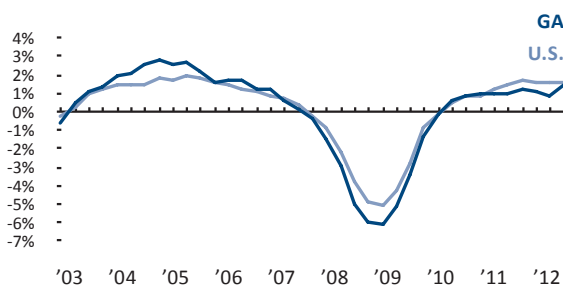
Absolute Domestic Migration

Cumulative 2003-2012 485,993 Rank: 5



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 2.2% Rank: 34



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 8 8 9 11 10 8

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.00%	27
Top Marginal Corporate Income Tax Rate	6.00%	14
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$6.53	22
Property Tax Burden (per \$1,000 of personal income)	\$29.95	23
Sales Tax Burden (per \$1,000 of personal income)	\$24.72	32
Remaining Tax Burden (per \$1,000 of personal income)	\$11.32	1
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.37	18
Debt Service as a Share of Tax Revenue	7.5%	19
Public Employees Per 10,000 of Population (full-time equivalent)	518.5	18
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	64.0	24
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.88	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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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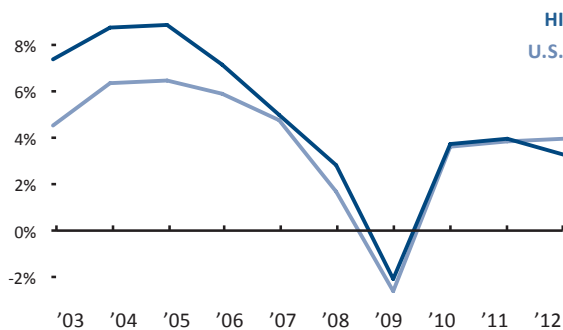
Economic Performance Rank

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.

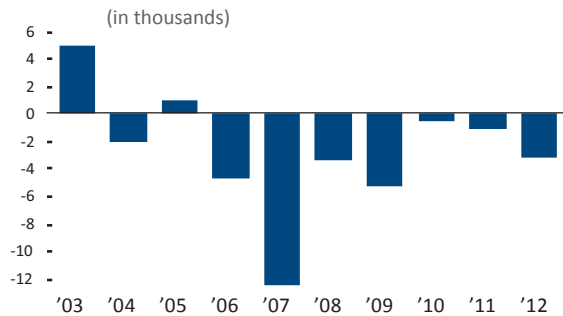
State Gross Domestic Product

Cumulative Growth 2002-2012 61.8% Rank: 11



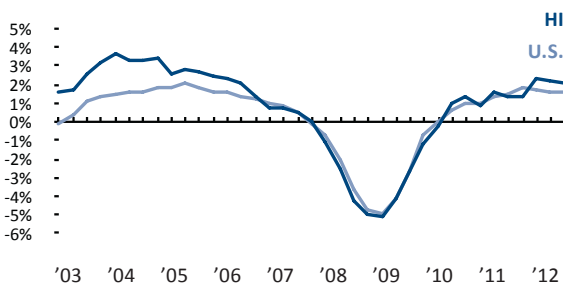
Absolute Domestic Migration

Cumulative 2003-2012 -26,409 Rank: 31



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 8.7% Rank: 10



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 41 41 39 46 46 40

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	11.00%	48
Top Marginal Corporate Income Tax Rate	6.40%	19
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$13.54	37
Property Tax Burden (per \$1,000 of personal income)	\$22.62	9
Sales Tax Burden (per \$1,000 of personal income)	\$42.62	50
Remaining Tax Burden (per \$1,000 of personal income)	\$24.54	45
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.74	9
Debt Service as a Share of Tax Revenue	8.5%	27
Public Employees Per 10,000 of Population (full-time equivalent)	535.1	24
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	62.5	29
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.66	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)	1	14

Idaho

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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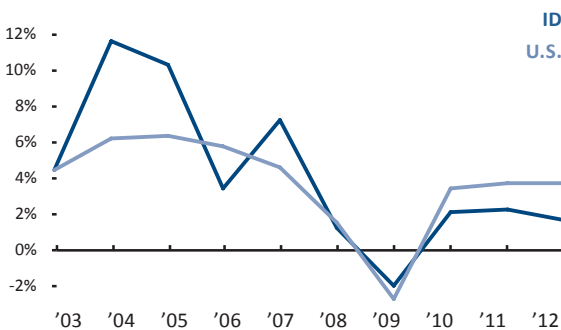
Economic Performance Rank

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.

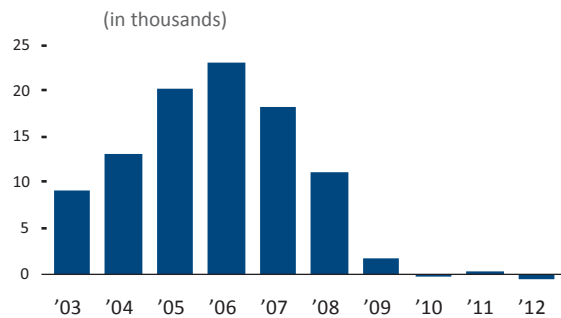
State Gross Domestic Product

Cumulative Growth 2002-2012 54.4% Rank: 16



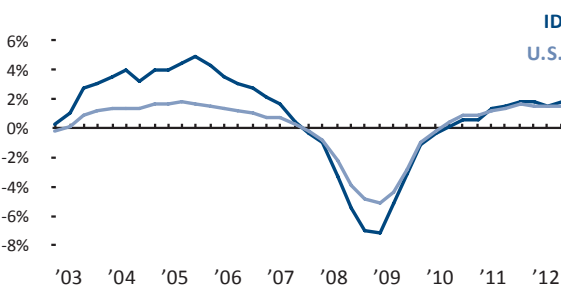
Absolute Domestic Migration

Cumulative 2003-2012 94,969 Rank: 14



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 9.7% Rank: 8



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 10 14 7 5 6 7

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.40%	37
Top Marginal Corporate Income Tax Rate	7.40%	28
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$13.26	36
Property Tax Burden (per \$1,000 of personal income)	\$26.41	14
Sales Tax Burden (per \$1,000 of personal income)	\$22.92	24
Remaining Tax Burden (per \$1,000 of personal income)	\$15.62	13
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.47	14
Debt Service as a Share of Tax Revenue	5.8%	7
Public Employees Per 10,000 of Population (full-time equivalent)	491.2	10
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.5	6
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.02	32
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	14

Illinois

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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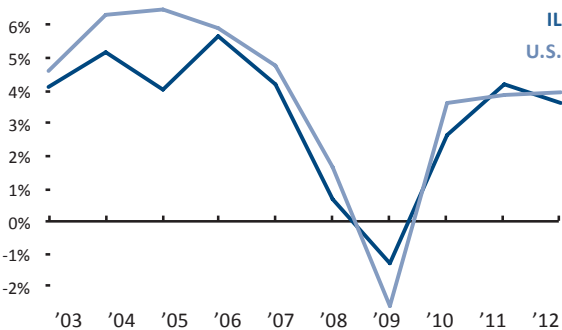
Economic Performance Rank

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.

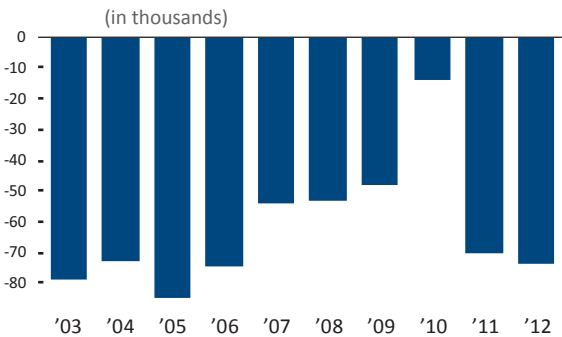
State Gross Domestic Product

Cumulative Growth 2002-2012 39.7% Rank: 39



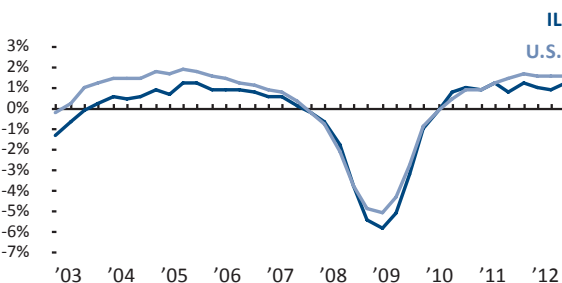
Absolute Domestic Migration

Cumulative 2003-2012 -623,467 Rank: 48



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 -1.6% Rank: 47



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 43 44 47 44 48 48

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.00%	17
Top Marginal Corporate Income Tax Rate	9.50%	44
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$1.42	14
Property Tax Burden (per \$1,000 of personal income)	\$43.51	41
Sales Tax Burden (per \$1,000 of personal income)	\$16.36	11
Remaining Tax Burden (per \$1,000 of personal income)	\$21.68	38
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.43	39
Debt Service as a Share of Tax Revenue	11.1%	43
Public Employees Per 10,000 of Population (full-time equivalent)	499.4	11
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	51.3	46
State Minimum Wage (federal floor is \$7.25)	\$8.25	44
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.83	47
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

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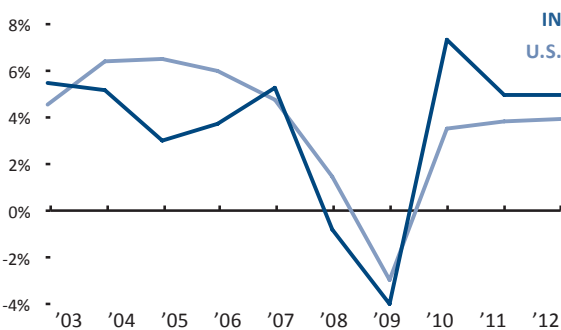
Economic Performance Rank

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.

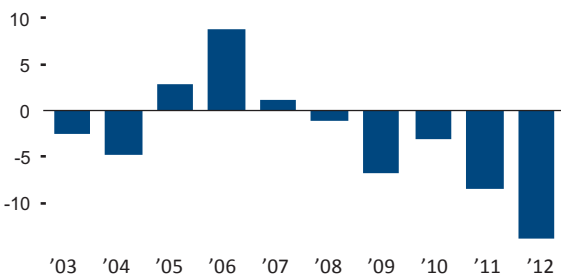
State Gross Domestic Product

Cumulative Growth 2002-2012 43.1% Rank: 34



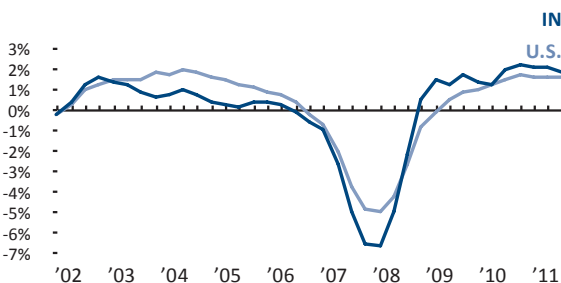
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) -27,203 Rank: 33



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 0.5% Rank: 38



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 12 17 20 16 24 14

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.02%	20
Top Marginal Corporate Income Tax Rate	7.50%	29
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$0.67	13
Property Tax Burden (per \$1,000 of personal income)	\$27.44	17
Sales Tax Burden (per \$1,000 of personal income)	\$27.25	35
Remaining Tax Burden (per \$1,000 of personal income)	\$15.85	14
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.59	11
Debt Service as a Share of Tax Revenue	9.0%	33
Public Employees Per 10,000 of Population (full-time equivalent)	505.0	13
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.0	14
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.16	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	14

Iowa

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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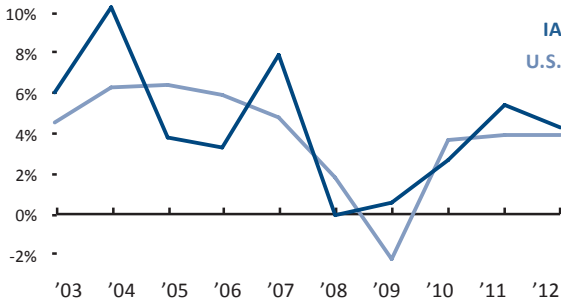
Economic Performance Rank

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.

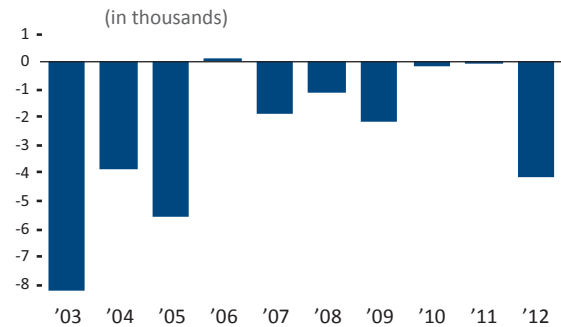
State Gross Domestic Product

Cumulative Growth 2002-2012 54.6% Rank: 15



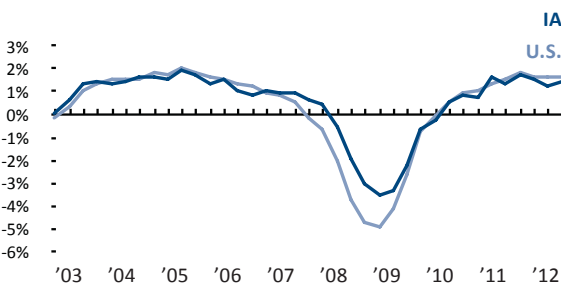
Absolute Domestic Migration

Cumulative 2003-2012 -27,470 Rank: 34



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 4.9% Rank: 19



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 25 35 28 23 22 25

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.42%	23
Top Marginal Corporate Income Tax Rate	9.90%	46
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$11.89	33
Property Tax Burden (per \$1,000 of personal income)	\$35.15	32
Sales Tax Burden (per \$1,000 of personal income)	\$23.34	26
Remaining Tax Burden (per \$1,000 of personal income)	\$17.57	21
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.12	21
Debt Service as a Share of Tax Revenue	5.0%	3
Public Employees Per 10,000 of Population (full-time equivalent)	564.8	33
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.5	10
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.90	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)	1	14

Kansas

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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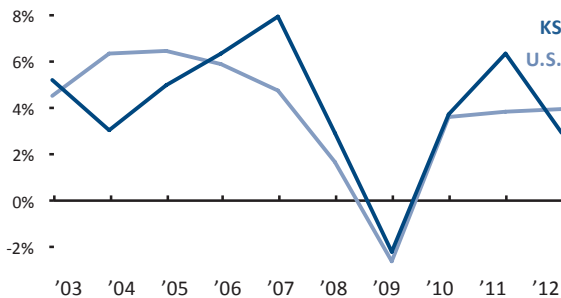
Economic Performance Rank

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.

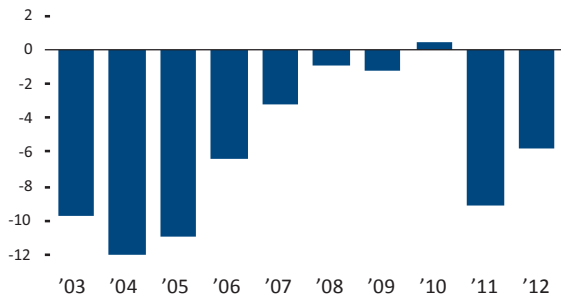
State Gross Domestic Product

Cumulative Growth 2002-2012 51.6% Rank: 20



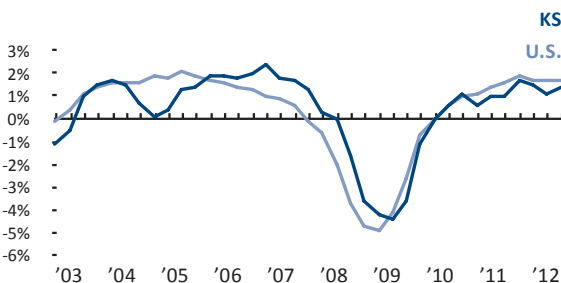
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) -58,811 Rank: 38



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 2.7% Rank: 29



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 29 24 25 27 26 11

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.80%	15
Top Marginal Corporate Income Tax Rate	7.00%	26
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.56	25
Property Tax Burden (per \$1,000 of personal income)	\$33.76	29
Sales Tax Burden (per \$1,000 of personal income)	\$28.32	37
Remaining Tax Burden (per \$1,000 of personal income)	\$12.88	4
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$2.38	4
Debt Service as a Share of Tax Revenue	10.3%	38
Public Employees Per 10,000 of Population (full-time equivalent)	680.8	48
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.6	5
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.54	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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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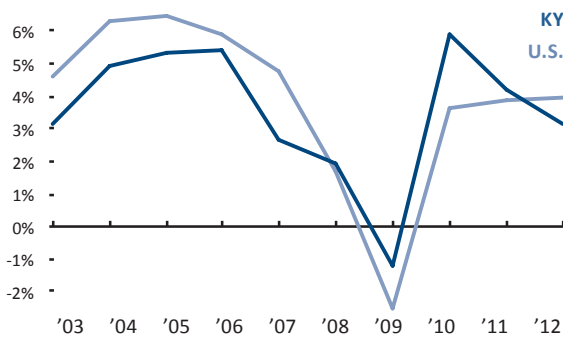
Economic Performance Rank

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.

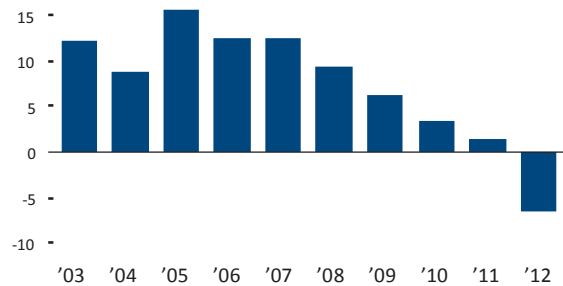
State Gross Domestic Product

Cumulative Growth 2002-2012 42.8% Rank: 35



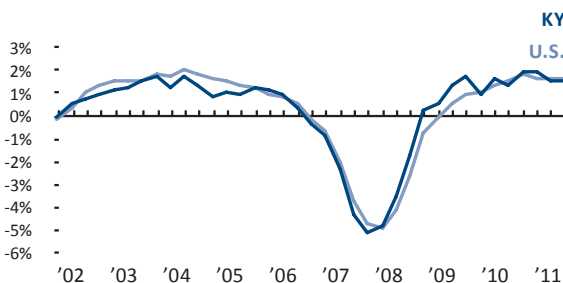
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) 75,684 Rank: 16



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 2.5% Rank: 30



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 44 36 40 40 39 38

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	8.20%	42
Top Marginal Corporate Income Tax Rate	6.00%	14
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$5.51	18
Property Tax Burden (per \$1,000 of personal income)	\$20.42	7
Sales Tax Burden (per \$1,000 of personal income)	\$19.69	17
Remaining Tax Burden (per \$1,000 of personal income)	\$21.67	37
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.36	37
Debt Service as a Share of Tax Revenue	13.5%	50
Public Employees Per 10,000 of Population (full-time equivalent)	564.4	32
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	56.8	38
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.96	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)	1	14

Louisiana

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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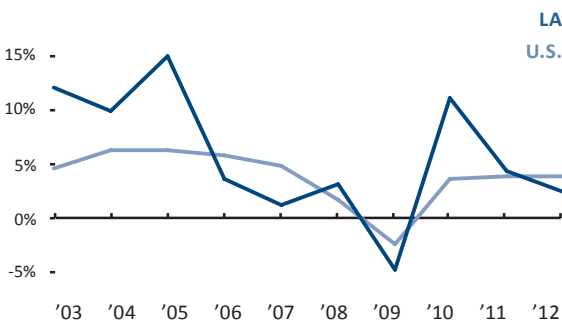
Economic
Performance Rank

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.

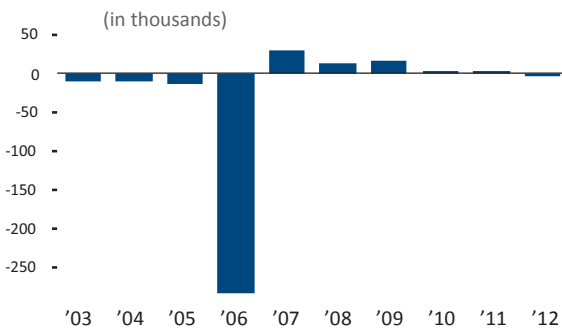
State Gross Domestic Product

Cumulative Growth 2002-2012 74.8% Rank: 6



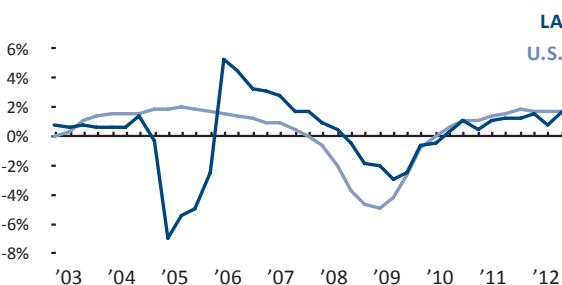
Absolute Domestic Migration

Cumulative 2003-2012 -253,511 Rank: 44



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 2.4% Rank: 31



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 24 18 16 15 19 28

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	3.62%	11
Top Marginal Corporate Income Tax Rate	5.20%	12
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$10.19	29
Property Tax Burden (per \$1,000 of personal income)	\$20.42	6
Sales Tax Burden (per \$1,000 of personal income)	\$37.84	47
Remaining Tax Burden (per \$1,000 of personal income)	\$18.42	27
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.02	24
Debt Service as a Share of Tax Revenue	11.4%	44
Public Employees Per 10,000 of Population (full-time equivalent)	589.8	39
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	46.5	49
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.06	36
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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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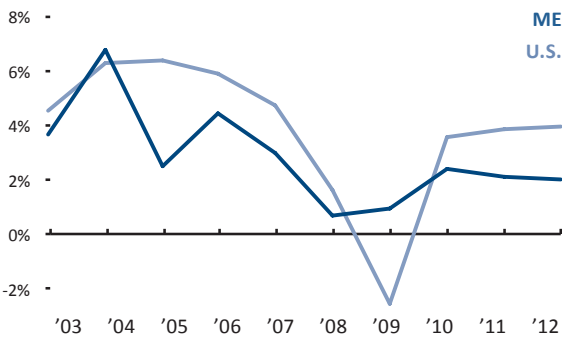
Economic Performance Rank

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.

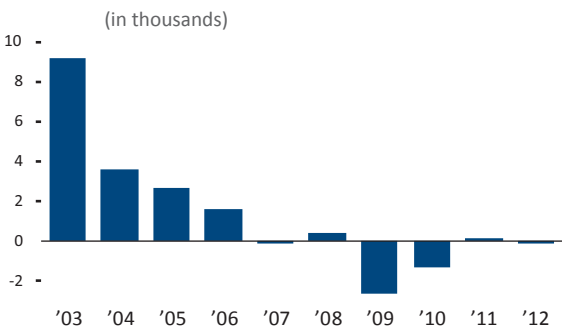
State Gross Domestic Product

Cumulative Growth 2002-2012 **34.2%** Rank: 47



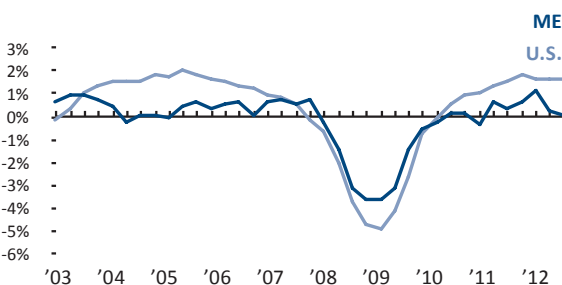
Absolute Domestic Migration

Cumulative 2003-2012 **12,953** Rank: 25



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 **-1.6%** Rank: 46



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 46 47 44 48 47 41

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.95%	41
Top Marginal Corporate Income Tax Rate	8.93%	39
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$19.31	47
Property Tax Burden (per \$1,000 of personal income)	\$47.52	46
Sales Tax Burden (per \$1,000 of personal income)	\$19.99	19
Remaining Tax Burden (per \$1,000 of personal income)	\$20.05	31
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.75	8
Debt Service as a Share of Tax Revenue	6.2%	9
Public Employees Per 10,000 of Population (full-time equivalent)	583.2	38
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.2	12
State Minimum Wage (federal floor is \$7.25)	\$7.50	31
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.24	41
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	14

Maryland

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



31

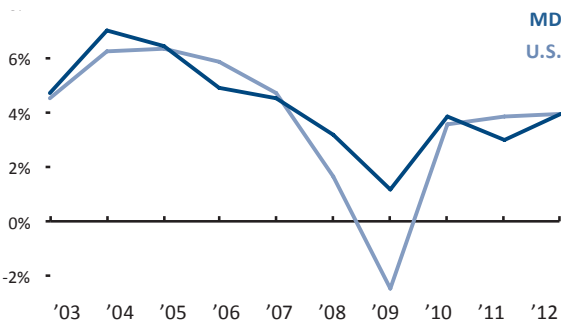
Economic Performance Rank

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.

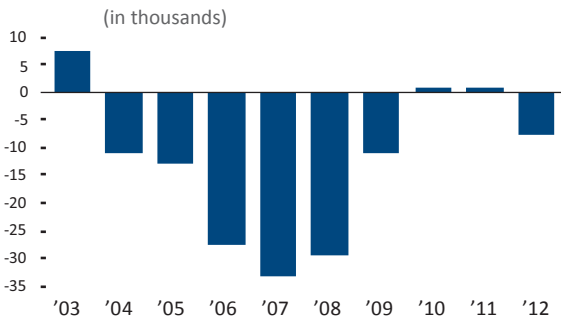
State Gross Domestic Product

Cumulative Growth 2002-2012 53.7% Rank: 18



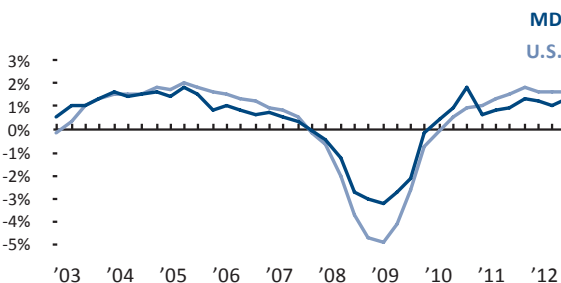
Absolute Domestic Migration

Cumulative 2003-2012 -123,674 Rank: 42



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 4.4% Rank: 22



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 28 28 29 21 20 35

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	8.95%	43
Top Marginal Corporate Income Tax Rate	8.25%	35
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$6.95	23
Property Tax Burden (per \$1,000 of personal income)	\$28.27	19
Sales Tax Burden (per \$1,000 of personal income)	\$13.08	8
Remaining Tax Burden (per \$1,000 of personal income)	\$17.91	25
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$1.15	46
Debt Service as a Share of Tax Revenue	6.4%	11
Public Employees Per 10,000 of Population (full-time equivalent)	528.2	23
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	58.3	33
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.68	17
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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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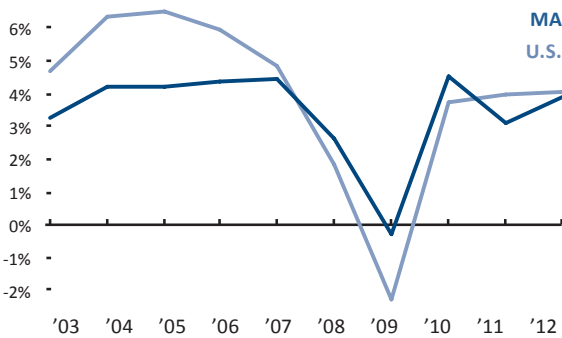
Economic
Performance Rank

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.

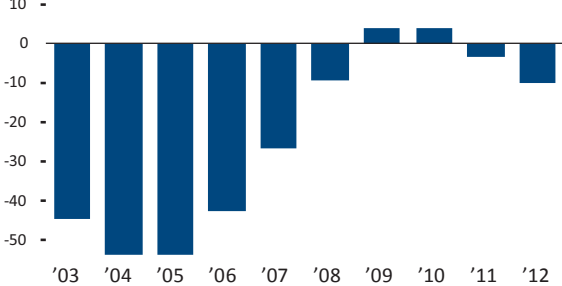
State Gross Domestic Product

Cumulative Growth 2002-2012 **40%** Rank: 38



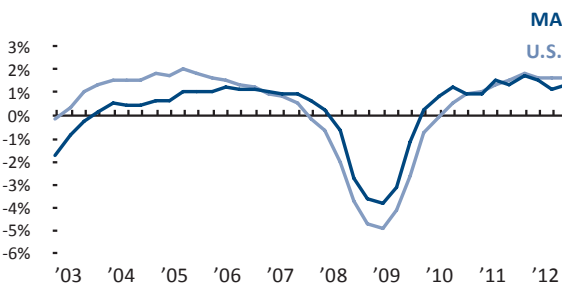
Absolute Domestic Migration

Cumulative 2003-2012 **-239,960** Rank: 43
(in thousands)



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 **1.7%** Rank: 36



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 22 26 32 24 25 29

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.20%	21
Top Marginal Corporate Income Tax Rate	8.00%	33
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$3.05	16
Property Tax Burden (per \$1,000 of personal income)	\$37.94	36
Sales Tax Burden (per \$1,000 of personal income)	\$14.05	9
Remaining Tax Burden (per \$1,000 of personal income)	\$11.72	2
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.64	41
Debt Service as a Share of Tax Revenue	10.8%	41
Public Employees Per 10,000 of Population (full-time equivalent)	486.9	8
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	66.3	19
State Minimum Wage (federal floor is \$7.25)	\$8.00	39
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.37	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)	1	14

Michigan

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



50

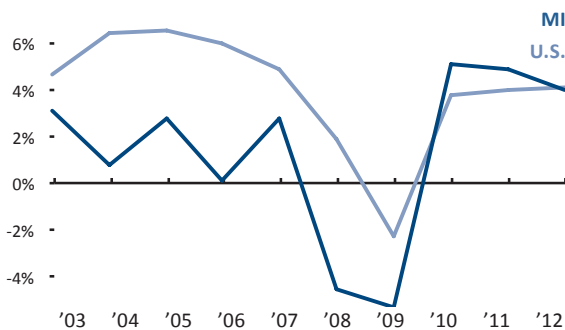
Economic
Performance Rank

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.

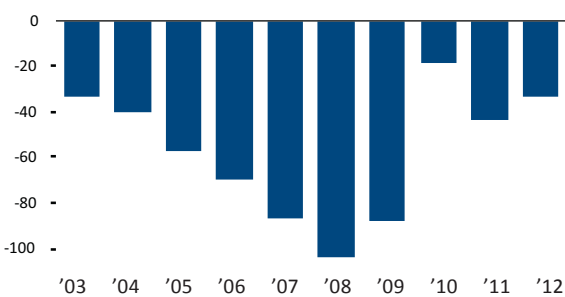
State Gross Domestic Product

Cumulative Growth 2002-2012 13.8% Rank: 50



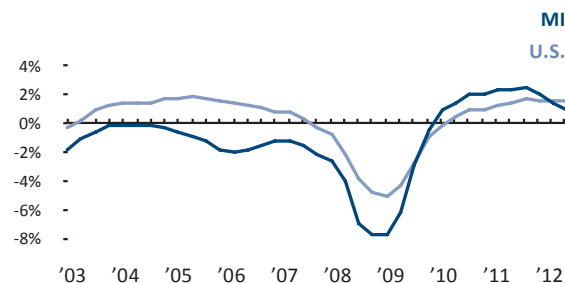
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) -573,817 Rank: 47



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 -10% Rank: 50



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 17 34 26 25 17 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)	\$38.00	37
Sales Tax Burden (per \$1,000 of personal income)	\$26.54	34
Remaining Tax Burden (per \$1,000 of personal income)	\$15.31	10
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.72	10
Debt Service as a Share of Tax Revenue	8.9%	32
Public Employees Per 10,000 of Population (full-time equivalent)	461.0	3
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	63.0	27
State Minimum Wage (federal floor is \$7.25)	\$7.40	30
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.73	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)	2	3

Minnesota

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



33

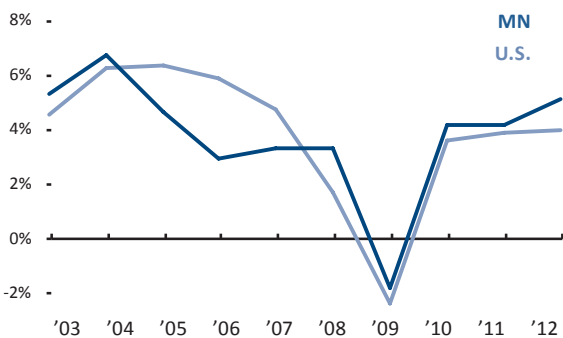
Economic Performance Rank

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.

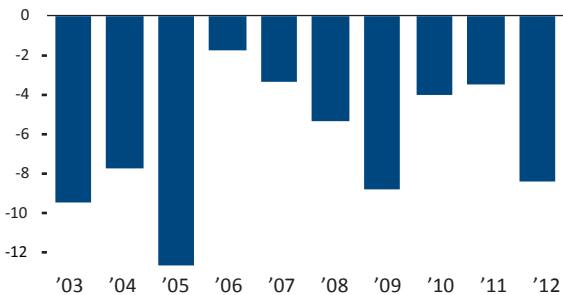
State Gross Domestic Product

Cumulative Growth 2002-2012 46.2% Rank: 29



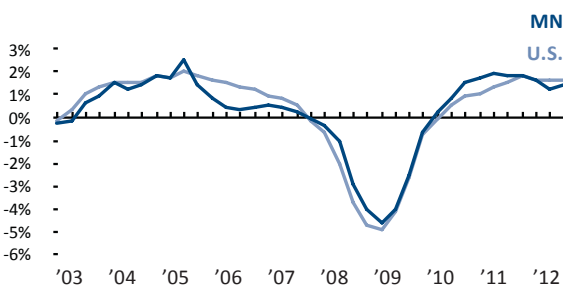
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) -64,954 Rank: 40



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 3.0% Rank: 27



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 39 40 38 37 41 46

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)	\$18.27	45
Property Tax Burden (per \$1,000 of personal income)	\$34.85	31
Sales Tax Burden (per \$1,000 of personal income)	\$20.29	21
Remaining Tax Burden (per \$1,000 of personal income)	\$22.86	41
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$5.65	50
Debt Service as a Share of Tax Revenue	7.1%	15
Public Employees Per 10,000 of Population (full-time equivalent)	519.1	19
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	71.4	4
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.03	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

Mississippi

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

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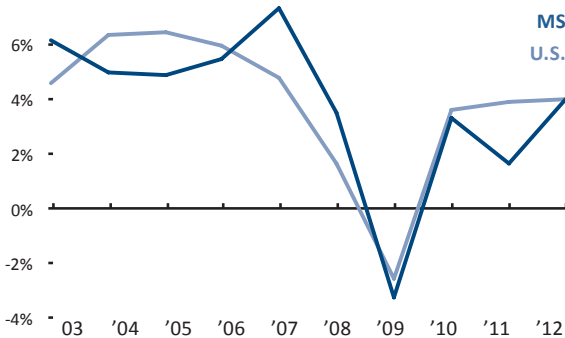
Economic
Performance Rank

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.

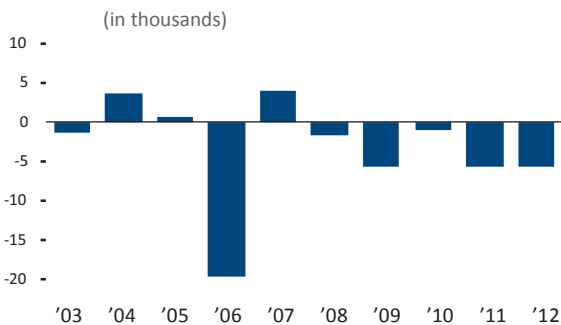
State Gross Domestic Product

Cumulative Growth 2002-2012 46.0% Rank: 30



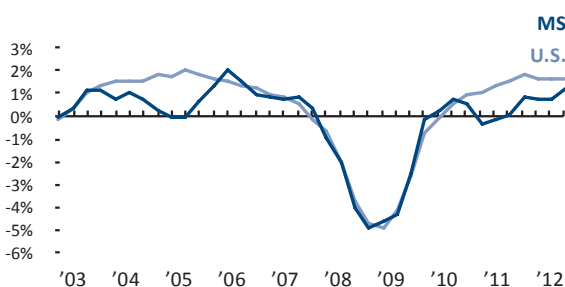
Absolute Domestic Migration

Cumulative 2003-2012 (in thousands) -32,013 Rank: 36



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 -1.1% Rank: 44



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 19 19 18 19 15 10

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.00%	17
Top Marginal Corporate Income Tax Rate	5.00%	9
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.53	24
Property Tax Burden (per \$1,000 of personal income)	\$27.25	15
Sales Tax Burden (per \$1,000 of personal income)	\$31.78	41
Remaining Tax Burden (per \$1,000 of personal income)	\$20.37	32
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.05	22
Debt Service as a Share of Tax Revenue	6.2%	10
Public Employees Per 10,000 of Population (full-time equivalent)	640.9	45
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	46.6	48
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.49	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

Missouri

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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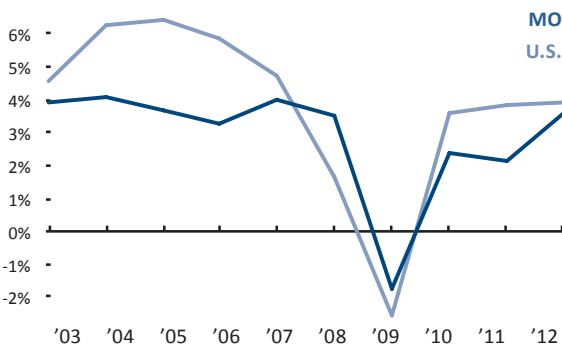
Economic Performance Rank

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.

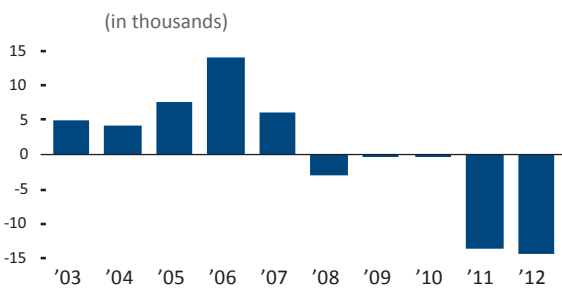
State Gross Domestic Product

Cumulative Growth 2002-2012 34.7% Rank: 46



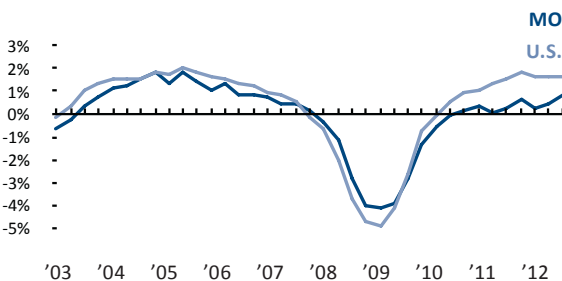
Absolute Domestic Migration

Cumulative 2003-2012 7,025 Rank: 28



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 -0.6% Rank: 42



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 25 23 15 9 7 23

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.00%	34
Top Marginal Corporate Income Tax Rate	6.16%	18
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$13.92	39
Property Tax Burden (per \$1,000 of personal income)	\$26.31	13
Sales Tax Burden (per \$1,000 of personal income)	\$22.17	23
Remaining Tax Burden (per \$1,000 of personal income)	\$16.05	15
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.00	26
Debt Service as a Share of Tax Revenue	9.2%	35
Public Employees Per 10,000 of Population (full-time equivalent)	527.5	22
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	57.8	34
State Minimum Wage (federal floor is \$7.25)	\$7.50	31
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.62	15
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

Montana

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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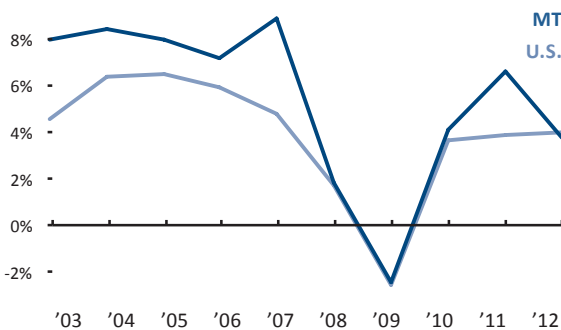
Economic Performance Rank

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.

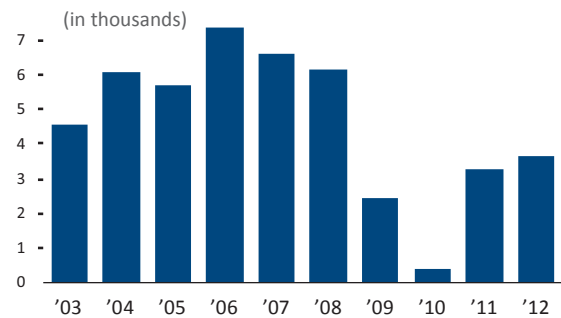
State Gross Domestic Product

Cumulative Growth 2002-2012 70.0% Rank: 7



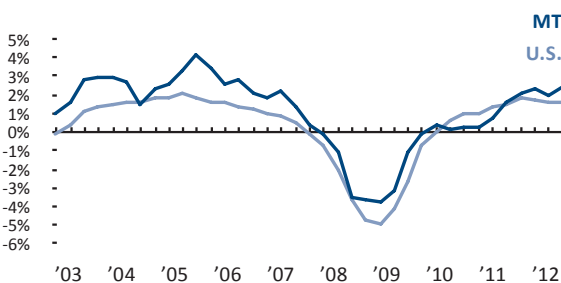
Absolute Domestic Migration

Cumulative 2003-2012 46,220 Rank: 19



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 11.7% Rank: 6



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Economic Outlook Rank

Economic Outlook Rank (1=best 50=worst)

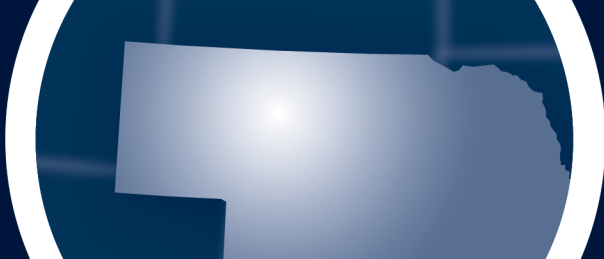
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 32 30 33 36 36 42

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)	\$17.72	44
Property Tax Burden (per \$1,000 of personal income)	\$37.84	35
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$24.86	46
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.14	20
Debt Service as a Share of Tax Revenue	6.4%	12
Public Employees Per 10,000 of Population (full-time equivalent)	574.2	36
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	52.2	45
State Minimum Wage (federal floor is \$7.25)	\$7.90	35
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.50	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

Nebraska

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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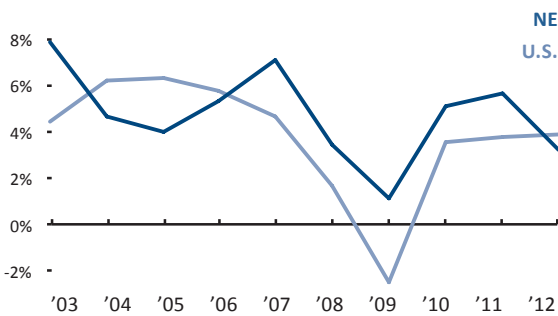
Economic Performance Rank

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.

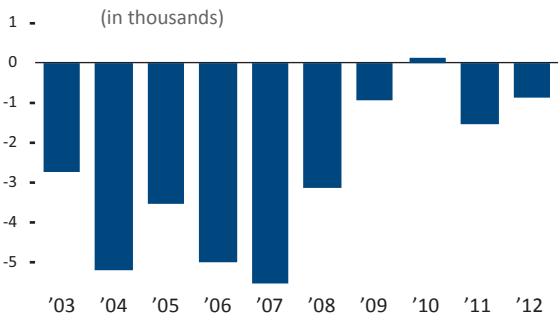
State Gross Domestic Product

Cumulative Growth 2002-2012 62.2% Rank: 10



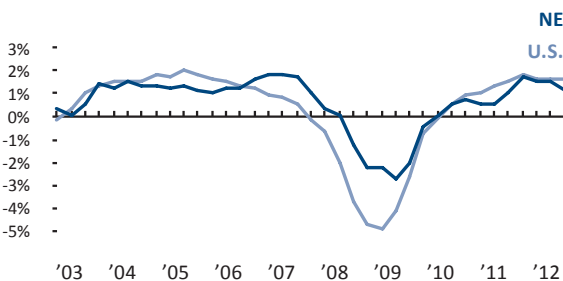
Absolute Domestic Migration

Cumulative 2003-2012 -28,349 Rank: 35



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 6.1% Rank: 16



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 34 29 34 32 31 37

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	6.84%	31
Top Marginal Corporate Income Tax Rate	7.81%	31
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$18.43	46
Property Tax Burden (per \$1,000 of personal income)	\$37.43	34
Sales Tax Burden (per \$1,000 of personal income)	\$22.02	22
Remaining Tax Burden (per \$1,000 of personal income)	\$17.64	22
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.20	36
Debt Service as a Share of Tax Revenue	8.0%	22
Public Employees Per 10,000 of Population (full-time equivalent)	652.0	47
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	74.1	2
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.71	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)	0	34

Nevada

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

7

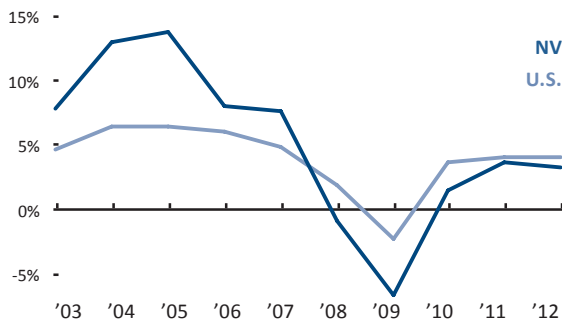
Economic Performance Rank

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.

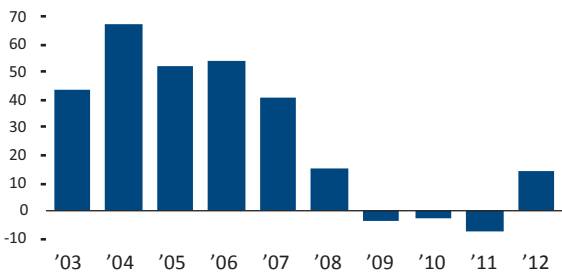
State Gross Domestic Product

Cumulative Growth 2002-2012 61.4% Rank: 12



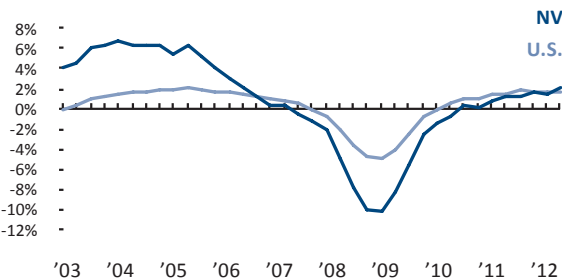
Absolute Domestic Migration

Cumulative 2003-2012 273,594 Rank: 8
(in thousands)



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 8.3% Rank: 13



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 7 7 11 17 18 13

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)	\$29.91	21
Sales Tax Burden (per \$1,000 of personal income)	\$32.17	42
Remaining Tax Burden (per \$1,000 of personal income)	\$36.70	49
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.00	27
Debt Service as a Share of Tax Revenue	10.6%	40
Public Employees Per 10,000 of Population (full-time equivalent)	418.8	1
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	57.0	37
State Minimum Wage (federal floor is \$7.25)	\$8.25	44
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.33	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)	2	3

New Hampshire

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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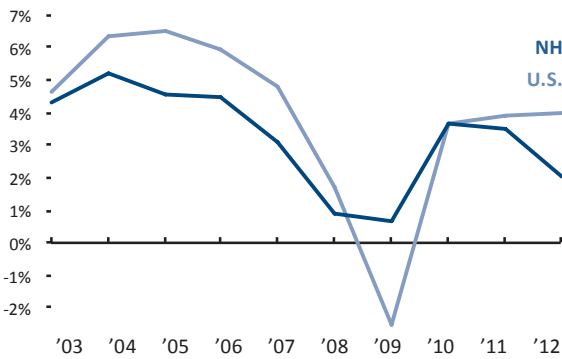
Economic
Performance Rank

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.

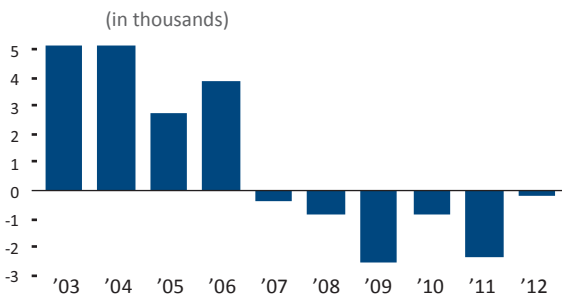
State Gross Domestic Product

Cumulative Growth 2002-2012 38.4% Rank: 41



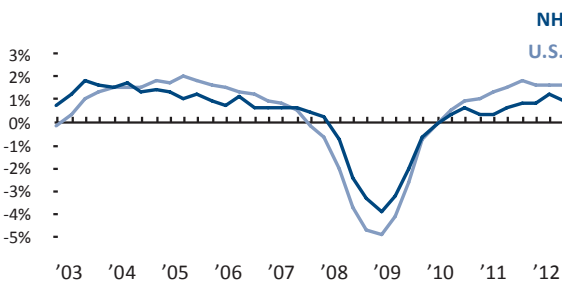
Absolute Domestic Migration

Cumulative 2003-2012 10,282 Rank: 27



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 3.0% Rank: 28



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 26 37 30 28 28 27

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	8.50%	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)	\$54.32	49
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$21.74	39
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.02	25
Debt Service as a Share of Tax Revenue	9.5%	37
Public Employees Per 10,000 of Population (full-time equivalent)	547.4	28
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	65.7	21
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.40	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)	0	34

New Jersey

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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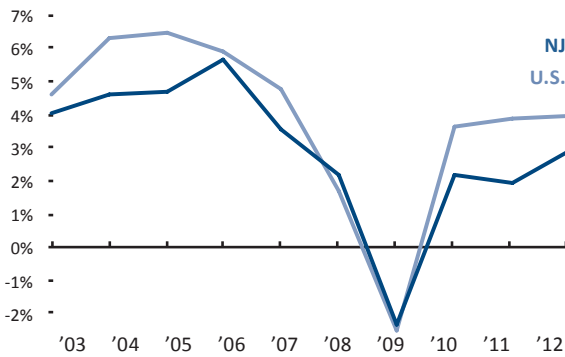
Economic Performance Rank

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.

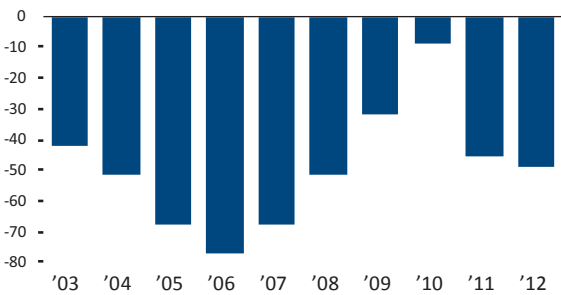
State Gross Domestic Product

Cumulative Growth 2002-2012 34.8% Rank: 45



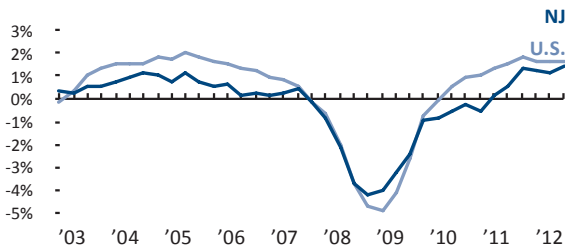
Absolute Domestic Migration

Cumulative 2003-2012 -491,479 Rank: 46
(in thousands)



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 -1.4% Rank: 45



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 48 46 48 45 42 39

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	9.97%	46
Top Marginal Corporate Income Tax Rate	9.00%	40
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)	\$55.54	50
Sales Tax Burden (per \$1,000 of personal income)	\$17.73	13
Remaining Tax Burden (per \$1,000 of personal income)	\$14.49	6
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$1.05	7
Debt Service as a Share of Tax Revenue	6.6%	13
Public Employees Per 10,000 of Population (full-time equivalent)	551.6	29
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	60.1	32
State Minimum Wage (federal floor is \$7.25)	\$8.25	44
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.74	44
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	14

New Mexico

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

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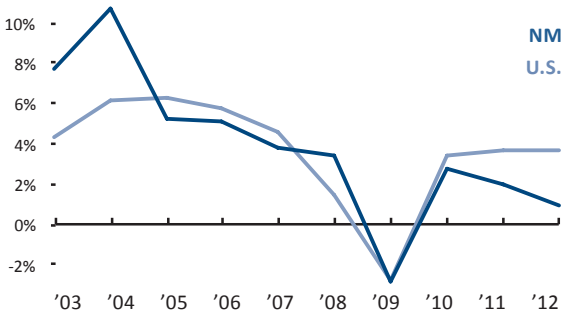
Economic Performance Rank

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.

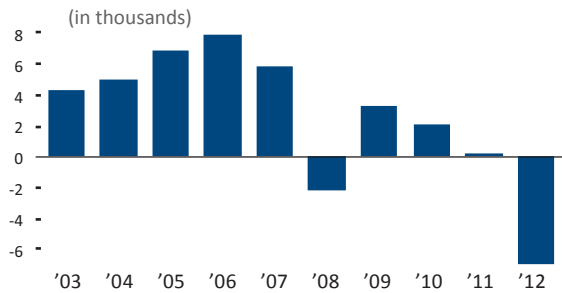
State Gross Domestic Product

Cumulative Growth 2002-2012 50.2% Rank: 24



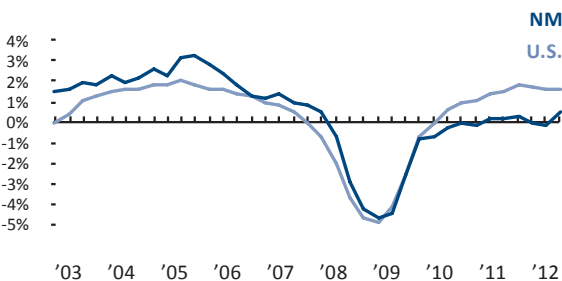
Absolute Domestic Migration

Cumulative 2003-2012 26,159 Rank: 23



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 4.9% Rank: 20



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 27 25 35 39 35 33

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	4.90%	16
Top Marginal Corporate Income Tax Rate	7.30%	27
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$10.36	30
Property Tax Burden (per \$1,000 of personal income)	\$19.38	5
Sales Tax Burden (per \$1,000 of personal income)	\$39.70	49
Remaining Tax Burden (per \$1,000 of personal income)	\$15.51	12
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.18	34
Debt Service as a Share of Tax Revenue	8.0%	21
Public Employees Per 10,000 of Population (full-time equivalent)	604.4	43
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	52.7	44
State Minimum Wage (federal floor is \$7.25)	\$7.50	31
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.88	24
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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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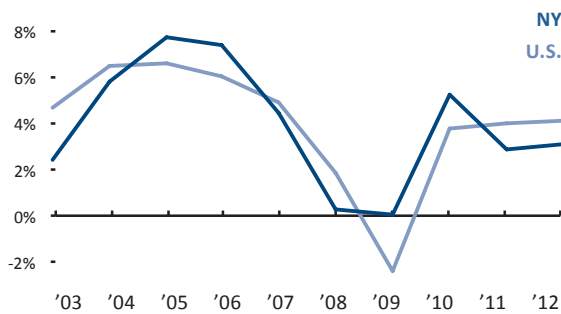
Economic Performance Rank

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.

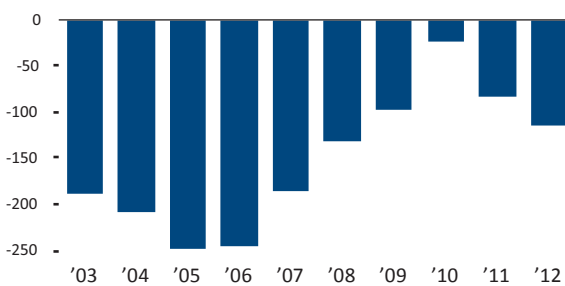
State Gross Domestic Product

Cumulative Growth 2002-2012 46.6% Rank: 28



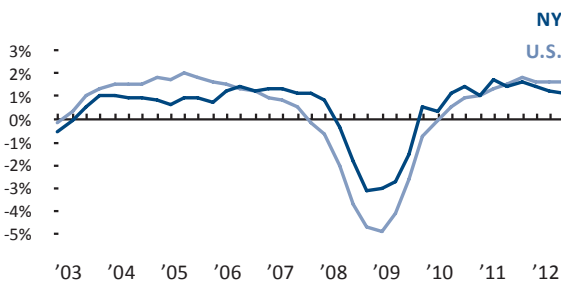
Absolute Domestic Migration

Cumulative 2003-2012 -1,527,359 Rank: 50
(in thousands)



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 4.4% Rank: 21



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 49 50 50 50 50 49

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	12.70%	49
Top Marginal Corporate Income Tax Rate	17.16%	50
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$12.53	34
Property Tax Burden (per \$1,000 of personal income)	\$45.92	44
Sales Tax Burden (per \$1,000 of personal income)	\$24.27	30
Remaining Tax Burden (per \$1,000 of personal income)	\$20.84	34
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.01	30
Debt Service as a Share of Tax Revenue	9.4%	36
Public Employees Per 10,000 of Population (full-time equivalent)	603.8	42
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	66.4	18
State Minimum Wage (federal floor is \$7.25)	\$8.00	39
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.82	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)	0	34

North Carolina

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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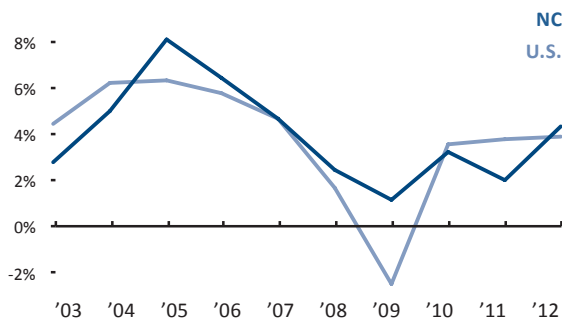
Economic Performance Rank

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.

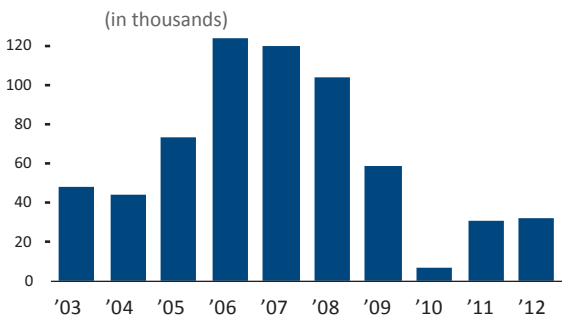
State Gross Domestic Product

Cumulative Growth 2002-2012 50.9% Rank: 22



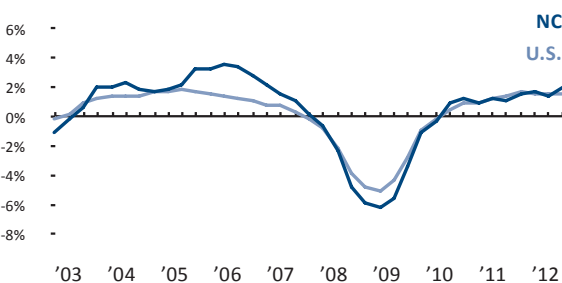
Absolute Domestic Migration

Cumulative 2003-2012 642,378 Rank: 3



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 5.2% Rank: 17



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 21 21 21 26 23 22

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.80%	25
Top Marginal Corporate Income Tax Rate	6.00%	14
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$5.80	19
Property Tax Burden (per \$1,000 of personal income)	\$25.02	12
Sales Tax Burden (per \$1,000 of personal income)	\$23.97	28
Remaining Tax Burden (per \$1,000 of personal income)	\$16.88	18
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.46	15
Debt Service as a Share of Tax Revenue	7.2%	16
Public Employees Per 10,000 of Population (full-time equivalent)	575.7	37
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	65.8	20
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.90	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)	1	14

North Dakota

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



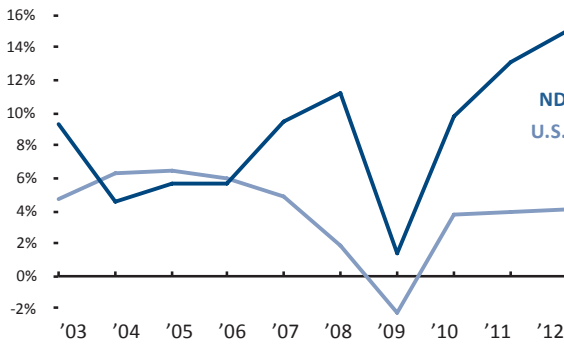
4

Economic Performance Rank

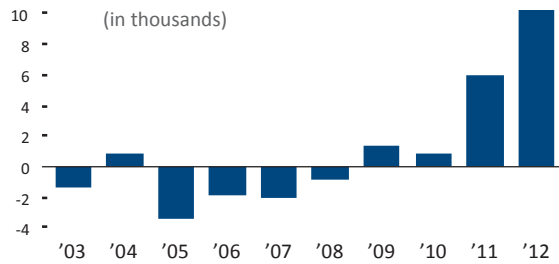
Economic Performance Rank (1=best 50=worst)

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.

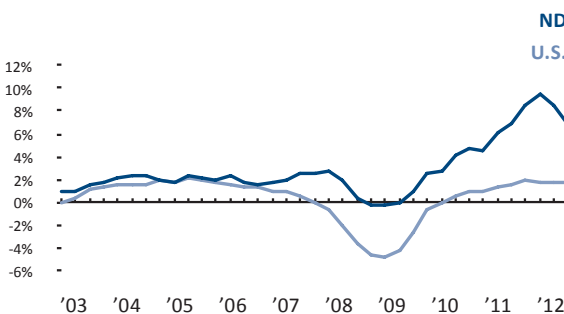
State Gross Domestic Product
Cumulative Growth 2002-2012 125.1% Rank: 1



Absolute Domestic Migration
Cumulative 2003-2012 10,441 Rank: 26



Non-Farm Payroll Employment
Cumulative Growth 2002-2012 32.2% 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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 18 13 12 7 5 2

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	3.22%	10
Top Marginal Corporate Income Tax Rate	4.53%	7
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$9.01	28
Property Tax Burden (per \$1,000 of personal income)	\$23.83	11
Sales Tax Burden (per \$1,000 of personal income)	\$29.47	39
Remaining Tax Burden (per \$1,000 of personal income)	\$19.53	29
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$3.78	2
Debt Service as a Share of Tax Revenue	3.9%	2
Public Employees Per 10,000 of Population (full-time equivalent)	650.7	46
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.8	8
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.01	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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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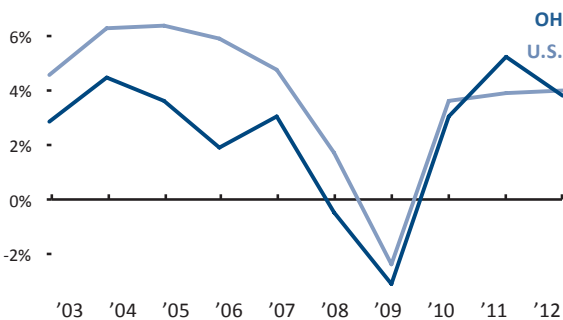
Economic Performance Rank

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.

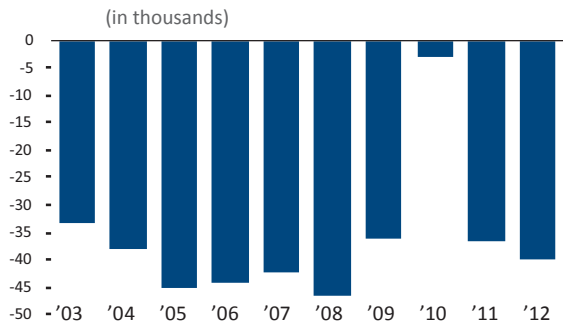
State Gross Domestic Product

Cumulative Growth 2002-2012 **28%** Rank: 49



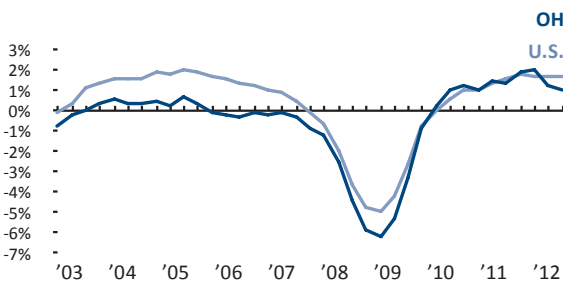
Absolute Domestic Migration

Cumulative 2003-2012 **-365,002** Rank: 45



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 **-4.7%** Rank: 49



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 47 45 42 38 37 26

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.89%	40
Top Marginal Corporate Income Tax Rate	3.62%	5
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$12.88	35
Property Tax Burden (per \$1,000 of personal income)	\$30.40	24
Sales Tax Burden (per \$1,000 of personal income)	\$18.66	15
Remaining Tax Burden (per \$1,000 of personal income)	\$20.83	33
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$1.97	5
Debt Service as a Share of Tax Revenue	7.2%	17
Public Employees Per 10,000 of Population (full-time equivalent)	514.3	17
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	62.1	30
State Minimum Wage (federal floor is \$7.25)	\$7.95	38
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.84	23
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	14

Oklahoma

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



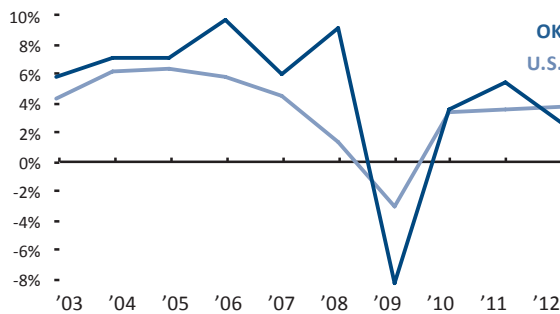
9

Economic Performance Rank

Economic Performance Rank (1=best 50=worst)

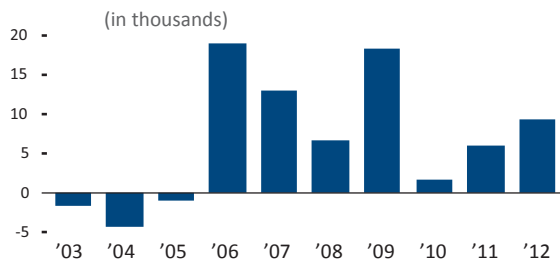
A backward-looking measure based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

State Gross Domestic Product
Cumulative Growth 2002-2012 **62.9%** Rank: 9



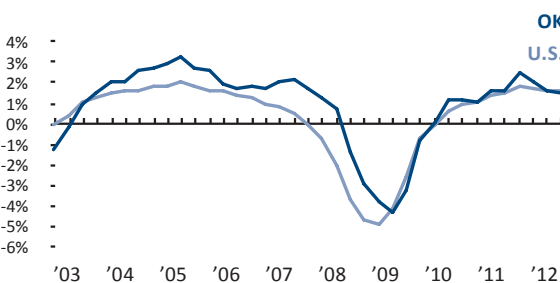
Absolute Domestic Migration

Cumulative 2003-2012 **67,198** Rank: 17



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 **8.5%** Rank: 12



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 14 15 14 14 14 19

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.25%	22
Top Marginal Corporate Income Tax Rate	6.00%	14
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$7.84	27
Property Tax Burden (per \$1,000 of personal income)	\$15.74	2
Sales Tax Burden (per \$1,000 of personal income)	\$27.74	36
Remaining Tax Burden (per \$1,000 of personal income)	\$16.26	16
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.00	29
Debt Service as a Share of Tax Revenue	6.9%	14
Public Employees Per 10,000 of Population (full-time equivalent)	566.3	35
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	55.0	42
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.77	45
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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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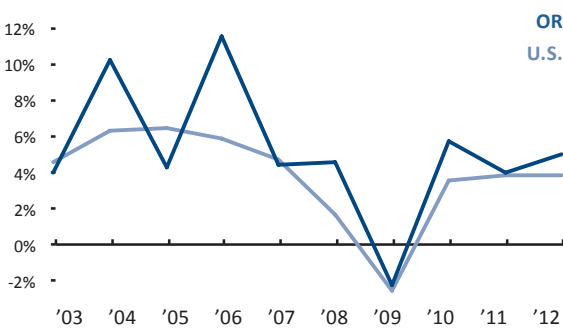
Economic Performance Rank

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.

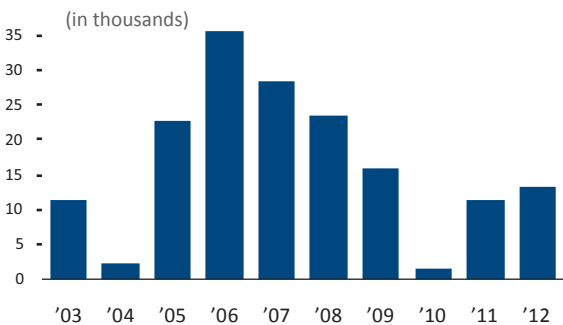
State Gross Domestic Product

Cumulative Growth 2002-2012 66.2% Rank: 8



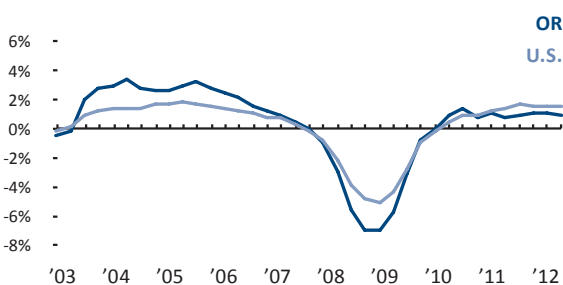
Absolute Domestic Migration

Cumulative 2003-2012 166,474 Rank: 11



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 3.7% Rank: 23



42

Economic Outlook Rank

Economic Outlook Rank (1=best 50=worst)

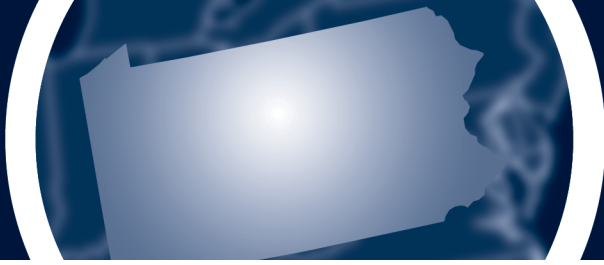
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 35 39 41 43 45 44

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	10.62%	47
Top Marginal Corporate Income Tax Rate	11.25%	48
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$15.41	41
Property Tax Burden (per \$1,000 of personal income)	\$35.64	33
Sales Tax Burden (per \$1,000 of personal income)	\$0.00	1
Remaining Tax Burden (per \$1,000 of personal income)	\$21.38	36
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.88	42
Debt Service as a Share of Tax Revenue	8.9%	31
Public Employees Per 10,000 of Population (full-time equivalent)	509.6	14
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	62.6	28
State Minimum Wage (federal floor is \$7.25)	\$9.10	49
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.58	12
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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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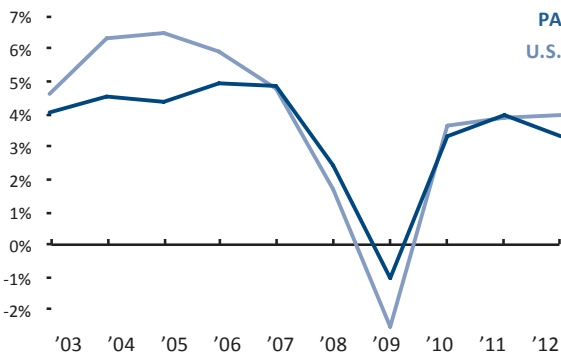
Economic Performance Rank

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.

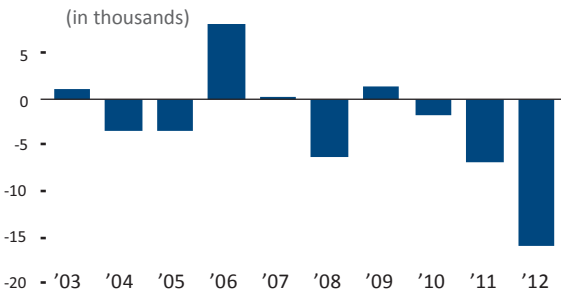
State Gross Domestic Product

Cumulative Growth 2002-2012 41.7% Rank: 36



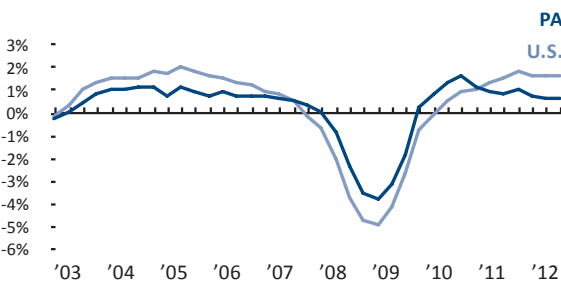
Absolute Domestic Migration

Cumulative 2003-2012 -26,848 Rank: 32



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 1.9% Rank: 35



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 36 42 43 41 40 34

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.00%	33
Top Marginal Corporate Income Tax Rate	17.05%	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)	\$30.40	25
Sales Tax Burden (per \$1,000 of personal income)	\$17.55	12
Remaining Tax Burden (per \$1,000 of personal income)	\$24.46	44
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$2.66	3
Debt Service as a Share of Tax Revenue	8.6%	28
Public Employees Per 10,000 of Population (full-time equivalent)	467.7	6
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	56.3	39
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.15	39
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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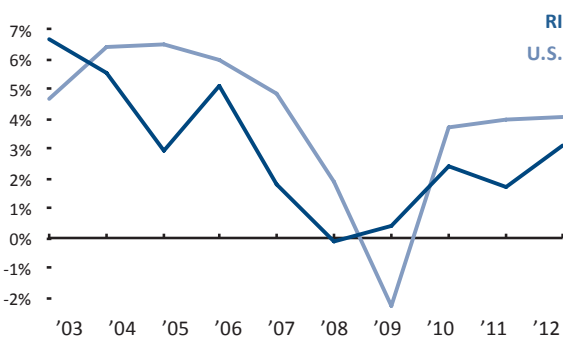
Economic Performance Rank

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.

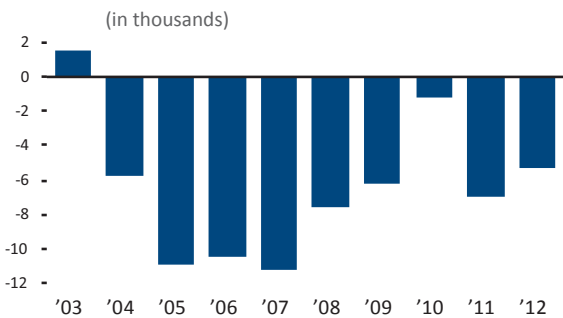
State Gross Domestic Product

Cumulative Growth 2002-2012 33.6% Rank: 48



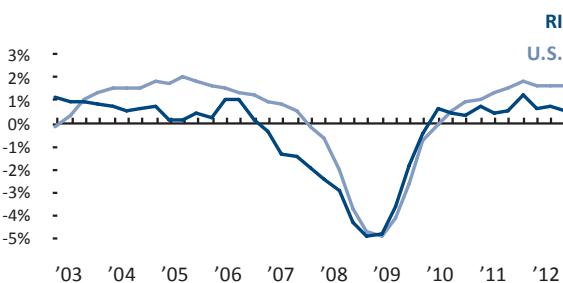
Absolute Domestic Migration

Cumulative 2003-2012 -63,806 Rank: 39



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 -3.3% Rank: 48



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 45 48 45 42 43 45

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.99%	26
Top Marginal Corporate Income Tax Rate	9.00%	40
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$11.40	32
Property Tax Burden (per \$1,000 of personal income)	\$49.18	47
Sales Tax Burden (per \$1,000 of personal income)	\$17.84	14
Remaining Tax Burden (per \$1,000 of personal income)	\$17.70	23
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.15	33
Debt Service as a Share of Tax Revenue	11.0%	42
Public Employees Per 10,000 of Population (full-time equivalent)	471.0	7
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	60.9	31
State Minimum Wage (federal floor is \$7.25)	\$8.00	39
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.99	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)	1	14

South Carolina

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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.

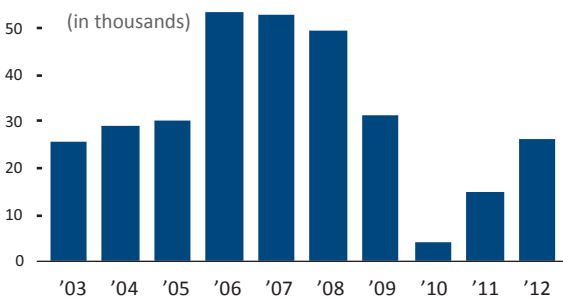
State Gross Domestic Product

Cumulative Growth 2002-2012 41.7% Rank: 37



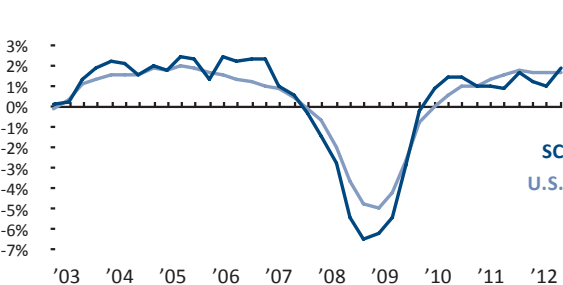
Absolute Domestic Migration

Cumulative 2003-2012 318,593 Rank: 6



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 3.5% Rank: 24



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 20 20 31 22 27 31

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.00%	35
Top Marginal Corporate Income Tax Rate	5.00%	9
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$16.00	43
Property Tax Burden (per \$1,000 of personal income)	\$30.82	26
Sales Tax Burden (per \$1,000 of personal income)	\$20.21	20
Remaining Tax Burden (per \$1,000 of personal income)	\$17.10	20
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.04	23
Debt Service as a Share of Tax Revenue	13.3%	49
Public Employees Per 10,000 of Population (full-time equivalent)	540.8	25
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	56.3	39
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.04	35
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	14

South Dakota

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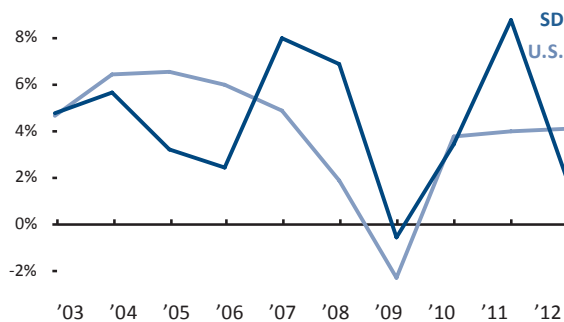
Economic Performance Rank

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.

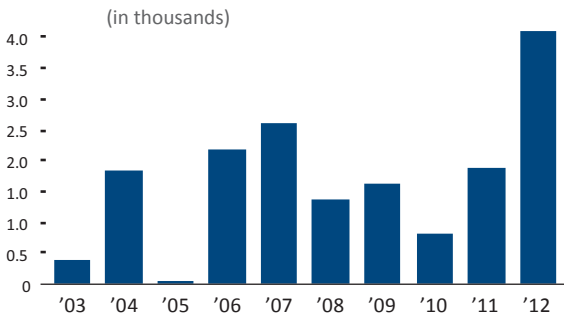
State Gross Domestic Product

Cumulative Growth 2002-2012 53.8% Rank: 17



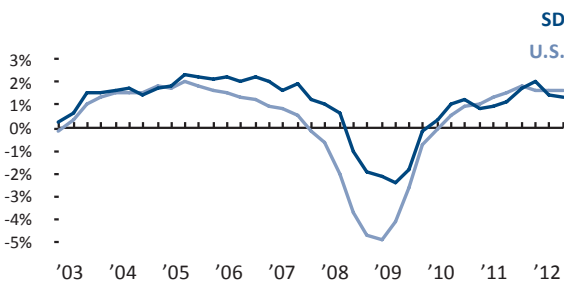
Absolute Domestic Migration

Cumulative 2003-2012 16,932 Rank: 24



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 9.8% Rank: 7



2

Economic Outlook Rank

Economic Outlook Rank (1=best 50=worst)

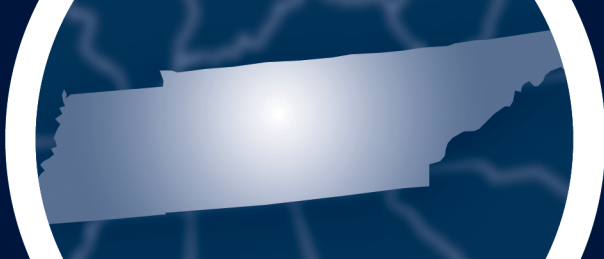
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 2 5 4 2 2 3

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)	\$27.95	18
Sales Tax Burden (per \$1,000 of personal income)	\$31.26	40
Remaining Tax Burden (per \$1,000 of personal income)	\$16.95	19
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.00	28
Debt Service as a Share of Tax Revenue	8.2%	24
Public Employees Per 10,000 of Population (full-time equivalent)	552.0	30
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.5	10
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.91	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)	1	14

Tennessee

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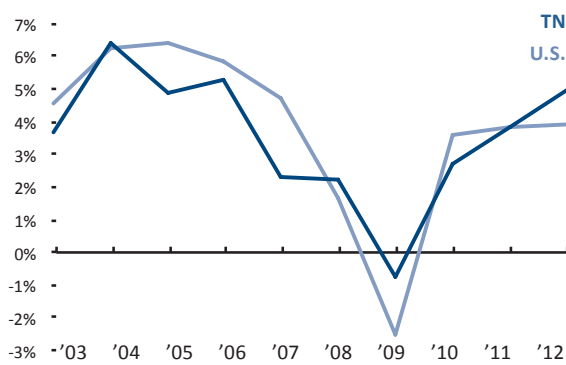
Economic Performance Rank

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.

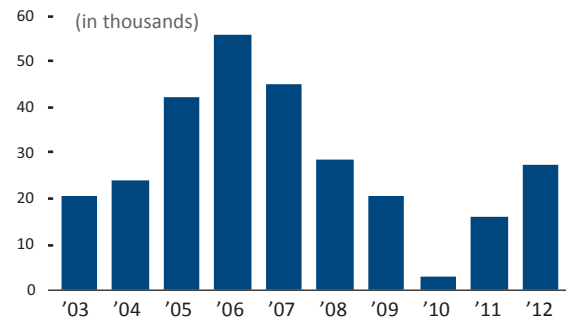
State Gross Domestic Product

Cumulative Growth 2002-2012 43.5% Rank: 33



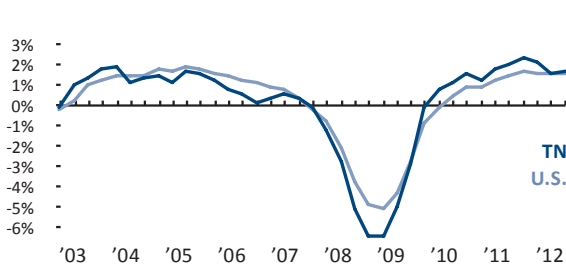
Absolute Domestic Migration

Cumulative 2003-2012 282,763 Rank: 7



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 2.3% Rank: 33



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 3 9 10 8 12 18

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)	\$22.06	8
Sales Tax Burden (per \$1,000 of personal income)	\$35.21	44
Remaining Tax Burden (per \$1,000 of personal income)	\$19.75	30
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.09	32
Debt Service as a Share of Tax Revenue	8.7%	30
Public Employees Per 10,000 of Population (full-time equivalent)	512.0	15
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	63.7	26
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.02	32
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	14

Texas

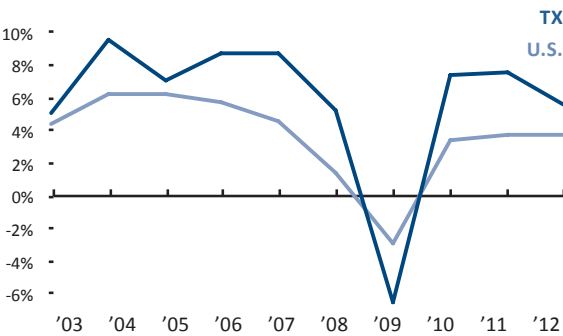
2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



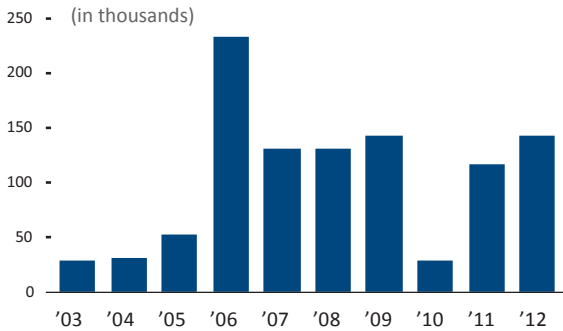
1 Economic Performance Rank

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.

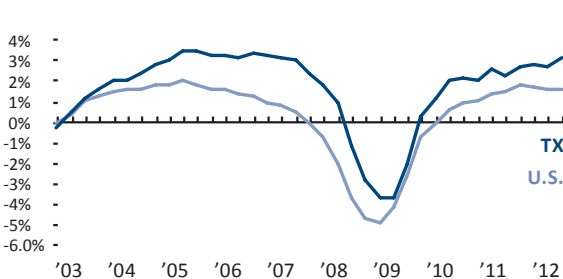
State Gross Domestic Product
 Cumulative Growth 2002-2012 **78.5%** Rank: 4



Absolute Domestic Migration
 Cumulative 2003-2012 **1,041,977** Rank: 1



Non-Farm Payroll Employment
 Cumulative Growth 2002-2012 **16.9%** Rank: 3



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 13 10 19 18 16 12

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	2.65%	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)	\$39.22	39
Sales Tax Burden (per \$1,000 of personal income)	\$23.10	25
Remaining Tax Burden (per \$1,000 of personal income)	\$21.05	35
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.39	17
Debt Service as a Share of Tax Revenue	12.1%	48
Public Employees Per 10,000 of Population (full-time equivalent)	565.2	34
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	57.2	35
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.60	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)	1	14

Utah

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

2

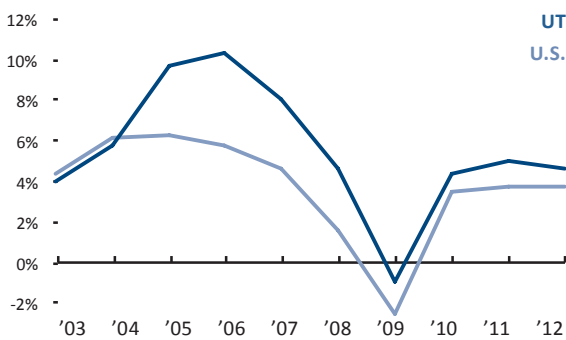
Economic Performance Rank

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.

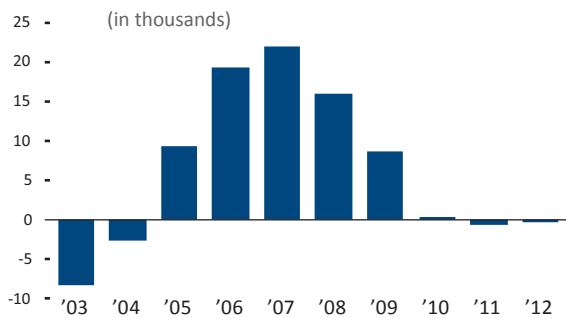
State Gross Domestic Product

Cumulative Growth 2002-2012 74.9% Rank: 5



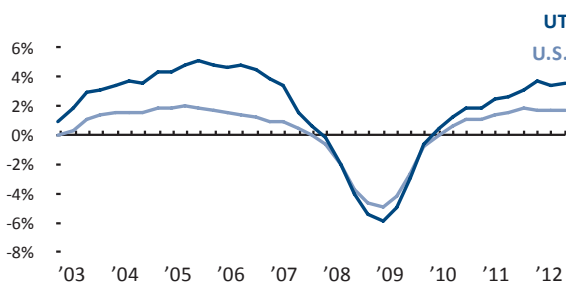
Absolute Domestic Migration

Cumulative 2003-2012 63,532 Rank: 18



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 17.7% Rank: 2



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 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%	9
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)	\$27.37	16
Sales Tax Burden (per \$1,000 of personal income)	\$26.19	33
Remaining Tax Burden (per \$1,000 of personal income)	\$15.20	9
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.19	35
Debt Service as a Share of Tax Revenue	7.7%	20
Public Employees Per 10,000 of Population (full-time equivalent)	523.1	20
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	69.7	9
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.35	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	14

Vermont

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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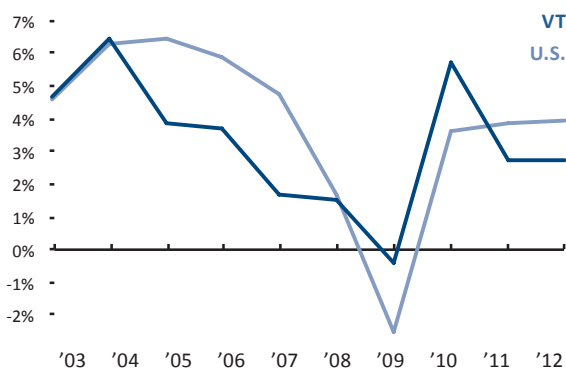
Economic Performance Rank

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.

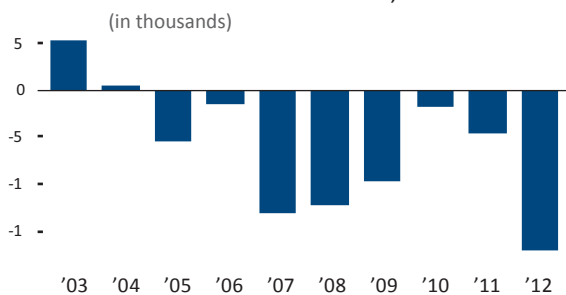
State Gross Domestic Product

Cumulative Growth 2002-2012 **39.3%** Rank: 40



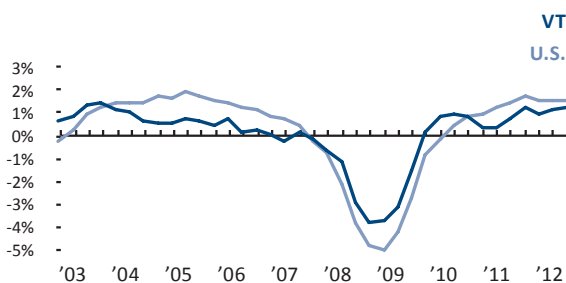
Absolute Domestic Migration

Cumulative 2003-2012 **-5,973** Rank: 29



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 **2.4%** Rank: 32



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 50 49 49 49 49 50

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	8.95%	43
Top Marginal Corporate Income Tax Rate	8.50%	36
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$28.56	49
Property Tax Burden (per \$1,000 of personal income)	\$52.97	48
Sales Tax Burden (per \$1,000 of personal income)	\$12.90	7
Remaining Tax Burden (per \$1,000 of personal income)	\$29.57	48
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$1.12	45
Debt Service as a Share of Tax Revenue	5.5%	6
Public Employees Per 10,000 of Population (full-time equivalent)	632.6	44
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	67.1	16
State Minimum Wage (federal floor is \$7.25)	\$8.73	48
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.07	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

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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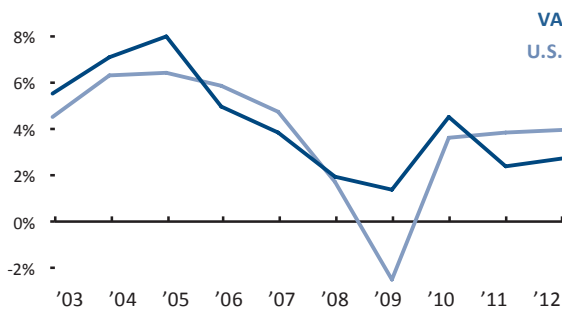
Economic Performance Rank

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.

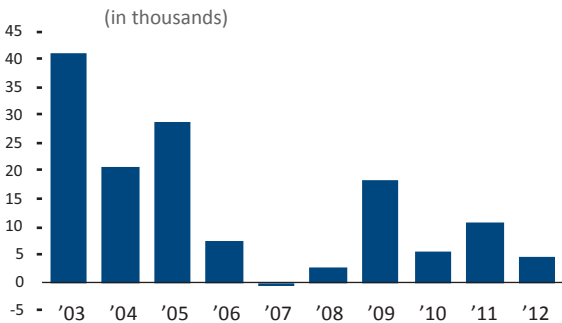
State Gross Domestic Product

Cumulative Growth 2002-2012 53.3% Rank: 19



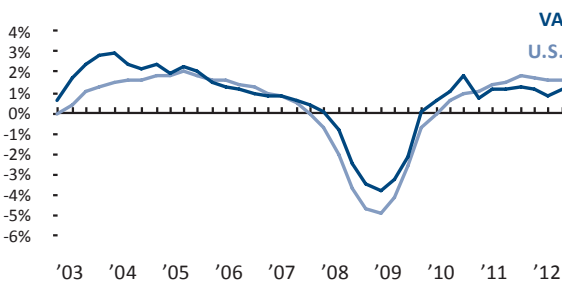
Absolute Domestic Migration

Cumulative 2003-2012 139,202 Rank: 12



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 7.1% Rank: 15



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 5 4 8 3 3 5

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	5.75%	24
Top Marginal Corporate Income Tax Rate	7.55%	30
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$6.45	21
Property Tax Burden (per \$1,000 of personal income)	\$29.92	22
Sales Tax Burden (per \$1,000 of personal income)	\$12.06	6
Remaining Tax Burden (per \$1,000 of personal income)	\$16.51	17
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$1.01	44
Debt Service as a Share of Tax Revenue	8.3%	25
Public Employees Per 10,000 of Population (full-time equivalent)	542.7	26
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	70.2	7
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.20	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

Washington

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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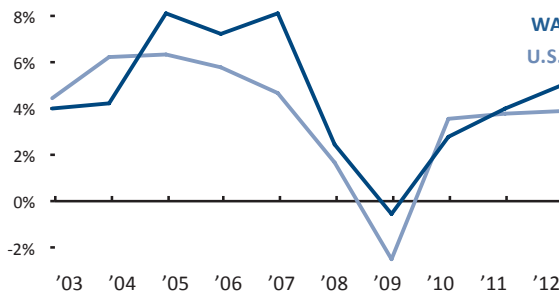
Economic Performance Rank

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.

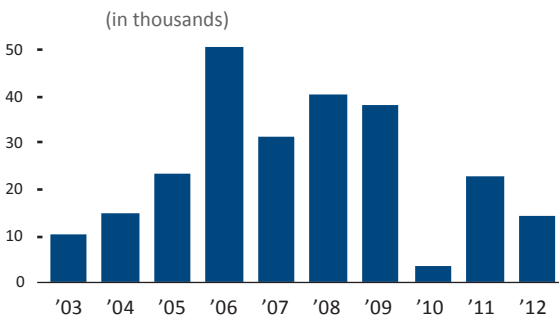
State Gross Domestic Product

Cumulative Growth 2002-2012 58.5% Rank: 13



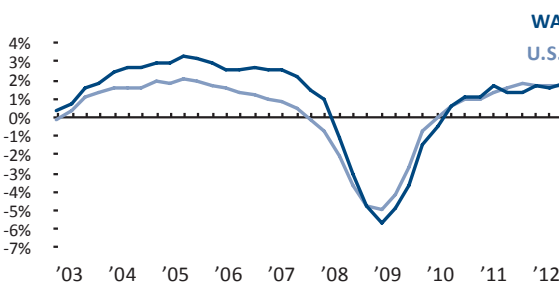
Absolute Domestic Migration

Cumulative 2003-2012 249,650 Rank: 9



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 8.6% Rank: 11



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 30 22 24 33 33 36

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	6.45%	20
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)	\$29.42	20
Sales Tax Burden (per \$1,000 of personal income)	\$33.57	43
Remaining Tax Burden (per \$1,000 of personal income)	\$23.02	42
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$0.41	38
Debt Service as a Share of Tax Revenue	11.5%	45
Public Employees Per 10,000 of Population (full-time equivalent)	500.0	12
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	65.4	22
State Minimum Wage (federal floor is \$7.25)	\$9.32	50
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.11	38
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	14

West Virginia

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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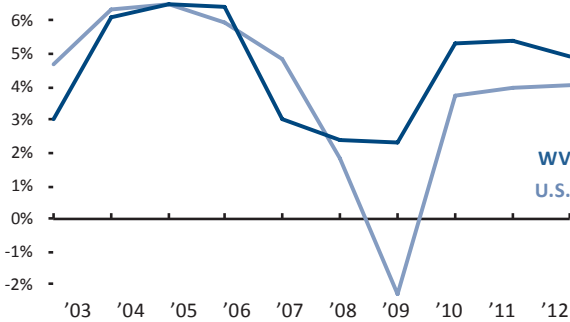
Economic Performance Rank

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.

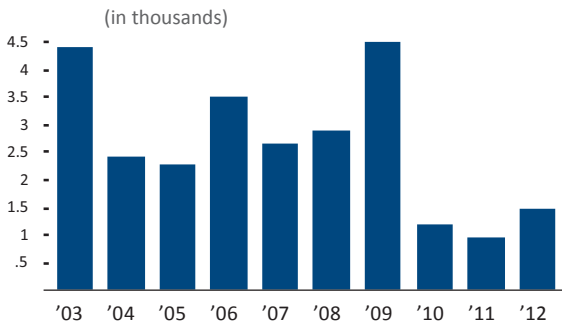
State Gross Domestic Product

Cumulative Growth 2002-2012 55.8% Rank: 14



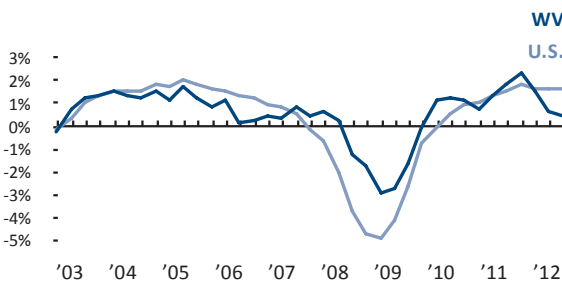
Absolute Domestic Migration

Cumulative 2003-2012 26,328 Rank: 22



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 5.0% Rank: 18



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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 38 33 27 31 30 32

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	42
Property Tax Burden (per \$1,000 of personal income)	\$23.48	10
Sales Tax Burden (per \$1,000 of personal income)	\$19.89	18
Remaining Tax Burden (per \$1,000 of personal income)	\$29.19	47
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$0.41	16
Debt Service as a Share of Tax Revenue	5.2%	4
Public Employees Per 10,000 of Population (full-time equivalent)	555.9	31
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	44.8	50
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.55	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)	0	34

Wisconsin

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



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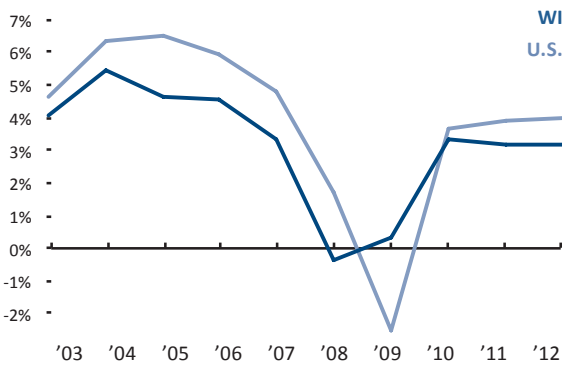
Economic Performance Rank

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.

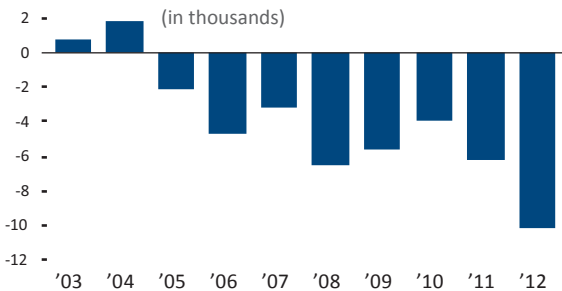
State Gross Domestic Product

Cumulative Growth 2002-2012 37.5% Rank: 43



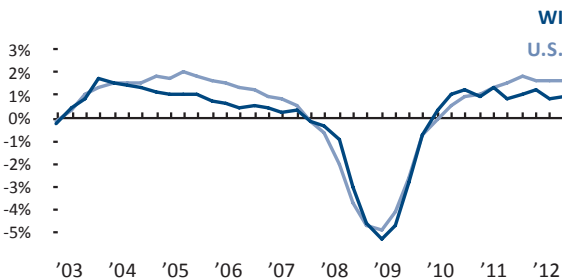
Absolute Domestic Migration

Cumulative 2003-2012 -39,812 Rank: 37



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 0.2% Rank: 40



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 33 27 23 30 32 15

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	7.65%	38
Top Marginal Corporate Income Tax Rate	7.90%	32
Personal Income Tax Progressivity (change in tax liability per \$1,000 of income)	\$3.93	17
Property Tax Burden (per \$1,000 of personal income)	\$43.29	40
Sales Tax Burden (per \$1,000 of personal income)	\$19.55	16
Remaining Tax Burden (per \$1,000 of personal income)	\$17.86	24
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	-\$1.37	6
Debt Service as a Share of Tax Revenue	7.3%	18
Public Employees Per 10,000 of Population (full-time equivalent)	489.5	9
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	68.4	15
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$2.15	39
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

Wyoming

2014 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

3

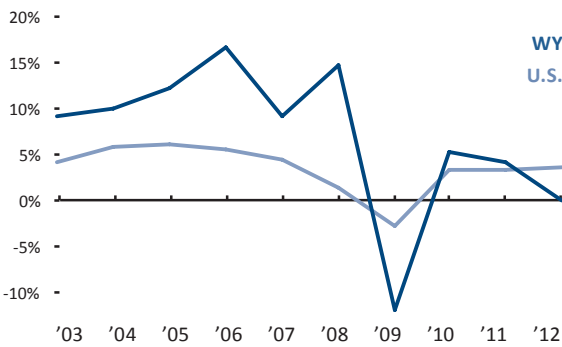
Economic Performance Rank

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.

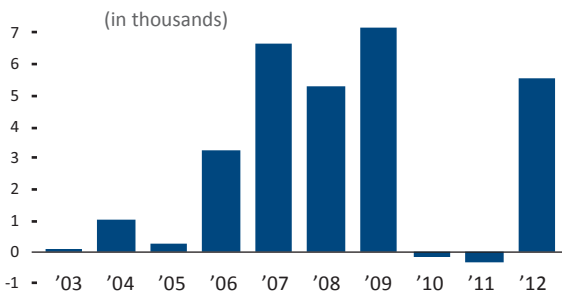
State Gross Domestic Product

Cumulative Growth 2002-2012 99.5% Rank: 2



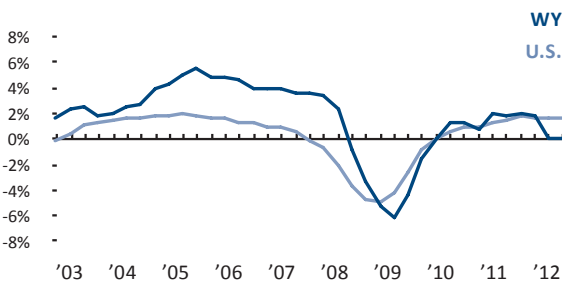
Absolute Domestic Migration

Cumulative 2003-2012 29,112 Rank: 21



Non-Farm Payroll Employment

Cumulative Growth 2002-2012 16.6% Rank: 4



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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 2008 2009 2010 2011 2012 2013
ECONOMIC OUTLOOK RANK 4 6 6 4 4 4

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)	\$46.01	45
Sales Tax Burden (per \$1,000 of personal income)	\$39.17	48
Remaining Tax Burden (per \$1,000 of personal income)	\$13.13	5
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes (2012 & 2013, per \$1,000 of personal income)	\$2.47	48
Debt Service as a Share of Tax Revenue	3.0%	1
Public Employees Per 10,000 of Population (full-time equivalent)	918.2	50
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	72.6	3
State Minimum Wage (federal floor is \$7.25)	\$7.25	1
Average Workers' Compensation Costs (per \$100 of payroll)	\$1.74	20
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

2014 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 equally weighted combination of these variables is the 2014 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, Tax Administrators, and individual state tax return forms. Tax rates are as of January 1, 2014.

HIGHEST MARGINAL CORPORATE INCOME TAX RATE

This variable includes local taxes, if any, and includes the effect of federal deductibility, if allowed. 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 4.3 percent measure we would use if the tax was a gross receipts tax and the 1 percent highest rate on its margin tax, leading to our measure of 2.65 percent. Data were drawn from: Tax Analysts, Tax Administrators, individual state tax return forms, and the Bureau of Economic Analysis. Tax rates are as of January 1, 2014.

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.

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 2011. These data were released in July 2013.

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 2011. 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 July 2013.

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 2011. These data were released in July 2013.

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: Revised January 1, 2014,” and indicate the presence of an estate or inheritance tax as of January 1, 2014.

RECENTLY LEGISLATED TAX CHANGES

This variable calculates each state’s relative change in tax burden over a two-year period (in this case, the 2012 and 2013 legislative session) for the immediate next fiscal year, using revenue estimates of legislated tax changes per \$1,000 of personal income. This timeframe ensures that tax changes will impact a state’s ranking immediately enough to overcome any lags in the tax revenue data. Laffer Associates calculations used raw data from Tax Analysts, state legislative fiscal notes, state budget offices, state revenue offices, and other sources.

DEBT SERVICE AS A SHARE OF TAX REVENUE

Interest paid on debt as a percentage of total tax revenue. This information comes from 2011 U.S. Census Bureau data. These data were released in July 2013.

PUBLIC EMPLOYEES PER 10,000 RESIDENTS

This variable shows the full-time Equivalent Public Employees per 10,000 of Population. This information comes from 2012 U.S. Census Bureau data.

QUALITY OF STATE LEGAL SYSTEM

This variable ranks tort systems by state. Information comes from the 2012 U.S. Chamber of Commerce State Liability Systems Ranking.

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, 2014.

WORKERS’ COMPENSATION COSTS

This variable highlights the 2012 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, 2014.

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.

About the American Legislative Exchange Council

The American Legislative Exchange Council is America's largest nonpartisan, voluntary membership organization of state legislators. Made up of nearly one-third of America's state elected officials, the Council provides a unique opportunity for state lawmakers, business leaders and citizen organizations from around the country to share experiences and develop state-based, pro-growth models based on academic research, existing state policy and proven business practices. The ultimate goal of the Exchange Council is to help state lawmakers make government work more efficiently and move government closer to the communities they serve, thereby creating opportunity for all Americans.

In state legislatures around the country, citizen groups foster ideas, participate in discussions and provide their points of view to lawmakers. This process is an important part of American Democracy.

The Exchange Council and its nine task forces closely imitate the state legislative process: resolutions are introduced and assigned to an appropriate task force based on subject and scope; meetings are conducted where experts present facts and opinion for discussion, just as they would in committee hearings; these discussions are followed by a vote.

Council task forces serve as testing grounds to judge whether resolutions can achieve consensus and enough support to survive the legislative process in a state capitol. All adopted model policies are published at www.alec.org to promote increased education and the open exchange of ideas across America.

The Exchange Council's Nine Task Forces and Issue Areas Include:

TASK FORCE ON CIVIL JUSTICE

- Civil Liability Predictability
- Fairness in Damages
- Discouraging Lawsuit Abuse

TASK FORCE ON COMMERCE, INSURANCE AND ECONOMIC DEVELOPMENT

- Limiting Government Mandates on Business
- Transportation and Infrastructure
- Employee Rights and Freedoms

TASK FORCE ON ENERGY, ENVIRONMENT AND AGRICULTURE

- Energy Affordability and Reliability
- Regulatory Reform
- Agriculture and Land Use

TASK FORCE ON EDUCATION

- Education Reform
- Parental Choice
- Efficiency, Accountability and Transparency

TASK FORCE ON HEALTH AND HUMAN SERVICES

- Pro-Patient, Free Market Health Policy
- Private and Public Health Insurance
- Federal Health Reform

TASK FORCE ON INTERNATIONAL RELATIONS

- International Trade
- Intellectual Property Rights Protection
- Federalism

TASK FORCE ON TAX AND FISCAL POLICY

- Pro-Growth Tax Reform
- Priority-Based Budgeting
- Pension Reform

TASK FORCE ON COMMUNICATIONS AND TECHNOLOGY

- Broadband Deployment
- Consumer Privacy
- E-Commerce

JUSTICE PERFORMANCE PROJECT

- Recidivism Reduction
- Overcriminalization
- Data-Driven Criminal Justice Reform

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