CCH® State Tax SmartCharts

Note: Not all states impose all tax types. If you selected a topic and no results appear for one or more states selected; those states do not impose that particular tax.
Caution: The links in the Citation and CCH Discussion columns below will only work if you are a subscriber to the CCH State Tax Reporter for the state.

Business Income Tax> Allocation and Apportionment> General Apportionment Formula**> 2023 Tax Year**

A state is allowed by the U.S. Constitution to tax the income of a multistate corporation if the state applies a formula that fairly apportions a percentage of the corporation's income attributable to business activities inside and outside the state. An apportionment formula must have both internal and external consistency to satisfy the fairness requirement. An apportionment formula has internal consistency if the tax is structured so that every jurisdiction could impose an identical tax and no multiple taxation would occur. An apportionment formula has external consistency if the factors used in the formula reflect a reasonable sense of how income is generated.

At one time, most states utilized an evenly weighted three-factor apportionment formula, which consisted of property, payroll, and sales (or receipts) factors. However, the number of states that still weight each factor equally is decreasing. Many states have an apportionment formula with a double-weighted sales factor. In addition, the number of states that have adopted a one-factor sales formula is growing.

This chart shows the standard apportionment formulas used in each state for the 2023 tax year. Special apportionment rules that apply to specific industries, such as manufacturers, financial institutions, insurance companies, and transportation companies, are not included in the chart.

JURISDICTION	2023 TAX YEAR	COMMENT	CITATION	CCH EXPLANATION
Alabama	One-factor sales formula.		Alabama Code §40-27-1(IV)(9)	Alabama 11-520
Alaska	Evenly weighted three-factor formula.		Alaska Stat. §43.19.010(IV)(9) Alaska Admin. Code tit. 15 §19.131	Alaska 11-520
Arizona	Three-factor formula with double-weighted sales factor or one-factor sales formula.	By electing to use one-factor sales formula, taxpayer agrees to release its name to Joint Legislative Budget Committee and to participate in an Economic Impact Analysis. We recommend you reference cited authority for more information.	Ariz. Rev. Stat. §43-1139(A) Form 120, Instructions	Arizona 11-520
Arkansas	One-factor sales formula.		Ark. Code. Ann. §26-51-709	Arkansas 11-520
California	One-factor sales formula.		Cal. Rev. & Tax. Code §25128.7 Gillette v. Franchise Tax Board	California 11-520 California 11-525

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Colorado	One-factor sales formula.		Colo. Rev. Stat. §24-60-1308 Colo. Rev. Stat. §39-22-303.5	Colorado 11-520
Connecticut	One-factor gross receipts formula.		Conn. Gen. Stat. §12-218(b)	Connecticut 11-520
Delaware	One-factor sales formula.		Del. Code Ann. tit. 30, §1903(b)(6)	Delaware 11-520
Florida	Three-factor formula with double-weighted sales factor.	Corporations making capital expenditures of at least $250 million may elect one-factor sales formula. We recommend you reference cited authority for more information.	Fla. Stat. ch. 220.15(1) Fla. Stat. ch. 220.153	Florida 11-520
Georgia	One-factor sales formula.		Ga. Code Ann. §48-7-31(d)	Georgia 11-520
Hawaii	Evenly weighted three-factor formula.		Haw. Rev. Stat. §25 5-1(IV)(9)	Hawaii 11-520
Idaho	One-factor sales formula.		Idaho Code §63-302 7(i)(1)	Idaho 11-520
Illinois	One-factor sales formula.		35 ILCS 5/304(h)(3)	Illinois 11-520
Indiana	One-factor sales formula.		Ind. Code §6-3-2-2(b)	Indiana 11-520
Iowa	One-factor sales formula.		Iowa Code §422.33 (2)(b)	Iowa 11-520
Kansas	Evenly weighted three-factor formula.	If payroll factor exceeds 200% of average of property and sales factor, taxpayer may elect two-factor formula of property and sales. We recommend you reference cited authority for more information.	Kan. Stat. Ann. §79-3279(b)	Kansas 11-520
Kentucky	One-factor receipts formula.	Schedule A must be completed and submitted with return. We recommend you reference cited authority for more information.	Ky. Rev. Stat. Ann. §141.120(9)	Kentucky 11-520
Louisiana	One-factor sales formula.		La. Rev. Stat. Ann. § 47:287.95(F)(1) La. Rev. Stat. Ann. §47:4331	Louisiana 11-520

JURISDICTION	2023 TAX YEAR	COMMENT	CITATION	CCH EXPLANATION
Maine	One-factor sales formula.		Me. Rev. Stat. Ann. tit. 36, §5211(8)	Maine 11-520
Maryland	One-factor sales formula.		Md. Code Ann. §10-402(D)(2)	Maryland 11-520
Massachusetts	Three-factor formula with double-weighted sales factor.		Mass. Gen. Laws ch. 63, §38(c)	Massachusetts 11-520
Michigan	One-factor sales formula for purposes of computing corporate income tax. One-factor sales formula for purposes of computing Michigan Business Tax (MBT).	MBT repealed Jan. 1, 2012, except for those taxpayers with certificated credits that elect to pay the MBT. We recommend you reference cited authority for more information.	Mich. Comp. Laws §206.661(2) Mich. Comp. Laws §206.661 Mich. Comp. Laws §206.663(1) Mich. Comp. Laws §206.680 Mich. Comp. Laws §208.1107(1) Mich. Comp. Laws §208.1301(2) Mich. Comp. Laws §208.1303(1) International Business Machines Corp. v. Department of Treasury	Michigan 11-520
Minnesota	One-factor sales formula.		Minn. Stat. §290.191(2) Kimberly-Clark Corp. & Subsidiaries v. Commissioner of Revenue	Minnesota 11-520
Mississippi	No general apportionment formula. One-factor sales formula for taxpayers that are not required to use a designated apportionment formula based on specific type or line of in-state business activity.		Miss. Reg. 35.III.8.06	Mississippi 11-520
Missouri	One-factor sales formula.		Mo. Rev. Stat. §32.200(IV)(9) Mo. Rev. Stat. §143.451.2	Missouri 11-520 Missouri 11-540

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			Mo. Rev. Stat. §143.455 Mo. Code. Regs. Ann. tit. 12, §10-2.076	
Montana	Three-factor formula with double-weighted receipts factor.	Tax years beginning after 2024: One-factor receipts formula. We recommend you reference cited authority for more information.	Mont. Code Ann. §15-31-305	Montana 11-520
Nebraska	One-factor sales formula.		Neb. Rev. Stat. §77-2734.05(1)	Nebraska 11-520
Nevada	N/A, because state does not tax general business corporation income.			Nevada 10-001
New Hampshire	One-factor sales formula.	For tax periods ending before December 31, 2022, three-factor formula with double-weighted sales factor. We recommend you reference cited authority for more information.	N.H. Rev. Stat. Ann. §77-A:3(II)(a)	New Hampshire 11-520
New Jersey	One-factor sales formula.		N.J. Stat. Ann. §54:10A-6	New Jersey 11-520
New Mexico	Evenly weighted three-factor formula.	Optional one-factor sales formula for taxpayers whose principal business activity in state is a headquarters operation.	N.M. Stat. Ann. §7-4-10(A), (C)	New Mexico 11-520
New York	One-factor receipts formula.		N.Y. Tax Law, §210(3)(a) N.Y. Reg. Sec. 4-2.2(b)	New York 11-505
North Carolina	One-factor sales formula.		N.C. Gen. Stat. §105-130.4(i)	North Carolina 11-520
North Dakota	Evenly weighted three-factor formula or elective single sales factor formula.		N.D. Cent. Code §57-38.1-09	North Dakota 11-520
Ohio	**Commercial Activity Tax (CAT):** N/A, because no general apportionment formula.		Ohio Rev. Code Ann. §5751.033	Ohio 14-035

JURISDICTION	2023 TAX YEAR	COMMENT	CITATION	CCH EXPLANATION
Oklahoma	Evenly weighted three-factor formula; corporations meeting investment criteria may double-weight the sales factor.		Okla. Stat. tit. 68, §2358(A)(5)	Oklahoma 11-520
Oregon	One-factor sales formula.		Or. Rev. Stat. §314.650(1)	Oregon 11-520
Pennsylvania	One-factor sales formula.		72 P.S. §7401(3)2(a)(9)(A)	Pennsylvania 11-520
Rhode Island	One-factor sales formula.		R.I. Gen. Laws §44-11-14(b)	Rhode Island 11-520
South Carolina	One-factor sales formula.		S.C. Code Ann. §12-6-2252 S.C. Code Ann. §12-6-2290 Form 1120SC I nstructions, C Corporation Income Tax Return	South Carolina 11-520
South Dakota	N/A, because state does not tax general business corporation income.			South Dakota 14-001
Tennessee	Three-factor formula with triple-weighted sales factor.		Tenn. Code Ann. §67-4-2012(a)	Tennessee 11-520
Texas	One-factor gross receipts formula.		Tex. Tax Code Ann. §171.106(a) Tex. Tax Code Ann. §171.105(a)	Texas 11-520
Utah	One-factor sales formula, unless optional evenly weighted three-factor formula applies.	Sales factor weighted taxpayers must use a one factor sales formula. “Sales factor weighted taxpayer” means a taxpayer that does not meet the definition of an “optional apportionment taxpayer” and performs economic activities classified only in a 2002 or 2007 NAICS code other than a code within: • Sector 21, Mining; • Sector 31-33, Manufacturing, other than Subsector 3254, Pharmaceutical and Medicine Manufacturing, Subsector 3333, Commercial and Service Industry Machinery Manufacturing,	Utah Code Ann. §59-7-302 Utah Code Ann. §59-7-311 Utah Admin. Code R865-6F-8	Utah 11-520

JURISDICTION	2023 TAX YEAR	COMMENT	CITATION	CCH EXPLANATION
		Subsector 334, Computer and Electronic Product Manufacturing, or Code 336111, Automobile Manufacturing; • Sector 48-49, Transportation and Warehousing; • Sector 51, Information, other than Subsector 519, Other Information Services; • Sector 52, Finance and Insurance; or • Industry Group 2212, Natural Gas Distribution. A taxpayer is a “sales factor weighted taxpayer” if either it used the singles sales factor method in the previous taxable year or it generates greater than 50% of its total sales everywhere from economic activities classified in an NAICS code other than a code within one of the above-listed sectors or industry groups. A single sales factor apportionment requirement phases in for all corporations that are not sales factor weighted taxpayers or optional apportionment taxpayers. For taxable years beginning after 2018, optional apportionment taxpayers may use evenly weighted three-factor formula or the apportionment formula prescribed for phased-in sales factor weighted taxpayers. An optional apportionment taxpayer that chooses to use the phased in single sales factor method must continue using that method in subsequent years. “Optional apportionment taxpayer” generally means a taxpayer with a property factor fraction plus payroll factor fraction divided by two that is greater than 0.50. We recommend you reference cited authority for more information.		

JURISDICTION	2023 TAX YEAR	COMMENT	CITATION	CCH EXPLANATION
Vermont	One-factor sales formula.		Vt. Stat. Ann. tit. 32, §5833(a)	Vermont 11-520
Virginia	Three-factor formula with double-weighted sales factor.		Va. Code. Ann. §58.1-408	Virginia 11-520
Washington	N/A, because state does not tax general business corporation income.			Washington 10-001
West Virginia	One-factor sales formula.		W. Va. Code §11-24-7(e)	West Virginia 11-520
Wisconsin	One-factor sales formula.		Wis. Stat. §71.25(6)(a)	Wisconsin 11-520
Wyoming	N/A, because state does not tax general business corporation income.			Wyoming 10-001