

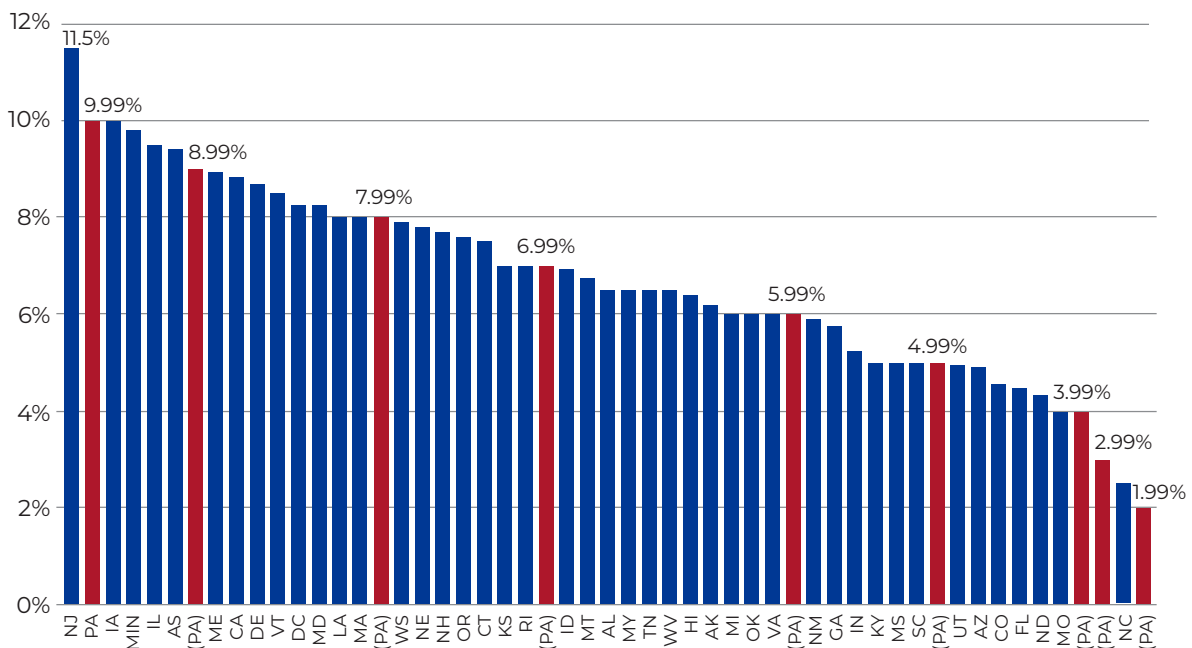


Analysis Snapshot:

How Reducing the CNI Rate Will Affect Business Competitiveness in PA

Currently, Pennsylvania has the highest non-graduated Corporate Net Income (CNI) tax rate in the country at 9.99%. As shown below, if PA lowers its CNI tax rate, our state business tax ranking will change as our rate becomes more competitive. The graph below reflects the highest tax bracket for each state that assess a CNI tax. The red lines show where PA would rank if the CNI tax was decreased by 1% at a time (and if all other state's CNI tax rates remain the same).

State Corporate Income Tax Top Rates (2021) and Hypothetical PA Rankings



CNI Tax Rate	Ranking for Highest CNI Tax Rate	Rank Improvement with Each 1% Drop
9.99 (current)	43 (out of 44)	-
8.99	39	4
7.99	32	7
6.99	25	7
5.99	14	11
4.99	8	6
3.99	2	6
2.99	2	0
1.99	1	1

¹ NJ has the highest CNI tax rate, but it is graduated so the state offers a reduced tax rate depending on income level.

² Most states have a graduated Corporate Net Income tax.

³ The graph displays the 44 states that assess a CNI tax. Six states use other forms of corporate taxation and do not have any form of CNI tax (Nevada, Ohio, South Dakota, Texas, Washington and Wyoming).

Analysis provided by the
 Pennsylvania Economy League of Greater Pittsburgh,
 an affiliate of the Allegheny Conference.