The descriptive information provided in each state profile—successful incentive and development programs, oversight and accountability measures and recent legislative highlights—was gathered from a review of state economic development agency and division websites and a survey of agency staff. Economic indicators and key tax rates were collected from the U.S. Bureau of Economic Analysis and the Federation of Tax Administrators.

### ECONOMIC INDICATORS

- **Per Capita Personal Income**
  - 2012 Per Capita Personal Income
  - Percent of National Average
  - Percent Change from 2011
  - 2002-12 Compound Annual Growth Rate

- **Current Dollar GDP**
  - 2011 Current Dollar GDP
  - U.S. Rank: 1 = highest GDP; 50 = lowest GDP

- **Real GDP**
  - 2011 Growth Rate
  - 2001-11 Compound Annual Growth Rate

- **Largest Industry Contributors to GDP:**
  - U.S. Bureau of Economic Analysis industry categories

- **Largest Industry Contributors to GDP Growth, 2010-11**


### KEY TAX RATES

- **State Individual Income Taxes**
  - Tax Rate Range
  - Low
  - High
  - Income Brackets
    - Lowest
    - Highest
    - Number of Tax Brackets

- **Corporate Income Tax Rates**
  - Tax Rate Percentages
  - Lowest Tax Bracket
  - Highest Tax Bracket
  - Number Of Tax Brackets

- **Excise Tax Rates**
  - General Sales And Gross Receipts Tax
  - Motor Fuel Excise Tax Rates: Cents Per Gallon
    - Gasoline: Rate
    - Diesel: Rate
    - Gasohol: Rate

  Source: Federation of Tax Administrators as assembled in CSG's 2013 Book of the States, [www.csg.org/bookofthestates](http://www.csg.org/bookofthestates)
COMMON BUSINESS INCENTIVE PROGRAMS

States were asked to report and describe their major business incentive programs, including tax or financial incentives.

Example: Indiana’s Research and Development Tax Credit and Sales Tax Exemption—Two tax incentives targeted at encouraging investments in research and development are available, including a credit applied against a taxpayer’s state income tax liability calculated as a percentage of qualified research expenses and a refund for sales tax paid on purchases of qualified research and development equipment.

OVERSIGHT AND ACCOUNTABILITY MEASURES

States were asked to cite oversight and accountability measures they have in place for their tax and financial incentive programs.

Example: Nebraska’s business incentives are awarded post-performance. The Nebraska Department of Revenue performs a compliance audit to ensure that the applicable investment, employment and wage thresholds are met before any tax credits are awarded or used. It also checks to ensure application is for a qualified activity. The Department of Revenue performs periodic audits to ensure the levels of employment and investment have been maintained through the entitlement period. If these levels are not maintained, any credits earned during this period will be recaptured, along with any refunds that may have been issued during this period.

RECENT LEGISLATIVE HIGHLIGHTS

Legislative highlights during the past one to two legislative sessions related to economic development are listed here.

Example: South Dakota Republican and Democrat leadership worked together during the 2013 legislative session to formulate a comprehensive economic development package with built-in safeguards to ensure fiscal responsibility, transparency and accountability. The multi-faceted approach set forth in Senate Bill 235 focuses on education, housing, infrastructure, local economic development efforts, and large and small project needs.

One component of the legislation provides for the Board of Economic Development to approve discretionary reinvestment payments, up to the amount of sales and use tax paid on project costs, for new or expanded facilities with a total project cost in excess of $20 million, and for equipment upgrades with a total project cost in excess of $2 million. The legislation also created the Building South Dakota Fund, which is funded by unclaimed property receipts, in addition to the contractor’s excise tax collected by the Department of Revenue on projects in excess of $20 million that are approved to receive a reinvestment payment. The fund allocates money for the Workforce Education Fund, the Local Infrastructure Improvement Grant Fund, the Economic Development Partnership Fund, and the Revolving Economic Development and Initiative Fund.