

Tax Rates in Various Versions of SB 2001

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David Teal

Major Provisions of a Tax System

1. Taxable Revenue (Gross or Net)
2. Base Rate
3. Surcharge (Progressive Rate)
4. Trigger Point for Surcharge
5. Maximum Rate

All Tax Systems Discussed are Based on Net Cash Flow

	Base	Trigger	Rate	Trigger	Rate	Trigger	Rate	Trigger	Rate	Maximum
PPT	22.5%	\$ 40	0.25%							47.5%
ACES	25.0%	\$ 30	0.20%							50.0%
Sen Jud	25.0%	\$ 30	0.40%							50.0%
House	25.0%	\$ 30	0.40%							50.0%
Sen Fin	22.5%	\$ 30	0.60%	\$ 30	0.50%	\$ 50	0.35%	\$ 70	0.10%	75.0%

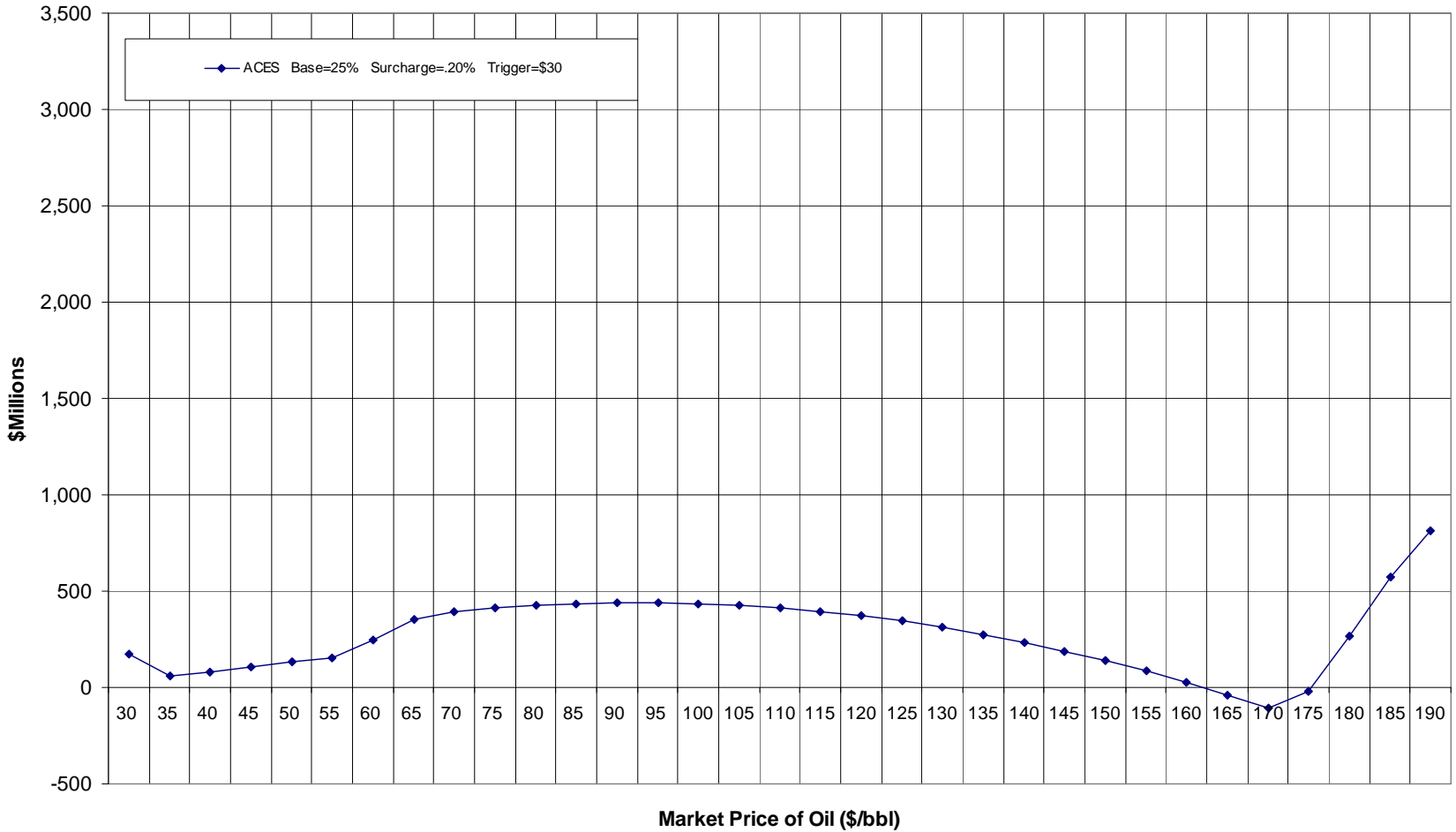
Comparing the Tax Systems

1. Increase in Revenue (relative to PPT)
2. Total Revenue
3. Government Share

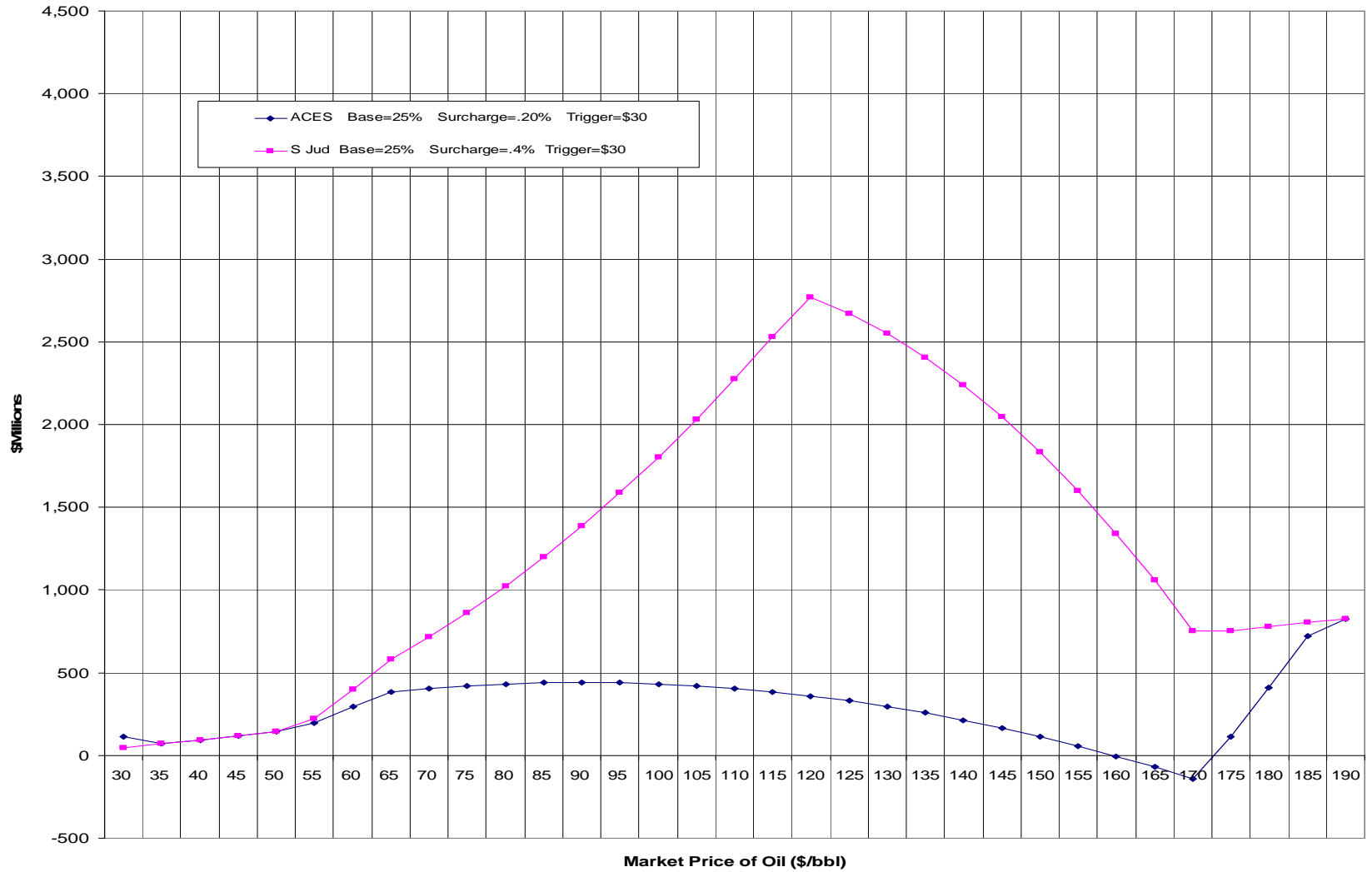
Things to Remember

- Focus on curve shape and location—projections are affected by production volume, costs of production and other factors that cannot be predicted accurately.
- Projections are based on the Fall 2007 Revenue Forecast, but even if the variables—production volume, costs of production, etc.—change, the projections do not change much in relative terms.

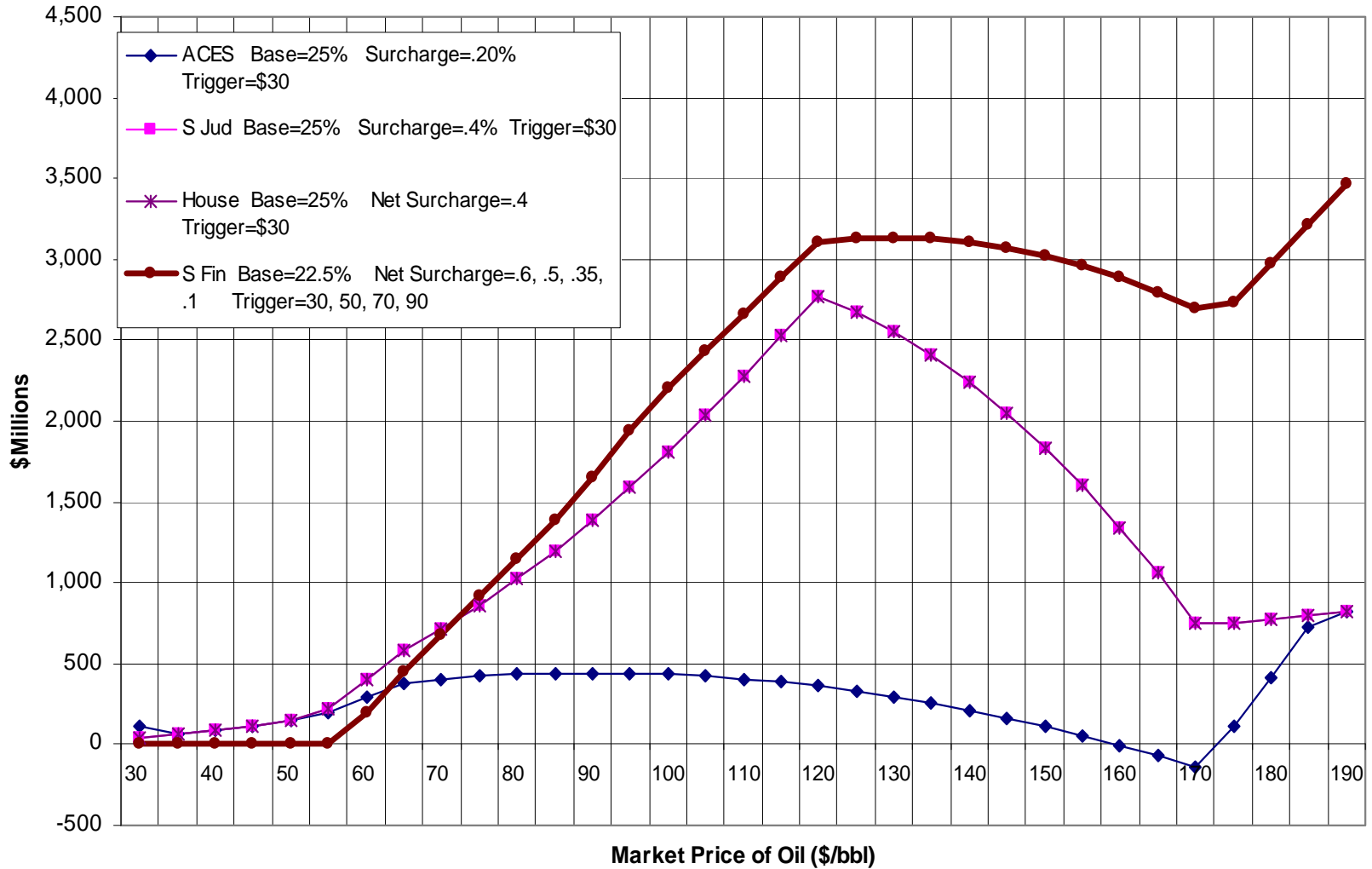
Increases in Total State Revenue Under Various Production Tax Systems



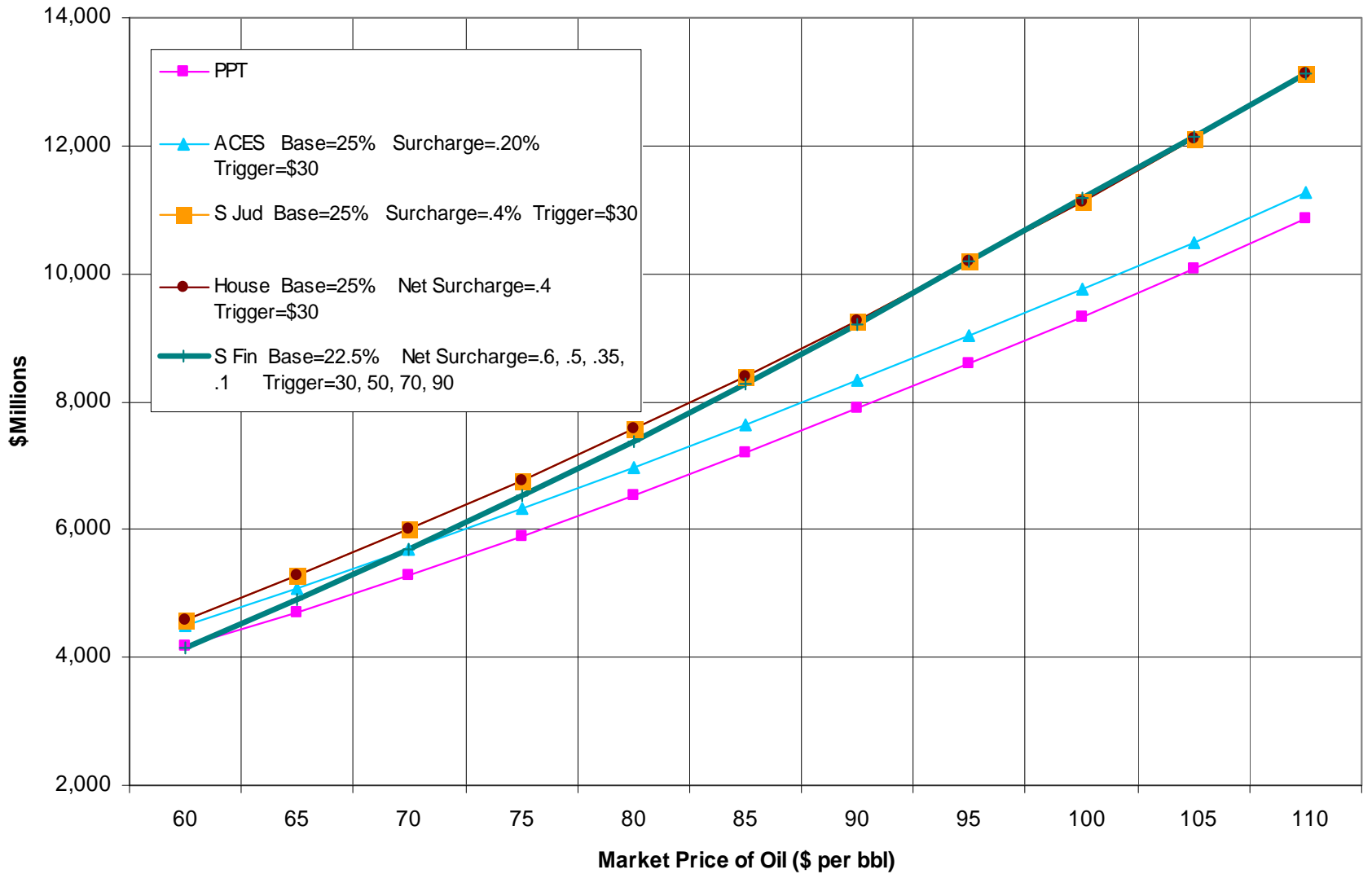
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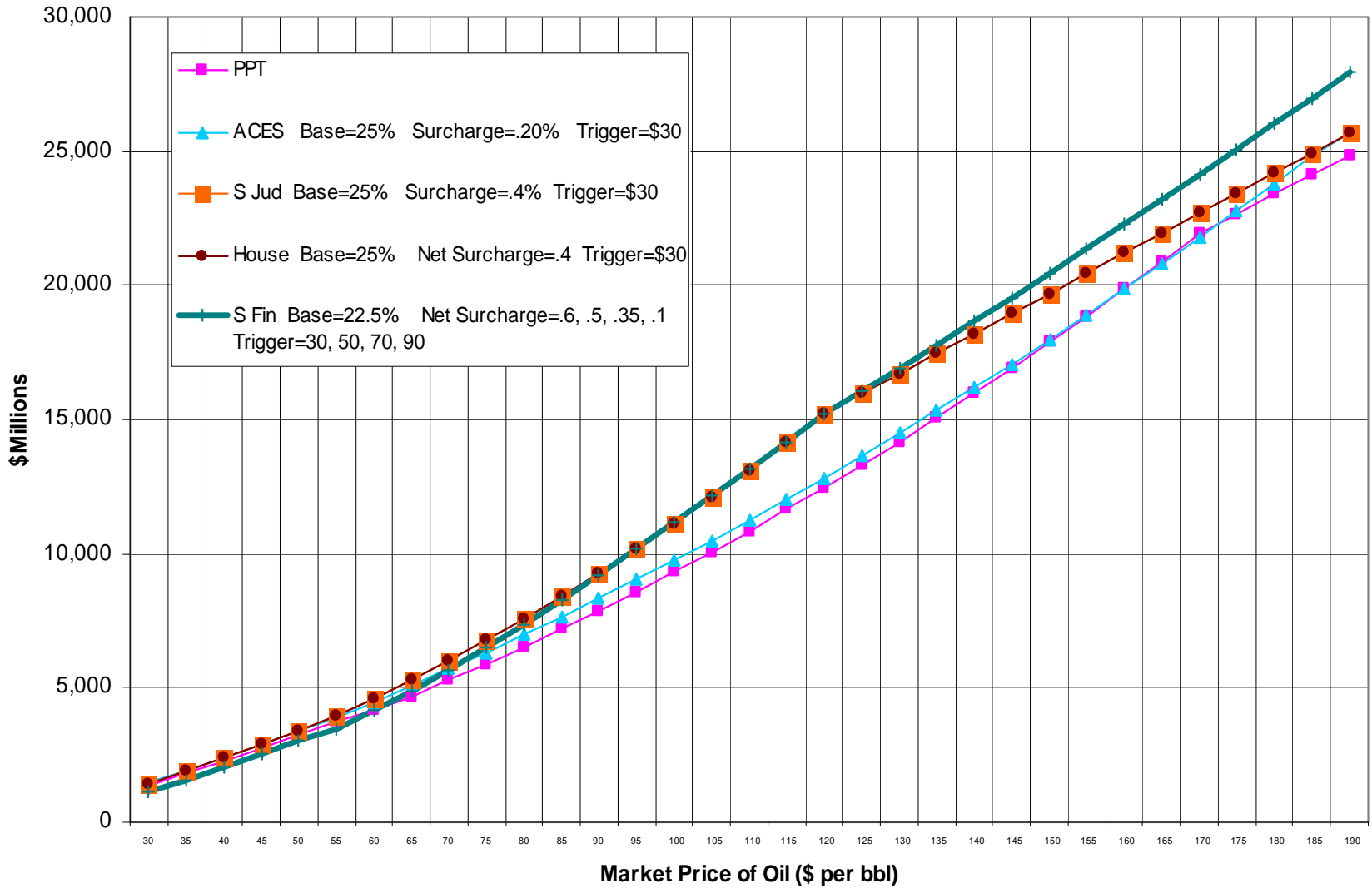
Increases in Total State Revenue Under Various Production Tax Systems



Total State Revenue Under Various Scenarios



Total State Revenue Under Various Scenarios



Government Share of Revenue Under Various Scenarios

