

Scenario 2: Per Employee Cost and Revenues to State

1) Employee has an annual salary of **\$100,000**

2) **State Income Tax** generated

➤ (\$100 K * 4.63%) **\$ 4,630**

3) **State Sales Tax** generated

➤ (\$700 * 1) **\$ 700**

4) **Total State Revenue** **\$ 5,330**

5) **State Tax Credit:** 50% of FICA (7.65%)

➤ (\$100 K * 7.65% * 50%) **(\$ 3,825)**

➤ Since JGITC are performance-based, new positions must be held for one year before receiving credit

10 year Summary

	Revenue	Credit	Net	Accum.
Yr 1	\$ 5,330	\$ -	\$ 5,330	\$ 5,330
Yr 2	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 6,835
Yr 3	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 8,340
Yr 4	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 9,845
Yr 5	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 11,350
Yr 6	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 12,855
Yr 7	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 14,360
Yr 8	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 15,865
Yr 9	\$ 5,330	\$ (3,825)	\$ 1,505	\$ 17,370
Yr 10	\$ 5,330	\$ -	\$ 5,330	\$ 22,700

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- After 1 year, net revenue is **\$ 5,330**; Cost to the state is **\$ 0**.
 - In year 2, net revenue remains at **\$ 5,330**; Cost to the state is **(\$ 3,825)**.
 - After 10 years, net fiscal impact to the state is **\$ 22,700**