

**SCENARIO 4D - ESTIMATE OF 2012 INCOME TAX ADJUSTEMENT BY COLLAPSING 3%, 4%, 5% & 6% BRACKETS TO 3.95% WITH HOLD HARMLESS AGAINST A TAX INCREASE**

**Objective: Collapse 3%, 4%, 5% and 6% brackets to 3.95% but allow hold harmless for filers who would otherwise have a tax increase. With these brackets and rates, 100% of filers have a lower or unchanged liability and the General Fund impact is (\$ 56,184,044).**

Baseline Taxable Income Range 2010	Current Tax Structure					Estimate of Adjusted Tax Structure		
	Projected # of Filers 2012	Cumulative # of Filers	Cumulative % of Filers	Projected Average Taxable Income 2012	Average Tax Liability 2012	Adjusted Average Tax Liability 2012	Average Tax Increase/ (Decrease) with Hold Harmless 2012	Total Dollar Increase/ (Decrease) with Hold Harmless 2012
							col 8	col 9
col 1	col 2 (a)	col 3	col 4	col 5 (b)	col 6	col 7	col 8	col 9
0	737,287	737,287	34.10%	0	0	0	0	0
1-5,000	267,109	1,004,397	46.45%	2,384	0	0	0	0
5,000-10,000	185,691	1,190,087	55.04%	7,896	176	201	0	0
10,000-20,000	265,592	1,455,680	67.32%	15,603	616	555	(61)	(12,896,213)
20,000-30,000	183,439	1,639,119	75.81%	26,311	1,366	1,305	(61)	(11,239,441)
30,000-40,000	130,326	1,769,445	81.84%	36,999	2,114	2,053	(61)	(7,985,144)
40,000-50,000	94,198	1,863,643	86.19%	47,678	2,861	2,800	(61)	(5,771,569)
50,000-60,000	70,498	1,934,141	89.45%	58,336	3,608	3,546	(61)	(4,319,458)
60,000-70,000	52,547	1,986,689	91.88%	68,970	4,352	4,291	(61)	(3,219,608)
70,000-80,000	39,541	2,026,230	93.71%	79,641	5,099	5,038	(61)	(2,422,706)
80,000-90,000	28,731	2,054,961	95.04%	90,274	5,843	5,782	(61)	(1,760,372)
90,000-100,000	21,460	2,076,421	96.03%	100,918	6,588	6,527	(61)	(1,314,857)
100,000-110,000	15,784	2,092,205	96.76%	111,621	7,337	7,276	(61)	(967,095)
110,000-120,000	11,841	2,104,046	97.31%	122,328	8,087	8,026	(61)	(725,524)
120,000-130,000	9,335	2,113,381	97.74%	132,938	8,830	8,768	(61)	(571,957)
130,000-140,000	7,184	2,120,564	98.08%	143,556	9,573	9,512	(61)	(440,140)
140,000-150,000	5,695	2,126,260	98.34%	154,267	10,323	10,261	(61)	(348,949)
150,000-160,000	4,603	2,130,862	98.55%	164,937	11,070	11,008	(61)	(282,009)
160,000-170,000	3,686	2,134,548	98.72%	175,535	11,811	11,750	(61)	(225,820)
170,000-180,000	3,096	2,137,644	98.87%	186,256	12,562	12,501	(61)	(189,694)
180,000-190,000	2,547	2,140,191	98.98%	196,804	13,300	13,239	(61)	(156,068)
190,000-200,000	2,127	2,142,318	99.08%	207,580	14,055	13,993	(61)	(130,317)
200,000-225,000	4,002	2,146,320	99.27%	225,248	15,291	15,230	(61)	(245,196)
225,000-250,000	2,761	2,149,081	99.39%	252,434	17,194	17,133	(61)	(169,193)
250,000-300,000	3,830	2,152,912	99.57%	290,464	19,856	19,795	(61)	(234,695)
300,000-400,000	3,835	2,156,746	99.75%	365,153	25,085	25,023	(61)	(234,945)
400,000-500,000	1,928	2,158,674	99.84%	473,008	32,635	32,573	(61)	(118,129)
500,000- \$1M	2,565	2,161,239	99.96%	712,816	49,421	49,360	(61)	(157,130)
\$1 M - \$2 M	661	2,161,900	99.99%	1,429,786	99,609	99,548	(61)	(40,501)
\$2 M +	283	2,162,183	100.00%	4,830,808	337,681	337,619	(61)	(17,313)
<b>Total</b>	<b>2,162,183</b>			<b>\$25,197</b>	<b>\$1,288</b>	<b>\$1,227</b>	<b>(\$61)</b>	<b>(\$56,184,044)</b>

2012 Current Tax Brackets	0.00% \$0 to 2,800	Adjusted Brackets	0.00% \$0 to 2,800
	3.00% \$2,800 to 5,600		3.95% \$2,800 to 5,600
	4.00% \$5,600 to 8,400		3.95% \$5,600 to 8,400
	5.00% \$8,400 to 11,200		3.95% \$8,400 to 11,200
	6.00% \$11,200 to 14,000		3.95% \$11,200 to 14,000
	7.00% Over \$14,000		7.00% Over \$14,000

Note: Taxpayers who would pay more under this structure are held harmless against a tax increase.

Source: BEA, SC Dept. of Revenue Income Tax Data, 2010  
/a 2010 Base Year Grown by 1% per year  
/b 2010 Base Year Taxable Income Grown by 4.5% and 4% for '11 and '12 respectively