

Appendix A – Tax Structure Colorado

Following is a description of the applicable tax categories that will be calculated for the Goodwill Colorado model:

- Sales Tax

The State of Colorado imposes a state sales tax on the purchase price of retail sales of tangible personal property and is remitted by vendors. Taxable sales include lodging, telephone services, cigarettes, restaurant food and drink sales, auto rentals and similar items. Exemptions include items such as prescription drugs, certain machinery and tools, livestock, newspapers, residential fuel used for light, heat and power, religious or charitable organizations, admissions, gasoline and groceries. The sales tax rate for the State is 2.9%.

Taxable sales result from the spending of direct, indirect and induced employees supported by the company. Based on data from the latest U.S. Consumer Expenditure Survey, the projected level of taxable spending and resulting sales tax receipts is calculated.

State sales taxes will also be collected from other sources.

- Local supplies and purchases.** A direct sales tax can be determined if the user inputs local supplies and purchases that are taxable and purchased within the state.
- Direct sales.** Direct taxable sales (if any) can also be input to provide the sales tax collections at the State level on the Fiscal Impact of Operations table.

- State Income Tax

The State of Colorado levies income tax on the privilege of earning or receiving income in the State. The personal income tax rate is 4.63% and is applied to the wages and earnings of direct, indirect and induced employment produced in the model.

- Cigarette Tax

The State of Colorado charges a cigarette tax in the amount of \$0.84 per 20 count package. This equates to about 30 cents per pack. This tax is applied to the projected employee count in the model based on statistics from the Center of Disease Control that 17.7% of Colorado residents are smokers and smoke an average of 0.59 packs per day.

- Motor Fuel Tax

The State collects a motor vehicle fuel tax of \$0.22 cents per gallon. The tax revenue in the model is calculated based on the average vehicle traveling 15,000 miles per year at 20 miles per gallon. These factors are applied to the projected direct and indirect employee count supported by the company.

