

**Corporate Income Tax**

**Florida taxes corporate income at a flat rate of 5.5%.** Taxpayers doing business solely within Florida are subject to tax on 100% of their adjusted federal taxable income. Taxpayers doing business in and outside the state apportion their adjusted federal income to Florida by a three-factor formula (25% to property, 25% to payroll, and 50% to sales). Non-business income allocated to Florida is added to the Florida portion of adjusted federal income. An exception of \$25,000 is subtracted to arrive at the Florida net income. Additional Florida income tax advantages:

- ✓ NO corporate income tax on limited partnerships
- ✓ NO corporate income tax on subchapter S-corporations
- ✓ NO corporate franchise tax on capital stock

**by State**

Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	South Dakota	NONE	18	Hawaii	6.4%	35	New Hampshire	8.2%
2	Wyoming	NONE	19	Alabama	6.5%	36	Maryland	8.25%
3	North Carolina	4.0%	20	Arkansas	6.5%	37	Vermont	8.5%
4	North Dakota	4.31%	21	New York	6.5%	38	Delaware	8.7%
5	Colorado	4.63%	22	Tennessee	6.5%	39	California	8.84%
6	Mississippi	5.0%	23	West Virginia	6.5%	40	Maine	8.93%
7	South Carolina	5.0%	24	New Mexico	6.6%	41	Connecticut	9.0%
8	Utah	5.0%	25	Montana	6.75%	42	New Jersey	9.0%
9	Arizona	5.5%	26	Kansas	7.0%	43	Alaska	9.4%
10	Florida	5.5%	27	Rhode Island	7.0%	44	Minnesota	9.8%
11	Georgia	6.0%	28	Idaho	7.4%	45	Pennsylvania	9.99%
12	Kentucky	6.0%	29	Oregon	7.6%	46	Iowa	12.0%
13	Michigan	6.0%	30	Illinois	7.8%	N/A*	Nevada	0.33%
14	Oklahoma	6.0%	31	Nebraska	7.81%	N/A*	Ohio	0.26%
15	Virginia	6.0%	32	Wisconsin	7.9%	N/A*	Texas	0.75%
16	Indiana	6.25%	33	Louisiana	8.0%	N/A*	Washington	3.3%
17	Missouri	6.25%	34	Massachusetts	8.0%			

\*states levying a gross receipts tax; not always directly comparable

**Personal Income Tax**

Florida is one of only seven states to collect **NO PERSONAL INCOME TAX**. This is guaranteed by constitutional provision. The other six states are Alaska, Nevada, South Dakota, Texas, Washington and Wyoming.