

Corporate Income Tax

Florida taxes corporate income at a flat rate of 5.5%. Taxpayers doing business solely within Florida are subject to tax on 100% of their adjusted federal taxable income. Taxpayers doing business in and outside the state apportion their adjusted federal income to Florida by a three-factor formula (25% to property, 25% to payroll, and 50% to sales). No business income allocated to Florida is added to the Florida portion of adjusted federal income. An exception of \$25,000 is subtracted to arrive at the Florida net income. Additional Florida income tax advantages:

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

by State

Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	South Dakota	NONE	18	Alabama	6.5%	35	New Hampshire	8.5%
2	Wyoming	NONE	19	Arkansas	6.5%	36	Vermont	8.5%
3	North Dakota	4.31%	20	Indiana	6.5%	37	Delaware	8.7%
4	Colorado	4.63%	21	Tennessee	6.5%	38	California	8.84%
5	Mississippi	5.0%	22	West Virginia	6.5%	39	Maine	8.93%
6	North Carolina	5.0%	23	Montana	6.75%	40	Connecticut	9.0%
7	South Carolina	5.0%	24	New Mexico	6.9%	41	New Jersey	9.0%
8	Utah	5.0%	25	Kansas	7.0%	42	Rhode Island	9.0%
9	Florida	5.5%	26	New York	7.1%	43	Alaska	9.4%
10	Arizona	6.0%	27	Idaho	7.4%	44	Minnesota	9.8%
11	Georgia	6.0%	28	Oregon	7.6%	45	Pennsylvania	9.99%
12	Kentucky	6.0%	29	Illinois	7.8%	46	Iowa	12.0%
13	Michigan	6.0%	30	Nebraska	7.81%	N/A*	Nevada	0.33%
14	Oklahoma	6.0%	31	Wisconsin	7.9%	N/A*	Ohio	0.26%
15	Virginia	6.0%	32	Louisiana	8.0%	N/A*	Texas	0.98%
16	Missouri	6.25%	33	Massachusetts	8.0%	N/A*	Washington	3.30%
17	Hawaii	6.4%	34	Maryland	8.25%			

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

Personal Income Tax

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