

**NORTH DAKOTA
DEPARTMENT OF COMMERCE
DIVISION OF
ECONOMIC DEVELOPMENT AND FINANCE**

**TAX ANALYSIS
AGRICULTURAL PROCESSING
BUSINESS**



Consultants • Certified Public Accountants

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The following is an analysis of the various tax costs for an agricultural processing company doing business in the following cities:

Bismarck, North Dakota	Sioux Falls, South Dakota	Des Moines, Iowa
Eau Claire, Wisconsin	Edina, Minnesota	Great Falls, Montana
Omaha, Nebraska	Greeley, Colorado	Chicago, Illinois
San Jose, California	Richmond, Virginia	

This ten-year analysis was conducted for the North Dakota Department of Commerce and is limited to a review of property taxes, workers' compensation insurance, state and local sales tax, unemployment insurance and corporate income tax.

The research for this report was conducted during the month of December 2002, and all information is effective as of December 31, 2002. The raw data was obtained from a variety of sources, including private information bureaus, various Internet web sites, and materials and information provided by various state agencies. The 11 communities used in the analysis were selected by the Department of Commerce, who also provided the working parameters for the Subject business, including asset size, revenue and expense projections, employment considerations, and growth factors.

The basic assumptions used for the Subject business are as follows:

- An agricultural processing company manufacturing products from milk.
- The business will build a 100,000 square foot facility on 15 acres of land at a total cost of \$12,875,00.
- The company will open its facility with approximately \$25 million of processing equipment and \$1 million of non-processing equipment.
- In year three, the company will expand its operations with an additional \$6.5 million of processing equipment.
- The company's gross sales will be \$35 million, \$80 million and \$115 million for the first three years respectively. Thereafter, sales will grow at an annual rate of 3%.
- Net profits are projected to be \$1.05 million, \$2.8 million and \$6.325 million for the first three years respectively. Thereafter, the income will grow at an annual rate of 3%.

- Employment for the business in the first year is projected to be 15 salaried positions with an average of \$45,000 per year and 50 non-salaried positions with an average of \$15.00 per hour. The second year's employment is projected to be 12 salaried positions with an average of \$50,000 per year and 100 non-salaried positions with an average of \$15.00 per hour. The third year's employment is projected to be 12 salaried positions with an average of \$50,000 per year and 135 non-salaried positions with an average of \$17.00 per hour. Thereafter, the number of employees and their respective salaries will increase at a rate of 3% per year.

Based upon the cost information for each community, the estimated total tax costs over the next ten years (present value at 6%) are as follows:

Location	Present Value	
	Total	Rank
Bismarck, North Dakota	\$ 2,922,344	1
Sioux Falls, South Dakota	\$ 7,341,778	2
Richmond, Virginia	\$ 7,489,083	3
Great Falls, Montana	\$ 7,680,200	4
Eau Claire, Wisconsin	\$ 8,873,919	5
Des Moines, Iowa	\$ 9,259,978	6
Chicago, Illinois	\$ 9,985,669	7
Edina, Minnesota	\$ 11,358,333	8
San Jose, California	\$ 11,808,558	9
Omaha, Nebraska	\$ 11,817,483	10
Greeley, Colorado	\$ 11,825,853	11

The following pages provide a community by community breakdown of the various costs and how they were calculated. Appendix A contains a comparative breakdown of the estimated total costs for each tax category by community. Appendix B through Appendix F contains the calculations for each of the five tax categories by community.

It is important to note that several communities in this study offer special incentive and abatement programs for qualifying businesses. The vast majority of these programs are tied to specific conditions, circumstances or location. Where appropriate and determinable, the various incentive programs have been included in this analysis. However, many such programs require negotiations with one or more state or local organizations, site specific locations (e.g., enterprise zones), defined hiring or training criteria, match funding from local organizations, or other determining factors. Since such specific criteria is outside of the scope of this study, some community incentive programs may not have been included. There are circumstances where additional investigation and consideration of these programs may be appropriate and the impact on the overall cost of doing business could be significant.

This tax analysis was prepared from information and assumptions furnished to Eide Bailly LLP as of December 31, 2002. Due to the varying nature of taxes, the rates and assumptions used in this analysis are likely to be adjusted by local, state or federal authorities after 2002, and may no longer be appropriate. It is also important to note, these may not be the only taxes that are applicable in each of the locations.

Respectfully yours,

EIDE BAILLY LLP

Timothy Moore, CPA

Property Taxes

(See Appendix B for the calculation of the estimated costs)

Location	Property Taxes	Rank
Bismarck, North Dakota	\$ -	1
Great Falls, Montana	\$ 2,336,937	2
Richmond, Virginia	\$ 3,125,551	3
Sioux Falls, South Dakota	\$ 3,310,124	4
Eau Claire, Wisconsin	\$ 3,580,049	5
Des Moines, Iowa	\$ 3,911,701	6
Omaha, Nebraska	\$ 4,409,321	7
Greeley, Colorado	\$ 4,441,878	8
Chicago, Illinois	\$ 4,815,744	9
San Jose, California	\$ 5,530,341	10
Edina, Minnesota	\$ 5,964,760	11

All of the states in this analysis have some form of property tax. Property taxes are local taxes, and are the primary source of dollars for school systems, counties, municipalities, and other local government units. Typically, their administration is a local responsibility. The authority of the state is limited to assisting local government units in making real estate tax assessments that are fair and in compliance with the law. State governments do not collect or use property taxes, however, they can centrally assess the property of large companies.

There are two types of property that are taxed, real property and personal property. Real property is defined as real estate, such as land, buildings, and land improvements. It is important to note that equipment and vehicles are not classified as real property, but rather personal property. Personal property is simply defined as anything that is not real property. Each individual state defines personal property differently and some states do not tax personal property, while other states do. In some states, personal property taxes are called Use Taxes. Use Taxes are typically added onto the existing sales tax in a city, county, and/or state. Taxes have been calculated in the sales and use tax analysis section of this report.

The general formula for calculating real property taxes for all of the states is as follows:

- ❖ Fair Market Value multiplied by an assessed rate equals the assessed value;
- ❖ Assessed Value divided by 1 or 10 or 100 or 1,000 dollars equals the taxable value; and,
- ❖ Taxable Value times the mill levy equals real property taxes.

The general formula for calculating personal property taxes is as follows:

- ❖ Fair Market Value or taxable value times the mill levy equals personal property taxes.

Assumptions

The assumptions for the calculation of the personal and real property taxes are as follows:

- ❖ The Subject business will own buildings and land (real property) with a fair market value of \$12,875,000;
- ❖ The buildings and the land will appreciate at a rate of 3% a year throughout the analysis period;
- ❖ The Subject business will own processing equipment (personal property) with a fair market value of \$25 million and non-processing equipment with a value of \$1 million;
- ❖ In year three, the Subject business will expand the facility and purchase another \$6,500,000 in processing equipment;
- ❖ These costs are assumed to be the fair market value of the assets;
- ❖ The mill levy rates are the same for both personal and real property unless otherwise noted; and,
- ❖ We have not included any special assessments or other additions that may be added to a Subject business' property tax bill.

For the purposes of the analysis, it is assumed that all states will increase their current levy rates by 3% annually.

Bismarck, North Dakota

North Dakota has an assessed rate of 50% for property tax calculations and the current levy rate for real property is 48.372 per \$1,000 of taxable value in Bismarck, North Dakota. North Dakota offers an incentive for qualifying businesses to obtain an exemption on real property taxes for a period of five years. However, for agricultural processing companies, North Dakota has made special provision to extend this timeframe to a ten-year period. Since, the Subject business is an agricultural processing company, it is assumed the Subject business qualifies and the full abatement period is offered.

North Dakota does not impose a tax on personal property.

Sioux Falls, South Dakota

South Dakota has an assessed rate of 100% for property tax calculations and the current levy rate for real property is 25.757 per \$1,000 of taxable value in Sioux Falls, South Dakota. South Dakota offers an incentive for qualifying businesses to obtain an exemption on real property taxes for the first five years of operation according to the schedule below. It is assumed the Subject business qualifies and takes advantage of this incentive for the five-year period.

Year 1	100%
Year 2	80%
Year 3	60%
Year 4	40%
Year 5	20%
Years 6 – 10	0%

South Dakota does not impose a tax on personal property.

Des Moines, Iowa

Iowa has an assessed rate of 51.667% for property tax calculations and the current levy rate for real property is 44.425 per \$1,000 of taxable value in Des Moines, Iowa. Based on research and conversations with applicable state and local representatives, no incentive programs for real estate taxes were found for this location.

Iowa does not impose a tax on personal property.

Eau Claire, Wisconsin

Wisconsin has an assessed rate of 100% for property tax calculations and the current levy rate for real property is 21.007 per \$1,000 of taxable value. Based on research and conversations with applicable state and local representatives, no incentive programs for real estate taxes were found for this location.

Wisconsin imposes a tax on personal property. However, for the Subject business an abatement program is available that exempts all personal property purchased for the use in the production process from being taxed, as long as the business meets qualifying requirements. It is assumed that the Subject business would be classified accordingly and, therefore, would be able to take full advantage of this program. Based on this assumption, no calculation of personal property taxes is included in this analysis of Wisconsin property taxes.

Edina, Minnesota

Minnesota has a very complex formula for calculating property taxes. Per a conversation with a representative of the assessing department for the city of Edina, estimating real property taxes will be the simplest by using an assessed rate of 100% and the effective levy rate for real property, which is 0.035 per \$1 of taxable value. Based on research and conversations with applicable state and local representatives, no incentive programs for real estate taxes were found for this location.

Minnesota has a mortgage transfer tax for all real property to which a mortgage is applied. The tax is equal to \$2.30 per \$1,000 of value. Since the financing for the property was not specified, it cannot be determined if this tax should be applied and therefore, was not included.

Minnesota imposes a tax on personal property. However, for new or expanding businesses an abatement program is available that exempts all personal property from being taxed for the first 10 to 20 years of operation. It is assumed that the Subject business qualifies for this abatement program. For this reason no calculation of personal property taxes is included in this analysis of Minnesota property taxes.

Great Falls, Montana

Montana has an assessed rate of 3.5% for property tax calculations and the current levy rate for real property is 577.2 per \$1,000 of taxable value. Montana offers an incentive for qualifying businesses to obtain an exemption on real property taxes for the first ten years of operation according to the schedule below. It is assumed the Subject business qualifies and takes advantage of this incentive program for the full ten-year period.

Year 1	50%	Year 6	40%
Year 2	50%	Year 7	30%
Year 3	50%	Year 8	20%
Year 4	50%	Year 9	10%
Year 5	50%	Year 10	0%

Montana imposes a tax only on depreciable personal property. Montana uses its own depreciation schedules. The applicable schedule for determining the appropriate depreciation factors depends on the classification of the equipment under Montana statute. Montana offers an abatement program for agricultural processing businesses that exempts all personal property from being taxed. For this reason no calculation of personal property taxes were included in the analysis of Montana property taxes.

Omaha, Nebraska

Nebraska has an assessed rate of 100% for property tax calculations and the current levy rate for real property is 2.5873 per \$100 of taxable value. Based on research and conversations with applicable state and local representatives, no incentive programs for real estate taxes were found for this location.

Nebraska imposes a tax only on depreciable personal property. Nebraska uses the federal income tax modified asset cost recovery system (MACRS) for determining the appropriate depreciation factors. Nebraska offers an abatement program for new or expanding businesses that exempts all personal property from being taxed after the date of qualification. It is assumed that the Subject business qualifies for this abatement program. For this reason, a calculation of personal property taxes was not included in this analysis of the Nebraska property taxes.

Greeley, Colorado

Colorado has an assessed rate of 29% for property tax calculations and the current levy rate for real property is 89.876 per \$1,000 of taxable value. Based on research and conversations with applicable state and local representatives, no incentive programs for real estate taxes were found for this location.

Colorado imposes a tax on personal property. However, for the Subject business an abatement program is available that exempts all personal property purchased for the use in the production process from being taxed. It is assumed that the Subject business will take full advantage of this program. Based on this assumption, a calculation of personal property taxes was not included in the analysis of Colorado property taxes.

Chicago, Illinois

Illinois has an assessed rate of 36% for property tax calculations and the current levy rate for real property is 7.692 per \$100 of taxable value. Chicago also imposes a real estate transfer tax when the real estate is purchased. The real estate transfer tax is calculated by taking the purchase price divided by \$500 to get to the taxable value. The taxable value is then multiplied by \$3.75 to get the real estate transfer tax.

Illinois does not impose a tax on personal property.

No incentive programs were found for the city of Chicago, Cook County, or the state of Illinois for property taxes.

San Jose, California

California has an assessed rate of 100% for property tax calculations and the current levy rate for real property is 0.011 per \$1 of taxable value.

California imposes a tax on personal property. California calculates personal property taxes slightly different than the rest of the locations in this study. California's formula produces a constant tax and the formula is as follows: fair market value of the property times the mill levy rate. The mill levy rate for personal property is 1.2% and according to the Santa Clara County assessor's office, this levy rate is a constant levy rate and will not increase.

No incentive programs were found for the city of San Jose, Santa Clara County, or the state of California for property taxes.

Richmond, Virginia

Virginia has an assessed rate of 100% for property tax calculations and the current levy rate for real property is 1.38975 per \$100 of taxable value. Virginia offers an incentive for qualifying businesses to obtain an exemption on real property taxes through negotiations with local authorities. Based on the research, it is assumed that the Subject business will negotiate to and receive a 50% exemption of the applicable real property taxes for a period of ten years.

Virginia imposes a tax on personal property and uses the general personal property tax formula described above. The mill levy for personal property for the Subject business is \$1.00 per \$100. There were no incentive or abatement programs found for personal property taxes for this location.

Unemployment Insurance

(See Appendix C for the calculation of the estimated costs)

Location	Unemployment Insurance	Rank
Sioux Falls, South Dakota	\$ 155,733	1
Richmond, Virginia	\$ 237,714	2
Greeley, Colorado	\$ 249,414	3
Omaha, Nebraska	\$ 282,852	4
San Jose, California	\$ 362,061	5
Eau Claire, Wisconsin	\$ 363,174	6
Bismarck, North Dakota	\$ 369,391	7
Chicago, Illinois	\$ 416,058	8
Des Moines, Iowa	\$ 422,123	9
Edina, Minnesota	\$ 447,474	10
Great Falls, Montana	\$ 498,587	11

Unemployment insurance is a form of social insurance designed to provide unemployment benefits to help workers replace some of their lost wages after they have become unemployed through no fault of their own, such as by a layoff. The benefits allow workers enough time to look for a job reasonably similar to the one they had. It also helps an employer by keeping experienced workers in the area and available to return to the employer when times get better. Finally, it helps the entire community during an economic downturn, because unemployment benefits are spent locally to buy food, clothing, and other necessities of life that local merchants sell. Unemployment insurance taxes are required to be paid by an employer. The tax is based on a formula that uses the employer's past experience with the unemployment of its workers, and the size of its payroll as a measure of its potential risk of unemployment.

Assumptions

The assumptions regarding unemployment insurance for the Subject business are as follows:

- ❖ The Subject will employ persons for the ten-year period as found in the schedule below. These employee numbers are based on the same information as provided for determining the workers' compensation premiums.

	Number of Employees	
	Salaried	Hourly
Year 1	15	50
Year 2	12	100
Year 3	12	135
Year 4	12	139
Year 5	12	143
Year 6	13	147
Year 7	13	151
Year 8	14	156
Year 9	14	161
Year 10	14	166

- ❖ It is assumed the federal and state salary limits will be held constant for the entire ten-year period of the analysis. It must be noted that some states increase their salary limit annually. For example, North Dakota and Minnesota generally increase their salary limits every one or two years. However, because of the uncertainty of these adjustments, this adjustment has been disregarded in the comparison and calculation of estimated costs.
- ❖ It is assumed the federal unemployment tax rate will be held constant over the ten-year period of the analysis. The current federal unemployment tax rate is 0.80% on the first \$7,000 of wages for each employee.
- ❖ The state unemployment tax rate varies by state. The unemployment tax rate that was used in the calculations is called the new employer rate. Typically, this rate would only be used for businesses during their first few years of operations. After the time period for using the new employer rate has expired an “experience rate” will be used. The new employer time period has typically been one to five years. Each state has its own formula for calculating the experience rate for a business, usually based on the balance owed to the state, payroll size, the business’ potential risk of unemployment, and the past experience with the unemployment of its workers. For purposes of this analysis, each state provided an estimated average experience rate for businesses in their state. The analysis assumed that the experience rate became effective after the new employer had expired and were held constant for the remaining term of the study.

State	Unemployment Ins. Rates		# of Years	Wage Base
	New	Experience	"New" Rate is	
North Dakota	2.08%	0.94%	2	18,000
South Dakota	1.2% (see Note 2)	0.61%	3	7,000
Iowa	1.036%	1.27%	4	19,200
Wisconsin	3.25%	1.40%	3	10,500
Minnesota	1.42%	1.08% (see Note 3)	2	22,000
Montana	1.63% (see Note 1)	1.37%	3	19,700
Nebraska	3.50%	1.86%	1	7,000
Colorado	1.70%	1.10%	1	10,000
Illinois	3.30%	2.28%	3	9,000
California	3.40%	2.50%	3	7,000
Virginia	2.50%	0.975%	3	8,000

Note 1: Montana has a different new employer rate for each industry. The new employer rate for an ag processing company is 1.63%.

Note 2: South Dakota has a new employer rate of 1.2% for year one and 1.0% for years two and three.

Note 3: Minnesota has a surcharge to provide funds to pay interest on anticipated loans from the Federal government because of borrowing to keep their UI Trust Fund solvent. That surcharge has been calculated into the full "experience rate" period, as conversations with Minnesota UI officials indicated.

Note 4: "Highlights of State Unemployment Compensation Laws" January 2002, published by the National Foundation for Unemployment Compensation and Workers’ Compensation, notes that several of the comparative states have surtaxes under their State unemployment insurance laws for various purposes. In responding to questions for this analysis, several of the states did not identify such surtaxes. However, the reader is cautioned that such surtaxes could apply and ultimately increase the cost of insurance.

- ❖ It is assumed the federal unemployment tax rate will be held constant over the ten-year period of the analysis. The current federal unemployment percentage is 0.80% on the first \$7,000 of wages for each employee.
- ❖ Research indicates the basic formula for calculating state unemployment taxes is the same for every state. The following formula has been used for calculating the federal and state unemployment taxes for each location:
 - Multiply the number of employees by the salary limit and then multiply by the unemployment tax rate.
 - Add both the federal unemployment taxes and the state unemployment taxes to get the total unemployment taxes.

None of the communities in this analysis offered an incentive for this cost. Therefore, the only difference in the costs is a direct result of the differences in the unemployment tax rates of each state.

Bismarck, North Dakota

The current tax rate for new companies is 2.08% of the first \$18,000 of wages for each employee. The new employer rate applies for the first two years, after that an experience rate is applied based on the balance owed and benefits paid.

Sioux Falls, South Dakota

The current tax rate for new companies is 1.20% of the first \$7,000 of wages for each employee. The new employer rate applies for the first three years of business, after that an experience rate is applied based on the following factors: amount of taxable payroll for the last three years, contributions paid in, claims paid out, interest credited/pool charges, and the reserve ratio (set by the South Dakota Legislature).

Des Moines, Iowa

The current tax rate for new companies is 1.04% of the first \$19,200 of wages for each employee. The new employer rate applies for the first five years of business, after that an experience rate is applied based on the following factors: total funds available to pay benefits on the rate computation date, the total wages paid by all contributory employers during the first four of the five calendar quarters immediately preceding the rate computation date, and the highest 12 consecutive month benefit cost ratio during the ten-year period ending on the rate computation date.

Eau Claire, Wisconsin

The current tax rate for new companies is 3.25% of the first \$10,500 of wages for each employee. The new employer rate applies for the first three years of business, after that an experience rate is applied based on the activity in the business' unemployment insurance account.

Edina, Minnesota

The current tax rate for new companies is 1.42% of the first \$22,000 of wages for each employee. The new employer rate applies for the first five years of business, after that an experience rate is applied and is determined by the State of Minnesota.

Great Falls, Montana

The current tax rate for new companies is 1.63% of the first \$19,700 of wages for each employee. The new employer rate applies for the first three years of business, after that an experience rate is applied based on the contributions made in the past and the business' reserve ratio.

Omaha, Nebraska

The current tax rate for new companies is 3.50% of the first \$7,000 of wages for each employee. The new employer rate applies for the first two years of business, after that an experience rate is applied based on the business' reserve ratio.

Greeley, Colorado

The current tax rate for new companies is 1.70% of the first \$10,000 of wages for each employee. The new employer rate applies for the first year of business, after that an experience rate is applied based on the reserve in the employer's experience rating account and the balance in the unemployment insurance trust fund on July 1 of each year.

Chicago, Illinois

The current tax rate for new companies is 3.30% of the first \$9,000 of wages for each employee. The new employer rate applies for the first three years of business, after that an experience rate is applied based on the business' benefit ratio.

San Jose, California

The current tax rate for new companies is 3.40% of the first \$7,000 of wages for each employee. The new employer rate applies for the first three years of business, after that an experience rate is applied. It could not be determined how the experience rate is calculated.

Richmond, Virginia

The current tax rate for new companies is 2.50% of the first \$8,000 of wages for each employee. Information pertaining to the time period for the new employer rate and how the experience rate is calculated could not be determined.

Sales and Use Tax

(See Appendix D for the calculation of the estimated costs)

<u>Location</u>	<u>Sales & Use Tax</u>	<u>Rank</u>
Great Falls, Montana	\$ -	1
Bismarck, North Dakota	\$ 60,000	2
Omaha, Nebraska	\$ 70,000	3
Richmond, Virginia	\$ 337,500	4
Eau Claire, Wisconsin	\$ 412,500	5
Greeley, Colorado	\$ 501,500	6
Des Moines, Iowa	\$ 510,000	7
Edina, Minnesota	\$ 552,500	8
San Jose, California	\$ 701,250	9
Chicago, Illinois	\$ 765,000	10
Sioux Falls, South Dakota	\$ 2,400,000	11

Assumptions

The assumptions regarding the calculation of each community's sales and use tax was that the Subject business would purchase \$25 million of new processing equipment and \$1 million of non-processing equipment in the first year of operations. In year three, the company would expand its operations by adding \$6,500,000 of processing equipment, all of which would be used directly in the business process. The sales and use tax analysis for equipment was, therefore, performed for the first and third years only. Any purchases of equipment or other merchandise in year two and years four through ten were not included or looked at in this analysis.

All states in this analysis, except Nebraska, North Dakota and Montana apply a sales and use tax to construction materials. It was, therefore, assumed that 60% of the total building cost would be apportioned to construction materials and taxed accordingly.

All states in this analysis, except Montana, apply sales and use tax to certain purchases used in the company's normal operations, e.g., supplies, utilities, and software. Some states will apply a reduced rate or exempt certain items, such as electricity, water, and telephone, from this tax. Given that specific operating results were not projected for the Subject business, this analysis has not included the tax on consumable items in the calculation of the sales and use tax. The applicable rates and exempted property are available for most states on their individual web sites.

It is assumed that every city, county and state add their applicable sales and use tax percentages to produce an effective sales and use tax percentage, and the taxes are paid directly to a combination of the city, county, or state governments. All sales and use tax were calculated by taking the effective sales and use tax percentage multiplied by the value of the merchandise or equipment purchased. This formula was used for the sales and use tax applicable to Subject business in its first year of operation. The following page contains a schedule of the city, county, and state sales and use tax percentages and the combined effective sales and use tax percentage.

Sales and Use Tax Breakdown

	State Sales & Use Tax Rate	City and/or County Sales Tax Rate	Effective Sales Tax Percentage
Bismarck, North Dakota	5.00%	1.00%	6.00%
Sioux Falls, South Dakota	4.00%	2.00%	6.00%
Des Moines, Iowa	5.00%	1.00%	6.00%
Eau Claire, Wisconsin	5.00%	0.50%	5.50%
Edina, Minnesota	6.50%	0.00%	6.50%
Great Falls, Montana	0.00%	0.00%	0.00%
Omaha, Nebraska	5.50%	1.50%	7.00%
Greeley, Colorado	2.90%	3.00%	5.90%
Chicago, Illinois	6.25%	2.75%	9.00%
San Jose, California	7.25%	1.00%	8.25%
Richmond, Virginia	3.50%	1.00%	4.50%

Research showed that every state has an exemption for equipment purchased for an agricultural processing plant. The one exception is South Dakota, which does not have an exemption for either the first year or the expansion in year three.

Bismarck, North Dakota

The City of Bismarck has a 1% city sales tax on all purchases of personal property not exempted by other state or local programs. This sales tax is capped at \$25 for any single purchase and would apply to the computer equipment purchased in year one and all other purchases of personal property. However, this cap limitation was not considered in calculating the applicable sales and use tax since the individual purchase order size and the number of purchases could not be estimated.

State Income Taxes

(See Appendix E for the calculation of the estimated costs)

Location	State Income Tax	Rank
Sioux Falls, South Dakota	\$ -	1
Omaha, Nebraska	\$ 731,455	2
Bismarck, North Dakota	\$ 2,784,011	3
Greeley, Colorado	\$ 3,160,364	4
Chicago, Illinois	\$ 3,407,166	5
San Jose, California	\$ 3,678,347	6
Richmond, Virginia	\$ 3,745,145	7
Great Falls, Montana	\$ 4,607,443	8
Des Moines, Iowa	\$ 4,868,204	9
Eau Claire, Wisconsin	\$ 5,029,857	10
Edina, Minnesota	\$ 5,564,939	11

Assumptions

There are many differences between the net income of a business and its taxable income. Some of these differences are due to different accounting procedures or additional deductions. For the purpose of this analysis, it is assumed that net income for the Subject business will be the same as its taxable income. One deduction, the state income tax deduction, has been incorporated into the analysis of the federal income taxes.

The analysis assumes a net profit of \$1,050,000 for the first year of operation, a net profit of \$2,800,000 for the second year of operation, and a net profit of \$6,235,000 for the third year of operation. For years four through ten, it is assumed that the Subject's net income will increase at an annual rate of 3%.

Apportionment

Corporations that conduct business in more than one state must determine the portion of its net income that is subject to tax in each state by using an apportionment factor. Apportionment is a means by which the company's income is divided among the states in which business is conducted. There is a general formula for calculating the apportionment factor to be applied to corporation taxable income:

$$\begin{aligned}
 & \text{Sales within a state divided by total corporate sales} && = \text{Sales Factor} \\
 + & \text{Payroll within a state divided by total corporate payroll} && = \text{Payroll Factor} \\
 + & \text{Property within a state divided by total corporate property} && = \text{Property Factor} \\
 & \text{Apportionment Factor} && = \text{Sum of Factors} / 3
 \end{aligned}$$

The above formula is used by a majority of the states in this analysis. However, there are differences such as some states weigh the sales factor more heavily, while other states use only the sales factor. For the states in this analysis, the applicable formulas are found below. It must be noted that the property within a state includes fixed assets, inventories, and rent payments. The factors and calculation of the applicable apportionment percentage are found in Appendix E.

Apportionment Formulas by State

- North Dakota follows the general apportionment factor formula.
- South Dakota does not impose a state corporate income tax and thus no apportionment.
- Iowa only uses the sales factor for the apportionment computation in calculating corporate income taxes.
- Wisconsin follows the general apportionment factor formula, except it weighs sales twice as heavily as the payroll or property factor.
- Minnesota's apportionment formula is:
$$\text{App. Factor} = (\text{Sales Factor} \times 75\%) + (\text{Payroll Factor} \times 12.5\%) + (\text{Prop. Factor} \times 12.5\%)$$
- Montana follows the general apportionment factor formula.
- Nebraska only uses the sales factor for the apportionment computation in calculating corporate income taxes.
- Colorado follows the general apportionment factor formula.
- Illinois only uses the sales factor for the apportionment computation in calculating corporate income taxes.
- California follows the general apportionment factor formula, except it weighs sales twice as heavily as the payroll or property factor.
- Virginia follows the general apportionment factor formula, except it weighs sales twice as heavily as the payroll or property factor.

Tax Calculations

Most state income taxes are calculated by taking the business' taxable income times the applicable state income tax rate. However, some states compute income taxes similar to the federal income tax calculation. In this analysis, three states computed state income taxes by using tax brackets. These states were North Dakota, Iowa, and Nebraska. A description of how to calculate the state income taxes for these states is found on the next page.

State income taxes also allow additional deductions that are not deductible for federal income tax purposes. Any special state income tax incentives offered by the state have been included in calculating the state's income tax liability if such incentives are applicable to the circumstances of the Subject business. These state incentives include:

Bismarck, North Dakota

North Dakota offers a five-year state income tax abatement for qualified new businesses.

Des Moines, Iowa

Iowa has a new jobs tax credit for businesses increasing the number of jobs by 10%. The credit is \$1,152 per new employee.

Eau Claire, Wisconsin

Wisconsin has a fuel tax credit for fuel and electricity used in a manufacturing process. The credit was not applied since operating assumptions were not considered in this analysis.

Great Falls, Montana

The state of Montana offers a New or Expanding Industry Wage Credit for manufacturing businesses. The credit is 1% of the wages paid to new employees for the first three years of operation.

Omaha, Nebraska

Nebraska has an Employment and Investment Growth Act that offers a state income tax credit of 5% of the taxable wages for 30 or more new full-time equivalent employees. In addition, the state offers a 10% earned investment credit on qualified property and a credit refund on sales and use tax paid on otherwise non-refundable purchases.

Chicago, Illinois

Illinois offers a 5% credit for investing in a processing business, plus a 5% credit if employment is increased over 1%.

San Jose, California

California offers a Manufacturer's Investment Credit (available to agricultural processing) of 6% of the cost of qualified property.

Richmond, Virginia

The state of Virginia offers a Major Business Facility Job Tax Credit for new jobs over 100. The state income tax credit is equal to \$1,000 for each new job over the qualifying number.

Incentives, Credits and Abatements

Several states offer additional incentive, credit and abatement programs tied to specific qualifying requirements, e.g., locating in Enterprise Zones. Programs that have specific qualifying conditions were not included in this analysis if those conditions required approval by one or more boards and the approval was not routinely given. In addition, other incentive programs were not included if they required specific company actions or additional conditions, and such actions were beyond the assumptions of this analysis. However, the impact to the overall cost of doing business in some communities could be significantly lower if the business took advantage of these special incentives.

Federal Taxes

In addition to the special incentives offered by the various states, a deduction for federal income taxes has been included if that deduction applies in calculating the state tax. Only two states have a deduction for federal income taxes. North Dakota allows 100% of federal income taxes to be deducted and Iowa allows 50% of the federal income taxes to be deducted. These deductions have been included in calculating the income taxes in those states.

It is assumed that these federal and state income tax rates will be held constant throughout the ten-year period of the analysis. The federal taxes have been computed on the following tax rate schedule:

Tax Rate on excess over Base Taxable Income	Base Taxable Income	Tax on Base
35.00%	\$ 18,333,333	\$ 6,416,667
38.00%	\$ 15,000,000	\$ 5,150,000
35.00%	\$ 10,000,000	\$ 3,400,000
34.00%	\$ 335,000	\$ 113,900
39.00%	\$ 100,000	\$ 22,250
34.00%	\$ 75,000	\$ 13,750
25.00%	\$ 50,000	\$ 7,500
15.00%	-	-

The state income tax rates as of January 1, 2002, are as follows:

State	Tax Rate
California	8.84
Colorado	4.63
Illinois	7.3
Iowa	6.0 - 12.0
Minnesota	9.8
Montana	6.75
Nebraska	5.58 - 7.81
North Dakota	3.0 - 10.5
South Dakota	---
Wisconsin	7.9
Virginia	6

Bismarck, North Dakota

State income taxes for North Dakota are calculated much like the federal income taxes. A 100% deduction for federal income taxes is allowed in the state of North Dakota. Therefore, before determining the appropriate tax bracket, the federal income taxes are subtracted from taxable income. This will become the state taxable income level in North Dakota for the purpose of this analysis.

After the state taxable income level is determined, the procedure for calculating the state income taxes is identical to the procedure for calculating federal income taxes. A business will first determine its tax bracket. Then the business will multiply the tax rate for that bracket by the business' taxable income less the base taxable income for its tax bracket. This product will then be added to the taxes on the base taxable income for the total North Dakota state income taxes. The tax rate schedule for North Dakota is found below:

Tax Rate on excess over Base Taxable Income	Base Taxable Income	Tax on Base
10.50%	\$ 50,000	\$ 3,585
9.00%	\$ 30,000	\$ 1,785
7.50%	\$ 20,000	\$ 1,035
6.00%	\$ 8,000	\$ 315
4.50%	\$ 3,000	\$ 90
3.00%	\$ -	\$ -

Des Moines, Iowa

State income taxes for Iowa are also calculated much like the federal income taxes. A 50% deduction for federal income taxes is allowed for Iowa state income taxes. Therefore, before determining the appropriate tax bracket, 50% of the federal income taxes are subtracted from taxable income. This will become the state taxable income level in Iowa for the purpose of this analysis.

After the state taxable income level is determined, a business will establish into which bracket it fits. Then the business will multiply the tax rate for that bracket by the business' taxable income less the base taxable income for its tax bracket. This product will then be subtracted by the applicable amount in the Iowa tax schedule to determine the Iowa state income taxes. Below is the tax rate schedule for Iowa:

Tax Rate	If Taxable Income is greater than ...	Amount to Subtract from Base Tax
12.00%	\$ 250,000	\$ 7,500
10.00%	\$ 100,000	\$ 2,500
8.00%	\$ 25,000	\$ 500
6.00%	\$ -	\$ -

Omaha, Nebraska

State income taxes for Nebraska are also calculated much like the federal income taxes. A deduction for federal income taxes is not allowed for Nebraska state income taxes. Therefore, a business will first determine which bracket it is in. Then the business will multiply the tax rate for that bracket by the business' taxable income less the base taxable income for its tax bracket. This product will then be added to the taxes on the base taxable income for the total Nebraska state income taxes. Below is the tax rate schedule for Nebraska:

Tax Rate	If Taxable Income is greater than ...		Tax on Base
7.81%	\$	50,000	\$ 2,790
5.58%	\$	-	\$ -

Workers' Compensation Insurance

(See Appendix F for the calculation of the estimated costs)

Location	Workers' Compensation Insurance	Rank
Bismarck, North Dakota	\$ 1,204,785	1
Richmond, Virginia	\$ 2,871,744	2
Eau Claire, Wisconsin	\$ 2,980,204	3
Des Moines, Iowa	\$ 3,230,782	4
Edina, Minnesota	\$ 3,297,926	5
Great Falls, Montana	\$ 3,497,728	6
Sioux Falls, South Dakota	\$ 4,010,467	7
Chicago, Illinois	\$ 4,481,053	8
San Jose, California	\$ 6,462,725	9
Greeley, Colorado	\$ 8,224,036	10
Omaha, Nebraska	\$ 11,407,838	11

In most states, employers are required to handle their statutory workers' compensation liability by purchasing an insurance policy from a private insurer. If a company is large enough, many states allow an employer to self-insure this liability, and those particular requirements vary considerably state by state. But generally, this option is only viable for employers with very large state payrolls. Most employers need to buy an insurance policy to cover this exposure. However, there are four states that require businesses to purchase their insurance for workers' compensation from a state fund, including North Dakota, Ohio, West Virginia, and Wyoming. Because workers' compensation is a requirement for a business in every state, it is assumed that there are not any incentives relating to a reduction or elimination of workers' compensation insurance in any state, for new or existing businesses, during the analysis period.

The basic method of calculating a business' workers' compensation insurance premium is to multiply the remuneration figure of a business by a rate per one hundred dollars. The most common remuneration figure is payroll. There are different classifications, which apply to different industries, and each classification will carry its own particular rate per hundred dollars of payroll. The theory is that the rate should vary to reflect the varying exposure to injury of different kinds of work. For example, a bank teller is normally subject to considerably less workplace risk of injury than is a steelworker, thus the rate for the bank teller's classification code will be much lower than the rate for the steelworker's classification code. There are a couple of workplace exposures that are normally broken out into their own classifications for calculating the premium. The most common one is a clerical employee, which is generally an office employee not involved in the production of the actual product. For the Subject business, the classification codes provided by the National Council on Compensation Insurance (NCCI) have been used. Currently, the classification codes applicable to the Subject business are as follows:

Code	–	Description
8810	–	Clerical employees
2039	–	Manufacturing of ice cream and other frozen dairy products

Other adjustments to the premium are typically made to lower or raise the premium based on the specific activities of the business. The most common adjustments are (1) a modification factor, (2) a premium discount, and (3) assigned risk adjustments. A modification factor is based on experience, level of payroll, the number of claims that are filed each year in the business' industry, and the current account balance owed to the state or insurance carrier. A premium discount is simply a size discount, based on the size of the premium. Assigned risk adjustments are typically due to a mechanism set up by the state so that the business can obtain workers' compensation insurance even when private insurance companies are not willing to write such insurance on a voluntary basis. These adjustments have not been included in this analysis because of the variability of these factors.

Assumptions

The assumptions for the calculation of workers' compensation insurance is that the Subject business will employ 15 salaried employees with an average salary of \$45,000 a year and 50 hourly employees with an average wages of \$30,000 a year. For year two, it is assumed that the Subject business will employ 12 salaried employees and 100 hourly employees with wages of \$50,000 a year and \$30,000 a year, respectively. For year three, it is assumed the Subject business will employ 12 salaried employees and 135 hourly employees with wages of \$50,000 a year and \$34,000 a year respectively. For years four through ten, it is assumed that the Subject's employees and their respective salaries will increase on an annual basis of 3% a year.

It is assumed that the insurance rates for workers' compensation premiums will remain constant over the next ten years. It is also assumed that all states that are members of the National Council on Compensation Insurance (NCCI) do not have payroll limitations. At the time of this analysis, the states included in the analysis that were not members of NCCI were North Dakota, Wisconsin, and California. Of these three states, North Dakota was the only state with a payroll limitation of \$17,400 in 2002. For purposes of this analysis, this payroll limit was increased by an average of 3% every two years.

Research indicated that none of the locations offered an incentive for workers' compensation insurance.

Bismarck, North Dakota

Per a phone conversation with the North Dakota Workers' Compensation office, North Dakota's workers' compensation rate for NCCI code 8810 is \$0.31 and for the NCCI Code 2039 the rate is \$4.85.

Sioux Falls, South Dakota

Per a phone conversation with an NCCI representative, South Dakota's workers compensation rate for NCCI code 8810 was \$0.45 and for the NCCI Code 2039 the rate is \$7.96.

Des Moines, Iowa

Per a phone conversation with an NCCI representative, Iowa's workers' compensation rate for NCCI code 8810 is \$0.38 and for the NCCI Code 2039 the rate is \$6.41.

Eau Claire, Wisconsin

According to the Wisconsin Compensation Rating Bureau's web site, Wisconsin's workers' compensation rate for NCCI code 8810 is \$0.30 and for the NCCI Code 2039 the rate is \$5.92.

Edina, Minnesota

According to the Minnesota Workers' Compensation Insurer's Association web site, Minnesota's workers' compensation rate for NCCI code 8810 is \$0.34 and for the NCCI Code 2039 the rate is \$6.55.

Great Falls, Montana

Per a phone conversation with a Montana State Fund representative, Montana's workers' compensation rate for NCCI code 8810 is \$0.55 and for the NCCI Code 2039 the rate is \$6.92.

Omaha, Nebraska

Per a phone conversation with a Traveler's Insurance representative, Nebraska's workers' compensation rate for NCCI code 8810 is \$0.52 and for the NCCI Code 2039 the rate is \$22.75.

Greeley, Colorado

Per a phone conversation with a Pinnacle Insurance representative, Colorado's workers' compensation rate for NCCI code 8810 is \$0.38 and for the NCCI Code 2039 the rate is \$16.40.

Chicago, Illinois

Per a phone conversation with an NCCI representative, Illinois' workers' compensation rate for NCCI code 8810 is \$0.39 and for the NCCI Code 2039 the rate is \$8.91.

San Jose, California

According to the Workers' Compensation Insurance Rating Bureau of California's web site, California's workers' compensation rate for NCCI code 8810 is \$1.20 and for the NCCI Code 2039 the rate is \$12.76.

Richmond, Virginia

Per a phone conversation with a NCCI representative, Virginia's workers' compensation rate for NCCI code 8810 is \$0.18 and for the NCCI Code 2039 the rate is \$5.72.

APPENDIX A – COMPARATIVE COST SCHEDULES

SUMMARY OF TOTAL COSTS

Location	Real Estate Taxes	Rank	Unemployment Insurance	Rank	Sales & Use Tax	Rank	Income Taxes	Rank	Workers' Compensation Insurance	Rank	Present Value Total (discount rate 6%)
Bismarck, North Dakota	\$ -	1	\$ 369,391	7	\$ 60,000	2	\$ 2,784,011	3	\$ 1,204,785	1	\$ 2,922,344
Sioux Falls, South Dakota	\$ 3,310,124	4	\$ 155,733	1	\$ 2,400,000	11	\$ -	1	\$ 4,010,467	7	\$ 7,341,778
Richmond, Virginia	\$ 3,125,551	3	\$ 237,714	2	\$ 337,500	4	\$ 3,745,145	7	\$ 2,871,744	2	\$ 7,489,083
Great Falls, Montana	\$ 2,336,937	2	\$ 498,587	11	\$ -	1	\$ 4,607,443	8	\$ 3,497,728	6	\$ 7,680,200
Eau Claire, Wisconsin	\$ 3,580,049	5	\$ 363,174	6	\$ 412,500	5	\$ 5,029,857	10	\$ 2,980,204	3	\$ 8,873,919
Des Moines, Iowa	\$ 3,911,701	6	\$ 422,123	9	\$ 510,000	7	\$ 4,868,204	9	\$ 3,230,782	4	\$ 9,259,978
Chicago, Illinois	\$ 4,815,744	9	\$ 416,058	8	\$ 765,000	10	\$ 3,407,166	5	\$ 4,481,053	8	\$ 9,985,669
Edina, Minnesota	\$ 5,964,760	11	\$ 447,474	10	\$ 552,500	8	\$ 5,564,939	11	\$ 3,297,926	5	\$ 11,358,333
San Jose, California	\$ 5,530,341	10	\$ 362,061	5	\$ 701,250	9	\$ 3,678,347	6	\$ 6,462,725	9	\$ 11,808,558
Omaha, Nebraska	\$ 4,409,321	7	\$ 282,852	4	\$ 70,000	3	\$ 731,455	2	\$ 11,407,838	11	\$ 11,817,483
Greeley, Colorado	\$ 4,441,878	8	\$ 249,414	3	\$ 501,500	6	\$ 3,160,364	4	\$ 8,224,036	10	\$ 11,825,853

PROPERTY TAXES COMPARISON

Location	Mill Levy	Rate Per \$1/\$10/ \$100/\$1,000	Real Property		Personal Property		Total Tax Pain in 10 Years
			Assessed Rate (if applicable)	Incentive Program Available	Incentive Program Available	Deprec. Factor (if applicable)	
Bismarck, North Dakota	48.37200	1,000	None	None	See Note 1	N/A	\$ -
Sioux Falls, South Dakota	25.75700	1,000	None	None	See Note 1	N/A	\$ 3,310,124
Des Moines, Iowa	44.42500	1,000	None	None	See Note 1	N/A	\$ 3,911,701
Eau Claire, Wisconsin	21.00700	1,000	None	None	None	Yes	\$ 3,580,049
Edina, Minnesota	0.03500	1	None	None	See Note 2	N/A	\$ 5,964,760
Great Falls, Montana	577.20000	1,000	None	None	None	Yes	\$ 2,336,937
Omaha, Nebraska	2.58730	100	None	None	See Note 3	N/A	\$ 4,409,321
Greeley, Colorado	89.87600	1,000	None	None	See Note 4	N/A	\$ 4,441,878
Chicago, Illinois	7.69200	100	None	None	See Note 1	N/A	\$ 4,815,744
San Jose, California	0.01200	1	None	None	None	No	\$ 5,530,341
Richmond, Virginia	3.50000	100	None	None	None	Yes	\$ 3,125,551

Note 1: These states do not impose a tax on personal property.

Note 2: Minnesota offers an abatement program that exempts all personal property from being taxed for the first 10 to 20 years of operation.

Note 3: Nebraska offers an abatement program for new or expanding businesses that exempts all personal property from being taxed after the date of qualification.

Note 4: Colorado offers an abatement program that exempts all personal property that will be used in the income producing process from being taxed.

UNEMPLOYMENT TAX COMPARISON

<u>State</u>	<u>Unemployment Ins. Rates</u>		<u># of Years</u>	<u>Wage Base</u>	<u>Total Tax</u>	<u>Pain in</u>	<u>10 Years</u>
	<u>New</u>	<u>Experience</u>	<u>"New" Rate is</u>				
North Dakota	2.08%	0.94%	2	18,000	\$		369,391
South Dakota	1.2% (see Note 2)	0.61%	3	7,000	\$		155,733
Iowa	1.036%	1.27%	4	19,200	\$		422,123
Wisconsin	3.25%	1.40%	3	10,500	\$		363,174
Minnesota	1.42%	1.08% (see Note 3)	2	22,000	\$		447,474
Montana	1.63% (see Note 1)	1.37%	3	19,700	\$		498,587
Nebraska	3.50%	1.86%	1	7,000	\$		282,852
Colorado	1.70%	1.10%	1	10,000	\$		249,414
Illinois	3.30%	2.28%	3	9,000	\$		416,058
California	3.40%	2.50%	3	7,000	\$		362,061
Virginia	2.50%	0.975%	3	8,000	\$		237,714

Note 1: Montana has a different new employer rate for each industry. The new employer rate for an ag processing company is 1.63%.

Note 2: South Dakota has a new employer rate of 1.2% for year one and 1.0% for years two and three.

Note 3: Minnesota has a surcharge to provide funds to pay interest on anticipated loans from the Federal government because of borrowing to keep their UI Trust Fund solvent. That surcharge has been calculated into the full "experience rate" period, as conversations with Minnesota UI officials indicated.

Note 4: "Highlights of State Unemployment Compensation Laws" January 2002, published by the National Foundation for Unemployment Compensation and Workers' Compensation, notes that several of the comparative states have surtaxes under their State unemployment insurance laws for various purposes. In responding to questions for this analysis, several of the states did not identify such surtaxes. However, the reader is cautioned that such surtaxes could apply and ultimately increase the cost of insurance.

SALES AND USE TAX COMPARISON

	State Sales Tax Rate	Local Sales Tax Rate	Effective Sales Tax Rate	Exemption for Machinery and Equip.	Exemption for Computer Equip.	Exemption for Construction Materials	Total Tax Paid in 10 Years
Bismarck, North Dakota	5.00%	1.00%	6.00%	Yes	No	Yes	\$ 60,000
Sioux Falls, South Dakota	4.00%	2.00%	6.00%	No	No	No	\$ 2,400,000
Des Moines, Iowa	5.00%	1.00%	6.00%	Yes	No	No	\$ 510,000
Eau Claire, Wisconsin	5.00%	0.50%	5.50%	Yes	Yes	No	\$ 412,500
Edina, Minnesota	6.50%	0.00%	6.50%	Yes	No	No	\$ 552,500
Great Falls, Montana	0.00%	0.00%	0.00%	Yes	Yes	Yes	\$ -
Omaha, Nebraska	5.50%	1.50%	7.00%	Yes	No	Yes	\$ 70,000
Greeley, Colorado	2.90%	3.00%	5.90%	Yes	No	No	\$ 501,500
Chicago, Illinois	6.25%	2.75%	9.00%	Yes	No	No	\$ 765,000
San Jose, California	7.25%	1.00%	8.25%	Yes	No	No	\$ 701,250
Richmond, Virginia	3.50%	1.00%	4.50%	Yes	Yes	No	\$ 337,500

STATE INCOME TAXES COMPARISON

State	Tax Rate	Apportionment Percentage	Incentive Programs	Total Tax Paid in 10 Years
North Dakota	3.0%-10.5%	2.10%	Note 6	\$ 2,784,011
South Dakota	0.00%	0.00%		\$ -
Iowa	6.0%-12.0%	0.89%	Note 3	\$ 4,868,204
Wisconsin	7.90%	1.80%	Note 7	\$ 5,029,857
Minnesota	9.80%	1.34%		\$ 5,564,939
Montana	6.75%	2.10%	Note 4	\$ 4,607,443
Nebraska	5.58%-7.81	0.89%	Note 5	\$ 731,455
Colorado	4.63%	2.10%		\$ 3,160,364
Illinois	7.30%	0.89%	Note 2	\$ 3,407,166
California	8.84%	1.80%	Note 1	\$ 3,678,347
Virginia	6.00%	1.80%	Note 8	\$ 3,745,145

Note 1: Tax credit of 6% of the cost of qualified property

Note 2: 5% credit for manufacturing business, plus 5% if employment is increased by 1%

Note 3: 10% credit for increasing jobs by 10% - \$1,152 per qualified employee

Note 4: Tax credit of 1% of wages paid to new employees for three years

Note 5: 5% tax credit for 30 or more new employees, plus 10% credit for qualified property,
plus refund on sales and use tax paid on qualified purchases

Note 6: Five-year income tax abatement

Note 7: Fuel tax credit for energy used in manufacturing process

Note 8: New jobs credit of \$1,000 per new job over 100

WORKERS' COMPENSATION INSURANCE COMPARISON

	Rate for Salaried Positions	Rate for Salaried Positions	Wage Base	Incentive Programs	Total Tax Paid in 10 Years
North Dakota	\$ 0.31	\$ 4.85	\$17,400 *	None	\$ 1,204,785
South Dakota	\$ 0.45	\$ 7.96	100% of Salaries	None	\$ 4,010,467
Iowa	\$ 0.38	\$ 6.41	100% of Salaries	None	\$ 3,230,782
Wisconsin	\$ 0.30	\$ 5.92	100% of Salaries	None	\$ 2,980,204
Minnesota	\$ 0.34	\$ 6.55	100% of Salaries	None	\$ 3,297,926
Montana	\$ 0.55	\$ 6.92	100% of Salaries	None	\$ 3,497,728
Nebraska	\$ 0.52	\$ 22.75	100% of Salaries	None	\$ 11,407,838
Colorado	\$ 0.38	\$ 16.40	100% of Salaries	None	\$ 8,224,036
Illinois	\$ 0.39	\$ 8.91	100% of Salaries	None	\$ 4,481,053
California	\$ 1.20	\$ 12.76	100% of Salaries	None	\$ 6,462,725
Virginia	\$ 0.18	\$ 5.72	100% of Salaries	None	\$ 2,871,744

* For the calculation purposes, the wage base limitation was increased by 3% every other year.

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
Bismarck, North Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 43,004	\$ 85,037	\$ 117,208	\$ 120,661	\$ 126,903	\$ 130,490	\$ 136,967	\$ 141,535	\$ 149,186	\$ 153,794	\$ 1,204,785
Unemployment Insurance	27,976	48,205	33,104	34,005	34,906	36,032	36,933	38,284	39,410	40,536	369,391
Sales and Use Tax	60,000	-	-	-	-	-	-	-	-	-	60,000
Property Tax	-	-	-	-	-	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	513,333	533,544	556,157	578,736	602,241	2,784,011
Total	130,980	133,242	150,312	154,666	161,809	679,855	707,444	735,976	767,332	796,570	4,418,187
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	123,567	118,585	126,202	122,511	120,920	479,298	470,521	461,751	454,184	444,805	2,922,344

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
Sioux Falls, South Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 122,438	\$ 241,500	\$ 368,064	\$ 390,256	\$ 413,453	\$ 437,931	\$ 463,258	\$ 493,104	\$ 524,049	\$ 556,414	\$ 4,010,467
Unemployment Insurance	9,100	14,112	18,522	14,904	15,299	15,792	16,187	16,779	17,273	17,766	155,733
Sales and Use Tax	2,010,000	-	390,000	-	-	-	-	-	-	-	2,400,000
Property Tax	-	70,363	149,297	237,584	336,070	445,671	472,813	501,607	532,155	564,563	3,310,124
Income Taxes	-	-	-	-	-	-	-	-	-	-	-
Total	2,141,538	325,975	925,883	642,744	764,822	899,394	952,258	1,011,490	1,073,476	1,138,743	9,876,324
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	2,020,326	290,118	777,371	509,117	571,552	634,073	633,347	634,609	635,391	635,874	7,341,778

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
Des Moines, Iowa

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 98,715	\$ 194,580	\$ 296,499	\$ 314,373	\$ 333,056	\$ 352,781	\$ 373,180	\$ 397,228	\$ 422,152	\$ 448,219	\$ 3,230,782
Unemployment Insurance	16,569	28,550	37,472	38,492	46,475	47,974	49,174	50,973	52,472	53,971	422,123
Sales and Use Tax	510,000	-	-	-	-	-	-	-	-	-	510,000
Property Tax	295,521	313,518	332,611	352,867	374,357	397,155	421,342	447,002	474,224	503,104	3,911,701
Income Taxes	80,285	340,584	499,379	514,585	530,248	546,380	562,996	580,111	597,740	615,897	4,868,204
Total	1,001,090	877,232	1,165,961	1,220,317	1,284,136	1,344,290	1,406,692	1,475,314	1,546,587	1,621,191	12,942,809
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	944,428	780,736	978,941	966,613	959,635	947,725	935,591	925,612	915,425	905,273	9,259,978

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
Eau Claire, Wisconsin

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 90,825	\$ 179,400	\$ 273,528	\$ 290,027	\$ 307,272	\$ 325,451	\$ 344,280	\$ 366,449	\$ 389,455	\$ 413,517	\$ 2,980,204
Unemployment Insurance	25,821	44,492	58,396	30,653	31,465	32,480	33,292	34,510	35,525	36,540	363,174
Sales and Use Tax	412,500	-	-	-	-	-	-	-	-	-	412,500
Property Tax	270,465	286,936	304,411	322,950	342,617	363,483	385,619	409,103	434,017	460,449	3,580,049
Income Taxes	235,105	357,005	485,098	503,179	521,954	542,201	562,472	584,860	607,320	630,663	5,029,857
Total	1,034,716	867,834	1,121,433	1,146,808	1,203,308	1,263,615	1,325,662	1,394,922	1,466,318	1,541,169	12,365,784
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	976,151	772,372	941,555	908,386	899,232	890,849	881,698	875,174	867,913	860,589	8,873,919

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
Edina, Minnesota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 100,545	\$ 198,540	\$ 302,685	\$ 320,941	\$ 340,023	\$ 360,143	\$ 380,977	\$ 405,512	\$ 430,968	\$ 457,592	\$ 3,297,926
Unemployment Insurance	23,946	41,261	43,159	44,334	45,508	46,976	48,150	49,912	51,380	52,848	447,474
Sales and Use Tax	552,500	-	-	-	-	-	-	-	-	-	552,500
Property Tax	450,625	478,068	507,182	538,070	570,838	605,602	642,483	681,611	723,121	767,159	5,964,760
Income Taxes	217,993	391,552	548,610	567,256	586,557	606,999	627,693	649,944	672,491	695,843	5,564,939
Total	1,345,609	1,109,421	1,401,637	1,470,601	1,542,926	1,619,720	1,699,304	1,786,978	1,877,960	1,973,443	15,827,598
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	1,269,447	987,385	1,176,814	1,164,863	1,153,029	1,141,903	1,130,207	1,121,150	1,111,564	1,101,970	11,358,333

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
Great Falls, Montana

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 107,513	\$ 210,900	\$ 320,928	\$ 340,249	\$ 360,445	\$ 381,842	\$ 403,894	\$ 429,967	\$ 456,907	\$ 485,084	\$ 3,497,728
Unemployment Insurance	24,512	42,236	55,435	49,209	50,513	52,142	53,446	55,401	57,031	58,660	498,587
Sales and Use Tax	-	-	-	-	-	-	-	-	-	-	-
Property Tax	130,050	137,970	146,373	155,287	164,744	209,732	259,589	314,741	375,647	442,804	2,336,937
Income Taxes	234,702	328,599	438,892	456,077	473,951	493,398	512,762	534,426	556,058	578,577	4,607,443
Total	496,777	719,706	961,628	1,000,823	1,049,654	1,137,114	1,229,690	1,334,535	1,445,643	1,565,125	10,940,695
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	468,660	640,538	807,383	792,752	784,406	801,665	817,867	837,287	855,676	873,966	7,680,200

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**

Omaha, Nebraska

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	TOTAL
	1	2	3	4	5	6	7	8	9	10		
Workers' Compensation Tax	\$ 344,760	\$ 685,620	\$ 1,047,345	\$ 1,110,634	\$ 1,176,790	\$ 1,246,183	\$ 1,318,406	\$ 1,403,094	\$ 1,491,350	\$ 1,583,658	\$ 11,407,838	
Unemployment Insurance	19,565	20,854	27,371	28,116	28,861	29,792	30,537	31,654	32,585	33,516	282,852	
Sales and Use Tax	70,000	-	-	-	-	-	-	-	-	-	70,000	
Property Tax	333,115	353,402	374,924	397,757	421,980	447,679	474,942	503,866	534,552	567,106	4,409,321	
Income Taxes	-	-	-	-	-	-	-	-	256,299	475,156	731,455	
Total	767,440	1,059,876	1,449,640	1,536,506	1,627,631	1,723,653	1,823,885	1,938,614	2,314,785	2,659,436	16,901,466	
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584		
Present Value of Total Costs	724,003	943,290	1,217,118	1,217,067	1,216,328	1,215,175	1,213,066	1,216,286	1,370,121	1,485,029	11,817,483	

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**

Greeley, Colorado

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	TOTAL
	1	2	3	4	5	6	7	8	9	10		
Workers' Compensation Tax	\$ 248,565	\$ 494,280	\$ 755,040	\$ 800,664	\$ 848,356	\$ 898,384	\$ 950,449	\$ 1,011,503	\$ 1,075,126	\$ 1,141,670	\$ 8,224,036	
Unemployment Insurance	14,690	18,592	24,402	25,066	25,730	26,560	27,224	28,220	29,050	29,880	249,414	
Sales and Use Tax	501,500	-	-	-	-	-	-	-	-	-	501,500	
Property Tax	335,575	356,011	377,692	400,694	425,096	450,984	478,449	507,587	538,499	571,293	4,441,878	
Income Taxes	160,989	225,395	301,047	312,835	325,096	338,434	351,717	366,577	381,415	396,861	3,160,364	
Total	1,261,318	1,094,278	1,458,181	1,539,259	1,624,277	1,714,362	1,807,838	1,913,886	2,024,089	2,139,704	16,577,193	
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584		
Present Value of Total Costs	1,189,927	973,907	1,224,289	1,219,247	1,213,822	1,208,625	1,202,393	1,200,772	1,198,058	1,194,811	11,825,853	

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
Chicago, Illinois

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 136,283	\$ 269,640	\$ 411,309	\$ 436,129	\$ 462,074	\$ 489,389	\$ 517,715	\$ 551,031	\$ 585,642	\$ 621,841	\$ 4,481,053
Unemployment Insurance	22,945	39,536	51,891	39,441	40,486	41,792	42,837	44,404	45,710	47,016	416,058
Sales and Use Tax	765,000	-	-	-	-	-	-	-	-	-	765,000
Property Tax	453,087	378,237	401,271	425,709	451,634	479,139	508,318	539,275	572,117	606,959	4,815,744
Income Taxes	-	170,333	330,612	379,433	390,816	402,268	414,617	426,569	439,664	452,854	3,407,166
Total	1,377,314	857,746	1,195,083	1,280,712	1,345,010	1,412,587	1,483,487	1,561,279	1,643,133	1,728,670	13,885,021
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	1,299,358	763,394	1,003,392	1,014,452	1,005,126	995,874	986,667	979,546	972,570	965,289	9,985,669

**AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY**
San Jose, California

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 199,500	\$ 390,000	\$ 592,884	\$ 628,545	\$ 665,819	\$ 705,409	\$ 746,111	\$ 794,337	\$ 844,059	\$ 896,061	\$ 6,462,725
Unemployment Insurance	19,110	32,928	43,218	34,881	35,805	36,960	37,884	39,270	40,425	41,580	362,061
Sales and Use Tax	701,250	-	-	-	-	-	-	-	-	-	701,250
Property Tax	453,625	460,791	546,320	554,230	562,540	571,270	580,443	590,079	600,203	610,839	5,530,341
Income Taxes	-	-	-	-	402,493	606,716	629,399	654,451	679,584	705,704	3,678,347
Total	1,373,485	883,719	1,182,422	1,217,656	1,666,656	1,920,356	1,993,837	2,078,137	2,164,271	2,254,184	16,734,723
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	1,295,746	786,510	992,762	964,505	1,245,492	1,353,851	1,326,101	1,303,823	1,281,032	1,258,737	11,808,558

AG PROCESSING BUSINESS
COMPARATIVE COST SUMMARY
 Richmond, Virginia

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Workers' Compensation Tax	\$ 87,015	\$ 172,680	\$ 263,628	\$ 279,549	\$ 296,192	\$ 313,676	\$ 331,845	\$ 353,178	\$ 375,380	\$ 398,601	\$ 2,871,744
Unemployment Insurance	16,640	28,672	37,632	20,234	20,770	21,440	21,976	22,780	23,450	24,120	237,714
Sales and Use Tax	337,500	-	-	-	-	-	-	-	-	-	337,500
Property Tax	332,132	320,247	360,694	345,159	329,998	315,234	300,889	286,991	273,565	260,642	3,125,551
Income Taxes	178,561	267,143	352,762	365,161	382,087	407,466	422,860	439,197	456,256	473,651	3,745,145
Total	951,847	788,742	1,014,716	1,010,104	1,029,048	1,057,815	1,077,571	1,102,146	1,128,651	1,157,014	10,317,654
Present Value % (at 6%)	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584	
Present Value of Total Costs	897,973	701,980	851,956	800,103	769,007	745,760	716,692	691,486	668,049	646,077	7,489,083

APPENDIX B – REAL ESTATE TAXES

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS
Bismarck, North Dakota**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Assessed Value of Prop.	6,437,500	6,630,625	6,829,544	7,034,430	7,245,463	7,462,827	7,686,712	7,917,313	8,154,833	8,399,478	
Mill Levy Rate per \$10	0.48372	0.49823	0.51318	0.52857	0.54443	0.56076	0.57759	0.59491	0.61276	0.63114	
Total Property Taxes	311,395	330,359	350,478	371,822	394,466	418,489	443,974	471,012	499,697	530,129	
% of Taxes Exempt	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Net Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS
Sioux Falls, South Dakota**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Assessed Value of Prop.	12,875,000	13,261,250	13,659,088	14,068,860	14,490,926	14,925,654	15,373,423	15,834,626	16,309,665	16,798,955	
Mill Levy rate per \$1,000	25.75700	26.52971	27.32560	28.14537	28.98973	29.85942	30.75521	31.67786	32.62820	33.60704	
Total Property Taxes	331,621	351,817	373,243	395,973	420,088	445,671	472,813	501,607	532,155	564,563	
% of Taxes Exempt	100%	80%	60%	40%	20%	0%	0%	0%	0%	0%	
Net Property Taxes	\$ -	\$ 70,363	\$ 149,297	\$ 237,584	\$ 336,070	\$ 445,671	\$ 472,813	\$ 501,607	\$ 532,155	\$ 564,563	\$ 3,310,124

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**

Des Moines, Iowa

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	51.667%	51.667%	51.667%	51.667%	51.667%	51.667%	51.667%	51.667%	51.667%	51.667%	
Assessed Value of Prop.	6,652,126	6,851,690	7,057,241	7,268,958	7,487,027	7,711,638	7,942,986	8,181,276	8,426,715	8,679,516	
Mill Levy rate per \$1,000	44.42500	45.75775	47.13048	48.54440	50.00073	51.50075	53.04577	54.63715	56.27626	57.96455	
Total Property Taxes	\$ 295,521	\$ 313,518	\$ 332,611	\$ 352,867	\$ 374,357	\$ 397,155	\$ 421,342	\$ 447,002	\$ 474,224	\$ 503,104	\$ 3,911,701

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**

Eau Claire, Wisconsin

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Assessed Value of Prop.	12,875,000	13,261,250	13,659,088	14,068,860	14,490,926	14,925,654	15,373,423	15,834,626	16,309,665	16,798,955	
Mill Levy rate per \$1,000	21.00700	21.63721	22.28633	22.95492	23.64356	24.35287	25.08346	25.83596	26.61104	27.40937	
Total Property Taxes	\$ 270,465	\$ 286,936	\$ 304,411	\$ 322,950	\$ 342,617	\$ 363,483	\$ 385,619	\$ 409,103	\$ 434,017	\$ 460,449	\$ 3,580,049

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**

Edina, Minnesota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Assessed Value of Prop.	12,875,000	13,261,250	13,659,088	14,068,860	14,490,926	14,925,654	15,373,423	15,834,626	16,309,665	16,798,955	
Mill Levy Rate per \$1	0.03500	0.03605	0.03713	0.03825	0.03939	0.04057	0.04179	0.04305	0.04434	0.04567	
Total Property Taxes	\$ 450,625	\$ 478,068	\$ 507,182	\$ 538,070	\$ 570,838	\$ 605,602	\$ 642,483	\$ 681,611	\$ 723,121	\$ 767,159	\$ 5,964,760

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**
Great Falls, Montana

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Assessed Value of Prop.	450,625	464,144	478,068	492,410	507,182	522,398	538,070	554,212	570,838	587,963	
Mill Levy rate per \$1,000	577.20000	594.51600	612.35148	630.72202	649.64369	669.13300	689.20699	709.88320	731.17969	753.11508	
Total Property Taxes	260,101	275,941	292,746	310,574	329,488	349,554	370,841	393,426	417,385	442,804	
% of Taxes Exempt	50%	50%	50%	50%	50%	40%	30%	20%	10%	0%	
Total Property Taxes	\$ 130,050	\$ 137,970	\$ 146,373	\$ 155,287	\$ 164,744	\$ 209,732	\$ 259,589	\$ 314,741	\$ 375,647	\$ 442,804	\$ 2,336,937

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**
Omaha, Nebraska

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Assessed Value of Prop.	12,875,000	13,261,250	13,659,088	14,068,860	14,490,926	14,925,654	15,373,423	15,834,626	16,309,665	16,798,955	
Mill Levy Rate per \$100	2.58730	2.66492	2.74487	2.82721	2.91203	2.99939	3.08937	3.18205	3.27751	3.37584	
Total Property Taxes	\$ 333,115	\$ 353,402	\$ 374,924	\$ 397,757	\$ 421,980	\$ 447,679	\$ 474,942	\$ 503,866	\$ 534,552	\$ 567,106	\$ 4,409,321

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**
Greeley, Colorado

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	
Assessed Value of Prop.	3,733,750	3,845,763	3,961,136	4,079,969	4,202,369	4,328,440	4,458,293	4,592,042	4,729,803	4,871,697	
Mill Levy Rate per \$1000	89.87600	92.57228	95.34945	98.20993	101.15623	104.19092	107.31664	110.53614	113.85223	117.26779	
Total Property Taxes	\$ 335,575	\$ 356,011	\$ 377,692	\$ 400,694	\$ 425,096	\$ 450,984	\$ 478,449	\$ 507,587	\$ 538,499	\$ 571,293	\$ 4,441,878

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**

Chicago, Illinois

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	
Assessed Value of Prop.	4,635,000	4,774,050	4,917,272	5,064,790	5,216,733	5,373,235	5,534,432	5,700,465	5,871,479	6,047,624	
Mill Levy Rate per \$100	7.69200	7.92276	8.16044	8.40526	8.65741	8.91714	9.18465	9.46019	9.74400	10.03632	
Real Property Taxes	356,524	378,237	401,271	425,709	451,634	479,139	508,318	539,275	572,117	606,959	
Real Estate Transfer Tax (See Note Below)	96,563	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Total Property Taxes	\$ 453,087	\$ 378,237	\$ 401,271	\$ 425,709	\$ 451,634	\$ 479,139	\$ 508,318	\$ 539,275	\$ 572,117	\$ 606,959	\$ 4,815,744

Note: Real Estate Transfer tax is calculated at \$3.75 per \$500 of the purchase price

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**

San Jose, California

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	12,875,000	13,132,500	13,395,150	13,663,053	13,936,314	14,215,040	14,499,341	14,789,328	15,085,115	
Assessed Rate	100%	102%	102%	102%	102%	102%	102%	102%	102%	102%	
Assessed Value of Prop.	12,875,000	13,132,500	13,395,150	13,663,053	13,936,314	14,215,040	14,499,341	14,789,328	15,085,115	15,386,817	
Mill Levy Rate per \$1	0.01100	0.01133	0.01167	0.01202	0.01238	0.01275	0.01313	0.01353	0.01393	0.01435	
Real Property Taxes	141,625	148,791	156,320	164,230	172,540	181,270	190,443	200,079	210,203	220,839	
Taxable Value	26,000,000	26,000,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	
Mill Levy Rate per \$100	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	
Personal Property Taxes	312,000	312,000	390,000	390,000	390,000	390,000	390,000	390,000	390,000	390,000	
Total Property Taxes	\$ 453,625	\$ 460,791	\$ 546,320	\$ 554,230	\$ 562,540	\$ 571,270	\$ 580,443	\$ 590,079	\$ 600,203	\$ 610,839	\$ 5,530,341

**AG PROCESSING BUSINESS
REAL ESTATE TAX ANALYSIS**
Richmond, Virginia

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Market Value of Prop.	\$ 12,875,000	\$ 13,261,250	\$ 13,659,088	\$ 14,068,860	\$ 14,490,926	\$ 14,925,654	\$ 15,373,423	\$ 15,834,626	\$ 16,309,665	\$ 16,798,955	
Assessed Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Assessed Value of Prop.	12,875,000	13,261,250	13,659,088	14,068,860	14,490,926	14,925,654	15,373,423	15,834,626	16,309,665	16,798,955	
Mill Levy Rate per \$100	1.38975	1.43144	1.47439	1.51862	1.56418	1.61110	1.65943	1.70922	1.76049	1.81331	
Real Property Taxes	178,930	189,827	201,388	213,652	226,664	240,467	255,112	270,648	287,131	304,617	
% of Taxes Exempt	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Net Real Property Taxes	89,465	94,914	100,694	106,826	113,332	120,234	127,556	135,324	143,565	152,308	
Market Value of Equip.	26,000,000	26,000,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	
Depreciation Factor	0.93333	0.86667	0.80000	0.73333	0.66667	0.60000	0.53333	0.46667	0.40000	0.33333	
Taxable Value	24,266,667	22,533,333	26,000,000	23,833,333	21,666,667	19,500,000	17,333,333	15,166,667	13,000,000	10,833,333	
Mill Levy Rate per \$100	1	1	1	1	1	1	1	1	1	1	
Personal Property Taxes	242,667	225,333	260,000	238,333	216,667	195,000	173,333	151,667	130,000	108,333	
Total Property Taxes	\$ 332,132	\$ 320,247	\$ 360,694	\$ 345,159	\$ 329,998	\$ 315,234	\$ 300,889	\$ 286,991	\$ 273,565	\$ 260,642	\$ 3,125,551

APPENDIX C – UNEMPLOYMENT INSURANCE

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS
Bismarck, North Dakota**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	
State Taxable Wage Base	1,170,000	2,016,000	2,646,000	2,718,000	2,790,000	2,880,000	2,952,000	3,060,000	3,150,000	3,240,000	
State Unemployment Tax Percentage	2.08%	2.08%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	
State Unemployment Tax	24,336	41,933	24,872	25,549	26,226	27,072	27,749	28,764	29,610	30,456	286,567
Total Unemployment Tax	\$ 27,976	\$ 48,205	\$ 33,104	\$ 34,005	\$ 34,906	\$ 36,032	\$ 36,933	\$ 38,284	\$ 39,410	\$ 40,536	\$ 369,391

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Sioux Falls, South Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	
State Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
State Unemployment Tax Percentage	1.20%	1.00%	1.00%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	
State Unemployment Tax	5,460	7,840	10,290	6,448	6,619	6,832	7,003	7,259	7,473	7,686	72,909
Total Unemployment Tax	\$ 9,100	\$ 14,112	\$ 18,522	\$ 14,904	\$ 15,299	\$ 15,792	\$ 16,187	\$ 16,779	\$ 17,273	\$ 17,766	\$ 155,733

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Des Moines, Iowa

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	
State Taxable Wage Base	1,248,000	2,150,400	2,822,400	2,899,200	2,976,000	3,072,000	3,148,800	3,264,000	3,360,000	3,456,000	
State Unemployment Tax Percentage	1.04%	1.04%	1.04%	1.04%	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%	
State Unemployment Tax	12,929	22,278	29,240	30,036	37,795	39,014	39,990	41,453	42,672	43,891	339,299
Total Unemployment Tax	\$ 16,569	\$ 28,550	\$ 37,472	\$ 38,492	\$ 46,475	\$ 47,974	\$ 49,174	\$ 50,973	\$ 52,472	\$ 53,971	\$ 422,123

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Eau Claire, Wisconsin

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	
State Taxable Wage Base	682,500	1,176,000	1,543,500	1,585,500	1,627,500	1,680,000	1,722,000	1,785,000	1,837,500	1,890,000	
State Unemployment Tax Percentage	3.25%	3.25%	3.25%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	
State Unemployment Tax	22,181	38,220	50,164	22,197	22,785	23,520	24,108	24,990	25,725	26,460	280,350
Total Unemployment Tax	\$ 25,821	\$ 44,492	\$ 58,396	\$ 30,653	\$ 31,465	\$ 32,480	\$ 33,292	\$ 34,510	\$ 35,525	\$ 36,540	\$ 363,174

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Edina, Minnesota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	
State Taxable Wage Base	1,430,000	2,464,000	3,234,000	3,322,000	3,410,000	3,520,000	3,608,000	3,740,000	3,850,000	3,960,000	
State Unemployment Tax Percentage	1.42%	1.42%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	
State Unemployment Tax	20,306	34,989	34,927	35,878	36,828	38,016	38,966	40,392	41,580	42,768	364,650
Total Unemployment Tax	\$ 23,946	\$ 41,261	\$ 43,159	\$ 44,334	\$ 45,508	\$ 46,976	\$ 48,150	\$ 49,912	\$ 51,380	\$ 52,848	\$ 447,474

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Great Falls, Montana

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	19,700	19,700	19,700	19,700	19,700	19,700	19,700	19,700	19,700	19,700	
State Taxable Wage Base	1,280,500	2,206,400	2,895,900	2,974,700	3,053,500	3,152,000	3,230,800	3,349,000	3,447,500	3,546,000	
State Unemployment Tax Percentage	1.63%	1.63%	1.63%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	
State Unemployment Tax	20,872	35,964	47,203	40,753	41,833	43,182	44,262	45,881	47,231	48,580	415,763
Total Unemployment Tax	\$ 24,512	\$ 42,236	\$ 55,435	\$ 49,209	\$ 50,513	\$ 52,142	\$ 53,446	\$ 55,401	\$ 57,031	\$ 58,660	\$ 498,587

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Omaha, Nebraska

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	
State Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
State Unemployment Tax Percentage	3.50%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	
State Unemployment Tax	15,925	14,582	19,139	19,660	20,181	20,832	21,353	22,134	22,785	23,436	200,028
Total Unemployment Tax	\$ 19,565	\$ 20,854	\$ 27,371	\$ 28,116	\$ 28,861	\$ 29,792	\$ 30,537	\$ 31,654	\$ 32,585	\$ 33,516	\$ 282,852

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Greeley, Colorado

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
State Taxable Wage Base	650,000	1,120,000	1,470,000	1,510,000	1,550,000	1,600,000	1,640,000	1,700,000	1,750,000	1,800,000	
State Unemployment Tax Percentage	1.70%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	
State Unemployment Tax	11,050	12,320	16,170	16,610	17,050	17,600	18,040	18,700	19,250	19,800	166,590
Total Unemployment Tax	\$ 14,690	\$ 18,592	\$ 24,402	\$ 25,066	\$ 25,730	\$ 26,560	\$ 27,224	\$ 28,220	\$ 29,050	\$ 29,880	\$ 249,414

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Chicago, Illinois

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	
State Taxable Wage Base	585,000	1,008,000	1,323,000	1,359,000	1,395,000	1,440,000	1,476,000	1,530,000	1,575,000	1,620,000	
State Unemployment Tax Percentage	3.30%	3.30%	3.30%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	
State Unemployment Tax	19,305	33,264	43,659	30,985	31,806	32,832	33,653	34,884	35,910	36,936	333,234
Total Unemployment Tax	\$ 22,945	\$ 39,536	\$ 51,891	\$ 39,441	\$ 40,486	\$ 41,792	\$ 42,837	\$ 44,404	\$ 45,710	\$ 47,016	\$ 416,058

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

San Jose, California

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	
State Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
State Unemployment Tax Percentage	3.40%	3.40%	3.40%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
State Unemployment Tax	15,470	26,656	34,986	26,425	27,125	28,000	28,700	29,750	30,625	31,500	279,237
Total Unemployment Tax	\$ 19,110	\$ 32,928	\$ 43,218	\$ 34,881	\$ 35,805	\$ 36,960	\$ 37,884	\$ 39,270	\$ 40,425	\$ 41,580	\$ 362,061

**AG PROCESSING BUSINESS
UNEMPLOYMENT INSURANCE ANALYSIS**

Richmond, Virginia

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Number of Employees	65	112	147	151	155	160	164	170	175	180	
Federal Salary Limit (per employee)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Federal Taxable Wage Base	455,000	784,000	1,029,000	1,057,000	1,085,000	1,120,000	1,148,000	1,190,000	1,225,000	1,260,000	
Federal Unemployment Tax Percentage	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
Federal Unemployment Tax	3,640	6,272	8,232	8,456	8,680	8,960	9,184	9,520	9,800	10,080	82,824
State Salary Limit (per employee)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	
State Taxable Wage Base	520,000	896,000	1,176,000	1,208,000	1,240,000	1,280,000	1,312,000	1,360,000	1,400,000	1,440,000	
State Unemployment Tax Percentage	2.50%	2.50%	2.50%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	
State Unemployment Tax	13,000	22,400	29,400	11,778	12,090	12,480	12,792	13,260	13,650	14,040	154,890
Total Unemployment Tax	\$ 16,640	\$ 28,672	\$ 37,632	\$ 20,234	\$ 20,770	\$ 21,440	\$ 21,976	\$ 22,780	\$ 23,450	\$ 24,120	\$ 237,714

APPENDIX D – SALES & USE TAXES

	Machinery	Furniture, Fixtures and Equipment	Construction Materials	Total Taxable Purchases	State Sales Tax Rate	Local Sales Tax Rate	Effective Sales Tax Rate	Sales Taxes
Bismarck, North Dakota	-	1,000,000	-	1,000,000	5.00%	1.00%	6.00%	60,000
Sioux Falls, South Dakota	31,500,000	1,000,000	7,500,000	40,000,000	4.00%	2.00%	6.00%	2,400,000 *
Des Moines, Iowa	-	1,000,000	7,500,000	8,500,000	5.00%	1.00%	6.00%	510,000
Eau Claire, Wisconsin	-	-	7,500,000	7,500,000	5.00%	0.50%	5.50%	412,500
Edina, Minnesota	-	1,000,000	7,500,000	8,500,000	6.50%	0.00%	6.50%	552,500
Great Falls, Montana	-	-	-	-	0.00%	0.00%	0.00%	-
Omaha, Nebraska	-	1,000,000	-	1,000,000	5.50%	1.50%	7.00%	70,000
Greeley, Colorado	-	1,000,000	7,500,000	8,500,000	2.90%	3.00%	5.90%	501,500
Chicago, Illinois	-	1,000,000	7,500,000	8,500,000	6.25%	2.75%	9.00%	765,000
San Jose, California	-	1,000,000	7,500,000	8,500,000	7.25%	1.00%	8.25%	701,250
Richmond, Virginia	-	-	7,500,000	7,500,000	3.50%	1.00%	4.50%	337,500

***Note:** The \$31.5 million of purchased machinery is the total purchases for years 1 (\$25 million) and 3 (\$6.5 million). The appropriate sales and use tax has been applied to the year the machiner was purchased: year 1 - \$1.5 million and year 3 - \$390,000.

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Bismarck, North Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	-	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	1,000,000	-	-	-	-	-	-	-	-	-	-
Effective Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	-
Total Sales Tax	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Sioux Falls, South Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	25,000,000	-	6,500,000	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	33,500,000	-	6,500,000	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	-
Total Sales Tax	\$ 2,010,000	\$ -	\$ 390,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Des Moines, Iowa

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	8,500,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	-
Total Sales Tax	\$ 510,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 510,000

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Eau Claire, Wisconsin

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	7,500,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
Total Sales Tax	\$ 412,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,500

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Edina, Minnesota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	8,500,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
Total Sales Tax	\$ 552,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,500

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Great Falls, Montana

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-
Construction Supplies	-	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	-	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Omaha, Nebraska

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	-	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	1,000,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Total Sales Tax	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Greeley, Colorado

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	8,500,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Total Sales Tax	\$ 501,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,500

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**

Chicago, Illinois

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	8,500,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Total Sales Tax	\$ 765,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 765,000

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**
San Jose, California

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	1,000,000	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	8,500,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Total Sales Tax	\$ 701,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,250

**AG PROCESSING BUSINESS
SALES & USE TAX ANALYSIS**
Richmond, Virginia

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Water	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equip.	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-
Construction Supplies	7,500,000	-	-	-	-	-	-	-	-	-	-
Total Taxable Trans.	7,500,000	-	-	-	-	-	-	-	-	-	-
Effective Sales Tax Rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total Sales Tax	\$ 337,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,500

APPENDIX E – INCOME TAXES

APPORTIONMENT CALCULATIONS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Sales Factor	0.89%	1.95%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Payroll Factor	0.89%	1.42%	1.98%	2.03%	2.08%	2.15%	2.20%	2.28%	2.34%	2.41%
Fixed Assets & Inventories Factor	4.52%	4.84%	5.75%	5.79%	5.84%	5.88%	5.93%	5.97%	6.02%	6.07%
Apportionment Factor - ND, MT, & CO	2.10%	2.74%	3.48%	3.51%	3.54%	3.58%	3.61%	3.65%	3.69%	3.73%
Apportionment Factor - WI, VA, & CA	1.80%	2.54%	3.28%	3.31%	3.33%	3.36%	3.38%	3.42%	3.44%	3.47%
Apportionment Factor - IA, NE, & IL	0.89%	1.95%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Apportionment Factor - MN	1.34%	2.25%	2.99%	3.01%	3.02%	3.03%	3.04%	3.06%	3.07%	3.09%

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Bismarck, North Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	2.10%	2.74%	3.48%	3.51%	3.54%	3.58%	3.61%	3.65%	3.69%	3.73%	
State Taxable Income	3,477,074	4,868,134	6,502,099	6,756,697	7,021,504	7,309,598	7,596,471	7,917,425	8,237,899	8,571,507	
Less: Allocation of Fed Tax	(1,143,957)	(1,601,616)	(2,139,191)	(2,222,953)	(2,310,075)	(2,404,858)	(2,499,239)	(2,604,833)	(2,710,269)	(2,820,026)	
Net State Taxable Income	2,333,116	3,266,518	4,362,908	4,533,744	4,711,429	4,904,741	5,097,232	5,312,592	5,527,630	5,751,481	
State Income Tax Rate	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	
State Income Tax	243,312	341,319	456,440	474,378	493,035	513,333	533,544	556,157	578,736	602,241	
State Income Tax Credits	(243,312)	(341,319)	(456,440)	(474,378)	(493,035)	-	-	-	-	-	
Adjusted State Income Taxes	-	-	-	-	-	513,333	533,544	556,157	578,736	602,241	\$ 2,784,011
Total State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 513,333	\$ 533,544	\$ 556,157	\$ 578,736	\$ 602,241	\$ 2,784,011

Note: See State Income Tax Analysis for a further explanation regarding North Dakota income tax calculation.

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Sioux Falls, South Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
State Income Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
State Income Tax	-	-	-	-	-	-	-	-	-	-	\$ -
Total State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Des Moines, Iowa

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	0.89%	1.95%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	
State Taxable Income	1,472,820	3,471,809	5,055,642	5,207,311	5,363,531	5,524,436	5,690,170	5,860,875	6,036,701	6,217,802	
Less: Allocation of Fed Tax	(242,279)	(571,113)	(831,653)	(856,603)	(882,301)	(908,770)	(936,033)	(964,114)	(993,037)	(1,022,828)	
Net State Taxable Income	1,230,541	2,900,696	4,223,989	4,350,708	4,481,230	4,615,667	4,754,137	4,896,761	5,043,664	5,194,973	
State Income Tax Rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	
Base State Income Tax	147,665	348,084	506,879	522,085	537,748	553,880	570,496	587,611	605,240	623,397	
Less Amount to Subtract	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	
State Income Tax	155,165	355,584	514,379	529,585	545,248	561,380	577,996	595,111	612,740	630,897	
State Income Tax Credits	(74,880)	(54,144)	(40,320)	-	-	-	-	-	-	-	
Adjusted State Income Taxes	80,285	340,584	499,379	514,585	530,248	546,380	562,996	580,111	597,740	615,897	\$ 4,868,204
Total State Income Tax	\$ 80,285	\$ 340,584	\$ 499,379	\$ 514,585	\$ 530,248	\$ 546,380	\$ 562,996	\$ 580,111	\$ 597,740	\$ 615,897	\$ 4,868,204

Note: See State Income Tax Analysis for a further explanation regarding Iowa income tax calculation.

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Eau Claire, Wisconsin

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	1.80%	2.54%	3.28%	3.31%	3.33%	3.36%	3.38%	3.42%	3.44%	3.47%	
State Taxable Income	2,976,010	4,519,053	6,140,485	6,369,350	6,607,010	6,863,308	7,119,896	7,403,287	7,687,600	7,983,080	
Less: Allocation of Fed Tax	-	-	-	-	-	-	-	-	-	-	
Net State Taxable Income	2,976,010	4,519,053	6,140,485	6,369,350	6,607,010	6,863,308	7,119,896	7,403,287	7,687,600	7,983,080	
State Income Tax Rate	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	7.90%	
State Income Tax	235,105	357,005	485,098	503,179	521,954	542,201	562,472	584,860	607,320	630,663	
State Income Tax Credits	-	-	-	-	-	-	-	-	-	-	
Adjusted State Income Taxes	235,105	357,005	485,098	503,179	521,954	542,201	562,472	584,860	607,320	630,663	\$ 5,029,857
Total State Income Tax	\$ 235,105	\$ 357,005	\$ 485,098	\$ 503,179	\$ 521,954	\$ 542,201	\$ 562,472	\$ 584,860	\$ 607,320	\$ 630,663	\$ 5,029,857

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Edina, Minnesota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	1.34%	2.25%	2.99%	3.01%	3.02%	3.03%	3.04%	3.06%	3.07%	3.09%	
State Net Book Income	2,224,415	3,995,431	5,598,063	5,788,331	5,985,270	6,193,872	6,405,033	6,632,081	6,862,150	7,100,441	
Ded. for Fed. Income Taxes	-	-	-	-	-	-	-	-	-	-	
State Taxable Income	2,224,415	3,995,431	5,598,063	5,788,331	5,985,270	6,193,872	6,405,033	6,632,081	6,862,150	7,100,441	
State Income Tax Rate	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%	
State Income Tax	217,993	391,552	548,610	567,256	586,557	606,999	627,693	649,944	672,491	695,843	\$ 5,564,939
Total State Income Tax	\$ 217,993	\$ 391,552	\$ 548,610	\$ 567,256	\$ 586,557	\$ 606,999	\$ 627,693	\$ 649,944	\$ 672,491	\$ 695,843	\$ 5,564,939

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Great Falls, Montana

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	2.10%	2.74%	3.48%	3.51%	3.54%	3.58%	3.61%	3.65%	3.69%	3.73%	
State Taxable Income	3,477,074	4,868,134	6,502,099	6,756,697	7,021,504	7,309,598	7,596,471	7,917,425	8,237,899	8,571,507	
Less: Allocation of Fed Tax	-	-	-	-	-	-	-	-	-	-	
Net State Taxable Income	3,477,074	4,868,134	6,502,099	6,756,697	7,021,504	7,309,598	7,596,471	7,917,425	8,237,899	8,571,507	
State Income Tax Rate	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	
State Income Tax	234,702	328,599	438,892	456,077	473,951	493,398	512,762	534,426	556,058	578,577	
State Income Tax Credits	(21,750)	(14,250)	(11,900)	-	-	-	-	-	-	-	
Adjusted State Income Taxes	234,702	328,599	438,892	456,077	473,951	493,398	512,762	534,426	556,058	578,577	\$ 4,607,443
Total State Income Tax	\$ 234,702	\$ 328,599	\$ 438,892	\$ 456,077	\$ 473,951	\$ 493,398	\$ 512,762	\$ 534,426	\$ 556,058	\$ 578,577	\$ 4,607,443

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Omaha, Nebraska

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	0.89%	1.95%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	
State Taxable Income	1,472,820	3,471,809	5,055,642	5,207,311	5,363,531	5,524,436	5,690,170	5,860,875	6,036,701	6,217,802	
Less: Allocation of Fed Tax	-	-	-	-	-	-	-	-	-	-	
Net State Taxable Income	1,472,820	3,471,809	5,055,642	5,207,311	5,363,531	5,524,436	5,690,170	5,860,875	6,036,701	6,217,802	
State Income Tax Rate	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	
State Income Tax	115,027	271,148	394,846	406,691	418,892	431,458	444,402	457,734	471,466	485,610	
State Income Tax Credits	(115,027)	(271,148)	(394,846)	(406,691)	(418,892)	(431,458)	(444,402)	(457,734)	(215,168)	(10,454)	
Adjusted State Income Taxes	-	-	-	-	-	-	-	-	256,299	475,156	\$ 731,455
Total State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,299	\$ 475,156	\$ 731,455

Note: See State Income Tax Analysis for explanation regarding Nebraska income tax calculation.

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Greeley, Colorado

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	2.10%	2.74%	3.48%	3.51%	3.54%	3.58%	3.61%	3.65%	3.69%	3.73%	
State Taxable Income	3,477,074	4,868,134	6,502,099	6,756,697	7,021,504	7,309,598	7,596,471	7,917,425	8,237,899	8,571,507	
Less: Allocation of Fed Tax	-	-	-	-	-	-	-	-	-	-	
Net State Taxable Income	3,477,074	4,868,134	6,502,099	6,756,697	7,021,504	7,309,598	7,596,471	7,917,425	8,237,899	8,571,507	
State Income Tax Rate	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	
State Income Tax	160,989	225,395	301,047	312,835	325,096	338,434	351,717	366,577	381,415	396,861	\$ 3,160,364
Total State Income Tax	\$ 160,989	\$ 225,395	\$ 301,047	\$ 312,835	\$ 325,096	\$ 338,434	\$ 351,717	\$ 366,577	\$ 381,415	\$ 396,861	\$ 3,160,364

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**
Chicago, Illinois

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	0.89%	1.95%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	
State Taxable Income	1,472,820	3,471,809	5,055,642	5,207,311	5,363,531	5,524,436	5,690,170	5,860,875	6,036,701	6,217,802	
Less: Allocation of Fed Tax	-	-	-	-	-	-	-	-	-	-	
Net State Taxable Income	1,472,820	3,471,809	5,055,642	5,207,311	5,363,531	5,524,436	5,690,170	5,860,875	6,036,701	6,217,802	
State Income Tax Rate	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	
State Income Tax	107,516	253,442	369,062	380,134	391,538	403,284	415,382	427,844	440,679	453,900	
State Income Tax Credits	(107,516)	(83,109)	(38,450)	(700)	(721)	(1,016)	(765)	(1,275)	(1,015)	(1,045)	
Adjusted State Income Taxes	-	170,333	330,612	379,433	390,816	402,268	414,617	426,569	439,664	452,854	\$ 3,407,166
Total State Income Tax	\$ -	\$ 170,333	\$ 330,612	\$ 379,433	\$ 390,816	\$ 402,268	\$ 414,617	\$ 426,569	\$ 439,664	\$ 452,854	\$ 3,407,166

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**

San Jose, California

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	1.80%	2.54%	3.28%	3.31%	3.33%	3.36%	3.38%	3.42%	3.44%	3.47%	
State Taxable Income	2,976,010	4,519,053	6,140,485	6,369,350	6,607,010	6,863,308	7,119,896	7,403,287	7,687,600	7,983,080	
Less: Allocation of Fed Tax	-	-	-	-	-	-	-	-	-	-	
Net State Taxable Income	2,976,010	4,519,053	6,140,485	6,369,350	6,607,010	6,863,308	7,119,896	7,403,287	7,687,600	7,983,080	
State Income Tax Rate	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%	
State Income Tax	263,079	399,484	542,819	563,051	584,060	606,716	629,399	654,451	679,584	705,704	
State Income Tax Credits	(263,079)	(399,484)	(542,819)	(563,051)	(181,567)	-	-	-	-	-	
Adjusted State Income Taxes	-	-	-	-	402,493	606,716	629,399	654,451	679,584	705,704	\$ 3,678,347
Total State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ 402,493	\$ 606,716	\$ 629,399	\$ 654,451	\$ 679,584	\$ 705,704	\$ 3,678,347

**AG PROCESSING BUSINESS
INCOME TAX ANALYSIS**

Richmond, Virginia

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Corporate Net Book Income	165,587,000	177,800,000	186,949,286	192,557,764	198,334,497	204,284,532	210,413,068	216,725,460	223,227,224	229,924,041	
Apportionment Factor	1.80%	2.54%	3.28%	3.31%	3.33%	3.36%	3.38%	3.42%	3.44%	3.47%	
State Taxable Income	2,976,010	4,519,053	6,140,485	6,369,350	6,607,010	6,863,308	7,119,896	7,403,287	7,687,600	7,983,080	
Less: Allocation of Fed Tax	-	-	-	-	-	-	-	-	-	-	
Net State Taxable Income	2,976,010	4,519,053	6,140,485	6,369,350	6,607,010	6,863,308	7,119,896	7,403,287	7,687,600	7,983,080	
State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	
State Income Tax	178,561	271,143	368,429	382,161	396,421	411,798	427,194	444,197	461,256	478,985	
State Income Tax Credits	-	(4,000)	(15,667)	(17,000)	(14,333)	(4,333)	(4,333)	(5,000)	(5,000)	(5,334)	
Adjusted State Income Taxes	178,561	267,143	352,762	365,161	382,087	407,466	422,860	439,197	456,256	473,651	\$ 3,745,145
Total State Income Tax	\$ 178,561	\$ 267,143	\$ 352,762	\$ 365,161	\$ 382,087	\$ 407,466	\$ 422,860	\$ 439,197	\$ 456,256	\$ 473,651	\$ 3,745,145

APPENDIX F – WORKERS’ COMPENSATION INSURANCE

AG PROCESSING BUSINESS WORKERS’ COMPENSATION TAX ANALYSIS Bismarck, North Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	17,400	17,400	17,800	17,800	18,200	18,200	18,600	18,600	19,000	19,000	
Taxable Payroll	870,000	1,740,000	2,403,000	2,474,200	2,602,600	2,675,400	2,808,600	2,901,600	3,059,000	3,154,000	
Rate per \$100 of Payroll	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85	
Subtotal	\$ 42,195	\$ 84,390	\$ 116,546	\$ 119,999	\$ 126,226	\$ 129,757	\$ 136,217	\$ 140,728	\$ 148,362	\$ 152,969	\$ 1,197,387
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	17,400	17,400	17,800	17,800	18,200	18,200	18,600	18,600	19,000	19,000	
Payroll	261,000	208,800	213,600	213,600	218,400	236,600	241,800	260,400	266,000	266,000	
Rate per \$100 of Payroll	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	
Subtotal	\$ 809	\$ 647	\$ 662	\$ 662	\$ 677	\$ 733	\$ 750	\$ 807	\$ 825	\$ 825	\$ 7,397
Total	\$ 43,004	\$ 85,037	\$ 117,208	\$ 120,661	\$ 126,903	\$ 130,490	\$ 136,967	\$ 141,535	\$ 149,186	\$ 153,794	\$ 1,204,785

**AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS**

Sioux Falls, South Dakota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	7.96	7.96	7.96	7.96	7.96	7.96	7.96	7.96	7.96	7.96	
Subtotal	\$ 119,400	\$ 238,800	\$ 365,364	\$ 387,475	\$ 410,589	\$ 434,735	\$ 459,966	\$ 489,452	\$ 520,288	\$ 552,540	\$ 3,978,609
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	
Subtotal	\$ 3,038	\$ 2,700	\$ 2,700	\$ 2,781	\$ 2,864	\$ 3,196	\$ 3,292	\$ 3,652	\$ 3,761	\$ 3,874	\$ 31,858
Total	\$ 122,438	\$ 241,500	\$ 368,064	\$ 390,256	\$ 413,453	\$ 437,931	\$ 463,258	\$ 493,104	\$ 524,049	\$ 556,414	\$ 4,010,467

**AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS**

Des Moines, Iowa

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	
Subtotal	\$ 96,150	\$ 192,300	\$ 294,219	\$ 312,025	\$ 330,638	\$ 350,082	\$ 370,400	\$ 394,144	\$ 418,975	\$ 444,947	\$ 3,203,880
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	
Subtotal	\$ 2,565	\$ 2,280	\$ 2,280	\$ 2,348	\$ 2,419	\$ 2,699	\$ 2,780	\$ 3,084	\$ 3,176	\$ 3,271	\$ 26,902
Total	\$ 98,715	\$ 194,580	\$ 296,499	\$ 314,373	\$ 333,056	\$ 352,781	\$ 373,180	\$ 397,228	\$ 422,152	\$ 448,219	\$ 3,230,782

AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS
 Eau Claire, Wisconsin

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.92	
Subtotal	\$ 88,800	\$ 177,600	\$ 271,728	\$ 288,173	\$ 305,363	\$ 323,320	\$ 342,085	\$ 364,015	\$ 386,948	\$ 410,934	\$ 2,958,965
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	
Subtotal	\$ 2,025	\$ 1,800	\$ 1,800	\$ 1,854	\$ 1,910	\$ 2,131	\$ 2,195	\$ 2,434	\$ 2,507	\$ 2,583	\$ 21,239
Total	\$ 90,825	\$ 179,400	\$ 273,528	\$ 290,027	\$ 307,272	\$ 325,451	\$ 344,280	\$ 366,449	\$ 389,455	\$ 413,517	\$ 2,980,204

AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS
 Edina, Minnesota

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	
Subtotal	\$ 98,250	\$ 196,500	\$ 300,645	\$ 318,840	\$ 337,859	\$ 357,728	\$ 378,490	\$ 402,753	\$ 428,126	\$ 454,665	\$ 3,273,855
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	
Subtotal	\$ 2,295	\$ 2,040	\$ 2,040	\$ 2,101	\$ 2,164	\$ 2,415	\$ 2,487	\$ 2,759	\$ 2,842	\$ 2,927	\$ 24,071
Total	\$ 100,545	\$ 198,540	\$ 302,685	\$ 320,941	\$ 340,023	\$ 360,143	\$ 380,977	\$ 405,512	\$ 430,968	\$ 457,592	\$ 3,297,926

**AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS**

Great Falls, Montana

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	6.92	6.92	6.92	6.92	6.92	6.92	6.92	6.92	6.92	6.92	
Subtotal	\$ 103,800	\$ 207,600	\$ 317,628	\$ 336,850	\$ 356,944	\$ 377,935	\$ 399,870	\$ 425,504	\$ 452,310	\$ 480,349	\$ 3,458,791
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	
Subtotal	\$ 3,713	\$ 3,300	\$ 3,300	\$ 3,399	\$ 3,501	\$ 3,906	\$ 4,024	\$ 4,463	\$ 4,597	\$ 4,735	\$ 38,938
Total	\$ 107,513	\$ 210,900	\$ 320,928	\$ 340,249	\$ 360,445	\$ 381,842	\$ 403,894	\$ 429,967	\$ 456,907	\$ 485,084	\$ 3,497,728

**AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS**

Omaha, Nebraska

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	22.75	22.75	22.75	22.75	22.75	22.75	22.75	22.75	22.75	22.75	
Subtotal	\$ 341,250	\$ 682,500	\$ 1,044,225	\$ 1,107,420	\$ 1,173,480	\$ 1,242,489	\$ 1,314,601	\$ 1,398,874	\$ 1,487,003	\$ 1,579,181	\$ 11,371,024
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	
Subtotal	\$ 3,510	\$ 3,120	\$ 3,120	\$ 3,214	\$ 3,310	\$ 3,693	\$ 3,804	\$ 4,220	\$ 4,346	\$ 4,477	\$ 36,814
Total	\$ 344,760	\$ 685,620	\$ 1,047,345	\$ 1,110,634	\$ 1,176,790	\$ 1,246,183	\$ 1,318,406	\$ 1,403,094	\$ 1,491,350	\$ 1,583,658	\$ 11,407,838

AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS
Greeley, Colorado

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	16.40	16.40	16.40	16.40	16.40	16.40	16.40	16.40	16.40	16.40	
Subtotal	\$ 246,000	\$ 492,000	\$ 752,760	\$ 798,316	\$ 845,937	\$ 895,685	\$ 947,669	\$ 1,008,419	\$ 1,071,950	\$ 1,138,399	\$ 8,197,134
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	
Subtotal	\$ 2,565	\$ 2,280	\$ 2,280	\$ 2,348	\$ 2,419	\$ 2,699	\$ 2,780	\$ 3,084	\$ 3,176	\$ 3,271	\$ 26,902
Total	\$ 248,565	\$ 494,280	\$ 755,040	\$ 800,664	\$ 848,356	\$ 898,384	\$ 950,449	\$ 1,011,503	\$ 1,075,126	\$ 1,141,670	\$ 8,224,036

AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS
Chicago, Illinois

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	8.91	8.91	8.91	8.91	8.91	8.91	8.91	8.91	8.91	8.91	
Subtotal	\$ 133,650	\$ 267,300	\$ 408,969	\$ 433,719	\$ 459,591	\$ 486,619	\$ 514,861	\$ 547,867	\$ 582,382	\$ 618,484	\$ 4,453,443
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	
Subtotal	\$ 2,633	\$ 2,340	\$ 2,340	\$ 2,410	\$ 2,483	\$ 2,770	\$ 2,853	\$ 3,165	\$ 3,260	\$ 3,358	\$ 27,610
Total	\$ 136,283	\$ 269,640	\$ 411,309	\$ 436,129	\$ 462,074	\$ 489,389	\$ 517,715	\$ 551,031	\$ 585,642	\$ 621,841	\$ 4,481,053

AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS
San Jose, California

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76	12.76	
Subtotal	\$ 191,400	\$ 382,800	\$ 585,684	\$ 621,129	\$ 658,180	\$ 696,886	\$ 737,333	\$ 784,599	\$ 834,029	\$ 885,730	\$ 6,377,770
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	
Subtotal	\$ 8,100	\$ 7,200	\$ 7,200	\$ 7,416	\$ 7,638	\$ 8,523	\$ 8,779	\$ 9,738	\$ 10,030	\$ 10,331	\$ 84,955
Total	\$ 199,500	\$ 390,000	\$ 592,884	\$ 628,545	\$ 665,819	\$ 705,409	\$ 746,111	\$ 794,337	\$ 844,059	\$ 896,061	\$ 6,462,725

AG PROCESSING BUSINESS
WORKERS' COMPENSATION TAX ANALYSIS
Richmond, Virginia

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
Manufacturing:											
No. of Workers	50	100	135	139	143	147	151	156	161	166	
Payroll Subject to Tax	30,000	30,000	34,000	35,020	36,071	37,153	38,268	39,416	40,598	41,816	
Taxable Payroll	1,500,000	3,000,000	4,590,000	4,867,780	5,158,153	5,461,491	5,778,468	6,148,896	6,536,278	6,941,456	
Rate per \$100 of Payroll	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	
Subtotal	\$ 85,800	\$ 171,600	\$ 262,548	\$ 278,437	\$ 295,046	\$ 312,397	\$ 330,528	\$ 351,717	\$ 373,875	\$ 397,051	\$ 2,859,000
Clerical:											
No. of Workers	15	12	12	12	12	13	13	14	14	14	
Payroll Subject to Tax	45,000	50,000	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	
Payroll	675,000	600,000	600,000	618,000	636,540	710,268	731,575	811,482	835,828	860,902	
Rate per \$100 of Payroll	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	
Subtotal	\$ 1,215	\$ 1,080	\$ 1,080	\$ 1,112	\$ 1,146	\$ 1,278	\$ 1,317	\$ 1,461	\$ 1,504	\$ 1,550	\$ 12,743
Total	\$ 87,015	\$ 172,680	\$ 263,628	\$ 279,549	\$ 296,192	\$ 313,676	\$ 331,845	\$ 353,178	\$ 375,380	\$ 398,601	\$ 2,871,744