

## Impact of a 5% Tax increase

	<u>2012</u>	<u>2013</u>
Revenue	\$ 5,000,000	\$ 5,000,000
Pre-tax Net Income	15% <u>\$ 750,000</u>	15% <u>\$ 750,000</u>
Federal Tax	35% \$ 262,500	40% \$ 300,000
State Tax (Average)	5% <u>\$ 37,500</u>	5% <u>\$ 37,500</u>
Net after tax	<u>\$ 450,000</u>	<u>\$ 412,500</u>

### **Alternatives:**

#### Pre-tax Net % required to get even

Revenue	\$ 5,000,000	
Pre-tax Net Income	16.365% <u>\$ 818,250</u>	<i>Change over 2012</i> \$ 68,250
Federal Tax	40% \$ 327,300	
State Tax (Average)	5% <u>\$ 40,913</u>	
Net after tax	<u>\$ 450,038</u>	

### **Alternatives:**

#### Grow revenues but keep profit % the same

Revenue	\$ 5,455,000	<i>Change over 2012</i> \$ 455,000 9.10%
Pre-tax Net Income	15.000% <u>\$ 818,250</u>	
Federal Tax	40% \$ 327,300	
State Tax (Average)	5% <u>\$ 40,913</u>	
Net after tax	<u>\$ 450,038</u>	