

Some caveats to start with:

- This data will differ slightly from the table I provided in February – I did a new data pull and worked on eliminating duplicates.
- For the tax due analysis, I needed to re-create what taxpayers actually paid. They can get pretty creative, so this was more difficult than expected. I am currently within 5% of the actuals as paid from tax returns for a given year. I don't love that margin of error for this analysis because the amounts we are trying to raise are also within 5% of the actuals as paid. As you can see by comparing Tax Due: Returns and Tax Due: Formula in the second table, I am unable to characterize the risk as overstated or understated because it depends on who pays, how, in a given year.
- The results for 2019 are current as of 3/4/20.

I did some more analysis of what our minimum CIT payers currently look like. There are several things to note here.

- First, the CIT Gross Receipts amount is very different in 2018 than it was in 2017. This can be caused by only a few large taxpayers (although I have not yet pursued the difference).
- I have defined "pure VT" companies here as those that have 100% Vermont apportionment on the CO-411. Currently, about half the pure VT taxpayers in any gross receipts bracket pay the minimum tax.
- 97% of the companies identified as pure VT have gross receipts of \$5 million or less

Characteristics of Corporate Income Tax Payers

Year	# Returns Paying Any Minimum Tax	# Returns Paying \$300 Minimum Tax	# Returns Paying \$500 Minimum Tax	# Returns Paying \$750 Minimum Tax	# Returns with Gross Receipts <= \$1m Paying Minimum Tax	# Pure VT Returns with Gross Receipts <= \$1m	# Pure VT Returns with Gross Receipts <= \$2m	# Pure VT Returns with Gross Receipts <= \$5m	CIT Tax Due	CIT Gross Receipts
2017	7,671	7,086	292	293	6,808	3,072	3,300	3,509	\$81,145,209	\$85,914,124,691
2018	7,982	7,493	261	228	7,240	2,691	2,901	3,063	\$75,932,100	\$17,478,660,905
2019	266	256	*	*	251	344	353	370	\$680,362	\$224,372,256

"Pure VT" companies are defined here as VT apportionment percentage = 100 on the CO-411

Please see the spreadsheet for descriptions of each scenario. I can explain further if needed.

- The Tax Due: Returns column is exactly what was reported on the forms.
- The Tax Due: Formula column is the closest I can come to re-creating that and is what I'm using as the basis for my analysis. It is also what the scenarios are compared against to determine revenues raised. As noted above, this is within 5% of actuals. The Formula vs. Returns column details this by year.
- Scenarios C, D, and E are based on changing the minimum tax amounts. As you can see, you need substantial increases to raise even \$1m.

- Scenario C changes the top minimum from \$750 to \$5000. This is the increase necessary to raise \$1m from the top minimum alone.
- Scenario D increases all of the minimums by 40% to raise \$1m.
- Scenario E raised all of the minimums in proportion to the top of the bracket: the minimums are 0.02% of gross receipts. This is useful as a comparison for the next two scenarios.
- Scenarios B and F are based on charging a minimum at for companies with up to \$2m gross receipts, and then a percentage of gross receipts after that. They are an easier way to raise more money – but are much more volatile.
 - Scenario B leaves the minimum at \$300 for those with up to \$2m of gross receipts and then charges 0.1% of gross receipts after that. It raises more than you need.
 - Scenario F reduces the minimum to \$200 for those with up to \$2m of gross receipts and then charges 0.01% of gross receipts. This gets you closer to the amounts you need to raise, but is very dependent on who earns what in a year.

CIT Minimum Tax Scenarios

Year	Tax Due: Returns	Tax Due: Formula	Formula vs. Returns	Tax Due: Scenario C	Increase: Scenario C	Tax Due: Scenario D	Increase: Scenario D	Tax Due: Scenario E	Increase: Scenario E	Tax Due: Scenario B	Increase: Scenario B	Tax Due: Scenario F	Increase: Scenario F
2017	\$81,145,209	\$85,006,076	4.8%	\$86,446,232	\$1,440,156	\$86,166,534	\$1,160,458	\$86,238,499	\$1,232,423	\$157,022,016	\$72,015,940	\$90,635,537	\$5,629,461
2018	\$75,932,100	\$74,769,413	-1.5%	\$75,818,684	\$1,049,271	\$75,791,850	\$1,022,437	\$75,827,656	\$1,058,243	\$81,483,679	\$6,714,266	\$74,325,016	-\$444,397
2019	\$680,362	\$675,439	-0.7%	\$684,258	\$8,819	\$708,745	\$33,306	\$707,265	\$31,826	\$750,134	\$74,695	\$649,375	-\$26,064

This is intended to give you an idea of what you can do with different strategies. Now that I'm set up, I should be able to present you with additional scenarios more quickly. What else would you like to see? Things that have been mentioned that I have not yet done: 1) include a new bracket for gross receipts of a million or less, 2) adjust the brackets.