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SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL'S

SMALL BUSINESS SURVIVAL INDEX 2004:

RANKING THE POLICY ENVIRONMENT FOR ENTREPRENEURSHIP
ACROSS THE NATION

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Small Business Survival Index 2004: State Rankings

(Ranked from the Friendliest to the Least Friendly Policy Environments for Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	24.550	27	Wisconsin	46.791
2	Nevada	26.890	28	Utah	46.935
3	Wyoming	31.520	29	Kentucky	47.510
4	Washington	33.910	30	Oklahoma	47.880
5	Florida	34.333	31	Kansas	48.620
6	Michigan	36.920	32	Louisiana	49.850
7	Mississippi	37.840	33	West Virginia	50.005
8	Alabama	39.435	34	Connecticut	50.080
9	Colorado	39.860	35	Nebraska	50.168
10	Indiana	39.880	36	New Mexico	50.510
11	Texas	40.040	37	North Carolina	51.156
12	Pennsylvania	40.503	38	Montana	52.158
13	South Carolina	40.980	39	Oregon	52.700
14	New Hampshire	41.440	40	Ohio	53.190
15	Virginia	41.485	41	Massachusetts	53.245
16	Tennessee	41.710	42	Vermont	54.660
17	Arizona	42.808	43	Iowa	55.115
18	Missouri	43.186	44	New Jersey	56.635
19	Illinois	43.600	45	New York	57.528
20	Alaska	43.840	46	Maine	57.532
21	Maryland	43.975	47	Minnesota	58.770
22	Georgia	44.375	48	Rhode Island	59.060
23	Delaware	44.530	49	Hawaii	59.640
24	Arkansas	44.962	50	California	59.910
25	Idaho	45.640	51	Dist. of Columbia	73.550
26	North Dakota	46.705			

* (Please note that the District of Columbia was not included in the study ranking the states according to their liability systems, so D.C.'s last place score actually is underestimated.)

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Introduction

There are seemingly countless reasons why entrepreneurs choose to set up shop in a particular place. Maybe family considerations come into play, or even the weather. Perhaps there is a geographic necessity, though the great leaps in technology we've experienced in recent times make that a far less important factor. Indeed, advancements in telecommunications and computers have greatly enhanced the ability of both labor and capital to become far more mobile.

What the "Small Business Survival Index" seeks to expose is whether state and local governments turn out to be a plus or a minus when it comes to entrepreneurial decision-making. Specifically, just how weighty are the costs that elected officials impose on entrepreneurs, small businesses and their employees state by state?

Of course, some might ask: Why should we care about entrepreneurs and small businesses? Well, the role of entrepreneurship in the economy is crucial. After all, the innovators, the inventors, the investors, the risk takers drive economic growth and development forward. Smaller enterprises also are the key source of job creation in our economy.

The June 2004 edition of "Small Business by the Numbers," from the U.S. Small Business Administration's Office of Advocacy, provided the following highlights regarding small business's role in the economy:

- Businesses with fewer than 500 employees account for 99.7 percent of all employers.
- These firms employ half of private-sector employees.
- Small enterprises create more than half of non-farm private GDP.
- Over the past decade, small businesses created between 60 percent and 80 percent of net new jobs each year.
- Small businesses create 13 to 14 times the number of patents per employee compared to large patenting businesses.
- 39 percent of high-tech workers are employed by small businesses.
- Small businesses account for 97 percent of all exporting businesses.

For good measure, the United States increasingly is a land of entrepreneurs. Based on IRS tax return statistics, the number of businesses in the U.S. increased by 111 percent between 1975 and 2002. That compares to an increase of only 34 percent in the overall population.

If you think all these things are important, then policymakers better be nice to entrepreneurs and small businesses. And I don't mean just nice talk. Heck, it seems that all politicians say they love small business. The critical issue is having policy realities reflect this small-business-friendly rhetoric.

Misguided public policy can dampen and often misdirect the entrepreneurial impulse. And not only do federal government policies impact small businesses, but policies from states and localities certainly do as well. The Small Business Survival Index ranks the 50 states and District of Columbia according to some of the major government-imposed or government-related costs impacting investment, entrepreneurship, and business.

This ninth annual Small Business Survival Index ties together 23 major government-imposed or government-related costs impacting small businesses and entrepreneurs across a broad spectrum of industries and types of businesses:

- **Personal Income Tax.** State personal income tax rates impact individual economic decision-making. A high personal income tax rate raises the costs of working, saving, investing, and risk taking. Personal income tax rates vary among states, therefore impacting crucial economic decisions and activities. In fact, the personal income tax impacts business far more than generally assumed because roughly 90 percent of businesses file taxes as individuals (e.g., sole proprietorship, partnerships and S-Corps.), and therefore pay personal income taxes rather than corporate income taxes.
- **Capital Gains Tax.** State capital gains taxes are direct levies on investment and entrepreneurship—the sources of growth in the economy. High capital gains taxes restrict access to capital, and help to either restrain or redirect risk taking.
- **Corporate Income Tax.** State corporate income tax rates affect a broad range of business decisions—most clearly decisions relating to investment and location – and obviously hit the bottom line.
- **Additional Income Tax on S-Corporations.** Subchapter S Corporations allow certain businesses to adopt the benefits of a corporation, while allowing income to pass through to be taxed at the individual level. Most states recognize S Corporations, but a few either tax such businesses like other corporations or impose some kind of added tax. Such an additional income tax, again, raises costs, restrains investment, and hurts the state's competitiveness.
- **Individual Alternative Minimum Tax.** The individual alternative minimum tax (AMT) imposes a minimum tax rate that must be paid by individuals, regardless the tax credits or deductions taken. The AMT diminishes the effectiveness of potentially positive, pro-growth tax relief measures.

- **Corporate Alternative Minimum Tax.** The corporate alternative minimum tax (AMT) imposes a minimum tax rate that must be paid by corporations, regardless the available tax credits or deductions taken. Again, the AMT diminishes the effectiveness of potentially positive, pro-growth tax relief measures.
- **Indexing Personal Income Tax Rates.** Indexing income tax rates for inflation is a positive tax measure, which ensures that inflation does not push individuals into higher tax brackets. Without such indexation, one can be pushed into a higher tax bracket without any increases in real income.
- **Property Taxes.** Property taxes impact decisions as to where businesses and entrepreneurs choose to locate, as well as decisions relating to investments in business facilities and homes.
- **Sales, Gross Receipts and Excise Taxes.** State and local sales, gross receipts and excise (including levies on tobacco and alcohol) taxes impact the economic decisions of individuals and families, as well as various businesses. High consumption-based taxes can re-direct consumer purchases, and, especially if combined with other levies like income and property taxes, can serve as real disincentives to productive economic activity.
- **Death Taxes.** The federal government allows for a credit to be taken for state estate taxes against federal estate taxes. However, this credit is limited and some states levy death taxes that reach beyond the federal credit. That number of death tax states is now increasing as the federal levy is being phased out. Death taxes amount to nothing more than a government hostile takeover at death. Individuals pay taxes on business earnings over a lifetime, but then are socked with another tax on the total assets of the firm at the time of an owner's death. High state death taxes offer a clear incentive to move business ventures to less taxing climates; foster wasteful expenditures on tax avoidance, estate planning and insurance; and force many businesses to be sold, borrowed against or closed down. In the end, death taxes hurt entrepreneurship, job creation and economic growth.
- **Unemployment Tax Rates.** The unemployment tax on wages is another burden on entrepreneurs and business. High state unemployment tax rates increase the relative cost of labor versus capital, and provide incentives for labor-intensive businesses to flee from high-tax states to low-tax states.
- **Health Care Costs.** Health insurance represents a significant cost for businesses. Taxes, mandates and regulations increase health-care costs, raise the cost of insurance, increase the number of uninsured, and act as another disincentive to starting up or locating a business in a high-cost state.
- **Electricity Costs.** Obviously, every business uses electricity, and for some, electricity costs rank among the highest expenses. High electricity rates due to hefty taxes and heavy-handed, misguided regulations can play a significant part in business decision-making.
- **Workers' Compensation Costs.** High workers' compensation rates impact the economy in much the same way as high unemployment tax rates. The cost of labor relative to capital is increased, and incentives for labor-intensive businesses to flee are clear.

- **Total Crime Rate.** Just like taxes, a high crime rate acts as a disincentive to entrepreneurs. If government is unable to adequately protect life, limb, and property—the basic duties of any government—then entrepreneurs and businesses will flee to safer environments.
- **Right to Work.** A right-to-work state means that employees generally are not forced to become labor union members or pay dues to unions. Such worker protections offer a more dynamic, flexible workforce in the state, which translates into an amenable environment for increased productivity and improved efficiency.
- **Number of Bureaucrats.** Governmental costs come in many forms, such as taxes, mandates, fees and regulations. Unfortunately, regulatory costs are difficult to assess in a uniform, comparative measure from state to state. One rough proxy for regulations can be the number of state and local government employees—or bureaucrats. After all, with regulations, rules, and mandates come regulators, i.e., those dreaming up, writing, passing, monitoring and enforcing such measures. Obviously, regulators and regulations raise the costs of doing business. A large number of government employees also means that a significant share of individuals are basically performing far less productive work than if they were in the private sector.
- **Tax Limitation States.** Requiring supermajority votes, whether for elected officials or voters in general, in order to increase or impose taxes, serves as a solid check on the growth of taxes and government in general. According to Americans for Tax Reform, both taxes and spending do in fact grow more slowly in supermajority states, and economies expand faster in such states.
- **Internet Taxes.** The Internet serves as a tremendous boost to economic growth and a great expansion of economic opportunity. For small businesses, the Internet allows for greater access to information and markets. Indeed, the Internet gives smaller enterprises access to global markets that they might not have had in the past. Unfortunately, some states have chosen to impose sales taxes on Internet access.
- **Gas Tax.** Every business is affected by the costs of operating motor vehicles -- from trucking firms to the home-based business paying for delivery services. State government impacts these costs through taxes on motor fuels.
- **State Minimum Wage.** In the end, the minimum wage raises costs for businesses—being particularly harmful to smaller firms—while also hurting young, low-skilled, low-income workers by too often denying them the work experience necessary to climb the ladder of economic opportunity. Some states actually impose a state minimum wage that is higher than the federal minimum wage.
- **State Legal Liability Costs.** The costs of litigation loom heavily over all businesses. Indeed, frivolous and costly lawsuits plague businesses across the nation, hurting investment, job creation and the overall economy. In fact, even the mere threat of possible lawsuits can stop some businesses in their tracks. (Please note that the District of Columbia was not included in the study ranking the states according to their liability systems, so D.C.'s last place score on the Small Business Survival Index actually is underestimated.)

• **Regulatory Flexibility Status.** The SBA’s Office of Advocacy has led a campaign to have states pass their own versions of the federal Regulatory Flexibility Act. The idea is to pass legislation that requires state agencies to assess the economic impact before imposing regulations, to consider less burdensome alternatives, to allow for judicial review of the process, and to periodically review all regulations.

These measures are simply added together (for example, as was the case with the old “misery index”) into one index number—the Small Business Survival Index. Obviously, other costs are imposed on entrepreneurs and businesses at the state and local levels, but it often is difficult or impossible to gain a comparable measure of such costs across all of the states. Still, the Small Business Survival Index manages to capture much of the governmental burdens impacting critical economic decisions—particularly affecting investment and entrepreneurship—state by state.

Under the Small Business Survival Index, the lower the index number, the lighter the governmental burdens, and the better the environment for entrepreneurship. The following indicators are added together to arrive at the Small Business Survival Index number:

- state’s top personal income tax rate¹
- state’s top capital gains tax rate on individuals²
- state’s top corporate income tax rate³
- additional income tax imposed on S-Corporations beyond the top personal income tax rate⁴
- state individual alternative minimum tax (states imposing an individual AMT receive a score of “1” and states that do not receive a score of “0”)⁵
- state corporate alternative minimum tax (states imposing an individual AMT receive a score of “1” and states that do not receive a score of “0”)⁶
- state indexing of personal income tax rates (states indexing their personal income tax rates receive a score of “0” and states that do not receive a score of “1”)⁷
- state and local property taxes (property taxes as a share of personal income)⁸

¹ Data Source: CCH Incorporated, *2004 State Tax Handbook*, National Conference of State Legislators, the Federation of Tax Administrators (www.taxadmin.org), and state specific sources. Note: Personal income tax rates reflect deductibility of federal income taxes in certain states.

² Data Source: CCH Incorporated, *2004 State Tax Handbook*, National Conference of State Legislators, the Federation of Tax Administrators (www.taxadmin.org), and state specific sources. Note: Capital gains tax rates reflect deductibility of federal income taxes in certain states.

³ Data Source: CCH Incorporated, *2004 State Tax Handbook*, National Conference of State Legislators, the Federation of Tax Administrators (www.taxadmin.org), and state specific sources. Note: Corporate income tax rates reflect deductibility of federal income taxes in certain states.

⁴ Data Source: CCH Incorporated, *2004 State Tax Handbook*, and state specific sources.

⁵ Data Source: CCH Incorporated, *2004 State Tax Handbook*.

⁶ Data Source: CCH Incorporated, *2004 State Tax Handbook*.

⁷ Data Source: The Federation of Tax Administrators website at www.taxadmin.org.

- state and local sales, gross receipts and excise taxes (sales, gross receipts and excise taxes [less revenues from gas taxes, since gas tax rates are singled out in the Index] as a share of personal income)⁹
- state death taxes (states levying estate, inheritance and/or gift taxes beyond the federal pick-up tax receive a score of “1” and states that do not receive a score of “0”)¹⁰
- unemployment tax rate is adjusted as follows: maximum state tax rate applied to state wage base as a share of state average annual pay¹¹
- state’s health care cost index (per capita personal health care spending relative to the U.S. average)¹²
- state’s electricity cost index (index of state’s average revenue per kilowatthour for electricity utilities)¹³
- index of state average workers’ compensation premiums¹⁴
- state’s crime rate per 100 residents¹⁵
- right-to-work status (non-right-to-work states receive a score of “1,” while right-to-work states receive a score of “0”)¹⁶
- state and local government bureaucrats (full-time equivalent employees per 100 residents)¹⁷
- tax limitation status (states without some form of supermajority tax limitation receive a score of “1,” and states with some supermajority tax limitation receive a score of “0”)¹⁸
- internet access tax (states without such a sales access tax score “0,” and states with such taxes score “1”)¹⁹
- state gas tax (dollars per gallon)²⁰
- state minimum wage minus the federal minimum wage²¹
- state liability score (mean grades based on survey of corporations to assess the fairness and reasonableness of state liability systems in eight key areas)²²

⁸ 2001-02 latest state and local numbers available from the U.S. Bureau of the Census, U.S. Department of Commerce.

⁹ 2001-02 latest state and local numbers available from the U.S. Bureau of the Census, U.S. Department of Commerce.

¹⁰ Data Source: CCH Incorporated, *2004 State Tax Handbook*, the Federation of Tax Administrators website at www.taxadmin.org, the Center on Budget and Policy Priorities, National Conference of State Legislators, and state specific sources.

¹¹ Data Source: Latest data from the U.S. Department of Labor was 2004 maximum rates and taxable wage base, and 2002 average annual wages.

¹² Data Source: 1998 data from the U.S. Department of Health and Human Services.

¹³ Data Source: Data for January to June 2004 from the U.S. Energy Information Administration, *Electric Power Monthly*, September 2004.

¹⁴ Data Source: 2002 data from “2002 Oregon Workers’ Compensation Ranking” compiled and published by the Oregon Department of Consumer & Business Services.

¹⁵ Data Source: 2002 data from the U.S. Federal Bureau of Investigation, *Crime in the United States 2002*.

¹⁶ Data Source: National Right to Work Legal Defense Foundation.

¹⁷ Data Source: 2002 data from the U.S. Bureau of the Census, U.S. Department of Commerce.

¹⁸ Source: Americans for Tax Reform.

¹⁹ Karl Frieden, *Cybertaxation: The Taxation of E-Commerce*, CCH Incorporated, 2000, and “State Taxation of the Internet,” CCH Incorporated.

²⁰ Data Source: “State Motor Fuel Taxes,” July 13, 2004, American Petroleum Institute.

²¹ Data Source: U.S. Department of Labor.

²² Data Source: Harris Interactive, “2004 U.S. Chamber of Commerce State Liability Systems Ranking Study,” U.S. Chamber Institute for Legal Reform. Note: This study did not include the District of Columbia, so D.C.’s score on the Index is underestimated.

- regulatory flexibility legislation status (score of “0” for states with full and active regulatory flexibility statutes, a score of “0.5” for states with partial or partially used regulatory flexibility statutes, and a score of “1” for no regulatory flexibility statutes).²³

The Small Business Survival Index provides a measure by which states can be compared according to how the state and local governments treat small business and entrepreneurs. In essence, it is a comparative measure of economic incentives relating to government policies: the lower the Small Business Survival Index number, the greater the incentives to invest and take risks in that particular state.

(Please note that the 2004 Small Business Survival Index cannot be directly compared to editions from previous years as the Index has been revised and expanded each year.)

²³ Source: U.S. Small Business Administration, Office of Advocacy, “Small Business Friendly Legislation by the Numbers: 2003-2004 Legislative Activity,” June 2004.

State Rankings and Summary of Findings

Following are the state rankings (from friendliest to least friendly) for the Small Business Survival Index 2004:

Small Business Survival Index 2004: State Rankings

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	24.550	27	Wisconsin	46.791
2	Nevada	26.890	28	Utah	46.935
3	Wyoming	31.520	29	Kentucky	47.510
4	Washington	33.910	30	Oklahoma	47.880
5	Florida	34.333	31	Kansas	48.620
6	Michigan	36.920	32	Louisiana	49.850
7	Mississippi	37.840	33	West Virginia	50.005
8	Alabama	39.435	34	Connecticut	50.080
9	Colorado	39.860	35	Nebraska	50.168
10	Indiana	39.880	36	New Mexico	50.510
11	Texas	40.040	37	North Carolina	51.156
12	Pennsylvania	40.503	38	Montana	52.158
13	South Carolina	40.980	39	Oregon	52.700
14	New Hampshire	41.440	40	Ohio	53.190
15	Virginia	41.485	41	Massachusetts	53.245
16	Tennessee	41.710	42	Vermont	54.660
17	Arizona	42.808	43	Iowa	55.115
18	Missouri	43.186	44	New Jersey	56.635
19	Illinois	43.600	45	New York	57.528
20	Alaska	43.840	46	Maine	57.532
21	Maryland	43.975	47	Minnesota	58.770
22	Georgia	44.375	48	Rhode Island	59.060
23	Delaware	44.530	49	Hawaii	59.640
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26	North Dakota	46.705			

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Starting up, owning and operating a business is a risky venture. But those individuals willing to take such risks, by making investments of resources, time and energy, spur the economy forward. Indeed, entrepreneurship and investment serve as the economy's lifeblood. Of course, most politicians claim to support small business, but their actions speak far louder than any political speeches ever could.

In terms of their policy environments, the most entrepreneur-friendly states under the Small Business Survival Index 2004 are: 1) South Dakota, 2) Nevada, 3) Wyoming, 4) Washington, 5) Florida, 6) Michigan, 7) Mississippi, 8) Alabama, 9) Colorado, 10) Indiana, 11) Texas, 12) Pennsylvania, 13) South Carolina, 14) New Hampshire, and 15) Virginia. In contrast, the most anti-entrepreneur policy environments are offered by the following: 37) North Carolina, 38) Montana, 39) Oregon, 40) Ohio, 41) Massachusetts, 42) Vermont, 43) Iowa, 44) New Jersey, 45) New York, 46) Maine, 47) Minnesota, 48) Rhode Island, 49) Hawaii, 50) California and 51) District of Columbia. (Please note that the District of Columbia was not included in the study ranking the states according to their liability systems, so D.C.'s last place score actually is underestimated.)

The Index and the Economy

Again, it needs to be recognized that countless issues factor into human decision-making. The impact of public policy often is a key factor. Consider just a few key economic findings that reflect the differences found among the states in the Small Business Survival Index.

- A startling difference leaps out when you look at population growth. From 1995 to 2002, for example, population growth in the worst 26 states (including the District of Columbia) on the Index was 6.5 percent. Meanwhile, total population growth for the top 25 states was 14.6 percent.
- Equally interesting is net domestic or internal migration, that is, movement of people between the states. From 2000 to 2002, the top 25 states on the Small Business Survival Index netted a 777,365 increase in population at the expense of the bottom 25 states plus the District. Likewise, from 1995 to 2000, the top 25 states gained 1,838,884 people at the expense of the bottom 26 on the Index.
- From 1995 to 2003, job growth also has been faster in the top 25 Index states (a 9.1% increase) compared to the lower 26 (8.4% increase).
- The U.S. Bureau of Economic Analysis in the August 2004 issue of the "Survey of Current Business" noted the ten fastest growing and ten slowest growing states in terms of average annual growth in personal income from 1993 to 2003. Of the top ten fastest states, eight fell into the top half on the Survival Index. Of the ten slowest states, seven ranked in the bottom half of the Index.

The best policy environment for entrepreneurship and small business consists of low taxes, limited government, restrained regulation, and government protecting life, limb and property. States following such a governing philosophy will reap economic rewards from America's entrepreneurs.

Small Business Survival Index 2004

Appendix A: Ranked According to Index Score

<u>Rank</u>	<u>State</u>	Top Personal Income Tax <u>Rate</u>	Top Capital Gains Tax <u>Rate</u>	Top Corp. Income Tax <u>Rate</u>	S-Corp Rate	Ind. AMT	Corp. AMT	PIT Rate Indx	Sales, Gross Rec, Property Taxes	Excise Taxes	Death Taxes	Unemp. Tax	Health Care Costs	Elec. Util. Costs	Workers Comp.	Crime Rate	Right to Work Berths	TL	Internet Access Tax	Gas Tax	State Min. Wage	State Liab.	Reg Flex.	SBSI	
1	SD	0	0	0	0	0	0	0	3.26	3.93	0	1.86	0.97	0.87	1.61	2.28	1	5.55	0	1	0.22	0.00	1.5	0.5	24.550
2	NV	0	0	0	0	0	0	0	2.57	5.17	0	3.49	0.84	1.11	3.02	4.5	0	4.26	0	0	0.23	0.00	1.7	0	26.890
3	WY	0	0	0	0	0	0	0	4.47	3.98	0	4.17	0.9	0.66	1.97	3.58	0	8.25	1	0	0.14	0.00	1.4	1	31.520
4	WA	0	0	0	0	0	0	0	2.92	5.67	1	4.26	0.9	0.76	1.65	5.11	1	5.25	1	0	0.28	2.01	1.6	0.5	33.910
5	FL	0	0	5.5	0	0	1	0	3.17	4.14	0	1.16	1.08	1.1	4.5	5.42	0	4.72	0	0	0.143	0.00	1.9	0.5	34.333
6	MI	3.9	3.9	1.8	1.8	0	0	0	3.27	3.05	0	2.43	0.98	0.94	2.25	3.87	1	5.04	1	0	0.19	0.00	1.5	0	36.920
7	MS	5	0	5	0	0	0	1	2.55	4.39	0	1.42	0.92	0.92	2.21	4.16	0	6.39	0	0	0.18	0.00	3.2	0.5	37.840
8	AL	3.25	4.25	4.225	0	0	0	1	1.29	3.71	0	1.65	0.97	0.82	2.96	4.47	0	5.96	1	0	0.18	0.00	2.7	1	39.435
9	CO	4.63	4.63	4.63	0	1	0	0	2.74	3.12	0	1.77	0.89	0.93	2.73	4.35	1	5.32	0	0	0.22	0.00	1.4	0.5	39.860
10	IN	3.4	3.4	8.5	0	0	0	0	3.46	2.77	1	1.18	0.95	0.74	1.37	3.75	1	5.28	1	0	0.18	0.00	1.4	0.5	39.880
11	TX	0	0	4.5	4.5	0	0	0	3.88	4.09	0	2.05	0.9	1.01	3.29	5.19	0	5.73	1	1	0.2	0.00	2.2	0.5	40.040
12	PA	3.07	3.07	9.99	0	0	0	0	2.84	2.49	1	1.38	1.11	1.08	2.57	2.84	1	4.49	1	0	0.273	0.00	1.8	0.5	40.503
13	SC	7	3.92	5	0	0	0	0	2.96	2.88	0	1.42	0.94	0.82	1.82	5.3	0	5.86	1	0	0.16	0.00	1.9	0	40.980
14	NH	0	0	8.5	8.5	0	0	0	5.01	1.12	0	1.44	1.02	1.53	2.85	2.22	1	5.17	1	0	0.18	0.00	1.4	0.5	41.440
15	VA	5.75	5.75	6	0	0	0	1	2.81	2.38	1	1.41	0.87	0.86	1.5	3.14	0	5.64	1	0	0.175	0.00	1.2	1	41.485
16	TN	0	0	6.5	6.5	0	0	0	2.16	4.16	1	2.15	1.01	0.83	2.3	5.02	0	5.28	1	1	0.2	0.00	1.6	1	41.710
17	AZ	5.04	5.04	6.968	0	0	0	1	2.97	4.50	0	1.11	0.82	0.99	1.63	6.39	0	4.77	0	0	0.18	0.00	1.4	0	42.808
18	MO	6	6	5.156	0	0	0	1	2.40	3.31	0	1.45	1	0.8	2.39	4.6	1	5.51	0	0	0.17	0.00	1.9	0.5	43.186
19	IL	3	3	7.3	1.5	0	0	0	3.82	2.96	1	2.12	1.01	0.9	2.73	4.02	1	5.1	1	0	0.19	0.35	2.1	0.5	43.600
20	AK	0	0	9.4	0	0	1	0	3.94	1.28	0	3.94	0.92	1.53	2.87	4.31	1	7.87	1	0	0.08	2.00	1.7	1	43.840
21	MD	4.75	4.75	7	0	1	0	1	2.74	2.16	1	1.62	1.02	0.88	1.84	4.75	1	5.23	1	0	0.235	0.00	1.5	0.5	43.975
22	GA	6	6	6	0	0	0	1	2.70	3.55	0	1.67	0.93	0.88	2.32	4.51	0	5.54	1	0	0.075	0.00	1.7	0.5	44.375
23	DE	5.95	5.95	8.7	0	0	0	1	1.54	0.84	0	1.76	1.13	0.94	3.38	3.94	1	5.77	0	0	0.23	1.00	0.9	0.5	44.530
24	AR	7.21	5.047	6.5	0	0	0	0	1.57	4.59	0	3.81	0.94	0.76	1.62	4.16	0	5.54	0	0	0.215	0.00	2	1	44.962
25	ID	7.8	3.12	7.6	0	0	0	0	2.80	2.69	0	5.29	0.81	0.67	2.37	3.17	0	5.77	1	0	0.25	0.00	1.3	1	45.640
26	ND	5.54	5.54	6.825	0	0	0	0	3.13	3.39	0	7.03	1.03	0.75	1.24	2.41	0	6.11	1	1	0.21	0.00	1.5	0	46.705
27	WI	6.75	2.7	7.9	0	1	0	0	3.96	2.90	1	3.15	1.02	0.92	2.22	3.25	1	5.3	1	1	0.321	0.00	1.4	0	46.791
28	UT	5.775	6.475	5	0	0	0	1	2.49	3.99	0	6.23	0.73	0.75	1.67	4.45	0	5.33	1	0	0.245	0.00	1.3	0.5	46.935
29	KY	6	6	8.25	0	0	0	1	1.90	3.34	1	2.59	0.99	0.6	2.87	2.9	1	5.62	1	0	0.15	0.00	1.8	0.5	47.510
30	OK	7	7	6	0	0	0	1	1.64	3.35	1	3.89	0.9	0.83	2.82	4.74	0	5.85	0	0	0.16	0.00	1.7	0	47.880
31	KS	6.45	6.45	7.35	0	0	0	1	3.22	3.43	1	1.92	0.99	0.84	1.84	4.09	0	6.4	1	0	0.24	0.00	1.4	1	48.620
32	LA	3.9	5.1	5.2	5.2	0	0	1	1.71	5.64	1	1.44	1	0.94	3.19	5.1	0	6.23	0	0	0.2	0.00	2.5	0.5	49.850
33	WV	6.5	6.5	9	0	1	0	1	2.10	3.91	0	2.38	1.08	0.71	2.53	2.52	1	5.17	1	0	0.205	0.00	2.9	0.5	50.005
34	CT	5	5	7.5	0	1	0	1	4.08	2.79	1	2.21	1.24	1.44	2.9	3	1	5.22	1	1	0.25	1.95	1.5	0	50.080
35	NE	6.84	6.84	7.81	0	1	0	1	3.47	3.00	1	1.28	0.96	0.74	1.93	4.26	0	6.59	1	0	0.248	0.00	1.2	1	50.168
36	NM	6.8	5.44	7.6	0	0	0	1	1.64	4.61	0	3.08	0.85	0.96	2.01	5.08	1	6.37	1	0	0.17	0.00	1.9	1	50.510
37	NC	8.25	8.25	6.9	0	0	0	1	2.35	2.88	1	2.82	0.94	0.93	2.17	4.72	0	5.69	1	0	0.256	0.00	1.5	0.5	51.156
38	MT	7.15	9.35	6.75	0	0	0	0	3.77	0.81	0	5.07	0.88	0.8	3.04	3.51	1	5.75	1	0	0.2775	0.00	2	1	52.158
39	OR	9	9	6.6	0	0	0	0	3.10	0.47	1	4.33	0.89	0.83	2.06	4.87	1	5.21	0	0	0.24	1.90	1.7	0.5	52.700

Small Business Survival Index 2004
Appendix A: Ranked According to Index Score
(continued)

<u>Rank</u>	<u>State</u>	<u>Top Personal Income Tax Rate</u>	<u>Top Capital Gains Tax Rate</u>	<u>Top Corp. Income Tax Rate</u>	<u>S-Corp Rate</u>	<u>Ind. AMT</u>	<u>Corp. AMT</u>	<u>PIT Rate Indx</u>	<u>Property Taxes</u>	<u>Sales, Gross Rec, Excise Taxes</u>	<u>Death Taxes</u>	<u>Unemp. Tax</u>	<u>Health Care Costs</u>	<u>Elec. Util. Costs</u>	<u>Workers Comp.</u>	<u>Crime Rate</u>	<u>Right to Work</u>	<u>Bcrts.</u>	<u>TL</u>	<u>Internet Access Tax</u>	<u>Gas Tax</u>	<u>State Min. Wage</u>	<u>State Liab.</u>	<u>Reg Flex.</u>	<u>SBSI</u>
40	OH	7.5	7.5	8.5	0	0	0	1	3.20	2.82	1	1.97	1	0.91	2.89	4.11	1	5.33	1	1	0.26	0.00	1.7	0.5	53.190
41	MA	5.3	5.3	9.5	4.5	0	0	0	3.47	1.87	1	3.41	1.28	1.41	1.98	3.09	1	5.1	1	0	0.235	1.60	1.7	0.5	53.245
42	VT	9.5	5.7	9.75	0	0	0	1	4.49	2.73	1	1.39	0.97	1.49	2.45	2.53	1	5.96	1	0	0.2	1.60	1.4	0.5	54.660
43	IA	5.837	7.633	9.9	0	1	1	1	3.49	3.08	1	5.31	1	0.84	1.74	3.45	0	5.93	1	0	0.205	0.00	1.2	0.5	55.115
44	NJ	8.97	8.97	9	0	0	0	1	4.74	2.45	1	2.9	1.12	1.33	2.25	3.02	1	5.64	1	0	0.145	0.00	1.6	0.5	56.635
45	NY	7.7	7.7	8.775	1.63	1	1	1	3.92	3.21	1	1.82	1.25	1.57	3.13	2.8	1	6.21	1	0	0.313	0.00	1.5	0	57.528
46	ME	8.5	8.5	8.93	0	1	1	0	5.27	2.89	1	2.18	1.07	1.28	2.3	2.66	1	5.7	1	0	0.252	1.10	1.4	0.5	57.532
47	MN	7.85	7.85	9.8	0	1	1	0	3.11	3.16	1	6.32	1.06	0.82	2.6	3.54	1	5.56	1	0	0.2	0.00	1.4	0.5	58.770
48	RI	9.9	5	9	0	1	0	1	4.44	3.14	1	3.94	1.2	1.46	3.29	3.59	1	4.9	1	0	0.3	1.60	1.8	0.5	59.060
49	HI	8.25	7.25	6.4	0	0	0	1	1.66	5.67	0	5.12	1	2.05	3.48	6.04	1	5.66	1	1	0.16	1.10	1.8	0	59.640
50	CA	9.3	9.3	8.84	1.5	1	1	0	2.62	3.31	0	1.05	0.91	1.48	5.23	3.94	1	5.05	0	0	0.18	1.60	2.1	0.5	59.910
51	DC	9.3	9.3	9.975	9.975	0	0	1	3.02	3.38	1	1.09	1.77	0.95	2.86	8.02	1	7.71	1	0	0.2	1.00	*	1	73.550

* (Please note that the District of Columbia was not included in the study ranking the states according to their liability systems, so D.C.'s last place score actually is underestimated.)

Small Business Survival Index 2004
Appendix B: State Rankings of Top Personal Income Tax Rates

Rank	State	Top PIT Rate	Rank	State	Top PIT Rate
1	Alaska	0.000	27	Georgia	6.000
1	Florida	0.000	27	Kentucky	6.000
1	Nevada	0.000	27	Missouri	6.000
1	New Hampshire	0.000	30	Kansas	6.450
1	South Dakota	0.000	31	West Virginia	6.500
1	Tennessee	0.000	32	Wisconsin	6.750
1	Texas	0.000	33	New Mexico	6.800
1	Washington	0.000	34	Nebraska	6.840
1	Wyoming	0.000	35	Oklahoma	7.000
10	Illinois	3.000	35	South Carolina	7.000
11	Pennsylvania	3.070	37	Montana	7.150
12	Alabama	3.250	38	Arkansas	7.210
13	Indiana	3.400	39	Ohio	7.500
14	Louisiana	3.900	40	New York	7.700
14	Michigan	3.900	41	Idaho	7.800
16	Colorado	4.630	42	Minnesota	7.850
17	Maryland	4.750	43	Hawaii	8.250
18	Connecticut	5.000	43	North Carolina	8.250
18	Mississippi	5.000	45	Maine	8.500
20	Arizona	5.040	46	New Jersey	8.970
21	Massachusetts	5.300	47	Oregon	9.000
22	North Dakota	5.540	48	California	9.300
23	Virginia	5.750	48	Dist. of Columbia	9.300
24	Utah	5.775	50	Vermont	9.500
25	Iowa	5.837	51	Rhode Island	9.900
26	Delaware	5.950			

Small Business Survival Index 2004
Appendix C: State Rankings of Top Capital Gains Tax Rates

Rank	State	CG Rate	Rank	State	CG Rate
1	Alaska	0.000	27	New Mexico	5.440
1	Florida	0.000	28	North Dakota	5.540
1	Mississippi	0.000	29	Vermont	5.700
1	Nevada	0.000	30	Virginia	5.750
1	New Hampshire	0.000	31	Delaware	5.950
1	South Dakota	0.000	32	Georgia	6.000
1	Tennessee	0.000	32	Kentucky	6.000
1	Texas	0.000	32	Missouri	6.000
1	Washington	0.000	35	Kansas	6.450
1	Wyoming	0.000	36	Utah	6.475
11	Wisconsin	2.700	37	West Virginia	6.500
12	Illinois	3.000	38	Nebraska	6.840
13	Pennsylvania	3.070	39	Oklahoma	7.000
14	Idaho	3.120	40	Hawaii	7.250
15	Indiana	3.400	41	Ohio	7.500
16	Michigan	3.900	42	Iowa	7.633
17	South Carolina	3.920	43	New York	7.700
18	Alabama	4.250	44	Minnesota	7.850
19	Colorado	4.630	45	North Carolina	8.250
20	Maryland	4.750	46	Maine	8.500
21	Connecticut	5.000	47	New Jersey	8.970
21	Rhode Island	5.000	48	Oregon	9.000
23	Arizona	5.040	49	California	9.300
24	Arkansas	5.047	49	Dist. of Columbia	9.300
25	Louisiana	5.100	51	Montana	9.350
26	Massachusetts	5.300			

Small Business Survival Index 2004
Appendix D: State Rankings of Top Corporate Income Tax Rates

Rank	State	Top CIT Rate	Rank	State	Top CIT Rate
1	Nevada	0.000	27	Illinois	7.300
1	South Dakota	0.000	28	Kansas	7.350
1	Washington	0.000	29	Connecticut	7.500
1	Wyoming	0.000	30	Idaho	7.600
5	Michigan	1.800	30	New Mexico	7.600
6	Alabama	4.225	32	Nebraska	7.810
7	Texas	4.500	33	Wisconsin	7.900
8	Colorado	4.630	34	Kentucky	8.250
9	Mississippi	5.000	35	Indiana	8.500
9	South Carolina	5.000	35	New Hampshire	8.500
9	Utah	5.000	35	Ohio	8.500
12	Missouri	5.156	38	Delaware	8.700
13	Louisiana	5.200	39	New York	8.775
14	Florida	5.500	40	California	8.840
15	Georgia	6.000	41	Maine	8.930
15	Oklahoma	6.000	42	New Jersey	9.000
15	Virginia	6.000	42	Rhode Island	9.000
18	Hawaii	6.400	42	West Virginia	9.000
19	Arkansas	6.500	45	Alaska	9.400
19	Tennessee	6.500	46	Massachusetts	9.500
21	Oregon	6.600	47	Vermont	9.750
22	Montana	6.750	48	Minnesota	9.800
23	North Dakota	6.825	49	Iowa	9.900
24	North Carolina	6.900	50	Dist. of Columbia	9.975
25	Arizona	6.968	51	Pennsylvania	9.990
26	Maryland	7.000			

Small Business Survival Index 2004
Appendix E: State Rankings of State and Local Property Taxes
(Property Taxes as a Share of Personal Income)

Rank	State	Prop. Taxes	Rank	State	Prop. Taxes
1	Alabama	1.29	27	Oregon	3.10
2	Delaware	1.54	28	Minnesota	3.11
2	Arkansas	1.57	29	North Dakota	3.13
4	New Mexico	1.64	30	Florida	3.17
4	Oklahoma	1.64	31	Ohio	3.20
6	Hawaii	1.66	32	Kansas	3.22
7	Louisiana	1.71	33	South Dakota	3.26
8	Kentucky	1.90	34	Michigan	3.27
9	West Virginia	2.10	35	Indiana	3.46
10	Tennessee	2.16	36	Massachusetts	3.47
11	North Carolina	2.35	36	Nebraska	3.47
12	Missouri	2.40	38	Iowa	3.49
13	Utah	2.49	39	Montana	3.77
14	Mississippi	2.55	40	Illinois	3.82
15	Nevada	2.57	41	Texas	3.88
16	California	2.62	42	New York	3.92
17	Georgia	2.70	43	Alaska	3.94
18	Colorado	2.74	44	Wisconsin	3.96
18	Maryland	2.74	45	Connecticut	4.08
20	Idaho	2.80	46	Rhode Island	4.44
21	Virginia	2.81	47	Wyoming	4.47
22	Pennsylvania	2.84	48	Vermont	4.49
23	Washington	2.92	49	New Jersey	4.74
24	South Carolina	2.96	50	New Hampshire	5.01
25	Arizona	2.97	51	Maine	5.27
26	Dist. of Columbia	3.02			

Small Business Survival Index 2004

Appendix F: State Rankings of State and Local Sales, Gross Receipts and Excise Taxes

(Sales, Gross Receipts and Excise Taxes as a Share of Personal Income)

Rank	State	SGRE Taxes	Rank	State	SGRE Taxes
1	Oregon	0.47	26	New York	3.21
2	Montana	0.81	28	California	3.31
3	Delaware	0.84	28	Missouri	3.31
4	New Hampshire	1.12	30	Kentucky	3.34
5	Alaska	1.28	31	Oklahoma	3.35
6	Massachusetts	1.87	32	Dist. of Columbia	3.38
7	Maryland	2.16	33	North Dakota	3.39
8	Virginia	2.38	34	Kansas	3.43
9	New Jersey	2.45	35	Georgia	3.55
10	Pennsylvania	2.49	36	Alabama	3.71
11	Idaho	2.69	37	West Virginia	3.91
12	Vermont	2.73	38	South Dakota	3.93
13	Indiana	2.77	39	Wyoming	3.98
14	Connecticut	2.79	40	Utah	3.99
15	Ohio	2.82	41	Texas	4.09
16	North Carolina	2.88	42	Florida	4.14
16	South Carolina	2.88	43	Tennessee	4.16
18	Maine	2.89	44	Mississippi	4.39
19	Wisconsin	2.90	45	Arizona	4.50
20	Illinois	2.96	46	Arkansas	4.59
21	Nebraska	3.00	47	New Mexico	4.61
21	Michigan	3.05	48	Nevada	5.17
23	Iowa	3.08	49	Louisiana	5.64
24	Colorado	3.12	50	Hawaii	5.67
24	Rhode Island	3.14	50	Washington	5.67
26	Minnesota	3.16			

Small Business Survival Index 2004

Appendix G: State Rankings of Adjusted Unemployment Tax Rate

(Maximum State Tax Rate Applied to State Wage Base as a Share of State Average Annual Pay)

Rank	State	Unemp. Tax	Rank	State	Unemp. Tax
1	California	1.05	27	Maine	2.18
2	Dist. of Columbia	1.09	28	Connecticut	2.21
3	Arizona	1.11	29	West Virginia	2.38
4	Florida	1.16	30	Michigan	2.43
5	Indiana	1.18	31	Kentucky	2.59
6	Nebraska	1.28	32	North Carolina	2.82
7	Pennsylvania	1.38	33	New Jersey	2.9
8	Vermont	1.39	34	New Mexico	3.08
9	Virginia	1.41	35	Wisconsin	3.15
10	Mississippi	1.42	36	Massachusetts	3.41
10	South Carolina	1.42	37	Nevada	3.49
12	Louisiana	1.44	38	Arkansas	3.81
12	New Hampshire	1.44	39	Oklahoma	3.89
14	Missouri	1.45	40	Alaska	3.94
15	Maryland	1.62	40	Rhode Island	3.94
16	Alabama	1.65	42	Wyoming	4.17
17	Georgia	1.67	43	Washington	4.26
18	Delaware	1.76	44	Oregon	4.33
19	Colorado	1.77	45	Montana	5.07
20	New York	1.82	46	Hawaii	5.12
21	South Dakota	1.86	47	Idaho	5.29
22	Kansas	1.92	48	Iowa	5.31
23	Ohio	1.97	49	Utah	6.23
24	Texas	2.05	50	Minnesota	6.32
25	Illinois	2.12	51	North Dakota	7.03
26	Tennessee	2.15			

Small Business Survival Index 2004
Appendix H: State Rankings of Health Care Costs

(Index of Per Capita Personal Health Care Spending Relative to the U.S. Average)

Rank	State	Health Care	Rank	State	Health Care
1	Utah	0.73	27	Kansas	0.99
2	Idaho	0.81	27	Kentucky	0.99
3	Arizona	0.82	29	Hawaii	1.00
4	Nevada	0.84	29	Iowa	1.00
5	New Mexico	0.85	29	Louisiana	1.00
5	Virginia	0.87	29	Missouri	1.00
7	Montana	0.88	29	Ohio	1.00
8	Colorado	0.89	34	Illinois	1.01
8	Oregon	0.89	34	Tennessee	1.01
10	Oklahoma	0.90	36	Maryland	1.02
10	Texas	0.90	36	New Hampshire	1.02
10	Washington	0.90	36	Wisconsin	1.02
10	Wyoming	0.90	39	North Dakota	1.03
14	California	0.91	40	Minnesota	1.06
15	Alaska	0.92	41	Maine	1.07
15	Mississippi	0.92	42	Florida	1.08
17	Georgia	0.93	42	West Virginia	1.08
18	Arkansas	0.94	44	Pennsylvania	1.11
18	North Carolina	0.94	45	New Jersey	1.12
18	South Carolina	0.94	46	Delaware	1.13
21	Indiana	0.95	47	Rhode Island	1.20
22	Nebraska	0.96	48	Connecticut	1.24
23	Alabama	0.97	49	New York	1.25
23	South Dakota	0.97	50	Massachusetts	1.28
23	Vermont	0.97	51	Dist. of Columbia	1.77
26	Michigan	0.98			

Small Business Survival Index 2004

Appendix I: State Rankings of Electric Utility Costs

(Index of State Average Revenue Per Kilowatt-hour for Electricity Utilities Relative to the U.S. Average)

Rank	State	Elec. Costs	Rank	State	Elec. Costs
1	Kentucky	0.60	27	Mississippi	0.92
2	Wyoming	0.66	27	Wisconsin	0.92
3	Idaho	0.67	29	Colorado	0.93
4	West Virginia	0.71	29	North Carolina	0.93
5	Indiana	0.74	31	Delaware	0.94
5	Nebraska	0.74	31	Louisiana	0.94
7	North Dakota	0.75	31	Michigan	0.94
7	Utah	0.75	34	Dist. of Columbia	0.95
9	Arkansas	0.76	35	New Mexico	0.96
9	Washington	0.76	36	Arizona	0.99
11	Missouri	0.80	37	Texas	1.01
11	Montana	0.80	38	Pennsylvania	1.08
13	Alabama	0.82	39	Florida	1.10
13	Minnesota	0.82	40	Nevada	1.11
13	South Carolina	0.82	41	Maine	1.28
16	Oklahoma	0.83	42	New Jersey	1.33
16	Oregon	0.83	43	Massachusetts	1.41
16	Tennessee	0.83	44	Connecticut	1.44
19	Iowa	0.84	45	Rhode Island	1.46
19	Kansas	0.84	46	California	1.48
21	Virginia	0.86	47	Vermont	1.49
22	South Dakota	0.87	48	Alaska	1.53
23	Georgia	0.88	48	New Hampshire	1.53
23	Maryland	0.88	50	New York	1.57
25	Illinois	0.90	51	Hawaii	2.05
26	Ohio	0.91			

Small Business Survival Index 2004
Appendix J: State Rankings of Workers' Compensation Premiums

Rank	State	Work Comp	Rank	State	Work Comp
1	North Dakota	1.24	27	Missouri	2.39
2	Indiana	1.37	28	Vermont	2.45
3	Virginia	1.50	29	West Virginia	2.53
4	South Dakota	1.61	30	Pennsylvania	2.57
5	Arkansas	1.62	31	Minnesota	2.60
6	Arizona	1.63	32	Colorado	2.73
7	Washington	1.65	32	Illinois	2.73
8	Utah	1.67	34	Oklahoma	2.82
9	Iowa	1.74	35	New Hampshire	2.85
10	South Carolina	1.82	36	Dist. of Columbia	2.86
11	Kansas	1.84	37	Alaska	2.87
11	Maryland	1.84	37	Kentucky	2.87
13	Nebraska	1.93	39	Ohio	2.89
14	Wyoming	1.97	40	Connecticut	2.90
15	Massachusetts	1.98	41	Alabama	2.96
16	New Mexico	2.01	42	Nevada	3.02
17	Oregon	2.06	43	Montana	3.04
18	North Carolina	2.17	44	New York	3.13
19	Mississippi	2.21	45	Louisiana	3.19
20	Wisconsin	2.22	46	Rhode Island	3.29
21	Michigan	2.25	46	Texas	3.29
21	New Jersey	2.25	48	Delaware	3.38
23	Maine	2.30	49	Hawaii	3.48
23	Tennessee	2.30	50	Florida	4.50
25	Georgia	2.32	51	California	5.23
26	Idaho	2.37			

Small Business Survival Index 2004
Appendix K: State Rankings of Crime Rate

Rank	State	Crime Rate	Rank	State	Crime Rate
1	New Hampshire	2.22	27	Ohio	4.11
2	South Dakota	2.28	28	Arkansas	4.16
3	North Dakota	2.41	28	Mississippi	4.16
4	West Virginia	2.52	30	Nebraska	4.26
5	Vermont	2.53	31	Alaska	4.31
6	Maine	2.66	32	Colorado	4.35
7	New York	2.80	33	Utah	4.45
8	Pennsylvania	2.84	34	Alabama	4.47
9	Kentucky	2.90	35	Nevada	4.50
10	Connecticut	3.00	36	Georgia	4.51
11	New Jersey	3.02	37	Missouri	4.60
12	Massachusetts	3.09	38	North Carolina	4.72
13	Virginia	3.14	39	Oklahoma	4.74
14	Idaho	3.17	40	Maryland	4.75
15	Wisconsin	3.25	41	Oregon	4.87
16	Iowa	3.45	42	Tennessee	5.02
17	Montana	3.51	43	New Mexico	5.08
18	Minnesota	3.54	44	Louisiana	5.10
19	Wyoming	3.58	45	Washington	5.11
20	Rhode Island	3.59	46	Texas	5.19
21	Indiana	3.75	47	South Carolina	5.30
22	Michigan	3.87	48	Florida	5.42
23	California	3.94	49	Hawaii	6.04
23	Delaware	3.94	50	Arizona	6.39
25	Illinois	4.02	51	Dist. of Columbia	8.02
26	Kansas	4.09			

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Appendix L: State Rankings of the Number of Bureaucrats
 (Full-Time-Equivalent State and Local Government Employees Per 100 Residents)

Rank	State	Bureaucrats	Rank	State	Bureaucrats
1	Nevada	4.26	27	Kentucky	5.62
2	Pennsylvania	4.49	28	New Jersey	5.64
3	Florida	4.72	28	Virginia	5.64
4	Arizona	4.77	30	Hawaii	5.66
5	Rhode Island	4.90	31	North Carolina	5.69
6	Michigan	5.04	32	Maine	5.70
7	California	5.05	33	Texas	5.73
8	Illinois	5.10	34	Montana	5.75
8	Massachusetts	5.10	35	Delaware	5.77
10	New Hampshire	5.17	35	Idaho	5.77
10	West Virginia	5.17	37	Oklahoma	5.85
12	Oregon	5.21	38	South Carolina	5.86
13	Connecticut	5.22	39	Iowa	5.93
14	Maryland	5.23	40	Alabama	5.96
15	Washington	5.25	41	Vermont	5.96
16	Indiana	5.28	42	North Dakota	6.11
16	Tennessee	5.28	43	New York	6.21
18	Wisconsin	5.30	44	Louisiana	6.23
19	Colorado	5.32	45	New Mexico	6.37
20	Ohio	5.33	46	Mississippi	6.39
20	Utah	5.33	47	Kansas	6.40
22	Missouri	5.51	48	Nebraska	6.59
23	Arkansas	5.54	49	Dist. of Columbia	7.71
23	Georgia	5.54	50	Alaska	7.87
25	South Dakota	5.55	51	Wyoming	8.25
26	Minnesota	5.56			

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Appendix M: State Rankings of State Gas Taxes
(Dollars Per Gallon of Gasoline)

Rank	State	Gas Tax	Rank	State	Gas Tax
1	Georgia	0.0750	27	Iowa	0.2050
2	Alaska	0.0800	27	West Virginia	0.2050
3	Wyoming	0.1400	29	North Dakota	0.2100
4	Florida	0.1430	30	Arkansas	0.2150
5	New Jersey	0.1450	31	Colorado	0.2200
6	Kentucky	0.1500	31	South Dakota	0.2200
7	Hawaii	0.1600	33	Delaware	0.2300
7	Oklahoma	0.1600	33	Nevada	0.2300
7	South Carolina	0.1600	35	Maryland	0.2350
10	Missouri	0.1700	35	Massachusetts	0.2350
10	New Mexico	0.1700	37	Kansas	0.2400
12	Virginia	0.1750	37	Oregon	0.2400
13	Alabama	0.1800	39	Utah	0.2450
13	Arizona	0.1800	40	Nebraska	0.2480
13	California	0.1800	41	Connecticut	0.2500
13	Indiana	0.1800	41	Idaho	0.2500
13	Mississippi	0.1800	43	Maine	0.2520
13	New Hampshire	0.1800	44	North Carolina	0.2560
19	Illinois	0.1900	45	Ohio	0.2600
19	Michigan	0.1900	46	Pennsylvania	0.2730
21	Dist. of Columbia	0.2000	47	Montana	0.2775
21	Louisiana	0.2000	48	Washington	0.2800
21	Minnesota	0.2000	49	Rhode Island	0.3000
21	Tennessee	0.2000	50	New York	0.3130
21	Texas	0.2000	51	Wisconsin	0.3210
21	Vermont	0.2000			