

Zero.Zero ATTACHMENT A

Projected Economic & Revenue Impact of Elimination of the Rhode Island State Sales Tax



RI-STAMP Projections	4 - Year Phase Out of 7.00% State Sales Tax								Immediate Elimination	
	5.25%		3.50%		1.75%		0%			
Employment and Investment	2013		2014		2015		2016			
Private Employment	baseline	projected	baseline	projected	baseline	projected	baseline	projected	baseline	projected
Number of private jobs	399,134	404,302	399,847	411,096	400,562	417,271	401,279	423,045	399,134	423,007
Change in Private Employment	-	5,169	-	11,249	-	16,709	-	21,767	-	23,873
% change in employment relative to baseline	-	1.30%	-	2.81%	-	4.17%	-	5.42%	-	5.98%
Investment & Growth	baseline	projected	baseline	projected	baseline	projected	baseline	projected	baseline	projected
Baseline Investment (\$b)	8.217	8.322	8.367	8.600	8.520	8.873	8.676	9.146	8.217	8.698
Change in nominal investment (\$b)	-	0.105	-	0.233	-	0.353	-	0.470	-	0.481
% change in investment relative to baseline	-	1.28%	-	2.78%	-	4.15%	-	5.42%	-	5.86%
Gross State Product (\$b)	57.380	59.513	62.220	67.416	67.566	74.630	73.411	73.942	57.380	68.119
Change in state gross product		2.133		5.196		7.064		0.531		10.740
% change in GSP relative to baseline		3.72%		8.35%		10.46%		0.72%		18.72%
Annual Population growth (loss)	-	3,000	-	6,000	-	8,000	-	1,000	-	13,000
State Revenue Gain (Loss)	\$ millions	(68.05)		(110.14)		(189.25)		(455.60)		(466.29)
Incremental Annual Revenue Gain (Loss)		(68.05)		(42.09)		(79.11)		(266.35)		n/a
<i>State sales tax (static calculation)</i>	1015.6	(253.90)	1,022.25	(511.13)	1,029.41	(772.06)	1036.35	(1,036.35)	1015.6	-
State sales tax (dynamic projection)		(199.50)		(425.30)		(619.08)		(1,036.35)		(1,015.60)
State corporate and business taxes		10.16		23.69		32.20		42.51		42.37
State tax on motor fuel		0.49		1.04		1.44		1.88		2.01
State motor vehicle fees		0.20		0.43		0.61		0.78		0.81
State estate taxes		-		-		-		-		-
State personal income tax / capital gains tax		65.79		159.05		216.18		289.28		275.12
State excise tax		-		-		-		-		-
State cigarette tax		13.37		31.63		39.18		50.50		56.60
State alcohol tax		1.20		2.96		3.82		5.17		5.08
State other taxes		5.42		12.81		16.68		22.20		22.75
State fees		34.82		83.55		119.72		168.42		144.57
Municipal Tax Windfall (Loss)	\$ millions	37.80		88.31		119.47		160.94		157.67
Local sales tax		0.85		1.95		2.62		3.46		3.55
Local tax on residential property		0.01		0.02		0.03		0.04		0.04
Local tax on business property		26.51		61.36		81.49		108.06		110.69
Local other taxes		1.48		3.51		4.56		6.08		6.23
Local fees		8.95		21.47		30.77		43.29		37.16
Total tax change (state + local)	\$ millions	(30.25)		(21.83)		(69.78)		(294.66)		(308.61)

Read the full Tax Analysis Report, "Zero-point-Zero", at www.RIFreedom.org