

Simplified Examples of Trading CIT for CAT, \$M

		Cost of Goods Sold	Sales	Margin	Taxable Income	Income Tax	0.75% CAT	Difference
C-corporation	Retailer	\$315.1	\$500.0	2%	\$10.0	\$0.749	\$3.743	\$3.0
C-corporation	Manufacturer	\$392.8	\$750.0	3%	\$19.9	\$1.500	\$5.618	\$4.1
Sole Proprietor	Retailer	\$0.5	\$0.8	9%	\$0.1	\$0.006	min tax	
Sole Proprietor	Construction	\$2.2	\$5.0	18%	\$0.8	\$0.076	\$0.030	
Partnership	Law firm 10 partners	\$4.1	\$50.0	27%	\$13.6	\$1.019	\$0.368	
S-corporation	Consulting firm 10 shareholders	\$30.0	\$75.0	13%	\$9.8	\$0.718	\$0.555	
C-corporation	Software Designer (<i>All costs in OR</i> ; Sales are \$100M in OR, \$145M in ID)	\$33.6	\$245.0	5%	\$12.1	\$0.908	\$0.743	-\$0.2
	Software Designer (<i>All costs in ID</i> ; Sales are \$100M in OR, \$145M in ID)	\$33.6	\$245.0	5%	\$0.0	\$0.000	\$0.743	\$0.7