

### Additional Option

		2012 (\$Millions)
Sales Tax on Services		\$845,128
Assumed 2012 Compliance	70%	\$591,589
Services SUT tax rate	3.59%	
Tax Liability		
Current Law Sales Tax 1/		(7,931)
Apply Sales Tax to Services 2/		21,238
Personal Income Tax 3/		(10,217)
Corporation Income tax 4/		(3,110)
Total		(19)

1/ Effective January 2012, reduce the state sales tax rate from 5% to 3.59%

2/ Effective January 2012, apply the sales tax to all services.

3/ For tax years 2012 and later, reduce PIT tax rates to 2.75% and 6.5% (The 2.75% rate would replace the 1%, 2%, 4%, and part of the 6% bracket; the 6.5% would replace the top part of the 6% bracket, the 8% and part of the 9.3% bracket. For married filing joint, raise the standard deduction amount to \$30,000 (\$15,000 for single).

4/ For tax year 2012 and later, reduce corporate income tax rate from 8.84% to 6.5%.

For tax years 2012 and later, reduce PIT tax rates to 2.75% and 6.5% (The 2.75% rate would replace the 1%, 2%, 4%, and part of the 6% bracket; the 6.5% would replace the top part of the 6% bracket, the 8% and part of the 9.3% bracket. For married filing joint, raise the standard deduction amount to \$30,000 (\$15,000 for single).

Effective January 2012, reduce the state sales tax rate from 5% to 3.59%  
 Effective January 2012, apply the sales tax to all services.

Tax Year 2012  
 (\$Millions)

Income	Number of PIT Tax Returns	Adjusted Gross Income	Personal Income Tax	Percent Change	Tax Change per Return
***** \$ 30,000	6,618,535	104,547	(110)	-57%	\$ (17)
\$ 60,000	3,921,410	175,856	(506)	-35%	\$ (129)
\$ 80,000	1,434,436	103,397	(602)	-26%	\$ (420)
\$ 100,000	983,655	91,573	(227)	-26%	\$ (231)
\$ 300,000	2,145,894	341,292	(2,745)	-20%	\$ (1,279)
***** Total	296,171	276,584	(5,004)	-30%	\$ (16,897)
	15,400,101	1,093,249	(9,195)	-26%	\$ (597)

<u>Consumer Services</u>	<u>Estimated 2009 Revenue/% (\$m)</u>
Accommodations and Related	\$91.15
Utilities	\$205.45
Telecommunications	\$125.30
Household Repair and Service	\$71.25
Motor Vehicle Repair and Rela	\$131.80
Health Care and Services	\$1,359.58
Recreation and Amusements	\$472.59
Personal Care and Services	\$144.64
Financial and Legal Services	\$534.09
Education and Technical	\$303.81
<b>Total</b>	<b>\$3,439.66</b>

<u>2009 Sales</u>	<u>2012 Sales</u>
\$9,115	\$10,552
\$20,545	\$23,783
\$12,530	\$14,505
\$7,125	\$8,248
\$13,180	\$15,257
\$135,958	\$157,388
\$47,259	\$54,708
\$14,464	\$16,744
\$53,409	\$61,828
\$30,381	\$35,170
<b>\$343,966</b>	<b>\$398,184</b>

<u>Business Services</u>	<u>Estimated 2009 Revenue/% (\$m)</u>
Information and Publishing	263.66
Telecommunications	282.05
Rental and Leasing	77.03
Legal	187
Accounting	136.47
Engineering and Design	194.55
Computer	141.98
Scientific and Technical	351
Advertising	378.24
Other Professional	77.86
Utilities	244.11
Management and Administrativ	680.57
Employment Services	221.68
Education and Technical	37.57
Health Care and Related	39.94
Accommodations and Related	69.52
Repair and Maintenance	141.41
Amusement and Recreation	152.03
Construction Labor and Relate	184.2
<b>Total</b>	<b>\$3,860.84</b>

<u>2009 Sales</u>	<u>2012 Sales</u>
\$26,366	\$30,522
\$28,205	\$32,651
\$7,703	\$8,917
\$18,700	\$21,648
\$13,647	\$15,798
\$19,455	\$22,522
\$14,198	\$16,436
\$35,100	\$40,633
\$37,824	\$43,786
\$7,786	\$9,013
\$24,411	\$28,259
\$68,057	\$78,784
\$22,168	\$25,662
\$3,757	\$4,349
\$3,994	\$4,624
\$6,952	\$8,048
\$14,141	\$16,370
\$15,203	\$17,599
\$18,420	\$21,323
<b>\$386,087</b>	<b>\$446,944</b>

<b>Total</b>
<b>\$730,053</b>

<b>Total</b>
<b>\$845,128</b>