

MONTANA TAXPAYERS Association



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March 30, 2005

Members of the Senate Taxation Committee – Questions on SB521

I've provided you copies of the handout "Alternative Minimum Tax." I am not sure of the source, but I am trying to track that down for you. I also included a copy of the "Evolving Schedule M-3: A new Era of Corporate Show and Tell."

You asked me to summarize the AMTs used in other states.

SENATE TAXATION

EXHIBIT NO. 3

DATE 3-31-05

BILL NO. SB 521

No Alternative Minimum Tax- 26 States

Alabama, Arkansas, Colorado, Delaware, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, and Wisconsin

States Imposing Alternative Minimum Tax – Fixed percentage of fed – 7 States

Alaska – 18%
California – somewhat tied to fed (specific preference and adjustment items) – rate not reported
Florida – ATMI after exemption, then apply Florida additions, subtractions – 3.3%
Iowa – somewhat tied to fed (specific preference and adjustment items) – rate not reported
Maine – 27%
Minnesota – somewhat tied to fed (specific preference and adjustment items) – rate not reported
New York – somewhat tied to fed (specific preference and adjustment items) – rate not reported – 2.5% of minimum taxable income base

States Imposing Alternative Minimum Tax – Flat Rate – 10 States

Arizona – \$50
Connecticut – only on capital and surplus (\$250 per corporation or >0031 on capital, whichever is greater.
Idaho – \$20
Massachusetts – \$456
Montana – \$50 (currently)
Ohio – minimum of \$1,000 based on sales and employees (over \$5million in gross receipts is the threshold)
Oregon – excise tax - \$10 for doing business in Oregon
Rhode Island - \$250
Utah - \$100
Vermont - \$250

States Imposing Alternative Minimum Tax – Other – 3 States

Michigan – Single business tax, VAT
New Jersey – gross profits or receipts – graduated rates
Virginia – only on telecommunication companies and electric suppliers

States with no Corporation Tax – 4 States

Nevada, South Dakota, Washington, Wyoming.

Mary Whittinghill

