

Appendix 5: Apportionment Formulas by State in the U.S. for Tax Year 2018

STATE APPORTIONMENT OF CORPORATE INCOME

(Formulas for tax year 2018 -- as of January 1, 2018)

ALABAMA *	Double wtd Sales	NEBRASKA	Sales
ALASKA*	3 Factor	NEVADA	No State Income Tax
ARIZONA *	Sales/Double wtd Sales	NEW HAMPSHIRE	Double wtd Sales
ARKANSAS *	Double wtd Sales	NEW JERSEY	Sales
CALIFORNIA *	Sales	NEW MEXICO *	Sales
COLORADO *	Sales	NEW YORK	Sales
CONNECTICUT	Sales	NORTH CAROLINA *	Sales
DELAWARE (3)	Triple wtd Sales	NORTH DAKOTA * (4)	75% Sales, 12.5% Property & Payroll/3 Factor
FLORIDA	Double wtd Sales	OHIO	N/A (2)
GEORGIA	Sales	OKLAHOMA	3 Factor
HAWAII *	3 Factor	OREGON	Sales
IDAHO *	Double wtd Sales	PENNSYLVANIA	Sales
ILLINOIS *	Sales	RHODE ISLAND	Sales
INDIANA	Sales	SOUTH CAROLINA	Sales
IOWA	Sales	SOUTH DAKOTA	No State Income Tax
KANSAS *	3 Factor	TENNESSEE	Triple wtd Sales
KENTUCKY *	Double wtd Sales	TEXAS	Sales
LOUISIANA	Sales	UTAH	Sales
MAINE *	Sales	VERMONT	Double wtd Sales
MARYLAND	Sales/Double wtd Sales	VIRGINIA	Double wtd Sales/Sales
MASSACHUSETTS	Sales/Double wtd Sales	WASHINGTON	No State Income Tax
MICHIGAN	Sales	WEST VIRGINIA *	Double wtd Sales
MINNESOTA	Sales	WISCONSIN *	Sales
MISSISSIPPI	Sales/Other (1)	WYOMING	No State Income Tax
MISSOURI *	3 Factor	DIST. OF COLUMBIA	Sales
MONTANA *	3 Factor		

Source: Compiled by FTA from state sources.

Notes:

The formulas listed are for general manufacturing businesses. Some industries have a special formula different from the one shown.

* State has adopted substantial portions of the UDITPA (Uniform Division of Income Tax Purposes Act).

Slash (/) separating two formulas indicates taxpayer option or specified by state rules.

3 Factor = sales, property, and payroll equally weighted.

Double wtd Sales = 3 factors with sales double-weighted

Sales = single sales factor

(1) Mississippi provides different apportionment formulas based on specific type of business. A single sales factor formula is required if no specific business formula is specified.

(2) Ohio Tax Department publishes specific rules for situs of receipts under the CAT tax.

(3) Delaware is phasing in a single sales factor for businesses through 1/1/2020.

(4) North Dakota is phasing in an optional single sales factor for tax years after 2018.

Source: Federation of tax administrators (2018)

<https://www.taxadmin.org/assets/docs/Research/Rates/apport.pdf>