

Appendix A – Tax Structure Indiana

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

- Sales Tax

The State of Indiana charges a sales tax on retail goods and services. The sales tax rate for the State is 7.0%. Taxable sales result from the spending of direct, indirect and induced employee. This spending includes all categories of taxable sales (retail, restaurant and bars, groceries, entertainment, utilities and rentals of personal property). The model uses commuting patterns data to project where employees reside. Based on data from the U.S. Consumer Expenditure Survey, the projected extent of retail spending and resulting sales tax receipts is calculated.

State, County and/or city sales taxes will also be collected from four other sources.

- i. **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.
- ii. **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.

- Income Tax

The State of Indiana levies a 3.4% personal income tax. Personal income percentages are based on the latest income tax data from the State and the projected wage levels of employees. This tax is applied to the wages and earnings of direct, indirect and induced employment.

- Property Taxes

Direct, indirect and induced employees supported by the company will pay property taxes on homes they occupy. The model takes into consideration the average homestead credit and mortgage credits for typical homeowners.

- Gasoline Tax

The State of Indiana currently collects a motor vehicle fuel tax of \$0.18 per gallon of gasoline. The tax revenue is calculated based on the average vehicle traveling 12,000 miles per year at 20 miles per gallon. These factors are applied to the projected direct and indirect employee count supported by the company.

The above tax categories represent the largest sources of revenues that will be generated to governing entities.

