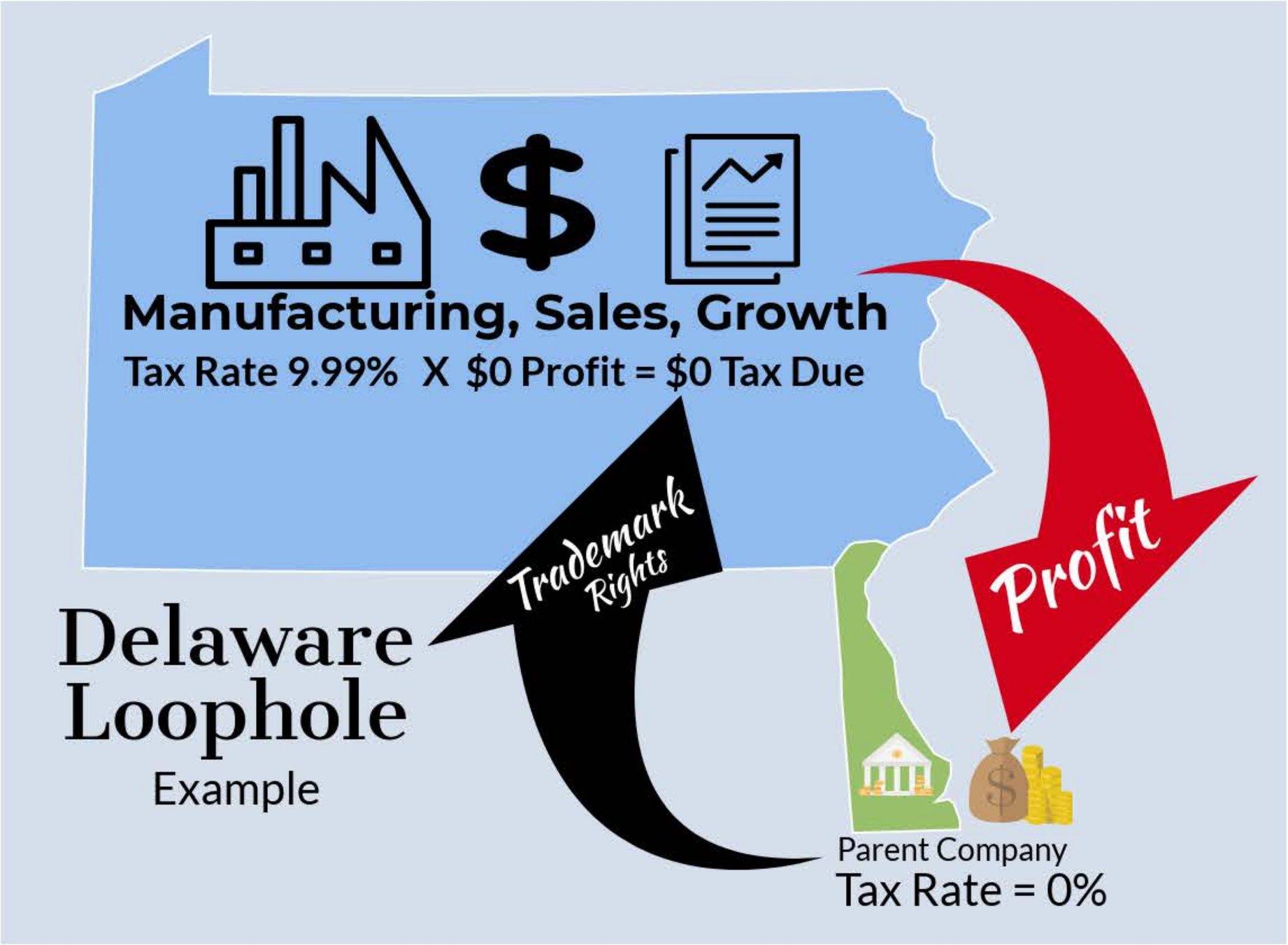
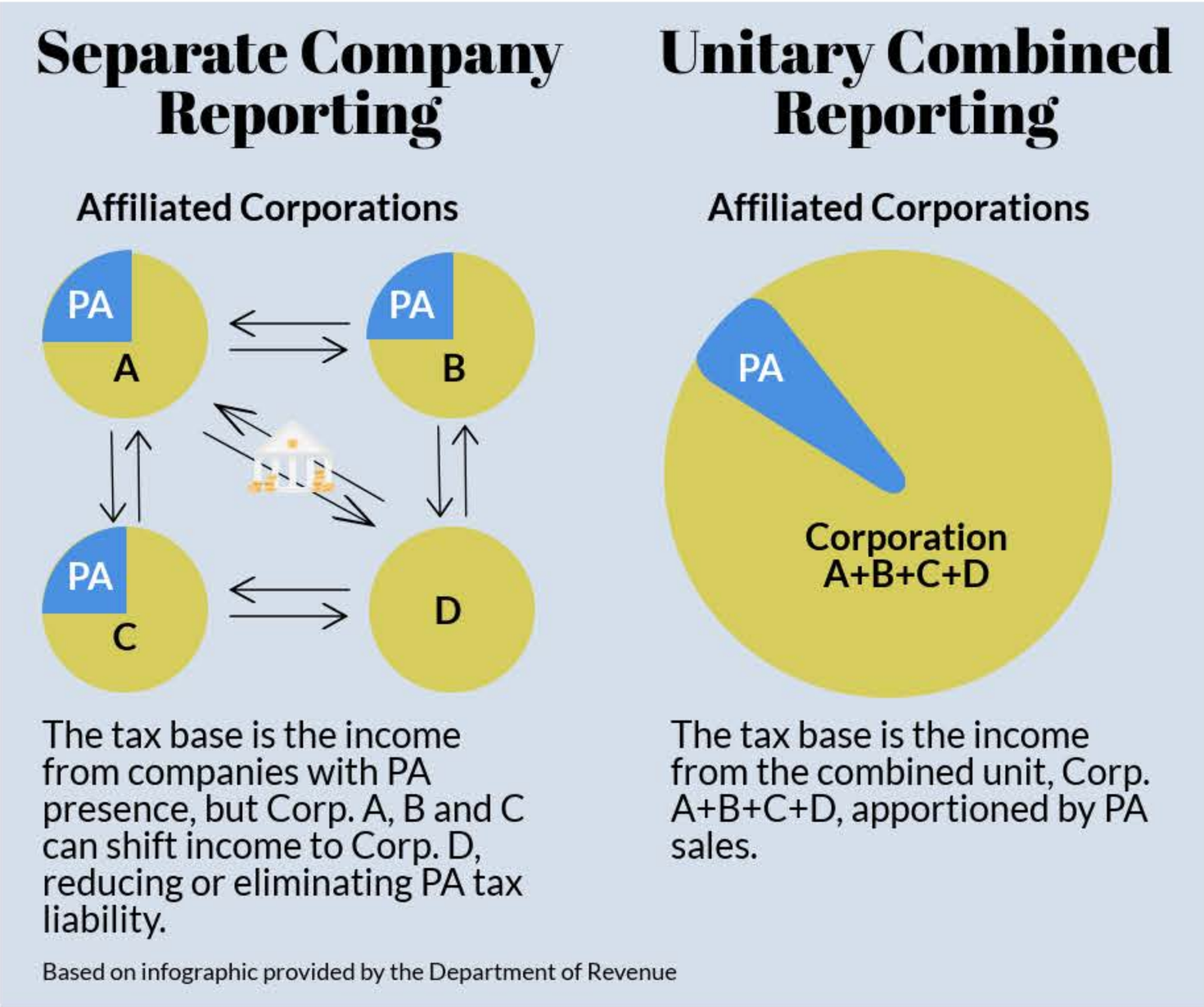

Manufacturing, Sales, Growth
Tax Rate 9.99% X $0 Profit = $0 Tax Due
Trademark Rights
Profit
Delaware Loophole
Example
Parent Company
Tax Rate = 0%


Separate Company Reporting
Affiliated Corporations
PA
A
PA
B
PA
C
D
The tax base is the income from companies with PA presence, but Corp. A, B and C can shift income to Corp. D, reducing or eliminating PA tax liability.
Unitary Combined Reporting
Affiliated Corporations
PA
Corporation A+B+C+D
The tax base is the income from the combined unit, Corp. A+B+C+D, apportioned by PA sales.
Based on infographic provided by the Department of Revenue