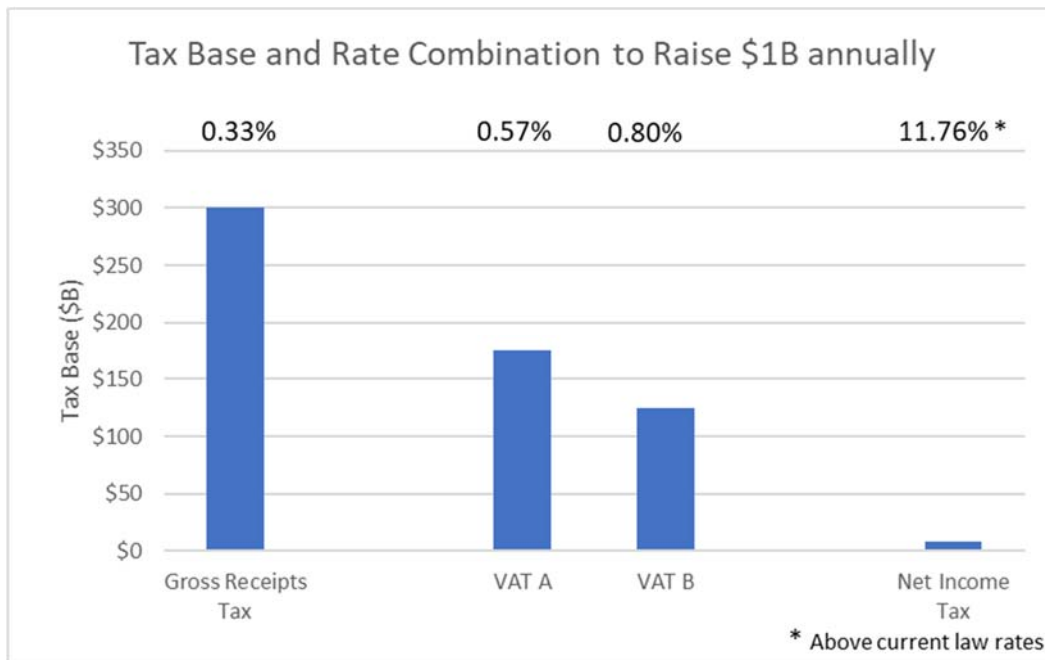


# Guiding Principles and Basic Mechanics

- **Guiding Principles**

- A revenue source dedicated to funding a successful school system
- Broad business tax base with low rates
- Destination-based tax
- Balanced treatment across business structures
- Add stability to the revenue system
- Maintain/improve progressive tax structure

- **Basic Mechanics**



Tax Rates Needed to Raise \$1B per year				
Policy	Policy Change Only	Impact with PIT reductions of \$0.5B	Impact with CIT elimination (of \$1.2B)	Impact with PIT and Corp Changes
Gross Receipts Tax	0.33%	0.41%	0.53%	0.61%
Business Activities Tax	0.44%	0.56%	0.71%	0.82%
Corporate Income Tax <sup>2</sup>	20.2%	23.5%		
Corporate Minimum Tax <sup>2</sup>	0.70%	0.82%		

<sup>2</sup> New rates, tied to current law forecast