

Table 1: 2004 State Business Tax Climate Index and Ranking (U.S. Average = 5)

State	2004		2003		Change from 2003 to 2004	
	Score	Rank*	Score	Rank*	Score	Rank
All U.S. States	5.00	-	5.00	-	-	-
South Dakota	7.37	1	7.29	1	0.08	0
Florida	6.92	2	7.00	3	-0.08	1
Alaska	6.85	3	6.75	5	0.10	2
Texas	6.80	4	6.78	4	0.02	0
New Hampshire	6.63	5	6.64	6	-0.01	1
Nevada	6.49	6	7.09	2	-0.60	-4
Wyoming	6.45	7	6.58	7	-0.14	0
Colorado	6.35	8	6.29	10	0.06	2
Washington	6.25	9	6.42	8	-0.17	-1
Oregon	6.15	10	6.30	9	-0.15	-1
Missouri	5.84	11	5.70	13	0.14	2
Indiana	5.74	12	5.90	11	-0.17	-1
Virginia	5.74	12	5.70	13	0.03	1
Oklahoma	5.68	14	5.68	15	0.00	1
Tennessee	5.67	15	5.89	12	-0.22	-3
Alabama	5.66	16	5.67	16	0.00	0
Montana	5.63	17	5.65	17	-0.01	0
Delaware	5.57	18	5.41	19	0.16	1
Arizona	5.49	19	5.50	18	-0.01	-1
Georgia	5.44	20	5.33	20	0.12	0
Maryland	5.42	21	5.31	21	0.11	0
Pennsylvania	5.31	22	4.99	27	0.32	5
Illinois	5.21	23	5.28	23	-0.07	0
South Carolina	5.18	24	5.30	22	-0.11	-2
Mississippi	5.15	25	5.15	25	-0.01	0
Utah	5.10	26	5.05	26	0.04	0
Louisiana	5.06	27	5.18	24	-0.11	-3
Iowa	5.03	28	4.94	30	0.09	2
Ohio	4.87	29	4.99	27	-0.12	-2
North Carolina	4.86	30	4.88	32	-0.02	2
Idaho	4.85	31	4.87	33	-0.02	2
Kansas	4.82	32	4.87	33	-0.05	1
Massachusetts	4.80	33	4.99	27	-0.19	-6
New Jersey	4.78	34	4.87	33	-0.08	-1
Nebraska	4.77	35	4.94	30	-0.17	-5
Michigan	4.70	36	4.71	37	-0.01	1
Connecticut	4.70	37	4.75	36	-0.05	-1
California	4.61	38	4.62	38	-0.01	0
North Dakota	4.50	39	4.53	40	-0.02	1
New Mexico	4.50	40	4.36	43	0.14	3

Wisconsin	4.46	41	4.43	41	0.03	0
Maine	4.44	42	4.39	42	0.06	0
Arkansas	4.44	43	4.58	39	-0.13	-4
Kentucky	4.34	44	4.26	45	0.08	1
Vermont	4.31	45	4.36	43	-0.05	-2
Rhode Island	4.25	46	4.19	47	0.06	1
West Virginia	4.24	47	4.25	46	-0.01	-1
Minnesota	4.06	48	4.05	48	0.01	0
New York	4.04	49	3.95	49	0.09	0
Hawaii	3.74	50	3.69	50	0.05	0
District of Columbia	3.70	-	3.71	-	-0.01	-

*Overall rank orderings based on a comparison of individual state scores from combined subindexes, carried to three decimal places.

Source: Tax Foundation, "2004 State Business Tax Climate Index"