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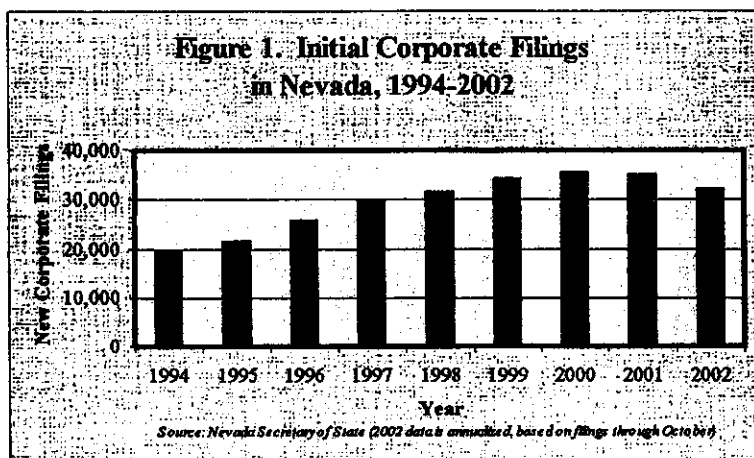
Proposed Nevada Corporation Fee Increase¹

In large measure, Nevada's robust economic growth has been the result of its well-earned reputation as a business-friendly state. However, that reputation, along with Nevada's ability to continue generate substantive state revenues by attracting business entities from other states, will be destroyed if the proposed fifty percent (50%) increase in initial corporate filing fees, and a new gross receipts tax (GRT), go into effect.

The Governor, in his State of the State Address, has accepted the Governor's Task Force on Tax Policy (Task Force) recommendation of an across-the-board 50 percent increase in corporate filing fees and all other fees paid by corporations to the Secretary of State. (Fees other than initial filing fees are known collectively as "Secretary of State Fees"). In our view, this proposal is ill-timed, poorly-conceived and, unless modified,

could seriously *reduce* the Nevada's Secretary of State's tax revenue.

Determining the state in which to form a corporation or other business enterprise involves a careful analysis of individual state laws, taking into account a variety of legal and cost considerations. During the 1990's several states, most notably Dela-



ware, Nevada and Wyoming, became the preferred states for business structure formation, due in large part to their business-friendly fees, taxes and laws. These advantages have paid sizable dividends over the last decade in terms of substantive revenues from non-residents to these states' coffers.

Our analysis suggests that a 50 percent increase in corporate fees (especially the initial corporate filing fee and the initial list fee) will materially reduce the number of new corporations choosing to locate here. Since the initial fees are the first fees that prospective new business structures encounter, these fees have a greater potential than subsequent ones to influence the decision of where to incorporate. The initial corporate filing fee was already increased by 100 percent in the 2000-2001 session of the State Legislature. Thus, if the Task Force recommendations are adopted, this fee next year will be *triple* what it was only two years ago.

Resident agents, who represent more than 95 percent of corporations owned by out-of-state individuals or businesses, employ over 1,000 people in Nevada. Many of these jobs would disappear if there were a significant reduction in the rate of corporate formation. And if the "ripple effect" of lower corporate formation on the rest of Nevada's economy is factored in (such as the resulting loss of business activity and jobs), the 50

¹ Unless otherwise noted, this analysis relies on data supplied by the Governor's Task Force on Tax Policy in Nevada and the Nevada Resident Agent Association.

percent increase in filing fees proposed by the Task Force could actually lead to *lower* overall tax revenue being generated than would have occurred under the current rates.

We estimate that an increase of 50% in corporate fees, coupled with the pending introduction of the GRT, will cause a steep drop in initial filings and associated fees, and will result in a *loss* of over \$9.2 million dollars of revenue to the State during the next biennium, rather than generating the Task Force's expected increase of \$56 million.

It is important to understand that higher corporate fees in Nevada would enhance the relative attractiveness of other states, and reduce the incentive to establish a business enterprise in Nevada. (There is ample empirical evidence that new corporations are sensitive to the amount of the initial fees. For example, when California substantially lowered its initial filing fee several years ago, Nevada experienced a sizeable reduction in the percentage of new corporations formed by California business entities.)

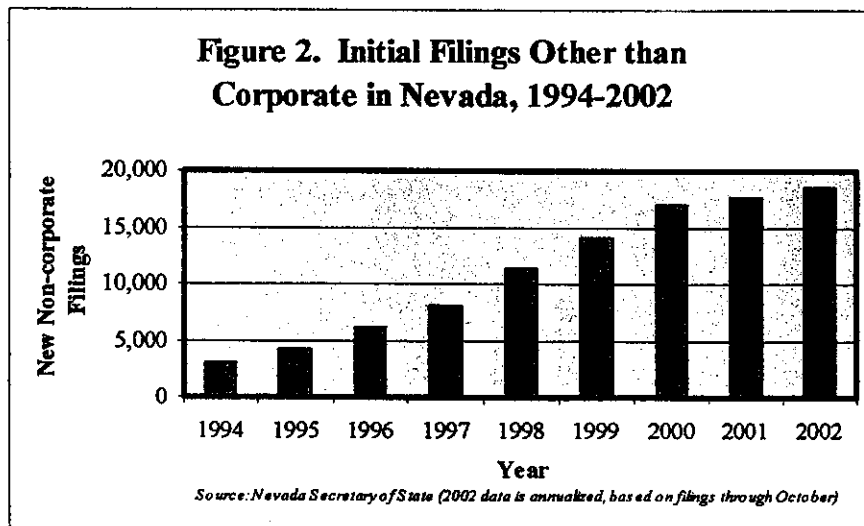
In attempting to justify the proposed fee increases, the Task Force stated: "Nevada fees remain relatively low in comparison to other jurisdictions, particularly when one considers the protections afforded businesses choosing to incorporate here. Given this belief, the Task Force expected little or no reduction in the number of businesses organizing within the State as a result of the provided increase."² In fact, to arrive at its

revenue projections, the Task Force forecasts an *increase* of 11 percent per year in corporate and other business filings. We disagree with the Task Force in both its conclusions and its projections.

For example, the Task Force's revenue

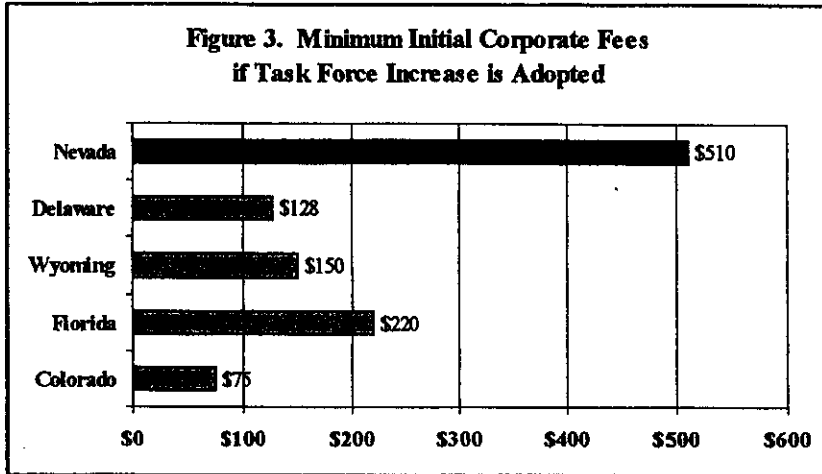
estimates depend in large part upon a continuous increase in the creation of corporate and other business entities. We believe that the Task Force's estimates of the revenue potential of their proposed fee increases are too optimistic, as they do not take into account the revenue that would be lost as a consequence of the reduction in the number of new corporations formed in Nevada, nor the negative impact of the GRT on new formations.

To measure the potential effect of a fee increase on the rate of corporate formation in Nevada, the NRAA recently conducted a survey among current owners of corporate entities in Nevada. The survey's results confirm that the State of Nevada's business structure filing and renewal rates are sensitive to fee increases. We cannot assume (as the Task Force does) that rate increases of the magnitude suggested by the Task Force will have "little or no reduction in the number of businesses organizing within the State."



² Governor's Task Force on Tax Policy, Fiscal Recommendations, p. 7-16.

Because the initial filing and initial list fees are among the first expenses encountered by a new corporation, it is important to bear in mind that these two fees in Nevada are *already* higher than those of the other four states (Delaware, Florida, Colorado and Wyoming) that actively solicit new corporate formation. While initial fees in these states range from \$75 to \$150, Nevada's lowest fees are \$340, and would rise to \$510

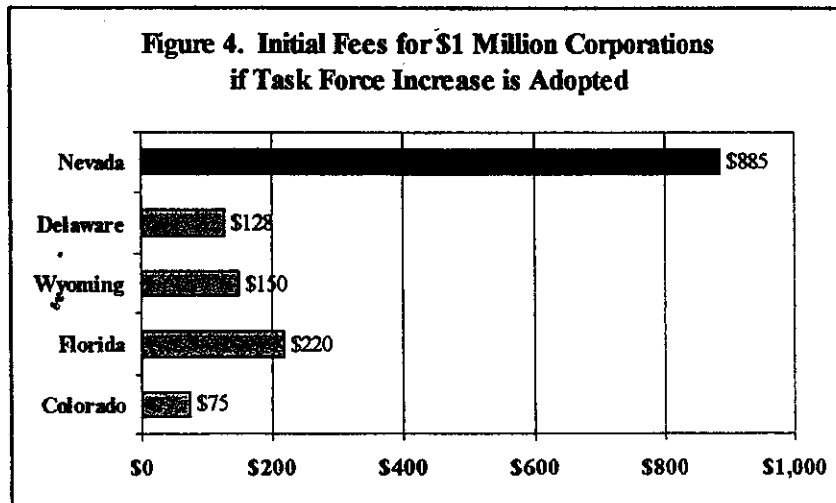


under the Task Force proposal.³ A rise of this magnitude will give the other four "incorporation center" states even more of a competitive advantage, and allow them to take "market share" away from Nevada.

Delaware and Wyoming, in particular, have advantages that make them seri-

ous competitors to Nevada. Even though it lacks some of Nevada's advantages (such as the absence of a corporate income tax), Delaware is a haven for large, established corporations. It offers more than a century of established case law, and has specialized business courts that are equipped to tackle complex legal proceedings. For small and mid-sized corporations, Wyoming offers the same set of advantages as Nevada, plus additional ones that Nevada does not offer. (See Table 2.)

Although a rise in corporate renewal fees is likely to have less of a negative economic impact, it is worth noting that the proposed 50 percent increase would make Nevada's fees the highest of any "incorporation center" states except Florida (See Figure 5).

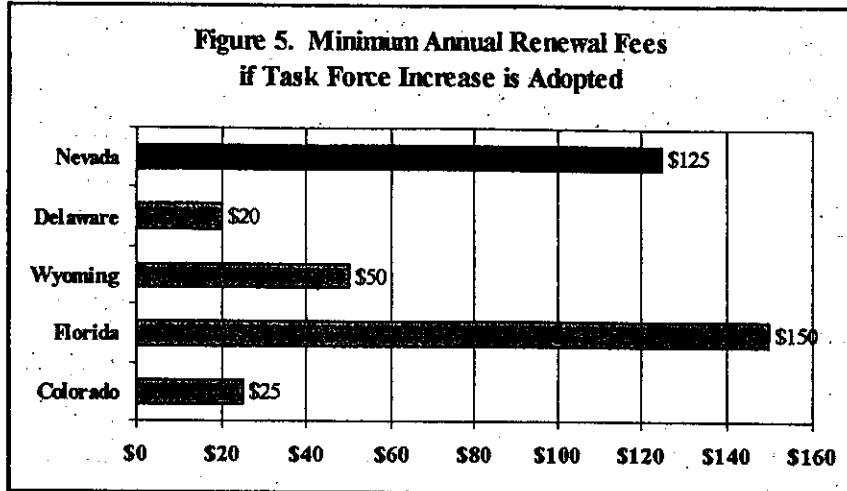


Currently about 202,000 business entities are based in Nevada. In 2001 approximately 50,000 new corporations and limited liability companies were formed here, but 37,000 moved or were dissolved, leaving a net gain for the year of 13,000. This high

³ This amount does not include other fees which may be required as part of initial filings.

turnover rate demonstrates the extreme sensitivity of Nevada’s corporate growth rate to the rate of new corporate formation.

The recent doubling of the initial corporate filing fee is already reducing the number of new corporations coming to Nevada. Figure 1 shows the number of new corporate

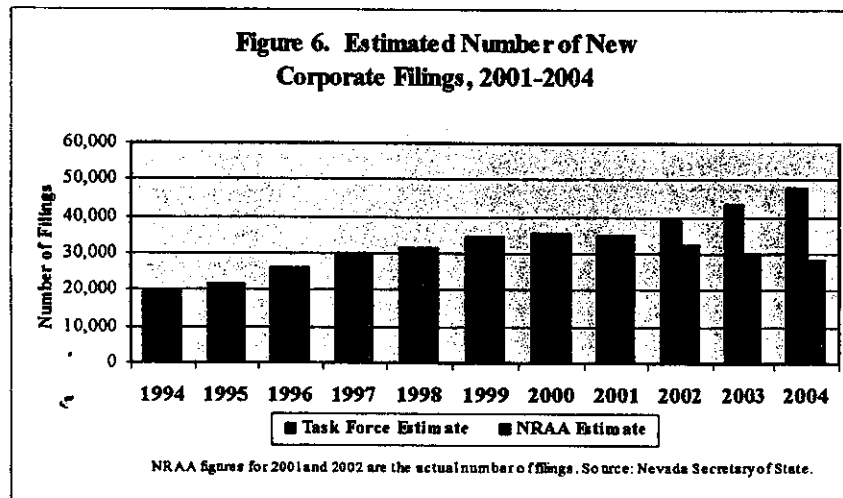


filings from 1994 to 2002. After peaking in 2000, the number declined slightly in 2001, followed by a much steeper slide in 2002. The recession may have been partly to blame. However, during this period, combined filings for other types of business entities

(limited liability companies, limited partnerships, limited liability partnerships, and business trusts) continued to rise, though at a slower pace. (See Figure 2.)

Despite this recent reversal, the Task Force’s revenue projections assume that the number of new corporate filings will grow at the same rate going forward (11%) that occurred during the period from 1991 to 2001. However, as shown in Figure 6,

the number has actually begun to decline, and we project that it will continue to fall substantially if the Task Force proposals are adopted. Thus, in addition to slowing business growth in



Nevada, this tax increase will dramatically decrease the amount of additional revenue collected by the Secretary of State.

The Task Force correctly notes that “[c]orporate formation and governance is recognized as an important part of the State’s economic and legislative landscape. . . many of these businesses deposit substantial sums of money in Nevada banks, travel to Nevada for corporate meetings and utilize the State’s court system.”⁴

⁴ Governor’s Task Force on Tax Policy, Fiscal Recommendations, p. 7-15.

It is important to realize that much of this revenue is largely “pure profit” for the state, since the corporations and other business entities paying these fees have little, if any, physical presence in Nevada, and thus cause little expenditure of state and local government resources (such as police or fire protection) in return for the fees they pay. Discouraging such new business formation, in addition to causing a significant loss of business activity, will reduce the total amount of taxes and fees that would otherwise be generated.

Based on the above considerations, we think Nevada would be better served and gain a competitive advantage (and corporate “market share”) by *reducing* the initial fees, and instead generating additional tax revenue through *increases* in “back end” fees once new corporations have established a presence here. We are therefore proposing an alternative schedule of Secretary of State Fees which, while lowering the initial filing fee, will raise most of the remaining fees, and result in a net revenue increase of nearly \$23 million for the State in Fiscal 2003-2004. (See Table 1.)

We also strongly urge the Legislature to consider additional ways to improve Nevada’s competitive position and increase our corporate “market share.” For example, as a further method of revenue enhancement (which will also improve Nevada’s competitive position), Nevada could begin offering a type of corporate structure that presently does not exist here, but does exist in other jurisdictions: a Limited Liability Limited Partnership (LLLP).

Table 1. NRAA Proposed Secretary of State Fee and Revenue Schedule

Income Sources - Fiscal 2003-2004						
Transaction Type	Number of Transactions	Current Fee	Revenue	Proposed Fee	Revenue	Revenue Change
New Filings	56,557	\$175	\$9,897,552	\$75	\$4,241,808	(\$5,655,744)
Initial List	50,902	\$165	\$8,398,780	\$125	\$6,362,712	(\$2,036,068)
Expedite Fee - 24 hour	70,200	\$100	\$7,020,000	\$125	\$8,775,000	\$1,755,000
Late Fee	56,700	\$50	\$2,835,000	\$75	\$4,252,500	\$1,417,500
Annual Renewal	218,160	\$85	\$18,543,600	\$166	\$36,118,143	\$17,574,543
Certificates	73,440	\$20	\$1,468,800	\$30	\$2,203,200	\$734,400
Amendments	15,660	\$150	\$2,349,000	\$175	\$2,740,500	\$391,500
Reinstatements	4,536	\$200	\$907,200	\$300	\$1,360,800	\$453,600
Trademarks	1,750	\$100	\$174,960	\$125	\$218,700	\$43,740
Resident Agent Resignation	1,620	\$40	\$64,800	\$100 + \$1/corp		
Resident Agent Change	3,240	\$30	\$97,200	\$75	\$243,000	\$145,800
Mergers	5,400	\$325	\$1,755,000	\$375	\$2,025,000	\$270,000
Corp Sole Annual Fee	972	\$0	\$0	\$25	\$24,300	\$24,300
Non Profit Renewals	10,354	\$15	\$155,310	\$25	\$258,850	\$103,540
UCC Filings	45,233	\$20	\$904,651	\$40	\$1,809,302	\$904,651
Initial Business License Regist	50,902	\$25	\$1,272,542	\$50	\$2,545,085	\$1,272,542
Annual Business License Fee	218,160	\$0	\$0	\$25	\$5,454,000	\$5,454,000
TOTAL			\$65,844,395		\$78,632,900	\$22,853,305

Basically, an LLLP is a limited partnership that gives the general partners indemnification. If Nevada were to provide for the creation of LLLPs, the fees and taxes gener-

Table 2. Incorporation Advantages in Delaware, Wyoming and Nevada

Advantage	Delaware	Wyoming	Nevada
Extensive Business Case Law	●		
Separate Business Court	●		
No state corporate income tax		●	●
No tax on corporate shares	●	●	●
No franchise tax		●	●
Minimal annual fees		●	
One-person corporations are allowed	●		●
Stockholders are not revealed to the State	●	●	●
No annual report is required until the anniversary of the incorporation date		●	
Unlimited stock is allowed, of any par value	●	●	
Bearer stock can be used		●	●
Nominee shareholders are allowed		●	●
Share certificates are not required		●	●
Minimal initial filing fees		●	
No minimum capital requirements	●	●	●
Meetings may be held anywhere	●	●	●
Officers, directors, employees and agents are statutorily indemnified		●	●
Continuance procedure (State can adopt a corporation formed in another state)		●	
Doesn't collect corporate income tax information to share with the IRS		●	●

ated by such corporations would be substantial. Not only would such a move expand the menu of Nevada's corporate offerings, but higher initial filing and renewal fees could be charged for LLLPs to reflect the additional protections they would receive.

In summary, there are many ways to achieve Nevada's revenue targets. But it is important that tax and fee increases be structured in a manner that will enhance, rather than diminish, Ne-

vada's prospects for continued economic growth. Our proposed corporate fee schedule will accomplish this goal.

Income Sources - Fiscal 2002-3

Secretary of State Transactions	Transactions	Current Fee	Revenue	Proposed	Revenue	Revenue Increase
New Filings	82,368	\$175	\$9,164,400	\$75	\$3,927,600	(\$5,236,800)
Initial List	47,131	\$165	\$7,778,848	\$125	\$5,891,400	(\$1,885,248)
Expedite Fee - 24 hour	65,000	\$100	\$6,500,000	\$125	\$8,125,000	\$1,625,000
Late Fee	52,500	\$50	\$2,625,000	\$75	\$3,937,500	\$1,312,500
Annual Renewal	205,063	\$85	\$17,430,355	\$148	\$30,370,600	\$12,940,245
Certificates	68,000	\$20	\$1,360,000	\$30	\$2,040,000	\$680,000
Amendments	14,500	\$150	\$2,175,000	\$175	\$2,537,500	\$362,500
Reinstatements	4,200	\$200	\$840,000	\$300	\$1,260,000	\$420,000
Trademarks	1,620	\$100	\$162,000	\$125	\$202,500	\$40,500
Resident Agent Resignation	1,500	\$40	\$60,000	\$100 + \$1/corp		
Resident Agent Change	3,000	\$30	\$90,000	\$80	\$180,000	\$90,000
Mergers	5,000	\$325	\$1,625,000	\$350	\$1,750,000	\$125,000
Corp Sole Annual Fee	900	\$0	\$0	\$25	\$22,500	\$22,500
Non Profit Renewals	10,354	\$15	\$155,310	\$25	\$258,850	\$103,540
UCC Filings	41,882	\$20	\$837,640	\$40	\$1,675,280	\$837,640
TOTAL			\$50,801,363		\$82,178,730	\$11,437,377

Initial Business License Registration	47,131	\$25	1,178,280	\$50	\$2,356,560	\$1,178,280
Annual Business License Fee	205,063	\$0	\$0	\$50	\$10,253,150	\$10,253,150
SUB TOTAL			1,178,280		\$12,609,710	\$11,431,430

YEAR ONE TOTALS
 Current Revenue **\$51,979,633** Projected Revenue **\$74,788,440** TOTAL NEW REVENUE **\$22,868,807**

Projected Growth 6%

Income Sources - Fiscal 2003-4

Secretary of State Transactions	Transactions	Current Fee	Revenue	Proposed	Revenue	Revenue Increase
New Filings	55,510	\$175	\$9,714,264	\$75	\$4,163,256	(\$5,551,008)
Initial List	49,959	\$165	\$8,243,247	\$125	\$6,244,884	(\$1,998,363)
Expedite Fee - 24 hour	68,900	\$100	\$6,890,000	\$125	\$8,612,500	\$1,722,500
Late Fee	55,650	\$50	\$2,782,500	\$75	\$4,173,750	\$1,391,250
Annual Renewal	217,367	\$85	\$18,476,178	\$148	\$32,192,836	\$13,716,660
Certificates	72,080	\$20	\$1,441,600	\$30	\$2,162,400	\$720,800
Amendments	15,370	\$150	\$2,305,500	\$175	\$2,689,750	\$384,250
Reinstatements	4,452	\$200	\$890,400	\$300	\$1,335,600	\$445,200
Trademarks	1,717	\$100	\$171,720	\$125	\$214,650	\$42,930
Resident Agent Resignation	1,590	\$40	\$63,600	\$100 + \$1/corp		
Resident Agent Change	3,180	\$30	\$95,400	\$80	\$190,800	\$95,400
Mergers	5,300	\$325	\$1,722,500	\$350	\$1,855,000	\$132,500
Corp Sole Annual Fee	954	\$0	\$0	\$25	\$23,850	\$23,850
Non Profit Renewals	10,354	\$15	\$155,310	\$25	\$258,850	\$103,540
UCC Filings	44,395	\$20	\$887,898	\$40	\$1,775,797	\$887,898
TOTAL			\$53,840,118		\$85,893,823	\$12,117,407

Initial Business License Registration	49,959	\$25	1,248,977	\$50	\$2,497,954	\$1,248,977
Annual Business License Fee	217,367	\$0	\$0	\$50	\$10,868,339	\$10,868,339
SUB TOTAL			1,248,977		\$13,366,293	\$12,117,316

YEAR TWO TOTALS
 Current Revenue **\$55,089,092** Projected Revenue **\$79,260,215** TOTAL NEW REVENUE **\$24,234,723**

BIENNIUM TOTALS
 Current Revenue **\$107,068,725** Projected Revenue **\$154,048,655** TOTAL NEW REVENUE **\$47,103,530**

Capitalization	Annual Fee	Number of Companies	Annual Fee	Total Companies			
\$0 to \$75,000	\$125	197,658	\$24,707,250	202,000			
\$75,001 to \$200,000	\$175	3,883	\$681,025				
\$200,001 to \$500,000	\$275	1,421	\$390,775				
\$500,001 to \$1,000,000	\$375	1,150	\$431,250				
\$1,000,001 to \$1,500,000	\$650	212	\$137,800				
\$1,500,001 to \$2,000,000	\$925	173	\$160,025				
\$2,000,001 to \$2,500,000	\$1,200	90	\$108,000				
\$2,500,001 to \$3,000,000	\$1,475	79	\$116,525				
\$3,000,001 to \$3,500,000	\$1,750	43	\$75,250	19	173,136	0.000110	
\$3,500,001 to \$4,000,000	\$2,025	36	\$72,900				
\$4,000,001 to \$4,500,000	\$2,300	21	\$48,300				
\$4,500,001 to \$5,000,000	\$2,575	78	\$200,850				
\$5,000,001 to \$5,500,000	\$2,850	36	\$102,600				
\$5,500,001 to \$6,000,000	\$3,125	22	\$68,750				
\$6,000,001 to \$6,500,000	\$3,400	10	\$34,000				
\$6,500,001 to \$7,000,000	\$3,675	10	\$36,750				
\$7,000,001 to \$7,500,000	\$3,950	8	\$31,600				
\$7,500,001 to \$8,000,000	\$4,225	13	\$54,925				
\$8,000,001 to \$8,500,000	\$4,500	5	\$22,500				
\$8,500,001 to \$9,000,000	\$4,775	4	\$19,100				
\$9,000,001 to \$9,500,000	\$5,050	3	\$15,150				
\$9,500,001 to \$10,000,000	\$5,325	68	\$362,100				
\$10,000,001 to \$10,500,000	\$5,600	21	\$117,600				
\$10,500,001 to \$11,000,000	\$5,875	9	\$52,875				
\$11,000,001 to \$11,500,000	\$6,150	3	\$18,450				
\$11,500,001 to \$12,000,000	\$6,425	7	\$44,975				
\$12,000,001 to \$12,500,000	\$6,700	7	\$46,900				
\$12,500,001 to \$13,000,000	\$6,975	4	\$27,900				
\$13,000,001 to \$13,500,000	\$7,250	0	\$0				
\$13,500,001 to \$14,000,000	\$7,525	2	\$15,050				
\$14,000,001 to \$14,500,000	\$7,800	1	\$7,800				
\$14,500,001 to \$15,000,000	\$8,075	15	\$121,125				
\$15,000,001 to \$15,500,000	\$8,350	4	\$33,400				
\$15,500,001 to \$16,000,000	\$8,625	3	\$25,875				
\$16,000,001 to \$16,500,000	\$8,900	2	\$17,800				
\$16,500,001 to \$17,000,000	\$9,175	2	\$18,350				
\$17,000,001 to \$17,500,000	\$9,450	4	\$37,800				
\$17,500,001 to \$18,000,000	\$9,725	0	\$0				
\$18,000,001 to \$18,500,000	\$10,000	1	\$10,000				
\$18,500,001 to \$19,000,000	\$10,275	1	\$10,275				
\$19,000,001 to \$19,500,000	\$10,550	0	\$0				
\$19,500,001 to \$20,000,000	\$10,825	16	\$173,200				
\$20,000,001 to \$20,500,000	\$11,100	158	\$1,753,800				
TOTAL		205,063	\$30,370,600	Average Fee	\$148.10		

8

STATE	Incorporation \$75k cap	\$250k cap	\$750k cap	\$1 mil cap	Initial Rep	Annual Rep	Amend	Reinstatae	Dissolve	RA Change	RA Resign	Cert. Copies	24 hrExp	Late Fee	Cert of GS
Arizona	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 20.00	\$ 10.00	\$ 25.00	\$ 100.00	\$ 25.00	NONE	NONE	\$5 + .50/page	\$ 35.00	\$	\$ 10.00
California	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00	\$ 20.00	\$ 10.00	\$ 30.00	NONE	NONE	NONE	NONE	\$1 + .50/page	\$ 350.00	\$	\$ 5.00
Colorado	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 10.00	\$ 5.00	\$ 5.00	\$2 + .50/page	\$ 50.00	\$ 20.00	\$ 5.00
Delaware	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 0.00	\$ 20.00	\$ 100.00	\$ 75.00	\$ 110.00	\$ 75.00	\$ 2.50	\$20+\$1/page	\$ 50.00	\$	\$ 20.00
Florida	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 150.00	\$ 150.00	\$ 35.00	\$ 600.00	\$ 35.00	\$ 35.00	\$ 35.00	\$8.75+\$.1/page	\$ 50.00	\$ 400.00	\$ 8.75
Hawaii	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00											
Idaho	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00											
Montana	\$ 120.00	\$ 420.00	\$ 620.00	\$ 1,020.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 200.00	\$ 60.00	\$ 30.00	\$ 40.00	\$15+ .50/page	\$ 100.00	\$ 30.00	\$ 5.00
Nevada	\$ 175.00	\$ 325.00	\$ 425.00	\$ 425.00	\$ 165.00	\$ 85.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 15.00	\$20+\$1/page	\$ 50.00	\$ 50.00	\$ 40.00
Oregon	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 25.00	\$ 25.00	\$ 20.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$5+\$1/page	\$ 25.00	\$	\$ 10.00
South Dakota	\$ 110.00	\$ 130.00	\$ 150.00	\$ 200.00	\$ 25.00	\$ 25.00	\$ 150.00	\$ 75.00	\$ 40.00	\$ 15.00	\$ 15.00	\$10+\$1/page	\$ 75.00	\$ 10.00	\$ 10.00
Texas	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00											
Utah	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	NONE	\$ 10.00	\$ 25.00	\$ 50.00	NONE	\$ 10.00	\$ 20.00	\$ 10.00	\$ 10.00	\$ 25.00	\$ 10.00
Washington	\$ 175.00	\$ 175.00	\$ 175.00	\$ 175.00	\$ 10.00	\$ 10.00	\$ 30.00	\$ 50.00	NONE	\$ 25.00	NONE	\$ 10.00	n/a	\$	\$ 10.00
Wyoming	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00											
Incorporation Centers															
Colorado	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 10.00	\$ 5.00	\$ 5.00	\$2 + .50/page	\$ 50.00	\$ 20.00	\$ 5.00
Delaware	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 0.00	\$ 20.00	\$ 100.00	\$ 75.00	\$ 110.00	\$ 75.00	\$ 2.50	\$20+\$1/page	\$ 50.00	\$	\$ 20.00
Florida	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 150.00	\$ 150.00	\$ 35.00	\$ 600.00	\$ 35.00	\$ 35.00	\$ 35.00	\$8.75+\$.1/page	\$ 50.00	\$ 400.00	\$ 8.75
Wyoming	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 0.00	\$ 0.00	\$ 50.00	\$ 50.00	\$ 25.00	\$ 25.00	\$ 0.00		n/a	\$	\$ 10.00
Sector Avg.	\$ 69.50	\$ 69.50	\$ 69.50	\$ 69.50	\$ 37.50	\$ 37.50	\$ 46.25	\$ 181.25	\$ 48.75	\$ 33.75	\$ 9.38			\$ 50.00	\$ 40.00
Nevada	\$ 175.00	\$ 325.00	\$ 425.00	\$ 425.00	\$ 165.00	\$ 85.00	\$ 150.00	\$ 200.00	\$ 60.00	\$ 30.00	\$ 40.00	\$20+\$1/page	\$ 100.00	\$ 50.00	\$ 40.00
difference	\$ (105.50)	\$ (255.50)	\$ (355.50)	\$ (355.50)	\$ (127.50)	\$ (30.00)	\$ (103.75)	\$ (18.75)	\$ (11.25)	\$ 3.75	\$ (30.62)			\$	\$
50% increase	\$ 262.50	\$ 487.50	\$ 637.50	\$ 637.50	\$ 247.50	\$ 127.50	\$ 225.00	\$ 300.00	\$ 90.00	\$ 45.00	\$ 60.00			\$	\$
difference	\$ (193.00)	\$ (418.00)	\$ (568.00)	\$ (568.00)	\$ (210.00)	\$ (72.50)	\$ (178.75)	\$ (118.75)	\$ (41.25)	\$ (11.25)	\$ (50.62)			\$	\$
Western Region															
Arizona	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 20.00	\$ 10.00	\$ 25.00	\$ 100.00	\$ 25.00	\$ 0.00	\$ 0.00	\$5 + .50/page	\$ 35.00	\$	\$ 10.00
California	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00	\$ 20.00	\$ 10.00	\$ 30.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$1 + .50/page	\$ 350.00	\$	\$ 5.00
Hawaii	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00											
Idaho	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00											
Oregon	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 0.00	\$ 0.00	\$10+ .25/page	\$ 20.00	\$	\$ 10.00
Utah	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 0.00	\$ 0.00	\$ 25.00	\$ 50.00	\$ 0.00	\$ 0.00	\$ 0.00	\$	\$ 75.00	\$ 10.00	\$ 10.00
Washington	\$ 175.00	\$ 175.00	\$ 175.00	\$ 175.00	\$ 10.00	\$ 10.00	\$ 30.00	\$ 0.00	\$ 0.00	\$ 10.00	\$ 20.00	\$10	\$ 10.00	\$ 25.00	\$ 10.00
Sector Avg.	\$ 122.14	\$ 122.14	\$ 122.14	\$ 122.14	\$ 4.29	\$ 4.29	\$ 22.86	\$ 24.29	\$ 16.71	\$ 7.43	\$ 2.86			\$	\$
Nevada	\$ 175.00	\$ 325.00	\$ 425.00	\$ 425.00	\$ 165.00	\$ 85.00	\$ 150.00	\$ 200.00	\$ 60.00	\$ 30.00	\$ 40.00	\$20+\$1/page	\$ 100.00	\$ 50.00	\$ 40.00
difference	\$ (52.86)	\$ (202.86)	\$ (302.86)	\$ (302.86)	\$ (160.71)	\$ (80.71)	\$ (127.14)	\$ (175.71)	\$ (49.29)	\$ (28.57)	\$ (37.14)			\$	\$
50% increase	\$ 262.50	\$ 487.50	\$ 637.50	\$ 637.50	\$ 247.50	\$ 127.50	\$ 225.00	\$ 300.00	\$ 90.00	\$ 45.00	\$ 60.00			\$	\$
difference	\$ (140.36)	\$ (365.36)	\$ (515.36)	\$ (515.36)	\$ (243.21)	\$ (123.21)	\$ (202.14)	\$ (275.71)	\$ (79.29)	\$ (43.57)	\$ (57.14)			\$	\$
No Corporate Tax															
South Dakota	\$ 110.00	\$ 150.00	\$ 150.00	\$ 200.00	\$ 25.00	\$ 25.00	\$ 20.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 0.00	\$5+\$1/page	\$	\$	\$ 10.00
Washington	\$ 175.00	\$ 175.00	\$ 175.00	\$ 175.00	\$ 10.00	\$ 10.00	\$ 30.00	\$ 0.00	\$ 0.00	\$ 10.00	\$ 20.00	\$ 10.00	\$	\$ 25.00	\$ 10.00
Wyoming	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 0.00	\$ 0.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 25.00	\$ 0.00		n/a	\$	\$ 10.00
Sector Avg.	\$ 128.33	\$ 135.00	\$ 141.67	\$ 158.33	\$ 11.67	\$ 28.33	\$ 33.33	\$ 16.67	\$ 20.00	\$ 15.00	\$ 6.67			\$	\$
Nevada	\$ 175.00	\$ 325.00	\$ 425.00	\$ 425.00	\$ 165.00	\$ 85.00	\$ 150.00	\$ 200.00	\$ 60.00	\$ 30.00	\$ 40.00	\$20+\$1/page	\$ 100.00	\$ 50.00	\$ 40.00
difference	\$ (46.67)	\$ (190.00)	\$ (283.33)	\$ (268.67)	\$ (153.33)	\$ (56.67)	\$ (116.67)	\$ (183.33)	\$ (40.00)	\$ (15.00)	\$ (33.33)			\$	\$
50% increase	\$ 262.50	\$ 487.50	\$ 637.50	\$ 637.50	\$ 247.50	\$ 127.50	\$ 225.00	\$ 300.00	\$ 90.00	\$ 45.00	\$ 60.00			\$	\$
difference	\$ (134.17)	\$ (352.50)	\$ (495.83)	\$ (479.17)	\$ (235.83)	\$ (99.17)	\$ (191.67)	\$ (283.33)	\$ (70.00)	\$ (30.00)	\$ (53.33)			\$	\$

9

STATE	Structures (2001)	Population	Population/Entity
Incorporation Centers			
Delaware	89,195	768,000	8.61
Florida	166,285	15,233,000	91.61
Colorado	45,209	4,168,000	92.19
Wyoming	7,280	525,000	72.12
Sector Avg.	76,992	5,173,500	67.20
Western Region			
Arizona	32,332	4,798,000	148.40
California	130,144	35,521,000	272.94
Colorado	45,209	4,168,000	92.19
Hawaii	7,566	1,257,000	166.14
Idaho	8,496	1,347,000	158.55
Montana	10,016	950,000	94.85
Oregon	22,458	3,397,000	151.26
Utah	21,079	2,207,000	104.70
Washington	31,698	5,858,000	184.81
Wyoming	7,280	525,000	72.12
Sector Avg	31,628	6,002,800	189.80
No Corporate Tax			
South Dakota	4,080	777,000	190.44
Washington	31,698	5,858,000	184.81
Wyoming	7,280	525,000	72.12
Sector Avg	10,765	2,386,667	221.72
NEVADA	52,554	1,871,000	35.60