



# Business Taxes

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## *Business Tax Options:*

- Maintain current corporate income tax structure and lower rate to 8.0%*
- Implement combined reporting and lower rate to 6.0% or 7.0%*
- Eliminate corporate income tax*



# Business Taxes

## *Revenue Analysis:*

<u>8% Rate Without Combined Reporting</u>		<u>6% Rate With Combined Reporting</u>	
Revenue Estimate FY2009	108.00	Revenue Estimate FY2009	108.00
Revenue Impact Rate Reduction	(9.67)	Revenue Impact Rate Reduction	(29.01)
Revenue Impact Elimination of Credits	<u>1.25</u>	Revenue Impact Elimination of Credits	1.25
Net Revenue	99.58	Revenue Impact Combined Reporting	<u>8.64</u>
		Net Revenue	<u>88.88</u>



# Business Taxes

<b>Tax Year 2006</b>		
	Total Revenue	Number of Taxpayers
Taxpayers Paying Min Tax:	23,539,000.00	47,078
Taxpayers Paying Greater than \$500:		3,527
<b>Taxable Income</b>		
Less than 10,000	22,865,838.00	1,204
10,000 to 25,000	1,020,871.00	685
25,000 to 50,000	1,572,135.00	489
50,000 to 75,000	1,435,631.00	265
75,000 to 100,000	1,060,863.00	140
100,000 to 250,000	4,706,683.00	346
250,000 to 500,000	4,707,097.00	156
500,000 to 1,000,000	5,973,102.00	107
1,000,000 to 2,500,000	11,123,136.00	85
2,500,000 and greater	47,529,131.00	50
<b>Total</b>	<b>101,994,487.00</b>	<b>3,527</b>
<b>Grand Total</b>	<b>125,533,487.00</b>	<b>50,605</b>



# Business Taxes

	FY2009 Estimated Revenue	Number of Taxpayers	Proposed Franchise Tax Rate	Estimated Revenue	Total Tax Change
Taxpayers Paying Min Tax:	23,539,000.00	47,078	450	21,185,100.00	(2,353,900.00)
Taxpayers Paying Greater than \$500: Taxable Income					
Less than 10,000	18,935,058	1,204	450	541,800.00	(18,393,258.16)
10,000 to 25,000	845,377	685	500	342,500.00	(502,876.92)
25,000 to 50,000	1,301,875	489	750	366,750.00	(935,125.21)
50,000 to 75,000	1,188,837	265	1,000	265,000.00	(923,837.10)
75,000 to 100,000	878,494	140	1,500	210,000.00	(668,494.05)
100,000 to 250,000	3,897,575	346	2,000	692,000.00	(3,205,574.90)
250,000 to 500,000	3,897,918	156	3,000	468,000.00	(3,429,917.73)
500,000 to 1,000,000	4,946,289	107	5,000	535,000.00	(4,411,288.60)
1,000,000 to 2,500,000	9,211,000	85	7,500	637,500.00	(8,573,499.71)
2,500,000 and greater	39,358,578	50	10,000	500,000.00	(38,858,577.62)
Total	84,461,000.00	3,527		4,558,550.00	(79,902,450.00)
Grand Total	108,000,000.00	50,605		25,743,650.00	(82,256,350.00)