

# Projected Economic & Revenue Fiscal Year 2015 Impact of Changes to the RI State Sales Tax



## RI-STAMP Projections

### Employment and Investment

#### Private Employment

Number of private jobs

Change in private employment

% change in employment relative to baseline

#### Investment & Growth

Baseline investment (\$m)

Change in nominal investment (\$m)

% change in investment relative to baseline

Gross state product (\$m)

Change in state gross product (\$m)

% change in GSP relative to baseline

Annual population change

State Revenue Change (\$m)

State sales tax (\$m)

Static sales tax calculation (\$m)

Dynamic revenue addition (\$m)

% change based on dynamic effect

State corporate and business taxes (\$m)

State tax on motor fuel (\$m)

State motor vehicle fees (\$m)

State estate taxes (\$m)

State personal income tax/capital gains tax (\$m)

State cigarette tax (\$m)

State alcohol tax (\$m)

State other taxes (\$m)

Other sources (\$m)

Municipal Tax Change (\$m)

Local sales tax (\$m)

Local tax on residential property (\$m)

Local tax on business property (\$m)

Local other taxes (\$m)

Local fees (\$m)

Total tax change (state + local) (\$m)

	3.00% Sales Tax		6% *
	baseline	projected	projected
Number of private jobs	400,625	414,049	402,791
Change in private employment	-	13,424	2,166
% change in employment relative to baseline	-	3.35%	0.54%
Baseline investment (\$m)	8,659	8,949	8,706
Change in nominal investment (\$m)	-	289	47
% change in investment relative to baseline	-	3.34%	0.54%
Gross state product (\$m)	57,180	63,192	58,068
Change in state gross product (\$m)	-	6,011	888
% change in GSP relative to baseline	-	10.51%	1.55%
Annual population change	-	7,000	1,000
State Revenue Change (\$m)		-47	-21
State sales tax (\$m)	938	484	856
Static sales tax calculation (\$m)	938	402	831
Dynamic revenue addition (\$m)	-	83	25
% change based on dynamic effect	-	20.55%	2.97%
State corporate and business taxes (\$m)	231	258	235
State tax on motor fuel (\$m)	138	139	138
State motor vehicle fees (\$m)	51	52	51
State estate taxes (\$m)	32	32	32
State personal income tax/capital gains tax (\$m)	1,158	1,384	1,192
State cigarette tax (\$m)	133	175	139
State alcohol tax (\$m)	12	15	12
State other taxes (\$m)	76	91	78
Other sources (\$m)	1,333	1,424	1,347
Municipal Tax Change (\$m)		119	18
Local sales tax (\$m)	16	18.17	16
Local tax on residential property (\$m)	1,479	1,479	1,479
Local tax on business property (\$m)	652	741	665
Local other taxes (\$m)	41	45	42
Local fees (\$m)	465	489	469
Total tax change (state + local) (\$m)		71	-3

**Note:** Detailed tax revenue projections apply STAMP projected changes to governor's recommendation.

\* The 6% proposal changes more than the rate; we subtracted the total static loss projected in the proposal from the baseline for all sales taxes to estimate the effects.

Full tax analysis report, "Zero-point-Zero," at [www.RIFreedom.org](http://www.RIFreedom.org).

**Projected Economic & Revenue Fiscal  
Year 2015 Impact of Changes to the RI  
State Sales Tax**



**RI-STAMP Projections**

**3.00%  
Sales Tax**

**Employment and Investment**

**Private Employment**

	FY15 baseline	FY15	FY16	FY17	FY18
Number of private jobs	400,625	414,049	412,155	410,272	408,400
<b>Change in private employment</b>	-	<b>13,424</b>	<b>12,945</b>	<b>12,472</b>	<b>12,004</b>
% change in employment relative to baseline	-	3.35%	3.24%	3.14%	3.03%

**Investment & Growth**

	baseline	FY15	FY16	FY17	FY18
<b>Baseline investment (\$m)</b>	8,659	8,949	9,142	9,339	9,540
Change in nominal investment (\$m)	-	<b>289</b>	<b>289</b>	<b>287</b>	<b>286</b>
% change in investment relative to baseline	-	3.34%	3.26%	3.17%	3.09%

**Gross state product (\$m)**

	57,180	63,192	68,226	73,769	79,807
Change in state gross product (\$m)	-	<b>6,011</b>	<b>6,219</b>	<b>6,431</b>	<b>22,627</b>
% change in GSP relative to baseline	-	10.51%	10.03%	9.55%	9.08%

**Annual population change**

	-	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
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**State Revenue Change (\$m)**

		<b>-47</b>	<b>-58</b>	<b>-64</b>	<b>-75</b>
State sales tax (\$m)	938	484	500	513	525
<i>Static sales tax calculation (\$m)</i>	938	402	416	428	439
<i>Dynamic revenue addition (\$m)</i>	-	83	84	85	86
<i>% change based on dynamic effect</i>	-	20.55%	20.27%	19.99%	19.70%

State corporate and business taxes (\$m)

	231	258	266	280	293
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State tax on motor fuel (\$m)

	138	139	138	138	138
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State motor vehicle fees (\$m)

	51	52	52	53	54
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State estate taxes (\$m)

	32	32	32	33	34
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State personal income tax/capital gains tax (\$m)

	1,158	1,384	1,445	1,511	455
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State cigarette tax (\$m)

	133	175	169	163	157
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State alcohol tax (\$m)

	12	15	15	16	16
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State other taxes (\$m)

	76	91	91	91	92
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Other fees (\$m)

	1,333	1,424	1,514	1,611	1,713
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**Municipal Tax Change (\$m)**

		<b>119</b>	<b>118</b>	<b>118</b>	<b>118</b>
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Local sales tax (\$m)

	16	18	19	20	20
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Local tax on residential property (\$m)

	1,479	1,479	1,503	1,528	1,560
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Local tax on business property (\$m)

	652	741	750	759	772
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Local other taxes (\$m)

	41	46	46	46	46
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Local fees (\$m)

	465	489	520	553	588
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**Total tax change (state + local) (\$m)**

		<b>71</b>	<b>61</b>	<b>54</b>	<b>44</b>
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**Note:** Detailed tax revenue projections apply STAMP projected changes to governor's recommendation.

**Full tax analysis report, "Zero-point-Zero," at [www.RIFreedom.org](http://www.RIFreedom.org) .**