

**EXHIBIT 2**  
Gross Receipts Tax, Sales and Use Tax, and/or Corporate Alternative Minimum Tax

State	Gross Receipts Tax	Sales and Use Tax	Alternative Minimum Tax
Alabama	None	4.0%	None
Alaska	None	None	18% of federal AMT
Arizona	None	5.6%	None
Arkansas	None	6.0%	None
California	None	7.25% <sup>1</sup>	6.65% of modified federal AMT income.
Colorado	None	2.9%	None
Connecticut	None	6.0%	\$250.
Delaware	0.576%	None	None
Florida	None	6.0%	3.3% of modified federal AMT income.
Georgia	None	4.0%	None
Hawaii	None	4.0%	None
Idaho	None	6.0%	None
Illinois	None	6.25%	None
Indiana	None	6.0%	None
Iowa	None	5.0%	7.2% of Iowa AMT income.
Kansas	None	5.3%	None
Kentucky	0.095% <sup>2</sup>	6.0%	None <sup>8</sup>
Louisiana	None	4.0%	None
Maine	None	5.0%	5.4% of Maine AMT income over regular tax.
Maryland	None	5.0%	None
Massachusetts	None	5.0%	None
Michigan	0.125% <sup>3</sup>	6.0%	None
Minnesota	None	6.5%	5.8% of Minn. AMT over regular tax.
Mississippi	None	7.0%	None
Missouri	None	4.225%	None
Montana	None	None	None
Nebraska	None	.85%	None
Nevada	None	6.5%	None
New Hampshire	None	None	None
New Jersey	None <sup>4</sup>	7.0%	None
New Mexico	None	5.0%	None
New York	None	4.0%	2.5% of N.Y. minimum taxable income base or fixed-dollar minimum tax.
North Carolina	None	4.5%	None
North Dakota	None	5.0%	None
Ohio	0.104% <sup>5</sup>	5.5%	None
Oklahoma	None	4.5%	None
Oregon	None	None	None
Pennsylvania	None	6.0%	None
Rhode Island	None	7.0%	None
South Carolina	None	5.0%	None
South Dakota	None	4.0%	None
Tennessee	None	7.0%	None
Texas	1% <sup>6</sup>	6.25%	None
Utah	None	4.75%	None
Vermont	None	6.0%	None
Virginia	None	4.0%	None <sup>9</sup>
Washington	0.484% <sup>7</sup>	6.5%	None
Washington, D.C.	None	5.75%	None
West Virginia	None	6.0%	None
Wisconsin	None	5.0%	None
Wyoming	None	4.0%	None

1. The California sales tax rate is 7.25%; however, counties add on to this basic rate. For example, the rate in Sacramento County is 7.75%; Alameda County's 8.75% is the highest rate permitted.

2. Kentucky's gross receipts tax is an alternative tax; businesses pay either the corporate income tax or the gross receipts tax, but not both.

3. In 2007, Michigan replaced its SBT with the MBT, the base for which consists of three components: gross receipts, business assets, and business income (profits). Gross receipts are taxed at 0.125%.

4. New Jersey's Alternative Minimum Assessment (AMA) gross receipts tax was phased out on July 1, 2006, for all companies except those that can claim protection under Federal Public Law 86-272.

5. The Ohio Commercial Activities Tax (CAT) rate will be 0.26% when fully phased in.

6. Texas gross receipts tax is referred to as a franchise tax; its rate is 0.5% for retailers.

7. Washington Business and Occupations (B&O) tax.

8. Effective for taxable years starting on or after January 1, 2007, a limited liability entity (LLE) tax is imposed on corporations in addition to the income tax. The LLE tax replaces the AMT and incorporates the \$175 minimum tax.

9. Telecommunications companies pay a minimum tax of 0.5% of gross receipts if the 6% income tax is less than the minimum tax.

Sources:

*All States Tax Handbook 2007*, RIA.

*State Tax Handbook 2007*, CCH.

"New Michigan Business Tax Act," *Tax News*, July 2007.

The Tax Foundation, *Background Paper No. 52*.