

Table 1: Personal Income Growth and Capital Gains Tax Rates, 1990-2000

States That Exempt Capital Gains	Top-Bracket Effective Capital Gains Tax Rate, 1990-2000, Average	1990-2000 Growth In:	
		Real Personal Income	Real Per Capita Personal Income
Alaska	0.00	13.4%	-0.04%
Florida	0.00	33.3%	8.3%
Nevada	0.00	31.0%	9.2%
New Hampshire	0.00	37.2%	23.1%
South Dakota	0.00	30.9%	20.8%
Tennessee	0.00	38.7%	19.1%
Texas	0.00	49.8%	22.0%
Washington	0.00	44.5%	19.9%
Wyoming	0.00	27.6%	17.2%
Average	0.00	34.1%	15.5%
States With Highest Capital Gains Taxes			
Iowa	7.66%	22.2%	16.1%
North Carolina	7.68%	43.5%	18.4%
New Mexico	8.42%	32.8%	10.9%
Minnesota	8.43%	33.0%	22.2%
Maine	8.75%	15.7%	11.6%
Montana	8.80%	26.4%	12.0%
Oregon	9.00%	38.8%	15.8%
Hawaii	9.77%	4.5%	-4.0%
California	10.23%	27.3%	12.2%
Average	8.75%	27.1%	12.8%

Table 2: Employment and Population Growth and Capital Gains Tax Rates, 1990-2000

States That Exempt Capital Gains	Top-Bracket Effective Capital Gains Tax Rate, 1990-2000, Average	1990-2000 Growth In:	
		Employment	Population
Alaska	0.00	20.1%	13.4%
Florida	0.00	19.7%	23.2%
Nevada	0.00	49.3%	65.4%
New Hampshire	0.00	13.9%	11.5%
South Dakota	0.00	17.0%	8.4%
Tennessee	0.00	18.9%	16.5%
Texas	0.00	22.3%	22.8%
Washington	0.00	19.8%	20.5%
Wyoming	0.00	16.0%	8.9%
Average	0.00	21.9%	21.2%
States With Highest Capital Gains Taxes			
Iowa	7.66%	9.7%	5.3%
North Carolina	7.68%	9.3%	21.2%
New Mexico	8.42%	17.1%	19.7%
Minnesota	8.43%	15.0%	12.3%
Maine	8.75%	20.3%	3.7%
Montana	8.80%	19.7%	12.9%
Oregon	9.00%	20.6%	19.9%
Hawaii	9.77%	5.1%	8.9%
California	10.23%	17.0%	13.5%
Average	8.75%	14.9%	13.0%

Source: Public Interest Institute Analysis of Small Business Survival Index, State Tax Handbook, Bureau of Economic Analysis, and Bureau of Labor Statistics Data