

EXHIBIT 3
Business Tax Credits

State	Jobs Credit	R&D Credit	Investment Credit	State	Jobs Credit	R&D Credit	Investment Credit
Alabama	Yes	No	Yes	Nebraska	Yes	Yes	Yes
Alaska	Yes	No	Yes	Nevada	N/A	N/A	N/A
Arizona	Yes	Yes	Yes	New Hampshire	Yes	No ⁵	Yes ⁷
Arkansas	Yes	Yes	Yes	New Jersey	No ²	Yes	Yes
California	No	Yes	No	New Mexico	Yes	Yes	Yes
Colorado	Yes	Yes	Yes	New York	Yes	Yes	Yes
Connecticut	Yes	Yes	Yes	North Carolina	Yes	Yes	Yes
Delaware	Yes	Yes	Yes	North Dakota	No	Yes	Yes ⁸
Florida	Yes	No	Yes	Ohio	Yes	Yes	Yes
Georgia	Yes	Yes	Yes	Oklahoma	Yes	Yes	Yes
Hawaii	No	Yes	Yes	Oregon	No ²	Yes	No
Idaho	Yes	Yes	Yes	Pennsylvania	Yes	Yes	No
Illinois	Yes	Yes	Yes	Rhode Island	Yes	Yes	Yes
Indiana	Yes	Yes	Yes	South Carolina	Yes	Yes	No
Iowa	Yes	Yes	Yes	South Dakota	N/A	N/A	N/A
Kansas	Yes	Yes	Yes	Tennessee	Yes	No	Yes
Kentucky	Yes	Yes	Yes	Texas	Yes	Yes	Yes
Louisiana	Yes	Yes	Yes	Utah	Yes	Yes	No
Maine	Yes	Yes	Yes	Vermont	Yes	No	Yes
Maryland	Yes	Yes	Yes	Virginia	Yes	No	Yes
Massachusetts	Yes	Yes	Yes	Washington ¹	No	Yes	Yes
Michigan	Yes	Yes ³	Yes	Washington, D.C	Yes	No	No
Minnesota	Yes	Yes	No	West Virginia	Yes	Yes	Yes
Mississippi	Yes	Yes ⁴	Yes ⁶	Wisconsin	No	Yes	Yes
Missouri	Yes	No	Yes	Wyoming	N/A	N/A	N/A
Montana	Yes	Yes	Yes				

1. Washington does not impose a corporate income tax. Tax credits offset the state's Business and Occupation (B&O) tax.

2. Wages not creditable for federal purposes are deductible for state tax purposes.

3. The new Michigan Business Tax includes a MEGA credit for R&D.

4. Although Mississippi does not offer a broad-based R&D tax credit, a credit is allowed to businesses that create jobs requiring R&D skills from chemists and engineers.

5. According to the New Hampshire Department of Revenue, "there are current proposals" for such credits (March 2007).

6. Applicable to investments in venture capital funds.

7. Investment credit allowed for 75% of contribution made to community development finance authority.

8. Investment credit allowed for 25% of investment in venture capital corporations.

Sources:

All States Tax Handbook 2007, RIA.

State Tax Handbook 2007, CCH.

Tax Foundation, *Background Paper No. 52*

The Michigan Business Tax: A New Tax for a New Economy, State of Michigan, Office of the Governor.