This paper studies the impact of marginal capital income, property, sales, and income tax rates on establishment entry. We apply border discontinuity analysis and test relative establishment entry rates in the same industry on either side of state borders. Establishments are significantly more likely to enter on the side of the border with the lower marginal tax rates with property taxes being the most important. Results are used to identify the largest border differences in start-ups due to tax structure and to rank the most distortionary tax structures overall. The greatest distortion in start-ups due to tax rates is at the Wyoming-Idaho with 8.6% lower probability of start-ups on the Idaho side due to tax disadvantages relative to Wyoming. The most distortionary tax structure is Rhode Island's at 14.2% lower probability of entry, but it is not as heavily disadvantaged at the border because its neighbor, Connecticut, has the third most distortionary tax structure.