

State Corporate Income Taxes 2001–2003

Robert S. McIntyre
Citizens for Tax Justice

T.D. Coo Nguyen
Institute on Taxation
and Economic Policy

February 2005

Acknowledgments

The Institute on Taxation and Economic Policy's research on this report was funded by a grant from the Nathan Cummings Foundation.

Kelci Karl worked on the data underlying this report as an intern for the Institute in the summer of 2004. Her intelligence, cheerfulness, perseverance and diligence were invaluable in ensuring the accuracy of the report.

Michael Mazerov, the Center on Budget and Policy Priorities's state corporate tax expert, contributed numerous insights to the text of this report. His help was indispensable.

Note

All of the underlying research for the company-specific state corporate tax data in this report was performed by the Institute on Taxation and Economic Policy. Citizens for Tax Justice provided technical advice and wrote the main text of the report.

Citizens for Tax Justice
1311 L Street, NW
Washington, DC 20005
202-626-3780
www.ctj.org

Institute on Taxation and Economic Policy
www.itepnet.org

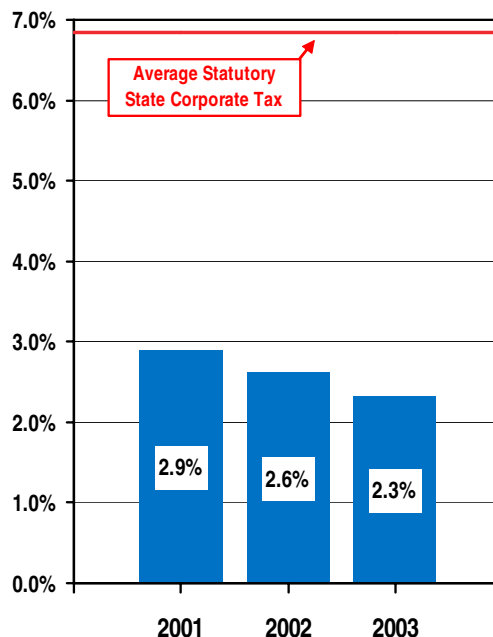
State Corporate Income Taxes 2001–2003

Last September, Citizens for Tax Justice and the Institute on Taxation and Economic Policy published *Corporate Income Taxes in the Bush Years*, an in-depth look at the taxes that 275 large, profitable corporations paid, or failed to pay, on their U.S. profits over the 2001-03 period. That study found that by 2003, these corporations were able to shelter more than half of their U.S. profits from federal income taxes. Since then, we've taken a hard look at what large corporations paid in *state* income taxes over those three years, which we report here.

Of the 275 *Fortune 500* corporations in our September federal study, 252 fully disclosed their state and local income tax payments.¹ Here are some of the key facts that these companies' annual reports reveal:

- By 2003, these 252 companies had slashed their state income tax payments to only 2.3 percent of their U.S. profits. Since the average statutory state corporate tax rate is about 6.8 percent (weighted by gross state product), that means that in 2003, **two-thirds of their profits escaped state taxes entirely.**
- **A shocking 71 of the 252 companies managed to pay no state income tax at all in at least one year from 2001 through 2003**—despite telling their shareholders they made \$86 billion in pretax U.S. profits in those no-tax years. Twenty-five of these companies enjoyed multiple no-tax years.
- Some companies, such as Toys “R” Us, AT&T, Boeing, Eli Lilly, Merrill Lynch, and ITT Industries, paid no net state income tax over the full three-year period.
- In 2003 alone, 35 companies paid no state income tax. Another 138 of the companies paid less than half the statutory state corporate tax rate that year.
- Perhaps most striking, if these 252 corporations had paid the 6.8 percent average state corporate tax rate on the almost \$1 trillion in U.S. profits that they reported to their shareholders, they would have paid \$67.1 billion in state corporate income taxes over the 2001-03 period. Instead, they paid only \$25.4 billion. **Thus, these 252 companies avoided a total of \$41.7 billion in state corporate income taxes over the three years.**

Effective State Corporate Tax Rates on 252 Large Corporations, 2001–2003



The companies in our survey operate all over the country. But they don't disclose their profits and taxes on a state-by-state basis. Tables at the end of this report sort the tax data for all 252 companies not only alphabetically and by tax rates, but also by location of headquarters (for what it's worth). On the next page, we give details about the 71 firms that paid no state income tax in at least one year from 2001 through 2003.

State Corporate Income Taxes Paid and Avoided by 252 Major Corporations, 2001–2003

| \$-billions | Pretax Profits | Tax Due at 6.8% | Actual Tax Paid | Taxes Avoided |
|--------------------|-----------------|-----------------|-----------------|----------------|
| 2001 | \$ 298.8 | \$ 20.5 | \$ 8.6 | \$ 11.9 |
| 2002 | 314.6 | 21.5 | 8.2 | 13.3 |
| 2003 | 367.1 | 25.1 | 8.6 | 16.5 |
| Three years | \$ 980.6 | \$ 67.1 | \$ 25.4 | \$ 41.7 |

¹The state corporate tax information in this report includes both state and local corporate income taxes (the latter for New York and Washington, D.C.). A full methodology for the report is on page 25.

71 Corporations Paying No State Income Tax in at Least One Year, 2001–2003 (\$-million)

| Company | In No-State-Income-Tax Years | | | No-Tax Years | | | | Company | In No-State-Income-Tax Years | | | No-Tax Years | | | | |
|---------------------------------|------------------------------|-------|--------|--------------|------|------|---|---------------------------------|------------------------------|----------------|--------------|--------------|------|------|---|------------|
| | Profit | Tax | Rate | 2001 | 2002 | 2003 | # | | Profit | Tax | Rate | 2001 | 2002 | 2003 | # | |
| Manpower | \$ 111 | \$ -1 | -0.5% | ✓ | ✓ | ✓ | 3 | BB&T | 1,408 | -13 | -0.9% | | | ✓ | 1 | |
| Merrill Lynch | 8,767 | — | — | ✓ | ✓ | ✓ | 3 | Maytag | 184 | -2 | -0.9% | | | ✓ | 1 | |
| ITT Industries | 815 | — | — | ✓ | ✓ | ✓ | 3 | Suntrust | 1,886 | -16 | -0.8% | | ✓ | | 1 | |
| Lexmark | 740 | — | — | ✓ | ✓ | ✓ | 3 | Cinergy | 560 | -4 | -0.7% | | ✓ | | 1 | |
| Reebok | 58 | — | — | ✓ | ✓ | ✓ | 3 | Yum Brands | 665 | -4 | -0.6% | | | ✓ | 1 | |
| Ingram Micro | 45 | -7 | -15.1% | ✓ | | ✓ | 2 | Consolidated Edison | 1,088 | -6 | -0.6% | | ✓ | | 1 | |
| Nucor | 297 | -29 | -9.7% | | ✓ | ✓ | 2 | NiSource | 617 | -3 | -0.5% | | ✓ | | 1 | |
| Toys “R” Us | 344 | -30 | -8.7% | | ✓ | ✓ | 2 | SBC Communications | 8,901 | -38 | -0.4% | | | ✓ | 1 | |
| AT&T | 5,358 | -269 | -5.0% | | ✓ | ✓ | 2 | Charles Schwab | 347 | -1 | -0.3% | | ✓ | | 1 | |
| Wesco International | 60 | -2 | -4.0% | ✓ | | ✓ | 2 | CenterPoint Energy | 802 | -2 | -0.2% | ✓ | | | 1 | |
| Boeing | 3,162 | -110 | -3.5% | | ✓ | ✓ | 2 | Alltel | 1,359 | -2 | -0.2% | | ✓ | | 1 | |
| Pitney Bowes | 1,082 | -26 | -2.4% | | ✓ | ✓ | 2 | Ikon Office Solutions | 197 | -0 | -0.2% | | ✓ | | 1 | |
| OGE Energy | 335 | -7 | -2.0% | | ✓ | ✓ | 2 | IBM | 5,644 | — | — | ✓ | | | 1 | |
| FPL Group | 2,200 | -43 | -2.0% | | ✓ | ✓ | 2 | Pfizer | 4,088 | — | — | ✓ | | | 1 | |
| Eli Lilly | 3,362 | -20 | -0.6% | | ✓ | ✓ | 2 | Amgen | 1,947 | — | — | | ✓ | | 1 | |
| Avon | 573 | -3 | -0.6% | | ✓ | ✓ | 2 | 3M | 1,654 | — | — | | ✓ | | 1 | |
| Metlife | 4,990 | -21 | -0.4% | ✓ | ✓ | | 2 | Tribune Company | 1,408 | — | — | | | ✓ | 1 | |
| Performance Food Group | 191 | -1 | -0.3% | ✓ | | ✓ | 2 | Cardinal Health | 1,149 | — | — | ✓ | | | 1 | |
| Sears | 3,610 | -4 | -0.1% | ✓ | ✓ | | 2 | Apache | 918 | — | — | | | ✓ | 1 | |
| General Dynamics | 2,538 | — | — | | ✓ | ✓ | 2 | General Mills | 751 | — | — | ✓ | | | 1 | |
| Southwest Airlines | 1,101 | — | — | | ✓ | ✓ | 2 | Time Warner | 614 | — | — | ✓ | | | 1 | |
| Boston Scientific | 639 | — | — | | ✓ | ✓ | 2 | Baxter | 602 | — | — | | ✓ | | 1 | |
| L-3 Communications | 500 | — | — | ✓ | ✓ | | 2 | New York Times | 492 | — | — | | ✓ | | 1 | |
| Praxair | 418 | — | — | ✓ | | ✓ | 2 | McKesson | 480 | — | — | ✓ | | | 1 | |
| Advance Auto Parts | 289 | — | — | | ✓ | ✓ | 2 | Marriott International | 410 | — | — | ✓ | | | 1 | |
| Dillard’s | 18 | -2 | -9.1% | | | ✓ | 1 | Caterpillar | 343 | — | — | | ✓ | | 1 | |
| Ball | 113 | -8 | -6.8% | ✓ | | | 1 | Becton Dickinson | 327 | — | — | | | ✓ | 1 | |
| Pepco Holdings | 335 | -17 | -5.1% | | ✓ | | 1 | Dover | 212 | — | — | | ✓ | | 1 | |
| Foot Locker | 115 | -5 | -4.4% | ✓ | | | 1 | Rockwell Automation | 209 | — | — | | | ✓ | 1 | |
| Brunswick | 149 | -5 | -3.4% | | ✓ | | 1 | Ryder | 120 | — | — | | ✓ | | 1 | |
| PPL | 416 | -9 | -2.2% | | ✓ | | 1 | Goodrich | 91 | — | — | | | ✓ | 1 | |
| Public Service Enterprise Group | 1,341 | -28 | -2.1% | | | ✓ | 1 | Smith International | 63 | — | — | | | ✓ | 1 | |
| Whirlpool | 353 | -6 | -1.7% | | ✓ | | 1 | Valero Energy | 44 | — | — | | ✓ | | 1 | |
| Eaton | 323 | -5 | -1.6% | ✓ | | | 1 | Fluor | 41 | — | — | ✓ | | | 1 | |
| Principal Group | 472 | -5 | -1.2% | ✓ | | | 1 | Fisher Scientific International | 6 | — | — | ✓ | | | 1 | |
| Sara Lee | 1,054 | -12 | -1.1% | | | ✓ | 1 | | | | | | | | | |
| | | | | | | | | Totals | \$ 85,905 | \$ -765 | -0.9% | | | | | 101 |

How Companies Avoid State Corporate Income Taxes

Because most states use federal taxable corporate income for computing state taxable profits, most of the loopholes, congressional giveaways and tax shelters that have eroded the federal corporate income tax have reduced state corporate income taxes as well. States do “decouple” from federal tax giveaways occasionally. For example, nearly two-thirds refused to go along with President Bush’s 2001-04 “bonus depreciation” tax breaks. But such decoupling is the exception rather than the rule. So it’s no surprise that the effective state tax rate on our 252 companies fell from 2.9 percent in 2001 to only 2.3 percent in 2003.²

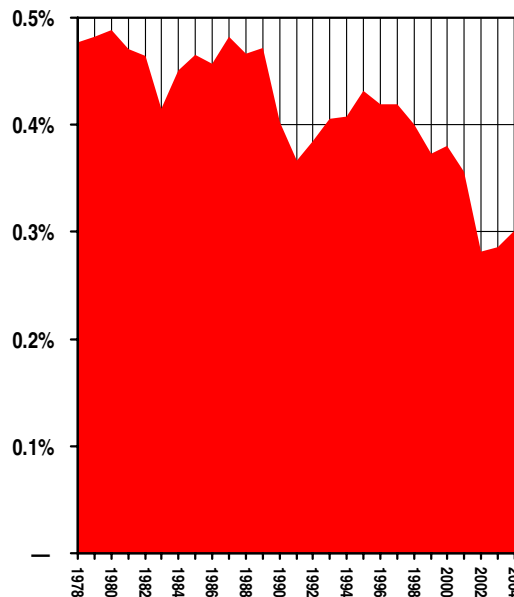
In fact, over the past decade and a half the state corporate income tax has been eroded considerably more than the federal base. Because of all the loopholes in the federal tax structure, the 2003 effective *federal* corporate tax rate on the companies we surveyed was just under half the 35 percent tax rate that the law ostensibly requires companies to pay. At the state level, this ratio is much lower. In 2003, the 2.3 percent effective *state* corporate income tax rate for these same companies was only a third of the 6.8 percent average statutory state corporate income tax rate.³

Looking at a longer time frame, state corporate income taxes have fallen sharply from the 0.47 percent of the gross domestic product that they averaged from fiscal 1978 through 1989—down to an average of only 0.29 percent of the GDP over the past three fiscal years. That 38 percent decline represents a \$56 billion loss in state and local corporate tax revenues over just the past three years.⁴

So by any measure, it’s clear that besides the erosion of state corporate taxes due to conformity with the federal rules, state corporate income taxes have additional big problems of their own.

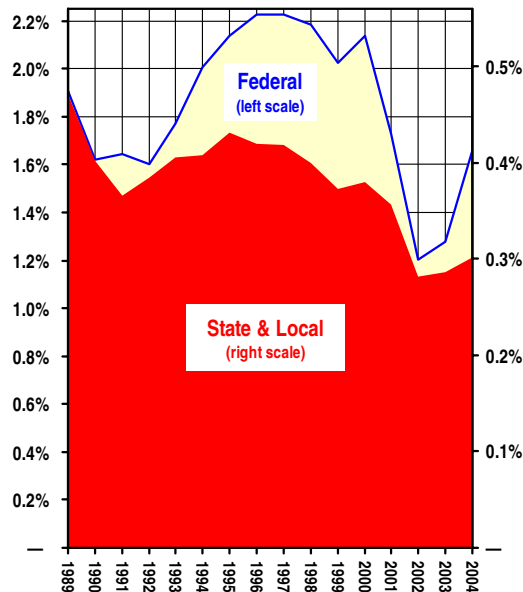
These problems are of two kinds: intentionally enacted state tax “incentives” and unintended tax shelters.

State & Local Corporate Income Taxes
As a % of GDP — Fiscal 1978-2004



Figures exclude Michigan value-added tax and include Texas franchise tax.

Federal vs. State/Local Corp. Inc. Taxes
As a % of GDP — Fiscal 1989-2004



²This 19% decline in the *state* effective tax rate for the 252 corporations in our survey is comparable to the 19% decline in the effective *federal* corporate tax rate on the 275 companies in the September 2004 study, which fell from 21.4% in 2001 to 17.2% in 2003. (The average federal tax rates for the 252 companies that fully disclosed their state corporate income taxes were almost identical to those of the full sample of 275 companies.)

³The 6.8% average state corporate income tax rate was calculated by weighing each state’s statutory rate (including the zero rates in states without corporate income taxes) by each state’s share of gross domestic product.

⁴If state and local corporate tax revenues had equaled 0.47% of GDP in fiscal 2002 through fiscal 2004, then state and local governments would have collected \$56 billion more in corporate tax revenues than they actually did.

The Decline in State Corporate Income Taxes Fiscal 1989 to Fiscal 2003

| State | Corp. Inc Tax / GSP | | % | State | Corp. Inc Tax / GSP | | % |
|----------------------|---------------------|---------|------|----------------|---------------------|--------------|-------------|
| | FY 1989 | FY 2003 | | | FY 1989 | FY 2003 | |
| Alabama | 0.32% | 0.18% | -44% | Missouri | 0.24% | 0.11% | -56% |
| Alaska | 2.08% | 0.65% | -69% | Montana | 0.46% | 0.18% | -61% |
| Arizona | 0.31% | 0.22% | -27% | Nebraska | 0.27% | 0.18% | -33% |
| Arkansas | 0.31% | 0.24% | -23% | New Hampshire | 0.61% | 0.34% | -44% |
| California | 0.71% | 0.47% | -34% | New Jersey | 0.65% | 0.60% | -6% |
| Colorado | 0.25% | 0.11% | -56% | New Mexico | 0.31% | 0.17% | -44% |
| Connecticut | 0.87% | 0.20% | -77% | New York | 0.43% | 0.25% | -42% |
| Delaware | 0.86% | 0.47% | -45% | New York City | 0.41% | 0.31% | -24% |
| District of Columbia | 0.42% | 0.34% | -19% | North Carolina | 0.60% | 0.29% | -51% |
| Florida | 0.31% | 0.25% | -17% | North Dakota | 0.42% | 0.26% | -37% |
| Georgia | 0.40% | 0.15% | -62% | Ohio | 0.44% | 0.20% | -54% |
| Hawaii | 0.32% | 0.06% | -80% | Oklahoma | 0.21% | 0.11% | -50% |
| Idaho | 0.45% | 0.23% | -49% | Oregon | 0.31% | 0.18% | -42% |
| Illinois | 0.42% | 0.34% | -18% | Pennsylvania | 0.51% | 0.27% | -47% |
| Indiana | 0.27% | 0.17% | -38% | Rhode Island | 0.38% | 0.16% | -57% |
| Iowa | 0.40% | 0.14% | -64% | South Carolina | 0.37% | 0.14% | -61% |
| Kansas | 0.42% | 0.14% | -68% | South Dakota | 0.23% | 0.17% | -26% |
| Kentucky | 0.49% | 0.22% | -56% | Tennessee | 0.41% | 0.31% | -25% |
| Louisiana | 0.40% | 0.13% | -67% | Texas | 0.26% | 0.21% | -18% |
| Maine | 0.43% | 0.22% | -48% | Utah | 0.33% | 0.20% | -40% |
| Maryland | 0.31% | 0.18% | -43% | Vermont | 0.35% | 0.20% | -42% |
| Massachusetts | 0.76% | 0.40% | -48% | Virginia | 0.25% | 0.12% | -54% |
| Minnesota | 0.52% | 0.29% | -44% | West Virginia | 0.77% | 0.41% | -47% |
| Mississippi | 0.51% | 0.40% | -21% | Wisconsin | 0.48% | 0.28% | -43% |
| US Average | | | | | 0.48% | 0.29% | -40% |

Sources: Corporate income taxes are from state revenue departments and U.S. Census. Gross State Product (GSP) figures are from the Bureau of Economic Analysis. Compiled by the Institute on Taxation and Economic Policy.

Note: Taxes include local corporate income taxes in Washington, DC and New York City (the latter shown as shares of New York State GSP). Texas figure shown for fiscal 1989 is actually the fiscal 1987-89 average, because Texas corporate tax payments in fiscal 1989 were aberrationally low. BEA's State GSP figures were recently amended to use a slightly different approach for fiscal 1997-2002 compared to the earlier 1989-2001 estimates. The figures above use the older GSP series, plus trends in the new GSP series after 2001.

State tax “incentives”

State elected officials, like their federal brethren, often can’t resist entreaties from corporations for tax breaks justified on the grounds that they will stimulate “economic development.” Not a week goes by that some state is not enacting some kind of new corporate tax break, either as an across-the-board entitlement for all corporations or to attract a high-priority target. North Carolina, for example, just agreed to forgo more than \$230 million in corporate tax receipts that Dell Computer would have otherwise owed in order to attract a \$100 million Dell assembly plant.

More than half the states continue to offer investment tax credits against their corporate tax nearly 20 years after the federal government abandoned its investment credit because Congress and President Reagan concluded that it was ineffective in stimulating investment. According to a study by University of Iowa economist Peter Fisher, the effective corporate tax rate on manufacturing companies in the 20 states he studied fell by 30 percent between 1990 and 1998 alone. Tax incentives, most of them corporate tax credits, offset 30 percent of corporate tax liability in these states in 1998—up from 10 percent in 1990.⁵ State corporate tax credits for everything from providing child care to employees, to conducting product research and development, to cleaning up polluted “brownfields” continue to proliferate.

The corporations’ favorite tax break *du jour* is an arcane change in the formula that states use to divide the profits of multistate corporations among themselves for tax purposes.⁶ In the name of economic development, the corporations are pressuring states to tax them only in proportion to the sales they make in a state. Among the problems with this approach, however, is the fact that federal law says that merely making sales into a state doesn’t necessarily make a corporation taxable. So if a state adopts the sales-only formula, then a resident corporation whose sales are entirely out of state won’t pay anything to its home state, and it may not be taxable in any of its customers’ states, either. This could lead to no corporate income tax liability to any state—what is often called “100 percent nowhere income.”

Intel Corporation, which managed to pay an average of just 3.4 percent of its profits in state income taxes from 2001-2003, has been particularly active in the states in lobbying for this formula change—successfully in Oregon and so far unsuccessfully in Arizona and California.

Corporate tax sheltering through profit-shifting among states

Besides extorting new tax incentives from state officials, big corporations have become increasingly adept at taking advantages of loopholes in state corporate tax systems—again, loopholes over and above the ones that plague the federal corporate income tax and flow down to the state level. Most of these loopholes allow corporations to artificially shift their profits (on paper) from the states in which they are actually earned into states that tax them at lower rates or not at all.

Profit shifting among states is enabled by a provision of most states’ corporate tax laws that treats every individual corporation in a multicorporate group (that is, the parent and potentially dozens or even hundreds of subsidiaries) as a separate corporation for tax purposes. This practice—known as “separate-entity taxation”—enables a number of tax avoidance techniques.

The Toys “R” Us Shelter: The most notorious tax shelter that separate-entity taxation facilitates is the “Delaware Holding Company,” used most famously by Toys “R” Us. In the most common

⁵Peter Fisher, “Tax Incentives and the Disappearing State Corporate Income Tax,” *State Tax Notes*, Mar. 4, 2002, pp. 767-774.

⁶See Michael Mazerov, *The “Single Sales Factor” Formula for State Corporate Taxes: A Boon to Economic Development or a Costly Giveaway?*, Center on Budget and Policy Priorities, revised Sept. 2001.

scenario, a corporation that operates retail stores transfers its logos and other trademarks to a subsidiary corporation it has created in a tax-haven state such as Delaware or Nevada. The stores then pay royalties to this subsidiary for the right to display the trademarks. These royalties are tax-deductible (as a cost of doing business) and hence can be used to largely or entirely eliminate corporate income tax liability in the states in which the corporation is actually operating stores and earning its profits. Meanwhile, the royalty payments are not taxed by the tax-haven state.⁷ Court challenges reveal that a number of other corporations in our study that pay low effective tax rates—including Kohl’s Department Stores and Sherwin-Williams—also use Delaware Holding Companies.

The Texas-Transfer Shelter: Another infamous corporate tax shelter that is eviscerating Texas’s corporate tax in particular also relies on the artificial transfer of profits to a subsidiary in Delaware. A large number of Texas-based corporations—according to press reports including SBC Communications and Dell—have each transferred all their Texas operations to a limited partnership located in Delaware.⁸ The partnership is comprised of one corporate limited partner that owns, say, 99 percent of the Texas operations and a corporate general partner that owns 1 percent. Lawyers for the Texas Comptroller concluded (likely erroneously, but the policy still stands) some years ago that they don’t have legal authority to tax the profits of an “out-of-state” corporation that is a passive investor (“limited partner”) in a partnership doing business in Texas. So the 99 percent of its profit that the Texas business funnels into its Delaware limited partner is beyond Texas’s tax reach, leaving it to tax its share of the profit of the 1 percent general partner.⁹ SBC paid less than 1 percent in state income taxes on its \$31 billion in 2001-03 profits—and paid nothing at all in 2003—not solely due to this one Texas tax shelter of course, but certainly in part.

Asset-Transfer Shelters: A third tax-avoidance strategy exploiting state corporate income taxes that treat parents and subsidiaries as separate taxpaying entities involves spinning off income-generating assets into tax haven subsidiaries. This technique has recently received a lot of attention in Wisconsin.¹⁰ There, state auditors discovered that the vast majority of banks in the state had set up subsidiaries in corporate-income-tax-free Nevada, to which they had transferred the ownership of loans, mortgage-backed securities, and “other intangible assets” in a tax-free transaction involving taking back an equal amount of stock. Even though the intangible assets had been purchased with deposits from Wisconsin households and businesses, and even though the interest paid to those depositors was presumably being deducted by the banks (not to mention the depreciation on the bank branches and the wages paid to the bank employees), the interest and capital gains generated by the Nevada-based intangibles had been placed beyond the tax reach of Wisconsin. If small-town banks in Wisconsin had discovered how to use Nevada subsidiaries to cut their taxes, it’s a safe bet that big multistate and multinational banks have figured it out, too—possibly explaining why financial institutions like BB&T, MBNA and Bank of New York are among the corporations with the lowest effective corporate tax rates in our study.

⁷See Michael Mazerov, *Closing Three Common Corporate Income Tax Loopholes Could Raise Additional Revenue for Many States*, Center on Budget and Policy Priorities, Revised May 21, 2003, pp. 6-9.

⁸Robert T. Garrett, “Business Lobbyists Thwarting Efforts to Close Tax Loophole,” *Dallas Morning News*, May 12, 2003.

⁹Senate of Texas, *Senate Finance Committee Interim Report on Texas Taxes*, Dec. 2002, pp. 78-93.

¹⁰See Paul Gores, “State Reaches 87 Deals with Banks on Tax Shelters,” *Milwaukee Journal Sentinel*, Dec. 1, 2004.

Transfer-Pricing Shelters: Finally, most state corporate income taxes are vulnerable to serious erosion through what is called “transfer pricing.” If a widget manufacturer in Georgia (with a top corporate income tax rate of 6 percent) has a warehouse in South Carolina (top rate of 5 percent), it can reduce its total taxes due to the two states by incorporating the warehouse as a “wholesaling subsidiary.” The plant then charges the subsidiary an artificially-low price for the widgets, which reduces its taxable income in Georgia and shifts it into South Carolina, where it will be taxed at a lower rate. This same transfer-pricing game, played internationally, is widely understood to be a major source of the recent erosion of the federal corporate income tax. The IRS, with all of its tax lawyers and economists, has had a terrible track record in proving that multinational corporations’ international transfer prices are resulting in an abusive shifting of income beyond U.S. borders. State revenue officials are well aware of this, and some make no more than a token effort to police interstate transfer prices—opening the door to significant revenue losses.

Potential Paths to State Corporate Tax Reform

Some people have looked at the wide variety of corporate state-tax-avoidance strategies and concluded that the state corporate income tax is beyond repair. But the truth is that states have lots of tools in their arsenals to revitalize this still-important—and progressive—source of revenue. Here are some of the most promising possibilities:

Decoupling: Calling on the federal government to clean up its corporate tax act is one obvious approach to restoring state corporate income taxes, but that’s probably fruitless these days. Treasury Secretary John W. Snow captured the mood in Washington last December when he said that the only limit President Bush will place on new corporate tax loopholes in his upcoming tax-reform program will be to try to avoid “negative income taxes.” But that doesn’t mean that states have to passively accept every new corporate loophole that gets tucked into the federal code.

Notably, a substantial majority of states “decoupled” from the Bush Administration’s “bonus depreciation” giveaways in 2001-03. Now states face a new federal tax break recently enacted for manufacturers—the so-called deduction for “qualified production activities income”—that they should reject. This new deduction was enacted in October of 2004 to compensate manufacturers for the loss of an unjustified and illegal (under World Trade Organization law) export subsidy. It is bad enough that Congress decided to hold manufacturers harmless for the loss of a tax break they didn’t need or deserve to begin with. It would be even more misguided for the states to suffer a substantial net loss of revenue by conforming to a new tax concession that in no way is tied to the creation of manufacturing jobs in any particular state. Massachusetts has already decoupled from the new federal corporate tax break. The other states with corporate income taxes should do so as well.¹¹

In fact, if the federal government continues on its path of offering more and more corporate tax reductions, as the Bush administration has suggested may happen, states should consider much broader decoupling from the federal corporate tax. California is an example of a state that has rejected a wide array of federal loopholes, and instead insists on rules that more fairly measure corporations’ actual profits.

Apart from decoupling their corporate income taxes from unwise federal corporate tax provisions, there are many other useful steps states can take on their own to revitalize their corporate income taxes.

¹¹See Nicholas Johnson and Elizabeth McNichol, *States Can Decouple from the “Qualified Production Activities Income” Deduction*, Center on Budget and Policy Priorities, Jan. 2005.

Combined Reporting: The single most important state corporate tax reform would be to adopt a practice used by California and 15 other states called “combined reporting,” which effectively treats a parent and its subsidiaries as one corporation for state tax purposes. Combined reporting eliminates most of the tax benefits of shifting profits into Delaware or Nevada by adding them back to the profits of the corporation that *is* taxable in the state and then taxing a share of the combined profit. Vermont enacted a law last year to switch to combined reporting in 2006, and bills have been considered in about 10 other states recently as well. Last year Montana added a new wrinkle to its combined reporting law that other states should emulate. Combined reporting is usually limited to the “water’s edge”—that is, to U.S. based parents and subsidiaries. Montana went beyond that to include in the combined report subsidiaries set up in a number of foreign tax havens—eliminating the state corporate income tax benefits of artificially shifting income into those countries.

“Nowhere Income”: Another key reform is a rule implemented by about half the corporate income tax states that eliminates “nowhere income” arising from the mismatch between the laws that establish when a corporation has crossed the taxability or “nexus” threshold in a state and the rules that divide a corporation’s profit for tax purposes among the states. As noted above, federal law prevents a state from automatically being allowed to tax any corporation that makes sales to its residents. At the same time, the income-division rules always take sales into account to some extent in assigning income for tax purposes—meaning that income can be assigned to states that don’t have the authority to tax it. “Nowhere income” can be eliminated by a rule that effectively assigns any corporate profit that cannot be taxed in the states where a corporation’s customers are located back to the state(s) where the goods are produced. About half the states lack this rule at present.

Alternative Corporate Taxes: States can consider adopting some form of alternative minimum tax to ensure that corporations pay some tax no matter how many loopholes they are able to take advantage of. A number of states piggyback on the federal corporate AMT, but this has become much less useful because the federal AMT has been seriously watered-down over time by Congress. States could consider rejuvenating the older federal AMT rules as an alternative, less loop-hole-prone tax regime. If this seems too complicated, states could also consider using the pretax profits that companies report to their shareholders as the basis for an alternative tax. Since companies are usually reluctant to tell their shareholders they aren’t making healthy profits, this approach provides a built-in check against corporate tax avoidance. Corporations are required to show their profits reported to shareholders on their federal tax returns, and this could prove helpful to states in obtaining the necessary data.

Stop Providing Foolish State Corporate Tax Subsidies: When you find yourself in a hole, the first thing you need to do is stop digging. States need to stop giving away corporate taxes in the name of economic development. Chasing after businesses by fighting over who can give the largest tax concessions is a zero-sum game. States should get together and agree to stop this futile, destructive competition. They should sunset ineffective corporate tax credits and enter into pacts with each other not to use tax giveaways to compete for jobs. A good place to start would be to renounce the single-sales factor interstate income division formula that threatens to eviscerate what is left of the state corporate tax and renegotiate a balanced formula that all states can follow.

Corporate Tax Disclosure: Still another change in state policy is critical: states need to require corporations to disclose publicly, on a state-by-state basis, the amount of corporate income tax they pay and the major factors determining that liability (or lack thereof). Studies like this one can show that there’s a serious problem with the state corporate tax on a national basis. However, without some clearer sense of the specific states in which tax payments are low—or nonexistent—and whether the low payments are due to “nexus” thresholds, income-division rules, the definition of taxable profits, and/or tax credits, policymakers cannot readily identify what they can do to rectify the situation.

Conclusion

The data in this report show in stark terms just how successful large, multistate corporations have become at shirking their tax responsibilities to state and local governments. They have been abetted in this effort by America’s major accounting firms, used heavy lobbying and even threats, and often persuaded state elected officials to become their facilitators, too. As a result, individual taxpayers and purely in-state (usually smaller) businesses are paying a heavy price, in the form of higher taxes, reduced public services and unfair competition.

State taxpayers can continue to tolerate this situation, or they can call on their elected representatives to take steps to address it. This report outlines some pathways to state corporate tax reform. If adopted, they would help restore state corporate income taxes as the progressive—and popular—way to pay for needed state programs that they used to be.

State Income Taxes for 252 Major Corporations, 2001–2003, by 3-Year Tax Rate (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|-------------------------------|--------|------|--------|--------|-----|-------|--------|-----|--------|-------------|-----|-------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Ingram Micro | 9 | — | — | 36 | 1 | 2.8% | 36 | -7 | -18.8% | 81 | -6 | -7.2% |
| Nucor | 67 | -12 | -17.5% | 230 | -17 | -7.5% | 179 | 3 | 1.9% | 476 | -25 | -5.4% |
| Toys "R" Us | 119 | -28 | -23.6% | 225 | -2 | -0.9% | 205 | 8 | 3.9% | 549 | -22 | -4.0% |
| Wesco International | 30 | -1 | -2.9% | 20 | 1 | 2.9% | 30 | -2 | -5.0% | 79 | -2 | -2.3% |
| Boeing | 1,037 | -32 | -3.1% | 2,125 | -78 | -3.7% | 2,479 | 69 | 2.8% | 5,641 | -41 | -0.7% |
| OGE Energy | 209 | -6 | -2.9% | 126 | -1 | -0.5% | 147 | 3 | 2.3% | 482 | -3 | -0.7% |
| AT&T | 2,473 | -250 | -10.1% | 2,885 | -19 | -0.7% | 8,014 | 188 | 2.3% | 13,371 | -81 | -0.6% |
| Manpower | 52 | — | — | 25 | -0 | -1.2% | 34 | -0 | -0.9% | 111 | -1 | -0.5% |
| Pitney Bowes | 620 | -2 | -0.3% | 461 | -24 | -5.2% | 734 | 19 | 2.6% | 1,815 | -7 | -0.4% |
| Eli Lilly | 1,603 | -6 | -0.4% | 1,759 | -13 | -0.8% | 1,929 | 2 | 0.1% | 5,291 | -17 | -0.3% |
| Avon | 302 | — | — | 271 | -3 | -1.2% | 170 | 2 | 0.9% | 743 | -2 | -0.2% |
| Merrill Lynch | 3,529 | — | — | 2,018 | — | — | 3,220 | — | — | 8,767 | — | — |
| Reebok | 32 | — | — | 24 | — | — | 2 | — | — | 58 | — | — |
| ITT Industries | 283 | — | — | 288 | — | — | 244 | — | — | 815 | — | — |
| Lexmark | 306 | — | — | 259 | — | — | 175 | — | — | 740 | — | — |
| Metlife | 1,808 | 22 | 1.2% | 2,068 | -17 | -0.8% | 2,922 | -4 | -0.1% | 6,798 | 1 | 0.0% |
| Southwest Airlines | 708 | — | — | 393 | — | — | 828 | 1 | 0.1% | 1,928 | 1 | 0.0% |
| Advance Auto Parts | 198 | — | — | 91 | — | — | 31 | 0 | 0.7% | 321 | 0 | 0.1% |
| Praxair | 210 | — | — | 223 | 1 | 0.3% | 208 | — | — | 641 | 1 | 0.1% |
| BB&T | 1,408 | -13 | -0.9% | 1,759 | 11 | 0.6% | 1,483 | 8 | 0.6% | 4,651 | 7 | 0.1% |
| Apache | 918 | — | — | 287 | 0 | 0.1% | 605 | 5 | 0.7% | 1,811 | 5 | 0.3% |
| Sara Lee | 1,054 | -12 | -1.1% | 754 | 20 | 2.6% | 1,257 | 1 | 0.1% | 3,065 | 9 | 0.3% |
| General Dynamics | 1,159 | — | — | 1,379 | — | — | 1,272 | 12 | 1.0% | 3,810 | 12 | 0.3% |
| FPL Group | 1,261 | -21 | -1.7% | 939 | -22 | -2.3% | 1,160 | 55 | 4.7% | 3,360 | 12 | 0.4% |
| American Financial Group | 295 | 1 | 0.2% | 180 | 0 | 0.1% | 99 | 1 | 1.2% | 574 | 2 | 0.4% |
| Burlington Northern Santa Fe | 1,231 | 5 | 0.4% | 1,216 | 2 | 0.2% | 1,173 | 8 | 0.7% | 3,620 | 15 | 0.4% |
| Suntrust | 1,921 | 14 | 0.7% | 1,886 | -16 | -0.8% | 2,022 | 27 | 1.4% | 5,829 | 26 | 0.4% |
| CenterPoint Energy | 665 | 5 | 0.8% | 567 | 6 | 1.1% | 802 | -2 | -0.2% | 2,035 | 9 | 0.5% |
| John Hancock | 1,162 | 4 | 0.3% | 522 | 4 | 0.7% | 760 | 5 | 0.6% | 2,443 | 12 | 0.5% |
| Dillard's | 18 | -2 | -9.1% | 204 | 2 | 0.7% | 137 | 2 | 1.4% | 359 | 2 | 0.5% |
| Valero Energy | 639 | 4 | 0.7% | 44 | — | — | 895 | 4 | 0.4% | 1,578 | 8 | 0.5% |
| Performance Food Group | 114 | -1 | -0.4% | 104 | 2 | 2.0% | 76 | — | — | 294 | 2 | 0.5% |
| Boston Scientific | 266 | — | — | 373 | — | — | 44 | 4 | 8.3% | 683 | 4 | 0.5% |
| Ball | 188 | 7 | 3.5% | 224 | 4 | 1.8% | 113 | -8 | -6.8% | 525 | 3 | 0.5% |
| Ikon Office Solutions | 147 | 1 | 0.4% | 197 | -0 | -0.2% | 153 | 2 | 1.6% | 497 | 3 | 0.5% |
| Devon Energy | 1,606 | 1 | 0.0% | 354 | 10 | 2.8% | 492 | 4 | 0.8% | 2,452 | 15 | 0.6% |
| American Axle & Manufacturing | 285 | 2 | 0.8% | 263 | 1 | 0.5% | 162 | 1 | 0.4% | 710 | 4 | 0.6% |
| Becton Dickinson | 327 | — | — | 335 | 5 | 1.4% | 351 | 2 | 0.5% | 1,013 | 6 | 0.6% |
| Cardinal Health | 1,761 | 18 | 1.0% | 1,493 | 10 | 0.7% | 1,149 | — | — | 4,403 | 28 | 0.6% |
| Caterpillar | 489 | 2 | 0.4% | 343 | — | — | 741 | 8 | 1.1% | 1,573 | 10 | 0.7% |
| Anadarko Petroleum | 1,359 | 4 | 0.3% | 706 | 8 | 1.1% | 130 | 4 | 3.1% | 2,195 | 15 | 0.7% |
| American Standard Companies | 549 | 4 | 0.8% | 556 | 5 | 0.9% | 512 | 3 | 0.6% | 1,617 | 12 | 0.7% |
| PepsiCo | 3,245 | 21 | 0.7% | 3,220 | 31 | 1.0% | 2,697 | 17 | 0.6% | 9,162 | 70 | 0.8% |
| Union Pacific | 1,637 | 31 | 1.9% | 1,945 | 4 | 0.2% | 1,479 | 4 | 0.3% | 5,061 | 39 | 0.8% |
| SBC Communications | 8,901 | -38 | -0.4% | 10,460 | 109 | 1.0% | 11,218 | 189 | 1.7% | 30,579 | 260 | 0.9% |
| Maytag | 184 | -2 | -0.9% | 293 | 1 | 0.4% | 197 | 6 | 3.1% | 674 | 6 | 0.9% |
| Sears | 5,279 | 83 | 1.6% | 2,319 | — | — | 1,291 | -4 | -0.3% | 8,889 | 79 | 0.9% |
| MBNA | 3,393 | 35 | 1.0% | 2,741 | 11 | 0.4% | 2,759 | 35 | 1.3% | 8,892 | 80 | 0.9% |
| Ryder | 152 | 3 | 1.9% | 120 | — | — | 49 | 0 | 0.0% | 321 | 3 | 0.9% |
| United Technologies | 1,530 | 28 | 1.8% | 1,900 | 7 | 0.4% | 1,773 | 13 | 0.7% | 5,204 | 48 | 0.9% |
| Goodrich | 91 | — | — | 257 | 4 | 1.5% | 254 | 2 | 0.7% | 601 | 6 | 0.9% |

State Income Taxes for 252 Major Corporations, 2001–2003, by 3-Year Tax Rate (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|---------------------------------|--------|-----|------|--------|-----|-------|--------|-----|-------|-------------|-----|------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| L-3 Communications | 404 | 9 | 2.1% | 295 | — | — | 205 | — | — | 905 | 9 | 1.0% |
| Computer Sciences | 569 | 11 | 1.8% | 409 | 1 | 0.3% | 325 | 1 | 0.3% | 1,303 | 13 | 1.0% |
| UnitedHealth | 2,840 | 8 | 0.3% | 2,096 | 34 | 1.6% | 1,555 | 22 | 1.4% | 6,491 | 64 | 1.0% |
| NCR | 106 | 3 | 2.8% | 295 | 4 | 1.4% | 315 | 0 | 0.0% | 715 | 7 | 1.0% |
| Tech Data | 101 | 0 | 0.3% | 137 | 1 | 0.5% | 107 | 2 | 2.3% | 345 | 3 | 1.0% |
| Regions | 928 | 14 | 1.5% | 887 | 9 | 1.0% | 811 | 4 | 0.5% | 2,627 | 27 | 1.0% |
| Amgen | 2,217 | 25 | 1.1% | 1,947 | — | — | 1,653 | 36 | 2.2% | 5,818 | 61 | 1.0% |
| Whirlpool | 454 | 5 | 1.2% | 353 | -6 | -1.7% | 381 | 14 | 3.6% | 1,189 | 13 | 1.1% |
| Cendant | 1,810 | 16 | 0.9% | 1,234 | 14 | 1.1% | 612 | 11 | 1.8% | 3,656 | 40 | 1.1% |
| Dover | 238 | 3 | 1.2% | 212 | — | — | 199 | 4 | 2.1% | 650 | 7 | 1.1% |
| IBM | 4,611 | 11 | 0.2% | 3,838 | 147 | 3.8% | 5,644 | — | — | 14,093 | 158 | 1.1% |
| Anthem | 1,219 | 11 | 0.9% | 808 | 11 | 1.3% | 541 | 8 | 1.4% | 2,568 | 29 | 1.1% |
| MGM Mirage | 347 | 4 | 1.0% | 434 | 3 | 0.7% | 272 | 6 | 2.1% | 1,053 | 12 | 1.2% |
| Fifth Third | 2,630 | 36 | 1.4% | 2,434 | 19 | 0.8% | 1,703 | 27 | 1.6% | 6,767 | 82 | 1.2% |
| Eaton | 325 | 15 | 4.5% | 292 | 2 | 0.6% | 323 | -5 | -1.6% | 939 | 11 | 1.2% |
| Fisher Scientific International | 36 | 1 | 3.7% | 85 | 0 | 0.3% | 6 | — | — | 128 | 2 | 1.2% |
| Parker Hannifin | 161 | 1 | 0.9% | 200 | 0 | 0.0% | 469 | 9 | 1.9% | 830 | 10 | 1.2% |
| Affiliated Computer Services | 481 | 6 | 1.2% | 353 | 5 | 1.5% | 216 | 3 | 1.2% | 1,050 | 13 | 1.3% |
| Omnicare | 302 | 3 | 0.9% | 205 | 5 | 2.5% | 134 | 1 | 0.6% | 642 | 9 | 1.3% |
| Tribune Company | 1,408 | — | — | 930 | 9 | 0.9% | 419 | 28 | 6.7% | 2,757 | 37 | 1.3% |
| Bank of New York | 1,623 | 6 | 0.4% | 1,417 | 12 | 0.8% | 1,824 | 50 | 2.8% | 4,864 | 69 | 1.4% |
| VF Corporation | 436 | 7 | 1.7% | 402 | 1 | 0.2% | 359 | 9 | 2.6% | 1,196 | 17 | 1.4% |
| Abbott Laboratories | 2,321 | 24 | 1.1% | 2,672 | 11 | 0.4% | 1,718 | 62 | 3.6% | 6,711 | 98 | 1.5% |
| Saks | 110 | 2 | 1.9% | 156 | 0 | 0.1% | 10 | 2 | 18.2% | 275 | 4 | 1.5% |
| General Mills | 1,398 | 30 | 2.2% | 1,202 | 19 | 1.6% | 751 | — | — | 3,351 | 49 | 1.5% |
| Emerson | 843 | 7 | 0.8% | 1,124 | 11 | 0.9% | 1,288 | 32 | 2.5% | 3,254 | 49 | 1.5% |
| Principal Group | 939 | 15 | 1.6% | 646 | 22 | 3.4% | 472 | -5 | -1.2% | 2,056 | 31 | 1.5% |
| Cinergy | 581 | 23 | 4.0% | 560 | -4 | -0.7% | 717 | 9 | 1.3% | 1,859 | 28 | 1.5% |
| SPX | 395 | 5 | 1.4% | 488 | 10 | 2.0% | 408 | 5 | 1.2% | 1,291 | 20 | 1.5% |
| Pfizer | 6,162 | 74 | 1.2% | 4,509 | 167 | 3.7% | 4,088 | — | — | 14,759 | 241 | 1.6% |
| Dean Foods | 556 | 10 | 1.8% | 417 | 5 | 1.3% | 225 | 4 | 2.0% | 1,199 | 20 | 1.7% |
| BellSouth | 5,214 | 125 | 2.4% | 4,018 | 29 | 0.7% | 3,652 | 66 | 1.8% | 12,884 | 220 | 1.7% |
| Newell Rubbermaid | 250 | 2 | 0.6% | 499 | 7 | 1.5% | 391 | 12 | 2.9% | 1,140 | 20 | 1.8% |
| Gillette | 814 | 16 | 1.9% | 928 | 10 | 1.1% | 424 | 13 | 3.0% | 2,166 | 39 | 1.8% |
| General Electric | 11,090 | 264 | 2.4% | 12,110 | 111 | 0.9% | 14,297 | 313 | 2.2% | 37,497 | 688 | 1.8% |
| Smith International | 63 | — | — | 40 | 2 | 3.8% | 174 | 4 | 2.1% | 277 | 5 | 1.9% |
| Burlington Resources | 983 | 8 | 0.8% | 548 | 11 | 2.0% | 470 | 18 | 3.8% | 2,001 | 37 | 1.9% |
| Leggett & Platt | 313 | 4 | 1.3% | 362 | 7 | 1.8% | 312 | 8 | 2.5% | 986 | 18 | 1.9% |
| Procter & Gamble | 4,979 | 73 | 1.5% | 4,271 | 93 | 2.2% | 3,583 | 75 | 2.1% | 12,832 | 242 | 1.9% |
| Pepsi Bottling | 569 | 7 | 1.2% | 592 | 10 | 1.6% | 424 | 14 | 3.2% | 1,585 | 30 | 1.9% |
| Dominion Resources | 1,534 | 20 | 1.3% | 2,008 | 9 | 0.5% | 1,026 | 60 | 5.8% | 4,568 | 89 | 1.9% |
| Alltel | 1,524 | 35 | 2.3% | 1,359 | -2 | -0.2% | 1,709 | 58 | 3.4% | 4,592 | 91 | 2.0% |
| Archer Daniels Midland | 357 | 1 | 0.3% | 441 | 12 | 2.7% | 243 | 8 | 3.2% | 1,040 | 21 | 2.0% |
| 3M | 1,824 | 63 | 3.5% | 1,654 | — | — | 1,456 | 37 | 2.6% | 4,935 | 100 | 2.0% |
| Illinois Tool Works | 1,067 | 23 | 2.2% | 1,190 | 27 | 2.2% | 975 | 17 | 1.7% | 3,232 | 67 | 2.1% |
| Mohawk Industries | 488 | 9 | 1.9% | 444 | 2 | 0.5% | 293 | 14 | 4.8% | 1,226 | 25 | 2.1% |
| PPL | 825 | 12 | 1.5% | 416 | -9 | -2.2% | 607 | 35 | 5.8% | 1,849 | 39 | 2.1% |
| Norfolk Southern | 586 | 11 | 1.8% | 706 | 6 | 0.8% | 553 | 22 | 3.9% | 1,845 | 38 | 2.1% |
| Bed Bath & Beyond | 650 | 12 | 1.8% | 491 | 13 | 2.6% | 357 | 6 | 1.8% | 1,498 | 31 | 2.1% |
| Goldman Sachs | 3,105 | 97 | 3.1% | 1,850 | 14 | 0.8% | 2,418 | 43 | 1.8% | 7,373 | 154 | 2.1% |
| CSX | 186 | 7 | 3.6% | 648 | 17 | 2.6% | 379 | 2 | 0.6% | 1,213 | 25 | 2.1% |

State Income Taxes for 252 Major Corporations, 2001–2003, by 3-Year Tax Rate (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|---------------------------------|--------|-----|-------|--------|-----|-------|--------|-----|------|-------------|-------|------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Kimberly-Clark | 1,652 | 41 | 2.5% | 1,758 | 18 | 1.0% | 1,742 | 49 | 2.8% | 5,152 | 108 | 2.1% |
| Consolidated Edison | 860 | 7 | 0.9% | 1,088 | -6 | -0.6% | 1,169 | 65 | 5.5% | 3,117 | 66 | 2.1% |
| Triad Hospitals | 173 | 4 | 2.4% | 242 | 6 | 2.5% | 97 | 1 | 0.7% | 513 | 11 | 2.1% |
| McKesson | 702 | 22 | 3.2% | 675 | 18 | 2.6% | 480 | — | — | 1,857 | 40 | 2.2% |
| KeyCorp | 1,165 | 26 | 2.2% | 1,056 | 30 | 2.8% | 1,095 | 17 | 1.6% | 3,316 | 73 | 2.2% |
| Morgan Stanley | 4,275 | 37 | 0.9% | 3,252 | 77 | 2.4% | 4,205 | 143 | 3.4% | 11,732 | 258 | 2.2% |
| Comerica | 912 | 22 | 2.5% | 974 | 13 | 1.4% | 1,150 | 31 | 2.7% | 3,036 | 67 | 2.2% |
| Danaher | 566 | 13 | 2.3% | 494 | 10 | 2.1% | 476 | 10 | 2.2% | 1,536 | 34 | 2.2% |
| Aramark | 374 | 7 | 1.8% | 362 | 6 | 1.7% | 238 | 10 | 4.0% | 974 | 22 | 2.3% |
| Brinker International | 251 | 6 | 2.3% | 229 | 4 | 1.6% | 220 | 7 | 3.1% | 700 | 16 | 2.3% |
| JPMorgan Chase | 6,590 | 169 | 2.6% | 2,594 | 80 | 3.1% | 1,961 | 11 | 0.6% | 11,145 | 260 | 2.3% |
| Rockwell Automation | 209 | — | — | 120 | 7 | 5.8% | 116 | 4 | 3.1% | 446 | 11 | 2.4% |
| Coventry Health Care | 393 | 6 | 1.5% | 226 | 4 | 2.0% | 143 | 8 | 5.3% | 762 | 18 | 2.4% |
| Sonic Automotive | 134 | 2 | 1.8% | 177 | 4 | 2.5% | 137 | 4 | 2.7% | 448 | 11 | 2.4% |
| Hughes Supply | 97 | 2 | 2.6% | 102 | 2 | 1.9% | 81 | 2 | 2.8% | 280 | 7 | 2.4% |
| Bank of America | 15,633 | 335 | 2.1% | 13,252 | 408 | 3.1% | 10,636 | 204 | 1.9% | 39,521 | 947 | 2.4% |
| Harley-Davidson | 1,166 | 31 | 2.7% | 886 | 18 | 2.0% | 675 | 17 | 2.5% | 2,727 | 66 | 2.4% |
| Dollar General | 480 | 11 | 2.4% | 415 | 11 | 2.6% | 328 | 8 | 2.3% | 1,222 | 30 | 2.4% |
| Yum Brands | 665 | -4 | -0.6% | 666 | 16 | 2.3% | 598 | 36 | 6.0% | 1,929 | 47 | 2.5% |
| Family Dollar Stores | 390 | 12 | 3.0% | 342 | 8 | 2.2% | 298 | 6 | 2.0% | 1,030 | 25 | 2.5% |
| Nash Finch | 52 | 0 | 0.5% | 50 | 1 | 2.3% | 39 | 2 | 5.2% | 141 | 3 | 2.5% |
| Waste Management | 1,124 | 17 | 1.6% | 1,266 | 25 | 2.0% | 801 | 37 | 4.7% | 3,191 | 80 | 2.5% |
| Graybar Electric | 15 | 1 | 3.4% | 19 | 1 | 2.7% | 51 | 1 | 2.2% | 85 | 2 | 2.5% |
| Kohl's | 950 | 22 | 2.3% | 1,034 | 30 | 2.9% | 804 | 19 | 2.4% | 2,789 | 71 | 2.5% |
| Campbell Soup | 752 | 13 | 1.7% | 685 | 19 | 2.7% | 835 | 26 | 3.2% | 2,272 | 58 | 2.5% |
| ConAgra | 1,151 | 29 | 2.5% | 1,154 | 28 | 2.5% | 1,053 | 29 | 2.7% | 3,358 | 86 | 2.6% |
| Pulte Homes | 992 | 19 | 1.9% | 718 | 20 | 2.8% | 490 | 17 | 3.5% | 2,200 | 56 | 2.6% |
| Mellon Financial | 709 | 10 | 1.5% | 1,430 | 29 | 2.0% | 694 | 34 | 4.9% | 2,834 | 73 | 2.6% |
| Wal-Mart | 12,075 | 319 | 2.6% | 10,490 | 214 | 2.0% | 9,168 | 285 | 3.1% | 31,733 | 818 | 2.6% |
| Wachovia | 5,403 | 60 | 1.1% | 4,255 | 201 | 4.7% | 3,529 | 81 | 2.3% | 13,188 | 342 | 2.6% |
| Timken | 52 | 1 | 1.6% | 179 | 4 | 2.2% | 41 | 2 | 5.7% | 273 | 7 | 2.6% |
| Harrah's Entertainment | 483 | 13 | 2.6% | 534 | 19 | 3.6% | 363 | 5 | 1.3% | 1,380 | 37 | 2.6% |
| Brunswick | 160 | 6 | 4.0% | 149 | -5 | -3.4% | 116 | 10 | 8.6% | 425 | 11 | 2.7% |
| Time Warner | 4,317 | 93 | 2.2% | 1,469 | 78 | 5.3% | 614 | — | — | 6,400 | 171 | 2.7% |
| Disney, Walt | 1,802 | 38 | 2.1% | 1,791 | 54 | 3.0% | 2,586 | 74 | 2.9% | 6,179 | 165 | 2.7% |
| Tyson Foods | 466 | 10 | 2.1% | 536 | 17 | 3.2% | 187 | 5 | 2.7% | 1,189 | 32 | 2.7% |
| Clorox | 719 | 12 | 1.7% | 620 | 14 | 2.2% | 427 | 21 | 5.0% | 1,766 | 48 | 2.7% |
| PepsiAmericas | 243 | 9 | 3.7% | 232 | 5 | 2.3% | 255 | 5 | 2.1% | 730 | 20 | 2.7% |
| UPS (United Parcel Service) | 4,089 | 90 | 2.2% | 5,037 | 129 | 2.6% | 3,929 | 133 | 3.4% | 13,055 | 352 | 2.7% |
| Supervalu | 463 | 14 | 3.1% | 368 | 10 | 2.7% | 357 | 8 | 2.2% | 1,187 | 32 | 2.7% |
| Engelhard | 179 | 4 | 2.2% | 226 | 12 | 5.3% | 192 | 0 | 0.2% | 597 | 16 | 2.7% |
| Wells Fargo | 9,545 | 139 | 1.5% | 8,952 | 260 | 2.9% | 6,055 | 267 | 4.4% | 24,552 | 667 | 2.7% |
| Estee Lauder | 189 | 4 | 2.0% | 120 | 6 | 5.0% | 288 | 6 | 2.2% | 597 | 16 | 2.7% |
| Public Service Enterprise Group | 1,341 | -28 | -2.1% | 661 | 50 | 7.6% | 1,141 | 64 | 5.6% | 3,143 | 86 | 2.7% |
| Jones Apparel | 520 | 14 | 2.8% | 519 | 17 | 3.3% | 415 | 8 | 2.0% | 1,454 | 40 | 2.7% |
| TXU | 917 | 11 | 1.2% | 335 | 7 | 1.9% | 828 | 40 | 4.9% | 2,081 | 58 | 2.8% |
| Citigroup | 18,648 | 444 | 2.4% | 12,621 | 524 | 4.2% | 12,932 | 265 | 2.1% | 44,201 | 1,233 | 2.8% |
| Gannett | 1,744 | 63 | 3.6% | 1,721 | 42 | 2.4% | 1,420 | 31 | 2.2% | 4,885 | 136 | 2.8% |
| Avery Dennison | 152 | 8 | 5.1% | 194 | 1 | 0.6% | 183 | 6 | 3.2% | 529 | 15 | 2.8% |
| ExxonMobil | 9,422 | 316 | 3.4% | 4,316 | 94 | 2.2% | 8,265 | 205 | 2.5% | 22,003 | 616 | 2.8% |
| AutoNation | 596 | 14 | 2.3% | 622 | 17 | 2.8% | 436 | 15 | 3.5% | 1,653 | 46 | 2.8% |

State Income Taxes for 252 Major Corporations, 2001–2003, by 3-Year Tax Rate (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|---------------------------|--------|-----|-------|--------|-----|-------|--------|-----|-------|-------------|-------|------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Fluor | 113 | 6 | 5.7% | 116 | 1 | 1.0% | 41 | — | — | 271 | 8 | 2.8% |
| Foot Locker | 185 | 14 | 7.4% | 157 | 4 | 2.7% | 115 | -5 | -4.4% | 457 | 13 | 2.8% |
| Shaw Group | 16 | 2 | 9.8% | 144 | 6 | 4.3% | 124 | 0 | 0.3% | 284 | 8 | 2.8% |
| PNC | 1,559 | 38 | 2.4% | 1,969 | 46 | 2.4% | 602 | 33 | 5.5% | 4,130 | 117 | 2.8% |
| Autozone | 827 | 24 | 2.8% | 670 | 17 | 2.5% | 326 | 12 | 3.6% | 1,824 | 52 | 2.8% |
| U.S. Bancorp | 5,570 | 133 | 2.4% | 4,795 | 141 | 2.9% | 3,508 | 125 | 3.6% | 13,873 | 399 | 2.9% |
| Hershey | 708 | 20 | 2.8% | 590 | 7 | 1.2% | 355 | 20 | 5.7% | 1,653 | 48 | 2.9% |
| NiSource | 660 | 24 | 3.6% | 617 | -3 | -0.5% | 451 | 29 | 6.4% | 1,728 | 50 | 2.9% |
| AmerisourceBergen | 722 | 17 | 2.3% | 574 | 23 | 4.0% | 208 | 4 | 1.7% | 1,504 | 44 | 2.9% |
| Darden Restaurants | 345 | 9 | 2.5% | 360 | 10 | 2.9% | 296 | 10 | 3.5% | 1,002 | 29 | 2.9% |
| Countrywide Financial | 3,805 | 121 | 3.2% | 1,334 | 35 | 2.6% | 783 | 23 | 3.0% | 5,922 | 179 | 3.0% |
| Marriott International | 405 | 21 | 5.2% | 364 | 16 | 4.3% | 410 | — | — | 1,178 | 37 | 3.1% |
| Johnson Controls | 979 | 29 | 3.0% | 862 | 27 | 3.1% | 660 | 22 | 3.3% | 2,501 | 78 | 3.1% |
| Hormel | 285 | 8 | 2.9% | 293 | 9 | 3.2% | 284 | 9 | 3.2% | 863 | 27 | 3.1% |
| FedEx | 1,227 | 23 | 1.9% | 1,043 | 34 | 3.3% | 824 | 42 | 5.1% | 3,094 | 99 | 3.2% |
| Entergy | 579 | 18 | 3.1% | 1,627 | 39 | 2.4% | 1,173 | 52 | 4.4% | 3,379 | 109 | 3.2% |
| Sherwin-Williams | 523 | 15 | 2.8% | 497 | 16 | 3.2% | 424 | 16 | 3.9% | 1,445 | 47 | 3.3% |
| Automatic Data Processing | 1,475 | 59 | 4.0% | 1,619 | 55 | 3.4% | 1,375 | 32 | 2.4% | 4,469 | 146 | 3.3% |
| Charles Schwab | 642 | 19 | 2.9% | 347 | -1 | -0.3% | 410 | 29 | 7.0% | 1,399 | 46 | 3.3% |
| Kroger | 1,195 | 35 | 3.0% | 1,886 | 70 | 3.7% | 1,804 | 57 | 3.2% | 4,886 | 163 | 3.3% |
| Textron | 246 | 15 | 6.1% | 465 | 15 | 3.2% | 891 | 24 | 2.7% | 1,603 | 53 | 3.3% |
| ConocoPhillips | 4,093 | 132 | 3.2% | 909 | 54 | 5.9% | 3,178 | 89 | 2.8% | 8,181 | 275 | 3.4% |
| Energy East | 366 | 12 | 3.3% | 304 | 10 | 3.2% | 419 | 15 | 3.6% | 1,089 | 37 | 3.4% |
| Intel | 6,364 | 186 | 2.9% | 2,321 | 96 | 4.1% | 1,559 | 67 | 4.3% | 10,244 | 349 | 3.4% |
| American Electric Power | 935 | 19 | 2.0% | 800 | 32 | 4.0% | 1,543 | 61 | 3.9% | 3,277 | 112 | 3.4% |
| State Street | 936 | 51 | 5.4% | 1,409 | 36 | 2.6% | 931 | 26 | 2.7% | 3,276 | 112 | 3.4% |
| Caremark RX | 485 | 10 | 2.1% | 334 | 14 | 4.2% | 206 | 11 | 5.5% | 1,025 | 36 | 3.5% |
| Best Buy | 1,259 | 42 | 3.3% | 1,006 | 45 | 4.5% | 904 | 24 | 2.7% | 3,169 | 111 | 3.5% |
| PPG Industries | 498 | 28 | 5.6% | 545 | 19 | 3.5% | 554 | 10 | 1.7% | 1,596 | 56 | 3.5% |
| Southern | 2,086 | 37 | 1.8% | 1,846 | 60 | 3.3% | 1,677 | 102 | 6.1% | 5,609 | 199 | 3.6% |
| Coca-Cola Company | 2,029 | 82 | 4.0% | 2,001 | 53 | 2.7% | 2,364 | 92 | 3.9% | 6,394 | 227 | 3.6% |
| Baxter | 826 | 2 | 0.3% | 602 | — | — | 527 | 67 | 12.7% | 1,955 | 69 | 3.6% |
| Omnicom | 702 | 12 | 1.7% | 700 | 33 | 4.7% | 663 | 29 | 4.4% | 2,065 | 74 | 3.6% |
| Prudential Financial | 1,849 | 23 | 1.2% | 103 | 2 | 1.9% | 396 | 60 | 15.1% | 2,348 | 85 | 3.6% |
| Henry Schein | 214 | 9 | 4.0% | 186 | 8 | 4.2% | 141 | 3 | 2.3% | 541 | 20 | 3.6% |
| HCA | 2,168 | 72 | 3.3% | 1,472 | 78 | 5.3% | 1,545 | 39 | 2.5% | 5,184 | 188 | 3.6% |
| Borders | 195 | 8 | 4.1% | 195 | 7 | 3.7% | 149 | 5 | 3.1% | 539 | 20 | 3.7% |
| Oracle | 2,114 | 58 | 2.7% | 1,925 | 81 | 4.2% | 2,131 | 89 | 4.2% | 6,170 | 228 | 3.7% |
| Lowe's | 2,998 | 119 | 4.0% | 2,339 | 77 | 3.3% | 1,603 | 61 | 3.8% | 6,940 | 257 | 3.7% |
| CarMax | 189 | 8 | 4.2% | 163 | 5 | 3.3% | 146 | 5 | 3.5% | 499 | 19 | 3.7% |
| CDW | 290 | 15 | 5.2% | 306 | 9 | 2.9% | 280 | 9 | 3.3% | 876 | 33 | 3.8% |
| Masco | 1,172 | 42 | 3.6% | 562 | 29 | 5.1% | 474 | 15 | 3.1% | 2,208 | 85 | 3.9% |
| Starbucks | 431 | 19 | 4.4% | 335 | 9 | 2.7% | 267 | 12 | 4.6% | 1,033 | 41 | 3.9% |
| Pepco Holdings | 174 | 36 | 20.7% | 335 | -17 | -5.1% | 247 | 11 | 4.5% | 755 | 30 | 3.9% |
| BJ's Wholesale Club | 168 | 6 | 3.8% | 236 | 7 | 2.8% | 133 | 8 | 6.1% | 537 | 21 | 4.0% |
| Nordstrom | 398 | 16 | 3.9% | 196 | 10 | 5.1% | 204 | 6 | 3.0% | 798 | 32 | 4.0% |
| Exelon | 2,349 | 88 | 3.8% | 2,668 | 94 | 3.5% | 2,474 | 115 | 4.7% | 7,491 | 298 | 4.0% |
| Stryker | 244 | 14 | 5.9% | 262 | 3 | 1.1% | 241 | 12 | 5.1% | 747 | 30 | 4.0% |
| Ross Stores | 375 | 15 | 4.1% | 330 | 13 | 4.0% | 255 | 10 | 3.9% | 959 | 38 | 4.0% |
| United Stationers | 122 | 4 | 3.4% | 87 | 3 | 3.4% | 121 | 6 | 5.1% | 330 | 13 | 4.0% |
| Altria (Philip Morris) | 8,201 | 368 | 4.5% | 12,179 | 422 | 3.5% | 10,044 | 443 | 4.4% | 30,424 | 1,232 | 4.0% |

State Income Taxes for 252 Major Corporations, 2001–2003, by 3-Year Tax Rate (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|-----------------------------|----------------|--------------|-------------|----------------|--------------|-------------|----------------|--------------|-------------|----------------|---------------|-------------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Target | 2,960 | 116 | 3.9% | 2,676 | 107 | 4.0% | 2,207 | 96 | 4.4% | 7,843 | 319 | 4.1% |
| Radio Shack | 457 | 19 | 4.1% | 386 | 13 | 3.4% | 342 | 18 | 5.2% | 1,185 | 50 | 4.2% |
| Liz Claiborne | 343 | 14 | 4.0% | 305 | 15 | 4.8% | 255 | 10 | 3.9% | 903 | 38 | 4.3% |
| Walgreen | 1,889 | 76 | 4.0% | 1,637 | 75 | 4.6% | 1,423 | 61 | 4.3% | 4,949 | 213 | 4.3% |
| Publix | 1,063 | 46 | 4.4% | 1,003 | 42 | 4.1% | 827 | 37 | 4.5% | 2,892 | 125 | 4.3% |
| Weyerhaeuser | 514 | 29 | 5.6% | 379 | 25 | 6.7% | 685 | 16 | 2.3% | 1,578 | 70 | 4.4% |
| Kinder Morgan | 626 | 23 | 3.6% | 443 | 17 | 3.9% | 385 | 25 | 6.4% | 1,454 | 65 | 4.4% |
| Ryland Group | 396 | 15 | 3.8% | 309 | 15 | 4.8% | 218 | 11 | 5.3% | 924 | 41 | 4.5% |
| Marathon Oil | 1,143 | 56 | 4.9% | 504 | 21 | 4.2% | 1,975 | 85 | 4.3% | 3,622 | 162 | 4.5% |
| NVR | 696 | 30 | 4.3% | 536 | 21 | 4.0% | 402 | 22 | 5.4% | 1,634 | 73 | 4.5% |
| Pacificare Health Systems | 489 | 25 | 5.1% | 222 | 4 | 1.8% | 109 | 8 | 7.4% | 820 | 37 | 4.5% |
| New York Times | 498 | 20 | 3.9% | 492 | — | — | 366 | 42 | 11.4% | 1,357 | 61 | 4.5% |
| Peter Kiewit Sons' | 252 | 14 | 5.6% | 303 | 15 | 5.0% | 278 | 9 | 3.2% | 833 | 38 | 4.6% |
| Home Depot | 6,440 | 303 | 4.7% | 5,571 | 227 | 4.1% | 4,783 | 241 | 5.0% | 16,794 | 771 | 4.6% |
| Oxford Health Plans | 583 | 22 | 3.7% | 377 | 34 | 9.0% | 512 | 13 | 2.5% | 1,472 | 68 | 4.6% |
| Quest Diagnostics | 738 | 46 | 6.3% | 542 | 16 | 2.9% | 334 | 13 | 4.0% | 1,614 | 75 | 4.7% |
| Anheuser-Busch | 2,734 | 132 | 4.8% | 2,548 | 111 | 4.3% | 2,323 | 117 | 5.1% | 7,604 | 360 | 4.7% |
| McDonald's | 1,112 | 55 | 5.0% | 968 | 44 | 4.5% | 1,009 | 48 | 4.7% | 3,090 | 147 | 4.8% |
| Adolph Coors | 134 | 0 | 0.2% | 134 | 9 | 6.9% | 197 | 13 | 6.7% | 465 | 23 | 4.8% |
| C.H. Robinson | 180 | 9 | 5.0% | 148 | 7 | 4.9% | 134 | 6 | 4.7% | 462 | 23 | 4.9% |
| May Department Stores | 617 | 38 | 6.2% | 844 | 32 | 3.8% | 1,139 | 57 | 5.0% | 2,600 | 127 | 4.9% |
| Golden West Financial | 1,798 | 85 | 4.7% | 1,575 | 68 | 4.3% | 1,354 | 80 | 5.9% | 4,727 | 233 | 4.9% |
| Constellation Energy | 745 | 34 | 4.5% | 835 | 24 | 2.9% | 120 | 27 | 22.4% | 1,701 | 85 | 5.0% |
| Genuine Parts | 607 | 27 | 4.4% | 509 | 28 | 5.5% | 619 | 32 | 5.2% | 1,735 | 87 | 5.0% |
| Jacobs Engineering Group | 143 | 7 | 4.8% | 131 | 7 | 5.2% | 103 | 5 | 5.1% | 377 | 19 | 5.0% |
| TJX | 947 | 53 | 5.6% | 848 | 46 | 5.4% | 830 | 39 | 4.7% | 2,624 | 138 | 5.3% |
| Kellogg's | 799 | 39 | 4.9% | 788 | 44 | 5.6% | 506 | 30 | 5.9% | 2,093 | 113 | 5.4% |
| CVS | 1,352 | 77 | 5.7% | 1,103 | 56 | 5.1% | 954 | 52 | 5.4% | 3,409 | 185 | 5.4% |
| Limited Brands | 1,132 | 63 | 5.6% | 781 | 47 | 6.0% | 823 | 40 | 4.8% | 2,736 | 150 | 5.5% |
| Lehman Brothers | 1,884 | 59 | 3.1% | 993 | 148 | 14.9% | 1,804 | 53 | 2.9% | 4,681 | 260 | 5.6% |
| United Auto Group | 117 | 5 | 4.7% | 88 | 6 | 6.3% | 83 | 5 | 6.2% | 287 | 16 | 5.6% |
| Costco | 929 | 57 | 6.1% | 931 | 44 | 4.7% | 825 | 50 | 6.0% | 2,685 | 150 | 5.6% |
| Merck | 4,111 | 226 | 5.5% | 4,536 | 282 | 6.2% | 4,875 | 263 | 5.4% | 13,522 | 771 | 5.7% |
| Reliant Resources | 173 | 34 | 19.9% | 234 | 32 | 13.5% | 804 | 4 | 0.5% | 1,210 | 70 | 5.8% |
| Health Net | 518 | 31 | 6.0% | 353 | 12 | 3.5% | 152 | 16 | 10.3% | 1,023 | 59 | 5.8% |
| Wellpoint Health | 1,559 | 97 | 6.2% | 1,157 | 60 | 5.2% | 699 | 40 | 5.8% | 3,414 | 197 | 5.8% |
| Humana | 345 | 11 | 3.2% | 210 | 22 | 10.7% | 183 | 9 | 5.0% | 738 | 43 | 5.8% |
| Sempra Energy | 551 | 16 | 2.8% | 584 | 30 | 5.1% | 651 | 60 | 9.2% | 1,786 | 105 | 5.9% |
| Nike | 608 | 35 | 5.8% | 445 | 31 | 7.1% | 511 | 30 | 5.8% | 1,564 | 96 | 6.1% |
| Viacom | 4,219 | 211 | 5.0% | 3,274 | 245 | 7.5% | 2,663 | 176 | 6.6% | 10,156 | 633 | 6.2% |
| Federated Department Stores | 1,081 | 48 | 4.4% | 1,042 | 85 | 8.2% | 778 | 57 | 7.4% | 2,901 | 191 | 6.6% |
| Bear Stearns | 1,705 | 120 | 7.0% | 1,297 | 64 | 4.9% | 912 | 83 | 9.1% | 3,914 | 267 | 6.8% |
| Kelly Services | 21 | 3 | 13.0% | 43 | 2 | 5.4% | 39 | 2 | 5.2% | 102 | 7 | 6.9% |
| Unisys | 167 | 16 | 9.8% | 110 | 7 | 6.5% | 83 | 3 | 3.3% | 360 | 26 | 7.3% |
| McGraw Hill | 1,036 | 115 | 11.1% | 810 | 33 | 4.0% | 673 | 35 | 5.2% | 2,520 | 184 | 7.3% |
| Verizon | 4,555 | 265 | 5.8% | 6,129 | 487 | 7.9% | 2,571 | 240 | 9.3% | 13,256 | 991 | 7.5% |
| Autoliv | 55 | 7 | 12.5% | 72 | 7 | 9.5% | 59 | 0 | 0.3% | 186 | 14 | 7.5% |
| Emcor | 55 | 5 | 8.8% | 109 | 8 | 7.0% | 84 | 7 | 8.4% | 248 | 19 | 7.9% |
| All 252 Companies | 367,131 | 8,574 | 2.3% | 314,589 | 8,217 | 2.6% | 298,831 | 8,615 | 2.9% | 980,551 | 25,406 | 2.6% |

State Income Taxes for 252 Major Corporations, 2001–2003, Alphabetical (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|-------------------------------|--------|------|--------|--------|-----|-------|--------|-----|-------|-------------|-------|-------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Abbott Laboratories | 2,321 | 24 | 1.1% | 2,672 | 11 | 0.4% | 1,718 | 62 | 3.6% | 6,711 | 98 | 1.5% |
| Adolph Coors | 134 | 0 | 0.2% | 134 | 9 | 6.9% | 197 | 13 | 6.7% | 465 | 23 | 4.8% |
| Advance Auto Parts | 198 | — | — | 91 | — | — | 31 | 0 | 0.7% | 321 | 0 | 0.1% |
| Affiliated Computer Services | 481 | 6 | 1.2% | 353 | 5 | 1.5% | 216 | 3 | 1.2% | 1,050 | 13 | 1.3% |
| Alltel | 1,524 | 35 | 2.3% | 1,359 | -2 | -0.2% | 1,709 | 58 | 3.4% | 4,592 | 91 | 2.0% |
| Altria (Philip Morris) | 8,201 | 368 | 4.5% | 12,179 | 422 | 3.5% | 10,044 | 443 | 4.4% | 30,424 | 1,232 | 4.0% |
| American Axle & Manufacturing | 285 | 2 | 0.8% | 263 | 1 | 0.5% | 162 | 1 | 0.4% | 710 | 4 | 0.6% |
| American Electric Power | 935 | 19 | 2.0% | 800 | 32 | 4.0% | 1,543 | 61 | 3.9% | 3,277 | 112 | 3.4% |
| American Financial Group | 295 | 1 | 0.2% | 180 | 0 | 0.1% | 99 | 1 | 1.2% | 574 | 2 | 0.4% |
| American Standard Companies | 549 | 4 | 0.8% | 556 | 5 | 0.9% | 512 | 3 | 0.6% | 1,617 | 12 | 0.7% |
| AmerisourceBergen | 722 | 17 | 2.3% | 574 | 23 | 4.0% | 208 | 4 | 1.7% | 1,504 | 44 | 2.9% |
| Amgen | 2,217 | 25 | 1.1% | 1,947 | — | — | 1,653 | 36 | 2.2% | 5,818 | 61 | 1.0% |
| Anadarko Petroleum | 1,359 | 4 | 0.3% | 706 | 8 | 1.1% | 130 | 4 | 3.1% | 2,195 | 15 | 0.7% |
| Anheuser-Busch | 2,734 | 132 | 4.8% | 2,548 | 111 | 4.3% | 2,323 | 117 | 5.1% | 7,604 | 360 | 4.7% |
| Anthem | 1,219 | 11 | 0.9% | 808 | 11 | 1.3% | 541 | 8 | 1.4% | 2,568 | 29 | 1.1% |
| Apache | 918 | — | — | 287 | 0 | 0.1% | 605 | 5 | 0.7% | 1,811 | 5 | 0.3% |
| Aramark | 374 | 7 | 1.8% | 362 | 6 | 1.7% | 238 | 10 | 4.0% | 974 | 22 | 2.3% |
| Archer Daniels Midland | 357 | 1 | 0.3% | 441 | 12 | 2.7% | 243 | 8 | 3.2% | 1,040 | 21 | 2.0% |
| AT&T | 2,473 | -250 | -10.1% | 2,885 | -19 | -0.7% | 8,014 | 188 | 2.3% | 13,371 | -81 | -0.6% |
| Autoliv | 55 | 7 | 12.5% | 72 | 7 | 9.5% | 59 | 0 | 0.3% | 186 | 14 | 7.5% |
| Automatic Data Processing | 1,475 | 59 | 4.0% | 1,619 | 55 | 3.4% | 1,375 | 32 | 2.4% | 4,469 | 146 | 3.3% |
| AutoNation | 596 | 14 | 2.3% | 622 | 17 | 2.8% | 436 | 15 | 3.5% | 1,653 | 46 | 2.8% |
| Autozone | 827 | 24 | 2.8% | 670 | 17 | 2.5% | 326 | 12 | 3.6% | 1,824 | 52 | 2.8% |
| Avery Dennison | 152 | 8 | 5.1% | 194 | 1 | 0.6% | 183 | 6 | 3.2% | 529 | 15 | 2.8% |
| Avon | 302 | — | — | 271 | -3 | -1.2% | 170 | 2 | 0.9% | 743 | -2 | -0.2% |
| Ball | 188 | 7 | 3.5% | 224 | 4 | 1.8% | 113 | -8 | -6.8% | 525 | 3 | 0.5% |
| Bank of America | 15,633 | 335 | 2.1% | 13,252 | 408 | 3.1% | 10,636 | 204 | 1.9% | 39,521 | 947 | 2.4% |
| Bank of New York | 1,623 | 6 | 0.4% | 1,417 | 12 | 0.8% | 1,824 | 50 | 2.8% | 4,864 | 69 | 1.4% |
| Baxter | 826 | 2 | 0.3% | 602 | — | — | 527 | 67 | 12.7% | 1,955 | 69 | 3.6% |
| BB&T | 1,408 | -13 | -0.9% | 1,759 | 11 | 0.6% | 1,483 | 8 | 0.6% | 4,651 | 7 | 0.1% |
| Bear Stearns | 1,705 | 120 | 7.0% | 1,297 | 64 | 4.9% | 912 | 83 | 9.1% | 3,914 | 267 | 6.8% |
| Becton Dickinson | 327 | — | — | 335 | 5 | 1.4% | 351 | 2 | 0.5% | 1,013 | 6 | 0.6% |
| Bed Bath & Beyond | 650 | 12 | 1.8% | 491 | 13 | 2.6% | 357 | 6 | 1.8% | 1,498 | 31 | 2.1% |
| BellSouth | 5,214 | 125 | 2.4% | 4,018 | 29 | 0.7% | 3,652 | 66 | 1.8% | 12,884 | 220 | 1.7% |
| Best Buy | 1,259 | 42 | 3.3% | 1,006 | 45 | 4.5% | 904 | 24 | 2.7% | 3,169 | 111 | 3.5% |
| BJ's Wholesale Club | 168 | 6 | 3.8% | 236 | 7 | 2.8% | 133 | 8 | 6.1% | 537 | 21 | 4.0% |
| Boeing | 1,037 | -32 | -3.1% | 2,125 | -78 | -3.7% | 2,479 | 69 | 2.8% | 5,641 | -41 | -0.7% |
| Borders | 195 | 8 | 4.1% | 195 | 7 | 3.7% | 149 | 5 | 3.1% | 539 | 20 | 3.7% |
| Boston Scientific | 266 | — | — | 373 | — | — | 44 | 4 | 8.3% | 683 | 4 | 0.5% |
| Brinker International | 251 | 6 | 2.3% | 229 | 4 | 1.6% | 220 | 7 | 3.1% | 700 | 16 | 2.3% |
| Brunswick | 160 | 6 | 4.0% | 149 | -5 | -3.4% | 116 | 10 | 8.6% | 425 | 11 | 2.7% |
| Burlington Northern Santa Fe | 1,231 | 5 | 0.4% | 1,216 | 2 | 0.2% | 1,173 | 8 | 0.7% | 3,620 | 15 | 0.4% |
| Burlington Resources | 983 | 8 | 0.8% | 548 | 11 | 2.0% | 470 | 18 | 3.8% | 2,001 | 37 | 1.9% |
| C.H. Robinson | 180 | 9 | 5.0% | 148 | 7 | 4.9% | 134 | 6 | 4.7% | 462 | 23 | 4.9% |
| Campbell Soup | 752 | 13 | 1.7% | 685 | 19 | 2.7% | 835 | 26 | 3.2% | 2,272 | 58 | 2.5% |
| Cardinal Health | 1,761 | 18 | 1.0% | 1,493 | 10 | 0.7% | 1,149 | — | — | 4,403 | 28 | 0.6% |
| Caremark RX | 485 | 10 | 2.1% | 334 | 14 | 4.2% | 206 | 11 | 5.5% | 1,025 | 36 | 3.5% |
| CarMax | 189 | 8 | 4.2% | 163 | 5 | 3.3% | 146 | 5 | 3.5% | 499 | 19 | 3.7% |
| Caterpillar | 489 | 2 | 0.4% | 343 | — | — | 741 | 8 | 1.1% | 1,573 | 10 | 0.7% |
| CDW | 290 | 15 | 5.2% | 306 | 9 | 2.9% | 280 | 9 | 3.3% | 876 | 33 | 3.8% |
| Cendant | 1,810 | 16 | 0.9% | 1,234 | 14 | 1.1% | 612 | 11 | 1.8% | 3,656 | 40 | 1.1% |

State Income Taxes for 252 Major Corporations, 2001–2003, Alphabetical (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|---------------------------------|--------|-----|-------|--------|-----|-------|--------|-----|-------|-------------|-------|-------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| CenterPoint Energy | 665 | 5 | 0.8% | 567 | 6 | 1.1% | 802 | -2 | -0.2% | 2,035 | 9 | 0.5% |
| Charles Schwab | 642 | 19 | 2.9% | 347 | -1 | -0.3% | 410 | 29 | 7.0% | 1,399 | 46 | 3.3% |
| Cinergy | 581 | 23 | 4.0% | 560 | -4 | -0.7% | 717 | 9 | 1.3% | 1,859 | 28 | 1.5% |
| Citigroup | 18,648 | 444 | 2.4% | 12,621 | 524 | 4.2% | 12,932 | 265 | 2.1% | 44,201 | 1,233 | 2.8% |
| Clorox | 719 | 12 | 1.7% | 620 | 14 | 2.2% | 427 | 21 | 5.0% | 1,766 | 48 | 2.7% |
| Coca-Cola Company | 2,029 | 82 | 4.0% | 2,001 | 53 | 2.7% | 2,364 | 92 | 3.9% | 6,394 | 227 | 3.6% |
| Comerica | 912 | 22 | 2.5% | 974 | 13 | 1.4% | 1,150 | 31 | 2.7% | 3,036 | 67 | 2.2% |
| Computer Sciences | 569 | 11 | 1.8% | 409 | 1 | 0.3% | 325 | 1 | 0.3% | 1,303 | 13 | 1.0% |
| ConAgra | 1,151 | 29 | 2.5% | 1,154 | 28 | 2.5% | 1,053 | 29 | 2.7% | 3,358 | 86 | 2.6% |
| ConocoPhillips | 4,093 | 132 | 3.2% | 909 | 54 | 5.9% | 3,178 | 89 | 2.8% | 8,181 | 275 | 3.4% |
| Consolidated Edison | 860 | 7 | 0.9% | 1,088 | -6 | -0.6% | 1,169 | 65 | 5.5% | 3,117 | 66 | 2.1% |
| Constellation Energy | 745 | 34 | 4.5% | 835 | 24 | 2.9% | 120 | 27 | 22.4% | 1,701 | 85 | 5.0% |
| Costco | 929 | 57 | 6.1% | 931 | 44 | 4.7% | 825 | 50 | 6.0% | 2,685 | 150 | 5.6% |
| Countrywide Financial | 3,805 | 121 | 3.2% | 1,334 | 35 | 2.6% | 783 | 23 | 3.0% | 5,922 | 179 | 3.0% |
| Coventry Health Care | 393 | 6 | 1.5% | 226 | 4 | 2.0% | 143 | 8 | 5.3% | 762 | 18 | 2.4% |
| CSX | 186 | 7 | 3.6% | 648 | 17 | 2.6% | 379 | 2 | 0.6% | 1,213 | 25 | 2.1% |
| CVS | 1,352 | 77 | 5.7% | 1,103 | 56 | 5.1% | 954 | 52 | 5.4% | 3,409 | 185 | 5.4% |
| Danaher | 566 | 13 | 2.3% | 494 | 10 | 2.1% | 476 | 10 | 2.2% | 1,536 | 34 | 2.2% |
| Darden Restaurants | 345 | 9 | 2.5% | 360 | 10 | 2.9% | 296 | 10 | 3.5% | 1,002 | 29 | 2.9% |
| Dean Foods | 556 | 10 | 1.8% | 417 | 5 | 1.3% | 225 | 4 | 2.0% | 1,199 | 20 | 1.7% |
| Devon Energy | 1,606 | 1 | 0.0% | 354 | 10 | 2.8% | 492 | 4 | 0.8% | 2,452 | 15 | 0.6% |
| Dillard's | 18 | -2 | -9.1% | 204 | 2 | 0.7% | 137 | 2 | 1.4% | 359 | 2 | 0.5% |
| Disney, Walt | 1,802 | 38 | 2.1% | 1,791 | 54 | 3.0% | 2,586 | 74 | 2.9% | 6,179 | 165 | 2.7% |
| Dollar General | 480 | 11 | 2.4% | 415 | 11 | 2.6% | 328 | 8 | 2.3% | 1,222 | 30 | 2.4% |
| Dominion Resources | 1,534 | 20 | 1.3% | 2,008 | 9 | 0.5% | 1,026 | 60 | 5.8% | 4,568 | 89 | 1.9% |
| Dover | 238 | 3 | 1.2% | 212 | — | — | 199 | 4 | 2.1% | 650 | 7 | 1.1% |
| Eaton | 325 | 15 | 4.5% | 292 | 2 | 0.6% | 323 | -5 | -1.6% | 939 | 11 | 1.2% |
| Eli Lilly | 1,603 | -6 | -0.4% | 1,759 | -13 | -0.8% | 1,929 | 2 | 0.1% | 5,291 | -17 | -0.3% |
| Emcor | 55 | 5 | 8.8% | 109 | 8 | 7.0% | 84 | 7 | 8.4% | 248 | 19 | 7.9% |
| Emerson | 843 | 7 | 0.8% | 1,124 | 11 | 0.9% | 1,288 | 32 | 2.5% | 3,254 | 49 | 1.5% |
| Energy East | 366 | 12 | 3.3% | 304 | 10 | 3.2% | 419 | 15 | 3.6% | 1,089 | 37 | 3.4% |
| Engelhard | 179 | 4 | 2.2% | 226 | 12 | 5.3% | 192 | 0 | 0.2% | 597 | 16 | 2.7% |
| Entergy | 579 | 18 | 3.1% | 1,627 | 39 | 2.4% | 1,173 | 52 | 4.4% | 3,379 | 109 | 3.2% |
| Estee Lauder | 189 | 4 | 2.0% | 120 | 6 | 5.0% | 288 | 6 | 2.2% | 597 | 16 | 2.7% |
| Exelon | 2,349 | 88 | 3.8% | 2,668 | 94 | 3.5% | 2,474 | 115 | 4.7% | 7,491 | 298 | 4.0% |
| ExxonMobil | 9,422 | 316 | 3.4% | 4,316 | 94 | 2.2% | 8,265 | 205 | 2.5% | 22,003 | 616 | 2.8% |
| Family Dollar Stores | 390 | 12 | 3.0% | 342 | 8 | 2.2% | 298 | 6 | 2.0% | 1,030 | 25 | 2.5% |
| Federated Department Stores | 1,081 | 48 | 4.4% | 1,042 | 85 | 8.2% | 778 | 57 | 7.4% | 2,901 | 191 | 6.6% |
| FedEx | 1,227 | 23 | 1.9% | 1,043 | 34 | 3.3% | 824 | 42 | 5.1% | 3,094 | 99 | 3.2% |
| Fifth Third | 2,630 | 36 | 1.4% | 2,434 | 19 | 0.8% | 1,703 | 27 | 1.6% | 6,767 | 82 | 1.2% |
| Fisher Scientific International | 36 | 1 | 3.7% | 85 | 0 | 0.3% | 6 | — | — | 128 | 2 | 1.2% |
| Fluor | 113 | 6 | 5.7% | 116 | 1 | 1.0% | 41 | — | — | 271 | 8 | 2.8% |
| Foot Locker | 185 | 14 | 7.4% | 157 | 4 | 2.7% | 115 | -5 | -4.4% | 457 | 13 | 2.8% |
| FPL Group | 1,261 | -21 | -1.7% | 939 | -22 | -2.3% | 1,160 | 55 | 4.7% | 3,360 | 12 | 0.4% |
| Gannett | 1,744 | 63 | 3.6% | 1,721 | 42 | 2.4% | 1,420 | 31 | 2.2% | 4,885 | 136 | 2.8% |
| General Dynamics | 1,159 | — | — | 1,379 | — | — | 1,272 | 12 | 1.0% | 3,810 | 12 | 0.3% |
| General Electric | 11,090 | 264 | 2.4% | 12,110 | 111 | 0.9% | 14,297 | 313 | 2.2% | 37,497 | 688 | 1.8% |
| General Mills | 1,398 | 30 | 2.2% | 1,202 | 19 | 1.6% | 751 | — | — | 3,351 | 49 | 1.5% |
| Genuine Parts | 607 | 27 | 4.4% | 509 | 28 | 5.5% | 619 | 32 | 5.2% | 1,735 | 87 | 5.0% |
| Gillette | 814 | 16 | 1.9% | 928 | 10 | 1.1% | 424 | 13 | 3.0% | 2,166 | 39 | 1.8% |
| Golden West Financial | 1,798 | 85 | 4.7% | 1,575 | 68 | 4.3% | 1,354 | 80 | 5.9% | 4,727 | 233 | 4.9% |

State Income Taxes for 252 Major Corporations, 2001–2003, Alphabetical (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|--------------------------|--------|-----|-------|--------|-----|-------|--------|-----|--------|-------------|-----|-------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Goldman Sachs | 3,105 | 97 | 3.1% | 1,850 | 14 | 0.8% | 2,418 | 43 | 1.8% | 7,373 | 154 | 2.1% |
| Goodrich | 91 | — | — | 257 | 4 | 1.5% | 254 | 2 | 0.7% | 601 | 6 | 0.9% |
| Graybar Electric | 15 | 1 | 3.4% | 19 | 1 | 2.7% | 51 | 1 | 2.2% | 85 | 2 | 2.5% |
| Harley-Davidson | 1,166 | 31 | 2.7% | 886 | 18 | 2.0% | 675 | 17 | 2.5% | 2,727 | 66 | 2.4% |
| Harrah's Entertainment | 483 | 13 | 2.6% | 534 | 19 | 3.6% | 363 | 5 | 1.3% | 1,380 | 37 | 2.6% |
| HCA | 2,168 | 72 | 3.3% | 1,472 | 78 | 5.3% | 1,545 | 39 | 2.5% | 5,184 | 188 | 3.6% |
| Health Net | 518 | 31 | 6.0% | 353 | 12 | 3.5% | 152 | 16 | 10.3% | 1,023 | 59 | 5.8% |
| Henry Schein | 214 | 9 | 4.0% | 186 | 8 | 4.2% | 141 | 3 | 2.3% | 541 | 20 | 3.6% |
| Hershey | 708 | 20 | 2.8% | 590 | 7 | 1.2% | 355 | 20 | 5.7% | 1,653 | 48 | 2.9% |
| Home Depot | 6,440 | 303 | 4.7% | 5,571 | 227 | 4.1% | 4,783 | 241 | 5.0% | 16,794 | 771 | 4.6% |
| Hormel | 285 | 8 | 2.9% | 293 | 9 | 3.2% | 284 | 9 | 3.2% | 863 | 27 | 3.1% |
| Hughes Supply | 97 | 2 | 2.6% | 102 | 2 | 1.9% | 81 | 2 | 2.8% | 280 | 7 | 2.4% |
| Humana | 345 | 11 | 3.2% | 210 | 22 | 10.7% | 183 | 9 | 5.0% | 738 | 43 | 5.8% |
| IBM | 4,611 | 11 | 0.2% | 3,838 | 147 | 3.8% | 5,644 | — | — | 14,093 | 158 | 1.1% |
| Ikon Office Solutions | 147 | 1 | 0.4% | 197 | — | —0.2% | 153 | 2 | 1.6% | 497 | 3 | 0.5% |
| Illinois Tool Works | 1,067 | 23 | 2.2% | 1,190 | 27 | 2.2% | 975 | 17 | 1.7% | 3,232 | 67 | 2.1% |
| Ingram Micro | 9 | — | — | 36 | 1 | 2.8% | 36 | — | —18.8% | 81 | — | —7.2% |
| Intel | 6,364 | 186 | 2.9% | 2,321 | 96 | 4.1% | 1,559 | 67 | 4.3% | 10,244 | 349 | 3.4% |
| ITT Industries | 283 | — | — | 288 | — | — | 244 | — | — | 815 | — | — |
| Jacobs Engineering Group | 143 | 7 | 4.8% | 131 | 7 | 5.2% | 103 | 5 | 5.1% | 377 | 19 | 5.0% |
| John Hancock | 1,162 | 4 | 0.3% | 522 | 4 | 0.7% | 760 | 5 | 0.6% | 2,443 | 12 | 0.5% |
| Johnson Controls | 979 | 29 | 3.0% | 862 | 27 | 3.1% | 660 | 22 | 3.3% | 2,501 | 78 | 3.1% |
| Jones Apparel | 520 | 14 | 2.8% | 519 | 17 | 3.3% | 415 | 8 | 2.0% | 1,454 | 40 | 2.7% |
| JPMorgan Chase | 6,590 | 169 | 2.6% | 2,594 | 80 | 3.1% | 1,961 | 11 | 0.6% | 11,145 | 260 | 2.3% |
| Kellogg's | 799 | 39 | 4.9% | 788 | 44 | 5.6% | 506 | 30 | 5.9% | 2,093 | 113 | 5.4% |
| Kelly Services | 21 | 3 | 13.0% | 43 | 2 | 5.4% | 39 | 2 | 5.2% | 102 | 7 | 6.9% |
| KeyCorp | 1,165 | 26 | 2.2% | 1,056 | 30 | 2.8% | 1,095 | 17 | 1.6% | 3,316 | 73 | 2.2% |
| Kimberly-Clark | 1,652 | 41 | 2.5% | 1,758 | 18 | 1.0% | 1,742 | 49 | 2.8% | 5,152 | 108 | 2.1% |
| Kinder Morgan | 626 | 23 | 3.6% | 443 | 17 | 3.9% | 385 | 25 | 6.4% | 1,454 | 65 | 4.4% |
| Kohl's | 950 | 22 | 2.3% | 1,034 | 30 | 2.9% | 804 | 19 | 2.4% | 2,789 | 71 | 2.5% |
| Kroger | 1,195 | 35 | 3.0% | 1,886 | 70 | 3.7% | 1,804 | 57 | 3.2% | 4,886 | 163 | 3.3% |
| L-3 Communications | 404 | 9 | 2.1% | 295 | — | — | 205 | — | — | 905 | 9 | 1.0% |
| Leggett & Platt | 313 | 4 | 1.3% | 362 | 7 | 1.8% | 312 | 8 | 2.5% | 986 | 18 | 1.9% |
| Lehman Brothers | 1,884 | 59 | 3.1% | 993 | 148 | 14.9% | 1,804 | 53 | 2.9% | 4,681 | 260 | 5.6% |
| Lexmark | 306 | — | — | 259 | — | — | 175 | — | — | 740 | — | — |
| Limited Brands | 1,132 | 63 | 5.6% | 781 | 47 | 6.0% | 823 | 40 | 4.8% | 2,736 | 150 | 5.5% |
| Liz Claiborne | 343 | 14 | 4.0% | 305 | 15 | 4.8% | 255 | 10 | 3.9% | 903 | 38 | 4.3% |
| Lowe's | 2,998 | 119 | 4.0% | 2,339 | 77 | 3.3% | 1,603 | 61 | 3.8% | 6,940 | 257 | 3.7% |
| Manpower | 52 | — | — | 25 | — | —1.2% | 34 | — | —0.9% | 111 | — | —0.5% |
| Marathon Oil | 1,143 | 56 | 4.9% | 504 | 21 | 4.2% | 1,975 | 85 | 4.3% | 3,622 | 162 | 4.5% |
| Marriott International | 405 | 21 | 5.2% | 364 | 16 | 4.3% | 410 | — | — | 1,178 | 37 | 3.1% |
| Masco | 1,172 | 42 | 3.6% | 562 | 29 | 5.1% | 474 | 15 | 3.1% | 2,208 | 85 | 3.9% |
| May Department Stores | 617 | 38 | 6.2% | 844 | 32 | 3.8% | 1,139 | 57 | 5.0% | 2,600 | 127 | 4.9% |
| Maytag | 184 | — | —0.9% | 293 | 1 | 0.4% | 197 | 6 | 3.1% | 674 | 6 | 0.9% |
| MBNA | 3,393 | 35 | 1.0% | 2,741 | 11 | 0.4% | 2,759 | 35 | 1.3% | 8,892 | 80 | 0.9% |
| McDonald's | 1,112 | 55 | 5.0% | 968 | 44 | 4.5% | 1,009 | 48 | 4.7% | 3,090 | 147 | 4.8% |
| McGraw Hill | 1,036 | 115 | 11.1% | 810 | 33 | 4.0% | 673 | 35 | 5.2% | 2,520 | 184 | 7.3% |
| McKesson | 702 | 22 | 3.2% | 675 | 18 | 2.6% | 480 | — | — | 1,857 | 40 | 2.2% |
| Mellon Financial | 709 | 10 | 1.5% | 1,430 | 29 | 2.0% | 694 | 34 | 4.9% | 2,834 | 73 | 2.6% |
| Merck | 4,111 | 226 | 5.5% | 4,536 | 282 | 6.2% | 4,875 | 263 | 5.4% | 13,522 | 771 | 5.7% |
| Merrill Lynch | 3,529 | — | — | 2,018 | — | — | 3,220 | — | — | 8,767 | — | — |

State Income Taxes for 252 Major Corporations, 2001–2003, Alphabetical (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|---------------------------------|--------|-----|--------|--------|-----|-------|--------|-----|-------|-------------|-----|-------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Metlife | 1,808 | 22 | 1.2% | 2,068 | -17 | -0.8% | 2,922 | -4 | -0.1% | 6,798 | 1 | 0.0% |
| MGM Mirage | 347 | 4 | 1.0% | 434 | 3 | 0.7% | 272 | 6 | 2.1% | 1,053 | 12 | 1.2% |
| Mohawk Industries | 488 | 9 | 1.9% | 444 | 2 | 0.5% | 293 | 14 | 4.8% | 1,226 | 25 | 2.1% |
| Morgan Stanley | 4,275 | 37 | 0.9% | 3,252 | 77 | 2.4% | 4,205 | 143 | 3.4% | 11,732 | 258 | 2.2% |
| Nash Finch | 52 | 0 | 0.5% | 50 | 1 | 2.3% | 39 | 2 | 5.2% | 141 | 3 | 2.5% |
| NCR | 106 | 3 | 2.8% | 295 | 4 | 1.4% | 315 | 0 | 0.0% | 715 | 7 | 1.0% |
| New York Times | 498 | 20 | 3.9% | 492 | — | — | 366 | 42 | 11.4% | 1,357 | 61 | 4.5% |
| Newell Rubbermaid | 250 | 2 | 0.6% | 499 | 7 | 1.5% | 391 | 12 | 2.9% | 1,140 | 20 | 1.8% |
| Nike | 608 | 35 | 5.8% | 445 | 31 | 7.1% | 511 | 30 | 5.8% | 1,564 | 96 | 6.1% |
| NiSource | 660 | 24 | 3.6% | 617 | -3 | -0.5% | 451 | 29 | 6.4% | 1,728 | 50 | 2.9% |
| Nordstrom | 398 | 16 | 3.9% | 196 | 10 | 5.1% | 204 | 6 | 3.0% | 798 | 32 | 4.0% |
| Norfolk Southern | 586 | 11 | 1.8% | 706 | 6 | 0.8% | 553 | 22 | 3.9% | 1,845 | 38 | 2.1% |
| Nucor | 67 | -12 | -17.5% | 230 | -17 | -7.5% | 179 | 3 | 1.9% | 476 | -25 | -5.4% |
| NVR | 696 | 30 | 4.3% | 536 | 21 | 4.0% | 402 | 22 | 5.4% | 1,634 | 73 | 4.5% |
| OGE Energy | 209 | -6 | -2.9% | 126 | -1 | -0.5% | 147 | 3 | 2.3% | 482 | -3 | -0.7% |
| Omnicare | 302 | 3 | 0.9% | 205 | 5 | 2.5% | 134 | 1 | 0.6% | 642 | 9 | 1.3% |
| Omnicom | 702 | 12 | 1.7% | 700 | 33 | 4.7% | 663 | 29 | 4.4% | 2,065 | 74 | 3.6% |
| Oracle | 2,114 | 58 | 2.7% | 1,925 | 81 | 4.2% | 2,131 | 89 | 4.2% | 6,170 | 228 | 3.7% |
| Oxford Health Plans | 583 | 22 | 3.7% | 377 | 34 | 9.0% | 512 | 13 | 2.5% | 1,472 | 68 | 4.6% |
| Pacificare Health Systems | 489 | 25 | 5.1% | 222 | 4 | 1.8% | 109 | 8 | 7.4% | 820 | 37 | 4.5% |
| Parker Hannifin | 161 | 1 | 0.9% | 200 | 0 | 0.0% | 469 | 9 | 1.9% | 830 | 10 | 1.2% |
| Pepco Holdings | 174 | 36 | 20.7% | 335 | -17 | -5.1% | 247 | 11 | 4.5% | 755 | 30 | 3.9% |
| Pepsi Bottling | 569 | 7 | 1.2% | 592 | 10 | 1.6% | 424 | 14 | 3.2% | 1,585 | 30 | 1.9% |
| PepsiAmericas | 243 | 9 | 3.7% | 232 | 5 | 2.3% | 255 | 5 | 2.1% | 730 | 20 | 2.7% |
| PepsiCo | 3,245 | 21 | 0.7% | 3,220 | 31 | 1.0% | 2,697 | 17 | 0.6% | 9,162 | 70 | 0.8% |
| Performance Food Group | 114 | -1 | -0.4% | 104 | 2 | 2.0% | 76 | — | — | 294 | 2 | 0.5% |
| Peter Kiewit Sons' | 252 | 14 | 5.6% | 303 | 15 | 5.0% | 278 | 9 | 3.2% | 833 | 38 | 4.6% |
| Pfizer | 6,162 | 74 | 1.2% | 4,509 | 167 | 3.7% | 4,088 | — | — | 14,759 | 241 | 1.6% |
| Pitney Bowes | 620 | -2 | -0.3% | 461 | -24 | -5.2% | 734 | 19 | 2.6% | 1,815 | -7 | -0.4% |
| PNC | 1,559 | 38 | 2.4% | 1,969 | 46 | 2.4% | 602 | 33 | 5.5% | 4,130 | 117 | 2.8% |
| PPG Industries | 498 | 28 | 5.6% | 545 | 19 | 3.5% | 554 | 10 | 1.7% | 1,596 | 56 | 3.5% |
| PPL | 825 | 12 | 1.5% | 416 | -9 | -2.2% | 607 | 35 | 5.8% | 1,849 | 39 | 2.1% |
| Praxair | 210 | — | — | 223 | 1 | 0.3% | 208 | — | — | 641 | 1 | 0.1% |
| Principal Group | 939 | 15 | 1.6% | 646 | 22 | 3.4% | 472 | -5 | -1.2% | 2,056 | 31 | 1.5% |
| Procter & Gamble | 4,979 | 73 | 1.5% | 4,271 | 93 | 2.2% | 3,583 | 75 | 2.1% | 12,832 | 242 | 1.9% |
| Prudential Financial | 1,849 | 23 | 1.2% | 103 | 2 | 1.9% | 396 | 60 | 15.1% | 2,348 | 85 | 3.6% |
| Public Service Enterprise Group | 1,341 | -28 | -2.1% | 661 | 50 | 7.6% | 1,141 | 64 | 5.6% | 3,143 | 86 | 2.7% |
| Publix | 1,063 | 46 | 4.4% | 1,003 | 42 | 4.1% | 827 | 37 | 4.5% | 2,892 | 125 | 4.3% |
| Pulte Homes | 992 | 19 | 1.9% | 718 | 20 | 2.8% | 490 | 17 | 3.5% | 2,200 | 56 | 2.6% |
| Quest Diagnostics | 738 | 46 | 6.3% | 542 | 16 | 2.9% | 334 | 13 | 4.0% | 1,614 | 75 | 4.7% |
| Radio Shack | 457 | 19 | 4.1% | 386 | 13 | 3.4% | 342 | 18 | 5.2% | 1,185 | 50 | 4.2% |
| Reebok | 32 | — | — | 24 | — | — | 2 | — | — | 58 | — | — |
| Regions | 928 | 14 | 1.5% | 887 | 9 | 1.0% | 811 | 4 | 0.5% | 2,627 | 27 | 1.0% |
| Reliant Resources | 173 | 34 | 19.9% | 234 | 32 | 13.5% | 804 | 4 | 0.5% | 1,210 | 70 | 5.8% |
| Rockwell Automation | 209 | — | — | 120 | 7 | 5.8% | 116 | 4 | 3.1% | 446 | 11 | 2.4% |
| Ross Stores | 375 | 15 | 4.1% | 330 | 13 | 4.0% | 255 | 10 | 3.9% | 959 | 38 | 4.0% |
| Ryder | 152 | 3 | 1.9% | 120 | — | — | 49 | 0 | 0.0% | 321 | 3 | 0.9% |
| Ryland Group | 396 | 15 | 3.8% | 309 | 15 | 4.8% | 218 | 11 | 5.3% | 924 | 41 | 4.5% |
| Saks | 110 | 2 | 1.9% | 156 | 0 | 0.1% | 10 | 2 | 18.2% | 275 | 4 | 1.5% |
| Sara Lee | 1,054 | -12 | -1.1% | 754 | 20 | 2.6% | 1,257 | 1 | 0.1% | 3,065 | 9 | 0.3% |
| SBC Communications | 8,901 | -38 | -0.4% | 10,460 | 109 | 1.0% | 11,218 | 189 | 1.7% | 30,579 | 260 | 0.9% |

State Income Taxes for 252 Major Corporations, 2001–2003, Alphabetical (\$-millions)

| Company | 2003 | | | 2002 | | | 2001 | | | All 3 Years | | |
|-----------------------------|----------------|--------------|-------------|----------------|--------------|-------------|----------------|--------------|-------------|----------------|---------------|-------------|
| | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate | Profit | Tax | Rate |
| Sears | 5,279 | 83 | 1.6% | 2,319 | — | — | 1,291 | -4 | -0.3% | 8,889 | 79 | 0.9% |
| Sempra Energy | 551 | 16 | 2.8% | 584 | 30 | 5.1% | 651 | 60 | 9.2% | 1,786 | 105 | 5.9% |
| Shaw Group | 16 | 2 | 9.8% | 144 | 6 | 4.3% | 124 | 0 | 0.3% | 284 | 8 | 2.8% |
| Sherwin-Williams | 523 | 15 | 2.8% | 497 | 16 | 3.2% | 424 | 16 | 3.9% | 1,445 | 47 | 3.3% |
| Smith International | 63 | — | — | 40 | 2 | 3.8% | 174 | 4 | 2.1% | 277 | 5 | 1.9% |
| Sonic Automotive | 134 | 2 | 1.8% | 177 | 4 | 2.5% | 137 | 4 | 2.7% | 448 | 11 | 2.4% |
| Southern | 2,086 | 37 | 1.8% | 1,846 | 60 | 3.3% | 1,677 | 102 | 6.1% | 5,609 | 199 | 3.6% |
| Southwest Airlines | 708 | — | — | 393 | — | — | 828 | 1 | 0.1% | 1,928 | 1 | 0.0% |
| SPX | 395 | 5 | 1.4% | 488 | 10 | 2.0% | 408 | 5 | 1.2% | 1,291 | 20 | 1.5% |
| Starbucks | 431 | 19 | 4.4% | 335 | 9 | 2.7% | 267 | 12 | 4.6% | 1,033 | 41 | 3.9% |
| State Street | 936 | 51 | 5.4% | 1,409 | 36 | 2.6% | 931 | 26 | 2.7% | 3,276 | 112 | 3.4% |
| Stryker | 244 | 14 | 5.9% | 262 | 3 | 1.1% | 241 | 12 | 5.1% | 747 | 30 | 4.0% |
| Suntrust | 1,921 | 14 | 0.7% | 1,886 | -16 | -0.8% | 2,022 | 27 | 1.4% | 5,829 | 26 | 0.4% |
| Supervalu | 463 | 14 | 3.1% | 368 | 10 | 2.7% | 357 | 8 | 2.2% | 1,187 | 32 | 2.7% |
| Target | 2,960 | 116 | 3.9% | 2,676 | 107 | 4.0% | 2,207 | 96 | 4.4% | 7,843 | 319 | 4.1% |
| Tech Data | 101 | 0 | 0.3% | 137 | 1 | 0.5% | 107 | 2 | 2.3% | 345 | 3 | 1.0% |
| Textron | 246 | 15 | 6.1% | 465 | 15 | 3.2% | 891 | 24 | 2.7% | 1,603 | 53 | 3.3% |
| 3M | 1,824 | 63 | 3.5% | 1,654 | — | — | 1,456 | 37 | 2.6% | 4,935 | 100 | 2.0% |
| Time Warner | 4,317 | 93 | 2.2% | 1,469 | 78 | 5.3% | 614 | — | — | 6,400 | 171 | 2.7% |
| Timken | 52 | 1 | 1.6% | 179 | 4 | 2.2% | 41 | 2 | 5.7% | 273 | 7 | 2.6% |
| TJX | 947 | 53 | 5.6% | 848 | 46 | 5.4% | 830 | 39 | 4.7% | 2,624 | 138 | 5.3% |
| Toys "R" Us | 119 | -28 | -23.6% | 225 | -2 | -0.9% | 205 | 8 | 3.9% | 549 | -22 | -4.0% |
| Triad Hospitals | 173 | 4 | 2.4% | 242 | 6 | 2.5% | 97 | 1 | 0.7% | 513 | 11 | 2.1% |
| Tribune Company | 1,408 | — | — | 930 | 9 | 0.9% | 419 | 28 | 6.7% | 2,757 | 37 | 1.3% |
| TXU | 917 | 11 | 1.2% | 335 | 7 | 1.9% | 828 | 40 | 4.9% | 2,081 | 58 | 2.8% |
| Tyson Foods | 466 | 10 | 2.1% | 536 | 17 | 3.2% | 187 | 5 | 2.7% | 1,189 | 32 | 2.7% |
| U.S. Bancorp | 5,570 | 133 | 2.4% | 4,795 | 141 | 2.9% | 3,508 | 125 | 3.6% | 13,873 | 399 | 2.9% |
| Union Pacific | 1,637 | 31 | 1.9% | 1,945 | 4 | 0.2% | 1,479 | 4 | 0.3% | 5,061 | 39 | 0.8% |
| Unisys | 167 | 16 | 9.8% | 110 | 7 | 6.5% | 83 | 3 | 3.3% | 360 | 26 | 7.3% |
| United Auto Group | 117 | 5 | 4.7% | 88 | 6 | 6.3% | 83 | 5 | 6.2% | 287 | 16 | 5.6% |
| United Stationers | 122 | 4 | 3.4% | 87 | 3 | 3.4% | 121 | 6 | 5.1% | 330 | 13 | 4.0% |
| United Technologies | 1,530 | 28 | 1.8% | 1,900 | 7 | 0.4% | 1,773 | 13 | 0.7% | 5,204 | 48 | 0.9% |
| UnitedHealth | 2,840 | 8 | 0.3% | 2,096 | 34 | 1.6% | 1,555 | 22 | 1.4% | 6,491 | 64 | 1.0% |
| UPS (United Parcel Service) | 4,089 | 90 | 2.2% | 5,037 | 129 | 2.6% | 3,929 | 133 | 3.4% | 13,055 | 352 | 2.7% |
| Valero Energy | 639 | 4 | 0.7% | 44 | — | — | 895 | 4 | 0.4% | 1,578 | 8 | 0.5% |
| Verizon | 4,555 | 265 | 5.8% | 6,129 | 487 | 7.9% | 2,571 | 240 | 9.3% | 13,256 | 991 | 7.5% |
| VF Corporation | 436 | 7 | 1.7% | 402 | 1 | 0.2% | 359 | 9 | 2.6% | 1,196 | 17 | 1.4% |
| Viacom | 4,219 | 211 | 5.0% | 3,274 | 245 | 7.5% | 2,663 | 176 | 6.6% | 10,156 | 633 | 6.2% |
| Wachovia | 5,403 | 60 | 1.1% | 4,255 | 201 | 4.7% | 3,529 | 81 | 2.3% | 13,188 | 342 | 2.6% |
| Walgreen | 1,889 | 76 | 4.0% | 1,637 | 75 | 4.6% | 1,423 | 61 | 4.3% | 4,949 | 213 | 4.3% |
| Wal-Mart | 12,075 | 319 | 2.6% | 10,490 | 214 | 2.0% | 9,168 | 285 | 3.1% | 31,733 | 818 | 2.6% |
| Waste Management | 1,124 | 17 | 1.6% | 1,266 | 25 | 2.0% | 801 | 37 | 4.7% | 3,191 | 80 | 2.5% |
| Wellpoint Health | 1,559 | 97 | 6.2% | 1,157 | 60 | 5.2% | 699 | 40 | 5.8% | 3,414 | 197 | 5.8% |
| Wells Fargo | 9,545 | 139 | 1.5% | 8,952 | 260 | 2.9% | 6,055 | 267 | 4.4% | 24,552 | 667 | 2.7% |
| Wesco International | 30 | -1 | -2.9% | 20 | 1 | 2.9% | 30 | -2 | -5.0% | 79 | -2 | -2.3% |
| Weyerhaeuser | 514 | 29 | 5.6% | 379 | 25 | 6.7% | 685 | 16 | 2.3% | 1,578 | 70 | 4.4% |
| Whirlpool | 454 | 5 | 1.2% | 353 | -6 | -1.7% | 381 | 14 | 3.6% | 1,189 | 13 | 1.1% |
| Yum Brands | 665 | -4 | -0.6% | 666 | 16 | 2.3% | 598 | 36 | 6.0% | 1,929 | 47 | 2.5% |
| All 252 Companies | 367,131 | 8,574 | 2.3% | 314,589 | 8,217 | 2.6% | 298,831 | 8,615 | 2.9% | 980,551 | 25,406 | 2.6% |

State Income Taxes for 252 Major Corporations, 2001-2003, by Location of Headquarters (\$-millions)

| Companies by headquarters | 03Profit | 03Tax | 03Rate | 02Profit | 02Tax | 02Rate | 01Profit | 01Tax | 01Rate | 3yr Profit | 3yr Tax | 3yr Rate |
|-----------------------------|----------|-------|--------|----------|-------|--------|----------|-------|--------|------------|---------|----------|
| Alabama | | | | | | | | | | | | |
| Regions | 928 | 14 | 1.5% | 887 | 9 | 1.0% | 811 | 4 | 0.5% | 2,627 | 27 | 1.0% |
| Saks | 110 | 2 | 1.9% | 156 | 0 | 0.1% | 10 | 2 | 18.2% | 275 | 4 | 1.5% |
| Arkansas | | | | | | | | | | | | |
| Dillard's | 18 | -2 | -9.1% | 204 | 2 | 0.7% | 137 | 2 | 1.4% | 359 | 2 | 0.5% |
| Alltel | 1,524 | 35 | 2.3% | 1,359 | -2 | -0.2% | 1,709 | 58 | 3.4% | 4,592 | 91 | 2.0% |
| Wal-Mart | 12,075 | 319 | 2.6% | 10,490 | 214 | 2.0% | 9,168 | 285 | 3.1% | 31,733 | 818 | 2.6% |
| Tyson Foods | 466 | 10 | 2.1% | 536 | 17 | 3.2% | 187 | 5 | 2.7% | 1,189 | 32 | 2.7% |
| California | | | | | | | | | | | | |
| Ingram Micro | 9 | — | — | 36 | 1 | 2.8% | 36 | -7 | -18.8% | 81 | -6 | -7.2% |
| Computer Sciences | 569 | 11 | 1.8% | 409 | 1 | 0.3% | 325 | 1 | 0.3% | 1,303 | 13 | 1.0% |
| Amgen | 2,217 | 25 | 1.1% | 1,947 | — | — | 1,653 | 36 | 2.2% | 5,818 | 61 | 1.0% |
| McKesson | 702 | 22 | 3.2% | 675 | 18 | 2.6% | 480 | — | — | 1,857 | 40 | 2.2% |
| Disney, Walt | 1,802 | 38 | 2.1% | 1,791 | 54 | 3.0% | 2,586 | 74 | 2.9% | 6,179 | 165 | 2.7% |
| Clorox | 719 | 12 | 1.7% | 620 | 14 | 2.2% | 427 | 21 | 5.0% | 1,766 | 48 | 2.7% |
| Wells Fargo | 9,545 | 139 | 1.5% | 8,952 | 260 | 2.9% | 6,055 | 267 | 4.4% | 24,552 | 667 | 2.7% |
| Avery Dennison | 152 | 8 | 5.1% | 194 | 1 | 0.6% | 183 | 6 | 3.2% | 529 | 15 | 2.8% |
| Fluor | 113 | 6 | 5.7% | 116 | 1 | 1.0% | 41 | — | — | 271 | 8 | 2.8% |
| Countrywide Financial | 3,805 | 121 | 3.2% | 1,334 | 35 | 2.6% | 783 | 23 | 3.0% | 5,922 | 179 | 3.0% |
| Charles Schwab | 642 | 19 | 2.9% | 347 | -1 | -0.3% | 410 | 29 | 7.0% | 1,399 | 46 | 3.3% |
| Intel | 6,364 | 186 | 2.9% | 2,321 | 96 | 4.1% | 1,559 | 67 | 4.3% | 10,244 | 349 | 3.4% |
| Oracle | 2,114 | 58 | 2.7% | 1,925 | 81 | 4.2% | 2,131 | 89 | 4.2% | 6,170 | 228 | 3.7% |
| Ross Stores | 375 | 15 | 4.1% | 330 | 13 | 4.0% | 255 | 10 | 3.9% | 959 | 38 | 4.0% |
| Ryland Group | 396 | 15 | 3.8% | 309 | 15 | 4.8% | 218 | 11 | 5.3% | 924 | 41 | 4.5% |
| Pacificare Health Systems | 489 | 25 | 5.1% | 222 | 4 | 1.8% | 109 | 8 | 7.4% | 820 | 37 | 4.5% |
| Golden West Financial | 1,798 | 85 | 4.7% | 1,575 | 68 | 4.3% | 1,354 | 80 | 5.9% | 4,727 | 233 | 4.9% |
| Jacobs Engineering Group | 143 | 7 | 4.8% | 131 | 7 | 5.2% | 103 | 5 | 5.1% | 377 | 19 | 5.0% |
| Health Net | 518 | 31 | 6.0% | 353 | 12 | 3.5% | 152 | 16 | 10.3% | 1,023 | 59 | 5.8% |
| Wellpoint Health | 1,559 | 97 | 6.2% | 1,157 | 60 | 5.2% | 699 | 40 | 5.8% | 3,414 | 197 | 5.8% |
| Sempra Energy | 551 | 16 | 2.8% | 584 | 30 | 5.1% | 651 | 60 | 9.2% | 1,786 | 105 | 5.9% |
| Colorado | | | | | | | | | | | | |
| Ball | 188 | 7 | 3.5% | 224 | 4 | 1.8% | 113 | -8 | -6.8% | 525 | 3 | 0.5% |
| Adolph Coors | 134 | 0 | 0.2% | 134 | 9 | 6.9% | 197 | 13 | 6.7% | 465 | 23 | 4.8% |
| Connecticut | | | | | | | | | | | | |
| Pitney Bowes | 620 | -2 | -0.3% | 461 | -24 | -5.2% | 734 | 19 | 2.6% | 1,815 | -7 | -0.4% |
| Praxair | 210 | — | — | 223 | 1 | 0.3% | 208 | — | — | 641 | 1 | 0.1% |
| United Technologies | 1,530 | 28 | 1.8% | 1,900 | 7 | 0.4% | 1,773 | 13 | 0.7% | 5,204 | 48 | 0.9% |
| General Electric | 11,090 | 264 | 2.4% | 12,110 | 111 | 0.9% | 14,297 | 313 | 2.2% | 37,497 | 688 | 1.8% |
| Oxford Health Plans | 583 | 22 | 3.7% | 377 | 34 | 9.0% | 512 | 13 | 2.5% | 1,472 | 68 | 4.6% |
| Emcor | 55 | 5 | 8.8% | 109 | 8 | 7.0% | 84 | 7 | 8.4% | 248 | 19 | 7.9% |
| Delaware | | | | | | | | | | | | |
| MBNA | 3,393 | 35 | 1.0% | 2,741 | 11 | 0.4% | 2,759 | 35 | 1.3% | 8,892 | 80 | 0.9% |
| District of Columbia | | | | | | | | | | | | |
| Danaher | 566 | 13 | 2.3% | 494 | 10 | 2.1% | 476 | 10 | 2.2% | 1,536 | 34 | 2.2% |
| Pepco Holdings | 174 | 36 | 20.7% | 335 | -17 | -5.1% | 247 | 11 | 4.5% | 755 | 30 | 3.9% |
| Florida | | | | | | | | | | | | |
| FPL Group | 1,261 | -21 | -1.7% | 939 | -22 | -2.3% | 1,160 | 55 | 4.7% | 3,360 | 12 | 0.4% |
| Ryder | 152 | 3 | 1.9% | 120 | — | — | 49 | 0 | 0.0% | 321 | 3 | 0.9% |
| Tech Data | 101 | 0 | 0.3% | 137 | 1 | 0.5% | 107 | 2 | 2.3% | 345 | 3 | 1.0% |
| CSX | 186 | 7 | 3.6% | 648 | 17 | 2.6% | 379 | 2 | 0.6% | 1,213 | 25 | 2.1% |
| Hughes Supply | 97 | 2 | 2.6% | 102 | 2 | 1.9% | 81 | 2 | 2.8% | 280 | 7 | 2.4% |
| AutoNation | 596 | 14 | 2.3% | 622 | 17 | 2.8% | 436 | 15 | 3.5% | 1,653 | 46 | 2.8% |
| Darden Restaurants | 345 | 9 | 2.5% | 360 | 10 | 2.9% | 296 | 10 | 3.5% | 1,002 | 29 | 2.9% |
| Publix | 1,063 | 46 | 4.4% | 1,003 | 42 | 4.1% | 827 | 37 | 4.5% | 2,892 | 125 | 4.3% |

State Income Taxes for 252 Major Corporations, 2001–2003, by Location of Headquarters (\$-millions)

| Companies by headquarters | 03Profit | 03Tax | 03Rate | 02Profit | 02Tax | 02Rate | 01Profit | 01Tax | 01Rate | 3yr Profit | 3yr Tax | 3yr Rate |
|-----------------------------|----------|-------|--------|----------|-------|--------|----------|-------|--------|------------|---------|----------|
| Georgia | | | | | | | | | | | | |
| Suntrust | 1,921 | 14 | 0.7% | 1,886 | -16 | -0.8% | 2,022 | 27 | 1.4% | 5,829 | 26 | 0.4% |
| BellSouth | 5,214 | 125 | 2.4% | 4,018 | 29 | 0.7% | 3,652 | 66 | 1.8% | 12,884 | 220 | 1.7% |
| Newell Rubbermaid | 250 | 2 | 0.6% | 499 | 7 | 1.5% | 391 | 12 | 2.9% | 1,140 | 20 | 1.8% |
| Mohawk Industries | 488 | 9 | 1.9% | 444 | 2 | 0.5% | 293 | 14 | 4.8% | 1,226 | 25 | 2.1% |
| UPS (United Parcel Service) | 4,089 | 90 | 2.2% | 5,037 | 129 | 2.6% | 3,929 | 133 | 3.4% | 13,055 | 352 | 2.7% |
| Southern | 2,086 | 37 | 1.8% | 1,846 | 60 | 3.3% | 1,677 | 102 | 6.1% | 5,609 | 199 | 3.6% |
| Coca-Cola Company | 2,029 | 82 | 4.0% | 2,001 | 53 | 2.7% | 2,364 | 92 | 3.9% | 6,394 | 227 | 3.6% |
| Home Depot | 6,440 | 303 | 4.7% | 5,571 | 227 | 4.1% | 4,783 | 241 | 5.0% | 16,794 | 771 | 4.6% |
| Genuine Parts | 607 | 27 | 4.4% | 509 | 28 | 5.5% | 619 | 32 | 5.2% | 1,735 | 87 | 5.0% |
| Illinois | | | | | | | | | | | | |
| Boeing | 1,037 | -32 | -3.1% | 2,125 | -78 | -3.7% | 2,479 | 69 | 2.8% | 5,641 | -41 | -0.7% |
| Sara Lee | 1,054 | -12 | -1.1% | 754 | 20 | 2.6% | 1,257 | 1 | 0.1% | 3,065 | 9 | 0.3% |
| Caterpillar | 489 | 2 | 0.4% | 343 | — | — | 741 | 8 | 1.1% | 1,573 | 10 | 0.7% |
| Sears | 5,279 | 83 | 1.6% | 2,319 | — | — | 1,291 | -4 | -0.3% | 8,889 | 79 | 0.9% |
| Tribune Company | 1,408 | — | — | 930 | 9 | 0.9% | 419 | 28 | 6.7% | 2,757 | 37 | 1.3% |
| Abbott Laboratories | 2,321 | 24 | 1.1% | 2,672 | 11 | 0.4% | 1,718 | 62 | 3.6% | 6,711 | 98 | 1.5% |
| Archer Daniels Midland | 357 | 1 | 0.3% | 441 | 12 | 2.7% | 243 | 8 | 3.2% | 1,040 | 21 | 2.0% |
| Illinois Tool Works | 1,067 | 23 | 2.2% | 1,190 | 27 | 2.2% | 975 | 17 | 1.7% | 3,232 | 67 | 2.1% |
| Brunswick | 160 | 6 | 4.0% | 149 | -5 | -3.4% | 116 | 10 | 8.6% | 425 | 11 | 2.7% |
| Baxter | 826 | 2 | 0.3% | 602 | — | — | 527 | 67 | 12.7% | 1,955 | 69 | 3.6% |
| CDW | 290 | 15 | 5.2% | 306 | 9 | 2.9% | 280 | 9 | 3.3% | 876 | 33 | 3.8% |
| Exelon | 2,349 | 88 | 3.8% | 2,668 | 94 | 3.5% | 2,474 | 115 | 4.7% | 7,491 | 298 | 4.0% |
| United Stationers | 122 | 4 | 3.4% | 87 | 3 | 3.4% | 121 | 6 | 5.1% | 330 | 13 | 4.0% |
| Walgreen | 1,889 | 76 | 4.0% | 1,637 | 75 | 4.6% | 1,423 | 61 | 4.3% | 4,949 | 213 | 4.3% |
| McDonald's | 1,112 | 55 | 5.0% | 968 | 44 | 4.5% | 1,009 | 48 | 4.7% | 3,090 | 147 | 4.8% |
| Indiana | | | | | | | | | | | | |
| Eli Lilly | 1,603 | -6 | -0.4% | 1,759 | -13 | -0.8% | 1,929 | 2 | 0.1% | 5,291 | -17 | -0.3% |
| Anthem | 1,219 | 11 | 0.9% | 808 | 11 | 1.3% | 541 | 8 | 1.4% | 2,568 | 29 | 1.1% |
| NiSource | 660 | 24 | 3.6% | 617 | -3 | -0.5% | 451 | 29 | 6.4% | 1,728 | 50 | 2.9% |
| Iowa | | | | | | | | | | | | |
| Maytag | 184 | -2 | -0.9% | 293 | 1 | 0.4% | 197 | 6 | 3.1% | 674 | 6 | 0.9% |
| Principal Group | 939 | 15 | 1.6% | 646 | 22 | 3.4% | 472 | -5 | -1.2% | 2,056 | 31 | 1.5% |
| Kentucky | | | | | | | | | | | | |
| Lexmark | 306 | — | — | 259 | — | — | 175 | — | — | 740 | — | — |
| Omnicare | 302 | 3 | 0.9% | 205 | 5 | 2.5% | 134 | 1 | 0.6% | 642 | 9 | 1.3% |
| Yum Brands | 665 | -4 | -0.6% | 666 | 16 | 2.3% | 598 | 36 | 6.0% | 1,929 | 47 | 2.5% |
| Humana | 345 | 11 | 3.2% | 210 | 22 | 10.7% | 183 | 9 | 5.0% | 738 | 43 | 5.8% |
| Louisiana | | | | | | | | | | | | |
| Shaw Group | 16 | 2 | 9.8% | 144 | 6 | 4.3% | 124 | 0 | 0.3% | 284 | 8 | 2.8% |
| Entergy | 579 | 18 | 3.1% | 1,627 | 39 | 2.4% | 1,173 | 52 | 4.4% | 3,379 | 109 | 3.2% |
| Maryland | | | | | | | | | | | | |
| Coventry Health Care | 393 | 6 | 1.5% | 226 | 4 | 2.0% | 143 | 8 | 5.3% | 762 | 18 | 2.4% |
| Marriott International | 405 | 21 | 5.2% | 364 | 16 | 4.3% | 410 | — | — | 1,178 | 37 | 3.1% |
| Constellation Energy | 745 | 34 | 4.5% | 835 | 24 | 2.9% | 120 | 27 | 22.4% | 1,701 | 85 | 5.0% |
| Massachusetts | | | | | | | | | | | | |
| Reebok | 32 | — | — | 24 | — | — | 2 | — | — | 58 | — | — |
| John Hancock | 1,162 | 4 | 0.3% | 522 | 4 | 0.7% | 760 | 5 | 0.6% | 2,443 | 12 | 0.5% |
| Boston Scientific | 266 | — | — | 373 | — | — | 44 | 4 | 8.3% | 683 | 4 | 0.5% |
| Gillette | 814 | 16 | 1.9% | 928 | 10 | 1.1% | 424 | 13 | 3.0% | 2,166 | 39 | 1.8% |
| State Street | 936 | 51 | 5.4% | 1,409 | 36 | 2.6% | 931 | 26 | 2.7% | 3,276 | 112 | 3.4% |
| BJ's Wholesale Club | 168 | 6 | 3.8% | 236 | 7 | 2.8% | 133 | 8 | 6.1% | 537 | 21 | 4.0% |
| TJX | 947 | 53 | 5.6% | 848 | 46 | 5.4% | 830 | 39 | 4.7% | 2,624 | 138 | 5.3% |

State Income Taxes for 252 Major Corporations, 2001–2003, by Location of Headquarters (\$-millions)

| Companies by headquarters | 03Profit | 03Tax | 03Rate | 02Profit | 02Tax | 02Rate | 01Profit | 01Tax | 01Rate | 3yr Profit | 3yr Tax | 3yr Rate |
|---------------------------------|----------|-------|--------|----------|-------|--------|----------|-------|--------|------------|---------|----------|
| Michigan | | | | | | | | | | | | |
| American Axle & Manufacturing | 285 | 2 | 0.8% | 263 | 1 | 0.5% | 162 | 1 | 0.4% | 710 | 4 | 0.6% |
| Whirlpool | 454 | 5 | 1.2% | 353 | -6 | -1.7% | 381 | 14 | 3.6% | 1,189 | 13 | 1.1% |
| Comerica | 912 | 22 | 2.5% | 974 | 13 | 1.4% | 1,150 | 31 | 2.7% | 3,036 | 67 | 2.2% |
| Pulte Homes | 992 | 19 | 1.9% | 718 | 20 | 2.8% | 490 | 17 | 3.5% | 2,200 | 56 | 2.6% |
| Borders | 195 | 8 | 4.1% | 195 | 7 | 3.7% | 149 | 5 | 3.1% | 539 | 20 | 3.7% |
| Masco | 1,172 | 42 | 3.6% | 562 | 29 | 5.1% | 474 | 15 | 3.1% | 2,208 | 85 | 3.9% |
| Stryker | 244 | 14 | 5.9% | 262 | 3 | 1.1% | 241 | 12 | 5.1% | 747 | 30 | 4.0% |
| Kellogg's | 799 | 39 | 4.9% | 788 | 44 | 5.6% | 506 | 30 | 5.9% | 2,093 | 113 | 5.4% |
| United Auto Group | 117 | 5 | 4.7% | 88 | 6 | 6.3% | 83 | 5 | 6.2% | 287 | 16 | 5.6% |
| Kelly Services | 21 | 3 | 13.0% | 43 | 2 | 5.4% | 39 | 2 | 5.2% | 102 | 7 | 6.9% |
| Minnesota | | | | | | | | | | | | |
| UnitedHealth | 2,840 | 8 | 0.3% | 2,096 | 34 | 1.6% | 1,555 | 22 | 1.4% | 6,491 | 64 | 1.0% |
| General Mills | 1,398 | 30 | 2.2% | 1,202 | 19 | 1.6% | 751 | — | — | 3,351 | 49 | 1.5% |
| 3M | 1,824 | 63 | 3.5% | 1,654 | — | — | 1,456 | 37 | 2.6% | 4,935 | 100 | 2.0% |
| Nash Finch | 52 | 0 | 0.5% | 50 | 1 | 2.3% | 39 | 2 | 5.2% | 141 | 3 | 2.5% |
| PepsiAmericas | 243 | 9 | 3.7% | 232 | 5 | 2.3% | 255 | 5 | 2.1% | 730 | 20 | 2.7% |
| Supervalu | 463 | 14 | 3.1% | 368 | 10 | 2.7% | 357 | 8 | 2.2% | 1,187 | 32 | 2.7% |
| U.S. Bancorp | 5,570 | 133 | 2.4% | 4,795 | 141 | 2.9% | 3,508 | 125 | 3.6% | 13,873 | 399 | 2.9% |
| Hormel | 285 | 8 | 2.9% | 293 | 9 | 3.2% | 284 | 9 | 3.2% | 863 | 27 | 3.1% |
| Best Buy | 1,259 | 42 | 3.3% | 1,006 | 45 | 4.5% | 904 | 24 | 2.7% | 3,169 | 111 | 3.5% |
| Target | 2,960 | 116 | 3.9% | 2,676 | 107 | 4.0% | 2,207 | 96 | 4.4% | 7,843 | 319 | 4.1% |
| C.H. Robinson | 180 | 9 | 5.0% | 148 | 7 | 4.9% | 134 | 6 | 4.7% | 462 | 23 | 4.9% |
| Missouri | | | | | | | | | | | | |
| Emerson | 843 | 7 | 0.8% | 1,124 | 11 | 0.9% | 1,288 | 32 | 2.5% | 3,254 | 49 | 1.5% |
| Leggett & Platt | 313 | 4 | 1.3% | 362 | 7 | 1.8% | 312 | 8 | 2.5% | 986 | 18 | 1.9% |
| Graybar Electric | 15 | 1 | 3.4% | 19 | 1 | 2.7% | 51 | 1 | 2.2% | 85 | 2 | 2.5% |
| Anheuser-Busch | 2,734 | 132 | 4.8% | 2,548 | 111 | 4.3% | 2,323 | 117 | 5.1% | 7,604 | 360 | 4.7% |
| May Department Stores | 617 | 38 | 6.2% | 844 | 32 | 3.8% | 1,139 | 57 | 5.0% | 2,600 | 127 | 4.9% |
| Nebraska | | | | | | | | | | | | |
| Union Pacific | 1,637 | 31 | 1.9% | 1,945 | 4 | 0.2% | 1,479 | 4 | 0.3% | 5,061 | 39 | 0.8% |
| ConAgra | 1,151 | 29 | 2.5% | 1,154 | 28 | 2.5% | 1,053 | 29 | 2.7% | 3,358 | 86 | 2.6% |
| Peter Kiewit Sons' | 252 | 14 | 5.6% | 303 | 15 | 5.0% | 278 | 9 | 3.2% | 833 | 38 | 4.6% |
| Nevada | | | | | | | | | | | | |
| MGM Mirage | 347 | 4 | 1.0% | 434 | 3 | 0.7% | 272 | 6 | 2.1% | 1,053 | 12 | 1.2% |
| Harrah's Entertainment | 483 | 13 | 2.6% | 534 | 19 | 3.6% | 363 | 5 | 1.3% | 1,380 | 37 | 2.6% |
| New Hampshire | | | | | | | | | | | | |
| Fisher Scientific International | 36 | 1 | 3.7% | 85 | 0 | 0.3% | 6 | — | — | 128 | 2 | 1.2% |
| New Jersey | | | | | | | | | | | | |
| Toys "R" Us | 119 | -28 | -23.6% | 225 | -2 | -0.9% | 205 | 8 | 3.9% | 549 | -22 | -4.0% |
| AT&T | 2,473 | -250 | -10.1% | 2,885 | -19 | -0.7% | 8,014 | 188 | 2.3% | 13,371 | -81 | -0.6% |
| Becton Dickinson | 327 | — | — | 335 | 5 | 1.4% | 351 | 2 | 0.5% | 1,013 | 6 | 0.6% |
| American Standard Companies | 549 | 4 | 0.8% | 556 | 5 | 0.9% | 512 | 3 | 0.6% | 1,617 | 12 | 0.7% |
| Bed Bath & Beyond | 650 | 12 | 1.8% | 491 | 13 | 2.6% | 357 | 6 | 1.8% | 1,498 | 31 | 2.1% |
| Campbell Soup | 752 | 13 | 1.7% | 685 | 19 | 2.7% | 835 | 26 | 3.2% | 2,272 | 58 | 2.5% |
| Engelhard | 179 | 4 | 2.2% | 226 | 12 | 5.3% | 192 | 0 | 0.2% | 597 | 16 | 2.7% |
| Public Service Enterprise Group | 1,341 | -28 | -2.1% | 661 | 50 | 7.6% | 1,141 | 64 | 5.6% | 3,143 | 86 | 2.7% |
| Automatic Data Processing | 1,475 | 59 | 4.0% | 1,619 | 55 | 3.4% | 1,375 | 32 | 2.4% | 4,469 | 146 | 3.3% |
| Prudential Financial | 1,849 | 23 | 1.2% | 103 | 2 | 1.9% | 396 | 60 | 15.1% | 2,348 | 85 | 3.6% |
| Quest Diagnostics | 738 | 46 | 6.3% | 542 | 16 | 2.9% | 334 | 13 | 4.0% | 1,614 | 75 | 4.7% |
| Merck | 4,111 | 226 | 5.5% | 4,536 | 282 | 6.2% | 4,875 | 263 | 5.4% | 13,522 | 771 | 5.7% |

State Income Taxes for 252 Major Corporations, 2001–2003, by Location of Headquarters (\$-millions)

| Companies by headquarters | 03Profit | 03Tax | 03Rate | 02Profit | 02Tax | 02Rate | 01Profit | 01Tax | 01Rate | 3yr Profit | 3yr Tax | 3yr Rate |
|---------------------------|----------|-------|--------|----------|-------|--------|----------|-------|--------|------------|---------|----------|
| New York | | | | | | | | | | | | |
| Avon | 302 | — | — | 271 | -3 | -1.2% | 170 | 2 | 0.9% | 743 | -2 | -0.2% |
| Merrill Lynch | 3,529 | — | — | 2,018 | — | — | 3,220 | — | — | 8,767 | — | — |
| ITT Industries | 283 | — | — | 288 | — | — | 244 | — | — | 815 | — | — |
| Metlife | 1,808 | 22 | 1.2% | 2,068 | -17 | -0.8% | 2,922 | -4 | -0.1% | 6,798 | 1 | 0.0% |
| PepsiCo | 3,245 | 21 | 0.7% | 3,220 | 31 | 1.0% | 2,697 | 17 | 0.6% | 9,162 | 70 | 0.8% |
| L-3 Communications | 404 | 9 | 2.1% | 295 | — | — | 205 | — | — | 905 | 9 | 1.0% |
| Cendant | 1,810 | 16 | 0.9% | 1,234 | 14 | 1.1% | 612 | 11 | 1.8% | 3,656 | 40 | 1.1% |
| Dover | 238 | 3 | 1.2% | 212 | — | — | 199 | 4 | 2.1% | 650 | 7 | 1.1% |
| IBM | 4,611 | 11 | 0.2% | 3,838 | 147 | 3.8% | 5,644 | — | — | 14,093 | 158 | 1.1% |
| Bank of New York | 1,623 | 6 | 0.4% | 1,417 | 12 | 0.8% | 1,824 | 50 | 2.8% | 4,864 | 69 | 1.4% |
| Pfizer | 6,162 | 74 | 1.2% | 4,509 | 167 | 3.7% | 4,088 | — | — | 14,759 | 241 | 1.6% |
| Pepsi Bottling | 569 | 7 | 1.2% | 592 | 10 | 1.6% | 424 | 14 | 3.2% | 1,585 | 30 | 1.9% |
| Goldman Sachs | 3,105 | 97 | 3.1% | 1,850 | 14 | 0.8% | 2,418 | 43 | 1.8% | 7,373 | 154 | 2.1% |
| Consolidated Edison | 860 | 7 | 0.9% | 1,088 | -6 | -0.6% | 1,169 | 65 | 5.5% | 3,117 | 66 | 2.1% |
| Morgan Stanley | 4,275 | 37 | 0.9% | 3,252 | 77 | 2.4% | 4,205 | 143 | 3.4% | 11,732 | 258 | 2.2% |
| JPMorgan Chase | 6,590 | 169 | 2.6% | 2,594 | 80 | 3.1% | 1,961 | 11 | 0.6% | 11,145 | 260 | 2.3% |
| Time Warner | 4,317 | 93 | 2.2% | 1,469 | 78 | 5.3% | 614 | — | — | 6,400 | 171 | 2.7% |
| Estee Lauder | 189 | 4 | 2.0% | 120 | 6 | 5.0% | 288 | 6 | 2.2% | 597 | 16 | 2.7% |
| Citigroup | 18,648 | 444 | 2.4% | 12,621 | 524 | 4.2% | 12,932 | 265 | 2.1% | 44,201 | 1,233 | 2.8% |
| Foot Locker | 185 | 14 | 7.4% | 157 | 4 | 2.7% | 115 | -5 | -4.4% | 457 | 13 | 2.8% |
| Energy East | 366 | 12 | 3.3% | 304 | 10 | 3.2% | 419 | 15 | 3.6% | 1,089 | 37 | 3.4% |
| Omnicom | 702 | 12 | 1.7% | 700 | 33 | 4.7% | 663 | 29 | 4.4% | 2,065 | 74 | 3.6% |
| Henry Schein | 214 | 9 | 4.0% | 186 | 8 | 4.2% | 141 | 3 | 2.3% | 541 | 20 | 3.6% |
| Altria (Philip Morris) | 8,201 | 368 | 4.5% | 12,179 | 422 | 3.5% | 10,044 | 443 | 4.4% | 30,424 | 1,232 | 4.0% |
| Liz Claiborne | 343 | 14 | 4.0% | 305 | 15 | 4.8% | 255 | 10 | 3.9% | 903 | 38 | 4.3% |
| New York Times | 498 | 20 | 3.9% | 492 | — | — | 366 | 42 | 11.4% | 1,357 | 61 | 4.5% |
| Lehman Brothers | 1,884 | 59 | 3.1% | 993 | 148 | 14.9% | 1,804 | 53 | 2.9% | 4,681 | 260 | 5.6% |
| Viacom | 4,219 | 211 | 5.0% | 3,274 | 245 | 7.5% | 2,663 | 176 | 6.6% | 10,156 | 633 | 6.2% |
| Bear Stearns | 1,705 | 120 | 7.0% | 1,297 | 64 | 4.9% | 912 | 83 | 9.1% | 3,914 | 267 | 6.8% |
| McGraw Hill | 1,036 | 115 | 11.1% | 810 | 33 | 4.0% | 673 | 35 | 5.2% | 2,520 | 184 | 7.3% |
| Verizon | 4,555 | 265 | 5.8% | 6,129 | 487 | 7.9% | 2,571 | 240 | 9.3% | 13,256 | 991 | 7.5% |
| North Carolina | | | | | | | | | | | | |
| Nucor | 67 | -12 | -17.5% | 230 | -17 | -7.5% | 179 | 3 | 1.9% | 476 | -25 | -5.4% |
| BB&T | 1,408 | -13 | -0.9% | 1,759 | 11 | 0.6% | 1,483 | 8 | 0.6% | 4,651 | 7 | 0.1% |
| Goodrich | 91 | — | — | 257 | 4 | 1.5% | 254 | 2 | 0.7% | 601 | 6 | 0.9% |
| VF Corporation | 436 | 7 | 1.7% | 402 | 1 | 0.2% | 359 | 9 | 2.6% | 1,196 | 17 | 1.4% |
| SPX | 395 | 5 | 1.4% | 488 | 10 | 2.0% | 408 | 5 | 1.2% | 1,291 | 20 | 1.5% |
| Sonic Automotive | 134 | 2 | 1.8% | 177 | 4 | 2.5% | 137 | 4 | 2.7% | 448 | 11 | 2.4% |
| Bank of America | 15,633 | 335 | 2.1% | 13,252 | 408 | 3.1% | 10,636 | 204 | 1.9% | 39,521 | 947 | 2.4% |
| Family Dollar Stores | 390 | 12 | 3.0% | 342 | 8 | 2.2% | 298 | 6 | 2.0% | 1,030 | 25 | 2.5% |
| Wachovia | 5,403 | 60 | 1.1% | 4,255 | 201 | 4.7% | 3,529 | 81 | 2.3% | 13,188 | 342 | 2.6% |
| Lowe's | 2,998 | 119 | 4.0% | 2,339 | 77 | 3.3% | 1,603 | 61 | 3.8% | 6,940 | 257 | 3.7% |

State Income Taxes for 252 Major Corporations, 2001–2003, by Location of Headquarters (\$-millions)

| Companies by headquarters | 03Profit | 03Tax | 03Rate | 02Profit | 02Tax | 02Rate | 01Profit | 01Tax | 01Rate | 3yr Profit | 3yr Tax | 3yr Rate |
|-----------------------------|----------|-------|--------|----------|-------|--------|----------|-------|--------|------------|---------|----------|
| Ohio | | | | | | | | | | | | |
| American Financial Group | 295 | 1 | 0.2% | 180 | 0 | 0.1% | 99 | 1 | 1.2% | 574 | 2 | 0.4% |
| Cardinal Health | 1,761 | 18 | 1.0% | 1,493 | 10 | 0.7% | 1,149 | — | — | 4,403 | 28 | 0.6% |
| NCR | 106 | 3 | 2.8% | 295 | 4 | 1.4% | 315 | 0 | 0.0% | 715 | 7 | 1.0% |
| Fifth Third | 2,630 | 36 | 1.4% | 2,434 | 19 | 0.8% | 1,703 | 27 | 1.6% | 6,767 | 82 | 1.2% |
| Eaton | 325 | 15 | 4.5% | 292 | 2 | 0.6% | 323 | -5 | -1.6% | 939 | 11 | 1.2% |
| Parker Hannifin | 161 | 1 | 0.9% | 200 | 0 | 0.0% | 469 | 9 | 1.9% | 830 | 10 | 1.2% |
| Cinergy | 581 | 23 | 4.0% | 560 | -4 | -0.7% | 717 | 9 | 1.3% | 1,859 | 28 | 1.5% |
| Procter & Gamble | 4,979 | 73 | 1.5% | 4,271 | 93 | 2.2% | 3,583 | 75 | 2.1% | 12,832 | 242 | 1.9% |
| KeyCorp | 1,165 | 26 | 2.2% | 1,056 | 30 | 2.8% | 1,095 | 17 | 1.6% | 3,316 | 73 | 2.2% |
| Timken | 52 | 1 | 1.6% | 179 | 4 | 2.2% | 41 | 2 | 5.7% | 273 | 7 | 2.6% |
| Sherwin-Williams | 523 | 15 | 2.8% | 497 | 16 | 3.2% | 424 | 16 | 3.9% | 1,445 | 47 | 3.3% |
| Kroger | 1,195 | 35 | 3.0% | 1,886 | 70 | 3.7% | 1,804 | 57 | 3.2% | 4,886 | 163 | 3.3% |
| American Electric Power | 935 | 19 | 2.0% | 800 | 32 | 4.0% | 1,543 | 61 | 3.9% | 3,277 | 112 | 3.4% |
| Limited Brands | 1,132 | 63 | 5.6% | 781 | 47 | 6.0% | 823 | 40 | 4.8% | 2,736 | 150 | 5.5% |
| Federated Department Stores | 1,081 | 48 | 4.4% | 1,042 | 85 | 8.2% | 778 | 57 | 7.4% | 2,901 | 191 | 6.6% |
| Oklahoma | | | | | | | | | | | | |
| OGE Energy | 209 | -6 | -2.9% | 126 | -1 | -0.5% | 147 | 3 | 2.3% | 482 | -3 | -0.7% |
| Devon Energy | 1,606 | 1 | 0.0% | 354 | 10 | 2.8% | 492 | 4 | 0.8% | 2,452 | 15 | 0.6% |
| Oregon | | | | | | | | | | | | |
| Nike | 608 | 35 | 5.8% | 445 | 31 | 7.1% | 511 | 30 | 5.8% | 1,564 | 96 | 6.1% |
| Pennsylvania | | | | | | | | | | | | |
| Wesco International | 30 | -1 | -2.9% | 20 | 1 | 2.9% | 30 | -2 | -5.0% | 79 | -2 | -2.3% |
| Ikon Office Solutions | 147 | 1 | 0.4% | 197 | -0 | -0.2% | 153 | 2 | 1.6% | 497 | 3 | 0.5% |
| PPL | 825 | 12 | 1.5% | 416 | -9 | -2.2% | 607 | 35 | 5.8% | 1,849 | 39 | 2.1% |
| Aramark | 374 | 7 | 1.8% | 362 | 6 | 1.7% | 238 | 10 | 4.0% | 974 | 22 | 2.3% |
| Mellon Financial | 709 | 10 | 1.5% | 1,430 | 29 | 2.0% | 694 | 34 | 4.9% | 2,834 | 73 | 2.6% |
| Jones Apparel | 520 | 14 | 2.8% | 519 | 17 | 3.3% | 415 | 8 | 2.0% | 1,454 | 40 | 2.7% |
| PNC | 1,559 | 38 | 2.4% | 1,969 | 46 | 2.4% | 602 | 33 | 5.5% | 4,130 | 117 | 2.8% |
| Hershey | 708 | 20 | 2.8% | 590 | 7 | 1.2% | 355 | 20 | 5.7% | 1,653 | 48 | 2.9% |
| AmerisourceBergen | 722 | 17 | 2.3% | 574 | 23 | 4.0% | 208 | 4 | 1.7% | 1,504 | 44 | 2.9% |
| PPG Industries | 498 | 28 | 5.6% | 545 | 19 | 3.5% | 554 | 10 | 1.7% | 1,596 | 56 | 3.5% |
| Unisys | 167 | 16 | 9.8% | 110 | 7 | 6.5% | 83 | 3 | 3.3% | 360 | 26 | 7.3% |
| Rhode Island | | | | | | | | | | | | |
| Textron | 246 | 15 | 6.1% | 465 | 15 | 3.2% | 891 | 24 | 2.7% | 1,603 | 53 | 3.3% |
| CVS | 1,352 | 77 | 5.7% | 1,103 | 56 | 5.1% | 954 | 52 | 5.4% | 3,409 | 185 | 5.4% |
| Tennessee | | | | | | | | | | | | |
| Dollar General | 480 | 11 | 2.4% | 415 | 11 | 2.6% | 328 | 8 | 2.3% | 1,222 | 30 | 2.4% |
| Autozone | 827 | 24 | 2.8% | 670 | 17 | 2.5% | 326 | 12 | 3.6% | 1,824 | 52 | 2.8% |
| FedEx | 1,227 | 23 | 1.9% | 1,043 | 34 | 3.3% | 824 | 42 | 5.1% | 3,094 | 99 | 3.2% |
| Caremark RX | 485 | 10 | 2.1% | 334 | 14 | 4.2% | 206 | 11 | 5.5% | 1,025 | 36 | 3.5% |
| HCA | 2,168 | 72 | 3.3% | 1,472 | 78 | 5.3% | 1,545 | 39 | 2.5% | 5,184 | 188 | 3.6% |

State Income Taxes for 252 Major Corporations, 2001–2003, by Location of Headquarters (\$-millions)

| Companies by headquarters | 03Profit | 03Tax | 03Rate | 02Profit | 02Tax | 02Rate | 01Profit | 01Tax | 01Rate | 3yr Profit | 3yr Tax | 3yr Rate |
|------------------------------|----------|-------|--------|----------|-------|--------|----------|-------|--------|------------|---------|----------|
| Texas | | | | | | | | | | | | |
| Southwest Airlines | 708 | — | — | 393 | — | — | 828 | 1 | 0.1% | 1,928 | 1 | 0.0% |
| Apache | 918 | — | — | 287 | 0 | 0.1% | 605 | 5 | 0.7% | 1,811 | 5 | 0.3% |
| Burlington Northern Santa Fe | 1,231 | 5 | 0.4% | 1,216 | 2 | 0.2% | 1,173 | 8 | 0.7% | 3,620 | 15 | 0.4% |
| CenterPoint Energy | 665 | 5 | 0.8% | 567 | 6 | 1.1% | 802 | -2 | -0.2% | 2,035 | 9 | 0.5% |
| Valero Energy | 639 | 4 | 0.7% | 44 | — | — | 895 | 4 | 0.4% | 1,578 | 8 | 0.5% |
| Anadarko Petroleum | 1,359 | 4 | 0.3% | 706 | 8 | 1.1% | 130 | 4 | 3.1% | 2,195 | 15 | 0.7% |
| SBC Communications | 8,901 | -38 | -0.4% | 10,460 | 109 | 1.0% | 11,218 | 189 | 1.7% | 30,579 | 260 | 0.9% |
| Affiliated Computer Services | 481 | 6 | 1.2% | 353 | 5 | 1.5% | 216 | 3 | 1.2% | 1,050 | 13 | 1.3% |
| Dean Foods | 556 | 10 | 1.8% | 417 | 5 | 1.3% | 225 | 4 | 2.0% | 1,199 | 20 | 1.7% |
| Smith International | 63 | — | — | 40 | 2 | 3.8% | 174 | 4 | 2.1% | 277 | 5 | 1.9% |
| Burlington Resources | 983 | 8 | 0.8% | 548 | 11 | 2.0% | 470 | 18 | 3.8% | 2,001 | 37 | 1.9% |
| Kimberly-Clark | 1,652 | 41 | 2.5% | 1,758 | 18 | 1.0% | 1,742 | 49 | 2.8% | 5,152 | 108 | 2.1% |
| Triad Hospitals | 173 | 4 | 2.4% | 242 | 6 | 2.5% | 97 | 1 | 0.7% | 513 | 11 | 2.1% |
| Brinker International | 251 | 6 | 2.3% | 229 | 4 | 1.6% | 220 | 7 | 3.1% | 700 | 16 | 2.3% |
| Waste Management | 1,124 | 17 | 1.6% | 1,266 | 25 | 2.0% | 801 | 37 | 4.7% | 3,191 | 80 | 2.5% |
| TXU | 917 | 11 | 1.2% | 335 | 7 | 1.9% | 828 | 40 | 4.9% | 2,081 | 58 | 2.8% |
| ExxonMobil | 9,422 | 316 | 3.4% | 4,316 | 94 | 2.2% | 8,265 | 205 | 2.5% | 22,003 | 616 | 2.8% |
| ConocoPhillips | 4,093 | 132 | 3.2% | 909 | 54 | 5.9% | 3,178 | 89 | 2.8% | 8,181 | 275 | 3.4% |
| Radio Shack | 457 | 19 | 4.1% | 386 | 13 | 3.4% | 342 | 18 | 5.2% | 1,185 | 50 | 4.2% |
| Kinder Morgan | 626 | 23 | 3.6% | 443 | 17 | 3.9% | 385 | 25 | 6.4% | 1,454 | 65 | 4.4% |
| Marathon Oil | 1,143 | 56 | 4.9% | 504 | 21 | 4.2% | 1,975 | 85 | 4.3% | 3,622 | 162 | 4.5% |
| Reliant Resources | 173 | 34 | 19.9% | 234 | 32 | 13.5% | 804 | 4 | 0.5% | 1,210 | 70 | 5.8% |
| Utah | | | | | | | | | | | | |
| Autoliv | 55 | 7 | 12.5% | 72 | 7 | 9.5% | 59 | 0 | 0.3% | 186 | 14 | 7.5% |
| Virginia | | | | | | | | | | | | |
| Advance Auto Parts | 198 | — | — | 91 | — | — | 31 | 0 | 0.7% | 321 | 0 | 0.1% |
| General Dynamics | 1,159 | — | — | 1,379 | — | — | 1,272 | 12 | 1.0% | 3,810 | 12 | 0.3% |
| Performance Food Group | 114 | -1 | -0.4% | 104 | 2 | 2.0% | 76 | — | — | 294 | 2 | 0.5% |
| Dominion Resources | 1,534 | 20 | 1.3% | 2,008 | 9 | 0.5% | 1,026 | 60 | 5.8% | 4,568 | 89 | 1.9% |
| Norfolk Southern | 586 | 11 | 1.8% | 706 | 6 | 0.8% | 553 | 22 | 3.9% | 1,845 | 38 | 2.1% |
| Gannett | 1,744 | 63 | 3.6% | 1,721 | 42 | 2.4% | 1,420 | 31 | 2.2% | 4,885 | 136 | 2.8% |
| CarMax | 189 | 8 | 4.2% | 163 | 5 | 3.3% | 146 | 5 | 3.5% | 499 | 19 | 3.7% |
| NVR | 696 | 30 | 4.3% | 536 | 21 | 4.0% | 402 | 22 | 5.4% | 1,634 | 73 | 4.5% |
| Washington | | | | | | | | | | | | |
| Starbucks | 431 | 19 | 4.4% | 335 | 9 | 2.7% | 267 | 12 | 4.6% | 1,033 | 41 | 3.9% |
| Nordstrom | 398 | 16 | 3.9% | 196 | 10 | 5.1% | 204 | 6 | 3.0% | 798 | 32 | 4.0% |
| Weyerhaeuser | 514 | 29 | 5.6% | 379 | 25 | 6.7% | 685 | 16 | 2.3% | 1,578 | 70 | 4.4% |
| Costco | 929 | 57 | 6.1% | 931 | 44 | 4.7% | 825 | 50 | 6.0% | 2,685 | 150 | 5.6% |
| Wisconsin | | | | | | | | | | | | |
| Manpower | 52 | — | — | 25 | -0 | -1.2% | 34 | -0 | -0.9% | 111 | -1 | -0.5% |
| Rockwell Automation | 209 | — | — | 120 | 7 | 5.8% | 116 | 4 | 3.1% | 446 | 11 | 2.4% |
| Harley-Davidson | 1,166 | 31 | 2.7% | 886 | 18 | 2.0% | 675 | 17 | 2.5% | 2,727 | 66 | 2.4% |
| Kohl's | 950 | 22 | 2.3% | 1,034 | 30 | 2.9% | 804 | 19 | 2.4% | 2,789 | 71 | 2.5% |
| Johnson Controls | 979 | 29 | 3.0% | 862 | 27 | 3.1% | 660 | 22 | 3.3% | 2,501 | 78 | 3.1% |

Methodology

This study represents an in-depth look at state (and local) corporate income taxes over the 2001-03 period. It is based on data collected for a September 2004 study of *federal* corporate tax payments published by Citizens for Tax Justice and the Institute on Taxation and Economic Policy, titled *Corporate Income Taxes in the Bush Years*. That report covered 275 large *Fortune 500* corporations. This new *state* corporate report includes the 252 companies of those 275 that fully disclosed their state corporate income tax payments. Over the three-year period, these 252 companies reported \$1 trillion in pretax U.S. profits, and, on average, paid state taxes on about a third of that amount.

1. Choosing the Companies:

Our report is based on corporate annual reports to shareholders and the similar 10-K forms that corporations are required to file with the Securities and Exchange Commission. We relied on electronic versions of these reports from the companies' web sites or from the SEC web site.

As we pursued our analysis, we gradually eliminated companies from the study based on two criteria: either (1) a company lost money in any one of the three years; or (2) a company's report did not provide sufficient information for us to accurately calculate its domestic profits, current state income taxes, or both.

2. Method of Calculation:

Conceptually, our method for computing effective state corporate tax rates was straightforward. First, a company's domestic pretax profit was determined. (We excluded foreign profits since state income taxes do not apply to them.) We then determined a company's current state income taxes. Current taxes are those that a company is obligated to pay during the year; they do not include taxes "deferred" due to various "tax incentives." Finally, we divided current taxes by pretax profits to determine effective tax rates.

A. Issues in measuring profits. The pretax U.S. profits reported in the study are generally as the companies disclosed them, or if a company did not report U.S. pretax profits, were based on a geographic breakdown of operating profits minus a prorated share of any expenses not included therein (e.g., overhead or interest). In some cases, companies booked charges against reported profits that were not fully allocable to the year they were booked or they deferred book recognition of income received. Where information was available, we reallocated these charges or profits to the years they were actually incurred or received. In addition, some companies took book charges for non-tax-deductible "acquired in-process research," which should properly be

capitalized. We reversed such subtraction¹². We also did not allow deductions for booked "goodwill" write-offs beyond the already generous treatment allowed by the tax code,¹³ and disallowed a handful of other non-cash, nondeductible book write-offs. All significant adjustments to profits made in the study are reported in the company-by-company notes to *Corporate Income Taxes in the Bush Years* (CTJ & ITEP, 2004), which is available at www.itepnet.org.

B. Issues in measuring state income taxes. The primary source for current state income taxes was the companies' income tax notes to their financial statements. We also subtracted state tax benefits from stock options, which generate tax deductions, but generally do not reduce reported book profits. Specifically, when employees exercise stock options, companies can deduct the difference between the market value of the stock and the exercise price (times the number of shares exercised) from their taxable income. In almost all cases, however, the tax savings from these deductions are not reflected in the companies' tax statements in their annual reports, but are instead treated as additions to stockholders' equity. In many cases, companies disclose their federal and state tax benefits from stock options directly. We broke those down between federal and state based on the 35 percent federal statutory tax rate and the 6.8 percent average state rate (weighted by state GSP). In other cases, we had to calculate the benefits by multiplying the difference between the market value of the stock and the exercise price times the number of options exercised times the average state income tax rate. Note that in no case were our calculated state stock option benefits allowed to take a company's taxes below zero (or more below zero) in any year. Instead, excess stock option benefits were carried forward to subsequent years (and utilized there if possible).

3. Negative tax rates.

A "negative" effective tax rate means that a company enjoyed a tax rebate, usually obtained by carrying back excess tax deductions and/or credits to an earlier year and receiving a tax refund check.

4. Note: Companies do not provide information on their state income taxes on a state-by-state basis. As a result, the figures in our report show only the companies' nationwide state income taxes. ●

¹²Immediate write-offs for acquired, in-process research have been widely criticized, and are usually ignored by stock market analysts. One effect of these write-offs is to artificially boost profits in future years, with a potentially favorable effect on a company's stock market valuation.

¹³Accounting rules have changed recently to match our treatment, and companies are moving away from taking arbitrary goodwill write-offs for book purposes.