

BUSINESS COST COMPARISON

November, 2009

Tennessee vs. New York



TAXES

CORPORATE INCOME TAX

NEW YORK

7.1%

Businesses pay greatest of regular income tax, 1.5% AMT, 0.178% of capital base, or a fixed dollar minimum tax between \$100 and \$1500. There is an additional 0.09% tax on subsidiary capital. Some banking corporations are subject to a tax of 7.5% of entire net income, or an alternative tax on net income or assets. A surcharge of 17% of the computed tax is imposed on business activity within the Metropolitan Commuter Transportation District.

TENNESSEE

6.5%

Franchise tax of 0.25% of the greater of net worth or real and tangible property (minimum \$100)

Source: TaxFoundation.org: State Corporate Income Tax Rates as of July 1, 2009

TAXES

PERSONAL INCOME TAX

NEW YORK

4% > \$0	Standard Deduction:
4.5% > \$8,000	Single - \$7,500 Joint - \$15,000
5.25% > \$11,000	
5.9% > \$13,000	Personal Exemptions:
6.85% > \$20,000	Dependents - \$1,000
7.85% > \$200,000	
8.97% > \$500,000	

New York added two income tax brackets (7.85% and 8.97%), retroactive to January 1, 2009. The new rates are in effect for three years. New York increases, but does not double, all or some bracket widths for joint filers. Local rates are excluded; New York has county or city level income taxes. The average rate for all counties and cities, weighted by total personal income within each jurisdiction, is 1.7%.

TENNESSEE

No personal income tax; 6% of interest and dividend income. The first \$1,250 on an individual return and the first \$2,500 on a joint return are exempt from the tax.

Source: *TaxFoundation.org: State Individual Income Tax Rates, 2009 as of July 1, 2009 local rates excluded*

TAXES

SALES & USE TAX

NEW YORK

4% plus 0.375% Metropolitan Commuter Transportation District (MCTD) tax for certain districts

In addition, local tax rates vary between 3% and 4.5%

TENNESSEE

The sales tax rate on food is 5.5%.

All other tangible personal property, unless specifically exempted, is 7%.

State Single Article Rates - 2.75% on any single item sold in excess of \$1,600 but not more than \$3,200

Local Tax - set by local governments not to exceed 2.75%

Source: TaxFoundation.org and state government departments of revenue; New York State Department of Taxation & Finance

TAXES

UNEMPLOYMENT INSURANCE TAX

NEW YORK

Up to 8.9% of first \$8,500 of wages.

TENNESSEE

0.0% - 10.0% of first \$9,000 of wages.

Source: New York Employment Development Department and Tennessee Department of Workforce Development

TAXES

STATE & LOCAL TAX COLLECTIONS PER \$1,000 OF PERSONAL INCOME, 2007

NEW YORK

\$157.36 – National rank: 2nd highest

TENNESSEE

\$92.32 – National rank: 48th lowest

Source: U. S. Bureau of the Census: Government Finances

TAXES

ESTIMATED BURDEN OF MAJOR TAXES FOR A HYPOTHETICAL FAMILY OF THREE AT \$50,000 INCOME LEVEL, 2008

NEW YORK CITY, NEW YORK

Taxes:

Income	\$ 594
Property	\$2,682
Sales	\$1,065
Auto	\$ 201

Burden: \$4,542 Percentage: 9.1% Rank: 15th highest

MEMPHIS, TENNESSEE

Taxes:

Income	\$ 0
Property	\$1,396
Sales	\$1,443
Auto	\$ 166

Burden: \$3,005 Percentage: 6.0% Rank: 43rd highest

Source: District of Columbia Department of Finance and Revenue: Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison

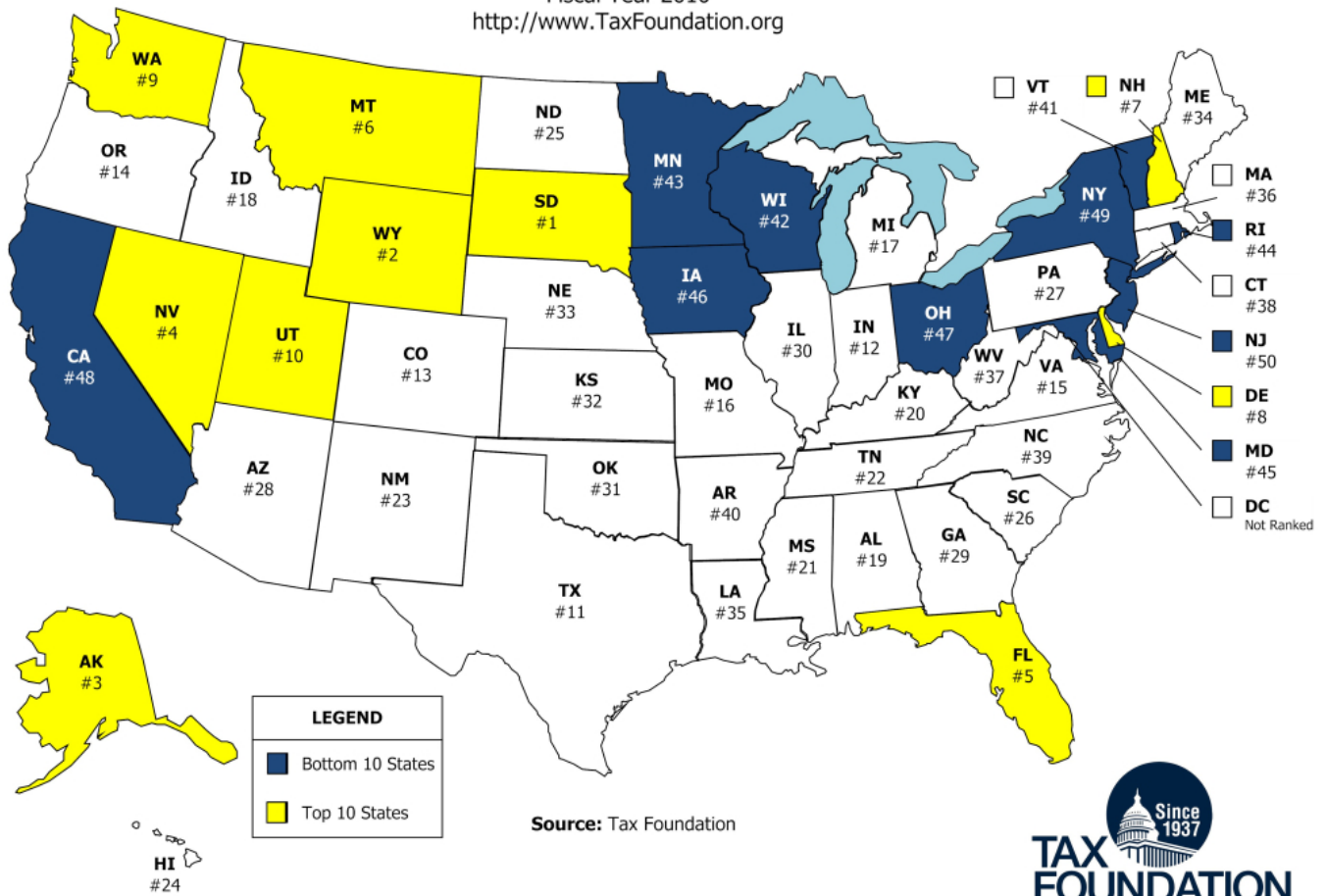
TAXES

STATE BUSINESS TAX CLIMATE MAP

State Business Tax Climate Index

Fiscal Year 2010

<http://www.TaxFoundation.org>



LABOR

UNION AFFILIATION OF EMPLOYED WAGE AND SALARY WORKERS

NEW YORK

2008 Members of Unions: 24.9%

2008 Represented by Unions: 26.6%

TENNESSEE

2008 Members of Unions: 5.5%

2008 Represented by Unions: 6.6%

Source: U. S. Bureau of Labor Statistics: Union Membership Annual Release, 2008

LABOR

STATES WITH RIGHT-TO-WORK LAWS

ALABAMA

ARIZONA

ARKANSAS

FLORIDA

GEORGIA

IDAHO

IOWA

KANSAS

LOUISIANA

MISSISSIPPI

NEBRASKA

NEVADA

NORTH CAROLINA

NORTH DAKOTA

OKLAHOMA

SOUTH CAROLINA

SOUTH DAKOTA

TENNESSEE

TEXAS

UTAH

VIRGINIA

WYOMING

LABOR

TENNESSEE RIGHT TO WORK LAW

It is unlawful for any person, firm, corporation or association of any kind to deny or attempt to deny employment to any person by reason of such person's membership in, affiliation with, resignation from, or refusal to join or affiliate with any labor union or employee organization of any kind. (TCA 50-1-201)

It is unlawful for any person, firm, corporation or association of any kind to enter into any contract, combination or agreement, written or oral, providing for exclusion from employment of any person because of membership in, affiliation with, resignation from, or refusal to join or affiliate with any labor union or employee organization of any kind. (TCA 50-1-202)

It is unlawful for any person, firm, corporation or association of any kind to exclude from employment any person by reason of such person's payment of or failure to pay dues, fees, assessments or other charges to any labor union or employee organization of any kind. (TCA 50-1-203)

Any person, firm, corporation or association of any kind violating any of the provisions of this part commits a Class A misdemeanor. Each day that any person, firm, corporation or association of any kind remains in violation of any of the provisions of this part is deemed to be a separate and distinct offense, punishable in accordance with the provisions of this section. (TCA 50-1-204)

ADVANTAGES OF RIGHT-TO-WORK LAWS

- Right-to-work laws make it difficult for an employer to discharge an employee because he is not a member of a union.
- Agency shops are outlawed. An agency shop requires workers to pay union dues whether or not they belong to the union.
- Union shops are outlawed. Union shops require a worker to join a union within a specific period of time after employment.
- Closed shops cannot be made legal. Closed shops require a worker to join a union before they are employed.

LABOR

AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ON MANUFACTURING PAYROLLS, JULY 2009

NEW YORK

State..... \$18.50

TENNESSEE

State..... \$14.82

Chattanooga..... \$13.79

Knoxville \$16.69

Memphis..... \$15.74

Nashville-Davidson-Murfreesboro-Franklin \$14.99

Source: U. S. Bureau of Labor Statistics: Employment and Earnings, September, 2009

LABOR

WAGES – SELECTED OCCUPATIONS, 2009 (ANNUAL)

Job Title	Tennessee Median	New York Median
Accountant	\$51,780	\$72,010
Assembler	\$25,764	\$24,570
Automotive Mechanic	\$31,246	\$34,310
Bookkeeping/Account Clerk	\$30,057	\$36,710
Drilling/Boring Machine Operator	\$28,867	\$32,080
Engineers, All Other	\$86,715	\$82,570
File Clerk	\$22,693	\$25,310
First Line Supervisor: Production	\$43,877	\$54,780
First Line Supervisor: Construction	\$47,103	\$71,940
First Line Supervisor: Mechanical	\$49,681	\$67,760
First Line Supervisor: Clerical	\$39,761	\$52,800
Guard	\$19,808	\$26,570
Hand Packer & Packager	\$19,468	\$19,670
Human Resources Manager	\$74,980	\$102,830
HVAC Mechanic	\$33,379	\$46,330
Industrial Truck/Tractor Operator	\$27,269	\$32,610
Janitor	\$19,187	\$26,060
Machinery Maintenance Worker	\$34,324	\$42,530
Machinist	\$39,181	\$37,690
Mechanical Engineer	\$67,929	\$74,540
Millwright	\$44,904	\$51,010
Network Administrator	\$60,456	\$76,540
Pack/Fill Machine Operator	\$25,651	\$24,350
Payroll/Timekeeping Clerk	\$32,530	\$37,150
Procurement Clerk	\$31,153	\$36,850
Production Clerk	\$37,793	\$44,830
Purchasing Manager	\$63,624	\$102,840
Receptionist/Information Clerk	\$23,421	\$27,470
Sheet Metal Worker	\$32,303	\$56,730
Switchboard Operator	\$22,172	\$28,250
Tool & Die Maker	\$43,249	\$48,080
Traffic/Shipping/Receiving Clerk	\$26,476	\$28,510
Truck Driver, Light	\$25,549	\$31,630

Source: Tennessee Department of Workforce Development and New York State Department of Labor

COST OF LIVING

THIRD QUARTER, 2009

NEW YORK

Metro/Micro Urban Area	(100%) All items	(12.49%) Grocery	(29.18%) Housing	(9.98%) Utilities	(11.1%) Transportation	(4.06%) Health Care	(33.19%) Miscellaneous
Binghamton	99.8	92.9	88.3	116.1	100.8	113.3	105.5
Buffalo	94.9	94.7	92.4	104.9	107.4	90.7	90.4
Dutchess County	119.0	108.7	135.3	112.8	113.6	108.3	113.6
Glens Falls	108.4	99.5	106.6	108.3	107.0	96.8	115.2
Ithaca	102.4	102.4	104.7	109.2	105.8	102.5	97.2
Nassau County	144.9	111.6	209.1	134.8	112.9	121.1	117.6
New York (Brooklyn)	177.2	129.1	308.9	159.4	109.2	111.0	115.8
New York (Manhattan)	214.7	146.8	391.4	158.5	127.3	133.6	140.9
New York (Queens)	156.3	122.9	224.0	159.7	112.3	114.6	128.2
Plattsburgh	102.9	97.7	105.3	112.5	108.5	110.4	97.1
Rochester	99.7	91.7	93.9	114.0	111.3	103.5	99.1
Syracuse	99.7	99.6	90.5	107.6	107.9	92.3	103.8

TENNESSEE

Chattanooga	89.3	95.4	82.8	77.9	98.6	92.0	92.8
Clarksville	87.5	86.7	78.5	85.2	89.7	94.8	94.7
Cleveland	92.2	97.8	88.5	101.3	94.4	90.4	90.2
Cookeville	84.5	87.5	68.3	81.4	89.8	84.3	96.8
Dyersburg	87.3	91.6	71.8	93.3	85.6	88.7	97.8
Jackson-Madison County	89.4	94.8	70.5	95.2	99.3	93.7	98.4
Johnson City	86.7	91.7	73.1	88.8	87.7	91.3	95.3
Knoxville	89.1	91.6	78.6	95.2	85.2	89.7	96.9
Memphis	89.4	93.3	78.2	86.2	92.9	97.2	96.7
Morristown	90.4	91.3	83.3	79.7	92.6	88.2	98.9
Murfreesboro-Smyrna	89.5	94.0	72.3	94.7	94.0	99.9	98.7
Nashville-Franklin	89.0	92.9	69.6	88.0	96.7	95.2	101.7

Source: American Chamber of Commerce Research Association

UTILITIES

AVERAGE RETAIL PRICE OF ELECTRICITY TO ULTIMATE CUSTOMER, JULY 2009

NEW YORK

Commercial.....	16.72 cents per kilowatt hour
Industrial.....	11.34 cents per kilowatt hour

TENNESSEE

Commercial.....	9.16 cents per kilowatt hour
Industrial.....	6.42 cents per kilowatt hour

Source: Energy Information Administration: Report released October 15, 2009

UTILITIES

NATURAL GAS (DOLLARS PER THOUSAND CUBIC FEET) 2008

NEW YORK

Industrial.....	12.97
Commercial.....	12.91

TENNESSEE

Industrial.....	10.57
Commercial.....	13.32

Source: Energy Information Administration: Report released October 30, 2009