STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE
Office of Revenue Analysis

Paul L. Dion, Ph.D., Chief
One Capitol Hill, 1st Floor
Providence, RI 02908-5890

Office: (401) 574-8999
Fax: (401) 574-8997
TDD: (401) 222-1227

MEMORANDUM

To: Gary S. Sasse, Director
Departments of Administration and Revenue

From: Paul L. Dion, Ph.D.
Chief, Office of Revenue Analysis

Date: April 1, 2009

Subject: Updated Personal Income Tax Reform Analysis

Please find attached updated personal income tax analyses based on the personal income tax reform proposal of the *Governor's Tax Policy Strategy Workgroup*. This analysis applies the Workgroup's personal income tax reform proposal to Tax Year (TY) 2007 resident and non-resident personal income tax returns. The original analysis of the proposed personal income tax reform contained in the *Report of the Governor's Tax Policy Strategy Workgroup* dated March 6, 2009 was based on TY 2006 resident and non-resident personal income tax returns.

In addition, to the change in the tax year upon which the analysis was based, the attached analysis differentiates not only between resident and non-resident returns but also between resident and non-resident returns of taxpayers who used itemized deductions and those who did not and between resident and non-resident returns of taxpayers who had capital gains income and those who did not.

As a result, there are five separate analyses attached: (1) an analysis of the proposed personal income tax reform, including "winners" and "losers", by resident and non-resident tax filers; (2) an analysis of the proposed personal income tax reform, including "winners" and "losers", by resident and non-resident tax filers who itemized deductions

including "winners" and "losers", by resident and non-resident tax filers who did not itemize deductions on their income tax returns; (4) an analysis of the proposed personal income tax reform, including "winners" and "losers", by resident and non-resident tax filers who had capital gains income on their income tax returns; and (5) an analysis of the proposed personal income tax reform, including "winners" and "losers", by resident and non-resident tax filers who had no capital gains income on their income tax returns.

The content and format of the analyses are the same as was contained in the aforementioned *Report* with the addition of median tax changes for each federal adjusted gross income (FAGI) ranges. The results are based on TY 2007 individual tax returns and incorporate a fully implemented alternative flat tax rate of 5.5 percent. The major findings of these analyses are:

(1) By Resident and Non-Resident Tax Filers

- A total tax savings of $40.3 million is projected with Resident tax filer savings of $32.2 million and Non-Resident tax filer savings of $8.0 million.
- The previous bump in average tax change for the $30,001 to $40,000 FAGI range has been eliminated and the median tax change is determined to be $(74.32).
- The only FAGI ranges that experience a personal income tax increase on average are those tax filers with FAGI in excess of $500,000.
- The number of resident tax filers that incur a tax increase under the proposed income tax reform has decreased to 97,813 while those that receive a tax decrease increases to 324,191.

(2) By Resident and Non-Resident Tax Filers With Itemized Deductions

- A total tax savings of $0.5 million is projected with Resident tax filer increases of $3.4 million and Non-Resident tax filer savings of $3.9 million.

(3) By Resident and Non-Resident Tax Filers With No Itemized Deductions

- A total tax savings of $39.8 million is projected with Resident tax filer savings of $35.7 million and Non-Resident tax filer savings of $4.1 million.

(4) By Resident and Non-Resident Tax Filers With Capital Gains Income

- A total tax increase of $37.6 million is projected with Resident tax filer increases of $34.3 million and Non-Resident tax filer increases of $3.3 million.

(5) By Resident and Non-Resident Tax Filers With No Capital Gains Income

- A total tax savings of $77.9 million is projected with Resident tax filer savings of $66.6 million and Non-Resident tax filer savings of $11.3 million.

Please do not hesitate to contact me if you have any questions.

PERSONAL INCOME TAX IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Resident Filers

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ (4,585,383.18)	$ (4,847,631.48)	22,216	$ (262,248.30)	$ (11.80)	$ -
1 to 12,500	(4,658,840.03)	(11,145,731.07)	99,609	(6,486,891.04)	(65.12)	(10.00)
12,501 to 20,000	2,836,412.35	(3,820,236.37)	55,162	(6,656,648.72)	(120.67)	(62.88)
20,001 to 30,000	17,011,305.85	13,893,374.13	61,267	(3,117,931.72)	(50.89)	(77.11)
30,001 to 40,000	30,808,505.88	30,333,563.90	49,086	(474,941.98)	(9.68)	(74.32)
40,001 to 55,000	53,911,445.28	52,021,299.42	53,873	(1,890,145.86)	(35.09)	(81.45)
55,001 to 75,000	80,398,807.54	75,533,992.61	52,733	(4,864,814.93)	(92.25)	(73.80)
75,001 to 110,000	132,590,582.00	121,075,476.00	55,102	(11,515,106.00)	(208.98)	(167.82)
110,001 to 175,000	150,420,118.00	126,269,286.00	34,021	(24,150,832.00)	(709.88)	(736.44)
175,001 to 250,000	73,362,934.39	60,684,919.05	9,362	(12,678,015.34)	(1,354.20)	(1,719.14)
250,001 to 500,000	85,106,777.86	77,401,757.83	6,127	(7,705,020.03)	(1,257.55)	(3,125.00)
500,001 to 1,000,000	44,829,620.82	49,070,446.97	1,714	4,240,826.15	2,474.23	(3,125.00)
1,000,001 to 5,000,000	53,405,846.80	69,710,599.19	838	16,304,752.39	19,456.75	(3,081.12)
5,000,001 to 10,000,000	13,717,051.64	18,602,448.09	62	4,885,396.45	78,796.72	(1,938.75)
10,000,001 and up	25,979,860.43	48,115,385.41	42	22,135,524.98	527,036.31	141,774.02
Totals	**$ 755,135,045.63**	**$ 722,898,949.68**	**501,214**	**$ (32,236,095.95)**	**$ (64.32)**	**$ (58.98)**
				-4.3%		

PERSONAL INCOME TAX IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Non-Resident Filers

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ 14,810.54	$ 3,465.19	929	$ (11,345.35)	$ (12.21)	$ -
1 to 12,500	204,245.78	(140,297.72)	12,650	(344,543.50)	(27.24)	(2.70)
12,501 to 20,000	771,729.32	394,016.82	7,022	(377,712.50)	(53.79)	(31.72)
20,001 to 30,000	1,944,530.60	1,687,523.17	8,138	(257,007.43)	(31.58)	(28.63)
30,001 to 40,000	2,948,519.46	2,835,131.62	7,109	(113,387.84)	(15.95)	(22.69)
40,001 to 55,000	5,951,067.47	5,571,982.88	9,394	(379,084.59)	(40.35)	(24.06)
55,001 to 75,000	9,484,889.29	8,790,498.18	11,030	(694,391.11)	(62.95)	(12.27)
75,001 to 110,000	18,521,799.75	16,979,873.42	14,829	(1,541,926.33)	(103.98)	(16.59)
110,001 to 175,000	26,341,888.43	22,164,352.66	12,015	(4,177,535.77)	(347.69)	(204.95)
175,001 to 250,000	15,332,652.25	12,349,571.72	4,492	(2,983,080.53)	(664.09)	(416.35)
250,001 to 500,000	17,606,989.44	15,252,849.67	3,994	(2,354,139.77)	(589.42)	(110.37)
500,001 to 1,000,000	10,990,060.77	10,919,119.83	1,991	(70,940.94)	(35.63)	(28.18)
1,000,001 to 5,000,000	13,175,499.32	15,196,796.16	1,920	2,021,296.84	1,052.76	(3.66)
5,000,001 to 10,000,000	3,916,516.89	4,686,588.36	309	770,071.47	2,492.14	-
10,000,001 and up	9,049,388.56	11,538,018.87	447	2,488,630.31	5,567.41	-
Totals	**$ 136,254,587.87**	**$ 128,229,490.83**	**96,269**	**$ (8,025,097.04)**	**$ (83.36)**	**$ (24.66)**
				-5.9%		

PERSONAL INCOME TAX IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets

Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

All Filers

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	$ (4,570,572.64)	$ (4,844,166.29)	23,145	$ (273,593.65)	$ (11.82)
1 to 12,500	(4,454,594.25)	(11,286,028.79)	112,259	(6,831,434.54)	(60.85)
12,501 to 20,000	3,608,141.67	(3,426,219.55)	62,184	(7,034,361.22)	(113.12)
20,001 to 30,000	18,955,836.45	15,580,897.30	69,405	(3,374,939.15)	(48.63)
30,001 to 40,000	33,757,025.34	33,168,695.52	56,195	(588,329.82)	(10.47)
40,001 to 55,000	59,862,512.75	57,593,282.30	63,267	(2,269,230.45)	(35.87)
55,001 to 75,000	89,883,696.83	84,324,490.79	63,763	(5,559,206.04)	(87.19)
75,001 to 110,000	151,112,381.75	138,055,349.42	69,931	(13,057,032.33)	(186.71)
110,001 to 175,000	176,762,006.43	148,433,638.66	46,036	(28,328,367.77)	(615.35)
175,001 to 250,000	88,695,586.64	73,034,490.77	13,854	(15,661,095.87)	(1,130.44)
250,001 to 500,000	102,713,767.30	92,654,607.50	10,121	(10,059,159.80)	(993.89)
500,001 to 1,000,000	55,819,681.59	59,989,566.80	3,705	4,169,885.21	1,125.48
1,000,001 to 5,000,000	66,581,346.12	84,907,395.35	2,758	18,326,049.23	6,644.69
5,000,001 to 10,000,000	17,633,568.53	23,289,036.45	371	5,655,467.92	15,243.85
10,000,001 and up	35,029,248.99	59,653,404.28	489	24,624,155.29	50,356.15
Totals	**$ 891,389,633.50**	**$ 851,128,440.51**	**597,483**	**$ (40,261,192.99)**	**$ (67.38)**
				-4.5%	

PERSONAL INCOME TAX INCIDENCE ANALYSIS
Returns with a Tax Decrease or a Tax Increase

Scenario: *Rhode Island's Modified Personal Income Tax System*

Resident Filers Only

	Returns with a Tax Decrease				Returns with a Tax Increase				Total Tax Change		
AGI Range	Number of Returns	Tax Decrease Amount	Average Tax Decrease	Median Tax Decrease	Number of Returns	Tax Increase Amount	Average Tax Increase	Median Tax Increase	Number of Returns	Total Tax Change Amount	Average Tax Change
$0 and Under	1,154	$ (262,387.36)	$ (227.37)	$ (300.00)	1	$ 139.07	$ 139.07	$ 139.07	1,155	$ (262,248.30)	$ (227.05)
$1 to $12,500	54,438	(6,539,102.76)	(120.12)	(51.43)	1,938	52,211.73	26.94	14.16	56,376	(6,486,891.03)	(115.06)
$12,501 to $20,000	45,572	(7,189,174.05)	(157.75)	(67.76)	4,467	532,525.33	119.21	104.16	50,039	(6,656,648.72)	(133.03)
$20,001 to $30,000	46,418	(4,835,093.86)	(104.16)	(84.77)	12,601	1,717,162.13	136.27	87.10	59,019	(3,117,931.73)	(52.83)
$30,001 to $40,000	33,019	(3,269,110.99)	(99.01)	(104.60)	13,794	2,794,169.02	202.56	143.27	46,813	(474,941.97)	(10.15)
$40,001 to $55,000	33,418	(6,740,693.09)	(201.71)	(164.85)	18,059	4,850,547.23	268.59	197.99	51,477	(1,890,145.86)	(36.72)
$55,001 to $75,000	31,811	(11,114,605.02)	(349.40)	(234.51)	19,441	6,249,790.10	321.47	219.98	51,252	(4,864,814.92)	(94.92)
$75,001 to $110,000	35,076	(19,613,697.85)	(559.18)	(469.19)	19,148	8,098,591.95	422.95	286.93	54,224	(11,515,105.90)	(212.36)
$110,001 to $175,000	28,340	(28,626,229.34)	(1,010.10)	(925.75)	5,281	4,475,397.97	847.45	454.33	33,621	(24,150,831.37)	(718.33)
$175,001 to $250,000	8,114	(15,571,310.84)	(1,919.07)	(1,959.42)	1,174	2,893,295.50	2,464.48	1,681.00	9,288	(12,678,015.34)	(1,364.99)
$250,001 to $500,000	5,036	(15,044,650.86)	(2,987.42)	(3,457.66)	1,058	7,339,630.84	6,937.27	5,493.54	6,094	(7,705,020.02)	(1,264.36)
$500,001 to $1,000,000	1,242	(4,067,818.05)	(3,275.22)	(3,675.00)	464	8,308,644.19	17,906.56	16,360.98	1,706	4,240,826.14	2,485.83
$1,000,001 to $5,000,000	504	(1,713,633.48)	(3,400.07)	(3,675.00)	332	18,018,385.87	54,272.25	46,127.48	836	16,304,752.39	19,503.29
$5,000,001 to $10,000,000	36	(118,865.67)	(3,301.82)	(3,675.00)	26	5,004,262.12	192,471.62	188,537.97	62	4,885,396.45	78,796.72
$10,000,001 and up	13	(44,512.36)	(3,424.03)	(3,675.00)	29	22,180,037.34	764,828.87	472,821.04	42	22,135,524.98	527,036.31
Totals	**324,191**	**$ (124,750,885.58)**	**$ (384.81)**	**$ (121.56)**	**97,813**	**$ 92,514,790.39**	**$ 945.83**	**$ 187.60**	**422,004**	**$ (32,236,095.20)**	**$ (76.39)**

PERSONAL INCOME TAX ITEMIZERS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Resident Filers With Itemized Deductions

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ (197,958.87)	$ (352,252.56)	2,378	$ (154,293.69)	$ (64.88)	$ -
1 to 12,500	(2,095,030.95)	(2,386,833.12)	16,357	(291,802.17)	(17.84)	-
12,501 to 20,000	135,656.41	62,632.96	14,035	(73,023.45)	(5.20)	-
20,001 to 30,000	3,337,733.40	4,023,540.71	17,297	685,807.31	39.65	(1.98)
30,001 to 40,000	9,429,354.93	11,463,861.05	18,487	2,034,506.12	110.05	45.75
40,001 to 55,000	26,044,185.80	29,140,398.47	29,380	3,096,212.67	105.39	40.13
55,001 to 75,000	55,400,941.57	56,239,301.78	38,519	838,360.21	21.76	-
75,001 to 110,000	114,807,587.00	108,046,070.00	48,607	(6,761,517.00)	(139.11)	(97.64)
110,001 to 175,000	145,806,101.00	123,040,870.00	33,040	(22,765,231.00)	(689.02)	(719.39)
175,001 to 250,000	72,732,560.05	60,087,915.09	9,274	(12,644,644.96)	(1,363.45)	(1,721.28)
250,001 to 500,000	84,713,374.55	76,914,123.34	6,087	(7,799,251.21)	(1,281.30)	(3,125.00)
500,001 to 1,000,000	44,554,093.78	48,568,559.89	1,697	4,014,466.11	2,365.63	(3,125.00)
1,000,001 to 5,000,000	53,183,865.02	69,400,092.82	831	16,216,227.80	19,514.11	(3,109.80)
5,000,001 to 10,000,000	13,717,051.64	18,602,448.09	62	4,885,396.45	78,796.72	(1,938.75)
10,000,001 and up	25,979,860.43	48,115,385.41	42	22,135,524.98	527,036.31	141,774.02
Totals	**$ 647,549,375.76**	**$ 650,966,113.93**	**236,093**	**$ 3,416,738.17**	**$ 14.47**	**$ (13.23)**
				0.5%		

PERSONAL INCOME TAX ITEMIZERS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
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Head of Household	11,250
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Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Non-Resident Filers With Itemized Deductions

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ 15,738.20	$ 3,017.05	502	$ (12,721.15)	$ (25.34)	$ -
1 to 12,500	(2,267.04)	(14,911.86)	627	(12,644.82)	(20.17)	-
12,501 to 20,000	27,773.91	28,743.46	805	969.55	1.20	-
20,001 to 30,000	185,663.92	246,116.20	1,506	60,452.28	40.14	1.34
30,001 to 40,000	557,166.57	718,767.49	2,063	161,600.92	78.33	15.42
40,001 to 55,000	2,119,446.74	2,464,594.40	4,280	345,147.66	80.64	13.32
55,001 to 75,000	5,575,080.79	5,822,562.72	7,253	247,481.93	34.12	3.78
75,001 to 110,000	15,412,051.17	14,728,397.49	12,573	(683,653.68)	(54.37)	(1.75)
110,001 to 175,000	25,173,325.96	21,346,456.19	11,441	(3,826,869.77)	(334.49)	(195.66)
175,001 to 250,000	15,145,026.35	12,196,556.36	4,412	(2,948,469.99)	(668.28)	(422.98)
250,001 to 500,000	17,464,580.93	15,076,948.67	3,938	(2,387,632.26)	(606.31)	(114.77)
500,001 to 1,000,000	10,930,900.17	10,841,445.29	1,977	(89,454.88)	(45.25)	(28.27)
1,000,001 to 5,000,000	13,150,237.96	15,149,109.43	1,909	1,998,871.47	1,047.08	(3.68)
5,000,001 to 10,000,000	3,916,269.78	4,686,343.33	308	770,073.55	2,500.24	-
10,000,001 and up	8,980,018.87	11,468,765.08	444	2,488,746.21	5,605.28	-
Totals	**$ 118,651,014.28**	**$ 114,762,911.30**	**54,038**	**$ (3,888,102.98)**	**$ (71.95)**	**$ (9.09)**
				-3.3%		

PERSONAL INCOME TAX ITEMIZERS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

All Filers With Itemized Deductions

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	$ (182,220.67)	$ (349,235.51)	2,880	$ (167,014.84)	$ (57.99)
1 to 12,500	(2,097,297.99)	(2,401,744.98)	16,984	(304,446.99)	(17.93)
12,501 to 20,000	163,430.32	91,376.42	14,840	(72,053.90)	(4.86)
20,001 to 30,000	3,523,397.32	4,269,656.91	18,803	746,259.59	39.69
30,001 to 40,000	9,986,521.50	12,182,628.54	20,550	2,196,107.04	106.87
40,001 to 55,000	28,163,632.54	31,604,992.87	33,660	3,441,360.33	102.24
55,001 to 75,000	60,976,022.36	62,061,864.50	45,772	1,085,842.14	23.72
75,001 to 110,000	130,219,638.17	122,774,467.49	61,180	(7,445,170.68)	(121.69)
110,001 to 175,000	170,979,426.96	144,387,326.19	44,481	(26,592,100.77)	(597.83)
175,001 to 250,000	87,877,586.40	72,284,471.45	13,686	(15,593,114.95)	(1,139.35)
250,001 to 500,000	102,177,955.48	91,991,072.01	10,025	(10,186,883.47)	(1,016.15)
500,001 to 1,000,000	55,484,993.95	59,410,005.18	3,674	3,925,011.23	1,068.32
1,000,001 to 5,000,000	66,334,102.98	84,549,202.25	2,740	18,215,099.27	6,647.85
5,000,001 to 10,000,000	17,633,321.42	23,288,791.42	370	5,655,470.00	15,285.05
10,000,001 and up	34,959,879.30	59,584,150.49	486	24,624,271.19	50,667.22
Totals	**$ 766,200,390.04**	**$ 765,729,025.23**	**290,131**	**$ (471,364.81)**	**$ (1.62)**
				-0.1%	

PERSONAL INCOME TAX ITEMIZERS INCIDENCE ANALYSIS
Returns with a Tax Decrease or a Tax Increase

Scenario: *Rhode Island's Modified Personal Income Tax System*

Resident Filers Only With Itemized Deductions

	Returns with a Tax Decrease				Returns with a Tax Increase				Total Tax Change		
AGI Range	Number of Returns	Tax Decrease Amount	Average Tax Decrease	Median Tax Decrease	Number of Returns	Tax Increase Amount	Average Tax Increase	Median Tax Increase	Number of Returns	Total Tax Change Amount	Average Tax Change
$0 and Under	607	$ (154,432.75)	$ (254.42)	$ (300.00)	1	$ 139.07	$ 139.07	$ 139.07	608	$ (154,293.69)	$ (253.77)
$1 to $12,500	3,354	(342,074.74)	(101.99)	(23.20)	1,838	50,272.57	27.35	14.60	5,192	(291,802.17)	(56.20)
$12,501 to $20,000	6,959	(583,138.65)	(83.80)	(16.79)	4,034	510,115.19	126.45	111.51	10,993	(73,023.46)	(6.64)
$20,001 to $30,000	8,766	(733,733.37)	(83.70)	(61.30)	8,063	1,419,540.69	176.06	133.36	16,829	685,807.32	40.75
$30,001 to $40,000	6,857	(524,685.92)	(76.52)	(65.38)	11,131	2,559,192.04	229.92	178.97	17,988	2,034,506.12	113.10
$40,001 to $55,000	11,275	(1,668,857.31)	(148.01)	(129.91)	17,307	4,765,069.99	275.33	205.93	28,582	3,096,212.68	108.33
$55,001 to $75,000	18,554	(5,353,870.69)	(288.56)	(192.02)	19,149	6,192,230.90	323.37	222.56	37,703	838,360.21	22.24
$75,001 to $110,000	28,840	(14,799,006.87)	(513.14)	(420.34)	19,051	8,037,489.79	421.89	286.88	47,891	(6,761,517.08)	(141.19)
$110,001 to $175,000	27,420	(27,175,443.62)	(991.08)	(906.95)	5,236	4,410,213.03	842.29	449.88	32,656	(22,765,230.59)	(697.12)
$175,001 to $250,000	8,053	(15,425,629.06)	(1,915.51)	(1,957.33)	1,148	2,780,984.10	2,422.46	1,613.69	9,201	(12,644,644.96)	(1,374.27)
$250,001 to $500,000	5,015	(14,993,123.68)	(2,989.66)	(3,462.73)	1,039	7,193,872.48	6,923.84	5,487.31	6,054	(7,799,251.20)	(1,288.28)
$500,001 to $1,000,000	1,237	(4,053,622.33)	(3,276.98)	(3,675.00)	453	8,068,088.44	17,810.35	16,278.39	1,690	4,014,466.11	2,375.42
$1,000,001 to $5,000,000	501	(1,708,320.67)	(3,409.82)	(3,675.00)	328	17,924,548.48	54,648.01	46,278.01	829	16,216,227.81	19,561.19
$5,000,001 to $10,000,000	36	(118,865.67)	(3,301.82)	(3,675.00)	26	5,004,262.12	192,471.62	188,537.97	62	4,885,396.45	78,796.72
$10,000,001 and up	13	(44,512.36)	(3,424.03)	(3,675.00)	29	22,180,037.34	764,828.87	472,821.04	42	22,135,524.98	527,036.31
Totals	**127,487**	**$ (87,679,317.69)**	**$ (687.75)**	**$ (308.80)**	**88,833**	**$ 91,096,056.23**	**$ 1,025.48**	**$ 212.23**	**216,320**	**$ 3,416,738.54**	**$ 15.79**

PERSONAL INCOME TAX NON-ITEMIZERS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Resident Filers With No Itemized Deductions

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ (4,387,424.31)	$ (4,495,378.92)	19,838	$ (107,954.61)	$ (5.44)	$ -
1 to 12,500	(2,563,809.08)	(8,758,897.95)	83,252	(6,195,088.87)	(74.41)	(28.28)
12,501 to 20,000	2,700,755.93	(3,882,869.33)	41,127	(6,583,625.26)	(160.08)	(68.45)
20,001 to 30,000	13,673,572.45	9,869,833.42	43,970	(3,803,739.03)	(86.51)	(82.21)
30,001 to 40,000	21,379,150.95	18,869,702.85	30,599	(2,509,448.10)	(82.01)	(103.38)
40,001 to 55,000	27,867,259.49	22,880,900.95	24,493	(4,986,358.54)	(203.58)	(178.35)
55,001 to 75,000	24,997,865.96	19,294,690.83	14,214	(5,703,175.13)	(401.24)	(260.95)
75,001 to 110,000	17,782,994.71	13,029,405.89	6,495	(4,753,588.82)	(731.88)	(666.00)
110,001 to 175,000	4,614,017.00	3,228,416.23	981	(1,385,600.77)	(1,412.44)	(1,583.84)
175,001 to 250,000	630,374.35	597,003.96	88	(33,370.39)	(379.21)	(1,217.04)
250,001 to 500,000	393,403.31	487,634.48	40	94,231.17	2,355.78	(297.00)
500,001 to 1,000,000	275,527.05	501,887.07	17	226,360.02	13,315.30	14,529.02
1,000,001 to 5,000,000	221,981.78	310,506.36	7	88,524.58	12,646.37	2,470.50
5,000,001 to 10,000,000	-	-	-	-	n/a	-
10,000,001 and up	-	-	-	-	n/a	-
Totals	**$ 107,585,669.59**	**$ 71,932,835.84**	**265,121**	**$ (35,652,833.75)**	**$ (134.48)**	**$ (72.00)**
				-33.1%		

PERSONAL INCOME TAX NON-ITEMIZERS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Non-Resident Filers With No Itemized Deductions

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ (927.66)	$ 448.14	427	$ 1,375.80	$ 3.22	$ -
1 to 12,500	206,512.82	(125,385.85)	12,023	(331,898.67)	(27.61)	(3.95)
12,501 to 20,000	743,955.42	365,273.36	6,217	(378,682.06)	(60.91)	(37.94)
20,001 to 30,000	1,758,866.68	1,441,406.97	6,632	(317,459.71)	(47.87)	(41.29)
30,001 to 40,000	2,391,352.89	2,116,364.14	5,046	(274,988.75)	(54.50)	(52.44)
40,001 to 55,000	3,831,620.73	3,107,388.48	5,114	(724,232.25)	(141.62)	(104.32)
55,001 to 75,000	3,909,808.50	2,967,935.45	3,777	(941,873.05)	(249.37)	(133.56)
75,001 to 110,000	3,109,748.58	2,251,475.93	2,256	(858,272.65)	(380.44)	(269.05)
110,001 to 175,000	1,168,562.47	817,896.47	574	(350,666.00)	(610.92)	(519.04)
175,001 to 250,000	187,625.91	153,015.37	80	(34,610.54)	(432.63)	(147.71)
250,001 to 500,000	142,408.51	175,901.00	56	33,492.49	598.08	(17.54)
500,001 to 1,000,000	59,160.61	77,674.55	14	18,513.94	1,322.42	-
1,000,001 to 5,000,000	25,261.36	47,686.72	11	22,425.36	2,038.67	-
5,000,001 to 10,000,000	247.12	245.03	1	(2.08)	(2.08)	(2.08)
10,000,001 and up	69,369.69	69,253.79	3	(115.90)	(38.63)	(28.97)
Totals	**$ 17,603,573.63**	**$ 13,466,579.55**	**42,231**	**$ (4,136,994.07)**	**$ (97.96)**	**$ (36.02)**
				-23.5%		

PERSONAL INCOME TAX NON-ITEMIZERS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets

Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

All Filers With No Itemized Deductions

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	$ (4,388,351.97)	$ (4,494,930.78)	20,265	$ (106,578.81)	$ (5.26)
1 to 12,500	(2,357,296.26)	(8,884,283.80)	95,275	(6,526,987.54)	(68.51)
12,501 to 20,000	3,444,711.35	(3,517,595.97)	47,344	(6,962,307.32)	(147.06)
20,001 to 30,000	15,432,439.13	11,311,240.39	50,602	(4,121,198.74)	(81.44)
30,001 to 40,000	23,770,503.84	20,986,066.99	35,645	(2,784,436.85)	(78.12)
40,001 to 55,000	31,698,880.22	25,988,289.43	29,607	(5,710,590.79)	(192.88)
55,001 to 75,000	28,907,674.46	22,262,626.28	17,991	(6,645,048.18)	(369.35)
75,001 to 110,000	20,892,743.29	15,280,881.82	8,751	(5,611,861.47)	(641.28)
110,001 to 175,000	5,782,579.47	4,046,312.70	1,555	(1,736,266.77)	(1,116.57)
175,001 to 250,000	818,000.26	750,019.33	168	(67,980.93)	(404.65)
250,001 to 500,000	535,811.82	663,535.48	96	127,723.66	1,330.45
500,001 to 1,000,000	334,687.66	579,561.62	31	244,873.96	7,899.16
1,000,001 to 5,000,000	247,243.14	358,193.08	18	110,949.94	6,163.89
5,000,001 to 10,000,000	247.12	245.03	1	(2.08)	(2.08)
10,000,001 and up	69,369.69	69,253.79	3	(115.90)	(38.63)
Totals	**$ 125,189,243.22**	**$ 85,399,415.39**	**307,352**	**$ (39,789,827.82)**	**$ (129.46)**
				-31.8%	

PERSONAL INCOME TAX NON-ITEMIZERS INCIDENCE ANALYSIS
Returns with a Tax Decrease or a Tax Increase

Scenario: *Rhode Island's Modified Personal Income Tax System*

Resident Filers Only With No Itemized Deductions

	Returns with a Tax Decrease				Returns with a Tax Increase				Total Tax Change		
AGI Range	Number of Returns	Tax Decrease Amount	Average Tax Decrease	Median Tax Decrease	Number of Returns	Tax Increase Amount	Average Tax Increase	Median Tax Increase	Number of Returns	Total Tax Change Amount	Average Tax Change
$0 and Under	547	$ (107,954.61)	$ (197.4)	$ (166.95)	-	$ -	n/a	$ -	547	$ (107,954.61)	$ (197.36)
$1 to $12,500	51,084	(6,197,028.02)	(121.31)	(52.37)	100	1,939.16	19.39	7.90	51,184	(6,195,088.86)	(121.04)
$12,501 to $20,000	38,613	(6,606,035.40)	(171.08)	(69.74)	433	22,410.14	51.76	23.94	39,046	(6,583,625.26)	(168.61)
$20,001 to $30,000	37,652	(4,101,360.48)	(108.93)	(85.75)	4,538	297,621.44	65.58	47.25	42,190	(3,803,739.04)	(90.16)
$30,001 to $40,000	26,162	(2,744,425.07)	(104.90)	(106.33)	2,663	234,976.97	88.24	68.38	28,825	(2,509,448.10)	(87.06)
$40,001 to $55,000	22,143	(5,071,835.78)	(229.05)	(196.43)	752	85,477.24	113.67	42.02	22,895	(4,986,358.54)	(217.79)
$55,001 to $75,000	13,257	(5,760,734.33)	(434.54)	(269.15)	292	57,559.20	197.12	80.46	13,549	(5,703,175.13)	(420.93)
$75,001 to $110,000	6,236	(4,814,690.98)	(772.08)	(691.38)	97	61,102.16	629.92	327.36	6,333	(4,753,588.82)	(750.61)
$110,001 to $175,000	920	(1,450,785.72)	(1,576.94)	(1,623.02)	45	65,184.94	1,448.55	1,393.18	965	(1,385,600.78)	(1,435.86)
$175,001 to $250,000	61	(145,681.78)	(2,388.23)	(2,763.26)	26	112,311.39	4,319.67	4,322.79	87	(33,370.39)	(383.57)
$250,001 to $500,000	21	(51,527.18)	(2,453.68)	(2,914.80)	19	145,758.36	7,671.49	6,577.61	40	94,231.18	2,355.78
$500,001 to $1,000,000	5	(14,195.72)	(2,839.14)	(3,125.00)	11	240,555.75	21,868.70	22,471.26	16	226,360.03	14,147.50
$1,000,001 to $5,000,000	3	(5,312.80)	(1,770.93)	(1,363.17)	4	93,837.39	23,459.35	19,907.75	7	88,524.59	12,646.37
$5,000,001 to $10,000,000	-	-	n/a	-	-	-	n/a	-	-	-	n/a
$10,000,001 and up	-	-	n/a	-	-	-	n/a	-	-	-	n/a
Totals	**196,704**	**$ (37,071,567.87)**	**$ (188.46)**	**$ (96.41)**	**8,980**	**$ 1,418,734.14**	**$ 157.99**	**$ 52.01**	**205,684**	**$ (35,652,833.73)**	**$ (173.34)**

PERSONAL INCOME TAX CAPITAL GAINS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Resident Filers With Capital Gains Income

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ 1,693.92	$ 1,832.99	1	$ 139.07	$ 139.07	$ 139.07
1 to 12,500	148,697.71	24,588.00	2,243	(124,109.71)	(55.33)	(33.04)
12,501 to 20,000	254,738.89	264,024.96	1,639	9,286.07	5.67	(1.74)
20,001 to 30,000	807,621.87	894,747.57	2,357	87,125.70	36.96	(3.95)
30,001 to 40,000	1,582,791.36	1,754,376.51	2,508	171,585.15	68.42	-
40,001 to 55,000	4,421,494.62	4,668,154.41	4,308	246,659.79	57.26	(1.43)
55,001 to 75,000	9,551,122.03	9,450,171.90	5,950	(100,950.13)	(16.97)	(40.75)
75,001 to 110,000	22,592,976.67	21,445,483.73	8,924	(1,147,492.94)	(128.59)	(156.68)
110,001 to 175,000	39,299,413.07	34,650,653.77	8,658	(4,648,759.30)	(536.93)	(686.86)
175,001 to 250,000	29,520,442.46	25,950,051.77	3,780	(3,570,390.69)	(944.55)	(1,465.51)
250,001 to 500,000	45,162,252.13	42,836,079.12	3,255	(2,326,173.01)	(714.65)	(2,717.21)
500,001 to 1,000,000	28,301,372.84	32,516,199.63	1,112	4,214,826.79	3,790.31	(2,792.28)
1,000,001 to 5,000,000	38,786,914.91	53,585,109.78	623	14,798,194.87	23,753.12	(1,254.79)
5,000,001 to 10,000,000	10,701,661.88	15,265,260.05	51	4,563,598.17	89,482.32	(1,280.55)
10,000,001 and up	24,999,317.35	47,142,467.33	40	22,143,149.98	553,578.75	200,155.56
Totals	**$ 256,132,511.71**	**$ 290,449,201.52**	**45,449**	**$ 34,316,689.81**	**$ 755.06**	**$ (97.02)**
				13.4%		

PERSONAL INCOME TAX CAPITAL GAINS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Non-Resident Filers With Capital Gains Income

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ 831.01	$ 960.74	1	$ 129.73	$ 129.73	$ 129.73
1 to 12,500	14,708.39	5,496.46	414	(9,211.93)	(22.25)	(13.22)
12,501 to 20,000	26,139.70	22,989.59	301	(3,150.11)	(10.47)	(4.13)
20,001 to 30,000	64,975.54	65,400.78	372	425.24	1.14	(1.93)
30,001 to 40,000	123,580.50	129,977.98	407	6,397.48	15.72	-
40,001 to 55,000	300,523.04	311,932.31	644	11,409.27	17.72	-
55,001 to 75,000	794,677.29	765,766.63	1,086	(28,910.66)	(26.62)	(0.99)
75,001 to 110,000	2,142,758.95	2,055,958.59	2,008	(86,800.36)	(43.23)	(4.77)
110,001 to 175,000	5,338,496.39	4,666,774.24	2,709	(671,722.15)	(247.96)	(114.20)
175,001 to 250,000	5,045,821.60	4,293,258.21	1,677	(752,563.39)	(448.76)	(211.12)
250,001 to 500,000	8,507,082.34	7,764,336.30	2,149	(742,746.04)	(345.62)	(55.49)
500,001 to 1,000,000	6,560,856.69	6,787,722.15	1,278	226,865.46	177.52	(14.98)
1,000,001 to 5,000,000	9,520,139.63	11,660,596.85	1,444	2,140,457.22	1,482.31	(1.84)
5,000,001 to 10,000,000	3,165,217.61	3,942,880.01	269	777,662.40	2,890.94	-
10,000,001 and up	8,262,258.07	10,700,727.36	414	2,438,469.29	5,890.02	-
Totals	**$ 49,868,066.75**	**$ 53,174,778.20**	**15,173**	**$ 3,306,711.45**	**$ 217.93**	**$ (17.35)**
				6.6%		

PERSONAL INCOME TAX CAPITAL GAINS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

All Filers With Capital Gains Income

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	$ 2,524.93	$ 2,793.73	2	$ 268.80	$ 134.40
1 to 12,500	163,406.10	30,084.46	2,657	(133,321.64)	(50.18)
12,501 to 20,000	280,878.59	287,014.55	1,940	6,135.96	3.16
20,001 to 30,000	872,597.41	960,148.35	2,729	87,550.94	32.08
30,001 to 40,000	1,706,371.86	1,884,354.49	2,915	177,982.63	61.06
40,001 to 55,000	4,722,017.66	4,980,086.72	4,952	258,069.06	52.11
55,001 to 75,000	10,345,799.32	10,215,938.53	7,036	(129,860.79)	(18.46)
75,001 to 110,000	24,735,735.62	23,501,442.32	10,932	(1,234,293.30)	(112.91)
110,001 to 175,000	44,637,909.46	39,317,428.01	11,367	(5,320,481.45)	(468.06)
175,001 to 250,000	34,566,264.06	30,243,309.98	5,457	(4,322,954.08)	(792.19)
250,001 to 500,000	53,669,334.47	50,600,415.42	5,404	(3,068,919.05)	(567.90)
500,001 to 1,000,000	34,862,229.53	39,303,921.78	2,390	4,441,692.25	1,858.45
1,000,001 to 5,000,000	48,307,054.54	65,245,706.63	2,067	16,938,652.09	8,194.80
5,000,001 to 10,000,000	13,866,879.49	19,208,140.06	320	5,341,260.57	16,691.44
10,000,001 and up	33,261,575.42	57,843,194.69	454	24,581,619.27	54,144.54
Totals	**$ 306,000,578.46**	**$ 343,623,979.72**	**60,622**	**$ 37,623,401.26**	**$ 620.62**
				12.3%	

PERSONAL INCOME TAX CAPITAL GAINS INCIDENCE ANALYSIS
Returns with a Tax Decrease or a Tax Increase

Scenario: *Rhode Island's Modified Personal Income Tax System*

Resident Filers Only With Capital Gains

	Returns with a Tax Decrease				Returns with a Tax Increase				Total Tax Change		
AGI Range	Number of Returns	Tax Decrease Amount	Average Tax Decrease	Median Tax Decrease	Number of Returns	Tax Increase Amount	Average Tax Increase	Median Tax Increase	Number of Returns	Total Tax Change Amount	Average Tax Change
$0 and Under	-	$ -	n/a	$ -	1	$ 139.07	$ 139.07	$ 139.07	1	$ 139.07	$ 139.07
$1 to $12,500	2,000	(129,112.73)	(64.56)	(42.21)	208	5,003.03	24.05	16.10	2,208	(124,109.70)	(56.21)
$12,501 to $20,000	849	(53,284.28)	(62.76)	(43.30)	782	62,570.36	80.01	58.88	1,631	9,286.08	5.69
$20,001 to $30,000	1,234	(83,868.33)	(67.96)	(59.61)	1,110	170,994.02	154.05	113.11	2,344	87,125.69	37.17
$30,001 to $40,000	1,239	(98,811.09)	(79.75)	(76.42)	1,237	270,396.24	218.59	161.92	2,476	171,585.15	69.30
$40,001 to $55,000	2,174	(389,075.34)	(178.97)	(139.80)	2,091	635,735.13	304.03	230.69	4,265	246,659.79	57.83
$55,001 to $75,000	3,315	(1,154,636.42)	(348.31)	(237.17)	2,586	1,053,686.29	407.46	282.99	5,901	(100,950.13)	(17.11)
$75,001 to $110,000	5,506	(3,080,503.94)	(559.48)	(474.72)	3,358	1,933,011.00	575.64	386.21	8,864	(1,147,492.94)	(129.46)
$110,001 to $175,000	6,712	(6,859,955.39)	(1,022.04)	(942.97)	1,900	2,211,196.09	1,163.79	793.20	8,612	(4,648,759.30)	(539.80)
$175,001 to $250,000	2,978	(5,551,274.41)	(1,864.09)	(1,864.69)	784	1,980,883.72	2,526.64	2,024.97	3,762	(3,570,390.69)	(949.07)
$250,001 to $500,000	2,482	(7,172,755.56)	(2,889.91)	(3,264.15)	766	4,846,582.54	6,327.13	4,857.82	3,248	(2,326,173.02)	(716.19)
$500,001 to $1,000,000	725	(2,309,888.58)	(3,186.05)	(3,675.00)	382	6,524,715.36	17,080.41	15,001.16	1,107	4,214,826.78	3,807.43
$1,000,001 to $5,000,000	329	(1,101,829.41)	(3,349.03)	(3,675.00)	293	15,900,024.28	54,266.29	43,695.65	622	14,798,194.87	23,791.31
$5,000,001 to $10,000,000	28	(88,365.66)	(3,155.92)	(3,675.00)	23	4,651,963.83	202,259.30	202,918.74	51	4,563,598.17	89,482.32
$10,000,001 and up	11	(36,887.36)	(3,353.40)	(3,675.00)	29	22,180,037.34	764,828.87	472,821.04	40	22,143,149.98	553,578.75
Totals	**29,582**	**$ (28,110,248.50)**	**$ (950.25)**	**$ (499.46)**	**15,550**	**$ 62,426,938.30**	**$ 4,014.59**	**$ 325.00**	**45,132**	**$ 34,316,689.80**	**$ 760.36**

PERSONAL INCOME TAX NO CAPITAL GAINS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets

Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Resident Filers With No Capital Gains Income

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ (4,587,077.10)	$ (4,849,464.46)	22,215	$ (262,387.36)	$ (11.81)	$ -
1 to 12,500	(4,807,537.74)	(11,170,319.07)	97,366	(6,362,781.33)	(65.35)	(8.25)
12,501 to 20,000	2,581,673.46	(4,084,261.33)	53,523	(6,665,934.79)	(124.54)	(63.44)
20,001 to 30,000	16,203,683.98	12,998,626.56	58,910	(3,205,057.42)	(54.41)	(78.00)
30,001 to 40,000	29,225,714.52	28,579,187.39	46,578	(646,527.13)	(13.88)	(80.55)
40,001 to 55,000	49,489,950.66	47,353,145.01	49,565	(2,136,805.65)	(43.11)	(90.00)
55,001 to 75,000	70,847,685.51	66,083,820.72	46,783	(4,763,864.79)	(101.83)	(78.40)
75,001 to 110,000	109,997,605.00	99,629,992.41	46,178	(10,367,612.59)	(224.51)	(170.02)
110,001 to 175,000	111,120,705.00	91,618,632.54	25,363	(19,502,072.46)	(768.92)	(753.00)
175,001 to 250,000	43,842,491.94	34,734,867.28	5,582	(9,107,624.66)	(1,631.61)	(1,874.80)
250,001 to 500,000	39,944,525.72	34,565,678.71	2,872	(5,378,847.01)	(1,872.86)	(3,362.77)
500,001 to 1,000,000	16,528,247.98	16,554,247.34	602	25,999.36	43.19	(3,675.00)
1,000,001 to 5,000,000	14,618,931.88	16,125,489.40	215	1,506,557.52	7,007.24	(3,675.00)
5,000,001 to 10,000,000	3,015,389.76	3,337,188.05	11	321,798.29	29,254.39	(3,675.00)
10,000,001 and up	980,543.08	972,918.08	2	(7,625.00)	(3,812.50)	(3,812.50)
Totals	**$ 499,002,533.65**	**$ 432,449,748.63**	**455,765**	**$ (66,552,785.02)**	**$ (146.02)**	**$ (57.32)**
				-13.3%		

PERSONAL INCOME TAX NO CAPITAL GAINS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

Non-Resident Filers With No Capital Gains Income

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change	Median Tax Change
0 and Under	$ 13,979.53	$ 2,504.45	928	$ (11,475.08)	$ (12.37)	$ -
1 to 12,500	189,537.40	(145,794.18)	12,236	(335,331.58)	(27.41)	(2.00)
12,501 to 20,000	745,589.63	371,027.23	6,721	(374,562.40)	(55.73)	(33.48)
20,001 to 30,000	1,879,555.07	1,622,122.39	7,766	(257,432.68)	(33.15)	(30.98)
30,001 to 40,000	2,824,938.96	2,705,153.64	6,702	(119,785.32)	(17.87)	(25.85)
40,001 to 55,000	5,650,544.43	5,260,050.57	8,750	(390,493.86)	(44.63)	(28.24)
55,001 to 75,000	8,690,212.00	8,024,731.55	9,944	(665,480.45)	(66.92)	(14.47)
75,001 to 110,000	16,379,040.80	14,923,914.83	12,821	(1,455,125.97)	(113.50)	(19.54)
110,001 to 175,000	21,003,392.04	17,497,578.42	9,306	(3,505,813.62)	(376.73)	(233.99)
175,001 to 250,000	10,286,830.65	8,056,313.51	2,815	(2,230,517.14)	(792.37)	(535.34)
250,001 to 500,000	9,099,907.10	7,488,513.36	1,845	(1,611,393.74)	(873.38)	(248.98)
500,001 to 1,000,000	4,429,204.08	4,131,397.68	713	(297,806.40)	(417.68)	(57.52)
1,000,001 to 5,000,000	3,655,359.68	3,536,199.31	476	(119,160.37)	(250.34)	(13.53)
5,000,001 to 10,000,000	751,299.29	743,708.36	40	(7,590.93)	(189.77)	(5.25)
10,000,001 and up	787,130.49	837,291.51	33	50,161.02	1,520.03	(2.94)
Totals	**$ 86,386,521.15**	**$ 75,054,712.63**	**81,096**	**$ (11,331,808.52)**	**$ (139.73)**	**$ (26.55)**
				-13.1%		

PERSONAL INCOME TAX NO CAPITAL GAINS IMPACT SUMMARY
Tax Year 2007 Data, Fully Implemented Flat Tax at 5.5 Percent

Scenario: ***Rhode Island's Modified Personal Income Tax System***

Standard Deduction	Amount
Married Filing Joint	$ 15,000
Single	7,500
Married Filing Separate	7,500
Head of Household	11,250
Widow	15,000

Exemption	Amount
Personal & Dependent	$ 2,500

Tax Rates and Taxable Income Brackets			
Start	End	Rate	Increment
$ -	$ 54,999.99	3.50%	-
55,000.00	109,999.99	4.00%	0.50%
110,000.00	174,999.99	4.50%	0.50%
175,000.00	999,999,999.99	5.50%	1.00%

State Earned Income Tax Percentage of Federal	15.0%
Alternative Flat Tax Rate	5.5%

All Filers With No Capital Gains Income

AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	$ (4,573,097.57)	$ (4,846,960.01)	23,143	$ (273,862.44)	$ (11.83)
1 to 12,500	(4,618,000.34)	(11,316,113.25)	109,602	(6,698,112.91)	(61.11)
12,501 to 20,000	3,327,263.09	(3,713,234.10)	60,244	(7,040,497.19)	(116.87)
20,001 to 30,000	18,083,239.05	14,620,748.95	66,676	(3,462,490.10)	(51.93)
30,001 to 40,000	32,050,653.48	31,284,341.03	53,280	(766,312.45)	(14.38)
40,001 to 55,000	55,140,495.09	52,613,195.58	58,315	(2,527,299.51)	(43.34)
55,001 to 75,000	79,537,897.51	74,108,552.27	56,727	(5,429,345.24)	(95.71)
75,001 to 110,000	126,376,645.80	114,553,907.24	58,999	(11,822,738.56)	(200.39)
110,001 to 175,000	132,124,097.04	109,116,210.96	34,669	(23,007,886.08)	(663.64)
175,001 to 250,000	54,129,322.59	42,791,180.79	8,397	(11,338,141.80)	(1,350.26)
250,001 to 500,000	49,044,432.82	42,054,192.07	4,717	(6,990,240.75)	(1,481.93)
500,001 to 1,000,000	20,957,452.06	20,685,645.02	1,315	(271,807.04)	(206.70)
1,000,001 to 5,000,000	18,274,291.56	19,661,688.71	691	1,387,397.15	2,007.81
5,000,001 to 10,000,000	3,766,689.05	4,080,896.41	51	314,207.36	6,160.93
10,000,001 and up	1,767,673.57	1,810,209.59	35	42,536.02	1,215.31
Totals	**$ 585,389,054.80**	**$ 507,504,461.26**	**536,861**	**$ (77,884,593.54)**	**$ (145.07)**
				-13.3%	

PERSONAL INCOME TAX NO CAPITAL GAINS INCIDENCE ANALYSIS
Returns with a Tax Decrease or a Tax Increase

Scenario: *Rhode Island's Modified Personal Income Tax System*

Resident Filers Only With No Capital Gains

	Returns with a Tax Decrease				Returns with a Tax Increase				Total Tax Change		
AGI Range	Number of Returns	Tax Decrease Amount	Average Tax Decrease	Median Tax Decrease	Number of Returns	Tax Increase Amount	Average Tax Increase	Median Tax Increase	Number of Returns	Total Tax Change Amount	Average Tax Change
$0 and Under	1,154	$ (262,387.36)	$ (227.37)	$ (300.00)	-	$ -	n/a	$ -	1,154	$ (262,387.36)	$ (227.37)
$1 to $12,500	52,438	(6,409,990.03)	(122.24)	(51.65)	1,730	47,208.71	27.29	13.54	54,168	(6,362,781.32)	(117.46)
$12,501 to $20,000	44,723	(7,135,889.77)	(159.56)	(67.97)	3,685	469,954.97	127.53	113.33	48,408	(6,665,934.80)	(137.70)
$20,001 to $30,000	45,184	(4,751,225.53)	(105.15)	(85.10)	11,491	1,546,168.11	134.55	85.00	56,675	(3,205,057.42)	(56.55)
$30,001 to $40,000	31,780	(3,170,299.91)	(99.76)	(105.00)	12,557	2,523,772.78	200.99	140.99	44,337	(646,527.13)	(14.58)
$40,001 to $55,000	31,244	(6,351,617.75)	(203.29)	(166.75)	15,968	4,214,812.10	263.95	194.46	47,212	(2,136,805.65)	(45.26)
$55,001 to $75,000	28,496	(9,959,968.60)	(349.52)	(234.19)	16,855	5,196,103.81	308.28	212.08	45,351	(4,763,864.79)	(105.04)
$75,001 to $110,000	29,570	(16,533,193.91)	(559.12)	(467.40)	15,790	6,165,580.95	390.47	270.13	45,360	(10,367,612.96)	(228.56)
$110,001 to $175,000	21,628	(21,766,273.95)	(1,006.39)	(920.50)	3,381	2,264,201.87	669.68	359.19	25,009	(19,502,072.08)	(779.80)
$175,001 to $250,000	5,136	(10,020,036.43)	(1,950.94)	(2,003.32)	390	912,411.78	2,339.52	1,001.82	5,526	(9,107,624.65)	(1,648.14)
$250,001 to $500,000	2,554	(7,871,895.31)	(3,082.18)	(3,607.03)	292	2,493,048.29	8,537.84	8,349.32	2,846	(5,378,847.02)	(1,889.97)
$500,001 to $1,000,000	517	(1,757,929.47)	(3,400.25)	(3,675.00)	82	1,783,928.83	21,755.23	22,072.88	599	25,999.36	43.40
$1,000,001 to $5,000,000	175	(611,804.06)	(3,496.02)	(3,675.00)	39	2,118,361.59	54,316.96	52,213.76	214	1,506,557.53	7,039.99
$5,000,001 to $10,000,000	8	(30,500.01)	(3,812.50)	(3,743.75)	3	352,298.29	117,432.76	78,420.70	11	321,798.28	29,254.39
$10,000,001 and up	2	(7,625.00)	(3,812.50)	(3,812.50)	-	-	n/a	-	2	(7,625.00)	(3,812.50)
Totals	**294,609**	**$ (96,640,637.09)**	**$ (328.03)**	**$ (113.90)**	**82,263**	**$ 30,087,852.08**	**$ 365.75**	**$ 172.47**	**376,872**	**$ (66,552,785.01)**	**$ (176.59)**