

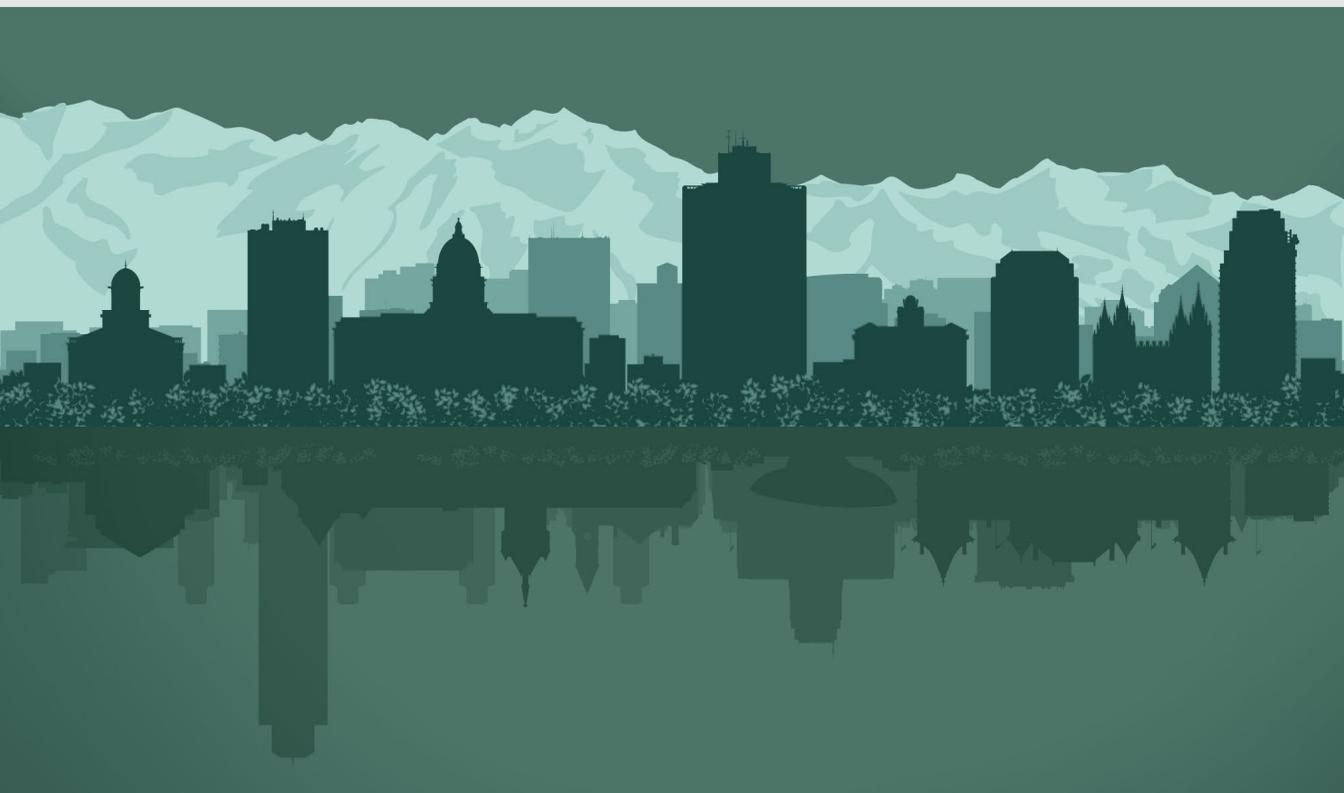
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18TH
EDITION



RICH STATES, POOR STATES

ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ARTHUR B. LAFFER
STEPHEN MOORE
JONATHAN WILLIAMS

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Council

Rich States, Poor States
ALEC-Laffer State Economic Competitiveness Index
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RICH STATES, POOR STATES

ALEC-Laffer State Economic Competitiveness Index

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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.

ALEC-LAFFER STATE ECONOMIC OUTLOOK RANKINGS, 2025

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

RANK	STATE
1	Utah
2	Tennessee
3	Indiana
4	North Carolina
5	North Dakota
6	Arizona
7	Idaho
8	South Dakota
9	Texas
10	Arkansas
11	Oklahoma
12	Wyoming
13	Georgia
14	Nevada
15	Florida
16	West Virginia
17	Colorado
18	Louisiana
19	Michigan
20	Alabama
21	New Hampshire
22	Alaska
23	Kansas
24	Missouri
25	Ohio

RANK	STATE
26	Wisconsin
27	Kentucky
28	Mississippi
29	South Carolina
30	Iowa
31	Nebraska
32	Virginia
33	New Mexico
34	Washington
35	Montana
36	Pennsylvania
37	Massachusetts
38	Delaware
39	Rhode Island
40	Hawaii
41	Minnesota
42	Maryland
43	Oregon
44	Connecticut
45	Maine
46	Illinois
47	California
48	New Jersey
49	Vermont
50	New York

ALEC-LAFFER STATE ECONOMIC PERFORMANCE RANKINGS, 2013-2023

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

ALABAMA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

(1=best 50=worst)

15TH

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.

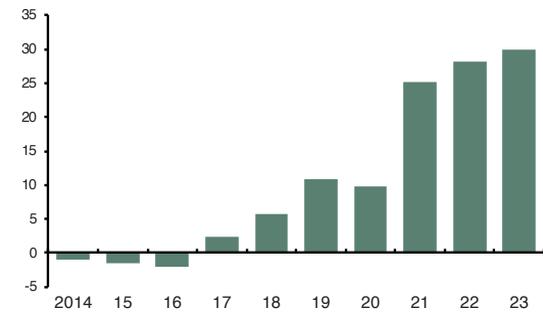
State Gross Domestic Product

Cumulative 2013-2023 **57.20%** **Rank: 26**



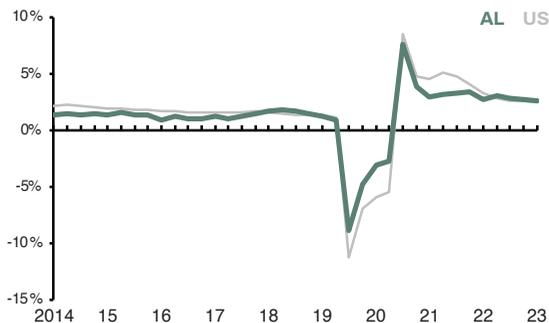
Absolute Domestic Migration

Cumulative 2013-2023 **107,186** **Rank: 14**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **12.89%** **Rank: 17**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

20TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	20	21	23	25	23	24	20

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.15%	15
Top Marginal Corporate Income Tax Rate	5.99%	22
Personal Income Tax Progressivity	-\$1.25	1
Property Tax Burden	\$14.05	1
Sales Tax Burden	\$29.54	37
Remaining Tax Burden	\$20.58	39
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$2.32	18
Debt Service as a Share of Tax Revenue	4.26%	25
Public Employees Per 10,000 of Population	565.7	39
State Tort System Costs	2.26%	38
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.38	31
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

ALASKA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

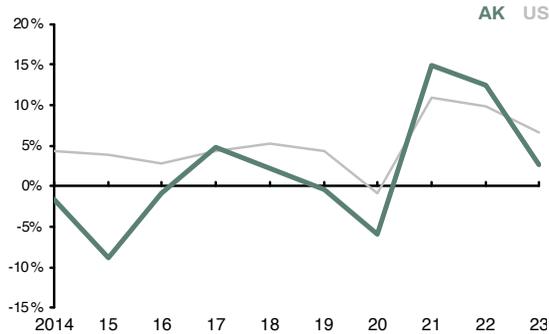
(1=best 50=worst)

49TH

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.

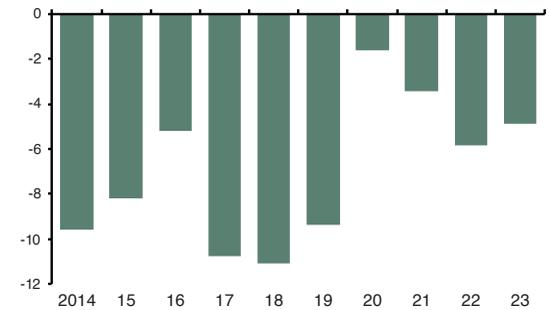
State Gross Domestic Product

Cumulative 2013-2023 **18.29%** Rank: **50**



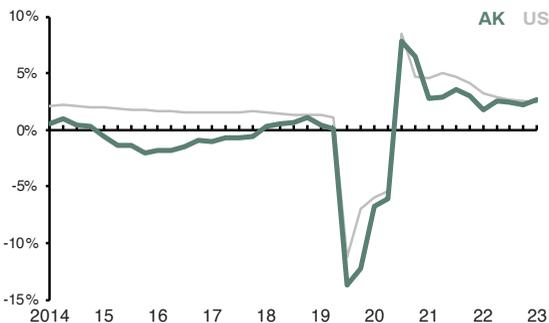
Absolute Domestic Migration

Cumulative 2013-2023 **-69,964** Rank: **35**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **-1.08%** Rank: **48**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

22ND

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	34	30	26	18	21	23	25

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	9.40%	44
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$35.99	39
Sales Tax Burden	\$5.90	5
Remaining Tax Burden	\$12.17	6
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	5.07%	42
Public Employees Per 10,000 of Population	694.6	49
State Tort System Costs	1.30%	2
State Minimum Wage	\$11.91	28
Average Workers' Compensation Costs	\$1.37	30
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	2	3

ARIZONA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

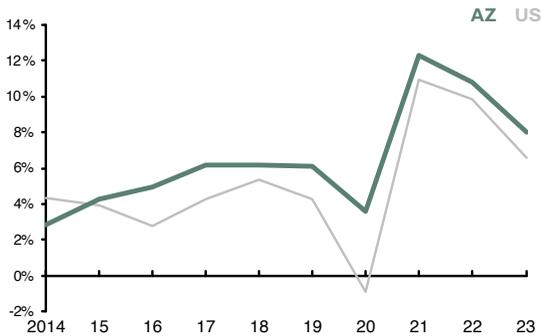
(1=best 50=worst)

2ND

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.

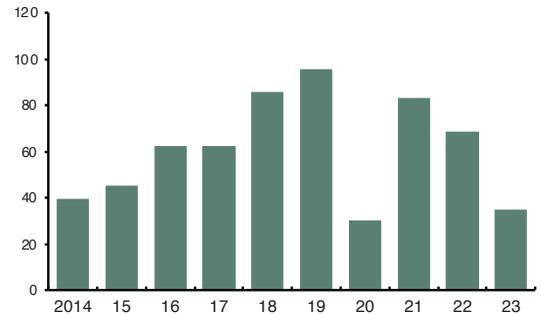
State Gross Domestic Product

Cumulative 2013-2023 **87.59%** **Rank: 5**



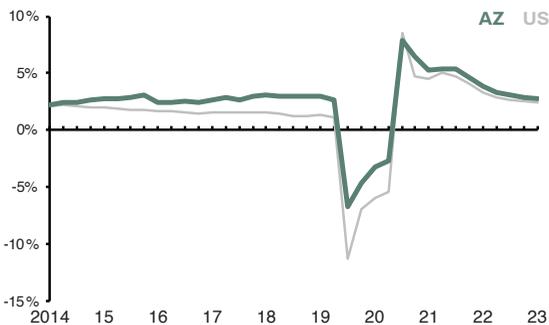
Absolute Domestic Migration

Cumulative 2013-2023 **609,955** **Rank: 4**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **26.48%** **Rank: 5**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

6TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	5	11	10	13	3	3	3

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	2.50%	10
Top Marginal Corporate Income Tax Rate	4.90%	14
Personal Income Tax Progressivity	\$5.00	19
Property Tax Burden	\$22.36	13
Sales Tax Burden	\$39.37	45
Remaining Tax Burden	\$9.58	1
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$0.66	28
Debt Service as a Share of Tax Revenue	3.99%	21
Public Employees Per 10,000 of Population	389.8	2
State Tort System Costs	1.99%	30
State Minimum Wage	\$14.70	38
Average Workers' Compensation Costs	\$0.87	8
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	2	3

ARKANSAS

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

(1=best 50=worst)

19TH

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.

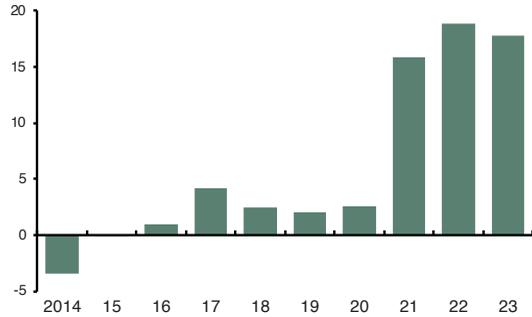
State Gross Domestic Product

Cumulative 2013-2023 **56.64%** **Rank: 27**



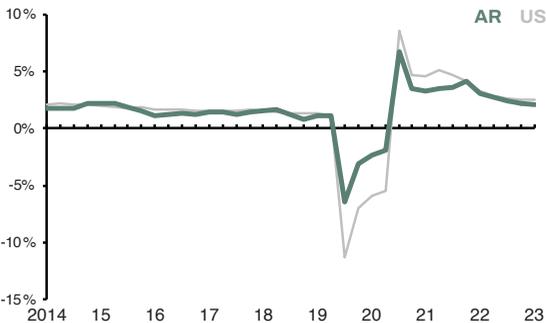
Absolute Domestic Migration

Cumulative 2013-2023 **61,270** **Rank: 19**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **14.82%** **Rank: 16**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

10TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	22	23	22	23	16	15	15

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	3.90%	14
Top Marginal Corporate Income Tax Rate	4.30%	8
Personal Income Tax Progressivity	\$0.27	12
Property Tax Burden	\$16.85	2
Sales Tax Burden	\$40.26	46
Remaining Tax Burden	\$16.40	23
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$8.16	3
Debt Service as a Share of Tax Revenue	3.10%	7
Public Employees Per 10,000 of Population	551.9	37
State Tort System Costs	2.08%	34
State Minimum Wage	\$11.00	25
Average Workers' Compensation Costs	\$0.65	3
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

CALIFORNIA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

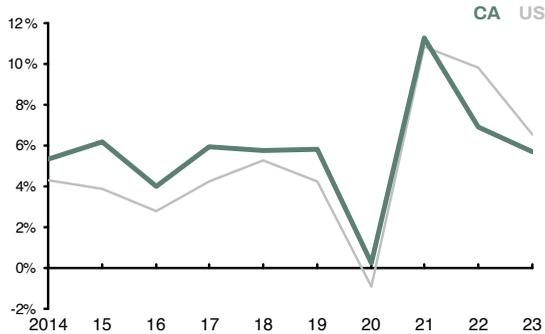
(1=best 50=worst)

22ND

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.

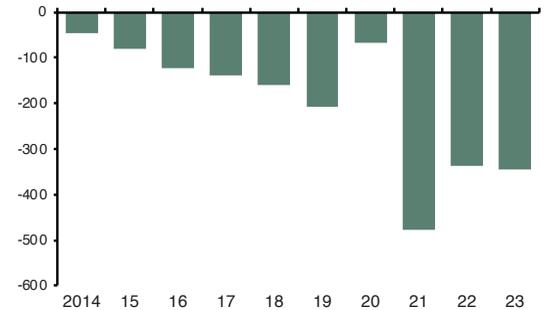
State Gross Domestic Product

Cumulative 2013-2023 **74.08%** **Rank: 12**



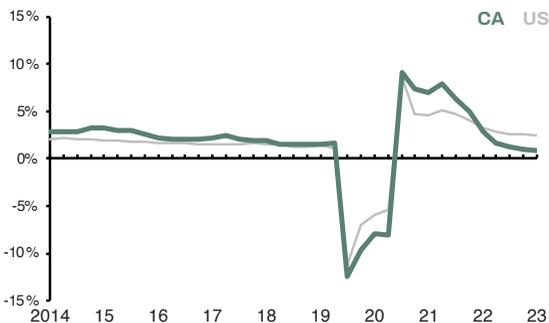
Absolute Domestic Migration

Cumulative 2013-2023 **-1,981,099** **Rank: 50**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **16.89%** **Rank: 13**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

47TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	47	47	46	45	48	45	47

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	14.40%	48
Top Marginal Corporate Income Tax Rate	8.84%	41
Personal Income Tax Progressivity	\$42.54	50
Property Tax Burden	\$27.96	27
Sales Tax Burden	\$24.71	24
Remaining Tax Burden	\$18.24	33
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	\$2.78	50
Debt Service as a Share of Tax Revenue	4.71%	36
Public Employees Per 10,000 of Population	491.6	13
State Tort System Costs	1.99%	30
State Minimum Wage	\$16.50	49
Average Workers' Compensation Costs	\$2.26	48
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	2	3

COLORADO

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

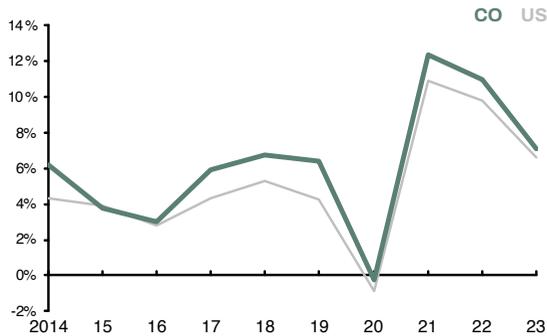
(1=best 50=worst)

6TH

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.

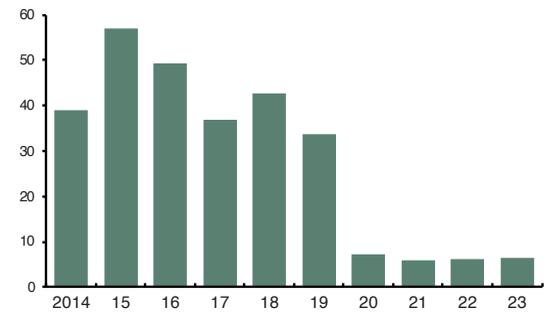
State Gross Domestic Product

Cumulative 2013-2023 **81.84%** Rank: **7**



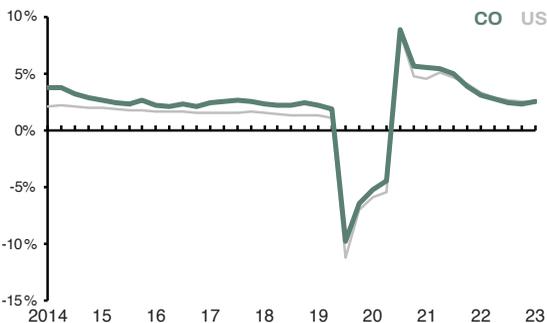
Absolute Domestic Migration

Cumulative 2013-2023 **284,155** Rank: **8**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **22.76%** Rank: **7**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

17TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	15	18	18	20	22	25	17

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.40%	17
Top Marginal Corporate Income Tax Rate	4.40%	11
Personal Income Tax Progressivity	\$8.80	25
Property Tax Burden	\$29.06	30
Sales Tax Burden	\$25.42	25
Remaining Tax Burden	\$13.14	9
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$5.42	6
Debt Service as a Share of Tax Revenue	7.48%	50
Public Employees Per 10,000 of Population	542.2	36
State Tort System Costs	1.92%	27
State Minimum Wage	\$14.81	40
Average Workers' Compensation Costs	\$0.93	10
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	3	1

CONNECTICUT

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

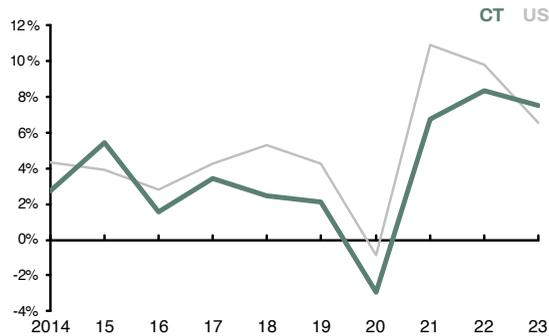
(1=best 50=worst)

48TH

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.

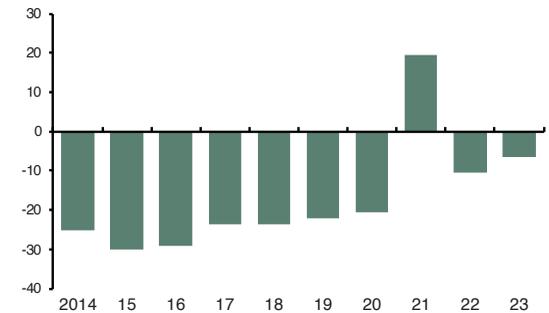
State Gross Domestic Product

Cumulative 2013-2023 **43.80%** **Rank: 44**



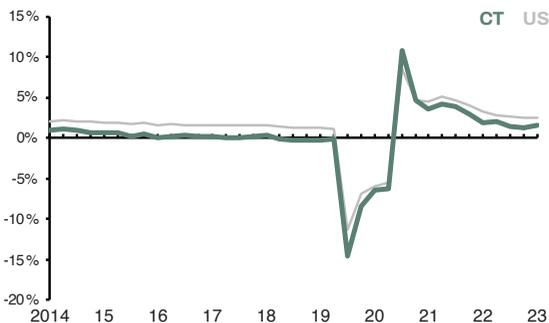
Absolute Domestic Migration

Cumulative 2013-2023 **-171,879** **Rank: 41**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **2.05%** **Rank: 43**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

44TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	40	40	40	39	35	39	40

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	6.99%	38
Top Marginal Corporate Income Tax Rate	7.50%	33
Personal Income Tax Progressivity	\$11.67	34
Property Tax Burden	\$41.29	45
Sales Tax Burden	\$17.66	10
Remaining Tax Burden	\$14.49	16
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$0.76	26
Debt Service as a Share of Tax Revenue	5.36%	45
Public Employees Per 10,000 of Population	506.8	21
State Tort System Costs	2.27%	39
State Minimum Wage	\$16.35	48
Average Workers' Compensation Costs	\$1.64	41
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	1	15

DELAWARE

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

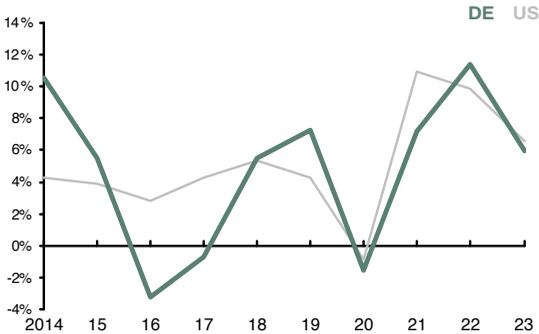
(1=best 50=worst)

17TH

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.

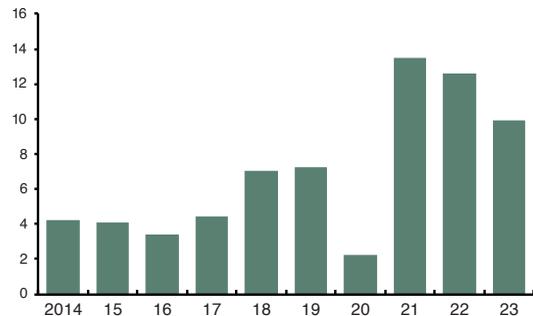
State Gross Domestic Product

Cumulative 2013-2023 **58.03%** **Rank: 23**



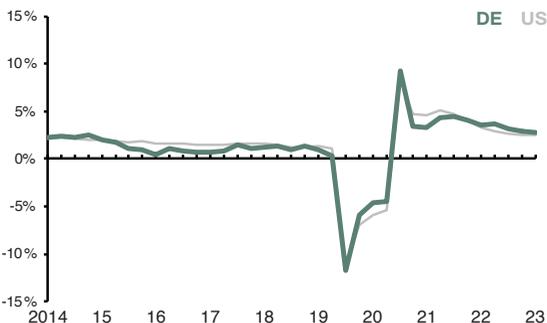
Absolute Domestic Migration

Cumulative 2013-2023 **68,573** **Rank: 17**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **11.69%** **Rank: 18**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

38TH

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 2018 2019 2020 2021 2022 2023 2024

Economic Outlook Rank **36 36 24 31 30 29 33**

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	7.85%	41
Top Marginal Corporate Income Tax Rate	11.65%	47
Personal Income Tax Progressivity	\$15.10	39
Property Tax Burden	\$19.47	6
Sales Tax Burden	\$0.00	1
Remaining Tax Burden	\$61.15	50
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	3.80%	15
Public Employees Per 10,000 of Population	503.3	15
State Tort System Costs	3.46%	50
State Minimum Wage	\$15.00	41
Average Workers' Compensation Costs	\$1.34	28
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	1	15

FLORIDA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

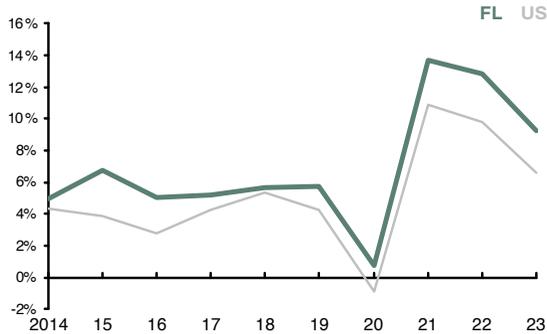
(1=best 50=worst)

1ST

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.

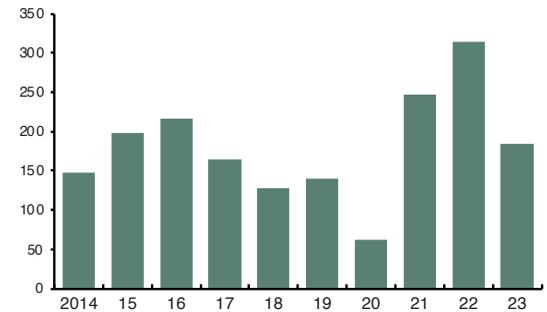
State Gross Domestic Product

Cumulative 2013-2023 **95.30%** **Rank: 3**



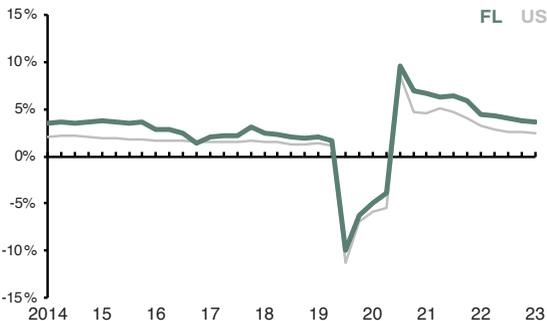
Absolute Domestic Migration

Cumulative 2013-2023 **1,802,145** **Rank: 1**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **28.27%** **Rank: 4**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

15TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	6	9	7	2	8	9	14

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	5.50%	19
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$26.76	21
Sales Tax Burden	\$30.57	38
Remaining Tax Burden	\$17.95	31
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$0.27	33
Debt Service as a Share of Tax Revenue	4.37%	27
Public Employees Per 10,000 of Population	399.1	3
State Tort System Costs	3.35%	49
State Minimum Wage	\$13.00	32
Average Workers' Compensation Costs	\$1.26	23
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	2	3

GEORGIA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

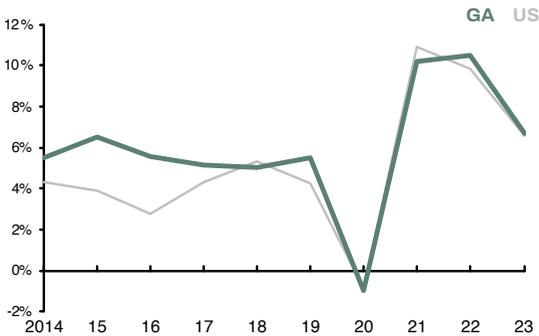
(1=best 50=worst)

9TH

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.

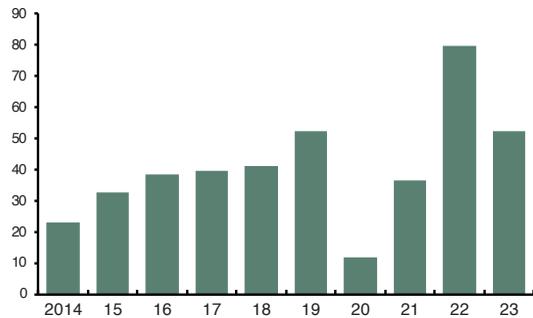
State Gross Domestic Product

Cumulative 2013-2023 **77.91%** **Rank: 9**



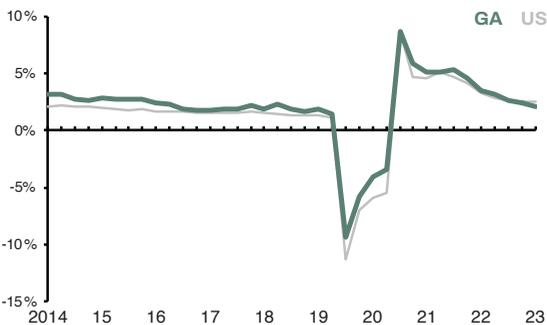
Absolute Domestic Migration

Cumulative 2013-2023 **408,125** **Rank: 6**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **21.12%** **Rank: 9**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

13TH

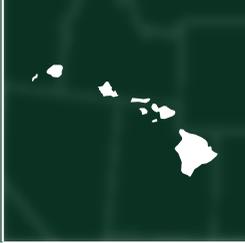
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	11	20	21	14	15	12	11

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.39%	25
Top Marginal Corporate Income Tax Rate	6.35%	23
Personal Income Tax Progressivity	\$8.62	24
Property Tax Burden	\$26.41	19
Sales Tax Burden	\$23.15	21
Remaining Tax Burden	\$10.63	2
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$3.24	11
Debt Service as a Share of Tax Revenue	4.39%	28
Public Employees Per 10,000 of Population	481.9	10
State Tort System Costs	2.60%	46
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.15	20
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

HAWAII

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

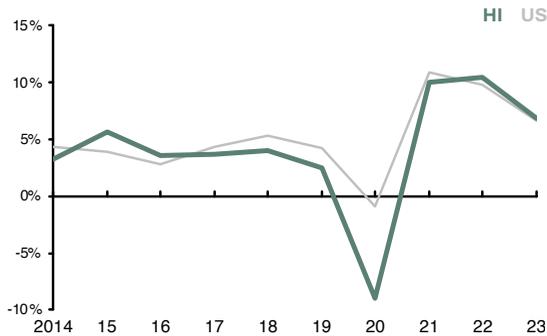
(1=best 50=worst)

42ND

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.

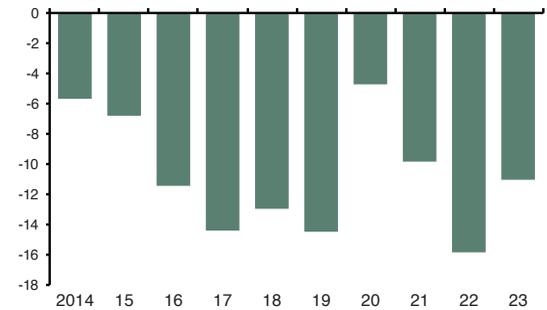
State Gross Domestic Product

Cumulative 2013-2023 **47.81%** Rank: **39**



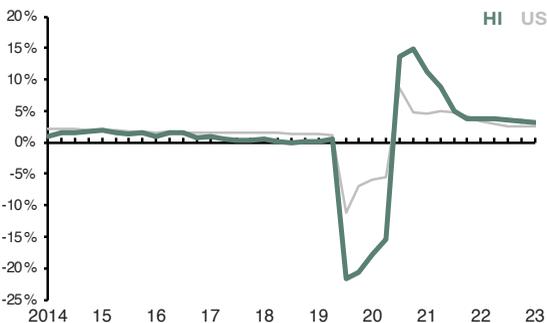
Absolute Domestic Migration

Cumulative 2013-2023 **-107,201** Rank: **38**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **0.64%** Rank: **44**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

40TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	45	45	44	42	43	42	41

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	11.00%	46
Top Marginal Corporate Income Tax Rate	6.40%	24
Personal Income Tax Progressivity	\$20.51	43
Property Tax Burden	\$26.49	20
Sales Tax Burden	\$54.26	50
Remaining Tax Burden	\$29.73	48
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$5.67	5
Debt Service as a Share of Tax Revenue	3.46%	10
Public Employees Per 10,000 of Population	505.5	19
State Tort System Costs	1.64%	17
State Minimum Wage	\$14.00	35
Average Workers' Compensation Costs	\$2.27	49
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	1	15

IDAHO

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

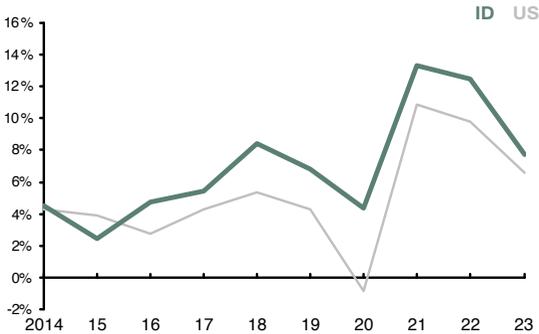
(1=best 50=worst)

4TH

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.

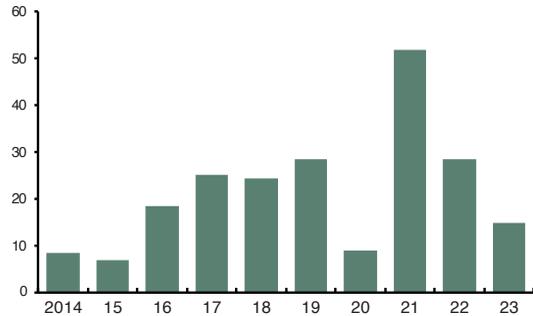
State Gross Domestic Product

Cumulative 2013-2023 **96.00%** **Rank: 2**



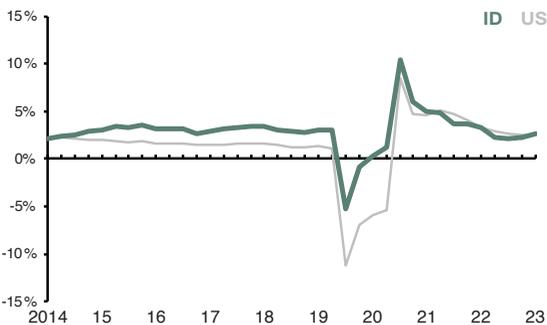
Absolute Domestic Migration

Cumulative 2013-2023 **215,660** **Rank: 11**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **32.06%** **Rank: 3**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

7TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	2	2	3	11	5	4	2

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.70%	27
Top Marginal Corporate Income Tax Rate	5.70%	20
Personal Income Tax Progressivity	\$11.39	31
Property Tax Burden	\$19.87	7
Sales Tax Burden	\$27.84	34
Remaining Tax Burden	\$12.40	7
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$3.17	12
Debt Service as a Share of Tax Revenue	1.97%	2
Public Employees Per 10,000 of Population	457.0	7
State Tort System Costs	1.91%	26
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.43	35
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

ILLINOIS

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

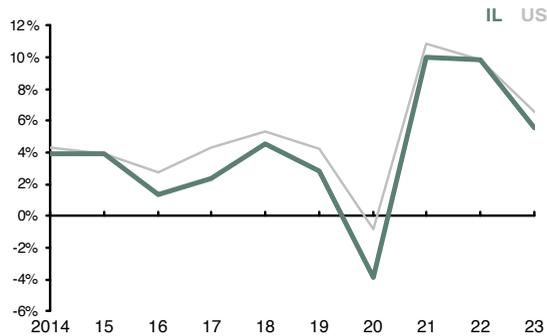
(1=best 50=worst)

47TH

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.

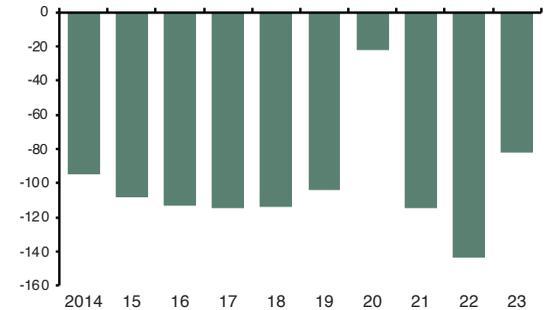
State Gross Domestic Product

Cumulative 2013-2023 **47.85%** **Rank: 38**



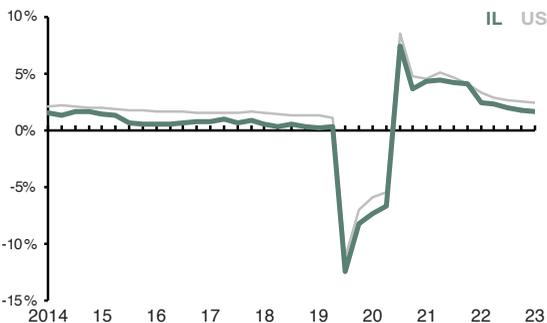
Absolute Domestic Migration

Cumulative 2013-2023 **-1,010,302** **Rank: 48**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **4.81%** **Rank: 41**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

46TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	48	48	47	47	45	46	48

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.95%	22
Top Marginal Corporate Income Tax Rate	9.50%	45
Personal Income Tax Progressivity	\$1.88	16
Property Tax Burden	\$38.97	43
Sales Tax Burden	\$21.52	16
Remaining Tax Burden	\$23.54	43
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	7.12%	49
Public Employees Per 10,000 of Population	504.5	17
State Tort System Costs	2.07%	33
State Minimum Wage	\$15.00	41
Average Workers' Compensation Costs	\$1.39	32
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

INDIANA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

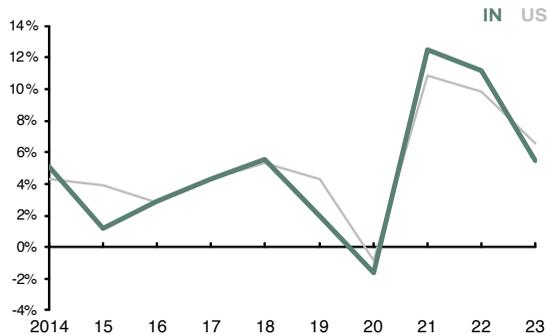
(1=best 50=worst)

21ST

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.

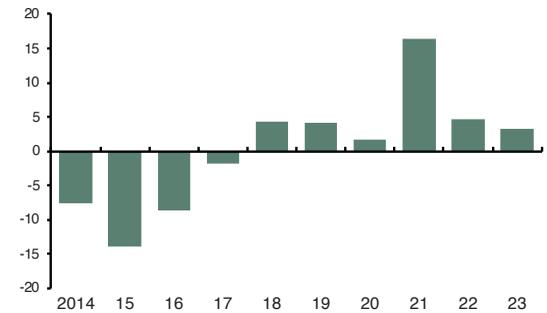
State Gross Domestic Product

Cumulative 2013-2023 **59.35%** **Rank: 21**



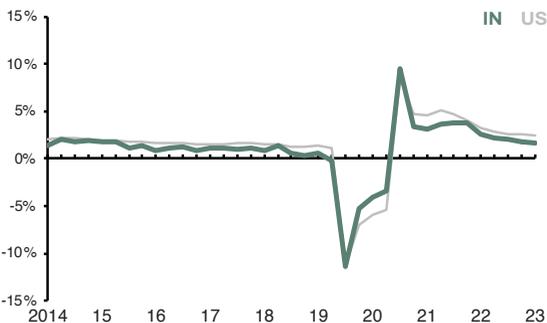
Absolute Domestic Migration

Cumulative 2013-2023 **2,208** **Rank: 23**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **9.72%** **Rank: 23**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

3RD

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	3	3	4	6	7	7	5

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.02%	23
Top Marginal Corporate Income Tax Rate	4.90%	14
Personal Income Tax Progressivity	\$0.67	14
Property Tax Burden	\$22.11	11
Sales Tax Burden	\$26.71	33
Remaining Tax Burden	\$15.20	19
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$0.67	27
Debt Service as a Share of Tax Revenue	3.83%	16
Public Employees Per 10,000 of Population	476.9	9
State Tort System Costs	1.67%	18
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$0.86	6
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

IOWA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

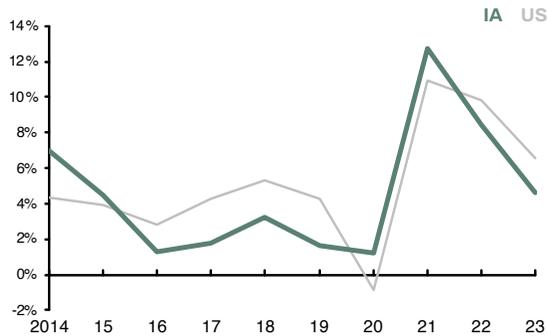
(1=best 50=worst)

32ND

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.

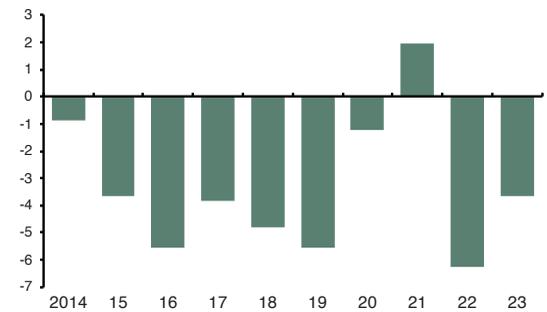
State Gross Domestic Product

Cumulative 2013-2023 **56.41%** **Rank: 28**



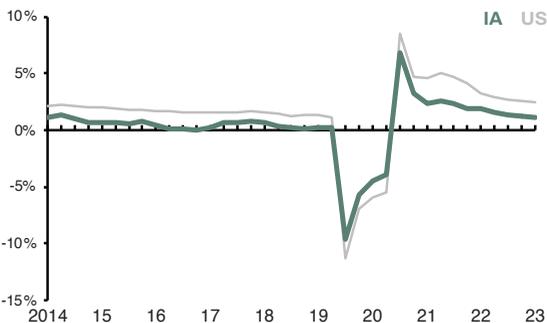
Absolute Domestic Migration

Cumulative 2013-2023 **-33,578** **Rank: 30**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **3.92%** **Rank: 42**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

30TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	29	25	27	33	32	32	34

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	3.80%	13
Top Marginal Corporate Income Tax Rate	7.21%	32
Personal Income Tax Progressivity	\$6.61	21
Property Tax Burden	\$34.30	38
Sales Tax Burden	\$25.87	29
Remaining Tax Burden	\$17.41	28
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$3.13	13
Debt Service as a Share of Tax Revenue	3.17%	8
Public Employees Per 10,000 of Population	600.8	43
State Tort System Costs	1.51%	10
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.52	37
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

KANSAS

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

(1=best 50=worst)

33RD

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.

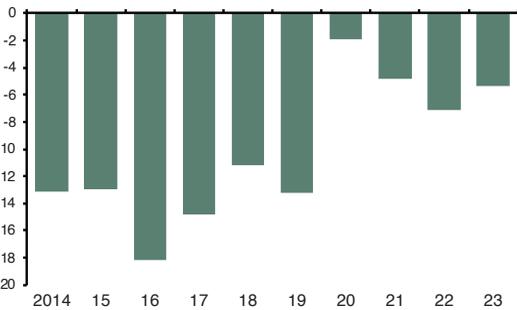
State Gross Domestic Product

Cumulative 2013-2023 **57.40%** **Rank: 25**



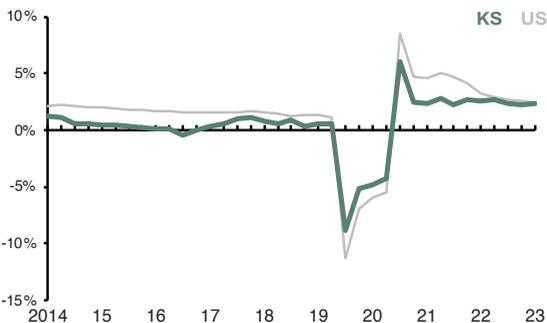
Absolute Domestic Migration

Cumulative 2013-2023 **-102,647** **Rank: 37**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **4.84%** **Rank: 40**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

23RD

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	26	26	25	26	28	30	27

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.58%	26
Top Marginal Corporate Income Tax Rate	6.50%	26
Personal Income Tax Progressivity	\$10.66	28
Property Tax Burden	\$30.64	35
Sales Tax Burden	\$31.60	39
Remaining Tax Burden	\$11.94	5
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$1.67	20
Debt Service as a Share of Tax Revenue	3.44%	9
Public Employees Per 10,000 of Population	681.0	48
State Tort System Costs	1.61%	16
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.02	16
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

KENTUCKY

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

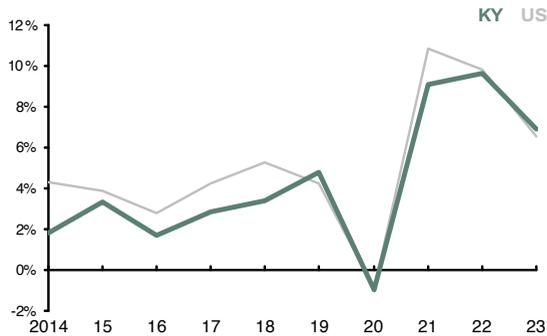
(1=best 50=worst)

24TH

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.

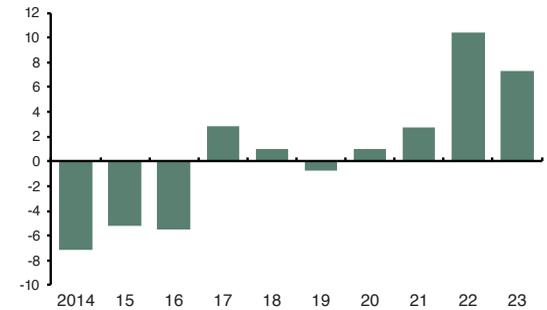
State Gross Domestic Product

Cumulative 2013-2023 **51.26%** **Rank: 35**



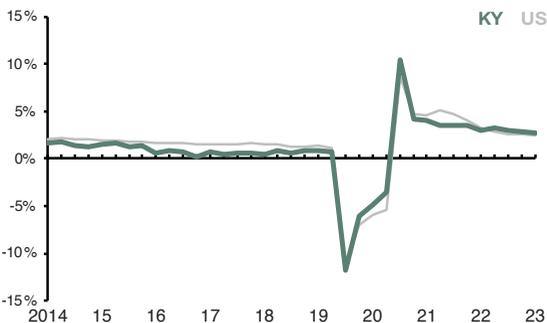
Absolute Domestic Migration

Cumulative 2013-2023 **6,794** **Rank: 22**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **9.79%** **Rank: 22**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

27TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	31	33	31	29	34	27	28

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	6.20%	34
Top Marginal Corporate Income Tax Rate	7.20%	31
Personal Income Tax Progressivity	\$1.74	15
Property Tax Burden	\$19.96	8
Sales Tax Burden	\$22.38	19
Remaining Tax Burden	\$18.40	34
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$1.29	23
Debt Service as a Share of Tax Revenue	4.82%	38
Public Employees Per 10,000 of Population	525.4	33
State Tort System Costs	1.92%	27
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$0.83	5
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

LOUISIANA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

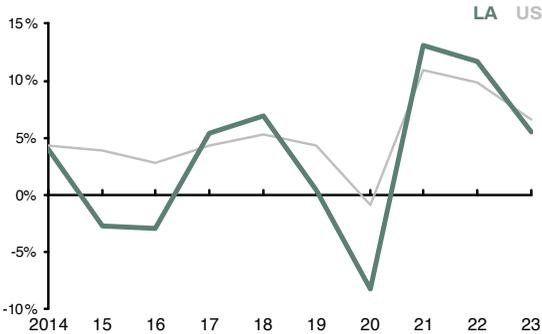
(1=best 50=worst)

50TH

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.

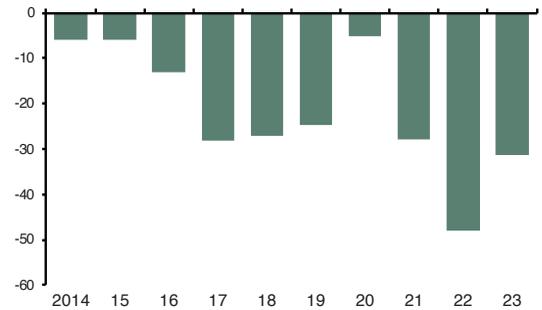
State Gross Domestic Product

Cumulative 2013-2023 **35.97%** Rank: **48**



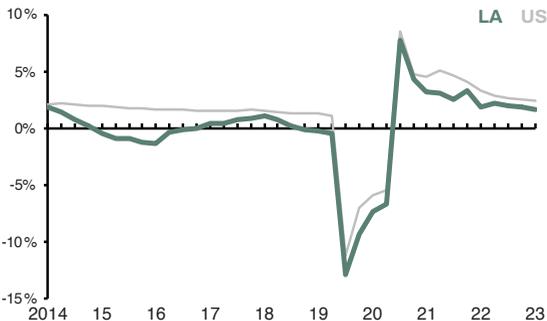
Absolute Domestic Migration

Cumulative 2013-2023 **-216,909** Rank: **43**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **-0.78%** Rank: **47**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

18TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	27	27	30	22	20	26	31

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	3.00%	12
Top Marginal Corporate Income Tax Rate	4.35%	10
Personal Income Tax Progressivity	\$5.00	19
Property Tax Burden	\$19.19	5
Sales Tax Burden	\$41.65	47
Remaining Tax Burden	\$16.98	25
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$2.80	14
Debt Service as a Share of Tax Revenue	4.43%	31
Public Employees Per 10,000 of Population	560.1	38
State Tort System Costs	2.65%	48
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$2.13	46
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	2	3

MAINE

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

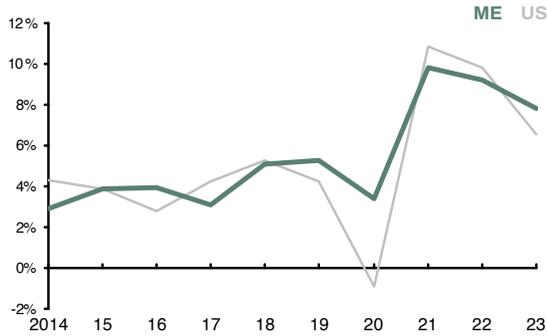
(1=best 50=worst)

18TH

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.

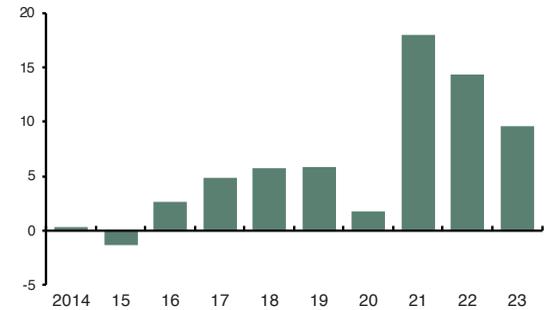
State Gross Domestic Product

Cumulative 2013-2023 **69.81%** **Rank: 14**



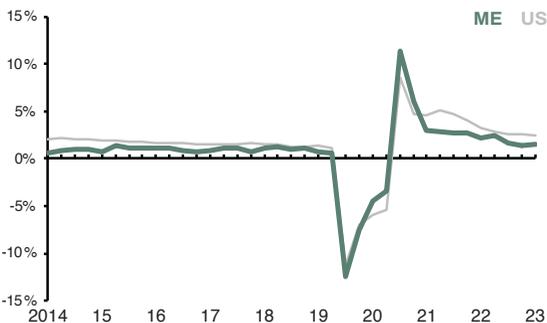
Absolute Domestic Migration

Cumulative 2013-2023 **61,932** **Rank: 18**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **7.44%** **Rank: 30**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

45TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	42	42	41	43	44	44	45

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	7.15%	39
Top Marginal Corporate Income Tax Rate	8.93%	42
Personal Income Tax Progressivity	\$24.67	46
Property Tax Burden	\$43.69	46
Sales Tax Burden	\$26.71	32
Remaining Tax Burden	\$15.54	20
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	\$0.02	48
Debt Service as a Share of Tax Revenue	2.66%	5
Public Employees Per 10,000 of Population	523.0	32
State Tort System Costs	1.58%	14
State Minimum Wage	\$14.65	37
Average Workers' Compensation Costs	\$1.67	42
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	1	15

MARYLAND

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

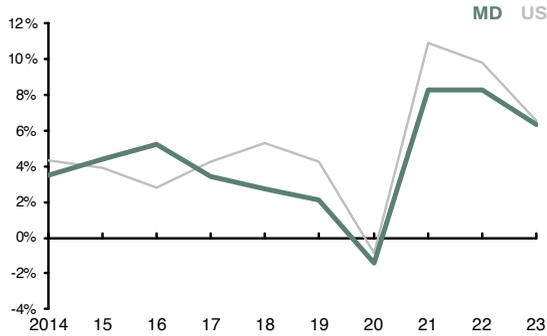
(1=best 50=worst)

41ST

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.

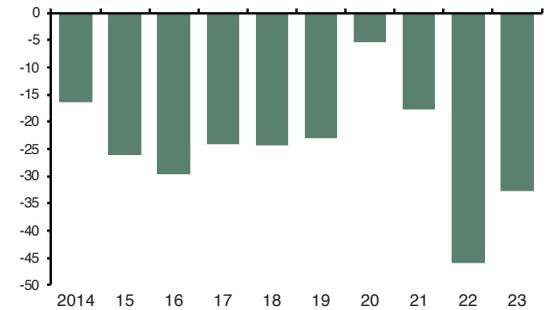
State Gross Domestic Product

Cumulative 2013-2023 **51.70%** **Rank: 34**



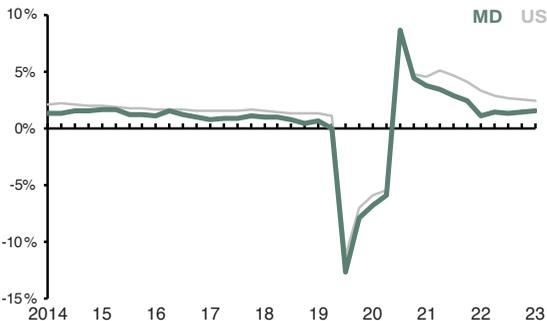
Absolute Domestic Migration

Cumulative 2013-2023 **-245,420** **Rank: 45**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **5.07%** **Rank: 39**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

42ND

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	32	35	37	40	42	41	43

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	8.95%	43
Top Marginal Corporate Income Tax Rate	8.25%	39
Personal Income Tax Progressivity	\$9.46	26
Property Tax Burden	\$27.22	25
Sales Tax Burden	\$15.65	9
Remaining Tax Burden	\$23.12	41
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$0.28	32
Debt Service as a Share of Tax Revenue	4.52%	32
Public Employees Per 10,000 of Population	522.7	31
State Tort System Costs	1.78%	21
State Minimum Wage	\$15.00	41
Average Workers' Compensation Costs	\$1.04	18
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

MASSACHUSETTS

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

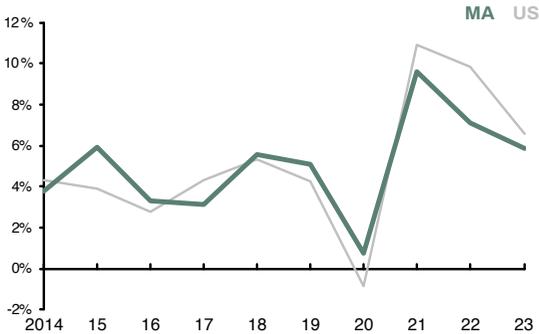
(1=best 50=worst)

27TH

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.

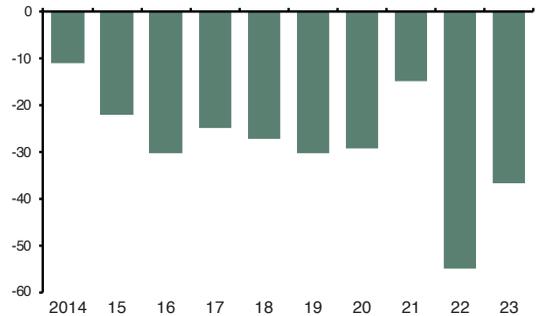
State Gross Domestic Product

Cumulative 2013-2023 **62.69%** **Rank: 19**



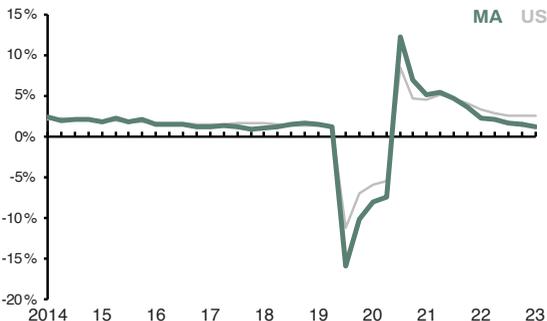
Absolute Domestic Migration

Cumulative 2013-2023 **-280,606** **Rank: 46**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **9.38%** **Rank: 25**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

37TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	25	28	35	30	33	37	36

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	9.00%	44
Top Marginal Corporate Income Tax Rate	8.00%	37
Personal Income Tax Progressivity	\$2.93	17
Property Tax Burden	\$36.11	40
Sales Tax Burden	\$15.04	7
Remaining Tax Burden	\$11.81	4
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	5.14%	43
Public Employees Per 10,000 of Population	508.6	22
State Tort System Costs	1.82%	23
State Minimum Wage	\$15.00	41
Average Workers' Compensation Costs	\$1.05	19
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	1	15

MICHIGAN

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

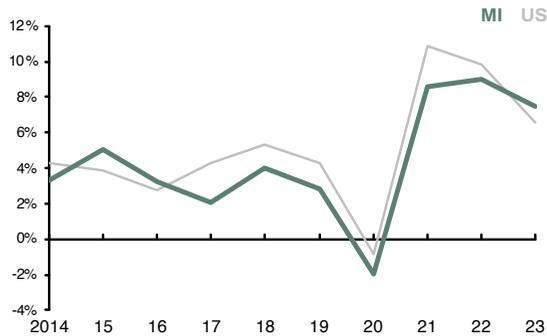
(1=best 50=worst)

35TH

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.

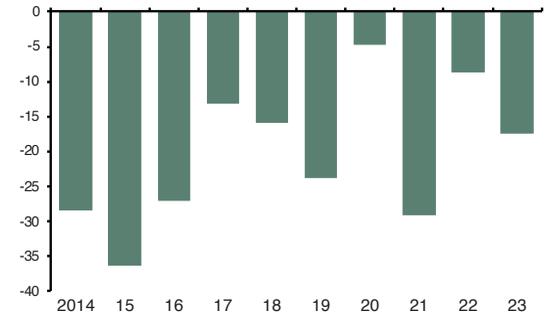
State Gross Domestic Product

Cumulative 2013-2023 **52.63%** **Rank: 31**



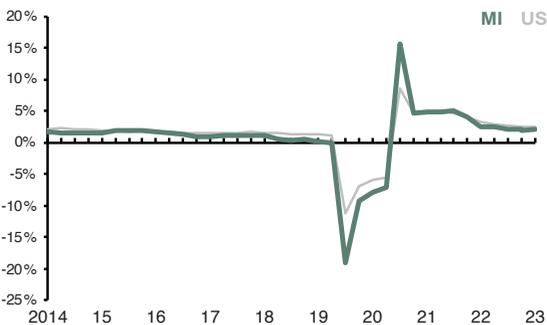
Absolute Domestic Migration

Cumulative 2013-2023 **-205,041** **Rank: 42**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **7.12%** **Rank: 31**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

19TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	18	12	14	16	17	16	16

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	6.65%	36
Top Marginal Corporate Income Tax Rate	8.00%	37
Personal Income Tax Progressivity	\$3.29	18
Property Tax Burden	\$30.45	34
Sales Tax Burden	\$21.74	17
Remaining Tax Burden	\$14.85	17
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$3.36	10
Debt Service as a Share of Tax Revenue	5.00%	41
Public Employees Per 10,000 of Population	434.4	6
State Tort System Costs	1.98%	29
State Minimum Wage	\$10.56	23
Average Workers' Compensation Costs	\$1.00	13
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	2	3

MINNESOTA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

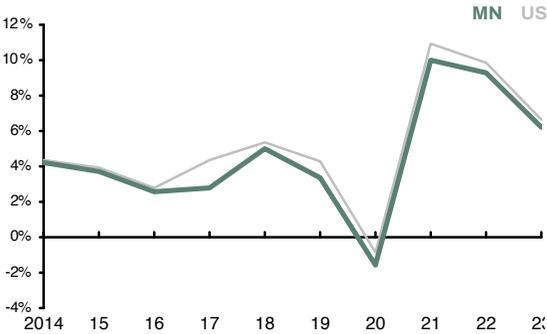
(1=best 50=worst)

30TH

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.

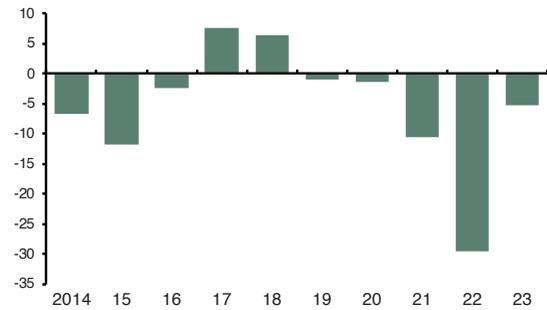
State Gross Domestic Product

Cumulative 2013-2023 **54.98%** Rank: **30**



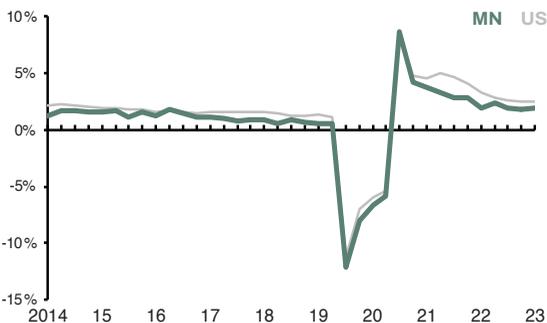
Absolute Domestic Migration

Cumulative 2013-2023 **-54,934** Rank: **34**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **7.06%** Rank: **32**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

41ST

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	44	41	45	46	46	48	44

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	9.85%	45
Top Marginal Corporate Income Tax Rate	9.80%	46
Personal Income Tax Progressivity	\$21.82	45
Property Tax Burden	\$28.60	29
Sales Tax Burden	\$20.09	12
Remaining Tax Burden	\$19.44	37
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$2.71	15
Debt Service as a Share of Tax Revenue	3.78%	14
Public Employees Per 10,000 of Population	520.8	29
State Tort System Costs	1.60%	15
State Minimum Wage	\$11.13	26
Average Workers' Compensation Costs	\$1.55	39
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

MISSISSIPPI

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

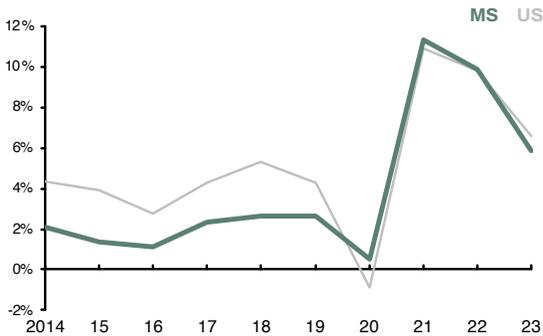
(1=best 50=worst)

40TH

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.

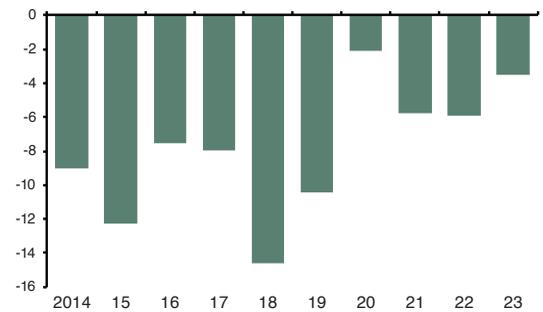
State Gross Domestic Product

Cumulative 2013-2023 **46.68%** **Rank: 41**



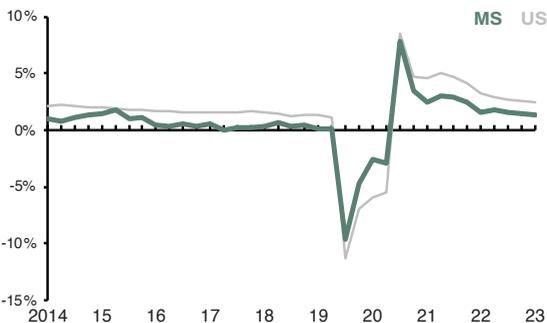
Absolute Domestic Migration

Cumulative 2013-2023 **-79,080** **Rank: 36**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **6.13%** **Rank: 36**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

28TH

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 2018 2019 2020 2021 2022 2023 2024

Economic Outlook Rank **24 19 20 27 27 22 18**

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.40%	17
Top Marginal Corporate Income Tax Rate	5.00%	16
Personal Income Tax Progressivity	\$10.74	30
Property Tax Burden	\$26.80	22
Sales Tax Burden	\$35.44	42
Remaining Tax Burden	\$17.53	30
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	3.96%	20
Public Employees Per 10,000 of Population	613.4	45
State Tort System Costs	2.28%	40
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$0.98	12
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

MISSOURI

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

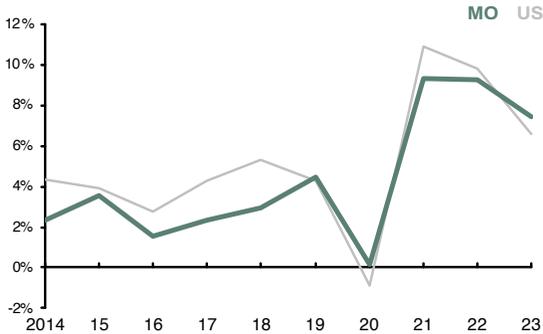
(1=best 50=worst)

25TH

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.

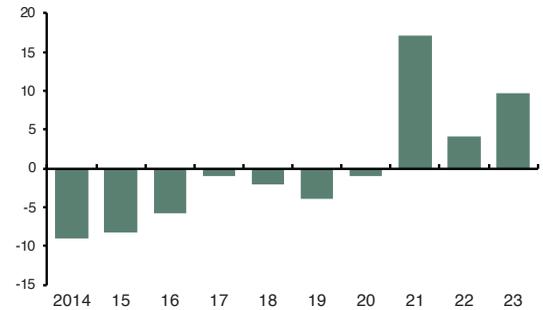
State Gross Domestic Product

Cumulative 2013-2023 **52.17%** Rank: **32**



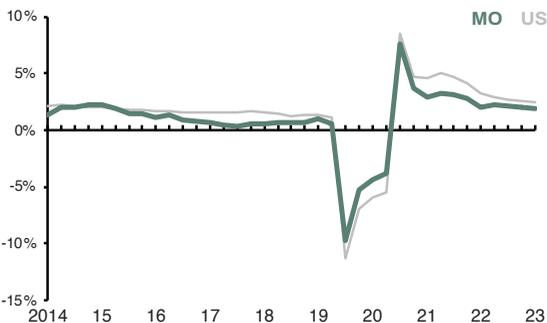
Absolute Domestic Migration

Cumulative 2013-2023 **-224** Rank: **24**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **9.39%** Rank: **24**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

24TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	23	22	19	21	29	31	29

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.70%	28
Top Marginal Corporate Income Tax Rate	4.58%	13
Personal Income Tax Progressivity	\$11.75	36
Property Tax Burden	\$24.33	17
Sales Tax Burden	\$23.52	22
Remaining Tax Burden	\$11.32	3
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$0.61	29
Debt Service as a Share of Tax Revenue	4.17%	24
Public Employees Per 10,000 of Population	502.6	14
State Tort System Costs	2.10%	35
State Minimum Wage	\$13.75	34
Average Workers' Compensation Costs	\$1.54	38
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	3	1

MONTANA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

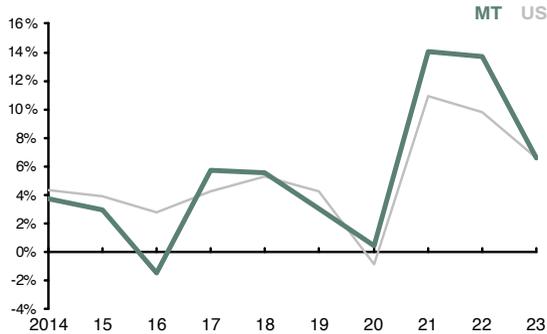
(1=best 50=worst)

14TH

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.

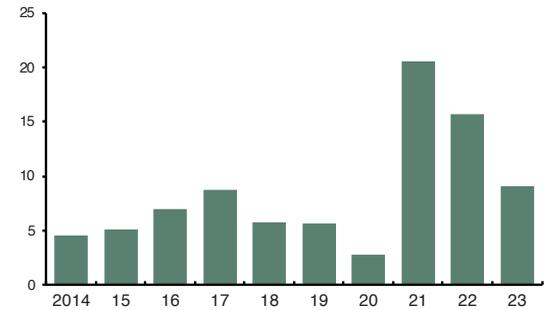
State Gross Domestic Product

Cumulative 2013-2023 **68.08%** **Rank: 17**



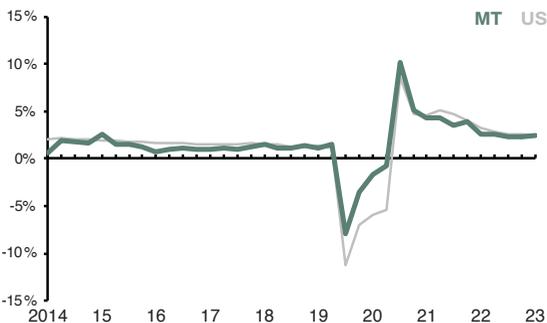
Absolute Domestic Migration

Cumulative 2013-2023 **84,911** **Rank: 15**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **15.64%** **Rank: 15**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

35TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	43	39	33	34	31	33	30

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.90%	30
Top Marginal Corporate Income Tax Rate	6.75%	29
Personal Income Tax Progressivity	\$20.10	42
Property Tax Burden	\$32.82	37
Sales Tax Burden	\$0.00	1
Remaining Tax Burden	\$22.00	40
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$8.51	2
Debt Service as a Share of Tax Revenue	3.60%	12
Public Employees Per 10,000 of Population	518.5	28
State Tort System Costs	2.58%	45
State Minimum Wage	\$10.55	22
Average Workers' Compensation Costs	\$1.46	36
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

NEBRASKA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

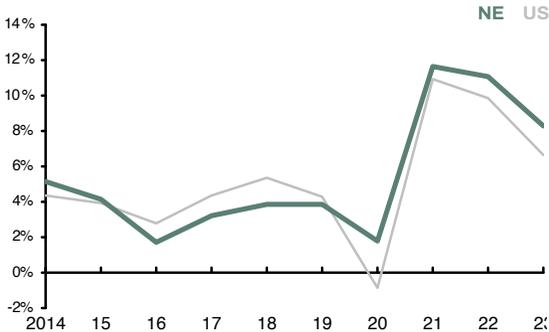
(1=best 50=worst)

23RD

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.

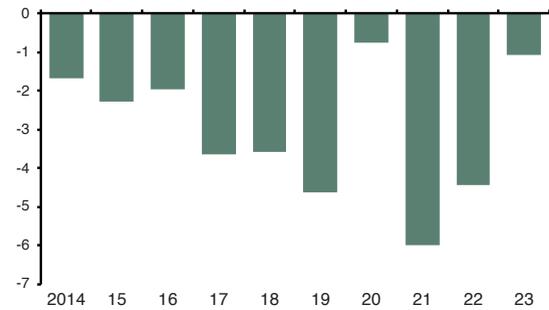
State Gross Domestic Product

Cumulative 2013-2023 **69.04%** **Rank: 16**



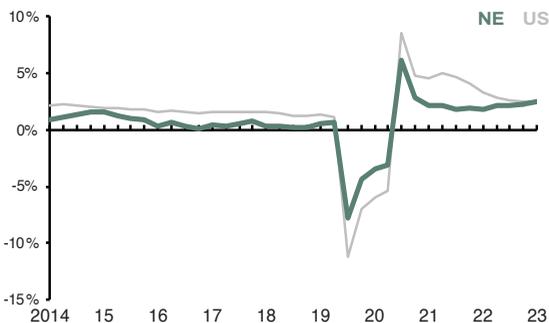
Absolute Domestic Migration

Cumulative 2013-2023 **-30,037** **Rank: 28**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **6.84%** **Rank: 33**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

31ST

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	28	34	36	35	36	36	32

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.20%	24
Top Marginal Corporate Income Tax Rate	5.20%	18
Personal Income Tax Progressivity	\$12.45	37
Property Tax Burden	\$36.30	41
Sales Tax Burden	\$25.47	26
Remaining Tax Burden	\$13.68	12
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$3.41	9
Debt Service as a Share of Tax Revenue	3.84%	17
Public Employees Per 10,000 of Population	647.7	47
State Tort System Costs	1.54%	11
State Minimum Wage	\$13.50	33
Average Workers' Compensation Costs	\$1.25	22
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

NEVADA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

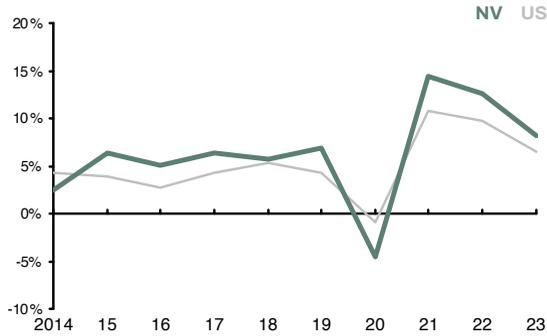
(1=best 50=worst)

5TH

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.

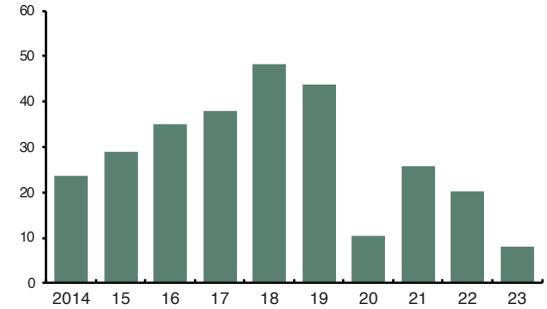
State Gross Domestic Product

Cumulative 2013-2023 **84.13%** **Rank: 6**



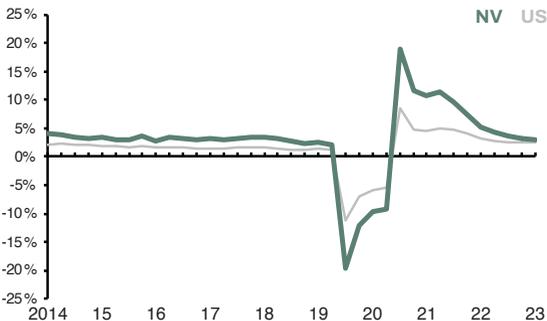
Absolute Domestic Migration

Cumulative 2013-2023 **282,069** **Rank: 9**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **32.11%** **Rank: 2**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

14TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	13	5	6	7	6	10	13

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	0.61%	3
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$22.16	12
Sales Tax Burden	\$44.94	48
Remaining Tax Burden	\$33.37	49
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	5.24%	44
Public Employees Per 10,000 of Population	365.8	1
State Tort System Costs	2.40%	42
State Minimum Wage	\$12.00	29
Average Workers' Compensation Costs	\$1.00	13
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	2	3

NEW HAMPSHIRE

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

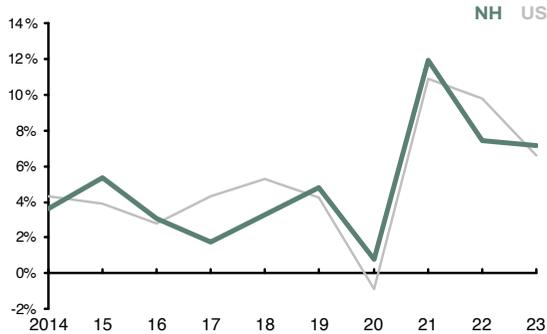
(1=best 50=worst)

20TH

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.

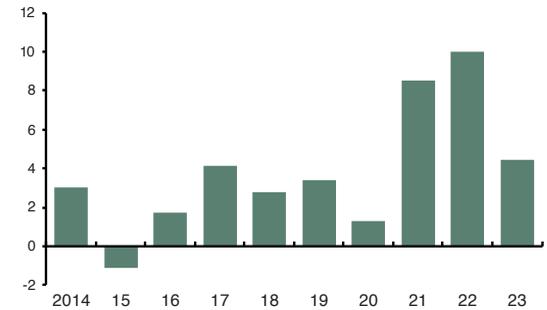
State Gross Domestic Product

Cumulative 2013-2023 **60.94%** **Rank: 20**



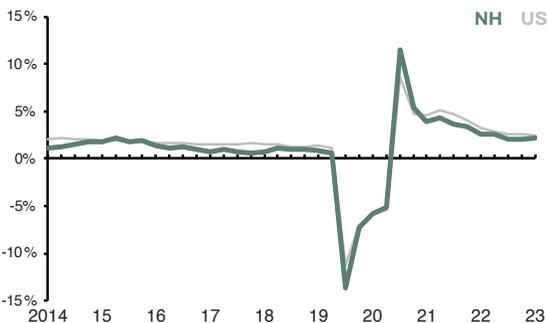
Absolute Domestic Migration

Cumulative 2013-2023 **38,187** **Rank: 20**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **9.02%** **Rank: 26**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

21ST

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	17	16	17	19	18	19	19

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	7.50%	33
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$50.42	49
Sales Tax Burden	\$0.00	1
Remaining Tax Burden	\$18.00	32
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	4.71%	37
Public Employees Per 10,000 of Population	485.4	12
State Tort System Costs	1.42%	6
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.39	32
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

NEW JERSEY

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

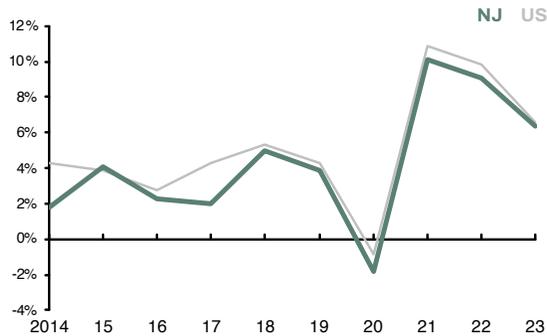
(1=best 50=worst)

36TH

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.

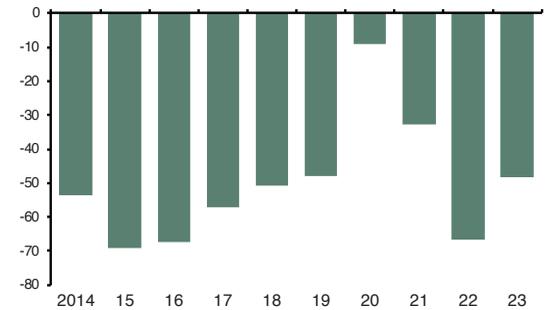
State Gross Domestic Product

Cumulative 2013-2023 **51.00%** Rank: **36**



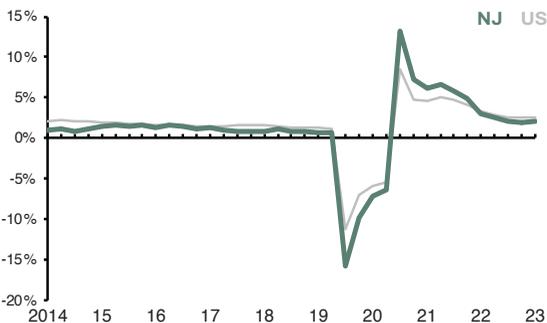
Absolute Domestic Migration

Cumulative 2013-2023 **-502,770** Rank: **47**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **10.37%** Rank: **21**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

48TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	46	46	48	48	49	47	46

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	11.75%	47
Top Marginal Corporate Income Tax Rate	9.00%	43
Personal Income Tax Progressivity	\$24.81	48
Property Tax Burden	\$47.79	48
Sales Tax Burden	\$20.15	13
Remaining Tax Burden	\$14.01	14
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$0.87	25
Debt Service as a Share of Tax Revenue	3.94%	18
Public Employees Per 10,000 of Population	510.1	23
State Tort System Costs	2.52%	43
State Minimum Wage	\$15.49	46
Average Workers' Compensation Costs	\$2.44	50
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	1	15

NEW MEXICO

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

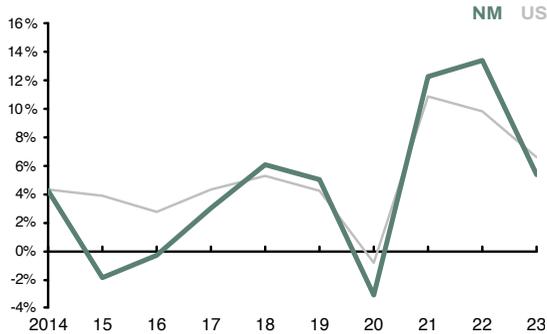
(1=best 50=worst)

29TH

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.

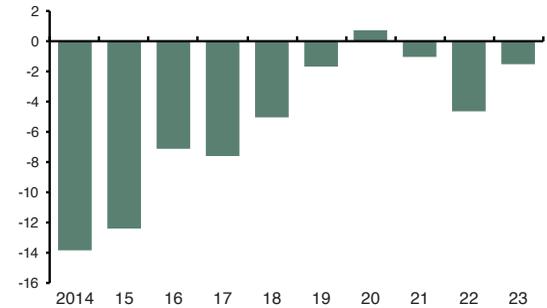
State Gross Domestic Product

Cumulative 2013-2023 **52.08%** Rank: **33**



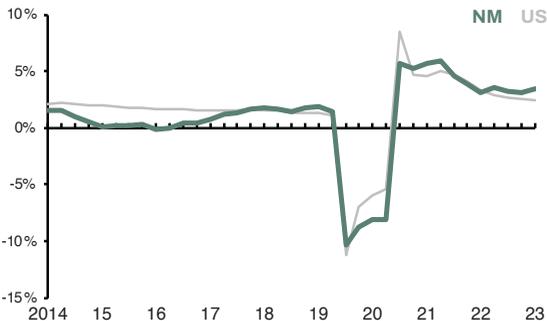
Absolute Domestic Migration

Cumulative 2013-2023 **-54,130** Rank: **33**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **7.96%** Rank: **27**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

33RD

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	35	29	34	38	38	38	38

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.90%	30
Top Marginal Corporate Income Tax Rate	5.90%	21
Personal Income Tax Progressivity	\$15.77	41
Property Tax Burden	\$21.81	10
Sales Tax Burden	\$49.00	49
Remaining Tax Burden	\$13.77	13
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$1.10	24
Debt Service as a Share of Tax Revenue	2.65%	4
Public Employees Per 10,000 of Population	583.9	41
State Tort System Costs	2.11%	36
State Minimum Wage	\$12.00	29
Average Workers' Compensation Costs	\$1.27	24
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

NEW YORK

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

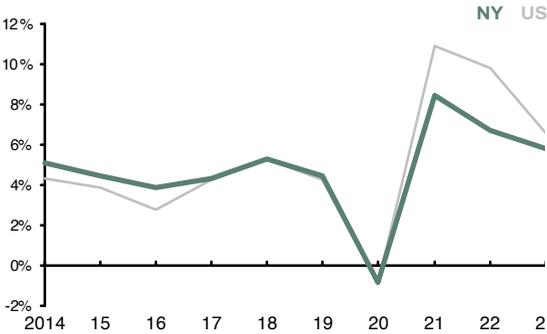
(1=best 50=worst)

31ST

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.

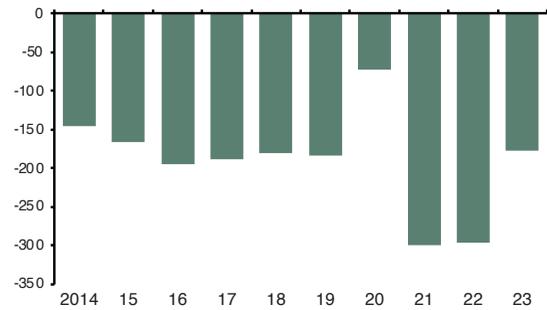
State Gross Domestic Product

Cumulative 2013-2023 **59.16%** Rank: **22**



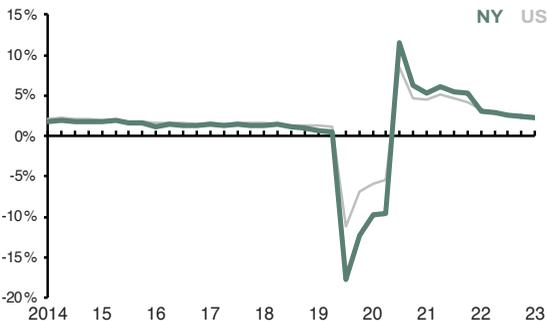
Absolute Domestic Migration

Cumulative 2013-2023 **-1,902,996** Rank: **49**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **7.50%** Rank: **28**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

50TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	50	50	50	50	50	50	50

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	14.78%	50
Top Marginal Corporate Income Tax Rate	18.28%	50
Personal Income Tax Progressivity	\$11.72	35
Property Tax Burden	\$44.15	47
Sales Tax Burden	\$25.84	28
Remaining Tax Burden	\$18.62	35
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	6.95%	47
Public Employees Per 10,000 of Population	609.8	44
State Tort System Costs	2.61%	47
State Minimum Wage	\$15.50	47
Average Workers' Compensation Costs	\$2.15	47
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

NORTH CAROLINA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

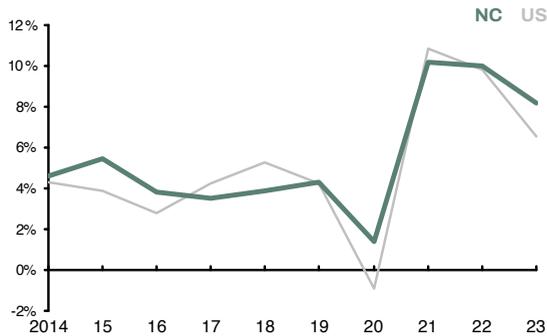
(1=best 50=worst)

11TH

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.

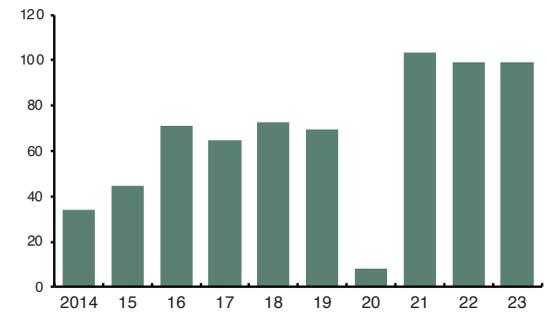
State Gross Domestic Product

Cumulative 2013-2023 **70.98%** **Rank: 13**



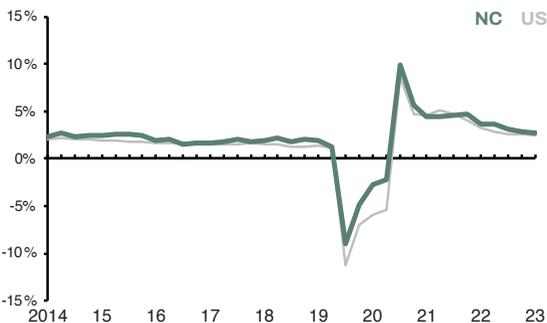
Absolute Domestic Migration

Cumulative 2013-2023 **667,212** **Rank: 3**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **20.72%** **Rank: 10**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

4TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	7	6	5	5	2	2	4

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.25%	16
Top Marginal Corporate Income Tax Rate	2.25%	4
Personal Income Tax Progressivity	\$7.22	23
Property Tax Burden	\$20.68	9
Sales Tax Burden	\$25.67	27
Remaining Tax Burden	\$15.56	21
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$0.59	30
Debt Service as a Share of Tax Revenue	3.70%	13
Public Employees Per 10,000 of Population	513.7	25
State Tort System Costs	1.50%	8
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.16	21
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

NORTH DAKOTA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

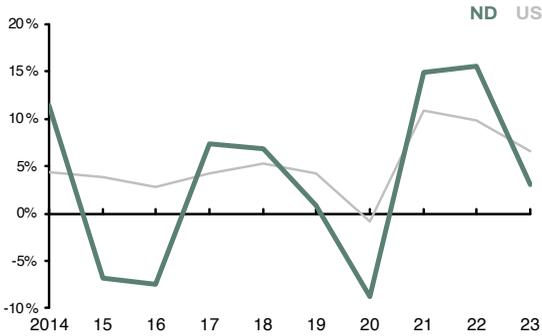
(1=best 50=worst)

45TH

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.

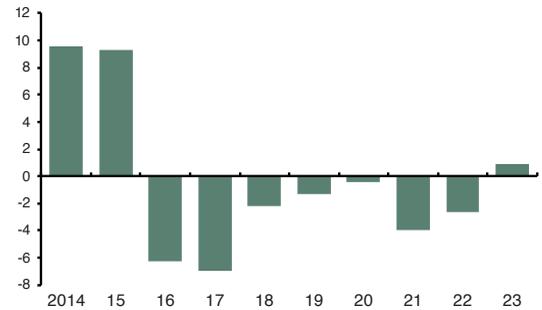
State Gross Domestic Product

Cumulative 2013-2023 **38.57%** **Rank: 47**



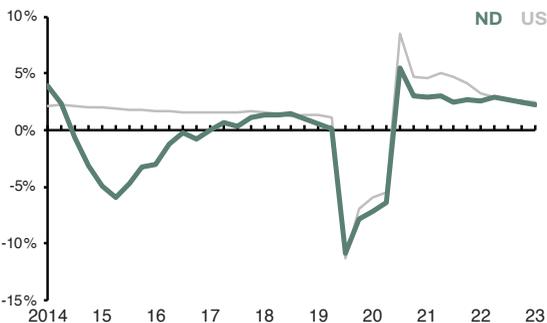
Absolute Domestic Migration

Cumulative 2013-2023 **-4,101** **Rank: 26**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **-2.93%** **Rank: 50**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

5TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	4	4	11	8	9	8	10

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	2.50%	10
Top Marginal Corporate Income Tax Rate	4.31%	9
Personal Income Tax Progressivity	\$10.27	27
Property Tax Burden	\$24.15	16
Sales Tax Burden	\$26.37	31
Remaining Tax Burden	\$14.98	18
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$6.38	4
Debt Service as a Share of Tax Revenue	4.13%	23
Public Employees Per 10,000 of Population	633.6	46
State Tort System Costs	1.28%	1
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$0.58	1
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

OHIO

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

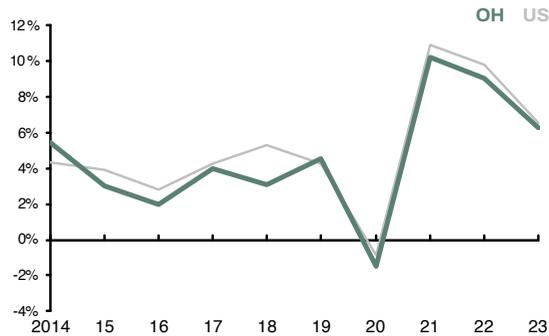
(1=best 50=worst)

37TH

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.

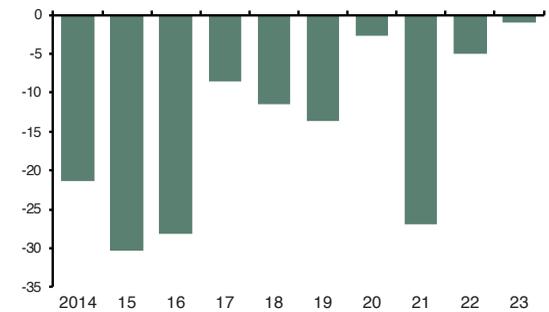
State Gross Domestic Product

Cumulative 2013-2023 **56.22%** Rank: **29**



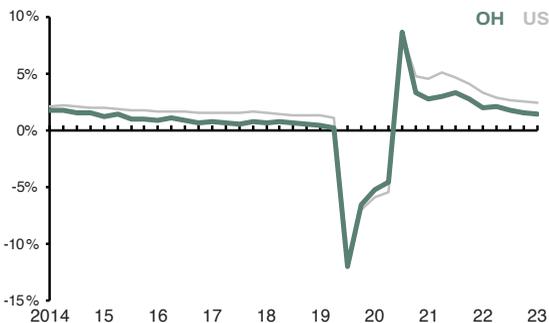
Absolute Domestic Migration

Cumulative 2013-2023 **-149,112** Rank: **40**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **6.05%** Rank: **37**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

25TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	21	24	29	28	19	20	26

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	6.00%	33
Top Marginal Corporate Income Tax Rate	3.61%	6
Personal Income Tax Progressivity	\$12.79	38
Property Tax Burden	\$28.57	28
Sales Tax Burden	\$24.50	23
Remaining Tax Burden	\$17.52	29
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$1.92	19
Debt Service as a Share of Tax Revenue	4.99%	40
Public Employees Per 10,000 of Population	506.2	20
State Tort System Costs	1.50%	8
State Minimum Wage	\$10.70	24
Average Workers' Compensation Costs	\$0.77	4
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	1	15

OKLAHOMA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

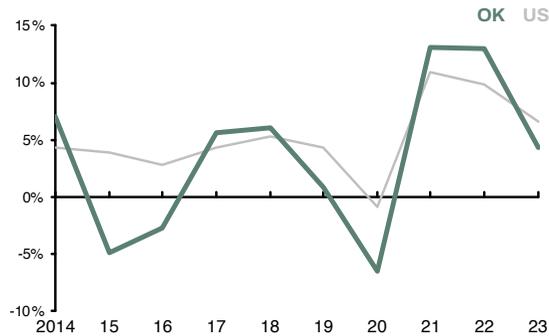
(1=best 50=worst)

28TH

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.

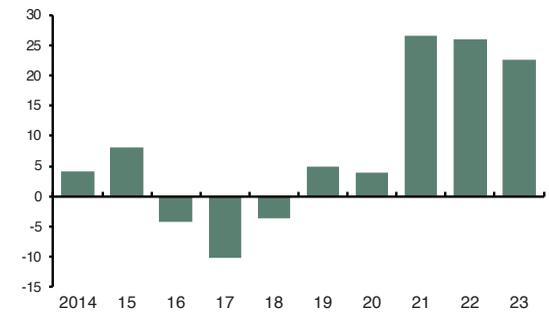
State Gross Domestic Product

Cumulative 2013-2023 **39.43%** Rank: **46**



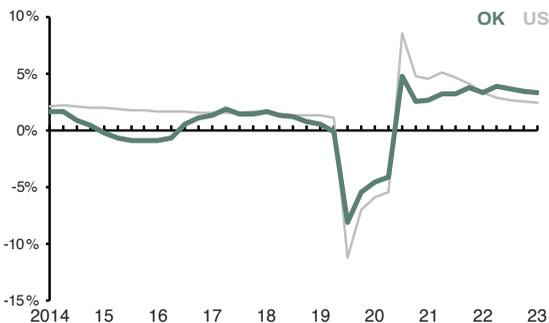
Absolute Domestic Migration

Cumulative 2013-2023 **78,508** Rank: **16**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **7.45%** Rank: **29**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

11TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	16	13	9	3	4	5	9

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.75%	20
Top Marginal Corporate Income Tax Rate	4.00%	7
Personal Income Tax Progressivity	\$7.17	22
Property Tax Burden	\$17.11	3
Sales Tax Burden	\$29.15	35
Remaining Tax Burden	\$15.80	22
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$2.55	17
Debt Service as a Share of Tax Revenue	2.91%	6
Public Employees Per 10,000 of Population	536.2	35
State Tort System Costs	1.84%	24
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.41	34
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

OREGON

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

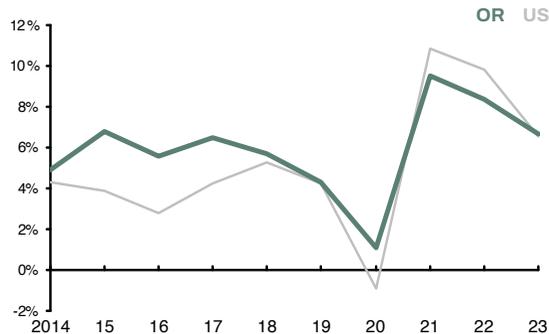
(1=best 50=worst)

13TH

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.

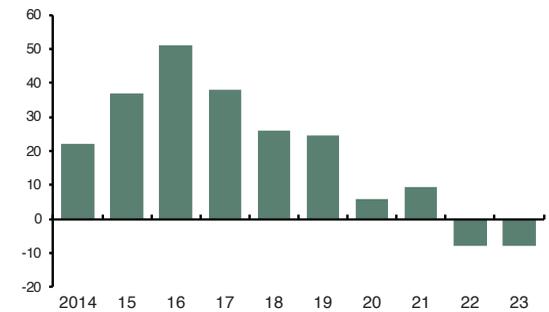
State Gross Domestic Product

Cumulative 2013-2023 **78.17%** **Rank: 8**



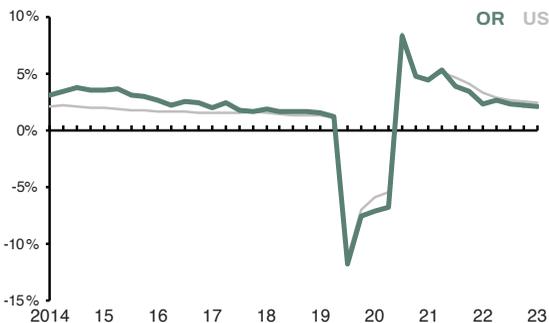
Absolute Domestic Migration

Cumulative 2013-2023 **198,125** **Rank: 12**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **16.01%** **Rank: 14**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

43RD

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	41	44	42	44	41	43	42

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	14.69%	49
Top Marginal Corporate Income Tax Rate	15.64%	49
Personal Income Tax Progressivity	\$39.09	49
Property Tax Burden	\$30.74	36
Sales Tax Burden	\$4.67	4
Remaining Tax Burden	\$25.04	46
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$0.14	34
Debt Service as a Share of Tax Revenue	4.54%	34
Public Employees Per 10,000 of Population	513.0	24
State Tort System Costs	1.88%	25
State Minimum Wage	\$14.70	38
Average Workers' Compensation Costs	\$0.93	10
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	2	3

PENNSYLVANIA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

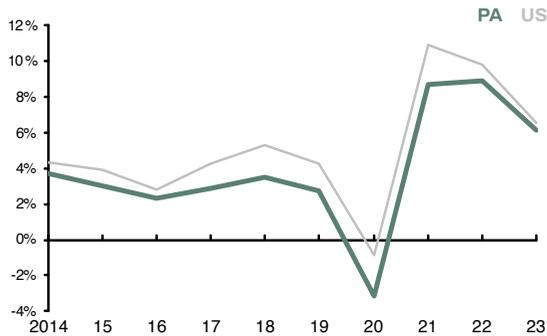
(1=best 50=worst)

44TH

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.

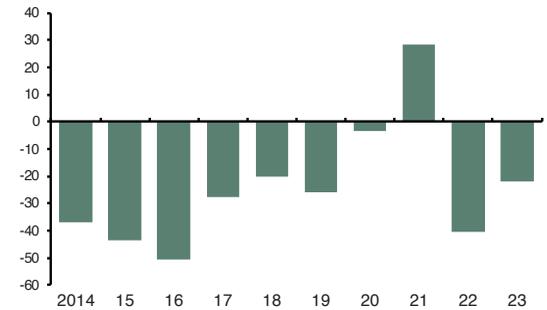
State Gross Domestic Product

Cumulative 2013-2023 **45.56%** Rank: **43**



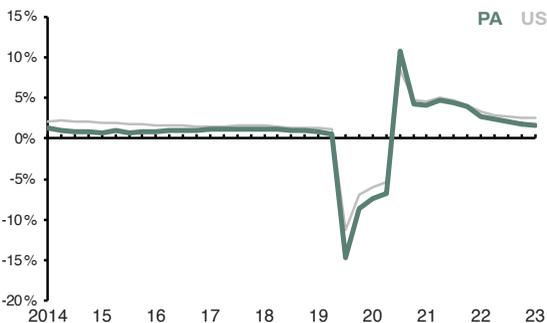
Absolute Domestic Migration

Cumulative 2013-2023 **-241,825** Rank: **44**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **6.17%** Rank: **35**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

36TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	38	38	38	36	37	35	35

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	6.86%	37
Top Marginal Corporate Income Tax Rate	14.40%	48
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$27.06	24
Sales Tax Burden	\$19.14	11
Remaining Tax Burden	\$23.39	42
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	-\$0.08	35
Debt Service as a Share of Tax Revenue	4.85%	39
Public Employees Per 10,000 of Population	419.2	4
State Tort System Costs	2.14%	37
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.27	24
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

RHODE ISLAND

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

(1=best 50=worst)

38TH

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.

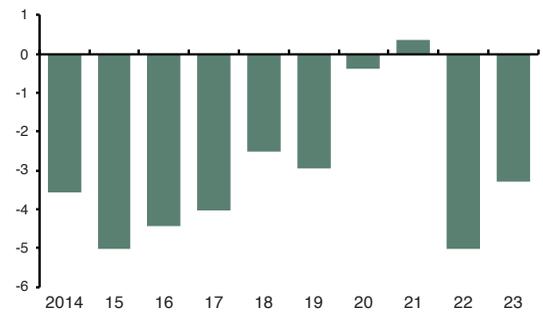
State Gross Domestic Product

Cumulative 2013-2023 **46.38%** **Rank: 42**



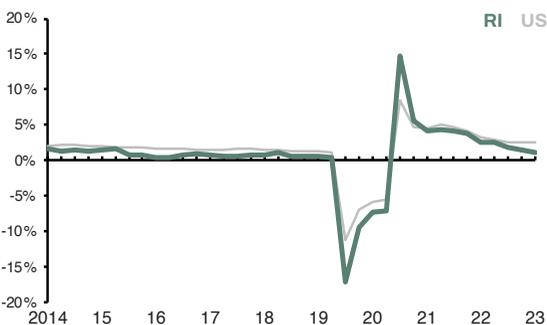
Absolute Domestic Migration

Cumulative 2013-2023 **-30,883** **Rank: 29**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **5.46%** **Rank: 38**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

39TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	39	43	43	41	40	40	39

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.99%	32
Top Marginal Corporate Income Tax Rate	7.00%	30
Personal Income Tax Progressivity	\$11.61	33
Property Tax Burden	\$40.28	44
Sales Tax Burden	\$21.80	18
Remaining Tax Burden	\$17.29	27
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	4.11%	22
Public Employees Per 10,000 of Population	432.1	5
State Tort System Costs	2.36%	41
State Minimum Wage	\$15.00	41
Average Workers' Compensation Costs	\$1.62	40
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	2	3

SOUTH CAROLINA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

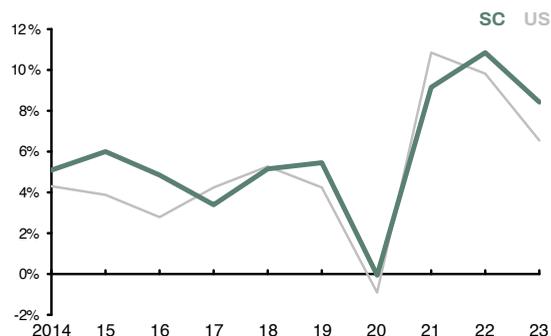
(1=best 50=worst)

8TH

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.

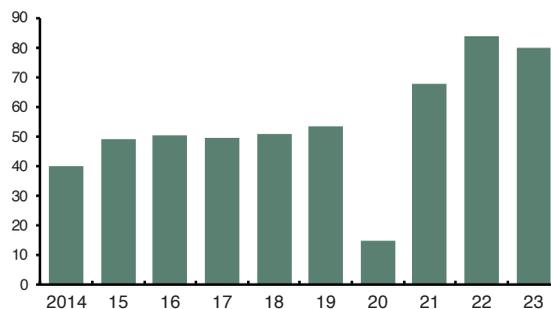
State Gross Domestic Product

Cumulative 2013-2023 **75.78%** **Rank: 11**



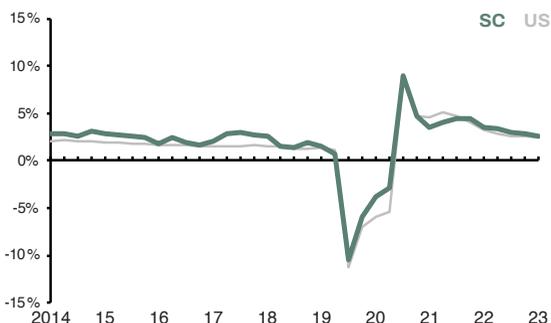
Absolute Domestic Migration

Cumulative 2013-2023 **540,346** **Rank: 5**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **21.54%** **Rank: 8**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

29TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	33	32	32	24	26	21	24

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	6.20%	34
Top Marginal Corporate Income Tax Rate	5.00%	16
Personal Income Tax Progressivity	\$21.43	44
Property Tax Burden	\$27.58	26
Sales Tax Burden	\$23.11	20
Remaining Tax Burden	\$16.45	24
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$1.29	22
Debt Service as a Share of Tax Revenue	4.61%	35
Public Employees Per 10,000 of Population	504.6	18
State Tort System Costs	2.54%	44
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.35	29
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

SOUTH DAKOTA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

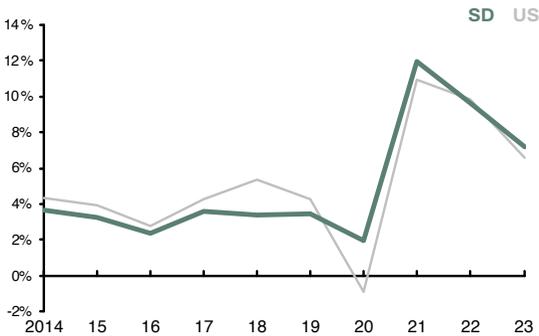
(1=best 50=worst)

16TH

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.

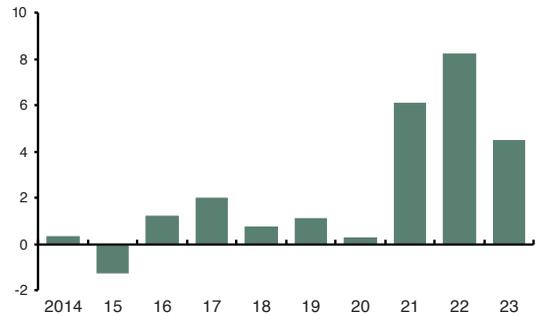
State Gross Domestic Product

Cumulative 2013-2023 **62.72%** **Rank: 18**



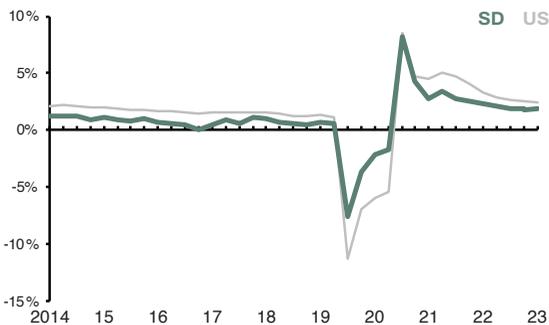
Absolute Domestic Migration

Cumulative 2013-2023 **23,592** **Rank: 21**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **11.32%** **Rank: 19**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

8TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	9	7	13	10	12	14	7

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	0.00%	1
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$25.62	18
Sales Tax Burden	\$33.10	41
Remaining Tax Burden	\$17.06	26
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$2.60	16
Debt Service as a Share of Tax Revenue	4.39%	29
Public Employees Per 10,000 of Population	520.9	30
State Tort System Costs	1.32%	3
State Minimum Wage	\$11.50	27
Average Workers' Compensation Costs	\$1.30	26
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

TENNESSEE

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

(1=best 50=worst)

12TH

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.

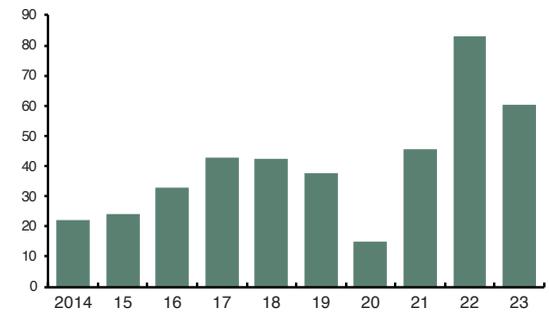
State Gross Domestic Product

Cumulative 2013-2023 **76.25%** **Rank: 10**



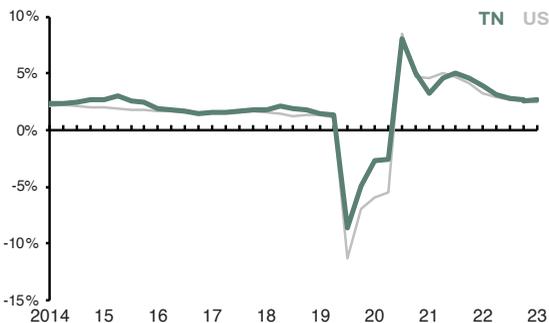
Absolute Domestic Migration

Cumulative 2013-2023 **405,833** **Rank: 7**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **17.58%** **Rank: 12**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

2ND

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	12	8	8	12	13	11	12

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	6.50%	26
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$17.15	4
Sales Tax Burden	\$38.10	44
Remaining Tax Burden	\$20.32	38
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$1.34	21
Debt Service as a Share of Tax Revenue	3.95%	19
Public Employees Per 10,000 of Population	482.8	11
State Tort System Costs	1.73%	19
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.03	17
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	2	3

TEXAS

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

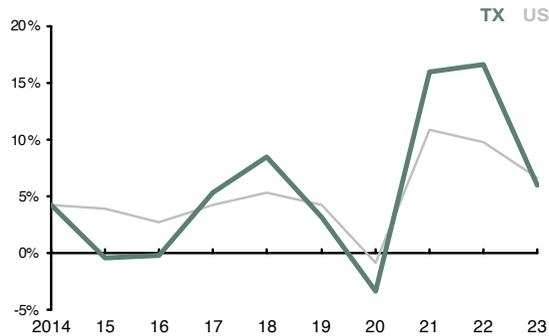
(1=best 50=worst)

7TH

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.

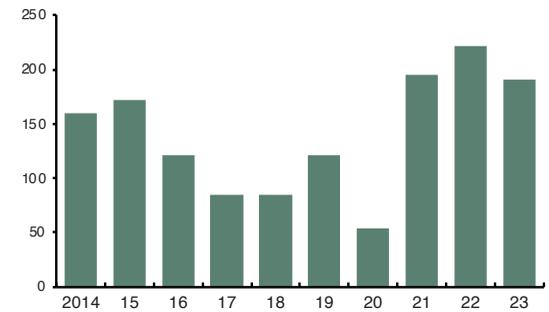
State Gross Domestic Product

Cumulative 2013-2023 **69.24%** **Rank: 15**



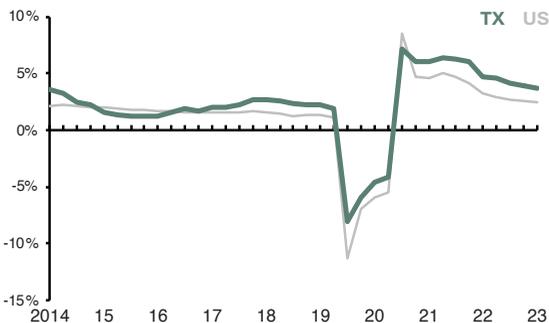
Absolute Domestic Migration

Cumulative 2013-2023 **1,406,308** **Rank: 2**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **23.64%** **Rank: 6**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

9TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	14	15	15	9	11	13	6

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	2.51%	5
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$36.98	42
Sales Tax Burden	\$29.53	36
Remaining Tax Burden	\$14.29	15
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$4.31	8
Debt Service as a Share of Tax Revenue	7.00%	48
Public Employees Per 10,000 of Population	513.8	26
State Tort System Costs	2.01%	32
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$0.88	9
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	2	3

UTAH

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

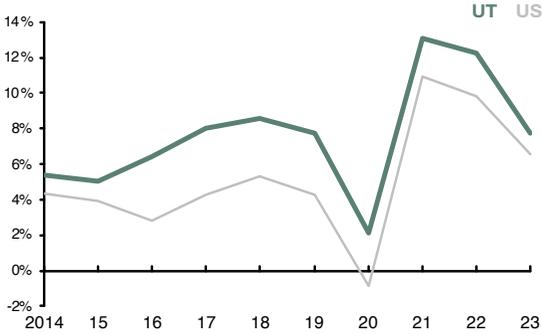
(1=best 50=worst)

3RD

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.

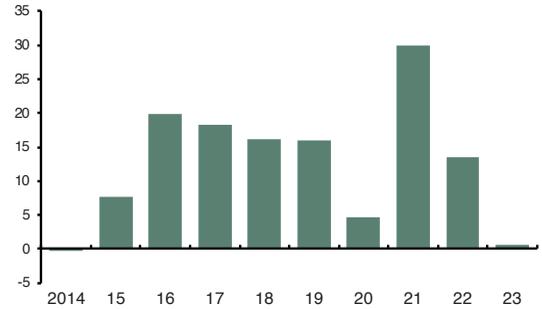
State Gross Domestic Product

Cumulative 2013-2023 **107.86%** **Rank: 1**



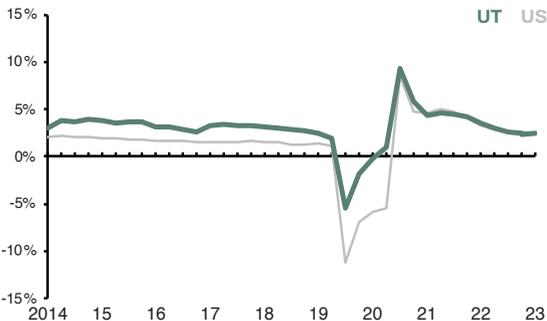
Absolute Domestic Migration

Cumulative 2013-2023 **126,427** **Rank: 13**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **32.71%** **Rank: 1**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

1ST

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	1	1	1	1	1	1	1

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.55%	19
Top Marginal Corporate Income Tax Rate	4.55%	12
Personal Income Tax Progressivity	\$0.40	13
Property Tax Burden	\$23.54	15
Sales Tax Burden	\$31.93	40
Remaining Tax Burden	\$13.15	10
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$4.48	7
Debt Service as a Share of Tax Revenue	3.50%	11
Public Employees Per 10,000 of Population	503.6	16
State Tort System Costs	1.80%	22
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$0.86	6
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

VERMONT

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

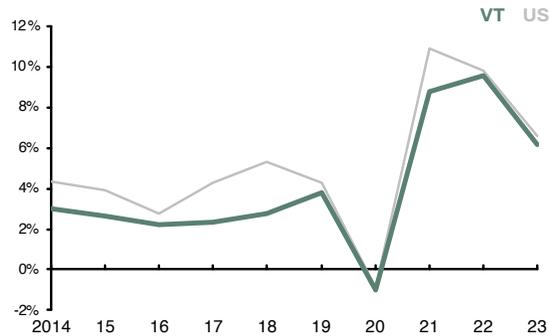
(1=best 50=worst)

39TH

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.

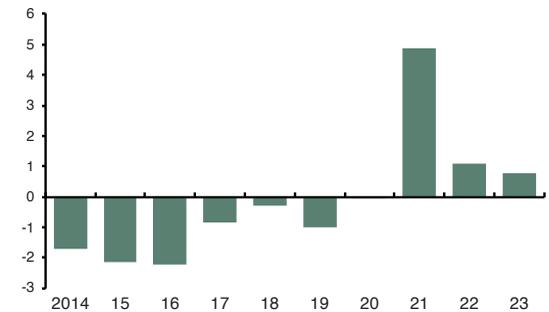
State Gross Domestic Product

Cumulative 2013-2023 **47.68%** **Rank: 40**



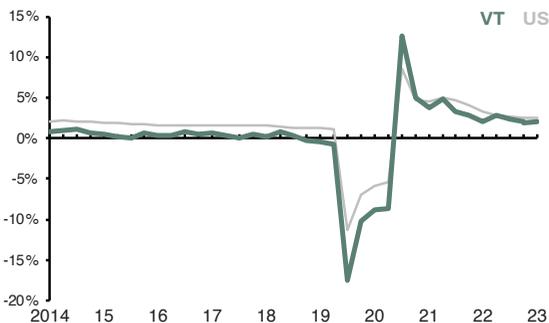
Absolute Domestic Migration

Cumulative 2013-2023 **-1,564** **Rank: 25**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **-0.19%** **Rank: 45**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

49TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	49	49	49	49	47	49	49

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	8.75%	42
Top Marginal Corporate Income Tax Rate	8.50%	40
Personal Income Tax Progressivity	\$24.77	47
Property Tax Burden	\$52.03	50
Sales Tax Burden	\$14.25	6
Remaining Tax Burden	\$29.05	47
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	\$0.99	49
Debt Service as a Share of Tax Revenue	2.58%	3
Public Employees Per 10,000 of Population	591.8	42
State Tort System Costs	1.73%	19
State Minimum Wage	\$14.01	36
Average Workers' Compensation Costs	\$1.98	45
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	0	32

VIRGINIA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

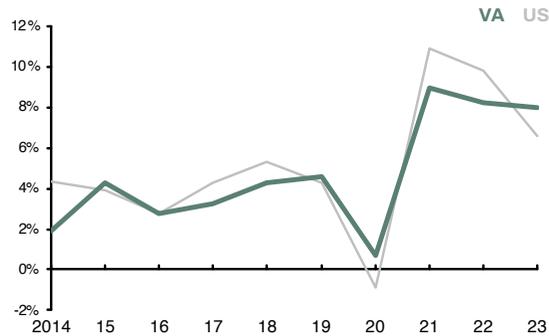
(1=best 50=worst)

26TH

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.

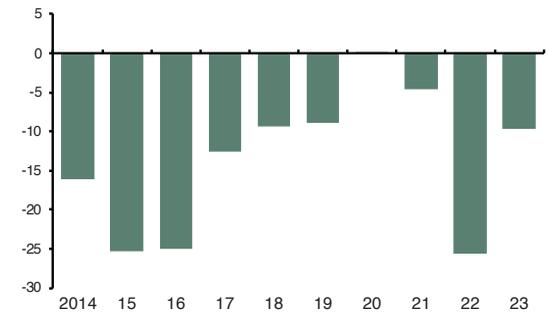
State Gross Domestic Product

Cumulative 2013-2023 **57.56%** **Rank: 24**



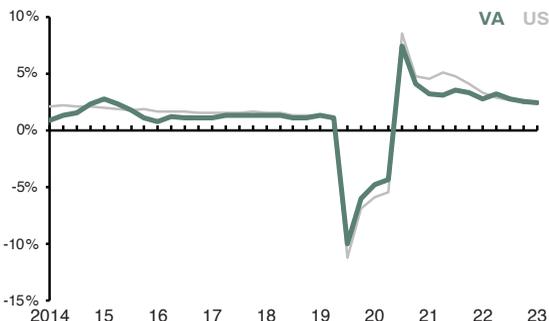
Absolute Domestic Migration

Cumulative 2013-2023 **-136,985** **Rank: 39**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **11.18%** **Rank: 20**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

32ND

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	10	14	16	17	24	18	22

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	5.75%	29
Top Marginal Corporate Income Tax Rate	7.54%	35
Personal Income Tax Progressivity	\$10.66	29
Property Tax Burden	\$30.09	31
Sales Tax Burden	\$15.14	8
Remaining Tax Burden	\$19.36	36
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	4.52%	33
Public Employees Per 10,000 of Population	534.1	34
State Tort System Costs	1.47%	7
State Minimum Wage	\$12.41	31
Average Workers' Compensation Costs	\$1.01	15
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

WASHINGTON

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

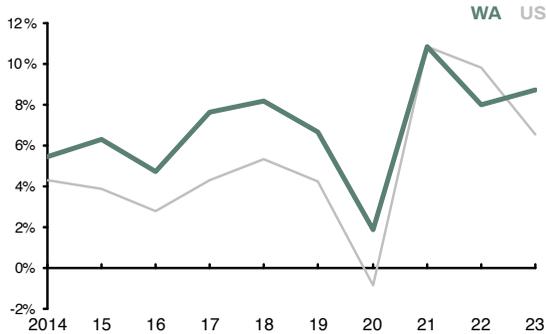
(1=best 50=worst)

10TH

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.

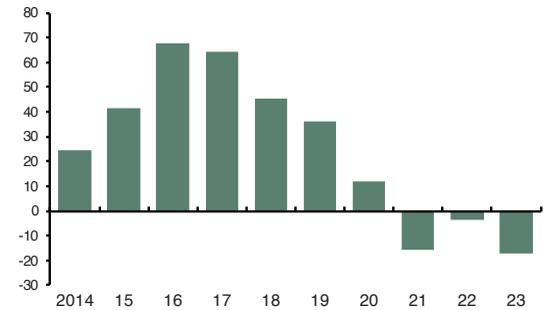
State Gross Domestic Product

Cumulative 2013-2023 **93.77%** **Rank: 4**



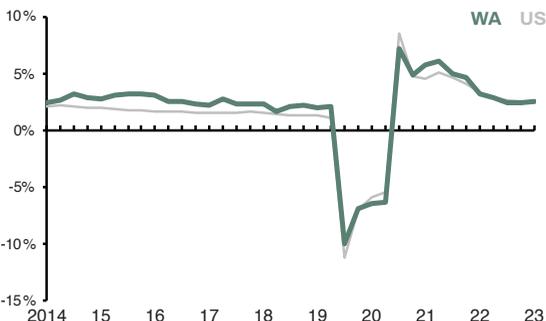
Absolute Domestic Migration

Cumulative 2013-2023 **254,778** **Rank: 10**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **19.83%** **Rank: 11**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

34TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	37	37	39	37	39	34	37

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	0.00%	1
Top Marginal Corporate Income Tax Rate	6.41%	25
Personal Income Tax Progressivity	\$0.00	2
Property Tax Burden	\$27.01	23
Sales Tax Burden	\$35.60	43
Remaining Tax Burden	\$24.82	45
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes	\$0.00	37
Debt Service as a Share of Tax Revenue	6.31%	46
Public Employees Per 10,000 of Population	518.5	27
State Tort System Costs	1.41%	5
State Minimum Wage	\$16.66	50
Average Workers' Compensation Costs	\$1.31	27
Right-to-Work State?	No	50
Number of Tax Expenditure Limits	2	3

WEST VIRGINIA

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

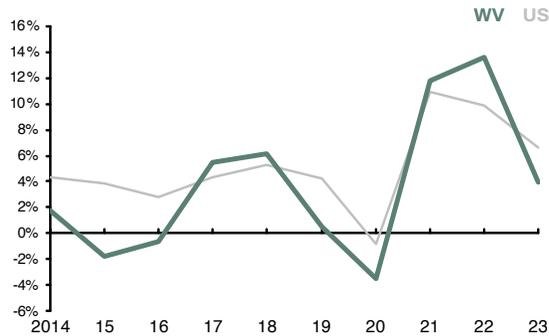
(1=best 50=worst)

46TH

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.

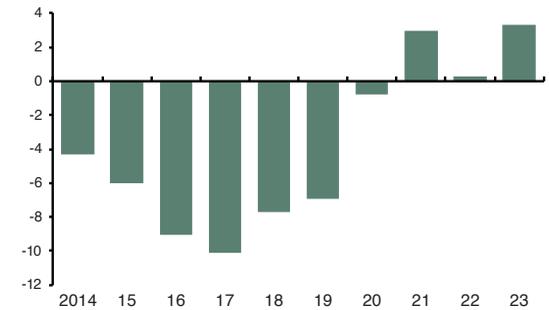
State Gross Domestic Product

Cumulative 2013-2023 **42.35%** Rank: **45**



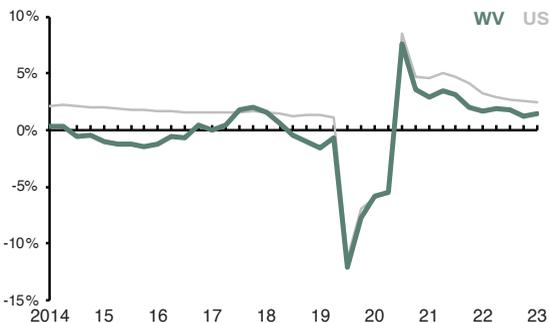
Absolute Domestic Migration

Cumulative 2013-2023 **-38,369** Rank: **31**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **-1.47%** Rank: **49**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

16TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	30	31	28	32	25	28	23

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	4.82%	21
Top Marginal Corporate Income Tax Rate	6.50%	26
Personal Income Tax Progressivity	\$11.55	32
Property Tax Burden	\$22.59	14
Sales Tax Burden	\$20.26	14
Remaining Tax Burden	\$24.56	44
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$12.43	1
Debt Service as a Share of Tax Revenue	4.39%	30
Public Employees Per 10,000 of Population	568.7	40
State Tort System Costs	1.57%	13
State Minimum Wage	\$8.75	21
Average Workers' Compensation Costs	\$0.63	2
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

WISCONSIN

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

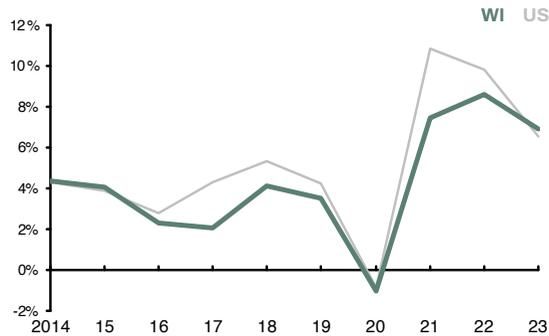
(1=best 50=worst)

34TH

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.

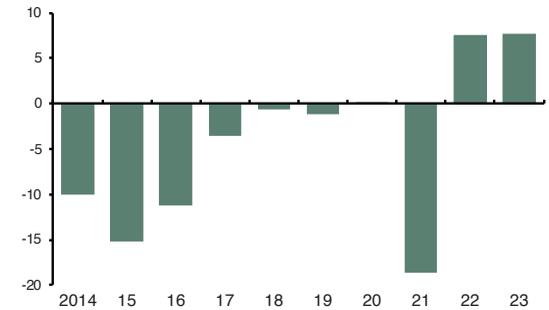
State Gross Domestic Product

Cumulative 2013-2023 **50.97%** **Rank: 37**



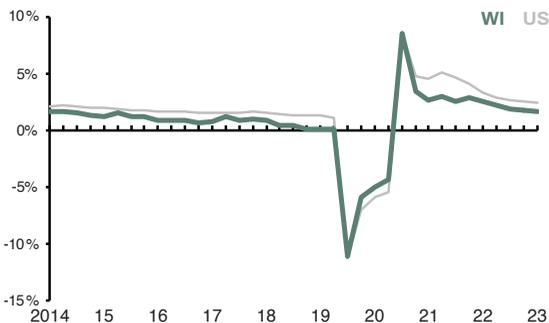
Absolute Domestic Migration

Cumulative 2013-2023 **-45,131** **Rank: 32**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **6.52%** **Rank: 34**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

26TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	19	17	12	15	14	17	21

VARIABLE	DATA	RANK
Top Marginal Personal Income Tax Rate	7.65%	40
Top Marginal Corporate Income Tax Rate	7.90%	36
Personal Income Tax Progressivity	\$15.60	40
Property Tax Burden	\$30.42	33
Sales Tax Burden	\$21.27	15
Remaining Tax Burden	\$13.58	11
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$0.38	31
Debt Service as a Share of Tax Revenue	4.36%	26
Public Employees Per 10,000 of Population	471.1	8
State Tort System Costs	1.55%	12
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.67	42
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	1	15

WYOMING

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX



ECONOMIC PERFORMANCE RANK

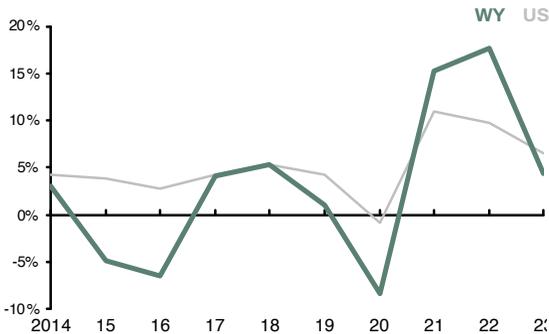
(1=best 50=worst)

43RD

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.

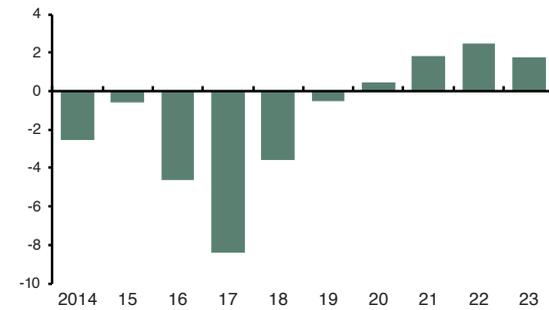
State Gross Domestic Product

Cumulative 2013-2023 **32.07%** **Rank: 49**



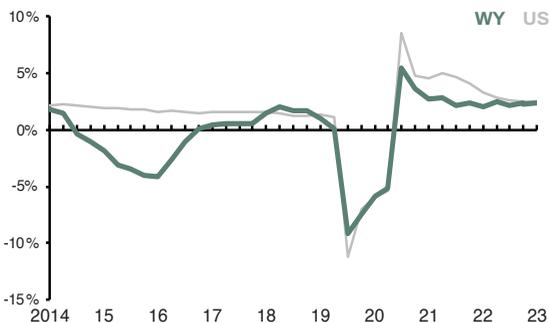
Absolute Domestic Migration

Cumulative 2013-2023 **-13,765** **Rank: 27**
(in thousands)



Non-Farm Payroll Employment

Cumulative 2013-2023 **-0.74%** **Rank: 46**



ECONOMIC OUTLOOK RANK

(1=best 50=worst)

12TH

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	2018	2019	2020	2021	2022	2023	2024
Economic Outlook Rank	8	10	2	4	10	6	8

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	\$0.00	2
Property Tax Burden	\$30.26	32
Sales Tax Burden	\$26.15	30
Remaining Tax Burden	\$13.02	8
Estate/Inheritance Tax Levied?	No	1
Recently Legislated Tax Changes	-\$0.06	36
Debt Service as a Share of Tax Revenue	1.81%	1
Public Employees Per 10,000 of Population	855.2	50
State Tort System Costs	1.38%	4
State Minimum Wage	\$7.25	1
Average Workers' Compensation Costs	\$1.86	44
Right-to-Work State?	Yes	1
Number of Tax Expenditure Limits	0	32

APPENDIX A

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX: ECONOMIC OUTLOOK METHODOLOGY

This report contains 15 policy variables that have a proven impact on the migration of capital—both monetary and human—into and out of states. The end result of an equal weighted combination of these variables is the 2025 ALEC-Laffer Economic Outlook ranking 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 variable includes state and local taxes, if any, and any impact of federal deductibility, if allowed. A state's largest city is used as a proxy for local tax rates. Data were drawn from Tax Analysts, Federation of Tax Administrators, and individual state tax forms. Tax rates are as of January 1, 2025.

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 is used as a proxy for local tax rates. In the case of gross receipts or business franchise taxes, an effective tax rate is 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 a gross receipts tax. Therefore, we believe the best measurement for an effective corporate tax rate for Texas is to average the 4.27 percent measure we would use if the tax were a gross receipts tax and the 0.75 percent highest rate on its margin tax, leading to our measure of 2.66%. Data were drawn from Tax Analysts, Federation of Tax Administrators, individual state tax forms, and the Bureau of Economic Analysis. Tax rates are as of January 1, 2025.

Personal Income Tax Progressivity

This variable is measured as the difference between the average tax liability per \$1,000 at incomes of \$50,000 and \$150,000. The tax liabilities

are measured using a combination of effective tax rates, exemptions, and deductions at both state and federal levels, with calculations from Laffer Associates. Tax rates are as of January 1, 2025.

Property Tax Burden

This variable is calculated as the amount of tax revenues from state and local property taxes per \$1,000 of personal income. We have used U.S. Census Bureau data, for which the most recent year available is 2022. These data were released in October 2024.

Sales Tax Burden

This variable is calculated as the amount of tax revenues from state and local sales taxes per \$1,000 of personal income. Sales taxes taken into consideration include the general sales tax and specific sales taxes. We use U.S. Census Bureau data, for which the most recent year available is 2022. These data were released in October 2024. Where appropriate, gross receipts or business franchise taxes, counted as sales taxes in the Census data, are subtracted from a state's total sales taxes in order to avoid double-counting tax burden in a state.

Remaining Tax Burden

This variable is calculated as the amount of tax revenues from state and local taxes—excluding personal income, corporate income, property, sales, and severance—per \$1,000 of personal income. We use U.S. Census Bureau data, for which the most recent available year is 2022. These data were released in October 2024.

Estate or Inheritance Tax

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 absence thereof. Data are drawn from McGuire Woods LLP, "State Death Tax Chart" and indicate the presence of an estate or inheritance tax as of January 1, 2025.

Recently Legislated Tax Changes

This variable is calculated as each state's relative change in tax burden over a two-year period (in this case, 2023 and 2024 legislative sessions) for the next fiscal year, using revenue estimates of legislated tax changes per \$1,000 of personal income. Personal income data are from 2023. This timeframe ensures that tax changes will still be reflected in a state's rankings despite lags in revenue data. ALEC and Laffer Associates calculations use raw data from state legislative fiscal notes and other sources.

Debt Service as a Share of Tax Revenue

This variable is calculated as the interest paid on state and local debt as a percentage of state and local tax revenue. This information comes from 2022 U.S. Census Bureau data. These data were released in October 2024.

Public Employees per 10,000 Residents

This variable is calculated as the full-time equivalent state and local public employees per 10,000 of state population. This information comes from 2023 U.S. Census Bureau data. These data were released in May 2024.

State Liability System Costs

This variable ranks the costs of tort systems by state, as a share of that state's GDP. Data come from the report Tort Costs in America, Third Edition, published by the U.S. Chamber of Commerce Institute for Legal Reform in November 2024. This variable reflects tort costs in 2022.

State Minimum Wage

This variable indicates 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 of \$7.25 per hour. This information comes from the U.S. Department of Labor, as of January 1, 2025.

Workers' Compensation Costs

This variable highlights the 2022 Workers' Compensation Index Rate (cost per \$100 of payroll). This survey is conducted biennially by the Oregon Department of Consumer and Business Services.

Right-to-Work State

This variable assesses whether or not a state allows employees to be forced to pay union dues as a condition of employment. States receive their rank 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. Right-to-work status is as of January 1, 2025.

Tax and Expenditure Limits

This variable measures the influence of tax and expenditure limits on state tax revenue and spending. It is based on the presence of (1) technical tax and expenditure limits, (2) mandatory voter approval of tax increases, and (3) supermajority requirements for tax increases. Information was sourced from state constitutions and statutes.

APPENDIX B

2025 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX: ECONOMIC PERFORMANCE METHODOLOGY

Gross Domestic Product Growth

This variable is calculated by observing state GDP growth figures over 10 years from 2013 to 2023. A percentage change formula over the 10-year timeframe generates a GDP growth figure for each state. Data are drawn from the Bureau of Economic Analysis, which were last updated in September 2024.

Cumulative Domestic Migration

This variable is a summation of net in-migration of individuals for each state over a 10-year period from 2014-2023. Data are drawn from the U.S. Census Bureau, which were last revised December 2024.

Non-Farm Employment Growth

This variable is calculated by observing state non-farm employment growth figures over a 10-year period, from 2013-2023. A percentage change formula over the 10-year timeframe generates a decadal non-farm employment growth rate for each state. Data are drawn from the Bureau of Labor Statistics, which were last revised December 2024.

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