Appendix A – Tax Structure Oklahoma

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

- Sales Tax

  The State of Oklahoma levies a sales and use tax on gross receipts derived from the sale of tangible personal property (excluding newspapers) as well as on utility sales; transportation, telecommunications, printing, services to furnish rooms, food sold for immediate consumption, advertising, entertainment tickets, rentals and other items listed in the tax code. The sales tax rate for the State is 4.5%.

  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.

      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.

- State Income Tax

  The State of Oklahoma collects taxes on personal income. The personal income tax rate varies from 1.0% to 5.5% depending on income levels and is applied to the wages and earnings of direct, indirect and induced employment resulting from the operation of the company.

- Vehicle License Tax

  The State of Oklahoma charges a vehicle license fee based on the age of the vehicle. This annual fee varies from $21 to $91 and is applied to the projected employee count in the model.

- Motor Fuel Tax

  The State collects a motor vehicle fuel tax of $0.16 per gallon of gasoline. The tax revenue 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.