



## **The Tax Foundation's *State Business Tax Climate Index***

Every year the Tax Foundation creates a new State Business Tax Climate Index (SBTCI) by stirring together over 100 features of state tax law and producing out of that stew a single grade for each state. That grade bears very little relationship to what businesses actually pay in taxes. While the Tax Foundation asserts that they are measuring the competitiveness of states' tax structures, they provide no evidence that their index influences business decisions.

### **The SBTCI Bears No Relation to Actual Taxes on Business**

The annual State Business Tax Climate Index (SBTCI) purports to measure a state's "tax competitiveness" but the index turns out to bear very little relationship to what businesses actually pay in taxes in one state versus another. [Read more](#)

### **The SBTCI is a Poor Measure of Growth Potential**

Scoring well on the State Business Tax Climate Index (SBTCI) does not mean a state will experience more growth, nor does the index provide any useful guidance for public policy. [Read more](#)

### **Anatomy of the State Business Tax Climate Index**

The State Business Tax Climate Index (SBTCI) is a collection of over 100 features of state tax law reduced to an index number. Here are the details of how it is structured. [Read more](#)

## **The Tax Foundation Fails to Defend its Methodology**

The Tax Foundation's response to its critics is sparse and misses the point. [Read more](#)

## **What Others Have Written about the Tax Foundation's Rankings**

Key commentary on the research methods and policy prescriptions of the Tax Foundation. [Read more](#)

## **What is the Tax Foundation?**

From its founding in 1937 to its current board of directors, the Tax Foundation represents the corporate view of tax policy. [Read more](#)