

### **Estimate for Market-Based Sourcing**

- There do not exist data that allow for us to predict exactly which companies will pay more and which will pay less, only theoretical examples.
  - Example: in aggregate, large out-of-state service companies will likely pay more, while many in-state service firms will pay less.
- Estimate comes from other state estimates but also retroactive looks at what happened when a state switched:
  - Montana, California, Tennessee recently switched to MBS and made estimates.
  - Rhode Island switched in 2014, and retroactively analyzed the effect on their tax revenues
- **Using these sources, JFO estimates between \$500,000 and \$1 million in ongoing new revenue.**
  - Most states predicted or say between 0.5% and 1% increase in corporate tax revenue
  - Multistate Tax Commission found very modest revenue increases from switching to MBS.
  - Vermont may benefit less than these states because of the bank franchise tax
    - We will not collect as much from financial institutions with providing non-depository services in the State.