

SINGLE SALES FACTOR – CONSIDERATIONS

- Whether or not to adopt a single sales factor involves many considerations.
 - Who should it apply to?

Department of Taxation Annual Estimates

	<u>Elective</u>	<u>Mandatory</u>
All corporations	(\$122.7 million)	(\$47.4 million)
Manufacturers only	(\$64.7 million)	(\$33.9 million)

- Other testimony estimated that adoption of a single sales factor would lead to the retention of 8,441 manufacturing jobs generating \$75 million annually.
- Who is a manufacturer?
- If adopted, should a delayed effective date be used?
- If adopted, should the use of a single sales factor be conditioned upon job growth or capital investment?
- If the Commonwealth does not adopt a single sales factor, should a grant program be established to reward manufacturers who increase/retain employment or capital investment?
 - What is the grant amount?
 - What year should serve as the baseline?
- Other considerations (joint subcommittee members)