

# What is the Tax Foundation?

The Tax Foundation is a non-profit organization based in Washington, DC, and describes itself as “a non-partisan research think tank” focused on federal, state and local taxes. It was founded in 1937 by Alfred P. Sloan, chairman of General Motors; Donaldson Brown, a GM Vice President; William Farish, President of Standard Oil, and Lewis Brown, President of Johns Manville Corp.<sup>1</sup>

The current Board of Directors includes the Vice President for Global Taxes at Eli Lilly & Co., the Senior VP for Taxes at Pepsico, the Senior Director of Tax Affairs at Microsoft, two former Republican U.S. House members, the President of the American Action Forum (who was also chief economic advisor to John McCain in 2008), and the deputy tax leader at Price Waterhouse Coopers (who was also senior economic advisor to the Bush-Cheney campaign).<sup>2</sup>

The Tax Foundation currently has a \$3 million annual budget, with 40 percent of its revenue coming from foundations and 37 percent from corporations.

The Tax Foundation published its first State Business Tax Climate Index in May of 2003. Its second annual report incorporated several substantial methodological revisions, and a few modest changes have been made in the years since. Here we focus on the 2016 index, released in November 2015.<sup>3</sup>

1. □ Scott A. Hodge, “Celebrating Our 65th Year,” The Tax Foundation, September 10, 2002. <http://taxfoundation.org/article/celebrating-our-65th-year>

2. □ <http://taxfoundation.org/board-directors>

3. Jared Walczak, Scott Drenkard, and Joseph Henchman. *2016 State Business Tax Climate Index*. Washington, D.C.: The Tax Foundation, November 2015. <http://taxfoundation.org/article/2016-state-business-tax-climate-index>