

Governor's Tax Scenarios

A. Construction					
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	2,000,000	A Receipts as defined	2,000,000	A Receipts as defined	2,000,000
B Tax Rate for Industry	0.091%	B Deduction for first \$100,000	100,000	B Annual Payroll	602,300
C Range for Industry	1,779,074 to 2,045,935	C Net	1,900,000	C Health Cost (0%)	-
D Business License Fee Due	1,740	D Tax Rate	0.465%	D Taxable Wages (B-C)	602,300
E Plus MBT current rate	2,576	E Tax (C*D)+\$200	9,035	E Quarterly Taxable Wages (D/4)	150,575
F Total Tax Due (D+E)	4,316	F Plus MBT for Financial & Mining	-	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	100,575
		H Total Tax Due (E+F+G)	9,235	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	1,569
				J Annual Tax (I*4)	6,276
				K Plus Business License Fee	500
				L Total Tax (J+K)	6,776
Effective Tax Rate (F/A)	0.216%	Effective Tax Rate	0.462%	Effective Tax Rate (J/A)	0.339%
A. Construction					
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	2,000,000	A Receipts as defined	2,000,000	A Receipts as defined	2,000,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	1,550,000	C Net Revenue (A-B)	1,000,000	C Net Revenue (A-B)	2,000,000
D Tax Rate	0.25%	D Cost of Goods Sold	Unknown	D Cost of Goods Sold	Unknown
E Tax Due (C*D)	3,875	E Employee Compensation	Unknown	E Employee Compensation	Unknown
		F 30% of Net Revenue (30%*C)	300,000	F 30% of Net Revenue (30%*C)	600,000
		G Deduction (Max of D,E,F)	300,000	G Deduction (Max of D,E,F)	600,000
		H Margin (C-G)	700,000	H Margin (C-G)	1,400,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	5,600	J Tax (H*I)	28,000
		K Credit for MBT Paid (assume current rate)	2,576	K Credit for MBT Paid (assume current rate)	2,576
		L Net Margin Tax Due (J-K)	3,024	L Net Margin Tax Due (J-K)	25,424
		M Total tax due, with MBT (K+L)	5,600	M Total tax due, with MBT (K+L)	28,000
Effective Tax Rate (E/A)	0.194%	Effective Tax Rate (M/A)	0.280%	Effective Tax Rate (M/A)	1.400%
A. Construction					
Modified Business Tax		Modified Business Tax			
	Current Rate		2% Rate		
A Receipts as defined	2,000,000	A Receipts as defined	2,000,000		
B Annual Payroll	602,300	B Annual Payroll	602,300		
C Health Cost (7%)	42,161	C Health Cost (7%)	42,161		
D Taxable Wages (B-C)	560,139	D Taxable Wages (B-C)	560,139		
E Quarterly Taxable Wages (D/4)	140,035	E Quarterly Taxable Wages (D/4)	140,035		
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000		
G Taxable Quarterly Amount (E-F)	55,035	G Taxable Quarterly Amount (E-F)	55,035		
H Tax Rate	1.17%	H Tax Rate	2.00%		
I Quarterly Tax (G*H)	644	I Quarterly Tax (G*H)	1,101		
J Annual Tax (I*4)	2,576	J Annual Tax (I*4)	4,403		
Effective Tax Rate (J/A)	0.129%	Effective Tax Rate (J/A)	0.220%		

Governor's Tax Scenarios

B. Financial Activities					
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	5,500,000	A Receipts as defined	5,500,000	A Receipts as defined	5,500,000
B Tax Rate for Industry	0.121%	B Deduction for first \$100,000	100,000	B Annual Payroll	250,820
C Range for Industry	5,442,241 to 6,258,578	C Net	5,400,000	C Health Cost (0%)	-
D Business License Fee Due	7,106	D Tax Rate	0.465%	D Taxable Wages (B-C)	250,820
E Plus MBT current rate	4,610	E Tax (C*D)+\$200	25,310	E Quarterly Taxable Wages (D/4)	62,705
F Total Tax Due (D+E)	11,716	F Plus MBT for Financial & Mining	4,610	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	12,705
		H Total Tax Due (E+F+G)	30,120	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	198
				J Annual Tax (I*4)	793
				K Plus Business License Fee	500
				L Total Tax (J+K)	1,293
Effective Tax Rate (F/A)	0.213%	Effective Tax Rate	0.548%	Effective Tax Rate (J/A)	0.024%
B. Financial Activities					
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	5,500,000	A Receipts as defined	5,500,000	A Receipts as defined	5,500,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	5,050,000	C Net Revenue (A-B)	4,500,000	C Net Revenue (A-B)	5,500,000
D Tax Rate	0.25%	D Cost of Goods Sold	Unknown	D Cost of Goods Sold	Unknown
E Tax Due (C*D)	12,625	E Employee Compensation	Unknown	E Employee Compensation	Unknown
		F 30% of Net Revenue (30%*C)	1,350,000	F 30% of Net Revenue (30%*C)	1,650,000
		G Deduction (Max of D,E,F)	1,350,000	G Deduction (Max of D,E,F)	1,650,000
		H Margin (C-G)	3,150,000	H Margin (C-G)	3,850,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	25,200	J Tax (H*I)	77,000
		K Credit for MBT Paid (assume current rate)	4,610	K Credit for MBT Paid (assume current rate)	4,610
		L Net Margin Tax Due (J-K)	20,590	L Net Margin Tax Due (J-K)	72,390
		M Total tax due, with MBT (K+L)	25,200	M Total tax due, with MBT (K+L)	77,000
Effective Tax Rate (E/A)	0.230%	Effective Tax Rate (M/A)	0.458%	Effective Tax Rate (M/A)	1.400%
B. Financial Activities					
Modified Business Tax		Modified Business Tax			
	Current Rate		2% Rate		
A Receipts as defined	5,500,000	A Receipts as defined	5,500,000		
B Annual Payroll	250,820	B Annual Payroll	250,820		
C Health Cost (7%)	20,316	C Health Cost (7%)	20,316		
D Taxable Wages (B-C)	230,504	D Taxable Wages (B-C)	230,504		
E Quarterly Taxable Wages (D/4)	57,626	E Quarterly Taxable Wages (D/4)	57,626		
F Quarterly Deduction	-	F Quarterly Deduction	-		
G Taxable Quarterly Amount (E-F)	57,626	G Taxable Quarterly Amount (E-F)	57,626		
H Tax Rate	2.00%	H Tax Rate	2.00%		
I Quarterly Tax (G*H)	1,153	I Quarterly Tax (G*H)	1,153		
J Annual Tax (I*4)	4,610	J Annual Tax (I*4)	4,610		
Effective Tax Rate (J/A)	0.084%	Effective Tax Rate (J/A)	0.084%		

Governor's Tax Scenarios

C. Health Services					
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	27,000,000	A Receipts as defined	27,000,000	A Receipts as defined	27,000,000
B Tax Rate for Industry	0.208%	B Deduction for first \$100,000	100,000	B Annual Payroll	4,620,450
C Range for Industry	25,319,462 to 29,117,381	C Net	26,900,000	C Health Cost (0%)	-
D Business License Fee Due	56,481	D Tax Rate	0.465%	D Taxable Wages (B-C)	4,620,450
E Plus MBT current rate	46,513	E Tax (C*D)+\$200	125,285	E Quarterly Taxable Wages (D/4)	1,155,113
F Total Tax Due (D+E)	102,994	F Plus MBT for Financial & Mining	-	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	1,105,113
		H Total Tax Due (E+F+G)	125,485	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	17,240
				J Annual Tax (I*4)	68,959
				K Plus Business License Fee	500
				L Total Tax (J+K)	69,459
Effective Tax Rate (F/A)	0.381%	Effective Tax Rate	0.465%	Effective Tax Rate (J/A)	0.257%
C. Health Services					
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	27,000,000	A Receipts as defined	27,000,000	A Receipts as defined	27,000,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	26,550,000	C Net Revenue (A-B)	26,000,000	C Net Revenue (A-B)	27,000,000
D Tax Rate	0.25%	D Cost of Goods Sold	Unknown	D Cost of Goods Sold	Unknown
E Tax Due (C*D)	66,375	E Employee Compensation	Unknown	E Employee Compensation	Unknown
		F 30% of Net Revenue (30%*C)	7,800,000	F 30% of Net Revenue (30%*C)	8,100,000
		G Deduction (Max of D,E,F)	7,800,000	G Deduction (Max of D,E,F)	8,100,000
		H Margin (C-G)	18,200,000	H Margin (C-G)	18,900,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	145,600	J Tax (H*I)	378,000
		K Credit for MBT Paid (assume current rate)	46,513	K Credit for MBT Paid (assume current rate)	46,513
		L Net Margin Tax Due (J-K)	99,087	L Net Margin Tax Due (J-K)	331,487
		M Total tax due, with MBT (K+L)	145,600	M Total tax due, with MBT (K+L)	378,000
Effective Tax Rate (E/A)	0.246%	Effective Tax Rate (M/A)	0.539%	Effective Tax Rate (M/A)	1.400%
C. Health Services					
Modified Business Tax		Modified Business Tax			
	Current Rate		2% Rate		
A Receipts as defined	27,000,000	A Receipts as defined	27,000,000		
B Annual Payroll	4,620,450	B Annual Payroll	4,620,450		
C Health Cost (7%)	304,950	C Health Cost (7%)	304,950		
D Taxable Wages (B-C)	4,315,500	D Taxable Wages (B-C)	4,315,500		
E Quarterly Taxable Wages (D/4)	1,078,875	E Quarterly Taxable Wages (D/4)	1,078,875		
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000		
G Taxable Quarterly Amount (E-F)	993,875	G Taxable Quarterly Amount (E-F)	993,875		
H Tax Rate	1.17%	H Tax Rate	2.00%		
I Quarterly Tax (G*H)	11,628	I Quarterly Tax (G*H)	19,878		
J Annual Tax (I*4)	46,513	J Annual Tax (I*4)	79,510		
Effective Tax Rate (J/A)	0.172%	Effective Tax Rate (J/A)	0.294%		

Governor's Tax Scenarios

D. Retail Trade		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	17,000,000	A Receipts as defined	17,000,000	A Receipts as defined	17,000,000
B Tax Rate for Industry	0.121%	B Deduction for first \$100,000	100,000	B Annual Payroll	889,400
C Range for Industry	16,647,955 to 19,145,148	C Net	16,900,000	C Health Cost (0%)	-
D Business License Fee Due	21,639	D Tax Rate	0.465%	D Taxable Wages (B-C)	889,400
E Plus MBT current rate	5,741	E Tax (C*D)+\$200	78,785	E Quarterly Taxable Wages (D/4)	222,350
F Total Tax Due (D+E)	27,380	F Plus MBT for Financial & Mining	-	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	172,350
		H Total Tax Due (E+F+G)	78,985	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	2,689
				J Annual Tax (I*4)	10,755
				K Plus Business License Fee	500
				L Total Tax (J+K)	11,255
Effective Tax Rate (F/A)	0.161%	Effective Tax Rate	0.465%	Effective Tax Rate (J/A)	0.066%
D. Retail Trade		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	17,000,000	A Receipts as defined	17,000,000	A Receipts as defined	17,000,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	16,550,000	C Net Revenue (A-B)	16,000,000	C Net Revenue (A-B)	17,000,000
D Tax Rate	0.25%	D Cost of Goods Sold	Unknown	D Cost of Goods Sold	Unknown
E Tax Due (C*D)	41,375	E Employee Compensation	Unknown	E Employee Compensation	Unknown
		F 30% of Net Revenue (30%*C)	4,800,000	F 30% of Net Revenue (30%*C)	5,100,000
		G Deduction (Max of D,E,F)	4,800,000	G Deduction (Max of D,E,F)	5,100,000
		H Margin (C-G)	11,200,000	H Margin (C-G)	11,900,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	89,600	J Tax (H*I)	238,000
		K Credit for MBT Paid (assume current rate)	5,741	K Credit for MBT Paid (assume current rate)	5,741
		L Net Margin Tax Due (J-K)	83,859	L Net Margin Tax Due (J-K)	232,259
		M Total tax due, with MBT (K+L)	89,600	M Total tax due, with MBT (K+L)	238,000
Effective Tax Rate (E/A)	0.243%	Effective Tax Rate (M/A)	0.527%	Effective Tax Rate (M/A)	1.400%
D. Retail Trade		Modified Business Tax		2% Rate	
Modified Business Tax		Modified Business Tax		2% Rate	
A Receipts as defined	17,000,000	A Receipts as defined	17,000,000		
B Annual Payroll	889,400	B Annual Payroll	889,400		
C Health Cost (7%)	58,700	C Health Cost (7%)	58,700		
D Taxable Wages (B-C)	830,700	D Taxable Wages (B-C)	830,700		
E Quarterly Taxable Wages (D/4)	207,675	E Quarterly Taxable Wages (D/4)	207,675		
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000		
G Taxable Quarterly Amount (E-F)	122,675	G Taxable Quarterly Amount (E-F)	122,675		
H Tax Rate	1.17%	H Tax Rate	2.00%		
I Quarterly Tax (G*H)	1,435	I Quarterly Tax (G*H)	2,453		
J Annual Tax (I*4)	5,741	J Annual Tax (I*4)	9,814		
Effective Tax Rate (J/A)	0.034%	Effective Tax Rate (J/A)	0.058%		

Tax Scenarios Using Data from Nevada Businesses

1. Construction Subcontractor					
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	1,476,000	A Receipts as defined	1,476,000	A Receipts as defined	1,476,000
B Tax Rate for Industry	0.091%	B Deduction for first \$100,000	100,000	B Annual Payroll	831,000
C Range for Industry	1,345,234 to 1,547,019	C Net	1,376,000	C Health Cost (0%)	-
D Business License Fee Due	1,315	D Tax Rate	0.465%	D Taxable Wages (B-C)	831,000
E Plus MBT current rate	4,300	E Tax (C*D)+\$200	6,598	E Quarterly Taxable Wages (D/4)	207,750
F Total Tax Due (D+E)	5,615	F Plus MBT for Financial & Mining	-	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	157,750
		H Total Tax Due (E+F+G)	6,798	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	2,461
				J Annual Tax (I*4)	9,844
				K Plus Business License Fee	500
				L Total Tax (J+K)	10,344
Effective Tax Rate (F/A)	0.380%	Effective Tax Rate	0.461%	Effective Tax Rate (J/A)	0.701%
1. Construction Subcontractor					
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	1,476,000	A Receipts as defined	1,476,000	A Receipts as defined	1,476,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	1,026,000	C Net Revenue (A-B)	476,000	C Net Revenue (A-B)	1,476,000
D Tax Rate	0.25%	D Cost of Goods Sold	970,000	D Cost of Goods Sold	970,000
E Tax Due (C*D)	2,565	E Employee Compensation	831,000	E Employee Compensation	831,000
		F 30% of Net Revenue (30%*C)	142,800	F 30% of Net Revenue (30%*C)	442,800
		G Deduction (Max of D,E,F)	970,000	G Deduction (Max of D,E,F)	970,000
		H Margin (C-G)	-	H Margin (C-G)	506,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	-	J Tax (H*I)	10,120
		K Credit for MBT Paid (assume current rate)	4,300	K Credit for MBT Paid (assume current rate)	4,300
		L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	5,820
		M Total tax due, with MBT (K+L)	4,300	M Total tax due, with MBT (K+L)	10,120
Effective Tax Rate (E/A)	0.174%	Effective Tax Rate (M/A)	0.291%	Effective Tax Rate (M/A)	0.686%
1. Construction Subcontractor					
Modified Business Tax		Modified Business Tax			
	Current Rate		2% Rate		
A Receipts as defined	1,476,000	A Receipts as defined	1,476,000		
B Annual Payroll	831,000	B Annual Payroll	831,000		
C Health Cost (14.86%)*	123,487	C Health Cost (14.86%)*	123,487		
D Taxable Wages (B-C)	707,513	D Taxable Wages (B-C)	707,513		
E Quarterly Taxable Wages (D/4)	176,878	E Quarterly Taxable Wages (D/4)	176,878		
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000		
G Taxable Quarterly Amount (E-F)	91,878	G Taxable Quarterly Amount (E-F)	91,878		
H Tax Rate	1.17%	H Tax Rate	2.00%		
I Quarterly Tax (G*H)	1,075	I Quarterly Tax (G*H)	1,838		
J Annual Tax (I*4)	4,300	J Annual Tax (I*4)	7,350		
Effective Tax Rate (J/A)	0.291%	Effective Tax Rate (J/A)	0.498%		

Source of business data: Fair, Anderson & Langerman via Nevada Margin Tax Impact Analysis, RCG Economics, August 2014

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

2. Commercial Insurance Broker					
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	1,834,000	A Receipts as defined	1,834,000	A Receipts as defined	1,834,000
B Tax Rate for Industry	0.121%	B Deduction for first \$100,000	100,000	B Annual Payroll	878,000
C Range for Industry	1,799,074 to 2,045,935	C Net	1,734,000	C Health Cost (0%)	-
D Business License Fee Due	2,323	D Tax Rate	0.465%	D Taxable Wages (B-C)	878,000
E Plus MBT current rate	5,100	E Tax (C*D)+\$200	8,263	E Quarterly Taxable Wages (D/4)	219,500
F Total Tax Due (D+E)	7,423	F Plus MBT for Financial & Mining	-	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	169,500
		H Total Tax Due (E+F+G)	8,463	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	2,644
				J Annual Tax (I*4)	10,577
				K Plus Business License Fee	500
				L Total Tax (J+K)	11,077
Effective Tax Rate (F/A)	0.405%	Effective Tax Rate	0.461%	Effective Tax Rate (J/A)	0.604%
2. Commercial Insurance Broker					
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	1,834,000	A Receipts as defined	1,834,000	A Receipts as defined	1,834,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	1,384,000	C Net Revenue (A-B)	834,000	C Net Revenue (A-B)	1,834,000
D Tax Rate	0.25%	D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Tax Due (C*D)	3,460	E Employee Compensation	878,000	E Employee Compensation	878,000
		F 30% of Net Revenue (30%*C)	250,200	F 30% of Net Revenue (30%*C)	550,200
		G Deduction (Max of D,E,F)	878,000	G Deduction (Max of D,E,F)	878,000
		H Margin (C-G)	-	H Margin (C-G)	956,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	-	J Tax (H*I)	19,120
		K Credit for MBT Paid (assume current rate)	5,100	K Credit for MBT Paid (assume current rate)	5,100
		L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	14,020
		M Total tax due, with MBT (K+L)	5,100	M Total tax due, with MBT (K+L)	19,120
Effective Tax Rate (E/A)	0.189%	Effective Tax Rate (M/A)	0.278%	Effective Tax Rate (M/A)	1.043%
2. Commercial Insurance Broker					
Modified Business Tax		Modified Business Tax			
	Current Rate		2% Rate		
A Receipts as defined	1,834,000	A Receipts as defined	1,834,000		
B Annual Payroll	878,000	B Annual Payroll	878,000		
C Health Cost (11.63%)*	102,111	C Health Cost (11.63%)*	102,111		
D Taxable Wages (B-C)	775,889	D Taxable Wages (B-C)	775,889		
E Quarterly Taxable Wages (D/4)	193,972	E Quarterly Taxable Wages (D/4)	193,972		
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000		
G Taxable Quarterly Amount (E-F)	108,972	G Taxable Quarterly Amount (E-F)	108,972		
H Tax Rate	1.17%	H Tax Rate	2.00%		
I Quarterly Tax (G*H)	1,275	I Quarterly Tax (G*H)	2,179		
J Annual Tax (I*4)	5,100	J Annual Tax (I*4)	8,718		
Effective Tax Rate (J/A)	0.278%	Effective Tax Rate (J/A)	0.475%		

Source of business data: Fair, Anderson & Langerman via Nevada Margin Tax Impact Analysis, RCG Economics, August 2014

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

3. Small Medical Practitioner					
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	3,790,000	A Receipts as defined	3,790,000	A Receipts as defined	3,790,000
B Tax Rate for Industry	0.208%	B Deduction for first \$100,000	100,000	B Annual Payroll	1,624,000
C Range for Industry	3,578,360 to 4,115,114	C Net	3,690,000	C Health Cost (0%)	-
D Business License Fee Due	7,982	D Tax Rate	0.465%	D Taxable Wages (B-C)	1,624,000
E Plus MBT current rate	15,023	E Tax (C*D)+\$200	17,359	E Quarterly Taxable Wages (D/4)	406,000
F Total Tax Due (D+E)	23,005	F Plus MBT for Financial & Mining	-	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	356,000
		H Total Tax Due (E+F+G)	17,559	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	5,554
				J Annual Tax (I*4)	22,214
				K Plus Business License Fee	500
				L Total Tax (J+K)	22,714
Effective Tax Rate (F/A)	0.607%	Effective Tax Rate	0.463%	Effective Tax Rate (J/A)	0.599%

3. Small Medical Practitioner					
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	3,790,000	A Receipts as defined	3,790,000	A Receipts as defined	3,790,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	3,340,000	C Net Revenue (A-B)	2,790,000	C Net Revenue (A-B)	3,790,000
D Tax Rate	0.25%	D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Tax Due (C*D)	8,350	E Employee Compensation	1,624,000	E Employee Compensation	1,624,000
		F 30% of Net Revenue (30%*C)	837,000	F 30% of Net Revenue (30%*C)	1,137,000
		G Deduction (Max of D,E,F)	1,624,000	G Deduction (Max of D,E,F)	1,624,000
		H Margin (C-G)	1,166,000	H Margin (C-G)	2,166,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	9,328	J Tax (H*I)	43,320
		K Credit for MBT Paid (assume current rate)	15,023	K Credit for MBT Paid (assume current rate)	15,023
		L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	28,297
		M Total tax due, with MBT (K+L)	15,023	M Total tax due, with MBT (K+L)	43,320
Effective Tax Rate (E/A)	0.220%	Effective Tax Rate (M/A)	0.396%	Effective Tax Rate (M/A)	1.143%

3. Small Medical Practitioner			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	3,790,000	A Receipts as defined	3,790,000
B Annual Payroll	1,624,000	B Annual Payroll	1,624,000
C Health Cost (0%)*	-	C Health Cost (0%)*	-
D Taxable Wages (B-C)	1,624,000	D Taxable Wages (B-C)	1,624,000
E Quarterly Taxable Wages (D/4)	406,000	E Quarterly Taxable Wages (D/4)	406,000
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	321,000	G Taxable Quarterly Amount (E-F)	321,000
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	3,756	I Quarterly Tax (G*H)	6,420
J Annual Tax (I*4)	15,023	J Annual Tax (I*4)	25,680
Effective Tax Rate (J/A)	0.396%	Effective Tax Rate (J/A)	0.678%

Source of business data: Fair, Anderson & Langerman via Nevada Margin Tax Impact Analysis, RCG Economics, August 2014

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

4. Automotive and Accessories Retail Sales			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	31,137,000	A Receipts as defined	31,137,000
B Tax Rate for Industry	0.121%	B Deduction for first \$100,000	100,000
C Range for Industry	29,117,382 to 33,484,989	C Net	31,037,000
D Business License Fee Due	37,847	D Tax Rate	0.465%
E Plus MBT current rate	40,298	E Tax (C*D)+\$200	144,522
F Total Tax Due (D+E)	78,145	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	144,722
Effective Tax Rate (F/A)	0.251%	Effective Tax Rate	0.465%

Hybrid Tax: Assembly Bill 464	
A Receipts as defined	31,137,000
B Annual Payroll	4,307,000
C Health Cost (0%)	-
D Taxable Wages (B-C)	4,307,000
E Quarterly Taxable Wages (D/4)	1,076,750
F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	1,026,750
H Tax Rate	1.56%
I Quarterly Tax (G*H)	16,017
J Annual Tax (I*4)	64,069
K Plus Business License Fee	500
L Total Tax (J+K)	64,569
Effective Tax Rate (L/A)	0.207%

4. Automotive and Accessories Retail Sales			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	31,137,000	A Receipts as defined	31,137,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	30,687,000	C Net Revenue (A-B)	30,137,000
D Tax Rate	0.25%	D Cost of Goods Sold	19,622,000
E Tax Due (C*D)	76,718	E Employee Compensation	4,307,000
		F 30% of Net Revenue (30%*C)	9,041,100
		G Deduction (Max of D,E,F)	19,622,000
		H Margin (C-G)	10,515,000
		I Tax Rate	0.80%
		J Tax (H*I)	84,120
		K Credit for MBT Paid (assume current rate)	40,298
		L Net Margin Tax Due (J-K)	43,822
		M Total tax due, with MBT (K+L)	84,120
Effective Tax Rate (E/A)	0.246%	Effective Tax Rate (M/A)	0.270%

Margin Tax 2014	
A Receipts as defined	31,137,000
B Deductions	-
C Net Revenue (A-B)	31,137,000
D Cost of Goods Sold	19,622,000
E Employee Compensation	4,307,000
F 30% of Net Revenue (30%*C)	9,341,100
G Deduction (Max of D,E,F)	19,622,000
H Margin (C-G)	11,515,000
I Tax Rate	2.00%
J Tax (H*I)	230,300
K Credit for MBT Paid (assume current rate)	40,298
L Net Margin Tax Due (J-K)	190,002
M Total tax due, with MBT (K+L)	230,300
Effective Tax Rate (M/A)	0.740%

4. Automotive and Accessories Retail Sales			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	31,137,000	A Receipts as defined	31,137,000
B Annual Payroll	4,307,000	B Annual Payroll	4,307,000
C Health Cost (12.14%)*	522,741	C Health Cost (12.14%)*	522,741
D Taxable Wages (B-C)	3,784,259	D Taxable Wages (B-C)	3,784,259
E Quarterly Taxable Wages (D/4)	946,065	E Quarterly Taxable Wages (D/4)	946,065
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	861,065	G Taxable Quarterly Amount (E-F)	861,065
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	10,074	I Quarterly Tax (G*H)	17,221
J Annual Tax (I*4)	40,298	J Annual Tax (I*4)	68,885
Effective Tax Rate (J/A)	0.129%	Effective Tax Rate (J/A)	0.221%

Source of business data: Fair, Anderson & Langerman via Nevada Margin Tax Impact Analysis, RCG Economics, August 2014

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

5. Real Estate Broker		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Receipts as defined	15,186,000	A Receipts as defined	15,186,000	A Receipts as defined	15,186,000
B Tax Rate for Industry	0.272%	B Deduction for first \$100,000	100,000	B Annual Payroll	5,526,000
C Range for Industry	14,476,482 to 16,647,954	C Net	15,086,000	C Health Cost (0%)	-
D Business License Fee Due	42,379	D Tax Rate	0.465%	D Taxable Wages (B-C)	5,526,000
E Plus MBT current rate	53,298	E Tax (C*D)+\$200	70,350	E Quarterly Taxable Wages (D/4)	1,381,500
F Total Tax Due (D+E)	95,677	F Plus MBT for Financial & Mining	-	F Quarterly Deduction	50,000
		G Plus Business License Fee	200	G Taxable Quarterly Amount (E-F)	1,331,500
		H Total Tax Due (E+F+G)	70,550	H Tax Rate	1.56%
				I Quarterly Tax (G*H)	20,771
				J Annual Tax (I*4)	83,086
				K Plus Business License Fee	500
				L Total Tax (J+K)	83,586
Effective Tax Rate (F/A)	0.630%	Effective Tax Rate	0.465%	Effective Tax Rate (J/A)	0.550%

5. Real Estate Broker		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Receipts as defined	15,186,000	A Receipts as defined	15,186,000	A Receipts as defined	15,186,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000	B Deductions	-
C Taxable Amount (A-B)	14,736,000	C Net Revenue (A-B)	14,186,000	C Net Revenue (A-B)	15,186,000
D Tax Rate	0.25%	D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Tax Due (C*D)	36,840	E Employee Compensation	5,526,000	E Employee Compensation	5,526,000
		F 30% of Net Revenue (30%*C)	4,255,800	F 30% of Net Revenue (30%*C)	4,555,800
		G Deduction (Max of D,E,F)	5,526,000	G Deduction (Max of D,E,F)	5,526,000
		H Margin (C-G)	8,660,000	H Margin (C-G)	9,660,000
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	69,280	J Tax (H*I)	193,200
		K Credit for MBT Paid (assume current rate)	53,298	K Credit for MBT Paid (assume current rate)	53,298
		L Net Margin Tax Due (J-K)	15,982	L Net Margin Tax Due (J-K)	139,902
		M Total tax due, with MBT (K+L)	69,280	M Total tax due, with MBT (K+L)	193,200
Effective Tax Rate (E/A)	0.243%	Effective Tax Rate (M/A)	0.456%	Effective Tax Rate (M/A)	1.272%

5. Real Estate Broker		Modified Business Tax	
Modified Business Tax	Current Rate	Modified Business Tax	2% Rate
A Receipts as defined	15,186,000	A Receipts as defined	15,186,000
B Annual Payroll	5,526,000	B Annual Payroll	5,526,000
C Health Cost (11.41%)*	630,627	C Health Cost (11.41%)*	630,627
D Taxable Wages (B-C)	4,895,373	D Taxable Wages (B-C)	4,895,373
E Quarterly Taxable Wages (D/4)	1,223,843	E Quarterly Taxable Wages (D/4)	1,223,843
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	1,138,843	G Taxable Quarterly Amount (E-F)	1,138,843
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	13,324	I Quarterly Tax (G*H)	22,777
J Annual Tax (I*4)	53,298	J Annual Tax (I*4)	91,107
Effective Tax Rate (J/A)	0.351%	Effective Tax Rate (J/A)	0.600%

Source of business data: Fair, Anderson & Langerman via Nevada Margin Tax Impact Analysis, RCG Economics, August 2014

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

6. Telecommunications Business			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	23,114,000	A Receipts as defined	23,114,000
B Tax Rate for Industry	0.329%	B Deduction for first \$100,000	100,000
C Range for Industry	22,016,922 to 25,319,461	C Net	23,014,000
D Business License Fee Due	77,860	D Tax Rate	0.465%
E Plus MBT current rate	37,474	E Tax (C*D)+\$200	107,215
F Total Tax Due (D+E)	115,334	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	107,415
Effective Tax Rate (F/A)	0.499%	Effective Tax Rate	0.465%

Hybrid Tax: Assembly Bill 464	
A Receipts as defined	23,114,000
B Annual Payroll	3,797,331
C Health Cost (0%)	-
D Taxable Wages (B-C)	3,797,331
E Quarterly Taxable Wages (D/4)	949,333
F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	899,333
H Tax Rate	1.56%
I Quarterly Tax (G*H)	14,030
J Annual Tax (I*4)	56,118
K Plus Business License Fee	500
L Total Tax (J+K)	56,618
Effective Tax Rate (L/A)	0.245%

6. Telecommunications Business			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	23,114,000	A Receipts as defined	23,114,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	22,664,000	C Net Revenue (A-B)	22,114,000
D Tax Rate	0.25%	D Cost of Goods Sold	5,739,577
E Tax Due (C*D)	56,660	E Employee Compensation	3,797,331
		F 30% of Net Revenue (30%*C)	6,634,200
		G Deduction (Max of D,E,F)	6,634,200
		H Margin (C-G)	15,479,800
		I Tax Rate	0.80%
		J Tax (H*I)	123,838
		K Credit for MBT Paid (assume current rate)	37,474
		L Net Margin Tax Due (J-K)	86,364
		M Total tax due, with MBT (K+L)	123,838
Effective Tax Rate (E/A)	0.245%	Effective Tax Rate (M/A)	0.536%

Margin Tax 2014	
A Receipts as defined	23,114,000
B Deductions	-
C Net Revenue (A-B)	23,114,000
D Cost of Goods Sold	5,739,577
E Employee Compensation	3,797,331
F 30% of Net Revenue (30%*C)	6,934,200
G Deduction (Max of D,E,F)	6,934,200
H Margin (C-G)	16,179,800
I Tax Rate	2.00%
J Tax (H*I)	323,596
K Credit for MBT Paid (assume current rate)	37,474
L Net Margin Tax Due (J-K)	286,122
M Total tax due, with MBT (K+L)	323,596
Effective Tax Rate (M/A)	1.400%

6. Telecommunications Business			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	23,114,000	A Receipts as defined	23,114,000
B Annual Payroll	3,797,331	B Annual Payroll	3,797,331
C Health Cost (6.7%)**	254,421	C Health Cost (6.7%)**	254,421
D Taxable Wages (B-C)	3,542,909	D Taxable Wages (B-C)	3,542,909
E Quarterly Taxable Wages (D/4)	885,727	E Quarterly Taxable Wages (D/4)	885,727
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	800,727	G Taxable Quarterly Amount (E-F)	800,727
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	9,369	I Quarterly Tax (G*H)	16,015
J Annual Tax (I*4)	37,474	J Annual Tax (I*4)	64,058
Effective Tax Rate (J/A)	0.162%	Effective Tax Rate (J/A)	0.277%

Source: Average Telecommunications Business under Internal Revenue Service Statistics of Income: 2011

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

7. Average Large Las Vegas Strip Casino					
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378		Hybrid Tax: Assembly Bill 464	
A Gross Receipts	654,772,409	A Receipts as defined	654,772,409	A Receipts as defined	654,772,409
A1 Deduction-Gaming Rev	239,841,916	A1 Deduction-Gaming Rev	239,841,916	B Annual Payroll	129,950,156
A2 Net Revenue (A-A1)	414,930,493	B Deduction for first \$100,000	100,000	C Health Cost (0%)	-
B Tax Rate for Industry	0.218%	C Net Revenue (A-A1-B)	414,830,493	D Taxable Wages (B-C)	129,950,156
C Range for Industry	414,392,019 to 476,550,822	D Tax Rate	0.465%	E Quarterly Taxable Wages (D/4)	32,487,539
D Business License Fee Due	970,493	E Tax (C*D)+\$200	1,929,162	F Quarterly Deduction	50,000
E Plus MBT current rate	1,353,754	F Plus MBT for Financial & Mining	-	G Taxable Quarterly Amount (E-F)	32,437,539
F Total Tax Due (D+E)	2,324,247	G Plus Business License Fee	200	H Tax Rate	1.56%
		H Total Tax Due (E+F+G)	1,929,362	I Quarterly Tax (G*H)	506,026
				J Annual Tax (I*4)	2,024,102
				K Plus Business License Fee	500
				L Total Tax (J+K)	2,024,602
Effective Tax Rate (F/A)	0.355%	Effective Tax Rate	0.295%	Effective Tax Rate (J/A)	0.309%
7. Average Large Las Vegas Strip Casino					
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction		Margin Tax 2014	
A Gross Receipts	654,772,409	A Gross Receipts	654,772,409	A Receipts as defined	654,772,409
A1 Deduction-Gaming Rev	239,841,916	B Deduction of first \$1 million & gaming	240,841,916	B Deductions (gaming revenue)	239,841,916
A2 Net Revenue (A-A1)	414,930,493	C Net Revenue (A-B)	413,930,493	C Net Revenue (A-B)	414,930,493
B Standard Deduction	450,000	D Cost of Goods Sold	35,100,862	D Cost of Goods Sold	35,100,862
C Taxable Amount (A2-B)	414,480,493	E Employee Compensation	93,061,702	E Employee Compensation	93,061,702
D Tax Rate	0.25%	F 30% of Net Revenue (30%*C)	124,179,148	F 30% of Net Revenue (30%*C)	124,479,148
E Tax Due (C*D)	1,036,201	G Deduction (Max of D,E,F)	124,179,148	G Deduction (Max of D,E,F)	124,479,148
		H Margin (C-G)	289,751,345	H Margin (C-G)	290,451,345
		I Tax Rate	0.80%	I Tax Rate	2.00%
		J Tax (H*I)	2,318,011	J Tax (H*I)	5,809,027
		K Credit for MBT Paid (assume current rate)	1,353,754	K Credit for MBT Paid (assume current rate)	1,353,754
		L Net Margin Tax Due (J-K)	964,257	L Net Margin Tax Due (J-K)	4,455,273
		M Total tax due, with MBT (K+L)	2,318,011	M Total tax due, with MBT (K+L)	5,809,027
Effective Tax Rate (E/A)	0.158%	Effective Tax Rate (M/A)	0.354%	Effective Tax Rate (M/A)	0.887%
7. Average Large Las Vegas Strip Casino					
Modified Business Tax		Modified Business Tax			
	Current Rate		2% Rate		
A Receipts as defined	654,772,409	A Receipts as defined	654,772,409		
B Annual Payroll	129,950,156	B Annual Payroll	129,950,156		
C Health Cost (10.7%)**	13,904,667	C Health Cost (10.7%)**	13,904,667		
D Taxable Wages (B-C)	116,045,489	D Taxable Wages (B-C)	116,045,489		
E Quarterly Taxable Wages (D/4)	29,011,372	E Quarterly Taxable Wages (D/4)	29,011,372		
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000		
G Taxable Quarterly Amount (E-F)	28,926,372	G Taxable Quarterly Amount (E-F)	28,926,372		
H Tax Rate	1.17%	H Tax Rate	2.00%		
I Quarterly Tax (G*H)	338,439	I Quarterly Tax (G*H)	578,527		
J Annual Tax (I*4)	1,353,754	J Annual Tax (I*4)	2,314,110		
Effective Tax Rate (J/A)	0.207%	Effective Tax Rate (J/A)	0.353%		

Source: 2014 Gaming Abstract, Average for Large Las Vegas Strip Casino

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

8. Restaurant with 15 Slots			8. Restaurant with 15 Slots		
Business License Fee: Senate Bill 252			Supplemental Revenue Fee- Senate Bill 378		
A Gross Receipts	1,300,000		A Receipts as defined	1,300,000	
A1 Deduction-Gaming Rev	-		A1 Deduction-Gaming Rev	-	
A2 Net Revenue (A-A1)	1,300,000		B Deduction for first \$100,000	100,000	
B Tax Rate for Industry	0.218%		C Net Revenue (A-A1-B)	1,200,000	
C Range for Industry	1,169,768 to 1,345,233		D Tax Rate	0.465%	
D Business License Fee Due	2,740		E Tax (C*D)+\$200	5,780	
E Plus MBT current rate	-		F Plus MBT for Financial & Mining	-	
F Total Tax Due (D+E)	2,740		G Plus Business License Fee	200	
			H Total Tax Due (E+F+G)	5,980	
Effective Tax Rate (F/A)	0.211%		Effective Tax Rate	0.460%	
			Hybrid Tax: Assembly Bill 464		
			A Receipts as defined	1,300,000	
			B Annual Payroll	290,000	
			C Health Cost (0%)	-	
			D Taxable Wages (B-C)	290,000	
			E Quarterly Taxable Wages (D/4)	72,500	
			F Quarterly Deduction	50,000	
			G Taxable Quarterly Amount (E-F)	22,500	
			H Tax Rate	1.56%	
			I Quarterly Tax (G*H)	351	
			J Annual Tax (I*4)	1,404	
			K Plus Business License Fee	500	
			L Total Tax (J+K)	1,904	
			Effective Tax Rate (J/A)	0.146%	

8. Restaurant with 15 Slots			8. Restaurant with 15 Slots		
Gross Receipts Tax: 2003 Proposal			Margin Tax 2011, modified w \$1M deduction		
A Gross Receipts	1,300,000		A Gross Receipts	1,300,000	
A1 Deduction-Gaming Rev	640,000		B Deduction of first \$1 million & gaming	1,000,000	
A2 Net Revenue (A-A1)	660,000		C Net Revenue (A-B)	300,000	
B Standard Deduction	450,000		D Cost of Goods Sold	880,000	
C Taxable Amount (A2-B)	210,000		E Employee Compensation	290,000	
D Tax Rate	0.25%		F 30% of Net Revenue (30%*C)	90,000	
E Tax Due (C*D)	525		G Deduction (Max of D,E,F)	880,000	
			H Margin (C-G)	-	
			I Tax Rate	0.80%	
			J Tax (H*I)	-	
			K Credit for MBT Paid (assume current rate)	-	
			L Net Margin Tax Due (J-K)	-	
			M Total tax due, with MBT (K+L)	-	
Effective Tax Rate (E/A)	0.040%		Effective Tax Rate (M/A)	0.000%	
			Margin Tax 2014		
			A Receipts as defined	1,300,000	
			B Deductions (gaming revenue)	-	
			C Net Revenue (A-B)	1,300,000	
			D Cost of Goods Sold	880,000	
			E Employee Compensation	290,000	
			F 30% of Net Revenue (30%*C)	390,000	
			G Deduction (Max of D,E,F)	880,000	
			H Margin (C-G)	420,000	
			I Tax Rate	2.00%	
			J Tax (H*I)	8,400	
			K Credit for MBT Paid (assume current rate)	-	
			L Net Margin Tax Due (J-K)	8,400	
			M Total tax due, with MBT (K+L)	8,400	
			Effective Tax Rate (M/A)	0.646%	

8. Restaurant with 15 Slots			8. Restaurant with 15 Slots		
Modified Business Tax			Modified Business Tax		
A Receipts as defined	1,300,000		A Receipts as defined	1,300,000	
B Annual Payroll	290,000		B Annual Payroll	290,000	
C Health Cost (7.93%)	23,000		C Health Cost (7.93%)	23,000	
D Taxable Wages (B-C)	267,000		D Taxable Wages (B-C)	267,000	
E Quarterly Taxable Wages (D/4)	66,750		E Quarterly Taxable Wages (D/4)	66,750	
F Quarterly Deduction	85,000		F Quarterly Deduction	85,000	
G Taxable Quarterly Amount (E-F)	-		G Taxable Quarterly Amount (E-F)	-	
H Tax Rate	1.17%		H Tax Rate	2.00%	
I Quarterly Tax (G*H)	-		I Quarterly Tax (G*H)	-	
J Annual Tax (I*4)	-		J Annual Tax (I*4)	-	
Effective Tax Rate (J/A)	0.000%		Effective Tax Rate (J/A)	0.000%	

Source: Business financial data provided to Guinn Center for Policy Priorities

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Tax Scenarios Using Data from Nevada Businesses

9. Gold Mine			9. Gold Mine		
Business License Fee: Senate Bill 252			Supplemental Revenue Fee- Senate Bill 378		
A Gross Receipts	100,000,000		A Receipts as defined	100,000,000	
A1 Deduction-Net Proceeds Rev	70,000,000		A1 Deduction-Net Proceeds Rev	70,000,000	
A2 Net Revenue (A-A1)	30,000,000		B Deduction for first \$100,000	100,000	
B Tax Rate for Industry	0.056%		C Net Revenue (A-A1-B)	29,900,000	
C Range for Industry	29,117,382 to 33,484,989		D Tax Rate	0.465%	
D Business License Fee Due	17,389		E Tax (C*D)+\$200	139,235	
E Plus MBT current rate	115,344		F Plus MBT for Financial & Mining	197,170	
F Total Tax Due (D+E)	132,733		G Plus Business License Fee	200	
			H Total Tax Due (E+F+G)	336,605	
Effective Tax Rate (F/A)	0.133%		Effective Tax Rate	0.337%	
					Hybrid Tax: Assembly Bill 464
					A Receipts as defined
					B Annual Payroll
					C Health Cost (0%)
					D Taxable Wages (B-C)
					E Quarterly Taxable Wages (D/4)
					F Quarterly Deduction
					G Taxable Quarterly Amount (E-F)
					H Tax Rate
					I Quarterly Tax (G*H)
					J Annual Tax (I*4)
					K Plus Business License Fee
					L Total Tax (J+K)
					Effective Tax Rate (J/A)
					0.186%

9. Gold Mine			9. Gold Mine		
Gross Receipts Tax: 2003 Proposal			Margin Tax 2011, modified w \$1M deduction		
A Gross Receipts	100,000,000		A Gross Receipts	100,000,000	
A1 Deduction-Net Proceeds Rev	70,000,000		B Deduction of first \$1 million	1,000,000	
A2 Net Revenue (A-A1)	30,000,000		C Net Revenue (A-B)	99,000,000	
B Standard Deduction	450,000		D Cost of Goods Sold	unknown	
C Taxable Amount (A2-B)	29,550,000		E Employee Compensation	12,069,231	
D Tax Rate	0.25%		F 30% of Net Revenue (30%*C)	29,700,000	
E Tax Due (C*D)	73,875		G Deduction (Max of D,E,F)	29,700,000	
			H Margin (C-G)	69,300,000	
			I Tax Rate	0.80%	
			J Tax (H*I)	554,400	
			K Credit for MBT Paid (assume current rate)	115,344	
			L Net Margin Tax Due (J-K)	439,056	
			M Total tax due, with MBT (K+L)	554,400	
Effective Tax Rate (E/A)	0.074%		Effective Tax Rate (M/A)	0.554%	
					Margin Tax 2014
					A Receipts as defined
					B Deductions
					C Net Revenue (A-B)
					D Cost of Goods Sold
					E Employee Compensation
					F 30% of Net Revenue (30%*C)
					G Deduction (Max of D,E,F)
					H Margin (C-G)
					I Tax Rate
					J Tax (H*I)
					K Credit for MBT Paid (assume current rate)
					L Net Margin Tax Due (J-K)
					M Total tax due, with MBT (K+L)
					Effective Tax Rate (M/A)
					1.400%

9. Gold Mine			9. Gold Mine		
Modified Business Tax			Modified Business Tax		
	Current Rate			2% Rate	
A Receipts as defined	100,000,000		A Receipts as defined	100,000,000	
B Annual Payroll	12,069,231		B Annual Payroll	12,069,231	
C Health Cost (15.5%)**	1,870,731		C Health Cost (15.5%)**	1,870,731	
D Taxable Wages (B-C)	10,198,500		D Taxable Wages (B-C)	10,198,500	
E Quarterly Taxable Wages (D/4)	2,549,625		E Quarterly Taxable Wages (D/4)	2,549,625	
F Quarterly Deduction	85,000		F Quarterly Deduction	85,000	
G Taxable Quarterly Amount (E-F)	2,464,625		G Taxable Quarterly Amount (E-F)	2,464,625	
H Tax Rate	1.17%		H Tax Rate	2.00%	
I Quarterly Tax (G*H)	28,836		I Quarterly Tax (G*H)	49,293	
J Annual Tax (I*4)	115,344		J Annual Tax (I*4)	197,170	
Effective Tax Rate (J/A)	0.115%		Effective Tax Rate (J/A)	0.197%	

Source: Estimates for Gross receipts and deduction for revenue subject to net proceeds of minerals tax based on typical gold mine from 2013-2014 Net Proceeds of Minerals Report

* Estimate based on actual MBT paid

** Estimate base on average health care deduction for industry

Small Business Scenarios

1. Small Business- Professional Services: \$25,000			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	25,000	A Receipts as defined	25,000
A1 Exemption for Business w 66 2/3 average annual wage	28,100	A1 Exemption for Business w 66 2/3 average annual wage	28,100
A2 Receipts after exemption	-	A2 Receipts after exemption	-
B Tax Rate for Industry	0.197%	B Deduction for first \$100,000	100,000
C Range for Industry	0 to 125,000	C Net	-
D Business License Fee Due	-	D Tax Rate	0.465%
E Plus MBT current rate	-	E Tax (C*D)+\$200	-
F Total Tax Due (D+E)	-	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee (exempt)	-
		H Total Tax Due (E+F+G)	-
Effective Tax Rate (F/A)	0.000%	Effective Tax Rate	0.000%
Hybrid Tax: Assembly Bill 464			
A Receipts as defined	25,000	A Receipts as defined	25,000
B Annual Payroll	-	B Annual Payroll	-
C Health Cost (0%)	-	C Health Cost (0%)	-
D Taxable Wages (B-C)	-	D Taxable Wages (B-C)	-
E Quarterly Taxable Wages (D/4)	-	E Quarterly Taxable Wages (D/4)	-
F Quarterly Deduction	50,000	F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.56%	H Tax Rate	1.56%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
K Plus Business License Fee (exempt)	-	K Plus Business License Fee (exempt)	-
L Total Tax (J+K)	-	L Total Tax (J+K)	-
Effective Tax Rate (J/A)	0.000%		
1. Small Business- Professional Services: \$25,000			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	25,000	A Receipts as defined	25,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	-	C Net Revenue (A-B)	-
D Tax Rate	0.25%	D Cost of Goods Sold	-
E Tax Due (C*D)	-	E Employee Compensation	-
		F 30% of Net Revenue (30%*C)	-
		G Deduction (Max of D,E,F)	-
		H Margin (C-G)	-
		I Tax Rate	0.80%
		J Tax (H*I)	-
		K Credit for MBT Paid (assume current rate)	-
		L Net Margin Tax Due (J-K)	-
		M Total tax due, with MBT (K+L)	-
Effective Tax Rate (E/A)	0.000%	Effective Tax Rate (M/A)	0.000%
Margin Tax 2014			
A Receipts as defined	25,000	A Receipts as defined	25,000
B Deductions	-	B Deductions	-
C Net Revenue (A-B) If less than \$1M, then \$0	-	C Net Revenue (A-B) If less than \$1M, then \$0	-
D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Employee Compensation	-	E Employee Compensation	-
F 30% of Net Revenue (30%*C)	-	F 30% of Net Revenue (30%*C)	-
G Deduction (Max of D,E,F)	-	G Deduction (Max of D,E,F)	-
H Margin (C-G)	-	H Margin (C-G)	-
I Tax Rate	2.00%	I Tax Rate	2.00%
J Tax (H*I)	-	J Tax (H*I)	-
K Credit for MBT Paid (assume current rate)	-	K Credit for MBT Paid (assume current rate)	-
L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	-
M Total tax due, with MBT (K+L)	-	M Total tax due, with MBT (K+L)	-
Effective Tax Rate (M/A)	0.000%	Effective Tax Rate (M/A)	0.000%
1. Small Business- Professional Services: \$25,000			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	25,000	A Receipts as defined	25,000
B Annual Payroll	-	B Annual Payroll	-
C Health Cost	-	C Health Cost	-
D Taxable Wages (B-C)	-	D Taxable Wages (B-C)	-
E Quarterly Taxable Wages (D/4)	-	E Quarterly Taxable Wages (D/4)	-
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
Effective Tax Rate (J/A)	0.000%	Effective Tax Rate (J/A)	0.000%

Small Business Scenarios

2. Small Business- Professional Services: \$50,000			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	50,000	A Receipts as defined	50,000
B Tax Rate for Industry	0.197%	B Deduction for first \$100,000	100,000
C Range for Industry	0 to 125,000	C Net	-
D Business License Fee Due	400	D Tax Rate	0.465%
E Plus MBT current rate	-	E Tax (C*D)+\$200	-
F Total Tax Due (D+E)	400	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	200
Effective Tax Rate (F/A)	0.800%	Effective Tax Rate	0.400%
2. Small Business- Professional Services: \$50,000			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	50,000	A Receipts as defined	50,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	-	C Net Revenue (A-B)	-
D Tax Rate	0.25%	D Cost of Goods Sold	-
E Tax Due (C*D)	-	E Employee Compensation	-
		F 30% of Net Revenue (30%*C)	-
		G Deduction (Max of D,E,F)	-
		H Margin (C-G)	-
		I Tax Rate	0.80%
		J Tax (H*I)	-
		K Credit for MBT Paid (assume current rate)	-
		L Net Margin Tax Due (J-K)	-
		M Total tax due, with MBT (K+L)	-
Effective Tax Rate (E/A)	0.000%	Effective Tax Rate (M/A)	0.000%
2. Small Business- Professional Services: \$50,000			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	50,000	A Receipts as defined	50,000
B Annual Payroll	-	B Annual Payroll	-
C Health Cost	-	C Health Cost	-
D Taxable Wages (B-C)	-	D Taxable Wages (B-C)	-
E Quarterly Taxable Wages (D/4)	-	E Quarterly Taxable Wages (D/4)	-
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
Effective Tax Rate (I/A)	0.000%	Effective Tax Rate (I/A)	0.000%

Small Business Scenarios

3. Small Business- Professional Services: \$100,000			3. Small Business- Professional Services: \$100,000			3. Small Business- Professional Services: \$100,000		
Business License Fee: Senate Bill 252			Supplemental Revenue Fee- Senate Bill 378			Hybrid Tax: Assembly Bill 464		
A Receipts as defined	100,000		A Receipts as defined	100,000		A Receipts as defined	100,000	
B Tax Rate for Industry	0.197%		B Deduction for first \$100,000	100,000		B Annual Payroll	-	
C Range for Industry	0 to 125,000		C Net	-		C Health Cost (0%)	-	
D Business License Fee Due	400		D Tax Rate	0.465%		D Taxable Wages (B-C)	-	
E Plus MBT current rate	-		E Tax (C*D)+\$200	-		E Quarterly Taxable Wages (D/4)	-	
F Total Tax Due (D+E)	400		F Plus MBT for Financial & Mining	-		F Quarterly Deduction	50,000	
			G Plus Business License Fee	200		G Taxable Quarterly Amount (E-F)	-	
			H Total Tax Due (E+F+G)	200		H Tax Rate	1.56%	
						I Quarterly Tax (G*H)	-	
						J Annual Tax (I*4)	-	
						K Plus Business License Fee	300	
						L Total Tax (J+K)	300	
Effective Tax Rate (F/A)	0.400%		Effective Tax Rate	0.200%		Effective Tax Rate (J/A)	0.300%	
3. Small Business- Professional Services: \$100,000			3. Small Business- Professional Services: \$100,000			3. Small Business- Professional Services: \$100,000		
Gross Receipts Tax: 2003 Proposal			Margin Tax 2011, modified w \$1M deduction			Margin Tax 2014		
A Receipts as defined	100,000		A Receipts as defined	100,000		A Receipts as defined	100,000	
B Standard Deduction	450,000		B Deduction of first \$1 million	1,000,000		B Deductions	-	
C Taxable Amount (A-B)	-		C Net Revenue (A-B)	-		C Net Revenue (A-B) If less than \$1M, then \$0	-	
D Tax Rate	0.25%		D Cost of Goods Sold	-		D Cost of Goods Sold	-	
E Tax Due (C*D)	-		E Employee Compensation	-		E Employee Compensation	-	
			F 30% of Net Revenue (30%*C)	-		F 30% of Net Revenue (30%*C)	-	
			G Deduction (Max of D,E,F)	-		G Deduction (Max of D,E,F)	-	
			H Margin (C-G)	-		H Margin (C-G)	-	
			I Tax Rate	0.80%		I Tax Rate	2.00%	
			J Tax (H*I)	-		J Tax (H*I)	-	
			K Credit for MBT Paid (assume current rate)	-		K Credit for MBT Paid (assume current rate)	-	
			L Net Margin Tax Due (J-K)	-		L Net Margin Tax Due (J-K)	-	
			M Total tax due, with MBT (K+L)	-		M Total tax due, with MBT (K+L)	-	
Effective Tax Rate (E/A)	0.000%		Effective Tax Rate (M/A)	0.000%		Effective Tax Rate (M/A)	0.000%	
3. Small Business- Professional Services: \$100,000			3. Small Business- Professional Services: \$100,000			3. Small Business- Professional Services: \$100,000		
Modified Business Tax			Modified Business Tax			Modified Business Tax		
A Receipts as defined	Current Rate	100,000	A Receipts as defined	2% Rate	100,000	A Receipts as defined	Current Rate	100,000
B Annual Payroll	-		B Annual Payroll	-		B Annual Payroll	-	
C Health Cost	-		C Health Cost	-		C Health Cost	-	
D Taxable Wages (B-C)	-		D Taxable Wages (B-C)	-		D Taxable Wages (B-C)	-	
E Quarterly Taxable Wages (D/4)	-		E Quarterly Taxable Wages (D/4)	-		E Quarterly Taxable Wages (D/4)	-	
F Quarterly Deduction	85,000		F Quarterly Deduction	85,000		F Quarterly Deduction	85,000	
G Taxable Quarterly Amount (E-F)	-		G Taxable Quarterly Amount (E-F)	-		G Taxable Quarterly Amount (E-F)	-	
H Tax Rate	1.17%		H Tax Rate	2.00%		H Tax Rate	1.17%	
I Quarterly Tax (G*H)	-		I Quarterly Tax (G*H)	-		I Quarterly Tax (G*H)	-	
J Annual Tax (I*4)	-		J Annual Tax (I*4)	-		J Annual Tax (I*4)	-	
Effective Tax Rate (J/A)	0.000%		Effective Tax Rate (J/A)	0.000%		Effective Tax Rate (J/A)	0.000%	

Small Business Scenarios

4. Small Business- Professional Services: \$125,000			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	125,000	A Receipts as defined	125,000
B Tax Rate for Industry	0.197%	B Deduction for first \$100,000	100,000
C Range for Industry	0 to 125,000	C Net	25,000
D Business License Fee Due	400	D Tax Rate	0.465%
E Plus MBT current rate	-	E Tax (C*D)+\$200	316
F Total Tax Due (D+E)	400	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	516
Effective Tax Rate (F/A)	0.320%	Effective Tax Rate	0.413%
Hybrid Tax: Assembly Bill 464			
A Receipts as defined	125,000	A Receipts as defined	125,000
B Annual Payroll	-	B Annual Payroll	-
C Health Cost (0%)	-	C Health Cost (0%)	-
D Taxable Wages (B-C)	-	D Taxable Wages (B-C)	-
E Quarterly Taxable Wages (D/4)	-	E Quarterly Taxable Wages (D/4)	-
F Quarterly Deduction	50,000	F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.56%	H Tax Rate	1.56%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
K Plus Business License Fee	300	K Plus Business License Fee	300
L Total Tax (J+K)	300	L Total Tax (J+K)	300
Effective Tax Rate (J/A)	0.240%	Effective Tax Rate (J/A)	0.240%
4. Small Business- Professional Services: \$125,000			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	125,000	A Receipts as defined	125,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	-	C Net Revenue (A-B)	-
D Tax Rate	0.25%	D Cost of Goods Sold	-
E Tax Due (C*D)	-	E Employee Compensation	-
		F 30% of Net Revenue (30%*C)	-
		G Deduction (Max of D,E,F)	-
		H Margin (C-G)	-
		I Tax Rate	0.80%
		J Tax (H*I)	-
		K Credit for MBT Paid (assume current rate)	-
		L Net Margin Tax Due (J-K)	-
		M Total tax due, with MBT (K+L)	-
Effective Tax Rate (E/A)	0.000%	Effective Tax Rate (M/A)	0.000%
		Effective Tax Rate (M/A)	0.000%
4. Small Business- Professional Services: \$125,000			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	125,000	A Receipts as defined	125,000
B Annual Payroll	-	B Annual Payroll	-
C Health Cost	-	C Health Cost	-
D Taxable Wages (B-C)	-	D Taxable Wages (B-C)	-
E Quarterly Taxable Wages (D/4)	-	E Quarterly Taxable Wages (D/4)	-
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
Effective Tax Rate (J/A)	0.000%	Effective Tax Rate (J/A)	0.000%

Small Business Scenarios

5. Small Business- Professional Services: \$200,000			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	200,000	A Receipts as defined	200,000
B Tax Rate for Industry	0.197%	B Deduction for first \$100,000	100,000
C Range for Industry	190,114 to 218,632	C Net	100,000
D Business License Fee Due	403	D Tax Rate	0.465%
E Plus MBT current rate	-	E Tax (C*D)+\$200	665
F Total Tax Due (D+E)	403	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	865
Effective Tax Rate (F/A)	0.202%	Effective Tax Rate	0.433%
Hybrid Tax: Assembly Bill 464			
A Receipts as defined	200,000	A Receipts as defined	200,000
B Annual Payroll	100,000	B Annual Payroll	100,000
C Health Cost (0%)	-	C Health Cost (0%)	-
D Taxable Wages (B-C)	100,000	D Taxable Wages (B-C)	100,000
E Quarterly Taxable Wages (D/4)	25,000	E Quarterly Taxable Wages (D/4)	25,000
F Quarterly Deduction	50,000	F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.56%	H Tax Rate	1.56%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
K Plus Business License Fee	500	K Plus Business License Fee	500
L Total Tax (J+K)	500	L Total Tax (J+K)	500
Effective Tax Rate (J/A)	0.250%	Effective Tax Rate (J/A)	0.250%
5. Small Business- Professional Services: \$200,000			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	200,000	A Receipts as defined	200,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	-	C Net Revenue (A-B)	-
D Tax Rate	0.25%	D Cost of Goods Sold	-
E Tax Due (C*D)	-	E Employee Compensation	100,000
		F 30% of Net Revenue (30%*C)	-
		G Deduction (Max of D,E,F)	100,000
		H Margin (C-G)	-
		I Tax Rate	0.80%
		J Tax (H*I)	-
		K Credit for MBT Paid (assume current rate)	-
		L Net Margin Tax Due (J-K)	-
		M Total tax due, with MBT (K+L)	-
Effective Tax Rate (E/A)	0.000%	Effective Tax Rate (M/A)	0.000%
Margin Tax 2014			
A Receipts as defined	200,000	A Receipts as defined	200,000
B Deductions	-	B Deductions	-
C Net Revenue (A-B) If less than \$1M, then \$0	-	C Net Revenue (A-B) If less than \$1M, then \$0	-
D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Employee Compensation	100,000	E Employee Compensation	100,000
F 30% of Net Revenue (30%*C)	-	F 30% of Net Revenue (30%*C)	-
G Deduction (Max of D,E,F)	100,000	G Deduction (Max of D,E,F)	100,000
H Margin (C-G)	-	H Margin (C-G)	-
I Tax Rate	2.00%	I Tax Rate	2.00%
J Tax (H*I)	-	J Tax (H*I)	-
K Credit for MBT Paid (assume current rate)	-	K Credit for MBT Paid (assume current rate)	-
L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	-
M Total tax due, with MBT (K+L)	-	M Total tax due, with MBT (K+L)	-
Effective Tax Rate (M/A)	0.000%	Effective Tax Rate (M/A)	0.000%
5. Small Business- Professional Services: \$200,000			
Modified Business Tax		Modified Business Tax	
Current Rate		2% Rate	
A Receipts as defined	200,000	A Receipts as defined	200,000
B Annual Payroll	100,000	B Annual Payroll	100,000
C Health Cost (7%)	7,000	C Health Cost (7%)	7,000
D Taxable Wages (B-C)	93,000	D Taxable Wages (B-C)	93,000
E Quarterly Taxable Wages (D/4)	23,250	E Quarterly Taxable Wages (D/4)	23,250
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
Effective Tax Rate (J/A)	0.000%	Effective Tax Rate (J/A)	0.000%

Small Business Scenarios

6. Small Business- Professional Services: \$400,000			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	400,000	A Receipts as defined	400,000
B Tax Rate for Industry	0.197%	B Deduction for first \$100,000	100,000
C Range for Industry	382,395 to 439,754	C Net	300,000
D Business License Fee Due	810	D Tax Rate	0.465%
E Plus MBT current rate	-	E Tax (C*D)+\$200	1,595
F Total Tax Due (D+E)	810	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	1,795
Effective Tax Rate (F/A)	0.203%	Effective Tax Rate	0.449%
Hybrid Tax: Assembly Bill 464			
A Receipts as defined	400,000	A Receipts as defined	400,000
B Annual Payroll	200,000	B Annual Payroll	200,000
C Health Cost (0%)	-	C Health Cost (0%)	-
D Taxable Wages (B-C)	200,000	D Taxable Wages (B-C)	200,000
E Quarterly Taxable Wages (D/4)	50,000	E Quarterly Taxable Wages (D/4)	50,000
F Quarterly Deduction	50,000	F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.56%	H Tax Rate	1.56%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
K Plus Business License Fee	500	K Plus Business License Fee	500
L Total Tax (J+K)	500	L Total Tax (J+K)	500
Effective Tax Rate (J/A)	0.125%	Effective Tax Rate (J/A)	0.125%
6. Small Business- Professional Services: \$400,000			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	400,000	A Receipts as defined	400,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	-	C Net Revenue (A-B)	-
D Tax Rate	0.25%	D Cost of Goods Sold	-
E Tax Due (C*D)	-	E Employee Compensation	200,000
		F 30% of Net Revenue (30%*C)	-
		G Deduction (Max of D,E,F)	200,000
		H Margin (C-G)	-
		I Tax Rate	0.80%
		J Tax (H*I)	-
		K Credit for MBT Paid (assume current rate)	-
		L Net Margin Tax Due (J-K)	-
		M Total tax due, with MBT (K+L)	-
Effective Tax Rate (E/A)	0.000%	Effective Tax Rate (M/A)	0.000%
Margin Tax 2014			
A Receipts as defined	400,000	A Receipts as defined	400,000
B Deductions	-	B Deductions	-
C Net Revenue (A-B) If less than \$1M, then \$0	-	C Net Revenue (A-B) If less than \$1M, then \$0	-
D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Employee Compensation	200,000	E Employee Compensation	200,000
F 30% of Net Revenue (30%*C)	-	F 30% of Net Revenue (30%*C)	-
G Deduction (Max of D,E,F)	200,000	G Deduction (Max of D,E,F)	200,000
H Margin (C-G)	-	H Margin (C-G)	-
I Tax Rate	2.00%	I Tax Rate	2.00%
J Tax (H*I)	-	J Tax (H*I)	-
K Credit for MBT Paid (assume current rate)	-	K Credit for MBT Paid (assume current rate)	-
L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	-
M Total tax due, with MBT (K+L)	-	M Total tax due, with MBT (K+L)	-
Effective Tax Rate (M/A)	0.000%	Effective Tax Rate (M/A)	0.000%
6. Small Business- Professional Services: \$400,000			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	400,000	A Receipts as defined	400,000
B Annual Payroll	200,000	B Annual Payroll	200,000
C Health Cost (7%)	14,000	C Health Cost (7%)	14,000
D Taxable Wages (B-C)	186,000	D Taxable Wages (B-C)	186,000
E Quarterly Taxable Wages (D/4)	46,500	E Quarterly Taxable Wages (D/4)	46,500
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
Effective Tax Rate (J/A)	0.000%	Effective Tax Rate (J/A)	0.000%

Small Business Scenarios

7. Small Business- Professional Services: \$600,000			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	600,000	A Receipts as defined	600,000
B Tax Rate for Industry	0.197%	B Deduction for first \$100,000	100,000
C Range for Industry	581,578 to 668,815	C Net	500,000
D Business License Fee Due	1,233	D Tax Rate	0.465%
E Plus MBT current rate	-	E Tax (C*D)+\$200	2,525
F Total Tax Due (D+E)	1,233	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	2,725
Effective Tax Rate (F/A)	0.206%	Effective Tax Rate	0.454%
Hybrid Tax: Assembly Bill 464			
A Receipts as defined	600,000	A Receipts as defined	600,000
B Annual Payroll	300,000	B Annual Payroll	300,000
C Health Cost (0%)	-	C Health Cost (0%)	-
D Taxable Wages (B-C)	300,000	D Taxable Wages (B-C)	300,000
E Quarterly Taxable Wages (D/4)	75,000	E Quarterly Taxable Wages (D/4)	75,000
F Quarterly Deduction	50,000	F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	25,000	G Taxable Quarterly Amount (E-F)	25,000
H Tax Rate	1.56%	H Tax Rate	1.56%
I Quarterly Tax (G*H)	390	I Quarterly Tax (G*H)	390
J Annual Tax (I*4)	1,560	J Annual Tax (I*4)	1,560
K Plus Business License Fee	500	K Plus Business License Fee	500
L Total Tax (J+K)	2,060	L Total Tax (J+K)	2,060
Effective Tax Rate (J/A)	0.343%		
7. Small Business- Professional Services: \$600,000			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	600,000	A Receipts as defined	600,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	150,000	C Net Revenue (A-B)	-
D Tax Rate	0.25%	D Cost of Goods Sold	-
E Tax Due (C*D)	375	E Employee Compensation	300,000
		F 30% of Net Revenue (30%*C)	-
		G Deduction (Max of D,E,F)	300,000
		H Margin (C-G)	-
		I Tax Rate	0.80%
		J Tax (H*I)	-
		K Credit for MBT Paid (assume current rate)	-
		L Net Margin Tax Due (J-K)	-
		M Total tax due, with MBT (K+L)	-
Effective Tax Rate (E/A)	0.063%	Effective Tax Rate (M/A)	0.000%
Margin Tax 2014			
A Receipts as defined	600,000	A Receipts as defined	600,000
B Deductions	-	B Deductions	-
C Net Revenue (A-B) If less than \$1M, then \$0	-	C Net Revenue (A-B) If less than \$1M, then \$0	-
D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Employee Compensation	300,000	E Employee Compensation	300,000
F 30% of Net Revenue (30%*C)	-	F 30% of Net Revenue (30%*C)	-
G Deduction (Max of D,E,F)	300,000	G Deduction (Max of D,E,F)	300,000
H Margin (C-G)	-	H Margin (C-G)	-
I Tax Rate	2.00%	I Tax Rate	2.00%
J Tax (H*I)	-	J Tax (H*I)	-
K Credit for MBT Paid (assume current rate)	-	K Credit for MBT Paid (assume current rate)	-
L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	-
M Total tax due, with MBT (K+L)	-	M Total tax due, with MBT (K+L)	-
Effective Tax Rate (M/A)	0.000%	Effective Tax Rate (M/A)	0.000%
7. Small Business- Professional Services: \$600,000			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	600,000	A Receipts as defined	600,000
B Annual Payroll	300,000	B Annual Payroll	300,000
C Health Cost (7%)	21,000	C Health Cost (7%)	21,000
D Taxable Wages (B-C)	279,000	D Taxable Wages (B-C)	279,000
E Quarterly Taxable Wages (D/4)	69,750	E Quarterly Taxable Wages (D/4)	69,750
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	-	G Taxable Quarterly Amount (E-F)	-
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	-	I Quarterly Tax (G*H)	-
J Annual Tax (I*4)	-	J Annual Tax (I*4)	-
Effective Tax Rate (J/A)	0.000%	Effective Tax Rate (J/A)	0.000%

Small Business Scenarios

8. Small Business- Professional Services: \$800,000			
Business License Fee: Senate Bill 252		Supplemental Revenue Fee- Senate Bill 378	
A Receipts as defined	800,000	A Receipts as defined	800,000
B Tax Rate for Industry	0.197%	B Deduction for first \$100,000	100,000
C Range for Industry	769,139 to 884,510	C Net	700,000
D Business License Fee Due	1,630	D Tax Rate	0.465%
E Plus MBT current rate	374	E Tax (C*D)+\$200	3,455
F Total Tax Due (D+E)	2,004	F Plus MBT for Financial & Mining	-
		G Plus Business License Fee	200
		H Total Tax Due (E+F+G)	3,655
Effective Tax Rate (F/A)	0.251%	Effective Tax Rate	0.457%
Hybrid Tax: Assembly Bill 464			
A Receipts as defined	800,000	A Receipts as defined	800,000
B Annual Payroll	400,000	B Annual Payroll	400,000
C Health Cost (0%)	-	C Health Cost (0%)	-
D Taxable Wages (B-C)	400,000	D Taxable Wages (B-C)	400,000
E Quarterly Taxable Wages (D/4)	100,000	E Quarterly Taxable Wages (D/4)	100,000
F Quarterly Deduction	50,000	F Quarterly Deduction	50,000
G Taxable Quarterly Amount (E-F)	50,000	G Taxable Quarterly Amount (E-F)	50,000
H Tax Rate	1.56%	H Tax Rate	1.56%
I Quarterly Tax (G*H)	780	I Quarterly Tax (G*H)	780
J Annual Tax (I*4)	3,120	J Annual Tax (I*4)	3,120
K Plus Business License Fee	500	K Plus Business License Fee	500
L Total Tax (J+K)	3,620	L Total Tax (J+K)	3,620
Effective Tax Rate (L/A)	0.453%	Effective Tax Rate (L/A)	0.453%
8. Small Business- Professional Services: \$800,000			
Gross Receipts Tax: 2003 Proposal		Margin Tax 2011, modified w \$1M deduction	
A Receipts as defined	800,000	A Receipts as defined	800,000
B Standard Deduction	450,000	B Deduction of first \$1 million	1,000,000
C Taxable Amount (A-B)	350,000	C Net Revenue (A-B)	-
D Tax Rate	0.25%	D Cost of Goods Sold	-
E Tax Due (C*D)	875	E Employee Compensation	400,000
		F 30% of Net Revenue (30%*C)	-
		G Deduction (Max of D,E,F)	400,000
		H Margin (C-G)	-
		I Tax Rate	0.80%
		J Tax (H*I)	-
		K Credit for MBT Paid (assume current rate)	374
		L Net Margin Tax Due (J-K)	-
		M Total tax due, with MBT (K+L)	374
Effective Tax Rate (E/A)	0.109%	Effective Tax Rate (M/A)	0.047%
Margin Tax 2014			
A Receipts as defined	800,000	A Receipts as defined	800,000
B Deductions	-	B Deductions	-
C Net Revenue (A-B) If less than \$1M, then \$0	-	C Net Revenue (A-B) If less than \$1M, then \$0	-
D Cost of Goods Sold	-	D Cost of Goods Sold	-
E Employee Compensation	400,000	E Employee Compensation	400,000
F 30% of Net Revenue (30%*C)	-	F 30% of Net Revenue (30%*C)	-
G Deduction (Max of D,E,F)	400,000	G Deduction (Max of D,E,F)	400,000
H Margin (C-G)	-	H Margin (C-G)	-
I Tax Rate	2.00%	I Tax Rate	2.00%
J Tax (H*I)	-	J Tax (H*I)	-
K Credit for MBT Paid (assume current rate)	374	K Credit for MBT Paid (assume current rate)	374
L Net Margin Tax Due (J-K)	-	L Net Margin Tax Due (J-K)	-
M Total tax due, with MBT (K+L)	374	M Total tax due, with MBT (K+L)	374
Effective Tax Rate (M/A)	0.047%	Effective Tax Rate (M/A)	0.047%
8. Small Business- Professional Services: \$800,000			
Modified Business Tax		Modified Business Tax	
	Current Rate		2% Rate
A Receipts as defined	800,000	A Receipts as defined	800,000
B Annual Payroll	400,000	B Annual Payroll	400,000
C Health Cost (7%)	28,000	C Health Cost (7%)	28,000
D Taxable Wages (B-C)	372,000	D Taxable Wages (B-C)	372,000
E Quarterly Taxable Wages (D/4)	93,000	E Quarterly Taxable Wages (D/4)	93,000
F Quarterly Deduction	85,000	F Quarterly Deduction	85,000
G Taxable Quarterly Amount (E-F)	8,000	G Taxable Quarterly Amount (E-F)	8,000
H Tax Rate	1.17%	H Tax Rate	2.00%
I Quarterly Tax (G*H)	94	I Quarterly Tax (G*H)	160
J Annual Tax (I*4)	374	J Annual Tax (I*4)	640
Effective Tax Rate (J/A)	0.047%	Effective Tax Rate (J/A)	0.080%