

From: Soura, Christian

To: Boles, LesLBoles@budget.sc.gov

Date: 12/16/2011 1:58:03 PM

Subject: Fw: Gov. IIT scenario change

Attachments: 2012 Projected Tax Change Gov Scn 4d.pdf

FYI.

CLS

From: Rainwater, Frank
Sent: Thursday, December 15, 2011 04:00 PM
To: Soura, Christian
Cc: Jolliff, Lisa
Subject: FW: Gov. IIT scenario change

Dear Christian,

We have developed a new scenario (4D) as requested based upon 4A but with the changes to the filers in the 3% bracket so that they do not pay more than before. We are interpreting this to extend to the filers in the next bracket who would pay more tax under the 3.95% consolidated bracket structure. We have developed the scenario such that everyone will pay the lesser of the new structure or the old and no one is paying a tax increase. This increases the total cost from \$51 M in scenario 4A to \$56.2 M for 4D with the hold harmless against a tax increase at the same rate of 3.95%. The attached table outlines the new scenario. If we have interpreted your intentions incorrectly, please let us know how to adjust the structure.

Please call if you have any questions.

Frank